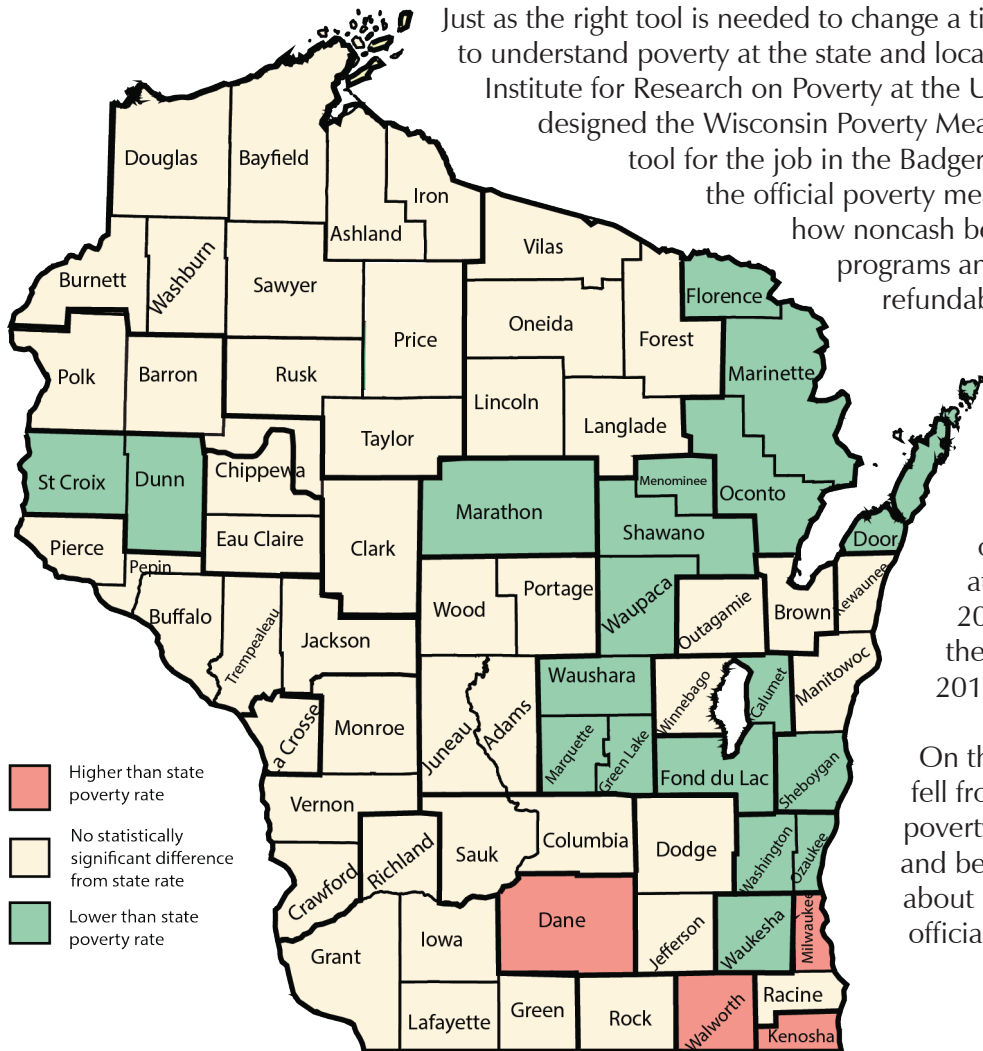


WISCONSIN POVERTY REPORT: A Short Summary

The 8th Annual Report of the Wisconsin Poverty Project

June 2016

2014 Wisconsin Poverty Report and the Wisconsin Poverty Measure



Just as the right tool is needed to change a tire, the right measure is needed to understand poverty at the state and local levels. Researchers at the Institute for Research on Poverty at the University of Wisconsin–Madison designed the Wisconsin Poverty Measure (WPM) to be the right tool for the job in the Badger State by providing information the official poverty measure (OPM) cannot, such as how noncash benefits from food and housing programs and direct taxes, including refundable tax credits, affect poverty.

The annual *Wisconsin Poverty Report* provides place-specific timely data using the WPM. The WPM shows that from 2013 to 2014, the statewide overall poverty rate remained flat at about 10.8%, up from 10.2% in 2012, and child poverty also stayed the same, at 11.8%, also up from 2012.

On the bright side, elderly poverty fell from 9.0% to 6.8% and the WPM poverty rate, which includes tax credits and benefits like food assistance, is still about 1.3 percentage points below the official poverty measure.

Map. Wisconsin counties and areas with 2014 WPM poverty rates in relation to the state rate of 10.8%

Uneven Recovery

The WPM allows researchers to examine poverty across regions within the state, revealing deep poverty in some areas, especially central Milwaukee and Kenosha, but with many more substate areas doing much better than the rest of Wisconsin compared to previous reports.

Poverty rates examined across subcounty regions show variations that are more dramatic within counties than across the 28 areas in the state depicted in the map above. Within Milwaukee County, for example, overall poverty rates ranged from about 8.0% in one southern subcounty area to 33.5% in the central city of Milwaukee.

This pattern suggests an uneven recovery of jobs and incomes across regions within the state.

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From: *The Wisconsin Poverty Report: Poverty Levels Flat on Average but More Diverse within State in 2014*, Institute for Research on Poverty, University of Wisconsin–Madison, June 2016. Read the full report online at www.irp.wisc.edu/research/wipoverty.htm.

Source for map and figures: Tabulations of American Community Survey (ACS) data; figures use 2008–2014 ACS data.

Special thanks to the Wisconsin Community Action Program Association (WISCAP) for its support.

Market-Income Poverty Measure, Official Poverty Measure (OPM), and the WPM

A good way to gauge an area's job health is by measuring the level of market-income (private earnings, investment returns, retirement pensions, and child support) poverty as well as using the WPM and the OPM. The market-income-only measure is based on private income ignoring all government taxes and benefits; the official measure adds in the value of public cash benefits only; and the Wisconsin Poverty Measure takes into account not only cash benefits, but also noncash benefits such as the Supplemental Nutrition Assistance Program (SNAP) and refundable tax credits. Overall market-income poverty has been more or less flat since 2012 (see Figure 1). But market-income poverty for families with children fell in 2014 (see Figure 2).

In both cases, the WPM is below the OPM, but there was no change in the WPM (overall or for children) between 2013 and 2014.

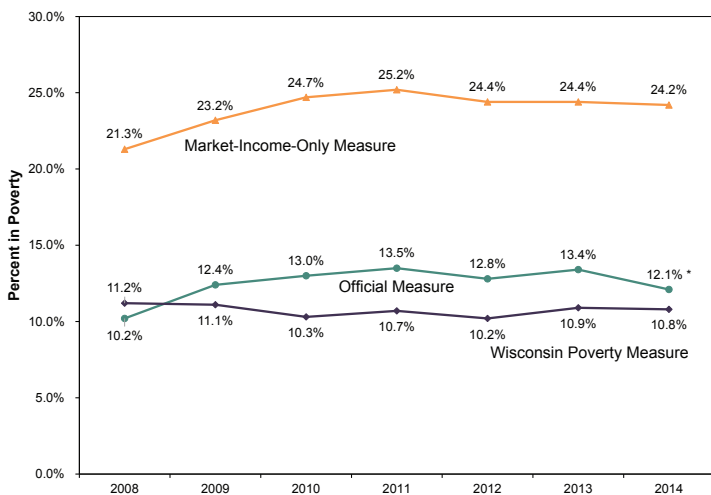


Figure 1. A nuanced view of overall poverty trends using three different measures

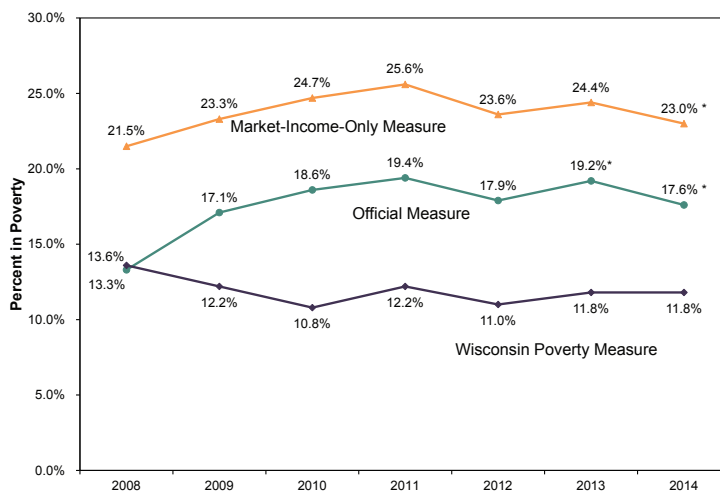


Figure 2. Child poverty rates in Wisconsin under different poverty measures

* = The difference between 2013 and 2014 was statistically significant.

Jobs, Policies, & Poverty

Even though the state added 60,000 jobs in 2014, WPM poverty did not decline, in part because the jobs were mostly low-wage or part-time, and in part due to decreases in the effects of antipoverty policies such as SNAP food assistance and refundable tax credits, medical expenses, and work-related costs.

The first four sets of bars in Figure 3 show how programs and policies counted in the WPM reduce poverty. The last two sets show how work expenses and medical expenses increase poverty. From 2012/2013 one can see smaller poverty reductions on the left and slightly higher poverty increases, due to work expenses, on the right of the figure.

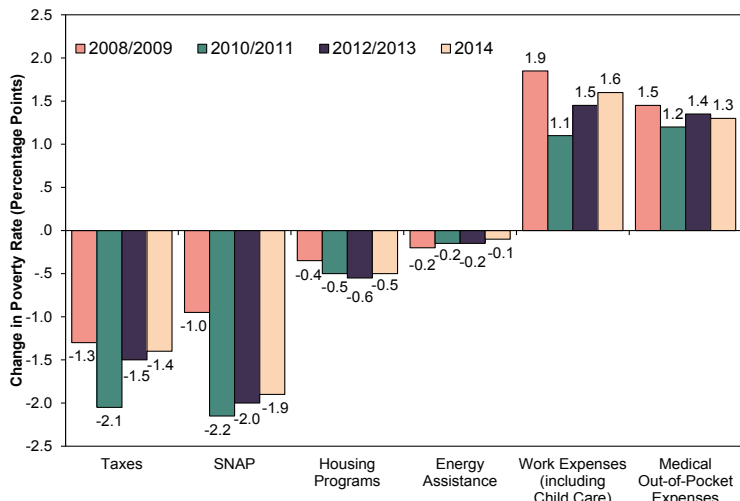


Figure 3. Effects of taxes, public benefits, and expenses on overall poverty in Wisconsin