

New Report Provides Cash-Strapped State Lawmakers Roadmap to a More Prosperous Illinois

Advocates say Illinois not prepared to meet employers' workforce demands or residents' education needs

CHICAGO (February 17, 2004) – Illinois' economic future is inextricably linked to the prosperity of the state's working families but nearly one-quarter are in low-wage jobs and many have not attained the educational credentials that employers demand, according to a new report by two of the state's leading advocacy organizations. In advance of Governor Blagojevich's state budget address, Women Employed and the Chicago Jobs Council (CJC) released *Making the Pieces Fit: A Plan for Ensuring a Prosperous Illinois*. The comprehensive analysis of the state's workforce and economic outcomes provides the Governor and the General Assembly a roadmap for investing limited resources to produce the greatest returns for Illinois families and the state's economy.

The report illustrates why prosperity is elusive for working families and Illinois. According to the report:

- Illinois is not prepared to meet employers' workforce demands. By 2006, nearly two-thirds of all entry-level jobs in the U.S. will require workers to have some education beyond high school. By 2013, more than 80% of the 23 million new jobs will require some postsecondary education. But nearly half of Illinois residents have substandard literacy skills, posing a significant hurdle to educational attainment. Nearly 750,000 working-age Illinoisans (25-54) do not have a high school diploma or equivalent. And, Illinois ranks below average when compared to the nation and other Midwestern states in the percentage of 25 to 34 year olds with some college education.

"We can make prosperity a reality for all Illinoisans by strengthening the state's educational record," said Anne Ladky, Women Employed Executive Director who is a member of the Illinois Workforce Investment Board. "We need to increase residents' literacy levels, high-school credentials and postsecondary achievements if we are going to resolve the current mismatch between people's skills and employers' needs."

The report also documents income disparity that translates into lost state revenue. The report shows:

- Differences in education mirror earnings. In Illinois, nearly 100,000 working families live in poverty. Nearly 350,000 working families do not earn family-supporting wages. The most affluent families in Illinois have 8.6 times the income of the least affluent families —ranking Illinois 45th in the nation for income parity. This year, if all ethnic groups in Illinois had the same educational and earning attainments as whites, total personal income would be \$12.9 billion higher and the state would realize an estimated \$4.5 billion in additional tax revenue.

"Given the current economic and state budget crisis, Illinois can not afford to lose out on the revenue generated when more families prosper," said Bob Wordlaw, CJC Executive Director who served on the Governor's Transition Team's Labor Committee. "If Illinois makes more effective workforce investments, and better aligns education and training, the pay-off is considerable: more working families achieve economic independence, the state expands its tax base, and employers have access to a skilled workforce."

CJC's Illinois 2003 Workforce and Economic Development report illustrates that the state has not allocated enough of its workforce investments into building workers' vocational skills. Advocates are watching for new state investments, including budget allocations for Job Training and Economic Development (JTED) program that links local industries' workforce needs with community residents' training and employment needs. The preliminary state budget maintains JTED at a 50% decrease from historic funding levels.

Additionally, the report details Illinois' challenges in education and training:

- Students are unprepared for education and training. Nearly half of Illinois adults have literacy skills below that of average high school graduates. Last year, 94,637 community college students did not have sufficient basic skills they needed for college work and enrolled in remedial courses.
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- Education and training enrollment patterns need to improve. Among Illinois adults without a high-school credential, only 11 % are enrolled in adult education and less than 1% is engaged in vocational training under the Workforce Investment Act (WIA), the nation's primary employment program. Only one in six welfare recipients are engaged in education or training through Illinois' Temporary Assistance for Needy Families (TANF) program. When it comes to postsecondary education, only one-third of young adults (18-24) are enrolled in higher education.
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- Increasing unmet need for financial aid restricts access to postsecondary education and training. Illinois lost its leadership position in college financial aid when it made cuts in the Monetary Award Program (MAP) grant. Last year, there was 175% increase in the total number of students who did not receive grants. Also, Illinois eliminated the use of general funds to support associate and bachelor's degrees for inmates, and limited its resources for adult basic education and vocational training in state prisons. Again, Illinois is missing valuable opportunities: when ex-offenders work the state yields economic gains as well as social benefits as re-incarceration rates drop.

To move Illinois in a more prosperous direction, Women Employed and CJC recommend that state policymakers meet demand for need-based financial aid, and:

- Integrate adult and vocational education. Programs that teach basic literacy, math and language skills in a vocational skills training context — often referred to as bridge programs — produce greater educational and employment outcomes for adult students.
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- Improve performance accountability. The only way the state can know if postsecondary education and vocational training prepares students for good jobs is to track and

regularly report postgraduate earnings.

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- Link education and training to economic development. The skills mismatch between employers and jobseekers can be resolved with short-term non-credit courses that can quickly advance workers and low-skilled adults into high demand jobs.
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- Leverage federal program dollars to build skills. Illinois spent less than 20% of WIA funds on training. Local areas should use WIA and TANF funds to bridge people with limited skills into education or training that lead to career-path jobs.

To research the report, Women Employed and CJC used a methodology developed through "The Working Poor Families Project" supported by the Annie E. Casey Foundation and the Ford Foundation, and assessed Illinois workforce and education outcomes against more than 100 data, policy and performance indicators. The Making the Pieces Fit report and supporting data are available at www.womenemployed.org and www.cjc.net.

Women Employed (WE) is one of the nation's foremost advocates for women's economic advancement. Since its founding in 1973, the organization has won historic changes in public and private sector policies that have expanded women's opportunities and improved workplaces throughout the country. Women Employed has two main goals: to create pathways to good jobs for low-income people and to ensure equal employment opportunity and fair workplace practices. The organization promotes changes in both government and business practices and develops innovative programs to overcome employment barriers.

The Chicago Jobs Council (CJC) is an organization that works with its members to ensure access to employment and career advancement opportunities for people in poverty. Founded in 1981, CJC has grown to include a diverse array of community-based organizations, civic groups, businesses and individuals. A respected collective voice on anti-poverty issues, CJC advances advocacy, research, public education and capacity-building initiatives that have reformed public policies and influenced workforce, welfare and economic development programs to better serve low-skilled job seekers and low-income families.