Impact of Welfare Reform on the Child Support Receipt of Divorced Custodial Parents

During the 1990's great efforts were made to increase child support orders, as well as collections, with the goal of improving the economic well-being of custodial parents. In 1991 59 percent of child support (IV-D) cases had established support orders, while 70 percent of cases had established support orders in 2002 (Turetsky, 2003). Further, child support collection rates among all single mothers in 1991 were 19 percent, compared to 23 percent in 1996 and 49 percent in 2002 (Turetsky).

The doubling in the collection rates following 1996 are in large part the result of increased efforts following PRWORA. Much of this increase is a result of stepped-up enforcement efforts among never married mothers, as well as increases in the overall number of never married mothers (Sorensen & Halpern, 1999). Specifically Sorensen and Halpern estimate that 56 percent of the rise in child support receipt rates for never married mothers and 33 percent of the rise in child support receipt rates for ever married mothers is attributed to the enforcement tools included in welfare reform as well as the expansion of the child support enforcement program.

Sorensen and Oliver (2002) examined whether or not child support outcomes improved in the first two years after welfare reform was enacted using data from two rounds of the National Survey of America's Families (1997 & 1999). They find that the only children with a father living outside the home who experienced significant improvement in their child support outcomes were those under 300 percent of the poverty threshold and resided with a never married mother. They also find that other low and middle income children whose mothers are divorced did not see significant gains in child support outcomes following welfare reform. This paper extends this work by examining divorced parents several years following welfare reform.

Given the scope and timing of Sorensen and Oliver's analyses, they may not have had a long enough time period to study this sample. It could be that the never married poorest populations, also those initially targeted by the reform, were the quickest to respond given the aims of the policy. The policies enacted, then, may have had influences on the divorced population that can only be seen with longer term data.

This paper draws on data from the 1990, 1991, 1992, 1993, 1996, and 2001 panels of the Survey of Income and Program Participation (SIPP). The sample is limited to two-parent married families at Wave 1 of the panels, who subsequently divorce during the survey. This design allows for identification of custodial and non-custodial parent characteristics, and household characteristics that pre-date the divorce. The analysis follows the custodial parents (both mothers and fathers) after the divorce to examine if differences in enforcement efforts post welfare reform influenced the child support receipt of custodial parents.

The analysis looks at two dependent variables of interest, (1) whether or not the custodial parent receives any child support from the non-custodial parent in any of the Waves of SIPP data collection, and (2) how much child support is received following the divorce. Multivariate analyses control for many observable characteristics of the custodial and non-custodial parent, as well as macroeconomic conditions during the 1990-2003 time period. Inclusion of macroeconomic conditions is important given the vast changes occurring over the time period, especially the economic boom taking place around the time of welfare reform implementation.

Table 1 presents the descriptive statistics of the custodial parents in the analysis, both the entire sample, as well as the sub-sample of parents who divorced before welfare reform and those who divorced after welfare reform. The baseline characteristics of the mother and the father prior to the divorce, as well as the household level characteristics are reported.

Additionally, economic well-being measures taken while the parents were still married are also presented, as are post-divorce child support averages.

The majority of the marital characteristics do not differ significantly for those who divorced prior to welfare and those who divorced after (data not shown). However, those who divorced after welfare reform do differ in average educational attainment from those who divorced prior to welfare reform. First, chi-square tests indicate that both the mothers and the fathers who divorced after welfare reform were more likely to have at least some college than those who divorced prior. These differences also exist in the high school graduate population, where those divorcing prior to welfare reform were more likely to be high school graduates only compared to those divorcing after welfare reform. There are no differences in the propensity of less than a high school degree between the two populations. This suggests that the samples of parents who divorce following welfare reform may be more highly educated than the sample of parents who divorced prior to welfare reform.

Table 2 presents the findings from a linear probability model predicting whether or not the custodial parent receives any child support following divorce. Controlling for all baseline characteristics and household characteristics following divorce, findings suggest that the probability of receiving any child support was 10 percentage points lower prior to welfare reform than after welfare reform (corresponding to a 25% increase in receipt following welfare reform). Model 2 presents the findings of the same analysis controlling for macroeconomic conditions with the state level unemployment rate. As shown, inclusion of this variable itself is not statistically significant and the probability of receiving any support prior to welfare reform remains 9 percentage points lower than after welfare reform. These findings support the differences reported in Table 1, where 48 percent of the sample who divorced after welfare

reform received any child support and only 38 percent of the sample who divorced prior to welfare reform did so.

Table 3 presents the findings from analyses examining whether or not differences exist in the *level* of child support received for all of the custodial parents (regardless of whether they received any support from the non-custodial parent) prior to welfare reform, as there was in the probability of any receipt. There are no statistically significant differences in the levels of receipt before and after welfare reform. Custodial fathers, however, received $264 less in child support than custodial mothers on average over time, controlling for all of the background person and household characteristics. The second column including the state level unemployment rate does not change the non-association between welfare reform and level of child support receipt. Further, the unemployment rate itself is not significantly associated with the dollar amount.

Table 4 presents analysis similar to that presented in Table 3, but only for those who received any child support. Those who divorced prior to welfare reform (conditional on receiving any child support) received $68 more per month than those who divorced after welfare reform, an amount about .15 standard deviations. Further, conditional on receipt, custodial fathers still received over $200 less in monthly child support dollars compared to custodial mothers prior to welfare reform. As shown in Model 2, inclusion of the state level unemployment rate does not influence this association and the unemployment rate itself is not significantly associated with the conditional level.

The findings suggest that increased child support enforcement efforts included in PRWORA may have had some unintended consequences in improving the child support receipt of divorced custodial parents, a sample who was not considered when creating this legislation. That TANF legislation may be responsible for increasing the probability of child support receipt

is an important consideration in evaluating the impact that these policies have on children and families.

However, whereas those who divorced following welfare reform experienced greater probability of receiving any child support compared to those who divorced prior to welfare reform, there is no difference in the amount of support received by custodial parents in the two policy periods. Policies designed to improved child support among the custodial parent population seem to be associated with an increased likelihood of receiving any support, but not an increase in the amounts parents received. Yet, conditional on receiving any child support before and after welfare reform, the total amount received was $64 per month greater prior to welfare reform than after. Those custodial parents who received any child support before and after welfare reform look similar on almost all demographic characteristics; except non-custodial parents were more likely to have been White prior to welfare reform and custodial parents were more likely to have less than a high school diploma prior to welfare reform. Child support enforcement, then, may be associated with an improved likelihood of getting any support from the non-custodial parent, and as a result may have successfully transferred child support to families who may not have received child support in the past. In analyses not shown, I find that for those who received any child support, the lower income (measured while married) custodial parents who divorced after to welfare reform received $42 per month more; whereas the higher income custodial parents who divorced after welfare reform received $106 per month less than those who divorced prior to welfare reform. In addition, it is important to remember that this finding is solely for formal child support transferred to the custodial parent. This says nothing about the amount of time non-custodial parents spend with the child (and in that way potentially spend more money as well). The full paper will examine these differences further.

References

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Table 1
Wave 1 Descriptive Statistics for Custodial Parents who Divorce Pre- and Post-Welfare Reform and Overall

	Entire Sample		Pre-Welfare Reform		Post-Welfare Reform	
	Mean or Proportion	SD	Mean or Proportion	SD	Mean or Proportion	SD
Mothers' Characteristics						
Age	32.50	7.25	32.24	7.18	32.96	7.35
Race						
White	86%	--	86%	--	86%	--
Non-White	14%	--	14%	--	14%	--
Employment						
Worked part of ref month	68%	--	68%	--	70%	--
No job	7%	--	7%	--	6%	--
Out of labor force	25%	--	26%	--	24%	--
Education		--		--		--
Less than high school	19%		23%		14%	
High school graduate	39%		39%		39%	
At least some college	42%		38%		47%	
Monthly earnings	1151.14	1468.01	1128.1	1423.68	1190.82	
Fathers' Characteristics						
Age	35.13	8.17	34.95	8.17	35.44	8.18
Race						
White	86%	--	87%	--	85%	--
Non-White	14%	--	13%	--	15%	--
Employment						
Worked part of ref month	86%	--	85%	--	86%	--
No job	9%	--	9%	--	8%	--
Out of labor force	6%	--	6%	--	6%	--
Education		--		--		--
Less than high school	17%		18%		17%	
High school graduate	43%		45%		39%	

At least some college	40%	37%		44%	
Monthly earnings	2163.19	2088.8	1931.29	2291.29	2814.75
Household Characteristics					
Own home	60%	60%	---	61%	---
Number of children	2.01	2.01	0.98	2.01	0.96
Number of children <18	1.98	1.98	0.97	1.99	0.95
Urban	69%	69%	---	68%	---
Economic Well-Being					
Total monthly income	4087.66	4001.23	3010.15	4236.51	3880.01
Per-Capita income	1036.71	1023.81	817.33	1058.92	927.94
Equivalence scale #1	1720.68	1693.56	1301.73	1767.38	1553.59
Equivalence scale #2	2092.18	2057.05	1571.77	2152.66	1902.01
Income-to-needs	.71	0.7	0.54	0.72	0.63
Poverty status	20%	21%	---	19%	---
Government assistance	35%	33%	---	37%	---
Child support					
Received any child support	42%	38%	---	48%	---
Amount of child support received[1]	231.52	215.09	423.98	253.17	354.91
Amount of support for receivers	547.52	569.81	523.61	524.54	344.92
N	1,082	1,140		662	

Note: [1] Includes those who do not receive any child support.

Table 2

Multivariate Comparison of Custodial Parents' Child Support Receipt Pre- and Post-Welfare Reform

	Model 1			Model 2		
	B		SE	B		SE
Custodial Baseline Characteristics						
Age	0.00		0.00	0.00		0.00
White	0.18	***	0.05	0.19	***	0.05
Worked part of ref month	-0.01		0.04	-0.01		0.04
Out of labor force	-0.07		0.05	-0.07		0.05
Less than high school	-0.05		0.03	-0.05	*	0.03
High school graduate	0.00		0.02	-0.01		0.02
Monthly earnings	-0.01	*	0.00	-0.01	*	0.00
Non-Custodial Baseline Characteristics						
Age	0.00		0.00	0.00		0.00
White	-0.04		0.04	-0.05		0.05
Worked part of ref month	0.10	**	0.04	0.10	**	0.04
Out of labor force	0.08	*	0.04	0.08	*	0.04
Less than high school	-0.13	***	0.03	-0.14	***	0.03
High school graduate	-0.06	**	0.02	-0.06	**	0.02
Monthly earnings	0.01	***	0.00	0.01	***	0.00
Custodial Household Characteristics						
Father custody	-0.43	***	0.02	-0.43	***	0.02
Own home	0.08	***	0.02	0.07	***	0.02
Household size	0.00		0.01	0.00		0.01
Urban	-0.01		0.02	-0.01		0.02
Divorce prior to welfare reform	-0.10	***	0.02	-0.09	***	0.02
Economic and Policy Characteristics						
Unemployment rate	---			0.00		0.01
Constant	0.34	***	0.09	0.35	***	0.09
N		6,416			6,416	
F-Test	36.57	***		34.07	***	
R-Squared	0.17			0.17		

*Note: * p < .10 ** p < .05 *** p < .01*

Table 3

Multivariate Comparison of Custodial Parents' Child Support Levels Received Pre- and Post-Welfare Reform

	Model 1			Model 2		
	B		SE	B		SE
Custodial Baseline Characteristics						
Age	2.57		1.56	2.69	*	1.58
White	99.48	**	43.19	97.99	**	42.31
Worked part of ref month	33.43		37.61	29.11		38.27
Out of labor force	-5.07		33.91	-2.23		34.61
Less than high school	-93.20	***	21.92	-94.69	***	22.08
High school graduate	-52.48	***	19.24	-52.98	***	19.38
Monthly earnings	-11.69	**	4.61	-11.81	**	4.67
Non-Custodial Baseline Characteristics						
Age	0.76		1.67	0.86		1.69
White	11.79		41.64	11.72		40.40
Worked part of ref month	112.10	***	29.72	107.51	***	30.17
Out of labor force	73.28	**	31.91	77.66	**	32.39
Less than high school	-143.84	***	21.40	-142.72	***	21.51
High school graduate	-99.89	***	19.35	-98.34	***	19.45
Monthly earnings	2.71		4.47	3.43		4.57
Custodial Household Characteristics						
Father custody	-264.29	***	18.44	-261.37	***	18.69
Own home	81.42	***	17.81	79.73	***	18.21
Household size	23.79	**	11.58	23.16	*	11.90
Urban	40.85	**	17.14	37.70	**	16.99
Divorce prior to welfare reform	-21.71		16.84	-16.18		19.82
Economic and Policy Characteristics						
Unemployment rate	---			-1.03		6.67
Constant	-81.70		65.95	-79.80		70.45
N	6,416			6,161		
F-Test	21.16	***		19.43	***	
R-Squared	0.17			0.17		

Note: $* p < .10 ** p < .05 *** p < .01$

Table 4

Multivariate Comparison of Custodial Parents' Child Support Levels Received by Receivers Pre- and Post-Welfare Reform

	Model 1			Model 2		
	B		SE	B		SE
Custodial Baseline Characteristics						
Age	5.17	*	2.67	5.03	*	2.70
White	5.50		78.56	-3.38		75.71
Worked part of ref month	84.74		62.43	75.67		63.99
Out of labor force	47.84		51.17	48.54		52.46
Less than high school	-163.59	***	39.37	-165.10	***	40.47
High school graduate	-101.81	***	28.26	-100.89	***	28.79
Monthly earnings	-18.02	**	7.92	-17.78	**	8.20
Non-Custodial Baseline Characteristics						
Age	3.02		2.57	3.25		2.63
White	90.48		73.07	99.90		69.34
Worked part of ref month	179.89	***	50.68	182.31	***	53.19
Out of labor force	112.60		96.37	131.64		100.30
Less than high school	-190.52	***	35.87	-192.23	***	36.64
High school graduate	-148.24	***	28.50	-147.26	***	29.15
Monthly earnings	-5.66		7.38	-5.42		7.69
Custodial Household Characteristics						
Father custody	-227.65	***	52.40	-227.54	***	55.86
Own home	82.42	***	28.49	82.98	***	29.70
Household size	52.91	***	19.49	51.39	**	20.22
Urban	117.46	***	27.85	115.23	***	27.90
Divorce prior to welfare reform	68.28	***	26.45	64.59	**	32.51
Economic and Policy Characteristics						
Unemployment rate	---			2.82		10.98
Constant	-209.18	*	107.68	-224.71	*	1.19
N	2,713			2,571		
F-Test	11.81	***		10.80	***	
R-Squared	0.23			0.23		

Note: $* \ p < .10 \ ** \ p < .05 \ *** \ p < .01$