



# ASPE

## RESEARCH BRIEF

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### THE INTERACTION OF CHILD SUPPORT AND TANF

Child support is an important income source for many low-income families, and the receipt of support may be most critical for women as they transition off welfare. In the post-welfare reform era emphasizing work and self-sufficiency, many policymakers now consider child support as a key income support.

Administrators at all levels of government are increasingly recognizing the importance of collaboration between various social service agencies, and the agencies administering welfare (Temporary Assistance for Needy Families, or TANF) and child support are no exception. In the effort to support self-sufficiency, for example, it is important that custodial parents, primarily mothers, know the rules of child support, establish orders, begin to receive child support while on welfare and receive child support payments on a regular basis after leaving welfare. For this to happen, collaboration between TANF and child support agencies is essential.

To examine the interaction of child support and welfare receipt, MDRC, along with researchers from the Lewin Group and The University of Wisconsin-Madison, analyzed data from five sources: the Survey of Income and Program Participation (SIPP), the Project on Devolution and Urban Change, Parents' Fair Share (PFS), the Wisconsin Child Support Demonstration Evaluation (CSDE), and Welfare Waiver Evaluations in Connecticut, Florida, Minnesota, and Vermont. The survey and administrative data was restricted to women eligible to receive child support and who had received welfare in the recent past. These data ranged from a nationally representative sample to very select geographic and programmatic subgroups and covered the periods before and after passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. Although the data sources cover a variety of time periods and populations, it is important to remember that they do not represent the most current state of the child support system.

Key findings show that:

**Child support is a significant source of family income.** When families receive child support, it is an important contributor to their overall income, and it generally takes on more importance in the family budget after women leave welfare. Among all women in the samples who receive child support, this support represents a substantial share of family income, ranging from 12 percent in PFS to 25 percent in the SIPP.

Child support receipt increases over the long term, although payments are somewhat unreliable from month to month. Award rates increased over time and those with awards had an increase in payments (SIPP and UC). Among women who were receiving child support in the first year of measurement, most were receiving a similar amount (51%) or more (34%) five years later (CSDE). However, from 35 percent to 39 percent of women receiving child support early on did not receive payments for more than 5 consecutive months (PFS and SIPP).

**Child support can strengthen family self-sufficiency.** In the national SIPP sample, child support receipt increased the likelihood of leaving welfare and of being employed within the six months following welfare exit. However, consistent effects on work and self-sufficiency were not identified in the experimental data, which looked at more limited samples.

**Child support distribution policy makes a difference.** Families receive more of the child support collected on their behalf when they leave TANF, and when there is a partial or full pass-through. In the SIPP, for example, among women who were still on welfare, 36 percent had orders and 20 percent reported receiving payments. Among those who had left welfare, 49 percent had orders and 28 percent received payments. Among those with orders, women who had left welfare were also more likely to receive payments (50 percent versus 43 percent), although average order amounts were similar. This pattern also holds for the Urban Change sample. More generous pass-through and distribution policies increase payment rates by fathers and receipt rates by mothers. In Wisconsin, moving from a partial to a full pass-through policy led to an increase in payments by noncustodial fathers and an increase in the average amount paid, although the latter effect was statistically significant only for a limited time.

**Parents do not understand child support distribution rules, nor do they know when the rules have changed.** Results from the SIPP suggest that, nationwide, mothers who are receiving welfare do not know how much support is being collected on their behalf or how their child support collections are distributed. In Wisconsin, half of custodial parents and nearly three-quarters of noncustodial parents did not understand the child support distribution rules. Experience in the child support system is associated with higher knowledge levels, but even parents with a substantial welfare history have fairly low levels of knowledge. Low knowledge levels were found for those who experienced a change in policy, moving from the partial pass-through under AFDC to the full pass-through under W-2. Since behavioral changes are contingent on understanding distribution policy, educating both parents is an important part of distribution policy changes.

**Among the four state welfare waiver programs analyzed, the two programs with welfare time limits increased child support receipt and decreased welfare receipt.** Florida's Family Transition Program and Connecticut's Jobs First led to statistically significant reductions in welfare receipt, which is expected, given that they include time limit, and increases in child support receipt. This may be because caseworkers paid more attention to child support at the point of welfare exit, particularly in Florida's Family Transition Program in which eligibility for nonwelfare benefits and supports was assessed at exit interviews.

A full copy of the report can be accessed at: <http://aspe.hhs.gov/hsp/>