



## **Family Welfare Research & Training Group**

University of Maryland, School of Social Work  
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### **Child Support Receipt among Children in Former TANF Families**

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One of the major objectives of welfare reform is to assist families to leave welfare and be able to remain independent of cash assistance. The majority of cash assistance recipient and exiting families are ones in which at least one parent is absent from the home. Thus, it is important to examine the role that child support might be able to play in enabling families to leave welfare, increasing their incomes, and preventing recidivism or returns to welfare. However, despite the potential widespread applicability and benefits of child support to families post-welfare lives, relatively few empirical studies have examined the child support-welfare nexus.

This exploratory study looks at the role of child support in welfare reform. Specifically, it focuses on the child support case status and child support receipt of children whose families have left Temporary Cash Assistance (TCA; Maryland's TANF program). Subsequent analyses will examine the characteristics and employment situations of the non-custodial parents of children whose families formerly received welfare as well as further address the relationship between child support receipt and welfare recidivism.

This project came about partially as a result of policy makers emphasizing that financial self-sufficiency for single parent families can be achieved through a combination of employment, support services, and child support from the non-custodial parent. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 acknowledged the importance of child support in the welfare-to-work equation by including provisions such as new enforcement tools and programs for non-custodial parents.

This report examines the following research questions:

- 1) How many former welfare recipient children are known to the Maryland child support system?
- 2) How many of these children have paternity established?

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- 3) How many of these children have a court order for current support? What are the amounts of these orders?
- 4) What proportion of former welfare caseheads receive child support in the year after exiting the welfare rolls?
- 5) Is child support related to a lower probability of returning to welfare?

## **Methodology**

### **Sample**

The sample of children for this analysis comes from an ongoing study of welfare leavers being conducted by the University of Maryland, School of Social Work for the FIA-DHR. Each month a five percent random sample is drawn from all welfare cases that are closed in that month. The first sample (n=183) was drawn in October 1996 and samples are still being drawn today. The sample includes the full range of exiting cases, from families who leave welfare for work to those who leave but return to welfare.

A welfare exit is defined broadly. An exit from welfare includes any case which closed and did not reopen on the same day. If a family leaves welfare and returns within sixty days, most exit studies exclude them, but they are included here.

During the span of October 1996 through March 2000, 7,738 exiter families were selected into the sample. Of the 7,738 families, 2,156 exited during the first year of reform (October 1996 to September 1997), 2,344 exited during the second year (October 1997 to September 1998), 2,452 exited during the third year (October 1998 to September 1999), and 786 left in the first half of the fourth year (October 1999 to March 2000).

This study focuses on child support case status and child support receipt among children whose families left Temporary Cash Assistance between October 1996 and March 2000. Child support can be a difficult topic to examine for many reasons. For example, it is often difficult to track children through the child support system because they often have multiple cases and orders. Because of these data issues, the sample was limited to those children who lived in a single parent household (where mothers are the custodial parent), and who were less than 18 years of age on September 30, 2000. The sample consists of 10,602 children from 5,533 cases.<sup>2</sup>

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<sup>2</sup>Some early cases were also excluded because at the time they exited welfare, their jurisdiction had not yet converted to the statewide data system.

## **Data**

The data for this brief are administrative and come from the Child Support Enforcement System (CSES), which contains child support data for the state. Maryland counties converted to this system at different times beginning in August 1993, with Baltimore City completing the conversion in March 1998. The system includes identifying and demographic data on children, non-custodial parents and custodial parents, receiving services from the public child support system. Data on child support cases and court orders, including paternity status and payment receipt are also available.

The variables emphasized in this brief deal with the key research questions: 1) if the child is known to the system; 2) paternity establishment; 3) court order; and 4) child support payment status. The variables examined for the court order analysis pertain to the monthly support ordered amount. The variables for payment status include both the amount of child support received in the month of exit and the year following exit

## **Findings**

Before describing the results, it is informative to examine the characteristics of the 10,602 children in our sample who come from the 5,533 families households which left TCA between October 1996 and March 2000. Household demographics at the time of exit are displayed in Table 1. The average age for the exiting casehead/custodial parent is 30.04 years. Furthermore, they were relatively young when they had their first child, around 21.5 years old. Custodial parents are typically African-American (70.3%) and the plurality live in Baltimore City (36.4%), with large numbers also in Prince Georges and Baltimore Counties (17.7% and 13.8% respectively). Most families consist of two to three people, including, on average, one or two children. The average age of the youngest child in these families is 4.78 years. Two-fifths of these households (43.6%) have a child under the age of three.

**Table 1. Demographic Characteristics of Exiting Cases**

| <b>Characteristics</b>                        | <b>Total</b>         |
|---|----------------------|
| <b>Payee s Age</b>                            |                      |
| Mean  | 30.04                |
| Median  | 29.19                |
| Standard Deviation                            | 7.51                 |
| Range   | 18 to 76             |
| <b>Payee s Age at First Birth<sup>3</sup></b> |                      |
| Mean  | 21.51                |
| Median  | 19.95                |
| Standard Deviation                            | 5.27                 |
| Range   | 13 to 50             |
| <b>Payee s Racial/Ethnic Background</b>       |                      |
| Caucasian                                     | 23.8%                |
| African-American                              | 70.3%                |
| Other   | 2.2%                 |
| <b>Region</b>                                 |                      |
| Baltimore City                                | 36.4%                |
| Prince George s County                        | 17.7%                |
| Baltimore County                              | 13.8%                |
| <b>Assistance Unit Size</b>                   |                      |
| Mean  | 2.89                 |
| Median  | 3.00                 |
| Standard Deviation                            | 1.19                 |
| Range   | 1 to 11              |
| <b>Number of Children</b>                     |                      |
| Mean  | 1.93                 |
| Median  | 2.00                 |
| Standard Deviation                            | 1.12                 |
| Range   | 0 to 9               |
| <b>Age of Youngest Child</b>                  |                      |
| Mean  | 4.78                 |
| Median  | 3.69                 |
| Standard Deviation                            | 3.89                 |
| Range   | <1 month to 18 years |
| Percent less than 3 years                     | 43.6%                |

N=5,533

In terms of families welfare experiences, Table 2 shows that nearly three-fifths (58.4%) exited from a welfare spell which had lasted less than 12 months, about one in five (19.1%) exited from a spell that lasted between 12 and 24 months, and 8.3% exited from a spell which lasted between 25 months and 36 months. The average spell was 19.90 months. Considering exiting payees lifetime receipt of cash assistance, payees had received an average of 30 months out of the previous 60. A quarter (25.7%) of families received TCA for a total of 12 months prior to exit, and a similar number (25.2%) received it for more than 48 of the previous 60 months.

<sup>3</sup> Age at first birth is calculated using the payee's date of birth and the date of birth of her oldest child included in the assistance unit. These calculations may overestimate the age at first birth if the payee has another older child who is not included in the assistance unit.

The majority (52.1%) of exiting payees had worked at some point in the eight quarters preceding their TCA exit. A smaller percentage (36.6%) worked in the quarter they left welfare, and a similar number (38.1%) worked in the quarter after they exited welfare.

**Table 2. Welfare Receipt and Employment Characteristics of Exiting Cases<sup>4</sup>**

|   |                      |
|---|----------------------|
| <b>Exit Spell</b>   |                      |
| 12 months or less   | 58.4%                |
| 13 - 24 Months  | 19.1%                |
| 25 - 36 Months  | 8.3%                 |
| 37 - 48 Months  | 4.6%                 |
| 49 - 60 Months  | 2.5%                 |
| More than 60 mos.   | 7.1%                 |
| Mean  | 19.90                |
| Median  | 9.96                 |
| Standard Deviation  | 28.65                |
| Range   | <1 month to 25 years |
| <b>Welfare receipt in the 5 Years Prior to Exit</b>         |                      |
| 12 months or less   | 25.7%                |
| 13 - 24 Months  | 18.0%                |
| 25 - 36 Months  | 15.3%                |
| 37 - 48 Months  | 15.8%                |
| 49 - 60 Months  | 25.2%                |
| Mean  | 30.48                |
| Median  | 29.00                |
| Standard Deviation  | 19.31                |
| Range   | 1 month to 5 years   |
| <b>Percent with a Pre-Exit Wage History</b>                 | 52.1%                |
| <b>Percent Working in the Quarter They Exited TCA</b>       | 36.6%                |
| <b>Percent Working in the Quarter After They Exited TCA</b> | 38.1%                |

N=5,533

With these characteristics in mind, we now turn to our analyses of the child support status of the 10,602 children in our exiting sample.

### 1) How many children in the sample are known to Maryland's child support system?

The vast majority of sample children (97.33%, N=10,319) are known to the Maryland child support system. This finding is not surprising given the requirement that welfare recipients cooperate with the child support enforcement agency.

<sup>4</sup> Employment data are from MABS which includes data from all employers (approximately 93% of Maryland jobs) covered by the state's Unemployment Insurance (UI) law. 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. It is important to bear these data limitations in mind when examining employment patterns among our sample members.

**2) How many children have paternity established?**

A prerequisite for receiving child support is for the child to have paternity established. Paternity can be established through a court order, through the child's parents being married at the time of birth, or through an affidavit. Using all of these criteria, we find that six out of ten (61.6%, N=6,473) former TANF children had their paternity established by December 2000.

**3) How many children have a court order for current support? What are the amounts of these orders?**

As of December 2000, two out of five (41.9%, N=4,438) children had an order for current support. Amount information is available for 4,061 of the 4,438 children. The average monthly amount per child was \$160.59. A quarter (24.2%) had monthly support obligations in excess of \$200 a month, for \$151 to \$200 a month (25.9%), and for \$100 to \$150 a month (24.7%). A very small percentage (.7%) had support ordered amounts of zero. Table 3 details the figures on court order status and support ordered amount.

**Table 3. Court Order Status and Amount**

| <b>Support Orders</b>                  | <b>Frequency</b> |
|--|------------------|
| Is there an order for current support? |                  |
| Yes                                    | 41.9% (4438)     |
| No                                     | 58.1% (6164)     |
| <b>Monthly Support Ordered Amount</b>  |                  |
| \$0                                    | 0.7% (27)        |
| Less Than \$50                         | 3.8% (154)       |
| \$50 through \$75                      | 8.2% (333)       |
| \$76 through \$100                     | 12.6% (510)      |
| \$101 through \$150                    | 24.7% (1004)     |
| \$151 through \$200                    | 25.9% (1050)     |
| More Than \$200                        | 24.2% (983)      |
| Mean                                   | \$160.59         |
| Median                                 | \$151.20         |
| Standard Deviation                     | \$89.73          |
| Range                                  | \$0-\$908        |

**4) To what extent do former TANF caseheads receive child support in the month in which they exited welfare and in the year after exiting?**

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For child support to play a role in helping families achieve financial self-sufficiency, support must be both ordered and paid. It is to the question of payments which we now turn.

We examined the receipt of child support by exiting caseheads both in the exit month and in the year after exit.<sup>5</sup> A large majority (84.6%, N= 4,682/5,533) of caseheads did not receive a child support payment in the month of exit. A smaller percentage (69.2%, N=3,828/5,533), though still the majority, did not receive a child support payment in the year after exit.

Of those who did receive child support in the month of exit, about half (47.3%, N=399/843) received more than \$200. Next most common was receipt of \$101 to \$150 (15.7%, N=132/843) and receipt of \$151 to \$200 (15.1%, N=127/843). Of those who received child support in the year after exit, the majority (62.7%, N=1066/1701) received over \$1000. The next largest group (5.4%, N=92/1701) received between \$101 and \$200. Table 4 gives detailed information on child support payment receipt.

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<sup>5</sup>The number of cases for those who received child support in both the month of exit and the year after exit vary because amount information is not available on the entire sample. Although 851 people had a payment in the exit month, the amount information is only available for 843 people. Similarly, although 1,705 had payments in the year after exit, only 1,701 had amount information.

**Table 4. Amount of Child Support Received**

| <b>Child Support Received</b>                     | <b>Frequency</b>  |
|---|-------------------|
| <b>Received Child Support in Exit Month?</b>      |                   |
| Yes   | 15.4% (843)       |
| No  | 84.6% (4682)      |
| <b>Amount Received in Exit Month</b>              |                   |
| Less than \$50                                    | 5.3% (45)         |
| \$50 to \$75                                      | 7.1% (60)         |
| \$76 to \$100                                     | 9.5% (80)         |
| \$101 to \$150                                    | 15.7% (132)       |
| \$151 to \$200                                    | 15.1% (127)       |
| More than \$200                                   | 47.3% (399)       |
| Mean  | \$274.94          |
| Median  | \$193.50          |
| Standard Deviation                                | \$343.80          |
| Range   | \$1 to \$5139     |
| <b>Received Child Support in Year after Exit?</b> |                   |
| Yes   | 30.8% (1701)      |
| No  | 69.2% (3828)      |
| <b>Amount Received in Year After Exit</b>         |                   |
| \$50 and less                                     | 3.8% (64)         |
| \$51 to \$100                                     | 3.3% (56)         |
| \$101 to \$200                                    | 5.4% (92)         |
| \$201 to \$300                                    | 4.0% (68)         |
| \$301 to \$400                                    | 3.9% (67)         |
| \$401 to \$500                                    | 3.8% (65)         |
| \$501 to \$600                                    | 3.2% (54)         |
| \$601 to \$700                                    | 3.6% (61)         |
| \$701 to \$800                                    | 2.5% (42)         |
| \$801 to \$900                                    | 1.6% (27)         |
| \$901 to \$1000                                   | 2.3% (39)         |
| More than \$1000                                  | 62.7% (1066)      |
| Mean  | \$1935.23         |
| Median  | \$1503.35         |
| Standard Deviation                                | \$1852.87         |
| Range   | \$6 to \$14264.57 |

### 5) Is child support related to a lower probability of returning to welfare?

As can be seen in Table 5, there is a statistically significant relationship between receiving a child support payment in the month of exit and returning to welfare within the first three months. Among those who received a child support payment, 68.3% did not return to TANF within the first three months, compared to 62.2% of those who did not receive a payment. While a quarter of payees in both groups returned to TANF within the first 30 days, only 7.4% of payees who received child support in the exit month returned within 31 to 90 days, compared to 13.9% of their counterparts who did not receive child support.



**Table 5. Recidivism and Receipt of Child Support in the Month of Exit**

| <b>Recidivism***</b>       | <b>Received a child support payment in exit month</b> | <b>Did not receive a child support payment in exit month</b> | <b>Total</b> |
|----------------------------|---|--|--------------|
| Did not return             | 68.3% (581)   | 62.2% (2910)   | 63.1% (3491) |
| Returned within 30 days    | 24.3% (207)   | 24.0% (1123)   | 24.0% (1330) |
| Returned within 31-90 days | 7.4% (63)   | 13.9% (649)  | 12.9% (713)  |

\*\*\*p&lt;.001

Table 6 shows that there is also a statistically significant relationship between receiving at least one child support payment in the year after exiting and returning to welfare within the first year of exiting. Almost three-fifths (58.0%) of former TANF caseheads who received a child support payment in the year after exiting did not return to welfare in the first twelve months, compared to 54.6% of their peers who did not receive payment. The 31-90 day recidivism rates are 3.6% lower for those who received a payment than for those who did not. Recidivism rates within the first 30 days and within four to twelve months are comparable for the two payment groups. Our results for both child support payment variables suggest that receipt of child support can indeed play a role in reducing welfare recidivism. Moreover, our finding that the recidivism rates differ the most in the 31-90 day period hints that perhaps this a critical period in families transitions off the TANF rolls.

**Table 6. Recidivism and Receipt of Child Support in the Year After Exit<sup>6</sup>**

| <b>Recidivism***</b>        | <b>Received a child support payment in year after exit</b> | <b>Did not receive a child support payment in year after exit</b> | <b>Total</b> |
|-----------------------------|--|---|--------------|
| Did not return              | 58.0% (812)  | 54.6% (1647)  | 55.6% (2459) |
| Returned within 30 days     | 23.4% (328)  | 22.7% (685)   | 22.9% (1013) |
| Returned within 31-90 days  | 9.3% (130)   | 12.9% (388)   | 11.7% (518)  |
| Returned within 4-6 months  | 4.2% (59)  | 4.5% (137)  | 4.4% (196)   |
| Returned within 7-12 months | 5.1% (71)  | 5.4% (162)  | 5.3% (233)   |

\*\*p&lt;.01

<sup>6</sup> Recidivism data at the one year point is only available for those who exited from October 1996 to September 1999 (N=1,400). The number of cases varies because not everyone has one year follow up information, which is available for only 1,400 people.

## Discussion/Conclusion

In sum, we found that the majority of children are known to the Maryland child support system (97.3%), and have paternity established (61.6%), but do not have an order for current support (61.7%). Of those who do have a court order, almost half (43.4%) should be receiving over \$200 a month in child support. Preliminary analyses reveal that there also seems to be a strong connection between recidivism and the receipt of child support. In all recidivism categories, those who received a child support payment both in the exit month and in the year after exit were less likely to return to the welfare rolls. As mentioned earlier in the report, child support may be a factor in helping families stay off welfare and become self-sufficient, and these numbers, at first glance, seem to support this theory.

There are many paths we plan to pursue in our future research to further explore the relationship between welfare recidivism and child support receipt. For example, the characteristics of the non-custodial payments, such as their ability to pay, is thought to be one useful area of inquiry. More detailed analysis of recidivism and payment is also needed. Such analyses should help us determine whether the amount of payment made and the consistency of payments are particularly helpful to families trying to stay off welfare. \_\_\_\_\_

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