

Poverty Research Flash

Highlighting New Poverty Research

by Robert Plotnick, Asaph Glosser, M. Kathleen Moore, and Emmi Obara

Plotnick, Robert; Glosser, Asaph; Moore, M. Kathleen; and Emmi Obara. 2015. "Increasing Child Support Collections from the Hard-to-Collect: Experimental Evidence from Washington State." *Social Service Review* 2015 (Sept): 427-454

Robert Plotnick is a Professor and Kathleen Moore and Emmi Obara are Ph.D. students at the Evans School of Public Policy and Governance at the University of Washington. Asaph Glosser is a partner at MEF Associates.

The West Coast Poverty Center's **POVERTY RESEARCH FLASH** highlights new research by faculty affiliates and others on causes, consequences, and effective policy responses to poverty, with an emphasis on changing labor markets, demographic shifts, family structure, and social and economic inequality.

The West Coast Poverty Center (WCPC) at the University of Washington serves as a hub for research, education, and policy analysis leading to greater understanding of the causes and consequences of poverty and effective approaches to reducing it in the west coast states. WCPC activities are made possible in part by support from the Paul G. Allen Family Foundation. For more information about the West Coast Poverty Center, visit our website: <http://wcpc.washington.edu>

October 2015

Increasing Child Support Collections from the Hard-to-Collect: Experimental Evidence from Washington State

Background. Child support can be an important source of income, particularly for lower-income custodial parents and their children. Some studies have shown that child support payments, when paid in full, account for nearly half of the income of poor custodial parents. Child support payments have also been shown to reduce welfare receipt, decrease nonmarital teen fertility, and improve children's cognitive outcomes. While the federal government and states have intensified efforts to collect child support awards from noncustodial parents and do collect at least some child support in the majority of cases, roughly one-quarter of custodial parents have received no payment at all in recent years. In addition to helping families, states capture some of the child support revenues to reimburse themselves for benefit payments to custodial families (e.g., TANF benefits). The potential value of the uncollected support to families and the states' own interests make increasing collections an attractive proposition for policymakers.

Methods. Working with the Washington State Division of Child Support under a federal grant to promote university partnerships, WCPC Affiliate Robert Plotnick, along with Asaph Glosser, Kathleen Moore, and Emmi Obara, designed experimental tests of two interventions designed to increase the amount and consistency of child support collections. The first intervention, named the "TANF 16," created a special unit focused exclusively on the subset of cases with only state-owed debt for cash welfare payments to custodial parents. While control cases were an average of two percent of a typical enforcement worker's caseload, the 16 workers in this special unit were dedicated to these arrears-only cases with the assumption that they could specialize in contacting and negotiating payments with these kinds of noncustodial parents. Approximately 2,000 cases were assigned to the special unit, with an equivalent number of remaining arrears-only cases assigned to regular caseworkers. Cases were followed for 22 months.

The second intervention tested the effect of sending monthly billing statements to a randomly-selected subset of new child support cases without automatic wage withholding in effect. Cases in both the treatment and control groups received an initial award judgment but only treatment cases received a monthly reminder about their obligation. Statements to the treatment group stopped if wage withholding went into effect (e.g., a noncustodial parent became employed) and began again if withholding stopped. The roughly 1,300 treatment and 1,300 control cases were followed for 18 months. Note that additional collections would have benefitted the state in the case of the TANF 16 intervention and custodial families in the statement intervention.

Findings. The TANF 16 intervention did increase the share of cases with collections. Among the TANF 16 cases, 50 percent reported collections at the end of the follow-up period, compared with 40 percent of cases in the control group. Cases in the treatment group also had more months with payments; a small, but statistically significant increase in the total amount of payments (\$73 more than the treatment group over the course of the follow-up period); and a higher share of arrears paid relative to controls (19.7 percent vs. 16.4 percent). The statements intervention did not increase the likelihood of paying, the number of months with payment, or the total amount of payments.

The mixed results in these two cases highlight the difficulty that states may face in increasing collections from non-payers. Non-paying noncustodial parents may lack the means to pay, the motivation to do so, or both. For example, in the case of the statements intervention, noncustodial parents with regular earnings already subject to wage withholding would not have been part of the treatment group. Those who received statements and those who did not may have had equally limited means to meet their obligations. The researchers suggest that states might want to consider ways to improve the financial situations of noncustodial parents as an alternative strategy for increasing collections.