

**Child Support and Financial Stability Strategies:
Understanding Financial Goals and Habits of Texas Child Support
Customers**

Office of the Attorney General – Child Support Division

Family Initiatives Section

March 2012



ATTORNEY GENERAL OF TEXAS

GREG ABBOTT

CHILD SUPPORT DIVISION

Funding for this project was provided by the U.S. Department of Health and Human Services, Administration for Children and Families, Grant Number 90FD0169. Any opinion, findings, and conclusions, or recommendations expressed in this material are those of the author(s) and do not necessarily reflect the views of the U.S. Department of Health and Human services, Administration for Children and Families.

Table of Contents:

Introduction.....3

Key Findings.....4

Methodology.....5

Results.....6

Demographics.....6

Case Demographics.....6

Participant Demographics.....7

College Savings for Children8

Desire for Financial Stability Services10

Interest in Default Savings Option13

Frequent Use of Alternative Financial Services14

Multiple Obstacles to Saving17

Conclusion.....19

Appendix – Survey Questions20

Introduction

The Texas Office of the Attorney General - Child Support Division (OAG-CSD) received an Office of Child Support Enforcement Section 1115 demonstration grant (Grant Number 90FD0169) to connect services promoting financial stability to families in the child support program. The goal of the OAG-CSD Building Assets for Fathers and Families initiative is to strengthen Texas families' long-term financial stability and provide parents in the child support program increased access to asset development opportunities.

Financial stability services (often referred to as asset-building services) help individuals and families deal with debt, develop money management skills, save for the future and build a financial cushion to avoid poverty. Examples of financial stability programs include access to low-cost loans, financial coaching/counseling from expert financial planners and incentives to establish savings accounts. These programs aim to promote the creation of personal financial safety nets and future success to those who are struggling to make ends meet.

While numerous reports document the financial habits of low-income families and individuals, very little exists to describe financial habits and goals specific to parents in the child support system. As part of the Building Assets for Fathers and Families (BAFF) initiative, the OAG-CSD developed and conducted a brief survey of custodial and noncustodial parents' past use of various financial services, future financial goals and interest in a range of financial stability opportunities. The survey provides the first baseline look at the financial habits of parents in the child support system and gives an indication of potential financial stability strategies that would be most attractive to child support customers.

The survey intentionally focused on collecting information from lower-income parents in the child support caseload (those most likely to benefit from financial stability services) and included an oversample of parents with current or previous receipt of public assistance. A review of survey responses indicates that this sampling methodology was successful in gathering responses from lower-income parents, and especially so for noncustodial parents. Though the sample size of the survey limits the ability to perform subgroup analysis, the data provide a clear picture of the desire of parents in the child support system. Parents with child support cases in Texas want to save for their children's education and achieve financial goals that will improve their families' financial situation. They also struggle to make ends meet and frequently must rely on alternative financial services to manage cash flow issues. The findings from this report will help guide efforts of the OAG-CSD and other Texas financial-stability practitioners in promoting financial success for child support customers.

Key Findings

- **College Savings for Children** - Custodial and noncustodial parents have a strong desire to save for their children’s future educational endeavors – and an overwhelming majority of parents surveyed expressed interest in establishing a “shared” college savings account for their children, one in which both parents could jointly contribute.
- **Desire for Financial Stability Program Services** - Custodial and noncustodial parents have high goals and aspirations for themselves and their families that align with financial stability strategies. Parents express interest in participating in financial stability programs to achieve these goals, pointing to opportunities for increased collaborations.
- **Interest in Default Savings Option** - Custodial parents express interest in having a portion of their child support payment deposited automatically into a savings account each month. Given the large number of custodial parents who receive child support payments on stored value cards (debit cards), this response indicates an ideal opportunity to pilot automatic savings options as a new feature of government-issued cards for child support customers.
- **Frequent Use of Alternative Financial Services** - The use of financial services varies greatly depending on the parent’s legal role for their child. Two-thirds of noncustodial parents (NCPs) and roughly one-third of custodial parents (CPs) participating in the survey appeared to be un- or underbanked. While most CPs report use of traditional or “primary” financial services such as banks and credit unions, a significant proportion also report using payday, tax refund anticipation or pawn loans in the past six months. Noncustodial parents responding to the survey appear to be much less likely to use *any* kind of financial service; many rely on friends or family for financial services. The limited use of mainstream financial services highlights the opportunity for financial stability programs to work with parents to expand access to banks and credit unions for financial services.
- **Multiple Obstacles to Saving** - The obstacles reported most by CPs and NCPs alike as an inhibition to saving were Bills/ Living Expenses, Child Support and Employment. “Child Support” as an obstacle to saving obviously plays out differently for CPs and NCPs – but in both cases it points to the opportunity for child support programs to link parents with additional services to help them manage their money, meet their financial responsibilities and take steps toward achieving financial self-sufficiency.

Methodology

The OAG-CSD selected a random sample of current child support customers to survey. Cases where the custodial parent was an active or former TANF recipient were oversampled to assure sufficient representation from parents likely to be low-income, typical customers targeted for financial stability programs and services.

Graduate-student research assistants contracted by the OAG-CSD attempted phone surveys with 1,192 child support customers. Research assistants conducted calls at three distinct times – morning (9 a.m. to noon), afternoon (1-3:30 p.m.) and evening (6-8 p.m.). Respondents willing to participate in the survey were asked a series of roughly 20 questions about their financial habits and goals. In total, research assistants completed surveys with 118 customers (9.89% response rate). The majority of attempted phone calls were incorrect or inoperable phone numbers (72%). Of those calls where an individual answered the phone (329), the response rate was 35.8 percent.

Research assistants asked the same questions of custodial and noncustodial parents, save a few questions that apply only to child support recipients (custodial parents). Information about the child support case – recent payments, arrears and amount of current child support obligations – was collected from child support administrative data to provide an understanding of case specific issues that may affect the response. The appendix contains a copy of the survey.

Analysis included basic descriptive statistics and correlations to understand the frequency and occurrence of responses based on respondent characteristics. There were very few correlations with significance, given the small sample. Differences in responses depended on the parent type (custodial or noncustodial). For clarity and statistical accuracy, this report focuses on the frequency of responses based on a respondent's classification as custodial parent (CP) or noncustodial parent (NCP). A custodial parent has primary physical custody of a child; a child lives with and receives primary care from his or her custodial parent. A noncustodial parent has secondary custody of a child; this parent often has visitation rights, authority in some decisions concerning the child's health and well-being and access to the child's school, medical and other personal records.

A review of child support case data of respondents completing the survey revealed that all noncustodial parents were associated with a custodial parent that was a current or former recipient of TANF, Medicaid or both. This is a significantly higher percentage than NCPs in the entire Texas IV-D caseload¹ - where 68.2 percent are associated with a current or former recipient of public assistance. In general, NCPs associated with public assistance cases have much lower incomes than those attached to cases without assistance and the survey data gathered in this report bear out that finding.

The findings from this study highlight opportunities to connect child support customers with financial stability strategies. The report should not, however, be used to generalize beyond child support customers in Texas. The goal of this study was to help begin the conversation on how child support customers use financial services, and provide a touchstone for the work of the OAG-CSD over the next few years. More research is needed to understand the potential for national programs integrating child support and financial stability services.

Results

Demographics

Two different sets of demographic information were available from the survey respondents – case demographics and survey participant demographics. Case demographics (from child support administrative records) provide information on the child support order at the time of the survey, the amount of child support and medical support owed, recent payments, TANF and Medicaid use, and outstanding arrears. Participant demographics (collected from the survey responses) reveal household income, level of educational attainment, race/ethnicity, household size and other information not captured in administrative records. Each data set provides insight into the custodial and noncustodial parents who participated in the survey.

Case Demographics

Child support case demographic data is collected by the Child Support Division to track use of government benefits and set appropriate child support orders. This data shows that the majority of parents who completed surveys were more likely to currently use or have used public assistance (or, in the case of NCPs, be associated with a parent who uses or used assistance) than the general child support case load. This case level data points to the likelihood that the effort to oversample low-income parents was successful and the survey will be more representative of lower-income parents in the child support caseload.

Receipt of TANF or Medicaid				
	NCPs & CPs completing survey	CPs completing survey	NCPs completing survey	Total child support caseload
No History of Assistance	11.9%	26.4%	0%	31.8%
Current Assistance (TANF or Medicaid)	72.9%	54.7%	87.7%	45.1%
Former History of Assistance	15.3%	18.9%	12.3%	23.1%

Figure 1

Figure 1 reveals that, of parents completing the survey, only 26.4 percent of custodial parents have never received any public assistance and none of the responding NCPs were associated with a never assistance case. It is striking that 72.9 percent of NCPs were associated with a case in which the custodial parent was currently receiving either TANF or Medicaid¹.

In addition to the case data on public assistance use, the average arrears (unpaid child support) on the cases of survey respondents was approximately \$22,000, almost twice as high as the average arrears (\$12,279) of all cases in the Texas child support caseload. The high arrears balances indicate substantial periods of non-payment (often due to unemployment), which is another case data marker that the survey did successfully oversample low and very low-income parents in the IV-D caseload.

¹ It is important to note that NCPs in the survey may have multiple cases and one or more of those cases may involve public assistance.

Participant Demographics

The demographic data provided by parents completing the survey provides a broader range of information about their characteristics than is available through a review of child support administrative records. The following figures compare selected participant demographic data with U.S. Census Bureau data on Texas residents, where applicable. In general, survey participants have lower educational attainment and lower incomes than the average Texan and are more likely to be unmarried and Latino or African American.

Educational Attainment				
	CPs & NCPs completing survey	CPs completing survey	NCPs completing survey	Census estimates for Texas
Did not attend high school	6.0%	1.9%	9.4%	9.7%
Attended high school but no diploma	17.9%	9.4%	25.0%	9.6%
High school graduate or GED	34.2%	30.2%	37.5%	25.6%
Some college but no degree	24.8%	32.1%	18.8%	22.8%
Associates degree (includes technical certificate)	10.3%	15.1%	6.3%	6.3%
College graduate	6.8%	11.3%	3.1%	17.3%
Advanced degree	0.0%	0.0%	0.0%	8.6%
Total	100%	100%	100%	100%

Figure 2

Participants have lower educational attainment, on average, than the general population of Texas. According to the U.S. Census Bureau, less than half of Texas’ population (44.9%) has a high school degree or less; about one-third of the population (32.2%) has an associate degree or higher. Only 17.1 percent of those in the survey have an associate degree or higher. More than half of the survey participants report having a high school degree (34.2%) and some college experience (24.8%). There is a marked difference in education levels between custodial and noncustodial parents completing the survey, with CPs having substantially greater levels of education than NCPs.

Household Income			
	CPs & NCPs completing survey	CPs completing survey	NCPs completing survey
Under \$10,000	25.6%	21.2%	29.2%
\$10,000 - \$19,999	25.6%	25.0%	26.2%
\$20,000 - \$29,999	19.7%	21.2%	18.5%
\$30,000 - \$39,999	13.7%	7.7%	18.5%
\$40,000 - \$49,999	6.0%	11.5%	1.5%
\$50,000 - \$59,999	3.4%	5.8%	1.5%
\$60,000 - \$74,999	0.9%	0.0%	1.5%
\$75,000 - \$99,999	4.3%	5.8%	3.1%
\$100,000 and over	0.9%	1.9%	0.0%

Figure 3

More than two-thirds (70.9%) of the respondents have earnings of less than \$30,000 a year (Figure 3). Compared to the inflation-adjusted Texas median household income of \$50,826 from the U.S. Census Bureau, the respondents represent much lower-income households. These low earning figures are reinforced by the child support case level data that indicated survey respondents were much more likely to use or have used public assistance.

Other Demographics of Survey Participants				
	NCPs & CPs completing survey	CPs completing survey	NCPs completing survey	Census estimates for Texas
Age				
Mean	34.3	34.5	34.1	33.4
Marital Status				
Married	27.4%	26.9%	27.7%	53.3%
Unmarried	72.6%	73.1%	72.3%	46.7%
Household Count				
Mean	3.5	3.9	3.2	2.8
Language				
English	95.8%	100.0%	92.3%	65.8%
Spanish	4.2%	0.0%	7.7%	29.2%
Sex				
Male	51.7%	1.9%	92.3%	49.6%
Female	48.3%	98.1%	7.7%	50.4%
Race/Ethnicity				
Hispanic or Latino	38.1%	30.2%	44.6%	37.6%
White	23.7%	37.7%	12.3%	45.3%
Black or African American	38.1%	32.1%	43.1%	11.8%

Figure 4

The majority of respondents are unmarried, English-speaking people of color in their mid-thirties who are living with another adult and two children in their home. More than three-quarters of the respondents are Hispanic or Latino (38.1%) and Black or African American (38.1%). The respondents are overwhelmingly English-speakers (95.8%), more so than the general population in Texas (65.8%). Almost three-quarters (72.6%) of the respondents are unmarried, significantly higher than 53.3 percent of Texans who are unmarried. Noncustodial parents are slightly less likely than custodial parents to be unmarried (72.3% unmarried, 27.7% married).

College Savings for Children

Custodial and noncustodial parents ranked saving for their child’s future educational expenses as a highly worthy financial goal. Despite the fact that the parents are no longer in a romantic relationship, *a majority of respondents expressed a willingness to save together for their child’s future educational expense*. If this expressed support for educational savings can be met with financial services, the child support system could

prove to be an important access point to reach parents for promotion of college savings accounts and other savings activities that create long-term financial self-sufficiency.

An overwhelming majority of custodial (94.3%) and noncustodial (72.3%) parents ranked saving for their child’s future educational expenses as important for their families’ financial goals. Figure 5 highlights responses by custodial and noncustodial parents when asked to rank this goal.

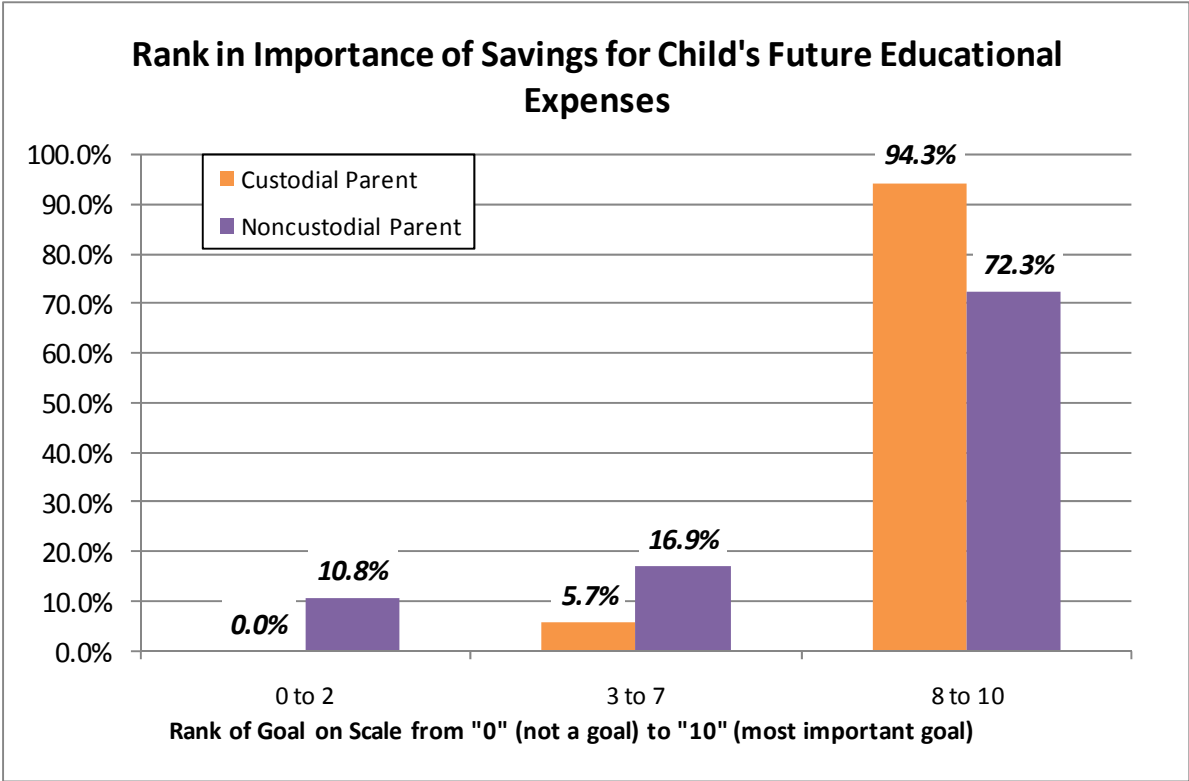


Figure 5

In addition to college savings being an important goal for parents, custodial (81.5%) and noncustodial (61.5%) parents expressed interest in contributing to a “shared” educational savings account for their child (Figure 6). This finding seems to overshadow potential conflicts and reveals that parents still value the shared commitment of helping their child achieve educational success.

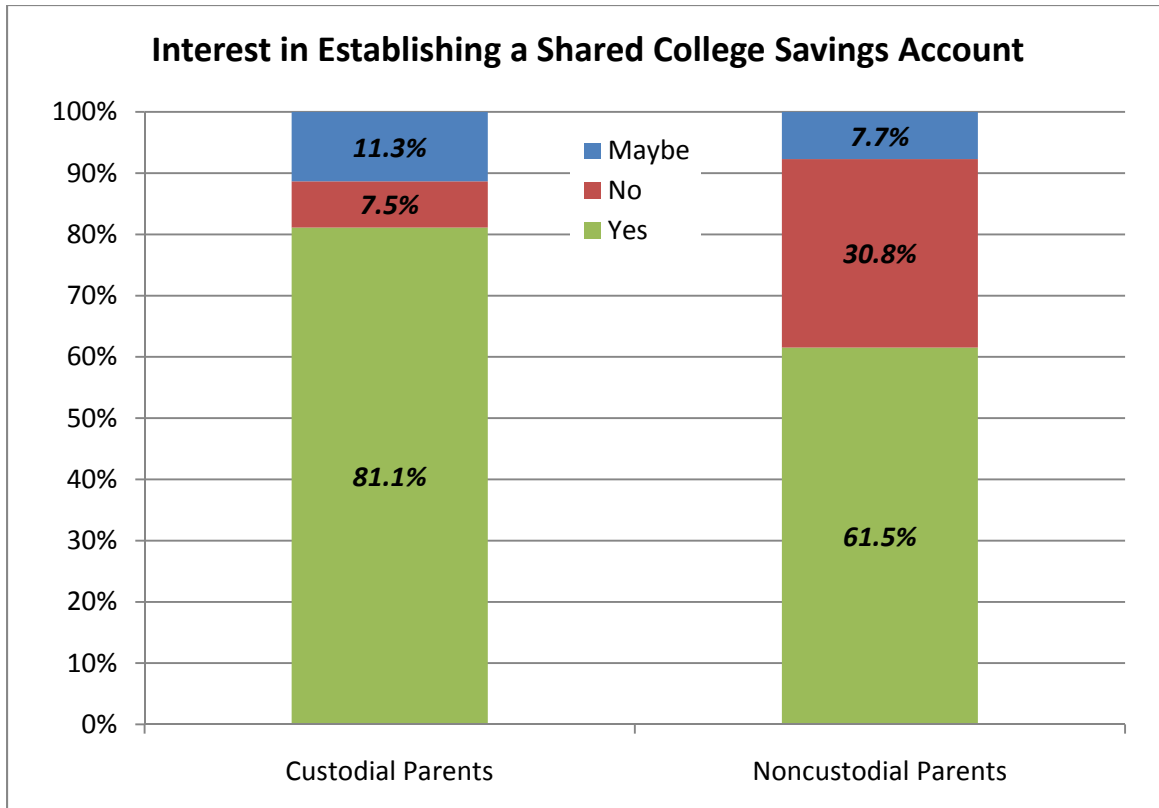


Figure 6

College savings have been found to significantly impact a child’s future educational attainment and likelihood of college completion. One recent study showed that a child who had savings in his or her name was seven times more likely to attend collegeⁱⁱ. Additionally, children with a college degree are less likely to experience poverty, less likely to experience unemployment, and more likely to earn more moneyⁱⁱⁱ. Employing mechanisms within child support programs to promote college savings can be a means by which state and federal governments actively encourage parents to provide a pathway toward self-sufficiency for their children^{iv}.

Desire for Financial Stability Services

Custodial and noncustodial parents have high financial goals and aspirations for themselves and their families. In many ways, they desire to engage in financial practices that help many middle-class families attain and sustain financial self-sufficiency. This alignment between the goals and aspirations of child support customers and the practices that promote financial stability point to the potential for linking child support customers to programs and services aimed at helping parents make better financial decisions and meet their families’ goals.

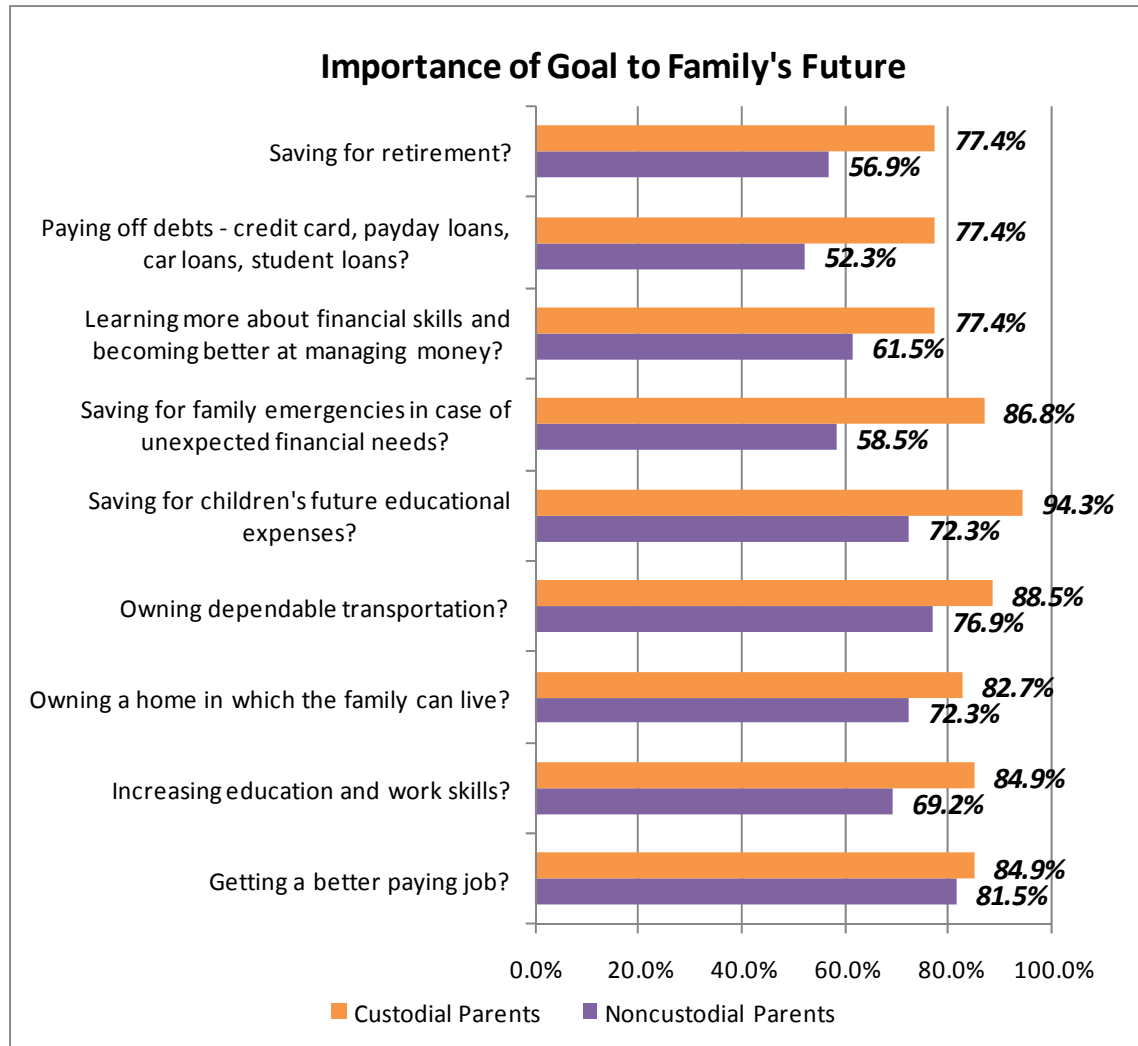


Figure 7

When asked to rank their financial goals and aspirations on a scale from “1” (not a goal) to “10” (most important goal), custodial and noncustodial parents ranked nearly all of the stated financial goals very high. The top four goals for both custodial and noncustodial parents are 1) getting a better paying job; 2) saving for children’s future educational expenses; 3) owning a home in which the family can live; and 4) owning dependable transportation. Figure 7 shows the responses of “8” to “10” from respondents.

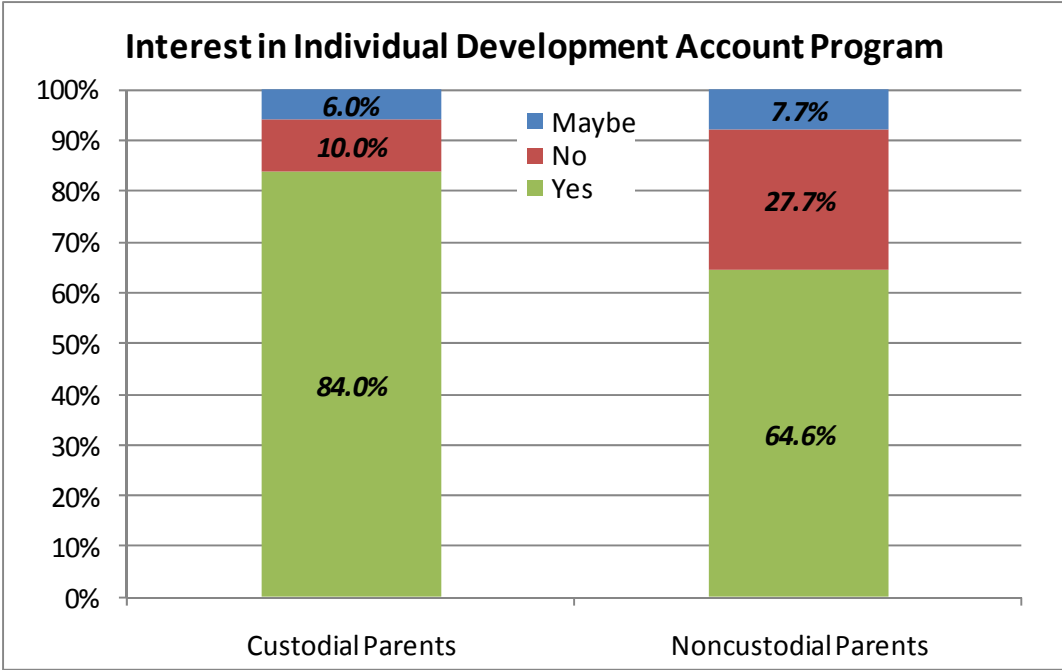


Figure 8

Custodial and noncustodial parents also were specifically asked about their interest in financial management classes and a program similar to an Individual Development Account^v. A majority of parents expressed interest in both programs. Figures 8 and 9 highlight the expressed interest in these two programs.

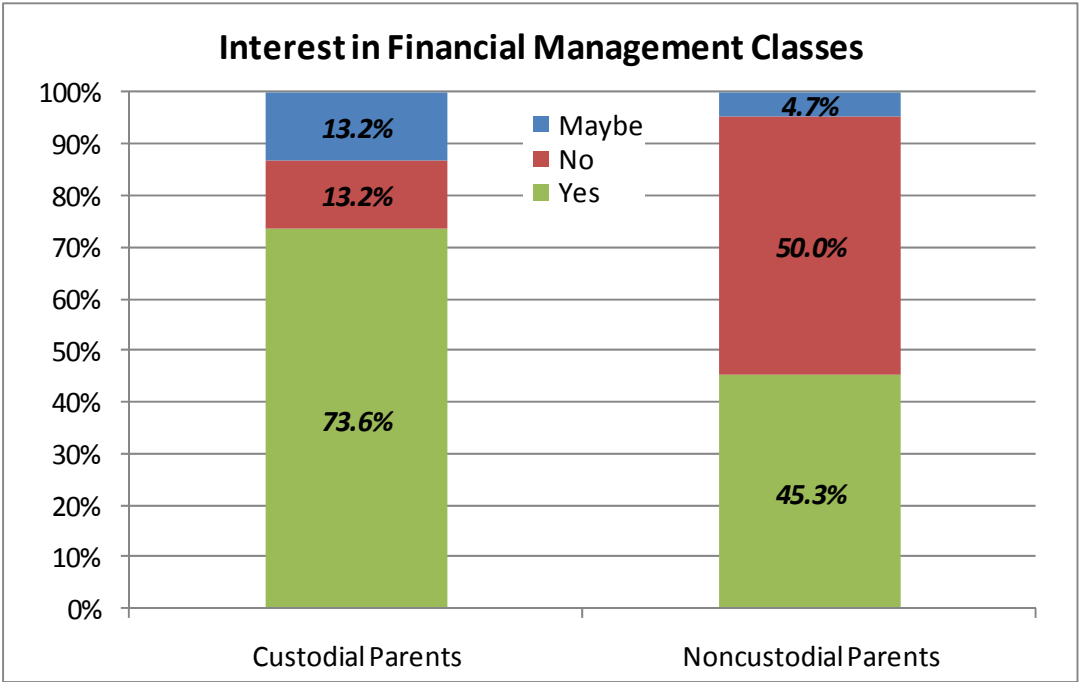


Figure 9

The alignment between the goals and aspirations of child support customers and asset-building services reveals opportunity for collaboration and innovation. The child support system’s inherent connection with

family financial matters makes it a key partner in promoting financial stability services. Child support customers desire these kinds of services and the opportunity to achieve the goals that asset building promotes. Additionally, asset-building services have the potential to move large numbers of child support customers from government-sponsored benefits (e.g., TANF, SNAP, and Medicaid) toward self-sufficiency.

Interest in Default Savings Option

A majority of custodial parents expressed interest in having a portion of their child support payment automatically directed into a savings account. Research from behavioral economists has highlighted the benefit of automatic savings^{vi,vii}. This practice works for many employees who use an employer-sponsored retirement account – employers deduct retirement savings contributions and deposit them automatically into an employee’s account before the employee can spend it. Additionally, employers with direct deposit have the ability to offer a similar option – an employee can split his or her direct deposit into a checking account and a savings account.

A majority of custodial parents expressed interested in an “auto-save” option for their child support disbursement. Figure 10 shows the breakdown of responses from custodial parents who were asked about their interest in having a portion of their child support payment automatically put into a savings or investment account that earns interest. This option would appear to be particularly beneficial to the estimated 51% of CPs in the Texas child support program who currently receive payments on Texas stored value/debit cards.

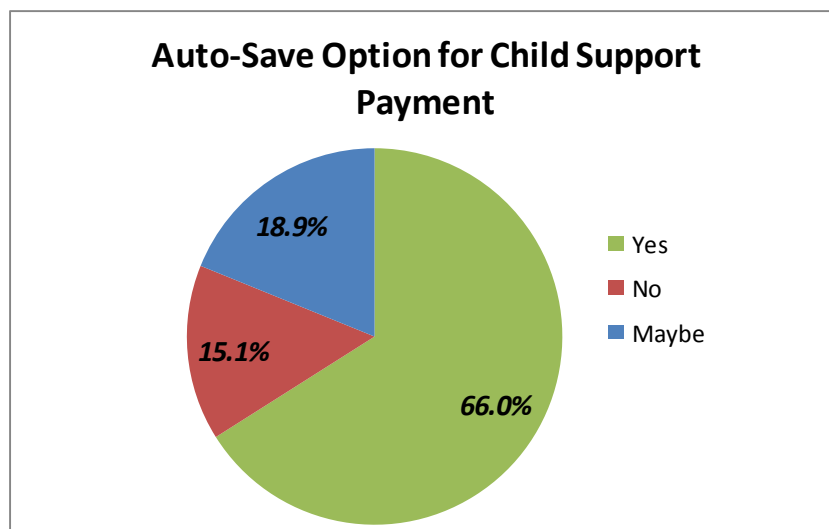


Figure 10

The interest parents have in an auto-save option has significant implications for child support programs and the customers they serve. While this might not be a feature for current child support disbursement, payment technology has advanced to make these options possible. Advances in prepaid payment card technology have created an easy, affordable way to provide child support customers with the option of a

savings account for a nominal fee to the user. The adaptation of these features into disbursement activities can provide child support customers with an easy, automatic way to build a financial safety net. This safety net could help child support customers avoid predatory financial services (e.g., payday lenders) maintain self-sufficiency and eliminate the need for government benefits during short-term, temporary financial setbacks.

Frequent Use of Alternative Financial Services

Use of financial services is an indicator of how individuals and families manage their money. Regular use of mainstream financial services – writing checks, making deposits into savings or investment accounts – reveals an individual’s access to basic services supportive of financial self-sufficiency. Use of secondary or alternative financial services – payday lenders, storefront check cashing services, pawn shops – indicates a reliance on more costly financial services to conduct financial transactions. While these alternative financial services may provide quick, convenient service, they have the potential to make customers vulnerable to loss or theft and limit the ability for customers to build credit histories and achieve financial self-sufficiency.^{viii}

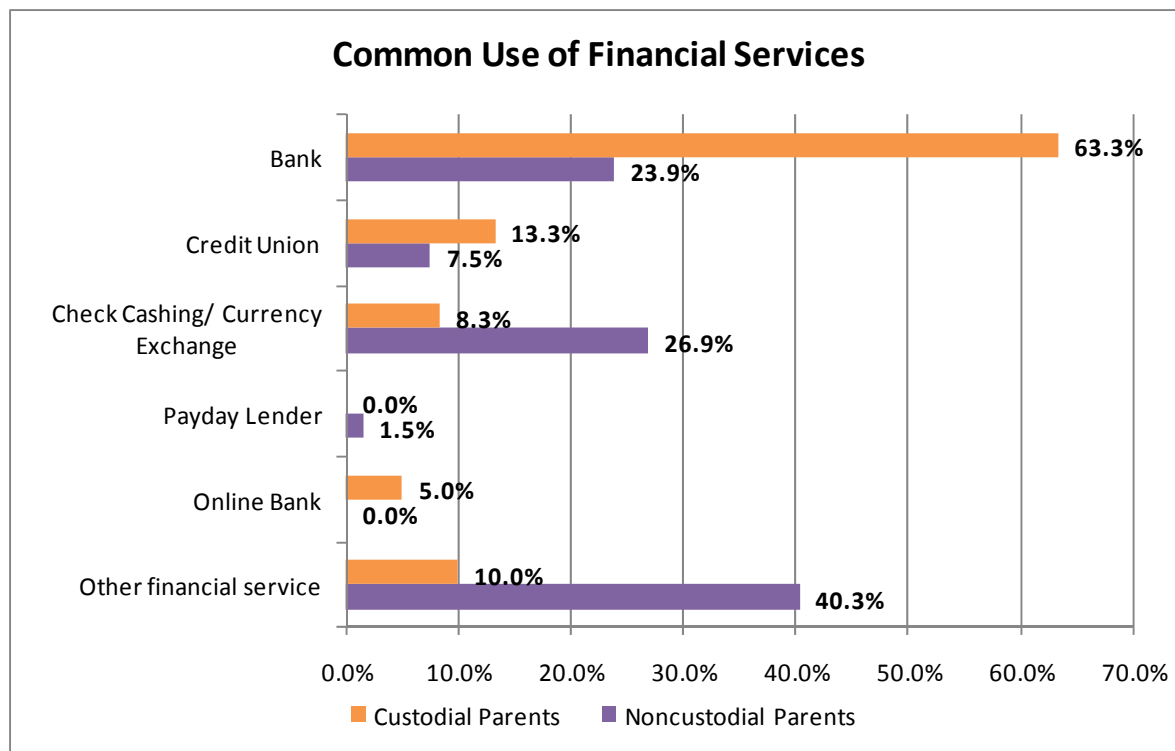


Figure 11

The Federal Deposit Insurance Corporation (FDIC) estimates 35.8 percent (3.185 million) of households in Texas are “unbanked” or “underbanked,” relying on alternative services to conduct the majority, if not all, of their financial transactions.^{ix} The vast majority of these households – both in Texas and across the U.S. – are low- to moderate-income households who cannot afford the extra costs and financial instability associated

with alternative financial services. While this study was not designed to measure the un- or underbanked nature of child support customers, Figure 11 reveals that 24.4 percent of custodial parents and 68.6 percent of noncustodial parents who use financial services other than banks or credit unions for the majority of their financial transactions appear to be un- or underbanked.

Custodial and noncustodial parents appear to use both mainstream and alternative financial services. The use of alternative financial services is substantially greater for noncustodial parents. Figure 11 highlights the financial services most frequently used by child support customers.

Use of financial services appears to vary by type and frequency. Noncustodial parents use alternative financial services to take the place of primary services such as check cashing and “other” services. Almost two-thirds reported using check cashing services or “other” services – parents or paramour’s banks, cash, services at convenience stores – for most financial services (Figure 11). Noncustodial parents also use fewer mainstream financial services (Figure 11 and Figure 12).

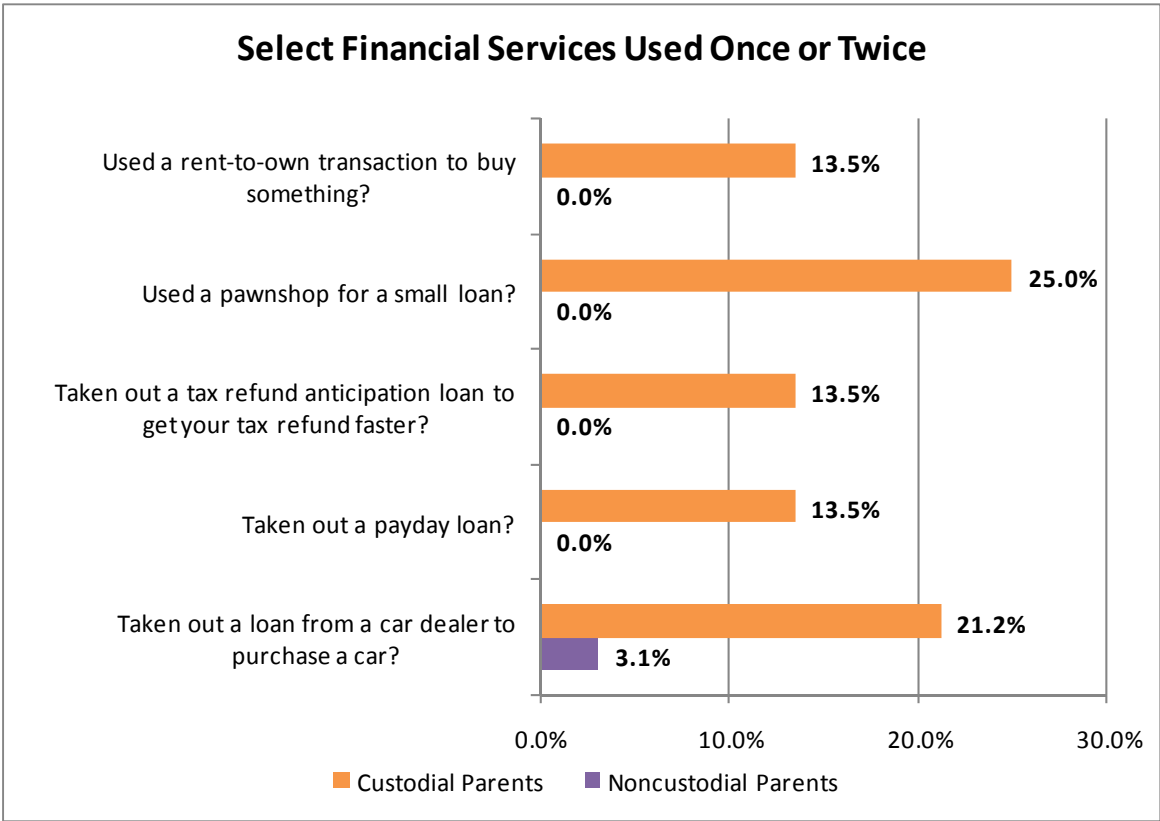


Figure 12

Custodial parents use mainstream financial services frequently – more than a quarter reported making a deposit into a savings account, using a credit card and writing a check to make a purchase more than two times in the past six months (Figure 13). However, a sizable number of custodial parents reported using alternative financial services at least once in the past six months (Figure 12). More than 20 percent said they took out a car loan from an auto dealer or used a pawnshop in the past six months. A smaller number of

parents reported using a payday loan (13.5%), rent-to-own vendor (13.5%) or tax refund-anticipation loan (13.5%) once or twice in the last six months.

The range of financial service use by child support customers suggests that different approaches are likely needed when addressing the needs of custodial and noncustodial parents. While custodial parents report some connection to the “primary” or mainstream financial services sector, they also report use of high cost payday, rent-to-own or auto loans. Connecting custodial parents to the growing number of quality, low-cost lending products being developed by nonprofit financial service providers could help them move away from more predatory alternative financial services. Noncustodial parents, on the other hand, seem to be completely outside the mainstream financial services sector. They could benefit from basic services – starter transactional accounts and basic savings accounts.^x Establishing a referral network or other type of connection to financial service providers can help child support customers better manage their money, avoid higher cost alternative financial services, and move toward financial independence.

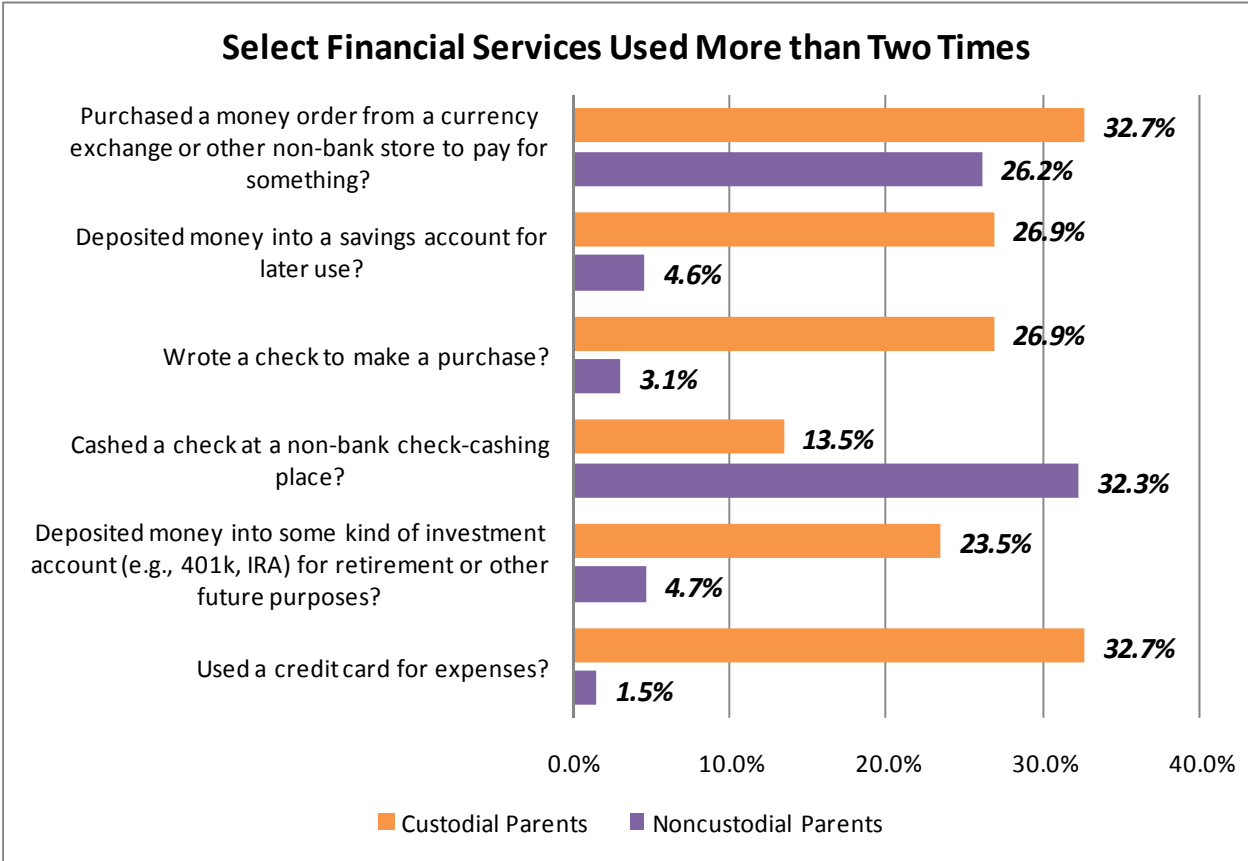


Figure 13

Multiple Obstacles to Saving

Child support customers cited a number of challenges in building financial stability. These range from a lack of quality employment to inconsistency in child support payments. Knowledge of these barriers can help practitioners from both the public and private sector leverage services to help child support customers overcome obstacles.

The research team asked child support customers an open-ended question about the biggest obstacles they see in trying to save for the future. Because this question was open-ended, responses were grouped into 10 categories based on similarity of response. The categories and a brief description follow:

- a) Debt: current credit card, payday loan or other debt (not child support debt)
- b) Transportation: lack of transportation or poor means of transportation
- c) Incarceration/ Legal Obstacles: recent release or impending incarceration
- d) Disability: disability keeping an individual from employment and upward economic mobility
- e) School: current or future enrollment in school as a priority over saving
- f) Immigration: barriers in obtaining legal status for proper employment
- g) Other: economic or interpersonal factors, such as “the economy” or “setting aside my personal differences”
- h) Child Support: inadequacy/ inconsistency of child support payment or the high amount/ arrears owed on current child support order
- i) Bills/ Living Expenses: bills and other important living expense (e.g. clothing, rent, food)
- j) Employment: challenges in obtaining a job that pays a livable wage

The obstacles that child support customers reported most frequently as inhibitions to saving were Bills/ Living Expenses, Child Support and Employment. Custodial parents mentioned Bills/ Living Expenses (55.70%) more frequently than any other obstacle (55.7%); Child Support (12.7%) was noted a distant second and Employment (11.4%) followed closely behind. Noncustodial parents reported Employment (42.0%) as their most significant obstacle; Bills/ Living Expenses (17.0%) was a distant second with Child Support (10.2%) as third. Figure 15 breaks out the frequency of responses across all categories.

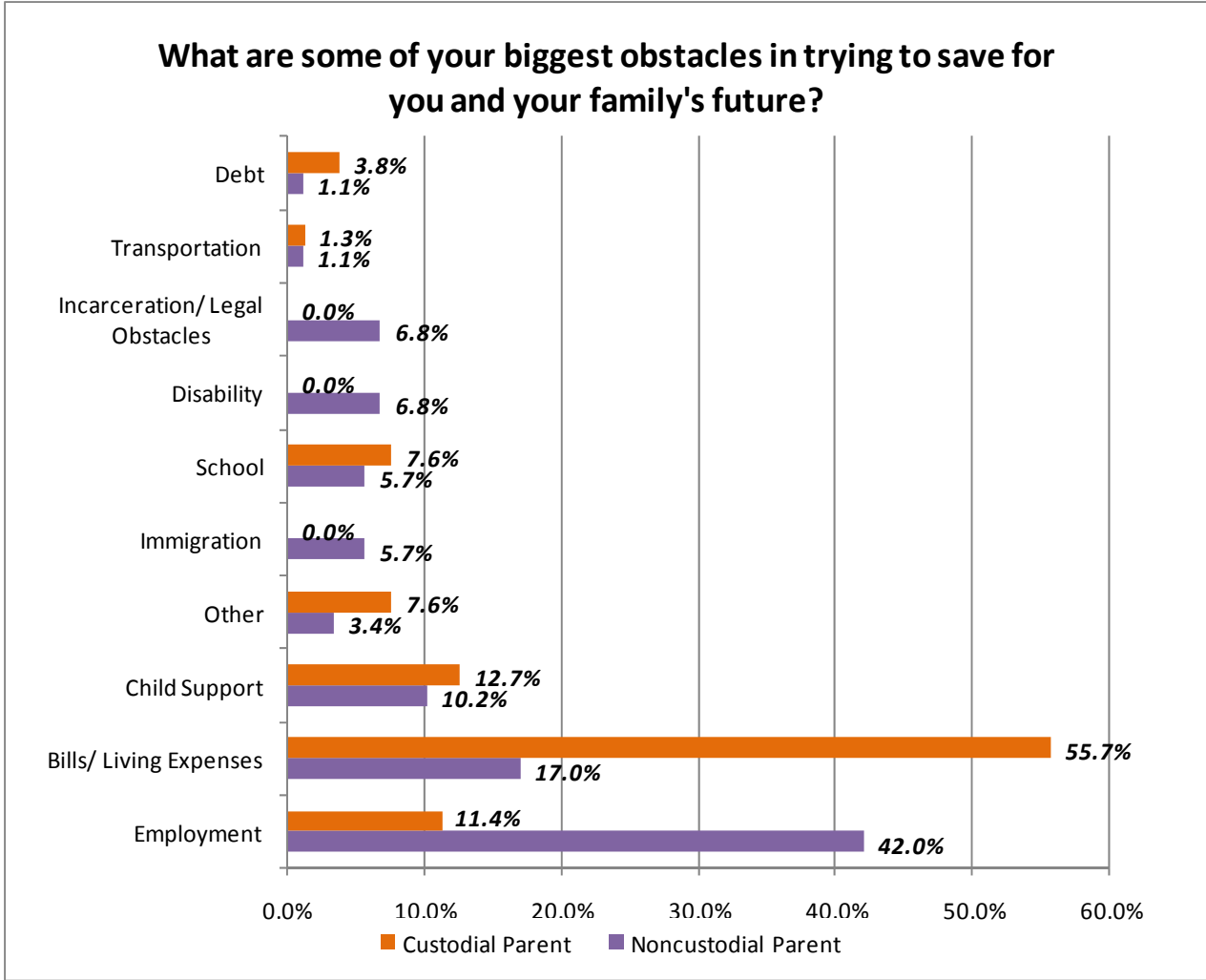


Figure 14

The barriers child support customers felt inhibit them from financial stability intersect with many available workforce development and financial coaching services. “One-stop” centers like the Centers for Working Families^{xi} and Financial Opportunity Centers^{xii} have developed strategies to integrate services that move individuals and families toward financial stability. Adding child support services into the mix of services and information provided at these “one-stop” centers can help meet the needs of child support customers and move families toward self-sufficiency. Strategies can be as simple as educating center staff about child support to as extensive as providing on-site child support services.

Conclusion

Research on custodial and noncustodial parents from the Texas Child Support Division reveals interest in and desire for financial stability programs. Many parents are interested in savings opportunities, Individual Development Accounts, college savings for their children and other opportunities to help them build financial stability. Parents in the child support system still have barriers that can inhibit their financial stability. A large percentage of these parents use non-mainstream financial services such as non-bank check cashing services or money order purchases for financial transactions. While this report only provides an initial examination of the intersection of child support and financial stability services in Texas, it points to a great deal of potential for working with child support customers. More research is needed to explore these connections and uncover effective program and policy methods of using the child support system to help families build long-term financial stability.

Appendix – Survey Questions

Current Use of Financial Services:

1. *Where do you do most of your banking?*
 - *Bank*
 - *Credit Union*
 - *Check cashing/ currency exchange*
 - *Payday lender*
 - *Online bank*
 - *Any other financial service*
 - *What type of institution?*

2. *What is your most common method of paying for goods and services?*
 - *Cash*
 - *Credit Card*
 - *Check*
 - *Check/Debit Card*
 - *Layaway*
 - *Other form*
 - *What is the other form?*

Financial Experience:

The next set of questions are all about the different ways you manage money to meet your family’s needs. There are no right or wrong answers and you may not even have some of the accounts mentioned. If that is the case, just say “do not have” – otherwise, for the services you do use, please tell me how many times in the last six months you have used that service.

How many times in the past six months have you...?

	1	2	3 to 4	5 to 6	7 to 8	9 to 10	More than 10
<i>Used a credit card to pay for expenses?</i>							
<i>Deposited money into some kind of investment account (e.g. 401k, IRA) for retirement or other future purposes?</i>							
<i>Cashed a check at a non-bank check-cashing place?</i>							
<i>Wrote a check to make a purchase?</i>							
<i>Checked your credit report or credit rating?</i>							
<i>Deposited money into a savings account for later use?</i>							
<i>Taken out a payday loan?</i>							
<i>Purchased a money order from a currency exchange or other non-bank store to pay for something?</i>							
<i>Used a rent-to-own transaction as a way to buy an</i>							

<i>appliance or furniture?</i>									
<i>Taken out a loan at a store where you were buying furniture or an appliance?</i>									
<i>Used a cash advance on your credit card?</i>									
<i>Taken out a car title loan where the lender hold the title to your car until the loan is repaid?</i>									
<i>Used a pawn shop for a small loan while the shop holds an item of yours as collateral until you pay back the loan?</i>									
<i>Cashed a blank check from a credit card or finance company offering you credit if you complete the check and deposit it into your bank account?</i>									
<i>Taken out a tax refund anticipation loan to get your tax refund faster?</i>									

Are there any other banking services you have used in the last 6 months that were not mentioned?

Financial Goals and Aspirations:

In thinking about planning for your family’s future, there are always financial goals that parents hope to attain if they has the available resources.

Please indicate the importance of each goal to your family by rating them from 1 to 10 – one being not important at all and 10 representing a most important goal. There are no right or wrong answers and some of these goals are not for everyone. Please answer honestly so we have a better understanding of the real goals of child support customers.

How important is the following goal to your family’s future:

	1	2	3	4	5	6	7	8	9	10
<i>Getting a better paying job?</i>										
<i>Increasing education and work skills?</i>										
<i>Owning a home in which the family can live?</i>										
<i>Owning dependable transportation?</i>										
<i>Saving for children’s future educational expenses?</i>										
<i>Saving for family emergencies in case of unexpected financial needs?</i>										
<i>Learning more about financial skills and becoming better at managing money?</i>										
<i>Paying off debts – credit card, payday loans, student loans?</i>										
<i>Saving for retirement?</i>										

Do you have any other financial goals for your family? _____

Child Support Questions:

1. *If you were able to have some of your child support payment automatically put into a savings or investment account that earns interest, would you do this? (asked of custodial parents only)*
2. *If the savings account could only be used for your children's future college expenses, would you be more willing to participate? (asked of custodial parents only)*
3. *Would you be interested in participating in a program where money you saved to buy a home, pursue further education, or start a small business was matched?*
4. *Would you be interested in participating in a program where you receive financial management classes?*
5. *If the other parent was willing, would you be interested in setting up an interest-bearing, education savings account for your child that both you and the noncustodial parent can add money to for your child's future?*
6. *What are some of your biggest obstacles in trying to save for you and your family's future?*

Receipt of Child Support Payment Questions (asked of custodial parents only):

1. *How do you receive your child support payments?*
 - *Debit Card*
 - *Direct Deposit*
 - *Check*
 - *Cash*
2. *Why did you choose to receive your payment this way?*
3. *Is this the way you want to receive your payment?*
4. *If not, what way do you want to receive your payment?*

Demographics:

The following are basic questions about you that will help us understand who participated in our survey.

1. *How old are you?*
2. *Are you currently married?*
3. *How many people, including yourself, live in your house?*
4. *How many adults, including yourself, live in your house?*
5. *How many children live in your house?*

6. *What is your race/ ethnicity?*
 - a. *American Indian or Native Alaskan*
 - b. *Asian*
 - c. *Black or African American*
 - d. *Hispanic*
 - e. *Native Hawaiian or other Pacific Islander*
 - f. *White*
 - g. *Some Other Race _____*

7. *What is your highest level of education?*
 - a. *Did not attend High School*
 - b. *Attended High School but no diploma*
 - c. *High School graduate or GED*
 - d. *Some college but no degree*
 - e. *Associates degree*
 - f. *College graduate*
 - g. *Advance degree*

8. *What do you estimate your total household income is (for all those who earn income in your home)?*
 - a. *Under \$10,000*
 - b. *\$10,000 to \$19,999*
 - c. *\$20,000 to \$29,999*
 - d. *\$30,000 to \$39,999*
 - e. *\$40,000 to \$49,999*
 - f. *\$50,000 to \$59,999*
 - g. *\$60,000 to \$74,999*
 - h. *\$75,000 to \$99,999*
 - i. *\$100,000 and over*

ⁱ Child support enforcement services are authorized by the Social Security Act, under Section IV-D, and are often referred to as “IV-D services.”

ⁱⁱ Sherraden, Michael and Min Zhan. “Assets and Liabilities, Educational Expectations, and Children’s College Degree Attainment,” The Center for Social Development, Washington University, St. Louis. 2009

ⁱⁱⁱ Baum, Sandy and Kathleen Payea. “The Benefits of Higher Education for Individuals and Society.” College Board. www.collegeboard.com

^{iv} Haskins, Ron, Harry Holzer, and Robert Lerman. “Promoting Economic Mobility by Increasing Postsecondary Education.” The Pew Charitable Trust. <http://www.pewtrusts.org>. Accessed December 29, 2011.

^v Individual Development Account (IDA) is a matched savings account that enables lower-income American families to save, build assets, and enter the financial mainstream. IDAs supplement the savings of lower-income households with matching funds drawn from a variety of private and public sources.

^{vi} Michal Grinstein-Weiss, Kristen Wagner, and Fred M. Ssewamala. "Saving and Asset Accumulation Among Low-income Families with Children in IDAs," Children and Youth Services Review 28. 2006.

^{vii} Neighborhood Financial Services Study: An Analysis of Supply and Demand in Two New York City Neighborhoods Executive Summary. New York City: New York City Department of Consumer Affairs. June 2008.

^{viii} The delineation between financial services considered mainstream and alternative can be a topic of lively discussion. For the purpose of this research the following services are considered mainstream financial services because they either are offered at traditional banks and credit unions or can be accessed through registered and licensed financial specialists: depositing money into a savings account for later use; checked your credit report or

credit rating; wrote a check to make a purchase; deposited money into some kind of investment account (e.g. 401k, IRA) for retirement or other future purposes; and, used a credit card for expenses.

The following services are considered non-mainstream financial services because of their disconnection from traditional banks and credit unions: cashed a check at a non-bank check-cashing place; taken out a payday loan; purchased a money order from a currency exchange or other non-bank store to pay for something; taken out a loan from a car dealer to purchase a car; taken out a tax refund anticipation loan to get your tax refund faster; and, used a pawn shop for a small loan while the shop holds an item of yours as collateral until you pay back the loan.

^{ix} Federal Deposit Insurance Corporation. www.economicinclusion.gov. Accessed February 29, 2012.

^x This lack of basic services can be a function of the financial and employment status of the noncustodial parents. It should also be noted that some noncustodial parents could intentionally avoid the use of financial services to elude child support enforcement.

^{xi} Annie E. Casey Foundation. www.acef.org. Accessed February 29, 2012.

^{xii} Local Initiative Support Coalition. www.lisc.org. Accessed February 29, 2012.

Funding for this project was provided by the U.S. Department of Health and Human Services, Administration for Children and Families, Grant Number 90FD0169. Any opinion, findings, and conclusions, or recommendations expressed in this material are those of the author(s) and do not necessarily reflect the views of the U.S. Department of Health and Human services, Administration for Children and Families.