

PEOPLE & PAYMENTS:
A PROFILE OF MARYLAND'S
CHILD SUPPORT CASELOAD
JULY 2009

NICK KOLUPANOWICH, MS
SARAH WILLIAMSON, MPP
PROJECT ANALYSTS

CORRENE SAUNDERS, MPP
PROJECT DIRECTOR

CATHERINE E. BORN, PHD
PRINCIPAL INVESTIGATOR

AUGUST 2010



UNIVERSITY OF MARYLAND
SCHOOL OF SOCIAL WORK
525 WEST REDWOOD STREET
BALTIMORE, MD 21201

ACKNOWLEDGEMENTS

The authors would like to thank Jamie Haskel, Somlak Suvanasorn, and Michael Funk for their assistance in the collection and processing of data for this report. We would also like to thank Kathryn Patterson for her assistance with report graphics and formatting.

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

For additional information about the report or the study, please contact Dr. Catherine Born at the School of Social Work (410.706.5134, cborn@ssw.umaryland.edu), or Correne Saunders (410.706.2736, csaunders@ssw.umaryland.edu). Please visit our website, www.familywelfare.umaryland.edu for additional copies of this and our other reports.

TABLE OF CONTENTS

List of Tables	
List of Figures	
Executive Summary	
Introduction	1
Methods	3
Sample	3
Data Sources.....	3
Analysis	4
Findings	5
Child Support Case Characteristics	5
Distribution of the Active Caseload.....	5
Case Characteristics.....	6
Children in the Active Child Support Caseload	9
Age Distribution	9
Paternity Status	10
Characteristics of Custodians and Noncustodial Parents	11
Demographics of Custodians and Noncustodial Parents	11
Recent Employment and Earnings History	12
Custodial Parents' TCA Receipt.....	15
Noncustodial Parents and Child Support	17
Out-of-State Noncustodial Parents	17
Child Support Involvement among Noncustodial Parents	19
Payment of Child Support	21
Current Support	21
Arrears	26
Conclusions	30
References.....	31

LIST OF TABLES

Table 1. Distribution of Active Child Support Caseload across Jurisdictions	6
Table 2. Characteristics of Active Child Support Cases	8
Table 3. Characteristics of Custodians and Noncustodial Parents	12
Table 4. Employment History of Custodians and Noncustodial Parents.....	14
Table 5. TCA Receipt among Custodial Parents in the Last Year by Age Group.....	16
Table 6. Noncustodial Parent Child Support Involvement	20
Table 7. Payments Distributed to Current Support in the Last Year	22
Table 8. Payment as a Percentage of Support due by Age and Earnings.....	25
Table 9. Cases with Arrears Accumulation in the Study Month	26
Table 10. Noncustodial Parents with Arrears Accumulation	28

LIST OF FIGURES

Figure 1. Ages of Children Participating in an Active Child Support Case.....	9
Figure 2. Paternity Status of Children Participating in a Child Support Case	10
Figure 3. Noncustodial Parents Residing Out of State by Jurisdiction.....	18
Figure 4. Percent of Child Support Paid in the Last Year by Number of Cases as the Noncustodial Parent.....	23
Figure 5. Percent of Child Support Paid in the Last Year by Age Group	24
Figure 6. Arrears Distribution in the Previous Year.....	27
Figure 7. Noncustodial Parents and Arrears Distributions in the Last Year by Age Group.....	29

EXECUTIVE SUMMARY

Child support is consistently the single largest child-focused program in the state of Maryland and the nation as a whole. In 2009, the federal IV-D child support program served more than 17.4 million children, and almost a quarter of a million in the state of Maryland alone (OCSE 2010). Not only does the program serve millions of children, but the amount of money it collects on their behalf is enormous. In 2009, Maryland alone collected and distributed over a half-billion dollars to children in its IV-D caseload.

The IV-D program also serves a diverse set of families and children, which is no wonder considering its far-reaching goal. Child support seeks to improve the economic well-being of all children, regardless of their parents' income or economic status. The population taking advantage of IV-D services, then, is much larger and more varied than other social programs because all families can participate.

Despite all these factors, there has been scant research conducted on the efficiency and effectiveness of the program's processes and services. Local departments of social services face all kinds of challenges—meeting federal performance mandates, increasing paternity and order establishment, increasing support collections amounts during these tough economic times, and stemming the mounting tide of arrears, among others. Although there is plenty of research on the IV-D program, much of it is based on national survey data and does not contain state-specific administrative data, which are more reliable and more relevant for program managers.

The goal of this series is to provide Maryland's policy makers and program staff with state-specific, timely empirical information about its IV-D child support caseload to inform efforts to maintain positive program outcomes and develop policy, as we have historically done for the welfare caseload.

This report, the fourth in our series, is based on a random sample of active IV-D child support cases in July 2009. We use this sample to examine the characteristics of cases and people in the IV-D caseload, whether paternity and support orders have been established, and the extent to which children are receiving support from their noncustodial parents (NCPs). Key findings and implications are briefly summarized below.

- Maryland's active child support caseload is disproportionately located in two jurisdictions: Baltimore City and Prince George's County. Together, these two jurisdictions alone account for more than half of Maryland's active IV-D child support caseload. Any improvement in Maryland's performance measures will depend heavily on improvement in these two jurisdictions.
- The families served by Maryland's child support program cover many economic situations. Most are current or former TANF recipients, but 40 percent have never received TANF. This is important because some policies apply based on case type, and the effects of policy choices may also vary by case type.
- Almost half of the children on an active child support case were younger than 9 years. This means that a significant number of current child support cases are likely to be around long-term.
- Paternity has been resolved or established for 88.7 percent of children in active cases. This is good news because the agency can move to establish support orders for these children, but about one in ten children still need to paternity established in order to move forward.
- Most parents (both custodians and non-custodial parents) in Maryland's IV-D caseload are African-Americans in their

late 30s. The vast majority of custodial parents are women, and noncustodial parents are most often men.

- Compared to noncustodial parents, we found that custodial parents were more likely to have worked in jobs covered by Unemployment Insurance (UI) in Maryland in the two years before our study. This gap was wider when we looked at the one year before the study and within the study quarter (3rd quarter of 2009). Among those who were employed, however, there were only slight differences in average earnings.
- One-quarter of noncustodial parents have an out-of-state address. This proportion varied statewide, with Prince George's County (40.9%) and Baltimore City (11.8%) exhibiting the highest and lowest percentages, respectively. It remains to be seen whether and how a case having an out-of-state NCP affects child support outcomes.
- Most noncustodial parents are listed as the NCP on only one case, and only a few are also listed as the custodian on another case.
- About three-fifths of identified NCPs are ordered to pay current support, and two-thirds are ordered to pay arrears. In total, about 80 percent have one or both types of support orders.
- In terms of current support payments, the findings are mixed. On average, cases received an average distribution of \$2,658 out of \$4,107 due (64.7%) in the previous year, though almost half of all cases received three-quarters or more of what was due. Additionally, in terms of timing, the majority of cases had received a distribution in the month before the study, but approximately one-fifth of cases had received no distribution to current support in the previous year despite having support due.

- About two-thirds of Maryland's child support cases were owed arrears, and almost 70 percent of noncustodial parents had an order for arrears on at least one case. The average NCP who owed arrears owed almost \$15,000 across all his cases.

These specific, data-driven findings hint at several broad implications for the IV-D program in Maryland. First, it is clear 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, though many of its families have received public benefits at some point in the past. In our study month, however (as in previous reports), only about one in 10 active child support cases were currently receiving Temporary Assistance for Needy Families (TANF). Overall, two out of five cases had never received TANF in Maryland.

Second, 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 and Prince George's County account for more than half of Maryland's IV-D caseload. Success at the state level will mirror consistently good performance in these counties, without which it would be mathematically impossible to achieve federally-mandated goals, no matter how well the remaining 22 counties perform.

Third, the findings presented in this report confirm that Maryland's IV-D program compares 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 where innovation could benefit Maryland's children and families even more: 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.

Finally, one of the most interesting findings in today's report is that younger fathers appear less likely to pay their child support, even compared with older fathers making the same low earnings. This suggests 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. Although the group of young obligors is small, improvement in their collections today could yield increases in the state's performance on federally mandated pay-

ment goals for years to come since these fathers are likely to remain in the caseload long-term.

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

INTRODUCTION

More children in Maryland rely on the child support program than any other state program, save the public school system. In fact, last year, Maryland's child support program served almost double the number of children that the state's Children's Health Insurance Program served, and the IV-D child support program currently serves almost 24 times as many as enrolled in the Head Start program (Head Start Bureau, 2009). Additionally, child support cases tend to be long-term, with children often participating from the time of paternity establishment until they reach the age of 18—and occasionally beyond.

Annual reports from the federal Office of Child Support Enforcement (OCSE) show some positive trends in Maryland when it comes to collecting and distributing support to the many children served through the IV-D program. For example, the child support program collected almost a half-billion dollars, and more than half of all cases (64.9% of those who were owed current support and 63.6% of those who were owed arrears) had at least some support collected during the year (OCSE, 2010). This half-billion dollars represents 1.8% collected nationally which, when compared with Maryland's caseload making up 1.6% of the national caseload, suggests Maryland is having more success in their collection performance than might be expected based on our size.

The success Maryland has achieved thus far in pursuing, collecting, and distributing funds on behalf of such a large and diverse group of families is especially impressive considering today's difficult economy and budget environment. Continuing to achieve this success in the future, as well as developing policies to address some of the remaining challenges, almost certainly requires innovative approaches that are tailored and streamlined, and in turn requires an intimate and deep knowledge of the demographic characteristics of the men, women, and children who compose today's IV-D

caseload. This information comes most reliably in the form of empirical data rather than anecdote, and is the backbone for developing programs that result in maximal outcomes for individual clients and the state IV-D program as whole. Because the IV-D program is subject to a number of federal performance measures with required achievement thresholds and financial penalties of meaningful magnitude, our state cannot afford to base program actions on anything other than reliable, empirical data.

In Maryland, we are very fortunate to have policymakers and program managers who value empirical data, the information that it yields, and the utility it can have in helping to shape policy design and front-line practice and, thus, client and program outcomes. The crucial importance of having reliable empirical data readily at hand has been most recently demonstrated in legislative hearings and off-line discussions with regard to the Department's signature 2010 legislative initiative: updating the child support guidelines. Numerous questions were asked – and able to be answered – about the characteristics of child support cases, the breakdown of low-income vs. other families, and the like.

Thus, the main purpose of this report series is to provide an annual descriptive profile of the child support caseload in Maryland. The reports within the series, of which this is the fourth, yield basic, foundational empirical information about the “who's who” of child support in our state and provide a data-based platform from which targeted case services and program initiatives or refinements can be launched. To provide comparability over time the caseload profiles are based on the same month (July) each year. For this report, we used a random sample of Maryland's IV-D child support cases in July 2009 to answer the following research questions:

- 1) What are the characteristics of Maryland's active IV-D cases?

- 2) What are the characteristics of the custodians, noncustodial parents, 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 among noncustodial parents on these cases?

METHODS

This chapter reviews the research methods that were used for this study. This includes a description of the sample, a summary of our data sources, and the statistical techniques that were used.

Sample

We drew a simple random three percent sample of Maryland's active child support cases on the last day of July 2009. Of 247,614 total cases, our final sample consists of 7,428 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 2009.

CSES

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 noncustodial parent characteristics using Chi-square and ANOVA tests.

FINDINGS

Our findings chapter begins with a discussion of the make-up of Maryland's active IV-D cases and moves into an analysis of the distribution of those cases, as examining the data at the state level can often mask meaningful variations among individual districts. The chapter then moves on to discuss the people who make up the cases—the children, custodians, and noncustodial parents (NCPs). Finally, we provide an analysis of child support order types, amounts, and current support and arrears payments.

Child Support Case Characteristics

Distribution of the Active Caseload

In this section, we report the statewide distribution of cases. In Table 1, following this discussion, we see that the 7,428 child support cases in our sample were spread out among the 24 jurisdictions in Maryland. The majority of cases were found in two jurisdictions, Baltimore City (35.0%) and Prince George's County (18.8%). This is not an unusual finding, as both of these jurisdictions typically contain the largest proportions of the state's caseload, possibly due to higher population. Together, more than half of Maryland's IV-D child support caseload comes from one of these two jurisdictions.

In comparison, all other jurisdictions had less than one tenth of Maryland's child support cases each. In fact, only three other counties—Baltimore County (8.8%), Montgomery County (7.1%), and Anne Arundel County (5.4%)—accounted for more than three percent of the child support caseload. These three jurisdictions contain just over one in five cases (21.3%), and combined with Baltimore City and Prince George's County, we see that three out of four child support cases (75.1%) are located in five of Maryland's twenty-four jurisdictions. The remaining nineteen jurisdictions each accounted for less than two percent of the caseload.

Taken together, this means that statewide outcomes are largely influenced by the performances of only a handful of counties, and the performance of smaller counties, no matter how excellent, is unlikely to affect state measures. Maryland's ability to secure federal incentive money—and its risk of facing non-performance penalties—relies heavily on the outcomes in Baltimore City and Prince George's County, and to a lesser extent, Baltimore County, Montgomery County, and Anne Arundel County.

Table 1. Distribution of Active Child Support Caseload across Jurisdictions (n=7,428)

Jurisdiction	Percent (Count)	Cumulative (Cumulative Percent Count)
Baltimore City	35.0% (2,601)	35.0% (2,601)
Prince George's County	18.8% (1,394)	53.8% (3,995)
Baltimore County	8.8% (651)	62.5% (4,646)
Montgomery County	7.1% (528)	69.7% (5,174)
Anne Arundel County	5.4% (403)	75.1% (5,577)
Harford County	2.6% (192)	77.7% (5,769)
Washington County	2.5% (189)	80.2% (5,958)
Wicomico County	2.3% (173)	82.5% (6,131)
Charles County	2.1% (156)	84.6% (6,287)
Frederick County	2.0% (152)	86.7% (6,439)
St Mary's County	1.9% (142)	88.6% (6,581)
Howard County	1.8% (130)	90.3% (6,711)
Cecil County	1.4% (106)	91.8% (6,817)
Allegany County	1.4% (102)	93.1% (6,919)
Calvert County	1.3% (95)	94.4% (7,014)
Carroll County	1.1% (83)	95.5% (7,097)
Dorchester County	0.8% (56)	96.3% (7,153)
Worcester County	0.7% (54)	97.0% (7,207)
Caroline County	0.7% (51)	97.7% (7,258)
Somerset County	0.6% (48)	98.4% (7,306)
Queen Anne's County	0.5% (34)	98.8% (7,340)
Garrett County	0.4% (33)	99.3% (7,373)
Talbot County	0.4% (32)	99.7% (7,405)
Kent County	0.3% (23)	100.0% (7,428)

Case Characteristics

In this section, we present additional characteristics of the active child support caseload in Maryland. Table 2, following this discussion, displays our findings on welfare status, number of children, the percentage of cases that have orders in effect, and the court-ordered monthly support (both current and arrears) amount.

The first section in Table 2 investigates the extent to which child support cases are associated with the welfare program, Temporary Cash Assistance (TCA). We found that

about one in ten cases (9.7%) are currently receiving TCA, and half of cases (50.8%) received assistance sometime in the past. This implies that three out of five (60.5%) cases are headed by a custodian who is currently poor or has experienced poverty recently. One important note is that the IV-D caseload does not include those cases that are settled privately—cases that might differ quite a bit from those in the public program. The IV-D child support program could likely represent an essential source of income to ensure the economic well-being of the state's most vulnerable families.

The second section of Table 2 shows that the majority of cases (75.5%) included only one child, about one in five cases (18.9%) included two children, and the remaining cases (5.6%) contained three or more children. Overall, the average number of children per case is 1.32. An important caveat, however, is that although the average case has only one child, this does not necessarily mean that the average *family* on child support has only one child—a custodian might have multiple children on separate cases, for example.

The third section of Table 2 presents the number of cases with orders in place since this is a federal performance goal. It is possible for cases to have an order for current support, an order for past-due support (arrear), both, or neither. Once a support order is established, program staff can begin enforcement measures, and custodians have an opportunity to receive support for their children. If an obligor fails to pay his support-ordered amount, he will build up an arrears balance that he might still be paying toward even after his child emancipates and current support is no longer due. Overall, more than half of cases (54.1%) had an order for current support. Slightly more than that—roughly three in five cases (59.5%) had an order for arrears. As stated, some cases had both a current support order and an arrears order, others were exclusive to only one type, and some had no order at all. In the end, about three quarters of all cases (73.5%) had at least one order. This also means that about a quarter of cases had no support order. Though not presented in Table 2, a closer examination reveals that

among those with no support order, a little more than half (55.1%) of the children already have paternity established by marriage or court order, but about a third (34.1%) still require paternity establishment.

The second half of Table 2 displays findings on how much was ordered in current support and arrears. The average monthly current support order approached \$400 (mean = \$370), and the average monthly arrears order amount was just over \$100 (mean = \$107). There was a substantial difference in the median order amounts compared to the means, indicating that there were a few very large order amounts that pulled the average up. The medians, then, might be a better measure of the typical order amount. The median court-ordered current support amount was \$300, and the median court-ordered amount for arrears was \$69. Finally, we examine the range of orders in the sample. The court-ordered current support amount ranged from \$25 to \$3,138, and for arrears, those values ranged from less than \$1 to a maximum of \$1,700 per month.

The last row in Table 2 presents information regarding the total court-ordered support amount (with current support and arrears combined). The average total court-ordered support amount was \$359 per month. For a family currently or recently receiving TCA, \$359 might represent a substantial and valuable income, if they receive it every month. And as one might expect, the total support-ordered amount ranged from the low from the arrears orders and the high of the current support orders.

Table 2. Characteristics of Active Child Support Cases (n=7,428)

Case type	Percent of Active Cases
Current TANF	9.7% (724)
Former TANF	50.8% (3,775)
Never TANF	39.4% (2,929)
Number of children on the case¹	
One	75.5% (4,667)
Two	18.9% (1,167)
Three or more	5.6% (348)
Mean	1.32
Orders in effect in critical month	
Has an order for current support	54.1% (4,021)
Has an arrears order	59.5% (4,420)
Any order	73.5% (5,457)
Current support-ordered amount (monthly)	
Mean	\$370
Median	\$300
Standard deviation	\$250
Range	\$25 - \$3,138
Arrears-ordered amount (monthly)	
Mean	\$107
Median	\$69
Standard deviation	\$115
Range	<\$1 - \$1,700
Total support-ordered amount (monthly)	
Mean	\$359
Median	\$300
Standard deviation	\$276
Range	<\$1 - \$3,138

Note: Valid percentages are reported.

¹ There were 1,246 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 (976) were arrears-only cases in the critical month. The remaining cases were active, but may have either been missing data in the “total number of children” field within CSES or were later coded as arrears-only cases after our data were retrieved. Regardless of the reason, these cases were excluded from the analyses presented in Table 2, and the mean number of children presented represents only those cases with at least one child listed in the critical month. Valid percents are reported.

Children in the Active Child Support Caseload

In Maryland, more than 241,000 children were involved with IV-D services in 2009, 7,899 of which were included in our sample. For the purposes of this report, we investigate the age distribution and paternity statuses of the children served by the child support program.

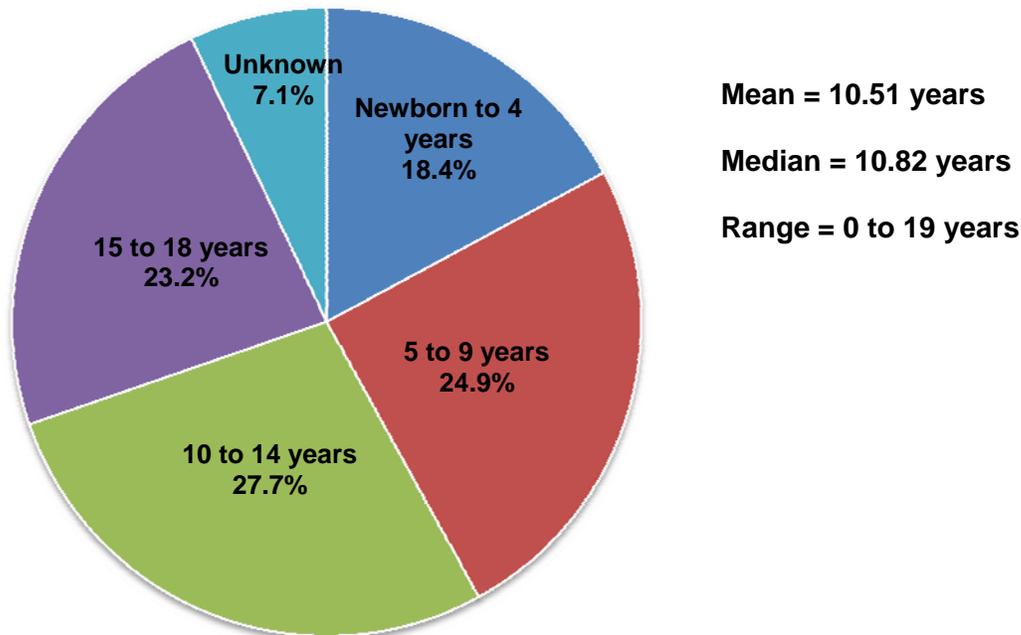
Age Distribution

In the previous section we learned that a typical case includes only one child. In this section we investigate how old the typical child is. It is important to remember that our sample consists of cases at all stages of child support enforcement, including those still trying to locate a NCP as well as those with support orders in place for many years. Thus, we expect a wide range of children's ages within the caseload. Figure 1 shows

the percentage of children in active child support cases for four age ranges: newborn to four years, five to nine years, 10 to 14 years, and 15 to 18 years.

As shown in Figure 1, children are fairly evenly distributed among these age groups. Just shy of three in ten children (27.7%) were between the ages of 10 and 14 years, the age group with the highest representation. The second largest group was children 5 to 9 years of age, comprising 24.9 percent of children. Children of high school age (15 to 18 years) accounted for another one quarter of the children (23.2%), and newborns and children up to 4 years of age accounted for 18.4 percent of participating children. Age was unknown for nearly one in ten (7.1%) children in the active caseload. Overall, the average age was 10.51 years old, indicating that the typical child is likely to be active in the IV-D program for years to come.

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



Note: Valid percentages are reported.

Paternity Status

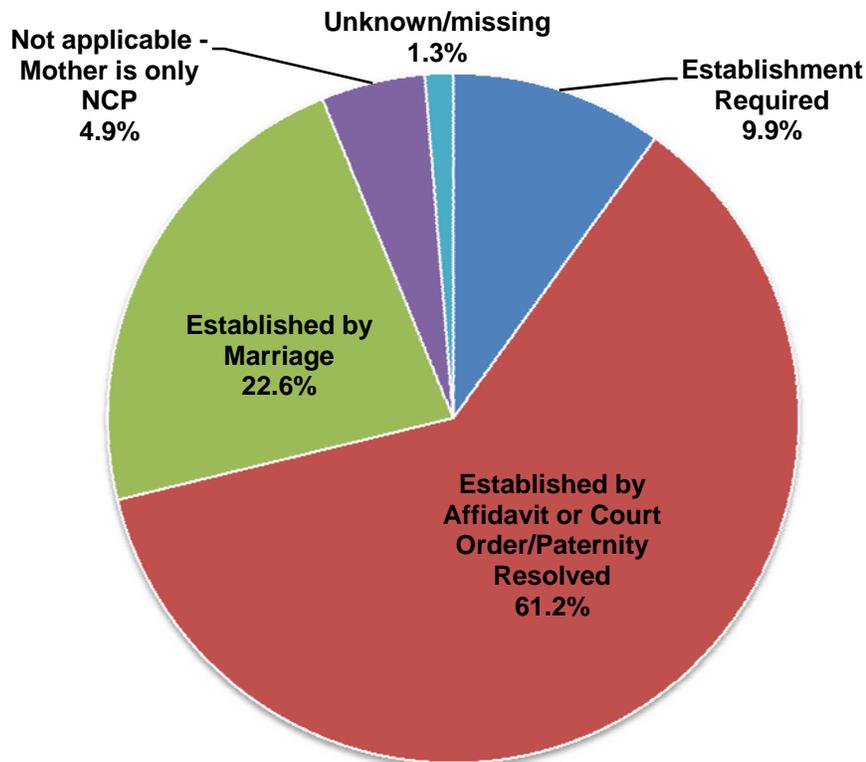
Paternity establishment is one of the chief federal performance measures because it is a critical step in the child support process—without it, a custodian and her children have no claim to financial support from the non-custodial parent. Establishment can be accomplished via marriage, voluntarily via an affidavit, or through a court order. Paternity can also be resolved if there is an order for support already in place, even if there is not a separate paternity establishment. This may happen, for example, in interstate cases where paternity information is not received even though there is an order for support.

In Figure 2, following this discussion, we present the paternity statuses for participating children in Maryland's IV-D caseload. The results here are positive: less than one

in ten (9.9%) children still require paternity establishment, down almost one percentage point from 10.7 percent in 2008 (Williamson, Saunders, and Born, 2010). More than four in five cases (83.8%) had paternity resolved or established. The majority (61.2%) of all cases had paternity resolved or established via affidavit or court order. The rest of the cases in which paternity was established (22.6%) involved couples who were married at the time the child was born.

Although it is encouraging that the vast majority of children in Maryland's IV-D caseload have paternity resolved or established and that the percent of children still waiting for paternity establishment has declined, further research is needed to understand more about these children and how case managers might innovate to get their paternity established.

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



One important caveat to our paternity measure is that it does not match the federal performance goal measure. Our measure looks at the total number of children in the caseload in a particular month (in this case, July 2009) and how many have paternity established or resolved, regardless of whether they were born out of wedlock or not. For the federal Paternity Establishment Percentage (PEP) goal, Maryland uses the statewide measure which compares the total number of children in the state born out of wedlock during the preceding fiscal year to the number of children in the state born out of wedlock with paternity established or acknowledged during the current fiscal year. In 2009, Maryland fell below the requisite 90 percent threshold for this measure, establishing paternity for only 87.2 percent of its children born out of wedlock in 2009 (OCSE 2010), and is currently working to improve performance for 2010 and 2011.

Characteristics of Custodians and Non-custodial Parents

In this section, we take a closer look at the adults in IV-D child support cases, including noncustodial parents (NCPs), custodians, and custodial parents (these two will be referred to as 'custodians' except where separate analyses are appropriate). There are 7,337 NCPs and 7,368 custodians associated with our sample of IV-D cases. Because some folks can be associated with multiple cases, the data are aggregated across all of their active cases in the study month.

First, we provide some basic demographic information such as gender, age, and race. We then explore adults' employment experiences in the two years before our study month. Finally, we examine more specific situations for custodians (e.g. TCA receipt) and NCPs (e.g. out-of-state residence and the extent of their involvement in child support cases).

Demographics of Custodians and Non-custodial Parents

Table 3, following this discussion, contains demographic information for both NCPs and custodians, including gender, age, and race. More than nine in ten custodians (93.8%) were female, meaning relatively few custodians (6.2%) were male. Not surprisingly, the opposite was true among NCPs. Almost exactly nine in ten noncustodial parents (90.8%) were male. The remaining one-tenth (9.2%) were female.

Gender was the biggest difference between NCPs and custodians. Noncustodial parents were also slightly older than custodians, but only by about a year (a mean of 39.8 years vs. 38.5 years among custodians). When age was categorized to give a more complete view of the age distribution, we again found folks to be quite similar. Custodians were more likely to be in younger age groups than NCPs: 2.4 percent versus 1.0 percent of NCPs in the 17 to 20 years age group, 9.1 percent versus 6.2 in the 21 to 25 years age group, and 14.8 percent versus 12.4 percent in the 26 to 30 years age group. Both groups had the same percentage (16.2%) of people in their early-to-mid thirties. Finally, roughly two-thirds (64.2%) of noncustodial parents were 36 years of age or older, compared to less than sixty percent (57.5%) of custodians in this age range.

Race was also very similar among NCPs and custodians. About two-thirds (68.7%) of the noncustodial parents in Maryland's IV-D caseload were African-American, about the same rate (66.9%) as custodians. A little more than a quarter of the noncustodial parents (27.3%) were Caucasian. Again, a similar rate was found (29.3%) among custodians. The few remaining noncustodial parents (4.0%) and custodians (3.8%) were of another race.

Table 3. Characteristics of Custodians and Noncustodial Parents

	Noncustodial parents (n = 7,337)	Custodians (n = 7,368)
Gender***		
Male	90.8% (6,620)	6.2% (458)
Female	9.2% (671)	93.8% (6,902)
Age***		
17 - 20 years	1.0% (70)	2.4% (172)
21 - 25 years	6.2% (452)	9.1% (646)
26 - 30 years	12.4% (899)	14.8% (1,054)
31 - 35 years	16.2% (1,177)	16.2% (1,155)
36 and older	64.2% (4,651)	57.5% (4,101)
Mean***	39.8	38.5
Median	39.6	38.0
Standard deviation	9.6	10.5
Range	17.1 – 109.2	17.2 – 95.3
Race		
African American	68.7% (4,289)	66.9% (4,283)
Caucasian	27.3% (1,707)	29.3% (1,873)
Other	4.0% (249)	3.8% (246)

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 active cases are either currently receiving cash assistance (9.7%) or have received cash assistance in the past (50.8%).

For children living with vulnerable custodians, the goal of child support is to provide a reliable source of income that can help increase the economic well-being of children. To make support distributions to these children more reliable, then, a growing body

of literature (and common sense) imply that not only does the IV-D program need to be diligent in collecting the support owed, but the orders established should be set at appropriate levels relative to NCPs' 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 (Ovwigbo, Saunders, & Born, 2006). This makes intuitive sense, since many enforcement tools (such as wage withholding and other intercepts) rely on NCPs' attachment to the formal labor market. Since Maryland uses an income shares model for child support guidelines, the employment of both the custodian and NCP are considered when determining the child support obligation. Therefore, the amount of the final obligation is partly determined by the income of custo-

dians. In addition, it helps to understand just how vital child support is to custodial families, and this often becomes clear upon examination of their own employment situation.

Table 4 shows that, perhaps surprisingly, custodians were employed at a higher rate than noncustodial parents. When looking at the two years prior to our critical study date, nearly two-thirds (63.0%) of custodians were employed in a Maryland UI-covered job. By contrast, less than three-fifths (55.5%) of the noncustodial parents had been employed. Additionally, we found that custodians worked almost one full quarter more (3.89 vs. 3.09) than noncustodial parents during that two-year period, a difference that was statistically significant.

Although custodians worked more, average earnings were about the same for both groups. In fact, noncustodial parents had a higher quarterly earnings average by almost \$200 (\$6,249 vs. \$6,070), another statistically significant difference. When considering total earnings over the previous two years, however, custodians earned an average of about \$1,000 more (\$43,275 vs. \$42,158) than their noncustodial counter-

parts. Custodians tend to earn more overall, then, because they work more often (i.e. in more quarters), even though they tend to earn less in quarterly wages.

When we compared the two groups over the previous one year, instead of two, we largely found the same pattern. Again, custodians were more likely to be employed than noncustodial parents (55.2% vs. 46.0%), and noncustodial parents again earned more, on average, on a quarterly basis (\$6,727 vs. \$6,484). Noncustodial parents also earned more over this entire year, on average (\$24,442 vs. \$24,366), but this difference was not statistically significant.

Finally, we present information regarding employment during the quarter of the study month, with similar results. About one-third (33.7%) of noncustodial parents were employed in the critical quarter. Comparatively, a little less than half (45.0%) of the custodians were employed in the quarter of the critical date, once again a statistically significant difference of about ten percentage points. And as we've seen in the one and two year comparisons, noncustodial parents earned more—about \$800 on average (\$7,980 vs. \$7,147).

Table 4. Employment History of Custodians and Noncustodial Parents

	Noncustodial Parents	Custodians
Two Years Before Critical Date		
Percent Employed***	55.5% (4,057)	63.0% (4,585)
Mean # Quarters Employed***	3.09	3.89
Mean [Median] Quarterly Earnings***	\$6,249 [\$4,835]	\$6,070 [\$5,015]
Mean [Median] Total Earnings	\$42,158 [\$27,832]	\$43,275 [\$34,152]
One Year Before Critical Date		
Percent Employed***	46.0% (3,368)	55.2% (4,018)
Mean # Quarters Employed***	1.47	1.88
Mean [Median] Quarterly Earnings**	\$6,727 [\$5,512]	\$6,484 [\$5,551]
Mean [Median] Total Earnings	\$24,442 [\$18,718]	\$24,366 [\$20,750]
Quarter of Critical Date		
Percent Employed***	33.7% (2,463)	45.0% (3,278)
Mean [Median] Total Earnings***	\$7,980 [\$6,832]	\$7,147 [\$6,308]

Note: 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 help families make ends meet without relying on the state's Temporary Cash Assistance (TCA) program. Table 5 below explores the extent to which custodial parents in our sample of active cases received TCA in the year before our study. 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.

The first section of Table 5 shows the percentage of custodial parents who are case-heads on TCA cases; overall, the numbers reveal that only about 13.6 percent of custodial parents had any cash assistance receipt in the last year. When we look at custodial parents of different ages, however, the data show a different pattern: younger

custodial parents are much more likely to head TCA cases. Among those 17 to 20, nearly half (46.9%) had some receipt in the last year, and among those 21 to 25, one-third (33.3%) received cash assistance in the year before our study. This compares with one in five (18.1%) 26-30 year olds, one in ten (11.7%) 31-35 year olds, and only 6.5 percent of those 36 years and older.

Some custodial parents might be case-heads on those TCA cases but not actually be recipients themselves (e.g. they have some other benefit like SSI while their child receives TCA), so the second section of Table 5 shows more specifically which custodial parents are recipients on a TCA case in the year before our study. Overall, the percentage of custodial parents receiving assistance dropped (to 12.2% among all custodial parents), but the percentage of recipients in the youngest age group did not change, and the same general trend remained. Younger custodial parents were more likely to receive TCA in the year before our study date, with the likelihood decreasing as age climbed.

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

	17 - 20 years (n=113)	21 - 25 years (n=615)	26 - 30 years (n=988)	31 - 35 years (n=977)	36 and older (n=2,555)	Total (n=5,248)
Total Months of TCA Receipt***						
No TCA receipt	53.1% (60)	66.7% (410)	81.9% (809)	88.3% (863)	93.5% (2,390)	86.4% (4,532)
Any receipt	46.9% (53)	33.3% (205)	18.1% (179)	11.7% (114)	6.5% (165)	13.6% (716)
1 - 3 months	8.0% (9)	8.8% (54)	4.7% (46)	2.9% (28)	1.3% (34)	3.3% (171)
4 - 6 months	10.6% (12)	8.9% (55)	3.9% (39)	2.6% (25)	1.4% (35)	3.2% (166)
7 - 9 months	15.0% (17)	5.2% (32)	3.9% (39)	1.4% (14)	0.8% (20)	2.3% (122)
10 - 12 months	13.3% (15)	10.4% (64)	5.6% (55)	4.8% (47)	3.0% (76)	4.9% (257)
Months of Receipt with Responsibility Code of "RE"***						
No TCA receipt	53.1% (60)	68.0% (418)	83.8% (828)	89.9% (878)	94.9% (2,425)	87.8% (4,609)
Any receipt	46.9% (53)	32.0% (197)	16.2% (160)	10.1% (99)	5.1% (130)	12.2% (639)
1 - 3 months	8.0% (9)	8.3% (51)	4.7% (46)	3.1% (30)	1.3% (32)	3.2% (168)
4 - 6 months	10.6% (12)	9.3% (57)	3.8% (38)	2.4% (23)	1.3% (33)	3.1% (163)
7 - 9 months	15.0% (17)	4.7% (29)	3.5% (35)	1.3% (13)	0.6% (15)	2.1% (109)
10 - 12 months	13.3% (15)	9.8% (60)	4.1% (41)	3.4% (33)	2.0% (50)	3.8% (199)

Noncustodial Parents and Child Support

In the following sections, we move into a more detailed discussion of the child support involvement of NCPs. While employment is an important factor to consider when thinking about a noncustodial parent's ability and willingness to pay child support, it is not the only factor. There may also be more qualitative factors, such as the NCP's relationship with the custodian or his children, or the NCP's perception of child support and the fairness of his obligation, among other things. Although these factors may be much more difficult to measure—particularly with administrative data—we may be able to investigate some of these qualitative issues by finding quantitative proxies for them. In this section, we examine the geographic location of NCPs, their child support obligations in Maryland, and their payment histories and arrears situations.

Out-of-state Noncustodial Parents

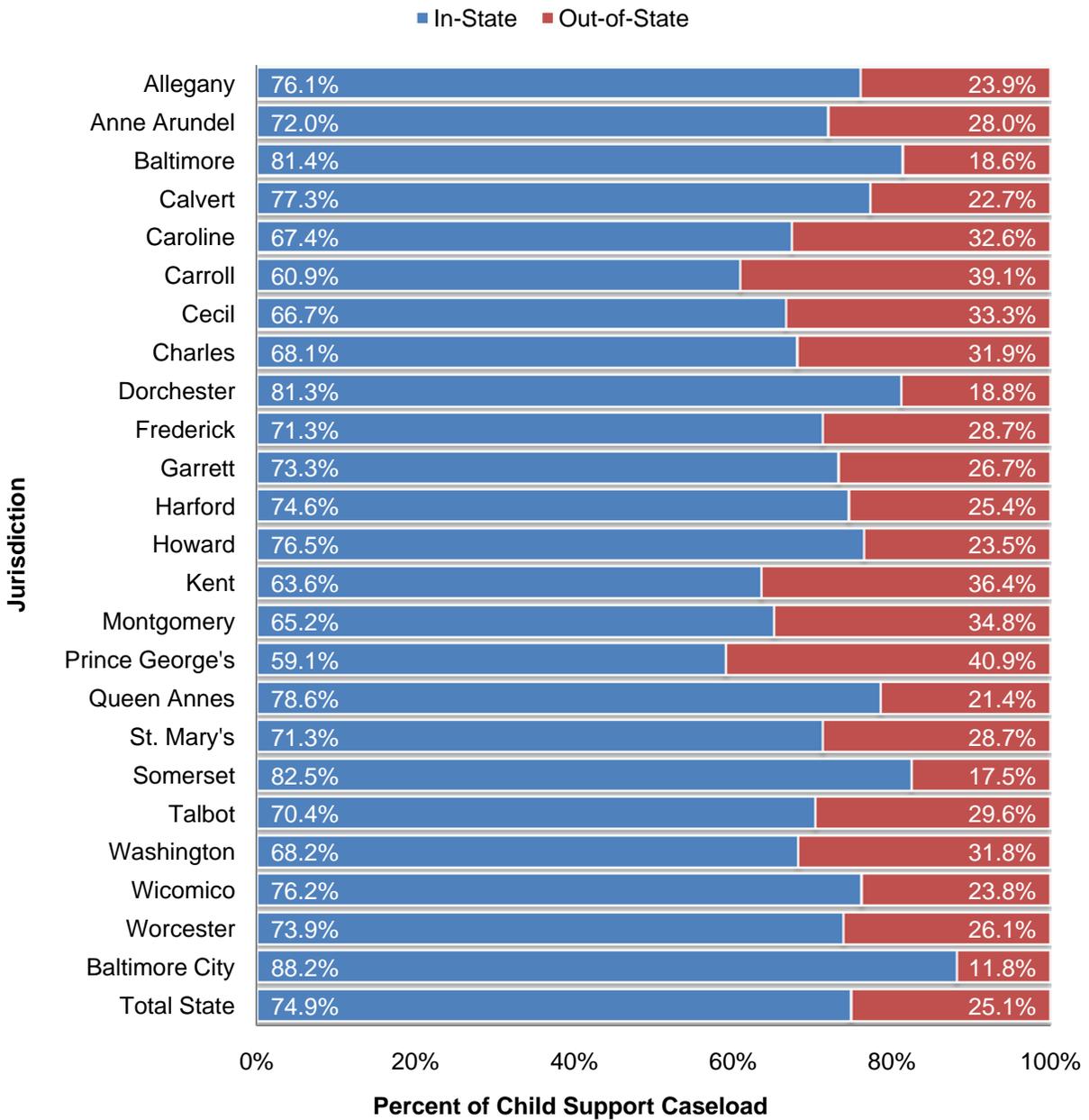
Knowing whether the NCP has an out-of-state address in the administrative databases may give us some idea about the strength of the relationship between the NCP and custodian or the NCP and his children. It is not a perfect proxy, since we can assume that some out-of-state obligors remain on good terms with their family despite the distance, but interstate cases tend toward being more difficult to enforce since they rely heavily on cooperation between

independent local jurisdictions. In Figure 3, following this discussion, we present the percent of NCPs in each jurisdiction with an out-of-state address in the critical month.

In total, three-quarters (74.9%) of the state's child support cases included a noncustodial parent that lived in the state of Maryland. The remaining quarter (25.1%) of cases included a noncustodial parent who lived outside of Maryland's borders. When considering the differences between individual jurisdictions, it is very important to keep in mind Maryland's geography. Maryland has two jurisdictions, Prince George's and Montgomery Counties, that border the District of Columbia. Therefore it is not surprising that these two jurisdictions had among the highest rates of out-of-state NCPs. In fact, Prince George's county had the highest out-of-state NCP percentage (40.9%) and only Kent (bordering Delaware) and Carroll (bordering Pennsylvania) Counties had more than Montgomery County (34.8%).

Baltimore City had the highest rate of in-state NCPs (88.2%), followed by Somerset (82.5%), Dorchester (81.3%) and Baltimore County (81.4%). The rest of the jurisdictions fell in between these extremes. Comparing in-state NCPs, the rest of the jurisdictions ranged from a low of 66.7% (Cecil County) to a high of 78.6% (Queen Anne's County). These varied findings remind us that examining outcomes at the state level can sometimes mask important differences among individual counties.

Figure 3. Noncustodial Parents Residing Out of State by Jurisdiction



Child Support Involvement among Non-custodial Parents

Now that we've discussed some of the characteristics of noncustodial parents, including their demographics, employment and location, we have a much more informed context for understanding their compliance with child support obligations. Table 6, following this discussion, displays a few broad measures, including the number of active child support cases they have, the percentage of NCPs who have a court order for current support or arrears, and how much they are ordered to pay.

In Maryland, as in most other states, it is more expensive for a noncustodial parent to support children in different families than it is to support multiple children within the same family. That is because the child support guidelines assume 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 among our sample of noncustodial parents, two-thirds (67.2%) were named the NCP on only one active

case in the study month. Another one-fifth (21.5%) were listed as NCP on two cases. The remaining noncustodial parents (11.3%) were involved with three or more cases. The average NCP was involved with 1.5 cases. Additionally, Table 6 shows that only a handful of noncustodial parents (3.9%) were also custodians on a separate case. Of those who were custodians as well, relatively few were custodians on more than one case.

Table 6 then considers the support obligations of our NCPs, aggregated across all their active cases in the study month. In terms of current support, we were interested in answering two questions: 1) what percentage of NCPs is ordered to pay support, and 2) how much are NCPs ordered to pay, on average? Information presented in Table 6 reveals that roughly three in five noncustodial parents (61.5%) had an order for current support in place in the critical month. The average monthly amount of current support ordered was \$435. Just shy of two-thirds of noncustodial parents (65.1%) had an order for arrears payment. In total, the payment amounts for arrears orders were less than those for current support. This can be seen by comparing the mean (\$147 vs. \$435, respectively), median (\$100 vs. \$353, respectively) and maximum (\$1,714 v. \$6,857, respectively) values. Overall, four in five noncustodial parents (79.0%) had an order for current support, arrears, or both, with an average combined total monthly order amount of \$460.

Table 6. Noncustodial Parent Child Support Involvement

	Noncustodial Parents
Number of cases as NCP	
1	67.2% (4,931)
2	21.5% (1,580)
3 or more	11.3% (826)
Mean	1.5
Median	1.0
Standard deviation	0.9
Range	1.0 – 11.0
Number of cases as CP	
None	96.1% (7,050)
1	3.1% (229)
2	0.6% (45)
3 or more	0.2% (13)
Mean	0.1
Median	0.0
Standard deviation	0.3
Range	0.0 – 4.0
Current Support Orders	
% with an order	61.5% (4,515)
Mean	\$435
Median	\$353
Standard deviation	\$310
Range	\$25 - \$6,857
Arrears Orders	
% with an order	65.1% (4,774)
Mean	\$147
Median	\$100
Standard deviation	\$151
Range	<\$1 - \$1,714
Total Orders	
% with an order	79.0% (5,797)
Mean	\$460
Median	\$379
Standard deviation	\$357
Range	<\$1 - \$8,571

Note: Cases are counted if they are active or suspended on the last day of the critical month. Mean order amounts exclude cases without orders.

Payment of Child Support

For many vulnerable children and single-parent families, child support often represents a crucial source of reliable income. Enforcement, then, is especially important in order to ensure its reliability to these families over time. Having looked at broad measures of NCP involvement and what percent are under order for current or past-due support, this section focuses on the extent to which NCPs pay their court-ordered current support and arrears amounts.

Current Support

Nearly three in five cases (57.8%, or 4,295 cases) had current support owed in the year before our study month. Table 7, following this discussion, presents the average amount due and distributed to those cases. It then presents the average number of months in which a payment was due, along with the percent paid. Finally, Table 7 reports the average number of months since the most recent payment.

The first section of Table 7 shows that the average amount due in the previous year was just over four thousand dollars (\$4,017), though there was a very broad range of amounts due: from a low of \$50 to almost fifty thousand (\$48,106) dollars among individual cases. The amount distributed ranged from \$0 to \$37,402.

The second section of Table 7 shows that, on average, over half (57.2%) of the total amount due was distributed to cases. Furthermore, half of the cases in our sample had distributions totaling nearly 70% of the

total amount due (median: 69%) and almost half of cases (46.7%) received three quarters or more of what they were owed. Like recent research on child support arrears cases, we found that rather than a trend of nonpayment across all cases, we see that only a few cases (18.2%) received nothing at all despite being owed current support (Ovwigbo, Saunders, and Born, 2008).

It's difficult to know whether those distributions made were in fact regular monthly payments or single lump sum payments without knowing how many months support was due and distributed. The third section of Table 7 reveals that on average, current support was owed in 11 months, and distributions were made in seven of them. A middle-of-the-road case had support due in all 12 months in the previous year, and had a distribution made in eight. These numbers mean that families are getting support payments fairly regularly—which is good, considering that regular distributions are more beneficial to custodians than irregular distributions (Formoso, Liu, and Welch, 2008).

Finally, we found that three in five (60.2%) cases received a distribution to current support within the last month. On the other hand, about one quarter (22.8%) had not seen a distribution in over a year. Since a few outlying cases hadn't had a distribution in quite some time, the mean number of months since the last distribution received was skewed upward to almost a year (11.7), despite so many cases having very recent distributions. In this context, more emphasis should be placed on the median number of months since payment (less than one month) because it is less sensitive to outliers.

Table 7. Payments Distributed to Current Support in the Last Year

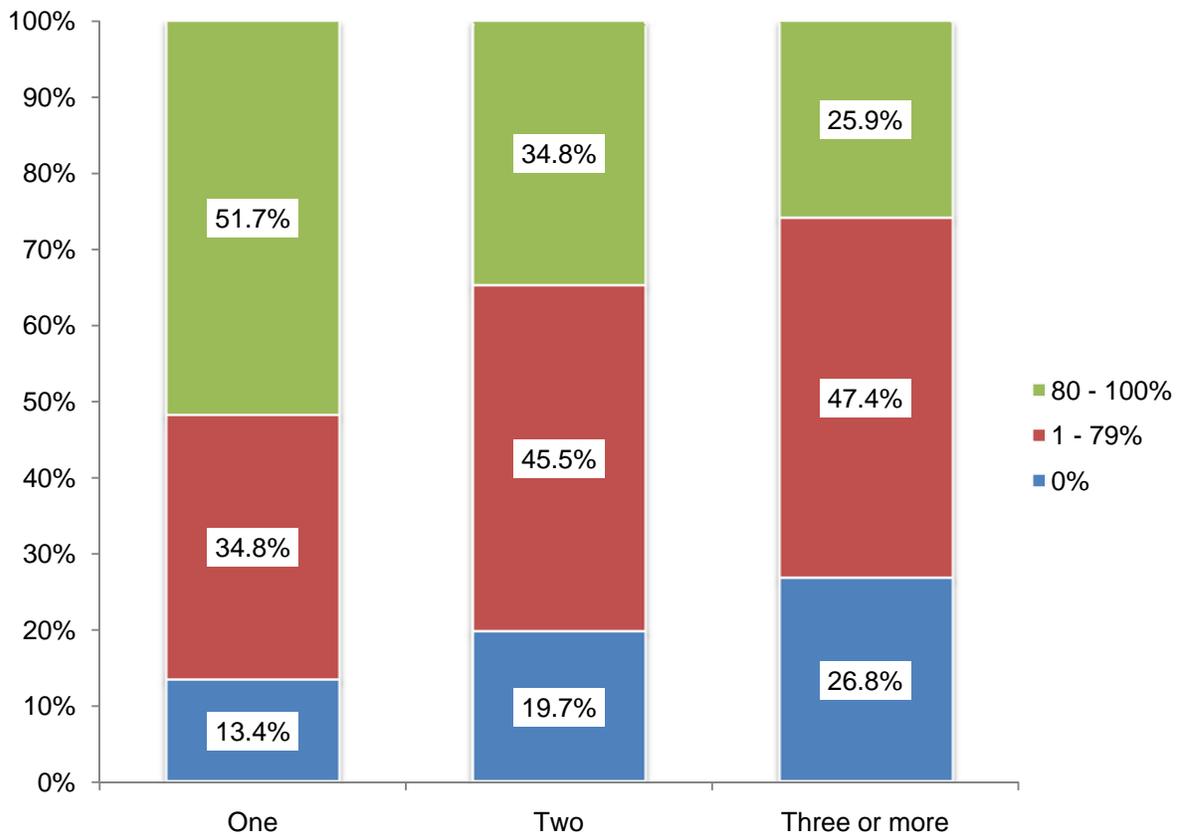
Payment Amounts	Amount Due	Amount Distributed
Mean	\$4,017	\$2,658
Median	\$3,288	\$1,901
Standard deviation	\$2,962	\$3,003
Range	\$50 - \$48,106	\$0 - \$37,402
Percent Distributed		
0%	18.2%	(781)
1 - 10%	6.2%	(265)
11 - 25%	6.7%	(286)
26 - 50%	10.2%	(438)
51 - 75%	12.1%	(520)
76% or more	46.7%	(2,005)
Mean	57.2%	
Median	69.0%	
Standard deviation	39.5%	
Range	0.0% - 100.0%	
Payment Months	Months Due	Months distributed
Mean	11.0	7.0
Median	12.0	8.0
Standard deviation	2.7	4.8
Range	1.0 - 12.0	0.0 - 12.0
Number of Months Since Most Recent Payment		
1 month or less	60.2%	(3,354)
2 to 3 months	4.6%	(254)
4 to 8 months	8.1%	(451)
9 to 12 months	4.3%	(242)
More than 12 months	22.8%	(1,270)
Mean	11.7 months	
Median	< 1.0 month	
Standard deviation	23.2 months	
Range	< 1 month - 149 months	

Note: Valid percentages are reported.

While the information above is presented at the case level, we also aggregated data on child support payments among noncustodial parents, who may be associated with several separate cases. Overall, almost two-thirds of noncustodial parents (65.4%) owed current support within one or more cases in the year before the critical month. We were interested in finding out whether certain factors—such as the number of cases per NCP, as mentioned earlier—do, in fact, influence whether and how much NCPs pay

toward their current support obligations. Figure 4 shows that those folks with multiple cases are much more likely to pay nothing toward their obligations, and much less likely to pay their entire obligation. For example, among NCPs with only one case, more than half (51.7%) paid between 80 and 100 percent of their obligation; among those with two cases, just over one in three (34.8%) paid this much, and for those folks with three or more cases, only about a quarter (25.9%) paid more than 80 percent.

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

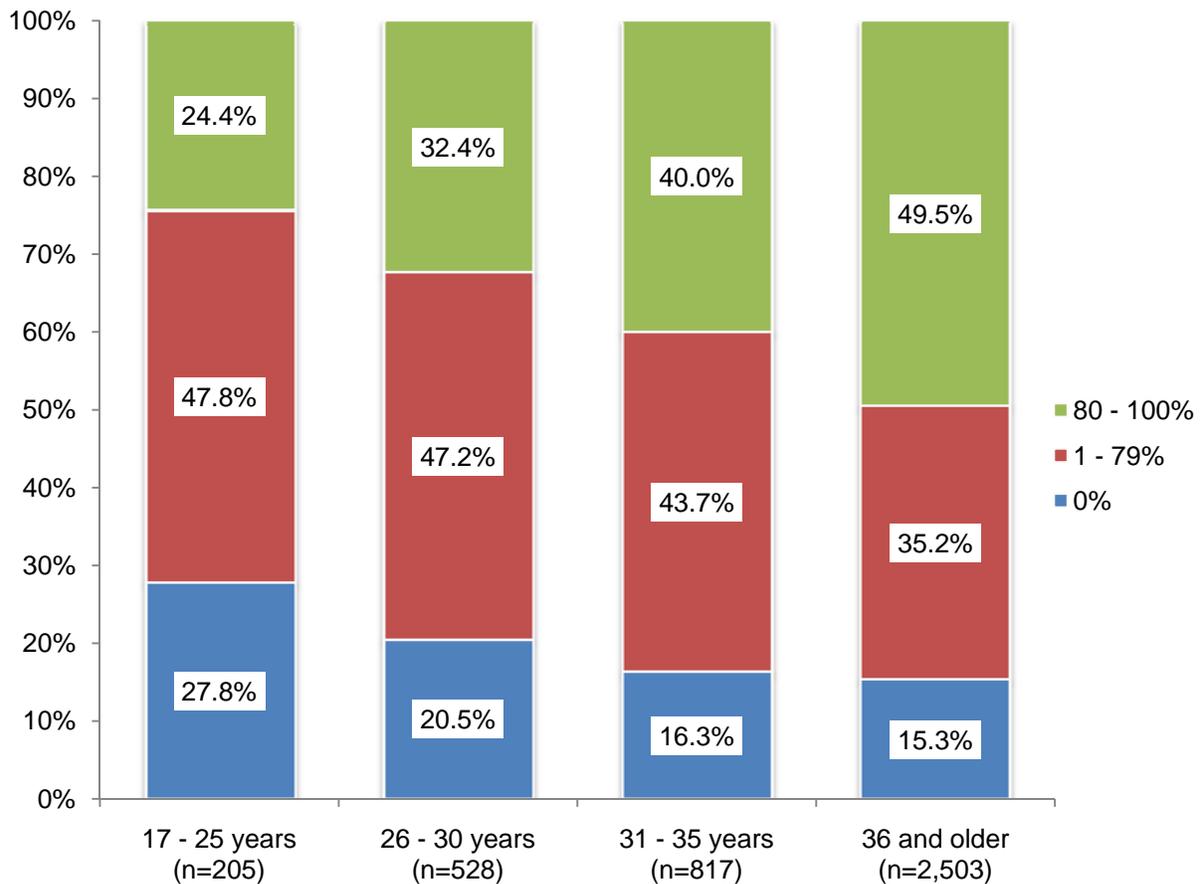


Note: Valid percentages are reported. *p<.05, **p<.01, ***p<.001

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 younger noncustodial parents do, in fact, tend to pay less toward their support obligations than their older counterparts. Those NCPs in the youngest age bracket (17 to 25 years of age) were half as likely as those 36 and older to pay their full obligation (24.4% versus 49.5%) and twice as likely to pay none of it (27.8% versus 15.3%).

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

After determining that there was a significant relationship between age and payment, we then attempted to determine whether this relationship was independent of earnings. Since it makes intuitive sense that NCPs who have not yet had a chance to get a foothold in the formal labor market (younger folks) would earn less than NCPs with several years on the job, we needed to be sure that the age-payment gap was not simply a function of earnings. Table 8, below, explores age-payment trends for lowest- and second-lowest quartile earners. Data show that among the lowest earners—those making less than \$7,000 in the last year—younger NCPs are less likely to pay anything toward their current support obligations, and much less likely to pay their entire obligation than the older NCPs who earn in the lowest quartile. Among the lowest earn-

ers aged 17-25 years, less than one in ten (8.9%) paid more than 80 percent of his obligation; among those 36 years of age and older, a quarter (23.1%) paid more than 80 percent of their current support due. This difference is statistically significant. In the second lowest earnings bracket, a similar pattern appears among those who pay none of their support—younger NCPs are more than twice as likely as their older counterparts to pay nothing. These findings indicate that further research on the relationship among age, earnings, and payment is warranted. If younger NCPs are indeed less likely to pay toward current support regardless of earnings, this is an opportunity for local departments to implement innovative, targeted case management strategies to engage these NCPs and perhaps increase the likelihood for making collections.

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

	0%	1 - 79%	80 - 100%
Earnings Less than \$7,000***			
17 - 25 years	26.6% (21)	64.6% (51)	8.9% (7)
26 - 30 years	26.6% (37)	66.9% (93)	6.5% (9)
31 - 35 years	11.0% (16)	77.2% (112)	11.7% (17)
36 and older	18.5% (52)	58.4% (164)	23.1% (65)
Total	19.6% (126)	65.2% (420)	15.2% (98)
Earnings \$7,001 - \$21,000*			
17 - 25 years	11.5% (6)	51.9% (27)	36.5% (19)
26 - 30 years	1.9% (2)	73.1% (79)	25.0% (27)
31 - 35 years	2.9% (4)	65.0% (89)	32.1% (44)
36 and older	5.3% (17)	59.4% (189)	35.2% (112)
Total	4.7% (29)	62.4% (384)	32.8% (202)

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

Arrears

In the event that current support is not paid in a timely manner, it is accumulated in a separate arrears account. If a balance accrues and is not paid over time, a court may issue an order for payment toward the arrears balance in addition to existing current support obligations. The amount of money owed in arrearages is enormous: nationally, more than \$100 billion is owed to either custodians or state and federal governments. In Maryland, almost \$1.5 billion in arrearages were owed in fiscal year 2009, of which only \$115 million (about 7.7%) was collected and distributed (OCSE 2010). One major federal performance goal is to increase the percentage of cases with a distribution toward their arrears balance, so we dedicate this final section to examining NCPs with arrearages.

Table 9 below displays arrears accumulation data at the case level, while Table 10 presents total arrears accumulation per NCP, across all of his or her cases. These tables both include the frequency of arrears balances and how much is owed. Additionally, arrears balances are separated into those arrears owed to a Maryland custodian, those owed to the State of Maryland, and any additional arrears. One important consideration to keep in mind is that the average (mean) amounts owed in arrears are

often high because of some outlying amounts that are very high and pull the average up. Often, the median is a much better estimate of the typical amount owed.

As seen in Table 9, almost two-thirds (63.3%) of the cases in Maryland's IV-D caseload is owed arrears. The average amount owed per case approaches ten thousand dollars (\$9,804), but the median amount is approximately half that at \$5,580. More specifically, about half of cases (50.6%) include an NCP who owes arrears to a Maryland custodian, with an average balance between eight and nine thousand dollars (\$8,667), and almost one in five cases (18.4%) includes an NCP who owes arrears to the state of Maryland. The average amount owed to the state was about two thousand less than the amount owed to the custodian (\$6,879), but the median amounts for both types of arrears were less than \$5,000 (median=\$4,580 for arrears owed to the custodian and \$4,333 for arrears owed to the state). Finally, we see that less than one in ten (5.2%) cases included an NCP who owed another type of arrears. The mean amount owed for these additional arrears was higher than that of the other groups at over ten thousand dollars (\$10,748) per case, with a median value of \$5,954 per case.

Table 9. Cases with Arrears Accumulation in the Study Month

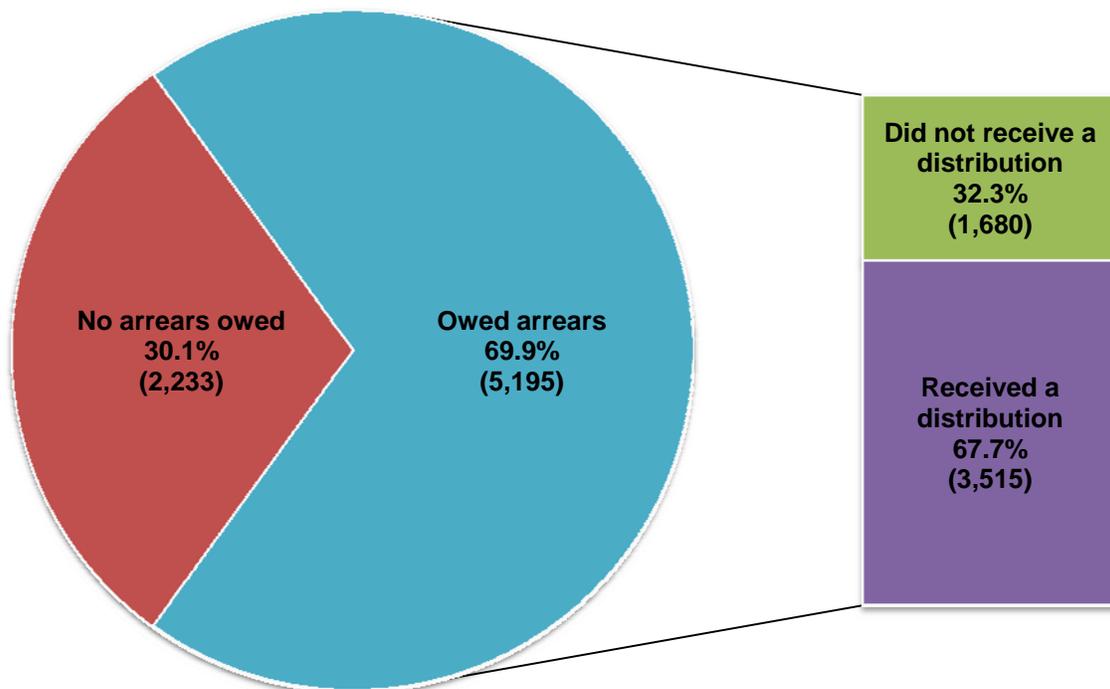
	Arrears Owed to Maryland Custodian	Arrears Owed to State of Maryland	Additional Arrears	Any Arrears
% owed arrears	50.6% (3,755)	18.4% (1,369)	5.2% (383)	63.3% (4,700)
Mean	\$8,667	\$6,879	\$10,748	\$9,804
Median	\$4,580	\$4,333	\$5,954	\$5,580
Standard deviation	\$11,730	\$7,762	\$15,785	\$12,668
Range	<\$1 - \$211,375	<\$1 - \$72,804	\$6 - \$198,788	<\$1 - \$211,375

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 6 expands the period from the study month to the year before the study month. As presented, there were slightly more cases that were owed arrears at some point in the year before the study month (5,195 cases, or 69.9% of the total sample), compared

with looking only within the study month. Of those that were owed arrears, approximately two-thirds (67.7%) received a distribution towards arrears at some point in the year. The remaining third (32.3%) did not receive an arrears distribution in the past year.

Figure 6. Arrears Distribution in the Previous Year



As mentioned previously, the last part of this section presents an analysis of arrears from the vantage point of the noncustodial parents. In total, about two-thirds of NCPs (68.5%) owed some kind of arrears in at least one of their cases, with a combined average amount owed of \$14,579. More specifically, almost three out of five (58.2%) NCPs owed arrears to a Maryland custodian in the critical month and the average amount owed was \$11,658, with a median amount of \$6,223. Approximately one-quarter of NCPs (25.2%) owed arrears to the state, and the amount owed to the state, on average, was about twenty-five hundred dollars less than that owed to custodians

(\$9,062). Only a small percentage of non-custodial parents (7.1%) owed additional arrears. While the average amount owed in additional arrears was very high (\$12,915), the standard deviation and range shows that amounts varied widely. As mentioned earlier, the median (\$6,288) is likely to be a much more reliable measure. In terms of the total amount of arrears owed per NCP, including all types of arrears across all active cases, Table 10 reveals that nearly seven out of ten (68.5%) NCPs owed past-due support, with an average combined debt of \$14,579 and a median debt of \$8,109 per NCP.

Table 10. Noncustodial Parents with Arrears Accumulation

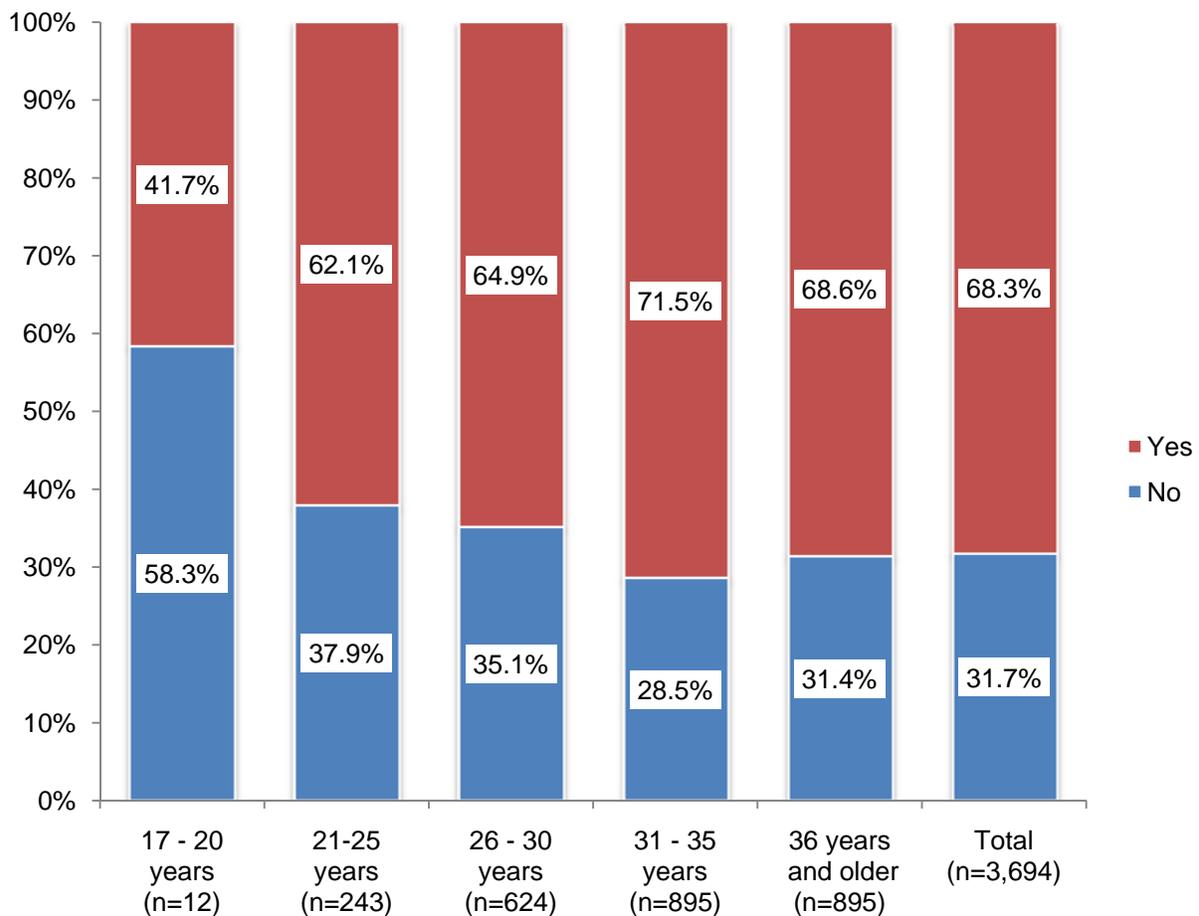
	Arrears Owed to Maryland Custodian	Arrears Owed to State of Maryland	Additional Arrears	Any Arrears
% owing arrears	58.2% (4,269)	25.2% (1,852)	7.1% (523)	68.5% (5,028)
Mean	\$11,658	\$9,062	\$12,915	\$14,579
Median	\$6,223	\$5,658	\$6,288	\$8,109
Standard deviation	\$15,612	\$10,294	\$32,229	\$20,563
Range	<\$1 - \$223,3826	<\$1 - \$82,479	\$6 - \$673,546	<\$1 - \$673,546

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 zeroes.

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. Again, NCPs in the youngest age group are the least likely to pay anything (41.7% versus an average of 68.3%). Older fathers, partic-

ularly those between 31 and 35 years of age, pay toward their arrears most often. Among those 26-30 years old, 64.9 percent paid some of their arrears obligation in the last year, 71.5 percent of those between 31 and 35, and 68.6 percent of those 36 years of age and older paid toward arrears. Overall, although the sample of 17-20 year-old NCPs is small, and therefore unlikely to affect the statewide performance numbers, it does indicate one area for potential improvement in the IV-D program via targeted case management.

Figure 7. Noncustodial Parents and Arrears Distributions in the Last Year by Age Group**



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

CONCLUSIONS

This series of reports attempt to provide a foundation of empirical data on Maryland's active IV-D child support caseload and the families that compose them. We hope to provide guidance for Maryland's policy makers and program managers by chronicling the ongoing trends among these cases. This report, fourth in the series, offers data on the caseload's demographic profile, employment and earnings patterns of the adults, receipt of cash assistance, and payment of current support and arrears. This final chapter synthesizes these elements to discover the larger themes and implications of our data in order to inform the state's policy decisions.

The specific, data-driven findings presented in today's report hint at several broad implications for the IV-D program in Maryland. First, it is clear 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, though many of its families have received public benefits at some point in the past. In our study month, however (as in previous reports), only about one in 10 active child support cases were currently receiving Temporary Assistance for Needy Families (TANF). Overall, two out of five cases had never received TANF in Maryland.

Second, 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, as Baltimore City and Prince George's County account for more than half of Maryland's IV-D caseload. Thus, success at the state level will mirror consistently good performance in these counties, without which it would be mathematically impossible to achieve federally-mandated goals, no matter how well the remaining 22 counties perform.

Third, the findings presented in this report confirm that Maryland's IV-D program compares 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 where innovation could benefit Maryland's children and families even more: 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.

Finally, one of the most interesting findings in today's report is that younger fathers appear less likely to pay their child support, even compared with older fathers making the same low earnings. This suggests 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. Although the group of young obligors is small, improvement in their collections today could yield increases in the state's performance on federally mandated payment goals for years to come since these fathers are likely to remain in the caseload long-term.

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

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.
- Formoso, C., Liu, Q., & Welch, C. (2008, March 1). Regular child support helps state lower cost of welfare assistance. *Policy and Practice*, 30-31.
- Office of Child Support Enforcement. (2010). *Child Support Enforcement, FY 2009 preliminary report*. Administration for Children and Families, Washington, D.C.: U.S. Department of Health and Human Services.
- Office of Head Start. (2010). Head Start Program fact sheet fiscal year 2010. Administration for Children and Families, Department of Health and Human Services.
- Ovwigo, 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.
- Ovwigo, 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.
- Ovwigo, 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.
- Williamson, S., Saunders, C., & Born, C.E. (2010). *People and Payments: A Profile of Maryland's Child Support Caseload July 2008*. Baltimore, MD: University of Maryland School of Social Work.