

PEOPLE & PAYMENTS:
A PROFILE OF MARYLAND'S
CHILD SUPPORT CASELOAD
JULY 2007

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AUGUST 2010



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ACKNOWLEDGMENTS

The authors would like to thank Jamie Haskel, Mike Funk, Daniel Kott, Tamiko Myles, Nikol Shaw, & Somlak Suvanasorn for their assistance in the collection and processing of data for this report.

This report was prepared by the Family Welfare Research and Training Group, School of Social Work, University of Maryland, 525 West Redwood Street, Baltimore, Maryland 21201 with support from its long time research partner, the Maryland Department of Human Resources.

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EXECUTIVE SUMMARY

As the nation's largest child-focused program, the Child Support Enforcement Program (CSE) is grounded on the principle that non-custodial parents should support their children and contribute to their economic well-being. As such, the CSE program's primary function is to promote family and child well-being by enforcing parental responsibility of financially supporting their children when one or both parents live apart from their children (U. S. House of Representatives, 2004). The program does this by establishing paternity and establishing and enforcing child support orders. Currently, 17.4 million children participate in the public child support program nationwide.

The child support program faces many challenges including meeting federal performance standards, maintaining and improving paternity establishments and collections in an era of tightened budgets, and stemming the growing tide of arrears. These challenges are compounded by considerable diversity in local caseloads, with some noncustodial parents having the resources but refusing to pay support while others lack the resources altogether. In short, state program managers must tailor their programs to appropriately apply strong enforcement policies to those who are financially able to pay their support obligations and service-oriented policies to those who are simply unable to do so, while maintaining the program's ultimate goal of improving the economic well-being of families by making child support a reliable source of income.

In order to successfully manage and improve any public program, decision-makers need to have an adequate understanding of their caseload and the people they serve. Beyond periodic statistical reports describing singular dimensions of the child support caseload, reliable empirical aggregate data regarding client characteristics and circumstances has historically been unavailable or quite limited in scope for the child support program. At the most basic level, most child support agencies know little about the demographic and employment characteristics of the families in their

caseload. Because these characteristics most likely correlate with noncustodial parents' ability and willingness to meet their support obligations, the effectiveness of various enforcement tools, and the impact of collections on the well-being of custodial families, this lack of data may severely hinder managers' ability to improve performance.

This study seeks to fill the information need for our state and marks the second in a series of reports profiling the active child support caseload in Maryland. The goal of this research is to provide valid, reliable information about the children, custodians, and noncustodial parents who compose Maryland's child support caseload. Key findings and implications for our sample of 8,072 active IV-D cases are summarized below.

- **Maryland's IV-D child support caseload is disproportionately spread across jurisdictions.** Maryland has 24 jurisdictions with wide population variations which are reflected in each jurisdiction's child support caseload size. A few—Baltimore City, Baltimore County, and Prince George's County—account for about two-thirds of the statewide caseload.
- **Families on child support cases are economically diverse.** In contrast with other public programs that serve only low-income families, child support serves families in all kinds of situations—two-fifths of all cases in the IV-D program have never been associated with the state's TANF program.
- **The typical IV-D case in Maryland comprises:** an African-American woman as custodian, an African-American man as noncustodial parent, and their one child in common. Both parents are 36 years or older typically, but custodians are somewhat younger, on the whole.
- **We expect that most children will be on a case for a long time.** Three-quarters of children on active IV-D cases are under the age of 15, meaning their cases will likely remain open for several years—until the child reaches the age of majority, and

sometimes after. The typical child in our study month was only 10 years old.

- **Custodians' and noncustodial parents' recent employment experiences were slightly different.** More than half of custodians and noncustodial parents worked in the critical quarter and the year before; however, compared to NCPs, custodians were more likely to be working in both periods. Despite this, noncustodial parents still made significantly more than their custodial counterparts.
- **Orders are extremely variable.** While 70 percent of cases have at least one order in place in our critical month, only about half of cases have an order for current support and three in five cases have an order for arrears. Current support orders range from \$3 per month to \$6,000 (with an average of \$359); arrears orders range from less than \$1 per month to \$1,500 (and an average of \$101).
- **Many cases have unpaid past-due support, also known as arrears.** Three in five cases are owed past-due support totaling anywhere from less than one dollar to more than \$250,000. These arrears are typically owed to the custodian (in about half of cases), but some are owed to the state as reimbursement for public benefits (in about one in five cases).
- **Much of the current support due is being collected and distributed.** We found that, on average, support was due in all 12 months in the last year, and cases had distributions in nine of those months. In addition, half of all cases in our sample were distributed 70 percent or more of what they were owed in the last year. An average of \$3,906 was due, and an average of \$2,614 was distributed.

These findings have a few important implications. First, the state's performance on federal mandates relies heavily on just a few jurisdictions with large caseloads. Ensuring that these counties are doing the most they can to innovate and enforce support orders will secure federal dollars and avoid financial

penalties. Without good outcomes in these particular jurisdictions—no matter how well the others perform—meeting these goals would be impossible.

Second, these findings should remind us that child support serves a similar, but separate, clientele than other public programs. These families have not necessarily had any experience with benefits programs, and may or may not be low-income. Caseworkers and policy makers should bear this in mind when designing and implementing case management strategies.

Overall, maybe the most important takeaway point is that the IV-D program is the single largest child-focused public program, with direct and long-term effects on the lives of hundreds of thousands of Maryland's children and their families. The program is meant to improve the economic security and well-being of children, often over the entire course of their youth. Considering this broad, overarching goal, as well as many of the findings presented in this report, it is clear that it is in the best interest of the state and its children to make the child support program a priority.

INTRODUCTION

After the public school system, no other state or federal program serves more children than the IV-D child support program. In fiscal year 2007, which includes our sample month for this report, the state of Maryland served more than 253,000 children on IV-D cases (OCSE 2008). Aside from serving an enormous population of children, the program also collects substantial amounts of current and past-due support on their behalf—in fiscal year 2007, Maryland collected and distributed just shy of \$475,000,000 to its cases (OCSE 2008).

The IV-D program has one overarching goal—to improve the economic well-being of children—as well as the yearly federal performance goals it must meet. These include thresholds for paternity and order establishment and collection of current support and arrears. In order for caseworkers, other front-line staff, and policy makers to meet these goals, they must consider the makeup of their caseload, the circumstances of the folks involved on its cases, and trends over time. Existing research on child support often relies on national survey data rather than the more reliable administrative databases, and although OCSE releases annual reports to Congress on state-level and nationwide performance, the data are typically disaggregated, making it difficult to bring the big picture into view.

The goal of this series of reports, then, is to fulfill this need for aggregated, comprehensive profiles of the child support cases, the people on those cases, and how they change over time. We seek to provide reliable, empirical information about custodians, noncustodial parents, and their children. This report, second in the series, attempts to help policy makers and front-line staff understand who the IV-D program serves, how that clientele changes over time, and how—in some instances—the program might better serve them and meet federal mandates at the same time.

Today's report focuses on a random sample of 8,072 active IV-D cases in July 2007. The first findings section focuses on statewide

findings at the case level, including the geographic distribution of Maryland's active caseload and characteristics of active cases including case type, number of children per case, and the number of cases with current support and arrears orders. The second section examines the people involved with these cases. First, we present findings related to children participating in a child support case including paternity status and age. Second, we turn our attention to the custodians and noncustodial parents and present demographic characteristics as well as recent employment history. We also examine noncustodial parents' involvement in the child support program, as well as the extent to which noncustodial parents reside out-of-state. In the third and final section, we examine payment and nonpayment patterns.

METHODS

In this chapter, we discuss the methods utilized in our study, including the definition of the sample, the various data sources, and the statistical techniques employed.

Sample

In total, there were 260,911 active IV-D child support cases in Maryland in July 2007. Of these cases, we drew a stratified random sample of 8,072 IV-D cases so that we could provide accurate data at the jurisdiction level when appropriate. To provide an accurate statewide picture, however, we then used normative weighting so that Baltimore City cases represent the same proportion of the sample as they did in the October 2005 caseload overall—52.6 percent—which yielded final weights of 1.05 for Baltimore City cases and 0.95 for cases in the rest of the state.

Data Sources

To paint a portrait of Maryland's child support caseload, we utilize two administrative data sources: the Child Support Enforcement System (CSES) and the Maryland Automated Benefits System (MABS).

CSES

The Child Support Enforcement System (CSES) contains child support data for the state. Maryland counties converted to this system beginning in August 1993 with Baltimore City completing the statewide conversion in March 1998. The system includes identifying information and demographic data on children, noncustodial parents and custodians receiving services from the IV-D agency. Data on child support cases and court orders including paternity status and payment receipt are also available. CSES supports the intake, establishment, location, and enforcement functions of the Child Support Enforcement Administration, Maryland Department of Human Resources.

MABS

In order to investigate the employment patterns of our customer sample, quarterly employment and earnings data were obtained from the Maryland Automated Benefits System (MABS). MABS includes data from all employers covered by the state's Unemployment Insurance (UI) law (approximately 93% of Maryland jobs). Independent contractors, sales people on commission only, some farm workers, federal government employees (civilian and military), some student interns, most religious organization employees and self-employed persons who do not employ any paid individuals are not covered. "Off the books" or "under the table" employment is not included, nor jobs located in other states or the District of Columbia.

Maryland is a small state which borders four states (Delaware, Pennsylvania, Virginia, and West Virginia) and the District of Columbia, and fully half of all Maryland counties border at least one other state. Perhaps not surprisingly then, cross-border employment by Maryland residents is quite common. Indeed, according to the 2000 census, in some Maryland counties, more than one of every three employed residents worked outside the State. Also, there are more than 125,000 federal jobs in the State¹ and a majority of Maryland residents live within easy commuting distance of Washington, D.C. As a result, readers must keep in mind that our lack of access to federal jobs in Maryland and jobs out-of-state has a depressing effect on all employment and earnings findings reported in this study.

It must also be noted that Maryland UI earnings are reported on an aggregated quarterly basis. Thus, we do not know, in any given quarter, how much of that quarter (i.e. how many hours, weeks or months) the individual was employed. It is also impossible to compute hourly wage figures or a weekly or monthly salary from these data. It is important to bear these data limitations in mind when examining employment patterns among our sample members.

¹ <http://www.dllr.state.md.us/lmi>, 2000 data

Analysis

This second profile of Maryland's child support caseload utilizes univariate statistics to describe demographic, welfare, employment, and child support payment findings. Chi-square and ANOVA tests were used to compare custodians and noncustodial parents when appropriate.

FINDINGS

Our findings chapter begins with a discussion of the make-up of Maryland's active IV-D cases and moves into an analysis of the distribution of those cases across jurisdictions. We then discuss the people who make up the cases – the children, custodians, and noncustodial parents (NCPs). Finally, we provide an analysis of child support order types, amounts, and current support and arrears payments.

Child Support Case Characteristics

Distribution of the Active Caseload

We begin our findings discussion by presenting the geographical distribution of our 8,083 sampled active cases in our baseline study month (July 2007). Maryland is a small but diverse state with 24 jurisdictions that vary in population size as well as demographic and economic characteristics. This diversity is reflected in the distribution of Maryland's child support caseload. As Table 1, following this discussion, shows, the majority of child support cases are concentrated in three jurisdictions: Baltimore City, Prince George's County, and Baltimore County. Baltimore City possesses the largest share of Maryland's caseload with over one-third (35.1%) of the state's active child support cases residing within its jurisdiction. Prince George's County

accounts for roughly one in five cases (21.0%) and Baltimore County accounts for less than one in ten active IV-D cases in Maryland (8.2%). Together, these three jurisdictions represent roughly two-thirds (64.8%) of the state's active cases.

The remaining 21 jurisdictions in total represent just about one-third (35.3%) of Maryland active child support cases. Within this group, Montgomery County represents 6.4 percent of active cases and Anne Arundel County represents 5.1 percent. Seven jurisdictions, including Harford, Wicomico, Washington, Frederick, Charles, St. Mary's, and Howard Counties each account for approximately 2 percent of Maryland's active child support cases, and six additional jurisdictions—Cecil, Allegany, Calvert, Carroll, Dorchester, and Worcester—each account for 1 percent. The remaining six jurisdictions, Caroline, Somerset, Queen Anne's, Talbot, Garrett, and Kent Counties, each account for 0.6 percent of the caseload or less.

Overall, Table 1 illustrates what common sense suggests: the distribution of Maryland's child support caseload is heavily influenced by the population size of the jurisdictions, and caseload sizes vary greatly across jurisdictions. The uneven distribution of the state's caseload can mask important intra-state variations.

Table 1. Distribution of Active Child Support Caseload by Jurisdiction

Jurisdiction	Percent	(Count)	Cumulative Percent	(Cumulative Count)
Baltimore City	35.1%	(2,840)	35.1%	(2,840)
Prince George's County	21.0%	(1,698)	56.1%	(4,538)
Baltimore County	8.6%	(699)	64.8%	(5,237)
Montgomery County	6.4%	(521)	71.2%	(5,758)
Anne Arundel County	5.1%	(416)	76.4%	(6,174)
Harford County	2.4%	(201)	78.9%	(6,375)
Wicomico County	2.4%	(192)	81.3%	(6,567)
Washington County	2.2%	(179)	83.5%	(6,746)
Frederick County	2.1%	(167)	85.5%	(6,913)
Charles County	2.0%	(161)	87.5%	(7,074)
St. Mary's County	1.7%	(134)	89.2%	(7,208)
Howard County	1.6%	(126)	90.7%	(7,334)
Cecil County	1.4%	(113)	92.1%	(7,447)
Allegany County	1.3%	(102)	93.4%	(7,549)
Calvert County	1.1%	(89)	94.5%	(7,638)
Carroll County	1.1%	(88)	95.6%	(7,726)
Dorchester County	0.9%	(69)	96.4%	(7,795)
Worcester County	0.8%	(62)	97.2%	(7,857)
Caroline County	0.6%	(48)	97.8%	(7,905)
Somerset County	0.6%	(48)	98.4%	(7,953)
Queen Anne' County	0.5%	(39)	98.9%	(7,992)
Talbot County	0.4%	(35)	99.3%	(8,027)
Garrett County	0.4%	(30)	99.7%	(8,057)
Kent County	0.3%	(26)	100.0%	(8,083)

Note: Valid percentages are reported.

Case Characteristics

Table 2, following this discussion, presents data on the characteristics of active child support cases in our study month, including case designation, number of children, percent of cases with orders for current support and arrears, and monthly support-ordered amounts. To provide a context for our findings, we make comparisons to our baseline report where applicable (see Ovwigho, Head, & Born, 2008).

Because Maryland's IV-D program provides services to families receiving TANF, Medical Assistance, and foster care as well as families who simply apply for IV-D services,

Table 2 presents findings regarding case designation. Similar to our baseline study, fully three-fifths (60.0%) of cases currently have or have previously had involvement with Temporary Cash Assistance (TCA, Maryland's TANF program), compared to two-fifths (40.0%) of cases with no involvement. Specifically, half (49.7%) of active child support cases had previous involvement with the Maryland's TANF program, while only 10.3 percent of cases are currently receiving TANF benefits. Overall, these findings are generally consistent with our baseline study with small increases in former TANF cases (2.1%) and small decreases in current TANF cases (0.8%). Cases without any TANF involvement de-

creased slightly (1.3%) since our 2005 study.

The above findings are expected, as cooperation with child support is required in order to receive TCA. For the child support program, however, this finding illustrates that many of the children served by the child support program are living in poverty or have experienced a recent poverty spell. Research has consistently shown the importance of child support to the economic well-being of these families, with estimates suggesting that for children living in poverty, child support income can make up more than one-quarter (26.0%) of total household income (Sorensen & Zibman, 2000).

Case designation also has important administrative implications. Specifically, under the Deficit Reduction Act (DRA) of 2005 (P.L. 109-171), states must collect a \$25 administrative fee for never-TANF cases with collections of at least \$500. For Maryland, this fee is deducted from support collected on behalf of the custodian, and as the data indicates in Table 2, this fee applies potentially to two-fifths (40.0%) of Maryland's active caseload, depending on their level of collections.

As shown in the second row of Table 2, the majority of active child support cases in Maryland contains only one participating child (74.0%), while about one in five cases (19.1%) has two children and 6.9 percent contain three or more participating children. The average number of children per cases is 1.35.

The remainder of Table 2 presents data on current support and arrears orders. We first present the percent of cases with an order for current support in the study month. We find that over half of active child support cases (51.8%) have an order for current

support. Among these cases, the monthly support-ordered amount is roughly \$350 (mean=\$360). The range of ordered amounts is quite large, from a low of \$3 to a high of \$6,000 per month. Since there is such a broad range of current support order amounts, the median—\$293 per month—is a better indicator of the typical case.

Among all active child support cases in Maryland, roughly three in five cases (57.3%) has an order for arrears in our study month. The average amount ordered is \$101 per month, considerably less than the average of current support ordered per month. The median for current monthly arrears is \$65 with amounts ranging from less than \$1 to \$1,500 per month.

The bottom portion of Table 2 presents findings on total child support obligations, including both current support and arrears orders. In total, seven in ten active cases (70.6%) had a child support obligation for current support, arrears, or both. Among these cases, the total monthly support-ordered amounts averaged \$346 and ranged from less than \$1 to \$7,500. Half of the total support-order amounts are less than \$287.

Overall, the trends discussed above are generally consistent with findings in our 2005 baseline study. The percentage of cases with an order for current support decreased slightly from 52.3 percent in July 2005 to 51.8 percent in July 2007 while the median current support order amount increased by \$17 (from \$276). The percentage of active cases with an arrears order, however, increased by 4.3 percent since July 2005 (from 53.0%). The median amount of arrears ordered also increased by \$5 per month since the baseline study (from \$60).

Table 2. Case Characteristics of Active Child Support Cases

	Percent of Active Cases (n=8,083)
Case Type	
Former TANF	49.7% (4,017)
Current TANF	10.3% (830)
Never TANF	40.0% (3,235)
Number of Children²	
One	74.0% (4,878)
Two	19.1% (1,260)
Three or more	6.9% (455)
Mean number of children per case	1.35
Percent of Cases with an Order for Current Support	51.8% (4,184)
Current Monthly Support Ordered Amount	
Mean	\$360
Median	\$293
Standard deviation	\$257.20
Range	\$3 – \$6,000
Percent of Cases with an Order for Arrears	57.3% (4,631)
Current Monthly Arrears Ordered Amount	
Mean	\$101
Median	\$65
Standard deviation	\$113
Range	< \$1 – \$1,500
Percent of Cases with Any Order	70.6% (5,708)
Total Monthly Support-ordered Amount	
Mean	\$346
Median	\$287
Standard deviation	\$283
Range	< \$1 – \$7,500

² There were 1,490 cases in our sample where the total number of participating children listed in the case in the critical month was zero. The vast majority of these cases were arrears-only cases in the critical month. The remaining cases were active, but may have either been missing data in the “total number of children” field within CSES or were later coded as arrears-only cases after our data were retrieved. Regardless of the reason, these cases were excluded from the analyses presented in Table 2, and the mean number of children presented represents only those cases with at least one child listed in the critical month. Valid percents are reported.

Children in the Active Child Support Caseload

Age

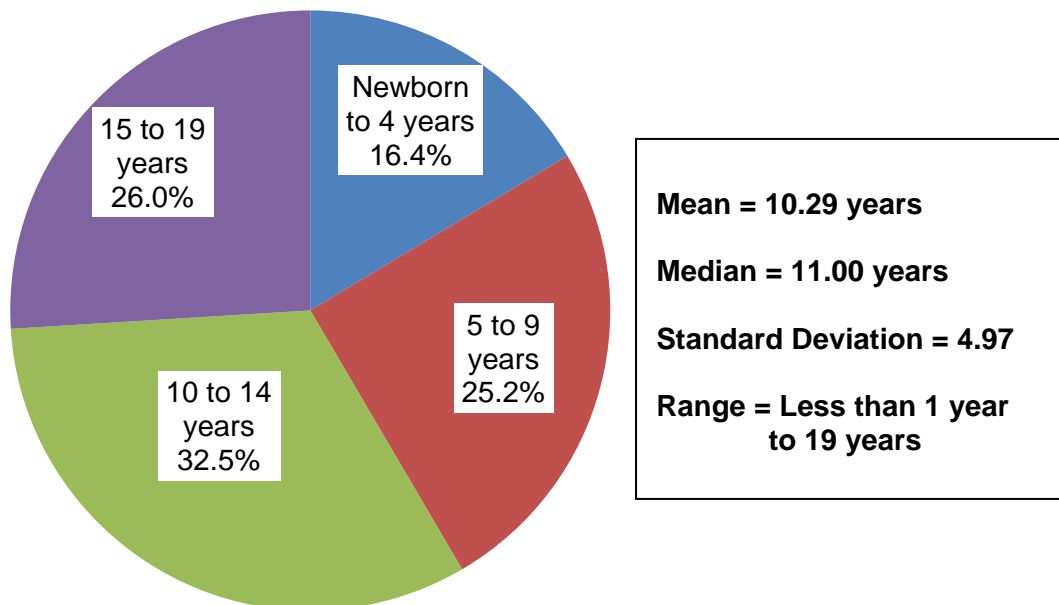
One of the distinguishing characteristics of the child support program is that the children it serves have long-term involvement in the program, often from birth to high school graduation and sometimes beyond. For that reason, it is important to examine the age distribution among children on active child support cases. Figure 1, following this discussion, examines the age distribution of children as well as the mean, median, standard deviation, and range of ages among children involved in our sampled cases.

As illustrated, ages range from newborn through 18 years, with an average age of 10

years (mean=10.29 years) and a median slightly higher, at 11 years. With the average child participating in an active child support case in their preteens, we expect they will be associated with an active case for several years to come.

The largest age group is composed of pre-teens between 10 and 14 years of age. This cohort represents almost one-third (32.5%) of participating children in our study month. Adolescents aged 15 to 18 years and younger children aged 5 to 9 years each make up approximately a quarter of participating children (26.0% and 25.2%, respectively). The youngest children, newborns through age four, account for 16.4 percent of participating children in our study month.

Figure 1. Ages of Children Participating in an Active Child Support Case



Paternity Status

In the next section, we examine the paternity status of children participating in our sampled child support cases. Paternity status is an important measure for a couple of reasons. First, if paternity is not legally established for the child either through marriage, voluntary acknowledgement, or a court order, the child does not have legal claim to financial support from the noncustodial father.³

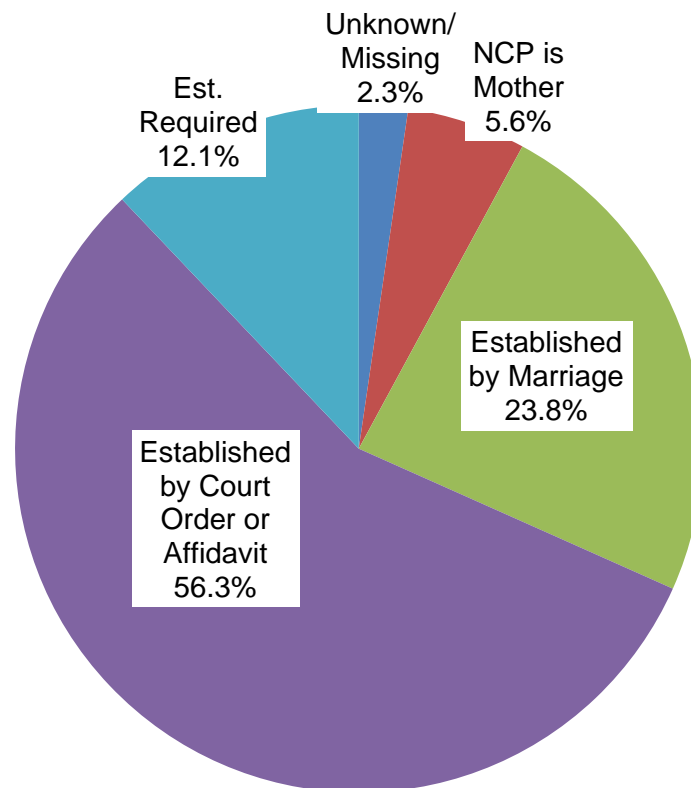
Second, for children who are born outside of marriage, paternity must be established before an order for current support can be established and enforced. As a result, paternity establishment is an important performance measure because high rates of paternity establishment indicates increasing numbers of children legally entitled to financial support from their noncustodial fathers. It is also a federal performance measure by which states are evaluated. States must meet a 90 percent paternity establishment rate required by the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 or risk financial penalty.

Beyond the importance of these financial and programmatic reasons for establishing paternity, research also suggests that having paternity established means the child is more likely to have emotional and psychological support from his/her father than children without established paternity (Pearson & Thoennes, 1995). Additionally, fathers who have established paternity have significantly higher rates of involvement and interaction with their children (Argys & Peters, 2003). Having established paternity also entitles a child to receive health insurance coverage, as well as any inheritance and social security benefits in the event of the death of his father.

Since paternity establishment plays such an important role in the lives of children participating in the child support program, as well as the Maryland's child support program as a whole, Figure 2 presents the extent to which children participating in a child support case active in study month had paternity established. Overall, we find that the vast majority of children (85.7%) had paternity established or not applicable (e.g. the mother was the noncustodial parent). For the remaining 14.4 percent, 12.1 percent of children need paternity established, while information for 2.3 percent of children was missing.

³ For cases in which paternity is established through marriage, the husband is considered the child's legal father and the child does not need paternity established in order for a child support order to be enforced.

Figure 2. Paternity Status of Children Participating in a Child Support Case



Custodians and Noncustodial Parents

In this section, we present information about the adults in IV-D cases in Maryland, including custodians and NCPs. There are 8,050 custodians and 7,971 NCPs associated with our sample of IV-D cases. Because some people can be associated with multiple cases, the data are aggregated across all of their active cases in the study month. First, we provide basic demographic information such as gender, race, and age. We then explore adults' employment histories and then we focus on the child support involvement and payment patterns of NCPs.

Demographic Characteristics

Table 3 presents the demographic characteristics of custodians and noncustodial parents involved in our sampled child support cases. Readers should note that data are not entirely complete. The administra-

tive system is missing age data for 4.0 percent of the sampled custodians and noncustodial parents and race data for 16.5 percent of the sample. Because of these large amounts of missing data, the findings on race presented in Table 3 should be treated with caution.

Overall, the typical profile of a noncustodial parent with at least one child support case active in our study month is an African American (56.9%) male (90.2%) approximately 39 years of age (mean age=39.19). In terms of race and age, custodians are very similar: 54.9 percent are African American and, on average, they are 38.42 years of age. Almost all custodians (93.5%) are women.

Despite these similarities regarding race and age, there are important differences to point out regarding the age distribution of custodial and noncustodial parents. Specifi-

cally, custodians are significantly more likely to be younger. Almost one-tenth of custodians (9.3%) are under the age of 25, compared to only 6.4 percent of noncustodial parents.

The finding that most noncustodial parents are men and most custodians are women is not surprising. The vast majority of noncustodial parents are male (90.2%), reflecting the increasing national trend of fathers who do not live with their children as well as the growing number of single-mother families (Fields & Casper, 2001; Grall, 2006). Fur-

thermore, it is estimated that one-quarter (24.0%) of custodial mothers and their children live below the federal poverty line nationwide, almost twice the rate of custodial fathers and their children (13.4%; Grall, 2006). These statistics and the IV-D child support program's historical connection with the welfare system makes it not surprising that the typical profile of a custodial mother resembles that of the average Maryland TCA recipient: an African-American woman over 35 years of age (Saunders, Ovwigho, & Born, 2006).

Table 3. Characteristics of Custodians and Noncustodial Parents

	Custodians (n=8,050)	Noncustodial Parents (n=7,971)
Gender***	(n=8,044)	(n=7,933)
Male	6.5% (520)	90.2% (7,186)
Female	93.5% (7,524)	9.4% (747)
Race	(n=6,707)	(n=6,675)
African American	54.9% (4,416)	56.9% (4,535)
Caucasian	25.4% (2,044)	23.4% (1,864)
Other	3.1% (247)	3.5% (276)
Unknown/missing	16.6% (1,343)	16.2% (1,296)
Age***	(n=7,602)	(n=7,779)
18 – 20 years	2.2% (174)	0.9% (74)
21 – 25 years	7.1% (573)	5.5% (438)
26 – 30 years	12.5% (1,009)	11.3% (901)
31 – 35 years	15.8% (1,273)	15.8% (1,259)
36 years and older	56.8% (4,573)	64.1% (5,107)
Unknown/missing	5.6% (448)	2.4% (192)
Mean	38.42	39.19
Median	38.00	39.00
Standard deviation	10.21	9.22
Range	18.00 – 90.00	18.00 – 94.00

Recent Employment History of Custodians and Noncustodial Parents

At its core, the child support program seeks to ensure the self-sufficiency of single-parent families by making child support a reliable source of income. Families participating in the child support program typically earn less than eligible families who do not participate, making child support a valuable income source. In fact, it is estimated that child support payments for low-income families make up approximately 30 percent of total household income (Sorenson, 2003; Turetsky, 2005).

As previously mentioned, three-fifths of Maryland's active child support cases either currently receive cash assistance or have received assistance in the past, underscoring the potential impact child support

payments may have on low-income families. Yet, for child support to be a reliable source of income, obligations must be set at an appropriate level and enforcement must be effective. One of the strongest predictors of payment compliance is the income of the noncustodial parent. (Hu & Meyer, 2003; Madalozzo, 2002; Ovwigho, Saunders, & Born, 2006). In addition, many of the enforcement tools the state and local jurisdictions use depend on the noncustodial parent's attachment to the formal labor market. Further, Maryland has adopted the Income Shares Model, which uses the incomes of both parents for calculating child support obligations, and it is therefore important to examine the employment and earnings of both the noncustodial parents who are obligated to pay support and the custodians who are supposed to receive it.

In this section, we provide an overview of findings concerning custodians' and non-custodial parents' participation in UI-covered employment in Maryland and surrounding states. Table 4, following this discussion, presents data on the wages earned by custodians and noncustodial parents in the year leading up to our study month, as recorded in Unemployment Insurance quarterly wage data for Maryland and several border states (DC, NJ, OH, PA, VA, and WV). Since our analyses is limited these border states and Maryland, noncustodial parents known to be living outside of Maryland (n=2,092) are excluded from the findings presented in Table 4.

Readers should note that our employment analysis may underestimate employment rates, for we are not able to track those who are not covered by Unemployment Insurance. For instance, custodians and noncustodial parents employed by the federal government, custodians and noncustodial parents not employed in the borders states mentioned above, or those informally working in jobs considered "under the table" or "off the books" are not captured in the data presented in Table 4.

As shown in Table 4, we find that one-half of custodians (52.7%) and noncustodial parents (50.3%) were employed at some point during the quarter of our study month (July – September 2007). Although custodians are more likely to be working in a UI-covered job during this quarter relative to noncustodial parents, custodians earned significantly less than noncustodial parents. On average, custodians who worked during the quarter earned approximately \$1,200 less than noncustodial parents whom were also employed during that quarter. Specifically, noncustodial parents earned on average \$8,383 while custodians had total

earnings of \$7,200, a difference of \$1,183 in mean total earnings.

In the year before our study month, we continue to find the majority of custodians and noncustodial parents employed at some point during the year with over three-fifths of custodians (62.1%) and noncustodial parents (61.1%) working in a UI-covered job either in Maryland or in the border states listed above. Though custodians were slightly more likely to be employed during this period, custodians earned significantly less in average total earnings compared to noncustodial parents during the year. Specifically, for those custodians working in a UI-covered job at some point during the previous year, total earnings averaged just under \$25,000 (mean=\$24,871) with half of custodians earning less than \$21,000 in total earnings. The median total earnings is approximately \$4,000 less than the mean, at \$3,870, indicating there are a few custodians earning considerably higher wages causing the mean to be somewhat inflated. Average total earnings among custodians ranged from \$8 to more than \$200,000 for the previous year.

Noncustodial parents, on the other hand, earned roughly \$3,500 more in mean total earnings compared to custodians in the previous year (difference in mean total earnings=\$3,447). Noncustodial parents averaged just over \$28,000 (mean=\$28,318) in total earnings. Much like average total earnings among custodians, noncustodial parents also earned a wide range of wages from \$10 to just over \$180,000 in the previous year. Compared to the mean total earnings, the median total earnings for the previous year was just over \$22,000 (median=\$22,361), or \$5,956 less than mean total earnings.

Table 4. Recent Employment History of Custodians and Noncustodial Parents

	Custodians (n=8,050)	Noncustodial Parents (n=6,247)
Percent Employed in Critical Quarter*	52.7% (4,242)	50.3% (3,145)
Earnings in Critical Quarter***		
Mean	\$7,200	\$8,383
Median	\$6,215	\$7,453
Standard Deviation	\$5,566	\$6,232
Range	\$11 - \$45,670	\$11 - \$52,500
Percent Employed in Previous Year	62.1% (4,996)	61.1% (3,813)
Total earnings in Previous Year***		
Mean	\$24,871	\$28,318
Median	\$21,001	\$22,361
Standard Deviation	\$21,353	\$25,799
Range	\$8 - \$211,205	\$10 - \$181,384

Notes: Employment data is limited to noncustodial parents with a Maryland address in July 2007. All reported earnings figures are standardized to 2007 dollars. In addition, the top 0.1% and bottom 0.1% of wages were excluded to account for data entry error and extreme outliers. Earnings figures include only those working with valid wages. UI earnings are reported on an aggregate quarterly basis. Thus, we do not know how many hours or weeks individuals worked in a quarter. It is impossible to compute hourly wage figures from these quarterly earnings.

Noncustodial Parents and Child Support

In the remainder of this chapter, we continue our discussion of characteristics of noncustodial parents with a focus on their connection to the Maryland child support program. Research as well as program practice demonstrate that there are certain characteristics of noncustodial parents such as living out of state, having more than one child support case, or having an arrears balance that may affect a noncustodial parent's ability to pay child support. This section, then, examines child support involvement among noncustodial parents with at least one active case in our study month as well as the extent to which they live out of state.

Child Support Involvement among Noncustodial Parents

There are 7,971 noncustodial parents associated with our 8,162 sample cases. In Table 5, following this discussion, we present data on the extent to which noncustodial parents are involved in more than one

case and their overall child support obligations.

We find that the majority of noncustodial parents (67.0%) have only one active child support cases, yet one-third of noncustodial parents (33.0%) have at least two cases as a noncustodial parent. One-fifth of noncustodial parents (20.6%) have exactly two cases, and 12.4 percent have three or more. In addition to cases as the noncustodial parent, we also find that a small minority of noncustodial parents (4.3%) have an additional child support case in which they are the custodial parent.

In the last three rows in Table 5, we present findings related to noncustodial parents' involvement with the Maryland child support program by examining all active cases (including cases not in our sample) they were involved in during our study month. Considering all of these cases among our sampled noncustodial parents, we examine the percent of noncustodial parents with orders to pay current support, the percent with orders to pay on arrears, and the percent with any type of order in place.

In terms of current support, we find a little over one-half of noncustodial parents have at least one order for current support in effect, with an average of \$367 due per month across all cases. The range of order amounts is quite large, from a low of \$3 to a high of \$6,000 per month, across all cases. As a result, the median of the monthly current support ordered amount is a better indicator of the typical amount for noncustodial parents. Half of noncustodial parents have a total ordered obligation for current support that is less than \$300 per month. We also find that just under three-fifths (56.8%) of noncustodial parents had an arrears order in place. Not surprisingly, the

combined mean (\$103) and the combined median (\$65) monthly amount of these orders were considerably lower compared to current support order amounts.

Overall, 70.6 percent of noncustodial parents with at least one active child support case in our study month have at least one established order for current support or arrears in effect. Looking at both types of orders, the average total monthly support-ordered amount is \$356 and the median amount is \$298. Total support-ordered amounts for noncustodial parents range from less than \$1 to \$7,500 per month.

Table 5. Child Support Involvement among Noncustodial Parents

	Noncustodial Parents (n=7,971)
Number of Cases as a Noncustodial Parent	
1 case	67.0% (5,337)
2 cases	20.6% (1,643)
3 or more cases	12.4% (991)
Number of Cases as a Custodial Parent	
1 case	3.6% (285)
2 or more cases	0.7% (57)
Percent with a Current Support Order	52.6% (4,190)
Total Monthly Current Support Amount	
Mean	\$367
Median	\$300
Standard deviation	\$261
Range	\$3 - \$6,000
Percent of with an Arrears Order	56.8% (4,529)
Total Monthly Arrears Support Amount	
Mean	\$103
Median	\$65
Standard deviation	\$114
Range	< \$1 - \$1,500
Percent with Any Order	70.6% (5,630)
Total Monthly Support Order Amount	
Mean	\$356
Median	\$298
Standard deviation	\$288
Range	< \$1 - \$7,500

Note: Amounts are aggregated across all active cases.

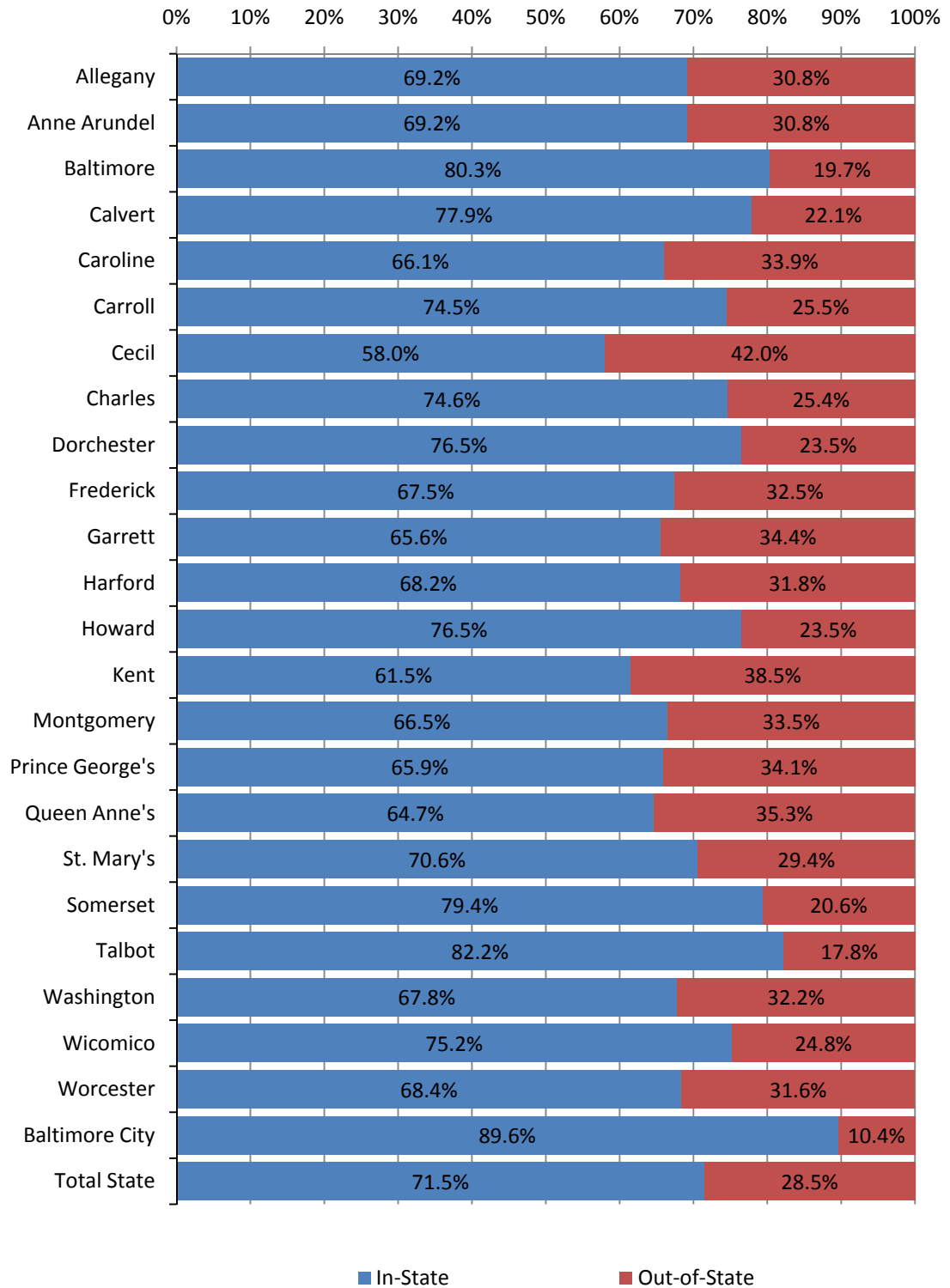
Out-of-State Noncustodial Parents

Given the increasing number of interstate cases and the unique administrative challenges surrounding them, it is important for policy makers and program managers to know how many of their noncustodial parents reside in another state. Figure 3, following this discussion, presents the percentage of noncustodial parents involved in an active child support case in Maryland residing out of state for each jurisdiction.

Statewide, 28.5 percent of cases have a noncustodial parent residing in another state. We also find that in seven of the 24 jurisdictions, one-third or more of all non-

custodial parents currently reside outside of Maryland. These jurisdictions include the following: Caroline County (33.9%), Cecil County (42.0%), Garrett County (34.4%), Kent County (38.5%), Montgomery County (33.5%), Prince George's County (34.1%), and Queen Anne's County (35.3%). It is not surprising that these jurisdictions, with the exception of Kent County, are border counties. Baltimore City, however, with the largest share of Maryland's total caseload, possesses the smallest proportion of cases with an out-of-state noncustodial parent. These findings continue to emphasize important jurisdictional differences within the state caseload.

Figure 3. Noncustodial Parents Residing Out-of-State



Child Support Payments and Distributions

Current Support

In Table 6, following this discussion, we present data on current support due and distributions to current support in the year prior to our study month. Specifically, we provide findings on the amount of support owed, the number of months support was due, the percent of current support due that was distributed, amount distributed, and the number of months support was distributed over the past year. It is important to note that the findings presented in Table 6 are based on sampled cases active in our study month that had current support due at some point in the previous year (56.7% of sampled cases).

We find that in well over one-half of active child support cases (56.7%), support was due in the year before our study month. The average amount of current support due to these cases was \$3,906, with the median amount of current support due amounting to \$3,192. As expected, the range in total support due in the previous year was quite

large and ranged from as low as \$36 to as high as \$72,000.

In addition to the amount of current support due among our sampled cases, we also present the number of months current support was due. These findings indicate that current support was due in each of the preceding 12 months, with an average of 11.01 months due per case and median of 12 months per case.

In the last three rows of Table 6, we present distributions to current support in the previous year. On a positive note, we find that for the average case, more than half (57.7%) of the total amount of current support due was distributed to our sampled cases in the previous year. The median is even higher, with half of sampled cases having a distribution to current support of at least 70 percent or more of what was due in the previous year. In spite of these positive findings, we do find that for 18.4 percent of sampled cases, there was no distribution to current support made in the previous year, and in another 12.6 percent of cases, distributions to current support made up less than one-quarter of current support due in the previous year.

Table 6. Current Support Due and Distributed in the Last Year

	Active Cases (n=8,050)
Percent of Cases with Current Support Due in Previous Year (June 30, 2006 – June 30, 2007)	56.7% (4,585)
Amount of current support due per case	
Mean	\$3,906
Median	\$3,192
Standard Deviation	\$3,060
Range	\$36 – \$72,000
Months of current support due per case	
Mean	11.01
Median	12.00
Standard Deviation	2.57
Range	1.00 – 12.00
Percent of Current Support Due Distributed	
0%	18.4%
1% – 25%	12.6%
26% – 50%	10.1%
51% – 75%	11.6%
76% – 100%	47.3%
Mean	57.7%
Median	70.0%
Standard Deviation	37.8%
Range	0.00 – 100.00%
Amount of Current Support Distributed	
Mean	\$2,614
Median	\$1,848
Standard Deviation	\$3,072
Range	\$0 – \$67,615
Months of Current Support Distributed	
Mean	7.01
Median	9.00
Standard Deviation	4.86
Range	0.00 – 12.00

Arrears

In this final findings section, we shift our focus from support payments to obligations that are past-due, also known as arrears. Because arrears can be owed to the custodian or to the state for reimbursement for the cost of welfare and other services provided to children, Table 7 presents arrears amounts owed to custodians and the state, in addition to total arrears for our sampled child support cases active in our study month.

Among cases in our sample, 62.2 percent of have some type of arrears due, including custodian-owed, state-owed, or both. We find that just shy of one-half of total arrears due (48.6%) are owed to families. Less than

one-fifth of cases (18.8%) had arrears owed to the state.

In terms of the amount of arrears owed, the average case with arrears has a total debt of \$9,783. The median amount of total arrears, however, is several thousand dollars lower, at \$4,957. As with order amounts and payment amounts, the range of total arrears balances are quite large, varying from less than \$1 to more than \$250,000. On average, \$8,744 in accumulated arrears are owed to custodians and \$7,297 are owed to the state. For arrears owed to custodians, amounts range from less than \$1 to a high of \$266,000, and for the state, arrears amounts range from less than \$1 to just over \$65,000.

Table 7. Child Support Arrears in the Critical Month

	Active Cases (n=8,083)
Percent of Cases with an Arrears Balance	62.2% (n=5,028)
Average Total Arrears Owed Per Case	
Mean	\$9,783
Median	\$4,957
Standard Deviation	\$12,877
Range	< \$1 – \$266,001
Percent of Cases with State-Owed Arrears	18.8% (n=1,517)
Average State-Owed Arrears Per Case	
Mean	\$7,297
Median	\$4,413
Standard Deviation	\$8,567
Range	< \$1 – \$65,031
Percent of Cases with Custodian-Owed Arrears	48.6% (n=3,932)
Average Custodian-Owed Arrears Per Case	
Mean	\$8,744
Median	\$4,260
Standard Deviation	\$12,403
Range	< \$1 – \$266,001

CONCLUSIONS

Through its long history of research on the reformed welfare program, Maryland has led the nation in recognizing that empirically-based, results-oriented research is critical for understanding caseloads and improving program performance. The state has demonstrated time and again that it can create more effective interventions and targeted case management strategies with a base of solid, reliable empirical data on the characteristics and circumstances of the population they serve. The goal of this series of studies, then, is to expand this type of research to the child support program. To that end, each report provides a snapshot profile of Maryland's IV-D child support caseload. We anticipate that front-line staff can use our findings to better understand their clientele and how they might develop more effective case management strategies. We also expect our findings will help the state's policymakers make more informed policy decisions and better track program performance and outcomes over time.

In this report, the second in its series, we present empirical information on the custodians, the noncustodial parents, and the children that compose Maryland's child support caseload in July 2007. Included are data on demographic characteristics, adults' employment and earnings, paternity and order establishment, and trends in payment of current and past-due child support (arrears). We outlined our specific findings in the chapters above, and in this final chapter, we call attention to the larger themes and implications of these findings.

First, our findings reiterate the reality that the IV-D program serves families in a wide variety of economic situations, compared to other public programs. For example, the state's TANF program, TCA, typically serves only very low-income children, but only one in ten child support cases was involved with TCA in our study month. Indeed, 40 percent of the caseload in the study month has never received cash assistance, perhaps contrary to the popular stereotype.

Second, and also consistent with findings from our baseline report, the caseload is concentrated in a few jurisdictions across the state. More specifically, three jurisdictions (Baltimore City, Baltimore County, and Prince George's County) contain almost two-thirds of the state's cases. As a result, the state's performance on federally-mandated measures relies heavily on how well these jurisdictions perform on those mandates; no matter how positive the outcomes are in smaller jurisdictions, consistently positive outcomes in the three largest counties are necessary for the state as a whole to achieve federal goals, secure incentive funds, and avoid financial penalties.

Third, our findings continue to show that Maryland is doing relatively well in terms of federal performance measures, and compared to statistics for the nation as a whole. Most children have paternity established, orders for current and past-due support are in place, most have received distributions paid by their noncustodial parent at some point in the last year, and half of cases received 70 percent or more of what they were due. As always, though, there are opportunities to improve outcomes. One in ten children still need paternity to be established, three in ten cases still need an order to be established, one in five cases with a support order has not received a disbursement in more than a year, and a majority of cases have an arrears balance, with the caseload arrears balance totaling more than \$1.5 billion in the state of Maryland.

Finally, and perhaps most importantly, the IV-D child support program is the single largest child-focused federal and state program, despite its low profile among social programs. According to the data examined, it is likely to stay that way for a long while. Children often stay on their child support cases from paternity establishment until the age of majority, and in the cases with arrearages, well after. Considering many of the children in our sample of cases are well under the age of 18, those cases are likely to stay open for several years to come. Child

support has direct, long-term, and far-reaching effects on the day-to-day lives of Maryland's children. For these and many other reasons, Maryland's commitment to families and children should continue to make the IV-D child support program a top priority.

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