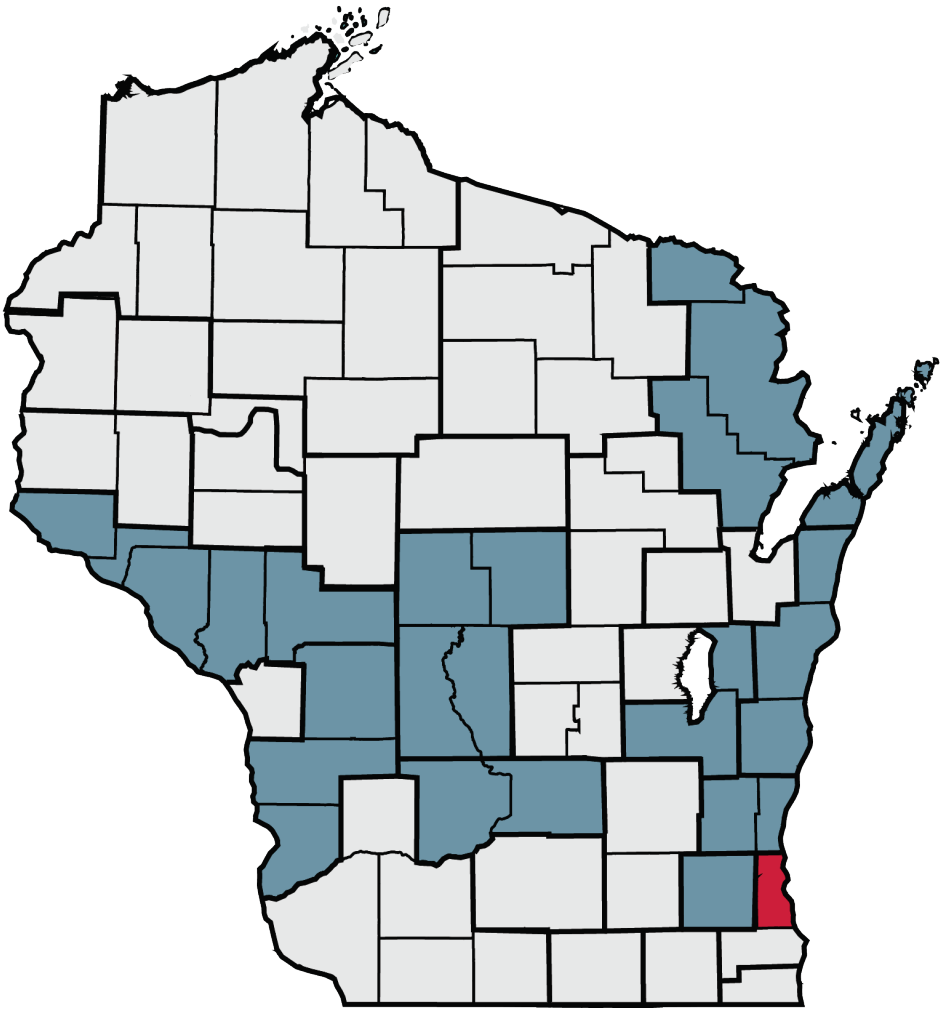


Wisconsin Poverty Report: Progress Against Poverty Stalls in 2016

The Tenth Annual Report of the Wisconsin Poverty Project



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ABOUT THE WISCONSIN POVERTY PROJECT

The Wisconsin Poverty Project came into being in late 2008, when a group of researchers at the University of Wisconsin–Madison’s Institute for Research on Poverty (IRP) sought to gain a more accurate and timely assessment of poverty throughout the state as the worst recession in the postwar era was gripping the nation. The researchers’ efforts, which align with broader efforts including federal development of the Supplemental Poverty Measure, sought to inform policy with up-to-date and place-specific data that go beyond the official statistics for Wisconsin. The project, which each year produces a *Wisconsin Poverty Report*—this one marking the tenth—joins other endeavors by University of Wisconsin System faculty and staff to improve the lives of people throughout the state in the spirit of the Wisconsin Idea. Simply put, the Wisconsin Poverty Project model reflects IRP’s commitment to informing public policy with research findings and, consistent with this idea, one of our main goals in developing the Wisconsin Poverty Measure is to serve as a model for other states and localities seeking to craft their own more meaningful measures of poverty. Details about the model, including programming and other technical details, are available online. See <https://www.irp.wisc.edu/research/poverty-measurement/> for more information on earlier reports and technical details.

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ABOUT THE INSTITUTE FOR RESEARCH ON POVERTY

The Institute for Research on Poverty (IRP) is a unit within the College of Letters and Science at the University of Wisconsin–Madison. It was established in 1966 as the nation’s original poverty research center for interdisciplinary study of the causes, consequences, and cures of poverty and social inequality in the United States. Major funding is provided by the U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation (ASPE). As a National Poverty Research Center sponsored by ASPE, IRP has a particular interest in poverty and family welfare in the nation as well as Wisconsin.

DISCLAIMER

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This report is available in a printable format on IRP’s website at <https://www.irp.wisc.edu/research/poverty-measurement/>.

ⁱSee S. Ruggles, J. T. Alexander, K. Genadek, R. Goeken, M. B. Schroeder, and M. Sobek, *Integrated Public Use Microdata Series: Version 5.0* [Machine-readable database], Minneapolis: University of Minnesota, 2010.

COVER MAP KEY: Map depicts 2016 poverty rates using the Wisconsin Poverty Measure. Areas below the state average of 10.8 percent are teal, gray areas have no statistically significant difference from 10.8 percent, and the red area in Milwaukee is higher than 10.8 percent. See page 18 for further details.

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EXECUTIVE SUMMARY

The Wisconsin Poverty Measure (WPM) poverty rate rose to 10.8 percent in 2016, a significant increase from 2015, despite expanded employment in the state during the period of this report. The official poverty rate in the state also rose significantly in 2016, to 11.8 percent. Market-income poverty, which reflects employment levels and is a gauge of economic health, also rose slightly, even as jobs expanded.

Poverty rates rose for children and elders as well. Both the Wisconsin Poverty Measure and official rates for families with children also rose by significant amounts in 2016, as the child poverty rate for the WPM reached 12.0 percent, two points higher than in 2015. Yet, the WPM for children, which takes into account resources from tax credits and noncash benefits as well as earnings, was almost 5 percentage points below the official poverty rate for children of 16.9 percent. Between 2015 and 2016, elderly poverty in Wisconsin as measured by the WPM rose significantly from 7.8 to 9.0 percent.

While benefits from the safety net (especially food support and refundable tax credits) played a large role in poverty reduction, changes in the Supplemental Nutrition Assistance Program or SNAP participation (called FoodShare in Wisconsin) reduced these positive effects in 2016 compared to earlier years. Other trends that decreased resources over the past two years include rising childcare and other work-related expenses for families with children, and increasing medical out-of-pocket expenses, especially for the elderly.

The Wisconsin Poverty Measure is based on the Federal Supplemental Poverty Measure methodology, and reflects expenditures on food, clothing, shelter, and transportation by lower-income families nationwide, adjusted for cost of living differences between Wisconsin and the nation as a whole. Because expenditures on these staples increased nationally, the poverty line used in the WPM is now \$2,200 a year above the official poverty line. This difference also contributed to slightly higher WPM numbers.

Although the social safety net provided a buffer against poverty during the recession—and still makes a big difference in countering poverty—the effects are beginning to shrink because of changes in the SNAP program, payroll taxes, medical expenses, and work-related expenses. This has left the WPM poverty rate about the same as in earlier years, showing little or no effect of a slowly expanding Wisconsin economy through 2016.

We also examine poverty rates across regions of the state, revealing high poverty rates in Milwaukee County, but with many more substate areas doing much better than the rest of Wisconsin. A full 26 of 72 total Wisconsin counties found their poverty rates below the state average by a significant amount. This pattern suggests an uneven recovery of jobs and incomes across regions within our state, but with poverty rates falling in many areas. Eastern parts of the state, the counties north and west of Milwaukee, and those in the west central region of the state are showing the way, all with poverty rates significantly below 10.8 percent.

Poverty rates across subcounty regions show variations that are more dramatic within the largest counties than across the 28 county and multicounty areas in the state. For instance, in Milwaukee County, overall WPM poverty rates ranged from about 8 percent in one southern subcounty area to 38 percent in the central city of Milwaukee in 2016, suggesting a significant segregation of the poor and the rich. The variation in child poverty rates in Milwaukee County was even larger than the variation in the overall WPM rate for the county.

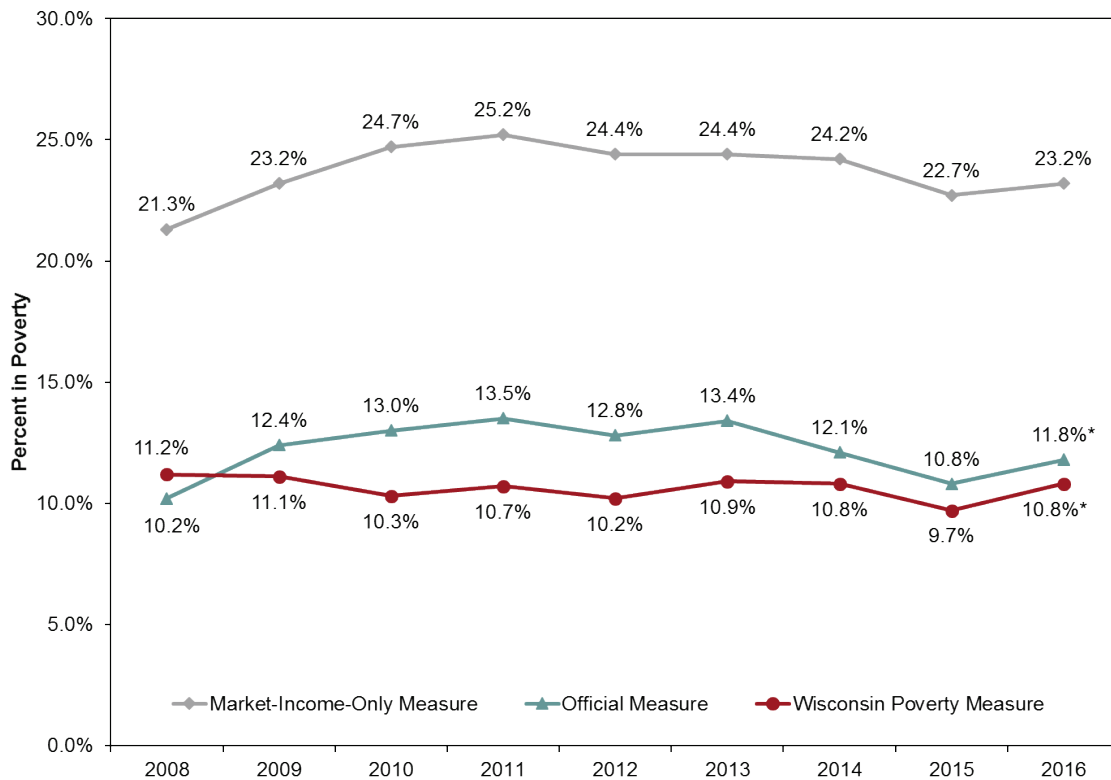
Because we believe that the long-term solution to poverty for the able-bodied non-elderly is a secure job that pays well, not an indefinite income support program, these findings are discouraging. New problem areas, such as the rising costs of child care and medical care, are becoming more widespread and offsetting the economic and job recovery in our state.

This report also underscores the importance of the safety net that is now doing less in Wisconsin than a few years ago to enhance low earnings for families with children, put food on the table, and encourage self-reliance. Under current conditions, work alone does not solve the poverty problem for adults and families with children.

INTRODUCTION

To understand poverty in Wisconsin, and the influence of both the economy and public poverty policies, it is important to use appropriate poverty measures. We now have nine years of data analyzing poverty with the Wisconsin Poverty Measure (WPM), a measure developed at the Institute for Research on Poverty (IRP) at the University of Wisconsin–Madison to better reflect the needs and resources of Wisconsin residents. We can track how poverty changed over the course of the Great Recession—the worst recession in the postwar era—and as the economy has recovered over the past seven years. During the recession, employment fell sharply in the state and did not return to its March 2008 high until July 2015, more than seven years later. Employment growth of 77,000 jobs over the January 2015–November 2016 period covered by the 2016 American Community Survey (ACS) public use data was not enough to push down poverty by itself, and it now appears that employment growth might have peaked in fall 2017 (Figure 2). Poverty rates are affected by both market forces and programs designed to enhance earnings and supplement the incomes of poor individuals and families.

Figure 1. Wisconsin Poverty Rates under Three Measures, 2008–2016



Source: IRP tabulations using 2008–2016 American Community Survey public use data. The sample available for public use is 66 percent of the entire sample in Wisconsin, and we exclude college students living off campus with earnings less than \$5,000 (see page 6). Calculations of the OPM for Wisconsin in this report may differ slightly from those available in the full sample or on the ACS website.

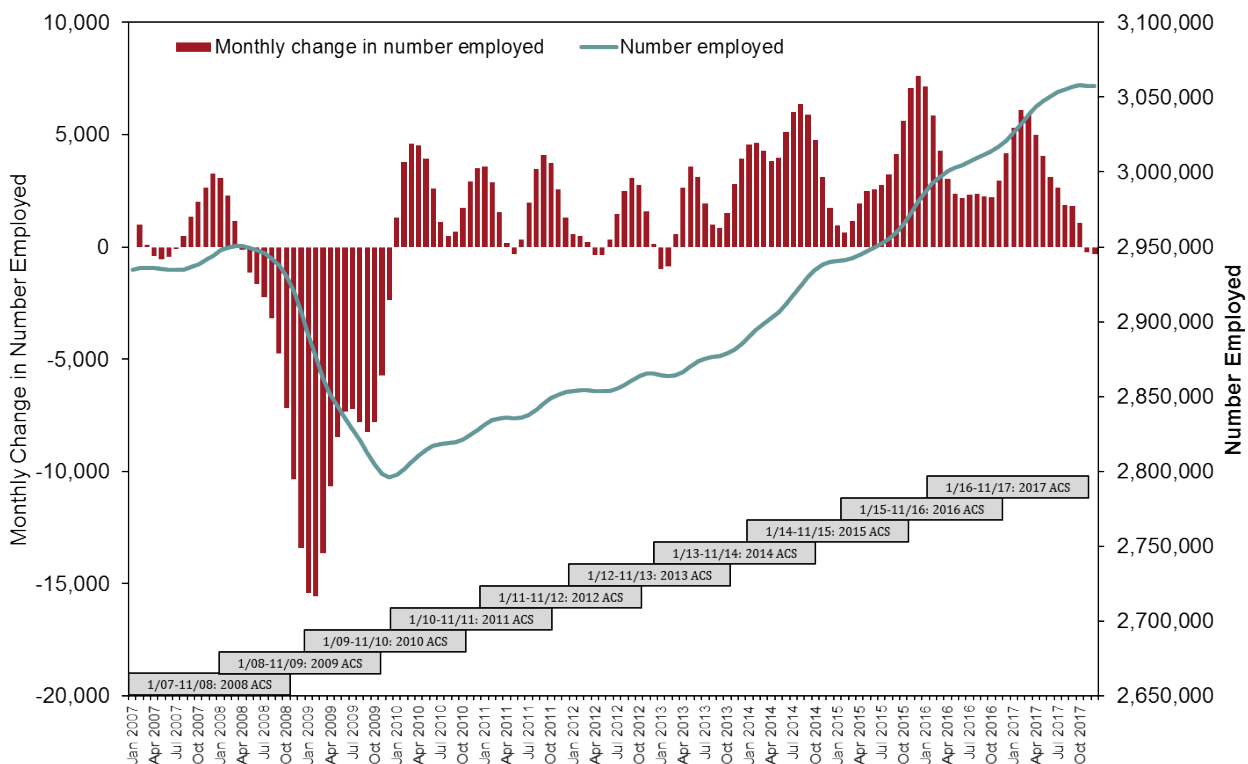
Notes: Market income includes earnings, investment income, private retirement income, child support, and other forms of private income. Both the market-income measure and the WPM are based on the WPM thresholds, definition of family unit, and treatment of work and medical expenses, which differ from the thresholds and methodologies of the OPM, as described in the methods section below. * = The difference between 2015 and 2016 was statistically significant for the WPM and OPM.

To provide an informative picture of economic hardship in Wisconsin, we employ three different measures for estimating poverty in the state from 2008 through 2016, as shown in Figure 1. The three

measures are: a measure based on market (private) income only; the Census Bureau’s official poverty measure (OPM), which adds in the value of public cash benefits; and the WPM, which considers not only cash benefits but also noncash benefits and taxes, including refundable tax credits.

Under the market-income measure, which is based on only private sources of income (mainly earnings, but also investment income, private pensions, and child support), we see that overall poverty rates increased during the recession and peaked in 2011. They began dropping in 2012 but remained largely unchanged between 2012 and 2014. In 2015, market-income poverty dipped by a significant amount, consistent with employment growth, but in 2016, market-income poverty rose by 0.5 percentage points. This is consistent with a slow employment recovery in Wisconsin through 2013, and an accelerating growth in jobs beginning in 2014 and 2015 as the economy recovered from the Great Recession, but with a flatter trend into 2016 and 2017 (as summarized below and shown in Figure 2).

Figure 2. Number of Individuals Employed and Monthly Job Gains/Losses in Wisconsin, 2007–2017



Source: Seasonally adjusted Bureau of Labor Statistics Local Area Unemployment Statistics data on total non-farm employment.

Notes: The 2016 poverty rate is based on economic conditions from January 2015 through November 2016, because the American Community Survey (ACS) data for each year are collected throughout the calendar year and include references to income over the previous 12 months, thus, data span a total of 23 months, as shown in the chart. For reference, the official recession began in December 2007 and ended in June 2009.

Figure 1 shows that poverty estimates are several percentage points lower under the OPM as compared to the market-income measure, because official estimates include government cash transfers designed to help the poor (e.g., Social Security, unemployment insurance, welfare cash payments) as well as market income. The OPM also differs from the market-income and WPM measures in its poverty

threshold and other methods, as discussed below. Trends in poverty according to the official measure and the WPM are similar to those shown by the market-income measure over the last three years. The recovery drove down all poverty rates between 2013 and 2015, but both the OPM and the WPM rose significantly from 2015 to 2016 (each by 1.0 percentage points or more), back to rates similar to those in 2013 and 2014 for the WPM.

One of the important differences between the more comprehensive WPM and the OPM is that the WPM takes into account changes in noncash benefits and tax credits. During the worst of the recession, the increase in noncash benefits and refundable tax credits offset decreases in market income. Our annual reports focusing on 2009 and 2010 emphasized the success of policies intended to address the recession in keeping poverty from increasing. Now we see that the safety net expansions of the Great Recession contracted faster than the economy recovered, as shown in Figure 3.¹

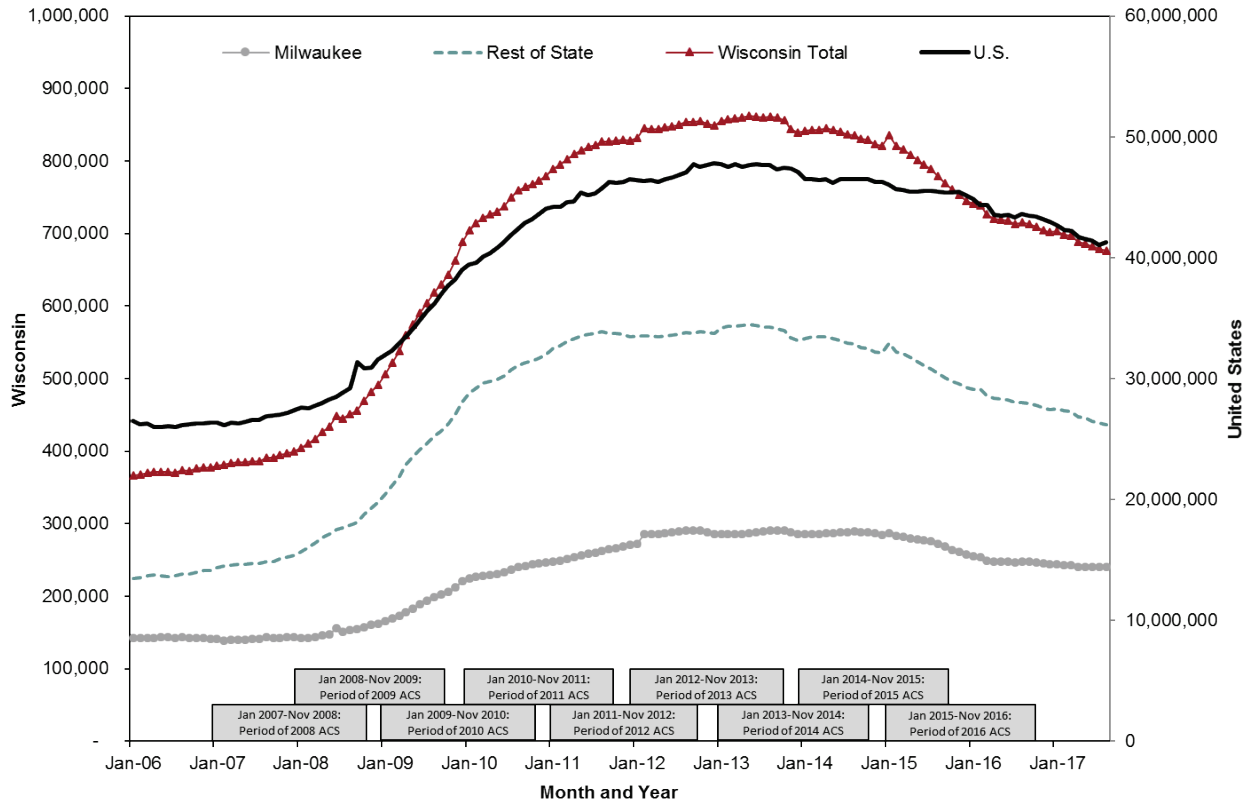
The market-income poverty rate in 2016, 23.2 percent, suggests that the economic recovery in Wisconsin is no longer driving down poverty through increased earnings, with neither jobs (Figure 2) nor wages growing fast enough to reduce poverty without the help of transfer payments in 2016. The 0.5-point increase in market-income poverty is smaller than the 1.1 percentage point rise in the WPM, suggesting that programs aimed at the poor are also having fewer effects on poverty. But rising market income poverty remains unexplained. Earnings rise because of employment and wage growth. While both of these increased modestly in Wisconsin during this period, the lowest income earners do not seem to be benefitting, and stubborn pockets of poverty, especially in Milwaukee County, remain unmoved by the recovery as we see below.

Organization of this Report

The remainder of this report expands upon the key findings from Figure 1. First, we consider Wisconsin's economic and policy situation from 2008 to 2016, which were years of recession and a slow recovery. Second, we briefly discuss the methodology of the Wisconsin Poverty Measure and how it differs from the official poverty measure. Third, we examine results in 2016, and trends for the 2008 to 2016 period, looking at poverty rates overall and for two vulnerable groups: children and the elderly. Fourth, we use the WPM to examine how public benefits (e.g., tax credits, nutrition assistance programs, housing policies) and expenses (medical and work-related) have affected poverty in recent years. Finally, we present poverty rates across local regions in Wisconsin using the Wisconsin Poverty Measure.

¹For the full series of Wisconsin Poverty Reports, see <https://www.irp.wisc.edu/research/poverty-measurement/>. The full series includes an expanded discussion of methodologies and results, and technical appendices. Note that the same basic methodology was used in estimates for 2009 through 2012 (although some of the substate areas on which we report poverty changed between 2011 and 2012 due to changes in the geographic boundaries of the Public Use Microdata Areas [PUMAs] used by the Census Bureau). However, 2008 was estimated under a slightly older methodology. The 2008 estimates would be slightly higher if re-estimated under the new methodology (poverty was estimated under both methodologies in 2009 and the overall poverty estimate in 2009 was 0.4 percentage points higher under the older methodology). However, the finding of insignificant change in poverty under the WPM between 2008 and 2009 is not affected by the small methodological refinements.

Figure 3. Changes in SNAP Benefit Caseloads in Wisconsin and the United States, 2006–2017



Source: Data on SNAP participation are from the FoodShare data website of the Wisconsin Department of Health Services.

Note: The number of cases in Wisconsin are shown on the left-hand scale of the y-axis, while those for the United States are on the right-hand scale of the y-axis.

WISCONSIN’S ECONOMY AND PROGRAM PARTICIPATION DURING THE RECESSION

The rise in poverty from 2008 to 2010 and subsequent decline mirrors the decline and subsequent rise in employment levels in the state, although poverty trends tend to lag behind economic changes. After employment levels in Wisconsin fell dramatically between March 2008 and December 2009, Wisconsin experienced slow job growth with few exceptions through 2017. By the end of 2013 more than half of the jobs lost during the Great Recession had been added back, and by July 2015 Wisconsin had recovered all the jobs lost since the high-water jobs mark in March 2008. Employment grew fastest in calendar year 2014 when the state added 54,000 jobs, but then slowed again in 2015 (40,000 net gain) and 2016 (41,000 net gain). Despite modest net increases in jobs during 2012, 2013, and especially 2014, there was no real change in market-income poverty over this period (see Figure 1). Many of the 70,000 new jobs created in Wisconsin over the January 2013 through November 2014 period detailed in the 2014 poverty report were part-time jobs in the low-wage service sector (for example, retail or fast food), and this may be why jobs rose but market-income poverty did not decline from 2013 to 2014.² However, Wisconsin gained 87,000 jobs from January 2014 through November

²M. V. Levine, “[Is Wisconsin Becoming a Low-Wage Economy? Employment Growth in Low, Middle, and High Wage Occupations: 2000–2013](#),” Center for Economic Development Data Brief, University of Wisconsin–Milwaukee, October 2014.

2015 (the dates that the income and program data covered last year in the 2015 report), and these job gains produced a large and significant decline in market-income poverty of 1.5 percentage points to 22.7 percent, below the 2009–2014 market-income poverty rates. However, turning to the current period covered in this 2016 report, gains of 77,000 jobs from January 2015 through November 2016 did not help reduce market-income poverty, as it ticked up by 0.5 percentage points to 23.2 percent. Why job growth in 2015 and 2016 did not help push the market-income poverty rate down even more is an important but unanswered question.

As unemployment and job loss rose in the recession and many of the unemployed remained out of work for six months or longer, caseloads for the Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp Program, known as FoodShare in Wisconsin, but called SNAP in this report for simplicity) rose dramatically, in Wisconsin as well as in the nation. As shown in Figure 3, the rate of increase in Wisconsin was even larger than the national rate of increase; the number of people receiving SNAP benefits in Wisconsin more than doubled between January 2007 and January 2013 (an increase of 119 percent), compared to a 76-percent increase in the nation as a whole over the same period. Between 2007 and 2012, the increase in SNAP caseloads was steeper outside of Milwaukee than in Milwaukee, a long-term high-poverty area. The Wisconsin SNAP caseload peaked at about 860,000 cases in summer 2013 before falling to 666,000 by November 2017. Over the January 2015 to November 2016 period covered in this 2016 report, Wisconsin's SNAP count fell by 131,000 cases or 15.7 percent, with the biggest decline taking place outside of Milwaukee. The Wisconsin caseload fell much faster than in the nation as a whole during this period. The U.S. caseload declined only by 6.2 percent, less than half the decline seen in Wisconsin. This drop could have been due to economic expansion and growing market incomes, which would mean that many families no longer needed SNAP to feed their families. But if so, we would expect to see that market-income poverty in Wisconsin fell over this period, when just the opposite occurred (Figure 1). The SNAP caseload decline in Milwaukee County alone was 42,000 cases, a slightly smaller percentage drop (14.5 percent) than in the state as a whole but still very large despite Milwaukee's significantly higher poverty rate.

In the first few months of 2014, SNAP caseloads fell slightly, reflecting the 14-percent decline in maximum SNAP benefits that occurred in November 2013, as the temporary boost in benefits provided under federal legislation in 2009 expired. The continuing impact of this benefit reduction, plus the slowly growing economy and the removal of able-bodied adults without dependents (ABAWDs) who do not meet work requirements from the SNAP rolls (which by itself reduced the rolls by over 20,000 cases by November 2015), may all have contributed to the 131,000-case decline in SNAP that we see during the period of this report.³

In the next section, we look briefly at commonly cited shortcomings of the official poverty measure developed by the Census Bureau and summarize the goals behind development of the Wisconsin Poverty Measure.

³M. Beck, "[41K lost food stamps, 12K found jobs under new work requirement](#)," *Wisconsin State Journal*, April 21, 2016. Data on the Food Share Employment and Training (FSET) program effects on employment and SNAP participation can be found at <https://www.dhs.wisconsin.gov/initiatives/fset-data.htm>. However, none of these FSET programs directly affected families with children who were receiving SNAP; the program's impacts on poverty also declined in this report (see Figure 8 below).

WHY IS THE WISCONSIN POVERTY MEASURE NEEDED?

Researchers and policymakers have criticized the current official poverty measure for not accurately accounting for the contemporary needs and resources of American families and have called for improved measures. Critics say that the OPM ignores noncash benefits and tax credits, uses an outdated (and substantially lower) poverty threshold based on a pattern of consumption in the 1960s, omits work-related expenses such as child care and health care costs, and does not adjust for geographic differences in prices. After a National Academy of Sciences (NAS) panel offered an alternative method for measuring poverty that addresses many of these concerns, scholars have developed alternative poverty measures based on the NAS method. In 2011, the federal government implemented the Supplemental Poverty Measure (SPM), which is very close to NAS committee recommendations.⁴

While IRP's efforts to develop an alternative poverty measure for Wisconsin are in line with these broader efforts, we contribute to the field by applying these measures to a local area (Wisconsin) in ways that reflect the characteristics and policy interests of the state, and by providing explicit and straightforward guidelines that other states and localities can use to develop their own measures. Wisconsin is an excellent site for a case study of alternative poverty measures because of the state's historic importance as an experimental site for national policies. The research benefits from the support of the Wisconsin Community Action Program Association (WISCAP); the U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation; and the La Follette School of Public Affairs at the University of Wisconsin–Madison. Finally, Wisconsin seeks rich interactions of research and community life, largely because of the University of Wisconsin System's adherence to the "Wisconsin Idea," which is the principle that university research should improve state residents' lives beyond the classroom.⁵

METHODS AND DATA FOR MEASURING POVERTY UNDER THE WPM

We use an analytical approach consistent with that employed in previous issues of the *Wisconsin Poverty Report*. The U.S. Census Bureau's American Community Survey (ACS) is the primary data source for this and previous reports. Specifically, a 66-percent public use sample data extract from the Integrated Public Use Microdata Series (IPUMS) was used to analyze the 2016 ACS data (see source note in acknowledgements), and these IPUMS data were supplemented with Wisconsin state administrative data on participation in public assistance programs. While the SPM uses data from the Current Population Survey, our measure takes advantage of the relatively large sample sizes in the ACS data set to examine poverty in areas within the state.⁶

⁴In November 2011, the Census Bureau released the first results from the new SPM in K. Short, "[The Research Supplemental Poverty Measure 2010: Consumer Income](#)," U.S. Census Bureau, *Current Population Reports* P60-241, Washington, DC: U.S. Government Printing Office. Subsequent reports were released in [2013](#) and [2016](#).

⁵For more about the Wisconsin Idea and the history of the Wisconsin Poverty Report, see T. M. Smeeding and J. Y. Marks, "[The 'Wisconsin Idea' and Antipoverty Innovation](#)," *Pathways: A Magazine on Poverty, Inequality, and Social Policy*, Summer 2011, 18–21.

⁶Differences in surveys and poverty measures for the United States and Wisconsin can be found in D. S. Johnson and T. M. Smeeding, "[A Consumer's Guide to Interpreting Various U.S. Poverty Measures](#)," *Fast Focus* 14, Institute for Research on Poverty, Madison, WI, May 2012.

We examine poverty in 28 areas in Wisconsin, including 13 more densely populated counties and 15 multicounty areas that encompass less densely populated counties. An additional advantage of the data is the inclusion of detailed housing information. While the data set used in our analysis is subject to limitations, such as a lack of information about SNAP benefit amounts, energy assistance, and public housing, and often small sample sizes for some groups in smaller geographic areas, it is the best available data for examining poverty at the state and local level, as we do in the current analysis. The issues stemming from data limitations have been alleviated somewhat by our efforts to combine it with other data sources, including Wisconsin’s administrative data on program participation in SNAP and public housing programs.

The development of the WPM is in line with the development of almost all poverty measures in which poverty status is determined by comparing a measure of economic need to a measure of the economic resources available to meet that need. A poverty threshold (or measure of need) is the least amount of income deemed necessary to cover the basic expenses of the unit of people considered. Three major components commonly constitute poverty measures: the resource-sharing unit (the people living together in a household), resources, and need. Next, we describe each of these components to demonstrate our approach to the WPM.

The resource-sharing unit includes all persons who share the same residence and are also assumed to share income and consumption (called “family”). In the WPM, we expand the definition of family used in the OPM (which is restricted to married couples and their families), by including unmarried partners and their families, foster children, and unrelated minor children in our poverty unit. This procedure follows the National Academy of Sciences recommendations, although we depart from these by excluding single college students with annual earnings less than \$5,000 because they likely have income from parents that was not recorded in our data and may therefore upwardly bias our poverty estimate. Excluding college students changes our estimate for Wisconsin’s overall poverty by 0.3 percentage points, but by a more substantial amount in college towns like Madison and La Crosse.⁷

While the OPM considers only pre-tax cash income as resources, the WPM incorporates a more comprehensive range of resources. These include federal refundable tax credits (the Earned Income Tax Credit or EITC, and the Additional Child Tax Credit or ACTC), and noncash benefits such as SNAP and housing subsidies. The WPM also adjusts for household needs, such as out-of-pocket medical costs and work-related expenses that include child care and transportation costs. Consistent with our goal of measuring poverty in Wisconsin, we include Wisconsin-specific public resources, such as the Wisconsin Homestead Tax Credit and the Wisconsin state EITC, in addition to the federal EITC.

To consider need, our poverty thresholds are based on food, clothing, shelter, and other expenses, which are set at roughly the 33rd percentile of national expenses for a two-child, two-adult family, with adjustments for prices in Wisconsin. This approach differs from the OPM, which is based on three times the cost of a minimally adequate diet in the 1960s, with adjustments for inflation, but with no adjustments for price differences across states. To estimate the poverty threshold specific to Wisconsin, we begin with the current experimental federal poverty threshold published by the Census Bureau. In 2016, the national threshold was \$29,380. Our baseline poverty threshold (i.e., the threshold

⁷Indeed, in part due to the WPM’s treatment of college students, the Census Bureau now reports off-campus college student poverty in a separate report, but they do not exclude them in their national figures. For instance, see C. Benson and A. Bishaw. 2017. “[Examining the Effect of Off-Campus College Students on Poverty Rates](#),” December 7, 2017, Poverty Statistics Branch, Social, Economic, and Housing Statistics Division.

for a two-child, two-adult family) for Wisconsin in 2016 was \$26,511, \$968 more than the 2015 level of \$25,543. The Wisconsin line is lower than the rest of the nation because the cost of living in Wisconsin is about 8 percent lower than for the nation as a whole. For comparison, the official U.S. poverty line for a two-child, two-adult family in 2016 in the United States (including Wisconsin) was \$24,339. Hence, the WPM poverty line, which reflects national purchases and consumption of necessities among low-income families as well as Wisconsin's overall lower living costs, exceeds the OPM by almost \$2,200. If Wisconsin families at these lower income levels are not doing as well as other similar families in the United States, the higher poverty line ought to help explain some of the increase in poverty that we see in this report.

In refining the measures of need, we calculated poverty thresholds for families of different sizes using equivalence scales, which take account of differences in family size and other factors. We also adjusted the poverty thresholds based on differences in housing costs across regions in Wisconsin and type of dwelling (owners with a mortgage, owners without a mortgage, and renters) and expected medical expenses (which vary across families based on health insurance status, presence of elders, family size, and health status, and which rose by 3.7 percent in 2016). To determine whether a family—and individuals belonging to the family unit—could be considered poor, we compared their comprehensive resources to the relevant threshold.

In summary, the WPM helps us to better understand the needs and resources of Wisconsin residents, as well as the impact of policies intended to reduce poverty by lowering expenses and/or increasing resources. Specifically, we account for the effect of policies that help reduce out-of-pocket costs of working like subsidized child care, and those that help reduce medical care expenses, such as BadgerCare. And our program estimates reflect not only national policy changes, but also changes instituted by the State of Wisconsin in federal programs administered by the state (like SNAP) and state programs like the Wisconsin EITC.

In the next section, we report our results, looking first at data for 2016. We look at poverty overall, and then turn to an examination of poverty for two vulnerable groups (children and the elderly). We then turn to poverty trends during the period from 2008 through 2016.

POVERTY AND THE EFFECTIVENESS OF THE SAFETY NET IN WISCONSIN, BY MEASURE AND POPULATION

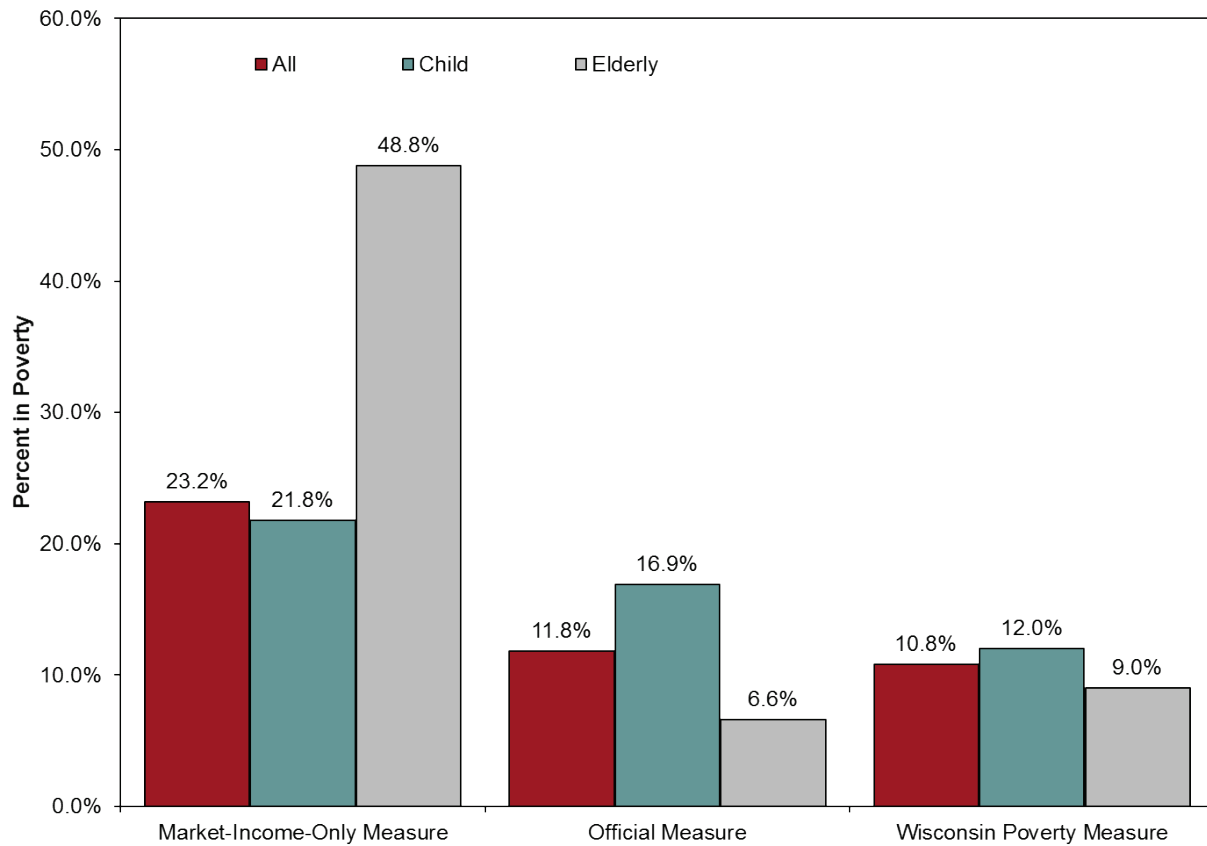
Wisconsin Poverty in 2016

Under the market-income measure of poverty, which counts only earnings and other private income and ignores all government benefits and taxes, 23.2 percent of the state population is considered poor. A smaller percentage of families with children (21.8 percent) are poor, while almost half (48.8 percent) of the elderly being poor based on their own market incomes. These are the three tallest bars at the left of Figure 4 below.

Using the OPM, which takes into account the effect of cash benefits such as Social Security and unemployment insurance, elderly poverty drops dramatically to 6.6 percent, mainly due to Social Security benefits. Child poverty under the official measure is also lower than under the market-income measure, but is much higher than the other age groups, with child poverty at 16.9 percent, in large part because few cash assistance benefits are currently provided to otherwise poor families with children in

the United States. Under the official measure, OPM lies between elderly and child poverty, at 11.8 percent in 2016. These are shown in the middle three bars of Figure 4.

Figure 4. Poverty in Wisconsin in 2016 by Measure: Overall and for Children and the Elderly



Source: IRP tabulations using 2016 American Community Survey public use data.

Notes: Market income includes earnings, investment income, private retirement income, child support, and other forms of private income. Both the market-income measure and WPM are based on the WPM thresholds, definition of family unit, and treatment of work and medical expenses, which differ from the thresholds and methodologies of the OPM, as described in the methods section above.

Under the WPM, the set of bars on the right of Figure 4, child and elderly poverty rates still diverge, but the differences are greatly reduced, with a poverty rate of 12.0 percent for children and 9.0 percent for the elderly. Overall poverty is between these at 10.8 percent. The primary reasons that child poverty was nearly 5 percentage points lower under the WPM than the official measure is that families with children are eligible for a broader range of tax credits and benefits that increase with family size (for example, the Earned Income Tax Credit is primarily for families with children and SNAP gives more benefits to larger families) and in part because of these differences they also have higher take-up rates of SNAP and other noncash safety net programs than do individuals without children. In addition, the WPM, unlike the OPM, counts the income of unmarried partners as contributing to family resources. This consideration by the WPM makes a substantial difference in estimating child poverty because many poor children live with single mothers and their unmarried partners. In contrast, elderly poverty is higher under the WPM than the OPM, mainly because these individuals have out-of-pocket medical expenses that exceed the noncash benefits they receive (see Figure 9).

Trends in Wisconsin Poverty, 2008 to 2016

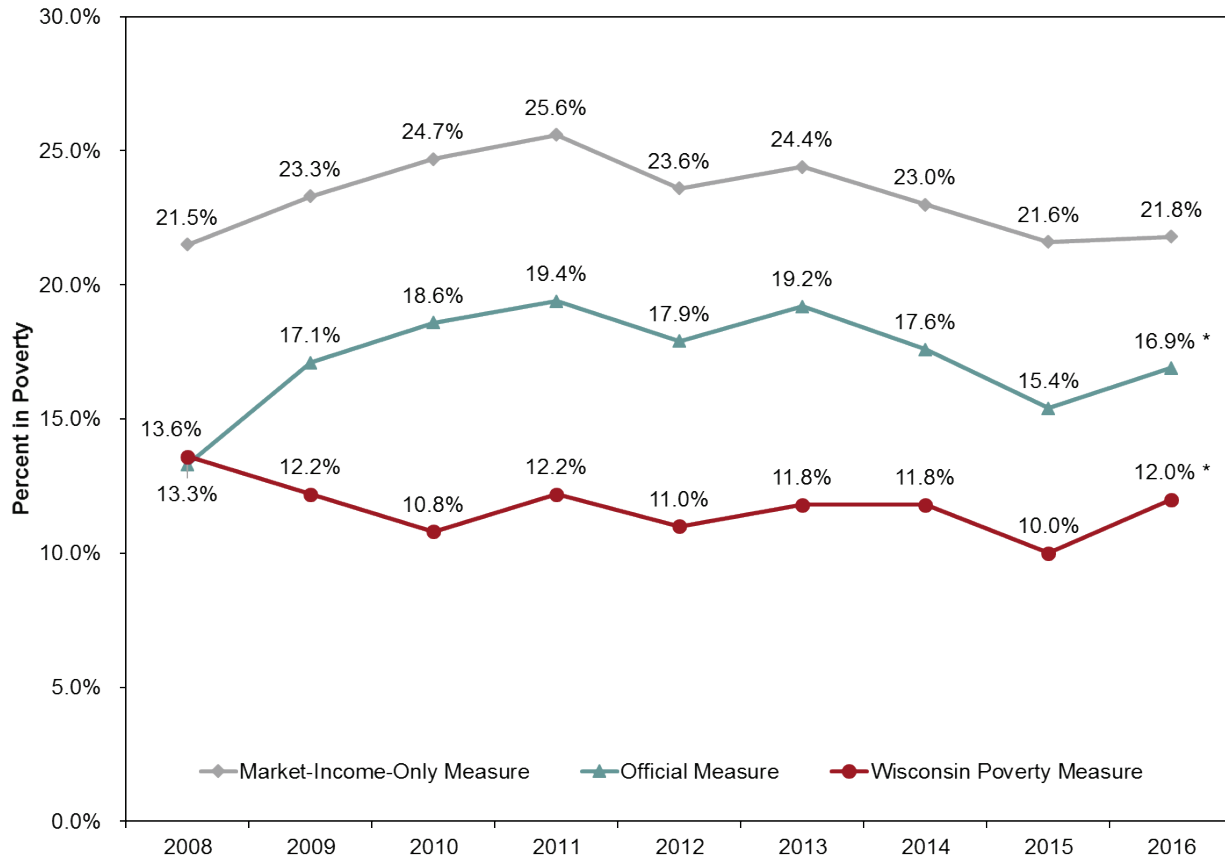
As shown in Figure 1, poverty under the WPM was higher in 2016 compared to 2015, with a significant increase in the OPM as well. The market-income poverty measure also ticked up, but by less than the WPM or the OPM. In this tenth *Wisconsin Poverty Report* we find that WPM overall poverty at 10.8 percent is about the same as 2013 or 2011 and only slightly below the 2008 estimate of 11.2 percent. While this leaves Wisconsin with an overall poverty rate below the official level, according to the WPM, the state poverty rate is back at the approximate level it was at the declared end of the Great Recession in 2009 (11.1 percent). The labor market recovery and the positive effects of noncash benefits and tax-related credits do not appear to have produced a substantial decline in Wisconsin poverty, leaving the state at a plateau of between 10 and 11 percent, the level we saw in all reports except for last year's.

Child poverty rates increased in 2016, after decreasing significantly under all three poverty measures in 2015, as shown in Figure 5. The OPM and WPM both rose by a significant amount, while market-income poverty levels remained nearly flat. Most worrisome is the 2.0 percentage point rise in child poverty under the WPM, back to 12.0 percent—higher than any year since 2011. Changes in market income, which essentially captures changes in employment and earnings, no longer drove down child poverty in 2016. Families with children appear to have gotten some boost from the recovering economy in 2015, but for 2016, earnings gains slowed and market-income poverty was flat for families with kids. While families with children continued to benefit from some of the public program increases under the American Recovery and Reinvestment Act of 2009 (ARRA), the effect of benefits on child poverty was less in 2016 than in 2015.

At the start of the recession, the WPM showed different trends than the two cash-based measures overall (Figure 1) and for families with children (Figure 5). Between 2009 and 2010, earnings fell sharply, but SNAP benefits rose as more families qualified for assistance, and as SNAP, the federal EITC, and other refundable tax benefits were expanded under the ARRA. Because the state EITC is tied to a percentage of the federal EITC, the state EITC also increased. However, the growth in the state EITC was offset by state action to reduce the state EITC, effective in tax year 2011 and continuing. As these programs expanded, child poverty as measured by the WPM declined, despite the worsening economy and the accompanying increase in market-income poverty in the aftermath of the recession (see Figure 5). As the economy expanded, the improving labor market translated into lower WPM child poverty as earnings replaced income support programs in 2015. But these effects from earnings gains decreased in 2016, while the effects of SNAP on child poverty fell, as seen below in Figure 8.

Between 2015 and 2016, elderly poverty in Wisconsin as measured by the WPM rose from 7.8 to 9.0 percent and from 6.2 to 6.6 percent using the official poverty measure, as shown in Figure 6. The 1.2 percentage point increase in elder poverty in the WPM is worrisome as it signals elder incomes are not keeping up with medical care costs or the cost of other necessities. Individuals age 65 and older are less likely to be employed than younger individuals; thus, they are generally less affected by recessions or changes in tax policy, but medical care out-of-pocket costs are still a concern.

Figure 5. Child Poverty Rates in Wisconsin under Different Poverty Measures, 2008–2016

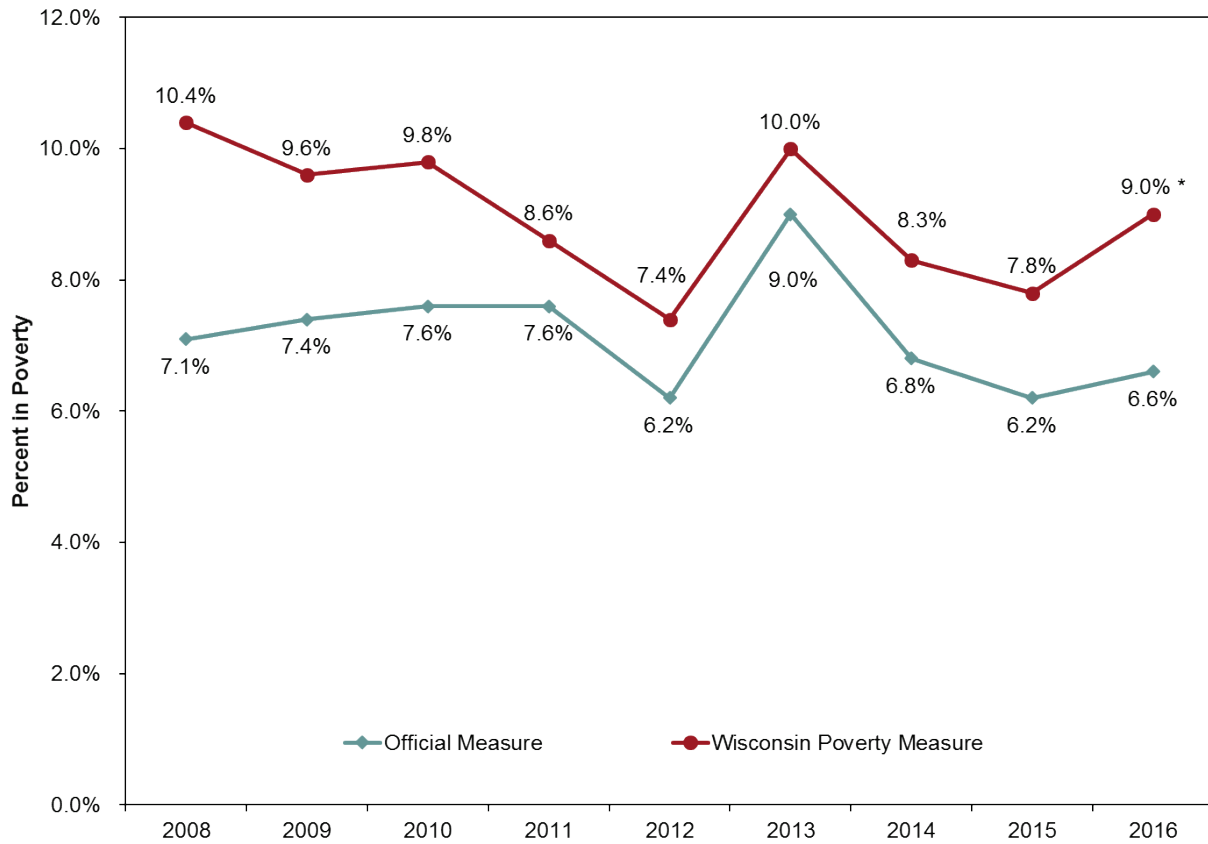


Source: IRP tabulations using 2008–2016 American Community Survey public use data.

Note: * = The difference between 2015 and 2016 was statistically significant for the WPM and OPM.

Social Security benefits keep many elders, who have little or no market income, out of poverty as each new generation of elders had higher earnings during their working years and therefore receive higher Social Security benefits than the previous generation. Between 2015 and 2016, inflation adjustments for the expense-based poverty line for the WPM increased by more than the cost-of-living adjustments for Social Security. Because there are a fairly large number of elderly individuals and couples whose incomes are just slightly above or below the poverty line, small changes in inflation adjustments can move them from one side of the poverty line to the other, as appears to have happened in 2015 and 2016 in Wisconsin and as seen in the OPM as well as the WPM. In addition, the 2016 rise in medical out-of-pocket expenses was higher than the Social Security benefit increase in 2016, taking up a larger portion of elder incomes for medical costs. These factors contribute to the WPM poverty rate among the elderly bouncing jaggedly from 2012 to 2016, rising to its highest level since 2008 in 2013, falling back in line with the 2011 rate by 2015, but then bouncing up again in 2016 as shown below in Figure 6. In all cases, the WPM rate for elders is higher than the official poverty rate, but lower than child and overall poverty rates using either measure.

Figure 6. Elderly Poverty Rates in Wisconsin under Different Poverty Measures, 2008–2016



Source: IRP tabulations using 2008–2016 American Community Survey public use data.

Note: * = The difference between 2015 and 2016 was statistically significant for the WPM. Also note that this figure uses a smaller scale than Figures 1 and 5, which may make changes appear larger compared to those for overall and child poverty.

Using the Wisconsin Poverty Measure to Assess the Effect of Policies on Poverty

The WPM shows the economic effects of a much wider range of policies aimed at the poor than the official poverty measure.⁸ The majority of the expansions in public benefits in Wisconsin during and since the recession, up to this year (2016), have been in the form of noncash programs and tax-related benefits tied to work activities, rather than cash transfer programs.⁹ This is partly because of welfare reform and shows the growing importance of earnings, even at low-paid jobs. For this reason, it is important to document the effects of these noncash and tax benefits on poverty.

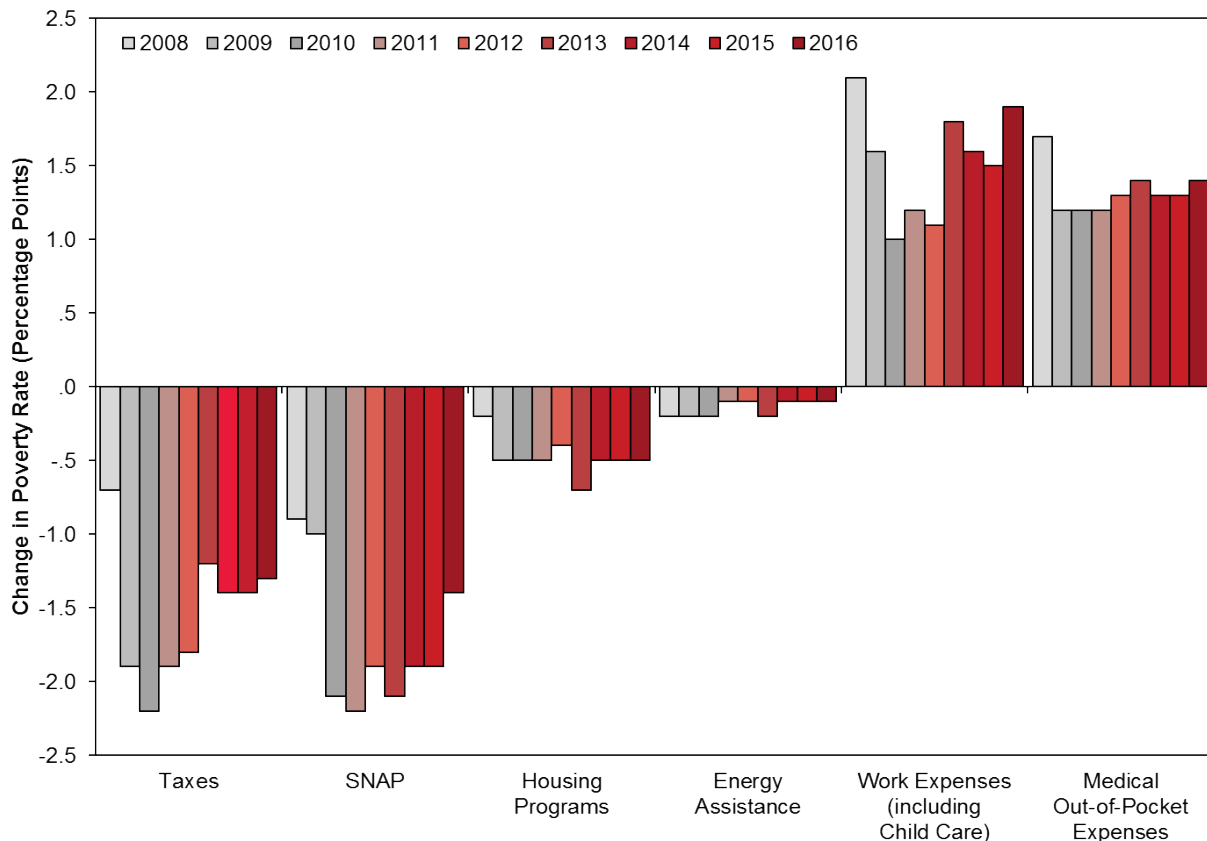
⁸For instance, a [recent report on Wisconsin poverty](#) using the OPM only, but the same ACS data used in the WPM and averaged over a much longer period, found that overall poverty rates were the highest in 30 years and that child poverty was nearly 20 percent. The report did not include the noncash benefits, taxes, and other factors in the WPM. It also did not capture the effect of market incomes on poverty and it therefore could not tell us why poverty rose or fell and by how much the recovering economy or noncash programs affected state poverty. The Wisconsin Poverty Report can help answer these questions.

⁹Wisconsin has not raised its minimum wage above the \$7.25 federal level, while 29 other states and some localities have increased their minimum wage since the last federal change in July 2009.

In this section, we estimate what poverty rates would have been if we had not counted noncash and tax benefits, or work-related and medical resources/expenses. Noncash and tax benefits lower poverty rates by increasing disposable income, as do public housing and energy benefits. Meanwhile, higher expenses for child care, work, and medical care move in the opposite direction to raise poverty. Hence, we indirectly show the impact of policies designed to reduce these expenses on poverty, because such policies may be as important as safety net programs in improving the economic well-being of low-income families.

Among benefit programs examined in this analysis, SNAP benefits had the greatest impact on reducing overall poverty in 2016, reducing the percentage of people in poverty by approximately 1.4 percentage points (Figure 7). The program’s anti-poverty impact has fallen over the past few years, especially from 2015 to 2016 as SNAP benefits rapidly contracted in Wisconsin (Figure 3 above). Tax provisions such as the EITC had the second largest antipoverty effect, and here the effects were lower in 2016 than in 2014 or 2015. The Making Work Pay tax credit (which was in effect in 2009 and 2010) and the 2 percentage point reduction in payroll taxes (which was in effect in 2011 and 2012) increased the antipoverty effect of tax provisions in earlier years. Neither the Making Work Pay tax credit nor the cut in payroll taxes have been in effect since 2013, and as a result, the net effect of taxes and tax credits was less likely to lift the working poor out of poverty in 2016 than in earlier years.

Figure 7. Effects of Taxes, Public Benefits, and Expenses on Overall Poverty in Wisconsin, 2008–2016

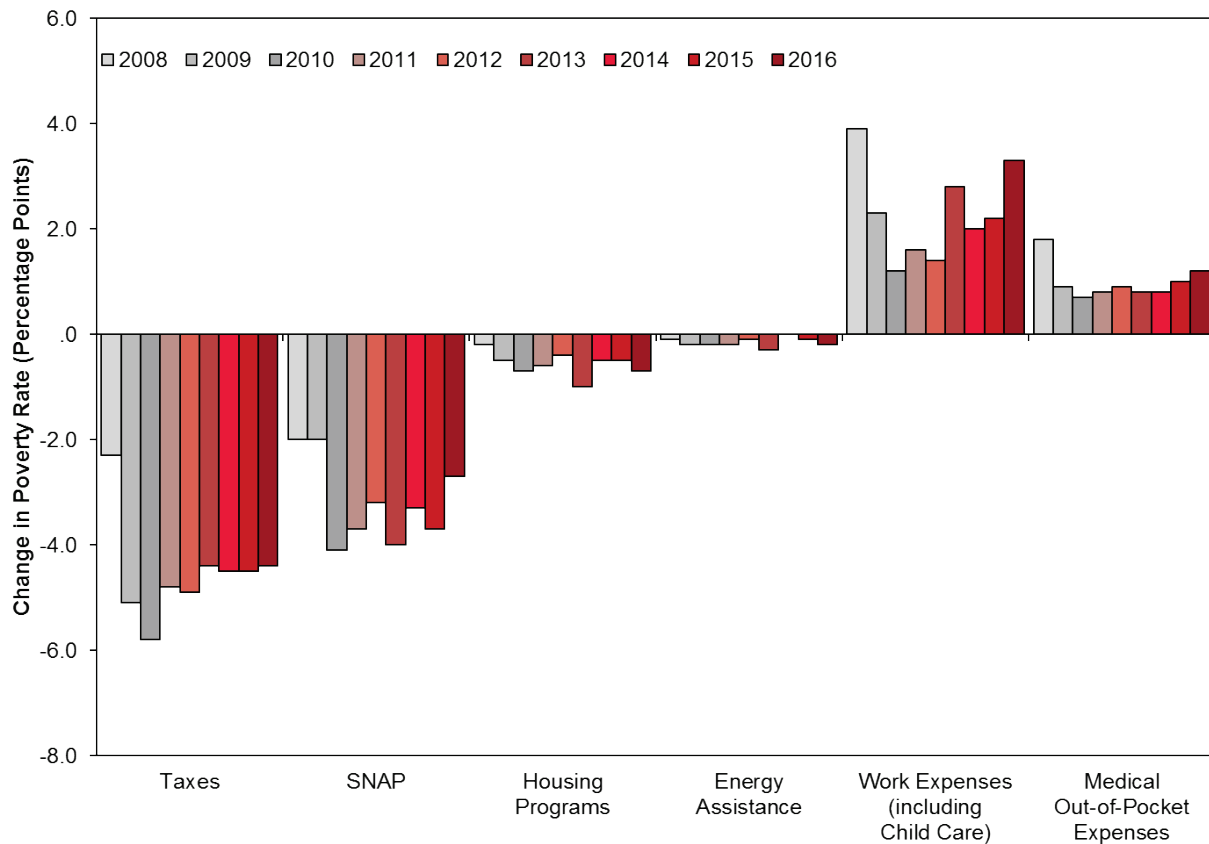


Source: IRP tabulations using 2008–2016 American Community Survey public use data.

Note: SNAP = Supplemental Nutrition Assistance Program, also known as “FoodShare” in Wisconsin.

Both taxes and SNAP had a larger impact on reducing child poverty than overall poverty. The larger impact of these programs on children than on overall poverty can be seen in 2016, where tax-related provisions reduced child poverty by 4.4 percentage points and SNAP benefits reduced child poverty by 3.2 percentage points as compared to 1.3 and 1.4 points for overall poverty (see Figure 8 and compare to Figure 7). As noted above, various tax and SNAP provisions have changed since the end of the recession especially following the end of ARRA expansions, and in 2016 SNAP’s impact on child poverty was at the lowest level since 2009.

Figure 8. Effects of Taxes, Public Benefits, and Expenses on Child Poverty in Wisconsin, 2008–2016

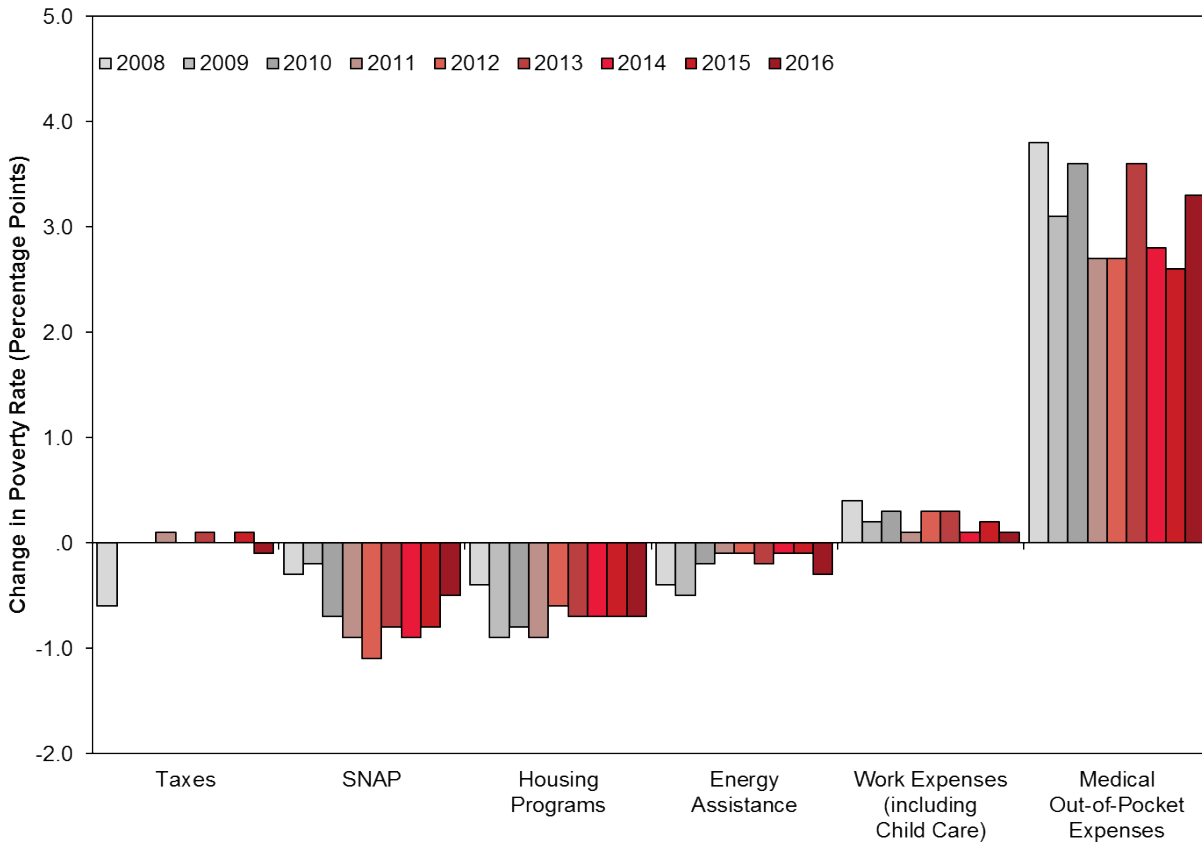


Source: IRP tabulations using 2008–2016 American Community Survey public use data.

Note: SNAP = Supplemental Nutrition Assistance Program.

Taxes had a negligible effect on elderly poverty, and SNAP benefits reduced elderly poverty by 0.5 percentage points during 2016, much less than for children (see Figure 9 compared to Figure 8), and again less than any year since 2009. This pattern of tax effects is expected, because the largest tax credits are focused on working individuals who are parents of minor children, and SNAP benefits are also more generous to larger families. Housing benefits for the elderly had a bigger effect on elder poverty than did SNAP in 2016.

Figure 9. Effects of Taxes, Public Benefits, and Expenses on Elderly Poverty in Wisconsin, 2008–2016



Source: IRP tabulations using 2008–2016 American Community Survey public use data.

Note: SNAP = Supplemental Nutrition Assistance Program.

Housing and energy assistance provide modest assistance to all groups in any year. The growing cost of rent for private apartments in Wisconsin’s major cities is of great concern. While housing programs reduced child poverty by 0.6 percentage points, expansions of these programs could do more to reduce poverty and instability, especially for low-income families and children who otherwise face high costs, eviction, and even homelessness.¹⁰

Spending on work expenses and medical expenses can contribute to higher poverty rates. The logic for work expenses is simple: costs for working must be incurred in order to have the earnings that are supplemented by refundable tax credits based on these earnings. The overall negative impact of work expenses on poverty among families with children rose substantially in 2016 compared to 2010 (Figure 8). One would expect that the effects of work-related expenses like child care should be larger as the economy recovers and more families have earnings and associated work expenses.¹¹ As might also be

¹⁰For instance, see Matt Desmond’s much heralded book on rental housing costs and residential instability in Milwaukee, *Evicted: Poverty and Profit in the American City* (Crown Book, Penguin-Random House Publishers, New York, 2016). Recent evidence from the U.S. Department of Housing and Urban Development’s Family Options Experiment suggests that housing vouchers have had positive effects on homeless families who are able to use them. See C. D. Solari and J. Khadduri. 2017. “Family Options Study: How Homeless Families Use Housing Choice Vouchers” *Cityscape*, Volume 19 Number 3, Fall, at <https://www.huduser.gov/portal/periodicals/cityscpe/vol19num3/ch21.pdf>

¹¹Our estimates of child care expenses rely on imputations (using data from the Current Population Survey), which may contribute to some variability in year-to-year patterns. Still, the increased negative impact of work-related expenses on

expected, the effects of work-related costs were larger on families with children (Figure 8) than overall (Figure 7) or for the elderly (Figure 9).

While medical expenses increased poverty for all groups, the effects of medical expenses were felt more acutely by the elderly, who are more likely to need costlier and sustained medical care. In general, out-of-pocket medical expenses such as insurance premiums, co-payments for medical services, prescription and over-the-counter drugs, and uninsured medical expenses present a significant challenge for the low-income elderly. These costs continue to rise in Wisconsin and elsewhere. Medical costs increased elderly poverty rates by 3.3 percentage points in 2016, more than in 2014 and 2015 (Figure 9).

Altogether, the net poverty-increasing effects of work and medical expenses were greater than the poverty-reducing effects of noncash benefits in 2016 for the first time (Figure 7). For children, the largest antipoverty effects came from SNAP and refundable taxes, with overall tax and noncash benefits reducing child poverty by 8.0 percentage points. Work and medical expenses also rose and added 4.5 percentage points to child poverty in 2016 (Figure 8). While the net effect was still to reduce child poverty by 3.5 percentage points, the poverty-reducing impacts of refundable taxes and SNAP fell while the costs of child care and medical expenses rose for kids. For elders, medical cost increases outpaced the sum of all noncash benefits and led to a higher WPM rate than that found in the official measure by 2.4 percentage points (Figure 6, compare 6.6 percent to 9.0 percent in 2016). This suggests that public policies designed to increase the coverage of medical expenses for the low-income elderly can do more to help to alleviate the economic hardship felt by this group than almost any other policy.

Poverty Within Wisconsin: Poverty Rates by County or Multicounty Substate Areas

A significant strength of the WPM is its ability to measure poverty across regions within the state. Our categorization of substate areas includes 13 large counties and 15 multicounty areas that encompass the remaining areas of the state. While some of the multicounty areas comprise only two counties (e.g., Sauk and Columbia), others require as many as 7 to 10 of the more-rural counties to reach a sufficient sample size to obtain reliable estimates.

As shown in Table 1 below, our analysis of substate areas reveals that the overall statewide poverty rates hide substantial variations in poverty across Wisconsin regions. Estimates for poverty rates using the WPM for these substate areas range from 4.1 percent in Sheboygan and 4.9 percent in Fond du Lac and Calumet Counties to 17.5 percent in Milwaukee County and 14.0 percent in St. Croix and Dunn Counties to. As shown in Map 1, Milwaukee County was the only place with rates significantly higher than the state average of 10.8 percent. Meanwhile, a full 26 of 72 total counties, captured in nine Census areas have rates that are significantly lower than the statewide rate, including the counties of Sheboygan, Waukesha, Washington/Ozaukee (West Bend), Sauk and Columbia (Baraboo), Manitowoc and Kewaunee, Fond du Lac and Calumet, and three sets of smaller counties cutting across the middle of the state with rates at or below 8.6 percent. This is the largest number of counties doing better than the state as a whole since we began reporting for 2008.

poverty is consistent with rising costs for work-related expenses like child care in an economy with more people working, despite a small uptick in public spending on child care subsidies under the Wisconsin Shares program in 2016

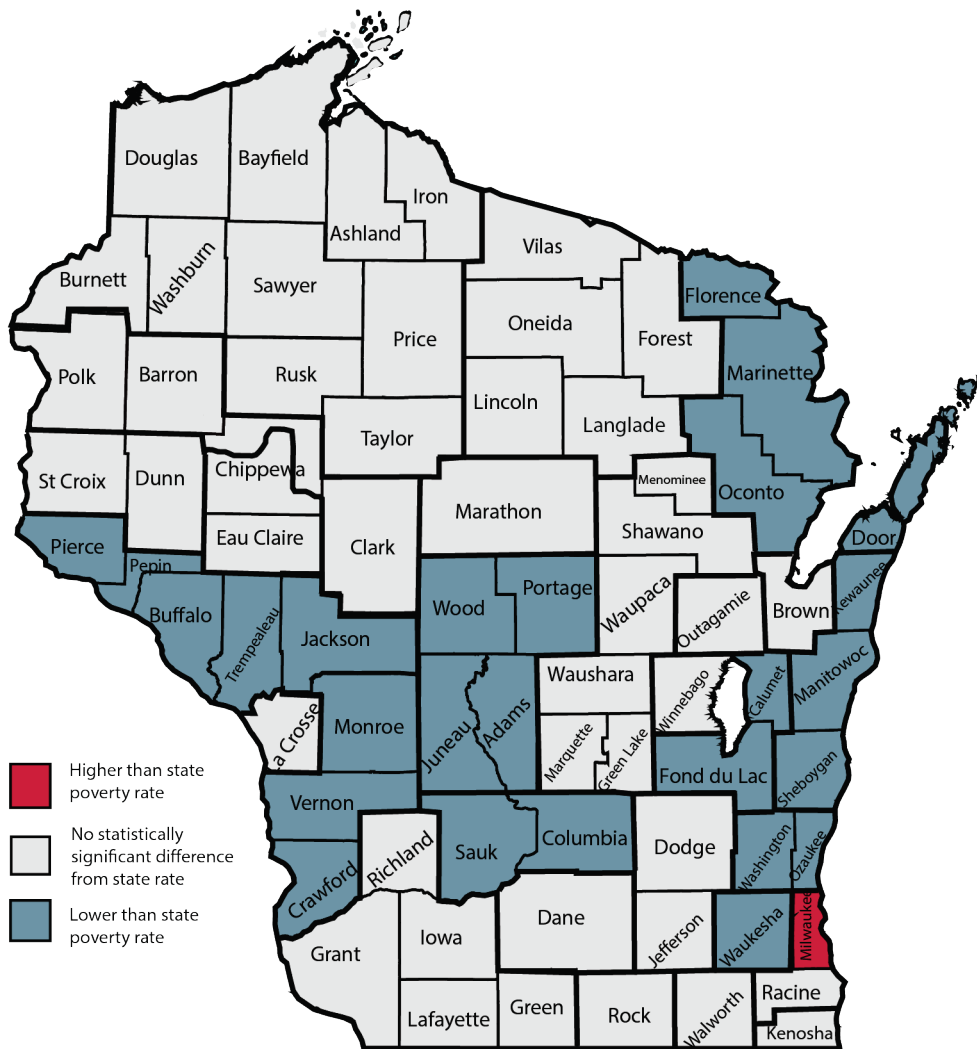
Table 1. Wisconsin WPM Poverty Rates by County or Multicounty Area with Upper and Lower Bounds, 2016

	Wisconsin Poverty Measure (%)	Confidence Interval: Lower Bound (%)	Confidence Interval: Upper Bound (%)	Difference from State Average
County				
Milwaukee	17.5	16.1	18.9	Higher
Dane (Madison)	10.8	9.4	12.1	NS
Waukesha	5.4	4.3	6.6	Lower
Brown (Green Bay)	10.0	7.7	12.2	NS
Racine	12.2	8.9	15.6	NS
Kenosha	13.3	8.9	17.7	NS
Rock (Janesville)	11.4	8.3	14.4	NS
Marathon (Wausau)	11.7	8.4	14.9	NS
Sheboygan	4.1	2.7	5.4	Lower
La Crosse	13.8	10.3	17.2	NS
Outagamie (Appleton)	7.6	4.1	11.2	NS
Winnebago (Oshkosh)	10.9	8.1	13.7	NS
Walworth (Whitewater)	9.6	6.9	12.2	NS
Multicounty Area				
Washington & Ozaukee (West Bend)	6.5	4.6	8.4	Lower
Sauk & Columbia (Baraboo)	7.6	5.2	10.0	Lower
Dodge & Jefferson	9.7	6.8	12.5	NS
Manitowoc & Kewaunee	6.8	4.7	8.9	Lower
Fond du Lac & Calumet	4.9	3.1	6.8	Lower
St. Croix & Dunn	14.0	9.3	18.6	NS
Eau Claire & Chippewa (South)	11.1	8.0	14.3	NS
Barron, Polk, Clark & Chippewa (North)	11.2	8.4	13.9	NS
Marinette, Oconto, Door & Florence	7.5	5.6	9.4	Lower
Central Sands—Wood, Portage, Juneau & Adams	8.5	6.9	10.2	Lower
Oneida, Lincoln, Vilas, Langlade & Forest	9.8	7.7	12.0	NS
Grant, Green, Iowa, Richland & Lafayette	10.8	8.5	13.2	NS
East Central Wisconsin	11.9	9.8	14.0	NS
West Central Wisconsin—Northern Mississippi Region	8.6	6.8	10.5	Lower
Northwest Wisconsin	10.8	8.9	12.8	NS
State Total	10.8	10.4	11.3	

Source: IRP tabulations of 2016 American Community Survey public use data.

Notes: NS = Not statistically significant. In this analysis, each region's difference from the state average was assessed as not statistically significant if the 90% confidence intervals for each region's statistics and the state's overall statistics overlap.

Map 1. Wisconsin Counties and Multicounty Areas with 2016 WPM Poverty Rates Above or Below the State Rate of 10.8 Percent



Source: IRP tabulations of 2016 American Community Survey public use data.

Poverty estimates for some regions within the state’s largest counties can also be assessed by taking advantage of relatively large sample sizes for ACS data. Poverty rates examined across subcounty regions show variations that are more dramatic within counties than across the 28 county and multicounty areas in the state. For instance, within Milwaukee County, overall poverty rates ranged from about 8.4 percent in one southern and one western subcounty area to 38.2 percent in the central city of Milwaukee in 2016, suggesting a significant segregation of the poor and the rich within that county.¹² Furthermore, Milwaukee is surrounded by wealthy suburban counties to the north and west, where overall poverty rates are notably below the state average (for example, Waukesha County at 5.4 percent and Washington/Ozaukee counties at 6.5 percent).

¹² Child poverty within Milwaukee County varies even more—5.3 percent in the far southern region of the county to 37.8 percent in the central city.

In sum, this year's report shows considerable variance within Wisconsin and among its counties and regions, suggesting an uneven economic recovery across the state, and one that is leaving much of Milwaukee behind.

CONCLUSION

The Wisconsin Poverty Measure provides important insights into poverty in Wisconsin as we continue to recover from the Great Recession. The WPM helps us to understand the role of noncash benefits and refundable tax credits, both of which increased in importance during the recession. Now, because of benefit reductions and the growing numbers of families who have market incomes that help them escape poverty without public aid, these noncash benefits and refundable tax credits are fading in effect. The WPM also incorporates other features that better reflect the characteristics, concerns, and interests of our state. In doing so, it demonstrates the importance of using an improved measure of poverty to examine the antipoverty impacts of the economy and of major public policies—not just cash benefits alone. At the same time, it provides estimates across different regions and subgroups within Wisconsin, thus pointing to areas such as the central city of Milwaukee, where poverty is unusually high, while also parsing out the effects of the economy from those of income support programs.

Despite a steady increase in employment levels in 2016, market-income poverty ticked up in Wisconsin, and the WPM rose for all groups as benefits fell and work-related and health care costs rose. The WPM poverty line also rose by more than the official poverty line, reflecting increasing expenses faced by Wisconsin families, contributing to higher poverty in Wisconsin even after counting tax related benefits, SNAP, and public housing. The official poverty measure also showed a significant increase in overall and child poverty. The fact that the increase in jobs has not translated into lower market-income poverty rates suggests that the recovering economy is helping otherwise low-income families by less than it did in 2015.

Increases in child poverty were almost double those of overall poverty in 2016. Falling enrollment in SNAP benefits and lower refundable tax credits contributed to limiting their effects on poverty. Taken as a whole, the net impact of taxes, refundable tax credits, and SNAP reduced child poverty in 2016, but not by as much as in 2015. Moreover, the positive benefits of tax credits, SNAP, and other benefits in reducing overall poverty were more than offset by rising health care costs (especially for the elderly) and child care and other work-related costs for low-wage working families for the first time in 2016.

Our key finding is that jobs and earnings, which are modestly rising in Wisconsin, are doing less to reduce market-income poverty this year compared to last year. While the social safety net provided a buffer against poverty during the recession and still makes a substantial difference in poverty—with the SNAP program having particularly large impacts—the effects are shrinking. This lessening impact of the safety net occurred because of the recovery (fewer people needed benefits) and because of deliberate benefit changes such as work requirements for single people in SNAP, but also because of declining enrollment and anti-poverty effects among families with children. The net effect of these changes has left the longer-term WPM poverty rate for the total population and for families with children below the official measure, but at a plateau between 10 and 11 percent overall and 11 and 12 percent for children.

Because we believe that the long-term solution to poverty for the able-bodied non-elderly is a secure job that pays well, not an indefinite income support program, these results call into question the effects of the recovering economy on market-income poverty for working-age adults, as well as for families with children. Given the strength of the labor market, the time to adopt policies to help everyone participate in the expanding labor market has come. Harry Holzer nicely summarized options to take

advantage of the tight labor market and to expand work opportunities for the underemployed in apprenticeships and for the hard to employ, such as the formerly incarcerated.¹³ Indeed, given findings that market-income poverty is not decreasing, and the evidence cited earlier about the effects of work requirements for SNAP/FoodShare on single adults without children in Wisconsin, the state should be careful in implementing mandatory work requirements on other participants and in different programs. Even for adults without children in the household, work alone may not solve the poverty problem under current circumstances. Hence, the state needs to provide work supports, training, placement, and transportation, and in the case of families with children, child care support, so that adults can fully participate in the labor market. Even then, work alone is likely not enough to provide an escape from poverty.

We also examined poverty rates across regions in the state, revealing deep poverty in Milwaukee County and especially in the central city of Milwaukee. But the report also signaled a strong recovery in most parts of Wisconsin with more substate areas (26 counties) having lower poverty rates than in most previous reports. There are larger regional differences in poverty within Wisconsin than in earlier years, with the recovery especially helping the eastern parts of the state, the counties north and west of Milwaukee, as well as the west central region of the state.

It is important for researchers and policymakers to ask not only whether an income support policy was effective in reducing poverty, but also what better solutions might alleviate longer-term poverty as we continue to grow beyond the recession. Long-term poverty solutions for working families should include better employment opportunities and higher-quality jobs with wages and employer benefits that can meet family needs and increase economic self-sufficiency. The Wisconsin minimum wage is still at \$7.25, the federal minimum despite 29 other states and several localities having raised their minimum wages over the past decade and despite evidence that increasing minimum wages have positive short- and longer-term effects on earnings growth for low-wage workers.¹⁴ Long-term solutions also include a continuation of work supports such as BadgerCare (Medicaid) and food support (SNAP), as well as child care (SHARES) and other policies to reduce work-related expenses for families with children.¹⁵ An expansion of housing subsidies might also help reduce the WPM rate. In addition, the recent increase in elderly poverty highlights the importance of continuing to pay attention to medical costs and the adequacy of Social Security benefits for low-income seniors. Increases in health care expenses still exceed the rate of increase in overall prices and incomes in Wisconsin and other states.

¹³H. J. Holzer. 2017. "[Labor market pump is primed—we must take advantage](#)," Brookings, August 29.

¹⁴A recent study shows differential positive wage gains at jobs paying \$30,000 or less in states and localities that raised their minimum wage in 2016. Specifically, wages for workers in the 10th percentile of the occupational wage distribution in states that raised their minimum wage in 2016 rose by 5.2 percent, more than twice the rate of workers in states that kept their minimum wage unchanged. (Elise Gould. 2017. [The State of American Wages 2016, Lower unemployment finally helps working people make up some lost ground on wages](#), Economic Policy Institute, March 9.) A newer report using matched administrative data shows that raising the minimum wage increases earnings growth at the bottom of the wage distribution, and those effects persist and indeed grow in magnitude over several years (K. Rinz and J. Voorheis. 2018. "[The Distributional Effects of Minimum Wages: Evidence from Linked Survey and Administrative Data](#)" CARRA Working Paper Series Working Paper 2018-02, US Bureau of the Census, March.

¹⁵Wisconsin SHARES state child care subsidy program outlays are expected to enjoy modest increases in 2018 and 2019, but are still below 2010 outlays. ([Wisconsin Budget Project Summary of the Final 2017–2017 Budget for Early Care and Education](#), September 2017).

The Wisconsin Poverty Project (WPP) is one of the first comprehensive statewide implementations of the National Academy of Sciences-based alternative poverty measures and, as such, the study makes unique contributions to our understanding of the effects of policy on poverty. Researchers associated with the WPP have helped other states like California, Colorado, and Oregon develop their own versions of an SPM-like state poverty measure. Furthermore, we are strongly committed to refining our methods as the Census Bureau and other poverty researchers produce new findings about the federal Supplemental Poverty Measure and as we learn more from other poverty measurement research at the state, local, and federal levels.¹⁶

¹⁶For a more thorough academic discussion of the Wisconsin Poverty Project and its importance, see Y. Chung, J. Isaacs, and T. M. Smeeding, 2013, “Advancing Poverty Measurement and Policy: Evidence from Wisconsin during the Great Recession,” *Social Service Review* 87(3, September): 525–555.



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