

# Child support and housing outcomes

Australian Housing and Urban Research Institute

Research Team:

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# The study



## Research question

*How does the payment and receipt of Child Support, along with the receipt of government income and housing assistance, affect the housing outcomes of Parents Apart (resident and non-resident)?*

## Two phase research process

Quantitative: HILDA Wave 4 (2005)–7000 households

Qualitative: interviews with 60 Parents Apart in Qld/Tas

# Child Support data



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<b>\$ per week reported</b>	<b>% received resident PA</b>	<b>% paid non-resident PA</b>
No Child Support	47	25
\$1-\$5	8	4
\$6-\$25	7	10
\$26-\$50	6	9
\$51-\$75	8	7
\$76-\$100	8	12
\$101-\$200	10	20
\$201 or more	6	12
Total %	100	100
Total n	673	389

# Housing



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Characteristics	Resident PA	Non-resident	Parent together
<b>Tenure***</b>			
Owner/Purchaser	47	48	81
Private renter	37	40	14
Public renter	12	5	2
Other	4	7	3
<b>Housing index***</b>			
Very low	19	28	6
Low	36	32	20
Average	19	14	17
High	14	14	25
Very high	12	12	32
*** p < .001			

# Housing X Child Support

RPA



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<b>Characteristics</b> <b>Median = \$70</b>	<b>Does not receive</b> <b>CS</b>	<b>Receives &lt;</b> <b>median</b>	<b>Receives &gt;</b> <b>median</b>
<b>Tenure**</b>			
Owner/Purchaser	45	42	58
Private renter	39	37	34
Public renter	13	15	4
Other	3	6	4
<b>Housing Index**</b>			
Very low	18	23	15
Low	38	38	30
Average	21	18	18
High	14	9	18
Very high	9	12	19
**p<.01			

# Housing X Child Support

NRPA

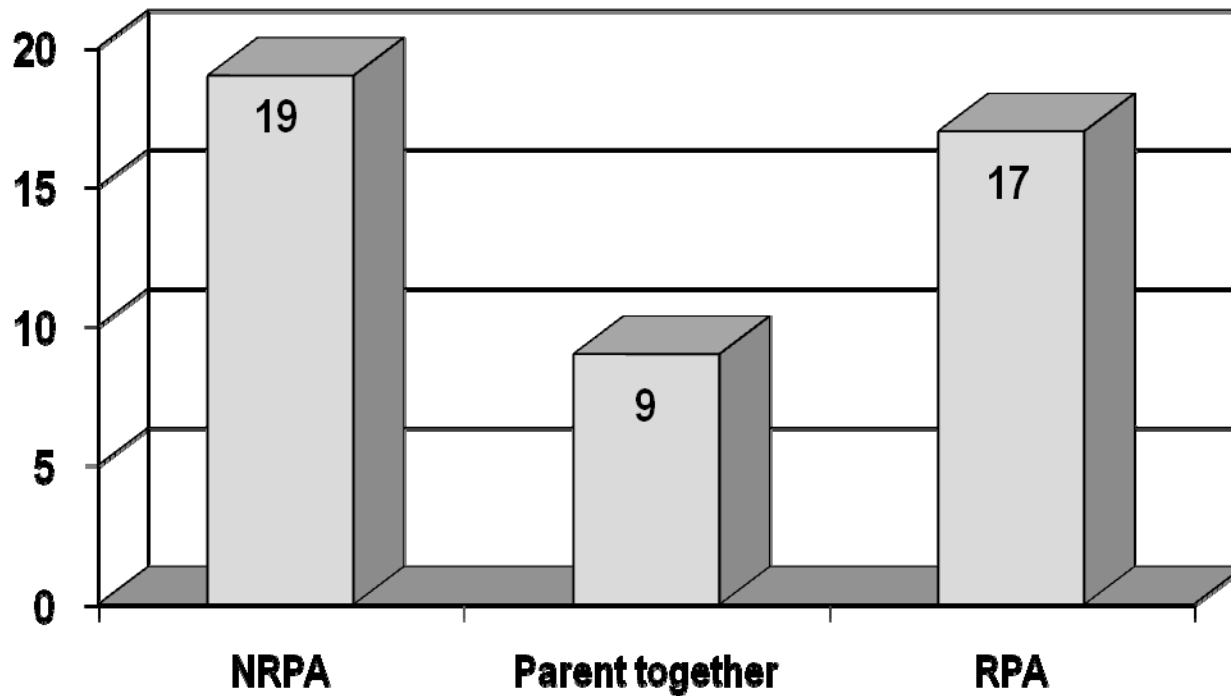


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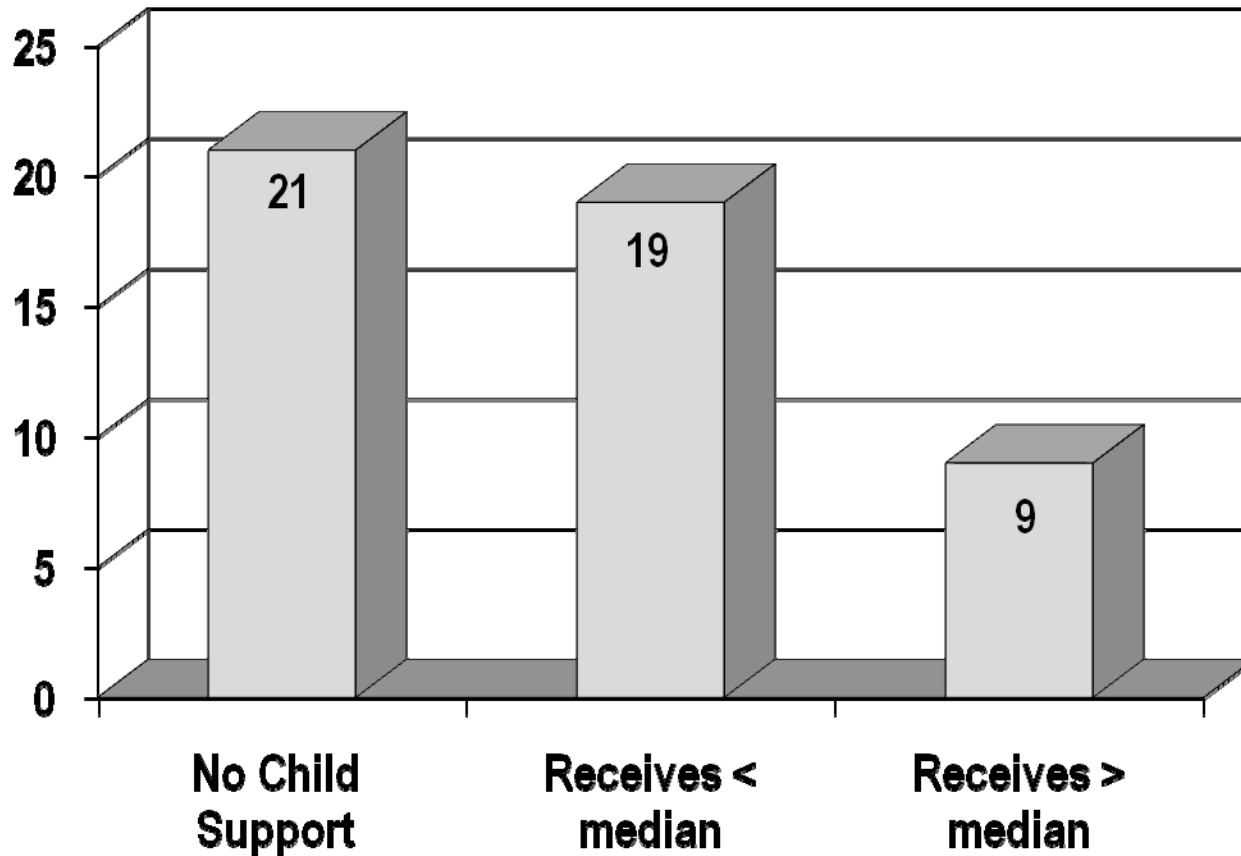
<b>Characteristics</b> <b>Median = \$94</b>	<b>Does not pay CS</b>	<b>Pays &lt; median</b>	<b>Pays &gt; median</b>
<b>Tenure</b>			
Owner/Purchaser	45	45	53
Private renter	47	39	38
Public renter	4	8	2
Other	4	8	7
<b>Housing Index</b>			
Very low	30	29	26
Low	37	35	24
Average	11	12	17
High	10	13	19
Very high	12	10	14

# Affordability

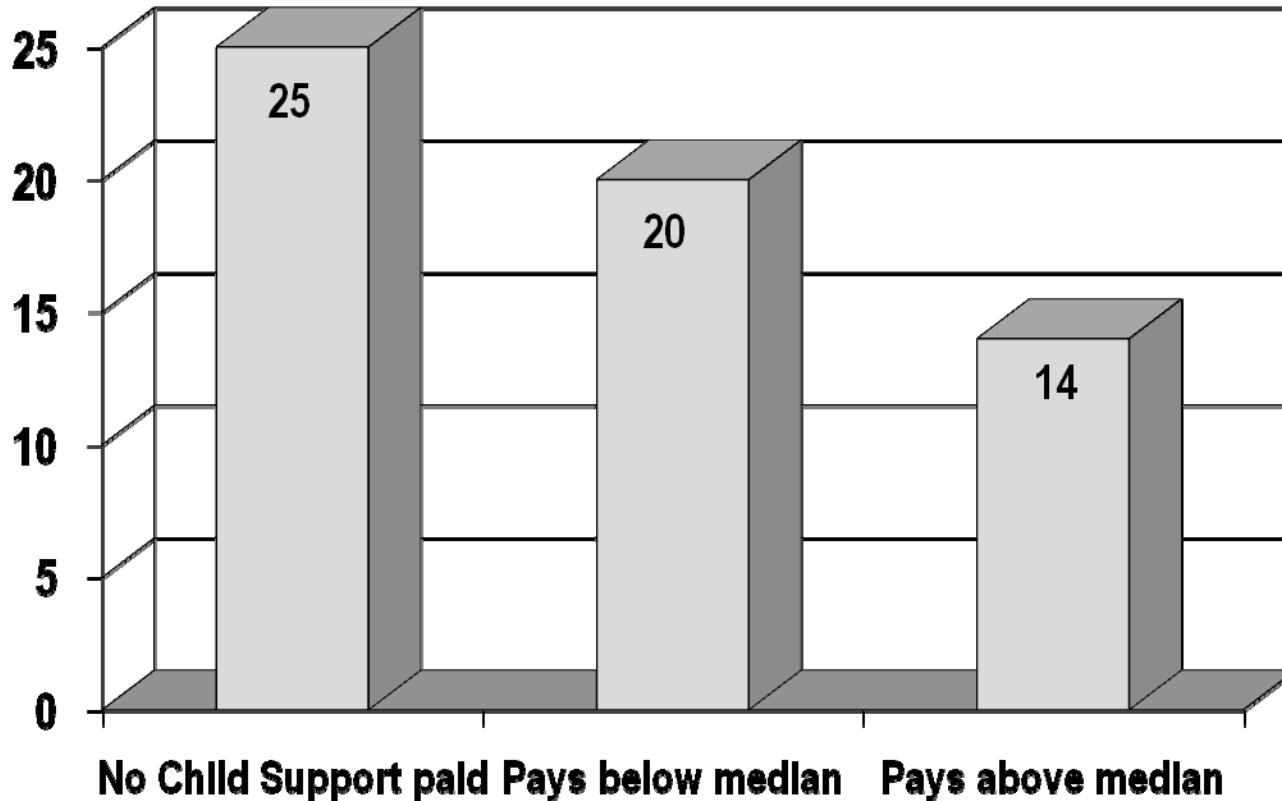
Proportion unable to pay mortgage or rent on time at least once since beginning of the year (2005)



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# Multivariate analysis

RPA

## Explanatory factors for Housing Index score

$R^2 = .193$

- Gender – female = HI+
- **Age – older respondents = HI+**
- **Gross household income – higher income = HI+**
- Current marital status – currently married = HI+
- Child Support received - > median amount = HI+
- Labour force status – PT workers = HI+
- Years separated – 3-5 years = HI+
- Country of birth – Australia = HI+

# Multivariate analysis

NRPA



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## Explanatory factors for Housing Index score

$R^2 = .142$

- Gross household income – higher income = HI+
- Age – older respondents = HI+
- Current marital status – currently married = HI+
- Country of birth – Australia = HI+

# Key conclusions

## Quantitative

- High % of Parents Apart do not report payment or receipt of child support
- Parents Apart experience more negative housing outcomes than Parents Together
- RPA who receive no CS more likely to report difficulties in paying rent or mortgage on time
- RPA who receive  $>$  median CS have most positive housing outcomes
- CS receipt statistically related to housing index for RPA but payment not statistically significant for NRPA

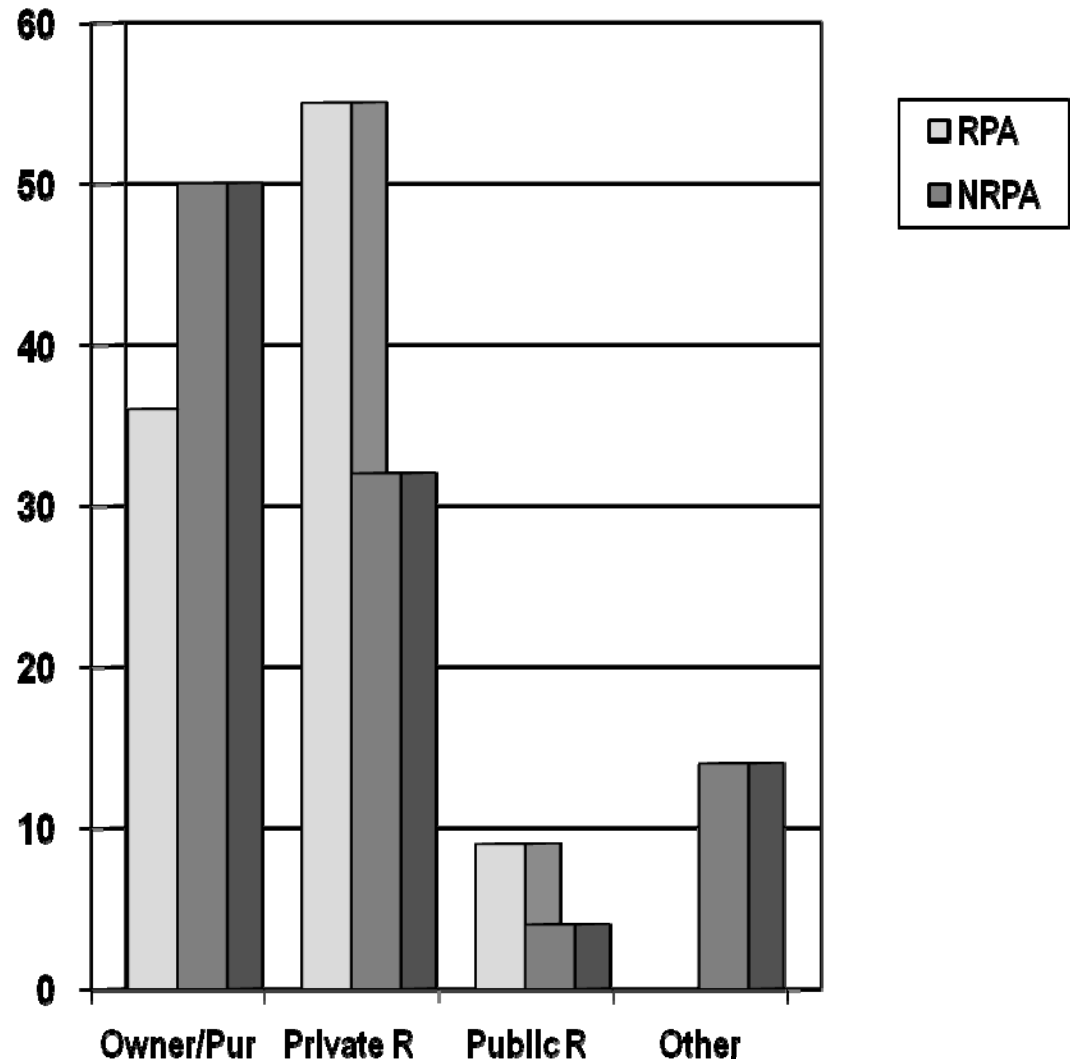
# Qualitative analysis

## Respondents

- 33 RPA
- 27 NRPA

## Recruited via

- Advertising
- Snowball sampling
- Contact with sole parent support groups



# CS and housing outcomes

RPA



Impact varies according to:

- Reliability
- RPA income
- Amount

If the payment is reliable, even small amounts have significant impacts on the outcome of RPA on low incomes:

*It gives me a bit more finances, I can actually afford to live there. Without Child Support I could not afford to live there, \$77 a week contributes heaps, it would be a choice of food or the house'.*

# Use of CS

## RPA

RPA on low incomes use CS for:

- Direct housing costs (e.g. rent) (if payments are regular)
- Associated costs (e.g. utilities) (if payments are irregular)

*So the rent gets paid, you know, the money comes in from Centrelink and goes straight onto the house and the money from [ex-partner's name] seems to go to other things. But for me they're inseparable.*

RPA on with higher incomes use CS for child specific costs:

*No, no, I pay that with my salary. I knew I could pay the mortgage with my salary. I see that as my responsibility. That money [child support money] goes to the boys. They love their sport, there's always a new pair of shoes or registration that's needed. That money goes to them.*

# Perception of CS

## NRPA



NRPA felt CS should not be spent on housing as it is not a direct child cost:

*...I think the basic difficulty is that she thinks that the \$1350 should pay a portion of housing, fuel, vehicle expenses and everything else. My argument is well, they're things you would have whether there were children or not and they're all the expenses that I pay. The money should be exclusive for piano lessons, clothing, sports, subscriptions... Personally, I can't spend \$1350 on two children in a month, for those things... So my argument is well, you're looking at it wrongly or not correctly.*

(Launceston NRPA CC, male, 2 children)

# CS and housing outcomes

NRPA



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Payment of CS affects housing outcomes in the following ways:

- Entering/ re-entering the owner-purchaser status
  - Saving for house deposit, being accepted for a loan, level of affordable repayments, standard of house
- Continuing as owner-purchaser
  - Increased levels of repayment after settlement + reduced household income + CS obligations
- Renters
  - Reduced amount of money available to secure appropriate accommodation + additional costs
- Setting up a new home
  - Reduces amounts available to spend on bonds, rent in advance, household items

# Key conclusions

## Qualitative

- Much of the payment and receipt of CS is informal and changeable
- RPA & NRPA all report difficulty meeting housing costs
- CS impacts on housing outcomes of RPA because it can be spent directly on housing or, more commonly, it adds to household budget generally
- CS impacts housing outcomes for NRPA by making it more difficult to meet expenses on a reduced budget (even if tenure outcomes and ability to meet housing costs are not altered for the group)
- Parents Apart tend not to include housing costs in 'appropriate' use of child support monies

# Study conclusions

- PA experience inferior housing outcomes to PT
- For all PA, separation is a time of housing instability & difficulty
- For CS paid to have a positive impact it must be a non-trivial amount and be received regularly
- PA do not necessarily perceive CS used for housing outcomes as a benefit to children
- The impacts of payment and receipt of CS are usefully understood in the context of housing affordability