

Is there Equality for Children in Complex Families?

Comparative evidence on child support obligations when nonresident parents have new children

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Revised July 2010

An earlier version of this paper was presented at the 31st Annual Research Conference of the Association for Public Policy Analysis and Management, Washington, DC, November 2009 and the Social Policy Association 2010 annual conference, Lincoln (UK) July 2010

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ABSTRACT

Family complexity, which is increasingly common in developed countries, creates difficulties for child support policy. We examine whether nonresident parents have equal obligations to children in two types of complex families, using comparative policy data from 14 countries. In our main case, in which a nonresident parent owes support to two nonresident children in two different families, the most common policy is to keep the older child's order constant and to have a lower order for the younger child. Nearly as many countries reduce the older child's order and have equal orders for both children. In the case of one nonresident child and a new resident child, the most common strategy is to reduce the older child's order, but to make no statements or attempt to equalize obligations. Each of the four main types of policy strategies has advantages and disadvantages; tradeoffs among these competing objectives are discussed.

Keywords: child support, family diversity (cross-national), family policy, family structure, custodial parents, noncustodial parents

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Equality is an important social policy goal across a wide range of contexts and in a variety of countries. Equality as a goal has been articulated not only for adults, but also for children. In the United Nations Convention on the Rights of the Child (1989) four of the articles declare rights for children that are presented with a reference to equality. Two of these are stated in terms of rights to equal opportunity, both the right to an equal opportunity to education (article 28) and to equal opportunity to “cultural, artistic, recreational and leisure activity” (article 31). In addition, equality of the sexes is mentioned in article 29, and some equality within the criminal justice system is provided in article 40. But what equality actually means in practice for member states is not explicitly addressed in the convention. In UN documents, the equality principle for children is most fully articulated in terms of gender equality. For example, UNICEF (2010) states:

UNICEF supports partners to achieve gender equality by legislating equality of opportunity for girls and boys through normative and legal frameworks, and building on this, to ensure equality of outcome . . . Equality of opportunity is a necessary but not sufficient condition for the achievement of gender equality, which requires full attention to the prevention and ending of discrimination. Thus the UNICEF goal of gender equality will be achieved by a focus on equality of outcome, or substantive equality . . .

Therefore, in the context of gender, we have a clear statement from the UN that equality of opportunity is important, but not enough; countries are also to examine whether boys and girls achieve equal outcomes. This differentiation of equality of opportunity and equality of outcome,

and a focus on equality of outcome is not explicit in UN documents for dimensions other than a child's gender. In this paper, we extend a focus on equality of outcomes to explore issues of equality in financial support among children in two different types of complex family situations.

Family relationships are recognized to be increasingly complex in many western industrialized countries. In every one of 25 OECD countries, more than one in ten school aged children do not live with at least one of their parents (Chapple, 2009). In some countries, three or more in ten live apart from at least one parent, with these countries including the Czech Republic, Iceland, the United Kingdom, Canada, Denmark, and the US. But these point-in-time estimates for the number of children who do not live with both parents are a serious undercount of the proportion of children who will experience living in this type of family at some time during their childhood. The proportion of children who will ever live without both biological parents before age 15 is not available for many countries, and the information that exists reflects only the experiences of older cohorts (Chappel, 2009). The data that exist show this percentage to be 50 percent in the US, 46 percent in the German Democratic Republic, and over 30 percent in Sweden and Austria. Moreover, an increasing number of these children will experience one or both of their parents going on to new relationships and/or having children with new partners (resulting in half-siblings). For example, data from Wisconsin show that 60 percent of the children born outside of marriage who were their mother's first child have half-siblings by the time they are ten years old (Cancian, Meyer, & Cook, forthcoming); other U.S. estimates also suggest multiple-partner fertility is common (Carlson & Furstenberg, 2006; Guzzo & Furstenberg, 2007; Manlove, Logan, Ikramullah, & Holcombe, 2008). Thus many children today are experiencing substantial family complexity.

This family complexity poses considerable challenges for family policy. In most

countries there is an attempt to ensure that parents not living with their children provide financial support to them through a child support (child maintenance) system. Increasing family complexity raises fundamental questions about the nature of these obligations, including the extent to which obligations to different children are equal, and the conditions under which obligations can be altered. For example, if a parent has nonresident children in two different households, are the financial obligations to the children equal or different? Moreover, what happens when a parent has a biological child with a new resident partner -- does the original financial obligation to the nonresident child change? Is the change consistent with an attempt to promote equality among the nonresident and resident children?

In this paper, we explore whether the child support systems in 14 countries provide for equal child support orders among children in complex family situations. Although complex families raise difficulties for several aspects of child support policy, we focus primarily on equality in two common situations. First, we consider the situation when a nonresident parent has had a child with two different partners, and both children live with the other parent; we call this the base case. We develop a typology for how countries could treat this base case, and show that countries could fall into four main types, only two of which result in equal obligations to the two children. We then briefly expand our analysis to consider a second type of family complexity, when a nonresident parent has a new resident child. How do countries respond to this type of complexity in their child support systems? What are the implications for equality? Given the growth of complex families in the developed world, and given the importance of equality as a potential policy principle, it is timely to examine equality within the child support systems of several developed countries.

I. What Do Child Support Policies That Set Obligations in Complex Families Try to Accomplish?

Several criteria, including equality, could be used to assess the approaches countries use to determine child support obligations when new children and/or new partnerships occur. In the US, the most contentious of the issues raised by complex families has to do with nonresident parents who owe support to children in two different families, and the debate has focused primarily on whether the order for a later nonresident child should be equal to that of an earlier nonresident child, or whether the first child should have priority. (For discussion of this topic, see, for example, Lockie, 2009; Minow, 1998; or Takas, 1994.) We focus on this type of case not only because it is common and controversial, but also because it is relatively straightforward to examine the equality of the child support obligations. A secondary debate in the US has focused on whether the obligation to one nonresident child should be decreased if a nonresident parent has a new resident child. Although it is more difficult to think about how the child support scheme would promote equality in these cases, given that one child is living with both parents, and one is not, some systems do apply principles of equality in determining whether to adjust the child support order of the older (nonresident) child. Our focus is relatively simple, examining whether child support obligations to the children of a nonresident parent who live in different households are equal or unequal, where all other factors are held constant. In our discussions of equality, we take the perspective of the children, rather than explicitly comparing equality between the parents. Similarly, we focus on equality of child support obligations, rather than equality of total family income.¹

¹ We do this in part because countries have varied and complicated schemes for providing income support to low-income children, and because the tax and transfer system treats child support differently in different countries. Our focus on the equality of obligations to pairs of children is intended to highlight a case in which equality is relatively straightforward to examine.

Even though we focus on equality, most countries consider other principles as well, and the final policies are the result of tradeoffs among these principles. The most common example of another competing principle to equality in child support systems arises in the very simple case of parents who have had multiple children only with each other. In all countries that we study, an order for two children who live in the same household is less than twice the amount of the order for one child. Why? One key reason is that in many countries policy recognizes potential *economies of scale*. For example, some countries assume that child support should be related to the cost of children, and the marginal cost for an extra child declines as the number of children increases -- two children living in the same household simply do not cost twice as much as one. Other countries assume that child support should be related to income-sharing, that is, that child support should be set so that the amount mimics what would have been spent had the parents been together and shared their income with the child (this embodies the notion that children should benefit from the standard of living of both their parents). Because most research shows that the marginal amount of income spent on children decreases with each additional child (e.g., Lino, 2010), child support obligations that follow income-sharing principles increase unequally so that two children in the same household do not receive twice as much as one. Although the application of economies of scale means that the obligations to the second child are less than that to the first, and can thus be seen as unequal, the resident parent may redistribute resources within the household so that both children have an equal standard of living. The application of the economies of scale principle to complex families, however, is not straightforward: neither economies of scale nor redistribution within the household are possible if children are living in different residences.

Economies of scale appears to be one principle competing with equality; are there other principles that come into play in setting obligations for complex families? The answer is yes, and one such principle is *affordability*. Whether the child support obligation is too much for the nonresident parent is an issue even in simple cases, but it is particularly problematic in complex families. Imagine if a country were simply to add the same obligation level each time a nonresident parent had a new child to a different partner. This would treat all related nonresident children equally but could have difficulties with affordability if nonresident parents had children in several households. If the total child support obligations of an individual nonresident parent become very high, he/she may not be able to pay them in full, and/or his/her own life circumstances could become significantly constrained.² If orders are set so high that they are not collectible, then this generally increases state expenditures, either in the publicly-financed social security system or in the publicly-financed child support enforcement/collection system. It may also lead to substantial conflict between the child's parents if obligations are not paid.

If countries want to keep the total obligation affordable, what are the options when a nonresident parent has a new child? We distinguish two alternatives. First, there is a straightforward way to have both equality and affordability: set the obligations to be equal, but keep them affordable by reducing the obligation to the first child. But this approach raises a new concern. Some would consider this approach as unfair to the first child, who now gets less child support. Martha Minow describes this concern as, "A child support duty attaches upon the birth or adoption of a child; it does not diminish or disappear when the parent wants to pursue other

² Some argue that effective enforcement of child support and/or setting obligations that are "too high" inhibit freedom, specifically the freedom of nonresident parents to form new partnerships (Bradshaw, Skinner, Stimson, & Williams, 1999). Our focus in this paper is primarily on equality, rather than considering the range of incentives and issues created by child support orders for complex families. For a discussion of the way that various philosophical principles could be applied to child support obligations in complex families, see Minow (1998). For an empirical examination of the extent to which payments are affected by various levels of orders in the US, see Meyer, Ha, & Hu (2008).

duties, whether to another child, or to mortgage payments on a house, or to loan payments on a motorcycle.” (1998, p. 309) Therefore, some countries may want to pursue a second approach: keep the total obligation affordable, and protect the first child’s standard of living, but give up on equality: make the order to the second child less than the order to the first. This approach would score highly on a principle of *protecting the first nonresident child’s standard of living* from the later fertility behavior of a nonresident parent. If affordability is to be maintained, however, this principle can be achieved only by not achieving equality.

In summary, there are tradeoffs involved: there are principles competing with equality and countries that pursue equality of orders may score lower on other dimensions, and countries that score higher on other dimensions may score lower on equality. In this paper we examine how countries score on equality of child support orders because little is known about how these child support systems respond to complex families and whether new children alter obligations to previous children, which is an increasingly common situation.

II. Data, Context and Analytic Approach

Data. This paper draws on data generated for an international comparison of child support schemes in 14 countries: Austria, Australia, Belgium, Canada, Denmark, Finland, France, Germany, the Netherlands, New Zealand, Norway, Sweden, United Kingdom and the United States. The research was commissioned by the UK’s Department for Work and Pensions, who stipulated that the aforementioned countries be included, to inform their review of the UK’s child support system. Data was generated in June- July 2006 by way of recruiting national informants in each country, an approach previously used in comparative research on tax and benefit systems (see Bradshaw & Finch, 2002; Bradshaw et al., 1996; Corden, 1999; Eardley,

Bradshaw, Ditch, Gough, & Whiteford, 1996). The national informants, primarily academics who conduct policy research, were each sent a questionnaire to complete which was structured to allow some scope for discursive responses. Questions were focused on a variety of aspects of the child support scheme and the way it interacted with other systems. Informants also responded to several vignettes in order to elicit country responses to common scenarios including the re-partnering of the resident parent or the nonresident parent. Data analysis is therefore based largely on the national informant's knowledge of their respective systems as they existed in the summer of 2006 rather than on administrative records or data from government departments, though some informants did draw on such sources in their responses. In federalist countries, informants selected a single jurisdiction's policies to describe; thus the Canadian data is from Ontario and the U.S. data from Wisconsin. In the U.S. there is limited information on other states' approaches to order-setting in complex families; see, for example, Brito (2005) or Caspar (2006).

All of the national informants returned completed questionnaires. National informants were given the opportunity to comment on a draft report and their responses were included in the final version of the report. Analysis for this paper draws especially on their responses to questions 3.3.5 and 3.5.5, and the vignette scenarios; these sections of the questionnaire can be found in Appendix 1.

Context. In order to provide a broader context to the results on equality, this section provides a brief outline of the approaches taken to child support obligations in the countries included in the study; a more detailed description can be found in Skinner, Bradshaw, & Davidson (2007). Systems of child support are primarily focused on ensuring the private obligations between related family members, that is, parents for their children. All of the

countries reviewed here have systems in place to organize the determination, collection and enforcement of child support liabilities. History, culture and socio-economic institutions all influence how and why countries organize child support (Corden, 1999; Wikeley, 2006).

A major difference between child support systems centers on the type of institution in which decisions about assigning a financial obligation for child support take place. In this research, countries were clustered according to whether courts or agencies, or a mixture of both, were primarily responsible for the determination of formal child support obligations in cases where parents were unable or unwilling to come to a private voluntary agreement. Courts had the main responsibility in Austria, Belgium, Canada (Ontario), France, Germany and Sweden. Determinations were primarily made by agencies in Australia, Denmark, New Zealand, Norway and the UK. An amalgamation of courts and agencies were responsible in the remaining countries of Finland, the Netherlands and the USA (Wisconsin). In general, countries with agencies were more likely to operate with more standardized methods for the determination of child support obligations, such as formulae and/or rules. Court-based systems, on the other hand, use less prescriptive 'guidelines' or operate with full discretion. Bureaucratic agencies are better able to make decisions on a rational basis according to rules. In this way, children in similar circumstances, (although as we will see, not necessarily those in the same family) are more likely to be treated similarly in terms of the outcomes of support obligations. The disadvantages often levied at agencies are that, in attempting a degree of standardization, they are often unable to respond to individual circumstances. Court systems, on the other hand, are argued to be able to respond to individual needs with their use of discretion in the determination of obligations. One of the main criticisms levied at court decisions is their potential inequity, the discretion involved means that children in similar situations may receive quite different orders.

In addition to the differences in the locus of decision-making, there are also differences across countries in the factors that can be taken into account in determining the financial obligations of nonresident parents. For example, there was substantial variation in how much of the nonresident parent's resources were taken into account; in several countries a certain amount of resources was set aside for the living expenses of the nonresident parent, with any remaining resources potentially available for child support. Half of the countries consider the resident parent's resources in determining the amount of the obligation (Skinner et al., 2007). Once made, obligations can be subject to alteration in several circumstances, including adjustments for inflation. Obligations could also change when parents apply for adjustments, and countries differ in the extent to which changes in income will result in a change in obligations. Similarly, as we shall see below, countries differ in the extent to which obligations can change when one of the parents has new family obligations to partners and/or resident children.

In sum, previous work has described the basic child support systems in these countries and shown some similarities and some important differences. But, no research that we are aware of takes a closer look at whether these countries achieve equality in orders across the various types of children that result when complex families form. We aim to help fill this knowledge gap with this paper.

Analytic approach. Our analysis tries to capture whether countries appear to be pursuing equality in orders for complex families. Some child support schemes have explicit statements of principle, so in these countries it would be relatively easy to see if equality for different types of children is listed as an important guiding principle. But in our analysis we want to go beyond stated principles. In part this is because legislative acts do not always include explicit statements of principles. More importantly, we go beyond explicit statements of principle because even in

countries in which they are explicit and clear, complex families create problems in implementing principles. For example, in most U.S. states, the principle underlying child support obligations is clear – the amount of obligation should reflect what the nonresident parent would have spent on the child if the parents had stayed together (Garrison, 1999). But this principle is difficult to apply: it is hard to imagine how to implement this principle in situations in which parents have had children with multiple partners, each of whom also had children with multiple partners (Cancian & Meyer, 2006). Our approach is therefore not based on stated principles but is inductive: from the general rules and the child support outcomes of particular cases we infer whether equality principles are (or are not) being applied.

We examine two types of cases. In the base case a nonresident parent has two nonresident children resulting from two separate relationships. We consider two questions: are the orders for these two children equal and is the older child's order reduced when the obligation to the second born child is set? The second case is the situation in which a nonresident parent has a nonresident child and a resident biological child from a new partnership. Recognizing that the situation of these children is unequal in many ways, in that the "nonresident" parent lives with one child and not the other, do countries attempt to treat these children equally in their child support policy? This situation allows us to explore whether residence affects the relative obligations between the nonresident parent's biological children. Given our interest in the relative child support obligations, we hold constant factors other than the nonresident parent's living situation to focus and simplify the analysis.³

³ Any country that incorporates the income of a resident parent in determining child support obligations could have unequal outcomes for different children merely because of differences in the incomes of these resident parents, rather than because of differences in the family situations of the children. By holding constant the incomes of the resident parents, we can examine more closely whether family complexity results in unequal outcomes. Therefore, in our base case of two nonresident children living in different households, we assume that both of the resident parents have equal incomes, and when we consider the case of a nonresident child and a resident biological child, we

III. Results

In the base case of two nonresident children, we categorize countries along two dimensions: first by whether the orders for the first and second child are for the same amount, and, second, by whether the obligation to the older child is reduced when a second, nonresident child is born. This gives four types of outcomes: (a) Equal - no reduction; (b) Equal – reduction; (c) Unequal - no reduction; (d) Unequal – reduction.

We then extend our analysis to consider the second case, in which a nonresident parent who had a nonresident child now also has a resident biological child from a new partnership. As we will see, the same four categories of child support policies can also be used in this case.

Base Case: Two nonresident biological children. We show the results for the 14 countries in Table 1, focusing on the situation of two nonresident children as shown in the first column. In two countries, Belgium and France, there is no rule, but judicial discretion could lead to many different outcomes. The remaining twelve countries have policies in place to deal with this case. There are three basic outcomes: in seven countries the children have equal orders (some of which reduce the first order and some of which do not); in five countries they have unequal orders.

The seven countries that have equal orders for the two nonresident children are of two types, and the two types have a clear tradeoff in achieving other objectives. The first type is ‘equal - no reduction’. In Norway, the Netherlands and for a moderate-income family in Ontario (Canada), equality is achieved by usually ignoring the fact that there is a prior child support

assume that the nonresident parent’s former partner (the parent of the first child) and the current partner (the parent of the second child) have the same level of income.

order and setting a new order for a second child in exactly the same way that the first order was set, presumably for the same amount (as long as the nonresident parent's income has not changed and the ages of children are comparable, and for the Netherlands and Norway as long as there is no financial hardship for the nonresident parent resulting from paying a double amount). Note that this "equal - no reduction" strategy results in a nonresident father owing twice as much for two nonresident children as he would for one nonresident child. This strategy has a key advantage in terms of the equality principle; moreover the first child's standard of living is protected. On the other hand, this strategy can lead to a very high total amount of child support owed, which might not be affordable. In this strategy no 'economies of scale' principle appears to operate.

The second type of equal strategy we call "equal - reduction." This is used in Australia, Denmark, New Zealand, the United Kingdom, and for low-income families in Ontario (Canada). In these countries equality is achieved through a different method. In these countries, when the order is being set for the second child, the order for the first child is reassessed. The total amount owed is determined as if the two children were in the same family, and then that amount is divided equally between the two children. Because these child support schemes recognize economies of scale, the amount for a two-child family is less than twice the amount for a one-child family. Using half the two-child amount as the order in this situation therefore allows countries to keep the total amount owed more affordable. For example, in the UK, a nonresident parent with one child owes 15 percent of income, and a nonresident parent with two children in the same family owes 20 percent of income. If the UK followed the "equal - no reduction" strategy, a nonresident parent with two children in two different families would owe 15 percent to each child, totaling 30 percent of income. By treating the case as a two-child family, the UK

sets the total amount owed to only 20 percent of income (10 percent for each child), which keeps the obligation more affordable. This example illustrates the corresponding problem with this approach to equality: the order for the first child decreased from 15 percent of income to 10 percent of income, so the first child's standard of living was lowered because the nonresident parent had another nonresident child. The effect of this approach is that the first child's standard of living is not protected. The key thing about this approach is that an 'economies of scale' principle does appear to operate in that the marginal increase in the amount owed by the nonresident parent decreases with the number of children. The benefits of the economies of scale are all awarded to the nonresident parent to keep the total obligation more affordable. But neither the children nor the resident-parent families can realize any benefits from economies of scale because they live in different households.

The five countries that treat these children unequally (Austria, Finland, Germany, Sweden, and the US (Wisconsin)) all follow a similar approach to each other, which we call "unequal – do not reduce." These countries do not adjust the order to the first child. In these countries, the fact of a nonresident parent owing (or more precisely, paying) support to the first nonresident child means that there is less income available for the second child, and, consequently, the second child's order is lower. These countries generally take an intermediate position on affordability. For example, in Wisconsin (US), if children were in the same family, one child would be owed 17 percent of income and two children would be owed 25 percent. If the two children are in two different families, the first child is owed 17 percent of income, and the second child is owed the same percentage (17 percent) of the remaining income after the first order is paid (so 17 percent of 83 percent, or 14 percent). This makes the total amount owed 31 percent of income, lower than the "equal - no reduction" approach above (which would result in

two orders of 17 percent, totaling 34 percent), but higher than the amount of an order for two children in the same family (25 percent). In this approach, the advantages are that the first child's standard of living is always protected (all other things being held constant). A key disadvantage is that the second child will always be disadvantaged relative to the first child (all other things being held constant). Although this approach effectively matches the 'economies of scale principle' (which holds that the second child costs less than the first), the economies of scale principle is based on children living in the same household. In this scenario, with two nonresident children in two different households, there can be no economies of scale, and therefore the second child is not only disadvantaged, but arguably also penalized at a symbolic level.

Our analysis shows that no country in our data takes the fourth potential approach, with unequal orders and a reduction in the first child's order. This could be because the analysis is dealing with how systems might work in theory – that is if all other factors are held constant. It could be that this fourth type of “unequal - reduction” emerges in practice where a discretionary approach might allow for a readjustment to the first child's order and produce unequal orders based on children's special needs/ or differing financial situations. Thus, France and Belgium's fully discretionary systems might fit here in practice as well as some hybrid systems such as in the Netherlands, which specifically take into account children's differing needs.

Extension: One nonresident child and one resident biological child. The approaches of countries to this situation are shown in the second column of Table 1. Belgium and France use judicial discretion, so there is no explicit policy; however, the national informants reported that in practice it would be unlikely for the order to the first child to be changed in this situation. All the remaining countries have formulae or guidelines that apply to this type of case, so it is quite

straightforward to see if a child support order to a nonresident child is to be reduced when a nonresident parent has a new resident child. On the other hand, it is more difficult to characterize child support systems in terms of equality in this case, in that there is generally no explicit amount of child support ordered for a resident child. Nonetheless, we can infer whether countries attempt to apply a principle of equality. In the 12 countries not based on judicial discretion, only two can be characterized as applying an equality principle for these pairs of children in all cases, and one country is characterized as applying an equality principle in low-income cases only. Nine countries however, are characterized as not applying an equality principle.

Equality is the rule in Denmark and the UK, and for low-income families in Ontario (Canada). (Note that these three countries also treated the two nonresident children equally). These countries all reduce the order to the older nonresident child, and they all use identical or very similar approaches to their procedures as in the two nonresident children case shown in the first column and discussed above. For example, in the UK, if there is one nonresident child and one resident biological child, the non-resident child's order is re-assessed to take into account the nonresident parent's new responsibilities. Thus, the nonresident parent's two children (one resident, one non-resident) mean that 20 percent of income should be set aside for "children," and this amount is divided equally between the children, 10 percent of income for the nonresident child, and 10 percent of income symbolically targeted for the resident child. This means that the obligation is more affordable for the nonresident parent, but it also results in a decline of the nonresident child's order from 15 percent of income to 10 percent of income; this child's standard of living is therefore not protected. These countries therefore fall into the "equal, reduction" type.

In the group of nine countries that do not have equality there are two subtypes, based on whether the order for the first child is reduced. In seven countries (Australia, Finland, Germany, Netherlands, New Zealand, Norway, and Sweden), responsibility for new children means less income available for other children, and this lowered income results in reduced orders for the older nonresident child. For example, in New Zealand, a nonresident parent with one nonresident child who currently lives with a partner and no dependents owes 18 percent of any income over \$17,772, NZ\$ (about \$11,000 in US\$ at the time the data was produced). If the nonresident parent has a biological child, the amount allowed for living expenses increases from NZ\$17,772 to NZ\$24,919 (about \$15,400 in US\$). We characterize this situation as “unequal - reduction” in that no attempt is made to notionally equalize the financial obligation between the children.⁴ Moreover, for most cases (whenever the nonresident parent’s income is higher than \$17,772 and thus there is an order), the older child’s order will be reduced in recognition of the expenses associated with a new child. In not applying equality, an attempt is made to keep obligations affordable, but because the first child’s order declines, the nonresident child’s standard of living is not protected. In this case the resident child is prioritized by the child support system (symbolically at least if not also financially).

In the remaining two countries with an unequal approach, Austria and Wisconsin (US), as well as for moderate/ high-income families in Ontario (Canada), no adjustments are made for new resident children and thus the nonresident child’s order is not reduced. Simultaneously, because no adjustments are made there is no notional amount of income set aside for the resident child and thus a principle of inequality also holds. These countries’ systems fall into the “unequal

⁴ Note that the implicit amount for the new resident child is NZ\$7,147, the difference in the set-aside amount (NZ\$24,919-17,772). The order to the older nonresident child would not reach NZ\$7,147 unless the income of the nonresident parent was over NZ\$64,625; at incomes less than this level, less is awarded to the older child; at incomes above this level, more is awarded to the older child. Because average salary and wages in 2006/7 were about NZ\$40,000, in most cases the older child has a lower order than the set-aside for the younger child.

– no reduction” type. In some ways this is an extension of the position taken by Austria and Wisconsin (US) in the case of two nonresident children. Later partners are assumed to know about the obligations of a nonresident parent, and thus if they choose to have a child, they are assumed to be aware of the financial constraints imposed by a pre-existing child support order. (This approach is consistent with the thinking of many in the US public (Hans, 2009).) The inequality embedded in this approach means that the resident child is always disadvantaged (symbolically and perhaps financially) because there is no recognition of her/his status or needs within the child support system. (Of course, his/her needs may be met by social assistance benefits, depending on the country’s welfare system). Neither does this approach protect nonresident parents from unaffordable obligations, but it does protect the standard of living of nonresident children.

We do not categorize any country as following an “equal – no reduction” approach to this situation. In part this may be because of the limitations of our analysis: it is quite easy to determine if the first child’s order is reduced, but more difficult to determine whether equality is pursued when one child is nonresident and one is resident so there is only one explicit order. Still, the countries that pursue “equal – reduction” have incorporated a scheme that explicitly acknowledges the needs of the new resident child and its equality, so the countries that do not reduce the first child’s order could have correspondingly explicit statements about the importance of the new child and its equality.

IV. Discussion and Policy Implications

We summarize our results in Table 2, providing a count of the number of countries with different approaches for the two types of complex families discussed here. (Countries that use

full judicial discretion do not appear on the table). If the outcome in each country for each complex family type is counted once, the most common approaches can be seen by summing across the rows. Equality approaches are used in 9.5 situations, and unequal approaches in 14.5 cases, so unequal approaches are more common. By comparing columns, we see that child support systems seem more focused on equality (as defined here) when they are setting a child support order for two nonresident children (seven countries with equal outcomes) than one nonresident and one resident child (two countries with equal outcomes in all cases and another country with equal outcomes in some cases). Perhaps this is not surprising in that the child support system was designed for, and continues to be most focused on, ensuring the support of nonresident children. Still, high rates of new fertility mean that resident biological children are relevant in many child support cases. Child support policy may need to be re-examined to ensure that the outcomes it produces are appropriate given the realities of family complexity present in many countries today.

There is a relationship between attempts at equality and different systems for decision-making in assigning financial obligations. These countries cluster into three types by the administrative arrangements for assigning financial obligations. Six countries use courts, five countries use agencies, and three countries use a combination. Above we acknowledged the possibility that agency-based systems are not easily able to respond to individual circumstances in the way that a more discretion-based court system can, but agency-based systems are generally thought to be better at consistency of decision-making. This presumed distinction may or may not be reflected in the real world, nor is it necessarily true that one type or the other would use equality as a key principle. Does either type of system appear to use equality as a goal? Table 1 does show a relationship between agency-based systems and equal outcomes.

There are five agency-based systems (Australia, Denmark, New Zealand, Norway, and the UK). All five of these countries have equal orders for the two nonresident children (column 1, Table 1) and two of them (Denmark and the UK) also attempt equal outcomes for one nonresident and one resident child (column 2 of Table 1). In contrast, as far as we can tell, only one of the six court-based countries has equal orders for the two nonresident children (Canada-Ontario) and equal orders for one nonresident and one resident child (again Ontario but only for low-income nonresident parents).

If equal outcomes for children in these types of complex families were to become an important goal for a country's child support system, then the analysis shows that policy change would be needed in all of the countries here except Denmark and the UK. The analysis also suggests that agency-based models may be better prepared than court-based models to implement a principle of equality. In our data, equality approaches often mean that original orders need to be reviewed when changes in family circumstances occur (more countries pursue "equal - reduction" than "equal - no reduction") so in the most common case, orders to first children need to be reviewed if orders are to be equal between first children and later children. This could mean that if systems wanted to implement an equality principle, all orders associated with either parent would need to be reconsidered jointly, a daunting task in cases in which both parties have new children, and extraordinarily complex if both parties have new children with multiple partners. Court-based systems may find it difficult to ensure representation for all of these parties, so the apparent lack of equality of orders found in some court-based systems in this study may be related to pragmatic concerns about the difficulty of adjusting orders when the fertility and family circumstances of either of the parents change. Policies that simplify the order-setting process (perhaps ignoring the resident parent's income and/or household composition) could

help make this complicated logjam somewhat simpler. Still, it is no easy matter to decide what is best and in what ways to apply an equality principle. Table 3 summarizes the analysis in terms of the four approaches seen in the data and their possible advantages and disadvantages.

The first two strategies score high on equality, but differ in the tradeoff they make on the other criteria. Having orders be equal without reducing the order to the first child does protect the first child, but may result in high (unaffordable) orders. The second approach maintains equal orders and scores better on affordability for the nonresident parent. On the other hand, it performs worse on protecting the first child. The two strategies we see in the data that do not achieve equality also differ. Some countries do not reduce the first child's order when there is another obligation; this protects the first child's standard of living but may have orders that score low on affordability. In contrast, other countries reduce the order to the older child, though not to the point of equality, so this scores high on affordability but low on protecting the first child. None of these strategies scores high on all three criteria, highlighting the policy conundrums and tradeoffs involved.

Finally, we would argue that the principle of equality of outcome should be seen in the context of the entire social policy system. If inequality in child support determination is fully compensated by other aspects of the social assistance or taxation systems, it could be that total income for the children involved ends up being equal in more countries than we have shown here. Alternatively, the social assistance or taxation systems could exacerbate the inequalities discussed here. If total family income is made equal by the social assistance and taxation system, would this negate this analysis? We argue that it would not as perspective matters, and from the perspective of the child, the source of income can be important. Thus, receiving less from one's nonresident parent than a half-sibling receives may be symbolically important even if this deficit

is compensated elsewhere. The same might hold true from the perspective of nonresident parents who want to treat all their children equally (See Bradshaw, et al., 1999).

Family complexity affects an increasing number of children. This research has shown that the responses within child support policy to this complexity raise difficult issues and policy conundrums. In this context, it is probably not surprising that countries are taking a variety of approaches. Unfortunately, we do not yet have systematic information on the effects of these different approaches on children and families and in different contexts. Future research on this topic would be important, as these policies are affecting more and more children, and their economic - psychological well-being and well-becoming is a core societal concern.

Table 1: Child Support Obligations between Pairs of a Nonresident Parent's Children

	Two Nonresident Biological Children from Two Different Relationships	One Nonresident Child and One Resident Biological Child
Austria (C)	Unequal – no reduction First child's order unchanged; order for the second child takes into account the order for the first child and is thus less than the order for the first child	Unequal – do not reduce nonresident child's order No account taken of resident child; order for the nonresident child is generally unchanged.
Australia (A)	Equal – reduction Total amount owed is calculated as if all children were in same family unit; order is split equally between them	Unequal – reduce nonresident child's order Order for the nonresident child is reduced because of the resident child, but no apparent attempt to equalize across households.
Belgium (C)	Full judicial discretion- No rule	Full judicial discretion- No rule Unequal in practice: it is unlikely that the order would be changed
Canada/Ontario (C) (a) For nonresident parent without low income (b) For low-income nonresident parent	Equal – no reduction First child's order unchanged; order for second child equal in theory (unless amount of obligation puts the nonresident parent in financial hardship) Equal – reduction If low-income nonresident parent would experience undue hardship if required to pay full amount to second child, order to first child can be adjusted to equalize living standards.	Unequal – do not reduce nonresident child's order No account taken of resident child; order for the nonresident child is generally unchanged (if hardship would not occur). Equal – reduce nonresident child's order Resident child is accounted for. If low-income nonresident parent would experience undue hardship if required to continue to pay full amount to nonresident child, order to nonresident child can be adjusted to equalize across households.
Denmark (A)	Equal – reduction Total amount owed is calculated as if all children were in same family unit; order is split equally between them	Equal – reduce nonresident child's order Resident child is accounted for. Total amount owed is calculated as if all children were in same family unit, order is split equally between them
Finland (B)	Unequal – no reduction First child's order unchanged; order for the second child takes into account the order for the first child and is thus less than the order for the first child	Unequal – reduce nonresident child's order Order for the nonresident child is reduced because of the resident child, but no apparent attempt to equalize across households.
France (C)	Full judicial discretion- No rule	Full judicial discretion- No rule Unequal in practice: unlikely that the order would change

Germany (C)	Unequal – no reduction First child's order unchanged; order for the second child takes into account the order for the first child and is thus less than the order for the first child	Unequal – reduce nonresident child's order Order for the nonresident child is reduced because of the resident child, but no apparent attempt to equalize across households.
Netherlands (B)	Equal – no reduction First child's order usually unchanged; order for second child equal in theory (although nonresident parent's ability to pay is considered)	Unequal – reduce nonresident child's order Order for the nonresident child is likely to be reduced because of the resident child (depending upon total household income of the nonresident parent, including partners' earnings), but no apparent attempt to equalize across households.
New Zealand (A)	Equal – reduction Total amount owed is calculated as if all children were in same family unit; order is split equally between them	Unequal – reduce nonresident child's order Order for the nonresident child is reduced because of the resident child, but no apparent attempt to equalize across households.
Norway (A)	Equal – no reduction First child's order unchanged; order for second child equal in theory (unless amount of obligation puts the nonresident parent in financial hardship)	Unequal – reduce nonresident child's order Resident child is accounted for and order for the nonresident child is likely to be reduced, but no apparent attempt to equalize across households.
Sweden (C)	Unequal – no reduction First child's order unchanged; order for the second child takes into account the order for the first child and is thus less than the order for the first child	Unequal – reduce nonresident child's order Order for the nonresident child is reduced because of the resident child, but no apparent attempt to equalize across households.
United Kingdom (A)	Equal – reduction Total amount owed is calculated as if all children were in same family unit; order is split equally between them	Equal – reduce nonresident child's order Resident child is accounted for. Total amount owed is calculated as if all children were in same family unit; order is split equally between them
United States/ Wisconsin (B)	Unequal – no reduction First child's order unchanged; order for the second child takes into account the order for the first child and is thus less than the order for the first child	Unequal – do not reduce nonresident child's order No account taken of resident child; order for the nonresident child is generally unchanged.

(A) = Agency based system. (B) = Elements of both agency and court systems. (C) = Court based system

Table 2
 Number of Countries Following Various Child Support Strategies
 Based on Whether Orders Are Equal and Whether Order to First Child Is Reduced

Strategy	2 Nonresident Children	1 Nonresident and 1 Resident Biological Child
Equal – No Reduction	2.5	0
Equal – Reduction	4.5	2.5
Unequal -- No Reduction	5	2.5
Unequal -- Reduction	0	7

NOTES: Ontario (Canada) has different strategies for low-income cases and moderate- and high-income cases; we divide the characterization of Canada's strategy equally between these two types of cases. France and Belgium have judicial discretion and are not categorized.

Table 3
 Rankings of Four Policy Strategies on Three Dimensions

	Equality	Affordability	Protecting First Child's Standard of Living
Equal – No Reduction	High	Low	High
Equal – Reduction	High	High	Low
Unequal – No Reduction	Low	Low	High
Unequal – Reduction	Low	High	Low

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Appendix 1

Full versions of all the completed questionnaires can be accessed at :

<http://php.york.ac.uk/inst/spru/research/summs/childsupport.php>

I. Sections 3.3.5, 3.3.7, 3.5.5 and 3.5.7 of the questionnaire.

3.3.5 The following questions deal with how the Court takes account of the non-resident parent's family relationships in determining whether there is an obligation and its amount.

- A. Is the obligation affected by whether the non-resident parent has a new partner with whom he lives? How does it affect the obligation? Do a new partner's resources (income) matter? How? Does a new partner's own child (the non-resident parent's stepchild) matter to the obligation? How?
- B. Is the obligation affected by whether the non-resident parent had prior children? In what way?
- C. Is the obligation to the children affected by whether the non-resident parent has a new child that he lives with? In what way?
- D. Is the obligation to the children affected by whether the non-resident parent has a new child that he does not live with? In what way?

3.3.7 These questions deal with how the Court takes account of the parent with care's family relationships in determining whether there is an obligation and its amount.

- A. Is the obligation affected by whether the parent with care has a new partner? How is the obligation affected? Do a new partner's resources (income) matter? How? Does a new partner's own child (the parent with care's stepchild) matter to the obligation? How?
- B. Is the obligation affected by whether the parent with care had children prior to this relationship? In what way?
- C. Is the obligation affected by whether the parent with care has a new child that she lives with? In what way?

3.5.5 The following questions deal with how the Agency takes account of the non-resident parent's family relationships in determining whether there is an obligation and its amount.

- A. Is the obligation affected by whether the non-resident parent has a new partner with whom he lives? How does it affect the obligation? Do a new partner's resources

(income) matter? How? Does a new partner's own child (the non-resident parent's stepchild) matter to the obligation? How?

- B. Is the obligation affected by whether the non-resident parent had prior children? In what way?
- C. Is the obligation to the children affected by whether the non-resident parent has a new child that he lives with? In what way?
- D. Is the obligation to the children affected by whether the non-resident parent has a new child that he does not live with? In what way?

3.5.7 These questions deal with how the Agency takes account of the parent with care's family relationships in determining whether there is an obligation and its amount.

- A. Is the obligation affected by whether the parent with care has a new partner? How is the obligation affected? Do a new partner's resources (income) matter? How? Does a new partner's own child (the parent with care's stepchild) matter to the obligation? How?
- B. Is the obligation affected by whether the parent with care had children prior to this relationship? In what way?
- C. Is the obligation affected by whether the parent with care has a new child that she lives with? In what way?

II. Vignette scenarios

In these vignettes, we provide a basic situation and ask the likely outcome given the child maintenance policies in your country. We then vary a selected characteristic and ask whether the outcome would differ. We then ask you to report on what would happen if various circumstances changed over time

8.5 BASE CASE 'B': MR AND MRS COAST

Mrs Coast is about to start divorce proceedings after having been married for ten years. The couple are in their early 40s, and have two children, Anne aged six years and John, aged nine years. Both children attend school.

Mrs Coast and the children have remained in the rented accommodation they shared when they were together, while Mr Coast has moved away to another town 100 km away where he rents a small flat.

Mr Coast has a secure job, and earns one-and-a-half median male full-time earnings. Mrs Coast has a part-time job, earning median female part-time earnings. There are no child care expenses.

Mr Coast collects both children every other weekend, and cares for them in his new home from Friday evening to Sunday evening. This involves a long journey by car (100km each way). While the children are in his home he has full financial responsibility, and has bought stocks of clothes, bedding, equipment and toys, which he keeps at his home.

Mrs Coast believes her husband should make significant child maintenance payments. She feels that most of the additional expenditure made by Mr Coast for the children (on clothes and toys) only benefits them when they are at his home. She finds she cannot meet her fuel and telephone bills. She welcomes the chance to formalise their financial situation, and believes it will be in her favour.

Mr Coast points to his additional housing expenses, his need to run a car in order to share the care of his children, and the money he already spends on their weekend stays. He does not want to be divorced, anyway, and he is bitter about what has happened. He very much wants to maintain relationships with his children, and is worried that a formal financial arrangement will be made that will leave him in financial difficulties.

8.5.1 Please discuss the process by which decisions about child maintenance would be made in this type of case. First, what are the options for formalising arrangements about child maintenance, under the circumstances described above. Explain the likely procedures and timescale for reaching a decision.

Discuss the criteria considered in reaching decisions, referring to the information you have already provided in the questionnaire about guidelines or discretion.

In your account please explain what further information might be needed to determine the obligation level, and how this would be collected.

Please indicate what kind of problems might arise in setting an obligation, and how these might be tackled.

8.5.2 Please discuss the outcome in terms of whether there would be a formal child maintenance obligation, and if so, the amount that would be awarded. As before, it may be necessary to introduce quantitative information or invent new facts or life circumstances for the couple. You may need to decide how much Mr Coast now pays to rent his new flat. Please use those situations and amounts which would be typical in your country.

8.5.3 If an obligation for child maintenance is set, how would monies be collected from Mr Coast? How would the money be transferred to Mrs Coast or the children?

8.5.4 If Mr Coast does not pay, what would happen?

8.6 BASE CASE 'B', VARIANT 1: CHILDREN LIVE WITH BOTH PARENTS EQUALLY

We would like to understand how the outcomes would change if one of the circumstances in this case were different (Variant 1).

The situation is exactly the same as Base Case B except Mr Coast lives in the same town as Mrs Coast and the children. The Coasts decide that the children will spend an equal amount of time living with each parent, alternating one week with Mrs Coast and one week with Mr Coast.

8.6.1 Would the maintenance obligation differ from what you reported in 8.5.2? Please explain.

8.6.2 Would any other outcomes likely differ? Please explain.

8.7 BASE CASE 'B', CHANGE IN CIRCUMSTANCES 1: MRS COAST HAS A NEW PARTNER THREE YEARS LATER

We now explore how your system would deal with a change in Mrs Coast's family circumstances. Return to the base case (Mr Coast lives in another town and has the children with him every other weekend). Assume the divorce is final and that the maintenance obligation has been set at the amount you have described in 8.5.2.

Three years later, Mrs Coast tells her husband that she has a new partner who has moved into the house. Mr Coast knows the man personally, and knows he has earnings comparable to his own. He feels that the arrival of this new partner for Mrs Coast should count in the financial decisions that have to be made during the divorce.

- 8.7.1 How would Mr Coast go about trying to change the obligation?
- 8.7.2 What would result -- is it likely the obligation would change? To what? Please explain.
- 8.7.3 Would any other outcomes likely differ? Please explain.

8.8 BASE CASE 'C', CHANGE IN CIRCUMSTANCES 2: MR COAST HAS A NEW PARTNER AND NEW CHILD THREE YEARS LATER

We now explore how your system would deal with a change in Mr Coast's family circumstances. Return to the base case (Mr Coast lives in another town and has the children with him every other weekend; Mrs Coast does not have a partner). Assume the divorce is final and that the maintenance obligation has been set at the amount you have described in 8.5.2.

Three years time later, Mr Coast has formed a new relationship with a woman and they have a ten month old child. He wants to maintain contact with his own children, whom he loves dearly, but his own household expenses have now gone up considerably. His new partner does not have paid work herself.

- 8.8.1 How would Mr Coast go about trying to change the obligation?
- 8.8.2 What would result -- is it likely the obligation would change? To what? Please explain.
- 8.8.3 Would any other outcomes likely differ? Please explain.