Child Support Payments Should Go to Families, Not Government

Center on Budget and Policy Priorities

Almost two-thirds of custodial families nationwide receive services from the federal child support program — nearly 8 million custodial parents and 13 million children. Child support can be a significant source of income for families struggling to make ends meet, helping them pay for children's basic needs and other costs that often can only be met with cash, like housing, food, school supplies, and clothing. But families who are receiving or have received cash assistance from the Temporary Assistance for Needy Families (TANF) program, who make up nearly half (46 percent) of participants in the child support program, often do not receive child support payments made on their behalf. Instead, those payments are kept by the state and split with the federal government as repayment for the family's TANF cash payments, a policy known as "cost recovery." In 2023, state and federal governments kept $896 million in child support payments.

There's broad consensus among parents, researchers, policy analysts, advocates, and program administrators that Congress should require all child support to be paid to families. But states do not need to wait for Congress. Using existing options, they have considerable flexibility to direct all child support to current and past TANF participants.

Retaining Payments Meant for Families Hurts Those Most in Need

By expecting families to repay cash assistance, cost recovery policies fail to recognize the difficult economic circumstances that forced them to turn to TANF in the first place. Child support can be an especially important source of income for these families. In every state, TANF cash benefits are at or below 60 percent of the federal poverty line; in 17 states they are below *20 percent* of poverty.

Custodial families participating in TANF are generally headed by women with low incomes, and, to a disproportionate extent, women of color. The unfairness of cost recovery policies can land particularly hard on Black women, who have worked hard to provide for themselves and their families — despite long-standing structural racism and sexism in the labor market that have severely limited their employment prospects and depressed their wages.

Why Receiving Child Support Matters

Child support increases family income and improves financial stability.	Children have basic needs that can only be met with cash, like housing costs, diapers, clothing, and school supplies. A consistent stream of child support income can also protect families from unexpected expenditures or income losses. Research shows that noncustodial parents pay more child support when support is passed through to children and disregarded when determining TANF assistance.
Paying child support to families reduces the risks of child protective services (CPS) involvement.	By directing more child support payments to the children they are intended for, states can increase family income and help parents provide their children with basic necessities, leading to reduced reports of neglect to CPS.
Receiving child support is linked to positive child development outcomes.	Receiving child support can encourage and reinforce involvement by noncustodial parents in their children's lives, which studies show can be linked to child development outcomes including positive educational outcomes and improved emotional well-being.
Paying child support to families can address inequities for custodial and noncustodial parents.	TANF cost recovery policies disproportionately impact Black and Latine parents struggling to make ends meet. Paying all child support to families helps address economic hardship and enables parents to meet their own needs and their children's needs.

Source: CBPP, "Directing Child Support Payments to Families, Not Government, Would Help Families Afford Basic Needs and Thrive"

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Directing Child Support to Families Improves Economic Security, Well-Being

Families benefit in multiple ways when they receive their child support payments:

- **More financial stability.** Most custodial families that participate in the child support program have incomes below or near the poverty line. Thirty-three percent of children participating in the child support program in 2017 had family incomes below the federal poverty line, and 61 percent had family incomes below twice the poverty line.

  Especially for families struggling to afford basic necessities, child support can be a significant long-term source of family income. Among custodial families with incomes below the federal poverty line, child support represents 41 percent of their income when received, on average. Child support represents an even larger share — 65 percent — of income when received by custodial families living below *half* of the poverty line.

- **Lower risk of child protective services involvement.** Families experiencing poverty are far more likely to be reported to child protective services than families with more resources. Economic hardship may interfere with parents' ability to provide their children with basic necessities like food, shelter, medical care, and supervision — factors that can contribute to a child welfare agency's determination that a child is being neglected. Unemployment, housing instability, and eviction have all been associated with increased risk of families' involvement in the child welfare system. One study estimated that mothers who received their full child support payments were about 10 percent less likely to be reported to child protective services than mothers who received only part of those payments.

- **More involvement by noncustodial parents; positive child development outcomes.** Research shows that more noncustodial parents pay child support, and noncustodial parents pay *more* support, when their support payments actually reach their children. Noncustodial parents also establish parentage more readily when they know that the support they pay will benefit their children.

  Extensive research connects receiving child support payments to positive child developmental outcomes, including stronger school performance. Children who receive child support payments are more likely to receive higher grades, to have fewer school problems, to finish high school, and to attend college than their peers who do not receive child support. One reason may be that noncustodial parents who pay child support are more likely to stay engaged in their children's lives. Parental involvement, in turn, is associated with children's emotional well-being, social and behavioral adjustment, and academic achievement.

Directing Child Support to Families Promotes Equity

Cost recovery policies exacerbate pre-existing inequities for both custodial and noncustodial parents of children receiving TANF. Cost recovery establishes a two-tiered policy, with families who receive or used to receive TANF — who typically have very low incomes and are disproportionately Black and Latine — losing out on income that *non*-TANF families are able to receive.

- **Reducing inequities for custodial parents.** Cost recovery policies harm custodial parents participating in the TANF program, who are disproportionately Black and Latina women. Due to the impacts of sexism and racism across society, women of nearly all races and ethnicities experience higher poverty rates than men, and this is also true for custodial mothers compared to custodial fathers. In 2017, the poverty rate for all custodial mothers was 27 percent, versus 11 percent for custodial fathers. Overall, women are much more likely to be custodial parents — in 2018, women represented 80 percent of all custodial parents. Child support income can help custodial families address the economic hardship that many face, but only if that support reaches the family.

- **Reducing inequities for noncustodial parents.** By preventing noncustodial parents from using their resources to support their children, cost recovery can diminish their parenting role and their relationship with their children. And if noncustodial parents do not pay child support through the child support program, they can face harsh penalties, including the loss of a driver's license and even incarceration. States can help address these inequities by adopting policies that redirect noncustodial parents' child support payments to their children and center the program on families' needs, not state revenue generation.

States Have Options to Direct All Collected Child Support to Families

Although federal legislation is needed to completely end cost recovery, states have authority, through a combination of federal options, to pay collected support, including both current and past-due support, to current and former TANF families. There is momentum among states to expand policies that direct child support to families. To date, more than half of states have elected to pay families at least some of the child support payments instead of keeping them as state revenues.

States interested in adopting policies that pay more support to families have a number of policy choices to consider and different pathways to expand payments over time. For details on those state options, see Appendix I in the CBPP report [Directing Child Support Payments to Families, Not Government, Would Help Families Afford Basic Needs and Thrive]. For the history, rules, and mechanics of TANF cost recovery and child support distribution, see the CBPP report [Understanding TANF Cost Recovery in the Child Support Program].