

**WHAT WE KNOW ABOUT CHILD SUPPORT ENFORCEMENT:  
AN UPDATE AND CONSULTATION**

**AMERICAN ENTERPRISE INSTITUTE  
FOR PUBLIC POLICY RESEARCH**

OCTOBER 29, 1987

DOUGLAS J. BESHAROV: We at AEI have just begun exploring issues of child support enforcement. Having looked at the census and other numbers, we have as many questions as conclusions, so we wanted to have this session to discuss them with you. We would like to know whether our numbers are wrong, or whether we are reading them wrong, or whether you have noticed what else they might suggest.

In our invitation, we made three general points. First, awards seemed to us a problem not so much of getting awards against divorced fathers as of getting them against separated fathers and the fathers of out-of-wedlock children. Second, the amounts awarded and paid seemed higher--not terribly higher but higher--than commonly reported. And third, compliance rates seemed to vary widely, depending on the type of father involved.

Our objective is not to conclude that payments are sufficient and nothing more need be done about child support enforcement. Rather we want to get a more precise idea of where action is needed and, more important, where the dangers lie in adopting policy prescriptions that could do more harm than good. Before we make a change in policy, we should be careful to know the most likely result of that change.

When we were preparing table 1, we intended to set forth in a detailed way the conventional wisdom--the press releases from Capitol Hill and from the Office of Child Support Enforcement. The second column on this table, however, shows that the percentage of eligible mothers without awards in 1985 was 39 percent, meaning that only 61 percent of all mothers had awards. A closer look shows a major disparity between awards to divorced mothers and to never-married mothers. Only 18 percent of divorced mothers were without awards, but for never-married mothers, the figure was 82 percent.

The figure for never-married mothers without awards in 1978 was 89 percent, but between 1979 and 1983, awards for never-married mothers rose from 11 percent to 18 percent. That is a major increase. Although it is easier to make improvements of that magnitude at the 11 percent level, that is still quite a remarkable feat. It happened about the time the federal government was getting more serious about child support enforcement and Aid to Families with Dependent Children (AFDC).

LINDA MELLGREN: The problem of obtaining awards may not appear substantial for divorced families. It is more serious for separated families and, obviously, very serious for the never-married. A subpopulation of divorced families, however, such as AFDC families or others that receive government transfers, would show very different figures. The number of divorced families without awards increases substantially.

In some runs we made with statistics that are not exactly comparable to the 1983 and 1985 statistics, 42 to 50 percent of AFDC families of divorced women did not have awards. We were not looking at the subsequently remarried category. Every other study of the AFDC population I have seen shows a substantial proportion of that population that never received awards.

We should also look at the magnitude of the numbers. The number of women on AFDC who are divorced or separated is almost the same as the never-married. About 1.3 million, I think, are in the separated and divorced categories, and 1.6 million in the never-married. While the percentages are much worse in the never-married category, the aggregate numbers are not very different. From a governmental point of view, a look at the entire population masks something that should concern us--what happens to the population that do not get awards and disproportionately end up on AFDC? That is the major point.

MR. BESHAROV: Having looked at the never-married numbers and definitions of "never-married" and "divorced," I would express one concern. As the census counts these things, a never-married mother--even though she had two or three children out of wedlock as a teenager--becomes a divorced mother if she gets married for three months. The census category, which has a legitimate purpose, has a tendency to move mothers out of the never-married to the divorced category. A good look at those families might reveal that some of the ones you are talking about--not all--are one common group.

MS. MELLGREN: You are right. Although AFDC data are not available on awards but just on receipt of child support, we can look at those categories--that is, at children from out-of-wedlock situations. Indeed, the same trend is there. A much higher proportion of AFDC families have marital disruption, and not all children from those marriages are receiving child support. I can't say they don't have awards, but they are definitely not receiving child support.

RUTH SANDERS: I have a technical comment about table 1. In 1983 women who wanted child support but couldn't obtain it could answer that there was "some other reason" they couldn't obtain it. A high proportion of women responded this way. In 1985 we asked the same questions, but when they said "some other reason," we asked them to specify. We think this made them go back and think about the original categories. Therefore we should not directly compare responses for those two years. What 1983 does show is that a significant number of women wanted child support but could not get it.

We should also look at the circumstances of the people without awards. In the 1985 figures, 14 percent of the separated women had final agreements pending--about a quarter of the women who didn't have awards. We should remember that separated women can be in transition. They may not yet have received awards.

TOM GABES: The Census Bureau says that numbers from 1983 and 1985 should be compared with caution because of changes in the Current Population Survey (CPS) design. To what degree can we compare numbers from 1983 and 1985?

MS. SANDERS: To account for the sampling difference, we had to raise our standard errors so that every statement in the report comes within a 90 or 95 percent confidence interval. If we make a statement that there is a difference, you can be 90 to 95 percent confident that there is a difference.

If we did not make a statement even though the numbers suggest that there could

be a difference, keep in mind that the standard errors are greater. The difference you think you see may not be a difference.

ANN KOLKER: Do you have a state breakdown of any of these figures?

MS. SANDERS: The CPS is designed to be a nationwide sample survey, not a survey for particular states. We have, however, tabulated some income data on a state level. At one point, we did run some child support data. From the 1982 CPS, I believe, the data were for women who were due payments, whether or not they had been awarded, and for how much they were supposed to receive.

But we did that with some reluctance because the sample was small and because the survey isn't designed to get data at a statewide level. It might give some indication of what is going on, but it is not entirely reliable.

GORDON GREEN: Yes, the sampling variability is too high. We are looking for ways to get better state estimates from the CPS, at least for all families and households, by taking income information from the control card and combining it over the year. That gives a sample about three times as large. We hope that will increase what we can show. But even with a sample of 60,000 households from the Current Population Survey, which seems tremendous compared with most research, the samples seem pretty thin in subcategories of specific universes.

ROBERT HARRIS: In the never-married population, many women have applied for AFDC. The source of the data is the woman, who may not recognize that she has assigned her support rights to the state. The state may be seeking child support--and may even have obtained the child support. There is clearly some misreporting in that area, but I have no idea what its magnitude is.

MS. SANDERS: The Census Bureau has trained interviewers for the CPS who go out month after month to do various supplements. For every supplement there is a training manual that tells them what to look for, and it does tell them to look for that. It is subject to misunderstanding, and it will probably be misreported more often than a straight award would be. But the interviewers are instructed to ascertain that and to code it properly.

MR. HARRIS: Some questions in the 1983 data about contact with the child support agency were dropped in 1985 because the results were so confusing. Since there is no standard organizational nomenclature, people didn't know whether they had had contact with the child support agency.

MR. BESHAROV: I have read about awards for never-married women--for paternity awards as they are called in the courts--which appear to be in the 10-20 percent range in most states, don't they?

IRWIN GARFINKEL: We did a crude division in the CPS by the age of the youngest child. I think we divided it into "less than two," "two to five," and "five or

older." In the two-to-five group, close to 50 percent of the cases were getting awards. The figure was much lower for "less than two," but those cases can be in process. The five-and-above group belong to an earlier period.

The data may have been for Wisconsin, but a similar national trend is reflected in what you were saying. The increase from 1978 to 1983 is, I think, a remarkable increase. I was disappointed that we saw no increase--or practically none--from 1983 to 1985. I'm not sure why we had such a big increase that seems to have come to a halt.

PAUL N. TRAMONTOZZI: For separated and never-married women who wanted but could not obtain awards, I wonder if the census questions have enough safeguards to make the number reliable. There was a lot of "some other reason."

MS. SANDERS: I can tell you how the women responded. I don't have all the categories in front of me, so I will do it off the top of my head. In the "wanted but couldn't obtain" category, the two largest groups after "some other reason" consisted of those who couldn't locate the father and those who couldn't establish paternity. In 1985 we began asking them to specify reasons. They were things such as the father wouldn't pay, the father was financially unable to pay, the father was unemployed, or the father was in prison, or that it was too much of a hassle. And none of these even aggregated to 75,000, which is our minimum for publishing results.

For the whole question, I think we had sixteen responses, including those we published. A very small percentage of never-married and separated women said they didn't know they could get an award.

GINNY DURIVAGE: Do you have any idea of the totals for any of these subgroups? What percentage of women who couldn't get awards said that the reason was the father was not able to pay?

MS. SANDERS: It's not tabulated. We looked at some unweighted counts to determine how many responses were in each category. But there were numerous small responses, and none of them aggregated enough to show.

MR. GREEN: We tried to collect information from the woman on the ex-husband's income to determine his ability to pay. But the women had too little knowledge of their ex-husband's income--the nonresponse rate was so high we couldn't use it.

MR. GARFINKEL: It is startling that 34 percent of never-married mothers didn't want awards. Why didn't they want awards? Does it mean that it's not a social problem because they didn't want awards? What proportion of those people are on AFDC?

I don't know the answers, but they seem important enough to pursue. I wouldn't take it as an indication that this is not a problem, though it may be. If they are all upper-middle class children, for example, I wouldn't worry about it.

BOB HEY: I don't know what the statistics are, but I have talked to a number of

mothers of youngsters who have turned down an award. Their reasoning is very simple. They don't want the father to have any leverage or visitation rights--for good reasons or not, depending on how you view it. This is one way to keep the child under their supervision.

MR. BESHAROV: Talking to case workers around the country, you hear a refrain, "I don't think it would be in the child's best interests to go after the father." I don't know how significant that factor is, but at some point, at the margin, it must affect the behavior of public case workers.

MS. MELLGREN: It can be very significant from a couple of perspectives. At a conference last year on young unwed fatherhood, Esther Wattenberg, who has done a study in Minnesota on that issue, talked to child support workers and others who work with unmarried teenage mothers. She said that the whole issue of paternity and child support was not discussed and that the attitude of the social work community was very negative.

For the most part, the professionals dealing with the young teenage mothers just didn't want to have anything to do with the fathers. And they didn't know anything about the child support program, what it did, or what the advantages were in establishing paternity or in getting child support awards. That professional community is totally disconnected from the child support professional community

PAUL BORDES: I read her article in Welfare. Not only did the attitude of the workers contribute directly to the problem, they didn't even bother to dispel a lot of street myths about what would happen to the father. In a lot of cases, the mother would have pursued child support if some myth had been dispelled about the father going to prison or other horrible things.

MR. GARFINKEL: I once wrote a paper with a graduate student, who wrote a part on international comparison. In Sweden, since the end of World War II, they have established paternity in about 95 percent of the cases. In the first draft he said that paternity is probably more easily established in Sweden because of the enormous amount of cohabitation. Out-of-wedlock births often occur among partners who live together, so identification and location are much easier. When I read his second draft, I realized that the causation might also be going the other way. It's taken for granted in Sweden that paternity will be established and that the father will have to pay child support. That may affect living arrangements.

When I first started talking about child support enforcement, my colleagues in social work greeted me as if I were a new version of the plague. I was once told I would have blood on my hands for advocating child support enforcement--they said the men would be killing the women if we enforced child support.

But it isn't just the social workers. It's the attitude in the community itself. In some cases, the interests of the mother may be best served, from her point of view, if no child support is established. They would rather do without child support in order to keep the men out of their lives. But is that the only objective of public policy? Even if no

public purse is involved, it may still be questionable policy. Surely, when public finances are committed, we should ask whether it is good policy.

DIANE DODSON: As soon as paternity is established, the father does have a right to challenge custody and to ask for visitation. The Title IV-D system does not provide the mother representation on those issues, so she may have some real fears.

The state may instigate legal action, but in many cases the IV-D agencies do not have the authority and, indeed, back out. If the father defends or initiates an action for custody or for visitation rights, the agency attorney tells the mother, "I can't represent you on that--find yourself another attorney." Usually she can't. The way the system is structured now, if the mother goes for an order, and if that is raised as a defense, she is often left hanging.

MR. HARRIS: Studies in rural North Carolina, by Ron Haskins, and in Brooklyn and elsewhere, particularly among the never-married population, commonly show child support by a father who periodically provides some in-kind contributions or child care services. This is the "Pampers and diapers defense" that judges and others in the legal system talk about.

Many of the never-married mothers have long continuous relationships with the father. These relationships frequently continue after the birth of the child and involve cash and other child support.

MR. BESHAROV: If a young mother is on welfare, and if the father of her children does not earn enough for his child support payment to exceed the AFDC payment, she might well question seeking child support or paternity determination. I don't see anything on the horizon that will change this.

MS. KOLKER: How about the \$50 disregard for child support payments that is applied in determining welfare eligibility.

MR. BESHAROV: I am told that it's worth only about \$35, that it results in hassles, and that it's not a sufficient encouragement.

MR. GARFINKEL: There is a lot of truth to that. For precisely these reasons, we in Wisconsin are pushing an assured benefit, which offers an alternative outside the welfare system.

MS. KOLKER: Was knowing that some portion of the payment would go directly to the child, instead of to the state, meant to be an incentive to the custodial or noncustodial parent? That was one of the primary reasons it was considered desirable in the first place.

MS. MELLGREN: The legislative history shows that it was cast as an incentive for the custodial parent to be more cooperative. There was concern that the custodial parent might not fully cooperate with the child support agency in providing information to locate

the father and establish paternity.

MS. KOLKER: That was true when the \$50 disregard was initially passed in the 1970s. There is very little legislative history from 1983 or 1984, when it was reinstated. It may not be in the written record, but my recollection is that this issue did come up in 1984, although I grant you that it didn't come up much in the 1970s.

MR. TRAMONTOZZI: Ruth [Sanders], did you say that few women said they did not want an award because they were receiving some form of public assistance?

MS. SANDERS: No one responded directly that way. They could only say they didn't want an award--that was the category--but they couldn't say why they didn't want an award. That may be the next logical step, but we have constraints on how much can be done on one survey page. For "did not want an award," no reason was asked--only with "wanted but couldn't obtain award" did we ask people to specify why.

MR. BESHAROV: Another reason given for the low number of awards here is that most of the men have very low incomes, so from a cost-benefit point of view it may not pay for the agencies to go after them.

Of course, there's the problem of "creaming". If Ron Haskins were here, I think he would say, "\$12 billion dollars is available and uncollected." Have I got that number about right?

MR. GARFINKEL: Our numbers are close to that. We are now collecting about \$7 billion. Our estimate is that if awards were made in all cases at the Wisconsin level they would total about \$24 billion, and at the Colorado income shares standard they would total around \$22 billion. So there are another \$14 to \$15 billion at minimum.

MS. DODSON: Do you mean that if the existing awards were increased and everybody had one?

MR. GARFINKEL: Yes, if everybody had an award, if existing awards were updated, and if 100 percent of them were collected, they would amount to \$22 to \$24 billion instead of the current \$7 billion.

MR. BESHAROV: Those are big ifs.

MR. HEY: Does that assume that everybody against whom an award could be levied has the money to pay it?

MR. GARFINKEL: All these standards are based on income, so the answer is yes, it assumes they have money to pay.

MR. HARRIS: Undoubtedly "creaming" has occurred with respect to the establishment of paternity. I think it also occurs in working the easy cases versus working anything else. Paternity establishment suffers from the dual perception that it is a high-



cost/low-payoff activity. There are other reasons for the creaming--nitty-gritty things like county appropriations for blood testing that act as a constraint on how many paternity tests can be done.

"Creaming" is clearly contrary to federal regulations. We have sent audit penalty notices to about thirty states, largely in the area of paternity establishment. In the near future we hope to see a change in the attitude toward paternity establishment.

What is encouraging about the audit penalties is that none of the states has contested the finding. All of them have come in with plans for corrective action, and all of them are now in the corrective action period, though it will be a while before we see the results. And on the Hill, paternity establishment is a major feature of all the pending legislation. We may begin to turn some of those numbers around.

MR. BESHAROV: You said it was perceived as a high cost/low payoff activity. Do you have any data that suggest that?

MR. HARRIS: Only one study was done, which we funded. It looked at jurisdictions in Oregon, Wisconsin, and New Jersey and concluded that establishing paternity is neither high-cost nor low-payoff. In fact, the payoff is relatively quick. I think total costs were recovered in an average of thirty-six months over the three sites, and the costs weren't all that high.

The great majority of paternity cases are established by voluntary acknowledgement. Hollywood movie stars become involved in contested paternity cases with jury trials, but those cases are not typical. In the typical case a person is called into the office and formally acknowledges paternity right there.

MR. GARFINKEL: In Wisconsin, a person involved in a paternity case can get a public defender. Is that true nationwide?

MR. HARRIS: It varies among the states. Some states have required legal representation in paternity proceedings, but the problem is, "Who pays for it?"

MR. BESHAROV: I wanted to make one more point about the category of separated mothers. In many states, mothers have an extra obstacle to obtain child support during the period of separation. In New York, until last year, separated mothers had to show urgent and necessary need. Amending state laws to say that separated parents have the same rights to child support as divorced parents is a small hurdle, and I think, one that could be easily overcome.

MS. KOLKER: Could I ask a question of the census people? Establishing paternity is the cornerstone of future payments to the system. Could we pay more attention to why people are not getting awards? Congress and state policy makers can zero in on this establishment issue only if they know the reasons they are not getting them. I am concerned particularly with the sizable population of women who are not able to win awards.

MS. SANDERS: In 1983 and 1985, we collected, for the first time, information on those women. The data-users tape can be cross-tabulated by reason for nonaward--income status, marital status, or other characteristics--as long as the samples aren't too small. Much smaller categories regarding the reasons for the nonaward would contain too few responses to make the data worthwhile.

MS. KOLKER: Can you get a larger database, particularly for those who do not have awards but want them? Could you do any state or regional samples, for example, that would give you a large enough database to produce worthwhile results?

MS. SANDERS: We do it through the Current Population Survey. The only other vehicle would be the Survey of Income and Program Participation, which uses a smaller sample. The only other possibility is to do another supplement in a different month and overlap the matching samples. But if we did that, we would start losing the income data. Everything is a trade-off.

MS. GREEN: We collect these data on child support in April and match them back to March to pick up the income data. That reduces the sample down to 75 percent. If we were to go to May, to get the information from other sample responses, and then match back to March, we would only have 50 percent. That's the way the survey is designed.

MS. DURIVAGE: In 1985, 42 percent of never-married women wanted awards but couldn't get them, and yet the responses are too few to tell us why they are not getting them. It seems to me that we would want to know why.

MS. SANDERS: Anyone who gets the data-users file can make tabulations. But I would strongly suggest standard errors be calculated, to make sure they aren't bigger than the estimate.

In the never-married line in our report, the number of women who wanted an award but were unable to establish paternity was 85,000, according to our estimates. We estimated those who gave the different reasons subsumed within "some other reason" at less than that. As I recall, the estimates were all smaller than 75,000.

MR. GREEN: That is, about 40 sample cases--85,000 weighted--is about 40.

MS. SANDERS: You can tabulate it, but the Census Bureau can't tabulate it and publish it.

MR. BESHAROV: Think about this from a different perspective, of someone likely to be on welfare, likely to know the rule that she is supposed to cooperate with the welfare agencies in getting an order or award of child support. She is asked by a government official, "Did you want child support?"

I am struck that 34 percent said they didn't want an award. I do not want to take

this too far, but these data could suggest an even deeper disinterest in gaining child support. They are reports from people who have a self-interest in giving just the opposite answer.

Having said that, I want to move us along to table 2. We are inching toward a conclusion, and none of these tables takes us all the way there. Let me tell you what our problem is and what our tentative conclusion is.

The CPS data show the average child support paid in 1985 was \$2,215 per family. Divided by 52, that comes to \$43 a week. Each family has about two children, so it comes to around \$21.50 per child. If families that were owed payments but didn't get them are included, the number goes down to \$1,600.

We have reasons for thinking that this number hides what is actually going on, just as many more married women or divorced women have awards than is suggested by the aggregate number.

My own experience has been that initial awards tend to look much different from this number. We know that people giving information to the census--mothers, fathers, elderly people, people on food stamps, everyone we can means-test--understate their income, by an estimated 10 percent.

MR. GREEN: That is overall. But for transfer payments, the understatement is maybe 25 percent. For some types of income, such as property income, it is even more. The only reason it comes to 10 percent overall is that we do so well on wages. We get 97 percent of the wages, and that is where most of the income is.

MR. BESHAROV: All these factors combined to give us an interest in seeing how the numbers would look from a different perspective. We then looked at the Survey of Income and Program Participation (SIPP), a new data-collection program of the census.

MR. GREEN: Let me explain SIPP. In the fall of 1983, we started a longitudinal survey. The idea of SIPP was to go out every four months and collect income for each of the preceding four months. We follow people for two and a half years. So we get micro-longitudinal data. In fact, if the people move to a different part of the country, we follow them, so we get the changes as they occur during the year.

Thus, we can observe how a woman's income drops as she goes through a divorce or separation, for example. How does her program participation change? Does she go into the labor force? Are there associated child care expenses?

With SIPP, each panel started with 20,000 households. Now it is down to about 12,000 households, but we hope to combine these panels to get the estimates. We will still be dealing with smaller samples than CPS does, but we do have a longitudinal dimension and a variety of other data. SIPP collects a whole battery of information not available from CPS--data on the child care and support for nonhousehold members, and on wealth, which is a significant part of well-being.

To underscore what Doug Besharov said, in CPS we go out in March and ask about income received in the previous year, so we get a lot of underreporting because of poor recollection and other reasons. But in SIPP we go out every four months, and we do much better for things like transfer payments. So the overall quality of the data should be better.

MR. BESHAROV: The SIPP numbers are a relatively accurate statement of what happened in a particular week. They show how much money a mother received if she received any money that week. That strips out the compliance problems. In other words, mothers who got a check last week received an average of \$55.61, according to SIPP.

That is potentially significant because it is larger. It is only \$13 larger, but it is 28 percent higher than the CPS number. Not that there is a solution to the child support problem in fiddling with the numbers, but if compliance problems are stripped out, the payments are a little higher than they are usually described. That is because the CPS reports the data with a built-in compliance negative, which makes the average support payment seem lower than what is actually received.

MR. TRAMONTOZZI: If you multiply the \$55.61 figure by 52, will you get a reasonably accurate annual figure?

MR. GREEN: We had a monthly figure for each quarter and aggregated them for the total year. Child support payments are often received erratically, so any month that was used for the average might give an incorrect estimate for the year.

We tried to do another estimate from SIPP, the way we do in CPS, where we total each month for the year instead of averaging. That gives a number very close to CPS-- \$2,327. If you want to know how much people are getting in a specific month, aside from the compliance issue, you can make that calculation with SIPP data, which are monthly. That results in the higher figure.

MR. BESHAROV: If you state that annually for the mothers who got a check for the whole year, it's probably closer to \$55 times 52 than \$43 times 52.

MS. KOLKER: If she didn't miss a check.

MS. MELLGREN: That's the big if. We now have child support statistics that look at actual collections. The data from the states may not be all that good, but they report the total child support received during the year as substantially less, by several hundreds of thousands of dollars, than what was received in one month multiplied by twelve. And that result involved an actual count record from the state. That difference has to do with the problem of erratic payments. No one month is representative of the twelve-month payment record.

MS. SANDERS: But SIPP gives a monthly estimate by quarters. If all the income received in those months were aggregated, maybe we would get a total aggregate picture.

But the mean is skewed because the number of recipients who receive payments during the year is higher than the highest number for any one quarter. People come in and out, so when you divide by the total you obviously lower the mean.

The other point is on compliance. People will be captured in the numbers if they make payments, but not necessarily full payments.

BARBARA SELFRIDGE: Anyone who does analyses knows that means can be very deceptive. Have you ever just dumped the raw data out to see whether or not a median would look a lot different?

MR. GREEN: Yes, I have a median. The figure I gave you from SIPP was \$2,327. What we do in CPS is calculated in a similar way. The median is \$1,826.

MS. DODSON: What the exact number is doesn't really interest me. Awards are down 25 percent from 1978, as I understand it. They are less than a third of what an average intact two-parent family spends on two children. So far as public policy is concerned, we already have a lot of information that suggests drastic problems.

MR. BESHAROV: We are not trying to push the numbers up but to understand them. If we accept that the way we have done the SIPP calculations strips out compliance problems--not in order to diminish the problem but to find out where the problem is--then this very superficial calculation in table 4 begins to look interesting. It gives a sense of what courts are awarding and what the settlements are.

The CPS numbers for average payment received as a percentage of the mean income of all men or of divorced men comes to around 10 percent.

The SIPP data--which are admittedly not what is actually happening but what full compliance would give--come to 13 percent. That suggests that we might have more success on compliance issues than on award issues.

But the average does appear substantially higher than the number we initially agreed upon. And that's all we're trying to do--to find out what's happening. Our sense is that new awards and new agreements look substantially higher than the averages. One reason is that the averages go back fifteen or sixteen years--unadjusted for inflation or second families or whatever. Many are very old cases in which the awards--for understandable if not legitimate reasons were low. The newer ones, which we call "initial awards," are higher than the numbers we are used to, because they are not averages.

Again, putting aside compliance problems for a moment, we are seeing average awards higher than the 10 percent we would have calculated.

MS. DODSON: Seeing them where? What are your data?

MR. BESHAROV: We are looking at SIPP, and table 3 shows fresher awards substantially higher. We have CPS broken down by year of awards.

MR. HARRIS: After speaking to people in child support agencies, I think that new awards are higher, because of the adoption of guidelines by states. When California adopts a guideline that provides a mandatory floor for the child support award, it has the effect of increasing initial support orders. Since states have been adopting guidelines for the past three or four years, we will see an effect on the amount of support ordered.

MR. GARFINKEL: Perhaps even more important is the failure to index awards. We sampled twenty counties in Wisconsin, and we have court cases starting in 1980 and 1981 and for the three years prior to the publication of the Wisconsin percent-of-income standard. The average award was virtually identical, it turns out, to the standard. For one child the average award was 18 percent, and the standard calls for 17; for two children, it was 25 percent, and that is what the standard calls for. For one through three children, the average initial award was within one percentage point of the standard. The problem is, even if inflation is at a minimal level of 4 or 5 percent, in a couple of years that award is way out of kilter. Indexation of the awards is critical if you think the awards, in general, are too low.

MS. SELFRIDGE: That raises a question. Are the states using percentages initially to set standard dollar amounts?

MR. GARFINKEL: Unfortunately that is what happened in Wisconsin. In all but about one or two jurisdictions, the percentage standard is being used to set dollar amounts.

MS. DODSON: A couple of years ago, the National Center on Women and Family Law did a study of case law around the country and found that a large majority of states prohibit courts from indexing awards. The theory is that it is too uncertain whether the noncustodial parent's income will increase. A major policy development would be to change these statutes to require some form of indexing.

The proposals now in Congress would require all parties to go back into court every two or three years to reapply guidelines. That would require a huge administrative mechanism for the return into the legal system, setting hearings, and so forth.

One question is whether to index to inflation or to the average U.S. wage level. Minnesota has a statutory system that overcame an earlier prohibition. Every two years, I think, parties are simply permitted to file a request for an increase, based on the Consumer Price Index. If the obligor says his income didn't go up by that much, he can file an objection and get a hearing. Otherwise the custodian can automatically get an increase. She has to file a paper, but she does not need a hearing to do so. That is one model.

Another model indexes awards automatically unless the obligor seeks an exemption. We have to think about whether that approach is better than the strict reapplication of the guidelines, which, by absolute necessity, requires the parties to come back in and go through some rediscovery process of determining what incomes are and so forth.

MR. HARRIS: The legal problem is a little broader than just indexation. Some

states are very strict about what constitutes a change in circumstance that permits reopening the child support award. It is dealt with in various ways in the pending legislation. It is the key to the whole question of periodically examining and potentially upgrading child support awards.

MR. GABE: Would the use of a strict percentage of income be considered indexing by these state laws?

MS. DODSON: No, because we don't know how much the obligor's income has gone up. In a typical court system, the attorneys come in once and determine that he is now making \$25,000 a year. They order him to pay X dollars per month, and that's that. It is framed in terms of dollars per month, as a general rule, as opposed to a percentage of his gross monthly pay.

MR. BESHAROV: I believe that there's hardly ever an inherently correct way to do things. That way gives the mother and the children less money than an equally valid way. Inflation affects everyone in the economy and tends therefore to minimize the effects of aging and maturing on workers, who make more money as they age and mature. If we look at their income every other year, it would probably rise faster than inflation. It is as legitimate to look at their income as at the inflation rate.

MS. KOLKER: And as kids grow older, they become more expensive. Some of us believe quite strongly that that should be factored in as well.

MR. BESHAROV: There are two schools of thought about that, depending on how much you spend for preschool child care.

MS. DODSON: Apparently, the first year of life is the most expensive--everybody goes out and buys baby beds and stuff. Then the cost goes down, slowly. Age six is approximately the least expensive point. Then the cost goes up again, to age eighteen.

MR. GARFINKEL: Those numbers are junk as far as I'm concerned. At age six, a big cost--not an out-of-pocket expense, but a massive cost nonetheless--is that the mother, or in a liberated home, the father, stays home to take care of the child. Hardly any studies take account of that.

MR. GREEN: Incidentally, we do have data on child care costs from SIPP. We have information on fathers paying money to people living outside their household, which is the other side of the equation. In CPS we are looking at what women say they are getting for child support. SIPP says something about how much the fathers are paying. If we have the father's income, we can look at the ability to pay.

MR. BESHAROV: Let me recap this. If we took a blatantly political view of child support enforcement and said that resources are limited on both the political agenda and the administrative side, we would think about where to put our resources. We would want a much better idea of the size of new awards before we spent too much more time on guidelines.

The new awards may be going where we want the guidelines to take them. The nation may be like Wisconsin in this respect. These data suggest that the awards are at least higher than we have thought. If so, maybe we should spend less time advocating guidelines and more time, for example, on indexing or increasing older awards or on compliance issues.

This kind of analysis should not suggest that child support isn't a problem. It means we may want to fight on a different battlefield.

MS. SANDERS: We are talking about looking at the 1986 CPS to see what the average award was for that year. We can do it only for the divorced or currently separated women. If you have the data tape, you should be able to do that, even if the Census Bureau can't.

MR. GREEN: Is it tabulated now for five-year periods?

MS. SANDERS: Approximately five-year intervals.

MR. GREEN: I think we will see that awards are much higher for the past five years than for an older period.

MR. TRAMONTOZZI: In table 3 the more recent awards do appear to be larger. Support due in 1985 for awards made in 1980 and later are about 24 percent larger than for awards made between 1975 and 1979 and about 67 percent larger than for awards made between 1970 and 1975. But significantly, perhaps, it is only 18 percent larger than for awards made before 1970.

MR. BESHAROV: Barbara Selfridge's question about the median effect is very important. Some men in the upper incomes are paying a great deal of child support. We may be seeing the effect of college costs, which would increase a child support payment apart from an award or even if there were no award. We are open to anyone else's "guesstimates" of what is happening.

MS. MELLGREN: Those 1970 figures consist of people whose divorces are ten or twelve years old. The average age of the youngest child at the time of divorce is six or seven, so this support is for when the children are older. It includes college expenses, and it may include children with special problems. The figures do not indicate what the award was at the time of divorce or separation. There may have been significant changes in this population, which is fairly small. An analysis of the socioeconomic status of the group would probably show that it differs from other female-headed households with children from an absent parent.

MR. TRAMONTOZZI: Maybe this raises some questions about the groups between 1970 and 1979. Awards may be lower in a lot of cases as a result of no-fault divorce.

If that pre-1970 group have, as Linda Mellgren suggested, higher incomes--since



they were able to go to court, get a divorce, and get an award--then those awards would necessarily be higher. But now, if more lower- and middle-income people can afford to do that or do it under no-fault divorce laws, that would lower the level of awards.

MR. BESHAROV: Lenore Weitzman analyzed alimony and child support awards in California, and concluded that the introduction of no-fault divorce is associated with a substantial decline in alimony and child support awards. We may be picking up the national no-fault divorce process along the lines that Weitzman described in California. That is an alternative explanation.

MS. DURIVAGE: How many states have no-fault divorce now?

MR. BESHAROV: All of them. We hope to interest the Census Bureau or someone else in doing another analysis. In Commissioner vs. Lester, the Supreme Court ruled that alimony payments are tax-deductible for the husband and not chargeable to the wife. Child support payments are not tax-deductible by the husband and are income to the wife. If a husband's and wife's incomes differ enough, they have an incentive to label as alimony what is really child support. Lawyers go to two- and three-day conferences learning how to write separation agreements that will pass muster as alimony, even though they are really child support.

The impact of the Lester decision may be seen in these numbers. We hope to figure out the age of the children and the age of the mother. We would not expect high alimony payments if the mothers and the children are young.

MS. DODSON: But of all divorced women in 1985, I believe, only 4.4 percent received any alimony payments--an extremely small proportion of the total population of single-mother-headed households.

MR. TRAMONTOZZI: But those could be some of the larger awards.

MS. DODSON: The average amount was \$3,000 a year.

MR. BESHAROV: But as we look at that average initial award--at the mean as opposed to the median--we can see some wild fluctuations.

MR. HARRIS: I think the 1986 Tax Reform Act changed the Lester rule. What you say may be pertinent to a particular period, but it is no longer the law. The tradeoff between child support and alimony is--

MS. DODSON: --hard to do.

MR. GREEN: That's why they go to the two- and three-day conferences.

MR. HARRIS: No-fault divorce guidelines may encourage trade-offs. If child support or alimony was the price for a divorce and was changed, and the amount of the child support is much more definite in a guideline, there may now be bargaining around a

whole series of things.

The exemption in some of the pending legislation, saying that the guidelines do not apply where the parties agree, lends itself to a variety of trade-offs. The parties may agree not to be bound by guidelines because they traded off something else.

MR. TRAMONTOZZI: In table 3, the figures for income received as child support show that women with more recent awards tend to receive more than those with older awards.

MS. KOLKER: In dollar amounts or in percentage of award granted?

MR. TRAMONTOZZI: Payments as a percentage of the awards. For awards made in 1980 or later, 69 percent was received. From 1975 to 1979, it was 62 percent; from 1970 to 1974, it was 54 percent; and before 1970, it was a little higher, 59 percent.

Compliance improves as the awards become larger, probably because of the rising income of the noncustodial parent. The percentage of full payments received--complete compliance--is higher than the average as the amount due reaches a level between \$3,000 and \$7,000 per year.

Given what we discover in table 4, let's say child support is 10 percent of income. That means compliance is best when annual income is between \$30,000 and \$70,000.

Table 5 shows the same pattern--for all three years. When the amount due is \$3,000, the percentage making full payments is above the average, which is 48 percent. When the amount due is \$3,000, it is 54 percent; at \$5,000 the percentage that paid fully is higher, 73 percent. At \$7,000 and above, it is 64 percent. On the other side, complete noncompliance--no payments whatsoever--is worse in the low to middle award range.

As the income of the noncustodial parent declines, he is more likely to pay nothing. On average, about 26 percent pay nothing. From \$1 to \$499 per year, 30 percent don't pay; from \$500 to \$999, 35 percent; from \$1,000 to \$1,499, 37 percent; and from \$1,500 to \$1,999, 30 percent. Then it declines, so at \$7,000 or more, only 4 percent don't pay anything. That probably indicates that they can afford to pay.

MS. KOLKER: But it is curious to look at the other side and see the high percentage of compliance among people with the lowest awards.

MS. MELLGREN: Those may be people who are very much in the child support system, with court-ordered payments going through the child support agency, so their compliance may not be voluntary.

MS. KOLKER: When annual amounts of \$500 to \$1,000 are broken down to a weekly or monthly basis, the payments are pretty small.

MR. TRAMONTOZZI: But for some reason, compliance does go way down. We

do know that court-ordered agreements have much lower rates of compliance.

MR. HARRIS: For fiscal year 1986, for the first time, we got accounts receivable information from the states--the amount due versus the amount paid. What is most striking is that the current support is much more likely to be paid than arrearages are. Nationally, the collection versus the amount due is about 45 percent for current support. It is only about 9 percent for arrearages.

MS. DODSON: In the two right-hand columns of tables 5 and 6, a fair number of the percentages that pay 100 percent have gone down between 1983 and 1985.

MR. TRAMONTOZZI: Can we compare those percentages with any confidence?

MS. SANDERS: Yes, they probably show a significant difference.

MR. TRAMONTOZZI: But the 1985 percentages are very close to the 1978 percentages, I believe.

MR. GARFINKEL: That may or may not be statistically significant, but I wouldn't put much credence in the numbers. If we do a hundred tests, five of them are statistically significant, on average.

MR. TRAMONTOZZI: In the years for which we have data, as shown in table 8, the percentage of what noncustodial parents pay remains fairly consistent. About one-quarter pay nothing at all; about half pay everything; and the remaining quarter pay something in between.

MR. BESHAROV: When you think of compliance issues, that is striking.

MS. KOLKER: I find it discouraging. We haven't made any improvement. Look at all the effort that has been put into strengthening the program.

MR. GREEN: Those numbers are amazingly stable, given everything that has happened.

MS. KOLKER: Figures for 1985 will be significant. Under the 1984 amendments, states had to pass complying legislation and then implement that legislation. In fact, many states enhanced enforcement techniques, which did not become effective until 1986 and in some cases the latter part of 1987.

MR. GARFINKEL: The survey after the next one will be interesting.

MS. KOLKER: It is important that Congress not jump on all these data. Because of the 1984 amendments, we expect changes in 1985 and 1986. We have to be forceful in presenting a realistic picture of what is going on at the state level.

MS. SANDERS: We will probably see some general effect from the child support

enforcement amendments in 1986. It may be a statistically significant increase in award levels. The 1984 amendments would not have had any effect on 1985 income. I would not expect to see that effect captured until the surveys of 1988 and the 1990s.

MR. GARFINKEL: In regard to the pattern of higher compliance rates, I agree with the interpretation that the awards are a proxy for income. It is important to stress that, because compliance could decrease as awards become a higher percentage of income. We don't know, but that is a possibility.

But the pattern of compliance being higher at the higher end is a common one. Generally social problems are more severe further down the income scale, and that is exactly what we find here, so it is not surprising.

MS. MELLGREN: When we look at the percentage of child support payments received from 1978 to 1985, we should disaggregate the population, but that analysis has not been done off the CPS. We should look at the AFDC population and see whether or not the stream of awards and receipt of payments has changed for it. Maybe we should also look at other government transfers, in addition to AFDC, as the second population and see what has been happening, as reflected in the CPS. Child collections data show that the amount of money being collected on behalf of AFDC families has been increasing.

To find out if something is being masked, we should pull out a subpopulation and do some more discrete analysis. Then we can see whether or not the national trends reflect the subpopulation trends of those with government transfer payments.

MS. SANDERS: Typically the Office of Child Support Enforcement asks us for another production of final report tables for the AFDC population. I think it is done for total AFDC and full year AFDC. I don't know whether they have requested it this year, or if we have provided it, but we do usually produce it.

MR. BESHAROV: Is that available to the public?

MS. SANDERS: We release the data unless they are still in the "deliberative process."

MR. GARFINKEL: Bob Harris's point with respect to awards applies just as strongly--maybe even more so--to payments. People on AFDC may not know how much is being paid. In Wisconsin we are going to try to get at this issue. We will compare a survey response parallel to the CPS and match that with official records of what is being paid. Then we will be able to get a handle on it.

MS. MELLGREN: That is a real concern, but in regard to per capita collection from the child support data, it is about \$900 per family on the AFDC statistics. In the CPS data, in response to "What was given on behalf of your family," it is about \$900. There is not an extreme difference between the two data sets. The child support data are the actual state collections data, while the CPS reports the data from families. They are fairly close, within \$50 of each other.

MR. TRAMONTOZZI: Tables 9 through 16 indicate, in a more detailed way, the same thing as table 8--that payments of 100 percent or more are highest at higher income levels. Tables 14, 15, and 16 again show that the rate of total compliance is higher than the average. The average is 48 percent. At \$3,000 to \$4,999 due, it is 54 percent. At the next level, \$5,000 to \$6,999 due, it is 73 percent. At \$7,000 due, it is 64 percent.

In table 10, at the lower end of the spectrum, \$500 to \$999 due, the percentage is below the average, as we would expect. About 38 percent paid 100 percent or more. On the other side, total noncompliance or no payments at all, we see the same thing. Total noncompliance is highest at the low to middle range of awards.

Tables 15 through 18 show that the average percentage of noncustodial parents who pay nothing at all is about 26 percent. In table 9, for \$1 to \$499 due, it is 30 percent. At the next levels up, it is 35 percent, 37 percent, and 30 percent. Then it starts to decline at the level of \$2,000 to \$2,999.

MR. BESHAROV: It might help to look at table 17. We looked at compliance rates by marital status, divorced versus never-married. I admit to being surprised at the lack of a difference. That also implies that the preceding tables are truly income-driven.

MS. MELLGREN: It would be interesting to know how this table might change if the proportion of never-married women who have awards and receipts changes. We have to remember that we are comparing 80 percent of the divorced population who have awards with 18 percent of the never-married population who have awards.

That never-married population with awards is a unique slice of the never-married population. But that 80 percent of the divorced population is probably representative. If we were comparing 80 percent of divorced families with 80 percent of the never-married, we might begin to see some fairly substantial differences in performance. This is speculation, but the samples are so different that I am not sure what this table tells us.

MR. BESHAROV: One thing it tells us is that agencies are good at "creaming." They have a differential decision process. They look at a father, whether he is out of wedlock or not, and see what he is worth and whether they can collect from him.

MS. MELLGREN: Part of the problem with that is that, while a high percentage of never-married women are in the IV-D system, a high percentage of the divorced families are not. So once again, this information cannot be used to say anything about how the IV-D system works, because the data are not comparable.

MR. BESHAROV: Would you feel better if these numbers didn't track each other?

MS. MELLGREN: No. I would like to see this information tracked on AFDC, on population with other government transfers, and then on those with no government transfers. Then we could see whether or not we were looking at comparable information. I would be surprised if there were no differences in those circumstances.

We have done some runs to look at payments received among the different populations within the AFDC population, using CPS data--not the matched file but just the receipt of child support payments. There is a difference, but the compliance among the divorced and never-marrieds is not the same.

MR. HARRIS: I want to reiterate a point that Linda Mellgren made, because everyone here may not understand it. The census data cover total child support paid across the country. The IV-D system is a subset of these data. Where the census shows \$7 billion collected, only about \$3 billion of that was collected through the IV-D system.

To further complicate the picture, the situation varies considerably from state to state. In Michigan and Pennsylvania, virtually all child support is paid through the IV-D system; in New York and California, an extensive amount of child support is not.

MR. GREEN: Does that say something about differences in legal enforcement or differences in levels of well-being of fathers or what?

MR. HARRIS: It is probably more a matter of historical practice than anything else.

MS. MELLGREN: State financing decisions, too.

MR. HARRIS: States like Pennsylvania and Michigan historically channeled all child support through a governmental agency, through an officer of the court, and they just folded that into the IV-D program. New York and California have traditionally allowed payment between the parties.

MR. TRAMONTOZZI: Tables 18 and 19 show that recent initial awards tend to have lower rates of total noncompliance. Table 18 shows that in 1985, 21 percent of those who received their awards initially in 1980 or later don't pay anything at all. For the oldest awards, those received before 1970, the number is higher--31 percent.

On the other side, the more recent initial awards also have higher rates of total compliance. In 1985, among those separated in 1980 or later, 52 percent paid 100 percent of due payments, compared with 38 percent of those separated before 1970.

MR. BESHAROV: I was struck by something else in this table. I expected a more even distribution, something like a bell curve. Instead, we have two poles--21 percent paying nothing and 52 percent paying all, with the others making partial payments. It is an unusual distribution for behavior. In these figures, I see a child support payer here, and a child support nonpayer there, and I want to know what those fellows look like.

MR. HARRIS: I think that studies of the IV-D program by the General Accounting Office show about 20 percent paying regularly, and another 20 percent never paying at all, and the rest paying sporadically.

MR. BESHAROV: This shows a much higher percentage paying recent awards. The difference for older awards is not just 20 percent but around 50 percent of the fathers. That is a fair amount.

MR. HARRIS: Part of that may be due to wage withholding. Even prior to the 1984 amendments, a number of states had wage-withholding legislation. It was not as strong as the legislation enacted by the Congress in 1984, but at least it was on the books. States were beginning to get their cases into a wage-withholding system.

MR. BESHAROV: I think we run a risk of thinking only of legal obligations. Table 20 shows that court-ordered awards tend to be lower than the amounts that the parties voluntarily agree to and similarly that payments, pursuant to court orders, tend to be lower. That means compliance is lower than compliance to voluntary arrangements.

In setting an amount for child support, the parties usually bargain in the shadow of the court. After looking at what a court would do, the plaintiff discounts the value for uncertainty and costs and comes in with a figure lower than a court would order. In this table, I see some altruism. Some parties are giving more than a court might give--and I know we can't tell for sure--for a similarly situated family.

MS. KOLKER: Who is in these different groups?

MS. MELLGREN: That is the key question. The voluntary group may have people with higher educations and better paying jobs.

MR. GARFINKEL: The income of the noncustodial fathers, I think, would explain virtually all of the variation in this table.

MR. HARRIS: A criticism of the IV-D system is that the child support attorneys are willing to accept any amount. If anything, the awards are too low on the court-ordered side as opposed to the voluntary. The attorney too frequently accepts anything rather than try to get an adequate court order.

MR. GREEN: Maybe the ones that get into court are the really difficult highly contested cases. They could not work out anything voluntarily, so they go into court and are happy to get anything.

MR. HARRIS: Part of it is caseload pressures and staffing. An agreement out of court is easier to deal with.

MR. GARFINKEL: This has always puzzled me, and I have been working in this area for many years. What exactly is a voluntary agreement?

MS. KOLKER: I have asked this question for a long time.

MS. SANDERS: If the parties reach an agreement voluntarily, and the court puts a stamp of approval on it, it is a voluntary arrangement.

MS. MELLGREN: So they go into court; it is not outside the courts.

MR. GARFINKEL: What proportion in the CPS answer that they have a voluntary agreement?

MS. SANDERS: About a third.

MR. GARFINKEL: I don't understand that. According to studies in Wisconsin and to lawyers I have talked to, something like 85 to 90 percent of agreements should be voluntary by that definition. People almost always go to court with an agreement ready, and the court simply rubber-stamps it. In the Wisconsin studies, that happens in about 85 percent of the cases, and Margo Melli said that I could generalize from that to the rest of the country. I think people just don't understand the question.

MS. SANDERS: Interviewer training instructions define it as a voluntary written agreement between the parties that may or may not have been recognized by the court as part of the divorce or separation proceedings but that was not ordered by the courts.

MS. MELLGREN: That is very confusing

MR. BESHAROV: I would add something to explain some of the variations. When the agreement is incorporated in a divorce decree and there is a modification, for example, it becomes a court order, not a voluntary agreement. In New York, we have many modifications, but I couldn't guess what percentage.

Over an eighteen-year period, which is what we are looking at, we should see a substantial erosion in what were originally described as voluntary agreements but have become court orders. To compare your number of 85 or 90 percent, we would want to know what percentage of first year awards fell into each of these categories.

MS. MELLGREN: But to get good data, we would need multiple questions. It is not a one question kind of thing.

MS. SANDERS: In addition to that definition, we give a definition of "court ordered": "Court ordered payments usually take place when a mutually acceptable agreement cannot be worked out between the parties." This is what our interviewers have when they go out to ask the questions.

MS. SELFRIDGE: Do they automatically tell people that, or do they wait for the people to say, "I don't understand what you mean," or "Could you explain that?"

MS. SANDERS: If the respondents say, "It is court-ordered," then the interviewer probably puts down "court-ordered." If they say, "Well, I don't know," the interviewer will probe and use the instructions to get the correct answer.

MR. HARRIS: But again, it may be transparent to the woman. In many



jurisdictions, she may be in negotiation with an administrative person but then file the agreement with the court, and it becomes a court order.

MR. GARFINKEL: It will be clear to those who go to AFDC first and then to court that their agreements are court-ordered. Some people in the middle and upper-middle class will fall in the court-ordered category, and some in the voluntary. But, clearly, there is a sharp class and income distinction between voluntary and court-ordered agreements.

MR. BESHAROV: In my definition of altruism, a father with money would tend to give more than a court would order. Some men say, "I want to give what my kids need," and if they are told the court won't order that much, they say, "That doesn't matter." In many states, the father has no obligation to pay for college education. Yet many fathers who are unwilling to give a penny while the child lives with the wife and her new husband are willing to pay half or more of the college tuition. We ought to be careful to protect any altruism in these numbers in any attempt to heighten enforcement or guidelines.

MR. GARFINKEL: In the few studies I have seen, child support, as a percentage of the noncustodial parent's income, goes down, not up, as the income rises. Child support payments may be 10 percent of the median income, but that may reflect 20 percent for those below the median income and only 5 percent for those above.

Altruism should be expressed not just in terms of the total amount of child support, but also as a proportion of income. Those upper-income fathers may be able to pay a greater amount of child support more easily than fathers with lower incomes, because it is a smaller proportion of their total income.

MR. BESHAROV: Again, we should not take this too far, but one would expect some voluntary payment. One would also expect some of that payment to be higher than what courts would order. It is worth looking at before we come to any strong conclusions about how to hit these guys on the head. There will be different ways to hit them.

MR. MELLGREN: But again, we also need to look at that population of most concern from the government's perspective. How many of the families who are getting \$5,000, \$6,000, or \$7,000 a year in child support are affected by government transfers? From a microscopic government policy perspective, very few--very, very few.

MR. BESHAROV: Congress, in its wisdom, is blurring that distinction in the child support amendments. That is why I want to pay comparable attention to this group, because the requirements Congress is imposing apply to it. As we have seen, this group isn't doing that badly in compliance.

MS. MELLGREN: The issue is where, if we have scarce resources, do we want to target them--on the group that isn't doing so badly or on the one that is costing the government a lot of money? Where do we want to put our resources, assuming we don't have enough money to pay for a program to take care of everybody?

MS. KOLKER: An issue that may start some fires here is the child's standard of living in the separated household versus what it was in the intact household. I think that is important. An annual payment of \$6,000 or \$7,000 might look huge, but if that child's standard of living has plummeted from the predivorce situation, that is a serious problem, too.

MR. HARRIS: I would argue against there being some degree of altruism involved, but it would be interesting to look at the source of income. My guess is that people who are regularly employed for wages are treated differently from the self-employed and from those who go from job to job.

I think the self-employed, for example, may be underpaying in comparison with those who are regularly employed, because the child support agencies can do a better job with somebody working for General Motors than with a self-employed professional, for example. They will not devote as much attention as a private attorney would to a case like that.

MR. GREEN: We would also probably find a difference if the father has additional family responsibilities. If he remarried and has other children to support, I suspect the amount and the percentage would drop.

MS. MELLGREN: A couple of studies on this point have gone in different directions. One said that when fathers remarry, their compliance goes down. Several others show the exact opposite--that when fathers remarry, compliance improves and that when mothers remarry, compliance becomes worse. The second family does not necessarily have a negative effect.

MS. KOLKER: How do you factor geography into all of this? If the noncustodial parent lives in the same community, does that affect compliance rates? At what point does geographical separation affect compliance rates?

MS. SANDERS: In the 1988 survey, we plan to ask whether the father is in the same state as the mother.

MS. KOLKER: The state as opposed to the community? In a state like New York or California, he could be in a different part of the state and he might as well be at the other end of the country.

MS. SANDERS: One reason it is the state, rather than the community, is to capture the interstate enforcement problems. We are also planning to ask whether the father has visitation rights and whether he exercises them. We will quantify the total number of days and see if there are relationships.

MR. TRAMONTOZZI: Isn't there a question already that asks what sort of community they live in?

MS. SANDERS: The CPS tells whether they live in a metropolitan area and whether it is within a central city. But it gives the status just of the custodial parent, not of the father.

MS. MELLGREN: The geography issue may be a question of who moves away. If the father moves away, his compliance may not change if he continues to feel an obligation. But if the mother moves away, and if he is angry because he cannot see the children, compliance may change. It is a matter not of how far apart the families live, but of the factors that went into the change in location. To say they now live a hundred miles apart gives a muddy picture. But if she moved and he did not, that may say something about the relationship.

MR. BESHAROV: In most states, regardless of who moved, the court is likely to reduce the amount of child support to reflect the higher transportation costs in visitation.

MS. MELLGREN: You may have experienced that in your practice, but I don't know any study that reflects it.

MR. BESHAROV: I'm talking about the state of the law. A person has a right to visitation. That can cut into the claim.

The next issue I want to bring up is second families. Many states do not allow them to be a factor. Yet, as a practical matter, they might have an impact on these numbers. Regardless of the research, what do you think is the impact of remarriages on the amount awarded, on modifications, and on compliance rates?

MR. GARFINKEL: Most studies I have seen show increased compliance after the noncustodial parent remarries and decreased compliance after the custodial parent remarries. In a survey we did, we asked what the appropriate child support obligation would be in certain hypothetical cases. The remarriage of the custodial parent, particularly if she had a good income, clearly resulted in a reduction in the perceived obligation. Only a minuscule reduction resulted when the noncustodial parent remarried.

That implies that the child support obligation should reflect the need of the child. If there is a remarriage, the need of the child presumably declines, because there is other income. I don't agree with that philosophically. I am just telling you what the average person in Wisconsin believes.

MS. SELFRIDGE: That increase in compliance when the noncustodial parent remarried, was it age-corrected? Could it be just an age phenomenon?

MR. GARFINKEL: No, it was age-corrected. I have seen different interpretations. One interpretation is that it reflects the concern of the noncustodial parent for children, that the motivation for remarrying is in part to start another family.

MR. GREEN: He might also have a higher income if his new wife is working.

MS. MELLGREN: That's right. They would be paying a smaller proportion of the total household income.

MR. GARFINKEL: Right, but it's a mixed picture. Second wives are one of the strongest lobbying groups for reduced child support payments.

MS. MELLGREN: They probably contribute to the greater compliance in that subpopulation; therefore, they feel more pressure.

MR. HARRIS: We assume that is true. Second wives who are themselves owed child support from a prior marriage are a difficult group to deal with. Second families get into the idea of judicial discretion. Without guidelines, decision-makers make individual judgments. In some jurisdictions, judges are very tough, and in others, if a man who doesn't have a sizable income remarries, the judge will order nominal child support or none at all.

MR. BESHAROV: In table 18, 53 percent of families with awards made in 1980 and after are at 100 percent compliance. The 1970 figure is 36 percent. Clearly, payments decay over time. It seems to me that in addition to moving, a major issue is remarriage.

What should the formal rule of law about second families be? Even in states that say second-family incomes are not to be considered, the husband introduces it when his ex-wife goes in for a modification, and it can have a negative impact on the ultimate award.

MS. KOLKER: Most states don't have step-parent liability laws, right? I think Delaware and a couple of others have them. Legally, it is not permissible to apply the income of the new spouse.

MR. BESHAROV: I am thinking of the other direction. When the husband remarries--and we are talking not about compliance but about what would happen if he went into court--most formal rules do not allow him to claim that he has added expenses. But even in many places with this formal rule, the court will say, "He has these other children, and all children are equal. Should the children he's living with have to go on welfare?" Especially in a state without AFDC, he's unlikely to get a wage assignment that takes all his money.

MR. GREEN: If his new wife is not working, he has greater responsibilities, greater expenses. But if his new wife is working, he may have greater income.

MR. GARFINKEL: Although it may not be popular, there is a simple philosophical answer to guide public policy. It seems to me that the remarriage of either party is completely irrelevant and should be completely irrelevant to the child support obligation. If the child support obligation is reduced because of the remarriage, then someone else has to pay for that--either the custodial parent of the child or the public.

Generally the custodial parent and the child have no say in whether the noncustodial

parent remarries. Since it is the choice of the noncustodial parent, that person should bear the consequences, together with the person who chooses to marry him--and it usually is a him. To say that the custodial parent and the child should bear the consequences of that decision--or that strangers should bear them--seems strange.

There are good arguments for encouraging marriage--it makes for more stable people--but we ought to subsidize marriages in general, not just second marriages.

MR. BESHAROV: We are rearguing Zablocki vs. Redhail, a 1978 Supreme Court case. Wisconsin would not give a marriage license to anyone in child support arrears. The Supreme Court held that this rule violated family privacy and the right to be married and so forth. It did not quite get to the question of the constitutional right to have more children, but it might discourage a state from trying to limit it.

MR. GREEN: Wouldn't that be hard to enforce? Couldn't anyone go to Las Vegas and get married?

MS. SANDERS: But there is a difference between saying, "If you remarry, you will still have the obligation to your first family," and saying, "If you are in arrears, you cannot remarry."

MR. BESHAROV: I would be delighted to take either side of that argument before the courts. But at some point, a person has a right to have children.

MS. MELLGREN: Sure, but that doesn't mean he has a right to choose not to support the children he has.

MR. BESHAROV: If he has barely enough income to keep a roof over his head and to feed his children, and if the state would remove his children from his custody if any of his income were taken away, because he could not adequately care for them, that comes close to a right to pay no child support.

MS. KOLKER: The approach used by Delaware and the Melson Formula--which provides for a basic self-support allowance--makes a lot of sense. Maryland is proposing to peg it to the poverty level and to vary it with family size. An obligor living by himself, for example, is entitled to between \$450 and \$500 a month. If he has dependents, he is entitled to keep a percentage--again, pegged to the poverty line--for their support. The formula, which is carefully calibrated, varies if his second spouse works. Then, if there is a second family and if any income is available above these basic self-support levels, it is divided equally between the two families.

I think that is the way to do it--not to favor the first family or the second family, but to make certain that both suffer in the same proportion if there isn't enough to go around.

MR. BESHAROV: As I read these numbers, I see some kind of consensus in favor of a reduction in the obligation to the first family if there is a second family. Older

awards, for example, are a little lower than initial awards. They are not increased over time. And it can be seen in the compliance rates as well, because either the custodial parent or the court doesn't press as hard for the first family.

As this process is formalized, and as firm federal or state rules are mandated, these informal arrangements within the system become exposed.

MS. KOLKER: We should distinguish between two kinds of families. In some cases, the first family asks for a modification of an existing award, and in others it asks for an award to be established after it has drifted apart and the noncustodial parent has a new family.

MR. BESHAROV: In table 23 the change in child support payments between 1983 and 1985 must have been disappointing. Almost all categories are down to a statistically significant degree. In table 24, however, we see a reverse development. Increases--albeit tiny ones--occur in most categories, but with major declines in the black, the Hispanic, and the less-than-twelve-years-of-education figures. But the black and the education categories show the increase between 1983 and 1985.

What's going on here? Is some of it simply demographic change?

MS. SELFRIDGE: In incomes of black families with children, we found surprisingly rapid demographic shifts over a three-year period.

MR. GREEN: Demographic changes usually take longer.

MS. SELFRIDGE: But in a three-year period, we saw a significant change from two-parent to one-parent black families. We don't expect such a large change in such a short period.

MR. HARRIS: How do you explain the changes in white and college-educated women? They seem to me the most inexplicable of all.

MS. SANDERS: No reason stands out. Given an overall decline, though, we would expect it to be among white women. Among black and Hispanic women, the payment amount was too low to go down much further.

The decrease among the college educated is definitely significant, but we don't know how significant, because the sample size is small. One factor may be whether the fathers will continue to pay as women's incomes increase.

In the overall decline, the levels of payments that women said they were due in 1985 decreased, as well as the average payments they received. Another consideration is that the total percentage of women who were awarded payments in 1986 increased from, I think, 58 percent to 61 percent, and that was a significant increase. And if awards had been increased to the margin, where we might expect them to become lower, then that could bring down the overall average both due and received. But that is conjecture.

MS. SELFRIDGE: Was the change in the gap between male and female wages concentrated in this period?

MR. GREEN: Women earned 62 percent as much as men in 1980 and 70 percent in 1986. We should do an age breakdown, because younger women earn less.

MR. TRAMONTOZZI: Did the number of cases brought into the IV-D program during this period increase significantly? If lots more marginal cases were coming in, that would have lowered payments.

MR. HARRIS: I don't think there was any radical change in the number of reported IV-D cases during this period. Keep in mind that the case information is not very reliable. The most reliable programmatic information is the dollar amounts. The case counts, I think, are dubious. Care should be taken in comparing them.

MS. SELFRIDGE: If the number did go up, would the result be more marginal cases?

MS. SANDERS: Women are less likely to win an award if their income is lower and if they have lower educational attainment. If the husband's income parallels hers, then the amount awarded would be lower.

MS. SELFRIDGE: Can we assume that better educated women have better educated husbands, and that they would take the initiative to go to the IV-D agency?

MS. KOLKER: No, because if they are better educated, they have more resources.

MS. SELFRIDGE: I meant those in the lower income group who aren't in the AFDC system--people somewhat better off, but not in the upper incomes, who have some trouble. They might have more sources of information, and they might take the initiative to go to the agencies.

MS. SANDERS: This isn't the first time we have had a real decrease in payment amounts. From 1978 to 1981, I believe, there was a larger percentage decrease in real terms. It wasn't so noticeable because the inflation rate was higher and, in nominal terms, payments went up.

MR. BESHAROV: What happened to the median between these two years?

MS. SANDERS: Not much. The most plausible explanation is that a few higher awards went out of the sample.

MR. BESHAROV: In 1981, a major change in Orr vs. Orr and other Supreme Court cases gave the mother an equal responsibility for child support. And women with four years of college or more have had ascending incomes.

MS. MELLGREN: So awards might be going down because women with four years of college are making more money and contributing more to child support. Therefore the noncustodial payment is less.

MR. BESHAROV: That's why I asked about the median, because it would tend to eliminate all those high fliers.

MR. GARFINKEL: When I look at the average increases, I see that they are not much higher than inflation. That works well for 1978 to 1981, but not for 1981 to 1983, and that is puzzling. Inflation was higher between 1981 and 1983 than between 1983 and 1985. It seems to me that inflation, plus a little shift in composition, was the big factor.

MR. BESHAROV: But by 1983, wasn't the inflation rate down?

MR. GARFINKEL: Over the 1983-1985 period, let's say it was 4 percent a year. Compounded over one year, that gives 8, 9, or maybe even 10 points of that 12 percent.

MR. BESHAROV: This is another time when it would be great to have the initial award number. Have we exhausted the possibilities of why these numbers are down?

MR. GREEN: The medians are not down much.

MS. MELLGREN: In a two-year period, the data could be blips as much as anything else. I would be more concerned about the trend from 1979 to 1985 than from 1983 to 1985. We can't have much confidence that the differences are real over such a short period. We are spending a lot of time to figure out why there might be small differences between 1983 and 1985.

MR. BESHAROV: Diane Dodson did take the numbers from 1978. Whether because of inflation or whatever, we are talking about a 25 percent drop, aren't we? And that is a long enough period for us to be concerned.

MS. MELLGREN: That's true, but I would be more concerned over the constant dollar trend in a five-year period if it indicated a real problem than over the blips between 1983 and 1985.

MR. BESHAROV: We do have a constant dollar trend that is going down, and relatively precipitously.

MS. SELFRIDGE: But, given what the economy has done, we should expect that. Productivity and real wages have not been good for a long time.

MS. SANDERS: The other side is that our reports once looked at average child support payment as a proportion of the average income of all men. We stopped doing that because it may not be accurate to assume the characteristics of the absent father when we had no data on absent fathers. When we did look at it, though, it stayed pretty constant at 13 percent. This year it is 10 percent.



MS. SELFRIDGE: Looking at all men, whether they have children or not?

MR. GREEN: Yes.

MS. SANDERS: It was 13 percent, but in this past survey, I believe income of men increased by 5 percent while child support payment decreased, in real terms.

MR. BESHAROV: I will be a chauvinist for a second and say it serves you feminists right.

MS. MELLGREN: You are trying to be controversial.

MS. KOLKER: Fathers' rights groups have become increasingly vociferous in the past couple of years. National and state policies for guidelines issues have galvanized them in a way that enforcement issues only began to do. These groups have asserted enough political pressure on judges and other decision-makers to cow them somewhat.

MR. HARRIS: I disagree on the significance of the fathers' rights groups. The failure to change child support awards with changes in circumstance is, I think, much more significant. Few jurisdictions have a mechanism for updating awards or for reviewing awards regularly. In most jurisdictions, it is even the responsibility of the custodial parent to seek a change in the award. There is no governmental monitoring mechanism of any kind. What we are really seeing, I think, is the impact of inflation and the way the system has worked.

MR. BORDES: Does anybody know whether the new cases in the past couple of years, 1983 to 1985, consisted disproportionately of disadvantaged cases?

I see a change in two lines--the racially and the educationally advantaged and disadvantaged. The racially disadvantaged have improved between 1983 and 1985, and so have the educationally disadvantaged. But the advantaged--white and better educated--are worse off.

Recent awards are higher and would be less subject to inflationary effects. A disproportionate increase over the 1983-1985 period in the disadvantaged cases would also be less subject to the inflationary factor. That could explain some of this.

It seems like a fairly straightforward question. Are recent cases disproportionately of a certain kind? Has there been a change in the proportion of the content of child support?

MR. HARRIS: There is a continuing increase in the total collections, and, within that, AFDC and non-AFDC cases have both tended to rise. My guess is that the increase in AFDC is more real because of the disproportionate representation of minorities.

On the non-AFDC side, the states have blanketed into the IV-D system what they

had already been collecting. The change there is less real.

MS. MELLGREN: The child support statistical overview for AFDC cases reports cases in which a collection was made. From 1981 to 1983, the number of cases increased from 548,000 to 595,000. Then from 1983 to 1985, it jumped from 595,000 to 684,000 on the AFDC side.

MS. KOLKER: Approximately the same percentage increase.

MS. MELLGREN: I don't have the statistics here on the total AFDC caseload, so I don't have a percentage. There was a rise in the number of AFDC cases, but not much of an increase in the proportion of AFDC cases.

The number of non-AFDC cases--the IV-D cases that are not AFDC--increased from 325,000 in 1981 to 507,000 in 1983 and then to 654,000 in 1985. Again, this is roughly the same proportional increase. Since the difference between the increases from 1981 to 1983 and from 1983 to 1985 is not tremendous, no big infusion of new cases with collections appears to have gone into the system.

MR. BESHAROV: Five years ago, judges and lawyers would have said that combined alimony and support for a couple of children would amount to about 30 percent of father's income. In fact, when Lenore Weitzman asked in the Los Angeles area, she came up with that figure.

MS. MELLGREN: When she asked, as opposed to looked at?

MS. BESHAROV: Yes, when she asked. If the same people were asked what the average award is now, after reading Lenore Weitzman's book and various other things, they would say substantially less than 30 percent. These are not just observers, they are decision-makers.

We would expect some kind of echo effect. If judges think the average award is not 30 percent, they are likely to give awards close to 30 percent. If they think the going rate is 12 percent, the awards will be lower. The same is true of settlements.

What we may have is a self-fulfilling prophecy. The numbers used in the past understated the average award, and the tendency was to gravitate towards those numbers. If those numbers were wrong, we would see a continuing reduction in actual payments over time.

MS. SANDERS: We don't like to think about our data being misused, but I have an enormous fear that when the data came out, people said, "This is the average, and it is from the Census Bureau, so this is all the custodial spouse should get." Those who know what they are doing would say, "This only presents a picture. It isn't saying that, normatively, this is what it should be." If they want the average for people like me, they should look at people like me--with my educational attainment and everything else. But as you said, someone puts a figure in front of the judge, and if the advocacy is poor--

MR. GREEN: It's a sword with two edges. Some might say, the amounts are so small, they should be much higher. Others might say, this is the going rate, and that's all that has to be paid.

MS. KOLKER: Awards are, as you say, a function of advocacy, and women have been at an economic disadvantage in hiring attorneys. We receive a lot of calls from women who had attorneys, but simply couldn't afford to continue to retain them, so they were forced to settle for less than might have otherwise. They don't have the economic resources to secure the maximum award.

MR. GREEN: The amounts they get even if successful may be small compared with the attorneys' fees.

MS. SANDERS: Another factor is the level of income of men and women after divorce or separation. We don't have a figure for currently divorced women. We do have data for female householders and for male householders. In 1985 a male householder with no wife present had an income of \$22,622, and a female householder, \$13,660. Female householders with no husband present and with one or more children under eighteen had a median income of \$10,076. I don't have a figure for males with no wife present, but for all families it is \$27,705. That is a big gap.

MR. GREEN: So women with children present have even lower incomes than female householder families as a whole.

MS. KOLKER: And factor in the cataclysmic economic shock that often happens at the time of the separation--

MR. BESHAROV: No, no. Those numbers are driven by the never-married women and the welfare recipients. And this is the danger. Post-divorce poverty is terrible, but it is very different. It is important to make that distinction. Otherwise every divorced mother could be categorized in this kind of welfare situation when she really has loads more in human capital and in opportunity.

MS. KOLKER: But we are concerned here about this whole scale and about the match between high school and college education and the ability of women to be self-supporting. There are dramatic drops in those award levels.

MR. BESHAROV: Yes, but I would be surprised if the last line is a welfare recipient.

MS. KOLKER: In response to what you said, the numbers at the bottom are not being driven at all by families in, or even close to, the public assistance program.

MS. SANDERS: Gordon Green and I were just trying to figure out how to divide the never married from the divorced and the separated, but we haven't yet. We could get the CPS file and tabulate it, but I don't think anything has been published with those distinctions.

MR. BESHAROV: The PSID data on welfare recipient dependency used by David Ellwood and Charles Murray show that marital status explains most of the variance for dependency of over five years. The data hit the same things--education, age of the mother, and so forth. Those never-married mothers drive down the rest of the numbers because they stay there. A divorced mother, for all her problems, is poor for a while and then does better.

MR. GREEN: She gets remarried?

MR. BESHAROV: Or gets a job. David Ellwood targets welfare recipients. Sometimes he does a group of charts on marriage, sometimes on work. Since we always combine the numbers of the never-married mothers and the divorced mothers, we don't see the relatively good prospects of divorced mothers.

MS. KOLKER: Again, no matter how much women reentering the labor market have been able to catch up, those earning differentials continue.

MS. MELLGREN: Women who have been married longer, who have more children, and who are older get much higher award settlements than women who are younger and have not been married as long. If the marriage has lasted longer, the theory is that the investment of the father in his relationship with his children is much higher. On award levels and compliance issues in the child support continuum, those families are the cream of the crop, even though their standard of living may change drastically.

MR. HARRIS: But I think that will be a very sensitive area in the future.

MR. BESHAROV: I would only caution that, for many of those people, the initial awards may be closer to the mean child support guidelines around the country than to the more aggressive ones. We may be cutting off not the very top--I don't mean the \$100,000 a year men--but folks who earn between \$25,000 and \$50,000.

The sum total of this discussion is, we don't know exactly what they are paying on an initial award. It may be higher than our "guesstimates." Remember, Irv Garfinkel's numbers are not just awards; they are payments, with all the decay that occurs in actual payments that reflect what we used to call in Wisconsin very aggressive numbers. They just may not be very aggressive numbers. We may be able to make a political case for different numbers.

MR. HARRIS: We are a long way from being able to characterize what is happening with guidelines at this time. Different jurisdictions have taken different approaches. Some, I suspect, have come out with guidelines that will result in a significant increase over what has been awarded in the past. In other jurisdictions, the guidelines reflect a codification of what their pattern of award was. And that was consciously done in the formulation of the guidelines.

MR. BESHAROV: I see that our time is up. Thank you for joining us. We hope this discussion has been as helpful to you as it was to us.