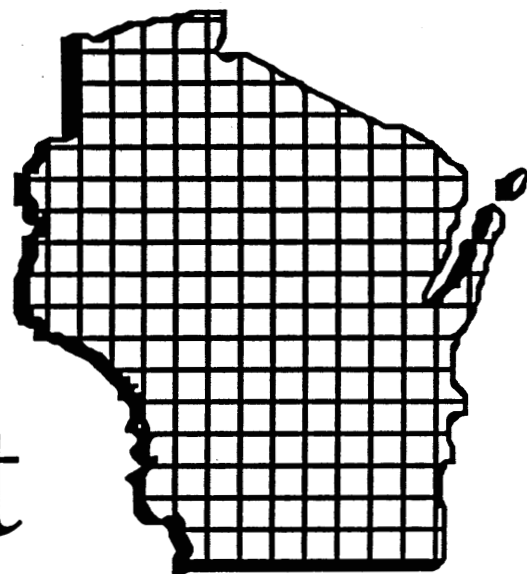


Wisconsin

---

Policy  
Research  
Institute

Report



November 1989

Volume 2, No. 8

**THE FINANCIAL IMPACT  
OF  
OUT-OF-STATE-BASED  
WELFARE IN-MIGRATION  
ON  
WISCONSIN TAXPAYERS**

## Report from the Executive Director:

In December of 1988 the Institute released two reports on welfare in-migration in Wisconsin. The public policy question of welfare in-migration was re-opened in the state. Over the last year there has been national attention focused on Wisconsin's response to the problem.

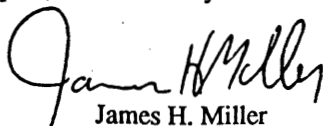
The Institute sees this issue in a broader sense than just trying to stop poor people from migrating to Wisconsin. We question how a state like Wisconsin should best use its own resources. Should Wisconsin's taxes be used for helping its own poor, for elementary, secondary and higher education, for improving its environment or should Wisconsin use part of its resources to subsidize the social and economic failure of other states.

In addition, the financial impact on Wisconsin taxpayers has been overlooked in the welfare in-migration controversy. Whenever cost has been mentioned, it has always been the A.F.D.C. piece of the equation. We feel that this is the tip of the iceberg. We believe that families who move to Wisconsin and then go on A.F.D.C. are having a greater financial impact than just the welfare costs. These families send their children to public schools which are solely paid for by Wisconsin taxpayers. They use social services, and, unfortunately, in some instances they enter the criminal justice system. Their financial impact cannot just be viewed simply as the A.F.D.C. payments.

We commissioned Professor Richard Cebula of Emory University to examine the financial impact of welfare in-migration on Wisconsin. Professor Cebula has co-authored one of our original reports, has a national reputation and is best described on page 11 of the original Report of the Welfare Magnet Study Committee: "His name is most frequently associated with studies of welfare-motivated migration. He has authored or co-authored more than a dozen articles on the topic--many of which purport to demonstrate a "welfare magnet" effect among blacks, but not among whites. In 1979 Cebula published a comprehensive review of the literature on this topic (Cebula, 1979). Rather than undertake to duplicate this task, we have reprinted (with permission) his review in Appendix B. Most of the studies reviewed by Cebula have been located and read, and we are satisfied that his comments on the basic literature are faithful to the original reports. His thorough and comprehensive review is well written and provides an excellent overview of the topic." Cebula's credentials in this field are academically sound.

The numbers in the Cebula report are estimates because there are no absolutely firm numbers available on the financial impact. We believe that the numbers in this report are extremely low in terms of cost to the state of Wisconsin. We are only dealing with a one year period, and even in that period we are not necessarily including costs for which there is insufficient data. In addition, some of the estimates in this report on educational cost per-pupil taken on a statewide basis may be low, especially in the southeastern part of Wisconsin, and we have not tried to factor in cumulative costs.

Finally, Professor Cebula welcomes and encourages people to examine his research and refine and improve these estimates. We agree. Before we can fully understand the financial impact of welfare in-migration, we need the best estimates of the costs involved. This report is a beginning in understanding the impact, but is certainly not the final word.

  
James H. Miller

## THE WISCONSIN POLICY RESEARCH INSTITUTE

3107 North Shepard Avenue  
Milwaukee, WI 53211  
(414) 963-0600

## THE FINANCIAL IMPACT OF OUT-OF-STATE-BASED WELFARE IN-MIGRATION ON WISCONSIN TAXPAYERS

### Table of Contents

Executive Summary	1
I. Introduction	2
II. Welfare-Related Outlays	2
III. Education-Related Outlays	21
IV. Law Enforcement Outlays	32
V. Summary	37
Notes	37
Non-Data References	39

## BOARD OF DIRECTORS

Sheldon Lubar, Chairman

Hal Kuehl

Robert Buchanan

Reed Coleman

Brenton Ruppel

Allen Taylor

James Ericson

James Miller, Executive Director

**THE FINANCIAL IMPACT OF  
OUT-OF-STATE-BASED WELFARE  
IN-MIGRATION ON WISCONSIN  
TAXPAYERS**

by

**Richard J. Cebula, Ph.D.**  
Emory University

## **Executive Summary**

The purpose of this study is to estimate the additional aggregate cost per year to Wisconsin taxpayers of newly-opened AFDC cases in Wisconsin involving out-of-state-based welfare in-migrants who either did not always live in the state or who never before lived in the state. Three basic categories of additional outlays (costs to Wisconsin taxpayers) are associated with these AFDC cases, and, as a result, are examined: (1) welfare-related outlays; (2) education-related outlays; and (3) law-enforcement-related outlays. The time period examined was 1987-1989.

To begin with, two categories of welfare migrants to Wisconsin are identified:

- Category A migrants: these consist of newly-opened AFDC cases in Wisconsin involving people who have not always lived in the state but who moved to the state and subsequently became AFDC recipients.
- Category B migrants: these consist of newly-opened AFDC cases in Wisconsin involving people who have never before lived in Wisconsin but who moved to the state and subsequently became AFDC recipients.

Category A cases consist of category B migrants plus "return" migrants who became AFDC recipients in Wisconsin.

The evaluation of the added cost to Wisconsin taxpayers of welfare migration deals with two types of welfare-related outlays:

- direct AFDC payments
- added administrative costs associated with those payments (and cases)

The total annualized additional welfare-related outlays associated with category A migrants comes to \$68,400,000 per year.

The total annualized additional welfare-related outlays associated with category B migrants comes to \$47,200,000 per year.

These figures exclude the fringe benefits for those state employees involved in administering the new AFDC cases.

**Education-related outlays consist of two components:**

- direct additional education outlays, based upon the number of additional full-time equivalent students coming from the relevant categories of new AFDC family units.
- additional school-lunch program costs associated with those same students.

The findings are, as follows:

- the additional direct education outlays resulting from one year's rise in school enrollments involving category A migrants comes to \$53,877,691.00
- the increased direct education costs resulting from one year's rise in school enrollments involving category B migrants comes to \$37,167,977.00

- the additional school lunch program outlays from one year's rise in school enrollments involving category A migrants comes to \$784,461.00
- the increased school lunch program outlays resulting from one year's rise in school enrollments involving category B migrants comes to \$541,167.00

**The third and final category of added Wisconsin taxpayer costs deals with additional outlays on law enforcement in the state. Based conservatively upon a 1985 Wisconsin budget for police protection:**

- category A cases would annually raise law enforcement outlays by \$6,088,400
- category B cases would annually raise those outlays by \$4,245,800

Finally, the total overall additional Wisconsin taxpayer burden resulting from all three classifications of additional outlays combined is given, as follows:

- category A cases result in an overall additional aggregate cost (burden) per year to Wisconsin taxpayers of approximately \$129 million.
- category B cases result in an overall additional aggregate cost (burden) per year to Wisconsin taxpayers of approximately \$89 million.

Given data imperfections and limitations, these figures are offered only as approximations; efforts to refine and improve on these types of estimates are not only welcome but encouraged.

## **I. Introduction**

The purpose of this study is to estimate the additional aggregate cost per year to Wisconsin taxpayers of newly-opened AFDC cases in Wisconsin involving out-of-state-based welfare in-migrants who either did not always live in the state or who never before lived in the state. Three basic categories of additional outlays (costs to Wisconsin taxpayers) are associated with these AFDC cases, and are therefore to be examined: welfare-related outlays; education-related outlays; and law-enforcement-related outlays. The time period studied runs from 1987-1989. These outlay categories are addressed in Sections II, III, and IV, respectively, of this study. Summary conclusions are provided in Section V of this study.

## **II. Welfare-Related Outlays**

In this Section of the study, we seek to estimate the additional aggregate cost per year to Wisconsin taxpayers of paying AFDC benefits to those persons who move to the state and then subsequently become AFDC recipients. We use data for the 18-month period from October, 1987 through March, 1989. We focus principally upon this very recent time period for the obvious purpose of relevance and also because of superior data availability. Although there are other forms of benefits for which such recipients typically are eligible, due to data limitations we restrict our estimates to AFDC payments and directly-related costs associated therewith. It should be stressed that we use 18 months of information;

however, we reduce everything to (pro-rate to) 12 month (one year) equivalent terms, so as to isolate the annual aggregate increase in the tax burden for Wisconsin taxpayers.

We begin our analysis by focusing upon **newly-opened AFDC cases** in the state of Wisconsin over the period in question. Tables 1 through 6 describe in considerable detail the nature of those cases for the quarter-ending months of: December, 1987; March, 1988; June, 1988; September, 1988; December, 1988; and March, 1989. Naturally, the numbers of cases described in these tables are roughly one-third of the total values for the complete quarters described. These data were provided by the Department of Health and Social Services of the State of Wisconsin; the cooperative and helpful efforts of Mr. Ed Mason and Mr. Neil Gleason are hereby gratefully acknowledged.

Tables 1 through 6 describe the total number of **newly-opened AFDC cases** in the state of Wisconsin in the particular months described. This total is in turn broken into two basic categories (components): those cases consisting of persons who have always lived in Wisconsin and those cases consisting of persons who have not always lived in Wisconsin. In turn, the latter category is broken into persons who at some prior time did live in the state and those who never before lived in the state. Those who never before lived in Wisconsin are then identified according to the state of origin, i.e., according to the last reported state of residence. Most (roughly two-thirds) of this group comes from a set of some 10 states: Arkansas, California, Illinois (the largest single contributor), Indiana, Iowa, Michigan, Minnesota, Mississippi, Tennessee, and Texas. All other states combined contribute roughly only one-third of this group's total components.

Table 7 summarizes and focuses in on certain aspects of Tables 1 through 6; it also extrapolates from those same six tables. For example, Table 7 describes, by each specified month, the numbers of **newly-opened AFDC cases** consisting of persons who did not always reside in Wisconsin. These cases are then numerically disaggregated according to a variety of specified residence traits, including that of having never before lived in Wisconsin. Next, the row totals for each of the specified traits for the six given months are provided. Finally, the percentages of the total number of **newly-opened AFDC cases** accounted for by each specific classification of persons who did not always live in the state of Wisconsin are provided. These percentages are based upon the total number of newly-opened AFDC cases less the number of such cases for which no prior-residence information was available; for the specific months identified, i.e., December of 1987, March, June, September and December of 1988, and March of 1989, there were some 866 cases for which no prior-residence information was available.

As shown in the table, persons who did not always live in the state (but who either migrated to or return-migrated to the state) account for nearly 44 percent of the total number of **newly-opened AFDC cases**. Numerically, this 44 percent amounts to a total of 4,737 new AFDC cases for the six given months combined, an average of 790 new AFDC cases per month statewide and a total of approximately 14,211 new AFDC cases statewide for the entire 18-month period (October, 1987 through March, 1989). In addition, persons who never before lived in the state of Wisconsin but who moved in from out of state constitute over 30 percent of the total number of **newly-opened AFDC cases**. Numerically, this 30 percent constitutes 3,268 new AFDC cases for the six specified months combined, an average of 545 new AFDC cases per month statewide and a total of approximately 9,810 new AFDC cases statewide for the entire 18-month period.

Table 8 describes the geographic pattern of welfare in the form of AFDC in the state of Wisconsin for the year 1988. In particular, it describes, by county and for the state as a whole, the average monthly number of AFDC cases, the average monthly number of AFDC recipients, and the average monthly total AFDC benefits distributed. AFDC

TABLE 1.  
PRIOR RESIDENCE  
OF WISCONSIN NEWLY OPENED AFDC CASES  
DECEMBER 1987  
(EXCLUDES CASES RECEIVING AFDC ANYTIME DURING  
THE PREVIOUS 11 MONTHS.  
ALL "%" FIGURES ARE PERCENTAGES OF THE  
"TOTAL NEWLY OPENED CASES" FIGURE).

STATE TOTAL

PRIOR RESIDENCE	TOTAL		LENGTH OF TIME IN WISCONSIN BEFORE OPENING FOR AFDC											
	CASES	%	LESS THAN 1 YEAR								ONE YEAR, LESS THAN 2		TWO YEARS OR MORE	
			TOTAL		LESS THAN 3 MONTHS		3 MOS, LESS THAN 6		6 MOS, LESS THAN 12		CASES	%	CASES	%
			CASES	%	CASES	%	CASES	%	CASES	%				
TOTAL NEWLY OPENED CASES	2,042	100.0%												
NO PRIOR RESID. INFO.	8	.4%												
ALWAYS LIVED IN WI	1,136	55.6%												
DID NOT ALWAYS LIVE IN WI*	906	44.4%	505		367		80		58		43		330	
LIVED IN WI, BUT ABSENT LAST TIME FOR**	296	14.5%	210		140		39		31		17		64	
LESS THAN 12 MOS	69	3.4%	45	2.2%	26	1.3%	10	0.5%	9	0.4%	6	0.3%	13	0.6%
1 YR, LESS THAN 2 YRS	62	3.0%	50	2.4%	29	1.4%	7	.3%	14	.7%	1	.0%	11	
2 YRS OR MORE	165	8.1%	115	5.6%	85	4.2%	22	1.1%	8	.4%	10	.5%	40	2.0%
NEVER LIVED IN WI BEFORE	610	29.9%	295		227		41		27		26		266	
MOVED TO WI FROM:***														
ARKANSAS	15	.7%	9		6		2		1				6	
CALIFORNIA	16	.8%	6		3		2		1		1		8	
ILLINOIS	177	8.7%	101		84		11		6		9		63	
INDIANA	12	.6%	9		7				2				3	
IOWA	9	.4%	5		4				1				4	
MICHIGAN	26	1.3%	13		7		4		2		1		9	
MINNESOTA	45	2.2%	27		17		7		3		2		16	
MISSISSIPPI	32	1.6%	16		12		1		3				14	
TENNESSEE	16	.8%	4		4								12	
TEXAS	26	1.3%	11		5		2		4		3		10	
ALL OTHER & UNKNOWN	236	11.6%	94		78		12		4		10		121	

\*TOTAL INCLUDES CASES WITH "LENGTH OF TIME IN WIS. BEFORE OPENING . . ." UNKNOWN. THERE WERE 28 SUCH CASES STATEWIDE.

\*\*TOTAL INCLUDES CASES WITH "ABSENT LAST TIME FOR . . ." UNKNOWN. THERE WERE 0 SUCH CASES STATEWIDE.

\*\*\*LISTS THE 10 STATES FROM WHICH MOST OPENING CASES HAVE MOVED TO WISCONSIN AS OF SEPTEMBER 1985.

OMI/DCS/DHSS (608 266-9387)

TABLE 2.  
PRIOR RESIDENCE  
OF WISCONSIN NEWLY OPENED AFDC CASES  
MARCH 1988  
(EXCLUDES CASES RECEIVING AFDC ANYTIME DURING  
THE PREVIOUS 11 MONTHS.  
ALL "%" FIGURES ARE PERCENTAGES OF THE  
"TOTAL NEWLY OPENED CASES" FIGURE).

STATE TOTAL

PRIOR RESIDENCE	TOTAL		LENGTH OF TIME IN WISCONSIN BEFORE OPENING FOR AFDC											
			LESS THAN 1 YEAR											
			TOTAL				ONE YEAR, LESS THAN 2				TWO YEARS OR MORE			
	CASES	%	LESS THAN 3 MONTHS		3 MOS, LESS THAN 6		6 MOS, LESS THAN 12							
			CASES	%	CASES	%	CASES	%	CASES	%	CASES	%	CASES	%
TOTAL NEWLY OPENED CASES	1,982	100.0%												
NO PRIOR RESID. INFO.	147	7.4%												
ALWAYS LIVED IN WI	1,014	51.2%												
DID NOT ALWAYS LIVE IN WI*	821	41.4%	413		326		43		44		55		341	
LIVED IN WI, BUT ABSENT LAST TIME FOR**	217	10.9%	139		111		16		12		22		56	
LESS THAN 12 MOS	43	2.2%	30	1.5%	23	1.2%	6	0.3%	1	0.1%	7	0.4%	6	0.0%
1 YR, LESS THAN 2 YRS	36	1.8%	27	1.4%	24	1.2%	1	.1%	2	.1%		%	9	
2 YRS OR MORE	138	7.0%	82	4.1%	64	3.2%	9	.5%	9	.5%	15	.8%	41	2.0%
NEVER LIVED IN WI BEFORE	604	30.5%	274		215		27		32		33		285	
MOVED TO WI FROM:***														
ARKANSAS	15	.8%	4		4								11	
CALIFORNIA	18	.9%	11		8		1		2		2		5	
ILLINOIS	160	8.1%	87		74		7		6		8		63	
INDIANA	31	1.6%	16		14		1		1		2		13	
IOWA	16	.8%	5		3				2				11	
MICHIGAN	27	1.4%	13		7		2		4		3		10	
MINNESOTA	35	1.8%	16		9		2		5		5		13	
MISSISSIPPI	32	1.6%	6		5		1				1		25	
TENNESSEE	18	.9%	7		6				1		1		10	
TEXAS	17	.9%	5		4		1				3		8	
ALL OTHER & UNKNOWN	235	11.9%	104		81		12		11		8		116	

\*TOTAL INCLUDES CASES WITH "LENGTH OF TIME IN WIS. BEFORE OPENING . . ." UNKNOWN. THERE WERE 28 SUCH CASES STATEWIDE.

\*\*TOTAL INCLUDES CASES WITH "ABSENT LAST TIME FOR . . ." UNKNOWN. THERE WERE 0 SUCH CASES STATEWIDE.

\*\*\*LISTS THE 10 STATES FROM WHICH MOST OPENING CASES HAVE MOVED TO WISCONSIN AS OF SEPTEMBER 1985.

OMI/DCS/DHSS (608 266-9387)



TABLE 3.  
PRIOR RESIDENCE  
OF WISCONSIN NEWLY OPENED AFDC CASES  
JUNE 1988  
(EXCLUDES CASES RECEIVING AFDC ANYTIME DURING  
THE PREVIOUS 11 MONTHS.  
ALL "%" FIGURES ARE PERCENTAGES OF THE  
"TOTAL NEWLY OPENED CASES" FIGURE).

STATE TOTAL

PRIOR RESIDENCE	TOTAL		LENGTH OF TIME IN WISCONSIN BEFORE OPENING FOR AFDC									
			LESS THAN 1 YEAR								ONE YEAR, LESS THAN 2	TWO YEARS OR MORE
			TOTAL	LESS THAN 3 MONTHS		3 MOS, LESS THAN 6		6 MOS, LESS THAN 12				
	CASES	%	CASES	%	CASES	%	CASES	%	CASES	%	CASES	%
TOTAL NEWLY OPENED CASES	1,952	100.0%										
NO PRIOR RESID. INFO.	164	8.4%										
ALWAYS LIVED IN WI	976	50.0%										
DID NOT ALWAYS LIVE IN WI*	812	41.6%	481		394		40		47		44	272
LIVED IN WI, BUT ABSENT LAST TIME FOR**	257	13.2%	179		149		14		16		24	52
LESS THAN 12 MOS	51	2.6%	39	2.0%	26	1.3%	8	0.4%	5	0.3%	2	0.1%
1 YR, LESS THAN 2 YRS	51	2.6%	42	2.2%	39	2.0%	1	.1%	2	.1%	4	.2%
2 YRS OR MORE	155	7.9%	98	5.0%	84	4.3%	5	.3%	9	.5%	18	.9%
NEVER LIVED IN WI BEFORE	555	28.4%	302		245		26		31		20	220
MOVED TO WI FROM:***												
ARKANSAS	11	.6%	3		2				1			7
CALIFORNIA	21	1.1%	14		13		1				1	6
ILLINOIS	157	8.0%	88		72		7		9		5	62
INDIANA	18	.9%	11		9				2		1	6
IOWA	11	.6%	8		4		2		2			3
MICHIGAN	23	1.2%	8		7				1		1	14
MINNESOTA	27	1.4%	18		8		6		4			8
MISSISSIPPI	29	1.5%	16		12		3		1			12
TENNESSEE	12	.6%	4		4							3
TEXAS	34	1.7%	23		20				3		2	6
ALL OTHER & UNKNOWN	212	10.9%	109		94		7		8		10	38

\*TOTAL INCLUDES CASES WITH "LENGTH OF TIME IN WIS. BEFORE OPENING . . ." UNKNOWN. THERE WERE 28 SUCH CASES STATEWIDE.

\*\*TOTAL INCLUDES CASES WITH "ABSENT LAST TIME FOR . . ." UNKNOWN. THERE WERE 0 SUCH CASES STATEWIDE.

\*\*\*LISTS THE 10 STATES FROM WHICH MOST OPENING CASES HAVE MOVED TO WISCONSIN AS OF SEPTEMBER 1985.

ONI/DCS/DHSS (608 266-9387)

TABLE 4.  
PRIOR RESIDENCE  
OF WISCONSIN NEWLY OPENED AFDC CASES  
SEPTEMBER 1988  
(EXCLUDES CASES RECEIVING AFDC ANYTIME DURING  
THE PREVIOUS 11 MONTHS.  
ALL "Z" FIGURES ARE PERCENTAGES OF THE  
"TOTAL NEWLY OPENED CASES" FIGURE).

STATE TOTAL

PRIOR RESIDENCE	TOTAL		LENGTH OF TIME IN WISCONSIN BEFORE OPENING FOR AFDC													
	CASES	%	LESS THAN 1 YEAR										ONE YEAR, LESS THAN 2		TWO YEARS OR MORE	
			TOTAL		LESS THAN 3 MONTHS		3 MOS, LESS THAN 6		6 MOS, LESS THAN 12							
			CASES	%	CASES	%	CASES	%	CASES	%	CASES	%	CASES	%		
TOTAL NEWLY OPENED CASES	2,161	100.0%														
NO PRIOR RESID. INFO.	214	9.9%														
ALWAYS LIVED IN WI	1,076	49.8%														
DID NOT ALWAYS LIVE IN WI*	871	40.3%	529		447		45		37		26		302			
LIVED IN WI, BUT ABSENT LAST TIME FOR**	268	12.4%	192		158		16		18		15		59			
LESS THAN 12 MOS	53	2.5%	37	1.7%	31	1.4%	5	0.2%	1	0.0%	3	0.1%	11	0.0%		
1 YR, LESS THAN 2 YRS	48	2.2%	36	1.7%	30	1.4%	1	.0%	5	.2%	3	.1%	9			
2 YRS OR MORE	167	7.7%	119	5.5%	97	4.5%	10	.5%	12	.6%	9	.4%	39	1.0%		
NEVER LIVED IN WI BEFORE	603	27.9%	337		289		29		19		11		243			
MOVED TO WI FROM:***																
ARKANSAS	18	.8%	6		4		2						12			
CALIFORNIA	22	1.0%	13		13						2		7			
ILLINOIS	161	7.5%	101		85		6		10		2		57			
INDIANA	35	1.6%	17		14		1		2				17			
IOWA	7	.3%	4		4								3			
MICHIGAN	22	1.0%	10		9		1				1		12			
MINNESOTA	34	1.6%	18		18								14			
MISSISSIPPI	36	1.7%	18		18								18			
TENNESSEE	11	.5%	6		5		1				1		4			
TEXAS	26	1.2%	16		14		1		1				7			
ALL OTHER & UNKNOWN	231	10.7%	128		105		17		6		6		92			

\*TOTAL INCLUDES CASES WITH "LENGTH OF TIME IN WIS. BEFORE OPENING . . ." UNKNOWN. THERE WERE 28 SUCH CASES STATEWIDE.

\*\*TOTAL INCLUDES CASES WITH "ABSENT LAST TIME FOR . . ." UNKNOWN. THERE WERE 0 SUCH CASES STATEWIDE.

\*\*\*LISTS THE 10 STATES FROM WHICH MOST OPENING CASES HAVE MOVED TO WISCONSIN AS OF SEPTEMBER 1985.

OMI/DCS/DHSS (608 266-9387)

TABLE 5.  
PRIOR RESIDENCE  
OF WISCONSIN NEWLY OPENED AFDC CASES  
DECEMBER 1988  
(EXCLUDES CASES RECEIVING AFDC ANYTIME DURING  
THE PREVIOUS 11 MONTHS.  
ALL "2" FIGURES ARE PERCENTAGES OF THE  
"TOTAL NEWLY OPENED CASES" FIGURE).

STATE TOTAL

PRIOR RESIDENCE	TOTAL		LENGTH OF TIME IN WISCONSIN BEFORE OPENING FOR AFDC													
	CASES	%	LESS THAN 1 YEAR												ONE YEAR, LESS THAN 2	TWO YEARS OR MORE
			TOTAL		LESS THAN 3 MONTHS		3 MOS, LESS THAN 6		6 MOS, LESS THAN 12							
			CASES	%	CASES	%	CASES	%	CASES	%						
TOTAL NEWLY OPENED CASES	1,659	100.0%														
NO PRIOR RESID. INFO.	158	9.5%														
ALWAYS LIVED IN WI	859	51.8%														
DID NOT ALWAYS LIVE IN WI*	642	38.7%	356		285		46		25		31		251			
LIVED IN WI, BUT ABSENT LAST TIME FOR**	190	11.5%	133		99		23		11		13		43			
LESS THAN 12 MOS	35	2.1%	25	1.5%	14	0.8%	8	0.5%	3	0.2%	2	0.1%	7	0.0%		
1 YR, LESS THAN 2 YRS	43	2.6%	35	2.1%	28	1.7%	6	.4%	1	.1%	3	.2%	5			
2 YRS OR MORE	112	6.8%	73	4.4%	57	3.4%	9	.5%	7	.4%	8	.5%	31	1.0%		
NEVER LIVED IN WI BEFORE	452	27.2%	223		186		23		14		18		209			
MOVED TO WI FROM:***																
ARKANSAS	12	.7%	5		5								7			
CALIFORNIA	18	1.1%	9		6		2		1		1		7			
ILLINOIS	119	7.2%	67		59		4		4		5		47			
INDIANA	15	.9%	8		5		3						7			
IOWA	9	.5%	5		3		1		1				4			
MICHIGAN	21	1.3%	7		6		1				1		13			
MINNESOTA	31	1.9%	15		12		2		1		4		12			
MISSISSIPPI	17	1.0%	8		7				1				9			
TENNESSEE	12	.7%	2		2								9			
TEXAS	11	.7%	5		4		1				2		4			
ALL OTHER & UNKNOWN	197	11.3%	92		77		9		6		5		89			

\*TOTAL INCLUDES CASES WITH "LENGTH OF TIME IN WIS. BEFORE OPENING . . ." UNKNOWN. THERE WERE 28 SUCH CASES STATEWIDE.

\*\*TOTAL INCLUDES CASES WITH "ABSENT LAST TIME FOR . . ." UNKNOWN. THERE WERE 0 SUCH CASES STATEWIDE.

\*\*\*LISTS THE 10 STATES FROM WHICH MOST OPENING CASES HAVE MOVED TO WISCONSIN AS OF SEPTEMBER 1985.

ONI/DCS/DHSS (608 266-9387)

TABLE 6.  
PRIOR RESIDENCE  
OF WISCONSIN NEWLY OPENED AFDC CASES  
MARCH 1989  
(EXCLUDES CASES RECEIVING AFDC ANYTIME DURING  
THE PREVIOUS 11 MONTHS.  
ALL "%" FIGURES ARE PERCENTAGES OF THE  
"TOTAL NEWLY OPENED CASES" FIGURE).

STATE TOTAL

PRIOR RESIDENCE	TOTAL		LENGTH OF TIME IN WISCONSIN BEFORE OPENING FOR AFDC													
	CASES	%	LESS THAN 1 YEAR										ONE YEAR, LESS THAN 2		TWO YEARS OR MORE	
			TOTAL		LESS THAN 3 MONTHS		3 MOS, LESS THAN 6		6 MOS, LESS THAN 12							
			CASES	%	CASES	%	CASES	%	CASES	%	CASES	%	CASES	%	CASES	%
TOTAL NEWLY OPENED CASES	1,871	100.0%														
NO PRIOR RESID. INFO.	175	9.4%														
ALWAYS LIVED IN WI	1,011	54.0%														
DID NOT ALWAYS LIVE IN WI*	685	36.6%	377		273		46		58		34		266			
LIVED IN WI, BUT ABSENT LAST TIME FOR**	241	12.9%	164		107		27		30		13		61			
LESS THAN 12 MOS	49	2.6%	32	1.7%	23	1.2%	5	0.3%	4	0.2%	4	0.2%	10	0.0%		
1 YR, LESS THAN 2 YRS	58	3.1%	48	2.6%	30	1.6%	6	.3%	12	.6%	1	.1%	9			
2 YRS OR MORE	134	7.2%	84	4.5%	54	2.9%	16	.9%	14	.7%	8	.4%	42	2.0%		
NEVER LIVED IN WI BEFORE	444	23.7%	213		166		19		28		21		205			
MOVED TO WI FROM:***																
ARKANSAS	11	.6%	3		3								8			
CALIFORNIA	12	.6%	4		4						1		7			
ILLINOIS	131	7.0%	78		64		7		7		6		46			
INDIANA	10	.5%	6		5		1				1		3			
IOWA	8	.4%	3		3								5			
MICHIGAN	18	1.0%	4		3				1		2		12			
MINNESOTA	24	1.3%	13		10		1		2		1		8			
MISSISSIPPI	25	1.3%	8		6		2				2		14			
TENNESSEE	5	.3%											5			
TEXAS	18	1.0%	8		6		1		1				10			
ALL OTHER & UNKNOWN	182	9.7%	86		62		7		17		8		87			

\*TOTAL INCLUDES CASES WITH "LENGTH OF TIME IN WIS. BEFORE OPENING . . ." UNKNOWN. THERE WERE 28 SUCH CASES STATEWIDE.

\*\*TOTAL INCLUDES CASES WITH "ABSENT LAST TIME FOR . . ." UNKNOWN. THERE WERE 0 SUCH CASES STATEWIDE.

\*\*\*LISTS THE 10 STATES FROM WHICH MOST OPENING CASES HAVE MOVED TO WISCONSIN AS OF SEPTEMBER 1985.

DHI/DCS/DHSS (608 266-9387)

TABLE 7.

## NEWLY OPENED AFDC CASES OF PERSONS WHO DID NOT ALWAYS LIVE IN WISCONSIN

Case Description	December, 1987	March, 1988	June, 1988	September, 1988	December, 1988	March, 1989	Row Totals	Row totals, as a percent of Total number of newly opened AFDC cases*
Did not always live in WI	906	821	812	871	642	685	4737	43.9%
Lived in WI, but absent last time for	296	217	257	268	190	241	1469	13.6%
Less than 12 mos.	69	43	51	53	35	49	300	2.8%
1 yr, less than 2 yr	62	36	51	48	43	58	298	2.8%
2 yr or more	165	138	155	167	112	134	871	8.1%
Never lived in WI before	610	604	555	603	452	444	3268	30.3%

The total number of new cases for just the six months shown, after deducting the cases for which no prior residence information was available, comes to 10801.

Table 8.

WISCONSIN	AFDC-REGULAR			AFDC-UNEMPLOYED			TOTAL AFDC		
AVERAGES 1938	CASES	RECIPIENTS	BENEFITS	CASES	RECIPIENT	BENEFITS	CASES	RECIPIENTS	BENEFITS
1 Adams	243	671	\$102,742	76	324	\$ 49,088	319	995	\$142,830
2 Ashland	254	700	106,466	68	266	32,381	322	967	138,847
3 Barron	525	1,460	219,712	136	577	72,379	661	2,036	292,091
4 Bayfield	184	510	74,957	48	212	25,208	232	722	100,165
5 Brown	1,970	5,164	835,924	398	1,986	242,286	2,367	7,151	1,078,209
6 Buffalo	148	423	62,184	40	159	19,307	188	582	81,491
7 Burnett	276	759	118,300	67	283	36,455	343	1,042	154,756
8 Calumet	174	429	69,987	27	115	13,685	201	544	83,672
9 Chippewa	683	1,895	288,575	170	732	90,233	853	2,617	378,808
10 Clark	307	876	131,765	87	384	46,103	393	1,261	177,868
11 Columbia	386	1,056	161,119	50	217	23,678	436	1,273	184,798
12 Crawford	203	534	83,545	82	369	46,276	285	903	129,822
13 Dane	2,629	6,906	1,135,756	292	1,418	165,969	2,920	8,324	1,301,725
14 Dodge	490	1,298	204,835	51	226	26,003	542	1,524	230,838
15 Door	202	534	83,933	58	241	28,201	260	774	112,134
16 Douglas	958	2,546	411,969	242	1,014	127,321	1,190	3,560	539,290
17 Dunn	403	1,101	173,247	129	574	71,463	532	1,676	244,710
18 Eau Claire	1,278	3,384	553,578	414	2,016	253,292	1,692	5,399	806,871
19 Florence	76	204	31,274	12	53	6,179	88	256	37,453
20 Fond du Lac	806	2,169	340,993	162	752	88,145	967	2,922	429,138
21 Forest	220	621	98,832	75	331	41,770	296	953	140,602
22 Grant	424	1,155	176,482	101	418	51,343	524	1,574	227,825
23 Green	272	727	107,317	60	259	30,315	333	986	137,631
24 Green Lake	168	462	71,523	43	194	22,622	212	656	94,144
25 Iowa	163	445	65,981	48	214	23,429	211	659	89,410
26 Iron	81	214	34,105	16	74	8,264	97	288	42,368
27 Jackson	293	822	125,919	72	305	38,843	365	1,127	164,761
28 Jefferson	510	1,341	206,922	71	310	33,477	581	1,651	240,399
29 Juneau	348	925	142,351	64	270	33,458	412	1,195	175,809
30 Kenosha	2,393	6,707	1,085,748	329	1,413	182,405	2,723	8,120	1,268,154
31 Kewaunee	113	321	48,791	36	160	18,417	149	481	67,208
32 La Crosse	1,263	3,373	550,205	345	1,827	216,189	1,608	5,200	766,394
33 Lafayette	127	373	56,485	21	86	11,098	148	459	67,582
34 Langlade	322	900	136,086	86	408	47,152	408	1,307	183,237
35 Lincoln	303	808	124,164	84	354	41,634	387	1,162	165,798
36 Manitowoc	710	1,983	309,201	206	1,061	131,968	916	3,043	441,170
37 Marathon	970	2,474	399,229	303	1,653	196,513	1,273	4,127	595,742
38 Marinette	515	1,379	212,533	132	593	73,938	647	1,972	286,470
39 Marquette	150	402	61,421	36	160	18,810	186	562	80,232
40 Menominee	435	1,216	194,500	80	401	48,785	515	1,617	243,285
41 Milwaukee	33,980	98,305	16,022,777	2,863	13,306	1,724,105	36,842	111,611	17,746,882
42 Monroe	497	1,354	203,055	105	450	53,802	602	1,804	256,857
43 Oconto	304	792	123,477	90	392	48,359	394	1,184	171,835
44 Oneida	419	1,127	173,099	126	534	66,087	545	1,662	239,186
45 Outagamie	938	2,463	396,470	260	1,349	159,821	1,198	3,811	556,292
46 Ozaukee	192	469	77,949	8	27	3,410	200	496	81,359
47 Pepin	65	184	27,762	27	121	14,599	93	305	42,361
48 Pierce	229	628	96,534	53	236	28,083	282	863	124,617
49 Polk	506	1,401	219,385	106	449	57,578	612	1,850	276,963
50 Portage	607	1,626	253,573	152	685	82,277	759	2,311	335,850
51 Price	152	408	60,372	38	161	16,307	190	568	76,679

(table 8. (continued))

WISCONSIN	AFDC-REGULAR			AFDC-UNEMPLOYED			TOTAL AFDC		
AVERAGES 1988	CASES	RECIPIENTS	BENEFITS	CASES	RECIPIENT	BENEFITS	CASES	RECIPIENTS	BENEFITS
51 Racine	3,701	10,359	1,659,594	334	1,440	178,398	4,036	11,800	1,837,992
52 Richland	233	619	95,844	80	330	42,022	313	949	137,866
53 Rock	2,742	7,442	1,197,444	401	1,736	223,774	3,143	9,178	1,421,218
54 Rusk	238	642	102,583	89	407	51,529	327	1,049	154,112
55 St Croix	332	892	143,674	50	227	25,724	382	1,119	169,398
56 Sauk	512	1,395	214,962	97	432	51,259	610	1,827	266,222
57 Sawyer	387	1,073	168,111	145	637	78,413	532	1,710	246,524
58 Shawano	396	1,058	162,212	96	431	50,807	491	1,489	213,019
59 Sheboygan	776	2,090	341,743	193	973	118,891	969	3,063	460,634
60 Taylor	139	398	58,746	39	162	18,445	179	560	77,191
61 Trempealeau	302	801	124,432	63	264	32,305	364	1,065	156,738
62 Vernon	330	917	136,848	89	385	46,123	420	1,302	182,972
63 Vilas	146	377	57,786	41	163	19,576	186	540	77,361
64 Walworth	509	1,331	205,808	33	146	16,273	542	1,478	222,081
65 Washburn	210	561	87,453	60	278	33,589	271	839	121,042
66 Washington	484	1,244	202,515	27	123	12,480	511	1,367	214,995
67 Waukesha	1,249	3,149	535,686	86	369	43,449	1,335	3,517	579,135
68 Waupaca	456	1,227	190,062	104	476	57,371	560	1,703	247,433
69 Waushara	214	572	87,689	75	327	37,256	289	899	124,945
70 Winnebago	1,471	3,783	623,690	243	1,126	142,224	1,713	4,909	765,914
71 Wood	764	2,018	309,804	152	667	78,646	917	2,685	388,450
89 Bad River	83	239	36,827	18	93	9,939	102	332	46,766
88 Lac du Flambeau	142	353	53,740	57	257	29,021	199	609	82,762
92 Oneida IC	198	537	88,011	37	159	21,451	234	696	109,462
85 Red Cliff	64	171	26,515	32	137	16,270	95	308	42,786
86 Stockbridge	37	107	16,172	10	44	5,265	46	151	21,436
TOTALS	75,978	211,367	\$33,981,061	11,291	51,909	\$6,420,010	87,269	263,276	\$40,401,071

recipients are broken into three groupings: AFDC regular; AFDC unemployed; and total AFDC. Based on these figures, the average monthly AFDC benefit in 1988 per recipient family unit (case) in the state of Wisconsin comes to \$463.00. Annualized, this figure becomes \$5,556 per recipient family unit (case) in the state.

Table 9 summarizes, for the period under consideration, total direct annualized (i.e., pro-rated to a one year basis) AFDC outlays according to the case categories isolated in Table 7. As shown, the total annualized cost of direct AFDC payments to the newly-opened cases involving those persons who did not always live in Wisconsin is roughly \$52.9 million. In addition, the total annualized cost of direct AFDC payments to the newly-opened cases involving those persons who never before lived in Wisconsin is roughly \$36.5 million. These numbers, as well as the other computations shown in the table, represent outlays per year solely on these specified new (additional) cases; in each computation, the number of cases for 18 months has been multiplied by two-thirds to pro-rate the figures for a 12-month (one-year) basis. These numbers are not cumulative; that is, they do not reflect payments being made per year to earlier (or more recent) AFDC migrants or to earlier (or more recent) AFDC return migrants, and they do not reflect payments made for any period greater than one year in length. Thus, payments already made to welfare (AFDC) migrants in 1987 and in 1989 are excluded from these figures.

The figures shown in Table 9 must be interpreted carefully. For example, approximately 58 percent of the AFDC payments made in Wisconsin are borne by the federal government; thus, 42 percent of these payments are directly borne by Wisconsin taxpayers per se. On the other hand, given that the per capita income in Wisconsin approximates the national average (and given that Wisconsin residents obviously pay federal income taxes), there is no reason to presuppose that the 58 percent figure noted above is not roughly absorbed by Wisconsin residents when they pay their federal income taxes. Suffice it to say, the figures shown in Table 9 are in fact largely absorbed by Wisconsin taxpayers, in one fashion or another.

Whereas federal government involvement in the AFDC payment scheme complicates and may even slightly reduce the overall AFDC payment burden (cost) to Wisconsin taxpayers shown in Table 9, there are reasons to believe that the figures shown in the table are actually very conservative. For one thing, the figures in Table 9 totally ignore the costs of administering the AFDC program in Wisconsin.<sup>1</sup> According to the Statistical Abstract of the United States, 1982 (Table 505),<sup>2</sup> during 1981 there were some 10,000 full-time-equivalent employees involved in the administration of public welfare in Wisconsin at an average annual full-time-equivalent salary (in 1981 dollars) of \$14,640.00. Next, the Statistical Abstract of the United States, 1988 (Table 465)<sup>3</sup> indicates that in 1984 there were 12,800 full time equivalent employees involved in the administration of public welfare in Wisconsin. In addition, as shown in Table 12 of this study, in 1984 there were (on average) 92,972 AFDC cases in Wisconsin. Thus, from the 1984 statistics, it appears that on average there are roughly 7.25 AFDC recipient cases per full-time-equivalent employee involved in providing public welfare in Wisconsin. Thus, over the long run, it would be expected that for every 7-8 new additional AFDC cases there would be an additional full-time-equivalent state or local employee hired. In terms of the approximate total number of new AFDC cases that migrated or return-migrated to Wisconsin during 1988, roughly 9,474,<sup>4</sup> it could be very conservatively estimated that some 860 new employees could be hired. This figure of 860 new employees allows even for the three-to-one AFDC in-migration to AFDC out-migration ratio determined by Wahner and Stepaniak (1988) and is commensurate with the above-cited actual evidence (see Tables 10 and 11 of this report) for the period from 1981 to 1984 in Wisconsin. Using the 1981 average salary figure of \$14,640.00, this would raise the Wisconsin taxpayer burden by some additional \$12.6



Table 9.

## ADDITIONAL DIRECT AFDC OUTLAYS

Case Description	Annualized Additional Direct AFDC Outlays (new cases only*)
Did not always live in WI	\$52,900,733
Lived in WI, but absent last time for:	\$16,405,146
Less than 12 mos.	\$ 3,350,268
1 year, less than 2 years	\$ 3,327,933
2 years or more	\$ 9,726,945
Never lived in WI before	\$36,495,586

\*Computation made, as follows: total number of new cases in any category for 18 month period (= 3 x 6 month numbers) times two-thirds (.67) to "annualize" number of cases x monthly average AFDC (\$463.00) x 12 (months in year) to yield annualized total outlay increase.

TABLE 10.

## State and Local Government Finances and Employment

State and Local Government Employment (Full-Time Equivalent)  
and Payroll, By Selected Function, 1970 to 1981,  
and By States, 1981

(For October)

	EMPLOYMENT (1,000)	October Payroll (mil. dol.)
STATE	Public Welfare	Public Welfare
Ala.....	4.5	5.2
Alaska....	.7	1.3
Ariz.....	2.2	3.1
Ark.....	2.1	2.3
Calif.....	36.4	54.1
Colo.....	4.1	5.5
Conn.....	3.1	4.1
Del.....	.6	.7
D.C.....	2.2	3.8
Fla.....	8.7	9.0
Ga.....	6.9	8.2
Hawaii....	.9	1.2
Idaho.....	1.2	1.8
Ill.....	15.8	19.3
Ind.....	6.9	7.1
Iowa.....	5.4	6.8
Kans.....	3.3	3.3
Ky.....	5.4	6.4
La.....	4.9	5.9
Maine.....	1.2	1.4
Md.....	6.3	8.0
Mass.....	9.3	11.4
Mich.....	17.2	28.4
Minn.....	10.1	12.2
Miss.....	3.0	2.8
Mo.....	5.6	6.0
Mont.....	1.6	1.8
Nebr.....	3.9	3.9
Nev.....	.8	1.4
N.H.....	3.0	3.0

TABLE 10. (continued)

## State and Local Government Finances and Employment

State and Local Government Employment (Full-Time Equivalent)  
and Payroll, By Selected Function, 1970 to 1981,  
and By States, 1981

(For October)

	EMPLOYMENT (1,000)	October Payroll (mil. dol.)
STATE	Public Welfare	Public Welfare
N.J.....	14.0	16.3
N.Mex.....	1.7	2.1
N.Y.....	51.2	64.7
N.C.....	8.2	8.5
N.Dak.....	1.0	1.2
Ohio.....	19.3	20.1
Okla.....	7.3	9.9
Oreg.....	4.3	5.9
Pa.....	28.8	32.4
R.I.....	1.5	2.0
S.C.....	4.1	4.9
S.Dak.....	1.0	1.2
Tenn.....	7.2	7.4
Tex.....	13.4	17.6
Utah.....	2.0	2.9
Vt.....	.8	.9
Va.....	6.6	7.8
Wash.....	5.3	7.6
W.Va.....	3.0	3.2
Wis.....	10.0	12.2
Wyo.....	.6	.9

Source: U.S. Bureau of the Census. Census of Governments: 1977, vol. 6, No. 4, Historical Statistics on Governmental Finances and Employment and Public Employment, series G.E., No. 1, annual.

TABLE 11.

## State and Local Government Finances and Employment

State and Local Government Employment (Full-Time Equivalent)  
By Selected Function, 1970 to 1984, and By State, 1984

(In thousands, for October. Except 1982, local government data are estimates subject to sampling variation: see source and Appendix III. For composition of regions, see fig. 1, inside front cover)

Region, Division and State	Public Welfare	
	State	Local
Region:		
Northeast.....	37.6	83.1
Midwest.....	44.5	58.2
South.....	70.5	28.7
West.....	21.9	38.8
N. Eng.....	15.4	5.0
ME.....	1.7	.1
NH.....	1.1	1.0
VT.....	.7	-
MA.....	8.2	1.1
RI.....	1.5	-
CT.....	2.2	1.8
Mid Atl.....	22.2	78.0
NY.....	6.8	51.3
NJ.....	4.8	9.8
PA.....	10.6	17.0
E. No. Cent.....	27.9	44.5
OH.....	1.4	18.5
IN.....	1.3	8.5
IL.....	10.7	5.0
MI.....	13.1	3.1
WI.....	1.4	11.4
W. No. Cent.....	16.6	13.7
MN.....	1.4	8.7
IA.....	3.5	2.3
MO.....	5.3	.5
ND.....	.4	.7
SD.....	1.0	.2
NE.....	2.5	.7
KS.....	2.5	.5
So. Atl.....	26.7	21.5
DE.....	.7	-
MD.....	5.6	.8
DC.....	(x)	1.7
VA.....	.9	5.6
WV.....	2.7	-

TABLE 11. (continued)

## State and Local Government Finances and Employment

State and Local Government Employment (Full-Time Equivalent)  
By Selected Function, 1970 to 1984, and By State, 1984

(In thousands, for October. Except 1982, local government data are estimates subject to sampling variation: see source and Appendix III. For composition of regions, see fig. 1, inside front cover)

Region, Division and State	Public Welfare	
	State	Local
NC.....	1.1	8.3
SC.....	3.8	.2
GA.....	5.5	.4
FL.....	6.4	4.2
E. So. Cent.....	16.2	4.1
KY.....	4.2	.5
TN.....	5.0	2.6
AL.....	4.2	.8
MS.....	2.8	.2
W. So. Cent.....	27.7	3.1
AR.....	2.3	.4
LA.....	5.2	.7
OK.....	8.7	.2
TX.....	11.6	1.8
Mt.....	8.8	5.6
MT.....	1.0	.9
ID.....	.6	.1
WY.....	.6	-
CO.....	.9	2.7
NM.....	1.7	.2
AZ.....	2.0	1.1
UT.....	1.5	.4
NV.....	.6	.2
Pac.....	13.0	33.2
WA.....	5.1	.6
OR.....	3.2	.5
CA.....	2.7	31.8
AK.....	1.1	.2
HI.....	1.0	.1

- Represents zero. x Not applicable.

Source: U.S. Bureau of the Census, 1982 Census of Governments, Vol. 6, No. 4, Historical Statistics on Governmental Finances and Employment and Public Employment, series G.E. No. 1, annual.

TABLE 12.

Wisconsin 1984	AFDC CASELOADS County/Agency	AFDC REGULAR			AFDC UNEMPLOYED			TOTAL AFDC		
		Cases	Recipients	Benefits	Cases	Recipients	Benefits	Cases	Recipients	Benefits
AVERAGES	Adams	196	547	\$83,086	112	473	\$58,627	308	1,020	\$141,713
	Ashland	227	611	97,893	80	333	40,508	306	944	138,401
	Barron	549	1,492	233,141	216	884	114,173	765	2,376	347,314
	Bayfield	193	538	82,185	100	413	50,098	293	952	132,283
	Brown	2,056	5,275	909,944	610	2,678	345,098	2,666	7,954	1,263,375
	Buffalo	167	449	71,214	53	216	26,146	220	665	97,360
	Burnett	254	674	110,913	91	382	47,912	345	1,056	158,825
	Calumet	179	445	76,263	63	272	32,447	243	717	108,710
	Chippewa	719	1,944	312,213	315	1,357	170,273	1,034	3,301	482,486
	Clark	338	948	146,948	143	648	78,454	482	1,596	225,402
	Columbia	463	1,221	199,638	140	583	70,041	603	1,805	269,679
	Crawford	188	514	79,133	106	452	56,370	293	966	135,503
	Dane	2,906	7,525	1,293,943	486	2,080	273,016	3,391	9,605	1,566,959
	Dodge	541	1,434	239,049	169	720	93,064	710	2,154	332,113
	Dor	181	466	76,190	87	363	44,802	268	829	120,993
	Douglas	1,029	2,695	454,389	429	1,738	223,296	1,457	4,432	677,684
	Dunn	374	1,021	162,965	177	714	90,040	551	1,734	253,006
	Eau Claire	1,263	3,275	559,492	434	1,920	249,294	1,697	5,195	808,785
	Florence	68	169	28,346	25	102	12,412	93	271	40,758
	Fond du Lac	910	2,441	410,026	254	1,094	139,011	1,164	3,536	549,037
	Forest	204	544	88,221	80	359	45,083	284	903	133,304
	Grant	402	1,093	174,833	204	870	107,692	606	1,963	282,525
	Green	288	769	117,522	117	470	59,348	405	1,239	176,870
	Green Lake	191	497	79,708	58	247	29,709	249	743	109,417
	Iowa	172	477	74,362	70	308	37,376	243	785	111,738
	Iron	78	232	34,253	39	162	19,348	117	394	53,601
	Jackson	319	887	139,768	171	744	94,937	490	1,631	234,705
	Jefferson	624	1,629	263,308	175	714	89,546	798	2,344	352,854
	Juneau	352	962	151,992	126	537	70,350	479	1,499	222,342
	Kenosha	2,459	6,807	1,158,125	482	2,040	272,486	2,941	8,847	1,430,611
	Kewaunee	119	328	51,425	59	255	30,919	178	583	82,345
	La Crosse	1,271	3,275	559,904	379	1,747	227,644	1,650	5,021	787,548
	Lafayette	141	391	61,915	46	194	25,460	187	585	87,375
	Langlade	374	1,015	162,754	165	722	89,604	538	1,736	252,358
	Lincoln	332	874	140,011	175	741	91,857	506	1,616	231,869
	Manitowoc	763	2,061	344,149	307	1,362	174,580	1,070	3,423	518,729
	Marathon	1,089	2,816	476,278	444	2,040	254,423	1,533	4,856	730,701
	Marinette	557	1,495	240,420	211	890	113,673	768	2,385	354,094
	Marquette	157	428	68,739	65	268	34,194	222	696	102,933
	Milwaukee	31,612	90,726	15,538,576	3,480	15,424	2,060,221	35,092	106,150	17,599,797
	Monroe	461	1,268	201,389	175	765	93,971	636	2,034	295,359
	Oconto	336	879	137,745	183	792	101,338	519	1,671	239,084
	Oneida	381	996	160,965	144	578	75,453	525	1,574	236,417
	Outagamie	1,031	2,748	464,476	425	2,010	248,889	1,456	4,758	713,366
	Ozaukee	280	705	119,456	57	229	30,433	337	933	149,888
	Pepin	72	208	31,686	30	131	16,070	102	339	47,755
	Pierce	279	757	119,885	69	279	34,022	348	1,036	153,907
	Polk	504	1,378	219,070	165	693	88,515	668	2,071	307,584
	Portage	604	1,549	255,427	156	644	77,121	761	2,192	332,548
	Price	158	454	67,881	67	282	35,432	225	736	103,313

TABLE 12. (continued)

Wisconsin 1984	AFDC CASELOADS County/Agency	AFDC REGULAR			AFDC UNEMPLOYED			TOTAL AFDC		
		Cases	Recipients	Benefits	Cases	Recipients	Benefits	Cases	Recipients	Benefits
	Racine	3,180	10,290	1,767,988	653	2,681	350,252	4,463	12,971	2,118,240
	Richland	248	662	107,231	131	554	70,182	379	1,216	177,413
	Rock	2,763	7,371	1,230,100	629	2,539	343,601	3,392	9,910	1,573,701
	Rusk	237	654	105,651	151	665	84,076	388	1,319	189,727
	St Croix	348	943	154,931	97	424	51,404	445	1,366	206,336
	Sauk	517	1,374	223,950	192	809	100,467	709	2,184	324,418
	Sawyer	366	1,030	159,457	131	547	67,859	497	1,577	227,316
	Shawano	416	1,067	173,234	181	782	99,139	597	1,849	272,373
	Sheboygan	890	2,307	398,841	341	1,546	202,778	1,231	3,853	601,619
	Taylor	133	373	56,215	64	275	34,365	197	648	90,579
	Trempealeau	329	863	133,343	113	471	56,090	441	1,334	189,433
	Vernon	306	818	129,510	119	493	62,614	425	1,310	192,124
	Vilas	137	351	58,041	65	267	32,060	202	619	90,101
	Walworth	670	1,778	287,160	164	664	83,036	833	2,441	370,196
	Washburn	250	645	108,551	77	323	41,912	327	969	150,463
	Washington	716	1,878	313,542	163	667	85,127	880	2,545	398,669
	Waukesha	1,495	3,810	660,648	279	1,124	141,908	1,773	4,935	802,555
	Waupaca	448	1,221	193,755	164	685	86,944	612	1,906	280,700
	Waushara	225	597	95,158	108	458	57,879	333	1,056	153,036
	Winnebago	1,523	3,914	675,893	379	1,628	212,199	1,902	5,543	888,092
	Wood	860	2,256	369,691	239	972	118,764	1,099	3,228	488,455
	Menominee Co.	392	1,059	174,803	62	315	37,534	454	1,374	212,337
	Red Cliff	48	127	20,765	24	99	11,263	72	226	32,028
	Stockbridge	42	111	17,264	20	84	10,763	61	195	28,027
	Lac du Flambeau	135	356	56,976	28	119	13,999	163	475	70,975
	Bad River	68	181	29,856	14	56	7,037	81	237	36,893
	Oneida T.C.	151	411	67,322	45	206	26,032	196	618	93,354
	TOTALS	75,930	208,381	\$35,101,092	17,043	73,370	\$9,434,057	92,972	281,751	\$44,543,483

million per year. Based more narrowly upon just the in-migration of new AFDC cases involving persons who never before resided in Wisconsin, this figure would run (after allowing once again for AFDC out-migration) roughly \$8.7 million per year extra. These administration costs are strictly payroll costs. If fringe benefits had been factored in, the administrative costs would have been roughly 25 percent higher.

Naturally, the two figures shown above would be increased considerably if we adjusted them for the inflation that has in fact occurred since 1981. Specifically, based simply upon the inflation rate of the consumer price index from 1982 through 1988 (see the Economic Report of the President, 1989, Table B-62, column 2), the two figures from above would rise by roughly 23 percent from \$12.6 million to approximately \$15.5 million and from \$8.7 million to roughly \$10.7 million. Combining these two figures with their corresponding direct AFDC payment figures in Table 9 yields the figures shown in Table 13. These numbers represent, for the two specific categories of new AFDC cases described, the estimated total additional annual cost of AFDC programs to Wisconsin residents resulting from one year's rise in AFDC cases involving people who moved to Wisconsin and subsequently became AFDC recipients.

Finally, we also note that the figures presented here in Tables 9 and 13 are conservative in view of the fact that the cost to Wisconsin taxpayers of school lunches and medicaid for welfare migrants has been ignored. The issue of school lunches is addressed in the next section of this study; unfortunately, the medicaid data are not of sufficient quality to deal with. Needless to say, however, these latter outlays further elevate Wisconsin taxpayer burdens. Moreover, the figures in Tables 9 and 13 prove to be very conservative since they also ignore all additional outlays on job training programs for the AFDC poor in the state.

### III. Education-Related Outlays

In this Section of the study, we seek to estimate the additional aggregate cost per year to Wisconsin taxpayers of education-related outlays associated with those persons who move to the state and subsequently become AFDC recipients. Due to data limitations, we restrict our estimates to two categories of outlays: (1) education outlays, based upon the number of additional full-time equivalent students coming from the relevant categories of new AFDC family units, and (2) school-lunch program costs associated with those same students. Once again, we use the data to estimate increased burdens for Wisconsin taxpayers on an annual basis, i.e., we estimate here by how much education outlays rise annually in the state as a result of one year's welfare (AFDC) migration (as defined).

The first aspect of the estimation process to be addressed is that of estimating the approximate number of school-age children that come from a typical Wisconsin AFDC family unit. Based upon the Social Security Administration data shown in Table 14, roughly 59.1 percent of all children in the typical AFDC family unit are of school age, i.e., from age 6 years through age 17 years. Based upon Table 8 of this study, in 1988 there were roughly 2.03 dependent children in the typical AFDC family unit in Wisconsin. This translates into approximately  $.591 \times 2.03$  or 1.2 school-age children per AFDC family unit in Wisconsin in 1988. Using this factor of 1.2 per AFDC family unit, Table 15 provides estimates of the numbers of additional school-age children in Wisconsin during 1988 as a result of the two principal welfare (AFDC) migration categories indicated.

Although not available on a county-by-county basis, financial data on Wisconsin's direct education outlays per se are available on a statewide basis, as well as by school district. Since there are severe data limitations on enrollments of AFDC children according to school district, we deal solely with the statewide financial data. Such data, as well as data on



TABLE 13.

## ADDITIONAL TOTAL AFDC-RELATED OUTLAYS

Case Description	Annualized additional outlays, including cost of additional government employees (rounded off figures)
Did not always live in WI	\$68,400,000
Never lived in WI before	\$47,200,000

TABLE 14.

## Social Insurance and Human Services

Aid to Families with Dependent Children (AFDC)--Percent  
Distribution of Recipient Families and Children,  
By Characteristics: 1975 to 1982

[Refers to federally-aided State programs aid to needy children deprived of parental care or support. Based on a sample and subject to sampling variability: for details, see source]

Children	1975	1981	1982
Recipient children (1,000).....	8,121	7,341	6,624
PERCENT DISTRIBUTION			
Age:			
Under 6 years, including unborn...	34.6	39.7	41.1
6 - 11 years.....	33.7	32.0	32.4
12 - 17 years.....	28.5	25.7	25.1
18 - 20 years.....	2.4	2.7	1.5

Source: U.S. Social Security Administration, 1975 Recipient Characteristics Study (Part 1), Sept. 1977; and unpublished data.

TABLE 15.

## ADDITIONAL SCHOOL AGE CHILDREN

Case Description	Approximate Number of New Cases, Annualized (approximate number of new cases for 1988, 12 months)	Approximate Number of Additional School Age Children, 1988
Did not always live in WI	9,474	11,369
Never lived in WI before	6,536	7,843

enrollments at various grade levels at public and private schools in Wisconsin, are provided in Table 16. Somewhat similar financial data are provided in Table 17, which also shows Wisconsin to rank ninth in the nation in terms of overall educational commitment. Table 18, which describes teacher salaries, indicates a similar commitment to quality education in the state. Based upon such data, it is estimated that education outlays per full time equivalent student in 1988 in Wisconsin were approximately \$4,739.00<sup>5</sup>

Based upon the \$4,739.00 figure and the additional numbers of students from new AFDC cases involving people who moved to Wisconsin from other states (see Table 15), the following conclusions are reached:

1. the additional direct education outlays resulting from one year's rise in school enrollments involving AFDC migrants who did not always live in Wisconsin comes to:

$$11,369 \times \$4,739 = \$53,877,691.00$$

2. the increased direct education costs resulting from one year's rise in school enrollments involving AFDC migrants who never before lived in Wisconsin comes to:

$$7,843 \times \$4,739 = \$37,167,977.00$$

It should be stressed once again that these figures represent one year's increase in (not level of) outlays.

Next, Table 19 provides an approximation of the school lunch program costs, by state, for the year 1986. In Wisconsin that cost amounted to \$38 million, with some 443,000 persons (students) benefitting directly from the program. This averages out to roughly \$86.00 per benefitting pupil per year. With the federal government absorbing roughly 20 percent of this amount, roughly \$69.00 is borne directly by Wisconsin taxpayers, while the remainder (\$17.00) is borne indirectly by Wisconsin taxpayers in some fashion (i.e., to some significant degree) through federal income tax payments.

Ignoring the federally-funded aspect of this program (solely for purposes of simplicity), we use the student numbers provided in Table 15 to compute the annual increase in school lunch program outlays resulting from AFDC migration from out-of-state locations. The figures are, as follows:

1. the additional school lunch program outlays from one year's rise in school enrollments involving AFDC migrants who did not always live in Wisconsin comes to:

$$11,369 \times \$69 = \$784,461.00$$

2. the increased school lunch program outlays resulting from one year's rise in school enrollments involving AFDC migrants who never before lived in Wisconsin comes to:

$$7,843 \times \$69 = \$541,167.00$$

As before, these figures represent one year's increase in (not level of) outlays. Naturally, allowing for the inflation experienced between 1986 and 1988 would raise these two figures to some extent.

TABLE 16.  
WISCONSIN EDUCATIONAL STATISTICS  
FIVE-YEAR ANALYSIS

	1984-85	1985-86	1986-87	1987-88	1988-89
SCHOOL CENSUS (Ages 0-19)	1,359,758	1,358,136	1,345,967	1,344,048	1,345,814
SCHOOL ENROLLMENTS-PUBLIC					
Total	767,542	768,234	767,819	772,363	774,957
PK-8	497,659	502,035	509,584	521,691	535,417
9-12	269,883	266,199	258,235	250,672	239,440
SCHOOL ENROLLMENTS-PRIVATE					
Total	153,661	151,245	148,263	145,473	143,648
PK-8	126,078	124,349	123,215	121,941	121,742
9-12	27,583	26,896	25,048	23,532	21,906
HIGH SCHOOL GRADUATES-TOTAL	68,541	65,165	64,522	62,874	64,585
Public Schools	62,189	58,851	58,340	56,872	58,428
Private Schools	6,352	6,314	6,182	6,002	6,157
SCHOOLS-PUBLIC					
Total	2,023	2,107	2,007	2,002	2,010
High Schools	440	440	441	441	441
Junior High Schools	127	126	119	113	108
Middle High Schools	168	169	175	182	188
Elementary Schools	1,288	1,282	1,272	1,266	1,273
SCHOOLS-PRIVATE					
Total	1,021	1,020	999	985	978
High Schools	65	69	69	73	72
Junior High Schools	1	0	0	0	1
PK-12 Combination Schools	168	167	155	141	144
PK-8 Elementary Schools	787	784	775	771	761
FINANCIAL AIDS DATA					
Membership for Aid Purposes	745,702	738,525	741,691		
Equalized Valuation	119,751,383,832	123,010,173,395	120,593,371,586		
Equalized Valuation/Member	160,589	166,562	162,735		
Guaranteed Valuation/Member	271,400	307,100	285,200		
Complete Annual School Cost	2,886,960,713	3,130,865,471	*3,324,130,996		
Complete Annual School					
Cost/Member	3,898	4,239	*4,482		
State Aid	1,115,512,479	1,297,458,877	1,361,665,700		
Aid to Cost Ratio	38.60%	41.4%	42.1%		

Prepared by:  
Don Russell, Research Analyst  
Bureau for Education Information Services  
March 1989

TABLE 17.

## SCHOOL FINANCES

Public Elementary and Secondary School  
Estimated Finances, By State, 1987

STATE	CURRENT EXPENDITURES	
	Average per pupil in ADA	
	Rank	
Alabama.....	47	
Alaska.....	1	
Arizona.....	45	
Arkansas.....	44	
California.....	26	
Colorado.....	17	
Connecticut.....	5	
Delaware.....	7	
District of Columbia....	(x)	
Florida.....	19	
Georgia.....	39	
Hawaii.....	13	
Idaho.....	48	
Illinois.....	20	
Indiana.....	34	
Iowa.....	27	
Kansas.....	16	
Kentucky.....	40	
Louisiana.....	36	
Maine.....	26	
Maryland.....	10	
Massachusetts.....	6	
Michigan.....	21	
Minnesota.....	14	
Mississippi.....	49	
Missouri.....	35	
Montana.....	18	
Nebraska.....	32	
Nevada.....	25	
New Hampshire.....	33	
New Jersey.....	4	
New Mexico.....	30	
New York.....	2	
North Carolina.....	31	
North Dakota.....	37	

TABLE 17. (continued)

## SCHOOL FINANCES

Public Elementary and Secondary School  
Estimated Finances, By State, 1987

STATE	CURRENT EXPENDITURES	
	Average per pupil in ADA	
	Rank	
Ohio.....	24	
Oklahoma.....	46	
Oregon.....	15	
Pennsylvania.....	8	
Rhode Island.....	11	
South Carolina.....	41	
South Dakota.....	38	
Tennessee.....	43	
Texas.....	29	
Utah.....	50	
Vermont.....	12	
Virginia.....	22	
Washington.....	23	
West Virginia.....	42	
Wisconsin.....	9	
Wyoming.....	3	

TABLE 18.

## Education

Public Elementary and Secondary Schools--Number and Average  
Salary of Classroom Teachers, By State, 1987

STATE	AVG. SALARY (\$1,000)			STATE	AVG. SALARY (\$1,000)		
	All Teach- ers	Ele- men- tary	Secon- dary		All Teach- ers	Ele- men- tary	Secon- dary
AL.....	23.5	23.5	23.5	NY.....	32.6	31.6	33.5
AK.....	44.0	43.7	44.1	NC.....	23.8	23.7	23.9
AZ.....	26.3	26.1	26.6	ND.....	21.8	21.7	22.2
AR.....	20.0	19.4	20.5	OH.....	26.3	25.9	26.8
CA.....	31.2	30.7	32.1	OK.....	22.1	21.4	22.8
CO.....	27.4	26.8	28.0	OR.....	26.8	26.4	27.4
CT.....	28.9	28.5	29.6	PA.....	27.4	27.4	27.5
DE.....	27.5	26.7	28.2	RI.....	31.1	30.8	31.7
DC.....	33.8	33.8	33.8	SC.....	23.0	22.4	24.1
FL.....	23.8	24.1	23.1	SD.....	18.8	18.7	18.9
GA.....	24.2	23.8	24.6	TN.....	22.7	22.7	22.8
HI.....	26.8	26.8	26.8	TX.....	25.3	24.6	26.1
ID.....	21.5	20.8	22.3	UT.....	23.4	22.7	24.3
IL.....	28.4	27.3	30.6	VT.....	21.8	21.3	22.3
IN.....	25.7	25.1	26.3	VA.....	25.5	24.6	26.6
IA.....	22.6	21.7	23.4	WA.....	27.5	27.1	28.1
KS.....	23.6	23.4	23.6	WV.....	21.4	21.3	21.7
KY.....	22.6	22.1	23.7	WI.....	28.2	27.7	29.3
LA.....	21.3	21.0	21.9	WY.....	27.7	27.5	29.2
ME.....	21.3	20.8	22.2				
MO.....	28.7	27.9	29.6				
MA.....	28.4	25.9	28.7				
MI.....	31.5	31.3	31.9				
MN.....	29.1	28.5	29.8				
MS.....	19.6	19.3	19.9				
MT.....	23.5	22.7	24.3				
NE.....	23.2	22.6	24.5				
NH.....	22.1	21.1	23.0				
NJ.....	26.0	25.5	26.6				
NM.....	21.4	21.4	21.3				
	28.9	28.6	29.4				
	24.0	23.2	24.8				

Source: National Education Association, Washington, D.C.  
Estimates of School Statistics, 1986-87. (Copyright 1987 by the  
National Education Association. All rights reserved.)



TABLE 19.

## SOCIAL INSURANCE AND HUMAN SERVICES

Federal Food Stamp and National School Lunch  
Programs--States and Other Areas: 1986

Region, Division, and State	Food Stamp Program		National School Lunch Program	
	Persons (1,000)	Cost (mil. dol.)	Persons (1,000)	Cost (mil. dol.)
	1986	1986	1986	1986
Total.....	19,071	10,605	24,263	2,714
U.S.....	19,025	10,567	23,622	2,599
Region:				
Northeast.....	3,721	2,057	4,030	448
Midwest.....	4,925	2,874	5,786	540
South.....	7,347	4,157	9,808	1,106
West.....	3,033	1,479	3,998	502
N. Eng.....	662	335	1,008	82
ME.....	104	57	113	12
NH.....	21	12	84	6
VT.....	34	18	46	4
MA.....	315	158	483	42
RI.....	63	33	58	7
CT.....	124	55	224	21
Mid. Atl.....	3,059	1,722	3,022	356
NY.....	1,673	935	1,487	202
NJ.....	382	240	534	59
PA.....	994	547	1,002	95
E. No. Cent.....	3,813	2,288	3,724	372
OH.....	1,111	702	1,018	100
IN.....	348	223	618	44
IL.....	1,092	707	923	117
MI.....	900	505	721	74
WI.....	380	151	443	38
W. No. Cent.....	1,111	585	2,063	167
MN.....	230	108	469	34
IA.....	205	110	368	28
MO.....	374	206	539	51
ND.....	35	18	93	7
SD.....	53	29	96	10
NE.....	95	48	187	15
KS.....	119	65	288	22
So. Atl.....	2,780	1,596	4,467	480
DE.....	31	18	54	5
MD.....	261	170	342	34

Source: U.S. Dept. of Agriculture, Food and Nutrition Service. In Agricultural Statistics, annual and unpublished data.

TABLE 19. (CONTINUED)

## SOCIAL INSURANCE AND HUMAN SERVICES

Federal Food Stamp and National School Lunch  
Programs--States and Other Areas: 1986

Region, Division, and State	Food Stamp Program		National School Lunch Program	
	Persons (1,000)	Cost (mil. dol.)	Persons (1,000)	Cost (mil. dol.)
	1986	1986	1986	1986
So. Atl.-- Con.				
DC.....	65	37	49	9
VA.....	331	181	617	53
WV.....	267	156	216	27
NC.....	424	226	810	84
SC.....	309	179	477	58
GA.....	492	270	897	91
FL.....	601	362	1,004	119
E. So. Cent.....	1,924	1,140	2,120	251
KY.....	518	320	511	56
TN.....	501	278	607	62
AL.....	481	278	585	71
MS.....	495	263	417	63
W. So. Cent.....	2,573	1,419	3,222	377
AR.....	231	121	298	36
LA.....	700	390	728	86
OK.....	268	139	369	36
TX.....	1,374	769	1,826	219
Mt.....	796	450	1,313	127
MT.....	58	32	85	8
ID.....	56	35	122	11
WY.....	28	16	71	4
CO.....	184	102	288	25
NM.....	152	88	173	24
AZ.....	203	112	274	32
UT.....	80	42	245	18
NV.....	35	23	55	5
Pac.....	2,237	1,030	2,694	375
WA.....	295	148	328	35
OR.....	215	141	233	23
CA.....	1,611	627	1,936	296
AK.....	27	24	39	7
HI.....	89	90	148	15

Source: U.S. Dept. of Agriculture, Food and Nutrition Service. In Agricultural Statistics, annual and unpublished data.

#### IV. Law Enforcement Outlays

In this Section of the study, we examine empirically the impact upon Wisconsin outlays on law enforcement of newly-opened AFDC cases in Wisconsin involving people who have not always lived in the state (category "A" cases henceforth) and of newly-opened AFDC cases in Wisconsin involving people who have never before lived in the state (henceforth, category "B" cases). The emphasis once again is on estimating the additional outlays per year that Wisconsin taxpayers must shoulder because of category A or category B cases each year.

To begin our analysis, we first determine empirically whether and to what extent the number of AFDC cases in an area affects the crime rate. By establishing the quantitative impact of the AFDC case load upon crime, we can establish the impact of that case load on law enforcement outlays. The geographic areas to be examined in our cross-section analysis are Wisconsin's 72 counties. The initial regression equation to be estimated is based upon the following:

$$(1) \text{SCRate}_j = f(\text{Load}_j, U_j, \text{Med}_j, \text{Educ}_j, \text{Pop}_j), j = 1, \dots, 72$$

where:

$\text{SCRate}_j$  = the serious crime rate in county  $j$  per 100,000 population in the county, 1985.

$\text{Load}_j$  = the ratio of the number of AFDC cases in county  $j$  in 1985 to the population in county  $j$ , expressed as a decimal

$U_j$  = the unemployment rate of the civilian labor force in county  $j$ , 1986

$\text{Med}_j$  = the 1979 median household income level in county  $j$

$\text{Educ}_j$  = the percent of the population in county  $j$  with 12 or more years of educational attainment, 1980

$\text{Pop}_j$  = the total 1986 population in county  $j$

Except for the number of AFDC cases by county, these data were obtained from the City and County Data Book, 1988, Table B, pp. 575, 578, 579, 580, 588, 591, 592, and 593. The AFDC data were obtained from the State of Wisconsin Department of Health and Social Services and are given (for 1985) by Table 20.

Equation (1) was estimated in log form in order to generate elasticities. Estimating equation (1) by OLS, using White (1980)-corrected standard errors (and t-values), in order to correct for heteroskedasticity, yields:

$$\begin{aligned} (2) \log \text{SCRate}_j = & 11.46 + 0.34 \log \text{Load}_j - 0.247 \log U_j \\ & (+1.99) \quad (-0.53) \\ & - 1.029 \log \text{Med}_j + 1.154 \log \text{Educ}_j \\ & (-2.03) \quad (+1.57) \\ & + 0.315 \log \text{Pop}_j, \text{DF} = 66, F = 7.68, R^2 = 0.37 \\ & (+2.67) \end{aligned}$$

where terms in parentheses are t-values.

TABLE 20.

WISCONSIN 1985	AFDC CASELOADS County/Agency	AFDC REGULAR			AFDC UNEMPLOYED			TOTAL AFDC		
		Cases	Recipients	Benefits	Cases	Recipients	Benefits	Cases	Recipients	Benefits
ANNUAL	Adams	217	603	\$96,435	123	517	\$66,156	340	1,120	\$162,951
AVERAGES	Ashland	248	684	107,242	85	357	46,006	332	1,041	153,247
	Barron	591	1,622	263,798	216	896	119,573	807	2,518	383,371
	Bayfield	203	566	88,503	98	417	52,587	301	982	141,090
	Brown	2,103	5,384	938,825	576	2,582	349,176	2,679	7,966	1,288,001
	Buffalo	164	452	71,631	52	211	26,439	216	663	98,070
	Burnett	269	725	120,824	91	384	48,833	360	1,109	169,656
	Calumet	209	521	91,376	64	270	32,144	273	791	123,520
	Chippewa	759	2,066	342,443	318	1,357	178,505	1,076	3,423	520,948
	Clark	349	996	155,118	125	560	69,330	474	1,555	224,448
	Columbia	460	1,251	202,488	136	577	72,841	596	1,828	275,329
	Crawford	211	568	91,198	116	497	64,249	327	1,065	155,447
	Dane	3,056	7,935	1,389,950	464	2,031	269,793	3,520	9,966	1,659,744
	Dodge	539	1,440	243,871	162	681	85,607	701	2,121	329,478
	Dor	201	524	86,697	94	392	50,049	295	916	136,745
	Douglas	1,025	2,699	463,846	375	1,527	204,617	1,399	4,226	668,463
	Dunn	417	1,134	189,436	175	725	95,162	592	1,859	284,598
	Eau Claire	1,314	3,454	599,703	454	2,059	269,776	1,768	5,513	869,479
	Florence	68	175	29,306	23	99	11,984	91	274	41,290
	Fond du Lac	958	2,546	440,159	262	1,106	145,552	1,220	3,653	585,711
	Forest	213	585	96,008	98	427	56,589	311	1,012	152,597
	Grant	451	1,240	202,457	169	701	88,324	620	1,941	290,781
	Green	319	851	135,492	123	497	63,067	442	1,349	198,560
	Green Lake	194	509	83,072	71	305	36,484	265	814	119,556
	Iowa	177	485	77,931	80	342	43,763	257	828	121,694
	Iron	82	236	35,496	42	168	20,307	124	404	55,802
	Jackson	321	903	144,862	175	762	99,069	496	1,665	243,931
	Jefferson	646	1,667	278,361	147	606	76,412	792	2,273	354,773
	Juneau	371	1,010	163,287	113	476	63,096	484	1,486	226,383
	Kenosha	2,626	7,346	1,268,577	525	2,196	301,419	3,151	9,543	1,569,997
	Kewaunee	128	344	56,747	59	250	31,739	187	594	68,487
	La Crosse	1,365	3,512	614,499	437	2,043	266,558	1,802	5,554	881,057
	Lafayette	154	435	68,493	51	218	28,577	205	653	97,070
	Langlade	381	1,045	170,909	149	644	81,972	529	1,690	252,881
	Lincoln	346	926	151,944	154	654	84,959	500	1,580	236,903
	Manitowoc	781	2,094	360,846	336	1,531	202,662	1,117	3,625	563,508
	Marathon	1,158	2,951	511,854	442	2,079	267,663	1,600	5,030	779,517
	Marinette	570	1,544	252,207	178	766	98,693	748	2,311	350,900
	Marquette	164	446	73,953	64	267	33,878	228	713	107,831
	Milwaukee	33,709	96,723	16,403,782	3,425	15,276	2,066,581	37,135	112,000	18,470,363
	Monroe	502	1,384	224,338	184	808	102,903	686	2,192	327,240
	Oconto	341	898	146,703	182	771	102,383	524	1,669	249,086
	Oneida	404	1,060	172,712	126	509	68,269	529	1,569	240,981
	Outagamie	1,041	2,739	474,573	405	1,925	247,630	1,446	4,664	722,203
	Ozaukee	274	683	120,753	42	180	23,936	316	862	144,689
	Pepin	69	201	31,637	32	142	17,335	101	343	48,972
	Pierce	282	775	124,879	67	276	33,725	349	1,051	158,605
	Polk	533	1,448	237,906	166	714	93,815	699	2,162	331,721
	Portage	640	1,636	274,209	142	596	72,218	782	2,231	346,427
	Price	168	456	74,264	75	325	42,008	244	782	116,272
	Racine	4,001	10,901	1,897,919	598	2,527	333,257	4,599	13,428	2,231,176
	Richmond	252	661	111,344	125	542	72,034	377	1,203	193,378
	Rock	2,900	7,765	1,331,259	589	2,429	334,105	3,489	10,194	1,665,364

TABLE 20. (continued)

WISCONSIN 1985	AFDC CASELOADS County/Agency	AFDC REGULAR			AFDC UNEMPLOYED			TOTAL AFDC		
		Cases	Recipients	Benefits	Cases	Recipients	Benefits	Cases	Recipients	Benefits
ANNUAL	Rusk	248	692	114,292	130	594	75,352	377	1,285	189,644
AVERAGES	St. Croix	352	963	159,367	80	348	42,351	431	1,310	201,718
	Sauk	549	1,452	242,466	193	828	105,839	742	2,280	348,305
	Sawyer	358	995	159,707	148	623	77,802	506	1,618	237,509
	Shawano	435	1,144	187,094	168	754	96,214	603	1,898	283,308
	Sheboygan	915	2,380	424,618	313	1,442	193,519	1,228	3,822	618,137
	Taylor	151	434	65,766	54	232	28,894	205	665	94,661
	Trempealeau	352	937	147,374	107	448	54,612	460	1,385	201,986
	Vernon	340	924	147,545	129	537	69,198	469	1,461	216,744
	Vilas	152	394	66,106	71	307	35,937	223	702	102,043
	Walworth	704	1,855	309,108	169	701	89,026	873	2,555	398,134
	Washburn	251	665	111,827	77	329	44,209	328	994	156,036
	Washington	738	1,925	327,059	125	522	66,518	863	2,447	393,577
	Waukesha	1,486	3,744	672,838	199	826	109,320	1,685	4,570	782,158
	Waupaca	486	1,298	214,916	156	673	86,216	642	1,971	301,131
	Waushara	231	645	103,428	111	478	59,870	343	1,123	163,298
	Winnebago	1,551	3,988	701,053	371	1,649	214,825	1,922	5,637	915,878
	Wood	884	2,325	382,491	230	953	118,316	1,114	3,278	500,807
	Menominee Co.	415	1,170	196,884	68	337	41,784	483	1,507	238,668
	Red Cliff	53	141	23,840	29	124	15,630	83	265	39,470
	Stockbridge	44	116	18,740	21	93	11,750	65	209	30,490
	Lac du Flambeau	144	378	62,759	44	190	24,688	188	568	87,447
	Bad River	63	164	27,985	12	51	6,155	75	215	34,140
	Oneida T.C.	165	437	74,295	51	224	29,915	216	661	104,210
TOTALS		79,990	219,965	\$37,327,680	16,635	72,458	\$9,512,110	96,625	292,423	\$46,839,790

Based upon the results in equation (2), the case load variable, defined as the number of AFDC cases in county j divided by county j's total population, exercises a positive and statistically significant impact upon the crime rate in county j (per 100,000 population). Presumably, the existence of low opportunity costs tends to breed criminal activity. Given that the category A cases totalled 9474 for the year 1986 and that the category B cases totalled 6536 for the year 1988, and given the total number of AFDC cases statewide as 96,625, category A cases by themselves raise the serious crime rate by 3.3 percent per year statewide, whereas category B cases by themselves raise the serious crime rate by 2.3 percent per year statewide.

If we substitute variable PCY<sub>j</sub> (defined as the 1985 per capita income level in county j) for variable Med<sub>j</sub> in equation (1), estimating the resulting equation (in log form) by OLS using the White (1980) correction yields:

$$\begin{aligned}
 (3) \log \text{SCRate}_j = & 10.71 + 0.446 \log \text{Load}_j - 0.482 \log U_j \\
 & (+2.58) \quad \quad \quad (-0.96) \\
 & - 0.925 \log \text{PCY}_j + 1.354 \log \text{Educ}_j \\
 & (-0.89) \quad \quad \quad (+1.68) \\
 & + 0.252 \log \text{Pop}_j, \text{DF} = 66, F = 6.72, R^2 = 0.34 \\
 & (+2.26)
 \end{aligned}$$

where terms in parentheses are t-values.

In equation (3), the AFDC case load variable is shown to positively and significantly influence the serious crime rate. In this instance, category A cases by themselves raise the serious crime rate by 4.3 percent per year statewide whereas category B cases raise the serious crime rate by 3.0 percent per year statewide.

The results shown in equations (2) and (3) above imply that in the state of Wisconsin category A cases act to annually raise the serious crime rate by 3.3 to 4.3 percent, whereas category B cases raise the serious crime rate by 2.3 to 3.0 percent annually. These figures appear to be modest in magnitude, but the reader must recall that these figures represent annual increases. Hence, the cumulative effects of category A or category B cases can potentially become rather large over time.

Next, the fact that serious crime rates in Wisconsin are thusly affected implies the existence of at least two potential costs to society from category A and category B cases: (1) the direct cost (personal, family, and/or financial) borne by the victims of crimes; and (2) the cost to the taxpaying public, who may wish to elevate outlays by governments on law enforcement. The first of these cost items is extremely difficult (if not impossible) to determine, especially in the case of violent crimes; hence, we do not attempt to estimate it, despite its obvious existence. On the other hand, if law enforcement outlays respond to the AFDC case load size or the serious crime rate, we can potentially approximate the pecuniary cost of increased law enforcement outlays to Wisconsin taxpayers resulting from category A or category B cases.

We begin our analysis of this issue by estimating the following equation:

$$(4) \text{LEO}_j = g(\text{Load}_j, \text{PCY}_j, \text{Educ}_j, \text{Pop}_j)$$

where:

$\text{LEO}_j$  = the outlays on law enforcement (police protection) in county  $j$ , expressed in millions of current dollars

Variable  $\text{LEO}_j$  was computed using data from the City and County Data Book, 1988, pp. 589 and 600. These were the most recent comprehensive data we could obtain on a county-by-county basis for the state.

Estimating equation (4) in log form by OLS, using the White (1980) correction yields:

$$\begin{aligned} (5) \log \text{LEO}_j = & -18.73 + 0.471 \log \text{Load}_j + 1.415 \log \text{PCY}_j \\ & (+5.23) \quad (+3.01) \\ & + 0.716 \log \text{Educ}_j + 0.967 \log \text{Pop}_j, \text{DF} = 67, \\ & (+1.31) \quad (+14.93) \\ F = 221.54, R^2 = .94 \end{aligned}$$

where terms in parentheses are t-values.

Based upon the results shown in equation (5), the AFDC case load variable exercises a positive and statistically significant impact upon law enforcement outlays in Wisconsin. In equation (6), we emphasize the role of the serious crime rate per se in determining law enforcement outlays in the state:

$$(6) \text{LEO}_j = h(\text{SCRate}_j, \text{PCY}_j, \text{Educ}_j, \text{Pop}_j)$$

The OLS, White-corrected estimate of equation (6) is given by:

$$\begin{aligned} (7) \log \text{LEO}_j = & -11.80 + 0.216 \log \text{SCRate}_j + 0.535 \log \text{PCY}_j \\ & (+2.52) \quad (+1.24) \\ & - 0.017 \log \text{Educ}_j + 1.015 \log \text{Pop}_j, \text{DF} = 67, \\ & (-0.03) \quad (+15.22) \\ F = 232.35, R^2 = 0.93 \end{aligned}$$

where terms in parentheses are t-values.

Based upon the results shown in equation (7), the crime rate variable exercises a positive and statistically significant impact upon law enforcement outlays in Wisconsin. Next, given that category A cases raise the serious crime rate by 3.3 to 4.3 percent (per year), we now assume for simplicity that the annual increase falls midway in this range, i.e., at 3.8 percent. Similarly, we assume that category B cases annually raise the serious crime rate by 2.65 percent, the average of 2.3 percent and 3.0 percent. Using these figures in conjunction with equation (7), it follows that category A cases annually raise law enforcement outlays in the state by roughly 0.82 percent, while category B cases annually

raise law enforcement outlays in the state by roughly 0.57 percent. Based conservatively upon a 1985 Wisconsin budget for police protection,<sup>6</sup> category A cases would annually raise law enforcement outlays by \$6,088,400, whereas category B cases would annually raise those outlays by \$4,245,800.<sup>7</sup>

## V. Summary

This Section of the study summarizes and totals the costs estimated in Sections II, III, and IV above. Among other things, Section II estimated the additional aggregate cost per year to Wisconsin taxpayers of paying for AFDC benefits and the administration thereof for category A cases and category B cases. These results are shown in column (2) of Table 21. These figures are conservative measures of the overall additional annual cost to Wisconsin taxpayers of paying for welfare-related services for category A cases and category B cases; this is because such items as additional medicaid payments (and the administration thereof) and additional outlays for job training and/or retraining of the welfare poor are, due to severe data limitations, excluded from the analysis.

Section III estimated the additional aggregate cost per year to Wisconsin taxpayers of education-related outlays associated with category A cases and category B cases. These outlays assumed two different forms: (1) education outlays per se, based upon the additional numbers of full-time equivalent students coming from category A and category B family units (cases), and (2) school-lunch program costs for those same additional students. The totals for both category A cases and category B cases are provided in column (3) of Table 21.

Section IV estimated the additional aggregate cost per year to Wisconsin taxpayers of law-enforcement related outlays associated with category A cases and category B cases. These costs are provided in column (4) of Table 21. These figures severely understate the true social costs involved since, among other things, they (of practical necessity) exclude the costs imposed upon (borne by) the victims of any crimes associated with category A cases or category B cases.

The row totals for all three categories of outlays for both categories of cases (A and B) are provided in column (5) of Table 21. As indicated, category A cases are shown to result in an overall additional aggregate cost (burden) per year to Wisconsin taxpayers of approximately \$129 million, whereas category B cases are shown to result in an overall additional aggregate cost (burden) per year to Wisconsin taxpayers of approximately \$89 million.

## Notes

1. Administrative costs and employment involve welfare caseworkers, facility costs, support staff, payroll/check cutting costs, and opportunity costs of legislators, the governor, and staff personnel thereof to the extent they are involved in AFDC- related activities. The last two items are altogether ignored here, along with facility costs.
2. See Table 10 of this study.
3. See Table 11 of this study.



TABLE 21.

## SUMMARY FIGURES

Case Type	AFDC-Related Annual Increases in Outlays	Education-Related Annual Increases in Outlays	Law-Enforcement Related Annual Increases in Outlays	Totals
(1)	(2)	(3)	(4)	(5)
Category A cases	\$68,400,000	\$54,662,152	\$6,088,400	\$129,150,000
Category B cases	\$47,200,000	\$37,709,144	\$4,245,000	\$ 89,154,144

4. The 9474 figure represents the six month figure shown in Table 7 pro-rated for a full (12 month) year, i.e.,  $2 \times 4737$ .

5. This \$4739.00 figure is based upon the one-year growth rate in Wisconsin of 5.732 percent between 1985-86 and 1986-87. The 1984-85 to 1985-86 one-year growth rate was 8.748 percent. Thus, the \$4,739.00 figure is conservative. See Table 16 of this study for these data.

6. Said budget, in 1985 dollars, was roughly \$741,760,000.00.

7. The figures described in this paragraph are very conservative. In part, this is because the figures in question describe outlay increases associated solely with the expected crime rate increases resulting from category A and category B cases. In point of fact, the figures in theory should be substantially higher [judging from equation (5)] because law enforcement outlays also should be raised for the protection of category A and category B cases per se. In addition, the use of a 1985 law enforcement budget as our base figure makes our estimates even more conservative since the inflation experience since 1985 is expressly ignored.

### Non-Data References

Brehm, C.T., and Saving T.R. (1964). "The Demand for General Assistance Payments." American Economic Review 54:1002- 1018.

Hinze, K.E. (1977). Causal factors in the net migration flow to metropolitan areas of the United States, 1960-1970. Chicago: Community and Family Study Center.

Wahner, J.W., and Stepaniak, J.R. (1988). "Welfare In-Migration: A Four-County Report." Wisconsin Policy Research Institute Report.

White, H. (1980). "A Heteroscedastic-consistent Covariance Matrix Estimator and a Direct Test for Heteroscedasticity. Econometrica 48:817-838.

# ABOUT THE INSTITUTE

---

The Wisconsin Policy Research Institute is a not-for-profit institute established to study public policy issues affecting the state of Wisconsin.

Under the new federalism, government policy increasingly is made at the state and local level. These public policy decisions affect the lives of every citizen in the state of Wisconsin. Our goal is to provide nonpartisan research on key issues that affect citizens living in Wisconsin so that their elected representatives are able to make informed decisions to improve the quality of life and future of the State.

Our major priority is to improve the accountability of Wisconsin's government. State and local government must be responsive to the citizens of Wisconsin in terms of the programs they devise and the tax money they spend. Accountability should be made available in every major area to which Wisconsin devotes the public's funds.

The agenda for the Institute's activities will direct attention and resources to study the following issues: education; welfare and social services; criminal justice; taxes and spending; and economic development.

We believe that the views of the citizens of Wisconsin should guide the decisions of government officials. To help accomplish this, we will conduct semi-annual public opinion polls that are structured to enable the citizens of Wisconsin to inform government officials about how they view major statewide issues. These polls will be disseminated through the media and be made available to the general public and to the legislative and executive branches of State government. It is essential that elected officials remember that all the programs established and all the money spent comes from the citizens of the State of Wisconsin and is made available through their taxes. Public policy should reflect the real needs and concerns of all the citizens of Wisconsin and not those of specific special interest groups.