

PEOPLE & PAYMENTS: A PROFILE OF MARYLAND'S CHILD SUPPORT CASELOAD IN JULY 2011

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Child support is one of the largest child-centric programs in the state of Maryland and in the nation. Additionally, the population served by the child support program is larger and more diverse than the client base of many other social programs, because all families can participate regardless of income or economic status.

The fundamental goal of the public child support program is to improve the economic well-being of children who do not reside with both of their parents by ensuring that both parents contribute financially. In 2011, the Maryland Child Support Administration collected nearly half a billion dollars on behalf of over two hundred thousand of the state's children; nationwide, the public child support program distributed over \$27 billion (OCSE, 2012).

Local child support offices, however, face a complex process in getting this financial support to custodial families. Before support can be distributed, a child's paternity must be legally determined, a support order must be established through the court system, and payments must be made by noncustodial parents. In fact, the federal Office of Child Support Enforcement (OCSE) uses five measures to assess states' performance at each of these steps.

Specifically, states are measured according to the percentage of children in the state with established paternity, the percentage of open child support cases which have established orders for support, the percentage of current support due which is collected, and the percentage of arrearage cases which

received payments. OCSE also measures states' cost effectiveness by dollars spent over dollars received. These measures paint a clearer picture of the effectiveness of state child support programs than any one measure alone.

The *People and Payments* series provides Maryland's policymakers and program staff with state-specific empirical data, informing their efforts to maintain positive program outcomes and enrich future policy development. This brief is based on a three percent randomized sample of public child support cases active in July 2011 (n=7,270). It examines key characteristics of cases and of participating parents and children, such as participant demographics, employment, and welfare receipt, as well as child paternity, established support orders, and payments distributed to current support and arrears.

Information about the caseload is derived from two databases maintained by the State of Maryland. Identifying information and demographic data on children, noncustodial parents, and custodial parents receiving services from the child support agency, as well as support order amounts and payments were obtained from the Child Support Enforcement System (CSES). Employment and earnings data in a Maryland job covered by Unemployment Insurance (UI) are obtained from the Maryland Automated Benefits System (MABS). These data only provide aggregate quarterly earnings, therefore number of hours worked or average hourly wages cannot be determined from this data.

Profile of Custodians & Noncustodial Parents

A child support case is composed of the noncustodial parent, the custodian, and the children they have in common. Table 1 presents data describing the adults in the sample. Some of these adults have multiple child support cases, therefore there are fewer noncustodial parents (n=7,182) and custodians (n=7,211) than cases (n=7,270). In fact, 74 noncustodial parents were also a noncustodial parent or custodian on another case (or two) among the sample of 7,270 cases. Custodians too can have multiple cases as a custodian or as a noncustodial parent.

The typical custodian in the sample is an African American (66.8%) woman (94.8%) with an average age of 39. The typical noncustodial parent is an African American (69.7%) man (92.1%) with an average age of 40. A majority of both groups were not employed in the quarter of the study month, with only one-third (34.0%) of noncustodial parents and more than two-fifths (42.6%) of

custodians having any reported work in a Maryland UI-covered job, although they may have employment outside of Maryland. Regardless, these findings are suggestive of economic hardship, making it vital that custodians receive support payments and, additionally, more difficult for noncustodial parents to make those payments.

For the noncustodial parents employed between July and September 2011, average quarterly earnings were \$8,417, compared with \$7,380 for custodians employed in the quarter. Both groups earned a similar average annual income, about \$25,000. The median annual income of noncustodial parents (\$19,395) is nearly \$7,000 less than their average income (\$26,029) and signifies that half of noncustodial parents earned more than \$19,395 in the previous year and half earned less than that amount. Similarly, the median annual income is nearly \$4,000 less than the average amount for custodians (\$21,226 vs. \$24,932).

Table 1. Characteristics of Custodians and Noncustodial Parents

	Noncustodial Parents (n=7,182)	Custodians (n=7,211)
Gender***		
Male	92.1% (6,573)	5.2% (372)
Female	7.9% (565)	94.8% (6,823)
Race***		
African American	69.7% (4,328)	66.8% (4,239)
Caucasian	25.6% (1,588)	28.7% (1,821)
Other	4.7% (292)	4.5% (285)
Age Mean [median]***	40.1 [39.8]	39.0 [38.1]
Employment		
Percent employed in the quarter of study month*** [July 2011 to September 2011]	34.0% (2,420)	42.6% (3,035)
Mean [median] quarterly earnings***	\$8,417 [\$7,360]	\$7,380 [\$6,490]
Percent employed in the previous year*** [July 2011 to September 2011]	42.9% (3,054)	50.6% (3,606)
Mean [median] annual earnings*	\$26,029 [\$19,395]	\$24,932 [\$21,226]

Note: Seven individuals are a noncustodial parent on one case and a custodial parent on a separate case within the sampled active cases; therefore, these individuals' demographic and employment information was included in the counts for both noncustodial parents and custodians. Counts may not sum to totals due to missing data. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

Profile of Participating Children

Paternity establishment is a critical first step in the child support process. A child's paternity must be formally established, creating a legal relationship between the child and the child's father, before an order for support can be set. Establishment can be made through marriage, affidavit of parentage, or a court order. Some children, however, do not require paternity establishment, because the mother of the child is the noncustodial parent.

Figure 1 presents the paternity status of the 7,779 participating children in the sample. Participation status indicates that the child was not emancipated and the child support agency was actively pursuing support for the child. In July 2011, a majority (83.7%) of participating children in the sample had paternity established. However, one in ten (11.6%) children lacked paternity establishment, and one in twenty (4.7%) children did not require paternity establishment since their mother was the noncustodial parent.

Figure 1. Paternity Status (n=7,779)

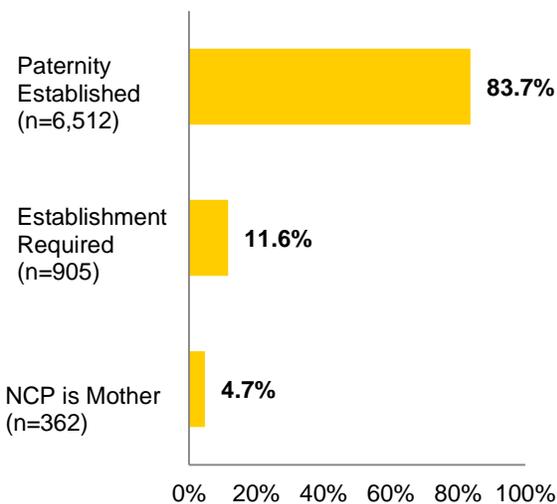
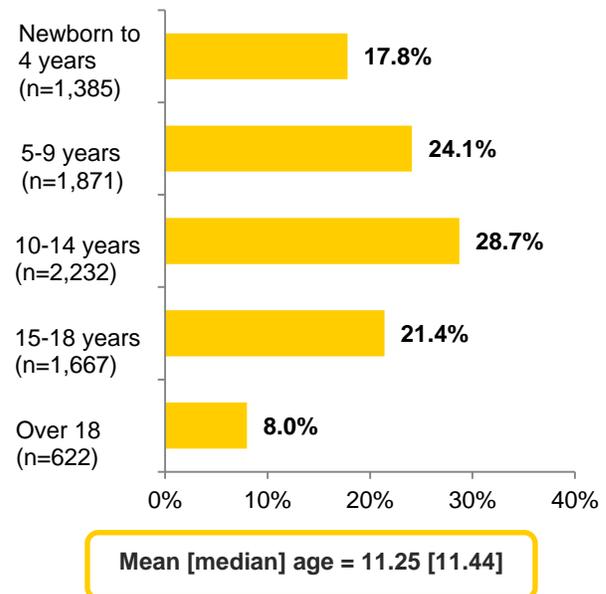


Figure 2 provides the ages of participating children. Half (52.8%) of the children are between the ages of 5 and 14 with an average and median age of 11 years. However, about one in five children are either ages 15 to 18 years (21.4%) or 4 years or younger (17.8%).

In general, children in Maryland are eligible to receive current support until the age of 18 or until they finish high school, so the typical child in the caseload is likely to continue participating in the child support program for several years (Maryland Department of Human Services, n.d.).

Figure 2. Children's Age (n=7,779)



Note: Counts may not sum to totals due to missing data. Valid percentages are reported.

Child Support Case Characteristics

The previous sections examined the characteristics of individuals on a child support case: custodians, noncustodial parents, and children. Table 2 focuses on three characteristics of the 7,270 child support cases in the July 2011 sample, including the number of children on a case, the percent of cases where the child and/or custodian received welfare, and the type of orders for child support.

Most (76.3%) cases have a single child. Less than one-quarter (23.7%) of cases have multiple children calculated in the support order amount, and very few (5.8%) have three or more children on the case.

Families that receive welfare assistance through Maryland's Temporary Cash Assistance (TCA) program do not receive any child support payments that are made on their behalf since those funds are retained by the state to recoup the cost of providing cash assistance to the family. However, some families may need the receipt of public assistance especially if they are not currently receiving any child support from the noncustodial parent. Nonetheless,

the receipt of child support can be an effective tool in reducing the likelihood of a family returning to welfare (Huang, Kunz, & Garfinkel, 2002; Srivastava, Ovwigho, & Born, 2001).

More than six in ten (62.9%) families received TCA benefits, indicating that many families are struggling or have struggled to maintain a self-sufficient income. One in ten (10.2%) families were receiving cash assistance in July 2011, while half (52.7%) had previously received benefits at some point. More than one-third (37.2%), however, had not received any TCA benefits.

In July 2011, three-quarters (74.2%) of cases had an order established for child support. More than one in ten (12.7%) sample cases had an order for current support only. One in five (21.8%) cases had an order for only arrears, while two in five (39.7%) cases had an order for both arrears and current support. One-quarter (25.8%) of cases did not have an order for support.

Table 2. Child Support Case Characteristics (*n*=7,270)

Number of Participating Children per Case	
One	76.3% (4,632)
Two	17.9% (1,085)
Three or more	5.8% (350)
Temporary Cash Assistance Receipt by Case	
Current recipient	10.2% (740)
Former recipient	52.7% (3,828)
Never a recipient	37.2% (2,702)
Orders in Effect in July 2011	
Current Support Only	12.7% (923)
Arrears Only	21.8% (1,582)
Both Current Support & Arrears	39.7% (2,883)
No Order	25.9% (1,882)

Note: In the first section of Table 2, 'Number of Participating Children per Case,' we excluded cases with no participating children (*n*=1,203). All other analyses in Table 2 include all 7,270 cases. Valid percentages are reported.

Current Support

Current support refers to a support order set by a court that requires noncustodial parents to make regular payments toward the financial support of their child. Ideally, payments are collected on a monthly basis from noncustodial parents and distributed to the custodial families.

Table 3 presents average current support orders and payment distributions for each case. Half (52.4%) of the sampled cases had an order for current support in the study month of July 2011. Order amounts for current support averaged \$387 per month in the sample, with a median order of \$318 per

month.

Slightly more cases (56.6%) had an order for current support at some point in the prior year (July 2010 to June 2011), and total current support due in that year averaged \$4,174, with a median of \$3,396 per case. Much to the credit of the Maryland Child Support Enforcement Administration, eight in every ten (81.2%) cases with current support due in the previous year received at least one distributed payment in that year. These cases received an average total distribution of \$3,357, with a median of \$2,605 in the prior year.

Table 3. Current Support

Current Support in July 2011	
Percentage of cases with a current support order	52.4% (3,806)
Mean [median] monthly current support order per case	\$387 [\$318]
Current Support Due in the Prior Year <i>[July 2010 to June 2011]</i>	
Percentage of cases with current support due	56.6% (4,118)
Mean [median] annual current support owed per case	\$4,174 [\$3,396]
Current Support Distributed in the Prior Year <i>[July 2010 to June 2011]</i>	
Percentage of current support cases with a distribution	81.2% (3,344)
Mean [median] annual current support distributed per case	\$3,357 [\$2,605]

Arrears Payments

Unpaid current support obligations become arrears obligations owed by noncustodial parents. Table 4 presents case-level data describing arrears orders and total arrears owed. About three-fifths (61.5%) of the cases in the sample had active arrears orders in July 2011, with an average monthly order amount of \$115 (median=\$72).

A slightly larger percentage (64.7%) of sample cases had outstanding arrears balances amounting to an average of \$10,750, with a median balance of about half as much (\$5,953). The median amount indicates that half of cases with an arrears balance had a balance greater than \$5,953 and half had a balance less than that amount, suggesting that the high average amount is influenced by some very high arrears balances.

Three in five (61.4%) of these cases with an arrears balance had at least one distribution to that balance in the year prior to July 2011. The average arrears distribution was \$1,025, more than \$2,000 less than the average total current support distribution during the same year (\$3,357). The median amount distributed to the arrears balance was even lower—\$565.

This disparity in payments to arrears balances highlights the difficulty at least some noncustodial parents may have in paying down arrears once they accumulate a balance. Research has shown that low-income noncustodial parents, especially, are much less able to avoid arrears by keeping up with current support and less likely to have the means to pay down arrearages (Cancian, Meyer, and Han, 2011; Bartfeld, 2003).

Table 4. Arrears Orders and Balances

Cases with an Arrears Order in July 2011	
Percentage of cases with an arrears order	61.5% (4,465)
Mean [median] monthly arrears order per case	\$115 [\$72]
Cases with an Arrears Balance in July 2011	
Percentage of cases with an outstanding arrears balance	64.7% (4,707)
Mean [median] total outstanding arrears balance per case	\$10,750 [\$5,953]
Cases With Distributions to Arrears Balance in Prior Year <i>[July 2010 to June 2011] (n=4,707)</i>	
Percentage of arrears-balance cases with a distribution	61.4% (2,888)
Mean [median] annual arrears amount distributed per case	\$1,025 [\$565]

Conclusions

Child support payments are a crucial resource for families, and the public child support program is a critical tool for ensuring that custodial families receive these payments on a regular basis. Child support is of especial importance to low-income families, for whom support payments can mean the difference between self-sufficiency and financial dependence on programs like TCA. Child support payments can represent a significant proportion—up to 40 percent—of a low-income custodial parent’s annual income (Sorensen, 2010). Continued improvements in collections and order establishments will mean more of Maryland’s children receive the support they need to thrive.

Although there may be need for some improvement, especially among lower-income families, Maryland has been very successful in ensuring children receive financial support. Nine in ten cases have paternity established. Three of every four cases have an order for support, either current support or arrears. And most importantly, eight in every ten cases received at least one distribution to current support in the previous year, and two in five cases had a distribution to their arrears balance in the previous year. These payments provide custodial parents with the necessary support to raise the child in their custody, and potentially result in self-sufficiency from public cash assistance.

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