

NBER WORKING PAPER SERIES

DUNNING DELINQUENT DADS:  
THE EFFECTS OF CHILD SUPPORT  
ENFORCEMENT POLICY ON CHILD  
SUPPORT RECEIPT BY NEVER  
MARRIED WOMEN

Richard B. Freeman  
Jane Waldfogel

Working Paper 6664  
<http://www.nber.org/papers/w6664>

NATIONAL BUREAU OF ECONOMIC RESEARCH  
1050 Massachusetts Avenue  
Cambridge, MA 02138  
July 1998

An earlier version of this paper was presented at the Association of Public Policy and Management conference in Washington, D.C. in November 1997. We would like to thank Mark Turner and other participants at the conference for helpful comments. We are grateful to Wen-Jui Han for excellent research assistance. We are also grateful to Anne Case for providing us with political variables and to Irv Garfinkel for providing us with child support legislative variables. Any opinions expressed are those of the author and not those of the National Bureau of Economic Research.

© 1998 by Richard B. Freeman and Jane Waldfogel. All rights reserved. Short sections of text, not to exceed two paragraphs, may be quoted without explicit permission provided that full credit, including © notice, is given to the source.

Dunning Delinquent Dads: The Effects of  
Child Support Enforcement Policy on Child  
Support Receipt by Never Married Women  
Richard B. Freeman and Jane Waldfogel  
NBER Working Paper No. 6664  
July 1998

### ABSTRACT

Since the mid-1970s, the number of single-parent families has increased greatly in the U.S., contributing to the nation's child poverty problem. In response, the federal government and various states have tried to increase child support payments from non-custodial parents. Using data from administrative records and from the child support modules in the Survey of Income Program and Participation (SIPP) and the April and March Current Population Surveys (CPS), we find that the proportion of never married mothers receiving child support rose sharply in the 1980s and 1990s, with the largest increases in states where child support payment were particularly modest. Using within-state variation over time to determine the effect of policy on child support payments, we estimate that increased government expenditures on child support policies are responsible for about one fifth of the upward trend. Our results show that child support expenditures and tougher child support legislation policies work best in tandem. States that both increased expenditures and adopted tougher laws experienced the largest increase in the proportion of never married mothers receiving support.

Richard B. Freeman  
Department of Economics  
Harvard University  
Cambridge, MA 02138  
and NBER  
freeman@nber.org

Jane Waldfogel  
School of Social Work  
809 McVickar Hall  
Columbia University  
New York, NY 10027  
jw205@columbia.edu

Since the mid-1970s, the U.S. government has tried to increase child support payments from non-custodial parents. In 1975, Congress passed Title IV-D of the Social Security Act, providing matching federal funds for state efforts to collect child support for children receiving AFDC. The goal was to save on the welfare budget and to make absent fathers responsible for their actions. The Child Support Amendments of 1984 extended federal reimbursement to states that tried to increase child support for children whose families were not on AFDC as well and provided additional incentives for states to participate in child support enforcement. The 1984 Amendments, and the 1988 Family Support Act, also required states to pass specific laws to receive federal funding. As a result, the states and the federal government have greatly increased the money they spend on child support enforcement over the past few decades; and states have passed new laws aimed at increasing collections from absent fathers.

How successful have these efforts been? Have the increased expenditures and the new state laws been effective in raising money from delinquent dads? Has the national child support (CS) enforcement effort done much, if anything, for families headed by never married mothers, who constitute an increasingly large share of lone mothers and who are far more likely than other lone mothers to be poor and to rely on welfare payments?

To answer these questions, we combine data from five sources: administrative records on state expenditures from the annual reports of the Office of Child Support Enforcement (OCSE), U.S. Department of Health and Human Services; administrative data on state legislation from tracking reports by the National Conference of State Legislatures (NCSL)

and OCSE; information from child support modules in the 1986, 1991, and 1993 Survey of Income Program and Participation (SIPP); information from the April Current Population Surveys (CPS) for various years between 1978 and 1991; and data on child support income from the March Current Population Surveys (CPS) from 1977-1996. None of these data sources are perfect,<sup>1</sup> but together, the five sources provide a consistent picture of the 1970s-1990s increased national effort to raise child support from absent fathers and of the effects of those policies on child support payments. Using these data, we find that the proportion of *never married mothers* receiving child support payments rose sharply, in part due to the greater national effort to dun delinquent dads. The increase in the proportion of never married mothers receiving support contrasts to the rough constancy in the proportion of *all* absent-father families receiving child support that has led many observers to view the policies as ineffective. The reason for constancy in the overall rate of child support receipt is compositional: an increased proportion of absent-father families come from the group for which child support payments are particularly low -- the never married. We find that expenditures on child support had a positive impact on the receipt of child support among never married women and that the largest gains in support were in states that increased their expenditures **and** toughened their child support laws. This in turn suggests an important complementarity between funding and stronger laws in child support policy: stronger laws work best with increased funding and conversely.

### **The Child Support Problem**

The United States has a major child support problem because an increasing proportion

of children live in lone-mother families. The proportion of children in mother-only homes has trended upwards since 1970, bringing the figure to 24 percent in 1996 -- a proportion comparable to that for blacks that so upset Daniel Patrick Moynihan in the mid-1960s (Moynihan, 1965). By the mid-1990s, over half of black children were living in mother-only homes (US Bureau of the Census, Statistical Abstract 1997, Table 81). An increasing share of children in mother-only families live, moreover, with mothers who have **never** been married. In 1994, 39 percent of lone mothers had never been married, more than double the 17 percent rate in 1980, while among blacks, 59 percent of lone mothers had never been married, up from 34 percent in 1980.<sup>2</sup>

The rising rate of mother-only families, especially those headed by never married women, is intrinsically related to the US's poverty problem. Over half of children living in poverty are in single-mother homes.<sup>3</sup> A significant proportion of mother-only families rely on the state for financial support. In 1994 more than a third of all mother-only families (3.3 million) were on AFDC, SSI, or general assistance for at least one month. Most of these and many other mother-only families received food stamps or medicaid. While approximately 60 percent of absent-father families have a child support award; only 35-38 percent receive any payments; and only a quarter of mother-only families receive the full payment on the award.<sup>4</sup>

To what extent is child support associated with lower poverty rates and AFDC usage among absent-father families? Table 1 uses the 1991 Survey of Income and Program Participation (SIPP) to examine the link between payment of child support and rates of

Table 1  
Sources of Support for Families with Absent Fathers in 1991

Families Receiving Full Child Support	Percentage in Poverty	Percentage on AFDC
Total (N=348, 26.3% of absent-father families)	13.2%	7.5%
Working mothers (N=262, 19.8%)	9.2%	1.5%
Not working mothers (N=86, 6.5%)	37.2%	25.6%
<b>Families Receiving Partial Child Support</b>		
Total (N=236, 17.8%)	26.1%	15.0%
Working mothers (N=171, 12.9%)	12.3%	3.0%
Not working mothers (N=65, 4.9%)	61.5%	46.0%
<b>Families Receiving No Child Support</b>		
Total (N=741, 55.9%)	40.6%	34.2%
Working mothers (N=392, 29.6%)	16.3%	5.4%
Not working mothers (N=349, 26.3%)	68.0%	66.6%

Source: SIPP Child Support Module, 1991.

poverty and AFDC dependence.<sup>5</sup> It records child poverty rates and AFDC dependency rates for families with absent fathers according to whether mothers work and whether fathers pay child support. The table shows that child support substantially reduces poverty and AFDC dependency. Among families where the mother does not work, full child support is associated with a 31 percentage point lower rate of poverty compared to families with no child support (68%-37%); and a 41 point lower rate of being on AFDC (67%-26%). Among families where mothers work, the pattern is the same but the magnitude is much less, because the rates of poverty and AFDC dependence are less.

To be sure, the contrasts in Table 1 do not imply that enforcing child support for all fathers would produce comparable drops in AFDC or poverty. Absent fathers who pay child support are likely to have higher incomes than those who do not. Sorensen and Wheaton (1994, Table 2) estimate that even if all custodial mothers had child support awards and received full child support, poverty among mother-only families would fall by just 3 percentage points while the state would save 20 percent of AFDC spending. The modest reduction in poverty is due to the fact that the average award was about \$3,000 in 1989 and that most additional child support goes to the non-poor. Still, the table shows that **full** child support can contribute substantially to the income of absent-father families -- albeit not as much as the mother working.

### **Government Efforts to Increase Child Support Payments**

Federal legislation has been a significant factor impelling states to step up their child support enforcement. The key federal laws, summarized in Table 2, are: Title IV-D of the

Table 2  
Overview of Major Changes in Federal Laws Affecting Child Support Enforcement

- 1975      New Title IV-D of the Social Security Act (PL 93-647) provides federal matching funds for child support enforcement for AFDC cases.
- 1980      Title IV-D amended (PL 96-272) to provide incentive payments for non-AFDC cases as well.
- 1984      The Child Support Amendments of 1984 (PL 98-378) included several measures to strengthen child support enforcement, such as: requiring states to implement mandatory wage withholding for delinquent cases; increasing incentive payments for non-AFDC cases and requiring states to provide child support enforcement services for non-AFDC families; extending incentive payments to interstate enforcement cases, to encourage states to pursue absent parents out of state; and requiring states to pass along the first \$50 collected on AFDC cases to the family, effective October 1, 1985.
- 1988      The Family Support Act of 1988 (PL 100-485) contained several provisions to strengthen enforcement on AFDC cases, including: standards for paternity establishment by the states; encouragement for states to adopt non-criminal procedures for establishing paternity; and reimbursement of paternity testing costs. The Family Support Act also required immediate wage withholding for all new or modified orders being enforced by the states beginning in November 1990 (prior to this, only 2 states used wage withholding on non-delinquent cases).
- 1996      The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PL 104-193) strengthens child support enforcement by requiring states to expand their efforts in the areas of income withholding, paternity establishment, enforcement of orders, and the use of automated central registries. However, the Act also discontinues federal funding for the \$50 pass-through to AFDC families for whom child support payments are being made, although states may elect to continue making the \$50 per month payments using state funds.

Source: 1996 Green Book.



Social Security Act, passed in 1975; the Child Support Amendments of 1984; the Family Support Act of 1988; and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The laws passed in the 1970s and 1980s provided financial incentives for states to strengthen their child support enforcement efforts; they also required states to pass specific laws in the areas of wage withholding, paternity establishment, and so on. The federal welfare reform legislation of 1996 also included several measures to strengthen child support enforcement. However, by discontinuing federal funding for the "pass-through" payments to families on welfare for whom support is being collected, this law reduced incentives for women to cooperate in identifying or finding the absent father.

State efforts have targeted four stages in the process of dunning delinquent dads:

1. *Establishing paternity.* This is a major issue for children born out of wedlock, and thus for the never married. In 1992, paternity was not established for roughly two-thirds of the nearly 1.2 million births to unmarried women; and some 3.1 million children in total had no legal father (U.S. Department of Health and Human Services, Seventeenth Annual Report, p. 11). The percentage of children born out of wedlock for whom paternity is established varies greatly among states. Over the 1989-1992 period it ranged from 3 percent in the District of Columbia to 87 percent in West Virginia. The 1988 Family Support Act required states to increase the proportion of out-of-wedlock births for which paternity is established. By FY 1993 state governments on average were establishing paternity for 16 percent of the cases that needed paternity established. The number of paternities established by CS enforcement offices increased from 307,135 in 1988 to 554,205 in 1993.

2. *Obtaining a support order.* Some single parent families make arrangements for informal child support, but about two-thirds of those who obtain support do so through formal court or CS agency arrangements. The federal government requires states to establish child support guidelines and use them in setting support orders. CS agencies established over one million orders in 1993 and enforced or modified over five million orders.

3. *Locating the absent father.* Locating the absent father is important in obtaining a support order and in enforcing one. In FY 1993 states allocated 15 percent of their budgets to finding absent parents and determining their incomes or assets. As of FY 1993, CSE agencies had located nearly 4.5 million absent parents. Many absent fathers are not, however, in the work force. They are incarcerated. The 1991 Prison Inmates survey found that male inmates had more than 770,000 children under the age of eighteen. Fifty-six percent of inmates had children (U.S Department of Justice). Assuming men in jail have a similar rate of parentage, approximately 840,000 absent fathers are incarcerated. This is roughly 10 percent of all absent fathers! As prison and jail populations have increased since 1991, at this writing (1998), approximately 1 million absent fathers are in prison or jail.

4. *Collecting money.* In 1993 the Child Support Enforcement program collected 8.9 billion dollars, of which nearly three-quarters was from non-AFDC families. Detailed spending data from OCSE, available for the period 1984-1992, show that expenditures for non-AFDC families increased more rapidly than for AFDC families, possibly reflecting the 1984 Child Support Amendments, which mandated that state CS agencies provide collection services for non-AFDC families. The amount of money expended on enforcement for AFDC

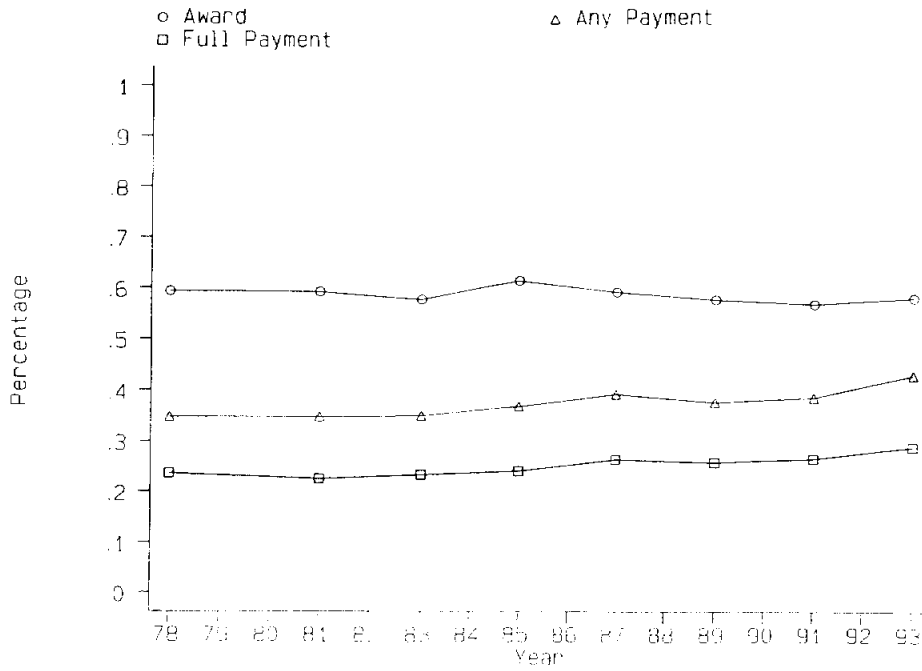
cases doubled from 1984 to 1992, from about \$11 million to about \$22 million. Over the same period, expenditures on non-AFDC enforcement increased more than fivefold, from \$3 million to \$16.5 million. As a result, the share of funds spent on AFDC cases fell from 78 percent in 1984 to 57 percent in 1992.

Withholding of wages has become a major tool for collecting child support moneys. Initially, withholding was limited to delinquent dads (delinquent withholding), but the Family Support Act of 1988 required immediate withholding on all new and modified child support orders in AFDC cases, with the requirement phased in for non-AFDC cases. In FY 1993, over half of the money collected by CS agencies took the form of wage withholding; another 16 percent consisted of withholding of taxes, unemployment insurance, etc. Only 38 percent of payments were "routine payments" from the absent father to the family or CS agency. By contrast, in 1985 routine payments constituted nearly all of the total. Over that period, the amount paid through wage withholding increased from 0.3 billion dollars to 4.7 billion dollars.

### **The Puzzle: Increased Effort but Stable Proportions of Support**

The administrative data show CS enforcement efforts increasing over time and bearing some fruit. There are more support orders, more money collected, more wage withholding than in the early 1980s. These data suggest that more and more absent-father families should be receiving support from the absent parent. But neither the SIPP nor CPS data in Figure 1 show any clear trend in the support given by non-custodial fathers to their children. The percentage of absent-father families with child support awards dips modestly

Figure 1  
Child Support Award and Payment Rates for Absent-Father Families, 1978-1993  
(Data from the CPS Child Support Modules, Various Years, and the SIPP Child Support Module, 1993)



while the percentage with awards and any payment or with full payment rises modestly.

What explains this puzzling picture? Has the sizeable increase in administrative child support effort born no fruit or are the aggregate figures misleading? Is the national effort to increase child support payments effective or ineffective policy?

One important reason why the administrative and survey data give contradictory pictures is the shifting composition of absent-father families.<sup>6</sup> The proportion of absent-father homes headed by never married women, who typically have the lowest rates of child support receipt, has trended upward. All else the same, this tends to reduce the proportion of absent-father families receiving child support. Disaggregating families by type of absent-father family, we find sizeable improvements in the rate of child support receipt for never-married mothers and smaller increases for some other groups as well. Table 3 presents data from the April CPS and SIPP child support modules on child support receipt for women overall and for women by marital status that support this claim. Since 1979 the April CPS has included questions on child support receipt in the prior year every two to three years; April CPS data are available for child support receipt in 1978, 1981, 1983, 1985, 1987, 1989, and 1991. The SIPP began administering a child support module in 1986, with the most recently released data from 1993. We use data from the SIPP for 1986, 1991, and 1993.<sup>7</sup> Prior to 1991 neither the CPS nor the SIPP child support modules include women who had a child when they were never married and then married someone other than the child's father. For consistency over time, we have eliminated those persons from the 1991 CPS and 1991 and 1993 SIPP data, as well.

Table 3  
 Non-Custodial Fathers' Contribution to Families with Children, by Custodial Mothers' Marital Status, 1978-1993

	1978 CPS	1981 CPS	1983 CPS	1985 CPS	1986 SIPP	1987 CPS	1989 CPS	1991 CPS	1991 SIPP	1993 SIPP
All Absent Father Families	N = 7027	N = 8322	N = 8638	N = 8742	N = 1297	N = 9350	N = 9889	N = 9098	N = 1200	N = 3675
a. Child support award	59.3	59.2	57.7	61.2	60.3	59.0	57.6	56.7	58.0	57.9
b. Award & any payment	34.8	34.8	35.0	36.8	45.0	39.1	37.4	38.3	39.0	42.7
c. Award & full payment	23.6	22.5	23.3	24.0	24.6	26.3	25.6	26.3	28.1	28.7
Never Married Women	N = 1374 (19.6%)	N = 1708 (20.5%)	N = 1854 (21.5%)	N = 2009 (23.0%)	N = 297 (22.9%)	N = 2625 (28.1%)	N = 2950 (29.8%)	N = 2565 (33.6%)	N = 319 (33.2%)	N = 954 (30.6%)
a. Child support award	10.6	14.3	17.7	18.4	20.7	19.7	23.9	27.0	27.9	32.5
b. Award & any payment	6.3	6.6	9.0	11.5	15.8	13.6	14.5	16.8	16.0	23.9
c. Award & full payment	(na)	(na)	5.8	7.1	5.4	(na)	(na)	9.7	9.4	14.3
Previously Married Women	N = 5653 (80.4%)	N = 6614 (79.5%)	N = 6784 (78.5%)	N = 6733 (77.0%)	N = 1000 (77.1%)	N = 6725 (71.9%)	N = 6939 (70.2%)	N = 6533 (66.4%)	N = 881 (66.8%)	N = 2721 (69.4%)
a. Child support award	71.1	70.8	68.5	74.0	72.0	74.3	72.0	68.4	68.9	66.8
b. Award & any payment	41.7	42.0	42.1	44.4	53.7	49.1	47.1	46.7	47.3	49.3
c. Award & full payment	(na)	(na)	28.1	29.1	30.3	(na)	(na)	32.5	34.8	33.7

Notes: Source for 1978, 1981, 1983, 1985, 1987, 1989, and 1991 CPS is the CPS-Child Support Supplement from April of the following year. Source for 1986, 1991, and 1993 SIPP is the SIPP-Child Support Module. Women who had a child when they were never married and then married someone other than the child's father are not included in this table because they were not included in the child support modules until 1991. Previously married includes divorced, separated, and remarried women.

Table 3 shows that from 1978 to 1993, the share of lone mothers who were never married rose from 19.6 percent to 30.6 percent. But it also shows sizeable gains in the proportion of these women gaining child support. From 1978 to 1993, the share with awards rose from 10.6 percent to 32.5 percent; the share with any payment rose from 6.3 percent to 23.9 percent over the same period; and the share with full payments rose from 5.8 percent in 1983 to 14.3 percent a decade later. These patterns contrast to the stability or modest change in the figures for all absent-father families with children and for the families headed by previously married women.

That the largest gains in child support were for never married women makes sense since federal effort has focussed largely on the AFDC population. Many divorced women used a private and court-based child support enforcement system before the government got involved. Among divorced women, public child support enforcement may simply have shifted collection activity from the private and judicial arenas into the offices of child support enforcement. This could account for the fact that offices of child support enforcement report large increases in child support receipts for non-AFDC mothers while divorced lone mothers report little or no gains.

The within-group gains for never married mothers are hidden in the aggregate data because the composition of absent-father families was shifting to include more never married women. Multiplying the 11 percentage point increase in the never married share of absent-father families by the 60.5 percentage point difference in the percentage of never married mothers with child support awards and the percentage of ever married mothers with child

support awards in 1978 (10.6%-71.1%), we estimate that the increased proportion of never married mothers reduced the proportion with awards by 6.7 percentage points -- compared to an actual drop of 1.4 percentage points.<sup>8</sup>

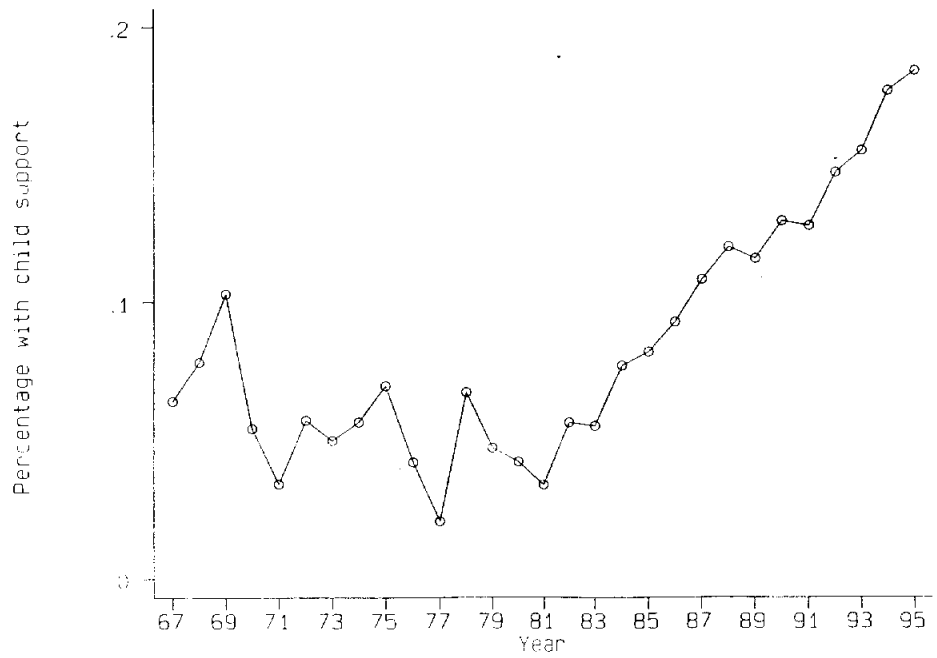
The March Current Population Survey (CPS) provides an alternative source of data on never married women's receipt of child support from 1967 to 1995. During March, the CPS asks detailed demographic questions. These data allow us to identify never married mothers (although we cannot identify the full population of mothers heading absent-father families, as in the April CPS). The March CPS also includes questions about the sources of household income in the prior year. We use the question about receipt of child support or alimony to determine whether a woman received child support or alimony in the prior year. The results, summarized in Figure 2, show that the receipt of child support by never married women fluctuated prior to 1977 but trended upwards from 1977 on. Between 1977 and 1995 the share of never married women receiving child support rises from 2 percent to 18 percent.

### **Why Has Child Support Increased for Never Married Women?**

Given that national and state governments have tried to increase child support, the most natural answer to this question is that the increase in support is due, at least in part, to governmental effort.<sup>9</sup> Such effort might take the form of increased expenditures on child support enforcement, or the enactment of child support legislation. Prior research using the April CPS child support module files and one study using the March CPS provide mixed support for this hypothesis, with increased expenditures found to have a positive effect on some aspects of support but not on others, and with some state legislative policies having



Figure 2  
Percentage of Never Married Women Receiving Child Support, 1967-1995  
(Data from March CPS, 1968-1996)



stata

positive effects while others had no effect or even a negative effect.<sup>10</sup> One problem with these studies is that they introduce different policies as separate variables, which are difficult to isolate given the limited variation of policies over time across states. We try to deal with the problem by forming a latent variable measure of policies. Another problem is that these studies treat expenditures and policies as independent determinants of outcomes, ignoring their potential interactions. Changing policies without changing budgets may have little effect on outcomes, as child support agencies shift resources among activities; while changing budgets may be more effective in conjunction with new policies. We deal with this problem by examining the interaction of expenditures and policies on outcomes.

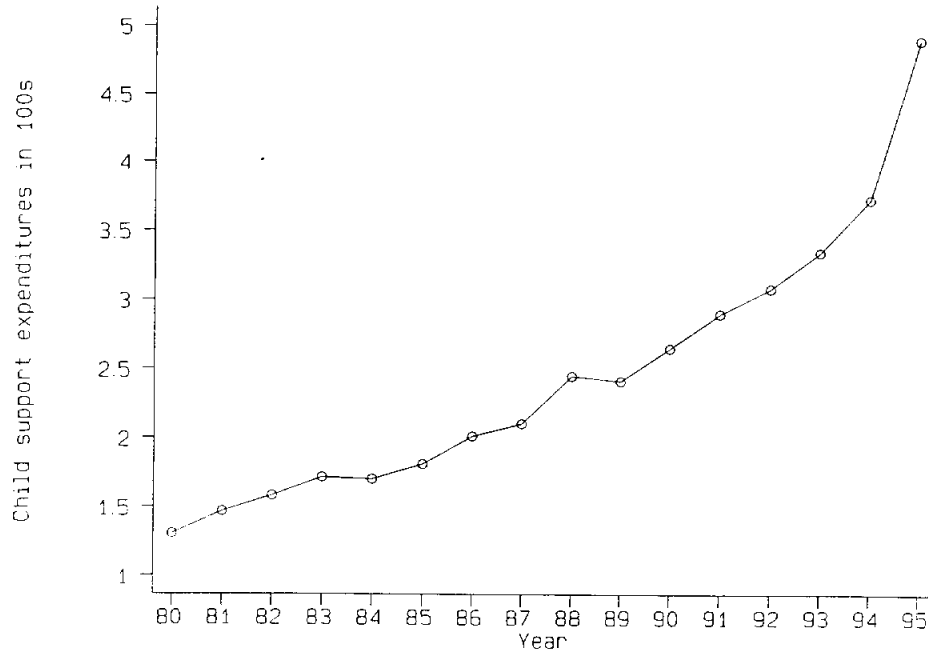
#### *Estimating the Effect of Child Support Expenditures*

We use the March CPS to test the effect of state child support spending on never married mothers, using a time series/cross state econometric model. Figure 3 shows the patterns in the receipt of child support by never married women in terms of the percentage receiving awards and the coefficient of variation in the percentage receiving awards across states. From 1980 to 1995, child support receipt rose 450 percent (from .04 to .22) while the coefficient of variation of receipt fell by 74 percent (from 1.75 to .45). These data represent the time series and cross state variation in our outcome variable. Figure 3 also records our measure of the average constant 1966 dollar value of child support enforcement expenditures over time and by state per absent-father family. The expenditure data are taken from the annual reports of the OCSE;<sup>11</sup> the number of absent-father families is obtained from the Census of Population of 1980 and 1990 and interpolated between Census years.<sup>12</sup>

Figure 3

A. Trends in State Child Support Expenditures per Absent-Father Family, 1980-1995  
(Data from OCSE Annual Reports, amounts in 100s of constant 1996 dollars)

Mean state expenditures



Coefficient of variation of expenditures

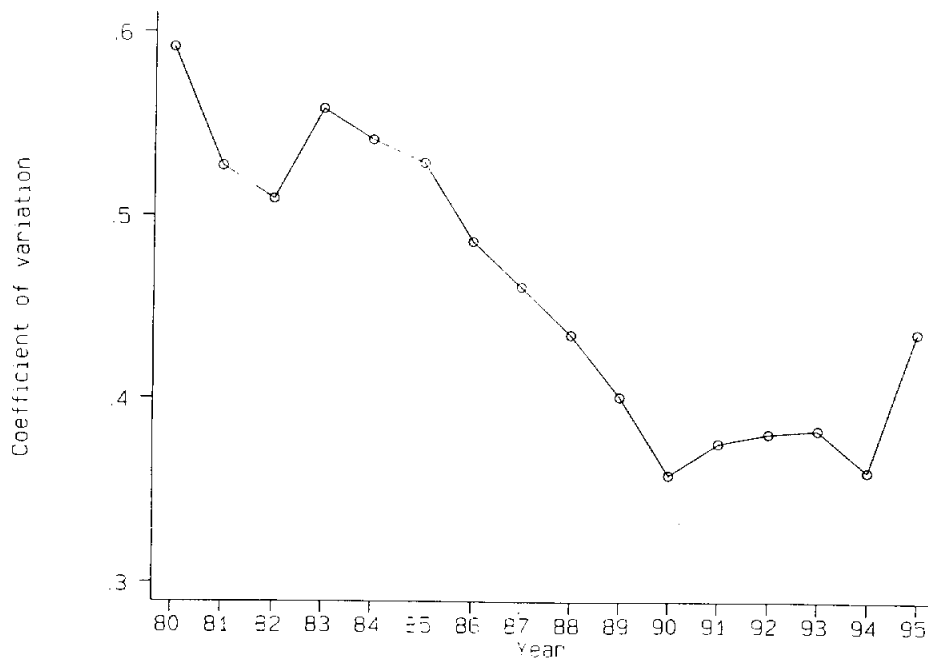
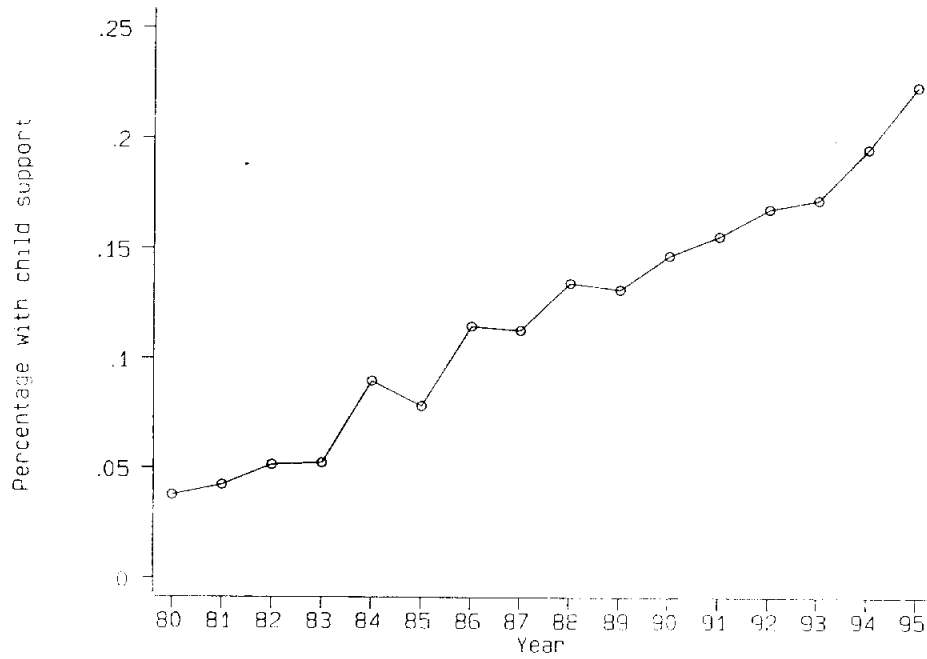
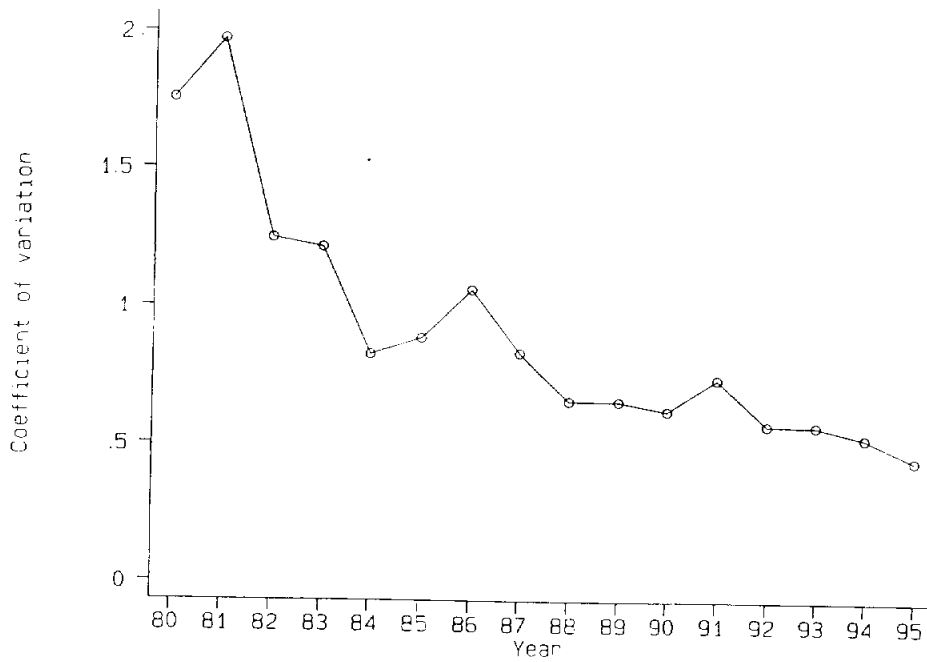


Figure 3  
B. Trends in the States' Rates of Never Married Women Receiving Child Support, 1980-1995  
(Data from March CPS, 1981-1996)

Mean rate of child support receipt



Coefficient of variation of child support receipt



The figure shows that states' expenditures per absent-father family rose sharply, from \$131 in 1980 to \$418 in 1995 in constant 1996 dollars while the coefficient of variation in state spending fell by about 27 percent (from .59 to .43), particularly after the 1984 Child Support Amendments, through which the federal government required states to undertake new efforts to obtain support moneys along various dimensions.

The trends and cross-state variation in the proportion of never married families receiving child support and in expenditures per absent-father family are sufficiently well aligned to suggest some linkage. Both spending and receipt of child support rise sharply beginning in the mid-1980s and the variation across states in both fall sharply over the same period. In fact, a simple regression of the national rate of child support receipt on national expenditures on child support per absent-father family gives a coefficient on expenditures of .0269 with a standard error of .0024, and the  $R^2$  is .14. While crude, this provides a base starting point for our analysis.

To provide a more valid test of the "policy effort" hypothesis we examine the interrelation between cross-state and time series variation in our data on expenditures and on the receipt of child support. Here, we regress the dummy variable, whether or not a never married woman received child support, on various characteristics of the woman (age, education, African-American, Hispanic, and number of children), on child support expenditures per absent-father family in her state, and on vectors of state dummies and year dummies. By including dummy variables for state and year in our regressions, we eliminate both state and year effects, and thus obtain information solely from within state changes in

expenditures over time. For ease of presentation, the table records linear probability estimates; estimates using the logistic form tell the same story as in the table. Column 1 of Table 4 shows that, absent the state and year dummies, we nearly replicate our national time series regression with a coefficient of .0206 on the state's child support enforcement expenditures per absent-father family.<sup>13</sup> Column 2 shows that the addition of state controls increases the estimated effect of expenditures to .0381. But column 3 gives a very different result with the addition of year dummies: with so few years and an upward trend in spending and in child support receipts, the time series variation is soaked up by the year dummies, and we get effectively no expenditure effect. But the most appropriate way to assess the effect of policies is to include both year and state dummies in the regression. This exploits the variation across states in annual levels of expenditures and child support receipts to estimate the effect of spending on those receipts. The 0.0101 coefficient on expenditures in column 5 is our best estimate of the effect of policy. It is not a huge coefficient, but it does imply that a \$100 increase in expenditures on child support policy per absent-father family would raise the proportion of never married families receiving support by about 1 percentage point.<sup>14</sup> Column 5 breaks out expenditures per absent-father family into two component parts: the number of cases per family, which measures the reach of the child support enforcement system; and the mean expenditure per case, which measures the intensity of effort (but also perhaps the difficulty) per case. Both the reach of the system and expenditures per case seem to raise child support receipt among never married women. The larger coefficient on cases per family suggests that reaching out to more cases may be particularly effective.

Table 4  
 Effect of Child Support Enforcement Expenditures  
 on the Receipt of Child Support by Never Married Women,  
 1980-1995

	(1) OLS	(2) OLS	(3) OLS	(4) OLS	(5) OLS
Mean expenditure per absent-father family (in 100s of 1996 dollars)	.0206 (.0044)	.0381 (.0033)	.0039 (.0050)	.0101 (.0045)	
Mean CS enforcement case per absent-father family					.0094 (.0083)
Mean expenditure per case (in 100s of 1996 dollars)					.0055 (.0042)
State dummies?	No	Yes	No	Yes	Yes
Year dummies?	No	No	Yes	Yes	Yes
Adj. R <sup>2</sup>	.0281	.0490	.0369	.0530	.0528
Obs	24,582	24,582	24,582	24,582	24,582

Notes: All models in columns are OLS estimates, controlling for age, education, black, hispanic, and number of children, with robust standard errors corrected for clustered sampling. The dependent variable is child support receipt in calendar years 1980-1995, as reported in the March CPS for the following year. State expenditure variables are also for calendar years 1980-1995.

Note, however, that the estimated impacts of child support expenditures on child support received by never married lone mothers may understate substantially the effect of increased expenditures **focussed on them**. This is because our measure of expenditures includes dollars spent on all families with absent fathers. A rising proportion of child support expenditures goes for non-AFDC cases, many of whom are previously married women, and some of the AFDC expenditures are for previously married women as well. In 1992, 43 percent of expenditures were for non-AFDC cases. By contrast, in 1984 (the earliest year for which OCSE provides this breakdown), this percentage was much lower -- 22 percent. If we could isolate the dollars spent solely on the never married mothers, the estimated coefficient on expenditures would presumably be bigger than that estimated here.<sup>15</sup>

Another possible problem in the column 1-5 estimates in Table 4 is that expenditures on child support receipts may themselves respond to the receipt of child support. If states increase their expenditures on child support enforcement when child support receipts are declining, our estimate of the effect of expenditures on receipts may be too low. On the other hand, if states increase expenditures when receipts are rising, our estimate may be too high. Although the former case seems more likely, we lack suitable instruments to assess the direction of the bias.<sup>16</sup>

Given our estimates of the effect of expenditures on child support receipt among never married women, how much of the observed rise in support is attributable to policy? From 1980 to 1995, mean expenditures per absent-father family rose about \$276 (from \$142



to \$418). Multiplying the increase in expenditures by the coefficient in model 4 gives a predicted increase in receipt of 2.8 percentage points. Since actual receipt increased by 14.1 percentage points over the period, this suggests that expenditures accounted for 20 percent of the increase over the period. This is a conservative estimate of the effect of expenditures focussed on the never married women, since the coefficient on expenditures is probably an underestimate due to our inability to isolate the dollars spent on enforcement for never married mothers and the possible endogeneity of expenditures and child support receipts.

In their effort to get non-custodial parents to contribute more to their children's upkeep, states did more than simply increase spending. Partly under federal pressure, the states have passed various laws related to child support enforcement that might arguably increase the effectiveness of any given expenditure. We examine next the effect of these legislative initiatives.

#### *Estimating the Effect of Child Support Legislation*

Appendix Table 1 lists thirteen different types of child support legislation and shows how many states had enacted each one from 1974 to 1988.<sup>17</sup> Rather than trying to estimate the effect of individual laws (which has yielded disparate results in other studies) we form a single latent variable state child support legislation (CSL) index. Our CSL index is an item response index by state and year, transformed from a summated rating into a logistic scale using the Rasch model that educational psychologists use to evaluate educational tests.<sup>18</sup> The key assumption of this model, supported in our data, is that the individual items (laws) fall along a single dimensional scale and that states with the most laws have the most

advanced laws, including the least common ones, while states with the fewest laws ought to have only those that are most common.

Figure 4 shows that the CSL index has risen steadily since 1974, with a particularly marked increase after 1984, following the passage of the Child Support Amendments of that year. In 1974, the average state had passed none or only one of the thirteen laws and the mean value of the index was -3.29; by 1988, the average state had passed eight or nine laws and the CSL index was .81.

In Table 5, we show the results of models in which child support receipt by never married women is regressed on demographic characteristics (age, education, race, ethnicity, total number of children) and the CSL index and expenditure per absent-father family. Our analysis here is limited to the 1980 to 1988 period because we have data on both variables over this period. Because the index relates to the date that a law was passed by a state, not the date that it became fully effective, and since laws may take a year or two to come into effect, we lag the value of the index two years.<sup>19</sup> Absent time and state dummy variables, the CSL index has a strong effect on the receipt of child support, and the expenditure variable is positive although not statistically significant. However, when we add state and year effects in column 2, the coefficient on CSL drops markedly, and both the CSL and expenditure variables are imprecisely estimated.

But if all a state does is enact a law requiring the child support agency to undertake new activities, it is not obvious whether those activities will necessarily increase the proportion of never married mothers receiving support. The law could have adverse effects

Figure 4  
State Child Support Legislation (CSL) Index, 1974-1988

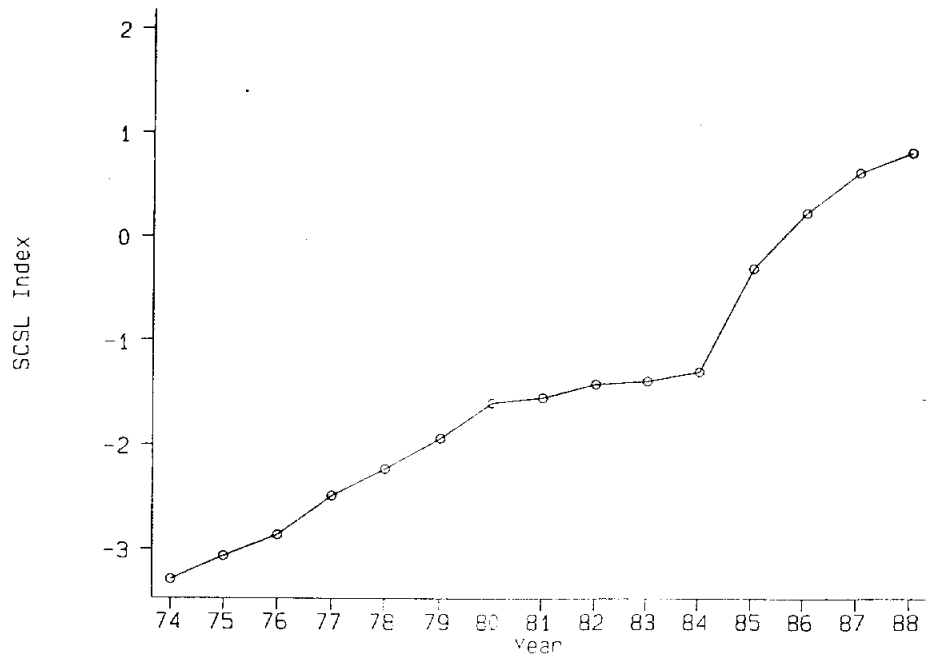


Table 5  
Effect of State Legislative Activity and Expenditures on  
Child Support Receipt by Never Married Women, 1980-1988

	(1)	(2)	(3)	(4)
CSL index two years prior	.0131 (.0044)	-.0005 (.0064)		
CS expenditure/ single mother family	.0045 (.0067)	.0067 (.0135)	-.0187 (.0199)	
Number of laws two years prior			-.0056 (.0044)	
Number of laws* CS expenditure			.0043 (.0023)	
Low CSL & Medium CS expenditure				.0109 (.0163)
Low CSL & High CS expenditure				-.0048 (.0212)
Medium CSL & Low CS expenditure				.0058 (.0107)
Medium CSL & Medium CS expenditure				.0210 (.0165)
Medium CSL & High CS expenditure				.0329 (.0234)
High CSL & Low CS expenditure				-.0012 (.0148)
High CSL & Medium CS expenditure				.0201 (.0167)
High CSL & High CS expenditure				.0462 (.0220)
State & year dummies?	No	Yes	Yes	Yes
Adj.R <sup>2</sup>	.0143	.0371	.0377	.0379
Obs	11,724	11,724	11,724	11,724

Notes: All models are OLS estimates, controlling for age, education, black, hispanic, and number of children, with robust standard errors corrected for clustered sampling. The dependent variable is child support receipt for calendar years 1980-1988, as reported in the following year's March CPS. State expenditures are also for calendar years 1980-1988. The CSL index is lagged two years because laws may not take effect for a year or two after enactment and because laws may be passed in response to poor collection. In model 4, low CSL (and expenditures) are defined as the bottom third; medium is the middle third; and high is the top third. The omitted category in model 4 is low CSL and low expenditures.

as the agency withdraws resources from some productive activity to enforce the new legislation (which may or may not increase child support receipts). As an example, consider the effects of the 1984 Child Support Amendments Act, which required states to provide child support enforcement services for non-AFDC cases, many of whom already receive child support. This change shifted some resources from AFDC cases to non-AFDC cases, potentially reducing the effect of resources on child support receipts. From this perspective, perhaps the right policy package to examine is the conjunction of expenditures and laws taken together. Column 3 of Table 5 records the results of an interaction model in which the explanatory variables are the number of laws in a state, the expenditures per absent-father family, and the number of laws multiplied by the expenditures. The positive effect on the interaction variable for state/periods with the most laws suggests that there is something to this conjecture.<sup>20</sup>

To probe the interaction between the laws and expenditures, we developed a less restrictive non-linear model. First, we divided states/periods into three categories -- high, medium, low -- depending on where they fit in the distribution of states/periods by CSL index and where they fit in the distribution of states/periods by CS expenditures. Then we entered eight separate dummy variables into our regression for receipt of child support money, where each dummy measures where states fit in the joint distribution of the categories, and where the deleted group is for low CSL and low spending. Column 4 of Table 5 records the estimated coefficients on the interactive categorical variables. States/periods with the weakest laws, as reflected in low CSL indices, have the lowest rates

of child support receipt; while states/periods with high CSL indices and high CS expenditures tend to have the highest rate of child support receipt. The estimates show a mixed pattern in the medium categories, which implies that the multiplicative interaction misses the fact that the coupling of high spending and legal effort produces the biggest impact.

### **Conclusion**

Although child support receipts have been stable for absent-father families overall, the proportion of never married mothers receiving child support rose sharply in the 1980s and 1990s. Over the period 1980 to 1995, we estimate that increasing expenditures were responsible for at least 20 percent of the increase in child support receipt for never married mothers. Our results show that child support expenditures increased the proportion of never married mothers receiving support most when increased expenditures followed additional enforcement laws, suggesting that tougher legislation works only when accompanied by more spending.

### References

- Beller, Andrea and John Graham (1993). Small Change: The Economics of Child Support. (New Haven: Yale University Press).
- Case, Anne (forthcoming). "Child Support Enforcement and Out-of-Wedlock Birth Rates." In Irwin Garfinkel, Sara McLanahan, Judith Seltzer, and Dan Meyer (eds). Fathers Under Fire: The Revolution in Child Support Enforcement. New York: Russell Sage.
- Committee on Ways and Means, U.S. House of Representatives (1996). Green Book: Background Material on Data and Programs. Washington, D.C.: U.S. Government Printing Office.
- Freeman, Richard (1996). "Why Do So Many Young American Men Commit Crimes and What Might We Do About It?" Journal of Economic Perspectives, 10, 1, pp. 25-42.
- Garfinkel, Irwin, Sara McLanahan, and Philip Robins (1994). "Child Support and Child Well-Being: What Have We Learned?" In Irwin Garfinkel, Sara McLanahan, and Philip Robins (eds.), Child Support and Child Well-Being (Washington, D.C.: Urban Institute).
- Garfinkel, Irwin and Philip Robins (1994). "The Relationship between Child Support Enforcement Tools and Child Support?" In Irwin Garfinkel, Sara McLanahan, and Philip Robins (eds.), Child Support and Child Well-Being (Washington, D.C.: Urban Institute).
- Garfinkel, Irwin, Cynthia Miller, Sara McLanahan, and Thomas Hanson (1996). "Deadbeat Dads or Inept States? A Comparison of Child Support Enforcement Systems." Mimeo, Columbia University.
- Guyer, Jocelyn, Cynthia Miller, and Irwin Garfinkel (1995). "Using the Office of Child Support Enforcement Data to Rank the States: A Cautionary Note." Mimeo, Columbia University.
- Hanson, Thomas, Irwin Garfinkel, Sara McLanahan, and Cynthia Miller (1996). "Trends in Child Support Outcomes". Mimeo, Princeton University.
- Miller, Cynthia and Irwin Garfinkel (1997). "The Determinants of Paternity Establishment and Child Support Rates Among Unmarried Women." Mimeo, Columbia University.
- Miller, Cynthia, Irwin Garfinkel and Sara McLanahan (1994). "Child Support Payments: Do State Policies Make a Difference?" Paper presented at the NBER Summer Workshop.
- Mincy, Ronald and Hillard Pouncy (1997). "Paternalism, Child Support Enforcement, and

Fragile Families." In Lawrence Mead (ed), The New Paternalism: Supervisory Approaches to Poverty (Washington, D.C.: Brookings).

Mincy, Ronald and Elaine Sorensen (1998). "Deadbeats and Turnips in Child Support Reform." Journal of Policy Analysis and Management, 17(1), 44-51.

Moynihan, Daniel Patrick (1965). "The Negro Family: The Case for National Action". Washington, D.C.: U.S. Department of Labor, Office of Policy Planning and Research. Reprinted in Lee Rainwater and William Yancey (eds). The Moynihan Report and the Politics of Controversy. Cambridge, MA: MIT Press, 1967.

Sorensen, Elaine (1993). "Noncustodial Fathers: Can they Afford to Pay More Child Support?" Mimeo, Urban Institute.

Sorensen, Elaine and Laura Wheaton (1994). "Potential Effects of Child Support Enforcement on Poverty, Welfare Costs, and Welfare Dependency: Preliminary Evidence from Trim2." Mimeo, Urban Institute.

Sorensen, Elaine and Ariel Halpern (1998). "Child Support Enforcement: Has It Resulted in Greater Rates of Child Support Receipt Among Single Mothers?" Mimeo, Urban Institute.

U.S. Bureau of the Census (1994). Population Profile of the United States. Washington, D.C.: U.S. Government Printing Office.

U.S. Bureau of the Census (1997). Statistical Abstract. Washington, D.C.: U.S. Government Printing Office.

U.S. Department of Justice, Bureau of Justice Statistics. Survey of State Prison Inmates, 1991

U.S. Department of Health and Human Services, Office of Child Support Enforcement (1995). Eighteenth Annual Report to Congress; and earlier reports. Washington, D.C.: U.S. Government Printing Office.



### Endnotes

1. The administrative data on state legislation is incomplete and in some places inconsistent (see U.S. Department of Health and Human Services, 1994, appendix C; Guyer, Miller, and Garfinkel, 1995). The child support modules included different groups of lone mothers in their samples depending on the year. And the March CPS does not allow one to identify all families with absent fathers.
2. The source for the statistics in this section is the Population Profile of the United States, 1994, published by the Bureau of the Census.
3. In 1994, when the overall child poverty rate was 21.2%, the child poverty rate for children in mother-only homes was 53% whereas the rate for children in other homes was 12%. Since 23.2% of children were in mother-only homes, they contributed 12.3 points to the total child poverty rate. Dividing 12.3 by 21.2 gives 58%.
4. Census data suggest that of the 16.3 billion dollars due in support awards in 1989, just 11.2 billion dollars was paid. The SIPP shows in addition that 5 to 8 percent of absent fathers give payments in cash or in-kind to the custodial family, absent an award (authors' calculations from 1991 SIPP Child Support Module). Thus, at most 43 to 46 percent of absent fathers contribute income to supporting their child. By contrast, in 1991 63 percent of absent father families received income from mothers' earnings; and 23 percent received support from AFDC.
5. The SIPP is a large nationally representative dataset that collects information on panels of individuals, families, and households. The SIPP follows each panel for three years, interviewing panel members every four months. At each interview, a core module on employment and program participation is administered, along with one or more specialized modules. Here we use data from the core module as well as a topical module on child support receipt, both administered in the fall of 1991. Further details on the SIPP are available from the Bureau of the Census.
6. There are other factors at work as well. One possibility is that Figure 1 does not extend far enough to show the effect of CS efforts; perhaps the remainder of the 1990s will see increased support payments. Another possibility is that CS activity replaces court activities, or private arrangements that raise child support moneys. Wage withholding for non-delinquent dads, for instance, may be largely a book-keeping exercise: money that would have gone to the family in any case now takes the form of withholding. Finally, the declining real earnings of many low-skilled working men, and increased incarceration rate (Freeman, 1996), may have made obtaining CS money more difficult than in the past, so that increased effort has been necessary simply to maintain the same level of support. Absent fathers are a diverse group, and it may be that the low-skilled among them increasingly do not have the means to pay (Mincy and Pouncy, 1997; Mincy and Sorensen, 1998). For a fuller discussion of the divergence between the data, see Hanson, Garfinkel, McLanahan, and Miller, 1996.

7. The 1986 SIPP data on payments look slightly different from the adjacent CPS years but do not interfere with the overall trends.
8. A further compositional change bringing down the overall average is that the share of women who were divorced and remarried -- a group that made real gains in payments -- fell over the period.
9. An alternative hypothesis is that never married women (and their partners') characteristics have improved in ways that make them more likely to receive child support. Although never married women's characteristics have improved somewhat (for instance, they are somewhat better educated), these improvements have been small, and we find that improved observables among never married mothers account for only 2 percent of the rise in child support receipts in the 1980s (although it is of course possible that unobservables have been more important). Although we do not look at their partners' ability to pay child support, it is likely that these young men's ability to pay has, if anything, deteriorated, given the declining prospects in the labor market for low-skilled young men.
10. Three studies using data on absent-father families from the child support module in the April CPS find that expenditures affect some aspects of child support, as do some policies but not others. Garfinkel and Robins (1994) found that state expenditures had a positive effect only on the amount of child support received in 1978-1987. Beller and Graham (1993) found some positive effects of child support policies from 1978 to 1985. Miller and Garfinkel (1997) found that expenditures on paternity establishment had a strong positive effect on paternity establishment, which in turn had a positive effect on award rates. Sorensen and Halpern (1998), using the March CPS, find strong positive effects on child support receipt by never married women of in-hospital paternity establishment but not of other policies.
11. As noted earlier, these data are of variable quality. For this reason, we use only the data on total expenditures rather than the data on expenditures by type of enforcement activity.
12. We divide expenditures by the number of absent-father families, not the number of child support enforcement cases, because states vary in the share of absent-father families that they include in their public child support enforcement system. In the subsequent analysis, we decompose expenditures per family into its two components, cases per family and expenditures per case.
13. Note that the standard errors in these models are corrected to take into account the fact that some of the variables (such as state expenditures) are defined by group, rather than individuals. Without this correction, the standard errors produced by OLS would be too low.
14. Whether this would pass a cost-benefit test is unclear. Making the assessment is difficult because we do not know the share of expenditures directed towards never married mother families. Also, one would need to be careful in specifying the counterfactual: is it getting rid

of the child support enforcement system completely, or reducing (or increasing) it at the margin? The Office of Child Support Enforcement does the following calculation: they report the ratio of dollars recovered on AFDC cases per dollars of total expenditures on child support enforcement, and this figure tends to be 1 or above, but we do not know how much of this money is reaching never married mother families given that the dollars collected (with the exception of the passthrough) are used first to offset AFDC costs.

15. One approach to isolating the dollars spent on never married women might be to use the data on expenditure by enforcement type (assuming that certain types of enforcement activity are more relevant to never married women), but as noted above, we are more confident about the total expenditure data than about the breakdown of that data by enforcement type.

16. To assess the likely direction of the bias, we used two-stage least squares to first predict child support expenditures and then estimate the effect of these predicted values on child support receipts. Drawing on the work of Anne Case (forthcoming), we used a set of political variables as instruments for child support spending, including: the female, Democrat, and Republican shares of the state house; and the female, Democrat, and Republican shares of the state senate (the omitted variables were the shares that are male, and the shares that are Independent or affiliated with another political party). Although we found that the political variables did have an effect on child support expenditures, the standard errors in the second stage were too large for us to put any weight on the results.

17. Unfortunately, our time series of consistent state legislative data ends in 1987. After 1988, data are available on only a handful of the state laws but not the entire series.

18. The Rasch model assign each state in each year a score that is the sum of the laws in effect, transformed to a logistic scale. Note that this technique does not weight the laws in any way, so that models which weight laws by some presumed importance could give different results than those reported here.

19. Models in which the index is not lagged tend to produce negative coefficients on the index, suggesting that laws are passed when receipts are poor and that it takes a few years for the laws to start having an effect.

20. In this regard, it is interesting to note that the political variables that we found to be somewhat associated with child support expenditures have no apparent effect on child support legislation. Over the time period 1980 to 1988, we could find no significant effects of our six political variables on the state CSL index. This pattern of results suggests that when legislators wish to have an impact on child support enforcement, they perhaps do so through appropriating funds rather than through enacting legislation.

Appendix 1  
State legislative activity, 1974-1988

	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88
1. Wage withholding, delinquent cases	5	6	7	12	15	19	23	26	31	33	33	41	51	51	51
2. Liens for non-payment	6	6	7	8	10	14	20	20	21	21	21	45	51	51	51
3. Criminal penalty, non-payment	3	4	5	6	7	9	9	9	9	9	9	9	11	15	16
4. Payment for paternity tests	1	1	2	2	2	2	2	3	4	4	8	10	19	47	50
5. Services for non-AFDC cases	0	3	8	12	14	15	16	17	19	19	22	51	51	51	51
6. Paternity establishment to age 18	0	0	0	0	0	0	0	0	0	0	1	26	41	51	51
7. Paternity long-arm statute	0	4	6	8	11	17	20	20	20	20	21	23	26	26	29
8. Paternity without long-arm	15	16	18	21	26	30	31	31	31	31	31	35	35	35	35
9. Administrative process	0	1	1	3	3	5	14	14	17	17	17	21	21	21	21
10. Friend of the court statute	0	1	1	2	4	4	9	9	9	9	9	9	9	9	9
11. Central registry	3	5	6	10	10	10	13	13	13	13	13	21	28	31	32
12. Presumptive guidelines	0	0	0	0	0	0	0	0	0	0	0	1	10	12	23
13. Wage withholding, new cases	0	0	0	0	0	0	0	0	0	0	0	0	3	4	7

Source: Updated from data provided by Irv Garfinkel (for details, see Miller and Garfinkel, 1997).

Note: State Child Support Legislation (CSL) index scores range from a minimum of -3.80 for no laws to a maximum of 3.80 for all thirteen laws, as follows:

0	-3.80	7	0.21
1	-2.95	8	0.61
2	-2.10	9	1.03
3	-1.51	10	1.51
4	-1.03	11	2.08
5	-0.60	12	2.94
6	-0.19	13	3.80

**Appendix Table 2**  
**Mean Values of Variables Included in the Regressions for 1980 and 1988**

1980 (N=826)

Variable	Mean
CSL index	-2.2026
Expenditures	1.4197
Age 18-20	.1138
Age 21-25	.3450
Age 26-31	.2954
Age 32-55	.2458
High school dropout	.4358
High school only	.3584
Some college	.1743
College or more	.0315
Black	.5145
Hispanic	.1477
Children < 18	1.7034

1988 (N=1430)

Variable	Mean
CSL Index	.1548
Expenditures	2.3446
Age 18-20	.1350
Age 21-25	.3294
Age 26-31	.2839
Age 32-55	.2517
High school dropout	.3503
High school only	.4322
Some college	.1727
College or more	.0448
Black	.4972
Hispanic	.1566
Children < 18	1.6699

Notes: All variables are from the March CPS of the following year, except for expenditures (which are from administrative data for the same calendar year) and the CSL index (which is from administrative data for the year two years prior).

**Appendix Table 2**  
**Mean Values of Variables Included in the Regressions for 1980 and 1988**

1980 (N=826)

Variable	Mean
CSL index	-2.2026
Expenditures	1.4197
Age 18-20	.1138
Age 21-25	.3450
Age 26-31	.2954
Age 32-55	.2458
High school dropout	.4358
High school only	.3584
Some college	.1743
College or more	.0315
Black	.5145
Hispanic	.1477
Children < 18	1.7034

1988 (N=1430)

Variable	Mean
CSL Index	.1548
Expenditures	2.3446
Age 18-20	.1350
Age 21-25	.3294
Age 26-31	.2839
Age 32-55	.2517
High school dropout	.3503
High school only	.4322
Some college	.1727
College or more	.0448
Black	.4972
Hispanic	.1566
Children < 18	1.6699

Notes: All variables are from the March CPS of the following year, except for expenditures (which are from administrative data for the same calendar year) and the CSL index (which is from administrative data for the year two years prior).