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# Background Paper on Institutional Data and U.S. Census Counts of Low-Income Populations in Milwaukee County

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**Background Paper on Institutional Data and U.S. Census Counts of Low-Income Populations  
in Milwaukee County for the report on **Demographics of Milwaukee County Populations  
Expected to Work Under Proposed Welfare Initiatives****

by  
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November 1995

## Methodology Used to Calculate Number of Poor and Working Poor in the County

Comparisons of institutional data and the U.S. census estimates for the same or similar time periods revealed a large undercount of AFDC recipients. As a result, institutional data sources were used as the primary data source for the population on public assistance. U.S. Census, Job Service and Department of Revenue files were then used to estimate the working population not on assistance.

In the decennial census the federal government estimates the number of persons living in poverty based on a household definition of financial need relative to the number of related persons living together. All income of related persons in a household is calculated. (Unrelated individuals are considered separately.) The income of all members in a household is then compared to the poverty level established for households of that size. Income includes all sources of earnings, self-employment profits, interest dividends, social security, AFDC, SSI, general assistance, retirement, disability, unemployment, alimony, child support, and veteran payments. It does not include income from sales of property, gifts, inheritance, food stamps, rent subsidies, school lunch or other in-kind income. The poverty levels used for the decennial census and annual Current Population Surveys are summarized below:

**Federal Poverty Income Guidelines at the 100 Percent Level**

Calendar Year	NUMBER OF PERSONS IN HOUSEHOLD:					
	One	Two	Three	Four	Five	Six
1989	\$6,451	\$8,343	\$9,885	\$12,674	\$14,990	\$16,921
1992	\$6,810	\$9,190	\$11,570	\$13,950	\$16,330	\$18,710
1994	\$7,360	\$9,840	\$12,320	\$14,800	\$17,280	\$19,760

For both the CPS and decennial census surveys, respondents are asked to recall earnings and other sources of income for the previous calendar year. As a result, the reporting of income is subject to memory error and under-reporting. Errors due to under-reporting are most pronounced for income not derived from earnings (i.e., public assistance, interest, dividends).<sup>1</sup> Discrepancies between U.S. Census estimates for the public assistance population and payment records from public assistance sources for Calendar Year 1989 are particularly troublesome. A comparison of actual expenditures by state and federal agencies for calendar year 1989 with the amount of aggregate dollars in public assistance income reported by census respondents for the same time period reflects the dimension of the under-reporting problem.

<sup>1</sup> U.S. Census Bureau, 1990 Census of Population and Housing Public Use Microdata Samples United States, Technical Documentation, January 1993.

U.S. CENSUS 1990 FOR MILWAUKEE COUNTY (PUMS FILE)  
ADULT POPULATION AGES 18-64

	ALL PERSONS	CALENDAR YEAR 1989 AGGREGATE PAYMENTS REPORTED		CALENDAR YEAR 1989 INDIVIDUALS RECEIVING		POVERTY LEVELS				PERSONS DISABLED UNABLE TO WORK
		SOCIAL SECURITY INCOME	PUBLIC ASSISTANCE INCOME	SOCIAL SECURITY INCOME	PUBLIC ASSISTANCE INCOME	BELOW 100%	BELOW 125%	BELOW 100%	BELOW 125%	
TWO PARENT FAMILIES WITH OWN CHILDREN UNDER 18 YRS										
TOTAL	152,908	\$11,806,868	\$20,207,007	2,249	4,179	6%	8%	8938	12586	2,918
ON PUBLIC ASSISTANCE	4,179	314,916	20,207,007	235	4,179	60%	78%	2528	3243	666
ON PUBLIC ASSISTANCE AND WORKED IN 1989	1,369	156,066	5,053,425	77	1,369	39%	58%	532	800	57
NOT ON PUBLIC ASSISTANCE	148,729	11,491,952	0	2,014	0	4%	6%	6410	9343	2,252
NOT ON PUBLIC ASSISTANCE AND WORKED IN 1989	131,813	3,724,918	0	973	0	3%	4%	3452	5608	436
ONE PARENT FAMILIES WITH OWN CHILDREN UNDER 18 YRS										
TOTAL	46,705	7,572,667	88,148,925	1,549	17,601	48%	56%	22555	26329	2,847
ON PUBLIC ASSISTANCE	17,601	2,298,264	88,148,925	507	17,601	76%	83%	13395	14533	2,006
ON PUBLIC ASSISTANCE AND WORKED IN 1989	6,353	392,892	23,478,956	96	6,353	65%	74%	4154	4674	253
NOT ON PUBLIC ASSISTANCE	29,104	5,274,403	0	1,042	0	31%	41%	9160	11796	841
NOT ON PUBLIC ASSISTANCE AND WORKED IN 1989	23,584	2,271,383	0	518	0	21%	30%	4858	7145	179
PERSONS WITH NO CHILDREN UNDER 18 YRS										
TOTAL	385,060	145,667,857	65,971,837	28,032	16,789	10%	13%	36990	48562	21,665
ON PUBLIC ASSISTANCE	16,789	11,559,214	65,971,837	2,917	16,789	43%	54%	6909	8631	8,460
ON PUBLIC ASSISTANCE AND WORKED IN 1989	4,178	1,995,355	12,174,961	652	4,178	26%	36%	1053	1483	813
NOT ON PUBLIC ASSISTANCE	368,271	134,108,643	0	25,115	0	8%	11%	30081	39931	13,205
NOT ON PUBLIC ASSISTANCE AND WORKED IN 1989	314,077	29,696,280	0	7,775	0	6%	8%	18999	25831	1,504
PARENTS AGED 18,19,20	2,816	0	5,300,422		1,367	49%	57%	1388	1593	48
TOTAL	584,673	165,047,392	174,327,769	31,830	38,569	68483	87477	68483	87477	27,430

### Differences Between U.S. Census Estimates and Actual Payment Data

	U.S. Census	ACTUAL GOVT. PAYMENTS:	
	1990	1989	1993
Public Assistance in 1989 (AFDC, SSI, General Assistance)	\$204,576,535	\$311,030,331	\$443,076,000
Number of Single Parents with Children Receiving Public Assistance	17,601	33,000*	35,000*
Aggregate Public Assistance Payments Received by Single Parents with Children	\$88.1 million	\$181.5 million**	\$193.4 million**

\* Figure shown is the monthly AFDC caseload for single parents.

\*\* Figure shown is the aggregate payments for AFDC, but not including SSI.

Aggregate public assistance (SSI, AFDC, general assistance) reported by 1990 census respondents totalled \$204 million compared to \$311 million reported by governmental units during the same period. Under-reporting was particularly serious for the AFDC population where the census estimated 17,601 single parents on public assistance in CY1989 with aggregate payments of \$88 million, less than half the amount actually expended in the AFDC program (\$181 million) during 1989.

The under-reporting of income from public assistance is compounded by what appears to be a significant under-counting of the single parent population overall. The 1990 census estimated that there were 46,734 single parents in Milwaukee County with their own children under 18 years of age and that 22,584 of these families were living below poverty. During this same period, the Wisconsin Department of Health and Social Services made AFDC payments to an average of 33,000 Milwaukee County single parent cases per month, with an estimated 38,000 cases on AFDC at some time during Calendar Year 1989 and likely living below the poverty level. Similar under-counting appeared to take place for single working parents where the census reported 35,486 single mothers with children under 18 working in CY 1989. Wisconsin Department of Revenue figures for 1993, however, showed that 52,888 tax returns were filed for single parents in Milwaukee County, a considerably larger number than would ordinarily be expected from the 1990 census data just three years later.

The number of one-parent AFDC cases on aid in the year ending April 1994 totalled 36,660 and 6,095 of these cases reported earned income. Previous research suggests that as many as half of the families on AFDC in a given year will also have earned income in that year including: earned income by persons not on the grant, income earned in months the adult was not on public assistance or income that is unreported. Thus, the number of AFDC cases with earned income for the year would increase to 18,330. This would still leave single parent cases on aid without earned income. To obtain a more accurate estimate of the total population of poor single parents in Milwaukee County, the estimated number of cases on aid without any earned income in the year (18,330) was combined with the number of single parents reporting poverty level earned income to the Wisconsin Department of Revenue (19,800) to obtain an estimate of 38,130.

### Milwaukee County Single Parents

<u>Source</u>	<u>Single Parents</u>	<u>Single Parents With Earnings</u>	<u>Poor Single Parents With Earnings</u>	<u>Poor Single Parents Without Earnings</u>
1990 U.S. Census	46,734	35,486	9,012	13,572
1993 WI Dept of Revenue	52,888	52,888	19,800	NA
1993-94 WI Dept of Health and Social Services	36,660	18,330	18,330	18,330
Best Estimate Using Sources Available	71,218	52,888	19,800	18,330

According to Wisconsin Department of Revenue 1993 tax returns, the number of working single parents in Milwaukee County was 52,888 and the working poor single parent population was estimated at 19,800.<sup>2</sup> Assuming that half of the AFDC population which works is also in the Department of Revenue files, then this would still leave 18,330 single parents not working in the year and on AFDC, bringing the total single parent population in the county to over 70,000. This would be well above the U.S. census estimate of 46,734 single parents reported in 1990.

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<sup>2</sup> Single parent working poor families were estimated using Department of Revenue income levels and number of dependents compared to 1993 federal poverty standards. A second measure of economic well-being was the number of single parent families eligible and receiving the Earned Income Tax Credit which in 1993 totaled 33,185. Most single parents (90 percent) with adjusted gross incomes below \$15,000 received the EITC and overall 63 percent of all single parents with dependents claimed the credit.

### Employment Status of Milwaukee County Adults, Ages 18-64 and "Able to Work"

Employment Status as of March 1990	Married without Children	Married with Children	1-Parent with Children	Single Persons	All Adults
<b>WOMEN:</b>					
Employed	47,039 70%	53,511 72%	21,269 53%	86,487 81%	208,306
Unemployed	1,116 2%	1,890 2%	5,709 14%	4,675 4%	13,390
Not in labor force	<u>18,715</u> <u>28%</u>	<u>19,250</u> <u>26%</u>	<u>13,159</u> <u>33%</u>	<u>15,907</u> <u>15%</u>	<u>67,031</u>
TOTAL	66,870 100%	74,651 100%	40,137 100%	107,069 100%	288,727
<b>MEN:</b>					
Employed	51,536 86%	70,031 93%	2,461 66%	97,847 78%	221,875
Unemployed	1,512 3%	2,951 4%	780 21%	10,706 9%	15,949
Not in labor force	<u>6,808</u> <u>11%</u>	<u>2,357</u> <u>3%</u>	<u>480</u> <u>13%</u>	<u>16,252</u> <u>13%</u>	<u>25,897</u>
TOTAL	59,856 100%	75,339 100%	3,721 100%	124,805 100%	263,721

In addition to reporting their present employment status, census respondents were asked to report their total earned income in 1989. Annual earned income and poverty status were tabulated for individuals by type of family and presence of children. The chart below shows the numbers of individuals who worked at some time during 1989 and the numbers and percentages who showed household earnings above the poverty level, given their household size.

### Milwaukee County Adults Employed During 1989 and Numbers Living Below Poverty Adults Ages 18-64 and "Able to Work"

Work and Poverty Status	Married without Children	Married with Children	1-Parent with Children	Single Persons*	Total
Worked in 1989	105,854	132,689	29,505	208,068	476,116
Number Below Poverty	1,156	3,951	8,696	18,465	32,268
% Living Below Poverty	1%	3%	29%	9%	7%
Did not work in 1989	20,872	17,301	14,353	23,806	76,332
Number Below Poverty	1,085	4,061	12,054	10,332	27,532
% Living Below Poverty	5%	23%	84%	43%	36%
Total Adult Population					
% Working in 1989	84%	88%	67%	90%	86%
% Living Below Poverty	2%	5%	47%	12%	11%

\*Work status was not available for 7,602 single persons, including 7,015 persons under 23 years of age and in-school.

The U.S. Census showed 59,800 Milwaukee County adults, ages 18 to 64, considered able to work and living below the poverty level. This includes 32,268 individuals who were "working poor" (that is, they showed earned income in 1989 and were at less than 100 percent of poverty) and another 27,532 individuals who were non-working poor (that is, they showed no earned income in 1989 and were at less than 100 percent of poverty).

Married couples were likely to have both spouses working and, as a result, less likely to fall below poverty. Married couples without children were least likely to be poor; 1 percent of employed couples lived in poverty and less than 5 percent of those not working in 1989 fell below poverty. Married couples with children were also less likely to be poor if working, but more likely to be poor if not working. Three percent of employed married couples with children were poor, compared with 23 percent of married couples who were not employed in 1989. Single parents were most likely to be poor. Twenty-nine percent of employed single parents with children were living in poverty and 84 percent of non-employed parents were below poverty status. Among all one-parent families in Milwaukee County, nearly half (47 percent) were living in poverty.

Ninety percent of single adults worked in 1989. Because of their large numbers, however, single adults made up almost half (48 percent) of all Milwaukee County adults living in poverty. Some 18,465 single adults were employed yet living in households below the poverty level. Another 10,332 single adults were poor but had not worked in 1989. The population of single adults working yet poor includes students ages 18-24 (34 percent of the total) as well as young adults living at home. Non-working poor single adults were clustered in central city Milwaukee neighborhoods (47 percent of the total), included minorities (60 percent of the total) and persons reporting receipt of public assistance (24 percent of the total).<sup>3</sup> Two-thirds of single people living in poverty were working and more than one-fourth were enrolled in school.

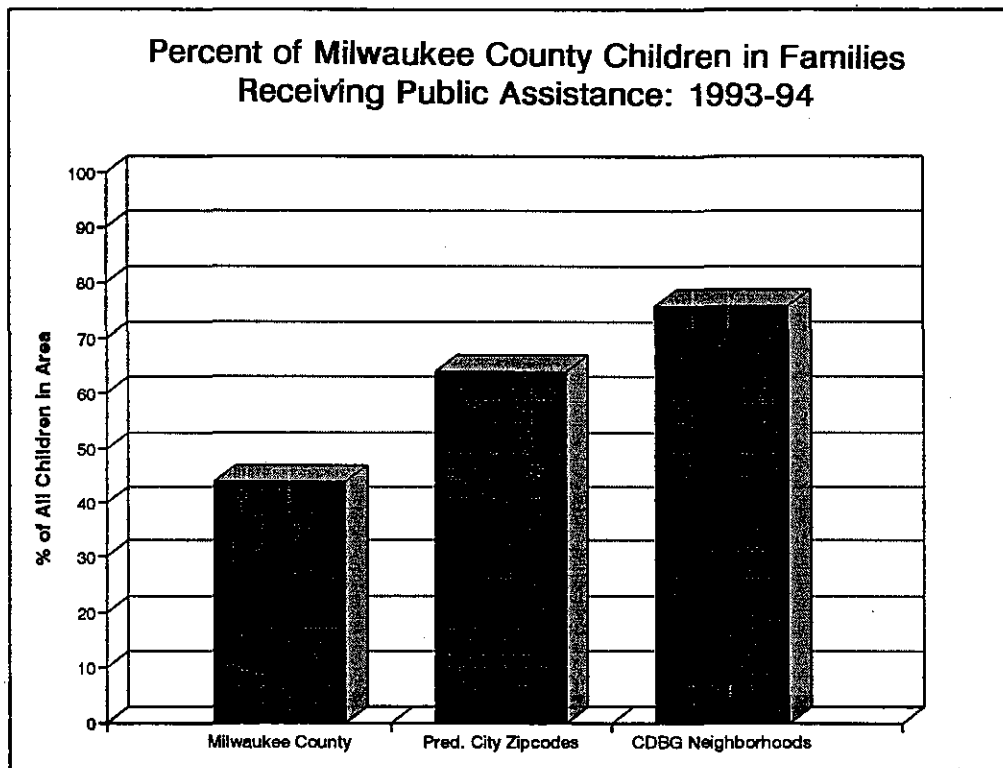
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<sup>3</sup> Census reports of persons receiving public assistance are likely undercounts. For example, only 1,396 single men and 1,940 single women were listed by the U.S. Census as receiving public assistance (i.e., general assistance, SSI or AFDC) in 1989. For men, this number totals only a fraction of those men on general assistance alone in a given year (N = 5,000) without even considering other men receiving SSI benefits.



## Concentration of Children in Poverty in Milwaukee County Neighborhoods

Over 200,000 women, men and children in Milwaukee County live in households which received AFDC, food stamps or federal medical assistance in 1993-94 (May 1993 through April 1994). A total of 107,105 Milwaukee County children were in these families receiving public assistance. These children comprised 44 percent of all Milwaukee County youth under age 18, as counted in the 1990 census. In the sixteen zipcodes which are predominantly in the City of Milwaukee,<sup>1</sup> nearly two-thirds (64 percent) of the children were in families receiving public assistance and in the central city neighborhoods targeted by the Community Development Block Grant program, three-fourths (76 percent) of the children were in families receiving public assistance.



The two maps below show the concentration of AFDC families and of children receiving AFDC in the month of April 1994 by zipcodes in Milwaukee County.

<sup>1</sup> To obtain some idea of which public assistance clients lived in the City of Milwaukee, those sixteen zipcodes which were predominantly city (80 percent or more of the population) were designated "predominantly City of Milwaukee." Predominantly city zipcodes include 53202, 53203, 53204, 53205, 53206, 53207, 53208, 53210, 53212, 53215, 53216, 53218, 53222, 53224, 53225 and 53233. City zipcodes cover the central city, downtown, and much of the northwest and south side of the city. City zipcodes were further analyzed for the Community Development Block Grant target areas designated by the City of Milwaukee. Ten selected zipcode areas were used to approximate the Community Development Block Grant target area boundaries: 53203, 53204, 53205, 53206, 53208, 53210, 53212, 53216, 53218 and 53233. Individual dots representing AFDC cases and children in families receiving AFDC are distributed randomly on the maps within zipcode areas.

## **Concentration of Children on AFDC by Census Tract**

In order to examine the concentration of poverty within Milwaukee County, the U.S. Census counts for 1990 were compared to the population of families receiving AFDC in March 1990. This one-time analysis required conversion of AFDC client street addresses to census tracts, after corrections were made for spelling variations and misspellings of Milwaukee County street names. The analysis revealed a significant census undercount of low-income families in central city neighborhoods. (In 52 city census tracts the number of children receiving AFDC exceeded the number of children counted for at least one of the age cohorts.) The maps below display estimates of poverty concentration by census tract, recognizing that the census undercount may exaggerate the level of AFDC concentration in some neighborhoods.

**Children Under Age 1:** The highest concentrations of poverty were shown for AFDC families with very young children. Within the City of Milwaukee, 64 census tracts showed 90 percent or more of children under age one living in families receiving AFDC the month of March 1990. Eighteen suburban census tracts showed 10 to 30 percent of children under age one receiving AFDC in March.

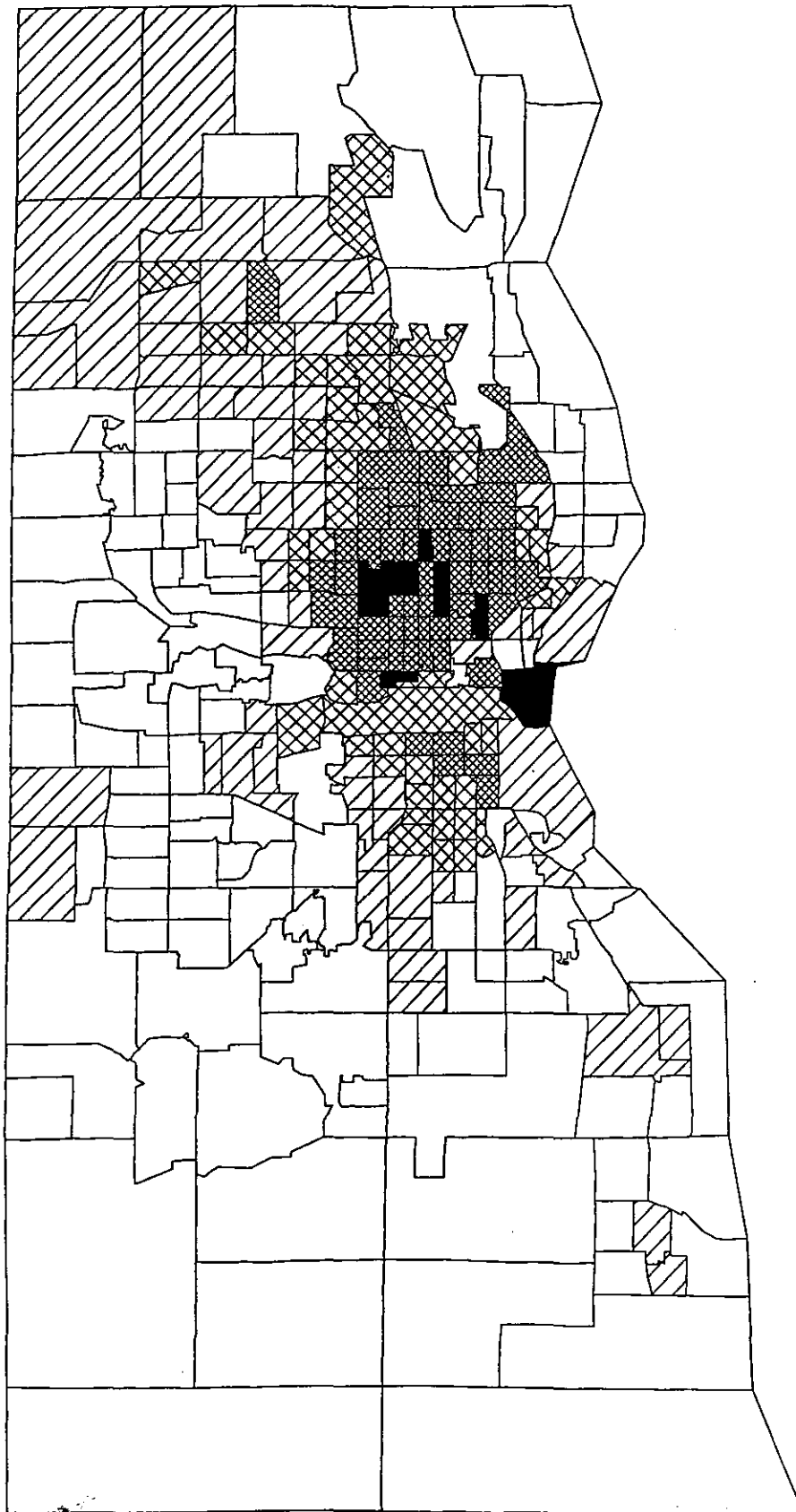
**Children Under Age 5:** Over half of pre-school children in central city neighborhoods were living in families receiving AFDC in March 1990. A total of 48 city census tracts showed 90 percent or more of the children under age five receiving AFDC in March.

**Children Ages 5 Through 9:** A smaller proportion of Milwaukee County families with school-age children receive AFDC than families with very young children. However, the analysis still identified 17 census tracts where 90 percent or more of the children in this age cohort were receiving AFDC in March 1990 and 76 tracts where more than half of the children ages 5 through 9 were receiving AFDC.

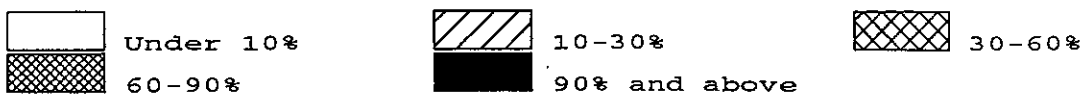
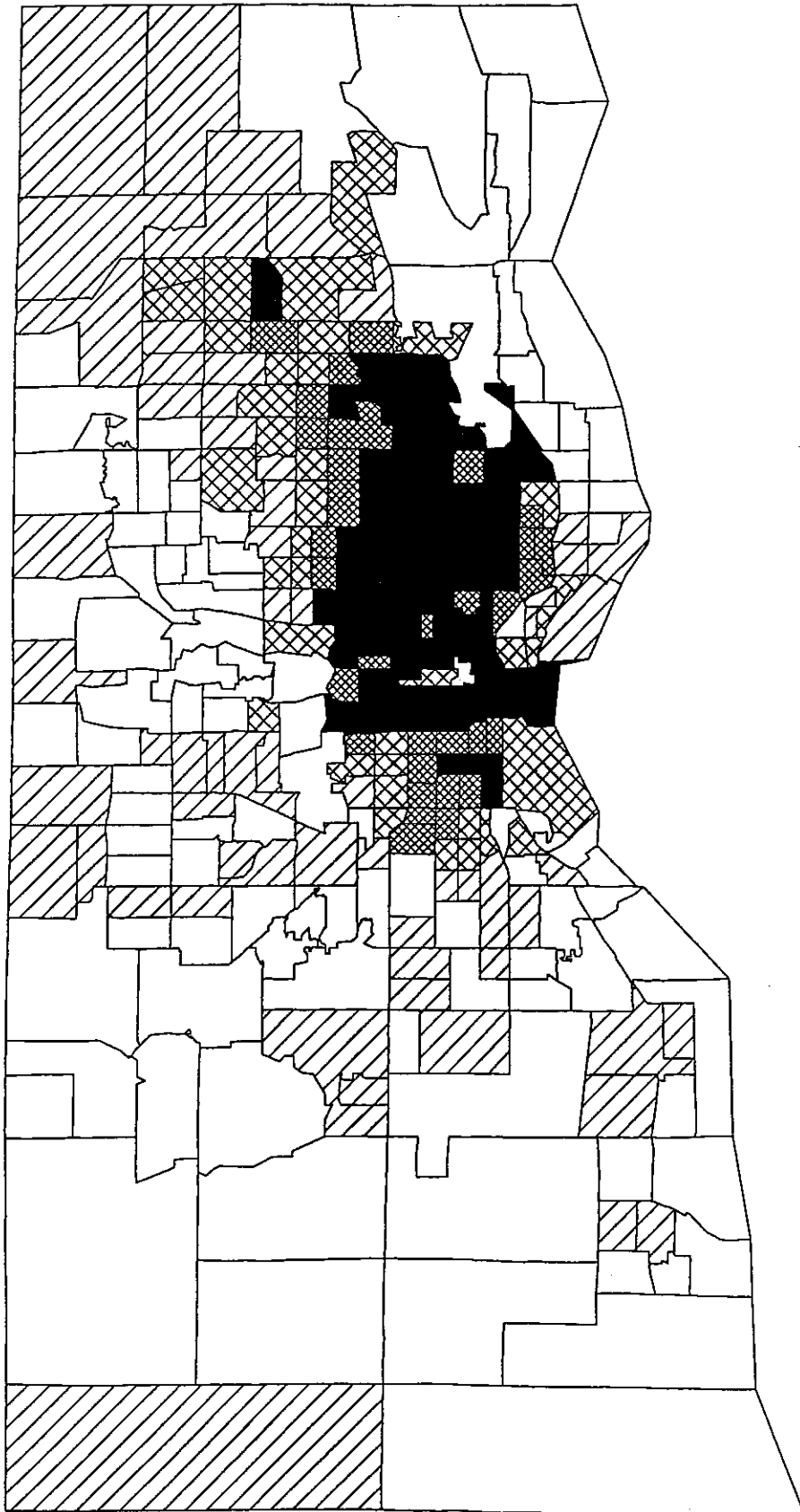
**Youth Ages 10 through 14:** Five Milwaukee census tracts showed 90 percent or more youth ages 10 through 14 receiving AFDC in March 1990 and 64 tracts showed more than half of the youth of these ages receiving AFDC that month.

**Youth Ages 15 Through 17:** Teens are far less likely as a group to receive AFDC than young children. In March 1990, 43 census tracts still showed more than half of the teens (ages 15 through 17) receiving AFDC and 2 census tracts showed 90 percent or more concentration of teens on AFDC.

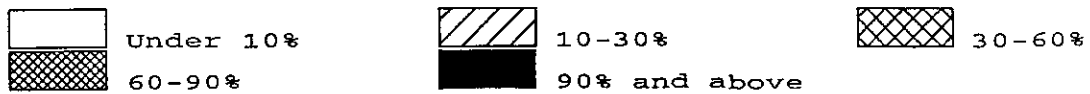
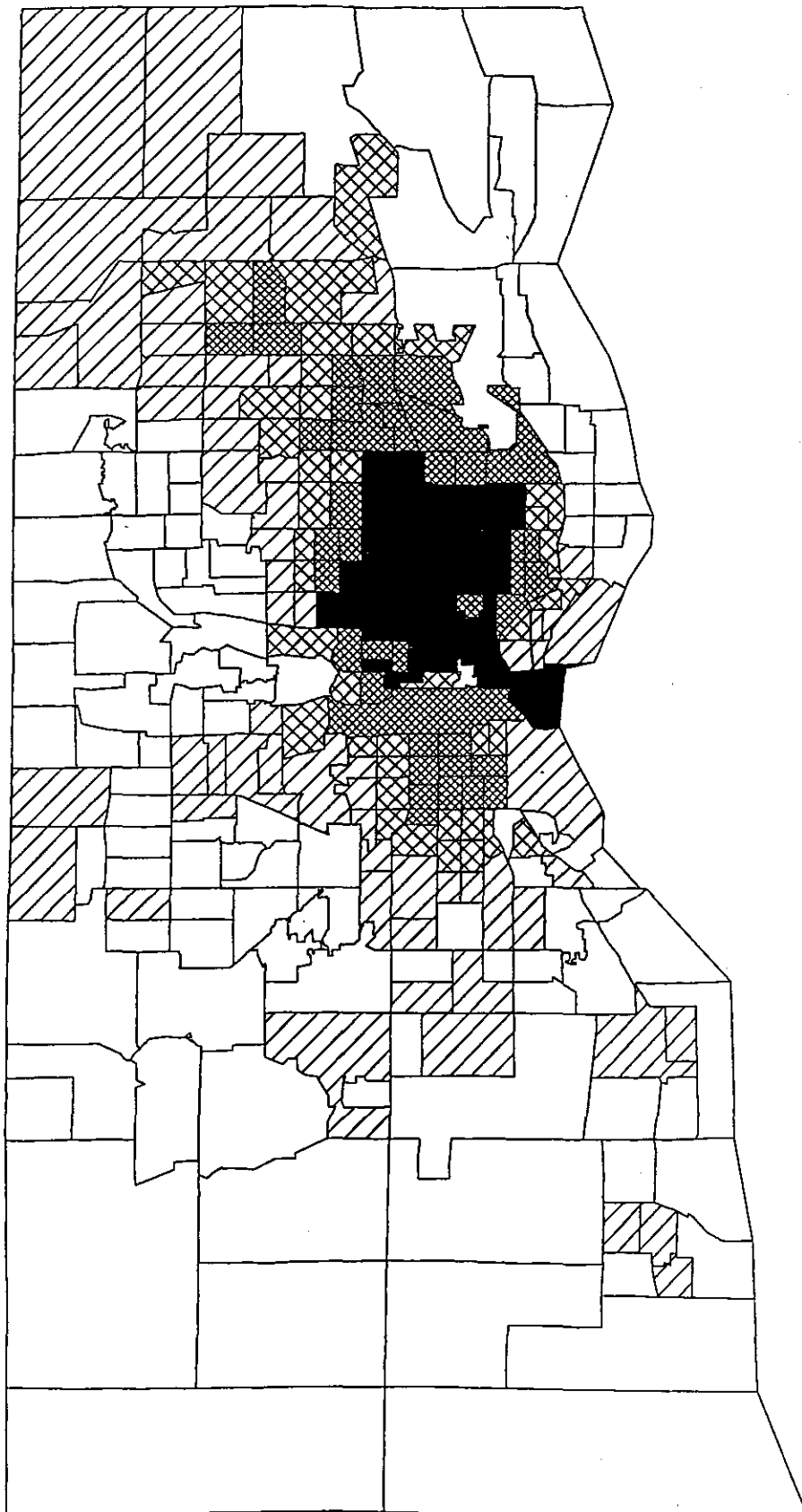
AFDC Dependents Under Age 17  
As Percent of Cohort Population  
Milwaukee County, March 1990



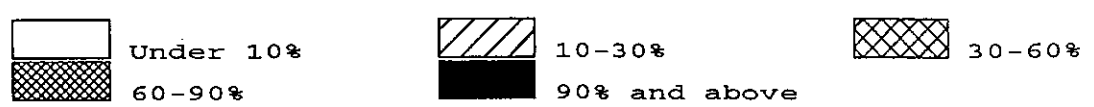
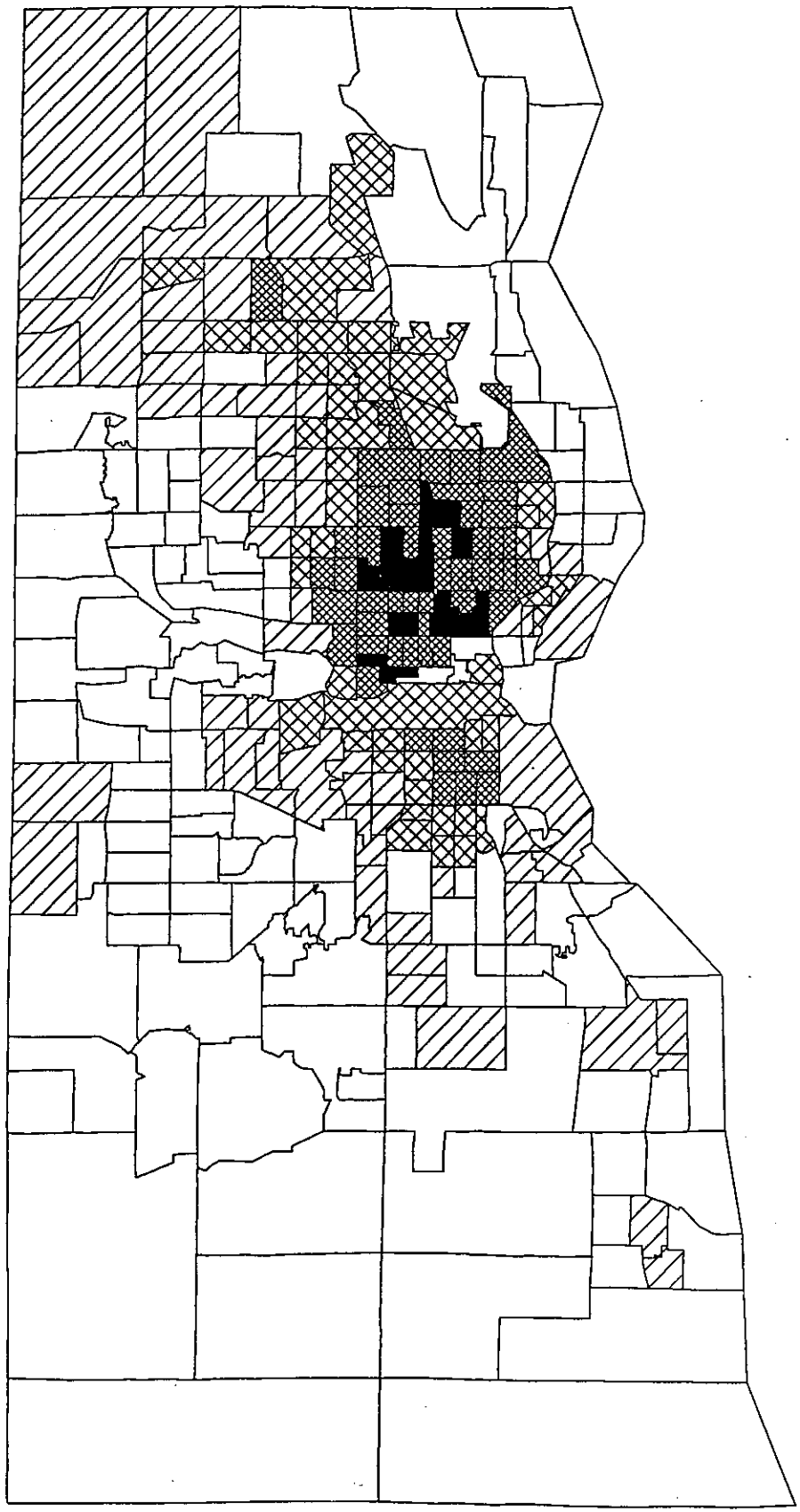
AFDC Dependents Under Age 1  
As Percent of Cohort Population  
Milwaukee County, March 1990



AFDC Dependents Under Age 5  
As Percent of Cohort Population  
Milwaukee County, March 1990

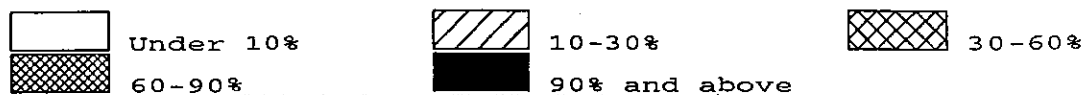
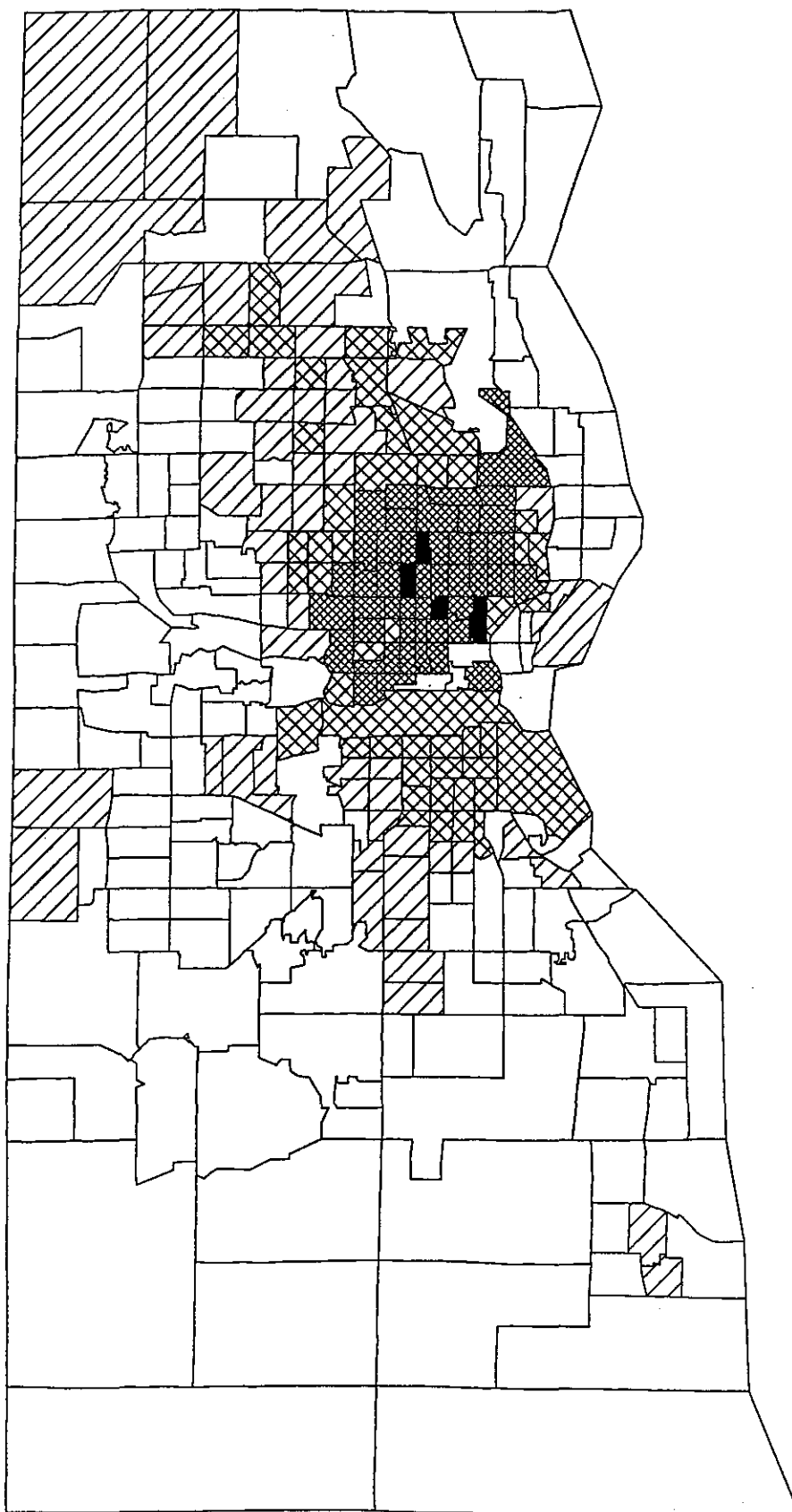


### AFDC Dependents Age 5 Thru 9 As Percent of Cohort Population Milwaukee County, March 1990



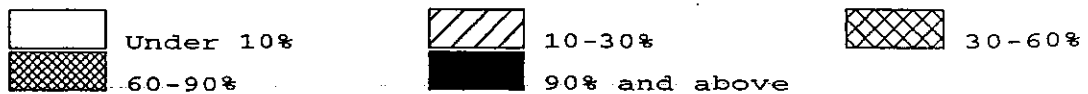
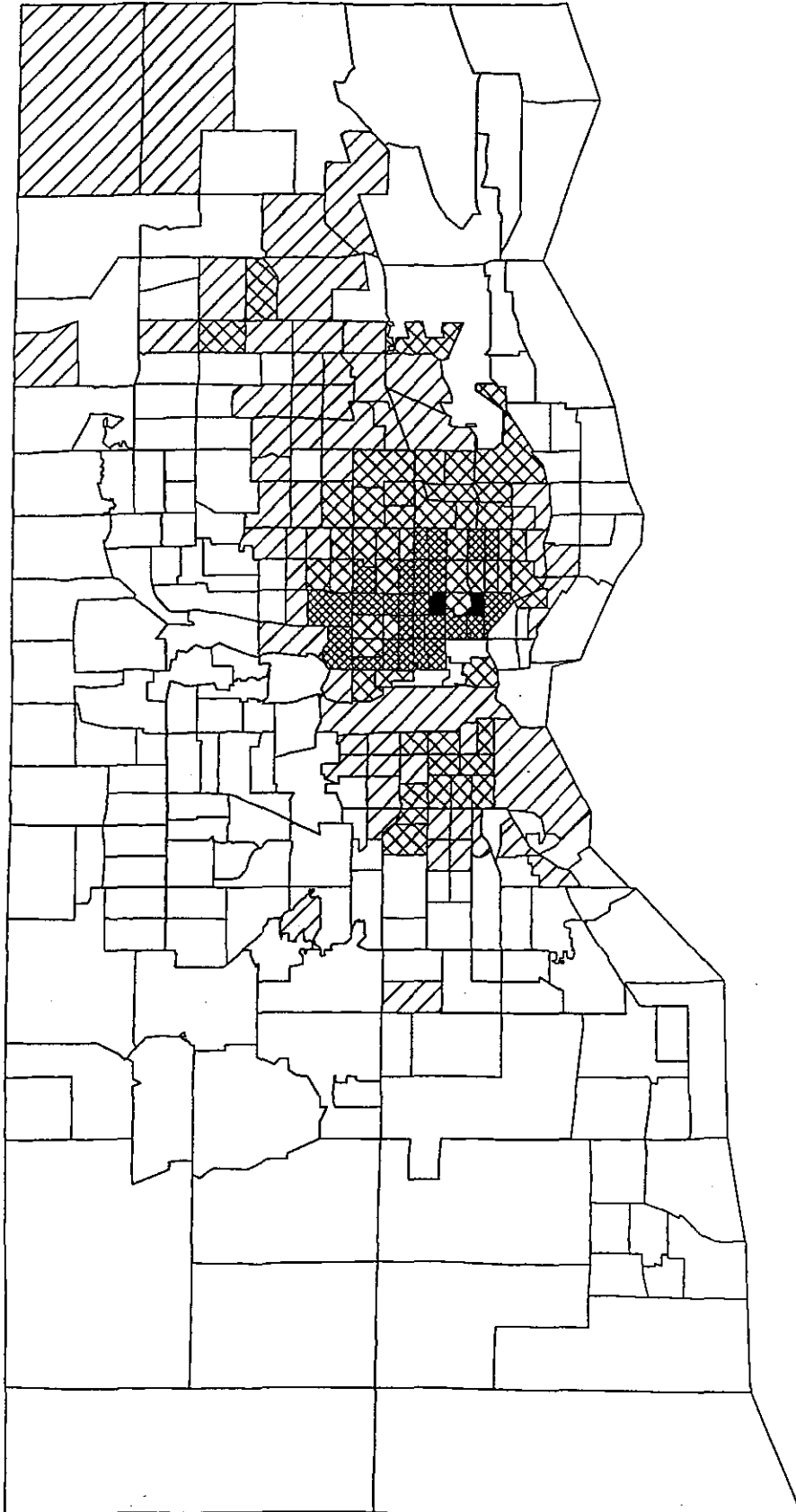
# AFDC Dependents Age 10 Thru 14

As Percent of Cohort Population  
Milwaukee County, March 1990



# AFDC Dependents Age 15 Thru 17

As Percent of Cohort Population  
Milwaukee County, March 1990





## Concentration of Female-Headed Households Receiving AFDC by Census Tract

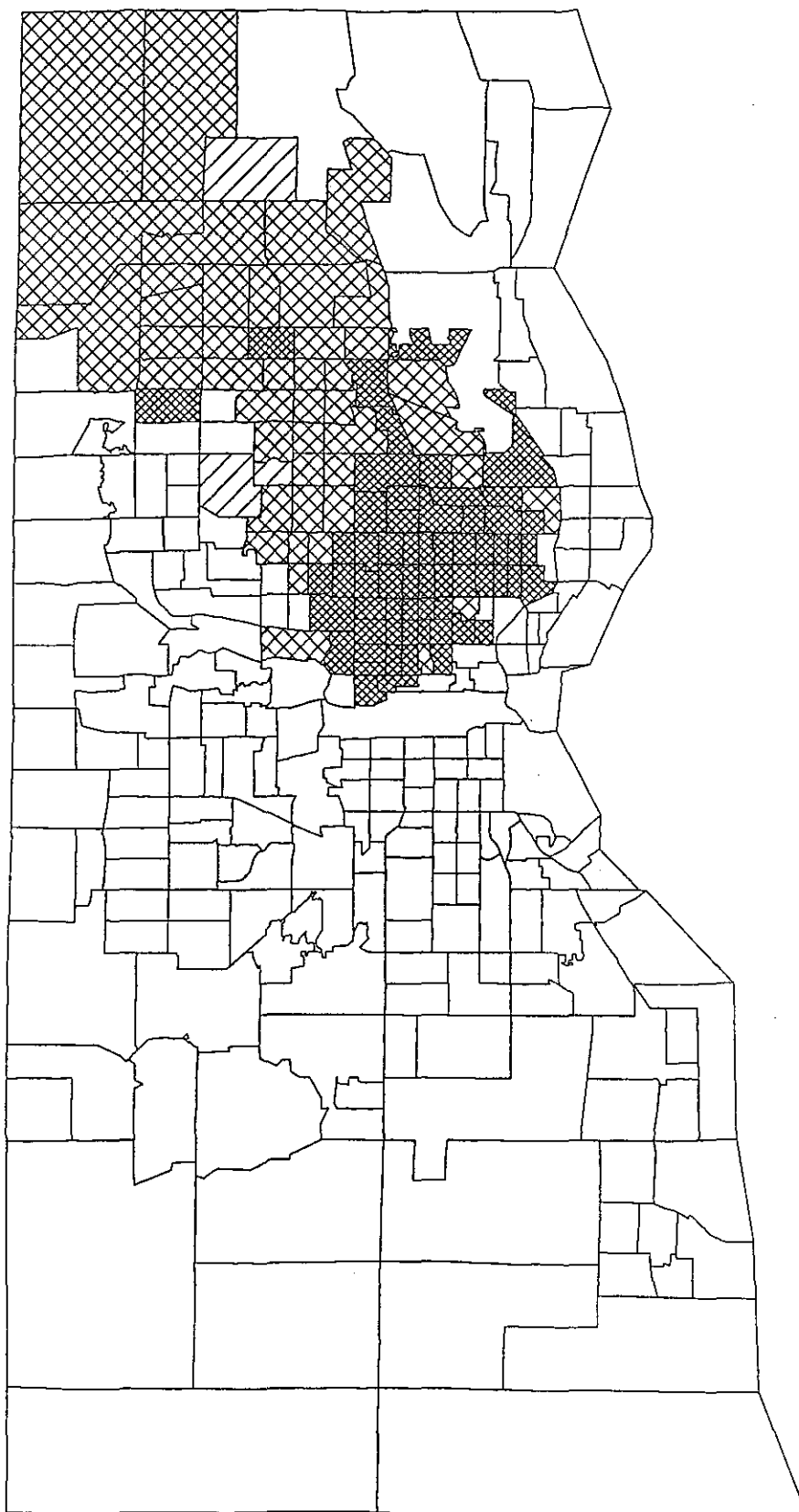
March 1990 AFDC records on single-parent families headed by women were compared to 1990 U.S. census counts of female-headed households with children. Patterns differed substantially by racial group.





**Black Female-Headed Households:** Nearly all black women heading families receiving AFDC were concentrated in northside Milwaukee census tracts where 50 percent or more of female-headed households with children were receiving AFDC in March 1990. Sixty-one tracts showed 90 percent or more of black female-headed households receiving AFDC that month.

**Hispanic Female-Headed Households:** Hispanic women heading households receiving AFDC in March 1990 were concentrated in two Milwaukee neighborhoods -- the near southside and west of the river on the eastside. Hispanic women receiving AFDC in March made up 90 percent or more of Hispanic female-headed households with children in 11 city census tracts.

**White Female-Headed Households:** White children living in female-headed households were far less likely than black or Hispanic children to live in neighborhoods with heavy concentrations of other children of their race receiving AFDC. Ten census tracts (all but one on the near southside) showed 90 percent or more white female-headed households receiving AFDC in March 1990.

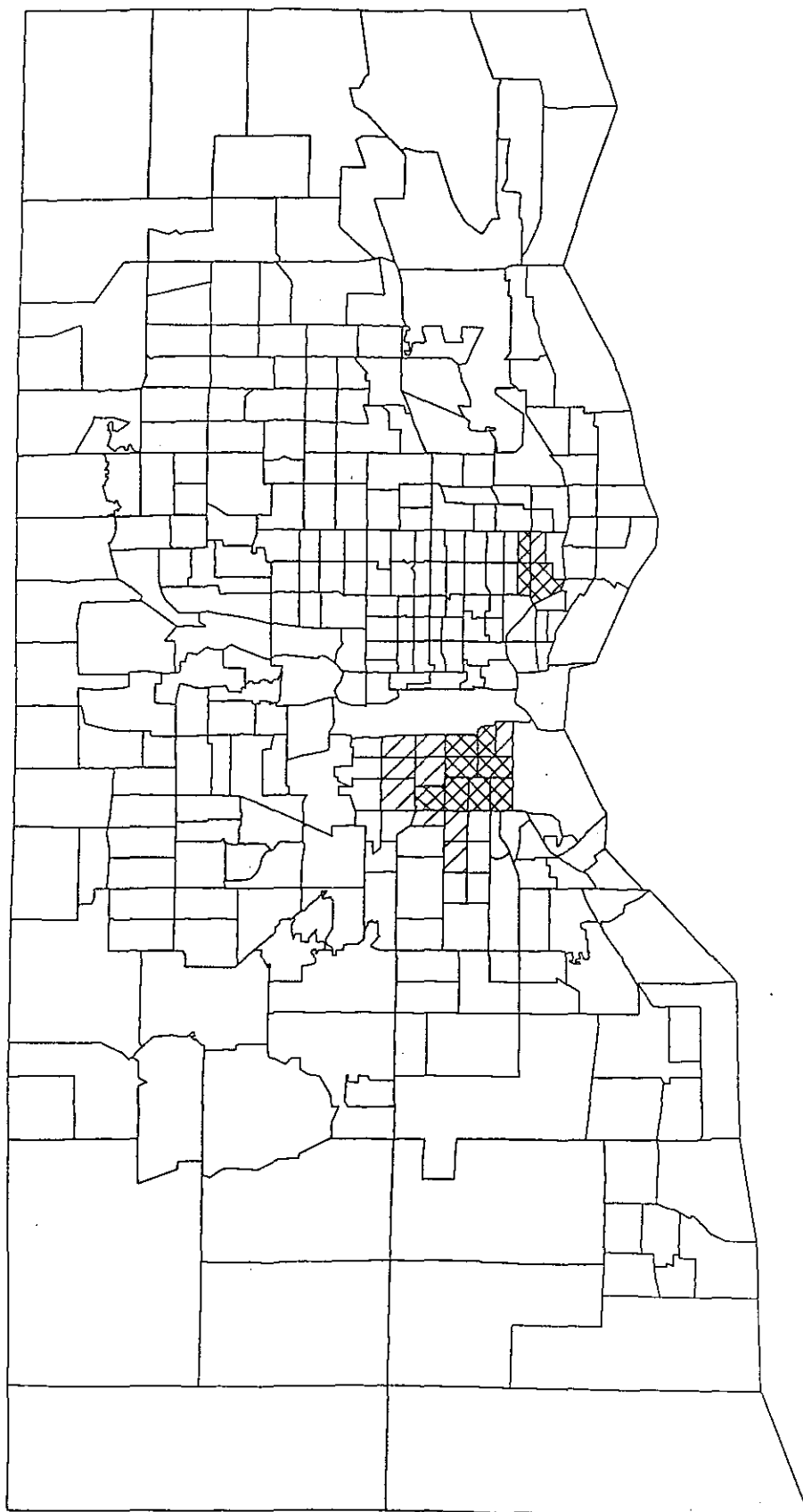
# Black Female-Headed Households on AFDC As Percent of Black Female-Headed Households Milwaukee County, March 1990



	Under 10%		10-50%
	50-90%		90% and above

For tracts with 30 or more female-headed black households

# Hispanic Female-Headed Households on AFDC As Percent of Hispanic Female-Headed Households Milwaukee County, March 1990

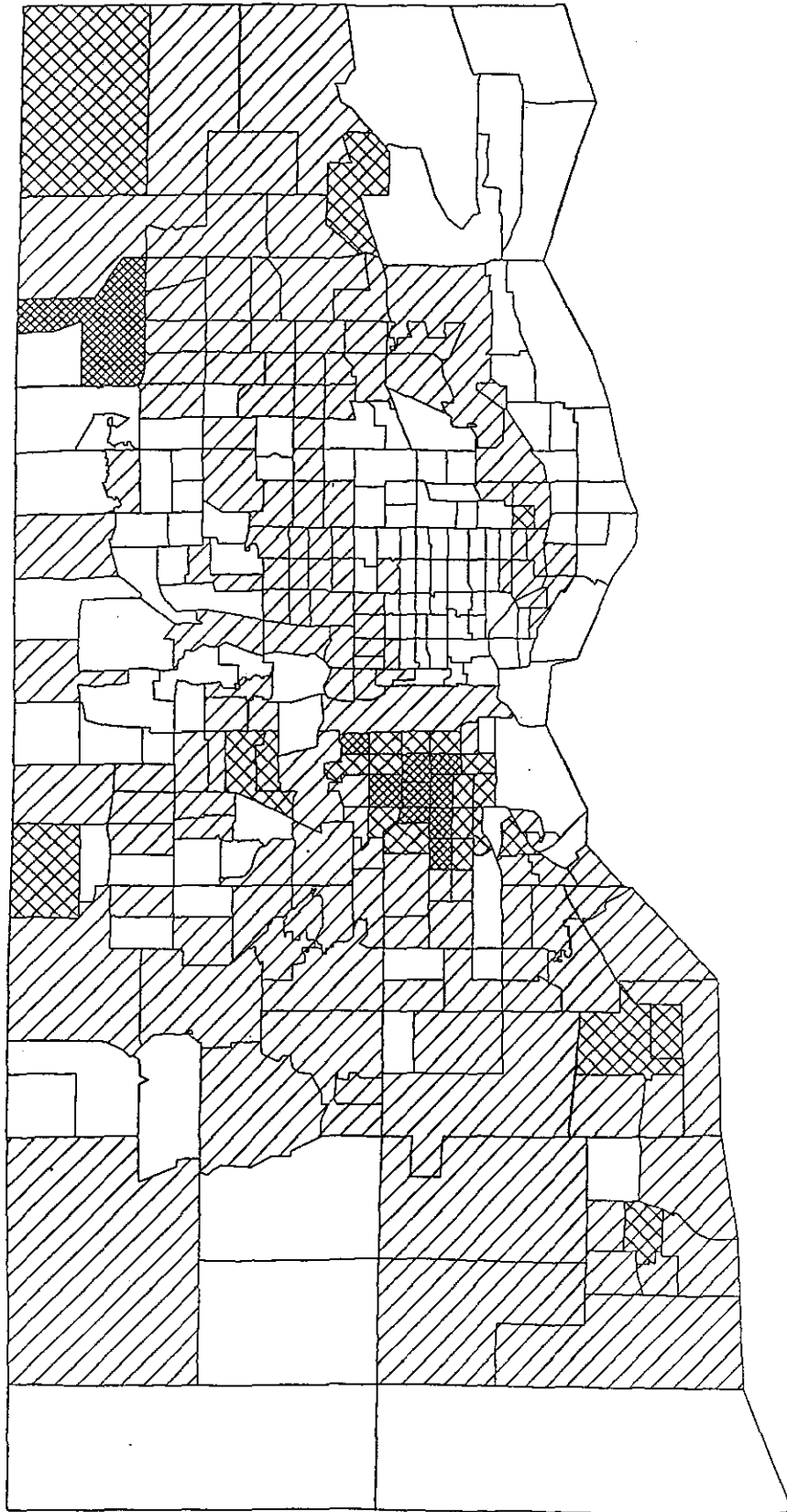



Under 10%      50-90%      90% and above

For tracts with 30 or more female-headed hispanic households

# White Female-Headed Households on AFDC

As Percent of White Female-Headed Households  
Milwaukee County, March 1990



	Under 10%		10-50%
	50-90%		90% and above

For tracts with 30 or more female-headed white households

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