

Wisconsin Poverty Report shows anti-poverty programs worked

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The third Wisconsin Poverty Report released today (Wednesday, May 4), shows that expanded tax credits and food assistance programs helped shield the state's poorest residents from the worst effects of the recession.

Prepared by researchers at the Institute for Research on Poverty (IRP) at the [University of Wisconsin-Madison](#), the report takes a broader measure of the needs and resources of Wisconsin's poor than the official poverty measure to better determine the impact of state and federal policies.

Under the Wisconsin Poverty Measure, 11.5 percent of the state's [population](#) was poor in 2009 — nearly identical to the 2008 level. Meanwhile, the official poverty rate for Wisconsin jumped from 10.2 percent to 12.4 percent. The contrast is even sharper for child poverty, which jumped nearly four percentage points under the official measure between 2008 and 2009 but showed no significant change under the Wisconsin measure.

These differences are striking considering the Wisconsin measure has a higher poverty threshold than the official line. The contrast between the rates demonstrates that anti-poverty programs and policies are largely working in the state.

Specifically, adjusting for the expanded tax credits under the American Recovery and Reinvestment Act of 2009, researchers find a 1.9 percent

reduction in the poverty rate; counting food assistance received by families under the state's FoodShare program results in a 1.2 percent reduction in the poverty rate. Most striking, the refundable taxes and tax credits counted in the Wisconsin measure but not in the official measure indicate a 5.0 percentage point reduction in child poverty in 2009.

The report compares poverty in county and multicounty regions across Wisconsin. Milwaukee County remained the poorest in the state, with poverty up from 18.8 percent in 2008 to 19.6 percent in 2009 under the Wisconsin measure. Meanwhile, the report showed four county areas of the state with rates under 6 percent: Columbia/Sauk/Dodge counties (5.4 percent), Waukesha County (5.6 percent), Ozaukee/Washington counties (5.6 percent) and Marathon County (5.7 percent). Additional detail on county-specific rates is available at www.irp.wisc.edu.

The report was prepared by IRP Director Timothy Smeeding, Julia Isaacs of the Brookings Institution, IRP researcher Joanna Young Marks and Katherine Thornton, a programmer analyst at IRP. The team is at the forefront of a growing number of groups across the country developing state and local poverty measures.

In Wisconsin, this measure provides a more detailed view of poverty and shows how well public programs such as FoodShare, refundable tax credits, work-related expenses and health care protection under BadgerCare are helping meet the basic needs of Wisconsin families.

By analyzing both the policies in place to support families and the specific costs of getting by in the state, the Wisconsin measure tells how families are faring in tough economic times and quantifies the difference public policies make in the lives of those in need.

The IRP Wisconsin Poverty Measure is being used as a model for other states as they develop their own local- and state-specific poverty

measures, and the IRP is serving as a resource for these efforts. The basic results of the project can be found in IRP's "Wisconsin [Poverty Report: Were Antipoverty Policies Effective in 2009?](#)," available at www.irp.wisc.edu along with more detailed technical reports.

Provided by University of Wisconsin-Madison

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