The Wisconsin Model: Challenges, Blessings, and Things Left to Do That Need Support

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by the Wisconsin Poverty Measure Team
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A. Challenges:

1. Taxes would have been a big challenge (except we contracted with John Coder, who did a very good job for us).

2. Making conceptual decisions of how to measure various aspects of the poverty measurement process (units, imputes, lines) was our biggest challenge, wading through the choices and the trade-offs in the context of Wisconsin state concerns and issues.

3. Our biggest challenge is the area where we don’t have administrative data but where effects on poverty may be greatest—namely, medical expenses, work-related expenses, and child care expenses. We don’t have great data nationally and we have practically NO DATA at the state level. For instance, emerging research (Witt, 2011; Pollack et al., 2011) suggests that BadgerCare (Medicaid, SCHIP) has had a very positive effect on health care up to 185 percent poverty. Hence, out-of-pocket medical expenses in Wisconsin are far lower than the national average. This difference ought to be reflected by the WI poverty measures whether as current or in an SPM framework.

4. Don’t let too many cooks (programmers doing individual models) spoil the broth. Make sure one person is in charge and can integrate it into one consistent model, preferably a “snap-on” model, which once set up, allows updating annually by changing a few key parameters such as the poverty line, medical allowances, etc. It also allows for fixes to problems like our 2009 student
module, which adjusts for college students living near campus in private dwellings who only appear needy.

B. Blessings:

1. We have a great staff and are committed to helping other states to build their own measure using snap-on modules that can be updated annually.

2. It has been challenging but rewarding to use our rich state administrative data (which we’re lucky to have because of IRP relationships) to do a MUCH better job imputing non-cash benefits than if we didn’t have it.

3. Thanks to ASPE support, we were able to set up an SPM and experimental poverty research Web page for federal, state, and local efforts (see below at end).

C. How Can Census Help?

1. Continue to sponsor research and linkages to administrative data;

2. Conduct more research on state, local, and regional variations in items like MOOP; and

3. Try to find a way to balance a “uniform” (national-like) SPM measure for ACS, while at the same time reflecting local and state variations in measurement and policy concerns.

D. IRP Resources to Help Researchers

One can find three versions of the Wisconsin Poverty Report (‘glossy,’ ‘methodological paper,’ and ‘technical appendices’) at http://www.irp.wisc.edu/research/wipoverty.htm

and a short description of other state and local efforts at http://www.irp.wisc.edu/research/povmeas/regional.htm