

❖ The TAX TIMES ❖

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Does Welfare Pay Better Than Work In Wisconsin?

By Robert Miller
BCTA Vice-President

The background on the debate on welfare reform is important to understand. The Cato Institute, a Washington D. C. think tank, produced a study of the wage equivalent of various welfare programs throughout the United States. They computed what an individual would have to earn to receive an array of benefits equal to a state's welfare allotment. For the purposes of this article and their research, programs such as Aid for Families with Dependent Children (AFDC), Medicaid, housing assistance, WICK (Prenatal care), and food stamps were analyzed.

The results are indeed startling:

*In 40 states welfare pays more than an \$8/hr job. In 17 states, it is more generous than a \$10/hr job.

*In 9 states, welfare pays more than the average first-year salary for a teacher. In 29 states, it pays more than the average starting salary for a secretary. In the six most generous states, it pays more than the beginning salary for a computer programmer.

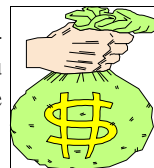
*In Wisconsin, the average welfare recipient would have to have a job at \$9.33/hr to equal the package of benefits received from the dole. This is equivalent to a pre-tax income of \$19,400.00.

The benefit breakdown of programs in Wisconsin is listed below:

AFDC	\$6,204	WIC (PRE-NATAL)	
FOOD STAMPS	\$2,892	BENEFITS	\$1,122
MEDICAID	\$2,837	COMMODITY PROGRAM	\$ 180
UTILITY ASSISTANCE	\$ 615		
HOUSING	\$3,539	TOTAL	\$17,389

Because the welfare recipient receives these benefits tax-free, an adjustment must be made for federal income taxes, social security, and state income taxes. Thus persons in the working population must earn \$19,400 to obtain an equivalent array of benefits.

Reprints of the study are available from the Cato Institute, 1000 Massachusetts Ave., N. W., Washington D.C. 22001 at a cost of \$4.00. You may also phone them at (202) 842-0200. The study is entitled "The Work vs. Welfare Trade-off: by Michael Tanner and David Hartman.



Thank You!

Mike Riley

During the existence of the Brown County Taxpayers Association, there have been a number of people who have been of great assistance and shown a special interest towards the success of our organization.

Particularly, all of the staff from the Public Expenditure Survey in Madison who helped us in our initial organization and have constantly been at our side, attending our meetings, providing handout information, legislative updates, working with us on special projects and preparing special reports on many occasions and making our presence known to other taxpayers groups throughout the state.

For several years, Mike Riley, a resident of Cedarburg, attended our meetings on a regular basis, serving the PES as their field representative.

Three or four years ago he left the PES to form a new group, *Taxpayers Network, Inc.*, He still attended our meetings on behalf of TNI, and contributed greatly to our involvement in various issues, particularly on the state level.

We understand that Mike is no longer involved with the TNI, and is pursuing other interests. He is a member of the Ozaukee County Board and those of us who remember Mike know he has to be involved in taxpayer issues.

Good luck in whatever you do and visit us sometime.

BCTA Board of Directors.

The BROWN COUNTY TAXPAYERS ASSOCIATION

A Penny Here and a Few Cents There.

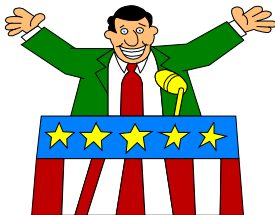
Anyone who has ever shopped for groceries soon realizes that all of the little impulse items that they pick up add to big dollars at the checkout counter. Most of these 'extras' are attractively packaged and conspicuously placed to overcome buyer resistance and to make the price seem irrelevant.

On the other hand, a smart shopper prepares a list of necessities, matches it against what he or she can afford, and proceeds accordingly. If the cost of a desired item appears out of line, it may become necessary to accept a scaled down alternative or perhaps do without for a while.

If you take the whole family shopping you have to keep the little hands in the cart when you go to the candy display as you have other pressing needs for your hard earned money. Unfortunately you are likely not in position to produce additional funding by raising taxes.

It is now budget preparation time for our local, county and state governments.

Don't be afraid to attend open hearings and ask specific questions about items which could be costing you and other taxpayers more than they are worth. Your elected officials should have no trouble in justifying an item if they have done their homework prior to the meetings. They can also make adjustments. Just like with you and I, the little items which could be optional add up to a big bill at the cash register.



"Sure it's just a billion dollars, but a few billion here and a billion there and pretty soon it begins to add up."

Senator Everett Dirksen

Some Recommendations for Analyzing a Local Budget.

(From the Sept. 1995, issue of "WISCONSIN ISSUES" published by the Public Expenditure. Research Foundation)

The Budget Document's Format:

Does the budget state the policy goals to be accomplished by expenditures and give criteria for measuring if those goals are being met?

The substance of the Budget:

Compare budgeted amounts to actual amounts from the prior year.

Compare trends in spending levels

Compare the ratios of government staff to population and to land area.

Compare the local budget with those of similar local governments.

Personnel costs which can account for up to 85% of expenditures. What efforts (if possible) are made to control these costs?

Would contracting out services save money?

How much is intergovernmental cooperation used to share costs?

Does the government seek revenue alternatives, such as grants or increased local fines, but does it first do a cost/benefit analysis?

Does a municipality use voluntary budgetary restraint to receive state aid?

How close is the local government to any applicable state mandated limits on local spending or revenues?

The Budgeting Process:

Must local department heads justify their past year expenditures before their new budget requests are considered? ***

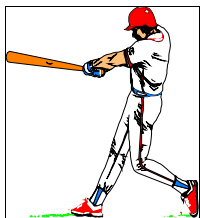
State Government at its very worst... The Brewer Stadium Bill

The State Legislature — at the Governor's urging — recently passed a bill to build a new stadium in Milwaukee. It is the most onerous piece of legislation I can recall in recent years. It is my nominee for worst lawmaking of the decade.

The use of public money to subsidize the Milwaukee Brewers is not the issue (there is reasonable merit to both sides of that debate). No, the real ugliness here is the way in which the subsidy is being done. The taxpayers of five counties in southeastern Wisconsin have been singled out by state government to pay higher taxes such that baseball may remain in Wisconsin. The will of the residents in those counties doesn't matter, nor does the authority of the five county boards. This is not "enabling" legislation, under which those counties may choose to build a stadium by self-imposed taxes. The concept of government by the consent of those governed has apparently been forgotten in Madison.

Now that our state lawmakers have established this concept of big government capriciously confiscating the money of selected local folks for projects deemed important by the higher authority, what might the future hold?

Perhaps Brown County government might determine that a new arena in Ashwaubenon is a good idea and, since Ashwaubenon residents and businesses will gain the



most economic benefit from the project, just selectively impose a new tax on that community to pay for it. Same principle...and every bit as onerous and totalitarian. On another level, perhaps Congress may concoct some justification for residents of certain selected states to pay federal income tax at a higher rate than those in neighboring states. No more ridiculous that the action just taken in Madison, is it?

Our elected officials, by their actions, determine the respect citizens have for their government. When the people get alienated from government, cynical, suspicious or even hostile toward government...the reason for these feelings can usually be found in the behavior of elected officials. The Governor and legislators did not dis-

COUNTY EXECUTIVE NANCY NUSBAUM TO ADDRESS DECEMBER BCTA MEETING.

Brown County Executive Nancy Nusbaum has arranged her schedule to attend and address our regular December business meeting. This meeting will be held Thursday, December 21, at 12:00 noon at the Days Inn Downtown. All BCTA members and other interested parties are invited to attend. Look for additional details in the December "TAX TIMES".

"The surest way to ruin a man who doesn't know how to handle money is to give him some." ... George Bernard Shaw

"Politics is too serious a matter to be left to politicians."

OCTOBER MEETING

NOTES Dave Nelson-Secretary

Regular monthly meeting conducted October 19, 1995 at the Day's Inn.

The Green Bay School District's plan to spend \$5 million of unreserved funds for school construction was debated. Although this proposal appears to fund school construction without increasing the District's debt, it circumvents the taxpayers opportunity to approve the spending via public referendum. It also raises the question of where the \$5 million came from. The BCTA Schools committee will be examining this issue.

The proposed \$122 million Brown County budget for 1996 was also discussed. Spending increases of 4.7 percent over the \$117 million 1995 budget are substantially above the rate of inflation. The 1996 budget proposal provides \$1.5 million for a capital spending account to begin funding construction of a new county jail. The anticipated tax levy for the new budget is \$38 million.

The directors discussed the status of the proposed arena and downtown convention center. The Green Bay Facilities Development Corporation has not as yet made public a clear, detailed financial plan. Additional communication to area legislators of the BCTA's position that state law shoaled not be revised to authorize a special taxing district until such a plan is available to the public was debated.

* * * * *

NEXT BCTA MEETING

Thursday, November 16, 1995

DAYS INN

Downtown

12:00 Noon

All members and interested parties are invited to attend.

Cost. \$6.00

Call 469-73373 for reservations.

BROWN COUNTY TAXPAYERS ASSOCIATION

BCTA Meeting Schedule

Thursday - November 16, 1995

DAYS INN - Downtown - 12:00 Noon.
Monthly business meeting.

Thursday - November 23, 1995

Thanksgiving Day.

Thursday - December 21, 1995

DAYS INN - Downtown - 12:00 Noon.
Monthly business meeting.
SPEAKER - County Executive Nancy Nusbaum.

Cost - \$6.00 per meeting. Call 469-7373 for reservations. (Leave message)

All members of the BCTA and interested parties are cordially invited to attend and participate in these interesting meetings.

The TAX TIMES

**BROWN COUNTY TAXPAYERS ASSOCIATION
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GREEN BAY, WI 54305-0684**

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