Review of the Missouri Child Support Guidelines

Analysis of Economic, Case File, and Labor Market Data and Updated Schedule

Submitted to:
Child Support Guidelines Review Subcommittee
Office of State Courts Administrator
Jefferson City, MO

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SECTION 1: PURPOSE AND BACKGROUND

The purpose of this report is to document Missouri's 2020 child support guidelines. The Missouri child support guidelines are published by the Missouri Supreme Court (Mo. banc 2008). The Missouri guidelines are used by all judges and decision makers establishing and modifying child support orders. Federal regulation (Title 45 of the Code of Federal Regulations, C.F.R. § 302.56) requires states to review their guidelines at least once every four years. Missouri Revised Statute (§ 452.340) directs the Missouri Supreme Court to provide and publish child support guidelines for use in any judicial or administrative proceeding awarding child support. Missouri also reviews its guidelines through the Court: specifically, through the Child Support Guidelines Review Subcommittee. The members of the Subcommittee are shown in Exhibit 1.

Exhibit 1: 2020 Child Support Guidelines Review Subcommittee

Honorable Leslie Schneider - Chair Associate Circuit Judge, 13**th** Judicial Circuit	Jennifer Addadi Assistant Attorney General Missouri Attorney General's Office
Nancy Crocker Manager, Child Support Policy Development Unit Department of Social Services	Honorable Jason Dodson Associate Circuit Judge, 21st Judicial Circuit St. Louis County Court Building
Doug Harris Attorney Harris, Harris & Gilbert, LLC	Honorable Jerry Holcomb Associate Circuit Judge, 29th Judicial Circuit
Carla Holste Attorney Carson & Coil, PC	Diane Howard Attorney The Limbaugh Firm
Robert Gordon Attorney The Gordon Law Firm	Shannon Grisham Attorney Pratt and Grisham
Kelly Schultz Director Office of the Child Advocate	Steve Skinner Attorney Anderson, Sundell & Skinner, PC
Nevada Smith Attorney Smith Law Offices, LLC	Larry Swall Attorney Gates, Shields, Ferguson, Swall, Hammond, P.A.
Lisl King Williams Director of Legal Services Fathers' & Families Support Center	Warren Wade Supervising Attorney, Domestic Unit Legal Aid of Western Missouri

The Subcommittee's recommendations will be submitted to the Court for final approval. The recommendations include changes to conform to new federal requirements of state guidelines that were imposed since Missouri last reviewed its guidelines in 2016. It is anticipated that guidelines changes will be made sometime in 2021. The next guidelines review is scheduled for 2024.

As federally required, the Subcommittee considered economic data on the cost of raising children, examined case file data to analyze the application and deviation from the guidelines, considered labor market data, and fulfilled other requirements. This report documents the findings of this analysis. It also uses more current economic data to develop an updated child support schedule and documents the data and assumptions underlying the updated schedule. Much of the information documented in this report was presented to the Subcommittee in preliminary form at its meetings as its members reviewed the guidelines and developed recommendations. The Subcommittee considered numerous other sources of information when reviewing the guidelines and developing recommendations. The Subcommittee also sought and reviewed public comments from a wide range of stakeholders, including the child support agency and low-income parents.

Missouri Children and Their Parents

Child support is an important source of income to many Missouri children. Based on the U.S. Census American Community Survey, there were 1,372,695 children living in Missouri in 2019.[1] The 2020 Kids Count reports several statistics mostly from 2018 that is relevant to child support:[2]

- Eighteen percent of Missouri children lived at or below poverty.
- Thirty-four percent of Missouri children lived in single-parent families.
- Twenty-seven percent of Missouri female-headed families received child support.[3]
- Twenty-six percent of Missouri children had parents who lacked secure employment.
- Nine percent of Missouri children lived with a head of household that lacked a high school diploma.
- Nine percent of Missouri children lacked health insurance.

In 2019, the Missouri Department of Social Services (DSS), Family Support Division (FSD), Child Support Program (CSP) reported 311,074 total cases and 273,358 cases with support orders established, involving 415,029 children in its caseload to the federal Office of Child Support Enforcement (OCSE).[4] CSP collected and distributed over $557 million in child support in 2019. There are also child support cases that are not part of CSP. Collections on non-CSP cases generally are not reported to OCSE. Although the amount is unknown, it likely to exceed CSP collections.[5]

Although state data are not available, a 2015 national study found that without child support, the child poverty rate would be 7.0 percentage points higher.[6] Nonetheless, other national research finds that

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[1] U.S. Census American Community Survey 2020. Retrieved from https://data.census.gov . https://www.aecf.org/resources/2020-kids-count-data-book/.

[2] Annie E. Casey Foundation. (2020). *2020 Kids Count Data Book: State Trends in Child Well-Being*. Retrieved from https://www.aecf.org/interactive/databook/.

[3] For this particular data field, the data is actually from 2017-–2019.

[4] Federal Office of Child Support Enforcement. (2019). *Office of Child Support Preliminary Report 2019*. Retrieved from https://www.acf.hhs.gov/css/resource/fy-2019-preliminary-data-report.

[5] The authors suggest this based on data from various sources that non-government child support cases tend to have higher orders and higher payments data.

[6] Sorensen, Elaine. (Dec. 2016). "The Child Support Program Is A Good Investment." *The Story Behind the Numbers*. Federal Office of Child Support Enforcement. p. 8. Retrieved from https://www.acf.hhs.gov/sites/default/files/programs/css/sbtn_csp_is_a_good_investment.pdf.

almost a quarter of nonresidential parents have no or limited reported earnings.[7] In addition, a recent report by the Pew Foundation provides additional background information about the issue of incarcerated parents.[8] It found that about 98,000 children in Missouri (7% of all children in the state) experienced parental incarceration in 2011 or 2012.

Current Missouri Schedule

Exhibit 2: Excerpt of Current Child Support Schedule

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
3500	684	990	1167	1304	1434	1559
3550	692	1002	1181	1319	1451	1577
3600	700	1013	1194	1334	1467	1595
3650	708	1025	1208	1349	1484	1613
3700	715	1036	1221	1364	1501	1631
3750	723	1047	1234	1378	1516	1648
3800	730	1057	1246	1391	1530	1664
3850	739	1070	1261	1408	1549	1684
3900	748	1083	1276	1425	1567	1704
3950	756	1095	1291	1442	1586	1724
4000	765	1108	1306	1459	1604	1744

The core of the Missouri guidelines calculation is a lookup schedule of monthly basic obligations for a range of incomes and number of children. (Exhibit 2 shows an excerpt of the current schedule.) With some exceptions at very low incomes, the basic obligations in the schedule reflect economic data on the costs of raising children. They relate to the combined income of the parents—that is, the amount of income the parents would have if they lived together and combined financial resources.

The support award is determined by prorating the obligated parent's share of the basic obligation. For example, if each parent's gross income is $2,000 per month, the combined gross income would be $4,000 per month and, using the schedule in Exhibit 2, the basic obligation for two children is $1,108 per month. The obligated parent's prorated amount in this example would be $554 per month (*i.e.*, 50% of $1,108). This is the basis of the support award amount, although there may be additional adjustments for other considerations such as work-related childcare expenses or the number of overnights the child spends with the parent obligated to pay support.

At very low incomes (*e.g.*, below $1,400 gross per month for one child), the schedule includes a self-support reserve that is intended to leave the obligated parent with at least a subsistence level of income that. The area adjusted for the self-support reserve is shown by the shaded area of the schedule.

The existing Missouri guidelines schedule is based on economic data available in 2016. This is when the Missouri guidelines were last reviewed.

[7] Sorensen, Elaine. (Feb. 2014). *Employment and Family Structure Changes: Implications for Child Support*. Presentation to the National Child Support Enforcement Association, Washington, D.C. Feb. 7, 2014.
[8] The Annie E. Casey Foundation. (Apr. 2016). *A Shared Sentence: The Devastating Toll of Parental Incarceration on Kids, Families and Communities*, p. 5. Retrieved from http://www.aecf.org/m/resourcedoc/aecf-asharedsentence-2016.pdf.

Major Assumptions Underlying the Existing Guidelines

Exhibit 3 shows the major assumptions underlying the guidelines as identified in the Missouri guidelines. All but the last assumption pertains to the development and update of the schedule. Additional technical assumptions pertaining to the development and update of the schedule are discussed in Section 4.

Exhibit 3: Guidelines Assumptions Provided in OCSA CS 01 DIR (SCR 88.01, March 2019)

	Guidelines Assumptions
(1)	There is no evidence that the expenditure patterns of parents in Missouri differ significantly from national estimates of child-rearing costs.
(2)	The schedule of basic child support obligations is based on the income shares model, which seeks to apportion to the child the amount that the parents would have spent if the household were intact.
(3)	All parental income is treated as earned income subject to federal and state withholding and FICA taxes.
(4)	The schedule of basic child support obligations is prepared by converting net income to gross income using withholding tables for a single person.
(5)	Net income is gross income less adjustments for federal, state and social security taxes.
(6)	Conversion of net income to gross income assumes one exemption and the standard deduction.
(7)	The schedule of basic child support obligations assumes that the parent entitled to receive support claims the tax exemption for the children entitled to support.
(8)	The schedule of basic child support obligations incorporates a "self-support reserve" to address the need of the parent obligated to pay support to maintain a minimum standard of living.
(9)	The schedule of basic child support obligations excludes parental expenditures for child care and the child's share of health insurance premiums and extraordinary medical expenses.
(10)	Unreimbursed medical expenses that exceed $250.00 per family member per year are deemed extraordinary medical expenses.
(11)	The schedule of basic child support obligations does not consider the costs of the parent obligated to pay support when that parent has physical custody of the children entitled to support.
(12)	With respect to the adjustment for a portion of the amounts expended on the children by the parent obligated to pay support during that parent's periods of overnight visitation or custody, the basic child support amount can be divided into three categories of expenditures . . . .

Assumption 12 is the basis of Line 11 of *Form 14: Child Support Amount Calculation Worksheet*.[9] The line adjusts for the child's overnights with the obligated parent as ordered and exercised in visitation or joint physical custody award. To be clear, the schedule reflects the cost of raising a child in one household. It does not consider the obligated parent's direct expenditures (*e.g.*, for food) on the child while the child is in the obligated parent's care. Rather, the adjustment for visitation or custody is made in Form 14. A change in the schedule has no bearing on that adjustment.

USE OF THE GUIDELINES IN MISSOURI

When the child support action is part of a divorce, the action is typically heard by a Missouri Family Court. Other courts (*e.g.*, Juvenile), however, also may enter a child support order. The Missouri Department of Social Services (DSS) Family Support Division (FSD) can also initiate order establishments and modifications for its cases. For the FSD caseload, state statute (Chapters 208, 454, 536, and 660, RSMo) provides for administrative hearing officers to conduct child support-related hearings, including the establishment and enforcement of child support orders. Child support orders may also be obtained

[9] Form 14 is available from the Office of the State Courts Administrator at https://www.courts.mo.gov/file.jsp?id=114614

through judicial proceedings in FSD cases for various reasons. In short, child support orders can be established administratively or judicially in Missouri, and the guidelines are to be used by all judges and administrative hearing officers.

Federal Requirements of State Guidelines

Federal requirements for state guidelines were initially imposed in 1987 and 1989 and essentially have had no major changes until recently; specifically, in December 2016 when the Modernization Rule (MR) was published.[10] The 1984 Child Support Amendments to the Social Security Act required each state with a government child support program through Title IV-D of the Social Security Act to have one set of child support guidelines to be used by all judicial or administrative tribunals that have authority to determine child support orders within state by 1987.[11] The Family Support Act of 1988 expanded the requirement by requiring that the application of a state's guidelines be a rebuttable presumption and that states review their guidelines at least once every four years and, if appropriate, revise their guidelines.[12] States could determine their own criteria for rebutting the guidelines; however, the federal requirements made it clear that states should aim to keep guidelines deviations at a minimum. For several decades, the federal requirements for state guidelines essentially:

- Have one set of guidelines to be used by judges (and all persons within a state with the authority) to issue a child support order;
- Provide that the guidelines are rebuttal and develop state criteria for rebutting them;
- Consider all earnings and income of the noncustodial parent in the calculation of support;
- Produce a numeric, sum-certain amount;
- Provide for the child's healthcare coverage; and
- Review their guidelines at least once every four years and as part of that review analyze guidelines deviations.

Exhibit 4 shows the current federal requirements pertinent to state guidelines, including the MR changes. It shows the previous requirements were retained and several additional requirements were imposed on states. The additional requirements can be grouped into categories: those requiring additional provisions to a state's guidelines, and those pertaining to the guidelines review process.

[10] https://www.gpo.gov/fdsys/pkg/FR-2016-12-20/pdf/2016-29598.pdf.
[11] See the 1984 Amendments of the Social Security Act (Public Law 98-378).
[12] See 1988 Family Support Act (Public Law 100–485).

Exhibit 4: Excerpts of Federal Requirements Pertaining to Child Support

(45 C.F.R.)

§303.56 Guidelines for setting child support orders

(a) Within 1 year after completion of the State's next quadrennial review of its child support guidelines, that commences more than 1 year after publication of the final rule, in accordance with § 302.56(e), as a condition of approval of its State plan, the State must establish one set of child support guidelines by law or by judicial or administrative action for setting and modifying child support order amounts within the State that meet the requirements in this section.

(b) The State must have procedures for making the guidelines available to all persons in the State.

(c) The child support guidelines established under paragraph (a) of this section must at a minimum:

(1) Provide that the child support order is based on the noncustodial parent's earnings, income, and other evidence of ability to pay that:

(i) Takes into consideration all earnings and income of the noncustodial parent (and at the State's discretion, the custodial parent);

(ii) Takes into consideration the basic subsistence needs of the noncustodial parent (and at the State's discretion, the custodial parent and children) who has a limited ability to pay by incorporating a low-income adjustment, such as a self- support reserve or some other method determined by the State; and

(iii) If imputation of income is authorized, takes into consideration the specific circumstances of the noncustodial parent (and at the State's discretion, the custodial parent) to the extent known, including such factors as the noncustodial parent's assets, residence, employment and earnings history, job skills, educational attainment, literacy, age, health, criminal record and other employment barriers, and record of seeking work, as well as the local job market, the availability of employers willing to hire the noncustodial parent, prevailing earnings level in the local community, and other relevant background factors in the case.

(2) Address how the parents will provide for the child's health care needs through private or public health care coverage and/or through cash medical support;

(3) Provide that incarceration may not be treated as voluntary unemployment in establishing or modifying support orders; and

(4) Be based on specific descriptive and numeric criteria and result in a computation of the child support obligation.

(d) The State must include a copy of the child support guidelines in its State plan.

(e) The State must review, and revise, if appropriate, the child support guidelines established under paragraph (a) of this section at least once every four years to ensure that their application results in the determination of appropriate child support order amounts. The State shall publish on the internet and make accessible to the public all reports of the guidelines reviewing body, the membership of the reviewing body, the effective date of the guidelines, and the date of the next quadrennial review.

(f) The State must provide that there will be a rebuttable presumption, in any judicial or administrative proceeding for the establishment and modification of a child support order, that the amount of the order which would result from the application of the child support guidelines established under paragraph (a) of this section is the correct amount of child support to be ordered.

(g) A written finding or specific finding on the record of a judicial or administrative proceeding for the establishment or modification of a child support order that the application of the child support guidelines established under paragraph (a) of this section would be unjust or inappropriate in a particular case will be sufficient to rebut the presumption in that case, as determined under criteria established by the State. Such criteria must take into consideration the best interests of the child. Findings that rebut the child support guidelines shall state the amount of support that would have been required under the guidelines and include a justification of why the order varies from the guidelines.

(h) As part of the review of a State's child support guidelines required under paragraph (e) of this section, a State must:

(1) Consider economic data on the cost of raising children, labor market data (such as unemployment rates, employment rates, hours worked, and earnings) by occupation and skill-level for the State and local job markets, the impact of guidelines policies and amounts on custodial and noncustodial parents who have family incomes below 200 percent of the Federal poverty level, and factors that influence employment rates among noncustodial parents and compliance with child support orders;

(2) Analyze case data, gathered through sampling or other methods, on the application of and deviations from the child support guidelines, as well as the rates of default and imputed child support orders and orders determined using the low-income adjustment required under paragraph (c)(1)(ii) of this section. The analysis must also include a comparison of payments on child support orders by case characteristics, including whether the order was entered by default, based on imputed income, or determined using the low-income adjustment required under paragraph (c)(1)(ii). The analysis of the data must be used in the State's review of the child support guidelines to ensure that deviations from the guidelines are limited and guideline amounts are appropriate based on criteria established by the State under paragraph (g); and

(45 C.F.R.)

(3) Provide a meaningful opportunity for public input, including input from low-income custodial and noncustodial parents and their representatives. The State must also obtain the views and advice of the State child support agency funded under title IV–D of the Act.

Other Provisions of the New Federal Rule that Indirectly affect Low-Income Provisions of State Guidelines

§303.4 Establishment of support obligations.
(b) Use appropriate State statutes, procedures, and legal processes in establishing and modifying support obligations in accordance with §302.56 of this chapter, which must include, at a minimum: (1) Taking reasonable steps to develop a sufficient factual basis for the support obligation, through such means as investigations, case conferencing, interviews with both parties, appear and disclose procedures, parent questionnaires, testimony, and electronic data sources; (2) Gathering information regarding the earnings and income of the noncustodial parent and, when earnings and income information is unavailable or insufficient in a case gathering available information about the specific circumstances of the noncustodial parent, including such factors as those listed under §302.56(c)(1)(iii) of this chapter; (3) Basing the support obligation or recommended support obligation amount on the earnings and income of the noncustodial parent whenever available. If evidence of earnings and income is unavailable or insufficient to use as the measure of the noncustodial parent's ability to pay, then the support obligation or recommended support obligation amount should be based on available information about the specific circumstances of the noncustodial parent, including such factors as those listed in §302.56(c)(1)(iii) of this chapter. (4) Documenting the factual basis for the support obligation or the recommended support obligation in the case record.

§303.8 Review and adjustment of child support orders.
* * * * * (b)
* * * (2) The State may elect in its State plan to initiate review of an order, after learning that a noncustodial parent will be incarcerated for more than 180 calendar days, without the need for a specific request and, upon notice to both parents, review, and if appropriate, adjust the order, in accordance with paragraph (b)(1)(i) of this section. * * * * * (7) The State must provide notice— (i) Not less than once every 3 years to both parents subject to an order informing the parents of their right to request the State to review and, if appropriate, adjust the order consistent with this section. The notice must specify the place and manner in which the request should be made. The initial notice may be included in the order. (ii) If the State has not elected paragraph (b)(2) of this section, within 15 business days of when the IV–D agency learns that a noncustodial parent will be incarcerated for more than 180 calendar days, to both parents informing them of the right to request the State to review and, if appropriate, adjust the order, consistent with this section. The notice must specify, at a minimum, the place and manner in which the request should be made. Neither the notice nor a review is required under this paragraph if the State has a comparable law or rule that modifies a child support obligation upon incarceration by operation of State law. (c) * * * Such reasonable quantitative standard must not exclude incarceration as a basis for determining whether an inconsistency between the existing child support order amount and the amount of support determined as a result of a review is adequate grounds for petitioning for adjustment of the order.

In summary, the additional federal requirements of a state's guidelines are:

- A state's guidelines, at a minimum, must consider other evidence of ability to pay in addition to a parent's earnings and income.
- A state's guidelines must consider the basic subsistence needs of the noncustodial parent who has a limited ability to pay.
- If imputation of income is authorized under the state's guidelines, it must also consider, to the extent known, the specific circumstances of the noncustodial parent, such as the 14 specific factors identified in the federal rule.[13]

[13] Exhibit 3 also shows a complementary provision, 45 C.F.R. § 303.4, that elaborates on the steps to be taken to gain a factual basis of income and earnings to be used in the guidelines calculation.

- A state's guidelines may not treat incarceration[14] as voluntary unemployment in establishing or modifying support orders.[15]

In general, these additional provisions recognize the limited spendable income of impoverished and low-income obligated parents, and to curtail inappropriate and automatic imputation of income to an impoverished or low-income obligated parent when it is unrealistic given the individual circumstances of that parent. For example, it is unrealistic to presume that an employed parent earning $40,000 per year before incarceration can continue to earn that amount after incarceration, so income should not be imputed at $40,000 to the incarcerated parent.[16]

The existing Missouri guidelines already fulfills the requirement to consider the basic subsistence needs of the noncustodial parent by providing a self-support reserve (SSR). The updated schedule developed in this report updates the SSR for changes in the federal poverty guidelines since the guidelines was last reviewed. The Missouri subcommittee drafted recommended guidelines that comport with the other requirements highlighted above.

In addition, the new requirements as part of a state's guidelines review are to:

- Consider labor market data by occupation and skill level;
- Consider the impact of guidelines amounts on parties with incomes below 200 percent of the federal poverty guidelines;
- Consider factors that influence employment rates among noncustodial parents and compliance with child support orders;
- Analyze rates of default and imputed child support orders and orders determined using the adjustment for the noncustodial parent's subsistence needs;
- Analyze payment patterns;
- Provide opportunity for public input, including input from low-income parents and their representatives and the state/local IV-D agency;
- Make all reports public and accessible online;
- Make membership of the reviewing body known; and
- Publish the effective date of the guidelines and the date of the next review.

This report fulfills all of these requirements except the last three. These last three requirements are fulfilled by the Court.

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[14] Several states specify incarceration of over 180 days to be congruent with the provision in 45 C.F.R. § 303.8 that is also shown in Exhibit 3.

[15] There is a proposed federal rule change that would give states the options to provide for exceptions to the prohibition against treating incarceration as voluntary unemployment. See U.S. Department of Health and Human Services. (Sept. 17, 2020). "Optional Exceptions to the Prohibition Against Treating Incarceration as Voluntary Unemployment Under Child Support Guidelines." *Federal Register*, Vol. 85, No. 244, p. 58029. Retrieved from Federal Register: Optional Exceptions to the Prohibition Against Treating Incarceration as Voluntary Unemployment Under Child Support Guidelines.

[16] *Ibid.*

Organization of Report

Section 2 reviews case file data and labor market data.

Section 3 reviews the current economic data on the cost of childrearing.

Section 4 develops an updated schedule using more current economic data.

Section 5 analyzes the impact of the guidelines and proposed, updated schedule.

Section 6 provides conclusions.

Appendix A provides technical documentation of the data and steps used to develop the updated schedule.

Appendix B provides the proposed updated schedule.

SECTION 2: ANALYSIS OF CASE FILE DATA AND LABOR MARKET DATA

This section documents the findings from the data analysis required by federal regulation. The findings from the analysis are organized by data source:

- Case file data; and
- Labor market and other data.

FINDINGS FROM THE ANALYSIS OF CASE FILE DATA

Data Sample and Limitations

The analysis of case file data is based on 26,101 cases with new or modified orders for current support that are tracked by the Missouri Automated Child Support System (MACSS). Unlike most states, MACSS combines the automated system of the state's child support agency and the state central registry. In contrast, most states have a separate automated system and registry, and can only provide data from the automated system for purposes of a child support guidelines review. The automated system is used to administer and track child support services and payments among the state's child support agency caseload and may also track payments among non-agency cases that pay through the state's central disbursement unit. A state central registry, as federally required, must include a nominal amount of basic information about all child support orders established or modified within a state (*i.e.*, those that are part of the state child support agency caseload and those that are not). Information from a state central registry is reported up to a federal registry for the major purpose of identifying parties of interstate cases.[17]

For the purposes of the guidelines review, orders were selected based on the following criteria: a new order was established or modified sometime in fiscal year 2018 (*i.e.*, October 1, 2017 – September 30, 2018); and it was an intrastate case, hence, the Missouri guidelines should apply.[18] Using fiscal year 2018 allows for the tracking of payments for a full year.

Application of the criteria resulted in an initial sample of 20,874 newly established orders and 5,227 modified orders. For the purposes of the analysis of payment patterns, closed cases are excluded because they would not have payment information once closed. (Analysis of payment data is a federal requirement.[19])

[17] More information about state and federal case registries can be found at U.S. Department of Health and Human Services Office of Child Support Enforcement. (Dec. 7. 2016.) "What is the Federal Case Registry (FCR)?" Retrieved from https://www.acf.hhs.gov/css/resource/federal-case-registry-information-for-families. In general, most state case registries are very limited and their automation lags greatly behind state automated systems tracking government child support cases. As is, many states would like to update or replace their legacy automated systems.

[18] Which state has controlling jurisdiction—hence, which state's guidelines shall be applied—can be complicated and depends on many factors such as the residence of each parent, where the child was born, and other factors.

[19] 45 C.F.R. § 302.56(h)(2).

Exclusion of Cases Closed within a Year

The exclusion of closed cases reduced the number of cases available for analysis to 24,234. It includes:

- 19,345 newly established orders; and
- 4,889 modified orders.

In other words, 7 percent of the orders were closed within a year. The reasons for case closure varied. Most (61%) of the closed cases were former public assistance or foster care cases or another situation with less than $500 in arrears. In these circumstances, the custodial person may close the case, albeit the case closure code does not specifically note this. Another 13 percent of the closed cases were specifically coded as non-TANF cases in which the party requested closure. About 7 percent of cases were closed because the obligated parent was either deceased or disabled and unable to pay. The remaining 19% were closed for a variety reasons, none of which comprised more than 5 percent of the closed cases.

Available Data and Data Limitations

The data are limited to the information posted in MACSS. Although MACSS captures all orders established and modified within the state, not all data fields are populated for each order. The primary purpose of MACSS, like most state automated system, is to track order establishment, payments, enforcement actions, and other child support actions. Most of the audited fields and the data a state must report up to the federal government pertain to these actions. Although to meet federal certification states must have data fields tracking guidelines deviations, few states populate those fields. One of the major reasons is that the staff uploading the data may not know whether the judge or administrative hearing officer entered a guidelines deviation. Few states currently include the data fields needed to fulfill new federal requirements to analyze defaults, income imputation, and application of the low-income adjustment on their automated systems, although many states intend to make system enhancements to include them. Missouri is unusual in that MACSS captures information these data fields already. The information, like guidelines deviations, nonetheless, is not populated for every order.

Availability of Specific Data Fields

Key data fields are likely to be missing among order entered judicially than administratively, non-IV-D orders than IV-D orders, and orders where the MACSS guidelines screens were not populated than those where the orders had MACSS guidelines screens populated. Administrative orders, IV-D status, and population of MACSS guidelines screens are correlated. Most (80%) IV-D cases are heard administratively, and administrative hearing officers are more likely to use the MACSS automated guidelines calculator, which populates MACSS guidelines screens.

Most importantly, due to the missing data and because it more likely to be missing for specific case types, the analysis is not statistically representative of all child support orders within the state. Nonetheless, the data still provide a useful snapshot of child support orders in Missouri.

Exhibit 5 explores the availability of data for key data fields further.

Exhibit 5: Availability of Key Data Fields among Analyzed Orders (% of orders)

	All Orders			Orders with Information from MACSS Guidelines Screens		
	Total (N 24,234)	Modified (N 4,889)	New (N 19,345)	Total (N 13,842)	Modified (N 3,217)	New (N 10,625)
Guidelines Information Available						
Available	57%	66%	55%	100%	100%	100%
Missing	43%	34%	45%	-	-	-
Guidelines Deviation Noted						
Available	45%	60%	42%	70%	79%	67%
Missing	55%	40%	58%	30%	21%	33%
Order Entry Method (*e.g.*, Default)						
Available	99%	100%	99%	99%	100%	99%
Missing	<1%	-	<1%	<1%	-	<1%
Income Source of Obligated Parent						
Available	57%	63%	56%	89%	90%	89%
Missing	43%	37%	44%	11%	10%	11%
Income Source of Receiving Party						
Available	55%	62%	54%	88%	89%	87%
Missing	45%	38%	46%	12%	11%`	13%
Quarterly Wages of Obligated Party						
Available	56%	62%	55%	69%	72%	69%
Missing	44%	38%	45%	31%	28%	31%
Quarterly Wages of Receiving Party						
Available	44%	43%	48%	51%	51%	53%
Missing	56%	57%	52%	49%	49%	47%
Low-Income Calculation Noted (Self-Support Reserve Test Applied)						
Available	57%	66%	55%	100%	100%	100%
Missing	43%	34%	45%	-	-	-
Total Support Due in FY 2018						
Available	74%	75%	74%	78%	84%	77%
Missing or Zero	26%	25%	26%	22%	16%	23%
Number of Children on Order						
One or More Child	93%	98%	92%	97%	99%	96%
Missing or Zero	7%	2%	8%	3%	<1%	4%
Public Assistance Status						
Available	96%	99%	95%	99%	100%	99%
Missing	4%	1%	5%	<1%	-	<%
Relationship of Receiving Party to Child Available	98%	99%	98%	98%	99%	97%
Missing	2%	1%	2%	2%	<1%	3%

Guidelines Information

MACSS includes more than one screen with guidelines information. The screens contain selected information from Form 14 used to calculate the guidelines amount including the income of the parties, whether the self-support reserve was considered, which is Missouri's low-income adjustment. This is

important because federal regulation requires the analysis of application of the low-income adjustment.[20]

Specifically, the low-income calculation refers to Line 5 of Form 14 that instructs the guidelines worksheet user to take the lower of two guidelines calculations if the obligated parent's incomes falls within the shaded area, which is where the area of the schedule that would be adjusted for the self-support reserve. (It is shaded to show that the adjustment applies to different incomes when there are more children. This is necessary because the basic obligations for more children are higher.) The two calculations are necessary because sometimes the proration of the basic obligation when the receiving party has income can produce a lower order amount than straight application of the self-support reserve. The data field noting that the low-income calculation was used was populated for all orders using the guidelines screen. It was coded as applied if the final order reflected the calculation based on the application of the self-support reserve.

Besides noting whether the order was based on the self-support test, the MACSS screens with guidelines information include income used for the guidelines calculation and additional child-rearing expenses such as childcare expenses. It is the only source of this information. However, it does not include information from all lines of Form 14. Guidelines information was available for 57 percent of all cases. It was available for most (98%) of administrative orders undoubtedly because administrative hearing officers are more likely to use the MACSS guidelines calculator that also populates the MACSS guidelines screens. It was also available for most (90%) of IV-D orders undoubtedly because most IV-D orders are heard administratively. It was more likely to be available for modified cases (66%) than for new cases (55%). The availability of guidelines screens also appeared to vary with order amounts: orders set at the minimum order amount were most likely (85%) to have guidelines information available. In contrast, 54 percent of zero orders (which is not a basic obligation provided in the schedule) and orders set above the minimum order amount had guidelines information available.

In all, guidelines information is available for 13,842 opened cases (which is 57% of the opened cases analyzed). Income information was missing for a small percentage (3%) of obligated parents and no receiving parties. Child support orders established through the government child support agency are more likely to have guidelines screens populated; whereas orders set by a judge and parents stipulating a child support order are less likely to have the child support screens populated.

Guidelines Followed (Applied/Deviations)

MACSS includes a data field noting whether the guidelines were followed. A guidelines deviation is the same thing as not following the guidelines. Federal language refers to it as a guidelines deviation, while MACSS notes whether the guidelines were followed, were not followed, or it cannot be determined. The data field can also be blank. For orders where the guidelines are not followed, MACSS also notes the reason for the deviation, the direction of the deviation, and the amount of the deviation.

The field noting whether the guidelines were followed was populated for most (90%) administrative orders. The field can be populated manually or through use of the MACSS guidelines calculator. The field

[20] 45 C.F.R. § 302.56(h)(2).

was less likely to be populated among orders set by judicial hearing or voluntarily. Often, child support staff uploading information onto MACSS do not know whether a judge deviated or the parties stipulated a deviation. Whether there was a deviation is not always obvious in the court order, particularly if the court order is multiple pages of text. Further, the data field is not a field reviewed for federal audits and federally required self-assessments, so there is less incentive to monitor whether its populated.

Default Orders

The analysis of default orders is also a federal requirement.[21] MACSS tracks whether orders were established or modified through a default judgment, consent, or a hearing. Information about how the order was entered was available for over 99 percent of orders.

Income Source of the Parties

The income source of the parents is a pull-down data field where income can be noted as from wages, imputed, Social Security Administration, and other sources. The analysis of income imputation is a federal requirement.[22] Income may be imputed to either party. The data extract noted whether income was imputed to the party ordered to pay support as well as the party receiving support for some, but not all cases. The data was typically obtained through reviewing the income and expense statement. It was more likely to be available if there was guidelines information recorded on MACSS.

Quarterly Wage Data

Quarterly wage data, which is collected from employers for state unemployment insurance programs, is only available if there is automated match between MACSS and the state unemployment insurance tracking system, which does not track income from those that part of the state unemployment insurance. In other words, it would exclude self-employed parents and those whose employers offer an alternative (*e.g.*, railroad workers). Quarterly wage data was available for obligated parents in 56 percent of all analyzed orders and 44 percent for parents receiving support. Both obligated parents and receiving parties were more likely to have wage data available if they also had guidelines information recorded on MACSS.

Payment Data

Federal regulation also requires the analysis of payment patterns.[23] Analysis of payment information is limited to cases where the total amount of support due was greater than zero, which represents 75 percent of all orders. Non-zero orders were more prevalent for orders with information from the automated guidelines screens (84%) than for those that did not contain guidelines information (56%).

Other Data Fields

Exhibit 5 also shows a few other selected data fields had missing information. For example, the number of children was reported as zero for 7 percent of the orders. It was assumed that zero was equivalent to

[21] *Ibid.*
[22] *Ibid.*
[23] *Ibid.*

missing. Information about public assistance (*e.g.*, TANF and foster care) was available in 96 percent of all cases and was more likely to be recorded for cases with information from guidelines screens. While the relationship of the obligated parent was available for all orders, the relationship of the parent due support was missing for 2 percent of all orders.

Besides data fields not being consistently available for every order, payment data is only available for orders enforced through the government child support agency or those paying through the state disbursement unit.

Format of the Analysis

Most of the analysis consists of descriptive statistics (*e.g.*, frequencies, means, medians, and ranges). Much of the analysis is displayed in tabular form to consider subgroups. The analysis considers two sets of orders: all orders extracted from MACSS and orders with information from the MACSS guidelines screens. Those with information from the MACSS guidelines screens are a subset of all orders extracted from MACSS. These two sets of orders are further broken down into new orders and modified orders. The reason for comparing MACSS orders with information from the guidelines screens to all orders is to determine whether those orders with guidelines screens information are representative of all cases. Through other projects, CPR usually finds that those with guidelines calculations are more likely to be IV-D orders and established administrative; hence, they tend to have lower incomes and greater public assistance history.

The reason for examining new and modified orders separately is that through other projects, CPR has found that the characteristics of modified orders differ from those of new orders. Generally, modified orders tend to involve parties with higher income and have better payment patterns. It could be that the parties with modified orders have more at stake than new orders. Nonetheless, the guidelines must be applied to both new and modified orders.

General Characteristics of Orders, Children, and Parties

IV-D Status and the Setting of Orders through Administrative Process

Exhibit 6 shows just over a third (38%) of the orders were set administratively and just over half of the orders were entered judicially. The ratio of administrative orders and judicial orders varied slightly between new and modified orders, with new orders being more likely to have been set administratively. New orders with information from the MACSS guidelines screens were far more likely to be set administratively. This reflects that the MACSS guidelines calculator is more likely to be used in administrative hearings.

Exhibit 6 also shows that 47 percent of all orders and 74 percent of orders with information from MACSS guidelines screens were considered IV-D orders when the order was established or modified. IV-D refers to Title IV-D of the Social Security Act that provides for state child support programs. IV-D orders are more likely to be established and modified administratively. The Missouri Department of Social Services provides administrative child support hearings through its Family Support Division. Exhibit 6 breaks

down IV-D and Non-IV-D orders to show order type. As shown, the majority (80%) of IV-D orders were administrative orders, while the vast majority (99%) of Non-IVD orders were judicial orders.

Exhibit 6: IV-D Status and Administrative and Judicial Orders (% of orders)

	All Orders			Orders with Information from MACSS Guidelines Screens		
	Total	Modified	New	Total	Modified	New
Order Type	(N=24,234)	(N=4,889)	(N=19,345)	(N=13,842)	(N=3,217)	(N=10,625)
Administrative Order	38%	33%	39%	66%	50%	71%
Judicial Order	62%	66%	60%	34%	50%	29%
Juvenile or Voluntary Orders	<1%	<1%	<1%	<1%	<1%	<1%
IV-D Status when Order Entered	(N=24,234)	(N=4,889)	(N=19,345)	(N=13,842)	(N=3,217)	(N=10,625)
IV-D	47%	42%	49%	74%	60%	78%
Non-IV-D	53%	58%	51%	26%	40%	22%
IV-D Order at Time of Entry	(n=11,463)	(n=2,069)	(n=9,394)	(n=10,271)	(n=1,945)	(n=8,326)
Administrative Order	80%	78%	81%	88%	82%	90%
Judicial Order	20%	21%	19%	12%	18%	10%
Juvenile or Voluntary Order	<1%	<1%	<1%	<1%	-	<1%
Non-IV-D Order at Time of Entry	(n=12,771)	(n=2,820)	(n=9,951)	(n=3,571)	(n=1,272)	(n=2,299)
Administrative Order	<1%	<1%	<1%	1%	0%	1%
Judicial Order	99%	99%	99%	98%	99%	97%
Juvenile or Voluntary Order	<1%	<1%	<1%	1%	0%	1%

Reason for Modification

The reason for modification was available for 16 percent of all modified orders and 24 percent of orders with MACSS guidelines information. Most of the modified orders with available information were IV-D orders. The most common reason for a modification was the custodial parent requested it (7%), and the second and third most common reasons for a modification, respectively, were because the noncustodial parent requested it (5%) and it was requested by the Missouri Department of Social Services Child Support Division (3%).

Order Entry Method (Including Default Judgments)

Federal regulation (45 C.F.R. § 302.56(h)(2)) requires measuring the frequency that orders are entered by default. An order may be entered by default if the party does not show for a scheduled hearing. In some states, a parent may not show because they agree with what the default order would be. Still, parents can officially agree (called “consent”) to the order amount or there may be an actual hearing where the parties contested the order so the order amount is determined by an administrative or judicial ruling. Exhibit 7 shows that the overall default rate is 40 percent. The default rate among IV-D orders is higher than the default rate among non-IV-D orders (76% compared to 7%, respectively). Further, there is some variation on the default rate among IV-D orders depending on whether they were

established or modified administratively or judicially: the default rates among administrative IV-D orders was 84 percent, while it was 45 percent among judicial IV-D orders.

Exhibit 7 also shows that the consent rate was 15 percent among IV-D orders and 91 percent among non-IV-D orders. Few orders were established or modified through a contested hearing.

Exhibit 7: Order Entry Method by IV-D Status and Use of Administrative Process (% of orders)

	All Orders			Orders with Information from MACSS Guidelines Screens		
	Total	Modified	New	Total	Modified	New
Order Entry Method	(N=24,234)	(N=4,889)	(N=19,345)	(N=13,842)	(N=3,217)	(N=10,625)
Default	40%	35%	41%	61%	50%	65%
Consent	55%	61%	53%	31%	44%	27%
Contested	5%	4%	5%	8%	6%	8%
All Non-IV-D Orders	(N=12,771)	(N=2,820)	(N=9,951)	(N=3,571)	(N=1,272)	(N=2,299)
Default	7%	7%	8%	12%	11%	12%
Consent	91%	91%	91%	86%	87%	86%
Contested	2%	2%	2%	2%	2%	2%
All IV-D Orders	(N=11,463)	(N=2,069)	(N=9,394)	(N=10,271)	(N=1,945)	(N=8,326)
Default	76%	73%	77%	79%	76%	79%
Consent	15%	19%	14%	11%	16%	10%
Contested	9%	8%	9%	10%	8%	10%
IV-D Orders Set Administratively	(N=9,217)	(N=1,624)	(N=7,593)	(N=9,068)	(N=1,589)	(N=7,479)
Default	84%	87%	83%	84%	87%	83%
Consent	6%	4%	6%	6%	4%	6%
Contested	11%	9%	11%	11%	9%	11%
IV-D Orders Set Judicially	(N=2,236)	(N=441)	(N=1,795)	(N=1,200)	(N=356)	(N=844)
Default	45%	23%	50%	42%	26%	48%
Consent	53%	74%	48%	55%	71%	49%
Contested	2%	3%	2%	3%	3%	3%

Public Assistance Status of the Custodial Household

Custodial households receiving Temporary Assistance to Needy Families (TANF) are required to cooperate with the establishment and enforcement of child support orders. Similar cooperation requirements are imposed for medical child support when the children are enrolled in Medicaid. Historically and across the nation, many child support orders were established by a state's child support agency due to these cooperation requirements. With TANF's reach and caseload declining,[24] TANF comprises a smaller share of most states' child support caseloads.

[24] For more information, see Center on Budget and Policy Priorities (Mar. 2020). *Cash Assistance Should Reach Millions More Families.* Retrieved from https://www.cbpp.org/research/family-income-support/cash-assistance-should-reach-millions-more-families.

Exhibit 8 also shows that most orders (60%) were not public assistance cases at the end of sample year. It was not feasible to ascertain their public assistance status at the time of order entry from MACSS without considerable effort. It is possible that the public assistance status changed from the time the order was established. Few (1%) were Medicaid. Few orders (6%) were foster care cases. The foster care cases were essentially equally divided between non-federal and federal foster care cases. Cooperation or reporting requirements can vary between federal and non-federal foster care cases.

Exhibit 8: Public Assistance Status (% of orders)

	All Orders			Orders with Information from MACSS Guidelines Screens		
	Total (N 23,284)	Modified (N 4,828)	New (N 18,456)	Total (N 13,838)	Modified (N 3,217)	New (N 10,621)
Most Recent Public Assistance Status at End of Fiscal Year						
Non-Public Assistance	60%	70%	57%	78%	84%	76%
IV-A TANF	3%	2%	3%	4%	3%	4%
Non-IVD	30%	25%	32%	8%	9%	7%
Non-Federal Foster Care	3%	1%	4%	5%	1%	6%
IV-E-Federal Foster Care	3%	1%	4%	5%	1%	6%
Medicaid	1%	1%	1%	1%	2%	1%

County of the Order

No county comprised more than 15 percent of the orders analyzed. Exhibit 9 shows that the City and County of St Louis comprised the largest share of orders (*i.e.*, 15 percent of all orders analyzed.) Jackson County (Kansas City) comprised 14 percent of orders. The next largest counties, St. Charles, Greene, and Clay County each comprised 4 to 6 percent of orders. Combined, this means that the two largest counties (St. Louis and Jackson) make up 29 percent of all orders, and the five most populous counties (St. Louis, Jackson, St. Charles, Greene, and Clay) make up 44 percent of all orders. Most of the remaining counties issued fewer than 1 percent of orders.

Still another way to look at the breakout of orders is to group counties by Metropolitan Statistical Areas (MSAs), which are defined by the United States Office of Management and Budget as an area with an urban core containing at least a population of 50,000. Missouri is home to eight MSAs, which are shown in Exhibit 9. More than half (52%) of orders originate outside of any of the MSAs. Within MSAs, the largest share of orders come from St. Louis and Kansas City.

Exhibit 9: Origin of Order by County and Metropolitan Area (% of orders)

	All Orders			Orders with Information from MACSS Guidelines Screens		
	Total (N 24,234)	Modified (N 4,889)	New (N 19,345)	Total (N 13,842)	Modified (N 3,217)	New (N 10,625)
Order by County						
St. Louis	15%	16%	16%	18%	21%	17%
Jackson	14%	16%	16%	14%	12%	14%
St. Charles	4%	7%	7%	4%	6%	3%
Greene	5%	7%	7%	5%	6%	5%
Clay	6%	8%	8%	4%	7%	3%
Jefferson	3%	3%	3%	3%	4%	3%
Boone	2%	1%	1%	2%	2%	2%
Franklin	2%	1%	1%	2%	1%	2%
Other	48%	41%	41%	48%	41%	50%
Order by Metropolitan Areas						
St. Louis	15%	16%	15%	18%	21%	17%
Kansas City	14%	16%	14%	14%	12%	14%
Springfield	5%	7%	5%	5%	6%	5%
Columbia	2%	1%	3%	2%	2%	2%
Joplin	4%	5%	4%	4%	4%	4%
Jefferson	2%	1%	2%	2%	1%	2%
St. Joseph	3%	3%	2%	3%	3%	3%
Cape Girardeau	2%	2%	2%	2%	2%	3%
No MSA	52%	49%	53%	50%	50%	51%

Number and Age of Children

As mentioned earlier, the number of children was available for 93 percent of the orders analyzed. Exhibit 10 shows the majority (63% of all orders) cover one child, just over a quarter (26% of all orders) cover two children, and just 11 percent cover three or more children. Exhibit 10 also shows that there are more new orders for one child than modified orders for one child.

Exhibit 10 also shows that the average and the median ages of the child is under 12 years old in general and for most subgroups. This suggests that childcare could be a frequent issue among child support cases even though the data presented later finds that few child support orders consider childcare expenses in the calculation.

Exhibit 10: Number and Age of Children

	All Orders			Orders with Information from MACSS Guidelines Screens		
	Total (N 22,531)	Modified (N 4,813)	New (N 17,718)	Total (N 13,414)	Modified (N 3,206)	New (N 10,208)
Number of Children (% of orders)						
1 Child	63%	53%	66%	67%	55%	71%
2 Children	26%	33%	24%	23%	30%	20%
3 Children	8%	10%	8%	7%	10%	6%
4 or More Children	3%	4%	2%	3%	4%	2%
Age of the Youngest Child						
Median	7.8	11.0	6.5	7.2	10.1	5.7
Average	7.0	11.0	5.0	6.0	10.0	5.0

Characteristics of the Parents/Parties

Relationship to Child and Age of the Party

Exhibit 11 shows that the vast majority (85%) of obligated parents are fathers and the vast majority (79%) of parties receiving support are mothers. Besides mothers and fathers, small percentage of parties who were supposed to receive support were relatives to the child or foster parents. Exhibit 11 also shows that the median and average ages of the parties were generally in their 30s.

Percentage of Parents Owing Support for Another MACSS Order

Many parents have children with more than one partner. Sometimes, this results in another child support case. More than one order places a larger financial burden on the parent. In some states, the system will note the relationship on multiple orders if they are the obligated parent or the parent owed support. The MACSS extract only notes whether the obligated parent or receiving party are the obligated parent on another child support order that is tracked by MACSS. As shown in Exhibit 11, almost half (46%) percent of obligated parents have more than one order for which they are an obligated parent, and 13 percent of custodial persons are an obligated parent on another case.

Prison Stipends and Incarceration

MACSS does not have a data field noting incarceration. A proxy for incarceration, however, is receipt of a prison stipend, which MACSS does track. Just over one percent (1.2%) of the orders analyzed indicated that the obligated parent received a stipend. The stipend amount is $7.50 per month. This is likely to understate the actual percentage of obligated parents who are incarcerated because it would only be noted for those with a stipend and those where child support was collected through a stipend.

According to the Prison Policy Initiative there appears to be some prison industries in Missouri that may pay more. However, nationally, employment opportunities for prison industries (such as building furniture that is sold outside the prison) are limited and pay very little.[25]

[25] Prison Policy Initiative. (Apr. 20, 2017). *State and Federal Prison Wage Policies and Sourcing Information.* Retrieved from https://www.prisonpolicy.org/reports/wage_policies.html.

Exhibit 11: Characteristics of the Parties

	All Orders			Orders with Information from MACSS Guidelines Screens		
	Total (N 24,234)	Modified (N 4,889)	New (N 19,345)	Total (N 13,842)	Modified (N 3,217)	New (N 10,625)
Relationship of Obligated Parent (% of Orders)						
Father	85%	87%	84%	87%	92%	85%
Mother	15%	13%	16%	13%	8%	15%
Relationship of Receiving Party (% of Orders)						
Father	9%	10%	9%	4%	5%	3%
Mother	79%	84%	78%	81%	90%	78%
Relative	3%	2%	3%	4%	2%	4%
Guardian, Ward, or Foster Care	7%	2%	8%	10%	3%	12%
Other/Missing	2%	1%	2%	2%	<1%	3%
Median Age of the Parties						
Obligated Parent	33	37	33	33	34	33
Receiving Party	33	37	32	32	34	32
Mean Age of the Parties						
Obligated Parent	35.4	38.9	34.5	34.3	38.4	33.0
Receiving Party	34.7	38.0	33.8	33.7	36.9	32.7
Obligated Parent is an Obligated Parent on Another MACSS Order (% of Orders)						
Yes	46%	48%	45%	60%	62%	59%
No	54%	52%	55%	40%	38%	41%
Receiving Party is an Obligated Parent on Another MACSS Order (% of Orders)						
Yes	13%	19%	12%	11%	15%	10%
No	87%	81%	88%	89%	85%	90%
Obligated Parent Receives Prison Stipend (% of Orders)						
Yes	1%	<1%	1%	2%	<1%	2%
No	99%	99%	99%	98%	99%	98%

Amount of the Order

Exhibit 12 shows the frequency of current support orders by order amount. It shows that 23 percent of all orders are set at zero and 20 percent of orders are set at more than $500 per month. A little over half of orders (53%) were in the range of $1 to $500 per month. The average amount ordered for current support among non-zero orders was $397 per month, and ran slightly higher for modified orders than new orders. The median order amount was $325 per month among non-zero orders. The highest order amount was $6,187 per month.

Eleven percent of orders were set at the minimum order amount of $60 per month (7% of orders) or between $1 and $60 per month (4% of orders). Minimum orders and zero orders are discussed in more detail later.

Exhibit 12: Amount of Current Support Ordered

	All Orders			Orders with Information from MACSS Guidelines Screens		
	Total (N 24,234)	Modified (N 4,889)	New (N 19,345)	Total (N 13,842)	Modified (N 3,217)	New (N 10,625)
Amount (% of Orders)						
$0	23%	25%	22%	21%	16%	23%
$1–$60/month	11%	7%	12%	16%	9%	18%
$61–$100/month	2%	2%	2%	2%	3%	2%
$101–$200/month	8%	7%	8%	7%	7%	7%
$201–$300/month	16%	13%	16%	16%	15%	16%
$301–$400/month	12%	12%	11%	11%	14%	11%
$401–$500/month	9%	10%	9%	9%	12%	8%
More than $500/month	20%	24%	20%	17%	25%	15%
Order Amounts for Non-Zero Orders						
Mean	$397	$431	$389	$341	$399	$322
Median	$325	$380	$306	$296	$356	$277
Range	$1–$6,187	$1–$6,187	$1–$5,500	$1–$2,295	$1–$2,295	$1–$2,286

Frequency and Amounts of Medical Support Orders

Exhibit 13 shows that medical support was also ordered in 88 percent of the orders. By far the most common way that medical support was ordered was by having either the obligated parent or the receiving party be responsible for providing health insurance. The obligated parent was responsible for providing insurance in 72 percent of cases and the receiving party was responsible for providing insurance in 18 percent of cases; in 5 percent of cases, both parties were responsible for providing insurance.

Other ways medical support coverage was ordered consisted of the obligated parent being responsible for payment of a percent of the portion not covered by insurance (2% of orders) or to pay a percentage of the medical expenses (1%). Other, less common ways were for the obligated parent to pay insurance premiums or all medical expenses, provide insurance and a medical payment, or pay a periodic amount.

Exhibit 13: Medical Support

	All Orders			Orders with Information from MACSS Guidelines Screens		
	Total (N 24,234)	Modified (N 4,889)	New (N 19,345)	Total (N 13,842)	Modified (N 3,217)	New (N 10,625)
Medical Support Ordered (% of orders)						
Yes	88%	86%	94%	94%	93%	97%
No	12%	14%	6%	6%	7%	3%
Type of Medical Support Ordered (% with ordered medical support)						
Obligated Parent Provides Insurance	72%	71%	73%	86%	80%	88%
Receiving Party Provides Insurance	18%	21%	18%	8%	14%	6%
Both Provide Insurance	5%	5%	5%	3%	3%	3%
Obligated Parent Pays Percentage of Uninsured Expenses	2%	2%	3%	2%	2%	2%
Obligated Parent Pays percentage of Medical Expenses	1%	1%	1%	1%	1%	1%
Other	2%	<1%	<1%	<1%	<1%	-

Childcare Costs and Other Factors Considered in the Guidelines Calculation

The final child support order may be adjusted for actual childcare costs that are work-related or another case-specific expense. One of the MACSS screens contains work-related childcare costs that are considered in the child support guidelines calculation. Only 84 orders with guidelines information (less than 1%) had childcare costs noted. This is a small percentage relative to other states, so it may not have been fully captured by MACSS.

- For those with recorded childcare costs, the average cost of parents receiving support, as considered in the guidelines calculation, was $380 per month, and ranged from $12 to $1,090 per month.
- A childcare tax credit was noted in every child support calculation where the receiving party had a childcare expense considered in the guidelines calculation. The average childcare tax credit recorded was $68 per month. It did not vary significantly between modified and new orders. The average total adjusted childcare cost of the parent receiving support (the cost minus the tax credit) was $312 per month.
- Only nine orders included childcare costs incurred by the obligated parent in the guidelines calculation. The average childcare cost of the obligated parent was $461 per month.

Other factors considered in the guidelines calculation (*e.g.*, number of overnights) were rarely captured by the MACSS guidelines screens because the MACSS guidelines calculator is more likely to be used in non-divorcing cases and for default orders that tend to require or consider fewer adjustments. For example, the number of overnights, which is a factor considered in the guidelines calculation, was only

greater than zero in 3 percent of orders with guidelines calculations. The average number of overnights for these calculations was 87 overnights per year and the median number of overnights was 77 per year.

Arrears

About 20 percent of the orders had arrears at the time of establishment or modification. This could be retroactive support, past-due support among modified orders, or another type of arrears. The frequency of orders with arrears and the amount of arrears vary considerably among the subgroups considered in Exhibit 14. Arrears are slightly more common among modified orders: 52 percent of modified orders have arrears compared to 43 percent of new orders. The frequency of arrears varies significantly depending on whether information from the MACSS guidelines screens was available.

Exhibit 14: Child Support Arrears

	All Orders			Orders with Information from MACSS Guidelines Screens		
	Total (N 24,234)	Modified (N 4,889)	New (N 19,345)	Total (N 13,842)	Modified (N 3,217)	New (N 10,625)
Arrears at Time of Order Entry (% of orders)						
Yes	45%	52%	43%	62%	66%	60%
No	55%	48%	57%	38%	34%	40%
Amount of Arrears						
Mean	$3,075	$1,501	$8,329	$3,027	$1,225	$8,481
Median	$900	$708	$3,189	$798	$600	$3,160
Range	$0.14–$162,649	$0.01–$162,649	$0.01–$147,634	$0.14–$147,634	$0.01–$25,464	$0.01–$147,634

Research finds that child support payments are less among new orders when more retroactive support is ordered.[26] The theory is that the obligated parent is overwhelmed by the amount of debt and, rather than trying to pay it, seeks to avoid it (*e.g.*, works where his or her earnings will not be reported to a government agency to avoid wage garnishment for child support).

Guidelines Application and Deviations

Federal regulation (45 C.F.R. § 302.56(h)(2)) requires the analysis of case file data on guidelines application and deviations. Federal regulation (45 C.F.R. § 302.56(g)) also requires states to develop their own deviation criteria. Essentially, the only constraint is that the state also consider the best interest of the child.

Exhibit 15 shows Missouri's guidelines deviation criteria. As mentioned earlier, deviations were noted as when the guidelines were not followed. This data field was available for 45 percent of all orders analyzed, but 70 percent of orders with information available from the MACSS guidelines screens.

[26] For example, see U.S. Department of Health and Human Services Office of Inspector General (Jul. 2000). *The Establishment of Child Support Orders for Low Income Non-custodial Parents.* OEI-05-99-00390. https://oig.hhs.gov/oei/reports/oei-05-99-00390.pdf.

Exhibit 15: Excerpts of Missouri's Provisions for Guidelines Deviations

Child Support Form 14 Instructions

A parent's Form No. 14 is "rebutted" when the court or administrative agency finds that the presumed child support amount under a correctly calculated Form No. 14 is unjust or inappropriate, and the court or administrative agency must state in the written judgment or administrative agency's written order that the presumed child support amount is unjust or inappropriate after considering all relevant factors. In that event, the written judgment or administrative order must specifically address all of the statutory factors as set forth in section 452.340.1, RSMo, as well as any other relevant factors considered by the court or administrative agency.

H. Comment. In a proceeding to establish a child support order or to modify the support payable under an existing order, when determining whether to deviate from the presumed child support amount (line 12), the court or administrative agency should consider all relevant factors, including whether:
(1) A child receives income that is not based on the child's special needs;
(2) A parent has significant extraordinary medical expenses for himself or herself or for a relative by blood or marriage;
(3) The parents' combined adjusted monthly gross income (line 3) exceeds $30,000.00 per month, or the number of children who are the subject of the proceeding exceeds six; and
(4) The parent obligated to pay support incurs significant or unusual expenses in connection with transportation of himself or herself or any child who is the subject of the proceeding for exercise of any periods of overnight visitation or custody.

Missouri Statute (Section 452.340.1, RSMo)

1. In a proceeding for dissolution of marriage, legal separation or child support, the court may order either or both parents owing a duty of support to a child of the marriage to pay an amount reasonable or necessary for the support of the child, including an award retroactive to the date of filing the petition, without regard to marital misconduct, after considering all relevant factors including:

(1) The financial needs and resources of the child;
(2) The financial resources and needs of the parents;
(3) The standard of living the child would have enjoyed had the marriage not been dissolved;
(4) The physical and emotional condition of the child, and the child's educational needs;
(5) The child's physical and legal custody arrangements, including the amount of time the child spends with each parent and the reasonable expenses associated with the custody or visitation arrangements; and
(6) The reasonable work-related child care expenses of each parent.

Exhibit 16 shows the guidelines deviation rate by IV-D status, tribunal, and order entry method. It shows an overall guidelines deviation rate of 9 percent with 13 percent among modified orders and 7 percent among newly established orders. The overall deviation rate of 9 percent is higher than the deviation rate of the last review, which was 7 percent.

There were other notable variances in deviation rates among order characteristics tracked by MACSS. The deviation rate was higher among:

- Orders that were non-IV-D orders at the time of order establishment or modification (19%) than those that were IV-D order at establishment or modification (4%);
- Judicial orders (18%) than administrative orders (4%);

- Orders established through consent of the parties (22%) than entered through default (3%) or through a hearing (9%);
- Orders where the obligated parent's income was above the income threshold for applying a self-support reserve (SSR) adjustment (9%) than those with incomes that not exceed the income threshold for applying a SSR adjustment (4%);
- Orders where the obligated parent's income was not imputed (7%) than when it was imputed (4%); and
- Non-IVE orders (6%) than IVE orders (3%).

Exhibit 16: Guidelines Deviation Rates (% of orders with deviations)

	All Orders			Orders with Information from MACSS Guidelines Screens		
	Total (N 10,568)	Modified (N 2,798)	New (N 7,770)	Total (N 9,383)	Modified (N 2,461)	New (N 6,922)
All	9%	13%	7%	6%	9%	5%
IV-D Status when Order Entered						
IV-D (N=8,788)*	4%	8%	4%	4%	7%	3%
Non-IV-D (N=1,780)*	30%	22%	41%	19%	12%	39%
Order Type						
Administrative Order (N=8,116)*	4%	6%	3%	4%	6%	3%
Judicial Order(N=2,452)*	26%	21%	30%	18%	13%	30%
Order Entry Method						
Consent (N=2,057)*	31%	23%	41%	22%	14%	36%
Default (N=7,606)*	3%	6%	2%	3%	5%	2%
Contested (N=905)*	9%	14%	8%	9%	14%	8%

*N-size is the count of total orders in that particular category (*e.g.,* there are a total of 2,057 consent orders), while the count of a subgroup of a particular category (*e.g.,* modified consent orders) will be smaller. The counts of subgroups of a particular category are not shown.

MACSS provides a screen that records the reason for the deviation, and the amount and direction of the deviation. Deviation reasons were recorded in MACSS for all 927 orders where a deviation was noted. Similarly, the direction and amount of the guidelines deviation was available for all orders where a deviation was noted.

The pull-down menu of deviation reasons in MACSS includes those specifically mentioned in Form 14 instructions; more general criteria that are specified in state statute and federal regulation (*i.e.,* the guidelines-determined amount is not appropriate for the circumstances of the case, or a guidelines deviation is just or in the best interest of the child), and a few other codes that are more specific (*e.g.,* the guidelines amount is more than 60 percent of a party's gross income). Exhibit 17 shows that most (81%) of the orders with recorded reasons for a guidelines deviation were because the guidelines-determined amount was unjust or inappropriate for the case circumstances. Other reasons that comprised at least 5 percent of the recorded reasons for guidelines deviations were the child was not included in the judicial order (8% of deviation reasons); and there were multiple orders for the same

parties (6% of deviation reasons). These reasons are essentially corrections for the number of children and consolidation of orders or consideration of multiple orders. Other reasons that comprised less than 5 percent of all deviation reasons varied. Among other things, they considered that guidelines-determined amount was more than 60 percent of the parent's gross income. Few (less than 1% of deviation reasons) were because the parent's combined adjusted gross income exceeded $30,000 per month (which is the maximum income considered under the Missouri child support schedule) or the support was being determined for more than six children (which is the maximum number of children considered under the Missouri child support schedule.)

Exhibit 17 also shows the direction of the guidelines deviation. The majority (69%) of deviations were downward, though downward deviations were more common in modified orders than new orders. The percentages of downward deviations did not differ between orders with automated guidelines screens and those without. The rate of downward deviations also did not appear to fluctuate significantly based on the deviation reason.

Exhibit 17: Deviation Reasons and Direction of Deviations

	All Orders			Orders with Information from MACSS Guidelines Screens		
	Total (N 927)	Modified (N 366)	New (N 561)	Total (N 546)	Modified (N 215)	New (N 331)
Deviation Reason (% of deviations)						
Amount Unjust per Court Decision	62%	70%	57%	39%	49%	32%
Amount Unjust per Hearing Decision	19%	18%	20%	31%	31%	31%
Child Not Included in Judicial Order	8%	3%	11%	13%	5%	18%
Multiple Orders for Same CP/NCP	6%	8%	5%	10%	13%	8%
Order ≥ 60% Payor's Gross Income	2%	<1%	4%	4%	<1%	7%
Order ≥ 60 of Custodial Person's Gross	1%	-	1%	1%	-	2%
Guidelines Dependents Exceed Six	<1%	<1%	<1%	1%	<1%	1%
Other	1%	1%	1%	1%	1%	<1%
Deviation Direction (% of deviations)						
Upward Deviation	31%	37%	27%	32%	38%	29%
Downward Deviation	69%	63%	73%	68%	62%	71%

Deviation Rates in Other States

Exhibit 18 compares deviation rates among neighboring states with available information from their most recent guidelines review. Deviation data are available from Arkansas,[27] Illinois,[28] Iowa,[29]

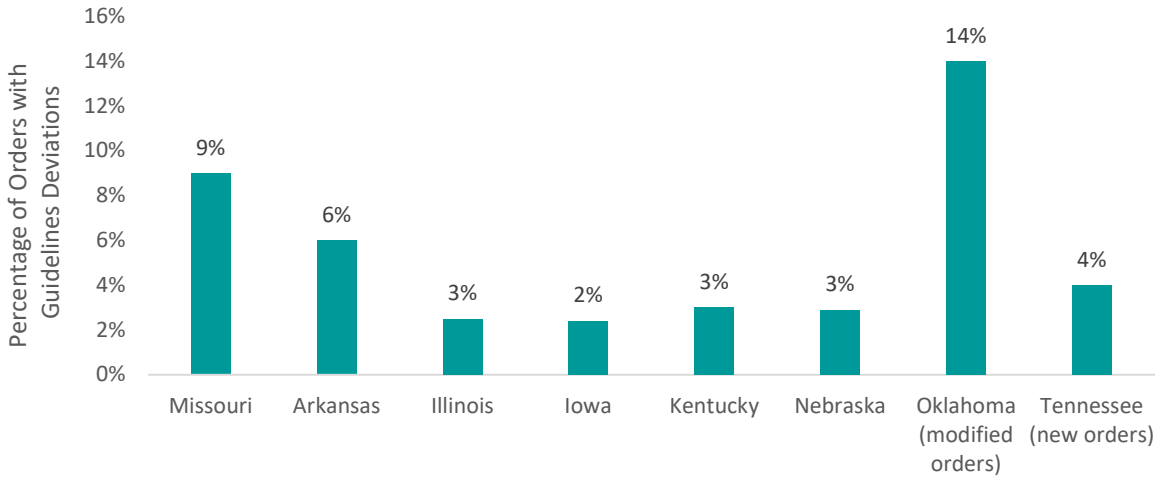
[27] Arkansas last reviewed its guidelines in 2019 and found a 6% deviation rate. (Retrieved from Venohr, Jane and Matyasic, Savahanna. (Sept. 2019.) *Review of the Arkansas Child Support Guidelines: Analysis of Economic Data, Development of Income Shares Charts, and Other Considerations.* Report to the Arkansas Department of Finance and Administration Office of Child Support Enforcement. Retrieved from Microsoft Word - Arkansas final report Sept 30 (arcourts.gov).)

[28] The last published study was in 2010. It found a deviation rate of 2.5%. (Venohr, Jane and Everett, Carly. (2010). *Review of the Illinois Child Support Guidelines*. Report to the Illinois Child Support Commission, Chicago. IL.)

[29] Iowa is currently reviewing its guidelines. It last reviewed its guidelines in 2016. Iowa found a guidelines deviation rate of 2.4%. (Source: Iowa Child Support Recovery Unit. (2016). *Guideline Deviation Comparisons: Judicial Districts.* Report to the Iowa Child Support Guidelines Review Committee, Des Moines, IA.)

Kentucky,[30] Nebraska[31], Oklahoma,[32] and Tennessee.[33] Kansas was unable to develop a guidelines deviation rate for its last review, which was conducted in 2019.[34] Exhibit 18 shows the guidelines deviation rate for new orders in Tennessee. The guidelines deviation rate for modified orders in Tennessee was 2 percent. In Oklahoma, only the deviation rate for modified orders could be calculated. With the exception of Missouri and Nebraska, data were only available for IV-D child support orders. This may partially explain why the Missouri deviation rate is higher than other state guidelines deviation rates. Deviation rates are generally higher among non-IV-D orders.

Exhibit 18: Comparison of State Guidelines Deviation Rates



Income of the Parties

There are two underlying data sources of income in the data extract: income information obtained from a MACSS guidelines screens (which is referred to as "guidelines income" in the analysis) and quarterly wage data that was linked to MACSS. As discussed earlier, quarterly wage data is limited to income reported by employers to the State for the State's unemployment and workers' compensation programs. Another limitation is that income information from either source is not always available for every order.

Availability of Income Information

Exhibit 19 shows the availability of the obligated parent's income information from quarterly wage data from calendar year 2018, while the sample is drawn from orders established or modified in state fiscal

[30] Kentucky Child Support Guidelines Review Commission. (Forthcoming). *2019 Kentucky Child Support Guidelines Review.*
[31] The Nebraska guidelines were last reviewed in 2018. The findings from the analysis of case file data (including both IV-D and non-IV-D orders) revealed a 2.9 percent deviation rate. (Nebraska Child Support Advisory Commission. (Jan. 2017). *Report of the 2016 Nebraska Child Support Advisory Commission: Findings and Recommendations.* Lincoln, NE. https://supremecourt.nebraska.gov/sites/default/files/rules/FindingsAndRecommendations.pdf.)
[32] Tennessee Department of Human Services. (Jun. 2020). *Tennessee Child Support Guidelines Review: Findings and Recommendations.*
[33] Venohr, Jane. (Unpublished). *Review of the Oklahoma Child Support Guidelines: Analysis of Economic Data, Case File Data and Other Considerations.* Report to the University of Oklahoma.
[34] See Kansas Child Support Guidelines Committee. (Nov. 30, 2018). *Meeting Minutes*. Retrieved from Minutes-11-30-18.pdf (kscourts.org).

year 2018. It generally shows that quarterly wage data is not available for 44 percent of obligated parents, a third of orders have four quarters of income information available, and about a quarter have one to three quarters of income information available. This frequency is the common pattern of availability among quarterly wage data in other states. Wage data for the obligated parent is more widely available than for receiving parties across all categories. Wage data is more available when information is available from the MACSS guidelines screens.

Among IV-D orders, 67 percent of obligated parents and 50 percent of receiving parties had quarterly wage data available. The large shares of parents without quarterly wage data suggest that more parents in the IV-D caseload have no income, do not work for an employer who reports income to the state agency, are self-employed, or have another circumstance than those not in the IV-D caseload.

Exhibit 19: Availability of Quarterly Wage Data

	All Orders			Orders with Information from MACSS Guidelines Screens		
	Total (N 24,234)	Modified (N 4,889)	New (N 19,345)	Total (N 13,842)	Modified (N 3,217)	New (N 10,625)
Obligated Parent (% of parents)						
No Quarters	44%	38%	45%	31%	28%	31%
1 Quarter	7%	5%	7%	7%	6%	8%
2 Quarter	8%	6%	8%	9%	7%	9%
3 Quarter	9%	8%	9%	11%	9%	11%
4 Quarter	33%	42%	31%	43%	49%	41%
Receiving Party (% of parties)						
No Quarters	56%	52%	57%	49%	47%	49%
1 Quarter	5%	4%	5%	5%	4%	5%
2 Quarter	5%	4%	5%	6%	5%	6%
3 Quarter	6%	6%	7%	7%	7%	8%
4 Quarter	28%	34%	27%	34%	38%	32%

The other source of income information is the MACSS guidelines screen, so it is not available for those orders without information from the MACSS guidelines screens. As stated earlier, 13,482 of the analyzed orders have information from the MACSS guidelines screens. Among those, 97 percent have the income of the obligated parent used for the guidelines calculation and all have the income of the receiving party used for the guidelines calculation.

Amount of Income

There are several major limitations to reporting the incomes of the parties. Income from either or both sources (*i.e.,* quarterly wage data and the MACSS guidelines screen) are not always available, quarterly wage data does not capture non-reported income, and income from the MACSS guidelines screens may reflect imputed income rather than actual income. Further, comparisons of incomes of the two different sources are limited by their different subpopulations and sample sizes.

Despite these limitations, Exhibits 20 and 21 show descriptive statistics of the parties incomes by data source. For purposes of the analysis, incomes are compared to the 2018 federal poverty level[35] for one person. It is not adjusted for family size at this point of the analysis.

Parents are placed into one of six categories based on their incomes:

- The parent's income is at or below the federal poverty guidelines (FPG) for one person (*i.e.*, $1,012 per month or less).
- The parent's income is above FPG but below full-time, minimum wage earnings (*i.e.*, $1,013–$1,255 per month).[36]
- The parent's income is essentially equivalent to full-time, minimum wage earnings (*i.e.*, $1 ,256–$1,361 per month).[37]
- The parent's income is above full-time, minimum wage earnings, but not more than 200 percent of FPG (*i.e.*, $1,362- $2,023 per month).
- The parent's income is more than 200 percent of FPG but not more than 250 percent of the poverty level (*i.e.*, $2,024–$2,529 per month).
- The parent's income is more than 250 percent of the FPG.

Amount of Income According to Quarterly Wage Data

Exhibit 20 includes only those orders where quarterly wage data was available. This consists of 13,648 orders with data available for the obligated parent and 10,704 orders with data available for receiving parents. Quarterly wage data is converted to monthly income by dividing total annual wages by the number of quarters available and then dividing by three for each month.

Exhibit 20 shows that the incomes of the parties tend to be concentrate at the low end (poverty income or below) or at the high end (more than 250 percent of the poverty level). Exhibit 20 also shows that few parties actually have minimum wage income according to quarterly wage data (*i.e.,* only 3% of all obligated parents with quarterly wage information available and 3% of receiving parties with quarterly wage information available have minimum wage incomes).

Another interesting finding from analyzing quarterly wage data is the frequency of income changes among parties. For example, among obligated parents with more than two quarters of income information, the median difference between the maximum quarter of income and the lowest quarter of income is $3,854 per quarter ($1,284 per month when converted from a quarterly basis to a monthly basis). Similarly, for receiving parties with more than two quarters wage data available, the median difference between quarters is $2,968 ($989 per month). These income differences could vastly affect

[35] U.S. Office of Health & Human Services, Office of the Assistant Secretary for Planning and Evaluation. (n.d.). *2018 Poverty Guideline*s. Retrieved from https://aspe.hhs.gov/2018-poverty-guidelines.

[36] The federal minimum wage is $7.25 per hour, which produces a monthly income of $1,257, assuming a 40-hour workweek.

[37] The Missouri minimum wage was $7.85 per hour in 2018. This produces a monthly income of $1,361, assuming a 40-hour workweek. Missouri provides an exemption for employees of a retail or service business with gross annual sales or business done of less than $500,000. For these employers, the federal minimum wage of $7.25 per hour may apply.

the outcome of the guidelines calculation as well as challenge household budgeting. Nonetheless, orders cannot vary automatically as income changes. The guidelines-determined amount must be a sum certain amount and cannot vary month to month or quarter to quarter as the parent's income varies.[38]

Exhibit 20: Amount of Monthly Income (Source: Parents with 2018 Quarterly Wage Data*)

	All Orders			Orders with Information from MACSS Guidelines Screens		
	Total (N=13,648)	Modified (N=3,030)	New (N=10,618)	Total (N=9,617)	Modified (N=2,310)	New (N=7,307)
Monthly Income of Obligated Parent						
Average	$2,457	$3,142	$2,262	$2,355	$2,956	$2,165
Median	$1,968	$2,649	$1,785	$1,947	$2,559	$1,772
Range	$0–$59,714	$6–$49,251	$0–$59,714	$2–$59,714	$6–$49,251	$2–$59,714
Obligated Parent (% of orders)						
Poverty Income or Below	27%	18%	30%	28%	19%	30%
Poverty to Minimum Wage	6%	4%	7%	6%	4%	7%
Minimum Wage	3%	2%	3%	3%	2%	3%
Min. Wage to 200% Poverty	15%	12%	16%	15%	13%	16%
201%–250% Poverty	10%	11%	10%	11%	11%	10%
More than 250% Poverty	39%	53%	35%	38%	51%	34%
	Total (N=10,704)	Modified (N=2,342)	New (N=8,362)	Total (N=7,106)	Modified (N=1,710)	New (N=5,396)
Monthly Income of Receiving Party						
Average	$2,074	$2,601	$1,927	$1,877	$2,352	$1,726
Median	$1,770	$2,246	$1,663	$1,604	$2,074	$1,494
Range	$1–$41,073	$6–$41,073	$1–$26,268	$1–$15,666	$8–$13,674	$1–$15,666
Receiving Party (% of orders)						
Poverty Income or Below	27%	20%	30%	31%	22%	34%
Poverty to Minimum Wage	7%	5%	8%	8%	6%	8%
Minimum Wage	3%	3%	3%	3%	3%	3%
Min. Wage to 200% Poverty	20%	16%	21%	21%	17%	22%
201%–250% Poverty	12%	13%	12%	12%	14%	11%
More than 250% Poverty	30%	43%	26%	25%	38%	21%

*Includes only those with non-zero incomes.

Amount of Income According to Income from the Guidelines Calculation

Exhibit 21 shows the incomes used for the guidelines calculation. Exhibit 21 includes only those orders with information available from the automatic MACSS guidelines screen, which includes 13,414 orders for obligated parents and 13,842 orders for receiving parties. Guidelines income is the gross income before permissible deductions such as spousal maintenance payments. Unlike quarterly wage data, guidelines income can be zero.

[38] Federal regulation (45 C.F.R. § 302.56(c)(4)) provides that the guidelines be based on specific descriptive and numeric criteria and result in a computation of the child support obligation.

Exhibit 21: Income of the Parties (Source: MACSS Guidelines Screen)

	All Orders			Orders with Information from MACSS Guidelines Screens		
	Total	Modified	New	Total (N 13,414)	Modified (N 3,206)	New (N 10,208)
Monthly Income of Obligated Parent						
Average	N/A	N/A	N/A	$1,890	$2,501	$1,698
Median				$1,369	$2,005	$1,335
Range				$0–$74,051	$0–$74,051	$0–$20,564
Obligated Parent (% of orders)						
Zero Income	N/A	N/A	N/A	6%	2%	7%
$1 to Poverty Income				20%	10%	23%
Poverty to Minimum Wage				5%	4%	6%
Minimum Wage				18%	18%	19%
Min. Wage to 200% Poverty				16%	18%	15%
201%–250% Poverty				10%	13%	9%
More than 250% Poverty				25%	37%	21%
	Total	Modified	New	Total (N=13,842)	Modified (N=3,217)	New (N=10,625)
Monthly Income of Receiving Party						
Average	N/A	N/A	N/A	$1,115	$1,531	$989
Median				$867	$1,335	$737
Range				$0–$15,233	$0–$12,369	$0–$15,233
Receiving Party (% of orders)						
Zero Income	N/A	N/A	N/A	32%	27%	34%
Poverty Income or Below				21%	14%	24%
Poverty to Minimum Wage				6%	4%	6%
Minimum Wage				9%	10%	8%
Min. Wage to 200% Poverty				14%	15%	13%
201%–250% Poverty				7%	8%	6%
More than 250% Poverty				11%	21%	9%

Comparison of Incomes by Source

When the analysis is limited to orders that have income information from both sources (9,335 orders for obligors and 6,911 orders for receiving parties), the income categorization from the two income sources matched for only 43 percent of the obligated parents and 44 percent of receiving parties. This suggests that guidelines income and quarterly wage data do not track closely. One reason is due to income imputation. For parents for whom the guidelines income is categorized as minimum wage, quarterly wage data matched guidelines income for few parties (6% of obligated parents and 4% of receiving parties). Quarterly wage data was less than the minimum wage incomes for half of these receiving parties and 59 percent of the obligated parents. For those with guidelines income above 250% of poverty, income categorization matched in about 79 percent of cases for obligated parents and 81 percent of cases for receiving parties.

Poverty Income

Another major finding from Exhibit 20 is that 27 percent of obligated parents and receiving parties (based on those with quarterly wage data) have poverty incomes using the federal poverty guidelines for one person. When the poverty measure is adjusted for the number of children due support (and assuming no other members in the household or other source of household income), the poverty rate among the receiving party's household is 43 percent. The actual percentages in poverty could be higher or lower if it included those without any quarterly wage data. Due to the way quarterly wage data is measured, some without any quarterly wage data have no income and others may work for employers who do not report quarterly wage data.

Still another way to analyze the issue is how many more obligated parents would be pushed into poverty if they paid their full child support order. The percentage increases from 27 to 33 percent of obligated parents with quarterly wage data available. In contrast, using the quarterly wage income of the receiving party and the poverty level for their household size (*i.e.*, the receiving party and the number of children due support), the poverty rate decreases from 27 to 20 percent if these families receive all of their child support due.

Another finding from the analysis is that if one parent is poor, it does not necessarily mean the other parent is poor. For example, for those impoverished receiving parties where income information is available for both parties, 69 percent of their obligated parent counterparts have above poverty wages.

Imputed Income

Federal regulation (45 C.F.R. § 302.56(h)(2)) requires the analysis of orders based on the use of imputed income for the guidelines calculation. MACSS tracks the source of reported income from the party's income and expense statement. As previously noted, income source is available for 57 percent of obligated parents and 55 percent of receiving parties for all cases; it is much more widely available for orders with information from the MACSS Guidelines Screens (89% for obligated parents and 88% for receiving parties) than for those without (14% for obligated parents and 13% for receiving parties). According to MACSS, 96 percent of the obligated parents' incomes was based on wages and employment compensation or imputed income. The remaining 4 percent was income from a benefit paid from the Social Security Administration (where the type of benefit was not specified), self-employment income, disability income, worker's compensation, unemployment benefits, military allowance, pension, or another source.

Exhibit 22 shows that income was imputed to 34 percent of obligated parents and 44 percent of receiving parties for those whose source of income is known.

Exhibit 22: Income Imputation Rates (% of orders where source of Income information is available)

	All Orders			Orders with Information from MACSS Guidelines Screens		
	Total	Modified	New	Total	Modified	New
Obligated Parents	(N=13,859) 34%	(N=3,073) 28%	(N=10,786) 35%	(N=12,386) 33%	(N=2,907) 28%	(N=9,479) 35%
Receiving Parties	(N=13,420) 44%	(N=3,019) 41%	(N=10,401) 45%	(N=12,115) 44%	(N=2,862) 40%	(N=9,253) 45%

Exhibit 23 shows the income imputation rates among obligated parents whose source of income is known. It shows that imputation is more common among IV-D orders than non-IV-D orders and among orders set administratively than those set judicially. Within IV-D orders, income imputation is more common among default orders than those set through hearing or consent.

Exhibit 23: Rates of Income Imputation to the Obligated Parent by Selected Order Characteristics

	All Orders			Orders with Information from MACSS Guidelines Screens		
	Total (N 13,859)	Modified (N 3,073)	New (N 10,786)	Total (N 12,386)	Modified (N 2,907)	New (N 9,479)
IV-D Status when Order Entered						
IV-D (N=10,225)	35%	31%	36%	35%	31%	36%
Non-IV-D (N=3,634)	31%	24%	34%	27%	23%	30%
Order Type						
Administrative Order (N=9,032)	35%	32%	36%	35%	32%	36%
Judicial Order (N=4,780)	31%	25%	34%	28%	24%	31%
Juvenile or Voluntary Orders (N=47)	62%	50%	67%	63%	75%	62%
Order Entry Method						
Consent (N=4,216)	29%	24%	31%	26%	23%	27%
Default (N=8,585)	38%	33%	39%	38%	33%	39%
Contested (N=1,050)	23%	22%	23%	22%	23%	22%

*N-size is the count of total orders in that particular category where the obligated parent's source of income was recorded on MACSS (*e.g.,* there are a total of 12,386 orders meeting this criteria), while the count of a subgroup of a particular category (*e.g.,* modified consent orders) will be smaller. The counts of subgroups of a particular category are not shown.

As shown in Exhibit 24, nearly half of all imputed orders for obligated parents (49%) were imputed between state and federal minimum wage ($1,256–$1,361). Exhibit 24 also shows notable percentage of parents with income imputed at zero (*i.e.*, 17% of obligated parents and 65% of receiving parties). It is not clear in cases that recorded zero incomes, whether the parent's actual income was zero or whether it was imputed at zero. Few parents had incomes imputed above minimum wage (*i.e.*, 16% of obligated parents and 6% of receiving parties).

Exhibit 24: Income for Obligated and Receiving Party for Cases Where Income Was Imputed (% of orders)

	All Orders			Orders with Information from MACSS Guidelines Screens		
	Total	Modified	New	Total	Modified	New
Obligated Parents				(N=4,002)	(N=818)	(N=3,184)
$0				17%	5%	20%
Below Minimum Wage	N/A	N/A	N/A	19%	14%	20%
Minimum Wage				49%	52%	48%
Above Minimum Wage				16%	29%	12%
Receiving Parties				(N=5,279)	(N=1,158)	(N=4,121)
$0				65%	56%	67%
Below Minimum Wage	N/A	N/A	N/A	14%	12%	14%
Minimum Wage				15%	20%	14%
Above Minimum Wage				6%	11%	5%

Application of the Low-Income Adjustment

Exhibit 25: Shaded Area of Existing Schedule

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
0–1000	**60**	**60**	**60**	**60**	**60**	**60**
1050	**91**	**94**	**94**	**95**	**95**	**95**
1100	**122**	**127**	**128**	**129**	**130**	**130**
1150	**153**	**161**	**162**	**164**	**164**	**165**
1200	**184**	**194**	**196**	**198**	**199**	**200**
1250	**215**	**228**	**230**	**233**	**234**	**235**
1300	**246**	**261**	**264**	**267**	**269**	**270**
1350	**277**	**295**	**298**	**302**	**303**	**305**
1400	**308**	**328**	**332**	**336**	**338**	**340**
1450	318	**362**	**366**	**371**	**373**	**375**
1500	328	**395**	**400**	**405**	**408**	**410**
1550	337	**429**	**434**	**440**	**442**	**445**
1600	346	**462**	**468**	**474**	**477**	**480**
1650	356	**496**	**502**	**509**	**512**	**515**
1700	365	**529**	**536**	**543**	**547**	**550**
1750	373	543	**570**	**578**	**581**	**585**
1800	382	556	**604**	**612**	**616**	**620**
1850	391	569	**638**	**647**	**651**	**655**
1900	400	582	**672**	**681**	**686**	**690**
1950	409	594	702	**716**	**720**	**725**
2000	418	607	717	**750**	**755**	**760**

Federal regulation (45 C.F.R. § 302.56(h)(2)) also requires the analysis of the application of the low-income adjustment. Missouri's low-income adjustment consists of a self-support reserve (SSR) of $990 per month that is incorporated into its child support order, and a minimum order ($60 per month) for incomes below the SSR. The area of the schedule that incorporates the SSR is shown by the shaded area in the excerpt of the schedule in Exhibit 25.

MACSS includes a data field noting whether the low-income adjustment was applied. It was only available for those with a populated MACSS child support screen. The low-income adjustment was applied to 6 percent of the modified orders and 9 percent of new orders. Their average order was $141 per month. The obligated parent's income was available from quarterly wage data and the MACSS guidelines screen, respectively, for 55 and 94 percent of the orders in which the low-income adjustment applied. Their average income was $1,046 according to quarterly wage data and $926 according to the MACSS guidelines screen.

Minimum and Zero Orders

As shown in Exhibit 25, the first line of the schedule implies a minimum order of $60 per month. It covers incomes of $0 to $1,000 per month. Few (7%) of the orders were set at $60 per month. The obligated parent's income was available from quarterly wage data and the MACSS guidelines screen, respectively, for 57 and 87 percent of the orders set at $60 per month. Their average income was $805 according to quarterly wage data and $812 per month according to the MACSS guidelines screen.

Although the guidelines schedule implies a minimum order of $60 per month, 23 percent of analyzed orders were set at zero. It is not clear why the orders were set at zero. A small percentage (13%) of zero orders involved guidelines deviations. Additionally, certain types of orders were more likely to have orders set at zero than others. The percent of zero orders also varied significantly[39] by various characteristics.

- IV-D Status: Zero orders were more common among IV-D orders (24%) than non-IV-D orders (21%).
- Order Type: Zero orders were more common among juvenile and voluntary orders (46%) than judicial (24%) orders, and both were more common than they were for administrative orders (21%).
- Establishment: Zero orders were more among consent orders (24%) than default orders (21%) or contested orders (18%).

There are a wide range of circumstances in which a zero order may be appropriate. At one extreme is that the parents agreed to a zero order because they have essentially equal custody and equal incomes. There is insufficient information to know whether this occurred. At the other extreme is the obligated parent has no ability to pay. The evidence to support this is limited because income information is not available for every case. What evidence does exist is mixed. The incidence of zero orders is higher among those who are impoverished or appear to be incarcerated; however, there many obligated parents with zero orders with incomes above poverty and who do not appear to be incarcerated.

Payment Patterns

Federal regulation (45 C.F.R. § 302.56(h)(2)) requires the analysis of payment data, specifically by "case characteristics, including whether the order was entered by default, based on imputed income, or determined using the low-income adjustment . . . ." Payment data was tracked for each month of State Fiscal Year 2019, which is the year after the order was established or modified.

Exhibit 26 provides a summary of payment information by the subgroups analyzed earlier. Exhibit 26 only considers non-zero orders where the total amount of support due for 2019 was greater than zero. It shows that payment patterns are generally better for modified orders than new orders. For example, on average, 73 percent of support due was paid in 2019 among modified orders, while only 56 percent of support due was paid on average in 2019 among new orders. The median amounts were slightly higher, 100 and 72 percent, respectively. A median much larger than the average suggest that no payers

[39] One-way ANOVA with Scheffe post-hoc significance between groups $\rho<0.01$.

and low payers are dragging the average down. With regard to the median payment rate of 100 percent among modified others, other studies have also found that payment patterns are better among modified orders than new orders. Parties with modified orders may be more vested in the order amount because they actually pay or receive it. Another seemingly anomaly is that the median number of months with payment is 11.0 among modified orders, while the median percentage paid is 100 percent. Due to month-to-month variations that a particular due date may fall (*e.g.,* in some months, a particular date may fall on a weekend or holiday), some payments made for a particular date may be noted as a payment in another month.

Exhibit 26: Payment Patterns for Non-Zero Orders by Selected Characteristics

	All Non Zero Orders			Non Zero Orders with Information from MACSS Guidelines Screen		
	Total (N 17,623)	Modified (N 3,593)	New (N 14,030)	Total (N 10,604)	Modified (N 2,676)	New (N 7,928)
Payment over 12 Months of 2018						
Average	$3,271	$4,404	$2,980	$2,843	$4,140	$2,405
Median	$1,982	$3,679	$1,464	$1,611	$3,547	$1,020
Monthly Average Payment (Annual divided by 12 months)						
Average	$273	$367	$248	$237	$345	$200
Median	$165	$307	$122	$134	$296	$85
Percentage of Support Due that Is Paid (0–100%)*						
Average	60%	73%	56%	60%	73%	55%
Median	83%	100%	72%	81%	100%	69%
Percentage with No Payments in 2018						
No (zero) payments	12%	11%	25%	20%	11%	23%
Some or all payments	78%	89%	75%	80%	89%	77%
Number of Months in 2018 with Payments						
Average	6.5	8.4	6.0	6.5	8.3	5.9
Median	7.0	11.0	6.0	7.0	11.0	6.0

*Due to the timing of payment postings, it is impossible to have percentages greater than 100%. When this occurs, the percentage is capped at 100%.

Payments by Specific Characteristics

Federal regulation (45 C.F.R. § 302.56(g)(2)) requires the analysis of payment patterns for default orders, orders where the obligated parent's income is imputed, and when the low-income adjustment (which is the SSR test in Missouri) is applied. Exhibit 27 compares the average and median amounts due and paid for these case types. It shows that the average order amounts for default orders, orders in which the low-income adjustment applied, and orders where income was imputed to the obligated parent are generally lower than the average for all analyzed orders.

Exhibit 27: Monthly Orders and Payments by Select Groups

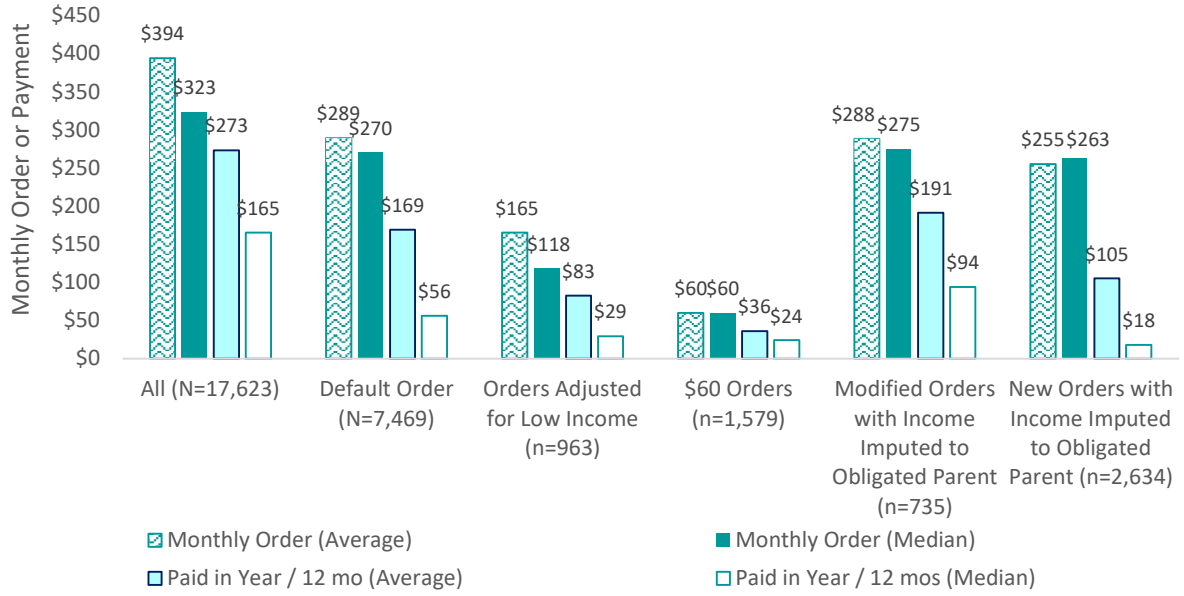
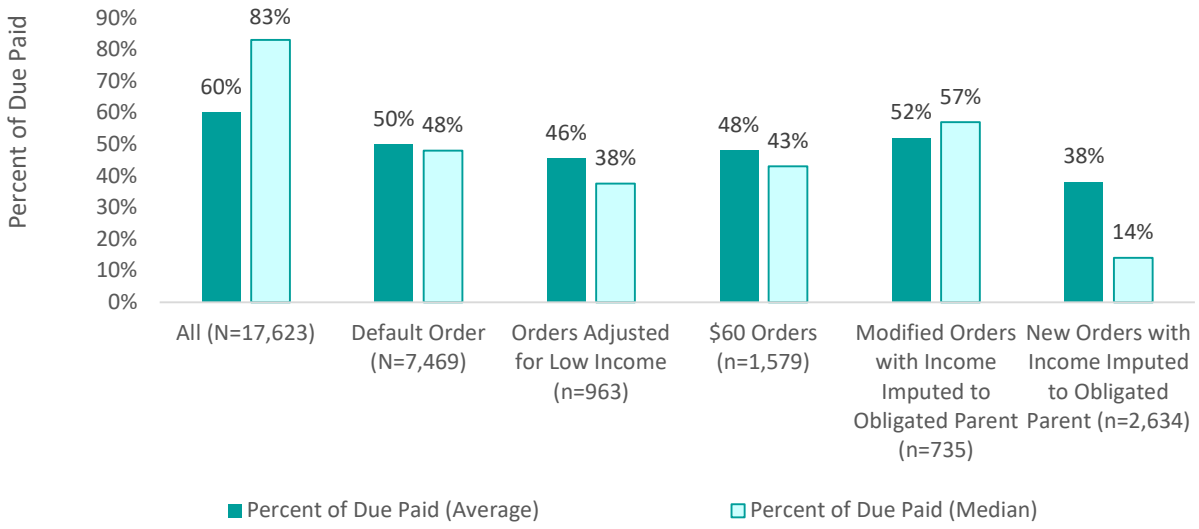


Exhibit 28 compares the average and median amounts of percentage paid[40] for the same selected groups as analyzed in Exhibit 27 above. It also shows that payment patterns are worse among default orders and when income is imputed to the obligated parent.

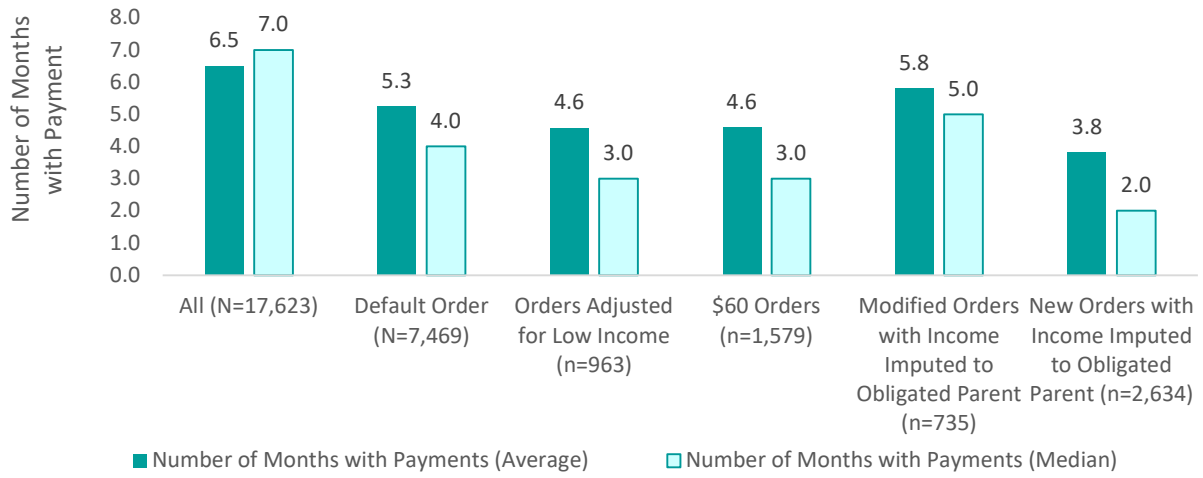
Exhibit 28: Percent of Due that Was Paid by Select Groups



[40] When calculating the percentages, if more is paid than owed, it is capped at 100%. This may occur due to the timing of when payments are posted.

Exhibit 29 compares the average and median number of months with payments by the same select groups as Exhibits 27 and 28. It also shows that payment patterns are worse among default orders and when income is imputed to the obligated parent.

Exhibit 29: Months with Payment by Select Groups



Payment Patterns by Income

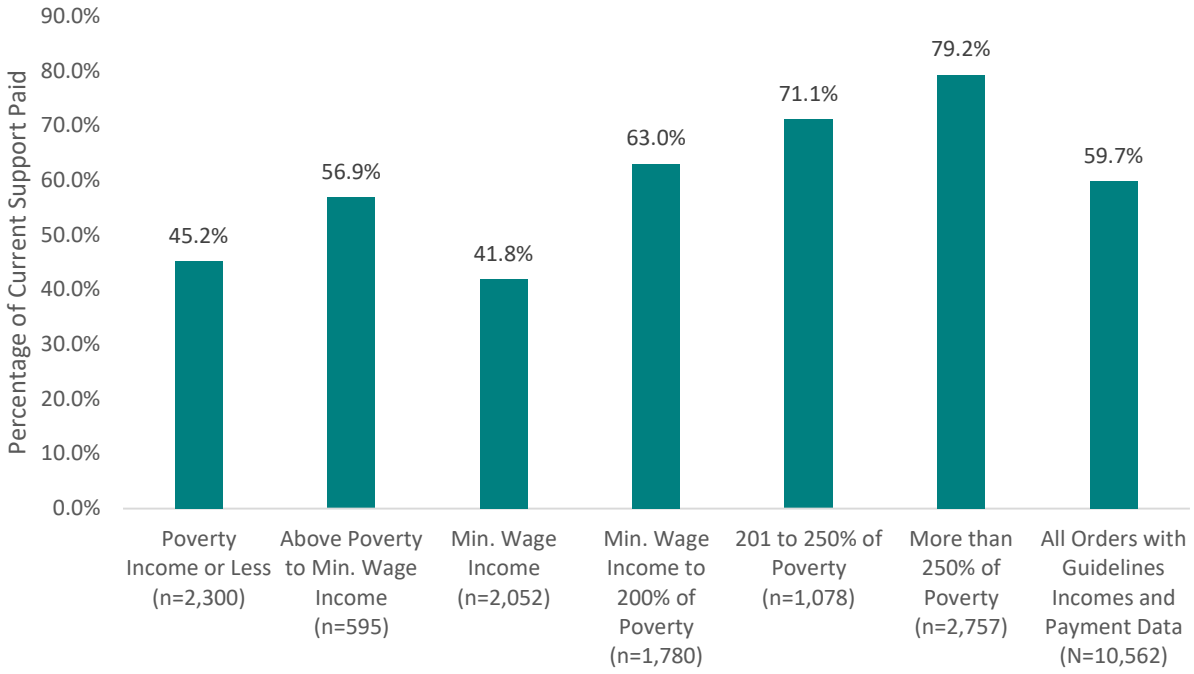
Exhibit 30 compares the average percentage of support due that was paid[41] in 2018 by the six income ranges used to analyze income for Exhibits 20 thru 21:

- The obligated parent's income is at or below the federal poverty guidelines (FPG) for one person (*i.e.*, $1,012 per month or less).
- The obligated parent's income is above FPG but below full-time, minimum wage earnings (*i.e.*, $1,013–$1,255 per month).[42]
- The obligated parent's income is essentially equivalent to full-time, minimum wage earnings (*i.e.*, $1 ,256–$1,361 per month).[43]
- The obligated parent's income is above full-time, minimum wage earnings, but not more than 200 percent of FPG (*i.e.*, $1,362- $2,023 per month).
- The obligated parent's income is more than 200 percent of FPG but not more than 250 percent of the poverty level (*i.e.*, $2,024–$2,529 per month).
- The obligated parent's income is more than 250 percent of the FPG.

[41] Unlike previous percentages, these percentages are reported to the one decimal place due to be consistent with federal reporting of percentage of current support paid.
[42] The federal minimum wage is $7.25 per hour, which produces a monthly income of $1,257, assuming a 40-hour workweek.
[43] The Missouri minimum wage was $7.85 per hour in 2018. This produces a monthly income of $1,361, assuming a 40-hour workweek. Missouri provides an exemption for employees of a retail or service business with gross annual sales or business done of less than $500,000. For these employers, the federal minimum wage of $7.25 per hour may apply.

As discussed earlier, it is believed that income is imputed for those with guidelines incomes that approximate minimum wage income. Exhibit 30 shows that the average compliance rate is the lowest (41.8%) among obligated parents with minimum wage income. The average compliance rates for incomes below and above minimum wage income are statistically more than the average compliance rate for those with minimum wage. Furthermore, average compliance rates are statistically different for all income groups except for (a) poverty and minimum wage and (b) the two categories adjacent minimum wage.[44] In all, the finding reconfirms the federal concern about income imputation.

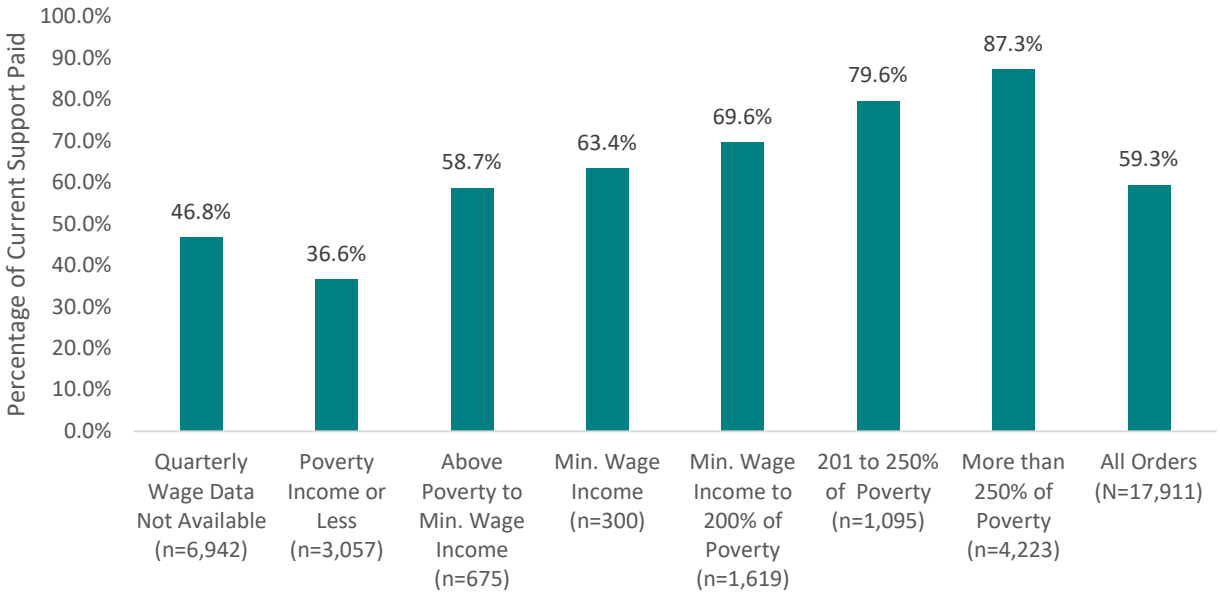
Exhibit 30: Average Percentage of Support Due that Is Paid by Obligated Parent's Guidelines Income



Instead of using guidelines income, Exhibit 31 provides the same statistics by the obligated parent's quarterly wage income in 2018. In other words, this reflects the income available to the obligated parent in calendar year 2018, but payment is during state fiscal year 2018–2019. It also includes those with no quarterly wage data.

[44] $\rho<0.01$.

Exhibit 31: Average Percentage Support Due that Is Paid by Obligor's Quarterly Wage Income



It shows the same pattern as Exhibit 30: compliance rates generally increase as income increases. The notable exception is at minimum wage income. Exhibit 30, which shows guidelines income, shows the lowest compliance rate at minimum wage, but this pattern is not duplicated in Exhibit 31. Undoubtedly, this reflects income imputed at minimum wage.

Payments of Orders Set by Default

The average percentage of support due that was paid varies by whether the order was entered by default, consent, or information about the order entry information was not available. The average percentage paid was:

- 50 percent among default orders;
- 67 percent among consent orders; and
- 69 percent among contested orders.

The averages are statistically different from one another.[45] The lower compliance rate among default orders reconfirms the federal desire to reduce defaults and encourage states to adopt federal policies to engage parents more in the order establishment and modification process to reduce defaults.

The average amount paid also indicates similar patterns. The average total amount paid was $2,031 among default orders, $4,229 among consent orders, and $3,743 among contested orders.

Payment by Other Characteristics

The average compliance rate was analyzed by several other characteristics.

[45] $\rho<0.05$

- *Guidelines Deviations.* The compliance rate varies by deviations. The average percentage of support paid was 75 percent among those with a known deviation, 56 percent among those known not to have a deviation, and 60 percent among those where the deviation status was unknown.
- *Incarceration.* Receipt of a prison stipend is a proxy for incarceration, but it does not capture all obligated parents who are incarcerated. The average percentage of support due that is paid was 25 percent among obligated parents receiving a prison stipend, while the average for those not receiving a stipend was 60 percent.
- *Numbers of Quarters with Income Information.* The numbers of quarters with income information may be an indicator of employment stability, regular earnings, wage garnishment, or a combination of these. In general, the average percentage of support paid is positively correlated with the number of quarters that income information is available. The average percentage paid is 47 percent for those with zero quarters of information, 35 percent for those with one quarter of information, 46 percent for those with two quarters of information, 59 percent for those with three quarters of information, and 81 percent for those with four quarters of information.
- *Driver's License Suspension.* Small percentages of obligated parents were sent notice of driver's license suspension or actually had their license suspended over the study period (*i.e.*, 5% and 3% of the analyzed orders, respectively). Among these, the average percentage paid was 46 percent among those who were sent notices and 27 percent among that actually had their license suspension. Many of those obligated parents with suspensions had orders set by default (57%) and income imputed to them (34%).

Examination of Labor Market Data

Federal regulation (45 C.F.R. § 302.56(h)) requires the consideration of "labor market data (such as unemployment rates, employment rates, hours worked, and earnings) by occupation and skill-level for the State and local job markets," and "factors that influence employment rates among noncustodial parents and compliance with child support orders."

The review of labor market data appears to be aimed at informing recommendations for guidelines provisions for income imputation and low-income adjustments. One of the new federal requirements concerns considering the individual circumstances of the obligated parent when income imputation is authorized. This typically includes consideration of the employment opportunities available to the parent given local labor market conditions. Since labor market conditions may change more frequently than every four years, which is the minimum amount of time in which a state's guidelines must be reviewed, it also makes sense to simply adopt the federal language about considering employment opportunities available to a parent given local labor market conditions.

Unemployment and Employment Rates

The major source of information is labor market information published by the State of Missouri Economic Research and Information Center that tracks and compiles labor market information for the State.[46] The Subcommittee reviewed employment data as part of its August 2020 meeting. At the time, the most recent unemployment data was from June 2020. The national unemployment rate was 11.1 percent, while the State of Missouri rate was 7.9 percent. The June 2020 county unemployment rate varied from a low of 3.4 percent in Scotland County to a high of 14.6 percent in Taney County. The June 2020 unemployment rates were significantly higher than recent rates because of the COVID-19 pandemic. For example, both the national and Missouri unemployment rates more than doubled from the year prior: they were both at 3.7 percent in June 2019. At the time of writing this report, the most recent unemployment rates were from November 2020 for the nation and October 2020 for the state. The national unemployment rate was 6.7 percent, and the state unemployment rate was 4.6 percent.[47]

The unemployment rates that are reported above are based on the U-3 measurement methodology, which is the conventional rate tracked historically and typically reported in media streams. The official U-3 measurement only counts those who are participating in the labor force by being employed or have looked actively for a job in the last four weeks and are available for work. Even before the pandemic, the U.S. Bureau of Labor Statistics (BLS) developed alternative measures to better account for discouraged workers who stopped searching for employment, those working part-time who wanted full-time work, and other circumstances that generally yield higher rates. Other issues with measuring unemployment have surfaced since the pandemic. The U.S. BLS has responded by adding questions to the monthly survey measuring unemployment.[48] For example, they have added questions concerning whether people were unable to work because their employers closed or lost business and whether the pandemic prevented job-seeking activities. The intent is to supplement the U-3 measurement. With regards to how this measurement issues affect the guidelines review, it underscores the importance of considering local labor market circumstances when imputing income to a parent and that examining the official unemployment rate (*i.e.,* the U-3) likely understates the severity of employment issues.

There is some evidence that labor force participation rates have decreased due to the COVID-19 pandemic: that is, people have quit working and stopped looking for work. Because they are not in the labor force, they wouldn't be counted in the U-3 unemployment rate. For example, a recent Pew Research Center publication reports that fewer mothers and fathers with children younger than 18 at home are working due to the COVID-19 pandemic.[49] The research did not note whether they were no longer participating in the labor force because they are sick, they are caring for sick child, they fear contracting COVID-19 at work, or another reason. Regardless, the relevance to child support is whether

[46] Missouri Economic Research and Information Center. (n.d.). Retrieved from https://meric.mo.gov/.
[47] U.S. Bureau of Labor Statistics. (n.d.). *Latest Numbers: Unemployment Rates.* Retrieved from Local Area Unemployment Statistics Home Page (bls.gov).
[48] U.S. Bureau of Labor Statistics. (n.d.). *Labor Force Statistics from the Current Population Survey: Supplemental data measuring the effects of the coronavirus (COVID-19) pandemic on the labor market.* Effects of the coronavirus COVID-19 pandemic (CPS) (bls.gov).
[49] Kochhar, Rakesh. (Oct. 22, 2020). *Fewer mothers and fathers in U.S. are working due to COVID-19 downturn; those at work have cut hours*. Pew Research Center. Retrieved from Fewer U.S. mothers and fathers are working due to COVID-19, many are working less | Pew Research Center.

these are valid reasons not to presume a non-employed parent can work and hence not impute income to that parent. Some state guidelines actually have provisions that address extreme circumstances that share some similarities to the pandemic. For example, the Louisiana guidelines specifically mention that a party temporarily unable to find work or temporarily forced to take a lower-paying job as a direct result of Hurricane Katrina or Rita shall not be deemed voluntarily unemployed or underemployed.[50] Similarly, in the circumstances to be considered to ensure that the obligated parent is not denied a means of self-support or a subsistence level, the Indiana guidelines provide for the consideration of "a natural disaster."[51]

Hours Worked and Income Imputation

Usual or average hours worked also have been used to inform income imputation policies. For example, South Dakota used labor market data on hours worked to reduce the presumption of a 40-hour workweek when imputing income since labor market data indicates South Dakota workers usually work 35 hours per week. As of February 2019, the average weekly hours in Missouri was 41.4 hours per week.[52] National data suggests that the average weekly hours vary by employment sector. For example, as of November 2020, employment in the leisure and hospitality industry averaged 24.4 hours per week and employment in retail averaged 30.9 hours per week.[53] The data underscore the importance of considering usual hours worked for the parent's specific occupation when imputing income. Hours worked by industry was not readily available for Missouri.

Low-Skilled Jobs and Employment Opportunities

Missouri, like the majority of states, provides a state minimum wage more than the federal minimum wage. The 2020 Missouri minimum wage is $9.45 per hour, while the federal minimum wage is $7.25 per hour. Exemptions from the state minimum wage are retail or service businesses with less than $500,000 per year in annual sales and federally-covered employment. The state minimum wage is scheduled to increase by 85 cents per hour each year until it reaches $12.00 per hour.[54] The amount of the minimum wage is important because if a party is found to be voluntarily unemployed and has little employment history, it is often presumed that the party can at least earn minimum wage.

As already identified, two issues with presuming minimum wage employment are whether there are jobs openings and the presumed number of hours worked. As noted earlier, workers in some sectors of the economy (*e.g.,* various service sector occupations) do not work 40 hours per week on average.

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[50] Louisiana Revised Statute 9:315.11 C.(1).

[51] Indiana Rules of Court. (amended Jan. 1, 2020). *Guideline 2. Use of the Guidelines Commentary*. Retrieved from Indiana Child Support Rules and Guidelines.

[52] U.S. Bureau of Labor Statistics. (2019). *Establishment Data State and Area Hours and Earnings Not Seasonally Adjusted*. *Table D-4 Average hours and earnings of production employees on manufacturing payrolls in states and selected areas.* https://www.bls.gov/web/laus/tabled4.pdf.

[53] U.S. Bureau of Labor Statistics. (2019). *Table B-7. Average weekly hours and overtime of production and nonsupervisory employees on private nonfarm payrolls by industry sector, seasonally adjusted*. Retrieved from https://www.bls.gov/news.release/empsit.t23.htm.

[54] U.S. Department of Labor. (Oct. 1, 2020). *State Minimum Wage Laws*. Retrieved from State Minimum Wage Laws | U.S. Department of Labor (dol.gov).

These sectors often offer some of the lowest-paying occupations. For example, in 2019 in Missouri, the average hourly wage of cooks and food preparation workers was $11.73 (and $9.08 for the 25th percentile).[55]

At the time of writing this report, the five top job postings in Missouri according to the number of online job postings were:

- 5,075 openings for retail salespersons, with an average wage of $28,470 per year;
- 3,856 openings for customer service representatives, with an average wage of $35,910 per year;
- 3,293 openings for laborers and freight, stock, and material movers, with an average wage of $32,020 per year;
- 2,377 openings for stock clerks and order filers, with an average wage of $28,820 per year; and
- 2,145 openings for combined food preparation and serving workers, with an average wage of $22,390 per year.[56]

In contrast, a 40-hour workweek at the state minimum wage of $9.45 would yield $19,656 per year, while a 31-hour work week (which is the average in retail occupations) yields $15,233 per year. As further contrast, there were 137,729 civilian workers who were officially unemployed (using the U-3 definition) in Missouri as of October 2020.[57] The numbers of discouraged workers and those temporarily out of the labor force are not known.

Factors that Influence Employment Rates and Compliance

Federal regulation (45 C.F.R. § 302.56(h)(2)) also requires the consideration of "factors that influence employment rates among noncustodial parents and compliance with child support orders." The factors that influence labor force participation and employment are numerous, complex and go beyond child support. For example, the COVID-19 pandemic is an illustration of another factor that affects labor force participation and employment. Understanding each of these factors and disentangling their unique impact from the impact of other factors requires substantial research. Further, the labor market is constantly changing: the labor market may have change before the research is completed. Again, the impact of the pandemic on the labor market illustrates this point: research examining the impact of the pandemic on labor force participation and employment is just starting to emerge, while the pandemic may cease before definitive research studies in the impact of the pandemic on the labor market are completed.

Despite these limitations, there is some older, academic research, however, that finds child support can affect employment among obligated parents.[58] Another study finds some weak association of changes in

[55] Missouri Economic Research and Information Center. (n.d.). *Occupational Employment and Wage Estimates.* Retrieved from Occupational Employment and Wage Estimates (OES) | Missouri Economic Research and Information Center (mo.gov).
[56] Missouri Economic Research and Information Center. (n.d.). *Real Time Labor Market Summary* Retrieved from Real Time Labor Market Summary | Missouri Economic Research and Information Center (mo.gov).
[57] Missouri Economic Research and Information Center (n.d.) *Unemployment Rate and Industry File PDF.* Retrieved from Unemployment Rate and Industry File PDF | Missouri Economic Research and Information Center (mo.gov).
[58] Holzer, Harry J. Offner, Paul, and Sorensen, Elaine. (Mar. 2005). "Declining employment among young black less-educated men: The role of incarceration and child support." *Journal of Policy Analysis and Management*.

father's earnings with changes in orders among fathers in couples that had their first child support ordered in 2000.[59] There also are many anecdotes of obligated parents who quit working or turn to unreported employment (also called the underground economy) once wages are garnished for child support. These studies are of limited value for this analysis because they are dated (hence do not consider today's labor market and child support enforcement practices) and not specific to Missouri. Besides pandemic-related employment changes, opportunities for income from unreported employment are rapidly changing. It is becoming more common to have multiple jobs and one may be unreported employment and the other may be reported employment. Still, more mechanisms are being developed to facilitate the reporting of gig economy jobs (*e.g.*, drivers for ridesharing). As is, the earnings from unreported employment are often sporadic and yield inconsistent earnings. Many guidelines or guidelines users average incomes among parties with sporadic and inconsistent earnings as long as it is above full-time, minimum wage earnings. As evident in the examination of quarterly wage data, however, there are many parties whose incomes are below full-time, minimum wage earnings.

[59] Ha, Yoonsook, Cancian, Maria, and Meyer, Daniel, R. (Fall 2010). "Unchanging Child Support Orders in the Face of Unstable Earnings." *Journal of Policy Analysis and Management.* Vol. 29, No. 4, pp. 799–820.

Section 3: Analysis of Economic Data on the Cost of Child Rearing

Most state guidelines rely on studies of child-rearing expenditures that find expenditures on children increase when the family spends more or has more income rather than studies that examine the minimum and basic needs of children. This is because the premise of most state guidelines is that children should share in the lifestyle afforded by their parents; that is, if the obligated parent's income affords the obligated parent a higher standard of living, the support order should also be more for that higher income parent.

In addition, most states, including Missouri, rely on measurements of child-rearing expenditures in intact families. The underlying premises is that the child should receive the same amount of child-rearing expenditures that the child would have received had the parents lived together and shared financial resources (*i.e.,* combined their incomes). The principle is also called the "continuity-of-expenditures" principle.[60] In the income shares guidelines model—which is used by 41 states including Missouri—the obligated parent's prorated share of that amount forms the basis of the guidelines-determined amount. In most of the seven states that use the percentage-of-obligor income guidelines model, it is often presumed that the custodial parent contributes an equal dollar amount or percentage of income to child-rearing expenditures.[61]

The continuity-of-expenditures principle applies to children of divorcing and separating parents, as well as never-married parents. In other words, children are treated the same regardless of their parents' decisions to marry, divorce, separate, or never marry. Some confound the issue of never-married parents, who tend to have lower incomes, with considering the ability to pay of very low-income obligated parents. With that said, Missouri, as federally required,[62] considers the subsistence needs of the obligated parent.

Overview of Economic Studies underlying State Child Support Guidelines

There are 10 different studies that form the basis of state child support guidelines. The studies vary by age and methodology used to separate the child's share of expenditures from total expenditures. The most commonly used studies are those conducted by Professor David Betson, University of Notre Dame, using the Rothbarth methodology to separate the child's share of expenditures from total household expenditures. There are five Betson-Rothbarth (BR) studies of different ages.[63] Most (37 states) and the

[60] Ingrid Rothe and Lawrence Berger, "Estimating the Costs of Children: Theoretical Considerations Related to Transitions to Adulthood and the Valuation of Parental Time for Developing Child Support Guidelines" (Apr. 2007), IRP Working Paper, University of Wisconsin: Institute for Research on Poverty, Madison, Wisconsin.

[61] Besides the income shares guidelines model and the percentage-of-obligor income guidelines model, three states (*i.e.,* Delaware, Hawaii, and Montana), which is essentially a hybrid of the income shares approach and the percentage-of-obligor income guidelines. Each of these states prorates a basic of level of support to meet the primary needs of the child, then if the obligated parent has any income remaining after meeting his or her share of the child's primary support, his or her own basic needs, and payroll taxes, and additional percentage of his or her income is added to his or her share of the child's primary support.

[62] 45 C.F.R. § 302.56(c)(1)(ii).

[63] The five Betson studies using the Rothbarth methodology were published in 1990, 1998, 2006, 2010, and 2020. The first study is Betson, David M. (1990). *Alternative Estimates of the Cost of Children from the 1980–86 Consumer Expenditure Survey*. Report to U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. University of Wisconsin Institute for Research on Poverty, Madison, WI).

District of Columbia and Guam rely on a BR study as the basis of their guidelines schedule or formula. The existing Missouri child support schedule is based on the third BR study (BR3) using expenditures data collected in 1998–2004 that were updated to 2016 price levels and consider 2016 federal and state income tax and FICA.[64] The most recent BR study,[65] which is the fifth BR study (BR5) and funded by Arizona, was conducted this year and forms the basis of the updated schedule in Appendix A.

Several of the other studies underlying state guidelines are older or tailored for that state's income so are not suitable options for an updated Missouri schedule. For example, the second and third most frequently used studies for state child support guidelines date back to the 1980s.[66] Still another example is the Rothbarth study for New Jersey that was adjusted for New Jersey's above average income.[67] Due to this income adjustment, it is not appropriate for other states. Besides the BR5, there are three other recent studies of child-rearing expenditures that are considered in this report. One of the studies was conducted in 2017 by Professor William Rodgers, Rutgers University, for California, but was not adopted by California or any other state as the basis of its guidelines.[68] Professor Rodgers also used the Rothbarth methodology to separate the child's share of expenditures from total expenditures. Another study published in 2015 was led by Professor William Comanor, University of California at Santa Barbara, was not funded by any state and does not form the basis of any state guidelines.[69] Professor Comanor developed his own methodology for measuring child-rearing expenditures. The third study is by the U.S. Department of Agriculture (USDA),[70] which until its last publication in 2017 was updated every year or two. The USDA also has its own methodology for measuring child-rearing expenditures. Minnesota relies on an older version of USDA study and Kansas uses it to adjust its unique study that was designed for specific use in Kansas for the number of children considered in the Kansas child support schedule.[71]

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[64] Betson, David M. (2006). "Appendix I: New Estimates of Child-Rearing Costs." *In* State of Oregon Child Support Guidelines Review: Updated Obligation Scales and Other Considerations. Report to State of Oregon, Prepared by Policy Studies Inc., Denver, CO.

[65] Betson, David M. (2020) "Appendix A: Parental Expenditures on Children: Rothbarth Estimates" *In* Venohr, Jane. (Dec. 9, 2020). *Review of the Arizona Child Support Guidelines: Updating the Child Support Schedule.* Report to the Arizona Supreme Court Administrative Office of the Courts.

[66] Most states that have not made major changes to their guidelines schedule or formula for over two decades relate to one of two studies: van der Gaag, Jacques. (1981). "On Measuring the Cost of Children." *Discussion Paper* 663–81. University of Wisconsin Institute for Research on Poverty, Madison, WI; or Espenshade, Thomas J. (1984). *Investing in Children: New Estimates of Parental Expenditures*. Urban Institute Press: Washington, D.C.

[67] New Jersey Child Support Institute (Mar. 2013). *Quadrennial Review: Final Report*, Institute for Families, Rutgers, the State University of New Jersey, New Brunswick, NJ. Retrieved from http://www.judiciary.state.nj.us/reports2013/F0_NJ+QuadrennialReview-Final_3.22.13_complete.pdf.

[68] Rodgers, William M. (2017) "Comparative Economic Analysis of Current Economic Research on Child-Rearing Expenditures." In Judicial Council of California, Review of Statewide Uniform Child Support Guideline 2017. San Francisco, CA. Retrieved from http://www.courts.ca.gov/documents/lr-2018-JC-review-of-statewide-CS-guideline-2017-Fam-4054a.pdf.

[69] Comanor, William, Sarro, Mark, and Rogers, Mark. (2015). "The Monetary Cost of Raising Children." *In* (ed.) Economic and Legal Issues in Competition, Intellectual Property, Bankruptcy, and the Cost of Raising Children (Research in Law and Economics), Vol. 27). Emerald Group Publishing Limited, pp. 209–51.

[70] Lino, Mark. (2017). *Expenditures on Children by Families: 2015 Annual Report.* U.S. Department of Agriculture, Center for Nutrition and Policy Promotion. Miscellaneous Publication No. 1528-2015, Washington, D.C. Retrieved from http://www.cnpp.usda.gov/publications/crc/crc2012.pdf.

[71] William T. Terrell and Jodi Messer Pelkowski. (2010). *XII. Determining the 2010 Child Support Schedules*. Retrieved from http://www.kscourts.org/Rules-procedures-forms/Child-Support-Guidelines/PDF/Child%20Support%20Determination%20Economist%20FINAL%20REPORT.pdf.

Economic Methodologies

When Congress first passed legislation (*i.e.*, the Family Support Act of 1988) requiring presumptive state child support guidelines, they also mandated the U.S. Department of Health and Human Services to develop a report analyzing expenditures on children and explain how the analysis could be used to help states develop child support guidelines. This was fulfilled by two reports that were both released in 1990. One was by Professor David Betson, University of Notre Dame, which was referenced earlier as the first BR study.[72] Using five different economic methodologies to measure child-rearing expenditures, Betson concluded that the Rothbarth methodology was the most robust[73] and hence recommended that it be used for state guidelines. The second study resulting from the Congressional mandate was by Lewin/ICF.[74] It assessed the use of measurements of child-rearing expenditures, including the Betson measurements, for use by state child support guidelines.

One of the other methodologies explored by Betson was the Engel methodology. The Engel and Rothbarth methodologies are named after the economists who developed them. Both are considered marginal cost approaches; that is, they consider how much more is spent by a couple with children than a childless couple of child-rearing age. To that end, the methodologies compare expenditures of two sets of equally-well off families: one with children and one without children. The difference in expenditures between the two sets is deemed to be child-rearing expenditures. The Engel and Rothbarth methodologies use different indicators of equally well-off families. The Engel methodology uses expenditures on food, while the Rothbarth methodology relies on expenditures for adult goods to determine equally well-off families.[75] Through calculus, economists have proven that the Engel methodology's reliance on food shares overstates actual child-rearing expenditures because children are relatively food intensive.[76] In contrast, the calculus behind using expenditures on adult goods in the Rohtbarth methodology finds that the Rothbarth estimator understates actual child-rearing expenditures because parents essentially substitute away from adult goods when they have children.[77]

At the time of Betson's 1990 study, most states, including Missouri, had already adopted guidelines to meet the 1987 federal requirement to have advisory child support guidelines. (The requirement was extended to be rebuttal presumptive guidelines in 1989.) Most states were using older measurements

[72] Betson, David M. (1990). *Alternative Estimates of the Cost of Children from the 1980–86 Consumer Expenditure Survey*. Report to U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. University of Wisconsin Institute for Research on Poverty, Madison, Wisconsin.

[73] In statistics, the term "robust" is used to mean that the statistics yield good performance that are largely unaffected by outliers or sensitive to small changes to the assumptions.

[74] Lewin/ICF. (1990). *Estimates of Expenditures on Children and Child Support Guidelines*. Report to U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. Fairfax, Virginia.

[75] Specifically, Betson uses adult clothes, whereas others applying the Rothbarth estimator use adult clothing, alcohol, and tobacco regardless whether expenditures are made on these items. Betson (1990) conducted sensitivity analysis and found little difference in using the alternative definitions of adult goods.

[76] A layperson's description of how the Engel estimator overstates actual child-rearing expenditures is also provided in Lewin/ICF (1990) on p. 2-28.

[77] A layperson's description of how the Rothbarth estimator overstates actual child-rearing expenditures is also provided in Lewin/ICF (1990) on p. 2-29.

of child-rearing expenditures,[78] but many (including Missouri) began using the Betson-Rothbarth 1990 (BR1) study in the mid- to late 1990s. Subsequently, various states and the University of Wisconsin Institute of Research commissioned updates to the BR study over time.

Rothbarth as the Lower Bound of Credible Measurements

Recognizing economists do not agree on which methodology best measures actual child-rearing expenditures, Lewin/ICF was the first to assess the appropriateness of state guidelines by generally examining whether a state's guidelines amount was between the lowest and the highest of credible measurements of child-rearing expenditures. Amounts that were above the lowest credible measurement of child-rearing expenditures were deemed as adequate support for children. This also responded to a major concern in the 1980s that state child support guidelines provided inadequate amounts for children: that is, they were too low relative to the poverty amount.[79]

This methodology has been used for several decades now and by several states, including Missouri, for most of their guidelines reviews. For Lewin/ICF's initial assessment, they used the Rothbarth and Engel measurements developed by Betson in his 1990 study as the lowest and highest, respectively. Not only were the empirical results from these studies the lowest and highest, but application of the economic model of each of the estimators suggests that the Rothbarth estimator understates actual child-rearing expenditures and the Engel estimator overstates actual child-rearing expenditures. Since there are no current Engel measurements of child-rearing expenditures, states have been using the USDA measurements as the highest of the credible measurements.

New Studies of Child-Rearing Expenditures

Four recent studies, which were previously mentioned, are considered for this analysis: the most recent BR study (BR5), the USDA study, the 2017 Rodgers study for California, and the Comanor study. The most recent BR study (BR5) is essentially an update to the BR study underlying the current Missouri schedule. BR5 relies on expenditures data collected from families participating in the 2013–2019 CE survey, while BR3 relies on expenditures data collected from families participating in the 1998–2004 CE survey. Besides differences in survey years, there were some improvements to the CE survey that may contribute to differences in the findings between the two studies that are discussed in greater detail at the end of this section.

Like the BR measurements, the other newer studies of child-rearing expenditures also rely on expenditures data from the CE survey. Conducted by the U.S. Bureau of Labor Statistics (BLS), the CE is a comprehensive and rigorous survey with over a hundred-year history.[80] Today, the CE surveys about 6,000 households a year on hundreds of expenditures items. Households stay in the survey for four quarter, yet households rotate in and out each quarter. The primary purpose of the CE is to calibrate the

[78] Many states used Espenshade, Thomas J. (1984). *Investing in Children: New Estimates of Parental Expenditures*. Urban Institute Press: Washington, D.C.
[79] National Center for State Courts (1987). *Development of Guidelines for Child Support Orders, Final Report.* Report to U.S. Department of Health and Human Services, Office of Child Support Enforcement, Williamsburg, VA. p. I-6.
[80] U.S. Bureau of Labor Statistics. (Jun. 28, 2018). *130 Years of Consumer Expenditures.* Retrieved from https://www.bls.gov/cex/csxhistorical.htm.

market basket used to measure changes in price levels over time. The Rodgers-Rothbarth measurements rely on the 2000–2015 CE, Comanor measurements rely on the 2004–2009 CE, and the USDA measurement rely on the 2011–2015 CE, as well as other data including the U.S. Department of Health and Human Services National Medical Expenditure Survey (MEPS)[81] and the cost of USDA food plans,[82] which are also used to determine SNAP (Supplemental Nutrition Assistance Program) benefits and military per diem rates.

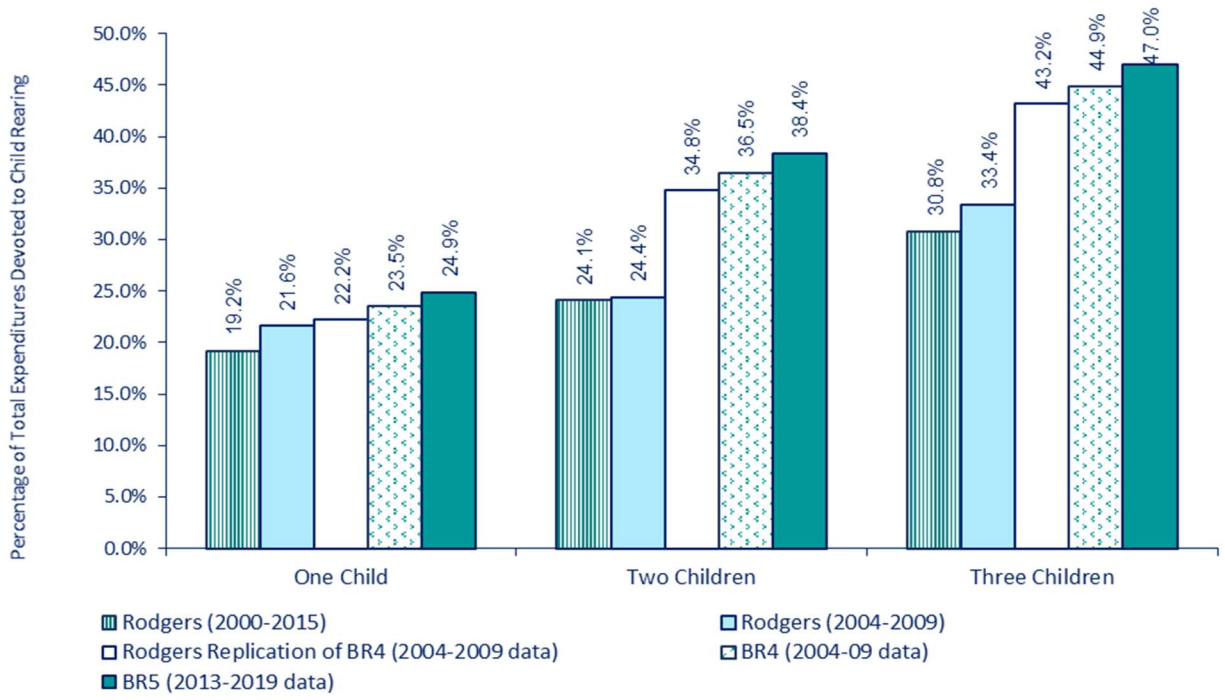
Rodgers-Rothbarth Measurements

In 2018, California published Rothbarth measurements prepared by Professor Mark Rodgers of Rutgers University using expenditures data from families participating in the 2000–2015 CE. One reason he considered a larger time period was to average out the expenditures patterns since there were some anomalous patterns associated with the Great Recession of 2007–2009 and its aftermath. Rodgers concluded there were some actual dollar declines in outlays on children in recent years. Rodgers also provides measurements from fewer years and tries to replicate the results from the fourth Betson study. Exhibit 32 shows their differences.[83] It shows that the Rodgers measurements are generally less than the Betson measurements, even when Rodgers attempts to replicate the results from Betson's fourth study (BR4). Nonetheless, there is never more than two percentage-point gap for the replication, so the difference may not be a statistically significant difference.[84]

There is a finding from Rodgers (2000–2015 data), however, that is of concern. As shown in Exhibit 32, Rodgers finds the average share of spending devoted to children is 19.2 percent for one child and 24.1 percent for two children, which is just about a five percentage-point different. This would suggest the marginal cost of having a second child is very small.[85] A similar difference exists between the percentages for two and three children. Stated differently, the Rodgers results suggests that expenditures for two children are about 125 percent more than expenditures for one child. In contrast, Betson finds that the expenditures for two children are about 150 percent more than expenditures for one child.[86]

[81] More information about the MEPS is available from the U.S. Department of Health and Human Services Agency for Healthcare Research and Quality site: https://www.meps.ahrq.gov/mepsweb/.
[82] More information about the UDA Food Plans and their costs can be found at the U.S. Department of Agriculture Food and Nutrition Service website: https://www.fns.usda.gov/cnpp/usda-food-plans-cost-food-reports-monthly-reports.
[83] Rodgers measurements are from Table 11, p. 126 of the 2017 California report. Betson measurements are from Appendix A, Table 7, p. 27.
[84] There is insufficient information to conduct a statistical test of the differences; however, Betson (2010, p. 152) estimates the standard errors of his estimates to be about 2 to 3 percentage points.
[85] More information about this issue is provided in Appendix A on pp. 24–25. The discrepancy appears to be derived from Rodgers' estimation of the average dollar spent per child per adult. See Rodgers (California 2017, Table 9, p. 124) and Lazaer and Michael (1988, pp. 86–87) to see Rodgers's estimates a much higher level of average dollar spent per child per adult, which in turn, would lower his final calculation.
[86] *See* Betson (2020), Appendix A, p. 26.

Exhibit 32: Comparison of Rodgers's and Betson's Rothbarth Measurements



Differences in Application of Rothbarth. Besides differences in data years, there are many differences between Betson's approach and Rodgers's approach that may explain their different results.[87] One major difference is their application of Rothbarth's theory.[88] Rothbarth asked the question, "How much additional income does a family of given size require to compensate it for the costs of an additional child?" In answering the question, Rothbarth speculated that the answer would depend on the standard of living of the parents. Further, if the answer depended on the standard of living of the parents that the parents' tastes were unaffected by the presence of additional children. Both Betson and Rodgers perceive this as indirectly estimating child-rearing expenditures from an observed level of expenditures on adult goods through principles of economic theory on consumption. Rodgers adopts Lazear and Michael's approach which is maximizing utility given a budget constraint on expenditures on either adult goods or children goods.[89] In contrast, Betson relies on classical economic theory of consumer surplus and compensated demand while assuming expenditures on adult goods (*i.e.*, the amount expended on adult clothing) is a normal good: that is, the demand for a normal good increases if income increases or the price of that good decreases.[90] Their difference in theory application creates differences in their

[87] *See* Betson (2020), Appendix A in the Arizona report.

[88] Rothbarth, Erwin. (1943). "Note on a Method of Determining Equivalent Income for Families of Different Composition." In *War Time Patterns of Savings and Spending.* Edited by Charles Madge, Cambridge, Cambridge University Press. Appendix 4.

[89] See pp. 97–100 of Rodgers (2017) for the best description of Rodgers, as well as pp. 62–72 of Lazear and Michael (1988).

[90] Consumer surplus and compensated demand are typically analyzed in consumer economics through use of the "Engel curve." It is not to be confused with the Engel methodology for measuring child-rearing expenditures, although the same economists developed them. The Engel curve is an alternative way to look at demand for a particular economic good. The ordinary demand curve examines the relationship between quantity demanded of an economic good and the price of that economic good holding income constant. The classic use of the Engel curve examines the relationship between quantity demanded of an economic good and income holding price of that economic good constant. Betson's application of the Engel curve uses total expenditures rather than income.

estimating equations and methods. Rodgers uses a two-step approach, where the first step is estimating the ratio of total expenditures on adults to observed expenditures on adults based on demographic variables and income.[91] The second step is estimating total expenditures among families with children based on the ratio from the first estimating equation and other demographic characteristics.[92] In contrast, Betson's theoretical approach does not require a two-step approach. Instead, Betson estimates how expenditures on adult goods vary with family size (that vary with the presence and number children), demographic characteristics, and total expenditures. Even when Rodgers attempts to replicate Betson, there are differences. For example, Betson and Rodgers use different functional forms to specify their estimating equation (*e.g.*, Betson uses a quadratic equation and Rodgers does not). The quadratic functional form allows the percentage of expenditures to vary as the parents' incomes increase.

Differences in Data. In addition, their sample selection criteria differ slightly (*e.g.*, in Betson's base sample, he excludes families with a third adult, even though the third adult may be a child of the parents in the household, while Rodgers does make an identical exclusion in his sample).[93] Still, there are other differences that are not clear. Both Rodgers and Betson, however, use expenditures on adult clothing as their measurement of adult goods. Betson makes an adjustment to adult clothing to exclude adult clothing purchased for teenage children.[94] It is not clear whether Rodgers makes a similar adjustment. Nonetheless, this is likely to only produce small differences between the Betson and Rodgers measurements and hence unlikely to be the major factor contributing to their differences.

USDA Measurements

Until recently, the USDA produced annual or biannual updates to its measurements. Its most recent study considers 2015 data and was published in 2017. The USDA first measures expenditures for seven different categories (*i.e.*, housing, food, transportation, clothing, healthcare, childcare and education, and miscellaneous), then sums them to arrive at a total measurement of child-rearing expenditures. Some of the methodologies use a pro rata approach, which is believed to overstate child-rearing expenditures. The USDA provides measurements for the U.S. as a whole and four regions: the South, Mid-West, Mid-Atlantic, and West.

Using expenditure data from 2011 through 2015, the USDA found that average child-rearing expenses were $9,060 to $22,730 per year for the youngest child in a two-child family in the urban Midwest in 2015. The amount varies by age of the child and household income. For rural areas, the amount varied from $7,650 to $17,000 per year.

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[91] Rodgers, William M. (2017). "Comparative Economic Analysis of Current Economic Research on Child-Rearing Expenditures." *In* Judicial Council of California, *Review of Statewide Uniform Child Support Guideline 2017*. San Francisco, CA. pp. 66 and 99. Retrieved from http://www.courts.ca.gov/documents/lr-2018-JC-review-of-statewide-CS-guideline-2017-Fam-4054a.pdf.

[92] *See* Edward P. Lazear & Robert T. Michael. (1988). *Allocation of Income Within the Household.* University of Chicago Press, Chicago, Illinois. Equation 5.5 on p. 80.

[93] Betson (2020) did consider this as an alternative sample. Due to the small percentage of households with adult children and the technical issues caused in the modeling, using the findings from the alternative sample did not seem warranted.

[94] *See* Betson (2020), p. 13.

Comanor et al. Study

Still another study, led by a University of California at Santa Barbara professor emeritus, William Comanor, has been extensively vetted by Minnesota. Arguably, the Comanor study measures the child's basic needs. It is arguable because the authors believe their methodology reflects child-rearing expenditures across all income ranges; however, it finds implausibly low amounts (*i.e.*, food costs below what the federal government measures as the minimum amount needed to sustain and uses as the basis for Supplemental Nutrition Assistance Program–SNAP, which was formerly known as "food stamps").

In all, the amounts are near federal poverty levels. In 2018, Comanor reported that child-rearing costs of $3,421 per year for one child and $4,291 per year for two children in low-income households.[95] The 2020 federal poverty guidelines set the poverty thresholds at $12,760 per year for one person and $4,480 per year for each additional person.[96] For middle incomes (*i.e.,* married couples with an average income of $76,207 per year), Comanor reported child-rearing costs of $4,749 per year for one child and $6,633 per year for two children. These amounts are not that much more than the amounts for low incomes. Further, Comanor's one-child amount for middle incomes is almost equivalent to poverty (*i.e.*, $4,749 per year is almost equivalent to $4,480 per year albeit the amounts are not adjusted for differences in 2018 and 2020 price level), and Comanor's two-child amount for middle incomes is below poverty (*i.e.*, $6,633 is less than $8,960 per year,[97] which is twice the $4,480 amount).

Most states believe that the child support guidelines should provide for more than a basic needs amount if the obligated parent can afford a higher standard of living. In other words, if the obligated parent has sufficient income to enjoy a higher standard of living, the child should share in that higher standard of living. For these reasons, states often dismiss the Comanor study.

Changes in Betson-Rothbarth Studies over Time

Of most interest to Missouri is the most current Betson-Rothbarth (BR) study because the existing Missouri schedule is based on an earlier BR study. Changes to the BR measurements of child-rearing expenditures over time may reflect actual changes in how much families spend on their children, sampling differences in the different study years, changes in the underlying expenditures data used to develop the measurements, or a combination of these factors. In addition, changes in other factors considered in the conversion of the BR measurements, which are expressed as a percentage of total household expenditures, to a gross-income based schedule may have changed so also affect perceived changes to the BR measurements over time. This subsection explores the extent that there are changes over time and the causes of those changes. Understanding the root of the changes is important to Missouri because Missouri's child support guidelines is currently based on the third BR study (BR3) and Missouri is contemplating updating the schedule using the most recent BR study (BR5).

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[95] Comanor, William. (Nov. 8, 2018). *Presentation to Nebraska Child Support Advisory Commission.* Lincoln, NE.

[96] U.S. Department of Health and Human Services. (2020). *2020 Poverty Guidelines for the 48 Contiguous States and the District of Columbia.* Retrieved from https://aspe.hhs.gov/2020-poverty-guidelines.

[97] The federal poverty guidelines are not adjusted for economies of scale: that is, the cost of two children is not necessarily double the cost of one child.

As mentioned earlier, each of the BR studies uses more current expenditures data from the Consumer Expenditure Survey (CE). The sampling of the CE is not designed to produce state-specific measurements of expenditures. To expand the CE so it could produce state-specific measurements would require a much larger sample and other resources and would take several years. Instead, Betson (as well as other researchers) develops national measurements of child-rearing expenditures by pooling multiple data years to obtain an adequate sample size. As identified in the next section, Betson compiles other statistics from the same subset of CE families that he uses to measure child-rearing expenditures. These are other statistics are used to develop a child support schedule. Specifically, this includes the average ratio of expenditures to income, average childcare expenditures, and average healthcare expenses for several income ranges. Appendix B shows and explains the additional data.

Committed to producing data that are of consistently high statistical quality, relevance, and timeliness, the BLS closely monitors and continuously assesses the quality of the CE and makes improvements when appropriate. Some of these improvements have occurred in between BR studies; hence, they can affect differences between BR study years.

Changes by Number of Children and Income

The two major factors in determining child support are the number of children and the incomes of the parties. Child support schedules provide higher amounts when there are more children because the economic evidence on child-rearing expenditures finds more is spent when there are more children. Nonetheless, the economic evidence suggests some economies of scale: expenditures for two children are not twice that of expenditures for one child; rather, they are less than double.

Income follows a similar pattern; that is, economic evidence finds that higher incomes spend more on children and the schedule amounts reflect that. Underlying the premise of most state guidelines is that if child has a parent living outside the home whose income affords that parent a higher standard of living, that child should share that parent's standard of living. Obviously, the situation is more complicated in shared physical custody cases. For the purposes of developing a schedule, however, the schedule starts with the basis that the child is being raised in one household, then layers an adjustment for timesharing on top of that. (This is also the situation with the Missouri guidelines that provides an adjustment to adjust for timesharing arrangements.)

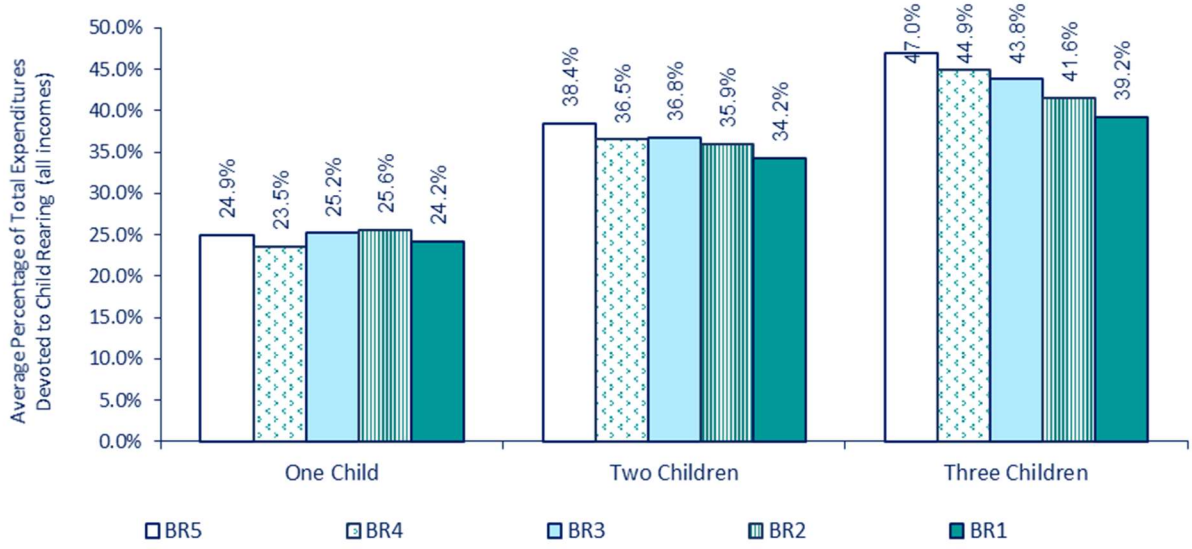
Exhibit 33 compares the percentage of total family expenditures devoted to child-rearing for the five BR studies. Exhibit 33 shows the percentages for one, two, and three children. The sample size of families with four or more children is too small to produce measurements for larger families. Instead, as discussed in Appendix B, equivalence scales are used to adjust the measurements for larger family sizes.

Exhibit 33 shows small variation in the percentage of total expenditures devoted to one child over time. The percentage difference between the lowest and the highest estimate for one child is less than two percentage points. Betson notes this is less than the standard deviation in the estimates due to sampling variation.

For two and three children, Exhibit 33 shows the percentage of total expenditures devoted to child-rearing expenditures increasing slightly over time. However, Betson suggests that expenditures for two

and three children should be examined in context of marginal expenditures: that is, starting with expenditures for the first child, how much more was spent for the second child? If the same amount is spent, the marginal increase in expenditures is 100 percent. If the amount is smaller than 100 percent, there is some economies of scale to having more children. The BR studies find that the marginal increase in expenditures from one to two children is about 40 to 55 percent depending on the age of the study, and that the marginal increase in expenditures from two to three children is about 15 to 23 percent depending on the age of the study. Generally, the older studies have smaller marginal increases while the more recent studies have larger marginal increases. This suggests that the economies of scale of having more children is decreasing slightly. In turn, this suggests slightly larger increases to updated schedule amounts for more children.

Exhibit 33: Comparison of Betson-Rothbarth (BR) Studies over Time



Exhibits 34, 35, and 36 compare the BR measurements over time by income range. There are several adjustments made to make the comparison. Due to these adjustments, the percentages shown in the exhibits are not comparable to those in Exhibit 33. In general, Exhibits 34, 35, and 36 show that there are small differences over time; however, it is unknown whether the difference is caused by sampling error or another factor or whether the difference is distorted by expressing them in 2020 price levels.

Exhibit 34: Comparisons of BR Measurements for One Child by After-Tax Income

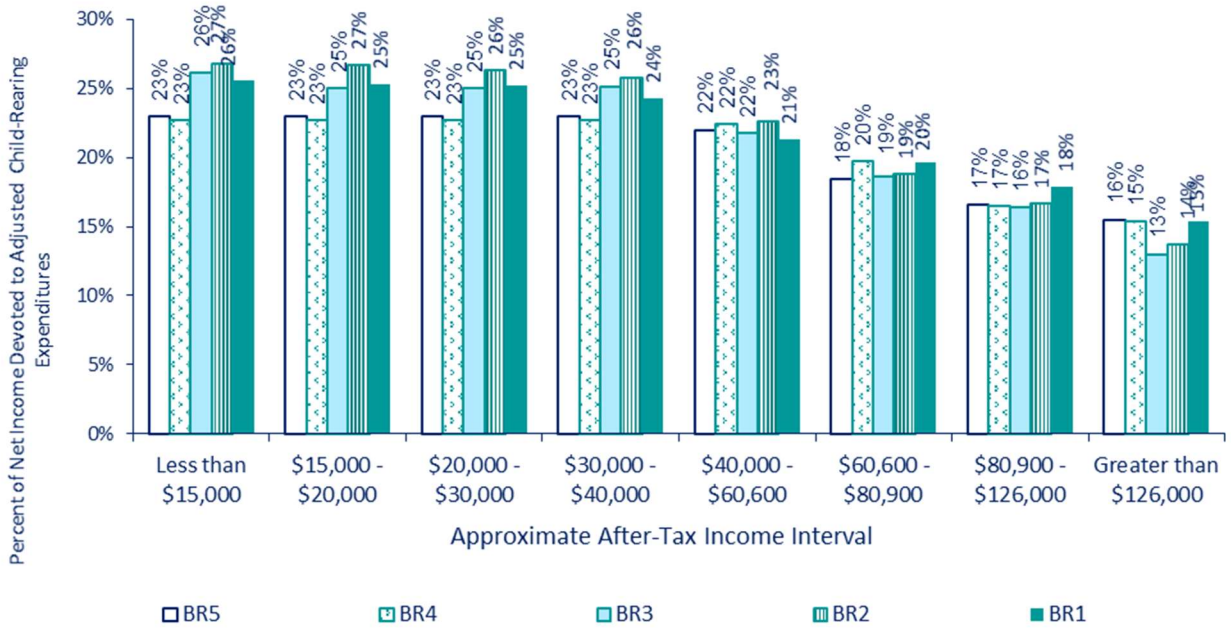


Exhibit 35: Comparisons of BR Measurements for Two Children by After-Tax Income

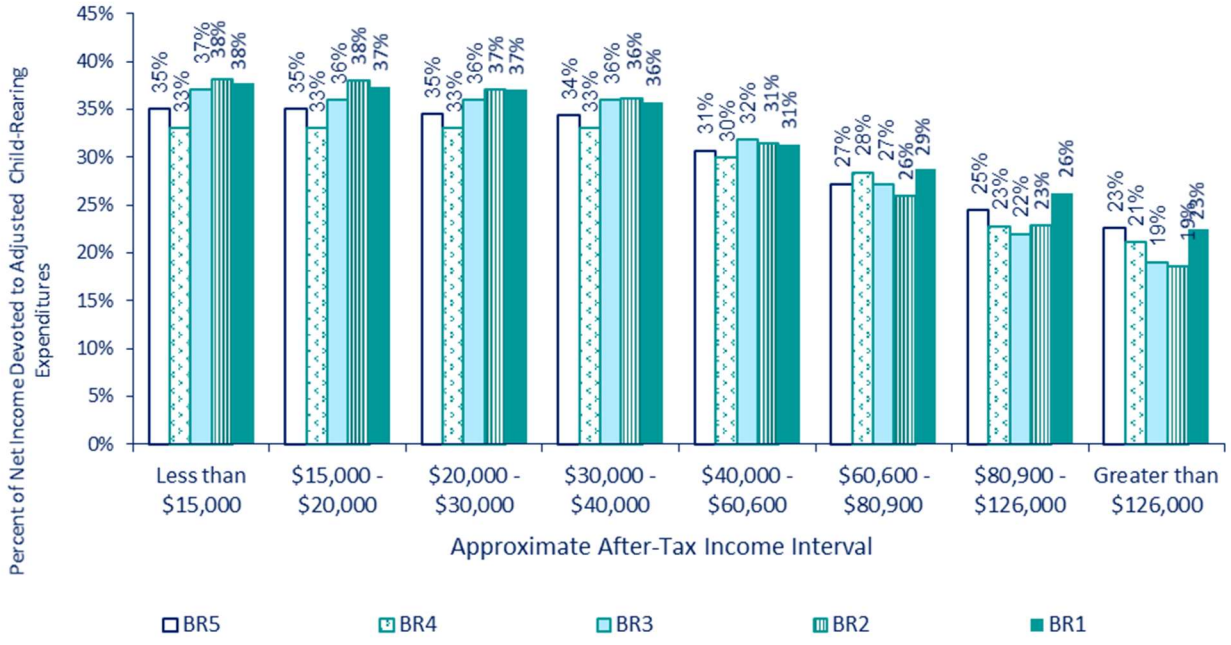


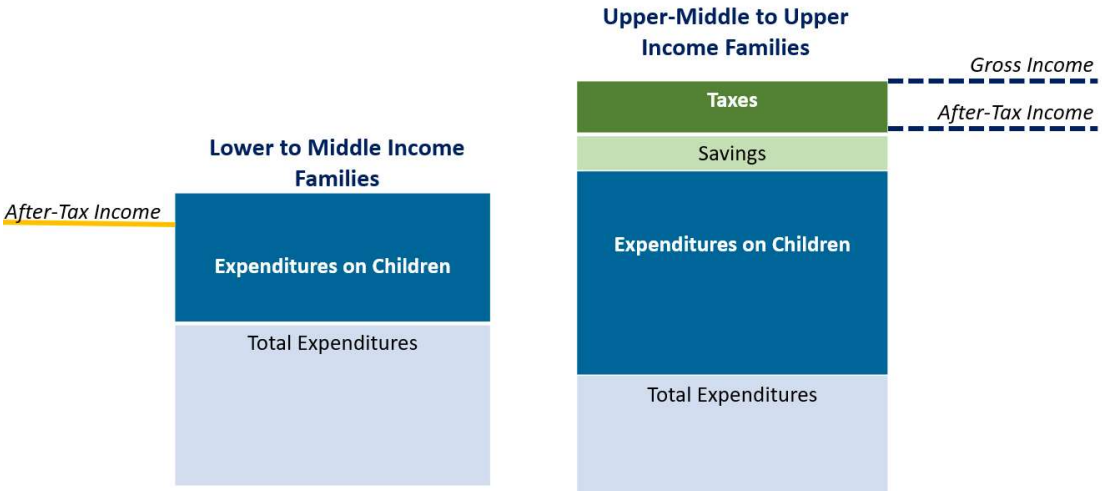
Exhibit 36: Comparisons of BR Measurements for Three Children by After-Tax Income

The two most observable changes are a decrease at lower incomes (*e.g.*, see the first cluster for after-tax incomes of $15,000 per year or less) and an increase at higher incomes (*e.g.*, see the last cluster for after-tax incomes of $126,000 per year or more). As mentioned earlier, changes result from a combination of several factors: actual changes over time, a limited amount of sampling error (which is inherit to all samples), and still others result from the use of new CE measurements or changes to how certain things are measured under the CE. To understand how these factors affect the changes seen in Exhibits 34, 35, and 36, it is important to remember that the BR measurements of child-rearing expenditures are measured as percentages of total expenditures. As described more in Appendix A, the BR measurements are first converted from total expenditures to after-tax income, then finally converted to gross income using federal and state income tax rates and FICA formulas. Families may spend less, all, or more of their after-tax income. The conversion for this differences is discussed in Appendix A.

Exhibit 37 illustrates how lower-income families spend all or more of their after-tax income on average, while higher income families, on average, do not. If a family, spends all of their after-tax income and not more than their after-tax income, there is no difference between using total expenditures or after-tax income as a base. In other words, there would be no need to convert the BR measurements of child-rearing expenditures that relate to total household expenditures to after-tax income. However, based on the same subset of families Betson considers when developing his measurements of child-rearing expenditures show that, on average, low-income families spend more than their after-tax income and high-income families spend less than their after-tax income (*e.g.*, they have savings, make donations, and purchase gifts for others outside the home.) (These findings are shown in Appendix A.) Using these averages (for several income ranges that are shown in Appendix A) to convert child-rearing expenditures

as a percentage of total expenditures to a percentage of after-tax income, produces the downward sloping trend line evident in Exhibits 34, 35, and 36. If (and when) converted to gross income, the downward trend becomes steeper because federal income tax rates are progressive (*i.e.*, tax rates become progressively higher with more income).

Exhibit 37: Relationship of Child-Rearing Expenditures to Gross Income



Although it would seem more direct to measure child-rearing expenditures as a function of income, due to reasons relating to economic theory and modeling,[98] Betson must measure child-rearing expenditures as a percentage of a household's *total* expenditures rather than income. For example, a couple of the reasons that the measure cannot me made directly are that expenditures are a function of income and the presence of children influences a family's income. Income's relationship with other factors essentially obscures isolating its impact on child-rearing expenditures.

Another issue of comparability is that each study considers a different price level. For example, Betson's most recent study is based on 2018 price levels, while his earlier studies consider price levels from earlier years. The last three Betson studies (BR3, BR4, and BR5) are converted to 2020 incomes and exclude the child's health insurance, child's extraordinary medical expenses, and childcare expenses. Missouri and most states exclude these items from their schedules. (The exclusion of these expenses is discussed in Section 4 and Appendix A.) A final adjustment is the capping of expenditures such that they don't exceed after-tax income. The assumption is that families should not be required to spend more of their income. What the price levels of the BR1 and BR2 measurements and whether they exclude the child's health insurance, child's extraordinary medical expenses, and childcare expenses is unclear due to the age of data. Nonetheless, they serve a useful benchmark for examining trends.

[98] See Betson's Appendix A of the Arizona report, p. A-48.

Changes Beginning with the BR4 Measurements and Continued with the BR5 Measurements

The BR4 and BR5 measurements reflect two improvements pertaining to CE data.

- Noticing that low-income families spend more than their after-tax income on average, the U.S. Bureau of Labor Statistics, which is the organization conducting the CE, improved how it measures income. The improvements appeared to reclassify some lower households as having more income in the BR4 and BR5 samples than would have been classified previously as low income in earlier BR samples. Indirectly, this may explain some of the decreased amounts at low incomes from the BR3 study to the BR4 and BR5 studies.

- The BR4 and BR5 studies use "outlays" instead of "expenditures" like the earlier BR studies did. Expenditures track closely with how gross domestic product (GDP) is measured. Namely, GDP considers houses to be investments (physical capital) so the BLS did not consider mortgage principal payments to be an expenditure item. (It did include and continues to include mortgage interest, any HOA fees, rent, utilities, and other housing expenses.) Outlays consider all monthly expenses (*e.g.*, mortgage principal payments and interest, and payments on second mortgages and home equity loans). Outlays also include installment payments (*e.g.,* for major appliances and automobiles). Expenditures include the total price of an item at the time of purchase (yet Betson did an adjustment for automobile purchases in the BR1, BR2, and BR3 studies). In short, outlays track closer to how families spend and budget on a monthly basis. These monthly budgets consider the total mortgage payment and installment payments. The impact of the switch from expenditures to outlays appears to be increased expenditures on children at higher incomes from the BR3 studies to the BR4 and BR5 studies. This is likely because higher income families are more likely to purchase items via installments, have higher installment payments, and have more mortgage principal that they are paying down.

Changes Beginning with the BR5

The major change with the BR5 study was an improvement in how taxes were measured. In prior surveys, households would self-report taxes. The BLS learned that families underestimated taxes paid, particularly at high incomes; hence, their after-tax income (spendable income) was smaller than measured. Beginning in 2013, the BLS began using their internal tax calculator (similar to TurboTax) to calculate each household's taxes. This effectively reduced the after-tax income available for expenditures. Another indirect impact was the average ratio of expenditures to after-tax income, which is used in the conversion of the measurement of child-rearing expenditures to a child support schedule, increased. (This can be illustrated through Exhibit 5, by assuming a drop in the after-tax income line for the cluster of families to the right that have higher incomes.) This increases the amounts from BR4 to BR5 for high-income families because they pay a larger amount of taxes. Their after-tax income is less; hence, the ratio of expenditures to after-tax income is larger.

In addition, a small improvement to the child's share of healthcare expenses was made for BR5. It better reflects the child's share of the family's total out-of-pocket expenses. This results in nominal increases at very low incomes and nominal decreases at very high incomes.

Section 4: Developing an Updated Child Support Schedule

Child support schedules are part policy and part economic data. Besides economic data on the cost of raising children, there are economic data and technical assumptions pertaining to price levels, tax rates, and other things. Sometimes, the policy decisions and economic data and technical assumptions are intertwined. For example, because there is more than one study on the cost of raising children, a policy decision must be made on which study to use to update the schedule. The 2016 Child Support Guidelines Review Subcommittee extensively reviewed the data and underlying technical assumptions.[99] The 2020 Child Support Guidelines Review Subcommittee also reviewed them, but their general sentiment was to update for economic data only and not change any of the underlying assumptions.

Exhibit 38 summarizes the data and technical assumptions. It lists seven factors in the updating of the schedule:

1. Deciding what guidelines model to use;
2. Deciding which economic study to use as the basis of the child support schedule;
3. Adjust to current price levels;
4. Exclude childcare, child's health insurance premium, and extraordinary, out-of-pocket medical expenses;
5. Consider expenditures to net income ratio, which is the first step to converting BR measurements to gross income basis;
6. Consider federal and state income taxes and FICA, which is the second step to converting BR measurements to gross-income basis; and
7. Adjusting for the self-support reserve and minimum order.

Each of these factors is discussed individually in more detail.

Factor 1: Guidelines Model

The guidelines model is a policy decision. As discussed earlier, the most common principle used for state guidelines models is what University of Wisconsin researchers call "continuity of expenditures model"—that is, the child support award should allow the children to benefit from the same level of expenditures had the children and both parents lived together. [100] In the income shares guidelines model—which is used by 41 states including Missouri—the obligated parent's prorated share of that amount forms the basis of the guidelines-determined amount. In most of the seven states that use the percentage-of-obligor income guidelines model, it is often presumed that the custodial parent contributes an equal dollar amount or percentage of income to child-rearing expenditures.

[99] For more information about the 2016 review, see Venohr, Jane. (Aug. 2016). *2016 Economic Review of the Missouri Child Support Schedule*. Report to the Child Support Guidelines Review Subcommittee, Office of State Courts Administration. Jefferson City, MO.

[100] Ingrid Rothe and Lawrence Berger. (Apr. 2007). "Estimating the Costs of Children: Theoretical Considerations Related to Transitions to Adulthood and the Valuation of Parental Time for Developing Child Support Guidelines." IRP Working Paper, University of Wisconsin: Institute for Research on Poverty, Madison, WI.

Exhibit 38: Summary of Economic Data and Technical Assumptions Considered in Existing and Updated Schedules

Factor	Basis of Existing	Basis of Updated Schedules	Other Alternatives
1. Guidelines Model	• Income Shares	• No change	• 41 states use Income Shares, 7 states use percentage-of-obligor income guidelines, and 3 states use Melson formula
2. Economic study	• BR3	• BR5 (baseline sample)	• Other studies: USDA; Rodgers-Rothbarth; Comanor, et al.; BR3; or BR4 • BR5 from alternative samples
3. Adjust to current price levels	• April 2016 price levels	• July 2020 price levels	• No frequently used alternative to the Consumer Price Index
4. Exclude childcare; child's health insurance premium; and extraordinary, out-of-pocket medical expenses	• Excludes all but the first $250 per child per year in ordinary, out-of-pocket medical expenses	• No change	• Exclude all • Ohio approach
5. Consider expenditures to net income ratio	• Converts expenditures to net income using ratios from same families in CE that Betson uses • Caps expenditures at 100%	• No change	• Assume all after-tax income is spent
6. Consider federal and state income taxes and FICA	• 2016 federal and state income tax withholding formulas for a single taxpayer	• 2020 tax rates for single taxpayer	• Various tax assumptions, including tax rates of married couple with children
7. Incorporate a self-support reserve and minimum order	• Includes a self-support reserve (SSR) that relates to 2016 federal poverty guidelines for one person and a minimum order of $60 per month	• Update SSR to 2020 federal poverty guidelines for one person • Retain $60 minimum order	• Various amounts for the SSR and minimum order and alternative methods for providing the adjustment

Besides the income shares guidelines model and the percentage-of-obligor income guidelines model, three states (*i.e.*, Delaware, Hawaii, and Montana), which is essentially a hybrid of the income shares approach and the percentage-of-obligor income guidelines. Each of these states prorates a basic of level of support to meet the primary needs of the child; then, if the obligated parent has any income remaining after meeting his or her share of the child's primary support, his or her own basic needs, and payroll taxes, an additional percentage of his or her income is added to his or her share of the child's primary support.

Research finds that other factors (*e.g.*, the economic basis, whether the schedule has been updated for changes in price levels, and adjustments for low-income parents) affect state differences in guidelines more than the guidelines model. [101] Nonetheless, two states (Illinois and Arkansas) have switched to the income shares guidelines in recent years. The Illinois committee reviewing the guidelines recommended switching to income shares in 2010 and it became effective in 2017. Arkansas began using income shares in 2020 and took less time to make the change. Other states that have switched to income shares in the last two decades (*i.e.*, District of Columbia, Georgia, Massachusetts, and Tennessee) have generally taken several years. Part of the reason is the time necessarily to draft changes, obtain public input, and move through the legislative process. In addition, time is needed to draft new agency rules and develop and test automated guidelines calculators. All states that have changed guidelines models in the last two decades have switched to income shares.

Besides the guidelines models in use, there are several other guidelines models not in use. In general, there was no overwhelming reason for Missouri to consider switching guidelines models.

Factor 2: Economic Study

As described in Section 3, there are several measurements of child-rearing expenditures that form the basis of state guidelines. They vary in age and methodology used to separate the child's share of expenditures from total expenditures. Missouri, like most states, base its child support schedule (or formula) on measurements of child-rearing expenditures developed by Professor David Betson using the Rothbarth methodology (which are abbreviated to BR for Betson-Rothbarth measurements). Although there is no consensus among economists on which methodology best measures child-rearing expenditures, there is no compelling reason for Missouri to switch to another methodology. Further, as discussed earlier, the most current BR measurements are the most current economic measurements of child-rearing expenditures available, were recommended for state guidelines, and are used by most states. Nonetheless, at its April meeting, the subcommittee reviewed how the existing schedule and an updated schedule compared to three of the most current other studies available: the USDA study, the Rodgers study, and the Comanor study. (Each of these studies is discussed in detail in Section 3).

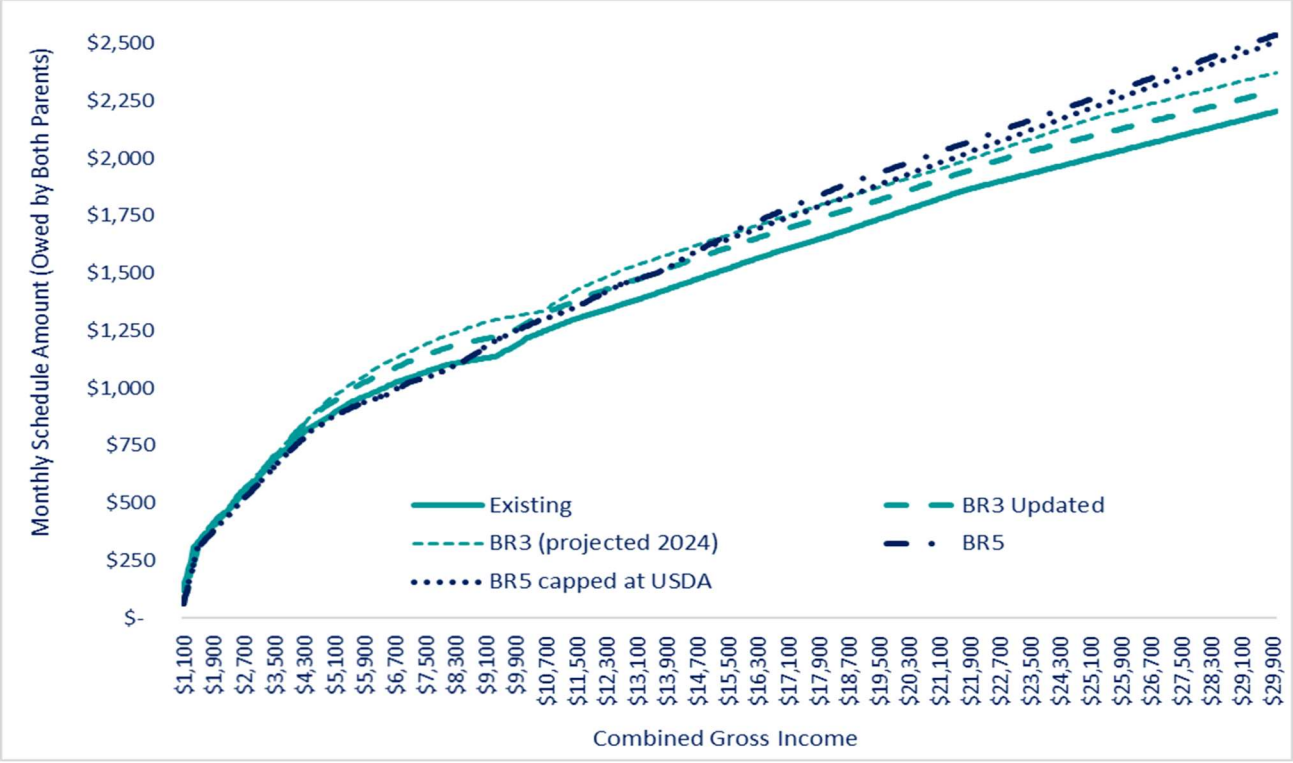
The subcommittee also explored retaining the current BR3 measurements updated for inflation and changes in federal and state income tax rates and FICA. One concern was the proposed increase at high income under the BR5 measurements. To address it, there was some discussion about capping the increase using the USDA measurements. There was also a concern that retaining BR3 but continuing to

[101] Venohr, J. (Apr. 2017). Differences in State Child Support Guidelines Amounts: Guidelines Models, Economic Basis, and Other Issues. *Journal of the American Academy of Matrimonial Lawyers*.

update for changes in price levels and payroll taxes would not track with new evidence of child-rearing expenditures as it became available. Exhibits 39, 40, and 41, respectively, explore these alternatives for one, two, and three children. The exhibits show a negligible difference between BR5 and the BR5 amount capped by the USDA measurement for one child and three children and no difference for two or more children. The patterns for four and more children would be that of three children. They also show that continued reliance on the BR3 will shortchange children with high-income parents and produce distorted higher amounts for combined incomes of about $4,000 to $14,000 per month for one child and narrower income ranges for two and three children.

The BR5 measurements consider the baseline sample, which is the same sample used in previous studies and is generally limited to married couple households of child-rearing age with no other adults living in the household besides the parents. For Betson's most recent study, he also considered three alternative sampling specifications. One alternative includes families with older children, another alternatives includes families with domestic partners, and the third alternative considers quarterly wage data rather than annualized data. The first two alternatives aim to be more inclusive of the increasing diversity of family composition and living arrangements of children. In addition, the BR5 measurements, which reflect U.S. averages, were not adjusted for Missouri prices or cost of living. As discussed in the 2016 report, although the 2016 subcommittee favored state-specific adjustments, it had reservations with adjusting a measurement of child-rearing expenditures that is already known to understate actual child-rearing expenditures.[102]

Exhibit 39: Comparisons of Schedule Amounts for One Child



[102] See page 16 of 2016 Missouri report.

Exhibit 40: Comparison of Schedule Amounts for Two Children

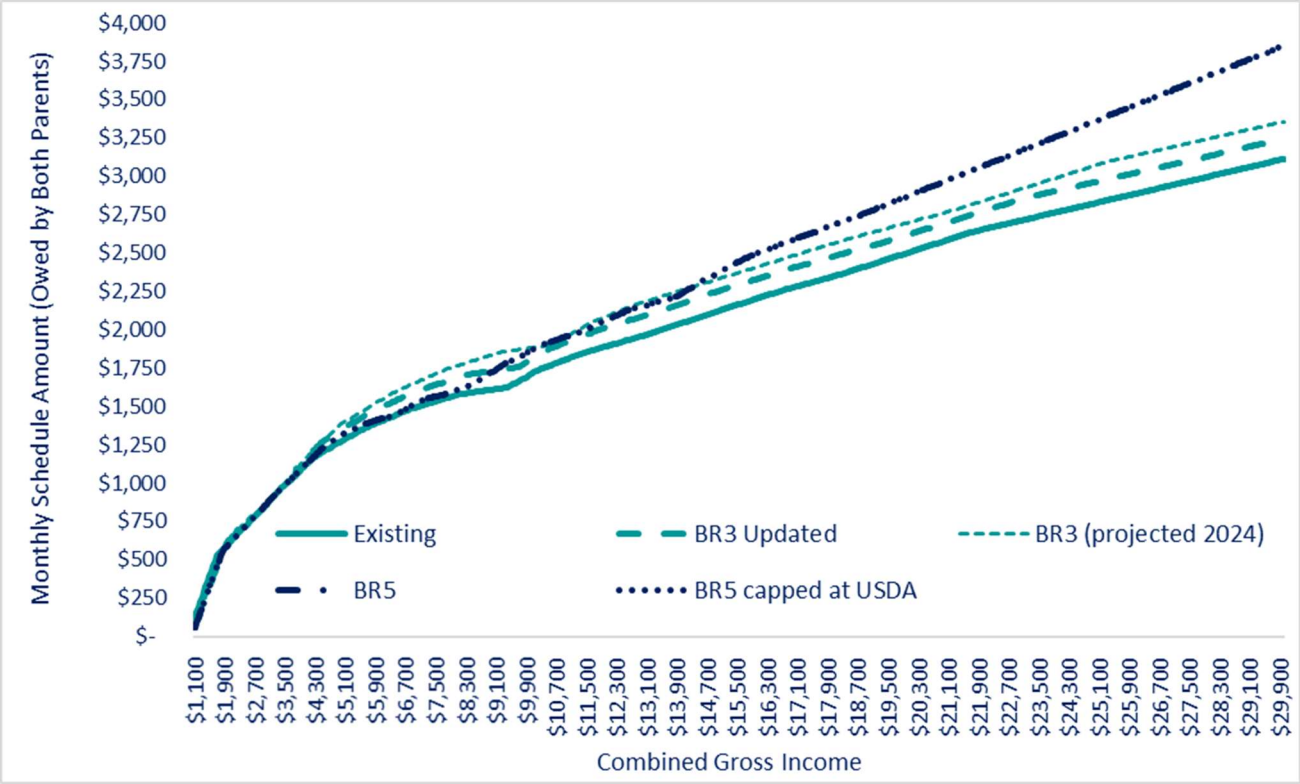
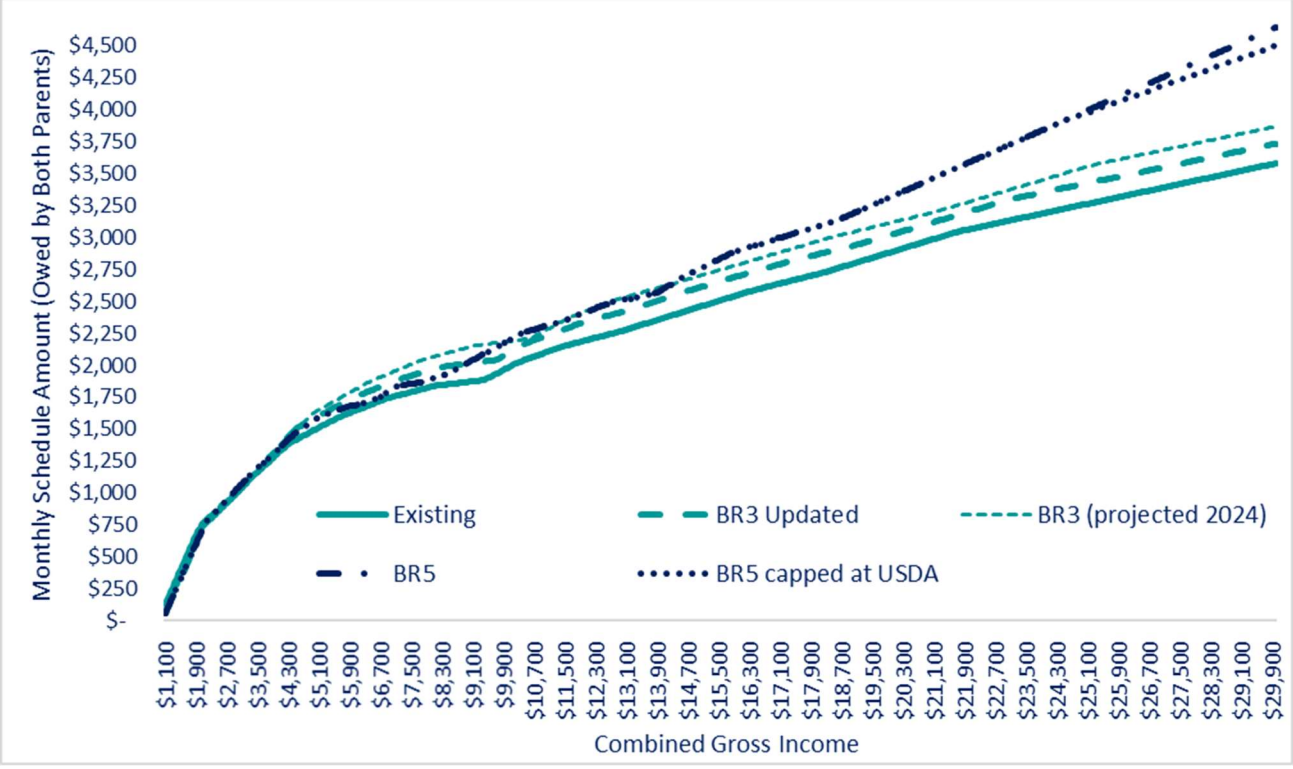


Exhibit 41: Comparison of Schedule Amounts for Three Children



What is not obvious in Exhibits 39, 40, and 41 is that moving to BR5 will create some increases at lower income. (The decreases are not obvious because they are so small they are not apparent in the scale of the exhibits.) Some of those decreases are due to updating the self-support reserve to the 2020 federal poverty guidelines. This causes decreases for gross incomes of less than $1,500 per month for one child, $1,800 per month for two children, $2,100 per month for three children, $2,300 per month for four children, $2,550 per month for five children, and $2,850 per month for six children. In addition, there are some decreases above these income thresholds produces some small decreases for one and two children. None of the decreases exceed 5 percent and $32 (before proration).

Factor 3: Adjust to Current Price Levels

The existing schedule is based on price levels in April 2016. The proposed schedule considers July 2020 prices, which was the most recent month of available data when the subcommittee began reviewing the schedule. Prices have increases by 17 percent between the two time periods.

Factor 4: Exclude Childcare Expenses and Out-of-Pocket Healthcare Costs

The measurements of child-rearing expenditures cover *all* child-rearing expenditures including childcare expenses and the out-of-pocket healthcare expenses for the child. This includes out-of-pocket insurance premium on behalf of the child and out-of-pocket extraordinary medical expenses such as deductibles. These expenses are widely variable among cases (*e.g.*, childcare costs for an infant are high and there is no need for childcare for a teenager). Instead of putting them in the schedule, the actual amount of the expense is addressed on a case-by-case basis in the worksheet. To avoid double-accounting in the schedule, these expenses are subtracted from the measurements when developing the existing and updated schedules. Appendix A provides the technical details on how this is done.

Inclusion of $250 per Child per Year for Out-of-Pocket Medical Expenses

However, there is an exception to excluding the child's medical expenses. An amount to cover ordinary out-of-pocket healthcare expenses (*e.g.*, aspirin and copay for well visit) was retained in both the existing and updated schedule. The current schedule assumes up to $250 per child per year for ordinary out-of-pocket healthcare expenses based on data. That assumption is retained for the proposed, updated schedule because the average is still near $250 per child per year. The concern, however, is the amount varies significantly among those with Medicaid and those with private insurance, particularly with high deductibles. The 2015 Medical Expenditure Panel Survey (MEPS) finds that the average out-of-pocket medical expense per child was $248 per year but varied depending on whether the child was enrolled in public insurance such as Medicaid or had private insurance. Based on MEPS data, out-of-pocket medical expenses averaged $63 per child per year for children who had public insurance and $388 per child per year for those with private insurance.[103] The 2017 MEPS data has not drilled down to the public insurance and private insurance level, but they do report an average for all children, $271 per child, which is close to the $250 level.

[103] U.S. Department of Health & Human Services Agency for Healthcare Research and Quality. (n.d.). *Medical Expenditure Panel Survey.* Retrieved from https://www.meps.ahrq.gov/mepsweb/data_stats/meps_query.jsp.

Some states are responding to the disparity in out-of-pocket expenses between those with public insurance and those with private insurance two ways. One way is to include *no* ordinary out-of-pocket medical expenses (*e.g.,* Connecticut and Virginia) in the schedule. This would reduce the schedule amounts. This means parents must share receipts for *all* out-of-pocket medical expenses, not just those exceeding $250 per child per year. The pros are this approach is more accurate and can better address a range of parenting days where both parents may incur out-of-pocket medical expenses since the child is in the care of each parent some of the time. In addition to including no ordinary out-of-pocket medical expenses in the schedule, the second method actually just takes the first method one step further. It does not include an amount for out-of-pocket medical expenses in the schedule, but it provides for a standardized amount of out-of-pocket medical expenses that could differ depending on whether the child is enrolled in Medicaid. This standard amount is added on a line in the worksheet similar to the add-on for childcare except it is the same amount for each child depending on whether the child is on Medicaid; the standard amount is provided in the guidelines. Michigan and Ohio use this approach. (An example from Ohio is provided in Exhibit 47. It considers annual income rather than monthly because Ohio bases its guidelines on annual income. However, the annual amount is more comparable to the $250 per child per year amount.) The cons are that it makes the calculation more cumbersome and requires knowledge of whether the children are enrolled in Medicaid (which may change frequently). The pros are the same as the first method.

Exhibit 42: Illustration of Ohio's Alternative Approach to Out-of-Pocket Medical Expenses

Worksheet Calculation			
	Parent A	Parent B	Combined
1. Annual Income	$40,000.00	$40,000.00	$80,000.00
2. Share of Income	50%	50%	
3. Schedule Amount (Annual)			$20,000.00
4. Annual Cash Medical			$388.70
5. Total Obligation			$20,388.70
6. Each Parent's Share (Line 2 x Line 5)	$10,194.35	$10,194.35	

Cash Medical Obligation	
Number of Children	Annual Cash Medical Amount
1	$388.70
2	$777.40
3	$1,166.10
4	$1,554.80
5	$1,943.50
6	$2,332.20

Pure or Adjusted Per-Capita Extraordinary Medical Expenses

In addition to the alternative concerning the $250 per child per year in out-of-pocket medical expenses included in the schedule, there is an alternative to how the cost of the child's share of extraordinary medical and health insurance are subtracted from the measurements of child-rearing expenditures. Because the child's share of the expense cannot be determined, Betson provides the average per-capita share of extraordinary medical expenses and health insurance (after adjusting for the $250 per person per year). Because it is a per-capita amount, it considers the two parents and the number of children. As described in Appendix B, CPR makes a further adjustment to account for the fact that adults incur a

higher level of medical expenses than children. This results in less being subtracted than if the per-capita amount were subtracted. In turn, this adjustment (which is the adjustment used to develop the proposed schedule) increases the schedule amount. The pro of the alternative approach (which does not adjust for children's healthcare costs being less than adult's healthcare costs) is it is easier to calculate. The con is it is less accurate. The alternative approach would reduce the schedule amounts slightly.

Factor 5: Conversion of Expenditures to Net Income

The need for this conversion is illustrated by Exhibit 37 on page 59. As stated earlier, Betson reports the measurements of child-rearing expenditures as a percentage of total expenditures. Thus, they must be converted from a percentage of total expenditures to a gross-income basis because the schedule relates to gross income. This occurs in two steps. The first step is to convert child-rearing expenditures to a percentage of after-tax income. After they are converted to after-tax percentages, a net-income based child support schedule is developed. In turn, the net incomes are converted to their gross-income equivalent. This results in a gross-income based schedule. The conversion to after-tax income for the proposed updated schedule is done by taking the expenditures-to-income ratio for the same subset of CE families used to develop the measurements. (These ratios are show in Appendix A.) This is weighted by measurement of child-rearing expenditures. For example, if a family devotes 20 percent of its expenditures to one child, on average, for a particular income range and the families of the same income range spend an average of 80 percent of their income, then a net-income based schedule assumes 16 percent of after-tax income (where 16% is 20% multiplied by 80%) is spent on child-rearing expenditures. If the ratio is greater than 100 percent, which means the family spends more than their income, it is capped at 100 percent. This implies that families cannot spend more than their income. This is the assumption used to develop the existing schedule as well as the proposed, updated schedule. As shown in Appendix A, families with after-tax income below about $3,333 per month (which is about $4,000 gross per month) spend more than their income on average.

There are at least two alternatives. One would be to eliminate the cap, which would increase the schedule amounts below incomes of about $4,000 gross per month. The cons of this approach are that it is essentially asking families to spend more than their after-tax income, and it would not affect many cases anyway due to the common presumption that each parent can at least earn full-time, minimum wage and the application of the self-support reserve test that affects cases with incomes in this range.

Another alternative assumption is that families spend all of their after-tax income. Under this assumption, family expenditures and after-tax income are equal, so no additional adjustment is necessary. The District of Columbia is the only state to make this assumption. This would increase the schedule amounts.

Factor 6: Conversion to Gross Income

After the measurements of child-rearing expenditures are converted to after-tax income as described above, then they are converted to gross income. The conversion to gross income relies on the federal withholding formula and state income tax rates. The IRS Method 5, which is to be used with the 2019

IRS W-4, is used to calculate the federal income tax.[104] Two allowances are assumed, which is the amount to be used for a single individual with no dependents. This yields the exact same federal tax as application of IRS Method 4, which is to be used with the 2020 IRS W-4 assuming that all income is taxed at the rate of a single individual who has no second job, claims no dependents, and has no other deductions. In short, although the IRS provides five different withholding methods, they do not vary in their result.

The federal withholding formula also considers FICA. The Social Security and Medicare tax is 6.2 percent for incomes up to $137,700 per year.[105] Above that level, the Medicare tax of 1.45 percent applies. In addition, the 0.9 percent additional Medicare tax for incomes above $200,000 per year is also considered.

State income taxes are also calculated from the employer's withholding formula.[106] Like the federal tax calculation, it was assumed that the filing status was single. This allows for an annual standard deduction of $12,400.

Using federal and state income tax withholding formulas and assuming all income is taxed at the rate of a single tax filer with earned income is a common assumption among most states and the assumption underlying the existing Missouri schedule. Most alternative federal tax assumptions would result in more after-tax income, hence higher schedule amounts. For example, the District of Columbia assumes the tax-filing status is for a married couple claiming the number of children for whom support is being determined. The District used this assumption prior to 2018 tax reform that eliminated the federal tax allowance for children and expanded the federal child tax credit from $1,000 per child to $2,000 per child. The 2018 federal tax changes are scheduled to expire in 2025. The pro of considering an alternative tax assumption such as assuming the tax-filing status is married better aligns with the economic measurements of child-rearing expenditures because the measurements consider households in which the parents and children live together, so they would probably file as a married couple. The cons are that this would be a change in the previous assumption and the alternative is not clearly better.

Factor 7: Incorporate the Self-Support Reserve and Minimum Order

The final consideration is a self-support reserve (SSR) and a minimum order that are incorporated into the schedule. The 2016 Subcommittee extensively deliberated on the appropriate amounts for a SSR and minimum order, how to provide the adjustment, and how to gradually phase out the SSR adjustment and phase in the BR schedule amounts as the obligated parent's income increased. All of their assumptions are retained except the SSR is updated for changes in the federal poverty guidelines for one person since the existing schedule was developed. The FPG increased from $990 per month in 2016 to $1,063 per month in 2020. The schedule essentially provides a minimum order of $60 per month for incomes below the FPG, but the amount is rounded up. When the existing schedule was

[104] *IRS Publication 15-A: Federal Income Tax Withholding Methods: 2020*. p. 51. Retrieved from https://www.irs.gov/publications/p15a.
[105] *IRS Publication 15-A: Federal Income Tax Withholding Methods: 2020*. Retrieved from https://www.irs.gov/publications/p15a.
[106] Missouri Department of Revenue. (n.d.) *2020 Missouri Withholding Tax Formula* Retrieved from 2020 Missouri Withholding Tax Formula (mo.gov).

developed in 2016, the minimum order applied to incomes of $1,000 per month or less. Under the proposed, updated schedule, the minimum order applies to incomes of $1,100 per month or less. Due to round-off and the $60 minimum order, the SSR is actually $940 per month for all incomes above $1,000 per month under the existing schedule and $1,040 per month for incomes above $1,100 per month under the proposed schedule. For both schedules, the SSR is phased out by taking the lower of the Betson-Rothbarth amount for that particular income and family size (BR3 for the existing schedule and BR5 for the proposed schedule) and an SSR-adjusted amount. The SSR-adjusted amount is $60 per month plus the following amount for every $50 in gross income above $1,100 per month under the proposed schedule ($1,000 per month under the existing schedule):

- 1 child: $31.00 per month;
- 2 children: $33.50 per month;
- 3 children: $34.00 per month;
- 4 children: $34.50 per month;
- 5 children: $34.75 per month; and
- 6 children: $35.00 per month.

The area adjusted for the SSR is shown by the blue-shaded area of the schedule in Appendix B.

Section 5: Impact of Updated Schedule and Low-Income Adjustment

This section uses eight case scenarios, which are shown in Exhibit 43, to examine the impact of updating the schedule and low-income adjustment. The first two scenarios involve minimum wage earners: the first considers the federal minimum wage, which applies to small employers, and the second considers the state minimum wage.[107] The next five are based on median earnings of male and female Missouri workers for five levels of educational attainment by the U.S. Census 2018 American Community Survey.[108] The median male earnings is used for the obligated parent's income and the median female earnings are used for the receiving parent's income. The final case scenario is a very high scenario developed from Missouri labor market data.[109] It is assumed there are no other adjustments to income, additional support (*e.g.,* childcare expenses), adjustment for timesharing, or other permissible guidelines adjustments.

Exhibit 43: Case Scenarios

	Gross Income of Obligated Parent	Gross Income of Receiving Party
Case 1: Each works 40 hours per week at federal minimum wage: $7.25/hour	$1,257	$1,257
Case 2: Each works 40 hours per week at state minimum wage: $9.45/hour	$1,638	$1,638
Case 3: Median income of Missouri workers who did finish high school	$2,361	$1,624
Case 4: Median income of Missouri workers whose highest educational attainment is a high school degree	$3,010	$2,003
Case 5: Median income of Missouri workers whose highest educational attainment is a two-year college degree or some college	$3,461	$2,481
Case 6: Median income of Missouri workers whose highest educational attainment is a four-year college degree	$5,096	$3,495
Case 7: Median income of Missouri workers whose highest educational attainment is a graduate degree or professional degree	$6,665	$4,351
Case 8: High earners	$20,833	$9,167

The comparisons consider an updated schedule amounts based on BR3, BR4, and BR5. Each of the updated schedules were updated to July 2020 price levels, 2020 federal and state income tax rates and FICA, and the 2020 federal poverty guidelines for the self-support reserve. The comparisons were made for one, two and three children. They are shown in Exhibits 44, 45, and 46. Preliminary versions of these comparisons were shared with the subcommittee as it deliberated whether to recommend updating the schedule using the BR5 measurements.

[107] State minimum wage applies to employers with at least $500,000 in revenue.

[108] Based on 2018 U.S. Census American Community Survey of Missouri workers over age 25. The data is median earnings where it is assumed median earnings of females are the incomes of the primary custodial parent and the median earnings of males are the incomes of the obligated parent.

[109] Average earnings of an anesthesiologist and human resources administrator according to 2018 Missouri labor market data.

Exhibit 44: Case Scenario Comparisons: One Child

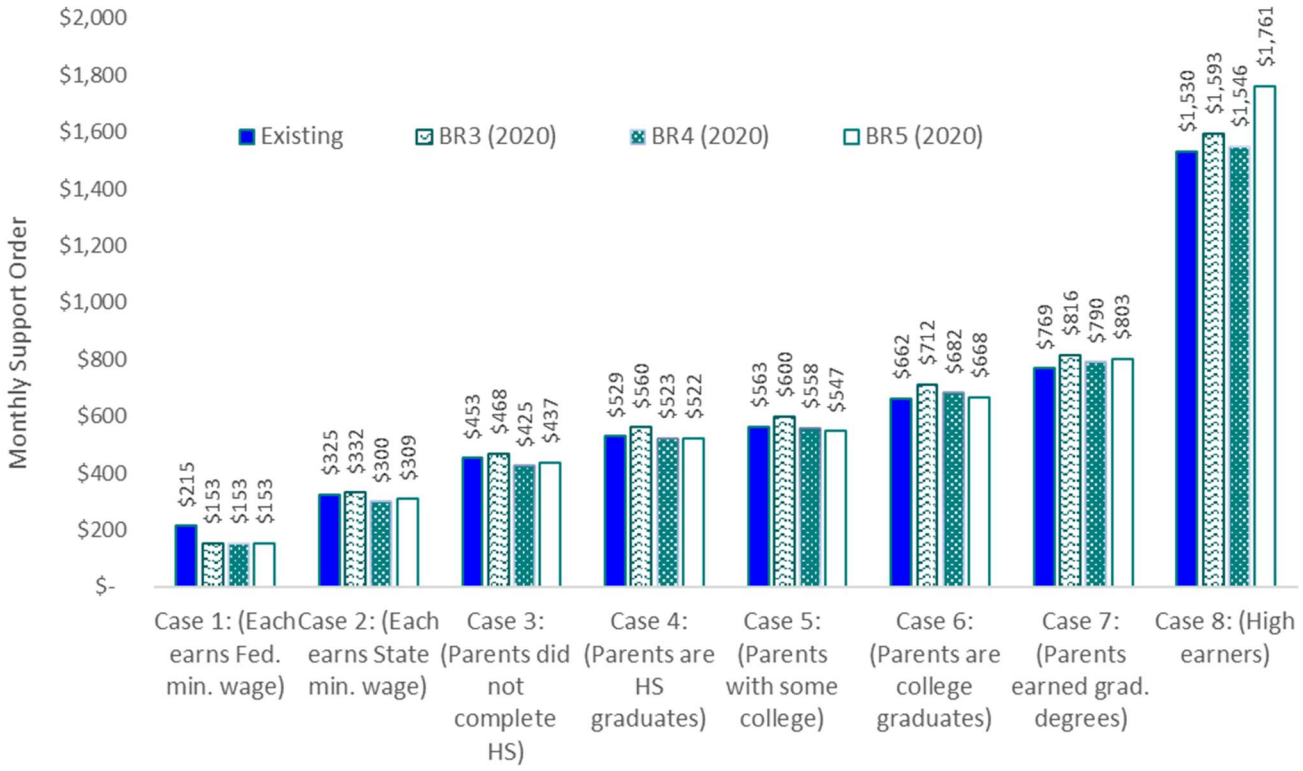


Exhibit 45: Case Scenario Comparisons: Two Children

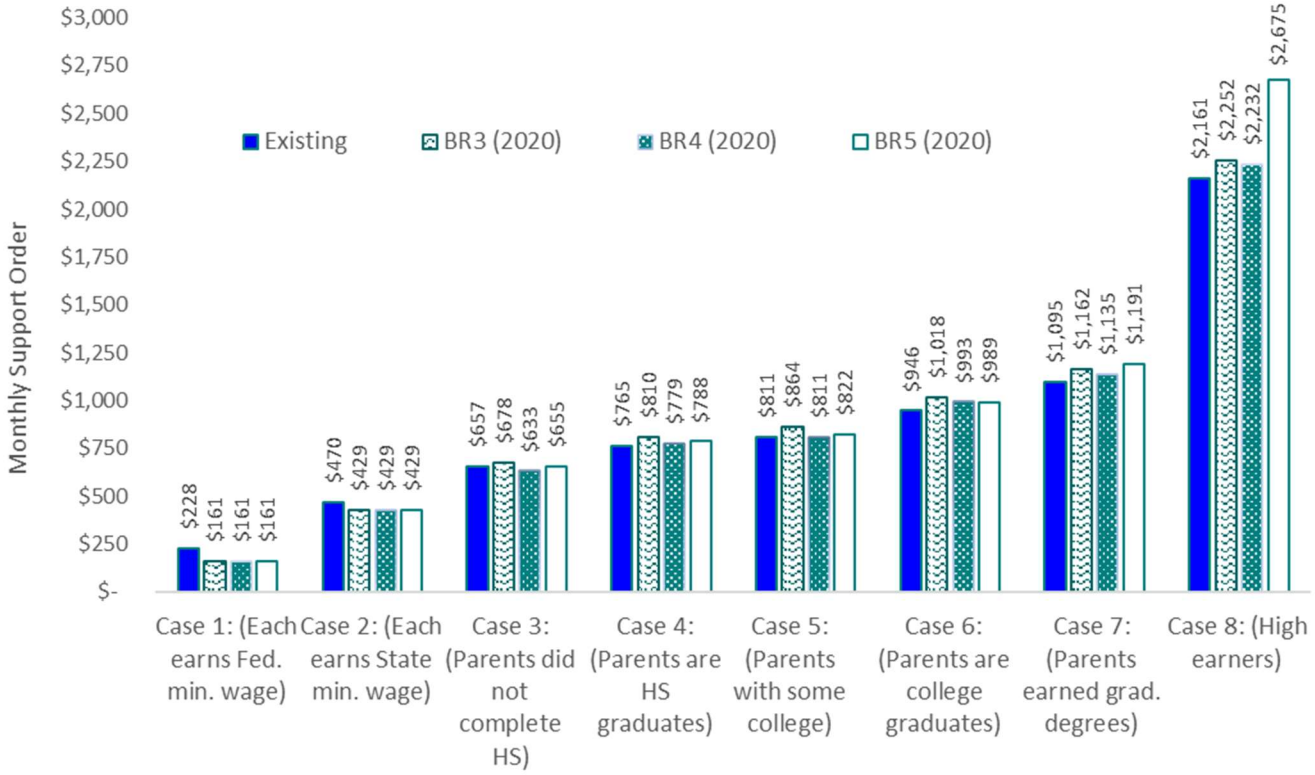


Exhibit 46: Case Scenario Comparisons: Three Children

For Case 1, the updated low-income adjustment would apply. It produces decreases for that scenario under all of the updated schedules. This is also true of Case 2 for two and three children, but not for one child. (The updated low-income adjustment does not apply to one child.) In general, the proposed changes are less than $50 per month for Cases 3, 4, and 5. The increases become bigger as income increases, particularly when there are more children.

SECTION 6: SUMMARY AND CONCLUSIONS

Missouri is reviewing its child support guidelines. The Missouri Child Support Guidelines Review Subcommittee is conducting the review and developing recommendations. In turn, their recommendations will be submitted to the Missouri Supreme Court for final approval. In reviewing the guidelines, the Subcommittee met all federal and state requirements of the guidelines review process. The Subcommittee also reviewed all federal and state requirements of guidelines themselves, particularly those imposed by new federal regulations that were adopted in December 2016. States essentially have until the year following their next review commencing a year after December 2016 to meet these requirements. For Missouri, this would mean the year after completing this review.

To meet the additional 2016 requirements of state guidelines themselves, the Subcommittee has drafted provisions that fulfill the federal requirement (45 C.F.R. § 302.56(c)(1)(iii)) to consider the individual circumstances of a party when income is imputation is authorized and the federal requirement (45 C.F.R. § 302.56(c)(3)) to not presume that an incarcerated parent is involuntarily unemployed. The existing Missouri guidelines meets all other federal requirements of state guidelines. In addition, the Subcommittee developed other recommendations to improve the application of the guidelines to Missouri families and children.

Overview of Report

This report is essentially the compilation of technical considerations that the Subcommittee considered as well as detailed documentation of the proposed, updated schedule. The Center for Policy Research (CPR) prepared this report and was retained by the Court to assist with the technical issues of the guidelines review; namely, the review of economic data on the cost of raising children, and the analysis of case file data and labor market data. The CPR provided much of the information in this report in draft form to the Subcommittee during its meetings from April 2020 through October 2020. The Subcommittee also considered information from numerous other sources including public comment. The Subcommittee also obtained input from specific groups mentioned in the federal requirements (45 C.F.R. § 302.56(h)(3)) through their representation on the Subcommittee as well as through solicitation of public comment.

Technical Considerations Including Analysis of Economic Data

The Subcommittee considered economic data on the cost of raising children as federally required (45 C.F.R. § 302.56(h)(1)). The economic study of child-rearing expenditures forming the basis of the existing guidelines has been updated. It forms the basis of the proposed, updated schedule, which is shown in Appendix A. The updated schedule is also updated for changes in price levels, federal and state income taxes and FICA, and the federal poverty guidelines since Missouri last reviewed its guidelines.

Analysis of Case File Data and Labor Market Data

The intent of the federal requirements to analyze case file data and labor market data are multi-faceted. One reason for the analysis of case file data is to measure the frequency to which the guidelines are not applied: that is, there is a deviation from the guidelines. As noted in the federal requirement (45 C.F.R.

§ 302.56(h)(2)), the analysis of the deviation date is ". . . to ensure that deviations from the guidelines are limited and guideline amounts are appropriate . . . ." The analysis of Missouri case file data found a guidelines deviation rate of 9 percent. It was slightly more than the rate found from the last review, which was 7 percent. Missouri's deviation rate is generally not high, even when compared to other states. The deviation rate among consent orders is higher than those of default and contested orders suggesting that when deviations do occur they are more likely to occur by agreement of the parties. (The guidelines deviation rate is 31% among consent orders, 3% among default orders, and 9% among contested orders.)

Case file data were also analyzed to fulfill the federal requirements (45 C.F.R. § 302.56(h)(2)) to examine the rates of application of the low-income adjustments, income imputation, and defaults. The intent of these provisions is to inform the low-income adjustment and income imputations provisions. The low-income adjustment was applied to 8 percent of the analyzed orders for which information was available. The average percentage of current support paid among these orders was 54 percent compared to 60 percent for all orders.

The income imputation rates are 34 percent among obligated parents and 44 percent among receiving parents. Income is often imputed at full-time minimum wage earnings. For most of the parties with imputed income, quarterly wage data (which is collected for purposes of the state unemployment and worker's compensation program) was not available or it indicated an income less than full-time, minimum wage earnings. This was the situation for 73 percent of the obligated parents with imputed income and 79 percent of the receiving parents with imputed income. Lack of quarterly wage data means that an employer may not have to report wages to the state because the employer offers alternative coverage (as the situation with railroad workers) or the party is self-employed or works for an employer who does not report income (*i.e.,* also known as "working under the table.") The average percentage of current support paid among modified orders where the obligated parent's income was imputed was 57 percent compared to 14 percent among new orders were the obligated parent's income was imputed. In general, as noted in various research studies and other state guidelines reviews, payment patterns among modified orders are generally better than among new orders.

The federal intent of analyzing defaults is to make states more aware of issues surrounding default orders and, in turn, to encourage policies that limit default and encourage the engagement of the obligated parent in both the child support process and the healthy development of the child. The analysis found 40 percent of the analyzed orders were entered by default. An order may be entered by default if the party does not show for a scheduled hearing. Whether a default is a pure indicator of lack of engagement is questionable: a parent may not show for a hearing or settlement conference because they agree with what the default order would be. Nonetheless, the analysis of payments shows that payment patterns among default orders were significantly lower than those of non-default orders. For example, the average percentage of current support paid was 34 percent among default orders and 62 percent among consent orders.

The federal requirement of labor market data also appears to aim at informing low-income adjustments and income imputation provisions. This review was conducted during the COVID-19 pandemic, which vastly altered the labor market in Missouri and the world. If any relevance to child support, it

underscores how pandemics and natural disasters can limit employment opportunities. This complicates and limits a presumption of full-time employment in situations where income imputation to a party may be appropriate.

Analysis of the Impact of a Guidelines Update

Federal regulation (45 C.F.R. § 302.56(h)(1)) also requires the analysis of the impact of the guidelines particularly on those with incomes below 200 percent of poverty. The subcommittee considered case scenarios using actual Missouri wages and earnings to fulfill this requirement. They are shown in this report. The case scenarios generally show small changes to the order amounts based on the proposed, updated schedule.

Conclusion

In all, Missouri's review and the recommended guidelines changes meet all federal and state requirements. Moreover, they will better serve Missouri families and children by providing appropriate, consistent, and predictable child support order amounts.

APPENDIX A: TECHNICAL DOCUMENTATION OF THE UPDATED SCHEDULE

There are several technical considerations and steps taken to update the schedule. The economic data and assumptions underlying the updated schedule are summarized below.

- There are no significant changes in the underlying principles and guidelines model.
- The basis for the schedule is the fifth set of Betson-Rothbarth measurements, which are described in Section 3.
- The schedule is updated to 2020 price levels.
- The schedule does not include childcare, the cost of the child's health insurance premium, and any out-of-pocket expenses for the child's healthcare. The guidelines calculation considers the actual amounts expended for these items on a case-by-case basis. Specifically, each parent is responsible for his or her prorated share of these expenses.
- The Betson-Rothbarth measurements of child-rearing expenditures are expressed as a percentage of total family expenditures and are converted to gross income for guidelines purposes. The schedule considers 2020 federal and state income tax rates and FICA.
- The schedule is based on the average of all expenditures on children from ages 0 through 17 years. There is no adjustment for the child's age.
- The schedule incorporates a self-support reserve (SSR) based on the 2020 federal poverty guidelines for one person and minimum order of $60 per month.

This Appendix provides more detail to the underlying data and assumptions described to the overview of the schedule update in Section 4 that is also summarized in Exhibit 38. It also provides more detail about the underlying data. Exhibit A-1 shows the data that Professor Betson provided CPR to convert the BR5 measurements to a child support schedule that was mentioned in Section 4.

Exhibit A 1: Parental Expenditures on Children and Other Expenditures by Income Range Used in the BR5 Schedule								
Annual After-Tax Income Range (2020 dollars)	Number of Observa-tions	Total Expenditures as a % of After-Tax Income	Expenditures on Children as a % of Total Consumption Expenditures (Rothbarth 2013–2019 data)			Childcare $ as a % of Consump-tion (per child)	Total Excess Medical $ as a % of Consumption	
			1 Child	2 Children	3 Children		(per capita)	(total)
$ 0 – $19,999	283	>200%	22.433%	34.670%	42.514%	0.473%	0.870%	3.005%
$20,000 – $29,999	306	134.235%	23.739%	36.642%	44.893%	0.437%	0.894%	3.208%
$30,000 – $34,999	306	107.769%	24.057%	37.118%	45.462%	0.407%	1.047%	3.722%
$35,000 – $39,999	409	103.780%	24.222%	37.364%	45.755%	0.647%	1.390%	4.878%
$40,000 – $44,999	428	100.064%	24.362%	37.571%	46.002%	0.721%	1.468%	5.301%
$45,000 – $49,999	416	97.195%	24.452%	37.705%	46.161%	0.747%	1.539%	5.485%
$50,000 – $54,999	399	92.716%	24.509%	37.789%	46.261%	0.855%	1.609%	5.887%
$55,000 – $59,999	367	90.548%	24.580%	37.894%	46.386%	1.210%	2.166%	7.389%
$60,000 – $64,999	335	86.130%	24.615%	37.945%	46.447%	0.776%	2.071%	7.474%
$65,000 – $69,999	374	84.016%	24.668%	38.025%	46.541%	1.255%	2.114%	7.525%
$70,000 – $74,999	333	82.671%	24.725%	38.108%	46.640%	1.586%	2.121%	7.375%
$74,999 – $84,999	615	82.690%	24.820%	38.249%	46.807%	1.743%	2.343%	7.894%
$85,000 – $89,999	318	78.663%	24.863%	38.311%	46.880%	1.392%	2.155%	8.331%
$90,000 – $99,999	565	76.240%	24.912%	38.384%	46.966%	1.658%	2.000%	7.888%
$100,000 – $109,999	493	75.488%	24.996%	38.508%	47.113%	2.159%	1.946%	7.121%
$110,000 – $119,999	374	73.058%	25.054%	38.593%	47.213%	2.523%	1.942%	7.583%
$120,000 – $139,999	468	71.731%	25.142%	38.722%	47.365%	2.477%	1.893%	6.494%
$140,000 – $159,999	240	70.658%	25.266%	38.904%	47.579%	3.073%	1.855%	7.516%
$160,000 – $199,999	512	62.753%	25.322%	38.986%	47.676%	1.790%	1.806%	7.037%
$200,000 or more	498	58.427%	25.571%	39.350%	48.103%	2.459%	1.554%	6.501%

Overview of Income Ranges

In all, Betson provided CPR with information for 25 income ranges that were generally income intervals of $5,000 to $20,000 per year. CPR collapsed a few of them to average out some anomalies (*e.g.,* a spike in the percentage of total expenditures devoted to child-rearing expenditures once childcare and extraordinary medical expenses were excluded.) The collapsing resulted in the 20 income ranges shown in Exhibit A-1.

Steps to Convert to Schedule

The steps used to convert the information from Exhibit A-1 to the updated schedule in Appendix B are the same steps used to develop the existing schedule.

The steps are presented in the order that occur, not in the order that the factors discussed in Section 4.

The steps consist of:

Step 1: Exclude childcare expenses.

Step 2: Exclude child's healthcare expenses except up to the first $250 per year per child that is used to cover ordinary, out-of-pocket medical expenses for the child.

Step 3: Adjust for ratio of expenditures to after-tax income.

Step 4: Update for current price levels.

Step 5: Develop marginal percentages.

Step 6: Extend measurements to four and more children.

Step 7: Convert to gross income.

Step 8: Layer on the self-support reserve and the minimum order.

Step 1: Exclude Childcare Expenses

Childcare expenses are excluded because the actual amount of work-related childcare expenses is considered in the guidelines calculation on a case-by-case basis. The actual amount is considered because of the large variation in childcare expenses: the childcare expense is none for some children (*e.g.*, older children) and substantial for others (*e.g.*, infants in center-based care). Not to exclude them from the schedule and to include the actual amount in the guidelines calculation (typically as a line item in the worksheet) would be double-accounting.

Starting with the expenditures on children, which is shown in fourth column of Exhibit A-1, average childcare expenses are subtracted from the percentage of total income devoted to child-rearing. For example, at combined incomes of $60,000 to $64,999 per year, 37.945 percent of total expenditures is devoted to child-rearing expenditures for two children. Childcare comprises 0.776 percent of total expenditures per child. The percentage may appear small compared to the cost of childcare, but it reflects the average across all children regardless whether they incur childcare expenses. Childcare expenses may not incur because the children are older, a relative provides childcare at no expense, or another situation.

The percentage of total expenditures devoted to childcare is multiplied by the number of children (*e.g.,* 0.776 multiplied by children is 1.552%). Continuing with the example of a combined income of $60,000 to $64,999 net per month, 1.552 percent is subtracted from 37.945 percent. The remainder, 36.393, (37.945 minus 1.552 equals 36.393) is the adjusted percentage devoted to child-rearing expenditures for two children that excludes childcare expenses.

One limitation is that the CE does not discern between work-related childcare expenses and childcare expenses the parents incurred due to entertainment (*e.g.,* they incurred childcare expenses when they went out to dinner.) This means that work-related childcare expenses may be slightly overstated. In turn, this would understate the schedule amounts. Similarly, if there are economies to scale for childcare, multiplying the number of children by the percentage per child would overstate actual childcare expenses. When subtracted from the schedule, this would reduce the schedule too much. However, due to the small percentage devoted to childcare expenses, any understatement is likely to be small.

Step 2: Exclude Medical Expenses

A similar adjustment is made for the child's medical expenses except an additional step is taken. Exhibit A-1 shows the excess medical percentage, which is defined as the cost of health insurance and out-of-pocket medical expenses exceeding $250 per person per year. It is shown two ways: the per-capita amount and the average amount for the entire household. Either way considers expenditures on the two adults in the household. It is adjusted to a per-child amount since medical expenses of children are

less. The underlying data do not track whether the insurance premium or medical expense was made for an adult's or child's healthcare needs.

Based on the 2017 National Medical Expenditure survey, the annual out-of-pocket medical expense per child is $270, while it is $615 for an adult between the ages of 18 and 64.[110] In other words, an adult's out-of-medical expenses is 2.28 times more than a child's. This information is used to recalibrate the per-person excessive medical amount shown in Exhibit B-1 to a per-child amount. For example, at combined incomes of $60,000 to $64,999 per year, the total excess medical expense is 7.474 percent. The adjusted child amount is 7.474 divided by the weighted amounts for family members (6.1684 based on 2.28 times two adults plus the average number of children for this income range, 1.6084). The quotient, 1.212 percent, is the per-child amount for excess medical. It is less than the per-capita amount of 2.071 percent.

Continuing from the example in Step 1, where 36.393 is the percentage that excludes childcare for two children at a combined income of $60,000 to $64,999 per year, 1.212 multiplied by two children is subtracted to exclude the children's excessive medical expenses. This leaves 33.969 as the percentage of total expenditures devoted to raising two children, excluding their childcare expenses and excess medical expenses.

Step 3: Convert to After-Tax Income

The next step is to convert the percentage from above to an after-tax income by multiplying it by expenditures to after-tax income ratios. Continuing using the example of combined income of $60,000 to $64,999 per year, the ratio is 86.130. When multiplied by 33.969, this yields 29.257 percent of after-tax income being the percentage of after-tax income devoted to raising two children, excluding their childcare and excess medical expenses.

Step 4: Adjust to Current Price Levels

The amounts in Exhibit A-1 are based on May 2020 price levels. They are converted to July 2020 price levels using changes to the Consumer Price Index (CPI-U), which is the most commonly used price index.[111] The adjustment is applied to the midpoint of each after-tax income range.

Step 5: Develop Marginal Percentages

The information from the previous steps is used to compute a tax table-like schedule of proportions for one, two, and three children. The percentages from above (*e.g.,* 29.257% for two children for the combined income of $60,000 to $64,999 per year) are assigned to the midpoint of that income range adjusted for inflation. Marginal percentages are created by interpolating between income ranges. For the highest income range, the midpoint was supplied by Betson, it was $258,887 per year in May 2020 dollars. When converted to July 2020 dollars and a monthly amount, it is $21,910 per month.

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[110] Agency for Healthcare Research and Quality. (Jun. 2020). *Mean expenditure per person by source of payment and age groups, United States, 2017. Medical Expenditure Panel Survey*. Generated interactively: June 12, 2020, from https://www.meps.ahrq.gov/mepstrends/hc_use/.

[111] The increase from May 2020 to October 2020 is 1.558% based on 260.388 divided by 256.394 and subtracting 100% (Consumer Price Index Historical Tables for U.S. City Average: Mid–Atlantic Information Office : U.S. Bureau of Labor Statistics (bls.gov).

Another adjustment was made at low incomes. The percentages for incomes below $30,000 net per year were actually less than the amounts for the net income range $30,000 to $34,999 per year. This is an artificial result caused by the cap on expenditures in Step 3, which is also shown in Exhibit 37. Decreasing percentages result in a smooth decrease when the parent receiving support has more income. This is the general result of the steps so far. The exception is at low incomes because of the cap. Without the cap, it will also produce decreasing percentages. For the purposes of the child support schedule, the percentage from the $30,000 to $34,999 are applied to all incomes less than $30,000 per year. For one child, the percentages are actually from the $35,000 to $39,999 income range. To be clear, this is still less than what families of this income range actually spend on children.

Exhibit A 2: Schedule of Proportions for One, Two, and Three Children

Annual After-Tax Income Range (May 2020 dollars)	Monthly Midpoint of Income Range (July. 2020 Dollars)	One Child		Two Children		Three Children	
		Midpoint	Marginal Percentage	Midpoint	Marginal Percentage	Midpoint	Marginal Percentage
< $30,0000	$0	23.041%	23.041%	35.086%	35.086%	42.414%	42.414%
$30,000 – $34,999	$2,737	23.041%	23.041%	35.086%	30.397%	42.414%	34.813%
$35,000 – $39,999	$3,158	23.041%	20.834%	34.461%	34.031%	41.401%	40.211%
$40,000 – $44,999	$3,579	22.782%	16.965%	34.410%	25.320%	41.261%	30.000%
$45,000 – $49,999	$4,000	22.169%	10.445%	33.453%	14.985%	40.075%	17.008%
$50,000 – $54,999	$4,421	21.053%	9.406%	31.694%	10.817%	37.879%	8.818%
$55,000 – $59,999	$4,842	20.040%	13.143%	29.879%	22.110%	35.351%	29.299%
$60,000 – $64,999	$5,263	19.488%	7.992%	29.257%	9.168%	34.867%	7.438%
$65,000 – $69,999	$5,684	18.637%	11.118%	27.769%	14.584%	32.835%	14.789%
$70,000 – $74,999	$6,105	18.118%	16.525%	26.860%	23.208%	31.591%	25.699%
$74,999 – $84,999	$6,737	17.969%	12.081%	26.518%	19.891%	31.038%	25.883%
$85,000 – $89,999	$7,369	17.464%	9.419%	25.950%	13.114%	30.597%	14.370%
$90,000 – $99,999	$8,000	16.829%	12.140%	24.936%	16.107%	29.315%	16.595%
$100,000 – $109,999	$8,842	16.382%	7.712%	24.095%	9.708%	28.104%	9.272%
$110,000 – $119,999	$9,685	15.628%	14.265%	22.844%	21.151%	26.466%	24.896%
$120,000 – $139,999	$10,948	15.471%	11.375%	22.649%	15.036%	26.285%	15.418%
$140,000 – $159,999	$12,632	14.925%	9.996%	21.634%	17.177%	24.836%	23.161%
$160,000 – $199,999	$15,158	14.103%	10.376%	20.891%	14.835%	24.557%	16.780%
$200,000 or more	$21,802	12.968%		19.046%		22.187%	

Step 6: Extend to More Children

Most of the measurements only cover one, two, and three children. The number of families in the CE with four or more children is insufficient to produce reliable estimates. For many child support guidelines, the National Research Council's (NRC) equivalence scale, as shown below, is used to extend the three-child estimate to four and more children.[112]

$$= (\text{Number of adults} + 0.7 \text{ X number of children})^{0.7}$$

[112] Citro, Constance F. and Robert T. Michael, Editors. (1995). *Measuring Poverty: A New Approach*. National Academy Press. Washington, D.C.

Application of the equivalence scale implies that expenditures on four children are 11.7 percent more than the expenditures for three children, expenditures on five children are 10.0 percent more than the expenditures for four children, and expenditures on six children are 8.7 percent more than the expenditures for five children.

Step 7: Convert to Gross Income

The final step is to convert the schedule to a gross-income base. This is done by calculating the after-tax incomes for the gross incomes appearing in the schedule. The after-tax income equivalent is shown as a hidden column in Exhibit A-3. The schedule amounts are calculated based on the after-tax income using the information in Exhibit A-2 for one, two, and three children. For example, for two children and a combined income of $5,500 gross per month, the after-tax equivalent is $4,222 per month. From Exhibit A-2, 33.453 percent would be applied to the first $4,000 in after-tax income and 14.985 percent would apply to the next $222 ($4,222 minus $4,000). This yields a total of $1,371, which is the sum of $1,338 (33.453% of $4,000) and $33 (14.985% of $222).

The amounts for four and more children are calculated from the three-child amounts in Exhibit A-2 multiplied by the equivalence scales shown in the previous step.

Exhibit A 3: Illustration of Hidden After Tax Income Column in Schedule

Hidden After-Tax Income	Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
3896.78	5000	869	1312	1572	1756	1932	2100
3929.26	5050	875	1320	1582	1767	1944	2113
3961.73	5100	880	1328	1592	1778	1956	2126
3994.21	5150	886	1337	1601	1789	1968	2139
4026.68	5200	890	1342	1608	1796	1975	2147
4059.16	5250	893	1347	1613	1802	1982	2154
4091.63	5300	896	1352	1619	1808	1989	2162
4124.11	5350	900	1357	1624	1814	1996	2169
4156.58	5400	903	1362	1630	1820	2002	2177
4189.06	5450	907	1366	1635	1827	2009	2184
4221.53	5500	910	1371	1641	1833	2016	2191
4254.01	5550	913	1376	1646	1839	2023	2199
4286.48	5600	917	1381	1652	1845	2030	2206

As identified in Section 3, the conversion to gross income relies on the federal withholding formula and state income tax rates. The IRS Method 5, which is to be used with the 2019 IRS W-4, is used to calculate the federal income tax.[113] Two allowances are assumed, which is the amount recommended for a single individual. This yields the exact same federal tax as application of IRS Method 4, which is to be used with the 2020 IRS W-4 with no allowances and assuming that all income is taxed at the rate of a single individual with no second job, no dependents, and no other deductions. In short, although the IRS provides five different withholding methods, they do not vary in their result.

[113] *IRS Publication 15-A: Federal Income Tax Withholding Methods: 2020*. p. 51. Retrieved from https://www.irs.gov/publications/p15a.

The federal withholding formula also considers FICA. The Social Security and Medicare tax is 6.2 percent for incomes up to $137,700 per year.[114] Above that level, the Medicare tax of 1.45 percent is applied. In addition, the 0.9 percent additional Medicare tax for incomes above $200,000 per year is also considered.

State income taxes are also calculated from the employer's withholding formula.[115] Like the federal tax calculation, it was assumed that the filing status was single. This allows for an annual standard deduction of $12,400.

Using federal and state income tax withholding formulas and assuming all income is taxed at the rate of a single tax filer with earned income is a common assumption among most states and the assumption underlying the existing Arizona schedule. Most alternative federal tax assumptions would result in more after-tax income, hence higher schedule amounts. For example, the District of Columbia assumes the tax-filing status is for a married couple claiming the number of children for whom support is being determined. The District used this assumption prior to 2018 tax reform that eliminated the federal tax allowance for children and expanded the federal child tax credit from $1,000 per child to $2,000 per child. The 2018 federal tax changes are scheduled to expire in 2025.

Step 8: Adjust for the SSR and the Minimum Order

The schedule essentially provides a minimum order of $60 per month for incomes below $1,100 per month, which approximates the 2020 Federal Poverty Guidelines for one person, which was $1,063 per month. For incomes above $1,100, the schedule amount is the lower of the BR5 amount and an SSR-adjusted amount. The SSR-adjusted amount is $60 per month plus the following amount for every $50 in gross income above $1,100 per month:

- 1 child: $31.00 per month;
- 2 children: $33.50 per month;
- 3 children: $34.00 per month;
- 4 children: $34.50 per month;
- 5 children: $34.75 per month; and
- 6 children: $35.00 per month.

For example, for a gross income of $1,200 per month and two children, the BR5 amount would be $382 per month. The SSR-adjusted amount would be $60 plus $33.50 for every $50 per month above $1,100. The difference between $1,200 and $1,100 is $100, so its twice that of $50. This means $33.50 is multiplied by two, which is $67 per month. When added to $60, the sum is $127, which is the schedule amount shown for two children at an income of $1,200 per month.

The area adjusted for the SSR is shown by the blue-shaded area of the schedule in Appendix B.

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[114] *IRS Publication 15-A: Federal Income Tax Withholding Methods: 2020*. Retrieved from https://www.irs.gov/publications/p15a.

[115] Missouri Department of Revenue. (n.d.). *2020 Missouri Withholding Tax Formula* Retrieved from 2020 Missouri Withholding Tax Formula (mo.gov).

Consumer Expenditure Data

Most studies of child-rearing expenditures, including the BR measurements, draw on expenditures data collected from families participating in the Consumers Expenditures Survey (CE) that is administered by the Bureau of Labor Statistics (BLS). Economists use the CE because it is the most comprehensive and detailed survey conducted on household expenditures and consists of a large sample. The CE surveys about 7,000 households per quarter on expenditures, income, and household characteristics (*e.g.*, family size). Households remain in the survey for four consecutive quarters, with households rotating in and out each quarter. Most economists, including Betson, use three or four quarters of expenditures data for a surveyed family. This means that family expenditures are averaged for about a year rather than over a quarter, which may not be as reflective of typical family expenditures. (In Appendix A, Betson does explore using quarterly wage data rather than analyzing CE data.)

In all, the BR5 study relies on expenditures/outlays data from almost 14,000 households, in which over half had a minor child present in the household. The subset of CE households considered for the BR5 measurements used to develop the existing updated schedule consisted of married couples of child-rearing age with no other adults living in the household (*e.g.*, grandparents), households with no change in family size or composition during the survey period, and households with at least three completed interviews. Other family types were considered, which also changed the sample size, but the percentage of child-rearing expenditures in these alternative assumptions did not significantly change the percentage of expenditures devoted to child-rearing expenditures. The other family types included in these expanded samples were households with adult children living with them and domestic partners with children.

The CE asks households about expenditures on over 100 detailed items. Exhibit A-4 shows the major categories of expenditures captured by the CE. It includes the purchase price and sales tax on all goods purchased within the survey period. In recent years, the CE has added another measure of "expenditures" called "outlays." The key difference is that outlays essentially include installment plans on purchases, mortgage principal payments, and payments on home equity loans, while expenditures do not. To illustrate the difference, consider a family who purchases a home theater system during the survey period, puts nothing down, and pays for the home theater system through 36 months of installment payments. The expenditures measure would capture the total purchase price of the home theater system. The outlays measure would only capture the installment payments made in the survey period.

The BLS designed the CE to produce a nationally representative sample and samples representative of the four regions (Midwest, Northeast, South, and West). The sample sizes for each state, however, are not large enough to estimate child-rearing costs for families within a state. We know of no state that has seriously contemplated conducting a survey similar to the CE at a state level. The costs and time requirements would be prohibitive.

Outlays include mortgage principal payments, payments on second mortgages, and home equity payments, which is what the 2020 Betson-Rothbarth (BR) measurement considers. As explained in Section 3, this is a change from BR measurements underlying the existing schedule. The CE traditional

measure of expenditures does not consider these outlays. The merit of using expenditures, which does not include mortgage principal payments, is that any equity in the home should be considered part of the property settlement and not part of the child support payments. The limitations are that not all families have substantial equity in their homes and some families have second mortgages or home equity loans that further reduce home equity. The merit of using outlays is that it is more in line with family budgeting on a monthly basis in that it considers the entire mortgage payment including the amounts paid toward both interest and principal, and the amount paid toward a second mortgage or home equity loan if there is such a payment. Both measures include payment of the mortgage interest, rent among households dwelling in apartments, utilities, property taxes, and other housing expenses as indicated in the above table. Housing-related items, which are identified in Exhibit A-4, comprise the largest share of total family expenditures. Housing expenses compose about 40 percent of total family expenditures.

Exhibit A 4: Partial List of Expenditure Items Considered in the Consumer Expenditure Survey	
Housing	Rent paid for dwellings, rent received as pay, parking fees, maintenance, and other expenses for rented dwellings; interest and principal payments on mortgages, interest and principal payments on home equity loans and lines of credit, property taxes and insurance, refinancing and prepayment charges, ground rent, expenses for property management and security, homeowners' insurance, fire insurance and extended coverage, expenses for repairs and maintenance contracted out, and expenses of materials for owner-performed repairs and maintenance for dwellings used or maintained by the consumer unit. Also includes utilities, cleaning supplies, household textiles, furniture, major and small appliances, and other miscellaneous household equipment (tools, plants, decorative items).
Food	Food at home purchased at grocery or other food stores, as well as meals, including tips, purchased away from home (*e.g.*, full-service and fast-food restaurant, vending machines).
Transportation	Vehicle finance charges, gasoline and motor oil, maintenance and repairs, vehicle insurance, public transportation, leases, parking fees, and other transportation expenditures.
Entertainment	Admission to sporting events, movies, concerts, health clubs, recreational lessons, television/radio/sound equipment, pets, toys, hobbies, and other entertainment equipment and services.
Apparel	Apparel, footwear, uniforms, diapers, alterations and repairs, dry cleaning, sent-out laundry, watches, and jewelry.
Other	Personal care products, reading materials, education fees, banking fees, interest paid on lines of credit, and other expenses.

Transportation expenses account for about one-sixth of total family expenditures. In the category of "transportation," the CE includes net vehicle outlays; vehicle finance charges; gasoline and motor oil; maintenance and repairs; vehicle insurance; public transportation expenses; and vehicle rentals, leases, licenses, and other charges. The net vehicle outlay is the purchase price of a vehicle less the trade-in value. Net vehicle outlays account for just over one-third of all transportation expenses. Net vehicle outlays are an important consideration when measuring child-rearing expenditures because the family's use of the vehicle is often longer than the survey period. In Betson's first three studies, he excluded them because in his earlier estimates that consider expenditures the vehicle can be sold again later, after the survey period. In contrast, Betson's 2020 estimates that consider outlays capture vehicle payments made over the survey period. The USDA, which relies on expenditures, includes all transportation expenses including net vehicle outlays. There are some advantages and disadvantages to each approach. Excluding it makes sense when the vehicle may be part of the property settlement in a

divorce. An alternative to that would be to include a value that reflects depreciation of the vehicle over time, but that information is not available. Including the entire net vehicle outlay when expenditures are used as the basis of the estimate likely overstates depreciation. When the basis of the estimates is outlays, it includes only vehicle installment payments rather than net vehicle outlays. This effectively avoids the issues of vehicle equity and depreciation.

Betson excludes some expenditure items captured by the CE because they are obviously not child-rearing expenses. Specifically, he excludes contributions by family members to Social Security and private pension plans, and cash contributions made to members outside the surveyed household. The USDA also excludes these expenses from its estimates of child-rearing expenditures.

Gross and net incomes are reported by families participating in the CE. The difference between gross and net income is taxes. In fact, the CE uses the terms “income before taxes” and “income after taxes” instead of gross and net income. Income before taxes is the total money earnings and selected money receipts. It includes wages and salary, self-employment income, Social Security benefits, pension income, rental income, unemployment compensation, workers’ compensation, veterans’ benefits, public assistance, and other sources of income. Income and taxes are based on self-reports and not checked against actual records.

The BLS has concerns that income may be underreported in the CE. Although underreporting of income is a problem inherent to surveys, the BLS is particularly concerned because expenditures exceed income among low-income households participating in the CE. The BLS does not know whether the cause is underreporting of income or that low-income households are actually spending more than their incomes because of an unemployment spell, the primary earner is a student, or the household is otherwise withdrawing from its savings. In an effort to improve income information, the BLS added and revised income questions in 2001. The new questions impute income based on a relationship to its expenditures when households do not report income. The 2010 and 2020 Betson-Rothbarth measurements rely on these new questions. Previous Betson measurements do not.

The BLS also had concerns with taxes being underreported. Beginning in 2013, the BLS began calculating taxes for families using a TurboTax-like tax calculator. This also affected differences between the BR5 measurements and earlier measurements.

The BLS also does not include changes in net assets or liabilities as income or expenditures. In all, the BLS makes it clear that reconciling differences between income and expenditures and precisely measuring income are not parts of the core mission of the CE. Rather, the core mission is to measure and track expenditures. The BLS recognizes that at some low-income levels, the CE shows that total expenditures exceed after-tax incomes, and at very high incomes, the CE shows total expenditures are considerably less than after-tax incomes. However, the changes to the income measure, the use of outlays rather than expenditures, and use of the tax calculator have lessened some of these issues.

Appendix B: Proposed, Updated Schedule

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
0 – 1100	**60**	**60**	**60**	**60**	**60**	**60**
1150	**91**	**94**	**94**	**95**	**95**	**95**
1200	**122**	**127**	**128**	**129**	**130**	**130**
1250	**153**	**161**	**162**	**164**	**164**	**165**
1300	**184**	**194**	**196**	**198**	**199**	**200**
1350	**215**	**228**	**230**	**233**	**234**	**235**
1400	**246**	**261**	**264**	**267**	**269**	**270**
1450	**277**	**295**	**298**	**302**	**303**	**305**
1500	306	**328**	**332**	**336**	**338**	**340**
1550	315	**362**	**366**	**371**	**373**	**375**
1600	324	**395**	**400**	**405**	**408**	**410**
1650	333	**429**	**434**	**440**	**442**	**445**
1700	342	**462**	**468**	**474**	**477**	**480**
1750	350	**496**	**502**	**509**	**512**	**515**
1800	359	**529**	**536**	**543**	**547**	**550**
1850	368	561	**570**	**578**	**581**	**585**
1900	377	574	**604**	**612**	**616**	**620**
1950	386	587	**638**	**647**	**651**	**655**
2000	394	600	**672**	**681**	**686**	**690**
2050	403	613	**706**	**716**	**720**	**725**
2100	411	626	**740**	**750**	**755**	**760**
2150	420	640	773	**785**	**790**	**795**
2200	429	653	789	**819**	**825**	**830**
2250	437	666	805	**854**	**859**	**865**
2300	446	679	821	**888**	**894**	**900**
2350	455	692	837	**923**	**929**	**935**
2400	463	705	853	952	**964**	**970**
2450	472	719	869	970	**998**	**1005**
2500	480	732	884	988	**1033**	**1040**
2550	489	745	900	1006	**1068**	**1075**
2600	498	758	916	1023	**1103**	**1110**
2650	506	771	932	1041	**1137**	**1145**
2700	515	784	948	1059	1165	**1180**
2750	524	797	964	1077	1184	**1215**
2800	532	811	980	1094	1204	**1250**
2850	541	824	996	1112	1223	**1285**
2900	550	837	1012	1130	1243	**1320**
2950	558	850	1028	1148	1263	**1355**
3000	567	863	1043	1166	1282	**1390**
3050	575	876	1059	1183	1302	1415
3100	584	889	1075	1201	1321	1436
3150	593	903	1091	1219	1341	1457

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
3200	601	916	1107	1237	1360	1479
3250	610	929	1123	1254	1380	1500
3300	619	942	1139	1272	1399	1521
3350	627	955	1155	1290	1419	1542
3400	636	967	1169	1306	1436	1561
3450	645	979	1182	1320	1452	1579
3500	653	990	1195	1335	1468	1596
3550	662	1001	1208	1349	1484	1613
3600	670	1013	1221	1364	1500	1631
3650	679	1024	1234	1378	1516	1648
3700	688	1036	1247	1393	1532	1666
3750	696	1047	1260	1408	1548	1683
3800	705	1058	1273	1422	1564	1700
3850	714	1070	1286	1437	1580	1718
3900	722	1081	1299	1451	1596	1735
3950	731	1093	1313	1467	1613	1754
4000	738	1106	1328	1484	1632	1774
4050	746	1119	1343	1500	1650	1794
4100	754	1131	1358	1517	1669	1814
4150	762	1144	1373	1534	1687	1834
4200	770	1157	1388	1551	1706	1854
4250	777	1170	1404	1568	1725	1875
4300	785	1182	1419	1585	1743	1895
4350	793	1195	1434	1601	1762	1915
4400	800	1207	1448	1617	1779	1934
4450	807	1218	1461	1632	1795	1951
4500	814	1229	1474	1646	1811	1969
4550	820	1238	1484	1658	1824	1983
4600	825	1246	1494	1669	1836	1996
4650	831	1254	1504	1680	1848	2009
4700	836	1263	1514	1691	1860	2022
4750	842	1271	1523	1702	1872	2035
4800	847	1279	1533	1712	1884	2048
4850	853	1287	1543	1723	1896	2061
4900	858	1296	1553	1734	1908	2074
4950	864	1304	1562	1745	1920	2087
5000	869	1312	1572	1756	1932	2100
5050	875	1320	1582	1767	1944	2113
5100	880	1328	1592	1778	1956	2126
5150	886	1337	1601	1789	1968	2139
5200	890	1342	1608	1796	1975	2147
5250	893	1347	1613	1802	1982	2154
5300	896	1352	1619	1808	1989	2162
5350	900	1357	1624	1814	1996	2169
5400	903	1362	1630	1820	2002	2177

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
5450	907	1366	1635	1827	2009	2184
5500	910	1371	1641	1833	2016	2191
5550	913	1376	1646	1839	2023	2199
5600	917	1381	1652	1845	2030	2206
5650	920	1386	1657	1851	2036	2213
5700	923	1391	1663	1857	2043	2221
5750	927	1396	1668	1864	2050	2228
5800	930	1401	1674	1870	2057	2236
5850	933	1404	1677	1873	2061	2240
5900	936	1408	1680	1877	2064	2244
5950	939	1411	1683	1880	2068	2248
6000	943	1415	1686	1883	2071	2251
6050	946	1418	1689	1886	2075	2255
6100	949	1422	1691	1889	2078	2259
6150	952	1425	1694	1893	2082	2263
6200	955	1429	1697	1896	2085	2267
6250	958	1432	1700	1899	2089	2271
6300	961	1436	1703	1902	2092	2274
6350	964	1439	1706	1905	2096	2278
6400	967	1443	1709	1909	2099	2282
6450	970	1446	1711	1912	2103	2286
6500	974	1453	1720	1922	2114	2298
6550	978	1460	1730	1932	2125	2310
6600	983	1468	1739	1943	2137	2323
6650	987	1475	1749	1953	2149	2336
6700	991	1482	1758	1964	2160	2348
6750	996	1489	1768	1975	2172	2361
6800	1000	1496	1777	1985	2184	2374
6850	1004	1503	1787	1996	2195	2387
6900	1008	1511	1796	2007	2207	2399
6950	1013	1518	1806	2017	2219	2412
7000	1017	1525	1815	2028	2231	2425
7050	1021	1532	1825	2038	2242	2437
7100	1025	1539	1834	2049	2254	2450
7150	1028	1543	1837	2052	2258	2454
7200	1031	1546	1840	2055	2261	2457
7250	1033	1549	1842	2058	2264	2460
7300	1036	1552	1845	2060	2267	2464
7350	1038	1555	1847	2063	2269	2467
7400	1041	1558	1849	2066	2272	2470
7450	1044	1561	1852	2069	2275	2473
7500	1046	1563	1854	2071	2278	2477
7550	1049	1566	1857	2074	2281	2480
7600	1051	1569	1859	2077	2284	2483
7650	1054	1572	1862	2079	2287	2486

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
7700	1057	1575	1864	2082	2290	2490
7750	1059	1578	1866	2085	2293	2493
7800	1063	1583	1871	2090	2299	2499
7850	1066	1588	1876	2095	2305	2505
7900	1070	1593	1881	2101	2311	2512
7950	1074	1597	1885	2106	2317	2518
8000	1077	1602	1890	2111	2323	2525
8050	1081	1607	1895	2117	2329	2531
8100	1084	1611	1900	2122	2334	2537
8150	1088	1616	1905	2128	2340	2544
8200	1092	1621	1909	2133	2346	2550
8250	1095	1625	1914	2138	2352	2556
8300	1099	1630	1919	2143	2357	2563
8350	1102	1635	1923	2148	2363	2569
8400	1106	1639	1928	2154	2369	2575
8450	1111	1646	1936	2162	2378	2585
8500	1116	1653	1944	2171	2388	2596
8550	1121	1661	1952	2180	2398	2607
8600	1126	1668	1960	2189	2408	2617
8650	1131	1675	1968	2198	2418	2628
8700	1137	1683	1976	2207	2428	2639
8750	1142	1690	1984	2216	2438	2650
8800	1147	1697	1992	2225	2448	2661
8850	1152	1704	2000	2234	2458	2672
8900	1157	1712	2008	2243	2468	2682
8950	1163	1719	2016	2252	2478	2693
9000	1168	1726	2025	2261	2488	2704
9050	1173	1734	2033	2270	2497	2715
9100	1178	1741	2041	2279	2507	2726
9150	1183	1748	2049	2288	2517	2736
9200	1189	1756	2057	2298	2527	2747
9250	1194	1763	2065	2307	2537	2758
9300	1199	1770	2073	2316	2547	2769
9350	1204	1778	2081	2325	2557	2780
9400	1209	1785	2089	2334	2567	2790
9450	1213	1791	2097	2343	2577	2801
9500	1217	1798	2105	2352	2587	2812
9550	1221	1804	2114	2361	2597	2823
9600	1225	1810	2122	2370	2607	2834
9650	1229	1816	2130	2379	2617	2845
9700	1232	1823	2138	2388	2627	2856
9750	1236	1829	2146	2397	2637	2866
9800	1240	1835	2154	2406	2647	2877
9850	1244	1841	2163	2416	2657	2888
9900	1248	1848	2171	2425	2667	2899

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
9950	1252	1854	2179	2434	2677	2910
10000	1255	1860	2187	2443	2687	2921
10050	1259	1866	2195	2452	2697	2932
10100	1263	1873	2203	2461	2707	2943
10150	1267	1879	2211	2470	2717	2954
10200	1271	1885	2220	2479	2727	2964
10250	1274	1891	2228	2488	2737	2975
10300	1278	1898	2236	2497	2747	2986
10350	1282	1904	2244	2507	2757	2997
10400	1286	1910	2252	2516	2767	3008
10450	1289	1915	2258	2522	2774	3015
10500	1292	1919	2262	2527	2780	3021
10550	1295	1923	2267	2532	2785	3027
10600	1298	1927	2271	2537	2791	3034
10650	1301	1932	2276	2542	2796	3040
10700	1304	1936	2280	2547	2802	3046
10750	1307	1940	2285	2552	2807	3052
10800	1310	1944	2289	2557	2813	3058
10850	1313	1948	2294	2562	2819	3064
10900	1316	1952	2298	2567	2824	3070
10950	1319	1956	2303	2572	2830	3076
11000	1322	1960	2307	2577	2835	3082
11050	1325	1965	2312	2583	2841	3088
11100	1327	1969	2317	2588	2846	3094
11150	1330	1973	2321	2593	2852	3100
11200	1333	1977	2326	2598	2857	3106
11250	1336	1981	2330	2603	2863	3112
11300	1339	1985	2335	2608	2869	3118
11350	1342	1989	2339	2613	2874	3124
11400	1345	1993	2344	2618	2880	3130
11450	1349	1998	2349	2623	2886	3137
11500	1353	2004	2354	2630	2892	3144
11550	1357	2009	2360	2636	2900	3152
11600	1361	2015	2366	2642	2907	3159
11650	1365	2020	2371	2649	2914	3167
11700	1370	2026	2377	2655	2921	3175
11750	1374	2031	2383	2662	2928	3182
11800	1378	2037	2389	2668	2935	3190
11850	1382	2042	2394	2674	2942	3198
11900	1386	2048	2400	2681	2949	3205
11950	1391	2054	2406	2687	2956	3213
12000	1395	2059	2411	2694	2963	3221
12050	1399	2065	2417	2700	2970	3228
12100	1403	2070	2423	2706	2977	3236
12150	1407	2076	2429	2713	2984	3244

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
12200	1412	2081	2434	2719	2991	3251
12250	1416	2087	2440	2726	2998	3259
12300	1420	2093	2446	2732	3005	3267
12350	1424	2098	2452	2738	3012	3274
12400	1428	2104	2457	2745	3019	3282
12450	1433	2109	2463	2751	3026	3290
12500	1437	2115	2469	2758	3033	3297
12550	1441	2120	2475	2764	3041	3305
12600	1445	2126	2480	2771	3048	3313
12650	1449	2131	2486	2776	3054	3320
12700	1452	2135	2489	2780	3058	3324
12750	1454	2138	2492	2784	3062	3328
12800	1457	2141	2495	2787	3066	3333
12850	1460	2145	2498	2791	3070	3337
12900	1462	2148	2502	2794	3074	3341
12950	1465	2151	2505	2798	3078	3345
13000	1468	2155	2508	2802	3082	3350
13050	1470	2158	2511	2805	3086	3354
13100	1473	2161	2514	2809	3090	3358
13150	1476	2165	2518	2812	3093	3363
13200	1478	2168	2521	2816	3097	3367
13250	1481	2171	2524	2819	3101	3371
13300	1484	2175	2527	2823	3105	3375
13350	1486	2178	2531	2827	3109	3380
13400	1489	2182	2534	2830	3113	3384
13450	1492	2185	2537	2834	3117	3388
13500	1494	2188	2540	2837	3121	3393
13550	1497	2192	2543	2841	3125	3397
13600	1500	2195	2547	2844	3129	3401
13650	1502	2198	2550	2848	3133	3405
13700	1505	2202	2553	2852	3137	3410
13750	1508	2205	2556	2855	3141	3414
13800	1510	2208	2559	2859	3145	3418
13850	1513	2212	2563	2862	3149	3423
13900	1518	2218	2570	2871	3158	3433
13950	1523	2226	2579	2881	3169	3444
14000	1527	2233	2587	2890	3179	3456
14050	1532	2240	2596	2900	3190	3467
14100	1537	2248	2605	2909	3200	3479
14150	1542	2255	2613	2919	3211	3490
14200	1547	2262	2622	2929	3221	3502
14250	1552	2270	2630	2938	3232	3513
14300	1557	2277	2639	2948	3243	3525
14350	1562	2284	2648	2957	3253	3536
14400	1567	2291	2656	2967	3264	3548

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
14450	1572	2299	2665	2977	3274	3559
14500	1577	2306	2674	2986	3285	3571
14550	1582	2313	2682	2996	3296	3582
14600	1587	2321	2691	3006	3306	3594
14650	1591	2328	2699	3015	3316	3605
14700	1596	2334	2707	3023	3326	3615
14750	1600	2341	2714	3032	3335	3625
14800	1605	2347	2722	3040	3345	3635
14850	1609	2354	2730	3049	3354	3646
14900	1613	2360	2737	3057	3363	3656
14950	1618	2367	2745	3066	3373	3666
15000	1622	2373	2752	3074	3382	3676
15050	1626	2380	2760	3083	3391	3686
15100	1631	2386	2768	3091	3401	3696
15150	1635	2393	2775	3100	3410	3707
15200	1639	2399	2783	3108	3419	3717
15250	1644	2406	2791	3117	3429	3727
15300	1648	2412	2798	3125	3438	3737
15350	1653	2418	2806	3134	3447	3747
15400	1657	2425	2813	3143	3457	3757
15450	1661	2431	2821	3151	3466	3768
15500	1666	2438	2829	3160	3475	3778
15550	1670	2444	2836	3168	3485	3788
15600	1674	2451	2844	3177	3494	3798
15650	1679	2457	2851	3185	3504	3808
15700	1683	2464	2859	3194	3513	3818
15750	1687	2470	2867	3202	3522	3829
15800	1692	2477	2874	3211	3532	3839
15850	1696	2482	2880	3217	3539	3847
15900	1699	2487	2885	3222	3545	3853
15950	1703	2491	2890	3228	3551	3859
16000	1706	2496	2894	3233	3556	3866
16050	1710	2500	2899	3238	3562	3872
16100	1713	2505	2904	3244	3568	3878
16150	1717	2510	2909	3249	3574	3885
16200	1720	2514	2913	3254	3579	3891
16250	1723	2519	2918	3259	3585	3897
16300	1727	2523	2923	3265	3591	3904
16350	1730	2528	2927	3270	3597	3910
16400	1734	2533	2932	3275	3603	3916
16450	1737	2537	2937	3280	3608	3922
16500	1741	2542	2942	3286	3614	3929
16550	1744	2546	2946	3291	3620	3935
16600	1748	2551	2951	3296	3626	3941
16650	1751	2556	2956	3301	3632	3948

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
16700	1755	2560	2960	3307	3637	3954
16750	1758	2565	2965	3312	3643	3960
16800	1762	2569	2970	3317	3649	3966
16850	1765	2574	2974	3322	3654	3972
16900	1768	2578	2979	3327	3660	3979
16950	1772	2583	2984	3333	3666	3985
17000	1775	2587	2988	3338	3672	3991
17050	1779	2592	2993	3343	3677	3997
17100	1782	2596	2997	3348	3683	4003
17150	1786	2601	3002	3353	3689	4010
17200	1789	2605	3007	3359	3694	4016
17250	1792	2610	3011	3364	3700	4022
17300	1796	2615	3016	3369	3706	4028
17350	1799	2619	3021	3374	3712	4034
17400	1803	2624	3025	3379	3717	4041
17450	1806	2628	3030	3385	3723	4047
17500	1810	2633	3035	3390	3729	4053
17550	1813	2637	3039	3395	3734	4059
17600	1816	2642	3044	3400	3740	4065
17650	1820	2646	3049	3405	3746	4072
17700	1823	2651	3053	3410	3751	4078
17750	1827	2655	3058	3416	3757	4084
17800	1830	2660	3063	3421	3763	4090
17850	1834	2664	3067	3426	3769	4096
17900	1837	2669	3072	3431	3774	4103
17950	1840	2673	3076	3436	3780	4109
18000	1844	2678	3081	3442	3786	4115
18050	1847	2682	3086	3447	3791	4121
18100	1851	2687	3090	3452	3797	4127
18150	1854	2692	3095	3457	3803	4134
18200	1858	2696	3100	3462	3809	4140
18250	1861	2701	3104	3468	3814	4146
18300	1864	2705	3109	3473	3820	4152
18350	1868	2710	3113	3478	3825	4158
18400	1871	2714	3118	3483	3831	4164
18450	1874	2718	3122	3488	3836	4170
18500	1877	2722	3127	3492	3842	4176
18550	1881	2727	3131	3497	3847	4182
18600	1884	2731	3135	3502	3853	4188
18650	1887	2736	3141	3509	3860	4195
18700	1890	2741	3148	3516	3868	4204
18750	1893	2746	3154	3524	3876	4213
18800	1896	2750	3161	3531	3884	4222
18850	1898	2755	3168	3538	3892	4231
18900	1901	2760	3174	3546	3900	4240

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
18950	1904	2765	3181	3553	3908	4249
19000	1907	2770	3188	3561	3917	4257
19050	1910	2775	3194	3568	3925	4266
19100	1913	2780	3201	3575	3933	4275
19150	1916	2785	3208	3583	3941	4284
19200	1918	2790	3214	3590	3949	4293
19250	1921	2795	3221	3598	3957	4302
19300	1924	2800	3227	3605	3966	4311
19350	1927	2805	3234	3612	3974	4319
19400	1930	2809	3241	3620	3982	4328
19450	1933	2814	3247	3627	3990	4337
19500	1936	2819	3254	3635	3998	4346
19550	1939	2824	3261	3642	4006	4355
19600	1941	2829	3267	3649	4014	4364
19650	1944	2834	3274	3657	4023	4373
19700	1947	2839	3280	3664	4031	4381
19750	1950	2844	3287	3672	4039	4390
19800	1953	2849	3294	3679	4047	4399
19850	1956	2854	3300	3686	4055	4408
19900	1959	2859	3307	3694	4063	4417
19950	1961	2864	3314	3701	4071	4426
20000	1964	2868	3320	3709	4080	4434
20050	1967	2873	3327	3716	4088	4443
20100	1970	2878	3333	3724	4096	4452
20150	1973	2883	3340	3731	4104	4461
20200	1976	2888	3347	3738	4112	4470
20250	1979	2893	3353	3746	4120	4479
20300	1981	2898	3360	3753	4128	4488
20350	1984	2903	3367	3761	4137	4496
20400	1987	2908	3373	3768	4145	4505
20450	1990	2913	3380	3775	4153	4514
20500	1993	2918	3387	3783	4161	4523
20550	1996	2923	3393	3790	4169	4532
20600	1999	2927	3400	3798	4177	4541
20650	2001	2932	3406	3805	4185	4550
20700	2004	2937	3413	3812	4194	4558
20750	2007	2942	3420	3820	4202	4567
20800	2010	2947	3426	3827	4210	4576
20850	2013	2952	3433	3835	4218	4585
20900	2016	2957	3440	3842	4226	4594
20950	2019	2962	3446	3849	4234	4603
21000	2021	2967	3453	3857	4242	4612
21050	2024	2972	3459	3864	4251	4620
21100	2027	2977	3466	3872	4259	4629
21150	2030	2982	3473	3879	4267	4638

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
21200	2033	2986	3479	3886	4275	4647
21250	2036	2991	3486	3894	4283	4656
21300	2039	2996	3493	3901	4291	4665
21350	2042	3001	3499	3909	4300	4674
21400	2044	3006	3506	3916	4308	4682
21450	2047	3011	3512	3923	4316	4691
21500	2050	3016	3519	3931	4324	4700
21550	2053	3021	3526	3938	4332	4709
21600	2056	3026	3532	3946	4340	4718
21650	2059	3031	3539	3953	4348	4727
21700	2062	3036	3546	3960	4357	4736
21750	2064	3041	3552	3968	4365	4744
21800	2067	3045	3559	3975	4373	4753
21850	2070	3050	3566	3983	4381	4762
21900	2073	3055	3572	3990	4389	4771
21950	2076	3060	3579	3998	4397	4780
22000	2079	3065	3585	4005	4405	4789
22050	2082	3070	3592	4012	4414	4798
22100	2084	3075	3599	4020	4422	4806
22150	2087	3080	3605	4027	4430	4815
22200	2090	3085	3612	4035	4438	4824
22250	2093	3090	3619	4042	4446	4833
22300	2096	3095	3625	4049	4454	4842
22350	2099	3100	3632	4057	4462	4851
22400	2102	3104	3638	4064	4471	4860
22450	2104	3109	3645	4072	4479	4868
22500	2107	3114	3652	4079	4487	4877
22550	2110	3119	3658	4086	4495	4886
22600	2113	3124	3665	4094	4503	4895
22650	2116	3129	3672	4101	4511	4904
22700	2119	3134	3678	4109	4519	4913
22750	2122	3139	3685	4116	4528	4922
22800	2124	3144	3692	4123	4536	4930
22850	2127	3149	3698	4131	4544	4939
22900	2130	3154	3705	4138	4552	4948
22950	2133	3159	3711	4146	4560	4957
23000	2136	3163	3718	4153	4568	4966
23050	2139	3168	3725	4160	4576	4975
23100	2142	3173	3731	4168	4585	4983
23150	2145	3178	3738	4175	4593	4992
23200	2147	3183	3745	4183	4601	5001
23250	2150	3188	3751	4190	4609	5010
23300	2153	3193	3758	4197	4617	5019
23350	2156	3198	3764	4205	4625	5028
23400	2159	3203	3771	4212	4634	5037

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
23450	2162	3208	3778	4220	4642	5045
23500	2165	3213	3784	4227	4650	5054
23550	2167	3218	3791	4234	4658	5063
23600	2170	3222	3798	4242	4666	5072
23650	2173	3227	3804	4249	4674	5081
23700	2176	3232	3811	4257	4682	5090
23750	2179	3237	3817	4264	4691	5099
23800	2182	3242	3824	4272	4699	5107
23850	2185	3247	3831	4279	4707	5116
23900	2187	3252	3837	4286	4715	5125
23950	2190	3257	3844	4294	4723	5134
24000	2193	3262	3851	4301	4731	5143
24050	2196	3267	3857	4309	4739	5152
24100	2199	3272	3864	4316	4748	5161
24150	2202	3277	3871	4323	4756	5169
24200	2205	3281	3877	4331	4764	5178
24250	2207	3286	3884	4338	4772	5187
24300	2210	3291	3890	4346	4780	5196
24350	2213	3296	3897	4353	4788	5205
24400	2216	3301	3904	4360	4796	5214
24450	2219	3306	3910	4368	4805	5223
24500	2222	3311	3917	4375	4813	5231
24550	2225	3316	3924	4383	4821	5240
24600	2227	3321	3930	4390	4829	5249
24650	2230	3326	3937	4397	4837	5258
24700	2233	3331	3943	4405	4845	5267
24750	2236	3336	3950	4412	4853	5276
24800	2239	3340	3957	4420	4862	5285
24850	2242	3345	3963	4427	4870	5293
24900	2245	3350	3970	4434	4878	5302
24950	2248	3355	3977	4442	4886	5311
25000	2250	3360	3983	4449	4894	5320
25050	2253	3365	3990	4457	4902	5329
25100	2256	3370	3996	4464	4910	5338
25150	2259	3375	4003	4471	4919	5347
25200	2262	3380	4010	4479	4927	5355
25250	2265	3385	4016	4486	4935	5364
25300	2268	3390	4023	4494	4943	5373
25350	2270	3395	4030	4501	4951	5382
25400	2273	3399	4036	4508	4959	5391
25450	2276	3404	4043	4516	4967	5400
25500	2279	3409	4050	4523	4976	5409
25550	2282	3414	4056	4531	4984	5417
25600	2285	3419	4063	4538	4992	5426
25650	2288	3424	4069	4546	5000	5435

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
25700	2290	3429	4076	4553	5008	5444
25750	2293	3434	4083	4560	5016	5453
25800	2296	3439	4089	4568	5025	5462
25850	2299	3444	4096	4575	5033	5471
25900	2302	3449	4103	4583	5041	5479
25950	2305	3454	4109	4590	5049	5488
26000	2308	3458	4116	4597	5057	5497
26050	2310	3463	4122	4605	5065	5506
26100	2313	3468	4129	4612	5073	5515
26150	2316	3473	4136	4620	5082	5524
26200	2319	3478	4142	4627	5090	5532
26250	2322	3483	4149	4634	5098	5541
26300	2325	3488	4156	4642	5106	5550
26350	2328	3493	4162	4649	5114	5559
26400	2331	3498	4169	4657	5122	5568
26450	2333	3503	4175	4664	5130	5577
26500	2336	3508	4182	4671	5139	5586
26550	2339	3513	4189	4679	5147	5594
26600	2342	3517	4195	4686	5155	5603
26650	2345	3522	4202	4694	5163	5612
26700	2348	3527	4209	4701	5171	5621
26750	2351	3532	4215	4708	5179	5630
26800	2353	3537	4222	4716	5187	5639
26850	2356	3542	4229	4723	5196	5648
26900	2359	3547	4235	4731	5204	5656
26950	2362	3552	4242	4738	5212	5665
27000	2365	3557	4248	4745	5220	5674
27050	2368	3562	4255	4753	5228	5683
27100	2371	3567	4262	4760	5236	5692
27150	2373	3572	4268	4768	5244	5701
27200	2376	3576	4275	4775	5253	5710
27250	2379	3581	4282	4783	5261	5718
27300	2382	3586	4288	4790	5269	5727
27350	2385	3591	4295	4797	5277	5736
27400	2388	3596	4301	4805	5285	5745
27450	2391	3601	4308	4812	5293	5754
27500	2393	3606	4315	4820	5301	5763
27550	2396	3611	4321	4827	5310	5772
27600	2399	3616	4328	4834	5318	5780
27650	2402	3621	4335	4842	5326	5789
27700	2405	3626	4341	4849	5334	5798
27750	2408	3631	4348	4857	5342	5807
27800	2411	3635	4354	4864	5350	5816
27850	2413	3640	4361	4871	5359	5825
27900	2416	3645	4368	4879	5367	5834

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
27950	2419	3650	4374	4886	5375	5842
28000	2422	3655	4381	4894	5383	5851
28050	2425	3660	4388	4901	5391	5860
28100	2428	3665	4394	4908	5399	5869
28150	2431	3670	4401	4916	5407	5878
28200	2434	3675	4408	4923	5416	5887
28250	2436	3680	4414	4931	5424	5896
28300	2439	3685	4421	4938	5432	5904
28350	2442	3690	4427	4945	5440	5913
28400	2445	3694	4434	4953	5448	5922
28450	2448	3699	4441	4960	5456	5931
28500	2451	3704	4447	4968	5464	5940
28550	2454	3709	4454	4975	5473	5949
28600	2456	3714	4461	4982	5481	5958
28650	2459	3719	4467	4990	5489	5966
28700	2462	3724	4474	4997	5497	5975
28750	2465	3729	4480	5005	5505	5984
28800	2468	3734	4487	5012	5513	5993
28850	2471	3739	4494	5019	5521	6002
28900	2474	3744	4500	5027	5530	6011
28950	2476	3749	4507	5034	5538	6020
29000	2479	3753	4514	5042	5546	6028
29050	2482	3758	4520	5049	5554	6037
29100	2485	3763	4527	5057	5562	6046
29150	2488	3768	4533	5064	5570	6055
29200	2491	3773	4540	5071	5578	6064
29250	2494	3778	4547	5079	5587	6073
29300	2496	3783	4553	5086	5595	6081
29350	2499	3788	4560	5094	5603	6090
29400	2502	3793	4567	5101	5611	6099
29450	2505	3798	4573	5108	5619	6108
29500	2508	3803	4580	5116	5627	6117
29550	2511	3808	4587	5123	5635	6126
29600	2514	3812	4593	5131	5644	6135
29650	2516	3817	4600	5138	5652	6143
29700	2519	3822	4606	5145	5660	6152
29750	2522	3827	4613	5153	5668	6161
29800	2525	3832	4620	5160	5676	6170
29850	2528	3837	4626	5168	5684	6179
29900	2531	3842	4633	5175	5692	6188
29950	2534	3847	4640	5182	5701	6197
30000	2537	3852	4646	5190	5709	6205