

PEOPLE & PAYMENTS: A PROFILE OF MARYLAND'S CHILD SUPPORT CASELOAD IN JULY 2010

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Every child deserves support from both of their parents, regardless of the parents' relationship with each other. Generally, children become eligible for child support due to parental divorce or they are born to unmarried parents. Financial support from both parents is essential to pay for the costs associated with raising children. In fact, the receipt of child support can account for nearly 40 percent of income among low-income families (Sorensen, 2010). Ensuring that children receive this vital support guides the work of the federal Office of Child Support Enforcement (OCSE) and its state and local counterparts, as required by Title IV-D of the Social Security Act. State and local agencies are responsible for establishing the paternity of children in their public caseload, for establishing support orders, and for enforcing those orders. The Maryland Child Support Enforcement Administration was successful in collecting more than \$4.8 million dollars on behalf of nearly 240,000 children in 2010 (OCSE, 2013).

While the national child support system is quite effective, collecting over \$26 billion on behalf of 17.5 million children in 2010 (OCSE, 2013), some families still do not receive the payments they are owed. This may be the result of a noncustodial parent that is unwilling to pay their support or it may be that the noncustodial parent is unable to comply with their order for support. Hence, determining the reasons for noncompliance as well as what steps can be taken to improve outcomes of paternity establishment, the establishment of court orders for support, and the collection of current support and arrears, requires accurate measurement of data.

The *People and Payments* series provides Maryland's policymakers and program staff with state-specific empirical data measuring outcomes of the child support process, helping inform their efforts to maintain positive program outcomes and enrich future policy development. This brief report is based on a five-percent randomized sample of the public child support cases active in the state of Maryland in July 2010 (n=12,454). Active cases include those with support orders as well as open cases that do not yet have established orders. Results include a demographic profile for program participants, measures of paternity establishment for each child, the number and amount of support orders, and amounts paid toward current support and arrears. Our findings show that the majority of cases have an order for support and receive payment distributions even though the noncustodial parents in the public child support system tend to be low-income.

Data for this report is derived from databases maintained by the State of Maryland. Demographic data of children, noncustodial parents, and custodians receiving services from the child support agency are obtained from the Child Support Enforcement System (CSES) as well as case level data on support order amounts and payments toward current support or arrears. Quarterly employment and earnings data are obtained through the Maryland Automated Benefits System; this system covers Maryland jobs eligible for Unemployment Insurance (UI); it does not include employment ineligible for UI benefits or jobs outside of the state of Maryland.

Profile of Custodians & Noncustodial Parents

A child support case is composed of a noncustodial parent, a custodian, and the children they have in common. There were 12,454 cases in the July 2010 sample of active child support cases. Among these cases, there were 12,277 noncustodial parents. There are fewer noncustodial parents than number of cases because noncustodial parents can have more than one case as a noncustodial parent or even a case as a custodian. The same applies to the 12,324 custodians in the sample.

Table 1 presents some characteristics of the adults associated with the sampled cases. The majority (94.2%) of custodians in the sample is female, while the majority (91.2%) of noncustodial parents is male. The typical adult in both groups is African American (66.1% of custodians; 68.4% of non-

custodial parents). The average age of custodians is 39 and is 40 for noncustodial parents.

Examining available employment data, we find evidence of economic hardship. Only one in three (34.4%) noncustodial parents and slightly more than two in five (43.7%) custodians were employed in a Maryland UI-covered job at some point between July and September 2010. Of the noncustodial parents employed in this quarter, average quarterly earnings were \$8,251. For employed custodians, average quarterly earnings were \$7,378. The average annual earnings for both groups were similar, just over \$25,000. For comparison, the federal poverty line for a family of four in 2010 was \$22,050 (HHS, 2010).

Table 1. Characteristics of Custodians and Noncustodial Parents

	Noncustodial Parents (n=12,277)	Custodians (n=12,324)
Gender***		
Male	91.2% (11,112)	5.8% (715)
Female	8.8% (1,075)	94.2% (11,573)
Race***		
African American	68.4% (7,124)	66.1% (7,096)
Caucasian	27.2% (2,830)	29.5% (3,169)
Other	4.5% (465)	4.3% (466)
Age***		
Mean [median]	40.2 [40.1]	39.3 [38.7]
Employment		
Percent employed in the quarter of study month*** [July 2010 to September 2010]	34.4% (4,152)	43.7% (5,194)
Mean [median] quarterly earnings***	\$8,251 [\$6,978]	\$7,378 [\$6,522]
Percent employed in the previous year*** [July 2009 to June 2010]	43.9% (5,291)	51.7% (6,145)
Mean [median] annual earnings**	\$26,633 [\$20,127]	\$26,841 [\$22,952]

Note: Counts may not sum to totals due to missing data. Valid percentages are reported. Earnings data does not include unemployed individuals. *p<.05, **p<.01, ***p<.001

Profile of Participating Children

For a custodian seeking support, the process begins with paternity establishment. A child's paternity must be legally established either through marriage, voluntarily through an affidavit of parentage, or through a court order before a court can determine an order amount for child support. In the July 2010 sample of 12,454 cases, there were 13,015 participating children, that is, the child support agency was actively pursuing support for these children who had not yet emancipated from the case.

More than eight in ten (84.5%) children had established paternity, and about five percent (4.7%) had a mother as the noncustodial

parent so paternity was not required. One in ten (10.8%) children did not have established paternity, however.

The average age of participating children in the sample is 11. Nearly one in five (17.7%) children were four years old or younger, while nearly one-quarter (22.6%) were near the age of majority (15 to 18 years old). The few (7.9%) children older than 18 may still be on a child support case due to stipulations made in the court order or because the child was still in high school, since Maryland requires support as long as the child is attending high school (Maryland Department of Human Resources, n.d).

Table 2. Paternity Status and Age of Participating Children (*n*=13,015)

Paternity Status	
Paternity Established	84.5% (10,994)
NCP is Mother	4.7% (616)
Establishment required	10.8% (1,405)
Age of Participating Children	
Newborn to 4 years	17.7% (2,297)
5 to 9 years	23.8% (3,098)
10 to 14 years	28.1% (3,650)
15 to 18 years	22.6% (2,940)
Over 18 years	7.9% (1,024)
Mean [Median] Age	11.31 [11.58]

Child Support Case Characteristics

The previous sections examined the characteristics of individuals on a child support case: custodians, noncustodial parents, and children. This section will focus on three characteristics of the 12,454 child support cases in the July 2010 sample, including the number of children on a case, the percent of cases where the custodian and/or child received welfare, and the type of established orders for child support.

As displayed in Table 3, the majority (75.7%) of cases in the July 2010 sample were associated with only one child. About one in five (18.7%) cases had two children on the case, and very few (5.6%) cases had three or more children on an individual case.

Large percentages of cases were associated with custodians who received welfare assistance through Maryland's

Temporary Cash Assistance (TCA) program either for themselves and their children or on behalf of children in their custody. One in ten (9.5%) cases in the July 2010 sample had custodians who were current TCA recipients. An additional 52.2% of cases were associated with custodians who had received TCA benefits at some point in the past. It can be vital for these custodians and children to receive child support in a regular and timely fashion in order to remain self-sufficient without welfare.

Three-quarters (73.4%) of all sample cases had an order for support in July 2010, while one-quarter (26.6%) did not. More than one in ten (13.6%) sample cases had an order for current support only and one in five (20.8%) cases had an order for arrears only. Two in five (39.0%) cases, however, had an order for both arrears and current support.

Table 3. Child Support Case Characteristics (*n*=12,454)

Number of Participating Children per Case	
One	75.7% (7,723)
Two	18.7% (1,910)
Three or more	5.6% (571)
Temporary Cash Assistance Receipt by Case	
Current Recipient	9.5% (1,187)
Former Recipient	52.2% (6,496)
Never a Recipient	38.3% (4,771)
Orders in Effect in July 2010	
Current Support Only	13.6% (1,688)
Arrears Only	20.8% (2,596)
Both Current Support & Arrears	39.0% (4,858)
No Order	26.6% (3,312)

Note: In the first section of Table 3, 'Number of Participating Children per Case,' we excluded cases with no participating children (*n*=2,250). All other analyses in Table 3 include all 12,454 cases. Valid percentages are reported.

Current Support

Current support is collected on behalf of a minor child from noncustodial parents. Ideally, the provision of current support is regular, contributing to a family's economic stability. Examining child support data is somewhat complex. For example, a noncustodial parent may have multiple cases, cases may have multiple children, and there may be multiple support orders (arrear and current support) per case.

Table 4 presents the amount of current support owed among the 2010 sample and the payments distributed to those cases. Slightly over half (52.6%) of sampled cases had an order for current support in July

2010 and order amounts were for an average of \$381 per month (median \$313).

In the year before the study month—July 2009 to June 2010—a slightly higher percentage of cases (56.7%) were owed current support, which averaged an annual total of \$4,113 per case (median \$3,396).

Most cases that were owed current support received payment distributions. Among the cases with current support due in the previous year, eight in ten (80.9%) received at least one distribution some time in that year. The average total distribution for the year was \$3,321 (median \$2,558) per case.

Table 4. Current Support

Current Support Orders in July 2010	
Percentage of cases with a current support order	52.6% (6,546)
Mean [median] monthly current support order per case	\$381 [\$313]
Current Support Due in the Prior Year <i>[July 2009 to June 2010]</i>	
Percentage of cases with current support due	56.7% (7,059)
Mean [median] annual current support owed per case	\$4,113 [\$3,396]
Current Support Distributed in the Prior Year <i>[July 2009 to June 2010]</i>	
Percentage of current support cases with a distribution	80.9% (5,714)
Mean [median] annual current support distributed per case	\$3,321 [\$2,558]

Arrears

Arrears are past-due child support obligations owed by the noncustodial parent to the custodian or to the state for any TCA benefits provided to the custodial family. The noncustodial parents who fail to keep up with current support payments can accumulate large arrears balances over time. Table 5 presents case-level data on arrears orders and balances in the 2010 sample. Three-fifths (59.8%) of all cases in the sample had an order for arrears in the study month. For cases with these orders, the average monthly order amount was \$113 (median \$69).

A slightly higher percentage of cases in the sample (63.8%) had an outstanding arrears balance indicating that arrears are owed even though an order may not be established for the arrears; this may be especially true among cases where only arrears are owed. Of those cases with an outstanding arrears balance, the average amount of the total balance was \$10,313 (median \$5,628). Among cases with an arrears balance, three in five (61.3%) cases received at least one payment distribution to arrears in the last year, averaging a total of \$1,023 (median \$540) for the entire year.

Table 5. Arrears Orders and Balances

Cases with Arrears Orders in July 2010	
Percentage of cases with an arrears order	59.8% (7,454)
Mean [median] monthly arrears order per case	\$113 [\$69]
Cases with an Arrears Balance in July 2010	
Percentage of cases with an outstanding arrears balance	63.8% (7,941)
Mean [median] total outstanding arrears balance per case	\$10,313 [\$5,628]
Cases With Distributions to Arrears Balance in Prior Year <i>[July 2009 to June 2010]</i>	
Percentage of arrears-balance cases with a distribution	61.3% (4,870)
Mean [median] annual arrears amount distributed per case	\$1,023 [\$540]

Conclusions

The public child support program is one of the nation's and our state's largest child-focused program. And while this public program is available to all families of any income level and is used by higher income families, often, parents in the public child support caseload struggle with economic instability. For custodians, this means that timely, regular child support payments can be a vital piece of their household incomes. For noncustodial parents, however, economic instability can mean difficulty paying current support and the accumulation of large arrears balances. With proper enforcement techniques and order establishment, Maryland's child support agency can help all parents ensure their children receive the necessary financial support.

Maryland has much to be proud of in its child support program. For the majority of children in the active Maryland caseload paternity is not an issue, most cases have support orders in effect, and most cases received at least some child support in the past year regardless of the low average incomes of noncustodial parents in the caseload. On the other hand, there still remain areas where improved outcomes

would benefit not only individual children, but also the Maryland child support and TCA programs and our state's hard-working families, more generally. About one in ten children requires paternity establishment, about one in five cases with a current support order in effect received no support payment from the noncustodial parent within the past year, and three in five cases have an arrears balance.

Children and their custodians tend to be involved with the child support program for many years. When families begin participating in the public child support system, the children may be infants at the time and the support orders usually last until the children's 18th birthdays. Hence, this program has direct, immediate, day-to-day and long-term effects on the lives of hundreds of thousands of hard-working families and their children. Maryland demonstrates its commitment to these families through the continued effort and innovative practices of executive staff at the Child Support Enforcement Administration and the local directors and frontline workers that collect financial support on behalf of custodial families.

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