

# CLASP

CENTER FOR LAW AND SOCIAL POLICY

## **Child Support Substantially Increases Economic Well-Being of Low- And Moderate-Income Families**

### *Research Fact Sheet*

Research clearly demonstrates that child support payments are a critical source of economic stability for both moderate- and low-income families, including families leaving welfare. Child support makes up a substantial portion of household income for many families, helping them out of deep poverty and adding income that contributes to child well-being.

#### **For All Families**

- Child support constitutes 16 percent of family income for households that receive it.<sup>1</sup> In 2001, on average, \$4,300 a year came to eligible families through this source.<sup>2</sup>
- For divorced families, the economic impact of child support is even greater—constituting 26 to 29 percent of income. In fact, child support reduces the poverty rate in this population by 7-11 percentage points.<sup>3</sup>
- For poverty-level families entitled to child support, the money is an extremely important source of financial help. About 66 percent of custodial parents with incomes below poverty who were due child support in 2001 received at least some payment. The average amount received for the year was \$3,000. This accounted for 40 percent of their total family income.<sup>4</sup>
- Child support lifts about half a million children out of poverty and reduces the poverty gap by about 8 percent.<sup>5</sup>

#### **For Families Leaving Welfare**

- Child support is also a significant income source for families who leave welfare. About 42 percent of poor children with a non-resident parent whose families have left welfare receive child support. Child support makes up 30 percent of the income of these families. On average, \$2,562 per year comes to eligible families through this source.<sup>6</sup>
- Child support is an important source of income for families affected by welfare time limits. The percentage of these families receiving child support and the amounts these families receive increase once public assistance is terminated.<sup>7</sup>

- Child support is also an important income source to families leaving the Temporary Assistance for Needy Families (TANF) program for work. Between one-quarter and one-third of those leaving welfare for work receive child support—averaging between \$250 and \$400 per month.<sup>8</sup>
- A Washington State study of families leaving welfare with regular child support payments found that these families had a slower rate of welfare reentry, a faster rate of finding work, and a slower rate of job loss compared to similar families who did not have steady child support income.<sup>9</sup>
- According to one study, an overwhelming majority of former TANF recipients (78 percent) who have child support orders characterize child support payments as making a “very big difference” in their family finances. Another 8 percent say such payments make a “pretty big difference.”<sup>10</sup>

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<sup>1</sup> Sorensen, E., & Zibman, C. (2000a). *To What Extent Do Children Benefit From Child Support?* Discussion Paper 99-11. Washington, DC: Urban Institute. Available at [www.urban.org](http://www.urban.org).

<sup>2</sup> U.S. Census Bureau. (2003). *Custodial Mothers and Fathers and Their Child Support, 2001*. P60-225. Washington, DC: U.S. Department of Commerce.

<sup>3</sup> Bartfield, J. (2000). “Child Support and the Post-divorce Economic Well-being of Mothers, Fathers and Children.” *Demography*, 37(2): 203-213.

<sup>4</sup> U.S. Census Bureau, 2003.

<sup>5</sup> Sorensen, E., & Zibman, C. (2000b). *Child Support Offers Some Protection Against Poverty*. Series B, No. B-10. Washington, DC: Urban Institute. Available at [www.urban.org](http://www.urban.org).

<sup>6</sup> Sorensen & Zibman, 2000a.

<sup>7</sup> Gordon, A., Kuhns, C., Loeffler, R., & Agodini, R. (2000). *Experiences of Virginia Time Limit Families in the Six Months after Case Closure: Results of an Early Cohort*. Report submitted to the Virginia Department of Social Services. Princeton, NJ: Mathematica Policy Research, Inc.

<sup>8</sup> Minnesota Department of Human Services, Program Assessment and Integrity Division. (2000). *Minnesota Family Investment Program Longitudinal Study: One Year after Baseline*. Minneapolis, MN: Author; Macro International and the Ohio Department of Job and Family Services. (2000). *Ohio Job and Family Services Legislative Outcome Study*. Columbus, OH: Authors; Formoso, C. (2003). *Child Support Impacts on Custodial Family Outcomes*. Olympia, WA: Division of Child Support. Available at [www.dshs.wa.gov/dcs](http://www.dshs.wa.gov/dcs).

<sup>9</sup> Formoso, 2003 (note 8).

<sup>10</sup> Pearson, J., & Thoennes, N. (2000). *A Profile of Former TANF Clients in the IVD Caseload*. Denver, CO: Center for Policy Research.