Overcoming Child Support Debt:
An Exploratory Data Analysis

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By Asma Farooq, Madison Fields, and David Russell

[DAVE]
- Hello on behalf of myself, Asma, and Madison!
- Today we are going to share with you what we've learned from exploring a dataset from the U.S. Department of Health & Human Services related to child support debt
- To contextualize this data we also referenced datasets from the U.S. Census Bureau, World Bank, Centers for Disease Control and Prevention, and more

finEQUITY and Mission Behind the Data

- finEQUITY aids incarcerated and formerly incarcerated individuals with financial stability through credit education, credit building and micro-lending
- finEQUITY is a non-profit that is considering programs alleviating the burdens of child support debts as barriers to financial stability

[DAVE]
- We chose to analyse these topics in part to support finEQUITY, a non-profit organization that works in the "prison-to-prosperity" space, helping currently and formerly incarcerated individuals and their families achieve financial stability and dignity
- Our exploratory data analysis uncovered some macro-trends that could be relevant as finEQUITY considers programs in the child support debt space

Reference [1] for image

Our Overall Question and Subquestions

What kind of information can we provide finEQUITY to further understand the scope of child support payments in the US and within specific states?

Sub questions:

- What are the trends over time in child support payments and arrearages?
- How do different assistance types affect child support payments?
- Are there states that are more affected by child support payments than others?
- Do demographics and children per family make individuals more vulnerable to child support debt?

[DAVE]
- One of the biggest barriers to reentering society that individuals face is accruing child support debt, with some accruing obligations greater than $50,000 during their time served
- Most of these people do not have the ability to earn income while they are incarcerated, making it difficult to escape a debt spiral
- We entered the EDA with this perspective and looked broadly from a top-down at what trends we could find in the data that might be relevant to developing programs
- We asked questions such as
  - "Does this problem impact families in particular states?"
  - "Do certain federal assistance program attempt to address this problem?"
  - "Are particular communities being impacted by this debt trap?"
- To showcase our analysis I will now pass it over to Asma!

Steps Taken to Analyze the Question/ Sub-questions

- With each subquestion we looked at the data we did have
- Considered the potential variable
- Broke our questions down into further questions
- Made steps for each of these questions
- Cleaning and joined the data
- Tweaking the visualizations

[Asma]
With each Subquestion we looked… : do the questions match up with the variables we have? Or are we making too many assumptions if we just take from what we have?
Considering the potential variables: looking up definitions like arrearages, obligations and the way the Census defined these variables versus the way others defined these variables
**Broke our questions down into further questions:** for an example with the question with child support payment trends, we broke this down into: Which years saw the most significant growth or decline in total child support payments?, What is the average child support payment per case in each year?, How has the average payment amount changed annually?
Made steps for each of these questions: broke this down into actionable steps to successfully try to address the question
Cleaning the data: dropping columns, clarifying column names with informative terms
**Tweaking the visualizations:** learning what's relevant

Impact of Unemployment, Inflation and Divorce Rate on Child Support Payments

Trends: Child Support, Inflation, Unemployment, and Divorce Rate
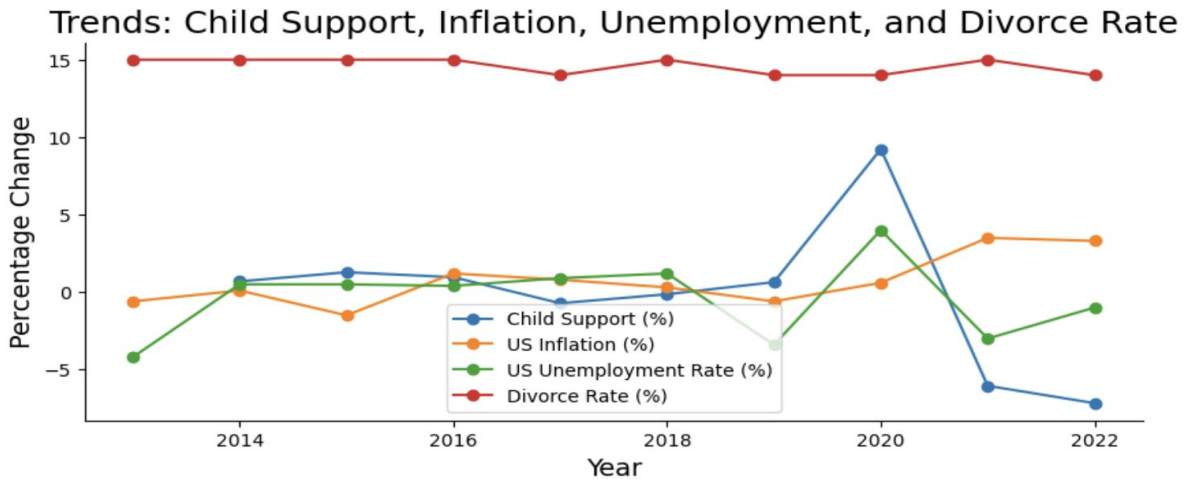
Asma
- The 2020 spike in the child support payment coincides with a rise in the unemployment rate, hinting at the impact of the COVID-19 pandemic on financial obligations and employment.
- 2021 and 2022 show a sharp decline in child support payment

Average Child Support Payment Per Case Trend
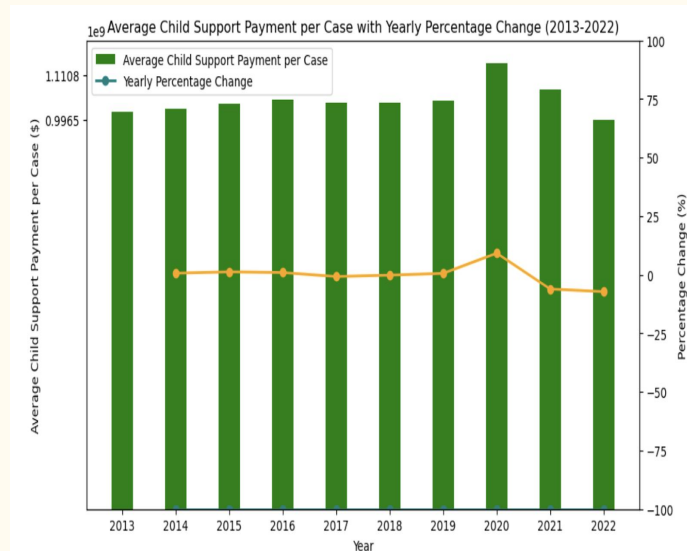
Asma
- Average Child Support Payment per Case" shows that in most years, there is some variation in the average payment per case, with certain years showing an increase from the previous year, as indicated by positive percentage changes.
- Notably, there appears to be a significant drop in the average payment per case in 2021, as shown by a sharp decline in the line chart, which corresponds to a negative percentage change that year. The average payment seems to recover slightly in 2022 compared to 2021, as the negative percentage change is less steep.

Trends: Payments and Arrearages

A declining trend, indicating potential improvements in management, despite some fluctuations
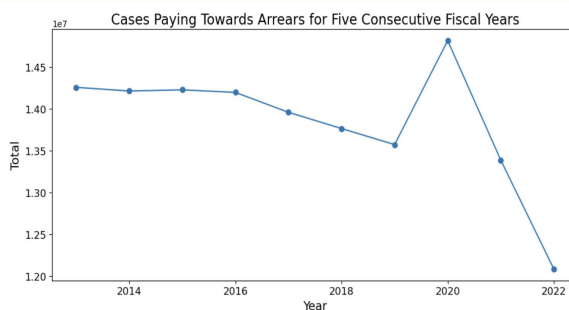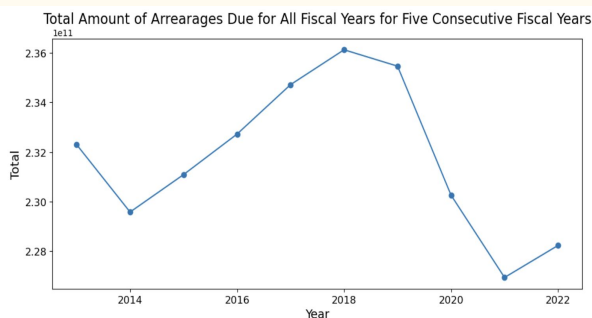
Asma

- Overall, while there is a general declining trend in both the total amounts and the number of cases with arrearages, suggesting potential improvements in management, the dramatic fluctuations in the "Total Amount of Support Distributed as Arrears" and "Cases Paying Towards Arrears" signal a need for a deeper analysis to understand the underlying causes of these inconsistencies.
- The most recent data, particularly for "Cases Paying Towards Arrears" in 2022, could indicate new difficulties in securing payments from cases with outstanding arrears.
- It's important to consider external factors that might influence these trends, such as policy changes, economic conditions, and administrative practices.
- Additionally, examining these data points in the context of the broader economic environment and within the specific operations of the agency responsible for collections could provide more insight into the reasons behind these trends.

Comparison of Assistance Types

Current vs Former Assistance shows steady decrease over the years
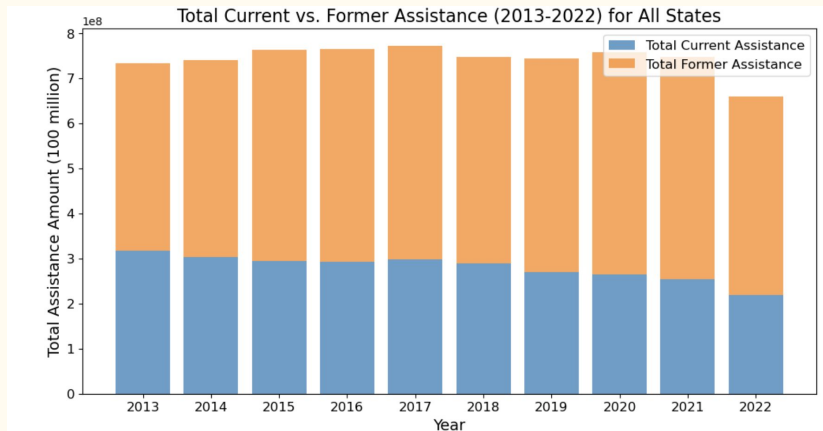
Asma

- The decline in both "Current" and "Former Assistance" in 2022 could point to a shift in the administration of these programs, changes in the economic environment, or a decrease in the number of qualifying recipients.
- The data suggests an evolving landscape of assistance distribution that warrants further exploration to understand the underlying factors influencing these trends.
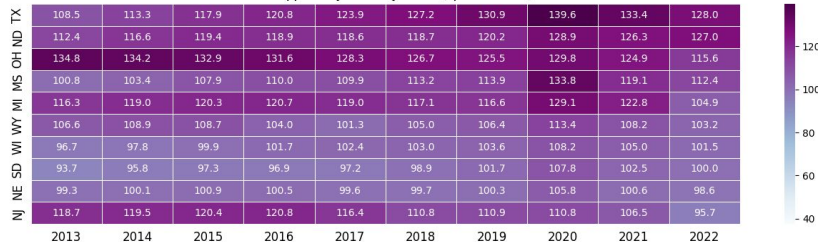
Geographic Analysis

Payments to Families or Foster Care, by Population
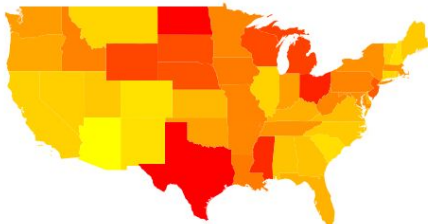
Top 10 States by Child Support Payments, 2022 ($ per Resident)
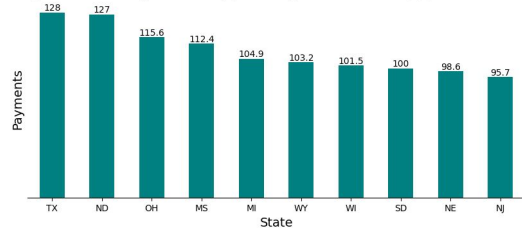
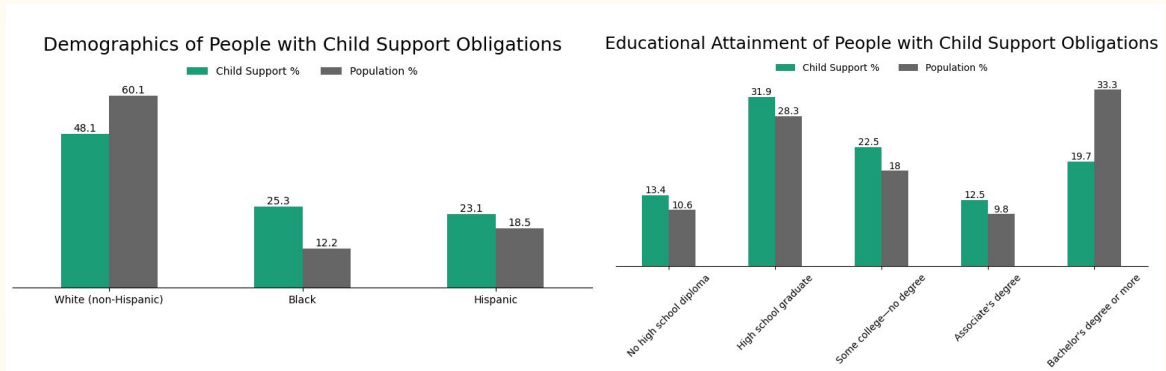Child Support Payments by State ($ per Resident)

[DAVE]
- Today finEQUITY operates primarily in New York, Kentucky, and Indiana. But plan to expand programs in Georgia, New Jersey, Alabama, California, Texas, and Colorado in the next few years
- We recommend they prioritize Texas, which has by far the most child support payments, both in nominal dollars and normalized by statewide population
- We also recommend they explore what policies or approaches have been taken in Ohio and New Jersey, which have improved over the last decade — reducing average payments per resident by $19 and $23 per resident, respectively

Demographics: Race and Education

Demographics of People with Child Support Obligations

■ Child Support % ■ Population %

White (non-Hispanic): 48.1, 60.1
Black: 25.3, 12.2
Hispanic: 23.1, 18.5

Educational Attainment of People with Child Support Obligations

■ Child Support % ■ Population %

No high school diploma: 13.4, 10.6
High school graduate: 31.9, 28.3
Some college—no degree: 22.5, 18
Associate's degree: 12.5, 9.8
Bachelor's degree or more: 19.7, 33.3

[DAVE]
- Fathers of color with low income hold nearly 70% of the $113.5 billion in outstanding arrears
- U.S. residents with child support obligations are more likely to be non-white and to not have completed a Bachelor's degree
- We recommend that as finEQUITY develops its child support debt programs it reach out to communities of color and with higher rates of education at Associate's degree and below
- Passing it back to Madison to wrap us up

Demographics: Age

2017 Child Support: Average Due vs. Average Received (By Age)
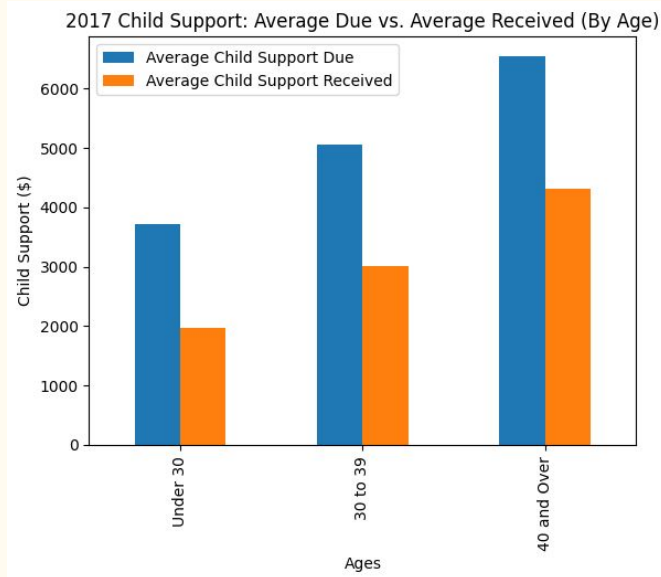
[Madison]
-We also wanted to analyze to see how age further increased the likelihood for the non-custodial parent to be in debt from child support
-average child support received versus the average child support due by age groups (explain visualization)
-amount of child support received seemed to follow the same pattern with the percentage of child support payments being received increasing with age or conversely the group of people under 30 having a harder time paying their child support
-older adults having more time to find a stable occupation and further build their financial health and stability
-younger people more vulnerable and at risk of struggling to pay child support

Assumptions/ Limitations in the Analysis

[Madison]

- No data on individual debt and how much of that contributes to child support related debt

- Lack of crosstab data per race, ethnicity, age group, or socioeconomic status over time, making it difficult to analyze those categories as a time series. - We had to use data from specific years

- In analyzing the age of an individual with related child support received versus child support due, we didn't have information on why the child support payment wasn't received. Presumably it was because they couldn't afford to pay it, but there may be for another reason.

- We were able to gather overall trends, but we weren't able to go deeper into what was actually causing the behaviors in these trends -Going forward, we recommend additional research and studies be conducted to look into this further.

Reference [2] for image

Conclusion
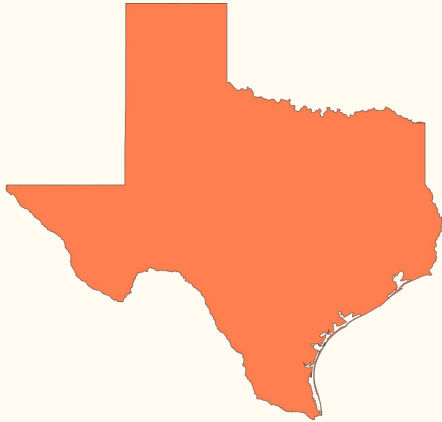
[Madison]

- Steady, if small, decrease in the number of children and open cases
- Prioritize Texas as the state with the greatest *need*
- Communities of color with predominantly Associate's degree or lower formal education completed comprise a substantial portion of the overdue debt
- Younger parents tend to receive a smaller portion of payments due; older parents have greater amounts outstanding

Reference [3] and [4] for images

References

1.https://www.idealist.org/en/nonprofit/1200de636c064ed190bfed516f6e81c0-finequity-brooklyn

2. https://thenounproject.com/browse/icons/term/limitations/

3. https://worldpopulationreview.com/states/texas/outline

4.https://www.istockphoto.com/vector/debt-burden-financial-obligation-or-loan-payment-heavy-load-of-money-failure-gm1407965602-458977673