

CONTACT: Allyson Stewart
Email: alstewart@heartlandalliance.org
Phone: 312.870.4940

CONTACT: Chris Lackner
Email: chris@lacknerandrews.com
Phone: 773.991.1908

HUNDREDS OF THOUSANDS OF FULL-TIME WORKERS, MILLIONS OTHERS IN ILLINOIS LIVE IN POVERTY

New report shows progress, challenges to eradicating poverty in Illinois

CHICAGO – “50 Years Later: Report on Illinois Poverty,” a new report released today by the Chicago-based Social IMPACT Research Center (IMPACT), a program of Heartland Alliance, offers an unprecedented 50-year look at poverty trends in Illinois between 1960 and today. On the surface, poverty appears to have changed very little—it is about 15% today, the same as in 1960. But this surface look masks both significant progress and major challenges: Most striking is the fact that we are treading water or losing ground for workers, women, and minority communities.

For working families, work no longer pays for what it used to. Poverty grew in Illinois for working age men and women from 1960 to today (from 8.9% to 12.1%, and from 12.0% to 15.3% respectively), and 388,000 Illinoisans live in households where someone is working full time, but still live in poverty. (A family of four is considered poor if its annual income is below \$23,492). Today the average monthly cost of child care alone (\$1,469) exceeds the monthly earnings of a minimum wage worker (\$1,430).

“Today, the jobs that are available at the low-skilled end of the economy simply don’t provide wages and benefits that create economic security,” said Amy Terpstra, director of the Social IMPACT Research Center. “What this means is that, in Illinois, you can work full time and still be living in poverty.”

Poverty rates for African Americans and Latinos have barely budged since 1960, with 32% of African Americans and 21.4% of Latinos in Illinois living in poverty (in 1960 it was 35.8% and 20.7%, respectively). Poverty rates for their children are even higher, with 44.6% of African American children and 27.8% of Latino children in Illinois living in poverty (compared to 10.8% of white children). Poverty rates are in part driven by unemployment: Nearly 1 in 2 black men between the ages of 16 and 24 is unemployed, looking for work but unable to find a job.

Despite the fact that Illinois women have gone to work in droves since 1960 (women’s labor force participation in Illinois has nearly doubled since 1960), women continue to earn only 77 cents for each dollar men make and are still more likely to be poor than men: 15.4% of working age women are poor compared to 12.1% of men, and 10.6% of senior women are poor compared to 6.5% of men.

There have, though, been distinct successes in fighting poverty in the last 50 years. Senior poverty in Illinois dropped dramatically from 29.8% in 1960 to 8.8% in 2012 due to expansion of programs like Social Security and Medicare. At the county level, the number of Illinois’s 102 counties with a poverty rate over 20% has dropped from 68 to 10 since 1960.

These gains are significant, but poverty remains pervasive in Illinois. The report finds that 45 out of 102 Illinois counties are either on the Poverty Watch or the Poverty Warning lists this year, a list composed by looking at the County Well-Being Index, a multifaceted metric developed by the Social IMPACT Research Center that includes not only poverty rate but unemployment rate, teen birth rate, and high school non-graduation rate. Similarly, though senior poverty is low, almost half of seniors are living on the brink of poverty, with incomes below twice a poverty line adjusted for seniors’ cost of living.

New poverty trends also command attention. Whereas once poverty was concentrated in inner cities, it’s now rising drastically in the suburbs – half of the Chicago area’s poor population now lives outside the city. Communities throughout Illinois are home to a growing group of new veterans, 15% of whom have a discharge status other than honorable, which makes them particularly vulnerable to hardship since

accessing veteran's benefits is in part dependent on discharge status. The rapid rise in criminal sentencing laws has also created more barriers to employment for workers. 31,155 people were released from Illinois prisons in 2011, joining hundreds of thousands of other Illinoisans whose records represent significant barriers to getting jobs, finding housing, and accessing other supports.

"As a nation and as a state, we have made important investments in safety net programs that help lift many people out of poverty and ease the hardship of being poor. But poverty is still a reality for 1.9 million Illinoisans," said Terpstra "Significant economic, demographic, and legislative shifts occurred in the last 50 years and many War on Poverty programs were not large enough or designed to offset these significant changes. As a result workers are struggling to support their families, more women are poor, and racial inequality persists."

The report provides a reflection on the 50th anniversary of President Lyndon B. Johnson's War on Poverty, a federal strategy to eradicate poverty in America, and offers a number of strategies and policies to recalibrate the next chapter of the War on Poverty to meet the modern face of poverty:

- Increase Illinois's minimum wage.
- Protect state funding for human services programs that help individuals and families move out of poverty and stay out of poverty.
- Invest in and protect funding for programs that help individuals and families maintain housing, such as investing in the Housing Choice Voucher program and programs that preserve affordable housing.
- Ensure all Illinois workers have access to employer-based retirement savings accounts.
- Fully restore adult dental care to Illinois Medicaid.
- Make jobs available to all who want to work by investing in subsidized and transitional jobs.

"50 Years Later: Report on Illinois Poverty" is available for download at www.ilpovertyreport.org.

For County Data, please visit www.ilpovertyreport.org

The report was developed by the Social IMPACT Research Center, a program of Heartland Alliance, with support from The Chicago Community Trust, Grand Victoria Foundation, and The Libra Foundation.

ABOUT US

The Social IMPACT Research Center at Heartland Alliance conducts applied research for nonprofits, foundations, advocacy groups, governments, coalitions, and the media to help them measure, inform and grow their social impact. IMPACT also regularly reports on key poverty trends to equip decision makers with sound data to inform public policy. For more information, visit: www.socialimpactresearchcenter.org or follow us on Twitter at <https://twitter.com/IMPACTHeartland> or like us on Facebook at <https://www.facebook.com/social.impact.research>.

Heartland Alliance – the leading anti-poverty organization in the Midwest – believes that all of us deserve the opportunity to improve our lives. Each year, we help ensure this opportunity for more than one million people around the world who are homeless, living in poverty, or seeking safety. Our policy efforts strengthen communities; our comprehensive services empower those we serve to rebuild and transform their lives. For more information, visit: www.heartlandalliance.org or follow us on Twitter at <https://twitter.com/heartlandhelps> or like us on Facebook at <https://www.facebook.com/heartlandalliance>.

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