

Changing families

Who pays for the children?

Petter Odmark

Chief Analyst



Living with separated parents



Roughly one quarter of kids 0-17

Sharp increase 1970-2000

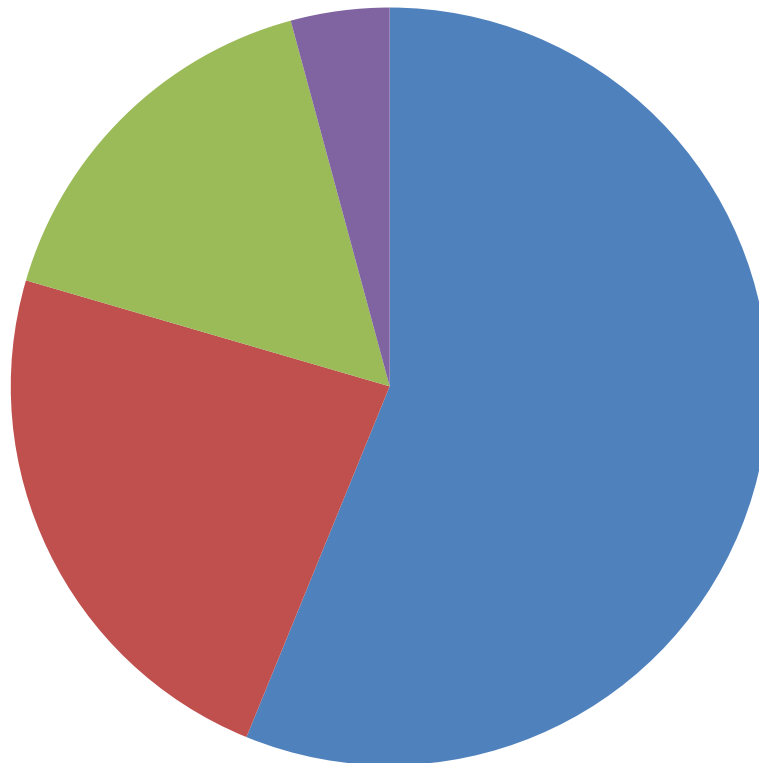
Stable since 2000



My focus

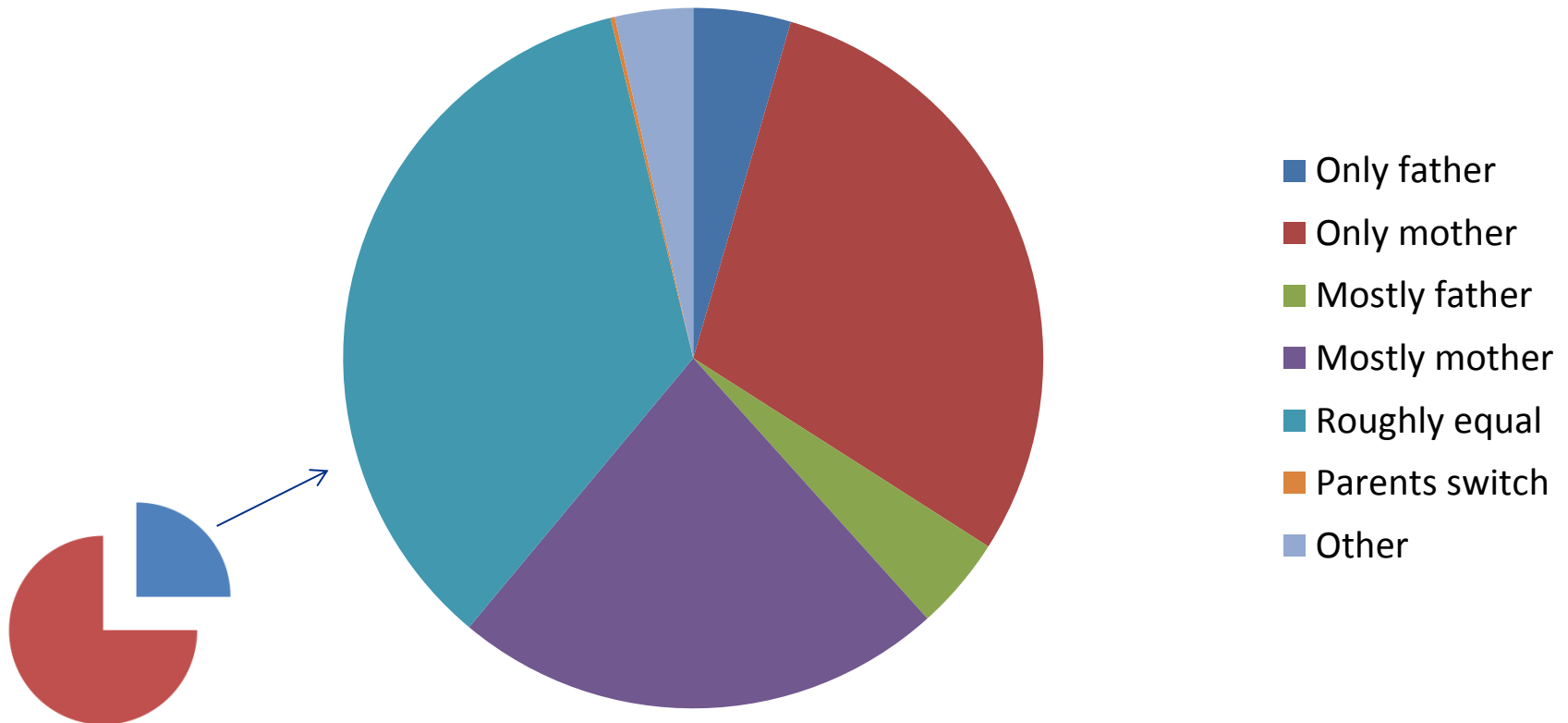
- **How do they actually live?**
- **Who actually pays for them?**
- **How are we changing the system?**
- **What do we know about their economy?**

How do kids live ? (statistically)



- Married parents
- Parents living together
- Single mother
- Single father

In reality



Basic rules

- Parents pay for their kids
- It doesn't matter who lives where

Two kinds of transfers

- UB, between parents (family law)
- US, from the state (social insurance law)

UB

Child living with mother – father paying UB

Mutual agreement but exist basic formula

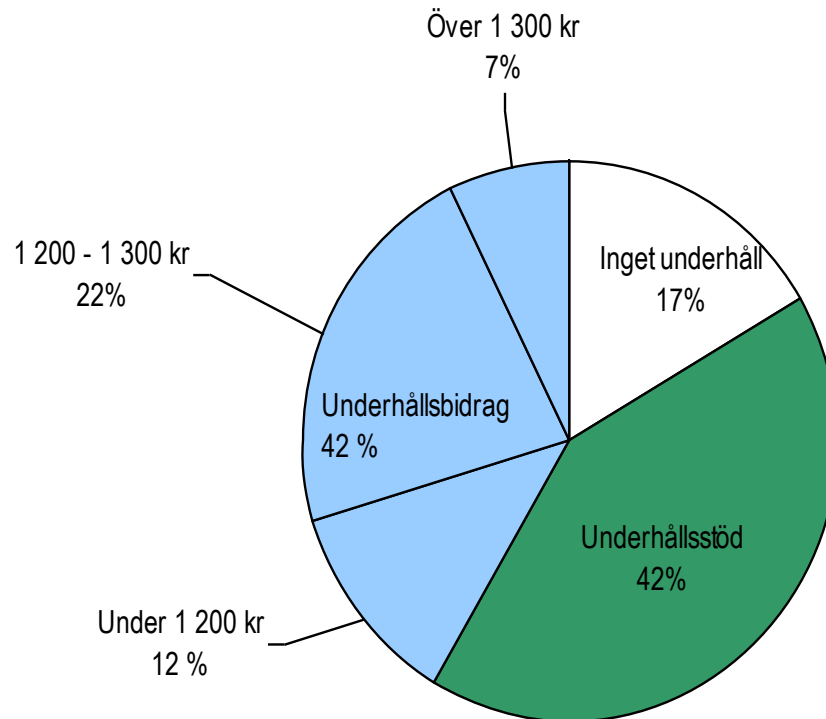
UB = cost of kid * fathers share of parents surplus
 $2000 * 20\ 000 / 20\ 000 + 10\ 000 = 1333$

UO

If father doesn't pay or can't pay enough

Amount set in law – 1 573 kr/month (ca 170 Eur)
father owes the state

What actually happens?



Problems

UO is too low in 43% of cases

UO sets the bar for UB

No transfers in too many cases

UO can be too high

Reforms – aim is to support the use of UB

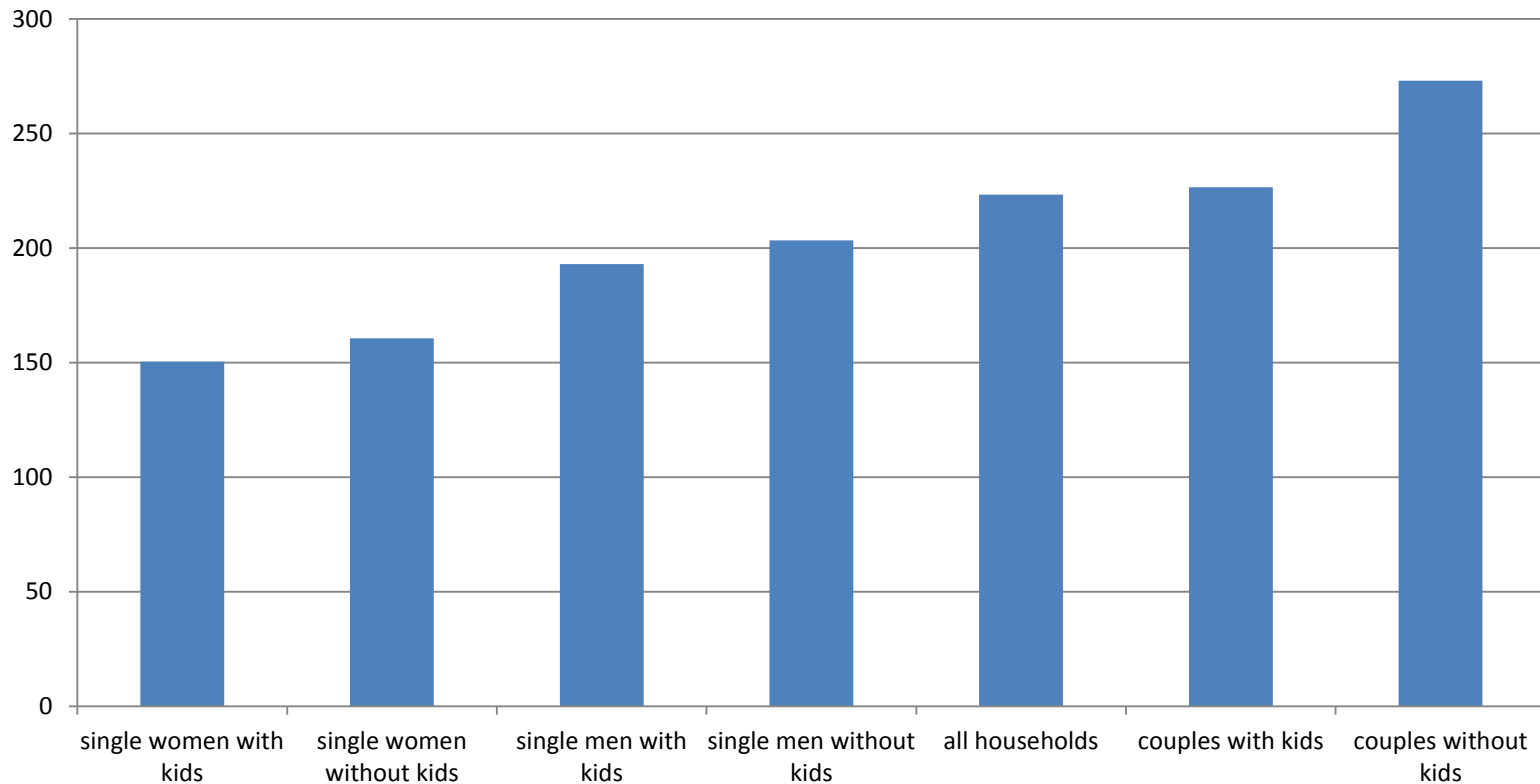
- **2013**

Stronger support to make a deal, municipality is obliged to help

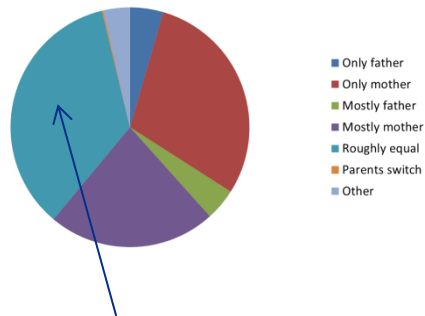
- **2015**

Social Insurance Agency is given more responsibility to support parents. Some reforms of UO.

Income by type of household



Regular statistics miss quite a lot



- 17 % < 60, in reality only 8 %
- We don't see UB
- We have missed couples not married or not having children together

Thank you!

- petter.odmark@regeringskansliet.se