

Many Families Work Hard But Struggle to Make Ends Meet

National report finds that Illinois has a mixed record among states in efforts to assist low-income working families

Illinois provides essential income relief but not educational support needed to get ahead

WASHINGTON (October 12, 2004) — Illinois is home to more than 300,000 working families that do not earn enough money to make ends meet, but many of the state's efforts to create opportunities for these families lag those of other states, a national report released today finds.

The report details the characteristics of the state's low-income workers and the economic conditions they face. Minority working families in Illinois, the report shows, are almost two and a half times more likely to be low-income than white working families. More than 10 percent of Illinois workers are not fully employed, a full 18 percent of the state's jobs pay below the federal poverty threshold and the state's unemployment insurance system provides benefits to less than half of all unemployed workers.

The report also shows that Illinois falls short of most states in its commitment to education for working adults and in the availability of affordable housing. At the same time, the report makes clear that Illinois has taken important steps to assist low-income working families, being one of only six states that has both raised the minimum wage above the federal standard and adopted a state Earned Income Tax Credit for low- and moderate-income families.

The report, "Working Hard, Falling Short: America's Working Families and the Pursuit of Economic Security," provides a groundbreaking new look at the nation's low-income working families and the efforts of state governments to help them develop financial security.

The report concludes that the federal government must lead a broad effort to address the problems confronting these families. State policy-makers must also improve initiatives such as need-based college grants, job training and subsidized child care.

Using a wide range of data to analyze state efforts on behalf of low-income working families, the report shows that Illinois has a mixed record.

- Illinois ranks 40th from the top among the states in the percentage of working families without a high school diploma or GED;
- Illinois ranks 33rd in the amount of state resources committed to adult education and literacy per adult without high school diploma or GED and 32nd in the percentage of the state's unemployed adults entering federally-funded job training;
- More than 55 percent of low-income working families in Illinois exceed a basic rule of thumb by paying more than one-third of their income to housing, ranking the state 37th in the country.
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- The report cites Illinois' Critical Skills Shortages Initiative as an innovative approach to linking workforce and economic development strategies and for its creative usage of

federal Workforce Investment Act funds.

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- "Illinois has a large number of low-income families that are working hard but still struggling to cover basic costs," said Whitney Smith, associate director of the Chicago Jobs Council. "Without strong state investments in adult education, job training, college aid, and affordable housing, these families' futures are bleak. Unfortunately, investments will not be possible without a commitment by political leaders to fix Illinois' broken revenue system. We can and should do more to create opportunities for low-income workers and their families."
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- The findings of the national report are consistent with those in a 2004 report produced by Women Employed and the Chicago Jobs Council, "Making the Pieces Fit: A Plan for Ensuring a Prosperous Illinois," which highlighted the conditions and challenges facing low-income working families in Illinois. Both reports were produced as part of the Working Poor Families Project. Supported by the Annie E. Casey, Ford, and Rockefeller Foundations, the Project spotlights issues confronting low-income working families and recommends policy changes to improve their economic standing.
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- To date, the Project has released reports on low-income working families in nine states, including Illinois, and will issue six more this year. Information on the Project and copies of the state reports are available at www.aecf.org/initiatives/jobsinitiative/workingpoor.htm. The views expressed in "Working Hard, Falling Short" are those of the authors and do not necessarily reflect those of the supporting foundations.
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- For more information on Illinois's low-income working families and the state's efforts to help them develop economic security, contact Whitney Smith of the Chicago Jobs Council, at 312-252-0466 and/or visit www.cjc.net.
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For more information on the national report, contact Ed Hatcher of The Hatcher Group, 301-656-0348.