

## Programs kept Wisconsin families from poverty, report finds

April 26 2012

---

Temporary increases in safety net programs and tax credits for working families helped keep many in Wisconsin from poverty during the recession and its aftermath, a new report by researchers at the University of Wisconsin-Madison finds.

The fourth annual Wisconsin [Poverty](#) Report study, conducted by the Institute for Research on Poverty (IRP), revealed lower numbers of poverty than official statistics released in fall 2011. IRP used the Wisconsin [Poverty Measure](#), a more modern and complete accounting of resources and expenses, whereas the official measure devised in the 1960s counts only pre-tax cash income and misses the effects of [government programs](#) that provide a safety net during [economic downturn](#).

In 2010, the most recent year for which data is available, Wisconsin had a 13 percent official overall poverty rate although the IRP found that rate to be 10.3 percent. The difference is even greater when looking at children. Official numbers find an 18.6 percent child poverty rate while the IRP reports a 10.8 percent rate when counting increased food assistance as well as child and earned income tax credits.

Although the overall and child poverty rates were lower under the new measure than under the official measure, elderly poverty rates were higher using the new approach with a 9.8 percent rate compared to 7.6 percent. Out-of-pocket [medical costs](#) that are counted under the new measure contributed to the higher rate, researchers found.

The study's lead investigator, IRP Director Tim Smeeding, said the WPM follows a model similar to the one recommended by a [National Academy of Sciences](#) panel and is similar to the new federal Supplemental Poverty Measure.

"The long-term solution to poverty is a secure job that pays well, not an indefinite income support program," Smeeding says, "but our report shows that in times of need, a safety net that enhances low earnings for working families with children, puts food on the table, and encourages self-reliance — as Wisconsin's safety net does — makes a difference in combating market-driven poverty."

By using the more complete accounting devised by the IRP, state policymakers and practitioners can have a better gauge of economic security that reflects local cost of living and state policy effects.

"We contribute to the field by applying an alternative measure 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," says study co-author Yiyoon Chung.

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 and the provision of resources for this research by the University of Wisconsin-Madison. Wisconsin sees 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 people's lives beyond the classroom.

In that spirit of extending the reach of university scholarship, IRP provides technical resources about the methodology used to create the

WPM on its website for researchers in other states who are looking to devise their own place-specific poverty measures.

**More information:** [www.irp.wisc.edu/](http://www.irp.wisc.edu/)

Provided by University of Wisconsin-Madison

Citation: Programs kept Wisconsin families from poverty, report finds (2012, April 26) retrieved 14 August 2024 from <https://phys.org/news/2012-04-wisconsin-families-poverty.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.