

Wisconsin Poverty 101



The Morgridge Center for Public Service and the Institute for Research on Poverty are putting the Wisconsin Idea into action by collaborating on a project to raise awareness of important social issues through sharing research findings in a series of fact sheets and by encouraging community involvement among UW-Madison undergraduate students. This fact sheet provides an overview of poverty in Wisconsin. To learn more, visit www.irlp.wisc.edu.



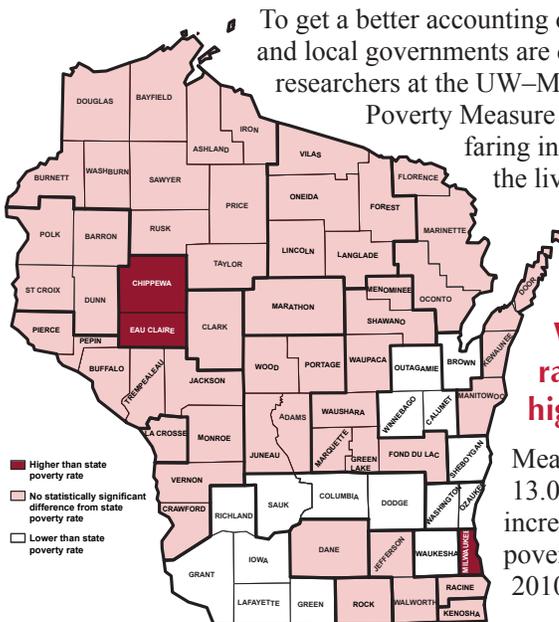
GET INFORMED

Who is poor in Wisconsin?

The most recent official U.S. poverty measure puts the 2010 Wisconsin poverty rate overall at 13.0%; for children under age 18, it's 18.6%—nearly one in five kids; for the elderly, 7.6%.

How are these numbers determined? The official poverty statistics result from a comparison of pretax cash income against a poverty threshold dollar amount that is adjusted for family size and composition. This approach does not measure the effects of government antipoverty efforts, such as expansions of tax credits and increased access to food assistance, undertaken in response to the recession. The official measure also omits geographical differences in cost of living, work-related expenses such as child care and transportation, and out-of-pocket medical costs.

Officially, 13.0% of all Wisconsinites are poor, as are 18.6% of the state's kids, and 7.6% of elderly.



To get a better accounting of the adequacy of people's resources to meet their basic needs, many state and local governments are devising their own, more comprehensive poverty measures. In Wisconsin, researchers at the UW-Madison Institute for Research on Poverty (IRP) have created the Wisconsin Poverty Measure (WPM), which each year provides a more precise picture of how families are faring in tough economic times and quantifies the difference public policies make in the lives of those in need.

So what happens to the Wisconsin numbers when the in-kind benefits and modern-life expenses are counted? Rates are lower overall, decline a lot for children, and increase for the elderly, due to out-of-pocket medical expenses.

Wisconsin Poverty Measure rates are much lower than official rates for all Wisconsinites (10.3%) and for kids (10.8%), but higher for the elderly (9.8%).

Meanwhile, the official overall state poverty rate rose from 12.4% in 2009 to 13.0% in 2010. Child poverty over the same time period using the official measure increased from 17.1% in 2009 to 18.6% in 2010. However, using the WPM, child poverty showed a statistically significant decline, from 12.2% in 2009 to 10.8% in 2010 when tax credits and noncash benefits were counted.

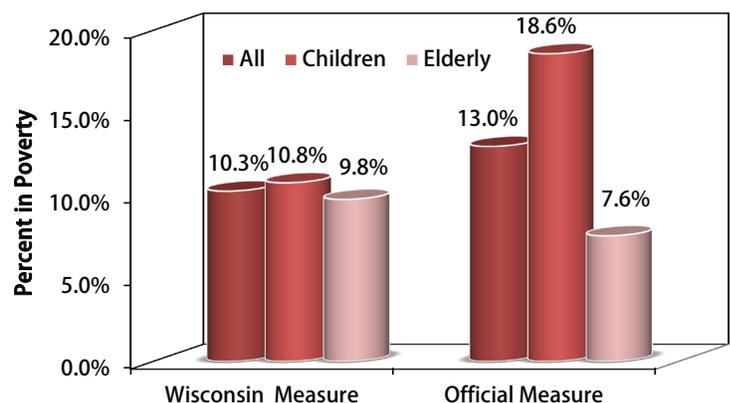
Wisconsin counties with poverty at or below the 2010 state poverty rate of 10.3% under the Wisconsin Poverty Measure.

Source: IRP tabulations of 2010 American Community Survey data.

What do all these numbers mean? In brief, that decreases in employment and earnings in the midst of the economic downturn were largely offset by increases in refundable tax credits and noncash benefits. In other words:

Wisconsin's antipoverty policies are working, but economic hardship remains widespread.

While it's important to know that government antipoverty efforts have kept many families out of poverty, it is equally important to assess how many people struggle despite having income above the "poverty line." How many have difficulty feeding their family, are unable to find work, or can't find full-time work?



2010 Poverty rates in Wisconsin by age group estimated with the Wisconsin Poverty Measure and the official poverty measure.

Source: IRP tabulations using 2010 American Community Survey data.

More than 40% of Wisconsin's schoolchildren qualify for school meal programs.

Another gauge of state poverty that provides a good snapshot of family economic well-being are the statistics kept by the Department of Public Instruction (DPI) on the number of public school students in kindergarten through high school eligible for free and reduced-price meals. Eligibility has increased for the 8th consecutive year with 42.5% of Wisconsin students qualifying.

More than 100 Wisconsin school districts have 50% or more of their students eligible for free or reduced-price meals, including four of the state's five largest districts: Milwaukee Public Schools (83.4%), Racine (60.7%), Green Bay Area (57.1%), and Madison Metropolitan (56.6%), compared to 41.4% statewide in 2010–2011. In central and northern Wisconsin, school districts in Adams-Friendship (72.6%), Bayfield (73%), Siren (70.5%), and Webster (77.2%) counties and the Menominee Indian Reservation (80.7%) all have free or reduced-price school meal rates of over 70%.

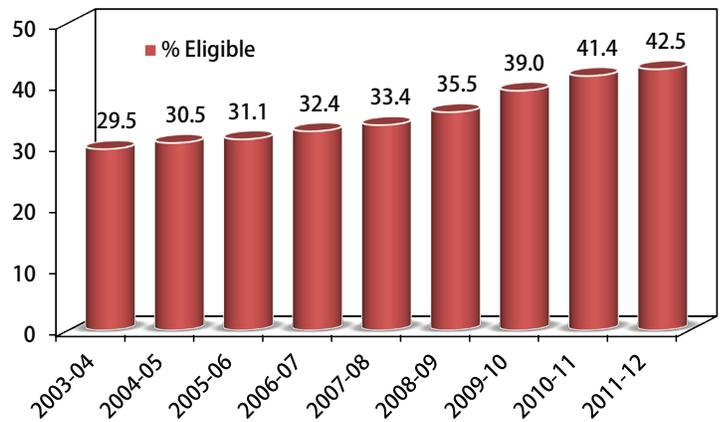
Research has suggested there may be links between cognition and hunger and undernourishment (see, for example, the article by D. Jyoti, E. Frangillo, and S. Jones, "Food Insecurity Affects School Children's Academic Performance, Weight Gain, and Social Skills," in the *Journal of Nutrition*, 2005, Vol. 135).

What can families do to increase their economic security? The way out of poverty is a good job.

Since the beginning of the Great Recession in December 2007, Wisconsin has lost 121,000 jobs. In addition to the many unemployed persons in the workforce, including a high proportion of long-term unemployed, is the high number of workers who are underemployed or "involuntary part-time workers," who want more hours of work than they can secure. By the numbers, the U.S. Bureau of Labor Statistics indicates that in January 2012, of the 3 million Wisconsinites in the labor force, about 229,000 workers are unemployed.

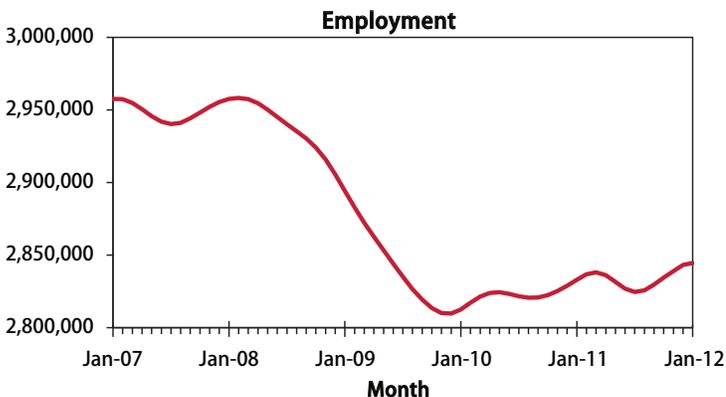
Wisconsin's unemployment rate was 7.6% in January 2012.

The state's official unemployment statistic, 7.6% in January 2012, is updated monthly, but tells only part of the story. The number of people who flow into and out of unemployment over the course of a year is much higher. National statistics show that the total number of persons who experienced unemployment in 2009 was 83% higher than the average number of unemployed each month. In addition, the official statistics count only those out of work who are looking for work.

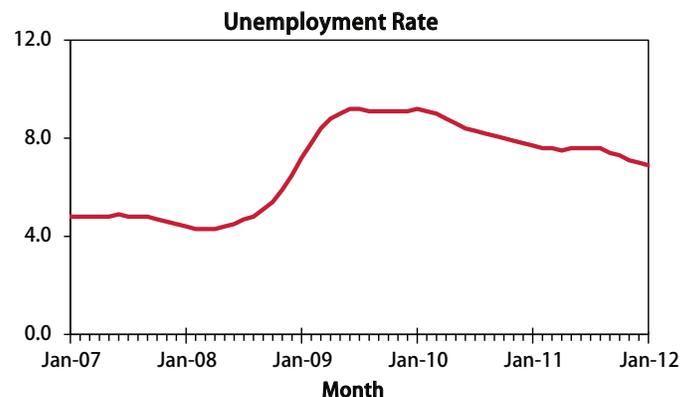


Wisconsin Schoolchildren Eligible for Free or Reduced-Price Meals, 2003–2012

Source: Wisconsin Department of Public Instruction.



a. Wisconsin Employment (number in labor force employed), 2007–2012



b. Wisconsin Unemployment Rate, 2007–2012

Source: U.S. Bureau of Labor Statistics

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The UW is committed to extending scholarship to the greater community to improve people's lives. In this spirit, the Morgridge Center for Public Service connects students and faculty with public service opportunities through academics, volunteerism, service-learning, and community research. The largest program, *Badger Volunteers*, is a semester-long program that gives students the training and logistical support they need to provide meaningful and consistent service to the Madison community. To get involved, visit <http://www.morgridge.wisc.edu/programs/bv/index.html> or send an e-mail to badgervol@morgridge.wisc.edu.

Sources: U.S. Census Bureau CPS ASEC (<http://www.census.gov/prod/2011pubs/p60-239.pdf>) and SAIPE (<http://www.census.gov/did/www/saipe/>); "Wisconsin Poverty Report IV" (<http://www.irp.wisc.edu/research/wipoverty.htm#wipovreports>); Wisconsin Department of Public Instruction news release, March 19, 2012 (http://dpi.state.wi.us/eis/pdf/dpinr2012_42.pdf); Center on Wisconsin Strategy "The State of Working Wisconsin—Update 2011" (<http://www.cows.org/pdf/rp-SOWWupdate11.pdf>); U.S. Bureau of Labor Statistics (<http://data.bls.gov/cgi-bin/surveymost>).