# Child Support and Non-resident Fathers' Contact with their Children

John Ermisch

University of Essex

ISER INSTITUTE FOR SOCIAL & ECONOMIC RESEARCH

# Importance of Father-Child Contact among Non-resident Fathers

- Interactions between households containing former partners and their children are of increasing importance.
- Father-child contact directly affects the child’s welfare.
- It may have longer run impacts on emotional and cognitive development.

# Links with Child Support

- Father-child contact generally found to be positively correlated with child support payments, but why?
- Analysis of links between two are important for assessing the effects of policies concerned with
  - Child support assessment and enforcement
  - Income support for one-parent families.

# Analysis in this Paper

- Theoretical model in which father-child contact and child support are jointly determined by non-cooperative interaction between parents.
- Mother has “child-contact rights”.
- Father “trades” child support to mother for contact-time—idea of “negotiating”.
- *Non-cooperative* because of difficultly in monitoring cooperative agreements.
- Father’s child support is voluntary.

# Why Voluntary?

Justified in the British context:

- **Child support arrangements**:
  - 56% informally set by parents.
  - 30% set by Child Support Agency
  - 13% set by lawyer or court.
  - while courts and the Child Support Agency (CSA) can set and order payments, they do not enforce the orders very well.
- **Contact arrangements**: 80% informal, 13% courts, 5% mediator or lawyer.
- Source: ONS survey 2002 (Blackwell and Dawe)

# Poor enforcement: Some Evidence

- Child Support Agency (CSA): about 35% of non-resident parents were in arrears in Summer 2000.
- Enforcement action was taken by the CSA in only about one-quarter of the arrears' cases.
- CSA Child Support Collection Service: only 49% of non-resident parents were fully compliant in February 2001.
- Family and Children Study (1999-2002) data: child support receipt is not very stable over time; e.g. 21% of mothers reporting receipt of child support in one year do not receive it in the next.

# Basic Assumptions

- Mother's welfare depends on expenditure on children, her own consumption and the amount of father-child contact time.
- Father's welfare depends on expenditure on children, her own consumption and the amount of father-child contact time.
- Expenditure on children is a "public good" to the divorced/separated parents.
  - Implies father may make an unconditional transfer to the mother in addition to 'contact-related payment'.

# “Equilibrium”

- *At the margin*, additional father-child contact time reduces her welfare—may initially increase it—see illustrations in Figures.
- Mother’s “supply” of father-child contact time depends negatively on her income and positively on the “price” she obtains for it.
- Father’s “demand” for father-child contact time depends positively on the joint income of father and mother if he makes unconditional transfers, and negatively on the “price” she charges for it.
  - “Joint income” because father adjusts unconditional transfers to mother’s income.

**Figure 1: Equilibria in Father-child Contact Time**

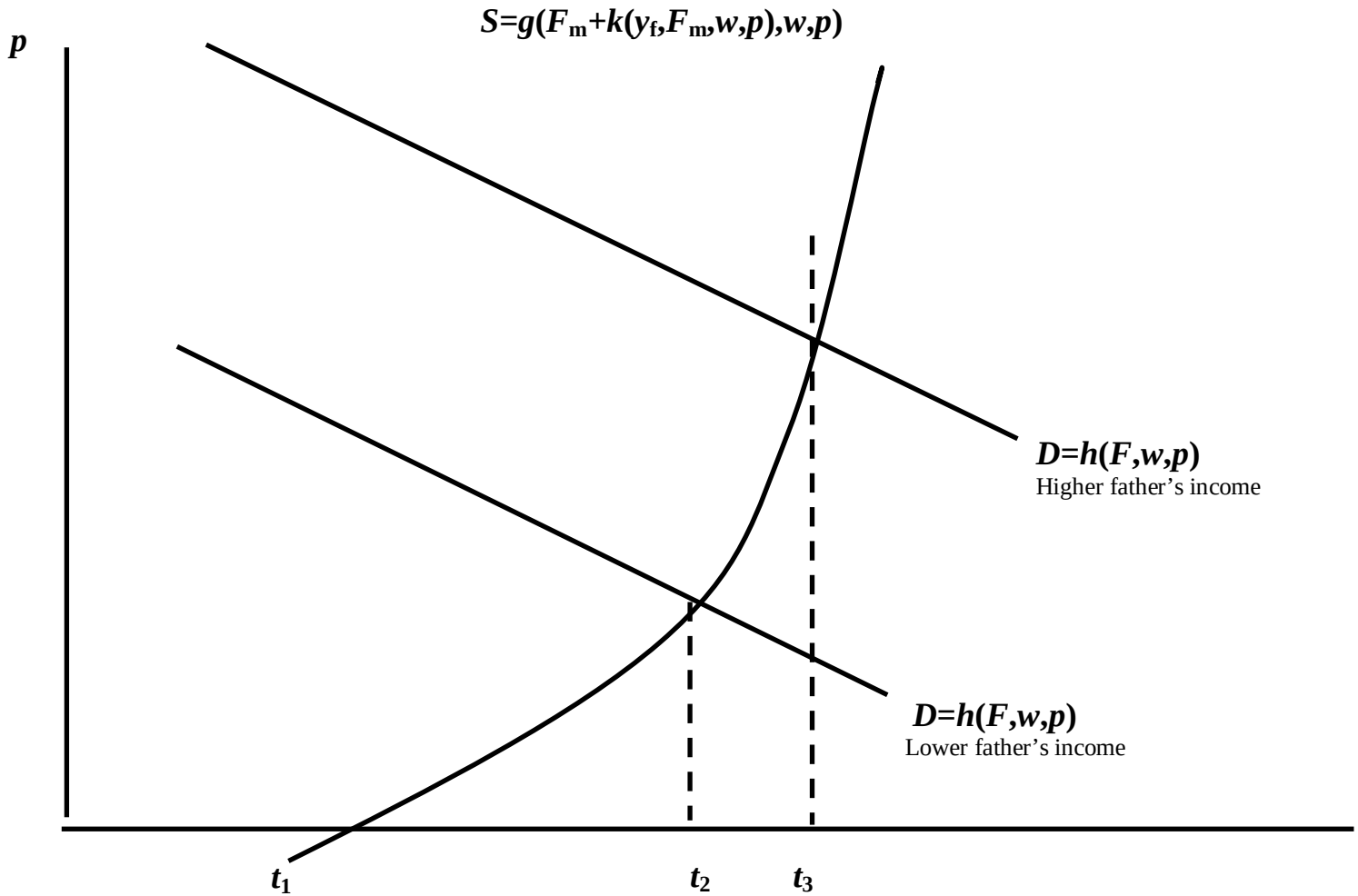
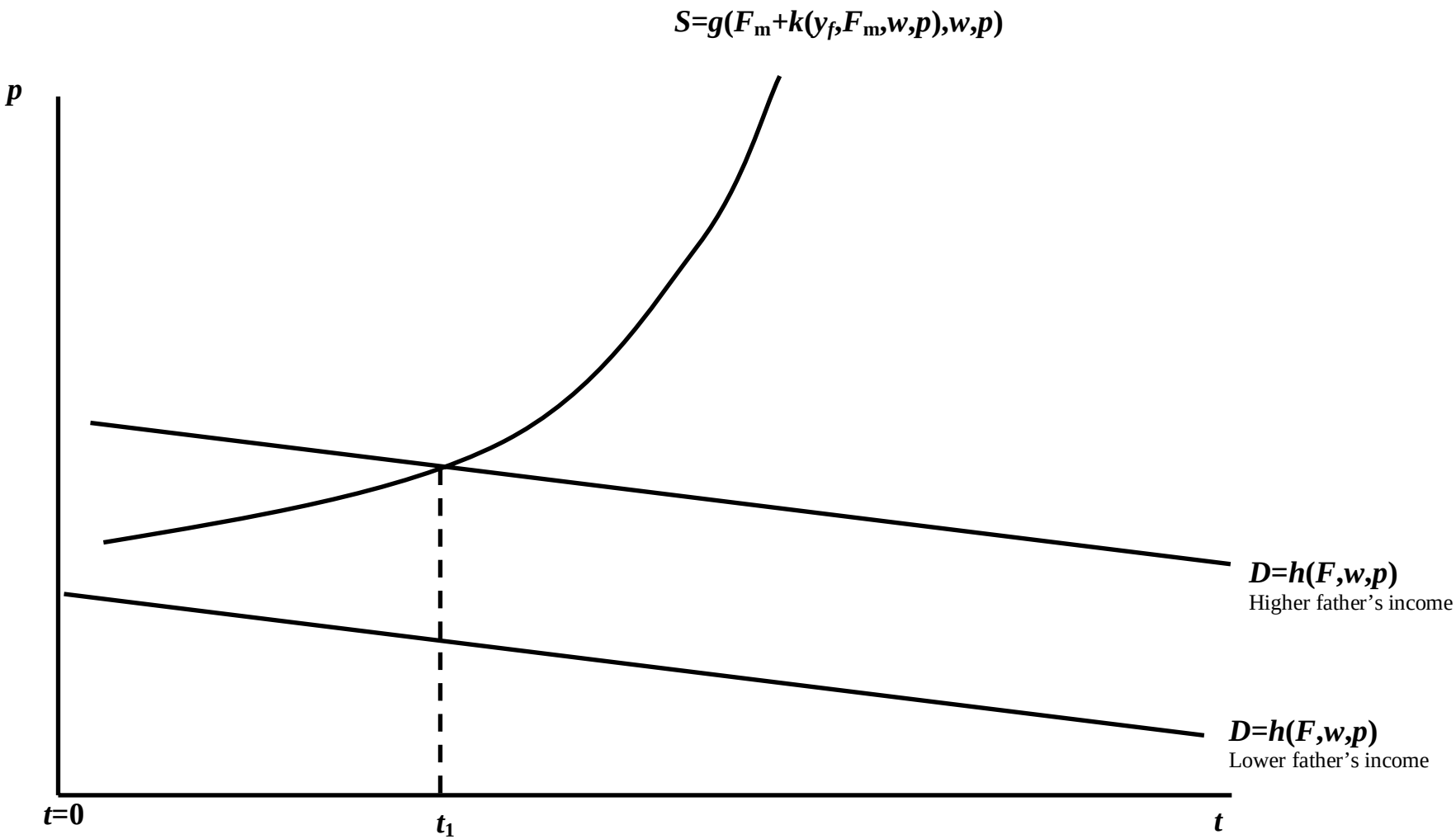


**Figure 2: Equilibria in Father-child Contact Time**



# Effects of Parents' Incomes when father makes voluntary unconditional transfers

- Incomes of father and the mother have same effect—because of adjustment of unconditional transfers.
- Ambiguous effect of higher income on contact:
  - Increases father's demand for contact
  - Reduces mother's willingness to supply contact

# Effects of Parents' Incomes when father make no unconditional transfer

- Negative effect of higher mother's income.
  - Mother richer—less need to trade contact for money.
- Positive effect of higher father's income
  - Father richer—more willing to trade money for contact
- Negative effect of higher order
  - Lower demand from (poorer) father, lower supply from (richer) mother.

# Data on Child Support Payments

- In each annual wave of British Household Panel Study (BHPS) each person is asked:
- if the respondent *transfers money to any person not co-resident for maintenance, alimony or child support*.
- If the answer is affirmative, the respondent is asked for the amount transferred and the weeks covered by the transfer.

# Data on Father-child Contact

- Rare, but same year as ONS survey.
- 2002 wave of the British Household Panel Study asked all adults: *Do you have any children aged under 16 who do not live with you in this household?*
- If yes, asked *Can you tell me how often you visit, see or contact your child(ren) under 16 living outside the household?*

# Problems with self-reports

- Men do not admit to having children elsewhere.
- Can check against BHPS history data.
- Identify men who reported the birth of a child within a union (marital or cohabiting) that subsequently dissolved.
- We find 60 men (relative to sample of 373) who have dependent children elsewhere in 2002, but do not report having them.

# Who under-reports?

Non-reporting fathers:

- Are much less likely to pay any child support.
- Have lower incomes.
- Are less likely to have a higher educational qualification (above ‘A-level’)

**Table 1: Frequency of Father's Contact with His Child(ren) and Payment of Child Support, Fathers' responses, BHPS 2002**

| | Percent who Pay Child Support* | Row N, Unwgt. | Mean Weekly CS Payment* | Column Percent* |
|---|---|---|---|---|
| **Shared care, 50/50** | 100 | 6 | 56.5 | 1.8% |
| **Almost every day** | 68.3 | 39 | 38.7 | 11.2 |
| **Several times per week** | 78.5 | 79 | 55.5 | 23.9 |
| **About once a week** | 69.9 | 87 | 29.8 | 21.4 |
| **Several times per month** | 52.0 | 43 | 29.0** | 11.9 |
| **Once a month or less** | 51.9 | 14 | 20.5 | 4.0 |
| **A few times per year** | 46.9 | 21 | 19.5 | 6.3 |
| **Never** | 39.9 | 78 | 19.7 | 19.6 |
| **All** | 61.8% | | 33.4 | 100% |
| **Un-weighted N** | 375 | 373 | 343 | 373 |
| **Weighted *N*** | *241* | *239* | *223* | *239* |

*Weighted values.

**Omits one case of a weekly payment =831.4.

# Comparison with ONS data

- Contact at least once a week: 58% BHPS, 59% ONS (face-to-face contact reported by non-resident parents).
- No contact: 20% BHPS, 14% ONS (no face-to-face contact reported by non-resident parent).

**Table 4: Frequency of Father's Contact with His Child(ren) and Father's Position in the Income Distribution, Fathers' responses, BHPS 2002***

| Percent seeing: | Bottom third | Middle third | Top Third | All |
|---|---|---|---|---|
| Once a week or more | 45.8 | 59.7 | 66.2 | 58.4 |
| More than once a month | 52.7 | 74.5 | 78.1 | 70.1 |
| Never sees child | 27.4 | 17.1 | 15.7 | 19.3 |
| Per cent paying some child support | 41.2 | 64.2 | 79.1 | 63.6 |
| Un-weighted *N* | 113 | 121 | 116 | 350 |
| Weighted *N* | 61 | 84 | 85 | 230 |

*Weighted values

**Table 5: Ordered Probit Estimates of Impacts on Frequency of Father's Contact with His Child(ren), BHPS 2002, standard error in parentheses**

| | Full Sample | Split Sample | |
|---|---|---|---|
| | (1) | (3)<br>Pays CS | (4)<br>No CS |
| Father's income (per £100), bottom third | -0.005<br>(0.023) | -0.055<br>(0.032) | 0.042<br>(0.034) |
| Father's income (per £100), middle third | 0.056<br>(0.024) | 0.070<br>(0.032) | -0.030<br>(0.042) |
| Father's income (per £100), top third | -0.002<br>(0.005) | -0.005<br>(0.006) | -0.003<br>(0.011) |
| Married | -0.462<br>(0.162) | -0.642<br>(0.213) | -0.472<br>(0.263) |
| Cohabiting | -0.372<br>(0.148) | -0.592<br>(0.190) | -0.256<br>(0.246) |
| Number of own dependent children in current household | -0.272<br>(0.068) | -0.030<br>(0.102) | -0.353<br>(0.100) |

**Table 6: 'Probit' and Regression Estimates of Impacts on Payment and Amount of Child Support, BHPS 2002, standard error in parentheses**

| Variable | **Probit (1)** | **CS\| CS>0* (2)** |
|---|---|---|
| **Father's income (per £100), bottom third** | 0.020<br>(0.028) | -1.3<br>(1.4) |
| **Father's income (per £100), middle third** | 0.148<br>(0.032) | 2.2<br>(1.2) |
| **Father's income (per £100), top third** | 0.006<br>(0.007) | 2.1<br>(0.3) |
| **Married** | 0.215<br>(0.216) | -11.8<br>(7.9) |
| **Cohabiting** | 0.136<br>(0.193) | -9.4<br>(7.2) |
| **Number of own dependent children in father's household** | -0.399<br>(0.090) | -3.2<br>(3.9) |
| **Father's age** | -0.031<br>(0.009) | |

# Information on Mothers

- From the history information, it is possible to identify 85 custodial mothers corresponding to the non-resident fathers.

Compared with unmatched fathers, matched fathers:

- are more likely to have at least weekly contact with their children.
- have much higher income.
- are more likely to have a higher educational qualification.
- are less likely to have a new partner living with them

**A. Mothers Usual Gross Monthly Pay**

| Percent seeing: | No job | Bottom third | Middle third | Top Third | All |
|---|---|---|---|---|---|
| Once a week or more | 55.0 | 68.4 | 85.7 | 89.5 | 74.7 |
| More than once a month | 65.0 | 79.0 | 85.7 | 100 | 82.3 |
| Never sees child | 20.0 | 15.8 | 14.3 | 0 | 13.1 |
| Child Support >0 | 50.0 | 60.0 | 71.4 | 73.7 | 61.2 |
| Unweighted N | 20 | 19 | 21 | 19 | 79 |

**B. Mothers Other Household Income**

| Percent seeing: | Bottom third | Middle third | Top Third | All |
|---|---|---|---|---|
| Once a week or more | 82.1 | 73.3 | 65.4 | 75.0 |
| More than once a month | 92.9 | 73.3 | 73.1 | 82.5 |
| Never sees child | 5.1 | 13.3 | 26.9 | 13.8 |
| Child Support >0 | 65.0 | 60.0 | 61.5 | 61.2 |
| Unweighted *N* | 39 | 15 | 26 | 80 |

# Theoretical Conclusions

- The effects of father's and mother's income on a non-resident father's contact with his child are found to depend on whether or not he chooses to make unconditional payments to the mother.
- If he does, then the father's income and mother's non-labour income should have exactly the same effect on the frequency of father-child contact.
- If he does not, or there is a binding child support payment order, they have effects opposite in direction—father's income increases, mother's income decreases contact.

# Empirical Results

- Among middle-income fathers, higher father's income increases the probability of making child support payments and it also increases frequency of contact with his children among fathers who pay some child support.
- Child support payments increase with income in the upper two-thirds of the fathers' income distribution among payers.
- Among fathers not paying child support, a higher mother's wage is associated with more father-child contact, but higher other income in her new household is associated with less.

# Prediction from the theoretical analysis

- A higher binding child support order reduces father-child contact.
- Suggests that if the reform of the child support system in the UK does succeed in putting more payment orders in place and enforcing them better, father's frequency of contact with their children would decline among fathers paying less than the ordered amount before the reform.
- Child welfare could still increase—higher income to mother offsets less frequent father-contact.