FILED
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CLERK SUPREME COURT

IN THE COURT OF APPEALS OF IOWA

IN RE THE MARRIAGE OF SUSAN K. HARROLD AND DONALD S. HARROLD

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UPON THE PETITION OF SUSAN K. HARROLD, Petitioner-Appellee, AND CONCERNING DONALD S. HARROLD, Respondent-Appellant.	)))))	Filed January 26, 1982 1-442 2-66561

Appeal from Webster District Court, Russell J. Hill, Judge.

Respondent-husband appeals from modification of the parties' dissolution decree, asserting there was no substantial and material change of circumstances justifying an increase in his child support obligation. AFFIRMED.

Kurt L. Wilke of Bennet, Wilke & Barbour, Fort Dodge, for respondent-appellant.

Claire F. Carlson of Kersten, Opheim, Carlson & Trevino, Fort Dodge, for petitioner-appellee.

Considered by Oxberger, C.J., and Donielson, Snell, Carter, and Johnson, JJ.

Respondent-husband appeals from modification of the parties' dissolution decree, asserting there was no substantial and material change of circumstances justifying an increase in his child support obligation. We find substantial and material change of circumstances, which justify the increase of respondent's child support obligation.

Respondent, Donald S. Harrold, and petitioner, Susan K. Harrold, were divorced by order of court on February 1, 1978. The decree incorporated an agreement between the parties' regarding child custody, child support, and division of property. The decree also indicated Donald was to provide to Susan evidence of his annual earnings in order to "inform [Susan] if [Donald] has a substantial increase in income so that she might bring the matter of child support before the Court again."

Since the decree, Donald has accumulated an equity of $25,000 in a house. His monthly gross income has increased from $600 to $910. Donald estimates his current net income to be $660 per month. Although Donald was evasive in his responses to questions about his financial status, there was evidence he received income from a tenant-roomer in his home and has received some gifts. Susan earned $975 per month at the time of the decree and now earns $1120 per month. Susan has a net monthly income of $700 per month and estimated expenses of $1088 per month.

The trial court concluded Susan had proven a substantial and material change of circumstance by a preponderance of the evidence and raised Donald's child support obligation to $350 per month. Upon our de novo review of the record, In re Marriage of Melton, 256 N.W.2d 200, 205 (Iowa 1977), we agree with the trial court's conclusion.

Initially, Donald and Susan agreed to a child support payment of $140 per month. The trial court cautiously accepted their agreement. The court noted,

however, Donald was to provide annual income reports in order to provide Susan the necessary information to bring an action to modify the child support payments being made by Donald. From the trial court's inclusion of that provision in the decree, we think the conclusion is obvious the $140 per month child support payment reflected Donald's ability to pay rather than the actual needs of the children. See In re Marriage of Burham, 283 N.W.2d 269, 277 (Iowa 1979). As is often the case, the trial court was called upon to divide an inadequate financial pool among the husband, the wife and the children. Donald's realization of a substantial and material increase in his income and equity makes a commensurate increase in his support obligation to the children equitable. See Spaulding v. Spaulding, 204 N.W.2d 634, 635 (Iowa 1973).

We are also sensitive to the effects of inflation upon Susan's ability to provide for the children. Page v. Page, 219 N.W.2d 556, 558 (Iowa 1974). Considering the aggregation of the improvement in Donald's financial situation, Susan's static or possibly worse financial position due to inflation and the nature of the trial court's original provisions on child support, we conclude Susan has established sufficient changes of circumstance since the decree to warrant a modification of the child support payments.

In reaching our conclusion, we reaffirm our adherence to the principle that the trial court has reasonable discretion in modifying a decree and we will not disturb its decision unless the record fairly shows the trial court failed to do equity. Pucci v. Pucci, 143 N.W.2d 353, 357 (Iowa 1966); White v. White, 251 Iowa 440, 443, 101 N.W.2d 18, 21 (Iowa 1960). We find the record indicates that the trial court took proper cognizance of the relative financial standings of the parties' and needs of the children and struck a fair balance in allocating the burdens of the change in circumstances between the parties.

AFFIRMED.