

Economic Review of the Arizona Child Support Schedule



Prepared for:
**Arizona Supreme Court
Administrative Office of the Courts**

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Points of view expressed in this document are those of the authors and do not necessarily represent the official position of the Court or State.

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Chapter I: Introduction

PURPOSE OF REPORT

Arizona is reviewing its child support guidelines as required by federal regulation and State statute.¹ Arizona child support guidelines are set by Court Rule (Administrative Order No. 2011-46). State statute charges the Supreme Court with establishing the child support guidelines and with reviewing them at least once every four years to “ensure that their application results in the determination of appropriate child support amounts.”²

Federal regulation requires that a state’s guidelines review consider economic data on the cost of raising children and examine case file data to analyze the application and deviation from the guidelines. This report fulfills the requirement to review the economic data on the cost of raising children and provides updated schedules based on more current economic data. A subsequent report fulfills the requirement to analyze case file data.

More than one schedule is developed because there are several new studies of child-rearing expenditures that vary in their underlying data, assumptions and methodologies used to measure child-rearing expenditures. This report also identifies the merits and limitations of each alternative, which is information that the Committee of the Superior Court may use when considering whether to update the guidelines or make any changes.

Child support income is an important source of income to many families. National data from 2011 reveals that average child support receipts consisted of 52 percent of the average income of impoverished custodial families receiving child support and 16 percent of average income of all custodial families regardless of their poverty status.³ National data from 2011 also reveals that more than a quarter (28.1 percent) of all children lived with only one of their parents while the other parent lived elsewhere.⁴ In 2012, the U.S. Census American Community Survey reported that there were 1,619,585 children living in Arizona and 587,383 (36 percent) of Arizona children lived with a male or female householder with no spouse present. These children are likely to be eligible for child support. The total number of children eligible for child support would be even more if the number included children who are living with married parents but one parent is a step-parent, in foster care, and other situations in which the children are not living with both parents. In 2013, the State of

¹ Title 45 of the Code of Federal Regulations, CFR §302.56 and Arizona Revised Statute Section 25-320.

² Arizona Revised Statute Section 25-320 (D).

³ Putze, Dennis. (January 2014). “Custodial Parents Living in Poverty,” *The Story Behind the Numbers*, Office of Child Support Enforcement, Administration for Children & Families, U.S. Department of Health and Human Services, No. 3. Retrieved from: <http://www.acf.hhs.gov/programs/css/resource/custodial-parents-living-in-poverty>

⁴ Grall, Timothy. (September 2013). *Custodial Mothers and Fathers and Their Child Support: 2011*. Current Population Survey, Report P60-246. U.S. Census Bureau, Washington, D.C. Retrieved from: <http://www.census.gov/prod/2013pubs/p60-246.pdf>

Arizona Department of Economic Security (DES), Division of Child Support Services (DCSS) served 229,281 cases and collected and distributed about \$293 million in child support.⁵ An unknown amount of additional support is paid to non-DCSS cases.

The guidelines are to be used to determine the award amount in all proceedings involving a child support issue unless there is written finding that the application of the guidelines would be inappropriate or unjust for a particular case. The core of the guidelines calculation is a lookup schedule of monthly basic obligations for a range of incomes and number of children. (Exhibit 1 shows an excerpt of the current schedule.) The basic obligations in the schedule reflect economic data on the costs of raising children. They relate to the combined income of the parents. The support award is determined by prorating the obligated parent’s share of the basic obligation. For example, if each parent’s income is \$500 per month, the combined income would be \$1,000 per month and, using the schedule in Exhibit 1, the basic obligation for one child is \$230. The obligated parent’s prorated amount in this example would be \$115.

Exhibit 1 Excerpt from Schedule of Basic Support Obligations						
Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
750	184	269	320	357	393	427
800	194	284	337	377	414	450
850	203	297	353	394	433	471
900	212	310	368	411	452	492
950	221	323	383	428	471	512
1000	230	336	399	445	490	532
1050	240	350	415	464	510	555
1100	250	365	432	483	531	577
1150	260	379	449	502	552	600
1200	270	393	466	520	573	622
1250	279	406	481	538	591	643
1300	289	421	498	556	612	665
1350	299	435	515	575	632	687
1400	308	449	531	593	653	710
1450	318	463	548	612	673	732
1500	327	476	563	629	692	752

Additional adjustments may occur in the worksheet to account for each parent’s time with the child, the actual amount expended for childcare and the child’s health insurance, and other case circumstances. The Arizona Judicial Branch provides worksheets and an automated calculator to determine the guidelines amount. Several counties have also developed their own worksheets.

⁵ Federal Office of Child Support Enforcement, *Report to Congress: Preliminary 2013*, Washington, D.C. Retrieved from: <http://www.acf.hhs.gov/programs/css/resource/fy2013-preliminary-report-schedule-p-53>.

The existing Arizona schedule is based on economic data available in 2008. Through a competitive process, the Administrative Offices of the Court contracted with Center for Policy Research (CPR) to prepare this report and update the child support schedule. In turn, the Committee of Superior Court will review this report, public comments, and other information to decide whether changes to the guidelines are appropriate and the nature of those changes.

This report focuses on the child support schedule. It does not address other issues such as income imputation or adjustments for additional dependents that are often addressed in the calculation of support but are not incorporated into the schedule.

ORGANIZATION OF REPORT

This report is organized into five chapters.

Chapter I provides an introduction and background information. This includes an overview of federal requirements and state child support guidelines models. Much of the background information appears in the report for the last guidelines review.

Chapter II reviews estimates of child-rearing expenditures. It reviews those underlying state child support guidelines and the most current estimates available that could be used to update child support schedules.

Chapter III describes the steps and key assumptions taken to arrive at an updated schedule.

Chapter IV compares the existing and proposed schedules.

Chapter V provides a summary and concludes the report.

BACKGROUND INFORMATION

Federal Requirements

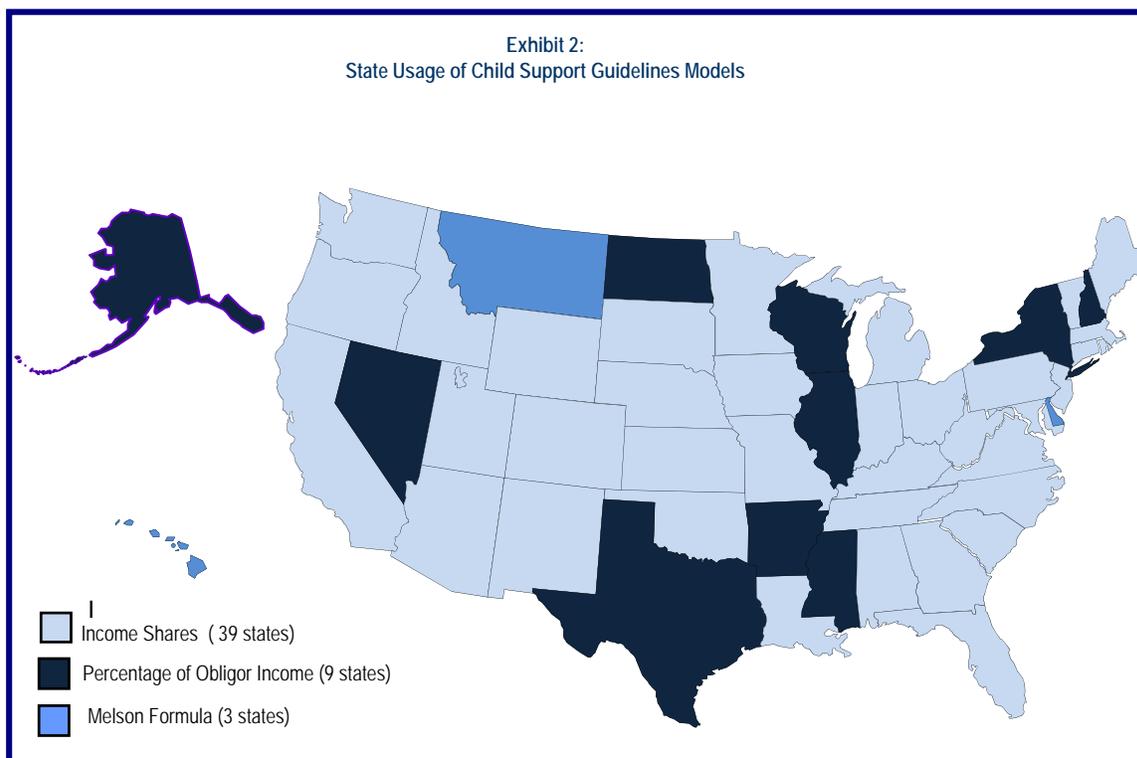
Federal law has required state advisory child support guidelines since 1987. The Family Support Act of 1988 expanded the requirement. As of 1989, each state must have one set of guidelines that are to be applied presumptively rather than on an advisory basis. It also requires each state to establish deviation criteria that allow for the rebuttal of the state's presumptive guidelines. The state-determined criteria must take into consideration the best interest of the child.

Federal regulation requires states to review their child support guidelines at least once every four years [45 C.F.R. § 302.56]. As part of that review, states must consider economic data on the cost of raising children and examine case file data to analyze the application and deviation from the guidelines. As mentioned earlier, this report fulfills the requirement to review the economic data on the cost of raising children. A subsequent report will contain the findings from the case file review.

Federal requirements of state guidelines are nominal. They must be based on specific descriptive and numeric criteria, take all earnings and income of the noncustodial parent into consideration, and address how the parents will provide for the child(ren)'s healthcare needs through health insurance coverage and/or through cash medical support.

Guidelines Models and State Usage

As shown in Exhibit 2, 39 states including Arizona base their guidelines on the Income Shares model, which was developed through the 1984-87 National Child Support Guidelines Project. The project was convened at the request of Congress and tasked with making recommendations to states to help them develop statewide guidelines. At the time, few states had statewide guidelines.



The income shares model was developed to embody the principles of state child support guidelines identified by the Guidelines Project's Advisory Panel. Among other things, these principles state that parents should share in the financial support of their children; the guidelines should not assume whether the mother or father is the custodial parent. It also incorporates economic data on actual child-rearing expenditures. The income shares guidelines model is based on the premise that the child should be entitled to the same level of expenditures that the child would have received had the parents lived together and combined financial resources. As a consequence, the core of the income shares model is a measurement of how much families spend on child rearing. In turn, that amount is often adjusted in a guidelines worksheet for different situations such as the child's actual healthcare expenses and other factors.

The premise of the income shares model applies to children of previously married parents as well as never-married parents. Children should not be forced to live in poverty because of their parents' decisions to separate, divorce, or not marry. Children of disrupted families, regardless of the reason for the disruption, should be afforded the same financial opportunities as children of intact families with similar incomes. Another major premise of the income shares model is that both parents are financially responsible for their children. To this end, the average amount expended on children is prorated between the parents. The obligated parent's share becomes the basis of the child support award. There may be other adjustments for physical custody or other factors.

Other guidelines models used by states include the Melson formula and the percentage-of-obligor income model. The percentage-of-obligor income guidelines model simply assigns a flat or sliding-scale percentage of obligor income to support. It does not consider the obligee's income in the calculation. Most percentage-of-obligor income guidelines also relate to measurements of child-rearing expenditures in intact families like the income shares model does. The difference, however, is that the income shares model presumes that both parents are financially responsible for those expenditures and each parent's responsibility is his or her prorated share.

Used by Delaware, Hawaii, and Montana, the Melson formula is named after a Delaware judge. It first considers the basic needs of the children and each parent. If the obligated parent's income is more than sufficient to cover his or her share of the basic needs of the children and his or her basic needs, an additional percentage of that parent's remaining income is assigned to child support. This additional percentage ensures that the children share in the standard of living afforded by the obligated parent.

In the past decade, several states have switched to the income shares model. Most of these states were using the percentage-of-obligor income model and did not consider many special factors (*e.g.*, parenting time and actual childcare expenses). In addition, a few alternative guidelines models — the cost shares model introduced by the Children’s Right Council, the American Law Institute’s model (ALI model), and Arizona’s Child Outcome-Based Support Model (COBS) — have received significant attention in the last decade, but none have been adopted by any state. In fact, Arizona adopted state law prohibiting the COBS.

Other State Guidelines Differences

States using the same guidelines model rarely yield similar amounts for the same case circumstances.⁶ This is because state guidelines use different studies of child-rearing measurements as the base of their schedule, price levels and tax rates from different years, and different state tax rates. State guidelines also vary considerably in their assumptions and treatment of the child’s time with each parent, adjustments for low-income parents, and other factors. Some of the major factors that cause state guidelines amounts to differ are bulleted below.

- *Differences in the economic studies of child-rearing expenditures used as the bases of states’ guidelines.* There are several economic studies of child-rearing expenditures. Eight different studies form the basis of current state guidelines. The studies vary in data years and methodologies. Chapter II provides more details about these studies.

Further, other factors exacerbate differences among states using the same economic study as the basis of their guidelines. States using the same economic study may differ because of differences in price levels in the years that the states updated their schedules. For example, one state may have updated a particular study to 2010 price levels and another state using the same study may have updated it to 2012 price levels.

- *Adjustments for state-specific income tax rates.* Arizona and 28 other states base their guidelines on gross income. Most of these states make an adjustment within their basic schedule/formula to consider their state’s personal income tax rate. The Arizona guidelines consider Arizona state tax rate, federal tax rates and FICA.
- *Adjustments for states with relatively high or low incomes or housing costs.* All of the studies of child-rearing expenditures rely on national data and do not provide state-specific measurements of child-rearing expenditures. Some states with relatively low or high incomes or housing expenses have adjusted national measurements to align with their

⁶ Jane C. Venohr (2013) “Child Support Guidelines and Guidelines Reviews: State Differences and Common Issues,” *Family Law Quarterly*, vol. 43, no. 3 (Fall 2013).

state's income or housing cost. The Arizona guidelines schedule is based on a national measurement of child-rearing expenditures. According to 2012 Census data, Arizona households with rented housing devote a median of 30.8 percent of their income to gross rent (*i.e.*, rent and utilities) compared to 31.1 percent nationally, and Arizona households occupying their own homes devote a median of 19.7 percent of their income to housing costs compared to 20.0 percent nationally. Housing comprises the largest component of expenditures.

- *Treatment of work-related child care expenses.* The majority of states (35 states including Arizona) do not include an average amount of work-related child care expenses in their basic child support schedules/formulae. Instead, they address the actual amount incurred for work-related child care expenses on a case-by-case basis elsewhere in the guidelines calculation such as in the guidelines worksheet, which is what Arizona does.
- *Treatment of the child's healthcare expenses.* Arizona and the vast majority of states that exclude child care expenses from their basic schedules/formulae also exclude most of the child's healthcare expenses from their basic child support schedules/formulae. Like child care expenses, the child's actual healthcare expenses, including health insurance premiums, are typically line items in the child support worksheets in these states' guidelines. If the obligor incurs the healthcare expense, there is a credit against the basic support award. If the obligee incurs the healthcare expense, there is an add-on to the basic support award. These healthcare expenses consist of the cost of providing health insurance for the child and extraordinary, out-of-pocket medical expenses for the child, such as large deductibles. Arizona and most of these states, however, include a small amount in their basic schedules/formulae to cover the out-of-pocket cost of the child's routine healthcare. In Arizona and many states, that amount is \$250 per year per child.
- *Ability-to-Pay Calculation.* Arizona is one of 46 states that provide an ability-to-pay/low-income adjustment in their guidelines. The purpose of the adjustment is to preserve at least a subsistence level of income—a self-support reserve—for obligors with poverty-level incomes after payment of the guidelines-determined amount. Most of these states incorporate the adjustment into their basic schedules/formulae. Arizona and a few other states incorporate the adjustment in their worksheets. The amount of the adjustment varies significantly among states. Most states relate the amount of the adjustment to the federal poverty level for one person.
- *Shared-parenting time adjustments.* Arizona is one of few states that provides a shared-parenting-time adjustment that is applied in almost every case. One reason that the application of the shared-parenting time is limited in other states is that most state guidelines provide that the obligated parent's time with the child must meet a state-

determined threshold (e.g., 30 percent of the child’s time) before an adjustment can be applied, whereas the Arizona adjustment is applicable to as little as four parenting time days per year. Another reason is that many state guidelines provide that the adjustment be linked to a parenting-time order or by agreement of the parties. In contrast, Arizona provides that, “[U]nless it is apparent from circumstances that the noncustodial parent will not incur costs for the children during parenting time, when proof establishes that parenting time is or expected to be exercised by the noncustodial parent, an adjustment shall be made... .”⁷

⁷ Administrative Order No. 2011-46 (10).

Chapter II: Economic Cost of Child Rearing

There are several studies measuring the cost of raising children. Most state guidelines rely on studies of child-rearing expenditures across a range of incomes rather than studies that examine the minimum and basic needs of children. This is because the premise of most state guidelines is that children should share in the lifestyle afforded by their parents. The studies typically develop measurements from examining expenditures data from thousands of families participating in the Consumer Expenditure Survey (CES), the nation's largest and most comprehensive survey of household expenditures. Nonetheless, the studies of child-rearing expenditures vary in the age of the data used, the methodology used to separate the child's share of expenditures from total household expenditures, and other data or methodological issues.

Economists do not agree on which methodology best measures actual child-rearing expenditures. Nonetheless, economists generally agree on which methodologies understate and overstate actual child-rearing expenditures. It is widely accepted that any guidelines amount between the lower and upper bounds of credible measurements of child-rearing expenditures are appropriate guidelines amounts. In general, guidelines amounts below the lower bound are deemed to be inadequate for the support of children.

Through a contract with the U.S. Department of Health and Human Services, Lewin/ICF (1990)⁸ developed this approach for assessing state guidelines. Since then, several states have used this approach and continue to use it. The most commonly used methodology, the "Rothbarth" methodology is generally considered the lower bound in the range of available estimates. The Betson-Rothbarth (BR) measurements form the basis of 29 state guidelines including Arizona's. The most current study considered for the upper bound is conducted by the United States Department of Agriculture (USDA). Minnesota is the only state to use the USDA study as the basis of its guidelines. With the exception of New Jersey, which is discussed in more detail later, most of the states that do not rely on BR measurements for their guidelines rely on very old studies of child-rearing expenditures dating back to the 1980s.⁹

⁸ Lewin/ICF. (1990). *Estimates of Expenditures on Children and Child Support Guidelines*. Report to U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. Fairfax, Virginia.

⁹ Over a dozen of states base their guidelines on the following two studies: Jacques van der Gaag (1981). *On Measuring the Cost of Children*. Discussion Paper 663-81. University of Wisconsin Institute for Research on Poverty, Madison, Wisconsin, and Thomas J. Espenshade. (1984). *Investing in Children: New Estimates of Parental Expenditures*, Urban Institute Press: Washington, D.C.

STUDIES OF CHILD-REARING EXPENDITURES

Although it was promulgated in 2011, the existing Arizona schedule is based on economic data available in 2008. The time lapse reflects the extensive efforts of the last review.¹⁰ Since 2008, there have been three new, credible studies of child-rearing expenditures.

- Betson, David M. (2010). “Appendix A: Parental Expenditures on Children.” in Judicial Council of California, *Review of Statewide Uniform Child Support Guideline*. San Francisco, California. Retrieved from: <http://www.courts.ca.gov/partners/documents/2011SRL6aGuidelineReview.pdf>
- New Jersey Child Support Institute (March 2013). *Quadrennial Review: Final Report, Institute for Families*, Rutgers, the State University of New Jersey, New Brunswick, NJ. Retrieved from: http://www.judiciary.state.nj.us/reports2013/F0_NJ+QuadrennialReview-Final_3.22.13_complete.pdf
- Lino, Mark (2013). *Expenditures on Children by Families: 2012 Annual Report*. U.S. Department of Agriculture, Center for Nutrition and Policy Promotion. Miscellaneous Publication No. 1528-2012, Washington, D.C. <http://www.cnpp.usda.gov/publications/crc/crc2012.pdf>

Chapter IV compares the existing schedule to schedule amounts using all three of these studies.

Overview of the Betson-Rothbarth Measurements

In the past two decades, Professor Betson, University of Notre Dame, has conducted four studies estimating child-rearing expenditures. The existing Arizona schedule is based on his third study. Each study uses expenditures data from the most current CES data available. For Betson’s first study, he used CES data from 1980-86.¹¹ For his second study, he initially used from 1996-98 CES data, but later expanded it to encompass 1996-99.¹² For his third¹³ and fourth study, respectively, he used data from the 1998-2004 and 2004-09 CES.

¹⁰ See the Arizona Supreme Court Administrative Offices of the Court for archived information from previous guidelines review. Retrieved from: <http://www.azcourts.gov/familylaw/ChildSupportGuidelinesReviewArchive.aspx>

¹¹ David M. Betson (1990). *Alternative Estimates of the Cost of Children from the 1980-86 Consumer Expenditure Survey*, Report to U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, University of Wisconsin Institute for Research on Poverty, Madison, Wisconsin.

¹² David M. Betson (2001). “Chapter 5: Parental Expenditures on Children,” in Judicial Council of California, *Review of Statewide Uniform Child Support Guidelines*, San Francisco, California.

¹³ David M. Betson (2006). “Appendix I: New Estimates of Child-Rearing Costs” in PSI, *State of Oregon Child Support Guidelines Review: Updated Obligation Scales and Other Considerations*, Report to State of Oregon, Policy Studies Inc., Denver, Colorado.

Some of his studies use other methodologies besides the Rothbarth methodology to measure child-rearing expenditures. Betson's first study was conducted in 1990 and responded to a Congressional mandate to provide information about child-rearing expenditures for states to develop and revise child support guidelines. For this study, he used and compared five different methodologies for measuring child-rearing expenditures and concluded that the Rothbarth estimator produced the most "robust" (*i.e.*, sound and statistically reliable) results and recommended its use for state guidelines.

The Rothbarth methodology is a marginal cost approach that compares expenditures of two sets of equally well-off households: one set consists of two-parent families with children and the other consists of couples without children. The difference in their expenditures is presumed to be spent on child rearing. The Rothbarth methodology relies on the percentage of total expenditures devoted to adult goods (*i.e.*, adult clothing in Betson's application) to determine equally well-off families.

Differences in the BR3 and BR4 Measurements

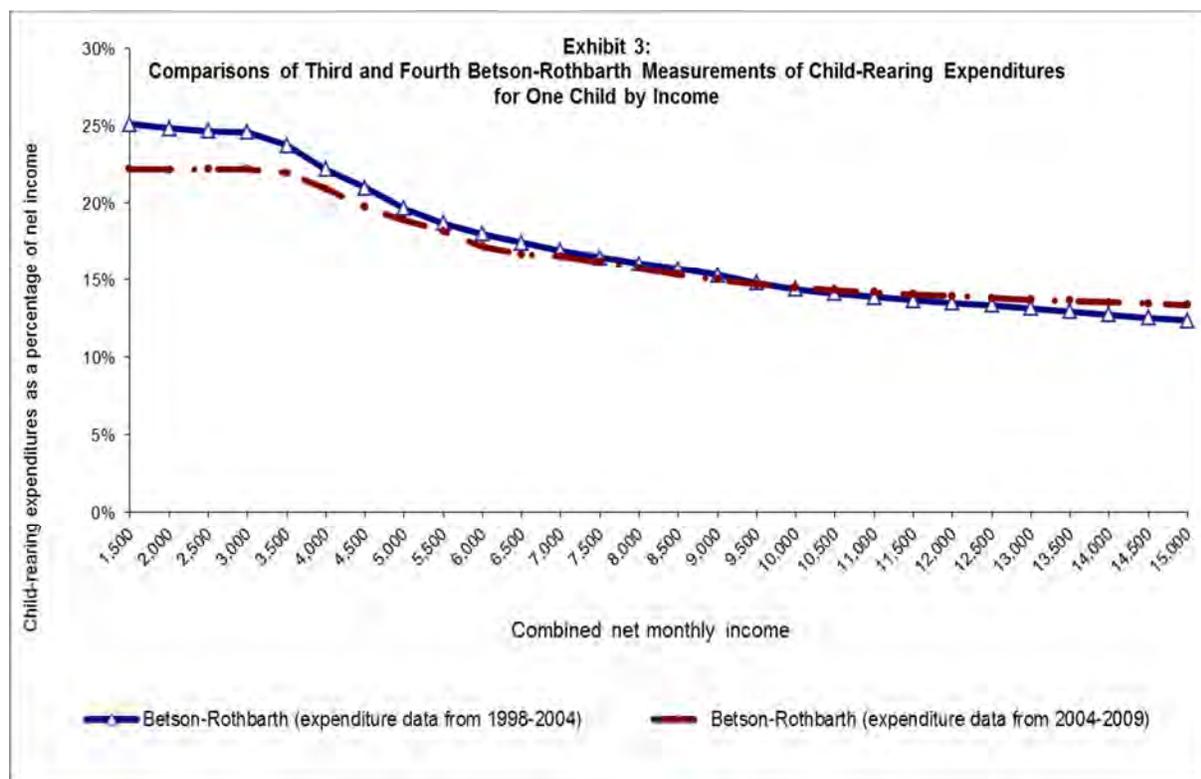
The findings from the BR3 measurements are that, on average, child-rearing expenditures as a percentage of total household expenditures are 25 percent for one child, 37 percent for two children, and 44 percent for four children. The comparable percentages from the BR4 measurements are 27 percent for one child, 37 percent for two children, and 45 percent for four children.

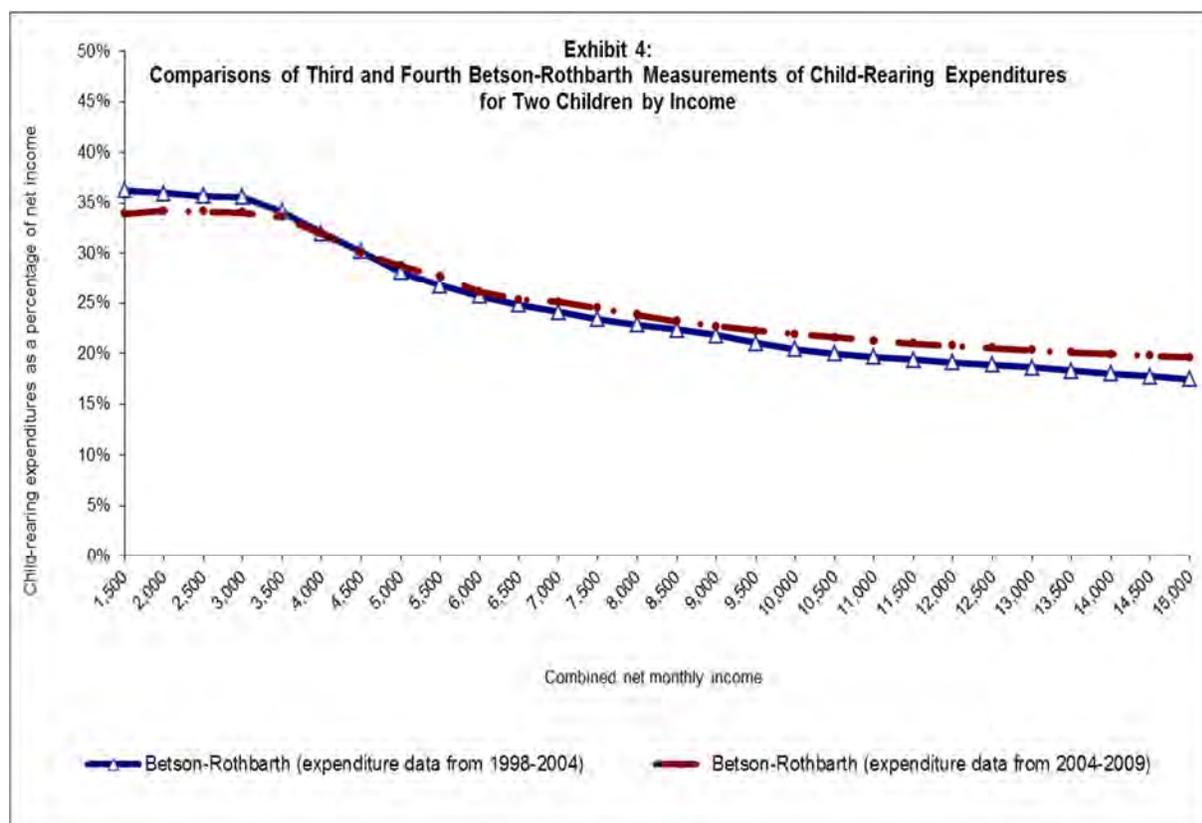
Besides data years, BR3 and BR4 differ in two other ways. BR3 considers "expenditures" while BR4 considers "expenditures-outlays." Expenditures include the purchase price (and sales tax) on any item purchased within the survey year regardless whether the item was purchased through installments. In contrast, outlays only capture what was actually paid toward that item during the survey period. So, if there were only four out of 20 installment payments made during the survey period, only those four payments are captured.

Unlike expenditures, outlays also capture mortgage principal payments, payments on second mortgages, and payments on home equity loans. Both expenditures and outlays capture interest on the first mortgage among homeowners and rent, utilities, and other housing expenses among renters. The merit of expenditures for use of state guidelines is that it excludes mortgage principal payments. This is consistent with property settlements that have historically addressed equity in the home as part of the divorce settlement. The merit of outlays for use in state guidelines is it is a better reflection of actual family budgeting on a monthly basis.

The second difference is that Betson relied on a newly available measure of income developed by the Bureau of Labor Statistics, the organization that conducts the CES. The under-reporting of income is a problem inherent to most surveys. The new measure attempts to correct under-reporting, particularly at low incomes. The problem was identified from findings from earlier CES that revealed that many low-income families spend considerably more than what they report as income. The new measurement essentially bumps income for some families, hence reducing the percentage of their income spent on child rearing.

Exhibits 3 and 4 compare the BR3 and BR4 measurements for a range of after-tax income for one and two children, respectively. The vast majority of Arizona orders cover one or two children. The measurements are converted from total expenditures to after-tax income using information from families in the same subset of CES data that Betson used to develop the BR3 and BR4 measurements. The comparison is not based on gross income, which is the basis of the Arizona guidelines, to avoid comparing the effective tax rates over time.





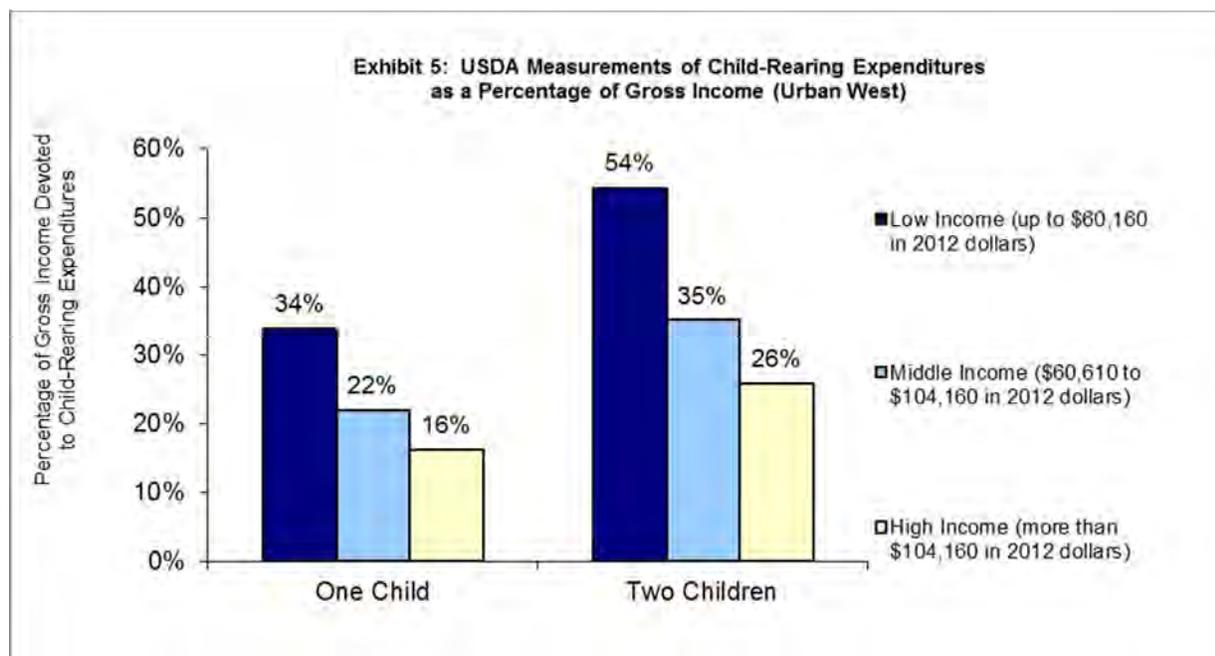
BR4 produces smaller amounts at low-incomes and larger amounts at high-incomes than BR3 does. The decrease at low-incomes may be attributable to the refinement to the income measurement while the increase at high-income may be attributable to the use of outlays since higher income families are more likely to have more and larger installment payments.

Six states (*i.e.*, Colorado, North Carolina, Rhode Island, Vermont, Virginia, and Wyoming) rely on the most recent Betson-Rothbarth (BR4) measurements. Arizona and 12 other states rely on BR3 measurements and several states rely on older BR measurements.

USDA Study

Another credible and popular study of child-rearing expenditures is the United States Department of Agriculture (USDA) study, which is updated annually. The USDA estimates child-rearing expenditures individually for several expenditure categories (e.g., food, transportation, housing), then adds them to develop a total. Only one state (Minnesota) relies on the USDA measurements as the basis of its child support guidelines. The USDA study is considered the upper bound of current measurements of child-rearing expenditures. The most recent USDA study is for 2012 and it found that average child-rearing expenses are \$9,790 to \$26,550 for the youngest child in a two-child family in the Urban West depending on family income and child age. The USDA finds that child-rearing expenditures

are higher in high-income families and for older children. Exhibit 5 converts the USDA measurements to a percentage of gross income and compares them for one and two children at low, middle, and high incomes. Like the BR measurements, it suggests that higher income families devote a smaller percentage of their income to child-rearing expenditures.



New Jersey Study

In 2013, New Jersey updated its guidelines using a study that was conducted by a Rutgers University professor applying the Rothbarth methodology. However, it produced very different results from the BR measurements. It generally shows that the percentage expended on one child is not much more than the BR measurement for one child. The Rutgers study also suggests that two children do not cost much more than one child (*i.e.*, the amount allocated for two children is about 10 percent more than the amount allocated for one child based on the New Jersey study).¹⁴ The Rutgers study considers expenditures data from a larger time period (2000 – 2011), made an adjustment to reflect New Jersey’s higher incomes, and also considers single-parent families and families with more than two adults living in the household while the BR studies consider dual-parent families only.

¹⁴ Jane C. Venohr (2013) “Child Support Guidelines and Guidelines Reviews: State Differences and Common Issues,” *Family Law Quarterly*, vol. 43, no. 3 (Fall 2013).

For illustrative purposes, an updated schedule based on the New Jersey measurements is shown later.

DATA SOURCE OF THE ESTIMATES

All of the economists of the studies cited above estimated child-rearing expenditures from the Consumers Expenditures Survey (CES) that is administered by the Bureau of Labor Statistics (BLS). Economists use the CES because it is the most comprehensive and detailed survey conducted on household expenditures and consists of a large sample. The CES surveys about 6,000 households per quarter on expenditures, income, and household characteristics (*e.g.*, family size). Households remain in the survey for five consecutive quarters, with households rotating in and out each quarter. Most economists use at least three quarters or a year of expenditures data for a surveyed family. This means that family expenditures are averaged for about a year rather than over a quarter, which may not be as reflective of typical family expenditures.

The BLS designed the CES to produce a nationally representative sample and samples representative of the four regions (Midwest, Northeast, South, and West). The sample sizes for each state, however, are not large enough to estimate child-rearing costs for families within a state. We know of no state that has seriously contemplated conducting a survey similar to the CES at a state level. The costs and time requirements would be prohibitive.

Specific Consumption Items

The CES asks households about expenditures on over a hundred detailed items. Exhibit 6 shows the major categories of expenditures captured by the CES. It includes the purchase price and sales tax on all goods purchased within the survey period. In recent years, the CES has added another measure of “expenditures” called “outlays.” The key difference between CES’s key measure of expenditures and its alternative expenditures measure, outlays, is that outlays essentially include installment plans on purchases, mortgage principal payments, and payments on home equity loans, while expenditures do not. To illustrate the difference, consider a family who purchases a home theatre system during the survey period, puts nothing down, and pays for the home theatre system through 36 months of installment payments. The expenditures measure would capture the total purchase price of the home theatre system. The outlays measure would only capture the installment payments made in the survey period.

Mortgage Payments

Outlays include mortgage principal payments, payments on second mortgages and home equity payments, which is what the 2010 Betson-Rothbarth measurement considers. The CES traditional measure of expenditures does not consider these outlays. The merit of using

expenditures, which does not include mortgage principal payments, is that any equity in the home should be considered part of the property settlement and not part of the child support payments. The limitations are not all families have substantial equity in their homes and some families have second mortgages or home equity loans that further reduce home equity.¹⁵ The merit of using outlays is that it is more in line with family budgeting on a monthly basis in that it considers the entire mortgage payment including the amounts paid toward both interest and principal, and the amount paid toward a second mortgage or home equity loan if there is such a payment. Both measures include payment of the mortgage interest, rent among households dwelling in apartments, utilities, property taxes, and other housing expenses as indicated in the above table. As shown in Exhibit 7, housing-related items comprise the largest share of total family expenditures. Housing expenses compose about 40 percent of total family expenditures.¹⁶

Exhibit 6: Partial List of Expenditure Items Considered in the BLS, the Data Source Used to Estimate Child-Rearing Expenditures	
Housing	Rent paid for dwellings, rent received as pay, parking fees, maintenance, and other expenses for rented dwellings; and interest on mortgages, interest on home equity loans and lines of credit, property taxes and insurance, refinancing and prepayment charges, ground rent, expenses for property management and security, homeowners' insurance, fire insurance and extended coverage, expenses for repairs and maintenance contracted out, and expenses of materials for owner-performed repairs and maintenance for dwellings used or maintained by the consumer unit. Also includes utilities, cleaning supplies, household textiles, furniture, major and small appliances and other miscellaneous household equipment (tools, plants, decorative items).
Food	Food at home purchased at grocery or other food stores, as well as meals, including tips, purchased away from home (e.g., full-service and fast-food restaurant, vending machines).
Transportation	Vehicle finance charges, gasoline and motor oil, maintenance and repairs, vehicle insurance, public transportation, leases, parking fees, and other transportation expenditures.
Entertainment	Admission to sporting events, movies, concerts, health clubs, recreational lessons, television/radio/sound equipment, pets, toys, hobbies, and other entertainment equipment and services.
Apparel	Apparel, footwear, uniforms, diapers, alterations and repairs, dry cleaning, sent-out laundry, watches, and jewelry.
Other	Personal care products, reading materials, education fees, banking fees, interest paid on lines of credit, and other expenses.

Transportation and Vehicle Payments

As shown in Exhibit 7, transportation expenses account for about one-fifth of total family expenditures. In the category of “transportation,” the CES includes net vehicle outlays, vehicle finance charges, gasoline and motor oil, maintenance and repairs, vehicle insurance, public transportation expenses, and vehicle rentals, leases, licenses, and other charges. The net vehicle outlay is the purchase price of a vehicle less the trade-in value. Net vehicle outlays account for about 36 percent of all transportation expenses and six percent of total

¹⁵ According to the 2012 U.S. Census American Community Survey, 65 percent of Arizona homeowners have a mortgage and 19 percent of those with a mortgage also have a second mortgage, home equity loan or both. These statistics include Arizona homeowners and are not separated for those with and without children under 18 years old. Downloaded from <http://factfinder.census.gov> on June 25, 2014.

¹⁶ Mortgage principal payments comprise about 5 percent of gross income among two-parent families with children less than 18 years old. Calculated from BLS, *Table 5. Composition of consumer unit: Average annual expenditures and characteristics, Consumer Expenditure Survey, 2013.*

household expenditures among families with children in the CES.¹⁷ Net vehicle outlays are an important consideration when measuring child-rearing expenditures because the family's use of the vehicle is often longer than the survey period.

There are three different approaches to the treatment of net vehicle outlays when estimating child-rearing expenditures. Betson excludes net vehicle outlays in his earlier estimates that consider expenditures because including them does not reflect that the vehicle can be sold again later after the survey period. In contrast, Betson's 2010 estimates that consider outlays capture vehicle payments made over the survey period. The USDA, which relies on expenditures, includes all transportation expenses including net vehicle outlays. There are some advantages and disadvantages to each approach. Excluding it makes sense when the vehicle may be part of the property settlement in a divorce. An alternative to that would be to include a value that reflects depreciation of the vehicle over time, but that information is not available. Including the entire net vehicle outlay when expenditures are used as the basis of the estimate likely overstates depreciation. When the basis of the estimates is outlays, it includes only vehicle installment payments rather than net vehicle outlays. This effectively avoids the issues of vehicle equity and depreciation.

Exhibit 7: Composition of Average Spending by Families (adopted from Betson 2010)				
Expenditure Category	Childless Couple	One Child	Two Children	Three or More Children
Total Annual Outlays	\$51,428	\$55,968	\$59,096	\$49,491
Budget Share (Percentage of Total Outlays)				
Food	15.7%	16.0%	16.8%	18.3%
Housing	37.9%	41.2%	41.4%	40.9%
Apparel	2.6%	3.1%	3.2%	3.6%
Transportation	20.3%	19.9%	19.0%	18.4%
Entertainment	7.2%	6.4%	6.8%	6.3%
Healthcare	6.1%	5.3%	5.3%	4.6%
Personnel Care	.7%	.6%	.6%	.5%
Education and Reading	1.9%	1.8%	1.7%	1.7%
Miscellaneous	7.6%	5.7%	5.2%	5.7%

Other Adjustments to the CES

Betson also excludes other expenditure items captured by the CES because they are obviously not child-rearing expenses. Specifically, he excludes contributions by family members to Social Security and private pension plans, and cash contributions made to members outside the surveyed household. The USDA also excludes these expenses from its estimates of child-rearing expenditures.

¹⁷ Bureau of Labor Statistics, *Table 5: Composition of consumer unit: Average annual expenditures and characteristics, Consumer Expenditures Survey 2012.*

Net Income

Gross and net incomes are reported by families participating in the CES. The difference between gross and net income is taxes. In fact, the CES uses the terms “income before taxes” and “income after taxes” instead of gross and net income. Income before taxes is the total money earnings and selected money receipt. It includes wages and salary, self-employment income, Social Security benefits, pensions income, rental income, unemployment compensation, workers’ compensation, veterans’ benefits, public assistance, and other sources of income. Income and taxes are based on self-reports and not checked against actual records.

The BLS has concerns that income may be underreported in the CES. Although underreporting of income is a problem inherent to surveys, the BLS is particularly concerned because expenditures exceed income among low-income households participating in the CES. The BLS does not know whether the cause is underreporting of income or that low-income households are actually spending more than their incomes because of an unemployment spell, the primary earner is a student, or the household is otherwise withdrawing from its savings. In an effort to improve income information, the BLS added and revised income questions in 2001. The new questions impute income when households do not report income. The 2010 Betson-Rothbarth measurements rely on these new questions. Previous Betson measurements do not.

The Relationship of Expenditures to Income

The BLS also does not include changes in net assets or liabilities as income or expenditures. In all, the BLS makes it clear that reconciling differences between income and expenditures, nor precisely measuring income, are not part of the core mission of the CES. Rather, the core mission is to measure and track expenditures. The BLS recognizes that at some low-income levels, the CES shows that total expenditures exceed after-tax incomes, and at very high incomes, the CES shows total expenditures are considerably less than after-tax incomes. However, the new income questions used by the BLS ameliorate some of this perceived anomaly at low incomes. The consideration of outlays rather than expenditures at high incomes lessens some of the perceived anomaly at high incomes.

In developing child support tables, a long-standing assumption has been that at higher incomes the difference between after-tax income and expenditures is a form of “savings.” This includes traditional savings (*i.e.*, deposits into a bank account) and other contributions to family wealth such as mortgage principal payments, which are included in CES measurement of expenditures but not in the CES measurement of outlays. For example, according to the most recent CES, high-income households (*i.e.*, households with incomes

over \$150,000 per year), the ratio of expenditures to after-tax income is 53 percent.¹⁸ This suggests a considerable amount of “savings.”

A high level of “savings” seems to contradict reports about the national savings rate being low. However, economists calculate the national savings rate using a different methodology.¹⁹ Some of the differences concern the treatment of housing and medical expenses. When calculating the national savings rate, economists define savings to be the difference between disposable income and consumption. In defining consumption, economists impute the rental value of housing to homeowners even though the rental value may exceed the mortgage payment. Similarly, economists impute the value of all medical services received even though there was insurance coverage and the family incurred no out-of-pocket expense. These imputed values increase consumption considerably and hence, reduce the national savings rate. In fact, the escalating cost of health services contributes significantly to the declining national savings rate.²⁰

¹⁸ Calculated from BLS, *Table 2301. Higher income before taxes: Average annual expenditures and characteristics, Consumer Expenditure Survey, 2013*. Downloaded on June 25, 2014 from <http://www.bls.gov/cex/tables.htm>.

¹⁹ More information about this difference can be found in California’s guidelines review report (Judicial Council, 2006).

²⁰ *Ibid.*

Chapter III: Steps and Assumptions Used to Develop Updated Schedule

There are several economic considerations and steps taken to update the schedule. The economic data and assumptions underlying the schedules are summarized below, while more extensive details are provided later.

- The schedule is based on Betson-Rothbarth (BR) measurements of child-rearing expenditures developed from the 2004-2009 Consumer Expenditure Survey (CES).
- The schedule reflects April 2014 price levels.
- The schedule does not include childcare, the cost of the child's health insurance premium, and any out-of-pocket expenses for the child's healthcare. The guidelines calculation considers the actual amounts expended for these items on a case-by-case basis. Specifically, each parent is responsible for his or her prorated share of these expenses.
- The schedule is based on the average of **all** expenditures on children from ages 0 through 17 years. There is no adjustment for the child's age.²¹
- The schedule does not factor in an adjustment for the obligor's direct expenditures on the child during periods of overnight visitation or custody. The guidelines provide a formula for shared parenting time.

UPDATED SCHEDULE

Exhibit 8 shows the updated schedule. Due to the new data, the updated schedule covers monthly combined incomes through \$27,950 gross per month. The existing schedule covers incomes through \$20,000 gross per month. The extension reflects that there are more high-income families in the data used to develop the measurements now than there was when the existing schedule was developed.

²¹The economic evidence on whether one age group is more expensive than another age group is mixed.

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Exhibit 8:
Updated Schedule of Basic Support Obligations Based on BR4

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
750	147	225	274	306	337	366
800	157	241	292	326	359	390
850	167	255	310	347	381	414
900	175	269	326	365	401	436
950	184	282	343	383	421	458
1000	193	295	359	401	441	479
1000	201	309	375	419	461	501
1100	210	322	391	437	481	522
1150	219	335	407	455	500	544
1200	227	349	424	473	520	566
1250	236	362	440	491	540	587
1300	245	375	456	509	560	609
1350	253	388	472	527	580	630
1400	262	402	488	545	600	652
1450	271	415	504	563	620	674
1500	279	428	521	581	640	695
1550	288	442	537	599	659	717
1600	297	455	553	618	679	738
1650	305	468	568	635	698	759
1700	313	480	583	651	717	779
1750	321	492	598	668	735	799
1800	329	505	614	685	754	819
1850	337	517	629	702	772	840
1900	346	530	644	719	791	860
1950	354	542	659	736	810	880
2000	362	555	674	753	828	900
2050	370	567	689	770	847	921
2100	378	580	704	787	865	941
2150	386	592	719	804	884	961
2200	394	605	735	820	902	981
2250	402	617	750	837	921	1001
2300	410	629	765	854	939	1021
2350	418	642	780	871	958	1041
2400	426	654	795	888	976	1061
2450	435	667	810	905	995	1082
2500	443	679	825	921	1013	1102
2550	451	691	840	938	1032	1122
2600	459	704	855	955	1050	1142
2650	467	716	870	972	1069	1162

Draft: May 28, 2014

Exhibit 8:
Updated Schedule of Basic Support Obligations Based on BR4

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
2700	475	728	885	989	1087	1182
2750	483	741	900	1005	1106	1202
2800	491	753	915	1022	1124	1222
2850	499	766	930	1039	1143	1242
2900	507	778	945	1056	1161	1263
2950	515	790	960	1073	1180	1283
3000	523	803	975	1090	1198	1303
3050	531	815	989	1105	1216	1321
3100	539	826	1003	1121	1233	1340
3150	547	838	1017	1136	1250	1359
3200	555	850	1031	1152	1267	1377
3250	563	862	1045	1168	1284	1396
3300	571	874	1059	1183	1302	1415
3350	579	885	1073	1199	1319	1433
3400	586	897	1087	1214	1336	1452
3450	594	909	1101	1230	1353	1471
3500	602	921	1115	1246	1370	1489
3550	610	932	1129	1261	1387	1508
3600	618	944	1143	1277	1405	1527
3650	626	956	1157	1293	1422	1545
3700	634	968	1171	1308	1439	1564
3750	641	980	1185	1324	1456	1583
3800	649	991	1199	1339	1473	1601
3850	657	1003	1213	1355	1490	1620
3900	665	1015	1227	1370	1507	1638
3950	672	1025	1239	1383	1522	1654
4000	678	1034	1250	1396	1536	1669
4050	684	1044	1261	1408	1549	1684
4100	691	1053	1272	1421	1563	1699
4150	697	1062	1283	1433	1577	1714
4200	703	1072	1294	1446	1590	1729
4250	709	1081	1305	1458	1604	1743
4300	716	1090	1316	1470	1617	1758
4350	722	1100	1327	1483	1631	1773
4400	728	1109	1338	1495	1644	1787
4450	734	1118	1349	1507	1658	1802
4500	741	1128	1360	1519	1671	1817
4550	747	1137	1371	1532	1685	1832
4600	753	1146	1382	1544	1698	1846
4650	759	1156	1393	1556	1712	1861
4700	766	1165	1404	1569	1725	1876

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Exhibit 8:
Updated Schedule of Basic Support Obligations Based on BR4

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
4750	772	1174	1415	1581	1739	1890
4800	778	1184	1426	1593	1753	1905
4850	784	1193	1437	1606	1766	1920
4900	791	1202	1448	1618	1780	1934
4950	795	1208	1455	1625	1788	1944
5000	799	1214	1461	1632	1795	1951
5050	803	1219	1467	1639	1802	1959
5100	806	1224	1473	1645	1810	1967
5150	810	1230	1479	1652	1817	1975
5200	814	1235	1485	1658	1824	1983
5250	818	1241	1491	1665	1831	1991
5300	822	1246	1496	1671	1839	1999
5350	826	1251	1502	1678	1846	2006
5400	830	1257	1508	1685	1853	2014
5450	833	1262	1514	1691	1860	2022
5500	837	1268	1520	1698	1868	2030
5550	841	1273	1526	1704	1875	2038
5600	845	1278	1532	1711	1882	2046
5650	848	1283	1538	1718	1890	2054
5700	851	1287	1544	1725	1897	2062
5750	854	1292	1550	1732	1905	2071
5800	857	1297	1557	1739	1913	2079
5850	861	1301	1563	1746	1920	2087
5900	864	1306	1569	1753	1928	2096
5950	867	1310	1575	1760	1936	2104
6000	870	1315	1582	1767	1943	2112
6050	873	1319	1588	1774	1951	2121
6100	876	1324	1594	1781	1959	2129
6150	879	1329	1600	1788	1966	2137
6200	882	1333	1607	1795	1974	2146
6250	885	1338	1613	1801	1982	2154
6300	889	1342	1619	1808	1989	2162
6350	892	1347	1625	1815	1997	2171
6400	895	1352	1631	1822	2005	2179
6450	898	1356	1638	1829	2012	2187
6500	901	1361	1644	1836	2020	2196
6550	904	1365	1650	1843	2028	2204
6600	907	1370	1656	1850	2035	2212
6650	911	1375	1663	1857	2043	2221
6700	915	1381	1669	1865	2051	2230
6750	919	1387	1676	1872	2059	2238

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Exhibit 8:
Updated Schedule of Basic Support Obligations Based on BR4

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
6800	923	1393	1683	1879	2067	2247
6850	927	1400	1689	1887	2075	2256
6900	931	1406	1696	1894	2084	2265
6950	935	1412	1702	1902	2092	2274
7000	939	1418	1709	1909	2100	2283
7050	943	1424	1716	1916	2108	2291
7100	947	1431	1722	1924	2116	2300
7150	951	1437	1729	1931	2124	2309
7200	955	1443	1735	1938	2132	2318
7250	959	1449	1742	1946	2140	2327
7300	963	1455	1749	1953	2148	2335
7350	967	1462	1755	1961	2157	2344
7400	971	1468	1762	1968	2165	2353
7450	975	1474	1768	1975	2173	2362
7500	979	1480	1775	1983	2181	2371
7550	984	1486	1782	1990	2189	2379
7600	988	1493	1788	1997	2197	2388
7650	992	1499	1795	2005	2205	2397
7700	995	1503	1800	2010	2211	2404
7750	998	1507	1803	2014	2216	2409
7800	1000	1510	1807	2018	2220	2413
7850	1003	1514	1811	2022	2225	2418
7900	1005	1517	1814	2026	2229	2423
7950	1008	1521	1818	2030	2234	2428
8000	1011	1524	1821	2035	2238	2433
8050	1013	1528	1825	2039	2242	2438
8100	1016	1531	1829	2043	2247	2442
8150	1019	1535	1832	2047	2251	2447
8200	1021	1538	1836	2051	2256	2452
8250	1024	1542	1840	2055	2260	2457
8300	1026	1545	1843	2059	2265	2462
8350	1029	1549	1847	2063	2269	2466
8400	1030	1551	1849	2065	2271	2469
8450	1031	1552	1850	2067	2273	2471
8500	1032	1553	1852	2068	2275	2473
8550	1033	1555	1853	2070	2277	2475
8600	1034	1556	1854	2071	2279	2477
8650	1035	1557	1856	2073	2280	2479
8700	1036	1559	1857	2075	2282	2481
8750	1037	1560	1859	2076	2284	2483
8800	1038	1561	1860	2078	2286	2485

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Exhibit 8:
Updated Schedule of Basic Support Obligations Based on BR4

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
8850	1039	1563	1862	2080	2288	2487
8900	1040	1564	1863	2081	2289	2488
8950	1041	1565	1865	2083	2291	2490
9000	1042	1567	1866	2084	2293	2492
9050	1043	1568	1868	2086	2295	2494
9100	1044	1570	1870	2089	2298	2498
9150	1048	1576	1877	2097	2306	2507
9200	1052	1582	1884	2105	2315	2517
9250	1056	1588	1891	2113	2324	2526
9300	1060	1594	1898	2120	2332	2535
9350	1064	1600	1905	2128	2341	2545
9400	1067	1605	1912	2136	2350	2554
9450	1071	1611	1920	2144	2359	2564
9500	1075	1617	1927	2152	2367	2573
9550	1079	1623	1934	2160	2376	2583
9600	1083	1629	1941	2168	2385	2592
9650	1087	1635	1948	2176	2393	2601
9700	1090	1640	1955	2184	2402	2611
9750	1094	1646	1962	2191	2411	2620
9800	1098	1653	1970	2200	2420	2631
9850	1103	1659	1978	2209	2430	2641
9900	1107	1666	1985	2218	2439	2652
9950	1111	1672	1993	2226	2449	2662
10000	1115	1678	2001	2235	2459	2672
10050	1120	1685	2009	2244	2468	2683
10100	1124	1691	2016	2252	2478	2693
10150	1128	1698	2024	2261	2487	2704
10200	1132	1704	2032	2270	2497	2714
10250	1137	1711	2040	2279	2507	2725
10300	1141	1717	2048	2287	2516	2735
10350	1145	1724	2056	2296	2526	2746
10400	1149	1730	2064	2305	2536	2756
10450	1154	1737	2071	2314	2545	2767
10500	1158	1743	2079	2323	2555	2777
10550	1162	1750	2087	2331	2565	2788
10600	1166	1756	2095	2340	2574	2798
10650	1171	1763	2103	2349	2584	2809
10700	1175	1769	2111	2358	2593	2819
10750	1179	1776	2119	2367	2603	2830
10800	1184	1782	2126	2375	2613	2840
10850	1188	1789	2134	2384	2622	2851

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Exhibit 8:
Updated Schedule of Basic Support Obligations Based on BR4

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
10900	1192	1795	2142	2393	2632	2861
10950	1196	1802	2150	2402	2642	2872
11000	1201	1808	2158	2410	2651	2882
11050	1205	1815	2166	2419	2661	2893
11100	1209	1821	2174	2428	2671	2903
11150	1213	1828	2181	2437	2680	2914
11200	1218	1834	2189	2446	2690	2924
11250	1222	1841	2197	2454	2700	2935
11300	1226	1847	2205	2463	2709	2945
11350	1231	1854	2213	2472	2719	2956
11400	1235	1861	2221	2481	2729	2966
11450	1239	1867	2229	2489	2738	2977
11500	1241	1870	2231	2492	2741	2980
11550	1244	1872	2233	2494	2744	2983
11600	1246	1875	2235	2497	2746	2985
11650	1248	1878	2237	2499	2749	2988
11700	1251	1880	2239	2501	2752	2991
11750	1253	1883	2242	2504	2754	2994
11800	1255	1886	2244	2506	2757	2997
11850	1257	1888	2246	2508	2759	2999
11900	1260	1891	2248	2511	2762	3002
11950	1262	1893	2250	2513	2764	3005
12000	1264	1896	2252	2515	2767	3008
12050	1267	1899	2254	2518	2770	3011
12100	1269	1901	2256	2520	2772	3013
12150	1271	1904	2258	2522	2775	3016
12200	1273	1906	2260	2525	2777	3019
12250	1276	1909	2262	2527	2780	3022
12300	1278	1912	2265	2529	2782	3025
12350	1280	1914	2267	2532	2785	3027
12400	1283	1917	2269	2534	2788	3030
12450	1285	1920	2272	2538	2792	3034
12500	1289	1926	2279	2546	2800	3044
12550	1292	1932	2286	2554	2809	3054
12600	1296	1937	2294	2562	2818	3063
12650	1300	1943	2301	2570	2827	3073
12700	1303	1949	2308	2578	2836	3082
12750	1307	1955	2315	2586	2844	3092
12800	1311	1960	2322	2594	2853	3101
12850	1314	1966	2329	2602	2862	3111
12900	1318	1972	2336	2610	2871	3121

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Exhibit 8:
Updated Schedule of Basic Support Obligations Based on BR4

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
12950	1321	1977	2344	2618	2880	3130
13000	1325	1983	2351	2626	2888	3140
13050	1329	1989	2358	2634	2897	3149
13100	1332	1995	2365	2642	2906	3159
13150	1336	2000	2372	2650	2915	3168
13200	1340	2006	2379	2658	2924	3178
13250	1343	2012	2387	2666	2932	3187
13300	1347	2017	2394	2674	2941	3197
13350	1350	2023	2401	2682	2950	3207
13400	1354	2029	2408	2690	2959	3216
13450	1357	2034	2415	2697	2967	3225
13500	1360	2039	2421	2704	2975	3234
13550	1363	2044	2427	2712	2983	3242
13600	1366	2049	2434	2719	2990	3251
13650	1369	2054	2440	2726	2998	3259
13700	1372	2059	2447	2733	3006	3268
13750	1375	2063	2453	2740	3014	3276
13800	1378	2068	2459	2747	3022	3285
13850	1381	2073	2466	2754	3029	3293
13900	1384	2078	2472	2761	3037	3302
13950	1387	2083	2478	2768	3045	3310
14000	1389	2088	2485	2775	3053	3319
14050	1392	2092	2491	2782	3061	3327
14100	1395	2097	2497	2790	3069	3335
14150	1398	2102	2504	2797	3076	3344
14200	1401	2107	2510	2804	3084	3352
14250	1404	2112	2516	2811	3092	3361
14300	1407	2117	2523	2818	3100	3369
14350	1410	2122	2529	2825	3108	3378
14400	1413	2126	2536	2832	3115	3386
14450	1416	2131	2542	2839	3123	3395
14500	1419	2136	2548	2846	3131	3403
14550	1422	2141	2555	2853	3139	3412
14600	1425	2146	2561	2861	3147	3420
14650	1427	2151	2567	2868	3154	3429
14700	1430	2156	2574	2875	3162	3437
14750	1433	2160	2580	2882	3170	3446
14800	1437	2165	2585	2888	3176	3453
14850	1441	2170	2590	2893	3183	3460
14900	1444	2175	2595	2899	3189	3466
14950	1448	2180	2601	2905	3195	3473

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Exhibit 8:
Updated Schedule of Basic Support Obligations Based on BR4

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
15000	1451	2185	2606	2911	3202	3480
15050	1455	2190	2611	2916	3208	3487
15100	1459	2195	2616	2922	3214	3494
15150	1462	2200	2621	2928	3221	3501
15200	1466	2204	2626	2934	3227	3508
15250	1469	2209	2631	2939	3233	3515
15300	1473	2214	2637	2945	3240	3521
15350	1477	2219	2642	2951	3246	3528
15400	1480	2224	2647	2957	3252	3535
15450	1484	2229	2652	2962	3259	3542
15500	1488	2234	2657	2968	3265	3549
15550	1491	2239	2662	2974	3271	3556
15600	1495	2244	2667	2980	3277	3563
15650	1498	2248	2673	2985	3284	3569
15700	1502	2253	2678	2991	3290	3576
15750	1506	2258	2683	2997	3296	3583
15800	1509	2263	2688	3003	3303	3590
15850	1513	2268	2693	3008	3309	3597
15900	1516	2273	2698	3014	3315	3604
15950	1520	2278	2703	3020	3322	3611
16000	1524	2283	2709	3026	3328	3618
16050	1527	2288	2714	3031	3334	3624
16100	1530	2291	2718	3035	3339	3629
16150	1531	2293	2720	3039	3343	3633
16200	1533	2296	2723	3042	3346	3637
16250	1534	2298	2726	3045	3350	3641
16300	1536	2300	2729	3048	3353	3645
16350	1537	2303	2732	3052	3357	3649
16400	1539	2305	2735	3055	3360	3653
16450	1540	2307	2737	3058	3363	3656
16500	1542	2309	2740	3061	3367	3660
16550	1543	2312	2743	3064	3370	3663
16600	1545	2314	2745	3067	3373	3667
16650	1546	2316	2748	3070	3377	3670
16700	1547	2318	2751	3073	3380	3674
16750	1549	2320	2753	3076	3383	3677
16800	1550	2322	2756	3079	3386	3681
16850	1552	2325	2759	3081	3390	3685
16900	1553	2327	2761	3084	3393	3688
16950	1554	2329	2764	3087	3396	3692
17000	1556	2331	2767	3090	3399	3695

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Exhibit 8:
Updated Schedule of Basic Support Obligations Based on BR4

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
17050	1557	2333	2769	3093	3403	3699
17100	1559	2335	2772	3096	3406	3702
17150	1560	2338	2775	3099	3409	3706
17200	1561	2340	2777	3102	3412	3709
17250	1563	2342	2780	3105	3416	3713
17300	1564	2344	2782	3108	3419	3716
17350	1566	2346	2785	3111	3422	3720
17400	1567	2348	2788	3114	3425	3723
17450	1568	2351	2790	3117	3428	3727
17500	1570	2353	2793	3120	3432	3730
17550	1571	2355	2796	3123	3435	3734
17600	1573	2357	2798	3126	3438	3737
17650	1574	2359	2801	3129	3441	3741
17700	1575	2361	2804	3132	3445	3744
17750	1577	2363	2806	3134	3448	3748
17800	1578	2366	2809	3137	3451	3751
17850	1580	2368	2811	3140	3454	3755
17900	1581	2370	2814	3143	3458	3758
17950	1582	2372	2817	3146	3461	3762
18000	1584	2374	2819	3149	3464	3765
18050	1585	2376	2822	3152	3467	3769
18100	1587	2379	2825	3155	3471	3773
18150	1588	2381	2827	3158	3474	3776
18200	1589	2383	2830	3161	3477	3780
18250	1592	2386	2833	3165	3481	3784
18300	1594	2389	2836	3168	3485	3788
18350	1596	2392	2840	3172	3489	3793
18400	1598	2395	2843	3176	3493	3797
18450	1601	2398	2846	3179	3497	3802
18500	1603	2401	2850	3183	3501	3806
18550	1605	2404	2853	3187	3506	3811
18600	1607	2408	2856	3191	3510	3815
18650	1610	2411	2860	3194	3514	3819
18700	1612	2414	2863	3198	3518	3824
18750	1614	2417	2866	3202	3522	3828
18800	1616	2420	2870	3206	3526	3833
18850	1619	2423	2873	3209	3530	3837
18900	1621	2426	2876	3213	3534	3842
18950	1623	2429	2880	3217	3538	3846
19000	1625	2432	2883	3220	3543	3851
19050	1628	2436	2886	3224	3547	3855

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Exhibit 8:
Updated Schedule of Basic Support Obligations Based on BR4

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
19100	1630	2439	2890	3228	3551	3860
19150	1632	2442	2893	3232	3555	3864
19200	1635	2445	2896	3235	3559	3869
19250	1637	2448	2900	3239	3563	3873
19300	1639	2451	2903	3243	3567	3877
19350	1641	2454	2906	3247	3571	3882
19400	1644	2457	2910	3250	3575	3886
19450	1646	2460	2913	3254	3579	3891
19500	1648	2464	2917	3258	3584	3895
19550	1650	2467	2920	3261	3588	3900
19600	1653	2470	2923	3265	3592	3904
19650	1655	2473	2927	3269	3596	3909
19700	1657	2476	2930	3273	3600	3913
19750	1659	2479	2933	3276	3604	3918
19800	1662	2482	2937	3280	3608	3922
19850	1664	2485	2940	3284	3612	3926
19900	1666	2488	2943	3288	3616	3931
19950	1668	2492	2947	3291	3620	3935
20000	1671	2495	2950	3295	3625	3940
20050	1673	2498	2953	3299	3629	3944
20100	1675	2501	2957	3302	3633	3949
20150	1678	2504	2960	3306	3637	3953
20200	1680	2507	2963	3310	3641	3958
20250	1682	2510	2967	3314	3645	3962
20300	1684	2513	2970	3317	3649	3967
20350	1687	2516	2973	3321	3653	3971
20400	1689	2519	2977	3325	3657	3976
20450	1691	2523	2980	3329	3661	3980
20500	1693	2526	2983	3332	3666	3984
20550	1696	2529	2987	3336	3670	3989
20600	1698	2532	2990	3340	3674	3993
20650	1700	2535	2993	3343	3678	3998
20700	1702	2538	2997	3347	3682	4002
20750	1705	2541	3000	3351	3686	4007
20800	1707	2544	3003	3355	3690	4011
20850	1709	2547	3007	3358	3694	4016
20900	1711	2551	3010	3362	3698	4020
20950	1714	2554	3013	3366	3702	4025
21000	1716	2557	3017	3370	3707	4029
21050	1718	2560	3020	3373	3711	4033
21100	1721	2563	3023	3377	3715	4038

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Exhibit 8:
Updated Schedule of Basic Support Obligations Based on BR4

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
21150	1723	2566	3027	3381	3719	4042
21200	1725	2569	3030	3385	3723	4047
21250	1727	2572	3033	3388	3727	4051
21300	1730	2575	3037	3392	3731	4056
21350	1732	2579	3040	3396	3735	4060
21400	1734	2582	3043	3399	3739	4065
21450	1736	2585	3047	3403	3743	4069
21500	1738	2588	3050	3407	3748	4074
21550	1740	2591	3054	3412	3753	4079
21600	1742	2594	3058	3416	3757	4084
21650	1744	2597	3062	3420	3762	4090
21700	1746	2600	3066	3424	3767	4095
21750	1748	2603	3070	3429	3772	4100
21800	1750	2606	3074	3433	3776	4105
21850	1752	2609	3077	3437	3781	4110
21900	1753	2612	3081	3442	3786	4115
21950	1755	2615	3085	3446	3791	4121
22000	1757	2618	3089	3450	3795	4126
22050	1759	2621	3093	3455	3800	4131
22100	1761	2624	3097	3459	3805	4136
22150	1763	2627	3101	3463	3810	4141
22200	1765	2630	3104	3468	3814	4146
22250	1767	2633	3108	3472	3819	4152
22300	1768	2636	3112	3476	3824	4157
22350	1770	2639	3116	3481	3829	4162
22400	1772	2642	3120	3485	3834	4167
22450	1774	2645	3124	3489	3838	4172
22500	1776	2648	3128	3494	3843	4177
22550	1778	2651	3132	3498	3848	4183
22600	1780	2654	3135	3502	3853	4188
22650	1782	2658	3139	3507	3857	4193
22700	1783	2661	3143	3511	3862	4198
22750	1785	2664	3147	3515	3867	4203
22800	1787	2667	3151	3520	3872	4208
22850	1789	2670	3155	3524	3876	4214
22900	1791	2673	3159	3528	3881	4219
22950	1793	2676	3163	3533	3886	4224
23000	1795	2679	3166	3537	3891	4229
23050	1797	2682	3170	3541	3895	4234
23100	1799	2685	3174	3546	3900	4239
23150	1800	2688	3178	3550	3905	4245

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Exhibit 8:
Updated Schedule of Basic Support Obligations Based on BR4

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
23200	1802	2691	3182	3554	3910	4250
23250	1804	2694	3186	3558	3914	4255
23300	1806	2697	3190	3563	3919	4260
23350	1808	2700	3193	3567	3924	4265
23400	1810	2703	3197	3571	3929	4270
23450	1812	2706	3201	3576	3933	4276
23500	1814	2709	3205	3580	3938	4281
23550	1815	2712	3209	3584	3943	4286
23600	1817	2715	3213	3589	3948	4291
23650	1819	2718	3217	3593	3952	4296
23700	1821	2721	3221	3597	3957	4301
23750	1823	2724	3224	3602	3962	4307
23800	1825	2727	3228	3606	3967	4312
23850	1827	2730	3232	3610	3971	4317
23900	1829	2733	3236	3615	3976	4322
23950	1830	2736	3240	3619	3981	4327
24000	1832	2739	3244	3623	3986	4332
24050	1834	2742	3248	3628	3990	4338
24100	1836	2745	3252	3632	3995	4343
24150	1838	2748	3255	3636	4000	4348
24200	1840	2751	3259	3641	4005	4353
24250	1842	2754	3263	3645	4009	4358
24300	1844	2758	3267	3649	4014	4363
24350	1845	2761	3271	3654	4019	4369
24400	1847	2764	3275	3658	4024	4374
24450	1849	2767	3279	3662	4028	4379
24500	1851	2770	3283	3667	4033	4384
24550	1853	2773	3286	3671	4038	4389
24600	1855	2776	3290	3675	4043	4394
24650	1857	2779	3294	3680	4047	4400
24700	1859	2782	3298	3684	4052	4405
24750	1860	2785	3302	3688	4057	4410
24800	1862	2788	3306	3692	4062	4415
24850	1864	2791	3310	3697	4066	4420
24900	1866	2794	3313	3701	4071	4425
24950	1868	2797	3317	3705	4076	4431
25000	1870	2800	3321	3710	4081	4436
25050	1872	2803	3325	3714	4086	4441
25100	1874	2806	3329	3718	4090	4446
25150	1875	2809	3333	3723	4095	4451
25200	1877	2812	3337	3727	4100	4456

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Exhibit 8:
Updated Schedule of Basic Support Obligations Based on BR4

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
25250	1879	2815	3341	3731	4105	4462
25300	1881	2818	3344	3736	4109	4467
25350	1883	2821	3348	3740	4114	4472
25400	1885	2824	3352	3744	4119	4477
25450	1887	2827	3356	3749	4124	4482
25500	1889	2830	3360	3753	4128	4487
25550	1890	2833	3364	3757	4133	4493
25600	1892	2836	3368	3762	4138	4498
25650	1894	2839	3372	3766	4143	4503
25700	1896	2842	3375	3770	4147	4508
25750	1898	2845	3379	3775	4152	4513
25800	1900	2848	3383	3779	4157	4518
25850	1902	2851	3387	3783	4162	4524
25900	1904	2854	3391	3788	4166	4529
25950	1906	2858	3395	3792	4171	4534
26000	1907	2861	3399	3796	4176	4539
26050	1909	2864	3402	3801	4181	4544
26100	1911	2867	3406	3805	4185	4549
26150	1913	2870	3410	3809	4190	4555
26200	1915	2873	3414	3814	4195	4560
26250	1917	2876	3418	3818	4200	4565
26300	1919	2879	3422	3822	4204	4570
26350	1921	2882	3426	3826	4209	4575
26400	1922	2885	3430	3831	4214	4581
26450	1924	2888	3433	3835	4219	4586
26500	1926	2891	3437	3839	4223	4591
26550	1928	2894	3441	3844	4228	4596
26600	1930	2897	3445	3848	4233	4601
26650	1932	2900	3449	3852	4238	4606
26700	1934	2903	3453	3857	4242	4612
26750	1936	2906	3457	3861	4247	4617
26800	1937	2909	3461	3865	4252	4622
26850	1939	2912	3464	3870	4257	4627
26900	1941	2915	3468	3874	4261	4632
26950	1943	2918	3472	3878	4266	4637
27000	1945	2921	3476	3883	4271	4643
27050	1947	2924	3480	3887	4276	4648
27100	1949	2927	3484	3891	4280	4653
27150	1951	2930	3488	3896	4285	4658
27200	1952	2933	3491	3900	4290	4663
27250	1954	2936	3495	3904	4295	4668

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Exhibit 8:
Updated Schedule of Basic Support Obligations Based on BR4

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
27300	1956	2939	3499	3909	4299	4674
27350	1958	2942	3503	3913	4304	4679
27400	1960	2945	3507	3917	4309	4684
27450	1962	2948	3511	3922	4314	4689
27500	1964	2951	3515	3926	4318	4694
27550	1966	2955	3519	3930	4323	4699
27600	1967	2958	3522	3935	4328	4705
27650	1969	2961	3526	3939	4333	4710
27700	1971	2964	3530	3943	4338	4715
27750	1973	2967	3534	3948	4342	4720
27800	1975	2970	3538	3952	4347	4725
27850	1977	2973	3542	3956	4352	4730
27900	1979	2976	3546	3960	4357	4736
27950	1981	2979	3550	3965	4361	4741

DETAILED TECHNICAL STEPS AND CONSIDERATIONS

There are several steps taken to develop an updated schedule. They are listed below and discussed in more detail in the remainder of this Section.

1. Select estimate of child-rearing expenditures.
2. Adjust to current price levels.
3. Subtract expenditures on items considered elsewhere in guidelines calculation.
4. Extend the estimates to four and more children.
5. Relate estimates to net income.
6. Back out estimates to gross income.
7. Extrapolate to higher incomes.

Step 1: Select Economic Basis

Arizona's current schedule is based on BR3 measurements. As discussed in the previous Chapter, there are three new studies/measurements of child-rearing expenditures: BR4, the New Jersey, and the USDA measurements. BR4 is used to develop the updated schedule provided in this report. The available New Jersey numbers have been adjusted for New Jersey income so not appropriate to Arizona, particularly since New Jersey's median income is one of the highest in the nation. A USDA-based schedule would be much higher. For illustrative purposes, schedules based on all three studies/measurements are compared in the

next Chapter. The final Chapter identifies the merits and limitations of updating using the various options.

Step 2: Adjust to Current Price Levels

The BR4 measurements of child-rearing expenditures reflect 2012 price levels. They have been updated to April 2014 price levels, which was the most recent price index published by the U.S. Bureau of Labor Statistics.

Step 3: Subtract Highly Variable Expenses

The studies measuring child-rearing expenditures include all expenditures on the children, including work-related child care expenses, the cost of the child's health insurance benefit, and the child's uninsured, medical expenses. In contrast, most income shares guidelines, including the existing Arizona guidelines, consider the actual amount of these expenses on a case-by-case basis when calculating the support award. Since the actual amounts are considered, they are not included in the schedule. Including them in both the schedule and worksheet would result in double-accounting of those expenses.

Betson provided supplemental information in order to subtract these expenses from his total estimates of child-rearing expenditures for the purposes of developing a schedule. Using the same subset of the CES that he used to measure child-rearing expenditures, he measured the percentage of total expenditures devoted to child care expenses; the percentage of total expenditures devoted to uninsured healthcare expenses, including the cost of the child's health insurance benefits; and expenditures to net income ratios. Exhibit 9 shows these measurements as well as the BR4 measurements of child-rearing expenditures for a range of incomes.

**Exhibit 9
Parental Expenditures on Children**

Annual Net Income Ranges (January 2012 dollars)	Number of Observations	Current Consumption as a % of Net Income	Expenditures on Children as a % of Total Consumption Expenditures (Rothbarth - 2004-2009 data)			Child Care \$ as a % of Consumption (per child)	Extraordinary Medical \$ as a % of Consumption (per family member)
			1 Child	2 Children	3 Children		
Less than \$15,000	244	4260.381%	21.660%	33.765%	41.666%	0.342%	0.380%
\$15,001 – \$20,000	239	165.008%	22.484%	34.991%	43.124%	0.469%	0.529%
\$20,001 - \$25,000	312	134.117%	22.706%	35.320%	43.514%	0.433%	0.856%
\$25,001 – \$30,000	324	118.670%	22.878%	35.573%	43.813%	0.533%	0.797%
\$30,001 - \$40,000	850	108.036%	23.080%	35.870%	44.163%	0.736%	0.989%
\$40,001 - \$45,000	432	98.846%	23.222%	36.080%	44.411%	0.869%	1.149%
\$45,001 – \$50,000	468	95.664%	23.284%	36.170%	44.517%	1.126%	1.293%
\$50,001 – \$60,000	821	89.922%	23.343%	36.256%	44.618%	1.289%	1.282%
\$60,001 - \$65,000	421	85.165%	23.405%	36.348%	44.726%	1.228%	1.203%
\$65,001 – \$70,000	447	82.645%	23.441%	36.400%	44.787%	1.414%	1.335%
\$70,001 - \$75,000	335	78.181%	23.453%	36.417%	44.807%	1.509%	1.287%
\$75,001 – \$85,000	710	76.060%	23.502%	36.491%	44.893%	1.479%	1.218%
\$85,001 – \$95,000	559	73.847%	23.569%	36.589%	45.008%	1.344%	1.309%
\$95,001 – \$100,000	231	72.305%	23.614%	36.665%	45.084%	1.943%	1.209%
\$100,001 - \$110,000	378	70.146%	23.645%	36.699%	45.138%	1.823%	1.099%
\$110,001 - \$120,000	292	66.421%	23.672%	36.737%	45.183%	1.450%	1.093%
\$120,001 - \$130,000	220	66.264%	23.730%	36.822%	45.282%	1.919%	1.001%
\$130,001 - \$150,000	288	61.255%	23.754%	36.858%	45.324%	1.858%	0.988%
\$150,001 - \$175,000	194	58.687%	23.829%	36.966%	45.451%	2.266%	1.039%
More than \$175,000	156	50.691%	23.896%	37.064%	45.566%	1.689%	0.909%

Childcare Expenses

Betson's measurements of child care expenses, which are shown in Exhibit 9, represent the average percentage of total expenditures devoted to child care expenses across all families regardless of whether the family incurs any child care expenses. If only those families with child care expenses were included, the percentages would be much higher. The percentage across all families is necessary to back out child care expenses from total child-rearing expenses since the total is derived for all families.

The data on child care expenses are limited because child care expenses that are "necessary" (*e.g.*, those incurred to allow someone to work) cannot be distinguished from "discretionary" child care expenses. This is a limitation because most state guidelines only consider *work-related* child care expenses in the calculation of the child support order. Some state guidelines also consider child care expenses associated with a parent's job search or education aimed at increasing his or her earnings. Since work-related and non-work-related child care expenses cannot be distinguished, work-related child care expenses may be somewhat overstated. If so, too much child care expenses may be subtracted from the estimates. In turn, this would cause the amounts in the obligation schedule to be somewhat less than if work-related and discretionary child care expenses could be separated. Nonetheless, since most child care expenses are work-related, discretionary child care expenses are likely to compose an infinitesimal share of total expenditures. As a consequence, the magnitude of any bias is likely to be negligible.

Healthcare Expenses

The issues relating to healthcare expenses in the development of an income shares schedule are similar to childcare issues, but more complicated. In the CES, healthcare expenses are not broken down in the categories typically considered for child support. Most income shares guidelines consider three types of child healthcare expenses: the child's share of the health insurance premium; the child's extraordinary, uninsured medical expenses; and the child's routine, typical medical expenses. Most income shares guidelines prorate the cost of the child's insurance coverage and the child's extraordinary medical expenses between the parents.

Most income shares schedules include a small amount (*e.g.*, \$250 per child per year) to cover typical, routine medical expenses for an average child. This is intended to cover the copay for the child's well visit, aspirin and other common medical expenses. Without this, all of the child's out-of-pocket medical expenses would be treated as extraordinary. This could necessitate more exchanges between the parents about the child's medical expenses, as well as possibly more court involvement to reduce the child's unpaid medical expenses to judgments such that enforcement actions can be taken. On the other hand, there are no out-of-pocket medical expenses for children enrolled in Medicaid and a nominal amount for

children enrolled in CHIP. In 2011, 967,020 Arizona children were enrolled in Medicaid or KidsCare (Arizona's CHIP).²² This amounts to about 60 percent of Arizona children.

The updated table also includes \$250 per child per year to cover the child's routine medical expenses. Specifically, the table includes ordinary, uninsured medical expenses of \$250 per child per year up to \$750 for three children and smaller amounts for four or more children. The amounts for four or more children are based on the same equivalence scales used to extend the estimates of child-rearing expenditures from three children in the next step. Although the future of healthcare costs is uncertain due to implementation of healthcare reform and its impacts, there are several reasons for retaining the \$250 amount. It approximates typical out-of-pocket expenditures for children's healthcare based on the most current data available, several other states use these amounts, and the data necessary to make the adjustment to the table were readily available. The most current data on out-of-pocket medical expenses are from the 2011 Medical Expenditure Panel Survey (MEPS), which is conducted by the U.S. Department of Health and Human Services through the Agency of Healthcare Research and Quality (AHRQ).²³ The MEPS found that healthcare expenses were incurred for the vast majority of children. Among those with expenses, the average out-of-pocket expense amounted to \$257 per child per year among children 0-17 years old.

Exhibit 9 shows the average percentage of total expenditures devoted to out-of-pocket healthcare expenses above \$250 per family member per year. In the CES, healthcare expenditures on children cannot be distinguished from expenditures on adult household members. Further, children are generally healthier than adults so the expenses incurred for the child's healthcare are less than those incurred for the parents' healthcare. For these reasons, the per family member percentages shown in Exhibit 9 are reduced to reflect a per child amount. They are adjusted by multiplying them by 63.6 percent. For example, at combined net income of \$125,000 per year, Exhibit 9 shows 1 percent of total expenditures is devoted to extraordinary medical expenses per person. The adjusted amount would be 0.636 per child.

²² Center for Medicare and Medicaid Services, (2012). *2011 Annual CHIPRA Report: Steady Growth, New Innovation*, Available from: <http://www.insurekidsnow.gov/chipraannualreport.pdf>

²³ . Department of Health and Human Services, Agency of Healthcare Research and Quality (AHRQ) 2011 National Medical Expenditures Survey. Retrieved from: <http://www.meps.ahrq.gov/mepsweb/>

Illustration of Adjustment

To illustrate these adjustments, consider the one-child expenditures for a family with \$125,000 annual income in Exhibit 10. This information would be used to develop an income shares schedule. The average family of that income spends 23.73 percent of total family expenditures on the one child and 1.92 percentage of expenditures is devoted to child care expenses and extraordinary medical expense is 1.00 percent per household member, hence 0.637 percent per child. The adjusted amount is 23.73 percent minus 1.919 percent minus 0.637. The remainder is 21.18 percent.

Step 4: Extend to Four and More Children

Betson’s estimates only cover one, two, and three children, yet the schedule covers up to six children. The number of families in the CES with four or more children is insufficient to produce reliable estimates. For most income shares schedules, including the existing Arizona schedule, the National Research Council’s (NRC) equivalence scale, as shown below, is used to extend the three-child estimate to four and more children.²⁴

$$= (\text{Number of adults} + 0.7 \times \text{number of children})^{0.7}$$

Application of the equivalence schedule implies that expenditures on four children are 11.7 percent more than the expenditures for three children, expenditures on five children are 10.0 percent more than the expenditures for four children, and expenditures on six children are 8.7 percent more than the expenditures for five children.

There are few alternatives to the NRC. The NRC developed its equivalence scale after extensive research and in consultation with its members, who are national experts on poverty and measurements of economic well-being.

Step 5: Relate the Estimates to Net Income

The Betson-Rothbarth estimates of child-rearing expenditures are expressed as a percentage of total family expenditures. As illustrated in Exhibit 10, families may not spend all of their net or gross income.

Exhibit 10: Family Consumption and Net and Gross Income	
Gross Income:	Federal and State Taxes and FICA
Net Income:	Savings and Other Spending
Family Expenditures:	Total Family Expenditures/Outlays for the Family
	Child’s Share of Total Family Expenditures/Outlays

²⁴ Citro, Constance F. and Robert T. Michael, Editors (1995). Measuring Poverty: A New Approach. National Academy Press. Washington, D.C.

Various assumptions can be made to back out the measurements to a net-income base. One assumption is that families spend all of their after-tax income. Under this assumption, family expenditures and after-tax income are equal and no additional adjustment is necessary. The District of Columbia is the only state using the Betson estimates to make this assumption. Instead, most income shares schedules, including the existing Arizona schedule, consider the expenditures to consumption ratios observed in the CES. As shown in Exhibit 9, higher income families do not spend all of their net income on current consumption. The percentages derived from Step 3 are multiplied by the expenditures to consumption ratios shown in Exhibit 9. This step produces smaller schedule amounts than what the District of Columbia assumption produces, particularly at higher incomes because higher income households have more savings.

To illustrate this adjustment, continue with the above example, which considers one child from a family with \$125,000 in annual net income. Exhibit 9 shows that families with \$125,000 in annual income (January 2012 dollars) spend 66.3 percent of their net income on current expenditures, which is \$82,875 per year. In turn, a family spends a proportion of that on child-rearing expenditures.

Another way to express this, which is more useful for the development of guidelines, is the percentage of net income devoted to child-rearing expenditures. Continuing with our example, this is derived by multiplying the amount from Step 3 (21.18 percent) by the consumption ratio (66.264%). This results in the percentage of net income devoted to child-rearing expenditures without child care, health insurance premiums, and uninsured, extraordinary medical expenses (14.03 percent).

The consumption rate used in this calculation is capped at 100 percent. This effectively assumes that families should not be required to spend more than their income. However, the actual data finds that on average, families with incomes below about \$40,000 net per year (2012 dollars) spend more than their income. The lower the family income, the more the family spends exceeding their income on average. To keep schedule amounts reasonable at very low incomes, the calculation for those in the \$30,001 to \$40,000 income bracket is applied to incomes below \$30,000 as well.

Calculate Marginal Percentages

At this point, the application of the steps yields percentages of net income attributable to child-rearing expenditures for one to six children that do not include child care expenses, health insurance premiums, or uninsured, extraordinary medical expenses for several income ranges. To gradually phase between income ranges, most income shares guidelines use marginal percentages that are developed by taking the ratio of (a) the difference in the base

support amount between one income bracket and the next bracket and (b) the difference in the monthly net income between the same income brackets.

In turn, basic obligations are calculated by applying the percentage of net income attributable to child-rearing expenditures to the midpoint of each income range. The results for one through three children are shown in Exhibit 11. The amounts for four or more children are calculated using the multipliers shown in Step 3. The schedule of proportions shown in Exhibit 11 functions much like a tax schedule. The midpoint percentage is applied to the net income shown in Exhibit 11. The marginal percentage is applied to any net income above that amount and less than the amount of the net income in the next row. For example, if there is \$5,000 in net monthly income and one child, 18.972 percent is applied to the first \$4,638 in net income and 12.838 percent is applied to the remainder (\$362 = \$5,000 - \$4,638). The result is \$926, which is the sum of \$880 (\$880 = 18.972% X \$4,638) and \$46 (\$46 = \$362 X 12.838%).

Exhibit 11: Table of Support Proportions						
Midpoint of Monthly Net Income Range (2012\$)	1 Child		2 Children		3 Children	
	Midpoint	Marginal	Midpoint	Marginal	Midpoint	Marginal
\$2,319.24	21.838%	21.265%	33.494%	31.851%	40.694%	37.787%
\$2,951.76	21.715%	19.777%	33.142%	29.512%	40.071%	34.879%
\$3,584.28	21.373%	12.233%	32.501%	17.056%	39.155%	18.658%
\$4,005.96	20.411%	9.857%	30.875%	14.507%	36.997%	19.758%
\$4,638.48	18.972%	12.838%	28.643%	19.626%	34.647%	20.921%
\$5,270.99	18.236%	8.336%	27.561%	11.110%	33.000%	11.467%
\$5,692.67	17.503%	3.199%	26.343%	4.447%	31.405%	4.848%
\$6,114.35	16.516%	12.743%	24.833%	19.440%	29.573%	23.511%
\$6,746.87	16.162%	12.883%	24.327%	19.627%	29.005%	23.706%
\$7,590.23	15.798%	6.894%	23.805%	7.886%	28.416%	6.316%
\$8,222.75	15.113%	10.972%	22.580%	17.326%	26.716%	21.676%
\$8,855.27	14.817%	8.851%	22.205%	14.702%	26.356%	19.251%
\$9,698.63	14.299%	10.954%	21.553%	14.812%	25.738%	15.592%
\$10,541.99	14.031%	4.669%	21.013%	7.186%	24.926%	8.770%
\$11,807.03	13.028%	7.530%	19.532%	10.341%	23.195%	11.106%
\$13,704.59	12.267%	6.246%	18.259%	10.083%	21.521%	12.876%
\$17,489.77	10.964%		16.490%		19.650%	

The percentages from the last income bracket shown in Exhibit 11 (i.e., \$17,490) is converted to gross income and 2014 dollars (i.e., about \$27,950 per month). This is the highest amount of the schedule.

Step 6: Relate to Gross Income

The results from the previous step are child-rearing expenditures that are expressed as a percentage of after-tax income. The final consideration is to back them out to gross income. Most states favor gross-income based schedules. However, transforming BR estimates into a gross-income schedule requires tax assumptions. The most common assumption is that all income is earned and taxed at the rate of a single taxpayer with no dependents. This is the assumption used to develop the existing Arizona schedule. Federal and state tax formulas were used to calculate the tax rates.²⁵

To be clear, the basic obligation is calculated for net incomes first from the schedule of support proportions shown in Exhibit 11, then backed out to gross income. Specifically, there is a hidden column for the net income equivalent to gross income in the schedule to which the Exhibit 11 schedule of proportions are applied. Exhibit 12 shows an excerpt of the hidden column to help illustrate how an obligation schedule based on gross income is developed.

Net Equivalent to Gross Income (Hidden Column)	Combined Adjusted Gross Income	One Child	Two Children	Three Children
2766.82	\$3,500	602	921	1115
2803.81	\$3,550	610	932	1129
2840.81	\$3,600	618	944	1143
2877.80	\$3,650	626	956	1157
2914.80	\$3,700	634	968	1171
2951.79	\$3,750	641	980	1185
2988.79	\$3,800	649	991	1199
3025.78	\$3,850	657	1003	1213
3062.78	\$3,900	665	1015	1227
3096.91	\$3,950	672	1025	1239
3128.90	\$4,000	678	1034	1250

An alternative assumption is to assume that the filing status is married and the number of dependents is equivalent to the number of dependents for whom support is being determined. The District of Columbia is the only state to rely on this assumption. It produces a higher schedule than the more common assumption (*i.e.*, single taxpayer with no dependents) produces. This is because there is more after-tax income available for families than individuals with identical incomes because families claim the children as exemptions.

²⁵ The federal and FICA tax withholding formulas are provided in IRS (2014) Circular E: Employer's Tax Guide. The IRS employer withholding formula is the same for single persons as it is for heads of household. The Arizona formula is available from the Arizona Department of Revenue. It relies on Table X for tax rates.

In the past, some have argued that the custodial parent's share of the basic obligation is less than it should be under the single-taxpayer assumption, hence the noncustodial parent's share is too high. There are two counterarguments to this. One is that the application of the single-taxpayer assumption to the custodial parent produces less combined parental income than it would under other tax assumptions. In turn, the smaller amount of combined parental income translates into a small basic obligation and offsets any underestimation of the custodial parent's after-tax income. The other counterargument is that the tax formula for custodial parents is only substantially different in the year-end tax filing, but there is no difference in the monthly income tax withholding formula for single taxpayers and head-of-households. Further, the income withholding formula is more realistic for family budgeting since families tend to live paycheck to paycheck. The withholding formula does not advance the earned income tax credit and does not consider the child tax credit, which are sources of the tax code that may contribute to more after-tax income for the custodial family assuming the custodial parent claims these credits when filing his or her annual tax return.

Chapter IV: Comparisons

This chapter compares the existing Arizona child support schedule, which was developed in 2008, to the following updated schedules with the following assumptions and underlying data:

- BR3 measurements, 2014 price levels and 2014 federal and state tax rates,
- BR4 measurements, 2014 price levels and 2014 federal and state tax rates,
- USDA measurements, 2014 price levels and 2014 federal and state tax rates, and
- New Jersey measurements, 2012 price levels and 2014 federal and state tax rates.

As discussed in the previous chapter, child-rearing measurements based on the Rothbarth methodology are generally considered the lower bound of credible measurements of child-rearing expenditures while the USDA measurements are considered the upper bound. Many states and policy experts take the position that a schedule amount between the lower and upper bound is appropriate for state guidelines use.

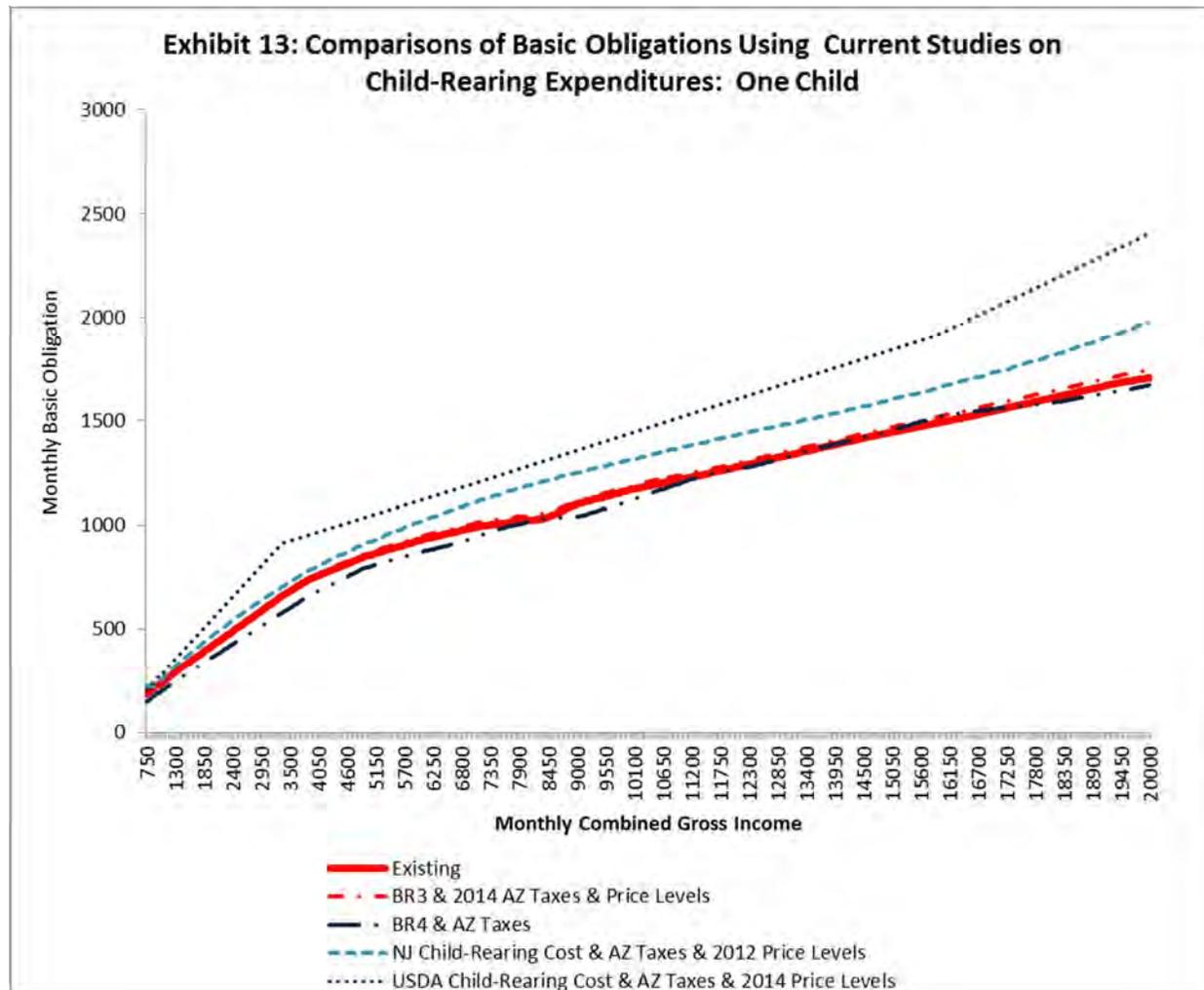
BR3 and BR4 differ in data years (*i.e.*, BR3 is based on expenditures data collected in 1998-2004 and BR4 is based on expenditures data collected in 2004-2009, income measurement methodology, and use of expenditures/outlays. BR4 uses a refined income measurement developed by the Bureau of Labor Statistics to correct for a perceived problem of under-reporting of income in the expenditures data specifically among low-income households. The other difference is the use of “expenditures-outlays” in BR4 rather than “expenditures” in BR3. Traditionally, economists measure expenditures to capture the total value of what was purchased regardless whether it was purchased by installment payments or there were finance charges, and to ignore items that may be considered an investment (*e.g.*, mortgage principal payments). “Expenditures-outlays” essentially recognizes that most households live from paycheck to paycheck and are concerned about their monthly bills (*e.g.*, installment payments and total mortgage payment including interest, principal, and any payments of second mortgage or home equity loans).

New Jersey also developed measurements of child-rearing expenditures but its underlying data and assumptions varied from what Professor Betson used and they also re-aligned the measurements for New Jersey’s relatively high income. For example, Professor Betson only examined two-parent families when developing his measurements whereas New Jersey included single-parent families and families with more than two adults residing in the household.

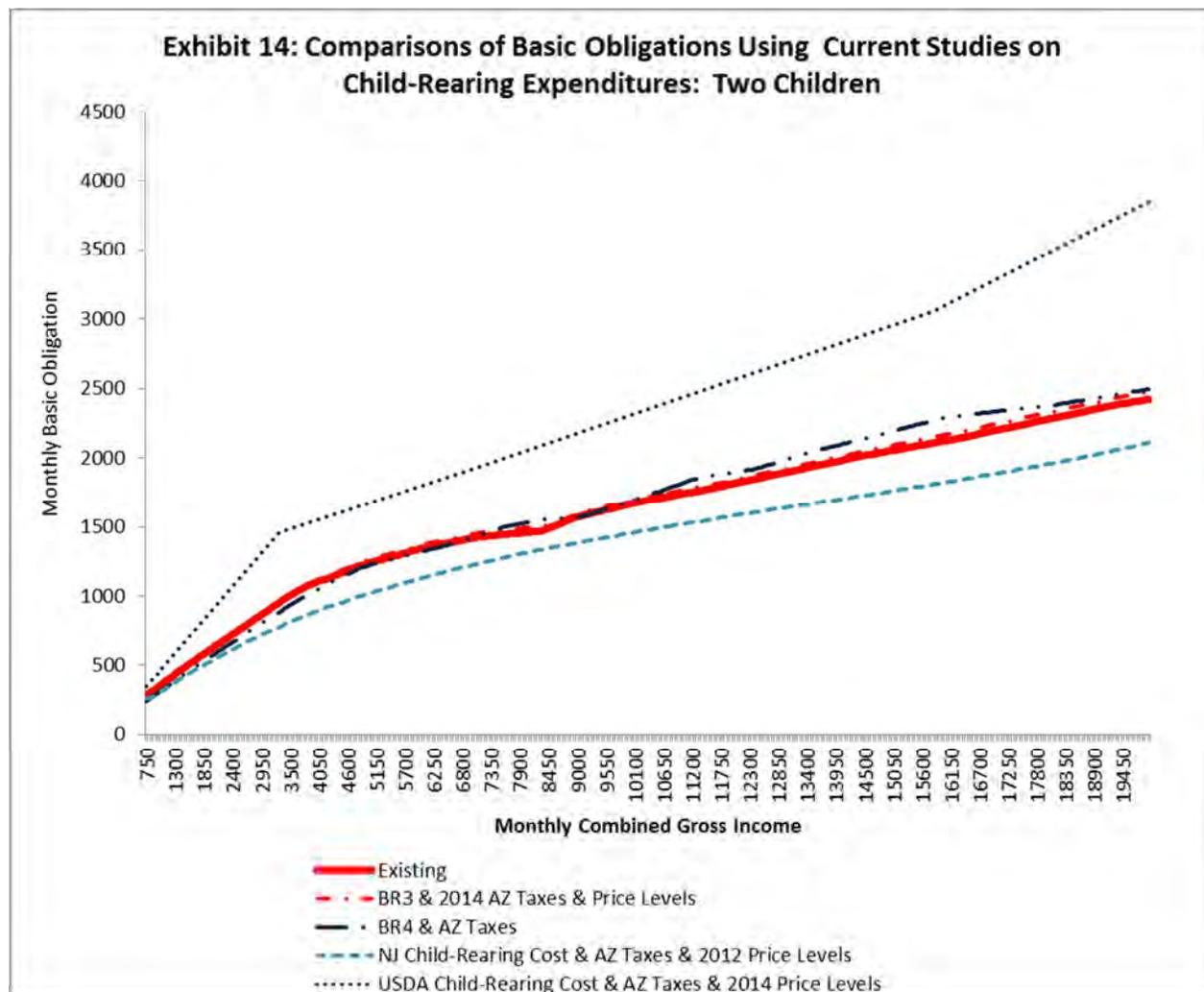
SIDE-BY-SIDE AND GRAPHICAL COMPARISONS

Appendix A provides side-by-side comparisons of the existing and updated schedules. The schedule reflects amounts owed by both parents. The support award calculation is based on the obligor’s prorated share of the schedule amount and other considerations such as

parenting time. Exhibits 13, 14, 15 compare the four updated schedules to the existing schedule for one, two and three children, respectively. The vast majority of cases involve one or two children. The patterns for four and more children are similar to those for three children.

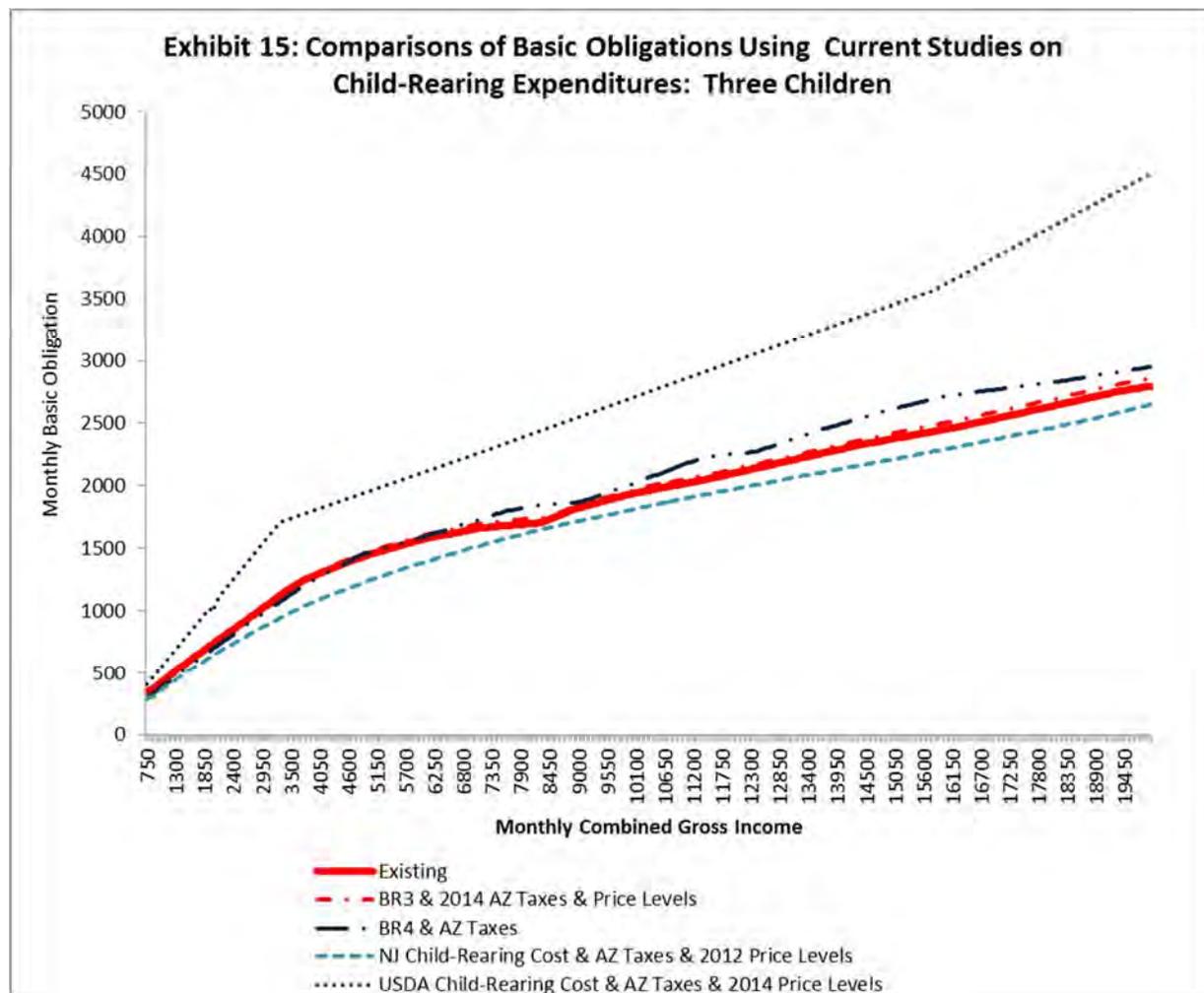


The comparisons illustrate that the USDA is indeed the upper bound regardless of the number of children. The updated schedules based on the BR3 and BR4 measurements closely track the existing schedule. The BR4 schedule is generally below the existing schedule at low incomes and above the existing schedule at higher incomes. The drop at low incomes is due to the refinement of the income measurement to contend with under-reporting of income. The increase at high incomes reflect the switch to outlays. There are some additional anomalous decreases from BR3 to BR4 for one child.



The New Jersey-based schedule has some anomalous finding. It is more than the Arizona schedule for one child but significantly less for two or more children. This is because New Jersey found that two children essentially cost about 10 percent more than one child. Other studies generally find that two children are 40 to 60 percent more.²⁶

²⁶ Judicial Council of California (2011). *Review of the Statewide Uniform Child Support Guidelines: 2010*, Administrative Office of the Courts, San Francisco, California. (page 13).



COMPARISONS: CASE EXAMPLES

The case examples consider median income by educational attainment of Arizona workers. The data are from the 2012 Census Community Survey. There are five levels of educational attainment considered:

- less than a high school degree²⁷
- high school graduate or GED²⁸
- some college or associate’s degree²⁹
- Bachelor’s degree;³⁰ and
- Graduate or professional degree.³¹

²⁷\$20,914 per year for males and \$13,901 for females.

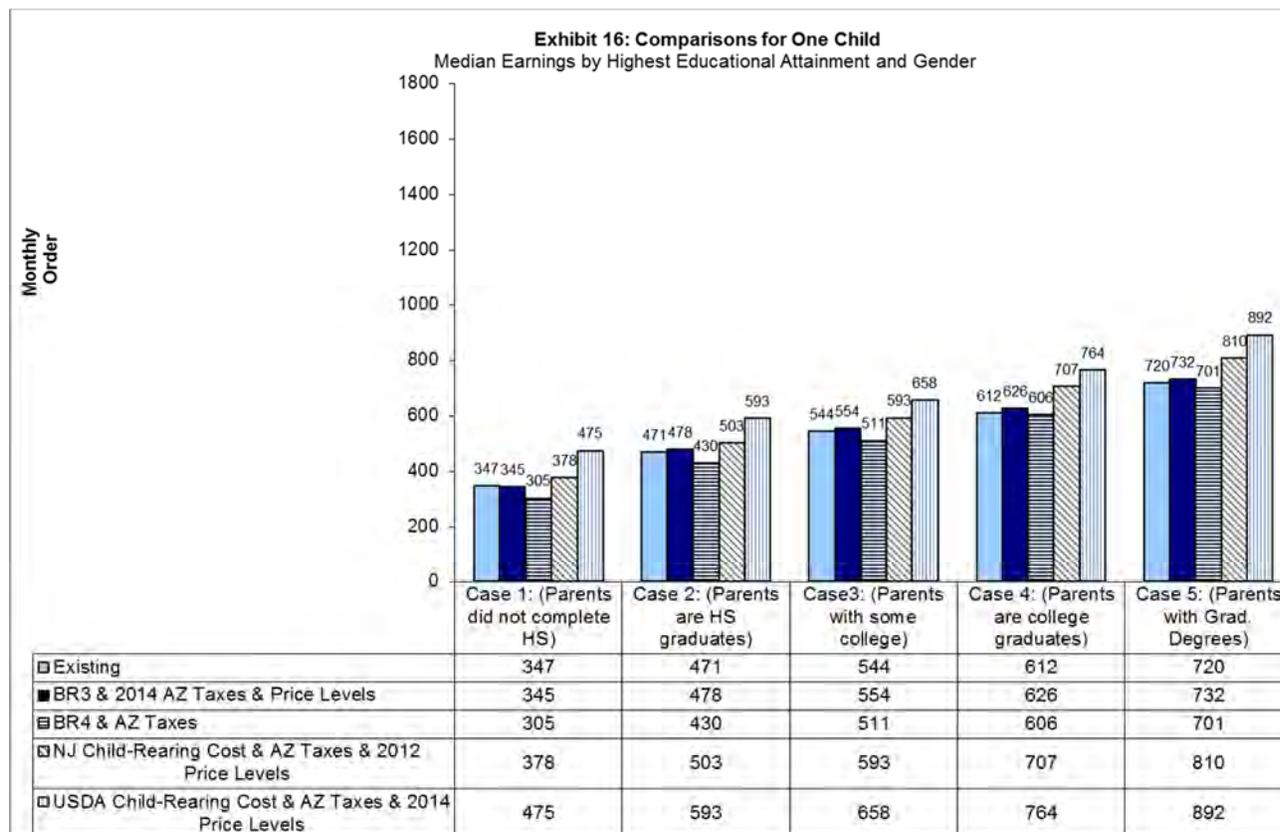
²⁸\$29,775 per year for males and \$22,014 for females.

²⁹\$39,989 per year for males and \$28,219 for females.

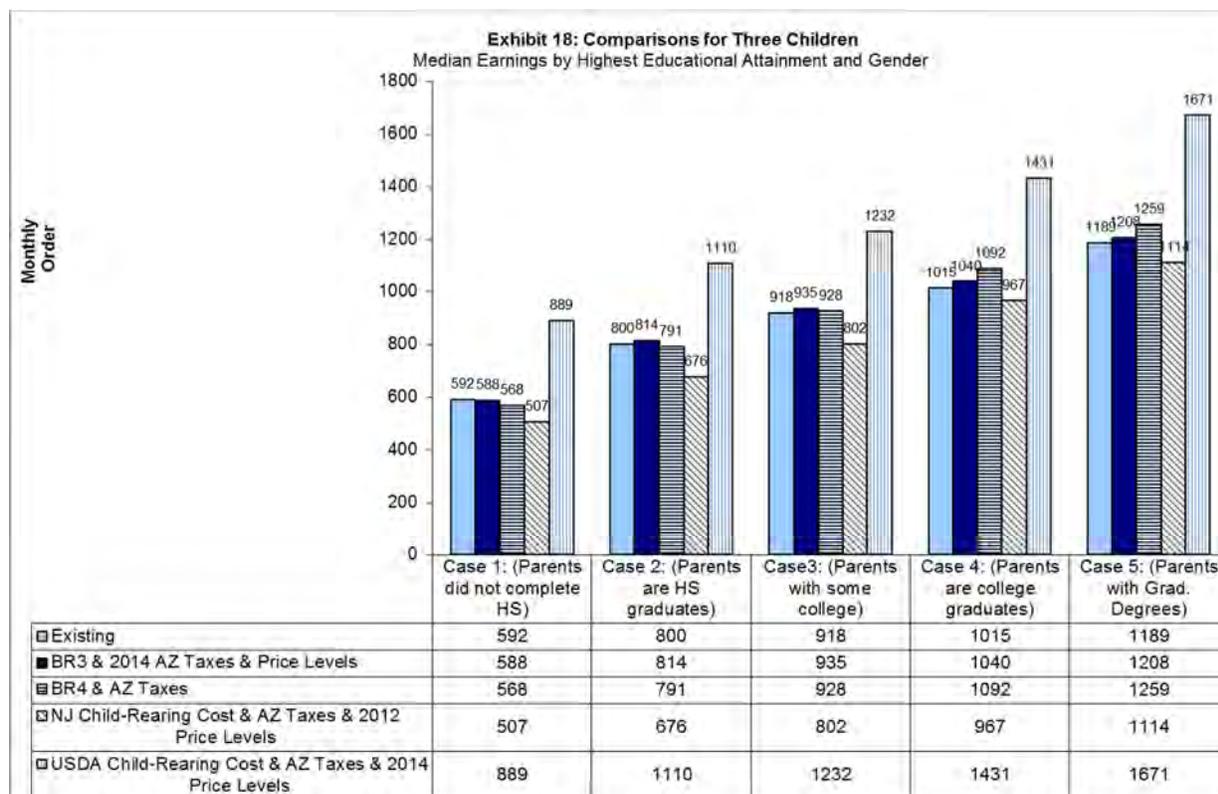
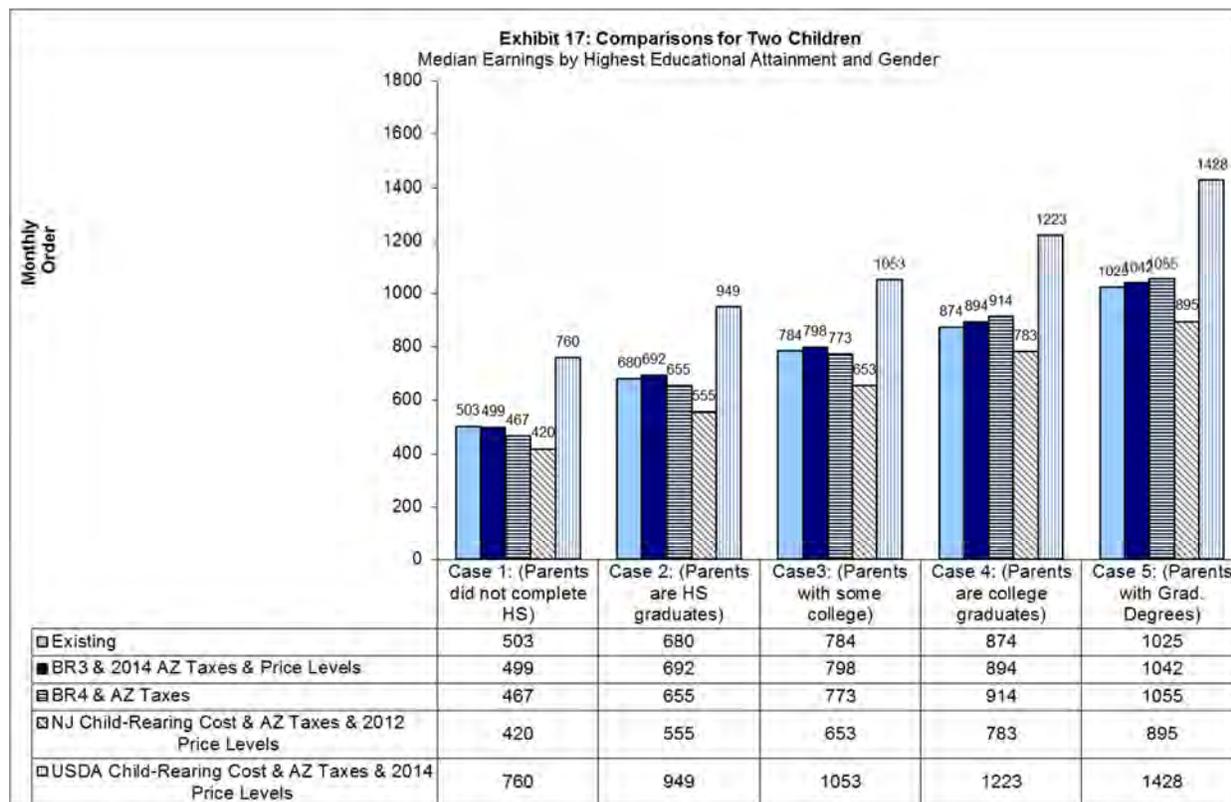
³⁰\$55,720 per year for males and \$39,508 for females.

³¹\$76,231 per year for males and \$50,440 for females.

It is assumed that the custodial parent is the female and the noncustodial parent is male.³² There is no parenting time, childcare expenses, medical expenses or other factors in these case scenarios. They will be adjusted after the case file review data is completely analyzed to reflect typical scenarios in Arizona.



³²According to national data, over 80 percent of custodial parents are females.



Chapter V: Conclusions and Recommendations

This report fulfills the federal requirement that states must consider the economic evidence on the cost of raising children as part of a state's review of its child support guidelines. This report also develops an updated schedule for Arizona using more current economic data.

BASIS OF EXISTING SCHEDULE

The existing Arizona schedule is based on the Betson-Rothbarth (BR3) study conducted in 2006 from older expenditures data (*i.e.*, collected from 1998 through 2004). It is labeled BR3 because it is the third series of Betson-Rothbarth measurements. The first BR study was conducted in 1990. Since then, BR measurements have been updated four times. In all, 29 states including Arizona base their guidelines schedule or formula on BR measurements. The existing Arizona schedule also relies on 2008 price levels and 2008 federal and state tax rates.

NEW EVIDENCE ON CHILD-REARING EXPENDITURES

Since the existing Arizona schedule was developed there have been three new, credible studies of child-rearing expenditures. They vary in underlying assumptions and the methodology used to separate the child's share of expenditures from total household expenditures. Economists do not agree which methodology best measures actual expenditures on children, but economists generally agree that any amount between the lower and upper bounds of credible measurements are appropriate amounts for child support guidelines. Measurements using the Rothbarth methodology are generally considered the lower bound.

One of the new studies includes a new Betson-Rothbarth (BR4) study that relies on expenditures data collected from 2004 through 2009. In general, the same steps and underlying assumptions are used for both the BR3 and BR4 measurements except the years of the expenditures data differ and there are two other data differences. One difference is that BR4 relies on a modified measure of income to account for under-reporting of income, particularly at lower incomes. This essentially results in the BR4 measurements being less at low incomes than the BR3 measurements. The other difference is the use of "expenditures-outlays" in BR4 rather than "expenditures" in BR3. Traditionally, economists measure expenditures to capture the total value of what was purchased regardless whether it was purchased by installment payments or subject to finance charges, and to ignore items that may be considered an investment (*e.g.*, mortgage principal payments). "Expenditures-outlays" essentially recognizes that most households live from paycheck to paycheck and are concerned about their monthly bills (*e.g.*, installment payments and total mortgage payment

including interest, principal, and any payments of second mortgage or home equity loans). The consequence of this is that BR4 is more than BR3 at higher incomes because these families are more likely to finance their purchases and have larger mortgage payments.

The USDA measurement is currently used for the upper bound. The comparisons show that the existing schedule, even if updated to 2014 price levels and 2014 tax rates, is below a schedule based on the USDA measurements. In other words, there is no justified concern that the existing schedule is too low.

The comparisons also included new measurements of child-rearing expenditures developed for New Jersey using the Rothbarth methodology to separate the child's share of expenditures from total household expenditures, which include expenditures on parents. The New Jersey numbers are adjusted for New Jersey incomes, which are relatively high. In addition, there is some concern about the New Jersey numbers for two or more children because they suggest that two children cost only 10 percent more than one child while most studies find two children cost 40 to 60 percent more.

RECOMMENDATIONS FOR UPDATED SCHEDULE

It is just and appropriate to update the schedule to consider 2014 price levels and 2014 federal and state tax rates and FICA. The existing schedule relies on 2008 levels.

Less clear is what economic study to use as the basis of the updated schedule. The USDA study can be reasonably eliminated because it would be a major shift. The New Jersey study can be reasonable eliminated because it is adjusted for New Jersey's relatively high income.

The rationale basis for using the BR4 updated schedule is that it is considers more current expenditures data, a better measurement of income that corrects for under-reporting of income particularly at lower incomes, and uses outlays, which better reflects family budgeting. The limitation of the BR4-schedule is that it suggests decreases for some areas of the schedule. It may not be sensible policy to decrease the schedule when the Rothbarth measurement is known to understate actual child-rearing expenditures.

A compromise may be to update the schedule for the BR4 measurements where they are more than the existing schedule amounts and retain the existing schedule amounts when the BR4 measurements are less than the existing schedule. This may be in the best interest of the child.

The companion report on the findings of the analysis from the case file data will examine this issue further. It will consider typical scenarios and the impact on real cases.

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Appendix A

Gross Income	One Child					Two Children					Three Children				
	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels
750	184	174	147	223	204	269	255	225	262	327	320	303	274	304	383
800	194	185	157	223	218	284	271	241	262	349	337	323	292	304	408
850	203	196	167	223	232	297	287	255	262	371	353	341	310	304	434
900	212	206	175	223	245	310	301	269	262	393	368	358	326	304	459
950	221	216	184	235	259	323	315	282	276	414	383	374	343	319	485
1000	230	225	193	247	273	336	329	295	291	436	399	391	359	335	510
1050	240	235	201	259	273	350	343	309	302	436	415	407	375	351	510
1100	250	245	210	271	300	365	357	322	314	480	432	424	391	367	561
1150	260	255	219	283	314	379	371	335	326	502	449	440	407	383	587
1200	270	264	227	295	327	393	385	349	338	523	466	457	424	399	612
1250	279	274	236	307	341	406	399	362	354	545	481	473	440	415	638
1300	289	284	245	319	354	421	414	375	366	567	498	490	456	431	664
1350	299	293	253	331	368	435	428	388	378	589	515	506	472	443	689
1400	308	303	262	343	382	449	442	402	390	611	531	523	488	458	715
1450	318	313	271	352	395	463	456	415	402	633	548	539	504	474	740
1500	327	323	279	362	409	476	470	428	414	654	563	556	521	490	766
1550	336	332	288	374	423	489	484	442	426	676	579	572	537	504	791
1600	346	342	297	386	436	503	498	455	438	698	594	589	553	517	817
1650	355	351	305	397	450	516	511	468	449	720	610	604	568	532	842
1700	364	360	313	407	464	529	524	480	459	742	625	620	583	546	868
1750	373	369	321	415	477	542	537	492	471	763	641	635	598	558	893
1800	382	379	329	426	491	555	551	505	483	785	656	651	614	573	919
1850	391	388	337	437	504	568	564	517	491	807	672	666	629	585	944
1900	400	397	346	446	518	582	577	530	501	829	687	681	644	598	970
1950	409	406	354	455	532	595	590	542	512	851	702	697	659	611	995
2000	418	415	362	467	545	607	603	555	523	872	717	712	674	624	1021

Gross Income	One Child					Two Children					Three Children				
	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels
2050	427	424	370	477	559	620	616	567	533	894	732	727	689	637	991
2100	436	433	378	485	573	633	629	580	545	916	747	742	704	649	1037
2150	445	442	386	496	586	646	641	592	553	938	762	757	719	664	1083
2200	454	450	394	504	600	658	654	605	563	960	777	772	735	676	1123
2250	463	459	402	514	613	671	667	617	574	982	791	786	750	687	1148
2300	471	468	410	523	627	684	679	629	585	1003	806	801	765	700	1174
2350	480	477	418	531	641	697	692	642	596	1025	821	816	780	713	1199
2400	489	486	426	542	654	709	705	654	602	1047	836	831	795	724	1225
2450	498	495	435	550	668	722	717	667	614	1069	851	845	810	736	1250
2500	507	503	443	560	682	735	730	679	625	1091	866	860	825	750	1276
2550	516	512	451	569	695	747	742	691	634	1112	881	875	840	762	1302
2600	525	521	459	578	709	760	755	704	643	1134	895	890	855	773	1327
2650	534	530	467	588	723	773	768	716	653	1156	910	905	870	784	1353
2700	542	539	475	595	736	786	780	728	661	1178	925	919	885	795	1378
2750	551	547	483	602	750	798	793	741	672	1200	940	934	900	806	1404
2800	560	556	491	614	763	811	806	753	679	1221	955	949	915	822	1429
2850	569	565	499	622	777	824	818	766	690	1243	970	964	930	833	1455
2900	578	574	507	629	791	837	831	778	699	1265	985	978	945	844	1480
2950	587	583	515	639	804	850	844	790	708	1287	1001	993	960	855	1506
3000	596	592	523	648	818	863	857	803	718	1309	1016	1008	975	866	1531
3050	605	601	531	656	832	876	870	815	726	1331	1032	1024	989	877	1557
3100	614	610	539	663	845	889	883	826	737	1352	1047	1039	1003	888	1582
3150	623	619	547	671	859	902	896	838	744	1374	1063	1055	1017	900	1608
3200	632	628	555	681	872	916	909	850	752	1396	1078	1070	1031	911	1633
3250	641	637	563	690	886	929	922	862	762	1418	1094	1085	1045	922	1659
3300	650	646	571	697	900	942	935	874	771	1440	1109	1101	1059	933	1684
3350	659	655	579	704	913	955	948	885	778	1461	1125	1116	1073	944	1710

Gross Income	One Child					Two Children					Three Children				
	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels
3400	668	663	586	711	917	968	961	897	784	1467	1141	1132	1087	953	1717
3450	676	672	594	719	921	980	974	909	797	1474	1154	1147	1101	966	1724
3500	684	681	602	727	925	991	987	921	805	1480	1167	1163	1115	974	1731
3550	692	690	610	734	929	1002	1000	932	812	1486	1180	1178	1129	984	1739
3600	699	699	618	741	933	1013	1013	944	822	1492	1193	1193	1143	995	1746
3650	707	708	626	749	937	1024	1026	956	831	1498	1206	1209	1157	1006	1753
3700	714	717	634	757	940	1035	1039	968	839	1505	1219	1224	1171	1017	1760
3750	722	726	641	767	944	1046	1052	980	845	1511	1232	1240	1185	1027	1768
3800	730	735	649	775	948	1057	1065	991	853	1517	1246	1255	1199	1035	1775
3850	737	744	657	783	952	1068	1078	1003	861	1523	1259	1270	1213	1046	1782
3900	743	753	665	787	956	1075	1091	1015	868	1529	1267	1286	1227	1057	1789
3950	748	760	672	793	960	1083	1101	1025	877	1536	1275	1297	1239	1066	1797
4000	753	765	678	797	964	1090	1108	1034	884	1542	1283	1306	1250	1070	1804
4050	758	771	684	806	968	1097	1115	1044	892	1548	1292	1314	1261	1083	1811
4100	763	776	691	812	971	1104	1123	1053	899	1554	1300	1322	1272	1092	1818
4150	768	781	697	818	975	1111	1130	1062	905	1560	1308	1330	1283	1100	1826
4200	773	786	703	823	979	1118	1137	1072	910	1567	1316	1339	1294	1105	1833
4250	778	791	709	831	983	1125	1144	1081	918	1573	1324	1347	1305	1116	1840
4300	783	796	716	837	987	1132	1152	1090	924	1579	1332	1355	1316	1126	1847
4350	789	802	722	844	991	1140	1159	1100	930	1585	1340	1363	1327	1134	1855
4400	794	807	728	849	995	1147	1166	1109	936	1591	1348	1371	1338	1140	1862
4450	799	812	734	856	999	1154	1173	1118	943	1598	1356	1379	1349	1150	1869
4500	804	817	741	860	1002	1161	1180	1128	949	1604	1364	1388	1360	1157	1877
4550	809	822	747	862	1006	1168	1188	1137	953	1610	1372	1396	1371	1161	1884
4600	814	827	753	871	1010	1175	1195	1146	962	1616	1381	1404	1382	1174	1891
4650	819	833	759	877	1014	1182	1202	1156	968	1622	1389	1412	1393	1180	1898
4700	824	838	766	883	1018	1190	1209	1165	974	1629	1397	1420	1404	1189	1906

Gross Income	One Child					Two Children					Three Children				
	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels
4750	829	843	772	888	1022	1197	1216	1174	979	1635	1405	1428	1415	1196	1913
4800	835	848	778	896	1026	1204	1224	1184	987	1641	1413	1437	1426	1204	1920
4850	840	853	784	900	1030	1211	1231	1193	993	1647	1421	1445	1437	1213	1927
4900	845	858	791	904	1033	1218	1238	1202	1000	1653	1429	1453	1448	1221	1935
4950	850	863	795	910	1037	1225	1245	1208	1005	1660	1437	1461	1455	1226	1942
5000	854	869	799	917	1041	1231	1252	1214	1012	1666	1444	1469	1461	1233	1949
5050	858	874	803	921	1045	1236	1259	1219	1016	1672	1450	1477	1467	1242	1956
5100	861	877	806	923	1049	1241	1265	1224	1018	1678	1456	1483	1473	1248	1964
5150	865	881	810	932	1053	1247	1270	1230	1027	1684	1462	1489	1479	1257	1971
5200	869	885	814	938	1057	1252	1275	1235	1033	1691	1468	1495	1485	1263	1978
5250	872	889	818	942	1061	1257	1281	1241	1040	1697	1474	1502	1491	1271	1985
5300	876	892	822	945	1064	1262	1286	1246	1044	1703	1480	1508	1496	1278	1993
5350	880	896	826	952	1068	1268	1291	1251	1052	1709	1486	1514	1502	1286	2000
5400	884	900	830	959	1072	1273	1296	1257	1056	1715	1492	1520	1508	1292	2007
5450	887	903	833	964	1076	1278	1302	1262	1060	1722	1498	1526	1514	1299	2014
5500	891	907	837	966	1080	1283	1307	1268	1066	1728	1504	1532	1520	1304	2022
5550	895	911	841	973	1084	1289	1312	1273	1073	1734	1510	1538	1526	1315	2029
5600	898	915	845	977	1088	1294	1318	1278	1079	1740	1516	1544	1532	1322	2036
5650	902	918	848	979	1092	1299	1323	1283	1083	1746	1522	1550	1538	1326	2043
5700	906	922	851	988	1095	1304	1328	1287	1088	1753	1528	1556	1544	1335	2051
5750	909	926	854	994	1099	1310	1333	1292	1094	1759	1534	1563	1550	1341	2058
5800	913	930	857	999	1103	1315	1339	1297	1100	1765	1541	1569	1557	1347	2065
5850	917	933	861	1001	1107	1320	1344	1301	1105	1771	1547	1575	1563	1352	2072
5900	921	937	864	1009	1111	1325	1349	1306	1113	1778	1553	1581	1569	1364	2080
5950	924	941	867	1012	1115	1330	1354	1310	1116	1784	1559	1587	1575	1371	2087
6000	928	944	870	1017	1119	1336	1360	1315	1121	1790	1565	1593	1582	1377	2094
6050	932	948	873	1023	1123	1341	1365	1319	1127	1796	1571	1599	1588	1382	2101

Gross Income	One Child					Two Children					Three Children				
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6100	935	952	876	1026	1126	1345	1370	1324	1130	1802	1576	1605	1594	1389	2109
6150	938	956	879	1032	1130	1349	1376	1329	1136	1809	1580	1611	1600	1396	2116
6200	941	959	882	1037	1134	1353	1380	1333	1142	1815	1584	1616	1607	1402	2123
6250	943	962	885	1040	1138	1357	1384	1338	1148	1821	1588	1620	1613	1408	2130
6300	946	965	889	1043	1142	1361	1388	1342	1152	1827	1592	1625	1619	1415	2138
6350	949	968	892	1048	1146	1364	1392	1347	1157	1833	1596	1629	1625	1421	2145
6400	952	971	895	1053	1150	1368	1395	1352	1161	1840	1600	1633	1631	1426	2152
6450	955	973	898	1057	1154	1372	1399	1356	1165	1846	1604	1637	1638	1434	2159
6500	958	976	901	1063	1157	1376	1403	1361	1171	1852	1608	1641	1644	1440	2167
6550	961	979	904	1068	1161	1380	1407	1365	1178	1858	1612	1645	1650	1446	2174
6600	964	982	907	1070	1165	1383	1411	1370	1183	1864	1616	1649	1656	1452	2181
6650	966	985	911	1074	1169	1387	1415	1375	1187	1871	1620	1653	1663	1459	2189
6700	969	988	915	1080	1173	1391	1418	1381	1192	1877	1624	1657	1669	1465	2196
6750	972	991	919	1085	1177	1395	1422	1387	1197	1883	1628	1661	1676	1472	2203
6800	975	994	923	1088	1181	1399	1426	1393	1200	1889	1632	1665	1683	1478	2210
6850	978	997	927	1091	1185	1402	1430	1400	1207	1895	1637	1670	1689	1484	2218
6900	981	1000	931	1096	1188	1406	1434	1406	1211	1902	1641	1674	1696	1490	2225
6950	984	1002	935	1101	1192	1410	1438	1412	1213	1908	1645	1678	1702	1495	2232
7000	987	1005	939	1105	1196	1414	1442	1418	1221	1914	1649	1682	1709	1503	2239
7050	990	1008	943	1108	1200	1418	1445	1424	1225	1920	1653	1686	1716	1509	2247
7100	992	1011	947	1113	1204	1422	1449	1431	1228	1927	1657	1690	1722	1514	2254
7150	995	1014	951	1118	1208	1425	1453	1437	1231	1933	1661	1694	1729	1517	2262
7200	997	1017	955	1122	1212	1428	1457	1443	1238	1939	1664	1698	1735	1524	2269
7250	999	1020	959	1125	1216	1430	1461	1449	1242	1946	1666	1702	1742	1530	2277
7300	1000	1023	963	1129	1220	1432	1465	1455	1246	1952	1667	1706	1749	1537	2284
7350	1002	1024	967	1135	1224	1433	1466	1462	1252	1959	1669	1708	1755	1543	2292
7400	1003	1026	971	1139	1228	1435	1468	1468	1256	1965	1671	1710	1762	1549	2299

Gross Income	One Child					Two Children					Three Children				
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7450	1004	1027	975	1142	1232	1437	1470	1474	1259	1972	1673	1712	1768	1556	2307
7500	1006	1029	979	1144	1236	1439	1472	1480	1261	1978	1674	1714	1775	1560	2314
7550	1007	1030	984	1148	1240	1440	1474	1486	1269	1984	1676	1716	1782	1564	2322
7600	1009	1032	988	1151	1244	1442	1476	1493	1273	1991	1678	1718	1788	1570	2329
7650	1010	1033	992	1156	1248	1444	1478	1499	1277	1997	1680	1719	1795	1576	2337
7700	1011	1035	995	1161	1252	1446	1479	1503	1283	2004	1681	1721	1800	1582	2344
7750	1013	1036	998	1165	1256	1447	1481	1507	1286	2010	1683	1723	1803	1589	2352
7800	1014	1038	1000	1168	1260	1449	1483	1510	1290	2017	1685	1725	1807	1593	2359
7850	1016	1039	1003	1171	1264	1451	1485	1514	1294	2023	1687	1727	1811	1597	2367
7900	1017	1041	1005	1174	1268	1453	1487	1517	1300	2030	1688	1729	1814	1603	2375
7950	1018	1042	1008	1178	1272	1454	1489	1521	1303	2036	1690	1731	1818	1610	2382
8000	1020	1044	1011	1183	1276	1456	1491	1524	1306	2042	1692	1732	1821	1614	2390
8050	1021	1045	1013	1187	1281	1458	1492	1528	1309	2049	1694	1734	1825	1616	2397
8100	1023	1047	1016	1191	1285	1460	1494	1531	1313	2055	1695	1736	1829	1625	2405
8150	1024	1048	1019	1195	1289	1461	1496	1535	1319	2062	1697	1738	1832	1631	2412
8200	1025	1050	1021	1198	1293	1463	1498	1538	1323	2068	1699	1740	1836	1635	2420
8250	1027	1051	1024	1200	1297	1465	1500	1542	1326	2075	1701	1742	1840	1638	2427
8300	1028	1053	1026	1204	1301	1467	1502	1545	1330	2081	1702	1744	1843	1645	2435
8350	1030	1054	1029	1207	1305	1469	1504	1549	1333	2087	1705	1745	1847	1651	2442
8400	1035	1055	1030	1209	1309	1476	1505	1551	1335	2094	1713	1747	1849	1655	2450
8450	1041	1058	1031	1213	1313	1484	1509	1552	1343	2100	1722	1751	1850	1659	2457
8500	1046	1063	1032	1216	1317	1491	1516	1553	1346	2107	1730	1759	1852	1665	2465
8550	1051	1068	1033	1219	1321	1498	1522	1555	1349	2113	1739	1767	1853	1670	2472
8600	1056	1072	1034	1222	1325	1506	1529	1556	1352	2120	1747	1774	1854	1673	2480
8650	1061	1077	1035	1228	1329	1513	1536	1557	1355	2126	1756	1782	1856	1679	2487
8700	1067	1082	1036	1232	1333	1520	1543	1559	1360	2132	1764	1790	1857	1685	2495
8750	1072	1087	1037	1235	1337	1528	1549	1560	1365	2139	1772	1798	1859	1690	2502

Gross Income	One Child					Two Children					Three Children				
	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels
8800	1077	1092	1038	1238	1341	1535	1556	1561	1368	2145	1781	1806	1860	1693	2510
8850	1082	1096	1039	1241	1345	1542	1563	1563	1371	2152	1789	1813	1862	1699	2517
8900	1087	1101	1040	1244	1349	1550	1570	1564	1374	2158	1798	1821	1863	1703	2525
8950	1093	1106	1041	1247	1353	1557	1576	1565	1377	2165	1806	1829	1865	1707	2533
9000	1098	1111	1042	1250	1357	1564	1583	1567	1380	2171	1815	1837	1866	1712	2540
9050	1103	1116	1043	1252	1361	1572	1590	1568	1382	2177	1823	1844	1868	1716	2548
9100	1106	1120	1044	1256	1365	1577	1597	1570	1386	2184	1829	1852	1870	1720	2555
9150	1110	1125	1048	1259	1369	1581	1603	1576	1392	2190	1834	1860	1877	1726	2563
9200	1113	1130	1052	1262	1373	1586	1610	1582	1397	2197	1840	1868	1884	1730	2570
9250	1116	1134	1056	1265	1377	1591	1616	1588	1400	2203	1845	1874	1891	1733	2578
9300	1120	1137	1060	1268	1381	1596	1620	1594	1403	2210	1851	1879	1898	1740	2585
9350	1123	1140	1064	1271	1385	1600	1624	1600	1406	2216	1856	1884	1905	1744	2593
9400	1126	1143	1067	1274	1389	1605	1629	1605	1408	2222	1862	1889	1912	1746	2600
9450	1130	1146	1071	1278	1393	1610	1633	1611	1412	2229	1867	1894	1920	1753	2608
9500	1133	1149	1075	1281	1397	1614	1637	1617	1415	2235	1873	1899	1927	1757	2615
9550	1136	1152	1079	1283	1401	1619	1642	1623	1417	2242	1878	1904	1934	1759	2623
9600	1140	1155	1083	1287	1405	1624	1646	1629	1421	2248	1884	1909	1941	1767	2630
9650	1143	1158	1087	1290	1409	1629	1650	1635	1424	2255	1889	1914	1948	1771	2638
9700	1146	1161	1090	1291	1413	1633	1655	1640	1426	2261	1895	1920	1955	1772	2645
9750	1150	1164	1094	1296	1417	1638	1659	1646	1430	2267	1900	1925	1962	1777	2653
9800	1153	1168	1098	1299	1421	1643	1664	1653	1433	2274	1906	1930	1970	1783	2660
9850	1156	1171	1103	1302	1425	1648	1669	1659	1439	2280	1911	1936	1978	1788	2668
9900	1160	1174	1107	1305	1429	1652	1674	1666	1444	2287	1917	1941	1985	1792	2676
9950	1163	1178	1111	1309	1433	1657	1678	1672	1447	2293	1922	1947	1993	1798	2683
10000	1166	1181	1115	1312	1437	1662	1683	1678	1451	2300	1928	1953	2001	1802	2691
10050	1170	1185	1120	1315	1441	1667	1688	1685	1454	2306	1933	1958	2009	1805	2698
10100	1173	1188	1124	1317	1445	1671	1693	1691	1457	2312	1939	1964	2016	1810	2706

Gross Income	One Child					Two Children					Three Children				
	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels
10150	1176	1191	1128	1317	1449	1675	1698	1698	1460	2319	1943	1969	2024	1816	2713
10200	1178	1195	1132	1321	1453	1679	1703	1704	1464	2325	1947	1975	2032	1819	2721
10250	1181	1198	1137	1324	1457	1682	1707	1711	1467	2332	1951	1981	2040	1825	2728
10300	1183	1202	1141	1328	1461	1686	1712	1717	1471	2338	1955	1986	2048	1830	2736
10350	1186	1205	1145	1330	1465	1689	1717	1724	1473	2345	1959	1992	2056	1833	2743
10400	1188	1207	1149	1334	1469	1693	1720	1730	1477	2351	1963	1996	2064	1837	2751
10450	1191	1210	1154	1338	1473	1696	1724	1737	1481	2358	1967	2000	2071	1843	2758
10500	1193	1213	1158	1341	1477	1700	1728	1743	1484	2364	1971	2004	2079	1848	2766
10550	1196	1215	1162	1343	1481	1703	1731	1750	1486	2370	1975	2008	2087	1850	2773
10600	1199	1218	1166	1348	1486	1707	1735	1756	1491	2377	1979	2012	2095	1855	2781
10650	1201	1220	1171	1351	1490	1710	1738	1763	1494	2383	1983	2016	2103	1861	2788
10700	1204	1223	1175	1354	1494	1714	1742	1769	1497	2390	1987	2020	2111	1866	2796
10750	1206	1226	1179	1358	1498	1717	1745	1776	1501	2396	1991	2024	2119	1869	2803
10800	1209	1228	1184	1361	1502	1721	1749	1782	1504	2403	1995	2028	2126	1872	2811
10850	1211	1231	1188	1361	1506	1725	1753	1789	1507	2409	1999	2032	2134	1879	2818
10900	1214	1233	1192	1363	1510	1728	1756	1795	1510	2415	2003	2036	2142	1883	2826
10950	1216	1236	1196	1366	1514	1732	1760	1802	1514	2422	2007	2040	2150	1886	2834
11000	1219	1239	1201	1369	1518	1735	1763	1808	1517	2428	2011	2044	2158	1889	2841
11050	1222	1241	1205	1373	1522	1739	1767	1815	1520	2435	2015	2048	2166	1893	2849
11100	1224	1244	1209	1376	1526	1742	1771	1821	1524	2441	2019	2052	2174	1899	2856
11150	1227	1246	1213	1380	1530	1746	1774	1828	1527	2448	2023	2056	2181	1904	2864
11200	1229	1249	1218	1382	1534	1749	1778	1834	1530	2454	2027	2060	2189	1907	2871
11250	1232	1251	1222	1386	1538	1753	1781	1841	1534	2460	2031	2064	2197	1911	2879
11300	1234	1254	1226	1390	1542	1756	1785	1847	1537	2467	2035	2068	2205	1914	2886
11350	1237	1257	1231	1391	1546	1760	1788	1854	1540	2473	2039	2072	2213	1919	2894
11400	1239	1259	1235	1391	1550	1763	1792	1861	1543	2480	2042	2076	2221	1924	2901
11450	1242	1262	1239	1395	1554	1767	1796	1867	1543	2486	2046	2080	2229	1928	2909

Gross Income	One Child					Two Children					Three Children				
	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels
11500	1245	1264	1241	1399	1558	1770	1799	1870	1546	2493	2050	2084	2231	1932	2916
11550	1247	1267	1244	1402	1562	1774	1803	1872	1549	2499	2055	2088	2233	1935	2924
11600	1250	1270	1246	1405	1566	1778	1806	1875	1553	2505	2059	2092	2235	1939	2931
11650	1253	1272	1248	1408	1570	1782	1810	1878	1556	2512	2064	2096	2237	1946	2939
11700	1256	1275	1251	1412	1574	1786	1814	1880	1559	2518	2069	2100	2239	1949	2946
11750	1259	1277	1253	1415	1578	1790	1817	1883	1562	2525	2074	2105	2242	1952	2954
11800	1262	1280	1255	1417	1582	1795	1821	1886	1566	2531	2078	2109	2244	1956	2961
11850	1264	1283	1257	1417	1586	1799	1825	1888	1569	2538	2083	2114	2246	1959	2969
11900	1267	1286	1260	1421	1590	1803	1829	1891	1572	2544	2088	2119	2248	1966	2977
11950	1270	1289	1262	1424	1594	1807	1833	1893	1576	2550	2092	2123	2250	1970	2984
12000	1273	1292	1264	1427	1598	1811	1838	1896	1579	2557	2097	2128	2252	1973	2992
12050	1276	1295	1267	1430	1602	1815	1842	1899	1582	2563	2102	2133	2254	1976	2999
12100	1279	1298	1269	1434	1606	1819	1846	1901	1586	2570	2107	2138	2256	1980	3007
12150	1282	1301	1271	1437	1610	1823	1850	1904	1589	2576	2111	2143	2258	1983	3014
12200	1285	1304	1273	1439	1614	1827	1854	1906	1590	2583	2116	2147	2260	1989	3022
12250	1287	1306	1276	1439	1618	1831	1858	1909	1590	2589	2121	2152	2262	1993	3029
12300	1290	1309	1278	1443	1622	1835	1863	1912	1595	2595	2125	2157	2265	1998	3037
12350	1293	1312	1280	1446	1626	1839	1867	1914	1598	2602	2130	2162	2267	2001	3044
12400	1296	1315	1283	1450	1630	1843	1871	1917	1601	2608	2135	2167	2269	2004	3052
12450	1299	1318	1285	1453	1634	1848	1875	1920	1605	2615	2140	2171	2272	2008	3059
12500	1302	1321	1289	1456	1638	1852	1879	1926	1608	2621	2144	2176	2279	2011	3067
12550	1305	1324	1292	1460	1642	1856	1883	1932	1611	2628	2149	2181	2286	2018	3074
12600	1307	1327	1296	1463	1646	1860	1887	1937	1614	2634	2154	2186	2294	2022	3082
12650	1310	1330	1300	1465	1650	1864	1891	1943	1618	2640	2158	2190	2301	2025	3089
12700	1313	1333	1303	1465	1654	1868	1896	1949	1621	2647	2163	2195	2308	2028	3097
12750	1316	1336	1307	1468	1658	1872	1900	1955	1624	2653	2168	2200	2315	2032	3104
12800	1319	1338	1311	1472	1662	1876	1904	1960	1628	2660	2173	2205	2322	2035	3112

Gross Income	One Child					Two Children					Three Children				
	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels
12850	1322	1341	1314	1475	1666	1880	1908	1966	1629	2666	2177	2210	2329	2038	3119
12900	1325	1344	1318	1478	1670	1884	1912	1972	1629	2673	2182	2214	2336	2041	3127
12950	1327	1347	1321	1482	1674	1888	1916	1977	1633	2679	2187	2219	2344	2049	3135
13000	1330	1350	1325	1485	1678	1892	1920	1983	1637	2686	2191	2224	2351	2053	3142
13050	1333	1353	1329	1486	1682	1896	1924	1989	1640	2692	2196	2229	2358	2056	3150
13100	1336	1356	1332	1486	1686	1901	1929	1995	1642	2698	2201	2233	2365	2058	3157
13150	1339	1359	1336	1490	1691	1905	1933	2000	1646	2705	2206	2238	2372	2062	3165
13200	1342	1362	1340	1494	1695	1909	1937	2006	1650	2711	2210	2243	2379	2066	3172
13250	1345	1365	1343	1497	1699	1913	1941	2012	1653	2718	2215	2248	2387	2069	3180
13300	1348	1367	1347	1500	1703	1917	1945	2017	1656	2724	2220	2252	2394	2073	3187
13350	1350	1370	1350	1504	1707	1921	1949	2023	1660	2731	2224	2257	2401	2080	3195
13400	1353	1373	1354	1507	1711	1925	1953	2029	1663	2737	2229	2262	2408	2083	3202
13450	1356	1376	1357	1508	1715	1929	1958	2034	1664	2743	2234	2267	2415	2087	3210
13500	1359	1379	1360	1509	1719	1933	1962	2039	1665	2750	2239	2272	2421	2090	3217
13550	1362	1382	1363	1512	1723	1937	1966	2044	1668	2756	2243	2276	2427	2093	3225
13600	1365	1385	1366	1516	1727	1941	1970	2049	1672	2763	2248	2281	2434	2097	3232
13650	1368	1388	1369	1519	1731	1945	1974	2054	1675	2769	2253	2286	2440	2100	3240
13700	1370	1391	1372	1522	1735	1950	1978	2059	1678	2776	2257	2291	2447	2105	3247
13750	1373	1393	1375	1525	1739	1954	1982	2063	1681	2782	2262	2295	2453	2110	3255
13800	1376	1396	1378	1529	1743	1958	1986	2068	1685	2788	2267	2300	2459	2114	3262
13850	1379	1399	1381	1532	1747	1962	1991	2073	1688	2795	2272	2305	2466	2117	3270
13900	1382	1402	1384	1534	1751	1966	1995	2078	1692	2801	2276	2310	2472	2121	3278
13950	1385	1405	1387	1534	1755	1970	1999	2083	1694	2808	2281	2315	2478	2123	3285
14000	1388	1408	1389	1538	1759	1974	2003	2088	1694	2814	2286	2319	2485	2127	3293
14050	1391	1411	1392	1541	1763	1978	2007	2092	1697	2821	2290	2324	2491	2131	3300
14100	1393	1414	1395	1545	1767	1982	2011	2097	1701	2827	2295	2329	2497	2136	3308
14150	1396	1417	1398	1547	1771	1986	2015	2102	1703	2833	2300	2334	2504	2141	3315

Gross Income	One Child					Two Children					Three Children				
	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels
14200	1399	1420	1401	1551	1775	1990	2019	2107	1707	2840	2305	2338	2510	2145	3323
14250	1402	1422	1404	1554	1779	1994	2024	2112	1710	2846	2309	2343	2516	2148	3330
14300	1405	1425	1407	1558	1783	1998	2028	2117	1714	2853	2314	2348	2523	2151	3338
14350	1408	1428	1410	1560	1787	2003	2032	2122	1716	2859	2319	2353	2529	2154	3345
14400	1411	1431	1413	1564	1791	2006	2036	2126	1720	2866	2323	2357	2536	2158	3353
14450	1413	1434	1416	1568	1795	2010	2040	2131	1724	2872	2327	2362	2542	2161	3360
14500	1416	1437	1419	1569	1799	2014	2044	2136	1727	2878	2331	2367	2548	2167	3368
14550	1418	1440	1422	1570	1803	2017	2048	2141	1730	2885	2335	2372	2555	2172	3375
14600	1421	1443	1425	1573	1807	2021	2052	2146	1733	2891	2339	2377	2561	2175	3383
14650	1424	1446	1427	1576	1811	2024	2056	2151	1733	2898	2343	2381	2567	2179	3390
14700	1426	1448	1430	1580	1815	2027	2060	2156	1736	2904	2346	2385	2574	2182	3398
14750	1429	1451	1433	1583	1819	2031	2064	2160	1739	2911	2350	2390	2580	2185	3405
14800	1431	1454	1437	1586	1823	2034	2068	2165	1742	2917	2354	2394	2585	2188	3413
14850	1434	1457	1441	1590	1827	2038	2072	2170	1746	2923	2358	2398	2590	2196	3420
14900	1436	1460	1444	1593	1831	2041	2076	2175	1749	2930	2362	2402	2595	2200	3428
14950	1439	1463	1448	1596	1835	2045	2079	2180	1752	2936	2366	2407	2601	2203	3436
15000	1441	1466	1451	1599	1839	2048	2083	2185	1755	2943	2369	2411	2606	2206	3443
15050	1444	1468	1455	1603	1843	2051	2087	2190	1759	2949	2373	2415	2611	2210	3451
15100	1446	1471	1459	1606	1847	2055	2091	2195	1762	2956	2377	2419	2616	2213	3458
15150	1449	1474	1462	1609	1851	2058	2095	2200	1765	2962	2381	2424	2621	2218	3466
15200	1452	1477	1466	1612	1855	2062	2099	2204	1768	2969	2385	2428	2626	2223	3473
15250	1454	1480	1469	1616	1859	2065	2102	2209	1772	2975	2388	2432	2631	2227	3481
15300	1457	1483	1473	1619	1863	2069	2106	2214	1775	2981	2392	2436	2637	2230	3488
15350	1459	1485	1477	1623	1867	2072	2110	2219	1779	2988	2396	2441	2642	2234	3496
15400	1462	1488	1480	1625	1871	2076	2114	2224	1781	2994	2400	2445	2647	2236	3503
15450	1464	1491	1484	1625	1875	2079	2118	2229	1785	3001	2404	2449	2652	2240	3511
15500	1467	1494	1488	1628	1879	2082	2122	2234	1789	3007	2408	2453	2657	2247	3518

Gross Income	One Child					Two Children					Three Children				
	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels
15550	1469	1497	1491	1632	1883	2086	2125	2239	1792	3014	2411	2458	2662	2251	3526
15600	1472	1500	1495	1635	1887	2089	2129	2244	1794	3020	2415	2462	2667	2255	3533
15650	1474	1502	1498	1638	1891	2093	2133	2248	1794	3026	2419	2466	2673	2258	3541
15700	1477	1505	1502	1641	1896	2096	2137	2253	1797	3033	2423	2471	2678	2261	3548
15750	1480	1508	1506	1645	1900	2100	2141	2258	1801	3039	2427	2475	2683	2267	3556
15800	1482	1511	1509	1648	1904	2103	2145	2263	1804	3046	2430	2479	2688	2272	3563
15850	1485	1514	1513	1651	1908	2107	2148	2268	1807	3052	2434	2483	2693	2275	3571
15900	1487	1517	1516	1655	1913	2110	2152	2273	1811	3061	2438	2488	2698	2279	3581
15950	1490	1519	1520	1658	1919	2113	2156	2278	1814	3070	2442	2492	2703	2282	3592
16000	1492	1522	1524	1663	1925	2117	2160	2283	1817	3080	2446	2496	2709	2287	3604
16050	1495	1525	1527	1668	1931	2120	2164	2288	1820	3090	2450	2500	2714	2292	3615
16100	1497	1528	1530	1672	1937	2124	2168	2291	1824	3099	2453	2505	2718	2296	3626
16150	1500	1531	1531	1675	1943	2127	2171	2293	1827	3109	2457	2509	2720	2299	3637
16200	1502	1534	1533	1679	1949	2131	2175	2296	1830	3118	2461	2513	2723	2303	3649
16250	1505	1536	1534	1681	1955	2134	2179	2298	1833	3128	2465	2517	2726	2305	3660
16300	1508	1539	1536	1685	1961	2137	2183	2300	1837	3138	2469	2522	2729	2313	3671
16350	1510	1542	1537	1689	1967	2141	2187	2303	1840	3147	2473	2526	2732	2317	3682
16400	1513	1545	1539	1692	1973	2145	2190	2305	1844	3157	2478	2530	2735	2320	3694
16450	1516	1547	1540	1694	1979	2149	2194	2307	1846	3167	2483	2534	2737	2323	3705
16500	1519	1550	1542	1698	1985	2154	2198	2309	1850	3176	2487	2539	2740	2330	3716
16550	1522	1553	1543	1701	1991	2158	2202	2312	1853	3186	2492	2544	2743	2334	3727
16600	1524	1556	1545	1703	1997	2162	2206	2314	1855	3195	2496	2548	2745	2336	3739
16650	1527	1559	1546	1707	2003	2166	2211	2316	1863	3205	2501	2553	2748	2340	3750
16700	1530	1562	1547	1710	2009	2170	2215	2318	1866	3215	2506	2558	2751	2346	3761
16750	1533	1565	1549	1713	2015	2174	2219	2320	1869	3224	2510	2562	2753	2350	3772
16800	1536	1568	1550	1716	2021	2178	2223	2322	1872	3234	2515	2567	2756	2353	3784
16850	1539	1570	1552	1719	2027	2182	2227	2325	1875	3244	2520	2572	2759	2356	3795

Gross Income	One Child					Two Children					Three Children				
	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels
16900	1541	1573	1553	1724	2033	2186	2231	2327	1878	3253	2524	2577	2761	2361	3806
16950	1544	1576	1554	1729	2039	2190	2235	2329	1881	3263	2529	2581	2764	2366	3817
17000	1547	1579	1556	1733	2045	2194	2239	2331	1884	3272	2533	2586	2767	2370	3829
17050	1550	1582	1557	1736	2051	2198	2243	2333	1887	3282	2538	2591	2769	2373	3840
17100	1553	1585	1559	1738	2057	2202	2247	2335	1889	3292	2543	2595	2772	2375	3851
17150	1555	1588	1560	1742	2063	2206	2251	2338	1893	3301	2547	2600	2775	2382	3863
17200	1558	1590	1561	1745	2069	2210	2255	2340	1896	3311	2552	2605	2777	2386	3874
17250	1561	1593	1563	1746	2075	2214	2259	2342	1898	3321	2557	2609	2780	2388	3885
17300	1564	1596	1564	1751	2081	2218	2263	2344	1902	3330	2561	2614	2782	2392	3896
17350	1567	1599	1566	1756	2087	2222	2267	2346	1905	3340	2566	2619	2785	2398	3908
17400	1569	1602	1567	1761	2093	2226	2271	2348	1908	3349	2570	2623	2788	2402	3919
17450	1572	1605	1568	1764	2099	2230	2276	2351	1911	3359	2575	2628	2790	2405	3930
17500	1575	1608	1570	1767	2105	2234	2280	2353	1917	3369	2580	2633	2793	2411	3941
17550	1578	1610	1571	1770	2111	2238	2284	2355	1922	3378	2584	2638	2796	2416	3953
17600	1581	1613	1573	1772	2117	2242	2288	2357	1924	3388	2589	2642	2798	2418	3964
17650	1584	1616	1574	1780	2123	2246	2292	2359	1928	3398	2594	2647	2801	2422	3975
17700	1586	1619	1575	1783	2129	2250	2296	2361	1931	3407	2598	2652	2804	2427	3986
17750	1589	1622	1577	1785	2135	2254	2300	2363	1933	3417	2603	2656	2806	2431	3998
17800	1592	1625	1578	1789	2142	2258	2304	2366	1937	3426	2607	2661	2809	2435	4009
17850	1595	1628	1580	1792	2148	2262	2308	2368	1940	3436	2612	2666	2811	2441	4020
17900	1598	1630	1581	1794	2154	2266	2312	2370	1941	3446	2617	2670	2814	2444	4031
17950	1600	1633	1582	1803	2160	2270	2316	2372	1950	3455	2621	2675	2817	2448	4043
18000	1603	1636	1584	1806	2166	2274	2320	2374	1953	3465	2626	2680	2819	2454	4054
18050	1606	1639	1585	1809	2172	2278	2324	2376	1956	3475	2631	2684	2822	2459	4065
18100	1609	1642	1587	1811	2178	2282	2328	2379	1959	3484	2635	2689	2825	2461	4076
18150	1612	1645	1588	1815	2184	2286	2332	2381	1962	3494	2640	2694	2827	2468	4088
18200	1614	1648	1589	1820	2190	2290	2336	2383	1965	3503	2644	2699	2830	2472	4099

Gross Income	One Child					Two Children					Three Children				
	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels
18250	1617	1650	1592	1824	2196	2294	2340	2386	1967	3513	2649	2703	2833	2474	4110
18300	1620	1653	1594	1828	2202	2298	2345	2389	1975	3523	2654	2708	2836	2482	4122
18350	1623	1656	1596	1831	2208	2302	2349	2392	1978	3532	2658	2713	2840	2485	4133
18400	1626	1659	1598	1833	2214	2306	2353	2395	1980	3542	2663	2717	2843	2487	4144
18450	1629	1662	1601	1841	2220	2310	2357	2398	1984	3552	2668	2722	2846	2495	4155
18500	1631	1665	1603	1844	2226	2314	2361	2401	1987	3561	2672	2727	2850	2499	4167
18550	1634	1667	1605	1849	2232	2318	2365	2404	1992	3571	2677	2731	2853	2503	4178
18600	1637	1670	1607	1855	2238	2322	2369	2408	1998	3580	2681	2736	2856	2509	4189
18650	1640	1673	1610	1858	2244	2326	2373	2411	2001	3590	2686	2741	2860	2512	4200
18700	1643	1676	1612	1859	2250	2330	2377	2414	2002	3600	2691	2745	2863	2513	4212
18750	1645	1679	1614	1863	2256	2334	2381	2417	2006	3609	2695	2750	2866	2522	4223
18800	1648	1682	1616	1870	2262	2338	2385	2420	2010	3619	2700	2755	2870	2529	4234
18850	1651	1685	1619	1874	2268	2342	2389	2423	2015	3629	2705	2759	2873	2533	4245
18900	1654	1687	1621	1876	2274	2346	2393	2426	2019	3638	2709	2764	2876	2535	4257
18950	1657	1690	1623	1884	2280	2350	2397	2429	2023	3648	2714	2769	2880	2542	4268
19000	1660	1693	1625	1887	2286	2354	2401	2432	2026	3657	2718	2774	2883	2546	4279
19050	1662	1696	1628	1889	2292	2358	2405	2436	2028	3667	2723	2778	2886	2548	4290
19100	1665	1699	1630	1897	2298	2362	2409	2439	2036	3677	2728	2783	2890	2556	4302
19150	1668	1702	1632	1901	2304	2366	2414	2442	2039	3686	2732	2788	2893	2562	4313
19200	1671	1705	1635	1905	2310	2370	2418	2445	2042	3696	2737	2792	2896	2567	4324
19250	1674	1707	1637	1911	2316	2374	2422	2448	2045	3706	2742	2797	2900	2570	4335
19300	1676	1710	1639	1914	2322	2378	2426	2451	2052	3715	2746	2802	2903	2576	4347
19350	1679	1713	1641	1919	2328	2382	2430	2454	2056	3725	2751	2806	2906	2582	4358
19400	1682	1716	1644	1924	2334	2386	2434	2457	2058	3734	2756	2811	2910	2587	4369
19450	1684	1719	1646	1927	2340	2389	2438	2460	2065	3744	2759	2816	2913	2590	4381
19500	1686	1722	1648	1933	2346	2392	2442	2464	2069	3754	2762	2820	2917	2596	4392
19550	1689	1725	1650	1937	2352	2395	2446	2467	2071	3763	2766	2825	2920	2600	4403

Gross Income	One Child					Two Children					Three Children				
	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels	Existing	BR3 & 2014 AZ Taxes & Price Levels	BR4 & AZ Taxes	NJ Child-Rearing Cost & AZ Taxes & 2012 Price Levels	USDA Child-Rearing Cost & AZ Taxes & 2014 Price Levels
19600	1691	1727	1653	1941	2358	2398	2450	2470	2075	3773	2769	2830	2923	2608	4414
19650	1693	1729	1655	1946	2364	2401	2453	2473	2081	3783	2772	2833	2927	2614	4426
19700	1695	1732	1657	1950	2370	2403	2456	2476	2084	3792	2776	2836	2930	2617	4437
19750	1697	1734	1659	1958	2376	2406	2459	2479	2088	3802	2779	2839	2933	2621	4448
19800	1699	1736	1662	1961	2382	2409	2462	2482	2094	3811	2782	2843	2937	2627	4459
19850	1701	1738	1664	1966	2388	2412	2465	2485	2099	3821	2785	2846	2940	2633	4471
19900	1703	1740	1666	1972	2394	2415	2467	2488	2102	3831	2789	2849	2943	2639	4482
19950	1705	1742	1668	1975	2400	2418	2470	2492	2108	3840	2792	2853	2947	2645	4493
20000	1708	1744	1671	1979	2406	2421	2473	2495	2113	3850	2795	2856	2950	2651	4504