

## MARYLAND'S CHILD SUPPORT CASELOAD: A PROFILE OF CUSTODIANS, 2018

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Since the formalization of the public child support program, the composition of families in the United States has undergone substantial shifts. The proportion of children born out of wedlock has increased from 10% to 40% since 1970 (United Nations Population Fund, 2018), and the percentage of children living with an unmarried parent has doubled since 1968. Now, one in three children live with an unmarried parent (Livingston, 2018). In order to ensure that children receive financial support from both parents, state child support programs assist with the establishment and enforcement of child support orders.

Public child support programs provide services to more than 15 million children, making it the third-largest income support program serving children in the U.S. (Morales, 2017). In Federal Fiscal Year 2017, the program collected \$29 billion, with 96% of those collections going to families (Office of Child Support Enforcement, 2018). Because of its large scope, there is a great deal of diversity within the public child support program's caseload. Such diversity needs to be better understood in order to create policies that target families' specific needs and increase payments to custodians and children.

In an ongoing partnership with Maryland's Child Support Administration (CSA), the University of Maryland School of Social Work has routinely created descriptive profiles of the state's public child support caseload. This report analyzes the characteristics of custodians and their families, current support and arrears owed to custodians, payments received by custodians, and payments retained by the state. We utilize a sample of custodians who had active cases in July 2018.

### REPORT HIGHLIGHTS

- ❖ More than two in five (43%) custodians with an active case in July 2018 had a history of TANF receipt.
- ❖ A slightly higher percentage of TANF custodians (59%) were employed in the prior year than non-TANF custodians (55%), but they earned about \$16,000 less.
- ❖ The majority of custodians were owed current support and arrears, but 20% were not any owed support.
- ❖ Most custodians (87%) received a current support or arrears payment, although a smaller percentage of TANF custodians (81%) did than non-TANF custodians (91%).
- ❖ Custodians with a payment received \$6,500 or 60% of support owed. TANF custodians received lower amounts and a smaller percentage of support owed than non-TANF custodians.
- ❖ Over one in four (28%) TANF custodians had support retained by the state. About \$1,300 was retained to reimburse the costs of TANF benefits.

Specifically, we answer the following research questions:

1. What were the demographic and case characteristics of custodians' cases?
2. What types of support were custodians owed, and how much were they owed?
3. How much of that support was received by custodians?

Each analysis is accompanied by a comparison between custodians who have received Temporary Assistance to Needy Families (TANF) benefits in the past 20 years and those who have not, because there are important differences between these groups. The public child support program is open to any family that requests the services of the program, but child support cooperation is a condition of TANF receipt. This means that custodians receiving TANF must assist in the establishment of child support orders so that states can recoup the funds expended on TANF for those families. Because participation can be optional or mandatory, families' characteristics, the support due to them, and the support they receive can vary by the ways in which they enter the program. For instance, obligors—those owing child support—who are not compliant with their child support orders are less likely to ever become compliant if custodians are current or former TANF recipients (Plotnick & Moore, 2015).

Prior research indicates that custodians with a history of TANF receipt in Maryland were more likely to receive no support payments, receive lower amounts, and have support recouped by the state for reimbursement of

the cost of providing TANF than their non-TANF counterparts (Hall & Passarella, 2016). These outcomes are concerning, given the fact that families with low incomes who receive child support payments rely heavily on disbursements to supplement their incomes. For families living at the federal poverty level (FPL), child support payments constitute 41% of total income; for those with incomes less than 50% of FPL, child support payments comprise 65% of total income (Sorenson, 2016).

Child support can be a beneficial resource for custodians. However, the program's value may be diminished or enhanced by policy decisions and program implementation. By examining the characteristics and child support payments received by custodians, policymakers are able to more easily identify ways to improve program performance and, most importantly, to increase the economic security of custodial families.

## Data & Sample

### Data

Data comes from the Child Support Enforcement System (CSES), the Client Automated Resources and Eligibility System (CARES), and the Maryland Automated Benefits System (MABS). CSES is the administrative data system for the IV-D program,<sup>1</sup> and it provides individual- and case-level data on demographics and program participation for individuals receiving public child support services. CARES is the statewide automated data system for certain DHS programs, and it

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<sup>1</sup> The public child support program is authorized under Title IV-D of the Social Security Act and is often referred to as the IV-D program.

includes individual and case-level program data for Temporary Cash Assistance, Maryland's TANF program.

The MABS system includes data from all employers covered by the state's Unemployment Insurance (UI) law and the Unemployment Compensation for Federal Employees (UCFE) program. Together, these account for approximately 91% of all Maryland civilian employment.

There are several limitations to MABS data. Data is reported on a quarterly basis, which means it is not possible to calculate weekly or monthly employment and earnings. Also, MABS does not contain data on certain types of employment, such as self-employment, independent contractors, and informal employment; consequently, under-the-table earnings are not included. Finally, MABS has no information on employment outside Maryland, and out-of-state employment is high in Maryland (16.9%) compared to the national average (3.7%) (U.S. Census Bureau, 2017). As a result, we may be understating employment and some earnings.

### **Sample**

The sample of custodians selected for this report was drawn from a random sample of custodians in Maryland's public child support caseload who had active cases in July 2018. The sample is stratified by jurisdiction with a 95% confidence interval and a 3% margin of error. Once custodians were sampled into a jurisdiction, they could not be sampled into another jurisdiction, even if they had cases in multiple jurisdictions. This allows us to complete supplementary work that provides a snapshot of custodians in each of Maryland's 24 jurisdictions.

This report, however, focuses on statewide findings, so all of a custodian's cases are included in each analysis, regardless of the jurisdiction in which the custodian was pulled into the sample. Additionally, appropriate weights are used to ensure that statewide analyses represent the accurate proportion of each jurisdiction's child support caseload. The final weighted sample is 18,163 custodians, which is 11% of all custodians with an active child support case in Maryland in July 2018 (N=167,768).

Typically, an obligor is listed on a child support case, along with either a custodial parent or a custodian. Custodial parents are biological or adopted parents who are the primary caregivers of their children. Custodians, on the other hand, include adults other than the parent who are the primary caregivers of the children, such as grandparents or other relatives. The primary caregiver, whether a custodial parent or a custodian, is owed child support once a support order has been established.

In this report, custodial parents and custodians are not distinguished from one another; rather, the entire sample of primary caregivers is examined. Throughout, we refer to these caregivers as custodians. This is different from federal Census data, which only collects information on custodial parents (Grall, 2018).

A previous report was completed on custodians with active cases in July 2015 (Hall & Passarella, 2016). However, there are three important differences in the current report that limit our ability to compare the two. First, the two reports have different samples; the 2015 report was a simple 5% random sample, and this report has a stratified random sample. Second, the 2015 report sampled child support cases

and then examined the custodians on those cases while this report samples custodians. This means that children listed as custodians had to be excluded from the 2015 sample; these cases were excluded from the population when sampling for July 2018 custodians. Third, the 2015 report identifies custodians as TANF recipients based on receipt in the previous five years. The TANF group in this report has been defined as custodians who received TANF for at least one month between April 1998 and July 2018, which is a 20-year period. These differences do not allow us to make direct comparisons between findings of these two reports.

## Findings

### Characteristics & Employment

Nationally, custodial parents receiving services from the public child support system are more likely to receive TANF and live in poverty than other custodial parents (Sorensen, Pashi, & Morales, 2018). Because TANF recipients are required to cooperate with state child support agencies' order establishment processes, many custodians in the public child support system have a history of TANF receipt. In addition, custodians waive their rights to receive support payments while they are on TANF. State and federal governments retain those payments as reimbursement for TANF benefits.

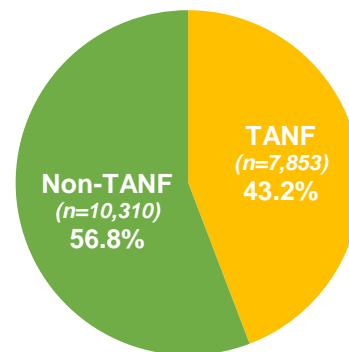
Current or former TANF recipient custodians' experiences with the child support system undoubtedly differ from those of non-recipient custodians, in part because participation is mandatory for these

custodians. However, child support services are available to any custodian who requests them. There are multiple avenues to entering the child support program, which may lead to different outcomes. For that reason, it is important to not only examine all custodians, but to also compare those who received TANF benefits and those who have not.

Figure 1 distinguishes those who received TANF in Maryland between April 1998 and July 2018 from those who had no Maryland TANF receipt during that period. More than two in five (43.2%) custodians with active IV-D cases in July 2018 had a history of TANF receipt. Many (56.8%) custodians have never received TANF benefits in Maryland.

All analyses throughout this report compare custodians with and without a history of TANF receipt. In particular, we compare their demographic and case characteristics, employment and earnings, current support and arrears due to them, and current support and arrears received by them.

**Figure 1. TANF Participation**



Knowing the demographic characteristics of custodians in Maryland familiarizes child support professionals with the attributes, and potential needs, of the families they serve. To that end, Table 1 shows the demographics of custodians in Maryland's public child support program. The vast majority (95.5%) of custodians in July 2018 are women, and two in three (64.6%) are African American while three in 10 (29.4%) are Caucasian. The average age of custodians is 39 years, and most custodians are between 25 and 34 years old (33.8%) or between 35 and 44 years old (33.3%). Comparing the information in Table 1 to findings from a previous report shows that custodians' characteristics have largely remained consistent over time (Passarella, 2014).

Delving into the demographic characteristics of custodians by their histories of TANF receipt can reveal important differences that may impact the amounts due to, and received by, custodians. Custodians with a history of TANF receipt are more likely to be African American (77.5%) and younger than 35 (47.5%) than those without a history of receipt (53.5% and 33.6%, respectively). The racial characteristics of custodians in the TANF group are, unsurprisingly, similar to those of Maryland's general TANF recipient population, but TANF custodians participating in the IV-D program were less likely to be younger than 25 and far more likely to be older than 35 than the state's overall TANF caseload (McColl & Passarella, 2019). Nevertheless, custodians who received TANF were younger than those who did not receive TANF, and this has implications for outcomes. Research shows that custodial parents under age 30 are slightly less likely to receive any child support payments than those who are 30 or

older (Grall, 2018). This suggests that securing support payments may be more difficult for custodians in the TANF group than the non-TANF group due, in part, to their younger ages.

**Table 1. Demographic Characteristics of Custodians**

	TANF	Non-TANF	Total
<b>Gender***</b>	(n=7,851)	(n=10,289)	(n=18,140)
Female	97.2%	94.2%	95.5%
Male	2.8%	5.8%	4.5%
<b>Race***</b>	(n=7,525)	(n=8,786)	(n=16,312)
African American	77.5%	53.5%	64.6%
Caucasian	20.3%	37.3%	29.4%
Other	2.1%	9.3%	6.0%
<b>Age***</b>	(n=7,853)	(n=10,235)	(n=18,088)
Younger than 25	8.1%	4.1%	5.8%
25 to 34	39.4%	29.5%	33.8%
35 to 44	29.0%	36.6%	33.3%
45 and Older	23.5%	29.9%	27.1%
Average***	38.0	40.0	39.1
[Median]	[35.7]	[38.9]	[37.5]

**Note:** Total percentages may not sum to 100% due to rounding. \*p<.05, \*\*p<.01, \*\*\*p<.001.

Information about custodians' employment and earnings can help us understand the amount of child support they can expect, because child support orders are based on the combined incomes of the custodian and the obligor. The earnings of custodians can also show how much child support payments help custodians adequately care for their children.

Figure 2 relates the percent of custodians in the IV-D program who were employed at any point in the year prior to July 2018, along with the median annual earnings among those who were employed. More

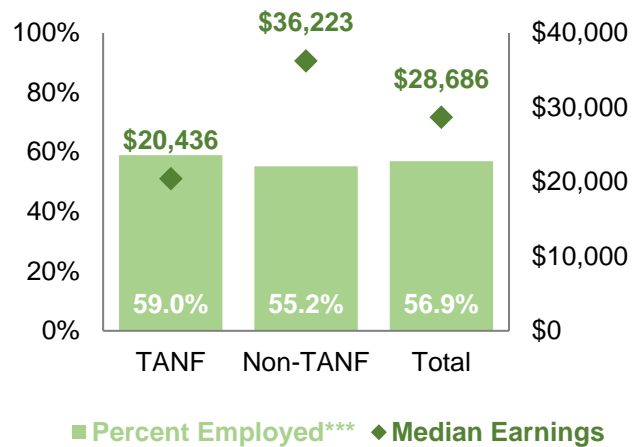


than half (56.9%) of all custodians were employed at some point in the prior year, with median earnings of over \$28,000. Such earnings are less than half of the required income for a family of one adult and one child to have a living wage in Maryland in 2018 (\$61,450; Glasmeier, 2019). One possible reason for low earnings is inconsistent work. Figure 2 includes custodians with any instance of employment in the prior year instead of just those with continuous or full-year employment.<sup>2</sup> Nevertheless, low earnings among custodians make child support payments all the more necessary and valuable.

Comparing custodians with and without histories of TANF receipt reveals that employment among those with a history of receipt (59.0%) was slightly higher than that among custodians without a history of receipt (55.2%). However, median earnings among TANF custodians (\$20,436) were considerably lower than median earnings among non-TANF custodians (\$36,223). These findings are not surprising, given the numerous barriers to employment current and former TANF recipients face (Dworsky & Courtney, 2007), but earnings among both groups are still quite low for a family of at least two individuals. Moreover, the state of Maryland has a high cost of living, and child support can be a crucial income support for many custodians in the state.

Similar to demographic characteristics, the characteristics of custodians' cases can provide context for child support outcomes such as order establishment and disbursements. Among cases in Maryland's

**Figure 2. Employment and Earnings**  
*In the prior year*



**Note:** *Median Earnings* includes custodians who were employed at any point in the prior year (n=10,175). \*p<.05, \*\*p<.01, \*\*\*p<.001.

public child support program, Table 2 displays the number of children who were members of custodians' cases as well as the number of cases that custodians had in July 2018.

Overall, more than one in 10 (14.1%) custodians had no children on a child support case. Many of these cases are arrears-only cases, which means the child has emancipated and is no longer a member of the case but past-due support is still collectable. More than half (52.0%) of all custodians had one child, while just over one in five (22.0%) had two children and just over one in 10 (11.9%) had three or more children. Moreover, the majority (78.8%) of all Maryland custodians had one child support case, while 17% had two cases and just over 4% had three or more cases.

TANF and non-TANF groups, two in five (39.4%) and one in five (20.6%) did not work in all four quarters, respectively.

<sup>2</sup> Analysis shows that three in 10 (29.1%) custodians who were employed did not work in all four quarters of the year prior to July 2018. When comparing the

There were important differences in the number of children and cases custodians had in July 2018 between those with and without histories of TANF receipt. Table 2 shows that roughly one in 10 (10.8%) custodians in the TANF group had no children on a child support case, which is less than the percentage of non-TANF custodians with no children on a case (16.6%). More than two in five TANF custodians had one child (43.2%), and just under three in five (58.8%) non-TANF custodians had one child on a child support case. Consequently, nearly half (46.0%) of TANF custodians had two or more children on their cases, which dwarfs the quarter (24.7%) of non-TANF custodians with two or more children. Not only did custodians with a history of receipt have more children; they also had more child support cases. Over one quarter (27.8%) of these custodians had two cases and nearly one in 10 (9.1%) had three or more, compared to less than one in 10 (8.4%) and less than one percent (0.8%), respectively, of custodians without a history of receipt.

Differences in the number of children and cases between groups of custodians may have an impact on order establishment, payment compliance, and child support debt accumulation (Eldred & Takayesu, 2013). It is hard to doubt that additional children and child support cases increase a family's complexity, and that could negatively impact the amount of support the family receives.

### Support Owed

Custodians may be owed current support, arrears, or both. In fact, many custodians who were owed current support were also owed arrears for a couple of reasons. First, obligors who owe current support may not pay the full amount that is owed resulting in past-due support. Second, Maryland Family Law mandates courts to set the effective date of new child support orders to the date the case was filed, rather than the date the order was established. This may mean that numerous months' worth of support payments are due at the time of establishment. In both of these instances, past-due support is designated as arrears and can accumulate over time.

Adding more complexity, current support and arrears can also be owed to the state for the period an order was in effect while a custodian was receiving TANF. This is because the child support program performs cost recovery for state and federal TANF expenditures, which means that any child support payments made while a custodian is receiving TANF are retained by the state in order to reimburse the costs of providing benefits to families. However, most support payments made while a custodian is not receiving TANF go directly to the family. If support is unpaid, custodians, the state, or both can be owed arrears on a single case.

**Table 2. Case Characteristics**

	TANF (n=7,853)	Non-TANF (n=10,310)	Total (n=18,163)
<b>Number of Children***</b>			
None	10.8%	16.6%	14.1%
1	43.2%	58.8%	52.0%
2	25.6%	19.2%	22.0%
3 +	20.4%	5.5%	11.9%
<b>Number of Cases as a Custodian***</b>			
1	63.1%	90.8%	78.8%
2	27.8%	8.4%	16.8%
3 +	9.1%	0.8%	4.4%

**Note:** This represents information on all the cases a custodian had in Maryland. \*p<.05, \*\*p<.01, \*\*\*p<.001.

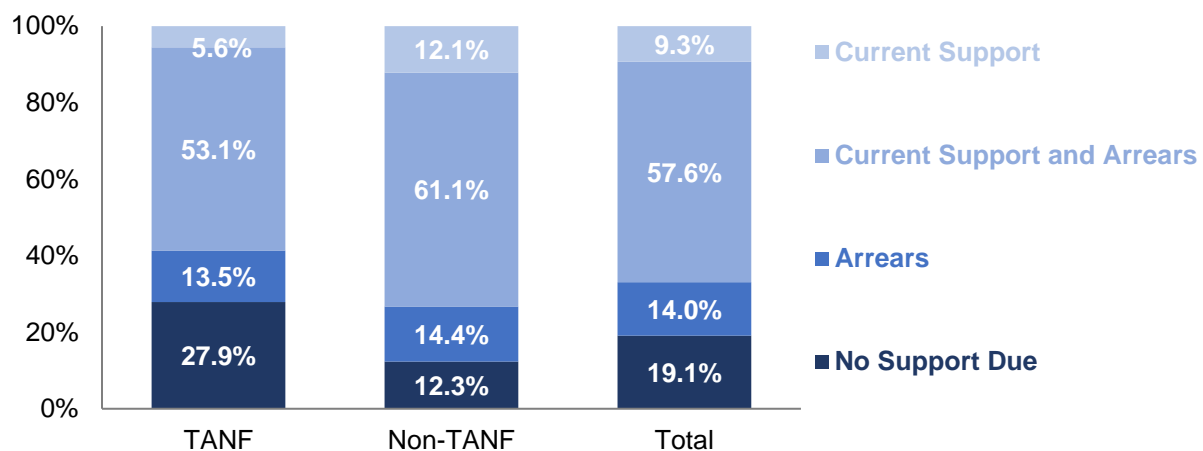
Figure 3, however, only describes the types of support owed to custodians in the year before July 2018. Among all custodians, nearly three in five (57.6%) were owed both current support and arrears. One in 10 (9.3%) custodians were owed current support only, while more than one in 10 (14.0%) were owed arrears only. Roughly one in five (19.1%) were not owed any support.

Similarly, the majority of custodians in both groups were owed current support as well as arrears. More than half (53.1%) of TANF custodians and three in five (61.1%) non-TANF custodians were owed both. To add, similar proportions of custodians with and without histories of TANF receipt had only arrears due (13.5% and 14.4%, respectively). However, one in 20 (5.6%) TANF custodians only had current support due, which is six percentage points less than those without a TANF history (12.1%). Moreover, TANF custodians were less likely to have any support due than non-TANF custodians. As Figure 3 shows, more than one quarter (27.9%) of custodians in the

TANF group had no support due in the prior year, compared to just over one in 10 (12.3%) custodians in the non-TANF group.

These differences reflect the findings of a previous report on cases with no support order establishment, in which most cases without support orders had a history of TANF receipt (Demyan & Passarella, 2017). Most of those cases closed within three years, and the most common closure reason was non-cooperation with child support services. There is additional research suggesting custodians with a TANF history may be unwilling to cooperate with child support services because they have informal agreements with the other parent to provide in-kind support, do not want the other parent to experience financial hardship from child support payments, or could fear retaliation from the other parent for cooperating (Edin, 1995; Waller & Plotnick, 2001; Keiser & Soss, 1998). When the last instance occurs, good cause waivers exempt TANF custodians from child support cooperation requirements, even if a case is open.

**Figure 3. Types of Support Owed to the Custodian\*\*\***  
*In the prior year*



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



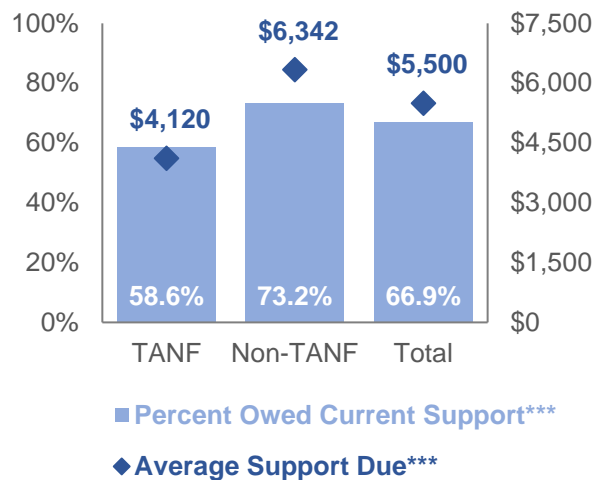
Although there are different types of support that custodians can be owed, child support cases begin with orders for current support. Figure 4 illustrates the percentage of custodians who had any current support due to them in the year prior to July 2018.<sup>3</sup> It is important to note that these orders for support could have been established before or during the year prior to July 2018, but current support must have been owed during the year prior to July 2018. Two in three (66.9%) custodians had an order for current support. On average, they were owed \$5,500 in the year before July 2018.

There are a couple of reasons why a custodian may not be owed current support. First, a case could still be in the process of order establishment. Second, a custodian could have a previously established order for current support, but the child is emancipated and current support is no longer due. If the custodian was owed any past-due current support, the case would be kept open and designated as arrears-only.

When comparing custodians with and without histories of TANF receipt, it is evident that TANF custodians were less likely to have current support due to them than their counterparts. Just under three in five (58.6%) custodians in the TANF group were owed current support in the year prior to July 2018, while nearly three quarters (73.2%) of custodians in the non-TANF group had current support due to them in the prior year. TANF custodians (\$4,120) were also owed over \$2,000 less, on average, than non-TANF custodians (\$6,342) during that year. This difference is also made clear in the monthly current

support obligation in Figure 5 (\$388 vs. \$563).

**Figure 4. Annual Support Due to the Custodian\*\*\***  
*In the prior year*



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

**Figure 5. Average Monthly Current Support Order Amount, July 2018\*\*\***

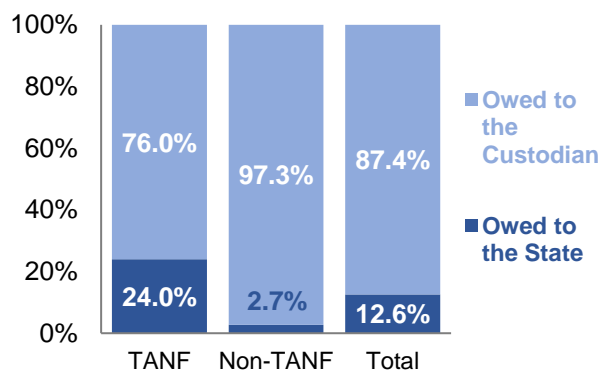


As previously discussed, past-due support for a given case can be owed to custodians, the state, or both. Figure 6 illustrates the percent of arrears owed to the custodian versus the state, among all custodians and the TANF and non-TANF groups. Overall, just under nine tenths (87.4%) of all arrears were owed to the custodian, and just over

<sup>3</sup> Figure 4 includes custodians who have current support only or current support and arrears due to them, as seen in Figure 3.

one tenth (12.6%) of arrears were owed to the state. Because child support owed while a family is receiving TANF is designated to the state, it is not surprising that a larger proportion of the arrears in the TANF group was due to the state than in the non-TANF group (24.0% vs. 2.7%). Still, it should be noted that three quarters (76.0%) of past-due support was obligated to TANF custodians. On the other hand, there is a small percentage (2.7%) of arrears owed to the state among the non-TANF group. This may mean that custodians in the non-TANF group were TANF recipients earlier than April 1998, or they received TANF benefits from another state.

**Figure 6. Percent of Arrears Owed to the Custodian or State**  
*In the prior year*



Because most of the arrears balance is due to custodians, the remainder of the arrears discussion focuses only on the past-due support owed to them. Figure 7 presents the percentage of custodians with arrears balances owed to them at any point in the year prior to July 2018, along with the median arrears amount among custodians owed past-due support. Seven in 10 (71.6%) custodians were owed arrears in the year before July 2018, and they were owed a median amount of \$6,106. Arrears

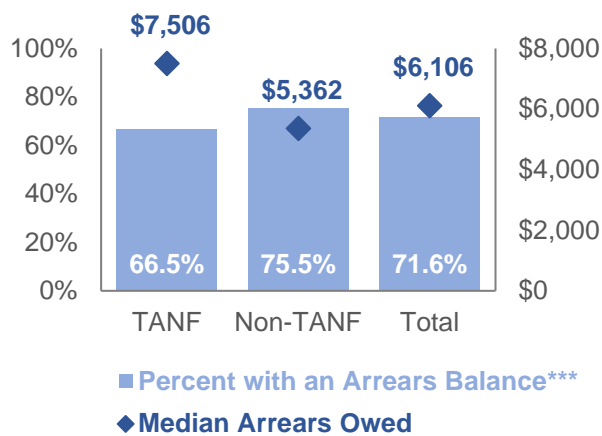
debts can have a number of negative impacts on families in the IV-D program: they may lead to enforcement actions such as license suspension and wage garnishment, discourage fathers from attaining formal employment, and diminish family involvement among fathers (Haney, 2018; Cancian, Heinrich, & Young, 2013; Turner & Waller, 2017). All of these consequences can undermine obligors' ability to pay support consistently over time, which disadvantages custodial families.

Custodians with a history of TANF receipt were owed past-due support less often than those without a history of TANF receipt, but their typical arrears balance was much higher than that of non-TANF custodians. Two in three (66.5%) TANF custodians had arrears owed to them in the prior year, compared to three quarters (75.5%) of non-TANF custodians.

Median arrears balances owed to custodians in the TANF group, at \$7,500, were over \$2,000 higher than those owed to custodians in the non-TANF group (\$5,362), despite the fact that TANF custodians were owed far less in current support. This finding suggests obligors who owed child support to custodians with a history of TANF receipt may have lacked the ability to meet their child support obligations. The previous custodian report confirms that those who had a history of TANF receipt were more likely to receive no current support payments, and any payments made were for lower amounts than those without a history of receipt (Hall & Passarella, 2016).

**Figure 7. Percent of Custodians Owed Arrears**

*At any point in the prior year*



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

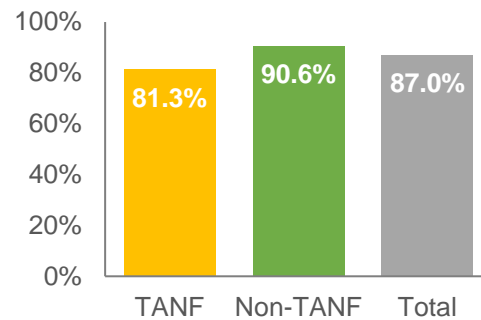
### Support Received

In order to understand the scope of financial support custodial families receive from obligors, it is necessary to examine the child support payments that they received. The following figures describe child support received by custodians who had support due to them, along with distributions to the state, in the year prior to July 2018.

Receipt of any payment of child support can benefit families, particularly those who have low incomes. Figure 8 shows that the vast majority (87.0%) of custodians who had current support or arrears due to them received at least one payment of child support in the year prior to July 2018. Eight in 10 (81.3%) TANF custodians received a payment, as did nine in 10 (90.6%) non-TANF custodians. This demonstrates that although there are differences between the TANF and non-TANF groups, the vast majority of custodians in the public child support program benefited from participation by receiving a payment.

**Figure 8. Percent of Custodians Who Received a Payment\*\*\***

*At any point in the prior year*



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

While most custodians received at least one child support payment, Figure 9 displays how much custodians received and the percentage they received of what they were owed in the year before July 2018. It shows the total amount of support received from both current support and arrears, as well as the percent this total amount represents of the total current support and arrears due during that year. This represents the total amount that custodians received, which is more relevant for custodians than the type of support they received. Additionally, this figure only includes custodians who received a payment.

Payments received by custodians can increase their families' economic stability. In fact, custodians who received a payment were disbursed an average of over \$6,500 in the year prior to July 2018, which comprised three fifths (59.8%) of the current support and arrears they were owed. For an employed custodian who earned the median amount in the year before July 2018 (\$28,686), this average amount of support would have increased income by 23%. Undoubtedly, child support can provide a substantial amount of income support for custodial children and families.

TANF custodians received a smaller amount of child support as well as a smaller percentage of the amount owed to them compared to non-TANF custodians. Current and former TANF recipients received over \$5,200, on average, in current support and arrears payments in the prior year, and non-TANF custodians received an average of \$7,300. Because the amount of support custodians can expect to receive is limited by the amount that is ordered, the percent of support due that was received is a more accurate comparison between groups. Custodians with a history of TANF receipt were disbursed just over half (52.2%) of the current support and arrears they were owed, while those without a history of TANF receipt received roughly two thirds (64.1%) of the support they were owed. Regardless of these differences, the amount received by custodians still represents a substantial boost to their incomes, from 26% among TANF custodians to 20% among non-TANF custodians. Indeed, child support payments can comprise a substantial portion of low-income families' total incomes (Sorensen, 2016).

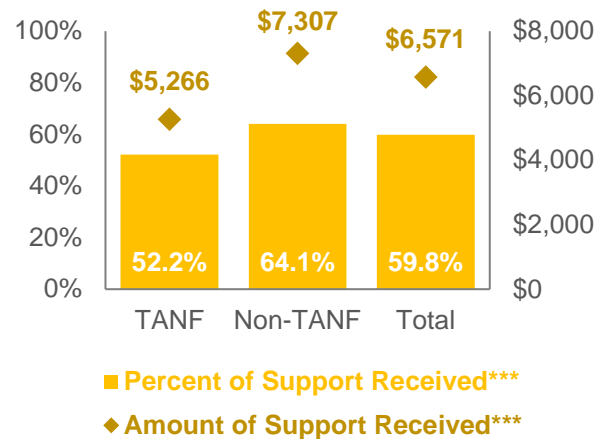
In addition to payments received through the formal child support program, custodians may receive in-kind, or informal, support. In-kind support includes clothing, diapers, formula, and even resources such as transportation or childcare that an obligor may provide to the custodial family. Obligor may even provide money directly to the family to prevent those payments from being recouped by the state, if the custodian is a past or present TANF recipient.

Qualitative research has found that some low-income custodians and obligors favor in-kind support agreements over formal support orders (Edin, 1995; Waller & Plotnick, 2001). Consequently, the

measures of child support receipt displayed in Figure 9 may underestimate the contributions custodians received in the year prior to July 2018. The 2011 to 2014 child support guidelines review found that, in Maryland, 10% of order amounts were reduced by a court to account for an obligor's in-kind support contributions to the family (Hall, Demyan, & Passarella, 2016), so it is likely that some custodians with support orders in Maryland are receiving support outside of the IV-D program.

The exact amount of in-kind support custodial families receive is unknown, but qualitative research suggests that children receive an average value of \$60 per month in goods (Kane, Nelson, & Edin, 2015). The provision of in-kind support is also positively associated with visitation (Garasky, Stewart, Gundersen, & Lohman, 2010) and can be an indicator of closeness between obligors and children in low-income families (Waller, Dwyer Emory, & Paul, 2018). This demonstrates the high emotional value in-kind support might bring children.

**Figure 9. Average Amount and Percent of Support Received by Custodians**  
Among custodians who received a payment in the prior year



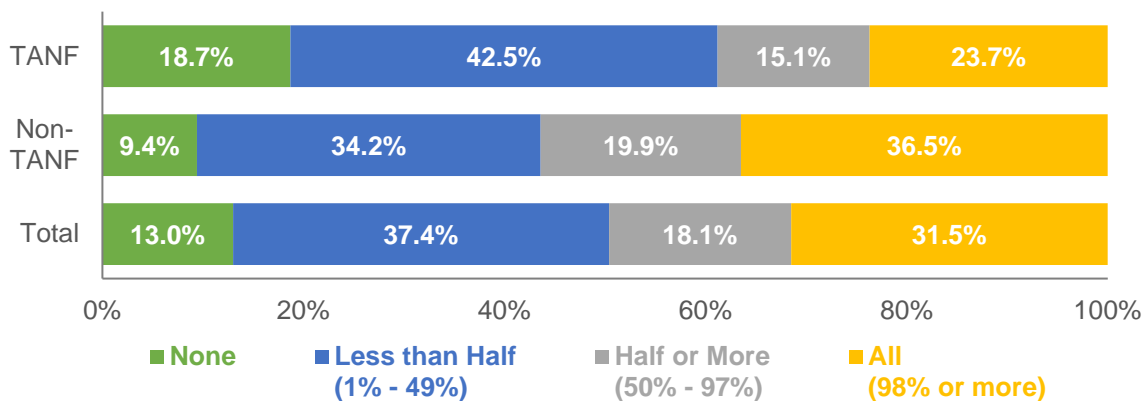
**Note:** Figure includes payments for current support and arrears combined. \*p<.05, \*\*p<.01, \*\*\*p<.001.

In order to better assess the percentage of current support and arrears that custodians received, Figure 10 presents this information in categories ranging from no payment to receiving all support due to custodians. Just over one in 10 (13.0%) custodians did not receive any support in the year prior to July 2018, while nearly two in five (37.4%) received less than half of what was owed. Approximately one in five (18.1%) custodians received more than half, but not all, of the support owed to them, and one in three (31.5%) custodians received all of the support owed to them. This demonstrates that there was wide variation among custodial families regarding the proportion of support owed that they received.

Consistent with Figure 9, custodians with a history of TANF receipt received lower percentages of the support they were owed than those without a history of receipt. The percentage of TANF custodians who received no support (18.7%) is double the percentage of non-TANF custodians with no support (9.4%). At the opposite end, nearly

one quarter (23.7%) of custodians in the TANF group and over one third (36.5%) of those in the non-TANF group received all of the support they were owed. These outcomes hint at the likelihood that the obligors owing support to custodians who have a history of TANF receipt also struggle to reach economic stability (Hall et al., 2016; Grall, 2018). Therefore, such obligors may have a limited ability to pay the full amount of support that is due. There are many factors that influence payment compliance among obligors—particularly those with low earnings (Eldred & Takayesu, 2011; Eldred & Takayesu, 2013; Saunders, Passarella, & Born, 2014). However, there is also evidence that some practices used by courts to determine income and establish orders, such as income imputation, have negatively impacted payments among low-income families in Maryland. Over-estimating obligors' incomes causes orders to be set at unreasonably high amounts, leading to lower levels of payment compliance among obligors who experienced income imputation (Demyan & Passarella, 2018).

**Figure 10. Categories of Percent of Support Received by Custodians\*\*\***  
*In the prior year*

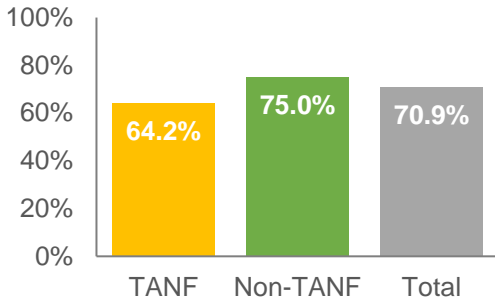


**Note:** Some custodians received more than 100% of the support they were owed during the prior year. \*p<.05, \*\*p<.01, \*\*\*p<.001.



Previous figures have discussed the amount of current support plus arrears custodians received in the year before July 2018. However, it is important to examine just the percent of current support that was received. Current support is the amount deemed appropriate for financially supporting the children on a child support case, and arrears payments may be unlikely or reduced if obligors are also paying current support. Figure 11 demonstrates that custodians received larger proportions of the current support ordered in the prior year than proportions of current support plus arrears. Custodians on the whole received seven tenths (70.9%) of the current support amounts they were owed.

**Figure 11. Average Percent of Current Support Received by Custodians**  
*Among custodians who received a payment in the prior year*



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

Figure 11 reflects the pattern seen throughout this report—that TANF custodians received a smaller percentage of the child support they were owed than non-TANF custodians. Just under two thirds (64.2%) of current support was received by TANF custodians, and three quarters (75.0%) of current support was received by non-TANF custodians. Although arrears amounts are not included in Figure 11, they can impact an obligor’s payment of current

support and labor participation (Bartfield & Meyer, 2003; Cancian et al., 2013). High arrears among obligors may have thus diminished the proportion of current support custodians received.

### Support Retained by the State

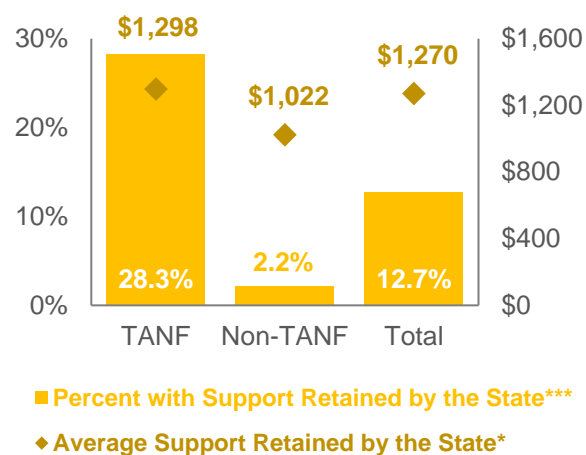
While custodians receive public assistance through the TANF program, they assign their rights to child support to the state. During TANF receipt, current support is owed to Maryland, and any payments made are retained by the state. Any unpaid current support during these months becomes arrears owed to the state. Once a custodian leaves TANF, the family is permitted to keep current support payments. There is evidence that suggests this policy incentivizes parents to avoid the child support system in favor of informal agreements, and that it reduces payment compliance for orders that are established for custodians receiving TANF (Cancian, Meyer, & Caspar, 2008; Waller & Plotnick, 2001). Figure 12 shows the percentage of custodians who had a support payment retained by the state in the year prior to July 2018. As shown, over one in 10 (12.7%) custodians had a child support payment retained by the state.

Unsurprisingly, TANF custodians had a higher percentage of support payments retained by the state. Just under three in 10 (28.3%) TANF custodians had a support payment retained by the state. Similar to the amount recouped for all custodians, an average of \$1,300 was retained among TANF custodians. Among non-TANF custodians, a very small portion (2.2%) had a support payment retained by the state. Non-TANF custodians could have support retained by the state if they were, for example, recipients of TANF in another

state, or if they received TANF earlier than April 1998 in Maryland and arrears were still due to the state. These custodians had an average of just over \$1,000 retained by the state.

In 2017, Governor Hogan approved legislation to take effect in July 2019 allowing \$100 in monthly child support payments for one child, and \$200 in payments for two or more children, to pass through to custodians instead of being recouped by the state (Hum. Servs. § 5-310, 2017). Current TANF custodians will surely benefit from an increase in income support while they are receiving public assistance. Evidence from other states that have implemented pass-through policies is promising, as they have been linked to higher payment compliance in Wisconsin and in Washington, D.C. (Meyer & Cancian, 2001; Lippold, Nichols, & Sorensen, 2010).

**Figure 12. Support Payments Retained by the State**  
*In the prior year*



**Note:** *Average Support Retained by the State* includes custodians with a support payment retained by the state (n=1,965). \*p<.05, \*\*p<.01, \*\*\*p<.001.

## Conclusions

The public child support program serves a diverse range of families because its services are available to any custodial family. However, due to TANF recipients' requirement to cooperate with child support, more than two in five custodians have histories of TANF receipt. Custodians can also enter the program voluntarily, and these different pathways to the program may be associated with different characteristics and outcomes for families. This report examines custodians who had a child support case in July 2018 and makes comparisons between custodians with a history of TANF receipt in the past 20 years and custodians without a history of receipt.

All custodians benefit when they receive child support payments, but child support outcomes among TANF custodians are not as positive as their counterparts' outcomes. Custodians with a history of TANF receipt are younger, have more children, and have more child support cases than those without a history of TANF receipt. Although TANF custodians were slightly more likely to be employed, their earnings were about \$16,000 lower than non-TANF custodians.

Most TANF and non-TANF custodians were owed child support in the year prior to July 2018. TANF custodians were owed about \$2,000 less in current support than non-TANF custodians. However, due to lower collections, TANF custodians were owed about \$2,000 more in arrears than the non-TANF group.

The vast majority of both TANF and non-TANF custodians received a child support payment in the prior year. Payments accounted for a 26% increase in income among TANF custodians and a 20%

increase in income among non-TANF custodians. However, TANF custodians received about half of what they were owed, compared to about two thirds among non-TANF custodians. Moreover, nearly 30% of TANF custodians had a child support payment retained by the state for reimbursement of TANF benefits, with \$1,300 retained, on average.

Besides obligor unwillingness, research points to more plausible reasons that current and former TANF recipients received a lower percentage of support. First, obligors may be unable to pay their support obligations. Like TANF custodians, they may struggle with poverty, as previous research found that half of obligors earning full-time minimum wage or less received food assistance benefits (Passarella, 2018). Unfortunately, practices such as income imputation overestimate obligors' incomes, which results in unrealistic support order amounts and reduced payment compliance (Demyan & Passarella, 2018).

Second, obligors may be less likely to pay their obligations if they know it will not go to custodial families. Given cost recovery requirements, TANF custodians are likely to have a payment recouped by the state for TANF reimbursement. Although this conforms to federal policy, these retained payments could have benefited families substantially. In particular, TANF custodians' lower earnings demonstrate they have a higher need for child support as an income source.

Policy decisions can have a notable impact on child support outcomes for custodians. Recently, the Maryland General Assembly

proposed legislation to improve child support outcomes for low-income families. One bill added provisions to encourage courts to use actual income for support order determination (Md. Gen. Assemb., 2019b). Another bill provided more guidance for determining support amounts for families with very low incomes, and increased the income obligors at the low end of the guidelines schedule can retain after paying support (Md. Gen. Assemb., 2019a). Although these measures were not passed during the 2019 legislative session, Maryland has already passed legislation that allows a portion of monthly child support payments to be passed through to families while they are receiving TANF (Hum. Servs. § 5-310, 2017). Legislative efforts such as these can enhance low-income families' experiences of the child support program by improving the support order establishment process and allowing custodians receiving TANF to benefit from child support.

The public child support program can be quite effective in its collection of support on behalf of families. Child support received by families represents a considerable increase in income for both TANF and non-TANF custodians. Still, TANF families receive a lower percentage of support, resulting in higher arrears balances. Policies tailored to the specific needs of low-income families can remove some of the barriers that exist to receiving payments. With these adjustments, the public child support program can expand its reach and boost its value to custodians and the children in their care.

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