



**A NEW  
SAFETY NET**  
for 21st-Century Families

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**Here's a crucial fact:** Most U.S. children will not spend their full childhood living with both of their biological parents. The simple theme of this piece is that the rise of complex families—those characterized by nonmarital births and parental-union dissolution, repartnering, and multi-partner fertility—needs to be taken into account in building a viable anti-poverty policy for the 21st century. If we continue to pretend that we're in the 1950s and that family arrangements remain relatively simple and stable, our policies will remain ill-equipped to handle the reality of how children are now being raised.

The key problem with most existing U.S. social policies is that they were created in an era when family complexity, fluidity, and multi-partnered fertility were much less common (as well as when disadvantaged men had greater employment and earnings prospects). Today's families are considerably more complex and more fluid; adults and children are more likely to be affiliated with multiple family and household units, to take on multiple family roles within and across these units, and to transition between multiple family configurations over time.

In this article, I present a policy proposal aimed at reducing child and family poverty in a context of growing family complexity in the United States. The proposal has two pillars:

*The prevention pillar:* The first pillar aims to prevent and reduce *unintended* pregnancies that often lead to family complexity. It does so by making long-acting reversible contraceptives (i.e., intrauterine devices and implants, also called LARCs) widely and easily available to all women *seeking family planning services*.<sup>1</sup>

*The noncustodial parent pillar:* The second pillar aims to reduce poverty directly by offering noncustodial parents (largely fathers) access to a parallel portfolio of social welfare benefits and services that are available to custodial parents. Access to these benefits and services would be conditional on both work and child support payment.

The claim that I'll be advancing here is that a safety net for the 21st century needs to be built on these two pillars.

## 7 Pounds, 8 Ounces of Prevention

Let's begin with more facts. Currently, more than 40 percent of all births and more than 50 percent of births to women under age 30 are to unmarried parents. Nonmarital births are disproportionately common among less advantaged groups. For example, 57 percent of births to women with less than a high school degree are nonmarital, whereas this is true of only 9 percent of births to women with at least a bachelor's degree.<sup>2</sup> Additionally, about 72 percent of births to black mothers and 53 percent of births to Hispanic mothers are nonmarital, compared to 29 percent of births to white mothers.<sup>3</sup> By international standards, cohabiting relationships in the United States are characterized by high levels of instability, such that most cohabiting parents

will break up, many within the first few years of their child's life.<sup>4</sup> Moreover, the majority of nonmarital births—and an estimated 73 percent of births to unmarried women under age 30—are the result of unintended pregnancies, which also occur disproportionately to socially and economically disadvantaged individuals.

These are striking facts. What's to be done? Because unintended nonmarital births often lead to child poverty, we can do much to reduce poverty by simply reducing the number of such births. This does not require changing sexual behaviors: As detailed in Isabell Sawhill's recent book, *Generation Unbound*,<sup>5</sup> current evidence suggests that the sexual behaviors of less advantaged individuals and their more advantaged counterparts do not differ much. What does differ, however, is contraceptive behavior. More advantaged individuals are more likely to use contraception, use it more consistently and correctly, and use more effective forms of it.<sup>6,7</sup>

How can the contraceptive behavior of less advantaged individuals come to resemble that of more advantaged individuals? The answer is LARCs: Sawhill provides convincing evidence that making LARCs widely and easily accessible has the potential to reduce family complexity and poverty. LARCs have lower rates of failure than other forms of reversible contraception. They are more effective at preventing pregnancy than are condoms, the ring, the patch, and the birth control pill. Furthermore, compliance with many forms of birth control is limited in that individuals must decide each time they have sex, or within a window of a few hours each day, to avoid unintended pregnancy. By contrast, LARCs limit the decision to avoid unintended pregnancy to once every few years.

Despite these benefits, LARC usage rates remain relatively low in the United States, particularly for disadvantaged women. There are three barriers to LARC use: (1) limited awareness and understanding of the method and its availability (by both potential users and their providers); (2) greater amounts of time required to explain the method and, often, the need for an additional appointment to receive the device; and (3) high upfront (though not necessarily long-term) costs relative to most other birth control methods. At the same time, recent studies suggest that explaining how LARCs work and making them available for free could result in a substantial increase in their use and a resulting decrease in unplanned births. For example, 75 percent of the disadvantaged women in the St. Louis Contraceptive CHOICE project selected LARCs over other forms of reversible contraception when it was explained how they work and when

they were offered for free. Those who chose LARCs were, in turn, 22 times less likely to experience an unintended pregnancy over the next three years.<sup>8</sup> Similarly, an evaluation of the Colorado Family Planning Initiative found that increased access to LARCs was associated with a 27 percent decrease in births to disadvantaged young women (unmarried, younger than 25, with less than a high school education) over a two-year period.<sup>9</sup>

The implication is clear: To prevent family complexity, policies and practice should make it as simple as possible for all individuals to avoid unintended pregnancy. Easy and affordable (or free) access to the full range of available contraceptive options, and accurate information about their use and effectiveness, should be available to all individuals who seek family planning services. The existing evidence suggests that many, if not the majority, of disadvantaged women would *choose* LARCs and that this would result in a substantial reduction in unintended pregnancy and resulting family complexity, with an accompanying substantial decrease in child poverty.<sup>10</sup> Furthermore, by delaying pregnancy, individuals have additional time to pursue education and employment to enable them to better support a child when they intentionally decide to have one. In short, not making existing LARC technology widely and easily accessible to disadvantaged individuals seeking fertility planning simply invites family complexity and associated child poverty.

### Supporting Noncustodial Parents

The first pillar, even if successfully implemented, will not eliminate family complexity. Even if LARCs were widely and easily accessible to low-income individuals, there would of course continue to be a large number of complex families in the United States. The second pillar of a modern safety net is ensuring that it works well in the context of this family complexity.

A key weakness in our existing safety net is the treatment of noncustodial parents (NCPs). As it stands, many children in complex families receive limited financial support from their NCP, typically their father. Of those disadvantaged custodial parents (CPs) with a child support order, only about a third receive the full amount due to them and about a third receive none. On average, disadvantaged CPs with a child support order receive \$2,000 to \$3,000 per year in support, which accounts for roughly 50 to 60 percent of their order amount.

It is appropriate to focus on child support because when complex families are the norm, it becomes a fundamental source of income for children. For CPs that receive the full amount due to them, child support accounts for about two-thirds of their total income.<sup>11</sup> Current estimates of the poverty-reducing effect of

child support vary substantially across states, ranging from 8 to 23 percent. Moreover, even when child support doesn't take a family out of poverty, it nonetheless brings the family much closer to the threshold. The upshot: *Child support is simply critical in a complex-family society.*

Although child support contributions from NCPs have the potential, then, to substantially reduce poverty, actual effects have been limited because a large proportion of low-income CPs receive only partial or no support. This is partly because the NCPs of low-income and poor children are often low-income and poor themselves, lacking consistent employment or working for low wages.<sup>12</sup>

We thus need to build a safety net that helps NCPs become self-sufficient. Currently, U.S. social policy treats low-income NCPs more like non-parents than like parents, with their primary interactions with government being in such domains as the criminal justice system, family and criminal courts, the child support enforcement system, and the IRS. Although some low-income NCPs also receive Unemployment Insurance and employment services or participate in fatherhood programs, these benefits are less common. Receipt of food assistance and Medicaid by NCPs is particularly rare relative to receipt of these benefits by CPs. In this context, NCPs primarily experience government as saddling them with mandates and penalties, while

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offering limited direct economic supports and services. By contrast, they experience CPs as benefitting from multiple supports and services, including the Earned Income Tax Credit (EITC); the Child Tax Credit (including the refundable Additional Child Tax Credit); Women, Infants, and Children; Temporary Assistance for Needy Families (TANF); Child Support Enforcement; Supplemental Nutrition Assistance Program; Medicaid; and (sometimes) housing assistance. These perceptions are not off the mark.

The remainder of this section thus describes some policy proposals that will produce parallel economic support systems—as well as parallel expectations—for CPs and NCPs. The goal is to

ensure that NCPs, just like CPs, can come to be self-sufficient and support themselves and their children.

The proposals consist of two major initiatives: (1) a temporary work- and child support-conditioned cash benefit for non-working NCPs (modeled on existing state TANF programs, which typically target CPs) and (2) tax and other incentives for NCPs to engage in work and child support compliance. I focus on this particular set of policies because it has elements that may be politically feasible, whereas this may be less true of other potentially appealing policy options in this arena (e.g., a universal, refundable child allowance; a guaranteed child support benefit).

### A TANF-Like Program for Noncustodial Parents

The first initiative, oriented toward non-working NCPs, entails creating a joint federal-state TANF-like policy program targeting them. This could be established as a separate program, or the federal government could work with states to fully include NCPs in their current state TANF programs. In this section, I describe how such a program may operate, using the State of Wisconsin's current Wisconsin Works (W-2) TANF program as a guide.<sup>13</sup>

## Complex families are doubly linked to poverty: They are disproportionately formed by disadvantaged individuals, and they then bring about adverse social and economic outcomes for the adults and children within them.

Existing TANF programs are generally only available to income- and asset-eligible NCPs who also have resident children. However, I propose increasing the number of families that are eligible by partially counting nonresident children in the family unit, resulting in a larger family size and thus increased eligibility. The new eligibility threshold would be set at 115 percent of poverty based on an NCP's current coresident family unit, with partial inclusion of nonresident children (e.g., each nonresident child could be counted as being 20 to 40 percent in the family unit, or some other reasonable proportion based on a combination of child support and visitation expectations). Thus, by partially counting their nonresident children, many NCPs would become eligible for the new TANF-like program, or existing TANF programs.

Like the W-2 program, the NCP program would be organized around various tiers of work readiness based on NCP capacity and work experience. In all tiers, NCPs would be required to have a formal child support order and participate in the child support enforcement system. Child support would be automatically withheld and fully transferred (passed-through) to the CP from any cash benefit or wages earned, in accordance with the child support order in place, regardless of whether the CP is

receiving public assistance or had a Medicaid-funded birth. Minimum child support orders for non-working or very low-income NCPs would be universally set to assume income at the program benefit level, and order amounts would routinely be adjusted based on changes in NCP earnings and benefits. Similar to current TANF policy, participants would be subject to sanctions for noncompliance with program requirements, but sanctions would first be applied to only the non-child support portion of the benefit. The child support portion would be reduced only after the portion directly paid to the NCP was depleted.

The bottom tier of the program would serve NCPs with significant barriers to work, such as cognitive or mental health problems, other disabilities, or the need to care for a coresident disabled child. This group would be defined in accordance with existing state TANF policy for CPs. Participants would receive a cash benefit of about \$450 per month (which is roughly 30 percent less than Wisconsin's W-2 cash benefit for CPs).

The second tier would be targeted to NCPs who do not have significant barriers to work, but still need work experience and training. It would consist of a mix of community service jobs and job training and educational activities, with a benefit of about \$500 per month (as compared to \$673 per month in W-2). Educational and training opportunities would be equivalent to those offered to CPs under current state TANF policy. Community service jobs could also be made available for NCPs who hold part-time jobs but need to increase their work hours.

The top tier would consist of trial-subsidized jobs with private employers. Both community service jobs and subsidized jobs may be particularly useful for assisting the large number of NCPs who have trouble finding employment due to criminal records. Case-management services to assist NCPs in acquiring additional skills or better jobs would continue to be available even after NCPs have moved into unsubsidized (market-wage) jobs. Program participation could be subject to state lifetime limits for TANF participation for CPs or some other form of time limit.

On the whole, the goal would be to offer CPs and NCPs equitable forms of assistance toward self-sufficiency and the ability to support their children. It would increase incomes for NCPs, as well as child support transfers to nonresident children.

### Tax and Arrears Forgiveness Incentives

The first plank is thus oriented toward treating non-working NCPs like non-working CPs. But this plank alone will not suffice: Many, if not most, NCPs will not need or participate in a TANF-like program, just as most CPs do not. The second plank builds a tax policy for low-income working NCPs much like that for low-income working CPs. As it stands, low-income working CPs are in a privileged tax position relative to their NCP counterparts, as they are eligible for a much wider range of tax benefits.

I thus propose a more equitable provision of tax benefits for NCPs. To begin with, eligible CPs receive the Child Tax Credit

and, in many cases, its refundable Additional Child Tax Credit component. By contrast, NCPs do not generally receive this benefit for their nonresident children, even though they are expected to financially support them and often reside with them some of the time. Furthermore, child support is completely ignored by the tax system. It is neither tax deductible for NCPs nor taxable (as income) for CPs. A more equitable approach would allow NCPs to fully deduct formal child support paid from their taxable income, which would both incentivize child support payment and increase the disposable incomes of NCPs, many of whom also have resident children (for whom they may already receive tax benefits).<sup>14</sup>

We must also reform the EITC. The key proposal here: Rather than defining NCPs as childless adults (and therefore eligible only for the single-adult EITC benefit), they would be defined as parents and hence eligible to claim a reasonable proportion of the benefit available to CPs. To receive the benefit, they would be required to have a formal child support order and participate in the child support enforcement system, including wage withholding. But program eligibility would not be conditional on prior child support compliance. Child support would be withheld both from wages and from the NCP EITC, essentially guaranteeing payment (though not necessarily full compliance in cases in which orders do not accurately reflect NCP income). NCP EITC programs have been implemented in New York and Washington, D.C.

Finally, NCPs with child support arrears, but who are in compliance with their current child support orders, would have access to an arrears forgiveness program, which would encourage them to work in the formal labor market and pay child support. Arrears owed to government would be forgiven, perhaps at a rate of \$0.50–\$1 per \$1 paid in current child support. Arrears owed to CPs would be forgiven at a similar rate, but forgiveness would be conditional on CP approval. Current research suggests that because arrears forgiveness programs encourage work and future child support payment, children may ultimately receive a greater amount of support than would have been the case if arrears were not forgiven.<sup>15, 16</sup>

Together, these tax and arrears forgiveness policies have the potential to encourage NCP work and child support payment, as well as to increase the income available to both NCPs and their children. Furthermore, because child support and NCP (father) involvement have consistently been shown to be complements rather than substitutes, these policies should increase NCP involvement (and further promote positive outcomes for children).

### Is This an Evidence-Based Policy?

There is no rigorous evidence to support or oppose this proposal as a whole. But there is at least promising evidence regarding several of its pieces. I briefly review that evidence now.

*LARCs work:* First, there is relatively strong evidence that making LARCs easily available can substantially reduce unplanned pregnancy. This should in turn result in a relatively substantial reduction in poverty. This part of the proposal should be

hard to oppose: If we delay any longer in implementing it, we're effectively deciding in favor of more family complexity and associated child poverty.

*TANF for NCPs:* Second, the transition from Aid to Families with Dependent Children (AFDC) to TANF was associated with a large number of low-income women (CPs) moving into employment, which suggests that a similar program for NCPs may be worth pursuing. But the analogy is admittedly imperfect. Whereas the CPs moving from AFDC to TANF lost their unconditional AFDC cash assistance (and benefitted from a strong economy and EITC expansions), current NCPs would be starting from a different baseline, which, for the most part, does not include cash assistance. It is thus unclear whether the program would be as successful at moving NCPs to work as it was for CPs. If it were as successful, the resulting increases in employment and child support payment have the potential to reduce poverty substantially, not just for NCPs but also for their nonresident children.

*EITC reform:* The case for EITC reform is more ambiguous. Whereas the EITC is associated with increases in work and decreases in poverty among CPs, current evaluations of NCP EITC programs have revealed limited effectiveness. This evidence is, however, unconvincing because most existing programs have included stringent eligibility criteria (such as full child support compliance in the prior year) and benefit levels that may be too small to provide a work incentive.<sup>17</sup> A more universal program offering a larger benefit may be more successful at encouraging work among NCPs and reducing poverty for NCPs and their children.

*Arrears reduction:* Finally, arrears reduction programs have shown modestly promising effects, but they also generally have unrealistic eligibility requirements for low-income NCPs.<sup>18</sup> Nonetheless, current evidence suggests that establishing reasonable child support orders (relative to NCP income) is associated with modest increases in child support payment, primarily through greater participation in formal employment (and associated withholding). To the extent that such programs can increase formal employment and child support payment, they too have the potential to decrease poverty, though the size of such an effect is unclear.

In balance, the evidence is relatively strong, surely strong enough to begin a trial and to assess whether the full program has the anticipated substantial effect. This trial would ideally allow us to evaluate the separate and combined effects of its components.

### It's Time to Experiment

We live in a world of increasingly complicated family arrangements. Complex families are doubly linked to poverty: They are disproportionately *formed* by disadvantaged individuals, and they then *bring about* adverse social and economic outcomes for the adults and children within them. We need to build new institutions that break both poverty links. We need to reduce the number of complex families formed by disadvantaged individuals, and we need to find ways to reduce the amount of poverty

even within the context of such families.

The plan laid out here works on these two fronts (1) by helping individuals avoid *unintended* pregnancy and the family complexity associated with it and (2) by incentivizing parents—both CPs and NCPs—in complex families to become self-sufficient and to earn adequate incomes to support their children.

There is no existing evidence to suggest that, as a whole, the policy configuration I propose would reduce poverty. The available evidence on several of its components is, however,

promising enough that it is worth trying, at least on a pilot level. It would take only a single state, a federal waiver, or a single (albeit relatively large) investment by a charitable foundation to pilot and rigorously evaluate a multifaceted program along these lines.

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## Notes

1. Note that this approach to preventing family complexity focuses solely on preventing *unplanned* pregnancies. An alternative is to attempt to reduce family complexity through marriage promotion and relationship strengthening interventions. To date, however, such interventions have not been particularly effective. See, for example: Wood, Roger G., Sheena McConnell, Quinn Moore, Andrew Clarkwest and JoAnn Hsueh. 2012. "The Effects of Building Strong Families: A Healthy Marriage and Relationship Skills Education Program for Unmarried Parents." *Journal of Policy Analysis and Management* 31(2), 228–252.
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11. Grall, Timothy S. 2013. "Custodial Mothers and Fathers and Their Child Support: 2011." U.S. Census Bureau Current Population Reports, P60-246.
12. Cancian, Maria, Daniel R. Meyer, and Eunhee Han. 2011. "Child Support: Responsible Fatherhood and the Quid Pro Quo." *Annals of the American Academy of Political and Social Science* 635, 140–162.
13. Wisconsin Works (W-2) Fact Sheets. Wisconsin Department of Children and Families. Retrieved from <https://dcf.wisconsin.gov/w2/parents/w2>.
14. This approach would provide a larger benefit to middle- and upper-income NCPs than to lower-income NCPs (because the former face a higher marginal tax rate). Nonetheless, it would increase disposable income for low-income NCPs and, likely, child support transfers to their nonresident children. One option to lessen the public cost of this policy would be to tax the child support received by CPs; however, this would reduce the income available to them and their resident children, thus curtailing the poverty-reducing effect. An alternative approach would be to allow NCPs to claim a portion of existing child-related tax credits (e.g., the Child Tax Credit), based on the amount of formal child support they provide for their children. Tax credits could even be split proportionately between NCPs and CPs based on levels of support provided by each. Although such options would reduce costs, they would be more administratively complicated and potentially have greater perverse incentives than simply allowing child support payments to be tax deductible.
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18. Pearson et al., 2012.