This study examines the extent to which children enjoy regular contact and financial support from their noncustodial parents. It also looks at the extent to which children who have a parent living elsewhere and their custodians are financially dependent on child support. Data are from the National Survey of America's Families. In this survey, data were collected in 1997 from nearly 45,000 nationally representative households. Slightly more than half of all children eligible for child support receive any support from their noncustodial parents, and only a third see their noncustodial parents as often as once a week. Only half have child support orders, but even children with orders do not receive the full ordered amount. Children with a parent living elsewhere are three times as likely to be poor. Poor children are particularly unlikely to receive child support, but when they do receive it, child support constitutes, on average, a quarter of their family's income. Child support decreases the level of income inequality among children with a parent living elsewhere. (Contains 4 tables, 4 figures, 13 end notes, and 8 references.) (SLD)
To What Extent Do Children Benefit From Child Support?

Elaine Sorensen
Chava Zibman

99-11

January 2000

Assessing the New Federalism
An Urban Institute Program to Assess Changing Social Policies

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Assessing the New Federalism

*Assessing the New Federalism* is a multiyear Urban Institute project designed to analyze the devolution of responsibility for social programs from the federal government to the states. It focuses primarily on health care, income security, employment and training programs, and social services. Researchers monitor program changes and fiscal developments. Alan Weil is the project director. In collaboration with Child Trends, the project studies changes in family well-being. The project provides timely, nonpartisan information to inform public debate and to help state and local decisionmakers carry out their new responsibilities more effectively.

Key components of the project include a household survey, studies of policies in 13 states, and a database with information on all states and the District of Columbia. Publications and the database are available free of charge on the Urban Institute's Web site: [http://www.urban.org](http://www.urban.org). This paper is one in a series of discussion papers analyzing information from these and other sources.


The nonpartisan Urban Institute publishes studies, reports, and books on timely topics worthy of public consideration. The views expressed are those of the authors and should not be attributed to the Urban Institute, its trustees, its funders, or other authors in the series.

Publisher: The Urban Institute, 2100 M Street, N.W., Washington, D.C. 20037
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The authors would like to thank David Betson, Linda Mellen, and Sheila Zedlewski for commenting on an earlier draft.
Abstract

This study examines the extent to which children enjoy regular contact and financial support from their noncustodial parents. It also looks at the extent to which children who have a parent living elsewhere and their custodians are financially dependent on child support. We use data from the National Survey of America's Families.

We find that little more than half of all children eligible for child support receive any support from their noncustodial parents, and that only a third see their noncustodial parent as often as once a week. Only half have child support orders, but even children with orders do not usually receive the full ordered amount.

Children with a parent living elsewhere are three times more likely to be poor. Poor children are particularly unlikely to receive child support, but when they do receive it, child support constitutes, on average, a quarter of their families’ income. Among all children with child support, the support constitutes, on average, 16 percent of their families’ income. We find that child support decreases the level of income inequality among children with a parent living elsewhere.
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Introduction

Approximately one out of every three children in the United States live apart from at least one of their parents, representing 23 million children in 1997. Although all of these children could have a child support order and receive the full amount that is owed, only about one in five do. Poverty rates among these children are more than three times as high as those for children who live with both of their natural parents.

Given the magnitude of parent absence, the lack of child support payments, and the strong association between parent absence and poverty, it is not surprising that the federal government and states have made child support enforcement a priority during the past 25 years. In 1975, Congress created an open-ended entitlement to child support enforcement services by enacting Title IV-D of the Social Security Act. This legislation established a federal/state partnership to enforce child support. Since then, Congress has adopted numerous laws to strengthen child support enforcement tools available to the states; most notable are the 1984 Child Support Enforcement Amendments and the 1988 Family Support Act.

More recently, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 changed welfare law to help families become less dependent on welfare and move them toward self-sufficiency, in part by improving child support collections. In particular, the law replaced the open-ended entitlement program called Aid to Families with Dependent Children (AFDC) with a block grant to the states to administer a new program called Temporary Assistance for Needy Families (TANF). It gave states considerable flexibility in designing their TANF programs, including flexibility regarding the treatment of child support. It also beefed up child support enforcement, in part by requiring the federal government and states to create national and state directories of new employee hires and by requiring states to establish centralized collections and disbursement units, all of which are
expected to increase child support payments.

This policy brief examines the magnitude of parental absence and the extent to which nonresident parents contribute financially and emotionally to their children living elsewhere using data from the 1997 National Survey of America® Families (NSAF)—a large nationally representative household survey. Specifically, it answers the following questions:

- How do children who have a parent living elsewhere differ from other children?
- How likely are children who have a parent living elsewhere to receive financial and emotional support from that nonresident parent?
- To what extent do children® families depend upon child support income?
- In what ways are poor children who receive child support different from poor children who do not receive it?
- Does child support reduce (or increase) child poverty and income inequality?

The National Survey of America® Families is part of the Urban Institute® Assessing the New Federalism project. Detailed data were collected in 1997 from nearly 45,000 nationally representative households. While all 50 states and the District of Columbia are represented in the survey, 13 focal states were chosen in order to provide us with case studies of the effects of policies in those states. Special effort was made to gain a particularly in-depth perspective of low-income families with children. Households were asked questions about housing, family structure, employment, income security, health, education, and child well-being. One section focuses entirely on children® interaction with noncustodial parents.

Our basic finding is that child support is highly relevant to children who receive it, especially poor children not on cash assistance. The problem is, however, that most poor children eligible for child support do not receive it. In 1996, only 29 percent of poor children who had a parent living elsewhere lived in
families that received child support.

A National Profile of Children with and without a Parent Living Elsewhere

The vast majority of children who have a parent living elsewhere live apart from their father. In 1997, 83 percent of children who had a parent living elsewhere had a nonresident father, 12 percent had a nonresident mother, and 6 percent had both parents living elsewhere (see table 1).

Children who have a parent living elsewhere are at tremendous risk of being poor. In 1996, 37 percent of children with a parent living elsewhere were poor (the official poverty threshold for a family of three was $12,790 in 1996). Only 21 percent of these children lived in families that had incomes that were greater than three times the poverty threshold. In contrast, 12 percent of children without a parent living elsewhere were poor in 1996 and 46 percent of them lived in families with incomes that were greater than three times the poverty threshold.

As a result of their low incomes, a relatively high percentage of children with a parent living elsewhere rely on public assistance. In 1996, 23 percent of these children received AFDC and 35 percent received food stamps. In contrast, only 3 percent of children without a parent living elsewhere received AFDC and 9 percent received food stamps that year.

The living arrangements of children with and without a parent living elsewhere are quite different (see table 1). Most children who have a parent living elsewhere live in a single parent family (72 percent), whereas most children who do not have a parent living elsewhere live with their two natural or adoptive parents (93 percent). Nonetheless, table 1 shows that one in five children who have a parent living elsewhere live with a natural parent and a stepparent, which we refer to as a blended family. Another 7 percent of these children live with neither of their natural parents. In contrast, only 5 percent of children without a parent living elsewhere live with a single parent and only 1 percent live in a blended family.
Children’s Involvement with Their Parents Who Live Elsewhere

Parents who do not live with their children are unlikely to be highly involved in their children’s lives. For instance, in 1997, only about one third (34 percent) of children with a nonresident parent saw that parent on a weekly basis and only about half (52 percent) received any financial assistance from that parent.4

Financial assistance from a nonresident parent is more common among children who have a child support order. In 1997, two-thirds of these children received financial assistance from their nonresident parent. Nonetheless, table 2 also shows that only 50 percent of children with a parent living elsewhere had a child support order that year, and of these only 44 percent received the full ordered amount.5 Among children without an order, only 37 percent received financial assistance from their nonresident parent.6 Thus, children with a child support order are nearly twice as likely to receive financial support from their nonresident parent as children without an order.

Regarding contact with a nonresident parent, table 2 shows that nearly three-quarters of children with a parent living elsewhere (72 percent) had some contact with their nonresident parent in the past year. About one-third of children who have a parent living elsewhere saw that parent at least once a week; another 38 percent saw their nonresident parent in the past 12 months, but not on a weekly basis. Nonetheless, this means 28 percent of these children had no contact with their nonresident parent in the past year.7

Table 2 also shows that there are significant differences between nonresident mothers and nonresident fathers in involvement with their children. Nonresident mothers are generally less likely than nonresident fathers to financially support their children, but are more likely to see them. For instance, 53 percent of children who live apart from their fathers, but only 36 percent of children who live apart from
their mothers, received financial assistance from their nonresident parent. Furthermore, children who live apart from their mothers are much less likely than children who live apart from their fathers to have a support order (28 percent versus 52 percent), and, when there is an order, they are less likely to receive the full amount (23 percent versus 46 percent). On the other hand, children living apart from their fathers are twice as likely as children living apart from their mothers to have not seen their nonresident parent in the past year. Nearly half of children living apart from their mothers saw her at least once a week during the past 12 months, whereas only 30 percent of children living apart from their fathers saw him that frequently.

Figure 1 displays the percentage of children with a nonresident parent who have a child support order and receive the full amount of their order by the state in which the child resides. Since the joint goals of child support enforcement are to establish child support orders and collect child support, these figures are one way of comparing the relative success of state child support enforcement programs. Figure 1 shows that the percentage of children with a nonresident parent who receive the full amount of their child support order varies considerably by the state in which they reside. In 1997, only 14 percent of children with a nonresident parent who lived in California received the full amount of their child support order; 86 percent received less or none of the child support order or had no child support order at all. This state, along with New York and Mississippi, had statistically significantly lower percentages of children receiving the full amount of their child support order than the nation as a whole. On the other hand, Wisconsin and Minnesota were the only states that had significantly higher percentages of children receiving the full amount due compared with the nation as a whole. In Wisconsin, for instance, 30 percent of children with a nonresident parent received the full amount of their child support order; 70 percent received less than the full amount or had no order at all.

These differences by state may be caused by many factors, one of which is the effectiveness of the
Table 1.
Characteristics of Children with and without a Parent Living Elsewhere

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Children With a Parent Living Elsewhere</th>
<th>Children Without a Parent Living Elsewhere</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Children</td>
<td>23 million</td>
<td>48 million</td>
</tr>
<tr>
<td>Which Parent Lives Elsewhere?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Father</td>
<td>82.7%</td>
<td>----</td>
</tr>
<tr>
<td>Mother</td>
<td>11.8%</td>
<td>----</td>
</tr>
<tr>
<td>Both</td>
<td>5.5%</td>
<td>----</td>
</tr>
<tr>
<td>Family Income:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below Poverty Level</td>
<td>37.4%</td>
<td>12.4%</td>
</tr>
<tr>
<td>Between 100% and 200% of Poverty</td>
<td>25.1%</td>
<td>20.7%</td>
</tr>
<tr>
<td>Between 200% and 300% of Poverty</td>
<td>16.3%</td>
<td>20.9%</td>
</tr>
<tr>
<td>Above 300% of Poverty</td>
<td>21.3%</td>
<td>46.0%</td>
</tr>
<tr>
<td>Percentage of Children Who:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Received AFDC in 1996</td>
<td>23.3%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Received Food Stamps in 1996</td>
<td>35.0%</td>
<td>8.9%</td>
</tr>
<tr>
<td>Received Either in 1996</td>
<td>36.7%</td>
<td>9.2%</td>
</tr>
<tr>
<td>Living Arrangements of Children</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two Biological or Adoptive Parents</td>
<td>0%</td>
<td>93.2%</td>
</tr>
<tr>
<td>One Parent, One Step</td>
<td>20.5%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Single Parent</td>
<td>72.4%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Other</td>
<td>7.1%</td>
<td>.5%</td>
</tr>
</tbody>
</table>

Table 2.
Child Support Related Characteristics of Children Who Have a Parent Living Elsewhere, by Gender of Nonresident Parent

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Children with Nonresident Parents</th>
<th>Children with Nonresident Fathers</th>
<th>Children with Nonresident Mothers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage Who Received Any Financial Assistance from Their Nonresident Parent in the Past 12 Months</td>
<td>51.9%</td>
<td>52.8%</td>
<td>38.6%</td>
</tr>
<tr>
<td>Percentage with a Child Support Order</td>
<td>50.1%</td>
<td>51.9%</td>
<td>28.1%</td>
</tr>
<tr>
<td>Percentage Who Had a Child Support Order and Received the Full Amount of That Order</td>
<td>21.5%</td>
<td>23.1%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Among Those with a Child Support Order,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage Who Receive Full Amount of Order</td>
<td>44.2%</td>
<td>45.8%</td>
<td>23.1%</td>
</tr>
<tr>
<td>Percentage Who Receive Part of Order</td>
<td>20.5%</td>
<td>20.5%</td>
<td>17.7%</td>
</tr>
<tr>
<td>Percentage Who Receive Nothing</td>
<td>35.2%</td>
<td>33.7%</td>
<td>59.2%</td>
</tr>
<tr>
<td>Among Those without a Child Support Order,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage Who Receive Financial Support</td>
<td>37.0%</td>
<td>36.3%</td>
<td>32.8%</td>
</tr>
<tr>
<td>Percentage Who Have Seen Their Nonresident Parent in the Past 12 Months:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At Least Once a Week</td>
<td>71.9%</td>
<td>67.7%</td>
<td>74.8%</td>
</tr>
<tr>
<td>Less Than Once a Week</td>
<td>34.0%</td>
<td>30.2%</td>
<td>47.0%</td>
</tr>
</tbody>
</table>

state's child support enforcement program. It is widely believed that Wisconsin and Minnesota run highly effective child support enforcement programs, while California does not (Little Hoover Commission 1997). Nonetheless, there are other differences among these states, such as differences in immigration, nonmarital childbearing, and poverty, that are not taken into account in this analysis. Thus, although these findings are consistent with the general view regarding the relative effectiveness of different state child support enforcement programs, they are not conclusive evidence of their relative effectiveness.

An important fact that figure 1 also conveys is that child support enforcement has a long way to go, regardless of the state in which the child resides, because less than a third of children with a nonresident parent have a child support order and receive the full amount due, even in states considered to have highly effective child support enforcement programs.

**How Relevant Is Child Support As an Income Source for Children?**

The relevance of child support depends on which children you examine. If you examine the income sources of all children, child support is not a particularly important source of income. In 1996, only 2 percent of the average child's family income came from child support. But this analysis is somewhat misleading since only 34 percent of all children have a parent living elsewhere and thus are eligible for child support.

On the other hand, child support is an important source of income for children who receive it. In 1996, the average child who had a nonresident parent and whose family received child support received 16 percent of their family income from child support (see figure 2). The average amount of child support received by these families was $3,795. Although child support is an important source of income for these families, figure 2 also shows that it is not the dominant source of income. In 1996, on average, just over two-thirds of these children's family income came from earnings. Thus, child support is a supplement to
earnings, not a replacement, even for families who receive it.

Child support is an even more important source of income for poor children who receive it.¹⁰
Figure 2 shows that poor children who had a nonresident parent and whose families received child support received $1,979 in 1996. This may not sound like a lot, but it represented, on average, over one quarter (26 percent) of their family income. Nonetheless, figure 2 also shows that poor children who receive child support depend on earnings and public assistance as well. An average of 38 percent of their family's income came from earnings; 20 percent came from AFDC. Thus, these children's families relied on many sources, including earnings, public assistance, and child support to pay the bills.

It is important to note, however, that poor children's reliance on child support varies by their current use of cash assistance. Families receiving cash assistance are required to cooperate with the child support enforcement system as a condition of receiving aid, but they are not supposed to receive any child support paid on their behalf unless the government decides to pass through some of it to the family. Any child support paid on their behalf is supposed to go to the government to reimburse it for providing cash assistance. In the past, the federal government had required states to pass through the first $50 per month of child support paid on behalf of welfare families to encourage their cooperation with the child support enforcement system, but that requirement was eliminated in 1996.

Given that most child support for families on cash assistance is captured by the government, it is not surprising that they report receiving little, if any, of it. In 1996, only 22 percent of children receiving cash assistance who had a parent living elsewhere received child support (see table 3).¹¹ Since 1996 was the last year of the federally mandated $50 child support pass-through, we can expect that even fewer families on TANF will report receiving child support in future years. The average amount of child support received by these families was $816 in 1996, which represented 12 percent of their family's income. (This amount is
Figure 1.
Children with a Parent Living Elsewhere Who Have a Child Support Order and Receive the Full Amount Due, by State

Figure 2.
Family Income from Child Support for Children with a Nonresident Parent

All Children with Child Support

- 6%
- 16% ($3,795)
- 9%
- 69%

Average Family Income: $34,967

Poor Children with Child Support

- 26% ($1,979)
- 16%
- 20%
- 38%

Average Family Income: $9,246

slightly more than a $50 per month pass because some of these families were not on cash assistance the entire year.)

In contrast, table 3 shows that 36 percent of poor children who have a parent living elsewhere and were not receiving AFDC in 1996 received child support that year, a significantly higher figure than that found for poor children on AFDC who had a parent living elsewhere. The average amount of child support received by these families was $2,751, representing over one-third of their family income. Thus, we find that child support is an important source of income for poor children who have a parent living elsewhere, especially those not receiving cash assistance.

We also see from table 3 that poor children whose families have left welfare are significantly more likely to receive child support than poor children whose families have never gone on welfare. In particular, 42 percent of poor children with a nonresident parent whose families have left welfare received child support in 1996. The average amount received was $2,562 per year, representing 30 percent of their families' income (see table 3). In contrast, 33 percent of poor children with a nonresident parent whose families had never been on welfare received child support that year. The average amount of child support for these families was $2,894 per year, representing 39 percent of their income (see table 3).

We had anticipated that among poor families with a child who has a nonresident parent, those who had left welfare would be more likely to receive child support than those who had never received welfare, because the former are required to cooperate with child support enforcement while receiving aid, but the latter only receive child support enforcement services if they request them. These findings suggest that child support enforcement has benefited poor children with a nonresident parent whose families received cash assistance, but it is not conclusive evidence since other factors not controlled for in this analysis could be causing these results.
Are Poor Children Who Receive Child Support Different from Those Who Do Not?

Although we find that child support is important to poor children who receive it, only 29 percent of poor children who have a parent living elsewhere live in families that receive child support. Are poor children who receive child support so different from other poor children that we should not expect increased child support enforcement to result in more poor children receiving child support? To answer this question, we examine poor children who are eligible for child support by their race and state in which they reside, and by the educational attainment of their custodian.

We find that poor children who have a parent living elsewhere and are African American or Hispanic, or whose custodian has not completed high school, are significantly less likely than other poor children with a parent living elsewhere to have a child support order and receive financial support from their nonresident parent. Figure 3 shows that only 13 percent of poor Hispanic children and 17 percent of poor African American children who have a parent living elsewhere have a child support order and received financial assistance from their nonresident parent, but just over one-third of white children do.12 Furthermore, only 16 percent of poor children with a nonresident parent whose custodian has not completed high school have a child support order and receive financial assistance from a nonresident parent, whereas 26 percent of poor children with a nonresident parent whose custodian has completed high school do (figure 4).

These findings suggest that it will be harder to extend child support to more poor children. Nonresident parents tend to be of the same race or ethnicity as their children and they tend to have similar educational levels as their children's custodians. Thus, it is reasonable to assume that nonresident parents of poor children who are not receiving child support are more likely to be Hispanic or African American, and are more likely to have not completed high school. Nonresident fathers with these attributes have

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Assessing the New Federalism
Table 3.
Child Support Receipt among Poor Children with a Parent Living Elsewhere, by Family's Welfare Status

<table>
<thead>
<tr>
<th>Family's Welfare Status</th>
<th>Percent of Children Whose Families Received Child Support in 1996</th>
<th>Amount of Child Support Received by Children's Families</th>
<th>Percent of Family Income That Child Support Represents</th>
</tr>
</thead>
<tbody>
<tr>
<td>On Welfare in 1996 or Currently on Welfare</td>
<td>22.4%</td>
<td>$816</td>
<td>12.3%</td>
</tr>
<tr>
<td>Not on Welfare in 1996 or Currently on Welfare</td>
<td>36.2%</td>
<td>$2751</td>
<td>34.8%</td>
</tr>
<tr>
<td>Formerly on Welfare Never on Welfare</td>
<td>41.7%</td>
<td>$2562</td>
<td>29.6%</td>
</tr>
<tr>
<td></td>
<td>32.8%</td>
<td>$2894</td>
<td>38.7%</td>
</tr>
<tr>
<td>All</td>
<td>29.2%</td>
<td>$1979</td>
<td>26.2%</td>
</tr>
</tbody>
</table>

lower earnings, on average, than those who do not. These results suggest that it will be harder in the future to establish child support orders and obtain financial support for poor children who do not already have an order and receive support.

**Does Child Support Reduce (or Increase) Child Poverty and Income Inequality?**

Previous research shows that child support reduces child poverty and suggests that it reduces income inequality because it redistributes income from noncustodial families to custodial families, the former of whom are better off and have fewer children, on average, than the latter (Meyer and Hu 1999; Nichols-Casebolt 1992). More recent research, however, has argued that child support contributes to income inequality among single-mother families since higher-income single mothers, in general, receive more child support than lower-income single mothers (Witkowski and Murthy 1999).

Examining the impact of child support on income inequality among all families is beyond the scope of this paper since it requires data on noncustodial families as well as custodial families, but we can examine the impact of child support on child poverty and income equality among children who have a parent living elsewhere. To do this, we must first examine how much income a family would have with or without child support.

The easiest way to calculate a family's income without child support is to subtract its annual child support receipt from total income. This calculation would be inaccurate, however, since many families who receive child support may become eligible for AFDC (or would receive more aid than they already do) should their child support payments disappear. We therefore make an estimate of how much AFDC would replace lost child support by identifying families whose average monthly income without child support falls below their state's AFDC payment standard for a family of their size. We assume that the AFDC program would bring each of these families up to the payment standard. This method tends to
overstate how much income poor families would have without child support because many of these families would probably not go on AFDC if they, in fact, lost their child support. In addition, those on AFDC do not necessarily receive as much aid as we attribute to them. Thus, we expect that we are underestimating the level of inequality if child support did not exist.

Using this methodology to estimate income without child support, we examine how the poverty rate and poverty gap might change if child support did not exist. Even with child support, 37 percent of all children with a parent living elsewhere live in families with income below the federal poverty level (table 4). Should child support be unavailable, 39 percent of all children—comprising nearly half a million more children—would be poor. Thus, we estimate that child support reduces child poverty by about 5 percent.

The poverty gap for children with nonresident parents is roughly 30.5 billion dollars (table 4). This means that it would take 30.5 billion dollars to bring all such children out of poverty. Without child support, however, this number increases by 2.5 billion, to 33 billion dollars. Thus, we estimate that child support reduces these children’s poverty gap by 8 percent.

We measure income inequality among children living apart from a parent in two ways (see Acs and Gallagher 1999). First, we compare income at various percentiles, specifically at the 20th, 50th, and 80th percentiles. Making these comparisons enables us to see, for instance, how much more income a family at the 80th percentile has relative to a family at the 20th percentile. The higher the 80/20 percentile ratio is, the more inequality exists using a given measure of income. The second measure of inequality that we use is the Gini coefficient. The Gini coefficient measures how well income is distributed across a population, that is, what fraction of a population’s wealth is held by any group of people relative to the fraction of the population constituted by that group. Unlike percentile ratios, the Gini coefficient does not look at any finite number of points but rather at the entire distribution. The Gini coefficient may have a value of zero to
Figure 3.
Poor Children with a Parent Living Elsewhere
Who Receive Child Support under an Order,
by Race

Figure 4.
Poor Children with a Parent Living Elsewhere Who Receive Child Support under an Order, by Custodian's Education Level

one, with a higher Gini coefficient indicating a higher degree of inequality.

Using the 50/20, the 80/20, and the 80/50 percentile ratios, we find that there is less inequality among children with a parent living elsewhere when child support is received than when it is not, although the differences in the percentile ratios are not particularly large (table 4). Because AFDC replaces child support income for the poorest children, child support reduces income inequality more among higher-income children than lower-income children. For example, when child support income is included in family income, families at the 80th percentile of income have 2.03 times as much income as families at the median income, but they have 2.13 times as much income when child support is taken away. On the other hand, when child support income is included in family income, families at the median income have 2.39 as much income as families at the 20th percentile of income; that ratio increases to 2.44 when child support income is taken away (and replaced, in part, by AFDC).

Using the Gini coefficient, we also find that child support decreases income inequality among children with a parent living elsewhere, although the effect is small. The Gini coefficient in a universe with child support was .471, while the Gini coefficient in a universe without child support was .481. Higher Gini coefficients reflect greater income inequality and thus these results suggest that child support contributes to income equality among children with a parent living elsewhere.

Our basic finding, that child support contributes to income equality among children who are potentially eligible for child support, may seem somewhat counter-intuitive because we know that the amount of child support received by poor families is less than that received by better-off families. Nonetheless, the amount of child support received by poor families constitutes a larger share of their income than it does for better-off families and thus it contributes to income equality.

Conclusions
Parental absence is widespread in America—one-third of our nation's children have a parent living elsewhere. Unfortunately, only 52 percent of children with a parent living elsewhere receive any financial assistance from their nonresident parent. This source of income, however, is important to the families who receive it. In 1996, families receiving child support received, on average, 16 percent of their family income from child support.

Moreover, certain subgroups of children with a nonresident parent are more reliant on child support than others. In particular, poor children with a parent living elsewhere whose families have left AFDC are highly reliant on child support. Forty-two percent of these children lived in families who received child support and they received an average of 30 percent of their family income from child support.

We find that the percentage of children receiving the full amount of their child support order varies considerably by the state in which the child resides. For instance, only 14 percent of children in California who are eligible for child support had an order and received the full amount due, while 30 percent of children in Wisconsin did.

Child support reduces child poverty and income inequality among children with a parent living elsewhere. In 1996, 37 percent of children with a parent living elsewhere had family incomes that fell below the poverty level, but if child support had not been paid, nearly a half a million more children would have been poor. Furthermore, family incomes among children who have a parent living elsewhere are quite disparate—family incomes in the top 20 percentile are 4.8 times that of family incomes in the bottom 20 percentile. Nonetheless, if child support income were not available, this disparity would increase—families in the top 20 percentile of the income distribution would have 5.2 times as much income as those in the bottom 20 percentile.
Table 4
Measures of Inequality for Children with a Parent Living Elsewhere

<table>
<thead>
<tr>
<th>Measures of Inequality</th>
<th>With Child Support</th>
<th>Without Child Support*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty Rate</td>
<td>37%</td>
<td>39%</td>
</tr>
<tr>
<td>Poverty Gap</td>
<td>$30.5 billion</td>
<td>$33.0 billion</td>
</tr>
<tr>
<td>Income of Those at 20th Percentile</td>
<td>$8,280</td>
<td>$7,373</td>
</tr>
<tr>
<td>Income of Those at 50th Percentile</td>
<td>$19,749</td>
<td>$18,000</td>
</tr>
<tr>
<td>Income of Those at 80th Percentile</td>
<td>$40,100</td>
<td>$38,250</td>
</tr>
<tr>
<td>50/20 Percentile Ratio</td>
<td>2.39</td>
<td>2.44</td>
</tr>
<tr>
<td>80/50 Percentile Ratio</td>
<td>2.03</td>
<td>2.13</td>
</tr>
<tr>
<td>80/20 Percentile Ratio</td>
<td>4.84</td>
<td>5.19</td>
</tr>
<tr>
<td>Gini Coefficient</td>
<td>.47</td>
<td>.48</td>
</tr>
</tbody>
</table>


*See text for explanation as to how family income was calculated in the absence of child support.
We also find, however, that it is probably going to be more difficult to extend child support to poor children in the future. Poor children who already receive child support are more likely to be white and reside with a high school graduate than poor children who do not receive child support. To the extent that these children's nonresident parents are also minorities and high school dropouts, we can expect that obtaining child support from them will be more difficult since they appear to face greater employment barriers than nonresident parents of poor children who already receive child support. Nonetheless, it is not surprising that the federal and state governments continue to invest in the child support enforcement program in hopes of extending child support to more poor children since child support reduces child poverty, promotes income equality, and encourages self-sufficiency, three outcomes that are highly valued by Americans.
Notes

1. NSAF characterizes parents as either: natural, adopted, step, or foster. In this analysis, sexual partners of a natural parent are not considered parents, adopted parents are treated like natural parents, and foster parents are not analyzed.

2. The 7 percent of children who have a parent living elsewhere, but live apart from both of their parents, may have one parent who is dead (but not both by definition).

3. The 6 percent of children without a parent living elsewhere who live with one natural parent appear to have one parent who is dead. The primary caregiver of these children responded No to the question: Does this child have a parent who lives elsewhere? We do not know for sure whether these parents are dead or not, since we did not ask that question, but we expect that they are. We also presume that both parents are dead for the .5 percent of children who do not have a parent living elsewhere but who live with neither of their parents.

4. NSAF determines nonresident parent involvement by asking the custodian of the child. Other research shows that there are discrepancies between custodial and noncustodial parents' accounts of noncustodial parent involvement (e.g., Smock and Manning 1996). Thus, our approach probably leads to a conservative estimate of the level of nonresident parent involvement.

5. The percentage of children with a child support order is lower in the NSAF than typically found in Census surveys because NSAF asks only about court-ordered child support orders. Census surveys usually ask about all types of child support agreements, not just those that are court ordered. In 1996, the Census Bureau found that 58 percent of custodial parents had child support agreements (Scoon-Rogers 1999). Thus, NSAF misses about 15 percent of agreements.

6. Our figure for financial support outside of an order is more than double what other surveys typically find (Nord and Zill 1996). Two reasons come to mind as to why these numbers are so different. First, other surveys generally inquire about all types of child support agreements, not just court-ordered ones, which we identify. Thus, more children have an agreement in these surveys than we find, and more of the financial support is associated with an agreement than we find. Second, other surveys typically ask about financial support outside of a child support agreement as a residual category—after a lengthy series of questions about financial support associated with an agreement, the survey finally inquires about financial support outside of an agreement. On the other hand, the NSAF switched this order and asked about any financial support first and then asked about child support orders and payments. As far as we know, no one has tested whether the ordering of the questions matter, but we wanted to capture the level of financial and emotional involvement of nonresident parents independently of child support and thus we asked these questions first, which may contribute to why the results are so different.

7. Our figure regarding no contact in the last 12 months (28 percent) is lower than found in other surveys. For example, the Census Bureau recently reported that 35 percent of custodians reported that
their youngest child with a parent living elsewhere had not seen their nonresident parent in the past 12 months (Scoon-Rogers 1999). One factor that may contribute to these different outcomes is the way in which the questions were asked. The NSAF asks about contact between the child and the nonresident parent before any other questions about financial support or child support, but most surveys ask about contact within the context of a child support agreement and then ask about other contact as a residual category.

8. When we measure family income, we do not include negative self-employment income or negative rental income.

9. Child support income is derived from the section of the survey that measures family income. Thus, we do not know for certain that the child support income received by the focal child’s family is actually for the focal child. It may be for another child in the family. Nonetheless, we do know that child support income is being received by the focal child’s family in the amount that we have identified. Also note that in other sections of this paper (besides the discussion on income inequality) we rely on data from Section H of the survey that measures nonresident parent involvement. There are discrepancies between Section H and the income section of the survey, which cover two different time periods. We have not attempted to resolve these discrepancies since we do not have information to do so.

10. In this section of the paper, we have redefined poverty to exclude negative sources of income. The official definition of poverty looks at all sources of income, regardless of whether they are positive or negative. In this section of the paper, however, we have deleted negative sources of income from family income and thus we measure poverty based on this definition of family income.

11. Some children are in families who are receiving TANF at the time of the interview, which was conducted in 1997, but their families did not receive TANF/AFDC in 1996. These families are classified as on welfare for the purposes of table 3 and this discussion.

12. These results are from Section H of the survey and do not rely on the income questions in the survey to ascertain child support receipt.

13. We do not include food stamps as a source of income in any of our analyses since it is not cash income. Hence, we do not include the impact of the Food Stamp program in this simulation exercise.
References


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