

Massachusetts Child Support Guidelines: A Benchmark Analysis

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September 2000

Abstract

This article is a comparative analysis of the Massachusetts Child Support Guidelines. The analysis has been prepared to provide a benchmark in the upcoming review of Massachusetts child support guidelines.

The analysis compares Massachusetts guidelines with other states, in terms of child support orders produced by guideline formulae, and the methodology used in calculations. The analysis also compares Massachusetts Child Support Guidelines to Federally published statistics for Family Expenditures on Children.

The information presented here demonstrates that for situations involving one child the Massachusetts guidelines produce a support obligation that is far higher than other states, especially in higher income demographic segments. In these same situations, the Mass Guidelines are also higher than the amount suggested by federal guideline statistics on expenditures for raising children. Finally, it is shown that the formula behaves dynamically contrary to all known previous studies on family spending on children.

Introduction

Implementation of child support guidelines began in the 1980s. In 1984, the Federal Government passed legislation requiring all states to establish child support guidelines. In 1987, additional legislation was passed requiring family court judges to make a legal “finding” to vary from guidelines. Findings are a very high legal standard that is hard to achieve, and thus the guidelines are adhered to in virtually all situations.

Each state has its own guideline formula to determine how much child support should be paid in a given situation. The author had heard that Massachusetts has the highest child support guidelines in the nation. Some attorneys interviewed by the author as background for this article bolstered this point of view. However, each state seems to have their own constituency of child support payers that consider *their* state to have the highest guidelines.

In the upcoming months, Massachusetts will review their child support guidelines, to ensure adequacy and fairness. The goal of this article is to provide a benchmark by which the state can better understand its position with the rest of the country.

The article draws on data published over a five year period, 1995-1999. Although this may seem like a long period from which to base one article, it should be remembered that child support guidelines, and other information used for this article, have remained very stable over this period. The Massachusetts guidelines have remained virtually unchanged in over a decade.

The article makes numerous comparisons between spousal parties. Parties are referred to as “Non-Custodial Parent” (“NCP”) and “Custodial Parent” (“CP”), rather than “mother” and “father”. This convention was used because mothers and fathers can assume the role of either non-custodial or custodial parent.

This article would not have been possible without the generous review of some noteworthy experts¹.

Child Support Guidelines Formulae

In most cases child support guidelines were developed from two popular pre-existing modelsⁱⁱ. They are described briefly here.

1. **Income Shares** – This is the most widely used formula, currently adopted by 75% of statesⁱⁱⁱ. Under the income shares model, an amount of total child support is determined based on the age of the children and the combined income of the parents. Certain states use net income, while others use gross income. Support amounts are usually stated in tables that are incorporated into the statute. Each parent’s percentage share of their combined income is then determined and applied against the total annual support amount in the guidelines table. The Non-custodial parent’s share of the total child support amount is considered their child support obligation to be paid to the custodial parent^{iv}.
2. **Gross Income** – The Gross Income method stipulates a percentage that is applied to the gross income of the non-custodial parent to determine the child support obligation. The percentage used can vary depending on the age of the children, income of the parents, and other factors.

Each state has their own customized features in their application of child support guidelines. Massachusetts uses a variation of the Gross Income method that adjusts for custodial parent income over \$15,000. Some Gross income states use flat percentages, while others vary the percentage according to income.

Child support guidelines allow for variations in parental income, age of children, and number of children, to address specific family situations. The share of income between parents is usually considered in child support formulae, in both the Income Shares and Gross Income models. To compute child support, assumptions must be made for each of these variables.

Child support is separate and distinct from alimony. Alimony is tax deductible to the payer and taxable to the recipient. Child support is not deductible and is not taxable. Alimony is ordered in cases where spousal support is required. By definition, child support can only be ordered with the presence of children. Cases often involve both alimony and child support.

The child support order produced from each state's formula can vary dramatically based on the assumptions in any one case. Under a given set of assumptions, a state's formula might produce a result close to the median for all states. However, when one assumption is changed, that state may become an "outlier" and appear extreme. Assumptions for the number of children and level of parental income greatly affect how states compare to one another, and how they compare to child rearing cost statistics.^v

Available Studies on State Rankings of Child Support Guideline Orders

There are very few studies comparing child support guidelines across the nation. However, the following reports were located by the author. Each compares child support guidelines for all states:

1. Massachusetts Child Support Guidelines: The Hidden Agenda; 1995; Dr. Henry M. Fassler
2. Interstate Comparisons of Child Support Orders Using State Guidelines; 1998; Maureen A. Pirog, Professor of Public Policy Analysis, Indiana University
3. A Comparison of Child Support Awards Calculated Under States' Child Support Guidelines with Expenditures on Children Calculated by the U.S. Department of Agriculture; 1999; Laura W. Morgan, Senior Attorney for Family Law, National Legal Research Group, and Mark C. Lino, Senior Economist, U.S. Department of Agriculture.

Although the author cannot vouch for the integrity of all calculations of each study, a spot check and review was conducted. The author sent away for and obtained child support guidelines for all 50 states. A review of the calculations indicates that calculations for all three studies are consistent with guidelines obtained from each state, meaning that the author could at least come close to the obligation amount determined.

Each study calculated child support obligations by state, under various family scenarios. Each study had its advantages and drawbacks, based on their differing methodologies.

The Pirog study was not ideally suited to the focus of this article in that it dealt mostly with changes in child support guidelines over time, and was not focused on specifically comparing states child support orders (despite the title of the report). Additionally, the study only considered two-child scenarios.

The Morgan-Lino study used income level scenarios mapped directly to the US Department of Agriculture statistics for Family Expenditures on Children for 1998. An advantage of the study was that very few assumptions were made beyond what the guideline formula required. This allowed for a more direct comparison of the guidelines. Like the Pirog study, the Morgan-Lino study dealt only with two-child scenarios.

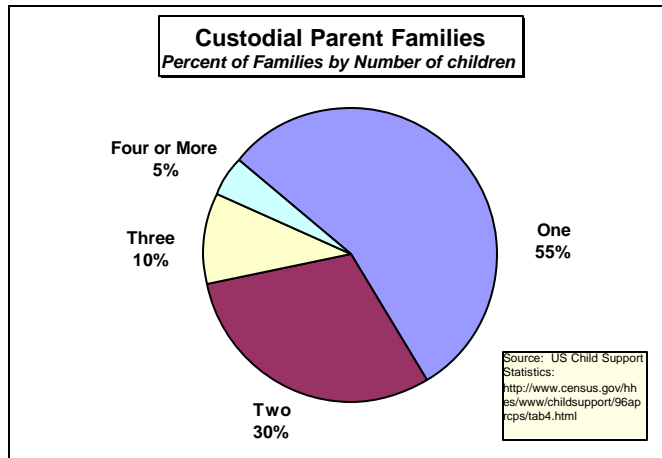
The Fassler study was limited in that it only considered one-child situations. Thus, results could not be extended to situations dealing with two or more children, and could not be compared directly to the other two studies located by the author. It could also be argued that Dr. Fassler, although a very bright person (he is a DMD) with a background in statistics, is not a nationally recognized authority on child support, as may be said for the authors of the other two studies.

The Fassler Study had advantages to the author's purposes for this article in that it focused on Massachusetts, and compared all 50 states. The study also offered a wide range of parental income scenarios, and in-depth documentation and data of how calculations were performed with the results. This allowed for more expanded analyses, which are dealt with later in the article.

The "number of children" assumption is clearly a critical factor. The US Census Bureau reported statistics on child support for 1996. There were 13.7 million custodial parents in the United States, 7.6 million of which involved cases where there was one child from the absent parent. 4.2 million families, or about 30%, involved two child situations. Thus, at a maximum, the Pirog and Morgan-Lino studies could only represent 30% of family situations that potentially involve child support.

This 30% is most certainly overstated. As the studies make additional assumptions necessary to compute child support obligations, such as family income and ages of children, the 30% figure must by definition decrease. The implication here is that one-child situations are by far more prevalent than two child situations (55% versus 30%).^{vi}

Both the Pirog and Morgan-Lino studies conclude that support orders per state guidelines



are too low. This conclusion, however, cannot be extended beyond the demographic scope examined by each of these studies, which deals exclusively with two-child scenarios. As stated previously, this is at most 30% of all potential child support situations in the United States. It could be argued that if only one scenario was chosen to be most representative of the country as a whole, it should be the one-child scenario, due to its greater prevalence within the population (55%).

Analysis^{vii}

The studies revealed a high degree of variation in state rankings depending on assumptions made in the computation of child support orders under state guidelines. For example, the Morgan-Lino study assumed three family scenarios as detailed below:

Morgan-Lino Assumptions			
Assumption (two children)	Case 1	Case 2	Case 3
Annual Gross Income of Father and Mother	\$21,600	\$46,100	\$75,000
Annual Net Income of Father and Mother	\$20,330	\$41,800	\$65,480
Father's % of Total	71%	73%	71%
Mother's % of Total	29%	27%	29%
Health Insurance premium for children	\$654/yr	\$1,080/yr	\$1,050/yr
Child Care Costs	\$1,522/yr	\$2,730/yr	\$3,510/yr
Non-reimbursed medical expenses	\$592/yr	\$685/yr	\$669/yr
<i>Massachusetts Percentile</i>	<i>4%</i>	<i>78%</i>	<i>88%</i>
<i>Massachusetts Rank</i>	<i>49th of 51</i>	<i>12th of 51</i>	<i>7th of 51</i>

For Case 1, a lower income scenario, Morgan-Lino's results show Massachusetts child support guidelines produce a child support obligation that was at the bottom of the range for all states. However, in the higher income scenario (Case 3), where gross family income was \$75,000 annually, Massachusetts was 7th. In other words, the Massachusetts support formula produces one of the lowest child support obligations for low-income families and one of the highest for high-income families.

The Pirog study calculated child support awards using the following assumptions^{viii}:

Pirog Assumptions			
Assumption	Case B	Case C	Case D
Monthly Gross Income - Father and Mother	\$1,200	\$2,500	\$4,400
Father Share	\$720	\$1,500	\$2,640
Mother Share	\$480	\$1,000	\$1,760
Father's Union Dues	\$30/month	\$30/month	\$30/month
Health Insurance for children (paid by Father)	\$25	\$25	\$25
Child Care Costs (paid by Mother)	\$150	\$150	\$150
<i>Massachusetts Percentile</i>	<i>35%</i>	<i>88%</i>	<i>96%</i>
<i>Massachusetts Rank</i>	<i>35th of 50</i>	<i>7th of 51</i>	<i>3rd of 51</i>

Again, changes in the assumed income of parents had a dramatic effect on the ranking of Massachusetts among state's child support guidelines. As with the Morgan-Lino study, Massachusetts' rank increased as higher incomes were assumed.

The Pirog and Morgan-Lino studies both assumed two-child scenarios, and were consistent in showing that Massachusetts' rank among states rose dramatically with increases in family income assumptions. In other words, as family income increases, the child support obligation rises more quickly for Massachusetts than for other states. This suggests that the Massachusetts formula behaves dynamically in a way that is at variance with the majority of other states.

The Fassler study dealt only with one-child situations. Rankings produced by the Fassler study are considerably different than those indicated by the Pirog and Morgan-Lino studies. Fassler found that Massachusetts was consistently ranked highest in all but one income scenario tested. The logical explanation here is that the one-child assumption causes the Massachusetts formula to behave differently relative to other states than under the two-child assumption. Scenario rankings for the Fassler study are as follows:

Summary of Fassler Results							
Non-Custodial Income	\$70,000	\$20,000	\$45,000	\$40,000	\$15,000	\$30,000	\$50,000
Custodial Income	\$30,000	\$15,000	\$30,000	\$15,000	\$15,000	\$30,000	\$50,000
Number of Children	1	1	1	1	1	1	1
<i>Massachusetts Percentile</i>	<i>100%</i>	<i>100%</i>	<i>98%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>
<i>Massachusetts Ranking</i>	<i>1st of 50</i>	<i>1st of 50</i>	<i>2nd of 50</i>	<i>1st of 50</i>	<i>1st of 50</i>	<i>1st of 50</i>	<i>4th of 50</i>

As the rankings indicate, the Fassler study concluded that Massachusetts had the highest child support obligations among all states, per the state guideline formulae. As stated previously, this result cannot be extended beyond the demographic assumptions of the study, which is limited to one-child situations.

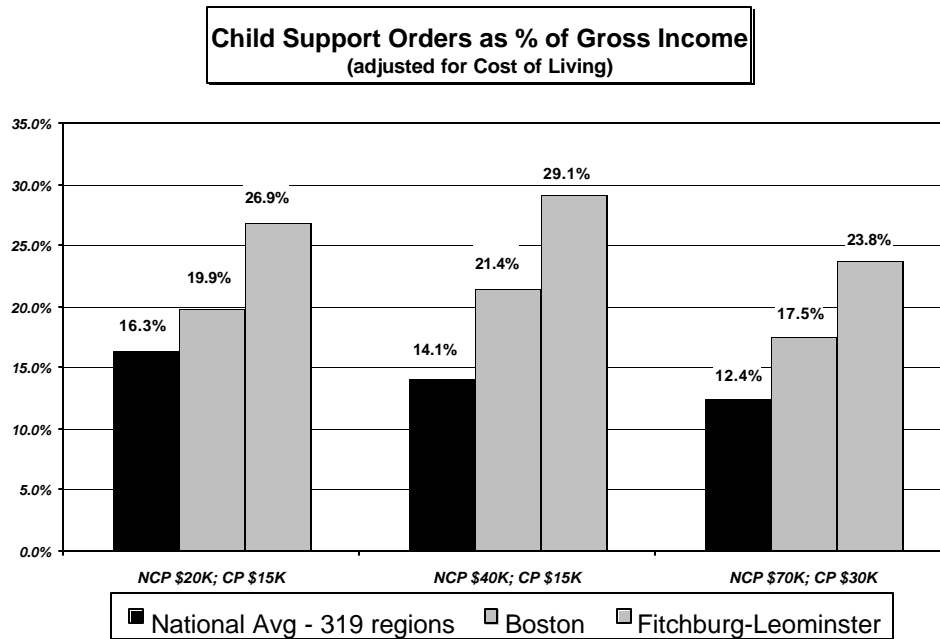
It should be emphasized that the average child support obligation for all 50 states under a given set of assumptions should not necessarily be considered the “fair” obligation that should be paid. Many who have studied child support guidelines feel that the prevailing models in use do not adequately determine what should be paid. As expected, some believe that child support levels are generally too high, and some believe levels are too low. The author does not address this question in this article.

Effects of Cost of Living (COL)

In reviewing the results of the Fassler study, the results were quite profound in showing Massachusetts as being much higher than the national average. However, this might be explained by the fact that Massachusetts is considered one of the most expensive areas in the nation to live. To see if the high cost of living in Massachusetts could explain the results of the Fassler study, the author adjusted Fassler’s results to normalize for variations in cost of living. If child support guidelines for each state were consistent with variations in cost of living, then normalizing the child support obligations computed for each state in the Fassler study should bring these amounts closer together. In a “perfect world”, all states child support obligations should be the same after being normalized for COL.

To adjust for these effects, state by state results of the Fassler study were adjusted for cost of living for 319 Metropolitan Statistical Areas (MSA) around the nation. In some cases states had more than one MSA. Massachusetts has two distinct MSA's, Boston and Fitchburg, for which statistics were available. By adjusting for the high cost of living in Massachusetts, it would be expected that child support obligations adjusted for COL would fall into line with the national average. Results of the Fassler study, adjusted for COL, are summarized in the chart below for three of the seven income scenarios in Fassler's study.

Cost of living information is not produced by the US Government. However, COL information is published by the American Chamber of Commerce Research Association^{ix}.



Indexes are provided quarterly, and stated as variations from a national average factor of unity (1.0). MSAs that are more expensive have Cost of Living Index (“COLI”) factors above 1.0, while relatively less expensive areas have factors less than 1.0. The factor for the

United States as a whole is 1.0. Major items included in the index include housing, food, and transportation.

State orders calculated by the Fassler study were adjusted up or down, based on the COLI for the various MSAs within their state. Typically, child support guideline formulae are defined at the state level, as opposed to multiple regions in each state having separate guidelines. Thus, they produce the same results across all towns in any given state.

Based on this analysis, it would appear that when the Fassler study results are normalized for cost of living, the Massachusetts guideline formula still yields a result far higher than the national average. This result holds for the Fitchburg-Leominster area, as well as more expensive Boston.

In terms of percentiles and rankings, Massachusetts registers at the top of the spectrum across 319 MSAs after being normalized for Cost of Living (see below).

Cost of Living Analysis Results			
Non-Custodial Income	\$70,000	\$20,000	\$40,000
Custodial Income	\$30,000	\$15,000	\$15,000
Number of Children	1	1	1
<i>Boston Percentile</i>	<i>96th</i>	<i>95th</i>	<i>100th</i>
<i>Boston Rank</i>	<i>13th of 319</i>	<i>16th of 319</i>	<i>2nd of 319</i>
<i>Fitchberg-Leomenster Percentile</i>	<i>100th</i>	<i>100th</i>	<i>100th</i>
<i>Fitchberg-Leomenster rank</i>	<i>1st of 319</i>	<i>1st of 319</i>	<i>1st of 319</i>

In summary, the cost of living argument cannot explain Massachusetts's ranking in Fassler's results.

Dynamic Analysis – Massachusetts, Connecticut, and New Jersey

To analyze the dynamic behavior of child support formulae, Massachusetts was compared with two other states to allow for a more thorough analysis of how guidelines behave under various scenarios. This analysis focuses on the variability in child support orders caused by variations in assumptions used in calculating child support using state formulas.

New Jersey and Connecticut were chosen as states to compare to Massachusetts. These states were chosen because they used Income Shares guideline formulas, were similar in size to Massachusetts, and had suburban populations near large northeast cities.

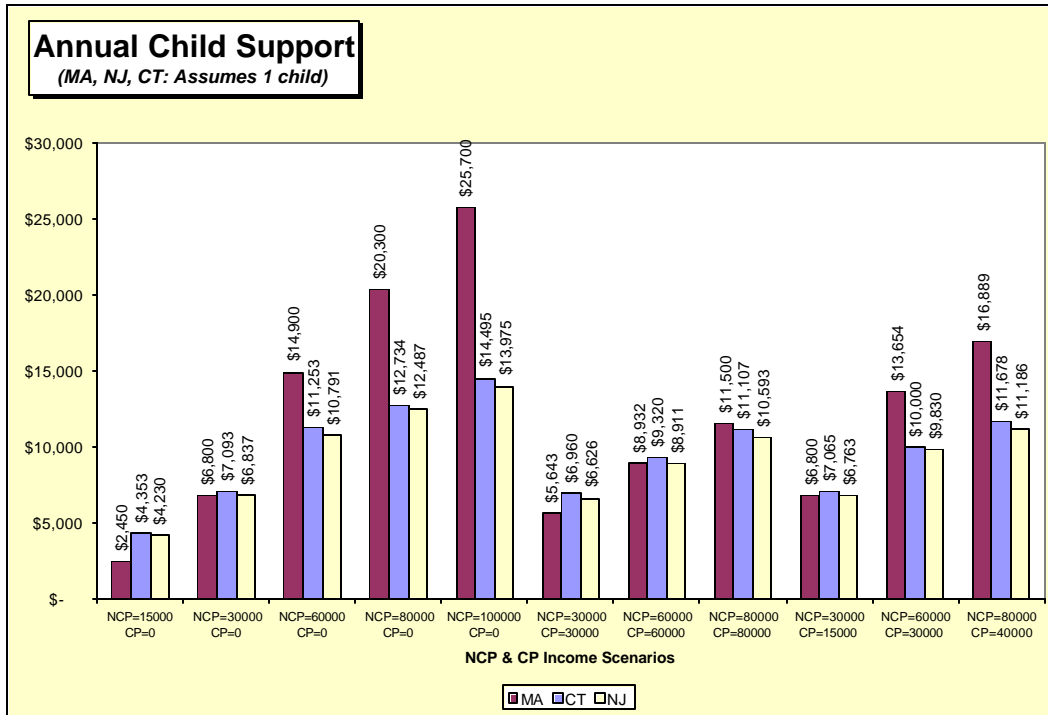
Conclusions from a comparison of these states should not be construed or extended to national conclusions, and the author acknowledges that other states could have been chosen. However, this comparison will show how the Massachusetts formula behaves dynamically relative to two other states where the income

Annual Gross Income	
Non-Custodial	Custodial
\$ 15,000	\$ -
\$ 30,000	\$ -
\$ 60,000	\$ -
\$ 80,000	\$ -
\$ 100,000	\$ -
\$ 30,000	\$ 30,000
\$ 60,000	\$ 60,000
\$ 80,000	\$ 80,000
\$ 30,000	\$ 15,000
\$ 60,000	\$ 30,000
\$ 80,000	\$ 40,000

shares formula is used for computing child support orders, which is the prevalent model used by states.

Eleven different income scenarios were selected for the comparative analysis. One, two and three child scenarios were run for each income level, for 33 scenarios. The income scenarios are shown here for reference.

The first five income scenarios were chosen to show a one-bread-winner family, where the non-custodial parent earned as little as \$15,000 per year or as much as \$100,000 per year, and the custodial parent earned no income.



The six remaining scenarios included three situations where both parents earned the same amount and three other scenarios where the non-custodial made exactly twice the level of the custodial parent. A range of salaries was chosen for scenarios six through eleven.

Analysis - Dynamic Comparison

In some scenarios, the results were remarkably similar. In situations where the Non-custodial parent earned \$30,000, or in situations where the non-custodial and custodial parents earned equally the same amount, child support orders were almost the same. When

the non-custodial parent earned \$15,000 and the custodial had no income, Massachusetts was actually *lower* than the other two states.

However, under scenarios where the non-custodial parent earned \$60,000 or more, child support orders calculated for Massachusetts were far higher than for Connecticut and New Jersey, in some cases by over 70%. This trend was more dramatic for one-child situations and the disparity of results also increased as non-custodial parent income increased. Note that these results are consistent with results published by Fassler, Morgan-Lino, and Pirog.

The main reason for this tendency is that the income shares method employed by New Jersey and Connecticut identifies a level of child support that decreases as a percentage of income, as income rises. As income rises, the percentage of total parental income that is spent on behalf of children decreases.

The chart above shows graphically the results of the Massachusetts, Connecticut, and New Jersey Comparison for the one-child scenario.

Spending on Children as Percent of Family Income

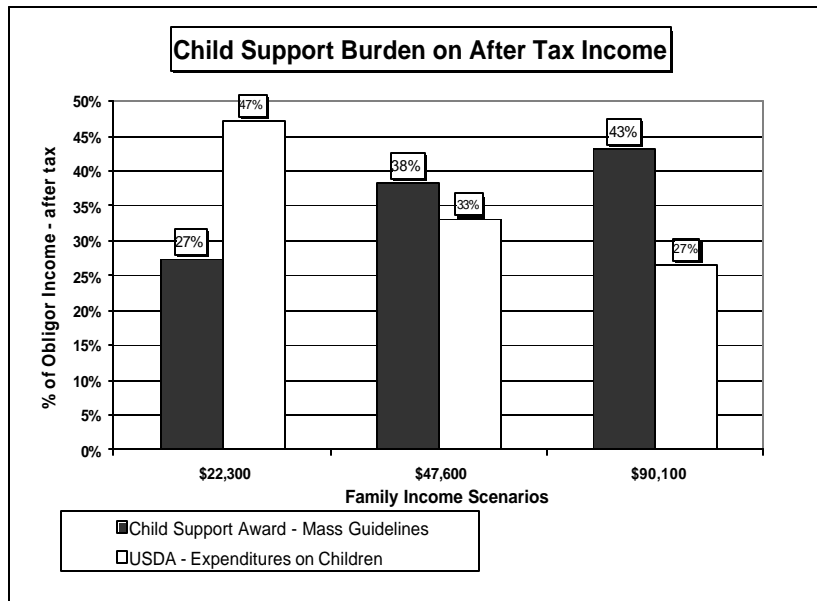
The concept that child-rearing costs decrease as a percent of total income when incomes rise is not new. Annual estimates produced by the USDA, as well as the study by Betson, show that the percentage of income spent on children decreases as income increases. These studies, and this concept, have been widely cited and will not be repeated here in detail.

Connecticut recognizes this concept, and has documented this as part of their child support guidelines^x:

“Economic evidence establishes that the proportion of household income spent on children declines as household income increases. This spending pattern exists because families at higher income levels do not have to devote most or all of their incomes to perceived necessities. Rather, they can allocate some proportion of income to savings and other non-consumption expenditures, as well as discretionary adult goods.”

By contrast, the Massachusetts formula produces a result that increases as family income increases. This is compounded by the effect of taxes. As taxable income increases, marginal tax rates rise, thus decreasing net income. Thus, as income increases, the percentage burden on the after-tax income of the non-custodial parent increases due to increasing marginal tax rates at higher income levels.

The chart below presents a comparison of child support obligations using Massachusetts guidelines to after tax income, and shows that the Mass formula is in contravention with studies on family spending.



Family income scenarios used in this analysis were taken directly from the United States Department of Agriculture's estimates of Family Expenditures on Children, which are shown here for reference and discussed in the next section. The chart shows that while the USDA estimates of family spending on children *decrease* as a percent of income, the Massachusetts child support guidelines *increase*.

Massachusetts versus Federal Statistics on Child Spending

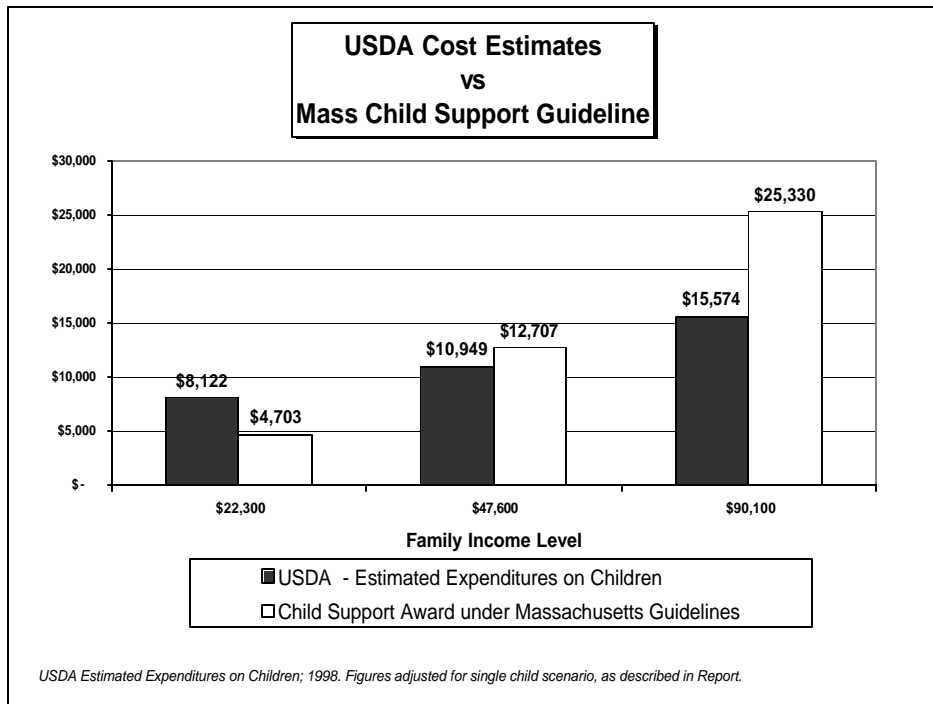
Each year, the United States Department of Agriculture publishes "Family Expenditures on Children". These statistics are published as a context to be used by states when reviewing their child support guidelines.

The statistics take into account various expenses incurred by families, including housing, transportation, food, entertainment, and other items. The USDA statistics are produced to depict costs of raising children at various income levels, and in various regions of the country.

The statistics and the methodology used to derive them lead to many issues beyond the scope of this article. The author does not endorse or challenge the methodology used to derive these statistics, but merely notes that they are accepted in their use by states to review the adequacy of state child support guidelines. That being said, it is an appropriate part of this analysis to compare the Massachusetts guidelines with the USDA statistics.

The Morgan-Lino study used these statistics to compare child support guideline orders to the USDA's child rearing costs, looking at individual states. Statistics published for 1998

were used in the study, and are used here for comparability. As noted earlier, Morgan-Lino calculated child support obligations under three family income scenarios, which were the same as the income scenarios published in the USDA statistics. The Morgan-Lino analysis assumed a two-child scenario throughout. The major conclusion of the study was that child

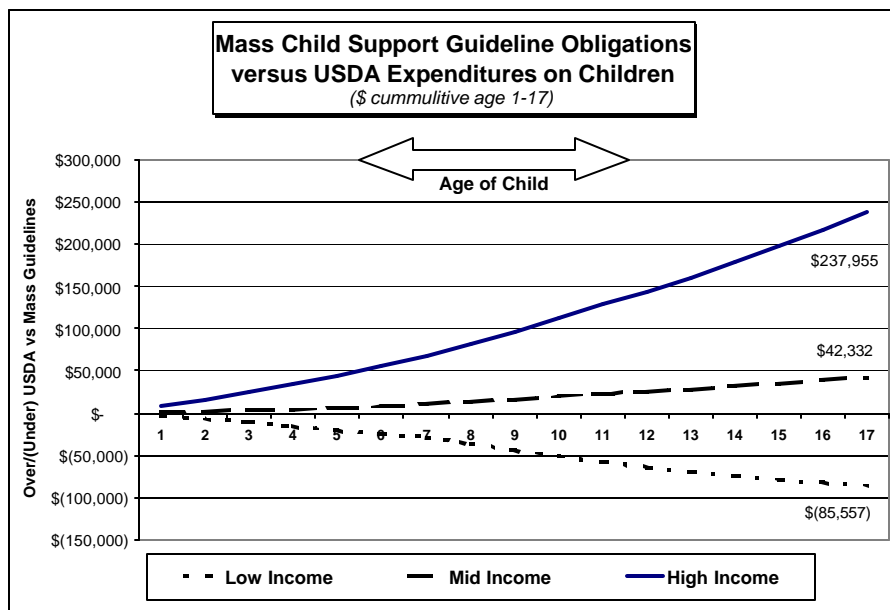


support guidelines in almost all states yielded support obligations that were not adequate to cover the costs of raising children based on the USDA statistics.

Rather than replicate the Morgan-Lino study, the author ran numbers for one-child scenarios, at the same three income scenarios published by USDA and used by Morgan-Lino. The results were distinctly different from those of Morgan-Lino, and are presented graphically here.

To demonstrate this point, in the USDA scenario for family income of \$90,100, family expenditures on one child are estimated to be \$15,574. However, if we assume family income equal to \$90,100 and use the Massachusetts child support guidelines, the child support order is \$25,330, or 63% higher than the USDA statistic - - no small difference. Note that the pattern in this analysis is consistent with all three studies compared in this article: that Massachusetts child support obligations rise faster than other states as incomes rise.

USDA statistics for Family Spending on Children are produced for annual periods representing the first 17 years of a child's life. Over the first 17 years of a child's life, the amount of child support required under Massachusetts guidelines can vary significantly from the USDA's estimated expenditures on raising children when measured on a cumulative basis.

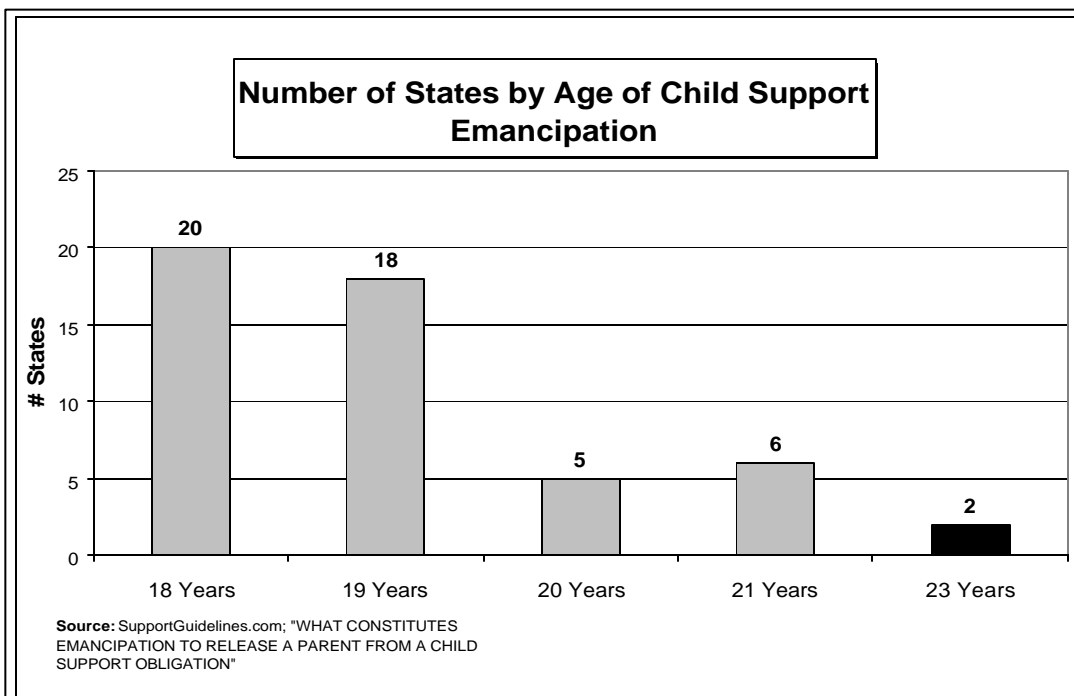


The author compared child support obligations under the Massachusetts guidelines to USDA statistics published for 1999^{xi} for the first 17 years of a child's life. In the lowest income scenario child support obligations fall \$85,557 short of covering expenditures, as estimated by the USDA. However, in the highest income scenario the reverse situation occurs: Child support obligations exceed estimated expenditures by \$237,955 over a child's first 17 years.

This is significant because the USDA estimates are published as a benchmark for states to use in reviewing child support guidelines. Further the above amounts are in fact understated, because child support in Massachusetts can be ordered until a child turns 23, which is six years beyond the age covered by the USDA statistics.

Age of Children

No child support comparison study would be complete without a comparison of the age at which child support is no longer required. Each state has laws stipulating how old a child must be to reach the age of “emancipation”, at which point child support stops. Although not directly part of guidelines formulae, it is an important aspect of child support law that says under what circumstances child support must be paid. Therefore, as part of the comparison of state guidelines, it is appropriate to compare this factor.



About 75% of states consider that when children reach the age of 18 or 19, child support terminates. In Massachusetts, the court may require that child support be paid until a child

reaches the age of 23, depending on whether a child attends college. The theory is that if a child is attending college, the custodial parent still must support the child because they are still in school and have not entered the workforce yet. Massachusetts and Hawaii are the only two states that can require child support until age 23.

It should be noted that by age 23, a “child” has been able to vote and participate in military service for 5 years. It is widely considered that anyone over the age of 21 has reached the age of majority, and many define majority at age 18.

Stepfamily Dynamics

Family situations often change after a court orders child support. Almost half (46%) of all marriages are remarriages. In about 65% of those remarriages, one or both partners brought children from a prior relationship and thereby formed stepfamilies. The couple may also have children in this new marriage.

Further, when divorced parents remarry, it usually occurs within a very short period time, usually less than one year. Hence, the circumstances under which child support was determined only lasts for a short period.

To analyze the effect that child support has on stepfamilies the author created a scenario of two families. It was assumed that each family was the same size, and had the same income:

- Both families have two spouses and one child.
- Spouses in each household had the same income as the spouses in the other comparable household. There were three different income scenarios:
 - One Breadwinner in each family
 - All four spouses earned the same amount
 - One Spouse earned twice the other spouse

The household income scenarios for the analysis were based on the middle income level scenarios published in the USDA's "Expenditures on Children by Families" for 1999.

- Both families paid the same in taxes, and FICA.

The single difference between the two hypothetical families was that one family (the "Non-Custodial Family") paid the other family (the "Custodial Family") child support for the one

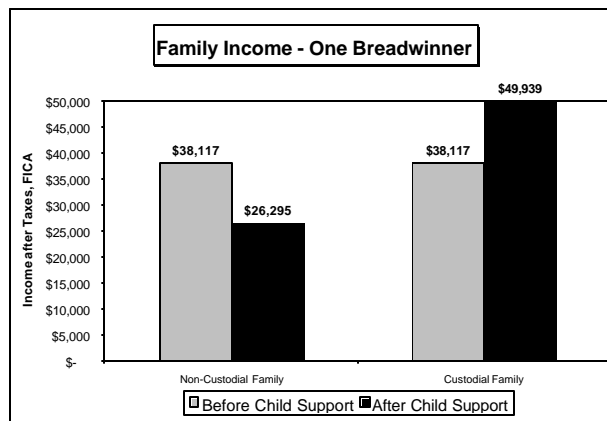
child on the Custodial Family's household. Massachusetts guidelines were used to calculate child support payments.

The one breadwinner scenario represents a traditional family structure in which one spouse works and the other spouse stays at home to take care of the child. The second scenario depicts a two-earner family, which has become common today. Note that in this case, each family would most likely need to pay for childcare. Childcare costs have not been factored into the analysis. The incremental effect of childcare costs would be to increase child support paid by the non-custodial family to the custodial family. This is because childcare expenses reduce the custodial parent's income for purposes of the formula, and hence reduces the downward adjustment to the child support obligation.

The last scenario might represent a family where one spouse works part time.

Analysis

Due to the symmetrical nature of the assumptions, paying child support produces a decrease in after tax income available to support the non-custodial family equal to the increase experienced by the custodial family. In the case where there was one breadwinner earning for the



breadwinner earning for the family, the effect of child support was dramatic on the two households.

The after tax income available to the non-custodial family dropped by 31%, while the after tax cash available to the custodial family increased by 31%. When these effects are combined, the custodial family's after tax income available for living expenses is 90% higher than that of the non-custodial family. This does not reflect the added cost the non-custodial family must incur for visitations, and other "add-ons". In effect, for two families earning the same amount and supporting the same number of children, the Massachusetts Child Support Guidelines produces a result that favors one family by at least 90% over the other. Both spouses in the non-custodial family would clearly have to work in order to maintain their standard of living.

The results for all three scenarios are summarized in the table below.

Family Scenario	Percentage by which custodial family after-tax income exceeds that of non-custodial family after-tax income
One Breadwinner	90%
All four spouses earn same amount	18%
One spouse earns twice other spouse	46%

The reader should recall that for the second two scenarios, there would most likely be childcare expense. The effect of childcare expense in the analysis would increase the percentages above.

Discussion and conclusions

Based on information obtained by the author, and analysis using this information, the following conclusions are supported:

- In family situations involving one child, Massachusetts child support guidelines produce a result that is far higher than virtually all other states. This disparity increases as family incomes increase, and is especially dramatic for family incomes over \$60,000. The author demonstrates that this disparity cannot be explained by the relatively high cost of living in Massachusetts.
- The author demonstrates that the Massachusetts child support guidelines produce presumptive awards that do not reflect commonly accepted patterns of family spending on children:
 - ⇒ For cases involving one child the Massachusetts guidelines produce presumptive awards that greatly exceed estimated family spending on children as reported annually by the United States Department of Agriculture, especially as family income exceeds \$47,000. For cases involving more than one child, this same disparity emerges, but is not as pronounced as with one-child cases. Further, the observed disparity widens continuously as income rises. These observations imply that the Massachusetts guidelines do not reflect commonly accepted spending patterns on children, as determined by numerous studies, including the USDA.

- ⇒ In low-income scenarios the Massachusetts guidelines produce a result that does not meet USDA family spending on children. Again, this implies that the Massachusetts guidelines do not reflect commonly accepted spending patterns on children, as determined by numerous studies, including the USDA.
- ⇒ The Massachusetts guidelines produce a result that increases (as a percentage of after-tax income) as income rises. This is inconsistent with previous studies of costs of child rearing, as well as the USDA estimates, and provides further evidence that the Massachusetts guidelines are not based on commonly accepted patterns of child rearing costs.
- Massachusetts is one of only two states that require child support to be paid until a child reaches the age of 23, if that child elects to go to college.
 - The effect of child support on stepfamilies is dramatic, and stepfamily situations are not addressed in the Massachusetts child support guidelines. For one-breadwinner families, the analysis presented by the author suggests that stepfamily households receiving child support are favored by up to 90% over stepfamilies paying child support.
 - In comparing the Massachusetts child support guideline formula with other states, the author found that Massachusetts has one of the simplest formulae among all 50 states – Perhaps *the* simplest. Most states require parents to collect a variety of facts on their family configuration, such as visiting time, income taxes, presence of other children, and other such real-life factors. Multiple tables are used by parents to look up the presumptive award that reflects their situation.

The Massachusetts formula is exceedingly simple, and is contained on one sheet of paper, while most states provide booklets of explanation and multiple tables to handle the wide variety of family situations.

The author acknowledges that the Massachusetts guidelines are easy to use because they are exceeding simple. However, it would appear that the Massachusetts formula might be too simple to handle the variety of family situations experienced by most child support cases.

The Author

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ⁱ The author would like to thank the following individuals for reviewing drafts of this article:

- R. Mark Rogers, Economist, Federal Reserve Bank of Atlanta, and Commissioner, Georgia Commission on Child Support.
- Mark Lino, Senior Economist, United States Department of Agriculture.
- John A. Lippitt, Research Associate, Early Childhood Policy Group, Family and Child Policy Center, Heller School, Brandeis University
- Marjorie Engels, Phd, President, Stepfamily Association of America.

The help of these individuals was greatly appreciated.

ⁱⁱ A third formula, the Melson formula, is used by three states. The Melson formula is a derivative of the Income Shares Model, the three states using Melson were counted as Income Shares states.

ⁱⁱⁱ I. Robert G. Williams, Development of Guidelines for Child Support Orders: Final Report, U.S. Department of Health and Human Services, Office of Child Support Enforcement, March 1987.

^{iv} See Williams work on development of Income Shares Method.

^v For a more in depth discussion of the various child support guideline models in use, please see “How Wisconsin-Style Child Support Guidelines Violate Mainstream Economic Theory and Empirical Research: Georgia as an Example”, November 1998, by Mark Rogers. Mr. Rogers is an economist with the Federal Reserve Bank of Atlanta.

^{vi} It should be noted that the census statistics do not indicate whether the spouse not present is known. Knowledge of the non-present spouse is necessary for a child support order to be obtained.

^{vii} The Massachusetts guideline formula indicates that for family incomes over \$100,000, or where the non-custodial parent earns in excess of \$75,000, the minimum award should be calculated at this threshold level. However, in interviews with attorneys experienced with family court practices, and with individuals who have been processed by the family court system, the tendency is for judges to apply the formula to all income,

unless the income is grossly in excess of the threshold. Thus, the author assumed that the formula would apply to situations above the threshold, as well.

^{viii} Pirog's study also included a Case A, which was not included because it did not provide results for Massachusetts.

^{ix} Cost of Living Index numbers are published quarterly by the American Chamber of Commerce Research Association. The normalization calculations were run using ACCRA COLI data for 1997, third quarter. American Chamber of Commerce Research Association, 4232 King Street, Alexandria, VA, 22302-1507.

^x Source: "Child Support and Arrearage Guidelines" published by State of Connecticut, and Issued by the Commission for Child Support Guidelines.

^{xi} Note that 1998 statistics were used in the first part of the analysis so that it would be comparable to the Morgan-Lino study. In the "Cumulative" analysis, the newer 1999 statistics were used. Results using either years statistics would support conclusions stated here.