Quadrennial Review of the Florida Child Support Guidelines Expanded Version

Report to the Florida Legislature
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EXECUTIVE SUMMARY

This Quadrennial Review of the Florida Child Support Guidelines is submitted pursuant to section 61.30, Florida Statutes, and federal requirements under 45 C.F.R. §302.56. It examines whether Florida's guidelines remain grounded in reliable estimates of the cost of raising children, reflect parents' ability to pay, and function effectively across the state's caseload. The Legislature directed the review to address seven tasks relating to child cost methodology, the relationship between consumption and income, the reliability of national economic datasets, the need for guideline revisions, the treatment of low-income parents, compliance with federal ability-to-pay and poverty-prevention standards, and functional improvements to the guidelines.

The report is organized into 11 chapters covering economic foundations, empirical analysis, and administrative performance. It evaluates national consumption and expenditure data, develops updated cost-of-children estimates using two distinct methodologies, examines patterns of income and payment among Florida parents, analyzes imputation practices, assesses the low-income schedule, evaluates long-term income growth, and provides implementation guidance.

Chapters 2-4 employ two established approaches to estimate the cost of raising children: (1) an Engel-type method and (2) the Direct Cost method. Both methodologies are applied to recent Consumer Expenditure Survey (CES) microdata. The Engel-type method infers child costs from shifts in food expenditure shares as household composition changes, while the Direct Cost method computes direct monetary spending on child-specific goods and services. Because estimates vary considerably with model specifications and subsamples, the final guidelines rely on the more stable consumption-based Engel estimates. These estimates are transformed in Chapter 4 into net income-based guidelines using consumption-to-net-income rates, consistent with the methodology underlying Florida's current guidelines.

Chapter 4 develops updated guideline percentages and compares them to Florida's existing schedule. For one child, the updated guidelines are similar to current guidelines. For two or more children, the updated guidelines exceed current levels, with the largest differences appearing at higher income levels.

Chapters 5-6 analyze administrative child support data from 2019 through 2024 to assess guideline performance and conformity with federal requirements. The analysis reveals that a substantial share of noncustodial parents (NCPs) have low or unverified earnings,

necessitating frequent income imputation when wage records are incomplete. Many NCPs fall below the federal poverty threshold after support is paid. The 2024 caseload analysis also demonstrates that many orders deviate from guideline amounts due to visitation adjustments below 20%, which are consistent with Florida Statutes 61.30 but not reflected in the worksheet.

Chapter 7 examines payment compliance using multivariate models. Orders based on imputed income show significantly lower compliance than orders based on verified wages. The burden ratio—the percentage of income paid in child support—emerges as one of the most powerful predictors of payment. Incarceration and poverty are also associated with lower payments, confirming that effective guideline design depends on realistic assessment of ability to pay.

Chapter 8 evaluates income imputation using Florida data from the American Community Survey (ACS). The chapter develops an evidence-based imputation model that estimates expected earnings based on individual characteristics such as age, education, and work history. This approach aligns guideline calculations with realistic earning capacity and conforms with federal child support requirements. If such characteristics were routinely collected, income imputation would be more reliable and consistent with federal guidelines.

Chapter 9 analyzes the treatment of low-income parents and the interaction between the basic obligation, the Self-Support Reserve (SSR), and mandatory additions for childcare and health insurance. While the SSR is technically consistent with federal standards, its current implementation fails to prevent post-order poverty. The low-income adjustment decreases steeply, creating payment cliffs. When childcare and health insurance costs are added, total obligations often exceed feasible levels, particularly for NCPs near the poverty threshold. Childcare costs can dramatically increase the obligation-to-net income ratio. Alternative structures are evaluated, including updated SSR values, smoothing the phase-in region, and replacing the SSR with a direct worksheet adjustment.

Chapter 10 evaluates long-term income expectations using Congressional Budget Office wage projections. Child support orders can span up to eighteen years, during which earnings are expected to grow predictably. The current worksheet assumes static income. Incorporating expected earnings growth would more accurately reflect the long-term costs of raising children, better align orders with lifetime ability to pay, and reduce the need for modifications. The approach could also incorporate declining childcare costs as children age.

Chapter 11 discusses implementation of the recommendations. The chapter identifies specific data that should be collected before final implementation and recommends forming a task force with representatives from the Florida Legislature, Office of Economic and Demographic Research (EDR), Department of Revenue (DOR), and the outside consultant to coordinate implementation efforts.

The review's findings for the seven mandated tasks are as follows:

Task 1: Both Engel-type and Direct Cost methodologies are appropriate for guideline evaluation. Due to high variation in estimates across methodologies and functional forms, the review favors a consumption-based Engel model that follows the econometric specification used in the existing guidelines.

Task 2: National consumption data (CES) demonstrate stable and predictable relationships between income and household spending, with a slightly different income slope attributable to improved treatment of net income in recent CES data compared to earlier studies.

Task 3: Any potential difference in the estimates due to Florida data was tested, and no difference was statistically significant.

Task 4: While the current methodology remains consistent with the report's findings, revisions are warranted to reflect current economic conditions. Either the updated estimates or the current guidelines can be used, but the updated guidelines better reflect current data.

Task 5: Two methods for improving low-income treatment are recommended: updating the SSR, smoothing the low-income schedule, and revising childcare and health add-on rules to improve outcomes for low-income parents.

Task 6: Guidelines comply structurally with federal regulations, but administrative improvements are needed. Additional reporting should justify cases lacking imputed income or using income below minimum wage. Visitation adjustments below 20% should be incorporated into the worksheet rather than treated as deviations from guidelines.

Task 7: Functional improvements include incorporating realistic net income calculations using the NBER tax model, integrating long-term wage growth projections into the worksheet, and predicting future childcare expenses to smooth cost profiles over time.

Florida's guideline framework is grounded in accepted methodology and generally meets federal requirements. However, targeted revisions to income imputation, low-income

protections, childcare add-on treatment, and long-term income adjustment would enhance fairness, improve compliance, and better align obligations with ability to pay.

KEY RECOMMENDATIONS

- **Update Child Support Guidelines**
    - Consider adopting the new child support guidelines that follow the currently used methodology but with recent data and updated treatment of net income.
    - An updated version of the current guidelines is also provided in which only the Self-Support Reserve is updated. While the current guideline amounts are not incorrect, the updated guidelines better reflect current economic conditions.
- **Strengthen Low-Income Protections**
    - Update the Self-Support Reserve (SSR) using a 2-person poverty guideline to ensure noncustodial parents retain income above poverty. Alternatively, replace the current SSR with a direct adjustment in the child support worksheet.
    - Reduce the adjustment rate in the guideline table to allow a wider range of incomes to be affected by the low-income adjustment.
    - Level childcare add-ons over the entire period of child support obligations to reflect declining costs as children age.
- **Improve Income Imputation Practices**
    - Implement evidence-based imputation using characteristics of the parents as demonstrated using ACS data.
    - Document the reasons for not imputing income or accepting income below minimum wage as actual income to ensure compliance with federal requirements.
- **Incorporate Expected Earnings Growth**
    - Use CBO wage projections to reflect predictable long-term income changes.
    - Align current obligations with long-term real income paths. Reduce modification frequency by incorporating income trajectories up front.
- **Enhance Program Functionality and Federal Compliance**
    - Document imputation practices to comply with 45 C.F.R. §302.56(h).
    - Provide caseworkers with accessible imputed-income formulas.
    - Provide visitation adjustment formulas to caseworkers to facilitate documentation and consistent application of the guidelines.

- **Establish a task force to implement the recommendations**
    - Form a task force with representatives from the Florida Legislature, EDR, DOR and the outside consultant.
    - Update the Child Support Worksheet to reflect new adjustments.
    - Implement an evidence-based income imputation and leveling of childcare expenses after a specified time, e.g., 1-2 years.

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CHAPTER 1
INTRODUCTION AND BACKGROUND

Federal law requires each state to periodically review and update its child support guidelines using the most recently available economic data on the cost of raising children. In July 2021, the Florida Legislature, through its Office of Economic and Demographic Research (EDR), contracted with the Department of Economics at Florida State University (FSU) to conduct such a review for Florida. The purpose of this review is to evaluate whether Florida's existing child support schedule continues to reflect current economic conditions and expenditures on children, and to provide empirically based recommendations for any revisions.

The members of the research team were:

- **Stefan Norrbin, Ph.D.** – Professor of Economics, Florida State University
- **David Macpherson, Ph.D.** – E. M. Stevens Professor of Economics, Trinity University (formerly Rod and Hope Brim Eminent Scholar and Abba P. Lerner Professor of Economics, Florida State University)
- **Paul Beaumont, Ph.D.** – Emeritus Professor of Economics, Florida State University
- **Simona Andrei, Ph.D.** – Assistant Teaching Professor and Assistant Director to the M.S. in Applied Economics, Florida State University

The project team was assigned the following tasks:

1. Selecting the most appropriate statistical methodologies to establish the cost of raising children in Florida compared to overall consumption expenditures as the term is commonly used within the economics profession.

2. Establishing the relationship between consumption and income using different statistical techniques.

3. Providing a comparison of Florida data to National data using the varying economic data sets.

4. Using the appropriate methodology and data, reviewing and, if necessary, revising the child support guidelines incorporating findings from 1– 3 above, which are based on the cost of raising children in Florida. To the extent possible, proposed guidelines should incorporate ease of use and facilitate electronic filing.

5. Providing policy options to meet the objective of setting low-income obligor payments such that a child avoids poverty while the obligor's subsistence needs are also met.

6. Providing an analysis of 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 45 C.F.R. §302.56. The analysis should 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).

7. Review key federal expectations of guidelines for setting child support orders as expressed in 45 C.F.R. §302.33 and §302.56, that may be affected by Florida's specific administrative practices or procedures. This includes methods of determining a parent's disposable income.

The remainder of this chapter provides (1) a brief history of child support guidelines, (2) an overview of economic models used to estimate expenditures on children, and (3) a summary of the methodology used to construct Florida's existing schedule of child support obligations.

1.1 Brief History of Child Support Guidelines

Before the mid-1970s, child support was primarily governed at the state level. Significant involvement by the federal government began with the passage of Title IV-D of the Social Security Act.[1] The federal involvement initially focused primarily on child support enforcement, emphasizing families eligible for the Aid to Families with Dependent Children (AFDC) program. Title IV-D mandated that the states establish a variety of offices and programs and adopt techniques to aid in child support collection.

Although formal child support guidelines first appeared in 1975 in Illinois and Maine, the Federal Child Support Enforcement Amendments of 1984 required all states to adopt advisory child support guidelines. Between 1984 and 1988, federal interest in child support significantly increased with the appointment of the Federal Advisory Panel on Child Support

[1] This discussion draws heavily from Andrea H. Beller and John W. Graham, *Small Change: The Economics of Child Support*, New Haven and London: Yale University Press (1993), p. 162-69.

Guidelines. The panel released its recommendations in 1987 along with a report by Robert G. Williams in which he developed the "income shares" model for determining child support.

One year later, the Family Support Act of 1988 mandated that every state adopt a set of child support guidelines to be used as a "rebuttable presumption" in child support cases. The guidelines were to be based on the most current economic data. The 1988 act also required the states to periodically review and update their schedules of child support obligations. With little time to consider the issues involved, states tended to adopt one of the two existing models: the percent of noncustodial parent (NCP) income model developed and implemented in the early 1980s in Wisconsin or Williams's income shares model.

Florida adopted the income shares model, including Williams's proposed schedule of child support obligations. The Florida schedule was subsequently reviewed in 1992 and updated in 1993 to reflect the Consumer Price Index changes. The guidelines were reviewed again in 1997, 2004, 2008, 2011, 2013, 2017 and 2021. Each of these reviews made recommendations for changes in the schedule. Although specific provisions of the guidelines have been modified, the dollar amount of child support obligation for each income level has remained unchanged since 1993.

1.2 Models of Child Support

Current state child support guidelines generally follow one of three models: (1) the percent-of-NCP income model, (2) the income shares model, and (3) a hybrid approach known as the Melson formula. The Melson formula, which is used in a few states, is named after Judge Elwood F. Melson of the Delaware Family Court and was first adopted in Delaware in 1989.

1.2.1 Percent Payment of NCP Income

The percent of NCP income model is used in nine states. It is the simplest and most transparent of the existing approaches to child support. It calculates the child support payment as a percentage of the NCP parent's income alone. Therefore, the payment is not affected by the CP parent's income. The premise of the percent of NCP income model is stated in the Wisconsin guidelines: "a child's standard of living should, to the degree possible, not be adversely affected because his or her parents are not living together."[2]

Child support guidelines in these nine states exhibit considerable variation. The major differences among the states arise from the definition of income and the percentages

[2] Wisconsin Child Support Guidelines, Chapter DWD 40.

applied to that income. Some states apply the percentage to gross income, while others use net income. The percentages in all states increase with the number of children, but the percentage rarely varies with the NCP parent's income. Table 1-1 compares the percentages applied to NCP parent income in selected states in 2017.

Table 1-1. Percentages Utilized by Selected Percent-of-NCP Income States

Number of Children	Percentage of Gross Income		Percentage of Net Income	
	New York	***Nevada***	***Mississippi***	***Illinois***
1	17%	18%	14%	20%
2	25%	25%	20%	28%
3	29%	29%	22%	32%
4	31%	31%	24%	40%
5	35%	33%	26%	45%
6	35%	35%	26%	50%

1.2.2 Income Shares Model

The income shares model is the basis for state child support guidelines in the majority of the states.[3] The premise of the income shares model is essentially the same as that of Wisconsin's percent-of-NCP income model: a child should receive the same amount of expenditure as if the family were intact, even if the child is not the product of an intact family.[4] The child support obligation is determined as a percentage of the combined income of both parents. In Robert Williams's original formulation of the model, the percentage was derived from estimates of average expenditures on children as a function of the income of intact two-parent households.

In this approach, the incomes of the two parents are combined. The basic child support obligation equals the average amount that an intact family with this income level spends on the child(ren), not including childcare or children's extraordinary medical expenses.[5] This basic support obligation is apportioned to the parents in proportion to their respective shares of the combined income. The NCP parent's share of the basic obligation becomes a legally mandated child support payment from the NCP parent to the CP parent. The CP parent is simply assumed to spend the apportioned amount on the child(ren).

[3] Between 2004 and 2011, four states and the District of Columbia adopted the income shares model. Three of these (Tennessee, Georgia, and Minnesota) previously utilized the percent of NCP income model, and Massachusetts and the District of Columbia utilized a hybrid model.

[4] Clearly this assumption results in higher costs of children than if child support payments were intended only to underwrite the minimum subsistence costs of the child.

[5] The basic obligation is supposed to include a minimal amount for routine health care.

1.3 Approaches to Estimating Expenditures on Children

Even though states have applied the cost estimates in different ways, the estimates of the cost of raising children are mostly based on Ernst Engel's approach.[6] This method estimates the additional income needed to maintain the same proportion of food expenditures when children are present. Thomas Espenshade adapted this approach to estimate the cost of children in his 1984 book.[7] This approach has been referred to as the Espenshade-Engel approach. An alternative adaptation of Engel's approach was done by David Betson, who focused on expenditures on adult goods. This method estimated the additional income a family with children needed to reach the proportion of adult goods consumed by a family without children. This approach has become known as the Betson-Rothbarth approach.[8]

Essentially, the Espenshade–Engel and Betson–Rothbarth methods are alike in that they estimate the extra income needed when a child joins the family. Both compare families with children to "equivalent" families without children, where equivalence means having the same standard of living. Espenshade emphasizes the additional income required to keep the same share of total expenses spent on food, while the Betson–Rothbarth method focuses on adult goods and estimates the extra income a family with children would need to match the proportion of adult goods consumed by a similar childless family.

Whichever child support model is used, most states claim to base their child support payments on estimates of actual average family expenditures on children. Direct estimates of family expenditures on children are difficult because most of a family's expenditures are for shared goods (housing, for example) rather than for goods consumed by a specific individual within the family. This has led to the use of indirect estimates.

A newer method—the **Comanor–Sarro Direct Cost approach**—uses household expenditure data to identify outlays attributable directly to children.[9] This method focuses

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[6] Engel, E. (1857). *Die Productions- und Konsumptionsverhältnisse des Königreichs Sachsen*. Dresden: Wilhelm Baensch.

[7] Thomas J. Espenshade, *Investing in Children*, The Urban Institute Press, Washington, DC, 1984.

[8] David Betson, "Alternative Estimates of the Cost of Children from the 1980-1986 Consumer Expenditure Survey," U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, September (1990). Betson subsequently updated his estimates using data from the 1996-1998 Consumer Expenditure Survey in "Chapter 5: Parental Expenditures on Children." in Judicial Council of California, *Review of Statewide Uniform Child Support Guideline,* San Francisco, California (2001). His most recent estimates are in "Appendix A: Parental Expenditures on Children: Rothbarth Estimates", Judicial Council of California, Administrative Office of the Courts, *Review of Statewide Uniform Child Support Guidelines: A Report to the California Legislature*, November 2010.

[9] Comanor, W. S., & Sarro, S. F. (2010). The monetary cost of raising children. *Journal of Family and Economic Issues, 31*(2), 157–167. Comanor, W. S. (2013). Estimating the costs of children: A new approach. *Review of Economics of the Household, 11*(1), 107–121.

on actual monetary expenditures rather than changes in living standards and is discussed further in Chapter 3.

1.4 Development of Florida's Current Schedule of Child Support Obligations

As noted earlier, Florida initially adopted Robert Williams's proposed schedule of child support obligations developed for the Office of Child Support Enforcement, U.S. Department of Health and Human Services. The starting point for Williams's schedule was a set of percentages of household consumption spent on children derived by Espenshade using the Engel approach. Williams then converted the percentages from Espenshade's analysis to form the current guidelines used in Florida. The method used by Williams is briefly discussed to explain how the current schedule of support obligations was derived.[10]

1.4.1 Williams's Schedule of Child Support Obligations

According to the income shares model, child support guidelines require estimates of the average amount spent on children as a proportion of *family income* rather than *family expenditures*. They also need estimates for families at different income levels rather than families classified by different socioeconomic status variables.

The results of all these calculations and adjustments are shown in Table 1-2 below. The first column shows the net income categories adjusted to 1986 dollars. The second column assigns the three Espenshade percentages to these income categories.[11] Espenshade's percentage for low socioeconomic status families is assigned to the lowest three income categories. Espenshade's percentage for medium socioeconomic status families is assigned to the middle-income category. Espenshade's percentage for high socioeconomic status families is assigned to the highest three income categories.

[10] For a detailed analysis of the development of the original child cost estimates for Florida, see Stefan Norrbin, David Macpherson, and Simona Andrei, *Review and Update of Florida's Child Support Guidelines, Report to the Florida Legislature*, Department of Economics, Florida State University, November 1, 2021.
[11] Williams does not explain the basis for these assignments. They apparently were done simply by assumption, although the Espenshade percentages are sufficiently alike that this makes little difference to the results.

Table 1-2. Conversion of Two-Child Expenditure Percentages to Percent of Net Income

Net Income Category	Child Expenditure/ Total Expenditures (%)	Total Expenditures/ Net Income	(Childcare+Medical)/ Net Income (%)	Child Expenditure/ Net Income (%)
$0–5,600	40.4	1.000	3.40	37.0
$5,601–10,650	40.4	1.000	3.69	36.7
$10,651–16,725	40.4	0.985	3.66	36.1
$16,726–28,200	40.7	0.907	3.40	33.5
$28,201–39,975	41.3	0.860	2.86	32.7
$39,976–51,875	41.3	0.815	2.49	31.2
$51,876 or more	41.3	0.718	1.97	27.7

Espenshade estimated the percentage of family expenditures devoted to children only for families with two children. Therefore, Williams had to construct estimates for one-child and three-child families using other data in Espenshade's analysis.

Espenshade also provided no estimates of family expenditures on children for families with more than three children. To extend the proportions to four-child families, Williams used a set of Revised Equivalence Scales developed by the Bureau of Labor Statistics (BLS) based on 1968 data. These equivalence scales show how much more proportionately a family with four children needs to spend than a family with three children.

The BLS equivalence scales only extended to families with four children, but Williams wanted to include five-child and six-child families in his schedule. He assumed the equivalence scale would increase at a constant but decreasing rate (presumably reflecting economies of scale in family size). This allowed him to calculate equivalence values for five and six children. He then increased his estimated percentage of net income spent on four children by these equivalence values to derive estimated percentages for five and six

children. In this way, the entire schedule was created. This schedule with small modifications continues to be used in Florida.

1.5 Key Findings

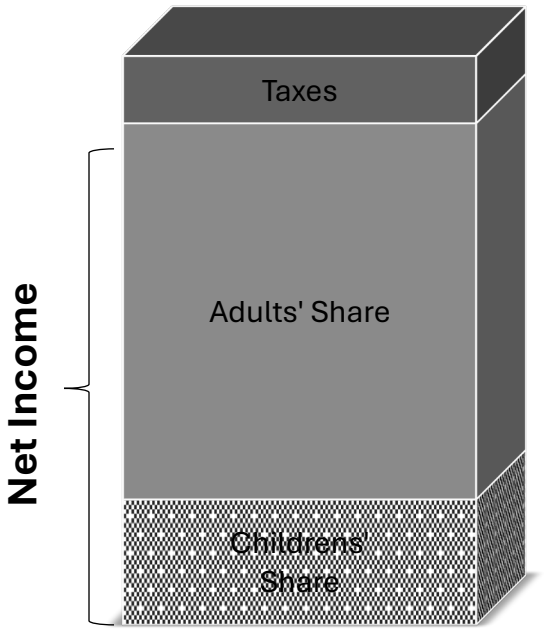
- Child support schedules vary widely across states because cost estimates differ depending on statistical methods, datasets, and modeling assumptions.
- Florida's current schedule was derived using a two-step methodology:
    - Espenshade's Engel-based estimates of consumption devoted to children
    - Williams's conversion of consumption-based percentages to fractions of net household income.
- Numerous assumptions are required to convert Consumer Expenditure Survey (CES) data into child support schedules, and estimates are sensitive to variable selection, model specification, and data source.
- No guideline schedule developed under these methods can be definitively confirmed to reflect actual expenditures made by intact families.

CHAPTER 2
METHODOLOGY AND DATA

This chapter describes the methodological approaches used to estimate the cost of raising a child and outlines the construction of the analytical data set. Two broad approaches dominate the child-cost literature: (1) **Living Standard Adjustment** methods, based on Espenshade-Engel and Betson-Rothbarth equivalence scales, and (2) **Direct Cost** methods, which measure child-specific expenditures. Both approaches use the Consumer Expenditure Survey (CES) data for estimation. This chapter compiles and refines the CES data set using "plausible restrictions" to obtain a data set that reflects intact families. The data refinement continues in the chapter by using a statistical procedure, the **Mahalanobis distance** to identify atypical observations.

Figure 2-1 highlights a fundamental challenge in child-cost estimation: total family resources must be allocated between adults and children, yet survey data do not directly separate expenditures by household member. The methodologies discussed below provide different strategies for inferring the cost attributable to children.

Figure 2-1 Breakdown of Family Income



Section 2.1 reviews the three major methodological approaches used to estimate the cost of a child—Engel, Rothbarth, and Direct Cost—highlighting the conceptual differences in how each infers the allocation of family resources. Section 2.2 then describes the construction of the CES analytical data set and the application of plausible sample restrictions to obtain a consistent set of intact married-couple households. Section 2.3 introduces the Mahalanobis distance procedure and explains how it is used to detect and remove multivariate outliers. Section 2.4 summarizes the resulting quartile-specific data sets and documents key expenditure patterns across the income distribution. Finally, Section 2.5 describes the synthetic families constructed from these quartiles for use in later chapters, and Section 2.6 provides a brief summary of key findings.

2.1 Alternative Methods of Computing the Cost of a Child

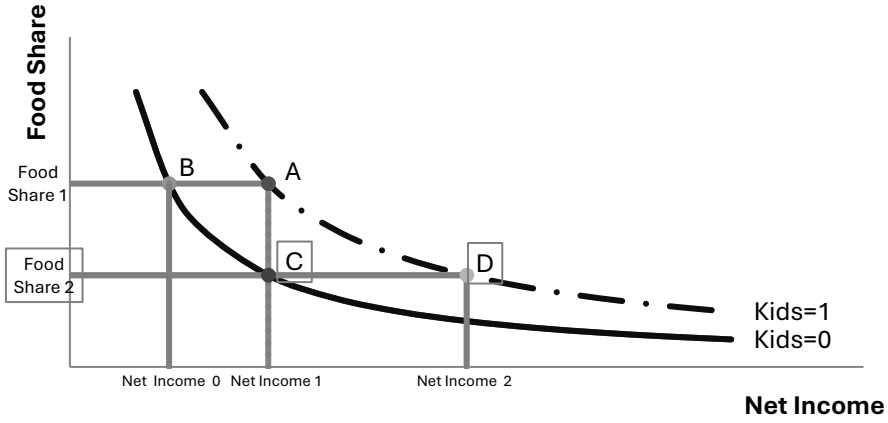
Economists have long recognized the difficulty of apportioning family resources between adults and children. As summarized in Chapter 1, two foundational models—the **Engel (1895)** and **Rothbarth (1943)** approaches—estimate the marginal cost of a child by identifying observable indicators of family well-being. The Engel method relies on food share as the indicator, while the Rothbarth method relies on expenditures on adult-specific goods.

2.1.1 Engel Methodology

Under the Engel approach, families with children allocate a larger share of their budget to food than comparable childless families. The cost of a child is the additional income required for a couple with a child to achieve the same food-share ratio as a comparable childless couple. Two households that devote the same share of net income to food are assumed to achieve the same standard of living, regardless of household size.

Figure 2-2 illustrates this concept. Starting from a family with one child at a given income level (point A), the analysis identifies the corresponding income level for a childless couple with an equivalent food share (point B). The percentage difference between these income levels represents the estimated cost of one child. Because Engel curves are nonlinear, equal changes in food share do not necessarily correspond to equal changes in income across the distribution.

Figure 2-2 Computing the Share of Net Income Devoted to Children Using the Engel Method

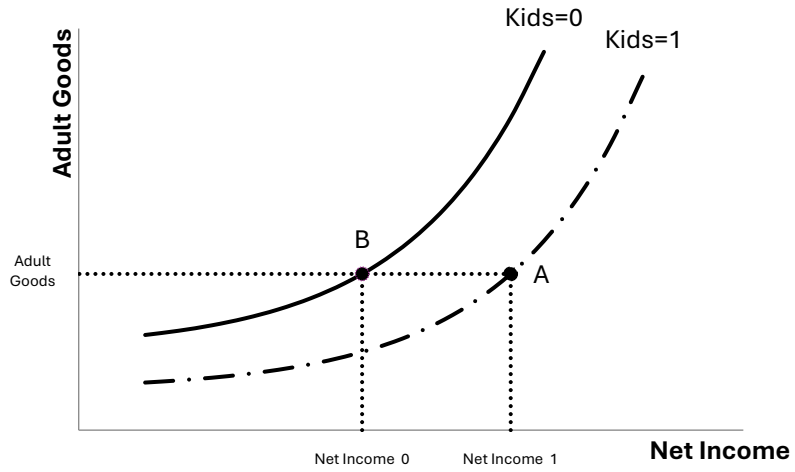


2.1.2 Rothbarth Methodology

The Rothbarth approach identifies adult-specific goods—such as alcohol, tobacco, or adult clothing—and assumes that adults' consumption of these goods reflects their welfare. A couple with a child must spend more total income to maintain the same level of adult-specific consumption as a childless couple. The required additional consumption represents the cost of a child.

Figure 2-3 summarizes the procedure. Expenditures on adult goods are observed for families with one child and matched to a childless couple with identical adult-goods expenditures. The difference in total consumption between these two families represents the cost attributable to the child.

Figure 2-3 Computing The Share Of Net Income Devoted To Children Using The Rothbarth Method



2.1.3 Direct Cost Methodology

Direct Cost methods measure the actual expenditures associated with raising a child by examining spending on major categories (e.g., food, housing, transportation, childcare). The resulting total is expressed as a share of net income. This approach focuses on direct monetary outlays and does not attempt to infer changes in adults' welfare.

Studies using this method include Lino et al. (2017)[12] and Comanor et al. (2015)[13]. A core challenge is allocating joint expenditures—particularly housing—between adults and children. The USDA approach estimates housing costs by comparing what families spend on housing before and after the addition of a child. Comanor et al. (2015) instead use regression techniques to identify statistical differences in expenditures between families with and without children.

2.1.4 Advantages and Disadvantages

The **Direct Cost** approach benefits from its focus on observable expenditures but relies on difficult allocation assumptions for shared goods. Therefore, estimation tends to underestimate the living standard cost as substitution will occur within categories so that budget constrained families can afford the cost of a child. The **Living Standard Adjustment** approach avoids explicit imputations of shared expenditures but instead measures the income equivalent needed to maintain adults' welfare. Each approach captures a different concept of child cost: **direct financial outlays** versus **income required to offset welfare changes**.

2.2 Constructing a Data Set for Computing the cost of a child

Data for the analysis comes from the 2013-2023 CES conducted by the U.S. Bureau of the Census for the U.S. Bureau of Labor Statistics (BLS). The CES provides comprehensive information on family expenditures and income as well as on socioeconomic and demographic characteristics of U.S. families.

The 2013-2023 survey has two parts: (1) a quarterly interview survey that covers monthly out-of-pocket expenses on items like housing, clothing, transportation, healthcare, insurance, and entertainment; and (2) a diary survey that tracks weekly expenses on frequently bought items such as food and drinks, tobacco, personal care products, and over-the-counter drugs

[12] Lino, Mark, Kevin Kuczynski, Nestor Rodriguez, and Tusa Rebecca Schap, 2017, "Expenditures on Children by Families, 2015," US Department of Agriculture.

[13] Comanor, William S., Mark Sarro, and R. Mark Rogers, 2015, "The Monetary Cost of Raising Children," *Research in Law and Economics* 27: 209–251.

and supplies. Our update relies solely on the public use file from the quarterly interview survey.

The analysis uses data from 2013 to 2023 for two reasons. First, recent CES data provides the most current estimates of the costs of raising children. Second, the CES data from 2013 onward includes estimates of respondents' state and federal income taxes, calculated using the National Bureau of Economic Research (NBER) TAXSIM program. This program has the benefit of accounting for child tax credits and credits from the Earned Income Tax Credit (EITC) program. These credits can result in negative income taxes for lower-income families with children. Additionally, TAXSIM offers more precise tax estimates than respondents' self-reports of their income taxes. As expected, using TAXSIM has increased both the number of respondents with tax data and the total taxes paid.

Interviews were conducted with each consumer unit, defined as (1) all members of a specific household related by blood, marriage, adoption, or other legal arrangements; (2) an individual living alone, sharing a household with others, or residing as a roomer in a private home, lodging house, or in permanent living quarters in a hotel or motel, but who is financially independent; or (3) two or more people living together who use their income to make joint expenditure decisions. Financial independence is assessed based on three main expense categories: housing, food, and other living expenses. To qualify as financially independent, at least two of these categories must be covered entirely or partially by the respondent. The quarterly interview data file was used to create a hypothetical annual data set. Each household was assigned a unique number and linked across different quarters.

The number of children in a household was averaged across quarters. It is therefore possible for some households to have fractional children if a child was present in the household for less than the full year. Total expenditures, childcare, and medical care are averaged across quarters and then multiplied by four to estimate the annual amount.

For analysis purposes, we use a smaller sub-sample of the full CES. The full sample includes 32,148 consumer units; our sub-sample consists of 2,444 of these units. The restrictions on sample selection and the number of units removed by each restriction are shown in Table 2-1.

Table 2-1. Sample Restrictions

Restriction	Deletions	Remaining Sample Size
Total Number of Consumer Units Reporting for the Full Year		32,148
Not Intact Couples	15,985	16,163
Net Family Income is 0 or less	1,245	14,918
Income Imputed	5,970	8,948
Over Age 50	5,341	3,607
Non-family Members Living with Family	240	3,367
Children 19 and older	240	3,127
No Data on Location	86	3,041
Consumption Greater than Net Income	597	2,444

We initially limited our sample to consumer units with a complete year (four quarters) of data. We follow the directives in Fla. Stat. § 61.30. that the family must be an intact family and delete consumer units that were not intact married couples. The consumer units that were deleted mainly consisted of single individuals or single parents.

Another 5,970 consumer units were removed because only imputed incomes, not actual incomes, were reported. Imputed income observations are based on estimated values derived from non-imputed data. Consequently, including imputed income observations artificially inflates the sample size.

We also limited our analysis to consumer units where the head of household and spouse are 50 or younger, removing 5,341 consumer units. The age restriction was applied to exclude individuals who are retired or near retirement, as their spending patterns are likely different from those of the currently employed and not near retirement.

Consumer units with non-family members may have different income and spending patterns compared to intact families. 240 households that include non-family member were removed. Furthermore, consumer units were restricted to those families without children over the age 18 since the spending patterns are likely different.

Only units with incomes greater than zero and consumption less than net income were included. These restrictions eliminated only 597 units. Consumption is likely to be determined by long-run expected income, not by transitory low income, so including these

consumer units could distort the consumption-to-net-income ratio. Finally, units with no location were deleted because we need to identify Florida residents for part of our analysis.

2.3 Refining the Data Using Statistical Techniques

In addition to plausibility filters (e.g., nonpositive income, presence of nonfamily members), the data set was further refined using **Mahalanobis distance**, a multivariate metric that measures the distance between an observation and the overall data centroid while accounting for covariance among variables.

The Mahalanobis distance provides a statistically rigorous measure of the distance between an observation and a reference population while accounting for the covariance structure among variables. It produces a unit-free, scale-adjusted metric that is widely used in anomaly detection. Unlike simple Euclidean distance, it incorporates both variance and correlation, making it an appropriate tool for identifying outliers.

For a vector of observations x and a reference mean vector μ, with covariance matrix Σ, the **Mahalanobis distance** is defined as:

$$D_M(x) = \sqrt{(x-\mu)'\Sigma^{-1}(x-\mu)}$$

where:

- x = vector of observed values
- μ = vector of mean values for the comparison group
- Σ = covariance matrix of the comparison group
- Σ^{-1} = inverse covariance matrix
- $(x-\mu)'$ = transpose of the deviation vector

The Mahalanobis distance measure has several useful features, but we are mostly interested in its ability to detect anomalous observations. It detects observations with unusual combinations of characteristics, even when individual variables appear plausible. For example, a high-income household with unusually high food-at-home expenditures may indicate misreporting or non-representative behavior.

Unlike univariate filters, which flag extreme values of a single variable, Mahalanobis distance captures atypical relationships among multiple variables, such as income, age, consumption, and food expenditures.

2.3.1 Application to CES Data

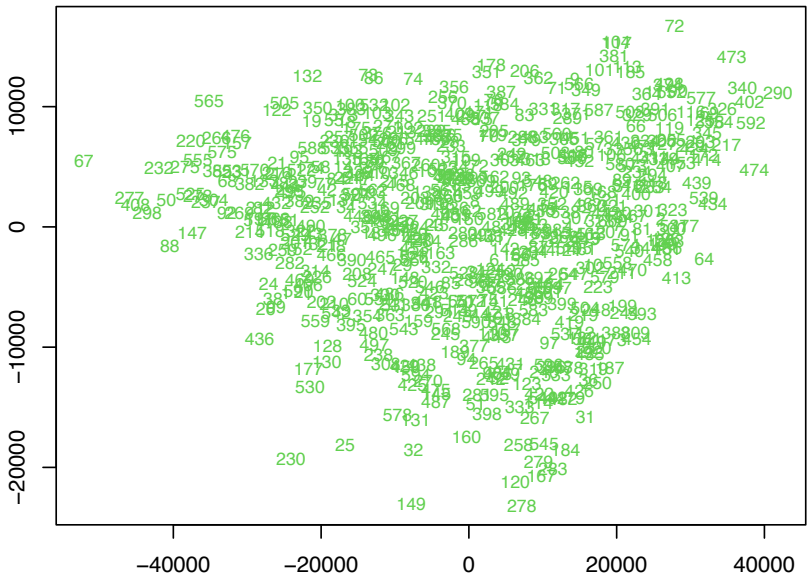
The Mahalanobis distance measure uses a set of variables to compute the covariance of the variables. The variables used to compute the Mahalanobis distance are:

- Number of children
- Net income
- Age of both the respondent and the spouse
- Food-at-home
- Total consumption
- Housing expenses
- Transportation expenses

These 8 variables create a "typical" family (the centroid of the 8 variables) and measures the coordinates of each observation relative to the "typical" family. "Typical" does not mean that it is an average or normal family, but only that the responses to all 8 variables are consistent with the typical responses (covaries in the same way). Thus, a family that responds indicates that they do not have any housing expenses, but a high net income would be considered nontypical. Such a household may exist (e.g. they might be living cost free in a relative's home), but they are not "typical". Furthermore, this method identifies families where one of the variables was incorrectly entered. These are survey data, and a variable could have incorrect information, for example age might be entered year-month-day instead of month-day-year.

Figure 2-4 shows the location away from the center for each of the observations. Note that the coordinate (0,0) shows the centroid of the data. Many data points overlap at the centroid making it difficult to read. However, we are not concerned with the points near the centroid. In contrast, we want to identify the data points that are far away from the center of the data. Such data points would be far away from the “typical” family and thus potentially would be considered outliers.

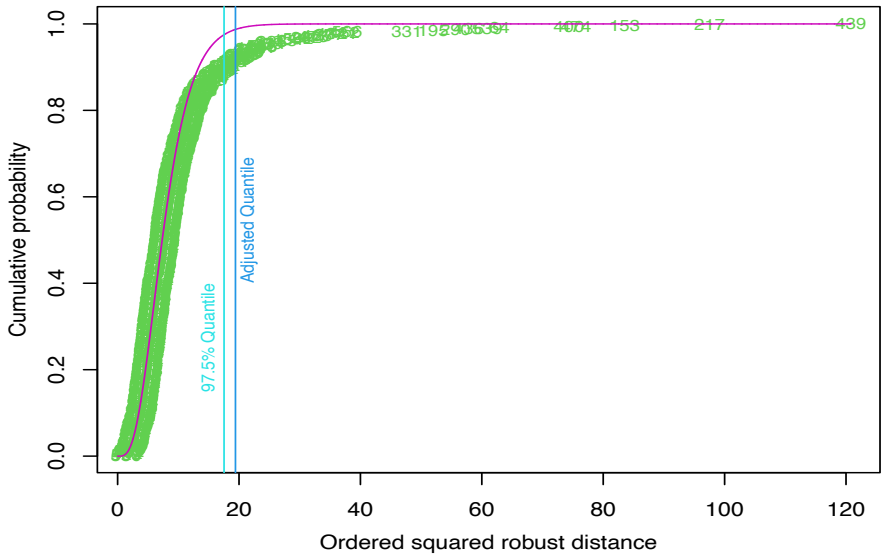
Figure 2-4 Mahalanobis Distance Scores



To statistically identify the outliers, we sort the square of the Mahalanobis distance scores and examine where the cumulative scores tend to increase rapidly. That break is identified using a 97.5th percentile chi-square cutoff in Figure 2-5. Beyond this break very large values added to the cumulative distance measure identifies those observations as outliers.

Using the Quartile 1 of CES data set we end up finding 49 outliers among the 601 observations. In Figure 2-5 the largest Mahalanobis score are from observations number 439, 217, and 153. These would be considered as particularly extreme outliers and would be removed from the data set.

Figure 2-5 Ordered Squared Mahalanobis Scores



Similarly for other quartiles we have removed the outliers in the same manner as described above. These data sets are summarized in Table 2-2. In general, few observations were removed from each quartile. The range of removed observations ranges from 49-103, resulting in about 500 observations per quartile. We use the filtered data for the estimation in Chapter 3.

Table 2-2. Removing Outliers from the Quartiles

Quartile	Before filter Observations	Removed Observations	After Filter Observations
1	601	49	552
2	608	75	533
3	619	103	516
4	616	79	537

2.4 Examining *the Data Used in the Estimation*

In this section we examine summary statistics for the four quartiles. Each quartile has been filtered with "plausible restrictions" and a statistical filter, namely the Mahalanobis distance filter.

In Quartile 1, shown in Table 2-3 we can see that the range of net incomes is high from $24,400 to $81,600. Similarly, consumption has a high range. Only 53% of the couples are both working, with 16% food as a fraction of net income.

Table 2-3. Summary Statistics, Quartile 1

Variable	**Mean**	**Min**	**Max**
Net Income	59,500	24,400	81,600
Consumption	43,800	13,800	77,600
Food Share	0.16	0.06	0.30
Food-at-Home	7,320	910	18,500
Food-Away	2,440	0.00	13,800
Florida	0.05	0.00	1
Age Reference	35.20	19	50
Age Spouse	35.00	20	50
Both Working	0.53	0	1
Shelter	11,500	0	34,500
Transportation	6,870	0	20,400
Utilities	4,810	233	12,800

Quartile 2 has a higher net income at $98,900 and a higher working spouse with 77%. The food share of net income is lower as expected at 13%, with a range from 3% to 32%.

Table 2-4. Summary Statistics, Quartile 2

Variable	Mean	Min	Max
Net Income	98,900	81,800	115,000
Consumption	63,700	23,100	106,000
Food Share	0.13	0.03	0.32
Food-at-Home	8,710	1,210	27,300
Food-Away	4,070	0	17,200
Florida	0.06	0	1
Age Reference	37.10	23	50
Age Spouse	36.60	23	50
Both Working	0.77	0	1
Shelter	16,300	943	49,100
Transportation	9,170	637	25,900
Utilities	5,630	843	13,700

Quartile 3 has an annual net income at $133,000 and an even higher rate of working spouse at 83%. The food share of net income is lower as expected at 11%, but also in Quartile 3 there is a high range from 2% to 25%.

Table 2-5. Summary Statistics, Quartile 3

Variable	Mean	Min	Max
Net Income	133,000	115,000	158,000
Consumption	78,400	27,000	132,000
Food Share	0.11	0.02	0.25
Food-at-Home	9,360	918	26,600
Food-Away	5,170	0	21,200
Florida	0.03	0	1
Age Reference	37.90	23	50
Age Spouse	37.70	23	50
Both Working	0.83	0	1
Shelter	21,200	2,870	56,800
Transportation	11,300	586	38,900
Utilities	6,020	703	13,500

Quartile 4 has a high annual net income at $235,000 and a slightly higher rate of working spouse at 86% compared to Quartile 3. The food share of net income is lower as expected at 8%, but the range of food shares remains high ranging from 2% to 27%.

Table 2-6. Summary Statistics, Quartile 4

Variable	Mean	Min	Max
Net Income	235,000	158,000	525,000
Consumption	111,000	38,100	215,000
Food Share	0.08	0.02	0.27
Food-at-Home	11,000	1,720	27,500
Food-Away	7,200	0	36,700
Florida	0.02	0	1
Age Reference	40.20	27	50
Age Spouse	39.80	22	50
Both Working	0.86	0	1
Shelter	30,200	2,910	81,700
Transportation	19,800	1,460	87,000
Utilities	6,680	901	15,100

In summary, Tables 2-3 to 2-6 show that:

- The proportion of dual-earner couples rises across quartiles, from 53 percent in Quartile 1 to 86 percent in Quartile 4.
- Food-share percentages decline with income.
- Shelter, transportation, and utilities expenditures increase with income.

These four quartile data sets form the basis for estimating the Engel curves and Direct Costs used in constructing the child support guidelines in Chapters 3 and 4.

2.5 Creating Synthetic Families

For illustration and for construction of example tables, we define four synthetic families—one per income quartile—using the quartile-specific means from Tables 2-3 through 2-6 and the assumption that both the husband-and-wife work, with the wife earning 80% of the husband's income. The families are assumed to have one child aged 2.

The families are as follows:

- The first Quartile family assumes that both the husband and wife are age 23, have a high school degree, and are not living in a large metropolitan area.[14]
- The second Quartile family assumes that both the husband and wife are age 28, have some college education, and are not living in a large metropolitan area.
- The third Quartile family assumes that both the husband and wife are age 35, have a college degree and are living in a large metropolitan area.
- The fourth Quartile family assumes that both the husband and wife are age 45, have more than a college degree, and are living in a large metropolitan area.

These synthetic families provide a way to translate estimated Engel relationships into dollar and percentage outcomes at representative points in the income distribution. The assumptions about the characteristics of education and place of residence are not important in the analysis of the child support guidelines but are used in the imputed income analysis of Chapter 10.

2.6 Key Findings

- A comprehensive annualized CES data set was constructed from 2013–2023 interview data, resulting in **2,444** intact married-couple consumer units after applying plausible filters (Table 2-1).
- **Mahalanobis distance** was used to identify and remove multivariate outliers within income quartiles, eliminating between **49 and 103** observations per quartile and leaving roughly **500 observations** per quartile for analysis (Table 2-2).
- **The Mahalanobis correction** stabilized variables used in the computations but did not substantially alter the results.
- These refined data provide the basis for estimating Engel relationships and cost-of-children measures in Chapters 3 and 4.
- Four synthetic families were constructed to present illustrative guideline tables and representative cost estimates.

[14] The large metropolitan areas are Miami, Tampa, Orlando, and Jacksonville.

CHAPTER 3
MEASURING THE COST OF A CHILD

This chapter presents two empirical approaches used to estimate the financial cost of raising a child. The **Income Equivalence** (or Engel) approach computes the cost indirectly, using food share as an indicator of household welfare, and quantifies the additional income required for a household with children to achieve the same welfare as an otherwise similar childless household. Section 3.1 describes and estimates a set of Engel-type models using Consumer Expenditure Survey (CES) microdata. Section 3.2 adopts a **Direct Cost** approach, in which expenditures are measured directly from observed spending patterns across household types. Section 3.3 compares results across the two approaches and discusses the implications for estimating the cost of children.

3.1 Cost Estimates Using Espenshade-Engel Approach

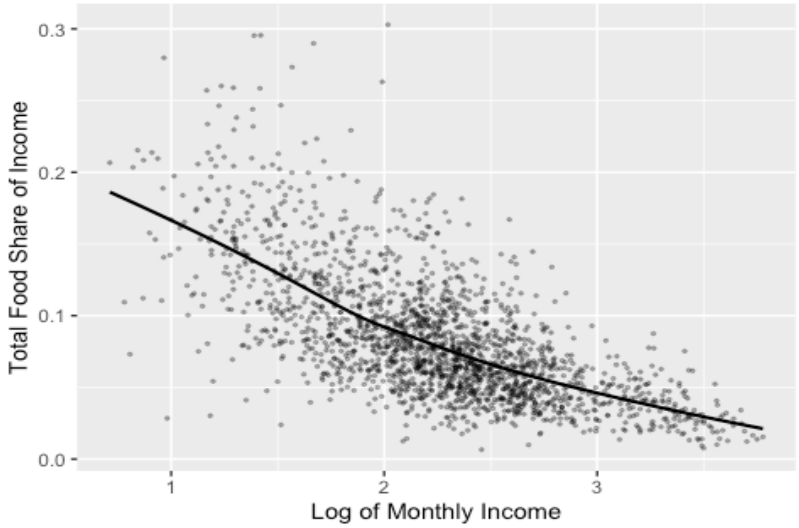
Figure 3-1 is a plot of the household food share of net income for all families from the Mahalanobis adjusted data set. The solid black line is a LOESS (Locally Estimated Scatterplot Smoothing) polynomial approximation with a span of 0.75. The primary conclusion is that the food share declines nonlinearly in income. The general shape of this curve is consistent with the Engel curve widely discussed in the literature.[15]

Figure 3-1. Empirical Engel Curve Over All Households

[15] See, for example, Deaton, Angus, and John Muellbauer. 1986. "On Measuring Child Costs: With Applications to Poor Countries." *Journal of Political Economy* 94 (4): 720–744.

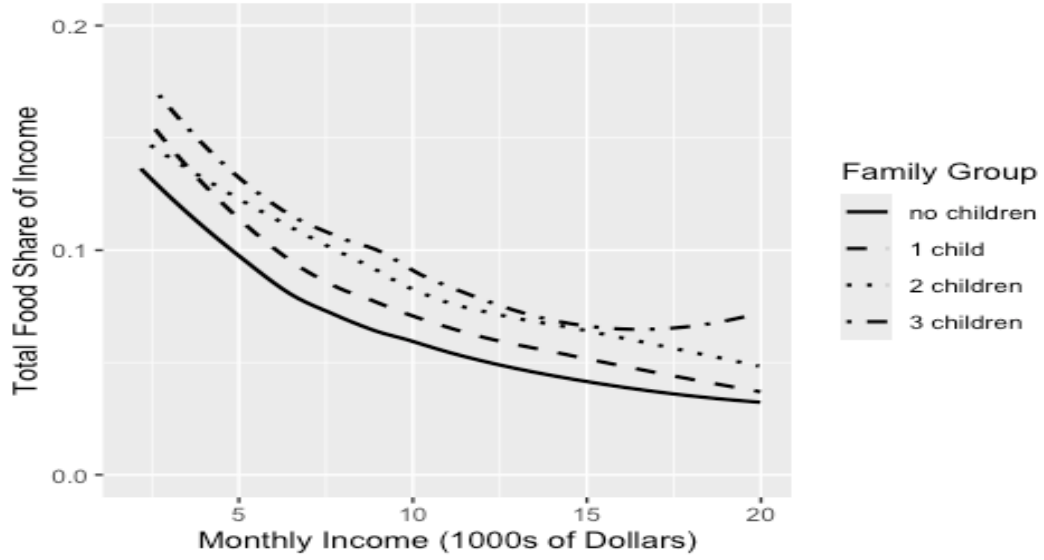
If we plot the food share against the log of income, shown in Figure 3-2, we see that the relationship is approximately logarithmic (natural log) although, it flattens out slightly for higher incomes. This is consistent with Leser's (1963) observation that the *ln(Y)* specification is preferred.[16]

Figure 3-2. Empirical Engel Curve Using ln(Income) Over All Households



We expect that the food share of income will vary by household size. Figure 3-3 shows the empirical Engel curves for each household size.

Figure 3-3. Empirical Engel Curves by Number of Children



[16] Lesser, C.V., "Forms of Engel Functions," *Econometrica* 31(4), (October1963): 694-703.

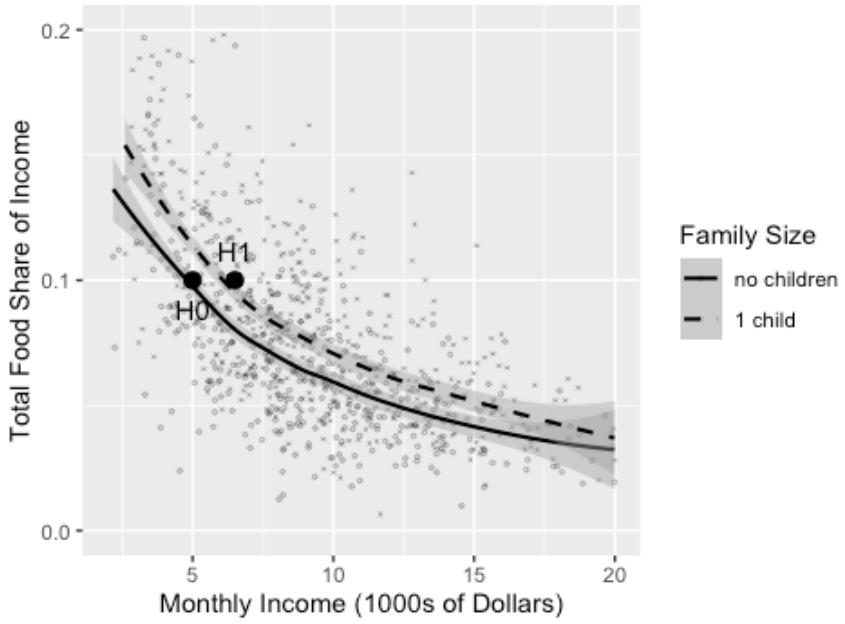
Table 3-1 shows the mean of food share for households disaggregated by number of children in the household and the household income by quartiles. The pattern shows that food share increases with the number of children and decreases with household income.

Table 3-1. Food Share of Income

Number of Children	Quartile 1	Quartile 2	Quartile 3	Quartile 4
0	0.1028	0.0689	0.0525	0.0388
1	0.1195	0.0827	0.0646	0.0445
2	0.1333	0.0970	0.0764	0.0553
3	0.1473	0.1067	0.0834	0.0573

In the plot in Figure 3-4 we zoom in on the food share of income for households with no children and households with one child. The grey regions around the LOESS curves are 90% confidence intervals. We can see that for most levels of income, the food shares of income are higher for households with 1 child than for households with no children.

Figure 3-4. Empirical Engel Curves for 1-Child Families



As we examine the food plot in Figure 3-4, we observe that a household with no children and $5,000 of monthly net income will spend about 10% of their net income on food consumed (denoted as point H0) while a household with 1 child who spends 10% of their income on food will require a monthly net income of about $6,250 (denoted as point H1). If we assume that food share of income is an approximate measure of household welfare, then the

household with 1 child will require about $1,250 additional income than the household with no child to attain the same level of welfare. In other words, the household with 1 child requires 25% more income than the household with no child to have the same welfare. Thus, the cost of the child is $1,250 per month, or $15,000 per year and the income equivalence ratio is about 1.25 for household with 1 child to the household with no child. As we consider different food share values, the income equivalence and income equivalence ratios may vary.

We will refer to the income differential between H1 and H0 as the Income Compensation, or Y_{comp}. We will refer to the ratio of income at H1 to that of H0 as the Income Ratio, or Y_{ratio}. To generalize our computations, we need an analytical function that closely approximates the empirical Engel curves so that we can compute Y_{comp} and Y_{ratio} easily.

3.1.1 Functional Form for Engel Curves and Income Equivalence

Most Engel curve specifications estimated in the literature take the form:

$$FS_k = \alpha_k + \beta_k \ln Y_k + \gamma_k X_k + \varepsilon_k,$$

where FS_k is the food share for a household with k children, Y_k is net income, and X_k represents household characteristics. Allowing coefficients to vary by family size accommodates heterogeneity in consumption behavior across households.

Solving for the income level Y_k needed for a household with k children to achieve the same food share as a childless household with income Y_0 yields:

$$Y_k = Y_0^{\beta_0/\beta_k} \exp\left(\frac{A_0 - A_k}{\beta_k}\right),$$

where $A_j = \alpha_j + \gamma_j X_j$.

The **income equivalence ratio** is:

$$Y_{\text{ratio}} = \frac{Y_k}{Y_0},$$

and **income compensation** is:

$$Y_{\text{comp}} = Y_0(Y_{\text{ratio}} - 1).$$

This general framework is flexible enough to encompass alternative Engel specifications, including those expressed in terms of $\ln(Y/N)$ or models incorporating binary variables for children.

3.1.2 Food Share as a Function of ln(Income) and ln(Family size)

The model is:

$$FS = \alpha + \beta \ln(Y) + \gamma \ln(FamilySize) + \nu Florida + \epsilon$$

where *FS* is the total food expenditures as a fraction of net income *Y*, *FamilySize* varies from 2 (adults only) to 5 (2 adults plus 3 children), and *Florida* is a binary variable with value 1 if the family resides in Florida and zero otherwise.

This specification will have a constant β across all households but the intercept will be shifted by the family size and the Florida indicator. Thus, the estimated model for a family with 2 children will have intercept $\alpha + \gamma \ln(4)$ and slope β.

The estimated equivalent income ratios for this model will be:

$$Y_{ratio} = \frac{Y_k}{Y_0} = \exp\left(\frac{\gamma\big(\ln(2) - \ln(2+k)\big)}{\beta}\right)\exp\left(\frac{\nu_0 - \nu_k}{\beta}\right) = \left(\frac{2+k}{2}\right)^{\frac{\gamma}{\beta}}\exp\left(\frac{\nu_0 - \nu_k}{\beta}\right)$$

where Y_0 (with $k = 0$) is the income of the base family with no children, and Y_k is the income required by the family with $k = 1,2,$or 3 children to attain the same food share as the base family. With this specification Y_{ratio} only varies by the family size.

3.1.3 The Florida Binary Variable

Consider the model

$$FS = \alpha + \beta \ln(Y) + \gamma \ln(FamilySize) + \nu Florida + \epsilon.$$

Table 3-2 shows results from the model including the Florida binary variable. The estimated coefficient on Florida (0.00162) is statistically **insignificant** (t = 0.35). Excluding the variable yields nearly identical coefficients for ln(Y) and ln(FamilySize) (Table 3-3). Accordingly, the Florida variable is omitted from subsequent Engel estimations.

Table 3-2. Results including a Florida Variable

Variable	Coefficient	t-Statistic
(Intercept)	*0.82077*	*40.26*
ln(Y)	*-0.06366*	*-36.60*
ln(FS)	*0.03562*	*12.10*
Florida	*0.00162*	*0.35*
$R^2 = 0.42$		

The coefficient on the *Florida* binary is highly insignificant with a small value of 0.00162. The regression results if we omit the *Florida* binary variable are:

Table 3-3. Results of the Base Equation

Variable	Coefficient	t-Statistic
(Intercept)	*0.82127*	*40.39*
ln(Y)	*-0.06370*	*-36.70*
ln(FS)	*0.03562*	*12.10*
$R^2 = 0.42$		

The above coefficients barely change when the Florida binary variable is eliminated.

The following table, Table 3-4, shows the estimated income equivalence ratios using the base equation for each income group (lower than median income, all income, higher than median income) for 1, 2 and 3 children. We report the results as; $100 * (Y_{ratio} - 1)$.

Table 3-4. Income Equivalence Cost

FS = a + b ln(Y) + c lnFamilySize) + e

Child(ren)	Low-income	All Data	High Income
1	23.4%	25.4%	28.8%
2	43.2%	47.3%	54.2%
3	60.8%	66.9%	77.3%

A household in the Low-income (lower than median income) group will require 23.4% more income than a household in the same income group that has no children to attain an equivalent food share. A two-child household will require 43.2% more income than the no child household. That second child has a slightly diminishing cost, 19.8% to 23.4%, and the third child has a marginal cost of 17.6%.

As household income rises, the estimated Engel-based income-equivalence ratios typically rise as well. This does not mean that a one-child household "spends 28.8% of its income on food." Rather, the Engel approach uses food share as a welfare proxy and asks how much additional income a household with children would need to attain the same food-share level as an otherwise comparable household without children. Because food shares fall with income, higher-income households devote a smaller fraction of income to food; consequently, holding food share fixed implies that accommodating the additional food requirements associated with children must be financed by a proportionally larger increase in total income at higher income levels.

This illustrates a standard criticism of Engel-based child-cost estimates: the method implicitly treats the food-share benchmark as a sufficient index of welfare and, by targeting a fixed share, can generate relatively large implied compensation amounts—especially at higher incomes—if households in practice adjust their consumption mix (or accept different food shares) when children are added.

3.1.4 Child Binary Variable Specification

A second specification uses child-count dummies. The model is:

$$FS = \alpha + \sum_{k=0}^{m} \gamma_k \; kids_{group_k} + \beta \ln(Y) + \epsilon$$

where $kids_{group_k}$ is a binary variable with value 1 if the family has k children and is 0 otherwise. This specification has a constant β across all households but the intercept values are $\alpha + \gamma_k$ for each kids_group. The base household has no children so $\gamma_0 = 0$.

The estimated equivalent income ratios for this model are:

$$Y_{ratio} = \frac{Y_k}{Y_0} = e^{-\frac{\gamma_k}{\beta}}.$$

Similar to the previous specification, in this model the Y_{ratio} varies only by the family size but in an exponential way rather than logarithmic.

Table 3-5. Income Equivalence Cost

FS = a + b ln(Y) + c $kids_{group}$ + e

Child(ren)	Low-income	All Data	High Income
1	9.9%	15.6%	24.2%
2	38.2%	43.5%	53.4%
3	56.1%	61.2%	69.6%

These results are in the same general pattern as the previous model, but with lower costs due to the exponential pattern of the binary variables. The marginal cost of the first child for a low-income family is an unrealistic 9.9%. This results from the pattern of $\gamma_k,\ (k = 1,2,3)$ binary variables which are: $\widehat{\gamma_1} = 0.0067,\ \widehat{\gamma_2} = 0.0229,\ \widehat{\gamma_3} = 0.0316$. The binary variable for the first child is an order of magnitude lower than for the second and third child. That coefficient is also not significantly different from zero while the other two dummies are highly significant. The dummies are all highly significant for the All and High-income groups. Sampling variability and functional-form sensitivity can yield non-monotone marginal effects.

Note the marginal cost of additional children is increasing for Low-income households and increasing before decreasing for high-income households.

3.1.5 Ln(Food share) as a Function of ln(Y) and ln(Family size)

We often see the Engel model specified with $\log(FS)$ on the left-hand-side rather than FS as we have done so far. We modify the model and use log(FS) as the dependent variable. In this case, the model becomes:

$$\ln(FS) = a + b\ln(Y) + c\ln(FamilySize) + \epsilon$$

Note that this is the natural log of food share so the estimated marginal propensity to consume food out of net income will be $(b + 1)$. Otherwise, we should expect this model to produce the same results as our first model that used FS on the left-hand-side.

Table 3-6. Income Equivalence Cost

ln(FS) = a + b ln(Y) + c ln(FamilySize) + e

Child(ren)	Low-income	All Data	High Income
1	23.4%	25.4%	28.8%
2	43.2%	47.3%	54.2%
3	60.8%	66.9%	77.3%

As expected, the results are almost identical to our first model. This will also be the case for our model using binary variables for the number of kids. The higher R^2 is expected in the model using $\log(FS)$ than the model using FS on the left-hand side. This is because $\log(FS)$ will have a much lower variance, FS so the R^2 values are not comparable.

3.1.6 Estimating the Consumption Equivalence Ratio

A final variation of the traditional Engel curve model is to estimate the total food consumption to total consumption ratio as a function of ln total consumption:

$$FSC = \alpha + \beta \ln(C) + \gamma \ln(FamilySize) + \epsilon$$

The calculation for the consumption equivalence ratio is

$$C_{ratio} = \frac{C_k}{C_0} = \left(\frac{N_k}{2}\right)^{-\frac{\gamma}{\beta}}$$

where N_k is the family size for families with $k = 1,2,$ or 3 children. The 2 in the denominator is the size of the base family with no children and just 2 adults. The ratio varies by family size but is independent of the level of consumption. The coefficient β is the marginal propensity to consume, and γ the impact of the increasing family size. As above, we report the equivalence ratio in the table below as $100 * (C_{ratio} - 1)$.

Table 3-7. Consumption Equivalence Cost

FSC = α + β ln(C) + γ ln(FamilySize) + e

Child(ren)	Low-income	All Data	High Income
1	27.5%	25.4%	22.0%
2	51.4%	47.3%	40.5%
3	73.0%	66.9%	56.7%

As expected, these results are like Table 3-6, except that the compensations are higher for Low-income households and lower for high-income households. The reason for this is that the marginal propensity to consume out of income is declining with income. The consumption ratios for the "All households" group are identical to those for the income ratios reported in Table 3-6. This is because, as we noted above, the marginal propensity to consume is constant across this group and cancels out in the calculation.

3.2 Direct Cost Estimates

The Direct Cost approach measures the **observed, out-of-pocket expenditures** parents make on their children. Unlike income-equivalence models, which infer costs from changes in consumption shares, the Direct Cost method directly aggregates category-level spending. Expenditures are modeled as a function of household income and family size, allowing estimation of the incremental spending associated with an additional child. The resulting

totals reflect cash expenditures only and therefore exclude in Direct Costs (e.g., parental time) and third-party contributions (e.g., public education). Thus, Direct Cost estimates capture cash outlays only and are best interpreted as lower-bound measures of the total resources devoted to children.

3.2.1 Spending Categories

The analysis follows the expenditure categories defined in **Comanor et al. (2015)**. Seven primary categories are included—Housing, Transportation, Food, Education and Childcare, Health Care, Entertainment, and Apparel. Childcare is also analyzed separately, and a residual Other category is included. Table 3-8 lists the categories and components.

Excluded categories include life and personal insurance; pension and Social Security contributions; alcohol; tobacco; and cash contributions.

Table 3-8. Consumer Expenditure Survey Categories Used in Analysis

Expenditure Category	Components
Housing	Rent or mortgage, utilities, household operations, supplies, furnishings, and equipment
Transportation	Vehicle purchases, fuel (including EV charging), maintenance, insurance, public transportation
Food	Food at home and away from home
Education & Childcare	Tuition, student loans, tutoring, school supplies, child-care costs
Childcare (Separate)	Daycare, preschools, aftercare, day camps, babysitting
Health Care	Insurance, medical services, drugs, medical supplies
Entertainment	Fees and admissions, electronics, pets, toys, hobbies
Apparel & Services	Children's and adults' apparel and related products
Other	Personal care products and services, reading materials, miscellaneous services

3.2.2 Direct Cost Regression Estimates

Direct Costs are estimated using the following functional form:

$$E_i = \alpha + \beta Y_i + \gamma \ln(\text{Family Size}_i) + \varepsilon_i,$$

where E_i represents monthly expenditures for household i, Y_i is net income, and $\ln(\text{Family Size})$captures economies of scale of adding children to the family.

Tables 3-9 through 3-18 present results. Across categories, **income and family size are consistently strong predictors of spending**, although the magnitude and direction vary by expenditure type and income quartile: net family income is positive and highly significant in every quartile (Table 3-9), while ln(family size) is strongly positive from Quartile 2 upward and grows sharply across higher-spending quartiles (Table 3-9). Because family size enters in logs, the implied spending change from adding a child depends on the starting household size; below we therefore emphasize the direction, significance, and which categories drive the total. The same basic pattern holds for necessities: food spending rises with income and family size in every quartile (Table 3-10), and housing spending also increases with income in every quartile while the family-size effect is small in Quartile 1 but large and significant in Quartiles 2–4 (Table 3-11).

Transportation is more uneven: income is strongly positive in Quartile 1 (and overall), but not statistically different from zero in Quartiles 2–4, while family size is negative in Quartile 1 and strongly positive in Quartile 4 (Table 3-12).

For health and apparel, income is generally positive (though weakest in the top quartile for health), and family size is positive in Quartiles 2–4 but slightly negative in Quartile 1 for health (Table 3-13); apparel shows a consistent positive association with family size across all quartiles and overall, with income effects that are positive and significant in most quartiles (Table 3-14). Entertainment spending rises with income across all quartiles, and family size matters mainly at the top: it is negative in Quartile 1, near zero in the middle, and strongly positive in Quartile 4 and in the pooled sample (Table 3-16).

The child-related and residual categories show the most heterogeneity: “Education and Childcare” increases with income in Quartiles 1 and 4 (and overall), while family size is negative in Quartile 1 but positive in Quartiles 2 to 4 and significant overall (Table 3-15). In “Other” spending (miscellaneous/reading/personal care), income is positive overall but small, and family size is negative in Quartile 1, strongly negative in Quartile 4, and negative overall (Table 3-17). By contrast, the dedicated “Childcare” category rises with income overall and increases strongly with family size from Quartile 2 upward (with especially large effects in Quartiles 3–4), producing a clear positive relationship in the pooled sample (Table

3-18). Taken together, the tables imply a consistent income gradient for most spending categories, while family size primarily scales up core consumption (and especially measured child-care costs) but can be associated with reallocations *away* from discretionary "other" items in higher-spending households.

Table 3-9. Determinants of Total Spending

	Quartile 1	Quartile 2	Quartile 3	Quartile 4	All
Net Income	0.621***	0.421***	0.486***	0.142***	0.328***
	(20.85)	(6.07)	(6.41)	(7.70)	(48.82)
Ln Family Size	72.362	966.174***	1829.207***	3235.766***	1330.009***
	(0.78)	(6.13)	(7.94)	(8.28)	(10.37)
Constant	432.482**	688.063	-983.605	2731.351***	1028.690***
	(2.30)	(1.15)	(-1.10)	(4.58)	(5.86)
Observations	552	532	513	536	2133
R^2	0.443	0.125	0.167	0.203	0.542

t-statistics in parentheses, * $p < .10$, ** $p < .05$, *** $p < .01$

Table 3-10. Determinants of Total Food Spending

	Quartile 1	Quartile 2	Quartile 3	Quartile 4	All
Net Income	0.082***	0.098***	0.060***	0.016***	0.038***
	(8.27)	(5.02)	(3.48)	(4.59)	(27.54)
Ln Family Size	185.788***	304.636***	409.822***	509.976***	326.340***
	(5.96)	(6.87)	(7.85)	(6.96)	(12.41)
Constant	173.663***	-93.107	46.956	573.960***	336.431***
	(2.77)	(-0.55)	(0.23)	(5.13)	(9.35)
Observations	552	532	513	536	2133
R^2	0.163	0.122	0.125	0.121	0.305

t-statistics in parentheses, * $p < .10$, ** $p < .05$, *** $p < .01$

Table 3-11. Determinants of Housing Spending

	Quartile 1	Quartile 2	Quartile 3	Quartile 4	All
Net Income	0.216***	0.166***	0.271***	0.076***	0.142***
	(11.88)	(4.11)	(6.12)	(8.28)	(42.03)
Ln Family Size	24.213	406.671***	642.220***	854.491***	422.911***
	(0.43)	(4.43)	(4.78)	(4.39)	(6.53)
Constant	433.757***	347.126	-946.862*	1458.812***	558.430***
	(3.78)	(0.99)	(-1.81)	(4.91)	(6.30)
Observations	552	532	513	536	2133
R^2	0.205	0.065	0.104	0.148	0.462

t-statistics in parentheses, * $p < .10$, ** $p < .05$, *** $p < .01$

Table 3-12. Determinants of Transportation Spending

	Quartile 1	Quartile 2	Quartile 3	Quartile 4	All
Net Income	0.097***	0.027	0.039	0.010	0.056***
	(9.32)	(1.31)	(1.47)	(1.10)	(20.36)
Ln Family Size	-68.505**	3.543	126.213	780.902***	174.319***
	(-2.10)	(0.08)	(1.58)	(4.04)	(3.30)
Constant	173.823***	535.227***	365.856	477.785	149.024**
	(2.65)	(2.98)	(1.18)	(1.62)	(2.06)
Observations	552	532	513	536	2133
R^2	0.141	0.003	0.009	0.033	0.168

t-statistics in parentheses, * $p < .10$, ** $p < .05$, *** $p < .01$

Table 3-13. Determinants of Health Spending

	Quartile 1	Quartile 2	Quartile 3	Quartile 4	All
Net Income	0.120***	0.044*	0.045**	0.003	0.020***
	(10.42)	(1.90)	(2.18)	(0.79)	(13.24)
Ln Family Size	-60.549*	165.536***	226.486***	278.371***	124.606***
	(-1.67)	(3.12)	(3.62)	(3.95)	(4.36)
Constant	206.995***	3.503	-152.250	338.119***	186.933***
	(-2.84)	(0.02)	(-0.63)	(3.14)	(4.77)
Observations	552	532	513	536	2133
R^2	0.168	0.025	0.033	0.030	0.085

t-statistics in parentheses, * $p < .10$, ** $p < .05$, *** $p < .01$

Table 3-14. Determinants of Apparel Spending

	Quartile 1	Quartile 2	Quartile 3	Quartile 4	All
Net Income	0.010***	0.007	0.013**	0.006***	0.008***
	(3.36)	(1.45)	(2.18)	(3.87)	(16.73)
Ln Family Size	54.823***	39.933***	63.510***	75.233**	56.652***
	(6.03)	(3.45)	(3.56)	(2.39)	(6.10)
Constant	-29.678	8.696	-63.843	13.698	-14.241
	(-1.62)	(0.20)	(-0.92)	(0.29)	(-1.12)
Observations	552	532	513	536	2133
R^2	0.082	0.026	0.033	0.039	0.132

t-statistics in parentheses, * $p < .10$, ** $p < .05$, *** $p < .01$

Table 3-15. Determinants of Education and Childcare Spending

	Quartile 1	Quartile 2	Quartile 3	Quartile 4	All
Net Income	0.034***	0.026	0.022	0.017***	0.028***
	(5.05)	(1.42)	(0.97)	(3.38)	(16.53)
Ln Family Size	-21.762	87.041**	331.129***	474.486***	190.391***
	(-1.02)	(2.08)	(4.80)	(4.46)	(5.89)
Constant	-71.911*	-133.628	-323.544	-371.055**	-257.996***
	(-1.67)	(-0.84)	(-1.21)	(-2.28)	(-5.84)
Observations	552	532	513	536	2133
R^2	0.046	0.012	0.045	0.059	0.128

t-statistics in parentheses, * $p < .10$, ** $p < .05$, *** $p < .01$

Table 3-16. Determinants of Entertainment Spending

	Quartile 1	Quartile 2	Quartile 3	Quartile 4	All
Net Income	0.050***	0.045***	0.036**	0.013***	0.029***
	(10.07)	(3.05)	(2.39)	(3.22)	(22.04)
Ln Family Size	-27.544*	-26.285	51.482	339.959***	65.827***
	(-1.76)	(-0.78)	(1.13)	(3.96)	(2.62)
Constant	-46.057	-20.896	-34.829	14.197	1.972
	(-1.46)	(-0.16)	(-0.20)	(0.11)	(0.06)
Observations	552	532	513	536	2133
R^2	0.159	0.018	0.013	0.049	0.189

t-statistics in parentheses, * $p < .10$, ** $p < .05$, *** $p < .01$

Table 3-17. Determinants of Other Spending

	Quartile 1	Quartile 2	Quartile 3	Quartile 4	All
Net Income	0.011***	0.007	0.001	0.001	0.006***
	(5.49)	(1.45)	(0.20)	(1.37)	(15.09)
Ln Family Size	-14.101**	-14.902	-21.654	-77.652***	-31.037***
	(-2.30)	(-1.45)	(-1.15)	(-3.35)	(-4.01)
Constant	5.880	41.142	124.911*	225.835***	68.136***
	(0.48)	(1.05)	(1.71)	(6.38)	(6.44)
Observations	552	532	513	536	2133
R^2	0.060	0.008	0.003	0.023	0.102

t-statistics in parentheses. This category includes miscellaneous, reading, and personal care spending, * $p < .10$, ** $p < .05$, *** $p < .01$.

Table 3-18. Determinants of Childcare Spending

	Quartile 1	Quartile 2	Quartile 3	Quartile 4	All
Net Income	0.022***	0.030**	0.027	0.007	0.020***
	(4.41)	(1.98)	(1.34)	(1.61)	(13.17)
Ln Family Size	19.083	112.143***	321.082***	364.474***	182.051***
	(1.20)	(3.26)	(5.18)	(3.72)	(6.27)
Constant	-97.090***	-250.695*	-458.261*	-191.030	-240.843***
	(-3.04)	(-1.91)	(-1.90)	(-1.28)	(-6.06)
Observations	552	532	513	536	2133
R^2	0.037	0.027	0.053	0.031	0.093

t-statistics in parentheses, * $p < .10$, ** $p < .05$, *** $p < .01$.

3.2.3 Models with Florida Interactions

Models were re-estimated including:

- a Florida indicator (binary) variable, and
- a Florida × ln(family size) interaction.

Across Engel and Direct Cost specifications, **Florida-specific effects were small, statistically insignificant, and did not change any substantive conclusions**. Interactions were uniformly insignificant, indicating **no evidence that Florida households differ systematically in the family-size spending gradient**.

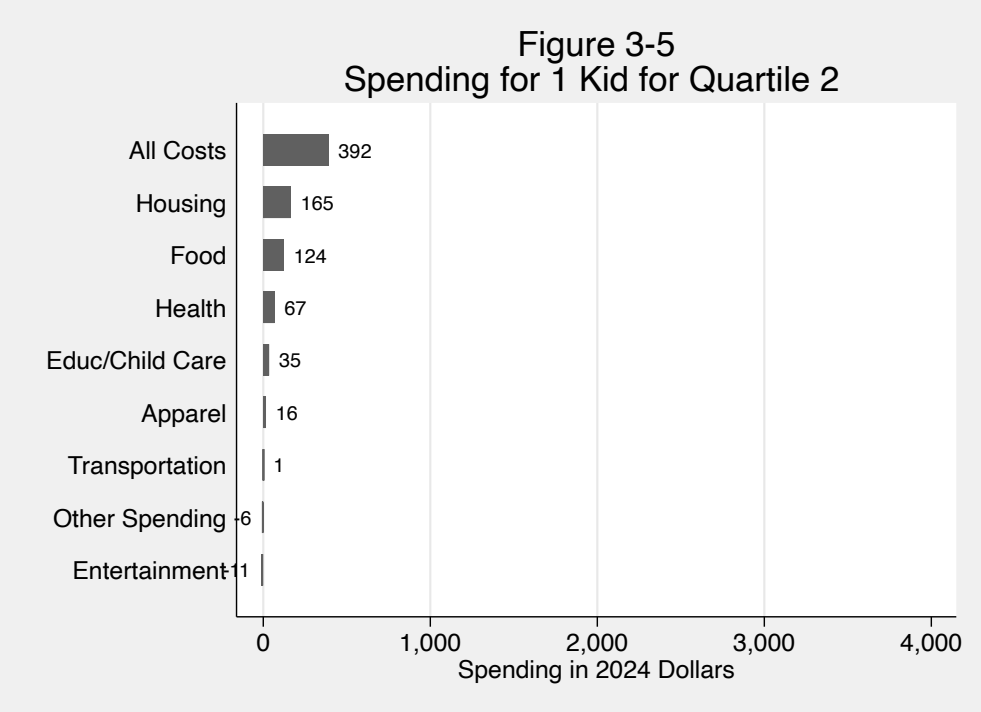
Specifically, in the Direct Cost spending regressions with Florida interactions shown in the **Appendix**, the Florida and Florida × ln(family size) rarely change the conclusions because

the Florida main effects and interaction terms are small and statistically insignificant across categories and quartiles.

As insignificant interactions imply no differential slopes, **Florida is excluded from subsequent preferred specifications**.

3.2.4 Impact of Children by Spending Category

Figure 3-5 shows an example of spending by category for one child in quartile 2. The Figure demonstrates that the three biggest increases in monthly spending associated with having one child are for housing, food, and health in Quartile 2. Transportation barely increases in quartile 2, although it does increase at higher income levels.



3.2.5 Comparison of Direct Costs with Prior Estimates

Using the pooled ("All") specifications, the Direct Cost regressions imply sizeable economies of scale in spending as family size rises: in Table 3-9, the coefficient on ln(Family Size) is 1330.009, (monthly dollars, 2024$), so moving from a two-adult household to a two-adult/one-child household (family size 2→3) implies about +$539/month in total spending, while moving from one child to two (3→4) implies about +$383/month.

A key reason our Direct Cost totals won't line up directly with prior estimates, such as Comanor et al. (2015), is that Comanor's Table 9 totals are explicitly "excluding health care

costs," whereas Chapter 3's spending totals include health.[17] In our data, Table 3-13 shows ln(Family Size) has a positive pooled effect on health spending ($125 per month), which translates to $51/month (one child) and $36/month (two children) in health spending alone. Netting out this component yields "non-health" implied increments of about $488/month for the first child and $346/month for the second child—so the health-inclusive vs. health-exclusive definition matters materially, especially for the first-child comparison.

To compare on a like-for-like price basis, we inflated Comanor's 2011 dollars to 2024 dollars using CPI-U annual averages. This implies an inflation factor of about 1.395. In Comanor's Table 9 (married, middle-income), the health-excluded totals are $4,749/year for one child and $6,663/year for two children (2011 dollars), or about $6,623/year (~$552/month) and $9,292/year (~$774/month) in 2024$; our Chapter 3 implied non-health totals are about $5,859/year (~$488/month) for one child and $10,019/year (~$835/month) for two children (summing the first- and second-child increments from the pooled coefficients). These estimates are somewhat lower than for the first child and higher than the second child than Comanor's middle-income 2024-dollar benchmarks. That gap is consistent with the study's different periods/samples and category construction, but the broad takeaway is reassuring: both approaches place the annual incremental monetary cost in the same ballpark once units and inflation are harmonized.

3.3 Comparison of Engel and Direct Cost Approaches

Engel and Direct Cost methods measure fundamentally different constructs:

- **Engel (income-equivalence)** measures the additional income required to maintain a constant standard of living.
- **Direct Cost** measures observed expenditures.

Because the methods capture different concepts, the resulting estimates should be interpreted as **bounds**, not competing point estimates.

Table 3-19 puts the approaches on a common metric by reporting the implied cost of one, two, and three children as a percent of net income for three income partitions used throughout this chapter (Low = below-median income, Average = full sample, High = above-median income). For each case, "Engel Cost" reports the income-equivalence ratios,

[17] Comanor, William S., Mark Sarro & R. Mark Rogers. 2015. *"The Monetary Cost of Raising Children."* In *Economic and Legal Issues in Competition, Intellectual Property, Bankruptcy, and the Cost of Raising Children*, Research in Law and Economics, Vol. 27, pp. 209–251. Emerald Group Publishing

"Direct Cost" reports the corresponding out-of-pocket expenditure shares, and "Current Cost" provides the implied shares embedded in the existing schedule.

Across scenarios, the ordering is consistent -- **Direct < Current < Engel.** Table 3-19 also shows that the Engel–Direct gap widens significantly with more children.

Table 3-19. Engel and Direct Cost Measures of the Cost of Children

	Low	Average	High
Child 1			
Engel Cost	23%	25%	29%
Current Cost	18%	15%	12%
Direct Cost	3%	5%	7%
Child 2			
Engel Cost	43%	47%	54%
Current Cost	28%	23%	19%
Direct Cost	5%	9%	13%
Child 3			
Engel Cost	61%	67%	77%
Current Cost	35%	29%	23%
Direct Cost	6%	11%	17%

3.3.1 Engel Approach (Food-Share) Tends to Overstate the Cost of Children

Child-support guideline reviews commonly treat Engel-based estimates as an upper bound because the method tends to overcompensate for the presence of children. The core reason is mechanical: children are relatively food-intensive, and adding a child shifts the household's bundle toward food. Holding welfare constant, a household with children can have a higher food share simply because the child's incremental needs load heavily onto food (a necessity). Under Engel, that shift is interpreted as 'worse off,' so the method prescribes more additional income than is necessary to restore the family's standard of living. In this sense, Engel-based guidelines tend to overstate child costs, especially at higher incomes.

3.3.2 Direct Cost Estimates Tend to Understate the Cost of Children

At the other end are direct expenditure approaches that attribute to children the observed out-of-pocket spending. These can understate the true economic cost of children for at least three reasons that matter in guideline debates: First, they exclude major third-party

resources devoted to children. The USDA explicitly notes that it does not include many government expenditures on children (e.g., public education, Medicaid, subsidized school meals) and also omits spending by people outside the household (e.g., grandparents). That makes the measured "parental expenditures" lower than total resources devoted to children. Second, they exclude in Direct Costs (time and foregone earnings). USDA likewise states that in Direct Costs—especially the value of parental time and potential reductions in earnings/career opportunities—are not included and may be substantial. Third, they don't account for shifts within an expenditure category.

3.4 Key Findings

- **Engel patterns are present but highly variable.** Food shares decline with income, but dispersion is substantial, limiting precision.
- **No Florida-specific adjustments are supported.** Florida indicators and interactions are small and statistically insignificant in both Engel and Direct Cost models.
- **Point estimates are sensitive to specification.** Variability across models supports interpreting results as ranges rather than precise recalibration values.
- **Engel and Direct Cost methods measure different constructs.** Differences reflect conceptual and statistical distinctions; neither is a "correct" measure on its own.
- **Consistent ordering across cost measures: Direct < Current < Engel**, with much larger divergence for multiple children.

3.5 Recommendations

- Given the dispersion across methods and specifications, Chapter 3 does not provide a basis for recalibrating guideline amounts. Consistent with prior reviews, Chapter 4 proceeds with the **existing two-step approach used in Florida's current guidelines** and uses the **consumption-based estimates from Table 3-7** to construct the child support schedule.
- Accordingly, no changes to the guideline amounts are recommended based on Chapter 3 evidence **alone**.

Appendix of Chapter 3

Table A3-1. Determinants of All Spending

	Quartile 1	Quartile 2	Quartile 3	Quartile 4	All
Net Income	0.621***	0.417***	0.495***	0.145***	0.327***
	(20.75)	(6.02)	(6.54)	(7.91)	(48.79)
Ln Family Size	79.355	943.079***	1875.997***	3287.313***	1347.333***
	(0.83)	(5.85)	(8.05)	(8.38)	(10.35)
Florida	253.813	-721.393	551.125	536.701	360.080
	(0.42)	(-0.79)	(0.31)	(0.14)	(0.42)
Florida * Ln Family Size	-258.183	385.389	-1234.493	-2073.056	-927.072
	(-0.49)	(0.49)	(-0.92)	(-0.70)	(-1.29)
Constant	423.746**	761.582	-1119.388	2651.205***	1042.747***
	(2.20)	(1.26)	(-1.25)	(4.43)	(5.84)
Observations	552	532	513	536	2133
R^2	0.443	0.128	0.176	0.214	0.545

t-statistics in parentheses. Net Income is measured in 2024 dollars, * $p < .10$, ** $p < .05$, *** $p < .01$

Table A3-2. Determinants of Total Food Spending

	Quartile 1	Quartile 2	Quartile 3	Quartile 4	All
Net Income	0.083***	0.098***	0.060***	0.016***	0.038***
	(8.34)	(5.00)	(3.45)	(4.60)	(27.51)
Ln Family Size	190.765***	314.924***	408.150***	514.287***	329.917***
	(6.00)	(6.95)	(7.69)	(6.95)	(12.34)
Florida	129.273	246.953	-31.796	228.185	117.799
	(0.64)	(0.96)	(-0.08)	(0.31)	(0.66)
Florida * Ln Family Size	-58.384	-277.935	46.957	-225.461	-124.002
	(-0.33)	(-1.27)	(0.15)	(-0.40)	(-0.84)
Constant	159.256**	-97.909	50.952	567.651***	333.010***
	(2.48)	(-0.58)	(0.25)	(5.03)	(9.07)
Observations	552	532	513	536	2133
R^2	0.165	0.126	0.125	0.122	0.305

t-statistics in parentheses, * $p < .10$, ** $p < .05$, *** $p < .01$

Table A3-3. Determinants of Housing Spending

	Quartile 1	Quartile 2	Quartile 3	Quartile 4	All
Net Income	0.216***	0.164***	0.274***	0.077***	0.142***
	(11.82)	(4.06)	(6.18)	(8.41)	(41.94)
Ln Family Size	20.841	386.530***	673.968***	880.577***	427.551***
	(0.36)	(4.12)	(4.94)	(4.49)	(6.50)
Florida	-132.840	-602.900	812.218	838.808	67.311
	(-0.36)	(-1.14)	(0.79)	(0.44)	(0.15)
Florida * Ln Family Size	150.033	373.505	-940.868	-1210.195	-293.541
	(0.47)	(0.82)	(-1.19)	(-0.81)	(-0.81)
Constant	436.299***	401.398	-1008.015*	1419.477***	566.436***
	(3.71)	(1.14)	(-1.93)	(4.74)	(6.27)
Observations	552	532	513	536	2133
R^2	0.206	0.070	0.110	0.154	0.463

t-statistics in parentheses.* $p < .10$, ** $p < .05$, *** $p < .01$

Table A3-4. Determinants of Transportation Spending

	Quartile 1	Quartile 2	Quartile 3	Quartile 4	All
Net Income	0.097***	0.027	0.042	0.011	0.056***
	(9.24)	(1.32)	(1.60)	(1.20)	(20.29)
Ln Family Size	-69.770**	1.973	114.864	790.302***	175.619***
	(-2.09)	(0.04)	(1.42)	(4.05)	(3.27)
Florida	-34.987	-29.035	-857.234	-179.629	-6.904
	(-0.17)	(-0.11)	(-1.41)	(-0.09)	(-0.02)
Florida * Ln Family Size	20.032	54.809	469.859	-299.186	-122.221
	(0.11)	(0.24)	(1.01)	(-0.20)	(-0.41)
Constant	177.146***	532.704***	347.644	462.573	155.017**
	(2.63)	(2.95)	(1.12)	(1.56)	(2.10)
Observations	552	532	513	536	2133
R^2	0.141	0.004	0.016	0.036	0.169

t-statistics in parentheses, * $p < .10$, ** $p < .05$, *** $p < .01$

Table A3-5. Determinants of Health Spending

	Quartile 1	Quartile 2	Quartile 3	Quartile 4	All
Net Income	0.120***	0.045*	0.047**	0.003	0.020***
	(10.40)	(1.91)	(2.25)	(0.79)	(13.19)
Ln Family Size	-54.033	165.919***	228.833***	272.016***	124.461***
	(-1.46)	(3.05)	(3.60)	(3.82)	(4.28)
Florida	245.099	18.482	-124.465	-553.727	-21.930
	(1.05)	(0.06)	(-0.26)	(-0.79)	(-0.11)
Florida * Ln Family Size	-261.597	2.969	-26.102	394.065	-21.641
	(-1.28)	(0.01)	(-0.07)	(0.73)	(-0.13)
Constant	213.759***	-0.172	-169.815	346.949***	189.570***
	(-2.87)	(-0.00)	(-0.70)	(3.20)	(4.74)
Observations	552	532	513	536	2133
R^2	0.171	0.025	0.036	0.032	0.085

t-statistics in parentheses. * $p < .10$, ** $p < .05$, *** $p < .01$

Table A3-6. Determinants of Apparel Spending

	Quartile 1	Quartile 2	Quartile 3	Quartile 4	All
Net Income	0.009***	0.007	0.013**	0.006***	0.008***
	(3.24)	(1.40)	(2.25)	(3.86)	(16.64)
Ln Family Size	54.504***	39.176***	62.132***	75.490**	56.081***
	(5.89)	(3.30)	(3.43)	(2.37)	(5.93)
Florida	9.479	-27.452	-106.460	6.982	-29.779
	(0.16)	(-0.41)	(-0.78)	(0.02)	(-0.48)
Florida * Ln Family Size	-39.623	7.205	57.615	-11.560	2.744
	(-0.78)	(0.13)	(0.55)	(-0.05)	(0.05)
Constant	-25.921	12.534	-66.221	13.307	-12.097
	(-1.39)	(0.28)	(-0.95)	(0.27)	(-0.93)
Observations	552	532	513	536	2133
R^2	0.091	0.029	0.035	0.039	0.133

t-statistics in parentheses, * $p < .10$, ** $p < .05$, *** $p < .01$

Table A3-7. Determinants of Education and Childcare

	Quartile 1	Quartile 2	Quartile 3	Quartile 4	All
Net Income	0.035***	0.026	0.023	0.017***	0.028***
	(5.10)	(1.41)	(1.00)	(3.47)	(16.50)
Ln Family Size	-20.758	77.649*	339.690***	483.285***	193.381***
	(-0.95)	(1.81)	(4.84)	(4.50)	(5.88)
Florida	10.721	-243.964	224.917	201.200	91.581
	(0.08)	(-1.01)	(0.43)	(0.19)	(0.42)
Florida * Ln Family Size	25.720	227.335	-255.091	-384.998	-114.323
	(0.21)	(1.10)	(-0.63)	(-0.47)	(-0.63)
Constant	-77.268*	-122.296	-339.616	-384.500**	-259.853***
	(-1.75)	(-0.76)	(-1.26)	(-2.35)	(-5.76)
Observations	552	532	513	536	2133
R^2	0.048	0.014	0.046	0.062	0.129

t-statistics in parentheses, * $p < .10$, ** $p < .05$, *** $p < .01$

Table A3-8. Determinants of Entertainment Spending

	Quartile 1	Quartile 2	Quartile 3	Quartile 4	All
Net Income	0.050***	0.045***	0.036**	0.014***	0.029***
	(9.97)	(3.00)	(2.42)	(3.37)	(22.00)
Ln Family Size	-27.061*	-28.741	66.654	348.466***	71.190***
	(-1.70)	(-0.83)	(1.44)	(4.03)	(2.79)
Florida	49.381	-92.437	506.921	50.043	146.824
	(0.49)	(-0.47)	(1.46)	(0.06)	(0.87)
Florida * Ln Family Size	-95.529	18.517	-477.606*	-331.188	-232.062*
	(-1.09)	(0.11)	(-1.79)	(-0.51)	(-1.65)
Constant	-41.587	-7.170	-55.657	0.887	1.176
	(-1.29)	(-0.06)	(-0.31)	(0.01)	(0.03)
Observations	552	532	513	536	2133
R^2	0.167	0.022	0.021	0.057	0.193

t-statistics in parentheses, * $p < .10$, ** $p < .05$, *** $p < .01$

Table A3-9. Determinants of Other Spending

	Quartile 1	Quartile 2	Quartile 3	Quartile 4	All
Net Income	0.010***	0.006	0.001	0.002	0.006***
	(5.33)	(1.43)	(0.20)	(1.45)	(15.01)
Ln Family Size	-15.133**	-14.350	-18.294	-77.110***	-30.868***
	(-2.43)	(-1.37)	(-0.95)	(-3.29)	(-3.93)
Florida	-22.313	8.960	127.025	-55.162	-4.822
	(-0.57)	(0.15)	(0.88)	(-0.24)	(-0.09)
Florida * Ln Family Size	1.165	-21.017	-109.257	-4.534	-22.025
	(0.03)	(-0.41)	(-0.99)	(-0.03)	(-0.51)
Constant	9.581	42.493	121.341*	224.861***	69.489***
	(0.76)	(1.08)	(1.65)	(6.30)	(6.44)
Observations	552	532	513	536	2133
R^2	0.066	0.010	0.005	0.026	0.104

t-statistics in parentheses. This category includes miscellaneous, reading, and personal care spending, * $p < .10$, ** $p < .05$, *** $p < .01$

Table A3-10. Determinants of Childcare Spending

	Quartile 1	Quartile 2	Quartile 3	Quartile 4	All
Net Income	0.023***	0.030**	0.028	0.008*	0.020***
	(4.52)	(1.98)	(1.36)	(1.66)	(13.17)
Ln Family Size	20.775	111.013***	332.956***	372.124***	187.174***
	(1.29)	(3.15)	(5.28)	(3.76)	(6.33)
Florida	29.423	-27.637	384.334	325.330	173.795
	(0.29)	(-0.14)	(0.81)	(0.34)	(0.89)
Florida * Ln Family Size	15.630	29.807	-370.859	-377.461	-169.698
	(0.18)	(0.17)	(-1.02)	(-0.50)	(-1.04)
Constant	-104.308***	-249.976*	-475.436**	-202.396	-246.482***
	(-3.20)	(-1.89)	(-1.97)	(-1.34)	(-6.07)
Observations	552	532	513	536	2133
R^2	0.042	0.027	0.055	0.033	0.093

t-statistics in parentheses, * $p < .10$, ** $p < .05$, *** $p < .01$

CHAPTER 4
COMPARING NEW AND EXISTING CHILD SUPPORT GUIDELINES

This chapter develops an updated schedule of basic child support obligations for Florida using the same general methodology that was applied in constructing the current guidelines. Florida's existing schedule is based on a two-step process:

1. Estimation of the share of household consumption devoted to children using an Engel-type approach; and
2. Conversion of those consumption-based percentages into fractions of net household income.

The following sections describe how the updated schedule is constructed using this approach and compare the resulting schedule to the current guidelines.

Section 4.1 presents the Engel-based estimates of children's consumption shares developed in Chapter 3 and describes how these values are interpolated across income levels. Section 4.2 then introduces the consumption-to-net-income ratio used to convert consumption-based costs into income-share obligations. Section 4.3 details the treatment of childcare and child health expenses, which are excluded from the basic obligation and handled as add-ons using direct-cost estimates. Section 4.4 outlines the full five-step algorithm used to construct the updated basic schedule, followed by Section 4.5, which explains the schedule's income range, high-income treatment, and the extrapolation method for families with four or more children. Section 4.6 compares the updated and current schedules, highlighting areas of continuity and divergence across child counts and income levels. Section 4.7 summarizes the chapter's key findings, and Section 4.8 offers recommendations regarding whether changes to Florida's basic obligation schedule are warranted.

4.1 Estimated Child Consumption Shares (Engel-Based)

In the two-step process to compute the basic child support obligations, the first part was done in Chapter 3 and is shown in Table 3-7.

Table 3-7. Consumption Equivalence Cost

FSC = a + b ln(C) + c ln(Family Size) + e

Child(ren)	Low-income	All Data	High Income
1	27.5%	25.4%	22.0%
2	51.4%	47.3%	40.5%
3	73.0%	66.9%	56.7%

We use those estimates to compute the consumption cost as a fraction of income shown in Figures 4-1 to 4-3. Estimated costs rise with the number of children and are generally higher at lower income levels. For one child, the estimated cost is 27.5% (low income), 25.4% (all data), and 22.0% (high income). For two children it is 51.4%, 47.3%, and 40.5%; and for three children it is 73.0%, 66.9%, and 56.7%.

We interpolate these rates between the low-income, average, and high-income reference points. Interpolation is linear in net income between the relevant reference points. The costs are assumed to be constant below the median of low income (quartiles 1 and 2) and above the median of high income (quartiles 3 and 4), with values held fixed below the relevant anchor to avoid extrapolating beyond observed support in the data.

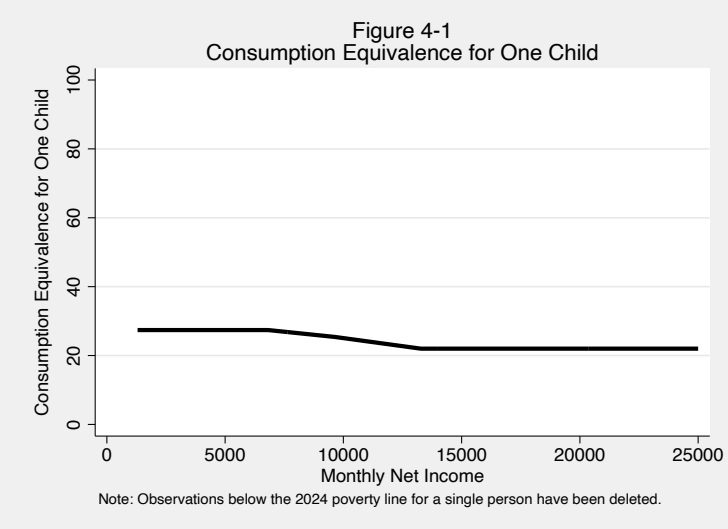
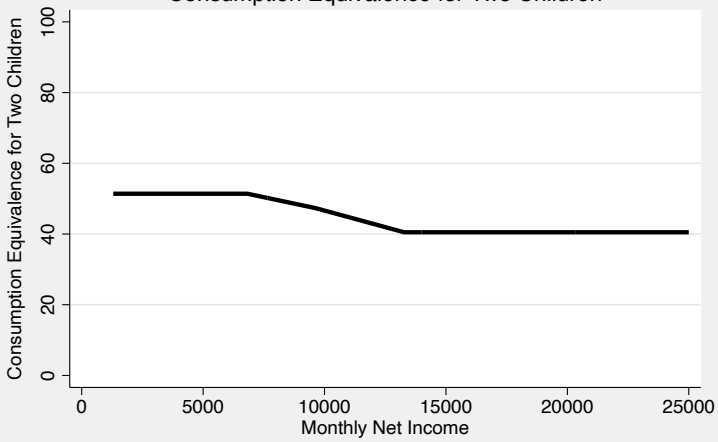
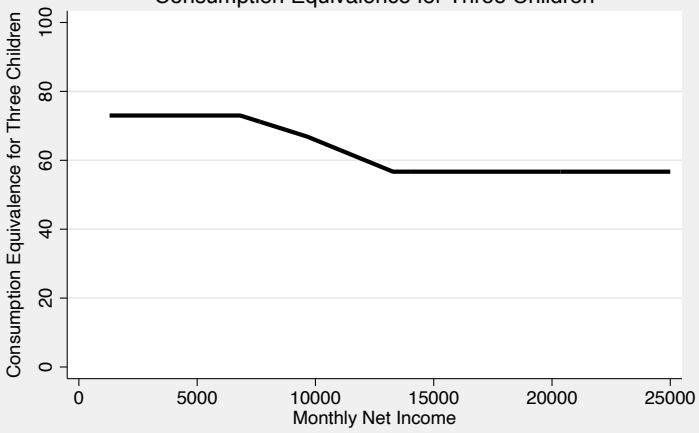


Figure 4-2
Consumption Equivalence for Two Children



Note: Observations below the 2024 poverty line for a single person have been deleted.

Figure 4-3
Consumption Equivalence for Three Children

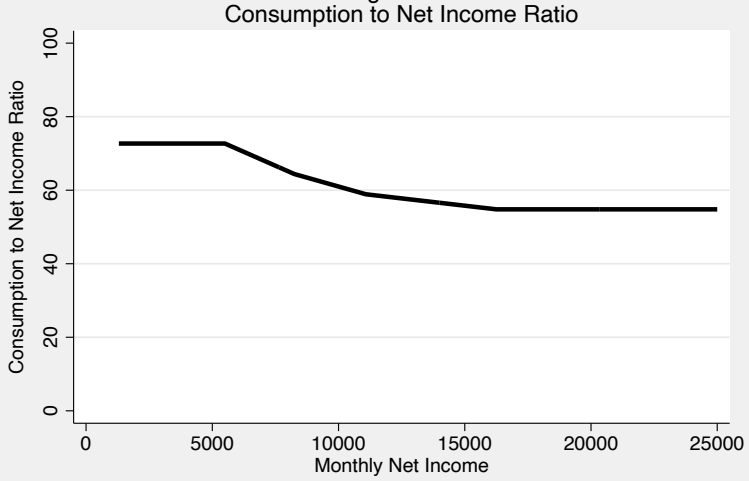


Note: Observations below the 2024 poverty line for a single person have been deleted.

4.2 Consumption to Net Income Ratio

Figure 4-4 shows the consumption-to-net-income ratio. We calculate this ratio at the median of each quartile of net income. The consumption-to-net-income ratio is 72.7% for quartile 1, 64.4% for quartile 2, 58.9% for quartile 3, and 54.8% for quartile 4. We interpolate the ratio between quartiles and assume it is constant below the median of quartile 1 and above the median of quartile 4.

Figure 4-4
Consumption to Net Income Ratio



Note: Observations below the 2024 poverty line for a single person have been deleted.

4.3 Childcare and Child Health Costs (Add-ons)

Because expenses for childcare and for child medical expenses are not included in the basic obligation in the income shares model, we subtract these from the share of consumption devoted to children before calculating children's consumption as a share of net income.

The costs of childcare and child health care are estimated based on direct-cost estimates calculated in Chapter 3. The monthly childcare costs are shown in Table 4-1, and the monthly child health care costs are shown in Table 4-2.

Table 4-1. Monthly Childcare Costs

Children	Low Income Cost	Average Income Cost	High Income Cost
1	$10	$74	$123
2	$16	$126	$211
3	$22	$167	$279

Table 4-2. Monthly Child Health Costs

Children	Low Income Cost	Average Income Cost	High Income Cost
1	$17	$51	$112
2	$29	$86	$191
3	$38	$114	$252

We interpolated the rates between low-income, average, and high-income rates. The costs are assumed to be constant below the median of low income (quartiles 1 and 2) and above the median of high income (quartiles 3 and 4).

4.4 Constructing the Updated Basic Guideline Amounts

This chapter updates Florida's basic child support schedule by following the same two-part structure used in the existing guidelines: (i) estimate the cost of children as a share of household consumption and (ii) translate those consumption-based shares into fractions of net household income using a consumption-to-net-income relationship.

4.4.1 Inputs Used in the Construction

The procedure relies on (a) consumption-equivalence estimates of the cost of children (reported in Chapter 3 and summarized here as low-income, "all data," and high-income rate points by number of children) and (b) the consumption-to-net-income ratio evaluated at the median of each net-income quartile. For both inputs, values between the anchor points are interpolated, and values are held constant below the median of the lowest-income group and above the median of the highest-income group.

4.4.2 Childcare and Child Health Costs (Excluded From the Basic Obligation)

Because the income shares model treats childcare expenses and child medical expenses outside the basic obligation, those components are removed when constructing the basic schedule.

We estimate monthly childcare costs (Table 4-1) and monthly child health care costs (Table 4-2) using the direct-cost estimates computed in Chapter 3. As with the consumption-equivalence inputs, we interpolate these costs between low-income, average, and high-income values, and we assume they are constant below the median of low income and above the median of high income.

4.4.3 Five-step Construction of the Updated Basic Guideline

For each number-of-children category, we compute the schedule using the following five-step algorithm:

1. **Cost of children as a share of consumption.** For each net-income level on the schedule grid, assign the cost of children as a percentage of household consumption (based on the interpolated consumption-equivalence estimates).

2. **Consumption as a fraction of net income**. For the same net-income level, assign the consumption-to-net-income ratio (based on the interpolated quartile-median ratios).
3. **Convert from consumption shares to net-income shares.** Multiply the results from Steps 1 and 2 to obtain the implied total cost of children as a share of net household income.
4. **Remove childcare and child health components**. At each net-income grid point, we convert interpolated childcare and child health care monthly dollar estimates into a share of net income by dividing by net income, and subtract that share from the implied child-cost share obtained in Step 3
5. **Cubic smoothing**. For each children-count schedule, we fit a cubic regression of the preliminary monthly obligation amount on net income (and its square and cube). The fitted values are used as the final schedule to reduce irregularities introduced by discrete anchor points and interpolation.

4.5 Methods: Schedule Range, Top-End Treatment, and Larger Families

The schedule begins at $1,300 per month in net income (linked to one individual earning at the poverty line in 2024, noting that net income would be higher than $1,300 because of the Earned Income Tax Credit and federal child tax credits). The schedule ends at $16,700 per month of net income, because there are few households with net income above that amount.

4.5.1 Proposed Approach Above $16,700

To determine rates above $16,700, we average the current schedule's fixed rates above $10,000 with the ending marginal rates implied by the updated analysis. Table 4-3 shows both rates and the resulting average rates.

Table 4-3. Comparison of Child Support Schedule Rates

Number of Children	Current Schedule Rate (%)	Updated Analysis Rate (%)	Average Rate (%)
1 child	5.0%	10.1%	7.6%
2 children	7.5%	18.9%	13.2%
3 children	9.5%	26.6%	18.1%
4 children	11.0%	29.2%	20.1%
5 children	12.0%	31.8%	21.9%
6 children	12.5%	34.2%	23.4%

4.5.2 Extrapolation for Four or More Children

The Consumer Expenditure Survey (CES) has too few observations for families with more than three children to use as a basis for computing child support obligations. Therefore, support obligations for four, five, and six children are extrapolated from the calculated support obligations for three or fewer children.[18] We use the following three-parameter formula advocated by Betson and Warlick (2006) and the Census Bureau:[19]

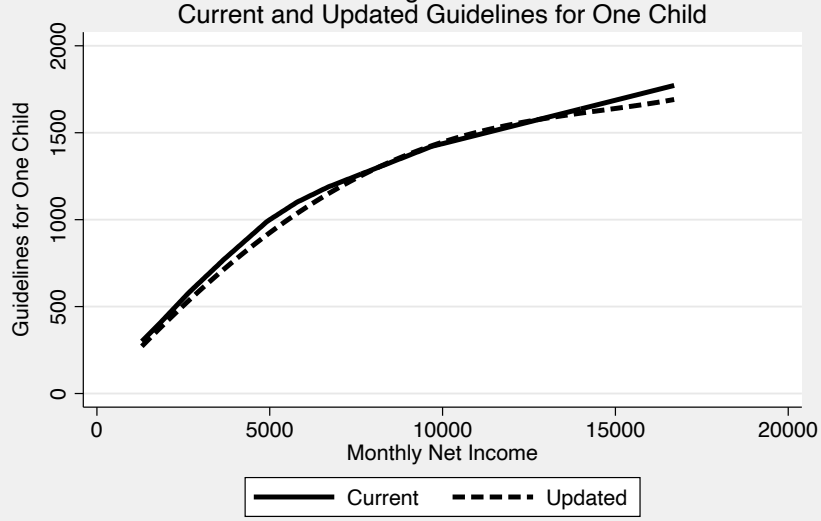
$$(2+.5C)^{.70}/2.1577$$

where C is the number of children in a family with two adults. Using this formula, a family with four children will have a 9.80 percent higher cost than a three-child family, a family with five children will have an 8.60 percent higher cost than a family with four children, and a family with six children will have a 7.65 percent higher cost than a family with five children.

4.6 Comparing the Current and Updated Schedules

Figure 4-5 compares the child support obligations for one child as a function of net income in the current schedule and the updated schedule. The updated schedule is very similar to the current schedule. At $2,500 of net income, the updated obligation is 8.2% lower than the current obligation; at $10,000 of net income, it is 0.6% lower. This implies minimal change for one-child cases.

Figure 4-5
Current and Updated Guidelines for One Child



Note: Observations below the 2024 poverty line for a single person have been deleted.

[18] This is the standard practice using the income shares model. The obligations for four or more children in Florida's current schedule were derived in this way.

[19] Betson, David, and Jennifer L. Warlick, "Measuring Poverty" in *Methods in Social Epidemiology* edited by Michael Oakes and Jay Kaufman, Jossey-Bass Press, 2006, 112-133.

Figure 4-6 provides the same comparison for two children. The updated schedule is always higher than the current schedule, and the gap grows with net income. At $2,500 of net income, the updated obligation is 10.9% higher than the current obligation; at $10,000 of net income, it is 17.8% higher.

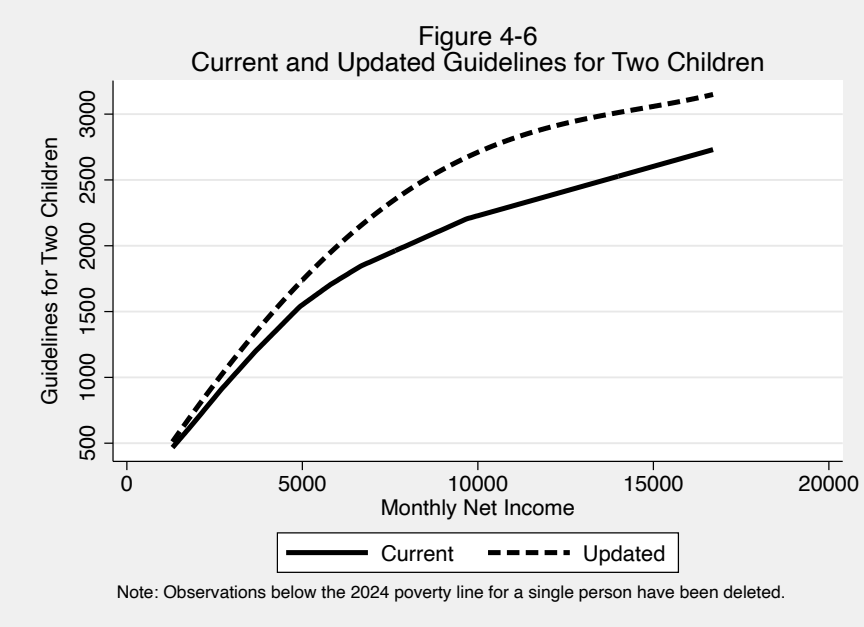
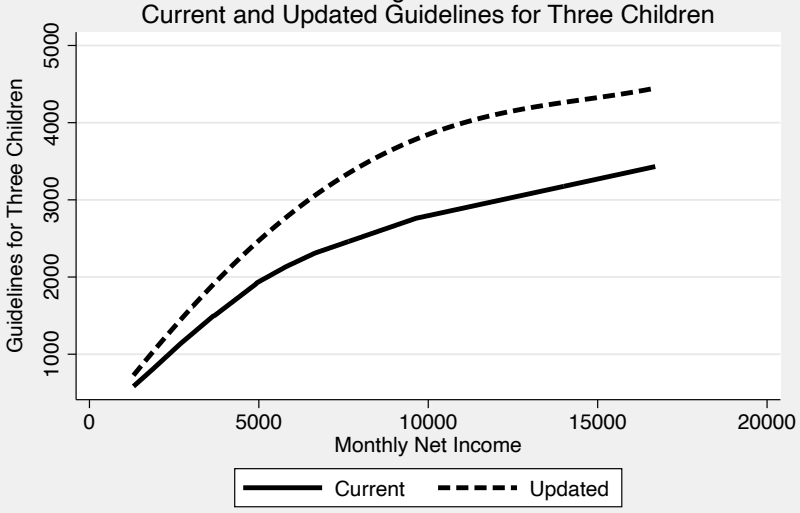


Figure 4-7 provides the same comparison for three children. The updated schedule is always higher than the current schedule, and the gap is larger than for two children. At $2,500 of net income, the updated obligation is 21.5% higher than the current obligation; at $10,000 of net income, it is 27.4% higher. Because the child support obligations for four, five, and six children are simple multiples of the three-child obligations, they exhibit the same pattern as Figure 4-7.

Figure 4-7
Current and Updated Guidelines for Three Children



Note: Observations below the 2024 poverty line for a single person have been deleted.

4.7 Key Findings

- **Continuity of methodology**. The updated basic child support schedule is derived using the same Engel-based methodology and income-shares framework that underpins the current Florida guidelines, thereby promoting continuity and transparency in the revision process.
- **Targeted exclusion of add-on costs**. Childcare and child health care costs are treated as add-ons and are excluded from the basic obligation. Their treatment is grounded in direct-cost estimates and consistent interpolation rules across income levels.
- **Income range and high-income treatment**. The updated schedule provides detailed obligations for net income between $1,300 and $16,700 per month. Above $16,700, recommended marginal rates are based on an average of existing guideline rates and the updated empirical estimates, resulting in modestly higher percentages that align more closely with the observed cost patterns.
- **Treatment of larger families**. For families with four or more children, obligations are extrapolated from three-child results using a formula consistent with prior research (Betson and Warlick) and federal statistical practice, thereby addressing data limitations in a systematic manner.
- **Comparative impacts on one- versus multi-child cases**. Relative to the current schedule, the updated schedule yields very similar obligations for one-child cases

but systematically higher obligations for families with two or more children, particularly at higher income levels.

4.8 Recommendation

- **The existing child support guideline schedule should be updated.** The updated schedule is based on 2013-2024 CES data, while the current guidelines are based on the analysis of 1972-1973 CES data. In addition, the determination of net income in the CES was improved starting in 2013.

CHAPTER 5
REVIEW OF 2024 CHILD SUPPORT ORDERS

This chapter responds to the federal requirement that states analyze case data on the application of child support guidelines, deviations, default and imputed orders, and low-income adjustments. Using administrative records from the Florida Department of Revenue (DOR) for 2024, we describe the characteristics of current child support orders, document patterns in deviations, imputations, and payment burdens, and assess their implications for low-income parents.

On December 20, 2016, the Federal Office of Child Support Enforcement finalized a new rule concerning state child support guidelines. The rule requires states to

> *[c]onsider 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.*[20]

The rule also instructs states to

> *[a]nalyze 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).*[21]

[20] 45 CFR §302.56(h)(1)
[21] 45 CFR §302.56(h)(2)

This chapter highlights characteristics of the sample of child support cases. We also examine deviations from child support guidelines, the effectiveness of low-income adjustment and frequency of imputed incomes for parents. This chapter merely examines the existing state of imputing income, payment rates of child support and low-income adjustment. Each of these issues will be further discussed in chapters 7-9.

Section 5.1 describes the DOR data; Sections 5.2–5.6 summarize case characteristics, deviations, childcare and health costs, imputation practices, and poverty effects; Section 5.7 highlights key findings, and Section 5.8 offers recommendations for guideline design.

5.1 The Department of Revenue Data Sample

The DOR provided two datasets with information on child support cases. In this chapter, we examine the first dataset, which includes all cases processed by DOR in 2024. In Chapter 6, we analyze the second dataset, covering cases established in 2019, and track those cases forward through 2024.

The first dataset includes all cases processed by DOR between January 2024 and December 2024 and is used to summarize the characteristics of current child support cases. During this period, DOR processed a total of **12,518 unique cases**. These administrative cases contain demographic characteristics, the method used to compute the child support order, and any deviations from the child support guidelines. Throughout this chapter, we focus exclusively on cases in which DOR established the child support order. While DOR also processes cases in coordination with public and private attorneys and the Clerks of Court, Chapter 5 limits the review to administrative cases. Chapter 6 then considers both administrative and judicial cases to evaluate child support payments over time.

5.2 Basic Characteristics of the Sample of Child Support Orders

Descriptive statistics in Table 5-1 and Figures 5-1 and 5-2 indicate that a typical DOR case involves a mother and father in their late 20s to mid-30s with one child. More than **75%** of cases involve a single child. The most common age range for the noncustodial parent (NCP) is the early to mid-30s, while the custodial parent (CP) is most frequently in the late 20s to early 30s. Approximately **2%** of the sample involves an NCP who was incarcerated at the time the child support order was provided by DOR for this review.

Table 5-1. Number of Children per Case

Children	Count
1	9,579
2	2,275
3	542
4	93
5	20
6	7
7	2
Total	**12,518**

Figure 5-1 Age of NCP

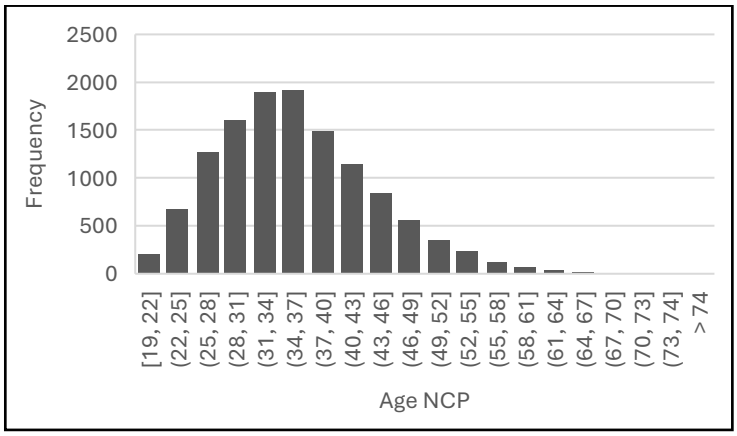


Figure 5-2 Age of CP

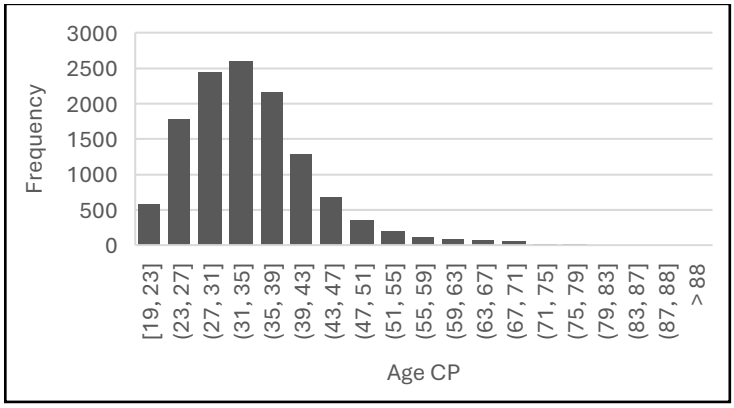


Table 5-2 shows that in more than **90%** of cases, the mother is the custodial parent. Table 5-3 further indicates that fathers are the NCP in over **90%** of cases. Thus, the dominant family structure in the dataset consists of a mother as the custodial parent with primary custody and a father as the noncustodial parent. When discussing the self-support reserve and its implications for NCP poverty, we focus on this prevalent case type.

Table 5-2. Custodial Parent (CP) Type

CP Type	Count
Mother	11,449
Caretaker	772
Father	297
Total	**12,518**

Table 5-3. Noncustodial Parent (NCP) Type

NCP Type	Count
Father	11,723
Mother	755
Unspecified	40
Total	**12,518**

5.3 Compliance with the Florida Child Support Guidelines Table

Most Child Support orders for mothers comply with the child support guidelines in calculating the basic obligation. As shown in **Table 5-4**, deviations from the guidelines occurred in only **95 of the 12,518** cases analyzed.

In contrast, deviations are more common for fathers. Table 5-5 indicates that **18% of fathers** had adjustments from the basic obligation. Nearly 70% of these deviations were related to a Parenting Plan involving less than 20% visitation. While this may initially seem counterintuitive—since visitation typically reduces child support—the less-than-20% reduction is a discretionary deviation authorized under Florida Statute 61.30(11)(a). To encourage visitation by the noncustodial parent (NCP), child support obligations are reduced not only when visitation exceeds 20%, but also when it falls between 0–20%. The reduction is calculated based on the number of overnights specified in the visitation agreement.

For example, the Department of Revenue provided the following scenario: if the NCP has visitation every other weekend for a total of 52 overnights, a deviation of 14% of the NCP's Table. A share of the basic support obligation may be applied. This approach aligns with the current guidelines. If the Child Support Worksheet incorporated visitation of less than 20%, these cases would not be considered deviations. Currently, the Florida Child Support Guidelines assume no visitation when calculating obligations. If we relabel the less than 20% adjustments as part of the process of setting child support obligations, then the rate of deviations for Child Support Orders falls to 5.7% of total cases.

Table 5-4. Deviations for Child Support Orders – Mother

Deviation Reason	Count
Other	36
Parenting Plan <20%	33
Support >55% of Gross	18
Equitable Adjustment	7
Multiple	1
Total	95

Table 5-5. Deviations from Child Support Guidelines – Father

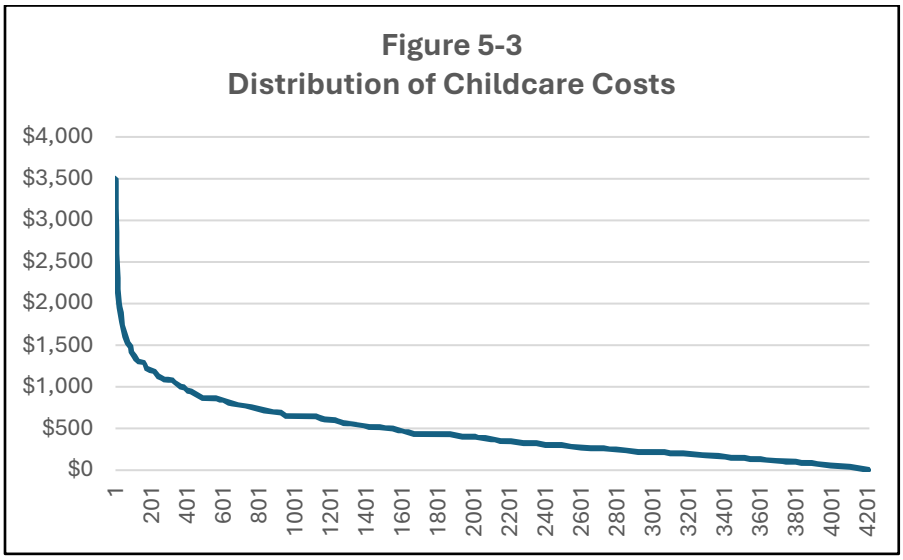
Reason	Count	Average Deviation	Range of Deviation
Parenting Plan <20%	1,537	-98	-378 to 63
Equitable Adjustment	267	-246	-2,644 to -5
Other	171	-413	-1,963 to 244
Multiple	40	-570	-108 to -1,667
Support >55% of Gross	35	-213	-691 to -6
Special Needs of Child	3	-199	-265 to 148
Independent Income of Child	1	-46	-46
Support of Parent	1	-135	-135
Seasonal Variations	1	-140	-140
Unspecified (negative)	106	-71	-423 to -15
Unspecified (positive)	89	96	0.05 to 1,250
Total	**2,251**		

5.4 Childcare and Children's Health Care Costs

The Child Support Guidelines provide an estimate of the basic cost of children. In the computation of the final guidelines, childcare and health care costs must be added according to the share of net income of the two parents.

5.4.1 Childcare Costs

Figure 5-3 shows the distribution of childcare payments, plotted by observations sorted from highest to lowest, for parents with childcare costs. In 2024, **4,211 out of 12,518 Child Support Orders involved childcare expenses**. The highest payment was $3,500, while the lowest was $1.25 per month, with an **average of $464**. In comparison, the basic child support obligation for the father was $592, and for the mother, it was $614 among the sample of 4,211.



5.4.2 Child Health Costs

Health care costs were reported for **1,818** parents. The average monthly cost was **$137** among parents reporting expenses and **$20** across the full dataset.

5.4.3 Effects on the Child Support Payments of Childcare and Health Costs

To illustrate the substantial effect of childcare and health care expenditures, we show the impact for one case from the 2024 data set. In this example:

- **Father's net income $4,726 monthly net income (61% share of combined income)**
- **Basic Obligation** **$1,205** (25% of net income)
- **Childcare** **$1745 = $2,860*0.61**
- **Health care** **$198 = $325 *0.61**
- **Total Obligation** **$3,148** (67% of net income)

The above case is not a typical case, but it shows how the addition of childcare and health expenses can increase the child support obligation to a much higher percentage of net income (in this case 67%) as compared to the basic obligation percentage of 25% of the net income.

Adding childcare and health costs on top of the basic obligation will substantially impact the average payment-to-income ratio. Across all 12,518 cases, fathers averaged:

- **$2,409 monthly net income (53% share of combined income)**
- **Basic Obligation** **$545**
- **Average childcare** **$83 = $156 *0.53**
- **Health care** **$11= $20 *0.53**
- **Total Obligation** **$639** (26.5% of net income)

The average payment-to-income ratio would increase **from 22.6% to 26.5% of net income**. However, the average for the group of 4,211 parents **who pay some form of childcare expenses** provides an even more telling picture. For these 4,211 parents **with** childcare costs, the **average total obligation** would be **33% of their income**.

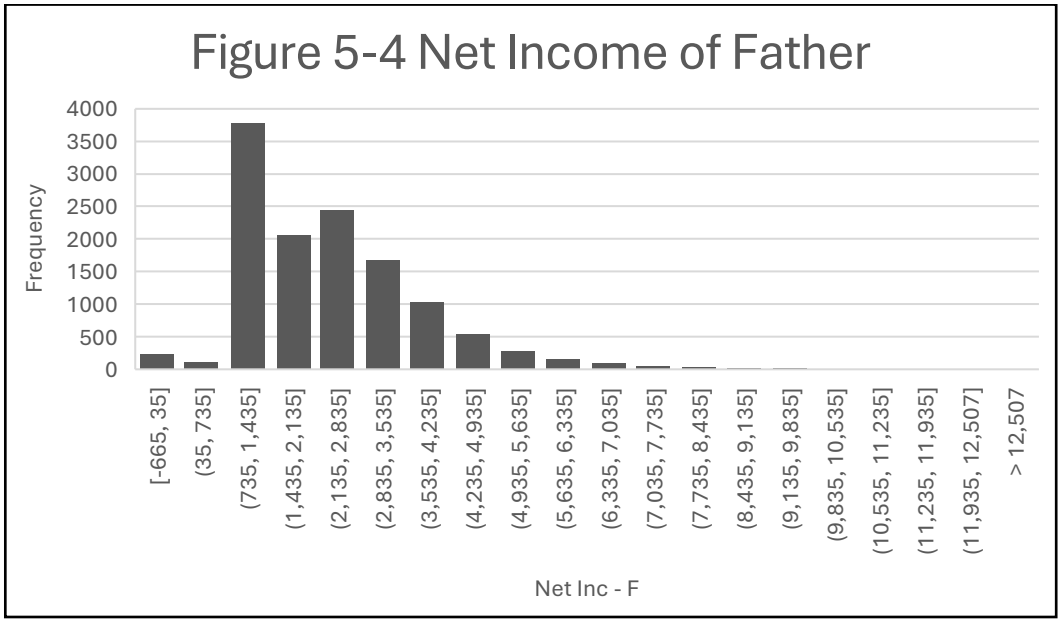
- **$2,556 monthly net income (49% share of combined income)**
- **Basic Obligation** **$592**
- **Average childcare** **$227 = $464 *0.49**
- **Health care** **$14 = $28[22] *0.49**
- **Total Obligation** **$833** (33% of net income)

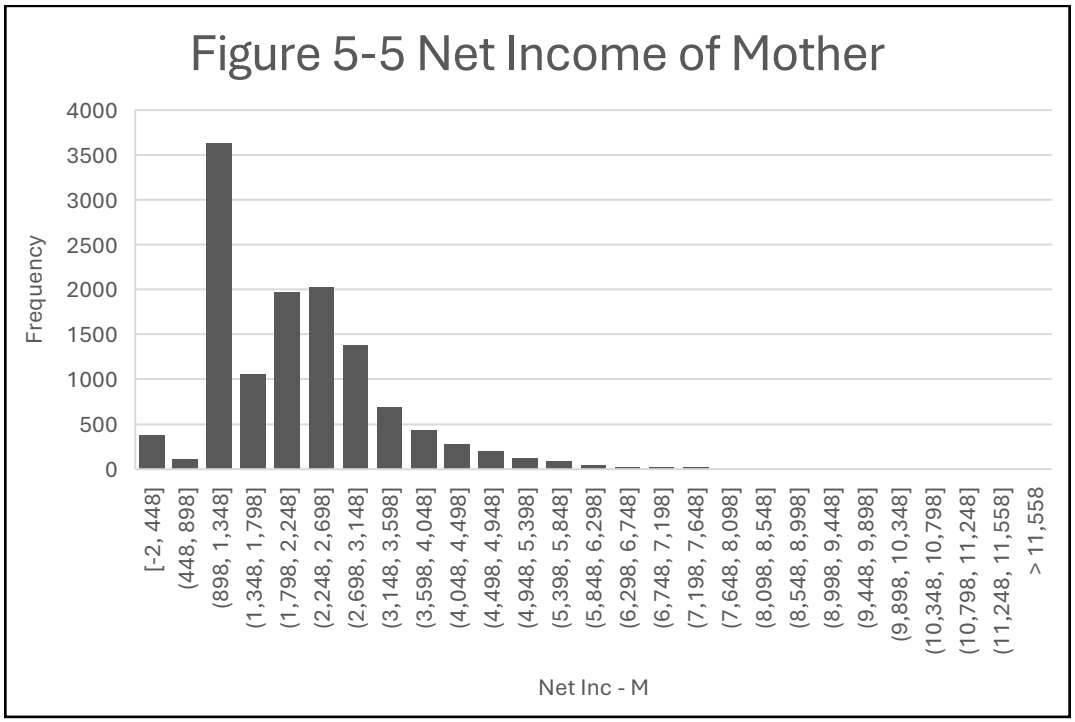
5.5 Examining the Income of Parents

In this section, we analyze parents' income. It's important to understand how income is distributed among parents. As shown in Figures 5-4 and 5-5, parents' income varies widely

[22] Note that the health care costs are averaged only over the 4,211 that have childcare expenses.

with a skew toward the right tail. The most common monthly income falls within the low-income range of $700-$1,400 in net income. However, the income distribution is right-skewed, with high-income earners being less common than low-income earners.





Much of both parents' income is imputed. Overall, the mother's net income is imputed in 30% of cases (3,718 cases), while the father's income is imputed slightly more often, at

31.4% (3,937 cases). Tables 5-6 and 5-7 analyze the types of imputation methods used. The most common method is imputing income at the federal minimum wage of $7.25 an hour. Over 78% of the mothers' imputed incomes are based on this rate, and 75% of the fathers' imputed incomes are also at the federal minimum wage.

This is surprising since the minimum wage in 2024 was $13.00 an hour in Florida, and it is also concerning that the federal minimum wage has not increased since 2009. Chapter 8 will discuss imputing wages further. Former wage is the second most common method of imputing income, with 19% of mothers and 22% of fathers being imputed at such rates.

Table 5-6. Imputed Income – Mother: Type of imputation

	Count	Percent
Federal Minimum Wage	2906	78.2%
Former Wage	700	18.8%
Market Wage	78	2.1%
Current Full Time Wage	15	0.4%
Florida Minimum Wage	11	0.3%
Median Wage	8	0.2%
Total	**3718**	100.0%

Table 5-7. Imputed Income – Father: Type of imputation

	Count	Percent
Federal Minimum Wage	2968	75.4%
Former Wage	864	21.9%
Market Wage	72	1.8%
Current Full Time Wage	15	0.4%
Florida Minimum Wage	9	0.2%
Median Wage	9	0.2%
Total	**3937**	100.0%

5.6 Low Income and Poverty

Table 5-8 shows that out of the 12,518 observations, 11,723 have the father as the NCP. We examine this dataset to see how many NCPs start off in poverty and how many become poor after the child support obligation. To maintain a homogeneous sample, we only consider cases where the NCP is a father, and the custodial parent (CP) is a mother. Of the total 11,723 cases, 316 have the CP as a caretaker, and 1 has the CP as a father. These cases are

unusual, leaving us with a sample of 11,406. Within this dataset, we find 25 NCPs with zero income. Removing these cases leaves a final sample of 11,381 NCPs who are fathers and CPs who are mothers.

Table 5-8. Data Construction

Households	Removed Observations	Number of Observations
All		**12,518**
Other NCPs than Fathers[23]	796	11,723
CP Caretaker	316	11,407
CP Father	1	11,406
NCP with 0 income	25	**11,381**

In the sample data set of 11,381 parents, 27% of the NCPs started in poverty. In other words, they had incomes below the annual federal poverty guideline of $15,060 for a single individual. 34% ended up in poverty after the child support payment was included, thus 7% (about 800 NCPs) fell below the federal poverty guideline just because of the child support payment.

In the above calculation, the federal poverty guideline is understood as reflecting the necessary net income for an individual to avoid poverty. One might consider that the federal guidelines refer to gross income. Usually, this distinction does not matter much at such low-income levels, but it is critical in this case because the imputed incomes are very close to the federal poverty level. Not all parents report gross income, so the data set is reduced to 9,368 observations. Net income is slightly higher, with an average of $2,413 monthly income (compared to $2,493 for the full sample). Only 1% are below the poverty line before child support obligations, and this rises to 32% after paying child support. Consequently, nearly 3,000 parents fall below the poverty line when using the gross income measure.

The reason many NCPs fall below the federal poverty guideline when using net income, but few do so with gross income, is that the imputed income at the federal minimum wage is exactly at the federal poverty guideline for a single person. The monthly net income for a full-time worker earning $7.25 an hour is $1,257, while the monthly federal poverty guideline is $1,255. Thus, the net income is slightly below the poverty line, but the gross income is $2 above it. In our data set, 23% of incomes were imputed at the federal minimum wage, 7% at

[23] Such as NCPs that are mothers, caretakers or unspecified

the previous wage, and 1% with other imputation methods. Overall, about 31% have an imputed income for the NCP.

To analyze the poverty levels based on non-imputed income, we exclude the 2,607 observations with imputed incomes for the NCP, resulting in a data set with 8,774 observations. Net income for the NCP increases to $2,906 per month. The poverty rate before child support payments is 6%, while it rises to 14% after child support payments. This represents an approximate increase of 8 percentage points, similar to the full data set. This finding makes sense because the difference is largely due to the many NCPs with income imputed just below the federal poverty guideline in the full data set.

The CPs are also positively impacted by child support payments. There are 8,794 CP mothers with one child, which makes up 77% of the total sample. The annual Federal Poverty Guideline for a family of two is $20,440. Among the sample, 37% of the mother and child are already in poverty before receiving child support payments. Of those mothers in poverty, 34% are able to exit poverty thanks to child support payments.

5.7 Key Findings

- **Guideline Deviations:** Fathers experienced a high deviation rate (18%), but nearly 70% of these stemmed from visitation between 0–20%, which is currently treated as a deviation rather than a routine worksheet adjustment.
- **Childcare and Health Care Costs:** These expenses substantially increase total obligations and create significant burdens for many NCPs, sometimes doubling the basic amount.
- **Imputation Practices:** Income was imputed in over 30% of cases, typically at the outdated federal minimum wage, producing incomes just at or below the poverty threshold.
- **Poverty Effects:**
    - 7% of NCP fathers fell into poverty due to child support using net income.
    - Up to 32% fell below poverty using gross income.
    - Removing imputed incomes reduces poverty but still shows NCPs falling into poverty from the child support obligation.
    - Child support **reduces** poverty among custodial mothers, with one-third of poor CPs moving above poverty after receiving payments using the net incomes calculated in the sample.

5.8 Recommendations

- **Incorporate visitation below 20% directly into the guidelines worksheet.** The current worksheet automatically adjusts for visitation only when it exceeds 20%, requiring DOR to enter any lesser adjustments as deviations. Revising the worksheet to allow proportional adjustments for visitation above 0% would:

    - Reduce unnecessary deviations
    - Improve consistency in application of adjustments
    - Encourage parenting time by the NCP
    - Conform to the Florida statutory intent

    A recalculation of the duplicated cost factor can preserve the overall structure of the existing worksheet while accommodating this change.

- **Design child support obligations so they reflect the changing future payments for childcare.** The significant impact of childcare payments on the total obligation should be adjusted for expected future changes. For instance, an infant incurs very high childcare costs in the first year, but these costs gradually decrease until the child reaches school age, when the costs may disappear. Since the child support order remains fixed over time, the only way to modify future payments now is to have the case reviewed. As we will see in Chapter 6, reviews of child support orders rarely result in changes. Therefore, the additional cost of childcare should be adjusted based on the child's age at the time the order is made. This would:

    - Reduce the need for future review of the order
    - Encourage economizing on the types of childcare by the custodial parent
    - Lead to a higher expected compliance with payments, given the results in Chapter 7.

CHAPTER 6
AN ANALYSIS OF 2019-2024 CHILD SUPPORT ORDERS

This chapter analyzes child support cases first established in 2019 and followed through 2024. We use these panel data to examine parental incomes and imputation, the frequency and outcomes of review requests, and payment compliance over time. Because case characteristics are broadly similar to the 2024 snapshot in Chapter 5, the focus here is on longitudinal outcomes—reviews, modifications, and sustained payment behavior.

Section 6.1 details the 2019–2024 panel dataset, including case characteristics and how the sample for longitudinal analysis was constructed. Section 6.2 discusses reported and imputed parental incomes, highlighting the frequency of minimum-wage imputations and the skewed earnings distribution among custodial and noncustodial parents. Section 6.3 reviews review requests and modification activity over the six-year period, focusing on initiation patterns, reasons for termination, and the very low success rate of modifications. Section 6.4 assesses child-support payment compliance, emphasizing the polarized payment behavior and income limitations faced by many noncustodial parents. Section 6.5 summarizes the main findings from these analyses, while Section 6.6 provides suggestions for improving documentation compliance, enhancing imputation practices, and strengthening the review and modification process.

6.1 Data Description

At the request of the study team, DOR provided a dataset containing all child support cases first processed between January and December 2019. Payment records and modifications were tracked for each case through December 2024. The dataset includes **14,194 unique cases** with non-zero child support obligations at some point during the six-year observation period. These cases include both DOR-established orders and orders established through the courts but monitored or enforced by DOR.

Although some obligations begin after 2019 or terminate before 2024, all cases with any obligation during the period are included. More than 80 percent of cases involve a single child, 14 percent involve two children, and only 3 percent have three or more children. (Table 6-1).

Table 6-1. Number of Children per Case

Children	Number of Cases
1	11,683
2	1,965
3	431
4	93
5	18
6	2
7	1
8	0
9	1
Total	**14,194**

The Custodial Parent (CP) is the mother in 85 percent of cases, a caretaker relative in 12 percent, and the father in 3 percent; the noncustodial parent (NCP) is the father in 88 percent of cases, and the mother in 10 percent, and about 3% are unspecified. About 5 percent of NCPs are incarcerated.

6.2 Income of Parents

Table 6-2 presents reported monthly net incomes for mothers, fathers, and combined households. Maternal income averages **$1,509**, with a median of **$1,160**, indicating a right-skewed distribution. Approximately **4.2 percent** of mothers report zero income, and **8 percent** report less than $1,000 per month.

Paternal income follows a similar pattern. The mean monthly net income is **$1,719**, with a mode of **$1,101**. Fathers report zero income in **3.5 percent** of cases and incomes below $1,000 in **7.7 percent** of cases. Household income is skewed upward by a small number of high-income cases, with a maximum reported income of $74,568 per month.

Table 6-2. Net Income for 2019 Data Sample

Income Measure	Mother	Father	Household
Mean	$1,509	$1,719	$3,229
Median	$1,160	$1,349	$2,913
Mode	$1,136	$1,101	$2,238
Minimum	$0	$0	$125
Maximum	$12,677	$61,891	$74,568

6.2.1 Imputed Income

A substantial proportion of parents had incomes imputed rather than documented. In **46 percent** of cases, the mother's income was imputed; for fathers, the rate was **43 percent**. These high imputation rates suggest either unstable employment, lack of documentation, or nonresponse during income verification.

For mothers, **85 percent** of imputed incomes were set at the federal minimum wage, and **13 percent** were based on former wages (Table 6-3). Fathers follow a similar pattern, with **81 percent** imputed at the federal minimum wage and **17 percent** at former wages (Table 6-4).

Table 6-3. Imputation Method for Mothers

Type	Count
Federal Minimum Wage	5,548
Former Wage	854
Current Full-Time Wage	58
Market Wage	56
Median Wage	3
Florida Minimum Wage	1
Total	**6,520**

Table 6-4. Imputation Method for Fathers

Type	Count
Federal Minimum Wage	5,002
Former Wage	1,045
Market Wage	47
Current Full-Time Wage	37
Median Wage	6
Florida Minimum Wage	4
Total	**6,141**

6.3 Petition and Outcomes of Review Requests

The six-year observation window allows analysis of review requests initiated by parents or triggered by mandatory review rules (e.g., when the CP receives public assistance). DOR policy requires specific criteria for modifying support orders, such as the review has to lead to a change of at least 10 percent or $25 per month, or the passage of three years since the last order or modification. [24]

Approximately 22 percent of 2019 cases had at least one review request between 2019 and 2024 (Table 6-5). The majority (63 percent) were initiated by NCPs, followed by CP requests (27 percent). Mandatory reviews accounted for only about 10 percent.

Table 6-5. Review Request Distribution

Request Source	Count
NCP	1,942
CP	846
Mandatory	309
Total	**3,097**

6.3.1 Termination of Review Requests

More than **86 percent of review requests were terminated** before completion (Table 6-6). The most common reason—accounting for two-thirds of terminations—was that the requesting party failed to submit the required documents. Another 26 percent ended

[24] https://www.flsenate.gov/Laws/Statutes/2024/61.30

because the review eligibility criteria were not met. Only 4 percent were terminated because DOR could not locate the non-requesting party, and other reasons for termination were uncommon.

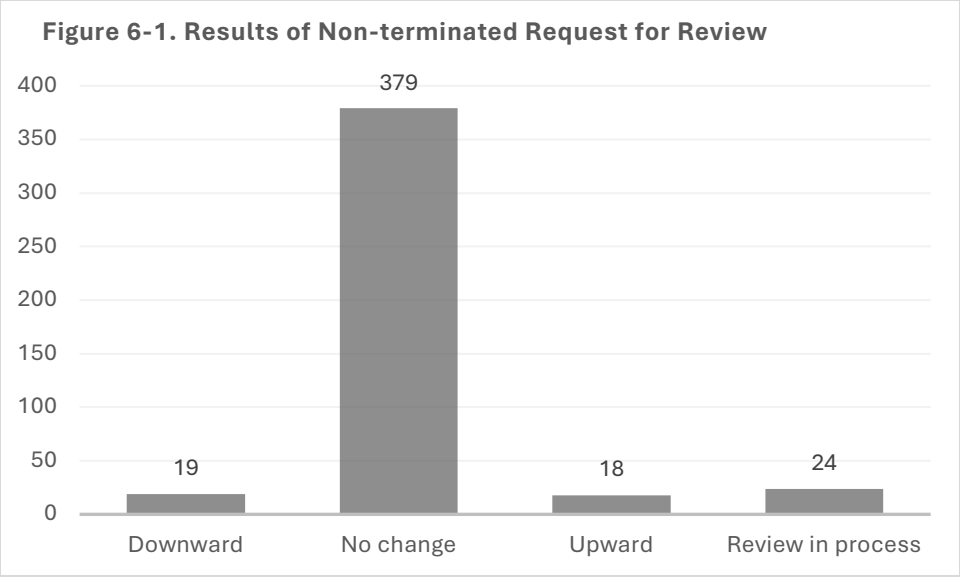
Table 6-6. Reasons for Terminating a Review

Reason	Count
Requesting party did not return required documents	1,705
Did not meet requirements for review	703
Unable to locate non-requesting party	112
CP not receiving TANF at time of review	58
Case should proceed directly to judicial modification	22
Case closing	22
Pending court action	16
No active support order	12
Child emancipating within six months	12
Certified copy of order not obtained	2
Total	**2,664**

6.3.2 Modification Outcomes

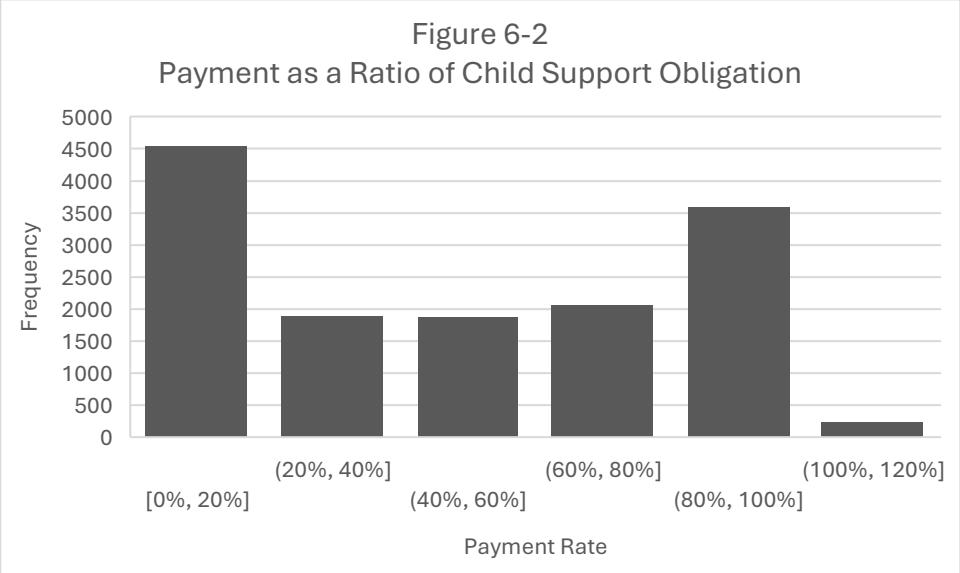
As shown in Figure 6-1, of the 3,097 review requests, only 433 resulted in a full review. Just **30** of the full review cases led to an upward or downward modification, and only **2 cases** were modified—meaning that **less than 1 percent** of requests and **0.21 percent of all 14,194 cases** resulted in a modification result and even fewer in an actual modification of the order.[25]

[25] Most of the 28 that received a modification result were not modified due to the order being pending or that the non-requesting benefiting party did not provide financial affidavit.



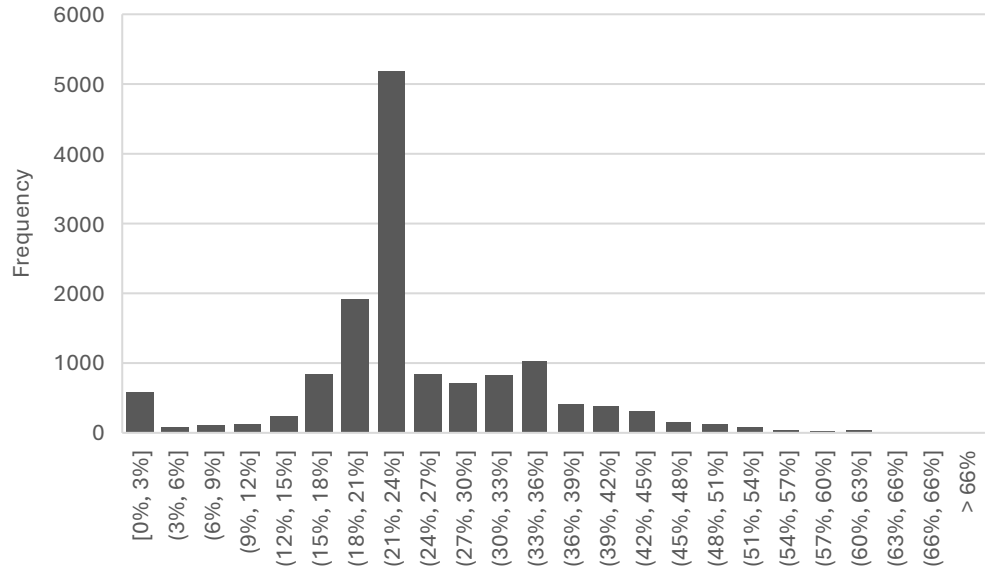
6.4 Child Support Payment Compliance

A second reason for analyzing the 2019 to 2024 period is to evaluate payment compliance over time. The average payment compliance across the entire period was 48%, with a median of 47%, indicating minimal skewness in the payment ratios. Figure 6-2 displays a bimodal distribution, with many NCPs paying between 0 and 20% of their obligations and another large group paying between 80% and 100%. Of the 4,500 NCPs that paid between 0% and 20%, 1,680 paid nothing. However, this means that 88% made at least partial payments during the period.



In Chapter 7, we examine the factors that influence the payment of child support obligations. One concern for compliance is when the NCP is already in poverty before making the child support payment. More than **8% of fathers** are already in poverty prior to paying child support. Another key factor we will explore in Chapter 7 is the ratio of the child support obligation to net income. Figure 6-3 shows that this ratio varies widely, with many cases paying only a small portion of their income, most paying around 21-24%, and some cases paying over 50 percent of net income. Such high burdens are likely to weaken both the ability and willingness to pay.

Figure 6-3
Child Support Payment as a Fraction of Net Income



The level of poverty and the ratio of child support obligations are not the only factors that might influence whether the NCP pays child support. Other factors—such as incarceration, multiple support orders, or imputed income—may also affect payment behavior. Chapter 7 explores these determinants more carefully through statistical modeling.

6.5 Key Findings

- **Imputation is common.**
  Nearly half of all parental incomes are imputed, primarily at the federal minimum wage.

- **Review requests are frequent but rarely successful.**
  - 22% of cases had a review request.
  - 86% of requests were terminated.
  - Only 37 modifications occurred out of 3,097 requests (<1.2%). The most frequent reason for termination was failure to return required documents.
- **Payment compliance is polarized.**
  A large group pays very little, while another pays nearly all obligations. Average compliance remains below 50%.

6.6 Recommendations

- **Reassess imputation practices.**
  With nearly half of incomes imputed, reviewing whether imputed amounts reflect realistic earnings may improve compliance.
- **Consider adding information to explain incomes below the imputed income level.** In some cases, zero income is recorded. The reason should be clarified, in the same way as deviations from the baseline child obligation are currently explained.
- **Evaluate criteria for modification.**
  Very few changes in the child support obligation amounts occur, despite potentially big swings in income, childcare costs, and inflation.

CHAPTER 7
DETERMINANTS OF CHILD SUPPORT PAYMENT COMPLIANCE

The preceding chapter showed that only **47 percent** of the child support owed between 2019 and 2024 was actually paid. This chapter examines the underlying factors contributing to the low payment rate. The primary reasons for nonpayment include **payment-to-income ratio**, **incarceration**, **imputed income**, and **poverty-after-Child Support obligation**.

Section 7.1 describes the sample, Section 7.2-7.3 presents regression results for the full data set, Section 7.4 examines types of income cases, with Section 7.5 examining childcare costs and Sections 7.6–7.7 summarize the main findings and recommendations.

7.1 Noncustodial Parent Dataset

This analysis uses the **2019 Florida Department of Revenue (DOR)** administrative dataset described in Chapter 6. To improve comparability across cases, the dataset is restricted to records in which the **noncustodial parent (NCP) is the father** and the **custodial parent (CP) is the mother**, which is the most common case configuration. Table 7-1 summarizes the filtering process.

Table 7-1. Creating a Homogeneous NCP 2019 Data Set

Step	Removed Observations	Observations Remaining	Percent Remaining
Total Observations	—	**14,194**	**100.0%**
Remove non-father NCPs			
Mother NCP	1,444	12,750	89.8%
Unspecified NCP	311	12,439	87.6%
Remove non-mother CPs			
Caretaker CP	644	11,795	83.1%
Father CP	2	11,793	83.1%
Unspecified CP	16	**11,777**	**83.0%**

The filtered dataset consists of **11,777** observations and contains a wide range of variables related to payment performance. The most important variable is the payment ratio. This is the ratio of the payment-to-obligation measured across 2019-2024. Table 7-2 illustrates how the yearly data was compressed to a single observation for each individual case. Note that the average can be viewed from two perspectives, case by case or weighted by amounts

paid of each obligation. We focus on each case and use the individual compliance in this study. The **average individual compliance is 51.6%**, higher than the individual compliance in the overall data of 47%. The median individual compliance is even higher at 54% indicating a skewed distribution towards low or zero payments. The aggregate compliance rate is even higher with a 57.3% compliance over the period. This aggregate average is higher than the individual one, because it averages over the dollar value of payments, not individual cases. But in our study the important variable is the payment ratio for each case, so we use the mean individual compliance for the 2019-2024 period in this study.

Table 7-2. Individual and Aggregate Child Support Compliance Rates, 2019–2024

Year	Mean Individual Compliance (%)	Median Individual Compliance (%)	Aggregate Compliance Rate (%)	Observations
2019	48.9	51.1	58.8	9,825
2020	50.3	50.0	54.3	11,112
2021	53.5	56.7	57.0	10,337
2022	54.8	61.3	57.4	9,658
2023	56.5	66.7	58.5	9,028
2024	57.1	68.0	59.2	8,532
2019–2024	**51.6**	**54.0**	**57.3**	**11,777**

Notes: *Individual compliance rate* is defined as payments divided by obligations at the case level. *Aggregate compliance rate* is defined as the sum of payments divided by the sum of obligations within each year. Observations include only cases with non-zero child support obligations.

For each case we examine the characteristics of each child support obligation. All characteristics are from 2019, except incarceration and TANF assistance, which are reported in 2025 when the data was pulled from the database. The data in Table 7-3 presents descriptive statistics for the primary variables of interest.

All data in Table 7-3 are either expressed in monthly 2019 dollars or are binary variables. The table shows, for example, that over 42% of the net incomes are imputed. Therefore, DOR must determine an amount for the father's unknown income. The most common method for imputing income is based on the federal minimum wage, as detailed in chapter 6. The table also indicates that 48% of the NCPs (6,857) fall into poverty after owing their child support obligation. Consequently, the remaining net income does not meet the monthly 2019 Federal Poverty Guidelines amount of $1041 for a single individual. A large portion of those NCPs pushed into poverty have imputed incomes at the federal minimum wage.

Other variables in Table 7-3 that could potentially influence child support payments include health and childcare costs, the number of children involved, whether the NCP has prior family involvement, if the NCP is incarcerated in 2025, whether the mother receives TANF in 2025, the total amount of the child support order, and the ratio of that order to income. The "Type of Child Support" variable indicates whether the order was placed within DOR or issued outside using a judicial process.

Table 7-3. Summary of Data Sample (N = 11,777)

Variable	Mean	SD	Low	High
Compliance Rate	51.6%	35.0%	0.0%	106.3%
Monthly Net Income	$1,828	$1,232	$57	$61,891
Imputed Income	42.3%	49.4%	0.0%	100.0%
Child Support Obligation	$445	$263	$4	$7,680
Payment-to-income ratio	25.5%	9%	0.3%	85.1%
Poverty-After-CS Obligation	48.0%	50.0%	0.0%	100.0%
Dependents Receive TANF	25.6%	43.7%	0.0%	100.0%
Incarcerated	4.3%	20.3%	0.0%	100.0%
Prior Family Obligation	$52	$168	0.0	$2,579

Notes: Dependents Receive TANF and Incarcerated are measured as point-in-time indicators in July 2025. Prior Family Obligation is scaled by dividing by 100 to improve coefficient interpretability in regression models. The compliance rate exceeds 100% in some cases due to overpayments or arrears payments credited toward current support.

7.2 Regression Results

The regression in Table 7-4 has a reasonable fit with an R^2 of 0.25. All variables in the regression are significant. Variables with the strongest negative associations (based on t-statistics) include:

- Imputed income
- Poverty after child support obligation
- Payment-to-Income Ratio
- Incarceration
- TANF recipient

Note that the negative effect of imputed income occurs both for imputed income at federal minimum wage level and prior income level. The coefficients are similar even though the average imputed former wage is almost twice the size of the impute federal minimum wage. Having imputed earnings using a federal minimum wage results in almost a **21 percentage points** lower compliance of child support payments, and for imputed earnings using the former wage the compliance falls by over **16 percentage points**. This implies that the

amount of the imputed earnings is less important than the fact that earnings cannot be established. This indicates that the cooperation from the NCP is limited and one can expect lower compliance when the obligation has been set.

Two variables have a positive effect on compliance of child support payments, Net income and payments to prior families. The first is logical as earning more income should lead to improved ability to make child support payments. The positive compliance of cases with prior families may be due to the ability of obtaining information on someone already in the child support system.

Table 7-4. Compliance Rate for Full Data Set

Variable	Coefficient	t-ratio
Constant	0.136	1.62
Imputed Federal Minimum Wage	−0.202	−21.52
Imputed Former Wage	−0.165	−15.30
Poverty-After-CS Order	−0.038	−3.36
Payment-to-income ratio	−0.367	−11.37
Ln (Income)	0.081	7.48
Dependents Receive TANF	−0.077	−11.96
Incarcerated	−0.264	−29.18
Prior Family Obligation	0.010	6.25
R-Squared	0.252	

Note: OLS regression with heteroskedasticity-robust standard errors in parentheses.

7.3 Standardized Results

Because the variables in Table 7-4 are measured in different units, their coefficients are hard to interpret relative to each other. Therefore, the independent variables are standardized by dividing each variable by its standard deviation. This way, the coefficient will represent the effect of a one standard deviation adjustment in the variable on the Payment Rate, and we can compare the variables to see which variables have the greatest influence on payments.

The significance of each variable will remain the same, so the focus will be on the size of the coefficient. Table 7-5 indicates that the strongest negative effect is the imputed income at the federal minimum wage. This is, by far, the most important indicator of lack of compliance. Again, as we discussed above, this is excepted as imputing income at the federal minimum wage likely means that the NCP is noncompliant initially and is very likely not to pay the obligation in the future.

Many other factors have around the same negative effect on compliance:

- Imputed Former Wage
- Payment-to-income ratio
- Dependents receiving TANF
- Incarceration

The above indicators have about the same standardized effect on payments of child support obligations. Whereas the income measure shows that higher income has a strong positive effect on payments, although a log-linear effect indicating that the positive effect becomes smaller at very high income levels.

Table 7-5. Standardized Compliance Rate for Full Data Set

Variable	Coefficient	t-ratio
Constant	0.516	184.8
Imputed Federal Minimum Wage	−0.096	−21.52
Imputed Former Wage	−0.044	−15.30
Poverty-After-CS Obligation	−0.019	−3.36
Payment-to-income ratio	−0.033	−11.37
Ln (Net Income)	0.038	7.48
Dependents Receive TANF	−0.034	−11.96
Incarcerated	−0.054	−29.18
Prior Family Obligation	0.018	6.25
R-Squared	0.253	

Note: OLS regression with heteroskedasticity-robust standard errors. Coefficients are standardized (beta coefficients).

7.4 Analysis by Income Status

In the following subset, the effect of income types of NCPs are compared. There are three types of income status: actual, imputed at federal minimum wage, and imputed at prior income.

Compliance differs sharply by how income is determined. Table 7-6 compares compliance and economic circumstances across cases with observed income and two imputation groups (federal-minimum-wage and former-wage imputations).

Table 7-6. Compliance Summary Table by Imputed Income Status

Variable	Actual (N=6,797)	Imputed at Federal Min. Wage (N=4,006)	Imputed at Former Wage (N=905)
Compliance rate	**64.4%**	**31.7%**	**44.7%**
	(31.8%)	**(30.9%)**	**(31.5%)**
Net Income	$2,246	$1,086	$1,969
	(1,413)	(82)	(877)
Child Support Obligation	$528	$295	$493
	(291)	(104)	(236)
Payment-to-income ratio	24%	27%	26%
	(0.09)	(0.09)	(0.09)
Poverty-After-CS Obligation	20.6%	99.6%	26.3%
	(40.4%)	(6.7%)	(44.1%)
Dependents Receive TANF	20.7%	34.0%	25.2%
	(40.5%)	(47.4%)	(43.4%)
Incarcerated	2.1%	8.0%	4.6%
	(14.4%)	(27.1%)	(21.1%)
Prior Family Obligation	$75.7	$16.8	$36.8
	(203.5)	(78.5)	(131.3)

Note: Standard deviations in parentheses.

Table 7-7 reports compliance-rate regressions estimated separately within each income-determination group. Within-group R-squared values are lower than in the pooled model because the imputation indicators—the strongest predictors in the pooled results—are removed by construction in within-group estimation. The breakdown of the income status reveals some interesting results. The poverty rate after child support is no longer an important variable in the disaggregated estimates. However, the payment-to-income ratio is highly significant in the actual income group but less so in the federal minimum wage and former wage groups. As expected, the income variable is primarily important for the actual wage group, whereas the incarceration affects all groups significantly. Prior family payments have a strong effect only in the actual income group, conforming to the idea that these type of parents have more involvement in the children.

Table 7-7. Determinants of Compliance Rate by Imputed Income Status

Variable	Actual Income	Imputed at Federal Minimum Wage	Imputed at Former Wage
Constant	0.062	1.553	0.125
	(0.68)	(1.28)	(0.42)
Poverty-After-CS Obligation	−0.018	0.022	−0.054
	(−1.41)	(0.35)	(−1.71)
Payment-to-Income ratio	−0.460	−0.272	−0.275
	(−10.09)	(−5.55)	(−2.12)
Ln (Net Income)	0.094	−0.163	0.058
	(7.99)	(−0.89)	(1.51)
Dependents Receive TANF	−0.064	−0.088	−0.081
	(−7.99)	(−9.16)	(−3.60)
Incarcerated	−0.345	−0.219	−0.283
	(−18.03)	(−22.15)	(−9.54)
Prior Family Obligation	0.008	0.001	0.010
	(4.91)	(0.05)	(1.35)
R-Squared	0.087	0.069	0.085
N	6,797	4,006	905

Note: t-ratios in parentheses.

7.5 Childcare cost effects

Embedded in the payment-to-income ratio are the childcare costs. The childcare costs and payment-to-income variable have a correlation coefficient of 0.408, indicate a very high correlation. Because of the multicollinearity concern we have not included the childcare costs directly into the regression. However, we note that high childcare costs will increase the payment-to-income ratio, and that ratio is highly significant in lowering the expected payments of obligations.

On average childcare expenses adds $173 to a basic obligation of $365, for cases with a positive amount of childcare expenses. That is an **increase of 47%** of the total payment due to childcare expenses. The ratio of obligation-to-income goes up from 22.5% (without childcare) to 30.7% (for the 4,285 cases with childcare). As we have seen in the regression results a higher ratio of obligation-to-income lowers the payment rate of the obligation. Therefore, the childcare costs must be carefully considered in establishing the amount of the total child support obligation.

We can look at the extreme case of obligation-to-income above 55%.[26] There are 108 such cases in the 2019 data. Among those cases 61% have their income imputed at the federal wage. The childcare cost on average for the child(ren) is $810 pushing the average monthly NCP obligation to $772, with an average payment-to-income ratio of 61%. Of course, these 108 cases are extreme, but they show how important childcare expenses can be for a child support obligation.

7.6 Key Findings

- **Imputed income is the strongest predictor of nonpayment.**
  Imputed income at a federal minimum wage is associated with a 20 percentage point reduction in child support payments, holding other factors constant.
- **The imputed income effect is likely from the noncooperation of the NCP in providing any evidence of income**.
  The results do not indicate that the imputed income is set too high, as evidenced by higher payments made by NCPs that have higher imputed income. Instead, it suggests that imputation may identify NCPs who are less cooperative in both reporting income and making payments.
- **The burden of the obligation relative to income consistently reduces payments across all income types.**
  The ratio of the obligation to income is highly significant and strongly negative, indicating that higher burden levels substantially reduce compliance. Furthermore, in cases with actual income the payment-to-income ratio is one of the most important indicators of payments.
- **The childcare costs are highly correlated with payment-to-income ratios.**
  The childcare cost increases the total obligation raising the payment-to-income ratio, indirectly lowering the likely payment of obligations.
- **Poverty after child support payment somewhat reduces compliance.**
  NCPs whose remaining income falls below the federal poverty level are significantly less likely to make payments. However, the significance is lower than the payment-to-income and imputed income variables.

[26] We use 55% as the cutoff for extreme cases, due to the Florida Statute 61.30 arguing that modifications are in order if the obligation-to-gross income exceeds 55%. Clearly, choosing a 55% rate for obligation-to-net income is even more conservative in identifying extreme observations.

7.7 Recommendations

- **The CS obligation relative to net income is a very strong deterrent to compliance.** Setting reasonable ceilings would encourage payment. Additionally, it is important to examine whether part of those high obligations relative to net income are due to childcare costs. Childcare expenses fluctuate over time, but child support payments are based on the child's current age.

- **Devote resources to uncooperative NCPs immediately as they are likely to end up not paying their obligation.**
  Imputing income correctly is crucial to the ability to pay the child support obligation. However, the results do not argue that the imputed rates are set incorrectly. Rather it points to devoting resources to find as much information as possible about the NCP.

CHAPTER 8
IMPUTING INCOME

Florida's child support framework permits imputing income to a parent who is voluntarily unemployed or underemployed, and it requires that any imputation be supported by competent, substantial evidence tied to the parent's recent work history, occupational qualifications, and prevailing earnings in the local community, with the rationale stated in the support order.

Chapters 5 and 6 display significant variation in how income is imputed for noncustodial parents (NCPs). This variation is expected in a system that depends on case-specific evidence, but it also highlights the importance of providing courts and agencies with empirically grounded benchmarks—guidelines they can rely on when documentation is missing, incomplete, or not credible. The purpose of this chapter is not to "predict" an individual's income with exactness, nor to replace the statutory findings required for imputation. Instead, it aims to offer clear, data-driven benchmarks for what a parent with a small set of common characteristics could reasonably be expected to earn.

In many cases involving contested or incomplete information, only a limited set of attributes is confidently known. We therefore create benchmarks based solely on characteristics that are typically available in child support cases: sex, age group, education, residence in a large metropolitan area, and whether the parent has children of their own. Using these characteristics, we estimate imputed-income schedules for Florida residents that can serve as reference values when the court needs to determine an income level for child support calculations.

Section 8.1 explains the legal standards for assigning income and defines net income for guideline purposes. Section 8.2 covers the ACS data, sample creation, and descriptive statistics, while Section 8.3 presents log-income regressions that form the basis for an income imputation schedule. Section 8.4 emphasizes key findings, and Section 8.5 offers recommendations on how to incorporate these benchmarks into practice.

8.1 Background: Statutory Definitions and Standards

Florida's child support law mandates that child support be calculated based on statutory definitions of gross income and net income, and it outlines when income may be imputed.

8.1.1 Imputation Standard (Voluntary Unemployment/Underemployment)

Monthly income shall be imputed to an unemployed or underemployed parent if the court finds that unemployment or underemployment is voluntary, absent circumstances beyond the parent's control. Any imputation must be supported by competent, substantial evidence that the parent is earning less than he or she could earn based on recent work history, occupational qualifications, and prevailing earnings in the local community, or evidence that the parent has chosen not to participate in the workforce or is not contributing as required by law or court order. The court must state in its support order the reasons for imputing income.

The party seeking imputation bears the burden to present evidence that (a) the unemployment or underemployment is voluntary and (b) identifies the amount and source of the imputed income through evidence of work history, qualifications, and prevailing earnings. If the parent is in a time-sharing arrangement, the court must consider the time-sharing provided in the parenting plan or relevant order.

Except as set forth in the statute, income may not be imputed using income records that are more than five years old at the time of the hearing, or at an income level a party has never earned unless there is evidence of a recent offer at that level, comparable qualifications to others earning at that level, or a reasonable prospect of earning at that level in the near future (considering education, work history, qualifications, and time-sharing).

8.1.2 Income Used in Guideline Calculations

The statute defines net income as gross income minus allowable deductions. Allowable deductions include federal, state, and local income taxes (adjusted for filing status, dependents, and liabilities); FICA or self-employment taxes; mandatory union dues; mandatory retirement payments; health insurance payments (excluding payments for coverage of the minor child); court-ordered support actually paid for other children; and court-ordered spousal support paid. Net income is computed for each parent, and the parents' net incomes are added to obtain combined net income.

8.2. Data and Sample Construction

We use microdata from the 2021–2023 American Community Survey (ACS). The sample is restricted to single, civilian Florida residents ages 19–50 who report positive personal income. We exclude individuals with imputed values for income, age, sex, or education so that the imputations are based only on fully reported characteristics.

Annual personal income is converted to 2024 dollars using the Consumer Price Index (CPI). Because ACS income refers to the 12 months prior to the interview and the interview month is not reported, we cannot align each respondent's income to a precise calendar year. Instead, for each ACS year we use a weighted average of adjacent annual CPI values to approximate the average price level over the income-reporting period for that year, and then bring all incomes forward to 2024 dollars using cumulative CPI growth.

The ACS personal income measure is the person's total pre-tax money income from all sources during the previous 12 months. It includes wage and salary income; nonfarm business and farm income; interest, dividends, and rental income; Social Security; public assistance; retirement and disability income; and other money income not captured in those categories. It excludes non-cash benefits (e.g., food stamps, housing subsidies, employer-provided health insurance), capital gains, and certain lump-sum payments (e.g., inheritances or insurance settlements). Public assistance income is subtracted from the personal income measure to be consistent with Florida statutes.

Age is calculated as the respondent's age on their most recent birthday before the survey. We create four age groups: 19–25, 26–30, 31–40, and 41–50. Education is divided into seven categories: less than high school; high school graduate; some college; associate's degree; bachelor's degree; postgraduate degree; and more than a college degree (for those with a degree higher than a bachelor's). "Large metropolitan area" refers to living in one of Florida's four largest metro areas—Miami, Orlando, Tampa, or Jacksonville. Lastly, we develop an indicator for whether the individual has any own children living in the household.

8.2.1 Summary Statistics of ACS Sample

Table 8-1 summarizes the ACS sample by sex. Men and women have very similar age distributions across the four age groups and are about equally likely to live in a large metropolitan area. Women in this single-adult sample have somewhat higher educational attainment than men and a greater number of own children on average—composition differences that should be kept in mind when interpreting gender comparisons of income in this sample.

Table 8-1. Summary Statistics: Means

	Male	Female
Age 19 to 25	0.35	0.38
Age 26 to 30	0.24	0.23
Age 31 to 40	0.28	0.26
Age 41 to 50	0.13	0.13
Not Large Metropolitan Area	0.35	0.33
Large Metropolitan Area	0.65	0.67
Less Than H.S. Degree	0.09	0.05
H.S. Degree	0.28	0.20
Some College	0.32	0.36
College Degree	0.20	0.25
More Than a College Degree	0.06	0.10
Number of Own Children	0.17	0.39
Observations	27984	23350

The data source is the 2021-2023 American Community Surveys. Income is measured in 2024 dollars. The sample is composed of single Florida residents age 19 to 50 with positive income. Individuals with imputed income, imputed age, imputed gender, or imputed education are excluded.

8.2.2 Mean Incomes by Group

Table 8-2 shows average annual income (2024 dollars) based on age group, education, whether someone lives in a metropolitan area, and if they have children. Income increases significantly with age for both men and women, especially early in life: the biggest jumps happen between ages 19–25 and 26–30, matching the shift from school to full-time employment and gaining early work experience. Growth between ages 31–40 and 41–50 is positive but less pronounced, reflecting a curved pattern over the lifecycle.

Income also increases steeply with education for both sexes; those with less than a high school education have the lowest mean incomes, while those with postgraduate degrees have the highest, with large increments as education rises from less than high school to a high school diploma and then to some college and beyond.

Differences by metropolitan residence are smaller but still evident: living in one of the four large metro areas is associated with somewhat higher mean incomes than living elsewhere in Florida. Finally, mean income differs by the presence of children: for men, having children is associated with higher mean income; for women in this single-adult sample, having children is associated with somewhat lower mean income. These patterns foreshadow the regression results, in particular, the strong income gradients by education and age, the

modest metro premium, and the opposite association of children with men's and women's incomes.

Table 8-2. Mean Income by Demographic Group

	Male	Female
Age 19 to 25	27,441	24,029
Age 26 to 30	48,177	43,249
Age 31 to 40	56,244	50,011
Age 41 to 50	61,900	55,032
Not Large Metropolitan Area	38,230	34,695
Large Metropolitan Area	48,587	41,647
Less Than H.S. Degree	26,022	20,638
H.S. Degree	33,417	26,426
Some College	38,974	31,081
College Degree	66,205	50,894
More Than a College Degree	99,206	78,716
Has No Children	44,121	39,863
Has Children	52,837	37,739
Observations	27,984	23,350

The data source is the 2021-2023 American Community Surveys. Income is measured in 2024 dollars. The sample is composed of single Florida residents age 19 to 50 with positive income. Individuals with imputed income, imputed age, imputed gender, or imputed education are excluded. Sample weights were used to create the means.

8.3. Regression Model for Imputing Income

To construct an imputing-income schedule based only on basic, commonly observable characteristics, we estimate separate log-income regressions for men and women. The dependent variable is the natural log of annual personal income in 2024 dollars. Explanatory variables include: (i) age group indicators (26–30, 31–40, 41–50), with 19–25 omitted; (ii) an indicator for residence in a large metropolitan area; (iii) dummy variables for the five education categories, with "less than high school" omitted; and (iv) the number of own children in the household.

For each sex, we estimate:

$$\ln(Y_i) = \alpha + \sum_a \beta_a \,\text{AgeGroup}_{ia} + \gamma \text{Metro}_i + \sum_e \delta_e \,\text{Education}_{ie} + \theta \text{Children}_i + \varepsilon_i,$$

where Y_i is annual personal income in 2024 dollars."

The omitted (baseline) category is a person aged 19–25, with less than a high school education, living outside a large metropolitan area, with no own children. Coefficients are estimated separately for men and women.

Table 8-3. Determinants of Natural log of Annual Income

	Male	Female
Age 26 to 30	0.5258***	0.6010***
	(31.85)	(33.58)
Age 31 to 40	0.6275***	0.7307***
	(39.17)	(40.63)
Age 41 to 50	0.6531***	0.7838***
	(32.34)	(35.54)
Large Metro Area	0.1015***	0.0897***
	(7.85)	(6.38)
H.S. Degree	0.3716***	0.2963***
	(18.36)	(10.57)
Some College	0.4461***	0.4284***
	(22.53)	(16.20)
College Degree	0.9207***	0.9022***
	(42.38)	(32.53)
More than College Degree	1.2438***	1.1590***
	(41.49)	(36.03)
Number of Own Children	0.1419***	-0.0297***
	(13.20)	(-3.52)
Constant	9.2409***	9.0681***
	(458.39)	(330.91)
Observations	27984	23350
R^2	0.182	0.210

t-statistics in parentheses. The data source is the 2021-2023 American Community Surveys. Income is measured in 2024 dollars. The sample is composed of single Florida residents age 19 to 50 with positive income. Individuals with imputed income, imputed age, imputed gender, or imputed education are excluded.
* $p < .10$, ** $p < .05$, *** $p < .01$

The model explains a notable share of income variation: $R^2 \approx 0.18$ for men and 0.21 for women, indicating that age, education, metro residence, and having children account for about 20% of the cross-sectional difference in natural log income in this limited sample.

Coefficient patterns align with expectations and are mostly statistically significant. Expected income increases with age for both men and women but at a decreasing rate;

relative to ages 19–25, the 26–30, 31–40, and 41–50 groups all have higher expected incomes, with the biggest jump between the two youngest groups.

Education is the main factor driving higher expected income. For instance, a male with a high school diploma earns about 45.0 percent more than a comparable male with less than a high school diploma; for women, the comparable figure is around 36.1 percent. Earning more than a high school diploma results in even larger income gaps compared to those with less than a high school diploma. Percentage effects are calculated using (exp(B) − 1) × 100.

Living in a large metro area adds a modest premium: after controlling for age, education, and family status, residing in one of the four largest metro areas increases expected income by roughly 10.7 percent for men and 9.6 percent for women relative to similar individuals in other areas.

The link between children and income differs by gender: each additional child raises men's expected income by about 15.7 percent but lowers women's expected income by about 3.4 percent, conditional on age, education, and location.

8.4 Key Findings

- **The benchmarking model uses 2021–2023 ACS microdata for single civilian Florida residents**. The sample included ages 19–50 with positive income, excluding records with imputed income; incomes are converted to 2024 dollars using CPI-based adjustments.
- **We provide estimates that depend only on readily available characteristics**. The characteristics we use are gender, age group, education, large-metro residence, and whether the parent has any children.
- The resulting predicted annual incomes (converted to monthly values) can be used as reference points when an NCP's actual earnings are unavailable, not credible, or incomplete, and are integrated into subsequent guideline calculations.

8.5 Recommendation

- **Establish criteria for how income is imputed.** Enumerate the individual-specific information on which imputed income is based, such as the data used in the above imputed income calculation. This removes reliance on a standardized amount that does not reflect the individual circumstances of the NCP.

- **The Department of Revenue can collect the individual characteristics for a two-year trial period**. This will lay the groundwork for future analysis of how the model predicts income. This income model would meet the federal child support guidelines that imputed income should be based on individual characteristics.
- **Once the data are collected and processed, a simple attachment to the worksheet can be designed.** This worksheet would help courts more easily determine a fair amount for the parent with imputed income and provide a chance to explain the reasons for deviating from the expected imputed income.

CHAPTER 9
TREATMENT OF LOW-INCOME PARENTS

Federal regulations now require state child support guidelines to incorporate a low-income adjustment that considers the basic subsistence needs of noncustodial parents (NCPs) who have limited ability to pay. As clarified by the Office of Child Support Enforcement (OCSE), a low-income adjustment ensures that parents owing support retain sufficient income to meet basic needs and maintain employment. A self-support reserve (SSR) is the most common mechanism used to implement this requirement.

The revised federal child support rule requires that a state's child support guidelines must

> [t]ake into consideration the basic subsistence needs of the noncustodial parent (and at the State's discretion, the custodial parent and the 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.[27]

In the commentaries and responses, OCSE states:

> A low-income adjustment is the amount of money a parent owing support needs to support him or herself at a minimum level. It is intended to ensure that a low-income parent can meet his or her own basic needs as well as permit continued employment. A low-income adjustment is a generic term. A self-support reserve is an example of a low-income adjustment that is commonly used by the States.[28]

Florida meets the federal requirement through a self-support reserve embedded in its schedule of child support obligations. Under 45 C.F.R. §302.56(h)(2), Florida's next quadrennial review must specifically consider the effects of this low-income adjustment.

This chapter evaluates the effectiveness of Florida's current SSR using the 2024 administrative case sample described in Chapter 5. We find that the SSR does not reflect modern poverty thresholds, applies in only a negligible number of cases, and is ineffective at preventing impoverishment among low-income NCPs. Several policy alternatives are

[27] 81 Fed. Reg. 93562.
[28] 81 Fed. Reg. 93518.

offered, including an updated SSR and a more effective worksheet-based low-income adjustment.

Section 9.1 reviews the history of Florida's self-support reserve (SSR). Section 9.2 documents its limited application in recent cases. Section 9.3 evaluates updated SSR designs, including alternative phase-in rates and poverty thresholds. Section 9.4 explains why using combined income with a single-person poverty guideline undermines the SSR. Section 9.5 uses illustrative examples to show the effects of updated SSRs under alternative net-income calculations. Section 9.6 discusses the interaction of the SSR with childcare and health add-ons. Section 9.7 presents a worksheet-based alternative adjustment, followed by key findings and recommendations in Sections 9.8 and 9.9.

9.1 Historical Context of Low-Income Adjustment in Florida

The original purpose of the SSR in the income shares model was to prevent child support payments from pushing a non-poor parent into poverty. The 1992 annual poverty guideline for a single person was $6,810, which equals $567.50 per month; Florida rounded this up to $650 for the SSR threshold. If the parents' combined income was less than $650, the child support schedule did not apply. Instead, "the [NCP] parent should be ordered to pay a child support amount, determined on a case-by-case basis, to establish the principle of payment and lay the groundwork for increased orders if the parent's income rises in the future."[29]

By the time of our first review of Florida's child support guidelines in 2004, the federal poverty guideline had increased by more than $200, but Florida's schedule of obligations had not been updated. In 2010, the SSR in Florida's schedule was increased to $800, but the poverty guideline had risen to over $900 per month by then. The schedule has not been updated since 2010.

The child support obligation calculated using the income shares methodology is phased in for low-income parents above the poverty line. Over the phase-in range, one child's basic child support obligation equals 90 percent of the difference between the parents' combined monthly net income and the 1992 federal single-person poverty guideline.[30]

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[29] Many income shares states specify a $50 minimum order. In Florida, no minimum amount is specified. However, the model schedule designed by Robert Williams that became the basis for Florida's current schedule was constructed in a manner that is consistent with a $50 minimum. Adding $50 to the 1992 poverty guidelines yields $617.50. The nearest $50 multiple above that is $650.

[30] See details of the process of computing the self-support reserve in Stefan Norrbin, David Macpherson, and Simona Andrei, *Review and Update of Florida's Child Support Guidelines, Report to the Florida Legislature*, Department of Economics, Florida State University, November 1, 2021.

9.2 Ineffectiveness of the Current Low-Income Provisions

The SSR in Florida's guidelines is intended to keep the NCP from falling into poverty. However, the SSR as it is currently formulated applies to just a handful of cases. It does not prevent the child support obligation from pushing a non-poor parent into poverty as intended. In the 2024 sample of DOR child support cases, only **6 out of 9,567 cases with one child** had a combined net income of less than $800 (the upper limit of the phase-in range for one child). Only **1 of 2,273 cases with two children** had a combined net income less than $950 (the upper limit of the phase-in range for two children). Therefore, in 2024, the SSR applied to almost none of the low-income cases even if the NCP's actual income was below the poverty line. There are two reasons the existing SSR is ineffective:

- the SSR is not updated to changes in the federal poverty guideline.
- the *combined* income of both parents is compared to the federal *single-person* Poverty Guideline.

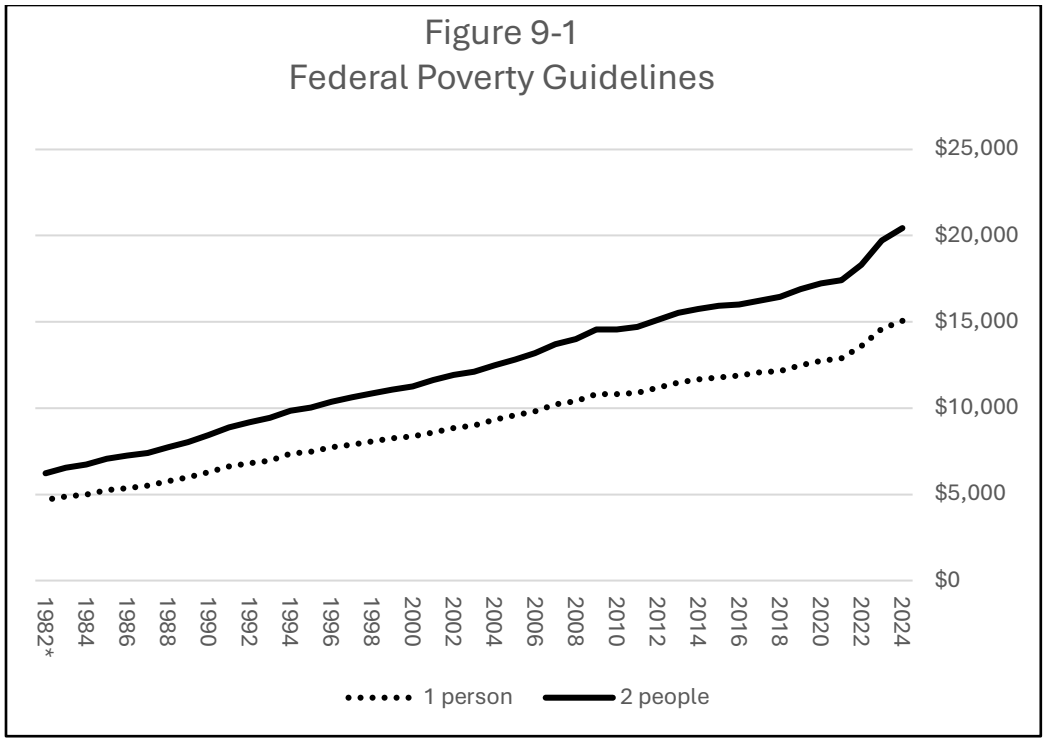
As a result, virtually no low-income cases receive relief from the SSR, even when an individual parent's income is below the poverty line.

9.3 Updating the Self-Support Reserve

As noted above, the single-person poverty guideline in 1992, when Florida's current child support schedule was adopted, was $567.50 per month. When the schedule was updated in 2010, the lowest three income categories ($650, $700, and $750) were deleted, but the obligations for incomes greater than or equal to $800 were not changed even though the poverty guideline had risen to $1073 by 2021.[31] Thus, because of the failure to update, Florida's self-support reserve and most of the phase-in range are now *below* the current poverty guideline. Instead of preventing child support from impoverishing non-poor parents, the SSR and the phase-in apply, if at all, only to parents who are already in poverty and not to all of those.

Except for the increase in the SSR in 2010, the low-income adjustment has not been addressed. The simplest adjustment is to update the federal poverty guidelines. The federal poverty guidelines have increased substantially since the 2010 adjustment as can be seen in Figure 9-1. The figure shows an increase from $10,830 in 2010 to $15,060 in 2024 for 1 person. That is an **increase of almost 40%.**

[31] The schedules are available at https://aspe.hhs.gov/poverty-guidelines



If we update the current table with the federal poverty guidelines, we can see a different phase-in process than the current one. However, there are two issues to address when updating the SSR. First, we must select the year for the update. Here, we are focusing on comparing the update to the 2024 DOR data, so we update the SSR to the 2024 federal poverty guidelines. Second, we need to decide on the phase-in speed. In other words, how quickly the SSR diminishes.

For additional income above the poverty guideline, the cost of a child is increased but only slightly if the income is within the phase-in range. That small increase causes the child's cost to gradually approach the actual guidelines by a certain percentage, until it matches the guidelines. This period is called a phase-in period and offers a low-income adjustment from the standard guidelines, but it does not guarantee that the NCP is not in poverty.

Updating the Poverty Guideline significantly increases the number of cases helped by the existence of a SSR. Table 9-1 shows the updated phase-in range for 1-3 children. A 0.9+ phase-in is used, with 0.90 for 1 child, 0.91 for 2 children, and 0.92 for three children. This phase-in scheme is used in the current guidelines. As seen in Table 9-1, the number of household incomes within the phase-in would rise sharply simply by updating the Poverty Guideline. However, almost all of these incomes fall within the phase-in region because one or both parents have a 0 income. Usually, an income is imputed if it does not exist, but in rare cases, income is not imputed. The reason for this is not clear.

Table 9-1. Updating 1-person Poverty Guideline with (0.9+ Phase-in Rate)

Child(ren)	Phase-in range	Number in Phase-in range	Total Households	Percent Coverage
1	1,300-1,650	257	9,567	2.7%
2	1,300-1,950	87	2,273	3.8%
3	1,300-2,300	68	542	12.5%

We next examine how lowering the phase-in factor extends the range of the phase-in region. Table 9-2 displays the number of incomes within the phase-in range when using a 0.5+ factor. This factor suggests that income is "taxed" at a 50% rate as it surpasses the poverty line. A 50% "tax" is quite high, but even such a rate significantly expands the phase-in range. For 1 child, the phase-in is 0.5; for 2 children, it is 0.55; and for 3 children, it is 0.60.

Table 9-2. Updating 1-person Poverty Guideline with (0.5+ Phase-in Rate)

Child	Phase-in range	Number in Phase-in range	Total Households	Percent Coverage
1	1,300-2,250	647	9,567	6.8%
2	1,300-3,200	561	2,273	24.7%
3	1,300-3,850	202	542	37.3%

The significantly higher coverage of incomes in Table 9-2 (7-37%) shows that expanding the income range will help more parents. There are still many parents with imputed incomes who are likely near or below the poverty line. Tables 9-1 and 9-2 are based on a single-person poverty guideline, while the income in the Child Support Table reflects a household of two. Next, we will consider increasing the poverty guideline to a 2-person federal poverty guideline.

9.4 Combined Income Is Compared to the Single-Person Poverty Guideline

The use of the parents' *combined income* to determine the basic child support obligation is inconsistent with a SSR and phase-in based on the *single-person* poverty guideline. The SSR and phase-in are rendered inoperable when combined income is used. In the vast majority of cases, the combined incomes of the two parents will be above the single-person poverty guideline even when one or both parents' individual income is below the guideline.

Table 9-3. Updating 2-person Poverty Guideline with (0.9+ Phase-in Rate)

Child	Phase-in range	Number in Phase-in range	Total Households	Percent Coverage
1	1,750-2,200	498	9,567	5.2%
2	1,750-2,700	113	2,273	5.0%
3	1,750-3,150	132	542	24.4%

Comparing Tables 9-1 and 9-3, one observes an almost doubling of the income coverage rate. The SSR affects more parents. Similarly, Table 9-4 covers many more household incomes than Table 9-2. Because the NCP's basic needs include housing and other costs that typically reflect at least a two-person household (NCP plus a roommate, partner, or child during visitation), a two-person poverty guideline arguably better reflects subsistence needs than a single-person threshold.

Table 9-4. Updating 2-person Poverty Guideline with (0.5+ Phase-in Rate)

Child	Phase-in range	Number in Phase-in range	Total Households	Percent Coverage
1	1,750-3,000	2,156	9,567	22.5%
2	1,750-4,100	995	2,273	43.8%
3	1,750-4,850	314	542	57.9%

9.5 Effect on the NCP and CP from Updating the Schedules

A concern is that updating the SSR will hurt the CP and the NCP will see the obligation decrease significantly. In this section, we explain how the phase-in period works and note that it only reduces the NCP's obligation, rarely eliminating it entirely. Additionally, most parents will be in the later part of the phase-in, so the impact will be limited. However, it would still meet the requirement that an effective low-income adjustment exists.

The effect will vary depending on how net income is calculated. Currently, about one-third of parents are imputed at the federal minimum wage, which results in a gross income of $1,257. However, even if both parents are imputed at the same rate, the net income differs because the custodial parent (CP) has at least one child and is therefore eligible for refunds from the IRS that exceed the taxes paid. As a result, a CP is likely to have a higher net income than gross income. We present two cases below to illustrate how to estimate the net income.

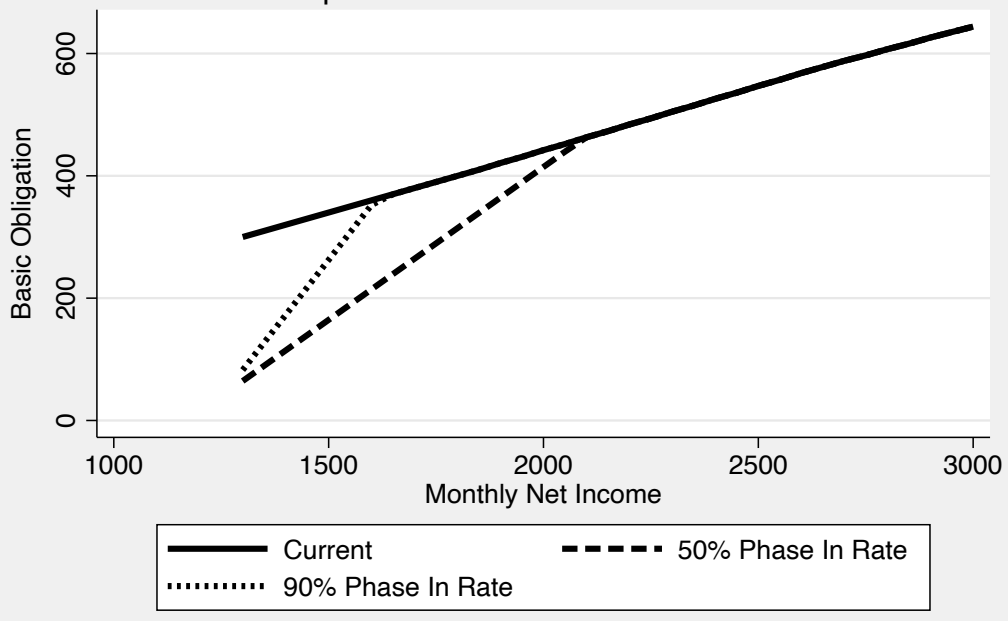
9.5.1 The effect on Basic Obligation during the Phase-in period

Using less than the current 90% phase-in will enable more low-income NCPs to get a reduced child support obligation. However, once the low-income earner exceeds the Poverty Guideline, they will still pay child support, just at a lower rate. Figure 9-2 shows an **updated** 1-person Poverty Guideline to compare different phase-in periods. Note that we used an updated poverty guideline because the current schedule does not include a phase-in period for 1 child.

In Figure 9-2, if the joint income is below $1,300, the NCP will be in poverty and will not pay any child support or the amount that the court determines is necessary. Recall that child support is based on household income, so both parents' combined income must be below $1,300. When the joint income exceeds $1,300, the child support obligation increases gradually until it aligns with the standard schedule.

The lower the phase-in rate is set, the longer the income remains in the phase-in period. In the figure, the 90% phase-in disappears quite early, around a $1,650 joint income. As a result, few low-income earners benefit from a 90% phase-in. When the phase-in is lowered, the range extends to just over $2,250. At that point, the SSR no longer has an effect, although it slightly reduces the amount a low-income individual must pay from $1,300 to $2,250.

Figure 9-2
Comparison of Phase-in Factors: 1 Child



Note: Observations below the 2024 poverty line for a one person family have been deleted.

The Figure 9-2 shows the impact of different phase-in periods, and in Appendix C of Chapter 11, we present the updated schedule for the current guidelines, which include a 2-person federal poverty guideline and a 50% phase-in rate. Graphically, this means the phase-in period begins later in the figure at $1750 and concludes at a $3,000 combined income.

9.5.2 The Effect of the SSR Using Current Net Income Computation

Figure 9-2 illustrates visually how the SSR functions. In this section, we will examine an example involving two parents. In this example, both parents have imputed income at the federal minimum wage, resulting in a monthly net income of a little over $1,100 after FICA is deducted. In Table 9-5, we track the net income calculation using the DOR 2024 data set and analyze the impact of an updated 2024 Poverty Guideline for the case of one child with parents earning imputed income at the federal minimum level. This represents the most common scenario in the DOR data.

Table 9-5 illustrates the effect on the NCP and CP after the child support obligation. It shows that **both** the NCP and CP are in poverty after the child support payment is made using the current guidelines with the current self-reserve. The NCP starts just below the poverty guidelines and drops to $346 below the poverty line due to the child support obligation.

If the current guidelines included an updated SSR and a phase-in of 0.5, then the payment obligation from the NCP would decrease from $247 to $139, improving their deficit relative to the poverty guideline. Conversely, the CP (and child) would remain in poverty under the current guidelines and fall further into poverty after the adjustments. Unfortunately, there is no solution that would make both parties better off using the current net income calculations.

Table 9-5. Effect of Low-Income Adjustment on Parental Poverty (*Current Net Income From DOR*, One Child)

	NCP	**CP**
Gross Income	$1,257	$1,257
Net Income	$1,156	$1,121
NCP Child Support Payment	($247)	$247
Income After Child Support Payment	$909	$1,368
Federal Poverty Guideline	$1,255	$1,703
Income Remaining Above Poverty Guideline	**($346)**	**($335)**

Proposed Self Support Reserve Adjustment		
2-person with 0.5 phase-in factor		
Adjusted NCP Child Support Payment	($137)	$137
Income After Child Support Payment	$1,019	$1,258
Income Remaining Above Poverty Guideline	**($236)**	**($445)**

9.5.3 The Effect of the SSR Using NBER's TAXSIM Net Income Computations

In Table 9-6, we show the same case as in Table 9-5, but we calculate the net income using the National Bureau of Economic Research's (NBER) TAXSIM v.35. Two changes occur: both parents will receive an Earned Income Tax Credit (EITC), and the CP will have a Refundable Child Tax Credit. The EITC for the NCP is small, but it is larger for the CP. The refundable Child Tax Credit can only go to the parent with primary custody, so we assume that the CP has primary custody. With these assumptions, the net income level shifts, and both net incomes increase compared to Table 9-5. In fact, the CP's net income is significantly above the gross income. Table 9-6 shows that, in this case (a very common situation in the DOR data set), the NCP will have slightly lower payments but will still remain in poverty. Conversely, the CP will move out of poverty with the child support payment. Therefore, a small reduction in the payments the NCP receives during the phase-in period will not substantially harm the CP.

Table 9-6. Effect of Low-Income Adjustment on Parental Poverty (TAXSIM v.35 Net Income, One Child)

	NCP	**CP**
Gross Income	$1,257	$1,257
Net Income	$1,167	$1,627
NCP Child Support Payment	($299)	$299
Income After Child Support Payment	$868	$1,926
Federal Poverty Guideline	$1,255	$1,703
Income Remaining Above Poverty Guideline	**($387)**	**$223**

Proposed Self Support Reserve Adjustment (2-person with 0.5 phase-in factor)		
Adjusted NCP Child Support Payment	($261)	$261
Income After Child Support Payment	$906	$1,888
Income Remaining Above Poverty Guideline	**($349)**	**$185**

9.6 SSR Applies to the Basic Obligation Only

The SSR and phase-in range apply only to the basic child support obligation, not the total obligation. Even if the SSR and the phase-in effectively prevented the basic obligation from impoverishing parents, they would not prevent the total obligation from doing so. In the 2024 sample of 12,518 child support cases, 34 percent included some childcare expenses, and the average childcare obligation in these cases was **$464**. Health expenses were reported by 14.5% of the sample, and the average amount was **$137**. Thus, the added cost of childcare and health expenses adds high burden for the NCP.

In Table 9-5 the NCP ends up with a basic child support obligation of **$247**. If the NCP were to have to pay for the average childcare (for those with childcare costs) and average health expenses (for those with health care costs), with a share of household income of 51%, the total payment would be **$554**. More than doubling the child support payment and certainly put the NCP in poverty. In other words, if the NCP were not impoverished by the basic obligation alone, then the NCP certainly would become impoverished once the total obligation, including childcare and health costs, was accounted for. In fact, the average combined childcare and health expenses in this example exceed the basic obligation.

9.7 An Alternative to the SSR

An alternative to including a SSR in the child support schedule is to add a low-income adjustment to the support worksheet. A few extra lines on the worksheet can make the SSR more effective.

This section outlines an alternative worksheet adjustment that can substitute the SSR. In the 2021 Review of Child Support Guidelines, we detail how the SSR can be entirely replaced by a direct comparison to a one-person poverty level within the Child Support Worksheet.

Note that the alternative Child Support Worksheet can include the total obligation, allowing for childcare and health care costs. An example of the total obligation was shown in the 2021 Review of Florida Child Support Guidelines.[32] In this section we only discuss the basic obligation.

9.7.1. Low-Income Worksheet Adjustment

Table 9-7 shows an example of extra lines in the worksheet used to adjust the child support obligation for low-income NCPs. The example assumes both parents earn full-time minimum wage and have one child. Each parent's net income and the total net income are entered on line 1 of the Child Support Worksheet (not shown). The total income is $2,794, the child support amount from the schedule is $597, and the NCP's share of the obligation is $299.

In our new line 22, we reference the 2024 federal poverty guideline for a single person. The NCP's net income is $1,167, so in line 23, we record the amount of the NCP's net income that exceeds the poverty guideline, which is -$88. In the income shares model with a SSR, an NCP with one child pays 90 percent of this excess income as the child support amount. Line 24 displays the resulting child support payment, $0. Because the NCP was already below the poverty line, no payment is required, and it is up to the court to decide if a payment is necessary.

[32] Stefan Norrbin, David Macpherson, and Simona Andrei, *Review and Update of Florida's Child Support Guidelines, Report to the Florida Legislature*, Department of Economics, Florida State University, November 1, 2021.

Table 9-7. Low-Income Worksheet Adjustment for NCP (Net Income=$1,167)			
22.	Current Year Single-Person Poverty Guideline	$1,255	
23.	Compare Parental Income to Poverty Line [Subtract line 22 from line 1A or 1B. The parent owing support will be subject to the income comparison.]	($88)	
24.	Adjusted Excess Income [Multiply line 23 by 0.9. If less than zero, enter 0.]	$0	
25.	Sum of line 6 and line 4 for the parent owing child support	$299	
26.	Adjusted Net Obligation [Enter the smaller of line 24 or line 25, but not less than zero]	$0	
27.	Support Payment Owed, Subtract line 8 from line 26 [if less than zero then enter zero]*	$0	
*If line 27 is zero, the child support payment is to be determined at the discretion of the court.			

The proposed low-income worksheet adjustment compares the net income of the NCP only, not the combined income of both parents, to the single-person poverty guideline. This ensures that the child support payment neither impoverishes the NCP nor exacerbates an NCP's pre-existing poverty. The worksheet adjustment is also easily updated for changes in the poverty guideline without the necessity of revising the entire schedule (which, as we have noted, has been done only once since 1993).

9.7.2 Effect of Low-Income Worksheet Adjustment on Parental Poverty Rates

The effects of the worksheet adjustment on an NCP and CP with one child are shown in Table 9-8. Both parents are assumed to have full-time minimum-wage incomes. The upper part of the table displays the results of applying the current schedule with its SSR. The NCP initially earns $88 below the poverty line, but after paying child support, it drops to $387 below the line. The child support payment reduces the NCP's income. Conversely, the CP starts with a net income of $76 below the poverty line. After paying child support, the CP's income increases to $223 above the line.

Table 9-8. Effect of Low-Income Worksheet Adjustment on Parental Poverty (One Child)[33]

Current Schedule	**NCP**	**CP**
Gross Income	$1,257	$1,257
Net Income	$1,167	$1,627
NCP's Child Support Payment	($299)	$299
Income After Child Support Payment	$868	$1,926
Federal Poverty Guideline	$1,255	$1,703
Income Remaining Above Poverty Guideline	*($387)*	*$223*
Proposed Worksheet Adjustment		
NCP's Child Support Payment	$0	$0
Income After Child Support Payment	$1,167	$1,627
Income Remaining Above Poverty Guideline	*($88)*	*($76)*

The lower part of the table shows the impact of the proposed adjustment to the low-income worksheet. The NCP is initially $88 below the poverty guideline and remains below it after paying $0 in child support. The CP starts at $76 below the poverty line and remains at $76 after the child support payment.

9.8 Key Findings

- **Florida's self-support reserve is outdated** and almost never applies, rendering the low-income adjustment ineffective.
- **The current use of a one-person poverty guideline is insufficient**, particularly because combined income is compared to this threshold, and most cases involve two incomes.
- **Using a two-person poverty guideline substantially increases the number of low-income cases receiving relief.**
- **Expanding the phase-in range (e.g., using a 0.5 factor) dramatically increases coverage**, particularly for families with more than one child and allows for some adjustment for low-income NCPs.

[33] The CP's net income is higher than gross income because of the effect of the Earned Income Tax Credit and Refundable Child Tax Credit. We assume the CP is the custodial parent and use the 2-person federal poverty guideline for the CP.

- **Child support obligations often push low-income NCPs below poverty**, even when the basic obligation alone does not—because childcare and medical support are added after the self-support reserve is applied.
- **A worksheet-based low-income adjustment is simpler, more accurate, and more readily updated** than the current self-support reserve embedded in the schedule.
- **Net income calculation method (Tax Tables vs. NBER'S TAXSIM) affects both poverty status and payment impacts**, especially through refundable tax credits.

9.9 Recommendations

- **Replace the self-support reserve and phase-in with a worksheet-based low-income adjustment.** This adjustment should compare the NCP's *individual* net income to the poverty guideline and is simple to update annually. If adopting a revised worksheet is not the preferred alternative, then updating the SSR using a 2-person federal poverty guideline with a 0.5 phase-in will provide a partial adjustment for the NCP.
- **Update the schedule of child support obligations to reflect current federal poverty guidelines.** Even if the SSR is retained, it must be updated to remain effective.
- **Net income calculation method affects both poverty status and payment impacts**, especially through refundable tax credits. The net income measure should be calculated using TAXSIM. The publicly available TAXSIM program can be set up so that the worksheet automatically adjusts the entered gross income. Most cases are straightforward and only require gross income, number of children, and ages of children. This information can be automated since it exists in all cases. For more complex cases, the actual TAXSIM program can be used.
- **Flag and explain deviations from assigning an imputed wage to an individual**, in a similar way to how deviation reasons are reported from basic child support calculation.

CHAPTER 10
ADJUSTMENT FOR PREDICTED CHANGES IN INCOME

The child support orders are often established for a very long period. For example, the noncustodial parent (NCP) of a two-year-old child will typically pay support for 16 years, until the child turns 18. During this period, inflation and wage growth will change both the NCP's and custodial parents (CP)'s income levels, potentially raising the overall cost of the child and affecting the amount the NCP would be expected to pay if income were reassessed each year.

In this chapter, we use basic forecasts for national wage growth to compute the expected change in child-rearing costs for different "synthetic" families. We then compute the predicted path of the NCP's child support obligation over time for these families. Finally, we show how much wage growth would change the implied NCP payment over the entire child support period and how much the initial payment would need to be adjusted to cover the projected cost of the child over the full period.

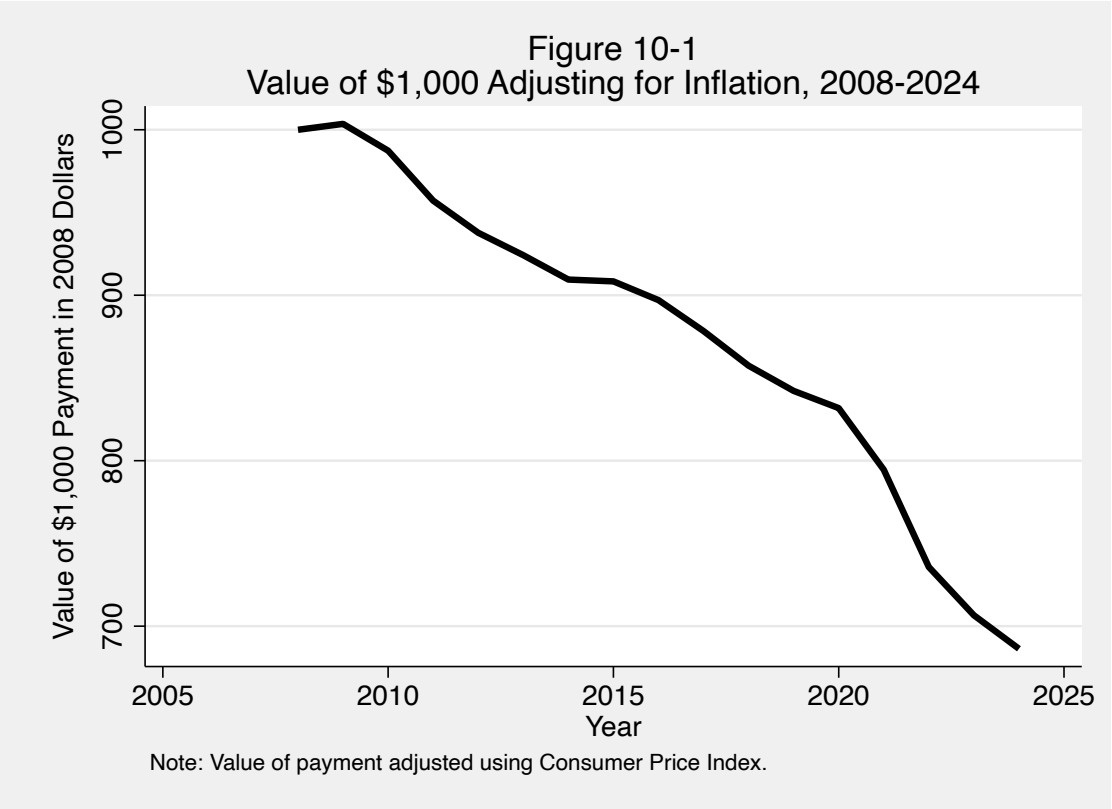
Child support payments are usually set at the amount determined initially by the state Department of Revenue (DOR) or the court. This amount does not automatically increase over time for inflation or wage growth; it only changes if a request for review is filed with DOR or the court. In Chapter 6, we looked at such requests and found that most do not lead to any change in the child support amount. Therefore, it is important to consider possible changes in parental income and child expenses over the time the child remains a minor when the order is first established.

We examine several types of cases to show that the **mean** implied obligation over the time the child is a minor can differ substantially from the amount owed at the time the child support order is initiated. In all that follows, we focus on the NCP's share of guideline child costs implied by projected parental incomes.

Section 10.1 illustrates how inflation alone erodes the real value of a fixed child support order. Section 10.2 describes recent and projected wage growth using the Employment Cost Index. Section 10.3 presents six illustrative scenarios using projected earnings and the current guidelines to show how implied obligations evolve over a 16-year support period. Section 10.4 summarizes key findings, and Section 10.5 offers recommendations for incorporating expected income and childcare changes into guideline calculations.

10.1 Inflation and the Real Value of a Fixed Order

To illustrate how inflation alone can erode the real value of a fixed child support payment, consider the following example. Suppose an NCP has a $1,000 monthly payment from 2001 through 2024. As Figure 10-1 demonstrates, the purchasing power of that $1,000 payment declines over time as consumer prices rise, as measured by the Consumer Price Index (CPI). By 2024, the real value of a $1,000 payment would have fallen to $686, a 31.4 percent decline in purchasing power.



This simple example shows that even if the nominal order remains constant, the real economic contribution to the child falls substantially over time when inflation is not taken into account. In practice, wage growth typically exceeds inflation, which means that the NCP's ability to pay may improve even as the real value of a fixed order declines. The next section therefore turns to wage growth.

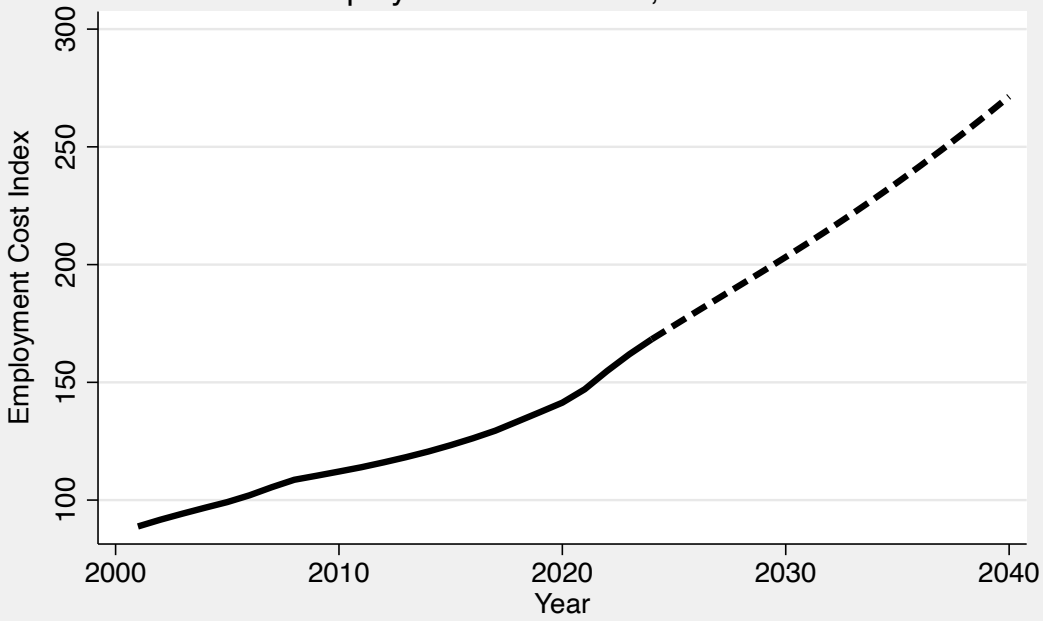
10.2 Wage Growth: Employment Cost Index

To demonstrate that payments should rise over the age of the child due to increases in income over time, Figure 10-2 presents the actual values of the Employment Cost Index (ECI) for private-industry wages and salaries, as published by the U.S. Bureau of Labor

Statistics, for 2001 through 2024, along with the January 2025 projections by the Congressional Budget Office (CBO) for 2025 forward. The ECI rises from 88.8 in 2001 to 168.3 in 2024. Thus, average private-sector earnings increase by 89.5 percent between 2001 and 2024, corresponding to an annual growth rate of about 2.8 percent. For 2024 to 2040, earnings are projected to grow at an annual rate of 3.0 percent.

These projections provide the basis for our forecasts of parental earnings and, in turn, of guideline child-rearing costs over a 16-year child support period.

Figure 10-2
Employment Cost Index, 2001-2040



Note: Employment Cost Index for Private-Industry Workers. Actual values for 2001 to 2024 and Congressional Budget Office projections for 2025 forward.

10.3 Six Illustrative Scenarios

To demonstrate the effect of income growth on the NCP payment over time, we present six scenarios for a family with a two-year-old child, with NCP payments starting in 2024 and ending in 2040. All scenarios assume that the child spends 20 percent of the time with the NCP, who is assumed to be the father.

Across scenarios, we vary the family's initial net income level and the mother's employment status. In each case, we project gross income forward using the CBO's ECI forecast, convert gross to net monthly income using a 7.65 percent deduction for Social Security and Medicare taxes, and then apply the current child support guidelines to determine child costs and the implied NCP obligation each year.

10.3.1 Florida Minimum-Wage Family

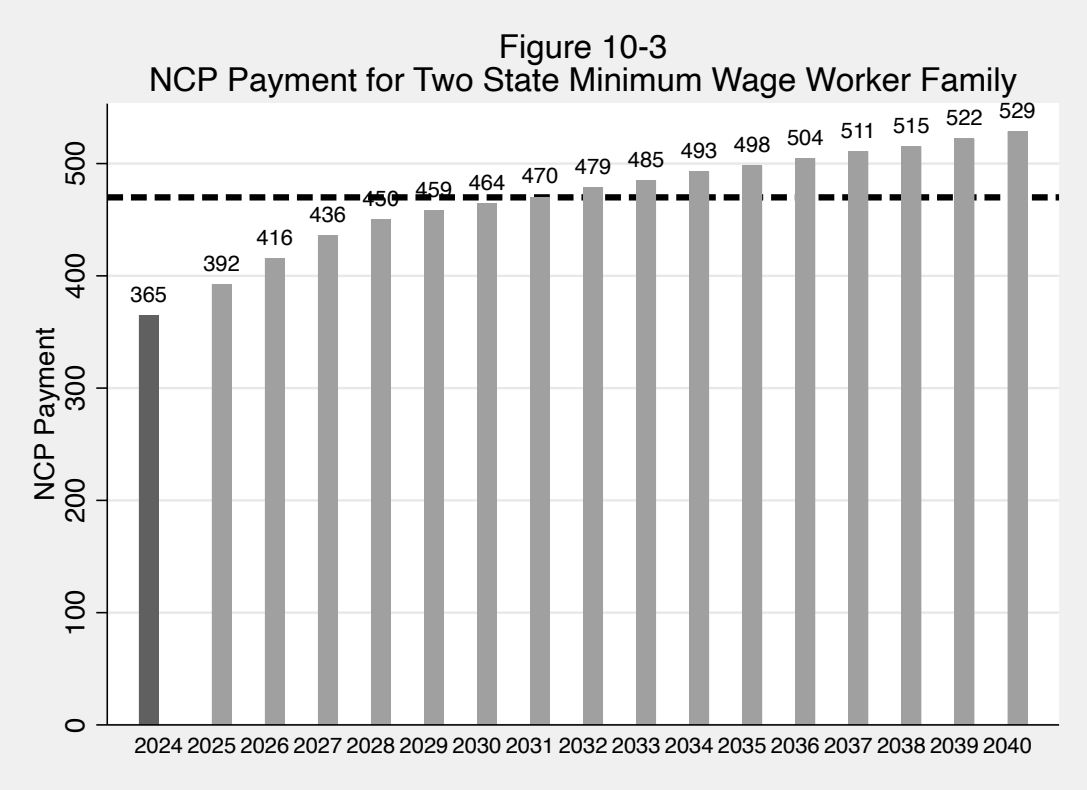
Table 10-1 provides the child's age, the father's and mother's net monthly income, the total child cost based on current child support guidelines, and the NCP payment for a couple in which both spouses are full-time, full-year workers earning the Florida minimum wage. The minimum wage is mandated to rise by $1.00 per year until it reaches $15.00 per hour in 2026, and then to rise by the inflation rate in the following years. This scenario therefore incorporates both mandated wage increases and projected inflation, with inflation forecasts based on the 2025 CBO projections for the CPI. Net monthly income is calculated by subtracting a 7.65 percent tax rate for Social Security and Medicare from gross income.

Table 10-1. Guidelines for Two Florida Minimum Wage Worker Family

Year	Age	Father's Net Income	Mother's Net Income	Child Cost	NCP Monthly Payment
2024	2	$1,961	$1,961	$811	$365
2025	3	$2,121	$2,121	$872	$392
2026	4	$2,281	$2,281	$924	$416
2027	5	$2,401	$2,401	$968	$436
2028	6	$2,509	$2,509	$1,000	$450
2029	7	$2,566	$2,566	$1,019	$459
2030	8	$2,623	$2,623	$1,032	$464
2031	9	$2,682	$2,682	$1,045	$470
2032	10	$2,742	$2,742	$1,064	$479
2033	11	$2,803	$2,803	$1,077	$485
2034	12	$2,866	$2,866	$1,096	$493
2035	13	$2,931	$2,931	$1,107	$498
2036	14	$2,997	$2,997	$1,121	$504
2037	15	$3,064	$3,064	$1,136	$511
2038	16	$3,134	$3,134	$1,145	$515
2039	17	$3,204	$3,204	$1,160	$522
2040	18	$3,277	$3,277	$1,175	$529

The table shows that both the father's and the mother's net monthly income rise over time. Combined net monthly income is projected to increase from $3,922 in 2024 to $6,554 in 2040, a 63 percent increase. Correspondingly, the total child cost rises from $811 to $1,175, a 45 percent increase. The NCP's monthly payment also increases by 45 percent, from $365 to $529. The mean NCP payment over the 16-year period is $470, or $105 higher than the initial NCP payment of $365.

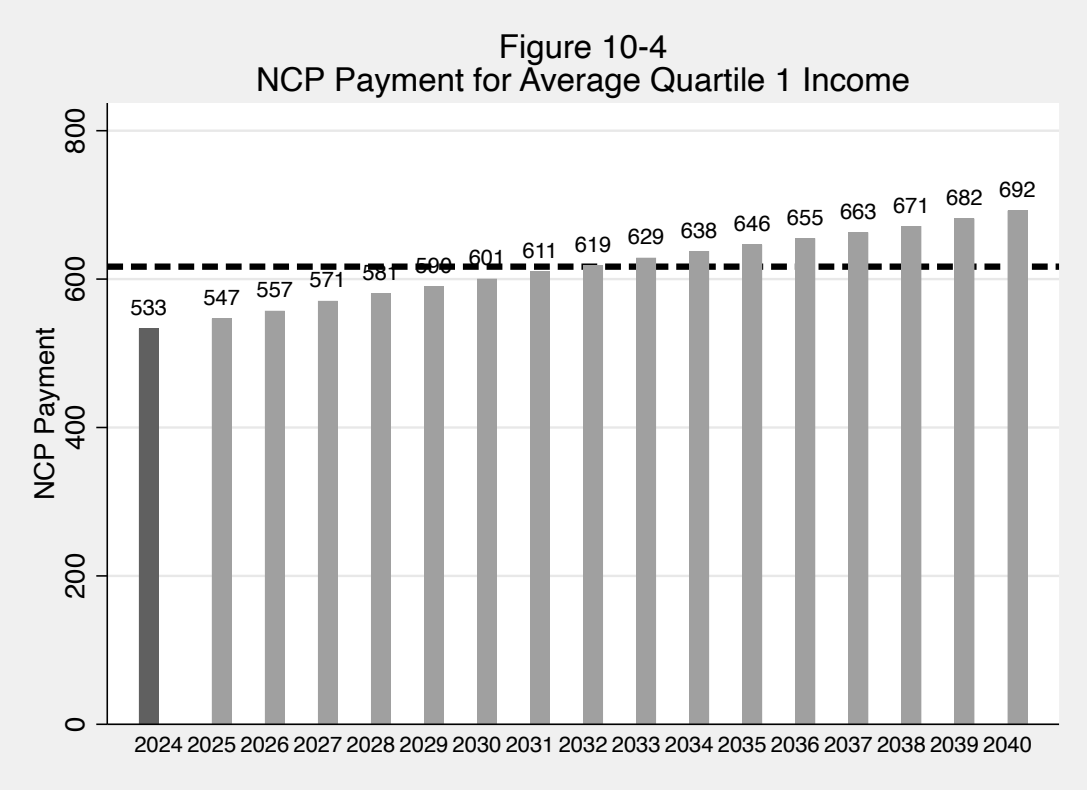
Figure 10-3 presents the path of the NCP payments for this two–minimum-wage-worker family. As shown in Table 10-1, the NCP payment rises from $365 in 2024 to $529 in 2040, while the dashed line represents the mean NCP payment of $470 over the 16 years. **Thus, the payment would be 29 percent higher than the initial payment.**



10.3.2 First Quartile, Two-Earner Family

Figure 10-4 presents the NCP payment for a family with average net family income in the first quartile of net income ($5,008 per month). The mother's income is assumed to be 80 percent of the father's income. Income for both spouses is forecasted using the CBO's projections of the ECI for private-industry workers.

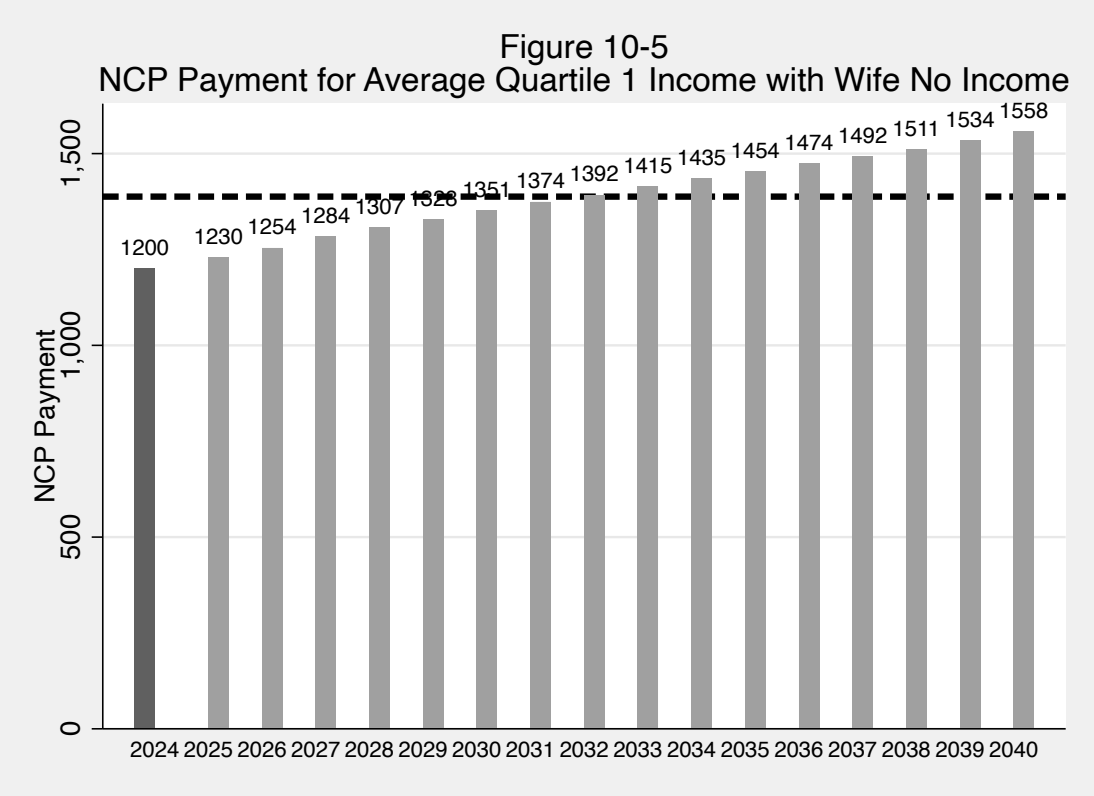
In this scenario, the NCP payment is projected to rise from $533 in 2024 to $692 in 2040, a 30 percent increase. The average NCP payment over the 16 years would be $617, or $84 higher than the initial NCP payment of $533. **The payment would therefore be 16 percent higher than the initial payment.**



10.3.3. First Quartile, One-Earner Family

Figure 10-5 presents the NCP payment for a family with the same average net family income in the first quartile but assuming no earned income for the mother. In other words, the father's earnings alone generate the family's net income, and the guideline child cost reflects that asymmetry in incomes.

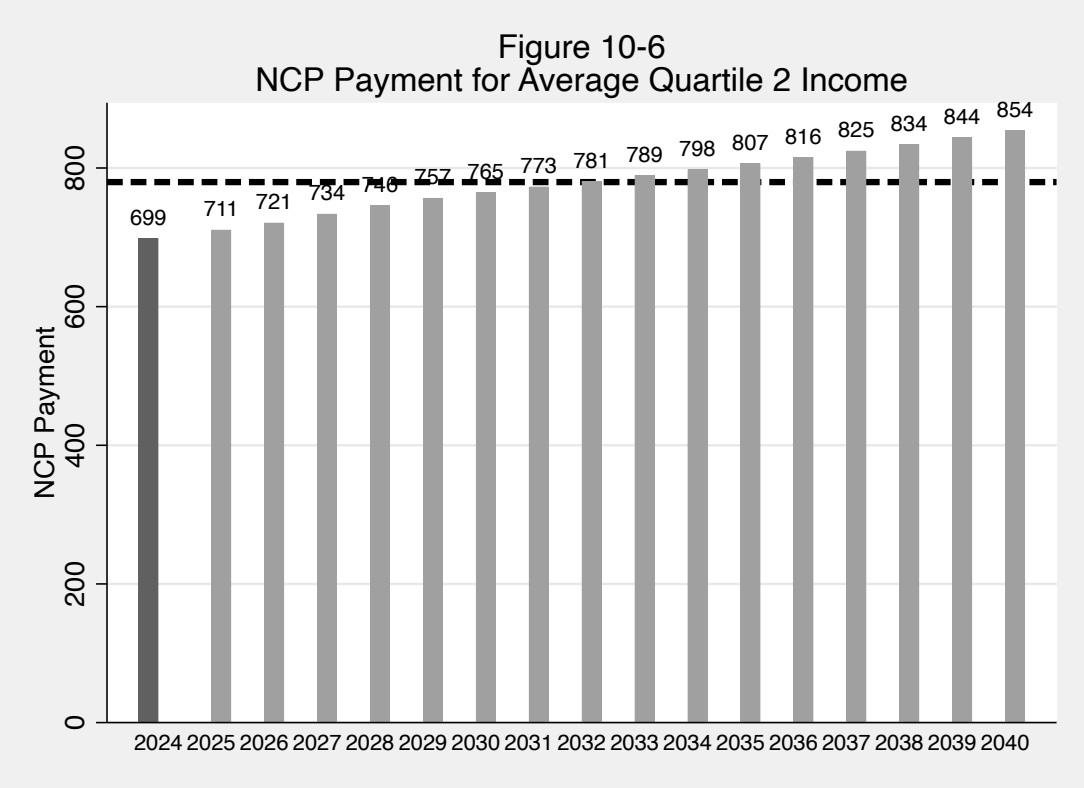
The NCP payment in this case is projected to rise from $1,200 in 2024 to $1,558 in 2040, a 30 percent increase. The average NCP payment over the 16-year period would be $1,388, or $188 higher than the initial payment of $1,200. **Again, the payment is 16 percent higher than the initial payment.**



10.3.4. Second Quartile Family

Figure 10-6 presents the NCP payment for the average net family income in the second quartile of net income ($8,245 per month). As before, the mother's income is assumed to be 80 percent of the father's income, and both incomes grow at the projected ECI rate.

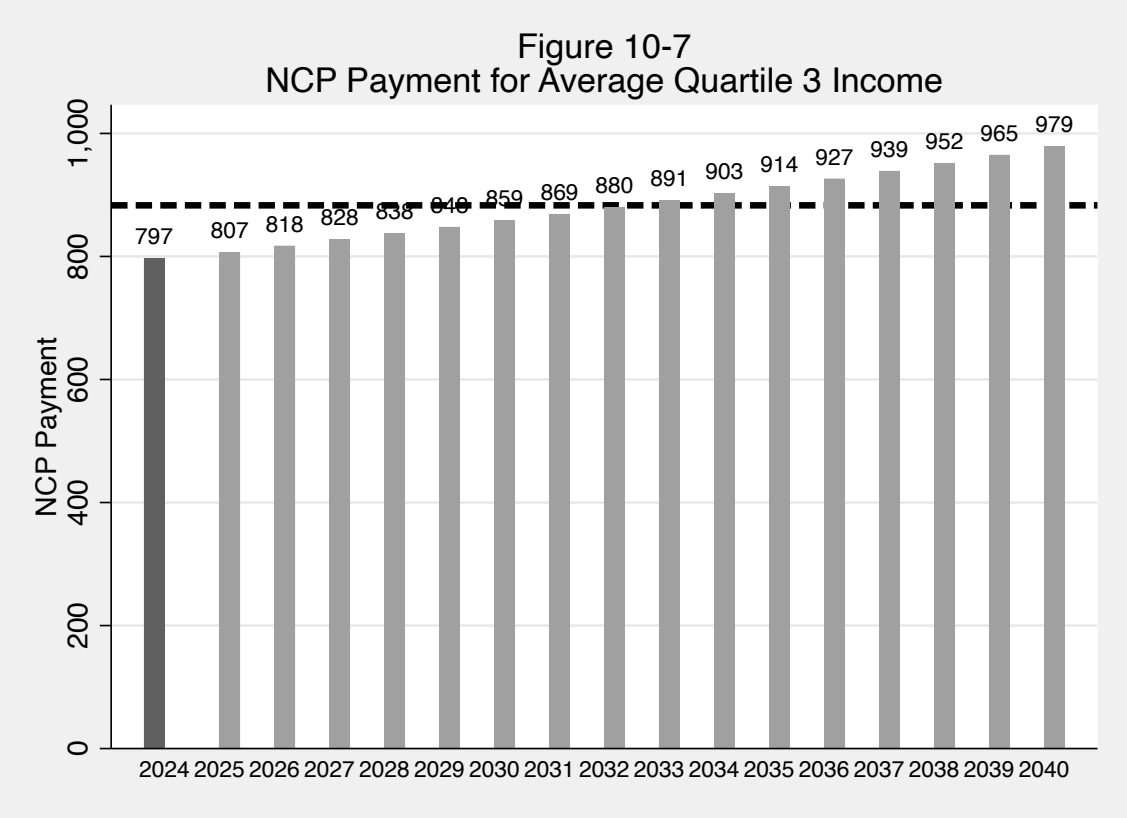
In this scenario, the NCP payment is projected to increase from $699 in 2024 to $854 in 2040, a 22 percent increase. The average NCP payment over the 16 years would be $780, or $81 higher than the initial NCP payment of $699. **The payment would be 12 percent higher than the initial payment.**



10.3.5. Third Quartile Family

Figure 10-7 presents the NCP payment for the average net family income in the third quartile of net income ($11,142 per month). The mother's income is again assumed to be 80 percent of the father's income.

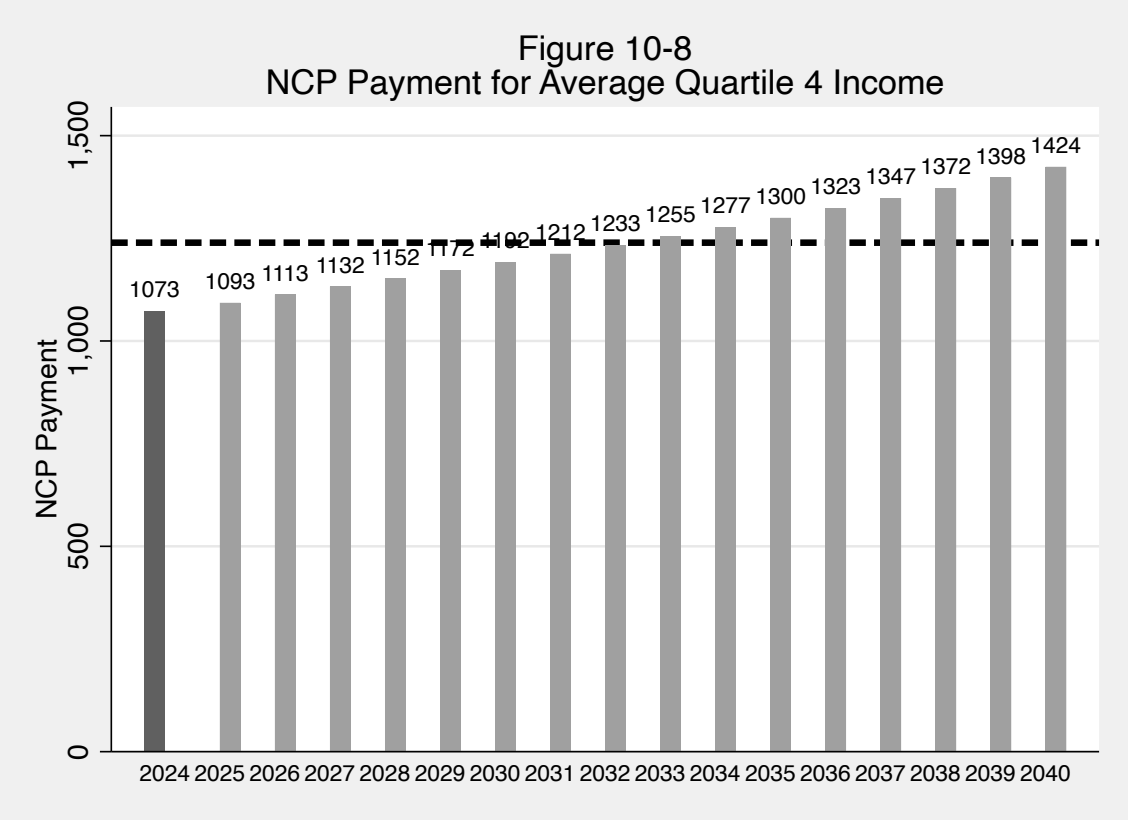
Here, the NCP payment is projected to rise from $797 in 2024 to $979 in 2040, a 23 percent increase. The average NCP payment over the 16-year period would be $883, or $86 higher than the initial NCP payment of $797. **The payment would be 11 percent higher than the initial payment.**



10.3.6 Fourth Quartile Family

Figure 10-8 presents the NCP payment for the average net family income in the fourth quartile of net income ($21,495 per month). As in previous quartile scenarios, the mother's income is assumed to be 80 percent of the father's income, with both incomes growing according to the ECI projection.

In this highest-income scenario, the NCP payment is projected to rise from $1,073 in 2024 to $1,424 in 2040, a 33 percent increase. The average NCP payment over the 16-year period would be $1,239, or $166 higher than the initial NCP payment of $1,073. **The payment would thus be 15 percent higher than the initial payment.**



10.4 Key Findings

- **Core point:** because child support orders often last many years, a payment fixed at the starting level can diverge substantially from what guideline-based obligations would imply as incomes grow.
- **Inflation erodes the real value of a fixed nominal order**: A $1,000 monthly payment set in 2001 would have the purchasing power of about $686 by 2024 (a 31.4% decline in real value).
- **Wage growth provides the main rationale for rising nominal payments over time**: the chapter uses the Employment Cost Index (ECI) history and CBO projections to forecast parental earnings through a 16-year support horizon.
- **Across six illustrative scenarios (child age 2 in 2024 through age 18 in 2040), the NCP's guideline-implied payment rises meaningfully over time**, with increases ranging from about the low 20s percent to the mid 40s percent depending on the scenario.

- **Lower-income families show the biggest gap between the initial payment and the average obligation over the full period**: in the two–minimum-wage-worker case, the payment rises from $365 (2024) to $529 (2040), and the mean over the period ($470) is 29% higher than the initial payment.
- **Even in the quartile-income scenarios, the mean 16-year payment exceeds the initial payment** (roughly 11% to 16% in the examples), implying systematic underpayment if orders are never updated.

10.5 Recommendations

- **Build in the expected wage growth into the worksheet**. Across the sample families, the projected contribution of the NCP to the cost of the child substantially exceeds the initial child support obligation.
- **Create a companion sheet for the worksheet that automatically adjusts net income.** This companion worksheet can estimate the average future expected income based on the child's age. The result is an adjustment to the current net income, which is displayed as an additional line on the worksheet. This visibility helps both parents recognize that future changes are considered, potentially reducing the likelihood of requesting a review of the child support order later.
- **Incorporate expected adjustment for childcare expenditures directly into the initial child support obligation.** The expected reduction in childcare costs as the child grows older can be incorporated while an expected income adjustment takes place.

CHAPTER 11
IMPLEMENTING RECOMMENDATIONS

For child support guideline reforms to achieve their intended effects, they must be translated into usable tables, a reliable electronic worksheet, and clear decision rules that can be applied consistently by the Department of Revenue (DOR), courts, and practitioners. Many of the report's recommendations require coordinated updates to the Schedule of Child Support Obligations and the worksheet logic so that adjustments are automatic, transparent, and maintainable over time.

This chapter describes how to operationalize the report's recommendations, including sequencing, dependencies, and the agencies and staffing required for implementation. The focus is on implementation-ready steps: selecting and documenting policy parameters, embedding them consistently in both published tables and the electronic worksheet, and establishing version control for future updates.

Because guideline tables and worksheet formulas interact—and inconsistencies between them would create confusion for users and potential errors in calculated obligations—implementation choices should be made as a package. For example, adopting a self-support reserve (SSR) and phase-in schedule requires parallel changes to the published tables and the worksheet. Likewise, implementing updated visitation credits and federal tax treatment requires worksheet logic that eliminates discontinuities and reflects current law under documented default assumptions.

Section 11.1 describes the process for constructing and publishing new guideline tables, including the SSR and phase-in adjustment. Section 11.2 explains how to implement a continuous visitation credit that removes the current 20 percent cliff. Section 11.3 outlines a rules-based federal tax module (TAXSIM-style) that captures refundable credits. Section 11.4 describes the steps needed to implement evidence-based income imputation benchmarks in a manner consistent with statutory requirements. Sections 11.5-11.6 describe companion-sheet adjustments for expected wage growth and expected childcare costs so initial orders better reflect expected average obligations over time. Finally, Section 11.7 provides an implementation roadmap with governance and maintenance procedures to keep tables and worksheet inputs current.

11.1 Constructing a New Child Support Guidelines Table

This section provides an implementation-ready process for constructing and publishing an updated Schedule of Child Support Obligations. Building the schedule requires a small set

of policy parameters to be finalized and then embedded consistently in the guideline tables and the electronic worksheet.

11.1.1 Implementation Decisions

This section discusses how the updated Child Support Guidelines were constructed. The base schedule uses the Chapter 4 estimates (Consumption Cost Engel approach with a net income adjustment) as the baseline schedule. This choice preserves the methodology used to derive the currently used tables while reflecting the Chapter 4 findings.

For low-income treatment, two implementation paths exist: implementing a low-income adjustment directly in the electronic worksheet (with no new tables) or updating the self-support reserve (SSR) and publishing new tables that incorporate the SSR and a phase-in adjustment. The tables presented here follow the second path so the low-income adjustment is transparent in both the published schedule and the worksheet.

The SSR threshold is set using the most recent federal poverty guidelines. Because Florida uses a combined income approach, the recommended default is the 2-person guideline. This threshold ensures the noncustodial parent retains enough income to meet basic subsistence needs while maintaining minimal resources for contact with the child. For the 2026 guideline year, the 2-person federal poverty guideline is $21,640 annually, which corresponds to a monthly threshold of $1,803. The 1-person alternative (see Appendix B) may be appropriate when only one parent's income is considered in establishing the obligation.

A 50% phase-in rate is applied so obligations return gradually to the baseline schedule as combined net income exceeds the SSR threshold. When income is above the SSR threshold, the adjusted obligation equals the SSR-based floor plus 50% of the difference between the baseline obligation and the floor. This adjustment continues until it converges back to the baseline schedule.

11.1.2 Table Construction

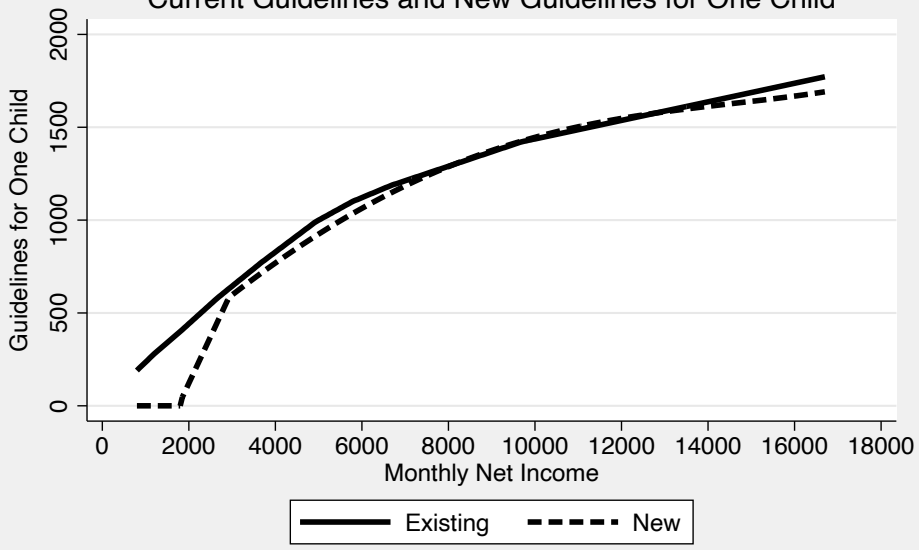
The table construction process begins by generating the base guidelines, populating the schedule with the combined monthly net income and the number of children using the Chapter 4 baseline estimates. The SSR floor is then applied within the poverty range by identifying the net income region below the monthly SSR threshold and applying the self-support reserve adjustment to reduce obligations in that range.

For net incomes above the SSR threshold, the phase-in adjustment is applied using the 50% phase-in rate, so the obligation transitions smoothly from the SSR-adjusted floor back toward the baseline amount. The published schedule documents these formatting and decision rules clearly: in Appendix A, shaded cells indicate net income ranges below the

poverty line, bold values indicate where the SSR and phase-in adjustment apply, and unshaded cells follow the baseline schedule.

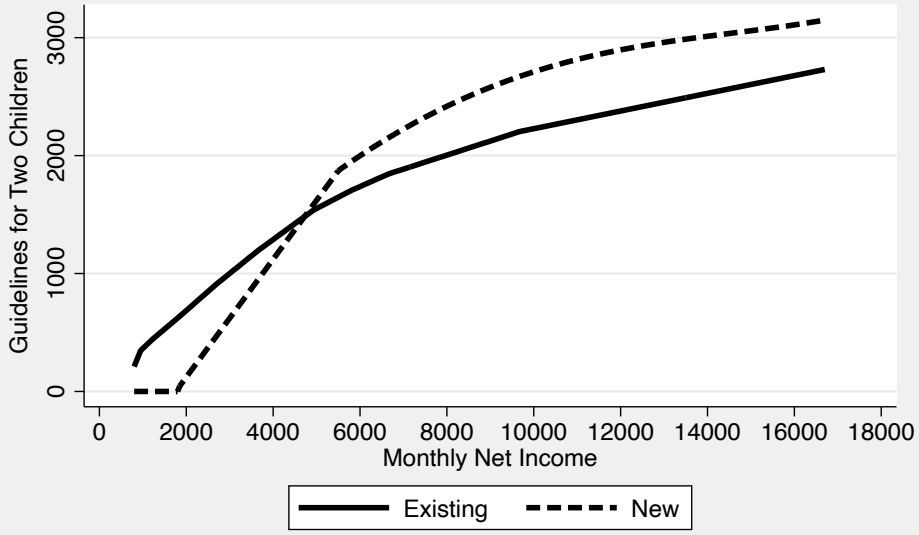
Finally, reasonableness and continuity checks are conducted by comparing the updated schedule to the current schedule to verify that differences occur primarily in the intended ranges. Figures 11-1 to 11-3 provide illustrative comparisons for one, two, and three children. Under the updated schedule, the obligation is lower at low incomes due to the SSR, with approximate crossover points at about $3,000 (one child), $5,000 (two children), and $6,000 (three children) in monthly net income.

Figure 11-1
Current Guidelines and New Guidelines for One Child



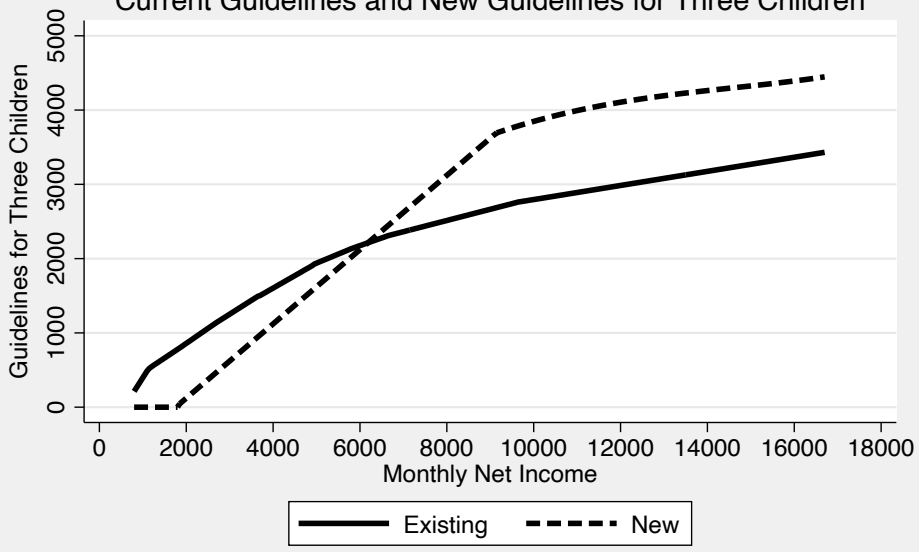
Note: For net monthly income of $16,700, the current guidelines increase the obligation by 5% of net income and the new guidelines increase the obligation by 7.5% of net income.

Figure 11-2
Current Guidelines and New Guidelines for Two Children



Note: For net monthly income of $16,700, the current guidelines increase the obligation by 7.5% of net income and the new guidelines increase the obligation by 13.2% of net income.

Figure 11-3
Current Guidelines and New Guidelines for Three Children



Note: For net monthly income of $16,700, the current guidelines increase the obligation by 9.5% of net income and the new guidelines increase the obligation by 18.1% of net income.

11.1.3 Distribution and Maintenance

For usability, distribute the full schedule in an electronic format (for example, embedded in the electronic worksheet or provided as a companion spreadsheet) so users can reliably look up values and verify the applied SSR and phase-in logic.

Update the schedule (and the SSR threshold) when the federal poverty guidelines are released. The updated table should include the parameter values (poverty guideline year, SSR threshold, and phase-in rate) used for each release.

11.1.4 Special Cases and Comparison Tables

In special cases where one parent's income might not be imputed, Appendix B provides an alternative table based on the 1-person 2026 Federal Poverty Guideline of $15,960, using the same 50% phase-in rate.

For comparison, Appendices C and D apply the same SSR and phase-in parameters to the **current** guideline schedule using the 2-person and 1-person poverty guidelines, respectively.

11.2 Implementing Updated Visitation Credits

In this section we discuss how visitation credit can be implemented for all levels of visitation. The Florida Statute already has language that allows an adjustment both above and below 20% visitation. From Florida Statute 61.30:

> (11)(a) The court may adjust the total minimum child support award, or either or both parents' share of the total minimum child support award, based upon the following deviation factors: ...
>
> 10. The particular parenting plan, a court-ordered time-sharing schedule, or a time-sharing arrangement exercised by agreement of the parties, such as where the child spends a significant amount of time, but less than 20 percent of the overnights, with one parent, thereby reducing the financial expenditures incurred by the other parent; or the refusal of a parent to become involved in the activities of the child.[34]

However, the current Child Support Guideline Worksheet only implements an adjustment for visitation at 20% or above overnight stays. Therefore, any adjustment made below 20% is considered a deviation from the Child Support Guideline. The Child Support Worksheet can be revised to accommodate visitation adjustments directly into the worksheet. Once this is accomplished, the adjustment will be automatic rather than having to be done without explicit guidelines and will not be treated as a deviation from the basic Child Support Guideline amount. This revision of the worksheet will need to be a joint effort between DOR, EDR, and the technical consultant under contract to EDR. The current worksheet adjustment starts at 20% and assumes that duplicated costs are 50% for anyone above that level. This

[34] https://www.flsenate.gov/Laws/Statutes/2018/61.30

formula needs to be reworked to offer a continuous visitation credit to encourage the NCP to visit with the child as much as possible without the cliff effect of 20%.

11.3 Implementing A Revised Method for Treating Federal Taxes

The current methodology uses tax tables that do not reflect the actual tax treatment of income, especially following recent changes in credits for families with children. We recommend computing taxes using an NBER/TAXSIM-style approach—that is, a rules-based calculator that programmatically applies statutory tax rates, brackets, exemptions, and credits based on household characteristics—rather than relying on static lookup tables. This approach models key federal provisions (including the Earned Income Tax Credit and the Child Tax Credit) under transparent default assumptions. Chapter 9 shows that incorporating these provisions can materially change net income, particularly for the custodial parent.

These calculations can be implemented in a worksheet module (or embedded service) that maps the existing worksheet inputs to a standardized federal tax estimate. In addition to gross income, age, and number of children, the module should apply documented defaults for any unobserved items needed for tax determination (e.g., filing status and dependency claims) and allow overrides only when supported by documentation. The consultant, in cooperation with the Legislature, EDR, and DOR, can design and maintain this module so the electronic worksheet automatically computes tax deductions and refundable credits.

11.4 Implementing A Revised Method for Imputing Income

Florida's child support framework permits imputing income when a parent is voluntarily unemployed or underemployed, but the imputed amount must be supported by competent, substantial evidence tied to the parent's recent work history, occupational qualifications, and prevailing earnings in the local community. The basis for imputation should be stated in the support order, and—absent specific statutory exceptions—imputation should not rely on income records more than five years old or assume an income level the parent has never earned without evidence of a recent offer, comparable qualifications, or a reasonable near-term prospect of earning at that level.

To help decision makers apply these standards consistently when documentation is missing, incomplete, or not credible, Chapter 8 develops empirically grounded benchmarks based on a small set of characteristics that are typically observable in child support cases. Using 2021–2023 ACS microdata for single, civilian Florida residents ages 19–50 with positive income, incomes are expressed in 2024 dollars and separate log-income regressions are estimated for men and women using age group, education, residence in a

large metropolitan area, and whether the parent has children. The resulting predicted monthly incomes are intended as reference values—useful for anchoring imputation decisions—but they do not replace the case-specific findings required by statute and can be overridden when credible evidence supports a different earning capacity.

Implementation requires (i) standardized collection of the characteristics needed to map a case to the benchmark schedule (at minimum: sex, age group, education, metro/county of residence, and number of own children, with optional enhancements such as occupational field, recent employment status, and prior earnings when available), and (ii) reason codes documenting why income was not imputed or why actual income is used despite apparent underemployment. DOR, EDR, and the technical consultant can pilot this data collection for a defined period (e.g., two years), evaluate how well the benchmarks align with adjudicated outcomes, and then embed a simple “imputation attachment” in the electronic worksheet that displays the benchmark range and prompts users to document supporting evidence and any deviations.

11.5 Incorporating Future Expected Changes in Earnings

Child support orders often remain fixed in nominal terms for many years even though parental earnings typically rise over time. Because guideline child-rearing costs are tied to income, this can create a predictable gap between the initial guideline-based obligation and the average guideline-implied obligation over the remaining support horizon. As illustrated in Chapter 10, the projected contribution of the noncustodial parent to the cost of the child exceeds the initial child support obligation by about 11 percent to nearly 30 percent when earnings are forecast forward using standard wage-growth assumptions.

To address this, the worksheet should include an explicit Expected Wage Growth adjustment implemented through a companion "income growth" sheet. Using a transparent, publicly available benchmark—historical wage growth from the Employment Cost Index (ECI) combined with Congressional Budget Office (CBO) projections—the companion sheet would compute an average expected earnings factor over the remaining years until the child reaches majority and apply it to each parent's current income. The main worksheet would then display an additional line—"Adjusted Net Income (Expected Wage Growth)" - and calculate an "expected average obligation" using the adjusted incomes alongside the baseline guideline amount.

For example, suppose the NCP has current net income of $3,500 per month, the CP has current net income of $2,500, and the child is 6 years old (12 years until majority). If long-run nominal wage growth is projected at 3.5% annually, average expected income over the 1two-year horizon can be approximated by multiplying current income by an average growth factor. Using a simple geometric average, the factor is approximately 1.22 (representing the

midpoint of expected earnings over the period). The adjusted combined income would be ($3,500 + $2,500) × 1.22 = $7,320 instead of $6,000. Looking up the baseline obligation at $7,320 combined income rather than $6,000 produces an "expected average obligation" that accounts for predictable income growth.

Implementation should follow Chapter 10's recommendation that the companion sheet estimate average future expected income based on the child's age and present the result as a visible worksheet line item, which helps parties understand that predictable future changes are being accounted for. To keep the adjustment standardized and up to date, DOR/EDR and the technical consultant under contract to EDR can refresh the ECI/CBO benchmark periodically as new projections are released. Finally, Chapter 10 recommends coordinating this earnings-growth adjustment with expected changes in childcare expenses so the initial order better reflects the expected average obligation over time rather than a single point-in-time snapshot.

11.6 Implementing Guidelines for Expected Childcare Payments

In Chapter 5 we pointed out how large of an effect childcare costs have on the NCP's obligation. For the 4,211 parents with childcare the average childcare expense was $464. This would increase the child support obligation of the NCP from a basic obligation of $592 to a total obligation of $819, increasing the obligation ratio of net income from 23% to 32%. However, this large childcare cost will decrease as the child grows up. The child support obligation should therefore change each year. However, unless a review of the case is requested to DOR or to the judicial system, the initial child support obligation will remain until the child is no longer a minor. This large initial cost could be smoothed out using the same expectation technique as in section 11.5 for the future earnings.

To smooth out the childcare costs one needs to predict how many years the cost will remain and how the cost is expected to change over time. Infants have the highest daycare costs and as the child ages the costs become lower. Thus, the predicted changes in daycare cost must be established when the obligation is entered.
For an example of such a smoothing technique, assume that the child is an infant when the child support obligation is determined. The child support obligation will be effective for 18 years.

- In year 1 (the child is 0 years old) and infant childcare cost is **$1,000** a month.
- In year 2 (the child is a 1-year-old) the cost decreases by some fraction X% (let's assume 20%) to some new expected rate of **$800.**
- Ages 2–4: monthly childcare cost remains **$800.**

- Ages 5–12: school-age childcare cost decreases (illustratively by 50%) to **$400** per month.
- then at age 13-17 years the child goes to school and can stay at home unsupervised resulting in **zero** childcare expenses.

Let us assume that the parents, of the infant, file for child support at the beginning of the year the child is born. Add all the expected payments

($1,000*12) {*Age 0*} + ($800*12*4) {*Age 1-4*} + ($400*12*8) {*Age 5-12*} = $88,800

Let us assume that the NCP has net earnings of $2,000 and is the only parent with income. The NCP has a basic obligation of $553 and would pay the entire childcare cost. Currently, the total child support obligation would be $553 + $1,000= **$1,553 or 77.7% of the net income**. If we smooth out the cost of childcare over the total number of months that the childcare obligation is owed (216 months), then it would be $88,800/(18*12) = $411. Thus, the total obligation would be $553 basic obligation + childcare $411. Thus, the total obligation would be **$964 or 48.2% of net income**. The obligation would be substantially lower, and there would be no need for the obligation to be recomputed each year. This should save court time and make the burden of the payment more feasible for the NCP.

Such a schedule is feasible to implement within the electronic worksheet: the user would enter the child's age and the current childcare cost, and the companion sheet would compute the expected average childcare amount over the remaining support horizon.
EDR, DOR, and the technical consultant can work together to estimate expected reductions in childcare expenses as children age and to publish standardized parameters for worksheet use.

The percentages in the above illustration (e.g., a reduction from infant care to ages 1–4, and a further reduction at school age) are placeholders; the final schedule should be empirically grounded using available data sources such as Child Care and Development Fund (CCDF) administrative records, the Consumer Expenditure Survey, or Florida-specific childcare market surveys. The task force should also consider whether parameters should vary by geographic area, given that childcare costs in urban areas like Miami differ substantially from those in rural counties.

Note that the smoothing calculation above uses a simple average of nominal future costs without discounting. This approach was chosen for simplicity and transparency; a present-value adjustment would reduce the smoothed amount by accounting for the time value of money but would add computational complexity. If a discounted approach is preferred, the companion sheet could apply a standard discount rate (for example, tied to the rate on Treasury securities) when averaging future childcare costs. Once the methodology is

established, the schedule can be embedded in the worksheet formula (in the same way the basic child support obligation is calculated).

11.7 Implementation Roadmap, Governance, and Maintenance

This section translates the report's recommendations into a phased implementation plan with clear ownership, sequencing, and a maintenance cycle for keeping the guideline tables and electronic worksheet current.

Phase 1: Deploy ready-now changes (0-6 months)

- Establish an EDR/DOR/consultant task force to finalize implementation parameters (including the SSR definition and phase-in rate) and to manage version control, documentation, and release timing for updates to the guideline tables and worksheet. The task force should be chaired by EDR, meet at least quarterly during the implementation phase (monthly during Phase 1), and provide an annual status report to the Legislature. When substantive disagreements arise, EDR should have final decision-making authority on technical matters, with policy questions elevated to the Legislature as needed.
- Publish updated guideline tables in an electronic format and include the SSR threshold and phase-in logic used for the release.
- Update the electronic worksheet so core adjustments are automatic and applied consistently across users, including a continuous visitation credit that eliminates the 20% threshold discontinuity.
- Replace static tax tables with a standardized federal tax module that reflects current law, including refundable credits, under documented default assumptions.
- Add companion-sheet logic for expected adjustments (for example, expected earnings growth and childcare smoothing) so initial orders better reflect expected average obligations over time.
- Add standardized data fields and reason codes needed to support evidence-based income imputation in later phases.

Phase 2: Build and integrate evidence-based income imputation (6-24 months)

- Collect and audit standardized parent characteristics and imputation reason codes. Use these data to develop, back-test, and pilot the imputation model with clear documentation and exception handling.

- Integrate the validated imputation model into the electronic worksheet once performance targets are met and the data pipeline is stable.

Phase 3: Ongoing maintenance and evaluation

- Refresh benchmark inputs on a regular schedule, including the federal poverty guidelines/SSR threshold, federal tax parameters, and any standardized growth assumptions used in expected-change adjustments.
- Track outcomes and user feedback and conduct periodic evaluation to guide future revisions to both tables and worksheet logic.

Appendix A. Updated Schedule with 2-Person Self-Support Reserve and 50% Phase-in

Net Income	Children					
	One	Two	Three	Four	Five	Six
800	**0**	**0**	**0**	**0**	**0**	**0**
850	**0**	**0**	**0**	**0**	**0**	**0**
900	**0**	**0**	**0**	**0**	**0**	**0**
950	**0**	**0**	**0**	**0**	**0**	**0**
1,000	**0**	**0**	**0**	**0**	**0**	**0**
1,050	**0**	**0**	**0**	**0**	**0**	**0**
1,100	**0**	**0**	**0**	**0**	**0**	**0**
1,150	**0**	**0**	**0**	**0**	**0**	**0**
1,200	**0**	**0**	**0**	**0**	**0**	**0**
1,250	**0**	**0**	**0**	**0**	**0**	**0**
1,300	**0**	**0**	**0**	**0**	**0**	**0**
1,350	**0**	**0**	**0**	**0**	**0**	**0**
1,400	**0**	**0**	**0**	**0**	**0**	**0**
1,450	**0**	**0**	**0**	**0**	**0**	**0**
1,500	**0**	**0**	**0**	**0**	**0**	**0**
1,550	**0**	**0**	**0**	**0**	**0**	**0**
1,600	**0**	**0**	**0**	**0**	**0**	**0**
1,650	**0**	**0**	**0**	**0**	**0**	**0**
1,700	**0**	**0**	**0**	**0**	**0**	**0**
1,750	**0**	**0**	**0**	**0**	**0**	**0**
1,800	**0**	**0**	**0**	**0**	**0**	**0**
1,850	**23**	**23**	**23**	**23**	**23**	**23**
1,900	**48**	**48**	**48**	**48**	**48**	**48**
1,950	**73**	**73**	**73**	**73**	**73**	**73**
2,000	**98**	**98**	**98**	**98**	**98**	**98**
2,050	**123**	**123**	**123**	**123**	**123**	**123**
2,100	**148**	**148**	**148**	**148**	**148**	**148**
2,150	**173**	**173**	**173**	**173**	**173**	**173**
2,200	**198**	**198**	**198**	**198**	**198**	**198**
2,250	**223**	**223**	**223**	**223**	**223**	**223**
2,300	**248**	**248**	**248**	**248**	**248**	**248**
2,350	**273**	**273**	**273**	**273**	**273**	**273**
2,400	**298**	**298**	**298**	**298**	**298**	**298**
2,450	**323**	**323**	**323**	**323**	**323**	**323**
2,500	**348**	**348**	**348**	**348**	**348**	**348**
2,550	**373**	**373**	**373**	**373**	**373**	**373**
2,600	**398**	**398**	**398**	**398**	**398**	**398**

Net			Children			
Income	One	Two	Three	Four	Five	Six
2,650	**423**	**423**	**423**	**423**	**423**	**423**
2,700	**448**	**448**	**448**	**448**	**448**	**448**
2,750	**473**	**473**	**473**	**473**	**473**	**473**
2,800	**498**	**498**	**498**	**498**	**498**	**498**
2,850	**523**	**523**	**523**	**523**	**523**	**523**
2,900	**548**	**548**	**548**	**548**	**548**	**548**
2,950	**573**	**573**	**573**	**573**	**573**	**573**
3,000	**598**	**598**	**598**	**598**	**598**	**598**
3,050	**623**	**623**	**623**	**623**	**623**	**623**
3,100	**648**	**648**	**648**	**648**	**648**	**648**
3,150	673	**673**	**673**	**673**	**673**	**673**
3,200	682	**698**	**698**	**698**	**698**	**698**
3,250	691	**723**	**723**	**723**	**723**	**723**
3,300	701	**748**	**748**	**748**	**748**	**748**
3,350	710	**773**	**773**	**773**	**773**	**773**
3,400	720	**798**	**798**	**798**	**798**	**798**
3,450	729	**823**	**823**	**823**	**823**	**823**
3,500	738	**848**	**848**	**848**	**848**	**848**
3,550	748	**873**	**873**	**873**	**873**	**873**
3,600	757	**898**	**898**	**898**	**898**	**898**
3,650	767	**923**	**923**	**923**	**923**	**923**
3,700	776	**948**	**948**	**948**	**948**	**948**
3,750	784	**973**	**973**	**973**	**973**	**973**
3,800	793	**998**	**998**	**998**	**998**	**998**
3,850	802	**1,023**	**1,023**	**1,023**	**1,023**	**1,023**
3,900	811	**1,048**	**1,048**	**1,048**	**1,048**	**1,048**
3,950	819	**1,073**	**1,073**	**1,073**	**1,073**	**1,073**
4,000	828	**1,098**	**1,098**	**1,098**	**1,098**	**1,098**
4,050	837	**1,123**	**1,123**	**1,123**	**1,123**	**1,123**
4,100	846	**1,148**	**1,148**	**1,148**	**1,148**	**1,148**
4,150	854	**1,173**	**1,173**	**1,173**	**1,173**	**1,173**
4,200	863	**1,198**	**1,198**	**1,198**	**1,198**	**1,198**
4,250	872	**1,223**	**1,223**	**1,223**	**1,223**	**1,223**
4,300	881	**1,248**	**1,248**	**1,248**	**1,248**	**1,248**
4,350	889	**1,273**	**1,273**	**1,273**	**1,273**	**1,273**
4,400	898	**1,298**	**1,298**	**1,298**	**1,298**	**1,298**
4,450	907	**1,323**	**1,323**	**1,323**	**1,323**	**1,323**
4,500	916	**1,348**	**1,348**	**1,348**	**1,348**	**1,348**

Net			Children			
Income	One	Two	Three	Four	Five	Six
4,550	924	**1,373**	**1,373**	**1,373**	**1,373**	**1,373**
4,600	933	**1,398**	**1,398**	**1,398**	**1,398**	**1,398**
4,650	942	**1,423**	**1,423**	**1,423**	**1,423**	**1,423**
4,700	951	**1,448**	**1,448**	**1,448**	**1,448**	**1,448**
4,750	959	**1,473**	**1,473**	**1,473**	**1,473**	**1,473**
4,800	968	**1,498**	**1,498**	**1,498**	**1,498**	**1,498**
4,850	977	1,517	**1,523**	**1,523**	**1,523**	**1,523**
4,900	986	1,530	**1,548**	**1,548**	**1,548**	**1,548**
4,950	993	1,542	**1,573**	**1,573**	**1,573**	**1,573**
5,000	1,000	1,551	**1,598**	**1,598**	**1,598**	**1,598**
5,050	1,006	1,561	**1,623**	**1,623**	**1,623**	**1,623**
5,100	1,013	1,571	**1,648**	**1,648**	**1,648**	**1,648**
5,150	1,019	1,580	**1,673**	**1,673**	**1,673**	**1,673**
5,200	1,025	1,590	**1,698**	**1,698**	**1,698**	**1,698**
5,250	1,032	1,599	**1,723**	**1,723**	**1,723**	**1,723**
5,300	1,038	1,609	**1,748**	**1,748**	**1,748**	**1,748**
5,350	1,045	1,619	**1,773**	**1,773**	**1,773**	**1,773**
5,400	1,051	1,628	**1,798**	**1,798**	**1,798**	**1,798**
5,450	1,057	1,638	**1,823**	**1,823**	**1,823**	**1,823**
5,500	1,064	1,647	**1,848**	**1,848**	**1,848**	**1,848**
5,550	1,070	1,657	**1,873**	**1,873**	**1,873**	**1,873**
5,600	1,077	1,667	**1,898**	**1,898**	**1,898**	**1,898**
5,650	1,083	1,676	**1,923**	**1,923**	**1,923**	**1,923**
5,700	1,089	1,686	**1,948**	**1,948**	**1,948**	**1,948**
5,750	1,096	1,695	**1,973**	**1,973**	**1,973**	**1,973**
5,800	1,102	1,705	**1,998**	**1,998**	**1,998**	**1,998**
5,850	1,107	1,713	**2,023**	**2,023**	**2,023**	**2,023**
5,900	1,111	1,721	**2,048**	**2,048**	**2,048**	**2,048**
5,950	1,116	1,729	**2,073**	**2,073**	**2,073**	**2,073**
6,000	1,121	1,737	**2,098**	**2,098**	**2,098**	**2,098**
6,050	1,126	1,746	**2,123**	**2,123**	**2,123**	**2,123**
6,100	1,131	1,754	**2,148**	**2,148**	**2,148**	**2,148**
6,150	1,136	1,762	**2,173**	**2,173**	**2,173**	**2,173**
6,200	1,141	1,770	**2,198**	**2,198**	**2,198**	**2,198**
6,250	1,145	1,778	**2,223**	**2,223**	**2,223**	**2,223**
6,300	1,150	1,786	2,237	**2,248**	**2,248**	**2,248**
6,350	1,155	1,795	2,247	**2,273**	**2,273**	**2,273**
6,400	1,160	1,803	2,258	**2,298**	**2,298**	**2,298**

Net			Children			
Income	One	Two	Three	Four	Five	Six
6,450	1,165	1,811	2,268	**2,323**	**2,323**	**2,323**
6,500	1,170	1,819	2,278	**2,348**	**2,348**	**2,348**
6,550	1,175	1,827	2,288	**2,373**	**2,373**	**2,373**
6,600	1,179	1,835	2,299	**2,398**	**2,398**	**2,398**
6,650	1,184	1,843	2,309	**2,423**	**2,423**	**2,423**
6,700	1,189	1,850	2,317	**2,448**	**2,448**	**2,448**
6,750	1,193	1,856	2,325	**2,473**	**2,473**	**2,473**
6,800	1,196	1,862	2,332	**2,498**	**2,498**	**2,498**
6,850	1,200	1,868	2,340	**2,523**	**2,523**	**2,523**
6,900	1,204	1,873	2,347	**2,548**	**2,548**	**2,548**
6,950	1,208	1,879	2,355	**2,573**	**2,573**	**2,573**
7,000	1,212	1,885	2,362	**2,598**	**2,598**	**2,598**
7,050	1,216	1,891	2,370	**2,623**	**2,623**	**2,623**
7,100	1,220	1,897	2,378	**2,648**	**2,648**	**2,648**
7,150	1,224	1,903	2,385	**2,673**	**2,673**	**2,673**
7,200	1,228	1,909	2,393	2,690	**2,698**	**2,698**
7,250	1,232	1,915	2,400	2,698	**2,723**	**2,723**
7,300	1,235	1,921	2,408	2,707	**2,748**	**2,748**
7,350	1,239	1,927	2,415	2,716	**2,773**	**2,773**
7,400	1,243	1,933	2,423	2,724	**2,798**	**2,798**
7,450	1,247	1,939	2,430	2,733	**2,823**	**2,823**
7,500	1,251	1,945	2,438	2,741	**2,848**	**2,848**
7,550	1,255	1,951	2,446	2,750	**2,873**	**2,873**
7,600	1,259	1,957	2,453	2,758	**2,898**	**2,898**
7,650	1,263	1,963	2,461	2,767	**2,923**	**2,923**
7,700	1,267	1,969	2,468	2,775	**2,948**	**2,948**
7,750	1,271	1,975	2,476	2,784	**2,973**	**2,973**
7,800	1,274	1,981	2,483	2,792	**2,998**	**2,998**
7,850	1,278	1,987	2,491	2,801	**3,023**	**3,023**
7,900	1,282	1,992	2,498	2,810	**3,048**	**3,048**
7,950	1,286	1,998	2,506	2,818	**3,073**	**3,073**
8,000	1,290	2,004	2,513	2,827	3,085	**3,098**
8,050	1,294	2,010	2,521	2,835	3,094	**3,123**
8,100	1,298	2,016	2,529	2,844	3,104	**3,148**
8,150	1,302	2,022	2,536	2,852	3,113	**3,173**
8,200	1,306	2,028	2,544	2,861	3,122	**3,198**
8,250	1,310	2,034	2,551	2,869	3,131	**3,223**
8,300	1,313	2,040	2,559	2,878	3,141	**3,248**

Net			Children			
Income	One	Two	Three	Four	Five	Six
8,350	1,317	2,046	2,566	2,887	3,150	**3,273**
8,400	1,321	2,052	2,574	2,895	3,159	**3,298**
8,450	1,325	2,058	2,581	2,904	3,168	**3,323**
8,500	1,329	2,064	2,589	2,912	3,178	**3,348**
8,550	1,333	2,070	2,597	2,921	3,187	**3,373**
8,600	1,337	2,076	2,604	2,929	3,196	**3,398**
8,650	1,341	2,082	2,612	2,938	3,205	**3,423**
8,700	1,345	2,088	2,619	2,946	3,215	3,435
8,750	1,349	2,094	2,627	2,955	3,224	3,445
8,800	1,352	2,100	2,634	2,963	3,233	3,454
8,850	1,356	2,106	2,642	2,972	3,242	3,464
8,900	1,360	2,111	2,649	2,981	3,252	3,474
8,950	1,364	2,117	2,657	2,989	3,261	3,484
9,000	1,368	2,123	2,664	2,998	3,270	3,493
9,050	1,372	2,129	2,672	3,006	3,279	3,503
9,100	1,376	2,135	2,680	3,015	3,289	3,513
9,150	1,380	2,141	2,687	3,023	3,298	3,523
9,200	1,384	2,147	2,695	3,032	3,307	3,532
9,250	1,388	2,153	2,702	3,040	3,316	3,542
9,300	1,391	2,159	2,710	3,049	3,326	3,552
9,350	1,395	2,165	2,717	3,058	3,335	3,562
9,400	1,399	2,171	2,725	3,066	3,344	3,571
9,450	1,403	2,177	2,732	3,075	3,353	3,581
9,500	1,407	2,183	2,740	3,083	3,363	3,591
9,550	1,411	2,189	2,748	3,092	3,372	3,601
9,600	1,415	2,195	2,755	3,100	3,381	3,610
9,650	1,419	2,201	2,763	3,109	3,390	3,620
9,700	1,422	2,206	2,767	3,115	3,396	3,628
9,750	1,425	2,210	2,772	3,121	3,402	3,634
9,800	1,427	2,213	2,776	3,126	3,408	3,641
9,850	1,430	2,217	2,781	3,132	3,414	3,647
9,900	1,432	2,221	2,786	3,137	3,420	3,653
9,950	1,435	2,225	2,791	3,143	3,426	3,659
10,000	1,437	2,228	2,795	3,148	3,432	3,666
10,050	1,440	2,232	2,800	3,154	3,438	3,672
10,100	1,442	2,236	2,805	3,159	3,444	3,679
10,150	1,445	2,239	2,809	3,165	3,450	3,685
10,200	1,447	2,243	2,814	3,170	3,456	3,691

Net			Children			
Income	One	Two	Three	Four	Five	Six
10,250	1,450	2,247	2,819	3,176	3,462	3,697
10,300	1,452	2,251	2,824	3,181	3,468	3,704
10,350	1,455	2,254	2,828	3,187	3,474	3,710
10,400	1,457	2,258	2,833	3,192	3,480	3,716
10,450	1,460	2,262	2,838	3,198	3,486	3,722
10,500	1,462	2,266	2,843	3,203	3,492	3,729
10,550	1,465	2,269	2,847	3,209	3,498	3,735
10,600	1,467	2,273	2,852	3,214	3,504	3,741
10,650	1,470	2,277	2,857	3,220	3,510	3,747
10,700	1,472	2,281	2,862	3,225	3,516	3,754
10,750	1,475	2,284	2,866	3,231	3,522	3,760
10,800	1,477	2,288	2,871	3,236	3,528	3,766
10,850	1,480	2,292	2,876	3,242	3,534	3,772
10,900	1,482	2,296	2,881	3,247	3,540	3,779
10,950	1,485	2,299	2,885	3,253	3,546	3,785
11,000	1,487	2,303	2,890	3,258	3,552	3,791
11,050	1,490	2,307	2,895	3,264	3,558	3,797
11,100	1,492	2,311	2,900	3,269	3,564	3,804
11,150	1,495	2,314	2,904	3,275	3,570	3,810
11,200	1,497	2,318	2,909	3,280	3,576	3,816
11,250	1,500	2,322	2,914	3,286	3,582	3,822
11,300	1,502	2,326	2,919	3,291	3,588	3,829
11,350	1,505	2,329	2,923	3,297	3,594	3,835
11,400	1,507	2,333	2,928	3,302	3,600	3,841
11,450	1,510	2,337	2,933	3,308	3,606	3,847
11,500	1,512	2,341	2,938	3,313	3,612	3,854
11,550	1,515	2,344	2,942	3,319	3,618	3,860
11,600	1,517	2,348	2,947	3,324	3,624	3,866
11,650	1,520	2,352	2,952	3,330	3,630	3,872
11,700	1,522	2,356	2,957	3,335	3,636	3,879
11,750	1,525	2,359	2,961	3,341	3,642	3,885
11,800	1,527	2,363	2,966	3,346	3,648	3,891
11,850	1,530	2,367	2,971	3,352	3,654	3,897
11,900	1,532	2,371	2,976	3,357	3,660	3,904
11,950	1,535	2,374	2,980	3,363	3,666	3,910
12,000	1,537	2,378	2,985	3,368	3,672	3,916
12,050	1,540	2,382	2,990	3,374	3,678	3,922
12,100	1,542	2,386	2,995	3,379	3,684	3,929

Net	Children					
Income	One	Two	Three	Four	Five	Six
12,150	1,545	2,389	2,999	3,385	3,690	3,935
12,200	1,547	2,393	3,004	3,390	3,696	3,941
12,250	1,550	2,397	3,009	3,396	3,702	3,947
12,300	1,552	2,401	3,014	3,401	3,708	3,954
12,350	1,555	2,404	3,018	3,407	3,714	3,960
12,400	1,557	2,408	3,023	3,412	3,720	3,966
12,450	1,560	2,412	3,028	3,418	3,726	3,972
12,500	1,562	2,416	3,033	3,423	3,732	3,979
12,550	1,565	2,419	3,037	3,429	3,738	3,985
12,600	1,567	2,423	3,042	3,434	3,744	3,991
12,650	1,570	2,427	3,047	3,440	3,750	3,997
12,700	1,572	2,431	3,052	3,445	3,756	4,004
12,750	1,575	2,434	3,056	3,451	3,762	4,010
12,800	1,577	2,438	3,061	3,456	3,768	4,016
12,850	1,580	2,442	3,066	3,462	3,774	4,022
12,900	1,582	2,446	3,071	3,467	3,780	4,029
12,950	1,585	2,449	3,075	3,473	3,786	4,035
13,000	1,587	2,453	3,080	3,478	3,792	4,041
13,050	1,590	2,457	3,085	3,484	3,798	4,047
13,100	1,592	2,461	3,090	3,489	3,804	4,054
13,150	1,595	2,464	3,094	3,495	3,810	4,060
13,200	1,597	2,468	3,099	3,500	3,816	4,066
13,250	1,600	2,472	3,104	3,506	3,822	4,072
13,300	1,602	2,476	3,109	3,511	3,828	4,079
13,350	1,605	2,479	3,113	3,517	3,834	4,085
13,400	1,607	2,483	3,118	3,522	3,840	4,091
13,450	1,610	2,487	3,123	3,528	3,846	4,097
13,500	1,612	2,491	3,128	3,533	3,852	4,104
13,550	1,615	2,494	3,132	3,539	3,858	4,110
13,600	1,617	2,498	3,137	3,544	3,864	4,116
13,650	1,620	2,502	3,142	3,550	3,870	4,122
13,700	1,622	2,506	3,147	3,555	3,876	4,129
13,750	1,625	2,509	3,151	3,561	3,882	4,135
13,800	1,627	2,513	3,156	3,566	3,888	4,141
13,850	1,630	2,517	3,161	3,572	3,894	4,147
13,900	1,632	2,521	3,166	3,577	3,900	4,154
13,950	1,635	2,524	3,170	3,583	3,906	4,160
14,000	1,637	2,528	3,175	3,588	3,912	4,166

Net	Children					
Income	One	Two	Three	Four	Five	Six
14,050	1,640	2,532	3,180	3,594	3,918	4,172
14,100	1,642	2,536	3,185	3,599	3,924	4,179
14,150	1,645	2,539	3,189	3,605	3,930	4,185
14,200	1,647	2,543	3,194	3,610	3,936	4,191
14,250	1,650	2,547	3,199	3,616	3,942	4,197
14,300	1,652	2,551	3,204	3,621	3,948	4,204
14,350	1,655	2,554	3,208	3,627	3,954	4,210
14,400	1,657	2,558	3,213	3,632	3,960	4,216
14,450	1,660	2,562	3,218	3,638	3,966	4,222
14,500	1,662	2,566	3,223	3,643	3,972	4,229
14,550	1,665	2,569	3,227	3,649	3,978	4,235
14,600	1,667	2,573	3,232	3,654	3,984	4,241
14,650	1,670	2,577	3,237	3,660	3,990	4,247
14,700	1,672	2,581	3,242	3,665	3,996	4,254
14,750	1,675	2,584	3,246	3,671	4,002	4,260
14,800	1,677	2,588	3,251	3,676	4,008	4,266
14,850	1,680	2,592	3,256	3,682	4,014	4,272
14,900	1,682	2,596	3,261	3,687	4,020	4,279
14,950	1,685	2,599	3,265	3,693	4,026	4,285
15,000	1,687	2,603	3,270	3,698	4,032	4,291
15,050	1,690	2,607	3,275	3,704	4,038	4,297
15,100	1,692	2,611	3,280	3,709	4,044	4,304
15,150	1,695	2,614	3,284	3,715	4,050	4,310
15,200	1,697	2,618	3,289	3,720	4,056	4,316
15,250	1,700	2,622	3,294	3,726	4,062	4,322
15,300	1,702	2,626	3,299	3,731	4,068	4,329
15,350	1,705	2,629	3,303	3,737	4,074	4,335
15,400	1,707	2,633	3,308	3,742	4,080	4,341
15,450	1,710	2,637	3,313	3,748	4,086	4,347
15,500	1,712	2,641	3,318	3,753	4,092	4,354
15,550	1,715	2,644	3,322	3,759	4,098	4,360
15,600	1,717	2,648	3,327	3,764	4,104	4,366
15,650	1,720	2,652	3,332	3,770	4,110	4,372
15,700	1,722	2,656	3,337	3,775	4,116	4,379
15,750	1,725	2,659	3,341	3,781	4,122	4,385
15,800	1,727	2,663	3,346	3,786	4,128	4,391
15,850	1,730	2,667	3,351	3,792	4,134	4,397
15,900	1,732	2,671	3,356	3,797	4,140	4,404

Net Income	Children					
	One	Two	Three	Four	Five	Six
15,950	1,735	2,674	3,360	3,803	4,146	4,410
16,000	1,737	2,678	3,365	3,808	4,152	4,416
16,050	1,740	2,682	3,370	3,814	4,158	4,422
16,100	1,742	2,686	3,375	3,819	4,164	4,429
16,150	1,745	2,689	3,379	3,825	4,170	4,435
16,200	1,747	2,693	3,384	3,830	4,176	4,441
16,250	1,750	2,697	3,389	3,836	4,182	4,447
16,300	1,752	2,701	3,394	3,841	4,188	4,454
16,350	1,755	2,704	3,398	3,847	4,194	4,460
16,400	1,757	2,708	3,403	3,852	4,200	4,466
16,450	1,760	2,712	3,408	3,858	4,206	4,472
16,500	1,762	2,716	3,413	3,863	4,212	4,479
16,550	1,765	2,719	3,417	3,869	4,218	4,485
16,600	1,767	2,723	3,422	3,874	4,224	4,491
16,650	1,770	2,727	3,427	3,880	4,230	4,497
16,700	1,772	2,731	3,432	3,885	4,236	4,504

Note: The shaded area indicates below poverty and the bold numbers indicate incomes in the low-income adjustment during the phase-in period.

Appendix B. New Schedule with 1-Person Self-Support Reserve and 50% Phase-in

Net Income	Children					
	One	Two	Three	Four	Five	Six
800	**0**	**0**	**0**	**0**	**0**	**0**
850	**0**	**0**	**0**	**0**	**0**	**0**
900	**0**	**0**	**0**	**0**	**0**	**0**
950	**0**	**0**	**0**	**0**	**0**	**0**
1,000	**0**	**0**	**0**	**0**	**0**	**0**
1,050	**0**	**0**	**0**	**0**	**0**	**0**
1,100	**0**	**0**	**0**	**0**	**0**	**0**
1,150	**0**	**0**	**0**	**0**	**0**	**0**
1,200	**0**	**0**	**0**	**0**	**0**	**0**
1,250	**0**	**0**	**0**	**0**	**0**	**0**
1,300	**0**	**0**	**0**	**0**	**0**	**0**
1,350	**10**	**10**	**10**	**10**	**10**	**10**
1,400	**35**	**35**	**35**	**35**	**35**	**35**
1,450	**60**	**60**	**60**	**60**	**60**	**60**
1,500	**85**	**85**	**85**	**85**	**85**	**85**
1,550	**110**	**110**	**110**	**110**	**110**	**110**
1,600	**135**	**135**	**135**	**135**	**135**	**135**
1,650	**160**	**160**	**160**	**160**	**160**	**160**
1,700	**185**	**185**	**185**	**185**	**185**	**185**
1,750	**210**	**210**	**210**	**210**	**210**	**210**
1,800	**235**	**235**	**235**	**235**	**235**	**235**
1,850	**260**	**260**	**260**	**260**	**260**	**260**
1,900	**285**	**285**	**285**	**285**	**285**	**285**
1,950	**310**	**310**	**310**	**310**	**310**	**310**
2,000	**335**	**335**	**335**	**335**	**335**	**335**
2,050	**360**	**360**	**360**	**360**	**360**	**360**
2,100	**385**	**385**	**385**	**385**	**385**	**385**
2,150	**410**	**410**	**410**	**410**	**410**	**410**
2,200	**435**	**435**	**435**	**435**	**435**	**435**
2,250	458	**460**	**460**	**460**	**460**	**460**
2,300	468	**485**	**485**	**485**	**485**	**485**
2,350	477	**510**	**510**	**510**	**510**	**510**
2,400	487	**535**	**535**	**535**	**535**	**535**
2,450	496	**560**	**560**	**560**	**560**	**560**
2,500	505	**585**	**585**	**585**	**585**	**585**
2,550	515	**610**	**610**	**610**	**610**	**610**
2,600	524	**635**	**635**	**635**	**635**	**635**

Net			Children			
Income	One	Two	Three	Four	Five	Six
2,650	533	**660**	**660**	**660**	**660**	**660**
2,700	543	**685**	**685**	**685**	**685**	**685**
2,750	552	**710**	**710**	**710**	**710**	**710**
2,800	561	**735**	**735**	**735**	**735**	**735**
2,850	570	**760**	**760**	**760**	**760**	**760**
2,900	579	**785**	**785**	**785**	**785**	**785**
2,950	588	**810**	**810**	**810**	**810**	**810**
3,000	597	**835**	**835**	**835**	**835**	**835**
3,050	606	**860**	**860**	**860**	**860**	**860**
3,100	615	**885**	**885**	**885**	**885**	**885**
3,150	624	**910**	**910**	**910**	**910**	**910**
3,200	633	**935**	**935**	**935**	**935**	**935**
3,250	642	**960**	**960**	**960**	**960**	**960**
3,300	650	**985**	**985**	**985**	**985**	**985**
3,350	659	**1,010**	**1,010**	**1,010**	**1,010**	**1,010**
3,400	668	**1,035**	**1,035**	**1,035**	**1,035**	**1,035**
3,450	676	**1,060**	**1,060**	**1,060**	**1,060**	**1,060**
3,500	685	**1,085**	**1,085**	**1,085**	**1,085**	**1,085**
3,550	694	**1,110**	**1,110**	**1,110**	**1,110**	**1,110**
3,600	702	**1,135**	**1,135**	**1,135**	**1,135**	**1,135**
3,650	711	**1,160**	**1,160**	**1,160**	**1,160**	**1,160**
3,700	719	**1,185**	**1,185**	**1,185**	**1,185**	**1,185**
3,750	728	**1,210**	**1,210**	**1,210**	**1,210**	**1,210**
3,800	736	**1,235**	**1,235**	**1,235**	**1,235**	**1,235**
3,850	744	**1,260**	**1,260**	**1,260**	**1,260**	**1,260**
3,900	753	**1,285**	**1,285**	**1,285**	**1,285**	**1,285**
3,950	761	**1,310**	**1,310**	**1,310**	**1,310**	**1,310**
4,000	769	**1,335**	**1,335**	**1,335**	**1,335**	**1,335**
4,050	777	**1,360**	**1,360**	**1,360**	**1,360**	**1,360**
4,100	785	**1,385**	**1,385**	**1,385**	**1,385**	**1,385**
4,150	794	**1,410**	**1,410**	**1,410**	**1,410**	**1,410**
4,200	802	**1,435**	**1,435**	**1,435**	**1,435**	**1,435**
4,250	810	**1,460**	**1,460**	**1,460**	**1,460**	**1,460**
4,300	818	**1,485**	**1,485**	**1,485**	**1,485**	**1,485**
4,350	826	**1,510**	**1,510**	**1,510**	**1,510**	**1,510**
4,400	833	**1,535**	**1,535**	**1,535**	**1,535**	**1,535**
4,450	841	**1,560**	**1,560**	**1,560**	**1,560**	**1,560**
4,500	849	**1,585**	**1,585**	**1,585**	**1,585**	**1,585**

Net Income	Children					
	One	Two	Three	Four	Five	Six
4,550	857	**1,610**	**1,610**	**1,610**	**1,610**	**1,610**
4,600	865	1,626	**1,635**	**1,635**	**1,635**	**1,635**
4,650	872	1,640	**1,660**	**1,660**	**1,660**	**1,660**
4,700	880	1,654	**1,685**	**1,685**	**1,685**	**1,685**
4,750	887	1,669	**1,710**	**1,710**	**1,710**	**1,710**
4,800	895	1,683	**1,735**	**1,735**	**1,735**	**1,735**
4,850	903	1,697	**1,760**	**1,760**	**1,760**	**1,760**
4,900	910	1,711	**1,785**	**1,785**	**1,785**	**1,785**
4,950	917	1,725	**1,810**	**1,810**	**1,810**	**1,810**
5,000	925	1,739	**1,835**	**1,835**	**1,835**	**1,835**
5,050	932	1,752	**1,860**	**1,860**	**1,860**	**1,860**
5,100	939	1,766	**1,885**	**1,885**	**1,885**	**1,885**
5,150	947	1,780	**1,910**	**1,910**	**1,910**	**1,910**
5,200	954	1,793	**1,935**	**1,935**	**1,935**	**1,935**
5,250	961	1,807	**1,960**	**1,960**	**1,960**	**1,960**
5,300	968	1,820	**1,985**	**1,985**	**1,985**	**1,985**
5,350	975	1,833	**2,010**	**2,010**	**2,010**	**2,010**
5,400	982	1,847	**2,035**	**2,035**	**2,035**	**2,035**
5,450	989	1,860	**2,060**	**2,060**	**2,060**	**2,060**
5,500	996	1,873	**2,085**	**2,085**	**2,085**	**2,085**
5,550	1,003	1,886	**2,110**	**2,110**	**2,110**	**2,110**
5,600	1,010	1,899	**2,135**	**2,135**	**2,135**	**2,135**
5,650	1,017	1,911	**2,160**	**2,160**	**2,160**	**2,160**
5,700	1,024	1,924	**2,185**	**2,185**	**2,185**	**2,185**
5,750	1,030	1,937	**2,210**	**2,210**	**2,210**	**2,210**
5,800	1,037	1,949	**2,235**	**2,235**	**2,235**	**2,235**
5,850	1,044	1,962	**2,260**	**2,260**	**2,260**	**2,260**
5,900	1,050	1,974	**2,285**	**2,285**	**2,285**	**2,285**
5,950	1,057	1,986	**2,310**	**2,310**	**2,310**	**2,310**
6,000	1,063	1,999	**2,335**	**2,335**	**2,335**	**2,335**
6,050	1,070	2,011	**2,360**	**2,360**	**2,360**	**2,360**
6,100	1,076	2,023	**2,385**	**2,385**	**2,385**	**2,385**
6,150	1,083	2,035	**2,410**	**2,410**	**2,410**	**2,410**
6,200	1,089	2,046	**2,435**	**2,435**	**2,435**	**2,435**
6,250	1,095	2,058	**2,460**	**2,460**	**2,460**	**2,460**
6,300	1,102	2,070	**2,485**	**2,485**	**2,485**	**2,485**
6,350	1,108	2,082	**2,510**	**2,510**	**2,510**	**2,510**
6,400	1,114	2,093	**2,535**	**2,535**	**2,535**	**2,535**

Net			Children			
Income	One	Two	Three	Four	Five	Six
6,450	1,120	2,105	**2,560**	**2,560**	**2,560**	**2,560**
6,500	1,126	2,116	**2,585**	**2,585**	**2,585**	**2,585**
6,550	1,132	2,127	**2,610**	**2,610**	**2,610**	**2,610**
6,600	1,138	2,138	**2,635**	**2,635**	**2,635**	**2,635**
6,650	1,144	2,150	**2,660**	**2,660**	**2,660**	**2,660**
6,700	1,150	2,161	**2,685**	**2,685**	**2,685**	**2,685**
6,750	1,156	2,172	**2,710**	**2,710**	**2,710**	**2,710**
6,800	1,162	2,182	**2,735**	**2,735**	**2,735**	**2,735**
6,850	1,167	2,193	**2,760**	**2,760**	**2,760**	**2,760**
6,900	1,173	2,204	**2,785**	**2,785**	**2,785**	**2,785**
6,950	1,179	2,214	**2,810**	**2,810**	**2,810**	**2,810**
7,000	1,184	2,225	**2,835**	**2,835**	**2,835**	**2,835**
7,050	1,190	2,235	**2,860**	**2,860**	**2,860**	**2,860**
7,100	1,196	2,246	**2,885**	**2,885**	**2,885**	**2,885**
7,150	1,201	2,256	**2,910**	**2,910**	**2,910**	**2,910**
7,200	1,207	2,266	**2,935**	**2,935**	**2,935**	**2,935**
7,250	1,212	2,276	**2,960**	**2,960**	**2,960**	**2,960**
7,300	1,217	2,286	**2,985**	**2,985**	**2,985**	**2,985**
7,350	1,223	2,296	**3,010**	**3,010**	**3,010**	**3,010**
7,400	1,228	2,306	**3,035**	**3,035**	**3,035**	**3,035**
7,450	1,233	2,316	**3,060**	**3,060**	**3,060**	**3,060**
7,500	1,238	2,326	**3,085**	**3,085**	**3,085**	**3,085**
7,550	1,244	2,335	**3,110**	**3,110**	**3,110**	**3,110**
7,600	1,249	2,345	**3,135**	**3,135**	**3,135**	**3,135**
7,650	1,254	2,354	**3,160**	**3,160**	**3,160**	**3,160**
7,700	1,259	2,364	**3,185**	**3,185**	**3,185**	**3,185**
7,750	1,264	2,373	**3,210**	**3,210**	**3,210**	**3,210**
7,800	1,269	2,382	**3,235**	**3,235**	**3,235**	**3,235**
7,850	1,274	2,391	**3,260**	**3,260**	**3,260**	**3,260**
7,900	1,278	2,400	**3,285**	**3,285**	**3,285**	**3,285**
7,950	1,283	2,409	**3,310**	**3,310**	**3,310**	**3,310**
8,000	1,288	2,418	**3,335**	**3,335**	**3,335**	**3,335**
8,050	1,293	2,427	**3,360**	**3,360**	**3,360**	**3,360**
8,100	1,297	2,436	**3,385**	**3,385**	**3,385**	**3,385**
8,150	1,302	2,444	**3,410**	**3,410**	**3,410**	**3,410**
8,200	1,307	2,453	**3,435**	**3,435**	**3,435**	**3,435**
8,250	1,311	2,462	**3,460**	**3,460**	**3,460**	**3,460**
8,300	1,316	2,470	**3,485**	**3,485**	**3,485**	**3,485**

Net			Children			
Income	One	Two	Three	Four	Five	Six
8,350	1,320	2,478	**3,510**	**3,510**	**3,510**	**3,510**
8,400	1,325	2,487	3,532	**3,535**	**3,535**	**3,535**
8,450	1,329	2,495	3,544	**3,560**	**3,560**	**3,560**
8,500	1,333	2,503	3,555	**3,585**	**3,585**	**3,585**
8,550	1,338	2,511	3,567	**3,610**	**3,610**	**3,610**
8,600	1,342	2,519	3,578	**3,635**	**3,635**	**3,635**
8,650	1,346	2,527	3,589	**3,660**	**3,660**	**3,660**
8,700	1,350	2,534	3,600	**3,685**	**3,685**	**3,685**
8,750	1,355	2,542	3,611	**3,710**	**3,710**	**3,710**
8,800	1,359	2,550	3,621	**3,735**	**3,735**	**3,735**
8,850	1,363	2,557	3,632	**3,760**	**3,760**	**3,760**
8,900	1,367	2,565	3,643	**3,785**	**3,785**	**3,785**
8,950	1,371	2,572	3,653	**3,810**	**3,810**	**3,810**
9,000	1,375	2,579	3,663	**3,835**	**3,835**	**3,835**
9,050	1,379	2,587	3,674	**3,860**	**3,860**	**3,860**
9,100	1,383	2,594	3,684	**3,885**	**3,885**	**3,885**
9,150	1,386	2,601	3,694	**3,910**	**3,910**	**3,910**
9,200	1,390	2,608	3,704	**3,935**	**3,935**	**3,935**
9,250	1,394	2,615	3,713	**3,960**	**3,960**	**3,960**
9,300	1,398	2,622	3,723	**3,985**	**3,985**	**3,985**
9,350	1,401	2,629	3,733	**4,010**	**4,010**	**4,010**
9,400	1,405	2,635	3,742	**4,035**	**4,035**	**4,035**
9,450	1,409	2,642	3,751	**4,060**	**4,060**	**4,060**
9,500	1,412	2,649	3,761	**4,085**	**4,085**	**4,085**
9,550	1,416	2,655	3,770	**4,110**	**4,110**	**4,110**
9,600	1,419	2,662	3,779	**4,135**	**4,135**	**4,135**
9,650	1,423	2,668	3,788	4,159	**4,160**	**4,160**
9,700	1,426	2,674	3,797	4,169	**4,185**	**4,185**
9,750	1,429	2,681	3,805	4,178	**4,210**	**4,210**
9,800	1,433	2,687	3,814	4,188	**4,235**	**4,235**
9,850	1,436	2,693	3,823	4,197	**4,260**	**4,260**
9,900	1,439	2,699	3,831	4,206	**4,285**	**4,285**
9,950	1,443	2,705	3,839	4,216	**4,310**	**4,310**
10,000	1,446	2,711	3,848	4,225	**4,335**	**4,335**
10,050	1,449	2,717	3,856	4,234	**4,360**	**4,360**
10,100	1,452	2,722	3,864	4,243	**4,385**	**4,385**
10,150	1,455	2,728	3,872	4,251	**4,410**	**4,410**
10,200	1,458	2,734	3,880	4,260	**4,435**	**4,435**

Net			Children			
Income	One	Two	Three	Four	Five	Six
10,250	1,461	2,739	3,887	4,268	**4,460**	**4,460**
10,300	1,464	2,745	3,895	4,277	**4,485**	**4,485**
10,350	1,467	2,750	3,903	4,285	**4,510**	**4,510**
10,400	1,470	2,755	3,910	4,293	**4,535**	**4,535**
10,450	1,473	2,761	3,918	4,302	**4,560**	**4,560**
10,500	1,476	2,766	3,925	4,310	**4,585**	**4,585**
10,550	1,479	2,771	3,932	4,318	**4,610**	**4,610**
10,600	1,482	2,776	3,939	4,325	**4,635**	**4,635**
10,650	1,484	2,781	3,946	4,333	**4,660**	**4,660**
10,700	1,487	2,786	3,953	4,341	**4,685**	**4,685**
10,750	1,490	2,791	3,960	4,348	**4,710**	**4,710**
10,800	1,492	2,796	3,967	4,356	4,730	**4,735**
10,850	1,495	2,801	3,974	4,363	4,738	**4,760**
10,900	1,498	2,806	3,980	4,370	4,746	**4,785**
10,950	1,500	2,810	3,987	4,378	4,754	**4,810**
11,000	1,503	2,815	3,993	4,385	4,762	**4,835**
11,050	1,505	2,820	4,000	4,392	4,769	**4,860**
11,100	1,508	2,824	4,006	4,399	4,777	**4,885**
11,150	1,510	2,829	4,012	4,405	4,784	**4,910**
11,200	1,513	2,833	4,018	4,412	4,791	**4,935**
11,250	1,515	2,837	4,024	4,419	4,799	**4,960**
11,300	1,517	2,842	4,030	4,425	4,806	**4,985**
11,350	1,520	2,846	4,036	4,432	4,813	**5,010**
11,400	1,522	2,850	4,042	4,438	4,820	**5,035**
11,450	1,524	2,854	4,048	4,444	4,827	**5,060**
11,500	1,527	2,858	4,053	4,451	4,833	**5,085**
11,550	1,529	2,862	4,059	4,457	4,840	**5,110**
11,600	1,531	2,866	4,064	4,463	4,847	**5,135**
11,650	1,533	2,870	4,070	4,469	4,853	**5,160**
11,700	1,535	2,874	4,075	4,475	4,859	**5,185**
11,750	1,537	2,878	4,081	4,480	4,866	**5,210**
11,800	1,540	2,882	4,086	4,486	4,872	**5,235**
11,850	1,542	2,886	4,091	4,492	4,878	5,251
11,900	1,544	2,889	4,096	4,497	4,884	5,258
11,950	1,546	2,893	4,101	4,503	4,890	5,264
12,000	1,548	2,897	4,106	4,508	4,896	5,271
12,050	1,550	2,900	4,111	4,514	4,902	5,277
12,100	1,552	2,904	4,116	4,519	4,908	5,283

Net	Children					
Income	One	Two	Three	Four	Five	Six
12,150	1,554	2,907	4,120	4,524	4,913	5,289
12,200	1,555	2,911	4,125	4,529	4,919	5,295
12,250	1,557	2,914	4,130	4,535	4,925	5,301
12,300	1,559	2,917	4,134	4,540	4,930	5,307
12,350	1,561	2,921	4,139	4,545	4,935	5,313
12,400	1,563	2,924	4,143	4,549	4,941	5,319
12,450	1,565	2,927	4,148	4,554	4,946	5,324
12,500	1,567	2,930	4,152	4,559	4,951	5,330
12,550	1,568	2,933	4,156	4,564	4,956	5,335
12,600	1,570	2,937	4,161	4,568	4,961	5,341
12,650	1,572	2,940	4,165	4,573	4,966	5,346
12,700	1,573	2,943	4,169	4,578	4,971	5,352
12,750	1,575	2,946	4,173	4,582	4,976	5,357
12,800	1,577	2,949	4,177	4,587	4,981	5,362
12,850	1,578	2,952	4,181	4,591	4,986	5,367
12,900	1,580	2,954	4,185	4,595	4,991	5,372
12,950	1,582	2,957	4,189	4,600	4,995	5,377
13,000	1,583	2,960	4,193	4,604	5,000	5,382
13,050	1,585	2,963	4,197	4,608	5,004	5,387
13,100	1,586	2,966	4,201	4,612	5,009	5,392
13,150	1,588	2,969	4,204	4,616	5,013	5,397
13,200	1,590	2,971	4,208	4,620	5,018	5,402
13,250	1,591	2,974	4,212	4,624	5,022	5,406
13,300	1,593	2,977	4,215	4,628	5,026	5,411
13,350	1,594	2,979	4,219	4,632	5,031	5,415
13,400	1,596	2,982	4,222	4,636	5,035	5,420
13,450	1,597	2,985	4,226	4,640	5,039	5,425
13,500	1,599	2,987	4,229	4,644	5,043	5,429
13,550	1,600	2,990	4,233	4,648	5,047	5,433
13,600	1,601	2,992	4,236	4,651	5,051	5,438
13,650	1,603	2,995	4,240	4,655	5,055	5,442
13,700	1,604	2,997	4,243	4,659	5,059	5,446
13,750	1,606	3,000	4,246	4,662	5,063	5,451
13,800	1,607	3,002	4,250	4,666	5,067	5,455
13,850	1,609	3,005	4,253	4,670	5,071	5,459
13,900	1,610	3,007	4,256	4,673	5,075	5,463
13,950	1,611	3,010	4,259	4,677	5,079	5,468
14,000	1,613	3,012	4,263	4,680	5,083	5,472

Net	Children					
Income	One	Two	Three	Four	Five	Six
14,050	1,614	3,014	4,266	4,684	5,087	5,476
14,100	1,615	3,017	4,269	4,687	5,091	5,480
14,150	1,617	3,019	4,272	4,691	5,094	5,484
14,200	1,618	3,021	4,275	4,694	5,098	5,488
14,250	1,620	3,024	4,279	4,698	5,102	5,492
14,300	1,621	3,026	4,282	4,701	5,106	5,496
14,350	1,622	3,028	4,285	4,705	5,109	5,500
14,400	1,624	3,031	4,288	4,708	5,113	5,504
14,450	1,625	3,033	4,291	4,712	5,117	5,508
14,500	1,626	3,035	4,294	4,715	5,120	5,512
14,550	1,628	3,038	4,297	4,718	5,124	5,516
14,600	1,629	3,040	4,300	4,722	5,128	5,520
14,650	1,630	3,042	4,303	4,725	5,132	5,524
14,700	1,632	3,045	4,307	4,729	5,135	5,528
14,750	1,633	3,047	4,310	4,732	5,139	5,532
14,800	1,634	3,049	4,313	4,735	5,143	5,536
14,850	1,636	3,052	4,316	4,739	5,146	5,540
14,900	1,637	3,054	4,319	4,742	5,150	5,544
14,950	1,638	3,056	4,322	4,746	5,154	5,548
15,000	1,640	3,059	4,325	4,749	5,157	5,552
15,050	1,641	3,061	4,328	4,752	5,161	5,556
15,100	1,642	3,063	4,331	4,756	5,165	5,560
15,150	1,644	3,066	4,335	4,759	5,169	5,564
15,200	1,645	3,068	4,338	4,763	5,172	5,568
15,250	1,646	3,071	4,341	4,766	5,176	5,572
15,300	1,648	3,073	4,344	4,770	5,180	5,576
15,350	1,649	3,075	4,347	4,773	5,184	5,580
15,400	1,650	3,078	4,351	4,777	5,188	5,585
15,450	1,652	3,080	4,354	4,781	5,192	5,589
15,500	1,653	3,083	4,357	4,784	5,196	5,593
15,550	1,655	3,085	4,360	4,788	5,200	5,597
15,600	1,656	3,088	4,364	4,791	5,204	5,602
15,650	1,658	3,090	4,367	4,795	5,208	5,606
15,700	1,659	3,093	4,371	4,799	5,212	5,610
15,750	1,660	3,095	4,374	4,803	5,216	5,615
15,800	1,662	3,098	4,377	4,806	5,220	5,619
15,850	1,663	3,100	4,381	4,810	5,224	5,624
15,900	1,665	3,103	4,385	4,814	5,228	5,628

Net Income	Children					
	One	Two	Three	Four	Five	Six
15,950	1,666	3,106	4,388	4,818	5,233	5,633
16,000	1,668	3,108	4,392	4,822	5,237	5,637
16,050	1,669	3,111	4,395	4,826	5,241	5,642
16,100	1,671	3,114	4,399	4,830	5,246	5,647
16,150	1,673	3,117	4,403	4,834	5,250	5,652
16,200	1,674	3,119	4,407	4,838	5,255	5,657
16,250	1,676	3,122	4,410	4,843	5,259	5,662
16,300	1,677	3,125	4,414	4,847	5,264	5,667
16,350	1,679	3,128	4,418	4,851	5,269	5,672
16,400	1,681	3,131	4,422	4,856	5,273	5,677
16,450	1,682	3,134	4,426	4,860	5,278	5,682
16,500	1,684	3,137	4,430	4,865	5,283	5,687
16,550	1,686	3,140	4,435	4,869	5,288	5,693
16,600	1,688	3,143	4,439	4,874	5,293	5,698
16,650	1,689	3,146	4,443	4,879	5,298	5,703
16,700	1,691	3,150	4,448	4,883	5,303	5,709

Note: The shaded area indicates below poverty and the bold numbers indicate incomes in the low-income adjustment during the phase-in period.

Appendix C. Current Schedule Updated with 2-Person Self-Support Reserve and 50% Phase-in

Net Income	Children					
	One	Two	Three	Four	Five	Six
800	**0**	**0**	**0**	**0**	**0**	**0**
850	**0**	**0**	**0**	**0**	**0**	**0**
900	**0**	**0**	**0**	**0**	**0**	**0**
950	**0**	**0**	**0**	**0**	**0**	**0**
1,000	**0**	**0**	**0**	**0**	**0**	**0**
1,050	**0**	**0**	**0**	**0**	**0**	**0**
1,100	**0**	**0**	**0**	**0**	**0**	**0**
1,150	**0**	**0**	**0**	**0**	**0**	**0**
1,200	**0**	**0**	**0**	**0**	**0**	**0**
1,250	**0**	**0**	**0**	**0**	**0**	**0**
1,300	**0**	**0**	**0**	**0**	**0**	**0**
1,350	**0**	**0**	**0**	**0**	**0**	**0**
1,400	**0**	**0**	**0**	**0**	**0**	**0**
1,450	**0**	**0**	**0**	**0**	**0**	**0**
1,500	**0**	**0**	**0**	**0**	**0**	**0**
1,550	**0**	**0**	**0**	**0**	**0**	**0**
1,600	**0**	**0**	**0**	**0**	**0**	**0**
1,650	**0**	**0**	**0**	**0**	**0**	**0**
1,700	**0**	**0**	**0**	**0**	**0**	**0**
1,750	**0**	**0**	**0**	**0**	**0**	**0**
1,800	**0**	**0**	**0**	**0**	**0**	**0**
1,850	**23**	**23**	**23**	**23**	**23**	**23**
1,900	**48**	**48**	**48**	**48**	**48**	**48**
1,950	**73**	**73**	**73**	**73**	**73**	**73**
2,000	**98**	**98**	**98**	**98**	**98**	**98**
2,050	**123**	**123**	**123**	**123**	**123**	**123**
2,100	**148**	**148**	**148**	**148**	**148**	**148**
2,150	**173**	**173**	**173**	**173**	**173**	**173**
2,200	**198**	**198**	**198**	**198**	**198**	**198**
2,250	**223**	**223**	**223**	**223**	**223**	**223**
2,300	**248**	**248**	**248**	**248**	**248**	**248**
2,350	**273**	**273**	**273**	**273**	**273**	**273**
2,400	**298**	**298**	**298**	**298**	**298**	**298**
2,450	**323**	**323**	**323**	**323**	**323**	**323**
2,500	**348**	**348**	**348**	**348**	**348**	**348**

Net			Children			
Income	One	Two	Three	Four	Five	Six
2,550	**373**	**373**	**373**	**373**	**373**	**373**
2,600	**398**	**398**	**398**	**398**	**398**	**398**
2,650	**423**	**423**	**423**	**423**	**423**	**423**
2,700	**448**	**448**	**448**	**448**	**448**	**448**
2,750	**473**	**473**	**473**	**473**	**473**	**473**
2,800	**498**	**498**	**498**	**498**	**498**	**498**
2,850	**523**	**523**	**523**	**523**	**523**	**523**
2,900	**548**	**548**	**548**	**548**	**548**	**548**
2,950	**573**	**573**	**573**	**573**	**573**	**573**
3,000	**598**	**598**	**598**	**598**	**598**	**598**
3,050	**623**	**623**	**623**	**623**	**623**	**623**
3,100	**648**	**648**	**648**	**648**	**648**	**648**
3,150	673	**673**	**673**	**673**	**673**	**673**
3,200	682	**698**	**698**	**698**	**698**	**698**
3,250	691	**723**	**723**	**723**	**723**	**723**
3,300	701	**748**	**748**	**748**	**748**	**748**
3,350	710	**773**	**773**	**773**	**773**	**773**
3,400	720	**798**	**798**	**798**	**798**	**798**
3,450	729	**823**	**823**	**823**	**823**	**823**
3,500	738	**848**	**848**	**848**	**848**	**848**
3,550	748	**873**	**873**	**873**	**873**	**873**
3,600	757	**898**	**898**	**898**	**898**	**898**
3,650	767	**923**	**923**	**923**	**923**	**923**
3,700	776	**948**	**948**	**948**	**948**	**948**
3,750	784	**973**	**973**	**973**	**973**	**973**
3,800	793	**998**	**998**	**998**	**998**	**998**
3,850	802	**1,023**	**1,023**	**1,023**	**1,023**	**1,023**
3,900	811	**1,048**	**1,048**	**1,048**	**1,048**	**1,048**
3,950	819	**1,073**	**1,073**	**1,073**	**1,073**	**1,073**
4,000	828	**1,098**	**1,098**	**1,098**	**1,098**	**1,098**
4,050	837	**1,123**	**1,123**	**1,123**	**1,123**	**1,123**
4,100	846	**1,148**	**1,148**	**1,148**	**1,148**	**1,148**
4,150	854	**1,173**	**1,173**	**1,173**	**1,173**	**1,173**
4,200	863	**1,198**	**1,198**	**1,198**	**1,198**	**1,198**
4,250	872	**1,223**	**1,223**	**1,223**	**1,223**	**1,223**
4,300	881	**1,248**	**1,248**	**1,248**	**1,248**	**1,248**
4,350	889	**1,273**	**1,273**	**1,273**	**1,273**	**1,273**
4,400	898	**1,298**	**1,298**	**1,298**	**1,298**	**1,298**

Net			Children			
Income	One	Two	Three	Four	Five	Six
4,450	907	**1,323**	**1,323**	**1,323**	**1,323**	**1,323**
4,500	916	**1,348**	**1,348**	**1,348**	**1,348**	**1,348**
4,550	924	**1,373**	**1,373**	**1,373**	**1,373**	**1,373**
4,600	933	**1,398**	**1,398**	**1,398**	**1,398**	**1,398**
4,650	942	**1,423**	**1,423**	**1,423**	**1,423**	**1,423**
4,700	951	**1,448**	**1,448**	**1,448**	**1,448**	**1,448**
4,750	959	**1,473**	**1,473**	**1,473**	**1,473**	**1,473**
4,800	968	**1,498**	**1,498**	**1,498**	**1,498**	**1,498**
4,850	977	1,517	**1,523**	**1,523**	**1,523**	**1,523**
4,900	986	1,530	**1,548**	**1,548**	**1,548**	**1,548**
4,950	993	1,542	**1,573**	**1,573**	**1,573**	**1,573**
5,000	1,000	1,551	**1,598**	**1,598**	**1,598**	**1,598**
5,050	1,006	1,561	**1,623**	**1,623**	**1,623**	**1,623**
5,100	1,013	1,571	**1,648**	**1,648**	**1,648**	**1,648**
5,150	1,019	1,580	**1,673**	**1,673**	**1,673**	**1,673**
5,200	1,025	1,590	**1,698**	**1,698**	**1,698**	**1,698**
5,250	1,032	1,599	**1,723**	**1,723**	**1,723**	**1,723**
5,300	1,038	1,609	**1,748**	**1,748**	**1,748**	**1,748**
5,350	1,045	1,619	**1,773**	**1,773**	**1,773**	**1,773**
5,400	1,051	1,628	**1,798**	**1,798**	**1,798**	**1,798**
5,450	1,057	1,638	**1,823**	**1,823**	**1,823**	**1,823**
5,500	1,064	1,647	**1,848**	**1,848**	**1,848**	**1,848**
5,550	1,070	1,657	**1,873**	**1,873**	**1,873**	**1,873**
5,600	1,077	1,667	**1,898**	**1,898**	**1,898**	**1,898**
5,650	1,083	1,676	**1,923**	**1,923**	**1,923**	**1,923**
5,700	1,089	1,686	**1,948**	**1,948**	**1,948**	**1,948**
5,750	1,096	1,695	**1,973**	**1,973**	**1,973**	**1,973**
5,800	1,102	1,705	**1,998**	**1,998**	**1,998**	**1,998**
5,850	1,107	1,713	**2,023**	**2,023**	**2,023**	**2,023**
5,900	1,111	1,721	**2,048**	**2,048**	**2,048**	**2,048**
5,950	1,116	1,729	**2,073**	**2,073**	**2,073**	**2,073**
6,000	1,121	1,737	**2,098**	**2,098**	**2,098**	**2,098**
6,050	1,126	1,746	**2,123**	**2,123**	**2,123**	**2,123**
6,100	1,131	1,754	**2,148**	**2,148**	**2,148**	**2,148**
6,150	1,136	1,762	**2,173**	**2,173**	**2,173**	**2,173**
6,200	1,141	1,770	**2,198**	**2,198**	**2,198**	**2,198**
6,250	1,145	1,778	**2,223**	**2,223**	**2,223**	**2,223**
6,300	1,150	1,786	2,237	**2,248**	**2,248**	**2,248**

Net			Children			
Income	One	Two	Three	Four	Five	Six
6,350	1,155	1,795	2,247	**2,273**	**2,273**	**2,273**
6,400	1,160	1,803	2,258	**2,298**	**2,298**	**2,298**
6,450	1,165	1,811	2,268	**2,323**	**2,323**	**2,323**
6,500	1,170	1,819	2,278	**2,348**	**2,348**	**2,348**
6,550	1,175	1,827	2,288	**2,373**	**2,373**	**2,373**
6,600	1,179	1,835	2,299	**2,398**	**2,398**	**2,398**
6,650	1,184	1,843	2,309	**2,423**	**2,423**	**2,423**
6,700	1,189	1,850	2,317	**2,448**	**2,448**	**2,448**
6,750	1,193	1,856	2,325	**2,473**	**2,473**	**2,473**
6,800	1,196	1,862	2,332	**2,498**	**2,498**	**2,498**
6,850	1,200	1,868	2,340	**2,523**	**2,523**	**2,523**
6,900	1,204	1,873	2,347	**2,548**	**2,548**	**2,548**
6,950	1,208	1,879	2,355	**2,573**	**2,573**	**2,573**
7,000	1,212	1,885	2,362	**2,598**	**2,598**	**2,598**
7,050	1,216	1,891	2,370	**2,623**	**2,623**	**2,623**
7,100	1,220	1,897	2,378	**2,648**	**2,648**	**2,648**
7,150	1,224	1,903	2,385	**2,673**	**2,673**	**2,673**
7,200	1,228	1,909	2,393	2,690	**2,698**	**2,698**
7,250	1,232	1,915	2,400	2,698	**2,723**	**2,723**
7,300	1,235	1,921	2,408	2,707	**2,748**	**2,748**
7,350	1,239	1,927	2,415	2,716	**2,773**	**2,773**
7,400	1,243	1,933	2,423	2,724	**2,798**	**2,798**
7,450	1,247	1,939	2,430	2,733	**2,823**	**2,823**
7,500	1,251	1,945	2,438	2,741	**2,848**	**2,848**
7,550	1,255	1,951	2,446	2,750	**2,873**	**2,873**
7,600	1,259	1,957	2,453	2,758	**2,898**	**2,898**
7,650	1,263	1,963	2,461	2,767	**2,923**	**2,923**
7,700	1,267	1,969	2,468	2,775	**2,948**	**2,948**
7,750	1,271	1,975	2,476	2,784	**2,973**	**2,973**
7,800	1,274	1,981	2,483	2,792	**2,998**	**2,998**
7,850	1,278	1,987	2,491	2,801	**3,023**	**3,023**
7,900	1,282	1,992	2,498	2,810	**3,048**	**3,048**
7,950	1,286	1,998	2,506	2,818	**3,073**	**3,073**
8,000	1,290	2,004	2,513	2,827	3,085	**3,098**
8,050	1,294	2,010	2,521	2,835	3,094	**3,123**
8,100	1,298	2,016	2,529	2,844	3,104	**3,148**
8,150	1,302	2,022	2,536	2,852	3,113	**3,173**
8,200	1,306	2,028	2,544	2,861	3,122	**3,198**

Net Income	Children					
	One	Two	Three	Four	Five	Six
8,250	1,310	2,034	2,551	2,869	3,131	**3,223**
8,300	1,313	2,040	2,559	2,878	3,141	**3,248**
8,350	1,317	2,046	2,566	2,887	3,150	**3,273**
8,400	1,321	2,052	2,574	2,895	3,159	**3,298**
8,450	1,325	2,058	2,581	2,904	3,168	**3,323**
8,500	1,329	2,064	2,589	2,912	3,178	**3,348**
8,550	1,333	2,070	2,597	2,921	3,187	**3,373**
8,600	1,337	2,076	2,604	2,929	3,196	**3,398**
8,650	1,341	2,082	2,612	2,938	3,205	**3,423**
8,700	1,345	2,088	2,619	2,946	3,215	3,435
8,750	1,349	2,094	2,627	2,955	3,224	3,445
8,800	1,352	2,100	2,634	2,963	3,233	3,454
8,850	1,356	2,106	2,642	2,972	3,242	3,464
8,900	1,360	2,111	2,649	2,981	3,252	3,474
8,950	1,364	2,117	2,657	2,989	3,261	3,484
9,000	1,368	2,123	2,664	2,998	3,270	3,493

Note: The shaded area indicates below poverty and the bold numbers indicate incomes in the low-income adjustment during the phase-in period.

Appendix D. Current Schedule Updated with 1-Person Self-Support Reserve and 50% Phase-in

Net Income	Children					
	One	Two	Three	Four	Five	Six
800	**0**	**0**	**0**	**0**	**0**	**0**
850	**0**	**0**	**0**	**0**	**0**	**0**
900	**0**	**0**	**0**	**0**	**0**	**0**
950	**0**	**0**	**0**	**0**	**0**	**0**
1,000	**0**	**0**	**0**	**0**	**0**	**0**
1,050	**0**	**0**	**0**	**0**	**0**	**0**
1,100	**0**	**0**	**0**	**0**	**0**	**0**
1,150	**0**	**0**	**0**	**0**	**0**	**0**
1,200	**0**	**0**	**0**	**0**	**0**	**0**
1,250	**0**	**0**	**0**	**0**	**0**	**0**
1,300	**0**	**0**	**0**	**0**	**0**	**0**
1,350	**10**	**10**	**10**	**10**	**10**	**10**
1,400	**35**	**35**	**35**	**35**	**35**	**35**
1,450	**60**	**60**	**60**	**60**	**60**	**60**
1,500	**85**	**85**	**85**	**85**	**85**	**85**
1,550	**110**	**110**	**110**	**110**	**110**	**110**
1,600	**135**	**135**	**135**	**135**	**135**	**135**
1,650	**160**	**160**	**160**	**160**	**160**	**160**
1,700	**185**	**185**	**185**	**185**	**185**	**185**
1,750	**210**	**210**	**210**	**210**	**210**	**210**
1,800	**235**	**235**	**235**	**235**	**235**	**235**
1,850	**260**	**260**	**260**	**260**	**260**	**260**
1,900	**285**	**285**	**285**	**285**	**285**	**285**
1,950	**310**	**310**	**310**	**310**	**310**	**310**
2,000	**335**	**335**	**335**	**335**	**335**	**335**
2,050	**360**	**360**	**360**	**360**	**360**	**360**
2,100	**385**	**385**	**385**	**385**	**385**	**385**
2,150	**410**	**410**	**410**	**410**	**410**	**410**
2,200	**435**	**435**	**435**	**435**	**435**	**435**
2,250	**460**	**460**	**460**	**460**	**460**	**460**
2,300	**485**	**485**	**485**	**485**	**485**	**485**
2,350	**510**	**510**	**510**	**510**	**510**	**510**
2,400	**526**	**535**	**535**	**535**	**535**	**535**
2,450	536	**560**	**560**	**560**	**560**	**560**
2,500	547	**585**	**585**	**585**	**585**	**585**
2,550	557	**610**	**610**	**610**	**610**	**610**

Net			Children			
Income	One	Two	Three	Four	Five	Six
2,600	568	**635**	**635**	**635**	**635**	**635**
2,650	578	**660**	**660**	**660**	**660**	**660**
2,700	588	**685**	**685**	**685**	**685**	**685**
2,750	597	**710**	**710**	**710**	**710**	**710**
2,800	607	**735**	**735**	**735**	**735**	**735**
2,850	616	**760**	**760**	**760**	**760**	**760**
2,900	626	**785**	**785**	**785**	**785**	**785**
2,950	635	**810**	**810**	**810**	**810**	**810**
3,000	644	**835**	**835**	**835**	**835**	**835**
3,050	654	**860**	**860**	**860**	**860**	**860**
3,100	663	**885**	**885**	**885**	**885**	**885**
3,150	673	**910**	**910**	**910**	**910**	**910**
3,200	682	**935**	**935**	**935**	**935**	**935**
3,250	691	**960**	**960**	**960**	**960**	**960**
3,300	701	**985**	**985**	**985**	**985**	**985**
3,350	710	**1,010**	**1,010**	**1,010**	**1,010**	**1,010**
3,400	720	**1,035**	**1,035**	**1,035**	**1,035**	**1,035**
3,450	729	**1,060**	**1,060**	**1,060**	**1,060**	**1,060**
3,500	738	**1,085**	**1,085**	**1,085**	**1,085**	**1,085**
3,550	748	**1,110**	**1,110**	**1,110**	**1,110**	**1,110**
3,600	757	**1,135**	**1,135**	**1,135**	**1,135**	**1,135**
3,650	767	**1,160**	**1,160**	**1,160**	**1,160**	**1,160**
3,700	776	**1,185**	**1,185**	**1,185**	**1,185**	**1,185**
3,750	784	**1,210**	**1,210**	**1,210**	**1,210**	**1,210**
3,800	793	**1,234**	**1,235**	**1,235**	**1,235**	**1,235**
3,850	802	1,248	**1,260**	**1,260**	**1,260**	**1,260**
3,900	811	1,261	**1,285**	**1,285**	**1,285**	**1,285**
3,950	819	1,275	**1,310**	**1,310**	**1,310**	**1,310**
4,000	828	1,288	**1,335**	**1,335**	**1,335**	**1,335**
4,050	837	1,302	**1,360**	**1,360**	**1,360**	**1,360**
4,100	846	1,315	**1,385**	**1,385**	**1,385**	**1,385**
4,150	854	1,329	**1,410**	**1,410**	**1,410**	**1,410**
4,200	863	1,342	**1,435**	**1,435**	**1,435**	**1,435**
4,250	872	1,355	**1,460**	**1,460**	**1,460**	**1,460**
4,300	881	1,369	**1,485**	**1,485**	**1,485**	**1,485**
4,350	889	1,382	**1,510**	**1,510**	**1,510**	**1,510**
4,400	898	1,396	**1,535**	**1,535**	**1,535**	**1,535**
4,450	907	1,409	**1,560**	**1,560**	**1,560**	**1,560**

Net			Children			
Income	One	Two	Three	Four	Five	Six
4,500	916	1,423	**1,585**	**1,585**	**1,585**	**1,585**
4,550	924	1,436	**1,610**	**1,610**	**1,610**	**1,610**
4,600	933	1,450	**1,635**	**1,635**	**1,635**	**1,635**
4,650	942	1,463	**1,660**	**1,660**	**1,660**	**1,660**
4,700	951	1,477	**1,685**	**1,685**	**1,685**	**1,685**
4,750	959	1,490	**1,710**	**1,710**	**1,710**	**1,710**
4,800	968	1,503	**1,735**	**1,735**	**1,735**	**1,735**
4,850	977	1,517	**1,760**	**1,760**	**1,760**	**1,760**
4,900	986	1,530	**1,785**	**1,785**	**1,785**	**1,785**
4,950	993	1,542	**1,810**	**1,810**	**1,810**	**1,810**
5,000	1,000	1,551	**1,835**	**1,835**	**1,835**	**1,835**
5,050	1,006	1,561	**1,860**	**1,860**	**1,860**	**1,860**
5,100	1,013	1,571	**1,885**	**1,885**	**1,885**	**1,885**
5,150	1,019	1,580	**1,910**	**1,910**	**1,910**	**1,910**
5,200	1,025	1,590	**1,935**	**1,935**	**1,935**	**1,935**
5,250	1,032	1,599	**1,960**	**1,960**	**1,960**	**1,960**
5,300	1,038	1,609	**1,985**	**1,985**	**1,985**	**1,985**
5,350	1,045	1,619	**2,010**	**2,010**	**2,010**	**2,010**
5,400	1,051	1,628	**2,035**	**2,035**	**2,035**	**2,035**
5,450	1,057	1,638	2,049	**2,060**	**2,060**	**2,060**
5,500	1,064	1,647	2,061	**2,085**	**2,085**	**2,085**
5,550	1,070	1,657	2,073	**2,110**	**2,110**	**2,110**
5,600	1,077	1,667	2,085	**2,135**	**2,135**	**2,135**
5,650	1,083	1,676	2,097	**2,160**	**2,160**	**2,160**
5,700	1,089	1,686	2,109	**2,185**	**2,185**	**2,185**
5,750	1,096	1,695	2,122	**2,210**	**2,210**	**2,210**
5,800	1,102	1,705	2,134	**2,235**	**2,235**	**2,235**
5,850	1,107	1,713	2,144	**2,260**	**2,260**	**2,260**
5,900	1,111	1,721	2,155	**2,285**	**2,285**	**2,285**
5,950	1,116	1,729	2,165	**2,310**	**2,310**	**2,310**
6,000	1,121	1,737	2,175	**2,335**	**2,335**	**2,335**
6,050	1,126	1,746	2,185	**2,360**	**2,360**	**2,360**
6,100	1,131	1,754	2,196	**2,385**	**2,385**	**2,385**
6,150	1,136	1,762	2,206	**2,410**	**2,410**	**2,410**
6,200	1,141	1,770	2,216	**2,435**	**2,435**	**2,435**
6,250	1,145	1,778	2,227	**2,460**	**2,460**	**2,460**
6,300	1,150	1,786	2,237	**2,485**	**2,485**	**2,485**
6,350	1,155	1,795	2,247	**2,510**	**2,510**	**2,510**

Net			Children			
Income	One	Two	Three	Four	Five	Six
6,400	1,160	1,803	2,258	**2,535**	**2,535**	**2,535**
6,450	1,165	1,811	2,268	**2,551**	**2,560**	**2,560**
6,500	1,170	1,819	2,278	2,562	**2,585**	**2,585**
6,550	1,175	1,827	2,288	2,573	**2,610**	**2,610**
6,600	1,179	1,835	2,299	2,584	**2,635**	**2,635**
6,650	1,184	1,843	2,309	2,595	**2,660**	**2,660**
6,700	1,189	1,850	2,317	2,604	**2,685**	**2,685**
6,750	1,193	1,856	2,325	2,613	**2,710**	**2,710**
6,800	1,196	1,862	2,332	2,621	**2,735**	**2,735**
6,850	1,200	1,868	2,340	2,630	**2,760**	**2,760**
6,900	1,204	1,873	2,347	2,639	**2,785**	**2,785**
6,950	1,208	1,879	2,355	2,647	**2,810**	**2,810**
7,000	1,212	1,885	2,362	2,656	**2,835**	**2,835**
7,050	1,216	1,891	2,370	2,664	**2,860**	**2,860**
7,100	1,220	1,897	2,378	2,673	**2,885**	**2,885**
7,150	1,224	1,903	2,385	2,681	**2,910**	**2,910**
7,200	1,228	1,909	2,393	2,690	**2,935**	**2,935**
7,250	1,232	1,915	2,400	2,698	**2,946**	**2,960**
7,300	1,235	1,921	2,408	2,707	2,956	**2,985**
7,350	1,239	1,927	2,415	2,716	2,965	**3,010**
7,400	1,243	1,933	2,423	2,724	2,974	**3,035**
7,450	1,247	1,939	2,430	2,733	2,983	**3,060**
7,500	1,251	1,945	2,438	2,741	2,993	**3,085**
7,550	1,255	1,951	2,446	2,750	3,002	**3,110**
7,600	1,259	1,957	2,453	2,758	3,011	**3,135**
7,650	1,263	1,963	2,461	2,767	3,020	**3,160**
7,700	1,267	1,969	2,468	2,775	3,030	**3,185**
7,750	1,271	1,975	2,476	2,784	3,039	**3,210**
7,800	1,274	1,981	2,483	2,792	3,048	**3,235**
7,850	1,278	1,987	2,491	2,801	3,057	**3,260**
7,900	1,282	1,992	2,498	2,810	3,067	**3,279**
7,950	1,286	1,998	2,506	2,818	3,076	3,289
8,000	1,290	2,004	2,513	2,827	3,085	3,298
8,050	1,294	2,010	2,521	2,835	3,094	3,308
8,100	1,298	2,016	2,529	2,844	3,104	3,318
8,150	1,302	2,022	2,536	2,852	3,113	3,328
8,200	1,306	2,028	2,544	2,861	3,122	3,337
8,250	1,310	2,034	2,551	2,869	3,131	3,347

Net	Children					
Income	One	Two	Three	Four	Five	Six
8,300	1,313	2,040	2,559	2,878	3,141	3,357
8,350	1,317	2,046	2,566	2,887	3,150	3,367
8,400	1,321	2,052	2,574	2,895	3,159	3,376
8,450	1,325	2,058	2,581	2,904	3,168	3,386
8,500	1,329	2,064	2,589	2,912	3,178	3,396
8,550	1,333	2,070	2,597	2,921	3,187	3,406
8,600	1,337	2,076	2,604	2,929	3,196	3,415
8,650	1,341	2,082	2,612	2,938	3,205	3,425
8,700	1,345	2,088	2,619	2,946	3,215	3,435
8,750	1,349	2,094	2,627	2,955	3,224	3,445
8,800	1,352	2,100	2,634	2,963	3,233	3,454
8,850	1,356	2,106	2,642	2,972	3,242	3,464
8,900	1,360	2,111	2,649	2,981	3,252	3,474
8,950	1,364	2,117	2,657	2,989	3,261	3,484
9,000	1,368	2,123	2,664	2,998	3,270	3,493

Note: The shaded area indicates below poverty and the bold numbers indicate incomes in the low-income adjustment during the phase-in period.