

The attached paper *Estimating the Costs of Contact for Non-resident Parents: a budget standards approach* by Dr Paul Henman and Kyle Mitchell presents important new Australian research into the costs for non-resident parents (formerly known as ‘non-custodial parents’) of exercising contact (formerly known as ‘access’) with their children. The paper is written for an international audience and much of the paper is technical in nature. However, the Discussion section contains a broad discussion of the implications of the research for social security and child support policy. One significant implication of the findings is that there is a need for Governments and others with social policy responsibilities to take greater account of the relatively high costs that are involved in caring for children during contact visits.

The paper has been positively refereed by Australian and overseas academics and will be published in the 2001 edition of the Journal of Social Policy. The Journal of Social Policy is published by Cambridge University Press and has an international audience. The Journal is among the most prestigious and respected forums for scholarly papers on social policy issues.

The paper has only recently been finalised. It is being released by its authors prior to its publication in the Journal because of its relevance to the debate on the Child Support Formula reforms that are currently being considered by the Australian parliament.

To establish the costs of contact, the authors used data from a recent Australian survey on expenditures during contact to modify existing ‘budget standards’ research on the costs of children in Australia. Whilst the budget standards research has been criticised by some for possibly overestimating the costs of living, the validity or otherwise of this criticism has no great significance for the findings on contact in the attached paper. This is because the authors express their estimates of the cost of contact in relative terms, that is, as a proportion of the costs of caring for children for 100% of the year in an intact household. This presentation of the costs of contact in proportional terms makes the research particularly useful for assessing the validity of the current divisions of family assistance and child support liabilities that are applied to separated parents in Australia.

## **Finding**

The research establishes that the costs of exercising contact will often be relatively high. For example, where contact with one child is for 20% of the nights of the year, the cost of this contact represents about 40% of the *total yearly* costs of raising that child in an intact couple household with a medium income, and more than half the *total yearly* costs of that child in a household with a low income.

Kyle Mitchell

27 October 2000

# **Estimating the Costs of Contact for Non-resident Parents: a budget standards approach**

## **Index**

<b>Abstract</b>	<b>Page 3</b>
<b>About the authors</b>	<b>Page 4</b>
<b>Introduction</b>	<b>Page 5</b>
<b>Budget standards for non-resident parents</b>	<b>Page 9</b>
<b>Estimating the costs of contact</b>	<b>Page 23</b>
<b>Adjusting the budget standards for different assumptions – sensitivity testing</b>	<b>Page 28</b>
<b>Discussion</b>	<b>Page 33</b>
<b>References</b>	<b>Page 39</b>
<b>Endnotes</b>	<b>Page 41</b>

# Estimating the Costs of Contact for Non-resident Parents: a budget standards approach

*Paul Henman and Kyle Mitchell*

## Abstract

Most Western countries have, for some time, provided income support and/or taxation relief to parents with children in their care. The significant amount of research into the costs of children to couple and sole parent households has been important in assessing and developing family support policies. Changing societal expectations about the level of involvement of fathers in child rearing activities has highlighted the need to understand the costs facing usually male non-resident parents in having contact with their children. The budget standards methodology is used in this paper to estimate the costs for non-resident parents exercising regular contact with their children. Costs of contact are found to be high. Where contact is with one child for 20 per cent of the year, the cost of this contact represents about 40 per cent of the *total yearly* costs of raising that same child in an intact couple household with a medium income, and more than half of the *total yearly* costs of that child in a household with a low income. Household infrastructure and transportation are the reasons for high costs. One implication of this finding is that the total cost of children substantially increases when parents separate. The paper discusses some policy implications of these findings. This research is of relevance to social security, taxation, family law and child support policies and administration. **Paper word count:** 8450 (excluding references, tables and figures).

## **Authors' Institutional Affiliation**

Dr Paul Henman is a Research Fellow in the Sociology Department of Macquarie University, Sydney, Australia. He is currently teaching at Edinburgh University.

Kyle Mitchell has a degree in philosophy and is a policy analyst in the Australian Department of Family and Community Services. For many years he has undertaken research and analysis in the fields of family assistance and child support. However, *the views expressed in this paper are those of the authors and can **not** in any way be taken to reflect the official views of the Australian Department of Family and Community Services nor of the Australian Government.*

## **Acknowledgments**

In undertaking this research and in the preparation of this paper, we greatly appreciate the advice of Marilyn McHugh and Peter Whiteford. Our appreciation is also given to two reviewers whose comments have led to an improved article.

## **Key words**

non-resident parents, contact, access, costs of children, child support, maintenance

# Estimating the Costs of Contact for Non-resident Parents: a budget standards approach

## Introduction

With the marked increase in marriage dissolution and family separation in western countries over the last quarter century, there has been considerable research into the circumstances and needs of the parents who provide the majority of the care of children following the relationship breakdown. Such 'resident' (or 'custodial') parents are generally women and most spend at least a short period as a 'sole' parent (ie they are not partnered).

There is widespread societal recognition of the economic and social difficulties facing sole parents. Accordingly, sole parents have received substantial and widespread research and policy attention. They are often a standard category of analysis in income and expenditure surveys, labour force surveys, and poverty and living standards research.

However, most sole parents are not in fact the *sole* parent of their children. There is usually a second 'non-resident' parent of the children somewhere. These non-resident parents are overwhelmingly male. Although sometimes referred to as 'absent fathers', this term is in many cases an inappropriate and pejorative description of their parenting. Whilst some non-resident parents have little or no contact with their children, most have some contact, and many provide significant amounts of direct care for their children. This commonly involves

their children staying with them on weekends and/or holidays (sometimes for a significant proportion of the year) and is referred to as 'contact' (or 'access').

Comparatively little research has been undertaken into the behaviours, expenditures and needs of non-resident parents in caring for their children during contact. This lack of research is in part due to an understandable focus of researchers and policy makers on the circumstances of the households in which the children spend most of their time – that is, resident parent households, many of which face significant levels of disadvantage. However, over recent years there has been a growing consideration of the responsibilities and rights of non-resident parents with regard to the parenting of their children, and of the importance to children of having *both* separated parents involved in their upbringing.

Alongside this awareness there have been several recent studies on the demographics of non-resident fathers and their experience of fatherhood. These studies build upon and contrast with earlier research that tended to focus on non-resident fathers as payers of child support. Bradshaw et al (1999; cf Skinner and Bradshaw, 2000) survey British non-resident fathers and examine how non-resident fathers construct parenthood and how they negotiate obligations with resident parents. Garfinkel et al (1998) examine the American non-resident father demographics, estimate behavioural effects of Child Support enforcement regimes and consider policies to assist non-resident fathers as parents. Lewis (2000) and Uttley (1999) argue that child support policy needs to be developed within a more informed understanding of the realities and experiences of non-resident parents. These studies are of considerable importance in understanding how non-resident parents understand their relationship with their non-resident children and the problems they face in negotiating their parental role with the resident parent. However, these studies give little attention to the financial costs involved in

exercising a non-resident parental role. The research reported in this paper is therefore unique in estimating the financial costs faced by non-resident parents in maintaining regular contact with their non-resident children.

As the above studies illustrate, non-resident parenthood is increasingly being seen not just in terms of financial obligations, but in terms of active parenting relations. Contact and an active involvement in the lives of non-resident children is seen as positive for the wellbeing of both children and non-resident parents, as well as being crucial to child support compliance. At the same time there appears to be a growing awareness that non-resident parents, like single resident parents, have low levels of income.

It is in this changing context in which social policy is made and in response to actual policy developments to take better account of the costs of contact for non-resident parents that the need for research into the quantum of such costs has become increasingly important.

This paper uses a ‘budget standards’ approach to estimate the costs in Australia of providing care for children during contact. Our estimates — expressed both in dollars and as a percentage of the cost of children in intact couple households — are not derived from survey data on how much non-resident parents *actually* spend on contact. (To our knowledge no representative data of this kind exists anywhere in the world.) Rather, the goods and services judged appropriate to care for children during contact were identified and costed. We did this for contact durations of 15, 20 and 30 per cent of the year, and for two standards of living: essentially, a frugal standard and a middle income standard. The research was heavily guided by two recent Australian studies.

Somewhat surprising, our analysis identified that the cost of caring for children through ongoing and regular contact for a significant, but minority, proportion of the year is considerably greater than a pro-rata proportion of the costs of caring for children by an intact couple with care of children for 100 per cent of the year. This is because of the cost of infrastructure – such as bedrooms, furniture and toys – that non-resident parents typically provide in order to care for contact children.

This research into the costs of contact can usefully supplement existing knowledge on the costs of children, the costs of sole parenthood and the costs of separation. It may also improve the understanding of the factors effecting child support compliance, the level and regularity of contact, and other aspects of relationships between non-resident parents and their children. Accordingly, an acknowledgment of the cost of contact is seen as one element in developing social policy that enhances the lives of both parents and children after parental separation.

The remainder of the paper consists of four sections. The first section describes the development of Australian budget standards for non-resident parents. The second section uses these budget standards to estimate what it costs non-resident parents to exercise regular contact with their children. The nature of these costs is discussed and expressed as a proportion of the estimated costs of children in intact households. The third section tests the sensitivity of the estimated costs of contact by altering various assumptions. The paper concludes with a discussion of the lessons learnt from the research and policy implications.



## **Budget standards for non-resident parents**

This section describes our development of budget standards for non-resident parents who exercise regular contact with their children. Prior to that discussion, we briefly explain the budget standards methodology as generally applied, and the research upon which our research builds.

### ***Budget Standards Methodology***

A *budget standard* is a specified basket of goods and services that a particular hypothetical household is judged to need at a specific time and place in order to achieve a particular standard of living. In a market economy, the price of those goods and services indicates the cost of achieving that standard of living.

The budget standards methodology, by specifying the particular goods and services that households need, is a normative approach to living standards research. Whilst budget standards have often been used to determine minimum income benchmarks, in principle, budget standards can be developed to represent any standard of living (Bradshaw et al, 1987). They are also useful for researching other issues. For example, through comparing the costs of the budgets of households of different compositions or behaviour, estimates can be calculated of the costs of such things as children, lone parenthood, employment, and job search. These estimates do not represent actual expenditures by people, but estimated costs required to meet a specified standard of living. Their purpose is to overcome the realities of income constraints and behavioural distortions. For example, budget standards generally assume a healthy diet and no smoking, regardless of whether this is typical of the population.

This capacity to avoid behavioural distortions associated with the income constraint or ‘bad’ behaviour of one or both parents was a key reason for our choosing the budget standards approach. The approach allowed us to make normative judgements to resolve key issues, such as the amount of time the non-resident parent was assumed to have contact with his children, the types and costs of goods and services he provided his children and the sharing of costs between resident and non-resident parents. In this regard, a virtue of the budget standards approach is that most assumptions and allocations underlying budget standards are transparent and thus can be open to debate and variation.

Notwithstanding our views on the virtues of the research methodology, we recognise that all methodologies have their limitations. Whilst we consider our estimates of the costs of contact to be valuable, especially given that little else is available, we do not consider them to be the last word on the issue. Our research is intended to stimulate ongoing academic and policy debate, and should be supplemented by further research including behavioural data as it becomes available.

To estimate the costs of contact, it was first necessary to construct budget standards for non-resident parents exercising regular contact and compare them with those for single adults and couples with children. For this purpose we were heavily guided by recent Australian budget standards prepared by the Social Policy Research Centre (SPRC) in Sydney (Saunders, et al., 1998) and survey data on behaviours and expenditures of non-resident parents (Woods, 1999).

### ***SPRC's budget standards***

SPRC developed 46 different budget standards based on a variety of household types and two different standards of living. The *modest but adequate* living standard was defined to reflect the median living standard of Australian households. The *low cost* standard was defined to reflect a frugal standard of living. It does not represent a minimum level but rather allows 'full social and economic participation' (Saunders, et al. 1998, p. 99). The household types were obtained by varying the number, sex, age and labour force status of household occupants and their housing tenure (see Saunders, et al. 1998, p. 127, Table 3.3). With regard to children, budgets were developed for households with various combinations of the following: a girl aged 3, a girl aged 6, a boy aged 10, and a boy aged 14. SPRC's overall budget standards are comprised of nine component budget standards: housing, energy, food, clothing and footwear, household goods and services, health, personal care, leisure and transport. The standards relate to costs for living in Sydney and are priced for February 1997. To specify its budget standards, SPRC drew upon a mix of normative standards and behavioural data.

### ***The Murray Woods Survey Research***

In developing budget standards for non-resident parents with contact we, like SPRC, used both normative judgements and benchmarks on behavioural data. The recent survey research of Woods (1999) into the behaviours and expenditures associated with exercising regular contact is the only representative behavioural data available on Australian non-resident parents who exercise contact. Woods surveyed 252 such parents. The sample was drawn from non-resident parents registered with the Australian Child Support Agency who had exercised between 18 and 110 nights of contact with their children in the previous 12 months, with two-thirds of the sample having between 55 and 110 nights of contact. Respondents

were asked about their arrangements and behaviours during contact and their types of expenditures on contact, but not dollar value of their expenditures.<sup>1</sup>

Woods' survey highlighted the importance of household infrastructure in contributing to the cost of contact (1999, pp. 40-41). He concluded that non-resident parents with contact were committed to providing an infrastructure they regarded as suitable for contact (such as a bedroom, furniture, toys and clothing), and found no relationship existed between the breadth and types of such infrastructure and the income level of the non-resident parent.

### *Developing budget standards for non-resident parents*

To estimate the costs of contact, budget standards for non-resident parents were developed and compared to budget standards for both single adults and similar intact families. In developing budget standards for non-resident parents, we tried as far as possible to maintain consistency with SPRC judgements and assumptions about specific ownership of goods and use of services.<sup>2</sup> Prices of goods and services, and their 'lifetimes' were obtained from SPRC's budget standards. Budget standards for four non-resident parent households were developed (Table 1).

**Table 1: Household types for non-resident parents**

Short Title	Long Title	Composition	Work-force	Tenure	Living Standard	Housing Type
Sm Pri M (g6)	Single male age 40, private renter, exercising contact with girl age 6	M40 (G6)	FT	Private renter	MBA	2 br unit
Sm Pri L (g6)	Single male age 40, private renter, exercising contact with girl age 6	M40 (G6)	Un	Private renter	LC	2 br unit
Sm Pri M (+2)	Single male age 40, private renter, exercising contact with girl age 6 and boy 14	M40 (G6 B14)	FT	Private renter	MBA	3 br unit
Sm Pri L (+2)	Single male age 40, private renter, exercising contact with girl age 6 and boy 14	M40 (G6 B14)	Un	Private renter	LC	3 br unit

KEY: Sm = Single male; Pri = Private renter; M, MBA = Modest but adequate; L, LC = Low cost; M40 = 40-year-old male; G6 = 6-year-old girl; B14 = 14-year-old boy; FT = full-time employment; Un = unemployed; br = bedroom.

As is typical, the non-resident parents for whom we developed budget standards are assumed to be male. Because of the difficulties in determining housing costs for purchasers (Saunders, et al, 1998, pp. 134-141), housing costs are based on market private rents. Consistent with SPRC's budget standards, the father was assumed to be in full-time employment at the modest but adequate living standard and unemployed at the low cost living standard.

We made several normative judgements. Resident and non-resident parents are assumed to behave in a reasonable and fair manner towards each other. For example, we assumed that transport of children between resident and non-resident households is equally shared. (However, in making this assumption we acknowledge that in reality animosity and 'bad' behaviour often exists between separated parents, and non-resident parents tend to face most of these transport costs.) Similarly, our budget standards assume that non-resident parents act reasonably towards their children. Whilst non-resident parents are assumed to provide goods and services that are 'necessary' to provide care for their children during contact, we assumed that they did not 'treat' their contact children (such as take-away foods) at a greater rate than resident parents would. This assumption is contrary to evidence that non-resident parents

tend to treat their visiting children through such things as cinema outings and take-away and restaurant meals (Woods, 1999; cf Bradshaw, et al, 1999). It may be that such treating is seen as a way of developing and maintaining relationships with contact children. However, as a wide range of inexpensive activities can conceivably contribute to relationship building (eg. playing games, visits to the park), we decided that expensive treating behaviours would be minimised. This is also supported by research suggesting that excessive treating disrupts the child's relationship with their resident parent (Wolchik et al, 1996).

Despite our assumption, there are some areas in which the contact children do effectively get disproportionately treated. For example, the non-resident parent is assumed to take his contact children on his annual holiday. Given that the children also go on an annual holiday with their mother, this doubles the holiday trips which children of intact families have. This is justified as many non-resident parents are likely to want to have their holidays with their children, as will resident parents. In developing the budget standards we recognised that addressing the needs of both separated parents and contact children may sometimes result in contact children having duplicate goods and services due to living in two households, and therefore a greater overall number of goods and services than children in intact households. We tried to keep such outcomes to a minimum.

Another normative judgement involves the frequency and duration of the contact visits. Our research focuses on the scenario that contact children are in the care of the non-resident parent for half of the school holidays and every second weekend. This gives a total of 73 days (and 73 nights) of contact, that is, 20 per cent of the year. (We also sensitivity test our findings for contact of 15 per cent and 30 per cent of the year.) There is anecdotal evidence

that the aforementioned pattern of contact – of half of the school holidays and every second weekend – is a common arrangement between separated parents in Australia.

However, Australian data suggests that the average level of contact of non-resident parents with their children is less than 73 nights a year. This may, in part, reflect constraints such as affordability, geographic distance and bad relations between separated parents. The point of our research is to examine the cost of contact that is both regular, and adequate in duration and quality, and supports the best interests of the child in maintaining a quality relationship with their non-resident parent. Our decision to estimate costs for the above pattern of contact, rather than lesser levels or a once-yearly block of contact, also takes account of evidence that regular contact is important for child development and the emotional wellbeing of the non-resident parent (Cockett and Tripp, 1994; Curtner-Smith, 1995; Wallerstein and Kelly, 1980; Funder, 1995). Reflecting behavioural data (Woods, 1999, Table 18), we also assumed that where non-resident parents had more than one non-resident child, the children visited concurrently.

We now describe key assumptions for the component budgets for the non-resident parent budget standards and, where appropriate, compare them with behavioural data.

Given our scenario is for non-resident parents having 20 per cent contact with their children, we assumed that non-resident parents incurred 20 per cent of the general everyday costs for *energy, food* and medicines. As *health* services are based on episodes, we divided the number of episodes by five and rounded. This meant that non-resident parents face no dentist costs for contact children. For comparison, Woods (1999, Table 39) found that 57 per cent of non-resident parents purchase prescription medications for contact children and 58 per cent

purchase non-prescription medications. Only 10 per cent had paid for dental services during contact.

SPRC's *personal care* budget includes both consumables (eg. shampoo, toothpaste, soap) — which were allocated to contact children at 20 per cent of the normal child's amount — and non-consumables (eg. hairbrush, watch, sunglasses). Of the non-consumables, some items were assumed to be transported between households (ie. the resident parent was assumed to bear the cost), whilst visiting non-resident children were assumed to leave some items at the non-resident parents (eg. toothbrush). For comparison, Woods found that 38 per cent of non-resident parents had paid some toiletries and grooming costs of their non-resident children during contact (1999, Table 39).

Instead of taking 20 per cent of a child's normal *clothing and footwear* budget, we defined a reduced 'wardrobe' for visiting non-resident children. As children were assumed to spend weekends and holidays with parents, no school-related clothing was included. Some items were assumed to be transported with children between households. Table 2 compares the wardrobes of children in SPRC's intact households with our contact children. Consistent with SPRC, our modest but adequate budgets have the same number of clothing items as our low cost budgets, but their quality and price are different.



**Table 2: Children's wardrobes for resident and non-resident children**

Clothing Items	Girl 6		Clothing Items	Boy 14	
	Resident	Non-resident		Resident	Non-resident
winter jacket/parka	1	1	winter jacket/parka	1	1
winter dress	2	1	trousers, smart	1	1
winter skirt	1	No	winter shirt, casual	1	1
jeans	1	1	jeans	1	1
leggings	2	No	winter jumper	2	1
winter jumper	1	1	track pants	2	1
winter cardigan	1	No	tracksuit top	1	1
blouse	2	1	sweat shirt	1	No
long sleeved top	1	1	<i>Other casual wear</i>		
track pants	2	1	summer trousers, casual	2	No
tracksuit top	3	1	summer shirt, casual	2	1
rain coat	1	1	shorts, smart	1	No
sun dress	1	No	shorts, board	2	No
summer dress	1	1	shorts, board	1	1
summer skirt	1	No	T-shirt	3	1
blouse	3	1	swimming costume	1	1
summer cardigan	1	No	'rash vest'	1	No
shorts	4	1	sun hat	2	1
summer slacks	1	No	<i>Underwear/nightwear</i>		
T-shirt	3	1	underpants	7	3
swimming costume	1	1	socks	3	3
sun protection shirt	1	No	summer pyjamas	2	No
sun hat	2	1	winter pyjamas	1	1
belt	1	No	<i>Shoes</i>		
<i>Underwear/nightwear</i>			shoes, school	2	No
briefs	8	3	joggers	1	1
singlets	2	1	sandals	1	1
socks	6	3	soccer boots	1	No
tights	1	No	<i>Accessories</i>		
summer pyjamas	2	1	belt, casual	1	1
summer nightie	1	No	wallet	1	No
winter pyjamas	1	1	school bag	1	No
winter nightie	1	No	swim cap	1	No
winter dressing gown	1	1	swim goggles	1	No
<i>Shoes</i>			<i>School clothes</i>	Yes	No
shoes	1	No			
joggers	1	1			
thongs	1	1			
slippers	1	No			
<i>School clothes</i>	Yes	No			

Woods found that 87 per cent of respondents had purchased clothes for their children for the contact visit (1999, Table 34). Of those purchasing clothing items for their visiting children, 24 per cent thought it was their responsibility because the children were in their care, whilst 47 per cent said they did so because the children arrived without sufficient clothing (1999, Table 37).

As there are no formal Australian housing standards, SPRC's *housing* budgets were constructed to conform to the Canadian housing occupancy standard, as do our budget standards for non-resident parents. Accordingly, non-resident parents with contact with one child rent a two-bedroom unit, whilst parents with two children rent a three-bedroom unit (Table 1). The three-bedroom unit is required for two children aged as per our scenario because the Canadian housing occupancy standards requires that children five years and older of the opposite sex can not share a bedroom. Consequently, our scenario provides an upper estimate of housing costs (in nominal amounts) for non-resident parents with two contact children. However, this 'distortion' disappears if our estimated costs of contact are expressed as a proportion of the costs to a couple with the same aged children.

As housing is a major expense, some might argue that contact children should share bedrooms with resident children or sleep on temporary beds in the lounge. However, 90 per cent of the non-resident parents surveyed by Woods provided a separate bedroom for their contact child(ren), and about half provided a separate bedroom for each contact child (1999, Table 27). In the UK, Bradshaw et al. (1999, 94) found that of the children who stayed with their parents overnight, three-quarters had their own bedroom. Although a sizeable minority of non-resident parents who are without 'suitable' living arrangements do have non-resident

children visit overnight, our normative housing standard measures the costs necessary to enable non-resident parents *appropriately* to accommodate contact children.

SPRC's *household goods and services* budget contains over 600 items for each household covering furniture, kitchen utensils and cleaning products. The non-resident parent's household goods and services budget was constructed from the single male's budget by adding items for visiting children. Additional items include the child's bedroom furniture, personal manchester and a desk for 14-year-old boy. The allocation of a desk is consistent with SPRC's budget standard and Woods' finding that 52 per cent of non-resident parents provide this (1999, Table 31). Telephone usage was increased to enable the contact children to speak with their resident parent once a day, the cost being shared equally between parents. Additional telephone calls have not been added to enable the non-resident parent to communicate with his children whilst they are living with the resident parent. No childcare or school costs were allocated on the assumption that contact children visit during the non-resident parent's holidays and on weekends.

Woods found that *leisure* was a very important part of contact with non-resident children, with 94 per cent of non-resident parents providing recreation and entertainment activities which 'involves significant cost' during contact visits. Of those doing so, 55 per cent said that leisure was important for building the relationship with their children, with the next highest reason (16%) being that the activities were important to the children. Ten per cent said leisure activities were for a treat (1999, Table 44).

In developing the leisure budgets we were confronted with the question of the impact on one's overall leisure activities of being a non-resident parent. For example, SPRC's budget standards allocate attendance at pop concerts to single 35-year-old women, but do not allocate such events to 35-year-old women who have a partner and/or children. This is based on the notion that partners and children provide 'entertainment' and involve a change in lifestyle. As non-resident parents are both single and 'part-time' parents, they require both leisure needs of single people and of parents. Consequently, we decided to include leisure activities and items that relate to both.

Contact children were allocated a smaller 'toy box' as detailed, in comparison with full-toy boxes, in Table 3. The allocation of bicycles (\$0.56 per week for girl 6 and \$0.55 for boy 14) was based on Woods' finding that 69 per cent of surveyed non-resident parents had bought bicycles for their children for contact visits (1999, Tables 31 & 33). Children were allocated age-appropriate books at 20 per cent of the usual allocation.

**standards for visiting non-resident children  
compared with those for resident children**

	<b>Girl 6</b>		<b>Boy 14</b>
Stacking 'toy box'	1	Soccer ball	1
Washable poster paint	No	Foot ball	No
Paint brushes	No	Board game	1
Sponge painting pack	No	Computer game	No
Paint palette	No	Model Kits - Star Wars	0.5
Craft glue (500 ml)	No	Pack of cards	No
Coloured pencils)	1	Bicycle	1
Crayons	1	Bicycle helmet	1
Pastels	No	Inner tube	1
Chalk	No	Bike pump	1
Chalk board	No	Puncture repair kit	1
Play dough	1	Skateboard	No
Play dough cutters	1	Protective pads (elbows)	No
Rolling Pin	No	<u>Protective pads (knees)</u>	<u>No</u>
Balls	1		
Doll	1		
Doll's bassinette	No		
Soft toy	No		
Bicycle (girl)	1		
Bicycle tube	1		
Repair tool kit	1		
Helmet child	1		
Plastic bead set	No		
Hand puppets	No		
Blow bubble pack	No		
Card games	No		
Jigsaw puzzles	No		
Games book	1		
Colouring in book	1		
Scissors	No		
Coloured paper	No		
Gummed paper shapes	No		
Recorder	No		
Swing	1		
Bucket and spade	1		
<u>Roller skates</u>	<u>No</u>		

Contact children were assumed to accompany their non-resident father on his annual week-long holiday (once every three years at the low cost standard) and on his few allocated day trips. The non-resident parent is assumed to take contact children to an animal/marine park every second year, whereas SPRC's intact and resident sole parent families go every year.

Woods found that 45 per cent of non-resident parents 'frequently' took their contact children to the movies, while a further 42 per cent took them 'occasionally' (1999, Table 43). Our

budgets assume that non-resident parents take their children to the cinema once per year, which is the same level of attendance in the revised SPRC budget standards (Henman, 2000) for families at the low cost standard, and half that at the modest but adequate standard.

SPRC's *transport* budget allocates one car to each household type. The budget also includes a detailed list of trips in the car, their distance and frequency. In developing our budgets we used the median distance between non-resident and resident parents, namely 30 kilometres (mean of 201 km, standard deviation, 439 km) as found by Woods (1999, pp. 21-22). However, in a latter section, we also estimate contact costs for distances of 15 and 50 kilometres. Consistent with behavioural data, we assumed children were transported to non-resident parents by private car.

Woods found that for almost one third of surveyed non-resident parents, transport costs associated with contact visits was their major contact cost item (1999, Table 60) and a strong behavioural pattern of non-resident parents bearing the cost of transporting contact children to (and from) the non-resident parent residence (1999, Tables 61, 62 & 64). However, given our assumption that budget standards should reflect fairness between resident and non-resident parents, our budgets assume that resident and non-resident parents share the costs of transporting their children for contact. Consequently, our estimated transport costs may be lower than actual costs facing many non-resident parents.

Generally, budget standards include the cost of household durables — such as refrigerators, furniture and crockery — as a weekly amount derived by dividing the purchase price by its

assumed lifetime. Where relevant, our budget standards for non-resident parents appropriately decreased (or increased) the lifetimes used by SPRC for single adults (or households with children) because the presence of children causes additional wear and tear on such items.

### **Estimating the costs of contact for non-resident parents**

Costs of contact were derived by subtracting the budget standard for a single male from the corresponding budget standard for a single non-resident father who exercises contact. This deductive (or difference) method measures the change in expenditure from changing household status, that is, the effect of exercising contact on the costs of a person who has no contact.

Table 4 presents the estimated costs for a single non-resident father of exercising contact for 20 per cent of the year (i.e. every second weekend and half the school-holidays) with (i) a six-year-old girl and (ii) two children, a girl 6 and boy 14, at both modest but adequate and low cost living standards levels.

**Table 4: Estimates of the Costs of Contact (Private Renters, Sydney, February 1997, \$/year)**

	Hsng	Energy	Food	Clothing	HGS	Health	Transpt	Leisure	Per C	Total	After Hsng
<b>Modest But Adequate, Full-time employed</b>											
<b>A: Contact Parent Cost Compared to Single Adult (m,c) - (m,0)</b>											
One child (Girl age 6)	1535	43	330	205	162	18	228	502	23	<b>3044</b>	1509
Two children (G6, B14)	3770	85	889	499	359	31	244	719	56	<b>6652</b>	2882
<b>B: Cost of Children for Couples (2,c) - (2,0)</b>											
One child (Girl age 6)	1555	122	1648	719	2389	155	142	654	100	<b>7484</b>	5929
Two children (G6, B14)	3805	243	4444	1548	3785	275	299	1716	351	<b>16466</b>	12661
<b>C: Cost of contact as a percentage of couple child costs</b>											
One child (Girl age 6)	99%	35%	20%	28%	7%	11%	160%	77%	23%	<b>41%</b>	25%
Two children (G6, B14)	99%	35%	20%	32%	9%	11%	82%	42%	16%	<b>40%</b>	23%
<b>Low Cost, Unemployed</b>											
<b>D: Contact Parent Cost Compared to Single Adult (m,c) - (m,0)</b>											
One child (Girl age 6)	1679	38	259	183	124	7	241	185	12	<b>2727</b>	1048
Two children (G6, B14)	3770	75	697	457	319	13	256	336	30	<b>5954</b>	2184
<b>E: Cost of Children for Couples (2,c) - (2,0)</b>											
One child (Girl age 6)	1679	96	1295	662	443	112	411	362	58	<b>5118</b>	3439
Two children (G6, B14)	3770	192	3485	1446	1472	210	556	694	202	<b>12027</b>	8257
<b>F: Cost of contact as a percentage of couple child costs</b>											
One child (Girl age 6)	100%	39%	20%	28%	28%	6%	59%	51%	21%	<b>53%</b>	30%
Two children (G6, B14)	100%	39%	20%	32%	22%	6%	46%	48%	15%	<b>50%</b>	26%

Note: Comparisons for modest but adequate households are based upon all adults in full-time employment. Comparisons for low cost households are based upon all adults being unemployed. Constant labour force status is necessary to ensure meaningful calculations.

Panels A and D of Table 4 present, for the modest but adequate and the low cost living standards respectively, the additional cost to a non-resident father of having children visit compared with being a single male without contact. The costs are yearly costs based on February 1997 prices in Sydney. For comparison, the cost for an intact couple of caring for the same children for 100 per cent of the year is provided in Panels B and E. Panels C and F present the cost of 20 per cent contact as a percentage of the yearly cost to an intact couple of caring for the children for 100 per cent of the year.

The estimated total cost for a non-resident father exercising regular contact (20 per cent of the year) with a non-resident daughter aged six is \$3044 per year at the modest but adequate living standard and \$2727 per year at the low cost standard. The estimated cost of contact



with two children (daughter aged six and son aged 14) is \$6652 per year at the modest but adequate standard and \$5954 a year at the low cost standard. Again, these estimates are based on February 1997 prices and residence in Sydney.

In comparing the various component budgets (columns), it is clear that housing is the largest component of the cost of contact (\$1535 and \$1679 per year for one child<sup>3</sup> and \$3770 per year for two children), representing over half of the total cost of contact. Food is the next largest cost (\$259 to \$330 per year for one child and \$697 to \$889 per year for two children). Leisure, household goods and services, transport and clothing are the next most costly elements of contact. There are minimal personal care, health and energy costs associated with contact with non-resident children.

A key policy issue concerning the costs of contact is whether such costs should be envisaged as broadly a time-based pro-rata proportion of the costs of caring for children full-time. Hence, we compare our estimated costs of contact with the estimated costs for an intact couple of caring for children for the whole year (Panels C and F of Table 4). Given our assumption that the non-resident parent has his children visit him for 20 per cent of the year, one might expect the cost of contact to be around 20 per cent of a couples' yearly costs of caring for children. This is not so. Rather, our research suggests that contact for 20 per cent of the year costs from 40 to 53 per cent what it costs for an intact couple to care for the same children for 100 per cent of the year. The reasons for contact being disproportionately expensive are varied.

The *housing* costs associated with providing contact care are identical to those for caring for children for 100 per cent of the year. This is because the same sized house is required if the

non-resident parent is to provide appropriate sleeping circumstances for visiting contact children, and the costs of this accommodation are borne all year, including when the children are not visiting.<sup>4</sup> *Food* costs associated with contact, on the other hand, are exactly 20 per cent of those associated with providing 100 per cent care. These two, very different goods highlight the difference between consumables and non-consumables (or infrastructure). The cost of consumables associated with contact (eg. food, energy) are more likely to be close to a time-based pro-rata *proportion* of the yearly cost of such goods for couples who care for children for 100 per cent of the year, whereas the cost of infrastructure associated with contact (eg. furniture, housing, clothing) is similar to the *total* yearly infrastructure costs of caring for children for 100 per cent of the year.

This generalisation does not always hold: the *energy* component of the cost of 20 per cent contact represents between 35 and 39 per cent of the energy costs associated with caring for children for the whole year (this is due to our consistent application of SPRC's energy model which takes account of the number of bedrooms in the house regardless their level of use); and contact costs for *clothing* represent between 28 and 32 per cent of the clothing costs for caring for children for the whole year (due to our allocation of a limited wardrobe of clothes for visiting children).

The cost of the *household goods and services* associated with 20 per cent contact at a low cost standard represents between 22 to 28 per cent of the yearly costs for an intact couple caring for children for the whole year. However, at the modest but adequate standard the costs represent only seven to nine per cent. A major reason for this drop is that at this standard the couple are both employed and face some formal childcare (and school) costs for

the six year old, whereas the non-resident parent does not because he has contact during holidays and on weekends.

*Transport* costs associated with contact of 20 per cent of the year represent between 46 per cent and 160 per cent of those borne by an intact couple caring for children for 100 per cent of the year. This outcome is due to the additional travel involved in transporting children between resident and non-resident parents. Indeed, Woods found that travel costs often constituted a significant level of expenditure (although our estimates are about \$240 per year) and were an area causing frustration for the non-resident parent due to perceived lack of sharing.

Finally, *leisure costs* associated with providing 20 per cent contact represent between 42 and 77 per cent of those borne by an intact couple with 100 per cent care. This higher-than-proportional level is due to a certain amount of 'double dipping' which children from separated parents may experience. For example, the children go on the annual holiday with their non-resident parent and they attend the cinema at more than a proportional amount. As mentioned above, this higher-than-proportional level of leisure can be justified due to the high level of contact of non-resident children during school holidays and weekends, and to basic requirements of relationship maintenance between the non-resident parent and children.

## **Adjusting the budget standards for different assumptions – sensitivity testing**

Our budget standards for non-resident parents and the subsequent estimates of the costs of contact embody many assumptions about such things as behaviour, location, and the use of goods and services. In particular, the budget standards are for non-resident parents living in Sydney who have contact with their non-resident children for 20 per cent of the year and are costed for February 1997.

A strength of the budget standards approach is that it allows for relatively easy modification of to reflect other scenarios – such as different locations or with greater distance between resident and non-resident parent households – and to test the robustness of results through sensitivity testing. Consideration of budget standards for households with different arrangements is also important to identify average (and the extent of variations in) costs of contact which are particularly important to policy makers. This section discusses the effect of various adjustments on the estimated costs of contact.

SPRC's budget standards are based on costs of living in Sydney, where housing costs are higher than elsewhere in Australia. Based on previous research (Henman, 2000; cf Saunders, 1998; Henman, 1999; Mudd, 1999), Table 5 presents estimates of the costs of contact in each Australian capital city at December 1998.

**Table 5: Estimates of the Costs of Contact (Private Renters, December 1998, \$/year)**

	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra	Weighted Average	Non-Sydney Average
<b>Modest But Adequate, Full-time employed</b>										
<b>A: Contact Parent Cost Compared to Single Adult (m,c) - (m,0)</b>										
One child (Girl age 6)	3184	3029	3001	2955	3003	3025	3116	3029	3066	3009
Two children (G6, B14)	6985	6468	6420	6243	6374	6412	6840	6447	6600	6413
<b>B: Cost of Children for Couples (2,c) - (2,0)</b>										
One child (Girl age 6)	8021	7705	7589	7632	7724	8003	7832	7902	7799	7692
Two children (G6, B14)	17285	16545	16315	16223	16649	16883	17282	16782	16754	16496
<b>C: Cost of contact as a percentage of couple child costs</b>										
One child (Girl age 6)	40%	39%	40%	39%	39%	38%	40%	38%	39%	39%
Two children (G6, B14)	40%	39%	39%	38%	38%	38%	40%	38%	39%	39%
<b>Low Cost, Unemployed</b>										
<b>D: Contact Parent Cost Compared to Single Adult (m,c) - (m,0)</b>										
One child (Girl age 6)	2861	2618	2596	2518	2563	2588	2758	2607	2679	2591
Two children (G6, B14)	6262	5674	5635	5435	5552	5588	6086	5642	5825	5613
<b>E: Cost of Children for Couples (2,c) - (2,0)</b>										
One child (Girl age 6)	5293	5031	4954	4882	5042	5055	5322	5052	5096	5001
Two children (G6, B14)	12482	11809	11637	11452	11888	11831	12678	11865	11989	11749
<b>F: Cost of contact as a percentage of couple child costs</b>										
One child (Girl age 6)	54%	52%	52%	52%	51%	51%	52%	52%	53%	52%
Two children (G6, B14)	50%	48%	48%	47%	47%	47%	48%	48%	49%	48%

Note: Comparisons for modest but adequate households are based upon all adults in full-time employment. Comparisons for low cost households are based upon all adults being unemployed. Constant labour force status is necessary to ensure meaningful calculations.

Whilst the variation in households' budget standards for single non-resident fathers is considerable (up to \$4807 per year), the variation in the costs of contact is significantly less (up to \$827 per year). More significantly, the cost of contact as a proportion of the yearly cost of caring for children for the whole year varies minimally with variations in geography.

Panels B and C of Table 6 presents estimates of the costs of contact for an increased level of contact (30 per cent of the year) and decreased contact (15 per cent). These estimates are based on similar assumptions to those presented earlier, and do not involve radical changes, such as the need to pay for childcare or school-related costs. A 25 per cent reduction in contact (from 20 per cent to 15 per cent of the year) involves only a 5 to 7 per cent reduction in costs. If contact increases by 50 per cent (from 20 per cent to 30 per cent of the year), the costs of contact increases by between 8 and 12 per cent. In short, changes in the level of

contact result in a less than proportional change in the costs of contact. This is due to infrastructure costs, which are only minimally effected by moderate changes in the level of contact. Of course, if the change in the level of contact was significant, then the level of infrastructure provided may change. For example, the level of provision of clothes and toys would need to be altered, and non-resident parents with minimal contact may not need additional bedrooms. On the other hand, higher levels of contact (say 30 per cent of the year or more) is likely to result in non-resident parents facing some formal child care and schooling costs, which in turn would increase the cost of contact expressed as a proportion of the cost of caring for children for 100 per cent of the year.

**Table 6: Sensitivity testing of estimated costs of contact**  
**Costs of contact expressed in nominal amount (\$/year, February 1997) and as a**  
**percentage of the costs of children in intact couple households**

Scenario	Costs of Contact			
	Low Cost		Modest but Adequate	
	\$/year	%	\$/year	%
<i>A: Base model, 20% contact, Sydney</i>				
One child (girl 6)	2727	53%	3044	41%
Two children (girl 6, boy 14)	5954	50%	6652	40%
<i>B: Decreased contact (15%)</i>				
One child (girl 6)	2572	50%	2862	38%
Two children (girl 6, boy 14)	5670	47%	6306	38%
<i>C: Increased contact (30%)</i>				
One child (girl 6)	3037	59%	3409	46%
Two children (girl 6, boy 14)	6521	54%	7345	45%
<i>D: Age variation, 20% contact, Sydney</i>				
Two children (sharing one room)	3863	39%	4417	31%
<i>E: No bicycle for contact children</i>				
One child	2704	53%	3015	40%
Two children (girl 6, boy 14)	5908	49%	6595	40%
<i>F: Decreased distance (15kms)</i>				
One child	2630	51%	2947	39%
Two children (girl 6, boy 14)	5857	49%	6555	40%
<i>G: Increased distance (50kms)</i>				
One child	2857	56%	3047	42%
Two children (girl 6, boy 14)	6083	51%	6655	41%

Note: The non-resident parent is unemployed at the low cost level and employed full-time at the modest but adequate level. Housing is private rental of units. Comparisons are with costs of children in comparable intact households.

Whilst variations in the age of the contact children may change the absolute cost of contact, they are not expected to involve much difference to the costs of contact as a proportion of the costs of caring for children for the full year. This is because the cost of contact care and the cost of 100 per cent care of children for each component budget is likely to vary in a similar manner. The one exception is housing. In our example, the two children require separate bedrooms due to their age. Should their age enable them to share a bedroom, a third bedroom would not be necessary either for the non-resident parent or the intact couple household. As housing is a significant cost, this variation creates a noticeable difference. The costs of contact for two children as a proportion of the costs of caring for two children for 100 per cent of the year decreases from 50 to 39 per cent at the low cost standard and from 40 to 31 per cent at the modest but adequate standard (Table 6, Panel D).

Another reason for varying the non-resident parent's budget standard is disagreement over our allocation of goods and services to the households. For example, the leisure budgets provide bicycles for contact children. Should it be argued that this is an unnecessary additional cost (up to \$29 per year for one bicycle and \$43 for two), the cost could be taken out of the budget standards for non-resident parents. However, its removal has a negligible effect on the costs of contact (Table 6, Panel E).

Panels F and G of Table 6 indicate that a moderate variation in the distance between the non-resident parent and contact children has only a modest effect. The effect of a much greater increase in distance would be difficult to calculate. The level of contact would probably decrease, transportation may involve buses, trains or aeroplanes and there might be an increased level of (long-distance) telephone calls.

The data in Table 6 suggest that the age and gender mix of the children in our base scenario for contact with two children produce an estimate that lies towards the upper bound of the possible range of costs of contact with two children for 20 per cent of the year. This is particularly evident when compared with the case when two contact children can share a bedroom (Table 6, Panel D).

As Table 6 summarises, the costs of contact expressed as a proportion of costs of raising children for 100 per cent of the year are higher at the low cost standard than at the modest but adequate standard. Where a non-resident parent has contact with *one* child for 20 per cent of the year, it costs between 51 and 56 per cent of the costs of raising the child for a full year in a couple family at the low cost standard, and between 38 and 42 per cent at the modest but adequate standard. Where contact is with *two* children for 20 per cent of the year, it costs between 39 to 51 per cent of the costs of raising the children for a full-year in a couple family at the low cost standard, and between 31 to 41 per cent at the modest but adequate standard. The higher proportional cost of contact at the low cost standard suggests that there is a basic set of unavoidable costs associated with contact which do not increase proportionally as the living standard rises. Housing, transport and household infrastructure are clear examples of this unavoidable basic set of contact costs. (Due to the timing of contact, our non-resident parents also are able to avoid the child care costs which modest but adequate couples with full-time care incur.) This explanation of a basic set of costs, which Woods (1999) also identified, may also explain the tendency for the proportional costs of contact to drop when the number of children increases.



## Discussion

Our estimates of the costs of contact were unexpected in their magnitude, both expressed as a nominal amount and as a proportion of an intact couple's costs of caring for children for 100 per cent of the year. The cost of household infrastructure and transportation were found to be key factors contributing to the high costs of contact, although these costs are somewhat reduced if contact children are able to share a bedroom with other contact children or new children of the parent. The importance of these 'unavoidable' costs of contact also explains why lower income households face a proportionally higher cost of contact than higher income households, and why the cost of contact does not markedly change with modest changes in the level of contact. As well as the significant costs associated with 'infrastructure building', our work also highlights the importance of transportation, communication and coordination between the resident and non-resident parents' households.

A corollary of these observations is that the costs associated with supporting and rearing children post-separation where both parents have ongoing involvement with the children are greater than the costs of supporting and rearing children in intact households. The reasons for this are now clear. Two separate households need to be maintained, and coordination (ie. transportation and communication) costs between the two households are also incurred. Separation reverses the economies of scale available when parents share accommodation as a couple. Upon reflection, it should come as no surprise that the overall costs of children are higher after separation, because it is widely accepted that sole parents face additional costs in rearing children above those faced by intact, couple households (Whiteford, 1991; Whiteford and Hicks, 1993). A future research topic would be to estimate the *combined* additional cost of children for separated parents compared with intact households.

In undertaking the research, we also observed that non-resident parents may simultaneously be both parents and single. As such, they require goods and services relating to their parental role, as well as relating to their singleness. This dual role of non-resident parents and the consequent diseconomies is also relevant to sole parents, an observation that deepens our understanding of the additional costs faced by sole parents.<sup>5</sup>

The policy relevance of our findings is significant. Many social security and taxation systems around the world provide little financial assistance towards the costs of non-resident parents in caring for their children during contact. Where there is some assistance, it often appears to be assumed that the costs of contact are a time-based pro-rata proportion of the costs of raising children for 100 per cent of the year. Likewise, many government-enforced administrative formula for determining the level of child support (maintenance) that non-resident parents pay to resident parents appear to assume that the costs of contact are negligible, or, at most, are a time-based pro-rata proportion of costs of the resident parent. Such assumptions are contrary to the findings of this paper which suggest that the cost of contact are often likely to be relatively high: at times approaching half the total costs of caring for a child for 100 per cent of the time.

Another important implication of our findings is that the pre-separation living standards of all family members can not be maintained after separation without either an increase in the level of overall government assistance (in recognition of the diseconomies of raising children in two households) or an increase in the parents' earnings. It follows that if social policy attempts to maintain the pre-separation living standards of children (by, for example, pegging a non-resident parent's child support liabilities in some way to average expenditure levels on children in intact families) without providing a higher overall rate of financial assistance for

parents after separation, then there is a danger that the level of the child support liability may, at least partly, be at the expense of the ability to afford contact and/or of compliance with child support liabilities.

How might social policy respond to these issues? With regard to child support policy, there appears to be a need for many child support schemes to recognise better that non-resident parents can face significant financial costs from providing relatively small amounts of contact. To this end, the Australian government has announced plans to marginally reduce child support liabilities where a payer has as little as 10 per cent of the care of a child a year.

With regard to the question of what level of child support liability should be paid by non-resident parents with contact, a significant underlying issue is that some child support schemes attempt to maintain the pre-separation financial standard of living of children, at least in the resident parent's household. However, the diseconomies of raising children in two post-separation households that this paper has highlighted raise significant doubts about the realism, fairness and efficacy of such an approach. It may place a level of financial burden on some non-resident parents that restricts their capacity to have adequate contact-care of their children.

There consequently is a need for more explicit social policy debate on the relative priority and value that child support schemes should place on a child's financial standard of living in the resident parent household compared to the possibility of adequate contact with the non-resident parent. Parents make decisions about careers and when to have children which effect the financial standard of living of children, should the decision to separate be any different?

This leads us to the issue of the responsibilities of the state in circumstances where a resident parent's income (including child support) is too low to be considered adequate to meet social expectations of adequacy. The corresponding situation is when a non-resident parent's income (irrespective of adjustments to child support liabilities) is too low to meet the costs of contact, or when contact leaves the resident parent household in financial difficulties. In such circumstances we believe there is a strong argument that the state should provide additional support. However, some may argue this is problematic because it would result in an unequal treatment of co-resident and separated parents, and would introduce financial incentives for separation.

Currently in many social security systems, children must spend a significant amount of time in the care of the non-resident parent before that parent can become eligible for a share of family-related benefits. Our research findings on the relatively high costs of contact would suggest that it is reasonable that family benefits be shared at lower thresholds of contact care. In this regard, Australia's family tax benefit system has recently been modified to share family benefits between separated parents on a time-based pro-rata basis where the non-resident parent provides contact-care equivalent to 10 per cent or more of the year.

However, a major implication of our finding that separation involves additional costs is that a time-based pro-rata division of an intact couple's family benefits will often leave *both* separated parents with inadequate parenting assistance. Given this, and widespread evidence that many resident sole parents are already disadvantaged, one policy option is to enable separated parents to share a higher rate of family benefits than that available to intact couples.

In social security systems based on social insurance, the higher post-separation costs of children might be addressed through introducing insurance for the risk of separation. Private insurance to cover separation is also a possibility (perhaps through schemes that allow parents to recoup some of their premiums if they do not separate before their children become adults), though it may be unlikely to be taken up by prospective or current parents.

In many social security systems there may be services — such as childcare, the provision of concession cards to both resident and non-resident parents and the double registration of children in public health insurance systems — that can help minimise the additional costs of parenting after separation. In short, in some areas, social policy could treat both resident and non-resident parents as eligible parents for the one child. This contrasts to many systems where only one parent, and thus one household, can access family-related benefits associated with the care of a particular child. Similarly, eligibility rules for income support payments rarely recognise the parenting responsibilities of non-resident parents.

As housing is a major component of the costs of contact, policies to target this area could include the following. Assistance with rent could be provided to both resident and non-resident parents on the basis of them both being parents. Mortgage assistance might also be considered (whilst this might be considered to be an additional benefit which intact couples do not have access to, it could well be equivalent to taxation deductions offered to intact couples who choose to buy a second investment house). Additionally, the high cost of housing to enable contact reinforces the necessity for child support (maintenance) schemes to consider asset distribution when determining the level of child support liabilities.

Clearly, this is a complex area of social policy involving a great deal of emotion and political rhetoric. Ultimately, family social policy should begin with the best interests of the child. To date, child support policy has often been focused on minimising government outlays and this is seen as the reason for its failure in the UK. If social policy is to be redirected towards the child, then the role of non-resident parents in both financial obligations and ongoing parenting relations must be taken seriously, including the costs they face exercising their parenting role.

To conclude, the use of budget standards to estimate costs faced by non-resident parents in exercising contact with their children has provided useful insights into the level and types of costs involved. It has also highlighted the reality that children cost more to support and raise in separated households than in intact households. These findings are of significance for social security policy, taxation benefits, child support policy and family law matters. However, these findings must be supplemented by ongoing critical debate and further research using both the budget standards and other research methodologies. In particular, more detailed survey research into the exact monetary value of non-resident parent expenditures on contact would be useful, as well as research into the circumstances of non-resident parents with little or no contact.

## References

**J. Bradshaw, D. Mitchell and J. Morgan (1987)**, 'Evaluating adequacy: the potential of budget standards', *Journal of Social Policy*, 16:2, 165-181.

**J. Bradshaw, C. Stimson, C. Skinner and J. Williams (1999)**, *Absent Fathers?*, Routledge, London.

**M. Cockett and J.H. Tripp (1994)**, *The Exeter Family Study*, University of Exeter Press, Exeter.

**M.E. Curtner-Smith (1995)**, 'Assessing children's visitation needs with divorced noncustodial fathers', *Families in Society*, 341-348.

**K. Funder (1995)**, 'Complex contact cases and the family courts', *Family Matters*, 41, 20-21.

**I. Garfinkel, S.S. McLanahan, D.R. Meyer and J.A. Seltzer (ed.) (1998)**, *Fathers Under Fire: the Revolution in Child Support Enforcement*, Russell Sage Foundation, New York.

**P. Henman (1999)**, 'Different assumptions, different scenarios: extending and developing SPRC's budget standards', *Social Security Journal*, 1998/1, 171-193.

**P. Henman (2000)**, *Updating Australian Budget Standards Costs of Children Estimates*, Policy Research Paper, Department of Family and Community Services, Canberra, in print.

**J. Lewis (2000)**, 'Why don't fathers pay more for their children?', *Benefits*, 27, 1-4.

**B. Mudd (1999)**, 'A standard rent?: context and considerations', *Social Security Journal*, 1998/1, 147-170.

**P. Saunders (1998)**, 'Using budget standards to assess the well-being of families', Discussion Paper No. 93, Social Policy Research Centre, University of New South Wales, Sydney.

**P. Saunders, J. Chalmers, M. McHugh, C. Murray, M. Bittman and B. Bradbury (1998)**, *Development of Indicative Budget Standards for Australia*, Research Paper No. 74, Department of Social Security, Canberra.

**C. Skinner and J. Bradshaw (2000)**, 'Non-Resident Fathers, Child Support and Contact', *Benefits*, 27, 5-8.

**S. Uttley (1999)**, 'Child Support: the limits of social policy based on assumptions of knavery', *Social Policy & Administration*, 33, 552-566.

**J.S. Wallerstein and J.B. Kelly (1980)**, *Surviving the Breakup: How children and parents cope with divorce*, Grant McIntyre, London.

**P. Whiteford (1991)**, *The Costs of Sole Parenthood*, Reports and Proceedings No. 95, Social Policy Research Centre, University of New South Wales, Sydney.

**P. Whiteford and L. Hicks (1993)**, 'The costs of lone parents', in J. Bradshaw (ed.), *Budget Standards for the United Kingdom*, Avebury, Aldershot, 216-235.

**S.A. Wolchik, A.M. Fenaughty and S.L. Braver (1996)**, 'Residential and nonresidential parents' perspectives on visitation problems', *Family Relations*, 45, 230-237.

**M. Woods (1999)**, *The Behaviour and Expenditures of Non-resident Parents During Contact Visits*, Research Paper No. 75, Department of Family and Community Services, Canberra.



## Endnotes

---

<sup>1</sup> Whilst we are not aware of a similar survey elsewhere in the world, Bradshaw, et al. (1999) provide some information about contact behaviours and informal support which are broadly consistent with the findings of Woods (1999).

<sup>2</sup> SPRC did not construct budget standards for single male households. These were separately developed (Henman, 2000).

<sup>3</sup> The higher housing costs for one child at the low cost standard compared with the modest but adequate standard is a statistical artefact resulting from SPRC's setting of private rents. *Total* housing costs are, of course, greater for the modest but adequate standard.

<sup>4</sup> The modest but adequate level is 99 per cent of the costs of children in intact couples is due to a higher housing contents insurance cost for the couple with children household.

<sup>5</sup> Our research also suggests that budget standards for sole parents should be revised to take account of children's contact with non-resident parents. This would involve increased transport and communication costs for coordination between the two households, but reduced children's consumables (eg. food and energy) whilst the children are visiting their non-resident parent.