

2011 Report on Illinois Poverty

The economic crisis has pushed poverty to its highest point in decades. Nearly 1 in 3 Illinoisans are now considered poor or low income, an astounding statistic. **1 out of every 3 of us.** Experiences of struggling Illinoisans are highlighted throughout the report. They are trapped between a rock and a hard place.

Pre-Recession

Well before the recession began, families' ability to make ends meet was compromised by dramatically declining wages and work benefits, increasing costs for housing and other basic goods, and an erosion of the governmental systems of response.

Recession

The recession exacerbated these conditions through large-scale loss of jobs, growth in debt, and reductions in revenues coming into government to provide supports needed to weather the recession.



Post-Recession

These past years, post-recession, have seen no gains for struggling families. Poverty, unemployment, and rates of uninsurance are at the same levels or worse than they were during the recession, and incomes have dropped even further. Moreover, many of the government responses that are proven to prevent poverty and hardship have been weak and far dwarfed by demand.

What does this mean? Having limited resources results in limited opportunities and in families making short-term trade-offs with long-term personal and community consequences. Deferring needed medical care. Going to school hungry. Skipping bill payments. Postponing rent or mortgage payments. Dipping into retirement savings. The personal, social, and economic costs of low family incomes are far too great, compromising our state's economic strength, human capital, and future well-being.

What can we do? This cannot be a backburner issue. Policies and investments need to better reflect commonly held American values of opportunity, economic mobility, and economic security. In action, this means demanding an economy that works for everyone, work that pays a living wage, that all have access to a quality education, and that income supports are available to help families make ends meet.

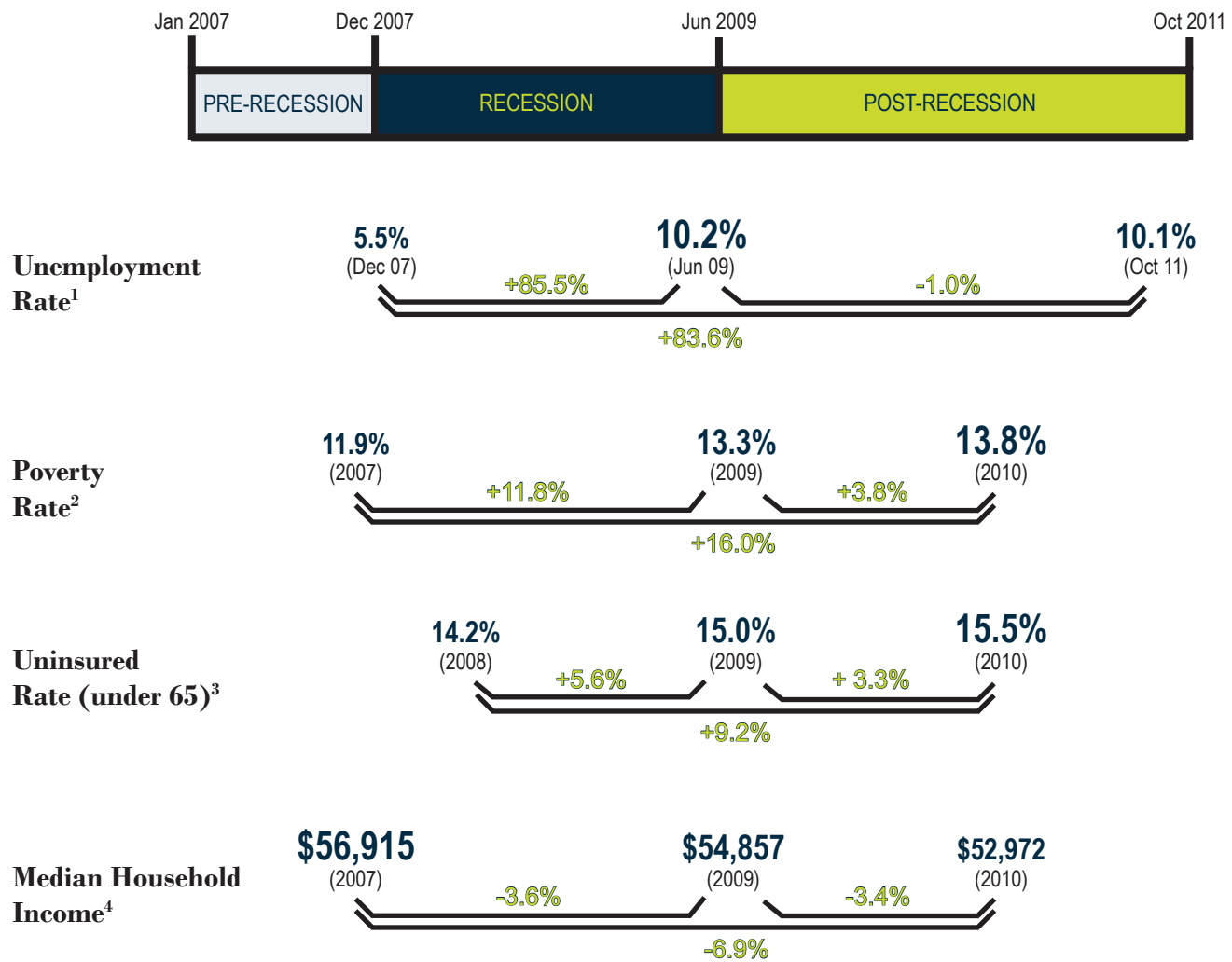
Quotes throughout the report are from Illinoisans describing their experiences with hardship in 2011.

“When you’re starving and your back is up against the wall and you see no other option, then what are you supposed to do?”

Community college student in Chicago

Hardship: High Before the Recession, Skyrocketed During, No Progress Since

There has been much talk about the new poor. Without a doubt new families entered poverty during the economic downturn. But poverty and hardship in Illinois were unacceptably high prior to the recession, and the realities that led to poverty and sustained it pre-recession, such as low wages, are impacting all people experiencing poverty post-recession.



Unemployment: Since the recession, little has changed, with unemployment holding steady above 10%.

Poverty: Poverty, worse today than during the recession, grew from pre- to post-recession by 16%.

Health Insurance: The rate of non-senior Illinoisans without health insurance has reached 15.5%, an increase of over 9% from pre- to post-recession.

Income: Median household income today is \$52,972, down over 3% from the recession and 7% from before the recession.

¹ U.S. Department of Labor, Bureau of Labor Statistics. *Local area unemployment statistics: LAUS*. Retrieved from http://lmi.ides.state.il.us/laus/characteristics_emp_unemp.htm. Seasonally adjusted.
² Social IMPACT Research Center's analysis of the U.S. Census Bureau's 2007, 2009, and 2010 American Community Survey 1-year estimates program.
³ Social IMPACT Research Center's analysis of the U.S. Census Bureau's 2008, 2009, and 2010 American Community Survey 1-year estimates program.
⁴ Social IMPACT Research Center's analysis of the U.S. Census Bureau's 2007, 2009, and 2010 American Community Survey 1-year estimates program. All figures are in 2010 dollars.

Much to be Done: We Know What Works but Response Dwarfed by Need

Without government assistance, nearly twice as many people nationally would have experienced poverty in 2010.⁵ Unfortunately, not all of Illinois' safety net assistance programs responded quickly and effectively to growing hardship. Even the most responsive programs have not grown commensurate with need.

Some programs were fairly responsive to needs before, during, and after the recession and continue to provide important supports to families.

- The **Supplemental Nutrition Assistance Program** (SNAP, formerly food stamps) provides low-income families with supplemental income to purchase food. The program continues to respond to growing need: the number of households receiving assistance has steadily grown as incomes have declined, growing 48% from pre-recession to post-recession.
- As a result of the state's **medical assistance programs**, children are a major exception to the growth in declining health insurance coverage, with an increase of 28% in children covered through such programs.
- The **Earned Income Tax Credit**, a refundable federal income tax credit, has steadily reached more households in Illinois, growing almost 10% from pre- to post-recession.

Other programs did not respond in a timely way or did not sustain the response.

- The response of **Temporary Assistance for Needy Families** (TANF), which provides cash assistance to very low-income families with children, was undetectable during the recession. There was essentially no increase in the caseload from the year before the recession to the recession period. Since the recession ended, however, the caseload has grown 64%.
- The **Unemployment Insurance** program was by far the most responsive program during the recession, growing over 75%. Since then, while unemployment has stayed at the same level, the number of recipients has plummeted almost 30%.

Indicator	Pre-Recession	During Recession	Post-Recession	Change Pre to During	Change During to Post	Change Pre to Post
SNAP receipt (households) ⁶	589,819	702,564	874,109	+19.1%	+24.4%	+48.2%
Medical assistance program enrollment (children) ⁷	1,214,714	1,455,172	1,553,255	+19.8%	+6.7%	+27.9%
EITC receipt (tax filers) ⁸	919,494	931,030	1,010,000	+1.3%	+8.5%	+9.8%
TANF receipt (families) ⁹	28,436	28,479	46,694	+0.2%	+64.0%	+64.2%
Total Unemployment Insurance claims ¹⁰	696,109	1,221,195	863,328	+75.4%	-29.3%	+24.0%

Compounding the situation, continued budget cuts and late payments to service providers are damaging Illinois' human services safety net with negative ripple effects throughout individual lives and local communities.



State Policy
Opportunity

Enact a responsible budget that includes adequate revenue, invests in the vital health and human services infrastructure, and restores a timely payment cycle to providers.

⁵ Sherman, A. (2011, November). Poverty and financial distress would have been substantially worse in 2010 without government action, new Census data show. Retrieved from <http://www.cbpp.org/cms/index.cfm?fa=view&id=3610>

⁶ Social IMPACT Research Center's analysis of the Illinois Department of Human Services, Bureau of Research and Analysis' monthly publication *Just the facts*. Reflects Dec 07, Jun 09, and Aug 11.

⁷ Voices for Illinois Children. (2011). *Illinois Kids Count 2011, Great at eight: Investing in the whole child from birth to eight*. Chicago: Author. Reflects Jun 07, Jun 09, Jun 10.

⁸ Internal Revenue Service. *EITC statistics*. Retrieved from <http://www.irs.gov/central/eitcstats/> and Brookings Institution. *Earned Income Tax Credit series*. Retrieved from <http://www.brookings.edu/projects/EITC.aspx>. Reflects 07, 08, and 10.

⁹ Social IMPACT Research Center's analysis of the Illinois Department of Human Services, Bureau of Research and Analysis' monthly publication *Just the facts*. Reflects Dec 07, Jun 09, and Aug 11.

¹⁰ Illinois Department of Employment Security. *Unemployment Insurance (UI) program data*. Retrieved from <http://imi.ides.state.il.us/insurance/159.htm> and on file with author. Reflects 07, 09, and 10.

Illinois Poverty Profile: It's a Statewide Concern

Poverty and hardship in Illinois are not limited to one region of the state; counties all across Illinois struggle with poverty-related issues. Visit www.ilpovertyreport.org to access county-level data and download the state poverty map.

Scale of Illinois Poverty, 2010¹¹

764,391

or 6.1% of Illinoisans live in extreme poverty, below 50% of the federal poverty threshold.



967,320

or 7.7% of Illinoisans live between 50% and 100% of the federal poverty threshold.



1,731,711 (13.8%)

of Illinoisans are living in poverty.

1,105,801

or 8.8% of Illinoisans live between 100% and 150% of the federal poverty threshold.



1,114,980

or 8.9% of Illinoisans live between 150% and 200% of the federal poverty threshold.



2,220,781 (17.7%)

of Illinoisans have low incomes.

Illinois Poverty Rates Over Time¹²

	1970	1980	1990	2000	2007	2010
Number	1,112,145	1,230,541	1,326,731	1,291,958	1,496,248	1,731,711
Percent	10.2	11.0	11.9	10.7	11.9	13.8

Populations in Poverty, 2010¹³

Group*	Population**	Percent of State Population	Number Below Poverty	Percent of the Poverty Population	Percent in Poverty
Illinois Total	12,543,457	100.0	1,731,711	100.0	13.8
Children (0-17)	3,086,916	24.6	600,045	34.7	19.4
Working-Age Adults (18-64)	7,906,758	63.0	1,001,778	57.8	12.7
Seniors (65+)	1,549,783	12.4	129,888	7.5	8.4
White Non-Hispanic	7,993,173	63.7	692,456	40.0	8.7
Black	1,789,282	14.3	536,009	31.0	30.0
Asian	576,875	4.6	68,252	3.9	11.8
Hispanic	2,010,876	16.0	405,570	23.4	20.2

* Groups may not be mutually exclusive.

** The population used to calculate poverty excludes persons under age 15 who are not related to the head of household as well as people in institutional group quarters.

¹¹ Social IMPACT Research Center's analysis of the U.S. Census Bureau's 2010 American Community Survey 1-year estimates program.

¹² Social IMPACT Research Center's analysis of the U.S. Census Bureau's 1970, 1980, 1990, 2000 Decennial Census and the 2007 and 2010 American Community Survey 1-year estimates program.

¹³ Social IMPACT Research Center's analysis of the U.S. Census Bureau's 2010 American Community Survey 1-year estimates program.

Employment

Financial security is essential to human dignity and is the backbone of a strong community and economy. The current economic climate underscores the need for the development of quality jobs that allow individuals to work and not live in poverty as well as a strong and responsive safety net that helps jobless workers, low-wage workers, and those unable to work to support their families.

Unemployment Rate,
Oct 2011¹⁴
10.1%

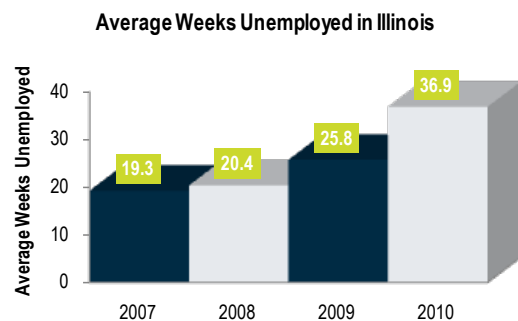
Almost 100,000 workers
in Illinois who work full time, year round
still fall below
the poverty line.¹⁵



Illinois must add
528,844 new jobs
to fill its job gap—
the number of jobs lost
over the course of the recession
and the number of jobs needed
for new entrants to the workforce.¹⁷



The average length of time Illinois workers are unemployed has **nearly doubled** since 2007.¹⁶



“Working 40 hours a week in a minimum wage job I don’t earn enough to cover my housing, food, transportation, and all my medical expenses. And I don’t even have a family.”

Chicago man



Increase Illinois’ minimum wage, and index it to inflation to maintain a baseline investment in Illinois workers. Expand the categories of workers covered by the minimum wage to include workers receiving tips, domestic workers, and workers under the age of 18.

¹⁴ Illinois Department of Employment Security. *Local Area Unemployment Statistics (LAUS)*. Retrieved from <http://mi.ides.state.il.us/laus/lausmenu.htm>. Seasonally adjusted.

¹⁵ Social IMPACT Research Center’s analysis of the U.S. Census Bureau’s 2010 American Community Survey 1-year estimates program.

¹⁶ U.S. Department of Labor, Bureau of Labor Statistics. *Local area unemployment statistics: LAUS*. Retrieved from http://mi.ides.state.il.us/laus/characteristics_emp_unemp.htm

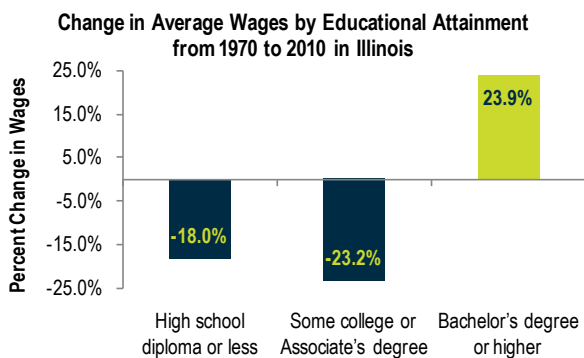
¹⁷ Greenstone, M., & Looney, A. (2011, September). *Taking the job gap to the state level: A closer look at the August employment numbers*. Retrieved from http://www.brookings.edu/opinions/2011/0902_jobs_greenstone_looney.aspx

Non-Graduation Rate, 2010-2011¹⁸
16.2%

Education

Quality and equitable education is the foundation for economic mobility. To enable academic success, all students need full access to opportunities and education supports, with specific focus on disadvantaged students. Evidence-based education models coupled with family supports and access to health care help to maximize each student's learning potential, positioning us for global advantage.

Since 1970, workers at the lower end of the educational spectrum have seen their wages erode.¹⁹



The average amount of **student loan debt** among graduating seniors from 4-year Illinois colleges is

\$23,885.²⁰



There are significant **achievement gaps** between students based on family incomes, driven by a compounding effect of disadvantage.²¹

Meets or exceeds standards in math	High School Graduation Rate	Meets or exceeds standards in reading
93.5% Not Low Income	83.8% All Students	89.8% Not Low Income
77.7% Low Income	75.1% Low Income	68.0% Low Income

“I want to work, I want to do better, I want to serve. Education is not about a job, it is about a commitment to a community and bettering the quality of life for everyone.”

Chicago woman testifying to the Commission on the Elimination of Poverty



Increase the number of Illinois students who can afford to go to college through expanded utilization of the 529 college savings program. Target outreach and marketing of Illinois' 529 program to underrepresented constituencies, including low-income families and communities of color.

¹⁸ Illinois State Board of Education. (2011). *2011 Illinois state report card*. Springfield, IL: Author. The non-graduation rate is the inverse of the graduation rate, which is 83.8%.

¹⁹ Social IMPACT Research Center's analysis of the Current Population Survey's Annual Social and Economic Supplement, 1970-2010. Updated to 2010 dollars using the Bureau of Labor Statistic's Consumer Price Index for Midwest Urban Consumer, all items.

²⁰ The Institute for College Access & Success. *College InSight*. Retrieved from <http://www.college-insight.org>. Reflects 2009-2010 academic year.

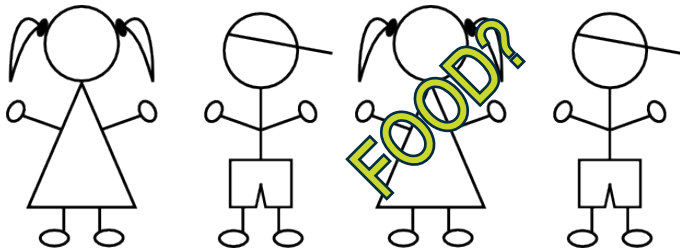
²¹ Agarwal, P. (2011, October). *Report card information & adequate yearly progress*. Springfield, IL: Illinois State Board of Education, and Illinois State Board of Education. (2011). *2011 Illinois state report card*. Springfield, IL: Author. Reflects a compilation of students in grades 3 through 8 who meet or exceed standards on the ISAT.

Health & Nutrition

Health care and nutritious food are essential for individual and family well-being and success. Sufficient, accessible, and affordable food and medical care, available to all ages regardless of income level or work status, is a cost-effective investment in wellness.

Health Uninsurance
Rate, Ages 0 to 64,
2010²²
15.5%

In more than half
of Illinois counties at least
1 out of every 4 kids
experiences food insecurity.²³

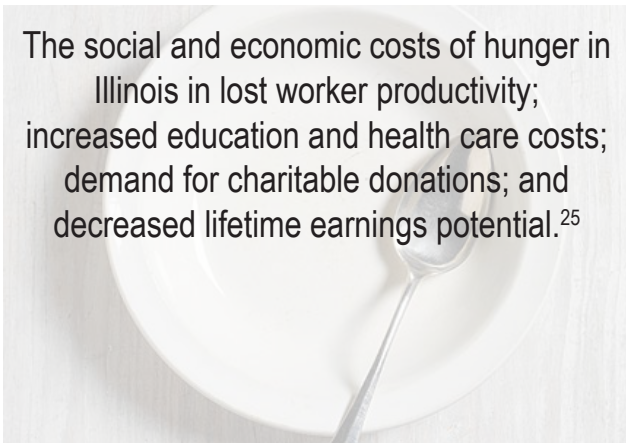


Starting in 2014, the Affordable Care Act
will extend needed coverage
through Medicaid to nearly
600,000 people
who are currently uninsured.²⁴



\$6,070,000,000

The social and economic costs of hunger in Illinois in lost worker productivity; increased education and health care costs; demand for charitable donations; and decreased lifetime earnings potential.²⁵



“I am unemployed, so I need to borrow the \$20 co-pay to go to the clinic to get the pills I need for my diabetes.”

Chicago man



State Policy
Opportunity

Expand access to health care that includes prevention and wellness activities, particularly among Illinois' low-income residents who are covered under Medicaid, to improve health outcomes and maximize cost effective strategies as Illinois implements health reform.

²² Social IMPACT Research Center's analysis of the U.S. Census Bureau's 2010 American Community Survey 1-year estimates program.

²³ Gundersen, C., Waxman, E., Engelhard, E., & Brown, J. (2011). *Map the Meal Gap 2011: Food insecurity estimates at the county level*. Chicago: Feeding America. Food insecurity is lack of access, at times, to enough food for an active, healthy life and limited or uncertain availability of nutritionally adequate food.

²⁴ Health Management Associates, & Wakely Consulting Group. (2011, September). *Illinois exchange strategic and operational needs assessment*. Chicago: Author.

²⁵ Shepard, D.S., Setren, E., & Cooper, D. (2011, October). *Hunger in America: Suffering we all pay for*. Washington, DC: Center for American Progress.

Severely Rent-Burdened Households, 2010²⁶
25.7%

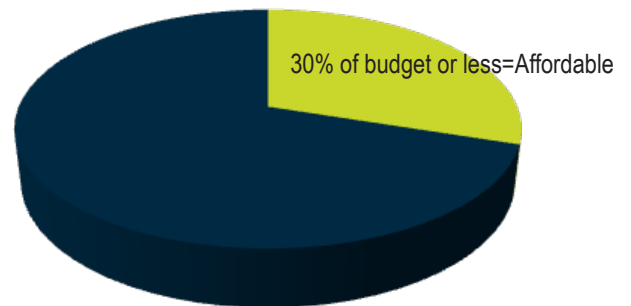
Housing

Safe, decent, and affordable housing is the cornerstone of economic security. With investments in affordable housing and protections for renters and owners, people can pull through economic crises and remain stably housed.

The number of people, **241,093**, living doubled up in Illinois increased by **15%** from 2008 to 2009.

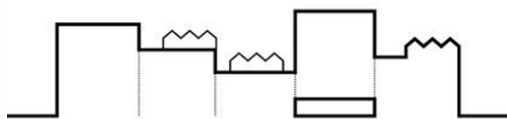
The odds of experiencing homelessness in the course of a year for someone living doubled up is 1 in 10.²⁷

A full-time Illinois worker receiving minimum wage can only afford rent of **\$429 a month.**²⁸



Housing assistance has **powerful anti-poverty effects:**

Even with the limited capacity of the programs, housing assistance lifts approximately **70,000 Illinois children out of poverty.**²⁹



“I never thought I’d see the day when I didn’t have a home. I had nothing. I moved from shelter to shelter.”

Springfield woman testifying to the Commission on the Elimination of Poverty



State Policy Opportunity

Restore state investment in Homeless Prevention programs as an effective way to help families maintain housing stability in the face of temporary hardship and prevent the personal and financial costs associated with homelessness.

²⁶ Social IMPACT Research Center’s analysis of the U.S. Census Bureau’s 2010 American Community Survey 1-year estimates program.

²⁷ Sermons, M.W., & Witte, P. (2011, January). *State of homelessness in America*. Washington, DC: National Alliance to End Homelessness.

²⁸ Bravve, E., DeCrappeo, M., Pelletiere, D., & Crowley, S. (2011, June). *Out of reach 2011*. Washington, DC: National Low-Income Housing Coalition. Illinois’ minimum wage is \$8.25 an hour.

²⁹ Social IMPACT Research Center’s analysis of Wheaton, L., Giannarelli, L., Martinez-Schiferl, M., & Zedlewski, S. (2011, September). *How do state’s safety net policies affect poverty?* Washington, DC: The Urban Institute.

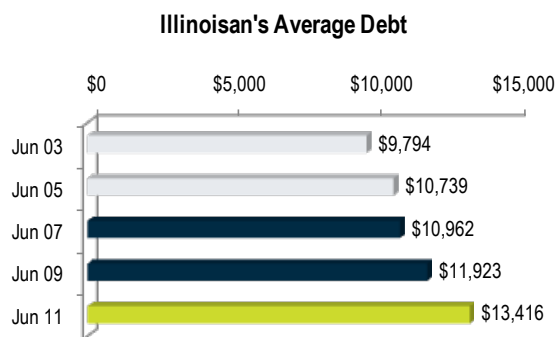
Assets

Assets are foundational resources that help families weather crises and invest in future opportunities such as education or starting a small business. Policies that protect assets against erosion and promote asset accumulation ensure economic security today and advancement for future generations.

Asset Poverty
Rate, 2009²⁹
26.4%

Since 2003, Illinoisan's average debt has

increased 37.0%.³⁰



The rate of Illinois consumers with credit scores below 620 has

increased 22.4%

since 2007.³¹

Low credit scores greatly limit prime borrowing opportunities for things such as car loans, credit cards, and home loans.

51.9%

of Illinois seniors

do not have any

retirement income aside from Social Security.³²

= \$0

“I lost my job due to downsizing in April 2009 and am now fighting with the bank to keep my home. Because of this inability to fully maintain my mortgage (I’ve never stopped or missed a payment, but have paid what I can afford), I have an undesirable credit rating for the first time ever.”

Chicago area woman testifying to the Commission on the Elimination of Poverty



Expand retirement savings opportunities by creating an automatic retirement account option for all Illinois workers. Create a savings structure that utilizes employer payroll systems and gives workers the option of depositing a portion of earned wages into approved retirement accounts.

³⁰ CFED. (2012). *Assets and opportunity scorecard*. Retrieved from <http://assetsandopportunity.org/>

³¹ Social IMPACT Research Center's analysis of aggregate data provided by a large national credit bureau for a snapshot of credit and debt by region, dated June 2003 through June 2011. No individual or customer data were provided.

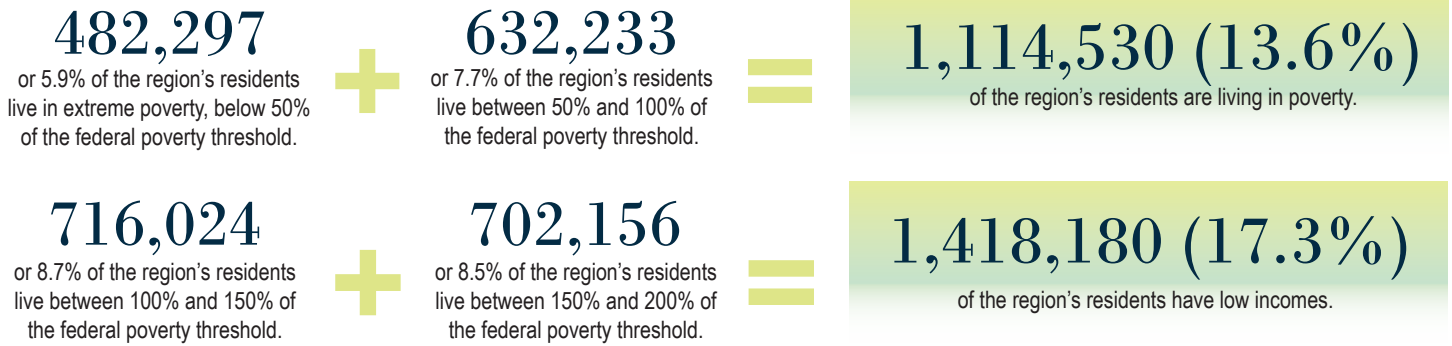
³² *Ibid.*

³³ Social IMPACT Research Center's analysis of the U.S. Census Bureau's 2010 American Community Survey 1-year estimates program.

Snapshot of Poverty in the Chicago Region

With 65% of the state's population residing in the Chicago region, it is important to hone in on how poverty and related issues are impacting the area's residents. The Chicago region includes the city of Chicago, Suburban Cook County, DuPage County, Kane County, Lake County, McHenry County, and Will County.

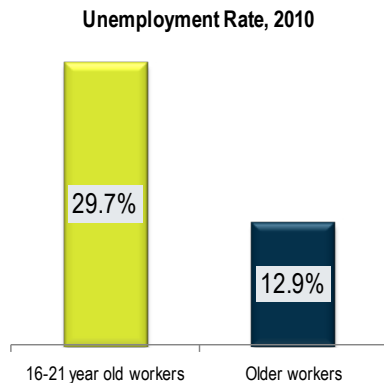
Scale of Chicago Region Poverty, 2010³⁴



Chicago Region Poverty by County, 2010³⁵

	Extreme Poverty (under 50% FPL)	Poverty (under 100% FPL)	Low income (100%-199% FPL)
Chicago	265,677 (10.0%)	596,975 (22.5%)	588,104 (22.2%)
Suburban Cook County	115,415 (4.7%)	259,385 (10.5%)	406,082 (16.4%)
DuPage County	22,131 (2.4%)	59,730 (6.6%)	100,845 (11.1%)
Kane County	19,198 (3.8%)	56,707 (11.1%)	96,163 (18.8%)
Lake County	28,785 (4.1%)	60,440 (8.7%)	103,288 (14.9%)
McHenry County	8,895 (2.9%)	23,649 (7.7%)	37,315 (12.1%)
Will County	22,196 (3.3%)	57,644 (8.6%)	86,383 (12.9%)

Unemployment among youth has **increased 34%** in the Chicago region since 2007 and is much higher than rates for older workers.³⁶



Due to a reliance on property taxes for funding, educational resources are not equally distributed.³⁷

Variation in Instructional Expenditure per Pupil Across Districts in the 6-County Chicago Region



³⁴ Social IMPACT Research Center's analysis of the U.S. Census Bureau's 2010 American Community Survey 1-year estimates program.

³⁵ Ibid.

³⁶ Social IMPACT Research Center's analysis of the U.S. Census Bureau's 2007 and 2010 American Community Survey 1-year estimates program.

³⁷ Social IMPACT Research Center's analysis of the Northern Illinois University. 2011 Illinois interactive report card. Retrieved from <http://iirc.niu.edu/>

Snapshot of Hardship in the Chicago Region

Hardship in the Chicago region is seen in experiences of unemployment, educational disparities, food insecurity, inability to afford rent, and rising bankruptcies.

1,202,180

The number of people experiencing food insecurity in the Chicago region³⁸

488,740

The number who are children

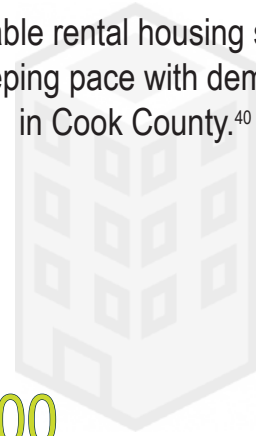
60%

The percent of those children who are from low-income families

30

The number of Chicago Community Areas (out of 77) where over 1 in 5 residents are food insecure³⁹

The affordable rental housing supply is not keeping pace with demand in Cook County.⁴⁰



180,000

Shortage of affordable rental units in 2009

9.1%

Increase in shortage since 2005

In recent years, personal bankruptcy activity in Cook County increased dramatically.

BANKRUPTCY

59.2%

Increase in Non-Business Bankruptcy Activity in Cook County Between 2008 and 2010⁴¹

**“Poverty is not a story
someplace else;
it’s in our midst.”**

Chicago woman testifying to the Commission on the Elimination of Poverty

³⁸ Gundersen, C., Waxman, E., Engelhard, E., & Brown, J. (2011). *Map the Meal Gap 2011: Food insecurity estimates at the county level*. Chicago: Feeding America. Low income is below 185% FPL.

³⁹ Greater Chicago Food Depository. *Community food insecurity data*. Retrieved from http://www.chicagosfoodbank.org/site/PageServer?pagename=hunger_research

⁴⁰ The Institute for Housing Studies at DePaul University. (2011). *The state of rental housing in Cook County*. Chicago: Author.

⁴¹ Smith, G., & Duda, S. (2011). *Bridging the gap II: Examining trends and patterns of personal bankruptcy in Cook County’s communities of color*. Chicago: Woodstock Institute, Illinois Asset Building Group, and the Chicago Reporter.

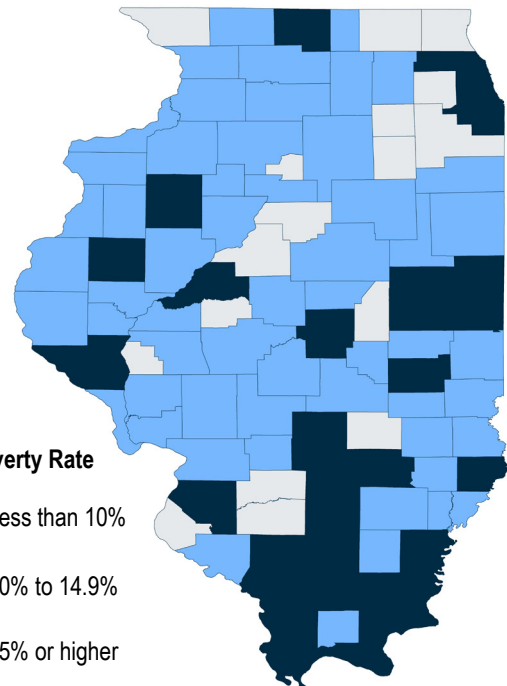
Get County Data From the New 2011 Report on Illinois Poverty Website: www.ilpovertyreport.org

The new 2011 Report on Illinois Poverty website, www.ilpovertyreport.org, is a user-friendly portal to easily access county-level data related to poverty & income, employment, education, housing, health & nutrition, and assets. The interactive site allows advocates, impacted individuals, and decision makers to see how poverty is impacting different populations and different areas of the state and to build materials customized to their geography and selected indicators, to print, PDF, or share via email and social media outlets.

In addition to the complete report, the following resources on Illinois poverty are available through the new interactive website:

- **Key Findings** from the report provide quick data and talking points to help move decision makers on key economic and social issues.
- The **County Well-Being Index** highlights Illinois counties on the Watch and Warning Lists through data tables and a map.
- The **State Poverty Map** shows the depth and scope of hardship across the state.
- The **Chicago Region Snapshot** highlights hardship in Chicago and the Chicago Region.

Additional resources and reports can be found on our website, www.heartlandalliance.org/research, including images from this report for download, archived poverty reports from prior years, county-level self-sufficiency data, and much more.



2010 Federal Poverty Thresholds or Percents of the Federal Poverty Level (FPL)

Family Size	Extreme Poverty (0-49% FPL)	Poverty (0-99% FPL)	Low Income (100-199% FPL)
1	\$5,570	\$11,139	\$22,278
2	\$7,109	\$14,218	\$28,436
3	\$8,687	\$17,374	\$34,748
4	\$11,157	\$22,314	\$44,628
5	\$13,220	\$26,439	\$52,878
6	\$14,949	\$29,897	\$59,794

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