PEOPLE & PAYMENTS:
A PROFILE OF MARYLAND'S CHILD SUPPORT CASELOAD
JULY 2008

SARAH WILLIAMSON, MPP
PROJECT ANALYST

CORRENE SAUNDERS, MPP
PROJECT DIRECTOR

CATHERINE E. BORN, PH.D.
PRINCIPAL INVESTIGATOR

AUGUST 2010

ACKNOWLEDGEMENTS

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

EXECUTIVE SUMMARY

For both Maryland and the nation as a whole, child support is the single largest child-focused program: nationally, it serves more than 17 million children, almost a quarter million of those in the State of Maryland alone. Not only are the numbers of children involved staggering, but so are the sums of money involved. In fiscal year 2008, almost a half-billion dollars in support was collected on behalf of Maryland's children, with roughly an additional $1.5 billion in uncollected past-due support (arrears).

The program's large and impressive figures reflect its broad mission: the overarching goal of the child support program is to promote the economic well-being of all children—regardless of parents' income or economic status—through paternity establishment and support order enforcement. The population served by the program, then, has the potential to be much larger and more diverse than other social programs because all families can participate.

Despite the program's diversity, size, monies at stake, and far-reaching goals, there has been little research conducted to ensure that the program's services are efficient, effective, and outcome-oriented. Despite the myriad challenges facing local departments—meeting federal performance standards, improving paternity establishment rates and support collections amid tough economic times, and stemming the growing tide of arrears—the research on child support is still growing. Currently, there is a growing body of research based on national survey data, but these lack state-specific, empirically-based administrative data. The Office of Child Support Enforcement (OCSE) releases annual reports on state-level and nationwide performance measures, but these reports are often slow to be published. What child support research needs is timely, state-specific information based on administrative data.

The goal of this series of annual reports is to close that research gap. Maryland has been a national leader in providing ongoing research on the reformed welfare program, helping policy makers and program managers understand how solid, empirical evidence can improve program outcomes. This series seeks to do the same for the child support program: give front-line staff and decision makers information on who the program serves and how the client profile changes over time so that targeted case management and enforcement strategies can improve child support outcomes across the board.

This report, third in the series, uses a simple random sample of three percent of the state's child support caseload in July 2008; the final sample contains 7,523 active cases. We use this sample to find out what the cases and the people in them look like, whether paternity and support orders have been established, and the extent to which children are receiving support from their noncustodial parents. Key findings and implications are summarized below.

- Maryland's caseload is not evenly distributed across jurisdictions: Baltimore City, Prince George's County, and Baltimore County alone account for two-thirds of the state's cases. As a result, Maryland's ability to meet federal performance standards hinges heavily on the performance of just a few jurisdictions.

- While most public programs serve one specific cross-section of the population, the child support program is economically diverse: a significant minority (about 40%) of the caseload has never received cash assistance. This information is important because policies regarding how to distribute the support collected varies based on case type.

- The typical child support case consists of an African-American male noncustodial parent 36 years of age or older, an African-American female custodian age 36 or older, and one child. Custodians do tend to be somewhat younger than noncustodial parents, a difference that is statistically significant.

- A significant minority of noncustodial parents resides outside the State of Maryland—about one in four—but this proportion varies widely across jurisdictions. In two jurisdictions with a high percentage of the state's caseload, Prince George's and Montgomery Counties, more than one-third of the county's noncustodial parents resides out of state.

- More than half of custodians and noncustodial parents worked in a UI-covered job in the two years before the study quarter, though earnings overall were low. Custodians worked more, and though their quarterly earnings were lower than their noncustodial counterparts, they tended to have higher yearly earnings, though this finding was not statistically significant.

- The typical child on an active case was 10 years old, though the age distribution of children was relatively even across all age groups, including newborns. Most children have had paternity established either through marriage, affidavit, or court order, but about one in ten children still required paternity establishment.

- Most noncustodial parents (about 68%) were only on one case in the critical month, but about one in three had two or more cases. More than three-quarters of NCPs had an order for current support, arrears, or both. The median order for current support was $355; arrears amounts were much lower, at a median of $94.

- Findings on support distributions to custodians are mixed: while in half of cases 69 percent or more of the amount due was distributed and three in five cases saw a distribution in the last month, a sizable minority of cases (about one in five) hadn't had a distribution in more than a year.

- The percent of current support paid by NCPs varied by the number of active cases per NCP, and those with more than one case were less likely to pay toward their child support obligation in the year before the study month. Specifically,

among those with one case, nearly half paid 80 percent or more of their support-ordered amount, compared with only 25 percent of NCPs with three or more cases who paid this much.

- Payment compliance also varied by NCP age, at least among those with lower earnings. That is, among obligors with earnings in the lowest two quartiles of our sample, younger obligors were 30 percent less likely to pay at least 80 percent of their current support obligations.

- Most active cases (about three in five) were owed arrears; typically, this past-due support was owed to the custodian rather than the state. Although the median amount due was $5,377, arrears balances varied widely across cases—balances ranged higher than $180,000 in some instances.

- Similarly, most noncustodial parents owed arrears on one or more cases. Again, although the median amount due was $8,031, balances ranged higher than $200,000.

These findings indicate broader patterns and implications of the child support program. First, these findings should remind us that the program serves a diverse group of Maryland families--the program's reach is wide and it does not only serve low-income families and children. Indeed, in our study month (as in previous reports) only about one in 10 active child support cases were currently receiving Temporary Assistance for Needy Families (TANF). Additionally, 40 percent of cases have never received TANF.

Although the program reaches a broad array of families and children, the state's performance statistics rely heavily on only a few of its 24 jurisdictions. Baltimore City, Prince George's County, and Baltimore County account for three-fifths of Maryland's child support caseload; without consistently good performance in these three counties, it would be mathematically impossible to achieve federal-

ly-mandated goals, no matter how well the remaining 21 counties perform.

It is also important to note that Maryland's statistics compare favorably with national statistics and performance goals. The majority of children on the state's caseload have paternity established, most cases have support orders in place, and most noncustodial parents have made payments toward their support obligations in the last year. While these outcomes are laudable, there are areas of possible improvement that can benefit Maryland's children and families: one in ten children still has no legal father, one in five has not received any support in the last year, and most cases have an arrears balance, which collectively totals just shy of $1.5 billion in the State of Maryland alone. In addition, findings from today's report that younger fathers are less likely to pay their child support, suggesting that perhaps specialized case management or outreach attention should be given to cases with NCPs who are younger than 30, at least among those who also have low earnings. That is, our initial findings indicate that for those with earnings in the lowest two quartiles, younger NCPs are less likely to pay than their older counterparts, and this relationship is statistically significant. Thus, case management targeting younger NCPs could potentially increase the money disbursed to those children and, in turn, the state's performance on federally mandated payment goals.

Considering the big picture, perhaps the most important takeaway point is that child support is the state's single largest child-focused program: in Maryland alone, more than a quarter of a million children are involved in IV-D services. Although rarely framed as such, the child support program is, at its core, a child welfare program meant to improve the economic security and well-being of children, often over a number of years.

The public child support system, then, has direct and long-term effects on the everyday lives of hundreds of thousands of Maryland children and their families. Considering this overarching fact, as well as this study's specific findings and broader themes, it is clear that it is in the state's best interest to make the child support program a top priority.

INTRODUCTION

Maryland's IV-D child support program served almost a quarter-million children (246,578) in 2008 (OCSE, 2009). After the public school system, no other state program serves more Maryland children than child support. For example, the child support caseload is almost double the size of the state's Childrens' Health Insurance Program and 24 times larger than the state's Head Start enrollment (Center for Medicaid and State Operations, 2008; Office of Head Start, 2010; National Center for Education Statistics, 2010). Child support cases also tend to be long-term, lasting from paternity establishment until the child's age of majority. In effect, the state will continue to serve a large number of children over a period of many years.

The state's IV-D child support program has been relatively successful in several areas. For example, in federal fiscal year 2008, the program collected almost a half-billion dollars ($499 million), a five percent increase over the previous year (OCSE, 2009). Three-fifths of all cases (60.4%) had at least some support collected during the year (OCSE, 2009). Despite these successes, myriad challenges remain. For example, although collections toward current support are high, almost 200,000 cases were owed past-due support. The state's total arrears collection in fiscal year 2008 was $119,422,955, less than 10 percent of the total balance of just about $1.5 billion. Increasing the proportion of current and past-due support collected and preventing additional arrears accumulations continue to be challenges for the IV-D program, in addition to the perennial concerns of meeting federal performance mandates and avoiding financial penalties.

Often, reaching these specific goals and the larger goal of improving the economic well-being of children requires creative thinking and targeted case management. In order to improve the performance and outcomes of any public program, policy makers must understand the characteristics and circumstances of the people the programs serve, including any trends that occur over time. Un-

fortunately, reliable empirical data of this kind has been largely absent from the child support program because, compared to cash assistance and child welfare, the child support research field remains relatively underdeveloped. Caseworkers and other front-line staff certainly gather, record, and use data about employment and earnings for custodians and noncustodial parents; however, what would be useful going forward is to aggregate these data into comprehensive profiles of child support caseloads and how they change. The federal child support office periodically aggregates and presents caseload profile data for the nation as a whole but state-specific information is more difficult to obtain.

This series of annual reports seeks to fill this information gap for Maryland. The overall goal of these profiles is to provide valid, reliable information about child support cases and the custodians, noncustodial parents, and the children that form those cases, as well as how the caseload profile changes over time. This report, third in the series, attempts to help policy makers and front-line staff understand who they are serving, how their clientele has changed over time, and in some cases, how case management strategies might be adapted to more effectively serve their caseload. In this report, we use a random sample of Maryland's child support cases in July 2008 to address the following questions:

1. What are the characteristics of active IV-D cases?
2. What are the characteristics of noncustodial parents, custodians, and children on these cases?
3. What are the paternity statuses of the children on these cases?
4. What are the current and historical employment experiences of custodians and noncustodial parents on these cases?
5. What are the current and historical TCA participation experiences of custodial parents on these cases?
6. What are the current and historical patterns of child support payment of noncustodial parents on these cases?

METHODS

This chapter details the research methods utilized in this study, including how the sample was defined, explanations of the various sources of data, and statistical techniques employed.

Sample

We drew a simple random three percent sample of Maryland's active child support cases as of July 2008. Of 250,772 total cases, then, our final sample consists of 7,523 cases.

Data Sources

Three administrative data sources, the Child Support Enforcement System (CSES), the Client Automated Resources and Eligibility System (CARES), and the Maryland Automated Benefits System (MABS), were used to help us draw a picture of Maryland's active IV-D child support caseload in July 2008.

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 (NCPs) and custodial parents 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.

CARES

CARES became the statewide automated data system for certain DHR programs in March 1998. Similar to its predecessor AIMS/AMF, CARES provides individual and case level program participation data for cash assistance (AFDC or TCA), Food Stamps, Medical Assistance and Social Services. Demographic data are provided, as well as information about the type of program, application and disposition (denial or closure), date for each service episode, and codes indicating the relationship of each individual to the head of the assistance unit.

MABS

Our data on quarterly employment and earnings come 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 are jobs located in other states.

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. Out-of-state employment is particularly common among residents of two very populous jurisdictions (Montgomery, 31.3%, and Prince George's Counties, 43.8%), which have the 4th and 2nd largest welfare caseloads in the state. 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 State (Maryland State Data Center, 2007) 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 data on federal jobs in Maryland and jobs out-of-state has a depressing effect

on all employment and earnings findings reported in this study.

Finally, because UI earnings data are reported on an aggregated, quarterly basis, we do not know, for any given quarter, how much of that time period the individual was employed (i.e., how many months, weeks or hours). Thus, it is not possible to compute or infer hourly wages or weekly or monthly salary from these data. It is also important to remember that the earnings figures reported do not necessarily equal total household income; we have no information on earnings of other household members, if any, or data about any other income (e.g. Supplemental Security Income) available to the family.

Analysis

This profile of Maryland's child support caseload—the third in this series—uses univariate statistics to describe various findings for custodians, NCPs, and children, including demographics, welfare receipt, employment, paternity, and child support payments. When appropriate, we compared custodians and non-custodial parent characteristics using Chi-square tests.

FINDINGS

This discussion of our research findings begins with a description of the geographic distribution of active IV-D child support cases in Maryland—an important step, considering that the state's 24 jurisdictions exhibit wide variation in terms of economics, demographics, caseload sizes, population sizes, and density, among other factors. Analyses at the state level have the potential to mask these important intra-state variations. The chapter then moves on to examine the characteristics of cases, case members, support order types and amounts, and payments.

Child Support Case Characteristics

Distribution of the Active Caseload

Our sample contains 7,523 active child support cases in the State of Maryland in July 2008. Table 1 shows that these cases were not evenly distributed among Maryland's 24 local jurisdictions. Instead, two-thirds of the caseload is concentrated in three jurisdictions: Baltimore City (35.0%), Prince George's County (20.3%), and Baltimore County (8.6%). Baltimore City and Prince George's County alone account for more than half of the caseload (55.3%). The next largest jurisdictions, Montgomery and Anne Arundel Counties, account for 6.9 and 5.2 percent of the caseload, respectively. Thus, fully three-quarters (76.0%) of the entire statewide caseload is contained in just five of the state's 24 jurisdictions. The other 19 counties together account for roughly one-quarter (24.0%) of all cases. Within this latter group, five counties each account for about two percent of the total caseload, and the remaining 14 counties each contribute less than two percent of Maryland's child support caseload.

In effect, this means that the state's performance on federal goals and mandates hinges largely on a small number of jurisdictions—two-thirds of the state's cases exist in three jurisdictions, and the remaining 21 jurisdictions account for only one-third of its cases. Because performance in the smaller jurisdictions is unlikely to affect overall statistics, the state's ability to secure federal dollars—and its risk of facing non-performance penalties—relies heavily on the innovations, successes, and failures in Baltimore City, Baltimore County, and Prince George's County.

Table 1. Distribution of Active Child Support Caseload Across Jurisdictions (n=7,523)

Jurisdiction	Percent	(Count)	Cumulative Percent	(Cumulative Count)
Baltimore City	35.0%	(2,632)	35.0%	(2,632)
Prince George's County	20.3%	(1,529)	55.3%	(4,161)
Baltimore County	8.6%	(644)	63.9%	(4,805)
Montgomery County	6.9%	(521)	70.8%	(5,326)
Anne Arundel County	5.2%	(393)	76.0%	(5,719)
Harford County	2.6%	(192)	78.6%	(5,911)
Washington County	2.2%	(169)	80.8%	(6,080)
Wicomico County	2.2%	(166)	83.0%	(6,246)
Charles County	2.2%	(166)	85.2%	(6,412)
Frederick County	2.0%	(149)	87.2%	(6,561)
Howard County	1.8%	(139)	89.1%	(6,700)
St Mary's County	1.7%	(129)	90.8%	(6,829)
Cecil County	1.6%	(117)	92.3%	(6,946)
Allegany County	1.4%	(109)	93.8%	(7,055)
Calvert County	1.1%	(86)	94.9%	(7,141)
Carroll County	1.1%	(83)	96.0%	(7,224)
Dorchester County	0.7%	(54)	96.7%	(7,278)
Somerset County	0.6%	(45)	97.3%	(7,323)
Worcester County	0.6%	(44)	97.9%	(7,367)
Talbot County	0.5%	(41)	98.5%	(7,408)
Queen Anne's County	0.5%	(36)	98.9%	(7,444)
Caroline County	0.4%	(32)	99.4%	(7,476)
Garrett County	0.4%	(31)	99.8%	(7,507)
Kent County	0.2%	(16)	100.0%	(7,523)

Case Characteristics

In this section, we provide statewide findings on additional characteristics of active IV-D child support cases. Table 2 presents data on welfare status, number of children, whether the case has an order in effect, and current, past-due (arrears), and total court-ordered monthly support amounts.

Data show that approximately one in ten cases (9.1%) is currently receiving Temporary Cash Assistance (TCA, Maryland's TANF program), and one in two cases (51.3%) has received assistance in the past, indicating that a majority of the caseload is either poor or has been poor recently. It is important to note here that the IV-D caseload does not include child support cases that are settled privately—cases that are potentially quite different from those served by the public program. The IV-D child support program, then, has the potential to provide an essential source of income for Maryland's most vulnerable families. National statistics paint a similar picture, with the largest percentage of cases formerly receiving assistance (45.1% nationally), followed by cases never receiving assistance (41.8% nationally, 39.7% in Maryland), and the smallest percentage of cases being current recipients (13.1% nationally) (OCSE 2009).

Much like previous years, approximately three-quarters of active Maryland IV-D cases (74.8%) include only one child, one in five cases (19.5%) includes two children, and about six percent of cases (5.7%) include three or more children. The average number of children per case is 1.33.

One predominant federal performance goal is to increase the percentage of child support cases with support orders. The data in Table 2 show that more than two-thirds of cases (71.6%) had an order for current or past-due (arrears) support in effect in the study month. This is slightly below the 79.1 percent reported nationally. Just over half of Maryland cases (52.8%) had an order for current support, and just shy of three in five cases (57.8%) had an order for arrears payment. Some cases had orders for both.

Unfortunately, this statistic also means that one-third of active cases had no order in effect in the study month. Further analysis of cases without an order in effect shows that 7.6 percent were owed past-due support, indicating that these cases had an order for current support at some point in the past.

The final three rows in Table 2 offer descriptive statistics for current, past-due, and total support-ordered amounts. The large difference between the means and medians indicates that there are a few cases with extremely high amounts owed that skew the mean upward, but these cases have a negligible effect on the median. The medians, then, are a more accurate reflection of the amounts owed on a typical case. Among cases owed current support, the median amount owed on a monthly basis is $304. For cases with arrears, the median amount owed monthly is $67. The median total monthly amount, including both current and past-due support, is $302.

Table 2. Characteristics of Active Child Support Cases (n=7,523)

Case type		
Current TANF	9.1%	(683)
Former TANF	51.3%	(3,860)
Never TANF	39.7%	(2,980)
Number of children on the case[1]		
One	74.8%	(4,626)
Two	19.5%	(1,207)
Three or more	5.7%	(353)
Mean	1.33	
Orders in effect in critical month		
Has an order for current support	52.8%	(3,970)
Has an arrears order	57.8%	(4,347)
Any order	71.6%	(5,386)
Current support-ordered amount (monthly)		
Mean	$378	
Median	$304	
Standard deviation	$269	
Range	$11 - $4,500	
Arrears-ordered amount (monthly)		
Mean	$108	
Median	$67	
Standard deviation	$252	
Range	$0.01 - $14,888	
Total support-ordered amount (monthly)		
Mean	$366	
Median	$302	
Standard deviation	$370	
Range	$1 - $16,725	

Note: Valid percents are reported.

---

[1] There were 1,337 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 (1,080) 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 re-trieved. 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**

Nationally, the child support program served more than 17 million children in federal fiscal year 2008, and is one of the largest child-centered programs in the United States (OCSE 2009). In Maryland, more than 246,578 children were involved with IV-D services in 2008. For the purposes of this report, we investigate the ages and paternity status of children served by Maryland's child support program.

Age Distribution

A child's involvement with the child support program might extend from his or her birth through age 18 and beyond. As expected, the age distribution presented in Figure 1 shows this diversity of ages among the children participating in the program. The largest group of children comprises those between the ages of 10 and 14 (28.1%). The second largest group contains those 15 to 18 years old (24.7%). Nearly one-quarter (24.1%) of children were between five and nine years of age, and the youngest group—newborn to age four—is the smallest group at 17.4 percent of the state's IV-D caseload.

Considering that child support orders typically remain in place until a child reaches adulthood, the information in Figure 1 indicates that we can expect at least three-quarters of active cases in the study month to remain active for years to come.

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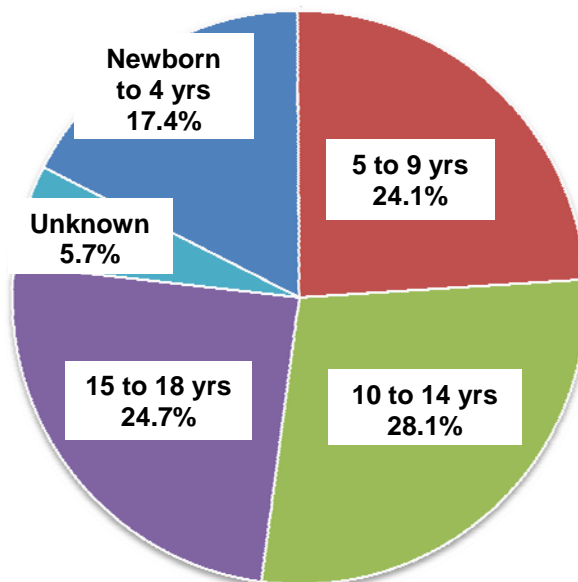
Paternity Status

Establishing paternity is critically important; without it, a custodial parent and his or her children have no claim to financial support from the non-custodial parent (NCP). Increasing the percentage of children with established parentage is, understandably, one of the top federal performance measures. It is also a measure on which Maryland has struggled to achieve the requisite performance threshold.

The results shown in Figure 2 are largely positive. Only 10.7 percent of children in active cases in July 2008 had yet to have paternity established, down from 17.3 percent of children (among all cases) in 2007 (OCSE 2009). According to OCSE (2009) 84.2 percent of children on active child support cases nationwide have paternity resolved, and Figure 1 shows that the numbers in Maryland are similar: 87.5 percent of children have paternity resolved, established, or otherwise not applicable.

One in four children (23.3%) was born to married parents, so establishment was not an issue. For another three in five children (59.6%), paternity was established by a vo-

luntary acknowledgment of paternity, court order, or was otherwise resolved. This last category reflects a new category of paternity establishment that was added in 2008. Paternity resolved indicates that a court order for support was established with no language addressing paternity, but the child is legitimized under Maryland law. This code might be employed, for example, when children are adopted or when the parents of a child born out of wedlock subsequently marry. This may explain some of the increase over the year before (in 2007, 55.4 percent of children had paternity established outside of marriage).

Figure 2. Paternity Status of Children Participating in an Active Child Support Case
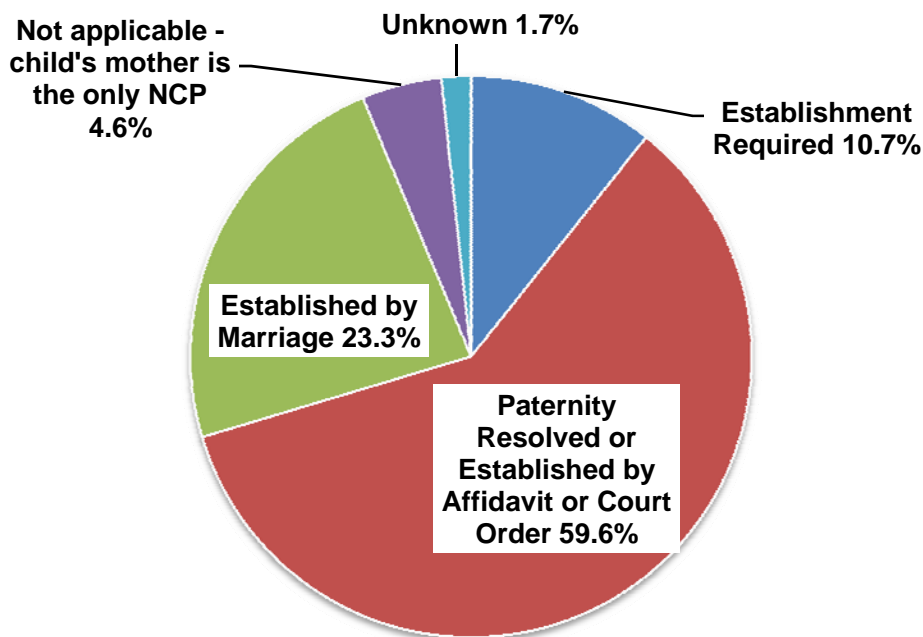
Characteristics of Custodians and Noncustodial Parents

This section takes a closer look at the adults involved in Maryland's active child support cases— noncustodial parents (NCPs), custodians, and custodial parents (the latter two will be referred to collectively as 'custodians' except where separate analysis is appropriate). Whereas our sample consisted of 7,523 *cases,* there are 7,435 NCPs and 7,465 custodians associated with those cases—some individuals may be involved with multiple cases in our sample. For our analyses, data are aggregated across all of their active cases in the study month.

We begin with an analysis of demographic characteristics such as gender, age, and race. Next we move on to explore the employment patterns among adults, including information from the study quarter, the year before the study quarter, and the two years before the study quarter. Then we examine more specific situations for custodians (for example, welfare receipt) and NCPs (for example, residence outside the State of Maryland and involvement in their child support case).

9

Demographics of Custodians and Noncustodial Parents

Table 3 contains the demographic information for custodians and NCPs with an active case in the Maryland child support program in July 2008, our study month. We report gender, age, and race. While both gender and age are available for most custodians and NCPs, race data are missing for 14.6 percent of custodians and 16.8 percent of NCPs.

The typical noncustodial parent with at least one active child support case in our study month is an African American (69.5%) male (90.6%) aged 36 or older (64.6%). Custodians are largely similar, save gender: the typical custodian is an African American (67.5%) female (94.0%) aged 36 or older (58.5%).

In addition to gender, there is a statistically significant difference between NCPs and custodians in terms of age distribution. Custodians tend to be somewhat younger. This is evidenced by the one-year difference in both mean and median age, as well as the percentages in each age category. There is nearly double the number of custodians below age 20 (2.7% versus 1.2% among NCPs), as well as higher percentages of custodians in the 21-25 years (8.8% versus 6.3%) and 26-30 years (14.1% versus 12.2%) age brackets.

Table 3. Characteristics of Custodians and Noncustodial Parents

	Noncustodial parent (n= 7,435)	Custodian (n=7,465)
Gender*		
Male	90.6% (6,692)	6.0% (450)
Female	9.4% (697)	94.0% (7,000)
Total Valid N	(7,389)	(7,450)
Age*		
17 - 20 years	1.2% (85)	2.7% (195)
21 - 25 years	6.3% (461)	8.8% (631)
26 - 30 years	12.2% (899)	14.1% (1,012)
31 - 35 years	15.7% (1,153)	15.9% (1,145)
36 and older	64.6% (4,749)	58.5% (4,198)
Total Valid N	(7,347)	(7,182)
Mean	39.70	38.68
Median	39.58	38.25
Standard deviation	9.46	10.75
Range	17.98 - 107.98	17.07 - 93.03
Race*		
African American	69.5% (4,300)	67.5% (4,302)
Caucasian	27.0% (1,668)	28.8% (1,837)
Other	3.5% (217)	3.7% (236)
Total Valid N	(6,185)	(6,375)

Note: Valid percentages are reported. *p<.05, **p<.01, ***p<.001

Recent Employment and Earnings History

The child support system is built on the idea that children deserve financial support from both parents, regardless of their parents' marital status or the family's poverty status. While it is true that 40 percent of the child support cases have never received cash assistance, many of those who do participate in the public child support program either have lower incomes or recently had lower incomes. As mentioned earlier, three-fifths of the active cases are either currently receiving cash assistance (9.1%) or have received cash assistance in the past (51.3%).

For children living with economically vulnerable custodians, the goal of child support is to provide a reliable source of income that can help increase self-sufficiency. To make support distributions to these children more reliable, then, a growing body of literature (and common sense) imply that not only does the program need to be diligent in collecting the support owed, but the orders established must be set at appropriate levels with regard to a noncustodial parent's income. Orders set too high are unlikely to be paid and often result in increased arrearages, neither of which helps children.

Research indicates that noncustodial parent income is one of the strongest predictors of whether NCPs comply with support orders (Ovwigho, Saunders, & Born, 2006). This makes intuitive sense because many enforcement tools (such as wage withholding and other intercepts) rely on NCPs' attachment to the formal labor market. As in most states, however, Maryland determines child support order amounts not only using noncustodial parent income, but also that of custodians. In this report, then, we examine income and employment for both the NCPs ordered to pay support and the custodians who are supposed to receive it.

Table 4 presents information on employment and earnings in the study quarter, the year before the study date, and the two years before the study date. A few caveats are necessary when exploring the table. First, we were unable to track individuals who worked for the federal government, those employed out of state, and those working in jobs not covered by unemployment insurance. Also, we are unable to compute hourly, weekly, or monthly wage information because the UI earnings data are only reported on an aggregated quarterly basis.

These caveats notwithstanding, our analysis resulted in interesting findings. In general, about half of all custodians (57.6%) and NCPs (48.5%) were employed at a UI-covered Maryland job at some point in the year preceding the critical date; however, custodians were significantly more likely to have worked in both the year and two years preceding the critical date than NCPs. When we look at the quarter in which the critical date falls, however, significantly fewer custodians (47.9%) and noncustodial parents (37.3%) were employed. Custodians were still more likely to be working than their noncustodial counterparts.

Table 4 also shows that custodians worked more of the available quarters than NCPs did, though both groups had sporadic employment. In the previous two years, custodians worked an average of 3.92 quarters; NCPs worked an average of 3.17 quarters. In the previous year, those numbers are 1.95 and 1.56 quarters, respectively. Although these differences appear small, they are statistically significant.

While custodians work more quarters than NCPs, it appears they make less money on a quarterly basis. In the two years prior to our study date, for example, NCPs made a quarterly average of $6,443; custodians only made $6,041 in the same time period. Again, while these differences are small, they are significant, and persist when we examine median earnings as well. It appears, then, that although custodians have more consistent quarterly work, they could potentially earn less overall.

A first glance at the mean total earnings would seem to support this: custodians have lower total earnings in both the year and two

years before the study quarter. A glimpse at the median total earnings in those time periods, however, reveals a more complex picture. Median total earnings among noncustodial parents in the two years before July 2008 were $30,183; for custodians, earnings were greater than $3,000 more in the same period ($33,338). This indicates that, on the whole, NCPs make less money than custodians, but a few make salaries high enough to skew the mean upward. Indeed, the NCP with the highest total earnings in the two years before the critical quarter reportedly earned in excess of $300,000.

Overall, employment findings imply several things. The majority of Maryland's custodians and noncustodial parents has had UI-covered employment in the recent past, but this employment tends to be episodic rather than continuous (particularly among noncustodial parents), and yearly earnings tend to be low, again, especially among noncustodial parents. Considering the fragile nature of employment among noncustodial parents in particular, two implications emerge. First, the practice of adjusting order amounts to reflect changing income levels is one that should be continued. Second, although the idea that a wage withholding order can be the single most useful enforcement tool is popular, the extent to which noncustodial parents move in and out of the workforce means that this type of withholding may not be an effective or efficient tool for support collection in all cases.

Table 4. Employment History of Custodians and Noncustodial Parents

	Noncustodial Parents (n=7,357)		Custodians (n=7,333)	
Two Years Before Critical Date				
Percent Employed***	56.3%	(4,142)	64.2%	(4,706)
Mean # Quarters Employed***	3.17		3.92	
Mean [Median] Quarterly Earnings***	$6,443	[$5,118]	$6,041	[$4,928]
Mean [Median] Total Earnings	$43,744	[$30,183]	$43,303	[$33,338]
One Year Before Critical Date				
Percent Employed***	48.5%	(3,568)	57.6%	(4,222)
Mean # Quarters Employed***	1.56		1.95	
Mean [Median] Quarterly Earnings**	$6,851	[$5,594]	$6,430	[$5,422]
Mean [Median] Total Earnings	$25,133	[$19,573]	$24,238	[$19,963]
Quarter of Critical Date				
Percent Employed***	37.3%	(2,745)	47.9%	(3,510)
Mean [Median] Total Earnings***	$8,006	[$6,812]	$7,012	[$6,206]

Note: Employment data are shown only for individuals who were aged 16 or older in the critical month, with a unique identifier in CSES. Valid percents are reported. Earnings figures are standardized to 2009 dollars. Earnings figures include only those working during that time period. Also, as noted previously, these are aggregate quarterly earnings. We do not know how many weeks or hours an individual worked, so hourly wage cannot be computed from these data.
*p<.05, **p<.01, ***p<.001

Custodial Parents' TCA Receipt

One goal of the child support program is to reduce the number of custodial parents who rely on Temporary Cash Assistance (TCA, Maryland's version of TANF) to make ends meet. Table 5 explores the extent to which custodial parents on active child support cases received TCA in the year before the study month. For this analysis, we included only those with a relationship code of "Custodial Parent" as opposed to "Custodian" because custodians who are not biological or adoptive parents of the children in their child support case are most likely caring for a grandchild or other relative and are entitled to receive TCA benefits indefinitely and without restrictions such as time limits or work requirements. In these families, child support is intended to supplement TANF benefits, rather than replace them. Overall, 68.7 percent of custodians (n=5,130/7,465) in our sample were listed as custodial parents and are included in the analyses presented in Table 5.

The first section of Table 5 shows that, on the whole, most custodial parents (87.4%) did not receive cash assistance in the last year. When the data are disaggregated by age, however, the picture changes. Table 5 shows that younger custodial parents were much more likely to have been on an active TCA case in the past year—half of 17-20 year olds (49.6%) and three in ten custodial parents 21-25 years old (30.8%) had some receipt of cash assistance in the previous year. This compares to one in five (18.1%) 26-30 year olds, one in ten (10.6%) 31-35 year olds, and one in twenty (5.2%) custodial parents 36 years of age and older.

Because custodial parents may be case heads on a TCA case in which they are not actually recipients (for example, they are receiving other benefits like SSI and their child is receiving TCA), the second section of Table 5 presents information for those case heads who are also TCA recipients. Although the percentage of custodial parents receiving TCA is slightly lower than those on a TCA case (10.8% overall—almost two points lower than the percent on a TCA case), the same general trend appears: younger case heads are much more likely to have received cash assistance in the year before the study month than older case heads.

Table 5. TCA Receipt Among Custodial Parents in the Last Year by Age Group

	17 - 20 years (n=123)		21 - 25 years (n=582)		26 - 30 years (n=936)		31 - 35 years (n=934)		36 and older (n=2,513)		Total (n=5,088)	
Total months of TCA receipt*												
No TCA receipt	50.4%	(62)	69.2%	(403)	81.9%	(767)	89.4%	(835)	94.8%	(2,382)	87.4%	(4,449)
Any receipt	49.6%	(61)	30.8%	(179)	18.1%	(169)	10.6%	(99)	5.2%	(131)	12.6%	(639)
1 - 3 months	12.2%	(15)	7.0%	(41)	5.4%	(51)	2.6%	(24)	1.2%	(30)	3.2%	(161)
4 - 6 months	14.6%	(18)	8.4%	(49)	4.0%	(37)	2.1%	(30)	1.4%	(34)	3.1%	(158)
7 - 9 months	7.3%	(9)	7.6%	(44)	3.6%	(34)	1.9%	(18)	0.6%	(16)	2.4%	(121)
10 - 12 months	15.4%	(19)	7.7%	(45)	5.0%	(47)	4.0%	(37)	2.0%	(51)	3.9%	(199)
Months of receipt with responsibility code of "RE"*												
No TCA receipt	52.0%	(64)	70.6%	(411)	83.7%	(783)	91.4%	(854)	96.6%	(2,427)	89.2%	(4,539)
Any receipt	48.0%	(59)	29.4%	(171)	16.3%	(153)	8.6%	(80)	3.4%	(86)	10.8%	(549)
1 - 3 months	12.2%	(15)	6.7%	(39)	5.3%	(50)	2.2%	(21)	1.0%	(25)	2.9%	(150)
4 - 6 months	14.6%	(18)	8.8%	(51)	4.0%	(37)	2.0%	(19)	0.9%	(23)	2.9%	(148)
7 - 9 months	7.3%	(9)	7.7%	(45)	3.4%	(32)	1.8%	(17)	0.5%	(13)	2.3%	(116)
10 - 12 months	13.8%	(17)	6.2%	(36)	3.6%	(34)	2.5%	(23)	1.0%	(25)	2.7%	(135)

Note: Valid percentages are reported. *p<.05, **p<.01, ***p<.001

Noncustodial Parents and Child Support

In this section, we focus our attention on NCPs and their connection to their child support cases in the State of Maryland. First, we examine the extent to which NCPs reside outside the state because these cases tend toward being administratively burdensome and difficult to enforce. We then continue with an analysis of how prevalent it is for NCPs to be linked with multiple cases, including those outside our sample. Finally, we investigate NCPs' current support and arrears order amounts across all cases, including those cases which may not have been in our original sample. Research shows that having multiple cases or large arrears balances can negatively affect an individual's ability to meet child support payment requirements (OCSE, 2007, OSCE, 2008).
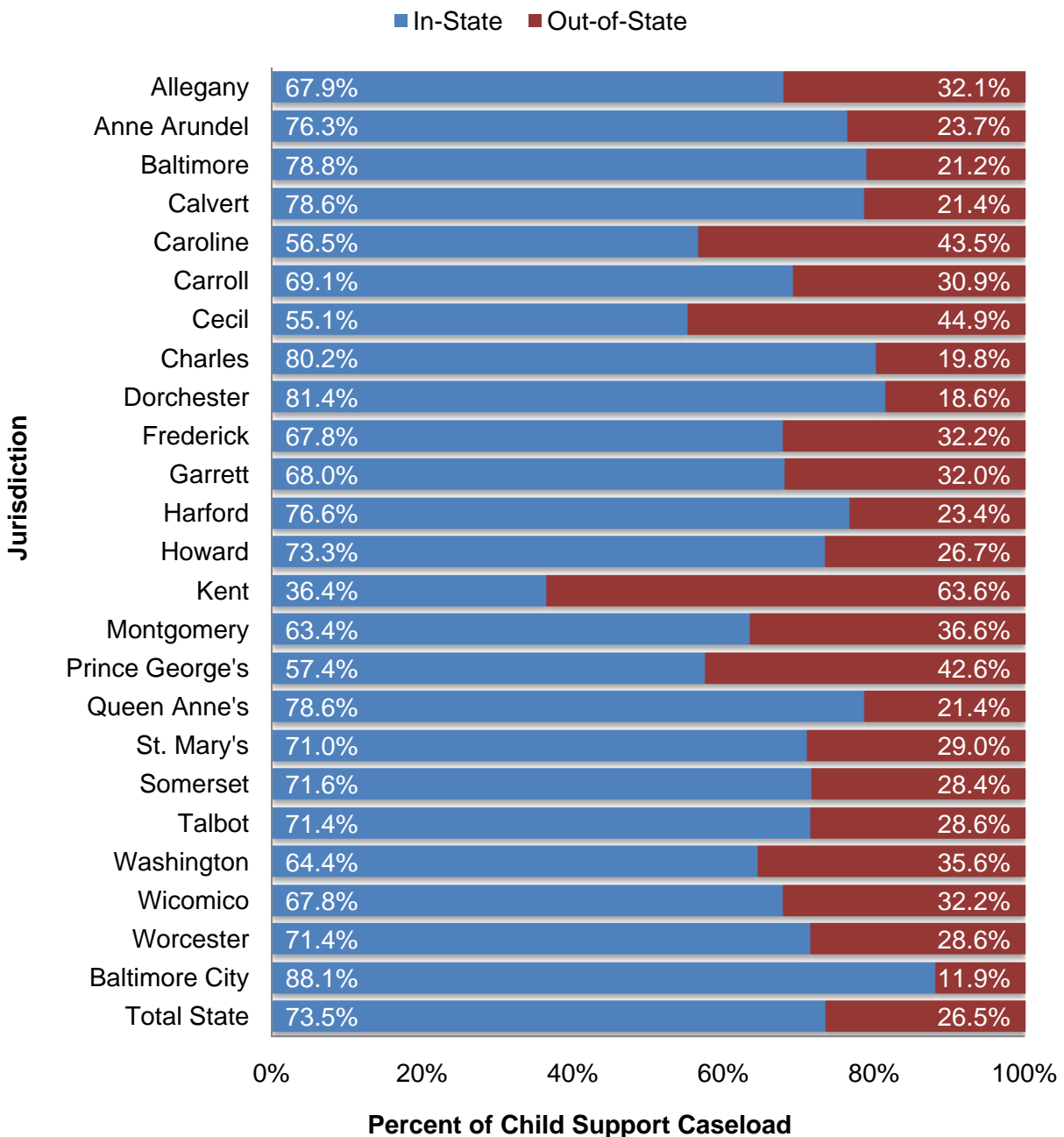
Out-of-state Noncustodial Parents

Because of high mobility in the United States, most states have a significant minority of inter-state cases in their child support caseloads. Often, cases begin as in-state cases and then become inter-state when one parent relocates, and the likelihood of a particular case following this path increases over time. The success of inter-state cases relies heavily on cooperation between local jurisdictions; unfortunately, time delays and data-sharing limitations across states can make these cases difficult.

Maryland, in particular, has the potential to have a large inter-state caseload because of its small size and relative proximity to the District of Columbia and the four states it borders. Indeed, according to Figure 3, just over one in four Maryland cases (26.5%) includes a noncustodial parent who lives outside the state. We also present this information separately for each of Maryland's 23 counties and Baltimore City.

Figure 3 shows that in six counties, one-third or more of the jurisdiction's NCPs reside out of state. These are: Caroline (43.5%), Cecil (44.9%), Kent (63.6%), Montgomery (36.6%), Prince George's (42.6%), and Washington (35.6%). While most of these counties contain only a small percentage of the state's overall caseload, Prince George's and Montgomery Counties together comprise more than a quarter (27.2%) of the state's caseload. Baltimore City and Baltimore County, the first and third largest caseloads, however, have relatively low percentages of NCPs residing out of state: 11.9 percent and 21.2 percent, respectively.

These findings serve to reinforce the idea that examining outcomes at the state level has the potential to mask significant intra-state differences. Also, the successes and failures with respect to cases where the NCP lives elsewhere in Prince George's and Montgomery Counties will have a disproportionate effect on statewide statistics and performance measures.

Figure 3. Noncustodial Parents Residing Out of State by Jurisdiction

■ In-State ■ Out-of-State

Jurisdiction	In-State	Out-of-State
Allegany	67.9%	32.1%
Anne Arundel	76.3%	23.7%
Baltimore	78.8%	21.2%
Calvert	78.6%	21.4%
Caroline	56.5%	43.5%
Carroll	69.1%	30.9%
Cecil	55.1%	44.9%
Charles	80.2%	19.8%
Dorchester	81.4%	18.6%
Frederick	67.8%	32.2%
Garrett	68.0%	32.0%
Harford	76.6%	23.4%
Howard	73.3%	26.7%
Kent	36.4%	63.6%
Montgomery	63.4%	36.6%
Prince George's	57.4%	42.6%
Queen Anne's	78.6%	21.4%
St. Mary's	71.0%	29.0%
Somerset	71.6%	28.4%
Talbot	71.4%	28.6%
Washington	64.4%	35.6%
Wicomico	67.8%	32.2%
Worcester	71.4%	28.6%
Baltimore City	88.1%	11.9%
Total State	73.5%	26.5%

Percent of Child Support Caseload

Child Support Involvement among Noncustodial Parents

A 'case' typically consists of a man, a woman, and their child or children in common. If either of those parents has a child with another partner, this is considered a separate additional case. It is possible, then, to have multiple cases wherein an individual might be the custodian on one case, the noncustodial parent on another case, or the same on all cases.

In Maryland, as in most other states, it is more expensive for a noncustodian to support children in different families than it is to support multiple children within the same family. That is because the child support guidelines as-

sume certain economies of scale for subsequent children within the same household. Thus, the total amount owed in support for NCPs with multiple cases is usually much higher relative to his or her income than NCPs with the same number of children but only one child support case. Obviously, this higher debt-to-income ratio is likely to have some impact on an individual's payment compliance. Table 6 contains an analysis of how frequently Maryland's NCPs are involved in multiple cases in our study month.

Table 6 shows that most NCPs (67.9%) owe support on only one active child support case; it also shows that one in five NCPs (20.6%) owes support on two cases and more than 10 percent (11.5%) owe support to three or more—up to 11—cases. The fact that almost one-third of NCPs (32.1%) owe support on more than one case—up from 31.8 percent in 2005—is notable (Ovwigho, Head, and Born, 2008).

Additionally, Table 6 shows that most NCPs in our sample (95.9%) do not have another active case where they are the custodian. Only a small percentage of NCPs (4.1%) are obligated to pay support while they are concurrently owed support from another partner.

Table 6 then moves on to consider the characteristics of all the support obligations of our sample NCPs, aggregated across all their active cases, if the individual had additional cases indicated in the first row. First, we consider orders for current support; next, we consider orders for arrears (past-due support); and finally, we consider any order for support.

The main questions that Table 6 answers are:

1. What percentage of NCPs is ordered to pay support? and
2. How much are they ordered to pay, on average?

More than three in five NCPs (61.1%) are under a court order to pay current support. The monthly ordered amount across cases has a mean of $434; however, the median amount is much lower, at $355. This indicates that half of the sample owes less, and half owes more than $355. This figure is likely much more accurate than the mean, which is pulled up by a few high order amounts. The same is true for arrears orders: the mean amount ordered is $147, while the median is a much more conservative $94. Again, more than three in five NCPs (63.6%) have an order for arrears support.

Some NCPs have orders to pay both current and past-due support. When considering either type, more than three-quarters of NCPs in our sample (77.4%) have at least one order for support. The median total monthly amount ordered is $379.17. Order amounts ranged from a low of only one dollar to a high of more than $16,000.

Synthesized, this section provides interesting information about Maryland's NCPs and hints at the potential consequences for the child support program as a whole. One in four NCPs lives out of state, and in two jurisdictions with large caseloads, that number is much higher. Inter-state cases require continuing innovation to ensure that they are effectively enforced. This will help secure financial support for children and meet federal requirements.

The indication that a large minority of NCPs – roughly one of every three (32.1%) - have more than one support obligation is an important one as well. This group of parents could warrant additional research and innovative case management strategies to increase payment compliance. It would be interesting to determine whether having more cases leads to unmanageably high total support-ordered amounts.

Table 6. Noncustodial Parent Child Support Involvement

	Noncustodial Parents (n=7,435)
Number of cases as NCP	
One	67.9% (5,051)
Two	20.6% (1,531)
Three or more	11.5% (853)
Mean	1.51
Median	1.00
Standard deviation	0.92
Range	1 - 11
Number of cases as CP	
Zero	95.9% (7,130)
One	3.2% (239)
Two	0.7% (50)
Three or more	0.2% (16)
Mean	0.05
Median	0.00
Standard deviation	0.28
Range	0 - 4
Current Support Orders	
% with an order	61.1% (4,541)
Mean	$434
Median	$355
Standard deviation	$311
Range	$11 - $4,666
Arrears Orders	
% with an order	63.6% (4,731)
Mean	$147
Median	$94
Standard deviation	$261
Range	$0.01 - $14,888
Any Order	
% with an order	77.4% (5,752)
Mean	$464
Median	$379
Standard deviation	$417
Range	$1 - $16,725

Payment of Child Support

Child support has the potential to be a crucial source of reliable income for many vulnerable children and single-parent families. Indeed, the way to ensure the "reliable" piece is enforcing payment obligations. The final section of this chapter is devoted to examining the extent to which NCPs pay their court-ordered current and past-due child support.

Current Support

Just about one-half of the cases in our sample (56.4%, or 4,246 cases) had an order for current support in the study month and a balance due in the previous year; Table 7 lists the average payment amounts due and distributed to those cases. This information is then also presented another way: the percentage distributed of what was due.

A mean of $4,047 was due in the year before our study month, but a mean of only $2,646 was distributed to our study cases. The median of both values was lower, with $3,276 due and only $1,854 distributed. Overall, fully half of cases had distributions of 69.0 percent or more of the amount due, and almost half of all cases (46.7%) received 76 percent or more of the amount due. This is in line with previous research we have done on child support arrears, which result from non-payment of current support: in general, it appears that rather than seeing a trend of non-payment across all cases, we have found that it is only a few obligors who fail to pay current support obligations (18.5%) which lead to large balances of past-due support (Ovwigho, Saunders, and Born 2008).

While the total amount due and distributed over the previous one-year period is useful, it is difficult to determine whether these amounts reflect single lump sum payments or smaller, regularly-paid monthly amounts without knowing the number of months a payment was due and a distribution was made. Therefore, the final two sections of Table 7 present this information, as well as how many months had passed since a payment was made. Overall, a mean of seven months saw a payment distribution, though payments were due in a mean of 10.9 months. The median indicates that half of cases had payments due in all 12 months and distributed in 8 of those months. Such a high median indicates that support is distributed to custodians rather regularly, a positive finding, since we know that regular, dependable monthly support distributions—even if they are small—are more beneficial to custodians than irregular distributions (Formoso, Liu, and Welch 2008).The good news continues in the last row, where the median amount of time since the last distribution is less than one month, and three in five cases (62.9%) has had a distribution in the last month. One in five cases (20.4%), however, hasn't seen a distribution in more than a year.

**Table 7. Payments Distributed to Current Support in the Last Year (n=4,246)**

Payment Amounts	Amount Due	Amount Distributed
Mean	$4,047	$2,646
Median	$3,276	$1,854
Standard deviation	$3,067	$2,991
Range	$25 - $54,000	$0 - $29,900
Percent Distributed		
0%	18.5%	(786)
1 - 10%	5.8%	(245)
11 - 25%	6.5%	(276)
26 - 50%	10.5%	(444)
51 - 75%	12.1%	(513)
76% or more	46.7%	(1,982)
Mean	57.09%	
Median	69.00%	
Standard deviation	39.51%	
Range	0.0% - 100.0%	
Payment Months	**Months Due**	**Months distributed**
Mean	10.89	6.96
Median	12.00	8.00
Standard deviation	2.71	4.82
Range	1 - 12	0 - 12
Number of Months Since Most Recent Payment		
1 month or less	62.9%	(3,467)
2 to 3 months	5.6%	(311)
4 to 8 months	7.2%	(396)
9 to 12 months	3.9%	(217)
More than 12 months	20.4%	(1,125)
Mean	10.54 months	
Median	< 1 month	
Standard deviation	23.20 months	
Range	< 1 month - 149 months	

Note: Valid percentages are reported.

We also aggregated case-level data by NCP. Overall, nearly two-thirds of all NCPs (64.8%) had support due on at least one case in the year before our study month. Figure 4 presents information about these NCPs only. Furthermore, the analysis is broken down by the number of cases as the noncustodial parent to determine whether our sample corroborates the idea that those with more cases tend to pay less toward support. In fact, this does appear to be the case. Nearly half of all NCPs with only one case (49.2%) paid more than 80 percent of their child support obligation. Among NCPs with two cases, only one-third (32.9%) paid this much, and among those with three or more cases, only one-quarter (25.7%) paid this percentage of their support obligation. The difference is statistically significant.

Figure 4. Percent of Child Support Paid in the Last Year by Number of Cases as the Noncustodial Parent***
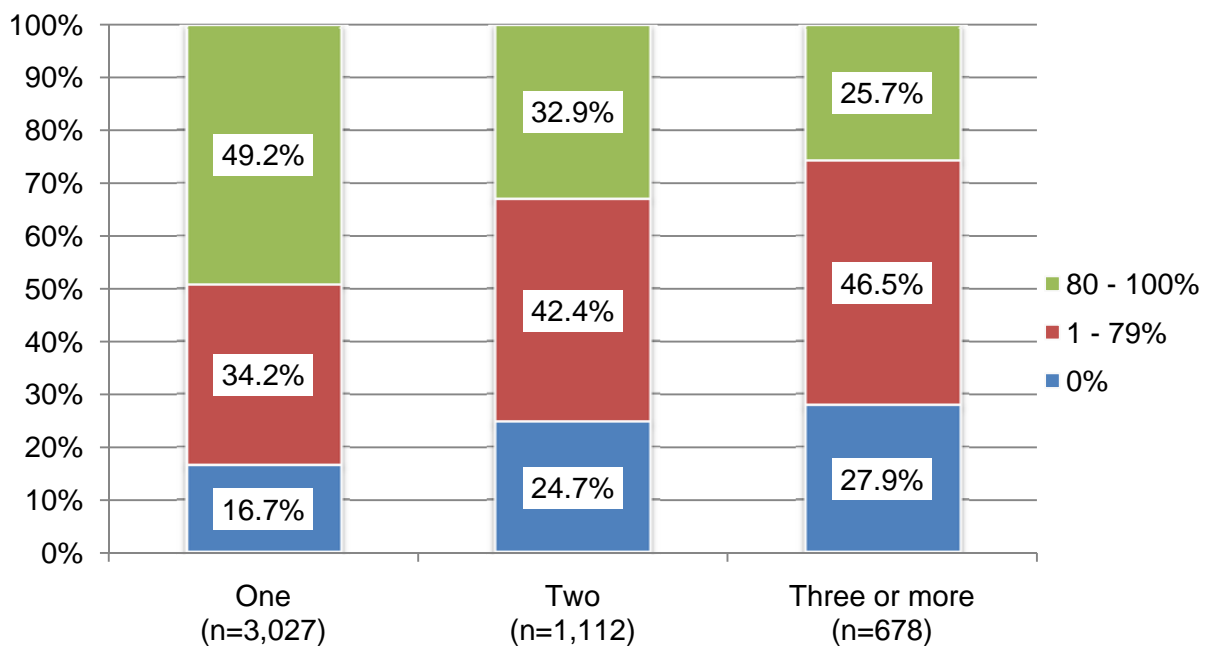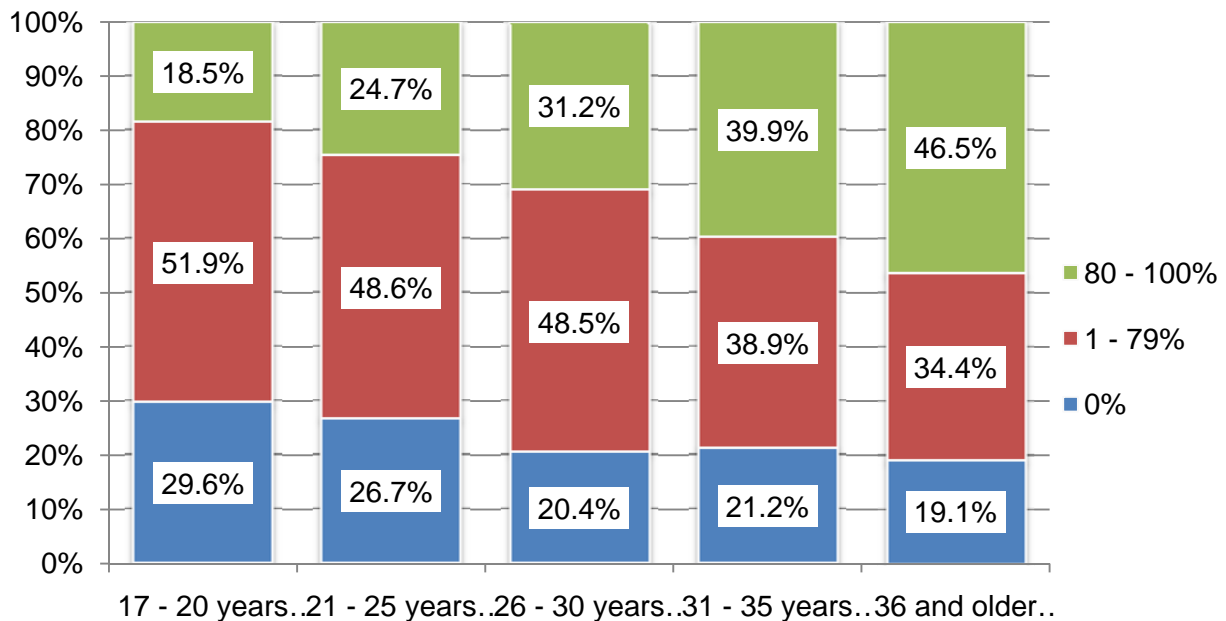

Note: Valid percentages are reported. *p<.05, **p<.01, ***p<.001

One result of nonpayment of support is the accumulation of arrears, and emerging research suggests that child support arrears have a stronger negative effect on younger fathers' child support payments compared to older fathers (Cancian et al., 2009). This may indicate that age has an effect on child support payment levels, independent of earnings. As shown in Figure 5 below, we find that in fact younger noncustodial parents tend to pay less toward their support obligations than their older counterparts.

Figure 5. Percent of Child Support Paid in the Last Year by Age Group***

Note: Valid percentages are reported. *p<.05, **p<.01, ***p<.001

The second step of this analysis is to determine the extent to which this relationship remains intact when we take earnings into account. Our initial findings indicate that for those whose earnings are in the lowest two quartiles, younger NCPs are less likely to pay than their older counterparts, and this relationship is statistically significant. Due to small sample sizes of young obligors with higher earnings, we are unable to determine whether earnings have a differential effect on young obligors above the lowest two quartiles. Al-

though these are only preliminary findings, they indicate that perhaps further study into the relationship between age and payment is warranted. If indeed younger NCPs are less likely to pay when compared with older NCPs with similar earnings, this would be one area where case management targeting younger NCPs could potentially increase the money disbursed to those children and, in turn, the state's performance on federally mandated payment goals.

Table 8. Payment as a Percentage of Support Due by Age and Earnings

	0%		1 - 79%		80 - 100%	
Earnings less than $5,000*						
17 - 25 years (n=74)	33.78%	(25)	60.81%	(45)	5.41%	(4)
26 - 30 years (n=90)	21.11%	(19)	74.44%	(67)	4.44%	(4)
31 - 35 years (n=83)	28.92%	(24)	61.45%	(51)	9.64%	(8)
36 and older (n=265)	22.64%	(60)	64.91%	(172)	12.45%	(33)
Earnings $5,001 - $20,000**						
17 - 25 years (n=81)	8.64%	(7)	67.90%	(55)	23.46%	(19)
26 - 30 years (n=121)	7.44%	(9)	71.07%	(86)	21.49%	(26)
31 - 35 years (n=130)	5.38%	(7)	73.08%	(95)	21.54%	(28)
36 and older (n=366)	7.65%	(28)	58.20%	(213)	34.15%	(125)

Note: Valid percentages are reported. *p<.05, **p<.01, ***p<.001

Arrears

The amount of money involved in arrears is staggering. Nationally, more than $100 billion is owed either to custodians or to state and federal governments. In Maryland, arrearages totaled almost $1.5 billion in 2008, of which only about $120 million (roughly 8%) was collected. These figures should be of concern to policymakers because much of it represents the money lawfully due to children that was not collected. In this final section, we investigate cases and NCPs with past-due child support, or arrears. One major federal performance goal is to ensure that cases with arrearages have a collection. Tables 9 and 10 investigate arrears due; Figures 6 and 7 present the percentage of arrears paid; Figure 7 also disaggregates this information by age group.

The main questions that Tables 9 and 10 answer are:

1. What percentage of cases and NCPs have arrears balances owed to a custodian? To the state? To another state? And
2. How much is owed to each, on average?

We begin with an analysis of cases in our sample. More than three in five cases (62.4%) are owed arrears of some kind in the critical month. The mean total arrears amount owed is $9,882; the median is considerably lower at $5,377. More specifically, in almost half of cases (49.1%), arrears are owed to the custodian; in a little less than one-fifth of cases (18.8%) arrears are owed to the state. A small percentage of cases (4.8%) also involve other types of arrears (i.e. spousal support, out-of-state arrears). Of these three types, additional arrears figures are highest followed by custodian-owed arrears. State-owed arrears tend to be the lowest amount owed.
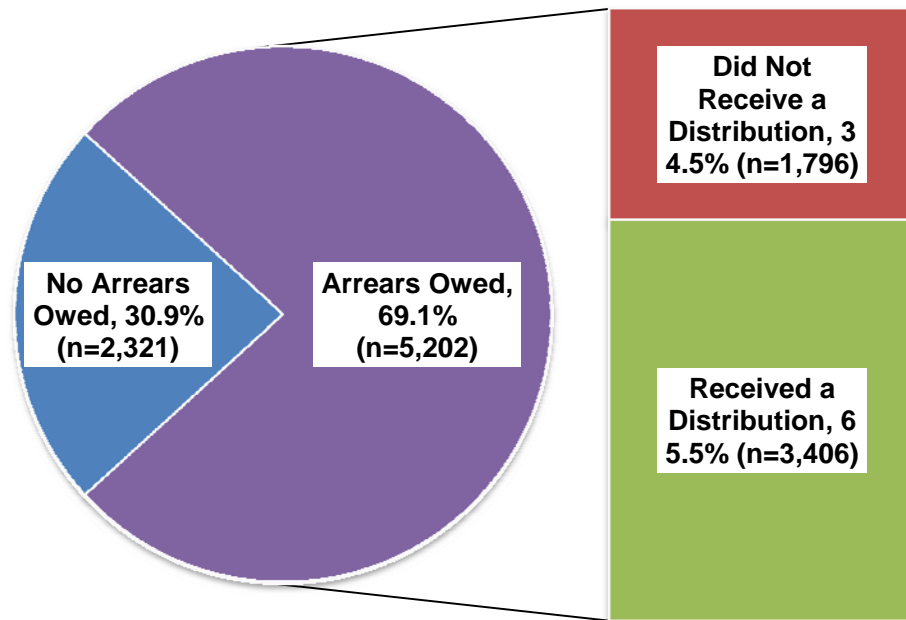
Table 9. Cases with Arrears Accumulation

	Arrears Owed to Maryland Custodian	Arrears Owed to the State of Maryland	Additional Arrears	Any Arrears
Cases				
% owing arrears	49.1% (3,693)	18.8% (1,412)	4.8% (362)	62.4% (4,694)
Mean	$8,706	$7,209	$11,208	$9,882
Median	$4,352	$4,524	$6,301	$5,377
Standard deviation	$12,428	$8,619	$16,051	$13,329
Range	Less than $1-$178,646	Less than $1-$118,300	Less than $1-$184,190	Less than $1-$184,190

Note: Valid percentages are reported. The additional arrears category includes other Maryland arrears, spousal support, and out-of-state arrears. Negative arrears balances were recoded as zeros.

The number of cases that owed arrears at any time in the year before the critical month is slightly higher, at 5,202 cases. Almost two-thirds of cases that were owed arrears (65.5%) received a distribution at some point during the year, as shown in Figure 6 below.

Figure 6. Cases with Arrears Distributions

No Arrears Owed, 30.9% (n=2,321)

Arrears Owed, 69.1% (n=5,202)

Did Not Receive a Distribution, 34.5% (n=1,796)

Received a Distribution, 65.5% (n=3,406)

We then continue with an analysis of the arrears accumulation of NCPs in our sample. Among NCPs, there are slightly higher percentages and total dollar amounts in each of these categories. This is expected, as we found earlier in the report that almost one in three NCPs owes arrears on multiple cases. Overall, 67.7 percent of NCPs owe at least one kind of arrears. Almost three in five NCPs (57.1%) owe arrears to a custodian, one quarter (25.7%) owe arrears to the state, and about six percent (6.6%) owe some other kind of arrears. The mean total arrears amount for NCPs is $14,645; the median, again, is much lower: $8,031.

Table 10. Noncustodial Parents with Arrears Accumulation

|	Arrears Owed to Maryland Custodian	Arrears Owed to the State of Maryland	Additional Arrears	Any Arrears
Noncustodial Parents				
% owing arrears	57.1% (4,249)	25.7% (1,909)	6.6% (489)	67.7% (5,037)
Mean	$11,712	$9,629	$11,494	$14,645
Median	$6,090	$6,114	$6,237	$8,031
Standard deviation	$15,640	$11,217	$15,710	$18,722
Range	$0.06 - $178,646	$0.13 - $118,300	$0.14 - $184,190	$0.06 - $202,082

Note: Valid percentages are reported. The additional arrears category includes other Maryland arrears, spousal support, and out-of-state arrears. Negative arrears balances were recoded as zeros.

Figure 7 looks more closely at payments; specifically, it presents the percentage of NCPs who had a distribution toward their arrears obligations in the last year. The analysis is broken down by age group, as some emerging research points to the idea that arrears balances discourage young fathers from complying with their support obligations more than older fathers (Cancian, Heinrich, and Chung, 2009). Indeed, our research finds that younger NCPs were significantly less likely to have a distribution toward their arrears obligations. Among NCPs younger than 20 years old, less than one half (44.4%) had an arrears distribution in the last year. That's well below the national average—63.3 percent of all NCPs made a payment toward arrears in 2008 (OCSE, 2009). Older fathers, particular-ly those over the age of 21, pay on their arrears balances much more closely to the national rate: 63.3 percent among those between 21 and 25 years of age, 65.7 percent among those between 26 and 30 years of age, 69.0 percent among those between 31 and 35 years, and 66.2 percent among those 36 years and older.

Overall, although the small number of NCPs under the age of 20 who owe arrears is not likely to affect the state's overall arrears performance (66.3% of Maryland's NCPs made a payment toward their arrears balances in the last year), this piece of information does indicate an area for potential improvement with targeted case management.

Figure 7. Noncustodial Parents with Arrears Distributions in the Last Year by Age Group**
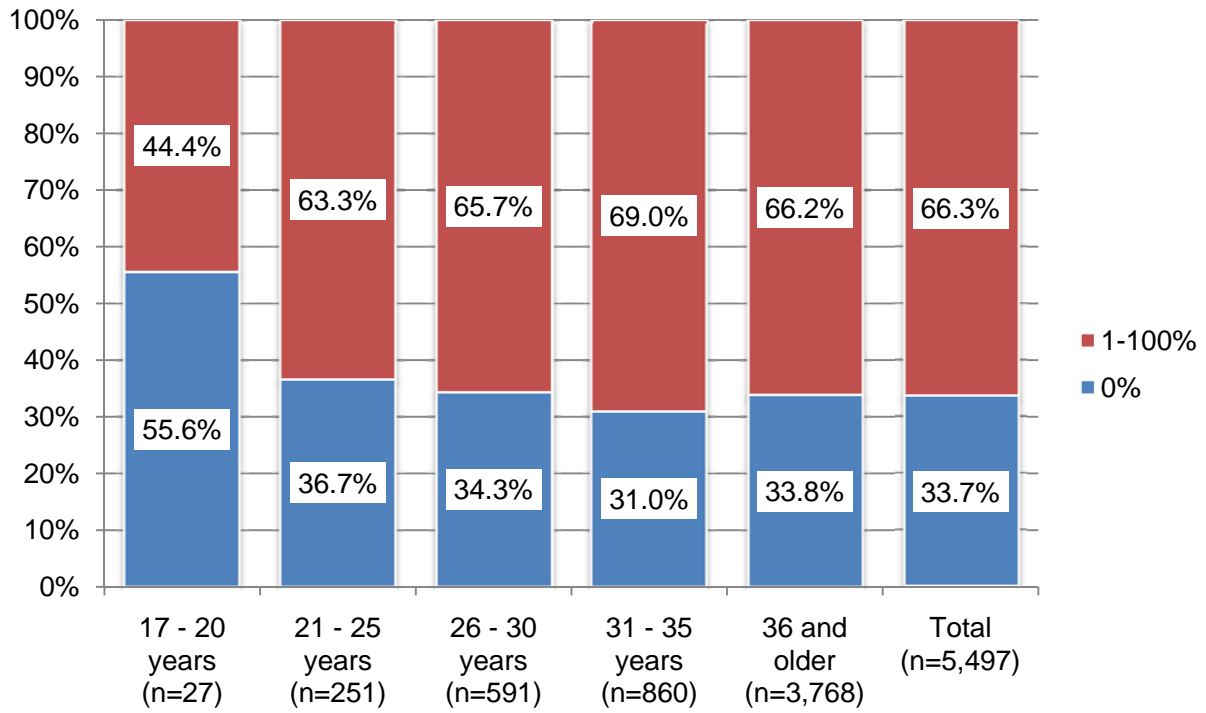
Note: Valid percentages are reported. *p<.05, **p<.01, ***p<.001

CONCLUSIONS

The goal of this series of reports is to provide a solid foundation of empirical data that the state's policy makers and program managers can use to better understand the caseload, make more informed decisions regarding any changes to policy or case management strategies, and more efficiently track program outcomes over time. Like similar research on the state's welfare program, this series and other ongoing research will help ensure that Maryland's child support program is empirically grounded and results oriented. This report, the third in its series, seeks to provide a snapshot of the adults, children, and cases in Maryland's active child support caseload in July 2008. We offer data on demographic characteristics, employment and earnings, receipt of cash assistance, and payment of current and past-due support. This final chapter synthesizes these elements to discover the larger themes and implications of our findings.

To begin, our results indicate that although popular stereotypes might have us believe otherwise, the child support caseload includes a diverse group of children and their parents. The program's reach is broad, and it serves all kinds of families, not only those associated with the state's cash assistance program. Indeed, less than ten percent of cases are currently on TANF. Additionally, two in five cases have never received cash assistance.

As in previous years, data for 2008 indicate that statewide statistics on federal performance measures continue to rely heavily on successes and failures in a select few jurisdictions with disproportionately high caseloads. Two jurisdictions, Baltimore City and Prince George's County, house more than half of the state's child support cases, and outcomes among those cases determine the state's ability to garner federal incentive dollars and avoid financial penalties. Without solid performance in these counties, it would be mathematically impossible to perform well on federal measures no matter how well the rest of Maryland's counties performed.

Findings also show that Maryland is largely doing well compared to national statistics. For example, 87.5 percent of children in Maryland's IV-D caseload have paternity established or otherwise resolved; nationally, this figure is 84.2 percent. There are, of course, other areas for improvement: 30 percent of cases had no order for current or past-due support in the critical month (compared to about 20 percent nationally), and among the cases that did have an order for current support, one in five hadn't had a payment in more than a year. Nationally, arrears amount due totals more than $105 billion. Considering Maryland contains 1.6 percent of the nation's child support caseload, we would expect arrears to total almost $1.7 billion; it is heartening, then, to know that the actual statewide total is less than $1.5 billion—down five percent since fiscal year 2007.

In addition, findings from today's report that younger fathers are less likely to pay their child support, suggesting that perhaps specialized case management or outreach attention should be given to cases with NCPs who are younger than 30, at least among those who also have low earnings. That is, our initial findings indicate that for those with earnings in the lowest two quartiles, younger NCPs are less likely to pay than their older counterparts, and this relationship is statistically significant. Thus, case management targeting younger NCPs could potentially increase the money disbursed to those children and, in turn, the state's performance on federally mandated payment goals.

Overall, child support has the potential to promote and enhance the economic well-being of Maryland's children and families if it can continue to meet and exceed federal performance mandates. Our findings indicate that most children currently on active cases will likely stay in the program for many years to come, since so many cases remain intact until a child's age of majority. Investing in making this program for efficient and effective will have direct and long-term positive effects on the lives of Maryland's children and families.

References

Cancian, M., Heinrich, C., & Chung, Y. (2009). *Does debt discourage employment and payment of child support? Evidence from a natural experiment.* Madison, WI: Institute for Research on Poverty.

Center for Medicaid and State Operations. (2008). *2007 SCHIP annual reports: A review.* Family and Children's Health Program Group, Division of State Children's Health Insurance. Retrieved April 19, 2010 from http://www.cms.gov/NationalCHIPPolicy/downloads/Final2007CHIPAnnualReport.pdf

Centers for Medicaid and Medicare Services. (2008). *FY 2007 annual enrollment report.* Retrieved April 19, 2010 from http://www.cms.gov/NationalCHIPPolicy/downloads/SCHIPEverEnrolledYEARFY2007FIFIN.PDF

Formoso, C., Liu, Q., & Welch, C. (2008, March 1). Regular child support helps state lower cost of welfare assistance. *Policy and Practice*, 30-31.

National Center for Education Statistics. (2010). *Digest of education statistics, 2009.* Washington, D.C.: U.S. Department of Education.

Office of Child Support Enforcement. (2007). *The story behind the numbers: Effects of child support order amounts on payments by low-income parents.* Washington, D.C.: U.S. Department of Health and Human Services.

Office of Child Support Enforcement. (2008). *The story behind the numbers: Understanding and managing child support debt.* Washington, D.C.: U.S. Department of Health and Human Services.

Office of Child Support Enforcement. (2009). *Child support enforcement, FY 2008 preliminary report.* Washington, D.C.: U.S. Department of Health and Human Services.

Office of Head Start. (2010). *Head Start Program fact sheet fiscal year 2010.* Washington, D.C.: U.S. Department of Health and Human Services.

Ovwigho, P., Head, V., & Born, C. E. (2008). *People and payments: A baseline profile of Maryland's child support caseload.* Baltimore, MD: University of Maryland School of Social Work.

Ovwigho, P., Saunders, C., & Born, C. E. (2008). *Confronting child support debt: A baseline profile of Maryland's arrears caseload.* Baltimore, MD: University of Maryland School of Social Work.

Ovwigho, P., Saunders, C., & Born, C. E. (2006). *After the order is established: Child support payment patterns and predictors.* Paper presented at the 46th Annual Workshop for the National Association for Welfare Research and Statistics.