



Maria Cancian on Changing Families and Changing Child Support Policies

May 2018 podcast episode transcript

Featuring Maria Cancian, Professor of Public Affairs and Social Work, University of Wisconsin–Madison

Hosted by Dave Chancellor

Chancellor Hello, you're listening to the Poverty Research and Policy Podcast from the Institute for Research on Poverty at the University of Wisconsin-Madison. I'm Dave Chancellor. This is our May 2018 podcast episode and we have the privilege of hearing from Maria Cancian, who is a professor of public affairs and social work here at UW-Madison, a former director of the Institute for Research on Poverty, and she was recently named the 2018 John Kenneth Galbraith Fellow by the American Academy of Political and Social Science. For this podcast episode, Cancian talks about the changing demographics of U.S. families and the challenges this creates for the child support system. When we started talking, I asked her about these changes and why they matter when we think about child support.

Cancian Child support is an increasingly important income source because both many married don't remain married for their children's entire childhood and because such a high proportion of children are now born to unmarried parents. So, with more than 40 percent of all American children being born to parents who are not married, child support is immediately relevant to those children. And in addition, a lot of married parents divorce and child support becomes relevant to them. So, overall, most children in the United States will spend at least some time living apart from at least one of their biological parents. Child support is particularly critical because we know that children living with just one parent are particularly vulnerable to poverty, so child support is an important resource. It's a way to make sure that parents that don't live with their children can share in maintaining them financially. There are also a lot of concerns about whether the child support system can help or whether it sometimes hinders the ability of absent parents or nonresident parents to support their children emotionally.

Chancellor But Cancian cautions that, despite these and other concerns about child support, the system is important and works well for many families.

Cancian Often, when we do policy analysis, we focus on problems and things that aren't working well and sometimes we can fail to see the upsides of current policy and you want to avoid doing more harm than good. So it's important to recognize that the child support system functions very well, especially for divorcing families where the nonresident parent has a steady income. In those cases, child support often comes out of—I'll use gendered language—a father's paycheck, just the way we all have taxes taken out of our paychecks every month. And that child support is a regular source of income for the resident parent family and those children. Child support works a lot less well for very low income families and that's particularly a problem because child support is so critical for those families. So, when very low-income families do receive child support, that child support is very important to their economic well-being. But, most low income moms have had children with low income dads and those dads often struggle to be able to provide for themselves and for their children. Our current child support system doesn't really have a good way to handle those cases.

Chancellor But, as Cancian mentioned at the beginning, 40 percent of kids are born to unmarried parents and, in those cases, there's a lot of variation in the forms that the relationships take.

Cancian The parents may be romantically involved or even living together at the time of the birth, but we know from Fragile Families and other research that most of those relationships are not that stable. In some cases, the father may not have been a party to the decision to have the child. He was obviously a party to the production of that child, but he may not have been actively involved in deciding to carry that child to term. The child support system doesn't make any distinction in those cases and, this is for another discussion, but it's not clear exactly how the child support system could make such a distinction. But it doesn't make any distinction. In those cases you could imagine that this is a lot more complicated of an interaction because by requiring there to be a child support order, as we do, for example, when mothers are participating in a lot of cash welfare programs, we require as a part of participation that the mother cooperate in establishing paternity and establishing a child support order. You could imagine that some mothers may not want the father of their children to be involved.

Chancellor And Cancian says that this gets to be a very complicated issue in a number of areas.

Cancian Many people will argue that it's not up to the mother whether the child gets to know who their father is, that all children deserve to know their father and have a relationship with their father. But if that's the case, then presumably we would want to have a policy that all mothers of children born outside of marriage would be required to identify the father and to have that father have a relationship with the child. If the argument is one of rights of the child, then it's odd to make an argument that only poor children have that right, only children whose mothers rely on cash assistance have the right to know who their father is and that children of higher income mothers don't have those rights. So that argument that the child has a right to a relationship with their father strikes me as inconsistent with the way that we apply the policy.

Chancellor And Professor Cancian says that if we applied the policy as a test for getting access to benefits or cash assistance or medical assistance, for example, it leads us to a lot of questions about rights to privacy and other things.

Cancian So, if we're saying to women that not all children have a right to know who their father is but rather that we won't provide you with this public benefit unless you identify the father of your child, that's a different kind of argument to make and that gets to be a really contentious discussion. Do taxpayers have a right to demand that women identify the father of their children and that they establish the legal relationship as a condition for participating in public programs? So that's one question. Then there are also a set of questions around domestic violence and other issues about whether women ought to have a right to decide that it's not in the best interests of their child. And then there's a set of issues from non-resident fathers' perspectives which relate to if they are going to be held responsible for this level of financial commitment for such an extended period of time, what rights ought to come with those responsibilities and how do negotiate the rights of mother and father and child? I would say that in general in the area of child support, it's pretty easy to come up with a good policy if you only care about the nonresident parent, or if you only care about the resident parent, or if you only care about the child. But when you're trying to come up with policies that make sense for all parties, it gets a lot more challenging.

Chancellor Another layer that can add to these challenges is the growing number of what some researchers call complex families. They're usually referring to cases where the mother or the father, or both the mother and the father have had children with multiple partners.

Cancian And that's not that uncommon, even among divorcing families because often parents will divorce and then the mother or the father or both will remarry and have children with other partners. But it's particularly common among unmarried couples and that is to a large extent due to the fact that unmarried relationships are less stable and so people have children and then they go on and have another relationship and they might again have children with that partner. In work that I've done with Dan Meyer and Steven Cook, we find that if you look at the first born children of unmarried mothers, you find that at

Cancian, continued least 2/3rds and maybe close to 3/4s of those children by the time they reach their tenth birthday will be members of a complex family. Either their mother or father or, as likely, both parents will have children with multiple partners.

Chancellor Cancian says that, for child support, this can make it difficult to think about how to set a child support order and what an appropriate amount of support is for each child.

Cancian In child support, a lot of times we use the reference of continuity of expenditures in setting a child support order, so the way we think about that going back to a married couple is, we had mom and dad and they were living together with the kids and, say, 25% of the dad's paycheck was going towards children's expenses. So then when dad leaves, it's pretty easy to say he should keep paying 25%, that's a continuity of expenditure. And even if parents haven't lived together, we have child support guidelines that tell us how to think about that. It gets to be a lot more complicated when you're thinking about people who never really -- we don't know how to think about how those parents who never lived together. If a mother has had children with two or three fathers and each of those fathers has had children with one or two or three other women, it's very hard to think about how that set of parents and that set of children would support one another in the absence of them having had multiple relationships.

Chancellor So, thinking about this gets very complex and Cancian says that one area where this complexity comes into play is in rules about birth order or serial order that are used in setting child support orders.

Cancian Typically what might happen is, for example, if you're setting an order for a father with his first family, you only consider the children that he had with his first partner, then when you go to his second family, you say, 'well, he only has the money left that is available after he's paid his first child support order,' so then you look at what he can give to his second family, it's going to be based on a percentage of the money that remains after he's paid his first order, and then if he went on and had children with a third partner, you would say, well, how much money does he have left to provide for the third family after you've deducted the money that he had to provide to the first and the second family? In a lot of ways, that would make sense if you had in mind a situation where somebody divorced and remarried and the person that he remarried recognized that he already had a family and had those financial obligations and made a decision to have children with this person even though they already had those obligations, and so on and so forth. It makes a lot less sense in a context where partners may not be aware of the obligations or the resources available to their partners from other partnerships. It also maybe doesn't make a lot of sense from the perspective of a child. So, here again, it's easy to make rules that make sense for one party, but not for all parties. And so it's hard to argue for a child why they should be receiving a substantially smaller proportion of their father's income than some other child simply because they happen to be born later in the queue. That isn't a principle that we usually use to discriminate against children is there birth order in that way, so it gets to be a lot more complicated.

Chancellor Cancian says when we're thinking about how the child support system works for very low-income families, we should consider child support's role in the context of the broader safety net. And, initially, it was closely tied to AFDC or the Aid to Families with Dependent Children program, which is also commonly known as cash welfare.

Cancian So, child support was initially conceived of in many ways as a cost recovery program, as a way to make sure that if moms were receiving AFDC because fathers weren't providing support to their children, that we could get those fathers to provide support and that money could be used to offset the costs of welfare. That was an important part of the motivation behind the coalition that initially fought for child support enforcement. At that time, because there wasn't much of a pass through or disregard, and what I mean by that is because when a woman who was receiving — because it was almost always the mom — who was receiving AFDC also received child support, in most cases her

Cancian, continued income didn't go up. For every dollar of child support that she received, she got a dollar less welfare. So, from the mother's perspective, there wasn't a lot of gain. And from the father's perspective, there wasn't a lot of gain. Again, most of these fathers were low income. And if they paid child support, their children were no better off. There wasn't a lot of incentive for paying child support and child support wasn't as important to child wellbeing as it was to, maybe, state and federal budgets.

Chancellor From the time that AFDC was replaced by the TANF or the Temporary Assistance for Needy Families program in the mid-1990s, there's been a dramatic decline in number of families receiving cash welfare. But later changes also gave states the flexibility to "pass through" child support payments to the custodial parent even when that parent is receiving cash assistance. This means that the state forgoes the child support it used to keep to offset the state's investment of cash welfare, allowing the custodial parent to receive both cash welfare and at least part of the child support payment paid by the noncustodial parent.

Cancian So, on the one hand, there's many fewer families receiving cash welfare. On the other hand, even many of those who are receiving welfare can also receive their child support. So, child support becomes both more important because there isn't cash welfare anymore and it becomes more important because people can receive it in addition to cash welfare. I think the decline of availability or the elimination of the entitlement to cash assistance also really changes the way we need to think about the tradeoffs between moms and dads. So in the AFDC world, you could argue I think quite reasonably that it doesn't really make sense to take money away from poor fathers who may, by the way, have resident children with another mom or other responsibilities. It doesn't make sense to take that money away from poor fathers in order to offset government costs that are being incurred to support poor moms. That was a logic in which many of us really had concerns about enforcing child support order against fathers of limited resources. And you could think in those contexts differently about something like a self-support reserve, where you would say about a father, well what does he need to meet his very minimal living standards for himself before we're going to tax him, essentially, to offset the costs of his kids' welfare?

Chancellor But Professor Cancian says that today's situation is very different because most low-income moms don't actually receive cash welfare. And many of them have limited access to other types of support, especially if they're not in the labor market.

Cancian Now when we impose that same standard or apply that same standard and we say 'can dads afford to pay child support?', we may decide that a father can't afford to pay child support. But if we applied that same standard to the mom, we would say the mom can't afford to pay child support either. But then somebody has to cover the expenses for the child. And so, we get in this position where, for example, with the new child support regulations, that call for considering fathers ability to pay, we can get in a situation where we determine that a father doesn't really have the capacity to provide support, but, at the same time a mother doesn't really have the capacity to provide support for herself and her children and we no longer have an entitlement to cash assistance. It begs the question of who's going to feed the kids.

Chancellor A proposal that Cancian and her colleague Dan Meyer have recently begun discussing, including at a presentation at the Robin Hood Foundation in New York, and on the American Enterprise Institute's Ideas Blog, seeks to address some of the concerns within the child support system by guaranteeing child support payments.

Cancian Dan Meyer and I have tried to revive a proposal that was initially developed by Irv Garfinkel early in the days of the child support enforcement program, to provide a child support guarantee. And this really grows out of the recognition that in the absence of a cash entitlement for low income mothers, we're in this situation where we don't want to make unreasonable demands on nonresident fathers because we know that those can be counterproductive, and they're unfair, and they're not sustainable. But at the same time, many low income mothers can't afford to support their children on their

Cancian, continued own and can no longer rely on an entitlement to cash assistance. So if you make reasonable demands of mothers and reasonable demands of fathers, you find yourself without the resources necessary to support children. So we've proposed a child support guarantee where, basically, mothers or custodial parents could rely on a consistent guaranteed amount of child support. As an example, we've suggested \$150 per month per child. And that child support would come in every month. If a father was determined to be able to pay more than that, then the mother would get more than that, but the mother would know she would always get that \$150 a month. On the flip side, we would determine what was reasonable for a father to pay and it might be, for example, that a very low income father, a decision would be made that they could only pay \$50 a month. In that case, the father would be liable for the \$50 a month. The public would make up the \$100 difference and the child would get the \$150 a month. In a case where a father decided not to pay his \$50 a month, the child would still get the \$150 a month and that reliable source of income would be very important. But in that case where the father hadn't paid, that \$50 would be a debt just like it is now when fathers don't pay the child support that was ordered.

Chancellor Part of their proposal takes into account that some fathers owe high amounts of child support because they owe to many kids.

Cancian And the proposal that we've made is that to some extent those fathers would still be held liable for having had more children in some sense than they can afford to support in the sense that they would be required to pay off the child support that had been provided to their kids over a longer period of time after their children had reached majority. But at all times the child support obligation we propose would be capped at a third of fathers' income. So fathers would never be expected to pay more than a third of their income at any one time.

Chancellor I asked Professor Cancian what sort of takeaway message she would like to offer as we think about the child support system and how to make it work better for families.

Cancian I think my bottom line with respect to the child support program is that we need first of all to recognize how well it works for many families, how important it is as a mechanism for helping resident and nonresident parents to sort out their obligations to one another and their children and to facilitate nonresident parents' providing the financial support that they're able to. And that, in many cases, for many families, the program works quite well in doing that. But, at the same time that the system works very well for many families in the system, it works very poorly for some families. And the real problem is that it works very poorly for some of the families that need it the most. Because of assortative mating, because low income individuals are more likely to have children with other low-income individuals, the cases where non-resident parents don't have the ability to pay child support are often the cases where those children most desperately need that support. And so, we need a system to assure child support and to combine that with efforts to both enforce and enable non-resident parents to pay child support, both to require that they pay support but also to provide employment and other services that might help them have the capacity to meet those obligations.

Chancellor Many thanks to Maria Cancian for taking the time to talk about these issues with us. This podcast was supported as part of a grant from the U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation but its contents don't necessarily represent the opinions or policies of that Office or the Institute for Research on Poverty. To catch new episodes of the Poverty Research and Policy Podcast, you can subscribe on iTunes or Stitcher or your favorite podcast app. You can find all of our past episodes on the Institute for Research on Poverty website.