

Poverty and Food Security in Iron County, Wisconsin

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Poverty in Wisconsin rose substantially in the 2000s and early 2010s. In 2012, 13.2% of the state's population—roughly 737,356 people¹—lived in poverty, as compared to 8.7% in 2000.² Wisconsin residents are better off economically than the nation as a whole, which has a 15.9% poverty rate. Nonetheless, the official statewide poverty rate has remained well above 12% since 2009. Two recessions and persistently high unemployment have increased economic hardship in Wisconsin. As a result, a larger proportion of households in the state now live in poverty and struggle to secure adequate and nutritious food.



What is poverty?

The poverty threshold is intended to indicate the income people need for a minimally adequate standard of living. The threshold varies according to the number of household members and their ages, and is adjusted each year to account for inflation.

In 2012, the poverty threshold was \$23,050 for a family of four and \$11,170 for one person.³ Households are considered poor if their pre-tax income is below this amount. While poverty rates

do not account for geographic differences in costs of living, they are one way to compare economic hardship among groups, across locations, and over time.

Most researchers and many policymakers agree that poverty lines underestimate the minimum resources necessary to meet basic needs. At the same time, Wisconsin residents with incomes higher than the federal poverty line still qualify for several state and federal needs-based programs.

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For additional data and maps describing poverty and food security in Wisconsin see: foodsecurity.wisc.edu

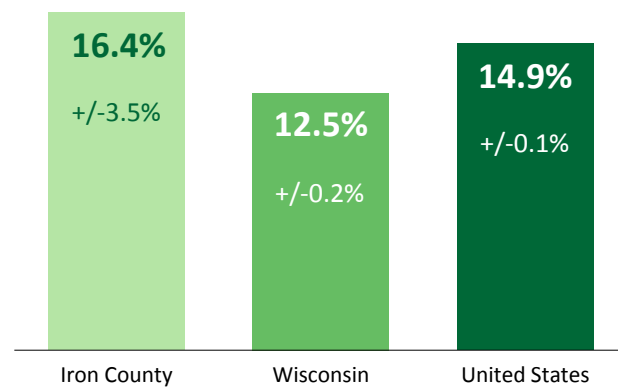
Examples include food and nutrition assistance programs such as FoodShare; various forms of medical assistance; and benefits such as the Earned Income Tax Credit (EITC). These programs provide additional resources that are not reflected in official poverty rates. Researchers have

developed alternative poverty measures that use a more realistic needs standard while also accounting for the value of certain needs-based assistance programs. These measures indicate that economic assistance programs play a valuable role in fighting poverty.⁴

Where is poverty?

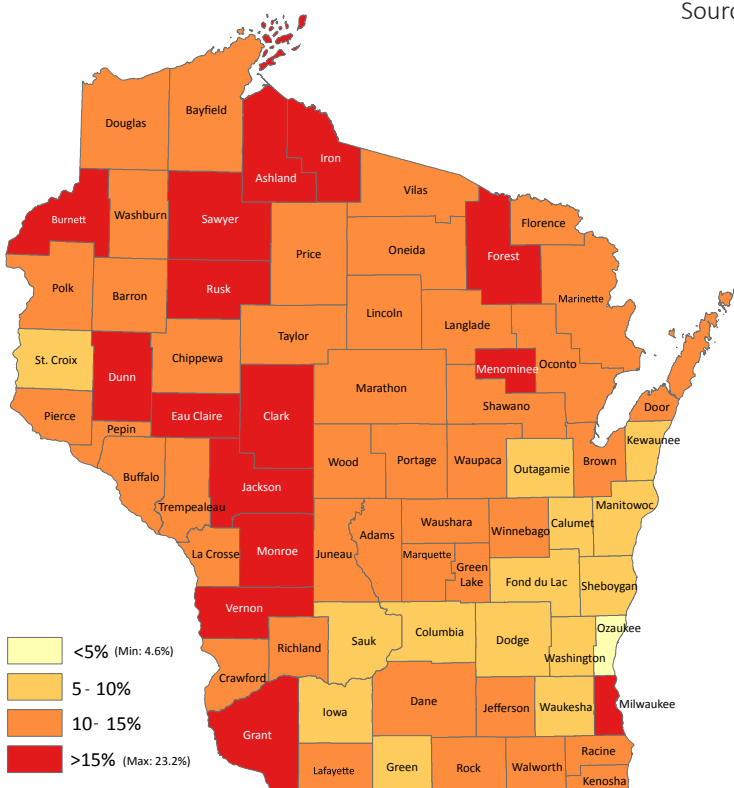
Poverty rates vary greatly across Wisconsin. In Iron County, the estimated poverty rate during the 5-year span of 2008-2012 was 16.4%, an increase from 2000 when the county poverty rate was 11.1%. The 2008-2012 estimated poverty rate in Iron County was significantly higher than the statewide rate of 12.5% and was not significantly different from the national average of 14.9%.⁵

Figure 1. **Poverty Rates in Iron County, Wisconsin and the United States: 2008-2012**



Source: American Community Survey, 2008-2012, 5-Year Estimates

Figure 2. **Poverty Rates by County in Wisconsin: 2008-2012**



Source: American Community Survey, 2008-2012, 5-Year Estimates

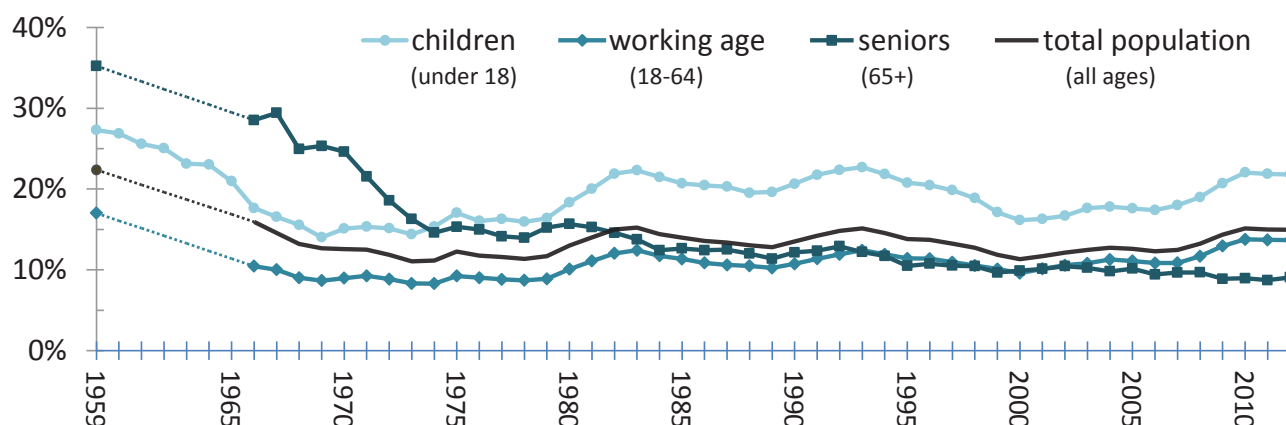
Who is in poverty?

In the past, poverty was most common among seniors. However, by 1970, the proportion of seniors in poverty dramatically declined at least in part because of changes in Social Security policy and since then it has remained lower than other age groups. As poverty has declined among seniors, it has increased among children. Poverty

is now more common among children than working-age adults (ages 18-64) or seniors.^{6, 7}

In Wisconsin, children, female-headed households, racial and ethnic minorities, and adults over 25 with only a high school education or less are most likely to live in poverty.

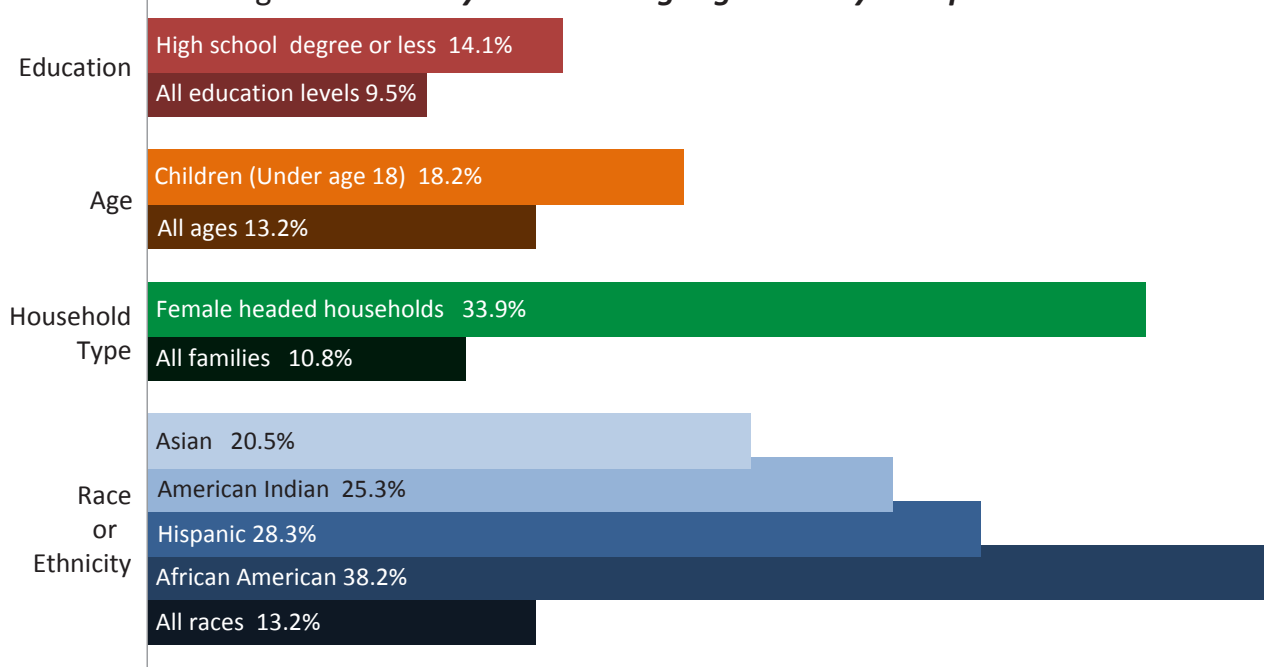
Figure 3. **Poverty Rates by Age in the United States: 1959 - 2012**



Source: DeNavas-Walt, C., B.D. Proctor, and J.C. Smith, U.S. Census Bureau, Current Population Reports, P60-245, Income, Poverty, and Health Insurance Coverage in the United States: 2012, U.S. Government Printing Office, Washington, DC, 2013

Note: Data on poverty between 1959 and 1966 are missing for working-age adults, seniors, and the total population

Figure 4. **Poverty Rates among High-Poverty Groups in Wisconsin: 2012**



Source: American Community Survey, 2012, 1-Year Estimates

Note: Poverty rates by education are based on the population of adults age 25 and over

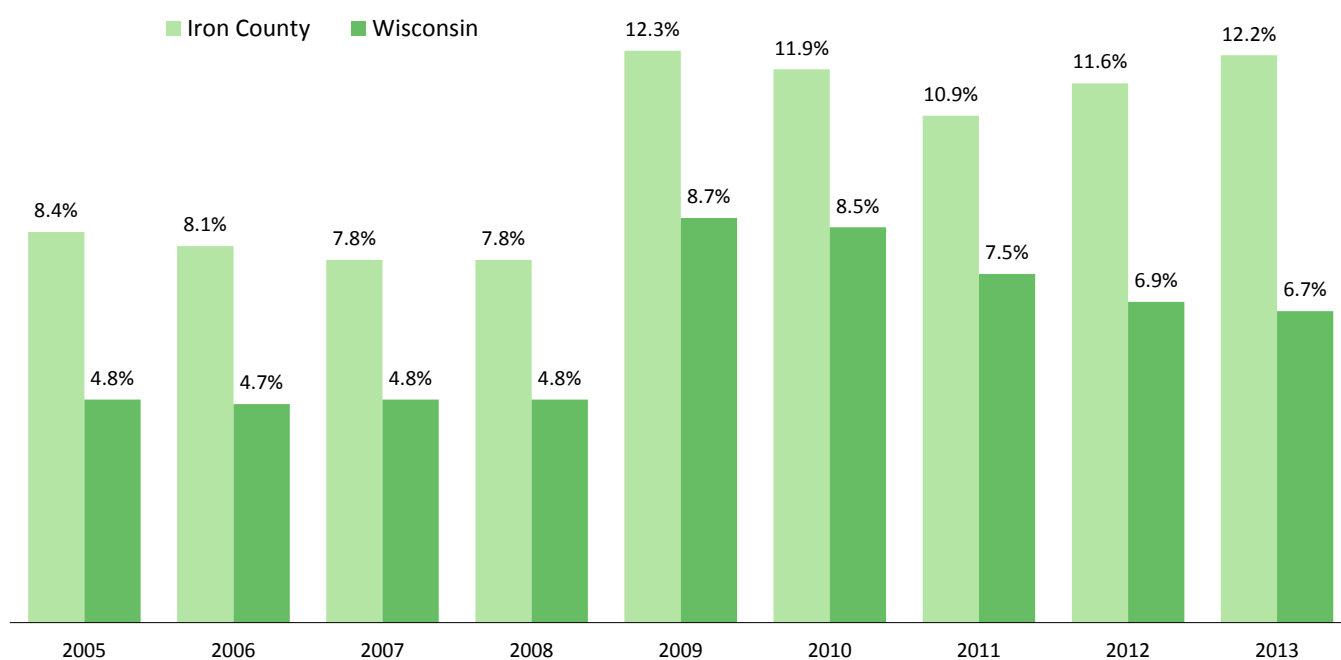
What causes poverty?

Limited earnings potential, including the inability to find sufficient work at an adequate wage, is strongly linked to poverty in Wisconsin.⁸

Although Wisconsin's unemployment rate has decreased in recent years, it remains high at 6.7%

statewide. Unemployment rose significantly between 2008 and 2009, and is still substantially above pre-recession rates. In Iron County, the 2013 unemployment rate was 12.2%, higher than the state's average.

Figure 5. ***Unemployment Rate in Iron County and Wisconsin: 2005-2013***



Source: Wisconsin Department of Workforce Development Annual Unemployment Rates, 2005-2013

What is Unemployment?

An individual is considered unemployed if s/he is not working, has actively looked for work in the past four weeks, and would be available to work if s/he found a job. People who are not actively looking for work are considered not to be in the labor force. Therefore, children, retired individuals, discouraged workers, and other individuals who are not seeking employment are not eligible to be considered unemployed. Similarly, individuals who have some employment but are under-employed (do not have as many hours as they would prefer) are considered employed.⁹

Employment is not always enough to escape poverty. In 2012, 28.4% of all workers in Wisconsin and 19.5% of full-time workers earned “poverty wages” or lower wages than are needed to keep a family of four with one full-time worker above the federal poverty line.¹⁰ In 2012, poverty wages for a family of four were \$11.19 per hour or less.¹¹

Across the state, lower educational attainment is associated with a higher likelihood of earning

poverty wages. In Wisconsin, people who attend some college but do not complete a bachelors or associates degree earn about the same median wage as those with only a high school degree (\$14.10 per hour versus \$13.90).¹¹

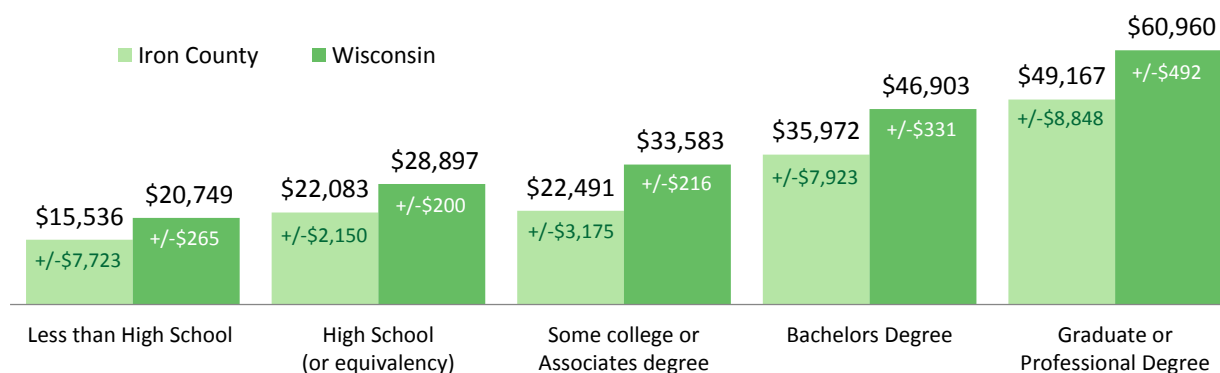
In 2012, 67.8% of adults over 25 in Iron County did not have an associates or bachelors degree, putting them at high risk for poverty-wage jobs.

Figure 6. **Percent of Workers making Poverty Wages or Less by Education in Wisconsin: 2012**



Source: Center on Wisconsin Strategy (COWS) analysis of Census Bureau’s American Community Survey 2012, 1-Year Estimates

Figure 7. **Individual Median Earnings by Educational Attainment in Iron County: 2008-2012**



Source: American Community Survey, 2008-2012, 5-Year Estimates

During the period of 2008-2012, the median income for residents of Iron County was \$24,665 – significantly lower than the state median income of \$35,085. However, individual income differs by education. In Iron County, employed adults over

25 with only a high school degree or GED earned a median income of \$22,083 which is significantly lower than the \$35,972 median income earned by individuals with a bachelors degree.

What are the consequences of poverty?

Poverty increases the risk of food insecurity and hunger. Food-secure households have enough safe and nutritious food for an active healthy life at all times. In contrast, food insecure households have uncertain access to food. Due to lack of money, they may run out of food, cut back the size of meals, or skip meals altogether.

Hunger and food insecurity, in turn, are linked to other problems. For children, these include poor health, and behavioral, learning, and academic problems.¹² Impoverished adults often report choosing between medication, rent, heat, transportation, or food.¹³ Food-insecure seniors are more than twice as likely to report bad health as food-secure seniors.¹⁴

Although Wisconsin fares better than the nation as a whole, our state's food insecurity rate has increased dramatically in recent years. During the period of 2001-2003, 9% of Wisconsin's households were food insecure as compared to 11.3% of the nation's households. In the period of 2010-2012, Wisconsin's food insecurity rate reached 11.2% while the nation's rate grew to 14.7%.

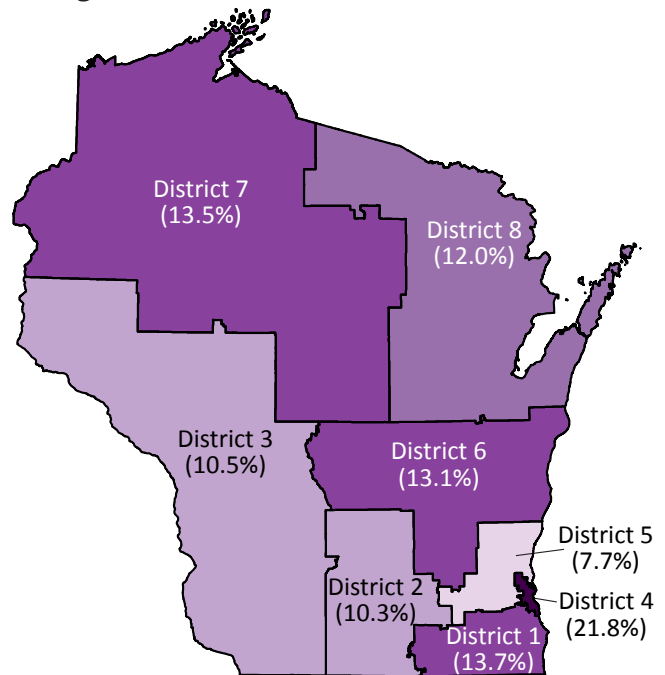
Figure 8. Food Insecurity in Wisconsin and the United States: 2000-2012



Source: United States Department of Agriculture. Household Food Security in the United States, 2003 (and years: 2006, 2009, 2012)

The “food hardship rate” is another indicator of food insecurity. The food hardship rate is the percentage of households that report not always having money to buy the food their family needed.¹⁵ Different communities in the state experience different rates of food hardship.

Figure 9. Food Hardship in Wisconsin by Congressional District: 2011-2012



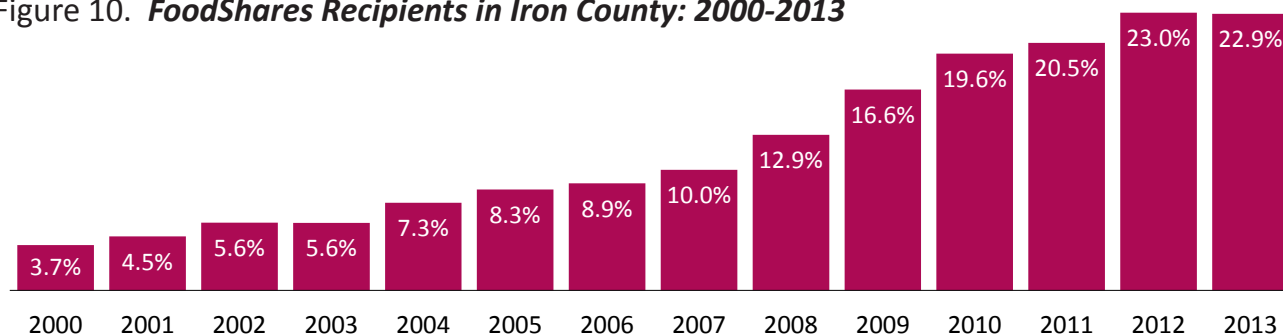
Source: Food Research and Action Center. Food Hardship in America, 2012. February 2013

The highest food hardship rate in the 2011-2012 period—21.8%—was reported by residents of District 4, located in part of Milwaukee County. The lowest rate—7.7%—was reported for District 5 to the north and west of the city of Milwaukee. Iron County was in District 7, where 13.5% of the population reported food hardship.

Another indication of food-related hardship is the share of the population participating in the Supplemental Nutrition Assistance Program (SNAP), known in Wisconsin as FoodShare. Economic conditions worsened between 2000 and 2013, and the proportion of Wisconsin residents who participated in FoodShare increased.

In Iron County, the proportion of the population receiving FoodShare increased from 3.7% in 2000 to 22.9% in 2013. The county rate of FoodShare participation in 2013 was higher than the statewide rate of 19.1%.

Figure 10. *FoodShares Recipients in Iron County: 2000-2013*

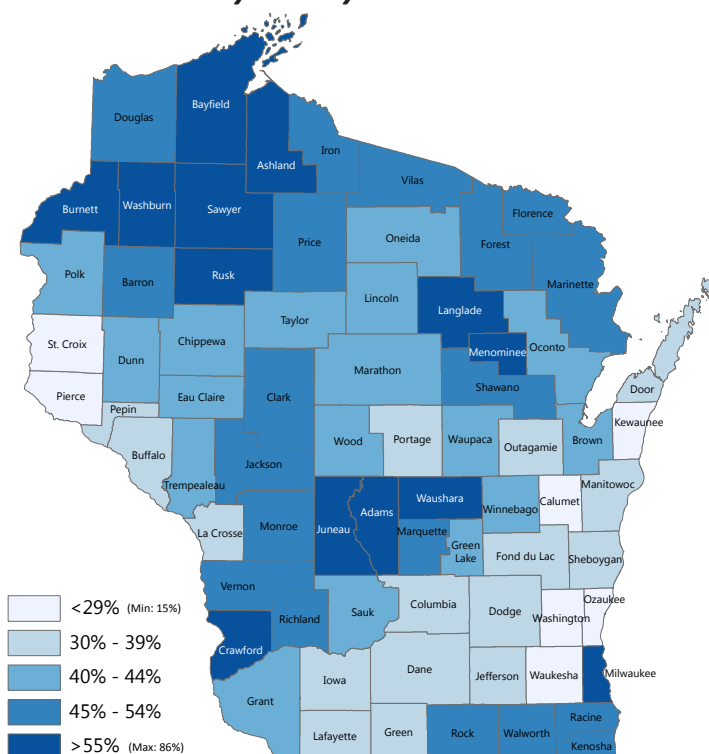


Sources: Wisconsin Department of Health Services FoodShare Data, Census Annual Population Estimate

Likewise, there has been substantial growth in the share of children who are eligible to receive free or reduced-price meals at school. Statewide, the rate increased from 30.8% to 40.0% between 2000 and 2012.

In Iron County during the same period, the share of school-age children certified for free or reduced-price meals grew from 36% to 51%. Children are eligible for free meals if their household income is below 130% of the federal poverty line, and children are eligible for reduced-price meals if their household income is below 185% of the federal poverty line.

Figure 11. *Percent of Students Eligible for Free or Reduced Lunch by County: 2012-2013 School Year*



Source: Wisconsin Department of Public Instruction as cited by Wisconsin Food Security Project: foodsecurity.wisc.edu

How can my community help?

Poverty and food insecurity are on the rise in Wisconsin communities. Poverty and food insecurity are experienced by individuals and households, and they also shape and are shaped by the economic and social character of communities. Both are complex problems without easy solutions, but communities can make a difference through a variety of strategies centered on community and economic development.

Promoting higher wages can reduce community-level poverty and, in turn, food insecurity. Poverty-level wages make it impossible for single-earner families to escape poverty without relying on public support. In contrast, higher wages help working people and families stay out of poverty and reduce the need for public assistance. Some communities and states have passed living wage laws requiring some employers to pay wages higher than the national minimum wage. Other communities have pursued economic development plans to attract better paying jobs. Poverty and food insecurity will not be solved by introducing jobs alone, but by introducing well-paying jobs.

Communities can help ensure that supports are available to working families. Family-friendly policies, including parental leave and flexible scheduling, and other work conditions can help working parents succeed at their jobs. Additionally, by promoting quality, affordable child care, communities support conditions that allow caregivers to work.

Investing in schools and ensuring that all children have support necessary to succeed in school strengthens a community. A good education is one of the best ways for children to avoid living in poverty as adults. Similarly, communities can promote training and education for adults to ensure they have the skills to succeed.

Safety net programs also play a big role in reducing the impact of poverty. When families cannot meet their basic needs through work, public programs to help with health care, food, housing, heat, and other essentials are vital. These programs will not end poverty and food insecurity, but they are a critical support for many Wisconsin residents living in or near poverty. Likewise, community-based non-profit organizations are important in helping families to meet essential needs.

Food security stems from economic security, but also is influenced by retail access to affordable and healthy foods; strong federal food and nutrition assistance programs; and a strong emergency food system. Communities improve access to affordable and healthy food by promoting the establishment of grocery stores, farmers markets, community gardens, and other healthy food outlets that are convenient to all community members. Additionally, nutrition education programs help families stretch limited food dollars while remaining healthy.

Communities can take steps to strengthen access to existing federal food programs. Strategies include instituting summer meal programs and school breakfast programs to help feed children year-round; conducting outreach to ensure families are aware of available food and nutrition assistance programs; and working with schools to improve the nutritional quality of school meals.

Finally, communities can strengthen their emergency food systems by taking steps to increase both the amount and nutritional value of food available at food outlets including food pantries, and by fostering linkages between these and other public and private food outlets.

Endnotes

1. The number reported by the 2012 ACS 1-Year estimates has a 90% margin of error of $\pm 16,981$ or $\pm 0.3\%$. This means one can be 90% certain that the actual number of people in Wisconsin living below the poverty line falls between 720,375 and 754,337.
2. Poverty estimates are from the 2012 American Community Survey, 1-year Estimates, and Census 2000 SF3. These and other estimates are available through the US Census Bureau on-line through the American FactFinder (<http://factfinder2.census.gov>).
3. The lower 48 contiguous states and the District of Columbia, Alaska, and Hawaii all have slightly different poverty thresholds. The 2012 guidelines can be found on-line through the US Department of Health and Human Services <http://aspe.hhs.gov/poverty/12poverty.shtml#thresholds>). Poverty thresholds used here and reported by the US Census Bureau can be accessed on-line (<http://www.census.gov/hhes/www/poverty/data/threshld/index.html>).
4. Smeeding, T.M., Isaacs, J.B. & Thornton, J.B. Wisconsin Poverty Report: Jobs Recover to Help Reduce Poverty in 2012. The Sixth Annual Report of the Wisconsin Poverty Project. May 2014. (<http://www.irp.wisc.edu/research/WisconsinPoverty/pdfs/WI-PovertyReport2014.pdf>)
5. The Iron County poverty rate reported by the 2008-2012 ACS 5-year estimates has a margin of error of $\pm 3.5\%$. Therefore, we can be 90% certain that the actual percentage of people in Iron County living below the poverty line is between 12.9% and 19.9%. This estimate is above the range for the state poverty rate (12.5% ± 0.2). At 16.4%, the Iron County's estimated poverty rate is significantly higher the state rate. A complete table of poverty rates for all Wisconsin counties is available through the Applied Population Laboratory. (http://www.apl.wisc.edu/publications/poverty_rates_WI_portrait.pdf)
6. Despite lower poverty rates among the older population, research suggests that the official poverty measure may underestimate poverty among seniors by not accounting for high medical costs, while it may overestimate poverty among parents and children by not accounting for key forms of economic assistance. See Smeeding, T.M., Isaacs, J.B. & Thornton, J.B. Wisconsin Poverty Report: Jobs Recover to Help Reduce Poverty in 2012. The Sixth Annual Report of the Wisconsin Poverty Project. May 2014. (<http://www.irp.wisc.edu/research/WisconsinPoverty/pdfs/WI-PovertyReport2014.pdf>)
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13. Cohen, R., J. Mabli, F. Potter & Z. Zhao. (2010). Hunger in America 2010. Mathematica Policy Research, Feeding America. (http://www.mathematica-mpr.com/PDFs/Nutrition/Hunger_in_America_2010.pdf)
14. Lee, J.S., & E.A. Frongillo Jr. (2001). Nutritional and Health Consequences are Associated with Food Insecurity among U.S. Elderly Persons. *Journal of Nutrition*. 131: 1503-1509. (<http://jn.nutrition.org/content/131/5/1503.full.pdf>)
15. "Food hardship" is based on the question "Have there been times in the past twelve months when you did not have enough money to buy food that you or your family needed?" asked by the Gallup Poll and cited by the Food Research Action Center. "Food insecurity" is based on a series of questions asked by the US Census and the USDA about households' ability to meet their food needs. The two measures are similar but not identical. See: Food Research and Action Center. Food Hardship in America, 2012. February 2013. (http://frac.org/pdf/food_hardship_2012.pdf)