

New books by IRP researchers

ASSURING CHILD SUPPORT: AN EXTENSION OF SOCIAL SECURITY

by Irwin Garfinkel

and

CHILD SUPPORT ASSURANCE: DESIGN ISSUES, EXPECTED IMPACTS, AND POLITICAL BARRIERS AS SEEN FROM WISCONSIN

edited by Irwin Garfinkel, Sara S. McLanahan, and Philip K. Robins

In *Assuring Child Support: An Extension of Social Security*, IRP affiliate Irwin Garfinkel of Columbia University criticizes the U.S. child support system and describes a different plan that would work much as do our social insurance programs. Garfinkel, along with another IRP affiliate, Marygold Melli, first proposed the plan, called the Child Support Assurance System (CSAS), in 1982. *Assuring Child Support* traces the genesis and development of the CSAS and discusses its costs and benefits.

Garfinkel explains how the private child support system, which operates through the courts, has not been able to easily establish nor effectively enforce the obligations of many nonresident parents. He also relates how the *public* child support system—namely, the Aid to Families with Dependent Children program, the Food Stamp program, and Medicaid—promotes welfare dependency while failing to eliminate poverty.

Garfinkel recommends that the current private system be replaced by the CSAS. The CSAS assures that every resident parent (usually the mother) will receive an adequate amount of support every month, regardless of any additional money she earns through employment. Any nonresident parent who lives apart from his children will be required to share his income with those children. A percentage of his income will be withheld from his paychecks for child support (the “percentage-of-income standard”); this percentage will be established by law and will depend on the number of children to whom he owes support. If the amount with-

held from his paycheck falls short of a guaranteed minimum benefit (the “assured benefit”), the government will make up the difference.

Garfinkel points out that the federal government has already passed legislation mandating income withholding and requiring judges to first consult preset guidelines (such as the percentage-of-income standard) when determining the amounts of awards (if a judge decides not to use guidelines, he must explain his decision in writing). Thus, the government has moved toward adopting the CSAS. But until the government adopts the assured benefit, Garfinkel implies, it will not demonstrate that it is serious about increasing the economic security and self-reliance of single-parent families.

Using microsimulation models, Garfinkel estimates that, in the long run, the CSAS is capable of costing very little and perhaps even saving the government—and hence taxpayers—money. In essence, this is because the amount the government would pay in assured benefits under the CSAS will not be much more and perhaps even less than the savings in AFDC which will result from strengthened child support enforcement.

As the subtitle of the book suggests, Garfinkel asks that the CSAS be thought of as an addition to the U.S. social security system: it would be funded in much the same way as social security is funded, except that only those who are legally liable for child support will be subjected to a “tax” on their wages; as do all social insurance programs, it would benefit low-income families more than others; and it would reduce poverty and welfare dependency.

“To promote self-reliance and, at the same time, reduce the economic insecurity of families headed by single mothers,” Garfinkel writes in his conclusion, “the nation should rely more heavily on a universal program, a new child support assurance system that provides benefits to these families whatever their incomes and, thereby, reduces reliance on welfare programs, which aid only the poor. In general, a more universal approach is the way to simultaneously reduce insecurity and dependence” (p. 149). The CSAS represents such an approach.

In many ways, *Assuring Child Support* is a distillation of the research findings in the fourteen chapters contained in *Child Support Assurance: Design Issues, Expected Impacts, and Political Barriers as Seen from Wisconsin*, edited by Garfinkel, Sara S. McLanahan of Princeton University, and Philip K. Robins of the University of Miami (Fla.). In Part One, the editors introduce the CSAS and explain how it arose out of research at the Institute for Research on Poverty on child support in general; they also summarize the findings reported in the chapters that follow. Thomas Corbett (University of Wisconsin) then traces the path the CSAS took from the academic drawing board to its partial implementation in Wisconsin.

The chapters in Part Two examine the present child support system. Garfinkel and Donald T. Oellerich (Boston University) estimate the ability of nonresident fathers to pay support. Judith A. Seltzer (University of Wisconsin) and Garfinkel examine divorce settlements, and Seltzer discusses arrangements concerning custody and visitation after divorce. Finally, McLanahan, Patricia R. Brown (University of Wisconsin), and Renee A. Monson (University of Wisconsin) review paternity establishment in AFDC cases in Wisconsin.

The essays in Part Three on the costs and benefits of the CSAS round out the volume. Daniel R. Meyer (University of Wisconsin), Garfinkel, Oellerich, and Robins answer the question "Who should be eligible for an assured child support benefit?" and simulate several effects of the CSAS. Ann Nichols-Casebolt (Arizona State University) describes the impact of the CSAS on poverty among both resident-parent and non-resident-parent families, and Garfinkel and Melli explore the use of normative standards (such as the percentage-of-income standard) and advise states on how to develop their own child support guidelines. Garfinkel and Marieka M. Klawitter (University of Washington) estimate the effects of income withholding on child support collections and AFDC participation and costs, as do Nancy Maritato and Robins on the labor supply of custodial parents. Kwi-Ryung Yun (University of Wisconsin) explores the relationship between child support and remarriage among single mothers, and Corbett, Garfinkel, and Nora Cate Schaeffer (University of Wisconsin) survey public opinion about the three main features of the CSAS (the percentage-of-income standard, income withholding, and the assured benefit).

Together with *Assuring Child Support*, the essays in *Child Support Assurance* make the case that our present child support system needs reform and that the CSAS is the solution. Under the current system, many nonresident fathers are paying less than they are required or able to pay; divorce settlements are failing to compensate most women for the loss in family income they suffer after divorce; and paternity is not being established for many children born to unmarried mothers. Under the CSAS, more money would be collected in child support; fewer single women would

be impoverished; and the rate of paternity establishment should increase because of the incentive provided by the assured benefit (a resident parent cannot receive the assured benefit until paternity is established). The government, however, has stopped short of legislating, let alone implementing, the full CSAS, assured benefit and all. As Thomas Corbett explains in Chapter 2 of *Child Support Assurance*, perhaps a close, continuous, working relationship between university researchers and policymakers is needed in order to make the CSAS a reality. "A re-creation of the 'Wisconsin Idea'—whether in Wisconsin or elsewhere—could be a necessary and fundamental step toward moving beyond the paralysis currently dominating social policy" (p. 49).

Assuring Child Support: An Extension of Social Security (New York: Russell Sage Foundation, 1992) may be purchased at bookstores for \$24.95 or ordered from Russell Sage by mail. Send check for \$24.95 plus \$3.00 for shipping and handling to Publications Department, Russell Sage Foundation, 112 East 64th Street, New York, NY 10021. It may also be ordered over the phone by credit card (800-666-2211).

Child Support Assurance: Design Issues, Expected Impacts, and Political Barriers as Seen from Wisconsin (Washington, D.C.: Urban Institute Press, 1992) costs \$60 in cloth (\$27.50 in paperback) and is distributed by University Press of America, 4720-A Boston Way, Lanham, MD 20706 (800-462-6420).

UNEVEN TIDES: RISING INEQUALITY IN AMERICA

edited by Sheldon H. Danziger and Peter Gottschalk

Economic inequality has been on the rise in America for the past two decades. This trend has escalated inequality in individual earnings and family income, has widened the gulf between rich and poor, and has led to the much-publicized decline of the middle class. *Uneven Tides* brings together a distinguished group of economists to confront the crucial questions about this unprecedented rise in inequality.

Reviewing the best current evidence, the essays in *Uneven Tides* show that rising inequality is a complex phenomenon, the result of a web of circumstances inherent in the nation's current industrial, social, and political situation. Once attributed to the rising supply of inexperienced workers—as baby boomers, new immigrants, and women entered the labor market—the growing inequality in individual earnings is revealed in *Uneven Tides* to be the direct result of the economy's increasing demand for skilled workers. The authors explore many of the possible causes of this trend, including the employment shift from manufacturing to the service sector, the heightened importance of technology in the workplace, the decline of unionization, and the intensified efforts to compete in a global marketplace.

With the rise of inequality now much in the headlines, it is clear that our nation's ability to reverse these shifting currents requires deeper understanding of their causes and consequences. *Uneven Tides* is the first book to get beyond the news stories to a clear analysis of the changing fortunes of America's families.

Contributors: Maria Cancian, Sheldon Danziger, Richard B. Freeman, Peter Gottschalk, Edward Gramlich, Michael Horrigan, Lynn A. Karoly, Richard Kasten, Ronald Mincy, Kevin Murphy, Frank Sammartino, Finis Welch.

Uneven Tides: Rising Inequality in America (New York: Russell Sage Foundation, 1993) costs \$29.95. It can be purchased from Russell Sage by mail. Send check for \$29.95 plus \$3.00 for shipping and handling to Publications Department, Russell Sage Foundation, 112 East 64th Street, New York, NY 10021. Or call 800-666-2211.

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IRP Researchers Receive Kendrick Prize

Affiliates Barbara Wolfe and Robert Moffitt received the 1991 John W. Kendrick Prize for the outstanding contribution to the *Review of Income and Wealth*. Their article, which appeared in the December 1991 issue, was titled "A New Index to Value In-Kind Benefits."