



New Census Data Shows Need for Leaders to Address the Role Tax Policy Plays in Creating Racial Gaps in Economic Opportunity

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MADISON, WI – Data released today by the U.S. Census Bureau shows that one in seven Wisconsin children live in poverty, with children of color several times as likely as white children to live in poverty. The persistent gaps in economic well-being show the need for lawmakers to pursue solutions that will not only address Wisconsin’s overall poverty issues, but also ensure that people of color have access to opportunity. Key among these solutions is overhauling the tax code so that it no longer directs substantial benefits to wealthy, white individuals while disadvantaging families of color.

“For every child and family to be successful, Wisconsin needs a tax system that enhances racial and ethnic equity,” said Tamarine Cornelius, analyst at Kids Forward. “Right now, Wisconsin’s tax system in effect delivers major tax breaks to white, well-off residents while largely shutting out residents of color. We’re seeing the results of that in the enormous gap in economic well-being highlighted by the new Census release.”

The Census figures released today show that 175,000 Wisconsin children experienced poverty in 2018, or 14.0 percent of all children in the state. That represents enough children to fill Miller Park more than four times over.

For children of color, poverty rates are stark:

- The Black child poverty rate (42.4%) was nearly five times the rate for White non-Hispanic children (8.7%);
- The Native American child poverty rate (31.2%) was more than three times the rate for white children;
- The Hispanic child poverty rate (21.0%) was more than twice the rate of white children; and
- The Asian-American child poverty rate (15.7%) was nearly twice the rate of white children.

Even as Wisconsin’s overall child poverty rate decreased between 2017 and 2018, the poverty rate for Black children increased at a statistically significant level. This shows the need for policymakers to implement strategies that specifically seek to expand opportunities for families of color.

Other data released today shows the extent to which Wisconsin continues to experience extreme economic disparities based on race. African American households in the state had a median income of \$30,800 in 2018, less than half the \$63,900 earned by White non-Hispanic households.

An equitable tax system would provide a level playing field for Wisconsin families of all races, ethnicities and income levels, while providing enough resources to fund investments in healthy communities and public infrastructure.



Steps Wisconsin can take to improve its tax system to provide greater access to opportunity include:

- Strengthening the Earned Income Tax Credit, which puts more money into the pockets of working parents and pulls children out of poverty;
- Expanding targeted property tax relief;
- Ensuring that wealthy individuals, who are more likely to be white than Wisconsin taxpayers as a whole, pay at least some amount of income taxes; and
- Ending preferable tax treatment for income earned from investments, rather than income earned from work.

“If Wisconsin is going to thrive, every person in the state needs to have the opportunity to achieve economic success,” Cornelius said. “It’s imperative that Wisconsin policy makers and leaders make fixing our tax system a top priority. We can’t ignore the 175,000 Wisconsin children living in poverty.”

Economic Well-being in Wisconsin by Race and Ethnicity			
2018 American Community Survey Data			
Race/ethnicity	Child poverty	Poverty all ages	Median household income
White non-Hispanic	8.7%	8.4%	\$63,900
African American	42.4%	31.8%	\$30,800
Native American	31.2%	21.4%	\$46,600
Hispanic, any race	21.0%	18.6%	\$46,800
Asian	15.7%	16.3%	\$67,200
All Races	14.0%	11.0%	\$60,800

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Kids Forward advocates for effective, long-lasting solutions that break down barriers to success for children and families in Wisconsin. Using research and a community-informed approach, Kids Forward works to help every kid, every family, and every community thrive.