

Child Support Trends

Including 2002 Data

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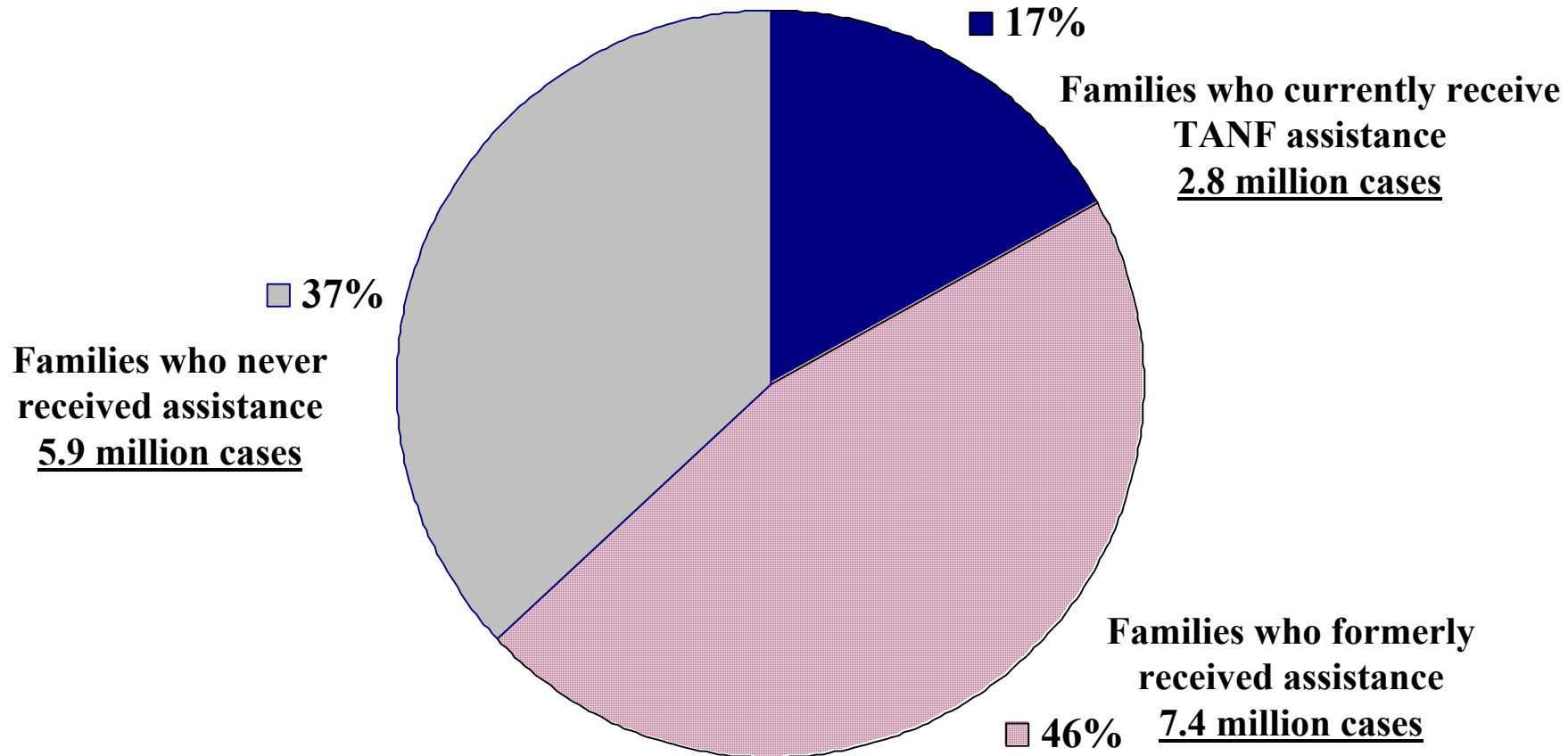
Center for Law and Social Policy

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Office of Child Support Enforcement
Chicago, IL • May 2003

Child Support Program

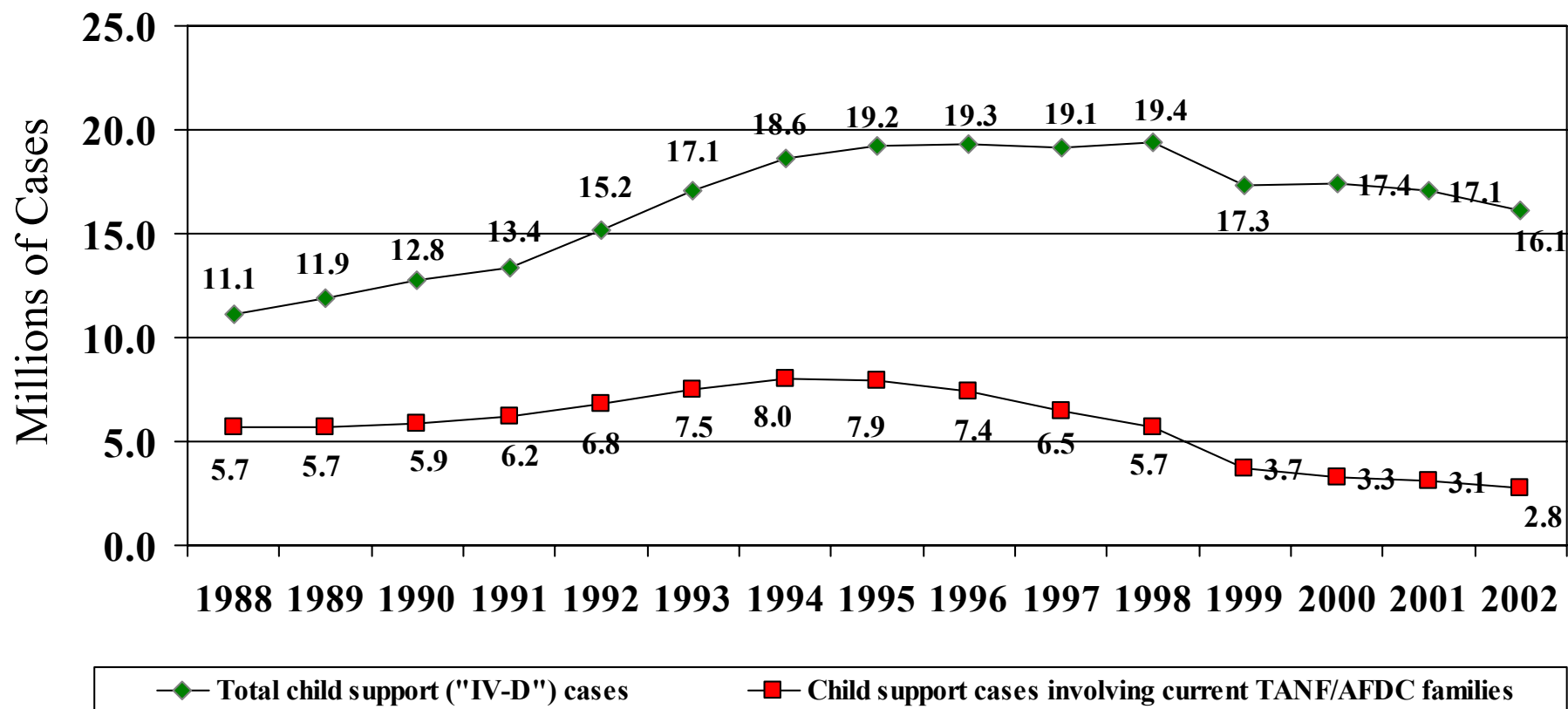
16.1 Million Cases in 2002

The largest group of families participating in the child support program is welfare leavers.



Child Support Program *Caseload Trends* 1988-2002

The decline in welfare cases since 1994 has caused the child support caseload to fall.

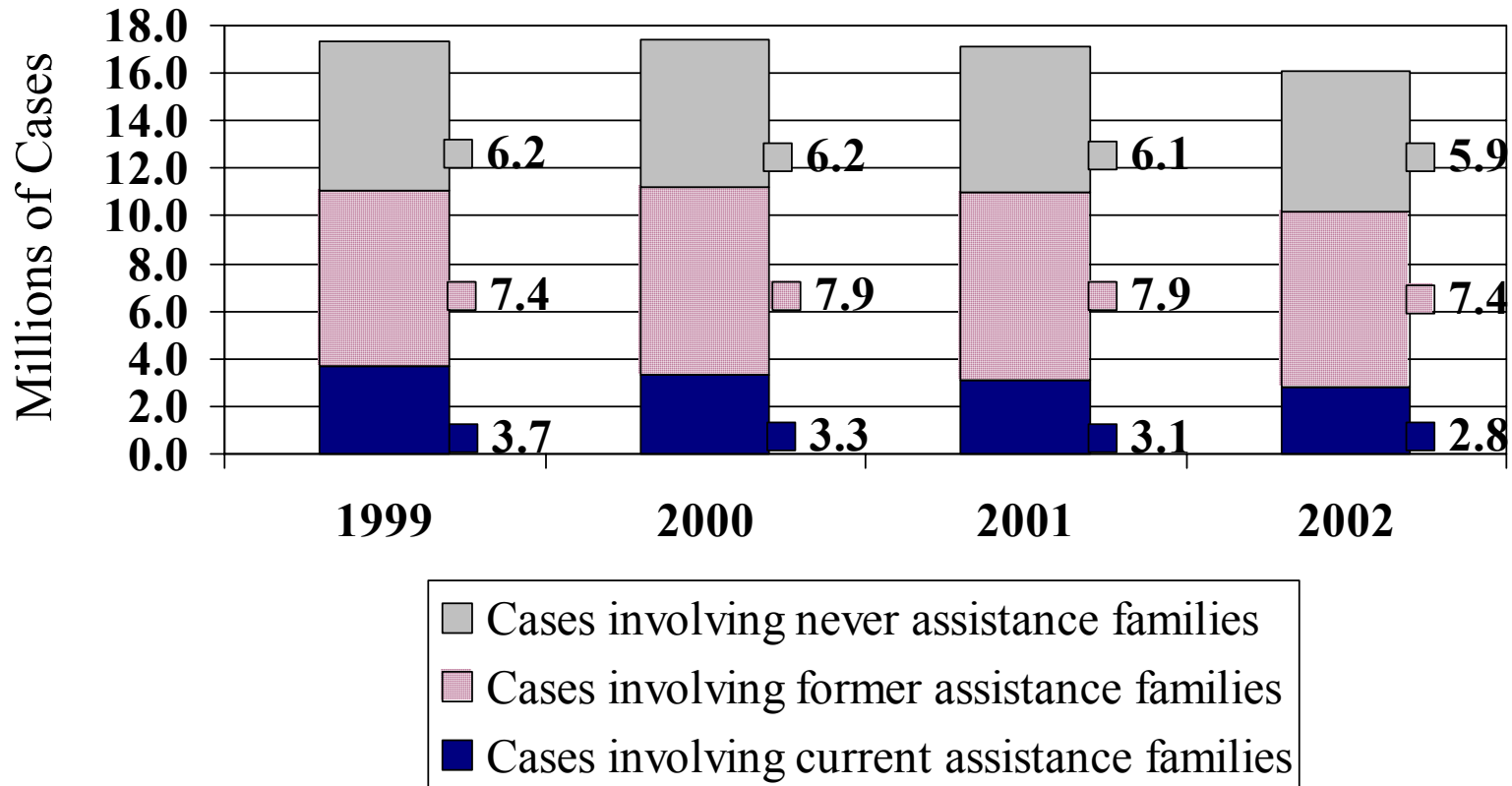


Child Support Program

Caseload Decline

1999-2002

Between 1999 and 2002, the child support caseload declined by 7%. The caseload of current TANF families and the caseload of those who never received TANF declined steadily. Former assistance cases increased, then leveled off.



Child Support Program

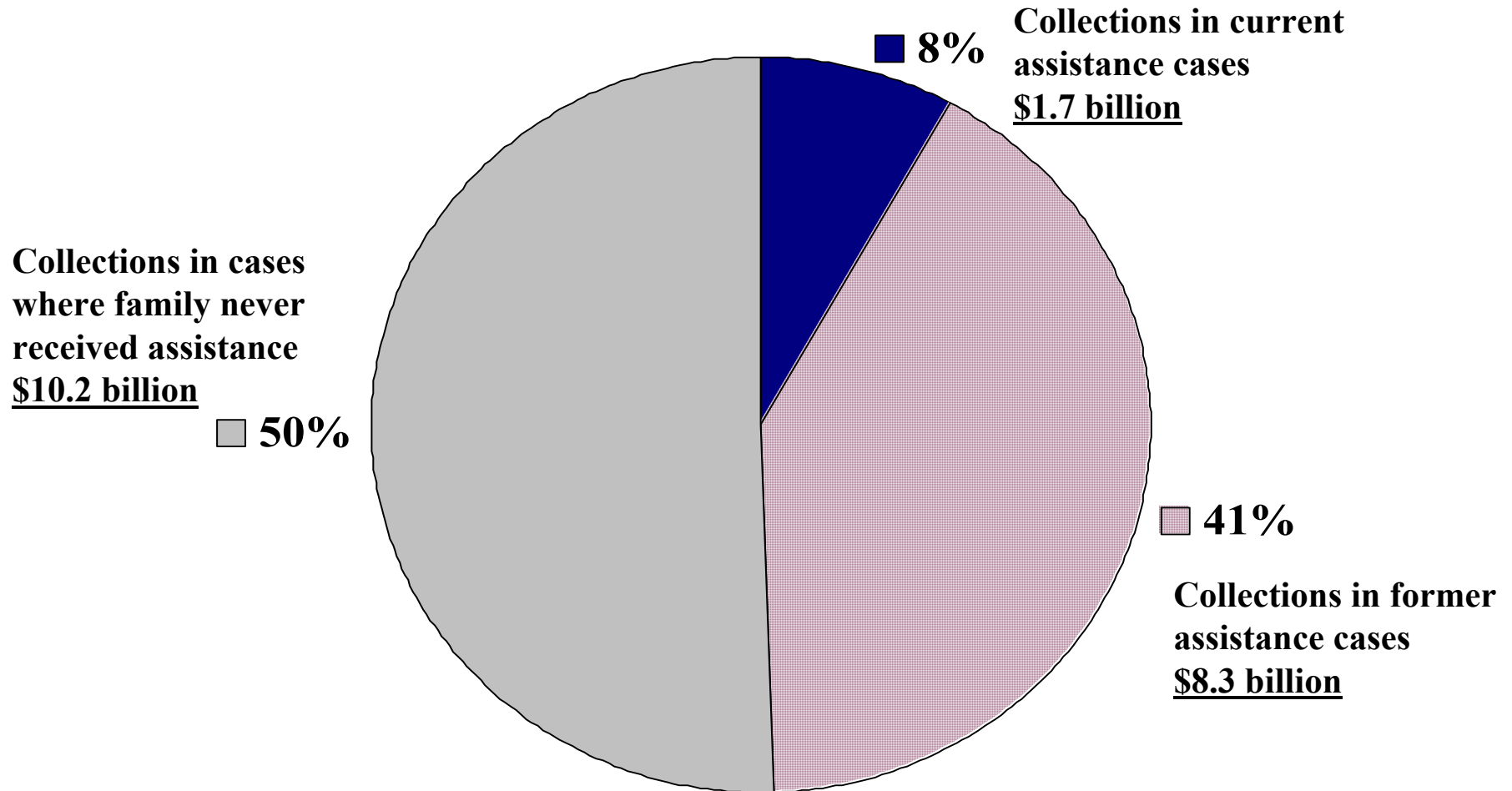
Improved Performance

	1996	2002
Total collections (billions):	\$12 B	\$20 B
Total cases (millions):	19 M	16 M
Percent of cases with support orders:	59%	70%
Collection rate for all cases:	20%	49%
Collection rate for cases with orders:	35%	69%

Child Support Program

\$20.1 Billion Collections in 2002

Over 90% of support is collected for low-income working families who have left welfare or never received it.

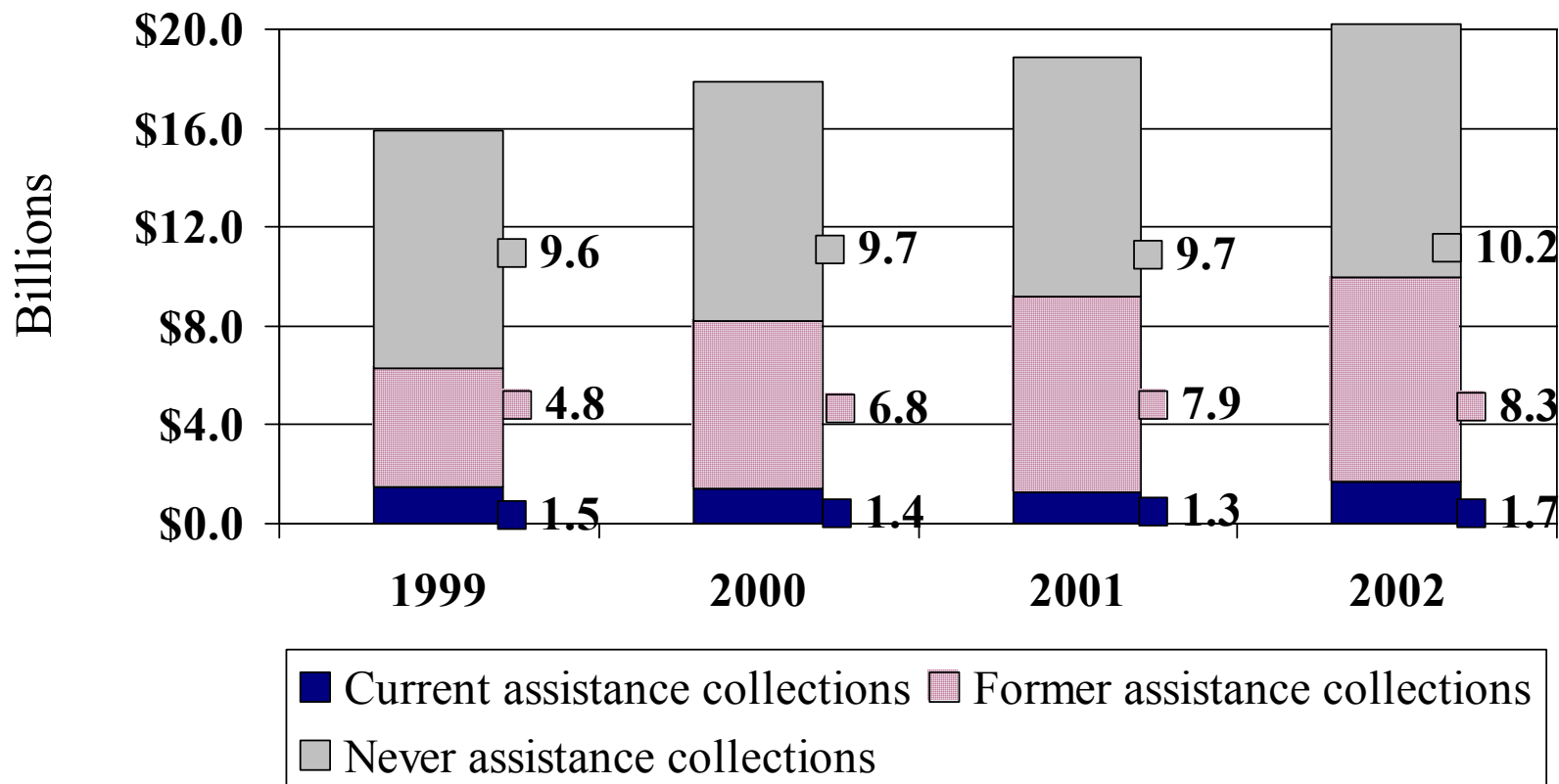


Child Support Program

Increase in Collections

1999-2002

Between 1999 and 2002, child support collections increased 27%. Collections in former TANF cases increased 72%. Collections in current and never assistance cases increased in 2002 after a period of declining or flat collections.



Child Support Program

Collections by Type of Case

2002

	Total IV-D Cases	Current Assistance Cases	Former Assistance Cases	Never Assistance Cases
Cases w/orders	70%	50%	77%	72%
Cases w/collections	49%	29%	51%	55%
Cases w/orders and collections	69%	58%	67%	77%
Average amount of collections in all cases¹	\$1,254	\$599	\$1,125	\$1,728
Average amount of collections in cases with any collections	\$2,575	\$2,087	\$2,201	\$3,130

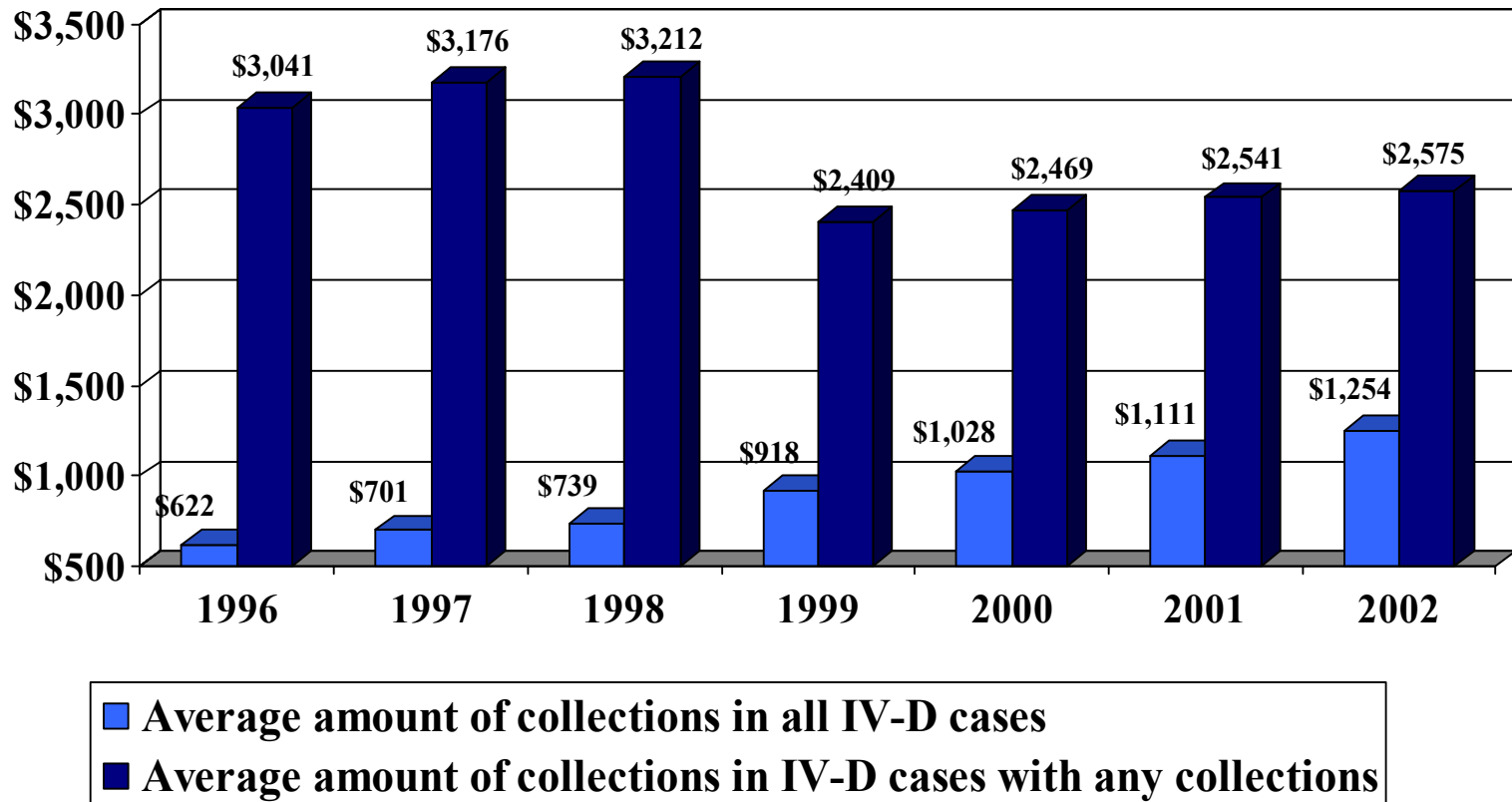
1. Annual average includes IV-D cases with zero collections, including cases lacking established paternity or support orders. Of all cases, 30% lack a support order. Of those cases with a support order, 31% have no collections.

Child Support Program

Average Annual Payments in Cases with Collections

1996-2002

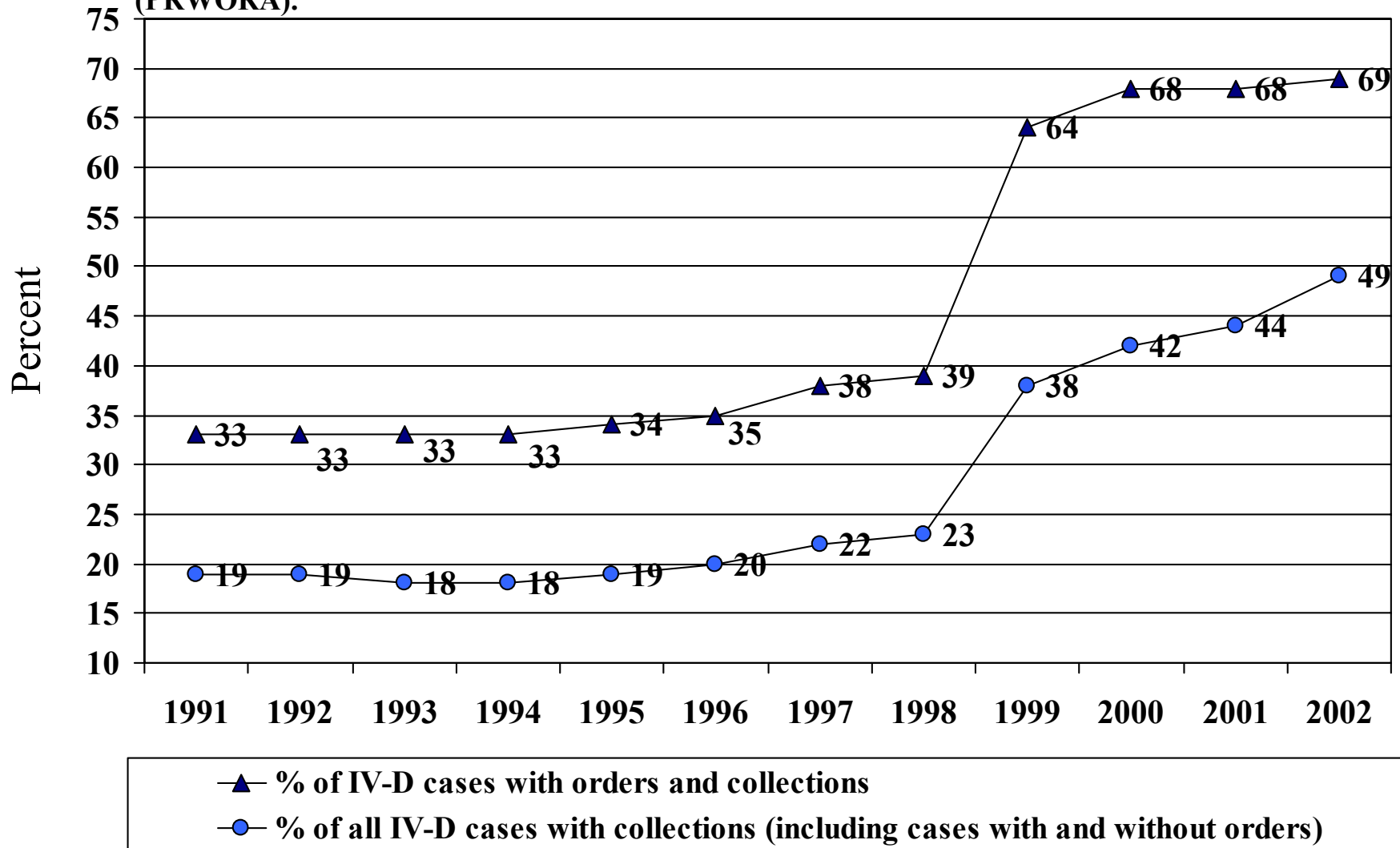
The child support program is collecting support in more cases, but many of these cases do not pay as well.



Child Support Program

Collection Rates, 1991-2002

Collection rates have more than doubled since 1996, due in large part to child support reforms included in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA).

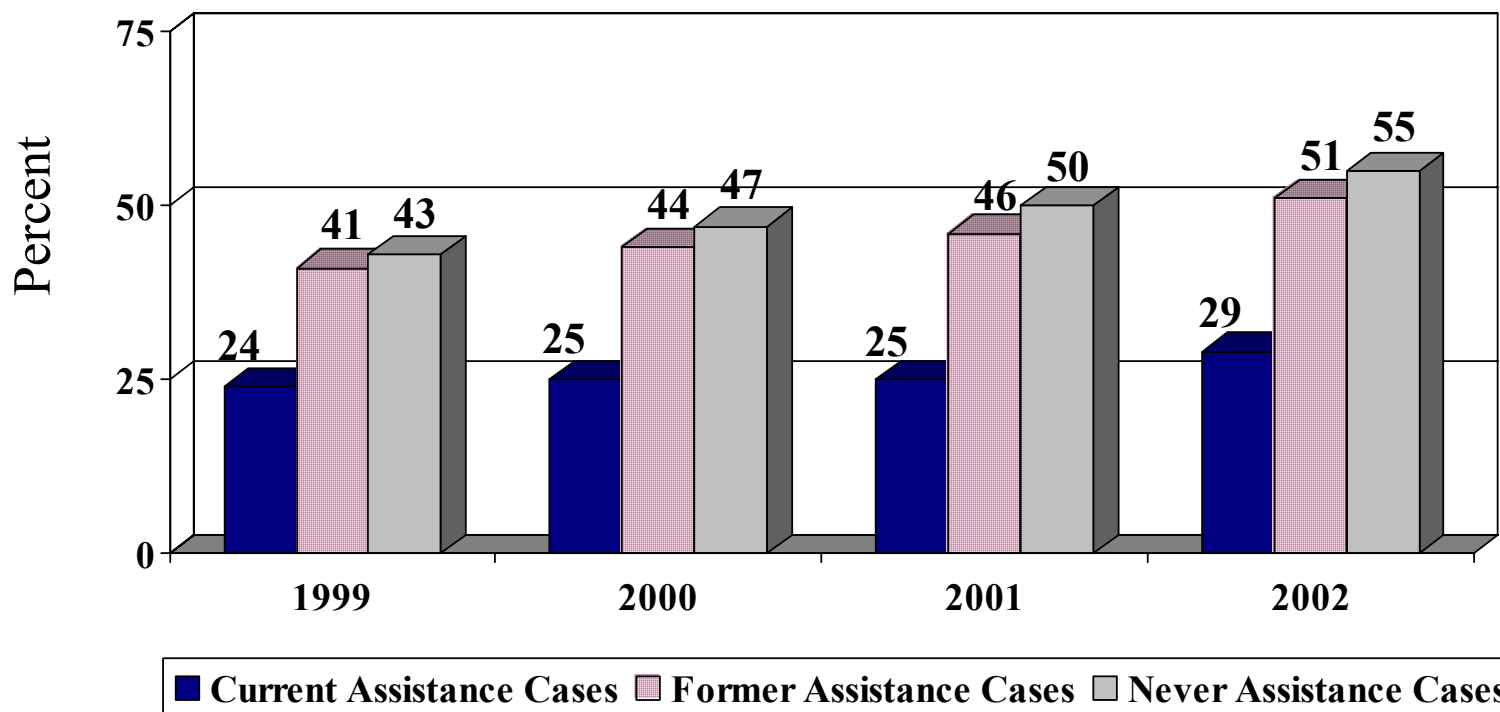


Child Support Program

Percent of Cases with Collections by Type of Case

1999-2002

Collection rates have increased in every category of cases.

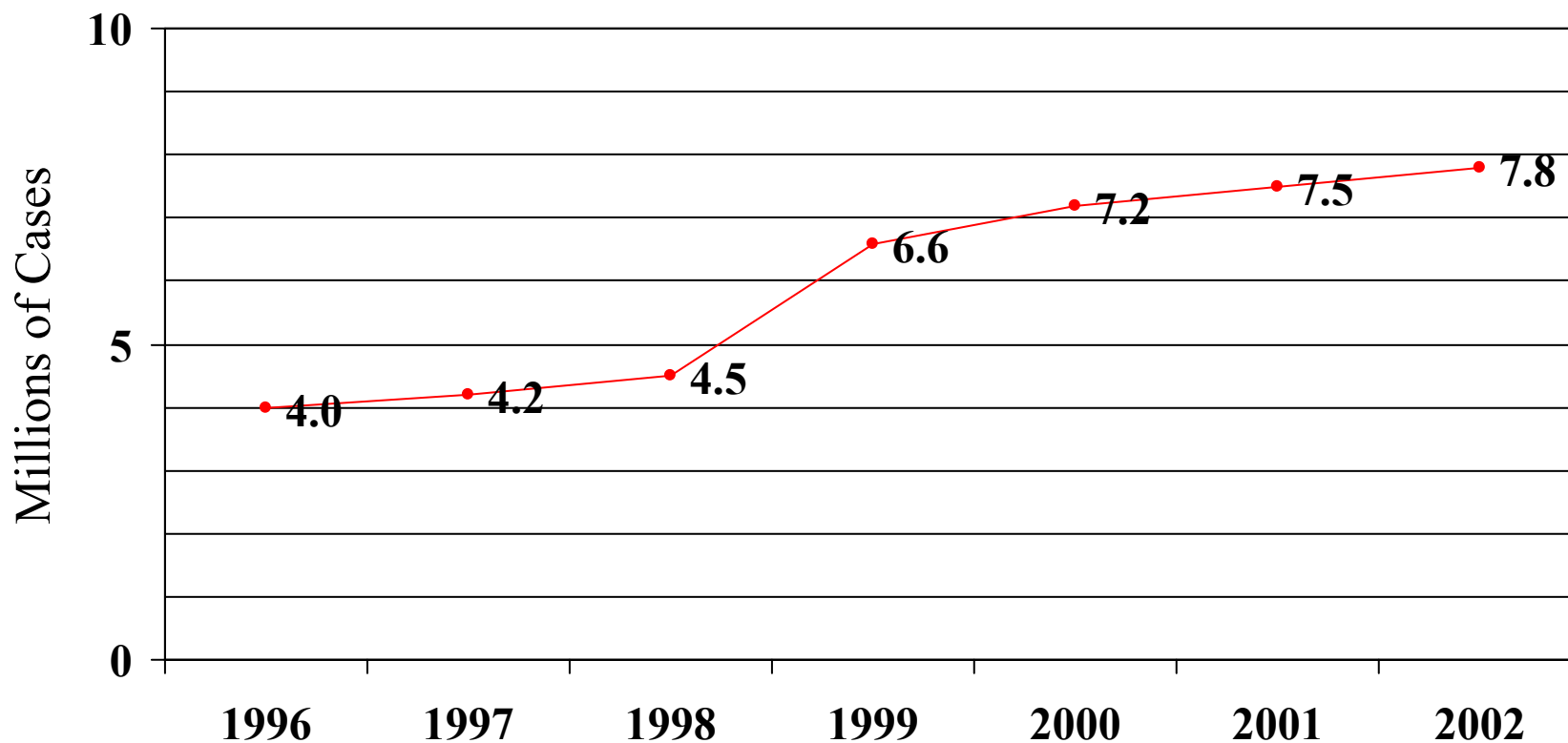


Child Support Program

Number of Cases with Collections

1996-2002

The number of child support cases with collections has doubled since 1996, even though the child support caseload has declined by 17%.

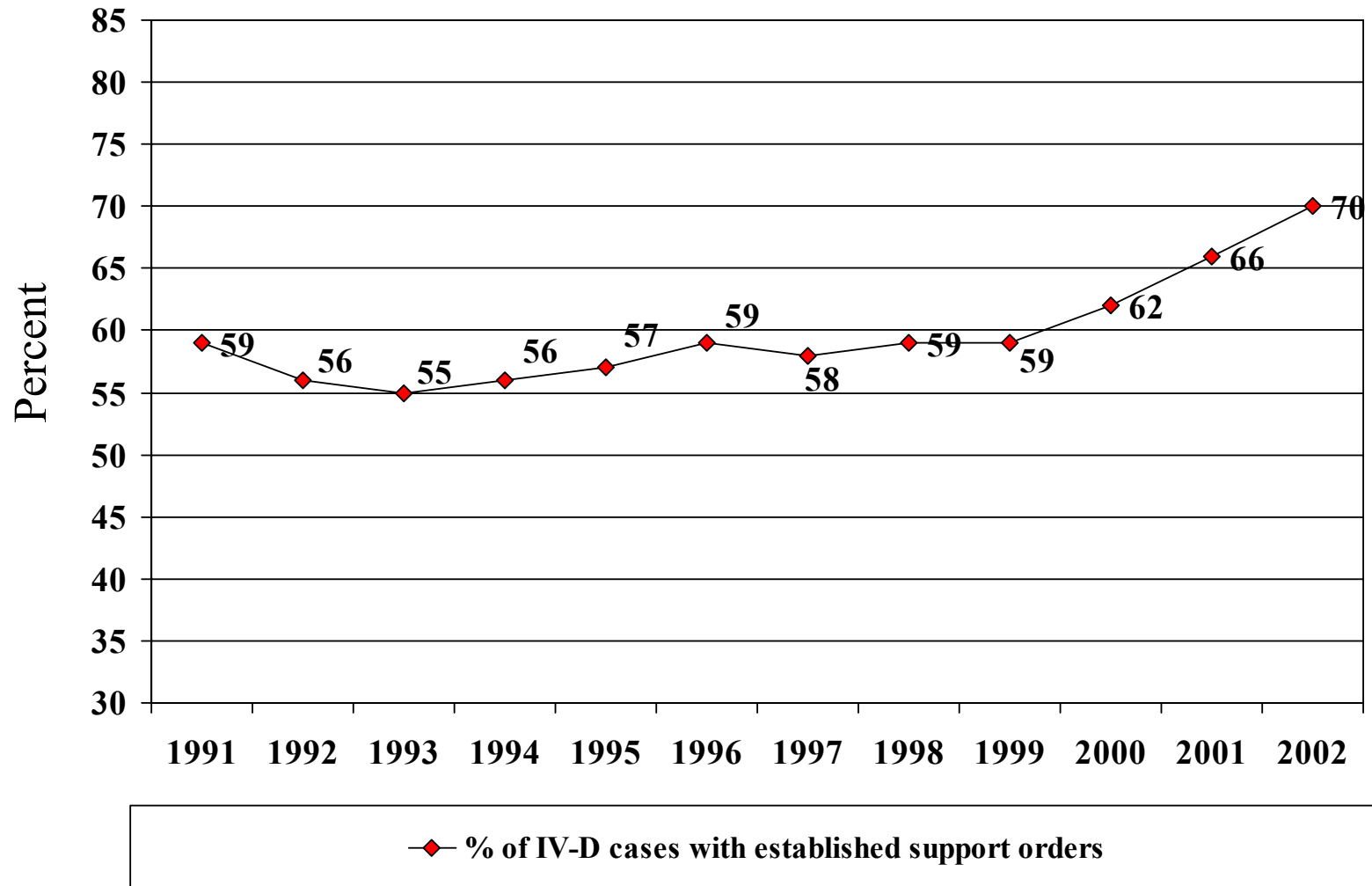


Child Support Program

Percent of Cases with Support Orders

1991-2002

Support order establishment rates have increased sharply since 1999.

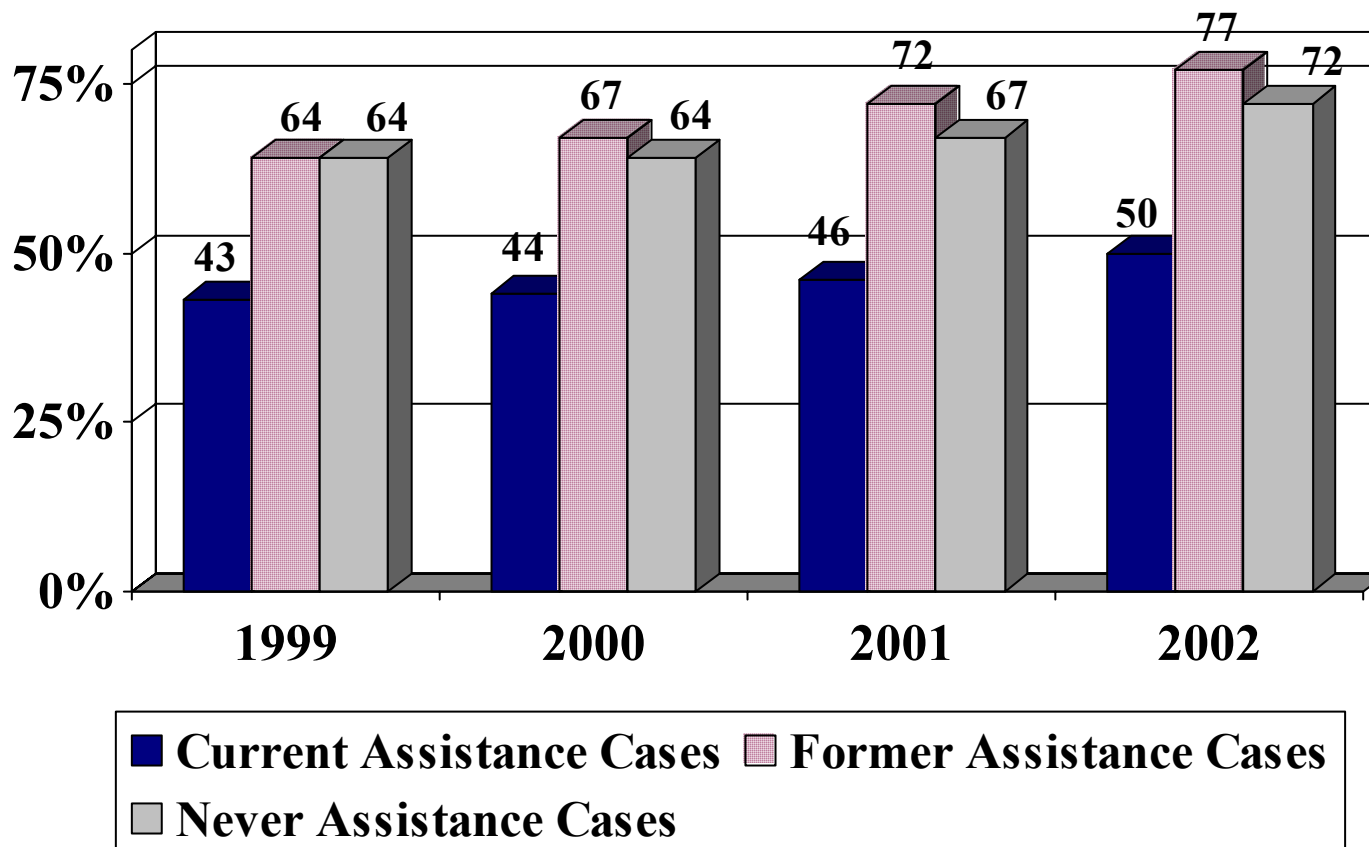


Child Support Program

Percent of Cases with Support Orders by Type of Case

1999-2002

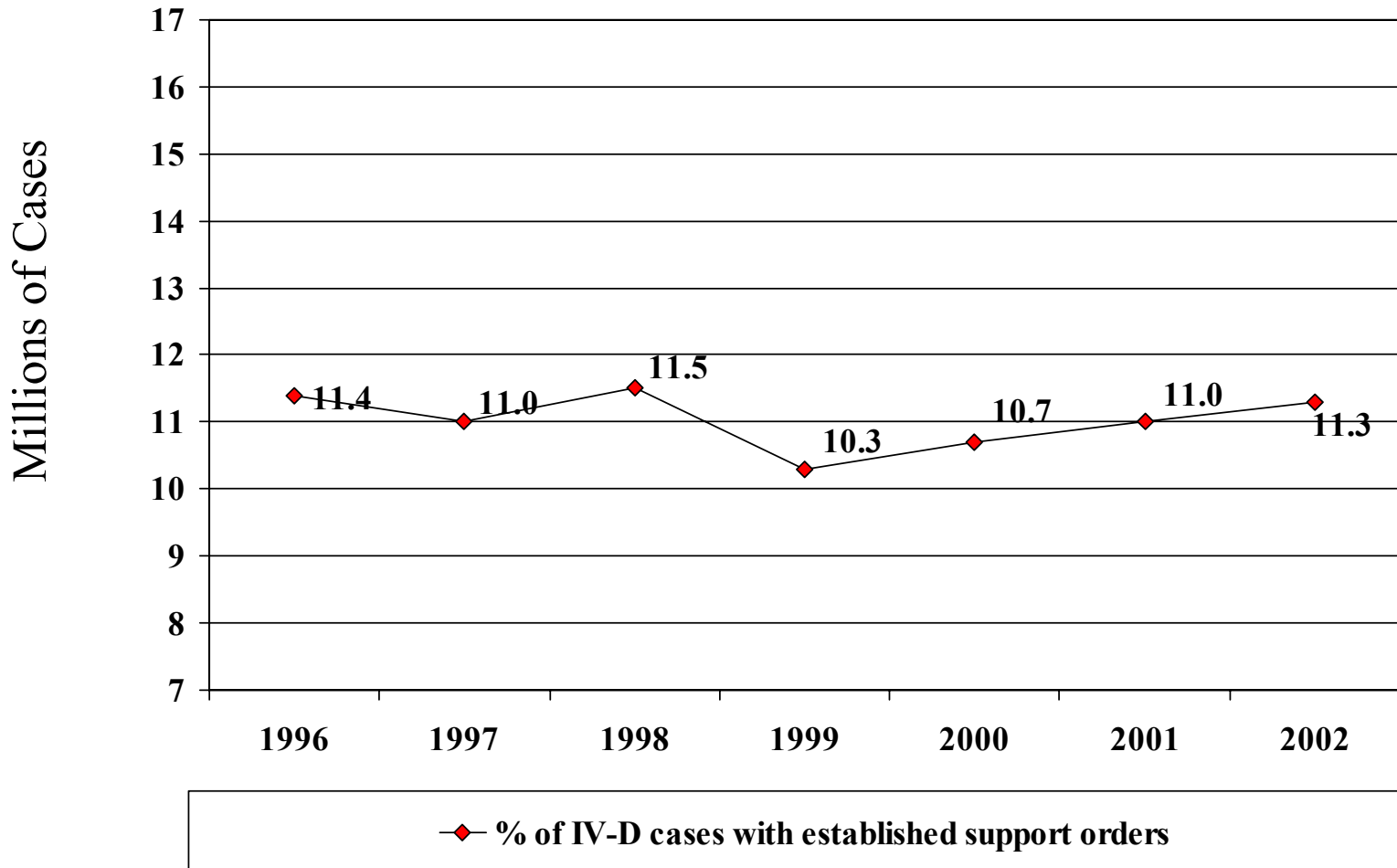
Order establishment rates have increased in every category of cases. Former TANF families are now more likely to obtain a support order than families who never participated in TANF.



Child Support Program

Number of Cases with Orders Established

In 2002, 70% of all child support cases in the program had child support orders, compared to 59% in 1996. Although the proportion of cases with orders has increased since 1996, the number of cases with orders has not.

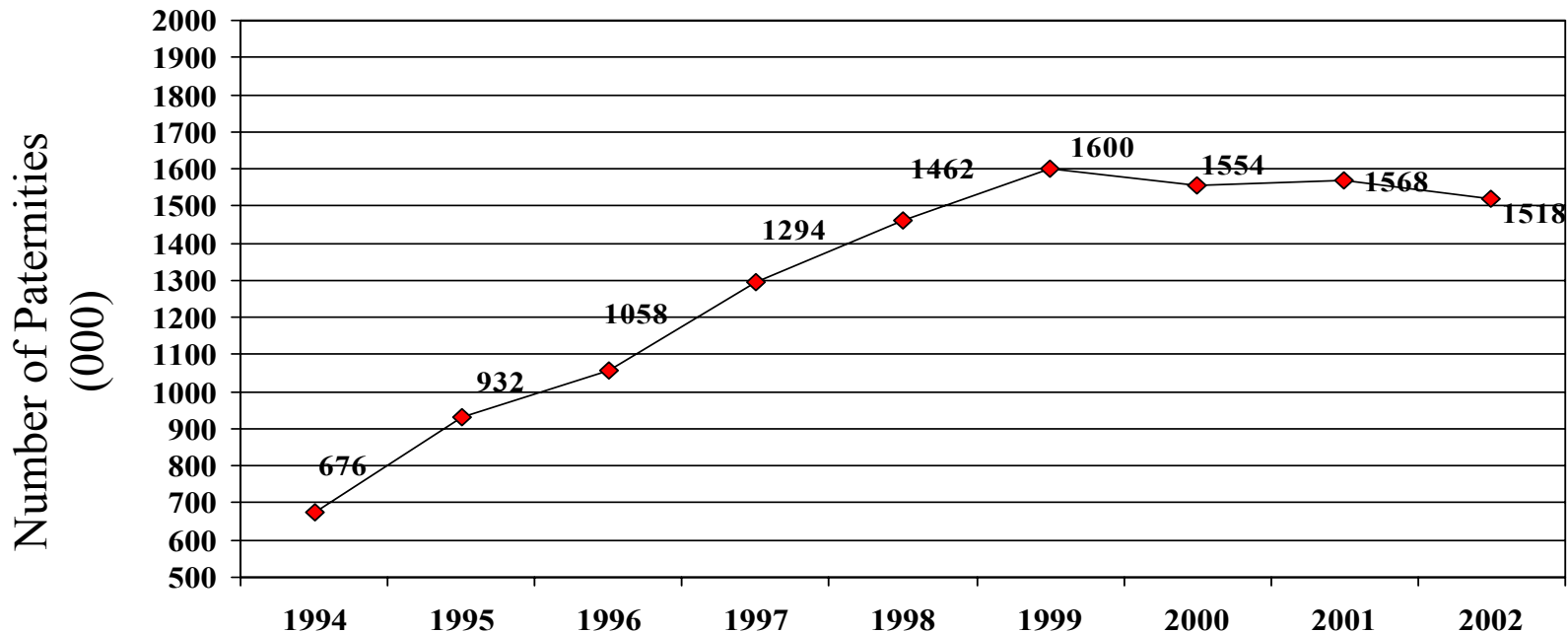


Child Support Program

Number of Established and Acknowledged Paternities Per Year

1994-2002

A child's paternity may be voluntarily acknowledged by the parents in the hospital when the child is born, or established by the court through a legal proceeding. The number of paternities acknowledged or established has more than doubled since 1994, when in-hospital procedures were implemented.¹



1. Numbers include IV-D and non-IV-D children whose paternity is acknowledged in the hospital.

Child Support Program

Performance Rates Used for Incentive Payments

2002

Federal incentive payments are now based on state performance in five areas. The chart shows nationwide performance levels, and the minimum levels a state must meet to receive at least a partial incentive payment.

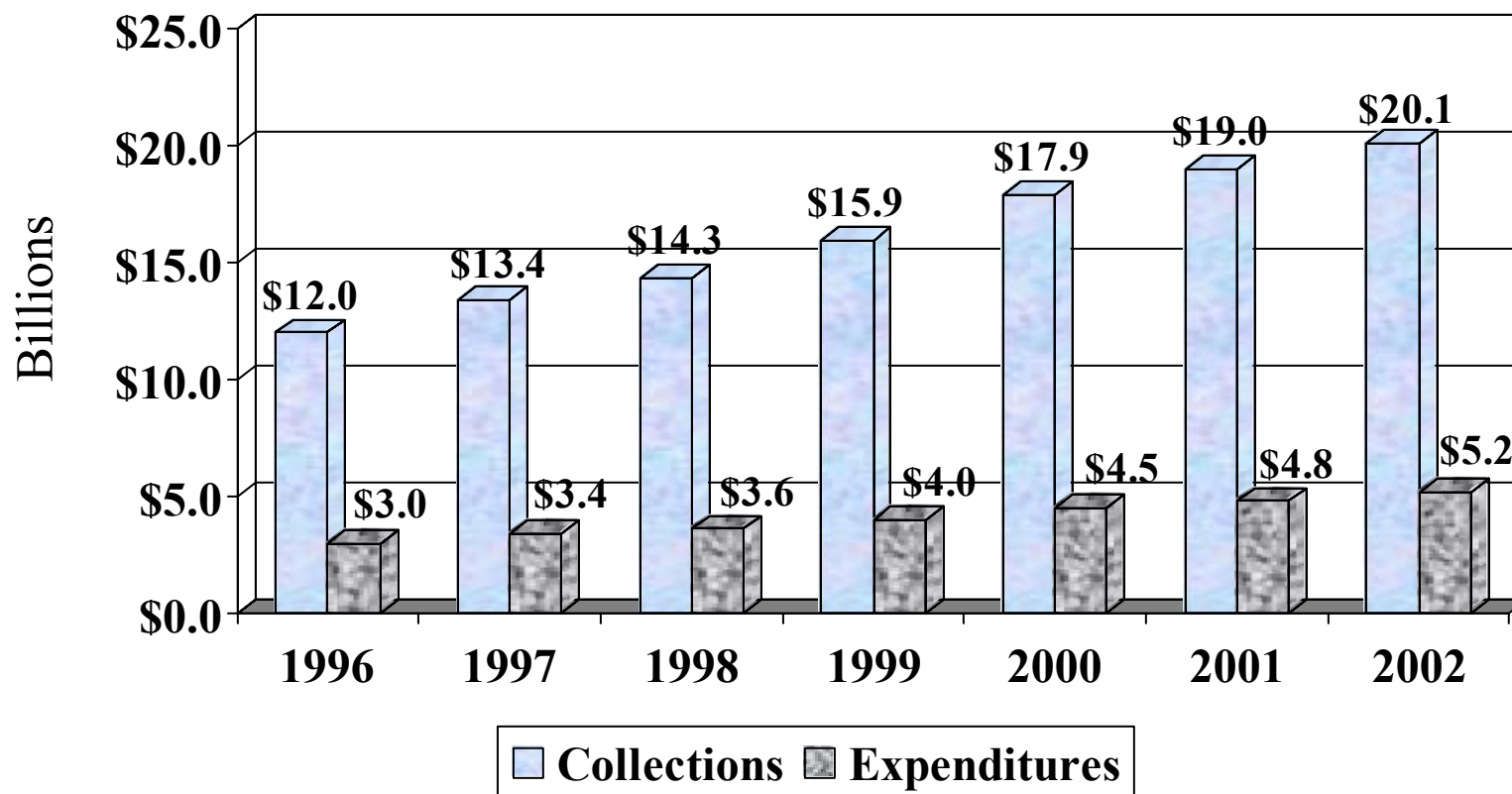
Indicator	Nationwide level	Minimum level
Paternity establishment percentage (IV-D caseload), or	73%	50%, or
Paternity establishment percentage (statewide)	76%	50%
Percent of cases with orders	70%	50%
Percent of current support collected	58%	40%
Percent of cases with arrearage collections	60%	40%
Cost-effectiveness	\$4.13	\$2.00

Child Support Program

Collections and Expenditures

1996-2002

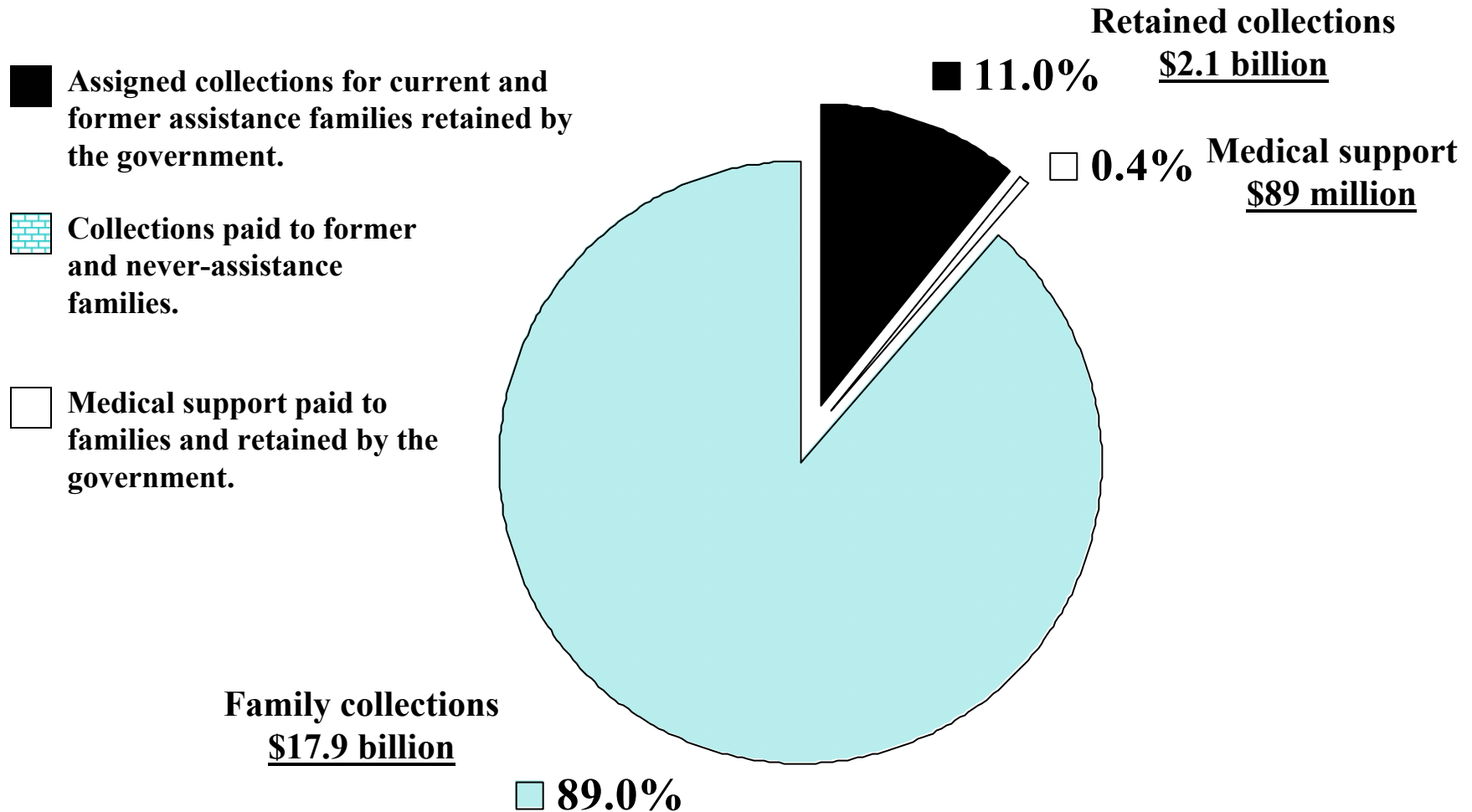
The child support program collects \$4 for every dollar it spends.



Child Support Program

\$20.1 Billion Collections in 2002

Most support collected by the child support program is paid to families, but a fraction of collections are kept by the government to repay welfare and Medicaid benefits.

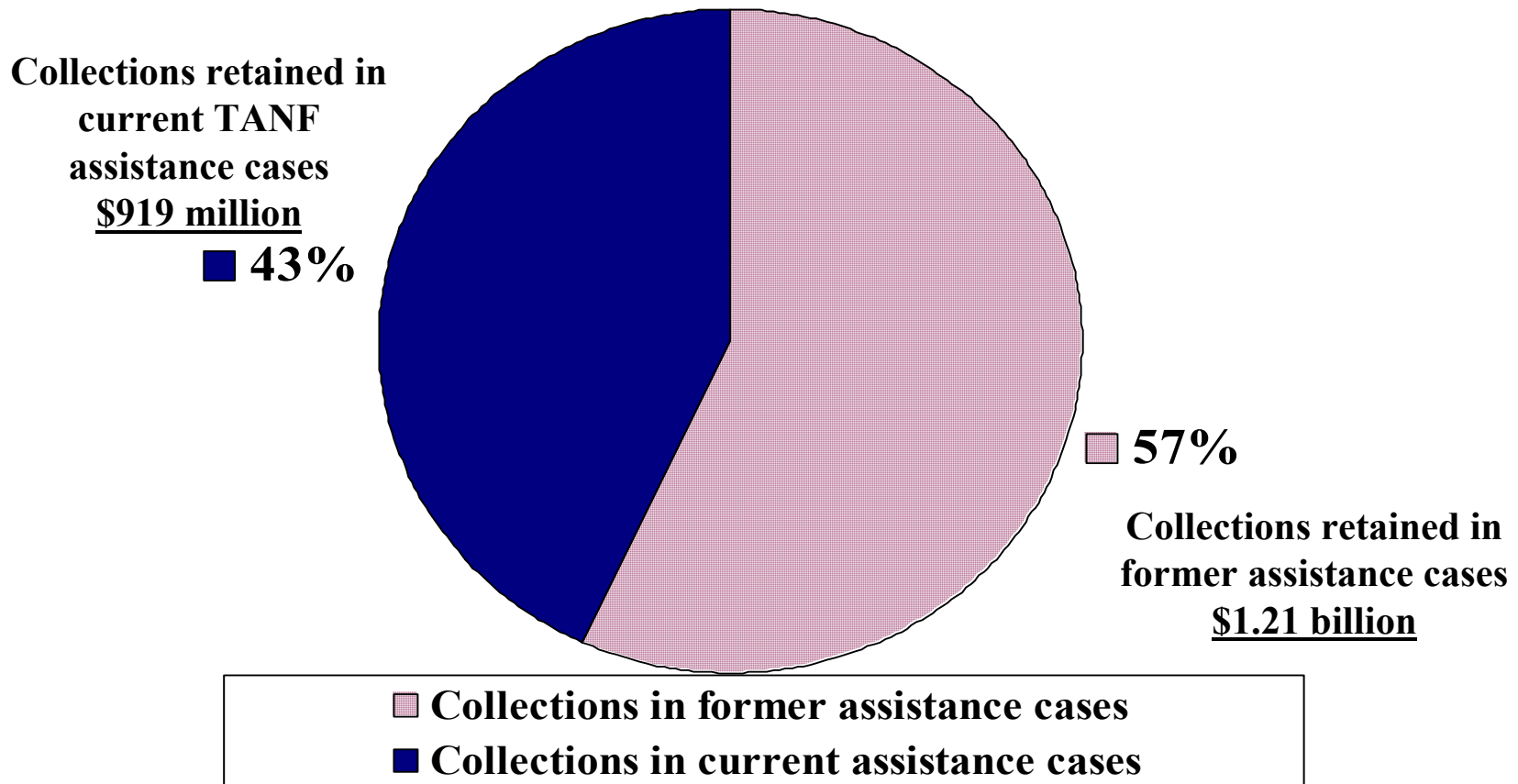


Child Support Program

Retained Collections

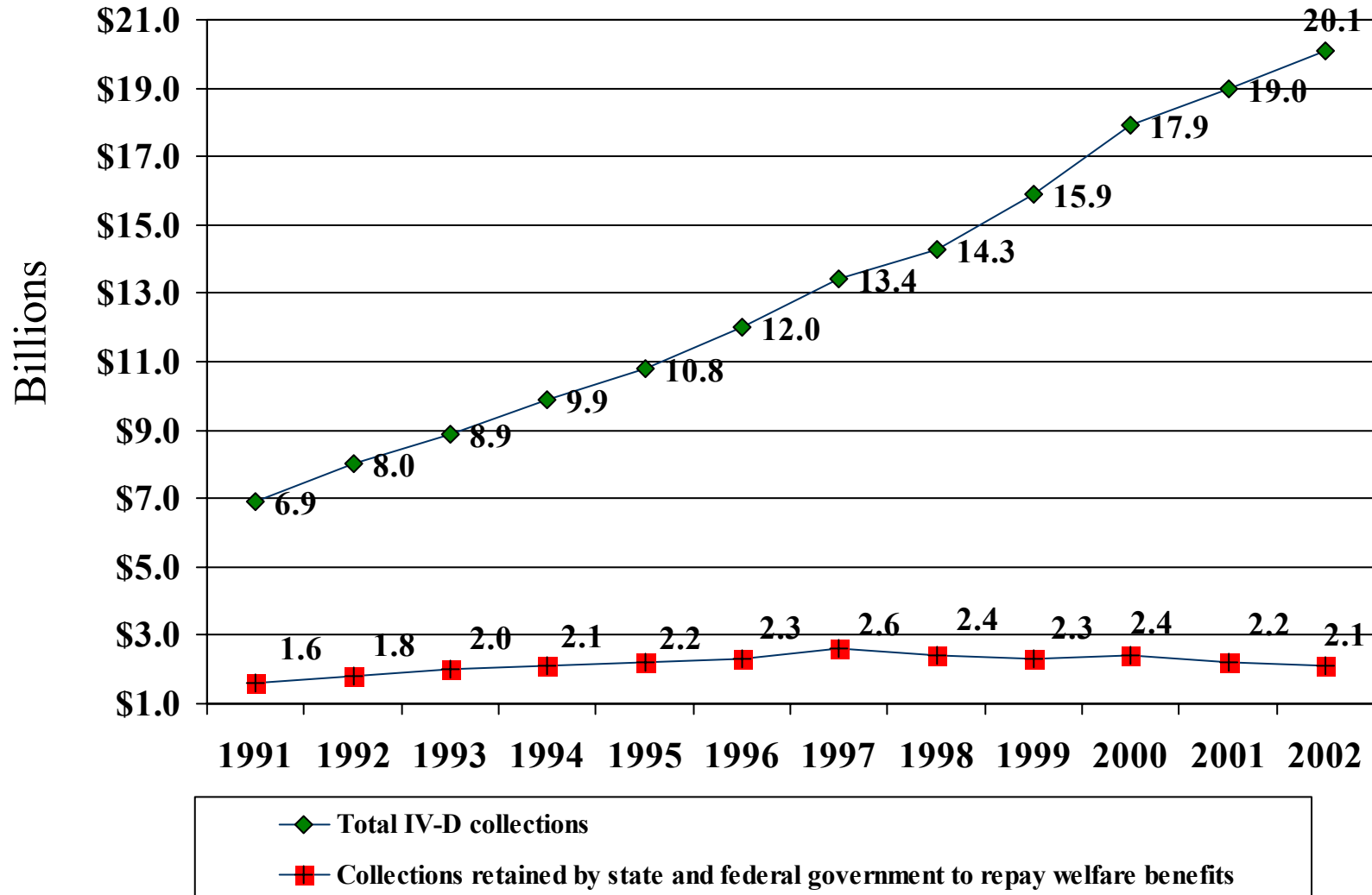
\$2.1 Billion in 2002

More than half of the collections kept by the government are withheld from former TANF families. The government keeps 55% of collections for current TANF families and 15% of collections for former TANF families.



Child Support Program *Collections* *1991-2002*

Although total collections have almost tripled over the last decade, retained welfare collections have declined since 1997.

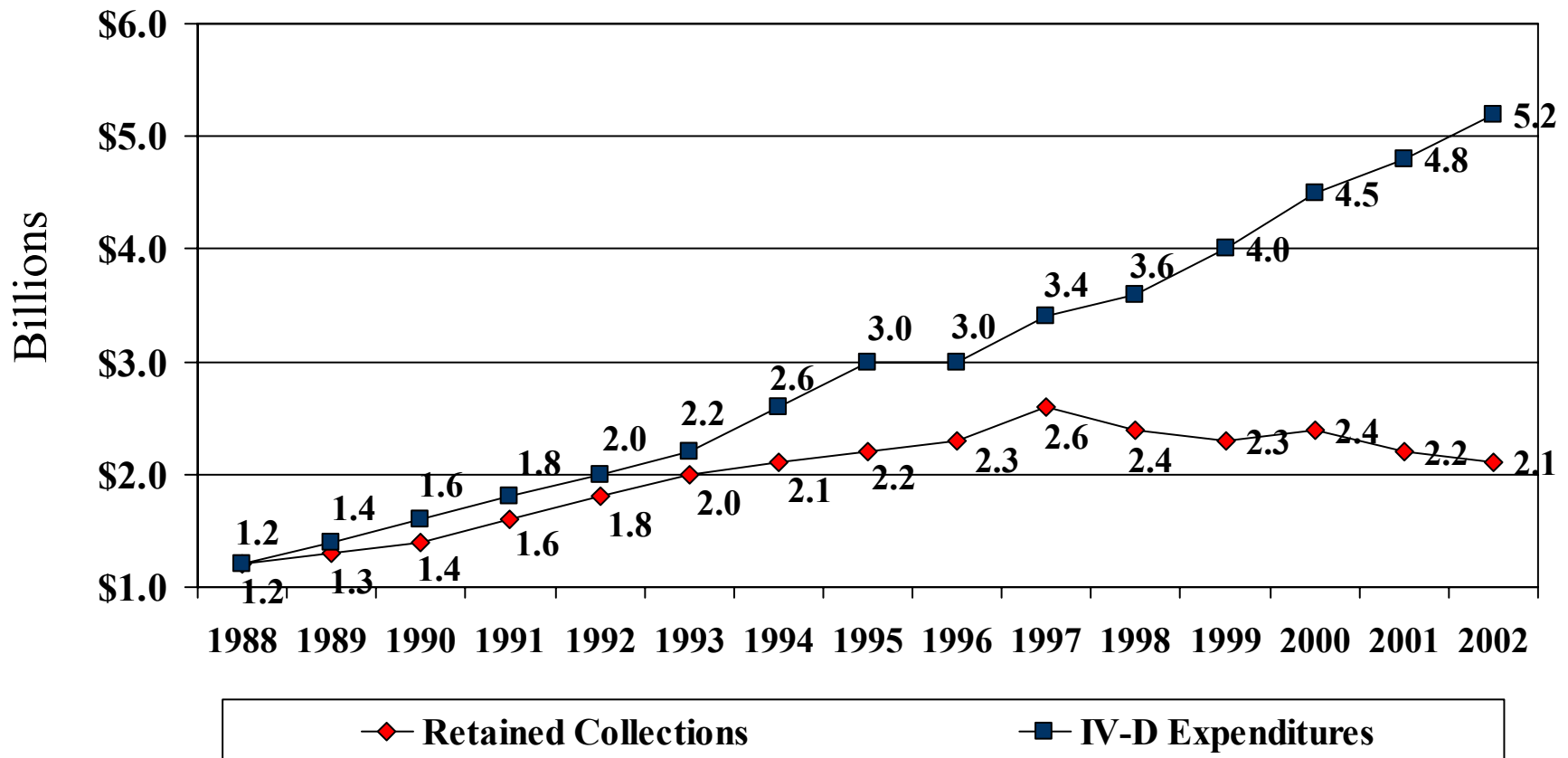


Child Support Program

Retained Collections and Expenditures

1988-2002

The child support program has not paid for itself since 1988, and the gap between program costs and revenues is widening.

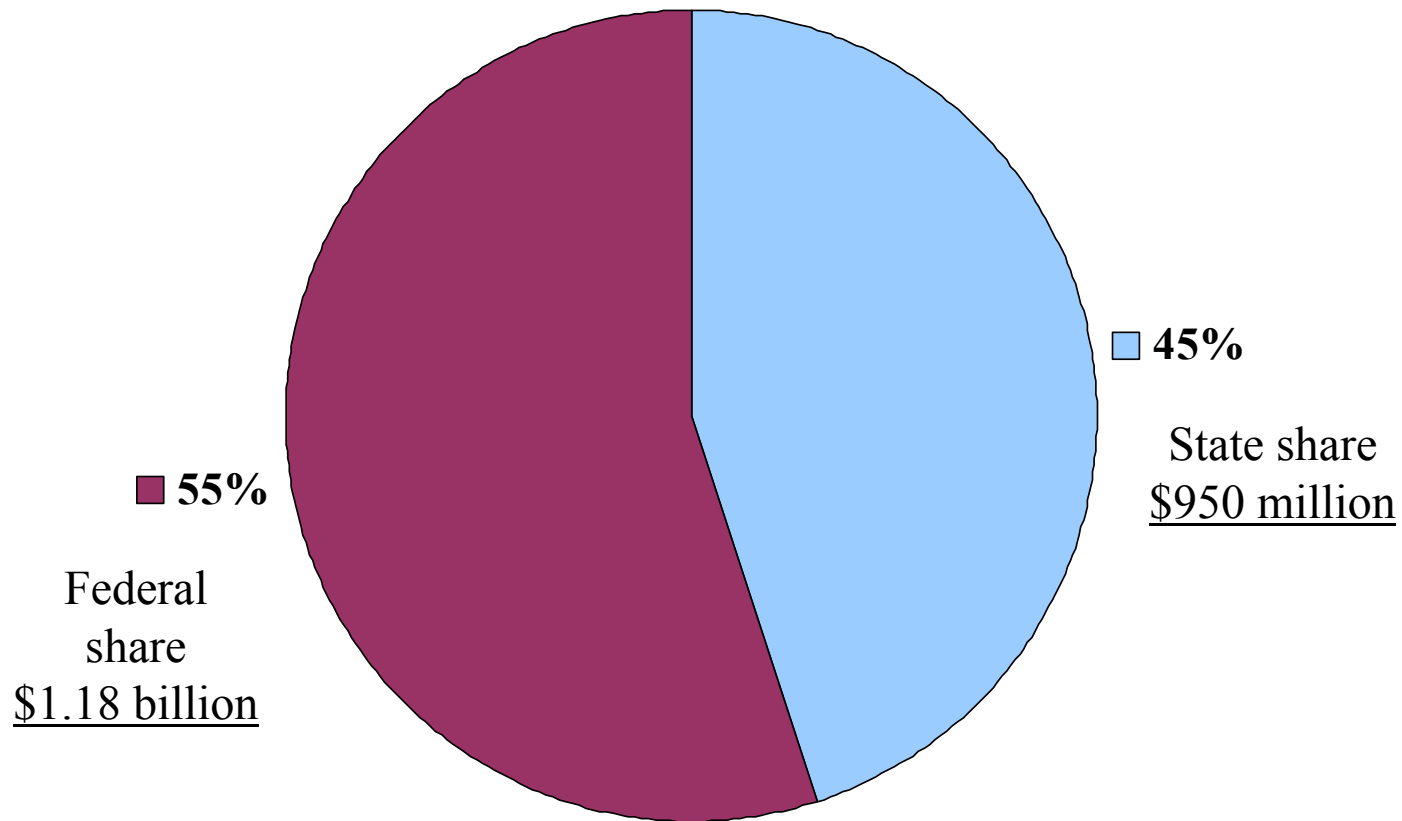


Child Support Program

Retained Collections

\$2.1 Billion in 2002

The state retains collections for current and former assistance families and shares them with the federal government according to the state's Federal Medicaid Assistance Percentage (FMAP).

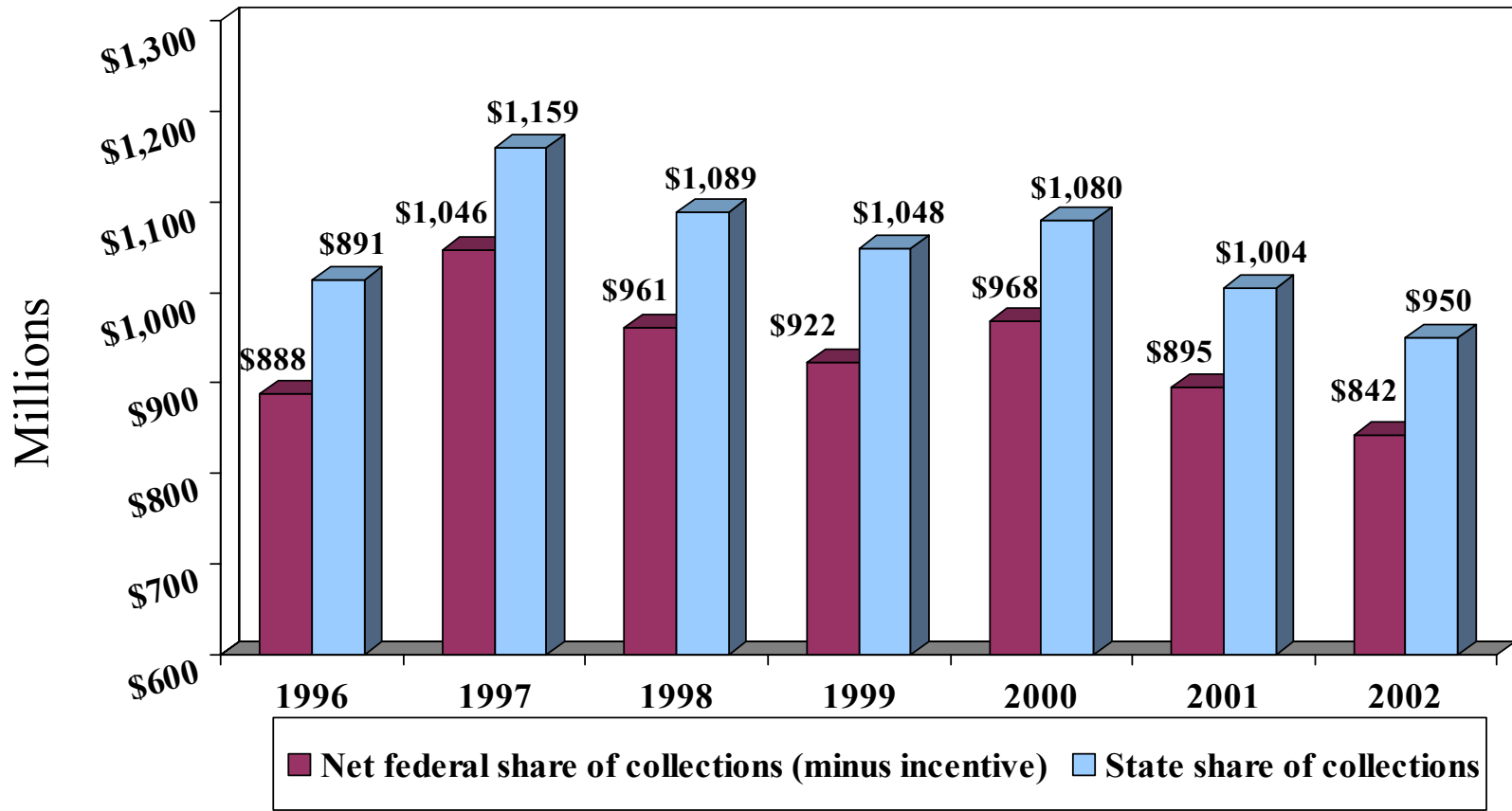


Child Support Program

Federal and State Shares of Retained Collections

1996-2002

Both federal and state shares of retained collections have fallen since 1997 and have returned to pre-1996 levels.



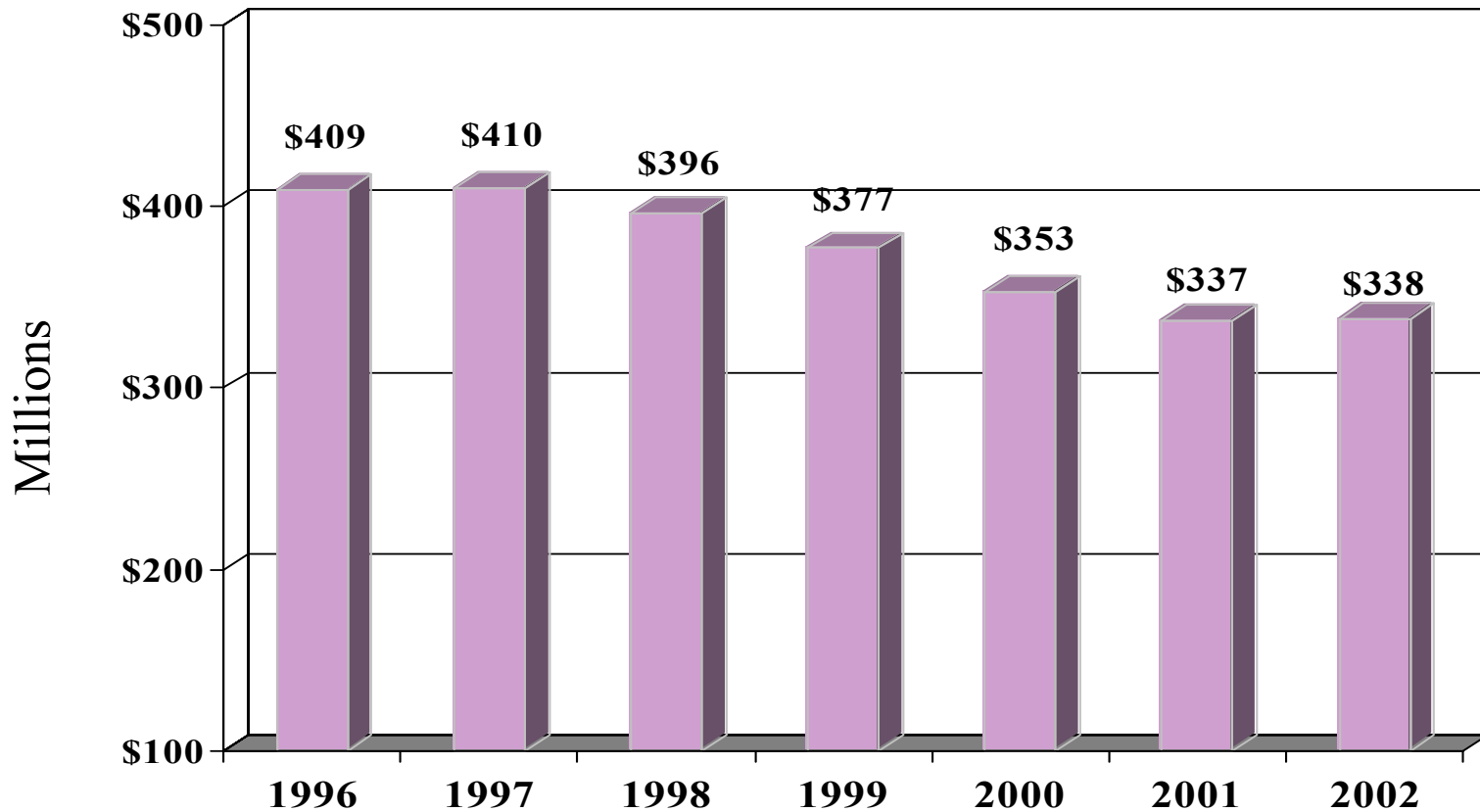
Data source: HHS, unadjusted dollars. Beginning in FY 2002, incentive payments are paid with appropriated dollars, and no longer are paid out the federal share of collections. However, the incentives are subtracted to compare 2002 with prior years. (2002 preliminary data)

Child Support Program

Incentive Payments

1996-2002

Federal performance incentive payments to states have fallen since 1997, in part because of declining welfare collections and in part because of new performance requirements.



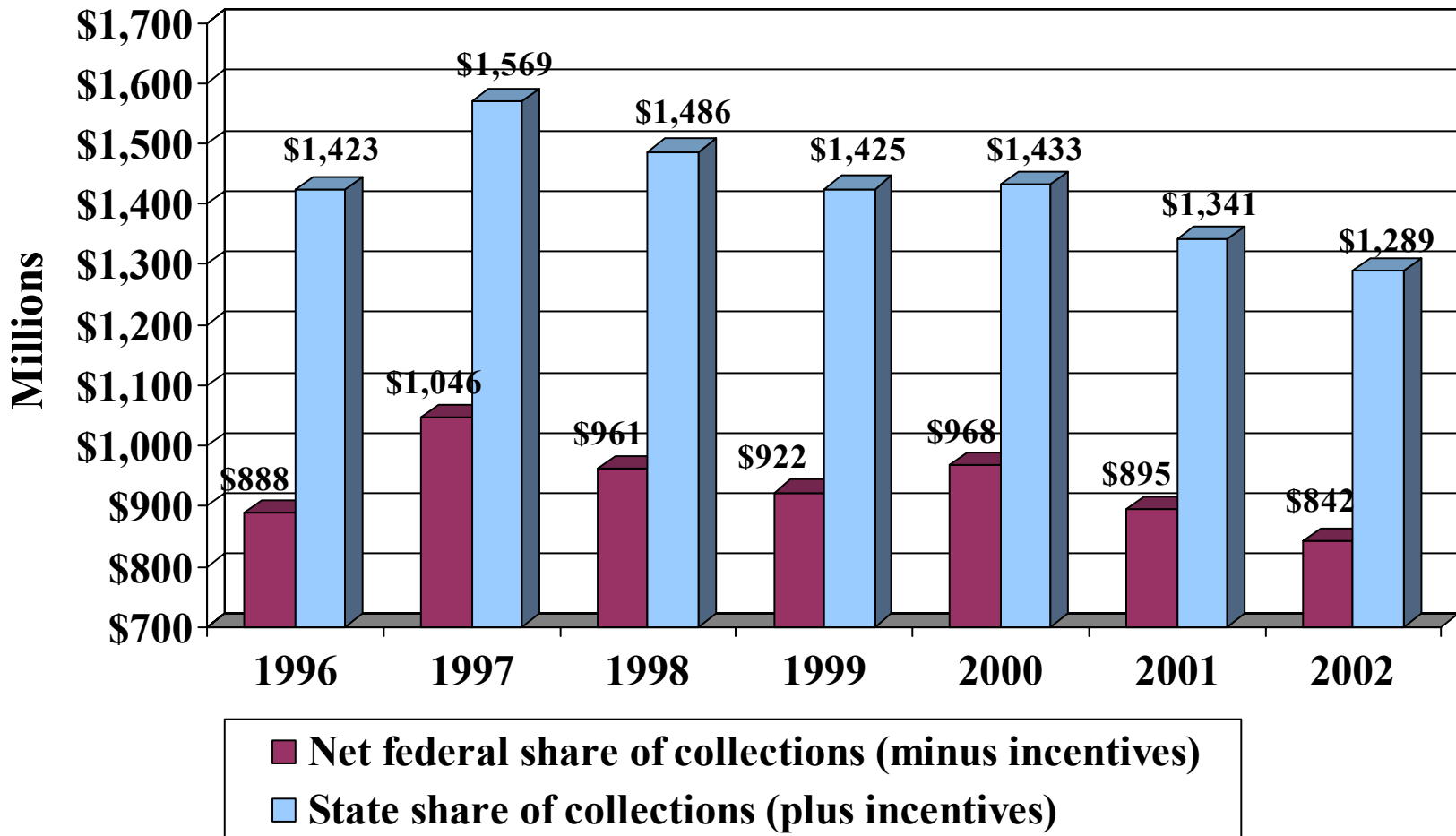
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Child Support Program

Net Federal and State Revenues

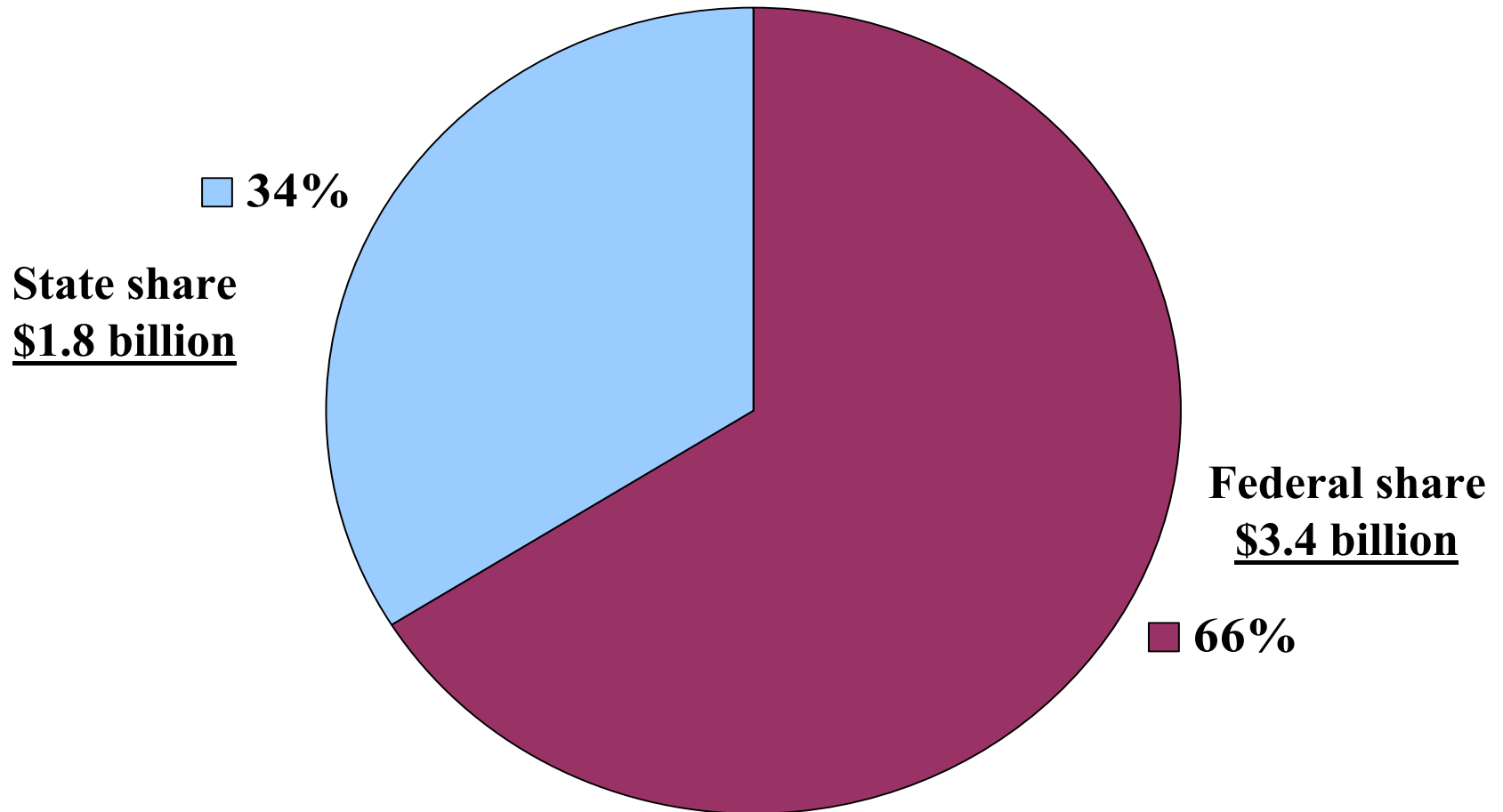
1996-2002

Net state revenues from the child support program are higher than net federal revenues, but both federal and state revenues have fallen since 1997.



Child Support Program *Expenditures* \$5.2 Billion in 2002

The federal government pays 66% of program costs, while states pay 34%.



Child Support Program

Federal and State Shares of Expenditures

1996-2002

The federal government pays a larger share of program costs than states, but both federal and state costs have increased.

