

CHILD SUPPORT: REDUCING THE COST OF GOVERNMENT PROGRAMS

Many people do not know that the child support enforcement program is one of the most successful government programs. Regular child support payments help move families from welfare dependency to financial self-sufficiency. Families who receive regular child support payments are often able to stay off public assistance, or leave public assistance programs earlier. Child support helps reduce dependency on other government programs such as housing, food stamps, energy assistance, etc., as well. The child support program generates a high return on investment: for every \$1 spent on the program, about \$5.00 is collected. In 2016, the national child support program collected over \$33 billion of which 95% went directly to families; the remainder was used to reimburse state and federal governments for costs related to public assistance.

In addition to collecting child support payments for families and reimbursing government costs, the program also establishes and enforces parental responsibilities to provide health insurance coverage for their children when private insurance is available through an employer. This reduces the number of children using Medicaid and State Children's Health Insurance Program (CHIP), and helps avoid the costs of publicly funded healthcare. It also contributes to the health and well-being of children, who might not otherwise have access to healthcare. The program is not only socially responsible, but fiscally accountable. In fact, it received a federal Office of Management and Budget (OMB) Program Assessment Rating Tool score of 90 percent, representing the highest rating among all social services and block grant/formula programs. This tool was developed to assess program performance and accountability.

The child support program is one of the few government programs that must meet federally established performance thresholds, or risk financial penalties. Performance is measured in five key areas: paternity establishment, order establishment, current support; past due support, and cost effectiveness. States that meet or exceed federal performance standards are rewarded with financial incentives. High-performing programs have the opportunity to earn additional federal dollars, which can help fund state programs.

Compared to the funding of other federally mandated programs, such as public assistance and Medicaid, the IV-D program seems small; however, its impact is great. The program touches more than one in four U.S. children. Both families and taxpayers benefit from the services IV-D agencies provide. Research has demonstrated that families who receive consistent child support payments use the welfare system less frequently, and leave it sooner. Additionally, costs for Medicaid, food stamps, and other means tested programs decrease when both parents support their children. When child support is paid regularly, families are less likely to experience poverty and its associated problems.