

# Why Are Child Support Orders Becoming Less Likely after Divorce?

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**ABSTRACT** Despite substantial policy attention to increasing the number of custodial parents with child support orders, the proportion reporting that they are owed child support is falling. Potential explanations for this include increases in shared custody, increases in the number of noncustodial parents who have low incomes (or incomes lower than the custodial parent), and growing discretion to decide whether to participate in the formal child support system. We use data on about 4,000 divorces in Wisconsin that allow us to evaluate these alternative explanations, differentiating between divorces in an earlier period (1996–98) and a later one (2004–7). A multivariate analysis and a standard decomposition approach both show that changes in custody, relative incomes, the freedom to choose child support, and other characteristics explain about half of the decline in the likelihood of orders, but about half remains unexplained. Changes in custody are particularly important in explaining the trend.

## **INTRODUCTION**

Improving child support enforcement is a key family policy goal because child support is the primary policy tool used to assure private financial support of children of divorced or never-married parents. Over the last 30 years, increases in nonmarital childbearing (Martin et al. 2015) and continued high levels of divorce (National Center for Health Statistics 1982, 1992, 2001; Tejada-Vera and Sutton 2010; Kennedy and Ruggles 2014) have increased the population potentially served by the child support system while, at the same time, political and economic changes have reduced the

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availability of alternative public economic support for children in low-income families, such as welfare (Cancian, Meyer, and Caspar 2008). Together these changes create new challenges and opportunities for the child support system.

Child support enforcement policy has been expanded and strengthened in an effort to improve the economic well-being of children and to reduce costs to taxpayers of alternative public supports (Garfinkel, Meyer, and McLanahan 1998; Pirog and Ziol-Guest 2006). Although program data through the end of the 1980s show growth in the number of child support cases with payments and improvement in the proportion of cases with orders,<sup>1</sup> US Census reports for this period show that for the population of custodial parents as a whole, there were few improvements and even declines (e.g., Hanson et al. 1996). With new policy changes and a continued focus on implementation and enforcement, the census figures began to improve, with increases over the 1990s in the proportion of custodial parents who reported that they had orders and received payments (Grall 2013). But this success has been short-lived; in recent years, reported child support outcomes appear to have stagnated or even declined. For example, national survey figures drawn from the Current Population Survey-Child Support Supplement (CPS-CSS) indicate that the proportion of custodial parent families who reported having a child support agreement that required a payment (a child support order) grew from 48.9 percent in 1993 to a high of 52.0 percent in 2003 before declining to 50.0 percent in 2005, 46.4 percent in 2007, 43.1 percent in 2009, and 43.4 percent in 2011 (Grall 2013). The decline in the percentage of cases with a child support order is particularly important in that the system's monitoring and enforcement tools come into play only when there is a legal order.

The decline in orders in the face of continued policy attention to increasing the economic support of custodial parent families with children is something of a mystery. Part of the decline is due to a change in the marital status of cases coming into the child support system, with more non-marital cases, which typically have a lower likelihood of orders than divorce cases. But this explanation is only partial, as the proportion of currently divorced custodial parents due child support also declined from 60 percent in 1993 to 57 percent in 2003 and to 50 percent in 2011, and even in

1. See Office of Child Support Enforcement annual reports and statistics, the most recent of which are available at <http://www.acf.hhs.gov/programs/css/resource/fy2013-preliminary-report>.

2011 there were about 2 million more custodial mothers who have been married (i.e., are currently divorced, separated, remarried, or widowed) than who had not been married.<sup>2</sup> In this article, we focus on divorce cases.

The reason for the decline in orders may be related to changes in the characteristics of cases. Child support orders in cases of divorce generally aim to assure that children continue to benefit from the economic resources of both their parents. In the 1970s, when much of the current child support enforcement system was initially designed, the overwhelming majority of children lived with their mothers after divorce (Shiono and Quinn 1994). Mothers typically earned substantially less than fathers, both prior to and after divorce (e.g., Weiss 1984). Thus, children would typically live exclusively with their lower-earning parent following a divorce, making child support a particularly critical source of income. Subsequent changes in both children's post-divorce living situations and their parents' relative earnings may help explain the decline in orders. In this article, we investigate three potential reasons for the decline.

First, the decline in financial obligations may be related to noncustodial fathers' increased involvement in other aspects of their children's lives. Rather than being the deadbeat dads of the popular press, they are substantially committed. Some national data show that there has been a marked increase in the number of households that include a single father and his resident children (Kreider and Elliott 2009), and some state-level data show increases in the number of divorce cases in which children have equal-shared custody,<sup>3</sup> that is, they spend half their overnights with their fathers and half their overnights with their mothers (Cancian and Meyer 1998; Cancian et al. 2014). These are cases in which a child support order may be less common because they involve very engaged fathers who are providing full-time care for at least part of the week.

Second, the decline in the likelihood of orders may reflect noncustodial fathers' economic difficulties. Following this line of thinking, the lack of an order is a logical outcome of the adage that one "can't get blood from a turnip" (Mincy and Sorensen 1998, 44). Similarly, it may be that even if the noncustodial father has sufficient economic resources to not be considered

2. The numbers in this paragraph are from the detailed tables available on the US Census Bureau website; see <https://www.census.gov/people/childsupport/data/cs11.html>.

3. In this article, we are interested in physical custody, or children's living arrangements, rather than legal custody, which refers to rights related to decision making (Seltzer 1990).

a “turnip,” he may have fewer resources than the custodial mother and may thus be less likely to have an order.

A final possibility is that the decline in orders is related to the decline in the welfare rolls. From the beginnings of federal child support policy, there have been different rules for welfare and nonwelfare cases (Garfinkel et al. 1998; Pirog and Ziol-Guest 2006). Welfare cases are required to participate in the child support enforcement system as it attempts to locate noncustodial parents and establish child support orders; nonwelfare cases are permitted to participate in the system, but they are not required to do so. The dramatic decline in cash welfare participation in the 1990s, which has stayed relatively low in the 2000s (US DHHS 2014), could mean that fewer parents are required to cooperate with child support, leading to a lower likelihood of orders. However, increases in the number of people enrolled in the Supplemental Nutrition Assistance Program (SNAP) may have prevented the order rate from declining further.

We examine the likelihood of orders among divorce cases in Wisconsin over more than a decade to see whether these three potential explanations (changes in custody that result in more children staying with each parent part of the week, the declining economic status of noncustodial parents, and the changes in welfare cases) explain the trend.

## **LITERATURE REVIEW**

### **OVERALL POLICY CONTEXT**

Historically, there has been great variation in the amount of child support ordered on behalf of children not living with both parents, even among cases with similar characteristics, to the point that some might have had orders while others did not (White and Stone 1976; Garfinkel et al. 1998). Married parents who divorced could have child support ordered in their divorce decree, but whether there was an order, and its amount, could be negotiated, and this was often a matter of judicial discretion (White and Stone 1976). As a result, the prevalence of child support orders differed not only across states but also across judicial districts within the same state (White and Stone 1976).

Growing recognition that children in single-parent families were economically vulnerable led to more explicit policies governing the establishment of child support orders, and expectations of support became more widespread (Pirog and Ziol-Guest 2006). Federal legislation in 1984 and

1988 began requiring each state to have a numerical guideline that was available (1984) or presumptive (1988) in the setting of orders. The guidelines in the vast majority of states today reflect a principle of continuity of expenditure (Garrison 1999), which holds that child support orders should reflect the amount a parent would have spent on a child had the parents lived together. As a result, at least conceptually, child support orders are required in each case in which a noncustodial parent would have spent something on the child had he or she lived with the child.

The continuity-of-expenditure principle suggests two important circumstances in which child support might not be ordered. First, some parents may already be spending as much on their child as they would have had they, their child, and the child's other parent all lived together. The prototypical case of this type is shared custody (also called shared placement), in which a child spends a substantial number of overnights with each parent, and thus both parents may each be spending as much (or more) on the child as they would if they were together. Several states address whether there should be orders, and at what level, in this type of shared custody case (Venohr and Griffith 2005). Often the guidelines imply no order is required, especially if parents' incomes are similar and the time spent with each parent is similar.

A second case in which application of the continuity-of-expenditure principle would not result in an order involves a noncustodial parent who has zero income or very low income. In these cases, a parent might not be contributing much in dollar terms to the child even if the parents lived together. Many state guidelines have special rules for these low-income cases: some states have self-support reserves that result in no support owed until the noncustodial parent's income exceeds a given threshold; other states require a minimum order; others impute potential income in these cases (as well as some other types of cases) and then assign an order accordingly; still others assign orders but do so with special rules that result in lower percentages of income owed (Cancian, Meyer, and Han 2011). In Wisconsin, the state we study here, a new adaptation of the guidelines for low-income noncustodial parents was published in January 2004. The provision, which is optional in the setting of orders, suggests that a lower percentage of income be required from noncustodial parents with incomes less than 150 percent of the federal poverty level. In an analysis combining individual-level data with state policies, Jennifer Roff (2010) finds evidence that a high presumed order for low-income fathers is

associated with a lower likelihood of the establishment of formal child support, so even if an amount due would be expected by the guidelines, it may not be ordered. A special type of low-income case involves a non-custodial parent who is incarcerated; the guidelines in many states do not allow orders to be suspended merely because a noncustodial parent is incarcerated (Meyer and Warren 2011). This procedure follows if incarceration is seen as voluntary unemployment, which generally is not a reason to cancel or forgo a child support order.

Note that child support orders set according to the continuity-of-expenditure principle will often differ from those set to meet children's perceived needs, which was the principle in operation prior to guidelines in many locations (Cancian and Meyer 1996). If child support orders are set to meet basic needs, the custodial parent's income affects the likelihood of an order. If the custodial parent's income is high enough to cover basic needs, there may not be an order regardless of the noncustodial parent's income. Moreover, if the custodial parent's income is too low to meet basic needs, then there could be an order even if the noncustodial parent's income is low. In contrast, the continuity-of-expenditure principle generally implies orders should be dependent on the noncustodial parent's income. If the noncustodial parent has no income, an order may not be assigned even if the custodial parent has low income. If the noncustodial parent has some income, an order would be appropriate even if the custodial parent has high income.

The principles underlying child support orders are most relevant for those required to participate in the public child support system since those not participating in the public system are free to make their own arrangements. Custodial parents receiving Temporary Assistance for Needy Families (TANF), Medicaid, and, in some states, SNAP (food stamps), child-care subsidies, or the State Children's Health Insurance Program (SCHIP), are required to cooperate with the state child support office as a condition of receiving benefits.<sup>4</sup> In these cases, the child support office attempts to se-

4. Wisconsin (the state we study here) removed the cooperation requirement for SNAP participants in late 2007; because most of our analyses use data prior to 2007, we assume that this cooperation requirement was in place. Cooperation requirements remained unchanged for parents and children on Medicaid, TANF, and those who have received or are receiving child care subsidies before and after 2007.

cure a child support order, although domestic violence cases can receive an exception to this rule (Roberts 2005). Parents not receiving these types of benefits may choose not to participate in the child support program, perhaps because they do not want to have contact with the other parent or because they do not feel a formal order is necessary, as discussed below (Grall 2013). Thus, custodial parents who do not participate in welfare may be able to choose whether to have an order, while others have no choice about cooperating with the child support office and, therefore, less choice about whether there is an order.

Given this overall policy context and our interest in time trends in the proportion of divorced parents who are owed child support, next we briefly review the prior literature on the types of cases that have child support orders. This is followed by reviews of the prior literature on custody, non-custodial parent's income, welfare use, and the trends in orders.

#### PREVIOUS RESEARCH ON CHARACTERISTICS ASSOCIATED WITH ORDERS AMONG DIVORCE CASES

Published data describe some simple bivariate relationships between characteristics of divorced custodial parents and the likelihood of having a child support order. The most recent national data, the CPS-CSS, show a very large difference in the likelihood of an order by gender: 50 percent of divorced custodial mothers had child support due in the 2012 survey compared to 26 percent of divorced custodial fathers (Grall 2013). However, most of the research on the likelihood of orders does not differentiate between parents who have been divorced and those who have not been married. In this undifferentiated research, those who are more disadvantaged are generally less likely to have orders, including custodial parents with less education, custodial parents of color, younger parents, those who live in cities, and those below the poverty level (Peterson and Nord 1990; Hanson et al. 1996; Huang and Pouncy 2005; Castillo 2009; Huang 2010; Roff 2010). On the other hand, prior receipt of public assistance increases the likelihood of an order (Bartfeld and Sandefur 2001), perhaps because the child support system is involved with these cases. Mothers with more children are more likely to obtain a child support order (Huang 2010; Roff 2010), perhaps because they have more need. Fathers who report a better relationship with the mother are less likely to

have an order (Castillo 2009). In general, findings are very similar in the few studies that focus exclusively on divorces or that estimate separate models for divorce cases (Beller and Graham 1986; Teachman 1990; Teachman and Polonko 1990; Argys, Peters, and Waldman 2001); for example, an order is less likely when the father has a higher income (Teachman 1990).

The CPS-CSS also provides information on the reasons why there might not be an order. Divorced and unmarried parents without legal agreements are asked why they do not have one, and they are offered several potential responses that can be categorized as personal choices or objective constraints (Huang and Pouncy 2005). The respondent can agree with more than one reason. The most common reasons in 2012 were “other parent provides what he or she can” (36.8 percent), “other parent could not afford to pay” (33.4 percent), and “did not feel need to make legal” (32.6 percent). There are several other possible reasons, including a response of “child stays with other parent part of the time,” which was endorsed by 18 percent of custodial parents (Grall 2013).

#### CHILD CUSTODY AND CHILD SUPPORT ORDERS

Divorce decrees include provisions for where any minor children will live. Early in the twentieth century, the most common custody arrangement was for children to live with their mothers (e.g., Buehler and Gerard 1995; Mason and Quirk 1997), primarily because mothers were seen as better caretakers of children. However, over time, policies with explicit gender preferences were overturned and replaced with a more general guiding principle of the “best interest of the child” (Maccoby 1992; Elrod and Dale 2008). Late in the twentieth century, some states changed their policies further, so that they were not merely gender-neutral but also had provisions encouraging the involvement of both parents.

Several physical custody arrangements are possible. *Sole custody* means that children primarily or exclusively live with one parent and the other parent may have a schedule for seeing the children, including a schedule for some overnights. As used in this article, *shared custody* refers to cases in which the children spend a significant number of overnights with each parent; we differentiate between equal and unequal shared custody. States have different thresholds to separate sole custody from unequal-shared custody; we use the current Wisconsin distinction in which unequal-shared custody involves a child having overnights with one parent 25–49 percent

of the time and the other parent 51–75 percent of the time.<sup>5</sup> This, then, means that the five main custody types for a single child can be differentiated by the percentage of overnights spent with the mother: *sole mother* (76–100 percent), *shared with mother primary* (51–75 percent), *equal shared* (50 percent), *shared with father primary* (25–49 percent), and *sole father* (0–24 percent). In multiple-child families, another possibility is *split custody*, defined here as at least one child having primary residence with the mother and at least one child having primary residence with the father.<sup>6</sup> No recent nationally representative data allow this finely tuned distinction among custody outcomes. Recent data on divorces in Wisconsin (Cancian et al. 2014) show a significant increase in shared custody (both equal-shared and unequal-shared) in recent years, with a corresponding decline in mother-sole custody.

How do these various custody arrangements relate to the likelihood of orders? The guidelines in effect in some states do not require orders when children are in equal-shared custody situations (Brown and Brito 2007). In other states, policy treats both parents as if they were the noncustodial parent and a calculation is made as to how much they should be paying the other parent, with these amounts then offset against each other and any order based on the net amount. This calculation may result in very small amounts to be transferred if parents have similar incomes. Unequal-shared custody cases should typically have a child support order if they desire one, but in general the amount of the order will decline as the percentage of time spent with the noncustodial parent increases (often after a particular threshold; Melli 1999). Treating both parents as the noncustodial parent and offsetting the amounts may also be used in these cases. Again, any net amount due might be small. In these cases, nonwelfare parents may be likely to forgo orders even when the guidelines suggest orders because they feel the other parent is already contributing substantially to the children (Brown and Cancian 2007). This suggests that child support orders may be least likely in equal-shared custody cases, followed

5. Before 2004, Wisconsin's threshold at which the shared-time child support formula was used was 30 percent of overnights. In the empirical analysis in this paper, using the threshold in place during each period (rather than a consistent threshold) does not change our conclusions.

6. Finally, some children do not live with either parent, and, in a multiple-child family, there may be other combinations (e.g., one child with sole custody and another with equal-shared time).

by unequal-shared custody cases, with sole-custody cases being most likely to have orders. This is consistent with the limited empirical research (Melli, Brown, and Cancian 1997), although fathers with sole custody follow a different pattern (for a summary, see Meyer [2000]).

#### NONCUSTODIAL PARENT INCOME AND CHILD SUPPORT ORDERS

The declining economic fortunes of young low-educated men, especially men of color, are now well known (see, e.g., Holzer and Offner 2006; Blank 2009; Danziger and Ratner 2010). For example, Sheldon Danziger and David Ratner (2010) show that median earnings of employed young men with only a high school diploma fell about 20 percent from 1975 to 2007. In addition to this long-term decline in earnings, the business cycle also affects earnings, so the Great Recession of 2007–9 may result in lowered noncustodial-parent earnings (and thus a lowered likelihood of orders) at the end of our study period. As noted above, some custodial parents state that they do not have an order because the other parent could not afford to pay. Some research has tried to explore the extent to which low-income fathers are less likely to have orders (e.g., Teachman 1990); however, this research is plagued by data difficulties and partial samples. Some research has also tried to explore whether some of the time trend can be explained by changes in mothers' and fathers' earnings. Declines in men's incomes appear to be an important component of the declines in order rates in this older research (e.g., Hanson et al. 1996); however, these studies did not have data on fathers and so often had to rely on estimates of the father's income based on the mother's characteristics or on aggregate averages of men's earnings or incomes.

#### WELFARE AND CHILD SUPPORT ORDERS

There has been a strong historical link between child support and cash welfare (the former Aid to Families with Dependent Children [AFDC] program, as well as the current TANF program; Garfinkel et al. 1998; Pirog and Ziol-Guest 2006; Cancian et al. 2008). In the TANF program, recipients are required to cooperate with the child support agency and sign over their rights to any child support while they receive benefits. During the 1990s, welfare reform and a strong economy meant a substantial decline in AFDC/TANF receipt; the percentage of children receiving AFDC/TANF

declined from a high of 13.9 percent in 1993 to less than half that by the late 1990s, and even though there was an increase with the Great Recession of the late 2000s, only 4.6 percent of children received benefits in 2011 (US DHHS 2014). In contrast, the SNAP program (food stamps) also declined from 1993 to 2000 but then increased, and during the Great Recession it reached a peak substantially higher than that of 1993.

The cooperation requirement may mean that AFDC/TANF and SNAP cases are more likely to have orders. On the other hand, welfare cases may have worse child support outcomes. To the extent that custodial parents receiving welfare had children with economically disadvantaged partners, welfare participants may be less likely to have orders. Moreover, some research shows that child support actually may be able to prevent entering/reentering welfare (Meyer 1993; Miller et al. 2005; Turetsky 2005), so welfare cases may (at least initially) be those with worse child support outcomes. Because there are factors that go in both directions, it is perhaps not surprising that the most recent CPS-CSS data show that there is not a large difference in the likelihood of an order between those who receive and do not receive benefits for low-income families. More specifically, 42 percent of the custodial parents who received at least one of the identified programs for low-income families (TANF, SNAP, Medicaid, public housing/rent subsidy, or general assistance or other welfare) had a child support order, compared to 44 percent of those who did not receive any of these programs and had an order (Grall 2013).

#### TRENDS IN ORDERS

As reviewed above, the proportion of custodial parents with child support orders in the national data generally increased from 1993 to 2003 (Huang 2010), but it has been falling since then. Several earlier studies explored the time trend in the likelihood of child support orders (e.g., Beller and Graham 1986; Garfinkel and Robins 1994; Hanson et al. 1996; Miller and Garfinkel 1999) and had mixed findings. For example, Thomas Hanson and colleagues (1996) find that once characteristics of parents are controlled, there is little remaining time trend in the likelihood of orders from 1979 through 1989. However, Irwin Garfinkel and Philip Robins (1994) show that, even after controlling for characteristics of the parents and changes in child support policy, there was a decline in the likelihood of an order between 1978 and the mid-1980s, followed by an

increase by 1987. There have been fewer studies of the more recent period. Chien-Chung Huang (2010) does not focus on the time trend *per se*, but on the effects of enforcement policies over the period 1994–2004, a period in which enforcement policies were becoming more stringent. In his main model, there is no discernible effect of child support enforcement policies; however, when mothers are separated into age groups, enforcement efforts are associated with an increased likelihood of having a child support order for younger mothers only. To the extent that younger mothers entered the child support system more recently, this highlights the importance of analyses examining custodial parents of different cohorts who faced different policy regimes at critical points.<sup>7</sup>

The CPS-CSS data can be used to examine the time trend in the reasons custodial parents give for not having a legal order. Although there is no clear time trend between 1993 and 2011 in the frequency of most reasons, there are exceptions. First, the proportion reporting that one of the reasons they do not have a legal agreement is that the “child’s other parent provides what he/she can” has increased, from 21.0 percent in 1993 to 36.8 percent in 2011. (On the other hand, the proportion responding that the “other parent could not afford to pay” has increased less, from 29.3 percent in 1993 to 33.4 percent in 2011.) Second, the proportion saying they do not have an order because “the child stays with the other parent part of the time” increased from 9.7 percent in 1993 to 18.1 percent in 2011 (Grall 2013).

In summary, the prevalence of child support orders among divorced custodial parents has declined by 10 percentage points in the last 20 years. The reason for this decline in spite of substantial policy attention on child support is a puzzle. The policy review and previous literature provide some suggestions that we use to formulate four hypotheses. Child support orders may be less common due to (h1) changes in custody, with a lowered likelihood of orders in cases with shared custody; (h2) changes in incomes, with a lowered likelihood of orders if (h2a) the noncustodial parent’s income is low in absolute terms or (h2b) is lower than the custodial

7. Other research examines the time trend in child support receipt (e.g., Freeman and Waldfogel 2001; Case, Lin, and McLanahan 2003; Sorensen and Hill 2004; Cassetty and Hutson 2005). However, this research does not generally differentiate those who do not receive child support because they do not have an order from those who have an order that is not paid.

parent's; and (h3) changes in welfare receipt, with a lower likelihood of orders among individuals with no welfare receipt and thus no mandate to participate in the child support system. Our fourth hypothesis (h4) is more exploratory: we hypothesize that the decline in the likelihood of orders over time can mostly be explained by these factors combined with control variables. This hypothesis flows from the policy emphasis: once the characteristics of cases are controlled, there should be little remaining decline in child support outcomes given that the system is increasingly trying to ensure that custodial families receive support. Although the previous research provides clues that enable us to develop these hypotheses, the extant research is dated, does not have high-quality data on custody or income, and tends to explore the stock of child support cases as a whole, ignoring differences between cases that entered the child support system in different periods. New empirical research is needed.

## **DATA AND METHOD**

### **DATA AND SAMPLE**

Information on child support orders, custody, the incomes of both parents, and the custodial parent's welfare use is needed for this examination but is not available in national data sources. We use the Wisconsin Court Record Data (CRD), which contains information on divorces in which the parents had minor children in 21 counties, including small rural counties, mid-sized counties, and the largest urban county in the state, Milwaukee.<sup>8</sup> We compare outcomes from cases petitioning for divorce in the late 1990s with those for the most recent cases available, totaling nearly 4,000 divorce cases. These data are unique in including detailed information on custody, income, and child support arrangements over an extended period, as well as information on other family characteristics (Brown, Roan, and Marshall 1994). We also use information from administrative records to measure the earnings and welfare (TANF and SNAP) received by parents, with these records matched to the divorce records through social security numbers. All results presented here are weighted

8. The data set also includes paternity (nonmarital) cases, which are not our focus here. There are also other cohorts of divorces that we do not analyze here; we have selected the oldest cohorts for which we have detailed custody data and the most recently collected cohorts.

to adjust for different sampling probabilities across counties, and so they are representative of divorces in these counties during these periods.

A cohort of the CRD includes cases with divorce petition dates during a July to June annual interval; data are collected for some period after the petition date, as the final divorce judgment occurs some time after the petition. Although the period of data collection varies across cohorts (from 1.7 years to 4.5 years after the date of the divorce petition for the cohorts used here), cases are observed long enough that at least 98 percent of divorce cases reach a final divorce judgment during the observation period. We compare divorces in an earlier set of CRD cohorts (petitions between 1996 and 1998) with divorces in a later set of cohorts (petitions between 2004 and 2007); these cases have final divorce judgments in 1996–2002 and 2004–10. The two time periods allow us to maximize the use of available data, but they are also useful in that the 1996–2002 period and the 2004–10 period have some similarities in their position in the business cycle in Wisconsin. Both start with similar unemployment rates (5.4 percent in 1996 and 5.5 percent in 2004), followed by improvements in employment and subsequent declines.

Our sample begins with all divorce cases of parents who had a minor child when the divorce petition was filed (3,998); we exclude cases in which the parents reconcile, cases without an observed final divorce judgment, and cases in which parents had minor children at the time of the petition but not at the time of the final judgment, leaving 3,906 cases. Because of our interest in the most typical divorce cases, we also exclude cases in which physical custody was awarded to a third party (e.g., a grandparent or a foster parent), missing, or split (i.e., multiple-child families in which each parent was given custody of at least one child), leaving 3,764 cases in our final sample. This includes 1,483 earlier-cohort cases (petitions from 1996 to 1998) and 2,281 later-cohort cases (petitions from 2004 to 2007).

## MEASURES

Our key outcome is whether there is a child support order. We use the divorce final judgment and consider only orders for money that is to be transferred from the noncustodial parent to the custodial parent. Thus, we ignore orders that determine where the child is to live but include

no financial transfers, and we ignore orders that require only the payment of fees to the state.

We are primarily interested in whether changes in custody, income, and welfare receipt explain differences in the likelihood of an order over time. We use information contained in the divorce record's final judgment to categorize cases into different custody types; we distinguish a series of divisions between mother and father that range from (i) mother-sole custody, (ii) mother-primary shared custody, (iii) equal-shared custody, (iv) father-primary shared custody, to (v) father-sole custody. Because of small sample sizes, in the multivariate analyses, we combine father-primary and father-sole custody.

For almost all other variables, we consider characteristics of the custodial and noncustodial parent separately (rather than the mother and father). In our base models, we essentially assume a two-part process: first a custody determination is made and then the child support order is set. This follows from our understanding of divorce proceedings and is an implication of the previous research. For example, we have seen above that orders may be less likely if the noncustodial parent has very low income; this is an assessment about noncustodial/custodial status, not about father/mother status. It is possible that a low-income noncustodial mother would be even less likely to be required to pay support than a low-income noncustodial father; we conduct a sensitivity test to examine this possibility.<sup>9</sup>

9. In all models of the multivariate analyses, we treat the mother as the custodial parent in cases with mother-sole and mother-primary physical custody and the father as the custodial parent in father-sole and father-primary custody cases. In equal-shared custody cases, the custodial/noncustodial parent distinction is not apparent. For the variables in which the designation of custodial parent is important (low income, relative income, and children from previous partners), we made decisions based on our understanding of the court process; alternative choices lead to similar conclusions. In our base model, in equal-shared custody cases, (i) if both parents have low incomes, we treat this as a low-income noncustodial parent case, (ii) if one parent's income is missing, we treat this as a case with missing noncustodial parent income, (iii) if one parent's income is more than 120 percent of the other parent's, we treat this as a case in which the noncustodial parent's income is more than 120 percent of the custodial parent's income, and (iv) if one parent has other children from previous partners, we treat this as only the custodial parent having other children. When we consider the sensitivity test, we treat the mother as the custodial parent in all equal-shared custody cases. This allows us to consider separate variables for the noncustodial father having low income

Identifying the best measurement of income is not straightforward. For each parent, there are two potential sources of income information. First, the court record often includes individual income, although it is not clear if this is previous income, anticipated income, or a combination. We also have information on some income sources from administrative records: for this measure we add the previous year's TANF benefits to the previous year's amount of earnings from the unemployment insurance (UI) records.<sup>10</sup> We use the maximum of the court record and the administrative measure for each parent's income (adjusted to 2013 dollars); prioritizing the court record over the administrative measure does not lead to different conclusions.<sup>11</sup> This measure of income is then also used to construct variables denoting the noncustodial parent having income less than 150 percent of the poverty threshold for a family size of one.<sup>12</sup> Because our hypothesis 2 (part b) also expects lower orders when the noncustodial parent has lower income than the custodial parent, we create a dummy variable for cases in which the noncustodial parent's income is less than 80 percent of the custodial parent's income; we also consider that cases with similar incomes might be different from cases in which the noncustodial parent has substantially more income than the custodial parent, so we create a variable to denote that the noncustodial parent's income is more than 120 percent of the custodial parent's (perhaps reflecting a more traditional arrangement in which one parent had more

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compared to the noncustodial mother having low income. Similarly, we can consider noncustodial fathers who have less income than custodial mothers separately from noncustodial mothers who have less income than custodial fathers, etc.

10. Note that because the UI records cover only Wisconsin, earnings could be missing in the UI records because a person had no countable in-state earnings or a person lives in another state. If the administrative records suggest that the person is in state but there are no earnings in a quarter, we consider this to be zero earnings. If, however, we have no indication the person is in state, we treat cases with a missing earnings record as missing.

11. After these procedures, income is missing for about 6 percent of noncustodial parents and 3 percent of custodial parents. In these cases, we impute the median noncustodial (custodial) parent income, with medians set within cohorts and custody status. Eliminating those missing income, imputing based on gender but not custody, and considering alternative measures of income all lead to similar conclusions.

12. This threshold is chosen because, since 2004, the guidelines suggest that a lower percentage be applied to the income of noncustodial parents with incomes below 150 percent of the federal poverty line in calculation of their support orders.

earnings and the other parent had more caretaking responsibilities). This approach allows us to compare both unequal-income cases to the case in which incomes are relatively comparable. (An alternative continuous variable does not lead to a different conclusion.) To measure the use of welfare, we consider whether either parent received TANF/AFDC benefits at any point in the year prior to the final judgment, using administrative records of benefits; a similar variable measures SNAP participation.

We control for other factors measured in the court record that may be related to the likelihood of an order or the likelihood of different custody outcomes (Cancian et al. 2014). These factors include characteristics of the children (their number, age, and gender), characteristics of the parents and the couple (whether either parent had had previous children with a different partner,<sup>13</sup> the number of years the father was older than the mother, and the length of the marriage), and characteristics of the environment (whether in Milwaukee County, another urban county, or a rural county). Including factors that might also be related to the likelihood of different custody outcomes should sharpen our ability to detect whether changes in custody account for changes in the likelihood of an order. Our operationalization of these control variables is similar to that in the Wisconsin custody literature (Cancian et al. 2014).

#### RESEARCH QUESTIONS AND EMPIRICAL APPROACH

We begin by documenting changes over time in the likelihood of orders in recent divorces in Wisconsin. We then consider changes over the same period in our key variables: custody, the prevalence of very low-income non-custodial parents and couples with similar relative incomes, and the prevalence of welfare. We use simple *t*-tests of whether characteristics and outcomes in the earlier period differ from those of the later period.

We then estimate the extent to which these changes may account for changes in the likelihood of orders over time. We estimate linear probability models examining the probability of having a child support order and documenting the extent to which the time trend is robust to the inclusion

13. The variable in the court record denotes only the presence of a child from another partnership. It is not clear whether a child support order was issued for the other partnership, nor is it clear how accurate this information is.

of controls for the background characteristics of divorce cases in the two periods (model 1), followed by a model that includes the key variables of custody, income, and welfare (model 2). (Logit models lead to similar conclusions.) This model is essentially a test of whether the time trend remains after holding other variables constant. In both models, we include county-level fixed effects and cluster the standard errors by county to account for differences and correlations at the county level.

This simplified model imposes the assumption that all background variables (and our key variables of interest) have the same relationship with orders in the earlier and later periods. To explore the plausibility of this assumption, we then estimate separate models in the two periods, examining whether the coefficients are statistically different between the two periods. Our final set of analyses then uses these separate models to explore the extent to which differences in the likelihood of an order between the earlier and later periods can be explained by different characteristics between the two periods. We use a standard Blinder–Oaxaca decomposition technique (Blinder 1973; Oaxaca 1973), which takes the difference in the likelihood of orders between the earlier and later periods and divides it into three components: a part that can be attributed to different characteristics between the periods, a part that can be attributed to different coefficients (more generally, different relationships between the characteristics and the outcome), and the remaining interaction. More specifically, if  $Y_E$  represents having an order in the earlier period and  $Y_L$  represents having an order in the later period, a simple linear probability model is

$$E(Y_E) = X_E B_E \text{ and } E(Y_L) = X_L B_L.$$

It is then straightforward to decompose the decline in orders ( $E(Y_E) - E(Y_L)$ ) into

$$[(E(X_E) - E(X_L))' B_L] + [E(X_L)' (B_E - B_L)] + [E(X_E) - E(X_L)]' (B_E - B_L).$$

Here the term in the first brackets represents the portion of the gap attributed to differences in characteristics, the term in the second brackets represents the portion of the gap attributed to differences in coefficients, and the third brackets represent the remaining interaction. Although this approach has some limitations in the linear probability context, it is widely

used and allows a simple exploration of the extent to which the decline in orders can be accounted for by changing characteristics.

## RESULTS

### WHAT IS THE TIME TREND IN ORDERS?

The first row of table 1 shows the trend in the likelihood of having a child support order among Wisconsin divorces. It shows a clear trend toward a lowered likelihood of an order. Contrasting the earlier period (1996–98) with the later period (2004–7), the prevalence of orders went from about four in five to about two in three. The prevalence of orders in Wisconsin is higher than the national data, consistent with other data that show somewhat better child support outcomes in Wisconsin than elsewhere (US DHHS, Office of Child Support Enforcement 2013). The decline in orders in Wisconsin appears to occur earlier than the national decline seen in the CPS-CSS. This is consistent with the Wisconsin data examining the flow of new divorces and the national data examining the stock of all divorces: even if the decline in orders occurred at the same time in Wisconsin as elsewhere, changes in the likelihood of an order would not be observed in the stock of national cases in the CPS-CSS until enough recently divorced cases had accumulated. We conclude that our data, which are from a single state, show the same general trend as the national data.

### DO DIVORCES IN THE MOST RECENT COHORTS HAVE SIMILAR CHARACTERISTICS TO DIVORCES IN THE EARLIER COHORT?

Table 1 also shows changes in physical custody over time. The share of mother-sole custody declined from 64 percent to 49 percent, a decline that was largely mirrored by the near doubling of equal-shared custody from 16 percent to 29 percent of all cases. Father-sole custody declined by 2 percentage points, and both categories of unequal-shared custody increased. This represents a dramatic change in the living situations of children of divorce over a short period of time (Cancian et al. 2014). The mean income for noncustodial parents was about \$50,000–\$53,000 per year, and it did not change significantly over this period. Custodial parents' incomes were lower, at about \$34,000–\$38,000, but the growth between the earlier and the later periods was somewhat larger and statistically

**TABLE 1. Time Trends in Selected Characteristics of Divorce Cases, 1996–98 and 2004–7**

Variable	Divorces (1996–98)	Divorces (2004–7)	Trend? <sup>a</sup>
Child support order	.79	.69	**
Mother-sole custody	.64	.49	**
Unequal-shared custody, mother primary	.09	.13	**
Equal-shared custody	.16	.29	**
Unequal-shared custody, father primary	.01	.02	**
Father-sole custody	.09	.07	*
Noncustodial parent's income (\$) <sup>b</sup>	50,384 (2,143)	52,655 (1,174)	
Custodial parent's income (\$) <sup>c</sup>	33,649 (994)	37,623 (714)	**
Noncustodial parent's income > 120% custodial parent's income	.63	.59	*
Noncustodial parent's income < 80% custodial parent's income	.22	.22	
Noncustodial and custodial parent's income similar (80%–120%)	.15	.19	**
Noncustodial parent's income below 150% of poverty	.11	.13	
Either parent received SNAP	.15	.25	**
Either parent received TANF/AFDC	.06	.02	**
One child, boy	.22	.23	
One child, girl	.22	.22	
2+ children, only boys	.12	.12	
2+ children, only girls	.10	.10	
Both boy and girl	.33	.34	
Age of youngest child 0–5	.47	.44	
Age of youngest child 6–12	.40	.39	
Age of youngest child 13–17	.14	.17	*
Only noncustodial parent has children from previous partner	.06	.06	
Only custodial parent has children from previous partner	.06	.09	**
Both parents have children from previous partners	.01	.01	
Neither parent has children from previous partners	.87	.83	**
Years father is older than mother	2.44	2.37	
Length of marriage in years	11.15 (.21)	11.58 (.15)	
Rural county	.17	.16	
Milwaukee County	.29	.25	*
Other urban county	.54	.59	**

Note.—Standard deviations are in parentheses.

<sup>a</sup> This column shows the result of a *t*-test comparing the periods.

<sup>b</sup> For equal-shared cases, this is the father's income. Amounts are shown in 2012 dollars.

<sup>c</sup> For equal-shared cases, this is the mother's income. Amounts are shown in 2012 dollars.

\*  $p < .05$ .

\*\*  $p < .01$ .

significant. Relative incomes also changed: the proportion with similar incomes increased from 15 percent to 19 percent of couples, and the share of cases in which the noncustodial parent's income was substantially higher than the custodial parent's income decreased from 63 percent to 59 percent.<sup>14</sup> In a relatively small number of cases, the noncustodial parent had income below 150 percent of the poverty threshold (11 percent to 13 percent in the two periods). Finally, the likelihood that one of the parents would have received AFDC or TANF in the previous year declined between the periods, while the likelihood of receiving SNAP increased.

These simple descriptive statistics suggest that it is unlikely that the decline in orders is merely a result of a decline in cases required to use the child support system, since the prevalence of SNAP cases actually increased. Increases in shared custody, in the custodial parent's relative income, and in the proportion of noncustodial parents with low incomes appear to be more feasible explanations from the simple time trend, though the growth in noncustodial parents with low incomes is not statistically significant.

The remaining rows of table 1 show the control variables we use in our models. There are few significant differences between the earlier and later periods, with the following exceptions: the proportion of cases in which the youngest child was a teenager increased, as did the proportion of cases in which the custodial parent (but not the noncustodial parent) or neither parent had had children with another partner. Finally, there was a modest change in geography: there were relatively fewer divorces in Milwaukee County and more in other urban counties in the later period.

**DOES CONTROLLING FOR CHARACTERISTICS, INCOME, CUSTODY, OR WELFARE ACCOUNT FOR THE DECLINE IN THE LIKELIHOOD OF AN ORDER?**

Table 2 shows results from the multivariate analyses. Model 1, which accounts for background characteristics, such as the number and gender of

14. If we compare the incomes of mothers and fathers, rather than custodial and noncustodial parents, we find additional significant changes. The share of cases in which father's income was more than 120 percent of the mother's income decreased significantly from 68 percent to 59 percent. The share of cases in which the father's income was lower than 80 percent of the mother's increased significantly from 18 percent to 21 percent. Both of the changes are somewhat reduced by our approach, which defines the noncustodial parent to be the higher-income parent in equal-shared cases.

TABLE 2. Likelihood of Having a Child Support Order

	Model 1		Model 2	
	Coefficient	SE	Coefficient	SE
Period (compared to 1996–98)				
Later period (2004–07)	–.105**	.016	–.045**	.012
Placement (compared to mother-sole):				
Shared, mother primary			–.087**	.024
Shared, equal			–.489**	.020
Shared, father primary or father-sole			–.333**	.028
Income and welfare participation:				
Noncustodial parent low income (<150% poverty line)			–.026	.020
Received SNAP			.054*	.023
Received TANF/AFDC			–.019	.032
Relative income (compared to parent's income similar):				
Noncustodial parent's income > 120% custodial parent's income			.114**	.012
Noncustodial parent's income < 80% custodial parent's income			–.094**	.026
Number and gender of children (compared to 2+ children, both boys and girls):				
One child, boy	–.079**	.021	–.061**	.016
One child, girl	–.047**	.015	–.047**	.014
2+ children, only boys	–.028	.015	–.023	.013
2+ children, only girls	.008	.026	.001	.019
Age of youngest 0–5	.065	.038	.070*	.029
Age of youngest 6–12	.003	.026	.020	.020
Children from previous partners (compared to neither parent):				
Only noncustodial parent	.089**	.020	.058*	.023
Only custodial parent	.034	.024	.001	.018
Both	.143**	.050	.037	.042
Characteristics of couple:				
Years father is older than mother	–.005**	.001	–.003*	.001
Length of marriage	–.001	.002	.000	.001
Location (compared to other urban counties):				
Rural	–.123**	.004	–.034**	.008
Milwaukee County	–.091**	.002	–.080**	.004
Constant	.892**	.046	.907**	.031
R <sup>2</sup>	.041		.285	

Note.—Sample size = 3,764 divorces: 1,483 in the 1996–98 period and 2,281 in the 2004–7 period. Model also includes indicator variables for missing income for the noncustodial parent, the custodial parent, or both, and county dummies. TANF = Temporary Assistance for Needy Families; AFDC = Aid to Families with Dependent Children; SNAP = Supplemental Nutrition Assistance Program. The standard errors are clustered by county to adjust for correlations among cases within a county.

\*  $p < .05$ .

\*\*  $p < .01$ .

children, whether either parent had a child with another partner, and the age difference between parents, demonstrates that those who filed for divorce in the later period (2004–7) had a lower likelihood of having an order even after accounting for these characteristics. The coefficient on the period indicator is  $-.105$ , showing that, with these characteristics

controlled, divorces from the later period are 10.5 percentage points less likely to have an order. This is comparable to the difference of 10 percentage points shown in table 1 when no characteristics were controlled. Model 2 adds the variables representing custody, income, and welfare participation, our key hypotheses (hypotheses 1–3). Controlling for these characteristics accounts for a substantial portion of the decline in order likelihood; controlling for these variables in addition to the background characteristics shows that divorce cases in the later period are 4.5 percentage points less likely to have an order. Although the magnitude of the coefficient for the period indicator declines, it remains statistically significant; the decline in orders has not been fully explained. Thus, our hypothesis 4, that the decline in orders over time would mostly be explained by changes in custody, changes in income, and changes in welfare receipt, combined with control variables, is not fully supported.

The variables denoting custody are strong predictors of whether there is an order. As anticipated by hypothesis 1, cases with shared custody are substantially less likely to have orders than cases in which the mother is given sole custody (the omitted category). Cases with mother-primary shared custody are about 9 percentage points less likely to have an order, and those with equal-shared custody are about 49 percentage points less likely to have an order. Cases with father-primary or father-sole custody are also substantially less likely to have orders, by 33 percentage points.

The results for noncustodial parents' income provide mixed support for hypothesis 2, that changes in orders would be associated with changes in income. Cases in which the noncustodial parent had low income are not statistically associated with the likelihood of an order, contradicting hypothesis 2a.<sup>15</sup> On the other hand, the results for relative income support our expectations in hypothesis 2b. Cases in which noncustodial parents had less income than custodial parents were less likely to have an order than cases in which the parents' incomes were comparable. Moreover, couples who had comparable income were less likely to have an order than more traditional couples, in which the noncustodial parent had more

15. In our first sensitivity test, we add a dummy variable for noncustodial parents having income less than the poverty threshold (rather than 150 percent of the threshold); the coefficient is not statistically significant. In a second test, we include two dummy variables, denoting noncustodial parent's income below 150 percent of the federal line, and income between 150 percent and 250 percent of the federal line. Neither of these coefficients is statistically different from zero.

income than the custodial parent.<sup>16</sup> We also find mixed support for hypothesis 3. As anticipated, in the cases in which one (or both) parents received SNAP, and thus had less control over the child support process, parents were significantly more likely to have an order. On the other hand, in the cases in which one (or both) parents received AFDC/TANF, parents were not more likely to have an order.

The control variables generally show the expected relationships. For example, parents with only one child were generally less likely to have an order than those with more children. The gender of the children is not strongly related to the probability of an order, as the coefficients for having one boy and one girl are statistically similar to each other, and the various gender combinations for two or more children are not statistically distinct from each other. Parents with preschool-aged children were more likely to have an order than those with only teenagers.<sup>17</sup> When the noncustodial parent had a child with a previous partner but the custodial parent did not, an order was more likely than if neither parent did. The number of years by which the noncustodial parent was older than the custodial parent is linked to a lower likelihood of an order. There are no differences in our final model for cases with various marriage lengths. Those in rural counties and in Milwaukee County were less likely to have an order than those in urban counties other than Milwaukee.<sup>18</sup>

As discussed above, our base models characterize individuals based on custodial status rather than by gender as mother or father. A sensitivity test that separates noncustodial mothers from noncustodial fathers shows that this is reasonable. For example, in the base model, the coefficient for a

16. In a sensitivity test, a continuous measure of relative income, operationalized as the noncustodial parent's income divided by the total, indicates a similar relationship; an order is less likely as the noncustodial parent's income decreases relative to the custodial parent's.

17. A continuous measure of the child's age provides the same conclusion.

18. In a sensitivity test, we consider whether business cycles are related to the decline by adding indicator variables for years; if the business cycle is critically important, the coefficients for the years of the Great Recession should show the lowest likelihood of an order and coefficients on the years when the Wisconsin economy was its strongest (1999–2000) should be largest. This is not the result. For example, the year with the highest likelihood of an order is 2002, when unemployment in Wisconsin was at its highest point prior to the Great Recession. Similarly, the year with the lowest likelihood of an order is 2004, when unemployment was fairly low. We conclude that while the economy may be important, it is not driving our conclusions about a lowered likelihood of an order in the latter period.

noncustodial parent having low income is not significant; in the sensitivity test, neither a noncustodial father having low income nor a noncustodial mother having low income is significant. Similarly, the coefficients for noncustodial mothers having more income than custodial fathers and for noncustodial fathers having more income than custodial mothers are both positive, and the coefficients for noncustodial parents having less income than custodial parents are both negative. Moreover, when only the noncustodial parent had children with another partner, an order was more likely, whether the noncustodial parent was male or female. Thus, the coefficient patterns suggest that it is custodial parent status that matters. More importantly, the main conclusions from the more complicated model are identical to the base model: custody, income, and welfare status are all important in explaining some of the decline in orders, but they do not explain the total decline.

#### EXPLORING POTENTIAL DIFFERENCES IN THE ORDER DETERMINATION PROCESS ACROSS COHORTS

The models discussed above constrain the estimated relationships between family characteristics and probability of an order to be identical across the two time periods, allowing only for a fixed difference in the probability of an order in the later period. An alternative, fully interacted model reveals a few statistically significant differences in the coefficient estimates across the two periods, as shown in table 3. Cases in which the noncustodial parent's income was more than 120 percent of the custodial parent's income (traditional cases) were more likely to have orders than cases with comparable incomes in both periods; however, the difference in order likelihood between these two case types is larger in the later period than the earlier period. The differences between other urban counties and rural counties or Milwaukee County have decreased over time. Other coefficients are similar between the periods; an *F*-test shows that the fully interacted model does not provide a better fit statistically.<sup>19</sup> The finding that the

19. We calculate the *F*-statistic comparing the full and restricted models with county fixed effects. However, we do not use robust standard errors clustered by county due to limited sample sizes for combinations of some independent variables. We present robust standard errors in table 3 for consistency; the significance levels of all coefficients remain identical in the model with and without standard errors clustered by county.

**TABLE 3.** Likelihood of Having a Child Support Order: Separate Models

	Earlier (1996–98)		Later (2004–7)		Coefficients Differ?
	Coefficient	SE	Coefficient	SE	
Placement (compared to mother-sole):					
Shared, mother primary	-.070	.038	-.096**	.028	
Shared, equal	-.526**	.028	-.473**	.025	
Shared, father primary or father-sole	-.324**	.031	-.332**	.046	
Income and welfare participation:					
Noncustodial parent low income	.016	.040	-.053	.029	
Received SNAP	.020	.037	.067*	.025	
Received TANF/AFDC	.023	.032	-.066	.060	
Relative income (compared to parent's income similar):					
Noncustodial parent's income > 120% custodial parent's income	.089**	.015	.132**	.016	*
Noncustodial parent's income < 80% custodial parent's income	-.099**	.025	-.093*	.035	
Number and gender of children (compared to 2+ children, both boys and girls):					
One child, boy	-.058*	.022	-.065**	.021	
One child, girl	-.030	.016	-.058**	.019	
2+ children, only boys	-.028	.019	-.013	.018	
2+ children, only girls	.034	.024	-.012	.029	
Age of youngest 0–5	.046	.026	.086*	.038	
Age of youngest 6–12	-.008	.023	.036	.032	
Children from previous partners (compared to neither parent):					
Only noncustodial parent	.046	.033	.068	.038	
Only custodial parent	-.005	.054	.006	.026	
Both	.082**	.021	.019	.069	
Characteristics of couple:					
Years father is older than mother	-.002	.002	-.003*	.001	
Length of marriage	-.001	.002	.001	.002	
Location (compared to other urban counties):					
Rural	-.087**	.006	.000	.013	**
Milwaukee County	-.116**	.008	-.056**	.005	**
Constant	.973**	.032	.814**	.045	*
<i>N</i>		1,483		2,281	
<i>R</i> <sup>2</sup>		.331		.260	

Note.—Models also include indicator variables for missing income for the noncustodial parent, the custodial parent, or both, and county dummies. TANF = Temporary Assistance for Needy Families; AFDC = Aid to Families with Dependent Children; SNAP = Supplemental Nutrition Assistance Program. The standard errors are clustered by county to adjust for correlations among cases within a county.

\*  $p < .05$ .

\*\*  $p < .01$ .

higher-income noncustodial parents were even more likely to have an order in the later period, compared to similar-income parents, is important, but our basic conclusions—that divorce cases were less likely to have an order in the later period, controlling for a variety of characteristics, and that custody, income, and welfare explain some, but not all, of the decline—hold in both models.<sup>20</sup>

As a final step, we conduct a standard Blinder-Oaxaca decomposition to explore the extent to which the decline in orders can be accounted for by different characteristics in the two periods. The (unweighted) difference in order likelihood between the two periods is 10.2 percentage points. A decomposition using the most recent period as a base suggests that a little more than half (5.5 percentage points) of the change is related to the difference in characteristics, with 3.9 percentage points related to differences in coefficients and 0.8 percentage points due to the interaction. Comparable figures using the earlier cohort as the base are 6.4, 4.7, and -0.8. We also evaluate the magnitudes of these influences in a nonlinear decomposition (Sinning, Hahn, and Bauer 2008) using a probit model for orders and taking the most recent period as the base: the difference in characteristics contributes to a difference in the order rate by 6.4 percentage points, another 5.0 percentage points can be accounted for by the difference in coefficients, and the interaction of characteristics and coefficients reduces the order rate by 1.2 percentage points. Comparable figures from the perspective of the earlier cohort are 5.2, 3.8, and 1.2 percentage points. The basic result is again confirmed: changes in the characteristics of cases explain a little more than half of the time trend. Thus, hypothesis 4, that the characteristics of cases would explain the time trend, is not fully supported.

## DISCUSSION

The proportion of custodial parents with child support orders has been decreasing despite significant policy attention. We measure changes in the prevalence of child support orders and explore reasons for these changes by focusing on divorce cases because the factors associated with orders

20. Although the coefficient on SNAP is not statistically different from zero in the earlier period and is different from zero in the later period, the coefficients are not different from each other in the two periods.

may differ for divorce and nonmarital cases and there are substantially more divorce cases among those potentially eligible for child support. We find some support for our hypotheses that cases that share custody, cases in which the noncustodial parent has lower income than the custodial parent, cases in which parents have relatively similar incomes, and cases that are not required to cooperate with the child support system are less likely to have orders. The shifting characteristics of cases (including who has custody) explain a substantial part of the trend, but even controlling for placement, income, and family structure, more recent divorce cases were less likely to have orders than those parents coming to court for a divorce about a decade earlier.

The complex connections between demographic and economic characteristics, custody, and orders make it difficult to distinguish the role of custody and other characteristics in accounting for the probability of a child support order. Because families' characteristics—for example, the number of children or parental income—may influence custody decisions, the likelihood of an order, and the likelihood of an order given custody, the simple exercise we undertake here is necessarily limited. Nonetheless, it provides some indication of the potential importance of considering changes in the characteristics of families served, and especially of changes in custody, in assessing whether the child support system is successful in establishing orders. In assessing the success of the child support enforcement system, we must account for changes in the families served. We find that orders were substantially less likely when parents shared custody, but this is not the only story. Even among mother-sole custody cases, the proportion with an order declined over this period, and in the multivariate analysis, a significant time trend remains even when we control for custody and a variety of other characteristics. If shared custody means that noncustodial parents are more involved financially with their children outside the formal child support system, this could mean that children are less likely to need formal child support. But there is very limited systematic information available on the economic well-being (or, indeed, broader measures of well-being) of children in shared-custody families (Bartfeld 2011). Without further research, it is difficult to know whether the lack of child support orders in these cases is a significant problem.

Another potential reason for the decline in orders is that there are now more couples with comparable incomes, and child support orders are less likely among these cases. If the underlying principles of child support were

tied to income equalization, then the lack of orders might be considered appropriate. But the principle underlying child support in most states is continuity of expenditure, and this principle suggests that there should still be an order in these cases. In part, this divergence is about whether child support is essentially for the custodial parent or for the child. Parents with similar incomes may have less interest in negotiating child support. However, if child support is the right of the child, then parents' relative incomes are less relevant. Adjustments to the child support guidelines were made in 2004 that suggested lower obligations for low-income noncustodial parents (though they did not suggest that orders were unnecessary). This research does not find evidence that those adjustments led to a lower likelihood of orders, as the coefficient on low-income noncustodial parents is not statistically significant in either period and is not statistically different across periods.

This research is limited. We focus on divorces from several counties within a single state, so the extent to which these results are generalizable to other locations is unknown, primarily because no other locations have this type of rich data on physical custody over a long period of time. These data are particularly useful for the historical analysis undertaken here. They are also important in revealing dramatic changes in where children are supposed to live after divorce. Given these surprising changes and the growing diversity of custody arrangements, it will be increasingly vital to develop additional data from other locations that capture information on post-divorce arrangements. In addition to limitations on generalizability, our analysis is fundamentally a reduced-form exercise, unable to determine the underlying causal links. Although we control for some observable characteristics, the empirical strategy ignores selection into marriage; if some couples who married (and then divorced) a decade ago are comparable to couples who cohabit and then split today, these couples would be excluded from the second cohort since we consider only divorce cases. Other unobserved variables could also be important in the order-setting process.

Notwithstanding these limitations, this analysis documents important trends in custody and income and provides estimates of the extent to which these changes may account for changes in orders. Given the growing diversity of physical custody arrangements, it is increasingly important to distinguish absent parents who fail to pay support from engaged parents whose direct care responsibilities may render a child support order inappropriate,

or in other words, to distinguish deadbeat dads from full-time (and part-time) dads. These two situations have very different implications for child well-being and for evaluations of the performance of the child support enforcement system.

#### NOTE

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