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Tracking the Progress of Welfare Reform Quickly: A Model for Measuring Neighborhood Health and Change, prepared for The Brookings Institution

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**TRACKING THE PROGRESS OF
WELFARE REFORM QUICKLY:
A MODEL FOR MEASURING NEIGHBORHOOD
HEALTH AND CHANGE**

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University of Wisconsin-Milwaukee Employment and Training Institute

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ABSTRACT

Research on the progress of welfare reform commonly relies on multi-year state and national evaluations and surveys, leaving city officials and practitioners hungry for data on the immediate impact of welfare changes on their inner-city neighborhoods. This study describes the Milwaukee neighborhood indicators project, an effort directed by the University of Wisconsin-Milwaukee's Employment and Training Institute, which tries to fill this information gap. Using a variety of geographically specific data sources from state, county, and city agencies, the project provides a more timely set of economic indicators for the city of Milwaukee and its neighborhoods than do other sources. The indicators allow local officials to measure the impact of welfare reform and worker benefit policies on families, to identify continuing employment barriers for inner-city residents, and to craft policies that help these families attain economic self-sufficiency. The research model described in this paper can be replicated in cities across the country.

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TRACKING THE PROGRESS OF WELFARE REFORM QUICKLY: A MODEL FOR MEASURING NEIGHBORHOOD HEALTH AND CHANGE

I. INTRODUCTION

Welfare reform has created immediate challenges for city policymakers trying to understand and respond to the local impacts of changed policies. Large cities have experienced significant welfare caseload decline, but at a slower pace than the nation as a whole, leaving welfare cases concentrated in urban areas with higher unemployment rates and large pockets of poverty.¹ Despite welfare's increasingly urban nature, the impact of welfare reform on the economic health of city neighborhoods cannot be detected with widely available national data sources. Welfare evaluations often take three to five years to complete, and usually produce one-time reports on statewide programs that have already been substantially modified by the time the results are released. Of particular concern is the lack of impact information for inner-city neighborhoods where the "concentration effects" of poverty and social isolation, as described by William Julius Wilson, Paul Jargowsky, Mary Jo Bane and others, might complicate reform efforts.²

The Milwaukee neighborhood indicators project proves that cities can take the lead in assessing annually the impacts of welfare reform on individual neighborhoods and in identifying policy areas of immediate concern to their residents. This project was spearheaded by the Employment and Training Institute (ETI), an applied research department of the University of Wisconsin-Milwaukee with experience analyzing institutional databases. ETI has a long track record of working with the city, county, educational institutions, and community agencies on employment, education, and welfare issues in Milwaukee. Two local foundations, the Helen Bader Foundation and the Milwaukee Foundation, provided seed money for the work. Community agencies assisted in identifying key areas of concern, and city, county, and state agencies cooperated in securing databases needed for the analysis.

The project has tracked economic and social trends in Milwaukee neighborhoods during a period of significant policy change in Wisconsin. Over the past several years, Wisconsin has transitioned from the Aid to Families with Dependent Children (AFDC) program to "W-2" ("Wisconsin Works"), the state's current Temporary Assistance for Needy Families (TANF) welfare program. This transition included a period from 1996 to 1997 when the state implemented a new welfare program under federal waivers. "Self-Sufficiency First/Pay for Performance" mandated job search, child support reporting, and work requirements for AFDC applicants and many adult recipients. Beginning in October 1997 and continuing through April 1998, Milwaukee County gradually phased

¹ Katherine Allen and Maria Kirby, **Unfinished Business: Why Cities Matter to Welfare Reform** (Brookings Institution Center on Urban and Metropolitan Policy, July 2000).

² See William Julius Wilson, **The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy** (Chicago: University of Chicago Press, 1987); Paul A. Jargowsky, **Poverty and Place: Ghettos, Barrios, and the American City** (New York: Russell Sage Foundation, 1997); Christopher Jencks and Paul E. Peterson (eds.), **The Urban Underclass** (Washington: The Brookings Institution, 1991).

in the W-2 program, which eliminated income support for parents deemed “job ready,” required other parents to participate in community service or job-related activities, and offered generous child care assistance. In July 1999, Wisconsin implemented BadgerCare, its version of the federal government’s State Children’s Health Insurance Program (SCHIP). In addition to providing health insurance for low-income children, Wisconsin obtained a federal Medicaid waiver to use BadgerCare to cover low-income uninsured parents.

The Institute collected several years of administrative data in order to develop an independent, timely, and ongoing assessment tool measuring economic changes by neighborhood. Data analyzed included welfare administrative records, county child care payment files, state income tax filings, property tax records, motor vehicle registrations, driver’s license applications, and city crime reports. ETI publishes annual indicators reports for nine central city zip codes that were home to the majority of Milwaukee County AFDC cases prior to welfare reform. It also issues an annual report on the economic well-being of children in the county, and a series of papers on policy issues it identifies through this research. Key sets of leaders have used findings from the Milwaukee neighborhood indicators project to influence local policies: (1) state legislators have enacted legislation addressing transportation barriers to employment for central city families; (2) local agencies and foundations have used the data to launch Earned Income Tax Credit neighborhood outreach projects; (3) county officials have improved administration of benefit programs; and (4) community groups have advocated for improved outreach for food stamps, medical assistance, and child care support in the neighborhoods where take-up rates are low.

The next section of this report discusses the reasons why other cities should consider creating a local welfare indicators project, and how ETI worked with the city, county, and state to set up the Milwaukee project. To illustrate the power of the neighborhood indicators approach, this paper then presents findings for one inner-city Milwaukee zip code in which welfare reform has had particularly significant impacts. The paper concludes with examples of how the project has influenced state and local policy by providing up-to-date information on the economic status of families making the transition from welfare to work.

II. SETTING UP A NEIGHBORHOOD INDICATORS PROJECT

The neighborhood indicators project was established to help Milwaukee foundations and governments track neighborhood conditions as the local economy improved dramatically in the 1990s and the state legislature enacted unprecedented welfare policy changes. Local leaders recognized several advantages that neighborhood analyses could provide.

- First, multiyear state and national welfare evaluations and surveys have proved inadequate for informing decisions on welfare policy at the local level. Lag time between assembling the data and reporting the results is significant, and geographic levels reported are too large to allow local officials to assess neighborhood-level impacts. State and federal evaluations of programs, if geographically based, usually relate to the jurisdiction administering the program (i.e., the state, county, or multi-county jurisdiction). National research studies focusing on urban populations occasionally offer one-time reports on local conditions, and then only at the city, county, or metropolitan level.
- Second, many policies supporting welfare to work have an important spatial component.³ Information on the spatial dimension of welfare receipt and job opportunities in cities is critical to the development of policies promoting increased employment of mothers on welfare. For instance, semi-annual job openings surveys conducted by ETI have found that many vacant low-skill jobs located in suburban and exurban areas are not accessible by public transportation. At the same time, adults receiving welfare are concentrated in central city neighborhoods, and a sizable portion lack automobiles or valid driver's licenses.⁴ This impacts not only employment, but also income. ETI analysis of individuals leaving AFDC in the early 1990s showed that those who traveled away from their immediate neighborhood for employment averaged higher wages than those who worked close to home.⁵
- Third, neighborhoods vary widely in the number of aid-dependent families and their characteristics. Less than 2 percent of the youth population in one suburban Milwaukee County community received public assistance (AFDC, food stamps, or medical assistance)

³ See Ariel Kalil, Heidi Schweingruber, Marijata Daniel-Echols and Ashli Breen, "Mother, Worker, Welfare Recipient: Welfare Reform and the Multiple Roles of Low-Income Women," in Sheldon Danziger and Ann Chih Lin (eds.), **Coping with Poverty: The Social Contexts of Neighborhood, Work, and Family in the African-American Community** (Ann Arbor: University of Michigan Press, 2000); Scott Allard, **Place, Race and Work: The Dynamics of Welfare Reform in Metropolitan Detroit** (Brookings Institution Center on Urban and Metropolitan Policy, September 2001).

⁴ See, for example, John Pawasarat and Lois M. Quinn, **Survey of Job Openings in the Milwaukee Metropolitan Area: Week of May 15, 2000** (University of Wisconsin-Milwaukee Employment and Training Institute, 2000).

⁵ According to Milwaukee County September 1996 AFDC case file records, 42 percent of caseheads making less than \$5.00 an hour worked within 2 miles of their home, compared to 14 percent of caseheads earning \$8.00 or more. John Pawasarat, **Initial Findings on Mobility and Employment of Public Assistance Recipients in Milwaukee County and Factors Relating to Changes in W-2 Regions Over Time** (University of Wisconsin-Milwaukee Employment and Training Institute, April 1997).

during 1993-94, while over 80 percent in central city zip code 53206 lived in families receiving aid. Many Hispanic and Hmong families live in Milwaukee's near southside (zip code 53204), where almost 20 percent of AFDC cases were headed by two parents. By contrast, in zip code 53206, 97 percent of AFDC cases were headed by single parents.

- Fourth, local agencies need tools to measure changes over time in neighborhoods targeted for employment, housing, and social services initiatives, and outreach for food stamps, medical assistance, and worker benefits. With the advent of welfare reform, public and private funders have been deluged with requests for special projects to meet the needs of families leaving AFDC. Data on comparative needs, however, are limited, and too often agencies rely on outdated decennial census data with severe undercounts in central city neighborhoods. The Milwaukee neighborhood indicators project continues to provide data on family well-being as welfare cases reach time limits and newer labor force entrants are affected by downturns in the economy.

At the request of the Helen Bader Foundation and Milwaukee Foundation, ETI piloted Milwaukee's approach to developing neighborhood indicators in 1997. The Institute worked closely with city and county governments, the public school system, and the area technical college on issues of employment, education, delivery of public services, welfare policies, and public policy research. Since 1993, ETI has collaborated with the City of Milwaukee, Milwaukee Public Schools, Milwaukee Area Technical College, and the Private Industry Council of Milwaukee County on periodic surveys of job vacancies used to identify locations and skill requirements of job openings in the metropolitan area. The Institute also collaborates with Milwaukee County to analyze the delivery of day care support, food stamps, and public health insurance for lower-income families, in order to improve the administration of these programs.

For the Milwaukee neighborhood indicators project, local governments and community agencies help to identify policy areas of greatest concern. City, county, and state governments provide ETI researchers with access to public assistance administrative records and state income tax returns categorized by zip code. Data analysis is usually conducted by zip code, with address-specific maps prepared where appropriate. The zip code has proven to be a useful starting place for analysis since all welfare case records include zip codes. Zip code fields tend to be more accurate and uniform than street addresses, and no geocoding of data is required. Furthermore, areas represented by central city zip codes are usually of sufficient size that it is unnecessary to suppress data for confidentiality purposes.⁶ Researchers use these data to track several indicators at the neighborhood level, including: public assistance receipt; family income and poverty; child care usage; housing values; and automobile access.

⁶ Requests for zip code level data from suburban or rural areas, where many cell sizes are less than ten, may require suppression.

A. Welfare Changes

The neighborhood indicators project tracks public assistance trends over time for families receiving AFDC or W-2 income support, food stamps and medical coverage (including Medicaid, Healthy Start and BadgerCare). Separate analyses look at numbers of children receiving these benefits.⁷ The Institute works with original caseload data files from Milwaukee County and has analyzed nine years of zip code data. Other cities can request summary zip code data tables since these data are easily prepared at little or no cost by computer programmers administering welfare files. For each time period analyzed, all data files are reviewed to ensure that records are comparable, as administrative files, data fields, and case definitions are frequently changed when new welfare policies are implemented.

State and local data also can be used to investigate employment outcomes for TANF participants and for those who leave the program (“leavers”). ETI worked with the Private Industry Council of Milwaukee County to develop and pilot a low-cost procedure for matching two research files: one containing demographic data on local families served by the state’s welfare program; and the other containing data on quarterly wages paid by Wisconsin employers under the unemployment compensation program. (To maintain confidentiality, the state matched the research file with the wage data and then returned a version of the matched files with the social security numbers removed.) These data are easily accessible (with about four months lag time) at very low cost, and allow researchers to track on a quarterly basis the economic well-being of families on the welfare rolls and those who recently left the rolls.

ETI conducted a pilot examination of five quarters of wage data for 25,125 Milwaukee County single parents who received AFDC in December 1995 and were expected to work under the W-2 program. The Institute anticipated that the state wage file would allow tracking of quarterly earnings for W-2 participants and leavers at both the county and neighborhood level. Although ETI was unable to obtain data for subsequent reports after the initial pilot study, other cities may have more success obtaining valuable time-series earnings data for present and former welfare recipients.

B. Family Income and EITC Claims

Tax return data can represent an especially valuable addition to a neighborhood indicators project. ETI asks the Wisconsin Department of Revenue to provide special tabulations that allow it to determine, by zipcode, total adjusted gross income (AGI) and number of families in several

⁷ Differing eligibility requirements for various Wisconsin medical assistance programs result in many households with only some members, often the children, covered by health insurance. Wisconsin offers a Medicaid deductible program, Healthy Start, and BadgerCare health insurance. Healthy Start covers pregnant women and children ages 6-19 in families with income up to 100 percent of poverty and children under age six in families with income up to 185 percent of poverty. The Wisconsin BadgerCare program provides health care coverage for uninsured children and parents who do not qualify for Medicaid or Healthy Start but who have income below 185 percent of the poverty level. There is a co-payment for income levels over 150 percent of poverty. Once enrolled, families can maintain coverage until their income reaches 200 percent of poverty.

income ranges. Income tax data have notable advantages over other data sources on income: they are available annually, and they provide a more comprehensive picture of income than may be volunteered for the U. S. Census long form or survey research projects. However, income tax data have some drawbacks. They miss the income of persons not filing taxes and earnings from the “underground economy.” They may also understate income for persons with rental properties, tax-deferred annuities, and other unearned income, though these income sources are often less important in inner-city areas.

For the Milwaukee neighborhood indicators project, state income tax data are used to estimate annual income by neighborhood, increases in numbers of families with earnings, and numbers of families with income earnings below the poverty level. ETI requests two tables from the state revenue department for each zip code in the county: one for single tax filers (including heads of household) and one for married filers. Each table details by fifteen income ranges (less than or equal to \$0; \$1-\$4,999; \$5,000-29,999 by \$2,500 increments; \$30,000-39,999; \$40,000-49,999; and \$50,000 and over) the total number of filers, number of filers with dependents (0, 1, 2, or 3 or more), aggregate AGI, number of filers claiming the state Earned Income Tax Credit (EITC), and aggregate dollars of state EITC claims. The data are for working age tax filers and exclude filers who are claimed as dependents on other tax returns or who claim the elderly credit.

These data allow for a number of useful analyses. ETI uses the detailed income data, filing status, and number of dependents to estimate the number of families with below-poverty earnings, and earnings between 100 and 185 percent of poverty (the cutoff for subsidized state health insurance).⁸ Additionally, because the Wisconsin state EITC is calculated as a percentage of the federal credit, researchers can estimate, by income range, total federal EITC payments to families.⁹ Using these data, ETI is able to estimate how many families are lifted above poverty by the federal and state EITC, as well as the number of families who likely qualify for, but do not claim, the EITC.

C. Child Care Availability and Subsidies

Published reports from the state Department of Health and Family Services, which licenses child care facilities, are used to measure changes in day care spaces available in licensed group centers and family homes. These data also include information on hours of service and facilities licensed to provide infant care. ETI uses these data to determine, by zip code, how many licensed family and group child care centers operate full-time, year-round, and how many offer infant and 24-hour licensed care.

⁸ The estimates understate poverty for families with more than three dependents (since data on the exact number of these families are not available) and for families who are contributing to the support of other family members not listed as dependents. The estimates, however, do not account for other income sources such as food stamps, child care subsidy benefits, SSI payments, child support, other financial contributions to the family, and non-reported income sources.

⁹ The Wisconsin state EITC is 4 percent of the federal credit amount for families with one child, 14 percent of the federal credit for families with two children, and 43 percent of the federal credit for families with more than two children.

ETI also receives child care payment data from the county citing information by provider, family, and individual child. The Institute uses these data to track how many employed families receive federal/state child care support, and to determine the number of child care providers from each inner-city neighborhood that receive payments.

D. Access to Transportation

Surveys of central city Milwaukee residents established that lack of transportation constituted a major barrier to employment.¹⁰ ETI explores access to transportation – automobiles, in particular – through analyses of Wisconsin Department of Transportation files on licensed drivers, vehicle ownership, and license suspensions and revocations (mapped by address). These data help to reveal whether inner-city residents are able to access job opportunities outside the city, where other survey work has revealed that job openings are plentiful, wages are higher, and public transportation options are limited.

E. Neighborhood Stability

When welfare reform was proposed in Wisconsin, local officials and community agencies expressed concern that inner-city neighborhoods might deteriorate as people lost public assistance payments. Neighborhoods falling into decline might show falling housing values, abandoned housing units, and increases in crime, while neighborhoods where more families were employed might show increased numbers of owner-occupied housing.

To investigate welfare reform's effects on neighborhood stability, ETI uses city property files and federal mortgage loan records available under the Home Mortgage Disclosure Act (HMDA) to track neighborhood housing data. These data are used to: develop trends in the market value of single family homes and duplexes; examine neighborhood homeownership rates; calculate changes in numbers of housing units; and track home purchases and mortgage refinancing. New mortgages, mortgage refinancings, and home repair mortgages.

To investigate whether welfare reform led to an increase in criminal activity, ETI obtains statistics from the city police department on violent crimes, including arson, assault, battery, homicide, rape and robbery. These data, available at the city block level, are analyzed and mapped for neighborhoods with the heaviest welfare caseload declines.

¹⁰ Lois M. Quinn, **Employment and Training Needs of Central City Milwaukee Workers** (University of Wisconsin-Milwaukee Employment and Training Institute, 1997); Lois M. Quinn, John Pawasarat and Linda Hawkins, **Survey of Central City Job Seekers: Fall 1995** (University of Wisconsin-Milwaukee Employment and Training Institute, 1996).

III. USING THE INDICATORS TO UNDERSTAND THE PROGRESS OF WELFARE REFORM: THE MILWAUKEE EXAMPLE

The Institute disseminates findings from the Milwaukee neighborhood indicators project in several ways: through individual reports on nine inner-city zip codes; through a summary paper identifying key findings for the central city as a whole; and through a report on the economic status of Milwaukee County children. This section focuses on findings from an analysis of trends in zip code 53206, which in 1993 had the highest number of AFDC cases in the state. This Milwaukee neighborhood has a predominantly African-American population, a high concentration of families within a relatively small geographic area (2.72 square miles), and a large number of families headed by single parents.¹¹ Table 1 presents an overview of changing conditions in zip code 53206, drawn from data that ETI receives from state, county, and local agencies. Samples of graphs and tables prepared for zip code 53206 are described below.

A. Families Receiving Public Assistance

Caseload size is one of the most widely used indicators of the progress of welfare reform. ETI, aided by public assistance files, tracks welfare, food stamp, and subsidized health insurance caseloads; Table 1 shows trends. Between March 1994 and April 2000, the number of families in zip code 53206 receiving income support (AFDC or W-2) dropped from 4,779 to 663 (86 percent), before rising to 744 cases (12 percent) in June 2001. Declines were sharp in the fall of 1996 when the state initiated a "Pay for Performance" program that enforced long-standing work requirements and increased monitoring of family income. Another significant drop occurred in early 1998 when the state converted AFDC cases to W-2, which required nearly all parents to seek employment and denied aid to parents deemed "ready to work."¹²

¹¹ According to the 1990 Census, 43 percent of the 41,816 residents in zip code 53206 were living in poverty in 1989, annual per capita income was \$5,798 (the second lowest in Milwaukee County), 97 percent of residents were African-American, and 71 percent of families with children were headed by a female with no husband present.

¹² Data for this zip code were not available on the number of families receiving public assistance support under the "Kinship Care" program for relatives caring for minor children or the "Caretaker Supplement" program for eligible parents receiving Supplemental Security Income (SSI). In Milwaukee County in December 2000, a total of 2,818 families with 5,836 eligible children were receiving "C-Supp" payments and 6,407 children were in "Kinship Care."

Zip code 53206 also showed sharp declines in the number of families receiving food stamps and medical assistance, although these declines were not nearly as steep as the AFDC/W-2 drops. The number of families in this zip code receiving food stamps dropped from 4,612 cases in March 1994 to 2,934 in February 1999, a 36 percent decline. In 2000 the state, county, and local W-2 agencies increased outreach efforts to enroll families in the food stamp program, but these efforts produced little change in the food stamp caseload. In June 2001, food stamp cases for zip code 53206 totaled 2,957.

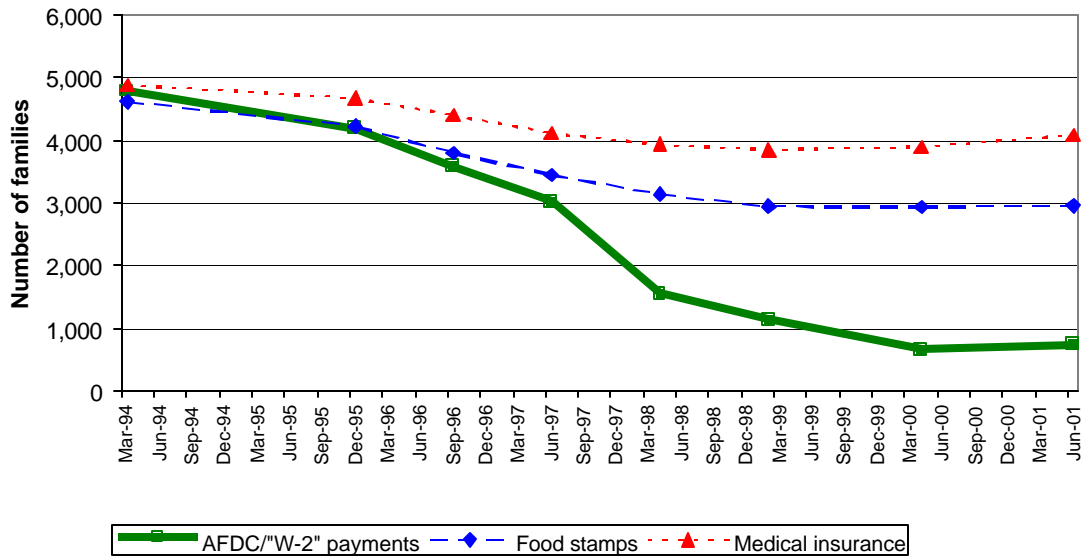
**Table 1. Public Assistance and Worker Benefits for Families with Children in Zip code 53206
(Selected Months for Which Zip code Level Data Are Available)**

Monthly Data	Mar. 1994	Dec. 1995	Sept. 1996	June 1997	Apr. 1998	Feb. 1999	Apr. 2000	June 2001
Families receiving AFDC/"W-2"	4,779	4,181	3,582	3,027	1,552	1,145	663	744
Monthly AFDC/ "W-2" payments	\$2,304,470	\$1,917,106	\$1,613,544	\$1,340,255	\$935,876	\$570,911	\$331,577	\$367,443
Avg. monthly AFDC/ "W-2" payments	\$482	\$459	\$450	\$443	\$603	\$499	\$500	\$494
Families receiving food stamps	4,612	4,216	3,794	3,446	3,135	2,934	2,934	2,957
Monthly food stamp payments	\$937,188	\$916,927	\$819,598	\$765,987	\$715,987	\$690,407	\$728,485	\$708,978
Avg. monthly food stamp payments	\$203	\$217	\$216	\$222	\$228	\$235	\$248	\$240
Families covered by govt. medical insurance	4,877	4,664	4,396	4,108	3,927	3,843	3,893	4,081
Monthly Data				Sept. 1997		Jan. 1999		Mar. 2001
Families receiving child care subsidies				429		650		814
Monthly child care subsidy payments				\$255,295		\$524,734		\$856,340
Avg. monthly child care subsidies per family				\$595		\$807		\$1,052
Tax Year Data	1994	1995	1996	1997	1998	1999	2000	
Employed families with EITC claims	3,473	3,938	4,251	4,375	4,463	4,519	4,597	
Fed'l + state EITC claims (annual avg.)	NA	\$8,478,096	\$10,284,502	\$12,092,064	\$13,247,340	\$13,069,524	\$13,345,104	
EITC claims per family (annual avg.)	NA	\$2,152	\$2,419	\$2,763	\$2,968	\$2,892	\$2,903	

The number of zip code 53206 families receiving subsidized health insurance – including Medicaid and BadgerCare – dropped from 4,877 in March 1994 to 3,843 in February 1999, a 21 percent decline. Outreach efforts to increase working families’ participation in these medical insurance programs resulted in a modest increase in coverage. By June 2001, 4,081 families participated – still 16 percent below the number served in March 1994.¹³

Declines in food stamp and subsidized health insurance program participation point to gaps in covering eligible working families. Some families undoubtedly experienced income gains during the late 1990s that rendered them ineligible for these work supports. The following section strongly suggests, however, that the bulk of families leaving welfare for work remained eligible for these supports, but somehow lost their benefits as they transitioned out of the AFDC/W-2 system.

Figure 1. Families Receiving Public Assistance in Zip Code 53206, 1994-2001

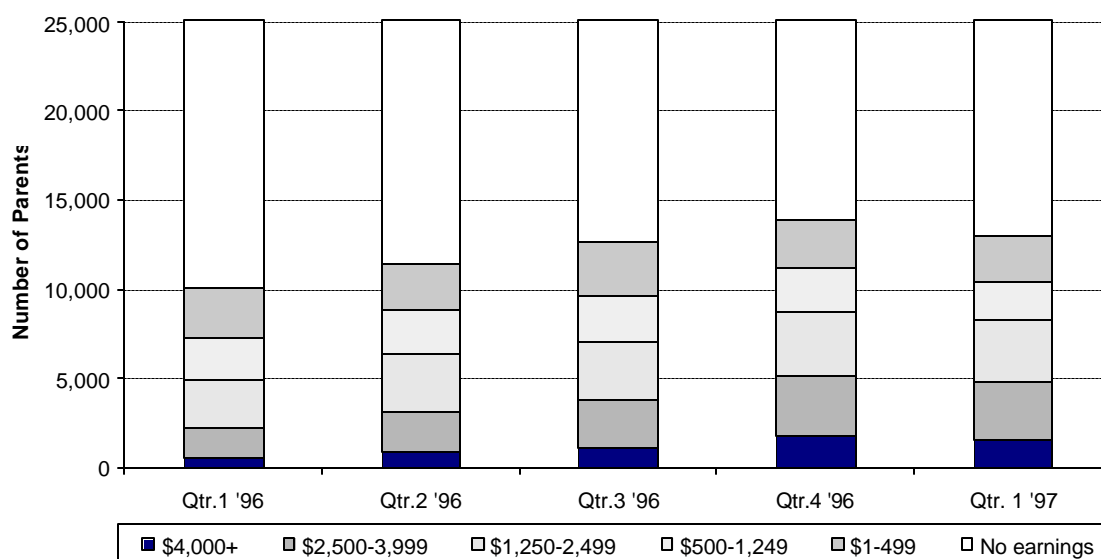


¹³ By contrast, in zip code 53204, a predominantly Hispanic neighborhood, the number of families served by medical assistance and BadgerCare was higher in June 2001 (4,081 families) than in March 1994 (3,712 families). This is likely because of the aggressive enrollment efforts of the Sixteenth Street Health Clinic, which serves low-income and Spanish-speaking families in that neighborhood. Similar outreach efforts in African-American neighborhoods could boost health insurance coverage throughout the city.

B. Earnings of Families Receiving – and Leaving – Public Assistance

State and local data provided timely insights on the economic status of current and former Milwaukee County welfare recipients. The wages of families on AFDC in December 1995 were tracked on a one-time pilot basis for Milwaukee County (but not by individual zip codes) using the state wage file submitted by all companies (in the state) subject to unemployment compensation requirements. The graph below tracks quarterly earnings of the 25,125 Milwaukee County single parents who were on the welfare rolls in December 1995, but were expected to work under W-2, from First Quarter 1996 through First Quarter 1997.

Figure 2. Quarterly Earnings of 25,125 Single Parents on AFDC in 12/95 in Milwaukee County, 1/96-3/97



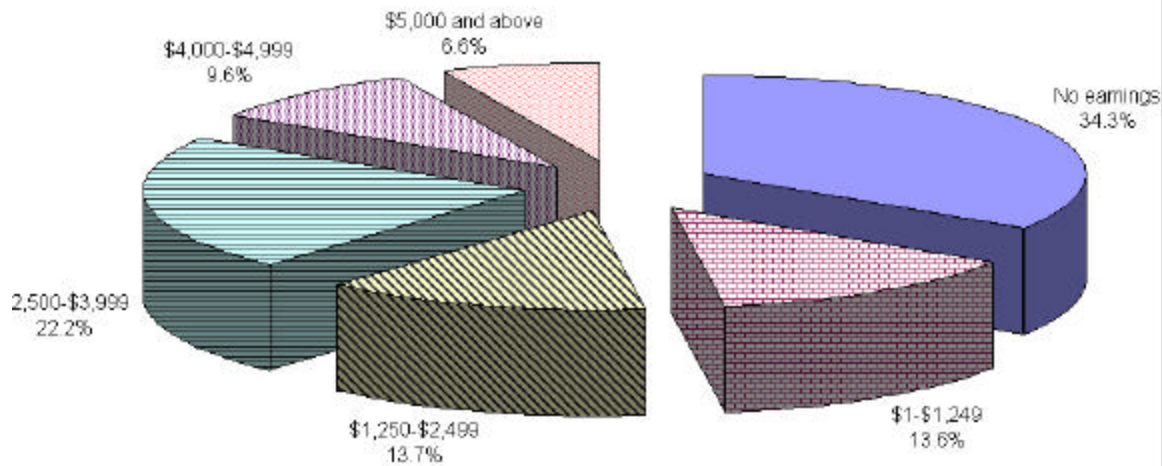
Wage data showed steady growth in employment and earnings for the 25,125 single parents through 1996. In September 1996, 17,623 of the original 25,125 parents (70 percent) were still on AFDC, and many had no earnings. Figure 2 indicates, however, that a sizable share of these participants was working for wages, as were the individuals who had left the rolls by that time. After Fourth Quarter (October-December) 1996, the number of parents working dropped off in First Quarter 1997, when seasonal employment typically lags.

ETI conducted similar analysis to determine subsequent three-month earnings for the subpopulation of 7,502 Milwaukee County single parent “leavers” who left AFDC between December 1995 and September 1996.¹⁴ Most families who left welfare did not earn enough to lift themselves

¹⁴ John Pawasarat, **Employment and Earnings of Milwaukee County Single Parent AFDC Families: Establishing Benchmarks for Measuring Employment Outcomes Under “W-2”** (University of Wisconsin-Milwaukee Employment and Training Institute, 1997). A second report examined the 42,120 jobs held by these parents. John Pawasarat, **The Employer Perspective: Jobs Held by the Milwaukee County AFDC Single**

out of poverty. Consistent with other welfare leaver studies, ETI found that two-thirds of former adult recipients had earnings in Fourth Quarter 1996.¹⁵ Figure 3 shows that about 16 percent had income of \$4,000 or above (the poverty level for a family of four); another 22 percent had earnings equivalent to at least full-time minimum wages (\$2,500); 14 percent earned at least half-time minimum wages (\$1,250); and 14 percent earned below \$1,250. A little over one-third had no earnings at all. Examining public assistance files in December 1996, ETI determined that 15 percent of the 7,502 families had returned to AFDC in the previous three months.

Figure 3. Fourth Quarter 1996 Earnings, 7,502 Milwaukee County Parents Off AFDC in September 1996



The Institute also used first quarter 1997 data to assess whether welfare leavers were able to retain employment and increase their earnings over time. Of the 16 percent earning \$4,000 or more in Fourth Quarter 1996, only half were able to sustain this level of wages in First Quarter 1997. Those single parents earning in the \$2,500 - \$3,999 range in Fourth Quarter 1996 were more likely to continue at or above this level in the following quarter. However, by December 1996, 7 percent of these families were again receiving AFDC. Analysis of the 34 percent of the population with no earnings in Fourth Quarter 1996 suggested that some single parents had unearned income (AFDC, SSI, or child support), while others had no apparent means of support.

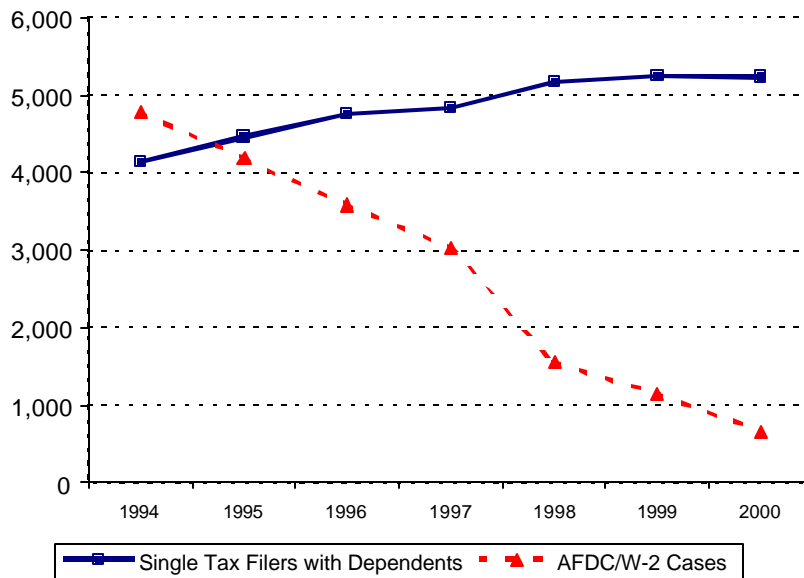
Parent Population (January 1996-March 1997) (University of Wisconsin-Milwaukee Employment and Training Institute, 1997).

¹⁵ See, e.g., Pamela Loprest, **Families Who Left Welfare: Who Are They and How Are They Doing?** (The Urban Institute, July 1999).

C. Income of Single Parent Families

In spite of significant population declines in zip code 53206, the number of income tax filers increased during the 1990s.¹⁶ State income tax returns from 1993 to 2000 show a 20 percent increase in working age single filers with dependents, and a modest decline in married filers with dependents, consistent with the experience of other central city Milwaukee zip codes. The increase in single parent filers began prior to the imposition of state welfare work requirements, as Milwaukee benefited from a thriving local economy and an unemployment rate that dropped by half.

Figure 4. Comparison of Single Parent Tax and AFDC/W-2 Cases in Zip Code 53206, 1994-2000

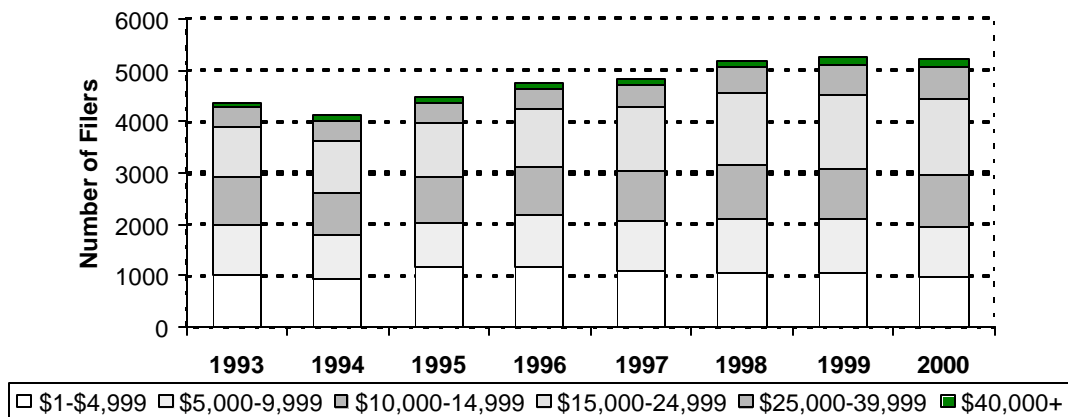


Tax data do indicate, however, that additional single parents entered the labor force as the “Pay for Performance” and “W-2” welfare reforms were implemented in Milwaukee County. By comparing AFDC and W-2 caseload trends to growth in single tax filers with dependents, ETI was able to gauge the extent to which employment replaced welfare for single parents in the neighborhood. Figure 4 shows that AFDC/W-2 cases decreased by 4,116 between 1994 and 2000, but that the number of single income tax filers with dependents increased by only 1,104. Several factors may account for this difference: some parents may have left the neighborhood, not filed tax returns, or moved in with an earner. Still, the data suggest that some former welfare families have not moved into the mainstream economy.

¹⁶ The 2000 Census reported a 20 percent decline in population in zip code 53206 over the past decade, from 41,816 residents in 1990 to 33,259 in 2000.

Analysis of the data by income category suggests that many single parents in the neighborhood are only marginally employed, or work for very low wages. Overall, the shares of total single filers with dependents in each income category changed little between 1993 and 1999. Almost a fourth of single filers with dependents reported AGI below \$5,000 in 1993, and 19 percent reported AGI in this range in 2000.¹⁷ The low-end “working poor” population with AGI of \$5,000-14,999 represented 43 percent of single filers with dependents in 1993, and 38 percent in 2000. At the higher end of the earnings scale, 10 percent of single tax filers with dependents had AGI of \$25,000 or more in 1993, compared to 15 percent in 2000.

Figure 5. Adjusted Gross Income Range of Single Tax Filers with Dependents in Zip Code 53206, 1994-2000



Tax data also can be used to track changes in the types of families living in neighborhoods. From 1993 to 2000, zipcode 53206 saw a 38 percent decline in the number of married income tax filers with dependents. This trend may result from married families leaving the neighborhood, a decline in marriages, dissolution of marriages by death or divorce, or a combination of these factors. Married couples with dependents were more likely than single household heads to earn incomes that can support a family – half had AGI over \$25,000, compared to only 15 percent of single filers with dependents.

D. Earned Income Tax Credit Claims

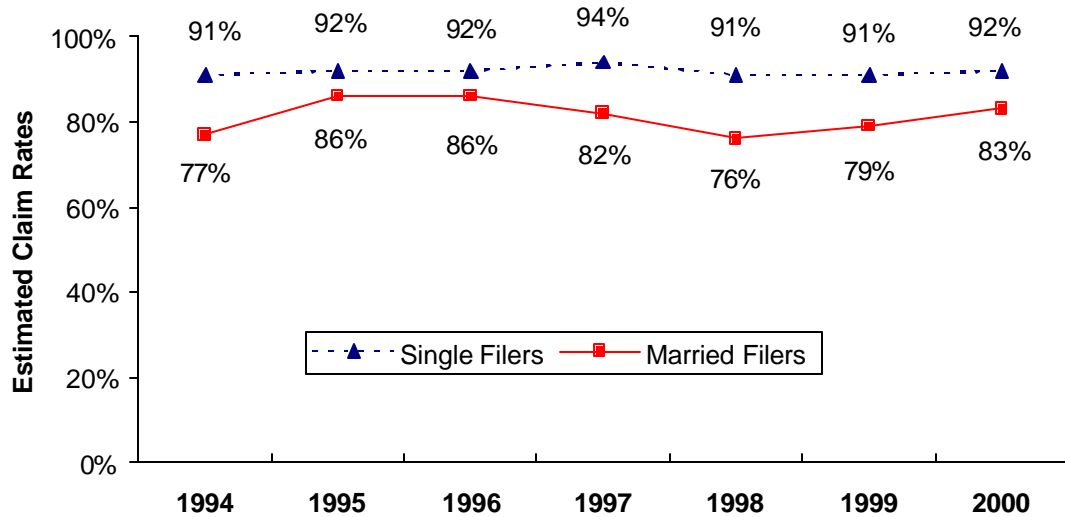
Analysis of state Earned Income Tax Credit receipt in zip code 53206 demonstrates the importance of these credits to working families at the poverty or “near poverty” level. The total number of filers claiming the EITC in this zip code rose from 3,500 in 1993 to 4,369 in the 2000 tax year. In 2000, single filers with dependents were responsible for 95 percent of the credit claims in this zip code. Largely as a result of expansions in the federal EITC since 1993, total federal and

¹⁷ Income figures are not adjusted for inflation.

state EITC earned by these families rose from an estimated \$4.5 million in 1993 to \$12.5 million in 2000. At the same time, EITC payments for married filers with children in this neighborhood totaled just \$689,000 in 1993 and \$793,700 in 2000.

Zip code 53206 showed estimated claim rates for the EITC that were among the county's highest. ETI examined the claim rate among single filers with dependents and AGI between \$5,000 and \$14,999; with a few exceptions, nearly all of these families are eligible for the EITC. Figure 6 shows that the estimated claim rate rose from 91 percent in the 1994 tax year to 94 percent in the 1997 tax year, but then dropped back down to 91 percent in 1998.¹⁸ As discussed in the following section, the mayor and area's state representative initiated EITC outreach and public information efforts after learning of this claim rate decline. In this zip code, where much of the EITC outreach work was concentrated, the claim rate increased in the 2000 tax year. The estimated EITC claim rate for the small number of married filers who appear to be eligible for the credit remains lower than those for single filers, but has increased notably over the past two years.

Figure 6. Families in Zip Code 53206 Claiming EITC Credits (with Dependents, Income \$5,000-14,999), 1994-2000



E. Working Families with Incomes below Poverty

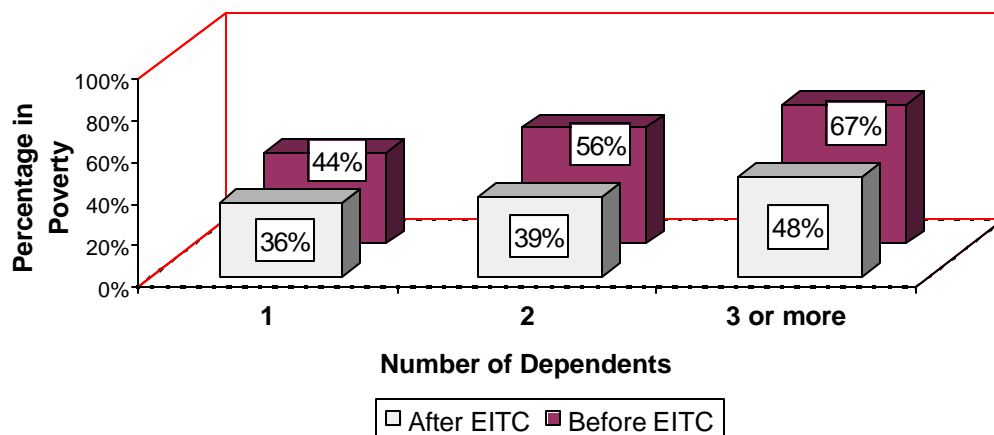
Much recent research has focused on the “working poor,” and the role of the EITC in lifting these families out of poverty. State tax data can be used to assess the poverty alleviating effects of the EITC at the neighborhood level. Figure 7 shows that in zip code 53206 in tax year 2000, an

¹⁸ Wisconsin established a refundable earned income tax credit in 1988. From 1989 through 1993, the state credit was calculated as a percentage of the federal credit. For the 1994 tax year, the state adopted a separate, stand-alone credit. In 1995, Wisconsin returned to a credit calculated as a percentage of the federal credit. Kelsie Doty, **Earned Income Tax Credit** (Madison, Wis.: Legislative Fiscal Bureau, January 1997). Claim rates were lower in 1994 when the state had the stand-alone state tax credit.

estimated 44 percent of single tax filers with one dependent showed AGI below the poverty level (\$11,610 for two persons). Estimated poverty rates were even higher for larger families – over half of single filers with two dependents, and at least two-thirds of filers with three or more dependents, showed AGI below poverty.¹⁹ There was about a 38 percent increase in the number of “working poor” single parent families between 1994 and 2000, and a 22 percent increase in “near poor” families (with AGI between 100 and 185 percent of the poverty level). The zip code showed only a 3 percent increase in single parent tax filers with income above 185 percent of poverty.

However, after factoring in the value of federal and state EITC received by these families, the percentage with below-poverty incomes decreases dramatically. The data indicate that the EITC lifted to above poverty level the incomes of about 722 single parent families in zip code 53206. The EITC reduced “working poverty rates” for single parents across the board – by eight percentage points for those with one dependent, 17 percentage points for those with two dependents, and 19 percentage points for those with more than two dependents.

Figure 7. Estimated Single Parent Filers in Zip Code 53206 with Below-Poverty Income: 2000



F. Child Care for Employed Families

Wisconsin’s child care subsidy program – Wisconsin Shares – is supported by TANF and Child Care and Development Block Grant (CCDBG) monies. The program reimburses qualified day care for children of W-2 participants and for children in “working poor” families.²⁰ Families with

¹⁹ Wisconsin Department of Revenue data showed only 662 married tax filers out of 5,897 income tax filers with dependents in 2000. Most employed parents showed AGI above the poverty level. Estimated poverty rates were 12 percent, 21 percent, and 31 percent for married filer families with one dependent, two dependents, and three or more dependents, respectively. Federal and state EITC claims brought these poverty rates down to 11 percent for married filers with one dependent, 16 percent for those with two dependents, and 26 percent for those with three or more dependents.

²⁰ Care must be in a licensed center or family home or with a certified family day care provider. Counties authorize child care services and reimburse providers. Subsidy payments are made to the provider; families may be required to make co-payments based on a sliding fee that considers income, family size, children in care and the type of provider chosen. See “Wisconsin Shares Program” at www.dwd.state.wi.us/desw2/childcare.htm.

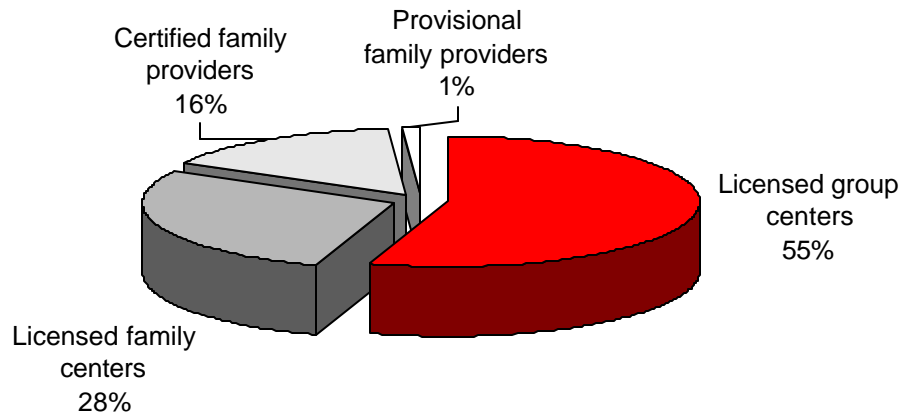
income up to 185 percent of the poverty level are eligible for Wisconsin Shares child care subsidies, and may continue to receive assistance until their income exceeds 200 percent of poverty. The program offers a larger overall financial benefit to working families than does the EITC, but claim rates for child care subsidies are considerably lower than for the EITC.²¹

Increasing numbers of families in zip code 53206 have accessed subsidized child care in recent years. County child care payment files reveal that the number of families receiving child care support increased from 429 families in September 1997 to 814 in March 2001. Average monthly payments per family rose along with the number of users: from \$595 per family to \$1,052 per family.²² These data can also be used to track the type of care that neighborhood children receive. Figure 8 shows that most Wisconsin Shares subsidies for care of children in zip code 53206 in March 2001 went to licensed providers: 55 percent to state licensed group centers, and 28 percent to licensed family centers. Family providers certified by the county received 16 percent of the subsidies, and only a small number of children were placed with provisional family providers (caregivers who have not completed the eighteen hours of training required for regular certification or who are caring only for relatives).

²¹ Based on analysis of child care needs of AFDC recipients and the ages of children in food stamp and medical assistance cases, it is estimated that less than a fourth of eligible families in Milwaukee County are using the child care subsidy program. See John Pawasarat and Lois M. Quinn, **Impact of Welfare Reform on Child Care Subsidies in Milwaukee County: 1996-1999** (University of Wisconsin-Milwaukee Employment and Training Institute, 1999); Pawasarat and Quinn, **Removing Barriers to Employment: The Child Care-Jobs Equation** (University of Wisconsin-Milwaukee Employment and Training Institute, May 1998).

²² A countywide analysis of child care costs suggested that several factors contributed to the rise in payment costs. Average payment costs per family increased substantially as families with young children (needing more expensive child care) and with more children were required to work in W-2 subsidized positions. Program changes guaranteeing licensed providers full-time care payments (for 25 hours or more per week) based on enrollments – rather than attendance – also increased subsidy costs.

Figure 8: Type of Subsidized Child Care Used by Families in Zip Code 53206: March 2001



State licensing records from the Department of Health and Family Services suggest that increased federal child care monies have helped spur an expansion of licensed day care in central city neighborhoods. In zip code 53206 the total capacity for children in full-time care with licensed providers increased by 59 percent from March 1996 to Spring 1999. Most of the approved slots were in group centers rather than licensed family care. However, as of spring 1999, only 84 of the 970 slots were with providers open after 7:00 p.m., revealing a potential gap in child care supply for single parents with non-traditional work schedules.

G. Access to Transportation

As explained in Section II, the Milwaukee neighborhood indicators project tracks residents' vehicle ownership patterns and driver's license status, since greater employment opportunities are available to workers with private vehicles. According to state department of transportation (DOT) records, in January 2001 zip code 53206 had 9,927 registered vehicles and 10,760 licensed drivers (5,033 males and 5,727 females). However, many residents had driver's license suspensions; most resulted from failure to pay fines and civil forfeitures at the City of Milwaukee Municipal Court (rather than from traffic violations). Only 51 percent of women held a valid license with no suspensions. Between 1992 and 1998, 87 percent of license suspensions for women in zip code 53206 were issued for failure to pay fines or civil forfeitures, 9 percent for a traffic offense, and 4 percent for driving while intoxicated or for a drug conviction.

The problem appears even more serious for teenage girls. The DOT file showed that among 621 female teens (ages 16-18), 66 percent had a recent suspension order, and only 13 percent held a valid license with no suspensions. The records showed that most teenagers with a license suspension either had no license in the first place, or were too young to be eligible to drive when the

suspension was imposed. To the extent that some of these young women are already parents, their lack of access to vehicles serves to constrain job search activity and employment opportunities.

H. Neighborhood Stability

Housing data from city property files suggest that, overall, welfare reform did not destabilize the local economy in zip code 53206. From 1993 to 2000 the area showed a net loss of 156 single-family houses and 333 duplexes. Table 2 shows that housing values in this neighborhood remained very low, but that growth in their values managed to slightly outpace inflation over the period. Modest improvements in property values, particularly in the last two years, reflect in part the elimination of some deteriorated housing stock.

Table 2. Housing Trends in Zip Code 53206: 1993-2000

	2000	% Change 1993-2000
Number of Houses		
1-family houses	3,436	-4.3%
Duplexes	3,628	-8.5%
Equalized Housing Values		
Single Family, 1-BR	\$14,139	+22.1%
Single Family, 2-BR	\$21,662	+20.8%
Single Family, 3-BR	\$26,826	+21.9%
Single Family, 4-BR	\$27,841	+20.4%
Duplexes	\$27,782	+23.9%
<i>Change in Consumer Price Index for Milwaukee</i>		<i>+18.6%</i>

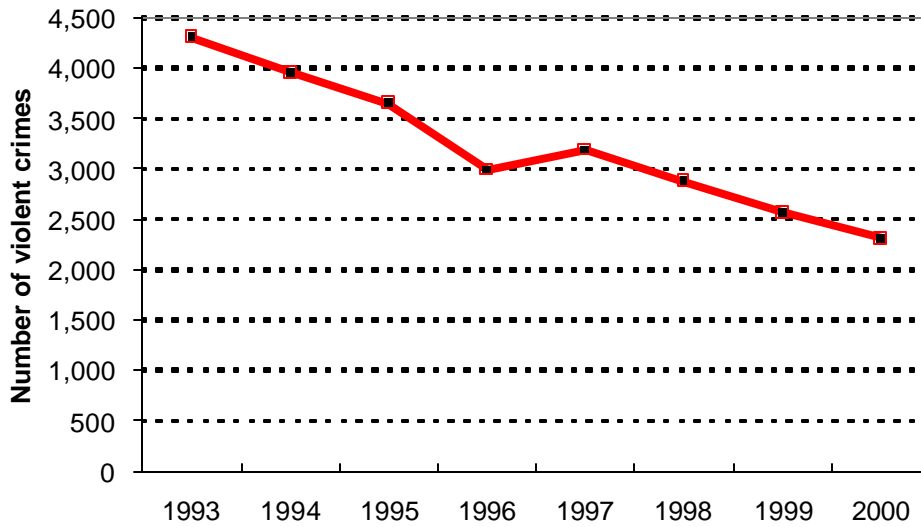
Contrary to some notions about the inner city, the vast majority of houses in zip code 53206 are owner-occupied. The homeownership rate for single family homes in 2000 was 69 percent, down slightly from 72 percent in 1993. Homeownership rates for duplexes remained at 48 to 49 percent over the eight-year period. However, despite the very low housing prices in the zip code, increases in numbers of workers and family income did not translate into higher homeownership rates for this neighborhood. While the indicators suggest that single-parent households are entering the labor force and seeing earning increases, few seem to be able to translate their economic mobility into a homeownership opportunity.

According to federal and state mortgage data, though, the neighborhood's stable homeownership rate belies significant mortgage financing activity. Data available under the federal Home Mortgage Disclosure Act (HMDA) show that in 2000 alone, residents of zip code 53206 secured 146 new home mortgages worth \$6,770,000, or \$46,370 per house. A total of 80 home owners received repair mortgages totaling \$1,113,000, and 389 home owners refinanced \$12,039,000 in mortgages in 2000. Further survey work – or changes to the federal rules governing

mortgage disclosure – would help to illuminate whether any portion of this activity is due to increases in “predatory” mortgage lending in the neighborhood.

ETI also used city police department statistics on violent crimes (including arson, assault, battery, homicide, rape and robbery) to gauge changes in neighborhood stability during the welfare reform period. Figure 9 shows that in zip code 53206, as in other central city neighborhoods, violent crime declined dramatically. In this neighborhood, the number of violent crimes decreased by 46 percent from 1993 to 2000. This decline, while consistent with the experience in most other U.S. cities during the 1990s, nonetheless suggests that the rapid drop-off in public assistance payments did not lead to an increase in social disorder.

Figure 9. Violent Crimes in Zip Code 53206, 1993-2000



IV. PUBLIC POLICY APPLICATIONS

In addition to its support for the Milwaukee neighborhood indicators project, the Helen Bader Foundation provided funding that allowed ETI to develop in-depth public policy papers examining issues of concern to central city workers and families. These papers demonstrate the utility of the indicators for influencing state and local decisions on policies that benefit low-income families and neighborhoods.

A. Identifying Untapped Worker Benefits: EITC Declines

Besides providing a tool for tracking welfare reform impacts, neighborhood indicators can serve as an early warning system when working family benefit usage begins to decline. The Institute's analysis of state EITC claims provides an example. Income tax returns from 1993 through 1997 showed increasing use of the EITC among low-income single parents in each of the neighborhoods studied. Data from 1998, however, showed declines in EITC receipt among families – in the central city and countywide – whose incomes made them eligible for the largest credits.

Institute researchers alerted city officials about this finding. City officials then met with community agencies and state legislators to develop action strategies. Several initiatives resulted. Milwaukee Mayor John Norquist and state Representative Antonio Riley worked with local utility companies to develop a brochure, mailed with utility bills in January 2000, to explain the credit and other tax benefits available to central city ratepayers. Riley also convened a meeting of state Department of Revenue staff, federal Internal Revenue Service staff, city officials, community activists, and researchers to plan further outreach programs at the state and local level.

The Employment and Training Institute used the neighborhood indicators data to prepare a public policy paper on "Usage of the Earned Income Tax Credit by Employed Families in Milwaukee County."²³ After the *Milwaukee Journal Sentinel* reported the study's estimate of \$27 million in unclaimed credits for the 1998 tax year, the Forest County Potawatomi Community Foundation made \$500,000 available to community organizations to promote use of the credit and to help families receive credits that they failed to claim in prior years.²⁴ The foundation organized training for community agencies interested in conducting EITC outreach, and funded non-profit agencies, church groups, and community organizations to assist taxpayers in filing EITC claims. The IRS Regional Office in Milwaukee provided considerable resources for the recruitment and training of additional VITA (Volunteer Income Tax Assistance) workers to help tax filers, train community organizations, and develop mechanisms to help families apply for back credits. ETI's annual indicators reports will track the success of future initiatives in boosting EITC claim rates by neighborhood.

²³ The study is online at www.uwm.edu/Dept/ETI/barriers/eitc98.htm.

²⁴ "County's Working Poor Missed Out on \$34 Million in Tax Credit, Report Says." **Milwaukee Journal Sentinel** (3 April 2000).

B. Exposing Policies with Disparate Neighborhood Impacts: “Driving While Poor”

A second policy area aided by the neighborhood indicators project related to central city worker transportation needs. Since local residents consider transportation one of their most serious barriers to employment, ETI examined driver’s license and motor vehicle files.²⁵ Maps showing residences of those individuals with license suspensions and revocations helped identify policies with disparate impacts on low-income neighborhoods.

One such policy was Wisconsin’s use of the driver’s license to enforce non-traffic related ordinances and fee collections. (Other states carry out similar policies.) As anticipated, ETI’s analysis showed many drivers with licenses suspended solely for non-payment of fines and civil forfeitures. When these suspensions and revocations were mapped by type, certain patterns emerged. For both women and men, suspensions based on “driving while intoxicated” (DWI) were scattered throughout the metropolitan area, as were suspensions based on penalty points for speeding and other traffic violations. Suspensions based on failure to pay fines and civil forfeitures, however, were concentrated in the lowest income central city neighborhoods. These neighborhoods also included the highest concentrations of African-Americans and Hispanics.²⁶

During biennial state budget negotiations, Wisconsin State Senator Gwendolynne Moore, a member of the Joint Committee on Finance, used these findings to eliminate the court’s power to suspend the driver’s license of those failing to pay fines related to non-driving municipal violations. Moore argued that a single mother who could barely afford to feed her family would be stripped of her driver’s license – her only means of getting to work – simply because she could not afford to pay a fine incurred for jaywalking. Moore cited the neighborhood indicators to show the crippling effect this practice was having on low-income families in her district. She explained: “In blighted Milwaukee neighborhoods where police fines are given for even minor violations, poor individuals have increasingly struggled to pay for ‘quality-of-life’ fines, i.e., jaywalking, spitting, riding without a seatbelt and loitering. After a license suspension, workers often face the difficult decision of risking jail time by continuing to drive or losing their job. A license suspension can carry a high price with many jobs now located outside the central city.”²⁷

Thanks in large part to the indicators project and Moore’s arguments, the Wisconsin legislature passed legislation requiring municipal judges to use alternatives to driver’s license suspension threats to collect fines. Moore is now working on legislation to reinstate the driver’s

²⁵ Quinn, **Employment and Training Needs of Central City Milwaukee Workers.**

²⁶ See John Pawasarat and Frank Stetzer, **Removing Transportation Barriers to Employment: Assessing Driver’s License and Vehicle Ownership Patterns of Low-Income Populations** (University of Wisconsin-Milwaukee Employment and Training Institute, July 1998); Pawasarat, **Removing Transportation Barriers to Employment: The Impact of Driver’s License Suspension Policies on Milwaukee County Teens** (University of Wisconsin-Milwaukee Employment and Training Institute, February 2000). The report summaries are online at www.uwm.edu/Dept/ETI/dot.htm and www.uwm.edu/Dept/ETI/barriers/teensdot.htm.

²⁷ “State Senator Gwendolynne Moore Capitol Report” (Madison, Wis., Spring 2000).

licenses of adults and juveniles whose suspensions resulted from failure to pay non-traffic fines. This issue remains a serious concern in central city Milwaukee. Thousands of inner-city residents already have suspension orders based on the prior policy, and judges still suspend licenses for failure to pay traffic-related fines, even when the traffic violations alone do not warrant a suspension. Some TANF monies have been earmarked for community work with suspended drivers and for loans to low-income parents attempting to reinstate their licenses.

C. Monitoring the Economic Health of Milwaukee Children

For the last two years the Employment and Training Institute has teamed up with *Start Smart Milwaukee!*, a consortium of organizations, businesses, and individuals working to ensure that all Milwaukee area children enter school ready to learn, to use the neighborhood indicators to develop an annual report card on the economic condition of Milwaukee County children. This report card calculates changes in the number of children receiving public assistance, food stamp benefits, child care subsidies, and medical assistance, and uses state income tax data to estimate the number of children in employed families with earnings above and below the poverty level.²⁸ The child-based analysis has proven to be a useful corollary to the neighborhood indicators project.

A *Milwaukee Journal Sentinel* article headlined the results: “Thousands of kids remain poor despite working parents.” The implications of the findings were reviewed at a luncheon of four hundred community activists convened to consider the “State of Milwaukee’s Children.” Based on the report’s findings, the newspaper’s editorial board called on the state to expand its EITC to community service workers, and to commit all of the \$200 million of federal TANF surplus funds for services to families and children (rather than for general property relief).²⁹ *Start Smart Milwaukee!*, along with other community organizations, used the findings to help secure increased enrollments of families in day care subsidy programs, to reduce child care co-payment requirements for low-income families, and to improve outreach for food stamps and medical assistance programs.

D. Improving Welfare Administration

Milwaukee County is using the neighborhood-based approach to identify geographic areas where outreach efforts can be most effectively targeted for food stamp and medical assistance programs. Because the take-up rates for the EITC are much higher than enrollment rates for food stamps and medical assistance, county officials have asked the Employment and Training Institute to identify central city geographic areas with high concentrations of EITC tax filers but lower numbers of food stamp and medical assistance cases. County and state departments have also relied on the neighborhood-level analyses of AFDC and food stamps cases to determine boundaries for the W-2 regional service areas for TANF programs operating in Milwaukee County.

²⁸ The most recent report is available online at www.uwm.edu/Dept/ETI/reports/children.htm.

²⁹ Mary Beth Murphy, “Thousands of kids remain poor despite working parents, report says,” *Milwaukee Journal Sentinel* (17 May 1999); “Better uses for state’s W-2 surplus,” *Milwaukee Journal Sentinel* (23 May 1999).

V. CONCLUSION

Federal and state welfare reform policies often leave cities in an unenviable position. On the one hand, these policies are aimed primarily at urban populations, which have been seen as the major contributors to the welfare “crisis.” Yet these reforms are rarely evaluated to determine their impacts at a city, let alone a neighborhood, level. Experience has shown that welfare reforms can have quite different impacts on urban areas, where changes typically come later and more slowly; yet program evaluations often fail to take such differences into account. As a result, local policymakers are often handicapped in reacting to programs that may not be a perfect fit for their city, and to federal or state evaluations that fail to accurately describe the urban experience. City government policies and funding decisions by local community foundations depend on a realistic assessment of central city changes caused by welfare reform. For them, up-to-date local information is critical, and far preferable to statewide, multiyear evaluations or decennial census data with its inner city undercount problems.

Milwaukee’s Neighborhood Indicators Project offers a solution to this problem, and one that can be easily duplicated by any American city. Rather than relying on the results of time-consuming and expensive welfare reform evaluations to make policy, local officials can use simple outcome data on welfare participation, employment, and earnings subsidy programs to learn how central city residents are faring under welfare reform and economic change. Partnerships with local foundations can be used to gain funding and other assistance. Through intergovernmental cooperation, university research institutes can access state and local institutional databases, and track program outcomes over time.³⁰

Most importantly, the Milwaukee Neighborhood Indicators Project offers one model for urban communities to proactively develop their own measures of welfare reform impact and family well-being, rather than simply relying on the statistics and policy prescriptions of outside observers. With evidence of growing numbers of “working poor” and “near poverty” populations of families formerly on welfare, cities can help ensure that urban families receive the federal and state supports they need to remain in the workforce and to attain self-sufficiency. Armed with data on local impacts of welfare time-limit policies and changing economic conditions, cities can take the lead in framing the national debate as welfare reform moves into its next phase.

³⁰ Internal Revenue Service data, if they were made available, could also be used to paint a more accurate picture of income and employment in central cities. IRS could publish zip code level tabulations similar to those that ETI receives from the Wisconsin Department of Revenue, by providing more detailed income breakdowns in its already-public data.