

Can a redesigned child support system do better?

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TAKEAWAYS

Satisfaction with the child support system improved substantially for noncustodial parents when a less punitive and more individualized approach was used.

Effects on other child support outcomes were modest.

CSPED also had some positive effects on earnings and parenting.

Costs outweighed benefits in the short-term, but in the longer term it is expected that benefits would outweigh costs.



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Changes in family structure have led to a substantial increase in single-parent households. The child support system is designed to ensure that noncustodial parents contribute financially to the upbringing of their children, but it does not work well for many families. As detailed in the introduction to this issue, the National Child Support Noncustodial Parent Employment Demonstration Program (CSPED) offered a new approach to child support, intended to make child support payments by noncustodial parents struggling to find and keep work more consistent. CSPED was a rigorous, randomized controlled trial with three primary study components: an implementation analysis (summarized in the first article in this issue); an impact analysis; and a benefit-cost analysis. This article summarizes the key findings of the impact and benefit-cost analyses.

The research questions examined in this article are:

- Did CSPED increase the reliability of child support?
- Did CSPED change the attitudes of noncustodial parents towards the child support system?
- Did CSPED have any effect on noncustodial parent employment and earnings?
- Did CSPED have any effect on measures of parenting?
- Did the benefits of CSPED outweigh the costs?

Additional research questions are addressed in the full CSPED impact report.¹

Methods

The CSPED impact evaluation used a random assignment research design. At the time of enrollment, noncustodial parents applying for the program were randomly placed into one of two

Evaluation components

The evaluation was conducted across all eight CSPED states and all 18 sites.

The three main study components are:

Implementation analysis

The implementation analysis allowed researchers to learn from the participating states about the challenges they faced in implementing CSPED, and the factors that supported program implementation and helped staff to overcome those challenges.

Impact analysis

The impact analysis allowed researchers to compare outcomes between those randomly assigned to receive the additional CSPED services (the treatment group) and those not assigned to receive additional services (the control group). Because assignment to the two groups was random, any differences between the groups can be attributed to CSPED. The outcome measures relate to noncustodial parents' (1) child support orders, payments and compliance, and attitudes toward the child support program; (2) work and earnings; and (3) sense of responsibility for their children.

Benefit-cost analysis

The benefit-cost analysis allowed researchers to compare the benefits of the CSPED program as measured in the impact evaluation to the costs it took to administer the program.

research groups of equal size: a treatment group that was eligible for CSPED services; or a control group that was not.² This research design addresses at least two challenges that otherwise make it difficult to measure program effects: external changes may affect outcomes, for reasons unrelated to the program; and individuals may agree to participate in a program for reasons that influence outcomes but are not directly related to the intervention. Without a similar comparison group, these challenges make assessing outcomes before and after treatment (in this case, participating in the CSPED program) less reliable.

One notable external change that occurred during the CSPED evaluation period was an improving economy, which lowered unemployment rates in all eight CSPED states, as shown in Figure 1. Given this improvement in the economy, we would expect employment and earnings to increase on average for all study participants regardless of whether they received the additional CSPED services. Indeed, among those in the control group, the rate of employment rose 3 percentage points between the year prior to random assignment and the year after, and average annual earnings increased by about \$975.

The evaluation uses a regression model that controls for the characteristics of participants measured at baseline to improve the precision of estimates. It weights the estimated impacts of the eight grantees equally to measure the average effect of CSPED across the eight grantees.

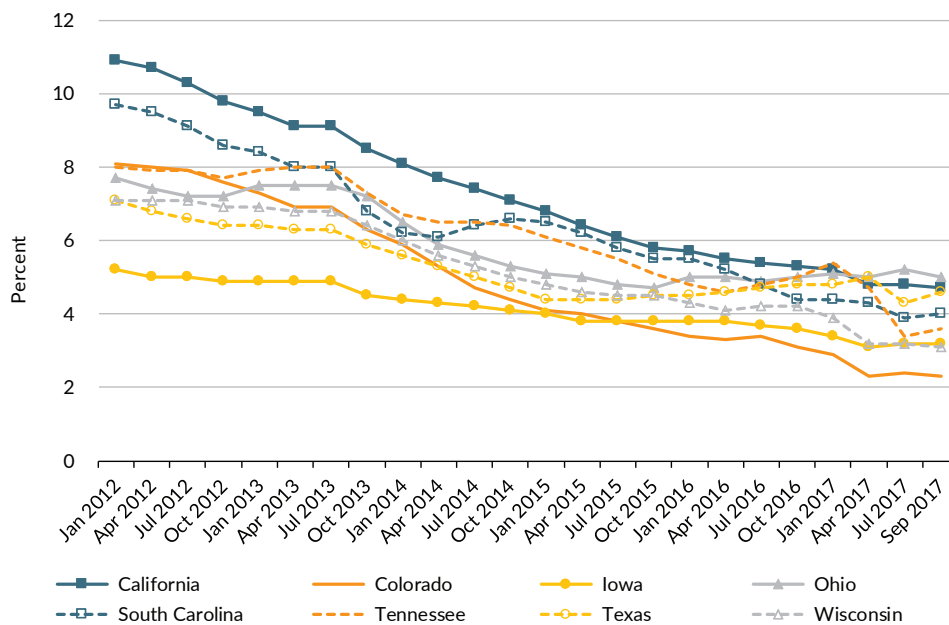
Advantages of a random assignment design

At study enrollment, program applicants were randomly placed into one of two research groups: a treatment group that was eligible for CSPED services; or a control group that was not. Study participants were divided equally across the two groups. We compared the groups across a wide variety of characteristics to see if they were statistically equal at the point of random assignment. The groups were equivalent on baseline measures of nearly all variables tested. The results suggest that the randomization process worked.

This random assignment structure ensures that the initial characteristics of the research groups are very similar. Any external factors that could affect outcomes will be experienced by both groups; for example, over the study period unemployment declined substantially in all states. Because the two groups have very similar initial characteristics and any external factors apply to both groups, any differences between the groups in outcomes that are too large to be due to chance can be attributed to the effect of the program.

Because the treatment and control group members are randomly selected from the pool of noncustodial parents who agreed to participate in the demonstration, this design also addresses the concern that individuals may have agreed to participate in a program for reasons that influence program outcomes but are not directly related to the intervention. For example, individuals who had been incarcerated could be more (or less) likely to agree to participate in CSPED. (While a history of incarceration could certainly affect program outcomes, it is not directly related to the CSPED treatment.)

Figure 1. State unemployment rates fell over the CSPED evaluation period.



Source: Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS).

CSPED aimed to affect outcomes in three main areas: (1) child support, (2) employment and earnings, and (3) parenting. Before beginning our analysis, we selected 14 specific outcome measures across these three areas. We kept the set of outcome measures relatively short in order to reduce the risk of finding statistically significant effects that were due to chance rather than to an actual effect of the program.

Our analysis relied on three principal data sources:

- A baseline survey, which collected information on noncustodial parents' demographic and socioeconomic characteristics; economic stability; children and relationships; and other background measures. These data are available for all 10,161 sample members.
- A 12-month follow-up survey, administered from December 2014 through December 2016, which focused on post-random-assignment activities, including participants' relationship with their children and their children's other parent(s); their satisfaction with child support services; the services they received; and their employment outcomes. Follow-up survey data are available for 4,282 of the 6,308 sample members who enrolled through June 2015.
- Administrative data on child support, public benefits receipt, and criminal justice involvement, which were collected from each grantee. Employment and earnings data were obtained from the National Directory of New Hires. Child support, employment, and earnings data were available for nearly all participants. Availability of other administrative data was more limited.

Results of the CSPED impact analysis

In order to assess the effects of the offer of CSPED services on our outcomes of interest, we compared the changes in those measures before and after CSPED for those in the treatment group to the equivalent changes for those in the control group.

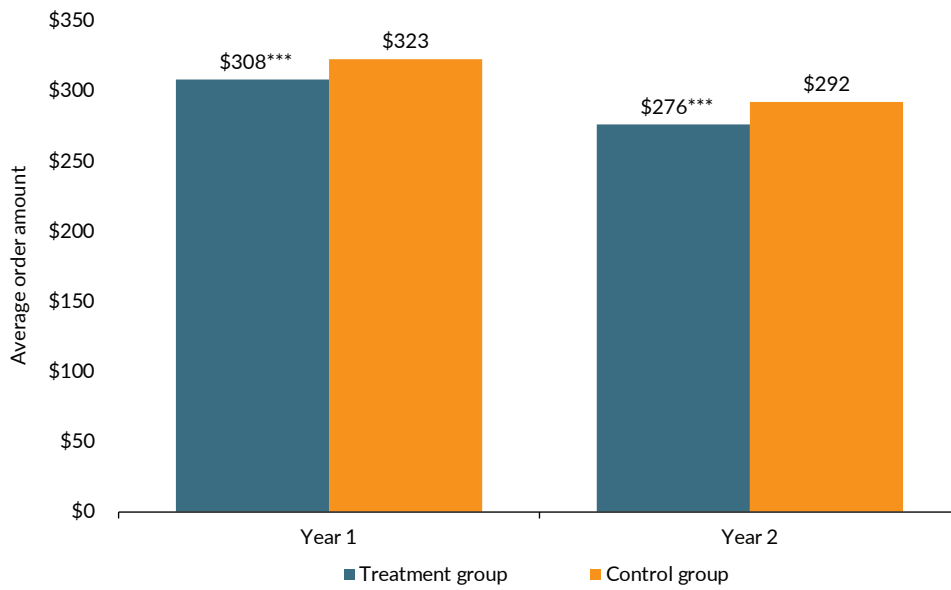
Effects of CSPED on child support outcomes

The primary goal of CSPED was to increase the reliability of child support payments. To assess this, we used three measures: (1) the child support order amount (the amount owed to the custodial parent each month); (2) the amount actually paid towards that monthly order (not counting any payments towards past-due amounts); (3) and compliance with the monthly order, measured as the ratio of child support paid to the amount owed (so, if a noncustodial parent paid \$200 on a \$200 order, compliance would be 100 percent, and if they paid \$100 on the same order, compliance would be 50 percent).

CSPED had a large effect on noncustodial parents' level of satisfaction with child support services.

Consistent with the goal of “right-sizing” child support orders to put them better in line with noncustodial parents' ability to pay, we find that CSPED reduced current child support orders by \$15 to \$16 per month (Figure 2). While both the treatment and the control groups saw a decline in their order amounts, the treatment group had a larger decline. This finding may reflect the fact that, as part of the enhanced child support services component, the CSPED treatment included a review of child support orders with order modifications requested if appropriate. Given the low income and work history levels among the CSPED target population, we expected that most modifications would result in lower order amounts. Along with the decrease in order amounts, we also found a corresponding small

Figure 2. CSPED reduced current child support orders by \$15 to \$16 per month.

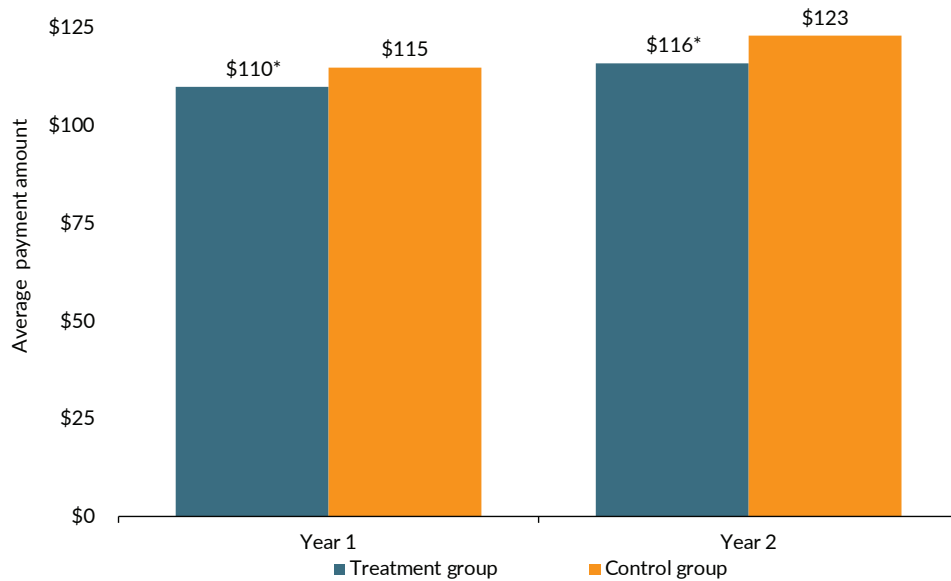


Source: Administrative data.

Notes: Impacts are adjusted using a pooled regression controlling for participant's baseline characteristics. Impact estimates are calculated using a weighted average of state-level impacts in which all states are weighted equally. Child support outcomes from administrative data are based on the 9,703 participants for whom administrative data were available.

*** Impact estimates are statistically significant at the .01 level, two-tailed test.

Figure 3. CSPED led to a small reduction in current child support payments, of about \$4 to \$6 per month over the first two years.



Source: Administrative data.

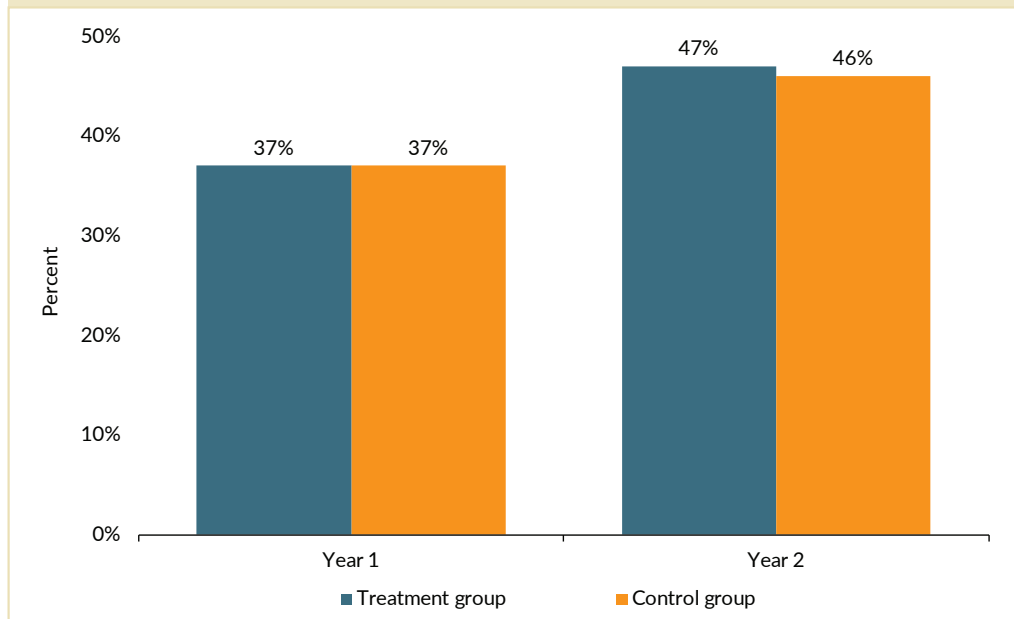
Notes: Impacts are adjusted using a pooled regression controlling for participant's baseline characteristics. Impact estimates are calculated using a weighted average of state-level impacts in which all states are weighted equally. Child support outcomes from administrative data are based on the 9,703 participants for whom administrative data were available.

* Impact estimates are statistically significant at the .1 level, two-tailed test.

reduction in current child support payments, of about \$4 to \$6 per month over the first two years (Figure 3). Note that payments increased from Year One to Year Two for both groups, but by a larger amount for the control group compared to the treatment group. The decline in payments held in our base model, but it was not robust to alternative specifications or analyses.

The primary measure used to assess progress towards CSPED's central goal of improving the reliability of child support payments was child support compliance, the ratio of child support paid to the amount owed. We find no effect of CSPED on this measure, as shown in Figure 4. The proportion of child support paid in the first year was 37 percent for both groups, increasing in the second year by about 10 percentage points for both groups. While the treatment group had slightly higher compliance in the second year, the difference was not statistically significant.

Figure 4. CSPED had no effect on child support compliance, the ratio of child support paid to the amount owed.

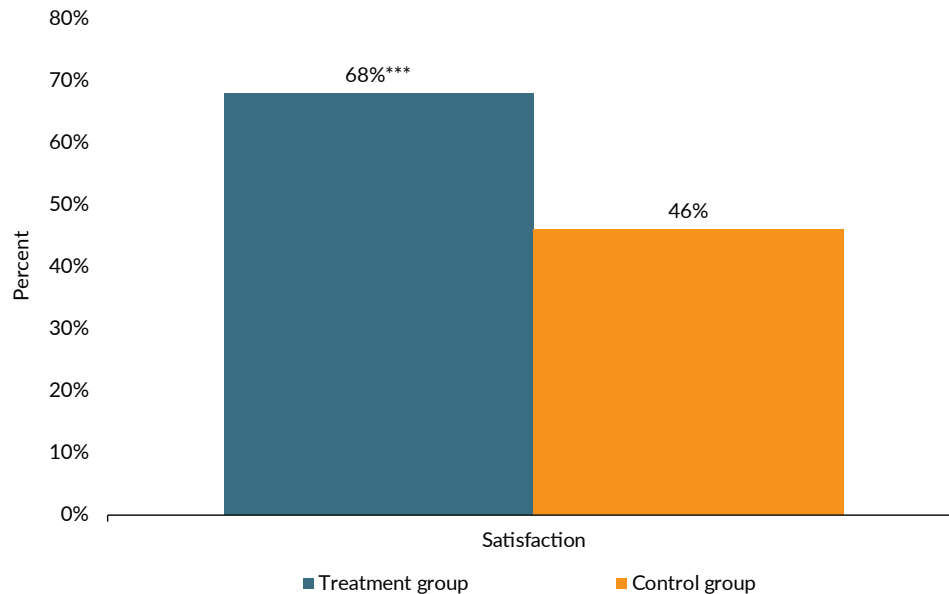


Source: Administrative data.

Notes: Impacts are adjusted using a pooled regression controlling for participant's baseline characteristics. Impact estimates are calculated using a weighted average of state-level impacts in which all states are weighted equally. Child support outcomes from administrative data are based on the 9,703 participants for whom administrative data were available.

While CSPED had only modest effects (or no effects) on various child support outcomes, it did have a large effect on noncustodial parents' level of satisfaction with child support services. Nearly 70 percent of parents in the treatment group reported that they were satisfied, compared to less than half of those in the control group (Figure 5). Improving noncustodial parents' opinion of the child support program was a key element of the CSPED model, reflecting concerns that many low-income noncustodial parents had negative attitudes about the program, which then reduced their cooperation with it.³ Thus an increase in satisfaction is important since it suggests that there are steps that child support programs can take to reduce noncustodial parents' dissatisfaction, which could increase cooperation and, over a longer time period, lead to better child support payment outcomes.

Figure 5. CSPED substantially improved noncustodial parents' level of satisfaction with child support services.



Source: Follow-up survey.

Notes: Impacts are adjusted using a pooled regression controlling for participant's baseline characteristics. Impact estimates are calculated using a weighted average of state-level impacts in which all states are weighted equally.

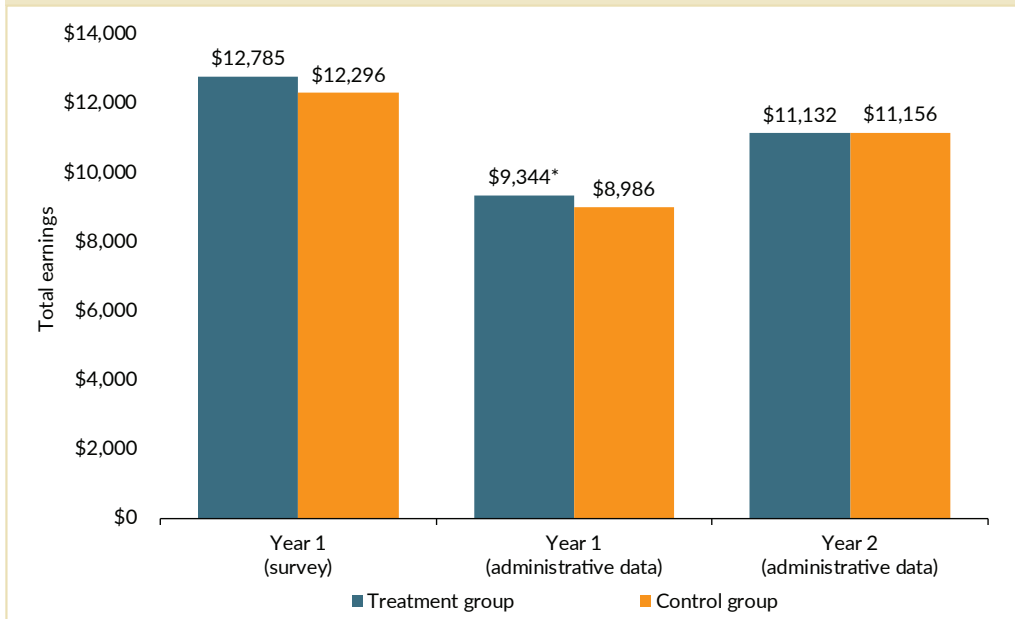
*** Impact estimates are statistically significant at the .01 level, two-tailed test.

Effects of CSPED on labor market outcomes

CSPED was also intended to help participants find and keep employment, which was then expected to improve noncustodial parents' economic well-being, and increase their ability to pay child support. We use both survey and administrative data to examine the effect of CSPED on employment and earnings. Survey data have the benefit of measuring all types of employment, including informal and formal employment, but they are self-reported and rely on participants' memory. They are also available only during the first year. Administrative data have the benefit of measuring employment in the formal economy, where earnings can be more readily withheld by the child support program, and are available for two years following enrollment. We find no effect of CSPED on the duration of participant employment. In the participant survey, noncustodial parents in both groups reported working, on average, a total of about 1,000 hours and during about seven months in the first year. Similarly, using administrative data we find that noncustodial parents in both groups were employed for just over four out of eight quarters in the two years after random assignment.

CSPED significantly increased contact of noncustodial parents with their nonresident children over the prior month by one day, and decreased use of harsh discipline strategies among respondents who had in-person contact with nonresident children.

Figure 6. CSPED increased participants' earnings according to administrative data in the first year after random assignment but not the second; this finding is not reflected in participant reports from survey data.



Source: Follow-up survey and administrative data.

Notes: Impacts are adjusted using a pooled regression controlling for participant's baseline characteristics. Impact estimates are calculated using a weighted average of state-level impacts in which all states are weighted equally.

* Impact estimates are statistically significant at the .1 level, two-tailed test.

Based on an analysis of administrative data, CSPED increased participants' earnings by about 4 percent in the first year, though this effect did not persist to the second year, nor is it reflected in noncustodial parent reports of first-year earnings in the participant survey (Figure 6).

Effects of CSPED on parenting outcomes

The third and final major area that CSPED was intended to address was parenting. We find that CSPED resulted in a statistically significant increase in the degree to which participants thought it was important for noncustodial parents to be involved in their children's lives and support them financially. On a five-point scale indicating the favorability of their responses to four questions, such as, "How important is it for parents who live apart from their children to support their children financially?" and "How important is it for parents who live apart from their children to try to be involved in their children's lives?" those in the treatment group had an average score of 4.27, compared with an average of 4.22 for those in the control group.

We also find that CSPED significantly increased contact of noncustodial parents with their nonresident children over the prior month by one day, and decreased use of harsh discipline strategies among respondents who had in-person contact with nonresident children. However, there were no effects on any of the

Other effects of CSPED

In addition to the effects described on child support, labor market, and parenting outcomes, we find:

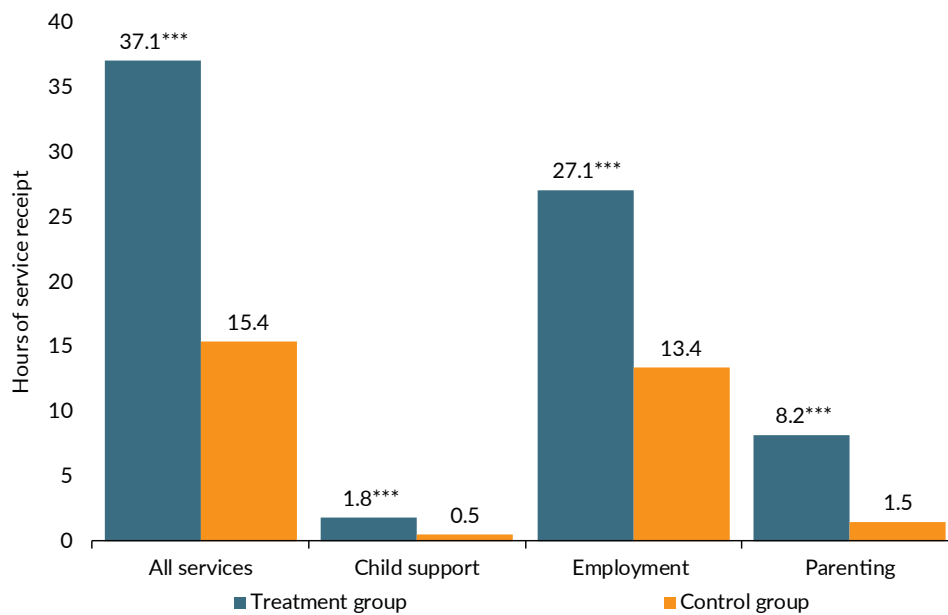
- No effect on criminal justice involvement.
- No effect on emotional well-being.
- Some positive effects on economic well-being: less housing instability, more participants with bank accounts, and higher personal income in the first year.
- Some effects on measures of benefit program use: increased Supplemental Nutrition Assistance Program (SNAP, formerly Food Stamps) benefits and Medicaid months in the second year.

other additional parenting measures including confidence in parenting skills, the quality of relationships with children, parenting activities, or parental warmth.

Reasons for the relatively modest CSPED effects

Several factors may have contributed to the relatively modest effects found in the CSPED impact evaluation. First, the program targeted a very disadvantaged population of noncustodial parents; as noted in the first article in this issue, most participants had low levels of education, many had little recent work experience, and nearly two-thirds had been incarcerated. The services provided through CSPED may not have been sufficient to overcome these barriers to employment.

Figure 7. Those in the treatment group did receive more services than those in the control group.



Source: Follow-up survey.

Notes: Impacts are adjusted using a pooled regression controlling for participant's baseline characteristics. Impact estimates are calculated using a weighted average of state-level impacts in which all states are weighted equally.

*** Impact estimates are statistically significant at the .01 level, two-tailed test.

Second, CSPED was a relatively modest intervention. Noncustodial parents in the treatment group reported receiving, on average, 37 hours of employment, parenting, or child support services in the first year after enrollment, compared to 15 hours for the control group, a difference of about 22 hours (Figure 7). Given the substantial barriers to employment faced by many CSPED participants, a more intensive set of services may be required in order to improve labor market outcomes to a sufficient degree to permit noncustodial parents to meet their child support obligations.

Third, programs like CSPED that aim to change both the nature of the relationship between agencies and participants and the culture of the agencies themselves can be difficult to evaluate. For example, changes in the attitudes of child support staff towards punitive enforcement tools may have affected not only those in the treatment group, but also those in the control group. Finally, CSPED is a new program, evaluated over a fairly short period of time. Child support program staff were using these approaches for the first time, and often

working with new partner agencies in order to deliver them. Given more time for staff to develop and strengthen these new strategies and partnerships, the program may have become more effective. In addition, although effects were measured over only a two-year period, we did identify two important changes in attitude among noncustodial parents, in their higher degree of satisfaction with the child support program, and their greater sense of responsibility for their nonresident children. These shifts in attitude may result in effects that develop over time and eventually result in increased reliability in child support payments.

CSPED benefits and costs

The CSPED evaluation also included a benefit-cost analysis. To establish the costs of CSPED, we compared the average cost of serving a noncustodial parent in the treatment group (\$2,647), to the average cost per participant to provide child support services to those in the control group (\$142) and found that the additional cost of CSPED services was \$2,505 per participant.

We estimate that CSPED's total benefit to society relative to the control group was \$1,663 per participant over the two-year study period. To develop this estimate, we looked at benefits for a range of affected parties. Custodial parents and children benefited from CSPED by a total of \$852 per participant over the two-year period. These benefits resulted in part from increased earnings and increased public welfare. For noncustodial parents, the net benefit of CSPED over the two years was on average \$546 per participant. Increased noncustodial parent earnings, fringe benefits, and SNAP receipt contributed to this total. Finally, from the government's perspective, CSPED generated \$244 in benefits per person over the study period, primarily from the reduction in child support enforcement activities.

The CSPED results suggest that while increasing the reliability of child support payments is challenging, there is potential for having a more collaborative and less punitive relationship between the child support program and noncustodial parents.

Over the two-year follow-up period, benefits from CSPED did not outweigh the costs of the program. However, we project that over a ten-year rather than two-year follow-up period, the benefits of CSPED could exceed the program operation costs. Full details of this analysis can be found in the CSPED benefit-cost analysis report.⁴

Conclusions and policy implications

The evaluation showed that CSPED had modest effects on child support order amounts, an even smaller (and less robust) impact on payments, but no effect on child support compliance, the outcome chosen to gauge the program's progress towards its central goal of increasing the reliability of child support. There is also some evidence that CSPED modestly increased noncustodial parents' earnings, although these effects did not continue into the second year of follow-up. Since relatively few employment programs have been shown to increase the earnings of low-income adults, and particularly low-income men, these results are promising, though they highlight the continuing challenge of finding policy approaches that will improve labor market outcomes for low-income adults.⁵

CSPED did greatly increase noncustodial parents' level of satisfaction with the child support program. This is important since noncustodial parents' negative experiences may contribute to nonpayment of support. Another notable result is that CSPED increased noncustodial parents' sense of responsibility for their children. This finding is similar to recent results from the Parents and Children Together evaluation, which found that responsible fatherhood programs offering employment, parenting, and relationship services improved several aspects of participants' parenting behavior.⁶

The CSPED results suggest that while increasing the reliability of child support payments is challenging, there is potential for having a more collaborative and less punitive relationship between the child support program and noncustodial parents. In fact, new federal child support regulations currently being implemented by states continue the evolution of the child support program.⁷ For example, states are to employ additional efforts to ensure that orders are consistent with noncustodial parents' ability to pay, and address some of the challenges facing incarcerated noncustodial parents. These efforts to better match child support orders to noncustodial parents' resources are consistent with the CSPED model, and represent a potentially more productive approach to providing sufficient support to children in lower income families. ■

The three authors were the CSPED Principal Investigators; Maria Cancian is Dean of the McCourt School of Public Policy at Georgetown University and an IRP Affiliate; Daniel R. Meyer is Professor of Social Work at the University of Wisconsin–Madison and an IRP Affiliate; Robert G. Wood is Senior Fellow at Mathematica Policy Research.

¹M. Cancian, D. R. Meyer, and R. G. Wood, "Final Impact Findings from the Child Support Noncustodial Parent Employment Demonstration," Madison, WI: Institute for Research on Poverty, University of Wisconsin–Madison, March 2019. Available at <https://www.irp.wisc.edu/wp/wp-content/uploads/2019/03/CSPED-Final-Impact-Report-2019-Compliant.pdf>

²Note that the CSPED program refers to the treatment group as the "extra services" group, and the control group as the "regular services" group.

³J. Noyes, L. K. Vogel, and L. Howard, "Final Implementation Findings from the Child Support Noncustodial Parent Employment Demonstration Evaluation," Madison, WI: Institute for Research on Poverty, University of Wisconsin–Madison, December 2018. Available at <https://www.irp.wisc.edu/wp/wp-content/uploads/2019/01/CSPED-Final-ImplementationReport-2019-Compliant.pdf>

⁴Q. Moore, K. A. Magnuson, and A. Y. Wu, "Child Support Noncustodial Parent Employment Demonstration: Findings from the Benefit-Cost Analysis," University of Wisconsin–Madison, March 2019. Available at <https://www.irp.wisc.edu/wp/wp-content/uploads/2019/03/CSPED-Final-Benefit-Cost-Analysis-Report-2019.pdf>

⁵S. Avellar, R. Covington, Q. Moore, A. Patnaik, and A. Wu, *Parents and Children Together: Effects of Four Responsible Fatherhood Programs for Low-Income Fathers*, OPRE Report 2018-50, Washington, DC: Office of Planning, Research, and Evaluation, Administration for Children

Type of analyses: Impact and benefit-cost, using a random-assignment design. Because outcomes were measured for all noncustodial parents in each group, regardless of the amount of services received, this is an "intent-to-treat" (ITT) analysis. ITT impact estimates preserve the integrity of the random assignment research design and answer the question: "What is the effect of offering program services to eligible participants?"

Data sources:

1. A baseline survey, which collected information on noncustodial parents' demographic and socioeconomic characteristics; economic stability; children and relationships; and other background measures. These data are available for all 10,161 sample members.
2. A 12-month follow-up survey, administered from December 2014 through December 2016, which focused on post-random-assignment activities, including participants' relationship with their children and their children's other parent(s); their satisfaction with child support services; the services they received; and their employment outcomes. Follow-up survey data are available for 4,282 of the 6,308 sample members who enrolled through June 2015.
3. Administrative data on child support, public benefits receipt, and criminal justice involvement, which were collected for each grantee. Employment and earnings data were obtained from the National Directory of New Hires (NDNH) from OCSE through a request by the Wisconsin Bureau of Child Support. Child support, employment, and earnings data were available for nearly all participants. Availability of other administrative data was more limited.

Type of data: Administrative and survey

Unit of analysis: Individuals

Sample definition: 10,161 noncustodial parents

Time frame: October 2013 through September 2017

Limitations: Program participation data were entered by CSPED staff in each state. Data were reviewed monthly by OCSE and program staff, but not formally checked against case files or other records. Survey data are self-reported and rely on participants' memory. Child support administrative data were based on each state's system, and not all elements are comparable across systems.

and Families, U.S. Department of Health and Human Services, 2018. Available at https://www.acf.hhs.gov/sites/default/files/opre/pact_rf_impacts_to_opre_508.pdf; A. Mastri and J. Hartog, *Gaps in the Evidence on Employment and Training for Low-Income Adults*, OPRE Report 2016-106. Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services, 2016. Available at www.acf.hhs.gov/sites/default/files/opre/eser_ib_gaps_111616_508.pdf; E. Sama-Miller, A. Maccarone, A. Mastri, and K. Borradaile, "Assessing the Evidence Base: Strategies that Support Employment for Low-Income Adults," OPRE Report 2016-58. Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services, November 2016. Available at https://www.acf.hhs.gov/sites/default/files/opre/eser_ib_summary_110116_508.pdf

⁶Avellar et al, *Parents and Children Together*.

⁷Flexibility, Efficiency, and Modernization of Child Support Enforcement Programs, Final Rule, 45 C.F.R. § 301-305, 307 (2016).