2010 Report on Illinois Poverty

This 2010 report caps a decade of Heartland Alliance’s annual reports on poverty. The project was initiated at a time when economic prosperity seemed widespread and the future outlook was infused with optimism. The goal with these reports at that time was simple: to serve as a caution that the rising tide of prosperity in the late 1990s had not lifted all boats and that many in our communities were being left behind.

Today the situation is very different. The Great Recession has crumbled economic stability for millions of families in the form of massive job loss, cut backs in hours, the elimination of work benefits, skyrocketing foreclosures and bankruptcies, and the eroding value of retirement investments.

And people who had the least to start with before the recession—those who Heartland Alliance was concerned with when this project began a decade ago—were hit first, hit hardest, and will recover slowest. Consider, for example, that workers in the lowest income group in Illinois had a 1930’s-like unemployment rate of 27.0% in the 4th quarter of 2009 when Illinois’ overall unemployment rate was 10.2%.1

The poverty data in this report are the most current available but reflect 2008 and therefore do not fully capture the effects of the recession. Even so, the magnitude of hardship reflected here is staggering.

At this moment of unprecedented need, strong and responsive public benefits and human services are crucial to keeping families afloat until recovery reaches main street. Long-term economic shifts, which have left millions in low-wage jobs that do not pay family-supporting wages, also point to the need for a constant and responsive safety net to help families bridge the gap between what they are paid and what it takes to make ends meet.

Yet years of disinvestment in Illinois’ safety net, combined with the effects of the recession and an antiquated state revenue system, have resulted in an erosion of human services across the state.

The implications of massive service cuts to those experiencing poverty—many of whom rely on state-funded services in their communities literally for survival, particularly those in extreme poverty—will be nothing short of devastating. Without leadership to enact a responsible budget, Illinois can expect to see deepening hardship and further entrenchment of social problems.

### 2009 Federal Poverty Guidelines or Percents of the Federal Poverty Level (FPL)2

<table>
<thead>
<tr>
<th>Family Size</th>
<th>Extreme Poverty (0-49% FPL)</th>
<th>Poverty (0-99% FPL)</th>
<th>Low Income (100-199% FPL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$5,415</td>
<td>$10,830</td>
<td>$21,660</td>
</tr>
<tr>
<td>2</td>
<td>7,285</td>
<td>14,570</td>
<td>29,140</td>
</tr>
<tr>
<td>3</td>
<td>9,155</td>
<td>18,310</td>
<td>36,620</td>
</tr>
<tr>
<td>4</td>
<td>11,025</td>
<td>22,050</td>
<td>44,100</td>
</tr>
<tr>
<td>5</td>
<td>12,895</td>
<td>25,790</td>
<td>51,580</td>
</tr>
<tr>
<td>6</td>
<td>14,765</td>
<td>29,530</td>
<td>59,060</td>
</tr>
</tbody>
</table>

1 Social IMPACT Research Center’s analysis of the U.S. Census Bureau’s Current Population Survey Basic Survey Public Use Microdata Sample. Lowest income group has an annual household income below $12,500.


Shaded points throughout the report indicate data about people in extreme poverty, with incomes below half the poverty line.
Human Services are Vital to Our Communities

Human services are woven throughout the fabric of community life across the state and are a critical infrastructure of economic well-being for Illinois. They are programs and services we encounter often, but might not even recognize as human services: food pantries, early childhood learning, violence prevention, disability services, workforce development, services for seniors, and much more.

A single mom and her teenage son live here. The son uses the school health center at his high school for preventive, mental health, and dental care needs. The care provided by school health centers translates to fewer school absences, higher compliance with required immunizations and physical exams, and fewer hospitalizations and emergency room visits, resulting in millions of dollars saved.

A man with a disability lives here. He lives in supportive housing, which is permanent affordable housing coupled with supportive services that enable residents to achieve long-term housing stability. Supportive housing in Illinois stabilizes residents allowing them to reduce their use of expensive, primarily publicly-funded services, (such as jails, Medicaid, and substance use treatment) resulting in a cost savings.

A couple working in low-wage jobs lives here. The couple is able to work thanks to the help of the Illinois Child Care Assistance Program, which helps them and other low-income working families afford child care. Affordable and available child care is crucial for allowing parents to engage in the workforce or schooling/training to better their job prospects. Additionally, the ages of 0 to 5 are seen as critical to young children’s development, including intelligence, future learning, language, emotions, social, and future school performance, which has significant bearing on income potential and the probability of experiencing poverty later in life.

An elderly couple lives here. They receive senior home and community-based services that include transportation and legal assistance as well as nutrition and homemaking services in order to help them age in their community instead of an institution. The benefits of aging in place, which these services enable, are indisputable: it allows seniors to maintain social networks, limits negative effects of relocation, and importantly, minimizes the provision of unnecessary care, instead offering a range of flexible services to fit individuals needs, thereby reducing costs.

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State Budget Crisis Threatens Human Services

Despite their importance, human services across the state are under siege due to the state budget crisis, threatening the well-being of people across Illinois and threatening the economic vitality and competitiveness of the state.

Human services, along with public benefits like food stamps and unemployment insurance, make up a critical safety net for ensuring that Illinoisans are able to support their families in hard times and also bridge the gap between low wages and making ends meet.

Even if you personally have never used a human service, odds are you know someone who has or know someone who works in a human service organization: over the course of the last 30 years, 30 percent of Illinois families with children used just a subset of human services—including foster care, substance use treatment, and mental health services, among others—and many more families and individuals without children used other types of human services. Additionally, over 400,000 Illinoisans work in human service organizations, representing 1 out of every 16 Illinois workers.

As the state looks for ways to fill its budget deficit, human services are repeatedly on the chopping block. Deep cuts threaten not only the security of millions of people who rely on human services to get by, the majority of which are provided by local, community-based nonprofits under contract with the state, but also thousands of human services jobs. Both of these outcomes—increased material hardship for Illinoisans and higher unemployment—will further exacerbate the state’s economic problems now and in years to come and will be counterproductive to moving Illinois forward.

Examples of Illinoisans Using Human Services Now Threatened by State Budget Cuts

- **179,000 people** used the community mental health programs under the Illinois Department of Human Service’s Division of Mental Health in FY07.

- **11,635 households** at risk of homelessness were served by the state’s Homeless Prevention Program in FY09.

- **44,329 people** on average were supported by developmental disabilities community-based services each month in FY09.

- **549,588 older adults** received services to help them remain independent in their homes through senior home and community-based services in FY08.

These are just a sampling of human services used by people across Illinois to remain healthy, to continue working, and to remain housed. Others include after-school services, food pantries, English as a Second language, substance use treatment, and adult basic education, to name just a few.

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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.heartlandalliance.org/povertyreport to access county-level data and download the state poverty map.

Scale of Illinois Poverty, 2008

680,013
or 5.4\% of Illinoisans live in extreme poverty, below 50% of the federal poverty threshold.

852,225
or 6.8\% of Illinoisans live between 50% and 100% of the federal poverty threshold.

1,532,238 (12.2\%)
of Illinoisans are living in poverty.

966,067
or 7.7\% of Illinoisans live between 100% and 150% of the federal poverty threshold.

1,038,727
or 8.3\% of Illinoisans live between 150% and 200% of the federal poverty threshold.

2,004,794 (16.0\%)
of Illinoisans are at risk of falling into poverty.

Illinois Poverty Rates Over Time

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>1,112,145</td>
<td>10.2</td>
</tr>
<tr>
<td>1980</td>
<td>1,230,541</td>
<td>11.0</td>
</tr>
<tr>
<td>1990</td>
<td>1,326,731</td>
<td>11.9</td>
</tr>
<tr>
<td>2000</td>
<td>1,291,958</td>
<td>10.7</td>
</tr>
<tr>
<td>2008</td>
<td>1,532,238</td>
<td>12.2</td>
</tr>
</tbody>
</table>

Populations in Poverty, 2008

<table>
<thead>
<tr>
<th>Group*</th>
<th>Population**</th>
<th>Percent of State Population</th>
<th>Number Below Poverty</th>
<th>Percent of the Poverty Population</th>
<th>Percent in Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois Total</td>
<td>12,568,150</td>
<td>100.0</td>
<td>1,532,238</td>
<td>100.0</td>
<td>12.2</td>
</tr>
<tr>
<td>Children (0-17)</td>
<td>3,140,948</td>
<td>25.0</td>
<td>535,197</td>
<td>34.9</td>
<td>17.0</td>
</tr>
<tr>
<td>Working Age Adults (18-64)</td>
<td>7,931,832</td>
<td>63.1</td>
<td>858,973</td>
<td>56.1</td>
<td>10.8</td>
</tr>
<tr>
<td>Seniors (65+)</td>
<td>1,495,370</td>
<td>11.9</td>
<td>138,068</td>
<td>9.0</td>
<td>9.2</td>
</tr>
<tr>
<td>White Non-Hispanic</td>
<td>8,104,668</td>
<td>64.5</td>
<td>621,624</td>
<td>40.6</td>
<td>7.7</td>
</tr>
<tr>
<td>Black</td>
<td>1,804,134</td>
<td>14.4</td>
<td>493,580</td>
<td>32.2</td>
<td>27.4</td>
</tr>
<tr>
<td>Asian</td>
<td>541,387</td>
<td>4.3</td>
<td>47,850</td>
<td>3.1</td>
<td>8.8</td>
</tr>
<tr>
<td>Hispanic</td>
<td>1,938,030</td>
<td>15.4</td>
<td>338,989</td>
<td>22.1</td>
<td>17.5</td>
</tr>
</tbody>
</table>

* 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.
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 and a strong and responsive safety net that helps jobless workers, low-wage workers, and those unable to work to support their families.

Nearly 1 million Illinoisans are unemployed or underemployed (working fewer hours than they would like) and many more have stopped looking for work altogether.

669,000 unemployed
324,000 underemployed
993,000 impacted

Men, minorities, and younger workers have been hit hardest by unemployment in the recession.

| Illinois Unemployment Rates by Demographics, 2009 |
|-----------------|----------------|----------------|
|                 | Total | Men  | Women |
| Total           | 10.0  | 11.1 | 8.7   |
| White           | 9.0   | 9.9  | 7.9   |
| Black           | 17.1  | 20.2 | 14.6  |
| Latino          | 11.6  | 10.8 | 12.9  |
| 16 to 19        | 25.8  | 31.7 | 20.4  |
| 20 to 24        | 16.3  | 17.1 | 15.3  |
| 25 to 34        | 9.7   | 10.7 | 8.6   |
| 35 to 44        | 9.3   | 10.3 | 8.1   |
| 45 to 54        | 7.6   | 8.9  | 6.0   |
| 55 to 64        | 7.9   | 9.2  | 6.6   |
| 65 and over     | 5.1   | 3.5  | 6.8   |

Changes in job types were happening in Illinois well before the full effects of the recession, with loss in higher-paying industries and growth in lower-paying industries.

Establish a statewide transitional jobs strategy by directing a portion of existing employment and training dollars to the 21st Century Workforce Development Fund, utilizing its multi-sector advisory committee to leverage resources and expertise across agencies to ensure transitional jobs programs are accessible to all populations living in poverty.

Nearly 1 out of 5 working age Illinoisans living in extreme poverty work at least half the year.

21 Social IMPACT Research Center’s analysis of the U.S. Census Bureau’s 2008 American Community Survey Public Use Microdata Sample. Working age is 18 to 64.
Non-Graduation Rate, 2008-2009\textsuperscript{22} 
12.9% 

**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.

Workers with less than a high school diploma are nearly 4 times more likely to be unemployed than workers with a bachelor’s degree.\textsuperscript{23}

<table>
<thead>
<tr>
<th>Educational Attainment</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than high school</td>
<td>18.1%</td>
</tr>
<tr>
<td>High school diploma</td>
<td>11.7%</td>
</tr>
<tr>
<td>Some college/associate's degree</td>
<td>11.2%</td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>4.7%</td>
</tr>
<tr>
<td>Master's or professional degree</td>
<td>2.6%</td>
</tr>
<tr>
<td>All education levels</td>
<td>9.2%</td>
</tr>
</tbody>
</table>

Unemployment Rates of Workers by Educational Attainment

Quality early childhood programs can produce life-long positive impacts for poor children, boosting early achievement and improving long-term outcomes.\textsuperscript{25}

Illinois’ Preschool for All program will expire in the summer of 2010 without legislative action; consequently 20,000 children will lose access to quality preschool.\textsuperscript{26}

84\% of the need for English as a Second Language courses in Illinois is not being met.\textsuperscript{24}

54\% of working age adults in extreme poverty have only a high school diploma or less, compromising their marketability in the job market and ability to earn a family-supporting wage.\textsuperscript{27}

Expand Bridge programs, which combine basic education with occupational skills in contextualized learning models that increase the career potential of low-income, low-skilled adults and are often the first step on a post-secondary educational pathway.

\textsuperscript{22} Illinois State Board of Education. (n.d.). 2008-2009 school report card. Springfield, IL. Author. The non-graduation rate is the inverse of the graduation rate, which is 87.1%.


\textsuperscript{27} Social IMPACT Research Center’s analysis of the U.S. Census Bureau’s 2008 American Community Survey Public Use Microdata Sample. Working age is 18 to 64.
Health & Nutrition

Healthcare 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.

1 in every 8 adults in Illinois avoided the doctor in the last year because of cost.  

Over half (52%) of Illinois school children are eligible for free and reduced price school lunches, an indication of low family incomes.  

Food assistance clients in Illinois report making untenable trade-offs.  

- 50% choose between paying for food or for utilities/heating fuel.  
- 44% choose between paying for food or for rent/mortgage.  
- 36% choose between paying for food or for gas for a car.  
- 34% choose between paying for food or for medicine/medical care.  

Being in extreme poverty dramatically increases a person’s likelihood of being uninsured.  

State Policy Opportunity

Improve Illinois’ health care system through implementation of federal health reform that expands Medicaid to newly eligible individuals as soon as possible, provides incentives for quality care, increases reimbursement rates for primary care providers, draws down federal funds to implement prevention and chronic disease reduction initiatives, and expands access to care through community health centers.

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Health Uninsurance Rate, Ages 0 to 64, 2008  

14.6%
Housing

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

Severely Rent Burdened Households, 2008
25.9%

The number of homeless children enrolled in Illinois public schools jumped 32% from the 06-07 to the 07-08 school year.

The Low Income Housing Tax Credit (LIHTC) has been the primary resource for the development of affordable rental housing, financing 9 out of every 10 apartments for low-income families since 1986.

In Illinois, the LIHTC financed 6,429 affordable rental homes in 2007 alone.

However, the financial crisis has greatly reduced LIHTC investment, with participation down by a third from its peak in 2006, which means that fewer affordable units will be built and preserved at a time when need is skyrocketing.

Coordinate the funding streams required to create new permanent supportive housing, including funding for construction, rent assistance, and supportive services across the Illinois Department of Human Services and the Illinois Housing Development Authority, to make it easier and cheaper to develop specialized affordable housing.

State Policy Opportunity

1 out of every 371 Illinois homes received a foreclosure filing in March 2010, and only 9 states were worse.

1 out of every 371
Illinois homes received a foreclosure filing in March 2010, and only 9 states were worse.

The number of homeless children enrolled in Illinois public schools jumped 32% from the 06-07 to the 07-08 school year.

Low-income people with disabilities face severe gaps between disability payment amounts and average rents.

Average 1-bedroom
$788

Average studio
$690

Average disability payment received in IL
$674

Average 1-bedroom
$788

Average studio
$690

Average disability payment received in IL
$674

Greensboro, NC: Author.


Social IMPACT Research Center’s analysis of the U.S. Census Bureau’s 2008 American Community Survey. Severe rent burden is spending over half of income on housing costs.


**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 and promote asset accumulation ensure economic security today and advancement for future generations.

**Asset Poverty Rate, 2006**

<table>
<thead>
<tr>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>21.8%</td>
</tr>
</tbody>
</table>

**24%**

of Illinois households do not have a savings, checking or money market account.\(^{39}\)

Those who are unbanked must turn to high-cost alternative financial service providers for everything from cash checking to money orders to payday loans.

**15%**

of Illinoisans have a credit score below 580, which is considered poor credit and greatly limits prime borrowing opportunities for things such as car loans, credit cards, and home loans.\(^{41}\)

Illinoisans’ average debt from all sources is **over $11,300.**\(^{40}\)

**1 out of every 7**

Illinois households experiences extreme asset poverty, having zero or negative net worth.\(^{42}\)

Encourage financial institutions to offer responsible alternatives to high-cost payday loans to meet the financial needs of the low-income, underbanked consumers. Using the state’s linked deposit program, incentivize and monitor banks on their progress to highlight best practices and encourage new product development.

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\(^{40}\) Social IMPACT Research Center’s analysis of aggregate data that were provided from Equifax for a snapshot of credit and debt by region, dated June 2009. No individual or customer data were provided.

\(^{41}\) Ibid. Based on Equifax Risk Score 3.0.

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, 2008

or 5.2% of the region's residents live in extreme poverty, below 50% of the federal poverty threshold.

or 6.7% of the region's residents live between 50% and 100% of the federal poverty threshold.

or 7.4% of the region's residents live between 100% and 150% of the federal poverty threshold.

or 7.9% of the region's residents live between 150% and 200% of the federal poverty threshold.

of the region's residents are living in poverty.

of the region's residents are at risk of falling into poverty.

Chicago Region Poverty by County, 2008

<table>
<thead>
<tr>
<th>County</th>
<th>Extreme Poverty (under 50% FPL)</th>
<th>Poverty (under 100% FPL)</th>
<th>Low income (100%-199% FPL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicago</td>
<td>251,502 (9.3%)</td>
<td>555,391 (20.6%)</td>
<td>556,180 (20.7%)</td>
</tr>
<tr>
<td>Suburban Cook County</td>
<td>92,617 (3.7%)</td>
<td>213,448 (8.5%)</td>
<td>363,326 (14.4%)</td>
</tr>
<tr>
<td>DuPage County</td>
<td>22,184 (2.4%)</td>
<td>52,131 (5.7%)</td>
<td>92,929 (10.1%)</td>
</tr>
<tr>
<td>Kane County</td>
<td>18,899 (3.8%)</td>
<td>47,297 (9.5%)</td>
<td>71,723 (14.4%)</td>
</tr>
<tr>
<td>Lake County</td>
<td>18,226 (2.6%)</td>
<td>54,088 (7.7%)</td>
<td>71,583 (10.2%)</td>
</tr>
<tr>
<td>McHenry County</td>
<td>8,530 (2.7%)</td>
<td>17,099 (5.4%)</td>
<td>31,064 (9.8%)</td>
</tr>
<tr>
<td>Will County</td>
<td>17,470 (2.6%)</td>
<td>44,290 (6.6%)</td>
<td>80,576 (12.0%)</td>
</tr>
</tbody>
</table>

Self-Sufficiency in the Chicago Region, 2009

In addition to those living in poverty, many more households make less than it takes to meet the cost of living in the Chicago region.

Around 40% of Chicago region households have annual incomes below $50,000, which is near the amount it takes for a one-parent family with two kids to make ends meet.

Cost of living varies throughout the region, impacting the amount of income families need to make ends meet.

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43 Social IMPACT Research Center’s analysis of the U.S. Census Bureau’s 2008 American Community Survey.
44 Ibid.
45 Ibid.
Snapshot of Hardship in the Chicago Region
The recession has hit Chicago area residents hard, especially in the form of job loss, declining incomes, and increasing bankruptcies and foreclosures.

The Chicago region’s net job flow from 2008 to 2009 was negative. The Chicago region’s loss of jobs represented 88% of the state’s net job loss.47

Every county in the Chicago region has seen significant increases in the rates of children eligible for free and reduced price school lunches, an indication of low family incomes.48

Percent of Children Eligible for Free or Reduced-Price School Lunch, 2009-2010 and Point Change from 2000-2001

<table>
<thead>
<tr>
<th>County</th>
<th>Rate in 2009-2010</th>
<th>Point Change from 2000-2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cook</td>
<td>69.4%</td>
<td>+8.7%</td>
</tr>
<tr>
<td>DuPage</td>
<td>25.7%</td>
<td>+13.8%</td>
</tr>
<tr>
<td>Kane</td>
<td>44.5%</td>
<td>+16.9%</td>
</tr>
<tr>
<td>Lake</td>
<td>38.8%</td>
<td>+15.1%</td>
</tr>
<tr>
<td>McHenry</td>
<td>20.4%</td>
<td>+11.9%</td>
</tr>
<tr>
<td>Will</td>
<td>31.9%</td>
<td>+9.8%</td>
</tr>
</tbody>
</table>

Chicago area residents have experienced a tremendous erosion of wealth in the form of personal bankruptcies49 and foreclosures50 in the last few years.

52% of Chicago region residents in extreme poverty are not expected to work. This includes children, seniors, and people with disabilities.51

51 Social IMPACT Research Center’s analysis of the U.S. Census Bureau’s 2008 American Community Survey Public Use Microdata Sample.
More New Resources on Illinois Poverty at www.heartlandalliance.org/povertyreport

• **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 Illinois.

• **The Data and Definitions Appendix** contains congressional district data as well as a multitude of county-level data related to:

  Poverty & Income | Employment | Housing | Health & Education | Receipt of Public Benefits

Additional resources and reports can be found online including images from this report for download, poverty reports from years past, county-level self-sufficiency data, and much more.

Acknowledgements

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*The Report on Illinois Poverty is a project of the Social IMPACT Research Center, a program of Heartland Alliance for Human Needs & Human Rights. IMPACT provides dynamic research and analysis on today’s most pressing social issues and solutions to inform and equip those working toward a just global society.*

*Authors:* Amy Terpstra, Amy Rynell, & Lindy Carrow