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The Antipoverty Effectiveness of Child Support:

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Abstract

In this paper we examine the role of child support in the economic well-being of children in single-parent families in Latin America. We use the Luxembourg Income Study wave IX and the 2012 Colombian Quality of Life Survey to answer three questions: (1) are children in single-parent families more likely to be poor than children in two-parent families? (2) what is the relative importance of different income sources in the income packages of these families? and (3) are child support transfers improving the economic well-being of children in single-parent families? Our results show that children in single-parent families are disproportionally poor relative to two-parent families in Brazil, Colombia, Panama, Paraguay, and Uruguay. For other countries, poverty rates are similar (Guatemala and Peru), or higher in two-parent families than single-parent families (Mexico). Labor income is the most important income source for both types of families in all of these countries. However, child support represents between 20 and 39 per cent of total income among families receiving this transfer. The largest antipoverty effectiveness of child support is also observed among these families. Child support brings between 30 and 55 per cent of children receiving this transfer out of poverty.

1. Introduction

Latin Americans have experienced a significant improvement in their economic well-being over the past three decades. The absolute poverty rate dropped from 48 per cent in 1990 to 28 per cent in 2014, which means that approximately 72 million individuals managed to escape poverty in the first decade of the 21st century (ECLAC 2015; UNDP, 2016). Even though half of this decline can be attributed to poverty reduction in Brazil alone, absolute poverty rates have dropped in most of the region's countries and remain at historical lows in a number of them (e.g., Brazil, Peru, and Colombia). This positive trend is well documented in a number of studies looking at aggregate measures of economic well-being in Latin America (ECLAC 2015; UNDP 2016).

We know less about the extent to which the downward trend in national poverty rates is also observed across different subgroups of the population. A small but growing literature in this area suggests that the gains observed in national averages have not been evenly distributed across demographic groups, and children remain the most disadvantaged population in the region (Lucchetti et al., 2016; ECLAC, 2015; UNICEF, 2005). In 2014, the absolute poverty rate among Latin American children (36 per cent) was almost twice that of adults (19 per cent) (Lucchetti et al., 2016). Although absolute poverty decreased substantially at the beginning of the 21st century, the rate of this decline was significantly lower for children (3.8 per cent per year) than the rate observed among adults (5.5 per cent per year) (Lucchetti et al., 2016).

The significant changes observed among Latin American families raise the question of whether children across different family structures are equally accessing the benefits of an improved economic environment. While single-parent[I] families are economically more disadvantaged than two-parent families in a wide range of nations (Cerrutti and Bistock, 2009;

ECLAC, 2009; Hakovirta, 2011; OECD, 2011), aggregate measures for a number of countries show a rather weak association between single parenthood and poverty (ECLAC, 2009; Cuesta, Ríos-Salas, and Meyer, 2017; Villarreal and Shin, 2008). The extent to which single parents and their children experience poverty may be moderated by different factors. One mechanism that has received little attention in Latin America is child support, a monetary transfer from a nonresident parent to a resident parent (the single parent[II]), to assist with the cost of raising children following union dissolution. Child support is a different kind of transfer, as it is not money from the government (like, for instance, conditional cash transfers), but money from a particular parent (the nonresident parent).

Empirical evidence shows that single-parent families receiving child support are less likely to be poor than those who do not receive these transfers (Bartfeld, 2000; Cuesta and Meyer, 2014; Hakovirta, 2011; Meyer and Hu, 1999; Skinner, Cook, and Sinclair, 2017). However, the vast majority of this literature is focused on a few developed countries, with little evidence on the antipoverty effectiveness of child support in less affluent nations. The increase in single parenthood (Arriagada, 2014; Castro-Martin et al., 2008; Castro-Martin et al., 2011; Social Trends Institute, 2017), the economic vulnerability observed among these families (Cerrutti and Bistock, 2009; ECLAC, 2009; Hakovirta, 2011; OECD, 2011), and the shortage of existing research for developing countries warrants an examination of the role of child support policy in Latin America.

In this study we examine the role that child support policy plays in the economic well-being of children in single-parent families in Latin America. We use the Luxembourg Income Study (LIS) wave IX and the 2012 Colombian Quality of Life Survey (QLS) to answer the following questions: (1) are children in single-parent families more likely to be poor than

children in two-parent families? (2) what is the relative importance of different income sources in the income packages of these families? and (3) are child support policies improving the economic well-being of children in single-parent families? We answer the first two questions for Brazil, Colombia, Guatemala, Mexico, Panama, Paraguay, Peru, and Uruguay. Because of data constraints, we examine the antipoverty effectiveness of child support policies in Colombia, Guatemala, Panama, Paraguay, Peru, and Uruguay. Although absolute poverty measures are more common in Latin America, we use relative poverty measures that account for changes in a country's standard of living (Garroway and de Laiglesia, 2012), and are typically used in cross-national comparisons (OECD 2008, 2011).

Our study makes a number of contributions to the literature (Bartfeld, 2000; Cuesta and Meyer, 2014; Hakovirta, 2011; Meyer and Hu, 1999; Skinner, Cook, and Sinclair, 2017). First, to the best of our knowledge, this is the first study that estimates the antipoverty effectiveness of child support policy in Guatemala, Panama, Paraguay, Peru, and Uruguay, and the first to provide cross-national estimates of the effects of child support in Latin America. Because the vast majority of the literature has been focused on a few industrialized countries, our analysis is an important step toward improving our current understanding of the role of child support policy in less affluent nations. Second, this is the first cross-national examination of a policy that has received little attention in Latin America; findings from this study can inform potential changes to child support policy schemes in this region and, more generally, policies designed to improve the economic well-being of children growing up in single-parent families. As the region prepares for new challenges in terms of poverty reduction, understanding the potential of child support policy becomes crucial to reduce disparities in the economic well-being of families with children.

2. Background

2.1.Family change and single-parenthood in Latin America

The significant rise in cohabitation (Esteve, Lesthaeghe, and Lopez-Gay, 2012), the increase in union dissolution (Cerrutti and Binstock, 2009; Garcia and de Olivera, 2011), and the dramatic growth in nonmarital childbearing (Castro-Martin et al., 2011; Social Institute Trends, 2017) have changed the context in which Latin American children are reared. In this section we discuss the demographic trends associated with family change and single-parenthood in this region. In table 1 we present published demographic indicators of Brazil, Colombia, Guatemala, Mexico, Panama, Paraguay, Peru, and Uruguay, between the 1990s and 2010s.

[Insert Table 1 here]

The first two columns of Table 1 show a substantial decline in the percentage of women who are married. Among the countries in our sample, the largest reductions were observed in Uruguay, where the percentage of women who were married declined from 46.3 per cent in the 1990s to 29.4 per cent in the 2010s. At the end of this period, Mexico, Paraguay, and Guatemala showed the highest percentage of women who were married (39.2 per cent, 35.5 per cent, and 34.9 per cent, respectively), while Panama and Colombia registered the lowest (22.8 per cent and 23.8 per cent, respectively). The changes observed in cohabitation are consistent with the pattern documented in a number of studies (Esteve, Lesthaeghe, and Lopez-Gay, 2012; Castro-Martin et al., 2011). The percentage of women who were cohabitating increased in almost all countries in the sample between the 1990s and 2010s. The largest increase was observed in Peru (8.3 percentage points) and Uruguay (8.2 percentage points). However, there are some differences across countries, and in some cases the percentage of women who are cohabitating remained low. By 2010, approximately one third of women in Panama were cohabitating while only 13.9

per cent of Mexican women and 14.7 per cent of Paraguayan women were living in a consensual union.

The statistics presented in table 1 also show a relatively modest increase in the percentage of all women who were separated or divorced in Mexico (5.6 percentage points) and Brazil (4.8 percentage points). The percentage of women with children who are single remained relatively stable in all countries except Colombia. However, the percentage of women with children who are separated or divorced increased substantially in Brazil (8.2 percentage points), Uruguay (7.7 percentage points), and Mexico (6.9 percentage points) between the 1990s and the 2010s. By the end of 2010, approximately one third of women with children were separated or divorced in Brazil and Uruguay. This trend alone means that a growing number of children in these countries are spending at least some of their childhood living in a single-mother family. We explore this issue further by looking at changes in nonmarital childbearing. The last column of table 1 shows the changes in the proportion of births outside marriage in our sample of countries. Nonmarital childbearing rose in most countries during this period of time. The greatest increase was observed in Mexico, where the percentage of births outside marriage rose from 33.7 per cent in the 2000 to 65 per cent in 2014. By the end of 2010, Colombia (84 per cent) and Panama (83.2 per cent) showed the highest percentage of nonmarital childbearing while Uruguay and Guatemala presented the lowest (55.2 per cent and 57.9 per cent, respectively). Because cohabitating unions have been a socially accepted substitute for marriage in Latin America (Castro-Martin, 2002), nonmarital childbearing may not necessarily lead to an increase in single-parenthood in this region. However, a number of studies that looked at this phenomenon suggest that consensual unions have become more unstable in the most recent decade (Castro-Martin et al., 2008; Castro-Martin et al., 2011). Taken together these demographic trends suggest that an

increasing number of Latin American children are growing up with a single parent. Some of them are living with mothers who are separated or divorced and others are living with a mother who has not been married. Because single-parent families are more likely to be living in poverty, countries have different policies to improve their economic well-being. In the next section we discuss child support, one key policy that has received little attention in Latin America but has the potential to reduce poverty among single-parent families.

2.2.Child support policy schemes in Latin America

The literature on child support policy schemes (CSPS) in Latin America is very limited although child support legislation has been in place for decades, and in some cases for more than a century[III]. With very few exceptions, the CSPSs in the region remain undocumented. We addressed this issue with a two-fold approach. First, we relied on existing studies to describe the schemes of Uruguay (Bucheli and Cabella, 2009), Colombia (Cuesta and Meyer, 2012), and Peru (Rios-Salas and Meyer, 2014). Second, we conducted a systematic review of current child support legislation to describe the schemes of Guatemala (Civil Code of 1963; Civil Procedure and Commercial Code of 1964), Panama (Family Code of 1994; Law 42 of 2012; Law 45 of 2016), and Paraguay (Childhood and Adolescence Code of 2001; Civil Code of 1985; Labor Code of 1961; Law 5.415 of 2015). Following the approach of Skinner and Davidson (2009), countries are clustered into typologies according to the role that courts and public agencies play in their operation. Our description of these typologies focuses on four main tasks of the CSPS's operation as in Cuesta and Meyer (2012): request for intervention, child support order establishment and revision, collection and distribution of child support payments, and enforcement of child support arrangements.

2.2.1. *Court-based schemes*

The CSPS of Guatemala, Panama, Paraguay and Uruguay are court-based schemes, which means that the judicial system has the main responsibility for the determination and enforcement of child support arrangements (Skinner and Davidson, 2009). The first task, request for intervention, varies according to whether the child was born to married parents or not. When parents have been married, the husband is presumed to be the father and the CSPS intervenes automatically, granting child support orders during divorce proceedings. If the child was born to unmarried parents, the request for intervention is typically initiated by the resident parent (i.e., parent who is living with the child after union dissolution), and legal paternity must be established before child support arrangements can take place. Evidence for Uruguay suggests that costs associated with legal counseling and representation can be a barrier to requesting the intervention of the CSPS in court-based systems, especially among low-income families (Bucheli and Cabella, 2009). The second task, child support order establishment and revision, is conducted by judges who must consider the following factors: the child's age, the number of children involved in the case, whether the children have special needs, and the socioeconomic situation of the families involved in the case. In all these countries, the amount of support should be based on the child's needs, including nutrition, medical attention, medication, clothing, shelter, and education. Overall, judges are accorded a considerable amount of discretion in the establishment and revision of child support orders in these countries. There are no numerical guidelines to calculate the amount of support that is ordered, as there are in some developed countries. The only parameter included in child support legislation of Panama and Uruguay (Bucheli and Cabella, 2009) is that child support orders cannot exceed 50 per cent of the nonresident parent's wage. The legislation of Panama also establishes that the amount of child support provided by each parent should be equal, regardless of parent's economic circumstances.

Of all countries in our sample, Guatemala is the one where judges have the highest degree of discretion as there is not even a parameter to limit the maximum amount of support that can be ordered. Revision of child support orders is uncommon in all of these countries, and mostly depends on the resident parent's initiative to pursue changes to the original order. The third task, collection and distribution of payments, is typically made through a periodic transfer (usually monthly) from the nonresident parent to the resident parent. There is no public agency in charge of collecting and distributing payments in these countries. In Panama the methods of payment include withholding from wages and depositing of funds in a bank account for the exclusive payment of child support. In Guatemala and Paraguay child support should be paid in advance monthly installments. In all of the countries, legislation includes the possibility of in-kind payments when parents can reach an agreement about the amount and type of expenditure that will be paid in-kind. However, evidence for Uruguay suggests in-kind payments are less preferred in this country (Bucheli and Cabella, 2009). The fourth task, enforcement of child support arrangements, only takes place when the resident parent takes action. In Paraguay and Uruguay, nonresident parents owing three or more installments may be reported by the resident parent to be included in a registry of debtors. In Panama, just one overdue payment may cause the nonresident parent to be included in a registry of debtors. Different penalties can apply to the nonresident parent once the case has been taken to court, including reporting to credit bureaus, suspension of driver's license, liens against property, prohibition of leaving the country, and prison sentences.

2.2.2. Hybrid schemes

The CSPSs of Colombia and Peru are hybrid schemes, which means that they involve both the judicial system and public agencies (Skinner and Davidson, 2009). The four major tasks in the

schemes of Colombia and Peru have some differences from those in the court-based schemes described above. In the first task, request for intervention, resident parents can either request assistance from public agencies (i.e., National Institute of Family Well-being—NIFW in Colombia and conciliation centers in Peru), or file a lawsuit against the nonresident parent. In both countries parents are encouraged to make an agreement outside the court system in order to avoid an adversarial process. In both countries these private arrangements are enforceable by the judicial system. When parents decide to take the case to court, the CSPS of Colombia and Peru operate like the court-based schemes described above. In the second task, child support order establishment and revision, parents who pursue a child support arrangement outside the court system may request the intervention of staff at public agencies, or simply make a private (informal) agreement themselves. The intervention of public agencies consists of facilitating a conciliation between parents. If parents make an agreement, the amount agreed upon becomes enforceable. If parents disagree, the public officer has the authority to establish the amount of support. Ultimately, if parents disagree with the public officer's decision, the case is sent to a family court, where a family judge makes the final decision. In both countries there are no specific guidelines to set up the amount of support except that the award cannot exceed a given percentage of the nonresident parent's salary (i.e., 50 per cent in Colombia and 60 per cent in Peru). Unlike some of the court-based systems described above, in Peru in-kind payments are encouraged just as much as monetary payments (Ríos-Salas and Meyer, 2014). The fourth task, enforcement, only takes place when the resident parent takes the case to court. In both countries, penalties for noncompliance include confiscation of the nonresident parent's wages or property, prohibition of the nonresident parent to leave the country, and in some extreme circumstances, prison sentences.

The most significant difference between the CSPS of Colombia and Peru and the CSPS of Guatemala, Panama, Paraguay, and Uruguay is that the schemes of Colombia and Peru offer the possibility of establishing child support arrangements outside the court system, and that these informal arrangements are enforceable. This approach has some advantages over court-based arrangements, including the possibility of avoiding legal fees and reducing conflict between parents. However, neither Colombia nor Peru has a public agency in charge of supervising payment compliance. When the nonresident parent does not comply with the private agreement, the only way to enforce the child support obligation is by taking the case to court. Once parents have taken the case to a judge, all these systems operate like a court-based system.

2.3.The antipoverty effectiveness of child support

The increase in single parenthood raises a number of concerns among scholars and policymakers. These concerns include the high prevalence of income poverty among these families (Cerrutti and Bistock, 2009; ECLAC, 2009; Hakovirta, 2011; OECD, 2011) and the extent to which social policies are improving the economic well-being of single parents and their children. One mechanism that has been effective in reducing income poverty among single-parent families in a number of industrialized countries, but is less understood in the context of middle and low-income economies, is child support, a monetary transfer from a nonresident parent to a resident parent (i.e., single parent) in order to assist with the cost of raising children following union dissolution. Child support is a different kind of transfer, as it is not money from the government (like, for instance, conditional cash transfers), but money from an individual (the nonresident parent). Child support transfers may improve the economic well-being of children in single-parent families directly, by increasing family income and, therefore, providing additional resources to reduce poverty, or indirectly, by providing resources that influence outcomes that

affect children's economic potential such as nutrition and health (Brooks-Gunn and Duncan, 1997). In this study we examine the direct effect of child support transfers on the economic well-being of children in single-parent families. In what follows, we discuss the main findings from this literature. We finish this section presenting the hypothesis of the study.

In the vast majority of this literature, child support effects are estimated using a relatively straightforward approach in which authors calculate poverty rates pre-child support and post-child support income, and then estimate the percentage point reduction in poverty and the percentage of families that are brought out of poverty after receiving child support. An analogous approach is used to calculate the effects of child support on poverty gaps. In most of these estimations, authors use country-specific poverty thresholds. Some studies focus on the extent to which child support reduces poverty at the family level (Bartfeld, 2000; Cuesta and Meyer, 2014; Meyer and Hu, 1999), while others present measures at the child level (Cuesta and Meyer, 2014; Hakovirta, 2011). Because of our interest in understanding child support effects on child poverty, in this section we discuss findings from the studies focused on children.

Child support reduces poverty in a wide range of countries (Bartfeld, 2000; Cuesta and Meyer, 2014; Hakovirta, 2011; Meyer and Hu, 1999; OECD, 2011; Skinner, Bradshaw, and Davidson, 2007; Skinner, Cook, and Sinclair, 2017). The percentage of children in single-parent families brought out of poverty by child support alone ranged from 6 per cent in the United States (U.S.) to 50 per cent in Sweden in 2004 (Hakovirta, 2011). In Colombia, the only Latin American country for which there is evidence of the antipoverty effectiveness of child support, 12.4 per cent of children living in single-parent families were brought out of poverty by child support in 2008 (Cuesta and Meyer, 2014).

Because the proportion of single-parent families receiving child support is relatively low in most countries (see for example Cuesta and Meyer, 2012; Skinner and Davidson, 2009; Skinner, Bradshaw, and Davidson, 2007), child support effects on poverty are significantly greater among families that are receiving these transfers. This effect ranges from 18 per cent in the U.S. to 50 per cent in Sweden (Hakovirta, 2011), where the government guarantees that children receive a minimum allowance when nonresident parents do not meet their financial obligations. In Colombia, a country in which only 28 per cent of all families eligible for child support received this transfer in 2008, the effect of child support on income poverty among recipients was estimated to be 32 per cent in 2008 (Cuesta and Meyer, 2014).

Prior research also shows that child support reduces the poverty gap, which is the difference between income and the poverty line. The effect of child support on the poverty gap among children in single-parent families ranged from 5.3 per cent in the U.S. to 15.7 per cent in Finland and Sweden in 2004 (Hakovirta, 2011). In Colombia, child support reduced the poverty gap among all children in single-parent families by 11.5 per cent in 2008 (Cuesta and Meyer, 2014). Again, these effects are larger among those children receiving child support, ranging from 5.2 per cent in Germany to 30 per cent in the United Kingdom (U.K.) (Hakovirta, 2011). In Colombia, the effect on the poverty gap among those receiving child support was estimated to be 39 per cent in 2008 (Cuesta and Meyer, 2014).

In this study we estimate for the first time the antipoverty effectiveness of child support in Guatemala, Panama, Paraguay, Peru, and Uruguay. We also update prior work for Colombia. Rather than explain the mechanisms through which these transfers may affect child poverty, our goal is to document the potential effects of child support policy on child poverty in Latin America. An examination of the determinants of the antipoverty effectiveness of child support is

an important question but is outside the scope of this study. Nevertheless, we conclude this section with a brief discussion of two factors that may influence the antipoverty effectiveness of child support in our sample of countries: the demographic changes driving the increase in single parenthood, and the child support policy scheme in place.

The demographic changes driving the increase in single-parenthood may influence the antipoverty effectiveness of child support in a number of ways. First, countries where union dissolution is mostly driven by divorce cases may have a large percentage of single-parent families receiving child support because child support arrangements are automatically established as part of the divorce proceedings. In countries where union dissolutions is mostly driven by disruption of consensual unions, paternity must be established before child support arrangements can be made. The process of paternity establishment can take time and financial resources, and that alone may discourage mothers who were never married from pursuing a child support arrangement. Second, most evidence points to consensual unions having fewer economic resources than married couples (Bumpas and Lu, 2000; Herrera, Salinas, and Valenzuela, 2011; Smock, 2000). If so, even when paternity has been established, children of unmarried parents may receive lower child support payments than children of previously married couples. Evidence for Colombia (Cuesta and Meyer, 2012), Peru (Ríos-Salas and Meyer, 2014) and the United States (Ha, Cancian and Meyer, 2011; Huang, 2009) also shows that divorced single-mothers are more likely to receive child support than those who were never married. These factors, when taken together, suggest that the largest impact of child support on child poverty will be in countries where the majority of child support cases come through divorce proceedings, and the lowest impact will be in countries where nonmarital cases are the main driver of child support caseloads. However, even in countries with a high prevalence of nonmarital cases, child support

may have a significant impact on child poverty if the child support policy scheme is effective at setting child support orders and enforcing payments. We hypothesize that the antipoverty effectiveness of child support may be higher in countries with hybrid schemes (Colombia and Peru) because parents have the option of making child support arrangements outside the court system, which may help them avoid counseling and legal representation fees, and conflict. Because establishing a child support arrangement is a major step toward receiving child support, countries that provide alternatives to a court-based arrangement may see a larger proportion of parents receiving child support, and relatively greater effects of child support on child poverty than countries where the only option is suing the nonresident parent.

3. Data, Sample, Methods, and Measures

3.1.Data

We use the Luxembourg Income Study (LIS) data for the analyses of Brazil, Guatemala, Mexico, Panama, Paraguay, Peru, and Uruguay. LIS data provides detailed information on household composition and family income. The distinct advantage of LIS over other data sources is that variables are harmonized to ensure comparability across countries. We use LIS wave IX, which focuses on the year 2013. Unfortunately, the questions regarding child support transfers were not administered to all families potentially eligible for these transfers in the Colombian LIS data. For this reason, we use the 2012 Quality of Life Survey (QLS) for the analyses for Colombia. The QLS is a nationally representative household survey (like other surveys included in LIS) that provides detailed information on family structure and income. This survey also includes measures of child support receipt and amounts.

3.2.Samples

We define a two-parent family as a group of at least two adults (≥18 years old) who are married or cohabiting, and that couple's minor children (≤17 years old). A single-parent family is defined as a group of at least one adult and that adult's minor children. Because the child support obligation ceases once the nonresident parent has died, widows and widowers are excluded from our sample of single-parent families (less than 1 per cent of the sample). After deleting a small number of observations with missing values in variables considered in the analyses (4 per cent in Brazil and less than 1 per cent in other countries), the final samples resulted in 172,566 two-parent families with 353,759 children and 24,077 single-parent families with 46,026 children. Table 2 presents the sample size of families and children in each country.

[Insert Table 2 here]

3.3.Methods

We begin our analyses by estimating child poverty rates by family structure and country; this provides a simple answer to whether children in single-parent families are more likely to be poor than children in two-parent families (first question of our paper). We anticipate this will be true based on prior evidence of the economic vulnerability of single-parent families (Cerrutti and Bistock, 2009; ECLAC, 2009; Hakovirta, 2011; OECD, 2011). In the second set of analyses we examine the relative importance of different income sources in total family income (second question of our paper). This type of analysis is known in the literature as the income packaging approach. It has been used fruitfully in studies that examine whether countries provide an acceptable standard of living for different demographic groups, such as single mothers (e.g. Bradshaw, Keung and Chzhen, 2017; Hobson, 1994) or families with children (Rainwater and Smeeding, 2003). In this study we examine the importance of labor income, assistance benefits, and private transfers in total family income for both two-parent families and single-parent

families. We also look at the importance of child support in the income package of single-parent families across two groups: (i) all single-parent families, and (ii) single-parent families receiving child support. In the third set of analyses we estimate child support receipt rates, average child support amounts, and the antipoverty effectiveness of child support (third and final question of our paper). We calculate poverty rates for both pre-child support and post-child support income, and then we calculate (i) percentage point reduction in child poverty (absolute reduction) and (ii) the percentage of children who are below the poverty line who are brought out of poverty by child support alone (relative reduction). Because some children may remain in poverty after receiving child support, we also calculate child support effects on child poverty gaps (the difference between income and the poverty line).

3.4.Measures

Labor income. We use a continuous measure of labor income received by the child's family in the year prior to the survey (2011 for Colombia, 2013 for Guatemala, and 2012 for other countries). This measure includes paid employment income (e.g., basic salaries and wage supplements) and self-employment income (e.g., profit from business and household production activities).

Assistance benefits. We use a continuous measure of assistance benefits received by the child's family in the year prior to the survey (2011 for Colombia, 2013 for Guatemala, and 2012 for other countries). This measure includes general social assistance, assistance pensions, unemployment assistance, family assistance, education assistance, housing assistance, food assistance, and medical assistance.

Private transfers. We use a continuous measure of private transfers received in the child's family in the year prior to the survey (2011 for Colombia, 2013 for Guatemala, and 2012

for other countries). This measure includes merit-based education transfers, income from non-profit institutions, and inter-household transfers such as alimony, child support, remittances, and other family transfers.

Other income. This is a continuous measure of family income other than labor income, assistance benefits, and private transfers that the child's family received in the year prior to the survey (2011 for Colombia, 2013 for Guatemala, and 2012 for other countries).

Child support. For the sample of single-parent families we use two measures of child support. The dichotomous measure indicates whether the child lives in a family that received any child support in the year prior to the survey (2011 for Colombia, 2013 for Guatemala, and 2012 for other countries). The continuous measure indicates the total amount of child support that the child's family received in the year prior to the survey. In all countries, this amount includes cash child support, whether formal (with a legal order) or informal (without a legal order) child support. In countries where we are using LIS data (Guatemala, Panama, Paraguay, Peru, and Uruguay), child support includes alimony. Because receipt rates of alimony are very low in countries where marriage and divorce rates are significantly higher than in Latin American countries (see for example Meyer and Hu, 1999), we anticipate this data limitation is unlikely to change our findings. Child support amounts presented in this paper are converted to purchasing power parities (PPP) U.S. dollars using the 2005 World Bank PPP conversion factor, which is considered the best measure for comparisons between Latin American countries (Chen and Ravallion, 2010).

Other private transfers. For the sample of single-parent families, we subtract child support from total private transfers to create a continuous measure of other private transfers. This

measure includes merit-based education transfers, income from non-profit institutions, and inter-household transfers such as remittances and other family transfers different from child support.

Total family income. Total family income is a simple sum of labor income, assistance benefits, private transfers, and other income. This measure excludes in-kind transfers such as universal health insurance, universal education benefits, and near cash benefits from public housing. In order to deal with extreme values and provide a common calculation of lower and upper limits, we follow the LIS approach of imposing bottom and top codes to total family income. Specifically, family income is bottom-coded at 1 per cent of equivalized mean income and top-coded at 10 times the median of non-equivalized income. The equivalized family income is the family income divided by the square root of household size as in OECD (2008).

Pre-child support and post-child support income. Pre-child support income is measured by subtracting child support income from total family income. Post-child support income is equivalent to total family income. While this is the standard approach in this field (Bartfeld, 2000; Cuesta and Meyer, 2014; Hakovirta, 2011; Meyer, 1998; Meyer and Hu, 1999), the simple accounting framework ignores behavioral effects (e.g., in the absence of receiving child support, other income sources might have been different). We discuss the implications of this issue in the final section of the paper.

Child poverty rates. We assign the equivalized family income to each child in the family and compare this amount with the poverty threshold. If the equivalized family income is lower than the poverty threshold, the child is categorized as poor. For our international comparisons, we use a poverty threshold based on 50 per cent of the median annual income of families with children in each country; in a sensitivity test we also consider a poverty threshold based on 60

per cent of median annual income of families with children in each country. The median annual income is also adjusted for economies of scale using the square root of household size.

Child poverty gaps. This is a measure of the amount of money that it would take to bring children whose family annual income is below the poverty line up to the poverty threshold. The pre-child support poverty gap was calculated with the equivalized pre-child support family income. The post-child support poverty gap was calculated with the equivalized post-child support income.

4. Results

4.1.Child poverty by family structure

Table 3 shows our estimates of child poverty by family structure. Children in single-parent families are more likely to be poor than children in two-parent families in all countries except Mexico. The differences in child poverty across family structures are particularly high in Brazil (20 percentage points), Uruguay (18.7 percentage points), and Colombia (16.1). In Guatemala and Peru, poverty rates are quite similar across family structures. Our findings are robust to a sensitivity test in which we use a 60 per cent median income poverty threshold.

[Insert Table 3 here]

4.2.Family Income Packages

Table 4 shows income sources as a percentage of total family income, by family structure. Labor income is the most important source for both types of families. Among two-parent families, paid work represents over three-fourths of the total family income in all countries. The country with the highest share of labor income in total family income is Paraguay, where almost 95 per cent of the total family income comes from the labor market. Among single-parent families, a little over two-thirds of the total family income comes from paid work. The highest percentage of labor

income in the total family income of single-parent families is observed in Paraguay (79.4 per cent) and Peru (79 per cent). In Uruguay, only 66 per cent of the total family income of single parent families comes from paid work.

[Insert Table 4 here]

Assistance benefits are more important for single-parent families than two-parent families. However, the proportion of family income coming from these benefits is generally low for both two-parent families (0.3 to 6.6 per cent of the total family income) and single-parent families (0.3 to 8.1 per cent of the total family income) in all countries. Among two-parent families, private transfers represent less than 4 per cent of total family income in all countries except Mexico, where 6.5 per cent of the family income comes from this source. This finding may be explained by the importance of remittances for Mexican families. Private transfers are the second most important source of income for single-parent families in all countries but Brazil, where these transfers only represent 0.9 per cent of the total family income. The highest percentage of private transfers in family income of single-parent families is observed in Mexico (18 per cent) Panama (16.2 per cent) and Colombia (15.8 per cent). Other income represents a relatively small proportion of total family income in all countries except Brazil, where 18.5 per cent of single-parents' family income comes from this source.

[Insert Table 5 here]

In table 5 we examine the importance of child support income for single-parent families. This analysis shows that child support represents between 3.0 and 13.0 per cent of the total family income. However, when we limit our sample to single-parent families who are receiving this transfer, child support represents approximately one fifth of total family income in most countries. The highest participation of child support income in total family income is observed in

Colombia, where 38.9 per cent of single-parent families' income comes from nonresident parents' monetary transfers.

4.3.The Antipoverty Effectiveness of Child Support

Child support outcomes and child support effects on child poverty and child poverty gaps are presented in table 6. Our analyses show that approximately one third of single-parent families receive child support in Colombia (30.5 per cent), Panama (33.5 per cent), and Peru (36.6 per cent). The highest rate is observed in Uruguay, where 42 per cent of single-parent families receive child support. The lowest percentage is observed in Guatemala, where only 11.9 per cent of single-parent families receive child support. There is significant variation in the average annual amounts of support received. Single-parent families in Uruguay receive the highest annual amount of support among the countries in our sample (PPP US $1,052) while single-parent families in Guatemala receive the lowest transfer (PPP US $184).

[Insert Table 6 here]

Our examination of the antipoverty effectiveness of child support shows that child support reduces child poverty in all countries included in the study. In the analyses for all children in single-parent families, the largest reductions in child poverty are observed in Colombia (8.3 percentage point reduction) and Peru (7.3 percentage point reduction), where approximately one fifth of poor children in single-parent families are brought out of poverty by child support alone. The smallest effect is observed in Paraguay (1.8 percentage point reduction) and Guatemala (2.1 percentage point reduction). Child support also has a significant impact on the child poverty gap. We find that child support reduces the poverty gap by about a third in Colombia (29.6 per cent), Uruguay (29.2 per cent), and Peru (26.0 per cent). In Panama and Paraguay, child support decreases the poverty gap by 18.1 per cent and 12.7 per cent,

respectively. Although child support does not have a significant impact on the child poverty rate in Guatemala, it does help to reduce the child poverty gap by 21 per cent.

In all countries the antipoverty effectiveness of child support is significantly larger among children who are receiving child support. However, there is some variation in the magnitude of the effects across countries. The highest absolute reduction in child poverty is observed in Colombia (27.2 percentage points) while the lowest is registered again in Paraguay (9.8 percentage points). The relative reduction is substantially high in all countries. The percentage of poor children brought out of poverty by child support alone ranges from 54.4 per cent in Colombia to 31.1 per cent in Uruguay. Child support also reduces the poverty gap for child support recipients by more than half in most countries and approximately three-fourths in Colombia. Results using a 60 per cent median income poverty threshold lead to similar conclusions. We discuss these findings in the final section of the paper.

5. Discussion

This is the first study to provide cross-national estimates of the antipoverty effectiveness of child support in Latin America. We examined child poverty across family structures and family income packages, and considered the role of child support in the economic well-being of children in single-parent families. Our results show that children in single-parent families are disproportionally poor relative to two-parent families in Brazil, Colombia, Panama, Paraguay, and Uruguay. In other countries, child poverty rates are similar (Guatemala and Peru) or slightly higher among two-parent families than single-parent families (Mexico). A number of factors explain the singularity of our findings for Mexico, the only country in which our estimates of child poverty rates are lower in single-parent families than two-parent families. First, unlike other countries in our sample, the main source of parental absence for Mexican children under

age 18 is migration (DeWaard, Nobles, and Donato, 2018). This is an important distinction because parental absence due to migration is often driven by the desire to seek financial resources for the resident-parent family (Kandel and Massey, 2002; Nobles, 2011) while parental absence due to union dissolution usually comes with a significant decline in the economic well-being of resident-parent families, especially if they are resident-mother families (Bianchi, Subaiya, and Kahn, 1999; deVaus et al., 2015). The fact that migration is the main source of parental absence in Mexico also makes the child support policy scheme much less relevant for single-parent families in this country and highlights the importance of remittances. Although not all families with migrants receive financial transfers from relatives living within the country and abroad (Goldring, 2004), remittances play a key role in the economic well-being of single-parent families in Mexico (Villarreal and Shin, 2008). A second factor that may explain the lower poverty rate among children in single-parent families in Mexico is that parents who choose single parenthood may be those who anticipate that they can guarantee the economic well-being of their families. Villarreal and Shin (2008) describe this phenomenon as a self-selection process in which single-parents end up being those with the greatest income potential (Villarreal and Shin, 2008). Guatemala and Peru, the two countries where child poverty rates across family structures are quite similar, also have an important proportion of single parenthood that is driven by migration; however, union dissolution also plays an important role in explaining parental absence, especially in Peru (DeWaard, Nobles, and Donato, 2018).

Our analysis shows that labor income is the most important income source for both types of families in all countries. However, child support represents between 20 and 39 per cent of total income in families receiving this transfer. The highest participation of child support in total family income is observed in single-parent families receiving child support in Colombia. Two

factors may explain this result. First, the main source of parental absence in Colombia is union dissolution (DeWaard, Nobles, and Donato, 2018). Because union dissolutions is usually followed by a significant decline in the economic well-being of resident parents, especially among resident-mothers and their children (Bianchi, Subaiya, and Kahn, 1999; deVaus et al., 2015), the child support policy scheme may have a relatively higher impact on the economic well-being of single-parent families in Colombia than in countries where migration or mortality are the main sources of parental absence. Second, the characteristics of the Colombian child support policy scheme itself may also favor a higher participation of child support in total family income among single-parent families receiving this transfer. As discussed earlier in this article, the main difference between the hybrid schemes of Colombia and Peru and the court-based schemes of other countries in the study, is that the hybrid schemes offer the possibility of establishing child support arrangements outside the court system, and these informal arrangements are enforceable. This feature alone may make it easier for single parents in Colombia to pursue and obtain child support than single parents in other countries included in this study, where child support arrangements must be settled with the intervention of the court system.

Child support reduces child poverty in all Latin American countries included in the study. However, there are some significant differences in the effects across countries. The percentage of children brought out of poverty by child support alone ranges from 6 per cent in Paraguay to 20.1 per cent in Colombia. The impact observed in most countries included in our study is higher than published estimates for the United States (6 per cent) but significantly lower than estimates for Sweden (50 per cent) (Hakovirta, 2011). One of the reasons why the antipoverty effectiveness of child support is higher in Sweden than in the countries included in our study is that child support

income is guaranteed by the Swedish government. This means that children receive a minimum allowance when nonresident parents do not meet their financial obligations. Child support policy schemes in Latin America share more similarities with the policy schemes of countries like the United States and the United Kingdom, where the state does not guarantee child support payments. Child support also helps to close the child poverty gap in all countries in this study. The impact ranges from 12.7 per cent in Paraguay, to approximately 30 per cent in Colombia and Uruguay. Similar to prior findings for Colombia (Cuesta and Meyer, 2014) and other developed countries (Hakovirta, 2011; Meyer and Hu, 1999; Skinner, Cook, and Sinclair, 2017) our analyses also show that the largest antipoverty effectiveness of child support is observed among children living in families that are receiving this transfer. Child support brings between 30 and 55 per cent of children receiving this transfer out of poverty. The highest effect is observed in Colombia, where 54.4 per cent of children in recipient families are brought out of poverty by child support alone. The effects on child poverty gaps are substantial, ranging from 50 per cent in Paraguay to 75 per cent in Colombia.

Despite the positive impact of child support on the economic well-being of single-parent families in these countries, we want to highlight that the majority of families eligible for child support do not receive this transfer. Our analyses also show that countries with hybrid schemes have relatively high percentages of child support receipt (30.5 per cent in Colombia, and 36.6 per cent in Peru), but the highest rate of child support receipt is observed in Uruguay (42.0 per cent), a country with a court-based system. The factors explaining child support receipt within and across countries in the region need to be studied in order to provide more certainty in determining policy recommendations.

This study also provides the first cross-national examination of child support policy schemes (CSPS) in Latin America. Our analysis of prior research for Colombia, Peru, and Uruguay and child support legislation of Guatemala, Panama, and Paraguay shows that the majority of these countries (four out of six) have court-based systems, where judges have the main responsibility in the determination and enforcement of child support arrangements. Only Colombia and Peru have hybrid schemes, where judges share this responsibility with public agencies. Unlike court-based systems, hybrid schemes also offer single-parent families the possibility of establishing child support arrangements outside the court system which may help parents avoid legal and representation fees, and in some circumstances to minimize conflict. Our study also shows that there are a number of similarities between the CSPS of the countries included in our study. When parents have been married, the husband is presumed to be the father and the CSPS intervenes automatically, granting child support orders during divorce proceedings. If the child was born to unmarried parents, children must wait for paternity to be established before they can receive any support from the nonresident parent. Another similarity of these systems is that there are no numerical guidelines to determine child support orders. Both judges and public officers in the hybrid schemes have considerable discretion in making decisions about child support arrangements. These systems are also similar in that collection and distributions of payments is not conducted by a public agency, and payments are typically given directly from the nonresident parent to the resident parent. While there are penalties for noncompliance, enforcement of child support arrangements is rather weak unless the resident parent decides to take the case to court. Finally, these schemes are similar in that none of them has a systematic interaction with the country's social welfare system. For instance, unlike single-parent families receiving public assistance in the United States, single-parent families receiving

public assistance (e.g., conditional cash transfers) in the Latin American countries included in our study, are not expected to forgo their child support when they receive cash welfare. Our analysis of the child support policy schemes was based on a few studies for Colombia, Peru, and Uruguay and child support legislation for other countries. There is scant evidence on how these schemes work on the ground and this is important to determine policy recommendations. The operation of child support policy schemes should be further explored, and should include interviews of country experts, family judges, family lawyers, staff at public agencies and single-parent families in Latin America.

Results from this study should be interpreted in light of the following limitations. First, the simple accounting framework used to estimate the antipoverty effectiveness of child support ignores any second-round effects of child support. For instance, in the absence of child support payments, resident parents may increase their participation in the labor market, which ultimately means that our measure of pre-child support income is not entirely accurate. While there is very little research on the effects of child support in Latin America, and virtually no study that has looked at the effect of child support on resident parents' labor supply, recent evidence for the United States indicates that nonresident parents' monetary transfers do not affect resident parents' likelihood of working for pay and or the number of hours worked (Cuesta and Cancian, 2015). A second limitation is that we are not accounting for the effects of child support payments on children living with nonresident parents who are paying child support. Because LIS and QLS do not provide information on these children, we are unable to assess the extent of this issue. Further research in this area is needed. A third limitation is related to the fact that we do not know the periodicity of child support payments and therefore we cannot determine whether children are brought out of poverty permanently. A fourth limitation is that in countries where

we are using LIS data (Guatemala, Panama, Paraguay, Peru, and Uruguay), child support includes alimony. Because receipt rates of alimony are very low in countries where marriage and divorce rates are significantly higher than in Latin American countries (see for example Meyer and Hu, 1999), we anticipate this data limitation is unlikely to change our findings.

Notwithstanding these limitations, this study shows that child support policy has the potential to improve the economic well-being of children living in single-parent families in Latin America. Our findings support the hypothesis that child support effects are higher in countries with hybrid child support policy schemes (e.g., Colombia and Peru) than in countries with court-based schemes (e.g., Guatemala, Panama, Paraguay, and Uruguay). The relatively higher antipoverty effectiveness of child support in hybrid schemes may be explained by the fact that hybrid schemes offer the option of making child support arrangements outside the court system and these informal arrangements are enforceable. This feature may help parents avoid counseling and legal representation fees and may potentially reduce conflict associated with a court-based arrangement. Because establishing a child support arrangement is a major step toward parents receiving child support, countries that provide alternatives to court-based arrangements may see a larger proportion of parents receiving child support, and relatively greater effects of child support on child poverty than countries where the only option is suing the nonresident parent. These conjectures should be tested in future research in order to better understand the mechanisms through which child support reduces child poverty in Latin America. As countries in this region transition to a new generation of antipoverty policies, understanding the role of child support policy schemes will be instrumental in reducing disparities in the economic well-being of families with children.

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Tables

Table 1. Demographic indicators of Brazil, Colombia, Guatemala, Mexico, Panama, Paraguay, Peru, and Uruguay.

Country	% of women who are married		% of women who are cohabitating		% of women who are separated or divorced		% of women with children who have not been married		% of women with children who are separated or divorced		Births outside marriage	
	1990s	2000s/ 2010s[a]	1990s	2000s/ 2010s[a]	1990s	2000s/ 2010s[a]	1990s	2000s/ 2010s[a]	1990s	2000s/ 2010s[a]	2000s[b]	2010s[c]
Brazil	46.1	30.9	10.3	17.7	14.9	19.7	4.3	4.2	19.9	28.1	56.1	65.7
Colombia	31.4	23.8	22.2	23.4	14.5	14.0	8.8	14.2	20.0	20.2	77.2	84.0
Guatemala	34.7	34.9	20.4	19.0	9.0	8.3	5.7	6.9	13.6	12.6	61.9	57.9
Mexico	45.4	39.2	7.5	13.9	8.4	14.0	3.8	6.1	13.4	20.3	33.7	65.0
Panama	27.7	22.8	27.8	29.5	16.4	17.9	6.3	6.5	21.7	24.7	75.6	83.2
Paraguay	44.3	35.5	12.9	14.7	7.1	7.4	14.2	14.7	9.6	11.1	52.1	67.8
Peru	35.0	28.6	16.4	24.7	8.8	11.0	7.4	7.1	13.6	16.4	73.0	76.0
Uruguay	46.3	29.4	9.1	17.3	20.2	24.1	5.9	4.6	25.2	32.9	48.0	55.2

Sources: Statistics of women's marital status are from ECLAC, Online database CEPALSTAT. The 2000s statistics of births outside marriage are from Castro-Martin et al, 2011 (Colombia, Guatemala Mexico, Panama, Peru), Melo Vieira, 2013 (Brazil), Instituto Nacional de Estadística (Uruguay), and Dirección General de Estadística, Encuestas y Censos (Paraguay). The 2010s statistics of births outside marriage are from Melo Vieira, 2013 (Brazil), Social Trends Institute, 2017 (Colombia, Mexico, and Peru), Instituto Nacional de Estadística (Guatemala), Instituto Nacional de Estadística y Censo (Panama), Dirección General de Estadística, Encuestas y Censos (Paraguay), and Instituto Nacional de Estadística (Uruguay).

Notes:

[a] Statistics for Brazil, Mexico, Panama, and Uruguay are presented for 2010. Statistics for Colombia, Guatemala, Paraguay, and Peru are presented for 2000.

[b] Statistics for all countries except Guatemala are presented for around 2000. Statistic for Guatemala is presented for 1970.

[c] Statistics for Brazil, Colombia, and Panama are presented for 2010. Statistic for Mexico is from 2014. Statistic for Paraguay is from 2011. Statistics for Peru and Guatemala are from 2012. Statistic for Uruguay is from 2001.

Table 2. Sample size.

Country	Two-parent families	One-parent families
Families		
Brazil	77,322	8,102
Colombia	6,953	4,145
Guatemala	14,566	1,846
Mexico	8,618	1,220
Panama	8,590	1,076
Paraguay	5,163	864
Peru	24,896	1,936
Uruguay	26,458	4,888
Total	172,566	24,077
Children		
Brazil	139,812	14,415
Colombia	12,547	6,626
Guatemala	42,394	4,922
Mexico	19,613	2,738
Panama	20,761	2,469
Paraguay	11,679	1,909
Peru	58,162	3,519
Uruguay	48,791	9,428
Total	353,759	46,026

Source: LIS wave IX for Brazil, Guatemala, Mexico, Panama, Paraguay, Peru, and Uruguay, and 2012 QLS for Colombia.

Table 3. Child poverty rates by family structure. Weighted.

Country	Child poverty rate in all families	Child poverty rate in two-parent families	Child poverty rate in single-parent families
Base (Threshold at 50% of median income)			
Brazil	30.2	27.3	47.3
Colombia	22.3	16.9	33.0
Guatemala	19.1	18.5	18.7
Mexico	24.9	24.5	18.9
Panama	32.2	27.2	40.3
Paraguay	26.4	23.6	28.1
Peru	31.5	33.0	33.3
Uruguay	21.0	15.3	34.0
Sensitivity Test (Threshold at 60% of median income)			
Brazil	38.2	34.9	56.6
Colombia	26.8	20.9	38.3
Guatemala	27.4	26.8	25.9
Mexico	31.1	30.3	25.9
Panama	40.6	35.3	47.2
Paraguay	32.9	30.4	33.3
Peru	38.0	39.9	41.5
Uruguay	31.3	24.4	44.8

Source: Authors' calculations based on LIS wave IX (around 2013) for Brazil, Guatemala, Mexico, Panama, Paraguay, Peru, and Uruguay, and 2012 QLS for Colombia.

Table 4. Income sources as a percentage of total family income, by family structure. Weighted.

Country	Two-parent families					Single-parent families				
	Labor income	**Assistance benefits**	**Private transfers**	**Other income**	**Total Income**	**Labor income**	**Assistance benefits**	**Private transfers**	**Other income**	**Total Income**
Brazil	90.3	1.8	0.1	7.8	100	77.5	3.1	0.9	18.5	100
Colombia	89.9	6.6	0.4	3.1	100	70.6	8.1	15.8	5.6	100
Guatemala	95.0	1.1	2.4	1.5	100	83.1	1.0	13.9	2.1	100
Mexico	84.8	3.8	6.5	4.9	100	65.1	4.2	18.0	12.7	100
Panama	91.5	1.6	3.1	3.7	100	75.7	2.4	16.2	5.7	100
Paraguay	94.5	0.3	1.1	4.0	100	79.4	0.3	13.4	6.9	100
Peru	91.4	3.5	1.5	3.6	100	79.0	3.3	14.1	3.5	100
Uruguay	88.2	2.9	1.8	7.1	100	66.0	6.0	14.0	14.0	100

Source: Authors' calculations based on LIS wave IX (around 2013) for Brazil, Guatemala, Mexico, Panama, Paraguay, Peru, and Uruguay, and 2012 QLS for Colombia.

Table 5. Income sources as a percentage of family income. Single-parent families. Weighted.

Country	Labor income	Assistance benefits	Private transfers		Other income	Total Income
			Child support	Other transfers		
All single-parent families						
Colombia	70.6	8.1	13.0	2.7	5.6	100
Guatemala	83.1	1.0	3.0	10.9	2.1	100
Panama	75.7	2.4	6.0	10.2	5.7	100
Paraguay	79.4	0.3	3.3	10.0	6.9	100
Peru	79.0	3.3	9.2	4.9	3.5	100
Uruguay	66.0	6.0	9.7	4.3	14.0	100
Single-parent families receiving child support						
Colombia	49.5	7.9	38.9	2.3	1.4	100
Guatemala	71.7	1.1	20.8	3.6	2.8	100
Panama	68.8	2.3	18.5	6.7	3.7	100
Paraguay	68.0	0.2	18.8	3.5	9.5	100
Peru	65.3	3.5	24.0	4.2	3.0	100
Uruguay	59.1	5.6	21.1	4.1	10.1	100

Source: Authors' calculations based on LIS wave IX (around 2013) for Guatemala, Panama, Paraguay, Peru, and Uruguay, and 2012 QLS for Colombia.

Table 6. The antipoverty effectiveness of child support.

Country	% of families receiving child support	Annual family amount received in PPP (mean)	Child poverty before consideration of child support receipt %	Child poverty after consideration of child support receipt %	Absolute reduction in child poverty (percentage points)	% of relative reduction in child poverty	% of reduction in poverty gap
Base (Threshold at 50% of median income)							
All single-parent families							
Colombia	30.5	713	41.3	33.0	8.3	20.1	29.6
Guatemala	11.9	184	20.8	18.7	2.1	10.1	21.0
Panama	33.5	657	45.2	40.3	4.9	10.8	18.1
Paraguay	14.8	394	29.9	28.1	1.8	6.0	12.7
Peru	36.6	912	40.6	33.3	7.3	18.0	26.0
Uruguay	42.0	1,052	39.7	34.0	5.8	14.5	29.2
Single-parent families receiving child support							
Colombia		2,340	50.0	22.8	27.2	54.4	75.3
Guatemala		1,539	40.8	21.7	19.1	46.8	66.2
Panama		1,964	46.3	31.5	14.8	32.0	52.0
Paraguay		2,657	30.3	20.5	9.8	32.3	50.9
Peru		2,495	45.9	26.0	19.9	43.4	55.0
Uruguay		2,503	45.1	31.1	14.0	31.1	55.1
Sensitivity Test (Threshold at 60% of median income)							
All single-parent families							
Colombia			45.8	38.3	7.5	16.3	26.8
Guatemala			26.7	25.9	0.8	3.0	15.2
Panama			51.0	47.2	3.8	7.5	14.8
Paraguay			35.4	33.3	2.1	6.0	10.1
Peru			48.0	41.5	6.5	13.5	23.3
Uruguay			50.2	44.8	5.4	10.8	22.5
Single-parent families receiving child support							
Colombia			53.5	28.9	24.6	45.9	69.6
Guatemala			45.3	35.4	9.9	21.9	56.6
Panama			53.2	41.7	11.5	21.7	43.3
Paraguay			37.2	24.5	12.7	34.2	46.1
Peru			53.1	34.9	18.2	34.3	53.9
Uruguay			54.3	40.7	13.6	25.0	44.8

Source: Authors' calculations based on LIS wave IX (2013) for Guatemala, Panama, Paraguay, Peru, and Uruguay, and 2012 QLS for Colombia.

Notes

[I] We use the term single parent to refer to a person who is living with own children under 18 years old, and is divorced, separated, or has not been married.

[II] By resident parent we mean the parent who is co-residing with the child whose other parent is alive but not living in the same household. In this study we use the terms resident parent and single parent interchangeably.

[III] Uruguayan women have had the right to file for divorce without a specific cause since 1912. For women with children, child support arrangements have been part of divorce proceedings since then.