

RATIONALIZING CHILD SUPPORT DECISIONS†

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Abstract

We provide a framework within which both the child support compliance decisions of noncustodial fathers and the child support awards set by institutional agents can be coherently interpreted. The parsimoniously parameterized model of child support transfers is able to capture all of the relevant features of the actual transfer distribution. We indicate the manner in which behavioral parameter estimates obtained from this analysis can be used to conduct an investigation of the child support award decision. Empirical evidence is provided on the implicit preference weights of institutional agents to support our contention that noncompliance phenomena seem to be largely ignored in the setting of child support awards within our sample. Given the characteristics of noncustodial fathers, our results indicate that the [short-run] expected welfare levels of custodial mothers and their children would have been increased by a reduction in child support orders in almost four-fifths of our sample cases.

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