2024 Review of the Nebraska Child Support Guidelines

The Court noted that the Child Support Advisory Commission, upon completing its quadrennial review of the child support guidelines, furnished a report and recommended that no changes be made to the guidelines or tables. After having published the report for public comment and receiving none, the Court has reviewed the report and recommendation as required by Neb. Rev. Stat. § 43-3342.05(4) (Cum. Supp. 2024) and accepts the Commission's recommendation not to amend the child support guidelines or tables.

To: Nebraska Supreme Court and Executive Board

From: Senator Justin Wayne, Chairperson of the Judiciary Committee & Child Support Advisory Commission

Date: January 7, 2025

RE: Completion of 2024 Review of the Nebraska Child Support Guidelines

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The 2024 Child Support Advisory Commission has completed its review of the child support guidelines pursuant federal and state requirements. The Commission is not recommending any changes to the guidelines.

Background

Nebraska child support guidelines are set in Nebraska Supreme Court Rules Chapter 4, Article 2, 4-201 to 4-220. The guidelines are to be applied as a rebuttable presumption in all proceedings establishing or modifying a child support order. Federal regulation requires a state to promulgate guidelines. It also requires states to review their guidelines at least once every four years (see Exhibit 1). Nebraska statute (Neb. Rev. State. 43-3342.05, which is shown in Exhibit 2) provides for the formation of the Child Support Advisory Commission to review the guidelines. Exhibit 3 lists the 2024 Commission members. Publishing this list would fulfill the federal requirement to identify the guidelines review body (45 C.F.R. § 302.56(e), which is shown in Exhibit 1). The Commission was staffed by Megan R. Kielty, who serves as Legal Counsel to the Judiciary Committee. The same federal regulation requires noting key dates. The next guidelines review is to occur in 2028. The effective date of the current guidelines is January 2024. The Court updates it annually for changes in the federal poverty guidelines published in the Federal Register by the U.S. Department of Health and Human Services (see Nebraska Supreme Court Rules Chapter 4, Article 2, 4-218.)

Commission Meetings, Materials and Considerations

The Commission met six times: December 11, 2023, January 16, 2024, November 13, 2024, December 3, 2024, December 19, 2024, and January 6, 2025. Public testimony was accepted at the January 6, 2025 meeting. No written comments were received by Commission staff. All Commission meetings and public testimonies conformed to Nebraska's Open Meetings Act.

Besides the 2024 federal poverty guidelines, the existing child support table (i.e., Table 1 - Income Shares Formula (Dc 6:1.7) is based on economic data on the cost of children available in 2018. The Commission considered whether the Table should be updated and met the federal requirement to consider economic data on the cost of raising children by hearing from two economists: Dr. Jane Venohr, Economist/Research Associate with Center for Policy Research; and, Professor William Comanor, University of California, Los Angeles, Fielding School of Public Health, and Professor of Economics, Emeritus, at the University of California, Santa Barbara. The two economists do not agree on the methodology and data used to estimate the cost of raising children.

Venohr's report and Comanor's article are attached. In addition, Venohr obtained and analyzed Nebraska case file data and conducted other analyses to meet the federal data requirements imposed in 45 C.F.R. § 302.56(h). The analyses are documented in her attached report. The analyses did not prompt any recommended changes to the guidelines. In fact, the high rate of guidelines applications, low rate of guidelines deviations, low rate of income imputation, high payment rates and other findings suggest that the Nebraska guidelines is generally working well.

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The Commission would like to thank DHHS for providing the federally required data. I would also like to thank Commission members for their service.

Exhibit 1: Federal Regulations Pertaining to State Child Support Guidelines

45 C.F.R. § 302.56 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

(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.

Exhibit 2: Nebraska Statute Creating the Child Support Advisory Commission

(Retrieved from: https://nebraskalegislature.gov/laws/statutes.php?statute=43-3342.05)

43-3342.05. Child Support Advisory Commission; created; members; terms; expenses; personnel; duties; Supreme Court; duties.

(1) The Child Support Advisory Commission is created. Commission members shall include:

(a) Two district court judges whose jurisdiction includes domestic relations, to be appointed by the Supreme Court;

(b) One member of the Nebraska State Bar Association who practices primarily in the area of domestic relations;

(c) One county attorney who works in child support;

(d) One professional who works in the field of economics or mathematics or another field of expertise relevant to child support;

(e) One custodial parent who has a court order to receive child support;

(f) One noncustodial parent who is under a support order to pay child support;

(g) The chairperson of the Judiciary Committee of the Legislature, who shall serve as the chairperson of the commission;

(h) The chairperson of the Health and Human Services Committee of the Legislature;

(i) The State Treasurer or his or her designee;

(j) The State Court Administrator or his or her designee; and

(k) The director of the Title IV-D Division or his or her designee.

(2)(a) The Supreme Court shall notify the Executive Board of the Legislative Council of its intent to review the child support guidelines pursuant to section 42-364.16. Following such notification, the chairperson of the commission shall call a meeting of the commission.

(b) Each time the commission meets pursuant to subdivision (2)(a) of this section, the Supreme Court shall make appointments to fill the membership under subdivision (1)(a) of this section and the chairperson of the Executive Board shall make appointments to fill each membership under subdivisions (1)(b) through (f) of this section. The terms of these members shall expire after the commission has fulfilled its duties pursuant to subsection (3) of this section.

(c) Members shall serve without compensation but shall be reimbursed for their actual and necessary expenses incurred in the performance of their duties as provided in sections 81-1174 to 81-1177.

(d) If determined to be necessary to perform the duties of the commission, the commission may hire, contract, or otherwise obtain the services of consultants, researchers, aides, and other necessary support staff with prior approval of the chairperson of the Executive Board.

(e) For administrative purposes, the commission shall be managed and administered by the Legislative Council.

(3) The duties of the commission shall include, but are not limited to:

(a) Reviewing the child support guidelines adopted by the Supreme Court and recommending, if appropriate, any changes to the guidelines. Whenever practicable, the commission shall base its recommendations on economic data and statistics collected in the State of Nebraska. In reviewing the guidelines and formulating recommendations, the commission may conduct public hearings around the state; and

(b) Presenting reports, as deemed necessary, of its activities and recommendations to the Supreme Court and the Executive Board. Any reports submitted to the Executive Board shall be submitted electronically.

(4) The Supreme Court shall review the commission's reports. The Supreme Court may amend the child support guidelines established pursuant to section 42-364.16 based upon the commission's recommendations.

Exhibit 3: 2024 Child Support Advisory Commission Members

Name	Statutory Category
Senator Justin Wayne	Judiciary Committee Chair
Senator Ben Hansen	HHS Committee Chair
Judge Karin Noakes	District Court Judge
Judge LeAnne Srb	District Court Judge
Tom Briese	State Treasurer
Corey Steel	State Court Administrator
Margaret Ewing	DHHS Child Support Administrator
Megan Spomer	Member of Nebraska State Bar Association
Sarah Preisinger	County Attorney
Doug Ahrens	Cooperative Producer Inc. (Professional in economics or mathematics)
Raquel Dean	Custodial Parent
James Creigh	Non-Custodial Parent

Review of the Nebraska Child Support Guidelines:

Analysis of Economic Data, Updated Income Shares Table and Other Findings

Submitted to:
Nebraska Child Support Advisory Commission

Submitted by:
Jane Venohr, PhD

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(Dec. 27, 2024)

Points of view expressed in this document are those of the author and do not necessarily represent the official position of the Commission. The author is responsible for any errors and omissions.

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SECTION 1: INTRODUCTION

Nebraska is reviewing its child support guidelines. A state's child support guidelines must be used by all judicial and administrative officials in the state that can set child support orders. The Nebraska child support guidelines are set in Nebraska Supreme Court Rules Chapter 4, Article 2, 4-201 to 4-220. Nebraska statute (Neb. Rev. State. 43-3342.05) provides for the formation of the Child Support Advisory Commission to review the guidelines, and if appropriate, recommend changes. The Commission is staffed through the Legislative Council. The Center for Policy Research (CPR)[1] was contracted to provide technical assistance, specifically to help meet federal requirements to review economic data on the cost of raising children and analyze case file and labor market data, and use the economic data to prepare an updated income shares table.[2] 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. Exhibit 1 shows federal review requirements.

Exhibit 1: Federal Guidelines Review Requirements

45 C.F.R. §302.56

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.

(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

(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.

The major purposes of this report are to meet federal data requirements and use more current economic data to develop an updated child support table for Nebraska to consider. The table relates to economic data on the cost of raising children. It is one of several factors that will be considered by Nebraska during its review. Federal regulation also requires states to consider (e.g., guidelines deviation rate and state labor market information) and other information.

Exhibit 1 shows the federal requirement for a state review, which is the charge of

[1] CPR is a non-profit organization that conducts evaluations of demonstration projects and provides technical assistance on government programs and policies affecting families. CPR has provided over 35 states with technical assistance on their guidelines reviews in the past 17 years. More information about CPR can be found at http://centerforpolicyresearch.org/ .

[2] U.S. Department of Health and Human Services. (Dec. 20, 2016). "Flexibility, Efficiency, and Modernization in Child Support Enforcement Programs." *Federal Register*, Vol. 81, No. 244, p. 93562. https://www.gpo.gov/fdsys/pkg/FR-2016-12-20/pdf/2016-29598.pdf.

the Commission. Specifically, the Commission makes recommendations to the Court. Ultimately, any changes are made by the Court. CPR also analyzed the data that is federally required of a state guideline review (see paragraph 45 C.F.R. . §302.56 (h), which is shown in Exhibit 1).

The current Nebraska Income Shares Table, which forms the core of the guidelines, became effective January 1 2020. It is based on economic data available in 2018. The very low-income amounts in the Table are updated annually for changes in the federal poverty guidelines pursuant the basic subsistence limitation which is based on the federal poverty guidelines (See Nebraska Supreme Court Rules §4-209.

Existing Table and Its Basis

At the core of the Nebraska guidelines calculation is a table of basic support obligations that is called the "Incomes Shares Formula: Table 1." Exhibit 2 provides an excerpt of the existing table. The support obligation is determined by prorating the payer-parent's share of the basic obligation from the table. For example, if the income of the payer-parent is $3,000 net per month and the income of the receiving-custodian is $2,000 net per month, the combined monthly income is $5,000 per month. According to Exhibit 2, the basic obligation for one child for a combined monthly income of $5,000 is $849 per month. This reflects economic data on how much parents spend on the child together, if they lived in the same household and shared financial resources. The amount for which each parent is financially responsible is based on that parent's prorated share of the basic obligation ($849 in this scenario). The payer-parent's share is 60% (i.e., $3,000, which is the payer-parent's income, divided by $5,000, which is the combined income). Hence, the payer-parent's prorated share of the basic obligation is $509 per month (60% multiplied by $849). This is the basis of the child support obligation. There may be additional adjustments for other considerations such as for the child's health insurance premium or when the parents share custody.

Exhibit 2: Excerpt of Existing Table

Combined Monthly Income	One Child	Two Children	Three Children
4500	805	1159	1437
4550	809	1165	1444
4600	814	1171	1452
4650	818	1177	1459
4700	823	1183	1466
4750	827	1189	1474
4800	831	1196	1481
4850	836	1202	1489
4900	840	1208	1496
4950	844	1214	1503
5000	849	1220	1511
5050	853	1226	1518
5100	858	1232	1525
5150	863	1240	1535
5200	869	1249	1546
5250	874	1258	1557
5300	880	1267	1567
5350	886	1276	1578
5400	892	1284	1589

Economic Changes since the Existing Table Was Developed

Since the existing table was developed,

- The 2010 study of child-rearing expenditures that underlies the current table has been updated by the same economist who conducted the 2010 study only using more current expenditure data;
    - That study generally finds a small increase in child-rearing expenditures particularly at higher incomes;

- Price levels have increased by 24.2% (although that does not mean a 24.2% increase in table amounts because incomes have also increased);
- The federal poverty guideline (FPG) that is used to consider the subsistence limit has increased; and,
- Nebraska's price parity, which is used to adjust findings from a national study of child-rearing expenditures for Nebraska's cost of living, has dipped slightly.

These changes are considered when preparing an updated table. The average increase is 10-14% (depending on the number of children), but it varies widely across incomes due to the interaction of these different factors. The new estimates and inflation increase the table amounts. The increase is offset partly by the reduction in Nebraska's price parity. There are also decreases at very low incomes to accommodate the increase in the federal poverty guidelines, which is the basis of the subsistence limit. Federal regulation requires state guidelines to consider the subsistence needs of the payer-parent. Nebraska meets this federal requirement through its basic subsistence limit.

ORGANIZATION OF REPORT

The remainder of the report is organized into five sections and two appendices.

Section 2 summarizes the underlying data and assumptions of the existing table, what data are used to prepare an updated table, and alternatives to key assumptions. In addition to considering changes in economic data, a state guidelines review is an opportunity to review the underlying premises and assumptions of a child support table to determine if they are still appropriate for a state. To this end, two updated tables are prepared. The first update relies on the same assumptions as the existing table only more recent economic data. Specifically, it relies on the same economic methodology used as the basis of the existing table, just a study that applies the economic methodology to more current expenditure data. The second update relies on estimates of child-rearing expenditures from an alternative study (i.e., a study by Professor William Comanor, Professor Emeritus, University of California at Santa Barbara).[3]

Section 3 shows the impact of an updated table by comparing child support orders calculated under the existing and updated tables for various scenarios. Many of the scenarios consider incomes that are

[3] Comanor, William, Sarro, Mark, & 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. Retrieved https://www.emerald.com/insight/content/doi/10.1108/s0193-589520150000027008/full/html. The Comanor, Sarro and Rogers (2015) study relied on expenditure data from2004-2009. Comanor (2024) also reported his findings from the 2015 Comanor, Sarro, and Rogers study in 2024 price levels using same expenditure data. Comanor, William (Summer 2024.) "Why Does Child Support Go Unpaid?" *Regulation*. Cato Institute. Retrieved from https://www.cato.org/regulation/summer-2024/why-does-child-support-go-unpaid#:~:text=State%20calculations%20of%20child%20costs%20overinflate%20those%20values%2C%20discouraging%20obligor%20payments.&text=The%20child%20support%20collection%20process%20in%20the%20United%20States%20has%20largely%20failed.

below 200% of poverty so also fulfill the federal requirement to examine the impact of the guidelines on those with incomes below 200% of poverty.

Section 4 summaries findings from the analyses of case file data to meet federal data requirements.

Section 5 summaries findings from the analyses of labor market data to meet federal data requirements.

Section 6 provides conclusions.

Appendix A documents economic studies on the cost of raising children. There are several studies that vary in data years and the methodology used to estimate child-rearing expenditures. Whether a state relies on a study and what study are decisions to be made by the state. Generally, states prefer studies using more current expenditure data. Most economists believe a methodology for separating the child's share of expenditures from total household expenditures is necessary because most household items are consumed by both children and adults living in the same household, but the child's share is not apparent (e.g., electricity for the home). Economists have developed several different methodologies, but do not agree on which methodology best measures actual child-rearing expenditures. Most economists, however, generally agree that any amount between the credible lowest and highest estimate of child-rearing expenditures is appropriate for a state guidelines. The economic methodology underlying the basis of the existing Nebraska table and updated table prepared in this report (i.e., the Rothbarth methodology) is the most common basis of state guidelines table/formulas. Over the years, it has often also been considered the most credible lowest estimate.

Appendix B provides technical documentation of the updated BR table.

Appendix C provides a side-by-side comparison of the existing table and two updated tables. The first updated table relies on the same underlying assumptions of the existing table only more current economic data. The second updated table relies on economic estimates of child-rearing expenditures developed by Professor William Comanor and his colleagues. Since Comanor and his colleagues have not updated their study, it is the same study considered by the 2018 Nebraska Child Support Advisory Commission, but it is updated to 2024 price levels.

SECTION 2: PREPARING AN UPDATED TABLE BASED ON MORE CURRENT DATA

Exhibit 3 shows the major assumptions and data underlying the existing Income Shares Table and the updated table and possible alternative assumptions. The primary updated table relies on the same underlying assumptions as the existing table just more current economic data. Most importantly, the guidelines review is an opportunity to review the appropriateness of each assumption and the data that is in the best interest of Nebraska children.

SUMMARY OF KEY ASSUMPTIONS AND DATA

Row 1: Guidelines Models

The guidelines model, which is a policy decision, is important to directing what economic data on child-rearing cost to use. No state relies on a guidelines model that only covers the cost of the child's subsistence needs. Instead, the amount of support is more when the payer-parent has more income under all state guidelines (assuming all other circumstances including the number of overnights with the payer-parent are held constant). The underlying premise is that the child should share in the lifestyle afforded by the parent when the parent has income above subsistence.

At the core of the Nebraska guidelines is a table that reflects amounts estimated to have been spent on children for a range of incomes and family sizes if the parents and children were living in an intact household. This is consistent with the income shares model that forms the basis of 41 states (including Nebraska) and the District of Columbia.[4] The income shares model was developed through the 1980s National Child Support Guidelines, which was convened to fulfill a congressional request.[5] At the time, most states did not have statewide child support guidelines. The architects of the incomes shares model designed it to fulfill the guidelines principles identified by the project's oversight committee, which included a wide range of stakeholders. Examples of some of the principles are that the financial responsibility of the children should be shared by the parents who have legal responsibility for the children; child support guidelines should at least cover a child's basic needs, but the child should also share a higher standard of living enjoyed by a parent; the subsistence needs of each parent should be taken into consideration; and each child of a given parent should have a right to that parent's income. One of the major principles is that the child support obligation should allow the children to benefit from the same level of expenditures had the children and both parents lived together. To this end, an income shares table relates to expenditures in intact families. The principle is that children of divorcing and separating parents, as well as never-married parents, should be treated the same regardless of their parents' decisions to marry, divorce, separate, or never marry.

[4] National Conference of State Legislatures (Jul. 2020). *Child Support Guidelines Models.* Retrieved from https://www.ncsl.org/research/human-services/guideline-models-by-s.tate.aspx.

[5] 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, Nebraska.

Exhibit 3: Assumptions and Data underlying Existing and Updated Table Using New Betson-Rothbarth Estimates

Factor	Basis of Existing Table	Basis of Updated Table	Other Alternatives/Notes
1. Guidelines model	• Income shares model	• Income shares model	• 41 states use the income shares model • Other states use Melson formula and percentage of obligor income
2. Economic study	• Fourth Betson-Rothbarth (BR) study (2010) from 2004-2009 Consumer Expenditure Survey (CE)	• Most current Betson-Rothbarth study (2021) from 2013-2019 CE, known as BR5 for Betson's 5th Rothbarth study	• All states updating their schedules rely on BR5; BR5 is generally slightly more than BR4 • Other economic studies • No study uses more current data than 2019
3. Price levels	November 2018	June 2024	• Prices have increased 24.2%
4. Adjust for NE's below-average prices/cost of living	• 2016 Price Parity = 90.5	• 2022 Price Parity = 89.8	• Some states (e.g., SD) with below average prices/cost of living realign incomes instead, which generally has less decrease at very low incomes and very high incomes
5. Exclude childcare and all the child's healthcare expenses	• Measurements of childrearing include childcare and healthcare. They are removed (except for the first $250 per child per year in medical expenses) for purposes of developing the table using data from the same data set used for BR4	• No change except more current data is used to remove childcare and healthcare expenses	• Most states include the first $250 per child per year in healthcare expenses in the table to cover routine out-of-pocket expenses • A few states (e.g., CT and VA) exclude all healthcare expenses
6. Relate expenditures to after-tax income	• Converts expenditures to net income using data from the same families in dataset that Betson uses • Caps expenditures at 100%	• No change in methodology, just more recent CE data used	• Assume all after-tax income is spent like DC does → this alternative would increase the table
7. Extend to 4 or more children	• Child-rearing expenditures only consider 3 children, equivalence scales are used to extend to more children	• No change in methodology	• Alternative equivalence scales
8. Incorporate Basic Subsistence Limit into Table	• 2018 Federal Poverty Guidelines (FPG) for 1 person = $1,012	• 2024 Federal Poverty Guidelines (FPG) for 1 person = $1,255	• Other amounts and methods for addressing the basic subsistence limit
9. Extend to higher income	• Economic evidence only credible up to about $20,000 net per month	• More current data allows for table amounts up to $26,000 per month	• Could extrapolate to higher income

Other Guidelines Models

Most states (41 states including Nebraska) and the District of Columbia rely on the income shares model. Besides the income shares model, there are two other guidelines models currently in use by states. The percentage-of-obligor income model is used by six states. New York claims to rely on the income shares model but is often classified as a percentage-of-obligor income guidelines. Delaware, Hawaii, and Montana use the Melson formula. All three guidelines models in use allow the children to share in the lifestyle enjoyed by the payer-parent when that payer-parent can afford to live a lifestyle beyond subsistence (which is often noted as a self-support reserve and called a basic subsistence limitation in Nebraska).

The percentage-of-obligor income model uses the income of the payer-parent only in the calculation of support. As a consequence, the income of the custodial parent does not affect the guidelines-determined amount. In contrast, the more income that the custodial parent has in the income shares model, the lower the guidelines amount because the custodial parent shares more of the financial responsibility of the child. Several states based on the percentage-of-obligor income model switched to an income shares approach in the past three decades; no state has switched to a percentage-of-obligor income guidelines. Most percentage-of-obligor guidelines also relate to expenditures on child-rearing expenditures in intact families. Many of these states explicitly or implicitly assume that the custodial parent spends an equal proportion of their income or dollar amount on the child.

The Melson formula is a hybrid of the income shares approach and the percentage-of-obligor income guidelines. The Melson formula prorates a basic level of support to meet the primary needs of the child; then, if the payer-parent has any income remaining after meeting their share of the child's primary support, their basic needs, and payroll taxes, an additional percentage of their income is added to their share of the child's primary support.

There are several other guidelines models not in use that have been proposed.[6] Each have failed for various reasons. Research finds that other factors (e.g., 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.[7] Federal regulation does not require states to adapt a particular guidelines model or format or use a specific economic study.[8]

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[6] For example, see the Child Outcomes Based Model discussed by the Arizona Child Support Guidelines Review Committee, Interim Report of the Committee, Submitted to Arizona Judicial Council, Phoenix, Arizona, on October 21, 2009; the American Law Institute (ALI) model can be found in the 1999 Child Support Symposium published by *Family Law Quarterly* (Spring 1999); and the Cost Shares Model can be found at Foohey, Pamela. "Child Support and (In)ability to Pay: The case for the cost shares model." (2009). *Articles by Maurer Faculty.* 1276. Retrieved from https://www.repository.law.indiana.edu/cgi/viewcontent.cgi?article=2271&context=facpub.

[7] 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*.

[8] The federal requirements are provided in 45 C.F.R. § 302.56, which is shown in Section 1 of this report.

Quasi-Income Shares

Most states do not adhere strictly to the income shares model. Most states using the income shares model also incorporate a low-income adjustment into their schedule/table or provide a formula to adjust for low-income after consideration of the table amount. Most states using the income shares model also adjust for additional dependents that a parent supports, timesharing arrangements, and other circumstances. All states that have switched guidelines models in the last two decades have switched to the income shares model (i.e., Arkansas, District of Columbia, Georgia, Illinois, Massachusetts, Minnesota, and Tennessee). Common reasons for switching to the income shares model are its perception of equitable treatment of the parents because it considers each parent's income in the calculation of support rather than just one parent's income, and its flexibility to consider individual case circumstances such as extraordinary child-rearing expenses that vary from case to case (e.g., childcare expenses) and timesharing arrangements.

Row 2: Selecting an Economic Study

There are several different studies of child-rearing expenditures. As discussed in more detail in Appendix A, there are 10 different studies underlying state child support guidelines. The studies differ in the age of the expenditures data and the methodology used to separate expenditures for the children from total expenditures of a household that include expenditures on adults. All of the studies are estimates. Economists disagree on which study comes the closest to estimating actual child-rearing expenditures.

For the purposes of this preliminary update, only two studies are considered:

- The most recent Betson-Rothbarth study since the current Nebraska Table is based on an earlier Betson-Rothbarth study; and,
- The amounts from the 2015 study by Comanor and his colleagues that Nebraska considered as part of its 2018 review.[9]

Most states (including Nebraska) and the District of Columbia rely on estimates of child-rearing expenditures developed using the Rothbarth methodology to separate child-rearing expenditures from total household expenditures. To be clear, Betson is the economist using the Rothbarth methodology to develop estimates of child-rearing expenditures.

Consumer Expenditure Survey

Most economists (including Betson and Comanor) estimating child-rearing expenditures use expenditures data from the Consumer Expenditure Survey (CE) conducted for the U.S. Bureau of Labor Statistics.[10] The CE is a comprehensive and rigorous survey with over a hundred-year history.[11] Today,

[9] Comanor updated those amounts to 2024 prices for a recent paper but did not conduct a new study using more current expenditure data. The issue of updating for current price is addressed in the next step. Comanor's most recent paper is Comanor, William. (2024.) "Why Does Child Support Go Unpaid?" *Regulation.* Retrieved from https://www.cato.org/regulation/summer-2024/why-does-child-support-go-unpaid

[10] More information about the CE can be found at https://www.bls.gov/cex/.

[11] U.S. Bureau of Labor Statistics (BLS). (Jun. 28, 2018). *130 Years of Consumer Expenditures.* Retrieved from https://www.bls.gov/cex/csxhistorical.htm.

the CE surveys about 6,000 households a quarter on hundreds of expenditures items.[12] Households stay in the survey for four quarters, yet households rotate in and out each quarter. The primary purpose of the CE is to calibrate the market basket used to measure changes in price levels over time. 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 studies and, hence, may cause differences in results between study years.

The sampling of the CE is not designed to produce state-specific measurements of expenditures.[13] 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, economists develop national measurements of child-rearing expenditures from the CE, and pool data years to yield a significant sample size.

The most current and credible studies of child-rearing expenditures rely on 2013-2019 CE data. Multiple data years are used to gain a sufficient sample size for statistical analysis. One of the studies was conducted by Professor David Betson, University of Notre Dame, who also conducted the study underlying the current Nebraska table. The study was commissioned by the State of Arizona and uses national data. The other study was conducted by professors from Florida State University.[14] The study by Comanor and his colleagues relies on 2004-2009 CE data.

Changes in Betson-Rothbarth Estimates since Last Review

Nebraska, 31 other states, and the District of Columbia and Guam rely on a study using the Rothbarth methodology. All but one of these states/tribunals rely on Rothbarth estimate developed by Professor Emeritus David Betson, University of Notre Dame. (New Jersey conducted their own Rothbarth study and made adjustments to accommodate New Jersey income, which is higher than most states.) Betson first estimated child-rearing expenditures using the Rothbarth methodology in 1990 from expenditure data from families participating in the 1980-86 CE.[15] For the 1990 study, which was conducted for the U.S. Department of Health and Human Services to fulfill a congressional request, aimed at helping states develop and update child support guidelines, Betson used five different economic methodologies to

[12] There are two components to the CE survey. Each starts with a sample of about 12,000 households. One component is a diary survey, and the other is an interview survey. The results from the interview survey are the primary data source for measuring child-rearing expenditures. Nonetheless, the BLS uses both components to cross check the quality of the data. More information can be found at U.S. Bureau of Labor Statistics. (n.d.). *Handbook of Methods: Consumer Expenditures and Income.* p. 16. Retrieved from https://www.bls.gov/opub/hom/cex/pdf/cex.pdf.

[13] Recently, however, the BLS has been creating state-specific samples for some of the larger states (e.g., California, Florida, and Texas).

[14] Betson, David M. (2021). "Appendix A: Parental Expenditures on Children: Rothbarth Estimates." *In* Venohr, Jane & Matyasic, Savahanna. (Feb. 23, 2021). *Review of the Arizona Child Support Guidelines: Findings from the Analysis of Case File Data and Updating the Child Support Schedule*. *Report to the Arizona Supreme Court Administrative Office of the Courts*. Retrieved from https://www.azcourts.gov/Portals/74/FCIC-CSGR/SupplementalPacket-030121-FCIC-CSGRS.pdf?ver=2021-02-26-161844-187

[15] 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.

estimate child-rearing expenditures. Betson concluded that the Rothbarth methodology was the most robust[16] and, hence, recommended that it be used for state guidelines.

The Rothbarth methodology and other methodologies considered by Betson (including the Engel methodology, which was the common basis of state guidelines in the early 1990s) 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. In general, they 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 methodologies use different indicators of equally well-off families. The Rothbarth methodology relies on expenditures for adult goods (i.e., expenditures on adult clothing is what Betson uses although other economists have more expansive definitions) to determine equally well-off families.[17] Another 1990 report conducted for the U.S. Department of Health and Human Services to fulfill the congressional request[18] concluded that the Rothbarth estimator understates actual child-rearing expenditures due to its reliance on adult goods to determine equally well-off households. The conclusion has been proven mathematically. In layperson terms, a couple with children may consume less adult goods once they have children; hence, the difference between their expenditures before and after children becomes smaller than had they retained their level of expenditures on adult goods. In economic terms, there is both an income effect and a substitution effect from having children. This methodology captures the income effect (i.e., what is needed in income/expenditures to compensate for having children).

The current Nebraska Table is based on the fourth Betson-Rothbarth study (also noted as BR4) that relied on the 2004-2009 CE. His most current study, his fifth study (also noted as BR5), relies on expenditure data from the 2013-2019 CE.[19] Released in 2021, the BR5 study forms the basis of 13 state guidelines: Alabama Arizona, Georgia, Illinois, Iowa, Maine, Missouri, Pennsylvania, South Carolina, South Dakota, Vermont, West Virginia, and Wyoming. There is no study that uses more current data than 2019. As shown in Exhibit 4, Exhibit 5, and Exhibit 6, there are some small increases between BR4 and BR5. The comparisons are show as a percentage of total net income because Betson estimates child-rearing expenditures as a percentage, not as a fixed dollar amount.

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

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

[18] 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, VA.

[19] Betson, David M. (2021). "Appendix A: Parental Expenditures on Children: Rothbarth Estimates." *In* Venohr, Jane, & Matyasic, Savahanna. (Feb. 23, 2021). *Review of the Arizona Child Support Guidelines: Findings from the Analysis of Case File Data and Updating the Child Support Schedule.* Report to the Arizona Supreme Court Administrative Office of the Courts. Retrieved from https://www.azcourts.gov/Portals/74/FCIC-CSGR/SupplementalPacket-030121-FCIC-CSGRS.pdf?ver=2021-02-26-161844-187

Exhibit 4: Comparison of BR4 and BR5 as a Percentage of the Combined Net Income of the Parents: One Child

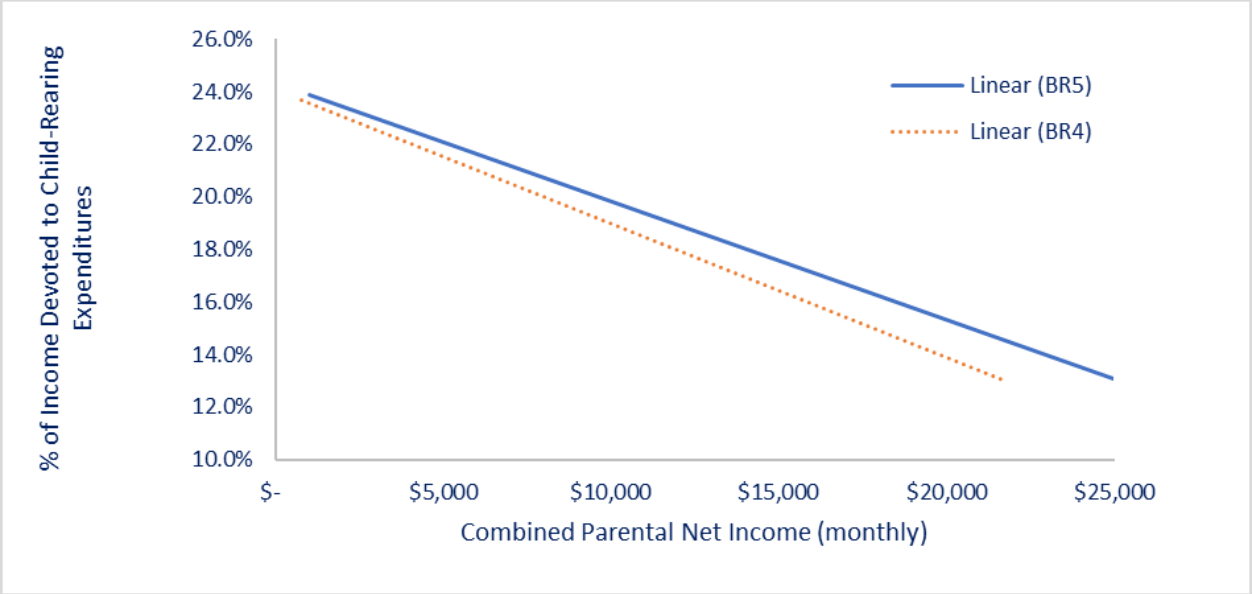


Exhibit 5: Comparison of BR4 and BR5 as a Percentage of the Combined Net Income of the Parents: Two Children

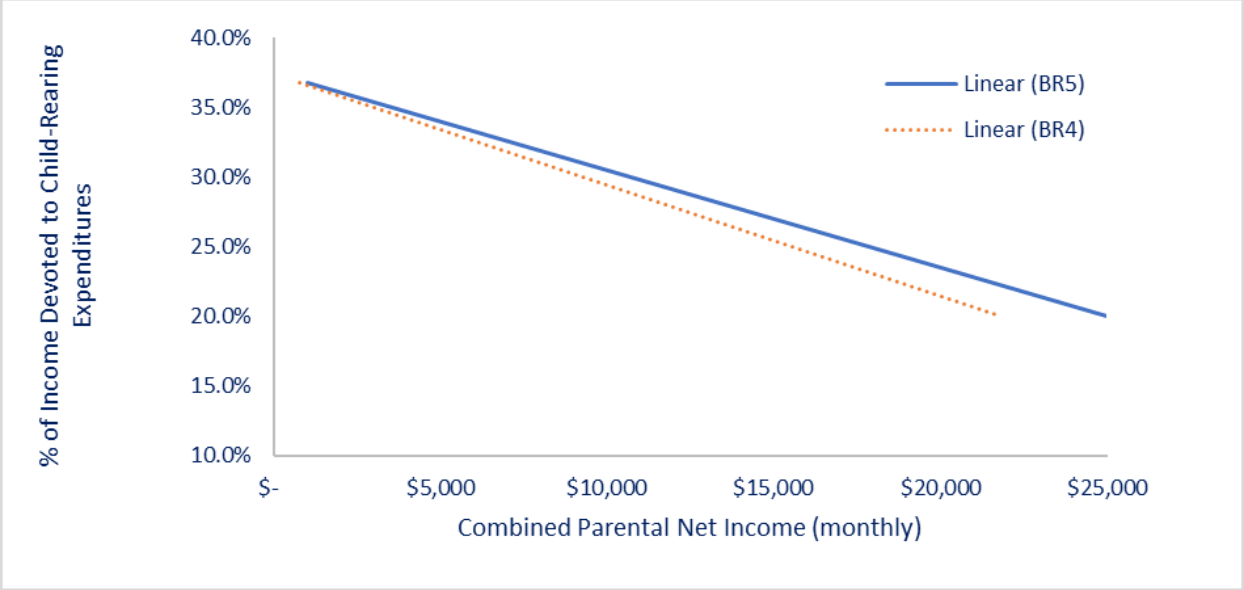
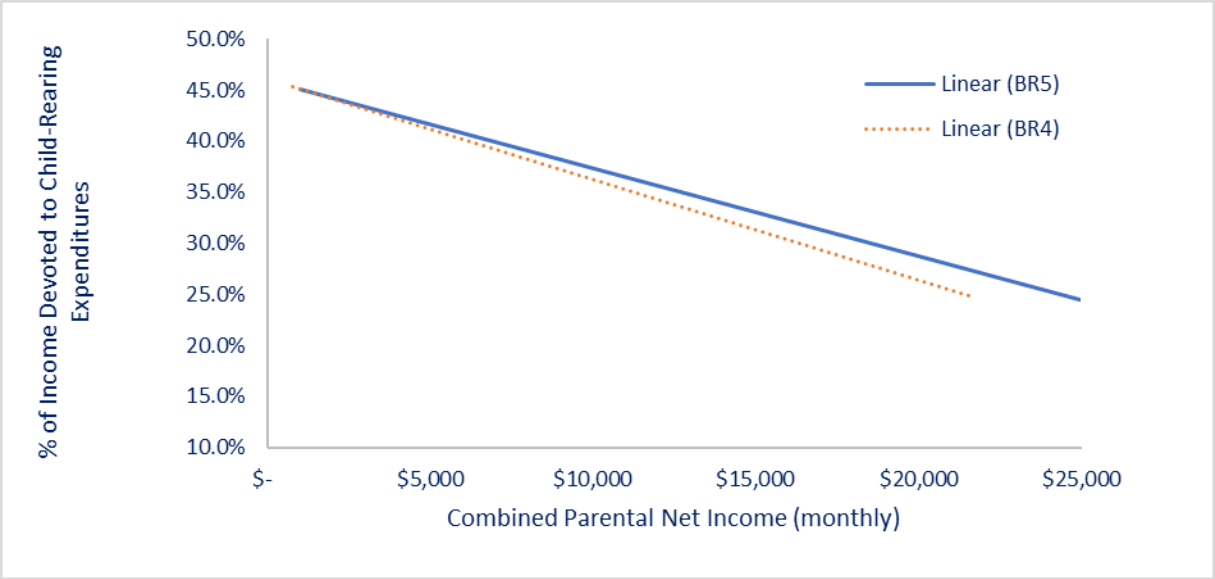


Exhibit 6: Comparison of BR4 and BR5 as a Percentage of the Combined Net Income of the Parents: Three Children



Comanor Study

As part of its 2018 review, Nebraska also considered estimates of child-rearing expenditures developed by Professor Emeritus William Comanor, University of California at Santa Barbara, and his colleagues.[20] Comanor rejects previous research, and strongly believes his methodology is superior. There are, however, several flaws with Comanor's methodology (see Appendix A for more detail.) The Comanor study was conducted in 2015 and relied on expenditure data from the 2004-2009 CE. In a 2024 article, Comanor updated his 2015 estimates to 2024 prices but the estimates are still the ones developed from the 2004-2009 CE data.[21] The major thesis of Comanor's 2024 article is that that state child support tables/schedules and formulas are generally overinflated; and, in turn, this creates a more adversarial relationship between the parents. His evidence is that only 62% of child support due nationally is actually pad. (As shown in Section 4, however, 75% of child support owed in Nebraska is paid, and income is a strong predictor of payment where higher-income payer-parents are more likely to pay in full than lower-income payer-parents.) Other recent research suggests child support guidelines are very important.[22] Specifically, a national survey of parents found that the child support service of most interest was the calculation/recalculation of the child support amount (which would be based on a

[20] Comanor, William, Sarro, Mark, & 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.

[21] Comanor, William. (2024.) "Why Does Child Support Go Unpaid?" *Regulation.* Retrieved from https://www.cato.org/regulation/summer-2024/why-does-child-support-go-unpaid

[22] Brogan & Partners. (2023). *Child Support Research Findings* [PowerPoint slides]. NCCSD/NCSEA/OCSS Joint Committee on Public Relations. https://www.ncsea.org/wp-content/uploads/2023/09/National-Child-Support-Research_FINAL-NCSEA-003.pdf

state's guidelines) and that the top reason for using government child support programs was that "The amount feels more fair if it's set by a neutral decision maker."

Comanor's Approach is Unconventional

Unlike most conventional economists, Comanor also believes that all of the economic methodologies used to separate child-rearing expenditures from total household expenditures that form the basis of most state child support tables/schedules and formulas overstate actual child-rearing expenditures. Most conventional economists believe some methods understate actual child-rearing expenditures and others understate actual child-rearing expenditures; and they generally agree on the direction based on the calculus of the empirical model. Most conventional economists estimating child-rearing expenditures believe an economic methodology is necessary to separate the child's share of expenditures from total expenditures because the child's share of total household spending is not readily observable or tracked by most families (e.g., housing expenditures for the child). In contrast, Comanor suggests that commingling of outlays is a positive factor that limits the additional cost needed to rear children because most household outlays already would have been made.[23]

For example, in his 2018 presentation to the Nebraska Child Support Advisory Commission, Comanor suggested that there is no additional monetary or out-of-pocket housing cost if a couple transforms a den (home office) to a nursey.[24] Another example used by Comanor pertains to the difference in transportation expenses between a stay-at-home parent who uses the family car to drive the children to their activities and when the parent was childless and would use the family car to drive to museums and lunch with friends. A layperson's counter-argument is many households cannot afford a den and are stretched in their housing expenditures and housing space, so often cannot repurpose an expense when a child is added. Still, another counter-argument is these examples are often short-term solutions for fixed costs (e.g., housing and a vehicle) and do not address other variable costs such as the child's food, personnel items and medical expenses that cannot be addressed through repurposing. With regard to these variable costs, Comanor et al. (2015) found that "adding a single child to the household does not substantially increase food costs."[25] In fact, the additional food expenses for a single child was only significant among low-income households; and that amount was unrealistically low: $275 per year (i.e., $23 per month) in 2011 dollars.[26] In contrast, the USDA Thrifty Food Budget for a one-year old child was $91 per month in 2011 and much more for older children ($166 per month for a teenage male).[27] The Supplemental Nutrition Assistance Program (SNAP) uses the Thrifty Food Budget to set SNAP benefits. The USDA has other food plans (i.e., low income, moderate, and liberal) that are more than the Thrifty Food Budget and more suited to meet long-term nutritional needs. Comanor et al. (2015) found that the cost of the child's healthcare was generally statistically insignificant and often negative (i.e., which

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[23] Ibid.
[24] Comanor, William. (Nov. 8, 2018.) *Presentation to Nebraska Child Support Advisory Commission*.
[25] Comanor, William, Sarro, Mark, & Rogers, Mark. (2015). "The Monetary Cost of Raising Children." p 229.
[26] Ibid. p. 228.
[27] U.S. Department of Agriculture. (Dec. 2011.) *Official USDA Food Plans: Cost of Food at Home for Food at Home at Four Levels, U.S. Average, November 2011.* Retrieved from https://fns-prod.azureedge.us/sites/default/files/usda_food_plans_cost_of_food/CostofFoodNov2011.pdf.

suggests that the presence of children reduces the total healthcare costs of the children). The Comanor et al. (2015) study did not include the cost of the child's personal care expenses.

2024 Amounts (Comanor)

In 2024, Comanor estimates that it costs $4,703 per year to raise one child in a low-income family (i.e., an annual income less than $76,795 per year); $6,529 per year for a middle-income family (i.e., income of $76,803 to $139,012 per year); and $15,313 per year for a high-income family (i.e., income of $139,021 per year or more). These amounts include childcare expenses, but do not include the child's healthcare expenses. The annual amounts for two children are $5,899, $9,160, and $18,843 for a low-incomes, middle incomes, and high incomes. Childcare expenses account for about a third to a half of these expenses. The amount varies by income and number of children.

Comanor takes further issue with the use of income equivalence scales (such as the Engel methodology and the Rothbarth methodology) to estimate child-rearing expenditures. (This was also described as a marginal cost approach earlier in this subsection.) Income equivalence scales essentially ask how much a childless couple needs to have the same income (same level of expenditures in Betson's application) to be equally well off when they have children. Comanor suggests income equivalence scales require an erroneous assumption that household consumption preferences are the same for couples with and without children. He also suggests income equivalence scales do not recognize the utility (which is an economic terminology noting joy or non-pecuniary satisfaction) that a parent gains from their child. Comanor, however, also makes the assumption that household consumption preferences are the same for couples with and without children in his model. As discussed more later, he also ignores that regardless whether a couple has children, more income leads to more consumption.

Key Similarities and Differences among Rothbarth, Engel and Comanor et al. Methodologies

The major similarity is all three methods compare expenditures between two equally well-off groups (i.e., married couples with children and married couples without children) and deem the difference in their expenditures to be attributed to child-rearing expenditures. The major difference between the methodologies is their definition of equally well-off. The Engel methodology relies on food shares. The Rothbarth methodology relies on expenditures on adult goods. Comanor et al. implicitly assumes that married couples with and without children in the same income category (i.e., low, middle, or high income) are equally well off.

Engel Estimator. Ernst Engel was a German statistician and economist in the 1800s interested in comparing the standard of living of different income groups. He noted that the percentage of income devoted to food decreased as a family had more income even though the family spends more as their income increases. To this end, the percentage of income devoted to food is an indicator of standard of living. When using Engel's findings to estimate child-rearing expenditures, however, it biases the estimate of child-rearing expenditures upward. This is because children are food intensive (i.e., consume more food) so this increases the percentage of income devoted to food in the household with children when food is just considered a generic item needed to sustain life. This creates a greater difference in expenditures between seemingly equally well-off families when equally well-off is defined as food share. The couple with children actually needs to be compensated less to be equally well-off if the methodology could adjust for increased food consumption.

Rothbarth Estimator. Irwin Rothbarth, a World War II economist, studied the impact of rationing on different income groups. Rothbarth observed that adults with children spend less on adult goods than a childless adult with the same amount of total spending.[28] The consequence is using expenditures on adult goods to estimate child-rearing expenditures (i.e., adult clothing in Betson's estimates) understates actual child-rearing expenditures because couples with children shift away from expenditures on adult goods. This reduces the difference in expenditures between couples with and without children devoting the same percentage to adult goods.

Comanor Estimator. Aligning couples with and without children in the same income category can ignore that total household expenditures increase with income regardless of the household composition. Couples with and without children, but of the same income (say, $100,000 per year) are not equally well-off. For example, if the monetary cost of the child is $6,529 per year as Comanor points out in his 2024 article, that couple would need $106,529 in income to be equally well off to a childless couple with an income of $100,000 per year.[29] Yet, a childless couple whose income is $100,000 per year would also spend more if their income was increased by $6,529 per year. They would spend it on other expenditure items. The relationship between income and expenditures and the difference in expenditures between a childless couple and a couple with children becomes circuitous when they are compared based on their level of income. The Comanor approach attempts to control for the relationship between income and expenditures by estimating expenditures for each expenditure item separately and including income as an explanatory variable. (The number of children and the child's age are also explanatory variables in the Comanor approach.) The expenditure items considered in the Comanor study are housing, food, transportation, childcare and education, children's clothing, health care, and entertainment. This creates other limitations. One limitation of the separate estimates is it does not account for substitution among other expenditure items; rather, all other levels of expenditures must be held constant for the purposes of economic modeling. Not accounting for the substitution effect causes the Comanor approach to understate actual child-rearing expenditures. For example, it would not capture that a couple spends less on housing for the child to increase their expenditures on food for the child. Instead, when estimating food expenditures for the child, housing expenditures are also held constant (e.g., there is no change in housing expenses because the couple converted the office den to a nursey). The problem is that this is not the reality of all childless couples (e.g., many do have a den that can be converted to a nursey) and not all expenditure items can be held constant to accommodate additional expenditures for the child. Another limitation is the seven categories of expenditures only account for 72% to 82% of total household expenditures depending on the income of the household.[30] Further, since researchers found some of the estimates are not correlated with the presence of children (e.g., entertainment expense for low-income households) they were not included in the aggregated amounts.

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[28] See Betson (2021).

[29] For the purposes of this discussion and since Comanor starts with gross income, this discussion considers gross income. The discussion should actually relate to total family expenditures or after-tax income since expenditure decisions are made based on after-tax income (i.e., spendable income) rather than gross income.

[30] Comanor et al. (2015), p. 239.

Yet, another limitation is Comanor's specification presumes that couples with and without children will increase their expenditures on a particular item (e.g., housing) by the same amount for each additional dollar in income. In other words, the model assumes that households without children have the same preferences for a particular good (e.g., housing) as do those with children. Comanor criticizes income equivalence scales for assuming preferences between couples with and without children are the same, but makes the same assumption in his own model. In all, no economic model can perfectly estimate actual child-rearing expenditures but some are better than others.

Finally, the Comanor approach also ignores the relationship of income to family formation and The Comanor 2015 study also recognizes this as a possible limitation.[31] Some parents increase their income to "pay" for their children; and for other couples, a parent(s) may work less or not at all to spend more time with the child. A childless couple may purchase a larger home in anticipation of having children. These issues suggest that income is an endogenous variable (data field). Endogeneity in economic models creates biased results. The Engel methodology and the Rothbarth methodology avoid using income (and the problems with using income) in their methodologies by examining expenditures on a specific item. The Comanor approach does not.

Row 3: Consideration of Price Levels

Due to lags in when expenditure data are collected, verified, and compiled, study findings are updated using changes in the Consumer Price Index (CPI). The existing Table is based on the November 2018 CPI. The updated table is based on the June 2024 CPI, which was the most currently available CPI when this report was being prepared. The Comanor-based table is also updated to 2024 prices.

Row 4: Adjusting for State Prices or Cost of Living

As noted earlier, the CE collects national-level data but not state-specific data except for the five largest states. Replicating the CE at the state level would take several years and resources. Some states with extremely high or low prices adjust for their price parity, which is a measure of how much a state's price are more or less than the national average. The existing Nebraska Income Shares Table is adjusted for Nebraska's 2016 price parity (90.1), which was the most current level available at the time. The baseline is 100.0 for the United States as a whole, so a price parity of 90.1 means that Nebraska prices are 9.9 percent less than the national average. To develop the existing table, the national amounts were multiplied by 90.1% to reflect Nebraska prices. The 2022 price parity for Nebraska is 89.8.[32] The updated BR table reflects the 2022 price parity. No adjustment is made to the Comanor amounts. A similar adjustment would further lower the Comanor amounts. As seen later, they are considerably less than the BR5 amounts even when the BR5 amounts are adjusted for Nebraska's price parity.

Besides Nebraska, several other states adjust the national estimates of child-rearing expenditures for their price parity (i.e., Arkansas, Kentucky, Maryland, Maine, New Mexico, and Rhode Island). Still, other

[31] Comanor et al. (2015) discuss this possibility of this issue of endogeneity on pages 220-221 of their paper but not the former issue of endogeneity (i.e., the positive correlation between income and expenditures on normal goods).
[32] U.S. Bureau of Economic Analysis. (Dec. 14, 2023). *Real Personal Consumption Expenditures by State and Real Personal Income by State and Metropolitan Area, 2022.* Retrieved from https://www.bea.gov/sites/default/files/2023-12/rpp1223_1.pdf.

states realign the national estimates for their state's income distribution (i.e., Alabama, Connecticut, New Mexico, South Carolina, and South Dakota). A few other states (e.g., Colorado and Rhode Island) use housing cost differential. The price parity and income realignment differ little at middle incomes. The price parity produces the same decrease at all incomes. The income realignment produces less of a decrease at very low incomes and very high incomes.

Some of the criticisms of using price parity is it assumes the same price differential for low, middle, and high incomes; however, the economic data suggests more variation in prices between staple items and luxury items. Another criticism is due to data lags and dramatic changes in housing prices during the pandemic (e.g., out-migration from urban areas), price parity is likely to understate housing expenses. Still, another criticism rests with using a statewide index that does not capture urban areas well. When limited to housing costs, Nebraska's price parity is 73.3, which suggests Nebraska's housing prices are very low. However, the Nebraska price parity for goods is 94.0. This suggests that for non-housing and non-service items, there is little difference between Nebraska prices and national prices. The price parity for the Omaha-Council Bluffs area is 92.1 overall, 94.0 for goods, and 87.2 for housing alone.

Row 5: Exclude Childcare Expenses and the Cost of the Child's Healthcare

Most studies of child-rearing expenditures include all expenditures on the children, including work-related childcare expenses, the cost of the child's health insurance benefit, and the child's uninsured medical expenses. Most income shares guidelines consider the actual amount of these expenses on a case-by-case basis when calculating the support award. Since the actual amounts are considered, they are not included in the guideline table. Including them in both the guideline table and worksheet would result in double-accounting of those expenses. This is not an issue for the Comanor estimates because he does not include the cost of child's healthcare in his estimates. His study found childless households spend more on health care than households with children.[33] With regard to childcare expenses, depending on the income level and number of children, childcare expenses comprise 29% to 50% of total expenditures estimated by Comanor and his colleagues. They are subtracted from total expenditures to develop an alternative, updated table.

Betson provided supplemental information in order to subtract these expenses from his total estimates of child-rearing expenditures for the purposes of developing a child support schedule/table. Using the same subset of the CE that he used to measure child-rearing expenditures, Betson measured the percentage of total expenditures devoted to childcare expenses; the percentage of total expenditures devoted to out-of-pocket healthcare expenses, and expenditures to net income ratios. Additional data from the National Medical Expenditure Survey (NMES),[34] which considers the ratio of medical expenses for children compared to medical expenses for adults is used by some states to capture the child's share of the household's out-of-pocket medical expenses. For this update, however, the per capita out-of-pocket medical expenses for all family members was used. NMES data suggests less is spent for

[33] Comanor, et al. (2015). p. 236.
[34] U.S. Department of Health and Human Services Agency for Healthcare Research and Quality (AHRQ) Medical Expenditure Panel Survey (MEPS).

children's out-of-pocket medical expenses than adult's out-of-pocket medical expenses. Accounting for this would increase the table amounts.

Further, most income shares guidelines exclude most but not all of the child's healthcare expenses. Most states (including the District of Columbia) retain up to the first $250 per child per year in healthcare expenses in the table because most children are likely to incur some medical expenses. This way the parents do not have to track and share receipts for the first $250 per child per year since it is included in the table. The $250 amount aligns with typical expenses.[35]

Virginia and Connecticut include no healthcare expenses in their schedules. This lowers the schedule amount but also requires more receipt exchanging between the parents so each parent pays for their prorated share of out-of-pocket medical expenses for the child.

Row 6: Conversion to a Net-Income Base

The Betson-Rothbarth (BR) estimates of child-rearing expenditures are expressed as a percentage of total family expenditures. Some families have savings and do not spend all of their after-tax income on their family. See Exhibit 7 for an illustration that compares expenditures between low-income families that spend more than their after-tax income on average and upper-middle to upper income families who do not spend all of their after-tax income on average and generally have savings. Most income shares schedules, including the existing Nebraska table, consider the expenditures to consumption ratios observed among the same sample of families in the CE used to calculate child-rearing expenditures. These ratios are multiplied by the BR estimates to arrive at a percentage of total family after-tax income expended on children. For income ranges of families where the average expenditures to after-tax income is greater than one, the ratio is capped at one. This occurs at the lower income ranges. Setting at more than one would have the policy implication that parents should spend more than their income, which no state embraces. The incomes eligible for this cap have expanded with the use of the more recent CE data.

The District of Columbia is the only BR-based guidelines that does not make this conversion. Instead, the District applies the ratio of child-rearing expenditures to total expenditures to savings as well. This effectively increases the schedule amounts at very high incomes. The District of Columbia, however, does cap expenditures to 100% among low-income households.

For the alternative, updated table based on the Comanor estimates, a conversion from gross income to net income is necessary. This is accomplished by applying the 2024 federal and state income withholding formulas to the 2024 income brackets identified in the Comanor study.

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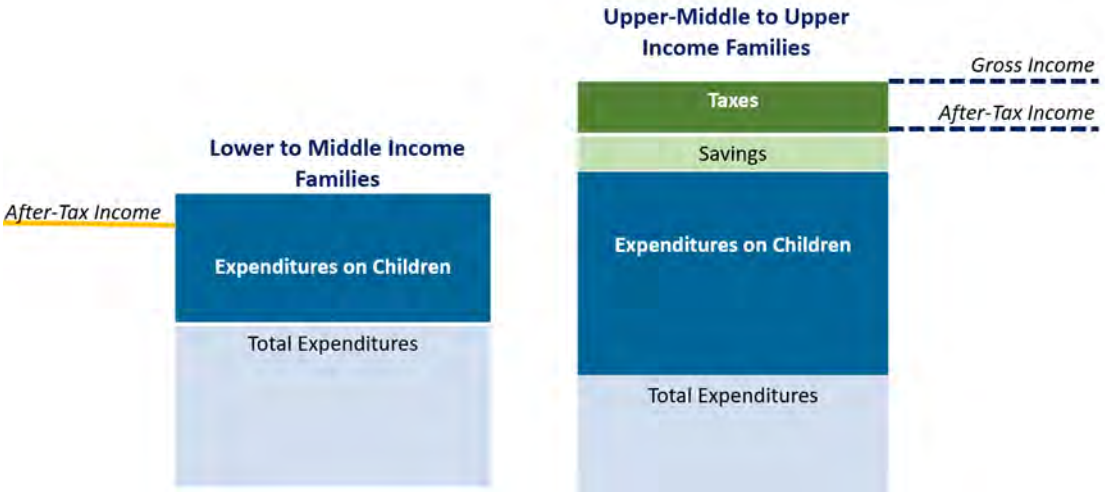
[35] The 2015 Medical Expenditure Panel Survey (MEPS) finds that the average out-of-pocket medical expense per child was $248 per year but varied depending on whether the child was enrolled in public insurance such as Medicaid or had private insurance. Based on MEPS data, out-of-pocket medical expenses averaged $63 per child per year for children who had public insurance and $388 per child per year for those with private insurance. Source: 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.

Exhibit 7: Relationship between Expenditures and Income



Row 7: Extend the Estimates to Four or More Children

Betson's estimates only cover one, two, and three children, yet the updated table covers up to six children. The number of families in the CE with four or more children is insufficient to produce reliable estimates. For both the existing and updated tables, the equivalence scale of the National Research Council (NRC), as shown below, is used to extend the three-child estimate to four or more children.[36]

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

There are few credible alternatives to the NRC equivalence scales.

Row 8: Adjust for the Basic Subsistence Limitation

Federal regulation (45 C.F.R. 302.56 (c)(1)(ii)) requires the consideration of the subsistence needs of the payer-parent. Nebraska fulfills this requirement through its basic subsistence limitation that considers whether the payer-parent's income is above the federal poverty guidelines (FPG) for one person. The adjustment is made in the automated worksheet, but the Income Shares Table also incorporates it. The existing table relies on the 2018 FPG ($1,012 per month). The area of the shading in the table reflects the incomes to which the adjustment has been made. A payer-parent whose income alone (i.e., there is no consideration of the income of the custodial parent) in the shaded area is eligible for the low-income adjustment, which is the basic subsistence limitation. The shaded-area is updated annually as well as the basic obligation of $50 per month for incomes below the basic subsistence limitation, but they are not adjusted above the basic subsistence limitation. The adjustment above the basic subsistence limitation allows for the gradual phase-out of the low-income adjustment and the gradual phase-in of the BR5- or Comanor-based amounts. For the purposes of this update, the amounts are also updated to the 2024

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

FPG ($1,255 per month). An identical adjustment is made to the alternative, updated table based on the Comanor estimates.

Row 9: High Income

The existing Income Shares Table covers combined incomes through $20,000 net per month. This is the highest income to which the data were reliable. The newer BR data allows the table to go up to a combined gross income of $26,000 net per month. The alternative, updated table based on the table based on the Comanor estimates extends to about $15,200 net per month. This is based on the after-tax equivalent to the average gross income of the high-income group.

SECTION 3: IMPACT OF UPDATING THE TABLE AND OF THE GUIDELINES

The differences between the existing table and updated BR5 table vary by income range and number of children. The change from BR4 to BR5 produces small, but inconsistent increases that vary by number of children and income. Increase due to inflation alone generally has a larger magnitude for larger amounts (i.e., those for more children and more income). Updating the Basic Subsistence Limitation that appears in the table for the most current federal poverty guidelines reduces the table amounts at very low incomes. Exhibit 8 summarizes the dollar and percentage difference to the table amounts for one, two, and three children. To be clear, these are the amounts owed by *both* parents before the payer-parent's share is prorated. The final amount may consider other factors such as shared physical custody, extraordinary medical expenses, and other factors.

The average increase across all income ranges is 10.5% for one child, 14.1% for two children, and 11.0% for three children. The patterns for four and more children are generally similar to those for three children. Generally, larger increases occur at higher incomes.

Exhibit 8: Monthly Dollar Difference and Percentage Difference in Table Update Based on BR Estimates

	One Child		Two Children		Three Children	
	Dollar Change in Table	Percentage Change	Dollar Change in Table	Percentage Change	Dollar Change in Table	Percentage Change
Average	$ 164	10.5%	$ 308	14.1%	$ 310	11.0%
Median	$ 202	13.6%	$ 353	16.7%	$ 303	14.3%
Lowest	$(122)	-70.4%	$ (170)	-75.2%	$ (194)	-78.3%
Highest	$ 256	16.9%	$ 468	22.2%	$ 597	18.0%

Exhibit 9 shows the impact of updating the Basic Subsistence Limitation in the BR-updated table. It is responsible for all decreases. They occur at the very low incomes. Exhibit 9 also shows the anomalous increase in the existing table from an income of $1,250 per month (where the basic obligation is $50 per month) and an income of $1,300 per month (where the basic obligations are over $100 per month). This precipitous increase is an unintended consequence of the annual update for the federal poverty guidelines that forms the basis of the subsistence limitation. The increase occurs at $1,300 because the 2024 federal poverty guidelines is $1,255 per month and $1,300 is the income just above that. For incomes below the basic subsistence limitation, which is based on the federal poverty guidelines for one person, a $50 basic obligation is shown.

To be clear, the same issue would exist for the Comanor-updated table. More importantly, in practice, the precipitous increase observed in the table does not occur because the basic subsistence limitation is a step in the guidelines worksheet after the table amount is applied.

Comparisons to Other States

Exhibit 10 shows the case scenarios used to compare the existing and the updated tables to those of Nebraska's bordering states. The first two case scenarios are based on the Nebraska state minimum wage. Scenarios 3-7 consider median earnings of Nebraska workers by highest educational attainment

and gender in 2022 as noted by the U.S. Census American Community Survey. Median male earnings are used for the payer-parent, and median female earnings are used for the receiving party. Numerous studies find that most payer-parents are male. The comparisons consider one, two and three-child examples. Based on the analysis of recent case file data, 85% of the Nebraska orders are for one or two children, 11% of orders are for three children, and the remaining 4% are for four or more children.

Exhibit 9: Shaded Amounts Have Been Adjusted for The Basic Subsistence Limitation

Grey shading indicates downward adjusted for low-income

	1 Child				2 Children				3 Children			
Combined Monthly Income	Existing	Updated	$ change	% Change	Existing	Updated	$ change	% Change	Existing	Updated	$ change	% Change
500	50	50	0	0.0%	50	50	0	0.0%	50	50	0	0.0%
550	50	50	0	0.0%	50	50	0	0.0%	50	50	0	0.0%
600	50	50	0	0.0%	50	50	0	0.0%	50	50	0	0.0%
650	50	50	0	0.0%	50	50	0	0.0%	50	50	0	0.0%
700	50	50	0	0.0%	50	50	0	0.0%	50	50	0	0.0%
750	50	50	0	0.0%	50	50	0	0.0%	50	50	0	0.0%
800	50	50	0	0.0%	50	50	0	0.0%	50	50	0	0.0%
850	50	50	0	0.0%	50	50	0	0.0%	50	50	0	0.0%
900	50	50	0	0.0%	50	50	0	0.0%	50	50	0	0.0%
950	50	50	0	0.0%	50	50	0	0.0%	50	50	0	0.0%
1000	50	50	0	0.0%	50	50	0	0.0%	50	50	0	0.0%
1050	50	50	0	0.0%	50	50	0	0.0%	50	50	0	0.0%
1100	50	50	0	0.0%	50	50	0	0.0%	50	50	0	0.0%
1150	50	50	0	0.0%	50	50	0	0.0%	50	50	0	0.0%
1200	50	50	0	0.0%	50	50	0	0.0%	50	50	0	0.0%
1250	50	50	0	0.0%	50	50	0	0.0%	50	50	0	0.0%
1300	144	50	-94	-65.3%	202	50	-152	-75.2%	230	50	-180	-78.3%
1350	169	50	-119	-70.4%	237	67	-170	-71.9%	270	76	-194	-71.9%
1400	194	73	-122	-62.6%	272	102	-170	-62.6%	310	116	-194	-62.6%
1450	219	98	-122	-55.5%	307	137	-170	-55.5%	350	156	-194	-55.5%
1500	244	123	-122	-49.8%	342	172	-170	-49.8%	390	196	-194	-49.8%
1550	269	148	-122	-45.2%	377	207	-170	-45.2%	430	236	-194	-45.2%
1600	294	173	-122	-41.3%	412	242	-170	-41.3%	470	276	-194	-41.3%
1650	319	198	-121	-38.1%	447	277	-170	-38.1%	510	316	-194	-38.1%
1700	329	223	-106	-32.3%	482	312	-170	-35.3%	550	356	-194	-35.3%
1750	338	248	-91	-26.8%	505	347	-158	-31.3%	590	396	-194	-32.9%
1800	348	273	-75	-21.7%	519	382	-137	-26.4%	630	436	-194	-30.8%
1850	358	298	-60	-16.8%	533	417	-116	-21.8%	660	476	-184	-27.9%
1900	367	323	-45	-12.2%	547	452	-95	-17.4%	678	516	-162	-23.8%
1950	377	348	-29	-7.8%	561	487	-74	-13.2%	695	556	-139	-20.0%
2000	387	373	-14	-3.7%	575	522	-53	-9.2%	712	596	-116	-16.3%
2050	396	398	1	0.3%	589	557	-32	-5.4%	730	636	-94	-12.8%
2100	406	423	17	4.1%	603	592	-11	-1.8%	747	676	-71	-9.5%
2150	416	446	30	7.3%	617	627	10	1.6%	764	716	-48	-6.3%
2200	425	456	31	7.3%	631	662	31	4.9%	782	756	-26	-3.3%
2250	435	467	32	7.3%	645	697	52	8.1%	799	796	-3	-0.4%
2300	445	477	33	7.3%	659	727	69	10.4%	817	836	19	2.4%
2350	454	487	33	7.3%	673	743	70	10.5%	834	876	42	5.0%
2400	464	498	34	7.3%	687	759	72	10.5%	851	916	65	7.6%
2450	474	508	35	7.3%	701	774	74	10.6%	869	937	68	7.9%
2500	483	519	35	7.3%	715	790	76	10.6%	886	956	70	7.9%

All of the neighboring states rely on the income shares model. Their income base varies. Colorado, Kansas, and Missouri rely on gross income. The remaining states rely on after-tax income like Nebraska does. For the purposes of the comparisons, gross income is converted to net income using federal and state income withholding formulas. The federal income withholding formula considers FICA as well. Kansas is one of a few states that considers age of the child in its tables. None of the other states compared do. Kansas considers three age ranges: ages 0 to 5; ages 6-11; and ages 12-18. The comparisons consider the middle-age group. Exhibit 11 shows other differences among the states compared.

Exhibit 10: Summary of Case Scenarios Used to Compare Impact of Updated Table

Case Scenario	Gross Monthly Income of Payer -Parent	Gross Monthly Income of Receiving Party
1. Each parent earns state minimum wage ($12.00/hour) 33.8 hours per week (average hours worked in NE)[37]	$ 1,780	$ 1,780
2. Each parent earns state minimum wage ($12.00/hour) 40 hours per week	$ 2,080	$ 2,080
3. Parent's earnings are equivalent to median earnings of Nebraska workers with less than a high school education	$ 3,120	$ 2,007
4. Parent's earnings are equivalent to median earnings of Nebraska workers whose highest educational attainment is a high school degree or GED	$ 3,690	$ 2,611
5. Parent's earnings are equivalent to median earnings of Nebraska workers whose highest educational attainment is some college or an associate's degree	$ 4,598	$ 2,918
6. Parent's earnings are equivalent to median earnings of Nebraska workers whose highest educational attainment is a college degree	$ 5,713	$ 4,216
7. Parent's earnings are equivalent to median earnings of Nebraska workers whose highest educational attainment is graduate degree	$ 6,184	$ 5,523
8. High income case	$ 10,417	$ 8,333

Findings from State Comparisons

- *Updating the Nebraska Table would produce no changes for those eligible for the Basic Subsistence Limitation*. This is because consideration of the basic subsistence limitation is the last step in the calculation. (It is applied after consideration of the payer-parent's prorated share of the Table amount.) For Case 1, the payer-parent is eligible for the basic subsistence limitation. To this end, updating the table has no impact on Case 1. Under the updated Comanor table, the amounts are sometimes lower than the adjusted amount for the Basic Subsistence Limitation.

- *If the Basic Subsistence Limitation does not apply, the order amount under the updated Nebraska Table would be more. The difference becomes larger with more income and more children.* For example, the increase for Case 2 (which is a case where each parent's income is based on a 40-hour workweek at the state minimum wage) for one child is $21 per month (6%), while the increase for Case 8 (a very high-income case) for two children is $252 per month (19%).

- *Generally, the existing Nebraska Table produces amounts lower than most of the bordering states*. Besides Colorado,[38] Nebraska has not updated its table since the COVID-19 pandemic

[37] U.S. Bureau of Labor Statistics. (July. 2024). *Total Private Average Hourly Earnings and Weekly Hours and Earnings by State, June 2024.* https://www.bls.gov/charts/state-employment-and-unemployment/average-hourly-earnings-and-weekly-hours-and-earnings-by-state.htm.

[38] The 2023 Colorado Guidelines Review Commission recommended an update to its schedule; but, it has not been introduced into legislation yet. With the exception of the low-income part of the Colorado table, Colorado has not updated its table since 2010.

began in 2020. Another reason that Nebraska is lower than most states is because it adjusts for its price parity.

- *Updating the Nebraska Table would bring it closer to that of the current amounts of neighboring states.* That proximity, however, may be short-lived. Colorado is proposing increases. Iowa and Missouri (which are both based on the most current Betson-Rothbarth estimates) are currently reviewing their guidelines; and are proposing increases for inflation and other factors. If these states and Nebraska update their tables, Nebraska will still be lower because Nebraska is the only one of these states that adjusts its table for its lower price parity.

- *The Low-Income Adjustment Applies to Some but Not All Bordering States for Case 1.* This is particularly noticeable in the scenarios for two and three children. Colorado, Kansas, Nebraska, and Wyoming have more generous low-income adjustments than Iowa, Missouri and South Dakota. Nebraska and Wyoming index their low-income adjustment: that is, it is updated each year with changes in the federal poverty guidelines. In contrast, most of the other states only consider updating their low-income adjustment during their quadrennial review.

- *The Updated Comanor Amounts Are Much Less than the Updated BR5 Amounts.* This is consistent with the Comanor study that produces very low amounts. This is arguable and other evidence presented in this report shows that Comanor's estimates understate actual child-rearing expenditures. (One reason is his estimates do not include all child-rearing expenditures.)

Exhibit 11: Comparison of Guideline Assumptions and Data and Socio-economic Characteristics of Nebraska and Neighboring States

	US	NE	CO	IA	KS	MO	SD	WY
Adjusted for State Income or Prices	N.A.	Adjusted downward for NE price parity	Yes, Adjusted upward for Colorado housing cost	No	Unknown	No	Realigned downward for SD income	No
Income Basis	N.A.	Net	Gross	Net	Gross	Gross	Net	Net
Underlying Economic Study	N.A.	BR4	BR4	BR5	Study of national data relying on methodology developed by KS professors	BR5	BR5	BR5
Years of Consumer Expenditure Survey data if applicable	N.A.	2004-2009	2004-2009	2013-2019	Unknown	2013-2019	2013-2019	2013-2019
Year of Price Levels Considered	N.A.	2018	2010[a]	2020	2023	2020	2021	2021
Highest Combined Monthly Income Considered in Table/Schedule	N.A.	$20,000 net	$30,000 gross	$30,000 Net	$30,000 gross	$30,000 gross	$30,000 net	No limit
Type of Low-Income Adjustment and Self-Support Reserve (SSR) Amount (i.e., called Basic Subsistence Limitation in NE)	N.A.	Current Federal poverty level	2-step income sliding scale	Separate low-income table	2023 federal poverty level	2020 federal poverty level	About $900 net	Current Federal poverty level
Rebuttable Minimum order (monthly)	N.A.	Greater of $50 or 10%	$10	1 child:$50 2+ children: $75	none	$60	$79	none
2022 Median Annual Income (married couple with children)	$120,704	$117,131	$136,764	$117,929	$110,994	$109,063	$110,286	$109,179
2022 Median Annual Income (female householder with children)	$ 36,393	$35,918	$41,922	$36,536	$36,705	$34,988	$35,170	$42,112
2022 Median Gross Rent	$1,300	$983	$1,646	$891	$975	$954	$866	$895
2024 Minimum Hourly Wage	$7.25	$12.00	$14.41	$7.25	$7.25	$12.30	$11.20	$7.25
2022 Price Parity	100.0	89.8	102.3	88.4	90.0	91.1	88.0	91.9

[a]The 2024 Colorado Commission recommends updating the schedule. It has not been introduced into legislation yet.

Exhibit 12: Comparisons for One Child: Low Income

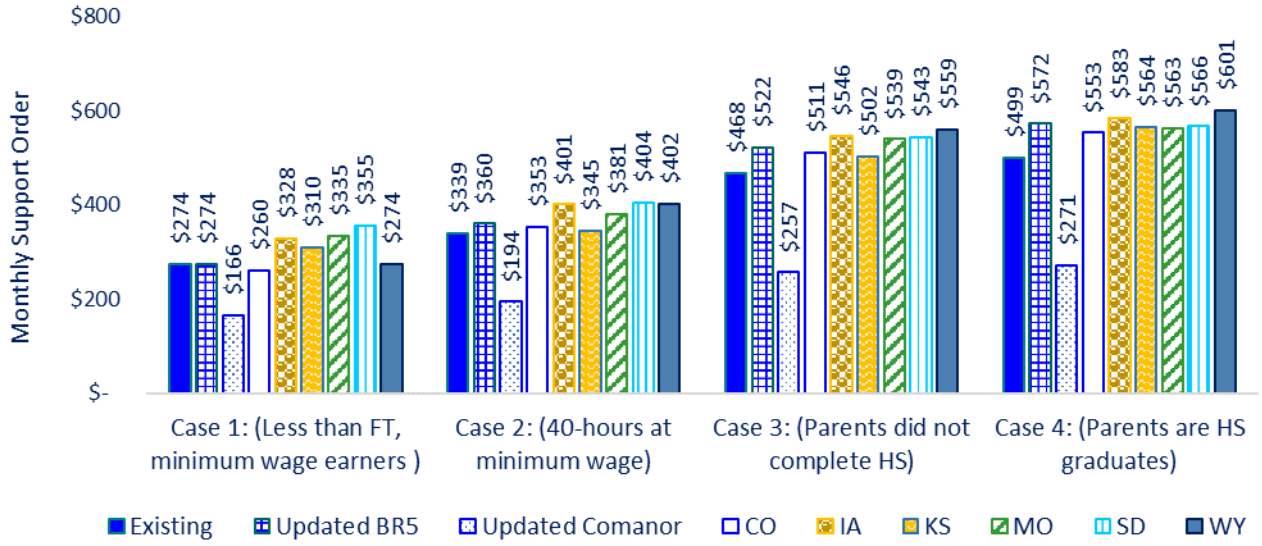


Exhibit 13: Comparisons for Two Children: Low Income

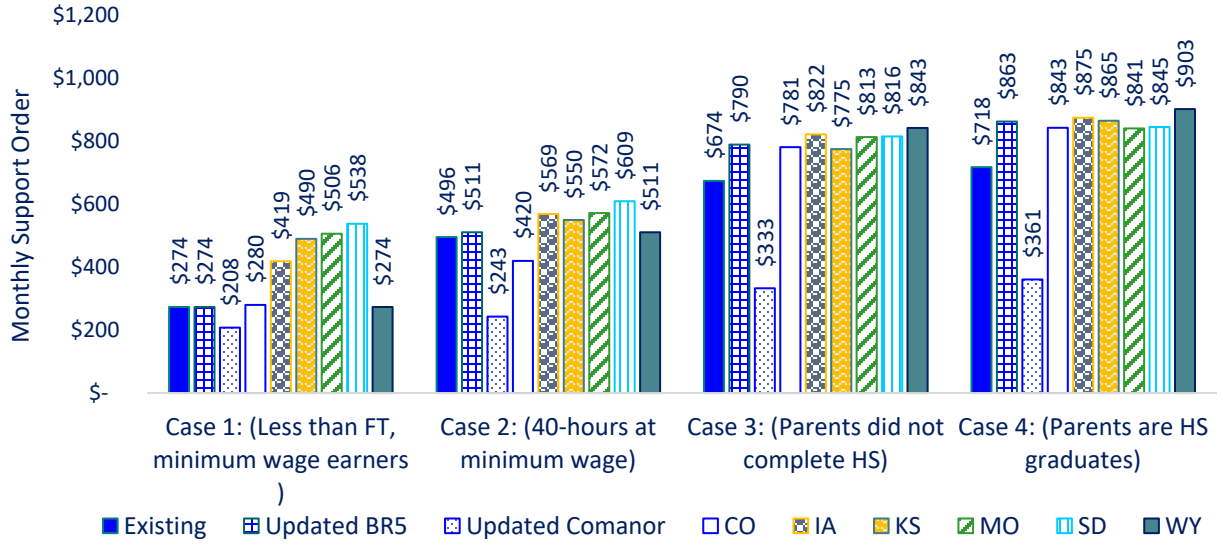


Exhibit 14: Comparisons for Three Children: Low Income

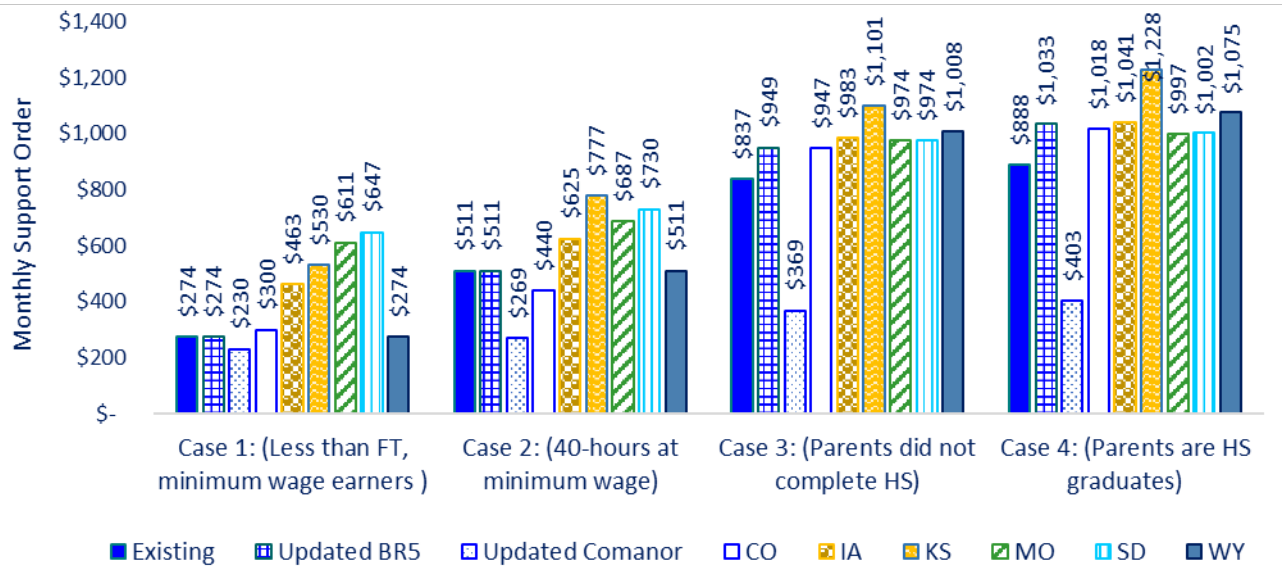


Exhibit 15: Comparisons for One Child: Middle and High Income

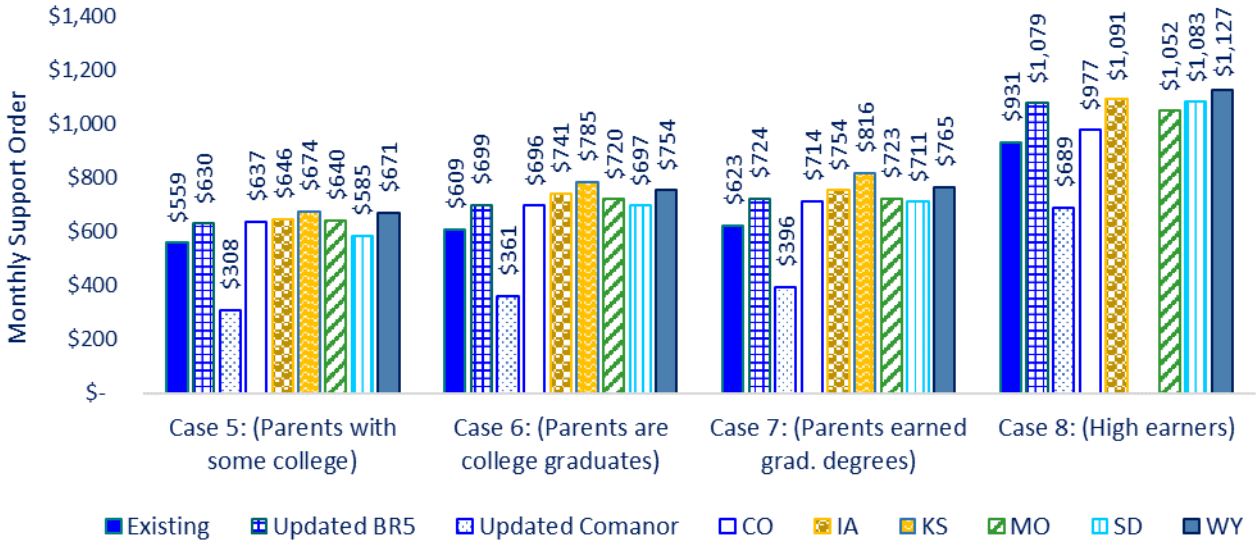


Exhibit 16: Comparisons for Two Children: Middle and High Income

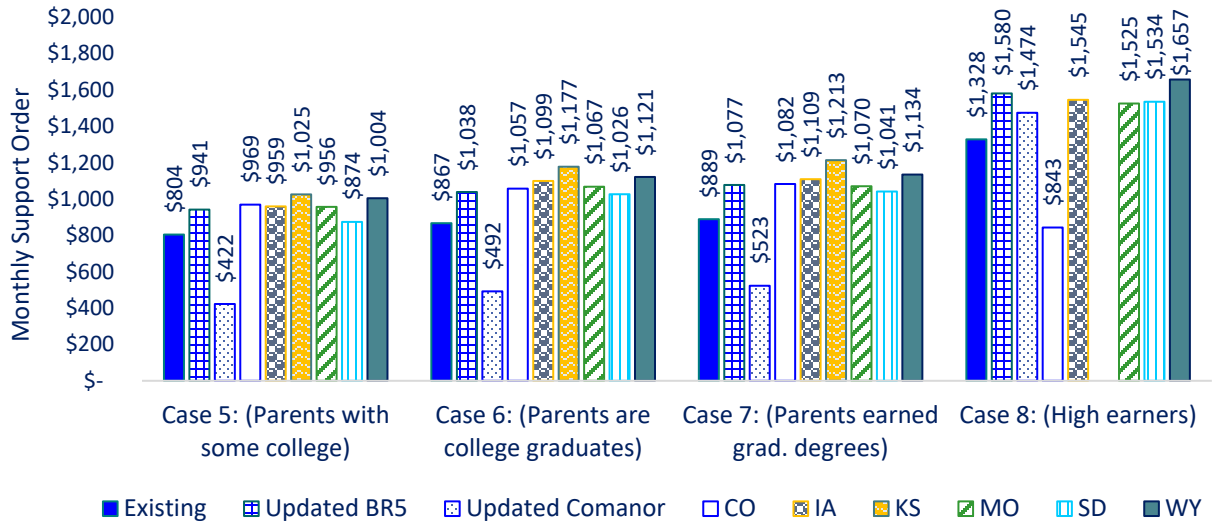
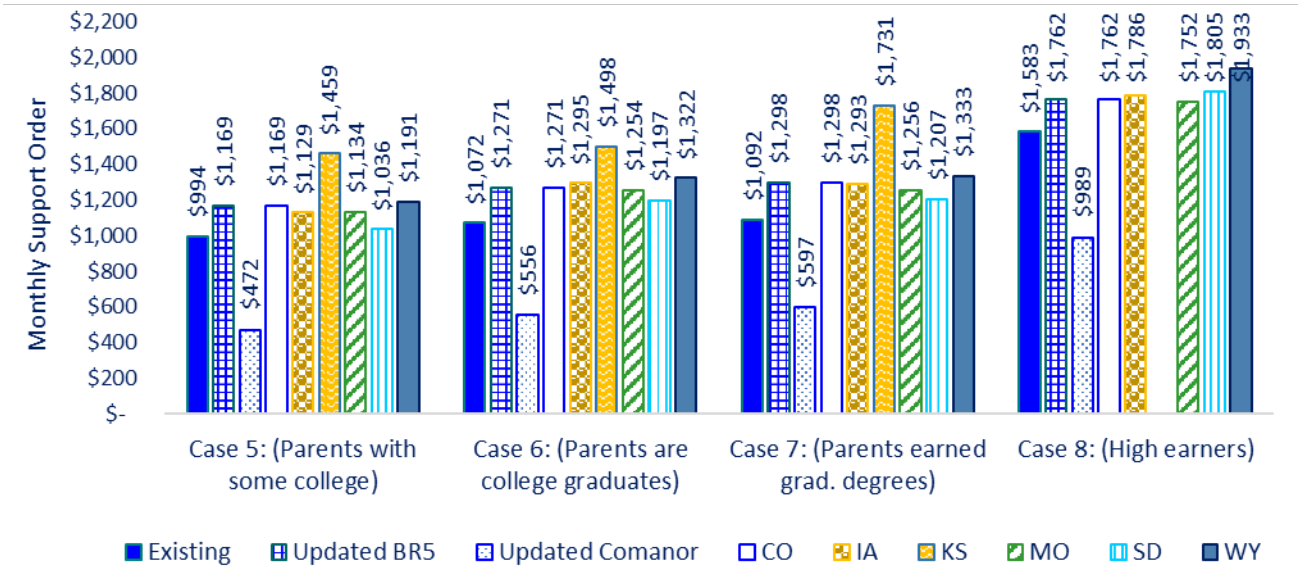


Exhibit 17: Comparisons for Three Children: Middle and Higher Income



SECTION 4: FINDINGS FROM ANALYSIS OF CASE FILE DATA

As shown in Exhibit 1, federal regulation (45 C.F. 302.56(h)(2) requires the analysis of case file data (or data collected through another method) on:

- The application of and the deviation from the guidelines;
- The rates of income imputation, default, and application of the low-income adjustment; and
- Payment data.

This section provides findings from the analysis of case file data.

PURPOSE OF FEDERAL DATA REQUIREMENTS

The federal intent is for states to use findings from the analysis of case file data to develop data-based recommendations to improve their state's guidelines. The federal regulation specifically mentions the analysis of deviation data to develop guidelines provisions that would keep deviations at a minimum.[39] For example, Nevada added a presumptive formula for shared physical custody upon learning that many deviations were for shared-physical custody situations.

Most of the data requirements were added in 2016 through the Flexibility, Efficiency, and Modernization in Child Support Enforcement Programs (FEM) Rule.[40] The narrative of the FEM Rule provides context to the data requirements. The FEM Rule generally focuses on issues with the IV-D caseload where IV-D stands for Section IV-D of the Social Security Act that authorizes government child support programs. National data finds that IV-D cases have lower incomes than non-IV-D cases on average and that IV-D cases have a higher proportion of never-married parents and non-IV-D cases have a higher proportion of divorcing parents. (The difference between never-married parents and divorcing parents often means a different legal path toward order establishment in many states as well as the establishment of orders for shared parenting time.) The FEM Rule aims to increase regular, on-time payment to families, to increase the number of payer-parents working and supporting their children, and to reduce the accumulation of unpaid arrears.[41] The FEM Rule was particularly intent on improving child support policies affecting low-income payer-parents. The proposed and final rule cited research finding support orders set beyond a low-income parent's ability to pay (particularly when income is imputed above the actual earnings of a low-income parent) go unpaid and result in uncollectible arrears balances.[42] This is the impetus for the federal requirement for state guidelines to consider the subsistence needs of the payer-parent (and the custodial parent at the state's discretion) and why

[39] 45 C.F.R. § 302.56(h)(2).
[40] See Federal Office of Child Support Enforcement. (Dec. 20, 2016). Actional Transmittal (AT-16-06) *Final Rule: Flexibility, Efficiency, and Modernization in Child Support Enforcement Programs*. Retrieved from https://www.acf.hhs.gov/css/policy-guidance/final-rule-flexibility-efficiency-and-modernization-child-support-enforcement.
[41] U.S. Department of Health and Human Services. (Nov. 17, 2014). "Flexibility, Efficiency, and Modernization in Child Support Enforcement Programs: Proposed Rulemaking" 79 *Federal Register*, p. 68548. Retrieved from https://www.govinfo.gov/content/pkg/FR-2014-11-17/pdf/2014-26822.pdf.
[42] Ibid. p. 68555.

federal regulation requires the consideration of the rate that the low-income adjustment is applied as part of a state's guidelines. Nebraska's low-income adjustment is the Basic Subsistence Limitation.

States must examine their income imputation rate because the final rule singled out income imputation as an overused approach to determining income among low-income payer-parents.[43] The FEM Rule requires the consideration of the specific circumstances of the payer-parent when income imputation is authorized. Some of the specific circumstances identified in the FEM Rule are payer-parent's incarceration history, educational attainment, skill level, other barriers to work, and whether there are local employment opportunities available for someone with the payer-parent's employment experience, educational attainment, and skill level. Although not discussed in the FEM Rule narrative, many parents with IV-D cases lack stable employment or have had recent cycles of unemployment but have the ability to work, so income imputation is necessary. The narrative surrounding the FEM Rule also noted the correlation between income imputation and default orders, as well as the importance of engaging both parents in the order establishment process in order to obtain the most accurate information about their circumstances such that the order is set at the appropriate amount.[44] This also explains the addition of the federal requirement to consider the state's default rate.

Data Available for Analysis and Data Limitations

CPR received a de-identified data extract from Children Have the Right to Support (CHARTS), which is the automated system for the Nebraska Department of Health and Human Services child support system. The extract included orders established or modified sometime between July 1, 2021 and June 30, 2022. The data extract contained 7,915 orders. Payment data were collected for the following state fiscal year for purposes of the analysis. With the exception of the annual update at very low incomes due to annual increases in the federal poverty guidelines, the bulk of the existing Nebraska Table was last updated January 1, 2020. The last case file review considered order establishments and modifications from October 1, 2015 and September 30, 2016. It included 9,686 orders. Nationally, child support caseloads have declined; in turn, this also means declines in the numbers of establishment and modification of orders.

The major data limitation, which is inherent in all states using data from their state child support automated system, is the systems are not designed to track the data fields of interest to federal data requirements imposed on state guidelines reviews; rather, they are designed to manage child support cases and track payments. Few state automated systems track whether the low-income adjustment was applied, whether income was imputed, whether the order was entered by default, and income used for the guidelines application. These data, however, can sometimes be estimated from other data in the system (e.g., income data, when available, can be used to estimate the percentage of parents with income imputed).

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[43] U.S. Department of Health and Human Services. (Dec. 20, 2016). "Flexibility, Efficiency, and Modernization in Child Support Enforcement Programs: Final Rule." 81 *Federal Register*. 244, p. 93520. Retrieved from https://www.gpo.gov/fdsys/pkg/FR-2016-12-20/pdf/2016-29598.pdf.

[44] U.S. Department of Health and Human Services. (Nov. 17, 2014). p. 68554.

Unlike many states, the Nebraska government automated system (which would be CHARTS in Nebraska) tracks both IV-D and non-IV-D cases. This helps Nebraska overcome a major limitation of most state guidelines reviews; that is, a lack of information about how the guidelines is applied to non-IV-D cases since most states only track IV-D orders on their automated systems. This is important because federal regulation provides that a state's child support guidelines is to be used by all judges/decisionmakers with the authority to enter an order. This encompasses both IV-D and non-IV-D orders.

For this review, detailed information about the guidelines calculation was obtained from the CHARTS automated guidelines worksheet. Worksheet data was not extracted for the last review. The worksheet contains detailed information about the income of the parties used to calculate the order and other factors considered in the guidelines calculation. A limitation to the information, however, is that a CHARTS automated guidelines worksheet was not available for every order. Only 2,126 of reviewed orders (27%) contained information from the CHARTS automated guidelines calculator. Guidelines users are not required to use the CHARTS guidelines calculator. There are other calculators available and guidelines users may also calculate the guidelines manually. Information from the CHARTS automated calculator was available for 34% of IV-D orders and 11% of non-IV-D orders. This suggests that the information from the CHARTS automated guidelines calculator is not representative of the entire statewide caseload to which the guidelines applied. Still, it is informative to the guidelines review.

Like the previous review, findings among new and modified orders and IV-D and non-IV-D orders are reported separately. Most states find that modified orders tend to have better payment outcomes and higher incomes than new orders. This does not mean that modification encourages payment; rather, it probably suggests a greater interest in keeping the order amount at an appropriate level in paying cases. A receiving-parent would have an incentive to pursue an upward modification if the receiving-parent believes the payer-parent's increased. The payer-parent would have an incentive to pursue a downward modification if the payer-parent believes the receiving-parent's income has increased or their own income has decreased. In contrast, there is less incentive for a receiving-parent to pursue modification of an order that was not being paid. Most states also find that non-IV-D orders have better payment outcomes and higher income than IV-D orders. This may reflect that those receiving Temporary Assistance for Needy Children (TANF), which is a means-tested program (hence, includes lower-income parents), are required to cooperate with the IV-D program.

The breakdown of the 7,915 orders analyzed for this guidelines review includes:

- 3,489 new IV-D orders (44% of all orders);
- 1,946 modified IV-D orders (25% of all orders);
- 1,716 new non-IV-D orders (22% of all orders); and
- 764 modified non-IV-D orders (10% of all orders).

Since the last review, the numbers of newly established orders and modified orders have gone down regardless of IV-D status or whether it was a new or modified order. The largest decrease is among new, non-IV-D orders (35% decrease) and the least decrease is new IV-D orders (9% decrease). Modifications decreased at about the same rate for IV-D and non-IV-D orders (15% and 16% decreases).

General Characteristics and Parents' Incomes

The three major determinants of the order amount are the number of children, the payer-parent's income and the income of the receiving-parent. Exhibit 18 shows the frequency of number of children. The frequencies differ little from those of the last review. Exhibit 18 also shows the gender of the payer-parent is typically male as it was last review.

Exhibit 18: Selected Order Characteristics (% of Orders)

	IV-D Orders		Non-IV-D Orders		All Orders (N =7,915)
	New Orders (N= 3,848)	Modified Orders (n-2,302)	New Orders (n = 2,639)	Modified Orders (n= 897)	
Number of Children on Order					
• One Child	65%	51%	53%	46%	57%
• Two Children	23%	30%	32%	35%	28%
• Three Children	9%	13%	11%	14%	11%
• Four or more children	3%	6%	4%	5%	4%
Gender of the Payer-Parent					
• Female	11%	8%	18%	11%	12%
• Male	86%	87%	80%	86%	85%
• Unknown	3%	5%	2%	3%	3%
TANF Status at Order Establishment/Modification[a]					
• Both Active TANF	3%	2%	1%	1%	2%
• Custodial Only[b]	5%	3%	2%	1%	3%
• Payer-Parent Only	17%	16%	10%	10%	15%
• Neither	75%	79%	87%	89%	80%
Medicaid Status at Order Establishment/Modification[a]					
• Both Medicaid	6%	4%	5%	3%	5%
• Custodial Only[b]	67%	58%	29%	31%	40%
• Payer-Parent Only	3%	2%	1%	2%	2%
• Neither	25%	36%	65%	64%	53%

[a]This is based on cases where information was available.

[b]At least one dependent in the custodial household was enrolled in TANF.

If the custodial family is receiving TANF cash assistance, the case is to be referred to the child support agency for services. As shown in Exhibit 18, it is possible that someone in the payer-parent's household is also receiving TANF benefits, which may include cash assistance or work supports such as childcare assistance. When this occurs, usually the payer-parent has multiple families or more than one child: one for whom support is being determined or modified; and, the other family/child with whom the payer-parent lives. In the household where the payer-parent lives, at least one household member is enrolled in TANF. Among cases where only the payer-parent household was enrolled in TANF, 50% of the orders were set at zero and another 8% were set at $50. The remaining 42% were set at higher amounts. New York and other states provide for a zero order when the payer-parent is enrolled in TANF. TANF eligibility indicates extraordinarily low income. Nebraska, like most states, sets its income threshold for

TANF eligibility below the federal poverty guidelines. Medicaid eligibility can be up to 162% of the federal poverty guidelines depending on the age of the child. Medicaid only requires cooperation with the establishment of a medical support order, not a financial child support order.

Other information obtained in the data extract about the payer-parent noted whether they were matched to Department of Corrections data or data from the Social Security Administration data (SSA), which would suggest income from supplemental security income, social security disability insurance, or another SSA program. Incarceration was noted among only 3% of the payer-parents and SSA was noted among 2% of payer-parents. In these situations, 36% of the payer-parents had zero orders, another 37% had orders of $5 to $50 per month, and the remaining 27% had orders more than $50 per month. Insufficient data were available to determine whether incarcerated parents of parents with income from a SSA source also had other income (e.g., some persons with disabilities are still able to work).

Incomes of the Parents

Exhibit 19 shows whether the payer-parent's income is recorded electronically somewhere on CHARTS; and, if so, the average and median incomes of the payer-parents with income information. There are two sources of income information available from CHARTS: income from the automated guidelines calculator attached to CHARTS; and, quarterly wage data obtained from employers that are required to report payroll data to the State for the purposes of the State unemployment insurance and workman's compensation programs. Self-employed individuals and exempt employers (e.g., railroad workers) would be excluded. Not all guidelines users rely on the CHARTS automated guidelines calculator. The gross income from the guidelines calculator may be imputed. It is the income that is used for the guidelines calculation. Paystubs and tax returns are the most common source of income information. Quarterly wage data is generally not used as the income for the guidelines calculation because the information is usually old by the time the data is available in CHARTS due to time lags caused by income verification and processing.

Quarterly wage is never an imputed amount. It will not capture any income earned other than earnings from an employer who reports it to the State. There is an attempt to match every IV-D case to quarterly wage data but non-IV-D cases are not routinely matched. Some non-IV-D cases will have matches to quarterly wage if they were formerly IV-D or a party to the non-IV-D case has a IV-D case.

Exhibit 19 shows that quarterly wage data is available more often than income information from the guidelines calculator. This reflects that more payer-parents work for employers that report wages and that the CHARTS automated guidelines calculator is not commonly used. Depending on the income source, the IV-D status, and whether it is a new or modified order, the average and median incomes among payer-parents with available information are about $1,560 to about $4,500 gross per month (see Exhibit 19). In contrast, the median wage of *all* Nebraska workers as of Quarter 2, 2024 was $4,028 per month.[45] In short, incomes among payer-parents tend to be lower than incomes statewide. Exhibit 19

[45] This is the monthly amount based on the annual median: $48,337. Source is *Nebraska Department of Labor, (n.d.) Occupational Employment and Wage Statistics (OEWS) for Q2, 2024*. Retrieved from https://neworks.nebraska.gov/vosnet/analyzer/resultsNew.aspx?enc=dTkmvkgGEL2blQpjB3ZCAerz8ejCpEVgtZZJ82GDP5c=

also shows when income is available from both sources, it tends to match. For example, the average income from the guidelines worksheet is $2,558 gross per month and the average from quarterly wage income is $2,610 gross per month, which is a $52 per month difference. The difference may reflect rounding error, a slightly different time period (wages over two years rather than one year) or another nuanced difference.

Exhibit 19: Availability of Payer-Parent's Income Information and Average and Median Gross Income

	IV-D Orders		Non-IV-D Orders		All Orders (N =7,915)
	New Orders (n= 3,848)	Modified Orders (n=2,302)	New Orders (n = 2,639)	Modified Orders (n= 897)	
Availability of Quarterly Wage Data among Payer-Parents (% of orders)	60%	51%	21%	30%	55%
Availability of Gross Income from Automated Guidelines Calculator (% or orders)	35%	20%	7%	10%	26%
Availability of Income Data from Both Sources (% of orders)	26%	13%	5%	6%	19%
Orders with Quarterly Wage Data					
Payer-Parent's Gross Monthly Income Based on Quarterly Wage Data	(n = 2,306)	(n= 1,184)	(n=552)	(n=272)	(n = 4,314)
• Average	$2,763	$3,490	$3,166	$4,348	$3,114
• Median	$2,471	$3,208	$3,208	$2,813	$2,741
Orders with Information from Guidelines Calculator					
	New Orders	Modified Orders	New Orders	Modified Orders	All Orders
Payer-Parent's Gross Monthly Income Based on Guidelines Worksheet	(n=1,351)	(n=464)	(n=176)	(n=87)	(n=2,078)
• Average	$1,734	$2,268	$2,427	$2,480	$2,277
• Median	$1,560	$1,973	$2,427	$2,064	$2,000
Orders with Information from Guidelines Calculator and Quarterly Wage Data					
	New Orders	Modified Orders	New Orders	Modified Orders	All Orders
Payer-Parent's Gross Monthly Income Based on Guidelines Worksheet	(n=997)	(n=296)	(n=144)	(n=58)	(n=1,495)
• Average	$2,482	$2,780	$2,611	$2,613	$2,558
• Median	$2,600	$2,600	$2,600	$2,886	$2,430
Payer-Parent's Gross Monthly Income Based on Quarterly Wage Data	(n= 997)	(n=296)	(n=144)	(n=58)	(n=1,495)
• Average	$2,477	$2,970	$2,732	$2,766	$2,610
• Median	$2,221	$2,598	$2,371	$2,703	$2,351

Exhibit 20 presents the same type of information that Exhibit 19 does for the payer-parent only receiving-parents/custodians instead. Like the income information for payer-parents, income information for receiving-parents/custodians is more likely to be available from quarterly wage data than the automated guidelines calculator; and, the average and median incomes are generally lower than the median earnings of *all* Nebraska workers. Depending on the income source, the IV-D status, and whether it is a new or modified order, the average and median incomes among receiving-parents/custodians with available information are about $1,560 to about $2,455 gross per month (see Exhibit 20). The average and median incomes of receiving-parents/custodians are generally less than those of payer-parents.

Exhibit 20: Availability of Receiving-Parents/Custodian's Income Information and Average and Median Gross Income

	IV-D Orders		Non-IV-D Orders		All Orders (N =7,915)
	New Orders (N= 3,848)	Modified Orders (n-2,302)	New Orders (n = 2,639)	Modified Orders (n= 897)	
Availability of Quarterly Wage Data among Receiving-Custodians (% of orders)	64%	59%	21%	31%	59%
Availability of Gross Income from Automated Guidelines Calculator (% or orders)	35%	20%	7%	10%	26%
Availability of Income Data from Both Sources (% of orders)	20%	16%	5%	7%	20%
Orders with Quarterly Wage Data					
Receiving-Custodian's Gross Monthly Income Based on Quarterly Wage Data	(n = 2,452)	(n= 1,360)	(n=546)	(n=278)	(n = 4,636)
• Average	$1,912	$2,455	$2,172	$2,451	$2,134
• Median	$1,638	$2,196	$1,812	$2,088	$1,820
Orders with Information from Guidelines Calculator					
	New Orders	Modified Orders	New Orders	Modified Orders	All Orders
Receiving-Custodian's Gross Monthly Income Based on Guidelines Worksheet	(n=1,351)	(n=464)	(n=176)	(n=87)	(n=2,078)
• Average	$1,734	$2,074	$1,681	$2,103	$1,820
• Median	$1,560	$1,642	$1,560	$1,777	$1,560
Orders with Information from Guidelines Calculator and Quarterly Wage Data					
	New Orders	Modified Orders	New Orders	Modified Orders	All Orders
Receiving-Custodian's Gross Monthly Income Based on Guidelines Worksheet	(n=783)	(n= 361)	(n=137)	(n=65)	(n=1,586)
• Average	$1,872	$2,241	$1,840	$2,373	$1,974
• Median	$1,566	$2,000	$1,560	$2,120	$1,690
Receiving-Custodian's Gross Monthly Income Based on Quarterly Wage Data	(n=783)	(n= 361)	(n=137)	(n=65)	(n=1,586)
• Average	$1,770	$2,259	$1,714	$2,428	$1,904
• Median	$1,566	$1,954	$1,616	$2,237	$1,658

Adjustment to Income for Additional Dependents

The Nebraska Guidelines provide income deductions for previous child support orders and additional children. Based on the orders in which there was a guidelines worksheet, these adjustment were infrequent. Not more than 5% received an income deduction. Another way to look at the issue is how many parents in the data set had multiple orders in CHARTS. Just less than half (43%) of payer-parents were a payer-parent on another CHARTS case and 10% were a receiving-parent on another CHARTS case. Over a third (36%) of receiving-parents had another CHARTS case in which they were a receiving-parent and 8% had another CHARTS case in which they were the payer-parent.

Order Amounts

Exhibit 21 shows the average amount ordered for current support by case type and the percentage with zero orders. The average order amount across all orders was $367 per month and 12% of all examined orders were set at zero. Among zero orders, 19% were for payer-parents enrolled in TANF, 9% were for

payer-parents enrolled in Medicaid, 2% were for payer-parents with SSA income, and 2% were payer-parent who were incarcerated. There are several other circumstances in which the order could be $0 (e.g., equal physical custody and equal incomes). There is an insufficient data to determine the route cause of the zero order.

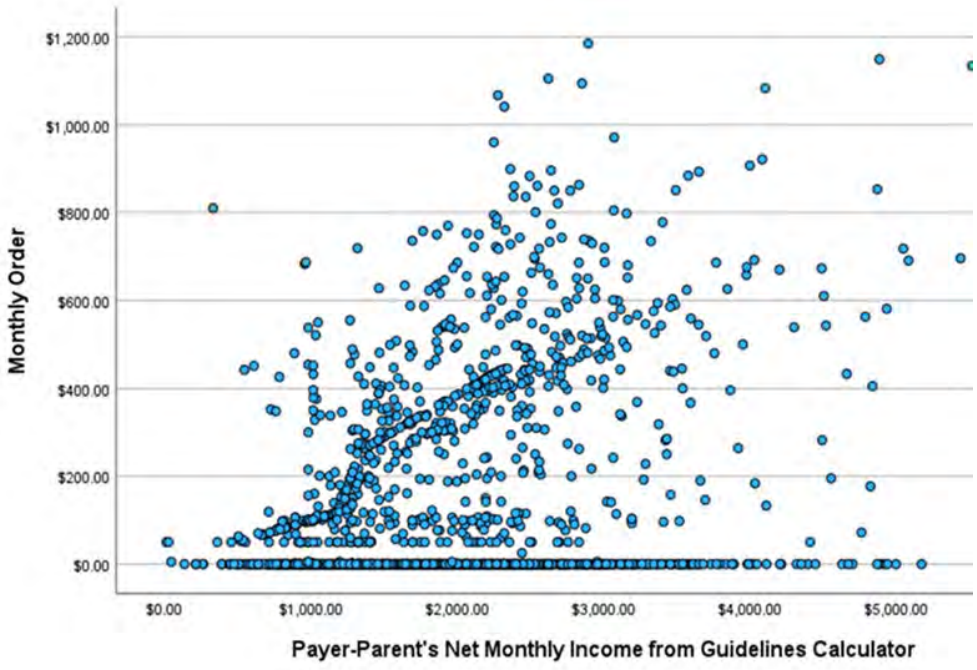
Exhibit 21: Monthly Order Amounts[a]

	IV-D Orders		Non-IV-D Orders		All Orders (N =7,915)
	New Orders (N= 3,489)	Modified Orders (n=1,946)	New Orders (n = 1,716)	Modified Orders (n= 764)	
Monthly Order • Average • Median	 $332 $278	 $320 $264	 $478 $367	 $445 $354	 $367 $200
Percentage of Orders that are $0	6%	21%	9%	20%	12%

[a]This is based on the monthly amount due July 2022. Some cases were closed since the order was established or modified.

Exhibit 22 shows the relationship between the payer-parent's income and the order amount using a scattergram. In general, the more income the payer-parent has, the higher the order amount. This is shown by the trendline formed by the upward concentration of dots in Exhibit 22. There is also a concentration of dots at the zero-order line. This suggests there are many zero orders and that income is not the only factor considered when entering a zero order.

Exhibit 22: Scattergram Relating Payer-Parent's Income to Monthly Order Amount

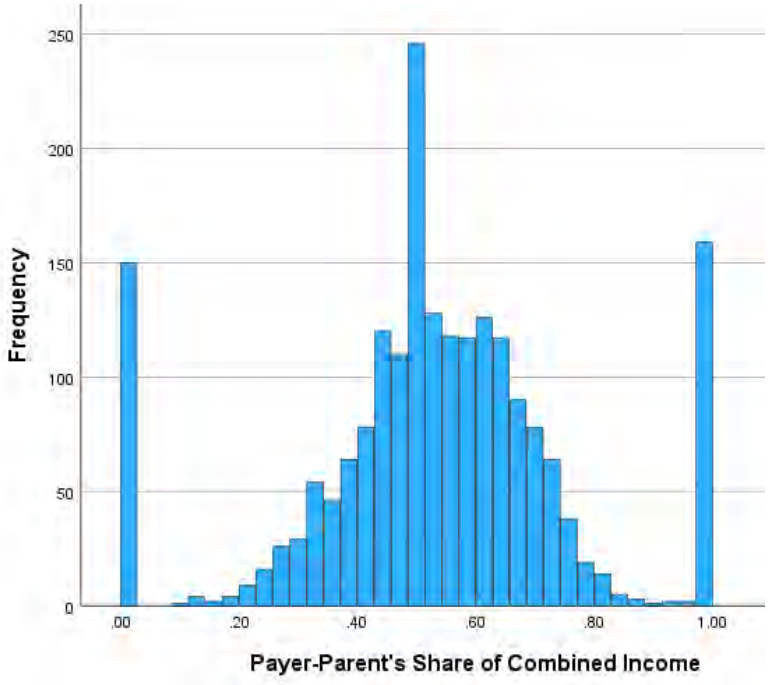


Another consideration in the income shares calculation is the payer-parent's share of net income. Exhibit 23 shows that the payer-parent's share of net income is generally normally distributed around the average (53%). Notable exceptions are payer-parents with no income and payer-parents that have 100% of the income. The spike at zero in Exhibit 23 reflects many payer-parents have no income. The spike at 1.0 in Exhibit 23 reflects the opposite: there are many receiving-parents with no incomes, so the payer-parent's share of combined income is 1.0.

Medical Support

Most (81%) of analyzed orders included an order for medical support. The parent ordered to provide health insurance was identified in 26% orders. It was ordered to the payer-parent in almost two-thirds of these orders.

Exhibit 23: Distribution of Payer-Parent's Share of Combined Income



Federal Data Requirements

Guidelines Application and Deviations

Exhibit 24 shows the current guidelines deviation provision. The guidelines review is an opportunity to review the appropriateness of the deviation criteria and whether new provisions are necessary to limit guidelines deviations.

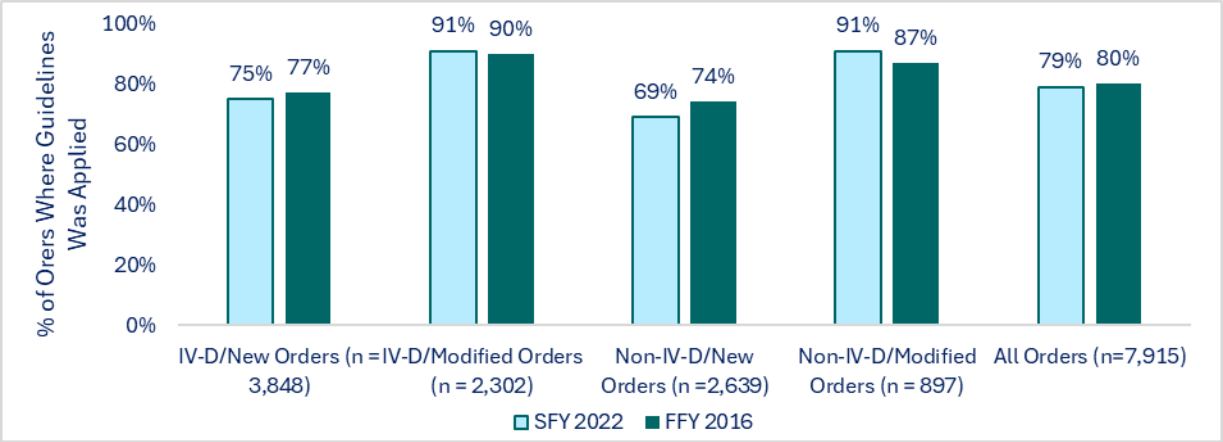
Exhibit 25 shows that the guidelines were applied to 79% of all orders reviewed, which differs little from the rate found for the last guidelines review in FFY2016 (80%). This implies a guidelines deviation rate of 21% for this review. The percentages, however, differ by case type. New, non-IV-D orders have the greatest decrease in application of the guidelines over time: it decreased from 74% to 69%. This implies guidelines deviations are increasing for this subpopulation (i.e., from 26% to 31%). Still, the guidelines deviation rate is in the range found in most states.

Among all orders with deviations, the most frequently listed reason was unknown (90%). Modified orders, however, had more deviations based on special needs. Both IV-D and non-IV-D orders with deviations noted special needs as the reason for 28% of the deviations.

Exhibit 24: Current Deviation Provision

Federal Requirement	Nebraska Provision
45 C.F.R. §302.56(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.	§4-203 Deviations from the guidelines are permissible under the following circumstances: (A) When there are extraordinary medical costs of either parent or child; (B) when special needs of a disabled child exist; (C) if total net income exceeds $20,000 monthly, child support for amounts in excess of $20,000 monthly may be more but shall not be less than the amount which would be computed using the $20,000 monthly income unless other permissible deviations exist. To assist the court and not as a rebuttable presumption, the court may use the amount at $20,000 plus: 10 percent of net income above $20,000 for one, two, and three children; 12 percent of net income above $20,000 for four children; 13 percent of net income for five children; and 14 percent of net income for six children. For example, if the combined net parental income is $30,000 monthly and there is one child, the schedule amount at $20,000 is $2,282. Ten percent of the net income above $20,000 is $2,000 ($20,000 times .10). Therefore, the basic obligation is $4,282 ($2,282 plus $2,000). If the obligor's share of the total net income is 85 percent, the obligor's share of the support is $3,640 ($4,282 times .85). (D) for juveniles placed in foster care; or (E) whenever the application of the guidelines in an individual case would be unjust or inappropriate. All orders for child support, including modifications, must include a basic income and support calculation worksheet 1, and if used, worksheet 2 or 3.

Exhibit 25: Percentage of Orders Where the Guidelines Was Applied (All orders– those with and without information from guidelines calculations)



Application of the Low-Income Adjustment (Basic Subsistence Limitation)

Exhibit 26 shows how Nebraska meets the federal requirement to consider the subsistence needs of the payer-parent (45 C.F.R.§ 302.56 (c)(1)(ii)).

Exhibit 26: Basic Subsistence Limitation and Minimum Order

Federal Requirement	Nebraska Provision
45 C.F.R. §302.56 (c) The child support guidelines … must at a minimum: (1)(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…	§ 4-218. Basic subsistence limitation. A parent's support, child care, and health care obligation shall not reduce his or her net income below the minimum of $1,255 net monthly for one person, or the poverty guidelines updated annually in the Federal Register by the U.S. Department of Health and Human Services under authority of 42 U.S.C. § 9902(2), except minimum support may be ordered as defined in § 4-209. § 4-209. Minimum support. Even in very low income cases, except in cases of disability or incarceration where a lower amount may be justified, a minimum monthly support of $50, or 10 percent of the obligor's net income, whichever is greater, per month should be set. This will help to maintain information on such obligor, such as his or her address, employment, etc., and, hopefully, encourage such person to understand the necessity, duty, and importance of supporting his or her children.

CHARTS does not track whether the Basic Subsistence Limitation was applied. For the last review, three proxies were used: percentage of orders set at $50 per month (where the minimum order is the greater of $50 per month or 10%); and two other proxies. All of the proxies are likely to understate the application of the Basic Subsistence Limitation. For the last review, 8% of all orders were set at $50 per month. For this review, 5% of analyzed orders are set at $50 per month. For the last review, about 20% of payer-parents had quarterly wage data less than the Basic Subsistence Limitation. For this review, 11% of payer-parents did. In general, this reflects an increasing gap between the federal poverty guidelines (FPG) for one person, which is what the Nebraska guidelines uses for the Basic Subsistence Limitation, and the state minimum wage. In the year that the analyzed cases had an order established or modified, the state minimum wage was $9.00 per hour and the FPG was $1,133 per month. Assuming a 40-hour workweek at minimum wage, this means the payer-parent has $427 per month more than poverty. The payer-parent's share of the basic obligation from the table is typically lower than $427 per month. This is the income available for payroll taxes and child support assuming the payer-parent can subsist on the FPG. Using the 2024 minimum wage ($12 per hour) and 2024 FPG, the gap is $825 per month. It is also rare for the table amount to exceed this level.

Income Imputation and Defaults

Exhibit 27 shows how Nebraska meets the federal requirements to consider the actual circumstances of the payer-parent when income imputation is authorized and to not treat incarceration as voluntary unemployment (45 C.F.R.§ 302.56 (c)(1)(iii) and (3)).

Exhibit 27: Income Imputation Provision

Federal Requirement	Nebraska Provision
45 C.F.R. §302.56 (c) The child support guidelines … must at a minimum: (1)(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. (3) Provide that incarceration may not be treated as voluntary unemployment in establishing or modifying support orders; and…	§4-204 (E) If applicable, earning capacity may be considered in lieu of a parent's actual, present income. Earning capacity is not limited to wage-earning capacity, but includes moneys available from all sources. When imputing income to a parent, the court shall take into consideration the specific circumstances of the parents, to the extent known. Those factors may include the parent's residence, employment and earnings history, job skills, educational attainment, literacy, age, health, and employment barriers, including criminal record, record of seeking work, prevailing local earning levels, and availability of employment. (F) Incarceration may not be treated as voluntary unemployment or underemployment in establishing or modifying child support orders.

Since information from guidelines worksheets was not available for the last review, the rates of income imputation were estimated based on order amounts and quarterly wage data with estimated income tax rates. It is likely that the rate was under-estimated based on these proxies particularly because it is difficult to estimate income taxes. For this review, the gross income used for the guidelines calculation was examined to determine whether there was any income used frequently. Two incomes surfaced as frequently used ($1,170 gross per month and $1,560 gross per month). At the time, the state minimum wage was $9 per hour. A 30-hour workweek at $9 per hour yields $1,170 gross per month and a 40-hour workweek at $9 gross per hour yields $1,560 per month.

Assuming these are imputed income, income was imputed at minimum wage to 24% of payer-parents (i.e., about 16% of payer-parents had incomes of $1,170 and about 9% had incomes of $1,560). Among receiving-parents/custodian, the total was 29% with 15% at $1,170 and 15% at $1,560. (There is some round-off error that explains the difference between the summed amount and total). It is plausible that some of these incomes are actually minimum wage and not imputed. Exhibit 28 provides more rates by various subgroups.

Exhibit 28: Percentage of Parents/Custodians with Minimum-Wage Earnings (% of orders with information from guidelines calculations)[a]

Orders with Information from Guidelines Calculator					
	IV-D Orders		Non-IV-D Orders		All Orders
	New Orders	Modified Orders	New Orders	Modified Orders	
Payer-Parent's Gross Monthly Income Based on Guidelines Worksheet	(n=1,351)	(n=464)	(n=176)	(n=87)	(n=2,078)
• Minimum Wage Income	28%	14%	22%	22%	24%
o 30 hours per week	19%	8%	16%	11%	16%
o 40 hours per week	10%	6%	7%	10%	9%
Receiving-Custodian's Gross Monthly Income Based on Guidelines Worksheet	(n=1,351)	(n=464)	(n=176)	(n=87)	(n=2,078)
• Minimum Wage Income	29%	27%	33%	26%	29%
o 30 hours per week	14%	15%	16%	17%	15%
o 40 hours per week	15%	12%	17%	9%	15%

[a] Percentages do not total because of round-off error.

Correlation between Income Imputation and Default

According to national data, there is a high correlation between income imputation and default. The national data finds that default rates are generally less than income imputation rates. Specifically, the national study found that income was imputed to 37% of the payer-parents in low-income cases because the parent was unemployed or underemployed.[46] The same study found that 46% of those with income imputation also had orders entered by default. One possible explanation for the high correlation is that the same parents who do not supply income information for the purposes of calculating the guideline amount are not likely to show up for their child support hearing. In turn, the order is entered by default.

In general, many states struggle with fulfilling the federal requirement to analyze rates of default. One reason is that most state automated systems do not track defaults. Another reason is the federal rule did not provide a clear definition of what a default is. Although there is an implicit assumption that default means that the payer-parent did not show up for the hearing or did not consent to the order amount, that assumption does not always align with the practices of court and administrative tribunal processes for establishing and modifying child support orders. For example, in some jurisdictions, a non-response represents an agreement to the proposed order amount. The intent of the federal requirement to analyze defaults appears to be to increase awareness of the benefit of engaging payer-parents in the child support process early.[47]

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[46] U.S. Department of Health and Human Services Office of Inspector General. (July 2000). *The Establishment of Child Support Orders for Low income Non-custodial Parents.* p. 16. Retrieved from The Establishment of Child Support Orders for Low Income Non-Custodial Parents (OEI- 05-99-00390; 7/00) (hhs.gov).

[47] U.S. Department of Health and Human Services. (Nov. 17, 2014). "Flexibility, Efficiency, and Modernization in Child Support Enforcement Programs: Proposed Rulemaking" 79 *Federal Register*, pp. 68548-55. Retrieved from https://www.govinfo.gov/content/pkg/FR-2014-11-17/pdf/2014-26822.pdf.

Payment Data

Exhibit 29 meets the federal requirement to analyze payment data. It shows that the percentage of current support paid averages 74.9% among all orders with payment data, which is high compared to most states. Like most states, the analysis of Nebraska case file data finds that payment outcomes are not as good among minimum orders and when income is imputed. There may be other factors (e.g., income and other debts) that explain why the compliance rate is very low among $50 per month orders.

Exhibit 29: Average Percentage of Current Support Paid by Select Order Characteristic and Case Type

Orders Where the Amount Due Was Greater than $0 in FY2023					
	IV-D Orders		Non-IV-D Orders		All Orders
	New Orders	Modified Orders	New Orders	Modified Orders	
All Orders	(n = 3,305) 71.8%	(n =1,551) 79.4%	(n=1,604) 74.3%	(n=613) 82.4%	(n=7,073) 74.9%
$50 orders	(n = 120) 54.3%	(n=155) 54.0%	(n=80) 36.3%	(n=31) 58.9%	(n=337) 52.9%
Orders where the Payer-Parent's Income Was Equivalent to Minimum Wage Earnings ($1,170 or $1,560 gross per month)	(n=375) 54.6%	(n=66) 65.5%	(n=38) 55.6%	(n=17) 53.3%	(n=496) 56.1%

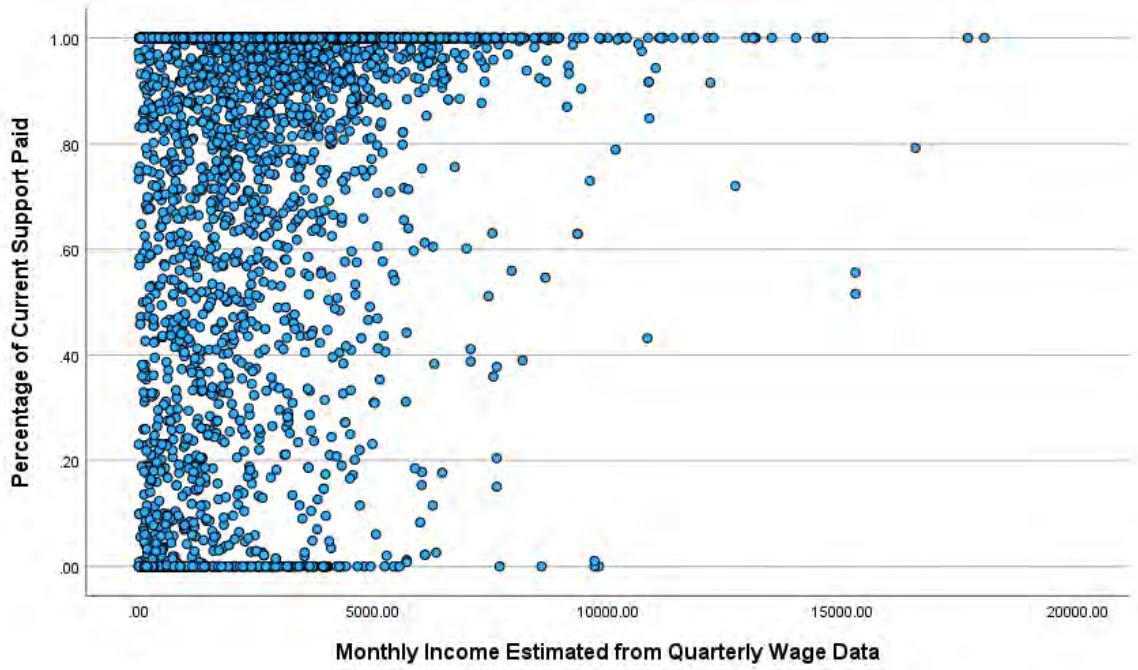
Payments were received 8.1 months out of SFY 2023 on average. The average number of months with payment were lower among IV-D orders, new orders, $50 orders, and orders where the payer-parent's income was minimum wage.

Exhibit 30 shows a scattergram of the relationship between the payer-parent's monthly gross income (calculated from quarterly wage data) and the percentage of current support paid over state fiscal year 2023. The concentration of dots near 0.0 and 1.0 indicate that many payer-parents pay nothing and many pay all of what is due. Exhibit 30 also shows there are fewer dots near 0.0 as income increases. This reflects that payment is better when the payer-parent has more income.

Arrears

Another way to look at payments is through the build up of arrears. At the time of order establishment/modification, 29% of analyzed orders owed arrears. One year later, 55% owed arrears. Regardless of what time period was considered, the median amount of arrears was about $1,000.

Exhibit 30: Scattergram Showing Relationship Gross between Income and Percentage of Current Support Paid



SECTION 5: FINDINGS FROM THE ANALYSIS OF LABOR MARKET INFORMATION

Federal regulation (45 C.F.R. § 302.56(h)(1)) 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, 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 . . . .

The review of labor market data appears to be aimed at informing recommendations for guidelines provisions for income imputation and low-income adjustments. Recent national research found that about one-third (35%) of nonresidential parents not living with one or more of their children under the age 21 had incomes below 200% of poverty.[48] These low-income nonresident parents were more likely to not work full-time and year-round than moderate- and higher-income nonresident parents were. About a quarter (27%) of low-income, noncustodial parents worked full-time year-round compared to 73% of moderate- and higher-income nonresident parents. The three most common reasons that low-income nonresidential parents who did not work for pay according to the national research were chronic health condition or disability (30%), an inability to find work (10%), or caregiving responsibility (9%).

One of the federal requirements adopted in 2016 (which the existing Nebraska guidelines meets) centers around considering the actual circumstances of the payer-parent when income imputation is authorized. This includes consideration of the employment opportunities available to the parent given local labor market conditions. The primary data sources for this section include the Nebraska Department of Labor (DOL)[49] and U.S. Bureau of Labor Statistics.[50]

Unemployment and Employment Rates and Labor Force Participation

The official measurement of unemployment, known as U-3, includes "all jobless persons who are available to take a job and have actively sought work in the past four weeks."[51] It is measured as a percentage of those in the civilian labor force, which includes employed and unemployed individuals.[52] To be employed: a person must have worked at least one hour as a paid employee or self-employed or been temporarily absent from their job or business or met other criteria. Actively seeking work means contacting an employer about a job opportunity, submitting a job application or resume, using an employment service, or a similar activity. Persons not in the labor force may not want a job, are not

[48] U.S. Congressional Research Service. (Oct. 2021). *Demographic and Socioeconomic Characteristics of Nonresident Parents.* Retrieved from https://crsreports.congress.gov/product/pdf/R/R46942.
[49] Nebraska Department of Labor. (n.d.) Retrieved from https://dol.nebraska.gov/
[50] More information about the U.S. Bureau of Labor Statistics can be found at https://www.bls.gov/
[51] U.S. Bureau of Labor Statistics. *Alternative Measures of Labor Underutilization for States, 2021 Annual Averages.* Retrieved from https://www.bls.gov/lau/stalt.htm
[52] U.S. Bureau of Labor Statistics. (Oct. 21, 2021.) *Concepts and Definitions.* Retrieved from https://www.bls.gov/cps/definitions.htm#lfpr

currently available for work, or available for work but haven't looked in the last four weeks and may be a "discouraged worker" (i.e., don't believe a job exists).

As of September 2024, the U.S. unemployment rate was 4.1% while the Nebraska unemployment rate was 2.6%. The unemployment rate varied by county. The highest was 4.3% in Banner County and the lowest was 1.6% in Rock County. All unemployment rates are lower than their April 2020 high, which occurred during the COVID-19 pandemic shutdown. In April 2020, the U.S. unemployment rate was 14.7% and the Nebraska unemployment rate was 7.9%.

Labor Force Participation

According to the Nebraska DOL, there were almost 2 million people living in Nebraska in 2023. Over two-thirds (68.3%) of Nebraskans participated in the labor force in September 2024.[53] This is the fourth highest rate in the county. Nebraska employers generally have more trouble filling vacancies than workers have finding jobs.

Other Unemployment Measures

The unemployment rates above reflect the official unemployment rate (the U-3 measurement), which only measures the total percentage of the civilian labor force that is unemployed. The U.S. Bureau of Labor Statistics, however, has developed alternative measures that better reflect all persons who are unemployed, including those who are marginally attached workers (i.e., those who want to work but are discouraged and not looking) and workers employed part-time but who would work full-time if they could. The average Nebraska unemployment rate from the fourth quarter of 2023 through the third quarter of 2024, according to this measure (called the U-6), is 5.6%, while the national rate of 7.4%[54]

Hours Worked and Income Imputation

Hours worked has been used to inform income imputation policies. Instead of imputing income at 40 hours per week, some states use the average hours worked per week in the state. Typically, the average is between 34 and 37 hours per week. As of June 2024, the average hours worked per week in Nebraska was 33.8 hours.[55] National data finds that the average hours worked per week vary by industry. For example, the average hours are 25.5 hours per week in the leisure and hospitality industry and 29.9 in the retail industry.[56] Based on the analysis of Nebraska case file data, income imputation is usually at 30

[53]U.S. Congress Joint Economic Committee. (Oct. 22, 2024). *Nebraska Employment Update.* ((https://www.jec.senate.gov/public/index.cfm/republicans/ne#:~:text=Nebraska%20Labor%20Force&text=The%20labor%20force%20participation%20rate%20in%20Nebraska%20remained%20unchanged%20at,percent%20occurring%20in%20September%202024.

[54] U.S. Bureau of Labor Statistics. *Alternative Measures of Labor Underutilization for States, Fourth Quarter of 2023 through third quarter of 2024 averages*. Retrieved from https://www.bls.gov/lau/stalt.htm.

[55] U.S. Bureau of Labor Statistics. (July. 2024). Total Private Average Hourly Earnings and Weekly Hours and Earnings by State, June 2024. https://www.bls.gov/charts/state-employment-and-unemployment/average-hourly-earnings-and-weekly-hours-and-earnings-by-state.htm.

[56] U.S Bureau of Labor Statistics. (Oct. 2024). *Table B-2. Average Weekly Hours and Overtime of All Employees on Private Nonfarm Payrolls by Industry Sector.* https://www.bls.gov/news.release/empsit.t18.htm

hours or 40 hours per week. The case data provided no insights on when 30 hours is used instead of 40 hours.

Factors Affecting Full-Time, Year-Round Work among Low-Wage Earners

There are many factors that contribute to the lack of full-time, year-round work. Some pertain to the employability of a parent, and other factors pertain to the structure of low-wage employment. A national study found that the highest educational attainment of 60% of the low-income, nonresident parents was a high school degree or less.[57] Payer-parents also face other barriers to employment. A multisite national evaluation of obligated parents in a work demonstration program provides some insights on this.[58] It found that 64% of program participants had at least one employment barrier that made it difficult to find or keep a job. Common employment barriers consisted of problems getting to work (30%), criminal records (30%), and lack of a steady place to live (20%). Other employment barriers noted not having the skills sought by employers, taking care of other family members, health issues, and alcohol or drug problems. Many of the participants also cited mental health issues, but few noted it as being a major barrier to employment.

Low-wage jobs do not always provide consistent hours week to week or an opportunity to work every week of the year. This causes unpredictable and erratic income, which can affect child support compliance. Over half (58%) of national workers are paid hourly.[59] As mentioned previously, the usual weekly hours are considerably less in some industries (e.g., leisure and hospitality). A Brookings Institute study defines vulnerable workers as those earning less than median earnings and having no healthcare benefits.[60] Most vulnerable workers are concentrated in the hospitality, retail, and healthcare sectors. There is considerable turnover in some of these industries. For example, the leisure and hospitality industry has an annual quit rate of 55.4% and a 21.5% annual rate of layoffs and discharges.[61] High levels of turnover contribute to periods of non-work that can depress earnings.

The lack of healthcare benefits also contributes to fewer hours, fewer weeks worked, and voluntary and involuntary employment separations. Only one-third of workers in the lowest 10th percentile of wages have access to paid sick time, compared to 78% among all civilian workers.[62] For those with access to paid sick time, the average is eight days per year. Similarly, those in the lowest 10th percentile of wages

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[57] U.S. Congressional Research Service. (Oct. 2021). *Demographic and Socioeconomic Characteristics of Nonresident Parents*. Retrieved from https://crsreports.congress.gov/product/pdf/R/R46942.

[58] Canican, Maria, Meyer, Daniel, & Wood, Robert. (Dec. 2018). Characteristics of Participants in the Child Support Noncustodial Parent Employment demonstration (CSPED) Evaluation, at 20. Retrieved from https://www.irp.wisc.edu/wp/wp-content/uploads/2019/05/CSPED-Final-Characteristics-of-Participants-Report-2019-Compliant.pdf.

[59] Ross, Martha & Bateman, Nicole. (Nov. 2019). Meet the Low-Wage Workforce. Brookings Institute. Retrieved from https://www.brookings.edu/wp-content/uploads/2019/11/201911_Brookings-Metro_low-wage-workforce_Ross-Bateman.pdf.

[60] Jund-Mejean, Martina & Escobari, Marcela. (Apr. 2020). Our employment system has failed low-wage workers. How can we rebuild. Brookings Institute. Retrieved from https://www.brookings.edu/blog/up-front/2020/04/28/our-employment-system-is-failing-low-wage-workers-how-do-we-make-it-more-resilient/.

[61] Bahn, Kate & Sanchez Cumming, Carmen. (Dec. 31, 2020). Improving U.S. Labor Standards and the Quality of Jobs to Reduce the Costs of Employee Turnover to U.S. Companies. Retrieved from https://equitablegrowth.org/improving-u-s-labor-standards-and-the-quality-of-jobs-to-reduce-the-costs-of-employee-turnover-to-u-s-companies.

[62] U.S. Bureau of Labor Statistics. Table 6. Selected Paid Leave Benefits: Access (March 2020). Retrieved from https://www.bls.gov/news.release/ebs2.t06.htm.

are less likely to have access to paid vacation time: 40% have access, compared to 76% of all workers. Those with paid vacation time have an average of 11 days per year. Without paid sick time or vacation time, a worker may terminate employment voluntarily or be involuntarily terminated when the worker needs to take time off due to an illness or to attend to personal matters. If a parent without access to paid sick time and paid vacation time did not work for 19 days (which is the sum of the average number of paid sick days and paid vacation days), they would miss about four weeks of work throughout the year.

Factors that Influence Employment Rates and Compliance

Federal regulation requires the consideration of factors that influence employment rates and compliance. There is some older academic research that finds child support can affect employment among payer-parents.[63] Another study finds some weak association of changes in father's earnings with changes in orders among fathers in couples that had their first child support ordered in 2000.[64] There also are many anecdotes of payer-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 Nebraska. The impact of the pandemic on employment illustrates how many other factors affect employment. Labor force attachment and pay rates compared to the pay the worker is seeking[65] are examples of other factors. Another issue is that opportunities for income from unreported employment are rapidly changing and even more difficult to research. Before the pandemic, it was becoming more common to have multiple jobs where one may be unreported employment and the other may be reported employment. There is also evidence that self-employment has increased since the pandemic began. Modern employment with unreported income includes earnings from Uber and Doordash; streamer services such as Twitch, in which people who "stream" rely on viewer donations; and others. These types of jobs operate under what is considered a "gig economy," or labor markets that are known for their short-term contracts and freelance jobs in preference to permanent work. While more is being done to understand these gig economies, the earnings from unreported employment are often inconsistently identified in surveys, exacerbating any attempt to study them within a short period. All these dynamics limit the ability to isolate the impact that child support may be having at this time.

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[63] Holzer, Harry J. Offner, Paul, & 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*.

[64] Ha, Yoonsook, Cancian, Maria, & Meyer, Daniel, R. (Fall 2010). "Unchanging Child Support Orders in the Face of Unstable Earnings." 29 *Journal of Policy Analysis and Management* 4, pp. 799–820.

[65] For example see a series of regional reports on the gap between what workers expect and what employers are offering prepared for the Nebraska Department of Labor in 2016. Retrieved from https://neworks.nebraska.gov/vosnet/gsipub/documentView.aspx?enc=0n1A8ex4bnlqB+1c3BAoaQ==

SECTION 6: SUMMARY AND CONCLUSIONS

This report fulfills the federal data requirements of a state's child support guidelines review. Much of it focuses on fulfilling the requirement to analyze economic data on the cost of raising children. It also uses the more current data to develop an updated Income Shares Table by retaining all of the current assumptions underlying the existing table and only updating for more current economic data. That more current economic data consists of:

- A newer Betson-Rothbarth (BR) study of child-rearing expenditures;
- 2024 price levels instead of 2018 price levels which is the basis of the current Table;
- More current price parity for Nebraska; and
- 2024 federal poverty guidelines (FPG) for one person instead of the 2018 FPG that is incorporated into the current Table.

Inflation alone since 2018, justifies an increase to the table. Prices have risen 24% since the existing table was developed. Increases in income over the time period offsets some of the impact from inflation. In all, the combined impact of updating for all these factors produces average increases of:

- 10.5% for one child;
- 14.1% for two children; and
- 11% for three children.

The patterns for four and more children will be similar to that of three children. (The analysis of case file data finds that 85% of orders are for one and two children.) To be clear, these are the changes to the Table amounts, which is not the same thing as the change to order amounts. The order amount is determined from the Table amount by taking the payer-parent's prorated share of combined parental income and may consider other factors such as the shared physical custody. The percentage change in Table amounts is not consistent across all incomes and number of children. This is because of the interaction of the multiple factors and the BR changes do not indicate a consistent increase across all incomes and number of children. Rather, it appears there are larger increases for more children and higher incomes.

In 2018, the Commission also considered an economic study conducted by Professor Emeritus William Comanor, University of California at Santa Barbara. The Comanor amounts are significantly less than the BR amounts and any state's existing table/formula amounts. The previous Commission, as a whole, favored the most current BR study at the time for the basis for the table update over the Comanor study. Still, the Comanor study is discussed throughout the report and an alternative, updated table amounts using the Comanor study are considered in this report. Comanor has not updated his study for more current expenditures data. In contrast, the more current BR study is based on more current expenditure data.

Findings from the Analysis of Case File Data

This report also provides the findings from the analysis of other federal data requirements. The data was obtained from case files of recently established and modified child support orders. The frequency from which the guidelines are deviated (21%) is generally unchanged since the last review. Most

deviation reason were recorded as unknown. Federal regulation encourages to states to keep their guidelines deviations at a minimum and to use the case file data to inform how that can be accomplished. To that end, encouraging detailed documentation of the reason for the deviation for future reviews could be useful.

The application of the low-income adjustment is estimated. That rate has decreased since the last review. This may because of increases to wages (including the state minimum wage). The growth in wages has outpaced the increase in the federal poverty guidelines (FPG) which is the basis of the Nebraska low-income adjustment (called the Basic Subsistence Limitation in Nebraska). The data available for estimating income imputation was improved upon since the last review. It finds an income imputation rate of 26% among payer-parents. This is in line with the rates in other states. Other data suggests that the default rate is lower than the income imputation rate. Payments are generally poorer when income is imputed as well as when the minimum order is applied. Across, all examined cases, Nebraska has a very high compliance rate (74.9%) compared to the national rate (65.0%).[66] The compliance rate is lower when the low-income adjustment is applied. However, the evidence does not definitively suggest that increasing the Basic Subsistence Limitation or making other changes to the low-income adjustment will increase payments at very low incomes.

Findings from the Analysis of Labor Market Data

The review of labor market data appears to be aimed at informing recommendations for guidelines provisions for income imputation and low-income adjustments. The case file data used for analysis could be improved by encouraging more usage of the automated guidelines calculator and noting the reason for a guidelines deviation. At the time this report was written, Nebraska had a very low unemployment rate. Still, the analysis of quarterly wage data finds that a significant share of payer-parents do not work for employers required to report wage data to the State. The extent that these parents are self-employed, earn incomes from employers that do not have to report income, or are not employed, and their employability is beyond the scope of this study.

Conclusion

In all, this report demonstrates that Nebraska has met the federal data requirements imposed on states.

[66] The calculations differ, however. For Nebraska, the percent paid is calculated for each analyzed case and then average. For the national data, the total paid across all cases is divided by the total owed.

APPENDIX A: ECONOMIC DATA ON THE COST OF CHILD REARING

Child support formulas/tables are part policy and part economic data. Most state guidelines, including Nebraska's guidelines, rely on a study of child-rearing expenditures as the underlying basis of their child support table/schedule or formula. Federal regulation (45 C.F.R. § 302.56 (h)(1)) requires states to consider economic data on the cost of raising children as part of a state's child support guidelines review. The intent is to use the information to assess the adequacy and appropriateness of the state's child support formula/schedule and, if appropriate, revise it.

Two major types of studies exist: the cost of providing the basic or minimum needs of households with children, and studies that try to estimate what intact families across a range of incomes (including middle- and higher-income families) actually spend on children. Most state guidelines rely on studies estimating expenditures for a range of incomes in intact families. This is because most guidelines are based on the principle that children should share in the lifestyle afforded by their parents—that is, if the payer-parent's income affords the payer-parent a higher standard of living, the support order should also be more for that higher-income parent. Basing a child support table/schedule on the cost of the basic needs of the child would be inadequate for figuring out what a payer-parent who can afford a lifestyle above subsistence can afford in child support.

Exhibit 31 compares the findings from studies conducted in the last five years and those underlying state guidelines. All measure what is spent on children by intact families. Exhibit 31 shows child-rearing expenditures as an average percentage of total household expenditures, which is how most researchers report their findings. The difference between expenditures and gross income generally covers taxes, savings, and gifts and charitable contributions outside the home. A notable exception is the van der Gaag (1981) study, where his estimates relate to income, but he does not specify whether income is gross or net. The USDA study relates to gross income, but also reports its estimates as percentages of total expenditures to make them comparable them to the results from other studies. The economic study underlying the Kansas child support guidelines[67] is not included in the comparison because it is an old study and Kansas is the only state to rely on it. It also does not include a recent Texas study that was used to assess the current Texas percentage-of-obligor income guidelines but did not produce any changes.[68]

[67] Terrell, W. T. & Pelkowski, J. M. (2010). XII. *Determining the 2010 Child Support Schedules*. Retrieved from www.kscourts.org/Rules-procedures-forms/Child-Support-Guidelines/PDF/Child%20Support%20Determination%20Economist%20FINAL%20REPORT.pdf.

[68] Texas Attorney General. (Aug. 2021.) *Texas Child Support Guidelines Review Report 2021*. Retrieved from https://www.texasattorneygeneral.gov/sites/default/files/files/child-support/files/2022/Child%20Support%20Division%20Guidelines%20Review%202022.pdf.

Exhibit 31: Comparison of Findings from Recent Studies of Child-Rearing Expenditures and Studies Underlying State Guidelines[69]

Economic Methodology	Economist and Data Years	Average Child-Rearing Expenditures as a Percentage of Total Expenditures		
		1 Child	2 Children	3 Children
Rothbarth	**Betson[70]**			
	2013–2019	24.9%	38.4%	47.0%
	2004–2009	23.5%	36.5%	44.9%
	1998–2004	25.2%	36.8%	43.8%
	1996–1998	25.6%	35.9%	41.6%
	1980–1986	24.2%	34.2%	39.2%
	Rodgers/Replication of Betson[71]			
	2004–2009 CE	22.2%	34.8%	43.2%
	Rodgers[72]			
	2000–2015 CE	19.2%	24.1%	30.8%
	2004–2009 CE	21.5%	24.4%	33.4%
	Florida State University			
	2013–2019 CE[73]	21.3%	33.4%	41.4%
	2009–2015 CE[74]	24.9%	38.3%	46.9%
Engel	**Betson[75]**			
	2013–2019 CE	21.9%	34.4%	42.7%
	1996–1998 CE	32.0%	39.0%	49.0%
	1980–1986 CE	33.0%	46.0%	58.0%
	Florida State University			
	2013–2019 CE	21.5%	33.6%	41.6%
	2009–2015 CE	20.3%	32.6%	41.4%
	Espenshade[76]			
	1972–73 CE	24.0%	41.0%	51.0%
"Direct" Approaches	**Betson** 2013–2019 CE	22.5%	35.6^	45.7%
	USDA[77] 2011–2015 CE	26.0%	39.0%	49.0%
Point estimate from literature review	**van der Gaag[78]** (no year specified)	25.0%	37.5%	50.0%

[69] Adapted from Judicial Council of California, *Review of Statewide Uniform Child Support Guideline 2022*. San Francisco, CA. Exhibit 9, p. 52. Retrieved from https://www.courts.ca.gov/documents/Review-of-Uniform-Child-Support-Guideline-2021.pdf.
[70] Betson, David M. (2021). "Appendix A: Parental Expenditures on Children: Rothbarth Estimates." *In* Venohr, Jane & Matyasic, Savahanna. (Feb. 23, 2021). *Review of the Arizona Child Support Guidelines: Findings from the Analysis of Case File Data and Updating the Child Support Schedule*. *Report to the Arizona Supreme Court Administrative Office of the Courts*. Retrieved from https://www.azcourts.gov/Portals/74/FCIC-CSGR/SupplementalPacket-030121-FCIC-CSGRS.pdf?ver=2021-02-26-161844-187.
[71] 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.
[72] Rodgers (2017). Ibid.
[73] Norribin, Stefan C., et al. (Nov. 2021). Review and Update of Florida's Child Support Guidelines. Retrieved from http://edr.state.fl.us/Content/special-research-projects/child-support/ChildSupportGuidelinesFinalReport2021.pdf.
[74] Norribin, Stefan C., et al. (Nov. 2017). Review and Update of Florida's Child Support Guidelines. Retrieved from http://edr.state.fl.us/content/special-research-projects/child-support/ChildSupportGuidelinesFinalReport2017.pdf.

Exhibit 31 shows the average percentages for one, two, and three children across all income ranges. Most economists limit their estimates to these family sizes because there are few families with four or more children in the Consumer Expenditure Survey (CE), which is the source of expenditures data for all of the studies shown except the van der Gaag study.

Economic Basis of State Guidelines

Most states (33 states and the District of Columbia) rely on one of the Rothbarth studies as the basis of their child support guidelines. The newest Betson-Rothbarth (BR5) is used by 13 states: Alabama, Arizona, Georgia, Illinois, Iowa, Maine, Missouri, North Carolina, Pennsylvania, South Dakota, South Carolina, West Virginia, and Wyoming. Several states still rely on the fourth Betson-Rothbarth (BR study). A few states rely on early BR studies. The second most frequently used study is the Espenshade-Engel study, which was published in 1984. It was used to develop a prototype income shares table under the 1983–87 National Child Support Guidelines project.[79] Several states still rely on it or partially rely on it. Those states are Alaska, California,[80] Florida, Indiana, Michigan, Texas, and Washington. Only a few states are known to still relate their guidelines formula to the van der Gaag study (i.e., California, Nevada, New York, and Wisconsin). Maryland and Minnesota are the only states to rely on the USDA study. Maryland uses the USDA study for high incomes and a Betson-Rothbarth study for low incomes. Minnesota provides for amounts lower than the USDA at low incomes than phases in the USDA amounts at middle and higher incomes. The developers of the Massachusetts child support table, who includes one of Comanor's co-authors (Sarro) on his 2015 study, specifically note that they did not adhere to any one study when recommending changes, rather they factored in "a range of legal, policy and practical considerations."[81] In fact, Sarro does not mention his 2015 study in his 2021 economic report to Massachusetts, but extensively refers to the most current Betson study.[82]

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[75] Betson, David. (2022). "Appendix A to Addendum D: Review of the Georgia Child Support Guidelines." *In Georgia Support Commission: Economic Study Final Report*. Retrieved from https://csc.georgiacourts.gov/wp-content/uploads/sites/8/2023/01/2022-Final-Report.pdf.

[76] Espenshade, Thomas J. (1984). *Investing in Children: New Estimates of Parental Expenditures*. Urban Institute Press: Washington, D.C.

[77] Lino, Mark, et al. (2017). *Expenditures on Children by Families, 2015*. Misc. Pub. No. 1528-2015. U.S. Dept. of Agriculture, Center for Nutrition & Policy Promotion, Washington, D.C. Retrieved from https://cdn2.hubspot.net/hubfs/10700/blog-files/USDA_Expenditures%20on%20children%20by%20family.pdf?t=1520090048492.

[78] van der Gaag, Jacques. (1981). *On Measuring the Cost of Children*. Discussion Paper 663-81. University of Wisconsin Institute for Research on Poverty, Madison, Wisconsin.

[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.

[80] As noted in the California report, the California guidelines formula took in consideration both the van der Gaag (1981) and Espenshade (1984) studies of child-rearing expenditures (see Judicial Council of California, *supra* note 64).

[81] Sarro, Mark, Polek, Christine, & Sandy, Shastri. (Jul. 23. 2021). *Economic Review of the Massachusetts Child Support Guidelines 2020–2021.* Prepared for Commonwealth of Massachusetts Executive Office of the Trial Court 2020–2021 Child Support Guidelines Task Force. Page 2. Retrieved from https://www.mass.gov/doc/economic-review-of-the-massachusetts-child-support-guidelines-2020-2021/download.

[82] Sarro, Mark, Polek, Christine, and Shastri, Sandy. (Jul. 2021). *Economic Review of the Massachusetts Child Support Guidelines 2020-2021.* Retrieved from https://www.mass.gov/doc/economic-review-of-the-massachusetts-child-support-guidelines-2020-2021/download.

The major methodologies in use by studies conducted in the last 10 years are the Rothbarth, Engel and USDA. Each is discussed in this subsection. In addition, a study by Comanor, Sarro, and Rogers (CSR) is discussed. The CSR study is not in use by any state, but parent advocacy groups in various states have asked that it be considered in a state's guidelines review. Exhibit 31 did not include the CSR results because CSR does not express its findings as a percentage of total expenditures.

Rothbarth Studies

Betson conducted his first study of child-rearing expenditures in 1990 and has updated his study four times since then for more current expenditure data. In addition to Betson-Rothbarth studies, William Rodgers (Rutgers University) and a team of Florida State University researchers have developed Rothbarth estimates. One set of Rodgers-Rothbarth estimates form the basis of the New Jersey child support schedule. No other Rodgers study nor the Florida State University study form the basis of any other state's child support guidelines. Betson, Rodgers, and the Florida State University researchers apply the Rothbarth estimator differently.

Betson-Rothbarth Studies

When Congress first passed legislation (i.e., the Family Support Act of 1988) requiring presumptive state child support guidelines, it 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 Emeritus David Betson, University of Notre Dame.[83] Using five different economic methodologies to measure child-rearing expenditures, Betson concluded that the Rothbarth methodology was the most robust[84] and, hence, recommended that it be used for state guidelines. The second study resulting from the Congressional mandate was by Lewin/ICF.[85] It assessed the use of estimates of child-rearing expenditures, including the Betson estimates, for use by state child support guidelines.

The Rothbarth methodology is named after the economist, Irwin Rothbarth, who developed it. It is considered a marginal cost approach—that is, it considers how much more is spent by a couple with children than a childless couple of child-rearing age. To that end, the methodology compares 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

[83] 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.

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

[85] 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, VA.

Rothbarth methodology relies on expenditures for adult goods to determine equally well-off families.[86] Through calculus, economists have proven that using expenditures on adult goods understates actual child-rearing expenditures because parents essentially substitute away from adult goods when they have children.[87] The methodology does not account for how much is substituted.

At the time of Betson's 1990 study, most states had already adopted guidelines to meet the 1987 federal requirement to have advisory child support guidelines. (It was extended to require rebuttal presumptive guidelines in 1989.) Most states were using older estimates of child-rearing expenditures,[88] but many began using a BR 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.[89] Oregon commissioned the third Betson-Rothbarth study (BR3) and Arizona commissioned the most recent BR5 study.

Although Betson recommended the Rothbarth methodology for state guidelines usage in his 1990 report, Lewin/ICF suggested that states assess their guidelines using more than one study since not all economists agree on which methodology best measures actual child-rearing expenditures.[90] For its 1990 report, Lewin/ICF assessed state guidelines by generally examining whether a state's guidelines amount was between the lowest and the highest of credible estimates of child-rearing expenditures. Lewin/ICF used the Rothbarth estimates as the lower bound. Amounts that were above the lowest credible estimate 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.[91] Since then, most states have adapted a BR estimate as the basis of their guidelines schedule/formula.

Betson-Rothbarth Studies over Time

Exhibit 32 compares the percentage of total family expenditures devoted to child rearing for the five BR studies where BR1 stands for the first study, BR2 stands for the second study, and so forth. Exhibit 32 shows the percentages for one, two, and three children. Each study uses more current Consumer Expenditure Survey (CE) data.

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

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

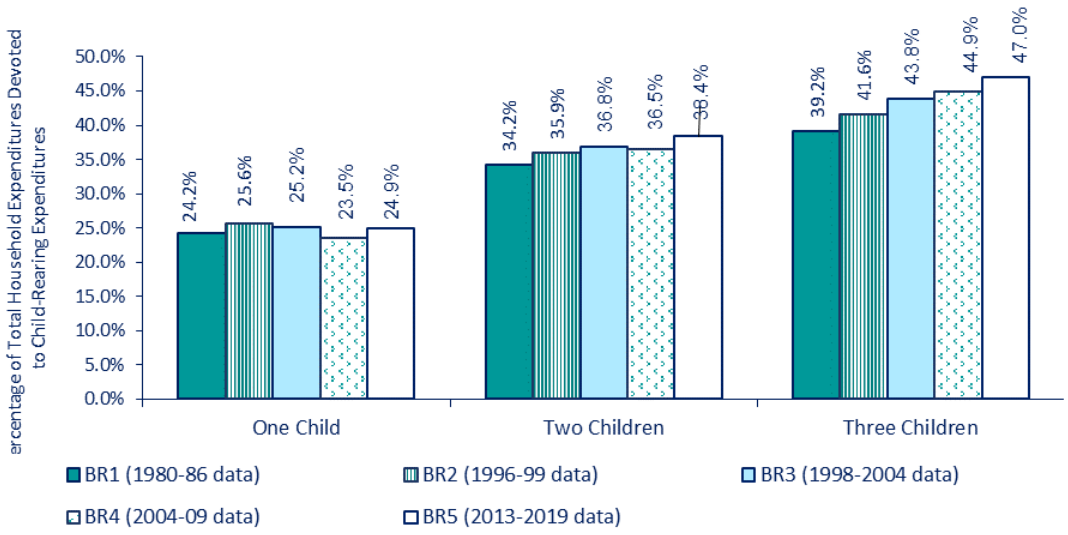
[88] Many states used Espenshade, Thomas J. (1984). *Investing in Children: New Estimates of Parental Expenditures*. Urban Institute Press: Washington, D.C.

[89] See Appendix A of the Arizona report for more information about the earlier BR studies.

[90] 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, VA.

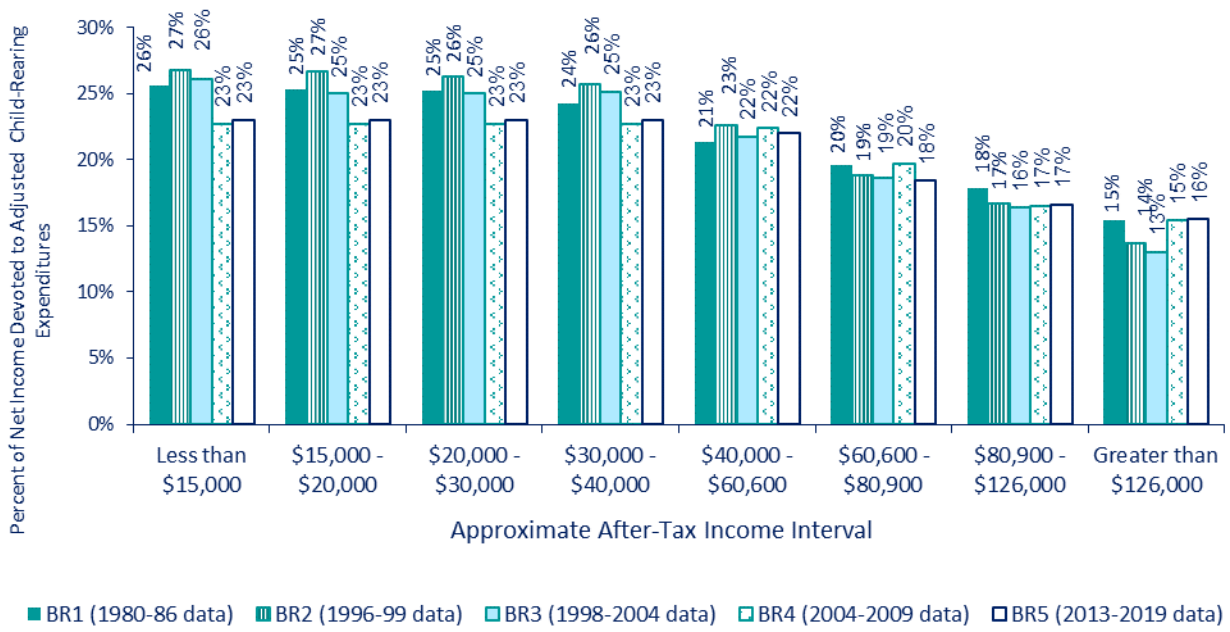
[91] National Center for State Courts. (1987). *Development of Guidelines for Child Support Orders, Final Report.* Report to U.S. Department of Health and Human Services, Office of Child Support Enforcement, Williamsburg, VA. p. I-6.

Exhibit 32: Comparisons of Betson-Rothbarth (BR) Estimates over Time



As shown in Exhibit 33, the percentages vary with income. Some income ranges show increases from BR3 to BR5 and others show decreases. Exhibit 33 shows the approximate percentages for one child. (The percentages are approximate due to differences in price levels over the five time periods.) They also differ slightly from the percentages in Exhibit 32 because they relate to after-tax income rather than expenditures. Further, childcare expenses and most of the child's healthcare expenses are excluded in Exhibit 33. This adjustment is made because the actual amount expended for childcare, the child's health insurance, and the child's extraordinary medical expenses is considered on a case-by-case basis rather than including the average amount in the schedule/formula. The percentages for two and three children also have inconsistent changes across income ranges.

Exhibit 33: Percentage of Net Income Devoted to Raising One Child



Some of the decreases and increases can be explained by data improvements, sampling error, and other factors. Sampling error means that two random samples pulled from the population will not produce the exact same results: sampling error measures the difference between the two samples. Betson estimates sampling error to be about 3%.

Some of the major contributing factors are highlighted below.

- *The Bureau of Labor Statistics (BLS), which conducts the Consumer Expenditure (CE) survey, has improved how it measures income*. BLS embarked on the improvement upon observing low-income households often spend more than their income. The improvement essentially results in more income being assessed to some lower income households. In turn, those left in the lowest income category have less expenditures than previous estimates. In short, the improvement brings down estimates of child-rearing expenditures for low incomes beginning with the BR4 and BR5 studies.

- *At some incomes, expenditures on childcare and the child's healthcare have increased/decreased*. Families may reduce expenditures on other items to compensate for increased childcare for example. Still other families may have reduced healthcare costs due to expanded Medicaid, hence increased child-rearing expenditures on other items.

- *2018 federal income tax reform put more after-tax income in the pockets of middle and higher income families*. The impact on those in the lowest income tax bracket (10%) is less because 10% remained the lowest income bracket.

- *The BR4 and BR5 studies use "outlays" instead of "expenditures" like the earlier BR studies did.* This appears to cause increases at high incomes. Expenditures, which is the only thing the BLS tracked at the time of the earlier Betson studies, 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, HOA fees, rent, utilities, and other housing expenses.) Outlays, which the BLS added about a decade ago, 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 more mortgage principal than lower income families.

- *The major BLS change with the CE underlying the BR5 study from earlier CE years was an improvement in how taxes were measured*. This also appears to cause increases at higher incomes. 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 to calculate each household's taxes. This effectively reduced the after-tax income available for expenditures. Another indirect impact was to the average ratio of expenditures to after-tax income, which is used in the conversion of the estimate of child-rearing expenditures to a child support table, increased. 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.

- *Some of these issues are more pronounced for one child than two or more children (factors that decrease the table); and others are more pronounced for two or more children (factors that increase the table).* One reason for this is the economies of scale of having more children appears to be decreasing over time. This caused larger increases for two and more children than one child. Economies of scale is the reason that the second child does not cost twice as much as the first child. There may be hand-down clothes or sharing of bedroom and other factors that contribute to economies of scale.

Engel Methodology

Espenshade (1984) relied on the Engel methodology. To that end, all states that still rely on the Espenshade study rely on the Engel methodology. Until 2024, Georgia was the only state to rely on an Engel study that was not conducted by Espenshade. Georgia switched to BR5 in 2024.

Both the Rothbarth and Engel methodologies are classified as marginal cost approach because they compare expenditures between two equally well-off families: (a) a married couple with children, and (b) a married couple of child-rearing age without children. The difference in expenditures between these two families is attributed to child-rearing expenditures. To determine whether families are equally well off, the Rothbarth methodology relies on expenditures on adult goods. The Engel methodology relies on food shares. Until recently, economists generally believed the Engel methodology overstates actual child-rearing expenditures.[92] The layperson explanation of the Engel methodology is that children are food intensive so families with children must spend more on food, which drags the difference in expenditures between families with and without children up. Recent Engel estimates, however, are lower.[93] One of these studies (i.e., the Betson study conducted for Georgia) suggests that the reduction in the Engel amounts over time results from a change in how the BLS asks about food expenditures, and a change from food being purely a necessity item to more food options that allow a family to substitute away from more luxurious items (e.g., steak and sushi) to more budget-friendly food items (e.g., hamburger and peanut butter) to accommodate larger family sizes.

Direct Approaches

Historically, the USDA study is the most well-known of direct approaches. Betson tried to replicate the USDA direct approach using the same dataset he used to produce his most recent Rothbarth and Engel estimates.

USDA Estimates

The USDA methodology is considered a "direct" approach to measuring child-rearing expenditures, while both the Rothbarth and Engel methodologies are considered indirect approaches. Direct approaches attempt to enumerate expenditures for major categories of expenses (e.g., housing, food, transportation, clothing, healthcare, childcare and education, and miscellaneous expenses), then add them together to estimate the total cost of raising children. The major limitation to a direct approach is that there is still a need for a methodology to separate the child's share from the household total such as the situation for the child's housing expenses.

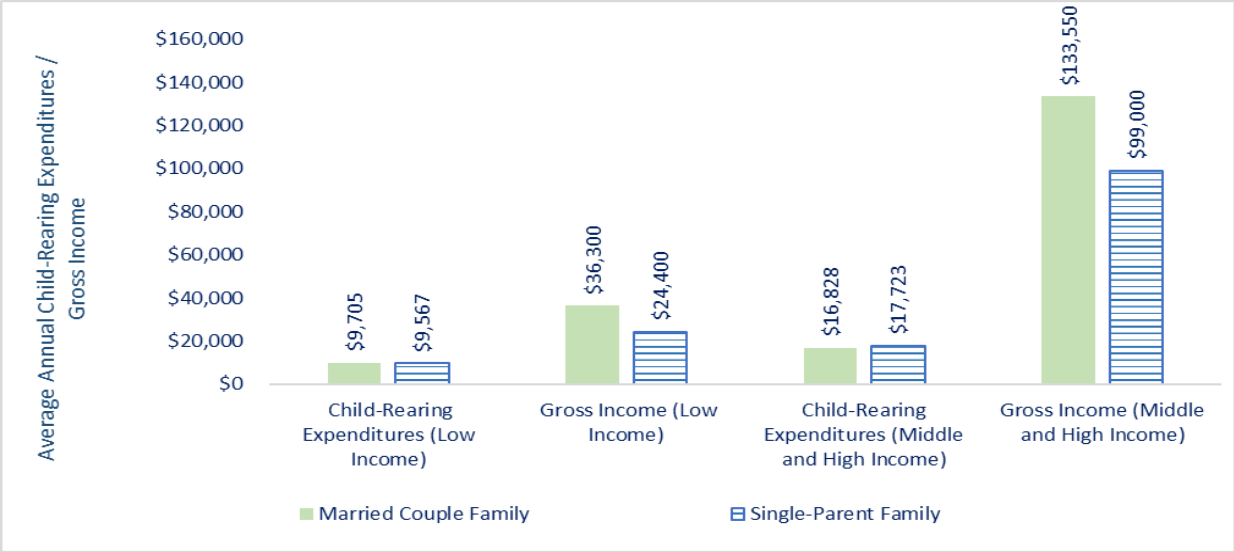
The last USDA study was released in 2017 and considered child-rearing expenditures in 2015. Prior to the 2017 study, the USDA published an updated study every year or two for several decades. The USDA first measures expenditures for seven different categories (i.e., housing, food, transportation, clothing,

[92] A more technical explanation of the Rothbarth estimator is provided in Betson (2021). Additional analysis of both the Rothbarth and Engel estimators are also provided in 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, VA. at pp. 2-27–2-28.

[93] For example, see the Florida studies; and, Betson (2022).

healthcare, childcare and education, and miscellaneous), then sums them to arrive at a total estimate of child-rearing expenditures. Some of the methodologies use a pro rata approach, which is believed to overstate child-rearing expenditures. The USDA reports its estimates on an annual basis for one child in a two-child household. The USDA provides estimates for the United States as a whole and as four regions: the South, Midwest, Mid-Atlantic, and West. The amount varies by age of the child and household income. The USDA also produces estimates for rural areas and single-parent families. These estimates are for the nation as whole and not provided individually by region. The most recent USDA estimates are from expenditures data collected in 2011 through 2015. As summarized in Exhibit 34, the USDA finds that low-income families spend an average of about $9,500 to $9,700 per year for one child in a two-child household regardless of whether they are a married-couple family or a single-parent family.[94] Exhibit 34 shows what does vary between a married-couple family or a single-parent family is their average gross income (i.e., the average is $36,300 per year for the married-couple family and $24,400 for the single-parent family in low-income households). Consequently, the percentage of income devoted to child-rearing expenditures is actually higher among single-parent families than married-couple families.

Exhibit 34: Average Annual Child-Rearing Expenditures/Gross Incomes in 2015 for Married and Single-Parent Families (Source: USDA)



Undoubtedly, the incomes from dual-working parents averaged across all married-couple families (where some involve only one working parent and others involve two working parents) contribute to the income difference from single-parent family, where there is only one parent who can work. Another limitation to using child-rearing expenditures from single-parent families is there is an insufficient

[94] The amounts are reported for urban areas in the USA. The USDA study divides married-couple families into thirds based on their gross income when reporting the information (i.e., low, middle, and high incomes). For the purposes of the comparisons, the middle and high income groups of married couples are averaged. The data source is Lino, Mark, et al. (2017). Expenditures on Children by Families, 2015. Misc. Pub. No. 1528-2015. U.S. Dept. of Agriculture, Center for Nutrition & Policy Promotion, Washington, D.C. Table 1, p. 24 and Table 6, p. 29. Retrieved from https://www.fns.usda.gov/resource/2015-expenditures-children-families.

number of single-parent families with high income to produce reliable estimates for high-income families.[95]

Another salient finding (as shown in Exhibit 33) that is pertinent to addressing concerns about using expenditures data from intact families as the basis of state child support guidelines is that single-parent families with low income and married-couple families with low income devote about the same amount to child-rearing expenditures. It should also be noted that the amounts for middle incomes and high incomes for single-parent families are not separated because they are too few high income, single-parent families from which to produce estimates. More single-parent families with children live in poverty than married-couple families with children. The 2022 U.S. Census American Community Survey finds that 29% of Nebraska female-headed families with minor children live in poverty, while 4% of Nebraska married-couple families with minor children live in poverty.[96] (The comparable percentages nationally are and 33% and 6%.)

Betson's Attempt to Directly Measure Child-Rearing Expenditures

For the direct methodology, Betson initially planned to replicate the USDA approach that measures child-rearing expenditures for seven categories of expenditures (e.g, the child's housing, food, and transportation). He abandoned this approach because of insufficient documentation to replicate how the USDA arrived at the child's share of housing and medical expenses. Still, Betson was able to use approaches similar to the USDA's to estimate the child's food costs, transportation costs, clothing, childcare, and miscellaneous expenses.

To arrive at the child's housing expenses, he used two different approaches. For one, he followed the current concept of the USDA approach, which is to base it on the cost of an additional bedroom. For the other, he relied on the old USDA approach that uses a per-capita approach to estimate the child's share of housing expenses. To arrive at the child's out-of-pocket medical expenses, he also relied on Medical Expenditure Panel Survey data, as does the USDA. His estimates varied significantly depending on how he measured housing. When he used the cost of an additional bedroom, he estimated that percentage of total expenditures allocated to children were 22.5% for one child, 35.6% for two children, and 45.7% for three or more children. When he used the per-capita approach, he estimated that percentage of total expenditures allocated to children were 28.8% for one child, 43.7% for two children, and 54.8% for three or more children. The different results highlight how sensitive the overall estimate is to how the child's housing expenses are estimated. Housing expenses constitute the largest share of the total household budget. Betson suggests that the true value may be somewhere nearer the average of the two estimates: 25.7% for one child, 39.7% for two children, and 50.3% for three or more children.

Besides changes over time and differences in how housing and medical expenses were measured, Betson's direct estimate approach differed in other ways from the USDA approach. The USDA relies on quarterly data rather than annualized data, and quarterly data is known to produce larger estimates.

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[95] Lino et al. (2017), ibid, p. 13.

[96] Calculated from 2022 U.S. Census American Community Survey. *Table C17010: Poverty Status in the Past 12 Months of Families by Family Type and Presence of Children*. Retrieved from https://data.census.gov.

The USDA restricts its estimates for individual expenses to those with nonzero amounts. For example, the USDA estimate of childcare and education includes only families that have some childcare and education expenses.

Comanor, et al. Study

Professor Emeritus William Comanor of the University of California at Santa Barbara lead a 2015 study.[97] His coauthors were Mark Sarro and Mark Rogers. The CSR study was not funded by any state and does not form the basis of any state guidelines. Professor Comanor developed his own methodology for measuring child-rearing expenditures. It also compares expenditures between families with and without children. The difference in their expenditures is attributed to children. Gross income is used to equate equally well-off families. Like the USDA, individual estimates are developed for several different expenditure categories (e.g., the child's food, transportation, and housing) and then summed to arrive at a total amount.

The CSR estimates rely on the 2004–2009 CE. In 2018, CSR reported childrearing costs of $3,421 per year for one child and $4,291 per year for two children in low-income households.[98] For middle incomes (i.e., married couples with an average income of $76,207 per year), CSR reported childrearing costs of $4,749 per year for one child and $6,633 per year for two children. About one-third of that is childcare expenses. The amounts for low-income households (before consideration of childcare expenses) are below poverty, and the amounts for middle incomes are just above poverty. In a 2024 article, Comanor updated his 2015 estimates to 2024 prices but the estimates are still the ones developed from 2004-2009 CE data. In 2024, Comanor estimates that it costs $4,703 per year to raise one child in a low-income family (i.e., an annual income less than $76,795 per year); $ 6,529 per year for a middle-income family (i.e., income of $76,803 to $139,012 per year); and $15,313 per year for a high-income family (i.e., income of $139,021 per year or more). These amounts include childcare expenses, but do not include the child's healthcare expenses. The seven categories of expenditures considered in the Codmanor study account for 72% to 82% of total household expenditures depending on the income of the household.[99] One of the missed expenditure items was personal items. Some expenses were also not included because they did not have statistical significance (e.g., entertainment expenses among low-income household) or were negative amounts (e.g., healthcare expenses for the children).

Another limitation is the use of gross income to equate equally well-off families. This biases the results if parents have an economic incentive to earn more income to support their families and do so. Still another limitation is that estimating each expenditure category separately does not account for substitution effects between expenditure items (e.g., spending less on transportation to accommodate a larger house); instead, it implicitly assumes that all other expenditures are held constant.

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[97] Comanor, William, Sarro, Mark, & 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.

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

[99] Comanor et al. (2015), p. 239.

Some indicators of the cost of the child's basic subsistence needs are the federal poverty guidelines (FPG)[100] and the Massachusetts Institute of Technology (MIT) Living Wage.[101] The 2024 FPG for one person is $1,255 per month; and the FPG implies that each additional person in the household adds another $448 per month. The MIT Living Wage estimates the state or local wage that a full-time worker requires to cover the costs of their family's basic needs where they live. The cost of the child's basic subsistence needs in Nebraska is estimated based on the difference between the Nebraska Living Wage for a childless adult and the Nebraska Living Wage for a household consisting of one adult and a child. The difference in childcare expenses and the child's healthcare coverage are subtracted from the difference since neither are included in the Nebraska child support table as well as the difference in payroll taxes since the Nebraska Child Support Table relates to after-tax income. Based on these adjustments, the difference in the MIT Living Wages between an adult alone and an adult and a child suggests that $1,041 per month is needed for the child's basic subsistence needs in Nebraska. See Exhibit 35, which also shows the amount broken down by the three largest expenditure items: food, housing and transportation.

The 2024 federal poverty guidelines (FPG) for one person is $1,255 per month and about $488 per month for each additional person.

Exhibit 35: Selected Expenses Considered for Nebraska Livable Wage
(monthly)

	1 Adult and 0 Children	1 Adult and 1 Child	Difference
Food	$ 350	$ 515	$ 165
Housing	$ 776	$1,063	$ 285
Transportation	$ 880	$1,018	$ 137
Other	$ 771	$1,162	$ 450
Total less Childcare Medical and Taxes	$2,717	$3,758	$1,041

Most indicators or estimates of the cost of basic subsistence needs start with a standard budget– or, more precisely a market basket of a list of goods and services that a family of a particular size and composition requires to live at a specified level.[102] Food, shelter, and clothing are typical components, but the included items are generally subjective; hence, vary from study to study. For example, the market basket of the MIT Living Wage recently added internet and cellular phone service to its market basket. Although certainly a need in modern society, it does not have a

[100] See U.S. DHHS Secretary of Planning and Evaluation. (Last updated Jan. 17, 2024). *Federal Poverty Guidelines.* Retrieved from https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines.
[101] Massachusetts Institute of Technology. (n.d.). *Living Wage Calculation for Michigan*. Retrieved from https://livingwage.mit.edu/states/26.
[102] Fisher, Gordon M. (1997.) *The Development of the Orshansky Poverty Thresholds and Their Subsequent History as the Official U.S. Poverty Measure.* Retrieved from https://www.census.gov/content/dam/Census/library/working-papers/1997/demo/orshansky.pdf.

longstanding history of being a basic need.[103] The federal poverty threshold,[104] which is the official poverty measure (OPM), does not relate to a market basket and have a circuitous history. It is based on research by Mollie Orshansky, an economist with the Social Security Administration, conducted in the early 1960s and part of the "War on Poverty" launched by President Johnson.[105] Orshansky set out to estimate the incidence of poverty among children, and did not intend for her poverty measurement to become a standard that would be used to officially measure poverty for decades.[106] The major reason that she did not use a market basket of goods was because except for the area of food, no definitive and accepted standard of minimum need for major consumption items (e.g., housing and clothing) existed at the time of Orshansky's research.[107] So, instead, Orshansky relied on the costs of food plans developed by the U.S. Department of Agriculture (USDA). Specifically, her measurement relied on the cost of the USDA low-income food plan and other data that found that food comprised about one third of a family's total money income after taxes.[108] In short, the OPM relates to three times an earlier USDA low-income food plan that is updated each year for inflation. Today, USDA has replaced its lowest costing plan with the Thrifty Food Plan. It is used to determine maximum SNAP allotments.

The market basket of goods used for the MIT Living Wage relies on the cost of the USDA Low-Income Food Plan.[109] For housing, the MIT Living Wage relies on U.S. Department of Housing and Urban Development (HUD) Fair Market Rents (FMR) that were not available when Orshansky conducted her research. FMRs are based on the 40th percentile of gross rent (i.e., cost of shelter and utilities) for standard quality units.[110] Housing assistance programs generally rely on FMRs. Besides food and housing

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[103] Awareness of the lack of internet services and cellular services among low-income household has grown recently. Internet services and cellular services are vital for virtual communication with healthcare providers, educators, human service agencies and others. For example, see Swenson, Kendall and Ghertner, Robin. (Mar. 2021.) *People in Low-Income Households Have Less Access to Internet Services– 2019 Update.* Retrieved from https://aspe.hhs.gov/sites/default/files/private/pdf/263601/internet-access-among-low-income-2019.pdf.

[104] Both the federal poverty threshold and the federal poverty guidelines (FPG) are released by the federal government. They are closely related. The federal poverty threshold is used for statistical purposes (i.e., measuring the numbers of individuals and households living in poverty) while the federal poverty guidelines (FPG) is released in January of each year for the administration of program (e.g., income threshold for Medicaid eligibility). The poverty threshold is released later in the year and considers inflation. For more information about the difference see U.S. Department of Health and Human Services, Office of the Assistant Secretary, (n.d.) *Frequently Asked Questions Related to the Poverty Guidelines and Poverty.* Retrieved from https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines/frequently-asked-questions-related-poverty-guidelines-poverty. Recognizing the shortcomings of the federal poverty threshold, the U.S. Census also uses the Supplemental Poverty Measure (SPM) to measure the number of individuals and households in poverty. The SPM does not consist of an income threshold that delineates between poverty income and above poverty income. Rather, the SPM considers the individualized circumstances of the individual or household (e.g., their income and whether they receive assistance such as Medicaid or the Supplemental Nutrition Assistance Program– SNAP). For more information see Creamer, John, and Burns, Kalee (Sept. 2024.) *Poverty Measure and Differences with the Official Poverty Measure*. Retrieved from https://www.census.gov/newsroom/blogs/random-samplings/2024/09/difference-supplemental-and-official-poverty-measures.html#:~:text=The%20U.S.%20Census%20Bureau%20releases,as%20taxes%20and%20medical%20expenses) .

[105] Fisher, Gordon. (1997.)

[106] Ibid.

[107] Ibid.

[108] Ibid.

[109] Massachusetts Institute for Technology Living Wage Institute. (Feb. 2024.) *Living Wage Benchmark Series: 2024 Technical Documentation.* Retrieved from https://drive.google.com/file/d/1l9a3Q_w5UZXdRNjgPIKT9V5nSA53oZ5_/view.

[110] U.S. Housing and Urban Development. (n.d.) *Fair Market Rents*. Retrieved from https://www.huduser.gov/portal/datasets/fmr.html

and several other expenditure items included in the MIT Living Wage, a few categories of expenditures (e.g., transportation and internet and mobile) also lack a definitive and accepted standard of minimum, which, as noted above, was also a problem in the 1960s.

APPENDIX B: TECHNICAL DOCUMENTATION OF THE UPDATED TABLE

There is no change in the steps used to convert the Betson-Rothbarth (BR) estimates to a child support table. Besides newer BR estimates, some of the underlying data have changed (i.e., 2024 price levels, and the 2024 federal poverty guidelines for one person). In addition, a small change is caused by updating the medical expenditures data used to separate the child's share of medical expenditures from total household expenditures.

Summary of Steps

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 from a particular income range.) The collapsing resulted in the 20 income ranges shown in Exhibit B-1.

Exhibit B-1: Parental Expenditures on Children and Other Expenditures by Income Range Used in the BR5 Table

Annual After-Tax Income Range (2020 dollars)	Number of Observations	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 Consumption (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%

Steps to Convert to Table

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

The steps are presented in the order that they occur, not in the order that the factors were discussed in Section 3.

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 8: Incorporate the SSR and 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, which means that the childcare expense is minimal for some children (*e.g.*, older children) and substantial for others (*e.g.*, infants in center-based care). Not to exclude them from the table 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 B-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% of total expenditures is devoted to child-rearing expenditures for two children. Childcare comprises 0.776% 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% is subtracted from 37.945%. 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 table 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 table, this would reduce the table 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 B-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 by the per-capita amount and the average amount for the entire household. Either way the adjustment 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 does not track whether the insurance premium or medical expense was made for an adult's or child's healthcare needs or both.

Based on the 2021 National Medical Expenditure survey, the annual medical expense per child is $2,474, while it is $6,437 for an adult between the ages of 18 and 64.[111] In other words, an adult's medical expenses is 2.602 times more than that of a child. This information is used to recalibrate the per-person excessive medical amount shown in Exhibit A-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%. The adjusted child amount is 7.474 divided by the weighted amounts for family members (6.8124 based on 2.602 times two adults plus the average number of children for this income range, 1.6084). The quotient, 1.098%, is the per-child amount for excess medical. It is less than the per-capita amount of 2.071%.

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, 1.098 multiplied by two children is subtracted to exclude the children's excessive medical expenses. This leaves 34.197 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 34.197, this yields 29.454% of after-tax income being the percentage of after-tax income devoted to raising two children, excluding their childcare and excess medical expenses. An exception is made at lower incomes, because as shown in Exhibit B-1, they spend more than their after-tax income on average.

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[111] Agency for Healthcare Research and Quality. (Jun. 2024). *Mean expenditure per person by source of payment and age groups, United States, 2021. Medical Expenditure Panel Survey*. Generated interactively June 2024 from https://www.meps.ahrq.gov/mepstrends/hc_use/.

Step 4: Adjust to Current Price Levels

The amounts in Exhibit B-1 are based on May 2020 price levels. They are converted to June 2024 price levels using changes to the Consumer Price Index (CPI-U), which is the most commonly used price index.[112] 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., 29.454% 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, and it was $258,887 per year in May 2020 dollars. When converted to May 2024 dollars, and a monthly amount, it is $26,427 per month.

Another adjustment was made at low incomes. The percentages for incomes below $30,000 net per year were 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. Decreasing percentages result in a smooth decrease when the parent receiving support has more income. This is the general result of the steps thus far. The exception is at low incomes because they spend more than their after-tax income on average. For the development of the child support table, 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 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.

Step 6: Extend to More Children

The measurements of child-rearing expenditures 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.[113]

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

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

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[112] The increase from May 2020 to June 2024 is based on 314.195 divided by 256.394 and subtracting 100%. Source: U.S. Bureau of Labor Statistics. (n.d.) *Consumer Price Index Historical Tables for U.S. City Average.* Retrieved from CPI Home: U.S. Bureau of Labor Statistics (bls.gov).

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

Exhibit B-2: Schedule of Proportions for One, Two, and Three Children							
Annual After-Tax Income Range (May 2020 dollars)	Monthly Midpoint of Income Range (2024 Dollars)	One Child		Two Children		Three Children	
		Midpoint	Marginal Percentage	Midpoint	Marginal Percentage	Midpoint	Marginal Percentage
$30,000 – $34,999	$3,319	23.100%	21.215%	35.203%	30.802%	42.590%	35.421%
$35,000 – $39,999	$3,829	22.848%	22.975%	34.616%	34.257%	41.634%	40.774%
$40,000 – $44,999	$4,340	22.863%	17.063%	34.574%	25.515%	41.533%	30.068%
$45,000 – $49,999	$4,850	22.253%	10.523%	33.620%	15.141%	40.326%	17.242%
$50,000 – $54,999	$5,361	21.136%	9.798%	31.860%	11.602%	38.127%	9.995%
$55,000 – $59,999	$5,872	20.150%	13.122%	30.099%	22.068%	35.681%	29.235%
$60,000 – $64,999	$6,382	19.587%	8.087%	29.456%	9.359%	35.165%	7.725%
$65,000 – $69,999	$6,893	18.736%	11.203%	27.968%	14.752%	33.133%	15.041%
$70,000 – $74,999	$7,403	18.216%	16.733%	27.056%	23.625%	31.885%	26.324%
$74,999 – $84,999	$8,169	18.077%	12.025%	26.734%	19.778%	31.364%	25.713%
$85,000 – $89,999	$8,935	17.558%	9.393%	26.138%	13.061%	30.879%	14.290%
$90,000 – $99,999	$9,701	16.914%	12.195%	25.106%	16.218%	29.570%	16.761%
$100,000 – $109,999	$10,722	16.464%	7.760%	24.259%	9.805%	28.350%	9.417%
$110,000 – $119,999	$11,743	15.707%	13.761%	23.002%	19.923%	26.703%	22.850%
$120,000 – $159,999	$14,296	15.360%	9.990%	22.452%	15.994%	26.015%	20.305%
$160,000 – $199,999	$18,380	14.166%	10.398%	21.017%	14.878%	24.746%	16.845%
$200,000 or more	$26,436	13.018%		19.147%		22.339%	

Step 7: Adjust for the SSR and the Minimum Order

The intent of the low-income adjustment is to allow the payer-parent sufficient income after payment of child support to live at least at a subsistence level. The existing table uses the 2018 federal poverty guidelines (FPG) for one person and the updated table uses the 2024 FPG. It is incorporated into the table by taking the lower of the BR amount and the difference between net income and the FPG by a weight that varies by the number of children. The purpose of the weight is to not assign every additional dollar above the FPG to child support. The weights are 50% for one child; 70% for two children, 80% for three children, 85% for four children, 87% for five children and 90% for six children. The value of the weights are policy decisions. Lower weights cause the low-income adjustment to totally phase-in to the BR amounts at lower incomes. Higher weights cause the phase-out to occur at lower incomes. Higher weights for more children not only are consistent with the fact that it costs more to raise more children, but also help smooth the transition to the BR amounts at higher income. Some states have found that the use of lower weights for four and more children cause the phase-out to occur above median state earnings, which is generally not considered low income.

Below the FPG, the $50 minimum order is applied.

Consumer Expenditure Data (CE)

The CE asks households about expenditures on over 100 detailed items. Exhibit B-3 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.

Exhibit B-3: 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. It 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.

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, 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.

For the purposes of developing a child support table, childcare and medical expenses are excluded. Exhibit B-4 shows the major categories of expenditures considered in the CE as well how they vary for low-, middle-, and high-income families. (Families are dividing into these categories by taking the third lowest families in income, the second third as middle income, and the highest third as high income.)

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, respectively. 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 is based on self-reports and not checked against actual records.

Exhibit B-4: Average Spending of Families with Children by Net Income				
Income Rank	**Lowest Third**	**Middle Third**	**Highest Third**	**All Families**
Net Income	$36,891	$75,139	$154,974	$88,862
Total Outlays	$40,932	$61,423	$102,012	$68,080
Budget Share (% of Total Outlays)				
Housing	42.8%	42.9%	45.2%	43.5%
Transportation	16.4%	16.6%	14.2%	15.8%
Food	23.1%	18.4%	15.9%	19.1%
Entertainment[a]	4.1%	4.9%	5.9%	5.0%
Healthcare	5.6%	8.8%	7.6%	7.4%
Apparel	2.7%	2.2%	2.4%	2.4%
Tobacco and Alcohol	1.6%	1.2%	1.1%	1.3%
Education and Reading	1.0%	1.4%	2.8%	1.7%
Personal Care	0.5%	0.6%	0.7%	0.6%
All Other	1.2%	3.0%	4.2%	3.2%

[a]When reweighted to reflect only child-rearing expenditures considered in the table, entertainment comprises 4.5% of the budget for the lowest third, 5.5% of the budget share for the middle third, 6.7% of the budget share for the top third, and 5.6% of the budget share of all families.

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. To improve income information, the BLS added and revised income questions in 2001 as well as its approach to addressing missing income information. The 2010 and 2020 Betson-Rothbarth measurements rely on these changes to measuring income. Previous Betson measurements do not.

The BLS also had concerns with taxes being underreported. Beginning in 2013, the BLS began estimating taxes using demographic and income data from CE households by applying the National Bureau of Economic Analysis TAXSIM program that calculates tax liabilities under U.S. federal and state income tax laws.

The BLS 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 part of the core mission of the CE. 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 that 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 C

Grey shading indicates downward adjusted for low-income

Combined Monthly Income	1 Child					2 Children					3 Children				
	Existing	Updated BR5	Updated Comanor	Updated BR5		Existing	Updated BR5	Updated Comanor	Updated BR5		Existing	Updated BR5	Updated Comanor	Updated BR5	
				$ change	% Change				$ change	% Change				$ change	% Change
500	50	50	50	0	0.0%	50	50	50	0	0.0%	50	50	50	0	0.0%
550	50	50	50	0	0.0%	50	50	50	0	0.0%	50	50	50	0	0.0%
600	50	50	50	0	0.0%	50	50	50	0	0.0%	50	50	50	0	0.0%
650	50	50	50	0	0.0%	50	50	50	0	0.0%	50	50	50	0	0.0%
700	50	50	50	0	0.0%	50	50	50	0	0.0%	50	50	50	0	0.0%
750	50	50	50	0	0.0%	50	50	50	0	0.0%	50	50	50	0	0.0%
800	50	50	50	0	0.0%	50	50	50	0	0.0%	50	50	50	0	0.0%
850	50	50	50	0	0.0%	50	50	50	0	0.0%	50	50	50	0	0.0%
900	50	50	50	0	0.0%	50	50	50	0	0.0%	50	50	50	0	0.0%
950	50	50	50	0	0.0%	50	50	50	0	0.0%	50	50	50	0	0.0%
1000	50	50	50	0	0.0%	50	50	50	0	0.0%	50	50	50	0	0.0%
1050	50	50	50	0	0.0%	50	50	50	0	0.0%	50	50	50	0	0.0%
1100	50	50	50	0	0.0%	50	50	50	0	0.0%	50	50	50	0	0.0%
1150	50	50	50	0	0.0%	50	50	50	0	0.0%	50	50	50	0	0.0%
1200	50	50	50	0	0.0%	50	50	50	0	0.0%	50	50	50	0	0.0%
1250	50	50	50	0	0.0%	50	50	50	0	0.0%	50	50	50	0	0.0%
1300	144	50	50	-94	-65.3%	202	50	50	-152	-75.2%	230	50	50	-180	-78.3%
1350	169	50	50	-119	-70.4%	237	67	67	-170	-71.9%	270	76	76	-194	-71.9%
1400	194	73	73	-122	-62.6%	272	102	102	-170	-62.6%	310	116	116	-194	-62.6%
1450	219	98	98	-122	-55.5%	307	137	137	-170	-55.5%	350	156	156	-194	-55.5%
1500	244	123	123	-122	-49.8%	342	172	172	-170	-49.8%	390	196	196	-194	-49.8%
1550	269	148	148	-122	-45.2%	377	207	205	-170	-45.2%	430	236	205	-194	-45.2%
1600	294	173	169	-122	-41.3%	412	242	212	-170	-41.3%	470	276	212	-194	-41.3%
1650	319	198	174	-121	-38.1%	447	277	219	-170	-38.1%	510	316	219	-194	-38.1%
1700	329	223	180	-106	-32.3%	482	312	225	-170	-35.3%	550	356	225	-194	-35.3%
1750	338	248	185	-91	-26.8%	505	347	232	-158	-31.3%	590	396	232	-194	-32.9%
1800	348	273	190	-75	-21.7%	519	382	239	-137	-26.4%	630	436	239	-194	-30.8%
1850	358	298	196	-60	-16.8%	533	417	245	-116	-21.8%	660	476	245	-184	-27.9%
1900	367	323	201	-45	-12.2%	547	452	252	-95	-17.4%	678	516	252	-162	-23.8%
1950	377	348	206	-29	-7.8%	561	487	259	-74	-13.2%	695	556	259	-139	-20.0%
2000	387	373	211	-14	-3.7%	575	522	265	-53	-9.2%	712	596	265	-116	-16.3%
2050	396	398	217	1	0.3%	589	557	272	-32	-5.4%	730	636	272	-94	-12.8%
2100	406	423	222	17	4.1%	603	592	278	-11	-1.8%	747	676	278	-71	-9.5%
2150	416	446	227	30	7.3%	617	627	285	10	1.6%	764	716	285	-48	-6.3%
2200	425	456	233	31	7.3%	631	662	292	31	4.9%	782	756	292	-26	-3.3%
2250	435	467	238	32	7.3%	645	697	298	52	8.1%	799	796	298	-3	-0.4%
2300	445	477	243	33	7.3%	659	727	305	69	10.4%	817	836	305	19	2.4%
2350	454	487	248	33	7.3%	673	743	312	70	10.5%	834	876	312	42	5.0%
2400	464	498	254	34	7.3%	687	759	318	72	10.5%	851	916	318	65	7.6%
2450	474	508	259	35	7.3%	701	774	325	74	10.6%	869	937	325	68	7.9%
2500	483	519	264	35	7.3%	715	790	331	76	10.6%	886	956	331	70	7.9%
2550	493	529	270	36	7.3%	729	806	338	78	10.6%	904	975	338	72	7.9%
2600	503	539	275	37	7.3%	743	822	345	79	10.7%	921	994	345	73	8.0%

Appendix C

	1 Child					2 Children					3 Children				
Combined Monthly Income	Existing	Updated BR5	Updated Comanor	Updated BR5		Existing	Updated BR5	Updated Comanor	Updated BR5		Existing	Updated BR5	Updated Comanor	Updated BR5	
				$ change	% Change				$ change	% Change				$ change	% Change
2650	512	550	280	38	7.3%	757	838	351	81	10.7%	938	1014	351	75	8.0%
2700	522	560	285	38	7.3%	771	854	358	83	10.8%	956	1033	358	77	8.1%
2750	532	570	291	39	7.3%	785	869	365	85	10.8%	973	1052	365	79	8.1%
2800	541	581	296	40	7.3%	799	885	371	87	10.8%	990	1071	371	80	8.1%
2850	551	591	301	40	7.3%	813	901	378	88	10.9%	1008	1090	378	82	8.2%
2900	560	602	306	41	7.3%	827	917	384	90	10.9%	1025	1109	384	84	8.2%
2950	570	612	312	42	7.3%	841	933	391	92	10.9%	1043	1128	391	86	8.2%
3000	580	622	317	42	7.3%	855	948	398	94	11.0%	1060	1147	398	87	8.2%
3050	589	633	322	43	7.3%	869	964	404	96	11.0%	1077	1166	404	89	8.3%
3100	599	643	328	44	7.3%	883	980	411	97	11.0%	1095	1186	411	91	8.3%
3150	609	653	333	45	7.3%	897	996	418	99	11.1%	1112	1205	418	93	8.3%
3200	618	664	338	45	7.3%	911	1012	424	101	11.1%	1129	1224	424	94	8.4%
3250	628	674	343	46	7.3%	925	1027	431	103	11.1%	1147	1243	431	96	8.4%
3300	637	685	349	48	7.5%	937	1043	437	107	11.4%	1162	1262	437	100	8.6%
3350	645	694	354	49	7.6%	949	1058	444	109	11.5%	1177	1279	444	102	8.7%
3400	654	704	359	50	7.6%	960	1072	451	111	11.6%	1192	1295	451	103	8.7%
3450	663	713	365	51	7.6%	972	1085	457	113	11.6%	1207	1311	457	104	8.7%
3500	671	723	370	52	7.7%	984	1099	464	115	11.7%	1221	1327	464	105	8.6%
3550	680	732	375	52	7.7%	996	1113	471	117	11.7%	1236	1343	471	107	8.6%
3600	689	742	380	53	7.7%	1008	1127	477	119	11.8%	1251	1359	477	108	8.6%
3650	697	752	386	54	7.8%	1020	1141	484	121	11.8%	1266	1375	484	109	8.6%
3700	706	761	391	55	7.8%	1032	1155	490	123	11.9%	1281	1391	490	110	8.6%
3750	715	771	394	56	7.8%	1044	1168	495	124	11.9%	1296	1406	495	111	8.5%
3800	723	780	396	57	7.9%	1056	1182	498	126	12.0%	1311	1422	498	112	8.5%
3850	732	790	398	58	7.9%	1068	1197	502	129	12.1%	1326	1439	502	114	8.6%
3900	741	800	400	60	8.1%	1080	1212	506	132	12.3%	1340	1458	506	117	8.7%
3950	749	811	402	61	8.2%	1092	1227	510	136	12.4%	1355	1476	510	121	8.9%
4000	755	821	404	66	8.8%	1098	1243	513	145	13.2%	1363	1494	513	131	9.6%
4050	760	831	406	71	9.4%	1104	1258	517	154	14.0%	1370	1512	517	142	10.4%
4100	765	842	408	77	10.0%	1110	1274	521	164	14.7%	1378	1531	521	153	11.1%
4150	770	852	410	82	10.6%	1116	1289	525	173	15.5%	1385	1549	525	164	11.8%
4200	775	862	412	87	11.2%	1122	1304	528	182	16.2%	1393	1567	528	175	12.6%
4250	781	872	415	92	11.8%	1128	1320	532	191	17.0%	1400	1586	532	186	13.3%
4300	786	883	417	97	12.4%	1134	1335	536	201	17.7%	1407	1604	536	197	14.0%
4350	791	893	419	102	12.9%	1140	1350	539	209	18.3%	1415	1621	539	207	14.6%
4400	796	900	421	104	13.1%	1147	1361	543	215	18.7%	1422	1635	543	213	14.9%
4450	801	908	423	107	13.4%	1153	1373	547	220	19.1%	1430	1648	547	219	15.3%
4500	805	916	425	110	13.7%	1159	1384	551	225	19.4%	1437	1662	551	225	15.6%
4550	809	923	427	114	14.1%	1165	1396	554	231	19.8%	1444	1675	554	231	16.0%
4600	814	931	429	117	14.4%	1171	1407	558	236	20.1%	1452	1689	558	237	16.3%
4650	818	939	431	120	14.7%	1177	1418	562	241	20.5%	1459	1702	562	243	16.7%
4700	823	946	433	124	15.0%	1183	1430	565	247	20.8%	1466	1716	565	249	17.0%
4750	827	954	435	127	15.4%	1189	1441	569	252	21.2%	1474	1729	569	255	17.3%
4800	831	962	437	130	15.7%	1196	1453	573	257	21.5%	1481	1743	573	262	17.7%

Appendix C

Combined Monthly Income	1 Child					2 Children					3 Children				
	Existing	Updated BR5	Updated Comanor	Updated BR5		Existing	Updated BR5	Updated Comanor	Updated BR5		Existing	Updated BR5	Updated Comanor	Updated BR5	
				$ change	% Change				$ change	% Change				$ change	% Change
4850	836	969	440	134	16.0%	1202	1464	577	263	21.8%	1489	1756	577	268	18.0%
4900	840	974	442	134	15.9%	1208	1471	580	263	21.8%	1496	1764	580	268	17.9%
4950	844	979	444	134	15.9%	1214	1478	584	264	21.7%	1503	1772	584	269	17.9%
5000	849	983	446	135	15.9%	1220	1485	588	265	21.7%	1511	1780	588	269	17.8%
5050	853	988	448	135	15.8%	1226	1492	592	265	21.6%	1518	1787	592	269	17.7%
5100	858	993	450	135	15.8%	1232	1498	595	266	21.6%	1525	1795	595	270	17.7%
5150	863	998	452	135	15.6%	1240	1505	599	265	21.3%	1535	1803	599	268	17.4%
5200	869	1002	454	134	15.4%	1249	1512	603	263	21.0%	1546	1811	603	265	17.1%
5250	874	1007	456	133	15.2%	1258	1519	606	261	20.7%	1557	1818	606	262	16.8%
5300	880	1012	458	131	14.9%	1267	1526	610	259	20.4%	1567	1826	610	259	16.5%
5350	886	1016	460	130	14.7%	1276	1532	614	257	20.1%	1578	1834	614	256	16.2%
5400	892	1021	463	129	14.5%	1284	1538	618	254	19.7%	1589	1839	618	250	15.8%
5450	898	1025	465	128	14.2%	1293	1543	621	250	19.3%	1599	1843	621	244	15.3%
5500	903	1030	467	126	14.0%	1302	1548	625	246	18.9%	1610	1848	625	238	14.8%
5550	909	1034	469	125	13.7%	1311	1553	629	243	18.5%	1621	1852	629	232	14.3%
5600	915	1039	471	124	13.5%	1319	1559	633	239	18.1%	1631	1857	633	226	13.8%
5650	921	1043	473	122	13.3%	1328	1564	636	236	17.8%	1642	1861	636	219	13.4%
5700	927	1047	475	121	13.0%	1337	1569	640	232	17.4%	1653	1866	640	213	12.9%
5750	932	1052	477	119	12.8%	1346	1574	644	229	17.0%	1663	1870	644	207	12.4%
5800	938	1056	479	118	12.6%	1354	1580	647	225	16.6%	1674	1875	647	201	12.0%
5850	942	1061	481	118	12.6%	1359	1585	651	226	16.6%	1680	1879	651	200	11.9%
5900	945	1066	483	120	12.7%	1362	1593	655	230	16.9%	1684	1889	655	205	12.2%
5950	949	1072	485	123	12.9%	1366	1603	659	237	17.3%	1688	1902	659	214	12.7%
6000	952	1078	488	125	13.2%	1369	1612	662	243	17.8%	1692	1915	662	223	13.2%
6050	956	1083	490	128	13.4%	1372	1622	666	250	18.2%	1696	1928	666	232	13.7%
6100	959	1089	492	130	13.6%	1376	1632	670	256	18.6%	1701	1941	670	241	14.2%
6150	963	1095	494	133	13.8%	1379	1642	674	263	19.1%	1705	1954	674	250	14.7%
6200	966	1101	496	135	14.0%	1383	1652	677	269	19.5%	1709	1968	677	259	15.1%
6250	969	1107	498	138	14.2%	1386	1662	681	276	19.9%	1713	1981	681	268	15.6%
6300	972	1113	500	141	14.5%	1389	1672	685	283	20.4%	1716	1994	685	278	16.2%
6350	973	1119	502	145	14.9%	1391	1682	688	291	20.9%	1719	2007	688	288	16.8%
6400	975	1124	504	149	15.3%	1393	1690	692	296	21.3%	1721	2017	692	296	17.2%
6450	976	1128	506	151	15.5%	1396	1694	696	298	21.4%	1723	2020	696	297	17.2%
6500	978	1131	508	153	15.7%	1398	1698	700	300	21.5%	1726	2024	700	298	17.3%
6550	979	1135	510	155	15.9%	1400	1702	703	302	21.6%	1728	2027	703	299	17.3%
6600	981	1138	513	157	16.1%	1402	1706	707	304	21.7%	1730	2030	707	300	17.3%
6650	982	1142	515	160	16.2%	1405	1711	711	306	21.8%	1733	2034	711	301	17.4%
6700	984	1146	517	162	16.4%	1407	1715	715	308	21.9%	1735	2037	715	302	17.4%
6750	986	1149	519	163	16.6%	1410	1719	718	309	21.9%	1738	2041	718	303	17.4%
6800	991	1153	521	162	16.4%	1416	1723	722	308	21.7%	1746	2044	722	298	17.1%
6850	996	1157	523	161	16.2%	1421	1727	726	306	21.6%	1753	2048	726	294	16.8%
6900	1000	1160	525	160	16.0%	1427	1732	729	305	21.4%	1761	2052	729	291	16.5%
6950	1005	1165	527	160	16.0%	1433	1739	733	306	21.4%	1769	2059	733	290	16.4%
7000	1010	1170	529	161	15.9%	1438	1745	737	307	21.4%	1776	2065	737	289	16.3%

Appendix C

	1 Child					2 Children					3 Children				
Combined Monthly Income	Existing	Updated BR5	Updated Comanor	Updated BR5		Existing	Updated BR5	Updated Comanor	Updated BR5		Existing	Updated BR5	Updated Comanor	Updated BR5	
				$ change	% Change				$ change	% Change				$ change	% Change
7050	1014	1175	531	161	15.9%	1444	1752	741	308	21.3%	1784	2072	741	288	16.2%
7100	1019	1181	533	161	15.8%	1450	1759	744	309	21.3%	1791	2079	744	288	16.1%
7150	1024	1186	536	162	15.8%	1455	1765	748	310	21.3%	1799	2086	748	287	15.9%
7200	1029	1191	538	162	15.7%	1461	1772	752	311	21.3%	1806	2092	752	286	15.8%
7250	1033	1196	540	162	15.7%	1467	1778	756	312	21.3%	1814	2099	756	285	15.7%
7300	1038	1201	542	162	15.6%	1472	1785	759	313	21.3%	1821	2106	759	284	15.6%
7350	1043	1206	544	163	15.6%	1478	1792	763	314	21.2%	1829	2113	763	284	15.5%
7400	1048	1211	548	163	15.6%	1484	1798	768	315	21.2%	1837	2119	768	283	15.4%
7450	1053	1218	553	165	15.7%	1491	1809	773	318	21.3%	1846	2131	773	285	15.5%
7500	1060	1226	558	166	15.6%	1502	1819	778	317	21.1%	1859	2143	778	283	15.2%
7550	1067	1233	562	166	15.6%	1514	1830	783	316	20.9%	1873	2154	783	281	15.0%
7600	1074	1241	567	167	15.5%	1525	1840	788	315	20.7%	1887	2166	788	279	14.8%
7650	1081	1248	572	168	15.5%	1537	1851	794	314	20.4%	1901	2178	794	278	14.6%
7700	1088	1256	576	168	15.5%	1549	1862	799	313	20.2%	1914	2190	799	276	14.4%
7750	1094	1263	581	169	15.4%	1560	1872	804	312	20.0%	1928	2202	804	274	14.2%
7800	1101	1271	586	169	15.4%	1572	1883	809	311	19.8%	1942	2214	809	272	14.0%
7850	1108	1278	590	170	15.3%	1583	1894	814	310	19.6%	1955	2225	814	270	13.8%
7900	1115	1286	595	170	15.3%	1595	1904	819	309	19.4%	1969	2237	819	268	13.6%
7950	1122	1293	599	171	15.2%	1607	1915	824	308	19.2%	1983	2249	824	266	13.4%
8000	1129	1301	604	172	15.2%	1618	1925	830	307	19.0%	1997	2261	830	264	13.2%
8050	1136	1308	609	172	15.2%	1630	1936	835	306	18.8%	2010	2273	835	262	13.0%
8100	1143	1316	613	173	15.1%	1641	1947	840	305	18.6%	2024	2284	840	260	12.9%
8150	1149	1323	618	174	15.2%	1651	1957	845	306	18.5%	2036	2296	845	260	12.8%
8200	1154	1329	623	176	15.2%	1656	1967	850	310	18.7%	2044	2308	850	264	12.9%
8250	1158	1335	627	177	15.3%	1662	1976	855	314	18.9%	2052	2319	855	268	13.1%
8300	1163	1340	632	178	15.3%	1667	1984	860	317	19.0%	2059	2331	860	272	13.2%
8350	1167	1346	637	179	15.3%	1672	1993	865	321	19.2%	2067	2343	865	275	13.3%
8400	1172	1351	641	180	15.3%	1678	2002	871	325	19.3%	2075	2354	871	279	13.5%
8450	1176	1356	646	180	15.3%	1683	2011	876	328	19.5%	2083	2366	876	283	13.6%
8500	1180	1362	651	181	15.4%	1688	2020	881	332	19.6%	2091	2377	881	287	13.7%
8550	1185	1367	655	182	15.4%	1694	2029	886	335	19.8%	2098	2389	886	290	13.8%
8600	1189	1373	660	183	15.4%	1699	2038	891	339	19.9%	2106	2400	891	294	14.0%
8650	1192	1378	665	186	15.6%	1702	2047	896	344	20.2%	2107	2412	896	305	14.5%
8700	1195	1383	669	189	15.8%	1705	2055	901	350	20.5%	2108	2423	901	316	15.0%
8750	1197	1389	674	192	16.0%	1709	2064	907	356	20.8%	2108	2435	907	326	15.5%
8800	1200	1394	679	194	16.2%	1712	2073	912	362	21.1%	2109	2446	912	337	16.0%
8850	1203	1400	683	197	16.4%	1715	2082	917	367	21.4%	2110	2458	917	348	16.5%
8900	1205	1405	688	200	16.6%	1718	2091	922	373	21.7%	2111	2470	922	359	17.0%
8950	1208	1410	693	202	16.8%	1721	2099	927	378	21.9%	2112	2480	927	368	17.4%
9000	1210	1414	697	204	16.9%	1724	2105	932	380	22.1%	2112	2486	932	374	17.7%
9050	1213	1419	702	206	16.9%	1728	2111	937	383	22.2%	2113	2492	937	379	18.0%
9100	1217	1423	707	205	16.9%	1734	2117	942	382	22.0%	2120	2499	942	378	17.8%
9150	1222	1427	711	205	16.7%	1743	2122	948	380	21.8%	2130	2505	948	375	17.6%
9200	1227	1431	716	204	16.6%	1751	2128	953	377	21.6%	2141	2512	953	371	17.3%

Appendix C

	1 Child					2 Children					3 Children				
Combined Monthly Income	Existing	Updated BR5	Updated Comanor	Updated BR5		Existing	Updated BR5	Updated Comanor	Updated BR5		Existing	Updated BR5	Updated Comanor	Updated BR5	
				$ change	% Change				$ change	% Change				$ change	% Change
9250	1232	1435	721	203	16.5%	1759	2134	958	375	21.3%	2151	2518	958	367	17.1%
9300	1237	1440	725	202	16.3%	1767	2140	963	373	21.1%	2161	2524	963	364	16.8%
9350	1243	1444	730	201	16.2%	1776	2146	968	370	20.8%	2171	2531	968	360	16.6%
9400	1248	1448	734	200	16.1%	1784	2152	973	368	20.6%	2181	2537	973	356	16.3%
9450	1253	1452	739	200	15.9%	1792	2158	978	365	20.4%	2191	2544	978	353	16.1%
9500	1258	1456	744	199	15.8%	1801	2163	983	363	20.2%	2201	2550	983	349	15.9%
9550	1263	1461	748	198	15.7%	1809	2169	989	361	19.9%	2211	2557	989	345	15.6%
9600	1268	1465	753	197	15.5%	1817	2175	994	358	19.7%	2221	2563	994	342	15.4%
9650	1273	1469	758	196	15.4%	1825	2181	999	356	19.5%	2231	2569	999	338	15.1%
9700	1278	1473	762	195	15.3%	1834	2187	1004	353	19.3%	2241	2576	1004	334	14.9%
9750	1283	1479	767	196	15.3%	1842	2194	1009	352	19.1%	2252	2583	1009	332	14.7%
9800	1287	1484	772	197	15.3%	1849	2201	1014	353	19.1%	2260	2591	1014	330	14.6%
9850	1291	1490	776	199	15.4%	1855	2209	1019	353	19.1%	2269	2598	1019	329	14.5%
9900	1295	1495	781	200	15.4%	1862	2216	1025	354	19.0%	2278	2606	1025	328	14.4%
9950	1299	1501	786	202	15.5%	1868	2223	1030	355	19.0%	2286	2613	1030	327	14.3%
10000	1303	1506	790	203	15.6%	1875	2231	1035	356	19.0%	2295	2621	1035	326	14.2%
10050	1307	1512	795	205	15.7%	1881	2238	1040	357	19.0%	2303	2628	1040	325	14.1%
10100	1311	1517	800	206	15.7%	1888	2245	1045	358	18.9%	2312	2636	1045	324	14.0%
10150	1315	1523	804	208	15.8%	1894	2252	1050	358	18.9%	2321	2644	1050	323	13.9%
10200	1319	1528	809	209	15.9%	1901	2260	1055	359	18.9%	2329	2651	1055	322	13.8%
10250	1323	1534	814	211	15.9%	1907	2267	1060	360	18.9%	2338	2659	1060	321	13.7%
10300	1327	1539	818	212	16.0%	1913	2274	1066	361	18.9%	2346	2666	1066	320	13.6%
10350	1331	1544	823	214	16.1%	1920	2282	1071	362	18.8%	2355	2674	1071	319	13.5%
10400	1335	1550	828	215	16.1%	1926	2289	1076	363	18.8%	2364	2681	1076	318	13.4%
10450	1339	1555	832	217	16.2%	1933	2296	1081	363	18.8%	2372	2689	1081	317	13.3%
10500	1343	1561	837	218	16.2%	1939	2303	1086	364	18.8%	2381	2696	1086	315	13.3%
10550	1347	1566	842	220	16.3%	1946	2311	1091	365	18.8%	2389	2704	1091	314	13.2%
10600	1351	1572	846	221	16.4%	1952	2318	1096	366	18.7%	2398	2711	1096	313	13.1%
10650	1355	1577	851	223	16.4%	1959	2325	1102	367	18.7%	2406	2719	1102	312	13.0%
10700	1359	1583	856	224	16.5%	1965	2333	1107	367	18.7%	2415	2726	1107	311	12.9%
10750	1364	1587	860	223	16.4%	1972	2338	1112	366	18.6%	2422	2732	1112	310	12.8%
10800	1369	1591	865	222	16.2%	1979	2343	1117	364	18.4%	2429	2736	1117	307	12.6%
10850	1374	1594	869	220	16.1%	1985	2347	1122	362	18.2%	2436	2740	1122	304	12.5%
10900	1379	1598	874	219	15.9%	1992	2351	1127	359	18.0%	2443	2745	1127	301	12.3%
10950	1384	1601	879	218	15.7%	1999	2356	1132	357	17.9%	2450	2749	1132	299	12.2%
11000	1389	1605	883	216	15.6%	2006	2360	1137	355	17.7%	2457	2753	1137	296	12.0%
11050	1394	1608	888	215	15.4%	2012	2365	1143	352	17.5%	2464	2757	1143	293	11.9%
11100	1398	1612	893	213	15.2%	2019	2369	1148	350	17.3%	2471	2762	1148	290	11.7%
11150	1403	1615	897	212	15.1%	2026	2373	1153	348	17.2%	2479	2766	1153	287	11.6%
11200	1408	1619	902	210	14.9%	2033	2378	1158	345	17.0%	2486	2770	1158	284	11.4%
11250	1413	1622	907	209	14.8%	2039	2382	1163	343	16.8%	2493	2774	1163	282	11.3%
11300	1418	1626	911	207	14.6%	2046	2387	1168	341	16.6%	2500	2778	1168	279	11.1%
11350	1423	1629	916	206	14.5%	2053	2391	1173	338	16.5%	2507	2783	1173	276	11.0%
11400	1428	1632	921	204	14.3%	2060	2395	1178	336	16.3%	2514	2787	1178	273	10.9%

Appendix C

	1 Child					2 Children					3 Children				
Combined Monthly Income	Existing	Updated BR5	Updated Comanor	Updated BR5		Existing	Updated BR5	Updated Comanor	Updated BR5		Existing	Updated BR5	Updated Comanor	Updated BR5	
				$ change	% Change				$ change	% Change				$ change	% Change
11450	1433	1636	925	203	14.1%	2066	2400	1184	334	16.1%	2521	2791	1184	270	10.7%
11500	1438	1639	930	201	14.0%	2073	2404	1189	331	16.0%	2528	2795	1189	267	10.6%
11550	1443	1643	935	200	13.8%	2080	2409	1194	329	15.8%	2535	2800	1194	264	10.4%
11600	1448	1646	939	198	13.7%	2087	2413	1199	327	15.6%	2542	2804	1199	262	10.3%
11650	1453	1650	944	197	13.5%	2093	2417	1204	324	15.5%	2549	2808	1204	259	10.1%
11700	1458	1653	949	195	13.4%	2100	2422	1209	322	15.3%	2556	2812	1209	256	10.0%
11750	1463	1657	953	194	13.3%	2107	2427	1214	320	15.2%	2564	2817	1214	254	9.9%
11800	1468	1663	958	195	13.3%	2114	2436	1220	322	15.3%	2571	2828	1220	257	10.0%
11850	1473	1670	963	197	13.3%	2120	2445	1225	325	15.3%	2578	2838	1225	260	10.1%
11900	1478	1676	967	198	13.4%	2127	2454	1230	327	15.4%	2585	2848	1230	263	10.2%
11950	1483	1682	972	199	13.4%	2134	2463	1235	329	15.4%	2592	2858	1235	267	10.3%
12000	1488	1688	977	200	13.5%	2141	2472	1240	331	15.5%	2599	2869	1240	270	10.4%
12050	1493	1694	981	201	13.5%	2147	2481	1245	333	15.5%	2606	2879	1245	273	10.5%
12100	1498	1700	986	203	13.5%	2154	2490	1250	336	15.6%	2613	2889	1250	276	10.6%
12150	1503	1707	991	204	13.6%	2161	2498	1255	338	15.6%	2620	2899	1255	279	10.7%
12200	1508	1713	995	205	13.6%	2167	2507	1261	340	15.7%	2627	2910	1261	282	10.7%
12250	1513	1719	1000	206	13.6%	2174	2516	1266	342	15.7%	2634	2920	1266	286	10.8%
12300	1518	1725	1004	208	13.7%	2181	2525	1271	344	15.8%	2641	2930	1271	289	10.9%
12350	1523	1731	1009	209	13.7%	2188	2534	1276	347	15.8%	2649	2940	1276	292	11.0%
12400	1528	1738	1014	210	13.7%	2194	2543	1281	349	15.9%	2656	2951	1281	295	11.1%
12450	1533	1744	1018	211	13.8%	2201	2552	1286	351	15.9%	2663	2961	1286	298	11.2%
12500	1538	1750	1023	212	13.8%	2208	2561	1291	353	16.0%	2670	2971	1291	301	11.3%
12550	1542	1756	1028	214	13.8%	2215	2570	1297	355	16.0%	2677	2982	1297	305	11.4%
12600	1547	1762	1032	215	13.9%	2221	2579	1302	358	16.1%	2684	2992	1302	308	11.5%
12650	1552	1768	1037	216	13.9%	2228	2588	1307	360	16.1%	2691	3002	1307	311	11.6%
12700	1557	1775	1042	217	13.9%	2235	2597	1312	362	16.2%	2698	3012	1312	314	11.6%
12750	1562	1781	1046	218	14.0%	2242	2606	1317	364	16.2%	2705	3023	1317	317	11.7%
12800	1567	1787	1051	220	14.0%	2248	2615	1322	366	16.3%	2712	3033	1322	321	11.8%
12850	1572	1793	1056	221	14.0%	2255	2624	1327	369	16.3%	2719	3043	1327	324	11.9%
12900	1577	1799	1060	222	14.1%	2262	2633	1332	371	16.4%	2726	3053	1332	327	12.0%
12950	1582	1806	1065	223	14.1%	2269	2642	1338	373	16.4%	2734	3064	1338	330	12.1%
13000	1587	1812	1070	225	14.1%	2275	2651	1343	375	16.5%	2741	3074	1343	333	12.2%
13050	1592	1818	1074	226	14.2%	2282	2659	1348	377	16.5%	2748	3084	1348	336	12.2%
13100	1597	1824	1079	227	14.2%	2289	2668	1353	380	16.6%	2755	3094	1353	340	12.3%
13150	1602	1830	1084	228	14.2%	2296	2677	1358	382	16.6%	2762	3105	1358	343	12.4%
13200	1607	1836	1088	229	14.3%	2302	2686	1363	384	16.7%	2769	3115	1363	346	12.5%
13250	1612	1843	1093	231	14.3%	2309	2695	1368	386	16.7%	2776	3125	1368	349	12.6%
13300	1617	1849	1098	232	14.3%	2316	2704	1374	388	16.8%	2783	3135	1374	352	12.7%
13350	1622	1855	1102	233	14.4%	2323	2713	1379	391	16.8%	2790	3146	1379	355	12.7%
13400	1627	1861	1107	234	14.4%	2329	2722	1384	393	16.9%	2797	3156	1384	359	12.8%
13450	1632	1867	1112	235	14.4%	2336	2731	1389	395	16.9%	2804	3166	1389	362	12.9%
13500	1637	1873	1116	237	14.5%	2343	2740	1394	397	17.0%	2811	3176	1394	365	13.0%
13550	1642	1880	1121	238	14.5%	2350	2749	1399	399	17.0%	2819	3187	1399	368	13.1%
13600	1647	1886	1126	239	14.5%	2356	2758	1404	402	17.0%	2826	3197	1404	371	13.1%

	1 Child					2 Children					3 Children				
Combined Monthly Income	Existing	Updated BR5	Updated Comanor	Updated BR5		Existing	Updated BR5	Updated Comanor	Updated BR5		Existing	Updated BR5	Updated Comanor	Updated BR5	
				$ change	% Change				$ change	% Change				$ change	% Change
13650	1652	1892	1130	240	14.5%	2363	2767	1409	404	17.1%	2833	3207	1409	375	13.2%
13700	1657	1898	1135	242	14.6%	2370	2776	1415	406	17.1%	2840	3217	1415	378	13.3%
13750	1662	1904	1140	243	14.6%	2377	2785	1420	408	17.2%	2847	3228	1420	381	13.4%
13800	1667	1911	1144	244	14.6%	2383	2794	1425	410	17.2%	2854	3238	1425	384	13.5%
13850	1672	1917	1149	245	14.7%	2390	2803	1430	413	17.3%	2861	3248	1430	387	13.5%
13900	1677	1923	1153	246	14.7%	2397	2812	1435	415	17.3%	2868	3259	1435	390	13.6%
13950	1682	1929	1158	248	14.7%	2404	2820	1440	417	17.3%	2875	3269	1440	394	13.7%
14000	1686	1935	1163	249	14.8%	2410	2829	1445	419	17.4%	2882	3279	1445	397	13.8%
14050	1691	1941	1167	250	14.8%	2417	2838	1450	421	17.4%	2889	3289	1450	400	13.8%
14100	1696	1948	1172	251	14.8%	2424	2847	1456	424	17.5%	2896	3300	1456	403	13.9%
14150	1701	1954	1177	252	14.8%	2431	2856	1461	426	17.5%	2904	3310	1461	406	14.0%
14200	1706	1960	1181	254	14.9%	2437	2865	1466	428	17.6%	2911	3320	1466	409	14.1%
14250	1711	1966	1186	255	14.9%	2444	2874	1471	430	17.6%	2918	3330	1471	413	14.1%
14300	1716	1972	1191	256	14.9%	2451	2883	1476	432	17.6%	2925	3341	1476	416	14.2%
14350	1721	1977	1195	255	14.8%	2458	2890	1481	433	17.6%	2932	3350	1481	418	14.3%
14400	1726	1981	1200	255	14.8%	2464	2897	1486	433	17.6%	2939	3359	1486	420	14.3%
14450	1731	1986	1205	254	14.7%	2471	2905	1492	433	17.5%	2946	3368	1492	422	14.3%
14500	1736	1990	1209	254	14.6%	2478	2912	1497	434	17.5%	2953	3377	1497	424	14.4%
14550	1741	1995	1214	254	14.6%	2485	2919	1502	434	17.5%	2960	3386	1502	426	14.4%
14600	1746	1999	1219	253	14.5%	2491	2926	1507	435	17.5%	2967	3395	1507	428	14.4%
14650	1751	2004	1223	253	14.4%	2498	2933	1512	435	17.4%	2974	3404	1512	430	14.5%
14700	1756	2008	1228	252	14.4%	2505	2940	1517	436	17.4%	2981	3413	1517	432	14.5%
14750	1761	2013	1233	252	14.3%	2511	2948	1522	436	17.4%	2988	3423	1522	434	14.5%
14800	1766	2017	1237	251	14.2%	2518	2955	1527	437	17.3%	2996	3432	1527	436	14.6%
14850	1771	2022	1242	251	14.2%	2525	2962	1533	437	17.3%	3003	3441	1533	438	14.6%
14900	1776	2026	1247	250	14.1%	2532	2969	1538	437	17.3%	3010	3450	1538	440	14.6%
14950	1781	2031	1251	250	14.0%	2538	2976	1543	438	17.2%	3017	3459	1543	442	14.7%
15000	1786	2035	1256	249	14.0%	2545	2984	1548	438	17.2%	3024	3468	1548	444	14.7%
15050	1791	2039	1261	249	13.9%	2552	2991	1553	439	17.2%	3031	3477	1553	446	14.7%
15100	1796	2044	1265	248	13.8%	2559	2998	1558	439	17.2%	3038	3486	1558	448	14.8%
15150	1801	2048	1270	248	13.8%	2565	3005	1563	440	17.1%	3045	3496	1563	450	14.8%
15200	1806	2053	1275	247	13.7%	2572	3012	1569	440	17.1%	3052	3505	1569	452	14.8%
15250	1811	2057		247	13.6%	2579	3019		440	17.1%	3059	3514		454	14.9%
15300	1816	2062		246	13.6%	2586	3027		441	17.1%	3066	3523		456	14.9%
15350	1821	2066		246	13.5%	2592	3034		441	17.0%	3073	3532		458	14.9%
15400	1826	2071		245	13.4%	2599	3041		442	17.0%	3081	3541		461	14.9%
15450	1831	2075		245	13.4%	2606	3048		442	17.0%	3088	3550		463	15.0%
15500	1835	2080		244	13.3%	2613	3055		443	16.9%	3095	3559		465	15.0%
15550	1840	2084		244	13.3%	2619	3063		443	16.9%	3102	3568		467	15.0%
15600	1845	2089		243	13.2%	2626	3070		444	16.9%	3109	3578		469	15.1%
15650	1850	2093		243	13.1%	2633	3077		444	16.9%	3116	3587		471	15.1%
15700	1855	2098		242	13.1%	2640	3084		444	16.8%	3123	3596		473	15.1%
15750	1860	2102		242	13.0%	2646	3091		445	16.8%	3130	3605		475	15.2%
15800	1865	2107		242	12.9%	2653	3098		445	16.8%	3137	3614		477	15.2%

Appendix C

	1 Child					2 Children					3 Children				
Combined Monthly Income	Existing	Updated BR5	Updated Comanor	Updated BR5 $ change	Updated BR5 % Change	Existing	Updated BR5	Updated Comanor	Updated BR5 $ change	Updated BR5 % Change	Existing	Updated BR5	Updated Comanor	Updated BR5 $ change	Updated BR5 % Change
15850	1870	2111		241	12.9%	2660	3106		446	16.8%	3144	3623		479	15.2%
15900	1875	2116		241	12.8%	2667	3113		446	16.7%	3151	3632		481	15.3%
15950	1880	2120		240	12.8%	2673	3120		447	16.7%	3158	3641		483	15.3%
16000	1885	2125		240	12.7%	2680	3127		447	16.7%	3166	3650		485	15.3%
16050	1890	2129		239	12.7%	2687	3134		447	16.7%	3173	3660		487	15.3%
16100	1895	2134		239	12.6%	2694	3141		448	16.6%	3180	3669		489	15.4%
16150	1900	2138		238	12.5%	2700	3149		448	16.6%	3187	3678		491	15.4%
16200	1905	2143		238	12.5%	2707	3156		449	16.6%	3194	3687		493	15.4%
16250	1910	2147		237	12.4%	2714	3163		449	16.6%	3201	3696		495	15.5%
16300	1915	2152		237	12.4%	2721	3170		450	16.5%	3208	3705		497	15.5%
16350	1920	2156		236	12.3%	2727	3177		450	16.5%	3215	3714		499	15.5%
16400	1925	2161		236	12.2%	2734	3185		451	16.5%	3222	3723		501	15.6%
16450	1930	2165		235	12.2%	2741	3192		451	16.5%	3229	3733		503	15.6%
16500	1935	2170		235	12.1%	2748	3199		451	16.4%	3236	3742		505	15.6%
16550	1940	2174		234	12.1%	2754	3206		452	16.4%	3243	3751		507	15.6%
16600	1945	2179		234	12.0%	2761	3213		452	16.4%	3251	3760		509	15.7%
16650	1950	2183		233	12.0%	2768	3220		453	16.4%	3258	3769		511	15.7%
16700	1955	2188		233	11.9%	2775	3228		453	16.3%	3265	3778		513	15.7%
16750	1960	2192		232	11.9%	2781	3235		454	16.3%	3272	3787		515	15.8%
16800	1965	2196		232	11.8%	2788	3242		454	16.3%	3279	3796		517	15.8%
16850	1970	2201		231	11.8%	2795	3249		454	16.3%	3286	3805		520	15.8%
16900	1975	2205		231	11.7%	2802	3256		455	16.2%	3293	3815		522	15.8%
16950	1979	2210		230	11.6%	2808	3264		455	16.2%	3300	3824		524	15.9%
17000	1984	2214		230	11.6%	2815	3271		456	16.2%	3307	3833		526	15.9%
17050	1989	2219		230	11.5%	2822	3278		456	16.2%	3314	3842		528	15.9%
17100	1994	2223		229	11.5%	2828	3285		457	16.1%	3321	3851		530	15.9%
17150	1999	2228		229	11.4%	2835	3292		457	16.1%	3328	3860		532	16.0%
17200	2004	2232		228	11.4%	2842	3299		457	16.1%	3336	3869		534	16.0%
17250	2009	2237		228	11.3%	2849	3307		458	16.1%	3343	3878		536	16.0%
17300	2014	2241		227	11.3%	2855	3314		458	16.1%	3350	3888		538	16.1%
17350	2019	2246		227	11.2%	2862	3321		459	16.0%	3357	3897		540	16.1%
17400	2024	2250		226	11.2%	2869	3328		459	16.0%	3364	3906		542	16.1%
17450	2029	2255		226	11.1%	2876	3335		460	16.0%	3371	3915		544	16.1%
17500	2034	2259		225	11.1%	2882	3343		460	16.0%	3378	3924		546	16.2%
17550	2039	2264		225	11.0%	2889	3350		461	15.9%	3385	3933		548	16.2%
17600	2044	2268		224	11.0%	2896	3357		461	15.9%	3392	3942		550	16.2%
17650	2049	2273		224	10.9%	2903	3364		461	15.9%	3399	3951		552	16.2%
17700	2054	2277		223	10.9%	2909	3371		462	15.9%	3406	3960		554	16.3%
17750	2059	2282		223	10.8%	2916	3378		462	15.9%	3413	3970		556	16.3%
17800	2064	2286		222	10.8%	2923	3386		463	15.8%	3421	3979		558	16.3%
17850	2069	2291		222	10.7%	2930	3393		463	15.8%	3428	3988		560	16.3%
17900	2074	2295		221	10.7%	2936	3400		464	15.8%	3435	3997		562	16.4%
17950	2079	2300		221	10.6%	2943	3407		464	15.8%	3442	4006		564	16.4%
18000	2084	2304		220	10.6%	2950	3414		464	15.7%	3449	4015		566	16.4%

Appendix C

	1 Child					2 Children					3 Children				
Combined Monthly Income	Existing	Updated BR5	Updated Comanor	Updated BR5 $ change	Updated BR5 % Change	Existing	Updated BR5	Updated Comanor	Updated BR5 $ change	Updated BR5 % Change	Existing	Updated BR5	Updated Comanor	Updated BR5 $ change	Updated BR5 % Change
18050	2089	2309		220	10.5%	2957	3422		465	15.7%	3456	4024		568	16.4%
18100	2094	2313		219	10.5%	2963	3429		465	15.7%	3463	4033		570	16.5%
18150	2099	2318		219	10.4%	2970	3436		466	15.7%	3470	4043		572	16.5%
18200	2104	2322		218	10.4%	2977	3443		466	15.7%	3477	4052		574	16.5%
18250	2109	2327		218	10.3%	2984	3450		467	15.6%	3484	4061		576	16.5%
18300	2114	2331		218	10.3%	2990	3457		467	15.6%	3491	4070		579	16.6%
18350	2119	2336		217	10.2%	2997	3465		468	15.6%	3498	4079		581	16.6%
18400	2123	2340		217	10.2%	3004	3472		468	15.6%	3506	4087		582	16.6%
18450	2128	2345		216	10.2%	3011	3478		468	15.5%	3513	4095		582	16.6%
18500	2133	2349		216	10.1%	3017	3485		468	15.5%	3520	4103		583	16.6%
18550	2138	2354		216	10.1%	3024	3492		468	15.5%	3527	4110		583	16.5%
18600	2143	2359		215	10.1%	3031	3498		468	15.4%	3534	4118		584	16.5%
18650	2148	2363		215	10.0%	3038	3505		467	15.4%	3541	4125		584	16.5%
18700	2153	2368		215	10.0%	3044	3512		467	15.4%	3548	4133		585	16.5%
18750	2158	2373		215	9.9%	3051	3518		467	15.3%	3555	4140		585	16.5%
18800	2163	2377		214	9.9%	3058	3525		467	15.3%	3562	4148		586	16.4%
18850	2168	2382		214	9.9%	3065	3532		467	15.2%	3569	4156		586	16.4%
18900	2173	2387		214	9.8%	3071	3538		467	15.2%	3576	4163		587	16.4%
18950	2178	2391		213	9.8%	3078	3545		467	15.2%	3583	4171		587	16.4%
19000	2183	2396		213	9.8%	3085	3552		467	15.1%	3590	4178		588	16.4%
19050	2188	2401		213	9.7%	3092	3558		467	15.1%	3598	4186		588	16.4%
19100	2193	2405		212	9.7%	3098	3565		467	15.1%	3605	4193		589	16.3%
19150	2198	2410		212	9.7%	3105	3572		467	15.0%	3612	4201		589	16.3%
19200	2203	2415		212	9.6%	3112	3579		467	15.0%	3619	4209		590	16.3%
19250	2208	2419		212	9.6%	3119	3585		467	15.0%	3626	4216		590	16.3%
19300	2213	2424		211	9.5%	3125	3592		467	14.9%	3633	4224		591	16.3%
19350	2218	2429		211	9.5%	3132	3599		467	14.9%	3640	4231		591	16.2%
19400	2223	2433		211	9.5%	3139	3605		466	14.9%	3647	4239		592	16.2%
19450	2228	2438		210	9.4%	3146	3612		466	14.8%	3654	4246		592	16.2%
19500	2233	2443		210	9.4%	3152	3619		466	14.8%	3661	4254		593	16.2%
19550	2238	2447		210	9.4%	3159	3625		466	14.8%	3668	4261		593	16.2%
19600	2243	2452		209	9.3%	3166	3632		466	14.7%	3675	4269		594	16.1%
19650	2248	2457		209	9.3%	3172	3639		466	14.7%	3683	4277		594	16.1%
19700	2253	2461		209	9.3%	3179	3645		466	14.7%	3690	4284		594	16.1%
19750	2258	2466		209	9.2%	3186	3652		466	14.6%	3697	4292		595	16.1%
19800	2263	2471		208	9.2%	3193	3659		466	14.6%	3704	4299		595	16.1%
19850	2267	2475		208	9.2%	3199	3665		466	14.6%	3711	4307		596	16.1%
19900	2272	2480		208	9.1%	3206	3672		466	14.5%	3718	4314		596	16.0%
19950	2277	2485		207	9.1%	3213	3679		466	14.5%	3725	4322		597	16.0%
20000	2282	2489		207	9.1%	3220	3685		466	14.5%	3732	4330		597	16.0%
20050		2494					3692					4337			
20100		2499					3699					4345			
20150		2503					3705					4352			
20200		2508					3712					4360			

Appendix C

	1 Child					2 Children					3 Children				
Combined Monthly Income	Existing	Updated BR5	Updated Comanor	Updated BR5		Existing	Updated BR5	Updated Comanor	Updated BR5		Existing	Updated BR5	Updated Comanor	Updated BR5	
				$ change	% Change				$ change	% Change				$ change	% Change
20250		2513					3719					4367			
20300		2517					3725					4375			
20350		2522					3732					4382			
20400		2527					3739					4390			
20450		2532					3746					4398			
20500		2536					3752					4405			
20550		2541					3759					4413			
20600		2546					3766					4420			
20650		2550					3772					4428			
20700		2555					3779					4435			
20750		2560					3786					4443			
20800		2564					3792					4451			
20850		2569					3799					4458			
20900		2574					3806					4466			
20950		2578					3812					4473			
21000		2583					3819					4481			
21050		2588					3826					4488			
21100		2592					3832					4496			
21150		2597					3839					4503			
21200		2602					3846					4511			
21250		2606					3852					4519			
21300		2611					3859					4526			
21350		2616					3866					4534			
21400		2620					3872					4541			
21450		2625					3879					4549			
21500		2630					3886					4556			
21550		2634					3892					4564			
21600		2639					3899					4572			
21650		2644					3906					4579			
21700		2648					3913					4587			
21750		2653					3919					4594			
21800		2658					3926					4602			
21850		2662					3933					4609			
21900		2667					3939					4617			
21950		2672					3946					4624			
22000		2676					3953					4632			
22050		2681					3959					4640			
22100		2686					3966					4647			
22150		2690					3973					4655			
22200		2695					3979					4662			
22250		2700					3986					4670			
22300		2704					3993					4677			
22350		2709					3999					4685			
22400		2714					4006					4693			

Appendix C

	1 Child					2 Children					3 Children				
Combined Monthly Income	Existing	Updated BR5	Updated Comanor	Updated BR5		Existing	Updated BR5	Updated Comanor	Updated BR5		Existing	Updated BR5	Updated Comanor	Updated BR5	
				$ change	% Change				$ change	% Change				$ change	% Change
22450		2718					4013					4700			
22500		2723					4019					4708			
22550		2728					4026					4715			
22600		2732					4033					4723			
22650		2737					4039					4730			
22700		2742					4046					4738			
22750		2746					4053					4745			
22800		2751					4060					4753			
22850		2756					4066					4761			
22900		2760					4073					4768			
22950		2765					4080					4776			
23000		2770					4086					4783			
23050		2774					4093					4791			
23100		2779					4100					4798			
23150		2784					4106					4806			
23200		2788					4113					4814			
23250		2793					4120					4821			
23300		2798					4126					4829			
23350		2802					4133					4836			
23400		2807					4140					4844			
23450		2812					4146					4851			
23500		2816					4153					4859			
23550		2821					4160					4867			
23600		2826					4166					4874			
23650		2830					4173					4882			
23700		2835					4180					4889			
23750		2840					4186					4897			
23800		2844					4193					4904			
23850		2849					4200					4912			
23900		2854					4206					4919			
23950		2858					4213					4927			
24000		2863					4220					4935			
24050		2868					4227					4942			
24100		2872					4233					4950			
24150		2877					4240					4957			
24200		2882					4247					4965			
24250		2886					4253					4972			
24300		2891					4260					4980			
24350		2896					4267					4988			
24400		2900					4273					4995			
24450		2905					4280					5003			
24500		2910					4287					5010			
24550		2914					4293					5018			
24600		2919					4300					5025			

Appendix C

Combined Monthly Income	1 Child					2 Children					3 Children				
	Existing	Updated BR5	Updated Comanor	Updated BR5		Existing	Updated BR5	Updated Comanor	Updated BR5		Existing	Updated BR5	Updated Comanor	Updated BR5	
				$ change	% Change				$ change	% Change				$ change	% Change
24650		2924					4307					5033			
24700		2928					4313					5040			
24750		2933					4320					5048			
24800		2938					4327					5056			
24850		2942					4333					5063			
24900		2947					4340					5071			
24950		2952					4347					5078			
25000		2956					4353					5086			
25050		2961					4360					5093			
25100		2966					4367					5101			
25150		2970					4373					5109			
25200		2975					4380					5116			
25250		2980					4387					5124			
25300		2984					4394					5131			
25350		2989					4400					5139			
25400		2994					4407					5146			
25450		2998					4414					5154			
25500		3003					4420					5161			
25550		3008					4427					5169			
25600		3012					4434					5177			
25650		3017					4440					5184			
25700		3022					4447					5192			
25750		3026					4454					5199			
25800		3031					4460					5207			
25850		3036					4467					5214			
25900		3040					4474					5222			
25950		3045					4480					5230			
26000		3050					4487					5237			

	1 Child		2 Children		3 Children	
	$ change	% change	$ change	% change	$ change	% change
average	$ 164	10.5%	$ 308	14.1%	$ 310	11.0%
median	$ 202	13.6%	$ 353	16.7%	$ 303	14.3%
minimum	$ (122)	-70.4%	$ (170)	-75.2%	$ (194)	-78.3%
maximum	$ 256	16.9%	$ 468	22.2%	$ 597	18.0%

FAMILY

Why Does Child Support Go Unpaid?

State calculations of child costs overinflate those values, discouraging obligor payments.

BY WILLIAM S. COMANOR

The child support collection process in the United States has largely failed. According to a 2020 Census Bureau report, only 62 percent of the more than $30 billion in authorized support payments for 2017 were actually received. While nearly 70 percent of custodial parents received at least *some* payments, less than half got their full amounts. Furthermore, average amounts received declined between 1993 and 2017, despite the inflation that occurred over that period. These observations raise the question of what factors may have led to the disappointing outcomes.

An important concern for an effective child support administration is the balance between award amounts and the monetary costs of raising children. When award amounts exceed these costs, the resulting incentives turn child custody into a financial asset funded by the difference between award and cost amounts. In such circumstances, unfortunate consequences follow. Contesting parties can gain monetary benefits from enhanced custodial positions and so make greater efforts to secure improved outcomes whatever the interests of the children.

Even when actual custody is not at issue, the presence of this financial asset creates resentment by the support obligor because it is his or her payments that fund the asset. This resentment can poison relationships between parents and lead to missed payments. Overall, an effective child support system relies on the willingness of obligor parents to make their assessed payments, which is an outcome greatly enhanced when the required payment amounts reflect the actual monetary costs of raising children.

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In the past, award amounts were set through a judicial process that sought to balance the needs and equities involved. That changed sharply with the Child Support Amendments of 1984 that required states to adopt advisory child support guidelines. The guidelines became "legally presumptive" four years later in the 1988 Amendments.

To enforce those requirements, federal spending supporting state welfare programs was conditioned on the creation of the child support guidelines. States also were required to review their guidelines at least every four years. No longer would judicial outcomes depend entirely on evidence presented in court and pertaining to individual circumstances, but instead outcomes would be affected by political decisions embodied in statewide regulations.

While states were free to develop their own guidelines, the statute required that "as part of the [quadrennial] review of a state's guidelines, a state must now consider economic data on the cost of raising children." In effect, states were obligated to develop an economic model through which to determine child-rearing costs. Guideline amounts and judicial awards would then depend on those presumed costs.

The discussion below reviews and evaluates the economic models employed to create the state guidelines mandated by this legislation. The importance of these models is critical because the same data source has been used to derive very different results. The uniformly accepted data source is the Consumer Expenditure Survey (CES) published annually by the US Census Bureau. As a 2017 US Department of Agriculture report observed, these "data are the most comprehensive source of information on household expenditures available at the national level" (USDA 2017, p.2). Whatever divergent conclusions were put forth on the costs of raising children,

the underlying data were not responsible.

ECONOMIC DATA AND MODELS

That the economic data do not speak for themselves was immediately evident in the CES reports. The reports provide expenditures for the important categories of housing, food, and transportation for an entire household rather than for individual members. From the start, it was thereby evident that an economic model was needed at least to allocate expenditures among household members.

In the years prior to the legislative changes, Robert Williams, a leading proponent of the new legislation, had argued that the principal deficiency of the established procedures was "a shortfall in the adequacy of [child support] orders when compared with the true costs of rearing children as measured by economic studies" (Williams 1987, p. 282). He stated that average court-ordered support obligations provided only about one-fourth of average expenditures on children "as estimated in an authoritative study by Thomas Espenshade [that] he judged the best available economic estimates of average expenditures on children" (p. 283). With that accolade, Espenshade's analysis became widely adopted.

Williams suggested that "the root of the problem of determining child costs is that most expenses related to child rearing are commingled with expenditures benefiting all household members, ... [including specifically] food, housing, and transportation" (p. 287). Rather than seeing this commingling of outlays as a positive factor that limited the additional costs needed to rear children because most household outlays already would have been made, Williams accepted

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Espenshade's judgment that a new methodology was needed to avoid the commingling problem.

LIVING STANDARDS OR EXPENDITURES?

Espenshade's work had emphasized the distinction between living standards and actual expenditures. He wrote that because various expenditures "are conceptually difficult to assign to particular family members," one should reject that effort entirely and move in a new direction. Instead, one should "develop an index of a family's material standard of living and then ... apply this index to a comparison of living standards of families that may differ ... in size and composition" (Espenshade 1984, p. 19). In other words, to measure child costs, one should not rely on data reflecting actual expenditures but instead determine comparative living standards as between households with and without children.

To this end, Espenshade proposed a simple index for living standards that would be "the percentage ... of consumption expenditures devoted to food consumed at home" (p. 19). To explain his approach, he offered the example of a childless couple that had total consumption expenditures of $6,091 used to maintain a particular standard of living as reflected by their food consumption. Now if that same or a similar family plus two children required total expenditures of $12,220 to reach a standard of living that included the same level of per-person food consumption, the overall cost of the children would be given by the difference between the two total consumption amounts, or $6,129 (pp. 21–22). Only at this higher expenditure level, he suggested, would the same living standard be attained.

This methodological approach now underlies the efforts used in most states to determine child costs. However, rather than using an index of "food consumed at home" to represent overall living standards, the currently employed index is expenditures on "adult clothing." What has *not* changed is the presumption that overall living standards can be determined by outlays on a single commodity, and that the same index can be used for households both with and without children. To be sure, some households will value adult clothing more strongly than others, and of course preferences for clothing may be quite different in households with and without children. But those realities were ignored by the need to find an available index.

From the start, objections were raised. In particular, the authors of the USDA Child Cost reports emphasized that the Espenshade approach and its successors

> do not provide direct estimates of how much is spent on a child. They estimate how much money families with children must be compensated to bring the parents to the same utility level (as gauged by an equivalence scale) of couples without children. *This is a different question than "how much do parents spend on children?"* [Morgan and Lino 1999, p. 198, emphasis added.]

In short, the values derived from such models are not expenditures at all, but instead are imputed values designed to equalize living standards in families with and without children.

INCOME EQUIVALENCE MODELS

The Rothbarth model, resting on adult clothing to indicate living standards, is a direct successor of Espenshade. A striking feature of this model is that although it does not deal directly with actual expenditures on children, its proponents suggest the opposite. They commonly refer to it as providing "actual economic evidence on child rearing expenditures" (Venohr 2013, p. 332), even though it provides instead imputed values that roughly reflect declines in *adult* utility levels resulting from supporting children on existing incomes.

Income equivalence models presume that spending on children by households with particular income levels necessarily means spending less on the adults in the households. From this presumption, Espenshade's successors argue that the economic cost of raising children can be measured by the adults' utility forgone from the fewer purchases made on adult-only goods due specifically to their support of children. The costs of raising children determined from these models are thereby the hypothetical amounts required to compensate the household adults for the welfare forgone as represented by their lower expenditures on adult clothing.

Whatever logic may pertain to this position, various issues arise that limit its adequacy as a measure of child costs. First, consumer purchases of specific goods and services are made when their own imputed values of a particular item exceed the prices paid for them. The required compensation used to define child costs thereby includes not merely the monetary expenditures for the replacement item but also the utility surplus (which economists call consumer surplus) resulting from the purchase. Therefore, consumer expenditures on particular items (such as adult clothing) are a poor measure of relative consumer values.

Second, and equally important, income equivalence models require the use of simplified proxies to represent utility levels. While Espenshade used the share of food in the household budget for this purpose, the Rothbarth model employs expenditures on adult clothing. While both approaches to income equivalence measures can be implemented, they require major restrictions on household utility functions that are quite limiting, and which has been criticized as unacceptable representations of household utility (Browning 1992, Pollack and Wales 1979).

Finally, whatever generalized variable is used, the income equivalence method requires making utility judgments in two very different states of the world: households with and without

children. To the extent the household preferences shift when children are included in a household, as seems apparent, this index cannot determine relative utility levels. Making such comparisons from expenditures on adult clothing requires the assumption that preferences for this item remain the same with children as without (what economists call state-independent utilities). And without this assumption, there is no logical basis for making welfare comparisons. On this point, there is considerable support in the economic literature that utility functions are largely state-dependent (Frech 1994, Finkelstein et al. 2009). The income equivalence method fails most fundamentally because it requires the assumption that households without children have the same preferences for particular goods as do those with children.

I am not the first to dispute the adequacy of these models. As Martin Browning wrote more than 30 years ago:

> The Rothbarth method imputes the same welfare level to households that have the same level of consumption to some adult-only good. Once again, I find it is difficult to see why this commands any widespread attention.... Without further justification this is surely unacceptable. [Browning 1992.]

THE IMPORTANCE OF HOUSEHOLD COLLECTIVE GOODS

Among the CES expenditure categories, only about 15 percent of aggregate expenditures are readily classified as between household members (Betson 2010, p. 9). In particular, the largest three expenditure classifications are the household collective goods of housing, food, and transportation, where available data pertain to the entire household. What that designation signifies is that its use by one member of a household does not detract from its use by others.

The most prominent household collective good is housing, which is often a household's largest budgetary item. While adults in a household benefit directly from this item, their children do so as well, and often without any additional cost. Only when additional housing costs are required by the presence of children do the incremental housing outlays represent a component of child costs. In effect, to use common economic terminology, children can effectively "free ride" on the collective goods provided by their parents.

To be sure, there are many circumstances where household housing costs are increased by the presence of children; and to this extent, the greater outlays are included in child costs. Children's housing costs are thus limited to the incremental expenditures made in the presence of children that would not have been made otherwise.

Admittedly, there can be circumstances where collective goods are subject to congestion issues. Suppose additional children are rapidly imposed on a small dwelling that had previously served a two-person household; in that case, the household adults could possibly see their utility reduced with more children. However, that effect is unlikely with one, two, or even three children, although it might well exist with more children.

On these matters, David Betson, a leading proponent of the Rothbarth model, writes:

> The childless couple, even though they have the same total spending, will be "wealthier" than the parents with the children.... Had the parents been childless, they would have been better off because the consumption of all other goods (i.e., those consumed by both adults and children like housing) would not be "shared" with the child. [Betson 2011, pp. 135, 185.]

As acknowledged here, a fundamental premise of income equivalence models is that parents are worse off because they share their household collective goods with their children.

However, Betson adds, there is a further qualification for the model's applicability:

> [O]nly if the composite good (that shared by parents with their children such as housing) were a *pure public good* would the family be able to avoid a decline in their material standard of living compared to a childless couple. [Betson 2011, p. 183, emphasis added.]

When this condition is satisfied, as it is when "congestion" issues do not detract from parents' utility gained from living with their children, Rothbarth estimates would overstate child costs.

Income equivalence models rest on the presumption that parents do not gain "utility" from the presence of their children, but instead suffer a "disutility" as they are "crowded out" from their enjoyment of household collective goods. In these models, children are tantamount to strangers and tenants whose presence is a cost rather than family members whose presence is a joy. Income equivalence models require that parents need be compensated for this disutility, and that this prospective compensation should be included in the cost of raising children.

RECENT USDA REPORTS ON EXPENDITURES ON CHILDREN

Unlike the income equivalence models, the annual USDA child cost reports (discontinued in 2017) seek to measure actual household expenditures on children from data collected by the same Census Bureau surveys. In doing so, however, the USDA faced the same conundrum that Espenshade had encountered: important expenditure categories pertain to the entire household rather than to individual members. To assign shares of these outlays to children required various assumptions; and attesting to their arbitrary nature, these assumptions were sometimes revised.

Prior to 2008, the USDA estimated children's housing

expenditures on a per-capita basis by dividing reported outlays by the number of people in the household. For example, in comparing household expenditures of a childless two-person household to a household of two adults and two children, the adult housing costs would now be half that of their childless counterpart, while the children's allocated share would now equal that of their parents. Not surprisingly, under those conditions the housing costs allocated to children were substantial and became the largest item in the USDA reported child costs.

The USDA ultimately revised its estimating approach for housing expenditures. The 2017 report states that with "the rationale that the presence of a child does not affect the number of kitchens or living rooms, but does affect the number of bedrooms," the USDA reports would not make per-capita housing computations. Instead, a child's housing costs would become limited to "the average cost of an additional bedroom" (Lino et al. 2017, p. 98). Implicit in the revised approach is the presumption that a comparable household without children would occupy a similar dwelling but with fewer bedrooms. That approach thereby imposes an arbitrary structure on housing costs.

The food outlays allocated to children were equally arbitrary. Rather than employ the available Census data on household outlays for food, they relied on USDA optimal food plans: "Data from the 2015 Food Plans ... were used to calculate the shares of total household food expenses spent on children." These plans "increased with the age of the child but with little variation by household income" (Lino et al. 2017, p. 7). As with housing, these values were thereby imputed rather than observed. Because the imputed amounts represent ideal food budgets, lower observed values would suggest that such ideal budgets were often not followed.

And finally, the USDA reports manipulated the observed data on household transportation expenses. After deducting 25 percent of those outlays as related to employment, the authors divide the remaining transportation "expenses among household members in equal proportions" (Lino et al. 2017, p. 8). The USDA authors again made arbitrary decisions based more on presumptions than evidence.

MEASURING INCREMENTAL OUTLAYS FOR CHILDREN

This section reviews an alternate model that compares expenditures in households with and without children for the expenditure categories used by the Census Bureau. Instead of seeking costs related to individuals, this approach measures the increased household costs resulting from including children among its members. It includes incremental outlays for both private goods (such as children's clothing and childcare) and collective goods (such as housing, food, and transportation) in their contributions to overall child costs. Critically, this method applies an incremental cost model that does not set arbitrary criteria to divide outlays on collective goods among household members.

In this analysis, we estimate regression equations for each category of household expenditures where the derived coefficients report how much more is spent on average in households with one child, two children, and three or more children as compared to households without children. From these equations, we derive actual additional expenditures for each commodity classification. And unlike the prior two models, these findings rest directly on data reporting consumer expenditures.

Although the results obtained here are different from those published in the USDA reports, this analysis employs the same expenditure categories. We can therefore compare the results obtained from the two models. Of particular interest is the finding that the USDA children's housing cost figures are much higher than those derived from incremental household housing expenditures. There is thus little indication in these data

Table 1

Comparison of Total Monetary Child Costs by Analytic Method

In dollars per year

Married households	INCOME GROUP								
	Low			Middle			High		
Income range	≤$76,796			$76,803–$139,012			≥$139,021		
Average income	$50,491			$104,908			$231,273		
Analytic method									
Number of Chldren	1	2	3+	1	2	3+	1	2	3+
Incremental expenditures	$4,703	$5,899	$6,523	$6,529	$9,160	$10,277	$15,313	$18,843	$21,938
Income equivalence	$8,942	$13,759	$16,795	$14,766	$22,503	$27,172	$23,196	$35,223	$42,383
USDA	$14,301	$22,881	$26,772	$19,906	$31,850	$37,264	$33,979	$54,364	$63,607

Notes: "Incremental expenditures" is calculated according to Comanor et al. 2015. "Income equivalence" is calculated according to Betson–Rothbarth estimates for Georgia in 2011, at average income levels indicated, excluding childcare and private tuition. "USDA" is calculated according to Lino et al. 2011. All amounts reported in 2024 dollars.

that most households increase their housing budgets to include the cost of an additional bedroom for their children, although surely some do so.

Similarly, regarding household transportation costs, there is no indication that such costs are much different in households with children than those without. For this reason, the observed transportation cost applicable to children is minimal except for households with teenagers.

To determine the total cost of raising children, this model aggregates the incremental expenditures for households with children across the available expenditure categories. Like the other models, health care costs are not included. Rather than estimating costs related to individuals, this approach measures increased household costs from including children among its members. The statistical details from this process are contained in Comanor at al. 2015, although the values employed have been updated to current prices.

Table 1 compares the three models considered here. The most striking feature of these findings is the wide discrepancy from the other models. Indeed, the Income Equivalent values are sometimes more than twice those based on actual outlays. On this point, recall that Rothbarth values are not actual costs but instead presumed payments made to custodial parents for sharing their household collective goods with their children.

These results indicate that the arbitrary assumptions embodied in both the Income Equivalence and USDA models substantially increase the estimated child cost values as compared with actual measured amounts. In effect, both the Income Equivalence and USDA models impute substantially higher amounts than are reported expenditures.

CONCLUSION

The leading criticisms directed at this incremental outlays model do not deal with the method employed but instead at the results obtained (Venohr 2017, p. 4). However, finding variant results is not an adequate reason to prefer one model to another unless one is convinced from the start as to what are the appropriate conclusions.

What then becomes relevant is the distinction between economic costs and value. In principle, the former pertains to what one gives up for an outcome, while the latter refers to what one gains from the outcome. For the most part, these concepts track each other, but not always. And in the presence of household collective goods, they often diverge.

Unlike private goods, which are available for only a single person, collective goods are available to more than one person at the same time, and are those for which one person's use does not substantially prevent another's use and enjoyment. In particular, one person's use of the family residence does not detract from another family member's use. The critical point here is that a child's welfare in the case of household collective goods is not measured by the costs attributable to him or her. *In these circumstances, a child's welfare may be great even when his or her costs are small.*

This conclusion is important because guideline amounts exceeding the monetary costs of raising children can provide a substantial income transfer to the custodial parent and thereby represents disguised alimony. As such, the transfer can create resentment that leads to unpaid support obligations. The preferred policy is surely to provide child support awards that reflect the monetary costs incurred. For these reasons, during their next mandated quadrennial sessions, *state agencies should adjust state guideline amounts to reflect more accurately the monetary cost of raising children.* R

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