Calculating Child Support and its Distribution between Parents

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This paper examines the cost of raising children in cases of parents' separation and the proper distribution of costs between parents, providing a mechanism in the form of a mathematical formula for implementing the Supreme Court's 2017 LFamA 919/15 ruling regarding children's child support. When determining child support payments, the Court can base itself on this formula, relying as it does on objective and transparent estimations of the cost of raising children, taking parents' total and individual incomes, number of children and their age and the amount of time spent by each parent into account. Estimations are based on empirical data regarding household spending and economic research, using advanced methodology developed in the past decades in the relevant economic literature. This formula facilitates ruling on child support in accordance with objective parameters instead of mostly arbitrary suppositions, and further creates a mechanism by which the extent of expected child support payments can be predicted, leading to a significant reduction in court deliberations. Our research is also directed towards legislators, who are invited to adopt it and anchor it properly in law.

After an **introductory chapter**, **the second chapter** reviews the legal background.

 The **third chapter** discusses the cost of raising children while **the fourth** looks at how said cost should be divided between separated parents.

The **fifth chapter** examines the cost of separate living and how to calculate the loss of the "economies of scale" advantage.

The **sixth chapter** deals with the split of residence and the types of childcare costs; the **seventh chapter** deals with incomes.

The **eighth chapter** presents the formula for dividing costs and determining child support, while the **ninth** describes other arrangements around the world.

The **tenth chapter** tackles the issue of adding payment for the element of direct parental care and the **eleventh chapter** handles updating mechanisms for later changes in income or data.

Summary:

Historically, the amount of child support fathers were ordered to pay was determined without considering their income, the mothers' income or the distribution of childcare. The Supreme Court in 2017 ruled that child support from six years of age should be determined in proportion to the parents' incomes and to direct childcare expenses. This should have led to the creation of stable rules and predictability, but the Court left some questions open, the biggest of these being – what *is* the cost of raising a child, and how is that determined? This lacuna created chaos, with courts continuing to arbitrarily make assumptions about expenses; assumptions that had already been demonstrated to often be at odds with statistical data.

Thus, rather than creating legal certainty and reducing disagreements over child support, uncertainty and turmoil skyrocketed, as various judges and scholars began using different sums, each according to their own point of view.

This research **offers a way forward** in an empirical review of the question, relying on the Karlinsky and Harel 2019 research published in The Economic Quarterly, estimating the cost of raising children based on empirical data from The Central Bureau of Statistics' survey of household expenses. The paper demonstrates how the Court's legal rule can be formulated mathematically as: the cost of childcare times the proportion between parents' incomes minus the direct childcare costs of each parent (largely determined by children's length of stay with each parent).

Other open questions are also addressed with in-depth discussion, offering detailed solutions on issues such as: whether different types of expenses should be differentiated; how exactly costs should be divided, how each income should be measured, whether sums determined by the Court should be updated in the case of change and what the significance is of splitting a household into two.

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