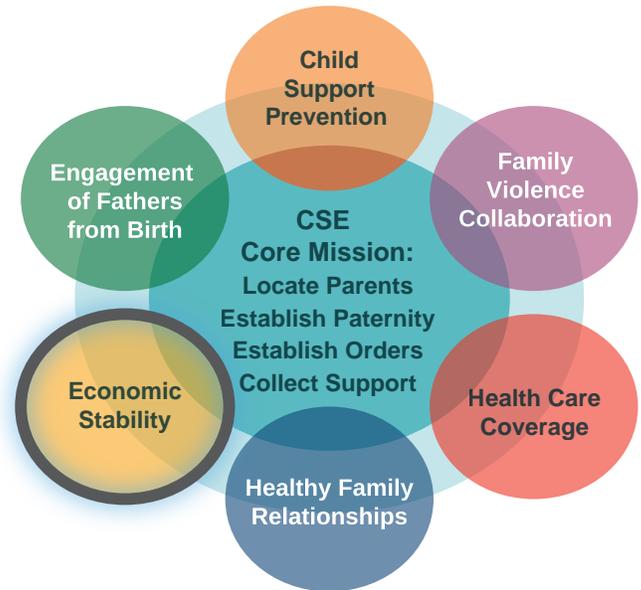


## Economic Stability

*Reliable child support payments depend upon noncustodial parents having stable income. The child support program can increase regular child support payments by helping noncustodial parents find and keep work, and connecting custodial and noncustodial parents to resources that help them achieve and maintain economic stability.*



### Why should the child support program help improve parents' economic stability?

In 2007, one-third of all custodial families participating in the child support program were poor. Another 30 percent lived between 100 and 200 percent of the poverty threshold.<sup>1</sup> Consistent child support payments can help custodial families achieve economic stability. Even custodial parents who have survived domestic violence can strengthen their financial independence through child support payments that are collected in a safe, confidential, and customized way.<sup>2</sup>

Noncustodial parents, usually fathers, who do not have steady employment often struggle to meet their child support obligations regularly. Many of these parents face multiple employment barriers, such as low education levels, limited work experience, physical and mental health issues, and a history of incarceration.<sup>3</sup> Because the child support program is in regular contact with low-income fathers, it is uniquely positioned to identify and link these parents to services, set realistic support obligations, and assure that children benefit as their parents improve their earnings capacity.

### Do jobs programs for low-income noncustodial parents improve child support outcomes?

Yes. Numerous studies in several states have shown that employment-oriented programs for low-income noncustodial parents increase child support payments—and have concluded that direct involvement of the child support program is associated with better employment and child support outcomes.<sup>4</sup> The largest scale study is the Parents' Fair Share national demonstration conducted in the mid-1990s, which was evaluated using random assignment. The demonstration targeted unemployed noncustodial fathers who were behind in their child support and whose children received public assistance. It showed that fathers served by the Parents' Fair Share program were particularly disadvantaged—47 percent had not completed high school and 67 percent had an arrest record—yet most wanted to be involved in their children's lives.<sup>5</sup> Employment services tended to be limited to job search assistance, yet the program increased child support payments and improved the earnings of the least-employable noncustodial parents.<sup>6</sup>

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#### How does the child support program improve parents' economic stability?

The child support program plays a critical role in improving custodial parents' economic security by collecting and distributing child support. In FY 2010, an estimated 9.8 million children received child support, with each receiving, on average, \$2,500. For poor custodial families, child support represents 10 percent of family income, and 40 percent for those who receive it.<sup>7</sup> Furthermore, without child support, an additional 625,000 children and 413,000 adults would have been poor in 2008.<sup>8</sup>

State child support programs are also actively involved in helping noncustodial parents find and keep a job so that they can support themselves and their children. Child support programs refer noncustodial parents to employment programs, monitor their progress, and provide child support case-management services. They usually collaborate with other agencies, including courts, TANF agencies, workforce programs, and community colleges, to deliver the employment services.

Nearly half of the discretionary grants that the federal Office of Child Support Enforcement (OCSE) has awarded in the past 12 years have been to support economic security services to low-income noncustodial parents. In September 2009, OCSE awarded competitive grants to seven state child support programs<sup>9</sup> to provide intensive child support services to current and former inmates participating in the Prisoner Reentry Initiative, an initiative funded by the Departments of Justice and Labor to reduce recidivism by helping returning offenders find work and access other critical services in their communities. In September 2010, OCSE awarded competitive grants to another seven state child support programs<sup>10</sup> to improve the financial stability of low-income custodial and noncustodial parents by partnering with grantees of the Assets for Independence (AFI) program. AFI grantees provide a range of financial-oriented services to low-income people, including matched savings accounts, financial education, debt management, credit counseling and repair, and tax preparation.

Child support programs can help both low-income custodial and noncustodial parents by working collaboratively with other programs to create a more integrated system of benefits and social supports.

For example, child support programs can join the many other programs that are developing on-line simplified application processes for state and federal benefits for low-income families, such as the Benefit Bank, which is operational in ten states.<sup>11</sup> They can also refer custodial and noncustodial parents to state and federal income support programs, such as Medicaid, Children's Health Insurance Program (CHIP), Supplemental Nutrition Assistance Program (SNAP, or food stamps), the Women, Infants, and Children (WIC) program, the Earned Income Tax Credit (EITC), Unemployment Insurance, and Supplemental Security Income.

#### Examples of ways state child support programs are improving parents' economic stability:

##### District of Columbia—Fathering Court

**What it does:** The Fathering Court, launched in 2008, helps fathers reentering the community after prison to reconnect with their children and pay their child support. It is a voluntary program that offers judicial oversight along with case management, skill development opportunities, peer support, and community referrals.

**Results:** During its first three years, the program served 50 fathers. It received a Bright Idea award from Harvard University in 2010, and is the blueprint for a national program planned by the U.S. Department of Justice.<sup>12</sup>

##### New Mexico—Veterans Outreach Program

**What it does:** Child support staff assist veterans with a range of child support issues, from developing stipulated orders and reviewing cases for arrears management eligibility to helping clients restore their driving privileges and professional licenses, so that they can find and keep a job.

**Results:** The program began in 2006 with one client and has since conducted outreach to numerous veterans' organizations and distributed thousands of brochures.

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#### New York—Strengthening Families Through Stronger Fathers Initiative

**What it does:** Enacted in 2006, this initiative created a statewide EITC program for low-income noncustodial parents who work and pay their child support in full. It also funded a three-year pilot program for low-income unemployed noncustodial parents who were behind in their child support to help them find work and pay their child support.

**Results:** In 2009, nearly 10,000 noncustodial parents received the state Noncustodial EITC. The average tax credit that year was \$450.<sup>13</sup> The three-year pilot employment program served nearly 3,700 noncustodial parents. During the final year of the pilot phase, participants paid \$3.6 million in child support. The average annual cost of the pilot programs was \$2.5 million.<sup>14</sup>

#### North Dakota—Parental Responsibility Initiative for the Development of Employment (PRIDE)

**What it does:** This program is a collaborative effort of child support, the courts, job service, and TANF to provide employment-related services to noncustodial parents who are unable to pay child support due to underemployment or unemployment. Parents, who may be court ordered to participate in PRIDE, receive one-on-one case management, monitored job search and job placement services, as well as supportive services to help break down employment barriers. The program began in 2005 and went statewide in 2009.

**Results:** During the six months after referral to PRIDE, child support payments doubled and were 59 percent more frequent than they were during the six months prior to referral.<sup>15</sup>

#### Pennsylvania—New Opportunities for Noncustodial Parents (NEON)

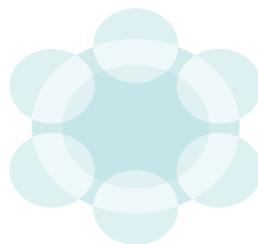
**What it does:** NEON is a court-based jobs program for unemployed noncustodial parents who are behind in child support. The state uses an employment vendor that works with participants to define their skills, provide customized training solutions, match them with job opportunities, and follow up with retention services.

**Results:** NEON's job placement rate has consistently exceeded 70 percent. As of May 2011, the program served 3,000 noncustodial parents who collectively paid \$10 million in child support. Every dollar spent on the program resulted in \$2.41 for children.<sup>16</sup>

#### South Carolina—Jobs Not Jails: An Alternative to Incarceration

**What it does:** Jobs Not Jail provides an alternative to incarceration for low-income noncustodial parents who are at-risk of incarceration for non-payment of child support. Noncustodial parents are court ordered to participate in a 24-week fatherhood program that helps parents improve job readiness, find employment, acquire life skills and parenting education, navigate the child support system and other supportive services to provide financially and emotionally for their children.

**Results:** During July 2006 through June 2009, Jobs Not Jails operated seven program sites and served 1,171 parents—651 of whom graduated by June 30, 2009.<sup>17</sup> It is estimated that if these 1,171 parents had gone to jail instead of participating in Jobs Not Jails, incarceration costs would have been \$9.2 million. Jobs Not Jails cost \$1.7 million to operate over the three-year period.



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#### Texas—Noncustodial Parent (NCP) Choices

**What it does:** NCP Choices is a court-ordered program that provides job services linked to enhanced child support monitoring for noncustodial parents who have fallen behind on their child support payments and whose children are current or former recipients of public assistance.

**Results:** In 2010, the program operated in 25 counties. The average child support collection was \$3,150 per participant at a program cost of \$1,000 per participant.<sup>18</sup> One study found that participants paid 50 percent more child support than a matched comparison group—and that they continued to pay more child support more often and more consistently over time even two to four years after participation in the program.<sup>19</sup>

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