



INTERCEPTS FOR CHILD SUPPORT ARREARS

WHO BENEFITED FROM INTERCEPTED ECONOMIC STIMULUS PAYMENTS?

September 2021

Natalie Demyan & Letitia Logan Passarella

The COVID-19 pandemic has threatened the safety and financial security of countless individuals and families around the globe. In addition to the potentially debilitating health impacts of contracting the virus (Huang et al., 2021; Lopez-Leon et al., 2021), restrictions related to containing the spread of COVID-19 have disrupted employment and earnings in unprecedented ways. The U.S. reached its highest unemployment level ever recorded—14.8% in April 2020¹ (Congressional Research Service, 2021); most were unable to work because of business closures and loss of business (U.S. Census Bureau, 2020). The fallout of COVID-19 has been particularly destructive for the economic well-being, physical and mental health, and safety of women (United Nations, 2020).

For single mothers of children, the pandemic has hit especially hard. Their employment fell the furthest between September 2019 and September 2020 when compared to all other groups of parents (Barroso & Kochhar, 2020). Mothers of school-age children have had to navigate work and childcare in the wake of school closures, contributing to employment losses of 3.5 million at the onset of the pandemic along with 1.6 million fewer mothers employed in January 2021 than in January 2020 (Heggeness et al., 2020). To add, single mothers and their children experienced higher levels of emotional distress due to greater financial and material strain over the course of the pandemic (Center for Translational Neuroscience, 2020; Ranji et al., 2021).

In an effort to provide economic relief and encourage economic activity in the face of the pandemic, Economic Impact Payments—or stimulus payments—for eligible adults and children were authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act also allowed

Main Findings

Custodians Owed Support from Obligor with Intercepted Stimulus Payments (n=30,462)

- Half (**51%**) of custodians received a **full distribution** of the intercept. One in five (**22%**) had a **partial distribution**, and one quarter (**27%**) received **no distribution**.
- **Black custodians** were **least likely** to receive the full distribution (**45%**), and **likeliest** to have a partial (**25%**) or no distribution (**31%**).
- Most (**89%**) custodians with a **partial distribution** had some of the intercept go to obligors' other cases. All custodians (**99.9%**) with **no distribution** had some or all of the intercept go to the state.
- Those with **no distribution** were **most in need** as they received the least in current support, had the lowest earnings, and were the most likely to receive SNAP and TANF benefits.

¹ Evidence suggests that this unemployment rate is an underestimate of the impact of the pandemic on job and hours losses (Shierholz, 2020).

stimulus payments to obligors, or parents owing child support, to be intercepted when those obligors had child support debts known as *arrears* to the custodian or the state. A previous report found that intercepted stimulus payments in Maryland often went to custodians who were owed arrears, but for some obligors, a partial or full amount of the intercept was recouped by the state and partially returned to the federal government in reimbursement of cash assistance expenditures on the custodial family (Demyan & Passarella, 2021).²

To measure the benefit custodians received from intercepted stimulus payments, this report reviews where payments were distributed among custodians owed support from obligors who had their full stimulus for a single adult (\$1,200) intercepted by the state child support program. In order to examine how these custodians fared in the initial months of an unprecedented pandemic, we also investigate the economic circumstances of custodians along with the current child support payments they received in the early pandemic.

In addition to providing more information regarding the impact of stimulus intercepts on custodial families, this report follows up on the previous report's analyses of race and ethnicity. We previously found that Black obligors were least likely to owe arrears to only the custodian and to have the stimulus distribution go solely to the custodian (Demyan & Passarella, 2021). As the majority (61%) of custodians in this study are Black, many custodial families could be subject to the disparate effects of reimbursement from cash assistance.

The findings in this report contain valuable insights for policymakers regarding who benefitted from intercepted stimulus payments in the early months of the pandemic. Not only that, the impacts of certain policies on families discussed in this report are worth consideration in efforts to improve the financial circumstances of Maryland children and families.

METHODS

Sample

The sample for this report includes custodians who are owed support from obligors whose first stimulus payment, as a part of the CARES Act, was intercepted between April and June of 2020. Given varying stimulus amounts by household size, we limited the sample to all custodians who had child support cases with obligors whose full stimulus amount for a single adult (\$1,200) was intercepted. Cases with an intercepted stimulus amount other than \$1,200 were excluded from the study.

The original sample included 30,847 custodians, but custodians who had cases with refunded stimulus payments were excluded, as were custodians who lived out of state and those who became deceased between January and September of 2020. The final sample is 30,462 custodians. This represents 19% of all custodians with an active child support case between April and June of 2020 (n=163,251).

Some custodians were excluded from analyses. Custodians are excluded from arrears analyses if there were administrative data issues related to arrears balances.

² When custodians are receiving cash assistance, child support payments are recouped by the state. If obligors do not pay all current support owed to the

state, they will accumulate state-owed arrears that are still due after custodians no longer receives cash assistance.

Also, unemployed custodians are excluded from analyses of earnings and the income boost from intercepted stimulus payments. Valid percentages are shown to account for any missing information.

Custodians were distributed into three groups based on their receipt of intercepted stimulus payments. The first group consists of custodians who received no distributions from the intercepts. The second group received a portion of the intercept, and the third received the full amount. Some custodians (n=748) had multiple child support cases with obligors who had intercepted stimulus payments; custodians who received the full amount from each intercept are in the full distribution group. Some custodians had a full distribution from one intercept but a partial or no distribution from another intercept; these custodians are in the partial distribution group.

Data Sources

Findings are based on administrative data retrieved from the Child Support Enforcement System (CSES). CSES contains identifying information and demographic data on children, obligors, and custodians receiving services from the IV-D³ program as well as data on payments. Information regarding benefit receipt from the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) was retrieved from the Client Automated Resources and Eligibility System (CARES). CARES is the statewide automated data system for safety net programs

³ The Child Support Enforcement program was established in 1975 under Title IV-D of the Social Security Act of 1935.

⁴ Common statistics reported include the average and median. The average represents the number at which one would arrive if the total (e.g., all custodians'

administered by the Maryland Department of Human Services (DHS).

Employment and earnings data were gathered from the Maryland Automated Benefits System (MABS). MABS includes data from all employers covered by the state's Unemployment Insurance (UI) law and the Unemployment Compensation for Federal Employees (UCFE) program. Together, these account for approximately 91% of all Maryland civilian employment. There are several limitations to MABS data, though. MABS does not contain data on self-employment, independent contractors, commission-only salespeople, some farm workers, members of the military, most employees of religious organizations, and informal employment. Earnings for these workers are therefore excluded. To add, the earnings figures reported may not equal total household income; we have no information on other household members' earnings or data about any other income (e.g., Supplemental Security Income) available to the family. Finally, MABS has no information on employment outside Maryland, and out-of-state employment is high in Maryland (17%) compared to the U.S. (4%; U.S. Census Bureau, 2021).

Data Analysis

We use univariate statistics to describe custodians' characteristics, their employment, and their child support case characteristics.⁴ When appropriate, we use ANOVA to compare averages between cohorts. We also utilize Pearson's chi square to compare characteristics.

earnings) was divided by the number of custodians included in the analysis. We also present the median which can be found by arranging all values from lowest to highest and selecting the midpoint value. Extreme values do not affect the median, which is why it is sometimes preferred over the average.

FINDINGS

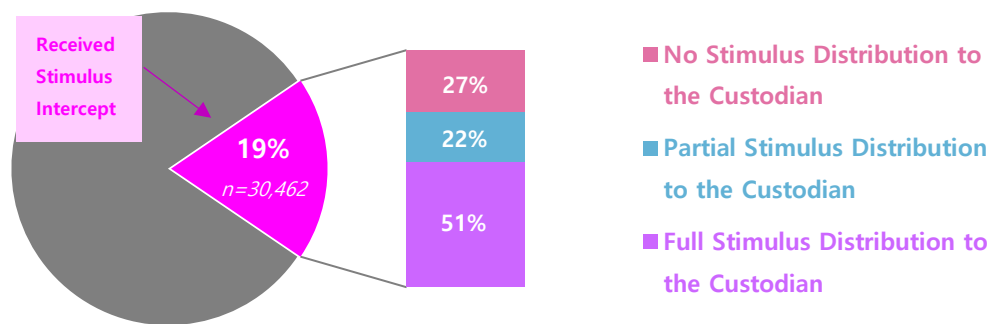
Stimulus Distributions

As was shown in a previous report investigating obligors subject to stimulus intercepts, the majority (73%) of stimulus distributions—\$23 million—went to Maryland families (Demyan & Passarella, 2021). On the other hand, \$8.5 million (27%) went to the state. Obligor's stimulus payments were intercepted when they owed arrears to the custodian, the state, or both. Obligor's owe child support to the state because while the custodial family receives TANF, the state recoups child support payments and partially returns payments to the federal government in order to reimburse TANF expenditures.⁵ This report

describes the 19% of custodians, shown in Figure 1, who have child support cases with obligors whose stimulus payments of \$1,200 were intercepted.⁶

Figure 1 distributes the 19% of custodians into three groups based on the amount of the stimulus distribution received by the custodian. Half (51%) of custodians received the full amount of \$1,200 for a single adult from one or more cases. The other half of custodians received a partial stimulus intercept (22%) or no stimulus intercept at all (27%). Although some did not benefit from the full amount of intercepted stimulus funds, these families were likely directly supported by their own stimulus payments authorized by the CARES Act.

Figure 1. Percentage of Custodians' Cases with a Distribution from a Stimulus Intercept



State-owed arrears can cause a custodian to receive no amount or a partial amount of intercepted stimulus because those arrears are prioritized over custodian-owed debt. To explore how the stimulus was distributed on custodians' cases, Figure 2 displays the average percentage and amount of the \$1,200 received by the state and the

custodian. Unsurprisingly, custodians who received no stimulus distribution had the largest portion of the stimulus intercept (76%) go to the state, on average. For these custodians, the average amount going to the state was less than the full intercept amount, at \$938; the next analysis discusses reasons for this.

⁵ Prior to July 2019, child support was due to the state and federal governments while Maryland custodial families received TANF. Beginning in July 2019, the first \$100 paid in child support for one child or \$200 for two or more children is passed through to families while they receive TANF (Md. Hum. Serv. Code § 5-310).

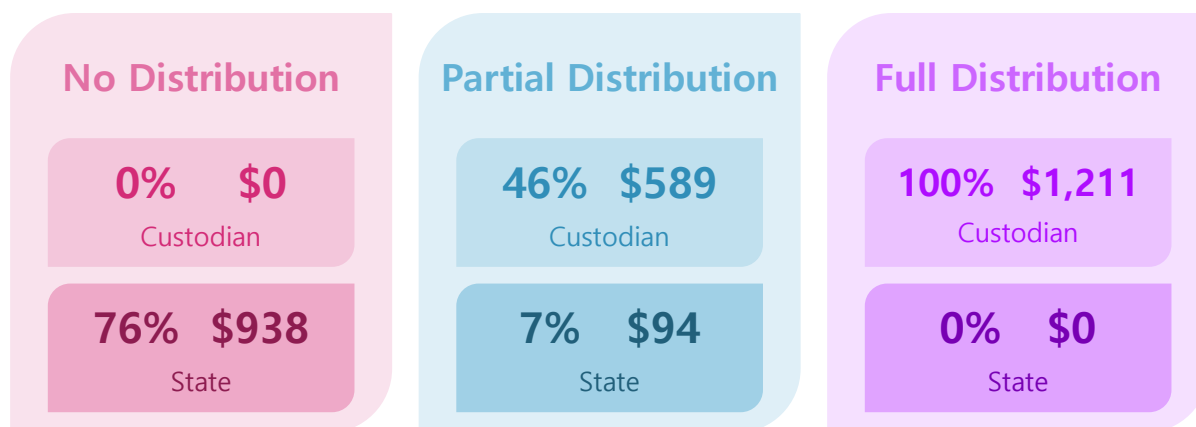
⁶ We limited this study to include cases with a full stimulus intercept of \$1,200 for a single adult. There could have been cases part of the excluded 81% of IV-D cases from April to June of 2020 (n=132,789) that had stimulus intercepts for amounts other than \$1,200.

Among custodians with a partial distribution of the intercept, one tenth (8%) of the intercept went to the state but almost half (46%) went to the family. The average amount going to the state was only \$94. Roughly half of the full intercept amount (\$589, on average) went to the family.

Custodians who received the full stimulus intercept amount experienced the inverse

scenario of those receiving none of the intercept: 100% of their stimulus intercept went to the family, and \$0 went to the state. The average amount going to the family was \$1,211, slightly higher than the full intercept amount. This occurred because some custodians received stimulus intercepts from multiple obligors who owed the custodian arrears, raising the average above the full intercept for a single adult.

Figure 2. Average Percent and Amount of Stimulus Received by Custodians and the State***



Note: *p<.05, **p<.01, ***p<.001.

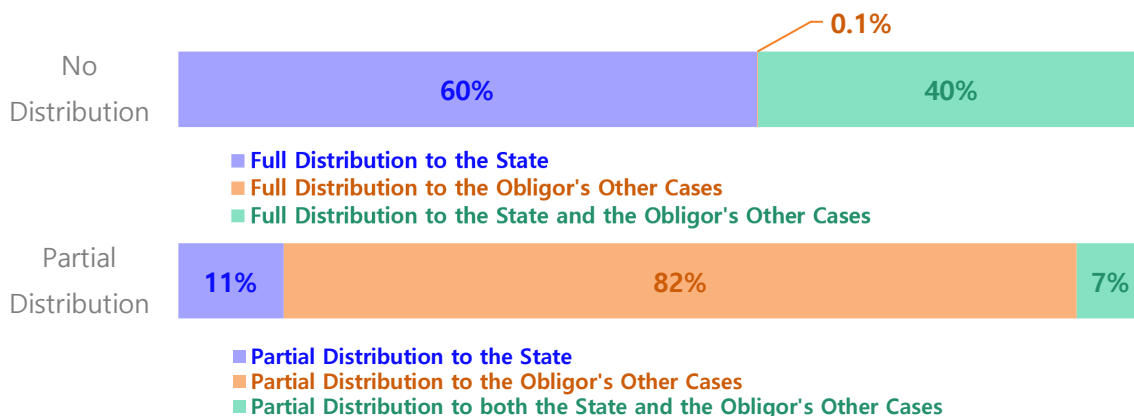
For custodians with no distribution or a partial distribution, Figure 2 showed that the remaining amount was not fully recouped by the state. Figure 3 further explores where the stimulus was distributed. In addition to distributions to the state, intercepts could have been distributed to obligors' other cases. Figure 3 shows the percentage of cases that had intercepted funds shared with the state, obligors' other cases, and both. The percentages displayed do not represent the percent of the intercept, but rather, the percent of custodians in a given cohort.

Family complexity—or instances when a parent has children with multiple coparents—impacted where intercepts went among a substantial portion of custodians with a partial distribution. Four in five (82%) custodians shared the \$1,200 stimulus intercept with obligors' other cases. Family complexity also affected custodians with no distribution as two in five (40%) split the stimulus between the state and obligors' other child support cases. Intercepts going to obligors' other cases can be distributed to the custodians on those cases, the state, or both, depending on who was owed arrears.

The policy of TANF reimbursement affected where the intercept was distributed for virtually all custodians receiving no distribution, as state-owed support accumulates while a custodian receives TANF. Among nearly all (99.9%) custodians who received no stimulus distribution, part of the intercept was recouped by the state. In fact, for three in five (60%) custodians, the state recouped the full \$1,200. In contrast, it was uncommon for custodians with a partial distribution to have an intercept shared solely with the state (11%) or shared with other cases as well as the state (7%).

Although custodians with **no distribution** were impacted by the **TANF reimbursement policy**, custodians with a **partial distribution** were heavily affected by **family complexity**, or families in which a parent shares children with multiple coparents.

Figure 3. Where Did Intercept Amounts Not Distributed to Custodians Go?



Note: Percentages may not total to 100% due to rounding.

Arrears

Stimulus intercepts occurred because custodians were owed child support arrears, so it is worth exploring the debt on custodians' cases and if there are any differences between cohorts. Figure 4 describes the percent of custodians with arrears owed to custodians, the state, and both by cohort.

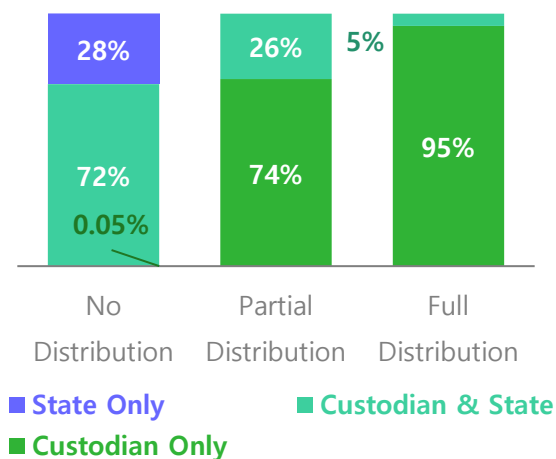
Arrears owed to the state became less common as the intercept distribution level

increased among custodians. Those receiving none of the intercept were likeliest to have state-owed arrears, as virtually all of these custodians (99.95%) had arrears owed to the state. It should be noted, though, that three in four (72%) custodians with no distribution did have arrears owed to the family in addition to the state despite receiving no stimulus.

Custodians receiving a partial stimulus distribution did not have any arrears owed solely to the state; instead, three quarters

(74%) had arrears owed to the custodian, and one quarter (26%) had debts owed to both the custodian and the state. As complex families usually determined a partial stimulus distribution for these custodians, it makes sense that they were far less likely than those with no distribution to owe any arrears to the state.

Figure 4. Percentage of Arrears Owed to Custodians and the State***



Note: Percentages may not total to 100% due to rounding. *p<.05, **p<.01, ***p<.001

Custodians with a full distribution of the stimulus intercept were overwhelmingly (95%) likely to have arrears owed solely to them. This is not surprising given the fact that they received the entire stimulus amount. But just as some obligors owing arrears to the state had the full distribution

go to the custodian (Demyan & Passarella, 2021), there were some (5%) custodians who had arrears owed to the state in addition to the custodian. This could be due to differing distribution rules or administrative errors.

Although all three groups of custodians' cases had some debt owed to the state, we generally find that custodian-owed debt is much larger (Passarella, 2020); this remains true among these custodians as well. Table 1 presents the median balances of custodian- and state-owed arrears among the three groups in the month before the intercept. Regardless of how much stimulus they received, custodians in all three cohorts were owed roughly the same median amount of arrears, at about \$9,500 for custodians with no distribution, \$10,000 among those with a full distribution, and \$11,000 for custodians with a partial distribution.

The state-owed arrears balances on these custodians' cases, though, varied widely. Predictably, custodians with no intercept distribution had the highest median state-owed arrears, at \$5,300. Custodians with a full distribution had a lower median balance of just over \$1,500, and custodians with a partial distribution had the lowest median state-owed balance, at close to \$900.

Figure 4. Median Amount of Arrears Owed to Custodians and the State***

	No Distribution	Partial Distribution	Full Distribution
Custodian-Owed Arrears	\$9,569	\$11,014	\$10,000
State-Owed Arrears	\$5,299	\$858	\$1,528

Note: Custodians with no arrears due to the custodian were excluded from analyses as were those with no arrears due to the state.

Financial Resources of Custodians

During the pandemic, there were several ways in which custodial families could have received support in addition to stimulus distributions. The federal government widened the safety net for families through a temporarily expanded Child Tax Credit under the American Rescue Plan (ARP) Act, in which families began receiving monthly payments in 2021 (U.S. Department of the Treasury, 2021). In Maryland, public assistance programs like TANF and SNAP adopted more flexible procedures and requirements for receipt in the wake of the pandemic (DHS, 2020). Moreover, the state took other temporary measures, such as increasing SNAP allotments by 15% through September 2021 and dispensing an additional monthly benefit of \$100 per month for each TANF recipient in a given household through the end of 2021 (DHS, 2021a, 2021b). It is reasonable to expect that the above changes benefitted many custodial families in Maryland, including some who did not receive the full stimulus intercept. The remainder of this report focuses on additional resources that custodial families had to meet their needs during the early pandemic: current child support payments, earnings from their employment, and public assistance benefits from SNAP and the TANF program.

In addition to distributions of intercepted stimulus, the Maryland child support program facilitated the transfer of current support to families which assisted them in the midst of the pandemic. Having steady support from regular current support payments helps families weather times of economic insecurity. Figure 5 shows the percent in each group who received at least one current support payment between

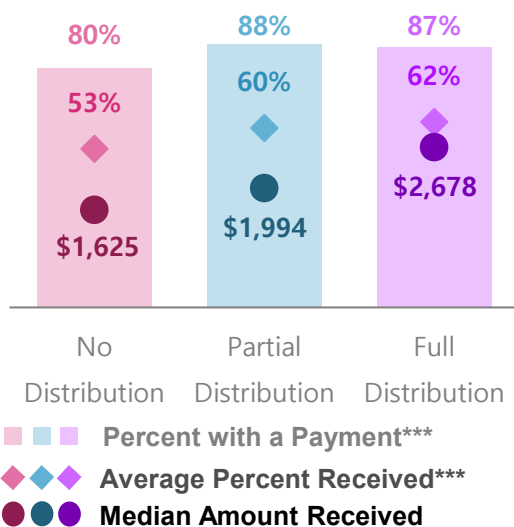
January and September, along with the average percent and median amount of support received among those with a payment.

Figure 5 demonstrates that all three measures of child support compliance were lowest among custodians who did not receive any stimulus distribution. Among those with no distribution, four in five (80%) received at least one current support payment, but they received an average of just over half (53%) of what they were owed in current support. Although not shown in the figure, the percent of these custodians receiving a payment improved by roughly seven percentage points from January to September of 2020, with the percent of support paid increasing by eight percentage points in that time frame. Those with a payment received the lowest median amount of the three groups, at \$1,625, which was more than \$300 less than the next-highest median amount received. Relatively lower payment compliance to these custodians is exacerbated by their lack of receipt of any stimulus distribution, making a level of subsistence even more difficult to achieve.

Custodians with a partial distribution had similar outcomes to those with a full distribution, although they received a lower amount of support. Both cohorts had close to nine in 10 (88% and 87%) receive a current support payment, and they received roughly three fifths (60% and 62%) of what was owed. Moreover, the average percent of support received increased slightly between January and September of 2020: it rose three percentage points among those with a partial distribution and by two percentage points among those with a full distribution (not shown). Custodians with a partial distribution (\$1,994) received a lower

median amount of current support than custodians with a full distribution (\$2,678), but since they both received similar percentages of what was owed, this is likely because the obligations were higher among custodians with a full distribution.

Figure 5. Current Support Payments
January to September 2020



Note: Average Percent Received and Median Amount Received exclude custodians who did not receive any current support. *p<.05, **p<.01, ***p<.001.

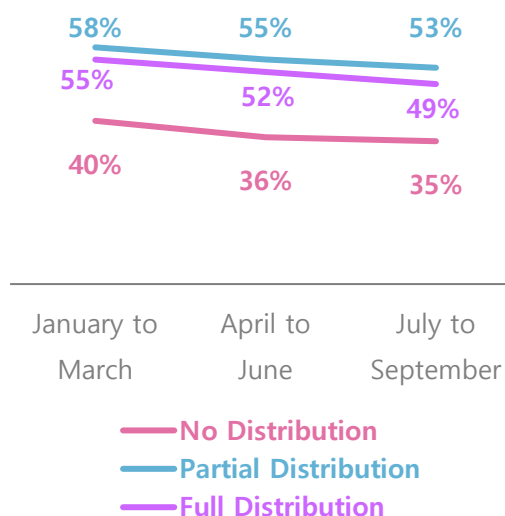
In addition to stimulus intercepts and current child support, many custodians relied on their earnings to maintain household expenses. Women, particularly single mothers of children, were especially likely to experience reduced employment, diminished earnings, more acute food and housing insecurity, and higher levels of stress (Barroso & Kochhar, 2020; Center for Translational Neuroscience, 2020; Ranji et al., 2021). Figure 7 explores whether custodians were employed in the first, second, and third quarters of 2020.

Employment did not substantially diminish over the first three quarters of 2020 for the custodians in any of the cohorts, but low employment was more common among

custodians receiving no stimulus distribution. Even before the pandemic, employment was low among this cohort, with two in five (40%) having a job between January and March. In the early months of the pandemic, their employment participation was reduced to just over one third (36%), but that percentage remained stable between July and September (35%).

Custodians with a partial distribution were the most often employed, but those with a full distribution were not far behind. Before the pandemic, more than half of custodians with a partial (58%) or full (55%) distribution held a job. That was reduced by three percentage points among both cohorts once the pandemic hit, but more than half of custodians in these cohorts were nonetheless employed (55% and 52%). Another small reduction occurred for both groups in the third quarter, by two percentage points for those receiving a partial distribution (53%) and by three for those receiving the full distribution (49%).

Figure 7. Percent Employed***



Note: *p<.05, **p<.01, ***p<.001.

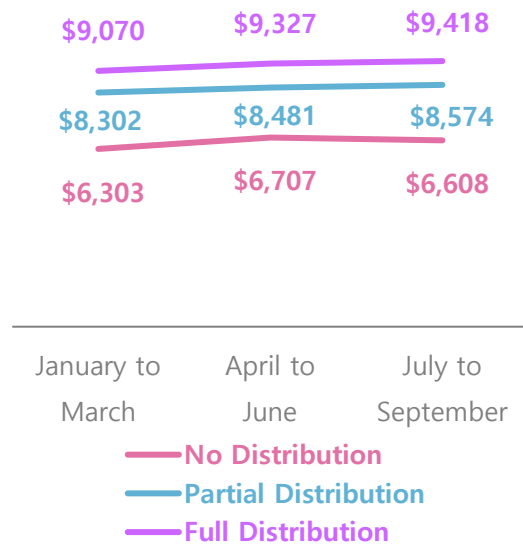
Over the first three quarters of 2020, employed custodians often had jobs in promising industries like education, government, and healthcare industries. However, others were employed in industries that are associated with lower earnings, like administrative & support, restaurants, or professional & technical industries. Given the wide variety of jobs and earnings employed custodians experience, it is necessary to discuss the earnings of custodians to get a sense of their ability to meet basic needs, particularly during the pandemic. According to Figure 8, earnings were clearly different by the amount of stimulus distributed to custodians, but they did not change by much as the pandemic unfolded. In fact, earnings among employed custodians rose by 3% to 5% in each cohort.

Partial stimulus distributions boosted custodians' incomes by **8%** over the first three quarters of 2020, on average. **Full stimulus distributions** boosted custodians' incomes by an average of **13%** over the three quarters.

Custodians with no distribution were again the least advantaged when it comes to earnings, as they earned a median of over \$6,000 in each quarter. Those with a partial distribution had consistently higher earnings of over \$8,000 in each of the first three quarters of 2020. Those with a full distribution had higher earnings than those

with a partial distribution, at more than \$9,000 in each quarter. Despite custodians with a partial or full distribution having an economic advantage over those without a distribution, these earnings were only sufficient to afford basic necessities for a single adult in Maryland (\$8,409 per quarter; United Ways, 2021).

Figure 8. Median Earnings among Employed Custodians



In light of the economic downturn accompanying the pandemic, more custodians could have become eligible for public assistance. In fact, Maryland introduced waivers and flexibilities within its safety net programs to allow families to join and maintain their benefits more easily (DHS, 2020).⁷ Figure 9 measures the percent of custodians in each cohort receiving benefits from SNAP in the first three quarters of 2020.

SNAP receipt follows an expected trend: custodians receiving no distribution, who also had lower employment and earnings,

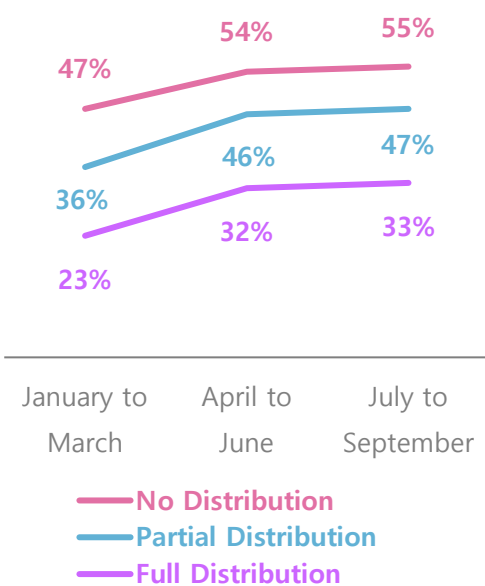
SNAP, TANF, and Temporary Disability Assistance programs (DHS, 2020).

⁷ Among the temporary COVID-related changes were waivers to interview requirements and extended recertification periods for participants in Maryland's

most frequently received SNAP among the three cohorts. Receipt over the pandemic increased by eight percentage points, from 47% to 55% of the cohort. However, custodians with a partial or full distribution also experienced an increase in SNAP benefits. Those with a partial distribution saw SNAP receipt increase by 11 percentage points over the first three quarters of 2020, from just over one third (36%) to nearly half (47%). Custodians with a full distribution were less likely to receive SNAP, but receipt rose by 10 percentage points from just over one in five (23%) to one in three (33%).

The findings of Figure 9 highlight the importance of reviewing public assistance receipt in addition to employment and earnings to get a sense of the economic conditions of custodians. In spite of there being little visible change in employment during the pandemic, substantial increases in SNAP utilization reveal many custodians needed and received additional support during the early pandemic.

Figure 9. Percent Receiving SNAP***

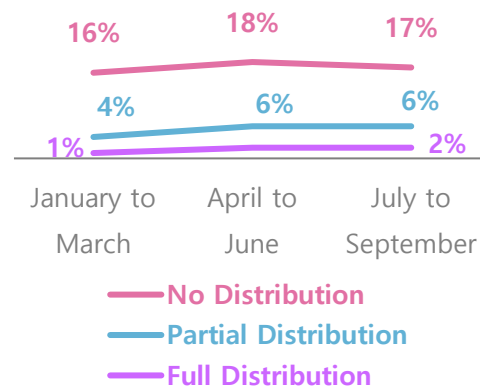


Note: *p<.05, **p<.01, ***p<.001.

Although it is not as commonly utilized, benefits through the TANF program can be an essential resource for custodians and their children. Indeed, Maryland’s TANF caseload increased by 27% between state fiscal years 2019 and 2020, and many of those new recipients had characteristics that differed from the typical TANF recipient (Passarella & Smith, 2021). Figure 10 displays the percent of custodians in each cohort who received TANF in the first three quarters of 2020.

TANF receipt was predictably highest among those receiving none of the stimulus distribution: less than one in five (16%, 18%, and 17%) custodians in this cohort received TANF in each quarter. Custodians with a partial distribution were far less likely to have received TANF in 2020, at 4% from January to March and 6% for the remainder of the study period. Custodians receiving the full distribution were least likely to receive TANF, which makes sense considering their greater economic advantages. TANF receipt increased from 1% to 2% between January and June, remaining at 2% from July to September.

Figure 10. Percent Receiving TANF***



Note: *p<.05, **p<.01, ***p<.001.

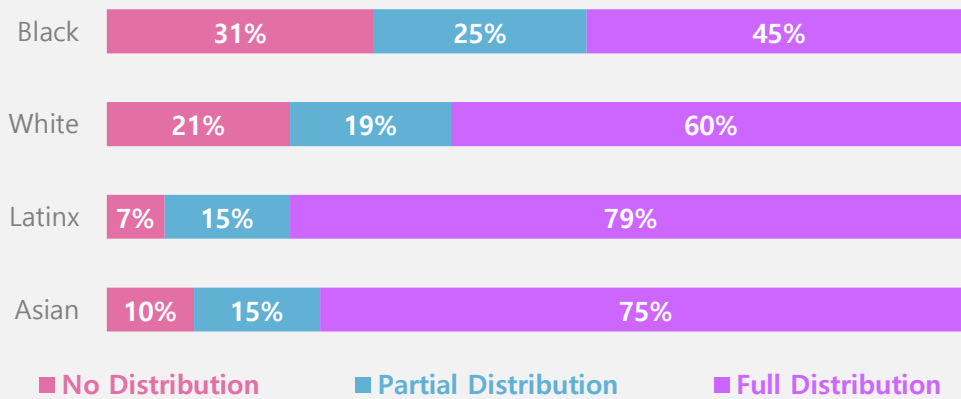
Stimulus Distribution Level by Race and Ethnicity

In a prior report describing the experiences of obligors who had the full amount of the first stimulus payment intercepted, we found that Black obligors were least likely to owe arrears solely to the custodian, and they were also least likely to have stimulus intercepts distributed solely to the custodian (Demyan & Passarella, 2021). Below we investigate stimulus distribution cohorts by race and ethnicity, confirming previous research on stimulus distributions.

Receipt of stimulus distributions was most diminished for Black custodians, as those of other races and ethnicities were far more likely to receive the full amount. Less than half (45%) of Black custodians received a full distribution as compared to 60% of White custodians and roughly three quarters of Latinx (79%) and Asian (75%) custodians.

Black custodians were also likeliest to receive a partial distribution, as this cohort made up 25% of all Black custodians. One in five (19%) White custodians received a partial distribution, while roughly one in seven Latinx (15%) and Asian (15%) custodians did.

As many as three in 10 (31%) Black custodians received no distribution from the stimulus intercept, the highest proportion by race and ethnicity. One in five (21%) White custodians did not receive any stimulus distribution. Less than one in 10 (7%) Latinx custodians and one in 10 (10%) Asian custodians received no distribution, as the majority of custodians in these groups received the full intercepted amount.



Note: Analysis is statistically significant at the .001 level. Percentages may not total to 100% due to rounding. Other categories of race and ethnicity were excluded due to small counts. Compared to all active IV-D cases between April and June of 2020, custodians sharing a child support case with obligors who had intercepts were slightly more likely to be Black (61% vs. 56%) and less likely to be Latinx (3% vs. 5%). White custodians made up one quarter (27%) of all custodians, while few (1%) custodians were Asian.

CONCLUSION

Custodians and their families have been exposed to a variety of uncertainties during the COVID-19 pandemic: a quickly evolving and dangerous virus, abrupt school closures without childcare alternatives, and precarious employment for workers in service and hospitality industries to name a few. Child support has been a financial anchor for custodians and their children long before the pandemic, but in the midst of the economic downturn resulting from COVID-19, child support agencies intercepted CARES stimulus payments from more than 26,000 obligors in Maryland, distributing \$23 million to custodial families. Custodians received either a *full distribution* of \$1,200, a *partial distribution* of less than \$1,200, or *no distribution* (\$0).

For the half (51%) of custodians who received the full amount of \$1,200 intercepted from obligors, the extra financial support likely assisted them in maintaining household finances or affording pandemic-related expenses like technology purchases for school-aged children. However, one in five (22%) custodians only received a partial amount of the intercepted stimulus, and one quarter (27%) received no distributions of obligors' intercepted stimulus payments.

One reason for custodians receiving differing amounts of stimulus intercepts lies in the child support arrears balances linked to the custodian's case, which can be owed to either custodians or the state in reimbursement of TANF expenditures on the family. When an intercept is distributed, state-owed arrears take precedence over custodian-owed arrears, so virtually all (99.95%) custodians receiving no distribution had arrears owed to the state. Nearly all (95%) custodians with a full

distribution had arrears owed solely to themselves.

Where stimulus distributions went was also a consequence of complex families—situations in which a parent has children with multiple coparents—as most custodians with a partial distribution had some of the stimulus go to obligors' other cases rather than the state. A previous report uncovered some implications in child support order establishment that can result from family complexity (Demyan & Passarella, 2020). This report demonstrates that complexity can also lead to a reduction in the distribution amount to custodians, specifically if the obligor has multiple child support cases.

We also examined additional financial resources custodians had from January to September of 2020, finding that custodians receiving no distribution of the stimulus intercept were the most disadvantaged on all indicators. In examining current child support payments, we found that while most custodians received at least one payment, those with no distribution received the lowest percentage of support owed and the lowest amount. Employment moderately declined for all three cohorts, but median earnings among employed custodians slightly increased for them as well. Nonetheless, custodians with no distribution had a markedly lower percent employed of the three cohorts and lower median earnings; they were also the most likely to receive SNAP and TANF benefits.

To add, there were differences in stimulus distribution along racial and ethnic lines. Black custodians specifically were the least likely to receive a full stimulus distribution and most likely to receive a partial intercept or none at all. This mirrors findings from the

report on obligors with stimulus intercepts, showing that the policy of TANF reimbursement has disproportionately impacted Black families and is costing them the same financial support that families of other races and ethnicities receive.

Although custodians' employment and earnings during the early pandemic were better than expected, many still needed additional assistance. Stimulus distributions boosted custodians' incomes by 8% (partial

and 13% (full), on average. However, those most in need of financial support—as shown by findings on the financial resources of custodians—did not receive any intercepted stimulus. State-owed debt was the barrier to distributions for these custodians and their families. It would be worthwhile to keep such an inequity in mind when preparing and implementing temporary policies that keep families afloat in times of economic uncertainty.

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ACKNOWLEDGEMENTS

This brief was prepared by the Family Welfare Research Department at the University of Maryland School of Social work with support from its long-time research partner, the Maryland Department of Human Services.

The authors would like to thank Mike Funk and Somlak Suvanasorn for their assistance in the collection and processing of data for this research brief as well as Lauren A. Hall for her assistance in editing this report.

For additional information about this research brief, please contact Letitia Logan Passarella (410-706-2479; llogan@ssw.umaryland.edu) at the School of Social Work.

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525 W. Redwood Street
Baltimore, MD 21201
410-706-2479
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