

Child Support Debt and Father-Child Relationships

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Background

Since 1975, total child support arrears (outstanding payments) have accumulated to over \$114.5 billion.ⁱ Child support arrears are comprised not only of delinquent payments on current orders, but may also include interest, fees, and retroactive support for periods before the orders were established.ⁱⁱ For families who have received public benefits, a portion of the non-custodial parents' arrears may also be owed to the state to recover TANF costs. Further, after the initial order is set, some states charge high interest rates on missed or delinquent payments.ⁱⁱⁱ

In nine large states, including New York, 70% of child support arrears are owed by obligors with no reported income or incomes of less than \$10,000.

About one-quarter of non-custodial parents in the child support program have limited ability to pay, and low-income fathers owe a disproportionate amount of the outstanding child support arrears.^{iv} In nine large states, including New York, 70% of arrears are owed by obligors who had no reported income or incomes of less than \$10,000.^v

Consequences for Low-Income Parents

In addition to being largely uncollectible, there is growing concern that child support arrears may have unintended consequences for low-income parents, such as reductions in fathers' employment and current child support payments.^{vi,vii} Fathers with high child support debt also struggle in establishing and maintaining relationships with their children.^{viii,ix}

Low-income non-custodial parents may have significant debt at the time their order is set and can be required to pay up to 65% of their disposable income to meet these obligations.^{vii}

"It's piling up and piling up...you know, I could never catch up. I'm just in this mountain of debt that it seems impossible to get out of...let me pay this damn thing off so I can get a bank account and a life and a drivers' license and be a real human being and not just feel like a prisoner. It's like I'm being punished because I have kids. And I have a really close relationship with my children. We love each other to death, so it's not like I'm a deadbeat."

- Father interviewed by Maureen Waller in NY Child Support Court

New Dataset for New Insights

State-level policies may have a significant influence on whether low-income non-custodial parents accrue child support arrears and the amount of this debt, but we have little systematic data comparing these policies across states over time. To address this gap, a database of state child support policies was compiled for 15 states from 1998-2015. The table below characterizes state approaches over the period, indicating how commonplace policies were and how lenient states were in levying penalties for parents in arrears.

Table 1 – Descriptive Statistics for Child Support Debt Policies across 15 US States: 1998-2015

Variable	% or Mean	Range
Arrears are not automatically charged interest	47%	0 – 1
Amount of interest charged on arrears	6%	0 – 18%
Retroactive orders not allowed	55%	0 – 1
Retroactive birthing costs not allowed	14%	0 – 1
Income imputed on case by case basis	34%	0 – 1
Orders automatically reviewed	50%	0 – 1
Modification possible when incarcerated	55%	0 – 1
Days in arrears until license revoked	85	15 – 180
State has self-support reserve	52%	0 – 1
Minimum support orders available	64%	0 – 1

Note: Higher values indicate policies that are protective of the non-custodial parent, with the exception of interest charged.

Summary of Key Findings

- During slightly more than half of the years included in the data, interest was automatically assessed on child support arrears, at an average rate of 6%.
- In less than half of the years it was possible for states to collect child support retroactively (45%), but in a large majority of the years it was possible to order retroactive payment of birthing costs (86%).
- All states in every year had policies for revoking licenses after a time of nonpayment, ranging from 15 to 180 days. The mean number of days before license suspension was 85 days.

Policy Implications

NYC Office of Child Support Enforcement aims to reduce arrears owed through four initiatives:

1. **Modifying the DSS Order:** helps fathers adjust support orders following changes in their financial situation
2. **Arrears Cap Initiative:** puts a limit on the amount of debt owed to the government
3. **Arrears Credit Program:** reduces arrears by providing a credit of up to \$5,000
4. **Pay it Off Program:** From October 1-31, 2018, the Pay it Off Program gave parents \$2 for every \$1 dollar paid toward child support debt

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