
Do Child Support Awards Cover the Cost of Raising Children?

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A large proportion of the poor in the United States is composed of single mothers and their children. Many of these women receive partial child support payment or none at all. Welfare reform legislation has, therefore, focused on child support payment enforcement. However, the economic well-being of single-parent families can be improved only if child support payments are paid on a regular basis and reflect the cost of raising children. Comparing USDA estimates of expenditures on children with average full child support payments, which represent average child support awards, shows that these full payments cover a small proportion of the total cost of raising children. Therefore, to improve the economic well-being of single-mother families, child support enforcement plus child support awards that reflect the cost of raising children are needed.

A dramatic change in American family life during the past 30 years has been the growth in the number of single-parent families. In 1970, 13 percent of all families with children were headed by a single parent. By 1996, this proportion had climbed to 32 percent (14,17). It is estimated that half of the children in the United States will spend part of their childhood in families headed by a single parent (4)—typically, the mother. Since 1970, single parenthood has become synonymous with poverty. In 1994, the median income of single-parent families headed by a female was less than one-third that of married-couple families with children (17); 53 percent of these female-headed families had income below the poverty threshold (17).

Child support—legally mandated payments from a noncustodial parent to a custodial parent¹—can improve the economic well-being of single-parent families if these payments are paid on a regular basis and reflect the cost of raising children. Given that the recent Welfare Reform Act limits the time single parents are eligible for public assistance, child support is an important way to improve the economic well-being of single-parent families.

¹The custodial parent has primary physical care of a child. It does not necessarily mean the parent has sole legal or sole physical custody. The non-custodial parent does not have primary physical care of a child; although, a child can reside with this parent some portion of the time.

Much of the focus on child support has been on payment enforcement because noncustodial parents often do not make payments. In 1991, of custodial mothers who were due child support, 48 percent received partial payment or none at all (15). The adequacy of child support awards has received much less attention.

Beller and Graham compared 1985 child support awards with the cost of raising children (based on 1972-73 data inflated to 1985 dollars) and found these awards only covered a fraction of the cost of raising children (2). A U.S. Department of Health and Human Services study reviewed a variety of estimates of the cost of raising children and compared them with 1990 State child support guidelines (18). Most State guidelines were within the range of cost estimates; however, these guidelines were at or near the lower bound of these estimates. Pirog-Good compared 1991 State child support awards determined by the guidelines in each State with estimates of the cost of raising children and concluded most State guidelines fell short of this cost (9). The Women's Legal Defense Fund compared 1989-90 State child support guidelines with a standard-of-living measure for children (5). It was found that, in most States, support awards based on the guidelines left children with less than a decent standard of living.

Since 1960, the U.S. Department of Agriculture (USDA) has provided annual estimates of family expenditures on children (often referred to as the cost of raising a child) by family income level. This study examines the adequacy of child support awards by comparing average full child support payments with

USDA's estimates of the cost of raising children. Average full child support payments should reflect total child support awards. This study differs from previous research—it focuses on USDA's estimates of the cost of raising children as a basis for comparison; whereas, other studies use a range of estimates, some of which are outdated. Also, it uses actual child support payments to make this comparison.

The article begins with a brief overview of child support guidelines in the United States, a description of the USDA child-rearing expense estimates, and a comparison of the USDA estimates with other estimates of expenditures on children. The article concludes with a discussion of the policy implications for child support guidelines.

Overview of the U.S. Child Support Guideline System

Before 1984, the use of child support guidelines was limited in many States (21). Child support awards, typically set on a case-by-case basis, varied tremendously among judges (5). This system often resulted in awards that had little rationale (2). The emphasis during this time was on the enforcement of child support payments since a large percentage of single mothers received no payments—a problem that still exists. In 1978, about half of custodial mothers due child support received partial payment or none at all (2). By 1991, this proportion remained almost unchanged at 48 percent (15). Title IV-D of the 1975 Social Security Act made the Federal Government an overseer of child support collection; although, the daily work of collecting child support remained a State responsibility.

The Child Support Enforcement Amendments of 1984 were primarily aimed to improve the collection of child support. These amendments required States to (1) use automatic wage withholding to collect overdue child support, (2) use expedited legal processes to establish and enforce support orders, (3) collect overdue support by intercepting State income tax refunds, and (4) initiate a process for imposing liens against real and personal property for nonpayment of child support. The amendments also required States to set numeric child support guidelines and to make these guidelines available to officials in charge of setting the level of child support. The amendments, however, did not require that these guidelines be binding.

The Family Support Act of 1988 required States to implement presumptive rather than advisory child support guidelines. It stipulates that these guidelines are to be followed unless their application would be unjust or inappropriate. In addition, States are required to review their guidelines every 4 years to ensure that their application results in appropriate child support award amounts and to consider economic data on the cost of raising children in this review. This act, for the first time, requires States to establish child support guidelines and to use them as the basis of child support awards.

The welfare reform bill (Personal Responsibility and Work Opportunity Reconciliation Act of 1996) also contained major child support enforcement provisions as receipt of child support and dependency on public assistance are typically inversely related. Overall, child support legislation has primarily dealt with better enforcement of such support. This emphasis is not surprising given the large percentage of custodial parents who receive no child support. However, the enforcement of child support will significantly improve the economic situation of single-parent families only if the awards reflect child-rearing expenses or the cost of raising children.

USDA Estimates of Expenditures on Children by Families

Methodology

Since 1960, USDA has provided annual estimates of expenditures on children from birth through age 17 by married-couple and single-parent families.² These expenditures on children are estimated for the major budgetary components: Housing, food, transportation, clothing, health care, child care/education, and miscellaneous goods and services (personal care items, entertainment, etc.). The latest child-rearing expense estimates are based on the 1990-92 Consumer Expenditure Survey (CE) updated to 1996 dollars using the Consumer Price Index (CPI). The CE is the only Federal

²The administrative report has a detailed description of the USDA methodology used to estimate child-rearing expenses and a discussion of the expenses (6).

Milestones in Federal Legislation Regarding Child Support Guidelines

1975: Title IV-D of the Social Security Act:

The U.S. Department of Health and Human Services (then named the U.S. Department of Health, Education, and Welfare) is given primary responsibility for "... establishing standards for State (child support) program organization, staffing, and operation to assure an effective program." However, primary responsibility for operating the child support enforcement program "... is placed on the States pursuant to the State plan."

1984: Child Support Enforcement Amendments:

States were required to "... formulate guidelines for determining appropriate child support obligation amounts and distribute the guidelines to judges and other individuals who possess authority to establish obligation amounts." The amendments, however, did not require judges and other officials to follow these child support guidelines.

1988: Family Support Act of 1988:

Judges and other officials are required to "... use State guidelines for child support unless they are rebutted by a written finding that applying the guidelines would be unjust or inappropriate in a particular case." States are also required to "... review guidelines for awards every four years" and to consider economic data on the cost of raising children in this review.

1996: Personal Responsibility and Work Opportunity Reconciliation Act:

This act strengthened child support enforcement provisions given the link between receipt of child support and welfare dependency.

Source: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Support Enforcement. 1994. Child Support Enforcement Nineteenth Annual Report to Congress.

survey of household expenditures collected nationwide. It collects information on sociodemographic characteristics, income, and expenditures of a nationally representative sample of households.

The methodology employed by USDA to estimate child-rearing expenses specifically examines the intrahousehold distribution of expenditures using data for each budgetary component. The CE contains child-specific expenditure data for some budgetary components (clothing and child care/education) and household level data for other budgetary components.

Multivariate analysis is used to estimate household and child-specific expenditures. Income level, family size, and age of the younger child are controlled for so estimates can be made for families with these varying characteristics (regional estimates are also derived by controlling for region).

Estimated household and child-specific expenditures are allocated among family members (e.g., in a married-couple, two-child family: the husband, wife, older child, and younger child). Since the estimated expenditures for clothing and child care/education only apply to children, these expenses are allocated by dividing them equally among the children.

Because the CE does not collect expenditures on food and health care by family member, data from other Federal studies are used to apportion these budgetary components to a child by age. The USDA food plans are used to allocate food expenses among family members. These plans, derived from a national food consumption survey, show the share of food expenses attributable to individual family members by age and household income level. These members' food budget shares are applied to estimated household food expenditures to determine food expenses on a child. Health care expenses are allocated to each family member based on data from the National Medical Expenditure Survey. This survey contains data on the proportion of health care expenses attributable to individual family members. These members' budget shares for health care are applied to estimated household health care expenditures to determine expenses on a child.

Unlike food and health care, no authoritative base exists for allocating estimated household expenditures on housing, transportation, and other miscellaneous goods and services among family members. Two common approaches used to allocate these expenses are the per capita and the marginal cost methods. The marginal cost method measures expenditures on children as the difference in expenses between couples with children and equivalent childless couples. This method depends on development of an equivalency measure; however, there is no standard measure. Various measures have been proposed, each yielding different estimates of expenditures on children. Also, the marginal cost approach assumes—without much basis—that the difference in total expenditures between couples with and without children can be attributed solely to the children in a family. In addition, couples without children often buy homes larger than they need in anticipation of children. Underestimates of expenditures on children can result when these couples are compared with similar couples with children.

For these reasons, USDA uses the per capita method to allocate housing, transportation, and miscellaneous goods and services among household members. This method allocates expenses among household members in equal proportions. Although the per capita method has limitations, they are considered less severe than those of the marginal cost approach. In implementing the per capita method, it should be noted that for homeowners, housing expenses do not include mortgage principal payments; in the CE, such payments are considered to be part of savings. Also, because work-related transportation expenses are not directly child specific, these costs are excluded when estimating children's transportation expenses.

Estimated Child-Rearing Expenditures

Estimates of 1996 family expenditures on the younger child in husband-wife households with two children for the overall United States are shown in table 1. Expenses on children vary considerably by household income level. Depending on the age of the child, the annual expenses range from \$5,670 to \$6,740 for families in the lowest income group (1996 before-tax income less than \$34,700), from \$7,860 to \$8,960 for families in the middle-income group (1996 before-tax income between \$34,700 and \$58,300), and from \$11,680 to \$12,930 for families in the highest income group (1996 before-tax income more than \$58,300).³ On average, households in the lowest income group spend 28 percent of their before-tax income per year on a child, those in the middle-income group, 18 percent, and those in the highest income group, 14 percent.

Housing accounts for the largest share of total child-rearing expenses. Based on the average for the six age groups, housing accounts for 33 to 37 percent of child-rearing expenses, depending on income. Food is the second largest average expense on a child for families regardless of income level, accounting for 15 to 20 percent of child-rearing expenses. Transportation is the third largest child-rearing expense, making up 14 to 15 percent of child-rearing expenses across income levels. Expenditures on a child are lower in the younger age categories and higher in the older age categories.

³The estimates are based on all households, including those with and without specific expenses. So, for some families their expenditures may be higher or lower than the mean estimates, depending on whether they incur the expense or not. This particularly applies to child care/education for which about 50 percent of families in the study had no expenditure.

This held across income groups. Expenses for the various budgetary components varied by each age group. Food expenses were highest for teenagers, whereas child care expenses were one of the largest expenses for preschoolers.

Additional analysis found that, on average, the expenses depicted in table 1 also reflect those on the older child in a given age category in a two-child family. However, compared with expenditures for each child in a two-child family, husband-wife households with one child spend an average of 24 percent more on the single child, and those with three or more children spend an average of 23 percent less on each child. This is due to family income being spread over fewer or more children and diseconomies or economies of scale. For example, a middle-income family with one child age 6-8 spends \$10,080 on the child, a middle-income family with two children ages 6-8 and 15-17 spends \$17,090 on the children, and a middle-income family with three children ages 6-8, 12-14, and 15-17 spends \$19,960 on the children. For child-rearing expense estimates by region and for single-parent households, see Lino (6).

USDA Child-Rearing Expense Estimates Compared With Other Estimators

Among other estimators used to determine child-rearing expenses, the Engel and Rothbarth estimators are two of the most commonly used. Both of these estimators are marginal cost approaches—expenses on children are gauged as the difference between expenses of couples with children and equivalent childless couples. This difference is thought to represent additional or marginal expenditures that couples make on a child. The

two estimators use different equivalency scales, however, to compare the expenditures of couples with and without children.

The Engel estimator (based on the work of Engel in the 19th century, see DHHS (18) for a description of Engel's work) assumes that if two families spend an equal percentage of their total expenditures on food, they are equally well-off. The Rothbarth estimator (based on the work of Rothbarth in the 1940's, see Rothbarth (10)) uses the level of excess income available to people after necessary expenditures on family members are made as the equivalency measure. Rothbarth's definition of excess income includes luxuries (alcohol, tobacco, entertainment, and sweets) and savings. Both estimators have limitations, as previously explained. Each assumes a "true" equivalency measure. However, in the economics literature, neither of the equivalency measures has been validated as the "true" measure. Also, the marginal cost estimators do not provide direct estimates of how much is spent on a child. They estimate how much money families with children must be compensated to bring the parents to the same utility level (as gauged by an equivalence scale) of couples without children—this is a different question from "how much do parents spend on children?"

According to Barnow, an economist who studied the issue of estimating expenditures on children, "... while they [the Engel and Rothbarth estimators] undoubtedly yield biased estimates of the true level of expenditures made on behalf of children, the direction of the bias is believed to be known" (1). He makes the argument that "... the Rothbarth estimator is likely to provide

Table 1. Estimated annual expenditures* on a child by husband-wife families, overall United States, 1996

Age of child	Total	Housing	Food	Transportation	Clothing	Health care	Child care and education	Miscellaneous [†]
Before-tax income: Less than \$34,700 (Average=\$21,600)								
0-2	\$5,670	\$2,160	\$810	\$720	\$370	\$390	\$660	\$560
3-5	5,780	2,140	900	700	360	370	740	570
6-8	5,900	2,060	1,160	810	400	420	440	610
9-11	5,940	1,860	1,380	880	450	460	270	640
12-14	6,740	2,080	1,450	1,000	750	470	190	800
15-17	6,650	1,680	1,570	1,340	670	500	310	580
Total	\$110,040	\$35,940	\$21,810	\$16,350	\$9,000	\$7,830	\$7,830	\$11,280
Before-tax income: \$34,700 to \$58,300 (Average=\$46,100)								
0-2	\$7,860	\$2,930	\$960	\$1,080	\$440	\$510	\$1,080	\$860
3-5	8,060	2,900	1,110	1,050	430	490	1,200	880
6-8	8,130	2,830	1,420	1,170	470	560	770	910
9-11	8,100	2,630	1,670	1,240	520	600	500	940
12-14	8,830	2,840	1,680	1,350	880	610	370	1,100
15-17	8,960	2,440	1,870	1,710	780	640	630	890
Total	\$149,820	\$49,710	\$26,130	\$22,800	\$10,560	\$10,230	\$13,650	\$16,740
Before-tax income: More than \$58,300 (Average=\$87,300)								
0-2	\$11,680	\$4,650	\$1,280	\$1,510	\$580	\$580	\$1,630	\$1,450
3-5	11,910	4,620	1,450	1,480	560	560	1,780	1,460
6-8	11,870	4,550	1,740	1,600	620	640	1,220	1,500
9-11	11,790	4,350	2,030	1,670	670	690	850	1,530
12-14	12,620	4,570	2,130	1,780	1,110	690	650	1,690
15-17	12,930	4,160	2,240	2,160	1,010	730	1,150	1,480
Total	\$218,400	\$80,700	\$32,610	\$30,600	\$13,650	\$11,670	\$21,840	\$27,330

* Estimates are based on 1990-92 Consumer Expenditure Survey data updated to 1996 dollars using the Consumer Price Index. The figures represent estimated expenses on the younger child in a two-child family. Estimates are about the same for the older child, so to calculate expenses for two children, figures should be summed for the appropriate age categories. To estimate expenses for an only child, multiply the total expense for the appropriate age category by 1.24. To estimate expenses for each child in a family with three or more children, multiply the total expense for each appropriate age category by 0.77. For expenses on all children in a family, these totals should be summed.

[†] Miscellaneous expenses include personal care items, entertainment, and reading materials.

a lower bound estimate of actual expenditures on children, while the Engel estimator is likely to provide an upper bound.” The precise magnitude of the overestimate of the Engel estimator or the underestimate of the Rothbarth estimator is unknown. Barnow states the Engel estimator yields results too high to be believed so recommends the Rothbarth estimator be slightly increased to determine child-rearing expenditures (1).

How do child-rearing expense estimates derived from the Engel and Rothbarth estimators compare with the USDA estimates? Table 2 shows this comparison by number of children and total household expenditures. The results for the Engel and Rothbarth estimators are from a U.S. Department of Health and Human Services study (18) that estimated child-rearing expenses by married couples based on the 1980-87 CE; this study contains the most recent child-rearing expense estimates using the Engel and Rothbarth approaches.

The USDA estimates are based on the 1995 study. The comparison is based on child-rearing expense estimates as a percentage of total family expenditures; hence, the estimates did not have to be converted into real dollars. For the USDA estimates, average expenditures of families in each income group (as derived from the CE data) were used to make the percentages comparable to those from the DHHS study.

The Engel and Rothbarth methods yield varying child-rearing expense estimates that differ as much as 20 percentage points for a family with three children. So when using the marginal cost method in estimating expenditures on children, the choice of an equivalency measure

Table 2. Average percent of household expenditures attributable to children in husband-wife families

	Estimator		
	Engel ¹	Rothbarth ¹	USDA ²
	<i>Percent</i>		
Number of children			
One	33	25	26
Two	49	35	42
Three	59	39	48
Household expenditure level ³			
Low	49	36	45
Average	49	36	42
High	49	35	39

¹Percentages for these estimators are taken from the U.S. Department of Health and Human Services, 1990.

²Percentages are from the 1995 USDA study. Average expenditures of families in each income level were used to make comparisons. Percentages by number of children are based on average expenditures of middle-income families.

³Percentages by household expenditure level are for a family with two children.

is obviously critical since different measures yield different results. If the Rothbarth technique is a lower bound estimator of child-rearing expenses and the Engel technique is an upper bound estimator as Barnow believes, this gives credence to the USDA estimates of child-rearing expenses—they are between those produced by the Engel and Rothbarth techniques. For families with one child and for families with a high expenditure level, the USDA estimates are closer to the Rothbarth estimates, whereas for families with a low expenditure level, the USDA estimates are closer to the Engel estimates. For families with two or more children and for families with an average household expenditure level, the USDA estimates are about in the middle of the Rothbarth and Engel estimates.

It is sometimes argued that the USDA method overestimates child-rearing expenses since the per capita method is used to allocate housing, transportation, and miscellaneous expenses among household members. These three budgetary components account for about 60 percent of the child-rearing costs calculated by USDA. One study argues that child-related housing expenses should be measured as the difference in rent between one- and two-bedroom apartments (3). This argument assumes all children will reside in rental property.

Housing expenses on an only child in a lower income and middle-income family for the overall United States are estimated by USDA to be about \$205 and \$285 per month, respectively, in 1996. This includes the cost of shelter, utilities,

furnishings, home insurance, and appliances. According to the Census Bureau, the difference in median rental price between an efficiency/one-bedroom housing unit and a two-bedroom housing unit in the overall United States was about \$100 per month in 1996 dollars (16). This does not include utility costs for many units, furnishings, insurance, or appliances. Also, the USDA child-rearing housing expense includes home owners' and renters' expenses; housing costs for homeowners are typically higher than the costs for renters because owned housing usually has more space than does rental housing.

The USDA child-rearing expenses do not include work-related transportation expenses. These expenses were calculated to be 40 percent of total transportation expenses. Miscellaneous expenses include expenditures on personal care (e.g., toothpaste and haircuts), entertainment (e.g., video cassettes and toys), and reading material (e.g., newspapers and books). Many of the miscellaneous goods and services are child-oriented so a per capita approach is reasonable in allocating these expenses. Based on some of the goods and services that are included in this category, it could be argued that children use more than a per capita share of these expenses. Therefore, it is unlikely that the USDA child-rearing estimates grossly overestimate expenditures on children for housing, transportation, and miscellaneous goods and services.

Table 3. Average full child support payments, household expenditures on children, and percentage of child-rearing expenditures covered by full payments, by income group and number of children, 1991

Number of children	Full child support payments	Household expenditures on children ¹		
		Low income	Middle income	High income
1	\$2,776	\$6,022 (46%)	\$8,395 (33%)	\$11,789 (24%)
2	\$4,220	\$10,103 (42%)	\$14,085 (30%)	\$19,779 (21%)
3	\$4,277	\$11,878 (36%)	\$16,560 (26%)	\$23,255 (18%)
4 or more	\$4,901	\$15,877 (31%)	\$22,135 (22%)	\$31,083 (16%)

¹Child-rearing expenses are for husband-wife households.

Note: Numbers in parentheses are the percentage of child-rearing expenditures covered by full child support payments.

Sources: Scoon-Rogers, L. and Lester, G.H., 1995, *Child Support for Custodial Mothers and Fathers: 1991, Current Population Reports, Consumer Income, Series P60-187, U.S. Department of Commerce, Bureau of the Census (11)* and U.S. Department of Agriculture, Agricultural Research Service, Family Economics Research Group, 1992, *Expenditures on a Child by Families, 1991 (13)*.

USDA Child-Rearing Expense Estimates Compared With Child Support Awards

How do the USDA child-rearing expense estimates compare with average child support awards? Are these awards adequate in terms of the cost of raising children? The U.S. Bureau of the Census periodically publishes a child support report. The most recent report contains information on mean child support income in 1991 for custodial parents receiving full payment from noncustodial parents by number of children (11). Full child support payments should reflect the total child support award. The Census estimates are for all families of which

middle-income families are likely the norm. Table 3 compares 1991 full child support payments from noncustodial parents with the 1991 USDA child-rearing expense estimates for low-, middle-, and high-income households by number of children (13).

If each parent equally shares child-rearing expenses, average full payment of child support should cover half the cost of raising children. Full child support payments should not reflect total expenditures on children as this expense is divided between the custodial and non-custodial parent. As seen in table 3, these payments cover less than 50 percent of the cost of raising children regardless of income group.

Table 4. Average full child support payments, household expenditures on children (excluding health care and child care/education expenses), and percentage of child-rearing expenditures covered by full payments, by income group and number of children, 1991

Number of children	Full child support payments	Household expenditures on children ¹		
		Low income	Middle income	High income
1	\$2,776	\$5,177 (54%)	\$7,176 (39%)	\$9,967 (28%)
2	\$4,220	\$8,685 (49%)	\$12,039 (35%)	\$16,721 (25%)
3	\$4,277	\$10,211 (42%)	\$14,155 (30%)	\$19,660 (22%)
4 or more	\$4,901	\$13,648 (36%)	\$18,919 (26%)	\$26,277 (19%)

¹Child-rearing expenses are for husband-wife households.

Note: Numbers in parentheses are the percentage of child-rearing expenditures covered by full child support payments.

Sources: Scoon-Rogers, L. and Lester, G.H., 1995, *Child Support for Custodial Mothers and Fathers: 1991, Current Population Reports, Consumer Income, Series P60-187, U.S. Department of Commerce, Bureau of the Census (11)* and U.S. Department of Agriculture, Agricultural Research Service, Family Economics Research Group, 1992, *Expenditures on a Child by Families, 1991 (13)*.

Only in low-income households with one and two children do full child support payments exceed 40 percent of child-rearing expenses. For middle-income families, to which the full child support payments most likely apply, these payments by noncustodial parents covered 22 to 33 percent of child-rearing expenses, depending on the number of children. As number of children increases, child support payments become less adequate. This holds for all income groups.

Some State child support awards do not include health care or child care/education expenditures; these expenses are treated as an addition to the numeric awards. Even comparing the USDA child-rearing expense estimates

excluding these two expenses with full child support payments (table 4), the payments still generally cover less than 50 percent of child-rearing expenses. This held for most households by income group and number of children. For middle-income families, child support payments by the noncustodial parent covered 26 to 39 percent of child-rearing expenses, depending on number of children.

The above analyses assume custodial and noncustodial parents equally share child-rearing expenditures. This typically is not the case—child support awards are usually determined by the combined income of the parents with the non-custodial parent paying an amount in

proportion to his or her income (such an approach is termed an “income shares model”). Given that fathers' income are usually higher than mothers' income, under this system, custodial mothers (the vast majority of all custodial parents) would be responsible for a lower proportion (less than 50 percent) of child-rearing expenditures and noncustodial fathers responsible for a higher proportion. The proportion of child-rearing expenses covered by the average noncustodial parent should therefore be higher than the 50 percent assumed in the previous analyses. Thus, mean child support payments by noncustodial parents are even less adequate.

Overall, State child support awards did not adequately reflect the cost of raising children in 1991. This finding concurs with previous research. There have been changes in child support awards since 1991, particularly as the Family Support Act of 1988, which establishes numeric child support guidelines, takes effect on new child support awards. The Census report examining full child support payments for 1994 was not available at the time this study was undertaken. When available, 1994 full child support payments can be compared with USDA child-rearing expense estimates to determine whether these payments better reflect the cost of raising children. Also, a particular State's child support guidelines can be compared with the USDA child-rearing expense estimates to determine the adequacy of that State's guidelines. These analyses were beyond the scope of this report.

Conclusion

The issue of child support has recently received considerable attention from Federal and State policymakers. Child support enforcement is a key part of welfare reform because a large proportion of welfare recipients are single mothers with children, and a large proportion of child support payments are not made. Although child support legislation has emphasized the enforcement of child support payments, these payments will be effective only if child support awards reflect the cost of raising children. Child support enforcement and child support awards that reflect the cost of raising children are, therefore, vitally linked to improving the economic well-being of children in single-parent families.

During their 4-year review of child support guidelines, States are required by Federal regulations to consider economic data on the cost of raising a child. A 1996 study by the U.S. Department of Health and Human Services found that less than one-half of the States responding to its survey complied with this Federal mandate when revising their child support guidelines (20).

Some believe that better child support enforcement and awards more in line with the cost of raising children would have little affect on single mothers and their children because of one problem: noncustodial fathers are unable to pay such support. A 1996 study generally found otherwise (12). The study found that noncustodial fathers had a significantly higher standard of living than custodial mothers. On average, noncustodial parents spent 7 percent of

their before-tax income on child support in 1990; this includes fathers who do not pay child support. Among noncustodial fathers who pay child support, 60 percent spend less than 15 percent of their income on child support. The average payer provided about \$3,400 in child support for two children in 1990. It was estimated that noncustodial fathers actually paid between \$14 and \$15 billion in child support in 1990 and that they could have paid between \$30 and \$34 billion more.

A 1997 study supported this finding when it concluded that fathers on average are able to pay nearly five times more in child support than they pay (7). Another study found that 16 to 33 percent of young noncustodial fathers (ages 18-34) had problems paying child support because of lack of income (8). More flexible child support orders are proposed for these fathers.

Original child support guidelines in many States were based on older child-rearing expense studies that yielded relatively low child-rearing expense estimates. Periodic revisions of child support guidelines need to reflect current estimates of the cost of raising children. By doing so, child support awards can improve the economic well-being of children in single-parent families.

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