



**Elizabeth Lower-Basch**  
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**Income and Work Supports**

# **Fighting Child Poverty through Child Support Enforcement**

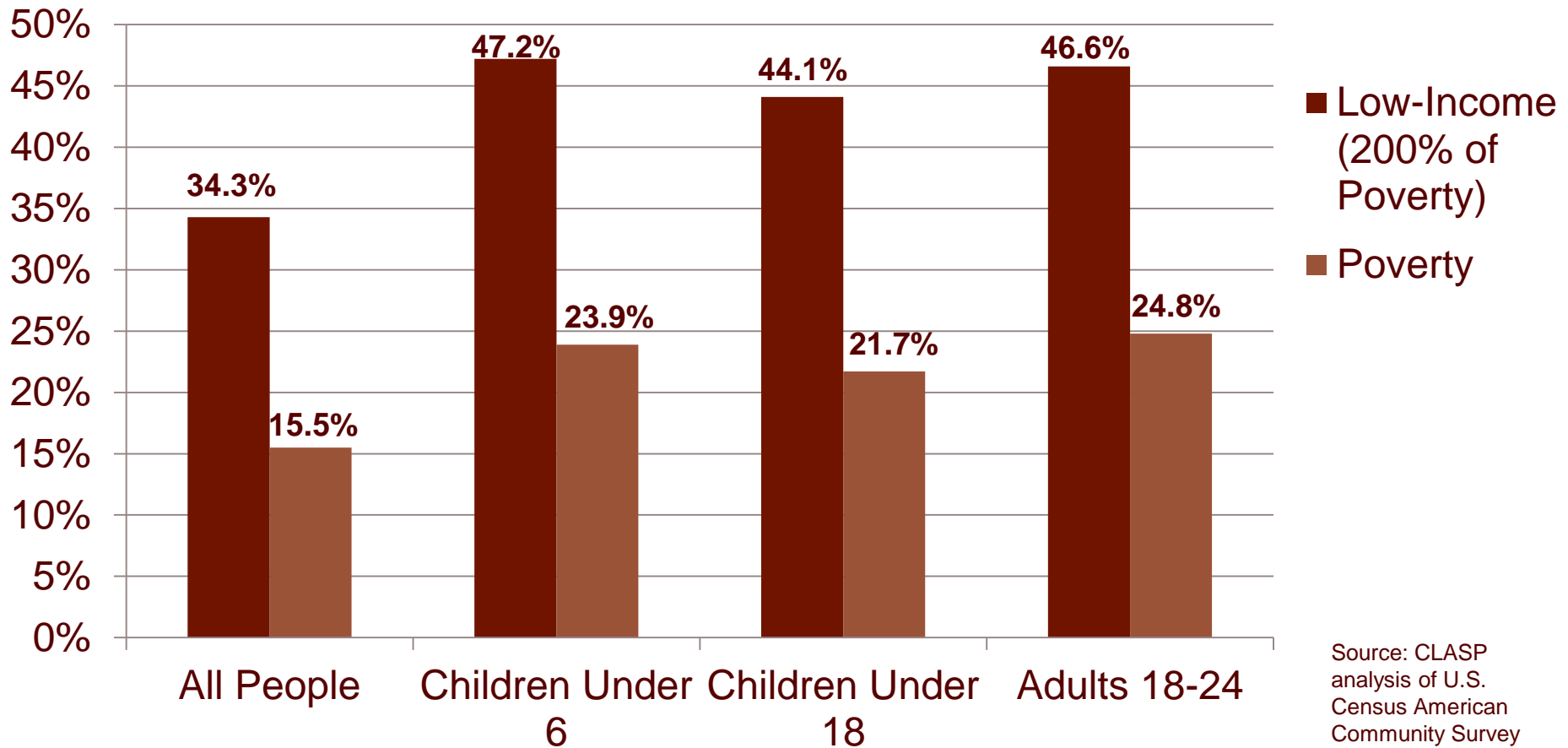
**May 13, 2016**

# Overview

- Child Poverty
- Two-Generational Strategies
- TANF and the First Year of Life
- Child Support
- 2014 Proposed Rule

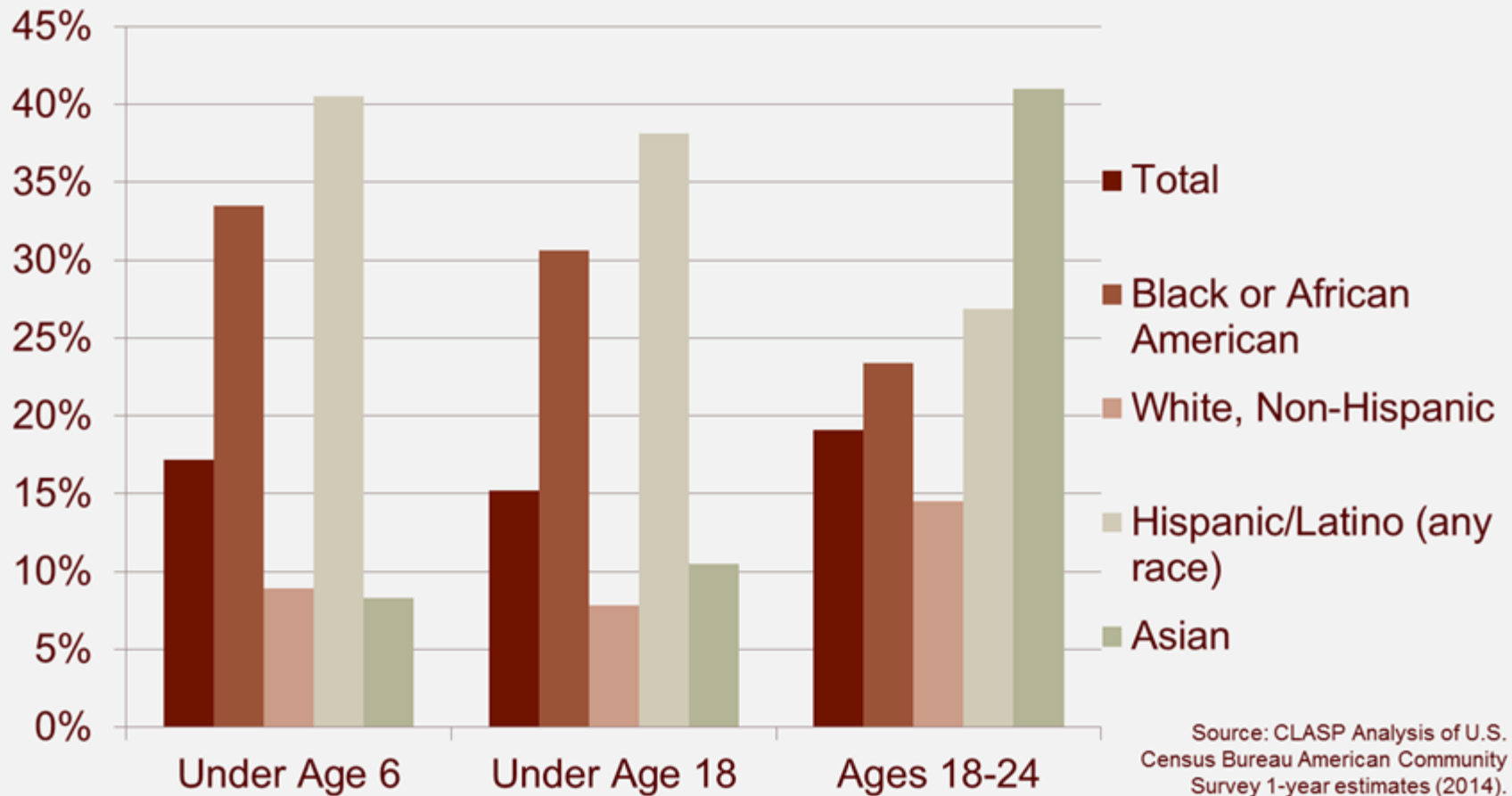


# US Poverty and Low-Income Rate By Age

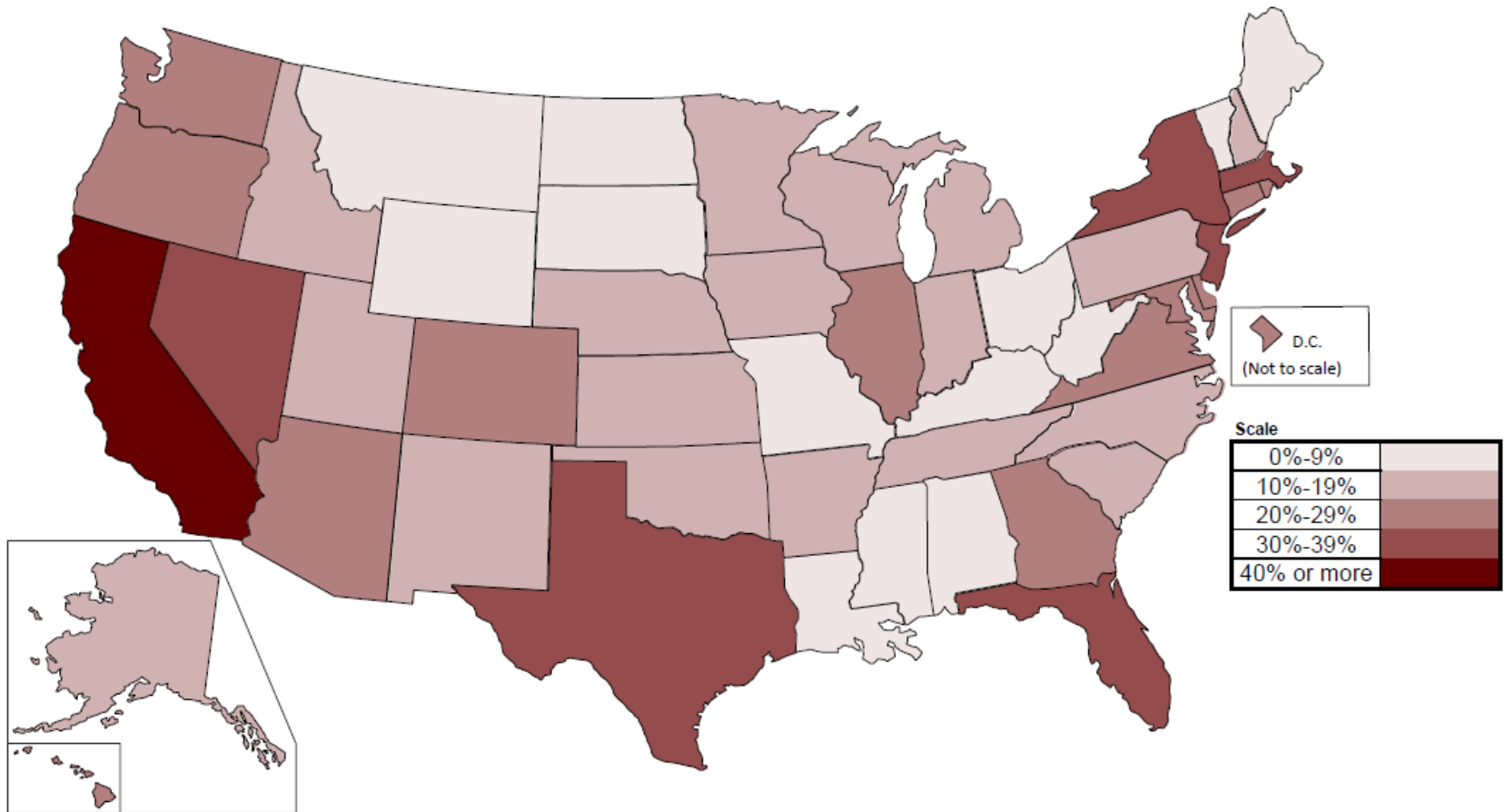


Source: CLASP analysis of U.S. Census American Community Survey data, 2014.

# MA Poverty Rate By Age and Race/Ethnicity



# Percent of Young Children Who Are Children of Immigrants



Source: CLASP analysis of U.S. Census American Community Survey data, 2014.

**POVERTY HURTS**

child poverty increases the risk of unemployment and adult poverty

by age 4 poor children have heard 30 million fewer words than well-off children

poor children are more likely to be hungry and less likely to have affordable quality health coverage

poor children are less likely to graduate from high school

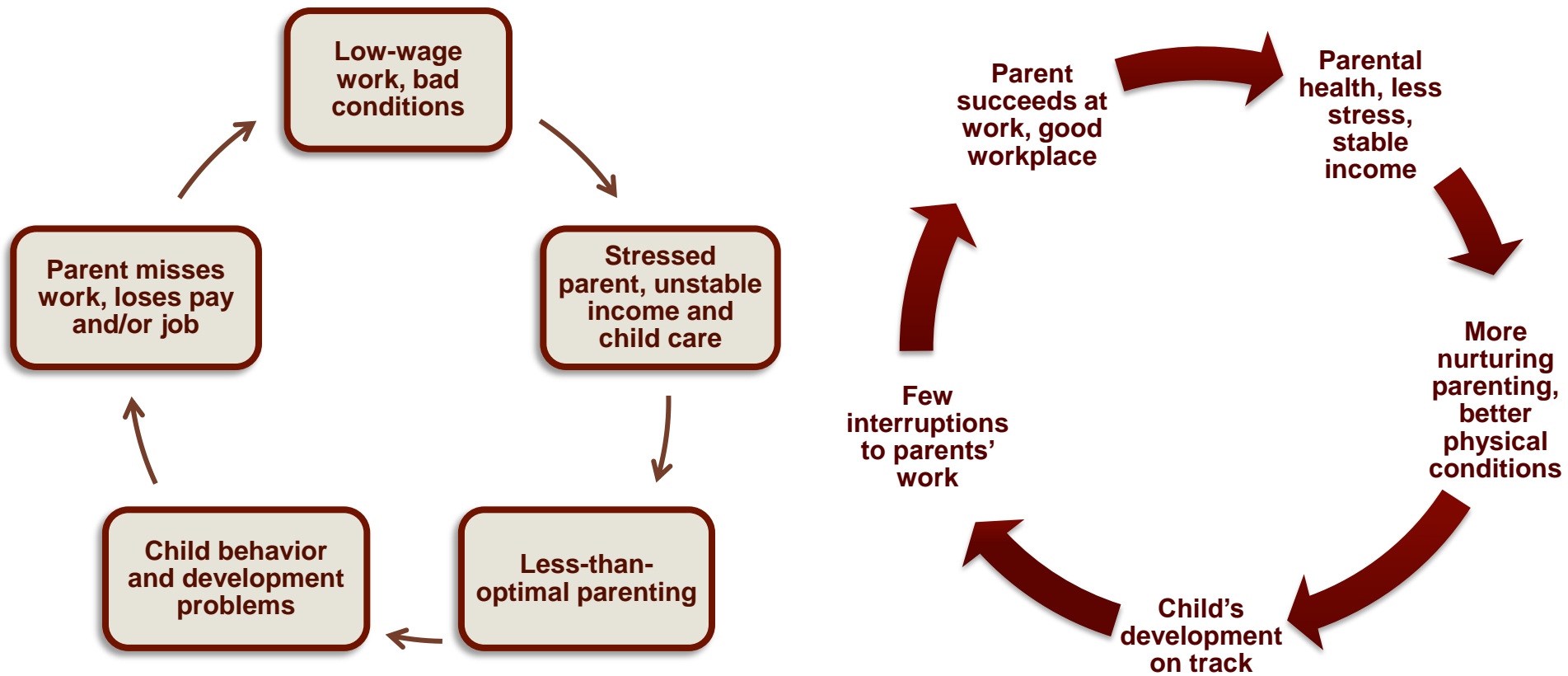
Source: Children's Defense Fund

# Two-Generational Strategies

- Two-generational strategies take into account:
  - Parents' importance to children both as nurturers and as providers; and
  - Children's importance in parents' lives.
- Parents are essential in a child's earliest years.



# From Vicious Cycle to Double Boost





# CLASP Report: TANF & the First Year of Life



## TANF and the First Year of Life Making a Difference at a Pivotal Moment

October 2, 2015

Elizabeth Lower-Basch and Stephanie Schmit

### Introduction

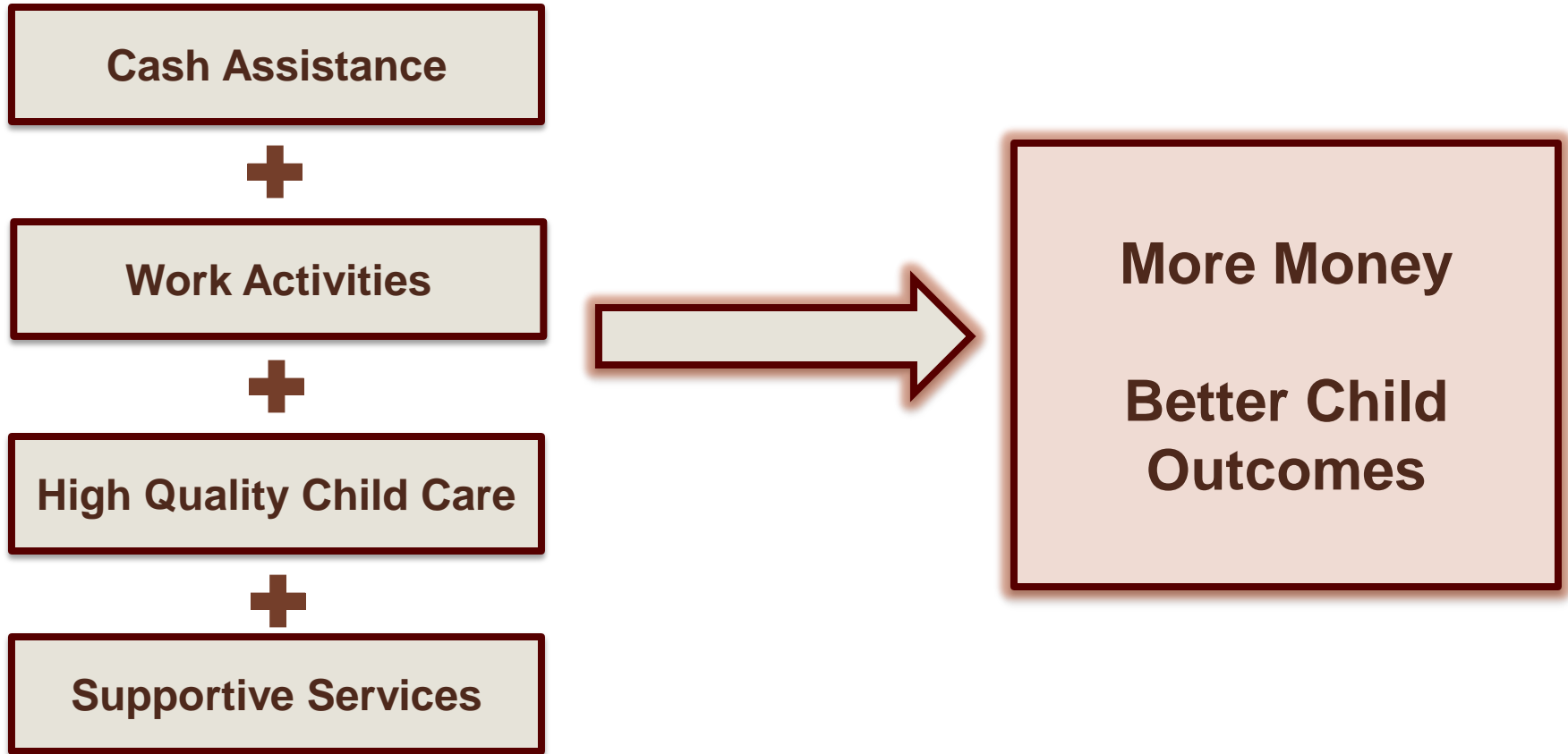
Poverty is bad for children, and particularly bad for the youngest children. Poverty affects children is through direct material hardships such as food insecurity and hunger, inadequate clothing or diapers, lack of health care, living in overcrowded or substandard housing, or being homeless. But poverty also harms children by imposing high levels of stress on their parents, which impairs their capacity to give children the care and attention they need to thrive.<sup>1</sup> The harsh realities of today's low-wage labor market—with the norm being little paid leave and unpredictable and unstable schedules—ratchet up the stress and make it harder for parents to fulfill their dual roles as wage-earners and caregivers. As a result, poor parents, however loving, often struggle to meet their children's needs. At the same time, children's needs are a major source of motivation for parents, as well as sometimes a cause for economic vulnerability and stress.

Public policies and programs have an important role to play in both reducing the harmful effects of poverty and in providing opportunities for families to escape poverty. But too often, these programs are not provided in a coordinated manner and do not address the needs of the whole family. In recent years, a growing number of health and human services policymakers, practitioners and researchers have promoted “two-generational” approaches that bring together worlds that are often separated (focusing only on children or only on parents) to modify or create new policies that focus on the needs of parents and children together.

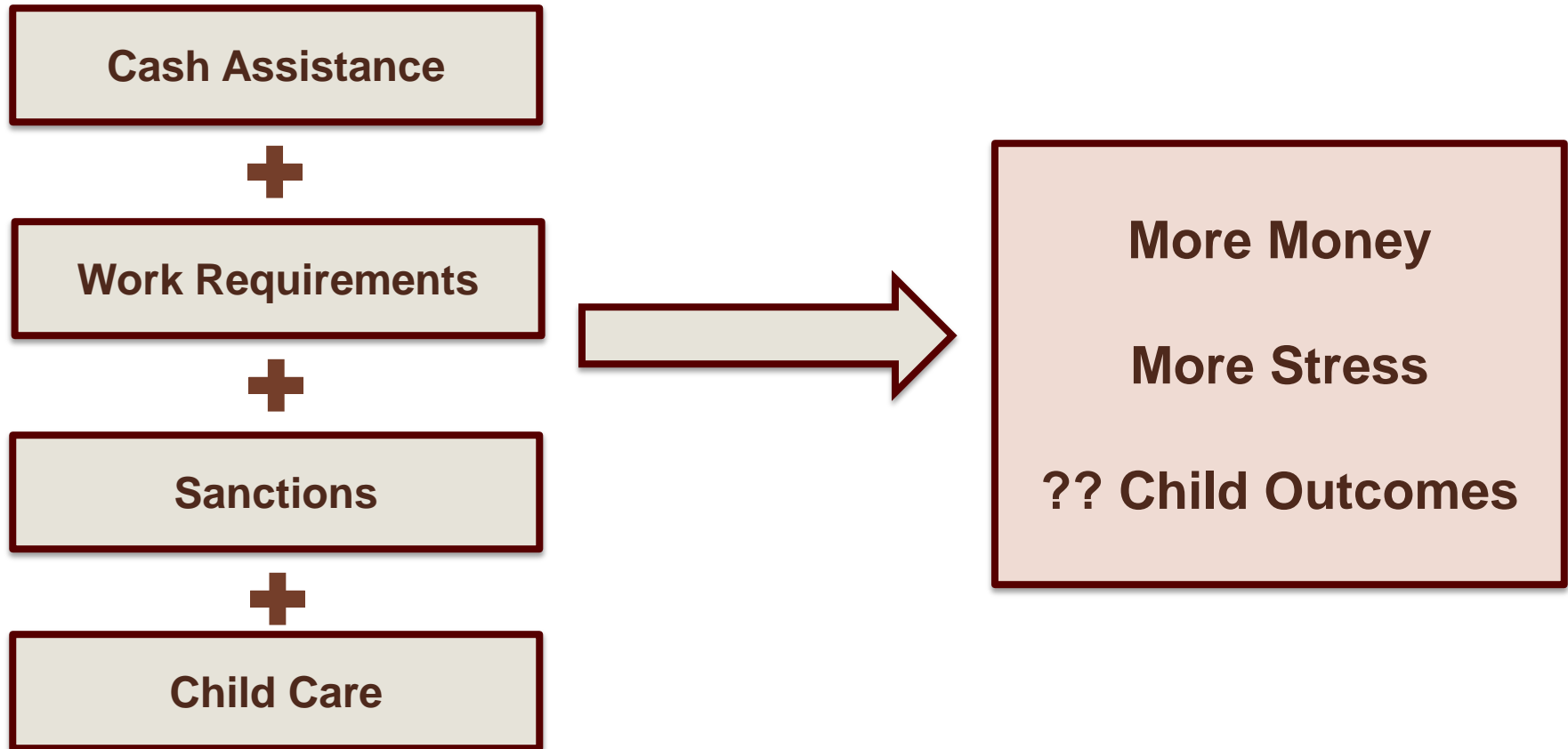
# Temporary Assistance for Needy Families (TANF)

- Provides time-limited cash assistance to some of the lowest income families with children.
- Parents are generally required to participate in work activities in order to receive benefits.
- States have very flexible funding that can be used for almost any service for low-income families with children (including non-custodial parents)
  - Home visiting
  - Job training
  - Child care

# Potential: TANF Helps Vulnerable Children and Families



# Reality: TANF Has Mixed Effects



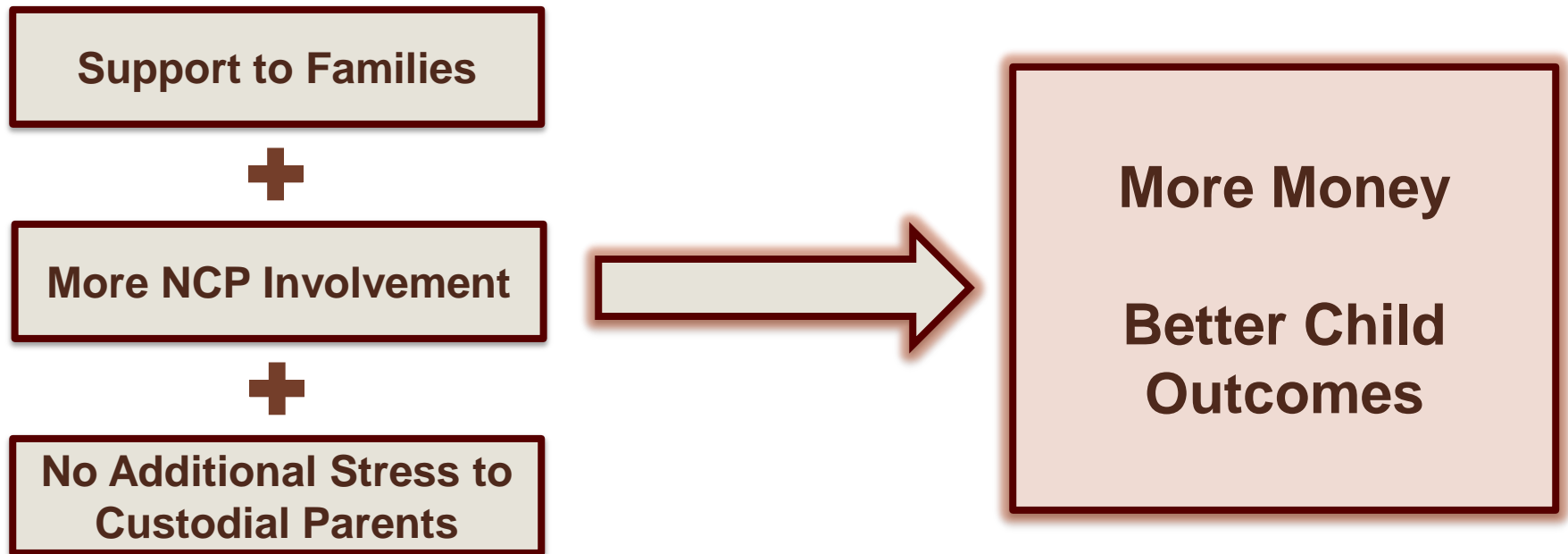
# State TANF Policies Vary Widely

	TANF to Poverty Ratio	Max Grant for Family of Three	Time Limit	Family Cap	Exemption for Parents of Newborns
<b>Arizona</b>	8	\$277	12 months	Yes	None
<b>California</b>	65	\$670	48 months	Yes	24 months
<b>Massachusetts</b>	39	\$618	24 months in 60 month period	Yes	24 months, but 3 months for family capped child
<b>New York</b>	40	\$789	None	No	3 months
<b>North Carolina</b>	8	\$272	24 months	Yes	12 months
<b>Ohio</b>	26	\$465	60 months	No	12 months

# Child Support and TANF

- Families receiving TANF must assign child support to the state.
- State has flexibility on whether to pass-through and disregard child support collected.
  - Federal government will waive its share of collections for funds passed through and disregarded up to \$100 for one child/\$200 for two or more
  - Pass-through encourages payment of formal support
- State can adopt “families first” policies when arrears are collected.

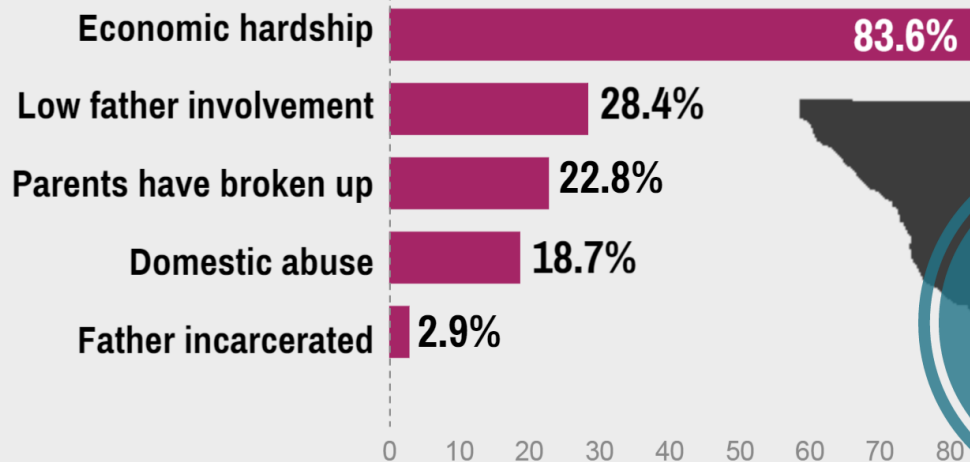
# Potential: CSE Helps Vulnerable Children and Families



# Child Support Reaches Vulnerable Families

Children born to unmarried parents may be at increased risk for negative outcomes later in life because they are more likely than their peers in married households to experience many of the stressors associated with toxic stress. Drawing from research conducted by the Child and Family Research Partnership (CFRP), the graph below illustrates findings on some of those stressors.

## CHILDREN OF UNMARRIED PARENTS IN TEXAS % EXPERIENCING STRESS AT 3 MONTHS OLD\*



**90.7%**  
experience  
ONE or more  
stressors

**34.5%**  
experience  
TWO or more  
stressors

\* Source: CFRP PES Study, PES Mothers at 3 months, weighted.

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# Child Support Can Help Families

Almost one in four children are in the U.S. Child Support System



**22% of children in child support** <sup>1</sup>

**6% of children in WIC** <sup>2</sup>

**4% of children in TANF** <sup>3</sup>

## How do child support payments help families?

- In FY2012, child support lifted nearly one million people out of poverty <sup>4</sup>
- Among poor custodial parents who receive child support, the average amount received accounts for more than half of their average income <sup>5</sup>

1. See ["Table P-2"](#) in Office of Child Support Enforcement, *Preliminary Report*, 2015.

2. See ["Monthly Data by State Level Participation and Program Costs,"](#) USDA Food and Nutrition Service WIC Program Data, 2015.

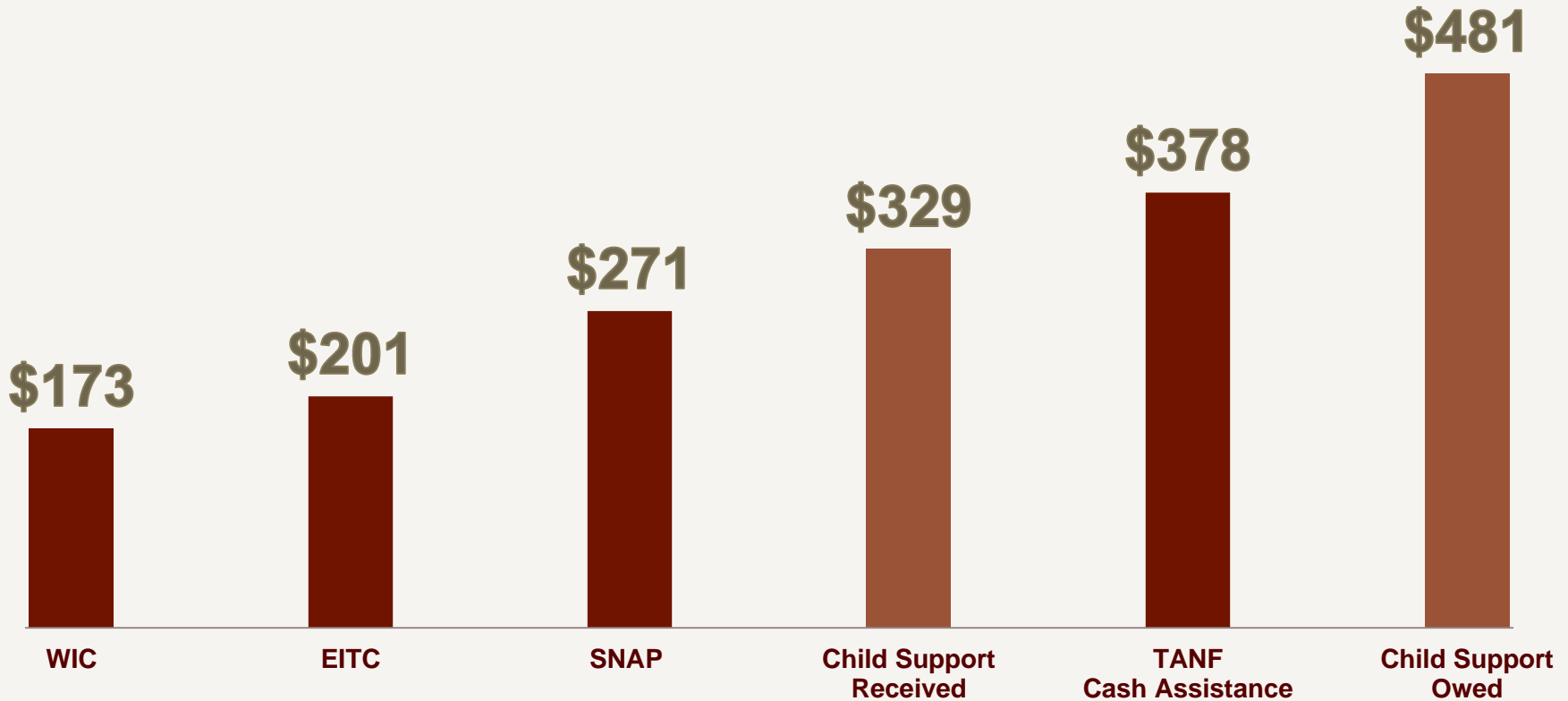
3. See ["TANF Caseload Data 2015,"](#) U.S. DHHS Office of Family Assistance 2015; ["Tribal TANF Children Data,"](#) 2014.

4. Office of Child Support Enforcement, ["History Demonstrates Child Support Lifts Children Out of Poverty,"](#) ACF Commissioner's Voice, 2014.

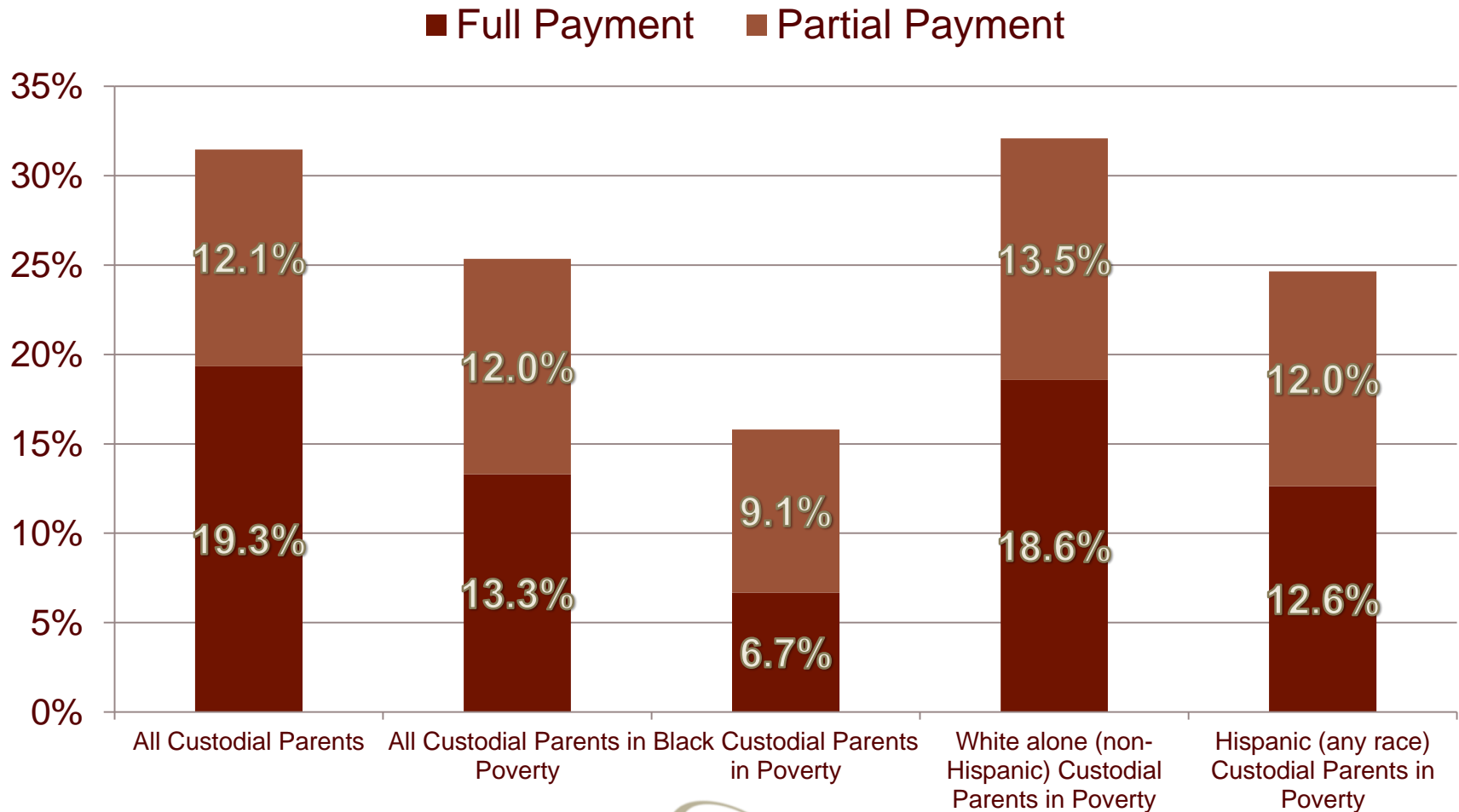
5. ["Custodial Mothers and Fathers and Their Child Support,"](#) U.S. Census Bureau, 2013.

# Child Support Can Be Significant

Average Monthly Assistance Amount per Household in Select Work Support Programs, FY 2013



# Poor Parents Are Less Likely to Get the Full Amount Awarded



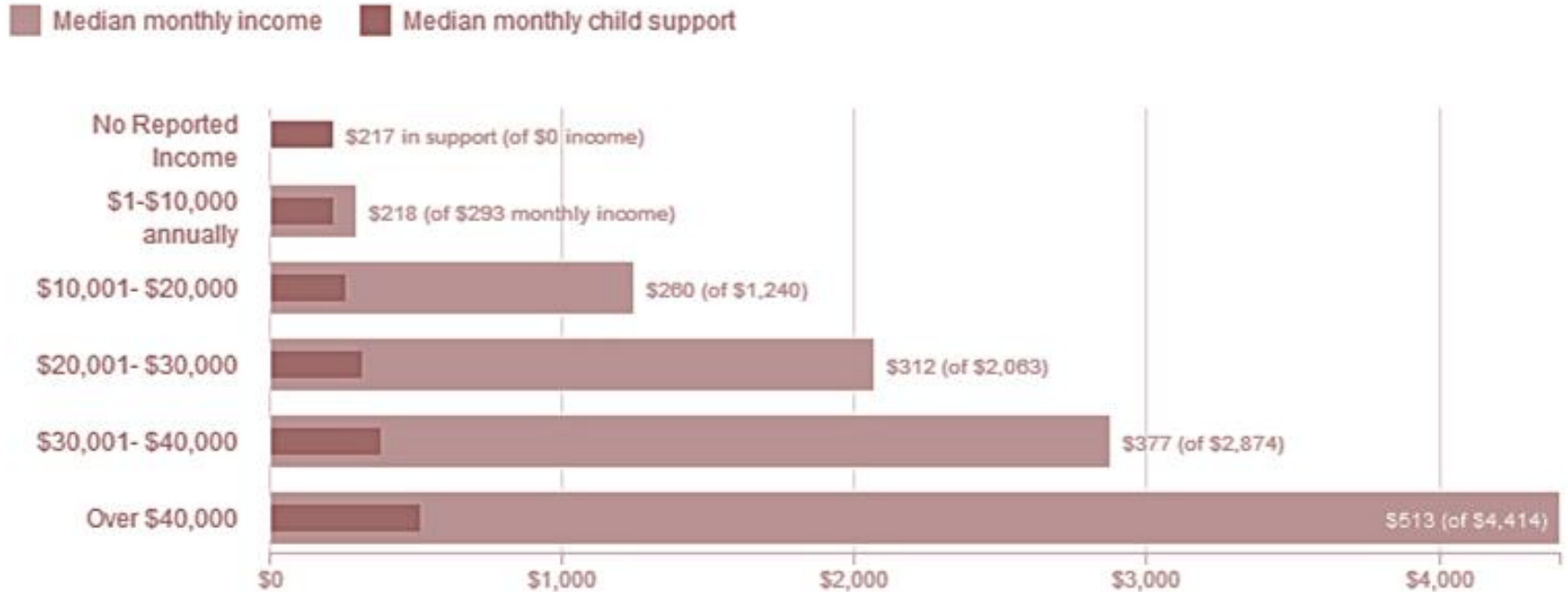
# Non-Custodial Parents Are Also Poor

Fragile Families: Sample of 4900+ new births (1998-2000) in 20 cities

	Mothers		Fathers	
	Married	Unmarried	Married	Unmarried
Age (mean)	29.6	23.3	31.9	26.7
Child with other Partner - MPF (%)	14	42	16	43
Education (%)				
Less than HS	18	45	19	38
High school	25	38	21	40
Some college	21	16	27	18
College	36	1	34	4
Non-white (%)	49	81	48	82
Earnings (mean)	\$17,107	\$7,997	\$40,499	\$20,962

Source: Kathy Edin, What are Fragile Families and Why do we Care?

# Dead Broke, Not Deadbeat



## Notes

Median values are based on a study of data from Arizona, Illinois, Michigan, New Jersey, Ohio, Pennsylvania and Texas.

Source: *The Urban Institute*

Credit: *Katie Park/NPR*

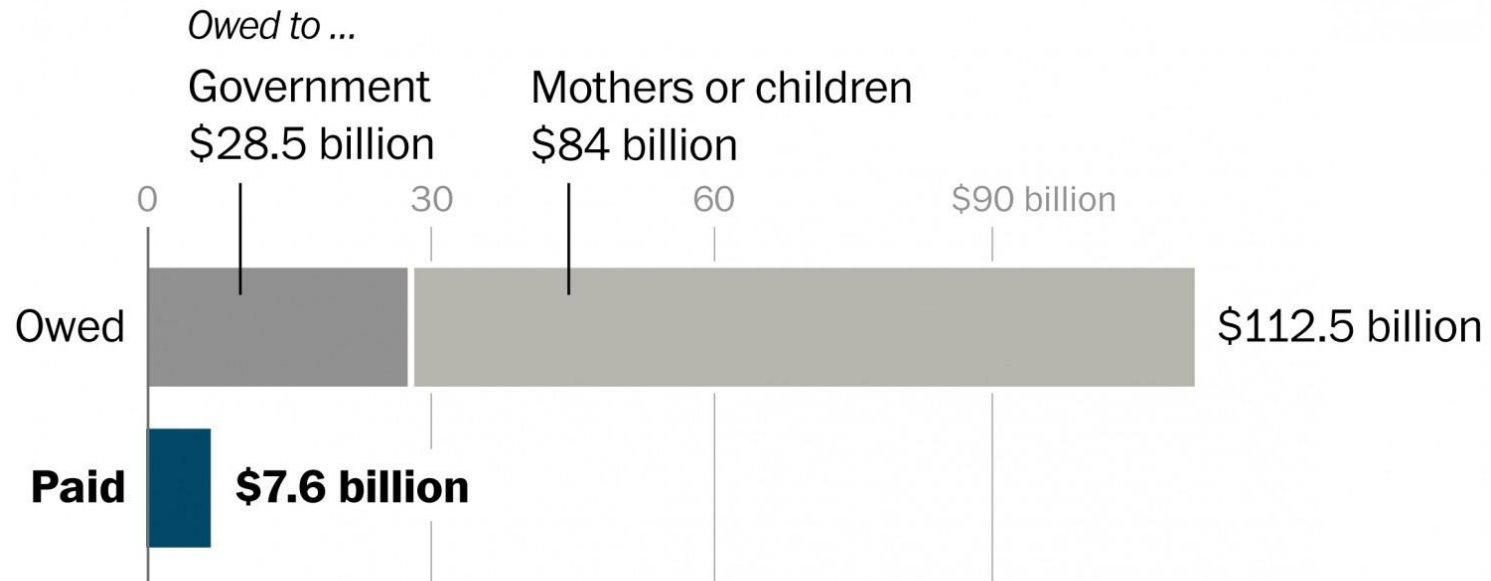
# CSE is Effective in Collecting from NCPs with Earnings

- Garnishment of wages, interception of tax refunds are highly effective
- In eight states studied by Urban Institute, 93 percent of obligors with incomes over \$10,000 a year paid child support in the past year.
- Only 57 percent of obligors with lower income (or no income) paid child support in last year.
- Nearly three quarters those who owed more than \$30,000 had no reported income or reported incomes of \$10,000 a year or less

# Arrears Add Up

## Most overdue child support went unpaid last year

Only 6.8 percent of \$112.5 billion owed in late child-support payments in 2014 was paid. The government sought about a quarter of that debt to make up for welfare given while child support wasn't being paid.



Source: Office of Child Support Enforcement

THE WASHINGTON POST



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## 'When you're behind, you're behind'

Like many dogged by mounting child-support debt, Walter Scott faced an arduous future, likely jail time



## Union visiting Boeing workers

Could pull petition if support falls short

BY DAVID WEED  
dweed@postandcourier.com

The International Association of Machinists might withdraw its petition for an April 22 vote of Boeing South Carolina if too many employees signal a lack of support for union representation, a representative said Friday.

"We'll make a decision after there have been a sufficient number of house calls to see what level of support is there, what type of misinformation has been spread and the degree that political interference will affect the vote," IAM spokesman Frank Larkin said. "The purpose of the house calls is to gauge support."

Although union officials have visited workers' homes in past months, the IAM's petition for a vote — filed March 16 with the National Labor Relations Board — has kicked off intensified efforts to recruit Boeing employees in North Charleston.

Please see ENR08, Page A5

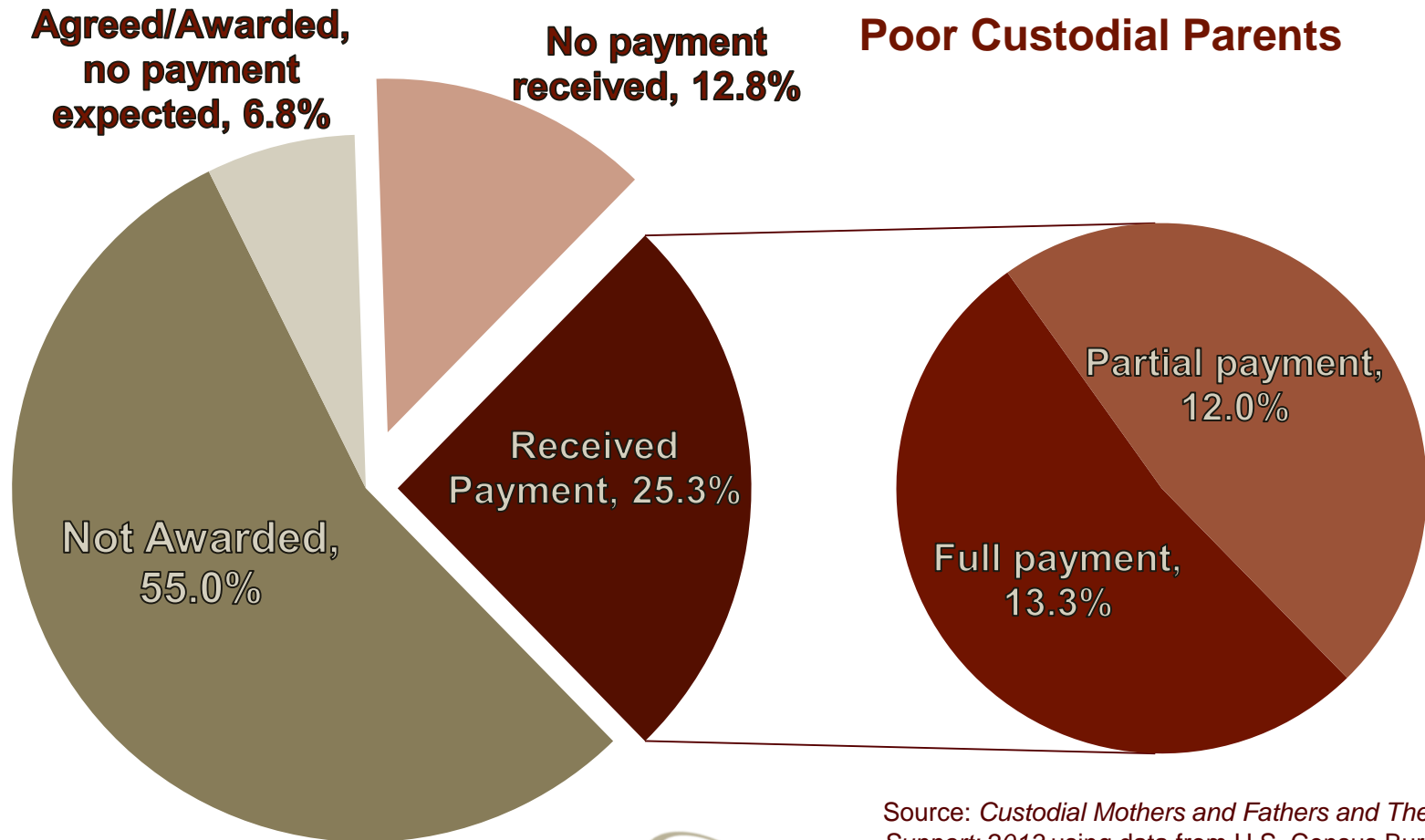
## Stavrinakis tops mayoral fundraising



# Realistic Awards Lead to More Payments, Not Less

- Awards based on “imputed” income are impossible for NCPs to pay
- Full-time year-round work is simply not available at the bottom of the labor market
- Encourages not working, or working off the books to avoid garnishment
- Fuels resentment, sense of injustice
- Leads to large arrears, which affect credit score, which in turn affects hiring decisions

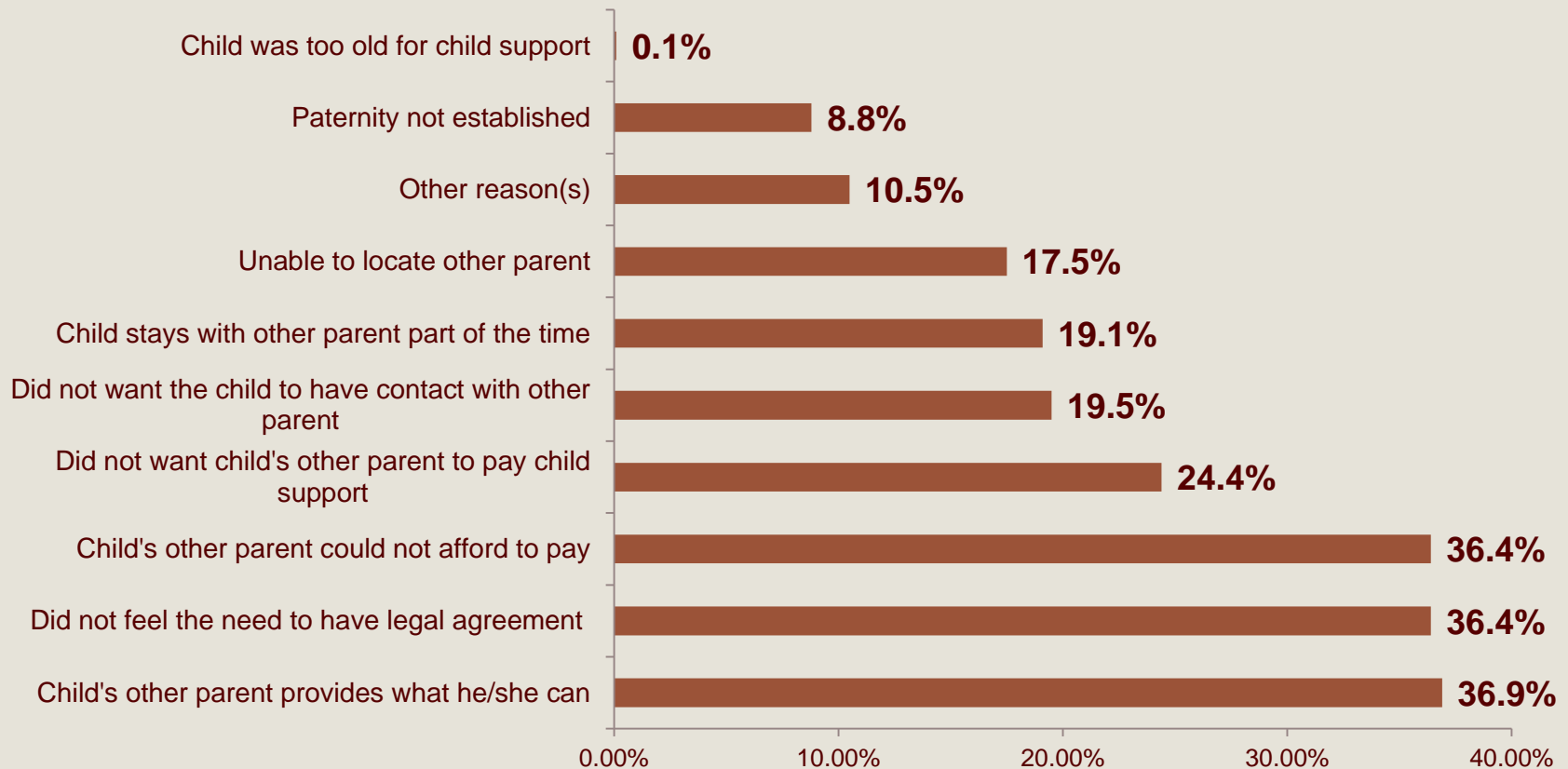
# Not All Children Have CSE Awards



Source: *Custodial Mothers and Fathers and Their Child Support: 2013* using data from U.S. Census Bureau,

# Reasons for Not Getting Formal Support

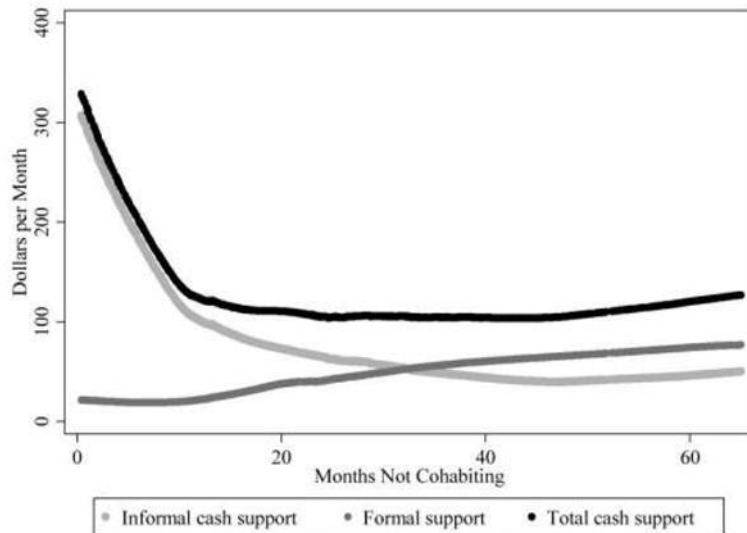
## Reasons\* Custodial Parent Had No Legal Award: 2014



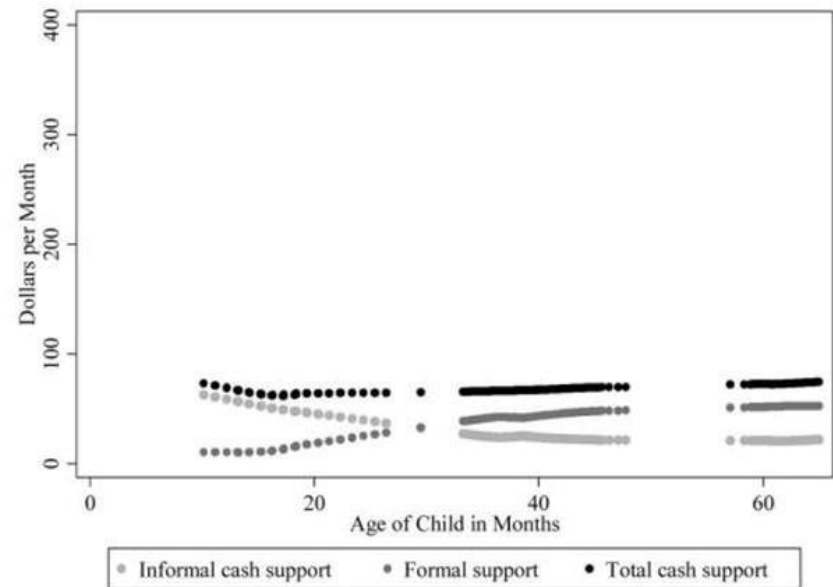
\* Respondents may have listed more than one reason

# Informal Support Fades Over Time; Formal Support Rises

## Cohabiting at Birth



## Not Cohabiting at Birth



Child Support Enforcement and Fathers' Contributions to Their Nonmarital Children, Lenna Nepomnyaschy and Irwin Garfinkel

# 2014 Proposed Rule (NPRM)

- Unemployment & incarceration
- Medical child support
- Job services

## FEDERAL REGISTER

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### Part III

#### Department of Health and Human Services

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Centers for Medicare & Medicaid Services  
42 CFR Part 433

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Administration for Children and Families  
45 CFR Parts 301, 302, 303, et al.

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Flexibility, Efficiency, and Modernization in Child Support Enforcement Programs; Proposed Rule

# Unemployment and Incarceration

- Would require guidelines to take into account NCPs actual earnings and income
- Would require guidelines to take into account NCPs subsistence needs
- Would prohibit treating incarceration as “voluntary unemployment”
- Would require that purge amounts to avoid incarceration take into account actual earnings and income and subsistence needs
  - Reflects Turner v. Rogers
- Would allow agencies to initiate review of orders when NCPs are incarcerated more than 90 days

# Prevalence of Incarceration in Fragile Families Sample

Breakdowns of incarceration histories, and timing, by fathers' race

Incarceration Timing	White	Black	Hispanic	Other	Unknown	Total
Never Incarcerated (%)	73	42	53	60	27	47
First Incarcerated Before Year 1 (%)	18	40	30	23	41	34
First Incarcerated Year 1–Year 5 (%)	6	14	11	11	14	12
Incarceration Unknown (%)	3	4	7	6	18	7
Total <i>N</i> (by race)	580	1387	761	109	632	3,469
Number Incarcerated	138	754	307	37	347	1,583

Paternal Incarceration and Support for Children in Fragile Families  
 Amanda Geller, Irwin Garfinkel, and Bruce Western

# Medical Child Support

- Recognizes the availability of Medicaid and CHIP coverage for most children.
  - Public coverage is often cheaper and more comprehensive than employer-sponsored insurance.
  - Some insurance provides access to networks that are geographically limited – does not work well if parents live in different states.
- NPRM would give states the flexibility to assess what insurance makes most sense for children, vs looking only at private coverage.



# Job Services

- Would allow states to receive Child Support Enforcement (IV-D) funding for job services reasonable expected to increase CSE payments
  - Job search and job readiness training
  - Job development and placement services
  - Skills assessments
  - Job retention services
  - Work supports such as transportation assistance, uniforms or tools
  - Certificate programs and other skills training directly related to employment
  - NPRM asks about whether to add subsidized employment

# Other Ways to Support Job Services

- Workforce Innovation and Opportunity Act (WIOA) increases “priority of service” for disadvantaged workers
- TANF block grant and MOE can be used to provide employment services to NCPs of children in the state
- SNAP Employment and Training (E&T) is available for people receiving Supplemental Nutrition Assistance Program (SNAP) benefits
  - 50/50 reimbursement funding is available and can be drawn down with local, private funds as well as state

# Thank You

For more information:

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