W-2 CHILD SUPPORT DEMONSTRATION EVALUATION PHASE 1: FINAL REPORT

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W-2 Child Support Demonstration Evaluation (W-2 CSDE)

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Executive Summary

In 1997 Wisconsin initiated a radically new approach to public assistance for low-income families, replacing Aid to Families with Dependent Children (AFDC) with Wisconsin Works (W-2). Critics charged that the AFDC program was expensive, discouraged work and marriage, and was ineffective at reducing high levels of poverty among children living in single-parent families. In addition, mothers may have had insufficient incentive to cooperate with the child support system, in that they did not fully profit from payments so long as they continued to receive benefits. W-2, in contrast, is a work-based program with time limits, so it was hoped that participants would increase their employment and earnings and decrease their reliance on public benefits. Moreover, because most W-2 participants are eligible to receive all child support paid on their behalf even when they are receiving cash benefits, it was hoped that the likelihood of paternity establishment and child support orders would increase, and that substantial amounts of child support would be collected. Some supporters also hoped that increases in earnings and child support would result in growth in total income, with concomitant declines in poverty and potential improvements in various measures of child well-being.

In this volume we report on several aspects of the lives of W-2 families participating in the first two years of W-2. Although the child support component of W-2 was the subject of an experimental evaluation (presented in Volume I of this report), no experimental evaluation of the overall W-2 program was implemented. Thus, we cannot formally evaluate the *impact* of the full W-2 program, because we do not have a clear counterfactual—that is, we cannot accurately predict what participants' lives would have been in the absence of W-2. However, we are able to assess a number of measures of economic success and general well-being, and to identify areas in which there is improvement in participants' lives over the first two years of the program. The chapters in this volume include reports on mothers' economic well-being, including their program participation, employment, and income, with particular emphasis on the receipt of child support. We discuss fathers' child support payments, employment, and relationships with their children. We also consider the extent to which children participating in W-2 have had paternity established, and several aspects of their well-being.

Each chapter in this volume was written by a team of researchers with particular expertise in the given area, and each uses somewhat different analytic methods and approaches. All draw on data from administrative records, from the Survey of Wisconsin Works Families, or both. Although it is impossible to summarize the findings of each chapter here, we highlight selected results.

Selected Findings: The Good News

In part because of the substantial caseload reductions that preceded the implementation of W-2, many of the first participants in W-2 had low levels of education, substantial family responsibilities, and a history of reliance on welfare. Notwithstanding these barriers, we find *higher levels of employment* than have been found in other states, and *substantial growth in employment and earnings* over the short period considered. From 1998 to 1999, median wages grew from about $7.00 per hour to about $7.75 per hour, and average earnings for those who worked grew by more than $2,000. *Average family income also increased*, rising from about $12,000 in 1998 to nearly $15,000 in 1999, and the poverty rate fell from 77 percent to 67 percent.

Receipt of cash assistance payments declined dramatically over the first 24 months after families entered W-2. At entry over 80 percent of mothers received cash payments, but in the twenty-fourth month only a fifth received any cash. Use of Food Stamps and Medicaid, potentially important supports even for families who have moved from welfare to employment, declined more modestly; by the twenty-fourth month, a little more than half the families continued to receive Food Stamps, and in about 80 percent of

families at least one individual was covered by Medicaid. Use of child care subsidies, another program that supports work, rose over the period, to about one-third of families. Despite reduced Medicaid coverage, *children were less likely to be uninsured* than children in low-income families nationally.

Significant improvements in child support occurred over the two years. If a child's father has not been legally established, no formal child support can be forthcoming; among families in the study, the percentage of children without established paternity declined from about 40 percent at entry into W-2 to less than 30 percent seven quarters later. Mothers were increasingly likely to receive child support: the percentage receiving something increased from 24 percent in the quarter of W-2 entry to over 35 percent seven quarters later. When child support was received, it was a significant part of a mother's income package, averaging $1,500 in the first year and over $1,750 in the second. Child support receipt was more common among W-2 participants than among the best available comparison groups nationwide.

Selected Findings: Concerns

In spite of the improvements, the chapters highlight several concerns. Although family incomes were increasing, problems remained; *poverty levels were high, and significant economic hardships continued for many families*. Even in 1999, two-thirds of the families had incomes below poverty. About 15 percent of families said they sometimes or often did not have enough to eat, and about one in five had their gas or electricity turned off because they could not pay the bill. There is some evidence that the level of hardship declined over the two years, but the declines were small and in most cases not statistically significant. Mothers' personal incomes were fairly low, about $10,000. They also show no growth between 1998 and 1999, because large increases in earnings and small increases in child support were offset by large declines in W-2 and small declines in Food Stamp receipt.

Another area of concern is that *mothers reported substantial dissatisfaction with W-2*. About two-thirds of mothers disagreed with the statement that "W-2 helped me get a job or get a better job," and nearly half disagreed with "I think I've been treated fairly on the W-2 program."

Although child support receipts in Wisconsin are above national figures and are improving over time, *continued improvement in child support may be very difficult*. Many fathers have no formal earnings, and those who do, have earnings that are quite low, a median of about $9,000 per year. Those not paying support are particularly disadvantaged. Fewer than one-third of those not paying had formal employment, and most of those with employment had child support orders above 35 percent of their earnings. These findings suggest that remaining problems of nonpayment may not be addressed by policies that focus solely on enforcement tools linked to formal employment, because many nonpaying fathers are not linked to the employment system.

Another concern is the *high levels of conflict between the parents* in our sample: roughly two-fifths of mothers reported intense conflict with the children's father about some aspect of child rearing—a higher proportion than found in a national sample of resident mothers, perhaps as a result of the greater economic strain that low-income families, including these W-2 families, experience. Finally, for over one in ten children, health status was reported as fair or poor, a higher percentage than in a national sample of low-income families.

Conclusions

This volume represents an initial effort to take advantage of the information gathered in the course of the child support evaluation to assess how W-2 recipients are doing. Much work remains to be done, and many of the key issues will not be resolved until the long-term implications of the policy changes can be measured. Nonetheless, our findings suggest the importance of comprehensive monitoring of welfare outcomes, even when an impact evaluation is not feasible. In considering potential policy changes, for example, in light of the upcoming debates over the reauthorization of the 1996 federal welfare law, it will be important to understand the ways in which Wisconsin's work-focused approach has been successful. The initial analyses in this volume illustrate the importance of taking a broad view and moving beyond simple measures of payment receipt and earnings.

Introduction

Wisconsin has long been a leader in innovative approaches to welfare reform. The state had already begun to initiate a number of changes that were consistent with the new approach to welfare when the Temporary Assistance for Needy Families (TANF) block grant replaced the Aid to Families with Dependent Children (AFDC) program. Wisconsin responded to the greater flexibility offered by TANF with the Wisconsin Works (W-2) program, an approach to cash assistance that was radically different from AFDC, but built on previous welfare innovations in the state. In this volume we report on a variety of aspects of the lives of early W-2 participants and their families. We cannot formally evaluate the *impact* of the full W-2 program, because we do not have a clear counterfactual—that is, we cannot accurately predict what participants' lives would have been in the absence of W-2. However, we are able to assess a number of measures of economic success and general well-being, and to identify areas in which there is more or less improvement in participants' lives over the first two years of the program.

As discussed in detail in Volume I of this report, W-2 included a dramatically different approach to child support for welfare participants. The child support component of W-2 required a federal waiver, which was granted with the condition that the state conduct a random assignment evaluation of this part of the program. The W-2 Child Support Demonstration Evaluation (CSDE) effort included random assignment in only one respect: the treatment of child support. No experimental evaluation of the overall W-2 program was implemented. However, the CSDE provided a context within which to collect a variety of data which we use to analyze the experiences of W-2 participants and their families along a number of dimensions. The chapters in this volume include reports on mothers' economic well-being, including their program participation, employment, and income, with particular emphasis on the receipt of child support. Also discussed are paternity establishment, and, for fathers, child support paid, employment, and relationships with their children. Finally, we also use data from the CSDE as the basis for an analysis of the well-being of children in families participating in W-2.

In this introduction we briefly discuss the structure of W-2, the CSDE, and the data sources on which subsequent analyses are based.[1] We then provide brief summary comments on each of

- Volume I presents the formal results of the CSDE. It includes analyses of the effects of the child support reform on a broad range of outcomes. We find that the full pass-through has direct effects: it increases the amount of child support received, the likelihood of child support being paid, and the rate of paternity establishment. Some secondary effects are also detected, including lower W-2 payments, decreased informal earnings for fathers, more valuable informal transfers, and improved health outcomes for children. These results are achieved at no additional cost to the government.
- In this volume we present a general analysis of outcomes for W-2 participants. Using data collected for the CSDE, we analyze mothers' employment, earnings, use of government programs, and income and poverty status; fathers' child support payments, employment, earnings, and relationships with their children; and child well-being.
- Volume III consists of a series of technical reports that provide detailed information on the implementation of the CSDE, as well as on the details of data, methods, and analytic strategy.

[1]More detail on these topics is found in Volume I (especially Chapters 1 and 3) and in Volume III.

the topical chapters that follow, and conclude with a general assessment of what we have learned about the well-being of W-2 participants and their families.

W-2 and the Child Support Demonstration Evaluation

Critics charged that the AFDC program was expensive, potentially discouraged work and marriage, and was ineffective at reducing high levels of poverty among children living in single-parent families. In 1996, dramatic changes in the public welfare system took place at the federal level with passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). The act replaced AFDC with the TANF block grant, which gives the states considerable freedom in designing their own systems of assistance to low-income families.

In contrast to AFDC, which provided an entitlement to cash assistance with limited work requirements, TANF-funded assistance is generally limited to five years, with recipients required to work within two years. Wisconsin has adopted a work-based model; the philosophy and structure of W-2 emphasize immediate employment. Under W-2, almost all participants are placed in one of four tiers of employment or employment experience: Unsubsidized Jobs, Trial Jobs, Community Service Jobs, or W-2 Transition.[2] The most job-ready applicants are provided case management services to help them find an Unsubsidized Job on the open market or improve their current job status. Trial Jobs provide work experience in jobs for which the state provides a partial subsidy to the employer. Participants in these two upper tiers receive no cash payments from the state (but may receive a variety of ancillary services). Community Service Jobs are public service jobs for which participants receive a monthly W-2 payment of $673. W-2 Transition is for those least able to work, either because of their own disability or because of the need to care for a child with a disability. W-2 Transition participants receive a monthly W-2 payment of $628. In addition to these four tiers, the Caretaker of Newborn tier provides, for parents caring for a child younger than 13 weeks, a monthly payment of $673 and exemption from work requirements. Those in the lower tiers receive the full amount only if they meet the time requirement; otherwise they lose $5.15 per hour of nonparticipation. Consistent with an approach that tries to replicate the "real world of work," W-2 is available to all low-income families with children, not merely single-parent families.

Time limits, work requirements, and the lack of an entitlement to cash assistance have made nonwelfare sources of income increasingly essential. In Wisconsin, the relatively stringent work requirements of W-2 have been combined with a uniquely generous approach to child support. Under AFDC, all current child support paid on behalf of welfare recipients in excess of $50 per month was retained by the government to offset welfare expenses; the money was split between federal and state governments based on the formula for splitting Medicaid costs. TANF allows states substantial flexibility regarding the handling of child support paid on behalf of families receiving assistance. Most states now follow one of two approaches, either retaining all child support paid on behalf of TANF families or continuing to pass through $50 per month to the resident parent (Cassetty et al., 1999). In Wisconsin, in contrast, implementation of the W-2 program coincided with a dramatic shift in the interface between the private child support system and the provision of public assistance. Under the new policy the full amount

[2]For a more detailed discussion of W-2 tiers see Volume I, Chapter 1, especially Table I.1.1.

of child support paid is distributed to resident-parent families and does not affect the level of the TANF check they receive.[3]

Wisconsin is unique in selecting a full pass-through. Although the full pass-through is being evaluated with an experimental design, with families randomly assigned to either the full pass-through group or a partial pass-through group, all other aspects of the W-2 program were implemented statewide for all participants. Because of this, we do not have the basis for a more general experimental evaluation of W-2.

Data Sources and Samples

The analyses in this volume draw on two primary data sources, administrative records and the Survey of Wisconsin Works Families.

Administrative Data

The administrative data include records merged from three separate data systems. The main administrative database used is CARES (Client Assistance for Re-employment and Economic Support), which contains information on W-2, Food Stamps, Medicaid, and child care subsidies. CARES data include not only whether participants received payments or services, but also such demographic information as birth dates, number of children, family composition, marital status, educational background, and residential location. The second administrative database is KIDS (Kids Information Data System), which contains information on child support orders, payments, past-due amounts (arrearages), the method of payment (wage withholding, tax intercepts), the distribution of the payment (resident parent, state), and demographic information about the parents and children in the case (birth dates, residential location of both parents). The final administrative database we use is the Unemployment Insurance Wage Record Files (UI), which provide information on quarterly earnings for individual covered workers, by employer.[4]

With few exceptions, the analyses of administrative data in this volume use the primary CSDE research samples. For mothers, this includes a sample of 15,977 resident mothers, 73 percent of all W-2 cases headed by a single mother that had entered W-2 by July 8, 1998.[5] Analyses of nonresident fathers generally use the sample of 14,343 legal nonresident fathers at the time the mother first entered W-2. Some chapters use these full samples, whereas others restrict their analyses to those in the experimental group and therefore eligible to receive the full child support pass-through—12,502 resident mothers and 11,241 associated fathers. Analyses that use only the sample receiving the full pass-through are weighted

[3]Prior to March 1, 2000, child support counted as income in determining eligibility for W-2, but did not count in terms of the level of cash received. It also counted in terms of the level of child care copayment required. Beginning March 1, 2000, child support no longer counted in determining eligibility for W-2 or child care.

[4]"Covered" workers include about 91 percent of Wisconsin workers. Not covered are the self-employed, federal employees, commission sales workers, farmers, church employees, and employees of not-for-profit organizations with fewer than four workers.

[5]The research sample includes cases that received a random assignment code, had entered W-2 by July 8, 1998, were demographically eligible for child support (there was a living nonresident parent), met other sample criteria primarily associated with timely progression in the intake process, and in which the mother was the resident parent. See Volume III, Technical Report 3 for details.

to adjust for differential rates of assignment to this group over time. Technical Reports 3 and 4 in Volume III provide more detail on these samples and weights.

Survey Data

The second source of data used for this analysis is the Survey of Wisconsin Works Families, a panel study of mothers who participated in W-2 and of the legal fathers of a randomly selected focal child. The survey provides information on participants' experiences with and attitudes about W-2, their knowledge of W-2 rules and of child support policy, child well-being, and family relationships as well as employment, economic resources, and individual and household characteristics. We collected data in two waves; the first period of data collection measures families' experiences during 1998—the first year that the W-2 program was in place—and the second period focuses on 1999. Interviews were completed with 82 percent of mothers and 33 percent of fathers in each wave.[6] Although the response rates for the fathers' surveys are lower than those generally reported by surveys of the general population, they compare favorably with other studies of separated families.

Data from the survey are weighted to adjust for the stratification of the sample by W-2 status ("transitioned from AFDC" and "new" cases) and by initial assignment to upper/lower W-2 tier.[7] As with the administrative data, survey analyses were weighted to adjust for differential rates of assignment to control and experimental status over the period during which the research population was developed (September 1, 1997, to July 8, 1998). Finally, the survey weights also include adjustments for nonresponse bias. The high response rate among mothers raises less serious concerns about nonresponse bias than exists for fathers, but the data underrepresent some subgroups of the mothers' population. More detail on these topics is provided in Volume III (see especially Technical Report 5 for a general discussion of the survey, Technical Report 6 for the nonresponse analysis, and Technical Reports 4 and 5 for weighting procedures).

Summary

Implementation of W-2

In Chapter 1, Kaplan and Corbett provide information about the implementation of W-2. They describe the context of W-2, the agencies that administer the program, and the characteristics, opinions, and practices of case managers. They find substantial differences between the way W-2 is operated in Milwaukee and the rest of the state**.** They also consider program participants' assessments of W-2. Most mothers do not report much enthusiasm for the W-2 program. For example, nearly half strongly disagreed with the statement, "W-2 helped me get a job or a better job" and only 60 percent agreed that "W-2 is generally on the right track in the way it tries to help people get off welfare." Despite participants' negative evaluation of W-2, they had praise for their workers: almost three-quarters agreed that "My W-2 caseworker treats me with dignity and respect."

[6]Completion rates for fathers in the random subsample eligible for both telephone and in-person interviews were higher—43 and 46 percent at Time 1 and Time 2, respectively.

[7]The weights were revised during analysis; the analyses in this volume use the original weights. See Volume III, Technical Report 4 for a description of the original and revised weights.

Findings on Child Support

The next two chapters examine child support outcomes for W-2 participants. In Chapter 2, Bartfeld and Meyer analyze child support payments and receipts. They find that child support receipt is more common among W-2 participants than the best available comparison groups nationwide; it is received by between 39 and 47 percent of W-2 mothers. Even though fewer than half the mothers receive support, those who do receive something receive an average of over $1,500 in the first year and over $1,750 in the second, a substantial addition to their income. Bartfeld and Meyer also examine payments from the fathers' perspectives, focusing on fathers who owe support. More than one-third of these fathers did not pay any support in the first or second year after W-2 entry, and only about one-quarter paid their obligation in full. About two-thirds of those not paying have no recorded formal earnings. Among the nonpayers who have formal earnings, child support orders are a high burden: the majority owe more than 35 percent of their earnings in current support. Moreover, nearly all of those not paying after their children entered W-2 already had substantial debts to the state for previous nonpayment. For fathers with employment, few factors, other than ability to pay, are associated with payment in full, perhaps because payments are routinized for those who are employed. For fathers without employment, other factors come into play, perhaps because these fathers have more control over the amount they pay. These findings suggest that remaining problems of nonpayment may not be addressed by policies that focus solely on enforcement tools linked to formal employment, because many nonpaying fathers are not linked to the employment system.

In Chapter 3 Bartfeld and Sandefur examine the multistep process that leads to the receipt of child support, beginning with the establishment of paternity (for nonmarital children), then the setting of a child support order, and finally the collection of the amount due. Many children drop out at each of these stages: when children enter W-2, just over half have legal fathers, fewer than 40 percent are covered by support orders, and only 14 percent actually have support paid on their behalf. Bartfeld and Sandefur then focus on the first two steps of the process, paternity establishment and child support orders. They find that those who have longer AFDC histories are more likely to have paternity established and have an order, suggesting that the requirement that mothers who are receiving assistance cooperate with the child support office may be having an effect. Nonetheless, even two years after W-2 entry, more than half the W-2 children are still either without a legal father or without a child support order. One of the key contributions of the chapter is to point out that statistics and program outcomes that focus on mothers provide a more optimistic picture than if we were to focus on children, since many mothers have success in establishing paternity and securing orders or even payments for one but not for all of their children.

Findings for Mothers Who Participate in W-2

The next three chapters of this volume analyze mothers, considering their patterns of program participation and employment, and the implications of these patterns for income and poverty status. In Chapter 4 Cancian and Meyer discuss receipt of W-2 cash payments and participation in related programs. They show dramatic declines in use of cash payments over the first 24 months after entering W-2. For example, at entry over 80 percent of mothers received cash payments, but in the twelfth month only a third received any cash. The authors also find that multiple program participation is quite common: in the second year after entry, when most women had left W-2 cash assistance, the vast majority continued to receive Food Stamps, Medicaid, or both programs. Chapter 4 also documents participants' movements up and down the W-2 self-sufficiency ladder; most women did not make use of all the "steps" on the ladder, but movements down the ladder were relatively uncommon. As the authors note, W-2 provides an especially interesting case study because the explicit self-sufficiency ladder

structure makes it possible to analyze a variety of measures of progress beyond simply the receipt of cash payments.

In Chapter 5, Cancian and Haveman explore the patterns of labor market performance among women who are participants in the W-2 program. In part because of the substantial caseload reductions that preceded the implementation of W-2, they find that many of the women in the sample had low levels of education, substantial family responsibilities, and a history of reliance on welfare. Notwithstanding these barriers, Cancian and Haveman document substantial growth in employment and earnings over the short period considered. From 1998 to 1999, the intensity of labor force participation increased, and median wages grew from about $7.00 per hour to about $7.75 per hour. Over the same period, average earnings among those who worked increased from about $5,600 per year to $7,750 per year (median earnings from about $4,150 to $6,150). The authors argue that these are substantial increases recorded over a single year of observation. Nonetheless they suggest that few W-2 participants had earnings sufficient to raise their families out of poverty. Even if the observed rates of growth were to continue, many mothers would have to rely on additional income sources if they were to provide for themselves and their children.

Chapter 6 brings together findings from previous chapters and considers the implications of child support, W-2 and related programs, and employment and earnings for mothers' total income and economic well-being. Cancian and Meyer report on three measures of the economic well-being of mothers who received W-2: personal income, family income, and economic hardship. They consider a measure of personal income that includes the sum of administrative records of cash payments, food stamps, earnings, and child support. This measure shows low levels of personal income, about $10,000 per year. Notably, the authors find no overall growth in personal income between 1998 and 1999, because large increases in earnings and small increases in child support are offset by large declines in W-2 and small declines in food stamps. A survey-based measure of family income provides a somewhat more optimistic story. Although levels remain low and poverty rates high, the trend is positive. Mean family income rises from $12,100 to $14,800 (median from $10,800 to $12,400), and the poverty rate falls from 77 percent to 67 percent from 1998 to 1999. Finally, measures of hardship suggest fairly high levels: about one-sixth of families have a food hardship, one-third a shelter hardship, and one-half a telephone hardship. There is some evidence that the level of hardship declines between the two years, but any declines are small and in most cases are not statistically significant.

Findings for Nonresident Fathers

Two chapters in this volume focus specifically on the experiences of fathers of children whose mothers participate in W-2. In Chapter 7, Cancian and Haveman describe several aspects of nonresident fathers' labor market outcomes. The results suggest the challenges that most fathers will face in meeting the expectation that they help support their children. According to administrative records, only about 60 percent of fathers are employed, and even among those with earnings the levels are quite low—average earnings of about $12,000 and median earnings of about $9,000. Findings from the survey suggest that levels of employment are somewhat higher, and that most fathers work close to full time when they are working. However, the survey results also suggest that many fathers who work at some time during the year do not work for the full year. Moreover, few earn high wages. Cancian and Haveman compare measures derived from survey and administrative data sources and note the difficulty of measuring outcomes given important data limitations.

In Chapter 8, Seltzer and Schaeffer describe nonresident fathers' social and economic participation in their children's lives. Although the children in the great majority of the families in our sample lived with their mother alone, a minority lived with their mother and father together for part of

the year. Roughly two-fifths of mothers reported intense conflict with the children's father about some aspect of child rearing—a higher proportion than found in a national sample of resident mothers, perhaps as a result of the greater economic strain the W-2 families experience.

The survey data show that about half of resident mothers received some type of informal transfer, but that for most families the financial value of the transfers was less than $500 a year. Informal transfers were more common among families in which the mother received formal child support and when the nonresident father saw the child. It was uncommon for fathers who did not spend time with their children to pay formal child support, and extremely uncommon for those who did not spend time with children to provide informal transfers of any type. About a quarter of fathers neither spent time with children nor invested in them financially, either through formal child support payments or informal contributions. But on the other end of the continuum of paternal involvement, about the same percentage contributed to children by spending time with them, paying formal support, and making informal contributions.

Child Well-Being

In Chapter 9, Reynolds and Wolfe investigate the health and educational status of children of W-2 participants, and explore factors that may enhance children's well-being. Using survey reports by the resident parents, the authors find that these children have lower health status and school performance than children nationally. A sizable percentage of the children had fair/poor health status even though the proportion uninsured was higher than that found nationally. The children's school performance, as indicated by GPA, absences, and receipt of special education services, was also for the most part below that of children nationally.

Findings concerning several intervening factors related to the status of children correspond to what would be expected for many low-income families. More than 4 in 5 families received a child care subsidy in 1998 and participated in the Medicaid program. In addition, the frequency of positive parenting practices reported by resident mothers was generally lower than that reported in national samples. For example, 2 in 5 parents reported attending at least one school PTA meeting during the year and one-half read to their children every day. Among the factors that were associated with positive health status was the parent's educational attainment and private health insurance coverage (only for young children). In children's school performance, residential location and parent educational attainment were the most consistent influences on GPA, absences, and special education placement. Residence in Milwaukee was associated with lower average grade point averages and lower rates of special education placement. For young children ages 0 to 5, positive parenting practices and contact with the nonresident parent were associated with greater resident-parent satisfaction with child care arrangements.

Conclusions

The chapters in this volume use administrative and survey data collected for the CSDE to analyze a broad range of outcomes for W-2 participants, their children, and the fathers of their children. While the child support component of W-2 was implemented as a random assignment experiment, the remaining aspects of the program were universally implemented. Thus, the analyses in this volume cannot formally evaluate the *impact* of the full W-2 program, since we cannot accurately predict what outcomes would have been in the absence of the program. Nonetheless, we are able to report a number of measures of well-being, and to identify areas in which there is more or less improvement in participants' lives over the first two years of the program.

The results confirm that in many ways the first years of W-2 have been a period of dramatic change. Receipt of cash assistance has declined sharply, at the same time that employment rates have

grown. Not only are more women working, and working more hours, but hourly wages appear to be growing significantly—an especially encouraging outcome given the relatively low skills of many of the women who continued to rely on cash assistance at the time W-2 was introduced. Child support outcomes also improved substantially over the two years following W-2 entry. Paternity establishment rates more than doubled among those new to the welfare system, and the proportion of all mothers receiving any support increased from 24 percent in the first quarter after entry to 37 percent two years later.

However, while W-2 implementation has coincided with a substantial shift from cash welfare to work, most former participants are not self-sufficient, and most do not have incomes sufficient to raise their families out of poverty. The increase in earnings, and the more modest increase in child support received, have largely been offset by declining cash payments. While there are some signs of increased earnings among nonresident fathers, the vast majority appear to have low incomes and limited means to support themselves and their children. There are other signs that these families continue to face difficult challenges, including high levels of parental conflict, difficulties in meeting basic needs, and substantial proportions of children with special health or educational needs.

The analysis presented in this volume represents an initial effort to take advantage of the information gathered in the course of the CSDE to assess the outcomes of W-2 recipients. Much work remains to be done, and many of the key issues will not be resolved until the long-term implications of the policy changes can be measured. Nonetheless, our findings suggest the importance of comprehensive monitoring of welfare outcomes, even when an impact evaluation is not feasible. They add to a growing body of research analyzing the outcomes of state welfare reforms. In considering potential policy changes, for example as part of the upcoming TANF reauthorization debates, it will be important to understand the ways in which Wisconsin's work-focused approach has been successful. It will be critical to take a broad view and move beyond simple measures of mothers' payment receipt and earnings. The chapters that follow provide an initial portrait of the lives of women who have participated in W-2, the educational and health status of their children, and the social and economic contributions of nonresident fathers.

Executive Summary

In 1997 Wisconsin initiated a radically new approach to public assistance for low-income families, replacing Aid to Families with Dependent Children (AFDC) with Wisconsin Works (W-2). Critics charged that the AFDC program was expensive, discouraged work and marriage, and was ineffective at reducing high levels of poverty among children living in single-parent families. In addition, mothers may have had insufficient incentive to cooperate with the child support system, in that they did not fully profit from payments so long as they continued to receive benefits. W-2, in contrast, is a work-based program with time limits, so it was hoped that participants would increase their employment and earnings and decrease their reliance on public benefits. Moreover, because most W-2 participants are eligible to receive all child support paid on their behalf even when they are receiving cash benefits, it was hoped that the likelihood of paternity establishment and child support orders would increase, and that substantial amounts of child support would be collected. Some supporters also hoped that increases in earnings and child support would result in growth in total income, with concomitant declines in poverty and potential improvements in various measures of child well-being.

In this volume we report on several aspects of the lives of W-2 families participating in the first two years of W-2. Although the child support component of W-2 was the subject of an experimental evaluation (presented in Volume I of this report), no experimental evaluation of the overall W-2 program was implemented. Thus, we cannot formally evaluate the *impact* of the full W-2 program, because we do not have a clear counterfactual—that is, we cannot accurately predict what participants' lives would have been in the absence of W-2. However, we are able to assess a number of measures of economic success and general well-being, and to identify areas in which there is improvement in participants' lives over the first two years of the program. The chapters in this volume include reports on mothers' economic well-being, including their program participation, employment, and income, with particular emphasis on the receipt of child support. We discuss fathers' child support payments, employment, and relationships with their children. We also consider the extent to which children participating in W-2 have had paternity established, and several aspects of their well-being.

Each chapter in this volume was written by a team of researchers with particular expertise in the given area, and each uses somewhat different analytic methods and approaches. All draw on data from administrative records, from the Survey of Wisconsin Works Families, or both. Although it is impossible to summarize the findings of each chapter here, we highlight selected results.

Selected Findings: The Good News

In part because of the substantial caseload reductions that preceded the implementation of W-2, many of the first participants in W-2 had low levels of education, substantial family responsibilities, and a history of reliance on welfare. Notwithstanding these barriers, we find *higher levels of employment* than have been found in other states, and *substantial growth in employment and earnings* over the short period considered. From 1998 to 1999, median wages grew from about $7.00 per hour to about $7.75 per hour, and average earnings for those who worked grew by more than $2,000. *Average family income also increased*, rising from about $12,000 in 1998 to nearly $15,000 in 1999, and the poverty rate fell from 77 percent to 67 percent.

Receipt of cash assistance payments declined dramatically over the first 24 months after families entered W-2. At entry over 80 percent of mothers received cash payments, but in the twenty-fourth month only a fifth received any cash. Use of Food Stamps and Medicaid, potentially important supports even for families who have moved from welfare to employment, declined more modestly; by the twenty-fourth month, a little more than half the families continued to receive Food Stamps, and in about 80 percent of

families at least one individual was covered by Medicaid. Use of child care subsidies, another program that supports work, rose over the period, to about one-third of families. Despite reduced Medicaid coverage, *children were less likely to be uninsured* than children in low-income families nationally.

Significant improvements in child support occurred over the two years. If a child's father has not been legally established, no formal child support can be forthcoming; among families in the study, the percentage of children without established paternity declined from about 40 percent at entry into W-2 to less than 30 percent seven quarters later. Mothers were increasingly likely to receive child support: the percentage receiving something increased from 24 percent in the quarter of W-2 entry to over 35 percent seven quarters later. When child support was received, it was a significant part of a mother's income package, averaging $1,500 in the first year and over $1,750 in the second. Child support receipt was more common among W-2 participants than among the best available comparison groups nationwide.

Selected Findings: Concerns

In spite of the improvements, the chapters highlight several concerns. Although family incomes were increasing, problems remained; *poverty levels were high, and significant economic hardships continued for many families*. Even in 1999, two-thirds of the families had incomes below poverty. About 15 percent of families said they sometimes or often did not have enough to eat, and about one in five had their gas or electricity turned off because they could not pay the bill. There is some evidence that the level of hardship declined over the two years, but the declines were small and in most cases not statistically significant. Mothers' personal incomes were fairly low, about $10,000. They also show no growth between 1998 and 1999, because large increases in earnings and small increases in child support were offset by large declines in W-2 and small declines in Food Stamp receipt.

Another area of concern is that *mothers reported substantial dissatisfaction with W-2*. About two-thirds of mothers disagreed with the statement that "W-2 helped me get a job or get a better job," and nearly half disagreed with "I think I've been treated fairly on the W-2 program."

Although child support receipts in Wisconsin are above national figures and are improving over time, *continued improvement in child support may be very difficult*. Many fathers have no formal earnings, and those who do, have earnings that are quite low, a median of about $9,000 per year. Those not paying support are particularly disadvantaged. Fewer than one-third of those not paying had formal employment, and most of those with employment had child support orders above 35 percent of their earnings. These findings suggest that remaining problems of nonpayment may not be addressed by policies that focus solely on enforcement tools linked to formal employment, because many nonpaying fathers are not linked to the employment system.

Another concern is the *high levels of conflict between the parents* in our sample: roughly two-fifths of mothers reported intense conflict with the children's father about some aspect of child rearing—a higher proportion than found in a national sample of resident mothers, perhaps as a result of the greater economic strain that low-income families, including these W-2 families, experience. Finally, for over one in ten children, health status was reported as fair or poor, a higher percentage than in a national sample of low-income families.

Conclusions

This volume represents an initial effort to take advantage of the information gathered in the course of the child support evaluation to assess how W-2 recipients are doing. Much work remains to be done, and many of the key issues will not be resolved until the long-term implications of the policy changes can be measured. Nonetheless, our findings suggest the importance of comprehensive monitoring of welfare outcomes, even when an impact evaluation is not feasible. In considering potential policy changes, for example, in light of the upcoming debates over the reauthorization of the 1996 federal welfare law, it will be important to understand the ways in which Wisconsin's work-focused approach has been successful. The initial analyses in this volume illustrate the importance of taking a broad view and moving beyond simple measures of payment receipt and earnings.

Introduction

Wisconsin has long been a leader in innovative approaches to welfare reform. The state had already begun to initiate a number of changes that were consistent with the new approach to welfare when the Temporary Assistance for Needy Families (TANF) block grant replaced the Aid to Families with Dependent Children (AFDC) program. Wisconsin responded to the greater flexibility offered by TANF with the Wisconsin Works (W-2) program, an approach to cash assistance that was radically different from AFDC, but built on previous welfare innovations in the state. In this volume we report on a variety of aspects of the lives of early W-2 participants and their families. We cannot formally evaluate the *impact* of the full W-2 program, because we do not have a clear counterfactual—that is, we cannot accurately predict what participants' lives would have been in the absence of W-2. However, we are able to assess a number of measures of economic success and general well-being, and to identify areas in which there is more or less improvement in participants' lives over the first two years of the program.

As discussed in detail in Volume I of this report, W-2 included a dramatically different approach to child support for welfare participants. The child support component of W-2 required a federal waiver, which was granted with the condition that the state conduct a random assignment evaluation of this part of the program. The W-2 Child Support Demonstration Evaluation (CSDE) effort included random assignment in only one respect: the treatment of child support. No experimental evaluation of the overall W-2 program was implemented. However, the CSDE provided a context within which to collect a variety of data which we use to analyze the experiences of W-2 participants and their families along a number of dimensions. The chapters in this volume include reports on mothers' economic well-being, including their program participation, employment, and income, with particular emphasis on the receipt of child support. Also discussed are paternity establishment, and, for fathers, child support paid, employment, and relationships with their children. Finally, we also use data from the CSDE as the basis for an analysis of the well-being of children in families participating in W-2.

In this introduction we briefly discuss the structure of W-2, the CSDE, and the data sources on which subsequent analyses are based.[1] We then provide brief summary comments on each of

- Volume I presents the formal results of the CSDE. It includes analyses of the effects of the child support reform on a broad range of outcomes. We find that the full pass-through has direct effects: it increases the amount of child support received, the likelihood of child support being paid, and the rate of paternity establishment. Some secondary effects are also detected, including lower W-2 payments, decreased informal earnings for fathers, more valuable informal transfers, and improved health outcomes for children. These results are achieved at no additional cost to the government.
- In this volume we present a general analysis of outcomes for W-2 participants. Using data collected for the CSDE, we analyze mothers' employment, earnings, use of government programs, and income and poverty status; fathers' child support payments, employment, earnings, and relationships with their children; and child well-being.
- Volume III consists of a series of technical reports that provide detailed information on the implementation of the CSDE, as well as on the details of data, methods, and analytic strategy.

[1]More detail on these topics is found in Volume I (especially Chapters 1 and 3) and in Volume III.

the topical chapters that follow, and conclude with a general assessment of what we have learned about the well-being of W-2 participants and their families.

W-2 and the Child Support Demonstration Evaluation

Critics charged that the AFDC program was expensive, potentially discouraged work and marriage, and was ineffective at reducing high levels of poverty among children living in single-parent families. In 1996, dramatic changes in the public welfare system took place at the federal level with passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). The act replaced AFDC with the TANF block grant, which gives the states considerable freedom in designing their own systems of assistance to low-income families.

In contrast to AFDC, which provided an entitlement to cash assistance with limited work requirements, TANF-funded assistance is generally limited to five years, with recipients required to work within two years. Wisconsin has adopted a work-based model; the philosophy and structure of W-2 emphasize immediate employment. Under W-2, almost all participants are placed in one of four tiers of employment or employment experience: Unsubsidized Jobs, Trial Jobs, Community Service Jobs, or W-2 Transition.[2] The most job-ready applicants are provided case management services to help them find an Unsubsidized Job on the open market or improve their current job status. Trial Jobs provide work experience in jobs for which the state provides a partial subsidy to the employer. Participants in these two upper tiers receive no cash payments from the state (but may receive a variety of ancillary services). Community Service Jobs are public service jobs for which participants receive a monthly W-2 payment of $673. W-2 Transition is for those least able to work, either because of their own disability or because of the need to care for a child with a disability. W-2 Transition participants receive a monthly W-2 payment of $628. In addition to these four tiers, the Caretaker of Newborn tier provides, for parents caring for a child younger than 13 weeks, a monthly payment of $673 and exemption from work requirements. Those in the lower tiers receive the full amount only if they meet the time requirement; otherwise they lose $5.15 per hour of nonparticipation. Consistent with an approach that tries to replicate the "real world of work," W-2 is available to all low-income families with children, not merely single-parent families.

Time limits, work requirements, and the lack of an entitlement to cash assistance have made nonwelfare sources of income increasingly essential. In Wisconsin, the relatively stringent work requirements of W-2 have been combined with a uniquely generous approach to child support. Under AFDC, all current child support paid on behalf of welfare recipients in excess of $50 per month was retained by the government to offset welfare expenses; the money was split between federal and state governments based on the formula for splitting Medicaid costs. TANF allows states substantial flexibility regarding the handling of child support paid on behalf of families receiving assistance. Most states now follow one of two approaches, either retaining all child support paid on behalf of TANF families or continuing to pass through $50 per month to the resident parent (Cassetty et al., 1999). In Wisconsin, in contrast, implementation of the W-2 program coincided with a dramatic shift in the interface between the private child support system and the provision of public assistance. Under the new policy the full amount

[2]For a more detailed discussion of W-2 tiers see Volume I, Chapter 1, especially Table I.1.1.

of child support paid is distributed to resident-parent families and does not affect the level of the TANF check they receive.[3]

Wisconsin is unique in selecting a full pass-through. Although the full pass-through is being evaluated with an experimental design, with families randomly assigned to either the full pass-through group or a partial pass-through group, all other aspects of the W-2 program were implemented statewide for all participants. Because of this, we do not have the basis for a more general experimental evaluation of W-2.

Data Sources and Samples

The analyses in this volume draw on two primary data sources, administrative records and the Survey of Wisconsin Works Families.

Administrative Data

The administrative data include records merged from three separate data systems. The main administrative database used is CARES (Client Assistance for Re-employment and Economic Support), which contains information on W-2, Food Stamps, Medicaid, and child care subsidies. CARES data include not only whether participants received payments or services, but also such demographic information as birth dates, number of children, family composition, marital status, educational background, and residential location. The second administrative database is KIDS (Kids Information Data System), which contains information on child support orders, payments, past-due amounts (arrearages), the method of payment (wage withholding, tax intercepts), the distribution of the payment (resident parent, state), and demographic information about the parents and children in the case (birth dates, residential location of both parents). The final administrative database we use is the Unemployment Insurance Wage Record Files (UI), which provide information on quarterly earnings for individual covered workers, by employer.[4]

With few exceptions, the analyses of administrative data in this volume use the primary CSDE research samples. For mothers, this includes a sample of 15,977 resident mothers, 73 percent of all W-2 cases headed by a single mother that had entered W-2 by July 8, 1998.[5] Analyses of nonresident fathers generally use the sample of 14,343 legal nonresident fathers at the time the mother first entered W-2. Some chapters use these full samples, whereas others restrict their analyses to those in the experimental group and therefore eligible to receive the full child support pass-through—12,502 resident mothers and 11,241 associated fathers. Analyses that use only the sample receiving the full pass-through are weighted

[3]Prior to March 1, 2000, child support counted as income in determining eligibility for W-2, but did not count in terms of the level of cash received. It also counted in terms of the level of child care copayment required. Beginning March 1, 2000, child support no longer counted in determining eligibility for W-2 or child care.

[4]"Covered" workers include about 91 percent of Wisconsin workers. Not covered are the self-employed, federal employees, commission sales workers, farmers, church employees, and employees of not-for-profit organizations with fewer than four workers.

[5]The research sample includes cases that received a random assignment code, had entered W-2 by July 8, 1998, were demographically eligible for child support (there was a living nonresident parent), met other sample criteria primarily associated with timely progression in the intake process, and in which the mother was the resident parent. See Volume III, Technical Report 3 for details.

to adjust for differential rates of assignment to this group over time. Technical Reports 3 and 4 in Volume III provide more detail on these samples and weights.

Survey Data

The second source of data used for this analysis is the Survey of Wisconsin Works Families, a panel study of mothers who participated in W-2 and of the legal fathers of a randomly selected focal child. The survey provides information on participants' experiences with and attitudes about W-2, their knowledge of W-2 rules and of child support policy, child well-being, and family relationships as well as employment, economic resources, and individual and household characteristics. We collected data in two waves; the first period of data collection measures families' experiences during 1998—the first year that the W-2 program was in place—and the second period focuses on 1999. Interviews were completed with 82 percent of mothers and 33 percent of fathers in each wave.[6] Although the response rates for the fathers' surveys are lower than those generally reported by surveys of the general population, they compare favorably with other studies of separated families.

Data from the survey are weighted to adjust for the stratification of the sample by W-2 status ("transitioned from AFDC" and "new" cases) and by initial assignment to upper/lower W-2 tier.[7] As with the administrative data, survey analyses were weighted to adjust for differential rates of assignment to control and experimental status over the period during which the research population was developed (September 1, 1997, to July 8, 1998). Finally, the survey weights also include adjustments for nonresponse bias. The high response rate among mothers raises less serious concerns about nonresponse bias than exists for fathers, but the data underrepresent some subgroups of the mothers' population. More detail on these topics is provided in Volume III (see especially Technical Report 5 for a general discussion of the survey, Technical Report 6 for the nonresponse analysis, and Technical Reports 4 and 5 for weighting procedures).

Summary

Implementation of W-2

In Chapter 1, Kaplan and Corbett provide information about the implementation of W-2. They describe the context of W-2, the agencies that administer the program, and the characteristics, opinions, and practices of case managers. They find substantial differences between the way W-2 is operated in Milwaukee and the rest of the state**.** They also consider program participants' assessments of W-2. Most mothers do not report much enthusiasm for the W-2 program. For example, nearly half strongly disagreed with the statement, "W-2 helped me get a job or a better job" and only 60 percent agreed that "W-2 is generally on the right track in the way it tries to help people get off welfare." Despite participants' negative evaluation of W-2, they had praise for their workers: almost three-quarters agreed that "My W-2 caseworker treats me with dignity and respect."

[6]Completion rates for fathers in the random subsample eligible for both telephone and in-person interviews were higher—43 and 46 percent at Time 1 and Time 2, respectively.

[7]The weights were revised during analysis; the analyses in this volume use the original weights. See Volume III, Technical Report 4 for a description of the original and revised weights.

Findings on Child Support

The next two chapters examine child support outcomes for W-2 participants. In Chapter 2, Bartfeld and Meyer analyze child support payments and receipts. They find that child support receipt is more common among W-2 participants than the best available comparison groups nationwide; it is received by between 39 and 47 percent of W-2 mothers. Even though fewer than half the mothers receive support, those who do receive something receive an average of over $1,500 in the first year and over $1,750 in the second, a substantial addition to their income. Bartfeld and Meyer also examine payments from the fathers' perspectives, focusing on fathers who owe support. More than one-third of these fathers did not pay any support in the first or second year after W-2 entry, and only about one-quarter paid their obligation in full. About two-thirds of those not paying have no recorded formal earnings. Among the nonpayers who have formal earnings, child support orders are a high burden: the majority owe more than 35 percent of their earnings in current support. Moreover, nearly all of those not paying after their children entered W-2 already had substantial debts to the state for previous nonpayment. For fathers with employment, few factors, other than ability to pay, are associated with payment in full, perhaps because payments are routinized for those who are employed. For fathers without employment, other factors come into play, perhaps because these fathers have more control over the amount they pay. These findings suggest that remaining problems of nonpayment may not be addressed by policies that focus solely on enforcement tools linked to formal employment, because many nonpaying fathers are not linked to the employment system.

In Chapter 3 Bartfeld and Sandefur examine the multistep process that leads to the receipt of child support, beginning with the establishment of paternity (for nonmarital children), then the setting of a child support order, and finally the collection of the amount due. Many children drop out at each of these stages: when children enter W-2, just over half have legal fathers, fewer than 40 percent are covered by support orders, and only 14 percent actually have support paid on their behalf. Bartfeld and Sandefur then focus on the first two steps of the process, paternity establishment and child support orders. They find that those who have longer AFDC histories are more likely to have paternity established and have an order, suggesting that the requirement that mothers who are receiving assistance cooperate with the child support office may be having an effect. Nonetheless, even two years after W-2 entry, more than half the W-2 children are still either without a legal father or without a child support order. One of the key contributions of the chapter is to point out that statistics and program outcomes that focus on mothers provide a more optimistic picture than if we were to focus on children, since many mothers have success in establishing paternity and securing orders or even payments for one but not for all of their children.

Findings for Mothers Who Participate in W-2

The next three chapters of this volume analyze mothers, considering their patterns of program participation and employment, and the implications of these patterns for income and poverty status. In Chapter 4 Cancian and Meyer discuss receipt of W-2 cash payments and participation in related programs. They show dramatic declines in use of cash payments over the first 24 months after entering W-2. For example, at entry over 80 percent of mothers received cash payments, but in the twelfth month only a third received any cash. The authors also find that multiple program participation is quite common: in the second year after entry, when most women had left W-2 cash assistance, the vast majority continued to receive Food Stamps, Medicaid, or both programs. Chapter 4 also documents participants' movements up and down the W-2 self-sufficiency ladder; most women did not make use of all the "steps" on the ladder, but movements down the ladder were relatively uncommon. As the authors note, W-2 provides an especially interesting case study because the explicit self-sufficiency ladder

structure makes it possible to analyze a variety of measures of progress beyond simply the receipt of cash payments.

In Chapter 5, Cancian and Haveman explore the patterns of labor market performance among women who are participants in the W-2 program. In part because of the substantial caseload reductions that preceded the implementation of W-2, they find that many of the women in the sample had low levels of education, substantial family responsibilities, and a history of reliance on welfare. Notwithstanding these barriers, Cancian and Haveman document substantial growth in employment and earnings over the short period considered. From 1998 to 1999, the intensity of labor force participation increased, and median wages grew from about $7.00 per hour to about $7.75 per hour. Over the same period, average earnings among those who worked increased from about $5,600 per year to $7,750 per year (median earnings from about $4,150 to $6,150). The authors argue that these are substantial increases recorded over a single year of observation. Nonetheless they suggest that few W-2 participants had earnings sufficient to raise their families out of poverty. Even if the observed rates of growth were to continue, many mothers would have to rely on additional income sources if they were to provide for themselves and their children.

Chapter 6 brings together findings from previous chapters and considers the implications of child support, W-2 and related programs, and employment and earnings for mothers' total income and economic well-being. Cancian and Meyer report on three measures of the economic well-being of mothers who received W-2: personal income, family income, and economic hardship. They consider a measure of personal income that includes the sum of administrative records of cash payments, food stamps, earnings, and child support. This measure shows low levels of personal income, about $10,000 per year. Notably, the authors find no overall growth in personal income between 1998 and 1999, because large increases in earnings and small increases in child support are offset by large declines in W-2 and small declines in food stamps. A survey-based measure of family income provides a somewhat more optimistic story. Although levels remain low and poverty rates high, the trend is positive. Mean family income rises from $12,100 to $14,800 (median from $10,800 to $12,400), and the poverty rate falls from 77 percent to 67 percent from 1998 to 1999. Finally, measures of hardship suggest fairly high levels: about one-sixth of families have a food hardship, one-third a shelter hardship, and one-half a telephone hardship. There is some evidence that the level of hardship declines between the two years, but any declines are small and in most cases are not statistically significant.

Findings for Nonresident Fathers

Two chapters in this volume focus specifically on the experiences of fathers of children whose mothers participate in W-2. In Chapter 7, Cancian and Haveman describe several aspects of nonresident fathers' labor market outcomes. The results suggest the challenges that most fathers will face in meeting the expectation that they help support their children. According to administrative records, only about 60 percent of fathers are employed, and even among those with earnings the levels are quite low—average earnings of about $12,000 and median earnings of about $9,000. Findings from the survey suggest that levels of employment are somewhat higher, and that most fathers work close to full time when they are working. However, the survey results also suggest that many fathers who work at some time during the year do not work for the full year. Moreover, few earn high wages. Cancian and Haveman compare measures derived from survey and administrative data sources and note the difficulty of measuring outcomes given important data limitations.

In Chapter 8, Seltzer and Schaeffer describe nonresident fathers' social and economic participation in their children's lives. Although the children in the great majority of the families in our sample lived with their mother alone, a minority lived with their mother and father together for part of

the year. Roughly two-fifths of mothers reported intense conflict with the children's father about some aspect of child rearing—a higher proportion than found in a national sample of resident mothers, perhaps as a result of the greater economic strain the W-2 families experience.

The survey data show that about half of resident mothers received some type of informal transfer, but that for most families the financial value of the transfers was less than $500 a year. Informal transfers were more common among families in which the mother received formal child support and when the nonresident father saw the child. It was uncommon for fathers who did not spend time with their children to pay formal child support, and extremely uncommon for those who did not spend time with children to provide informal transfers of any type. About a quarter of fathers neither spent time with children nor invested in them financially, either through formal child support payments or informal contributions. But on the other end of the continuum of paternal involvement, about the same percentage contributed to children by spending time with them, paying formal support, and making informal contributions.

Child Well-Being

In Chapter 9, Reynolds and Wolfe investigate the health and educational status of children of W-2 participants, and explore factors that may enhance children's well-being. Using survey reports by the resident parents, the authors find that these children have lower health status and school performance than children nationally. A sizable percentage of the children had fair/poor health status even though the proportion uninsured was higher than that found nationally. The children's school performance, as indicated by GPA, absences, and receipt of special education services, was also for the most part below that of children nationally.

Findings concerning several intervening factors related to the status of children correspond to what would be expected for many low-income families. More than 4 in 5 families received a child care subsidy in 1998 and participated in the Medicaid program. In addition, the frequency of positive parenting practices reported by resident mothers was generally lower than that reported in national samples. For example, 2 in 5 parents reported attending at least one school PTA meeting during the year and one-half read to their children every day. Among the factors that were associated with positive health status was the parent's educational attainment and private health insurance coverage (only for young children). In children's school performance, residential location and parent educational attainment were the most consistent influences on GPA, absences, and special education placement. Residence in Milwaukee was associated with lower average grade point averages and lower rates of special education placement. For young children ages 0 to 5, positive parenting practices and contact with the nonresident parent were associated with greater resident-parent satisfaction with child care arrangements.

Conclusions

The chapters in this volume use administrative and survey data collected for the CSDE to analyze a broad range of outcomes for W-2 participants, their children, and the fathers of their children. While the child support component of W-2 was implemented as a random assignment experiment, the remaining aspects of the program were universally implemented. Thus, the analyses in this volume cannot formally evaluate the *impact* of the full W-2 program, since we cannot accurately predict what outcomes would have been in the absence of the program. Nonetheless, we are able to report a number of measures of well-being, and to identify areas in which there is more or less improvement in participants' lives over the first two years of the program.

The results confirm that in many ways the first years of W-2 have been a period of dramatic change. Receipt of cash assistance has declined sharply, at the same time that employment rates have

grown. Not only are more women working, and working more hours, but hourly wages appear to be growing significantly—an especially encouraging outcome given the relatively low skills of many of the women who continued to rely on cash assistance at the time W-2 was introduced. Child support outcomes also improved substantially over the two years following W-2 entry. Paternity establishment rates more than doubled among those new to the welfare system, and the proportion of all mothers receiving any support increased from 24 percent in the first quarter after entry to 37 percent two years later.

However, while W-2 implementation has coincided with a substantial shift from cash welfare to work, most former participants are not self-sufficient, and most do not have incomes sufficient to raise their families out of poverty. The increase in earnings, and the more modest increase in child support received, have largely been offset by declining cash payments. While there are some signs of increased earnings among nonresident fathers, the vast majority appear to have low incomes and limited means to support themselves and their children. There are other signs that these families continue to face difficult challenges, including high levels of parental conflict, difficulties in meeting basic needs, and substantial proportions of children with special health or educational needs.

The analysis presented in this volume represents an initial effort to take advantage of the information gathered in the course of the CSDE to assess the outcomes of W-2 recipients. Much work remains to be done, and many of the key issues will not be resolved until the long-term implications of the policy changes can be measured. Nonetheless, our findings suggest the importance of comprehensive monitoring of welfare outcomes, even when an impact evaluation is not feasible. They add to a growing body of research analyzing the outcomes of state welfare reforms. In considering potential policy changes, for example as part of the upcoming TANF reauthorization debates, it will be important to understand the ways in which Wisconsin's work-focused approach has been successful. It will be critical to take a broad view and move beyond simple measures of mothers' payment receipt and earnings. The chapters that follow provide an initial portrait of the lives of women who have participated in W-2, the educational and health status of their children, and the social and economic contributions of nonresident fathers.

Chapter 1
The Implementation of W-2

Thomas Kaplan and Thomas Corbett, with Victoria Mayer

Because the Child Support Demonstration Evaluation (CSDE) was implemented as a part of Wisconsin Works (W-2), our study encompassed the implementation of the W-2 program as a whole.[1] The findings reported in this section derive from surveys of W-2 agency Financial and Employment Planners (FEPs), who function as case managers in the W-2 system, from interviews with FEPs and W-2 agency managers, and from a review of W-2 documents. A companion description of the implementation of the program appears in Volume I, Chapter 2.

Wisconsin's W-2 program was phased in over a seven-month period, from September 1997 through March 1998. Starting on September 1, new or returning cash assistance applicants entered the W-2 application process. Participants in Aid to Families with Dependent Children (AFDC) had to request a transfer to W-2 if they wanted their cash assistance to continue after March 1998, and they could initiate that transfer only by making a request in person at their W-2 agency. Letters were sent to AFDC participants telling them that that program would not continue after March 31, 1998, and that they needed to apply in person for W-2. Those who did not respond to the letters and, in some cases, phone calls and visits to their homes were dropped from AFDC and not placed in W-2 by that date.

Caseload Trends and Their Implications

The transition from AFDC to W-2 occurred in the context of a decade-long reduction in the number of AFDC cases in Wisconsin. Caseloads in the state began a steady decline in 1987, avoided the national caseload increases of the early 1990s, and dropped sharply in the mid-1990s. By 1997, the AFDC caseload had fallen by 80 percent over the previous decade (from over 100,000 cases in 1987 to about 22,000 cases in 1997). As Wisconsin officials developed final plans and budgets for W-2 agencies, caseloads continued to fall faster in Wisconsin than planners had anticipated, dropping, for example, by 50 percent between December 1996 and December 1997.

One result of this caseload trend was a surplus of resources. The Wisconsin legislature had appropriated funds for the W-2 program, and state administrators had allocated funds to W-2 agencies, on the basis of estimates of much higher caseloads. W-2 agencies could therefore provide a higher level of service to each W-2 participant without worrying about cost overruns, cash flow problems, or difficulties in meeting net revenue projections. The surplus was most noticeable under the state's initial contract with W-2 agencies, which extended from September 1997 through December 1999. The second round of contracts, in effect from January 2000 through December 2001, were for smaller amounts, and some agencies reduced the scale of their operations. We estimate, for example, that the five W-2 agencies in Milwaukee County employed 187 FEPs in early 1999, under the first contract, and that this declined to 125 FEPs in the summer of 2000, under the second contract.

Although the unexpected level of financial comfort eased the implementation process in the early months of W-2, it probably also meant that the program served a disproportionately disadvantaged population. In general, as a public assistance program demands work and serves fewer people, the first people to leave are those most able to work, and remaining program participants have the most barriers to

[1]The authors thank Diane Treis Rusk for helpful comments on an earlier version of this section.

employment. Two relatively unusual features of W-2 probably contributed to this process. First, W-2 is the only state Temporary Assistance for Needy Families (TANF) program that offers no earnings disregard (Pavetti, 2000), so that most people cannot combine earnings and W-2 cash receipt, and those with jobs usually leave the cash-payment tiers of W-2 quite quickly. Second, the program is, by many accounts, unpopular with prospective participants. A lengthy newspaper review (Dresang, 1999) of the first two years of W-2 in Milwaukee cited "negative images" of the program in the low-income community and quoted a statement by the chief operating officer of one of the Milwaukee W-2 agencies that "the most disheartening thing for me in W-2 is that people don't take advantage of it." One manager of a Milwaukee W-2 agency that had long been a community-based organization told us in an interview that the organization had initially been "tarnished" by its association with W-2, although the stigma had since been overcome. W-2 staff have reported in interviews that they believe that many potential program participants enter it only when they are too desperate to survive in any other way.[2] Our survey of W-2 participants, reported below (see Table II.1.7), also suggests the unpopularity of W-2, especially in Milwaukee.

W-2 Agency Profit and Performance Standards

The design element of W-2 that proved most controversial was the ability of W-2 agencies to generate a "profit" from the program under the first round of contracts. From September 1997 through December 1999, the state and W-2 agencies shared in the savings if a W-2 agency spent less than its contracted level. Owing to the unexpected decline in caseloads, underspending was substantial and, under a complex formula specified in the initial contract, some unspent funds were returned to the state and some were retained by W-2 agencies. Of the funds retained by W-2 agencies, about 40 percent were available for their unrestricted use and about 60 percent were available for "reinvestment in the community for services to low-income persons," subject to state approval. Critics charged that the contract encouraged W-2 agencies to provide too few resources for needy program participants and to retain some of the underspending as local property tax relief (for county W-2 agencies) or as unrestricted surplus or ownership profits.

For the second contract period, extending from January 2000 through December 2001, the state has moved to a performance-based arrangement. Under the new contract, W-2 agencies retain none of their underspending, but they are able to receive community reinvestment funds (that is, funds to build community infrastructure for purposes such as low-income transportation, according to a plan that the state must approve) equal to 3 percent of their contract if they meet "base performance levels." In addition, agencies can receive up to a 4 percent bonus over their base contract level—and use these funds

[2]However, two surveys by the Institute for Research on Poverty of case managers in Milwaukee County W-2 agencies—one implemented in March-April 1999 and the second in June-July 2000—did not indicate that case problems grew more severe over this period. Both surveys contained identical questions asking what proportion of each respondent's caseload had a brief work history, limited English language skills, a high school degree, chronic physical or mental conditions that might affect their labor market status, and personal or family concerns such as homelessness, domestic abuse, or problems with the legal or criminal justice systems. The approximately 90 Milwaukee respondents (in both surveys) noted at least as much (and generally slightly more, although the difference was not large) evidence of disadvantage in the 1999 as in the 2000 survey. Because most of the questions asked for subjective impressions, it may be that case managers were simply more accustomed to the disadvantages of their program participants and thus were less likely to identify them in a survey, even if the disadvantages were more severe. It may also be that some of the cases with the most extreme disadvantages had left the W-2 program, perhaps for the Supplemental Security Income program, or perhaps owing to an inability to function in W-2.

in any way they wish—if they achieve higher than "base level" performance on six performance criteria: the percentage of all participants served who enter employment; average wages for those who enter employment; job retention after 30 and 180 days; the proportion of cases participating in some work-related activity at least 30 hours per week; enrollment in basic education for those without a high school diploma or GED; and job placement with employers who offer health insurance.

The change in contracts reflects a significant modification of W-2. The possibility that the agencies could experience both profits and losses—and the alleged creativity and fiscal discipline these possibilities would generate—were at the original heart of W-2. It was hoped that the possibility of profits would inspire both county and private W-2 agencies to develop bold and innovative ways of serving W-2 participants. Under the revised contract structure, agencies can experience operational losses but not profits. The new contract also changes any incentives that may have existed under the first contract to sanction program participants. If agencies had an incentive under the old contract to respond to participant noncompliance by reducing benefits (since the agencies could keep some of the resulting underspending), the incentives are now reversed. Because "full engagement," defined as cases participating in a work-related activity at least 30 hours per week, is one of the standards agencies must meet to generate performance bonuses and community reinvestment funds, agencies now may have an incentive to define participants as fully engaged.

The Use of Community Service Jobs

The *Initial Findings from the W-2 Child Support Demonstration Evaluation* (Meyer and Cancian, 1999) noted a heavy emphasis on Community Service Job (CSJ) placements in the W-2 program. The proportion of all W-2 participants who are in CSJ assignments has declined since that report, falling, for example, from 54 percent of the W-2 caseload in February 1999 to 28 percent in August 2000.[3] Still, about one-third of the Milwaukee caseload are in CSJs, and with the continued rather heavy use of this tier, several of the Milwaukee W-2 agencies have created a two-stage approach to these assignments. The first stage, usually lasting about 30 days, consists of unskilled light industrial or warehouse work, such as sorting clothes or stripping plastic film. During this stage, participant "soft skills" are assessed, motivational programs are provided, and participants undergo a criminal background check and receive a health screening. In the second stage, participants move into clerical, child care, cable installation, construction, and other jobs for private, governmental, and nonprofit firms in which health or security concerns may be relevant.

System Complexity

W-2 is an administratively demanding program, with complex information management requirements and an array of contracts and subcontracts. In interviews, FEPs continue to point to the demands of the CARES (Client Assistance for Re-employment and Economic Support) information system. Although CARES has the capacity to handle many of the tasks identified in a recent national report as important to the success of TANF programs (U.S. General Accounting Office, 2000), the system also presents many challenges. With over 500 screens, CARES is difficult to learn. Mandatory state training for new case managers focuses heavily on the computer system, but case managers often estimate that two years of experience are required before a user can easily move among the CARES

[3]The proportion in Unsubsidized Jobs rose from 27 percent in February 1999 to 39 percent 18 months later, and the proportion in W-2 Transitions rose from 18 percent in February 1999 to 23 percent in August 2000.

screens outside the screen-to-screen flow established in the system by default. FEPs with less experience are tempted to adhere to the standard flow when interviewing program participants, even if participants raise an issue that would logically call up another part of the system. Routine data entry is sufficiently cumbersome that some of the Milwaukee W-2 agencies pay a contract agency to enter nonparticipation hours in the state data system and prepare reports on attendance aggregated by site in ways that the routine reports do not provide. In addition, to cope with perceived weaknesses in other routine CARES reports, some W-2 agencies have developed alternative tracking systems that include data downloaded from the standard system coupled with other information.

As the local agencies have become more experienced in W-2, subcontracts with other agencies have become an increasingly prominent strategy. For example, one Milwaukee W-2 agency directly supervises participants in a first-stage CSJ but contracts with another agency to keep participant attendance, establish and maintain employer relationships, and enter all required data into CARES for second-stage CSJ participants. Another W-2 agency contracts with one firm to establish and supervise first-stage CSJ slots and a second organization (a part of Milwaukee County government) to establish, supervise, and keep attendance for those in second-stage CSJ assignments. It is to be expected that W-2 agencies will over time modify their understanding of what they and subcontractors can do most efficiently, but monitoring a system with so many different levels of activity and responsibility is a challenging endeavor.

The Educational and Professional Background of FEPs

We conducted two surveys of FEPs in W-2 agencies. The first was a statewide mail survey conducted in March and early April 1999. Because we wanted to increase survey response rates among Milwaukee FEPs, who handled more than 80 percent of the statewide W-2 caseload, the second survey was directly administered by IRP staff in each of the five Milwaukee County W-2 agencies in summer 2000. Both surveys were voluntary; response numbers and rates are shown in Table II.1.1.

The majority of respondents were female, although the Milwaukee respondents were more likely to be male than those in the rest of the state (62 percent of the Milwaukee respondents in both surveys, and 90 percent of all other respondents, were female). The mean age of FEPs who responded to the first survey was 40 (36 among the Milwaukee respondents, 41 among respondents who worked in other urban counties, and 42 among respondents who worked in rural counties).

The educational levels of the respondents are summarized in Table II.1.2. Only 1 percent of Milwaukee FEPs had not attended some college, compared to about one-quarter of rural FEPs. About 65 percent of Milwaukee FEPs had a bachelor's degree, or higher, compared to 39 percent of FEPs in other urban counties and 28 percent in rural counties.

The summer 2000 survey of Milwaukee FEPs asked several other background questions. About 17 percent of the Milwaukee FEPs had worked for another W-2 agency before their current agency (FEPs who currently worked for Maximus and Y-Works were most likely to have worked previously in another W-2 agency), about 25 percent had worked as a staff person in a JOBS agency (the Job Opportunity and Basic Skills Training Program, created by the federal welfare reform act of 1988), and 10 percent had been employed in a county economic support agency.

FEP Caseloads

The caseloads of FEPs differed substantially among the county groups. The 1999 survey asked "If you count all your cases in which participants receive some form of public assistance, including W-2,

Table II.1.1
Number of Respondents and Response Rates for Surveys of FEPs

	1999 Survey		2000 Survey	
	No. Respondents	Response Rate	No. Respondents	Response Rate
Milwaukee	99	53%	91	73%
Other Urban	85	57		
Rural	103	79		
Total	287	61	91	73%

Source: W-2 Staff Surveys, Institute for Research on Poverty.

Note: "Other urban" counties are Brown, Calumet, Chippewa, Dane, Douglas, Eau Claire, Kenosha, La Crosse, Marathon, Outagamie, Ozaukee, Pierce, Racine, Rock, St. Croix, Sheboygan, Washington, Waukesha, and Winnebago counties. "Rural" counties are all counties in Wisconsin except for Milwaukee County and the other urban counties.

Table II.1.2
Highest Level of Education Attained by FEPs

	1999			2000
	Milwaukee	Other Urban	Rural	Milwaukee
GED or high school diploma	1.1%	15.5%	26.5%	1.1%
Some college	34.4	45.9	46.1	31.5
Bachelor's degree	45.2	31.8	20.6	46.1
Some graduate work	12.9	4.7	4.9	14.6
Master's degree or higher	6.5	2.4	2.0	6.7

Source: W-2 Staff Surveys, Institute for Research on Poverty.

Food Stamps, and Medical Assistance, about how many cases do you have in your *entire* caseload currently?" The mean responses were 52 among FEPs in Milwaukee, 108 for FEPs employed in other urban counties, and 104 for FEPs employed in rural counties. Because Milwaukee FEPs see only participants in W-2 and in the Food Stamp Employment and Training (FSET) program, a subset of those participating in Food Stamps, a much larger percentage of the Milwaukee caseload were in W-2. Responding to the question "About how many of your cases are W-2 cases," the mean for Milwaukee was 47, the mean for other urban counties was 13, and the mean for rural counties was 9.

Current W-2 caseloads among Milwaukee FEPs who responded to the second survey averaged about 58 (compared to the mean of 47 in the first survey). The averages by tier were 17 in Unsubsidized Jobs, .5 in a Trial Job, 23.8 in Community Service Jobs, 13.6 in W-2 Transitions, and 3.7 in the Caretaker of Newborn category. (The survey did not ask about FSET cases.) We asked for further detail on the Community Service Job assignments as of the day they filled out the questionnaire. FEPs reported means of about 7 CSJ participants on that day in training assignments, 16 at work sites, and 7 in other activities (work site and training assignments are not always mutually exclusive).

Substantial churning—both in and out of W-2 and among FEPs—occurs in the Milwaukee W-2 caseload. Asked "About how many of the participants in your *current* W-2 cases have been on W-2 before, left, and returned again," 69 percent of Milwaukee FEPs responding to the summer 2000 survey said that at least half their caseload was in that situation. In addition, most W-2 participants in Milwaukee had worked with another FEP, either in the same or a different agency, before working with their current FEP. Asked "About how many of your *current* cases have worked with another FEP in *your* agency," 78 percent said at least half had done so. Also, 52 percent of the FEPs said at least half their caseload had previously worked with a FEP in another W-2 agency. Only 16 percent of the Milwaukee respondents said that more than half of their caseload had worked exclusively with them as their FEP.

Participant Assignments in Milwaukee

We asked in the summer 2000 survey about what kinds of assignments Milwaukee FEPs had developed for their clients. Table II.1.3 summarizes responses to questions concerning how many of their clients worked with mental health, domestic violence, and substance abuse specialists as part of their current W-2 plan. The Milwaukee FEPs reported common reliance on such professionals. Nearly 80 percent of the FEPs said that at least a few of their clients saw a domestic violence specialist as part of their W-2 plan, and nearly 95 percent of the FEPs said at least a few of their clients saw mental health and substance abuse specialists.

We also asked participants themselves, through the survey of mothers participating in W-2, to respond to questions concerning their W-2 activities. Table II.1.4 summarizes by county groupings (Milwaukee, other urban, and rural) the proportion of respondents who said they performed specified activities at some time during 1998.[4] Respondents from Milwaukee were more likely to report that they had participated in all the listed activities, except talking to their W-2 caseworker about child support, than were respondents in the rest of the state. Help with transportation or child care and practicing job search techniques were the most common W-2 activities in all county groupings. The least common of the listed activities was taking classes to learn reading, writing, or math.

[4]The same questions were repeated a year later for 1999, but we do not report those findings because by that time many members of the sample were no longer participating in W-2.

Table II.1.3
Use of Mental Health, Domestic Violence, and Substance Abuse Services
Reported by Milwaukee FEPs, Summer 2000
(N = 90)

	Response					
Question	None	A Few	Less Than Half	About Half	More Than Half	Most
This month, about how many of your participants who are in payment positions work with mental health specialists as part of their W-2 plan?	5.5%	46.2%	30.8%	8.9%	6.6%	2.2%
This month, about how many of your participants who are in payment positions work with domestic violence specialists as part of their current W-2 plan?	21.1	66.7	11.1	0	1.1	0
This month, about how many of your participants who are in payment positions work with substance abuse specialists as part of their current W-2 plan?	6.7	63.3	20.0	3.3	5.6	1.1

Source: W-2 Staff Survey, Institute for Research on Poverty, 2000.

Table II.1.4
W-2 Activities Reported by Program Participants for 1998
(N = 2,295)

Question: "Please tell me if you participated in any of these W-2 activities" during 1998. "Please count activities you've done any time during 1998 even if you aren't doing them now and even if you aren't in W-2 now."	Milwaukee	Other Urban	Rural	Overall
Response				
Go to W-2 programs where you practiced writing resumes or job applications or interviewing for a job	46.5%	35.3%	35.0%	43.8%
Go to W-2 programs where you learned about appropriate behavior or attendance on a job, or how to dress for a job	44.3	24.8	25.7	39.7
A W-2 staff person set up interviews with employers for you	22.1	13.6	13.4	20.0
Take W-2 classes or workshops to learn specific job skills, like using office equipment, preparing food, or operating machinery	27.1	14.9	9.4	23.7
Receive bus passes, cab fare, money for gas, or other help with transportation from W-2	58.4	34.2	35.9	52.8
Get help from W-2 in finding child care services or getting money to pay for child care	50.5	44.7	43.5	49.0
Take W-2 classes to learn reading, writing, or math	13.9	3.9	5.4	11.7
Talk with your W-2 caseworker about the amount of child support you receive or about establishing a child support order	32.0	43.4	51.8	35.5

Source: Survey of Wisconsin Works Families, 1999.

Participant Compliance with W-2 Requirements

Milwaukee FEPs reported that some noncompliance with requirements in the W-2 plan is fairly common, and FEPs appeared to differ in their likelihood of applying financial sanctions in response to the noncompliance. Table II.1.5 summarizes responses to questions concerning the proportion of their CSJ caseloads that had missed assigned hours in the past month and the extent to which FEPs sanctioned those who missed. Asked how many of their CSJ participants had missed over a quarter of their work experience hours in the last month, 44 percent of the respondents said that at least half had missed that much. Approximately 42 percent said they had fully sanctioned most or all of their CSJ participants who missed that many hours, and 45 percent said they had fully sanctioned less than half of participants with that attendance record.

The less than universal application of sanctions does not seem to stem from doubts about their potential effectiveness. We asked a series of questions about general attitudes toward the use of sanctions. The questions were worded as statements about the impact of sanctions, and respondents were supposed to check whether they thought the statement was "completely true," "somewhat true," "somewhat untrue," or "completely untrue." Almost all the Milwaukee FEPs said that it was somewhat or completely true that sanctions helped improve attendance and teach participants to take responsibility for their economic well-being. Despite this widespread belief among Milwaukee FEPs in the potential utility of sanctions, about 45 percent said that it was somewhat true that they could accept excuses for some missed hours, at least on the first occurrence. The responses are summarized in Table II.1.6.

Opinions about W-2 by Mothers Participating in the Program

W-2 participants were asked a series of opinion questions about W-2 and their W-2 caseworker. Respondents were read a statement about W-2 or their caseworker and asked to say if they strongly agreed, somewhat agreed, somewhat disagreed, or strongly disagreed. Table II.1.7 summarizes responses to these questions for those who did not indicate during the interview that the activities listed in Table II.1.4 were irrelevant to their situation. Restricting the sample in this way potentially excludes those who chose to receive no services and might thus have the most negative opinions. However, opinions overall do not change much when we include as many of these respondents as the interview protocols allow. In general, Milwaukee respondents reported less favorable opinions about W-2 in both years than did respondents in the rest of the state.[5] The majority of respondents disagreed "strongly" or "somewhat" with the statement "W-2 made me feel better about myself," and about 42 percent of all respondents in each year agreed "somewhat" or "strongly" that W-2 activities were "a waste of time." Respondents were more likely to agree "somewhat" or "strongly" that they had been treated fairly on the W-2 program, although a sizable minority of Milwaukee respondents disagreed strongly with that statement. Respondents expressed much more favorable opinions about their W-2 caseworker than they did about the W-2 program.

[5]We analyzed the variance among county categories for all of these questions. The differences in responses among the county categories were statistically significant for all questions in Table II.1.7 in both years of the survey ($p = .05$).

Table II.1.5
Reports by Milwaukee FEPs of Noncompliance with W-2 Plan Requirements among CSJ Participants, Summer 2000
(N = 90)

	Response						
Question	None	A Few	Less Than Half	About Half	More Than Half	Most	All
In the last month, about how many of your CSJ participants missed over a quarter of their assigned work experience hours?	0%	22.7%	33.0%	17.1%	14.8%	11.4%	1.1%
For about how many of those CSJ participants who missed over a quarter of their assigned activities did you apply sanctions for the full number of work experience hours missed?	3.3	20.2	18.0	7.9	7.9	13.5	29.2
For about how many of those CSJ participants who missed over a quarter of their assigned activities did you apply sanctions for some of the work experience hours missed?	19.1	29.8	15.5	6.0	7.1	8.3	14.3

Source: Survey of W-2 Agency Staff, Institute for Research on Poverty, 2000.

Table II.1.6
Perceptions of Milwaukee FEPs regarding the Impact of Sanctions, Summer 2000
(N = 90)

Statement	Completely True	Somewhat True	Somewhat Untrue	Completely Untrue
Sanctioning W-2 participants for missing assigned W-2 activities is an effective way of promoting better attendance	24.2%	63.7%	8.8%	3.3%
Sanctioning W-2 participants for missing assigned W-2 activities teaches participants to take responsibility for their economic well-being	34.1	55.0	7.7	3.3
I am less likely to sanction a CSJ participant for missed hours if this is the first time the participant has missed any assigned activities	13.2	33.0	19.8	34.1

Source: Survey of W-2 Agency Staff, Institute for Research on Poverty, 2000.

Table II.1.7
Opinions of W-2 among Program Participants

	1998				1999			
Statement	Milwaukee	Other Urban	Rural	All	Milwaukee	Other Urban	Rural	All
"W-2 helped me get a job or get a better job"[a]								
Disagree strongly	51.2%	41.8%	33.8%	48.3%	52.9%	40.4%	32.9%	49.5%
Disagree somewhat	21.1	22.4	25.9	21.7	17.5	22.1	19.3	18.3
Agree somewhat	16.0	26.0	26.1	18.3	18.6	23.6	34.2	20.6
Agree strongly	10.5	7.2	8.4	9.9	10.2	11.4	9.9	10.4
"W-2 activities were a waste of time"[a]								
Disagree strongly	27.4	31.6	34.5	28.6	26.4	32.7	30.4	27.6
Disagree somewhat	25.1	28.9	23.9	25.6	25.9	25.4	32.8	26.3
Agree somewhat	20.0	26.0	28.9	21.7	21.6	23.7	25.2	22.2
Agree strongly	25.3	9.5	7.7	21.6	24.4	15.1	8.2	21.8
"W-2 activities made it harder to do the things I need to do for my family"[a]								
Disagree strongly	22.3	33.4	37.3	25.2	27.4	38.1	35.6	29.6
Disagree somewhat	25.2	22.8	27.6	25.0	24.9	25.4	27.5	25.2
Agree somewhat	18.0	22.7	14.8	18.4	15.7	15.4	20.4	16.1
Agree strongly	33.1	19.6	19.0	30.0	30.9	19.6	15.2	28.0
"W-2 made me feel better about myself"[a]								
Disagree strongly	42.8	25.3	30.0	39.2	45.4	30.6	17.5	41.0
Disagree somewhat	19.5	19.7	18.8	19.5	17.4	17.6	26.3	18.1
Agree somewhat	19.5	29.5	33.4	22.1	17.1	27.1	28.1	19.4
Agree strongly	15.9	21.6	16.4	16.8	19.1	22.0	25.9	20.1
"I think I've been treated fairly on the W-2 program"[a]								
Disagree strongly	34.6	21.6	10.8	30.7	33.7	21.4	11.0	30.1
Disagree somewhat	17.1	18.1	11.3	16.7	17.1	13.7	8.4	15.9
Agree somewhat	26.2	27.0	30.5	26.7	24.9	25.0	29.4	25.3
Agree strongly	21.3	31.5	46.2	24.9	23.9	39.3	50.9	28.3

Table II.1.7, continued

Statement	1998				1999			
	Milwaukee	Other Urban	Rural	All	Milwaukee	Other Urban	Rural	All
"W-2 is generally on the right track in the way it tries to help people get off welfare"[a]								
Disagree strongly	32.1	17.5	12.3	28.3	29.5	18.4	10.1	26.3
Disagree somewhat	12.6	14.2	13.0	12.9	13.6	10.3	10.8	12.9
Agree somewhat	26.2	30.4	35.7	27.6	25.5	26.8	30.3	26.1
Agree strongly	27.5	33.0	37.6	29.2	30.1	44.5	47.6	33.6
"My W-2 caseworker treats me with dignity and respect"[b]								
Disagree strongly	15.5	5.0	4.9	13.2	14.6	11.8	7.7	13.7
Disagree somewhat	13.0	9.6	8.0	12.2	7.7	5.8	5.4	7.3
Agree somewhat	27.8	36.0	18.3	28.2	23.9	23.1	20.9	23.6
Agree strongly	42.4	49.4	68.8	45.4	52.4	59.3	66.1	54.3
"My W-2 caseworker takes the time to explain program rules"[b]								
Disagree strongly	18.3	6.2	5.1	15.6	19.1	12.1	3.6	17.1
Disagree somewhat	12.4	8.4	8.8	11.6	8.9	8.6	7.0	8.8
Agree somewhat	27.6	28.5	24.5	27.5	19.7	20.8	25.4	20.3
Agree strongly	40.7	57.0	61.7	44.7	50.8	57.7	64.0	52.7
"The only thing my W-2 caseworker cares about is getting the forms filled out"[b]								
Disagree strongly	32.0	41.6	50.3	34.8	40.2	45.2	50.2	41.6
Disagree somewhat	19.4	17.9	20.1	19.3	19.4	15.5	23.3	19.2
Agree somewhat	21.5	15.3	13.0	20.0	13.8	12.0	13.5	13.6
Agree strongly	25.5	24.7	16.6	24.7	25.1	25.2	12.6	24.2

Table II.1.7, continued

Statement	1998				1999			
	Milwaukee	Other Urban	Rural	All	Milwaukee	Other Urban	Rural	All
"It's hard to get an appointment to meet with or talk to my W-2 caseworker"[b]								
Disagree strongly	27.3	42.6	37.9	30.3	33.8	39.7	56.5	36.2
Disagree somewhat	14.1	18.9	19.9	15.2	16.5	19.5	22.7	17.3
Agree somewhat	13.7	19.2	28.4	15.6	13.6	14.2	11.4	13.5
Agree strongly	43.9	18.4	12.7	37.9	35.1	26.5	8.9	32.1

Source: Survey of Mothers Participating in W-2, Institute for Research on Poverty, 1999, 2000.

Notes: The table includes respondents who did not indicate during the interview that the activities listed in Table II.1.4 were irrelevant to their situation. Percentages do not total 100 because some respondents said they could not answer, or refused to provide an answer to, a particular question.

[a]N=1,050 for 1998 and 2,064 for 1999. The number of respondents to these questions in the 1999 sample was smaller than in the 2000 sample primarily because only a subsample of the full 1999 sample were asked these questions, owing to concerns about the length of the survey. In the 2000 survey, all respondents were asked all the questions.
[b]N=904 for 1998 and 1,462 for 1999. The number of respondents for the last 4 questions, concerning attitudes toward caseworkers, is smaller than the number of respondents for the questions on attitudes toward the W-2 program because those who reported no contact with the program were excluded from the calculations for the last four questions.

Summary and Conclusions

Many fewer people participated in W-2 than had been anticipated under the original budget projections for the program. This resulted in the availability of significantly more resources devoted to each participant, but these participants were, on average, more disadvantaged relative to earlier participants than had been anticipated. As W-2 agencies addressed fewer but needier program participants, the incentive structure under which the agencies operated evolved from an emphasis on general profit maximization to the satisfaction of six specified standards. Satisfaction of the six standards is measured by data entered into the CARES system, making CARES, an administratively demanding information system, even more central to the daily work of FEPs and their supervisors.

FEPs generally have more formal education than the program participants with whom they interact. About two-thirds of Milwaukee FEPs had a bachelor's degree or higher, compared to just under 40 percent of FEPs in other urban counties and less than one-third of rural FEPs. Milwaukee FEPs, who see only W-2 and FSET cases, reported caseloads averaging about 55 program participants for each FEP. FEPs in other urban and rural counties reported total caseloads averaging about 105, including Medicaid, Food Stamp, and child care benefit cases.

Program participants did not report high levels of positive enthusiasm for the W-2 program, although they were far more positive about their case managers. The case managers reported significant noncompliance with W-2 requirements and often, but far from universally, applied financial sanctions in response to the noncompliance.

Owing to the geographic mobility of program participants and the employment mobility of FEPs, and perhaps also owing to changing program models in which some W-2 agencies now want some FEPs to specialize in particular kinds of cases, program participants are likely to experience supervision by different case managers over their W-2 careers. FEPs in Milwaukee reported that most of their current caseload had previously worked with other FEPs, either in the same or a different W-2 agency. FEPs also reported that regular interactions with specialized human service professionals are appropriate for some of their cases. Nearly 80 percent of Milwaukee FEPs said that at least a few of their W-2 cases saw a domestic violence specialist, and nearly 95 percent of Milwaukee FEPs reported that at least a few of their clients saw mental health and substance abuse specialists.

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Chapter 2
Child Support among W-2 Participants

Judi Bartfeld and Daniel R. Meyer

The decreasing availability of cash assistance to single-parent families has resulted in increased policy attention to the private child support system. Child support is being considered as a potential income source for families who would have relied extensively on the welfare system in the past. The 1996 welfare reforms included several provisions designed to increase the importance of child support to the welfare population. The child support enforcement system was strengthened, including new incentives for states to establish paternity and collect support, stronger mandates that recipients of cash and noncash assistance cooperate with child support enforcement efforts, and new enforcement strategies to make it harder for nonresident parents to avoid payment—especially when employed in the formal labor market.

Ironically, the policy emphasis on enhanced child support as a partial alternative to welfare coincides with a growing awareness of the problems with the child support system from the standpoint of low-income fathers. Specific problems highlighted by recent research include fathers' reluctance to pay support when it is retained by the state to offset welfare costs, very low income and earnings capacity that impede fathers' ability to comply with support obligations, support orders that are not reflective of actual earnings, and the accumulation of arrearages which many fathers have little realistic hope of ever paying (see, for example, Waller and Plotnick, 2001).

In Wisconsin, policymakers recognized the potential problems associated with state retention of child support payments. The state applied for and received a federal waiver allowing it to implement a full pass-through of child support to welfare recipients on an experimental basis. Such a policy is consistent with the philosophy of the Wisconsin Works (W-2) program, in that it treats welfare recipients the same as low-wage workers (who are able to supplement their wages with private child support). Wisconsin is the only state with such a policy, although there is increasing interest in this approach among policymakers nationwide.

Because of the unique treatment of child support payments in Wisconsin, child support is likely to be a more important income source than in other states. Child support is also likely to play a greater role for welfare recipients in Wisconsin than elsewhere because of the state's strong child support system, as evidenced by above-average performance on a variety of outcome measures (U.S. Office of Child Support Enforcement, 2000). In light of these advantages, Wisconsin provides an excellent "laboratory" in which to assess the potential role of child support as an income source to welfare clients.

This section addresses two issues critical to our understanding of the current and potential role of child support for welfare recipients.[1] First, we describe patterns of child support receipt among W-2 clients, focusing on receipts over a two-year period. Prior to W-2, no state provided welfare recipients with the full child support paid on their behalf. As a result, we know little about what mothers can expect in the way of child support under such a policy regime. Second, we examine the factors associated with compliance with child support obligations on the part of nonresident fathers of children receiving W-2, with particular emphasis on the role of the fathers' ability to pay support. Our analysis offers insight into the factors which continue to constrain child support transfers in this population.

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[1]The authors gratefully acknowledge the outstanding research assistance provided by Steven Cook. They also thank Vivian Gadsden and Andrea Beller for valuable feedback on an earlier draft of this work.

Background and Prior Research

Child Support as an Income Source to Single Mothers

Despite several decades of policy interest, child support continues to be an uncertain source of income to single-parent families. The most recent Census Bureau data disclose that only 36 percent of child support-eligible mothers received any support from their children's nonresident fathers during 1998 (U.S. Census Bureau, 2000), a figure which has seen little improvement over the past two decades. Even estimates that include support paid without a formal obligation suggest that only half of children receive support from their nonresident fathers over the course of a year (Sorensen and Zibman, 2000).

The availability of child support is particularly problematic for low-income and never-married mothers, the populations most directly affected by welfare reform. Only one-quarter of child support-eligible mothers below the poverty line received any child support during 1997, as did 22 percent of never-married mothers (U.S. Census Bureau, 2000).[2] The prevalence of child support receipt among never-married mothers has increased over the past decade (Bartfeld and Meyer, 1999; Sorensen and Halpern, 1999), but receiving such support continues to be the exception rather than the norm. Nonetheless, child support is an important income source among those low-income mothers who are fortunate enough to receive it. Data from the National Survey of America's Families show that among poor children who receive support, such support constitutes 26 percent of total family income.

What role, then, can we expect child support to play as an income source for welfare recipients during and after their tenure on the welfare caseloads? Not surprisingly, a recent General Accounting Office (GAO) study found child support to be an uncertain income supplement for families leaving welfare. Focusing on three states with short welfare time limits, the study found that only 20–40 percent of families reaching their time limits had received any child support in the prior 12 months (U.S. GAO, 1998). Furthermore, national Census Bureau data indicate that among child support-eligible mothers receiving one or more forms of public assistance during 1997, only 28 percent received any child support payments.[3]

In this section, we provide evidence of the extent, magnitude, and regularity of child support among W-2 recipients. Can we expect more favorable child support outcomes than suggested by the available national data? Wisconsin's policy context clearly creates an opportunity for child support to play an important role. The state's strong enforcement system is more effective than average in collecting support from nonresident parents, and the full pass-through ensures that welfare recipients will in fact benefit from the support paid on their behalf. Evidence from the evaluation of the pass-through policy suggests that fathers subject to the new policy have a higher likelihood of paying formal support than do fathers subject to a reduced pass-through (Volume I).

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[2]Note, however, that the published figures show the poverty status after child support has been considered, so they do not consider any women who would be poor without child support. For a discussion of this issue and an estimate of its effects, see Meyer and Hu (1999).

[3]By 1997, some states had eliminated the $50 per month pass-through of child support for TANF recipients. TANF recipients in these states may not know whether child support was paid on their behalf, and may report (accurately) that they did not receive any. However, the percentage of comparable mothers who reported receiving child support in 1995, before the pass-through was eliminated, was similar to that reported in 1997.

Compliance with Child Support Obligations

Receipt of child support is a multistep process, with parents falling out at various points along the way. In the case of nonmarital children, there are three key steps: a legal father must be identified, a support order must be issued, and support must be collected. At the national level, only 40 percent of never-married mothers had a current support order for their child(ren), and just over half (55 percent) of those mothers who were owed support actually received any (U.S. Census Bureau, 2000).

What explains the low rate of compliance with support obligations? A variety of research has addressed this question in recent years. Quantitative approaches to understanding child support compliance typically model payments or pay-to-owe ratios as a function of a nonresident father's ability to pay support, characteristics of the enforcement system, and the father's desire to pay support, with the latter variously linked to the strength of ties with the children and mother, the level of economic need among mothers and children, and the perceived fairness of the support obligation (see Bartfeld and Meyer, 1994; Beller and Graham, 1993; Lin, 2000; Meyer, 1999; Meyer and Bartfeld, 1996).

The conceptualization of "ability to pay" has evolved in the child support literature. Early research focused on direct and indirect measures of fathers' income and earnings capacity and consistently found that fathers' earnings or income—or proxies for such—were associated with higher child support compliance (e.g., Beller and Graham, 1993; O'Neill, 1985; Sonenstein and Calhoun, 1990). Subsequently Bartfeld and Meyer (1994) argued that ability to pay would be more fully captured by a measure which considered the "burden" of the support order, that is, the amount owed in support relative to actual income. This is supported in the empirical literature (Bartfeld and Meyer, 1994; Meyer and Bartfeld, 1996; Meyer, 1999), and it appears to be a particularly important predictor of compliance among nonmarital fathers (Meyer, 1999).

Specific enforcement policies have also been linked to higher compliance ratios. For instance, Garfinkel and Klawitter (1990) found that withholding child support from the wages of nonresident parents immediately upon the onset of the order is associated with increased payments.

On the other hand, there is less empirical evidence for the importance of factors linked to desire to pay support. Child support reforms over the past 20 years have limited the extent to which fathers' desire to pay support matters. The system has become increasingly stringent and automated, especially for fathers in the formal labor market, leaving limited role for discretion. It is not surprising, then, that ability to pay and enforcement efforts would be the primary determinants of compliance outcomes. This explanation is consistent with the findings of Lin (2000), who shows that fathers' perceptions of the fairness of a support order is a more important predictor of compliance among fathers not subject to immediate income withholding than among fathers subject to such withholding.

Formal analyses of child support compliance have included broad samples of child support-eligible mothers and have not focused in particular on compliance among fathers of children receiving public assistance. Furthermore, existing studies all examine compliance in the pre-TANF era, and as such do not reflect the effect of recent changes in child support policy and practice. Recent qualitative studies, however, have paid closer attention to the barriers to child support compliance among fathers of children on welfare. Specific problems highlighted by this research include fathers' reluctance to pay support when it is retained by the state to offset welfare costs, very low and fluctuating income and earnings which impede fathers' ability to comply with support obligations, support orders that are not reflective of actual earnings, and the accumulation of arrearages which many fathers have little realistic hope of ever paying (Edin, 1995; Johnson, Levine, and Doolittle, 1999; Pate and Johnson, 2000; Waller and Plotnick, 2001). Consistent with these concerns, a recent federal report found that child support cases with

retroactive support orders, as well as cases in which orders are based on imputed versus actual income, are less likely to have any support paid (U.S. DHHS, 2000).

In this section, we examine compliance with child support obligations on the part of nonresident fathers of children receiving W-2. A clear understanding of factors associated with compliance among these fathers can shed light on the potential and limitations of child support as an income source for the welfare population, in the context of a full pass-through policy and a strong enforcement system. We adapt earlier models of child support compliance, incorporating insights from the emerging literature on child support and low-income fathers. We pay particular attention to the role of ability to pay support, using a multidimensional measure that includes earnings capacity, employment, the burden of the support obligation, and the extent of arrearages.

Data and Methods

Data and Sample

Data are drawn from administrative records from the KIDS and CARES systems—the administrative data systems used in the child support and public assistance systems, respectively. These data are collected as part of the Child Support Demonstration Evaluation (CSDE). We also use administrative data on earnings as reported by Wisconsin employers for purposes of the Unemployment Insurance (UI) program. UI captures most, but not all, Wisconsin earnings, but does not capture any out-of-state earnings fathers may have.

Our base sample includes child support-eligible mothers who entered W-2 during the first nine months of the program, that is, from October 1997 through June 1998. W-2 applicants during this period were randomly assigned to one of two policy regimes with regard to child support. Those in the experimental group were to receive a full pass-through of all child support paid on their behalf, while those in the control group were to receive a reduced pass-through during months in which they received cash assistance, with the remainder of their support going to reimburse the state for welfare payments. Because we are interested in examining patterns of child support payment and receipt in the context of a full pass-through, we exclude control-group cases (i.e., those receiving a reduced pass-through) from our sample.[4] Our final sample includes a total of 15,811 mothers.[5]

Our analyses reflect two related perspectives—child support receipts by mothers and child support payments by nonresident fathers. Our receipt analyses use the sample described above. Our payment analyses use a sample of nonresident fathers associated with W-2 recipients in the above sample. Specifically, we include those fathers identified as legal fathers (i.e., who have had paternity legally established or who have marital children) and who have support obligations in place during the time period(s) in question. Thus, we do not have a father to correspond to each mother in our sample, as some mothers do not have an associated legal father who owes support. Likewise, some mothers have two or more associated fathers in our sample. Sample sizes vary across analyses.

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[4]We do include cases not in the experimental evaluation for a variety of reasons unrelated to child support (extended delays in entering W-2, child receiving Supplemental Security Income, etc.).

[5]This is a larger sample than is used in Volume I as we have included some cases that were inappropriate for the experimental comparison, such as cases with long delays between random assignment and the start of W-2 participation.

Our descriptive results are weighted to reflect differing rates of assignment to experimental and control groups over the nine-month period, and are thus generalizable to cases entering W-2 over this period.

Methods and Analysis Plan

We include four general kinds of analyses. First, we describe patterns of child support receipt among recent W-2 recipients. Second, we describe patterns of payment on the part of nonresident fathers associated with those recipients. Third, we compare the characteristics of full payers and nonpayers. Finally, we assess factors associated with compliance with child support obligations, paying particular attention to the importance of the fathers' ability to pay support.

We estimate a two-sided tobit model in which the dependent variable is the ratio of support payments to support obligations during 1999, top-coded at 1. The tobit specification is appropriate given the relatively large number of cases at the upper and lower limits.[6] The time period covered by the dependent variable—1999—begins 6–15 months after the date of W-2 entry for this sample.[7]

The conceptual framework underlying this analysis posits that compliance with child support obligations is influenced by the father's ability to pay support; his expectation that support will benefit his children; the strength of his ties to the mother and child(ren); and the child support enforcement system. This is an adaptation of earlier models of child support compliance, incorporating insights from the emerging literature on child support and low-income fathers. In light of quantitative and qualitative evidence that fathers of welfare recipients have a tenuous attachment to the formal labor market, we also explore how the factors associated with compliance differ for fathers with and without formal earnings.

Ability to Pay. We expect nonresident fathers' ability to pay support to be an important determinant of compliance with child support obligations. Conceptually, ability to pay support is a function of actual income (primarily earnings), the burden of the support obligation (relative to current income), arrearages which have accrued (thus increasing the effective order), and earnings capacity. In our model, we include the following variables to reflect various dimensions of fathers' ability to pay:

• The burden of the support order, as measured by the percentage of earnings owed in support in 1999. This variable is constructed based on administrative records of earnings as reported for purposes of Unemployment Insurance (UI).

• The number of quarters of Wisconsin employment in 1999, based on the UI record. We expect fathers who have no recorded employment to have lower compliance. Those without an employment record may have very low income, leading to lower compliance, or they may have other sources of income, which are difficult for the present enforcement system to tap.

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[6]The tobit model constrains the independent variables to have the same impact on the likelihood of paying any support as on the compliance ratio given that something is paid. We also estimated separate models of these two steps, i.e., a probit model with a dependent variable coded 1 if support was paid, and a one-sided tobit model of the compliance ratio when positive. The substantive findings are similar to those reported here.

[7]We chose a calendar year because, in future work, we will be expanding our analyses to incorporate variables from the survey, which are defined on a calendar year basis. However, results of the models are very similar if we estimate them over the second year following W-2 entry as opposed to estimating them over 1999, as there is considerable overlap between these two periods.

• Fathers' earnings history in the two years prior to mothers' entry into W-2. We expect past earnings to proxy for earnings capacity. Again, these variables are constructed from the UI earnings records.

The UI data capture most, but not all, earnings of fathers. To the extent that fathers have earnings not reported to the UI system, we are underestimating fathers' actual earnings and employment.

• Additional variables to reflect earnings capacity, including the father's age at time of children's entry into W-2 and the mother's education level. The latter serves as a proxy for the father's education, which is generally not available.[8]

• The local unemployment rate in 1999. We expect that higher unemployment would be associated with lower current earnings and hence lower ability to pay support.

• The amount of the support order (and the support order squared). Support orders are generally linked (albeit imperfectly) to either actual or potential income. On average, we expect fathers with higher orders to have greater earnings capacity than those with lower orders, after controlling for the burden of the order. (Note, however, that this variable may also reflect willingness to pay, in that some fathers may be less willing to pay orders that they view as too high.)

• High arrearages owed to the state at baseline. Arrearages increase the effective support order in that parents are obligated to pay their current order as well as a share of their arrears each month. Such additional monthly obligations are not captured in either the order amount or the burden variables. There are problems, however, with including arrears as an independent variable in a model of child support compliance, in that arrears in some cases stem from low past compliance.[9] Because of potential endogeneity problems, we do not include arrears in our main model. We do, however, report the results when we subsequently add a measure of high arrears (at least $5,000) at mother's entry into W-2.[10]

Fathers' Expectation That Support Will Benefit His Child(ren). Qualitative research strongly suggests that fathers who expect their support to be retained by the state, rather than to benefit their child(ren), are reluctant to comply with formal support obligations (e.g., Waller and Plotnick, 2001). While the full pass-through in Wisconsin should in theory alleviate this problem, survey data from fathers suggest limited understanding of this policy (see Volume I). As a result, we include the following variables:

• Mother's initial W-2 tier. To the extent that fathers are not fully informed about the new pass-through policy, those whose ex-partners are in lower tiers, and hence receiving cash assistance, may not expect their support to benefit their child(ren). We expect lower compliance among such fathers.

• Mother's prior AFDC history. Knowledge of the new policy appears to be better among fathers whose ex-partners are new to the welfare system. Consistent with this, the full pass-through appears to have a greater impact on the likelihood of paying support among fathers whose ex-partners have not had

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[8]Patterns of assortative mating suggest that, on average, mothers with higher levels of education tend to have partners with higher education as well, and Sorensen and Zibman (2000) document similar educational levels among poor mothers who do not receive support and poor fathers who do not pay support.

[9]Not all arrears stem from underpayment. Arrears also accrue when orders are issued retroactively and when orders cover lying-in or other costs in addition to current support.

[10]We would prefer to control for all arrears, not just arrears owed to the state. However, this is not currently available in the data.

recent AFDC experience. We expect, therefore, that lack of recent welfare experience on the part of the mother would be associated with higher compliance.

These measures are imperfect indicators of the father's expectation that support will benefit his children. It is possible that mothers who have substantial AFDC history and those who enter in lower tiers may be associated with fathers with lower earnings capacity, even net of the other controls in our model. Nonetheless, our hypothesis that these variables are linked to a father's expectation that support will benefit his children are consistent with the findings of the evaluation of the pass-through policy. As documented in Volume I of this report, the pass-through appears to have a greater impact on the likelihood of paying support among those fathers whose partner is in an upper tier and/or does not have recent AFDC experience.

Strength of Ties to Children. We expect that fathers with stronger ties to their ex-partners and children would have a greater desire to comply with support obligations. Our measures of ties to the mother and children are weak due to our reliance on administrative data. We include the following variables in our model:

• Type of child support case (marital versus nonmarital). Because marital fathers are likely to have spent more time living with their children than have nonmarital fathers, we expect marital fathers to have stronger ties to their children.

• Age of the youngest child. The expected relationship between age and compliance is ambiguous. Fathers with older children may have a longer history of connection to their children, but may also have been out of touch for a longer period.[11]

• Whether there are other legal fathers associated with the resident mother. We expect stronger ties between the father and the mother when the mother does not also care for children who have a different father.

• Number of children the couple has as of W-2 entry. Ties to the children and their mother may be greater for fathers who have more children with the mother.

Child Support Enforcement System. The stringency of the child support system, as well as the extent of parents' prior exposure to that system, are expected to influence child support compliance on the part of nonresident parents. We include the following variables to capture the stringency of the system and the parents' prior exposure:

• The percentage of cases served by the Child Support Enforcement Office in which paternity has been established (and percentage squared), measured at the county level. To the extent that a high paternity establishment rate reflects a more effective enforcement system, it may be associated with higher compliance as well. On the other hand, a high county rate of paternity establishment may imply that more challenging cases are included in our compliance sample. As such, being in a county with a high paternity rate could serve as a proxy for being a difficult case.

• The percentage of cases served by the Child Support Enforcement Office in which a support order has been issued (and percentage squared), measured at the county level. As with the paternity establishment rate, the expected impact of this variable is ambiguous.

[11]We lack accurate data on the date of separation, which would be a more meaningful variable.

• Whether the father had a support obligation at the time the mother entered W-2. Fathers who had a support order in effect at the time of W-2 entry would have had a longer period in which to be subject to enforcement efforts, and may therefore have higher compliance.[12]

• As noted earlier, we also include a variable for mothers' AFDC experience. Because AFDC recipients, like W-2 recipients, faced substantial requirements to cooperate with the child support system, we expect that fathers whose ex-partners have prior AFDC experience would have been subject to greater enforcement efforts prior to W-2 entry, which may contribute to better compliance. As described above, though, these fathers may also have less understanding of the pass-through policy, which would lead to a downward impact on compliance.

In addition to the above variables, we also control for county, differentiating among Milwaukee, other urban counties, and rural counties. Compliance could differ among counties for a variety of reasons including programmatic differences as well as unmeasured differences in caseload characteristics. We also control for race and ethnicity, differentiating among whites, African Americans, Hispanics, Asians, and Native Americans.

The above model may be overly simplistic in that it implicitly treats payment of child support as optional, with certain attributes (e.g., expectation that support will benefit children) increasing fathers' willingness to pay support. A more realistic model would acknowledge that routinized enforcement tools have removed a good deal of discretion from the payment of support. In particular, we would expect that the widespread use of immediate income withholding, in conjunction with the existence of a central database recording new hires, would make child support compliance much more routine and obligatory for those fathers working in the formal labor market. This is consistent with recent research findings that fathers' perceptions of the fairness of a support order are a more important predictor of compliance among fathers without withholding than among fathers subject to withholding (Lin, 2000).

We propose, then, an alternative model, which allows the parameters of the independent variables to vary according to the degree of discretion afforded the obligor. For these purposes, we consider compliance to be largely obligatory when the father has formal employment during each of the four calendar quarters of 1999, and discretionary when he has no quarters of formal employment. We estimate separate models for these subgroups, using the variables described above. This is analogous to a model in which the independent variables are interacted with the quarters of employment during 1999. To assess whether this provides a better fit than separate models, we conduct a likelihood test comparing a fully interacted model to an uninteracted model which controls for the number of quarters of employment.

We emphasize that we use the term "discretionary" to convey that the obligor has some control over whether he chooses to pay. It is not discretionary, however, in terms of the severe penalties that accrue to those not paying.

Note that a father's ability and/or desire to pay support may influence not only his compliance rate but also his decision with regard to participating in the formal labor market, an impact we do not measure here. In light of the limited payment discretion afforded fathers in the formal labor market, fathers who perceive their support orders as too great a burden, who do not expect their formal payments to benefit their children, or who are less committed to supporting their children may opt out of the formal

[12]We would prefer to control for the time since the start of the order, but we do not have accurate data on the start date of longer-standing orders.

labor market. Our models are designed to estimate the impact of the independent variables on compliance net of any intermediate impact on current employment.

Results

Patterns of Child Support Receipt

How important is child support to mothers participating in W-2? Figure II.2.1 shows that average child support is quite low, increasing from $41 per month during the quarter of entry to $72 per month by the eighth quarter. These low averages, as well as the increase over time, are largely due to the relatively small but increasing share of mothers who receive support at all, as shown in Figure II.2.2: Fewer than one-quarter of mothers receive support during the first quarter (24 percent), increasing to 37 percent by the final quarter. Rates of support are somewhat higher when we consider annual versus quarterly periods, with 39 percent of mothers receiving at least some support during the first year after W-2 entry and 47 percent receiving support during the second year (Table II.2.1). Note that failure to receive support stems not only from noncompliance but also from breakdowns at the earlier stages of paternity and order establishment. Among the subset of mothers owed support at the time of W-2 entry, 61 percent and 68 percent received support during the first and second years, respectively (not shown).

Fewer than half of mothers received support even after two years, but the amounts received by mothers who did get support are not trivial, increasing from $170 to around $200 per month over the eight quarters (Figure II.2.3). By way of comparison, these payments amount to 25–30 percent of the payment a W-2 participant receives in a community service job placement, and are three to four times higher than a welfare recipient would be able to keep were she subject to the $50 pass-through policy of the pre-W-2 era. However, less than half of the mothers who received child support over the course of a year received it in every quarter.

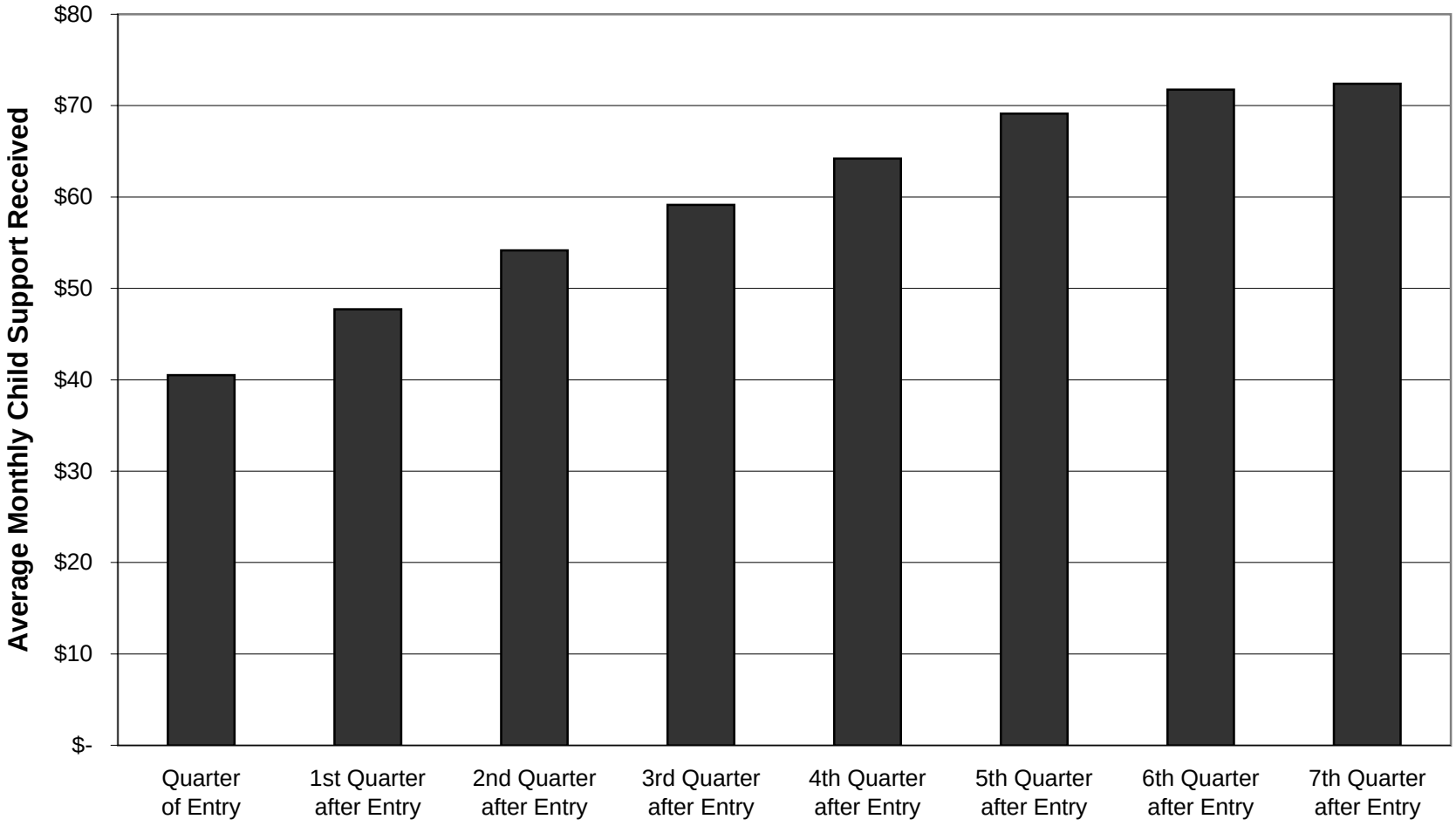
In sum, these data illustrate that child support became an increasingly common source of income over the two-year period, and for mothers who received support, amounts were large enough to be of substantive importance. At the same time, child support was received by fewer than half of W-2 recipients even after two years, and it is not a dependable income source among those who do receive it. As such, it is not currently an income source that policymakers should count on to boost the incomes of all welfare recipients. On the other hand, child support does appear considerably more common than among various national comparison groups. As per the Census Bureau data discussed earlier, only 36 percent of all child support-eligible mothers nationwide received support during 1997, as did 25 percent of mothers below the poverty line, 22 percent of never-married mothers, and 28 percent of mothers receiving some form of public assistance (U.S. Census Bureau, 2000), all of which are lower than the 39 percent to 47 percent of W-2 clients receiving support during the two years examined here.

Variations in Child Support Receipt

We find considerable variation in support receipt among W-2 recipients. Here, we describe the differential importance of child support during the first two years following W-2 entry for selected subgroups, shown in Table II.2.1. Our intent is simply to illustrate how the "bottom line" of support receipt varies among key subgroups of interest, rather than to identify the factors underlying these patterns. In our subsequent analysis of support payments on the part of fathers, we will examine factors associated with these payments in a multivariate context.

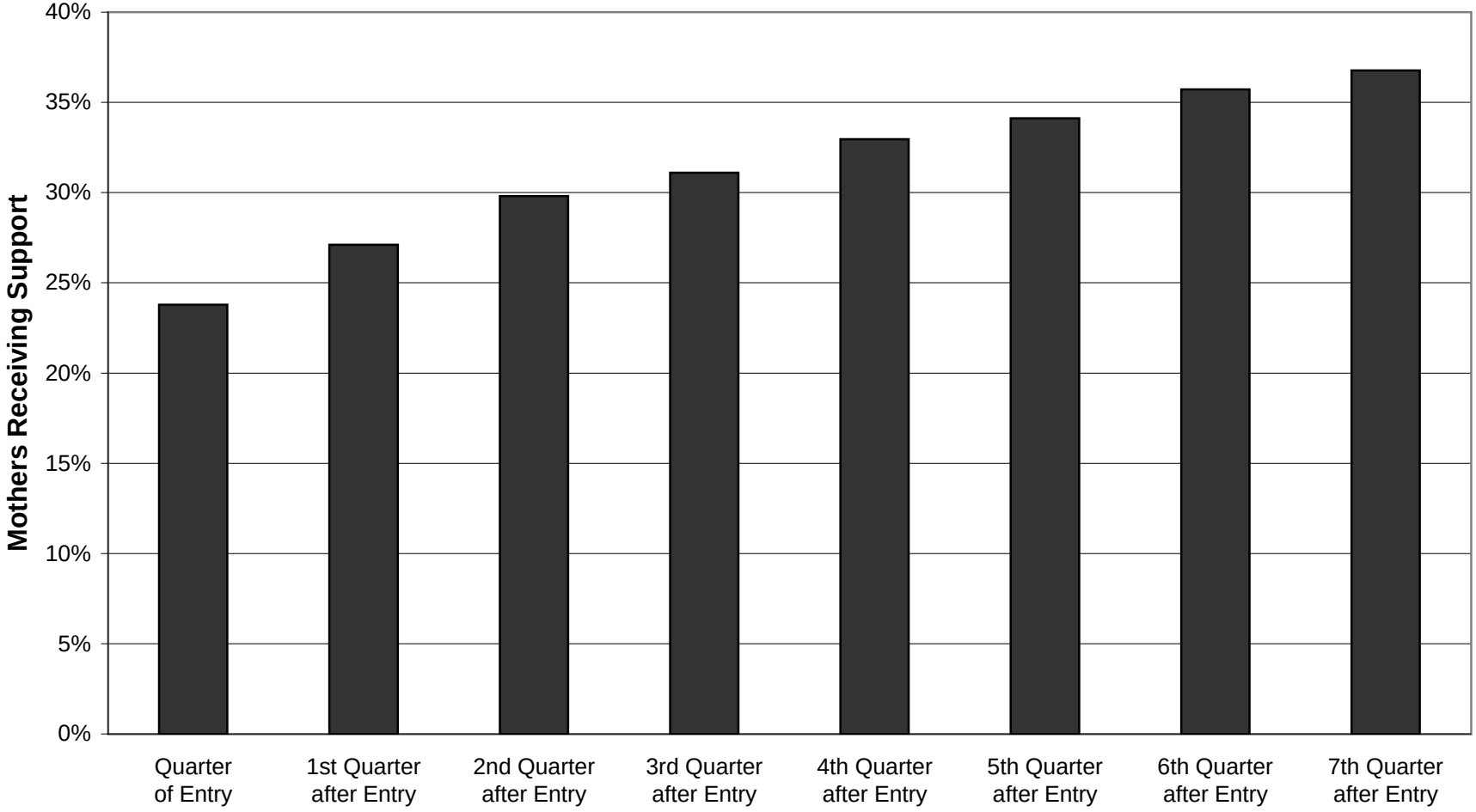
Regional Differences. Welfare caseloads in Wisconsin are increasingly concentrated in Milwaukee. Our results indicate that child support is a much less significant source of income to W-2

Figure II.2.1
Average Monthly Child Support Received by Resident Mothers



Sample: 15,811 full pass-through resident mothers. **Data**: CARES.

Figure II.2.2
Percentage of Resident Mothers Receiving Any Child Support



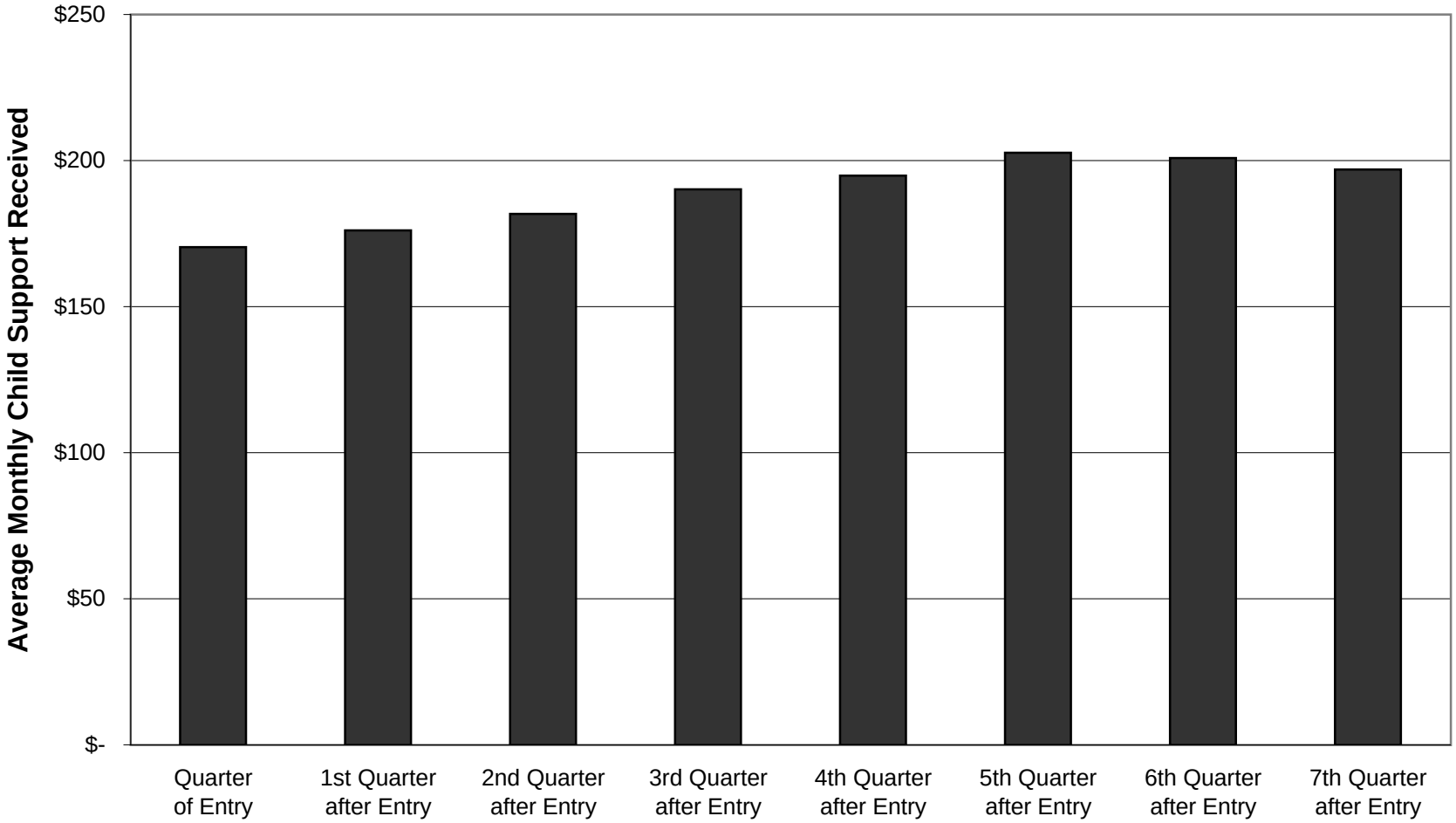
Sample: 15,811 full pass-through resident mothers. **Data**: CARES.

Table II.2.1
Child Support Received by Resident Mothers

	% Receiving Any Child Support		Total Child Support Received		Total Received if Positive	
	1st Year	2nd Year	1st Year	2nd Year	1st Year	2nd Year
All Resident Mothers	39.0%	46.8%	$600	$819	$1,540	$1,752
By Region						
Outside of Milwaukee	51.6%	58.0%	1,004	1,362	1,946	2,347
Milwaukee	35.1%	43.5%	468	651	1,334	1,496
By Prior AFDC Experience						
1–18 months	38.6%	45.6%	607	836	1,572	1,834
19–24 months	42.3%	50.1%	611	814	1,445	1,624
None	28.8%	39.6%	573	897	1,987	2,268
By Relationship with Children's Fathers						
Any marital	55.1%	59.4%	1,298	1,614	2,355	2,716
Nonmarital only	36.3%	44.9%	474	686	1,307	1,526

Sample: Full pass-through resident mothers.

Figure II.2.3
Average Monthly Child Support Received by Resident Mothers among Those Receiving Any Child Support



Sample: 15,811 full pass-through resident mothers. **Data**: CARES.

recipients in Milwaukee than it is in the rest of the state. Mothers in Milwaukee received less than half as much support, on average, as did mothers elsewhere in the state during each of the first two years. Not only were Milwaukee clients less likely to receive support (35 percent versus 52 percent in the first year and 44 percent versus 58 percent in the second year), they also received considerably lower amounts. For instance, those mothers who received support in the second year received an average of $2,347 outside of Milwaukee, compared to $1,496 in Milwaukee. These differences could reflect differences in caseload characteristics, differences in child support enforcement practices, or both.

Prior Welfare Experience. Because our sample focuses on entrants to W-2 during the first nine months of the program, the majority of mothers in our sample, while new to W-2, are not in fact new to the welfare system. The women without AFDC experience, though a minority in this sample, are likely to be the most representative of women who will enter W-2 as the program matures. These mothers are likely to have had less exposure to the child support system prior to W-2 entry than have mothers who have received AFDC and been subject to child support cooperation requirements. As such, child support receipt among mothers without recent welfare experience may be a better gauge of the role that child support could be expected to play among the W-2 population in the longer term.

As seen in Table II.2.1, the average amount of child support for new welfare entrants was $573 in the first year following W-2 entry, increasing to almost $900 in the second year, quite similar to amounts for mothers with recent AFDC experience. Child support was relatively uncommon among new welfare recipients, however, with only 29 percent of such women receiving support in the year following W-2 entry and 40 percent in the subsequent year. This is considerably less than the 42 percent and 50 percent of long-term AFDC recipients who received support over the same periods. When support is received, mothers new to the system receive more. In the second year, for example, the new welfare entrants who received support got an average of $2,268, compared to $1,834 for those with moderate welfare experience and $1,624 for those with extensive experience.

Relationship to Father. Child support is a much more common—and more sizable—income source for W-2 clients who have previously been married to the father of their child(ren) than for those who have only nonmarital children. During the first year following W-2 entry, just 36 percent of clients with only nonmarital children received support, compared to 55 percent of those who were separated or divorced from their child(ren)'s father, with a similar differential in the second year, as shown at the bottom of Table II.2.1. This is compounded by differential receipts among the two groups. Those with nonmarital children who received support, received an average of $1,307 during the first year, only slightly more than half of the $2,355 among separated or divorced clients who received support. We do not explore the underlying causes of this difference, but it is apparent that child support is a less dependable—and less sizable—income source for W-2 clients with only nonmarital children, the majority of the caseload.

Payment Patterns

Receipt of child support can be seen as the final step of a multistage process that includes establishing a legal father, issuing a formal support obligation, and enforcing that obligation. In the case of mothers with children from more than one father, full receipt depends on navigating the system multiple times. As discussed in Volume II, Chapter 3, mothers can "fall out" of this process at each of the interim stages.

Our focus here is on support payment as opposed to the intermediate steps. Table II.2.2 provides information on payment outcomes for fathers who owe support during the year in question. These fathers become increasingly likely to pay support over the two years following the mother's W-2 entry. Only 31

Table II.2.2
Child Support Paid by Nonresident Fathers

	By Year		By Quarter							
	Year 1	Year 2	1st	2nd	3rd	4th	5th	6th	7th	8th
Percentage Paying Any Child Support[a]	58.7%	64.1%	30.8%	35.4%	36.6%	35.9%	37.4%	39.1%	40.6%	39.7%
Total Child Support Paid[a]	$943	$1,128	56.4 $169	72.0 $216	70.1 $210	61.2 $184	71.1 $213	82.9 $249	86.3 $259	70.5 $211
Total Paid if Positive[a]	$1,607	$1,760	183.0 $549	203.3 $610	191.3 $574	170.3 $511	190.2 $571	212.2 $636	212.5 $638	177.7 $533
% with Full Compliance[b]	24.4%	27.5%								
Compliance Rate[b]	37.1%	41.5%								

Sample: Nonresident fathers of children of full pass-through resident mothers.

[a]Calculated for fathers with a child support order in the year.
[b]Calculated for fathers with only a fixed-amount child support order in the year.

percent of fathers paid any support during the first quarter, increasing to about 40 percent by the final quarter of the period. Looking over full years, we find that 59 percent of fathers with a support obligation paid at least some support during the first year, as did 64 percent in the second year. Among those who paid support, the mean amounts also increased slightly, from $1,607 during the first year to $1,760 in the second year.

Although more than half of fathers who owed support paid at least a portion of their obligation, relatively few fathers paid their obligation in full. The average pay-to-owe ratio was 37 percent in year one and 42 percent in year two,[13] with only about one-quarter of fathers in full compliance.[14]

What accounts for such low compliance, especially in light of the full pass-through—expected to increase fathers' willingness to pay—and a strong enforcement system, intended to remove much of the discretion from paying? A possible explanation lies in the low formal labor force connection among the fathers in question. Twenty-six percent of fathers with support obligations had no formal employment in Wisconsin in the prior two years, according to UI records, while only 24 percent were employed during each of the eight quarters (not shown). The majority of enforcement tools—including income withholding and the reporting of new hires to a central database—can have little if any effect on fathers who do not work for wages in the formal labor market. In addition, other tools, like the interception of tax returns, work for those with either wages or self-employment, but do not work for those without any connection to the formal labor market.

Characteristics of Nonpayers and Full Payers

We present a brief snapshot of two groups of fathers—those who paid none of their support obligation during 1999 and those who paid their obligation in full (Table II.2.3).[15] For each group, we summarize variables related to the fathers' ability to pay support, including current and past employment and earnings, the percentage of earnings owed in support, the extent of arrears owed to the state, and the amount of the support order.

The differences are dramatic. Among those fathers paying no support during the year, slightly more than half (55 percent) had any formal earnings in Wisconsin during the two years preceding the mother's W-2 entry, and only 6 percent had earnings during all eight quarters. In contrast, 84 percent of full payers had formal earnings during the same period, including half with earnings during each of the eight quarters.

These differences are not limited to past earnings. During 1999—the year for which compliance status is defined—more than two-thirds of nonpayers lacked formal earnings in Wisconsin, while only 5 percent had earnings during each quarter of the year. Clearly, enforcement strategies that depend on employers will not be an effective tool for this population. On the other hand, only 18 percent of the full

[13]For this average we consider those who pay more than their order to pay 100 percent.

[14]We use a smaller sample to examine child support compliance. We exclude fathers who have orders expressed as a percentage of income rather than as a fixed dollar amount, roughly one-quarter of our sample. The results for the other payment variables, i.e., the percentage who pay support and the mean payment when positive, are similar whether we include or exclude these cases.

[15]The sample of full payers is limited to fathers whose orders are expressed as a fixed dollar amount rather than as a percentage of income. The characteristics of the nonpayers show little change if we also limit that group to fathers with fixed dollar orders. This table is limited to fathers for whom the Social Security number is known (so that we can match with earnings records); this exclusion eliminates 413 fathers.

Table II.2.3
Characteristics of Nonpayers and Full Payers

	By Compliance with Child Support Order in 1999		
	Nonpayers[a] Mean	Nonpayers[b] Mean	Full Payers[b] Mean
Father's Employment in 2 Years before Entry			
None	44.9%	45.0%	16.0%
1–4 quarters	33.8	34.4	11.5
5–7 quarters	15.2	14.7	22.2
8 quarters	6.2	6.0	50.3
Father's Quarters of Employment in 1999			
None	71.0	70.9	18.4
1 quarter	11.4	11.2	1.2
2 quarter	7.8	7.9	2.5
3 quarter	4.9	5.1	6.5
4 quarter	4.9	4.9	71.4
Ratio of Child Support Order to Earnings in 1999			
No earnings	71.0	70.9	18.4
Less than 0.15	3.2	3.1	60.4
0.16–0.20	0.8	0.9	8.7
0.21–0.35	2.1	2.3	7.9
Higher than 0.35	22.9	22.8	4.7
Father's Arrearages at Entry			
No arrears	5.9	5.4	13.6
$1–$500	1.1	1.0	9.1
$501–$2,000	16.0	15.1	18.1
$2,001–$5,000	28.4	28.8	27.0
$5,001 or more	48.6	49.7	32.3
Order Amount in 1999 (among those with fixed orders only)			
Mean		$1,789	$2,247
Median		$1,500	$1,920
Distribution			
Less than $1,000		10.8	12.8
$1,000–$1,250		7.2	7.8
$1,250–$1,500		36.0	15.7
$1,500–$1,750		11.2	8.1
$1,750–$2,000		6.9	7.5
$2,000–$2,500		11.9	15.2
$2,500–$3,000		8.2	11.1
$3,000–$3,500		3.1	6.8
$3,500 or higher		4.7	15.1
Earnings in 1999			
Mean	$1,003	$1,029	$18,084
Mean of those with positive earnings	$3,461	$3,540	$22,162

[a]Nonresident fathers with any child support order in 1999.
[b]Nonresident fathers with only fixed amount child support order in 1999.

payers had no formal earnings for the entire year, while 71 percent had earnings during each quarter. Consistent with the differences in employment patterns, the difference in the amount of formal earnings between the groups is striking. The nonpayers, of whom two-thirds have no reported earnings, have overall mean earnings of only $1,003, and a mean of $3,461 among those with positive earnings. The full payers, on the other hand, have overall mean earnings of $18,084, with a mean of $22,162 among those with positive earnings.

Not surprisingly, the two groups differ dramatically in the share of earnings owed in support—what we term the burden of the support order. As noted, 71 percent of the nonpayers had no formal Wisconsin earnings, resulting in an order which was infinitely burdensome as defined here.[16] Only 3 percent of nonpaying fathers owed less than 15 percent of earnings in support; fewer than 1 percent owed 16–20 percent (which spans the Wisconsin standard for one child), 2 percent owed 21–35 percent, and 23 percent owed more than 35 percent. Among full payers, on the other hand, low orders relative to earnings were the norm—about three-fifths of such fathers owed less than 15 percent of their earnings in support, 9 percent owed 15–20 percent, 8 percent owed 21–35 percent, and only 5 percent owed a larger percentage.

The "burden" of the order does not reflect arrearages, of which the fathers are typically expected to pay a portion each month. We do not have access to data on current arrears for this analysis, but we do have data on the extent of arrears owed to the state at the time of the mother's W-2 entry, including child support, reimbursements to Medicaid for the costs of a child's birth, and other charges. Such arrears are substantial for both nonpayers and full payers. Among nonpayers, more than 90 percent owe more than $500 in arrears, the threshold at which tax intercepts are triggered. Half of nonpayers have substantial arrears, in excess of $5,000. Arrears are somewhat less prevalent among the full payers, with about three-quarters owing at least $500 and almost one-third owing more than $5,000.

The final rows of Table II.2.3 show that both the mean and median orders are higher for full payers than for nonpayers. This suggests that full payment is possible even when the dollar value of orders is high, as long as it is not high relative to earnings, a possibility we explore in the multivariate analysis below.

Multivariate Analyses

Our comparison of nonpayers and full payers suggests a strong connection between ability to pay and compliance outcomes. We use a multivariate approach to more formally examine factors associated with compliance with child support obligations during 1999, as described earlier. We present two sets of results: a model estimated over the full sample, and the same model estimated separately for nonearners and full-year workers.

Full Sample Model. Column 1 of Table II.2.4 shows the parameters from the full sample model. (Means of the independent variables are shown in Appendix Table II.2.1.) Consistent with our expectation, most dimensions of ability to pay are strongly associated with the compliance ratio.

Compliance ratios decline as the burden of a support order increases. Compliance ratios are significantly higher among fathers whose orders represent less than 15 percent of income relative to those with orders in the 16–20 percent range, and compliance ratios decrease as the percentage of income owed in support increases, with coefficients highly statistically significant. On the other hand, compliance

[16]We assume that many of these fathers had at least some degree of self-employment, informal earnings, or earnings outside Wisconsin which we are unable to capture in our measure of burden.

Table II.2.4
Tobit Models of Rate of Compliance in 1999

	Full Sample			By Quarters of Employment in 1999					
				4 Quarters			No Quarters		
	Coeff.	S.E.	P-value	Coeff.	S.E	P-value	Coeff.	S.E.	P-value
(1) Ability To Pay									
Ratio of Child Support Order to Earnings in 1999									
<.10	0.348	0.037	**<0.0001**	0.430	0.034	**<0.0001**			
.10–.15	0.156	0.038	**<0.0001**	0.206	0.033	**<0.0001**			
.16–.20 (omitted)									
.21–.25	-0.075	0.046	0.104	-0.083	0.044	0.058			
.26–.30	-0.176	0.053	**0.001**	-0.171	0.055	**0.002**			
.31–.35	-0.251	0.056	**<0.0001**	-0.314	0.058	**<0.0001**			
.36–.50	-0.363	0.045	**<0.0001**	-0.454	0.050	**<0.0001**			
>.51	-0.582	0.038	**<0.0001**	-0.568	0.050	**<0.0001**			
Amount of Child Support Order	1.6E-04	1.6E-05	**<0.0001**	2.4E-04	2.0E-05	**<0.0001**	4.0E-05	5.3E-05	0.447
Amount of Child Support Order Squared	-1.1E-08	2.1E-09	**<0.0001**	-1.6E-08	2.3E-09	**<0.0001**	4.0E-09	6.7E-09	0.553
Father's Quarters of Employment in 1999									
No quarters (omitted)									
1 quarter to 3 quarters	0.689	0.039	**<0.0001**						
4 quarters	0.859	0.036	**<0.0001**						
Father's Earnings in 2 years before Entry									
$0 (omitted)									
$1–$5,000	-0.096	0.022	**<0.0001**	0.020	0.052	0.702	-0.196	0.056	**0.001**
$5,000–$15,000	0.067	0.027	**0.012**	0.111	0.052	**0.034**	0.290	0.092	**0.002**
$15,000–$25,000	0.185	0.037	**<0.0001**	0.237	0.057	**<0.0001**	0.183	0.192	0.340
$25,000+	0.057	0.051	0.263	0.103	0.066	0.116	0.435	0.328	0.185
Father's Age at Entry									
16–17	-0.039	0.345	0.910	-0.006	0.466	0.991	-4.900	3,500.700	0.999
18–25 (omitted)									
26–30	0.022	0.022	0.300	-0.037	0.028	0.186	0.189	0.074	**0.011**
31–40	0.033	0.022	0.144	-0.059	0.029	**0.043**	0.198	0.076	**0.010**
41+	0.103	0.031	**0.001**	0.018	0.041	0.649	0.305	0.097	**0.002**

Table II.2.4, continued

	Full Sample			By Quarters of Employment in 1999					
				4 Quarters			No Quarters		
	Coeff.	S.E.	P-value	Coeff.	S.E	P-value	Coeff.	S.E.	P-value
Mother's Level of Education at Entry									
No high school degree (omitted)									
HS degree or equivalent	0.009	0.017	0.578	-0.026	0.021	0.215	0.020	0.054	0.712
Some beyond high school	0.092	0.028	**0.001**	-0.007	0.034	0.828	0.342	0.086	**<0.0001**
County Unemployment Rate	-0.003	0.060	0.965	-0.095	0.096	0.321	0.162	0.169	0.339
County Unemployment Rate Squared	0.008	0.009	0.374	0.017	0.014	0.216	-0.005	0.025	0.845
(2) Expectation That Support Will Benefit Children									
Tier Level at Entry									
Lower tier (omitted)									
Caretaker of newborn	-0.047	0.037	0.203	-0.103	0.048	**0.033**	0.045	0.116	0.699
Upper tier	0.023	0.017	0.167	-0.016	0.021	0.444	0.115	0.054	**0.033**
Mother's Time on AFDC before Entry									
0 months (omitted)									
1–18 months	-0.111	0.043	**0.011**	-0.031	0.056	0.574	-0.360	0.130	**0.006**
19–24 months	-0.112	0.044	**0.010**	0.002	0.057	0.976	-0.437	0.131	**0.001**
(3) Strength of Ties									
Couple's Relationship									
Paternity (omitted)									
Divorce	0.075	0.028	**0.007**	0.054	0.035	0.129	0.177	0.084	**0.036**
Age of Couple's Youngest Child at Entry									
0–2 (omitted)									
3–5	0.004	0.021	0.852	-0.007	0.027	0.805	0.041	0.075	0.584
6–12	0.061	0.023	**0.007**	-0.002	0.029	0.932	0.272	0.079	**0.001**
13–17	0.115	0.036	**0.001**	0.005	0.045	0.904	0.333	0.111	**0.003**
Other Children in Mother's Household									
No other children (omitted)									
Other children, no other legal fathers	-0.006	0.022	0.775	-0.019	0.028	0.496	0.049	0.072	0.492
Other legal fathers	-0.010	0.019	0.604	-0.006	0.024	0.815	-0.007	0.064	0.907

Table II.2.4, continued

	Full Sample			By Quarters of Employment in 1999					
				4 Quarters			No Quarters		
	Coeff.	S.E.	P-value	Coeff.	S.E	P-value	Coeff.	S.E.	P-value
Number of Children at Entry									
One (omitted)									
Two or more	-0.067	0.018	**0.000**	-0.017	0.024	0.472	-0.225	0.060	**0.000**
(4) Child Support Enforcement System									
County Paternity Establishment Rate	-0.108	0.048	**0.025**	0.144	0.093	0.123	-0.244	0.113	**0.031**
County Paternity Rate Squared	0.001	0.000	**0.033**	-0.001	0.001	0.102	0.002	0.001	**0.033**
County Child Support Order Rate	0.055	0.023	**0.015**	0.001	0.036	0.986	0.065	0.062	0.293
County CS Order Rate Squared	0.000	0.000	**0.033**	0.000	0.000	0.770	0.000	0.000	0.304
Father Owes CS to Mother at Entry	0.033	0.028	0.239	0.047	0.036	0.188	-0.077	0.096	0.422
(5) Control Variables									
Region at Entry									
Milwaukee (omitted)									
Other urban counties	0.029	0.094	0.756	-0.012	0.143	0.932	0.281	0.266	0.291
Rural counties	0.018	0.107	0.864	0.032	0.155	0.835	0.162	0.304	0.594
Father's Race									
White (omitted)									
African American	-0.128	0.031	**<0.0001**	-0.009	0.040	0.820	-0.334	0.099	**0.001**
Hispanic	-0.015	0.046	0.740	-0.016	0.059	0.791	-0.086	0.152	0.571
Native American	-0.168	0.083	**0.044**	-0.171	0.101	0.091	-0.472	0.371	0.203
Asian	-0.029	0.169	0.864	-0.116	0.174	0.505	-0.251	0.513	0.624
Intercept	2.223	1.626	0.172	-5.303	3.099	0.087	6.679	3.920	0.088
(6) Model Statistics									
Sigma (scale)	0.592	0.008		0.463	0.009		1.034	0.034	
N	8,062			2,925			2,836		
Log Likelihood	-6,263.24			-1,937.71			-2,224.57		

Sample: Nonresident fathers with only fixed amount child support order in 1999.
Note: Model also includes variables indicating missing age, unknown race, missing Social Security numbers, unknown marital relationship, and timing of W-2 entry. Probability values of 0.05 or less are shown in bold type.

increases with the dollar value of the support order. Taken together, these results suggest that high orders in and of themselves are not problematic from the standpoint of compliance, so long as those orders do not constitute an unduly large share of income.[17]

The variables reflecting current employment are quite important. Those with more quarters of earnings have higher compliance, as expected. Earnings history, which we view as a proxy for earnings capacity, is also related to compliance. Compared to fathers with no formal earnings in the two-year period prior to W-2 entry, compliance is significantly higher for those with prior earnings in the $5,000–$15,000 range, and especially in the $15,000–$25,000 range. There is no significant difference for those earning above $25,000, a category which includes fewer than 300 of the fathers in our sample.

Other variables intended to reflect earnings capacity are also important. For instance, compliance is highest for the oldest fathers (over age 40), and it is significantly higher for fathers whose ex-partner has post-high school education. However, we find no evidence that the local unemployment rate is linked to compliance, net of other factors in the model.

The next panel includes variables intended to reflect the father's expectation that support will be passed through to his child(ren). Contrary to expectation, we find no difference in compliance ratio according to the mother's initial W-2 tier. We do, however, find that recent AFDC receipt is significantly related to lower compliance. As noted above, fathers associated with recent AFDC recipients may have a less clear understanding of the new pass-through policy. On the other hand, there may be other unmeasured differences, including differences in earnings capacity, between men associated with long-term versus recent welfare recipients.

The next set of independent variables is intended to reflect, albeit imperfectly, the strength of the nonresident father's ties to his ex-partner and children. We include four sets of variables: the couple's relationship (nonmarital or divorced), the age of the youngest child, the presence of other legal fathers associated with the resident mother, and the number of the couple's children at W-2 entry. We find mixed results. Consistent with expectations and prior research, divorced fathers have higher compliance ratios than nonmarital fathers. Those with older children have higher compliance ratios, suggesting that ties may strengthen over time.[18] However, couples with more children (who we hypothesized may have stronger ties) have lower compliance. There is no evident relationship between the compliance outcome and the presence of other children in the mother's household.

The next panel includes variables reflecting the child support system and parents' prior exposure to that system. Results indicate that fathers in counties that establish paternity in a larger share of cases served by the Child Support Enforcement Office have lower compliance ratios, a finding which could reflect the challenges associated with collecting support from fathers brought into the formal system by virtue of strict paternity establishment procedures or the difficulty in simultaneously focusing on paternity establishment and enforcement. On the other hand, the model also suggests that a higher rate of order establishment among fathers is associated with a higher compliance ratio, perhaps because counties

[17]The order amount and the burden (order divided by income) are obviously related. Entering only one of them does not change the conclusions. In a model without the burden variables, the coefficient on the order amount is positive and statistically significant, similar to the results in Table II.2.4; in a model without the order variables, the coefficients on the burden variables are similar to the results in Table II.2.4.

[18]We also ran a model in which child's age was interacted with divorce and paternity. This model shows that those with older children have significantly higher compliance rates, whether they are marital or nonmarital fathers.

which place the greatest emphasis on issuing orders also tend to have the most effective enforcement strategies. We find no relationship between compliance and having a support order in place at the time of W-2 entry (a measure of past child support exposure).

The last panel shows the impacts of several control variables. Net of other factors, compliance does not differ among fathers in Milwaukee, other urban counties, and rural counties. African-American and Native-American fathers appear to have lower compliance ratios than whites, with no differences among other racial groups.

In sum, this model provides strong support for the hypothesis that a father's ability to pay support is an important determinant of child support compliance. It also provides some limited evidence that expectations that support would benefit children is linked to compliance; mixed support for the hypothesis that a father's ties to children play a role; and some evidence that overall county success with regard to intermediate child support outcomes is related to differential compliance outcomes.

Compliance among Discretionary versus Nondiscretionary Obligors. As discussed earlier, the above model implicitly suggests that compliance with support obligations is affected by the discretion of the obligor. However, the increasingly routinized nature of support collections for those who have earnings from the formal labor market makes this an overly simplistic assumption. Whereas fathers who do not wish to pay support may choose to work outside of the formal labor market, those fathers who do work in the formal labor market have considerably less discretion as to how much support they pay. Discretion is not completely absent, of course. Some fathers do not have withholding orders, and when fathers change jobs they may opt not to inform their employer of obligations (or may not inform the child support system of the job change), resulting in a delay in enforcement efforts. However, we would expect discretion to play a decreasing role as connection to the formal labor market increases.

To assess how the correlates of compliance differ when payment is discretionary versus nondiscretionary, we estimate our base model separately for two subsamples: full workers, i.e., those who worked in the formal labor market during each quarter of 1999, and nonearners, i.e., those with no reported earnings in the year.[19] Note that this distinction is imperfect in that "nonearners" may work in the informal labor market or in formal jobs outside of the state. We expect that variables reflecting the father's desire to pay support will be related to compliance among nonearners but not among full workers. Thus, we expect the variables representing a father's expectation that support will benefit his children, as well as variables representing the strength of his ties to his child(ren), to be important only for nonearners. We expect the ability to pay support to be important for both groups of fathers, but that this would be captured by different variables for the two groups. Because we have fewer direct controls of ability to pay among nonworking fathers (in that we cannot control for the burden of the support order), we expect the indirect measures of ability to pay to be more important for this group.

Factors Associated with Compliance among Fully Employed Fathers. The coefficients and standard errors for the fully employed sample are shown in the middle columns of Table II.2.4. As expected, the ability-to-pay variables are almost the only significant variables in the model. Fathers with low-burden orders, relative to those owing in the 16–20 percent range, have significantly higher compliance ratios, while fathers with high-burden orders have decreasing compliance ratios. Net of the

[19]This is equivalent to a model in which we include interaction terms between all independent variables and the number of quarters of employment. The fully interacted model (or the separate models) allows us to directly examine the correlates of compliance for each subgroup. To determine whether a fully interacted model (equivalent to the separate models reported here) is preferable to an uninteracted model, we conducted a likelihood test of the two models and found that the interacted model is preferable ($p < .001$).

burden of the order, higher orders are associated with higher compliance. Earnings capacity, as measured by past earnings, is also associated with higher compliance. The more indirect measures of earnings capacity—fathers' age and mothers' education—are not consistently related to compliance, perhaps because their effects are picked up by the more direct measures.

In contrast to the full sample, there is virtually no relation between compliance ratios and any of the variables reflecting either perceived benefit to children or strength of family ties. Thus the differences we saw in the earlier sample—including higher compliance among fathers whose ex-partners are new to the welfare system and among fathers with older versus younger children—are by and large absent here. Likewise, the previous findings with regard to characteristics of the child support system are not evident for this sample. Finally, we find no compliance differences among racial groups for the sample of fully employed fathers. In sum, our results suggest that for fathers with close connection to the formal labor market, ability to pay is the driving force behind compliance with support obligations.

Factors Associated with Compliance among Fathers outside the Formal Labor Market. Not surprisingly, factors associated with compliance are different among nonearners than among full workers. As noted previously, we are unable to include the burden of the order in our model for this sample, as that variable is defined from reported earnings. In reality, many of these fathers are likely to have earnings not reflected in our data or to have other sources of income, and as such the burden of their orders would vary. Perhaps because we do not have a measure of burden, we find that indirect measures of ability to pay are important for these fathers. Fathers whose ex-partners have post-high school education had significantly higher compliance, and compliance increased with the fathers' age.

Unlike the case for fully employed fathers, we find that the variables intended to proxy for a father's expectation that support will benefit his child(ren) are significantly related to compliance. Fathers whose ex-partner is in an upper (noncash) tier of W-2 have significantly higher compliance net of other factors, while fathers whose ex-partners have AFDC experience in the two years prior to W-2 entry have significantly lower compliance.

Compliance is related to the measures reflecting the strength of ties, in contrast to the results for fully employed fathers. Divorced fathers have higher compliance ratios, as do those with older children.

Fathers with two or more children have significantly lower compliance, perhaps because their orders are larger relative to their earnings capacity and hence are proxies for burden.

Finally, we find significantly lower compliance among African Americans than among whites, with no net differences among fathers in Milwaukee, other urban counties, and rural counties. In sum, our results confirm that, in addition to variables reflecting ability to pay, variables likely to reflect differential preferences for paying support are significant predictors of compliance among fathers outside the formal labor market.

Compliance and Arrears. As discussed above, arrears typically result in a higher de facto obligation than is reflected in our order or burden measures, in that fathers are expected to pay off a portion of their arrears each month. High arrears, which many fathers have little realistic expectation of paying off, may lead fathers to avoid the formal enforcement system altogether. To test this possibility, we estimated the same model with an additional variable denoting whether a father owed more than $5,000 to the state when his children entered W-2. Appendix Table II.2.2 shows the results. In the full sample, those with high arrears do have lower compliance net of other factors. The relationships between other variables and compliance are largely unchanged by this addition. The final columns show that high arrears are strongly negatively related to compliance among those with no recorded employment; among those with full employment the relationship is small and only marginally significant ($p < .10$).

Conclusions

This section addresses two issues critical to our understanding of the current and potential role of child support for welfare recipients. First, it describes patterns of child support among W-2 clients, providing important information about the prevalence and extent of child support in the context of a full pass-through and a strong enforcement system. Second, it examines the factors associated with compliance with child support obligations, with emphasis on the importance of fathers' ability to pay support.

We find that child support receipt is considerably more common among W-2 recipients than among the best available comparison groups nationwide. During the first two years following W-2 entry, between 39 percent and 47 percent of mothers received at least some child support. In contrast, only 25 percent of poor mothers nationwide received support in 1997, as did 22 percent of never-married mothers and 28 percent of mothers receiving some form of public assistance (U.S. Census Bureau, 2000).

Support is a nontrivial source of income among those who receive it, averaging between $1,540 and $1,752 during the two years examined. Among those who received support during a given three-month period, the average monthly amounts ranged from $170 to $200, or 25–30 percent of the maximum W-2 payment. These annual dollar amounts are somewhat lower than the national estimates for relevant comparison groups, perhaps because more challenging cases receive at least some support in Wisconsin, whereas in other states they may not receive anything. Note also that comparisons to average receipts nationwide do not reflect that outside of Wisconsin, child support reduces the amount of public assistance available.

The overall rate of receipt is encouraging, but we also find that such support is a variable and unpredictable source of income. It is considerably less common among mothers in Milwaukee than in the rest of the state, among mothers new to the welfare system than for those with prior AFDC experience, and among nonmarital mothers than for divorced mothers. In any given quarter, it is received by fewer than 40 percent of mothers. Among mothers who receive support at some point during the year, just under half receive support during each quarter, and 35–39 percent receive support only during one or two quarters. Furthermore, the steep increases in the percentage of mothers receiving support and the average support received over the first five quarters after entering W-2 appear to have slowed by the seventh and eighth quarters after entry.

Failure to receive support stems from breakdowns at a variety of steps (establishment of paternity, establishment of a support order, and collection of support owed), but this section focuses on breakdowns at the final stage. Of those fathers who owe support, only between 59 and 64 percent pay any support during the first two years following the mother's W-2 entry, and only about one-quarter pay their orders in full.

We find striking differences between those fathers who do not pay any of their obligation and those fathers who pay their support in full. The nonpayers are characterized by extremely low rates of past and current employment in the formal labor market; fewer than three-fifths had any formal employment in Wisconsin during the two years prior to the mother's W-2 entry, and fewer than one-third had any formal employment in the current year. Among the minority of nonpayers with formal earnings in 1999, support obligations constituted a large share of those earnings—more than 35 percent, for the majority of these fathers. This does not reflect arrearages. In addition to current support, more than 90 percent of nonpayers owed more than $500 in arrears, including half with arrears in excess of $5,000. Full payers, on the other hand, have a much stronger connection to the formal labor force, and are

characterized by low orders relative to current earnings. More than 80 percent had at least some formal earnings during the current year. Among those with earnings, nearly three-quarters owed less than 15 percent of current earnings in support. Like nonpayers, they also had substantial arrearages.

Not surprisingly, our multivariate analyses confirm that ability to pay is very closely tied to child support compliance. Ability to pay is treated here as a multidimensional construct, and multiple dimensions appear to be relevant. Orders that are a high percentage of the fathers' earnings, an absence of formal employment, a history of low earnings, and high arrears to the state all have a distinct negative impact on the compliance ratio.

Different factors appear to be important in the compliance patterns of fathers who are strongly connected to the formal labor market as compared to those outside of the labor force. For those with four quarters of employment, only the most direct measures of ability to pay—prior earnings, and orders as a percentage of current earnings—are significant predictors of compliance. For those fathers without formal employment—whom we refer to as discretionary obligors—ability to pay is also important. In this case, the significant dimensions of ability to pay include earnings capacity, as measured by age and mothers' education, as well as the existence of high arrearages to the state. Fathers with large arrears to the state have significantly lower compliance ratios, perhaps because they opt to avoid the enforcement system altogether. In contrast to the fully employed fathers, compliance among the discretionary obligors is linked to other factors as well. Variables intended to proxy for the father's expectation that support will benefit his children are significantly linked to higher compliance. Likewise, discretionary obligors with older children have higher compliance ratios than those with younger children, and African Americans have lower compliance than whites.

What can policymakers learn from these results? We offer the following conclusions from this research:

1. **Child support should be viewed as an important supplemental income source to families who come in contact with the welfare system, rather than as an income source that is routinely available.** Child support can indeed be an important source of income to these mothers and children, and W-2 recipients appear more likely to receive such support than do comparable groups nationwide. However, policymakers should not count on such support for all W-2 recipients when assessing the potential economic well-being of this population. Even in a policy environment considered favorable for maximizing child support income, fewer than half of W-2 recipients receive support in a given year, and fewer than half of those receive support during each quarter of the year.

2. **Enforcement strategies linked to formal employment—including income withholding and the reporting of new hires to a centralized database—can have little further impact on compliance among fathers who currently do not pay any of their support obligation.** These nonpayers have extremely limited connection to the formal labor force both before and after the mother's entry into W-2, and as such, there is little that employment-based enforcement can do to improve their compliance.

3. **Increasing compliance may require efforts to reduce the burden of support orders and the magnitude of arrearages.** Most nonpaying fathers have no formal earnings, but those who do usually owe more than 35 percent of their earnings in current support. Likewise, the vast majority have arrearages owed to the state, including roughly half with arrearages in excess of $5,000. We find evidence that both the burden of the support order and the presence of high arrears are associated with lower compliance ratios. Policymakers should explore strategies to

ensure that orders keep pace with changes in the circumstances of obligors, such that orders do not exceed fathers' ability to pay.

4. **Enforcement is generally effective among fathers with strong connection to the labor force, but there is still room for improvement.** Fathers who have earnings during all four quarters of the year have fairly high compliance, with 95 percent paying at least some support and an average pay-to-owe ratio of .73. On the other hand, only half of these fathers pay their orders in full. Continued efforts to enforce support obligations could produce further gains among fully employed fathers.

5. **Policymakers should pursue strategies to enhance the formal employment of fathers associated with W-2 recipients.** Employment is a strong predictor of compliance. Our findings suggest that, in addition to a direct impact of employment on compliance, employment also increases compliance by reducing underpayment related to differential preferences for paying support. Among fully employed fathers, factors other than ability to pay are not strongly associated with compliance outcomes.

6. **Policymakers and researchers should endeavor to learn more about the circumstances of fathers with no reported earnings.** Possible explanations for lack of reported earnings include self-employment, informal earnings, living out of state, disability, unemployment, and incarceration. In the absence of such knowledge, it is difficult to ascertain what constitutes fair and appropriate treatment by the child support system.

7. **Wisconsin should increase its efforts to inform all welfare recipients and associated nonresident parents about the full pass-through policy. Other states should consider implementing a full pass-through.** We hypothesize that fathers' expectations about whether children will benefit from their support are related to the level of compliance. In this research, we only have approximations for whether fathers expect their children to receive their payments. Nonetheless, our findings of higher compliance among fathers whose partners are new to the welfare system, as well as higher compliance among fathers whose partners are initially assigned to an upper (noncash) tier of W-2, suggests that expectations that support will benefit children influence fathers' payment decisions, particularly among those fathers outside the formal labor force. These findings are consistent with the evaluation of the full pass-through, which found that the pass-through policy had a larger impact on the likelihood of payment among fathers whose ex-partners were in a higher tier and/or had no recent AFDC experience (Volume I).

Appendix Table II.2.1
Mean Characteristics of Model Samples

	Full Sample		By Quarters of Employment in 1999			
			4 Quarters		No Quarters	
	Mean	S.D.	Mean	S.D.	Mean	S.D.
(1) Ability to Pay						
Ratio of Child Support Order to Earnings in 1999						
<.10	0.164	0.293	0.415	0.391		
.10–.15	0.098	0.236	0.231	0.334		
.16–.20	0.061	0.189	0.130	0.267		
.21–.25	0.038	0.151	0.068	0.199		
.26–.30	0.025	0.123	0.036	0.148		
.31–.35	0.021	0.114	0.029	0.133		
.36–.50	0.042	0.159	0.043	0.162		
>.51	0.164	0.294	0.048	0.170		
No earnings	0.352	0.379			1.000	0.000
No SSN	0.036	0.148				
Amount of Child Support Order	2,003.030	934.961	2,177.350	1,043.130	1,910.750	903.776
Father's Quarters of Employment in 1999						
No quarters	0.352	0.379			1.000	0.000
1 quarter to 3 quarters	0.249	0.343				
4 quarters	0.363	0.381	1.000	0.000		
No SSN	0.036	0.148				
Father's Earnings in 2 years before Entry						
$0	0.252	0.345	0.036	0.147	0.580	0.392
$1–$5,000	0.373	0.384	0.307	0.366	0.333	0.374
$5,000–$15,000	0.222	0.330	0.394	0.388	0.069	0.202
$15,000–$25,000	0.080	0.215	0.179	0.304	0.013	0.091
$25,000+	0.036	0.147	0.083	0.219	0.005	0.053
No SSN	0.036	0.148				

Appendix Table II.2.1, continued

	Full Sample		By Quarters of Employment in 1999			
			4 Quarters		No Quarters	
	Mean	S.D.	Mean	S.D.	Mean	S.D.
Father's Age at Entry						
16–17	0.0005	0.018	0.0003	0.015	0.0004	0.015
18–25	0.296	0.362	0.248	0.343	0.272	0.353
26–30	0.256	0.346	0.265	0.350	0.255	0.346
31–40	0.345	0.377	0.374	0.384	0.353	0.379
41+	0.100	0.238	0.113	0.251	0.116	0.254
Age missing	0.003	0.044			0.004	0.048
Mother's Level of Education at Entry						
No high school degree	0.552	0.394	0.511	0.397	0.557	0.394
HS degree or equivalent	0.360	0.381	0.386	0.386	0.353	0.379
Some beyond high school	0.088	0.225	0.103	0.242	0.090	0.227
County Unemployment Rate	3.662	0.563	3.639	0.600	3.645	0.553
Father Has CS Arrears over $5,000	0.424	0.392	0.358	0.380	0.483	0.396
(2) Expectation That Support Will Benefit Children						
Tier Level At Entry						
Lower tier	0.639	0.381	0.633	0.382	0.641	0.381
Caretaker of newborn	0.047	0.169	0.045	0.165	0.051	0.175
Upper tier	0.313	0.368	0.322	0.371	0.308	0.366
Mother's Time on AFDC before Entry						
0 months	0.040	0.156	0.045	0.164	0.040	0.155
1–18 months	0.264	0.350	0.264	0.350	0.264	0.350
19–24 months	0.696	0.365	0.691	0.366	0.697	0.365
(3) Strength of Ties						
Couple's Relationship						
Unknown	0.003	0.042	0.001	0.028	0.006	0.061
Paternity	0.896	0.242	0.882	0.256	0.887	0.251
Divorce	0.101	0.239	0.117	0.255	0.107	0.245

Appendix Table II.2.1, continued

	Full Sample		By Quarters of Employment in 1999			
			4 Quarters		No Quarters	
	Mean	S.D.	Mean	S.D.	Mean	S.D.
Age of Couple's Youngest Child at Entry						
0–2	0.242	0.340	0.245	0.341	0.194	0.314
3–5	0.316	0.369	0.301	0.364	0.325	0.372
6–12	0.365	0.382	0.368	0.383	0.390	0.387
13–17	0.077	0.211	0.086	0.223	0.091	0.228
Other Children in Mother's Household						
No other children	0.276	0.355	0.294	0.361	0.250	0.344
Other children, no other legal fathers	0.242	0.340	0.226	0.332	0.254	0.345
Other legal fathers	0.482	0.396	0.480	0.396	0.496	0.397
Number of Children at Entry						
One	0.688	0.368	0.692	0.366	0.689	0.367
Two or more	0.312	0.368	0.308	0.366	0.311	0.367
(4) Child Support Enforcement System						
County Paternity Establishment Rate	74.238	4.881	74.466	5.044	74.503	5.161
County Child Support Order Rate	51.468	8.955	51.811	9.368	52.173	9.335
Father Owes CS to Mother at Entry	0.916	0.219	0.913	0.223	0.929	0.203
(5) Control Variables						
Region at Entry						
Milwaukee	0.809	0.311	0.802	0.316	0.781	0.328
Other urban counties	0.127	0.264	0.125	0.262	0.152	0.285
Rural counties	0.063	0.193	0.073	0.207	0.067	0.198
Father's Race						
White	0.101	0.239	0.127	0.264	0.096	0.234
African American	0.446	0.394	0.361	0.381	0.469	0.396
Hispanic	0.039	0.154	0.039	0.154	0.036	0.147
Native American	0.011	0.082	0.012	0.086	0.007	0.068
Asian	0.002	0.037	0.004	0.048	0.002	0.036
Unknown	0.401	0.389	0.457	0.395	0.389	0.387

Sample: Nonresident fathers with only fixed amount child support order in 1999.

Appendix Table II.2.2
Tobit Models of Rate of Compliance in 1999

	Full Sample			By Quarters of Employment in 1999					
				4 Quarters			No Quarters		
	Coeff.	S.E.	P-value	Coeff.	S.E	P-value	Coeff.	S.E.	P-value
(1) Ability to Pay									
Ratio of Child Support Order to Earnings in 1999									
<.10	0.340	0.036	**<0.0001**	0.428	0.034	**<0.0001**			
.10–.15	0.149	0.037	**<0.0001**	0.205	0.033	**<0.0001**			
.16–.20 (omitted)									
.21–.25	-0.074	0.046	0.106	-0.082	0.044	0.061			
.26–.30	-0.169	0.053	**0.001**	-0.169	0.055	**0.002**			
.31–.35	-0.254	0.055	**<0.0001**	-0.314	0.058	**<0.0001**			
.36–.50	-0.357	0.045	**<0.0001**	-0.451	0.050	**<0.0001**			
>.51	-0.579	0.038	**<0.0001**	-0.565	0.050	**<0.0001**			
Amount of Child Support Order	1.8E-04	1.6E-05	**<0.0001**	2.4E-04	2.0E-05	**<0.0001**	9.2E-05	5.2E-05	0.079
Amount of Child Support Order Squared	-1.2E-08	2.0E-09	**<0.0001**	-1.6E-08	2.3E-09	**<0.0001**	-1.3E-09	6.6E-09	0.843
Father's Quarters of Employment in 1999									
No quarters (omitted)									
1 quarter to 3 quarters	0.690	0.039	**<0.0001**						
4 quarters	0.858	0.035	**<0.0001**						
Father's Earnings in 2 Years before Entry									
$0 (omitted)									
$1–$5,000	-0.091	0.022	**<0.0001**	0.016	0.052	0.751	-0.166	0.056	**0.003**
$5,000–$15,000	0.055	0.027	**0.038**	0.103	0.052	**0.049**	0.273	0.090	**0.002**
$15,000–$25,000	0.153	0.037	**<0.0001**	0.224	0.057	**<0.0001**	0.141	0.188	0.455
$25,000+	0.012	0.051	0.806	0.087	0.067	0.192	0.249	0.323	0.441
Father's Age at Entry									
16–17	-0.038	0.342	0.912	-0.010	0.466	0.983	-4.788	3,453.100	0.999
18–25 (omitted)									
26–30	0.029	0.022	0.173	-0.035	0.028	0.207	0.201	0.073	**0.006**
31–40	0.045	0.022	**0.042**	-0.055	0.029	0.058	0.230	0.075	**0.002**
41+	0.114	0.031	**0.000**	0.021	0.041	0.605	0.336	0.096	**0.001**

Appendix Table II.2.2, continued

	Full Sample			By Quarters of Employment in 1999					
				4 Quarters			No Quarters		
	Coeff.	S.E.	P-value	Coeff.	S.E	P-value	Coeff.	S.E.	P-value
Mother's Level of Education at Entry									
No high school degree (omitted)									
HS degree or equivalent	0.012	0.016	0.481	-0.025	0.021	0.227	0.028	0.053	0.602
Some beyond high school	0.090	0.028	**0.001**	-0.007	0.034	0.834	0.316	0.085	**0.000**
County Unemployment Rate	0.007	0.060		-0.085	0.096	0.375	0.168	0.166	0.312
County Unemployment Rate Squared	0.007	0.009	0.437	0.016	0.014	0.251	-0.004	0.024	0.870
Father Has CS Arrears over $5000	-0.142	0.017	**<0.0001**	-0.038	0.023	0.093	-0.430	0.055	**<0.0001**
(2) Expectation That Support Will Benefit Children									
Tier Level at Entry									
Lower tier (omitted)									
Caretaker of newborn	-0.051	0.037	0.170	-0.106	0.048	**0.028**	0.074	0.114	0.519
Upper tier	0.025	0.016	0.130	-0.016	0.021	0.444	0.123	0.053	**0.020**
Mother's Time on AFDC before Entry									
0 months (omitted)									
1–18 months	-0.092	0.043	**0.031**	-0.028	0.056	0.618	-0.296	0.127	**0.020**
19–24 months	-0.084	0.043	0.053	0.007	0.057	0.901	-0.338	0.128	**0.009**
(3) Strength of Ties									
Couple's Relationship									
Paternity (omitted)									
Divorce	0.044	0.028	0.116	0.044	0.036	0.214	0.101	0.084	0.229
Age of Couple's Youngest Child at Entry									
0–2 (omitted)									
3–5	0.039	0.021	0.064	0.002	0.028	0.947	0.153	0.075	**0.042**
6–12	0.108	0.023	**<0.0001**	0.010	0.030	0.744	0.412	0.080	**<0.0001**
13–17	0.174	0.036	**<0.0001**	0.020	0.045	0.667	0.515	0.112	**<0.0001**
Other Children in Mother's Household									
No other children (omitted)									
Other children, no other legal fathers	-0.010	0.022	0.631	-0.020	0.028	0.474	0.025	0.070	0.718
Other legal fathers	-0.013	0.019	0.483	-0.006	0.024	0.799	-0.033	0.063	0.599

Appendix Table II.2.2, continued

	Full Sample			By Quarters of Employment in 1999					
				4 Quarters			No Quarters		
	Coeff.	S.E.	P-value	Coeff.	S.E	P-value	Coeff.	S.E.	P-value
Number of Children at Entry									
One (omitted)									
Two or more	-0.038	0.019	**0.040**	-0.010	0.024	0.674	-0.147	0.060	**0.014**
(4) Child Support Enforcement System									
County Paternity Establishment Rate	-0.104	0.048	**0.031**	0.148	0.093	0.112	-0.217	0.111	0.051
County Paternity Rate Squared	0.001	0.000	**0.043**	-0.001	0.001	0.092	0.001	0.001	0.060
County Child Support Order Rate	0.057	0.023	**0.011**	0.001	0.036	0.981	0.068	0.061	0.265
County CS Order Rate Squared	0.000	0.000	**0.027**	0.000	0.000	0.773	0.000	0.000	0.296
Father Owes CS to Mother at Entry	0.067	0.028	**0.018**	0.053	0.036	0.144	0.084	0.096	0.382
(5) Control Variables									
Region at Entry									
Milwaukee (omitted)									
Other urban counties	0.038	0.094	0.689	-0.004	0.143	0.980	0.310	0.262	0.236
Rural counties	0.015	0.107	0.890	0.038	0.155	0.808	0.158	0.299	0.598
Father's Race									
White (omitted)									
African American	-0.125	0.031	**<0.0001**	-0.009	0.040	0.825	-0.318	0.097	**0.001**
Hispanic	-0.012	0.046	0.791	-0.013	0.059	0.821	-0.090	0.149	0.547
Native American	-0.147	0.083	0.077	-0.166	0.101	0.100	-0.390	0.369	0.291
Asian	-0.046	0.169	0.786	-0.125	0.174	0.472	-0.178	0.510	0.726
Intercept	1.921	1.619	0.235	-5.492	3.099	0.076	5.432	3.863	0.160
(6) Model Statistics									
Sigma (scale)	0.588	0.008		0.462	0.009		1.013	0.033	
N	8062			2925			2836		
Log Likelihood	-6,229.22			-1,936.30			-2,192.27		

Sample: Nonresident fathers with only fixed amount child support order in 1999.
Note: Model also includes variables indicating missing age, unknown race, missing Social Security numbers, unknown marital relationship, and timing of W-2 entry. Probability values of 0.05 or less are shown in bold type.

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Chapter 3
Paternity Establishment and Child Support Orders among W-2 Participants

Judi Bartfeld and Gary Sandefur

In an era of time-limited public assistance, policymakers and politicians frequently express the hope that a stronger private child support system can replace income that has, in the past, been provided to low-income single parents through the public welfare system.[1] At the same time, some critics fault the welfare system for not allowing parents to combine public assistance with private child support. Under Wisconsin's welfare replacement program, known as Wisconsin Works, or W-2, this is no longer the case. In addition to any assistance received from W-2, participants are also allowed to keep all child support paid on their behalf. Child support should, therefore, be a more important supplemental income source for families receiving public assistance in Wisconsin than in other states, where most child support paid on behalf of families receiving public assistance is retained by the state to offset welfare payments.

Many factors may nonetheless limit the importance of child support for the welfare population. First, many welfare clients do not have a legally identified father for their child(ren), and thus cannot receive formal child support. Second, child support orders may be low or nonexistent. Third, existing support orders are frequently not paid. Finally, all of these factors are compounded by the low incomes of many noncustodial parents in this population.

Existing research indicates that a substantial share of mothers who receive welfare, both in Wisconsin and nationwide, fail to receive child support, but that when support is received it is an important source of supplemental income. For instance, data from the 1998 Child Support Supplement to the Current Population Survey indicates that only 28 percent of child-support-eligible mothers who received welfare during the year also reported child support income (U.S. Census Bureau, 2000). In Wisconsin, child support receipt among W-2 recipients is somewhat more common but still not the norm; 39 percent received support during the first year following program entry and 46 percent during the second year (see Volume II, Chapter 2). However, child support receipts are high enough to make a difference in the lives of those who receive them. The average monthly support received, among mothers who received any, ranged from $170 to $200 during the eight quarters after W-2 entry (see Volume II, Chapter 2).

In light of the time-limited nature of public support for low-income single parents, it is critical that policymakers maximize the capacity of the child support system to provide a supplemental source of income. Although the full pass-through is an important step, its potential is limited by the large numbers of welfare clients who have no support paid on their behalf. To enhance the capacity of child support as an income source for this population, we must identify the relative importance of the various stages at which parents "fall out" of the child support system, as well as key groups most likely to fall out at each stage. Systematic data on where the process breaks down will allow policymakers to better target their efforts to strengthen the child support system.

This chapter examines the stages at which potential child support is lost to welfare recipients in Wisconsin. We address the following specific questions:

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[1]We thank Hyunjoon Park for excellent research assistance, Steven Cook for assistance with programming, and Wendell Primus and Margo Melli for helpful comments on an earlier draft.

1. Where are welfare recipients in the child support process at the time they enter W-2—and how does this differ when we focus on individual children versus on mothers as the unit of analysis?
2. To what extent do children progress through the intermediate stages of the system—that is, paternity and order establishment—during the two years after entering W-2?
3. Which children are most likely to successfully navigate the child support system, both before and after W-2 entry?

This chapter makes several important contributions to existing knowledge about child support outcomes. First, we focus on welfare clients in the post-AFDC era, which provides timely evidence about persistent gaps in child support for this population. The increasing attention paid to child support over time and the heightened emphasis on ensuring child support as an alternative income source to public assistance make these findings particularly informative from a policy standpoint. Second, we focus on *both* of the key interim steps in the child support system—paternity establishment and support orders—thus providing a clearer and more integrated picture of gaps in the system than has thus far been available. Third, we explicitly illustrate the importance of considering child support outcomes on behalf of *all children in the household*, in order to fully understand the magnitude of gaps in the child support system. Overall, our results tell a story of persistent gaps in child support stemming from breakdowns at both of the key interim steps. These gaps are greater than is apparent when focusing on summary outcomes at the level of the mother, and children's progress over a two-year period is fairly limited.

There are important questions about child support orders which are not addressed here. We do not focus in depth on the magnitude of support orders, nor do we address the question of whether orders constitute an appropriate share of noncustodial income. Both are issues we will be exploring in subsequent work.

Background and Prior Research

Child support has always been an unpredictable source of income for single-parent families. Despite over two decades of policy attention, U.S. Census Bureau data indicate that only 35 percent of child support-eligible mothers received child support during 1998; outcomes were even worse among mothers most likely to be affected by welfare reform. For instance, only one-quarter of poor mothers who were eligible and only 22 percent of never-married mothers received child support (U.S. Census Bureau, 2000).

Although lack of child support is often portrayed in the popular press as a compliance problem—that is, a problem stemming from failure to pay support obligations—the reality is more complicated. Receipt of child support is a multistep process, and parents fall out at multiple points along the way. In the case of nonmarital children, there are three key steps: a legal father must be identified, a support order must be issued, and support must be collected.

Over the past two decades, policymakers have targeted all stages of the child support process—including paternity establishment, support orders, and enforcement of those orders. Because this paper focuses on the intermediate stages—establishing paternity and support orders—we provide a brief overview of policy evolution and current knowledge related to those outcomes.

Paternity Establishment and Child Support Orders: A Brief Policy Overview

In order to be eligible for child support, children born outside of marriage must first have a father legally identified—a process known as establishing paternity. Beginning in the 1980's and continuing

through the landmark welfare reform legislation in 1996, federal legislation has sought to increase the number of nonmarital children for whom paternity is established. Such legislation has tackled paternity establishment on two fronts—by obligating states to develop procedures to facilitate paternity establishment in contested cases, and by enabling and encouraging voluntary establishment through simple civil procedures.

The Child Support Enforcement Amendments of 1984 obligated states to allow paternity establishment until a child's 18th birthday. In 1988, the Family Support Act introduced several additional provisions to promote paternity establishment, including mandated genetic testing in disputed cases and increased use of civil procedures for establishing paternity. Provisions were further strengthened in 1993, including requirements that states implement expedited procedures to establish paternity in contested cases, requirements for increased interstate cooperation with regard to paternity establishment, and financial penalties for states not meeting paternity establishment goals. Among the most important of the 1993 provisions was the requirement that states implement a simple civil procedure for the voluntary establishment of paternity, including the development of a hospital-based program to facilitate voluntary paternity acknowledgment at birth. Several of these provisions were strengthened yet again in 1996, including barriers to the revocation of voluntary establishments (Committee on Ways and Means, 2000).

The emphasis on paternity establishment is intended to lead to a higher rate of support orders on behalf of nonmarital children. Other federal legislation has focused on support orders more directly. For instance, the 1984 child support amendments required states to implement administrative or quasijudicial processes to establish support orders, in an effort to speed up the process by which orders are issued and enforced. The amendments likewise obligated states to develop advisory child support guidelines, with subsequent legislation in 1988 requiring that such guidelines be presumptive (Committee on Ways and Means, 2000).

Paternity Establishment and Child Support Orders: What Do We Currently Know?

How effective have these policies been? Good national estimates of the share of nonmarital children for whom paternity has been established are not available. However, the evidence is encouraging. Nationwide, the total number of paternity establishments increased by 199 percent between 1992 and 1999, and more than 1.5 million paternities were established during 1999 (U.S. Office of Child Support Enforcement, 2000). In-hospital and other voluntary acknowledgments have contributed tremendously to this trend. There were at least 614,000 voluntary acknowledgments during 1999, an increase of over 600 percent in a four-year period (Committee on Ways and Means, 2000). More paternities are being established per year than there are nonmarital births, indicating that progress is being made against the current stock of children without a legal father (U.S. Office of Child Support Enforcement, 2000). A recent study by Sorensen and Halpern (1999) credits in-hospital paternity establishment policies with contributing to the increase in child support collections on the part of never-married mothers. Not surprisingly given these trends, the prevalence of support orders among never-married mothers has increased dramatically, from 7.8 percent in 1979 to 36.6 percent in 1996 (Beller and Graham, 2000).

Despite these improvements, it is clear that many children continue to slip through the gaps in the child support system. The most recent data from the Current Population Survey indicate that just over half (53 percent) of custodial mothers have a child support order, with lower rates among never-married mothers (40 percent) and those receiving cash assistance (48 percent) (U.S. Census Bureau, 2000). In the case of never-married mothers, the low order rate includes those who have not had paternity established for their children, as well as those who have paternity established but no orders. The two cannot be distinguished, making it difficult to assess the extent to which lack of orders constitute a distinct problem

from absence of legal fathers. Data from Wisconsin indicate that among cases which came to court during the 1980's, nonmarital children who had paternity established were as likely to eventually get a support order as were divorced children (Meyer and Bartfeld, 1993).

Data from the Child Support Enforcement Office provide further evidence on child support gaps, particularly vis-á-vis the public assistance caseload. Nationwide, 59 percent of the nonmarital children on the IV-D caseload had a legal father in 1999, and 60 percent of IV-D cases (including marital and nonmarital children) had a support order (U.S. Office of Child Support Enforcement, 2000).[2] In Wisconsin, paternity was established for 76–80 percent of nonmarital children on the IV-D caseload, considerably higher than the national averages for the corresponding years (U.S. Office of Child Support Enforcement, 1999).

Although paternity and order establishment are key steps leading up to receipt of child support, we know little about the factors associated with these outcomes in the current policy environment. Seltzer (1999) uses national data to explore the factors associated with paternity establishment among children born before 1988, and finds higher rates of establishment among children whose mothers are white, have higher educational attainment, who are cohabiting with the child's father at birth, and who have multiple children with the father; there is no difference according to the mother's age at birth. These findings describe paternity establishment in an era which largely preceded recent policy developments. The findings are broadly consistent with analyses of support orders during the same general period. For instance, Beller and Graham (1993) and Hanson and colleagues (1996) document a higher likelihood of support orders among better-educated mothers and among whites; both studies focus on outcomes during the 1980's.

This chapter builds on prior work by examining paternity establishment and child support orders in the post-AFDC era. We provide new information about the extent to which welfare recipients are able to successfully navigate the child support system, including a careful look at which children are most likely to be successful at each of the interim stages.

Data

We use administrative data from the W-2 and child support systems to examine child support outcomes. We focus on child-support-eligible mothers who entered W-2 during the first 9 months of the program, that is, from October 1997 through June 1998. W-2 applicants during this period were randomly assigned to one of two policy regimes with regard to child support. Those in the experimental group were to receive a full pass-through of all child support paid on their behalf, whereas those in the control group were to receive a reduced pass-through during months in which they received cash assistance; the remainder of their support would be used to reimburse the state for welfare payments. Because we are interested in examining child support outcomes in the context of a full pass-through, we exclude control-group cases (i.e., those who receive a reduced pass-through) from our sample.[3] The

[2]The IV-D caseload (named for the relevant section of the Social Security Act) includes all who receive child support services through the Child Support Enforcement Office. The majority of clients, but not all, are current or past recipients of cash assistance.

[3]All descriptive results are weighted to adjust for the differential rate of assignment to the experimental versus nonexperimental groups over the nine-month period. All multivariate results include dummy variables to control for the assignment rate.

majority of our sample entered the program during the first six months, frequently by transferring from Aid to Families with Dependent Children (AFDC).

Our sample includes mothers receiving cash assistance as well as those receiving case management and/or noncash assistance only. We exclude women who qualified for W-2 case management services because they were pregnant but who had no children when they entered the program. We also exclude women whose youngest child was age 16 or over at the time of W-2 entry. Finally, we exclude women who were not eligible for child support because there were no living noncustodial fathers or because there was a "good cause" exemption, that is, the child support agency had determined not to pursue support because of potential danger to the mother or child(ren).

A high proportion of these women had more than one child—indeed, more than 40 percent of them had three or more children. Overall, the 15,241 mothers in our sample were associated with 35,060 children at the time of W-2 entry. The great majority of those children were born outside marriage; 87 percent of the children had nonmarital fathers, for whom paternity needs to be legally established at the time of the birth or later in order for child support to be collected.

Analyses

In examining child support outcomes, the appropriate unit of analysis is not always apparent. For instance, support orders can be examined from the standpoint of individual children (who may or may not be covered by an order), noncustodial parents (who may or may not owe support), or custodial parents (who may or may not have a support obligation covering their children).

Here, we primarily focus on child support outcomes at the level of the child. We describe progress in the child support system by examining whether children have a legal father, whether they are covered by a support order, and whether they have support paid on their behalf. These steps are sequential, and a parent can fail to receive support because of a breakdown at any of these points.[4] We focus on children because this is the unit of analysis which is most conducive to examining both legal fathers and support orders, and we are interested in examining these outcomes in a coordinated fashion. Furthermore, focusing on individual children is the most accurate way to identify gaps in the system. Existing research focusing on custodial or noncustodial parents as the unit of analysis fails to acknowledge that parents can be at different places in the child support process with different children. We illustrate this here by aggregating across children to describe custodial parents' progress through the child support system on behalf of all their children, noting the varying progress when there are multiple children eligible for child support in a household.

Next, we present both descriptive and multivariate analyses to identify the factors associated with establishment of paternity and support orders. We examine these outcomes at two points in time: the time of W-2 entry (the baseline) and just over two years later. We estimate bivariate probit models, with the dependent variable coded 1 in the event the child support outcome (paternity or order establishment) is achieved, and coded 0 in the event the outcome is not achieved. As is typical with research on child support outcomes, we treat the events of paternity and order establishment sequentially, examining the correlates of support orders among the subset of children who have a legal father identified.

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[4]Note that we do not address two additional points at which potential support is lost: orders which fall below support guidelines, and lack of full payment. The latter is addressed in Volume II, Chapter 2. We hope to address the former in subsequent work.

Finally, we consider the factors associated with having a support order by two years after W-2 entry, considering the direct effect as well as indirect effects which occur via an impact on the intermediate step of establishing paternity. We include all children in this analysis, including those with and without legal fathers and orders at W-2 entry. Thus, the coefficients reflect the net impact of the independent variables, where the influence of these variables could occur before or after W-2 entry, and where the influence could occur in part through an impact on the intermediate step of paternity establishment. We illustrate the importance of the variables by calculating the predicted probability of having a support order by two years after W-2 entry for a variety of prototypical children, based on our final model.

Our analyses are based on a conceptual framework which posits that participation in the formal child support system is jointly influenced by fathers' preferences, mothers' preferences, and the preferences and practices of the state.[5]

We expect a father's preferences to be linked to his anticipated ability to maintain formal support payments, his expectation that support will benefit his child(ren), and to the strength of ties between the father and the custodial mother and child(ren). Qualitative research with low-income fathers clearly illustrates how concerns about being able to comply with potential support obligations contribute to a reluctance to participate in the formal support system (e.g., Waller and Plotnick, 2001). Research also highlights fathers' reluctance to participate in the formal support system when support payments are used to reimburse the state for welfare costs rather than to benefit the child(ren) (Edin, 1995; Waller and Plotnick, 2001). Consistent with the findings of such qualitative research, the evaluation documented that the full pass-through in Wisconsin had a positive impact on paternity establishment among fathers whose partners were new to the welfare system (see Volume I, Chapter 4). Existing research also suggests that fathers are more likely to establish paternity when parents have a close relationship with each other, as evidenced by cohabitation, subsequent marriage, or multiple children together (Seltzer, 1999).

Mothers' preferences should also influence the likelihood of participating in the formal child support system. We expect these preferences to be linked to the amount of formal support the mother would receive, the costs associated with getting that support, and prevailing norms at the time the child was born. Mothers who expect to get little in the way of formal support, or for whom formal support would result in a loss of informal support and/or public assistance, would have less incentive to participate in the formal support system. Likewise, mothers who have a view of unmarried parenting which does not involve the establishment of paternity for children may be less inclined to pursue paternity.

Finally, we expect that parents' participation in the child support system will be influenced by the degree of decision-making authority the state holds in a particular case, as well as by specific policies and practices which promote participation. We discuss the specific variables in the model in more detail when we present our results.

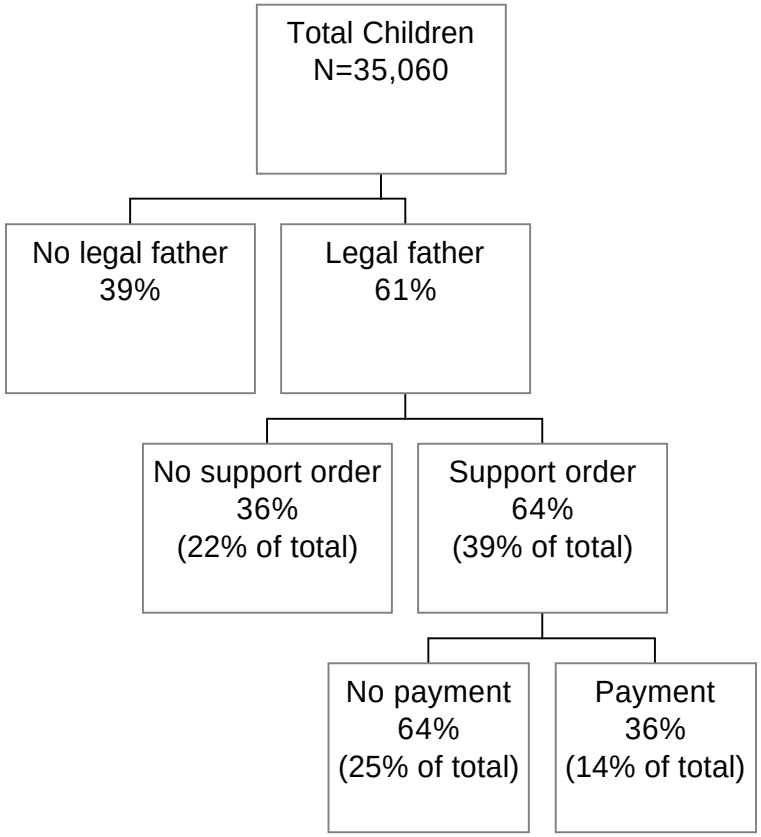
Results

How Far Have Children Progressed in the Child Support Process at the Time of W-2 Entry?

Figure II.3.1 illustrates the extent to which children had progressed through the child support system at the time their mothers entered the W-2 program. Of all the children in our sample, 61 percent

[5]This is broadly consistent with general economic models of child support such as discussed in Beller and Graham (1993).

Figure II.3.1
Where Do Children Fall out in Child Support Process, as of 1st Quarter on W-2?



had a legally identified father when they entered the program. Of these children, 78 percent had been born outside marriage, and their fathers had formally established paternity. The remaining 22 percent had parents who were separated or divorced, and for whom identification of a legal father was automatic. Of all the children with legal fathers, 64 percent (only 39 percent of all children entering W-2) had been awarded child support and were at a point where they could be receiving formal support payments. Finally, of the subset owed child support, only 36 percent (14 percent of all the children in the sample) had a payment made on their behalf during the quarter they entered W-2.[6] These statistics clearly illustrate the large contribution made by failures at the intermediate steps of paternity establishment and order establishment to lack of child support payment.

How Do Mothers Fare in the Child Support Process, Considering All Their Children?

For most of this chapter, we treat individual children as our unit of analysis. Here, however, we highlight the distinction between a child-level versus mother-level analysis by describing how *mothers* fare in the child support system when we consider *all* of their children. As is apparent from these results, it is common for a mother to be at different points in the child support process for different children—and almost 60 percent of these mothers have two or more children. Table II.3.1 illustrates the implications of treating mothers instead of children as the unit of analysis, while still focusing on outcomes during the quarter of W-2 entry.

Several stories emerge from these results. On the one hand, having multiple children provides mothers with multiple opportunities for successful support outcomes. This is clearly indicated by comparing the situation of children at each step to that of mothers. For example, only 61 percent of children have a legal father, whereas 73 percent of mothers have at least one child with a legal father. Likewise, 39 percent of children are covered by a support order, whereas 57 percent of mothers have a support order for at least one child. Finally, 14 percent of children have support paid on their behalf, whereas 24 percent of mothers receive at least some support. From this standpoint, support outcomes appear to be more favorable when the mother rather than the child is the unit of analysis.

On the other hand, having multiple children also provides multiple opportunities for losing potential child support, a fact routinely ignored in the literature on child support outcomes. Mothers are much less likely to have successful child support outcomes on behalf of *all* their children than to have successful outcomes on behalf of *any* children. This is illustrated by the following statistics in Table II.3.1: only 44 percent of mothers have a legal father for each of their children, as compared to 73 percent with a legal father for at least one child; 24 percent have an order on behalf of each of their children, as compared to 57 percent with an order for at least one child; and a strikingly low 8 percent have support paid on behalf of each of their children during the quarter of W-2 entry, as compared to 24 percent who receive support for at least one child. In short, even when mothers successfully navigate the child support system with one child, they are often not able to do so with all of them. As child support statistics are routinely reported at the level of custodial parents, without considering different outcomes among multiple children (see, e.g., U.S. Census Bureau, 2000), such statistics may paint an overoptimistic picture of the effectiveness of the child support system.

The complexity of describing child support outcomes from the standpoint of custodial mothers is shown in Figure II.3.2, which illustrates the multiple points at which a single mother can lose potential

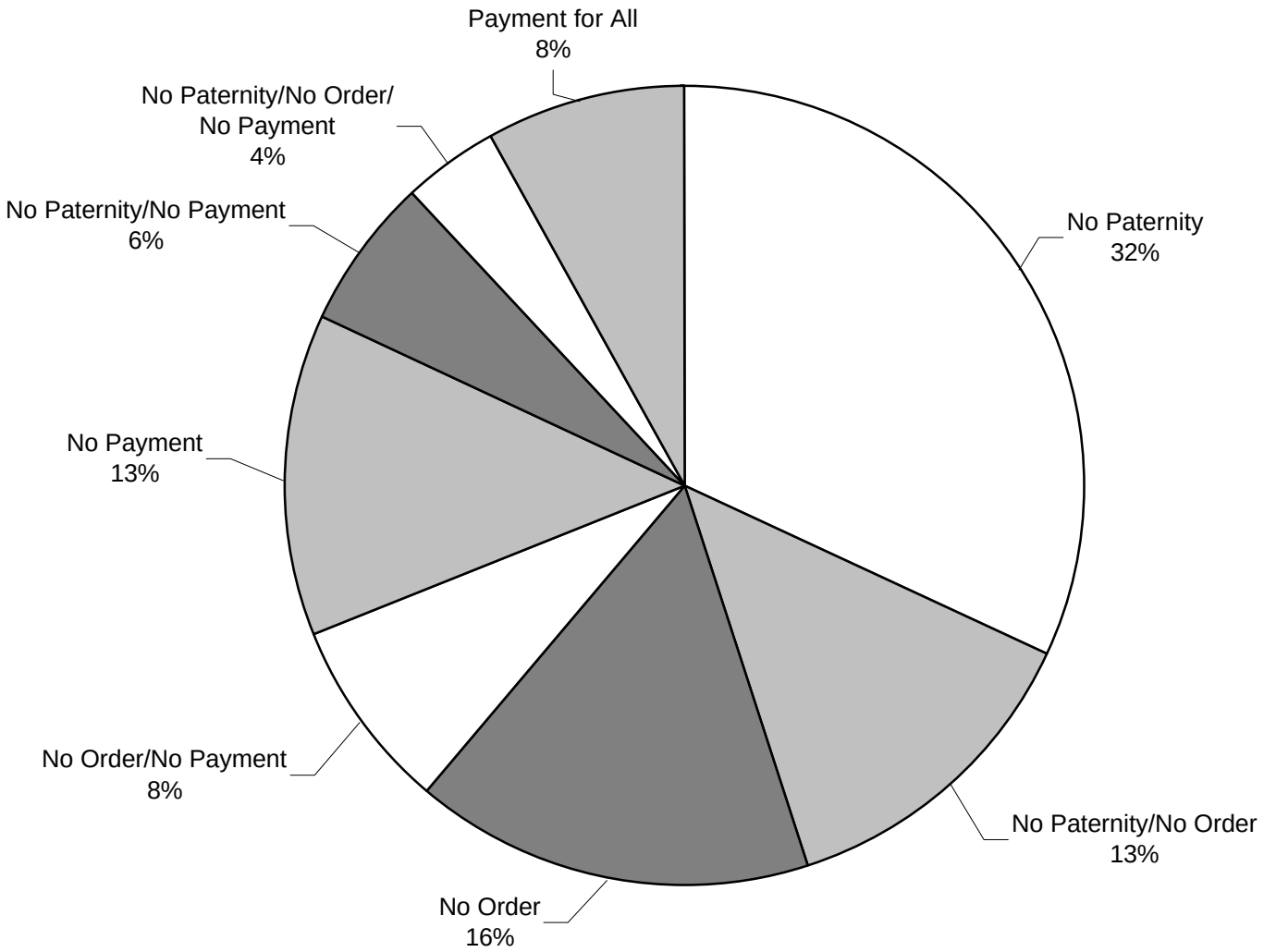
[6]The data do not allow us to explicitly link payments to individual children. We assume that if a noncustodial parent makes a support payment on behalf of a particular custodial parent, that payment covers all of the couple's children who are covered by an order.

Table II.3.1
Child Support Outcomes for Children and Mothers during Quarter of Entry to W-2

	Children	Mothers (Any Children)	Mothers (All Children)
Legal Father	60.6%	72.8%	43.5%
Support Order	38.9	57.2	23.8
Payment	14.2	24.2	8.1

Sample: 35,060 children linked to 15,241 mothers.

Figure II.3.2
Gaps in Child Support for Mothers during Quarter of W-2 Entry



child support. As per our previous discussion, the figure illustrates that only 8 percent of mothers receive support on behalf of all of their children; the remaining 92 percent "fall out" of the system at one or more stages. Almost one-third of mothers (32 percent) lose support solely because there is no legal father, 16 percent solely because there is no order, and 13 percent solely because there is no payment. The remaining mothers—nearly one-third of the sample—fall out at multiple stages of the process. In light of the complexities in classifying mothers with regard to child support outcomes, we return to a child-level analysis for the remainder of the chapter.

Which Children Have Paternity Established Prior to W-2 Entry?

Lack of a legal father clearly contributes to the low rate of support received by children in our sample. As we have seen, almost 40 percent of the children fall out at this stage, and more than half of the mothers lack a legal father for one or more of their children. This step is, of course, only relevant for nonmarital children. Among such children, just over half had paternity established at the time they entered W-2 (Table II.3.2). There are a variety of possible reasons that paternity would not be established at this point. In cases in which the mother was not previously receiving public assistance, failure to establish paternity could merely reflect the parents' preferences. In other cases, the mother could be unwilling or unable to identify the father, the father could have been identified but not located, or the father could still be in the process of establishing paternity.[7]

What factors make a child more likely to have had paternity established at this stage? We begin by briefly discussing variables we expect to be linked to differential rates of paternity establishment, and provide information on this relationship in both a descriptive and multivariate context (Table II.3.2). Our choice of variables is guided by the conceptual framework we have previously delineated. Some of the variables we include are clearly linked to one of the dimensions in our framework, whereas others could be linked to more than one.

We consider the following variables:

Prior AFDC Experience. With extremely limited exceptions, mothers receiving assistance from W-2 and, in the past, from AFDC are obligated to cooperate with the child support system to identify a father and seek a support order. Mothers who are not receiving public assistance, however, are not legally required to do so. We would expect, then, that children whose mothers have had greater exposure to public assistance would be more likely to have had paternity established, because of the decision-making authority of the state in these cases. But the effect of past welfare receipt on parents' preferences for paternity establishment would be in the opposite direction. Welfare recipients would have had less to gain than nonrecipients from paternity establishment, at least in economic terms, under the limited pass-through policy in effect prior to W-2. We classify children according to the number of months in which their mother received AFDC in the two years prior to W-2 entry. At the bivariate level, AFDC history is strongly related to paternity establishment. Just over one-quarter of the children whose mothers have no prior AFDC history have paternity established when they enter W-2, as compared to 49–57 percent of the children whose mothers have received AFDC over the past two years. These differences are confirmed by our multivariate analysis, which controls for a variety of differences among children. It appears that the impact of the state mandate for child support cooperation among welfare recipients outweighs the economic disincentive facing those recipients in the pre-W-2 era.

[7]When paternity is established through hospital-based acknowledgment, this is not always immediately reflected in the data.

Table II.3.2
Paternity Establishment for Nonmarital Children at W-2 Entry: Descriptive and Multivariate Analyses

		Probit Model		
	With Paternity Established	Coefficient	S.E.	P-value
Total	52.5%			
Prior AFDC Experience				
None	26.6			
1–18 months	48.9	0.554	0.036	**<0.0001**
19+ months	57.4	0.747	0.037	**<0.0001**
Age at W-2 Entry				
<1	13.5			
1–2	47.0	0.964	0.033	**<0.0001**
3–5	62.0	1.363	0.032	**<0.0001**
6–11	62.7	1.392	0.032	**<0.0001**
12+	51.6	1.093	0.036	**<0.0001**
Mother's Age at Child's Birth				
16–17	57.7			
18–19	57.3	0.072	0.024	**0.003**
20–24	51.4	-0.070	0.022	**0.002**
25–29	48.8	-0.160	0.027	**<0.0001**
30+	42.9	-0.302	0.031	**<0.0001**
County				
Milwaukee	53.0			
Other urban	47.9	0.025	0.025	0.325
Rural	58.9	0.295	0.045	**<0.0001**
Mother's Education				
< High school	51.6			
High school	53.9	0.052	0.017	**0.002**
Post high school	54.3	0.104	0.030	**0.001**
Initial W-2 Tier				
Lower	52.5			
Upper	57.6	0.091	0.017	**<0.001**
Caretaker of Newborn	32.3	-0.176	0.035	**<0.0001**
Mother Cohabiting at W-2 Entry				
Yes	55.0	0.086	0.027	**0.002**
No	47.4			

Table II.3.2, continued

		Probit Model		
	With Paternity Established	Coefficient	S.E.	P-value
Number of Children in Mother's Household				
1	46.8			
2	53.1	-0.096	0.027	**0.0003**
3+	53.9	-0.188	0.025	**<0.0001**
Mother Is U.S. Citizen				
Yes	53.0	0.595	0.096	**<0.0001**
No	26.5			
Mother's Race				
White	55.4			
African American	53.3	-0.203	0.025	**<0.0001**
Hispanic	41.9	-0.470	0.036	**<0.0001**
Native American	62.9	0.008	0.062	0.897
Asian	29.5	-0.278	0.106	**0.009**
Intercept		-1.966	0.11	**<0.0001**
Model Statistics				
N		30,264		
Log Likelihood		-18,743.205		

Note: Probability values of 0.05 or less are shown in bold type.

Child's Age. Paternity establishment rates could differ for children of different ages for several distinct reasons. First, the paternity establishment process can sometimes be lengthy, especially if contested, and this would contribute to a lower rate of paternity establishment among the youngest children. Second, the benefit to mothers may increase as children get older. Unmarried mothers are frequently involved with their child(ren)'s father when the child is born (Garfinkel and McLanahan, 1999), and may therefore perceive less value in participating in the formal child support system. Related to this, mothers are more likely to receive informal support on behalf of young children (see Volume II, Chapter 8), and would thus have less need for formal support. Again, this would contribute to a lower rate of paternity establishment among the youngest children. On the other hand, "cohort" effects are also relevant here. The younger children were born during a time of greater policy emphasis on paternity establishment, and this could lead to improved outcomes relative to children born earlier. In sum, there are competing influences on paternity establishment which would be linked to the age of the child. The potential gains to mothers favor somewhat older children and the practices of the state favor somewhat younger children. Our bivariate results show a very low rate of paternity establishment for children under age 1 (14 percent), with dramatically higher rates for older children, reaching a high of 62–63 percent among children aged 3–11, and declining slightly for the oldest children. This pattern is consistent with the competing influences discussed here, and is likewise evident in the multivariate results.

Mother's Age at Child's Birth. Until recently, establishing paternity for nonmarital children was the exception rather than the norm. However, the extensive efforts to promote paternity establishment, including the emphasis in recent years on in-hospital establishment, may contribute to changing norms. We expect changing norms to have the largest impact on mothers who are younger when their child is born, and who thus have had less exposure to a model of unmarried parenting which does not include paternity establishment. As Table II.3.2 shows, the paternity establishment rate does appear to decline among mothers who are older at time of birth—from 57–58 percent to teen mothers, to 43 percent for the oldest mothers. As with the other variables discussed thus far, the difference persists even in a model which controls for a range of other factors. Mothers' age has not been linked to differential paternity establishment in earlier periods (Seltzer, 1999), suggesting that this may be a recent pattern. This is consistent with our hypothesis that younger mothers would be more responsive than older mothers to changing paternity establishment norms.

County. Paternity establishment efforts are conducted at the county level, and outcomes may vary according to county characteristics. We include dummy variables to differentiate among Milwaukee County, other urban counties, and rural counties. Without controlling for differences in child characteristics, descriptive results indicate the highest rate of paternity establishment is in rural counties (59 percent), whereas the lowest rate is in urban areas other than Milwaukee (48 percent). The higher likelihood of paternity establishment in rural counties is evident in the multivariate results as well. It may be that the process of paternity establishment is easier in rural counties with smaller caseloads.

Mother's Education and W-2 Tier. The advantages of paternity establishment are greater when fathers have the financial ability to pay more support, and the potential risk to the father is lower. Thus, we expect both fathers and mothers to cooperate more with the child support system when the father has greater earnings capacity. Because we have no information about fathers in the absence of paternity establishment, we use mother's education and mother's initial W-2 tier as proxies for the father's ability to pay support. Although these are imperfect proxies, patterns of assortative mating suggest that mothers with greater earnings capacity, as evidenced by higher education as well as placement in a higher W-2

tier, would tend to have ex-partners with greater earnings capacity as well.[8] The differences are not sizable at the bivariate level; however, our multivariate results indicate that children with mothers in an upper tier or with higher education do have a higher likelihood of paternity establishment. We also find very low rates for children whose mothers are in the Caretaker of Newborn tier; we expect that this reflects the very young age of these children.

Mother's Cohabitation Status. The expected relationship between the mother's cohabitation status and paternity establishment is ambiguous. Mothers who live with a partner might, in some cases, be living with the father of their child(ren). This would reduce the potential gains from paternity establishment, but would also make such establishment easier. When mothers are living with a new partner, this could be linked to lower rates of paternity establishment, if there are weaker ties between the father and the custodial family. We include a variable denoting mothers who live with a partner at the time of W-2 entry, based on administrative records of household composition. Because we are not confident that the data accurately differentiate between mothers who live with the father of the child(ren) rather than another partner, we do not attempt to distinguish between these circumstances. Both our descriptive and multivariate results show a higher rate of paternity establishment among children whose mothers are cohabiting than among those whose mothers are not.

Multiple Children in Mother's Household. We expect that fathers may have weaker ties to the custodial family when the mother also has children with a different father. We cannot control for this directly, because we have no information about fathers when paternity is not established. However, we include variables indicating that the child's mother has additional children. At the bivariate level, the rate of paternity establishment is slightly higher for children whose mother has one or more additional children. However, our multivariate analysis suggests the opposite, that is, that the likelihood of paternity establishment declines when there are more children in the mother's household.

Citizenship. Paternity establishment poses unique issues for noncitizens, whose preferences may be influenced by implications of paternity establishment or lack thereof. For instance, a noncitizen seeking citizenship must be able to support himself at 125 percent of poverty, which may not be possible for low-income fathers after payment of support obligations, and this may make such fathers reluctant to participate in the formal support system (National Women's Law Center and Center on Fathers, Families, and Public Policy, 2000). From a policy standpoint, there also may be greater difficulties in locating noncitizens. We include a variable indicating mother's citizenship, based on the administrative data. We expect this to also proxy for father's citizenship status, but cannot differentiate the two. Mothers who are citizens are twice as likely as noncitizens to have paternity established at baseline (53 percent versus 27 percent), a finding which is also highly statistically significant in our model.

Race/Ethnicity. Finally, we include a series of dummy variables to control for race and ethnicity. It is possible that norms and preferences for participating in the formal support system differ among racial and ethnic groups, perhaps because of differing levels of trust in that system or different patterns of informal support. Our descriptive results show similar rates of paternity establishment for whites and African Americans (55 percent and 53 percent), and a lower rate for Hispanics (42 percent) and Asians (30 percent). Once we control for other factors, African Americans also appear to have lower likelihood of paternity establishment.

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[8]This is consistent with the findings of Sorensen and Zibman (2000), who document similar educational levels among poor mothers who do not receive support and poor fathers who do not pay support.

Which Children Obtain Support Orders Prior to W-2 Entry?

Among those children who have a legal father at the time of W-2 entry, more than one-third "fall out" of the system because they lack a support order. Which children are most likely to be covered by a support order? In general, we expect the factors associated with having a support order to be similar to the factors associated with having a legally identified father.

We estimate models similar to those used in our paternity analysis, with three general exceptions: First, we include better measures of fathers' ability to pay support; such variables are not available for our paternity model, because they are known only when the father is identified. Second, because our order analysis includes marital and nonmarital children, we differentiate between these two, and allow some of the independent variables to differentially affect the likelihood of an order for marital versus nonmarital children. Third, we add a county-level variable to control for differing rates of paternity establishment. We add the following specific variables to those used in our prior model:

Father's Employment and Earnings History. We include dummy variables denoting fathers' earnings in the two years before the mother's entry into W-2, and likewise, variables denoting employment stability during that period (measured by number of quarters of employment). These data are based on administrative records of earnings as reported for purposes of Unemployment Insurance. We expect fathers with greater earnings capacity, as evidenced by these variables, to have a higher likelihood of a support order, both because of the increase in potential gain to the mother and the decreasing economic risk to the father. These measures are limited, in that they do not pick up self-employment, informal employment and earnings, or out-of-state employment and earnings.

Parents' Legal Relationship. We expect that the legal status of the parents' relationship would affect the likelihood of having a support order. We identify four categories: nonmarital children, marital children with divorced parents, marital children with separated parents, and marital children for whom the parents' legal status is unknown.[9] We also expect that certain variables in our model may influence the likelihood of an order differently for marital and nonmarital children. We include interaction terms to allow differential effects of mother's age at birth and of cohabitation status. We expect mother's birth age to be more relevant for nonmarital than marital children; for the latter, the time of separation rather than the time of child's birth denotes the first opportunity to participate in the support system. (Unfortunately, the date of separation is not available.) We expect cohabitation status to be more relevant for nonmarital than marital children because it seems less likely that the cohabiting partner would be the marital child's father.

Paternity Establishment Rate in County. The rate of paternity establishment varies among counties. Counties which are more successful at bringing fathers into the system may face added challenges at subsequent stages, because the caseload potentially has less ability and/or inclination to pay support. To partially control for unmeasured differences in case characteristics, we include a variable for the percentage of all IV-D cases in the county in which paternity has been established (and the percentage squared). We expect that higher aggregate rates of paternity establishment would be associated with lower success at the subsequent stage of issuing support orders.[10] Of course, the opposite

[9]The distinction between divorced and separated parents is based on information in the CARES system regarding the reason for a parent's absence from the home, based on the W-2 recipient's report to the case worker.

[10]This variable is defined over the entire county IV-D caseload, not just the subset of those cases that are in our sample.

relationship is also possible: it may be that the counties which are most effective at bringing fathers into the system continue to be more effective at the subsequent stages.

We again provide both descriptive and multivariate analyses, differentiating between children who are and are not covered by a support order at the time of W-2 entry (Table II.3.3). The sample includes marital and nonmarital children with a legal father at W-2 entry. Thus, the model seeks to explain factors associated with having a support order, assuming the intermediate hurdle of establishing a legal father has been successfully crossed. This differs from most prior work on child support orders, which has not limited the analysis to children with legal fathers because it has lacked information on paternity establishment.

Overall, results are quite consistent with those for paternity establishment. Children whose mothers have had a longer welfare history are more likely to be covered by a support order. Only 42 percent of children whose mothers are new to the welfare system have a support order, as compared to more than two-thirds of children whose mothers have the greatest welfare experience.

We find a surprising relationship between parents' legal relationship and the probability of a support order. As expected, children whose parents are separated are less likely to have an order than similar children with divorced parents. On the other hand, and counter to expectation, nonmarital children are significantly more likely to be covered by an order than are children with divorced parents. At the bivariate level, the differences are striking. Children of divorced parents are twice as likely to be covered by an order as are children of separated parents (37 percent versus 18 percent), but only half as likely as are nonmarital children who have a legal father identified (37 percent versus 74 percent). The latter finding is surprising, given that child support research typically finds that orders are at least as common in divorce as in nonmarital cases.[11] We expect that our findings are unique to the welfare population. It may be that for divorced mothers, lack of a support order (and thus of formal support) is a risk factor for seeking public assistance.

The likelihood of having a support order is substantially higher for all children over age 1, though somewhat less so for the oldest children. This pattern holds for both marital and nonmarital children, as indicated by the lack of significance of the interaction terms.

In contrast, the relationship between the mother's age when the child was born and the likelihood of a support order differs for marital and nonmarital children. In the case of marital children—reflected in the uninteracted coefficients—the likelihood of an order increases when the mother is older. The opposite is true for nonmarital children, for whom the likelihood of an order declines for older mothers. This is evident by looking at the negative coefficients for the interaction terms in combination with the uninteracted mother's age coefficients. The declining probability of an order for older mothers is consistent with our earlier findings for paternity establishment.

Children outside of Milwaukee, whether in rural or urban counties, fare worse in terms of obtaining support orders—a finding contrary to our paternity findings. Interestingly, our results also suggest that children in counties with higher aggregate rates of paternity establishment are less likely to be covered by a support order, perhaps because the caseload that is eligible for support is more disadvantaged.

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[11]Most research in fact indicates that orders are much more common among divorce than nonmarital cases, but such research does not limit the nonmarital sample to children with paternity established. As noted earlier, past research in Wisconsin found similar order rates for divorce and nonmarital children, among the subset of children with legal fathers (Meyer and Bartfeld, 1993).

Table II.3.3
Child Support Orders at W-2 Entry among Children with Legal Fathers: Descriptive and Multivariate Analyses

		Probit Model		
	With Order	Coefficient	S.E.	P-value
Total	63.4%			
Prior AFDC Experience				
None	42.1			
1–18 months	58.3	0.264	0.045	**<0.0001**
19+ months	68.0	0.439	0.047	**<0.0001**
Parents' Relationship				
Separated	18.1	-0.576	0.058	**<0.0001**
Divorced	37.1			
Don't know if separated or divorced	29.6	-0.198	0.052	**0.0001**
Nonmarital	74.3	1.064	0.156	**<0.0001**
Child's Age at W-2 Entry				
<1	45.7			
1–2	68.6	0.403	0.121	**0.001**
3–5	71.9	0.450	0.114	**<0.0001**
6–11	62.2	0.395	0.110	**0.0003**
12+	50.3	0.219	0.116	0.059
Child's Age at W-2 Entry * Nonmarital				
<1				
1–2		0.070	0.137	0.611
3–5		0.191	0.130	0.142
6–11		0.025	0.126	0.842
12+		-0.083	0.133	0.534
Mother's Age at Child's Birth				
16–17	72.2			
18–19	68.4	0.081	0.094	0.391
20–24	62.4	0.093	0.085	0.276
25–29	56.5	0.186	0.089	**0.037**
30+	53.3	0.275	0.095	**0.004**
Mother's Age at Child's Birth * Nonmarital				
16–17				
18–19		-0.129	0.100	0.198
20–24		-0.181	0.091	**0.046**
25–29		-0.396	0.096	**<0.0001**
30+		-0.596	0.105	**<0.0001**

Table II.3.3, continued

	With Order	Probit Model		
		Coefficient	S.E.	P-value
County				
Milwaukee	68.2			
Other urban	51.8	-0.124	0.040	**0.002**
Rural	45.2	-0.124	0.061	**0.043**
Percentage of IV-D Cases with Paternity		-0.073	0.032	**0.021**
Percentage of IV-D Cases w/Paternity (Squared)		0.0005	0.0002	**0.013**
Father's Earnings in 2 Years before W-2 Entry				
$0	57.3			
$1,000–$5,000	67.3			
$5,000–$15,000	67.4	0.158	0.035	**<0.0001**
$15,000–$25,000	64.2	0.165	0.050	**0.001**
$25,000+	66.4	0.197	0.068	**0.004**
Father's Quarters Employed in 2 Years before W-2 Entry				
0	57.3	-0.177	0.027	**<0.0001**
1–4	66.1			
5–7	67.0	0.071	0.032	**0.027**
8	67.7	0.112	0.042	**0.008**
Mother's Education				
< High school	64.5			
High school	62.9	0.029	0.022	0.177
Post high school	59.4	0.058	0.036	0.102
Initial W-2 Tier				
Lower	64.1			
Upper	62.8	0.017	0.049	0.278
Caretaker of Newborn	59.0	0.053	0.021	0.421
Number of Children in Mother's Household				
1	75.8			
2	69.9	-0.165	0.037	**<0.0001**
3	59.1	-0.444	0.035	**<0.0001**
Mother Cohabiting at W-2 Entry				
Yes	42.2	-0.264	0.050	**<0.0001**
No	66.9			
Mother Cohabiting * Nonmarital		-0.126	0.060	**0.036**

Table II.3.3, continued

		Probit Model		
	With Order	Coefficient	S.E.	P-value
Mother Is U.S. Citizen				
Yes	64.4	0.452	0.126	**0.0003**
No	18.3			
Mother's Race				
White	53.8			
African American	70.3	0.045	0.031	0.144
Hispanic	51.2	-0.148	0.044	**0.001**
Native American	49.8	-0.162	0.068	0.172
Asian	20.0	-0.346	0.134	**0.010**
Intercept		1.369	1.233	0.267
Model Statistics				
N		20,663		
Log Likelihood		-11,052.494		

Note: Probability values of 0.05 or less are shown in bold type.

Both the amount of the father's earnings prior to the mother's W-2 entry and the number of quarters in which he was employed are significant predictors of a support order, confirming that ability to pay is an important factor. At the bivariate level, however, we find much less of a pattern than expected: 57 percent of children whose father has no reported earnings are covered by an order, as compared to roughly 67 percent of fathers with positive employment and earnings. There are no net differences in support outcomes between children of better- than less-educated mothers, or between children whose mothers are assigned to upper rather than lower tiers, perhaps because we now have better measures of fathers' earnings capacity.[12]

Household and family composition also appears important. The more children the mother has in her household, the less likely a child is to be covered by a support order, perhaps reflecting weaker ties between resident and nonresident families when more than one father is involved. This is consistent with our paternity findings. Unlike paternity establishment, however, the likelihood of an order is much lower when the mother is cohabiting at W-2 entry, particularly for nonmarital children. We expect this reflects the likelihood that that some cohabitations are with the child's father, and support may be deemed less necessary in those cases. There is no explicit policy regarding how cohabitation should affect support orders, and past research has found considerable variation across counties (Meyer et al., 1997). Cohabitation with a new partner could also affect the likelihood of support. Mothers may be less inclined to seek support when involved with a new partner, and fathers may be less inclined to provide support under those circumstances.

Citizenship is an important predictor of having an order, net of other variables. We also find some racial differences in our multivariate results: Hispanics and Asians less likely than whites to have a support order, we find no difference between African Americans and whites, a finding that differs from the case of paternity establishment.

How Much Support Is Owed to Children?

Our primary focus in this chapter is on the extent to which children of W-2 recipients have legal fathers and support orders, thus enabling them to receive formal support payments. A detailed analysis of the magnitude of support orders is beyond the scope of this chapter. However, this section provides summary information on amounts owed in support, an issue we will address at greater length in future work. A general understanding of the size of support orders provides some insight regarding the support which is potentially lost when orders are not in effect.

In Wisconsin, child support orders are generally one of three types: fixed-sum, percentage-expressed, or "hybrid." Fixed-sum orders are the most common, comprising three-quarters of the orders in our sample. Percentage-expressed orders are explicitly linked to income. The order is entered as a percentage of current income rather than a fixed-dollar amount; such orders comprise 20 percent of our sample. Hybrid orders are essentially a cross between the two, whereby the obligor is required to pay the larger of a fixed-sum or percentage amount. Such an order thus provides an effective floor to a support order while allowing it to automatically rise as income increases. Five percent of the orders in our sample are of this type.

Table II.3.4 provides summary information about the magnitude of support orders covering children in our sample, differentiating among orders which cover one, two, and three children. This table

[12]If we estimate this same model using only the variables from the paternity model, the coefficient for the best educated mothers is positive and significant, suggesting that this does indeed proxy for father's earnings capacity.

Table II.3.4
Monthly Child Support Obligations at Entry into W-2

	Number of children in order		
	1	2	3
N	9,541	273	206
Mean	$122.50	$206.10	$248.50
Distribution			
<$50	11.1%	3.8%	2.9%
$50–$100	24.8	12.4	9.7
$101–$200	55.7	43.2	22.3
$201–$300	6.5	26.4	36.4
>$300	1.9	14.1	28.6

Sample: 9,156 fixed-sum and hybrid orders covering 10,293 children.

is limited to the fixed-sum and hybrid orders.[13] More than 90 percent of the orders cover only one child. In nonmarital cases, each child is typically covered by a separate order even if a mother has multiple children with the same father. More than 90 percent of these orders are for nonmarital children. The mean monthly order for 1 child is $122, increasing to $206 for two children and $249 for three children. Focusing on the one-child orders, we find that roughly one-tenth are nominal orders of less than $50 per month; one-quarter range from $50–$100; more than half (56 percent) are $100–$200; and the remaining 8 percent are almost entirely in the $200–$300 range. The distributions are somewhat higher for orders covering more children. In the case of two children, 40 percent of orders are $200 per month or higher, as are almost two-thirds of the orders which cover three children.

What Progress Do Children Make over the Two Years following W-2 Entry?

Thus far, we have focused on children's child support outcomes as of the time they enter the W-2 program. Although more than 60 percent of children fall out of the system at either the paternity establishment or order establishment stage, we would expect to see improvements in these outcomes over time. Not only are mothers required to cooperate with the child support system, they also have a strong incentive to do so–both to supplement welfare income and to establish a source of supplemental income for the longer term.

Figure II.3.3 illustrates the extent to which children progress through the child support system over the two years following W-2 entry. We look at sequential 3-month periods, each time classifying children in one of four categories: no legal father; legal father but no order in effect since W-2 entry; legal father with order since W-2 entry, but no current order; and legal father with current support order. Only children in the fourth category are eligible to receive formal child support payments. Nonmarital children could be at any stage in the process, while marital children are limited to the final three stages.

The figure reveals a story of modest gains over the two-year period. The share of children with no legal father declined steadily, from 39 percent in the quarter of entry to 29 percent two years later. The share of children with a legal father but no support orders remained stable at 21–22 percent. In addition, 5 percent of children lost a support order to the custodial mother by the end of the two-year period. Finally, the share with a current order increased from 39 percent to 46 percent. In sum, children did improve their position in the child support system over this period, but the gains are not dramatic. By the eighth quarter after entry, fully half of the children had still not progressed to the point of having a support order.[14]

To better illustrate changes in child support status over time, Table II.3.5 summarizes transitions in children's position in the child support system between the quarter of entry and the eighth quarter following W-2 entry. The large majority of children who had not progressed fully through the interim stages as of W-2 entry remained "stuck" at their initial position. Almost three-quarters of children without a legal father at W-2 entry still had no legal father two years later, and more than 80 percent of

[13]In the case of hybrid orders, we report the fixed component of the order.

[14]We note an important caveat in interpreting our results for the post-baseline period. We cannot tell, from the available data, whether the mother continues to be eligible for child support over the two-year period. Should the child's living arrangements change—living with the previously noncustodial parent, or living with another relative, or going into foster care—this would not be reflected in our data. As a result, some of the children who appear to "fall out" of the child support system may in reality no longer be eligible for support in conjunction with the initial custodial parent. We do not expect this to be a large problem, but we expect that this factor contributes to the 5 percent lost-order rate documented above.

Figure II.3.3
Children's Status in Child Support System, through Eighth Quarter

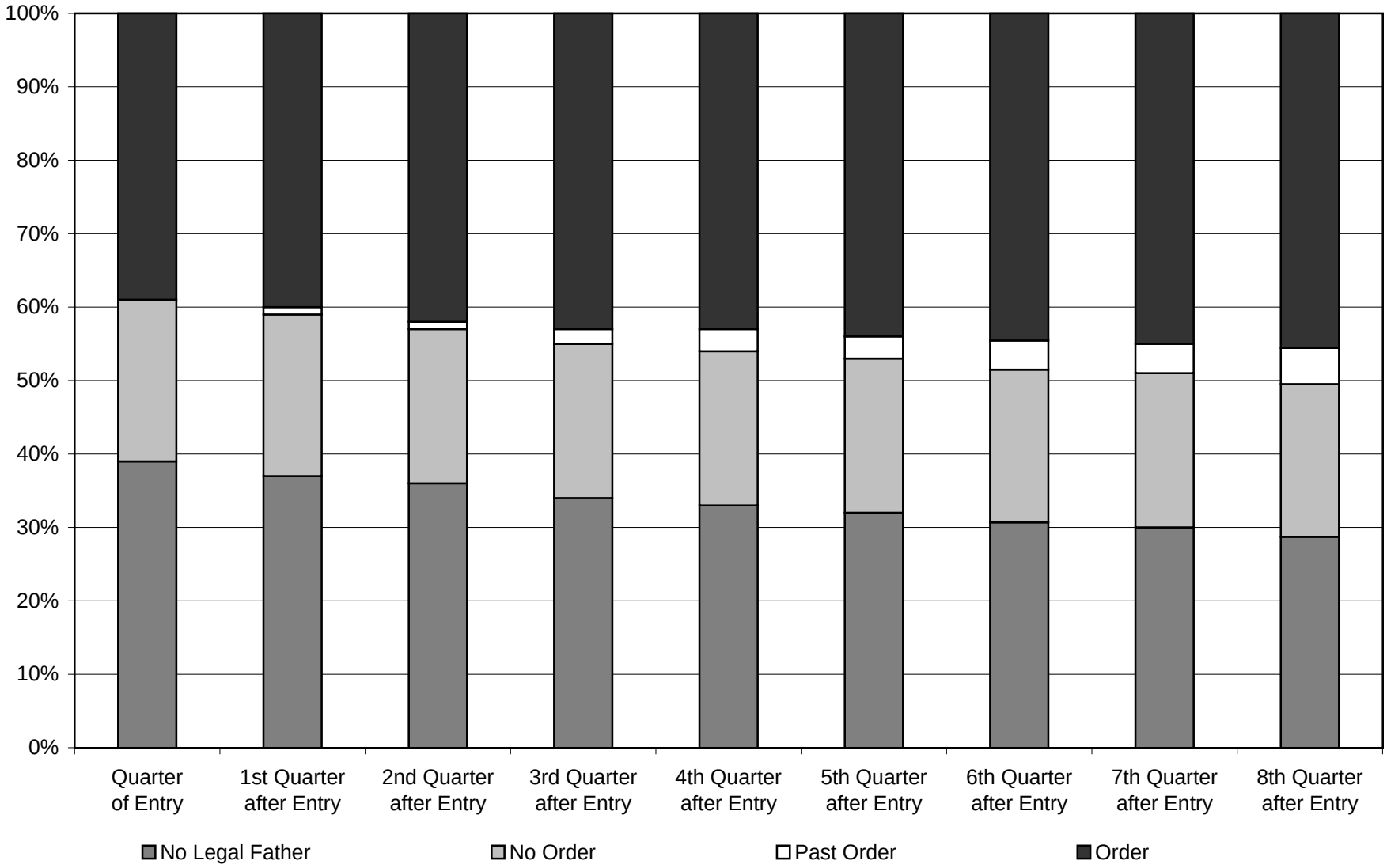

Table II.3.5
Changes in Child Support Status from Quarter of W-2 Entry to Eighth Quarter

	Status at End of 8th Quarter after Entry			
Status at End of Quarter of Entry	No Legal Father	No Order	Previous Order	Current Order
No Legal Father	72.7%	7.8%	1.4%	18.2%
No Order		81.0	6.5	12.5
Current Order			7.0	93.0

Sample: 35,060 children.

children who entered the program with a legal father but no support obligation remained at that same point for the duration. In contrast, more than 70 percent of the children who were successful in having a legal father established during this period were also covered by a support order by the two-year point.

Paternity Establishment and Support Orders Two Years after W-2 Entry

Our previous analyses suggest that the children whose parents were most likely to have successfully navigated the child support system at the time of W-2 entry included children who were older, whose mothers had prior AFDC experience, and whose fathers had a greater earnings capacity. Additionally, we found better outcomes among whites than other racial groups, and better support outcomes among nonmarital than marital children. Nonmarital children born to younger mothers were more likely to have paternity established and support orders than children born to older mothers. In the case of marital children, the opposite is true: children born to younger mothers had a lower likelihood of having an order.

To what extent do these same attributes still predict favorable outcomes two years after program entry? We examine this question using models analogous to those used in the baseline period. That is, we examine the correlates of paternity establishment among all nonmarital children and of support orders among marital and nonmarital children with a legal father two years after entry, using the same variables as in our baseline models. The parameters describe the relationship between the independent variables and the paternity and order outcomes after incorporating differential outcomes before and after W-2 entry. All of the children's mothers would at this point have been subject to child support cooperation requirements, as they were not at the point they entered W-2.

Paternity Establishment. We focus first on the bivariate and multivariate relationships between the independent variables and the paternity outcome (both in Table II.3.6). The rate of paternity establishment was higher for all subgroups than it was at W-2 entry (column 1). The multivariate analysis shows, primarily, that the factors which were linked to paternity establishment at W-2 entry continued to be so two years later. In virtually all cases, the direction and statistical significance of the coefficients are comparable for the baseline and two-year models.[15] Nonetheless, we find evidence of several notable changes. Focusing on the descriptive results for ease of interpretation, we highlight three interesting changes between the baseline and two-year patterns.

First, the large baseline differences in the rate of paternity establishment for children whose mothers were new to the welfare system, relative to those with prior AFDC experience, were much less pronounced two years later. For those new to the welfare system, the rate of paternity establishment more than doubled, from 27 percent at W-2 entry (see Table II.3.2) to 59 percent at the two-year point. The paternity rates for those with recent AFDC experience were only moderately higher than this—65–68 percent. The difference probably reflects enforcement of the child support cooperation requirement, which we would expect to differentially benefit those new to the system and thus newly subject to that requirement. The full pass-through policy under W-2 may also have played a role. In comparison to parents with prior welfare experience, those who were new to the welfare system may have had a more accurate understanding of the new pass-through policy, and may thus have had a greater preference for paternity establishment. Indeed, the evaluation of the pass-through found that the only significant impact of the new policy on paternity establishment occurred among children of mothers without prior AFDC experience.

[15]A direct comparison of the magnitude of coefficients between the two models is not meaningful.

Table II.3.6
Paternity Establishment for Nonmarital Children by Two Years after W-2 Entry: Descriptive and Multivariate Analyses

		Probit Model		
	With Paternity Established	Coefficient	S.E.	P-value
Total	66.8%			
Prior AFDC Experience				
None	59.2			
1–18 months	65.3	0.236	0.033	**<0.0001**
19+ months	68.5	0.417	0.034	**<0.0001**
Child's Age at W-2 Entry				
<1	58.1			
1–2	65.7	0.203	0.029	**<0.0001**
3–5	72.3	0.410	0.028	**<0.0001**
6–11	69.6	0.350	0.028	**<0.0001**
12+	58.5	0.041	0.032	0.205
Mother's Age at Child's Birth				
16–17	68.3			
18–19	71.8	0.085	0.025	**0.001**
20–24	67.1	-0.038	0.023	0.088
25–29	62.8	-0.165	0.027	**<0.0001**
30+	58.8	-0.283	0.031	**<0.0001**
County				
Milwaukee	65.7			
Other urban	69.1	0.079	0.025	**0.002**
Rural	80.7	0.369	0.047	**<0.0001**
Mother's Education				
< High school	65.3			
High school	69.2	0.061	0.017	**0.0003**
Post high school	68.5	0.087	0.031	**0.004**
Initial W-2 Tier				
Lower	65.1			
Upper	70.7	0.109	0.017	**<0.0001**
Caretaker of Newborn	67.1	0.091	0.033	**<0.0001**
Mother Cohabiting at W-2 entry				
Yes	70.6	0.068	0.028	**0.014**
No	66.5			

Table II.3.6, continued

		Probit Model		
	With Paternity Established	Coefficient	S.E.	P-value
Number of Children in Mother's Household				
1	69.6			
2	68.2	-0.113	0.027	**<0.0001**
3+	65.7	-0.196	0.025	**<0.0001**
Mother Is U.S. Citizen				
Yes	67.3	0.686	0.091	**<0.0001**
No	37.4			
Mother's Race				
White	75.7			
African American	66.4	-0.218	0.026	**<0.0001**
Hispanic	56.5	-0.461	0.035	**<0.0001**
Native American	76.5	-0.073	0.065	0.258
Asian	44.1	-0.161	0.102	0.114
Intercept		-0.521	0.104	**<0.0001**
Model Statistics				
N		30,264		
Log Likelihood		-18,511.949		

Note: Probability values of 0.05 or less are shown in bold type.

A second difference in paternity establishment after two years was a much weaker link between the child's age at entry to W-2 and the paternity establishment rate, primarily reflecting large gains among the youngest children (from 14 percent to 58 percent for children less than 1 at W-2 entry, and from 47 percent to 66 percent for children aged 1–2 at W-2 entry). This is consistent with a progression through the stages of the child support system as children aged. Third, county differences were more pronounced than at baseline. We find particularly high success in rural counties: 81 percent compared to 65–69 percent in Milwaukee and other urban counties.

Overall, our results suggest that the same factors that predict paternity establishment at W-2 entry continued to do so two years later, though there is some change in the relative importance of specific variables.

Support Orders. We next turn to correlates of child support orders after two years. Again, we present both descriptive and multivariate results (Table II.3.7). These analyses are based on the subset of children who had a legal father by the two-year point. This is a different sample from Table II.3.3, which was based on presence of a legal father at W-2 entry.

The bivariate relationship between the variables of interest and the existence of a support order after two years was strikingly similar to the relationship at W-2 entry. With very few exceptions, the likelihood of having an order two years after W-2 entry, given that a legal father is identified, was substantively unchanged from the likelihood at W-2 entry. This does not imply that no orders were gained over this period. There were more children eligible for support orders after two years because paternity had been established for more children, so that a constant percentage implies an absolute increase.[16]

We do find some notable changes between the likelihood of an order at the two-year point and at W-2 entry. As we saw for paternity establishment, orders increased from 42 percent to 56 percent for children whose mothers did not have a prior AFDC history (given a legal father). This is consistent with the fact that such mothers no longer had the discretion not to seek an order. Among the youngest children, the prevalence of orders increased from 46 percent to 70 percent. Again, we expect that this reflects the natural progression through the system as children age. Indeed, the two-year order rate of 70 percent for children who were less than age 1 at baseline was virtually the same as the baseline rate of 69 percent for children aged 1–2.

For marital children, however, our multivariate results indicate that the likelihood of an order in fact declined with the age of the child, a result which was not true at W-2 entry. This was not the case for nonmarital children, as is apparent by looking at the age coefficients in combination with the age-nonmarital interactions. The positive and significant signs on the interaction terms indicate that the lower rate of orders among marital children became particularly pronounced as the children grew older. Other research has found that shared physical custody and father custody are more common in divorce cases as children get older (e.g., Cancian and Meyer, 2000). Even in the absence of formal shared custody or father custody arrangements, it may be that older children spend more time with their noncustodial parent, which could reduce the need for formal support.

[16]Also, as noted earlier, a small percentage of children appear to lose orders—either because their orders in fact end, or because they change living arrangements and their orders are no longer picked up in our data.

Table II.3.7
Child Support Orders 2 Years after W-2 Entry, among Children with Legal Fathers: Descriptive and Multivariate Analyses

		Probit Model		
	With Order	Coefficient	S.E.	P-value
Total	64.3%			
Prior AFDC Experience				
None	56.4			
1–18 months	60.1	0.104	0.036	**0.004**
19+ months	67.5	0.283	0.038	**<0.0001**
Parents' Relationship				
Separated	27.4	-0.429	0.055	**<0.0001**
Divorced	39.7			
Don't know if separated or divorced	32.3	-0.242	0.051	**<0.0001**
Nonmarital	71.9	0.649	0.132	**<0.0001**
Child's Age at W-2 Entry				
<1	69.7			
1–2	70.6	-0.060	0.103	0.560
3–5	70.7	-0.190	0.096	**0.049**
6–11	61.1	-0.382	0.093	**<0.0001**
12+	49.6	-0.527	0.099	**<0.0001**
Child's Age at W-2 Entry * Nonmarital				
<1				
1–2		0.095	0.110	0.388
3–5		0.319	0.103	**0.002**
6–11		0.326	0.098	**0.001**
12+		0.182	0.107	0.088
Mother's Age at Child's Birth				
16–17	71.9			
18–19	67.5	-0.001	0.092	0.990
20–24	63.5	0.076	0.082	0.354
25–29	58.6	0.199	0.086	**0.021**
30+	57.2	0.258	0.091	**0.005**
Mother's Age at Child's Birth * Nonmarital				
16–17				
18–19		-0.100	0.097	0.301
20–24		-0.199	0.087	**0.022**
25–29		-0.438	0.092	**<0.0001**
30+		-0.570	0.099	**<0.0001**

Table II.3.7, continued

		Probit Model		
	With Order	Coefficient	S.E.	P-value
County				
Milwaukee	68.1			
Other urban	54.8	-0.218	0.035	**<0.0001**
Rural	50.2	-0.219	0.054	**<0.0001**
Percentage of IV-D Cases with Paternity		-0.080	0.028	**0.004**
Percentage of IV-D Cases with Paternity (Squared)		0.0006	0.0002	**0.002**
Father's Earnings in 2 Years before W-2 Entry				
$0	59.0			
$1,000–$5,000	68.2			
$5,000–$15,000	67.3	0.091	0.031	**0.004**
$15,000–$25,000	64.1	0.111	0.045	**0.013**
$25,000+	65.3	0.120	0.061	0.051
Father's Quarters Employed in 2 Years before W-2 Entry				
0	59.0	-0.146	0.024	**<0.0001**
1–4	67.1			
5–7	67.8	0.064	0.029	**0.026**
8	67.2	0.071	0.037	0.055
Mother's Education				
< High school	64.7			
High school	64.3	0.040	0.019	**0.039**
Post high school	61.8	0.062	0.032	0.054
Initial W-2 Tier				
Lower	64.7			
Upper	63.7	0.022	0.019	0.245
Caretaker of Newborn	63.5	-0.009	0.038	0.804
Number of Children in Mother's Household				
1	77.6			
2	70.0	-0.209	0.032	**<0.0001**
3	57.3	-0.462	0.030	**<0.0001**
Mother Cohabiting at W-2 Entry				
Yes	45.9	-0.170	0.047	**0.0003**
No	67.2			
Mother Cohabiting * Nonmarital		-0.193	0.055	**0.0005**

Table II.3.7, continued

		Probit Model		
	With Order	Coefficient	S.E.	P-value
Mother Is U.S. Citizen				
Yes	63.9	0.279	0.106	**0.009**
No	23.7			
Mother's Race				
White	57.2			
African American	70.0	0.095	0.027	**0.001**
Hispanic	52.7	-0.149	0.039	**0.0001**
Native American	51.7	-0.131	0.062	**0.036**
Asian	24.1	-0.423	0.112	**0.0002**
Intercept		2.746	1.073	**0.011**
Model Statistics				
N		24,928		
Log Likelihood		-14,147.513		

Note: Probability values of 0.05 or less are shown in bold type.

Predicted Probabilities of Successfully Navigating the Child Support System

Our prior analyses have examined paternity establishment and support orders sequentially. That is, we examined the factors associated with having a support order only for those children who had achieved the interim step (automatic for marital children) of establishing a legal father. For the most part, we found that similar factors predicted both the paternity establishment and order outcomes.

In our final model, we examine the factors associated with having a support order by two years after W-2 entry, considering the direct effect as well as indirect effects which occur through an impact on the intermediate step of establishing paternity. We include all children in this analysis, those with and without legal fathers and orders at W-2 entry. Thus, the coefficients reflect the net impact of the independent variables, whose influence could occur before or after W-2 entry, and where the influence could occur in part through an impact on the intermediate step of paternity establishment. Because we include all children, including those without a legal father, the variables are limited to those in the paternity models.

Results are shown in Table II.3.8, and are quite consistent with our findings from the interim models. A notable difference is that, unlike our sequential order model, there is no longer a significant difference between the likelihood of orders for nonmarital children and children of divorced parents. To make the results more directly interpretable, we use the coefficients from this final model to compute the predicted probability of having a child support order by two years after W-2 entry, for a variety of prototypical children. Our hypothetical cases are selected to illustrate the progressive impact of the variables on the likelihood of achieving a support order. Results are shown in Table II.3.9.

We begin by considering a nonmarital child under age 1, whose mother is assigned to a lower W-2 tier in Milwaukee. We assume that the mother has not completed high school, is Hispanic and is not a U.S. citizen, has no prior AFDC experience, is living with a partner when she enters W-2, has three or more children, and was over age 30 when this child was born. According to our model, the predicted probability that a child with these characteristics would be covered by a support order two years after W-2 entry is extremely low—3 percent (row 1). If we instead assume the mother is a citizen, the predicted probability increases to 9 percent (row 2). Were she not cohabiting at W-2 entry, the probability would increase further, to 12 percent (row 3).

The next two rows illustrate the magnitude of racial and ethnic differences in support outcomes, net of other factors. If we assume the mother is African American instead of Hispanic, the child has a higher predicted probability of having an order (19 percent, row 4), increasing to 22 percent if she is white (row 5).

Children of mothers with longer AFDC experience have substantially better outcomes. In this case, the predicted probability of an order increases to 35 percent if we assume the mother was receiving AFDC during the two years prior to W-2 entry (row 6). The child has a higher likelihood of having an order if the mother is in an upper versus lower tier (38 percent, row 7), perhaps because this proxies for a partner with greater ability to pay. Likewise, the likelihood of an order is higher if the mother is better educated—42 percent in the case of a mother with post-high-school education (row 8).

Outcomes are better in rural counties, net of other factors. If we assume this child lives in a rural area rather than Milwaukee, the predicted probability of having an order increases to 46 percent (row 9). As noted, this predicted advantage could reflect unmeasured differences in case characteristics and/or differences in local child support practices.

Table II.3.8
Child Support Orders Two Years after W-2 Entry, among All Children

		Probit Model		
	With Order	Coefficient	S.E.	P-value
Total	46.3%			
Prior AFDC Experience				
None	39.5			
1–18 Months	43.1	0.188	0.029	**<0.0001**
19+ Months	29.9	0.407	0.030	**<0.0001**
Parents' Relationship				
Separated	27.4	-0.370	0.055	**<0.0001**
Divorced	39.7			
Don't know if separated or divorced	32.3	-0.202	0.051	**<0.0001**
Nonmarital	48.5	-0.169	0.129	0.191
Child's Age at W-2 Entry				
<1	42.9			
1–2	48.7	-0.049	0.103	0.630
3–5	53.7	-0.191	0.096	**0.045**
6–11	45.8	-0.416	0.092	**<0.0001**
12+	33.8	-0.564	0.098	**<0.0001**
Child's Age at W-2 Entry * Nonmarital				
<1				
1–2		0.200	0.106	0.060
3–5		0.532	0.099	**<0.0001**
6–11		0.613	0.095	**<0.0001**
12+		0.399	0.102	**<0.0001**
Mother's Age at Child's Birth				
16–17	50.9			
18–19	50.6	0.008	0.092	0.934
20–24	46.0	0.068	0.082	0.404
25–29	41.4	0.179	0.086	**0.037**
30+	38.8	0.222	0.091	**0.014**
Mother's Age at Child's Birth * Nonmarital				
16–17				
18–19		-0.001	0.095	0.989
20–24		-0.142	0.085	0.095
25–29		-0.395	0.089	**<0.0001**
30+		-0.558	0.095	**<0.0001**

Table II.3.8, continued

		Probit Model		
	With Order	Coefficient	S.E.	P-value
County				
Milwaukee	47.0			
Other urban	42.9	-0.020	0.022	0.349
Rural	45.2	0.107	0.034	**0.002**
Mother's Education				
< High school	45.0			
High school	48.1	0.063	0.015	**<0.0001**
Post high school	47.1	0.090	0.026	**0.001**
Initial W-2 Tier				
Lower	45.2			
Upper	48.4	0.082	0.016	**<0.0001**
Caretaker of Newborn	46.1	0.068	0.030	**0.023**
Number of Children in Mother's Household				
1	56.3			
2	50.9	-0.191	0.024	**<0.0001**
3+	42.4	-0.396	0.023	**<0.0001**
Mother Cohabiting at W-2 Entry				
Yes	37.1	-0.220	0.047	**<0.0001**
No	47.5			
Mother Cohabiting * Nonmarital		0.057	0.053	0.276
Mother Is U.S. Citizen				
Yes	47.0	0.524	0.084	**<0.0001**
No	14.9			
Mother's Race				
White	48.2			
African American	48.3	-0.102	0.022	**<0.0001**
Hispanic	34.3	-0.383	0.031	**<0.0001**
Native American	42.7	-0.164	0.051	**0.001**
Asian	16.3	-0.398	0.092	**<0.0001**
Intercept		-0.409	0.155	**0.008**
Model Statistics				
N		34,970		
Log Likelihood		-22,907.640		

Note: Probability values of 0.05 or less are shown in bold type.

Table II.3.9
Predicted Probability of Support Order during Eighth Quarter after W-2 Entry, for Prototypical Nonmarital Children Regardless of Status at W-2 Entry

Row	Citizen	Cohabiting	Race/ Ethnicity	AFDC Exp.	W-2 Tier	Mother's Education	Location	Child's Age	Mother's Birth Age	No. of Children	Predicted Probability
1	No	Yes	Hispanic	None	Lower	< High School	Milwaukee	<1	>30	3	**0.03**
2	Yes										**0.09**
3		No									**0.12**
4			Afr. Am.								**0.19**
5			White								**0.22**
6				19–24 mo.							**0.35**
7					Upper						**0.38**
8						> High School					**0.42**
9							Rural				**0.46**
10								6–11			**0.54**
11									18–19		**0.67**
12										1	**0.8**

Note: Predictions are based on a probit analysis of support orders during the eighth quarter after W-2 entry (Table II.3.8), among all children regardless of paternity or order status at entry.

Both the child's age at W-2 entry and the mother's age at birth are important. If the child was 6–11 years old rather than an infant when the mother entered W-2, the likelihood of having an order would increase to 54 percent (row 10). Likewise, the predicted probability increases if we assume the mother was aged 18–19 when the child was born (67 percent, row 11). If there was only one child instead of three, the probability would increase to 80 percent (row 12). The relatively large impact could reflect differences in fathers' willingness to pay child support when the mother has multiple children, and/or unmeasured differences between mothers with varying numbers of children.

Summary and Conclusions

This chapter documents the stages at which potential child support is lost to welfare recipients in Wisconsin. It provides an integrated look at welfare clients' success—or lack thereof—in establishing paternity, obtaining support orders, and receiving support payments. Our primary focus is on the intermediate steps of paternity establishment and support orders, because success at these stages is necessary to be eligible for formal support. We illustrate the factors associated with successful navigation of the child support system, both before and after W-2 entry.

Our descriptive analyses suggest that few women and children on welfare benefit fully from the potential child support available to them, either at the time they enter W-2 or over the subsequent two years. The barriers occur at each stage of the child support process. Just over half of children have legal fathers when they enter W-2; fewer than 40 percent are covered by a support order; and only 14 percent actually have support paid on their behalf during their first three months on the program. Although we document nontrivial gains over the subsequent two years, overall success rates remain low. Roughly three-quarters of children who had not achieved one of the intermediate steps of paternity establishment or order establishment when they entered W-2 had still not achieved this two years later. Children whose mothers are new to the welfare system make much more sizable gains over this period, more than doubling their rates of paternity establishment. Even after two years, however, they continue to lag behind children of mothers with prior welfare experience.

Our analyses differ from much of the prior work on child support outcomes in that we focus on children rather than mothers as our unit of analysis. We illustrate the importance of this distinction by documenting the strikingly different conclusions which result from the two approaches. We find that even when mothers successfully navigate the child support system on behalf of one child, they are often not able to do so on behalf of all of them. Whereas 73 percent of mothers have at least one child with a legal father when they enter W-2, fewer than half have a legal father for each of their children; there are similar discrepancies when we examine orders and payments. Statistics which ignore differences in support outcomes within families may paint an overoptimistic picture of the effectiveness of the child support system.

Comparison of our findings to available statistics for the IV-D caseload is informative. We find that two-thirds of nonmarital children have had paternity established by two years after W-2 entry. This is somewhat lower than the 76–80 percent of nonmarital children on the IV-D caseload in Wisconsin who had paternity established between 1994 and 1997 (U.S. Office of Child Support Enforcement, 1999), suggesting that current welfare recipients may be an even more challenging population than the somewhat broader IV-D caseload as a whole. Focusing on support orders, we find that the share of mothers owed support at the time of W-2 entry (57 percent, including those who do and do not have legal fathers for their children) is slightly higher than the national average among all child-support-eligible mothers as reported by the Census Bureau (53 percent), higher than the national average among welfare recipients (48 percent), and considerably higher than the national average among never-married mothers

(40 percent) (U.S. Census Bureau, 2000). These data suggest that Wisconsin is doing better than average in securing support orders for welfare recipients.

Much of our focus is on identifying factors linked to differential rates of paternity establishment and support orders. We use a conceptual framework which links participation in the formal support system to differences in fathers' preferences, mothers' preferences, and the preferences and practices of the state. We find, for the most part, that similar factors predict success at both of the interim steps. Children whose parents are most likely to have successfully navigated the child support system include children who are somewhat older, whose mothers have had longer exposure to the welfare system, and whose fathers have greater earnings capacity. We find better outcomes among whites than among other racial and ethnic groups, and dramatically higher success among U.S. citizens than among noncitizens. Our results suggest that nonmarital children with younger mothers have better outcomes than similar children with older mothers, perhaps because younger mothers are more receptive to changing norms surrounding paternity establishment and formal child support. Among our more surprising findings is that nonmarital children who have a legal father have a substantially greater likelihood of having a support order than do marital children. Children have better child support outcomes when their mothers have fewer children, perhaps because having fewer children promotes stronger ties between noncustodial fathers and custodial mothers and children. Further examination of this relationship, including an examination of the role of birth order, is warranted. Overall, our results suggest that the likelihood of achieving a support order by two years after W-2 entry varies dramatically according to the above attributes, ranging from a low of 3 percent to a high of 80 percent, depending on the combination of characteristics.

We offer several cautions in interpreting these results. First, it is important to remember that this is a very disadvantaged population who are selected by their decision to seek public assistance. We cannot generalize from the results for this group to other groups of women and children. Furthermore, this chapter has looked only at the formal child support system, and reflects the perspective that cooperation with the formal system is the preferred outcome. Other work suggests, however, that some men provide support informally and off the books (see, e.g., Waller and Plotnick, 2001). In some cases, fathers may be incapable of providing either formal or informal support. In still other cases, there are significant psychological costs to the mother of establishing paternity and creating a formal relationship with a father with whom she would prefer to have as little to do as possible.

Despite these caveats, our results have a number of important implications for policymakers seeking to enhance the role of child support as an income source to families who come in contact with the welfare system. We offer the following conclusions from this research:

1. **Participation in the welfare system appears to increase the likelihood that children will have paternity established and be covered by support orders**. This is consistent with the child support cooperation requirements facing welfare recipients. Even after controlling for other differences, we find a strong link between the extent of the mother's AFDC experience and the likelihood of achieving these outcomes by the time of W-2 entry. Furthermore, children whose mothers are new to the welfare system show the largest gains over the subsequent two years. Qualitative research suggests, however, that regardless of formal obligations fathers whose children receive welfare are reluctant to pay support when it does not benefit the children (e.g., Waller and Plotnick, 2001; Edin, 1995); the evaluation of Wisconsin's pass-through policy suggests that the policy helps to mitigate that problem (see Volume I).

2. **Failure to establish paternity—and to a lesser extent failure to establish support orders—continue to be major limiting factors in the potential of child support as an income**

source for the welfare population. Furthermore, breakdowns at these interim stages limit the potential gains from the full pass-through policy. This is true even though Wisconsin is more successful at paternity establishment than the nation as a whole. These intermediate steps are critical because of the sequential nature of the child support process. The majority of children who do not receive support fall out of the system before an order is ever issued. Although results from the evaluation document important benefits from the full pass-through (see Volume 1), our findings regarding lack of paternity and orders indicate that many W-2 recipients do not have the opportunity to benefit from the new policy. Even two years after W-2 entry, more than half of children are not at a point in the system where they could receive formal support payments, and for these children, the pass-through is irrelevant.

3. **Several key groups of children have a low probability of successfully navigating the child support system. Groups with particularly low rates of paternity establishment, after controlling for other differences, include children of noncitizens; Hispanics, Asians and, to a lesser extent, African Americans; children in larger families; and children born to older mothers**. Learning why these children are less likely to have paternity established could lead to the development of more effective strategies to engage their families in the formal child support system. In particular, it may be possible to develop targeted outreach efforts to encourage voluntary paternity establishment among these subgroups.

4. **Support orders are surprisingly uncommon among marital children relative to eligible nonmarital children**. Although this is probably due in part to the fact that welfare recipients are a select subset of separated and divorced mothers, it is nonetheless unexpected and merits investigation. It would be informative to look more closely at separated and divorced parents who receive assistance through W-2, to determine whether there are systematic reasons that contribute to their low rates of support orders. W-2 agencies should ensure that children of separated and divorced parents are given appropriate child support attention.

5. **Efforts to bring more fathers into the formal child support system need to be sensitive to the economic realities of these men.** Our findings suggest that children whose fathers have the greatest ability to pay support are already the most likely to have paternity established and to be covered by a support order, although the differences do not appear dramatic. The fathers who have yet to be brought into the system would likely have less capacity to pay than those already involved. The full pass-through ensures that any support they pay will benefit their children. At the same time, policymakers need to have realistic expectations about the amounts of support that would be involved. In our sample, the average order covering a single child is $123 per month, and orders covering two children average $206 and orders for three children are an average of $249. To the extent that the fathers with greater ability to pay are already in the system, it is likely that new orders would be lower.

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Chapter 4
Program Participation of Mothers on W-2

Maria Cancian and Daniel R. Meyer, with Chi-Fang Wu

In September 1997, Wisconsin implemented a radical new program to replace welfare: Wisconsin Works (W-2). W-2 is designed to require work or work-preparation activities from virtually all participants. The program consists of a "self-sufficiency ladder" in which participants begin in the highest tier possible (given their work history and skills). Most of those who were not prepared for an unsubsidized job were expected to receive cash assistance through their participation in a community service job (CSJ). They were then expected to move from a CSJ off cash assistance to Trial Jobs (for which employers receive a subsidy) or to case management (in which they might receive services, but no cash assistance), and eventually leave W-2 entirely. Similarly, those who begin in the lowest tier, W-2 Transitions (W-2 T), were expected to be able to move up to a CSJ, or perhaps to move off cash assistance by moving to a higher tier or out of W-2 entirely.

In this chapter we discuss the patterns of program participation and the implications for government costs over the first two years of the W-2 program.[1] Our primary analysis relies on administrative data to track the receipt of four major W-2 related programs: W-2 cash assistance, Food Stamps, Medicaid (called Medical Assistance in Wisconsin), and child care subsidies.[2] We also use administrative data to analyze the timing of transitions between tiers of the W-2 self-sufficiency ladder. Finally, using data from the Survey of Wisconsin Works Families, we consider the receipt of a broader array of public programs. Because the full pass-through is a key component of W-2, we exclude mothers in the control group and analyze outcomes for the 12,502 mothers in the experimental group.[3]

Program Participation Rates in the First Two Years of W-2

We begin with an analysis of mothers' program participation over the first two years after they enter the W-2 program. Between September 1997 and March 1998 the AFDC program was phased out and all continuing participants made the transition to W-2. About two-thirds of our sample is composed of women who made a transition directly from AFDC. For these women, we consider their participation beginning the month of their first interview for W-2.[4] The remaining cases in our sample entered W-2 directly between September 1997 and July 1998. We consider their participation beginning at the time of

[1]The authors gratefully acknowledge the assistance received in preparing this report. Administrative data used were constructed under the supervision of Patricia Brown, CSDE Data Manager; survey data are from the Survey of Wisconsin Works Families, Margaret Krecker, Survey Manager. Helpful comments were received from the W-2 CSDE National Advisory Board, particularly Greg Duncan.

[2]We include BadgerCare, Wisconsin's CHIP program, with Medicaid.

[3]Of these, we have survey information for about 1,150.

[4]To be included in the sample they must enter their first W-2 slot within 30 day of their interview.

their initial application to the program.[5] Thus, the first two years after entry may include a period as early as September 1997 to August 1999[6] or as late as July 1998 to June 2000.

Most, but not all, women enter W-2 in one of the tiers that provides a cash payment—including CSJ, W-2 T, and the Caretaker of Newborn program. The first bar of Figure II.4.1a shows that in the first year after entering W-2, 81 percent of women in our sample received some cash assistance. Among those who entered in a lower tier (Figure II.4.1b), nearly all received some government payment, by definition.[7] By the second year, participation rates had fallen dramatically. As shown in the first set of bars in Figure II.4.1b, only about half of those entering in a lower tier received any cash assistance in the second year after entry. Receipt of cash payments declined dramatically between the first and second year, but participation in Food Stamps and Medicaid remained relatively high.[8] Perhaps this is not surprising, given the relatively low earnings of most of the women in our sample, even after they have left cash assistance. About two-fifths of women received any child care subsidy in the first year, a lower rate than that of the other programs. However, unlike other programs, participation rates did not decline in the second year.[9] Overall, Figures II.4.1a and II.4.1b suggest that while receipt of cash assistance declined dramatically, participation in related programs remained fairly high. We also note that only receipt of cash assistance varied substantially by tier of entry.

In the context of time-limited cash assistance, there is increasing interest in patterns of multiple program participation. Many women who leave cash assistance continue to qualify for other programs. The relationship between receipt of a W-2 cash payment, Food Stamps, and Medicaid is shown in Figures II.4.2a and II.4.2b. Figure II.4.2a shows that over the first year, over three-quarters of our sample received cash assistance, Food Stamps, and Medicaid. This is not surprising, because most women in our sample entered W-2 in a lower tier, which provided cash assistance. Eighteen percent received food Stamps and Medicaid, but no cash assistance in the first year, and 5 percent were in another category. Very few—less than 1 percent—received neither cash, Food Stamps, nor Medicaid. Participation patterns in the second year were quite different. Only 44 percent of mothers in our sample received all three programs (cash assistance, Food Stamps, and Medicaid) at some point in the second year. A little more than one-third (37 percent) received Food Stamps and Medicaid, but no cash, and another 10 percent only Medicaid. Even in the second year, only 8 percent received none of these three programs.

Receipt of child care subsidies is not reflected in Figures II.4.2a and II.4.2b. As discussed earlier, in both the first and second year after entering W-2, about 40 percent of mothers received child care subsidies. Virtually all families receiving child care subsidies in the first year also received Food Stamps

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[5]We use as the date of application the date they received their random assignment to the CSDE experimental or control group. To be included in the sample they must enter their first W-2 slot within 30 days of initial random assignment.

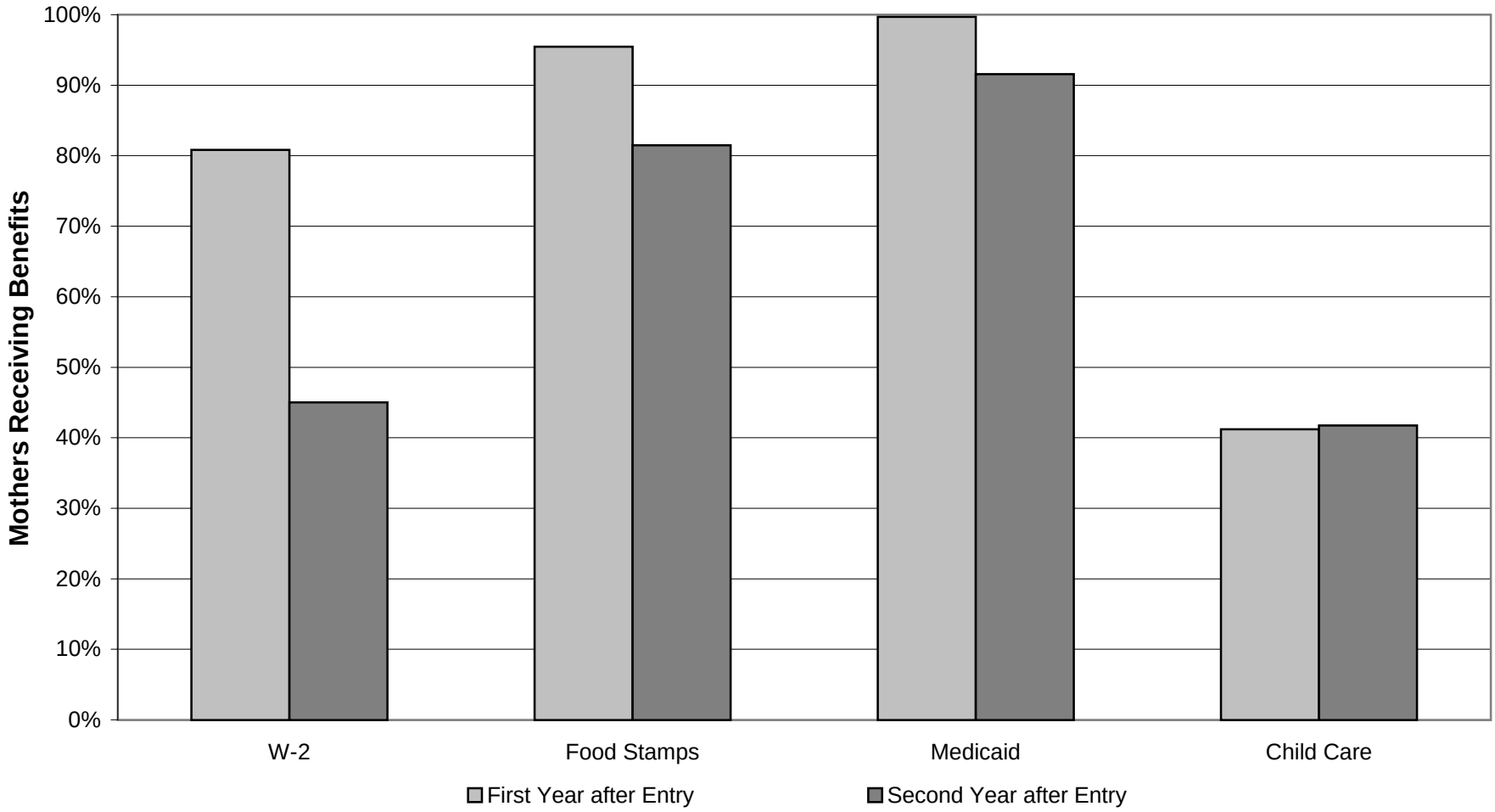
[6]We include the month of entry in the 12 months of the first year.

[7]Forty-one cases that entered in a lower tier did not receive any cash payments in their first year. Most of these cases were assigned to a lower tier but did not complete enough of their required activity to receive a check.

[8]Note that the measure of Medicaid/BadgerCare participation used here shows the percentage of cases in which anyone in the family is covered by these programs. See Figure II.4.4 for a comparison of children's and mothers' coverage rates.

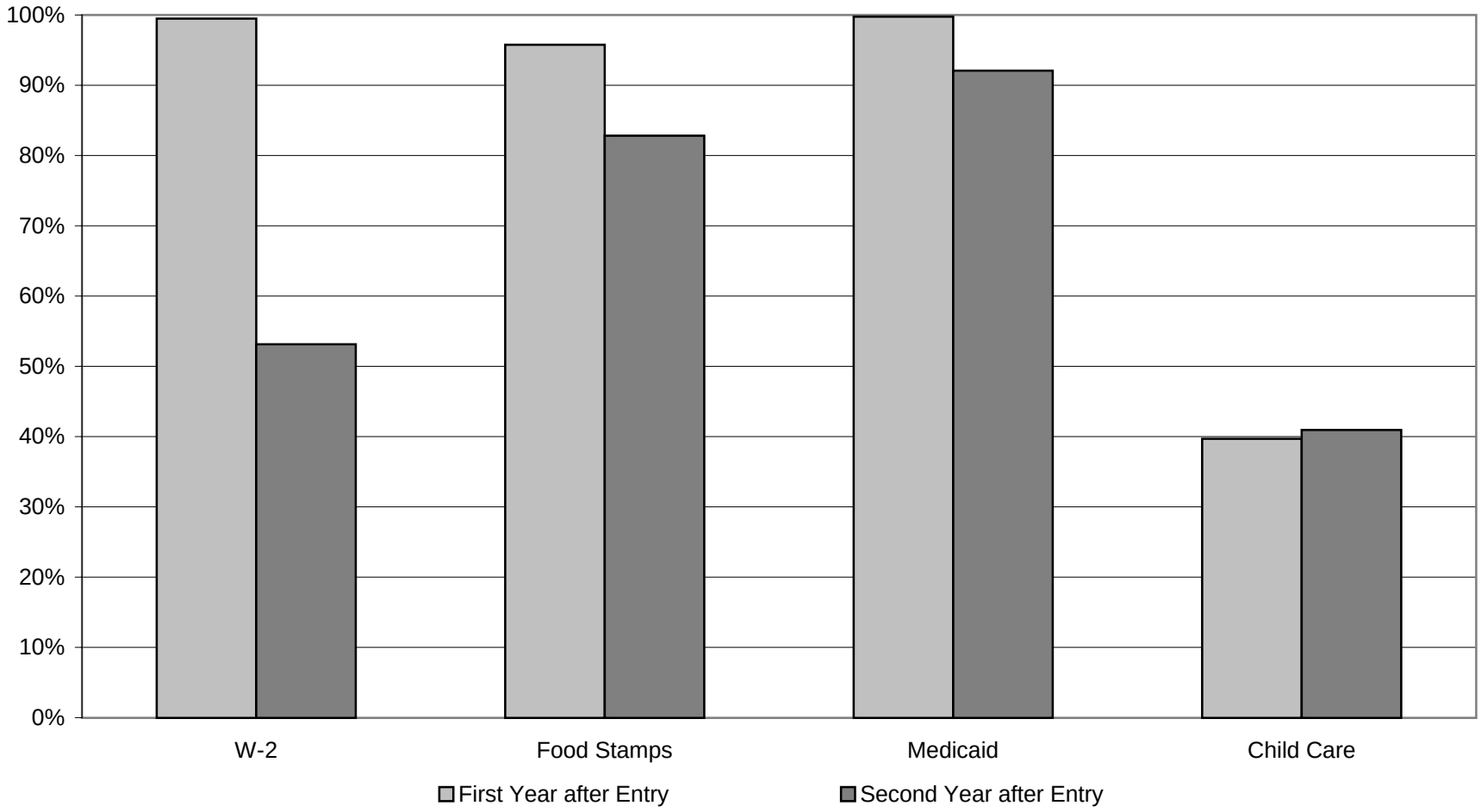
[9]Of course, child care subsidies are only relevant to a portion of our sample; about 45 percent of mothers with preschool children received a child care subsidy in the first year versus 13 percent of those whose youngest child at entry was 6 to 12 years old.

Figure II.4.1a
Receipt of Government Payments among All W-2 Participants



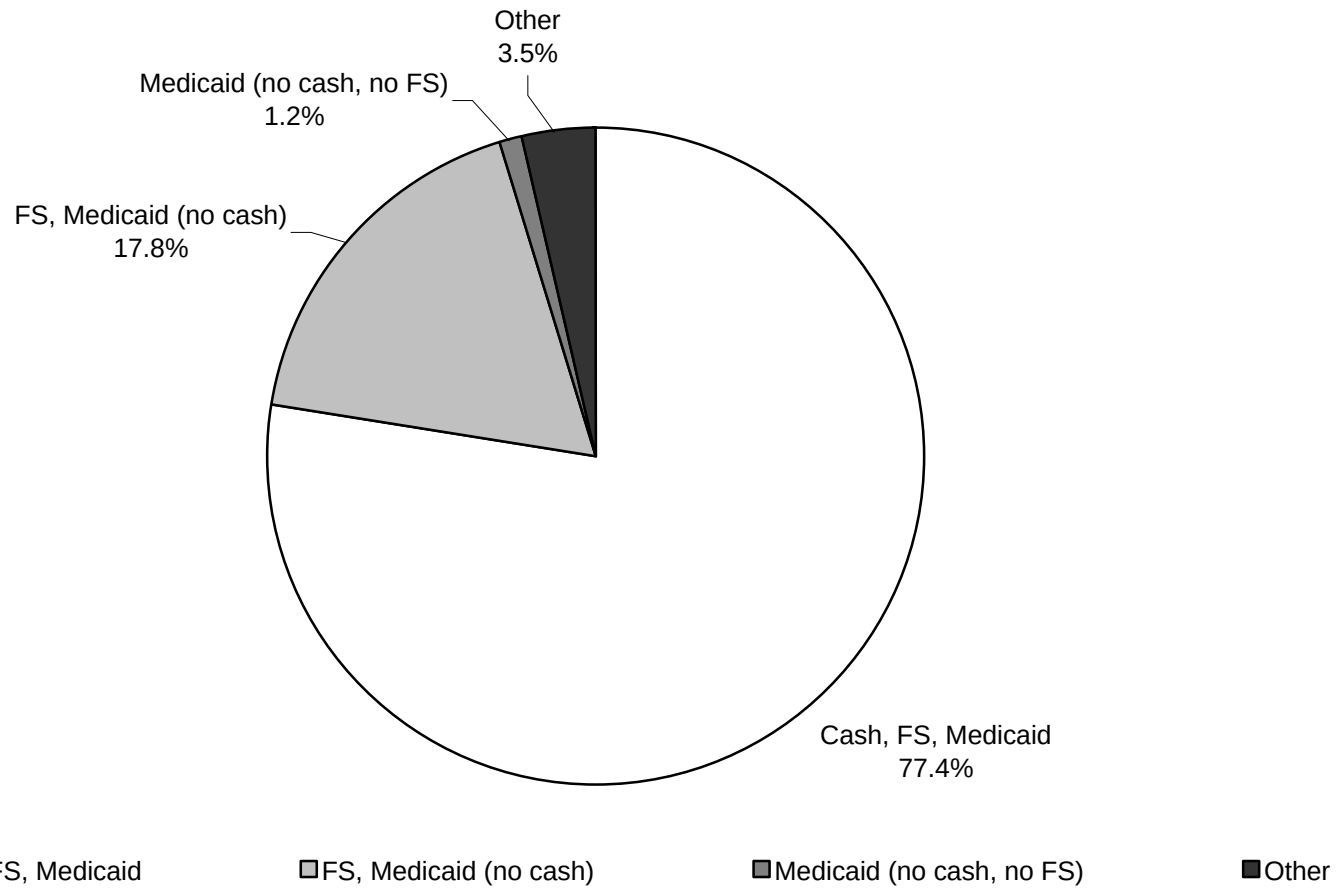
Sample: 12,502 experimental-group resident mothers. **Data:** CARES.

Figure II.4.1b
Receipt of Government Payments among Cases Entered in Lower Tiers



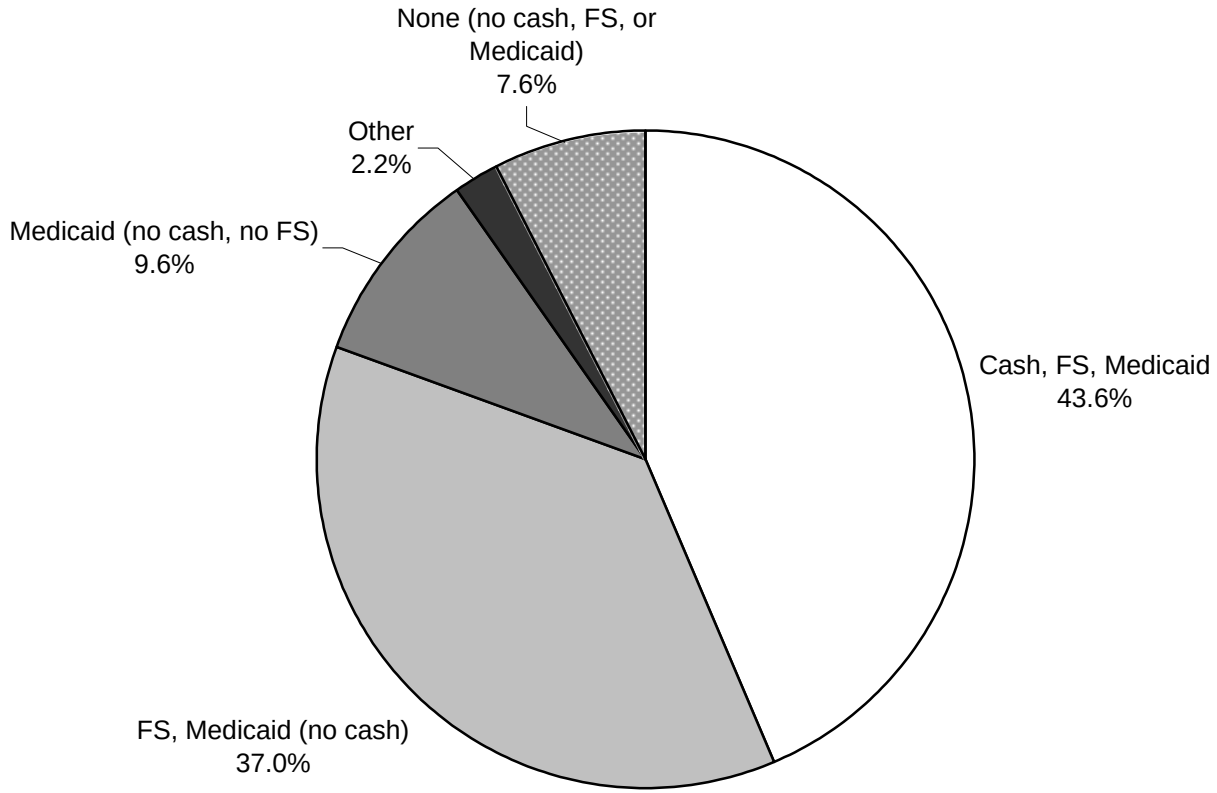
Sample: 8,590 experimental-group resident mothers who entered in lower tiers. **Data:** CARES.

Figure II.4.2a
Multiple Program Participation in First Year after Entry



Sample: 12,502 experimental-group resident mothers. **Data:** CARES.
Note: 0.1% of mothers did not participate in any program (cash, FS, or Medicaid).

Figure II.4.2b
Multiple Program Participation in Second Year after Entry



Sample: 12,502 experimental-group resident mothers. **Data:** CARES.

and Medicaid sometime during the year. About 80 percent also received a W-2 cash payment. In the following year, among those receiving a child care subsidy, receipt of Food Stamps and Medicaid was again nearly universal. However, in the second year only about half of those receiving a child care subsidy also received cash assistance.

Measures of program participation are very sensitive to the period over which participation in measured. For example, Figure II.4.2a shows that 77 percent of the mothers in our sample received W-2 cash payments, Food Stamps, and Medicaid in the first year. In contrast, only 39 percent received all these programs sometime in the final quarter (three months) of that year, and only 25 percent received them all in the final month of that year. By considering annual measures of participation above, we find higher overall participation, as well as higher levels of multiple program use.

Correlates of Program Participation

Above, we showed considerable variation in program participation patterns in our sample, especially in the second year. Here, we consider the factors associated with participation. We use merged administrative data for this analysis, which limits the range of information we have on the characteristics that might predict continued receipt of assistance, but allows us to consider the full sample. We consider mothers' basic demographic characteristics (including age, race, education, and language), family structure at the time of entry to W-2 (number of children, age of youngest child, and whether there are other adults in the household), welfare and nonwelfare income history in the 24 months prior to W-2 (including months of AFDC receipt, and amounts of earnings and child support), as well as the initial W-2 tier and location (distinguishing each agency in Milwaukee, other urban counties, and rural counties). We also include a measure of county unemployment. Table II.4.1 summarizes the direction and statistical significance of any relationship between these factors and program participation in the second year after entry. The full regression estimates are reported in the Appendix Tables II.4.1–II.4.4.

The first column of Table II.4.1 shows the results for our analysis of receipt of W-2 cash payments. Considering basic demographic characteristics, we see that compared to younger women, mothers 26 to 30 years old were less likely to receive W-2 in the second year, as were women with more education. African-American women are more likely to receive cash assistance than white women. We expect the age and number of children to be important indicators of mothers' family responsibilities, which may limit earnings and increase reliance on cash payments. However, we find that the age of the youngest child is not significantly related to participation. Moreover, we find that those with three or more children are *less* likely to receive W-2 payments in the second year. This may reflect the lack of adjustment for family size in W-2; fixed W-2 payments may be relatively more economically attractive to small families than to large ones. Turning to history of welfare and nonwelfare income, we find evidence for the expected effects: Women with more months of AFDC history are more likely to receive W-2, while those who have previously had higher earnings or child support receipts are less likely to receive cash payments. Finally, we find that women who entered W-2 in a lower tier are more likely to receive payments, as are those initially entering in any of the Milwaukee agencies (compared to those in rural counties, who are in turn more likely to receive payments than those in other urban counties).

The next two columns of the table summarize results for participation in Food Stamps and Medicaid. There are a number of notable points of comparison. As with cash assistance, mothers are more likely to receive Food Stamps and Medicaid if they have lower educational levels, are African American (Food Stamps only), have longer histories of prior AFDC receipt, have less child support history (Food Stamps only), or live in Milwaukee. On the other hand, though the age of the youngest child was not significantly related to receipt of cash assistance, mothers with only older children are less

Table II.4.1
Summary of Likelihood of Receiving Any W-2 Payments, Food Stamps, Medicaid, or Child Care in Second Year after Entry

	W-2	FS	Medicaid	Child Care
Age of Resident Parent (compared to 16-25 years)				
26-30	- - -		-	- - -
31-40				- - -
41+		+ + +	+ +	- - -
Education of Resident Parent (compared to less than HS)				
High school diploma or equivalent	- - -	- - -	-	+ + +
Beyond high school	- - -	- - -	- -	+ + +
Race of Resident Parent (compared to white)				
African American	+ + +	+ + +		+ + +
Hispanic			- -	
Other				- - -
Unknown			-	
Language of Resident Parent (compared to non-English)				
English				
Age of Youngest Child (compared to 1- 2)				
Unborn child at baseline		+ + +	+ +	
3- 5			- - -	- - -
6- 12		- -	- - -	- - -
13- 17		- -	- - -	- - -
Number of Children (compared to 0 or 1)				
2 children		+ + +	- -	
3+	- -	+ + +	-	
Household Structure (compared to live with other adults)				
Resident parent is only adult	+ + +	+ +	- -	+ + +
AFDC Receipt in 24 Months before Entry (compared to 0)				
1- 6 months				
7- 18 months	+	+ + +		
19- 24 months	+ + +	+ + +	+ + +	
Child Support History before Entry (compared to 0)				
$1- $999	- - -			
$1000+	- - -	- - -		

Table II.4.1, continued

	W-2	FS	Medicaid	Child Care
Child Support Order at Entry (compared to no order)				
Have a child support order		+ + +	+ + +	+ + +
Earnings in the 8 Quarters before Entry (compared to 0)				
$1–$5000	– – –	+ +	+ + +	+ + +
$5000–$15000	– – –		+ +	+ + +
$15001+	– – –	– – –		+ +
Initial W-2 Assignment (compared to upper tier)				
W-2 Transition and CSJ	+ + +	+ + +	+	– – –
Caretaker of Newborn	+ + +			– – –
Location (compared to rural counties)				
Y-Works Agency	+ + +	+ + +	+ + +	+ + +
UMOS Inc. Agency	+ + +	+ + +	+ + +	+ + +
OLC-GM Agency	+ + +	+ + +	+ + +	+ + +
Goodwill-Employment Solutions, Region 4	+ + +	+ + +	+ + +	+ + +
Goodwill-Employment Solutions, Region 5	+ + +	+ + +	+ + +	+ + +
Maximus Agency	+ + +	+ + +	+ + +	+ + +
Other Urban Counties	–			
Unemployment Rate in 1998 or 1999 (compared to low)				
Middle (3.1–5.0)	– – –			– – –
High (5.1+)			+	– –

Key:	Positive	Negative
Significant at the 1% level	+ + +	– – –
Significant at the 5% level	+ +	– –
Significant at the 10% level	+	–

Blanks indicate that the difference was not statistically significant.

Note: Model also includes intercept and assignment period.

Sample: 12,467 experimental-group resident mothers. **Data:** CARES.

likely to receive Food Stamps or Medicaid. Larger families are more likely to receive Food Stamps, but less likely to be covered by Medicaid. Women entering W-2 in any of the cash assistance tiers were more likely to receive W-2 payments in the second year, but the increased probability of Food Stamp and Medicaid receipt is not apparent for those in the Caretaker of Newborn program. Finally, the relationship between payment receipt and previous earnings is puzzling. Compared to those with no Unemployment Insurance earnings history, those with any level of earnings are less likely to receive cash assistance in the second year. However, those with lower levels of earnings are actually *more* likely to receive Food Stamps or Medicaid.[10]

The final column of Table II.4.1 summarizes the correlates of participation in the child care subsidy program.[11] In a number of notable respects, receipt of this subsidy is associated with different patterns of recipient characteristics. This is not surprising given the nature of this program. For example, the table shows that receipt of child care subsidies is *less* common among those entering in a lower tier. This may reflect higher levels of employment (and therefore more demand for child care) from women entering in upper tiers. Similarly, while higher levels of education are associated with reduced receipt of cash assistance, Food Stamps, and Medicaid, women with more education are *more* likely to receive child care subsidies.

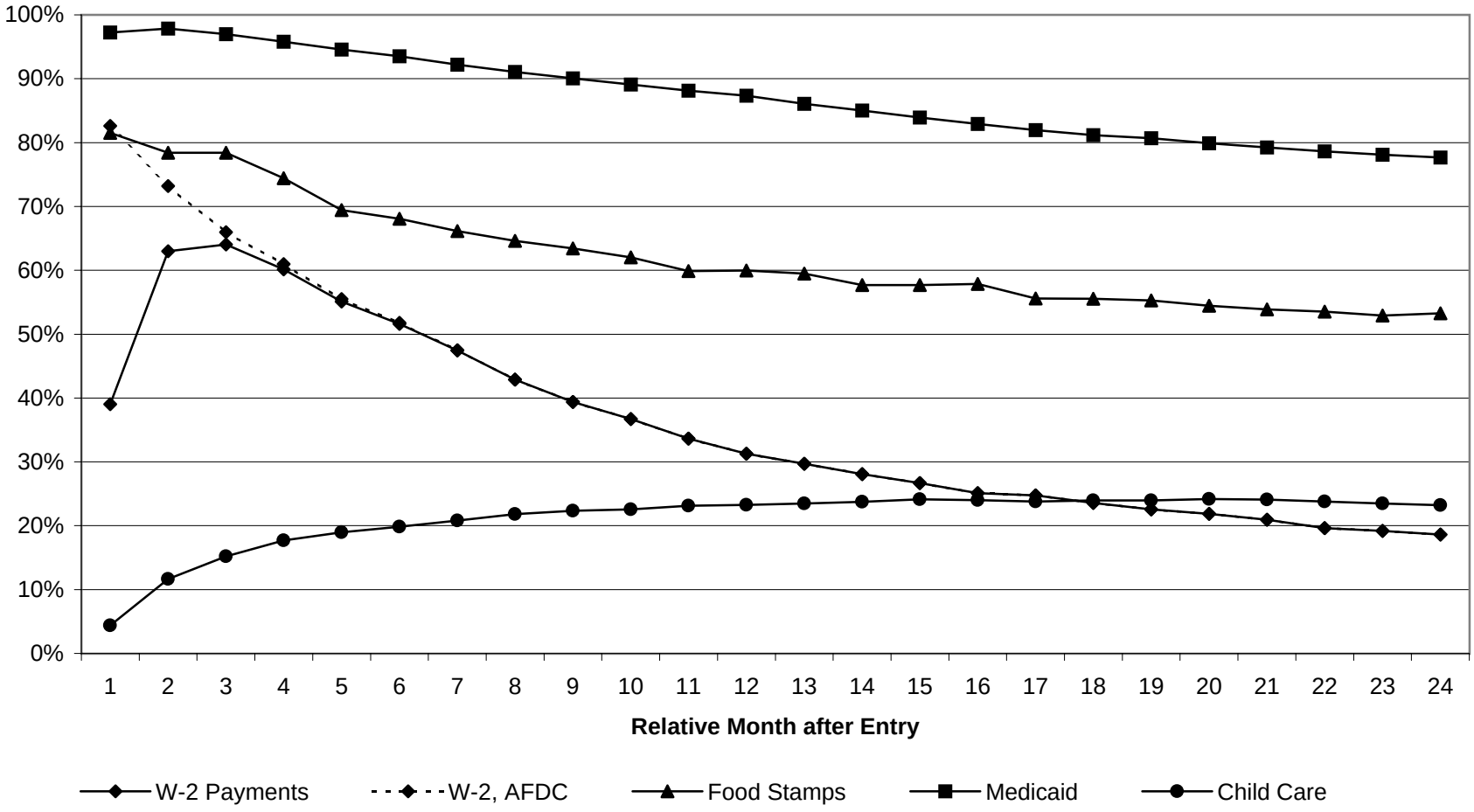
Program Participation Dynamics and Tier Transitions in W-2

Whereas Figure II.4.1 shows whether mothers in our sample participated in each program at any point in the first or second year after entering W-2, Figure II.4.3 illustrates program participation by month, beginning in the month of entry, and follows each participant for 24 months. The top line in Figure II.4.3 shows that Medicaid coverage fell fairly steadily throughout the period, but even 23 months after entry, 78 percent of resident-mother families had at least one person covered by Medicaid. Figure II.4.4 shows that participation rates were lower for mothers than for their children. At entry 89 percent of mothers were covered, and 93 percent had at least one child with coverage. Twenty-three months later, 66 percent of mothers had coverage for themselves, but 77 percent had at least once child covered. Returning to Figure II.4.3, Food Stamp receipt also starts high—at over 80 percent—and falls substantially, to 53 percent two years later. Participation in W-2 cash assistance starts at a lower level, though the proportion receiving either W-2 or AFDC is initially higher. But, receipt of any cash assistance falls steeply; by the 24th month less than one in five participants is receiving any cash payments. The final line in Figure II.4.3 shows receipt of the child care subsidy. Participation rises

[10]Perhaps women who have a history of combining small amounts of earnings with cash assistance are more likely to know that they remain eligible for Food Stamps and Medicaid even when they are off cash assistance, while those without this history may believe that work and public assistance cannot be combined. Another possibility is that those without an earnings history (determined by the lack of an earnings record in a Wisconsin database) are recent migrants to Wisconsin and might be more likely to leave Wisconsin again, thus not appearing in the Wisconsin-based Food Stamps or Medicaid records. Another possibility follows from the idea that the two most common routes out of AFDC receipt are work and marriage/partnering. If women with former work experience are likely to leave through work, and those without former work experience more likely to leave through marriage, then perhaps those without recent work experience would be less likely to receive other public assistance. In future work we may explore these potential explanations.

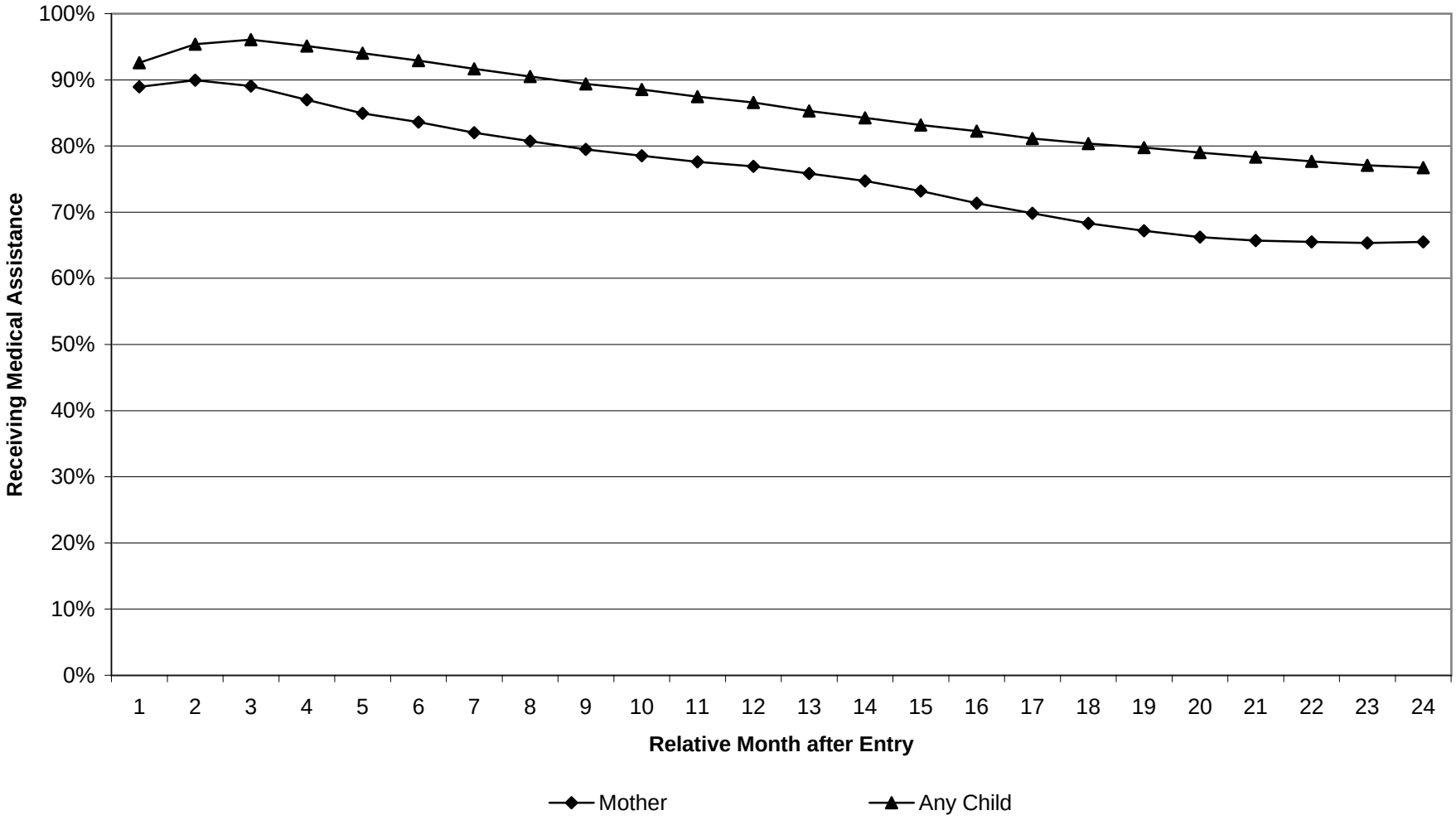
[11]To increase comparability, the sample for the child care analysis is the same as the samples for the other columns. We also analyzed use of child care subsidy only among those with younger children and found similar results.

Figure II.4.3
Change in Percentage of Resident Mothers Receiving Any Government Payments



Sample: 12,502 experimental-group resident mothers. **Data:** CARES.

Figure II.4.4
Comparison of Mothers' and Children's Medicaid and BadgerCare Receipt



Sample: 12,502 experimental-group resident mothers. **Data:** CARES.

rapidly in the first 4 months of the program and then levels off. By the 24th month after entry, 23 percent of the mothers in our sample are receiving child care subsidies.

Although participation in each program varies over time, costs per participant are relatively stable over time. Figure II.4.5 shows that the most costly program was child care subsidies; relatively few members of our sample participate, but average costs per participant were about $900 to $1000 per month. In contrast, W-2 payments averaged about $500 per month, Food Stamp payments about $300 per month, and the cost to government of participation in Medicaid about $400 per month.

Because W-2 has an explicit self-sufficiency "ladder," we can examine participation dynamics in the cash and noncash tiers of W-2 in more detail. Figure II.4.6 shows the proportion of participants in each W-2 tier at the end of each three-month period, beginning the third month after entry.[12] The distributions illustrated in Figure II.4.6 reflect returns to cash assistance; they also show transitions among cash-assistance tiers.

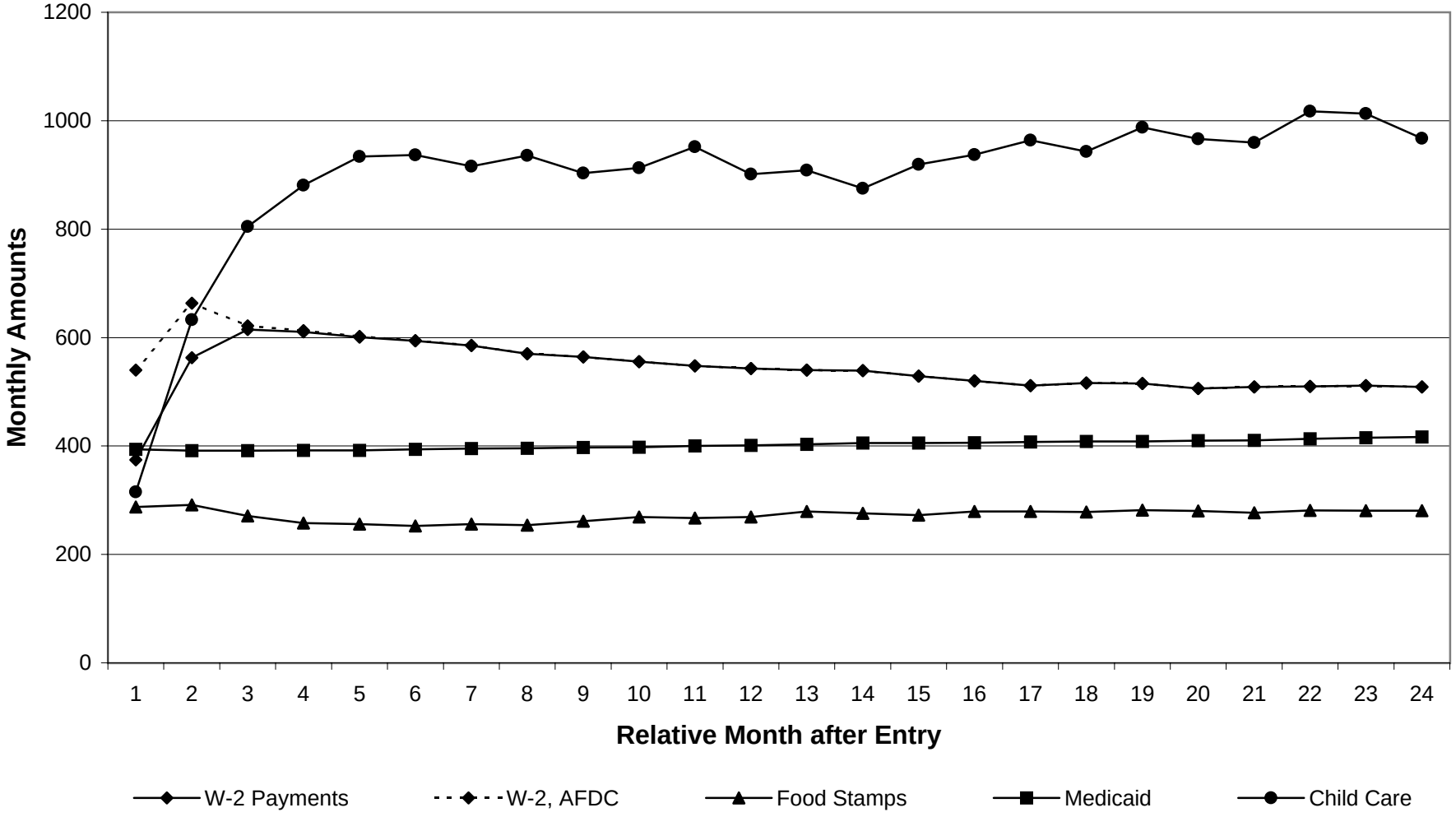
Figure II.4.6a shows the distribution of participation for the full sample. At the end of the third month, 6 percent of all cases were off W-2, 34 percent were in an upper tier, 44 percent in a CSJ, 9 percent in W-2 T, and 7 percent in the Caretaker of Newborn program. Over the 24 months, most participants move off the W-2 program. The proportion in upper tiers and in CSJ declines dramatically, so that only about 10 percent of cases are in each of those tiers. Participation in Caretaker of Newborns also declines sharply—though it started at substantially lower levels. In contrast, participation in W-2 T remains fairly stable.

The remaining panels of Figure II.4.6 show participation patterns by tier of entry. Figure II.4.6b shows that relatively few women who entered in W-2 T are participating in a CSJ or upper tier at any point in time. By the ninth month after entry, most of those who are no longer in W-2 T are off the program completely; by the end of the 24th month, 71 percent are off, 6 percent are in an upper tier, 7 percent are in a CSJ, 15 percent are in W-2 T, and 1 percent are participating in the Caretaker of Newborn program. Figure II.4.6c shows that a somewhat greater proportion of all cases entering in CSJ participate in an upper tier. It also shows a small but growing level of participation in W-2 T—a move "down" the self-sufficiency ladder. By the end of the 24th month, just under a fourth of cases initially in CSJ (Figure II.4.6c) and W-2 T (Figure II.4.6b) are still receiving cash assistance. However, those who entered in a CSJ are somewhat more likely to be in an upper tier rather than off the program entirely. Initial analysis of the correlates of tier transitions suggests that some of the differences in transitions patterns from CSJ and W-2 T is associated with regional variation in assignment patterns.

Figure II.4.6d shows the later W-2 participation of cases that entered in the Caretaker of Newborn program. Almost all these participants have left the program by the end of the sixth month (the official maximum participation is 12 weeks). Few move to W-2 T, suggesting that this program, which allows fewer hours of participation but also provides somewhat lower payments than CSJ, is not generally used by mothers when they "age out"of the Caretaker of Newborn program. In fact, women

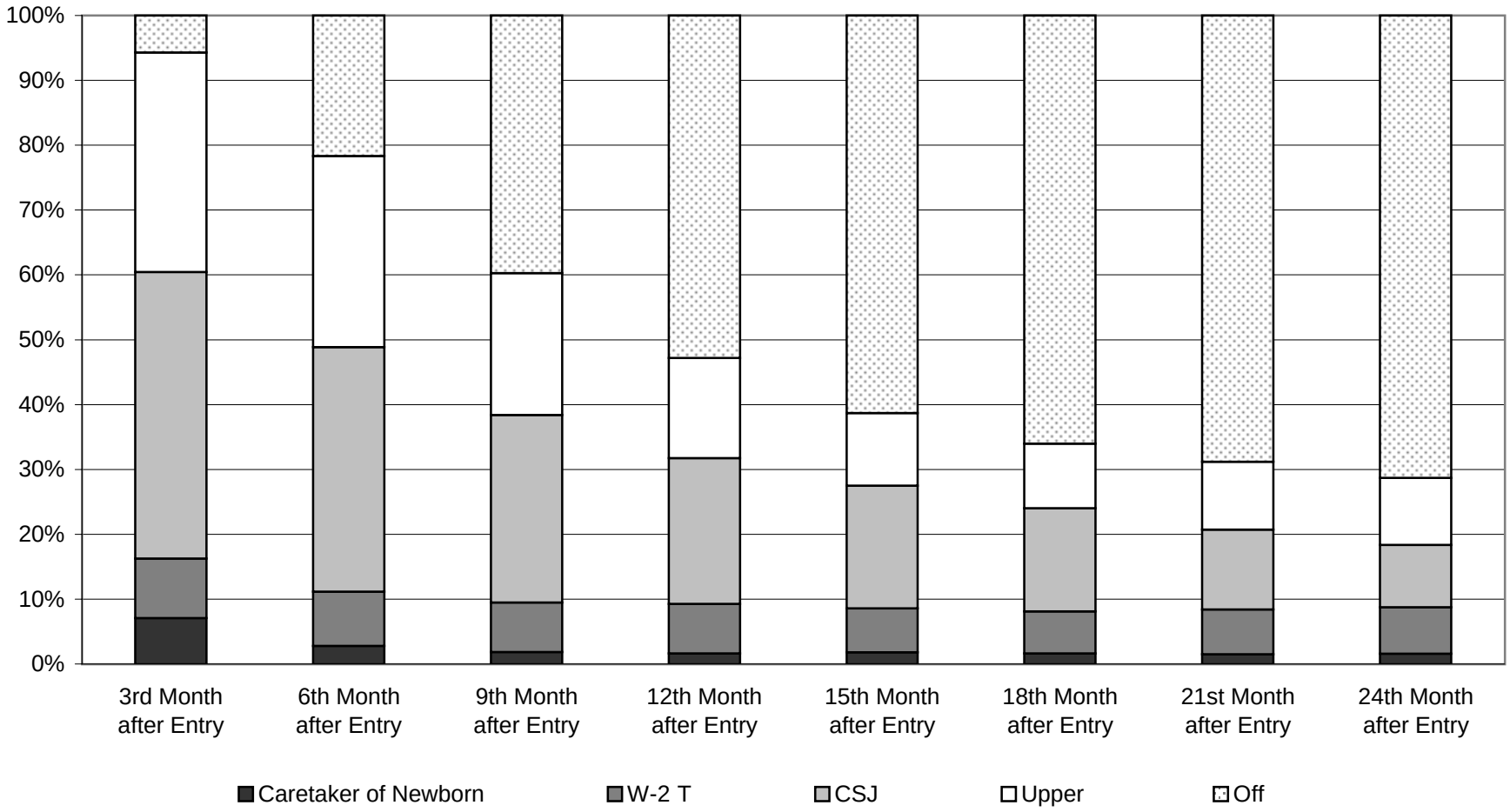
[12]Figure II.4.6 ignores transitions within a quarter and does not show separately those who leave a tier and then return (but see the survival rates illustrated in Figure II.4.7, below). Some participants make more than one transition, including multiple transitions between lower tiers (where they receive a cash payment) and the upper tiers or off W-2 (where they do not). For example, among those entering in W-2 T, nearly one-fifth make more than one transition between cash assistance and being off cash assistance in the first 24 months after entry. Seven percent move off cash assistance (out of the lower tiers), then return; another 8 percent follow a return with another move off cash assistance, and another 3 percent make even more transitions in and out of the lower tiers.

Figure II.4.5
Change in Average Monthly Government Payment Amounts, if Positive



Sample: 12,502 experimental-group resident mothers. **Data:** CARES.

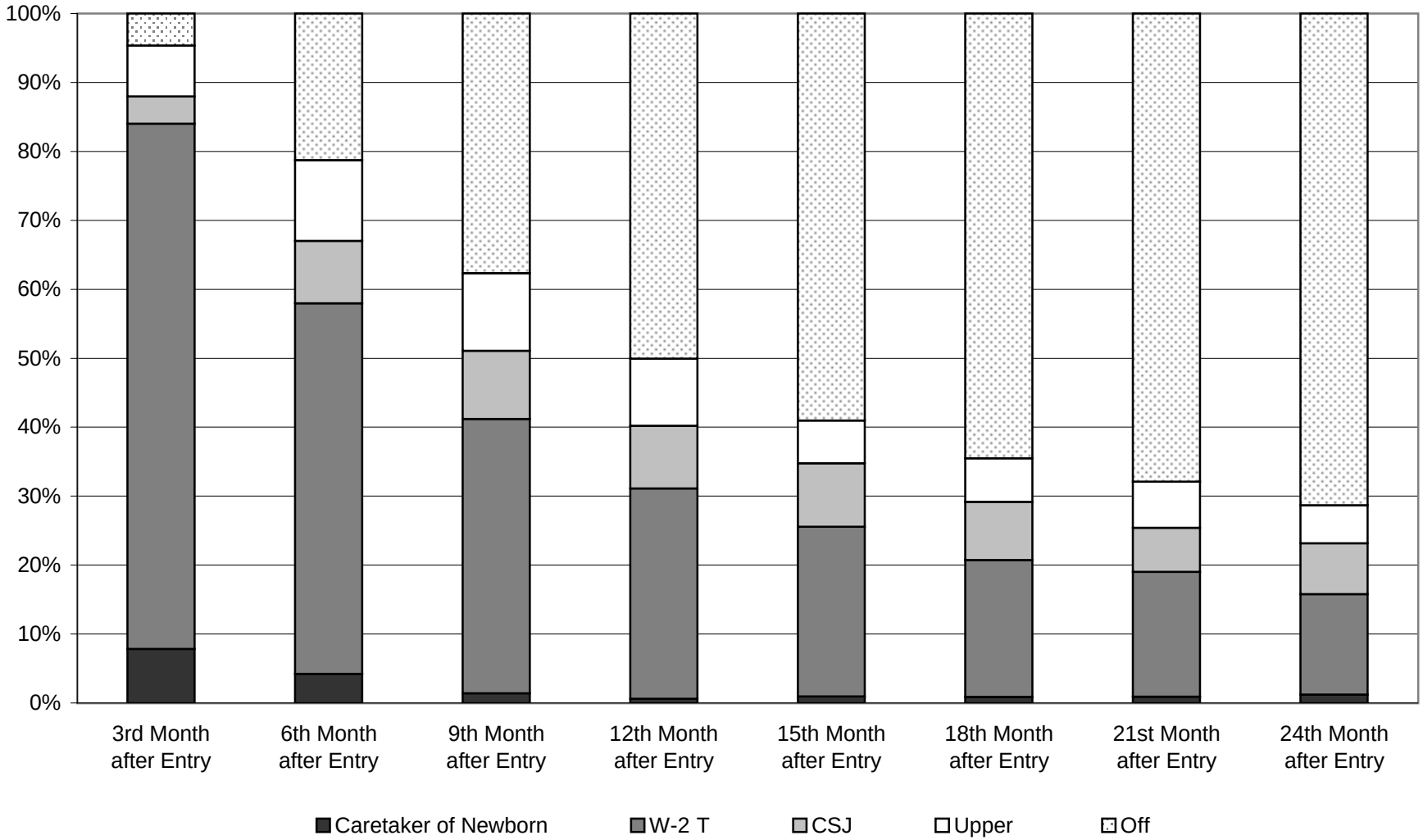
Figure II.4.6a
Tier Transitions among All W-2 Participants



Note: We exclude 48 cases whose first slot occurred in the third month after entry and 67 cases whose first placement was Case Management for Pregnancy.

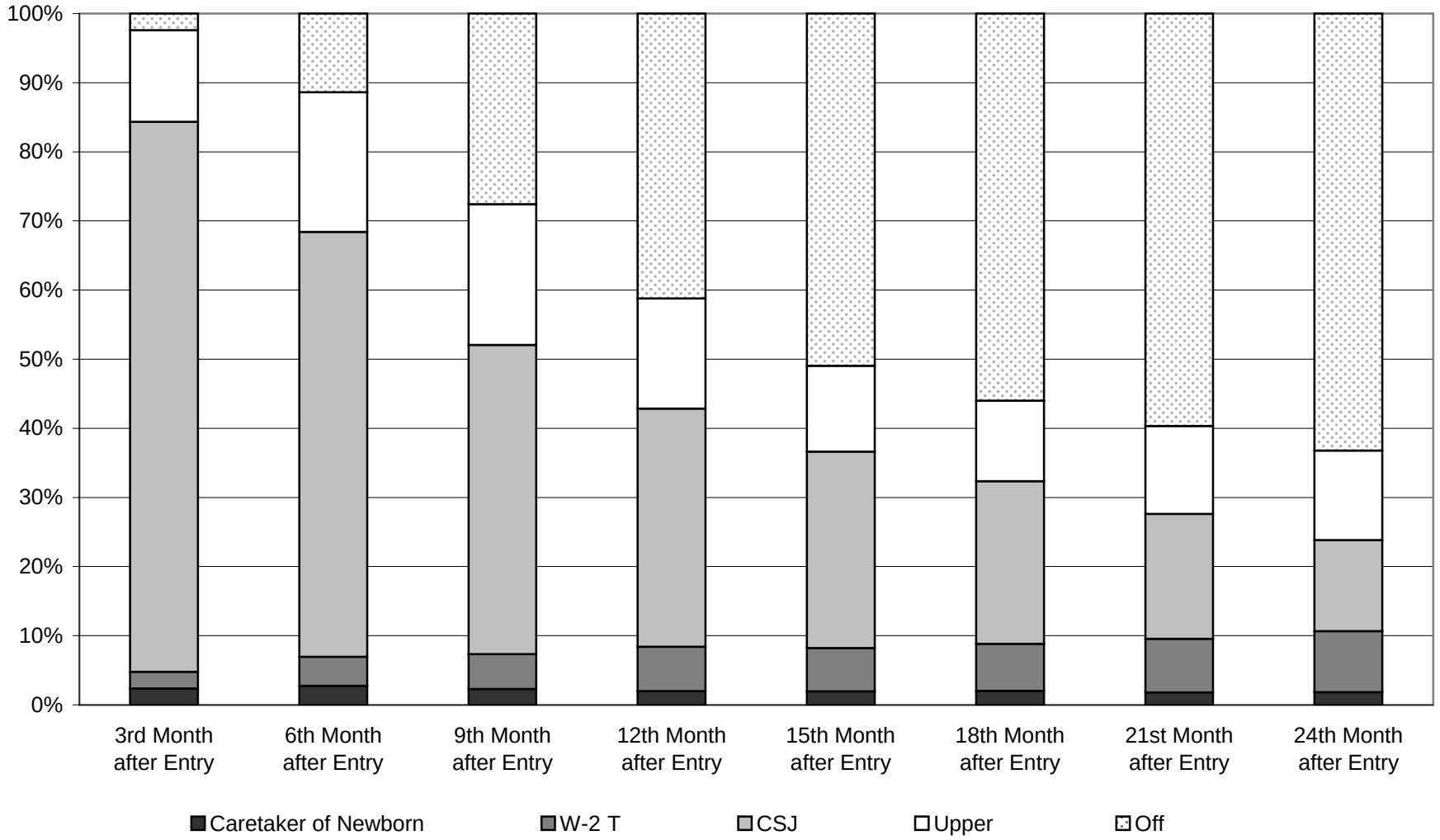
Sample: 12,387 experimental-group resident mothers. **Data:** CARES.

Figure II.4.6b
Tier Transitions among Cases Entered in W-2 Transition Job



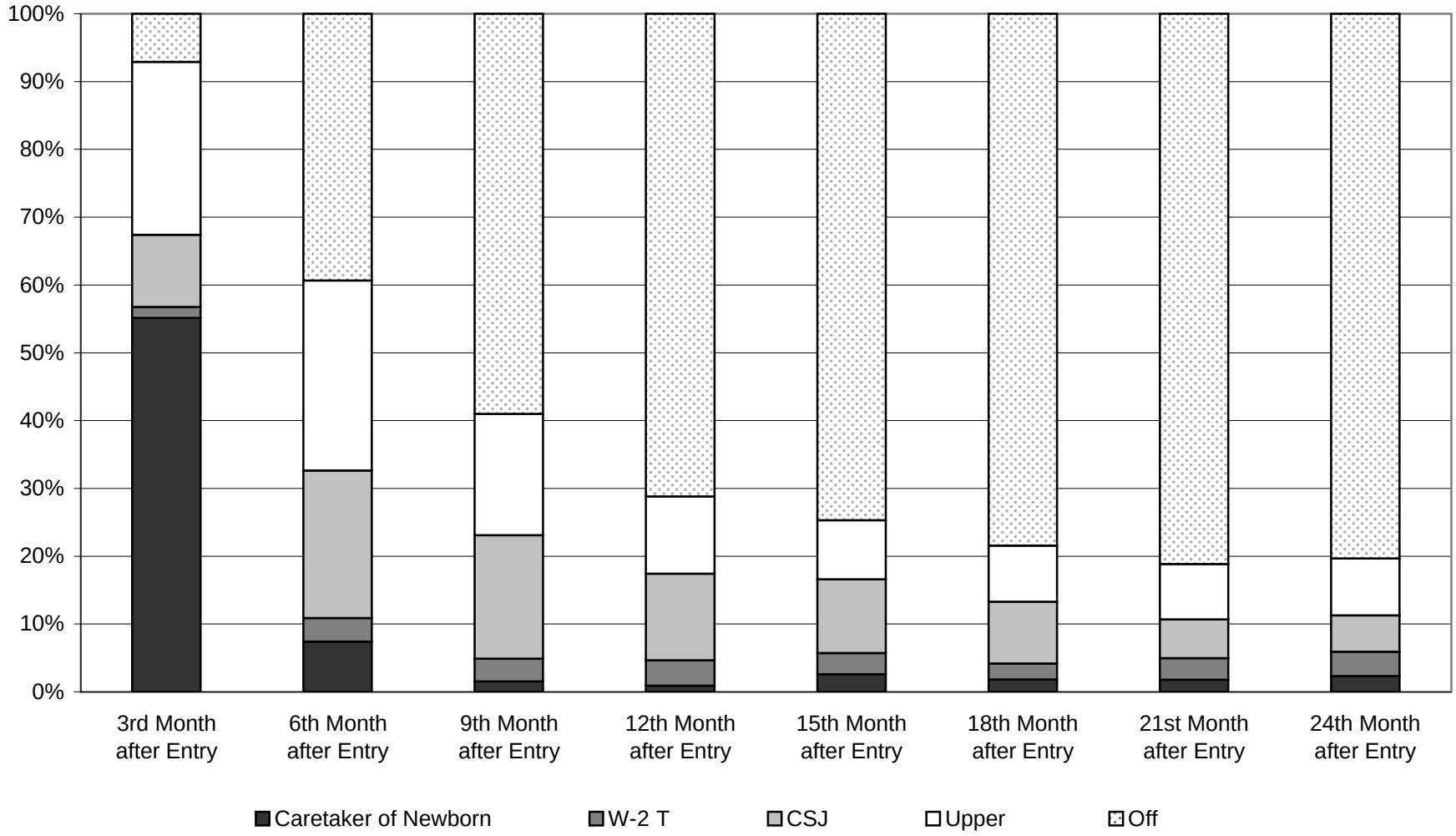
Sample: 1,197 experimental-group resident mothers who entered in the W-2 Transition Job. **Data:** CARES.

Figure II.4.6c
Tier Transitions among Cases Entered in Community Service Job



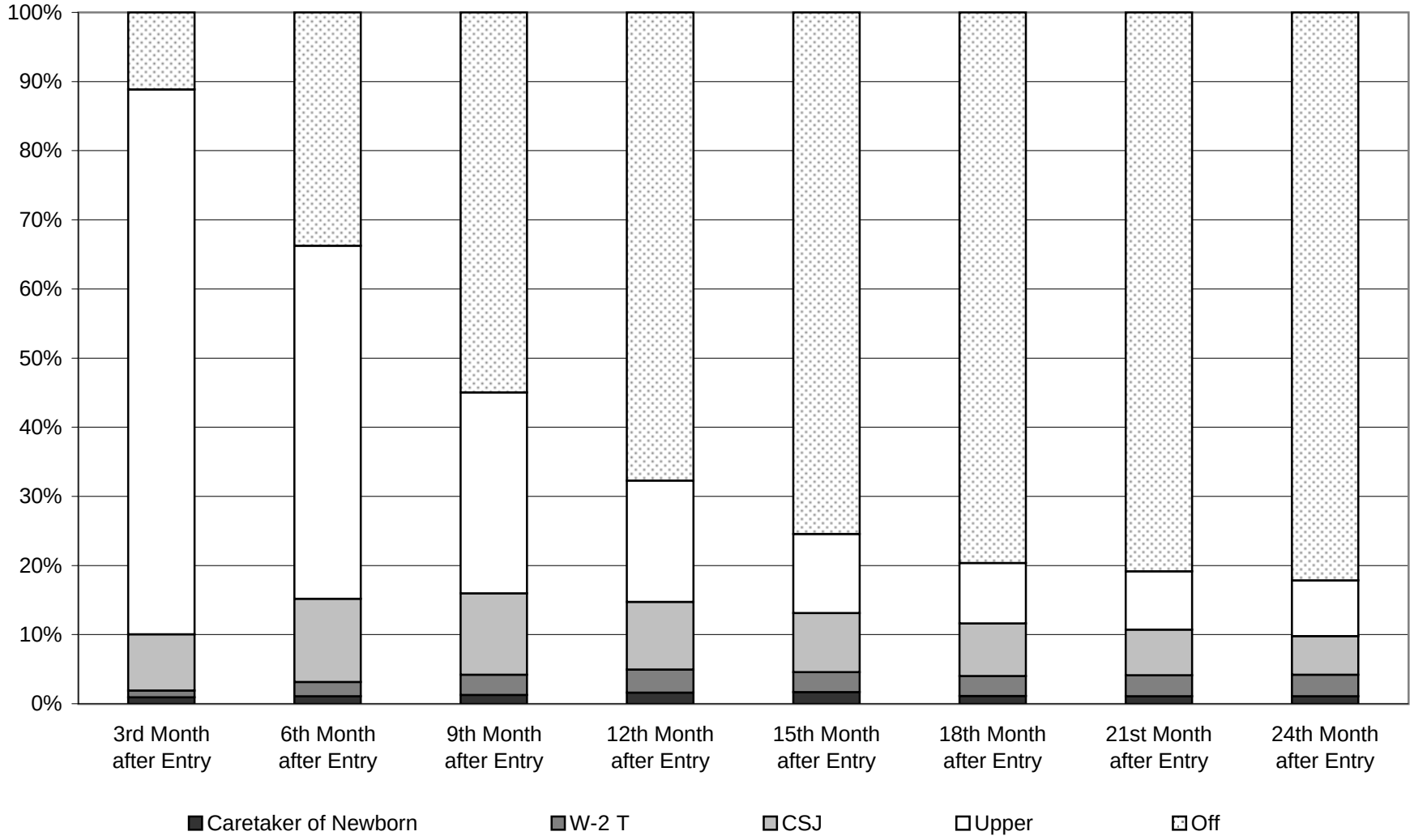
Sample: 6,320 experimental-group resident mothers who entered in CSJ. **Data:** CARES.

Figure II.4.6d
Tier Transitions among Cases Entered as Caretaker of Newborn



Sample: 1,035 experimental-group resident mothers who entered in caretaker of newborn. **Data:** CARES.

Figure II.4.6e
Tier Transitions among Cases Entered in Upper Tiers



Sample: 3,835 experimental-group resident mothers who entered in upper tiers. **Data:** CARES.

who enter in this tier tend to exit the program completely quite quickly. By the 24th month 80 percent are off and another 8 percent are in an upper tier.

Figure II.4.6e shows tier status among those cases that entered W-2 in an upper tier. Most of these soon leave W-2 entirely. However, six to 12 months after entry, about 15 percent are in a lower tier receiving cash assistance, and about 10 percent are in a lower tier in the 24th month.

An alternative approach to characterizing progress moving up the W-2 self-sufficiency ladder is to consider the time before a first move to an upper tier or off the program. Figure II.4.7 shows the time until the first move off cash assistance for women who entered W-2 in W-2 T (Figure II.4.7a) and CSJ (Figure II.4.7b) tiers. The figure shows survival rates (that is, the proportion of cases that continuously receive cash assistance) by region.[13] In contrast to the analysis in Figure II.4.6, this analysis considers the first transition only. For example, Figure II.4.7a shows that 12 months after entry only 35 percent of women who entered in W-2 T had not yet made a transition off cash assistance. About 40 percent are shown in a cash-assistance tier at the same point in Figure II.4.6b, because about 5 percent of the cases left cash assistance and then returned.

Figure II.4.7a shows that W-2 T cases moved off cash assistance more rapidly in rural and other urban counties than in Milwaukee. A similar pattern emerges among those who entered in a CSJ, as shown in Figure II.4.7b. These differences are difficult to interpret, given substantial variation in the composition of the caseload in each region and in the economic environment and other program characteristics. In work in progress, we are analyzing the correlates of patterns of tier transitions (Cancian, Meyer, and Wallace, 2000) in an effort to evaluate alternative explanations for differences in transition rates.

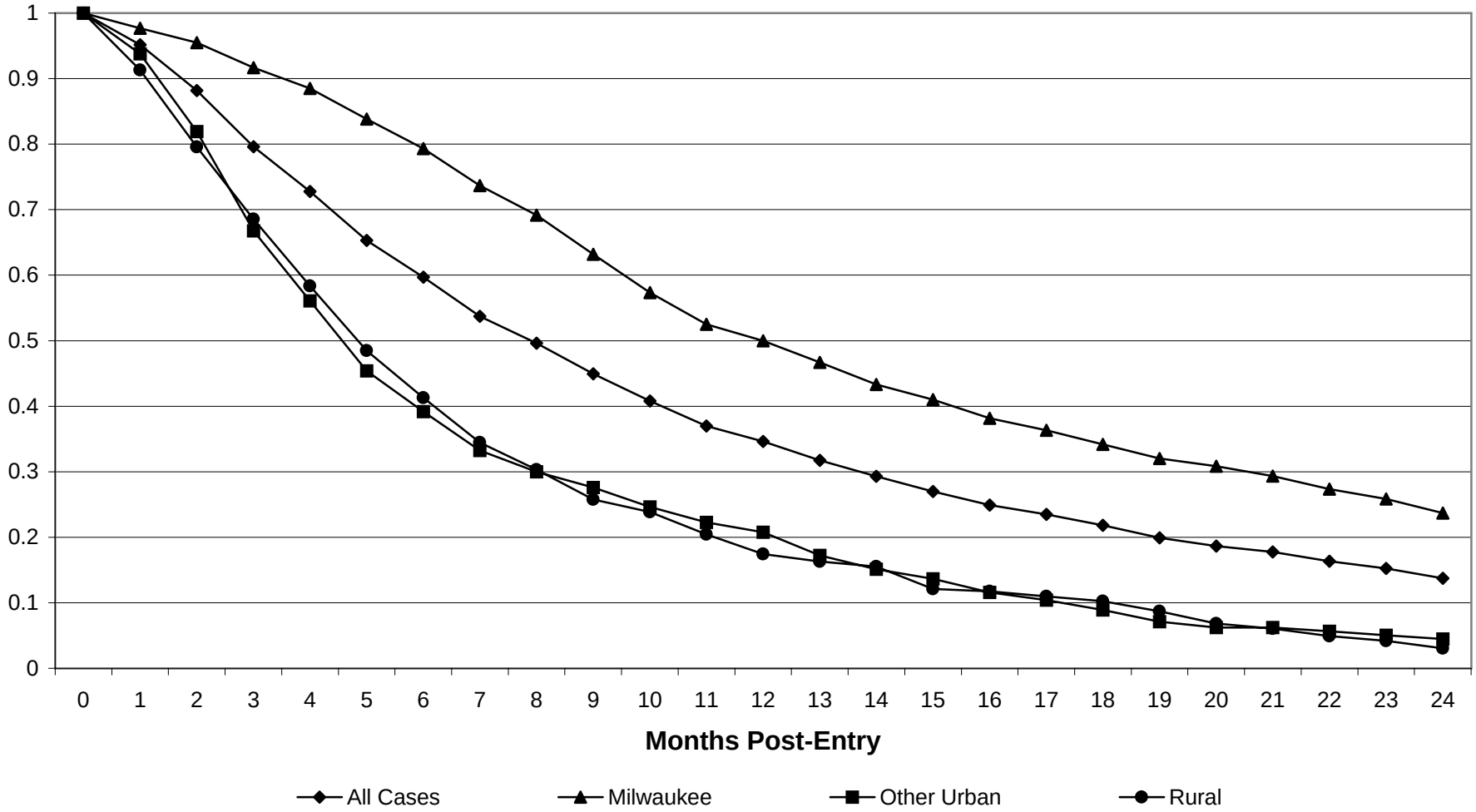
Additional Measures of Program Participation

The analyses presented above rely exclusively on administrative data. These data provide very accurate and detailed information regarding receipt of cash welfare, Food Stamps and Medicaid coverage in Wisconsin. However, the administrative data used here do not include information on public assistance received out of state, or on Unemployment Compensation, Workers' Compensation, Supplemental Security Income (SSI), Social Security, and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) benefits. Information on annual receipt of these additional programs is available from the Survey of Wisconsin Works Families, and reported in Table II.4.2.

The first panel of Table II.4.2 shows participation rates and median payments for participants by program. It includes the 1,174 mothers in the experimental group who responded to the first wave of the survey, which included questions on payments and services received in 1998. The second panel shows the same figures for the 1,129 women in the experimental group who responded to the second wave, which included questions about payments and services received in 1999. The two most common payments received are W-2 and Food Stamps. The proportion reporting any payments is lower than shown in the administrative records, but the mean and median payments among recipients are generally fairly similar to those found in the administrative data. (The comparability of survey and administrative reports is discussed in the Appendix). WIC benefits are also common—received by 54 percent of mothers in 1998 and 46 percent in 1999.

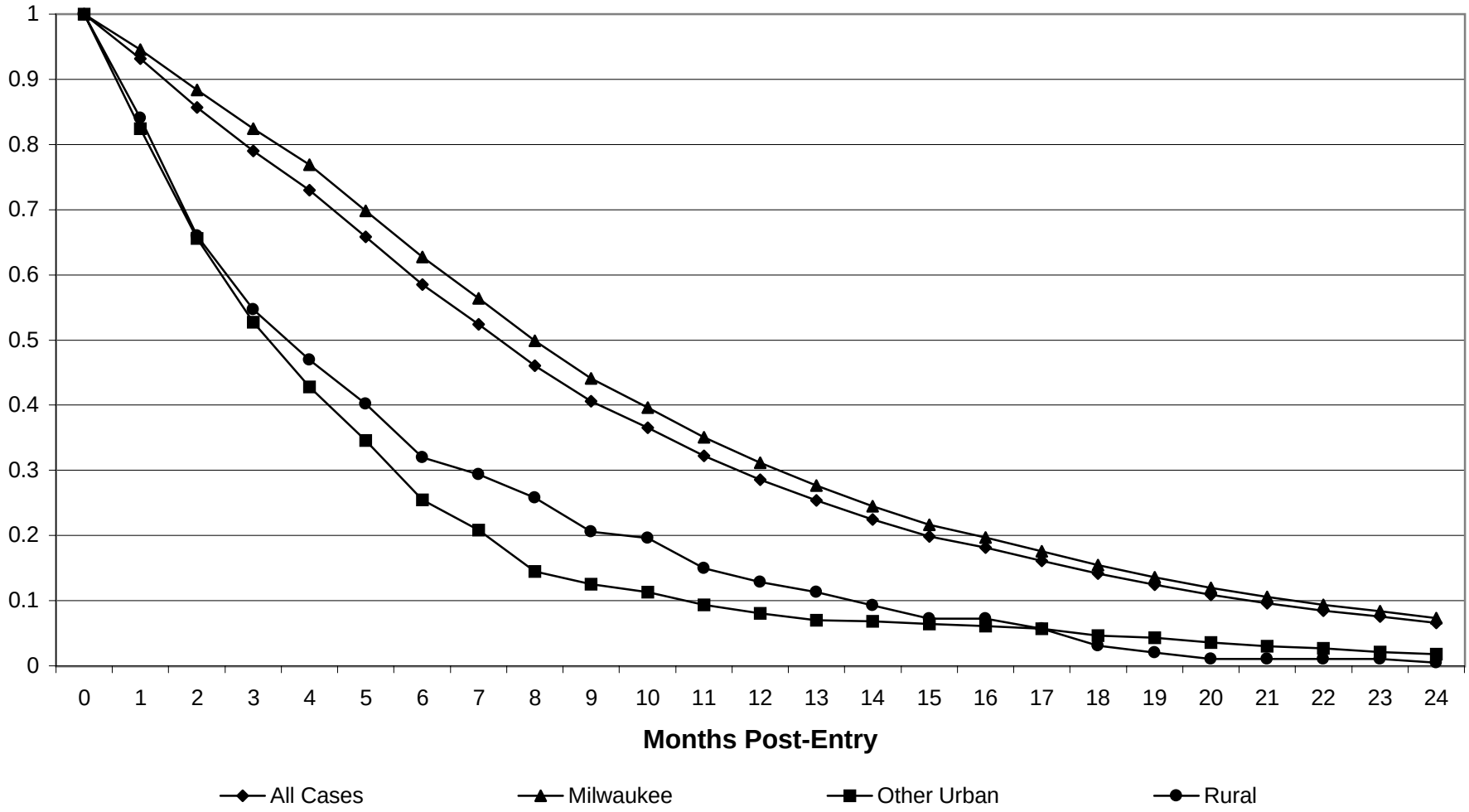
[13]In this analysis, we examine transitions from the end of one month to the end of the next, ignoring transitions that occur within a month.

Figure II.4.7a
Survival Function of First Moving to Upper Tiers or Off W-2 among Cases Entered in W-2T



Sample: 1,201 experimental-group resident mothers who entered in W-2 Transition Job. **Data:** CARES.

Figure II.4.7b
Survival Function of First Moving to Upper Tiers or Off W-2 among Cases Entered in CSJ



Sample: 6,353 experimental-group resident mothers who entered in CSJ. **Data:** CARES.

Table II.4.2
Receipt of Government Payments from Survey Data

	With Payment	Median Amounts for > 0
(1) In 1998	(N=1,174)	
W-2/AFDC	61.5%	$4,038
Food Stamps	83.8	1,800
Unemployment Compensation	7.4	1,000
Workers' Compensation	1.8	550
SSI	4.0	5,796
SS	2.4	2,370
WIC	54.4	52
None	5.3	
(2) In 1999	(N=1,129)	
W-2/AFDC	35.2%	$3,600
Food Stamps	73.1	1,824
Unemployment Compensation	10.0	1,096
Workers' Compensation	2.4	564
SSI	3.6	6,000
SS	4.3	2,988
WIC	45.6	52
None	13.2	

Note: For respondents who reported not knowing if they received payments, we assumed they received no payments if less than 10% of survey respondents reported any receipts from that source. For those who received a payment but did not know how much it was, we substituted median amounts based on those who provided a dollar amount except in the case of W-2 and Food Stamps, for which we excluded cases with missing information.

Sample: T1 experimental-group survey mothers (N=1,174) and T2 experimental-group survey mothers (N=1,129).

No other program is received by more than 10 percent of the sample, but, as shown in the second column, payment levels can be substantial for those who do receive them. The program that provides the highest median benefit level is SSI; only about 4 percent of our sample receives SSI, but median annual benefits are reported to be about $6,000. Social Security payments are reported by 2.4 percent in 1998 and 4.3 percent in 1999, with median payments rising from about $2,400 to almost $3,000. Unemployment Compensation is received by a somewhat larger portion of our sample—7 percent in 1998 and 10 percent in 1999—but payments are lower, $1,000 in the first year and $1,096 in the second. Workers' Compensation payments are fairly uncommon, and median annual payments are reported to be less than $600. Considering all these programs together, 95 percent of mothers reported receiving at least one in 1998; in 1999, the percentage was still quite high at 87 percent.

Overall, the survey results reported in Table II.4.2 suggest that by using administrative data on cash assistance and Food Stamps we are able to capture the bulk of assistance received by most families. However, because our current administrative data do not include other programs, we are missing a sizable income source for the fairly small proportion of cases that participate in other programs. The omission appears to be particularly serious in the case of SSI, though Social Security and Unemployment Compensation are also important.[14]

Conclusions and Next Steps

Since implementation of W-2, there have been dramatic declines in the number of families receiving cash assistance. In this chapter we have shown the relationships between receipt of W-2 cash payments and other major programs. The patterns of program participation indicate that many women who leave cash welfare continue to receive Food Stamps and Medicaid. We also find that participation in multiple programs is quite common: In the second year after entry, when many women have left W-2 cash assistance, the vast majority continue to receive Food Stamps, Medicaid, or both payments. These findings are consistent with our previous work (Cancian et al., 2000) examining the program participation patterns of welfare leavers. In those analyses we also find high levels of participation in Food Stamps and Medicaid, perhaps higher than those in other states (see Isaacs and Lyon, 2000).

We also consider participants' movements up and down the W-2 self-sufficiency ladder. Most women move off W-2 quite quickly, and while it does not appear that most women make use of all the "steps" on the ladder, movements down the ladder are relatively uncommon.

In the context of time-limited cash payments, there is growing interest in understanding the pace of women's transitions off cash assistance, and the relationship between cash assistance and the receipt of other means-tested programs. Wisconsin provides an especially interesting case study because the explicit self-sufficiency ladder structure makes it possible to analyze a variety of measures of progress beyond simply the receipt, or not, of cash payments.

[14]We hope to add both SSI and Unemployment Compensation payments to our merged administrative data in the future.

Appendix

Comparability of Administrative and Survey Reports of Program Participation

In this chapter we rely principally on administrative data on program participation. The Survey of Wisconsin Works Families provides an additional source of information which covers a broader range of benefits. In this appendix we compare reports of the receipt of W-2 cash assistance and Food Stamps, using data from the survey for 1998 and 1999 and matched administrative records for the same period.

Appendix Table II.4.5 shows participation rates and mean and median payments levels across data sources and samples. The first column shows payments from the administrative data for all 12,502 experimental-group resident mothers included in our sample. The second column uses the same source of data, but shows the results only for mothers who also responded to the survey. Participation rates and mean and median payment levels are similar for the two samples—for example, 80.2 percent of the full sample received some cash payments in 1998 compared to 79.5 percent of the survey respondent sample.

The third column of results includes the same sample as the second, but it relies on survey reports rather than administrative records. A comparison of the second and third columns suggests substantial underreporting in the survey of participation in cash assistance and Food Stamps. For example, while administrative records show that 79.5 percent of survey respondents received cash payments, only 61.5 percent of these same respondents reported any receipt. Among those who report any participation, reports of payments received are generally *higher* in the survey for W-2, though not for Food Stamps. The higher report of payments is in part due to underreporting of participation among those with relatively low payments. This can be seen by looking at the final column of Appendix Table II.4.5, which shows the level of payments recorded in administrative data among survey respondents who report receiving any benefits. For those with payments reported in both data sources, payment levels are generally fairly close.

Appendix Table II.4.6 provides an alternative summary of the comparability of survey and administrative reports. Only cases for which we have information from both survey and administrative sources are included in the table, which compares reports from the two sources on an individual level. The first columns shows reports of W-2 and Food Stamp payments in 1998. Forty-four percent of survey reports were at least $250 below the payments recorded in administrative records, while in 27 percent of cases survey reports were at least $250 *above* administrative reports. In the remaining cases, survey and administrative reports were within $250—though in most this reflected both sources reporting no payments (19 percent).

Appendix Table II.4.1

Likelihood of Receiving W-2 Payments in First and Second Year after Entry

	First Year after Entry			Second Year after Entry		
Independent Variables	Coeff.	Std. Error	P-value	Coeff.	Std. Error	P-value
Age of Resident Parent (compared to 16- 25 years)						
26- 30	-0.175	0.057	**0.002**	-0.100	0.036	**0.005**
31- 40	-0.015	0.062	0.814	0.005	0.038	0.892
41+	-0.136	0.107	0.203	0.062	0.062	0.314
Education of Resident Parent (compared to less than HS)						
High school diploma or equivalent	-0.207	0.043	**<0.0001**	-0.267	0.027	**<0.0001**
Beyond high school	-0.310	0.067	**<0.0001**	-0.361	0.045	**<0.0001**
Race of Resident Parent (compared to white)						
African American	0.408	0.063	**<0.0001**	0.279	0.040	**<0.0001**
Hispanic	0.013	0.088	0.879	0.021	0.058	0.721
Other	0.219	0.106	**0.039**	0.051	0.070	0.466
Unknown	0.113	0.127	0.375	0.104	0.077	0.173
Language of Resident Parent (compared to non-English)						
English	-0.094	0.137	0.495	0.031	0.079	0.693
Age of Youngest Child (compared to 1- 2)						
Unborn child at baseline	1.060	0.094	**<0.0001**	0.003	0.043	0.946
3- 5	0.003	0.054	0.955	0.025	0.035	0.471
6- 12	-0.043	0.062	0.487	-0.011	0.039	0.774
13- 17	-0.182	0.118	0.123	-0.085	0.068	0.209
Number of Children (compared to 0 or 1)						
2 children	-0.109	0.054	**0.044**	-0.034	0.032	0.290
3+	-0.135	0.057	**0.018**	-0.068	0.034	**0.046**
Household Structure (compared to live with other adults)						
Resident parent is only adult	0.133	0.045	**0.003**	0.088	0.027	**0.001**
AFDC Receipt in 24 Months before Entry (compared to 0)						
1- 6 months	-0.129	0.098	0.189	-0.064	0.058	0.266
7- 18 months	-0.146	0.085	0.085	0.092	0.049	0.063
19- 24 months	-0.149	0.088	0.089	0.241	0.051	**<0.0001**

Appendix Table II.4.1, continued

Independent Variables	First Year after Entry Coeff.	Std. Error	P-value	Second Year after Entry Coeff.	Std. Error	P-value
Child Support History before Entry (compared to 0)						
$1- $999	-0.013	0.058	0.823	-0.094	0.036	**0.009**
$1,000+	-0.125	0.059	**0.034**	-0.160	0.037	**<0.0001**
Child Support Order at Entry (compared to no order)						
Have a child support order	-0.033	0.051	0.517	0.018	0.030	0.547
Earnings in the 8 Quarters before Entry (compared to 0)						
$1- $5,000	-0.160	0.069	**0.021**	-0.141	0.032	**<0.0001**
$5,000- $15,000	-0.535	0.085	**<0.0001**	-0.475	0.049	**<0.0001**
$15,001+	-0.341	0.214	0.112	-0.818	0.179	**<0.0001**
Initial W-2 Assignment (compared to upper tier)						
W-2 T and CSJ	2.906	0.067	**<0.0001**	0.635	0.028	**<0.0001**
Caretaker of Newborn	2.981	0.150	**<0.0001**	0.348	0.053	**<0.0001**
Location (compared to rural counties)						
Y-Works Agency	0.229	0.118	0.052	0.524	0.076	**<0.0001**
UMOS Inc. Agency	0.475	0.103	**<0.0001**	0.534	0.071	**<0.0001**
OLC-GM Agency	0.299	0.107	**0.005**	0.595	0.073	**<0.0001**
Goodwill-Employment Solutions, Region 4	0.269	0.110	**0.014**	0.617	0.072	**<0.0001**
Goodwill-Employment Solutions, Region 5	0.168	0.108	0.120	0.454	0.072	**<0.0001**
Maximus Agency	0.399	0.100	**<0.0001**	0.611	0.069	**<0.0001**
Other Urban Counties	-0.093	0.090	0.302	-0.105	0.063	0.097
Unemployment Rate in 1998 or 1999 (compared to low)						
Middle (3.1- 5.0)	-0.136	0.079	0.087	-0.158	0.055	**0.004**
High (5.1+)	-0.021	0.151	0.888	0.009	0.110	0.938
Assignment Regime (compared to early)						
Middle	-0.030	0.111	0.787	-0.099	0.061	0.103
Late	0.139	0.142	0.326	-0.082	0.072	0.259
Intercept	-0.006	0.189	0.975	-0.858	0.114	**<0.0001**

Notes: Dependent variable ('0' = no W-2 payments received, '1' = received W-2 payments). Probability values of 0.05 or less are shown in bold type.

Sample: 12,467 experimental-group resident mothers. **Data:** CARES.

Appendix Table II.4.2
Likelihood of Receiving Food Stamps in First and Second Year after Entry

	First Year after Entry			Second Year after Entry		
Independent Variables	Coeff.	Std. Error	P-value	Coeff.	Std. Error	P-value
Age of Resident Parent (compared to 16- 25 years)						
26- 30	0.299	0.075	**<0.0001**	-0.008	0.041	0.839
31- 40	0.538	0.090	**<0.0001**	0.063	0.044	0.154
41+	0.652	0.158	**<0.0001**	0.190	0.072	**0.008**
Education of Resident Parent (compared to less than HS)						
High school diploma or equivalent	-0.040	0.050	0.430	-0.143	0.031	**<0.0001**
Beyond high school	0.043	0.087	0.622	-0.262	0.047	**<0.0001**
Race of Resident Parent (compared to white)						
African American	0.242	0.074	**0.001**	0.233	0.043	**<0.0001**
Hispanic	0.216	0.116	0.063	-0.056	0.063	0.373
Other	-0.228	0.111	**0.040**	-0.017	0.073	0.819
Unknown	0.000	0.114	0.998	-0.042	0.082	0.606
Language of Resident Parent (compared to non-English)						
English	-0.093	0.188	0.619	-0.044	0.090	0.623
Age of Youngest Child (compared to 1- 2)						
Unborn child at baseline	0.294	0.076	**0.000**	0.202	0.050	**<0.0001**
3- 5	0.234	0.075	**0.002**	-0.065	0.041	0.115
6- 12	0.273	0.098	**0.006**	-0.098	0.046	**0.032**
13- 17	0.061	0.157	0.701	-0.173	0.077	**0.025**
Number of Children (compared to 0 or 1)						
2 children	0.396	0.058	**<0.0001**	0.163	0.036	**<0.0001**
3+	0.661	0.074	**<0.0001**	0.328	0.039	**<0.0001**
Household Structure (compared to live with other adults)						
Resident parent is only adult	0.460	0.046	**<0.0001**	0.068	0.030	**0.025**
AFDC Receipt in 24 Months before Entry (compared to 0)						
1- 6 months	0.112	0.077	0.145	0.060	0.055	0.276
7- 18 months	0.323	0.072	**<0.0001**	0.241	0.049	**<0.0001**
19- 24 months	0.544	0.080	**<0.0001**	0.539	0.052	**<0.0001**
Child Support History before Entry (compared to 0)						
$1- $999	-0.101	0.077	0.190	-0.065	0.044	0.136
$1,000+	-0.224	0.080	**0.005**	-0.183	0.043	**<0.0001**

Appendix Table II.4.2, continued

Independent Variables	First Year after Entry Coeff.	Std. Error	P-value	Second Year after Entry Coeff.	Std. Error	P-value
Child Support Order at Entry (compared to no order)						
Have a child support order	0.114	0.061	0.063	0.152	0.036	**<0.0001**
Earnings in the 8 Quarters before Entry (compared to 0)						
$1- $5,000	0.131	0.063	**0.037**	0.083	0.038	**0.027**
$5,000- $15,000	0.262	0.092	**0.005**	0.026	0.053	0.618
$15,001+	0.707	0.414	0.088	-0.467	0.143	**0.001**
Initial W-2 Assignment (compared to upper tier)						
W-2 T and CSJ	0.192	0.053	**0.000**	0.120	0.032	**0.000**
Caretaker of Newborn	0.208	0.078	**0.007**	0.071	0.054	0.190
Location (compared to rural counties)						
Y-Works Agency	0.148	0.131	0.260	0.290	0.078	**0.000**
UMOS Inc. Agency	0.203	0.114	0.076	0.279	0.070	**<0.0001**
OLC-GM Agency	-0.031	0.116	0.792	0.352	0.074	**<0.0001**
Goodwill-Employment Solutions, Region 4	-0.013	0.115	0.909	0.355	0.074	**<0.0001**
Goodwill-Employment Solutions, Region 5	-0.013	0.115	0.911	0.338	0.073	**<0.0001**
Maximus Agency	0.214	0.109	0.051	0.349	0.068	**<0.0001**
Other Urban Counties	0.089	0.089	0.315	0.026	0.057	0.642
Unemployment Rate in 1998 or 1999 (compared to low)						
Middle (3.1- 5.0)	0.203	0.081	**0.012**	0.054	0.051	0.288
High (5.1+)	-0.114	0.139	0.413	0.159	0.102	0.122
Assignment Regime (compared to early)						
Middle	-0.085	0.088	0.337	0.051	0.062	0.411
Late	0.072	0.112	0.522	0.136	0.074	0.065
Intercept	0.083	0.223	0.710	-0.080	0.119	0.502

Notes: Dependent variable ('0' = no food stamps received, '1' = received food stamps). Probability values of 0.05 or less are shown in bold type.

Sample: 12,467 experimental-group resident mothers. **Data:** CARES.

Appendix Table II.4.3

Likelihood of Receiving Medicaid/BadgerCare Benefits in First and Second Year after Entry

	First Year after Entry			Second Year after Entry		
Independent Variables	Coeff.	Std. Error	P-value	Coeff.	Std. Error	P-value
Age of Resident Parent (compared to 16- 25 years)						
26- 30	-0.175	0.249	0.482	-0.085	0.050	0.089
31- 40	-0.455	0.242	0.060	-0.018	0.054	0.733
41+	-0.556	0.352	0.114	0.175	0.088	**0.047**
Education of Resident Parent (compared to less than HS)						
High school diploma or equivalent	-0.057	0.186	0.758	-0.067	0.038	0.077
Beyond high school	-0.218	0.231	0.346	-0.123	0.058	**0.033**
Race of Resident Parent (compared to white)						
African American	-0.021	0.252	0.934	0.021	0.052	0.694
Hispanic	NA	NA	NA	-0.162	0.075	**0.030**
Other	-0.475	0.349	0.174	0.029	0.090	0.750
Unknown	-0.463	0.378	0.221	-0.192	0.099	0.052
Language of Resident Parent (compared to non-English)						
English	0.507	0.580	0.382	-0.126	0.107	0.239
Age of Youngest Child (compared to 1- 2)						
Unborn child at baseline	-0.077	0.252	0.760	0.152	0.065	**0.020**
3- 5	0.689	0.416	0.097	-0.146	0.051	**0.004**
6- 12	0.225	0.267	0.399	-0.277	0.054	**<0.0001**
13- 17	-0.527	0.299	0.078	-0.428	0.089	**<0.0001**
Number of Children (compared to 0 or 1)						
2 children	-0.558	0.198	**0.005**	-0.088	0.045	**0.048**
3+	-0.157	0.247	0.524	-0.084	0.047	0.076
Household Structure (compared to live with other adults)						
Resident parent is only adult	0.067	0.163	0.680	-0.080	0.038	**0.034**
AFDC Receipt in 24 Months before Entry (compared to 0)						
1- 6 months	0.598	0.259	**0.021**	0.000	0.067	0.999
7- 18 months	0.577	0.220	**0.009**	0.090	0.060	0.137
19- 24 months	1.180	0.323	**0.000**	0.403	0.064	**<0.0001**
Child Support History before Entry (compared to 0)						
$1- $999	-0.143	0.259	0.582	0.005	0.054	0.920
$1,000+	-0.443	0.246	0.072	-0.010	0.054	0.846

Appendix Table II.4.3, continued

Independent Variables	First Year after Entry Coeff.	Std. Error	P-value	Second Year after Entry Coeff.	Std. Error	P-value
Child Support Order at Entry (compared to no order)						
Have a child support order	0.156	0.223	0.485	0.186	0.043	**<0.0001**
Earnings in the 8 Quarters before Entry (compared to 0)						
$1- $5,000	-0.122	0.279	0.663	0.139	0.045	**0.002**
$5,000- $15,000	-0.313	0.297	0.292	0.129	0.064	**0.042**
$15,001+	-0.627	0.420	0.136	-0.204	0.163	0.212
Initial W-2 Assignment (compared to upper tier)						
W-2 T and CSJ	0.631	0.202	**0.002**	0.066	0.039	0.089
Caretaker of Newborn	-0.072	0.220	0.743	0.009	0.066	0.892
Location (compared to rural counties)						
Y-Works Agency	NA	NA	NA	0.296	0.093	**0.002**
UMOS Inc. Agency	NA	NA	NA	0.226	0.084	**0.007**
OLC-GM Agency	-0.147	0.338	0.664	0.451	0.090	**<0.0001**
Goodwill-Employment Solutions, Region 4	0.224	0.392	0.568	0.507	0.091	**<0.0001**
Goodwill-Employment Solutions, Region 5	-0.132	0.339	0.696	0.403	0.089	**<0.0001**
Maximus Agency	0.438	0.417	0.294	0.344	0.083	**<0.0001**
Other Urban Counties	0.251	0.266	0.345	-0.070	0.068	0.300
Unemployment Rate in 1998 or 1999 (compared to low)						
Middle (3.1- 5.0)	0.231	0.255	0.366	-0.034	0.060	0.574
High (5.1+)	0.527	0.472	0.265	0.225	0.131	0.087
Assignment Regime (compared to early)						
Middle	-0.285	0.213	0.181	0.163	0.079	**0.039**
Late	-0.429	0.222	0.054	-0.013	0.087	0.884
Intercept	2.097	0.699	**0.003**	1.099	0.143	**<0.0001**

Notes: Dependent variable ('0' = no Medicaid received, '1' = received Medicaid). Probability values of 0.05 or less are shown in bold type.

Sample: 12,467 experimental-group resident mothers in second year after entry; 9,736 experimental-group resident mothers in first year after entry. We excluded cases who are Hispanic and in Y-Works and UMOS agencies since these cases all get Medicaid in the first year. **Data:** CARES.

Appendix Table II.4.4
Likelihood of Receiving Child Care Subsidies in First and Second Year after Entry

	First Year after Entry			Second Year after Entry		
Independent Variables	Coeff.	Std. Error	P-value	Coeff.	Std. Error	P-value
Age of Resident Parent (compared to 16- 25 years)						
26- 30	-0.085	0.034	**0.013**	-0.172	0.035	**<0.0001**
31- 40	-0.214	0.037	**<0.0001**	-0.285	0.037	**<0.0001**
41+	-0.276	0.072	**0.000**	-0.318	0.072	**<0.0001**
Education of Resident Parent (compared to less than HS)						
High school diploma or equivalent	0.172	0.027	**<0.0001**	0.136	0.027	**<0.0001**
Beyond high school	0.284	0.044	**<0.0001**	0.225	0.045	**<0.0001**
Race of Resident Parent (compared to white)						
African American	0.133	0.040	**0.001**	0.197	0.040	**<0.0001**
Hispanic	-0.025	0.059	0.673	-0.063	0.060	0.291
Other	-0.214	0.072	**0.003**	-0.278	0.074	**0.000**
Unknown	-0.060	0.077	0.434	-0.093	0.078	0.232
Language of Resident Parent (compared to non-English)						
English	-0.099	0.086	0.249	-0.091	0.087	0.297
Age of Youngest Child (compared to 1- 2)						
Unborn child at baseline	-0.172	0.040	**<0.0001**	0.021	0.041	0.612
3- 5	-0.260	0.033	**<0.0001**	-0.431	0.034	**<0.0001**
6- 12	-1.174	0.042	**<0.0001**	-1.237	0.043	**<0.0001**
13- 17	-1.722	0.107	**<0.0001**	-1.616	0.099	**<0.0001**
Number of Children (compared to 0 or 1)						
2 children	0.069	0.033	**0.035**	0.017	0.033	0.617
3+	0.027	0.034	0.434	0.002	0.035	0.951
Household Structure (compared to live with other adults)						
Resident parent is only adult	0.173	0.027	**<0.0001**	0.150	0.028	**<0.0001**
AFDC Receipt in 24 Months before Entry (compared to 0)						
1- 6 months	-0.038	0.054	0.485	-0.045	0.055	0.418
7- 18 months	0.073	0.048	0.123	0.079	0.048	0.103
19- 24 months	0.048	0.050	0.342	0.061	0.051	0.226
Child Support History before Entry (compared to 0)						
$1- $999	0.073	0.036	**0.045**	-0.013	0.037	0.718
$1,000+	0.019	0.037	0.611	-0.022	0.038	0.559

Appendix Table II.4.4, continued

Independent Variables	First Year after Entry Coeff.	Std. Error	P-value	Second Year after Entry Coeff.	Std. Error	P-value
Child Support Order at Entry (compared to no order)						
Have a child support order	0.082	0.031	**0.007**	0.095	0.031	**0.002**
Earnings in the 8 Quarters before Entry (compared to 0)						
$1- $5,000	0.203	0.033	**<0.0001**	0.233	0.033	**<0.0001**
$5,000- $15,000	0.274	0.049	**<0.0001**	0.314	0.049	**<0.0001**
$15,001+	0.439	0.148	**0.003**	0.312	0.152	**0.040**
Initial W-2 Assignment (compared to upper tier)						
W-2 T and CSJ	-0.084	0.028	**0.003**	-0.103	0.028	**0.000**
Caretaker of Newborn	-0.211	0.049	**<0.0001**	-0.130	0.049	**0.008**
Location (compared to rural counties)						
Y-Works Agency	0.123	0.072	0.089	0.352	0.074	**<0.0001**
UMOS Inc. Agency	-0.095	0.068	0.160	0.210	0.070	**0.003**
OLC-GM Agency	0.174	0.069	**0.011**	0.391	0.070	**<0.0001**
Goodwill-Employment Solutions, Region 4	-0.077	0.068	0.264	0.296	0.070	**<0.0001**
Goodwill-Employment Solutions, Region 5	0.007	0.068	0.921	0.386	0.070	**<0.0001**
Maximus Agency	0.115	0.065	0.076	0.399	0.067	**<0.0001**
Other Urban Counties	-0.038	0.061	0.534	0.023	0.059	0.701
Unemployment Rate in 1998 or 1999 (compared to low)						
Middle (3.1-5.0)	-0.375	0.053	**<0.0001**	-0.294	0.051	**<0.0001**
High (5.1+)	-0.247	0.103	**0.017**	-0.268	0.109	**0.014**
Assignment Regime (compared to early)						
Middle	0.133	0.059	**0.024**	0.029	0.060	0.631
Late	0.020	0.070	0.770	0.002	0.071	0.981
Intercept	0.048	0.119	0.684	-0.181	0.117	0.121

Notes: Dependent variable ('0' = No child care subsidies, '1' = received child care subsidies). Probability values of 0.05 or less are shown in bold type.

Sample: 12,467 experimental-group resident mothers. **Data:** CARES.

Appendix Table II.4.5

Comparison of W-2 Payments and Food Stamp Amounts in Administrative Records and Survey Reports

	Administrative Records for All CSDE Mothers[a]	Administrative Records for Survey Mothers[b]	Survey Reports for Survey Mothers[c]	Administrative Records for Survey Mothers >0[d]
(1) W-2 Payments/AFDC in 1998	(N=12,502)	(N=1,174)	(N=1,168)	(N=692)
Percentage with payments	80.2%	79.5%	61.5%	97.2%
Mean for > 0	$3,905	$3,873	$4,162	$4,261
Median for > 0	$3,768	$3,801	$4,038	$4,168
(2) W-2 Payments in 1999	(N=12,502)	(N=1,129)	(N=1,126)	(N=363)
Percentage with payments	43.2%	45.1%	35.2%	91.8%
Mean for > 0	$3,175	$3,022	$3,941	$3,555
Median for > 0	$2,772	$2,843	$3,600	$3,453
(3) Food Stamps in 1998	(N=12,502)	(N=1,174)	(N=1,165)	(N=968)
Percentage with payments	93.1%	93.8%	83.8%	99.6%
Mean for > 0	$2,146	$2,142	$2,101	$2,278
Median for > 0	$1,854	$1,905	$1,800	$2,023
(4) Food Stamps in 1999	(N=12,502)	(N=1,129)	(N=1,125)	(N=799)
Percentage with payments	80.9%	84.0%	73.1%	98.0%
Mean for > 0	$2,274	$2,296	$2,229	$2,533
Median for > 0	$1,984	$1,973	$1,824	$2,261

[a]Experimental-group resident mothers in administrative data (N=12,502).
[b]T1 experimental-group survey mothers (N=1,174) and T2 experimental-group survey mothers (N=1,129).
[c]We exclude cases who didn't know whether they received W-2 or Food Stamps in survey reports.
[d]T1 and T2 experimental-group survey mothers who reported W-2 payments or Food Stamps.

Appendix Table II.4.6
Differences between Survey Reports and Administrative Records

	1998	1999
Relative to Administrative Records:		
(1) W-2 Payments Reported in Survey	(N=1,168)	(N=1,126)
Underreport at least 250	44.1%	22.3%
Report within $250	10.6	6.9
Report both no receipt ($0)	18.7	52.1
Overreport at least $250	26.6	18.7
(2) Food Stamps Reported in Survey	(N=1,165)	(N=1,125)
Underreport at least $250	46.1%	47.1%
Report within $250	24.7	17.9
Report both no receipt ($0)	5.7	14.5
Overreport at least $250	23.5	20.5

Note: We exclude cases who did not know whether they received W-2 or Food Stamps in survey sample.

Sample: T1 experimental-group survey mothers and T2 experimental-group survey mothers.

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Isaacs, Julia B., and Matthew R. Lyon. 2000. "A Cross-State Examination of Families Leaving Welfare: Findings from the ASPE-Funded Leavers Studies." Paper presented at the National Association for Welfare Research and Statistics 40th Annual Workshop, Scottsdale, AZ, August 2000. <http://aspe.hhs.gov/hsp/leavers99/cross-state00/index.htm>

Chapter 5
Patterns of Labor Market Performance among Low-Income Wisconsin Single Mothers

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Introduction

This chapter reports on several aspects of the labor market performance of a sample of poor single mothers in Wisconsin. These mothers would have been potential recipients of Aid to Families with Dependent Children (AFDC) prior to the abolition of that program; at the time of our study they were participants in Wisconsin Works (W-2). We track labor market outcomes during calendar years 1998 and 1999, after the AFDC program was replaced by the W-2 program.[2]

Our sample includes single mothers who entered W-2 from the time of its initial implementation in September of 1997 until July of 1998. Consistent with most other chapters in this volume, we include only women who were eligible for the Child Support Demonstration Evaluation (CSDE), which includes about three-fourths of all W-2 participants during this period.[3] Our analysis draws on data from the Survey of Wisconsin Works Families and merged administrative records, primarily from the CARES and Unemployment Insurance (UI) reporting system.[4] Because our analysis of experimental impacts suggests fairly small effects,[5] we include women in both the experimental group and the control group in our analysis so as to maximize the sample size.

UI data provide accurate measures of quarterly earnings in employment covered by the system. No information is available, however, on hours worked, wage rates, or the occupation or skills required in employment. We use administrative data from the UI system to track earnings for the 15,977 women for whom we have administrative records. For all other outcomes we rely on the Survey of Wisconsin Works Families, for which we have information on up to 2,295 respondents in 1998 and 2,242

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[1]The authors thank Sangeun Lee for initial construction and analysis of data on mothers' earnings and income, and Sangeun Lee and David Reznichek for data analysis and research assistance for this report. A preliminary version of this report was presented at the CSDE National Advisory Board meeting, November 2000. The authors thank participants, and especially our discussants, Glen Cain and Rob Hollister, for helpful comments.

[2]W-2 replaced AFDC in September 1997. All existing AFDC cases transitioned to W-2, or were closed, by March 1998.

[3]See Technical Report 1(Volume III), and Section 3 of Volume I for a discussion of the sample.

[4]These data sources are described in detail in Technical Reports 3 and 5.

[5]In Chapter 4, Section 4 of the first volume of this report, the experimental effects on mother's labor market outcomes are presented and discussed. As described there, we found very few statistically significant effects of the experimental treatment. We concluded that, overall, the experiment had at most a modest positive effect on work intensity and earnings for mothers in the experimental group in 1998, but no significant effect in 1999. We found no evidence to suggest that increases in child support *reduced* work intensity or earnings, as traditional economic theory would predict. For this reason, we do not explicitly address the impacts of the experiment on labor supply in this chapter, although we do include a set of experimental variables in our multivariate analyses.

respondents in 1999.[6] While over 80 percent of the sample responded to the survey in each year, we use weights to adjust for nonresponse.[7]

The next section focuses on the labor market experiences of women in our sample, presenting descriptive information on the distribution of hourly wage rates, hours per week worked, and total earnings in both 1998 and 1999. We then consider variation in patterns of work, wages, and earnings for subgroups of the population defined by education, race, W-2 entry tier, past work experience and welfare receipt, and the age of the youngest child; we also show differences in the growth in these variables among the subgroups. To test the validity of these subgroup patterns, we also present the results of a series of multivariate regressions relating these subgroup characteristics to the work, wage, and earnings outcomes in this section. The final section provides conclusions.

Labor Market Outcomes of Resident Mothers: Overall Results for 1998 and 1999

In Volume I of this report we showed that the child support component of the W-2 policy did not appear to have a large impact on resident mothers' labor force participation, wages, or earnings. Nonetheless, the first two years of W-2 were a time of substantial change in some of these labor market outcomes. Clearly, implementation of W-2, the robust labor market, or other coincident factors substantially altered the work lives of the single mothers in our sample. In this section, we use the data collected through the CSDE to measure changes in labor market outcomes—work, wages, and earnings—for resident mothers during the first two years of W-2.

Figure II.5.1 shows the 1998 and 1999 distributions of average hours worked per week for all resident mothers, including those with zero hours of work. Between 1998 and 1998 the proportion of women who reported in the survey that they worked no hours declined.[8] Over the same period, the proportion of working mothers employed at least 40 hours rose from 56 to 60 percent. While most mothers reported working full time when they worked, on average mothers worked only about 7 months in 1998 and about 8 months in 1999.

The increase in hours and months worked in part reflects mothers making the transition from W-2 to unsubsidized employment. It also reflects women spending more time in the labor force, potentially at the cost of time spent taking care of their children. However, while increases in hours may come at the cost of other activities, increases in wages are generally an unambiguously positive sign. Figure II.5.2 presents the distribution of hourly wage rates in 1998 and 1999 for resident mothers who worked in these years. The mean hourly wage was about $7.30 per hour in 1998, and rose to about $8.10 in 1999. For all of the wage rate categories below $7.00 per hour, a smaller proportion of mothers worked in 1999 than in 1998. Conversely, a larger percentage of mothers worked in the each of the categories above $8.00 per hour in 1999 than in 1998. The most pronounced increase was in the percentage of mothers earning more than $9.00 per hour. In 1998, only 15 percent of the mothers who worked earned in excess of $9.00 per hour; by 1999, that figure had nearly doubled, to 27 percent.

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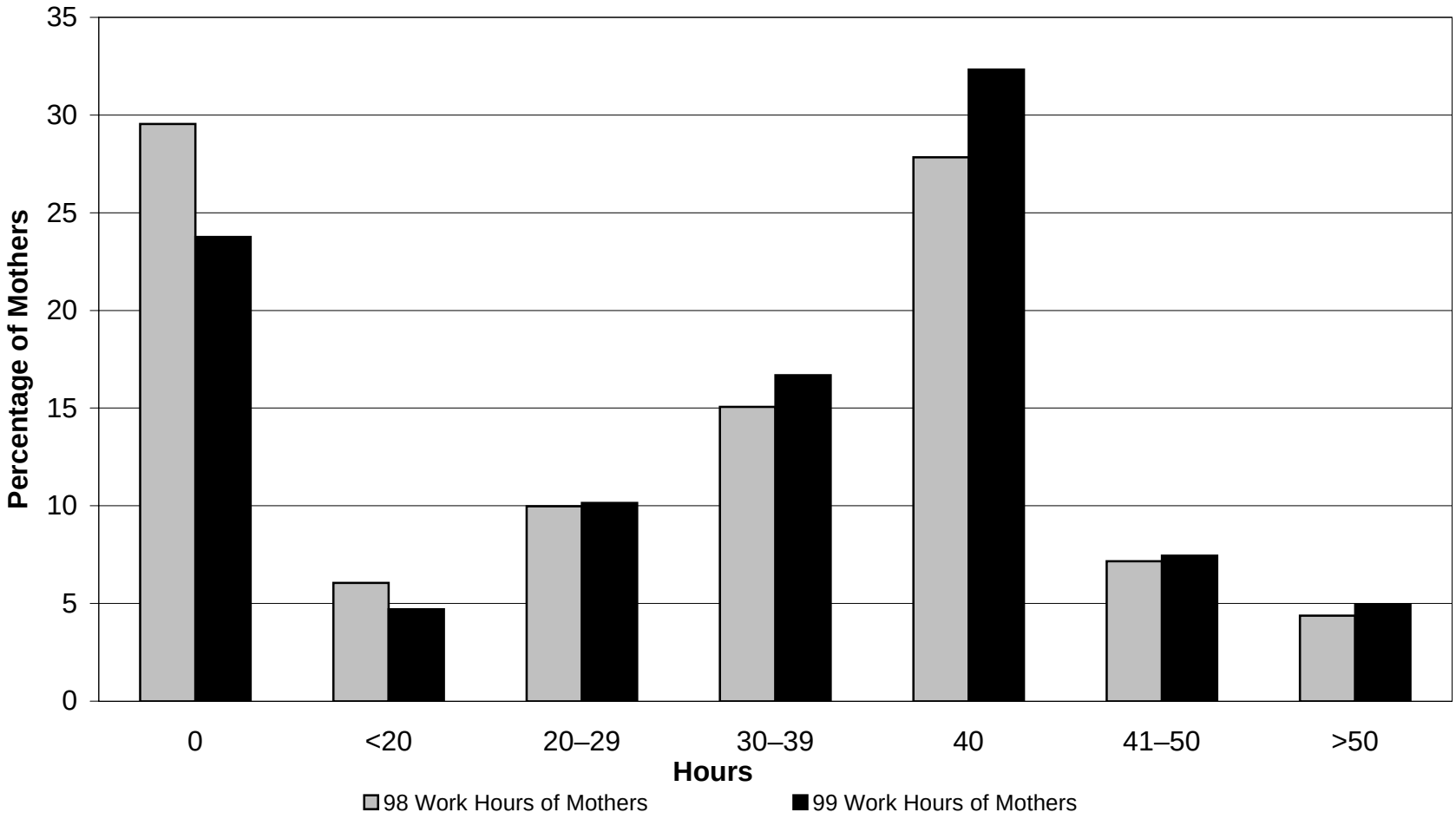
[6]See the Appendix for a comparison of survey and administrative reports of earnings.

[7]Technical Report 6 provides a detailed discussion of survey nonresponse and the weights used here.

[8]Note, however, that administrative data for the same sample show a similar proportion with some earnings in each year. This discrepancy is discussed in the Appendix.

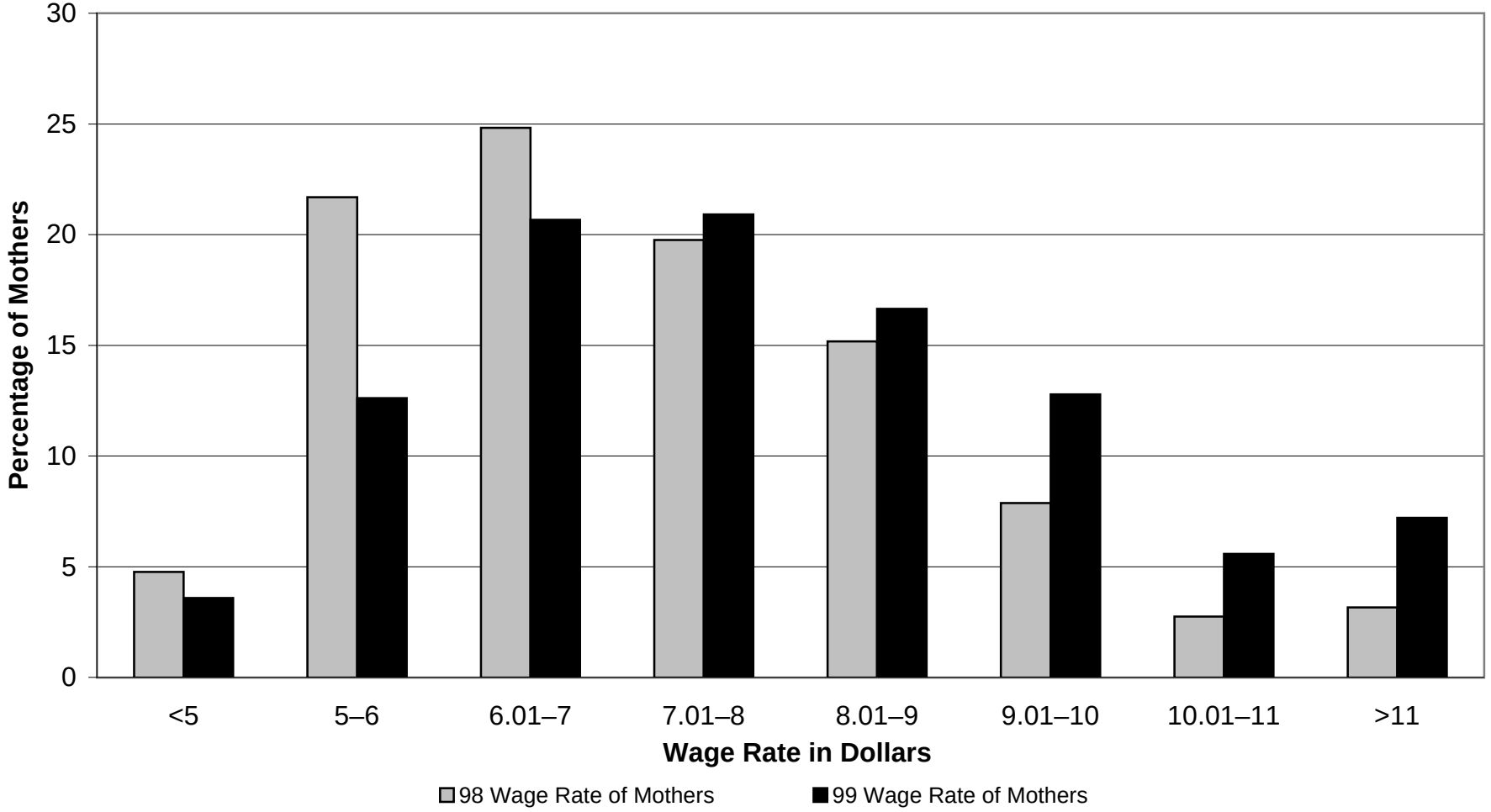
Figure II.5.1
Usual Hours Worked per Week by Resident Mothers in 1998 and 1999



Source: Resident mother survey sample.

Sample notes: Total sample was 2,295 in 1998. Missing cases include those with missing hours (23, most who indicated varying hours) or who did not know or refused to answer whether they worked (23). Total relevant sample in 1998 was 2,249. Total sample was 2,242 in 1999. Missing cases include those with missing hours (20, most who indicated varying hours) or those who did not know or refused to answer whether they worked (13). Total relevant sample in 1999 was 2,209. In 1998 424 mothers and in 1999 319 mothers were participating in a lower tier of W-2 in the past four weeks and were therefore not asked about current employment. These cases were assumed to be employed zero hours.

Figure II.5.2
Average Hourly Wage of Resident Mothers Who Worked in 1998 and 1999



Source: Resident mother survey sample.

Sample notes: Total sample in 1998 was 2,295 cases. Missing cases include those who had a W-2 assignement (424), with missing wages (100, most who refused to answer), who did not work (162), or did not know or refused to answer if they worked (23). Total relevant sample in 1998 was 1,586. Total sample in 1999 was 2,242 cases. Missing cases include those who were participating in a lower tier of W-2 (319), with missing wages (93, most who refused to answer), who did not work (151), or did not know or refused to answer if they worked (13). Total relevant sample in 1999 was 1,666.

Table II.5.1 shows the relationship of individual wage reports in 1998 and 1999 and includes women with wages observed in both years. For most categories, about a third of the women reported wages in the same range in both years (see diagonal of table). The majority of remaining cases had increases in wages. For example, among mothers earning $6.00–$7.00 per hour in 1998, only a few (12 percent) were earning less in 1999, whereas more than twice that proportion were earning over $8.00 per hour. Appendix Table II.5.2 shows the distribution of wages for all women who responded to both surveys, including respondents for whom we have no wage information available (missing), as well as those who did not work and those participating in a lower tier of the W-2 program. Of particular interest are women who were in a lower tier of W-2 at first interview, about half of whom report a wage in the second year. For these women, median wages in 1999 were below $7.00 per hour, and only about 10 percent reported a wage of $9.00 or more (a wage earned in 1999 by almost 30 percent of those who worked in both years). A majority of women reporting participation in a lower tier of W-2 at the time of first interview were working a year later, but most were working at low wages.

We now turn to earnings, for which we rely on administrative data available for the full research sample. Figure II.5.3 shows the distribution of annual earned income in 1998 and 1999 for all resident mothers. Among all mothers, including those without earnings, mean earnings averaged about $4,350 in 1998 and $6,000 in 1999, an increase of over $1,600 in a single year. (Mean earnings for those who worked increased from about $5,600 to $7,650, or by more than $2,000 in a single year.) Our analysis of survey data suggests that these increases reflect increases in labor supply (hours per week, and especially, weeks per year) as well as in hourly wages. There is substantial growth in the proportion with earnings exceeding $7,500 per year. In 1998, 28 percent of all mothers earned at least $7,500 per year; by 1999, 34 percent had annual earnings in that range. The percentage of all mothers earning more that $15,000 per year more than doubled from 1998 to 1999. Table II.5.2 shows a cross-tabulation of the patterns of earnings changes from 1998 to 1999 for all mothers. Among those earning between $2,500 and $17,500 in 1998, almost half had earnings in a higher category the following year, about 20 percent remained in the same earnings category in 1998 and 1999, and a third had earnings in a lower range.

These figures suggest a remarkable improvement in the earnings of most women who entered W-2 in 1997 and early 1998. Whereas previous studies of earnings of women with welfare histories (or those who have recently having left welfare)[9] have found fairly low levels of wage growth, with the modest levels of earnings growth attributable to increases in labor supply, our results indicate growth in both wage rates and work intensity.

Before turning to a discussion of correlates of labor market outcomes, we present descriptive information on two job characteristics reported in the survey: occupation and required job skills. Table II.5.3 shows the distribution of working mothers across occupational categories, sorted from most to least common in 1998. The table shows a concentration of women working as nursing aides (10 percent in 1998, growing to 13 percent in 1999), in food preparation and service (9 percent in both years), as cashiers (9 percent falling to 7 percent), or in cleaning and building services (falling from 8 percent to 5 percent).[10] These common categories include some of the lowest wage categories (cashiers, food preparation) as well as one of the higher (nursing aides). Wages rose in all the common occupational categories, and in all but a few categories included in the table.

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[9]See Burtless (1995) and Cancian and Meyer (2000).

[10]The concentration in these categories reflects in part the definition of the occupational groups. Some of the groups encompass a large number of occupational categories.

Table II.5.1

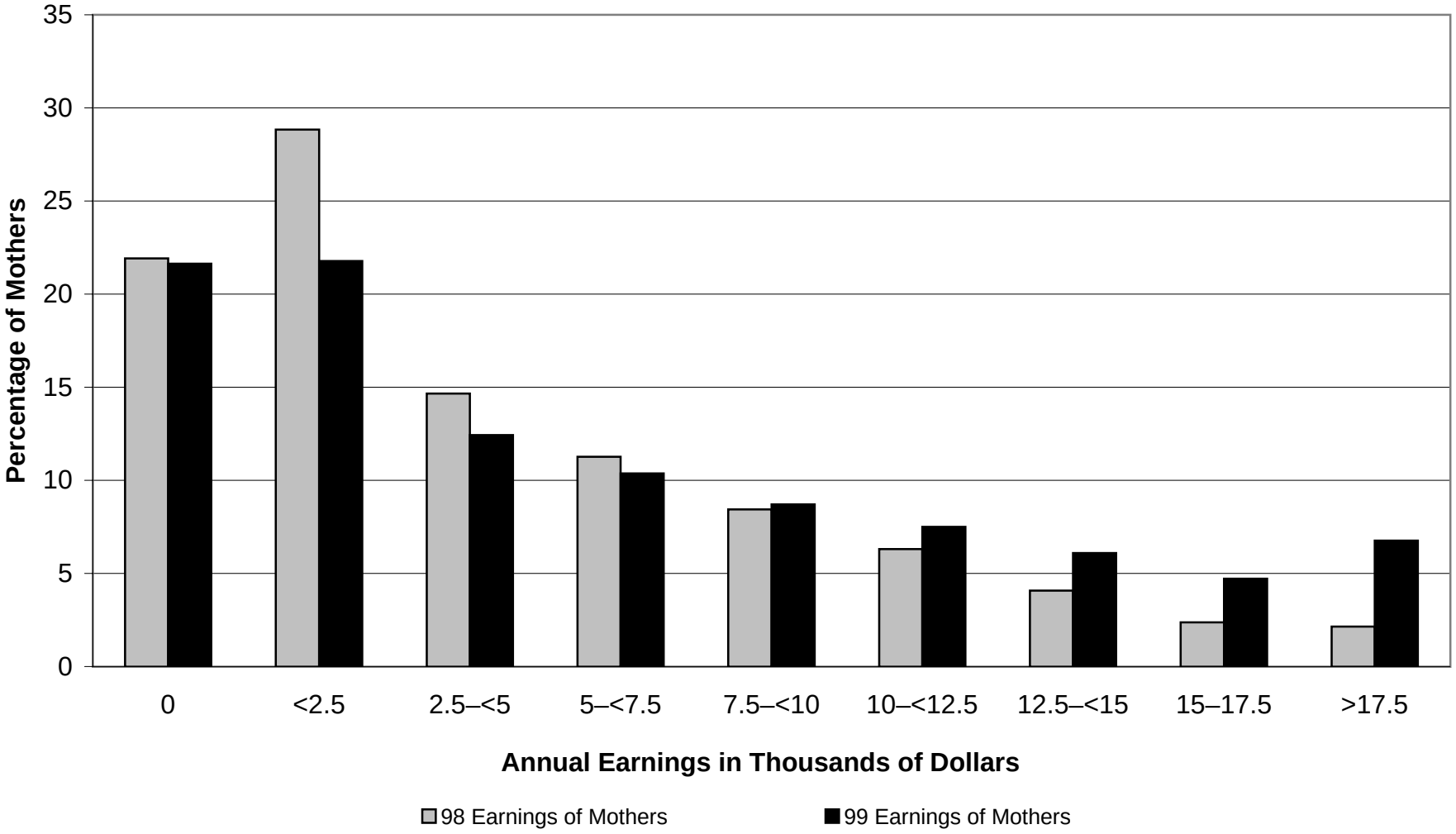
Cross-Tabulation of Average Hourly Wages for Resident Mothers Who Worked in 1998 and 1999 (Row Percent Shown)

		In 1999								
	Wage Rate in Dollars:	<5	5–6	6.01–7	7.01–8	8.01–9	9.01–10	10.01–11	>11	Total
In 1998	<5	**36**	11	14	21	9	2	2	6	100
	5–6	3	**31**	29	19	8	7	1	2	100
	6.01–7	1	11	**34**	28	13	7	2	4	100
	7.01–8	3	8	13	**29**	24	14	5	4	100
	8.01–9	1	3	7	13	**33**	29	11	3	100
	9.01–10	2	0	3	14	10	**37**	22	13	100
	10.01–11	0	0	5	5	6	13	**24**	48	100
	>11	6	0	2	11	13	7	3	**58**	100
	All resident mothers with work	3	11	18	21	17	15	6	8	100

Source: Resident mother survey sample.

Sample notes: Total sample in 1998 and 1999 was 2,295 and 2,242 cases, respectively. Total sample that has either 1998 or 1999 cases was 2,552 cases; 310 cases of the 1998 sample and 257 cases of the 1999 sample did not match each other. Thus, the total matched sample was 1,985 cases. Excluded were 880 cases because they did not provide wage information, or did not work, or participated a lower tier of W-2 in either 1998 or 1999. Thus, the relevant sample was 1,105 cases with nonmissing wages in both 1998 and 1999.

Figure II.5.3
Annual Earnings of Resident Mothers in 1998 and 1999



Source: Unemployment Insurance records, resident mother sample.
Sample notes: Total sample was 15,977 cases; one case missing due to no matching social security number; total relevant sample was 15,976.

Table II.5.2

Cross-Tabulation of Earnings of Resident Mothers in 1998 and 1999 (Row Percent Shown)

		In 1999									
	Earnings, in thousands of dollars:	0	<2.5	2.5–<5	5–<7.5	7.5–<10	10–<12.5	12.5–<15	15–<17.5	>17.5	Total
In 1998	0	**59**	24	7	4	3	1	1	0	1	100
	<2.5	22	**38**	17	10	6	4	2	1	1	100
	2.5–<5	10	22	**19**	16	13	9	6	4	3	100
	5–<7.5	5	13	14	**19**	16	13	9	6	6	100
	7.5–<10	3	7	10	14	**18**	17	14	9	8	100
	10–<12.5	2	4	7	8	12	**19**	20	13	16	100
	12.5–<15	0	2	6	6	8	12	**18**	22	26	100
	15–<17.5	0	2	4	3	5	7	9	**22**	48	100
	>17.5	1	1	2	2	3	8	3	7	**72**	100
	All resident mothers	22	22	12	10	9	8	6	5	7	100

Source: Unemployment Insurance records; resident mother sample.

Sample notes: Total sample was 15,977 cases; one case missing due to no matching social security number; total relevant sample is 15,976.

Table II.5.3

Occupation of Resident Mothers

Occupation Code in Parentheses	In 1998		In 1999		Percentage Change	
	Frequency	Median Wage	Frequency	Median Wage	Frequency	Median Wage
Nursing Aides (447)	9.8%	$8.00	13.0%	$8.75	32.7%	9.4%
Food Preparation and Service (433–444)	9.2	6.00	9.4	6.25	2.2	4.2
Cashiers (276)	9.2	6.00	6.8	6.50	-26.1	8.3
Cleaning and Building Service (448–455)	7.5	6.50	5.2	7.00	-30.7	7.7
Office Machine and Other Clerks Operators (345–378)	5.6	8.00	4.7	8.42	-16.1	5.3
Miscellaneous Administrative Support (379–389)	5.4	7.75	5.5	8.40	1.9	8.4
Machine Operations and Tenders (703–779)	5.4	7.80	4.1	8.00	-24.1	2.6
Secretaries, Information Clerks (313–323)	4.9	8.00	6.3	9.00	28.6	12.5
Personal Service (456–469)	4.9	6.00	5.2	7.00	6.1	16.7
Fabricators, Assemblers, and Hand Working; Production Inspectors, Testers (783–799)	4.8	7.00	3.0	7.25	-37.5	3.6
Professional Speciality (043–199)	4.3	7.25	5.9	7.25	37.2	0.0
Helpers and Material Handlers (864–889)	3.5	7.00	2.6	7.75	-25.7	10.7
Sales Workers (263–285)	3.4	6.50	2.7	7.00	-20.6	7.7
Managerial (0–037)	3.1	8.50	4.0	9.00	29.0	5.9
Recording Processing (325–344)	3.1	7.80	3.7	9.25	19.4	18.6
Private Household and Protective Service (403–427)	2.9	7.50	2.7	7.50	-6.9	0.0
Hand Packers and Packages (888)	2.8	6.50	2.3	7.25	-17.9	11.5
Technicians and Related Support (203–235)	2.1	8.50	1.9	9.36	-9.5	10.1
Precision Production, Craft, and Repair (503–699)	1.9	7.50	3.1	7.50	63.2	0.0
Dental Assistants, Health Aides (445–446)	1.9	7.50	1.8	8.25	-5.3	10.0
Supervisors and Proprietors, and Sales Representatives (243–259)	1.6	8.00	3.2	8.00	100.0	0.0
Bus Driver (808)	1.6	9.10	1.4	9.70	-12.5	6.6
Other Occupations[a]	1.3	7.54	1.7	8.41	30.8	11.5

Source: Resident mother survey sample.

Sample notes: Total sample was 2,295 cases in 1998. Of them, 609 cases did not work during the past 12 months or refused to answer whether they worked; 20 cases had missing occupation. Relevant sample was 1,666 in 1998. Total sample was 2,242 cases in 1999. Of them, 483 cases did not work during the past 12 months or refused to answer whether they worked. Relevant sample was 1,759 in 1999.

[a]Other occupations included transportation and material moving (803–859); supervising occupations and computer equipment operators (303–309); farming, forest, and fishing occupations (473–499); and military occupations (903–905).

In addition to questions about occupation, respondents were asked about the skills required in their current or most recent jobs. Table II.5.4 shows the responses to a series of questions about job skills. Most respondents reported that their jobs required reading instructions (61 percent in 1998) and talking with customers face-to-face (58 percent in 1998). Relatively few said they supervised others (25 percent in 1998) or worked with computers (32 percent in 1998). The skills requirements associated with the greatest wage differential were reading instructions and working with computers—in both cases, jobs needing these skills paid about a dollar more in both years relative to jobs in which the respondent reported not needing this skill. As the final panel of the table shows, the number of required skills varies widely, and women reporting more skills required also reported higher median wages. Overall, the number of skills used on the job increased over time (as did the associated wages).

Correlates of Labor Market Outcomes of Resident Mothers: Results for 1999

In the previous section we described the patterns of employment and earnings of mothers in our sample. We documented the diversity of wages and, especially, earnings, and the generally encouraging change over time in these indicators. Although a full analysis of alternative explanations for these outcomes is beyond the scope of this paper, we provide descriptive information on the correlates of labor market outcomes. Table II.5.5 summarizes subgroup patterns within five outcomes: working, mean months worked, usual weekly hours worked, hourly wage rate, and annual earnings, showing the distribution of each outcome by W-2 tier at entry, employment over the two years before entry, education, race, welfare receipt over the two years before entry, and the age of the youngest child. We rely on administrative data for two of the outcomes (percentage working and mean earnings) and the measures of subgroup status. Our measures of months worked, hours worked, and wages are drawn from the survey.

While employment rates[11] and weekly hours remained fairly stable, mean months worked increased by 12 percent, average wages by 11 percent, and earnings by a very substantial 37 percent. For each of these outcomes, there was substantial variation over the subgroups. We find higher levels of employment and earnings for mothers who entered in an upper W-2 tier and for mothers who worked more during the two years prior to W-2 implementation. For the work intensity measures (employment, months worked, and weekly hours worked), there is remarkably little variation by education level, race, welfare receipt history, and the age of the youngest child. However, this is not the case for the wage rate and earnings variables, where there is more variation, especially by education categories.

These subgroup patterns can be explored more systematically through multivariate regression estimates. While some of the patterns described above may confound the effects of factors related to a characteristic with the effect of the characteristic itself, multivariate estimates show the variation in the outcome of interest while holding the other factors constant.

Table II.5.6 presents an overall summary of the multivariate estimates of the correlates of the three labor market variables on which we concentrate: employment, earnings, and wages. While we have estimated the models for both 1998 and 1999, our discussion and tables present only the 1999 estimates. With few exceptions, the patterns in the 1998 model estimates are similar to the 1999 results.[12]

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[11]Survey reports of employment rose substantially in this period. See Appendix.

[12]We focus on 1999 because our sample includes individuals entering W-2 as late as July 1998. As such, 1998 outcomes that consider the full year (for example, earnings) include some period prior to entry.

Table II.5.4
Job Skills of Resident Mothers

Job Skills	In 1998 Percent	In 1998 Median Wage	In 1999 Percent	In 1999 Median Wage
Do you read instructions, forms?				
No	38.9%	$6.50	34.9%	$7.25
Yes	61.1	7.50	65.1	8.03
Did you work with a computer?				
No	67.9	6.89	64.4	7.25
Yes	32.1	8.00	35.6	9.00
Did you do arithmetic, including change?				
No	56.0	7.00	53.1	7.75
Yes	44.0	7.00	46.9	8.00
Did you keep a close watch over gauges, dials?				
No	67.1	7.00	65.1	7.60
Yes	32.9	7.28	34.9	8.00
Did you talk with customers face-to-face?				
No	41.6	7.25	37.8	8.00
Yes	58.4	7.00	62.2	7.55
Did you talk with customers over the phone?				
No	53.5	7.00	47.8	7.50
Yes	46.5	7.19	52.2	8.00
Did you supervise other people?				
No	74.7	7.00	68.4	7.75
Yes	25.3	7.50	31.6	8.00
Total Number of Job Skills Required				
0	11.0	6.50	8.0	7.25
1	12.2	7.00	10.9	7.50
2	17.5	7.00	15.5	7.50
3	17.8	7.10	20.1	7.75
4	19.0	7.50	17.9	8.00
5	13.8	7.50	13.9	8.25
6	6.7	7.50	10.0	8.40
7	2.0	8.25	3.7	9.00

Source: Resident mother survey sample.

Sample notes: Total sample was 2,295 cases in 1998. Of them, 609 cases did not work during the past 12 months or refused to answer whether they worked; 22 cases had missing job skills. Relevant sample was 1,664 in 1998. Total sample was 2,242 cases in 1999. Of them, 483 cases did not work during the past 12 months or refused to answer whether they worked; 12 cases had missing job skills. Relevant sample was 1,747 in 1999.

Table II.5.5

Summary of Labor Market Outcomes of Mothers

	% Employed			Mean Months Worked			Usual Hours Worked per Week			Mean Hourly Wage			Mean Earnings		
	In 1998	In 1999	% Change	In 1998	In 1999	% Change	In 1998	In 1999	% Change	In 1998	In 1999	% Change	In 1998	In 1999	% Change
All Resident Mothers	78.1%	78.4%	0.4%	7.0	7.8	12.2%	36.0	36.8	2.3%	$7.28	$8.07	10.8%	$5,576	$7,652	37.2%
Tier at Entry															
Caretaker of newborn	84.1	84.4	0.3	7.3	8.1	10.3	36.5	36.8	0.7	7.01	8.17	16.5	5,798	8,284	42.9
Lower	70.0	72.8	4.0	6.0	7.3	20.8	35.1	36.4	3.7	7.28	7.97	9.6	4,200	6,540	55.7
Upper	92.0	87.5	-5.0	8.1	8.6	5.4	37.1	37.5	1.1	7.38	8.20	11.2	7,561	9,284	22.8
Number of Calendar Quarters Employed[a]															
0 quarters	50.7	56.7	11.8	6.1	7.1	16.4	34.5	35.8	4.0	6.96	7.53	8.2	3,985	5,971	49.8
1–4 quarters	78.6	78.4	-0.2	6.7	7.5	11.0	35.7	36.4	2.0	7.05	7.94	12.5	4,693	6,544	39.4
5–7 quarters	90.5	89.2	-1.4	7.0	8.0	13.4	36.4	37.4	2.6	7.55	8.25	9.3	6,141	8,334	35.7
8 quarters	96.2	91.7	-4.7	8.3	9.1	9.8	37.3	37.7	1.3	7.67	8.63	12.5	8,476	11,430	34.9
Education															
No high school degree	75.1	76.2	1.4	6.3	7.0	12.1	35.4	36.5	3.1	6.97	7.66	9.8	4,514	6,240	38.2
High school degree/GED	82.1	81.7	-0.4	7.5	8.4	12.6	36.2	37.0	2.2	7.34	8.31	13.1	6,382	8,705	36.4
Beyond high school	79.3	77.8	-1.9	7.9	8.8	11.5	37.9	37.7	-0.3	8.45	8.96	6.0	8,007	11,147	39.2
Race															
White	79.9	77.6	-2.9	7.7	8.5	11.2	36.6	36.2	-1.1	7.07	7.89	11.5	6,089	8,287	36.1
Black	78.2	79.7	1.9	6.6	7.5	13.9	35.7	37.0	3.5	7.40	8.16	10.3	5,247	7,242	38.0
Other	74.4	74.2	-0.2	7.3	8.0	8.9	35.7	37.4	4.9	7.23	8.06	11.4	6,056	8,326	37.5
AFDC History[b]															
0 months	81.4	80.8	-0.7	7.0	8.3	19.0	36.4	37.4	2.8	7.28	8.03	10.4	5,336	8,165	53.0
1–18 months	82.1	81.2	-1.1	7.1	8.0	12.8	36.5	37.0	1.3	7.38	8.25	11.8	5,936	8,140	37.1
19–24 months	74.8	76.0	1.6	6.9	7.5	9.2	35.5	36.5	3.0	7.22	7.96	10.3	5,393	7,203	33.6

Table II.5.5, continued

	% Employed			Mean Months Worked			Usual Hours Worked per Week			Mean Hourly Wage			Mean Earnings		
	In 1998	In 1999	% Change	In 1998	In 1999	% Change	In 1998	In 1999	% Change	In 1998	In 1999	% Change	In 1998	In 1999	% Change
Age of Youngest Child at Entry															
Unborn[c]	78.5	81.9	4.4	6.4	7.6	19.4	35.7	37.2	4.3	7.44	8.18	9.9	4,518	7,525	66.5
0–2 years	81.3	81.3	0.1	7.1	7.8	10.8	36.6	37.2	1.6	7.12	8.08	13.5	5,486	7,529	37.2
3–5 years	78.7	78.5	-0.3	7.0	7.7	9.7	34.9	36.1	3.5	7.38	8.09	9.7	5,818	7,562	30.0
6–12 years	72.9	72.1	-1.2	6.9	8.0	16.8	36.2	36.4	0.7	7.44	8.00	7.5	6,116	8,159	33.4
13+ years	63.1	65.2	3.4	7.1	7.6	7.3	32.6	36.5	11.7	7.94	7.97	0.4	5,894	7,752	31.5

Source: Unemployment Insurance records; resident mother sample, for employment and earnings. Resident mother survey sample for months, hours, and wages.

Note: Except for % employed, all outcomes are only for those mothers who worked.

Sample notes: For % employed, total relevant sample is 15,976. For mean months worked, total sample was 2,295 in 1998 and 2,242 in 1999. Of them, 654 (491) cases did not worked or did not answer whether they worked, and 9 (3) cases did not answer the number of months worked in 1998 (1999). Thus total relevant sample is 1,632 in 1998 and 1,748 in 1999. For usual hours worked per week, the sample includes only those who worked in 1998 or 1999. Total relevant sample is 1,663 in 1998 and 1,739 in 1999. For average hourly wage, total relevant sample is 1,586 in 1998 and 1,666 in 1999. For mean earnings, sample includes only those who have any earnings in UI data in 1998 or 1999. Total relevant sample is 12,477 in 1998 and 12,525 in 1999.

[a]In a total of 8 quarters.
[b]In the two years preceding mother's entry.
[c]But born within 7 months of W-2 entry.

Table II.5.6
Multivariate Analysis: Employment Outcomes of Resident Mothers, 1999

Characteristics	Any Earnings in UI	Earnings in UI, >0	Mean Hourly Wage (Survey Data)
In Milwaukee County	+ + +	+ + +	+ + +
Tier at Entry (compared to upper)			
Lower	– – –	– – –	
Caretaker of newborn		– – –	
Period of Entry (compared to Sep. 1, 1997 to Mar. 16, 1998)			
Mar. 17, 1998 to May 10, 1998	+ + +		
May 11, 1998 to Jul. 8, 1998		+	
Education (compared to no high school degree)			
High school degree/GED	+ + +	+ + +	+ + +
Beyond high school		+ + +	+ + +
Race (compared to white)			
Black	+ + +	– – –	+ +
Hispanic		+ +	+ +
Other	+	+ + +	
Age at Entry (compared to 25 years or younger)			
26–30 years	– – –	+ + +	
31–40 years	– – –	+ + +	
41 years or older	– – –	+ +	
AFDC History in 24 Months Prior to Oct. 1, 1997 (compared to 19–24 months of welfare receipt)			
0 months			
1–18 months		+ +	+
Work History in 8 Quarters Prior to Oct. 1, 1997 (compared to 0 quarters with any earnings in UI)			
1–4 quarters	+ + +	+ +	
5–7 quarters	+ + +	+ + +	
8 quarters	+ + +	+ + +	+ +
CARES Case Type (compared to divorce case)[a]			
Legal father exists or paternity case			
Mix of above			
No Child Support Order in Effect on Oct. 1, 1997	– –	– –	
Number of Children Living with Mother at Entry (compared to 0 or 1)			
2 children			
3 or more children			

Table II.5.6, continued

Characteristics	Any Earnings in UI	Earnings in UI, >0	Mean Hourly Wage (Survey Data)
Age of Mother's Youngest Child at Entry (compared to 0–2 years)			
Unborn[b]			
3–5 years	– –	– – –	
6–12 years	– –	– –	
13 years or older			
Non-English-Speaking		+ + +	na
Most Recent Job Skill (compared to low)[c]			
Medium	na	na	
High	na	na	+ + +
Mother Owned Car in the Year	na	na	+ + +
Experimental Group			
Experimental Group and Lower Tier			
Experimental Group and Caretaker of Newborn	– –		
Experimental Group and No Child Support Order in Effect on Oct. 1, 1997			– –

Key:	Positive	Negative
Significant at the 1% level	+ + +	– – –
Significant at the 5% level	+ +	– –
Significant at the 10% level	+	–
Variable not used in the model	na	na

Blanks indicate that the difference was not statistically significant.

Source: Unemployment Insurance records, resident mother sample, for any earnings and earnings. Resident mother survey sample for wages.

Notes: The probability of any earnings in the UI record was estimated with a probit mode; all others are ordinary least squares. "Mean Hourly Wage" is a weighted OLS to correct for selection bias and nonresponse in survey data.

Earnings in UI, >0 includes only those resident mothers with non-zero earnings (i.e., those who worked).

Mean Hourly Wage model includes an indicator variable for unknown/missing mother's race.

Also, an indicator for "mother out of scope for car ownership" in the year was included. In 1999, there were 66 cases who were not asked about car ownership and were considered "out of scope." Cases where the mother did not know or refused to answer whether she owned a car during the year were left as missing cases.

[a]"CARES case type" is the means by which the father is established as legal father or the identification of paternity status.

[b]"Unborn" means child not yet born at W-2 entry, but was born within seven months of entry.

[c]"Most recent job skill" was created from seven questions in the resident parent survey which asked about the kinds of tasks the mother performed in her current or last job (last job information was used if current job information not available). If she performed the task asked, a value of 1 was assigned to that particular question. If she did not, a value of 0 was assigned. The values assigned to each question were then summed (possible range was 0 through 7). If the mother had a job skill rating of 0–2, she was considered "low skill"; 3–4 was considered "medium skill"; 5–7 was considered "high skill." Missing values arise if the mother did not know or refused to answer whether she performed a particular task in her job.

Employment and earnings measures are from administrative records, while our measure of wages comes from the survey.

For each estimated model, we have included a number of indicators of participation status and individual characteristics as independent variables. These include socioeconomic background characteristics (e.g., race, age, location), standard human capital variables (e.g., schooling, prior work experience, prior welfare experience, non-English-speaking), family structure characteristics (e.g., type of case, divorce and/or paternity), number of children living with mother, age of mother's youngest child), and a variety of variables describing the mother's tie to the W-2 program (e.g., tier at entry, period of entry). In addition, the experimental-group status of the mothers is included as an explanatory variable. Appendix Tables II.5.4–5 present the model estimates for the three labor market variables summarized in Table II.5.6.

The summary in Table II.5.6 indicates strong positive effects on work, wages, and earnings of a number of variables reflecting the level of human capital, skill and experience possessed by the mother, including her years of schooling, work history, a high-skill job, and entry into the W-2 program in the highest tier (theoretically an indicator of assessed job readiness). These results are consistent with the bivariate patterns shown in the previous table.

The summary in Table II.5.6 also shows that black and Hispanic mothers tended to have stronger ties to work and higher earnings overall than did white mothers. However, while black mothers had a higher probability of working, the earnings of the black workers tended to be somewhat less than the earnings of white workers. Interestingly, mothers who did not speak English tended to have higher earnings than mothers who were English speakers. Older mothers (those over 26 years) had a lower probability of being employed than did younger mothers, but if employed their earnings tended to be significantly greater than those of younger mothers. Mothers who lived in Milwaukee County had significantly greater probabilities of work and higher earnings than mothers who lived elsewhere, perhaps reflecting the higher level of wages and employment opportunities in this large city during the late 1990s.

Somewhat surprisingly, while mothers who had from 1–18 months of prior welfare receipt in the 24 months before October 1, 1997, had somewhat higher earnings and wage rates than mothers with 24 months of welfare receipt, mothers with no welfare experience at all appeared to have no better labor market performance than mothers who had been on welfare for a long period.

Conclusion

We have explored the patterns of labor market performance among low-skilled women who were participants in the W-2 program. We document substantial growth in employment and earnings over the short period considered here. From 1998 to 1999, the intensity of labor force participation increased, and median wages grew from about $7.00 per hour to about $7.75 per hour. Over the same period, average earnings among those who worked increased from about $5,600 to $7,750 per year (median earnings from about $4,150 to $6,150). Substantial increases were recorded over a single year of observation.

Especially given the substantial caseload reductions that preceded the implementation of W-2, it is not surprising that many of the women in our sample had low levels of education, substantial family responsibilities, and a history of reliance on welfare. Notwithstanding these barriers, most were employed, and hours of work and wages increased over time. In many ways the employment and earnings trends documented here are encouraging. However, it is important to recognize that few of these women had earnings sufficient to raise their families out of poverty. Even were the observed rates of growth to continue, many of these mothers will have to rely on additional income sources if they are to provide for

themselves and their children. Future policy initiatives must build on the current success at the same time recognizing that for most, own earnings will not be sufficient.

APPENDIX

Comparison of Survey and Administrative Measures of Earnings

Having two sources of earnings information, the survey and the administrative (UI) records, allows us to compare the information on this variable across data sources. In Appendix Table II.5.1 we summarize these patterns by showing mean and median earnings levels for both 1998 and 1999 for three samples of mothers who worked during the relevant year, namely:

1. UI information on mothers who worked in the full sample;
2. UI information on mothers who responded to the survey;
3. Survey information on mothers who responded to the survey.

While the UI information is similar for both the full sample and for the survey mothers, the percentage of survey mothers reporting earnings is smaller (especially in 1998), and earnings values reported by the mothers in the survey are substantially larger than those reported by employers to the UI system. In comparing earnings information for the same group of mothers—those included in the survey—mean reported earnings were about $1,400 greater than UI earnings in both 1998 and 1999. Median earnings reported to the survey exceeded those found in the UI records by about $1,800 in 1998 and $2,000 in 1999. These gaps are substantial and warrant additional investigation.

Appendix Table II.5.1
Mean and Median Earnings among Mothers Who Worked, Survey and Administrative Data, 1998 and 1999

	UI Information for Full Sample[a]	UI Information for Survey Mothers[b]	Survey Information for Survey Mothers[c]
In 1998			
% with earnings	78.1%	80.6%	69.7%
Mean among mothers who worked	$5,576	$5,799	$7,241
Median among mothers who worked	$4,170	$4,237	$6,000
In 1999			
% with earnings	78.4%	81.3%	75.6%
Mean among mothers who worked	$7,652	$7,993	$9,364
Median among mothers who worked	$6,148	$6,582	$8,000

[a]Total sample was 15,976.
[b]Total sample was 2,294 in 1998 and 2,241in 1999.
[c]Total sample was 2,249 in 1998 and 2,174 in 1999.

Appendix Table II.5.2

Cross-Tabulation of Average Hourly Wages for Resident Mothers Who Worked in 1998 and 1999 (Row Count Shown)

		In 1999												
		Total	Total N with Wage	Missing	No Work	W-2 Lower Tier	<$5	$5–$6	$6.01–$7	$7.01–$8	$8.01–$9	$9.01–$10	$10.01–$11	>$11
In 1998	Total	1,985	1,443	85	146	310	52	184	297	302	244	184	80	101
	Total N with wage	1,304	1,105	40	34	125	38	122	203	232	190	163	71	86
	Missing	106	53	24	13	16	1	5	9	16	6	4	6	6
	No work	153	53	5	62	32	5	10	16	7	10	4	0	2
	W-2 lower tier	422	232	17	37	136	7	47	69	47	39	12	3	7
	<$5	56	47	0	2	7	17	5	7	10	4	1	1	3
	$5–$6	271	212	9	11	39	6	65	61	40	17	16	3	4
	$6.01–$7	325	258	16	8	43	4	28	88	73	33	18	5	10
	$7.01–$8	256	225	6	5	19	7	18	28	66	54	32	11	9
	$8.01–$9	207	191	2	5	9	2	6	14	24	64	55	21	6
	$9.01–$10	107	93	5	1	8	2	0	3	13	9	34	20	12
	$10.01–$11	38	37	0	1	0	0	0	2	2	2	5	9	18
	>$11	43	41	2	0	0	2	0	1	4	6	3	1	24

Source: Resident mother survey sample.

Sample notes: Total sample in 1998 and 1999 was 2,295 and 2,242 cases, respectively. Total sample that had either 1998 or 1999 cases was 2,552; 310 cases from 1998 sample and 257 cases from 1999 sample could not be matched to each other. Thus, total matched sample was 1,985 cases.

Appendix Table II.5.3
Likelihood of Any Earnings Reported in the Unemployment Insurance System among All Resident Mothers

	In 1998		In 1999	
	Coefficient	P-Value	Coefficient	P-Value
In Milwaukee County	-0.05	0.1613	0.12	**0.0005**
Tier at Entry (compared to upper)				
Lower	-0.66	**<0.0001**	-0.32	**<0.0001**
Caretaker of newborn	-0.57	**<0.0001**	-0.04	0.734
Period of Entry (compared to Sep. 1, 1997 to Mar. 16, 1998)				
Mar. 17, 1998 to May 10, 1998	0.32	**<0.0001**	0.17	**0.0048**
May 11, 1998 to Jul. 8, 1998	0.27	**<0.0001**	0.07	0.2139
Education (compared to no high school degree)				
High school degree/GED	0.10	**0.0003**	0.11	**<0.0001**
Beyond high school	0.08	0.088	0.06	0.1983
Race (compared to white)				
Black	0.11	**0.0033**	0.13	**0.0002**
Hispanic	0.05	0.3648	0.04	0.4964
Other	-0.01	0.8959	0.13	0.0503
Age at Entry (compared to 25 years or younger)				
26–30 years	-0.22	**<0.0001**	-0.25	**<0.0001**
31–40 years	-0.47	**<0.0001**	-0.37	**<0.0001**
41 years or older	-0.74	**<0.0001**	-0.66	**<0.0001**
AFDC History in 24 Months Prior to Oct. 1, 1997 (compared to 19–24 months of welfare receipt)				
0 months	-0.03	0.5094	0.01	0.8575
1–18 months	0.03	0.3967	0.01	0.7752
Work History in 8 Quarters Prior to Oct. 1, 1997 (compared to 0 quarters with any earnings in UI)				
1–4 quarters	0.61	**<0.0001**	0.49	**<0.0001**
5–7 quarters	1.09	**<0.0001**	0.92	**<0.0001**
8 quarters	1.55	**<0.0001**	1.09	**<0.0001**
CARES Case Type (compared to divorce case)[a]				
Legal father exists or paternity case	0.02	0.7135	0.00	0.922
Mix of above	0.03	0.6009	0.06	0.3496
No Child Support Order in Effect on Oct. 1, 1997	-0.04	0.477	-0.13	**0.0125**

Appendix Table II.5.3, continued

	In 1998		In 1999	
	Coefficient	P-Value	Coefficient	P-Value
Number of Children Living with Mother at Entry (compared to 0 or 1)				
2 children	0.09	**0.0077**	0.05	0.1283
3 or more children	0.13	**0.0003**	0.05	0.1318
Age of Mother's Youngest Child at Entry (compared to 0–2 years)				
Unborn[b]	-0.16	**0.0002**	-0.01	0.8656
3–5 years	-0.08	**0.0322**	-0.09	**0.0109**
6–12 years	-0.03	0.4148	-0.09	**0.0147**
13 years or older	-0.06	0.3779	-0.09	0.1572
Non-English-Speaking	-0.03	0.668	-0.08	0.2988
Experimental Group	0.02	0.8148	0.07	0.2798
Experimental Group and Lower Tier	-0.08	0.3433	-0.10	0.1507
Experimental Group and Caretaker of Newborn	-0.08	0.5575	-0.31	**0.0111**
Experimental Group and No Child Support Order in Effect on Oct. 1, 1997	0.00	0.9746	0.07	0.2372
Regression N's[c]	15,478		15,478	
Log likelihood	-6597.730968		-7087.160966	

Source: Unemployment Insurance records, resident mother sample.

Notes: Probit model (dependent variable 1="had earnings in the UI record during the year" versus 0="no earnings in the UI record during the year"). Probability values of 0.05 or less are shown in bold type.

[a]"CARES case type" is the means by which the father is established as legal father or the identification of paternity status.
[b]"Unborn" means child not yet born at W-2 entry, but was born within seven months of entry.
[c]Total sample was 15,977 resident mothers. One had missing value for the dependent variable due to no matching social security number. A further 498 cases were dropped from the regression because of missing values for the independent variables, mostly unknown or missing mother's race.

Appendix Table II.5.4

Earnings as Reported in the Unemployment Insurance System for Resident Mothers with Work

	In 1998		In 1999	
	Coefficient	P-Value	Coefficient	P-Value
In Milwaukee County	512.13	**<0.0001**	984.17	**<0.0001**
Tier at Entry (compared to upper)				
Lower	-2,389.67	**<0.0001**	-1,706.42	**<0.0001**
Caretaker of newborn	-1,005.66	**0.0017**	-1,090.94	**0.0095**
Period of Entry (compared to Sep. 1, 1997 to Mar. 16, 1998)				
Mar. 17, 1998 to May 10, 1998	-574.13	**0.002**	257.67	0.2969
May 11, 1998 to Jul. 8, 1998	-391.25	**0.0444**	465.08	0.0739
Education (compared to no high school degree)				
High school degree/GED	1,275.34	**<0.0001**	1,868.60	**<0.0001**
Beyond high school	2,590.36	**<0.0001**	3,983.65	**<0.0001**
Race (compared to white)				
Black	-269.82	**0.0262**	-418.85	**0.0092**
Hispanic	337.01	0.0843	626.41	**0.0154**
Other	763.78	**0.0016**	1,070.79	**0.0007**
Age at Entry (compared to 25 years or younger)				
26–30 years	442.34	**0.0003**	507.09	**0.0016**
31–40 years	614.45	**<0.0001**	559.88	**0.0015**
41 years or older	851.59	**0.0005**	776.69	**0.0139**
AFDC History in 24 Months Prior to Oct. 1, 1997 (compared to 19–24 months of welfare receipt)				
0 months	-201.21	0.2316	150.38	0.4969
1–18 months	246.25	**0.0167**	316.50	**0.019**
Work History in 8 Quarters Prior to Oct. 1, 1997 (compared to 0 quarters with any earnings in UI)				
1–4 quarters	283.46	**0.0356**	333.63	**0.0499**
5–7 quarters	1,462.31	**<0.0001**	1,749.47	**<0.0001**
8 quarters	3,508.80	**<0.0001**	4,334.95	**<0.0001**
CARES Case Type (compared to divorce case)[a]				
Legal father exists or paternity case	-187.35	0.2873	-358.93	0.1242
Mix of above	-167.83	0.4483	-86.03	0.7687
No Child Support Order in Effect on Oct. 1, 1997	-611.17	**0.0012**	-550.66	**0.0273**

Appendix Table II.5.4, continued

	In 1998		In 1999	
	Coefficient	P-Value	Coefficient	P-Value
Number of Children Living with Mother at Entry (compared to 0 or 1)				
2 children	214.58	0.0612	93.51	0.5332
3 or more children	328.53	**0.0079**	162.31	0.3151
Age of Mother's Youngest Child at Entry (compared to 0–2 years)				
Unborn[b]	-812.98	**<0.0001**	-73.37	0.6999
3–5 years	-271.13	**0.0283**	-575.10	**0.0004**
6–12 years	-333.69	**0.0178**	-387.19	**0.0357**
13 years or older	-304.32	0.245	-478.98	0.1569
Non-English-Speaking	1,541.47	**<0.0001**	1,971.95	**<0.0001**
Experimental Group	359.00	0.0574	280.47	0.2688
Experimental Group and Lower Tier	-341.95	0.1194	-194.05	0.5064
Experimental Group and Caretaker of Newborn	-581.11	0.1079	100.12	0.833
Experimental Group and No Child Support Order in Effect on Oct. 1, 1997	262.02	0.2081	130.80	0.6333
Regression N's[c]	12,105		12,155	
Adj. R-squared	0.1897		0.1416	

Source: Unemployment insurance records, resident mother sample.

Notes: Ordinary least squares model on only those resident mothers with non-zero earnings (dependent variable "total earnings in the UI during the year" in dollars). Probability values of 0.05 or less are shown in bold type.

[a]"CARES case type" is the means by which the father is established as legal father or the identification of paternity status.
[b]"Unborn" means child not yet born at W-2 entry, but was born within seven months of entry.
[c]Total sample was 15,977 resident mothers. One had missing value for the dependent variable due to no matching social security number. In 1998 3,499 cases had zero earnings and were not included. A further 372 cases were dropped from the regression because of missing values for the independent variables, mostly unknown or missing mother's race. In 1999 3,448 cases had zero earnings and were not included. A further 373 cases were dropped from the regression because of missing values for the independent variables, mostly unknown or missing mother's race.

Appendix Table II.5.5
Average Hourly Wage for Resident Mothers with Work, as Reported in Survey Data

	In 1998		In 1999	
	Coefficient	P-Value	Coefficient	P-Value
In Milwaukee County	0.14	0.2968	0.82	**<0.0001**
Tier at Entry (compared to upper)				
Lower	-0.14	0.3767	-0.30	0.1374
Caretaker of newborn	-0.45	0.0745	-0.18	0.5782
Period of Entry (compared to Sep. 1, 1997 to Mar. 16, 1998)				
Mar. 17, 1998 to May 10, 1998	0.25	0.2045	0.20	0.4368
May 11, 1998 to Jul. 8, 1998	-0.05	0.7841	-0.27	0.2909
Education (compared to no high school degree)				
High school degree/GED	0.28	**0.008**	0.48	**0.0006**
Beyond high school	1.20	**<0.0001**	0.86	**0.0001**
Race (compared to white)				
Black	0.51	**0.0002**	0.37	**0.0386**
Hispanic	0.62	**0.0067**	0.62	**0.0307**
Other	-0.26	0.3713	0.29	0.4858
Unknown/missing	0.06	0.8544	-0.28	0.4445
Age at Entry (compared to 25 years or younger)				
26–30 years	0.19	0.1632	0.03	0.8638
31–40 years	0.18	0.2628	-0.25	0.2289
41 years or older	0.18	0.5168	-0.31	0.3738
AFDC History in 24 Months Prior to Oct. 1, 1997 (compared to 19–24 months of welfare receipt)				
0 months	0.31	0.0856	0.26	0.2791
1–18 months	0.23	0.0651	0.29	0.062
Work History in 8 Quarters Prior to Oct. 1, 1997 (compared to 0 quarters with any earnings in UI)				
1–4 quarters	0.09	0.5458	0.26	0.1715
5–7 quarters	0.48	**0.0031**	0.27	0.2031
8 quarters	0.50	**0.0079**	0.57	**0.0205**
CARES Case Type (compared to divorce case)[a]				
Legal father exists or paternity case	-0.11	0.5794	0.31	0.2321
Mix of above	0.18	0.4754	0.51	0.1165
No Child Support Order in Effect on Oct. 1, 1997	-0.10	0.5223	-0.02	0.91
Number of Children Living with Mother at Entry (compared to 0 or 1)				
2 children	0.12	0.3676	0.12	0.4578
3 or more children	0.05	0.6978	-0.04	0.8141

Appendix Table II.5.5, continued

	In 1998		In 1999	
	Coefficient	P-Value	Coefficient	P-Value
Age of Mother's Youngest Child at Entry (compared to 0–2 years)				
Unborn[b]	0.16	0.3802	0.09	0.6952
3–5 years	0.03	0.8498	-0.05	0.7801
6–12 years	0.01	0.9365	-0.02	0.9361
13 years or older	0.61	**0.0451**	0.37	0.3104
Mother's Most Recent Job Skill (compared to low)[c]				
Medium	0.19	0.0929	0.16	0.2634
High	0.44	**0.001**	0.63	**0.0002**
Mother Owned Car in the Year (compared to did not own car)				
Did own car	0.43	**0.0038**	1.04	**<0.0001**
Mother out of scope[d]	0.41	**0.0004**	0.58	0.083
Experimental Group	0.13	0.4447	0.24	0.2927
Experimental Group and Lower Tier	0.23	0.2774	0.26	0.3343
Experimental Group and Caretaker of Newborn	0.38	0.2568	0.27	0.5443
Experimental Group and No Child Support Order in Effect on Oct. 1, 1997	-0.35	0.0774	-0.55	**0.0334**
Regression N's [e]	1,574		1,654	
Adj. R-squared	0.096		0.0925	

Source: Resident mother survey sample.

Notes: Ordinary least squares model (dependent variable "average hourly wage from current job or last job if worked within the past year" in dollars), weighted to correct for selection bias and nonresponse. Probability values of 0.05 or less are shown in bold type.

[a]"CARES case type" is the means by which the father is established as legal father or the identification of paternity status.

[b]"Unborn" means child not yet born at W-2 entry, but was born within seven months of entry.

[c]"Mother's most recent job skill" was created from seven questions in the resident parent survey which asked about the kinds of tasks the mother performed in her current or last job (last job information was used if current job information not available). If she performed the task asked, a value of 1 was assigned to that particular question. If she did not, a value of 0 was assigned. The values assigned to each question were then summed (possible range was 0 through 7). If the mother had a job skill rating of 0–2, she was considered "low skill"; 3–4 was considered "medium skill"; 5–7 was considered "high skill." Missing values arise when the mother did not know or refused to answer whether she performed a particular task in her job.

[d]"Mother out of scope" means that the mother was never asked if she owned a car during the year. There were 797 of these cases in 1998 and 66 in 1999. Cases where the mother did not know or refused to answer whether she owned a car during the year were left as missing cases.

[e]Total sample in 1998 was 2,295 resident mothers; 709 had missing values for the dependent variable: 424 were in a lower tier of W-2, 100 with missing wages (most who refused to answer), 162 who did not work, and 23 who did not know or refused to answer whether they worked. A further 12 cases were dropped from the regression because of missing job skill. Total sample in 1999 was 2,242 resident mothers; 576 had missing values for the dependent variable: 319 who had a W-2 assignment, 93 with missing wages (most who refused to answer), 151 who did not have work, and 13 who did not know or refused to answer whether they worked. A further 12 cases were dropped from the regression because of missing values for the independent variables, mostly missing job skill.

References

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Chapter 6
Mothers' Income and Economic Well-Being

Maria Cancian and Daniel R. Meyer[1]

Critics charged that the Aid to Families with Dependent Children (AFDC) program trapped people in a cycle of dependency. Some emphasized that the generosity of welfare payments (relative to available employment) made long-term welfare receipt an attractive alternative to work. Others argued that even when employment increased gross income, the total economic package offered by the welfare system dominated, because low-wage work generally did not provide benefits and required some job-related expenditures (child care and transportation, for example). Recent reforms have aimed to "make work pay." The Earned Income Tax Credit (EITC) has been dramatically expanded in the last decade. The AFDC program, which included an entitlement to cash assistance, has been replaced by TANF, which provides time-limited payments and which generally requires work. Wisconsin's TANF program, W-2, has been associated with declines in the receipt of public assistance (see Chapter 3) and increases in mother's earnings (see Chapter 4). In this chapter we consider whether the program has led to improvements in overall economic well-being for its participants.

In describing the level of economic well-being of those who received W-2, we cannot identify the *impact* of W-2. An analysis of impacts would require an explicit counterfactual (that is, the level of economic well-being under W-2 compared to some other policy regime), and we do not try to estimate what participants would have done in the absence of W-2.[2] Nonetheless, we believe the levels of economic well-being after receiving W-2 are important in their own right, and we are able to make some comparisons to outcomes in other states. We examine mothers who entered W-2 in its earliest months (between September 1997 and July 1998). We provide information on three different measures of economic well-being: personal income, family income (and poverty), and economic hardship. For most measures, we examine outcomes in 1998 and 1999.

Prior Literature

Despite the importance of welfare policy, for many years there was limited information on the economic well-being of those who had been welfare recipients. Recent work has provided some descriptions of economic well-being among those who left welfare under AFDC, the prior policy regime. One national study of levels of well-being for five years after leaving welfare found that a substantial proportion of the leavers were not doing well: about two-fifths of leavers had family incomes below the poverty line in the fifth year after leaving welfare . However, there is substantial diversity in outcomes, as more than one-fifth had family incomes above two times the poverty line in the fifth year, and average family incomes increased substantially over the five-year period (Meyer and Cancian, 1998). That study also found substantial differences based on the measure of income considered: 64 percent had *personal* incomes below poverty in the fifth year, compared to 41 percent with *family* incomes below poverty.

Some studies in individual states have examined the economic well-being of those who left the state's TANF program. Although comparison across studies presents substantial difficulties(see U.S.

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[1]The authors thank Hwa-Ok Park for excellent research assistance.

[2]Several strategies are possible for evaluating the impacts of welfare reform in the absence of an experiment. See Barnow, Kaplan, and Moffitt (2000) for a discussion of alternative approaches to evaluating W-2, and a discussion of the value of monitoring outcomes when impact assessments are not feasible.

General Accounting Office, 1999, or Isaacs and Lyon, 2000, for a discussion), some approximate comparisons can be made. These studies tend to show high levels of poverty. For example, in Wisconsin, 72 percent of those who left welfare at the time of transition to TANF had personal incomes below poverty in the next year (Cancian et al., 2000). In Washington and Missouri, 58 percent of leavers had household incomes below poverty (Isaacs and Lyon, 2000).

In some of these states, measures of economic hardship have been reported in addition to measures of income. For example, in Michigan, about one-fourth of welfare leavers reported they "sometimes" or "often" did not have enough food, and over one-third either had this food problem or had a problem with their housing (eviction, homelessness, or utility disconnection) (Corcoran et al., 1999). Arizona leavers also reported fairly high levels of hardship: nearly one-fourth had not had enough to eat, about one-fifth had had their utilities cut off or had had to move because they could not pay their bills (Isaacs and Lyon, 2000). Some studies have also included whether leavers received help with basic necessities: in Arizona, about one-fifth had received food from a shelter or food bank. One national study also shows that former welfare recipients experience substantial levels of hardship (Loprest, 1999): for example, over one-third reported that they had sometimes or often "worried that food would run out before [they] got money to buy more," and a similar percentage reported "a time in the last year when [they] were not able to pay mortgage, rent, or utility bills."

For a comprehensive view of economic well-being, both those who have left welfare and those who continue to receive payments or other services should be examined. This chapter reports some of the first overall measures of economic well-being for TANF recipients in Wisconsin, examining measures of hardship as well as measures of income.

Data, Sample, and Methods

We examine resident mothers who entered W-2 in its first months, that is, between September 1997 and July 1998. We consider only women who were demographically eligible for child support and who received the full W-2 program.[3] This group totals 12,501 mothers, the majority of W-2 recipients. We examine personal (gross) income for all these mothers, using data from the state's administrative records. We also use information from the Survey of Wisconsin Works Families, which surveyed a random sample of the mothers included in the administrative data. The survey provides a fuller measure of income, including information on other sources of personal income and the earnings and other income of a spouse or partner. The survey also included questions on economic hardship, though these questions were asked of only a (randomly selected) subset of mothers. Mothers were interviewed in the spring of 1999 (questions covering 1998) and 2000 (questions covering 1999). In the analysis of family income, we examine 1,088 mothers in 1998 and 1,035 in 1999, those for whom we have full income information. In the analysis of hardship, we examine 572 mothers in 1998 and 1,081 in 1999.

[3]Women are demographically eligible for child support if they are not living with the father of their children although he is alive. One of the features of W-2, a full pass-through of child support, was implemented in an experimental design, so that only a portion of W-2 recipients receive the full pass-through. In contrast to most experiments that have a small experimental group, however, over three-fourths of recipients are in the experimental group. We examine only experimental-group participants.

Our measure of personal income is the sum of formal earnings, W-2 payments, the cash value of food stamps, and the amount of child support.[4] The measure is not ideal. It does not include a complete measure of earnings, only those reported to the Wisconsin Unemployment Insurance system. Nor does it include self-employment and payments from programs other than W-2 and food stamps (so it does not include the Earned Income Tax Credit, social security benefits, unemployment benefits, etc.).[5] We do not have adequate measures of child care expenditures (so do not use information on subsidies) or other work expenses. Despite these limitations, our measure of personal income is easily comparable to other studies and is the most comprehensive measure available in our administrative data. Moreover, this measure gives one indication of the economic resources under a mother's control. (Family income, though a fuller measure of economic resources, includes sources to which the mother may not have full access, such as the earnings of a partner.)

Our measure of family income is taken completely from the survey.[6] It covers additional sources of mother's personal income as well as an estimate of the income of a spouse or partner. Additional

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[4]For 1998, we also include with W-2 payments small amounts of AFDC payments received by mothers before AFDC was eliminated.

[5]Whether in-kind benefits should be treated as income, and how they should be valued, is controversial. We include the cash value of food stamps but do not include a measure of Medicaid or BadgerCare in income.

[6]In the survey, mothers were first asked for the amount of earnings from the previous year. If they reported that they did not know, they were given a series of ranges. They were then asked if they received a particular source of income. When all sources of personal income had been asked, respondents were asked the amount of each of the sources they said they received. If mothers had a spouse or partner in the home at the time of the survey (or if they did not have a current spouse/partner, but had one in the previous year), they were then asked whether the spouse/partner worked and the amount of earnings, again with ranges provided for those who did not provide an amount. Finally, they were asked to estimate the amount of all other income of the spouse/partner, again with ranges provided for those who did not provide an amount.

We used several imputation rules when respondents refused to answer a question or stated they did not know. First, those who refused or said they did not know in answer to the question of whether a particular source of income was received were treated either as not receiving that source (for sources received by fewer than 10 percent of our sample) or missing (for sources received by at least 10 percent of our sample). Second, if respondents refused to answer or reported that they did not know the amount of their own earnings and the earnings or other income of a spouse/partner, but did provide a range, they were assigned the median amount within that range (among those who had provided an explicit amount). For those who did not provide a range, we treated the amount as missing. Third, for all sources other than own earnings, spouse/partner's earnings, and spouse/partner's other income, we imputed median amounts if respondents stated they had the source but refused to answer or stated they did not know the amount.

We also top-coded several governmental payments in which the potential maximum amount is known. We set the maximum amount of Unemployment Compensation at $7,722, the maximum in Wisconsin in 2000; this affected six cases in 1998 and four cases in 1999. We top-coded Supplemental Security Income at $10,813, the maximum in Wisconsin for a couple with no other income in 2000; this affected two cases in 1998 and one case in 1999. We top-coded Social Security benefits at $35,379.60, the maximum amount of survivors' benefits for a family in 2000; this affected one case in 1998. We top-coded Food Stamps at $9,204, the maximum amount for a family of eight in FY 2000; this affected three cases in 1998 and six in 1999 (none of which had more than eight members). Finally, we top-coded W-2/AFDC at $8,076, the maximum amount of W-2 payments in both 1998 and 1999; this affected six cases in 1998 and two in 1999.

We report total income only for those cases in which no amounts were missing for all relevant sources after we completed imputations. These rules result in our excluding 183 cases in 1998 and 209 cases in 1999 for whom we had incomplete income.

sources include unemployment compensation, worker's compensation, Supplemental Security Income (SSI), Social Security benefits, alimony, and "any other source of income."[7] Although this is a fuller measure of income, it still does not account for nondiscretionary expenditures, the EITC, or taxes.

Finally, we consider several measures of economic hardship from the survey.[8] We consider mothers to have had a food hardship if they reported that they "often" or "sometimes" did not have enough to eat in the previous year. A "shelter hardship" is defined as having one's gas or electricity disconnected, moving in with others because one cannot pay the rent, living in a shelter, or being homeless. Finally, we consider that those who had spent time without a telephone or who had their telephone disconnected because they could not pay the bill experienced a "telephone hardship." We summarize by counting those who experienced at least one area of hardship. This measure of hardship may be too narrow, in that some people may have been at risk of food or housing insufficiency but received help from a community agency, religious group, or family and friends that prevented the hardship. To capture a broader concept, those at risk of food hardship, we add to those who were often or sometimes hungry the group that did not report hunger but did report that they received help with food. Similarly, those who received help with utilities or rent were included along with those who had an actual shelter hardship in a group denoted those "at risk of shelter hardship." Finally, those who received help with a telephone bill were included with those who had a telephone hardship. For our most comprehensive measure, we aggregate the number who were at risk of at least one of these hardships.

Results

Personal Income

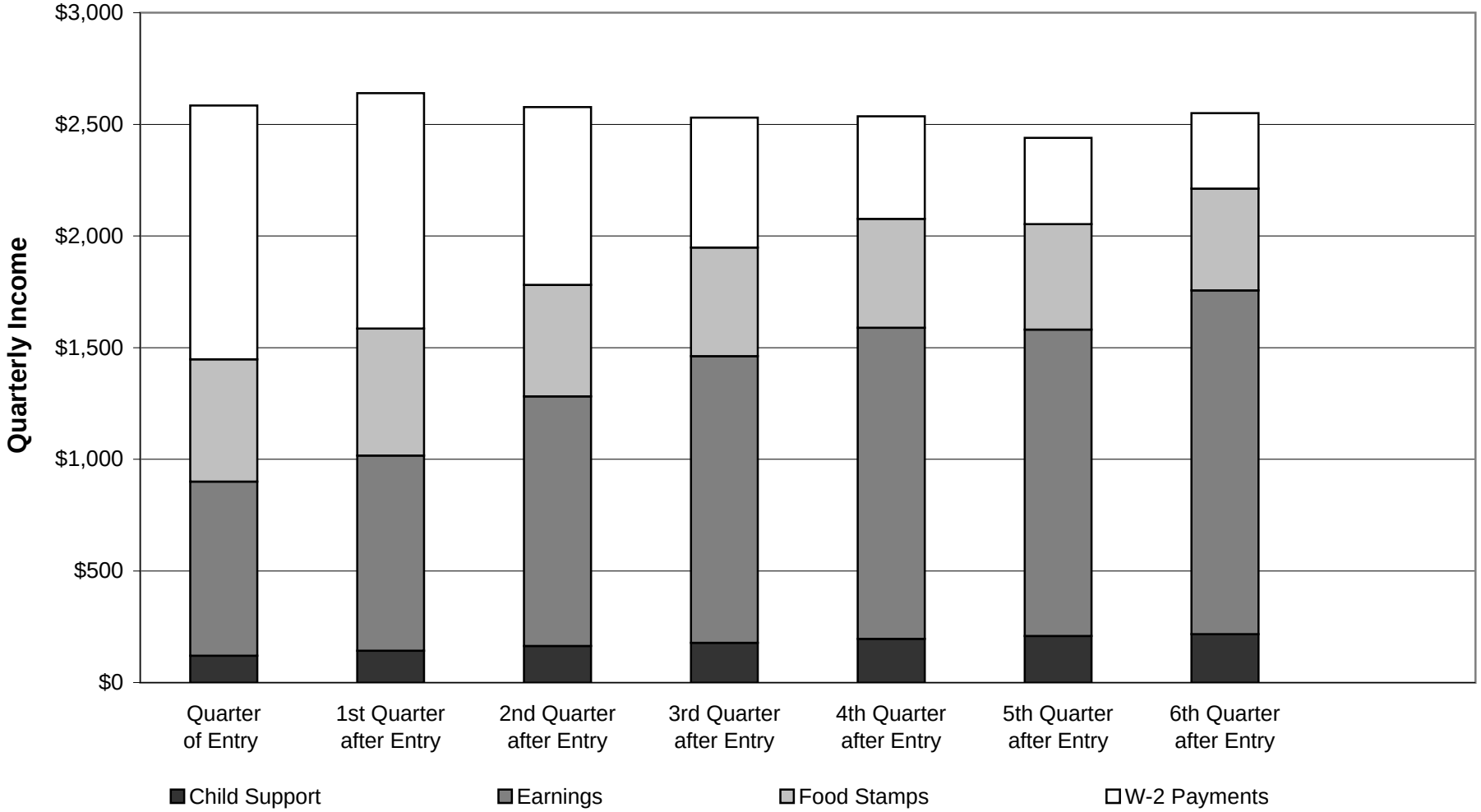
Our first measure of personal income is based on administrative data. Figure II.6.1a examines quarterly income in the quarter that women entered W-2 and the six subsequent quarters. Mothers had low levels of personal income, about $2,500 in each of the first seven quarters after entry, equivalent to about $10,000 a year. The figure shows substantial differences in trends among the four income sources. Child support and earnings both approximately doubled over this period: child support showed a small but gradual increase in dollar terms, from $120 in the quarter of entry to $217 in the sixth quarter after entry. Earnings showed a more substantial increase, most of which occurred within the first year; average earnings grew from $779 in the quarter of entry to $1,539 in the sixth quarter. The two sources of welfare income both declined over the period. Food stamp amounts declined slightly, from $548 to $456, and W-2 cash payments declined more dramatically, from $1,137 (combined AFDC and W-2) in the quarter of entry to $337. The increases in earnings and child support were almost exactly offset by the decreases in W-2 and food stamps, so that total personal income remained basically unchanged over this period.

Most of the remaining analysis in this chapter relies on data from the survey, the only source of information on other sources of income and economic hardship. The survey includes information on

[7]In 1998, we asked a question about "income from any other sources"; the most common types reported were SSI for a child and money from family or friends. The 1999 survey asked about these sources specifically, and also asked the general question about "any other income sources."

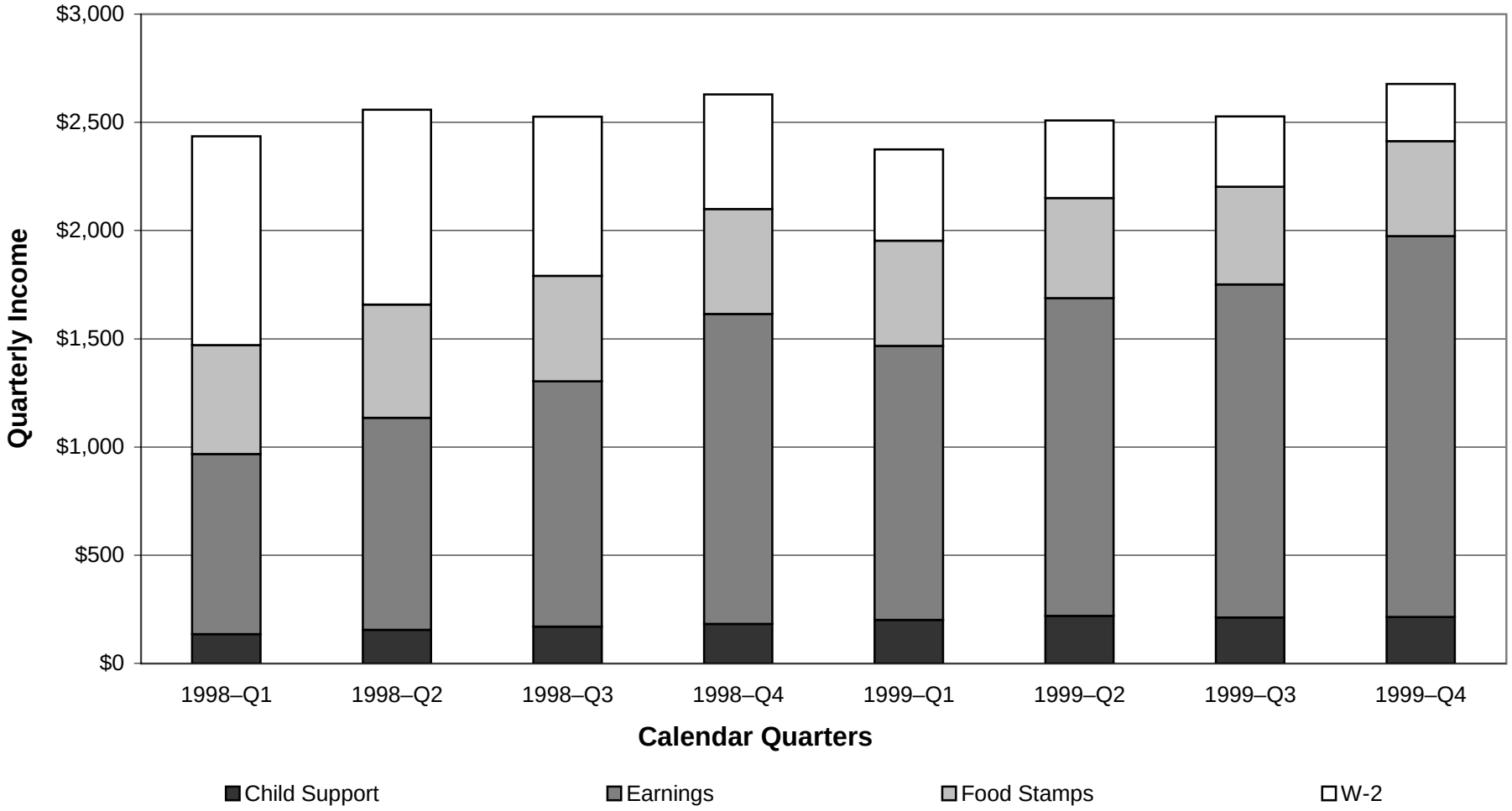
[8]The sample size for these questions is smaller than the overall survey sample. Because of constraints on the overall length of the survey, the 1998 survey asked the questions about economic hardship of only half the sample. The first weeks of the 1999 survey followed a similar rule, but we quickly discovered we had more time than anticipated, and began to ask this sequence of all mothers.

Figure II.6.1a
Mothers' Personal Income Sources Relative to Quarter of Entry
(Administrative Data)



Sample: 12,501 resident mothers (experimental group only). **Data:** CARES, KIDS, and UI.

Figure II.6.1b
Mothers' Personal Income Sources, for Calendar Quarters
(Administrative Data)



Sample: 12,501 resident mothers (experimental group only). **Data:** CARES, KIDS, and UI.

income in calendar years 1998 and 1999 (rather than years relative to W-2 entry). For comparability, Figure II.6.1b repeats the analysis of Figure II.6.1a, using the same data and measure of income, but examining calendar years. Because our sample entered W-2 between September 1997 and July 9, 1998, the calendar years cover differing periods relative to W-2 entry. Figure II.6.1b tells a similar story to Figure II.6.1a; small increases in child support together with large increases in earnings were largely offset by small declines in food stamps and large declines in W-2 cash payments. The figure also suggests that earnings were somewhat seasonal, with October–December earnings (quarter 4) particularly high.

From 1998 to 1999, there was little change in mean personal income (which fell slightly, from $10,150 to $10,090) or median personal income (which fell from $9,771 to $9,430). However, these figures obscure substantial change in the distribution of income over all mothers. In Figure II.6.2 we compare the distribution of mothers' personal income in 1998 and 1999, using administrative data. The figure shows increasing inequality: the proportion of mothers with low incomes ($5,000 or less) increased from 14 percent to 22 percent, and the proportion with higher incomes (above $20,000) increased from 4 percent to 7 percent.

The stability of average income also fails to capture the substantial portion of mothers who experienced significant changes in economic status over this period. Figure II.6.3 focuses on the change between 1998 and 1999, continuing to use administrative data on personal income. It shows relatively large changes in income; only one-fifth of the sample experienced a change of less than $1,000 (about 10 percent, at the mean). There were slightly more whose income declined; 29 percent experienced a decline of $1,000 to $4,999, and 13 percent a very large decline (of over $5,000), compared to 26 percent who experienced an increase of $1,000 to $4,999 and 12 percent who experienced a large increase.

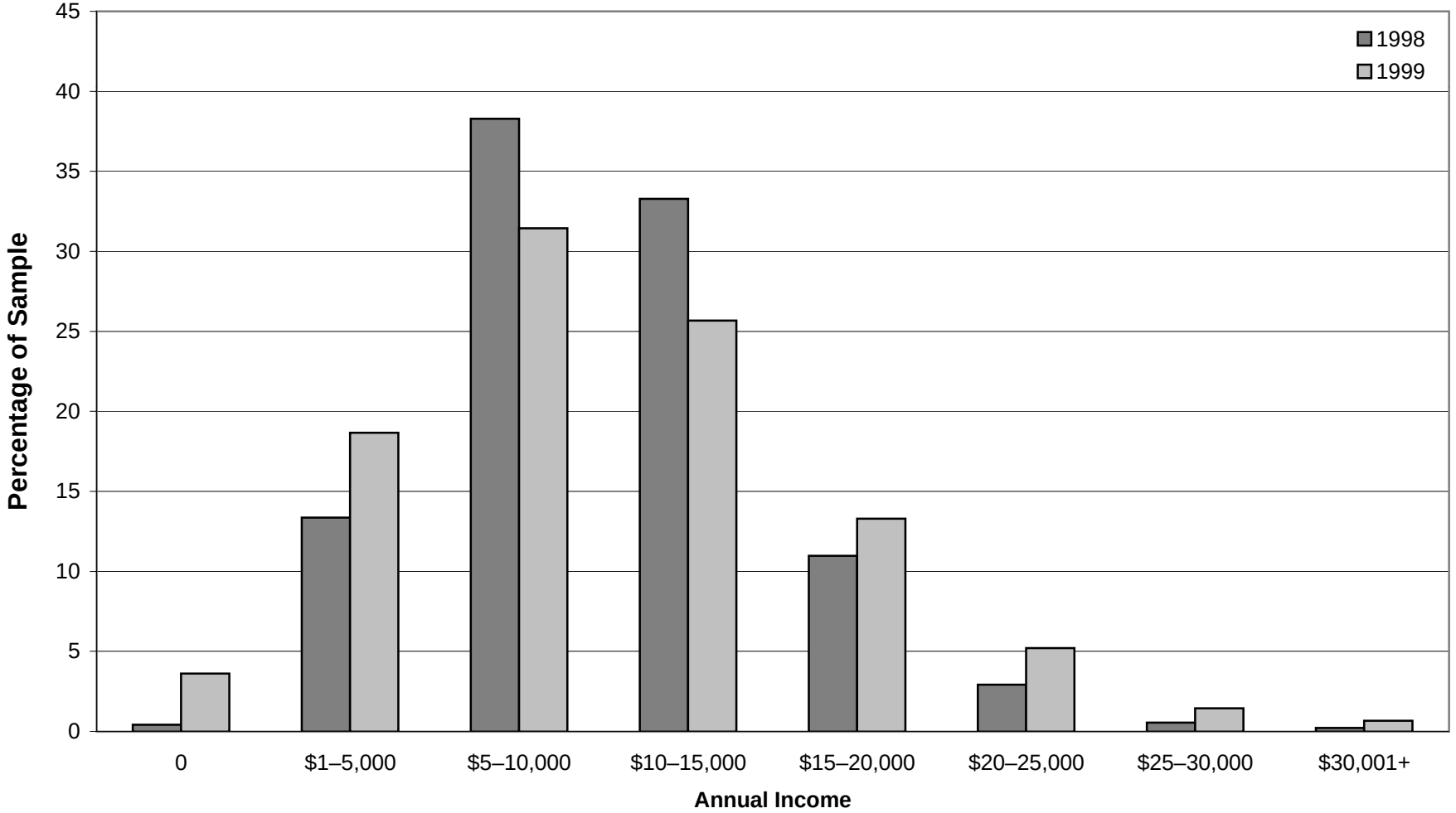
Family Income

As discussed above, the survey includes a broader array of income sources than are available in our administrative data. Figure II.6.4 shows mean amounts of family income by source. The lower four segments of each bar show the same four sources included in personal income, but reflect mothers' own reports. Like the administrative data, the survey shows small increases in child support from 1998 to 1999, large increases in earnings, small declines in food stamps, and large declines in W-2. However, in contrast to the results from administrative data, the decreases did not completely offset the increases. Based on mothers' reports, personal income increased between 1998 and 1999, from about $10,000 to about $11,000.[9]

Figure II.6.4 also shows aggregate income sources not included in our measure of personal income. Mother's other income included a variety of government payments and other income sources,

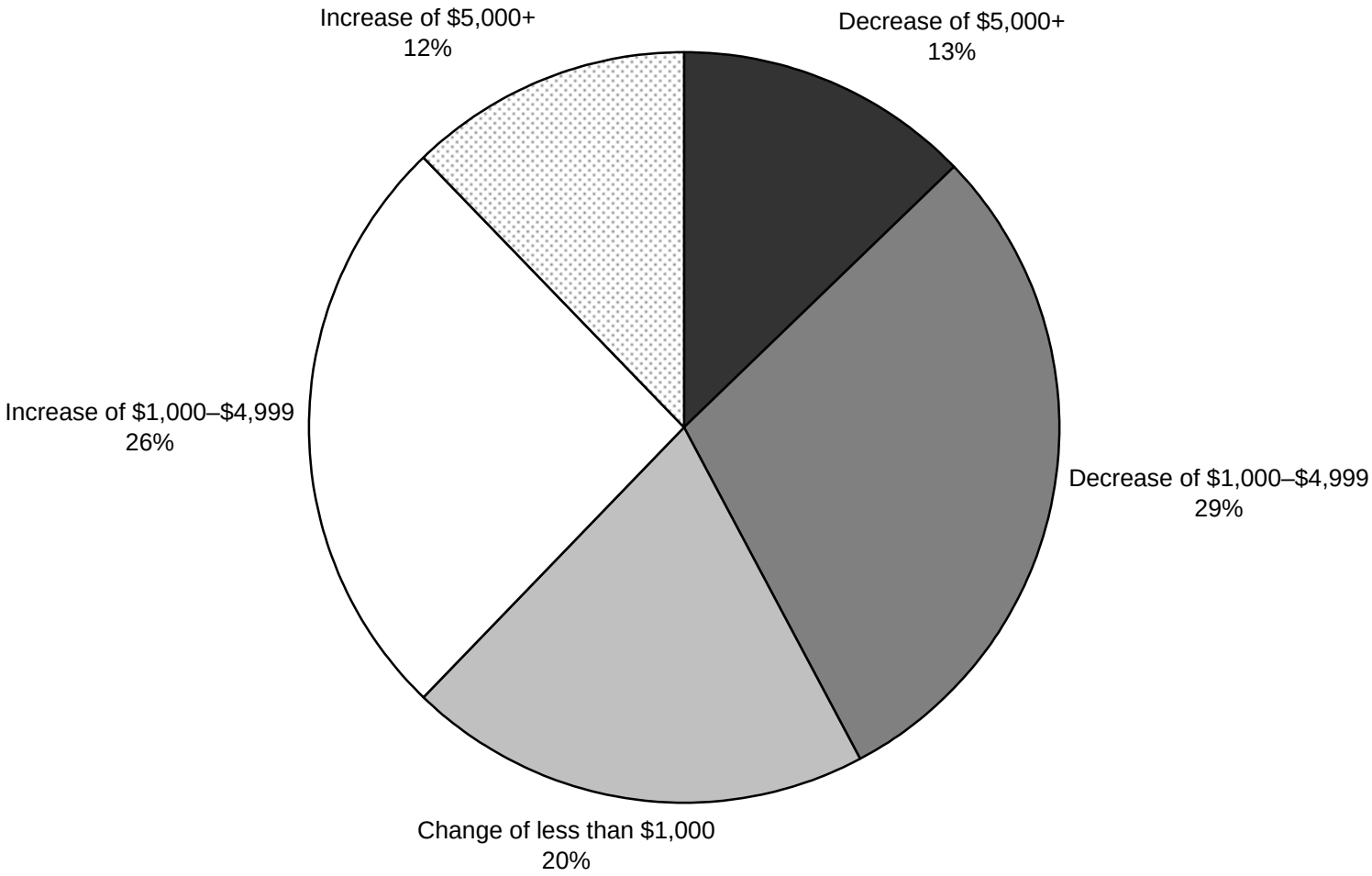
[9]The discrepancy between survey and administrative reports reflects differences in samples, as well as the tendency for mothers to report higher levels of earnings and lower levels of W-2, food stamps, and child support than shown in administrative records. Calculated over the same sample, mean personal income in 1998 was $10,608 according to administrative sources, and $9,896 according to the survey. Most of the gap was due to the underreporting of W-2 payments and food stamps in the survey. Mean personal income in 1999 was $10,958 according to administrative sources, and $11,006 according to the survey. In that year survey reports of earnings were again higher, whereas reports of government payments and child support were again lower than in administrative data. Because of the increasing importance of earnings (which are higher in the survey) and the declining importance of government payments (which are lower in the survey) the survey measure of personal income is higher than the administrative measure in the second year. (See Chapter 3 Appendix for a discussion of survey and administrative measures of program participation.)

Figure II.6.2
Distribution of Mothers' Personal Incomes
(Administrative Data)



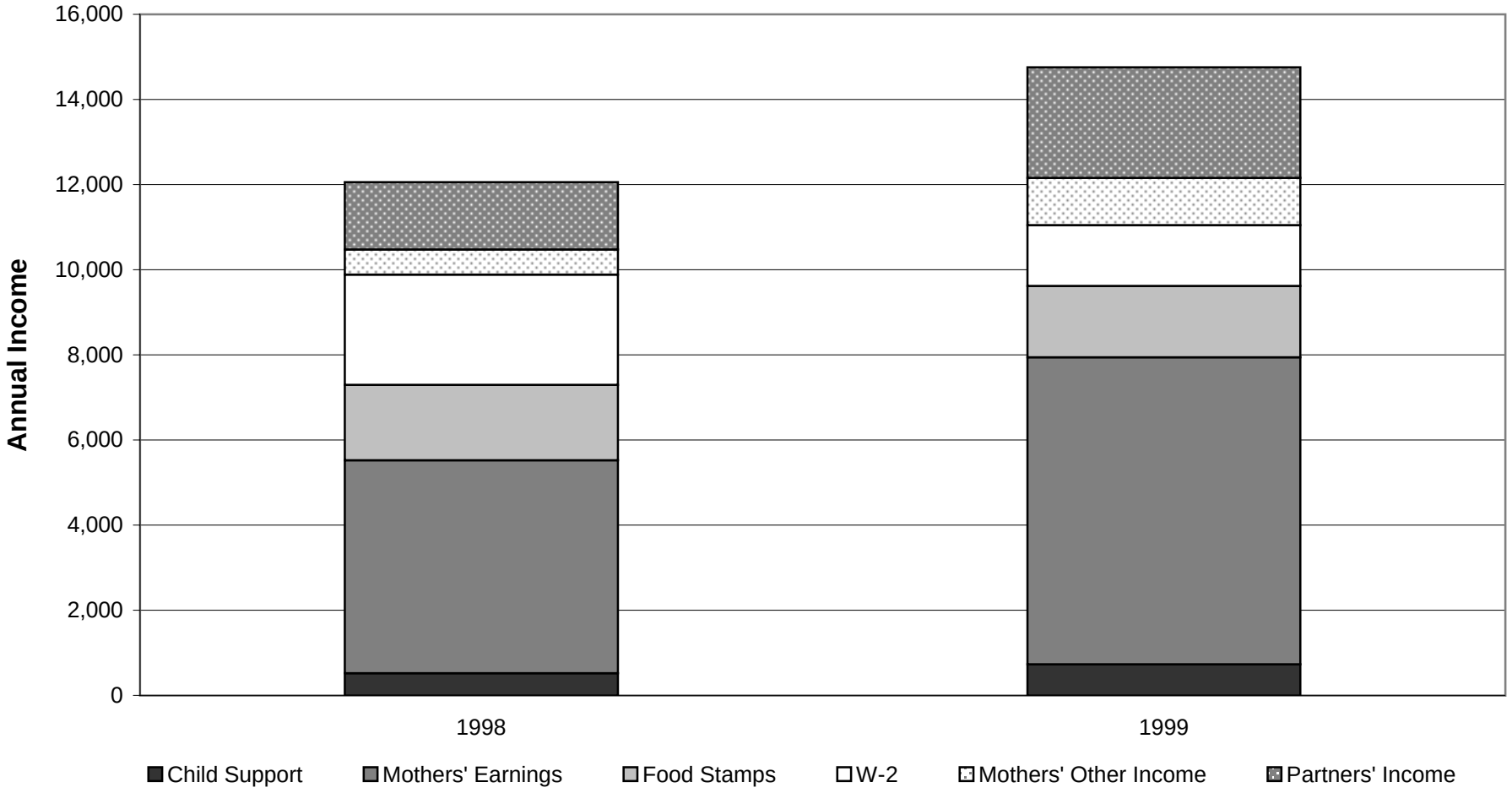
Sample: 12,501 resident mothers (experimental group only). **Data:** CARES, KIDS, and UI.

Figure II.6.3
Changes in Mothers' Personal Income, 1998–1999
(Administrative Data)



Sample: 12,501 resident mothers (experimental group only). **Data:** CARES, KIDS, and UI.

Figure II.6.4
Mothers' Family Income Sources
(Survey Data)



Sample: 1,088 resident mothers for 1998 and 1,035 for 1999 (experimental group only). **Data:** Survey of Wisconsin Works Families.

each of which was generally small. The largest source was SSI, averaging about $200 in 1998, and increasing to over $400 in 1999. The uppermost segment shows income from a spouse or partner. The percentage of mothers with a spouse or partner increased from 23 percent in 1998 to 27 percent in 1999. However, only about four-fifths of these partners had earnings. When this source of income was present, it was substantial, averaging well over $10,000. This brought the overall average of income from a spouse or partner (including the zeroes) to about $1,600 in 1998 and $2,500 in 1999. The increase in income from a partner, combined with the increase of over $2,000 in mothers' own earnings, led to a substantial increase in family income between 1998 and 1999. Mean family income grew from $12,082 to $14,779, and median income from $10,838 to $12,371.

The mean and median income figures mask substantial diversity in family income. Figure II.6.5 shows the distribution of family income in 1998 and 1999. Overall incomes were fairly low; over two-fifths of the sample were under $10,000 in 1998, and less than 15 percent were above $20,000. On average, incomes increased over time. The proportion of mothers in the four lowest categories decreased and the proportion in the four highest categories increased between the two years. The highest-income group, those with over $30,000, more than doubled, but remained less than 10 percent of the sample.

By definition, family incomes are higher than personal incomes; a comparison of Figure II.6.5 to Figure II.6.2 provides one indication of the level of difference and the extent to which the sources not easily captured in administrative data make a difference to the picture of family economic well-being. The level of income is substantially higher in Figure II.6.5. For example, only 4 percent of families had personal income over $20,000 in 1998, compared to 13 percent with family incomes over $20,000; comparable figures for 1999 were 7 percent and 21 percent. The figure for personal income suggests growing inequality, whereas the figure for family income suggests a more uniform growth in incomes over time. This may be because those who had a source of income not measured in the administrative data (a spouse or partner, for example) tended to work less, and therefore show as having lower levels of personal income.

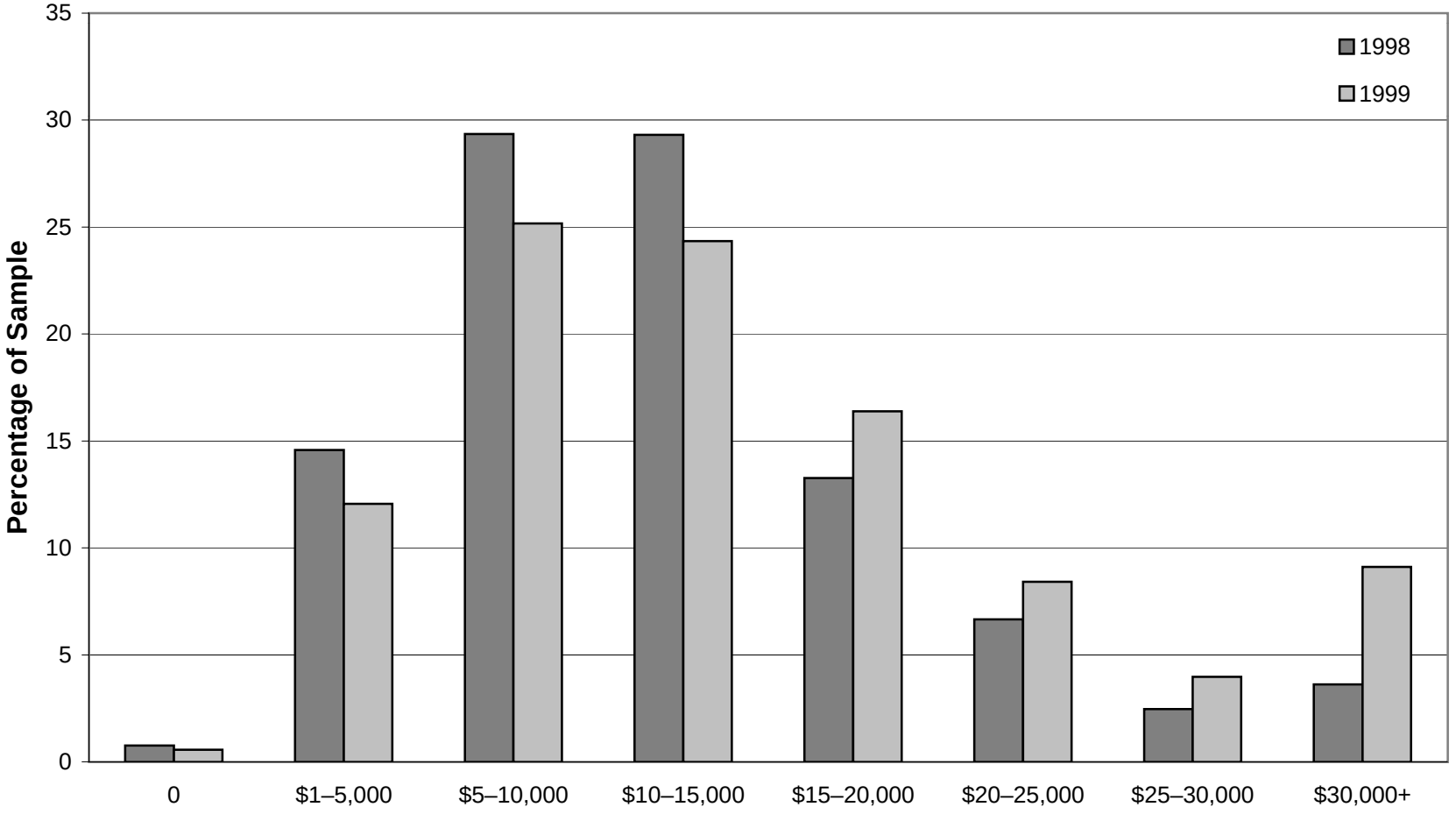
Figure II.6.6 provides a more direct examination of changes in family income between 1998 and 1999. Family incomes declined for a large minority of mothers: about one-sixth of the sample experienced a decline of over $5,000 between these two years, and another one-sixth experienced a smaller decline (between $1,000 and $5,000). Relatively few mothers (13 percent) had comparable incomes in the two years. On the other hand, nearly one-third had a substantial increase in income (over $5,000), and over one-fifth had a smaller increase. Increases in income, especially large increases, are more common for family income than personal income.

To provide a measure comparable to previous studies, we also calculate total family income as a proportion of the official poverty line. This measure has the additional advantage of adjusting for changes in family size. The family-size adjustment is potentially important, because increases in family income in part reflect the increasing portion of mothers with partners; these partners often provide income, but they also increase household expenses. Figure II.6.7 shows that the poverty rate was quite high: 77 percent in 1998 and 67 percent in 1999, with nearly one in three mothers reporting family incomes less than half the poverty line.

Hardship and Help

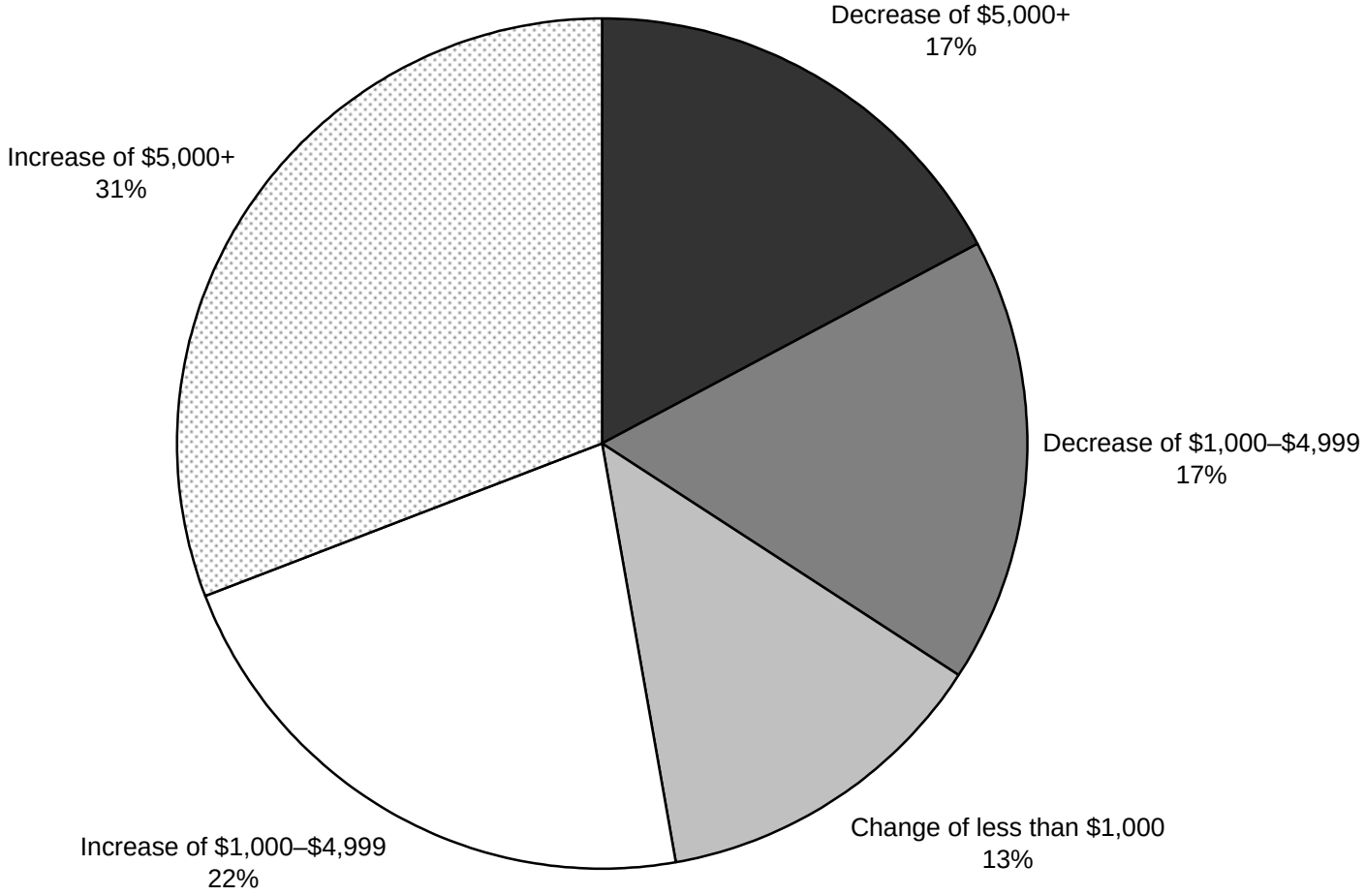
We now turn to measures of economic hardship. Figure II.6.8 shows the extent to which mothers experienced various types of hardship. In 1998, 19 percent of mothers said they "often" or "sometimes" did not have enough to eat. The most common types of shelter problems were having utilities disconnected and moving in with others: 22 percent of mothers had their gas or electricity turned off and

Figure II.6.5
Distribution of Mothers' Family Incomes
(Survey Data)



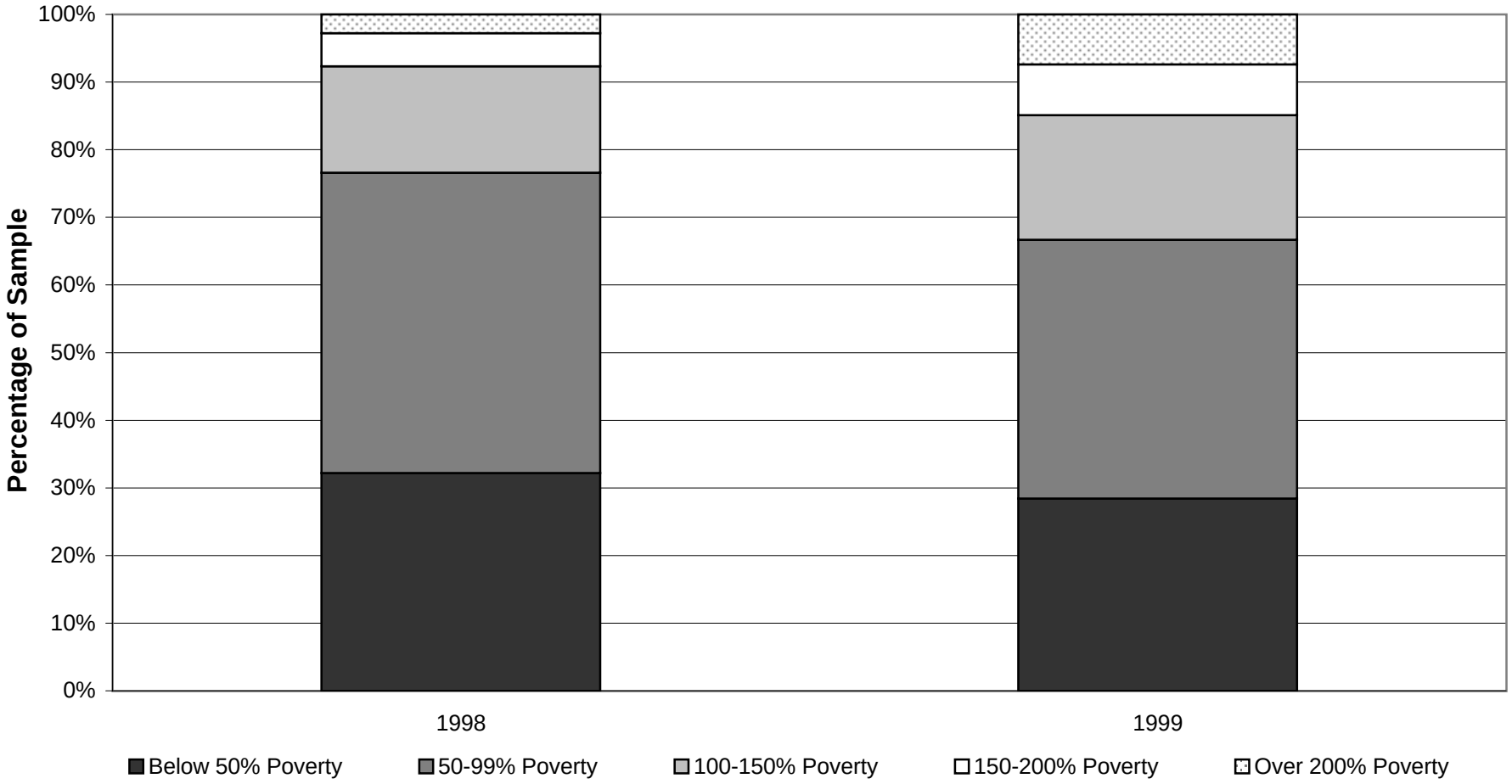
Sample: 1,088 resident mothers for 1998 and 1,035 for 1999 (experimental group only). **Data:** Survey of Wisconsin Works Families.

Figure II.6.6
Changes in Family Income, 1998-1999
(Survey Data)



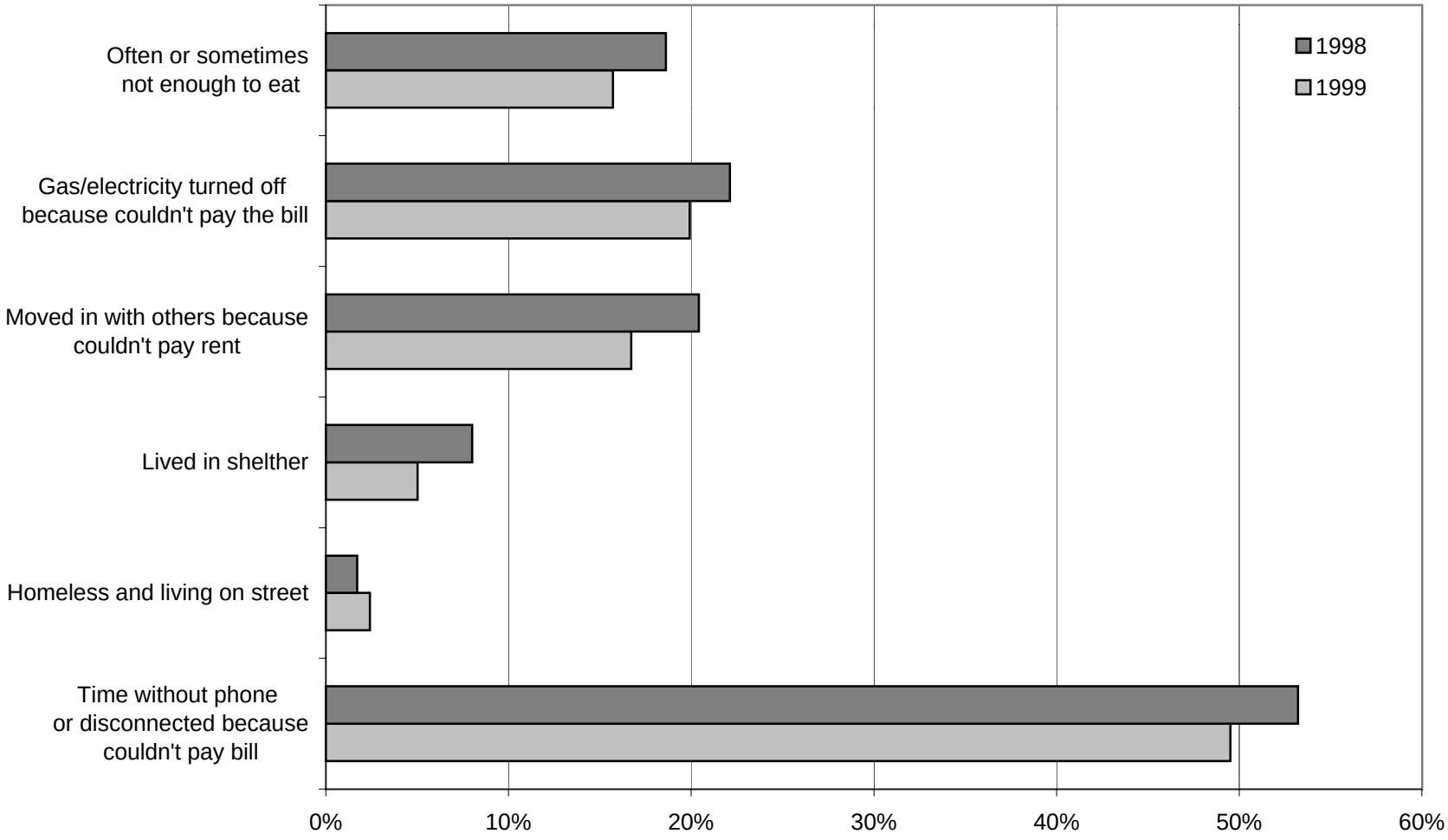
Sample: 1,088 resident mothers for 1998 and 1,035 for 1999 (experimental group only). **Data:** Survey of Wisconsin Works Families.

Figure II.6.7
Mothers' Family Poverty Status
(Survey Data)



Sample: 1,088 resident mothers for 1998 and 1,035 for 1999 (experimental group only). **Data:** Survey of Wisconsin Works Families.

Figure II.6.8
Economic Hardship for Mothers
(Survey Data)



Sample: 572 resident mothers for 1998 and 1,081 for 1999 (experimental group only). **Data:** Survey of Wisconsin Works Families.

20 percent moved in with others because they could not pay the rent. Living in a shelter or being homeless was less common: in 1998, 8 percent lived in a shelter, and 2 percent were homeless. The type of hardship most frequently mentioned was a telephone hardship, experienced by 53 percent of mothers. In 1999, all measures except homelessness appear to decline slightly, though in most instances the change is not statistically significant.

As discussed above, some of these mothers were able to avoid hardship because they received help from a charity, religious group, or family or friends. Figure II.6.9 shows the proportion of mothers who reported receiving help from one of these sources. Receiving help was fairly common, especially from family or friends: in 1998 more than one-third received help from family or friends to buy food, and nearly one-fifth received help to pay a utility bill, to pay rent, or to pay the phone bill. Help from charities or religious groups was less common, but still substantial: 20 percent received money or vouchers to buy food, and 8.5 percent received money or vouchers to pay their rent, utilities, or telephone. For both family/friends and charities or religious groups, assistance with food was more common than assistance with shelter or telephone needs. In all of these measures, the proportion receiving help appears to have declined slightly between 1998 and 1999, though in most instances the change was not statistically significant.

Many families that reported hardships also reported receiving help, but there are differences between the two groups. For example, more than one-third of those with a food hardship in 1999 did not receive help. Conversely, over one-third of those who did not report a food hardship *did* receive help. Considering the sample as a whole in 1999, 55 percent reported neither experiencing a food hardship nor receiving any help, 29 percent reported no hardship but did receive help (which may have prevented a hardship), 6 percent had a hardship but did not receive help, and 10 percent both had a hardship and received help. Comparable numbers for shelter are 53 percent, 14 percent, 17 percent, and 16 percent.

Table II.6.1 provides a summary of the measures of hardship and help. Although only 19 percent experienced a food hardship in 1998, over 40 percent received some help with food, bringing the total "at risk" of a food hardship to 50 percent. Although both hardship and help declined by 1999, the proportion at risk was still high, 45 percent. About one-third experienced some type of shelter hardship or received some assistance with shelter, bringing the total at risk to 52 percent in 1998 and 47 percent in 1999. As noted above, telephone hardship was common; the table shows that the total number at risk was even larger, 62 percent in 1998 and 56 percent in 1999.[10] Finally, the bottom panel shows that over three in five mothers experienced a hardship in both years, and over half received some help. Thus, by our definition, most of the mothers reported being at risk of at least one hardship.

These figures provide only very basic indicators of hardship and help. More research is needed on economic hardship and the ameliorative potential of family and charitable support. These issues are likely to be of growing importance in the context of a shrinking public safety net and more frequent suggestions that private charity take the place of public payments.

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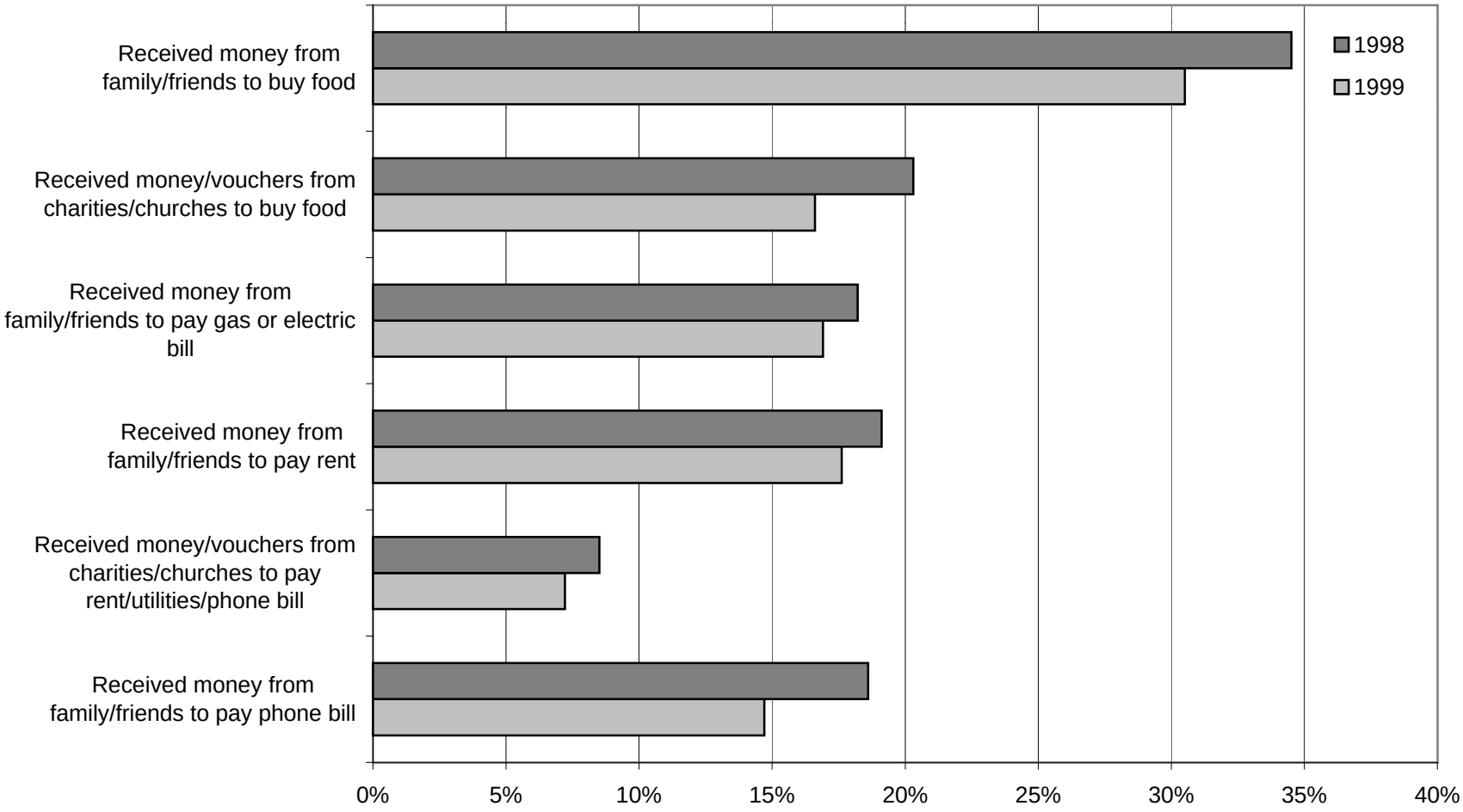
[10]Note that the questions about help do not exactly mimic the questions about hardship. In particular, there is a single question about money/vouchers from charities/churches that covers rent, utilities, and telephone. We consider anyone who said, in answer to this question, that they received help as receiving help for both shelter and telephone. If we assume that their answer does not indicate telephone help, there is not much difference in our results. For example, 60 percent are at risk for telephone hardship in 1998 (compared to 62 percent), and 54 percent are at risk in 1999 (compared to 56 percent).

Figure II.6.9
Percentage of Mothers Receiving Help
(Survey Data)



Sample: 572 resident mothers for 1998 and 1,081 for 1999 (experimental group only). **Data:** Survey of Wisconsin Works Families.

Table II.6.1
Mothers' Economic Hardship and Help

	1998	1999
Food	18.7%	15.7%
Hardship with food		
Help with food	43.5	38.9
At risk of food hardship	50.0	44.9
Shelter	36.7	33.0
Hardship with shelter		
Help with shelter	32.7	30.1
At risk of shelter hardship	51.6	47.2
Phone	53.2	49.5
Hardship with phone		
Help with phone	24.8	20.8
At risk of phone hardship	61.7	55.8
Any	64.8	61.1
Any hardship		
Any help	56.1	52.1
Any risk	77.0	74.0

Sample: Experimental-group mothers in the Survey of Wisconsin Works Families who responded to questions about economic hardship and help. N = 572 in 1998 and 1,081 in 1999.

Who Is Doing Well?

Our results have shown substantial diversity in outcomes. For example, about two-fifths of the mothers did not experience any of the three areas of hardship in 1999, whereas 7 percent experienced all three. Which types of mothers were doing better in 1999? We provide information on this question with a descriptive multivariate regression. We examine three outcomes, the natural log of personal income, whether a mother's family income was above poverty, and whether she experienced one of the hardships. In order to consider similar correlates for outcomes measured with administrative and survey data, we include only variables from the administrative data in our regressions. The variables include measures of the mother's experience prior to entering W-2 (her AFDC, earnings, and child support history), additional variables that may have affected her success in the labor market (the W-2 tier to which she was assigned when she entered, her age, race, and education, the number and ages of children, and whether there were other adults in the household), and two variables measuring the context (region/Milwaukee agency, and the local unemployment rate).

Our results are summarized in Table II.6.2. As expected, they suggest that women with higher previous earnings and those with higher previous child support had higher personal income and were more likely to have family incomes above poverty. There is no discernable relationship between these income-history variables and economic hardship. Those with longer AFDC histories had *higher* personal incomes, all else equal. However, the number of months of recent AFDC experience is not related to poverty status or hardship.[11] And, as expected, women who entered W-2 in a lower tier had lower levels of personal income and were less likely to have family income above poverty.

We also consider the relationship between economic status and women's age, race, education and family structure. Older mothers were less likely to have a hardship, though we do not discern a statistically significant relationship between age and personal income or poverty status. Women of color had lower personal incomes, though no higher poverty, and Latinas were *less* likely to report experiencing hardship. As expected, measures of economic well-being are strongly related to education: those with a high school degree or some education beyond high school had significantly higher personal incomes, and were more likely to have family incomes above poverty and to report no hardship. We find that mothers with older children only had lower personal incomes and were somewhat more likely to experience hardship. This may reflect the particularly disadvantaged position of women who rely on public assistance even when they do not have young children. Those with more children had somewhat higher personal incomes, but were more likely to be poor and to experience hardship. Taken as a whole, these results show that those with higher levels of human capital were more likely to be successful, a conclusion that can be expected from a policy approach that focuses on the labor market as the primary source of income for vulnerable families.

Summary and Discussion

This chapter reports on three measures of the economic well-being of mothers who received W-2: personal income, family income, and economic hardship. We consider a measure of personal income which includes the sum of administrative records of cash payments, food stamps, earnings and child support. This measure shows low levels of personal income, about $10,000 per year. We find no

[11]The association of prior AFDC history with higher personal income but no higher family income may reflect the fact that women with longer AFDC histories have a higher portion of their incomes from sources captured by our administrative measure of personal income.

Table II.6.2

Multivariate Analyses of Resident Mothers' Economic Well-Being: Personal Income, Family Poverty, and Economic Hardship

	Personal Income			Family Income over Poverty			Having No Hardship		
Independent Variables	Coeff.	S.E.	P-value	Coeff.	S.E.	P-value	Coeff.	S.E.	P-value
Earnings in the 8 Quarters before Entry (compared to 0)									
$1–$5,000	0.45	0.04	**<0.0001**	-0.07	0.13	0.579	0.01	0.12	0.954
$5,001–$15,000	0.97	0.06	**<0.0001**	0.45	0.16	**0.005**	0.16	0.15	0.296
$15,001+	1.28	0.20	**<0.0001**	1.14	0.40	**0.005**	0.43	0.37	0.245
Child Support History before Entry (compared to 0)									
$1–$999	0.12	0.05	**0.014**	-0.04	0.13	0.738	0.08	0.12	0.510
$1000+	0.31	0.05	**<0.0001**	0.27	0.13	**0.037**	0.03	0.12	0.794
Child Support Order at Entry (compared to No Order)									
Has a child support order	0.33	0.04	**<0.0001**	0.06	0.11	0.591	0.01	0.11	0.935
AFDC Receipt in 24 Months before Entry (compared to 0)									
1–6 months	-0.07	0.07	0.330	-0.08	0.16	0.627	-0.13	0.16	0.418
7–18 months	0.14	0.06	**0.026**	-0.12	0.14	0.419	-0.04	0.14	0.772
19–24 months	0.42	0.07	**<0.0001**	-0.20	0.16	0.212	0.05	0.15	0.753
W-2 Assignment (compared to Upper Tier)									
W-2 T and CSJ	-0.21	0.04	**<0.0001**	-0.30	0.10	**0.002**	-0.15	0.09	0.111
Caretaker of newborn	-0.05	0.07	0.439	-0.32	0.16	**0.046**	0.02	0.15	0.905
Age of Resident Parent (compared to 16–25 years)									
26–30	-0.09	0.05	0.054	0.16	0.12	0.200	0.18	0.12	0.123
31–40	-0.05	0.05	0.286	-0.24	0.14	0.082	0.19	0.13	0.128
41+	0.04	0.08	0.590	-0.30	0.24	0.224	0.49	0.23	**0.030**
Race of Resident Parent (compared to White)									
African American	-0.25	0.05	**<0.0001**	-0.17	0.14	0.242	-0.03	0.13	0.807
Hispanic	-0.19	0.07	**0.009**	-0.32	0.22	0.149	0.52	0.21	**0.013**
Other	0.02	0.09	0.780	-0.27	0.36	0.453	0.14	0.33	0.659
Unknown	-0.59	0.10	**<0.0001**	-0.03	0.28	0.913	0.31	0.25	0.222

Table II.6.2, continued

Independent Variables	Personal Income			Family Income over Poverty			Having No Hardship		
	Coeff.	S.E.	P-value	Coeff.	S.E.	P-value	Coeff.	S.E.	P-value
Race of Resident Parent (compared to White)									
African American	-0.25	0.05	**<0.0001**	-0.17	0.14	0.242	-0.03	0.13	0.807
Hispanic	-0.19	0.07	**0.009**	-0.32	0.22	0.149	0.52	0.21	**0.013**
Other	0.02	0.09	0.780	-0.27	0.36	0.453	0.14	0.33	0.659
Unknown	-0.59	0.10	**<0.0001**	-0.03	0.28	0.913	0.31	0.25	0.222
Education of Resident Parent (compared to Less than HS)									
High school diploma or equivalent	0.07	0.04	0.065	0.29	0.10	**0.002**	0.33	0.09	**0.000**
Beyond high school	0.13	0.06	**0.030**	0.47	0.15	**0.001**	0.45	0.14	**0.001**
Age of Youngest Child (compared to 1–2)									
Unborn child at W-2 Entry	0.13	0.06	**0.026**	-0.34	0.16	**0.033**	-0.23	0.15	0.116
3–5	-0.18	0.05	**0.000**	-0.04	0.12	0.742	-0.06	0.12	0.601
6–12	-0.20	0.05	**<0.0001**	-0.11	0.15	0.453	-0.32	0.14	**0.019**
13–17	-0.29	0.09	**0.001**	0.12	0.25	0.626	-0.42	0.23	0.063
Number of Children (compared to 0 or 1)									
2	-0.01	0.04	0.847	-0.09	0.11	0.441	-0.18	0.10	0.088
3+	0.08	0.05	0.092	-0.34	0.12	**0.006**	-0.48	0.12	**<0.0001**
Household Structure (compared to Live with Other Adults)									
Resident parent is only adult	-0.01	0.04	0.797	-0.10	0.10	0.290	-0.24	0.09	**0.009**
Location (compared to rural counties)									
Y-Works Agency	0.68	0.10	**<0.0001**	-0.17	0.24	0.479	-0.19	0.24	0.422
UMOS Inc. Agency	0.46	0.09	**<0.0001**	0.03	0.23	0.908	-0.30	0.23	0.182
OLC-GM Agency	0.79	0.09	**<0.0001**	-0.22	0.23	0.338	-0.03	0.22	0.879
Goodwill-Employment Solutions, Region 4	0.77	0.09	**<0.0001**	-0.25	0.23	0.286	-0.17	0.22	0.459
Goodwill-Employment Solutions, Region 5	0.68	0.09	**<0.0001**	-0.29	0.23	0.203	0.00	0.22	0.991
Maximus Agency	0.71	0.09	**<0.0001**	-0.06	0.22	0.768	0.03	0.21	0.898
Other urban counties	0.01	0.08	0.906	-0.20	0.18	0.263	-0.18	0.17	0.294

Table II.6.2, continued

Independent Variables	Personal Income			Family Income over Poverty			Having No Hardship		
	Coeff.	S.E.	P-value	Coeff.	S.E.	P-value	Coeff.	S.E.	P-value
Unemployment Rate in 1998 or 1999 (compared to Low)									
Middle (3.1–5.0)	-0.27	0.07	**0.000**	0.03	0.17	0.862	0.05	0.17	0.758
High (5.1+)	-0.20	0.14	0.144	0.38	0.35	0.273	-0.02	0.35	0.966
Intercept	7.80	0.11	**<0.0001**	0.14	0.24	0.556	-0.05	0.23	0.838
R-Square	0.076								
Log Likelihood				-295.3			-674.4		

Notes: Model also controls for the time period of W-2 entry. Probability values of 0.05 or less are shown in bold type.

(1) Personal Income (Regression): Sample—12,467 experimental-group resident mothers from the administrative data; 34 cases excluded because characteristics missing.

(2) Family Income Over Poverty (Probit): Sample—1,031 experimental-group resident mothers from the survey data; 4 cases excluded because characteristics missing.

(3) Having No Hardship (Probit): Sample—1,081 experimental-group resident mothers from the survey data; 4 cases excluded because characteristics missing.

overall growth in personal income between 1998 and 1999, as large increases in earnings and small increases in child support were offset by large declines in W-2 and small declines in food stamps. The measure of family income from the Survey of Wisconsin Works Families provides a somewhat more optimistic story. Although levels of income remained low and poverty rates high, the trend was positive. Mean family income rose from $12,082 to $14,779 (median from $10,838 to $12,371), and the poverty rate fell from 77 percent to 67 percent between 1998 and 1999. Finally, our measures of hardship suggest fairly high levels : about one-sixth had a food hardship, one-third a shelter hardship, and one-half a telephone hardship. There is some evidence that the level of hardship declined between the two years, but any declines were small and in most cases not statistically significant.

As we discussed above, we cannot formally evaluate the impact of the program because we do not have good measures of expected economic well-being in the absence of W-2. One point of comparison that is of potential interest is the economic status of AFDC or TANF participants in other states and periods of time. However, data are limited. As discussed in the first section of this chapter, a number of studies have considered the status of welfare leavers, who might be expected to have somewhat higher incomes than all recipients. National data on AFDC leavers also show high poverty rates (56 percent in the first year post-exit) and improvements over time (with the poverty rate declining to 41 percent in the fifth year) (Meyer and Cancian, 1998). More recent surveys of leavers in other states tend to show somewhat higher household incomes; for example, mean household incomes without food stamps ranged from $12,600 in Illinois to $17,100 in Missouri (Isaacs and Lyon, 2000). Household poverty rates in Washington and Missouri were 58 percent among families that had left TANF (Isaacs and Lyon, 2000).

Differences in questionnaire wording make exact comparisons of levels of economic hardship impossible, but some broad comparisons are possible. The levels of hardship we find are somewhat higher than among a general low-income population, but fairly comparable to a welfare population in other states. For example, 11 percent of families in the lowest income quintile nationally reported that they did not have enough food in 1995 (Bauman, 1999), compared to our figure of 15–17 percent. On the other hand, 24 percent of welfare recipients in Michigan stated that they sometimes or often did not have enough food (Corcoran et al., 1999). Similarly, 4 percent of the lowest income quintile nationally reported having their gas, electric power, or oil disconnected (Bauman, 1999), compared to our figure of 22 percent. Figures for Illinois and Arizona leavers are somewhat smaller than our figure: 12–17 percent had their utilities disconnected or had to move because of difficulty paying bills (Isaacs and Lyon, 2000). In a national sample, Loprest (1999) reports that 39 percent of former welfare recipients had difficulty paying rent or utility bills.

Although the measures of income and hardship presented here do not allow us formally to evaluate the impact of W-2, they do provide an important indicator of the success of W-2 in moving women out of poverty and towards economic self-sufficiency. The implementation of W-2 has coincided with a substantial decline in the receipt of cash assistance, and an increase in earnings. At the same time incomes remain very low. It is certainly encouraging that total family income appears to be rising. Nonetheless, given the apparent vulnerability of this population, there is a need for ongoing monitoring and policy initiatives aimed at increasing the incomes of vulnerable families.

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Chapter 7
The Employment and Earnings of Nonresident Fathers in Wisconsin

Maria Cancian and Robert Haveman

In this chapter, we describe several aspects of the labor market performance of a sample of fathers of children whose mothers participate in Wisconsin Works (W-2).[1] We track labor market outcomes for these fathers during calendar years 1998 and 1999, after the AFDC program was replaced by the W-2 program.[2] Welfare reform in this period had direct and dramatic consequences for resident parents on welfare (mostly mothers). The impact on nonresident fathers was generally indirect.[3] However, aspects of welfare reform, particularly the end to low-income mothers' entitlement to cash assistance, have encouraged renewed interest in the potential to increase the child support paid by nonresident fathers. In this chapter we consider measures of nonresident parents' labor market outcomes, which have important implications for fathers' potential to provide economic support to their children.

The Child Support Demonstration Evaluation (CSDE) provided a context for assembling a unique set of data on a sample of nonresident fathers. Our analysis draws on data from the Survey of Wisconsin Works Families and merged administrative records primarily from the CARES and Unemployment Insurance (UI) reporting system.[4] The administrative data have the advantage of including at least some information on all legal nonresident fathers. We use these data to consider fathers' employment and earnings, as reported to the UI system. The survey covers a broader range of outcomes, including hours worked, wages, occupation, and required job skills. However, because fewer than half of all fathers responded to the survey, the information may not be fully representative, despite the use of corrective weights.[5]

We next describe overall evidence on three labor market outcomes—hourly wage rates, hours per week worked, and total earnings—for nonresident fathers in both 1998 and 1999. We also discuss fathers' occupations and reports of job skills, and their relationship to wages. Finally, we present some descriptive multivariate analyses of the patterns of employment and earnings.

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[1]The authors thank Sangeun Lee for initial construction and analysis of data on fathers' earnings and income, and Sangeun Lee and David Reznichek for data analysis and research assistance for this report. A preliminary version of this report was presented at the CSDE National Advisory Board meeting November 2000. The authors thank participants, and especially our discussants, Glen Cain and Rob Hollister, for helpful comments.

[2]W-2 replaced AFDC in September 1997. All existing AFDC cases transitioned to W-2, or were closed, by March 1998.

[3]One notable exception was the change in child support pass-through policy, which meant that for most fathers in Wisconsin, any current child support paid would go directly to their children, regardless of the mothers' receipt of cash payments. We report on the impacts of this aspect of W-2 on the labor market outcomes of resident fathers in Chapter 4.5 of Volume I.

[4]These data sources are described in detail in Technical Reports 2 and 3 in Volume III , as well as in Chapter 3 of Volume I.

[5]See Technical Report 5 for detailed information on the survey, and Technical Report 6 for details on the analysis of nonresponse and the resulting weights.

Nonresident Fathers' Labor Market Outcomes in 1998 and 1999

Our data, designed to test the effects of an experimental full-pass-through child support arrangement,[6] allow a more general assessment of nonresident fathers' labor market outcomes. Prior to W-2, poor women with children were entitled to receive cash payments to support their children, but mothers face far more stringent work requirements since its implementation. The implied "out of home" demands that this creates for mothers place increased pressure on fathers' financial and time commitments to their children. Hence, information on the distributions of fathers' earnings and work time are of particular importance in the current policy environment, because they indicate the potential number of fathers who are able to contribute child support, the extent of their potential contributions, and the time that they are occupied in the labor market.

We know relatively little about the economic performance and status of nonresident fathers of poor children. Unlike resident mothers of poor children, nonresident fathers are sometimes difficult to identify. Moreover, unlike poor resident mothers, nonresident fathers are unlikely to be targeted participants in government programs (with the exception of child support enforcement). The information we use for our analysis comes from one of the better sources of data on poor nonresident fathers, though it is quite limited in many respects. As discussed in Volume III, Technical Report 5 (and summarized in Volume I, Chapter 3.2), response rates for nonresident fathers included in the Survey of Wisconsin Works Families were high relative to other similar efforts, but quite low in absolute terms. Over the full sample, only about one-third of fathers responded. We use weights designed to adjust for nonresponse (see Volume III, Technical Report 6), but our analysis suggests that our current estimates from the survey should be interpreted with caution.

We consider three measures of nonresident fathers' labor market outcomes: earnings (from administrative data), hours worked (from the survey), and wages (from the survey). In each case, we consider all fathers—those in the experimental and control groups of the CSDE.[7] Figure II.7.1 shows the distribution of annual earned income in 1998 and 1999 from UI records for all of the nonresident fathers. For all fathers, including those who were not working, earnings averaged $7,120 in 1998, and $7,500 in 1999. Among those with any earnings recorded, the mean was about $11,580 in 1998 and $12,680 in 1999 (medians were $8,350 and $9,420). A somewhat larger proportion of the fathers have no earnings in 1999 than in 1998 (41 percent vs. 38 percent). However, a small increase is recorded in the percentage of the nonresident fathers who earned more than $20,000 per year, from 12.6 percent to14.1 percent.

Table II.7.1 shows the cross-tabulation of 1998 and 1999 earnings for all fathers, using $5,000 categories. Considering each row of the table, we see that for fathers initially earning between $5,000 and $34,000, about a third remain in the same category between the two years[8]. About the same

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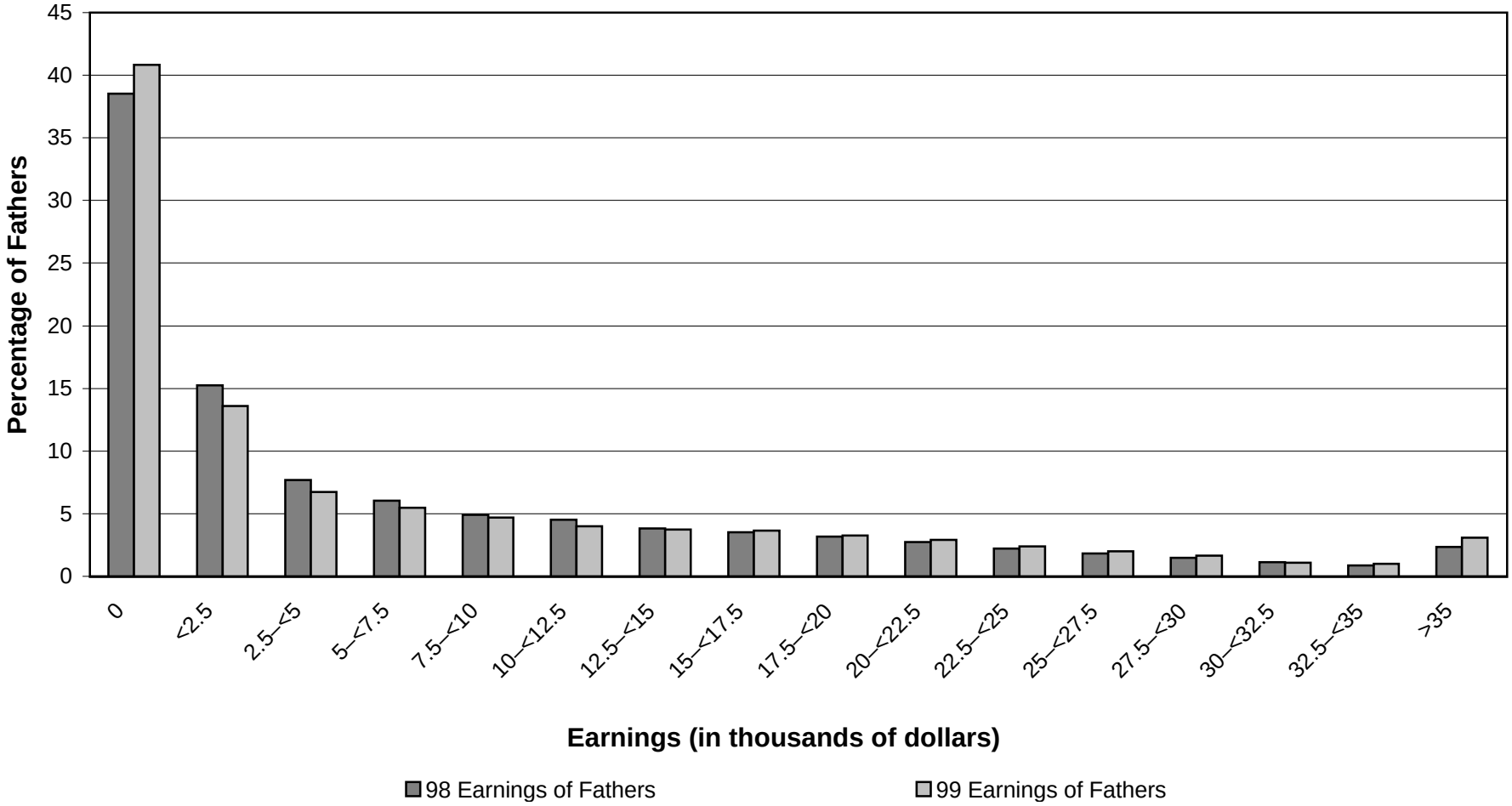
[6]In Volume I, chapter 4, we demonstrate that the experiment failed to have a statistically significant effect on either the tie of fathers to the labor market or the intensity of their work and earnings.

[7]We report on the impacts of this aspect of W-2 on the labor market outcomes of resident fathers in Chapter I.4.7 of Volume I. Because that analysis suggests at most modest impacts on the outcomes considered here, we include fathers in both the experimental and control groups in our analysis so as to maximize sample size.

[8]Because a high proportion of all fathers have no earnings in either year, when we include this category in our calculation, about half of all fathers remain in the same category. When we use $2,500 earnings categories (as in our discussion of mothers' earnings changes in Volume II, Chapter 4), we find that for those in the middle ranges, about 20 percent of fathers remain in the same category.

Figure II.7.1
Annual Earnings of Nonresident Fathers, 1998 and 1999



Source: Administrative Unemployment Insurance (UI) records; nonresident father sample.

Sample Notes: Total sample was 14,343 cases. Cases were missing due to no Social Security number (354) or no match with UI records (316). Total research population was 13,673.

Table II.7.1

Cross-Tabulation of Earnings of Nonresident Fathers in 1998 and 1999 (Row Percent Shown)

	Earnings in Thousands of Dollars	In 1999									
		0	<5	5 – <10	10 – <15	15 – <20	20 – <25	25 – <30	30 – 35	>35	Total
In 1998	0	**84**	12	3	1	0	0	0	0	0	100
	<5	29	**47**	15	6	2	1	0	0	0	100
	5 – <10	10	28	**27**	20	11	3	1	0	0	100
	10 – <15	5	13	21	**27**	22	8	3	1	1	100
	15 – <20	3	8	10	14	**33**	22	7	2	1	100
	20 – <25	1	5	5	7	13	**38**	21	6	2	100
	25 – <30	1	4	2	6	7	16	**36**	20	8	100
	30 – 35	1	3	2	2	3	4	18	**33**	33	100
	>35	1	0	0	3	2	2	5	8	**79**	100
	All nonresident fathers	41	20	10	8	7	5	4	2	3	100

Source: Nonresident father survey sample.

Sample Notes: Total sample was 14,343 cases. There were 670 missing case due to no matching Social Security number. Total research population was 13,673.

proportion of fathers move to a higher category as to a lower category. As a whole, these figures suggest substantial instability in earnings from year to year for these fathers, with many experiencing substantial decreases while others experience growth in earnings.

Our measure of earnings based on administrative records from the UI system suggests low rates of employment and fairly low earnings for many of those fathers who were employed. This data source has the advantage of including all fathers, even those who are difficult to locate for a survey interview. However, it has a number of serious limitations as well. As discussed in greater detail elsewhere,[9] UI data include only covered employment in Wisconsin, and they provide information on quarterly earnings but not on wages or hours work. With these limitations in mind, we also consider measures of fathers' labor market experiences as recorded in the survey. To help in interpreting the survey information, we first compare UI and survey reports of earnings—for which we have information from both data sources.

Table II.7.2 shows the differences between UI and survey reports of earnings. Mean UI earnings for fathers with any earnings reported in the UI data increased from $11,585 in 1998 to $12,679 in 1999 (first column). Mean earnings reported to the UI system are substantially higher when we restrict the sample to fathers who responded to the survey: $13,045 in 1998 and $13,735 in 1999. But, if we use the same data source, and sample, but use the survey weights to adjust for nonresponse (third column), the estimated values are, as expected, closer to those of the full sample. As shown in the third column, mean UI earnings for the survey sample using the weights are $10,895 in 1998 and $13,013.[10]. Although the survey weights result in a substantial narrowing of the gap between UI records for the research population and for the survey sample when we consider the level of earnings, they have a more modest effect on the percentage with any earnings. Among all fathers in the research population, 62 percent had some UI earnings. When we consider the sample of fathers for whom we have survey information, UI records show earnings for 82 percent. When we use the survey weights to adjust for nonresponse, the proportion with earnings—78 percent—is still much higher than for the entire research population.

Self-reported earnings in the survey are considerably higher than earnings recorded in the UI data. Considering the same sample, but using survey data to estimate earnings, our estimates are about $3,000 to $4,000 higher (comparing columns 3 and 4). Thus, even among fathers for whom we have information from both sources, there are discrepancies. In part, the UI records are not complete, because some types of employment are not covered, and only earnings within Wisconsin are included. However, on an individual level we also find substantial discrepancies in the other direction–-with UI records showing substantially *higher* earnings than reported on the survey. Thus, the differences cannot be easily explained simply with reference to the earnings sources covered.[11]

While the representativeness and accuracy of the survey information on fathers require further investigation, the survey is a potentially valuable source of information on a population for which most sources of information are limited. We turn now to a discussion of fathers' wages, hours, and job characteristics, relying exclusively on data from the Survey of Wisconsin Works Families interviews of nonresident fathers.

Figure II.7.2 shows the 1998 and 1999 distributions of average hours worked per week for all nonresident fathers. Most fathers who worked reported working at least 40 hours per week in their most

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[9]See Volume III, Technical Report 3.

[10]The weights employed here are the universal weights described in Volume III, Technical Report 5.

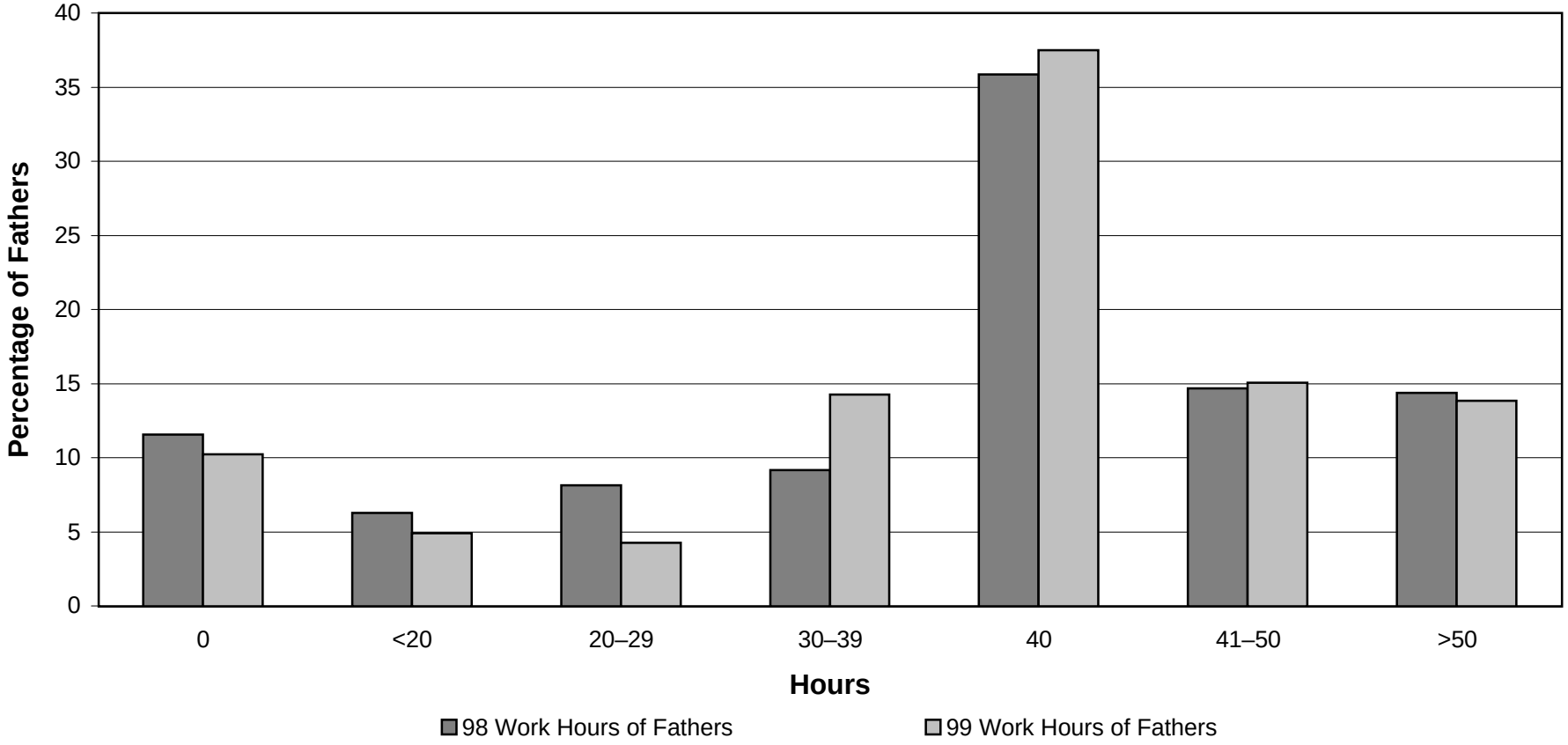
[11]In ongoing analysis we are analyzing the differences in UI and survey reports, and evaluating alternative explanations.

Table II.7.2
Mean and Median Earnings, Survey and Administrative Data, 1998 and 1999

	UI Information			
	Research Population[a]	Survey Fathers (Unweighted)[b]	Survey Fathers (Weighted)[b]	Survey Information for Survey Fathers[c]
In 1998				
% with earnings	61.5%	81.7%	78.0%	81.2%
Mean (>0)	$11,585	$13,045	$10,895	$14,654
Median (>0)	$8,345	$10,912	$7,907	$12,000
In 1999				
% with earnings	59.2%	74.7%	71.2%	82.3%
Mean (>0)	$12,679	$13,735	$13,013	$17,383
Median (>0)	$9,416	$11,542	$10,683	$15,000

[a]Total research population was 13,673 cases. Cases were missing due to no Social Security number (670).
[b]Total sample in 1998 was 575. 18 cases were missing due to no SSN. Total sample in 1999 was 608. 12 cases were missing due to no SSN.
[c]Total sample in 1998 was 575. 44 cases were missing because they did not answer if they worked, when they worked, or how much they earned. Total sample in 1999 was 608. 53 cases were missing because they did not answer if they worked, when they worked, or how much they earned.

Figure II.7.2
Usual Hours Worked per Week by Nonresident Fathers, 1998 and 1999



Source: Nonresident father survey sample.

Sample Notes: Total sample was 575 cases in 1998. 13 cases did not answer if they worked, when they worked, or how many hours they worked. Total relevant sample in 1998 was 562. Total sample was 608 cases in 1999. 15 cases did not answer if they worked, when they worked, or how many hours they worked. Total relevant sample in 1999 was 593.

recent job.[12] Given the intensity of employment reported, it would appear that most fathers were not in a position to raise their earnings substantially by working more hours when they were employed. However, fathers who worked reported an average of eight to nine months worked per year in both 1998 and 1999. This suggests some potential for increased annual hours.

Though most fathers worked full time when they were working, there is a wide distribution of hourly wages. Figure II.7.3 presents the distribution of hourly wage rates in 1998 and 1999 for nonresident fathers who worked in these years; again the estimates are based on weighted observations. Median wages reported by these nonresident fathers were $8.00 in 1998 and $8.90 in 1999. (Mean wages were about $9.50 in 1998 and $9.70 in 1999.) There is a notable increase in the proportion of fathers reporting wages over $9.00 per hour, from 37 percent of the fathers who worked in 1998 to 47 percent in 1999. Nonetheless, even in 1999 many fathers earned wages that would provide them with fairly limited incomes, even if they had worked full time, all year.

Of particular interest, given our focus, is the information on fathers' occupations and skills used on the job. In Table II.7.3 we show the distribution of fathers by the standard occupational categories in which they were employed. The table shows concentrations of fathers employed in both relatively high wage (for example, construction trades and fabricators) as well as very low wage occupations (for example, food service).[13] Table II.7.4 shows the responses to a series of questions about job skills. Most respondents reported that their jobs required reading instructions (64 percent in 1998), keeping a close watch over gauges or dials (54 percent in 1998), and talking with customers face to face and doing arithmetic (51 percent and 50 percent in 1998). Relatively few said they supervised others (35 percent in 1998) or worked with computers (27 percent in 1998). Overall, wages were positively related to the number of skills used on the job—though the relationship is not monotonic. It is notable that talking with customers, either face to face or over the phone, is not associated with higher wages. Those who reported having to read instructions or forms, do arithmetic, or keep a close watch over gauges reported average wages at least a dollar higher than those in jobs not requiring the skill in both 1998 and 1999.

Correlates of Nonresident Fathers' Employment and Earnings

Above, we described the level and distribution of a number of measures of nonresident fathers' labor market outcomes. The information from both administrative and survey sources reveals a diversity of outcomes. Many fathers have low earnings and report working in low-wage and low-skill employment. Others have quite high earnings—sufficient that were they to pay child support consistent with current policy, the resources provided to their children would be substantial. What factors account for the diversity of outcomes? A full explanation is beyond the scope of this report and potentially difficult to identify given the data available. However, here we present multivariate analyses designed to estimate the relationship between labor market outcomes and a given characteristic while other measured characteristics are held constant.

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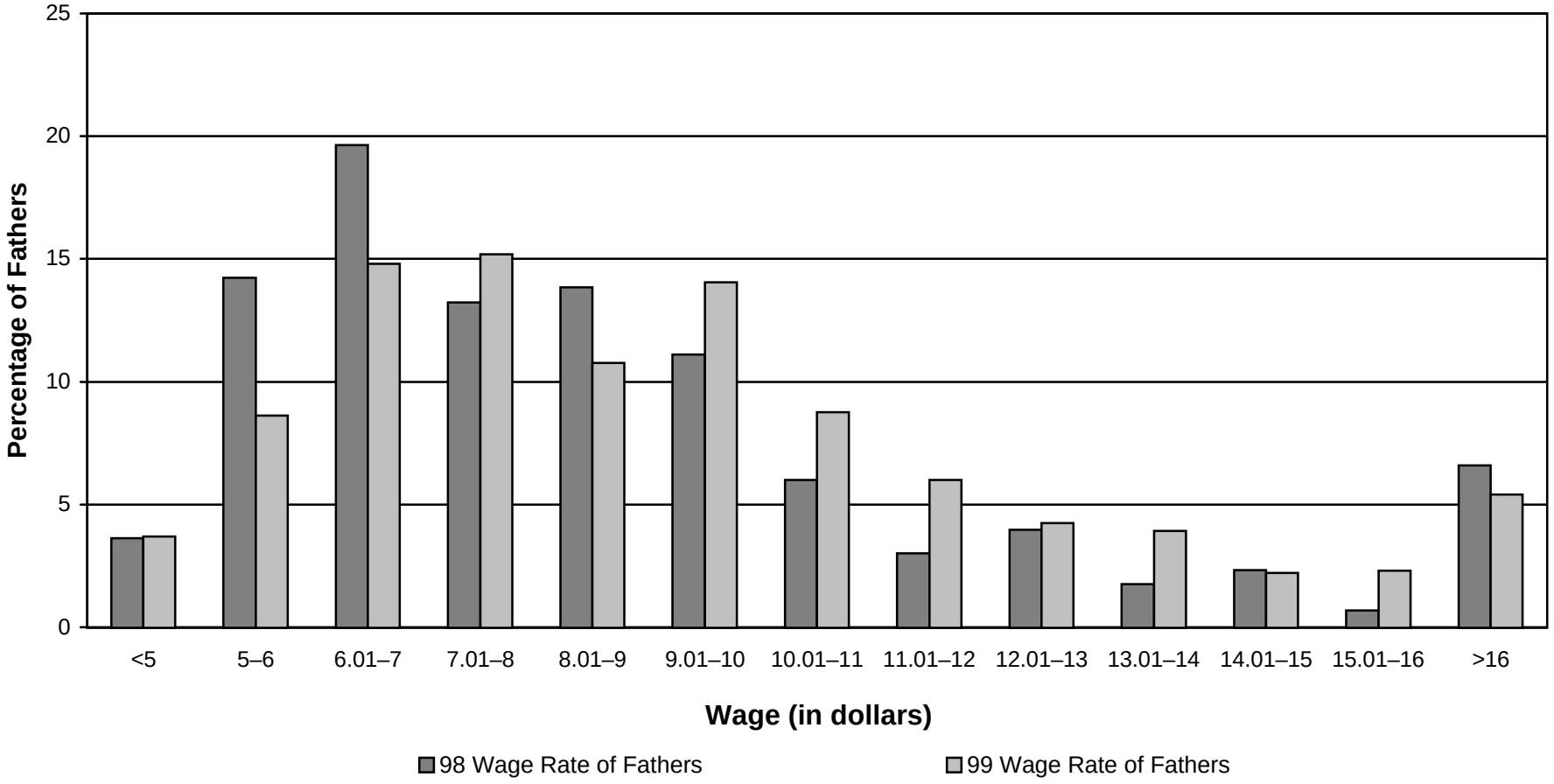
[12]A comparison of survey reports of earnings and hours worked reveals substantial discrepancies. For example, 521 of 575 fathers reported hours worked in a job in the last 12 months when asked about their most recent employment. Of these fathers, 45 reported having no earnings in 1998, and 41 did not answer the question on 1998 earnings. Some of the discrepancy may be due to differences in timing (earnings are measured in the calendar years 1998 and 1999, and our measure of hours worked include only reports on jobs that ended no more than 12 months prior to interview, which was completed in spring 1999 for most fathers.

[13]The concentration in particular categories reflects in part the definition of the occupational groups. Some of the groups encompass a large number of occupational categories.

Figure II.7.3
Average Hourly Wage of Nonresident Fathers, 1998 and 1999



Source: Nonresident father survey sample.

Sample Notes: Total sample was 575 cases in 1998. Of them, 44 cases did not work during the past 12 months or refused to answer if they worked. 74 cases did not give wage information. Relevant sample was 457 in 1998. Total sample was 608 cases in 1999. Of them, 58 cases did not work during the past 12 months or refused to answer if they worked. 70 cases did not give wage information. Relevant sample was 480 in 1999.

Table II.7.3
Occupations of Nonresident Fathers

Occupation Codes in Parentheses	In 1998 Percent	In 1998 Median Wage	In 1999 Percent	In 1999 Median Wage	Percent Change Percent	Percent Change Median Wage
Transportation and material moving (803–859)	9%	$8.0	10%	$9.2	6%	15%
Construction trades (553–599)	9	10.0	11	11.0	26	10
Garage related occupation, vehicle washers, hand packers (885–889)	7	7.0	7	7.5	-1	7
Food preparation and service (433–444)	7	6.3	5	7.0	-24	12
Fabricators, assemblers, and hand working; production inspectors, testers (783–799)	7	9.4	5	9.5	-31	1
Cleaning, building, and personal service (448–469)	7	7.5	6	7.3	-8	-3
Helpers, freight and material handlers (864–883)	6	8.5	4	8.8	-37	3
Metal and wood working operators(703–749)	6	7.5	8	10.0	38	33
Machine operators, assorted materials (753–779)	6	9.0	6	9.5	0	6
Sales (243–285)	5	7.0	6	8.0	4	14
Managerial (0–037)	5	10.0	3	8.0	-47	-20
Administrative support (303–389)	5	7.8	5	10.0	4	29
Mechanics and repairers (503–549)	5	8.5	6	10.0	28	18
Extractive, precision working (613–699)	4	11.0	6	9.0	43	-18
Professional specialty (043–199)	3	10.0	2	12.5	-25	25
Farming, forestry, and fishing (473–499)	3	7.0	5	7.0	64	0
Other occupations[a]	6	9.5	5	7.4	-7	-22

Source: Nonresident father survey sample.

Sample Notes: Total sample was 575 cases in 1998. Of these, 44 cases did not work during the past 12 months or refused to answer if they worked. Four cases had missing occupation. Relevant sample was 527 in 1998. Total sample was 608 cases in 1999. Of these, 58 cases did not work during the past 12 months or refused to answer if they worked. Three cases had missing occupation. Relevant sample was 547 in 1999.

[a]Other occupations include private household, protective service (403–427); technicians and related support (203–235); health aides and service (445–447); and military (903–905).

Table II.7.4
Job Skills of Nonresident Fathers

Job Skills	In 1998		In 1999	
	Percent	Median Wage	Percent	Median Wage
Did you read instructions, forms?				
No	36%	$7.5	37%	$8.0
Yes	64	8.5	63	9.4
Did you work with a computer?				
No	73	8.0	72	8.3
Yes	27	8.6	28	10.2
Did you do arithmetic, including change?				
No	50	7.5	48	8.1
Yes	50	9.0	52	9.5
Did you keep a close watch over gauges, dials?				
No	46	7.5	46	8.0
Yes	54	8.6	55	9.4
Did you talk with customers face to face?				
No	49	8.3	52	9.0
Yes	51	8.0	48	8.5
Did you talk with customers over the phone?				
No	66	8.0	67	8.9
Yes	34	8.0	33	8.5
Did you supervise other people?				
No	65	7.5	58	8.9
Yes	35	9.0	42	9.0
Number of skills reported				
0	9	6.5	11	7.5
1	15	7.5	12	8.5
2	16	8.0	16	8.9
3	17	8.5	17	9.0
4	17	9.3	17	9.5
5	13	8.7	13	10.0
6	11	9.2	8	9.6
7	3	8.4	7	8.5

Source: Nonresident father survey sample.

Sample Notes: Total sample was 575 cases in 1998. Of these, 44 cases did not work during the past 12 months or refused to answer if they worked. Four cases had missing job skills. Relevant sample was 527 in 1998. Total sample was 608 cases in 1999. Of these, 58 cases did not work during the past 12 months or refused to answer if they worked. Three cases had missing job skills. Relevant sample was 547 in 1999.

We present results based on administrative data from the UI records and consider the correlates of having any earnings (being employed) and the level of earnings in 1999[14] for those fathers who are employed. Because our analysis is based on administrative data, we are limited in the variables we can include in our models. Because much of our information is from the administrative data system used in administering W-2, it refers to the resident mother, rather than directly to the nonresident father. In particular, we consider the relationship between nonresident fathers' employment and earnings and the following characteristics of the nonresident mother of his children:

- mother lives in Milwaukee county (compared to other counties)
- mother in lower tiers at entry into W-2
- years of education of the mother (high school degree and more than a high school degree, compared to no high school degree)
- mother black or other (compared to white)
- mother's age at entry into W-2 (26–30, 31–40, and 41+, compared to 25 or less)
- experimental (vs. control) group status

We also include the following information about the father or couple:

- father's prior history in the 8 quarters prior to mother's entry into W-2 (1–4 quarters, 5–7 quarters, and 8 quarters of work in 8 quarters prior to October 1, 1997, compared to zero quarters of work in prior period)
- divorce case (compared to legal father through paternity establishment)
- number of children with mother (2 and 3+ children, compared to 0 or 1)
- age of nonresident father's youngest child with the mother (3–5 years, 6–12 years, and 13+ years, compared to 0–2 years)
- child support arrearages of at least $2,000 in the year of mother's entry into W-2

Our results are summarized in Table II.7.5. The first column summarizes results from a probit (limited dependent variable) model describing the correlates of the employment status of nonresident fathers. The multivariate model is fit over all 13,149 fathers in the research population. The model indicates that the human capital possessed by the father (e.g, his prior work history) is positively related to his being employed. Men whose children are living in Milwaukee are more likely to be employed, as are those whose youngest child is less than two years old, whose children live with a white mother (compared to a black mother) and a mother younger than 30 years of age (probably a good proxy for the father's age), and who have very large child support arrearages at the entry of the mother into the W-2 program. (The estimated model, together with a detailed description of statistically significant patterns is presented in Appendix Table II.7.1.)

The second column of Table II.7.5 shows the results of our second estimate, a least squares regression describing the correlates of the level of annual earnings for fathers employed in 1999. This multivariate model is estimated over 7,779 observations out of the 13,149 fathers included in the entire

[14]We focus on 1999 because our explanatory variables include measures related to mothers' W-2 participation, and our research population includes individuals entering W-2 as late as July 1998. As such, 1998 outcomes that consider the full year (for example, earnings) include some period prior to entry.

Table II.7.5
Multivariate Analysis: Employment Outcomes for Nonresident Fathers, 1999

	Any Earnings in the UI	Earnings in the UI > 0
Mother in Milwaukee County	+ + +	
Mother's Tier at Entry (compared to upper)		
Lower		
Caretaker of Newborn		
Mother's Period of Entry (compared to Sep 1, 1997 to Mar 16, 1998)		
Mar 17, 1998 to May 10, 1998		+
May 11, 1998 to Jul 8, 1998		+
Mother's Education (compared to no high school degree)		
High school degree/GED		
Beyond high school		+ + +
Mother's Race (compared to White)		
Black	– –	– – –
Hispanic	– –	
Other	+ +	– –
Mother's Age at Entry (compared to 25 years or younger)		
26–30 years	– –	+ + +
31–40 years	– – –	+ + +
41 years or older	– –	+ + +
Father's Work History in 8 Quarters Prior to October 1, 1997 (compared to 0 quarters with any earnings in the UI)		
1–4 quarters	+ + +	+ +
5–7 quarters	+ + +	+ + +
8 quarters	+ + +	+ + +
Divorce Case (compared to paternity or mixed case)[a]		+ + +
Number of Father's Children Living with Mother at Entry (compared to 1)		
2 children		– – –
3 or more children		– – –

Table II.7.5, continued

	Any Earnings in the UI	Earnings in the UI > 0
Age of Father's Youngest Child at Entry (compared to 0-2 years)		
3–5 years	– –	+ + +
6–12 years	– –	+ + +
13 years or older	– – –	+ + +
Arrearages of over $2,000 at baseline	+ + +	– – –
Experimental group		

Source: Administrative Unemployment Insurance (UI) records; nonresident father sample.

Notes: "Any Earnings in the UI" is a probit; "Earnings in the UI >0" is ordinary least squares. "Earnings in the UI, >0" includes only those nonresident fathers with nonzero earnings (i.e., those who worked).

Key:	**Positive**	**Negative**
Significant at the 1% level	+ + +	– – –
Significant at the 5% level	+ +	– –
Significant at the 10% level	+	–

Blanks indicate that the difference was not statistically significant.

[a]"Divorce case" refers to cases in which the parents are currently divorced or separated and father's responsibility is the result of children born while he was married to the resident mother. The alternative is cases in which the parents were not married but father's paternity was legally established.

research population and is presented in Appendix Table II.7.2. Men with children whose mother is white have about $2,600 more earnings than men with children of a black mother. Similarly, as compared with men with no prior work experience over the prior two years, men who worked one to four quarters earned about $1,100 more, men who worked five to seven quarters earned about $4,500 more, and men who worked all eight quarters earned about $13,000 more. The prior tie to the labor market is an important determinant of earnings.

Whereas men who had more children living with the mother showed no greater probability of being employed than men with fewer children, the relationship between number of children and earnings is negative. Interestingly, while men whose children lived with older mothers were less likely to be employed, their earnings were positively associated with the age of the mother. Similar patterns are seen for the age of the father's youngest child (while having an older youngest child was negatively associated with the probability of working, it was positively associated with the level of annual earnings) and with having arrearages in excess of $2,000 (having large arrearages is positively related to working but negatively related to the level of earnings). Overall, work history is positively related to both employment probabilities and earnings; education (of the mother) is positively related to wages, but is not significantly related to probability of employment.

A number of results point to areas that require further analysis. For example, the higher earnings of fathers who have arrearages may be due to fathers with great earnings capacity being more likely to have higher child support orders, and therefore being at risk for higher arrearages. In addition, our measure of employment status (having any earnings reported in the UI system) is subject to error due to some fathers having earnings out of state, or in employment not covered by the UI system. This type of measurement error is less likely to affect our estimates of the level of earnings, which are conditional on at least some earnings in the UI system. This may account for some of the divergent results from the two sets of estimates.

Conclusions

Our results on the employment and earnings of nonresident fathers suggests the challenges they will face in meeting the expectation that they help support their children. According to administrative records, only about 60 percent of fathers are employed, and even among those with earnings recorded in the UI system, the levels are quite low—average earnings of about $12,000 and median earnings of about $9,000. Findings from the survey suggest that most fathers work close to full time when they are working, though many do not work for the full year. Few earn high wages.

The labor market performance of nonresident fathers is a topic that presents a number of challenges because of data limitations. Nonetheless, it is a topic of increasing importance. Nonresident fathers' potential economic support may be crucial to many children in the context of limited cash assistance for poor single-mother families. With the welfare reform of 1996, poor single mothers lost the entitlement to cash benefits that had previously guaranteed them at least minimal resources to provide for their children. W-2 cash payments are time-limited and generally require mothers to engage in work or work-like activities close to full time. Against this backdrop it is more difficult to argue that nonresident fathers' limited earnings potential should excuse their obligation to provide for their children. At the same time, our results make clear the difficulties most fathers will face, and they underline the importance of recent efforts to increase training and employment services for nonresident fathers.

Appendix Table II.7.1
Likelihood of Any Earnings in the Unemployment Insurance System for All Nonresident Fathers

	In 1998		In 1999	
	Coefficient	P-value	Coefficient	P-value
Regression Ns[a]	13,149		13,149	
Log likelihood	-5,455.20988		-6,220.607243	
Mother in Milwaukee County	0.09	**0.0234**	0.14	**0.0004**
Mother's Tier at Entry (compared to upper)				
Lower	-0.01	0.8149	0.01	0.6538
Caretaker of Newborn	-0.02	0.819	-0.02	0.7421
Mother's Period of Entry (compared to Sep 1, 1997 to Mar 16, 1998)				
Mar 17, 1998 to May 10, 1998	0.06	0.3612	0.00	0.9674
May 11, 1998 to Jul 8, 1998	-0.04	0.5647	0.02	0.7421
Mother's Education (compared to no high school degree)				
High school degree/GED	0.02	0.5665	0.02	0.4523
Beyond high school	-0.06	0.2005	0.05	0.2429
Mother's Race (compared to white)				
Black	-0.05	0.20	-0.10	**0.0118**
Hispanic	-0.17	**0.0104**	-0.14	**0.0255**
Other	0.19	**0.0116**	0.15	**0.0359**
Mother's Age at Entry (compared to 25 years or younger)				
26–30 years	-0.06	0.102	-0.07	**0.0444**
31–40 years	-0.08	**0.0489**	-0.12	**0.0023**
41 years or older	-0.04	0.548	-0.17	**0.016**
Father's Work History in 8 Quarters Prior to Oct 1, 1997 (compared to 0 quarters with any earnings in the UI)				
1–4 quarters	1.25	**<0.0001**	1.08	**<0.0001**
5–7 quarters	2.04	**<0.0001**	1.78	**<0.0001**
8 quarters	2.89	**<0.0001**	2.37	**<0.0001**
Divorce Case (compared to legal father exists or paternity case)[b]	0.02	0.6021	0.00	0.9156
Number of Father's Children Living with Mother at Entry (compared to 1)				
2 children	0.00	0.9403	-0.03	0.361
3 or more children	0.01	0.8508	-0.01	0.8076

Appendix Table II.7.1, continued

	In 1998		In 1999	
	Coefficient	P-value	Coefficient	P-value
Age of Father's Youngest Child at Entry (compared to 0–2 years)				
3–5 years	-0.09	**0.0231**	-0.08	**0.029**
6–12 years	-0.14	**0.0004**	-0.08	**0.0335**
13 years or older	-0.25	**0.0001**	-0.19	**0.0024**
Arrearages of over $2,000 at baseline	0.04	0.134	0.09	**0.0017**
Experimental group	0.02	0.5363	0.04	0.2609

Source: Administrative unemployment insurance (UI) records; nonresident father sample.

Notes: Probit model (dependent variable 1 = "had earnings in the UI during the year" versus 0 = "no earnings in the UI during the year"). Probability values of 0.05 or less are shown in bold type.

[a]Of 14,343 nonresident fathers, 670 had missing values for the dependent variable due to no matching Social Security number, and a further 524 cases were dropped from the regression because of missing values for the independent variables. These include 186 cases with children born within seven months of baseline and 296 cases with unknown or missing mother's race.

[b]"Divorce case" refers to cases in which the parents are currently divorced or separated and father's responsibility is the result of children born while he was married to the resident mother. The alternative is cases in which the parents were not married but father's paternity was legally established.

Appendix Table II.7.2
Earnings as Reported in the Unemployment Insurance System for Nonresident Fathers with Work

	In 1998		In 1999	
	Coefficient	P-value	Coefficient	P-value
Regression Ns[a]	8,067		7,779	
Adjusted R^2	0.3093		0.2623	
Mother in Milwaukee County	773.39	**0.0124**	522.31	0.129
Mother's Tier at Entry (compared to upper)				
Lower	-6.81	0.9761	200.62	0.4305
Caretaker of Newborn	276.90	0.574	336.09	0.5429
Mother's Period of Entry (compared to Sep 1, 1997 to Mar 16, 1998)				
Mar 17, 1998 to May 10, 1998	-162.29	0.7459	1,057.06	0.0611
May 11, 1998 to Jul 8, 1998	1,003.94	0.0634	1,140.38	0.0565
Mother's Education (compared to no high school degree)				
High school degree/GED	495.32	**0.0306**	411.07	0.1082
Beyond high school	1,562.54	**<0.0001**	1,759.07	**<0.0001**
Mother's Race (compared to white)				
Black	-2,239.14	**<0.0001**	-2,645.11	**<0.0001**
Hispanic	720.97	0.1455	141.86	0.7957
Other	-1,553.16	**0.0051**	-1,378.26	**0.0265**
Mother's Age at Entry (compared to 25 years or younger)				
26–30 years	940.74	**0.001**	1,154.35	**0.0003**
31–40 years	2,053.05	**<0.0001**	2,615.56	**<0.0001**
41 years or older	2,554.84	**<0.0001**	2,501.97	**0.0001**
Father's Work History in 8 Quarters Prior to Oct 1, 1997 (compared to 0 quarters with any earnings in the UI)				
1–4 quarters	1,608.09	**0.0002**	1,099.62	**0.015**
5–7 quarters	5,419.35	**<0.0001**	4,455.12	**<0.0001**
8 quarters	14,084.00	**<0.0001**	12,815.00	**<0.0001**
Divorce Case (compared to legal father exists or paternity case)[b]	934.84	**0.0043**	1,118.59	**0.0023**
Number of Father's Children Living with Mother at Entry (compared to 1)				
2 children	-780.56	**0.0038**	-1,083.10	**0.0003**
3 or more children	-1,565.36	**<0.0001**	-1,834.67	**<0.0001**
Age of Father's Youngest Child at Entry (compared to 0-2 years)				
3–5 years	1,412.22	**<0.0001**	1,519.16	**<0.0001**
6–12 years	1,531.94	**<0.0001**	1,250.77	**0.0002**
13 years or older	3,225.87	**<0.0001**	2,980.22	**<0.0001**

Appendix Table II.7.2, continued

Earnings as Reported in the Unemployment Insurance System for Nonresident Fathers with Work

	In 1998		In 1999	
	Coefficient	P-value	Coefficient	P-value
Arrearages of over $2,000 at baseline	-1,374.78	**<0.0001**	-1,476.66	**<0.0001**
Experimental group	-244.42	0.3447	-114.68	0.6915

Source: Administrative Unemployment Insurance (UI) records; nonresident father sample.

Notes: Ordinary least squares model on only those nonresident fathers with non-zero earnings (dependent variable "total earnings in the UI during the year" in dollars). Probability values of 0.05 or less are shown in bold type.

[a]Of 14,343 nonresident fathers, 670 had missing values for the dependent variable due to no matching Social Security number. In 1998 5,263 cases had zero earnings and were not included. A further 343 cases were dropped from the regression because of missing values for the independent variables. These include 137 cases with children born within seven months of baseline and 180 cases with unknown or missing mother's race. In 1999 5,572 cases had zero earnings and were not included. A further 322 cases were dropped from the regression because of missing values for the independent variables. These include 127 cases with children born within seven months of baseline and 172 cases with unknown or missing mother's race.

[b]"Divorce case" refers to cases in which the parents are currently divorced or separated and father's responsibility is the result of children born while he was married to the resident mother. The alternative is cases in which the parents were not married but father's paternity was legally established.

Chapter 8
Nonresident Fathers' Involvement with Children: A Look at Families on W-2

Judith A. Seltzer and Nora Cate Schaeffer

Children have both material and emotional needs.[1] Policies designed to improve their material well-being, such as the pass-through of the full amount of child support under CSDE, may also affect parents' behavior in ways that affect children's emotional well-being. This chapter describes the social and economic involvement of nonresident fathers of children supported by Wisconsin Works (W-2). We focus on aspects of paternal involvement that may be important for children's welfare. In describing how fathers are involved with their children, we distinguish between social aspects of nonresident fathers' participation in child rearing and economic transfers of two types—the in-kind contributions fathers may make (e.g., providing food or clothing) and money that nonresident fathers provide the mother and child "under the table" to help support the children. Thus, the social and economic contributions we focus on here are those outside the system of formal child support. However at the end of the chapter, we also describe briefly the coincidence of informal and formal child support contributions and the coincidence of social involvement, informal economic contributions, and formal child support.

The constraints and demands faced by low-income families make them difficult to study, although they are frequently the target of social policies. Much of what we know about nonresident fathers' involvement in low-income families comes from ethnographic research and from sample surveys, which rely largely on mothers' reports. This chapter uses data from a two-wave survey of parents whose children were eligible for formal child support (whether or not the family already had a formal child support order) and the resident mother was on W-2. We describe fathers' involvement using information from both mothers' and fathers' reports as well as administrative data. Although the population is restricted to families on W-2 at the end of the 1990s, these families on W-2 have experiences in common with other low-income families. Information presented elsewhere in this report and in reports of other programs with similar goals can be used to suggest ways in which this population may be similar to or different from other populations of interest to policy makers.[2] Our description complements those in other studies because of the unusually high response rate for low-income resident mothers and the availability of reports from matched mothers and fathers for part of the sample.

The chapter is organized as follows. We begin with a brief review of research on fathers' social and economic involvement with children. The second section summarizes the effects of a random-assignment experiment to evaluate the effects on paternal involvement of a full pass-through of formal child support as compared to a partial pass-through. (See Volume I for a detailed discussion of the

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[1]The authors gratefully acknowledge the assistance received in preparing this report. Research assistance was provided by Sheri Meland, Shauna Morimoto, and Sara Wakefield (University of Wisconsin) and Christine Schwartz (UCLA). Administrative data used were constructed under the supervision of Patricia Brown, CSDE Data Manager; survey data are from the Survey of Wisconsin Works Families, Margaret Krecker, Survey Manager. Steven Cook provided expert help with administrative data on child support payments and many last-minute questions. A preliminary version of this report was presented at the CSDE National Advisory Board meeting November, 2000. The authors thank participants, and especially the discussants, Vivian Gadsden and Virginia Knox, and the Principal Investigators, Daniel Meyer and Maria Cancian for helpful comments.

[2]Compare, for example, the population targeted by Parents' Fair Share (Knox and Redcross, 2000) or Fragile Families (McLanahan, Garfinkel, and Padilla, 1999; McLanahan, Garfinkel, and Waller, 1999).

experiment and its results.) In the third section we present our approach and the data we use in this chapter. The fourth section describes our results. We report first about levels of involvement and informal economic contributions from fathers in these low-income W-2 families. The data emphasize fathers' time and economic investments in children over measures of the quality of father-child interaction. When possible we compare the W-2 data to data from a national sample of separated families. Our description compares the reports of all the mothers we interviewed at two points in time to the reports of mothers and fathers who are "matched" by being parents of the same child. We then turn to describing how nonresident fathers combine informal and formal child support contributions and how they combine spending time with children with informal and formal child support. The last section summarizes and interprets our findings.

Previous Research

Ethnographic evidence suggests that even in "separated" families the father may live with the mother and child for part of the year (Edin and Lein, 1997; Levine, 1997). Coresidence is an important way that fathers share the social and economic responsibilities of taking care of children. This strategy of coresidence may be particularly important when low-income parents are living together because they cannot afford to marry. (See Seltzer, 2000b, for a review of differentials and explanations for nonmarital childbearing and cohabitation.)

Once they begin to live apart from their children, nonresident fathers may still participate in child rearing by spending time with children and contributing to their economic support. Fathers who pay more child support also spend more time with their children (Furstenberg et al., 1983; Seltzer, Schaeffer, and Charng, 1989; Seltzer, 1991; McLanahan et al., 1994; but see Veum, 1993). Nonresident parents who pay support are likely to spend more time with the children and pay closer attention to how the resident parent spends the child support money (Weiss and Willis, 1985; Braver et al., 1993). When nonresident parents, usually fathers, pay child support, they may see themselves, and be seen by the resident parent, as better parents; as a result, they may spend more time with their children and try to play a bigger role in making decisions about the children's lives. Resident parents, usually mothers, who receive child support may see the nonresident parents' claims to access and influence as more legitimate and, as a result, may facilitate greater involvement by the nonresident parent with their children.

Although child support policies and fatherhood policy initiatives seek to increase nonresident fathers' participation in child rearing, such policies may also increase children's exposure to parental conflict if parents who would otherwise avoid each other are drawn together. Parents who separate are likely to disagree about important issues, including how to raise their children. In addition, when nonresident parents seek greater access to their children, parents may disagree about scheduling visits and what nonresident parents and children do when they are together. Thus, any benefits to children of increased nonresident parents' involvement must be balanced against the potential costs of children's greater exposure to conflict. On the other hand, if resident parents adopt a positive image of nonresident parents, particularly those who are more involved in child rearing, children may not be exposed to high levels of parental conflict, at least not the intense conflict that is potentially more damaging to children's well-being.

Fathers' participation in child rearing changes as children grow older, due to the child's development and changing needs and to changes in fathers' and mothers' lives. New parents have had little opportunity to establish hard-to-break habits of interaction, and for this reason it is particularly important to examine fathers' involvement in low-income separated families as the parents are learning how to negotiate child-rearing responsibilities when they live apart. Parents of young children may be

particularly responsive to policies that try to change parents' behavior. Recent results from the Parents' Fair Share evaluation suggest a greater impact of the program on paternal involvement when parents have young children (Knox and Redcross, 2000). Similarly, programs to alleviate problems of child access are more successful when parents are not yet entrenched in their positions (Pearson and Thoennes, 1998). Investigations using national survey data also suggest that to understand whether child support policies affect other aspects of family relationships, one must focus on family experiences during the early period after separation or when children are young (Seltzer, 2000a). The design of the Fragile Families and Child Well-Being Study, which follows children and their parents from the time the child was born, explicitly recognizes this need (McLanahan, Garfinkel, and Padilla, 1999; McLanahan, Garfinkel, and Waller, 1999).

Summary of Experimental Results

In Volume I of this report we analyzed the effects of the pass-through experiment on the social involvement of fathers and their informal economic transfers to their children. We expected that the experiment would increase fathers' social involvement with children, increase children's exposure to conflict, and increase their informal economic contributions. We were unable to predict an experimental effect on the financial value of informal transfers because theory and past research are inconsistent. Overall, our analysis shows a general absence of any experimental effect on fathers' social involvement with children, when social involvement is measured by the amount and type of time fathers spend with children. Our findings do suggest that parents may have less intense conflict under the full pass-through than in the control group, at least according to mothers' reports, and the financial value of informal transfers is somewhat higher for those in the experimental group than for those in the control group. However, there is no evidence overall that mothers in the experimental group are more likely to receive informal transfers than those in the control group. Nor is there an effect of the experiment on the number of different types of informal transfers using mothers' reports for the full sample. Because we find experimental effects on some of the outcomes examined in this chapter, we limit the analysis in this chapter to families in the experimental group, that is, those who were eligible for the full pass-through. Wisconsin Works families who were not randomly assigned to the experiment are eligible for the full pass-through, so the descriptive results we report describe the circumstances of the typical separated family in which the mother and child receive W-2 support.

Data and Analysis Plan

Our analysis combines data from the Survey of Wisconsin Works Families, a two-wave survey, and administrative data on formal child support payments from KIDS, the statewide system for recording formal child support payments and receipts. The target population for the survey was mothers associated with W-2 cases that entered the system between September 1997 and July 1998 who had at least one minor child eligible for formal child support from the father. The survey design also includes interviews with the legal fathers of these children. The design explicitly excludes families in which the father alone or someone other than the mother (or mother and father together) was the primary resident parent. Moreover, most questions in the survey were designed for families in which the mother was the resident parent, and many questions did not apply to families in which she was not. The first wave of the survey was conducted in 1999; most questions asked respondents about their lives and W-2 experiences in 1998, the first full year that W-2 was in place. Follow-up surveys conducted in 2000 asked about experiences in 1999. Interviews were conducted by telephone and in person. The response rate for mothers was about 82 percent at each wave. For nonresident fathers the response rate was considerably lower, as for other

surveys of nonresident fathers (Schaeffer, Seltzer, and Dykema, 1998). At each wave only about one-third of eligible fathers were interviewed. The analysis below uses weights to adjust for nonresponse and stratification in the original sample design (see Volume III, Technical Report 4, which describes the construction of sample weights).[3] Tables include unweighted numbers of cases.

Our analysis describes the experiences of a triad: the mother, a randomly selected child in her home, and that child's father. For selected outcomes we compare resident mothers' reports about paternal involvement with reports from nonresident fathers. Mothers reported about the child's father whether or not he was the child's legal father. Fathers reports are only available when he was legally identified as the child's father either because the child was born when the father and mother were married or because paternity was established. More details about the sample, including its demographic characteristics, and other aspects of the study design are in Volume III, Technical Reports 1 and 5.

Data on time that fathers spend with children, activities they pursue, parents' attitudes, conflict between parents, and informal transfers (those outside the formal child support system) come exclusively from the survey because the administrative records do not cover these topics. With a single exception, there are no external criteria with which to evaluate the reports obtained in the survey. The exception is formal child support: the survey included questions that asked about the amount of child support received, and reports in the survey can be compared with information taken from administrative records. Comparisons of mothers' and fathers' reports about formal child support with information in the administrative records provide grounds for speculation about differences between the reports of mothers and fathers on other matters (Schaeffer, Seltzer, and Dykema, 1998, pp. 13–14; Dykema and Schaeffer, 2000, p. 620).

Our description has two components: We use the reports of mothers who were interviewed at both times to describe the experiences of all families for which the full amount of child support was passed through (i.e., mothers in the experimental group and all resident mothers on W-2). This analysis is based on mothers interviewed at both times, so that the composition of the analytic sample is the same for 1998 and 1999, with very minor exceptions for change over time in whether the father and child were still living. We use mothers' reports to describe the sample as a whole because mothers participated in the survey at a much higher rate than did fathers.[4] There is also reason to think that for some variables, there is less response error in the reports of mothers (see, for example, Schaeffer, Seltzer, and Klawitter, 1991).

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[3]The results in this chapter report weighted percentages and means. The results in Volume I, which examines experimental effects, are weighted and adjusted for several aspects of the composition of the sample at entry into the experiment. Therefore the levels of involvement reported in these two locations will differ slightly.

The analysis in this chapter, like that in Volume I, uses data from cases in which the mother was interviewed in both 1998 and 1999. The data for matched parents include cases where both the mother and father were interviewed in 1998, or in 1999. Finally, we use the original weight variables current on January 15, 2001. The correlation between these weights and the weights used in Volume I are: .96 for all mothers, .98 for matched parents in 1998, and .97 for matched parents in 1999.

[4]Previous methodological work demonstrates that differences between estimates based on data from mothers and fathers are due to differences in rates of survey participation (fathers who are more likely to be involved with their children are much more likely to participate), as well as to reporting differences that reflect differences in parents' knowledge about the outcome and parents' desire to provide socially approved responses. (See, for example, Schaeffer, Seltzer, and Dykema, 1998; Schaeffer, Seltzer, and Klawitter, 1991.)

The second component of our description compares the reports of matched mothers and fathers who are reporting about the same child. Although this comparison concerns a highly selective group—the proportion of W-2 cases in the sample for which both parents participated is relatively small (see Volume III, Technical Report 6)— the comparison is not affected by compositional differences, as would be the case if we compared all mothers interviewed with all fathers interviewed. Because the comparison concerns the same parents reporting about the same child, it provides us with the best picture available with these data of how fathers' and mothers' perceptions of the same phenomena differ.

The survey sample and instrument are structured so that the data refer to resident mothers and nonresident fathers. This reflects the most common living arrangement for children in separated families (Grall, 2000). The questionnaire identifies families in which the father lived with the mother and focal child for all of the reference period (1998 for wave 1 of the survey, 1999 for wave 2). It also provides information about the number of months of coresidence for families in which the father was present in the household for part, but not all of the year. The portion of the analysis that examines residence includes families in which the mother was the resident parent as well as families in which the focal child lived with both parents. All questions about visiting, informal transfers, and conflict between parents refer to the period when the father lived apart from the mother and child; therefore, families in which the father lived with the mother and child for the entire year are excluded from these parts of the analysis.[5] All questions about fathers' contact with children ask about involvement with the randomly selected focal child. All questions about in-kind contributions, informal financial transfers, and formal child support are about contributions for the focal child and his or her full siblings. Finally, as noted above, the analytic sample includes only families for which the full amount of formal child support was passed through to the mother (i.e., experimental cases).

The analysis has four parts. First, we describe the extent to which children lived with their mother or both parents and compare mothers' and fathers' descriptions of living arrangements for the matched parents. We then focus on families in which the mother reported that she was the primary resident parent. For this group of families we examine contact, including the amount of time the father and child spent together when they lived apart and whether the father looked after the child so that the mother could work, look for work, or go to school. We also describe two evaluations that may be important to the father's relationship with his children: evaluations of his role as a father and conflict with the mother. In addition, this section includes a description of reports about informal transfers and their value. Throughout we compare the reports for all resident mothers to those for mothers with a matched father and those for fathers with a matched mother. In most tables we also compare the experiences of families with young focal children to the experiences of all families.

The third part of the analysis describes the association between fathers' informal economic contributions and formal child support payments. This section also examines the extent to which nonresident fathers combine time with children with both informal and formal economic contributions. Finally, we compare mothers' and fathers' reports about formal child support with information in administrative records to assess the relative accuracy of mothers' and fathers' reports for this case in which a criterion is available.

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[5]Among mothers interviewed in both years, we define the analytic sample separately for each year. This means there is a small number of cases in the 1998 data who do not appear in the 1999 data, and vice versa. Discrepancies occur because of change between the two interviews in the number of months children lived with both parents and in whether both the randomly selected child and father were alive at each interview.

Results

Reports about Coresidence

Table II.8.1 shows mothers' reports about coresidence for 1998 and 1999. In both years, the focal child lived with the mother for all 12 months of the reference period in just over 85 percent of the families. In another 7 or 8 percent of the families, the focal child lived with the mother for most of the year while the father lived elsewhere. A significant minority lived with both parents together for the entire year—nearly 5 percent in 1998 and 6 percent in 1999. Panel 2 of the table shows that in 12–13 percent of the families, children lived with their father and mother together for at least part of the year. Thus, the vast majority of the focal children lived with their mothers during all or most of the entire reference period, although fathers were not necessarily absent from their lives.

The next table, Table II.8.2, compares the reports of matched mothers and fathers about coresidence. The dramatic decline in sample size between Table II.8.1, which includes almost 1,000 cases, and Table II.8.2, which includes between 220 and about 250 cases, reflects the difficulty of interviewing low-income nonresident fathers.[6] The small matched sample of former couples compared to the full sample also suggests that the couple sample may provide a selective view of nonresident fathers' participation in child rearing for the W-2 population. (We explore this issue below.) In both 1998 and 1999, the reports of mothers and fathers about coresidence agreed in a little more than three-fourths of the cases (the sum of the percentages on the diagonals). Although mothers rarely disagreed when the father said that the focal child lived with her for all 12 months, a substantial minority of fathers disagreed when mothers made this claim. Thus, approximately 15 percent of fathers in 1998 and 9 percent in 1999 reported that the child lived in some other arrangement, even though the mother had reported that the child lived only with her for all 12 months. The disagreements recorded in Table II.8.2 suggest that some fathers will report that the child lives with the mother for fewer months and with him for more months than the mother reports. (See Tuschen, 1994, for a similar finding with different data.)

Fathers' Involvement with Children When They Live Apart

We can examine reports from all mothers about fathers' contact with focal children in Table II.8.3, which shows that in 1998 just under 60 percent of fathers saw the focal child at least once while they were living apart. A slightly lower percentage kept in touch in 1999, which is consistent with national evidence showing a decline in contact over time (Seltzer, 2000a, 1994, 1991). Almost 30 percent of nonresident fathers saw their child at least weekly during each year. Compared to data for a national sample of separated families, fathers in the Wisconsin Works Survey sample were less likely to have seen their children in the past year (59 percent compared to almost 71 percent for the U.S. National Survey of Families and Households [NSFH][7]), but about equally likely to have weekly contact (about 30 percent in the W-2 Survey, compared to about 26 percent in the NSFH). The difference between the

[6]There are more matched parents for 1999 than for 1998, because fathers became eligible to be interviewed if they acquired legal paternity in the interval after the sample for the first wave of the survey was drawn.

[7]We rely on the NSFH to compare the Wisconsin Works Survey sample to a national sample because the NSFH includes a wider array of indicators of fathers' involvement and conflict between parents than other national data sources. Although the NSFH describes an earlier cohort of families than the W-2 Survey because its first wave was conducted in 1987–88, the NSFH is still unique in its combination of information about fathers' involvement with children of all ages and child support transfers among those without formal child support orders. The NSFH figures come from Seltzer and Brandreth, 1995, Table 9.1, unless otherwise noted.

Table II.8.1
Father's Presence in Home with Focal Child and Mother
(Mothers' Reports)

	1998	1999
(1) Type of Residence		
Mother only for 12 months	85.6%	85.8%
Both parents for 12 months	4.7	6.0
Mother only for 6–11 months	8.0	6.6
Both parents for 6–11 months	1.5	1.5
(2) Coresidence		
Any coresidence with both parents	12.6	11.9
N	978	975

Notes: Percentages in Panel 1 do not sum to 100 because the table excludes arrangements in which the focal child spent most of the year in a household without a parent or in multiple types of households. Panel 2 includes cases that are missing information about the number of months of coresidence.

Table is based on cases from the experimental group in which the focal child lived with the mother or with both parents for at least half of the reference year. Table includes only mothers interviewed in both 1998 and 1999. At each time, table deletes cases for which the mother reported that the focal child or father had died.

All Ns are unweighted.

Table II.8.2
Comparison of Mothers' and Fathers' Reports about Father's Presence in Home with Focal Child and Mother, among Matched Mothers and Fathers

	Mothers' Reports			
Fathers' Reports	Mother Only for 12 Months	Both Parents for 12 Months	Mother Only for 6–11 Months	Both Parents for 6–11 Months
(1) 1998				
Mother only for 12 months	68.0%	0.0	0.6	0.5
Both parents for 12 months	6.8	6.1	2.3	0.0
Mother only for 6–11 months	4.8	0.0	2.2	0.4
Both parents for 6–11 months	3.5	0.2	1.1	1.0
(2) 1999				
Mother only for 12 months	67.8%	0.2	1.3	0.0
Both parents for 12 months	3.6	10.1	0.3	1.5
Mother only for 6–11 months	5.0	1.3	1.2	0.0
Both parents for 6–11 months	0.5	0.0	0.6	0.4

Notes: Cell entries show percentage of total number of cases in each panel (N = 222 in 1998 and 254 in 1999). Table percentages in each panel do not sum to 100 because the table excludes arrangements in which the focal child spent most of the year in a household without a parent or in multiple types of households.

Table is based on cases from the experimental group in which the focal child lived with the mother or with both parents for at least half of the reference year. Table includes only cases in which mothers were interviewed in both 1998 and 1999. At each time, table deletes cases for which the mother reported that the focal child or father had died or the father reported that the focal child or mother had died.

All Ns are unweighted. At each time, cases that are missing on the dependent variable for either mothers or fathers are missing from the analysis.

Table II.8.3
Fathers' Face-to-Face Contact with Children When They Lived Apart

	1998			1999		
	All Mothers	Mothers with Matched Fathers	Fathers with Matched Mothers	All Mothers	Mothers with Matched Fathers	Fathers with Matched Mothers
(1) All Families						
Any contact (%)	59.1	73.2	88.4	54.1	65.2	79.6
At least weekly contact (%)	29.6	40.9	67.4	29.2	37.6	55.6
Mean days of contact (including those with no contact)	60	74	126	49	52	90
(SD)	(102)	(99)	(113)	(86)	(74)	(90)
Range of N	887–916	175–181	176–181	873–904	208–212	203–212
Mean days of contact, among those with any contact	104	103	143	92	80	113
(SD)	(114)	(102)	(110)	(98)	(76)	(86)
N	533	130	155	478	146	171
(2) Focal Child Age 0–2 Years in 1998						
Any contact (%)	71.3	77.2	91.1	62.2	73.6	87.9
At least weekly contact (%)	44.4	56.5	69.2	38.3	48.1	60.1
Mean days of contact (including those with no contact)	94	120	117	65	64	99
(SD)	(116)	(124)	(104)	(95)	(76)	(85)
Range of N	230–238	37–38	36–38	229–236	58	56–58
Mean days of contact, among those with any contact (SD)	133 (118)	157 (115)	129 (101)	105 (102)	87 (77)	113 (81)
N	165	30	33	144	44	51

Notes: Table is based on cases from the experimental group in which the mother is the primary resident parent for the focal child. Table includes only cases in which mothers were interviewed in both 1998 and 1999. At each time, table deletes cases for which the mother reported that the focal child or father had died. At each time, columns for matched parents delete cases for which the father reported that the focal child or mother had died or for which the father reported he was the primary resident parent.

All Ns are unweighted.

W-2 Survey sample and the national sample in whether or not nonresident fathers remain in contact may be due to differences in the populations. Mothers may be more likely to rely on public support, such as W-2, if they do not have help from the child's father.

The table also shows that nonresident fathers who had contact with their child saw the child 104 days a year, or an average of twice every week. Contact may not occur at regular intervals; for instance, if fathers and children live far apart, the contact may occur when children spend blocks of time (e.g., summer vacations and other holidays for school-age children) in the father's home. We cannot compare the W-2 survey estimates of contact days to those in national data because, as far as we know, no national data sources include as much detail about the amount of time fathers spend with children.

Examining the columns that show results for matched mothers and fathers, we observe two patterns. First, levels of contact reported by the matched parents were substantially higher than those reported by the less selective sample of all mothers. Second, levels of contact reported by matched fathers were substantially higher than those reported by mothers in nearly every instance. Because these mothers and fathers were asked to report about the same child and the same questions were used, differences in the answers given by mothers and fathers are due to differences in the way they interpreted the question, in the way they constructed their answers, or in the way they wished to present themselves. It is unlikely that differences of the size we observe here arise because fathers know about contacts with children that mothers do not know about.

Data in Panel 2 of Table II.8.3 show levels of fathers' contact with children among families in which the focal child was aged two or younger in 1998. Fathers of younger children were more likely to have contact and have more frequent contact compared to fathers of all ages, at least when the reports of mothers are examined. The magnitude of the difference by child's age appears to be smaller at the second interview in 1999 than at the first interview.[8] This pattern is consistent with evidence from other studies, which shows that parents spend more time on child care when children are younger (Pleck, 1985) and that nonresident fathers' contact with children declines over time, regardless of the child's age (Seltzer, 1991). However, the pattern is much less consistent for reports by fathers in the group of matched parents, possibly because these fathers all reported high levels of contact on average.

Table II.8.4 shows that roughly a quarter of nonresident fathers or someone in their families looked after the children so that the mother could work, look for work, or go to school (see entry for all mothers). This supervision might include child care for young children as well as monitoring the activities of older children. Not surprisingly, fathers or their families were more likely to provide this help when children were younger, 42 percent compared to 28 percent in 1998. This reflects the greater need for adult supervision when children are very young as well as the disproportionate number of recent separations, when all types of contact are greater, in the group with younger children. In this table, mothers in the group of matched parents are roughly comparable to the sample of all mothers, but the answers given by fathers again indicate substantially higher levels of contact.[9]

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[8]Child's age is as of December 31, 1998. In 1999, young focal children were roughly aged 1–3 years, which may account for the smaller differences between levels of contact for those in the full sample and those with younger focal children.

[9]The wording of the question differed for the mothers' and fathers' interviews. The mother was asked two questions, one about care the father provided and one about care someone in the father's family provided. The father was asked a single question about whether he or someone in his family looked after the child. It is unlikely that this difference in wording would account for the large difference in matched mothers' and fathers' reports.

Table II.8.4
Father or His Family Looked after Children So Mother Could Work, Look for Work, or Go to School

	1998						1999					
	All Mothers		Mothers with Matched Fathers		Fathers with Matched Mothers		All Mothers		Mothers with Matched Fathers		Fathers with Matched Mothers	
	%	N	%	N	%	N	%	N	%	N	%	N
All Families	27.8	906	29.4	179	52.1	177	23.4	883	28.4	210	44.1	205
Focal Child Age 0–2 Years	42.4	234	50.7	38	64.3	37	37.1	230	37.9	58	58.7	55

Notes: Table is based on cases from the experimental group in which the mother is the primary resident parent for the focal child. Table includes only cases in which mothers were interviewed in both 1998 and 1999. At each time, table deletes cases for which the mother reported that the focal child or father had died. At each time, columns for matched parents delete cases for which the father reported that the focal child or mother had died or for which the father reported he was the primary resident parent.

All Ns are unweighted.

Evaluations of Father as Parent and Reports of Conflict

Table II.8.5, Panel 1, indicates that approximately one-third of mothers thought that the child's nonresident father was doing a good job. Mothers in the full and matched samples were quite similar in 1998, but in 1999 all mothers were less positive than the subgroup of matched mothers, 29 percent compared to 37 percent. In contrast to mothers in either group, fathers viewed themselves much more positively—over 80 percent reported that they were doing a good job as a parent. For families in which the focal child is young, both mothers and fathers viewed the father more positively than did parents in the larger group that included families in which the focal child was older. Fathers of young children may have more positive evaluations because they spend more time with the child and are more likely to provide informal transfers (see below) than fathers of older children. The causal association between a positive role evaluation and nonresident fathers' participation in child rearing is ambiguous.

Table II.8.5, Panel 2, considers another aspect of the parents' relationship with each other. It shows that at both times almost 40 percent of all resident mothers reported either "pretty much" or "a great deal of" conflict about some aspect of child rearing (how the child is raised, money, child support, time with the children). The wording of the question about conflict at the second interview included an additional response category, "a very great deal," to take account of interviewer feedback and notes from the first round of interviewing. Even with this addition, there was a slight decline in intense conflict between the two interviews. The NSFH used response categories different from those in either wave of the W-2 Surveys. In the first wave of the NSFH, when the data represent families with a broader range of children's ages, the categories were: none, some, a great deal. Only 23.1 percent of resident mothers in the NSFH reported a great deal of conflict about any of the topics (where the child lives, how the child is raised, how the respondent spends money, how the other parent spends money, the other parent's visits with the children, and the other parent's contributions to children's support) (authors' tabulations).

When we consider only instances in which the mother reported "a great deal" of conflict in the W-2 data for 1998, we find that about 34 percent reported a great deal. This is still considerably higher than the percentage in the NSFH, which allows respondents to report about a wider range of aspects of child rearing after separation. Families which face severe economic constraints experience more strain and conflict (Conger et al., 1990), and this may account for the higher prevalence of intense conflict in the W-2 sample than in the national sample. Among families with a young focal child, levels of conflict were generally a little higher than for all families with focal children. This may be due to the greater involvement of nonresident fathers in these families, if parents disagree more when they are in closer touch about their children.

Informal Economic Transfers

Table II.8.6 shows the percentages reporting informal transfers of various types. Almost half of the sample of all mothers reported at least one type of transfer in 1998, and over 44 percent in 1999, a slight decline (Panel 1).[10] Gifts and diapers, clothes, or shoes are by far the most common sorts of transfers, at least according to mothers. The proportions reporting each type of transfer or any transfer are generally higher among the group of matched mothers, and even higher for the fathers in this group.

[10]We know of no national data sources with the detail on informal transfers available in the W-2 survey for families with and without child support orders. The NSFH does include reports on financial transfers from nonresident fathers without child support orders. These data show that about 20 percent of resident mothers receive some money from their children's nonresident father, even in the absence of a child support order. Among those who received an informal transfer, the median reported was slightly more than $1,400 per year in 1998 dollars (Seltzer, 1995).

Table II.8.5
Effects on Parental Interaction

	1998						1999					
	All Mothers		Mothers with Matched Fathers		Fathers with Matched Mothers		All Mothers		Mothers with Matched Fathers		Fathers with Matched Mothers	
	%	N	%	N	%	N	%	N	%	N	%	N
(1) Mother Thinks That Father Is Doing a Good Job or Father Thinks That He Is Doing a Good Job												
All Families	31.2	919	35.4	181	82.4	181	28.7	904	36.9	212	83.5	212
Focal Child Age 0–2 Years	39.5	238	47.0	38	87.4	38	35.9	236	42.2	58	95.5	58
(2) Mother Reports Intense Conflict with Father or Father Reports Intense Conflict with Mother												
All Families	38.7	919	47.4	181	45.3	181	37.2	904	46.5	212	34.4	210
Focal Child Age 0–2 Years	46.1	238	56.8	38	46.9	38	40.9	236	57.1	58	32.0	58

Notes: Table is based on cases from the experimental group in which the mother is the primary resident parent for the focal child. Table includes only cases in which mothers were interviewed in both 1998 and 1999. At each time, table deletes cases for which the mother reported that the focal child or father had died. At each time, columns for matched parents delete cases for which the father reported that the focal child or mother had died or for which the father reported he was the primary resident parent.

All Ns are unweighted.

Table II.8.6
Types of Informal Transfers

Transfers	1998			1999		
	All Mothers	Mothers with Matched Fathers	Fathers with Matched Mothers	All Mothers	Mothers with Matched Fathers	Fathers with Matched Mothers
(1) All Families						
Diapers, clothes, or shoes	39.6%	51.8%	70.4%	35.6%	43.0%	65.9%
Gifts	42.4	60.2	77.6	38.9	50.1	73.8
Food or groceries	14.8	16.8	48.2	14.3	13.8	47.6
Child care, school, or educational expenses	8.6	14.6	29.6	7.8	7.2	29.6
Medical expenses other than health insurance	7.5	11.6	29.2	8.3	8.3	25.4
Money for rent or mortgage	6.4	8.8	16.6	6.1	5.5	13.9
Money to spend on the children	18.8	24.0	44.6	15.9	17.4	41.8
Any type of transfer	48.1	66.5	78.7	44.4	54.8	77.8
Range of N	916	199	200–201	903	212	211
(2) Focal Child Aged 0–2 Years						
Diapers, clothes, or shoes	51.7%	65.1%	72.8%	45.5%	55.9%	69.2%
Gifts	53.2	71.6	83.6	45.4	56.7	78.2
Food or groceries	25.7	20.0	59.9	23.4	24.3	56.3
Child care, school, or educational expenses	10.7	10.9	26.0	11.9	11.2	27.5
Medical expenses other than health insurance	17.1	23.0	28.3	13.5	13.9	35.3
Money for rent or mortgage	11.6	6.6	15.6	8.6	8.7	25.3
Money to spend on the children	31.4	28.3	60.1	24.5	23.5	59.0
Any type of transfer	61.3	75.0	84.4	51.7	61.6	82.9
N	238	44	44	236	58	58

Table II.8.6, continued

Notes: Table is based on cases from the experimental group in which the mother is the primary resident parent for the focal child. Table includes only cases in which mothers were interviewed in both 1998 and 1999. At each time, table deletes cases for which the mother reported that the focal child or father had died. At each time, columns for matched parents delete cases for which the father reported that the focal child or mother had died or for which the father reported he was the primary resident parent.

All Ns are unweighted.

In addition to giving gifts and diapers, clothes or shoes, fathers in the matched sample were also very likely to report that they provided the mother with money to spend on the children—nearly 45 percent did so in 1998, compared to 24 percent for matched mothers and 19 percent for all mothers. The levels of informal transfers reported by parents who had a young focal child were substantially higher than for the full sample. Panel 2 of Table II.8.6 shows that over 60 percent of all mothers of a young focal child reported a transfer of some type in 1998, and although the percentage declined in 1999, even then over half the sample received some type of informal transfer.

Although informal transfers may have a symbolic importance for children's well-being, transfers are also important because they enhance children's material well-being. Table II.8.7 shows parents' reports of the economic value of all the in-kind and informal cash contributions provided by the nonresident fathers. The survey question used ordered response categories because of the difficulty of eliciting a specific dollar amount for such diverse transfers.[11] The question explicitly asked for an assessment of value excluding formal child support. As might be expected for families selected because of participation in W-2, the total value of most informal transfers was quite low. For about a quarter of families, the informal transfers were worth between $1 and $250 a year, according to all mothers' reports. About 6 percent received transfers worth at least $1,000 either in 1998 or in 1999. By comparing the reports of matched mothers and fathers, we can see that fathers value their contributions substantially more highly than do mothers. Just over 22 percent of fathers in the matched sample reported contributions worth at least $1,000 a year in 1999, compared to just over 5 percent of mothers in the matched sample. We do not examine the economic value of informal transfers for parents of young focal children because of small sample sizes.

Informal Transfers, Formal Child Support, and Visits

Fathers who live with their children contribute to their welfare economically and by spending time with them. This section provides a broad-brush description of how nonresident fathers whose children were supported by W-2 combined economic contributions and spending time with children. We use the larger sample of mothers who were interviewed in both waves of the survey. We begin by asking whether fathers who made formal child support payments were also more likely to make informal transfers. Previous research on divorced fathers shows that those who pay formal support are more likely to provide in-kind or informal transfers than those who do not pay formal support (Teachman, 1991). Because the W-2 sample is from a lower-income population than that studied in previous work on divorced fathers, the association between formal and informal transfers may be different. Fathers with limited economic resources may be able to provide only formal child support or informal transfers, or they may provide less economically valuable informal transfers when they pay formal support then when they do not. Table II.8.8 shows the value of informal transfers for families with and without formal child support. In both years, mothers who are shown by administrative records to have received formal child support were also more likely to report that they received other transfers. In 1998, 56 percent of mothers who received formal support also received informal transfers, compared to 43 percent of mothers without formal support. The percentage difference is about the same size in 1999. The percentage who reported transfers worth $1,000 or more, among those who received any informal transfers in 1998 (see rows "Less than $100" through "More than $1,500"), is about the same for those with formal child support as for those without formal support, 10 percent (5.7/57.1) vs. about 13 percent (5.5/43.7), respectively.

[11]The response categories in the table are those used in the time 1 survey. For the time 2 survey, we revised the response categories to allow for responses of less than $50. The table combines the two lower categories at time 2 to show the same metric at both times.

Table II.8.7
Value of Informal Transfers

	1998			1999		
Value of Informal Transfers	All Mothers	Mothers with Matched Fathers	Fathers with Matched Mothers	All Mothers	Mothers with Matched Fathers	Fathers with Matched Mothers
No Informal Transfers	50.4%	33.5%	11.9%	55.1%	45.3%	22.6%
Less than $100	15.9	24.7	8.8	13.6	18.3	8.4
Between $100 and $250	10.8	11.0	10.6	9.7	12.7	13.9
Between $250 and $500	11.1	15.7	20.7	10.2	11.4	19.7
Between $500 and $1,000	6.1	12.2	26.0	5.3	7.0	12.8
Between $1,000 and $1,500	2.2	0.7	11.6	3.0	3.0	9.0
More than $1,500	3.4	2.1	10.5	3.0	2.3	13.5
N	905	178	178	894	210	206

Notes: Column percentages add to 100 within rounding error. Table is based on cases from the experimental group in which the mother is the primary resident parent for the focal child. Table includes only cases in which mothers were interviewed in both 1998 and 1999. At each time, table deletes cases for which the mother reported that the focal child or father had died. At each time, columns for matched parents delete cases for which the father reported that the focal child or mother had died or for which the father reported he was the primary resident parent.

All Ns are unweighted.

Table II.8.8
Value of Informal Transfers, by Whether or Not Child Support Was Received in Reference Year, Resident Mothers' Reports

	Received Formal Child Support? (Administrative Records)			
	1998		1999	
Value of Informal Transfers	Yes	No	Yes	No
No Informal Transfers	43.0%	56.3%	48.4%	62.2%
Less than $100	18.8	13.6	17.0	10.1
Between $100 and $250	14.0	8.4	11.8	7.6
Between $250 and $500	11.8	10.6	11.2	9.2
Between $500 and $1,000	6.8	5.6	6.6	3.8
Between $1,000 and $1,500	2.1	2.3	2.4	3.7
More than $1,500	3.6	3.2	2.6	3.4
N	402	503	399	495
χ^2_6	18.9 $p \leq .01$		25.9 $p \leq .01$	

Notes: Column percentages add to 100 within rounding error. Table is based on cases from the experimental group in which the mother is the primary resident parent for the focal child. Table includes only cases in which mothers were interviewed in both 1998 and 1999. At each time, table deletes cases for which the mother reported that the focal child or father had died.

Ns are from weighted tables that have been renormalized for missing values on the dependent variable.

Table II.8.9 shows how nonresident fathers combined visiting with formal child support and with informal transfers. The data show a positive relationship between visits and receiving formal payments and between visits and informal transfers, although the latter association appears stronger. In 1998 only about 14 percent of mothers received formal child support even though the nonresident father and focal child did not spend time together, whereas fewer than 3 percent received informal transfers and had no visits. In nearly 46 percent of families, fathers spent time with the children and provided informal transfers. The patterns are similar in 1999. The higher percentage of fathers who combined visits with informal transfers than of fathers who combined visits with formal child support probably occurs because many informal transfers occur during visits, such as gifts that are given during a visit to celebrate a birthday. Certainly the opportunities to provide such transfers, and information about the types of transfers that might be needed or appreciated, increase when there is face-to-face contact.

The three-way relationship among visits, formal child support, and informal transfers is shown in Table II.8.10. In 1998, about a quarter of the nonresident fathers spent time with the focal child, paid formal child support, and made informal transfers. About an equal percentage did none of these things. Just over one-fifth of fathers spent time with children and provided informal transfers, but did not pay formal child support. Whether or not they paid formal child support, it was uncommon for fathers to spend time with children but not to provide informal transfers (approximately 14 percent, 7.6 + 6.3). A similar minority of fathers, about 13 percent, paid formal child support but neither visited nor made informal contributions. The combinations of activities in 1999 are generally similar to those in 1998.

Administrative Records and Survey Reports about Formal Child Support

We suggested earlier that examining the relationship between mothers' and fathers' reports about formal child support and the criterion provided by the court record might provide insight into the likely direction of the errors that mothers and fathers might make when responding about related topics. The administrative data we use summarizes all formal child support received by the resident mother. If she had children from more than one relationship, the formal records show the total support from the focal child's father and the other children's father(s). For nonresident fathers, however, the administrative data record the amount the father paid on behalf of the focal child and the child's full biological siblings, excluding any formal support the father might have paid for children from other relationships. This means that for any pair of parents, the mother's formal child support receipts may be higher than the father's formal child support payments, although when the mother's children all have the same father, receipts should equal payments in the formal record. About a quarter of the mothers in the matched sample had children by two or more legal fathers, according to administrative data at entry into W-2. With this exception—which means that mothers' survey reports will necessarily underestimate the incidence and amount of child support recorded in the administrative records—we believe that the administrative records of formal child support receipts and payments are extremely accurate and are an appropriate criterion by which to evaluate survey reports about child support. The survey asked explicitly about formal child support received (or paid) for the focal child and the child's siblings.

Table II.8.11 compares survey reports about formal support with administrative-record data on formal support for three respondent groups, all mothers, mothers with matched fathers, and fathers with matched mothers. By comparing the percentage who reported having received any child support in 1998 with the administrative data, we can see that among all mothers, about 9 percent fewer women reported receiving child support in the survey than are shown as having received any by administrative records. Among mothers in the matched sample, the difference is even larger, about 13 percent. Among fathers, in contrast, about 9 percent fewer fathers among the group of matched parents reported paying any child support than are recorded as paying any support in the administrative records. When the mean amount of

Table II.8.9
Reports of Visits by Whether or Not Child Support and Informal Transfers Were Received in Reference Year, Resident Mothers' Reports

	Received Formal Child Support (Administrative Records)		Received Informal Transfers	
Reported Visits	Yes	No	Yes	No
(1) 1998				
Yes	31.0%	28.2	45.5%	13.8
No	13.6	27.3	2.8	37.9
N	916		913	
χ^2_1	33.1 p ≤.01		429.8 p ≤.01	
(2) 1999				
Yes	33.1%	21.0	43.8%	10.3
No	18.2	27.7	1.5	44.4
N	887		886	
χ^2_1	40.6 p ≤.01		536.4 p ≤.01	

Notes: Percentages sum to 100 for columns indicating formal payments (yes/no) and to 100 for columns indicating informal transfers (yes/no), within rounding error. Table is based on cases from the experimental group in which the mother is the primary resident parent for the focal child. Table includes only cases in which mothers were interviewed in both 1998 and 1999. At each time, table deletes cases for which the mother reported that the focal child or father had died.

Ns are from weighted tables that have been renormalized for missing values on the dependent variable.

Table II.8.10
Reports of Visits by Whether or Not Child Support and Informal Transfers Were Received in Reference Year, Resident Mothers' Reports

	Received Formal Child Support (Administrative Records)		Did Not Receive Formal Support (Administrative Records)	
Reported Visits	Received Informal Transfers	Did Not Receive Informal Transfers	Received Informal Transfers	Did Not Receive Informal Transfers
(1) 1998				
Yes	24.5%	7.6	21.2	6.3
No	0.8	13.0	2.0	24.7
(2) 1999				
Yes	26.4%	7.7	17.6	2.7
No	0.7	18.1	0.8	26.0

Notes: Entries show percentage of total number of cases in each panel (N = 913 in 1998 and 886 in 1999). Percentages sum to 100 within rounding error. Table is based on cases from the experimental group in which the mother is the primary resident parent for the focal child. Table includes only cases in which mothers were interviewed in both 1998 and 1999. At each time, table deletes cases for which the mother reported that the focal child or father had died.

Ns are from weighted tables that have been renormalized for missing values on the dependent variable.

Table II.8.11
Comparison of Survey and Administrative Reports about Formal Child Support, 1998

	Survey Reports			Administrative Records		
	All Mothers	Mothers with Matched Fathers	Fathers with Matched Mothers	All Mothers (Support Received)	Mothers with Matched Fathers (Support Received)	Fathers with Matched Mothers (Support Paid)
Any support	35.2%	55.4%	75.9%	44.4%	68.4%	66.6%
N	918	181	181	919	181	181
Mean support including those with no support	$439	$735	$2,034	$688	$1,047	$1,129
(SD)	(1,018)	(1,292)	(2,222)	(1,295)	(1,424)	(1,507)
N	830	164	161	919	181	181
Mean support among those with any support	$1,293	$1,398	$2,725	$1,547	$1,531	$1,695
(SD)	(1,376)	(1,378)	(2,148)	(1,543)	(1,423)	(1,501)
N	291	101	123	421	136	131

Notes: Table is based on cases from the experimental group in which the mother is the primary resident parent for the focal child. Table includes only cases in which mothers were interviewed in both 1998 and 1999. At each time, table deletes cases for which the mother reported that the focal child or father had died.

All Ns are unweighted.

support among each group is calculated, the underreporting by mothers and overreporting by fathers (as compared with the administrative records) is even more striking: All mothers reported approximately 64 percent of the support recorded in administrative records, mothers in the group of matched parents reported approximately 70 percent of the support shown in administrative records; but the comparable fathers overreported by 180 percent.

Part of the survey-administrative-data discrepancy in mean amounts of formal support received (or paid) occurs because the survey and administrative records differ in the proportion recorded as receiving no support. Thus, when the mean amount of support among those receiving any is considered, the underreporting by mothers is reduced (to 83 percent of the administrative records among all mothers and 91 percent among matched mothers) and the overreporting by fathers is also slightly reduced (to 161 percent). Even among those who received (paid) any formal child support, mothers' reports were more accurate, in the aggregate, than were fathers' reports. (See Schaeffer, Seltzer, and Klawitter, 1991, for a similar finding using a sample of divorce cases.)

To examine if the discrepancy between mothers' reports about formal child support and the administrative records of mothers' child support receipts can be explained by the inclusion of child support from more than one father in the administrative record, we reestimated Table II.8.11 excluding mothers who had children by more than one legal father at entry into W-2. The results were quite similar to those shown in Table II.8.11, suggesting that mothers underestimated child support received even when the administrative criterion excludes formal support from men other than the focal child's father (not shown). However the degree to which mothers underestimated is quite small relative to the degree to which fathers' survey reports overestimated formal child support payments.

Summary and Conclusion

This chapter provides a preliminary description of nonresident fathers' social and economic participation in the lives of children of single mothers supported by Wisconsin Works. Our data show that although the children in the great majority of these families lived with their mother alone, a minority lived with their mother and father together for part of the year. However, when the father did not share a home with his child and the child's mother, frequency of contact between the father and child was somewhat lower than in a national sample of separated families. Fathers of young children spent more time with the children, and the father or someone in his family was more likely to spend time looking after the child so that the mother could work than fathers whose children covered a broader age range.

Our data also show that only about a third of resident mothers thought that the father was doing a good job as a parent, and roughly two-fifths of mothers reported intense conflict with the children's father about some aspect of child rearing. Intense conflict between parents about child rearing after separation is somewhat higher among these W-2 families than for a national sample of resident mothers, perhaps as a result of the greater economic strain the W-2 families experience.

Ethnographic evidence points to the importance of nonresident fathers' economic contributions, including informal support, for low-income children's material welfare (Edin and Lein, 1997). Our data show that about half of resident mothers received some type of informal transfer, but that for most families the financial value of the transfers was less than $500 a year. Few mothers reported receiving money for rent or the mortgage, but this was more common among mothers of young children whose fathers might still be living part of the time with the mother and child. Informal transfers were more common among families in which the mother received formal child support and when the nonresident father saw the child. It was uncommon for fathers who did not spend time with their children to pay

formal child support, and extremely uncommon for those who did not spend time with children to provide informal transfers of any type. About a quarter of fathers neither spent time with children nor invested in them financially, either through formal child support payments or informal contributions. But on the other side of the continuum of paternal involvement, about the same percentage contributed to children by spending time with them, paying formal support, and making informal contributions.

Nonresident fathers participated in the survey at substantially lower rates than did resident mothers. By comparing all mothers' reports to those of mothers and fathers in the matched sample, we show that the matched sample is highly selective. Fathers in the matched sample were more involved with their children in many ways than those described by all mothers. Our comparisons also show that fathers reported higher levels of social and economic involvement and, not surprisingly, evaluated their role performance more favorably than did mothers when they described fathers' involvement. When we use administrative records of formal child support receipts (payments) as a criterion against which to evaluate resident mothers' and nonresident fathers' reports, we find that fathers dramatically overstated their formal child support contributions. Mothers' survey reports slightly understated formal child support receipts.

Our broad-brush portrait of fathers' participation in the lives of children whose single mothers are on W-2 lays the groundwork for studies of how low-income mothers and fathers manage child rearing when they receive public support. As Volume II, Chapter 4 shows, mothers in this sample moved on and off W-2. Ability to leave W-2 may depend, in part, on the degree to which the children's father spends time with and looks after the child, thereby facilitating mothers' employment, and provides economically valuable informal transfers. Most importantly, low-income nonresident fathers' participation in child rearing may also enhance the welfare of children whose mothers receive public support, an important question for future research.

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Chapter 9
Child Well-Being among W-2 Families

Arthur Reynolds and Barbara Wolfe

In recent years, the well-being of the nation's children has become a major focus of attention at all levels of government. How changes in social policies and programs affect children is one of the most important questions asked by both practitioners and researchers. This section explores a variety of indicators of well-being of children who live in families participating in the W-2 Child Support Demonstration Evaluation (CSDE).[1] Three major questions are addressed:

1. How well are these children doing according to indicators of health and school performance reported by the resident parent?

2. How well are these children doing in terms of parental and public resources devoted to them? What is the frequency of several specific parenting practices? What is the extent of child support received and of health insurance coverage?

3. What factors seem important in improving children's well-being? Which child and family background factors measured at Time 1 of the survey and intervening measures of inputs into children's well-being are associated with children's health and school performance at Time 2? Does the impact of these factors vary by children's age? Does it vary after controlling for Time 1 indicators of health and education status?

To date, analyses of the impact of welfare reform on children has been limited (exceptions are Moore et al., 2000, and Barth et al., 1999),[2] a result in part of the limited information on children available in administrative data. We are fortunate to have survey data that permit us to study a number of dimensions of child well-being not usually available to the researcher, including parenting practices, child health status, and child education performance. The two-wave survey of CSDE families serves as the primary source of data for our analysis, augmented by administrative data. We use two dimensions of child well-being as final outcomes: child health and child school performance. Whenever possible, analyses were conducted separately among three age groups: 0 to 5, 6 to 12, and 13 and older. Child health outcomes are based on parental reports of overall health status, routine dental visits, and whether the child was uninsured for any part of 1999. Overall health status was coded as fair or poor versus excellent, very good, or good. Indicators of school performance differed by the child's age. For the youngest children it is based on parents' reports of whether they would change child care providers if all care were free and whether the child feels safe and receives much individual attention in care. For school-aged children, it is based on grade point average, school absences, and special education placement. For adolescents, it is measured by whether or not the child was suspended or expelled from school.

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[2]In 1999 the Administration for Children and Families and the Office of the Assistant Secretary for Planning and Evaluation in the U.S. Department of Health and Human Services created a project on State-Level Child Outcomes to encourage and assist states in using administrative data to expand their child outcome measures and make them comparable across states. Unfortunately, research using these samples is limited by small sample sizes.

How welfare reform has affected children's well-being is of concern in view of the changes in the children's lives that are likely to occur, such as less time with resident parents and more time in child care, and a greater probability of being without health insurance owing to the increased effort required to enroll in Medicaid.[3] We view these changes as *intervening factors* that may affect the child outcomes we examine. Intervening factors are whether or not the child has health insurance (measured both as a zero-one indicator of whether or not the child was uninsured at some time during the year and as whether or not the child had private coverage, had Medicaid coverage, and/or was uninsured at some point in the year); whether or not the family received a subsidy for child care (for children up to age 10); the amount of time the resident parent spends with the child (for children up to age 12, based on answers to questions of frequency of reading to the child, going on outings with the child, and playing with the child); whether or not the resident parent attends PTA meetings (for school-aged children); the dollar amount of child support received; and the amount of contact with the nonresident parent.

Children's Well-Being in Health and Education

Our outcome and intervening variables, showing children's well-being on nine indicators across five subgroups, are reported in Table II.9.1. We use data from the first survey, in 1999, reporting circumstances in 1998 (Time 1). Where possible we compare these levels to national data.[4] We next turn to multivariate analysis, focusing on outcomes one year later, in the second wave of the survey (Time 2). The multivariate analysis uses three models (based on probit or OLS regression analysis) for each of our outcome variables: (1) a model with only exogenous variables, such as the child's age, race and sex, residence in Milwaukee, number of siblings, mother's education, poverty status, whether the resident parent works full-time or has work limitations, and an indicator of the experimental (vs. control-group) status of the family; (2) a model in which we add the appropriate matched intervening variables; and (3) a value-added model, in which we add the value of the matched dependent variable as of the first wave. The value-added model takes into account unobserved family and child factors that we cannot measure and which may influence the child outcome and be correlated with observed factors included in the analysis. The family's experimental status is included in all three models.

Variable means and descriptions are given in Appendix Tables II.9.1–4.

Health Status

Our first measure of children's well-being is health status. Barth et al. (1999) note: "Children's health is a central consideration in the assessment of the implementation of welfare reform because these reforms changed the relationships between employment, public assistance, and insurance of health care services for poor families and children . . . These changes have the potential to impact access to health care. In addition, welfare reform has the potential to change, positively or negatively, the family environment where health behaviors and health decisions are carried out."

As in Volume I, we employ a measure frequently used in the literature: self-report or parental report of overall health status. We convert the 5-point scale of excellent, very good, good, fair, or poor into two groups: fair or poor and all others. Overall we find that 11.1 percent of these children have

[3]It is possible that these children are more likely to be covered by private insurance as more of their parents work full-time and are covered by employer-based insurance. We explore this below.

[4]The sample reported in Tables II.9.1 and 2 contains children observed in both 1998 and 1999, the same sample used in our multivariate analysis.

Table II.9.1
1998 Outcome Variables, Measured in 1999, by Category

Category	Fair or Poor Health	Dentist Visit in 1998	Uninsured at Some Point in 1998	Would Switch Child Care	Child Feels Safe in Child Care	Child Receives Individual Attention in Child Care	GPA[a]	Ten or More Absences in Fall Semester	Ever Received Special Education
Total	11.1%	72.4%	16.0%	39.3%	94.0%	90.5%	2.51	13.9%	20.9%
SE	0.007	0.014	0.008	0.015	0.007	0.009	0.044	0.012	0.014
N	1,983	911	1,972	1,031	982	980	532	844	902
Age									
0–5	12.0%	NA	15.5%	39.3%	94.0%	90.5%	NA	NA	NA
SE	0.010		0.011	0.015	0.007	0.009			
N	1,068		1,063	1,031	982	980			
6–12	8.9%	75.5%	15.3%	NA	NA	NA	2.64	12.6%	22.7%
SE	0.011	0.016	0.014				0.056	0.013	0.016
N	687	685	684				268	631	685
13 +	13.2%	63.3%	20.3%	NA	NA	NA	2.38	17.6%	15.5%
SE	0.022	0.032	0.027				0.066	0.026	0.025
N	228	226	225				264	213	217
Context									
Non-Milwaukee	9.0%	77.9%	16.8%	43.0%	93.4%	92.0%	2.48	9.5%	33.7%
SE	0.012	0.029	0.016	0.027	0.014	0.015	0.085	0.021	0.033
N	554	208	551	327	315	314	128	191	205
Milwaukee	11.7%	71.1%	15.7%	37.9%	94.2%	90.0%	2.51	14.9%	17.8%
SE	0.009	0.017	0.010	0.018	0.009	0.012	0.051	0.014	0.014
N	1,429	703	1,421	704	667	666	404	653	697

Table II.9.1, continued

Category	Fair or Poor Health	Dentist Visit in 1998	Uninsured at Some Point in 1998	Would Switch Child Care	Child Feels Safe in Child Care	Child Receives Individual Attention in Child Care	GPA[a]	Ten or More Absences in Fall Semester	Ever Received Special Education
Race									
White	10.0%	78.6%	15.1%	42.4%	91.3%	90.8%	2.59	11.2%	27.8%
SE	0.012	0.026	0.015	0.027	0.016	0.016	0.080	0.021	0.029
N	607	242	605	343	332	333	150	221	239
Nonwhite									
SE	11.6%	70.2%	16.4%	38.0%	95.3%	90.4%	2.48	14.3%	18.9%
N	0.009	0.018	0.010	0.019	0.008	0.011	0.053	0.014	0.015
	1,364	664	1,356	683	645	642	382	618	658
Gender									
Female	9.5%	74.0%	15.3%	38.1%	93.8%	91.1%	2.69	13.2%	17.8%
SE	0.009	0.020	0.012	0.022	0.011	0.013	0.058	0.016	0.018
N	968	464	963	484	461	462	284	431	461
Male	12.6%	70.8%	16.7%	40.5%	94.1%	90.0%	2.31	14.6%	24.0%
SE	0.010	0.022	0.012	0.021	0.010	0.013	0.064	0.017	0.020
N	1,015	447	1,009	547	521	518	248	413	441
Income									
$\geq$ 100% poverty	9.1%	77.0%	17.0%	38.4%	93.7%	91.4%	2.55	11.1%	21.5%
SE	0.013	0.028	0.017	0.030	0.015	0.018	0.069	0.022	0.027
N	499	230	499	262	251	250	207	209	226
< 100% poverty	11.5%	70.9%	15.4%	39.9%	93.7%	89.7%	2.49	15.0%	20.7%
SE	0.009	0.018	0.010	0.018	0.009	0.015	0.057	0.014	0.016
N	1,403	650	1,394	722	690	690	325	610	648

Note: For variable means and descriptions, see Appendix Tables II.9.1–4. SE = standard error; N = number.

[a]Information on GPA is available in 1999 only.

reported poor or fair health, as shown in Table II.9.1. The overall proportion of U.S. children 18 and under who had poor or fair health was 1.8 percent in 1998 (National Center for Health Statistics, 2000, Table 58), indicating that the health status of these children is far worse than the national average. The ratio of poor to nonpoor children in poor or fair health in the 1996 Medical Expenditure Panel Survey (MEPS) was 2:7, indicating a substantial differentiation in terms of underlying health status associated with poverty (Wolfe and Smeeding, 1999). Using the ratio in MEPS, we would predict that 5.5 percent of the children in the CSDE sample would have reported poor or fair health; this is about half the actual reported rate.

Looking at subgroups in our sample, we find that males are more likely to be in poor/fair health than females (the difference is nearly one third), that children living in families whose income is below the poverty line are somewhat more likely to be in poor or fair health than those with somewhat higher income, and that children in the major urban city (Milwaukee) are more likely (by about 30 percent) to be in poor or fair health than children living elsewhere in the state. In terms of age, older children are those most likely to be in poor or fair health. Perhaps surprisingly, children aged 0–5 are more likely to be in poor or fair health than those 6–12. This may reflect respiratory illnesses and other infectious diseases common to children in child care rather than more fundamental health conditions. In Volume I we found no significant differences in the proportion of the experimentals or controls who reported fair or poor health. In the first survey, the proportion reporting fair or poor health was somewhat greater among controls, but the differences are not statistically significant, even at the .10 level.

Our primary intervening health variables attempt to capture access to health care: whether or not the child was without health insurance at some time in 1998 (Tables II.9.1 and 2), and whether or not the child had private insurance or Medicaid at some point in 1998 (Table II.9.2). We find that 16 percent of these children were uninsured at some point in the year. This proportion increases among children 13 or older, but otherwise does not appear to differ substantially by race, gender, geographic location, and family income. A comparison with national figures shows that this population of children is advantaged relative to the national average: in the United States as a whole, 25.2 percent of all poor children 18 and under were uninsured in 1998 (U.S. Bureau of the Census, 2000, p. 8).[5]

As reported in Volume I, we found no statistically significant differences in insurance status by experimental versus control status of the parent and child. Also as noted there, the proportion of children without coverage increased slightly over the 1998–1999 period, to 17 percent overall. This high proportion is somewhat surprising, as most of these children would be eligible for Medicaid. Nationally, the proportion of poor children without coverage declined over this same time period, from 25.2 to 23.3 percent (U.S. Bureau of the Census, 2000, p. 8).

We turn next to the proportion of this group of children who had Medicaid coverage at some point in 1998, using data from administrative records. A very large proportion of these children (98 percent) were enrolled in Medicaid at some time during the year. This is above the national norm of 55 percent among poor children and 25 percent among children with family incomes of 100–199 percent of the poverty line (Kaiser Family Foundation, 2000). There do not appear to be differences by any of the subcategories.

The proportion of children with private coverage is about 15 percent, somewhat below the national average of 17.5 percent in 1997 for poor children 18 and under, but well below the 42.5 percent

[5]Care should be used in interpreting these differences, however, since the underlying reference period of the questions differ: the CPS is based on the entire year, the CSDE on any time during the year. To the extent the reported percentages accurately reflect these differing time periods, the children in Wisconsin are far better off.

Table II.9.2
1998 Intervening Variables Measured in 1999, by Category

Category	Average Monthly Parenting Days	Attended One or More PTA Meetings	Reads to Child on a Daily Basis[a]	Some Face-to-Face Contact with Father	Received Child Care Subsidy	Received Any Child Support	Avg. Child Support Received per Child	Private Health Insurance at Some Point in 1998	Uninsured at Some Point in 1998	Medicaid at Some Point in 1998
Total	14.6	39.7%	49.8%	55.9%	82.2%	42.0%	$734.90	14.8%	16.0%	98.9%
SE	0.199	0.016	0.012	0.011	0.012	0.011	28.90	0.008	0.008	0.002
N	1,742	904	1,617	1,980	1,067	1,951	841	1,976	1,972	1,982
Age										
0–5	17.1	NA	49.8%	60.7%	82.1%	37.7%	$770.60	13.9%	15.5%	99.4%
SE	0.236		0.015	0.015	0.012	0.015	42.70	0.011	0.011	0.002
N	1,059		1,067	1,064	1,067	1,050	402	1,064	1,063	1,067
6–12	10.8	39.7%	49.8%	53.6%	NA	49.0%	$666.19	15.6%	15.3%	98.5%
SE	0.296	0.018	0.021	0.019		0.019	4.22	0.014	0.014	0.005
N	683	686	550	688		674	340	684	684	686
13 +	NA	39.6%	NA	41.5%	NA	40.1%	$831.40	16.0%	20.3%	97.7%
SE		0.033		0.033		0.033	96.80	0.024	0.027	0.010
N		218		228		227	99	228	225	229
Context										
Non-Milwaukee	16.0	23.7%	58.2%	55.8%	83.8%	56.4%	$1,090.70	25.8%	16.8%	98.2%
SE	0.374	0.029	0.023	0.021	0.020	0.021	55.29	0.019	0.016	0.005
N	499	207	462	549	346	450	307	552	551	552
Milwaukee	14.1	44.0%	47.0%	56.0%	81.5%	37.3%	$562.50	11.2%	15.7%	99.1%
SE	0.234	0.019	0.015	0.013	0.014	0.013	30.60	0.008	0.010	0.002
N	1,243	697	1,155	1,431	721	1,411	534	1,424	1,421	1,430

Table II.9.2, continued

Category	Average Monthly Parenting Days	Attended One or More PTA Meetings	Reads to Child on a Daily Basis[a]	Some Face-to-Face Contact with Father	Received Child Care Subsidy	Received Any Child Support	Avg. Child Support Received per Child	Private Health Insurance at Some Point in 1998	Uninsured at Some Point in 1998	Medicaid at Some Point in 1998
Race										
White	15.5	19.9%	61.1%	54.6%	85.6%	55.0%	$1,095.80	22.9%	15.1%	98.5%
SE	0.359	0.025	0.022	0.020	0.018	0.020	53.60	0.017	0.015	0.005
N	547	240	508	606	364	594	331	604	605	605
Nonwhite	14.2	46.1%	45.2%	56.5%	80.8%	36.9%	$527.10	11.6%	16.4%	99.0%
SE	0.238	0.019	0.015	0.013	0.015	0.013	29.70	0.009	0.010	0.003
N	1,186	659	1,100	1,365	696	1,345	504	1,361	1,356	1,365
Gender										
Female	14.6	41.0%	50.7%	59.0%	83.4%	45.8%	$731.40	16.4%	15.3%	98.8%
SE	0.284	0.023	0.018	0.016	0.017	0.016	39.00	0.012	0.012	0.003
N	846	462	776	964	500	954	441	965	963	967
Male	14.6	38.4%	48.9%	53.1%	81.1%	38.3%	$738.88	13.2%	16.7%	98.9%
SE	0.279	0.023	0.017	0.016	0.016	0.015	43.18	0.011	0.012	0.003
N	896	442	841	1,016	567	997	400	1,011	1,009	1,015
Income										
$\geq$ 100% poverty	14.7	32.4%	50.4%	58.2%	88.4%	52.7%	$995.90	31.1%	17.0%	97.2%
SE	0.401	0.031	0.025	0.022	0.019	0.022	55.17	0.021	0.017	0.007
N	439	226	409	499	270	491	267	498	499	498
< 100% poverty	14.4	42.2%	49.5%	55.6%	79.8%	38.6%	$628.60	9.2%	15.4%	99.5%
SE	0.236	0.019	0.015	0.013	0.015	0.013	33.56	0.008	0.010	0.002
N	1,232	650	1,140	1,400	747	1,380	541	1,399	1,394	1,402

[a]Includes only children age 6 to 10.

for children with family income of 100–149 percent of the poverty line (National Center for Health Statistics, 2000, Table 128).[6] Among our sample members, private coverage increases with age and is far less likely in Milwaukee and among nonwhites. It is far more common among families with income above the poverty line than those below, although a comparison of these percentages again provides evidence that the children in our survey are less likely than their national peers to have private insurance coverage. None of the patterns is particularly surprising. Nevertheless, the low rate of private coverage indicates the small probability that children in these families will have private coverage even when their parents join the full-time workforce.

A secondary indicator of health status is whether the child had at least one dental visit for routine care in 1998 (Table II.9.1). Parents reported that 75 percent of children aged 6–12 had a routine dental exam, compared to 63 percent among the adolescents. Nationally 63.5 percent of poor children aged 2–17 visited a dentist (National Center for Health Statistics, 2000, Table 80). The inclusion of younger children in the national statistics makes it difficult to compare these percentages, but it is useful to note that, nationally, poor children are considerably less likely to have a dental visit than are all children in the same age group (a difference of ten percentage points in 1998).

Schooling Outcomes

Academic achievement is a critical factor for future success in the work place and at home. The tie between welfare reform, child support, and schooling is not clear. If parents spend more (less) time with their children, including reading to their child, this may have an impact on the child's attitude toward learning and hence school performance. If parents have more (less) financial resources, they may invest more in educational materials for the child. If children spend more time in child care settings then, depending on the quality of the setting relative to the home environment, they may receive more preparation for school and have more positive expectations of schooling.

School performance is measured by parental reports of children's grade-point average (GPA), school absences (10 or more in fall semester), and placement in special education (Table II.9.1). School grades were surveyed only in 1999. Although grades are good predictors of long-term school success, they are imperfect measures of school performance, as grading practices are not uniform across classrooms and schools and students have different course-taking experiences. Nationally, children's GPA as reported by parents is approximately 3.1 (National Center for Education Statistics, 1998, Table 25). Our sample has a lower GPA, 2.51. Girls tend to have slightly higher GPAs than boys (2.7 versus 2.3), and children aged 6–12 have slightly higher GPAs than the older children in the sample. There are no real differences by race, geographic location, or family income. As reported in Volume I, we found some evidence of a difference in mean GPA in favor of children living in experimental families.

Our second measure of school performance is school absence: whether the resident parent reported that the child missed more than 10 days of school during the fall semester.[7] We find that 14 percent of the school-age children reported such extensive absences, and that the proportion increases

[6]The proportion of children with private coverage in our sample is also far below the 34 percent among children below 200 percent of the poverty line (Kaiser Family Foundation, 2000), whose income overlaps with some of the children in our sample.

[7]National statistics are limited. Among tenth graders in 1992, 35 percent missed 5 or more days of school during the first half of the year (National Center for Education Statistics, 1998, Table 153). Among adolescents in our sample, 42 percent of resident parents reported in 1998 that youth missed 6 or more days in the fall semester.

with age. It is higher among children living below the poverty line and children in Milwaukee, but race and gender do not seem to differentiate the children more likely to be absent.

The final measure of school performance is special education placement: whether the resident parent reported that the child received special education services. As in Volume I, we find evidence that some subgroups of experimental children have a lower rate of special education. Nationally, 13 percent of public school children up to age 21 received special education services in 1996–97 (National Center for Education Statistics, 1998, Table 53). Our sample has substantially higher rates of special education placement, 21 percent. Children living in Milwaukee are much less likely to be in special education, and children who are white and female are somewhat less likely to be in special education. The proportion does not appear to differ by family income. In general, rates of special education placement vary by funding availability, diagnostic procedures, and school resources. Because Milwaukee schools have fewer resources available per student, proportionally fewer students in need of services receive them.

For very young children, our school measure is not performance but aspects of child care. We asked parents if they would change their child care arrangements if care were free. Nearly 40 percent of these parents said they would switch care. The proportion does not differ substantially by subgroups, though it is slightly higher for those not living in Milwaukee and among whites. Parents also were asked if their young children felt safe in day care and if they received a lot of individual attention there. Ninety four (94) percent of the parents reported their children felt safe and 90.5 percent reported they received individual attention in care. There do not appear to be any differences in these proportions across subgroups.

Parenting Practices and Child Support

Table II.9.2 shows the summary statistics for 10 intervening variables that may help predict children's health status and educational performance. Important among these are parental involvement and parenting practices. Parental involvement is a multidimensional concept with both quantitative and qualitative components. Although the survey was limited in the extent of information on parenting practices, we measured several parent-child interactions that would be expected to promote children's health and education.

Because parental involvement is not well represented by a single item, our first measure of parenting practices, average monthly days of positive parenting, is a composite variable that attempts to measure the average number of days a month the resident parent spends with a child age 12 or younger. It comprises a variety of measures that depend on the child's age. It is coded as the average frequency of parenting practices converted to the number of days per month between 0 and 30, with 15 being approximately 3 or 4 times per week. One item is whether or not the child has regular outings with the resident parent. As discussed in Volume I, most children spend time in outings with their resident parent at least monthly, and this prevails across all subgroups. The proportion of resident parents who take their children on outings less than once a month is typically under 10 percent. The item used for this variable among children aged 0–5 is the amount of time the parent plays with the child. For children up to age 10, we also include the number of days the resident parent reads to the child. Table II.9.2 reports that the average number of days a parent spends in these positive parenting activities per month is 14.6 and that, not surprisingly, it is higher for pre-school-age children (17) than for those aged 6–12 (just under 11). There is little difference in reported time spent with the child by geographic location, race, gender, or income.

The second measure of parenting practices is attendance at school PTA meetings during the school year. Nationally, 76 percent of parents of children from preschool to grade 12 report attending a general school meeting during the year (National Center for Education Statistics, 1998, Table 25).[8] Our sample has a substantially lower rate of PTA attendance, which is only one of several indicators of parent participation in school.[9]

The third measure of parenting practices is whether the resident parent reads to the child every day, coded one if the resident parent reported reading to the child on a daily basis and zero if less than daily. Parent reading practices, especially during the child's preschool years, are a key predictor of early school achievement. In national surveys, 57 percent of parents of report reading to their pre-school-age children every day (National Center for Education Statistics, 1998, Table 143). As described in Volume I, the resident parents in our sample approached (and in some cases exceeded) this frequency of reading only in 1999. The pattern is similar for families of pre-school-age children.

Other intervening variables in Table II.9.2 concern child support. The first is a simple dummy variable that reports the proportion of these children for whom child support is paid. (Recall that as of Wave One all of these families were potentially eligible for child support.) The second is the dollar amount of child support received per month among families who did receive child support payments. Less than half of the children had child support paid on their behalf (42 percent.). The proportion was higher outside of Milwaukee and among whites. (It was also higher among the higher-income families, but that may simply reflect receipt of child support.) The average monthly amount received (among receivers) was about $735 per child per month. The amount differed substantially across subgroups: far higher amounts were paid to white children ($1,096), those not in Milwaukee ($1,091), and among nonpoor families. (Section 2 in this volume explores formal child support collections in greater detail.)

The final intervening measure is the child's contact with the nonresident parent. Any face-to-face contact during the last year was coded 1; no contact was coded 0. Although nonresident parental involvement is explored in detail in Section 8, we include it here because it is an intervening variable. As can be seen in Table II.9.2, more than half (56 percent) of these children have some face-to-face contact with their nonresident parent. Not surprisingly, such contact is greater among younger children, but otherwise few differences are seen in the probability of such contact.

Explanatory Models of Child Health and School Performance

To address the third research question, we investigate child and family factors that are associated with Time 2 indicators of child health and school performance. As mentioned earlier, we estimate three sequential models for each indicator and for each age group: (1) exogenous indicators of child and family circumstances measured at Time 1, including sex and race of child, parent's educational attainment, poverty status, marital and employment status, and participation in the CSDE experiment; (2) intervening variables, including parenting practices, child support, and health insurance coverage; and (3) a value-added specification that includes the respective Time 1 outcome indicator. Given the volume of results generated by this estimation procedure, our discussion highlights findings from models with intervening

[8]Because the national survey asked if parents "attended a general school meeting" and the CSDE survey asked if parents attended PTA meetings, this comparison should be interpreted cautiously.

[9]Nationally, for example, 71 percent of parents reported attending a parent-teacher conference, 66 percent reported attending a class event, and 40 percent reported volunteering at school (National Center for Education Statistics, 1998, Table 25).

variables (specification 2) and the Time 1 outcome controls (value-added specification), emphasizing those that have direct implications for policy. We first summarize the predictors of the intervening variables.

Predictors of the Intervening Variables

Because we regarded parenting practices, insurance coverage, and child support payments as intervening variables, we do not report their predictors in any detail, instead summarizing the most notable among them, most of which are reported in Appendix Table II.9.5. All are based on multivariate analysis, with the exogenous variables included as independent variables. The results are shown in Tables II.9.3–5.

Taking all the exogenous variables into account, the single most important factor related to being *uninsured* is having a resident parent who works full time. This variable is significant at the .0001 level, and the positive sign conforms to national patterns—low-income children with working parents have a high probability of being without insurance coverage. The pattern holds across all three age groups. Older children whose mothers have a work limitation are less likely to be uninsured. This may reflect a higher probability that the mother is on Medicaid. Children with more siblings and those aged 6–12 are less likely to be uninsured than other children.

Older children are more likely than younger children to have *private insurance coverage*, which would be consistent with higher Medicaid eligibility levels for younger children. Children living in homes where the resident parent is (re)married are far more likely to have private coverage. This is likely to be coverage gained through the employer of the stepparent. Children whose resident parent works full time are also far more likely to have private coverage. In both cases this is likely to be employer-based coverage. Children whose resident parent has more education are far more likely to have private coverage than other children. Family income is positively associated with a higher probability of private coverage for our sample of children, and children living in Milwaukee are far less likely to have private coverage than children living elsewhere.

Consistent with eligibility levels for *Medicaid coverage*, younger children and children living below or near the poverty line or are more likely to have Medicaid coverage than other children. Children whose resident parent has a work limitation are more likely to have Medicaid coverage. Children whose mothers are remarried are less likely to have coverage. This is consistent with the findings on private coverage.

Appendix Table II.9.5 permits us to summarize findings regarding *resident parents' time spent with the child* and *nonresident parents' contact with the child*, as follows. Resident parents spend less time parenting older children. If resident parents are (re)married, they spend less time with the focal child. Nonresident parents of children whose resident parents have more education are more likely to spend time with their child. Nonresident parents are more likely to spend time with an only child, or with the focal child in a family in which all children are theirs. Nonresident parents are more likely to spend time with their child if the resident parent has a work limitation. Nonresident parents are more likely to have contact with a child who lives in a family with income between the poverty line and 125 percent of the poverty line. Nonresident parents have less contact with older children and children who live with a stepparent.

Findings regarding *reading to a child daily* and *PTA attendance* can be summarized as follows (Appendix Table II.9.5). Resident parents are more likely to read daily to younger children. Mothers with a work limitation are more likely to read to their child on a daily basis. Resident parents who are nonwhite are less likely to read to their child, but are more likely to attend at least one PTA meeting over

Table II.9.3

Child Uninsured at Some Period in 1999, Children Aged 0–5 (N = 828)

Variable	Exogenous Variables	Value Added
Experimental Status	-0.118	-0.155
	(0.257)	(0.158)
Child's Age	-0.089	-0.097
	(0.049)	**(0.039)**
Male Child	0.082	0.026
	(0.436)	(0.813)
Nonwhite Child	-0.075	-0.136
	(0.590)	(0.351)
Mother Married	0.125	0.141
	(0.651)	(0.630)
Mother Has High School Diploma	-0.037	0.097
	(0.758)	(0.444)
Mother Has Less than High School Diploma	-0.037	0.042
	(0.820)	(0.808)
Mother Has a Work Limitation	-0.071	-0.049
	(0.636)	(0.759)
Number of Siblings	-0.066	-0.055
	(0.267)	(0.380)
Children Have Same Father or Only Child	0.011	-0.014
	(0.925)	(0.910)
Family Lives in Milwaukee	-0.031	0.001
	(0.820)	(0.994)
Mother Works Full Time	0.353	0.307
	(0.003)	**(0.012)**
Total Family Income Less than 100% Poverty	-0.195	-0.083
	(0.347)	(0.708)
Total Family Income between 100–125% Poverty	-0.288	-0.161
	(0.273)	(0.561)
Total Family Income between 125–185% Poverty	-0.410	-0.229
	(0.092)	(0.374)
Uninsured for Some Period in 1998	NA	1.150
		(0.0001)

Notes: Tables II.9.3–19 report coefficients, with p-values in parentheses. Probability values of 0.05 or less are shown in bold type. For explanation of the models, see text.

Table II.9.4

Child Uninsured at Some Period in 1999, Children Aged 6–12 (N = 717)

Variable	Exogenous Variables	Value Added
Experimental Status	0.076	0.045
	(0.523)	(0.707)
Child's Age	-0.003	-0.009
	(0.922)	(0.797)
Male Child	0.072	0.099
	(0.542)	(0.411)
Nonwhite Child	-0.137	-0.143
	(0.372)	(0.358)
Mother Married	-0.269	-0.388
	(0.415)	(0.253)
Mother Has High School Diploma	0.003	-0.019
	(0.983)	(0.891)
Mother Has Less than High School Diploma	-0.056	-0.085
	(0.738)	(0.620)
Mother Has a Work Limitation	0.054	0.095
	(0.707)	(0.521)
Number of Siblings	-0.187	-0.168
	(0.001)	**(0.004)**
One or More Siblings under Age 6	0.128	0.154
	(0.386)	(0.308)
Children Have Same Father or Only Child	0.075	0.096
	(0.590)	(0.494)
Family Lives in Milwaukee	-0.090	-0.099
	(0.588)	(0.553)
Mother Works Full Time	0.664	0.630
	(0.0001)	**(0.0001)**
Total Family Income Less than 100% Poverty	-0.088	-0.072
	(0.736)	(0.789)
Total Family Income between 100–125% Poverty	0.011	0.101
	(0.972)	(0.743)
Total Family Income between 125–185% Poverty	-0.174	-0.160
	(0.557)	(0.598)
Uninsured for Some Period in 1998	NA	0.642
		(0.0001)

Note: Probability values of 0.05 or less are shown in bold type.

Table II.9.5

Child Uninsured at Some Period in 1999, Children Aged 13 and Older (N = 257)

Variable	Exogenous Variables	Value Added
Experimental Status	0.176	0.141
	(0.371)	(0.486)
Child's Age	0.088	0.081
	(0.197)	(0.253)
Male Child	0.271	0.258
	(0.184)	(0.218)
Nonwhite Child	-0.008	-0.160
	(0.978)	(0.607)
Mother Married	0.245	0.086
	(0.625)	(0.870)
Mother Has High School Diploma	0.089	0.111
	(0.691)	(0.630)
Mother Has Less than High School Diploma	-0.023	-0.068
	(0.937)	(0.822)
Mother Has a Work Limitation	-0.475	-0.508
	(0.040)	**(0.034)**
Number of Siblings	0.084	0.053
	(0.367)	(0.574)
One or More Siblings under Age 6	-0.452	-0.421
	(0.190)	(0.233)
Children Have Same Father or Only Child	0.216	0.167
	(0.375)	(0.508)
Family Lives in Milwaukee	-0.285	-0.203
	(0.353)	(0.529)
Mother Works Full Time	0.540	0.523
	(0.028)	**(0.038)**
Total Family Income Less than 100% Poverty	0.097	0.044
	(0.735)	(0.882)
Uninsured for Some Period in 1998	NA	0.868
		(0.0002)

Note: Probability values of 0.05 or less are shown in bold type.

the fall semester. Resident parents are more likely to attend at least one PTA meeting if their child is an only child or all their children have the same nonresident parent. Compared to higher-income parents, resident parents with family incomes 100–125 percent of the poverty line are less likely to attend a PTA meeting, as are parents with a son.

It is important to keep in mind that the discussion above is based on multivariate analysis including exogenous variables only.

Predictors of Health and Schooling Outcomes

The results of the three model specifications for the indicators of child health are shown in Tables II.9.6–8.

Fair or Poor Health Status. Among children aged 0–5, the presence of a parental work limitation was significantly (at the 5 percent level) associated with fair or poor health status at Time 2. Of the five intervening variables (related to insurance coverage, parenting practices, and child support), private insurance coverage and having no insurance were significant at the 5 percent level. The "explanation" for the negative sign on uninsured is likely to be reverse causality—parents of children with poor or fair health may be more likely to pay for health insurance (or take the time to enroll them in Medicaid). Controlling for Time 1 health status in the value-added model provides insight, suggesting the reverse causality hypothesis is correct: children with private health insurance at Time 1 were less likely to have fair or poor health, but the uninsured variable is no longer significantly different from zero.

Among children 6 to 12 years of age, those from Milwaukee were more likely to have fair or poor health. As expected, mothers with higher levels of education reported significantly lower rates of fair or poor health status of their children (see Table II.9.7). The findings for our oldest age group (see Table II.9.8) suggest that children whose mothers have a work limitation are slightly more likely to have poor or fair health. None of the explanatory variables (except Time 1 health status) were significant in the value-added model. The relatively small sample size of 250 may explain the lack of many significant variables.

Routine Dental Visit in 1999. The predictors of the use of preventive dental care were assessed for the two older age groups. As expected, mother's educational attainment was positively associated with visiting a dentist in 1999 among 6–12 year olds (see Table II.9.9). In the intervening-variable model, positive parenting practices (average monthly parenting days) and the amount of child support received were significantly associated with use of dental care. Children who were uninsured were less likely to visit a dentist in 1999. In the value-added model, mother's educational attainment, parenting practices, and amount of child support were significantly associated with the use of dental care. Full-time employment was negatively associated with use of dental care.

As shown in Table II.9.10, the pattern of predictors was similar for children aged 13 and older. Parents' educational attainment was associated with use of dental care, as was parenting practices, which in this model is measured by parents' attendance at one or more PTA meetings. In the intervening-variables model, children with many siblings were less likely to have a routine dental visit.

Child Uninsured in 1999. We briefly summarize the findings on the uninsured here. The two statistically significant variables for all three age groups were having a mother who works full-time and being uninsured for some time in 1998. Both increase the probability that a child is uninsured. For children 6–12, the results suggest that having more siblings is associated with a lower probability of being uninsured. One reason for this could be that having a younger sibling increases the possibility that the older children are also enrolled in Medicaid. The finding that children with mothers who work full

Table II.9.6

Child Health Reported as Fair or Poor, Children Aged 0–5 (N = 826)

Variable	Exogenous Variables	Intervening Variables	Value Added
Experimental Status	0.173	0.157	0.172
	(0.180)	(0.233)	(0.272)
Child's Age	-0.027	-0.031	0.021
	(0.618)	(0.574)	(0.743)
Male Child	0.245	0.248	0.191
	(0.063)	(0.065)	(0.228)
Nonwhite Child	-0.265	-0.228	-0.348
	(0.127)	(0.212)	(0.111)
Mother Has High School Diploma	-0.028	-0.070	0.030
	(0.846)	(0.642)	(0.867)
Mother Has Less than High School Diploma	0.116	0.130	0.123
	(0.553)	(0.524)	(0.621)
Mother Has a Work Limitation	0.478	0.511	0.427
	(0.0023)	**(0.0015)**	**(0.024)**
Number of Siblings	-0.023	-0.023	0.042
	(0.735)	(0.743)	(0.614)
Children Have Same Father or Only Child	0.091	0.117	0.102
	(0.537)	(0.441)	(0.566)
Family Lives in Milwaukee	0.278	0.246	0.251
	(0.130)	(0.203)	(0.273)
Mother Works Full Time	-0.111	-0.069	-0.270
	(0.463)	(0.661)	(0.175)
Total Family Income Less than 100% Poverty	0.498	0.460	0.650
	(0.160)	(0.243)	(0.229)
Total Family Income between 100–125% Poverty	0.214	0.159	0.014
	(0.619)	(0.734)	(0.983)
Total Family Income between 125–185% Poverty	0.410	0.341	0.715
	(0.297)	(0.430)	(0.219)
Uninsured for Some Period in 1998	NA	-0.465	-0.244
		(0.037)	(0.334)
Private Health Insurance for Some Period in 1998	NA	-0.825	-1.149
		(0.008)	**(0.002)**
Average Monthly Parenting Days	NA	-0.005	0.002
		(0.541)	(0.810)
Child Had Some Face-to-Face Contact with Father	NA	0.060	0.018
		(0.672)	(0.914)
Amount of Child Support Received (x100) / Number of Children	NA	0.014	0.018
		(0.157)	(0.127)
Child Health Reported as Fair or Poor in 1998	NA	NA	1.902
			(0.0001)

Note: Probability values of 0.05 or less are shown in bold type.

Table II.9.7
Child Health Reported as Fair or Poor, Children Aged 6–12 (N = 695)

Variable	Exogenous Variables	Intervening Variables	Value Added
Experimental Status	-0.252	-0.256	-0.212
	(0.052)	(0.051)	(0.135)
Child's Age	-0.056	-0.053	-0.022
	(0.118)	(0.152)	(0.582)
Male Child	0.180	0.183	0.121
	(0.158)	(0.153)	(0.383)
Nonwhite Child	-0.151	-0.157	-0.167
	(0.378)	(0.376)	(0.388)
Mother Married	-0.577	-0.567	-0.352
	(0.156)	(0.164)	(0.391)
Mother Has High School Diploma	-0.519	-0.529	-0.361
	(0.001)	**(0.001)**	**(0.023)**
Mother Has Less than High School Diploma	-0.460	-0.476	-0.545
	(0.012)	**(0.011)**	**(0.009)**
Mother Has a Work Limitation	0.207	0.213	0.009
	(0.173)	(0.163)	(0.959)
Number of Siblings	0.072	0.073	0.097
	(0.175)	(0.174)	(0.092)
One or More Siblings under Age 6	-0.064	-0.072	0.018
	(0.677)	(0.640)	(0.914)
Children Have Same Father or Only Child	-0.027	-0.041	0.062
	(0.858)	(0.784)	(0.707)
Family Lives in Milwaukee	0.500	0.500	0.440
	(0.017)	**(0.019)**	(0.062)
Mother Works Full Time	-0.144	-0.148	-0.162
	(0.345)	(0.332)	(0.330)
Total Family Income Less than 100% Poverty	-0.411	-0.431	-0.741
	(0.169)	(0.155)	**(0.019)**
Total Family Income between 100–125% Poverty	-0.344	-0.337	-0.471
	(0.329)	(0.342)	(0.200)
Total Family Income between 125–185% Poverty	-0.191	-0.200	-0.496
	(0.578)	(0.562)	(0.176)
Uninsured for Some Period in 1998	NA	0.094	0.110
		(0.606)	(0.579)
Medicaid for Some Period in 1998	NA	-0.143	0.035
		(0.726)	(0.943)
Private Health Insurance for Some Period in 1998	NA	-0.035	-0.068
		(0.872)	(0.775)
Average Monthly Parenting Days	NA	0.002	0.004
		(0.790)	(0.651)

Table II.9.7, continued

Variable	Exogenous Variables	Intervening Variables	Value Added
Child Had Some Face-to-Face Contact with Father	NA	0.081	0.094
		(0.540)	(0.515)
Parent Attended at Least One PTA Meeting	NA	-0.021	-0.008
		(0.880)	(0.956)
Amount of Child Support Received ($100s) / Number of Children	NA	-0.001	-0.003
		(0.907)	(0.806)
Child Health Reported as Fair or Poor in 1998	NA	NA	1.594
			(0.0001)

Note: Probability values of 0.05 or less are shown in bold type.

Table II.9.8

Child Health Reported as Fair or Poor, Children Aged 13 and Older (N = 250)

Variable	Exogenous Variables	Intervening Variables	Value Added
Experimental Status	-0.134	-0.192	-0.230
	(0.525)	(0.386)	(0.354)
Child's Age	0.140	0.130	0.139
	(0.063)	(0.094)	(0.106)
Male Child	-0.171	-0.214	-0.190
	(0.420)	(0.333)	(0.436)
Nonwhite Child	-0.141	-0.051	-0.465
	(0.640)	(0.872)	(0.188)
Mother Married	0.104	0.106	0.373
	(0.843)	(0.846)	(0.518)
Mother Has High School Diploma	-0.161	-0.173	-0.027
	(0.496)	(0.492)	(0.922)
Mother Has Less than High School Diploma	-0.513	-0.617	-0.461
	(0.113)	(0.071)	(0.222)
Mother Has a Work Limitation	0.407	0.482	0.371
	(0.073)	**(0.040)**	(0.158)
Number of Siblings	-0.018	-0.018	0.080
	(0.864)	(0.865)	(0.480)
One or More Siblings under Age 6	0.073	0.107	-0.111
	(0.833)	(0.764)	(0.780)
Children Have Same Father or Only Child	-0.050	-0.061	0.026
	(0.849)	(0.817)	(0.930)
Family Lives in Milwaukee	0.328	0.364	0.383
	(0.360)	(0.339)	(0.349)
Mother Works Full Time	0.388	0.340	0.495
	(0.164)	(0.247)	(0.129)
Total Family Income Less than 100% Poverty	0.398	0.486	0.500
	(0.231)	(0.179)	(0.215)
Uninsured for Some Period in 1998	NA	-0.139	-0.529
		(0.626)	(0.128)
Medicaid for Some Period in 1998	NA	-0.956	-1.010
		(0.110)	(0.149)
Private Health Insurance for Some Period in 1998	NA	0.061	-0.194
		(0.874)	(0.675)
Child Had Some Face-to-Face Contact with Father	NA	-0.053	0.082
		(0.816)	(0.747)
Parent Attended at Least One PTA Meeting	NA	-0.299	-0.365
		(0.199)	(0.163)
Amount of Child Support Received ($100s) / Number of Children	NA	-0.006	-0.009
		(0.779)	(0.703)
Child Health Reported as Fair or Poor in 1998	NA	NA	1.708
			(0.0001)

Note: Probability values of 0.05 or less are shown in bold type.

Table II.9.9

Child Had a Routine Dentist Visit in 1999, Children Aged 6–12 (N = 693)

Variable	Exogenous Variables	Intervening Variables	Value Added
Experimental Status	0.055	0.061	0.017
	(0.608)	(0.573)	(0.884)
Child's Age	0.052	0.071	0.059
	(0.078)	**(0.021)**	(0.078)
Male Child	-0.174	-0.178	-0.138
	(0.100)	(0.099)	(0.235)
Nonwhite Child	0.008	0.053	0.080
	(0.953)	(0.723)	(0.618)
Mother Has High School Diploma	0.518	0.534	0.368
	(0.0001)	**(0.0001)**	**(0.006)**
Mother Has Less than High School Diploma	0.432	0.407	0.384
	(0.004)	**(0.009)**	**(0.021)**
Mother Has a Work Limitation	-0.049	-0.084	-0.089
	(0.710)	(0.529)	(0.534)
Number of Siblings	-0.070	-0.070	-0.046
	(0.111)	(0.126)	(0.351)
One or More Siblings under Age 6	0.009	0.004	-0.020
	(0.941)	(0.975)	(0.884)
Children Have Same Father or Only Child	0.027	0.012	-0.020
	(0.828)	(0.922)	(0.881)
Family Lives in Milwaukee	0.035	0.106	0.171
	(0.818)	(0.499)	(0.309)
Mother Works Full Time	-0.174	-0.174	-0.279
	(0.149)	(0.158)	**(0.037)**
Total Family Income Less than 100% Poverty	0.199	0.182	0.137
	(0.409)	(0.467)	(0.616)
Total Family Income between 100–125% Poverty	0.413	0.322	0.337
	(0.155)	(0.279)	(0.300)
Total Family Income between 125–185% Poverty	0.309	0.246	0.315
	(0.275)	(0.392)	(0.308)
Uninsured for Some Period in 1998	-0.191	-0.350	-0.253
	(0.578)	**(0.016)**	(0.108)
Medicaid for Some Period in 1998	NA	0.208	0.210
		(0.550)	(0.582)
Private Health Insurance for Some Period in 1998	NA	0.054	-0.062
		(0.758)	(0.742)
Average Monthly Parenting Days	NA	0.018	0.018
		(0.012)	**(0.020)**
Child Had Some Face-to-Face Contact with Father	NA	0.128	0.056
		(0.244)	(0.636)

Table II.9.9, continued

Variable	Exogenous Variables	Intervening Variables	Value Added
Parent Attended at Least One PTA Meeting	NA	-0.071	-0.126
		(0.537)	(0.312)
Amount of Child Support Received ($100s) / Number of Children	NA	0.024	0.025
		(0.037)	**(0.039)**
Any Routine Dentist Visits in 1998	NA	NA	1.300
			(0.0001)

Note: Probability values of 0.05 or less are shown in bold type.

Table II.9.10

Child Had a Routine Dentist Visit in 1999, Children Aged 13 and Older (N = 246)

Variable	Exogenous Variables	Intervening Variables	Value Added
Experimental Status	-0.039	-0.021	-0.105
	(0.827)	(0.909)	(0.596)
Child's Age	-0.167	-0.167	-0.095
	(0.007)	**(0.009)**	(0.165)
Male Child	0.024	0.110	0.043
	(0.896)	(0.564)	(0.834)
Nonwhite Child	0.032	-0.143	-0.059
	(0.901)	(0.597)	(0.840)
Mother Married	-0.581	-0.597	-0.311
	(0.199)	(0.202)	(0.511)
Mother Has High School Diploma	0.491	0.386	0.232
	(0.016)	(0.069)	(0.306)
Mother Has Less than High School Diploma	0.620	0.604	0.615
	(0.016)	**(0.025)**	**(0.033)**
Mother Has a Work Limitation	0.125	0.039	0.006
	(0.523)	(0.844)	(0.978)
Number of Siblings	-0.135	-0.183	-0.132
	(0.105)	**(0.035)**	(0.163)
One or More Siblings under Age 6	0.197	0.258	0.321
	(0.504)	(0.397)	(0.331)
Children Have Same Father or Only Child	-0.058	-0.121	0.038
	(0.789)	(0.589)	(0.872)
Family Lives in Milwaukee	0.127	0.168	0.175
	(0.650)	(0.576)	(0.584)
Mother Works Full Time	0.013	-0.081	-0.116
	(0.957)	(0.745)	(0.665)
Total Family Income Less than 100% Poverty	-0.160	-0.207	0.002
	(0.549)	(0.469)	(0.995)
Uninsured for Some Period in 1998	NA	0.276	0.164
		(0.249)	(0.518)
Medicaid for Some Period in 1998	NA	0.819	0.685
		(0.143)	(0.267)
Private Health Insurance for Some Period in 1998	NA	0.530	0.608
		(0.112)	(0.098)
Child Had Some Face-to-Face Contact with Father	NA	0.062	-0.030
		(0.745)	(0.886)
Parent Attended at Least One PTA Meeting	NA	0.574	0.509
		(0.004)	**(0.019)**
Amount of Child Support Received ($100s) / Number of Children	NA	0.009	0.003
		(0.618)	(0.856)
Any Routine Dentist Visits in 1998	NA	NA	1.226
			(0.0001)

Note: Probability values of 0.05 or less are shown in bold type.

time are more likely to be uninsured suggests that our current set of programs are not working to provide coverage for these children. This should be of particular concern, since policies at present are attempting to encourage full-time work. Among children aged 13 and older, having mothers with a work limitation was associated with lower rates of being uninsured, presumably because they receive Medicaid.

Tables II.9.11–19 show the coefficients for the different model specifications for each indicator of school performance, by age.

Parent Would Change Child Care Arrangement. Among children aged 0 to 5, the main exogenous predictor of whether the resident parent would like to change child care arrangement was educational status: parents with a high school diploma or with postsecondary education were less likely to want to switch child care providers (Table II.9.11). Of the intervening variables, higher average monthly parenting days were associated with a lower desire to switch child care, as was children's contact with the nonresident father. The amount of child support received at Time 1 was not associated with the parent's interest in changing child care. For the value-added model, the Time 1 report of desire to change care providers was significantly and positively associated with the Time 2 report of that desire, although parent's educational attainment remained a significant predictor. In this model, mothers who were married were significantly less inclined to switch child care. In the value-added model, parents of young children who had some face-to-face contact with the nonresident parent were only marginally less likely to report a desire to switch care.

Child Feels Safe in Child Care and Child Receives a Lot of Individual Attention. These two indicators (Tables II.9.12–13) consider the quality of child care. We found two consistent predictors of feeling safe: participation in the CSDE experiment, and having a child care arrangement other than Head Start or other center-based care. Concerning the amount of individual attention received in care, the youngest children were most likely to receive a lot of attention, as were children in child care arrangements other than Head Start or other center-based care. These two variables were significant in all three models (see Table II.9.13). Because most children participate in Head Start as 4-year-olds, the latter finding may reflect differences in age rather than in the child care setting itself. Moreover, in both the intervening and value-added models, children who had some face-to-face contact with the nonresident father were more likely to receive greater amounts of attention in child care.

Grade Point Average (GPA). As a major indicator of school performance, GPA was measured through parental reports only at Time 2. Our analyses were therefore limited to two model specifications. The first set of results, in Table II.9.14, is for children aged 10 to 12 and includes a sample size of 245. Controlling for the exogenous variables measured at Time 1, none of the intervening variables—positive parenting practices, attendance at school PTA meetings, insurance coverage, and child support payments—were significantly associated with children's GPA. Three exogenous variables were significant predictors of GPA in both model specifications. Controlling for other model variables, boys had lower average GPAs than girls ($b = -.48$, $p < .0001$), children from Milwaukee had higher average GPAs than children from other parts of the state ($b = .40$, $p = .018$), and children with one or more siblings under age 6 had higher average GPAs ($b = .37$; $p = .011$). As expected, poverty status was negatively associated with GPA, but not significantly so.

Our results for adolescents (sample size of 232) in Table II.9.15 show that for the intervening-variable model, parental educational attainment was associated with significantly higher average GPAs. Relative to children whose parents did not graduate from high school, children whose parents completed high school or obtained postsecondary education had GPAs that were on average more than one-third of a point higher. Nonwhite children had significantly lower average GPAs than their white counterparts.

Table II.9.11

Parent Would Switch Child Care If All Options Were Available at No Cost, Children Aged 0–5 (N = 792)

Variable	Exogenous Variables	Intervening Variables	Value Added
Experimental Status	-0.137	-0.152	-0.115
	(0.145)	(0.109)	(0.244)
Child's Age	0.029	0.019	0.005
	(0.475)	(0.644)	(0.907)
Male Child	0.106	0.084	0.066
	(0.263)	(0.375)	(0.505)
Nonwhite Child	-0.227	-0.196	-0.216
	(0.079)	(0.138)	(0.116)
Mother Married	-0.452	-0.450	-0.688
	(0.110)	(0.110)	**(0.021)**
Mother Has High School Diploma	-0.330	-0.305	-0.249
	(0.002)	**(0.006)**	**(0.030)**
Mother Has Less than High School Diploma	-0.296	-0.278	-0.320
	(0.049)	(0.067)	**(0.041)**
Mother Has a Work Limitation	-0.082	-0.077	-0.077
	(0.534)	(0.566)	(0.577)
Number of Siblings	0.079	0.077	0.075
	(0.116)	(0.129)	(0.155)
Children Have Same Father or Only Child	-0.040	-0.004	-0.037
	(0.709)	(0.969)	(0.739)
Family Lives in Milwaukee	-0.031	-0.014	0.044
	(0.812)	(0.913)	(0.751)
Mother Works Full Time	0.155	0.148	0.153
	(0.151)	(0.173)	(0.175)
Total Family Income Less than 100% Poverty	0.033	0.054	0.084
	(0.877)	(0.806)	(0.711)
Total Family Income between 100–125% Poverty	0.089	0.079	0.204
	(0.727)	(0.759)	(0.443)
Total Family Income between 125–185% Poverty	-0.150	-0.132	-0.089
	(0.538)	(0.591)	(0.729)
Child Attends Head Start or Other Center Day Care	-0.024	-0.004	0.011
	(0.813)	(0.973)	(0.921)
Average Monthly Parenting Days	NA	-0.013	-0.010
		(0.037)	(0.113)
Child Had Some Face-to-Face Contact with Father	NA	-0.212	-0.179
		(0.035)	(0.086)
Mother Received Child Support Subsidy	NA	-0.168	-0.094
		(0.184)	(0.475)
Amount of Child Support Received ($100s) / Number of Children	NA	0.013	0.007
		(0.105)	(0.397)
Parent Would Switch Child Care (1998)	NA	NA	0.891
			(0.0001)

Note: Probability values of 0.05 or less are shown in bold type.

Table II.9.12

Child Aged 0–5 Feels Safe in Child Care Arrangement (N = 715)

Variable	Exogenous Variables	Intervening Variables	Value Added
Experimental Status	0.572	0.575	0.502
	(0.007)	**(0.008)**	**(0.022)**
Child's Age	-0.088	-0.084	-0.080
	(0.319)	(0.357)	(0.382)
Male Child	0.049	0.015	0.041
	(0.807)	(0.943)	(0.844)
Nonwhite Child	0.259	0.157	0.009
	(0.318)	(0.574)	(0.975)
Mother Has High School Diploma	0.395	0.395	0.343
	(0.088)	(0.095)	(0.157)
Mother Has Less than High School Diploma	0.208	0.243	0.170
	(0.465)	(0.412)	(0.575)
Mother Has a Work Limitation	0.445	0.380	0.415
	(0.210)	(0.283)	(0.245)
Number of Siblings	0.078	0.044	0.052
	(0.496)	(0.705)	(0.667)
Children Have Same Father or Only Child	0.010	-0.039	0.019
	(0.967)	(0.871)	(0.939)
Family Lives in Milwaukee	-0.121	-0.202	-0.117
	(0.661)	(0.491)	(0.699)
Mother Works Full Time	0.063	-0.004	0.014
	(0.780)	(0.985)	(0.953)
Total Family Income Less than 100% Poverty	-0.132	-0.125	-0.128
	(0.609)	(0.635)	(0.635)
Child Attends Head Start or Other Center Day Care	-0.621	-0.653	-0.554
	(0.019)	**(0.016)**	**(0.044)**
Average Monthly Parenting Days	NA	-0.002	-0.006
		(0.871)	(0.673)
Child Had Some Face-to-Face Contact with Father	NA	0.047	0.057
		(0.829)	(0.795)
Mother Received Child Support Subsidy	NA	0.367	0.300
		(0.134)	(0.238)
Amount of Child Support Received ($100s) / Number of Children	NA	-0.022	-0.022
		(0.112)	(0.138)
Child Feels Safe in Child Care Arrangement (1998)	NA	NA	0.778
			(0.009)

Note: Probability values of 0.05 or less are shown in bold type.

Table II.9.13

Child Aged 0–5 Receives a Lot of Individual Attention in Child Care Arrangement (N = 714)

Variable	Exogenous Variables	Intervening Variables	Value Added
Experimental Status	0.184	0.191	0.180
	(0.238)	(0.234)	(0.267)
Child's Age	-0.151	-0.157	-0.144
	(0.026)	**(0.024)**	**(0.041)**
Male Child	0.081	0.062	0.071
	(0.605)	(0.698)	(0.659)
Nonwhite Child	0.301	0.225	0.254
	(0.139)	(0.295)	(0.245)
Mother Has High School Diploma	0.136	0.071	0.066
	(0.464)	(0.712)	(0.736)
Mother Has Less than High School Diploma	-0.139	-0.170	-0.148
	(0.529)	(0.458)	(0.522)
Mother Has a Work Limitation	-0.106	-0.101	-0.123
	(0.618)	(0.638)	(0.569)
Number of Siblings	0.010	-0.016	-0.014
	(0.908)	(0.851)	(0.872)
Children Have Same Father or Only Child	-0.179	-0.215	-0.180
	(0.329)	(0.248)	(0.342)
Family Lives in Milwaukee	0.266	0.193	0.194
	(0.203)	(0.372)	(0.377)
Mother Works Full Time	0.092	0.080	0.105
	(0.605)	(0.661)	(0.568)
Total Family Income Less than 100% Poverty	-0.598	-0.666	-0.693
	(0.187)	(0.166)	(0.147)
Total Family Income between 100–125% Poverty	-0.623	-0.706	-0.790
	(0.207)	(0.175)	(0.126)
Total Family Income between 125–185% Poverty	-0.469	-0.529	-0.572
	(0.344)	(0.307)	(0.265)
Child Attends Head Start or Other Center Day Care	-0.657	-0.694	-0.670
	(0.002)	**(0.001)**	**(0.002)**
Average Monthly Parenting Days	NA	-0.010	-0.014
		(0.368)	(0.218)
Child Had Some Face-to-Face Contact with Father	NA	0.383	0.356
		(0.021)	**(0.035)**
Mother Received Child Support Subsidy	NA	0.297	0.250
		(0.154)	(0.246)
Amount of Child Support Received ($100s) / Number of Children	NA	-0.019	-0.017
		(0.100)	(0.145)
Child Receives Individual Attention (1998)	NA	NA	0.577
			(0.009)

Note: Probability values of 0.05 or less are shown in bold type.

Table II.9.14
Grade Point Average, Children Aged 10–12 (N = 245)

Variable	Exogenous Variables	Intervening Variables
Experimental Status	0.090	0.090
	(0.441)	(0.443)
Child's Age	0.032	0.035
	(0.654)	(0.626)
Male Child	-0.477	-0.463
	(0.0001)	**(0.0001)**
Nonwhite Child	0.124	0.137
	(0.419)	(0.381)
Mother Married	-0.353	-0.295
	(0.277)	(0.370)
Mother Has High School Diploma	-0.247	-0.258
	(0.062)	(0.056)
Mother Has Less than High School Diploma	0.118	0.088
	(0.464)	(0.589)
Mother Has a Work Limitation	0.085	0.078
	(0.521)	(0.558)
Number of Siblings	-0.015	-0.001
	(0.748)	(0.991)
One or More Siblings under Age 6	0.367	0.381
	(0.011)	**(0.009)**
Children Have Same Father or Only Child	0.140	0.158
	(0.298)	(0.247)
Family Lives in Milwaukee	0.400	0.411
	(0.018)	**(0.019)**
Mother Works Full Time	0.031	0.016
	(0.811)	(0.905)
Total Family Income Less than 100% Poverty	-0.448	-0.460
	(0.172)	(0.164)
Total Family Income between 100–125% Poverty	-0.585	-0.582
	(0.128)	(0.133)
Total Family Income between 125–185% Poverty	-0.167	-0.220
	(0.643)	(0.546)
Average Monthly Parenting Days	NA	0.010
		(0.201)
Child Had Some Face-to-Face Contact with Father	NA	-0.003
		(0.982)
Parent Attended at Least One PTA Meeting	NA	0.035
		(0.769)
Child Was Uninsured at Some Point in 1998	NA	0.061
		(0.703)
Amount of Child Support Received ($100s) / Number of Children	NA	0.012
		(0.287)

Note: Probability values of 0.05 or less are shown in bold type.

Because the two age groups in the above analyses have relatively small samples, we also estimated a model that included all children aged 10 and older (not shown on table). Of the exogenous variables, children's age and parental education were significantly associated with GPA. Younger children had higher average GPAs, as did children whose parents had education beyond high school. The latter group had, on average, GPAs one-quarter point higher than children whose parents did not complete high school. The addition of the intervening variables of attendance at school PTA meetings, contact with the nonresident parent, insurance coverage, child support received, and parental help with homework did not change these findings. The coefficients for attendance at school PTA meetings and help with homework were positive but did not approach significance.

School Absences (10 or more versus fewer). As a negative indicator of school performance, the probit regression results in Table II.9.16 shows that among those 6–12 years old, children residing in Milwaukee were more likely to be absent from school frequently, and minority children and girls were less likely to be frequently absent at Time 2. Children having parents with education beyond high school were less likely to be frequently absent, but only marginally so ($p = .095$). After the intervening variables were included, children residing outside of Milwaukee ($p = .001$), minority children ($p = .045$), and those with parents with education beyond high school ($p = .046$) were less likely to have frequent absences. Of the intervening variables, the total amount of child support received at Time 1 was not significantly associated with school absences. The parenting practices of attendance at school PTA meetings and positive parenting days were not associated with frequent absences, though the coefficients were in the expected direction.

In examining the results for adolescents (see Table II.9.17), we find that while none of the intervening variables in Model 2 were significantly associated with school absences, parent's educational attainment (both high school graduation and beyond) and residence in Milwaukee were associated with lower rates of frequent absences.

We also investigated the predictors of whether adolescents were expelled or suspended from school (not on table). Youth for whom resident parents reported such action were coded 1, 0 otherwise. In the model that includes intervening variables, youth from Milwaukee, youth of minority status, and male youth were significantly more likely to be expelled or suspended. Alternatively, youths who had a greater number of siblings were less likely to be expelled or suspended from school according to reports of resident parents.

Special Education Placement. As shown in Table II.9.18, among school-age children the exogenous variables associated with special education placement were residential location (Milwaukee residents were less likely to receive these services), and sex of child (boys were more likely to receive services). As discussed above, funding availability and school resources may have limited the prevalence of special education placement in Milwaukee. Poverty and near-poverty status were not associated with special education placement.

None of the intervening variables, including attendance at school PTA meetings and the parenting index, were associated with special education placement. In the value-added model, aside from Time 1 special education, none of the intervening and exogenous variables were associated with special education placement. Notably, a diagnosis of learning or developmental disability by a doctor strongly predicted receipt of special education. This is not surprising, given the close connection between these two variables.

The results for adolescents (age 13 and over, Table II.9.19), show that children were less likely to receive special education services if they were residents of Milwaukee, participants in the CSDE experiment, and had a mother with a high school degree. The latter two variables were significant only at

Table II.9.15
Grade Point Average, Children Aged 12 and Older (N = 232)

Variable	Exogenous Variables	Intervening Variables
Experimental Status	0.127	0.122
	(0.366)	(0.400)
Child's Age	0.005	0.004
	(0.923)	(0.944)
Male Child	-0.221	-0.215
	(0.126)	(0.148)
Nonwhite Child	-0.419	-0.439
	(0.038)	**(0.037)**
Mother Married	-0.369	-0.361
	(0.315)	(0.334)
Mother Has High School Diploma	0.390	0.381
	(0.017)	**(0.023)**
Mother Has Less than High School Diploma	0.445	0.438
	(0.026)	**(0.031)**
Mother Has a Work Limitation	0.017	0.012
	(0.916)	(0.938)
Number of Siblings	0.111	0.108
	(0.096)	(0.111)
One or More Siblings under Age 6	-0.065	-0.059
	(0.784)	(0.804)
Children Have Same Father or Only Child	0.305	0.299
	(0.082)	(0.094)
Family Lives in Milwaukee	0.166	0.162
	(0.451)	(0.475)
Mother Works Full Time	0.131	0.127
	(0.490)	(0.509)
Total Family Income Less than 100% Poverty	0.260	0.249
	(0.217)	(0.252)
Child Had Some Face-to-Face Contact with Father	NA	0.075
		(0.629)
Parent Attended at Least One PTA Meeting	NA	-0.043
		(0.772)
Child Was Uninsured at Some Point in 1998	NA	0.013
		(0.942)
Amount of Child Support Received ($100s) / Number of Children	NA	0.001
		(0.916)

Note: Probability values of 0.05 or less are shown in bold type.

Table II.9.16

Ten or More Absences in the Fall Semester, Children Aged 6–12 (N = 660)

Variable	Exogenous Variables	Intervening Variables
Experimental Status	-0.089	-0.109
	(0.513)	(0.429)
Child's Age	0.050	0.051
	(0.188)	(0.183)
Male Child	-0.176	-0.149
	(0.194)	(0.278)
Nonwhite Child	-0.382	-0.368
	(0.030)	**(0.045)**
Mother Married	0.277	0.277
	(0.382)	(0.394)
Mother Has High School Diploma	-0.040	-0.079
	(0.788)	(0.604)
Mother Has Less than High School Diploma	-0.345	-0.424
	(0.095)	**(0.046)**
Mother Has a Work Limitation	0.192	0.180
	(0.228)	(0.266)
Number of Siblings	0.010	0.023
	(0.860)	(0.689)
One or More Siblings under Age 6	0.061	0.044
	(0.703)	(0.786)
Children Have Same Father or Only Child	-0.162	-0.165
	(0.308)	(0.309)
Family Lives in Milwaukee	0.739	0.839
	(0.002)	**(0.001)**
Mother Works Full Time	-0.031	-0.043
	(0.841)	(0.785)
Total Family Income Less than 100% Poverty	0.234	0.283
	(0.551)	(0.487)
Total Family Income between 100–125% Poverty	0.355	0.381
	(0.414)	(0.393)
Total Family Income between 125–185% Poverty	-0.029	-0.042
	(0.950)	(0.927)
Uninsured for Some Period in 1998	NA	-0.006
		(0.473)
Average Monthly Parenting Days	NA	0.212
		(0.136)
Parent Attended at Least One PTA Meeting	NA	-0.096
		(0.512)
Child Had Some Face-to-Face Contact with Father	NA	0.332
		(0.062)
Amount of Child Support Received ($100s) / Number of Children	NA	0.015
		(0.208)

Note: Probability values of 0.05 or less are shown in bold type.

Table II.9.17

Ten or More Absences in the Fall Semester, Children Aged 13 and Older (N = 237)

Variable	Exogenous Variables	Intervening Variables
Experimental Status	-0.329	-0.320
	(0.100)	(0.124)
Child's Age	0.021	0.033
	(0.761)	(0.640)
Male Child	0.027	0.072
	(0.894)	(0.727)
Nonwhite Child	0.856	0.898
	(0.005)	**(0.005)**
Mother Has High School Diploma	-0.681	-0.700
	(0.003)	**(0.003)**
Mother Has Less than High School Diploma	-0.858	-0.874
	(0.005)	**(0.005)**
Mother Has a Work Limitation	0.095	0.070
	(0.663)	(0.750)
Number of Siblings	-0.170	-0.160
	(0.097)	(0.123)
One or More Siblings under Age 6	0.115	0.104
	(0.739)	(0.765)
Children Have Same Father or Only Child	-0.057	-0.032
	(0.823)	(0.901)
Family Lives in Milwaukee	-0.859	-0.817
	(0.008)	**(0.014)**
Mother Works Full Time	-0.495	-0.461
	(0.088)	(0.113)
Total Family Income Less than 100% Poverty	0.347	0.430
	(0.278)	(0.194)
Uninsured for Some Period in 1998	NA	-0.106
		(0.621)
Child Had Some Face-to-Face Contact with Father	NA	0.175
		(0.392)
Parent Attended at Least One PTA Meeting	NA	-0.032
		(0.901)
Amount of Child Support Received ($100s) / Number of Children	NA	0.013
		(0.430)

Note: Probability values of 0.05 or less are shown in bold type.

Table II.9.18

Child Received Special Education Services in Last Year, Children Aged 6–12 (N = 698)

Variable	Exogenous Variables	Intervening Variables	Value Added
Experimental Status	-0.027	0.063	-0.021
	(0.803)	(0.594)	(0.870)
Child's Age	0.044	-0.0001	-0.027
	(0.137)	(0.998)	(0.471)
Male Child	0.400	0.307	0.289
	(0.0002)	**(0.009)**	**(0.023)**
Nonwhite Child	-0.115	-0.103	-0.023
	(0.421)	(0.516)	(0.893)
Mother Married	-0.082	-0.036	0.036
	(0.765)	(0.898)	(0.905)
Mother Has High School Diploma	-0.103	-0.030	0.039
	(0.405)	(0.821)	(0.792)
Mother Has Less than High School Diploma	-0.172	0.058	-0.141
	(0.265)	(0.731)	(0.447)
Mother Has a Work Limitation	0.214	0.133	0.082
	(0.097)	(0.346)	(0.597)
Number of Siblings	0.048	0.066	0.057
	(0.297)	(0.192)	(0.305)
One or More Siblings under Age 6	-0.006	0.083	0.198
	(0.962)	(0.554)	(0.197)
Children Have Same Father or Only Child	-0.071	-0.029	-0.028
	(0.572)	(0.832)	(0.856)
Family Lives in Milwaukee	-0.432	-0.328	-0.220
	(0.003)	**(0.043)**	(0.213)
Mother Works Full Time	0.138	0.114	0.111
	(0.259)	(0.384)	(0.434)
Total Family Income Less than 100% Poverty	-0.114	-0.069	-0.134
	(0.649)	(0.796)	(0.650)
Total Family Income between 100–125% Poverty	-0.067	0.103	0.161
	(0.820)	(0.742)	(0.640)
Total Family Income between 125–185% Poverty	-0.022	0.089	0.083
	(0.939)	(0.770)	(0.804)
Average Monthly Parenting Days	NA	-0.001	0.001
		(0.899)	(0.951)
Parent Attended at Least One PTA Meeting	NA	0.038	-0.060
		(0.752)	(0.646)
Child Had Some Face-to-Face Contact with Father	NA	0.004	-0.138
		(0.973)	(0.317)
Child Was Uninsured at Some Point in 1998	NA	0.055	0.064
		(0.734)	(0.717)

Table II.9.18, continued

Variable	Exogenous Variables	Intervening Variables	Value Added
Amount of Child Support Received ($100s) / Number of Children	NA	-0.007	-0.004
		(0.502)	(0.717)
Dr. Ever Said Child Has Learning or Developmental Disability	NA	1.382	0.822
		(0.0001)	**(0.0001)**
Child Received Special Education Services in 1998	NA	NA	1.516
			(0.0001)

Note: Probability values of 0.05 or less are shown in bold type.

Table II.9.19

Child Received Special Education Services in Last Year, Children Aged 13 and Older (N = 235)

Variable	Exogenous Variables	Intervening Variables	Value Added
Experimental Status	-0.385	-0.209	-0.343
	(0.090)	(0.463)	(0.334)
Child's Age	-0.128	-0.150	-0.085
	(0.128)	(0.175)	(0.533)
Male Child	0.274	0.114	0.000
	(0.229)	(0.681)	(0.999)
Nonwhite Child	0.221	0.052	0.399
	(0.486)	(0.895)	(0.444)
Mother Married	0.129	0.286	0.144
	(0.826)	(0.704)	(0.873)
Mother Has High School Diploma	-0.478	-0.065	-0.490
	(0.097)	(0.855)	(0.287)
Mother Has Less than High School Diploma	0.087	0.002	-0.351
	(0.766)	(0.996)	(0.446)
Mother Has a Work Limitation	0.217	-0.063	0.045
	(0.389)	(0.844)	(0.910)
Number of Siblings	-0.066	-0.017	-0.124
	(0.560)	(0.898)	(0.450)
One or More Siblings under Age 6	0.038	-0.333	-0.671
	(0.916)	(0.464)	(0.280)
Children Have Same Father or Only Child	-0.314	-0.338	-0.499
	(0.262)	(0.309)	(0.220)
Family Lives in Milwaukee	-0.733	-0.441	-0.343
	(0.021)	(0.255)	(0.478)
Mother Works Full Time	-0.111	-0.256	-0.247
	(0.722)	(0.519)	(0.622)
Total Family Income Less than 100% Poverty	-0.358	-0.556	-0.242
	(0.275)	(0.194)	(0.650)
Parent Attended at Least One PTA Meeting	NA	0.100	-0.127
		(0.747)	(0.739)
Child Had Some Face-to-Face Contact with Father	NA	-0.467	-0.626
		(0.117)	(0.089)
Child Was Uninsured at Some Point in 1998	NA	-0.084	0.388
		(0.808)	(0.331)
Amount of Child Support Received ($100s) / Number of Children	NA	0.014	0.043
		(0.465)	(0.071)
Dr. Ever Said Child Has Learning or Developmental Disability	NA	1.930	1.165
		(0.0001)	**(0.003)**
Child Received Special Education Services in 1998	NA	NA	2.202
			(0.0001)

Note: Probability values of 0.05 or less are shown in bold type.

the 10 percent level. The significance of these predictors disappeared when other variables were added. In the value-added model, only the variable of doctor-reported learning disability was a significant predictor of change in special education status between 1998 and 1999. The amount of child support received and face-to-face contact with the father were marginally associated with a change in special education.

Additional Analyses. We also conducted analyses for different subgroups and using different model specifications (not shown on tables). For example, a similar pattern of findings occurred when the sample was split into those living in Milwaukee County and those living outside of Milwaukee, though sample sizes for those outside of Milwaukee were relatively small. We also explored additional model variables. The number of school moves proved to be a significant predictor (in a negative direction) only for the GPAs of adolescents. Reading to the child and going on outings yielded findings that were consistent with those described above. They were not significantly associated with health and education outcomes. Finally, we briefly explored those enrolled in a state program that began in 1999: BadgerCare, Wisconsin's version of the Children's Health Insurance Program (CHIP). The unique aspect of Wisconsin's program is that parents as well as children are eligible. The results, reported in the last column of Appendix Table II.9.5, show that children whose mothers worked full time and who were near poor were more likely to enroll, suggesting that the program is meeting its targeted audience. On the other hand, the negative results for nonwhite children and children in Milwaukee indicate a problem in achieving targeted enrollment. The positive coefficient on mother's education suggests that more marketing and outreach to less-well-educated minorities in Milwaukee may be a way to increase enrollment and reduce remaining disparities in coverage.

Discussion

In this section we have investigated three questions for children and families in the CSDE. Our objective was to examine children's health and educational status and explore factors that can enhance children's circumstances. The first question concerned children's well-being. Findings indicated that relative to children nationally, CSDE children have lower health status and school performance. With regard to health, a sizable percentage of children had fair or poor health status, even though rates of being uninsured were far lower than national rates. Children's educational status was not very satisfactory according to several indicators. Four in 10 families reported that they would switch child care if all forms of care were free. The school performance of children as indicated by GPA, school absences, and receipt of special education services also was for the most part below that of children nationally. Some indicators were more positive: more than 9 in 10 parents reported that their young children felt safe and received a lot of individual attention in child care, and nearly all children were insured for at least part of the year.

The second research question addressed the status of children according to several intervening factors that would be expected to promote health and education outcomes. These included the frequency of positive parenting practices, the amount of child support received, and health insurance coverage. Findings indicated that the status of children under these measures corresponded to what would be expected for many low-income families: more than 4 in 5 families received a child care subsidy in 1998 and participated in Medicaid; and the frequency of positive parenting practices reported by resident mothers was generally lower than that reported in national samples. For example, 2 in 5 parents reported attending at least one school PTA meeting during the year, and one half read to their children every day. PTA attendance was higher in Milwaukee than in other locations. Poverty status was associated with

lower rates of PTA attendance. In the past year, about 3 in 5 children had some face-to-face contact with nonresident fathers.

Our findings for the third research question, Which factors are important for improving children's well being?, indicated that family sociodemographic factors were the most consistent predictors of children's health and educational status. In terms of health, parental educational attainment was associated positive health status of the child, especially for those 6–12 years old. There also is evidence of a link between the intervening inputs of private health insurance for young children: children with coverage were less likely to report fair or poor health in the value-added model which controlled for early poor or fair health in 1998. This was not the case among older children. For education and school performance, residential location and parental educational attainment were the most consistent influences on GPA, school absence, and special education placement. As expected, higher parental education was associated with higher average GPAs, less frequent absences, and lower rates of special education placement. Parents with higher levels of education were more likely to value education for their children, to have higher educational expectations, and to reinforce school performance at home. Relative to residence elsewhere, residence in Milwaukee was associated with lower average GPAs, lower rates of special education placement, and lower rates of school absence among adolescents (the reverse was true of those aged 6–12 year olds). Among the policy variables, participation in the CSDE experiment yielded some positive effects, in that program youth were less likely that their control-group counterparts to be expelled or suspended from school. For children ages 0 to 5, positive parenting practices and contact with the nonresident parent were associated with greater satisfaction with child care arrangements.

That many of the intervening variables were not consistently or significantly associated with children's health and education status warrants explanation. Our findings that indicators of positive parenting practices were not independently associated with child health and education outcomes (the lone exceptions being the desire to switch child care and use of routine dental care), should be interpreted cautiously. First, we sampled a small set of parenting practices. Parental involvement in children's lives takes many forms, including the quality of the home environment, parental attitudes about education and health, and monitoring of behavior by parents. These were not measured comprehensively in this study. Attendance at school PTA meetings, for example, is only one of many indicators of parental participation in school activities. Inclusion of serving on school governance and other committees and volunteering in the classroom might have provided a more comprehensive portrait. Second, although ratings of parental involvement in children's lives provide valuable information, teacher ratings of school participation and, as age permits, child ratings of parent-child interactions would have provided additional sources of information. Teacher ratings of parental involvement in school often show stronger relationships with child outcomes than do parental reports (Stevenson and Baker, 1987). Third, an alternative explanation for the lack of effects of parenting practices on child health and education outcomes is that the quality of contacts and interactions between parents and children may be of equal or greater importance than the sheer amount of contact. Our measures did not address the quality of family-school and parent-child interactions. There is evidence that the quality of parent-child contacts and relationships can matter more than the amount of contact (Reynolds, Weissberg, and Kasprow, 1992; Izzo et al., 1999). Fourth, we measured parenting and other intervening factors over a short time period. It may be that any changes in these inputs will have an effect on child outcomes if they are sustained over a number of years. These issues deserve further investigation. We also note that the sample sizes in our models, especially for adolescents, were relatively small. This limited the statistical power to detect significant predictors.

The finding that health insurance coverage is significantly associated with child health among young children, even over the one-year period between surveys, argues for paying particular attention to this variable. The finding that the probability of being uninsured is significantly higher among children

whose resident parent works full-time suggests that policy makers should pay particular attention to designing ways to provide coverage to these families. The initial findings on BadgerCare enrollment are somewhat encouraging in this regard, but less so for minority children and those living in Milwaukee. Likewise, our findings that parental educational attainment was associated with many positive outcomes indicates that policies that provide incentives to further the educational opportunities of low-income parents beyond high school are likely to enhance children's health and education.

Continued monitoring of children's health and educational status in the CSDE and in other projects can significantly contribute to our understanding of the factors that enhance children's well-being. In future investigations, more extensive longitudinal studies are needed to link family experiences with child health and education outcomes over several years, including alternative measures of parenting practices and behavior. Although parental reports provide valuable information concerning children's well-being, school records, teacher reports, and child self-reports also are valuable sources of information and are standard sources of information in studies of children's well-being. Moreover, detailed investigations within different subgroups of children and families may reveal that the predictors of children's well-being are a function of the socioeconomic context in which they live and the quality of the educational and health institutions that are located in their neighborhoods. These and related issues warrant greater attention.

Appendix Table II.9.1
Variable Means, Children Aged 0–5

Variable	Mean	Standard Deviation
Health Reported as Fair or Poor (1999)	0.07	0.26
Would Switch Child Care If Care Were Free (1999)	0.34	0.48
Child Feels Safe in Child Care Arrangement (1999)	0.97	0.18
Child Receives Individual Attention in Child Care Arrangement (1999)	0.93	0.25
Uninsured at Some Point in 1999	0.18	0.39
Medicaid at Some Point in 1999	0.98	0.16
Private Health Insurance at Some Point in 1999	0.20	0.40
Age	3.22	1.19
Male Child	0.54	0.50
Nonwhite Child	0.70	0.46
Mother Has a Work Limitation	0.15	0.36
Mother Married	0.04	0.19
Mother Has High School Diploma	0.48	0.50
Mother Has Less than High School Diploma	0.15	0.36
Number of Siblings	0.96	1.08
Children Have Same Father or Only Child	0.55	0.50
Family Lives in Milwaukee	0.71	0.45
Mother Works Full Time	0.37	0.48
Total Family Income Less than 100% Poverty	0.73	0.44
Total Family Income between 100–125% Poverty	0.09	0.28
Total Family Income between 125–185% Poverty	0.12	0.33
Uninsured at Some Point in 1998	0.16	0.37
Medicaid at Some Point in 1998	0.98	0.06
Private Health Insurance at Some Point in 1998	0.16	0.37
Average Monthly Parenting Days	17.30	7.64
Child Had Some Face-to-Face Contact with Father	0.61	0.49
Mother Received Child Support Subsidy	0.83	0.37
Amount of Child Support Received per Child ($100s)	3.06	6.75
Health Reported as Fair or Poor (1998)	0.11	0.31
Would Switch Child Care If Care Were Free (1998)	0.40	0.49
Child Feels Safe in Child Care Arrangement	0.94	0.23
Child Receives Individual Attention in Child Care Arrangement	0.91	0.28

Note: All variables are for 1998 unless otherwise noted.

Appendix Table II.9.2
Variable Means, Children Aged 6–12

Variable	Mean	Standard Deviation
Health Reported as Fair or Poor (1999)	0.12	0.33
Any Dentist Visits during Year (1999)	0.75	0.43
Uninsured at Some Point in 1999	0.15	0.36
Medicaid at Some Point in 1999	0.95	0.22
Private Health Insurance at Some Point in 1999	0.21	0.40
More than 10 School Absences in Fall 1999	0.11	0.31
Child Received Special Education (1999)	0.24	0.42
Age	8.79	1.89
Male Child	0.49	0.50
Nonwhite Child	0.76	0.43
Mother Has a Work Limitation	0.23	0.42
Mother Married	0.04	0.20
Mother Has High School Diploma	0.42	0.49
Mother Has Less than High School Diploma	0.22	0.42
Number of Siblings	1.73	1.38
One or More Sibling under Age 6	0.52	0.50
Children Have Same Father or Only Child	0.42	0.49
Family Lives in Milwaukee	0.81	0.39
Mother Works Full Time	0.34	0.47
Total Family Income Less than 100% Poverty	0.76	0.43
Total Family Income between 100–125% Poverty	0.09	0.28
Total Family Income between 125–185% Poverty	0.10	0.30
Uninsured at Some Point in 1998	0.16	0.36
Medicaid at Some Point in 1998	0.98	0.15
Private Health Insurance at Some Point in 1998	0.15	0.36
Average Monthly Parenting Days	11.29	7.87
Parent Attended at Least One PTA Meeting	0.39	0.49
Child Had Some Face-to-Face Contact with Father	0.56	0.50
Mother Received Child Support Subsidy	0.84	0.37
Amount of Child Support Received per Child ($100s)	3.08	6.15
Health Reported as Fair or Poor (1998)	0.09	0.29
Any Dentist Visits during Year (1998)	0.75	0.43
Child Received Special Education (1998)	0.22	0.41

Note: All variables are for 1998 unless otherwise noted.

Appendix Table II.9.3
Variable Means, Children Aged 13 and Older

Variable	Mean	Standard Deviation
Health Reported as Fair or Poor (1999)	0.14	0.35
Any Dentist Visits during Year (1999)	0.69	0.46
Uninsured at Some Point in 1999	0.18	0.39
Medicaid at Some Point in 1999	0.94	0.24
Private Health Insurance at Some Point in 1999	0.23	0.42
More than 10 School Absences in Fall 1999	0.22	0.42
Child Received Special Education (1999)	0.14	0.34
Age	14.84	1.43
Male Child	0.49	0.50
Nonwhite Child	0.77	0.42
Mother Has a Work Limitation	0.37	0.48
Mother Married	0.04	0.20
Mother Has High School Diploma	0.35	0.48
Mother Has Less than High School Diploma	0.22	0.41
Number of Siblings	1.20	1.32
One or More Sibling under Age 6	0.17	0.37
Children Have Same Father or Only Child	0.61	0.49
Family Lives in Milwaukee	0.79	0.41
Mother Works Full Time	0.27	0.44
Total Family Income Less than 100% Poverty	0.77	0.42
Total Family Income between 100–125% Poverty	0.12	0.32
Total Family Income between 125–185% Poverty	0.08	0.27
Uninsured at Some Point in 1998	0.19	0.39
Medicaid at Some Point in 1998	0.97	0.17
Private Health Insurance at Some Point in 1998	0.16	0.37
Parent Attended at Least One PTA Meeting	0.41	0.49
Child Had Some Face-to-Face Contact with Father	0.45	0.50
Amount of Child Support Received per Child ($100s)	3.40	6.49
Health Reported as Fair or Poor (1998)	0.11	0.31
Any Dentist Visits during Year (1998)	0.66	0.47
Child Received Special Education (1998)	0.16	0.37

Note: All variables are for 1998 unless otherwise noted.

Appendix Table II.9.4
Variable Descriptions

Variable	Description
Health Reported as Fair or Poor	Equals 1 if mother reports child health is fair or poor on a 5-point scale; zero otherwise.
Dentist Visit in Year	Equals 1 if child saw a dentist at some point during the year, zero otherwise.
Would Switch Child Care if All Arrangements Were Free	Equals 1 if mother reports that if all child care arrangements were available free of charge, mother would use a different child care arrangement for child; zero otherwise.
Child Feels Safe in Child Care	Equals 1 if mother agrees that the child feels safe and secure in child care arrangement used for most of the year; zero otherwise.
Child Receives Individual Attention in Child Care	Equals 1 if mother agrees that the child gets a lot of individual attention in child care arrangement used for most of the year; zero otherwise.
Uninsured at Some Point in Year	Equals 1 if there was some time in the year when the child was not covered by any health insurance; zero otherwise.
Medicaid at Some Point in Year	Equals 1 if there was some time in the year when the child was covered by Medicaid; zero otherwise.
Private Health Insurance at Some Point in Year	Equals 1 if there was some time in the year when the child was covered by private health insurance; zero otherwise.
Age	Equals the child's age in years.
Male Child	Equals 1 if child is male; zero otherwise.
Nonwhite Child	Equals 1 if the child is nonwhite; zero otherwise.
Mother Has Work Limitation	Equals 1 if the mother reports a physical, mental, or other health condition which limits the kind or amount of work she can do; zero otherwise.
Mother Married	Equals 1 if the mother is married; zero otherwise.
Mother Has High School Diploma	Equals 1 if the mother has a high school diploma only; zero otherwise.
Mother Has Education beyond High School Diploma	Equals 1 if Mother received education beyond high school; zero otherwise.
Number of Siblings	Equals the number of siblings that the focal child has.
Any Siblings under Age 6	Equals 1 if any of the child's siblings are younger than age 6; zero otherwise.
Children Have Same Father or Child is an Only Child	Equals 1 if all children in the family have the same father, or focal child is an only child; zero otherwise.
Family Lives in Milwaukee	Equals 1 if family lives in Milwaukee; zero otherwise.
Mother Works Full Time	Equals 1 if mother was employed full time during the year; zero otherwise. Full time employment is defined as having reported usual work hours of 35 or more a week for at least six months in the year.

Appendix Table II.9.4, continued

Variable	Description
Total Family Income Less than 100% Poverty	Equals 1 if total family income is less than the poverty threshold; zero otherwise.
Total Family Income between 100–125% Poverty	Equals 1 if total family income is greater than the poverty threshold, but less than or equal to 125 percent of the threshold; zero otherwise.
Total Family Income between 125–185% Poverty	Equals 1 if total family income is greater than 125 percent of the poverty threshold but less than 185 percent of the threshold; zero otherwise.
Average Monthly Parenting Days	Averaged index of number of days per month that the mother reports participating in the following activities with the child. For children age 0 to 5 activities include: reading or looking at books; taking outings to places such as parks, libraries, or playgrounds, or visiting with friends or relatives; and playing or working on a project with the child. For children age 6 to 12 the index includes taking outings and play only. This index is not used for children age 13 and older.
Amount of Child Support Received (in $100s) / Number of Children	Equal to the amount of child support received by the mother, expressed in 100s of dollars, divided by the number of biological children.
Child Had Some Face-to-Face Contact with Father	Equals 1 if child was reported to have had face-to-face contact with the father in the time that they lived apart during the year; zero otherwise.
Parent Attended at Least One PTA Meeting	Equals 1 if parent reported attending at least one meeting of the PTA, PTO, or other such group in the past school year; zero otherwise.
Greater than 10 School Absences	Equals 1 if child missed 10 or more days of school in the fall semester of the past school year; zero otherwise.
Child Received Special Education	Equals 1 if child received some special education services in the past school year; zero otherwise; zero otherwise.
Doctor Ever Said Child Has Learning or Developmental Disability	Equals 1 if mother reported ever being told by a health professional that child has a developmental or learning disability; zero otherwise.
GPA	Grade point average in the past school year calculated from the mother-reported grades that the child usually earned. The reported letter grades were transformed to point scale, with 4 equal to A's.

Appendix Table II.9.5

1999 Intervening Variables Predicted by 1998 Exogenous Variables

Variable	Average Monthly Parenting Days	Some Face-to-Face Contact with Father	Attended One or More PTA Meetings	Reads to Child on a Daily Basis	Private Health Insurance at Some Point in the Year	Medicaid at Some Point in the Year	BadgerCare at Some Point in the Year
Experimental Status	-0.534	-0.002	-0.007	-0.066	-0.005	0.136	0.106
	(0.169)	(0.970)	(0.937)	(0.324)	(0.941)	(0.211)	(0.184)
Child's Age	-1.022	-0.027	-0.009	-0.064	0.017	-0.044	0.005
	(0.0001)	**(0.0001)**	(0.507)	**(0.0001)**	**(0.046)**	**(0.0003)**	(0.569)
Male Child	-0.007	-0.059	-0.169	0.016	-0.031	0.028	-0.132
	(0.986)	(0.315)	**(0.045)**	(0.814)	(0.664)	(0.798)	(0.098)
Nonwhite Child	-0.691	0.069	0.797	-0.315	-0.086	0.165	-0.249
	(0.184)	(0.385)	**(0.0001)**	**(0.001)**	(0.354)	(0.227)	**(0.015)**
Mother Has a Work Limitation	0.036	0.165	0.048	0.208	-0.116	0.266	-0.231
	(0.944)	**(0.027)**	(0.631)	**(0.020)**	(0.211)	(0.070)	**(0.034)**
Mother Married	-2.447	-0.508	0.054	-0.155	0.550	-0.607	0.151
	(0.018)	**(0.002)**	(0.813)	(0.381)	**(0.001)**	**(0.003)**	(0.443)
Mother Has High School Diploma	-0.184	0.220	0.056	0.074	0.241	-0.096	0.178
	(0.678)	**(0.001)**	(0.559)	(0.336)	**(0.005)**	(0.467)	(0.062)
Mother Has Less than High School Diploma	0.056	0.322	0.098	0.149	0.700	-0.192	0.318
	(0.922)	**(0.000)**	(0.405)	(0.140)	**(0.0001)**	(0.212)	**(0.005)**
Number of Siblings	-0.245	0.090	-0.047	0.011	0.021	0.009	-0.053
	(0.172)	**(0.001)**	(0.167)	(0.716)	(0.527)	(0.865)	(0.175)
Children Have Same Father or Only Child	-0.343	0.242	0.210	-0.052	0.067	-0.211	-0.048
	(0.423)	**(0.000)**	**(0.025)**	(0.488)	(0.405)	(0.087)	(0.596)
Family Lives in Milwaukee	-0.474	0.010	0.080	0.002	-0.482	0.335	-0.230
	(0.376)	(0.904)	(0.527)	(0.979)	**(0.0001)**	**(0.014)**	**(0.029)**
Mother Works Full Time	-0.420	-0.012	0.066	-0.130	0.323	-0.148	0.394
	(0.343)	(0.856)	(0.500)	(0.091)	**(0.0001)**	(0.221)	**(0.0001)**
Total Family Income Less than 100% Poverty	-1.599	0.142	-0.298	-0.221	-0.803	0.646	0.158
	(0.072)	(0.309)	(0.154)	(0.155)	**(0.0001)**	**(0.001)**	(0.368)
Total Family Income between 100–125% Poverty	-1.382	0.434	-0.478	-0.255	-0.277	0.571	0.476
	(0.194)	**(0.008)**	**(0.046)**	(0.167)	(0.101)	**(0.016)**	**(0.015)**
Total Family Income between 125–185% Poverty	-1.465	0.041	-0.376	-0.307	-0.308	0.173	0.075
	(0.149)	(0.794)	(0.115)	(0.083)	(0.059)	(0.398)	(0.705)

Note: Probability values of 0.05 or less are shown in bold type.

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