



2008 Report on Illinois Poverty: Chicago Area Snapshot

Chicago Area Poverty

During a period when they were widely thought to have flourished economically, the Chicago suburbs over the past 25 years have recorded dramatic increases in poverty. Since 1980, the suburban counties have experienced a 114.5 percent increase in the number of people living in poverty. Now, over 400,000 suburban residents and over 570,000 Chicagoans live below the poverty line.

Living in poverty today in the Chicago region may be more difficult in some respects than it was in 1980. Rising costs of basic necessities such as housing, health care, food, and energy have further eroded the purchasing power of people in poverty as the poverty line has failed to keep pace with inflation. While the standard of living for some has been elevated since 1980, people who are poor have seen limited gains.

This Chicago Area Snapshot is generously funded by *The Chicago Community Trust* as The Trust investigates poverty and more effective solutions to combat it.

What is Poverty?

Income poverty is defined by the federal government using food cost as a basis. Each year, a monetary threshold - commonly called the federal poverty line (FPL) - is set, and families as well as the individuals who comprise those families are considered poor if their family income falls below the threshold for their family size.

2008 Federal Poverty Guidelines

1	\$10,400
2	\$14,000
3	\$17,600
4	\$21,200
5	\$24,800

Geography Notes

Throughout this Snapshot, Chicago refers to the City of Chicago, Suburban Cook refers to Cook County without Chicago, and Collar Counties refers to DuPage, Kane, Lake, McHenry, and Will Counties.

For poverty and income data for each county, see page 7.



Poverty is a growing problem in the Chicago region. Poverty is no longer just a city of Chicago issue; while poverty rates in the city are still higher than in the rest of the region, trends have shifted, and the suburban counties are driving poverty growth in the Chicago six-county area.

Poverty by the Numbers From 1980 to 2006

In Chicago:

- The population **declined by 5.7%**, and the number of people in poverty **decreased by 5.0%**.
- The **poverty rate increased slightly** from 20.3% to 21.2%.
- Today **571,313** people are poor.

In Suburban Cook County:

- While the population **increased by 9.2%**, the number of people in poverty **increased by 116.3%**.
- The **poverty rate nearly doubled**, increasing from 4.7% to 9.0%.
- Today **225,535** people are poor.

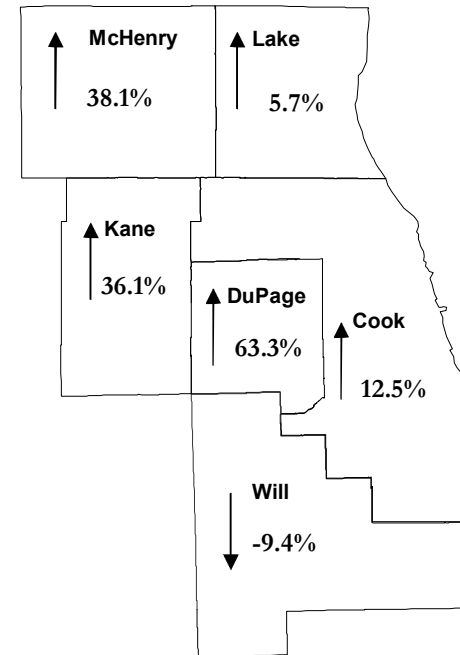
In the Collar Counties:

- While the population **increased by 68.7%**, the number of people in poverty **increased by 112.4%**.
- The **poverty rate rose** from 4.7% to 5.9%, an increase of 25.5%.
- Today **180,472** people are poor.

The suburban counties now account for
41.5% of the region's poor population

up from **23.9%** in 1980.

Percent Poverty Rate Growth in the Chicago Region 1980-2006

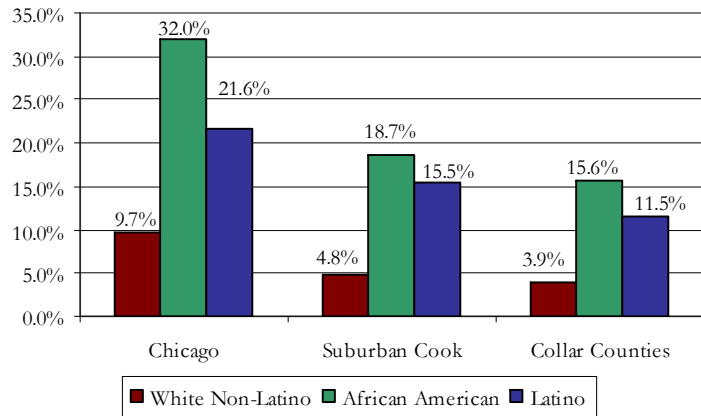


In addition to the 977,320 people in the Chicago region who are poor, **1.2 million people are at risk of experiencing poverty**. These individuals, often called low income, have family incomes that fall between the official poverty line and twice the poverty line – meaning their low incomes make it difficult for them to meet their families' basic needs. This leaves them dangerously close to the edge of poverty, where just one negative event can push them into poverty.

Poverty in the Chicago region spans racial, ethnic, age, gender, familial, and geographic boundaries. No group is immune and no county or city is without hardship. However, certain groups are disproportionately vulnerable to experiencing poverty.

An enduring legacy of racism and discrimination has left many minorities with **higher poverty rates** than White non-Latinos.

Poverty Rates by Race/Ethnicity, 2006



In the Chicago region, nearly **177,000 individuals with a disability** are in poverty. The poverty rate for people with a disability is 19.6%, **much higher** than the 10.2% poverty rate for individuals without a disability.

While women have higher rates of poverty than men, **suburban men have experienced greater growth** in poverty rates than men.

Percent Change in Poverty Rates by Gender, 1990-2006

	Chicago	Suburban Cook	Collar Counties
Men	↓ 4.2%	↑ 82.9%	↑ 40.0%
Women	↓ 3.0%	↑ 50.0%	↑ 24.0%

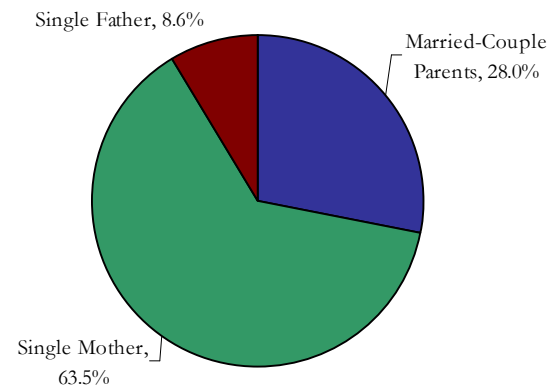
Child poverty has grown substantially in the Chicago suburban counties since 1990.

The child poverty rate ...

- **Declined by 7.4%** in Chicago
- **Rose by 78.4%** in Suburban Cook County
- **Rose by 31.0%** in the Collar Counties

As the cost of basic goods continues to rise, families of all types are finding it difficult to meet their basic needs. However, **families without a potential second wage earner are particularly hard hit by poverty.**

Chicago Region Poor Families, by Family Type, 2006



Immigrants in the Chicago region have **relatively little affect** on the poverty rate, raising it by only two tenths of a percentage point.

Poverty rate of Non-Immigrants	11.6%
Poverty rate of General Population (Non Immigrants and Immigrants)	11.8%

The changing nature of the job market has resulted declining earnings and incomes and the erosion of work as a safeguard against poverty.

Being employed is **no guarantee against poverty** in the Chicago region.

- Over **56,000 people who work full time, year round** still fall below the poverty line.
- Nearly **210,000 people working part time or part of the year** still fall below the poverty line.

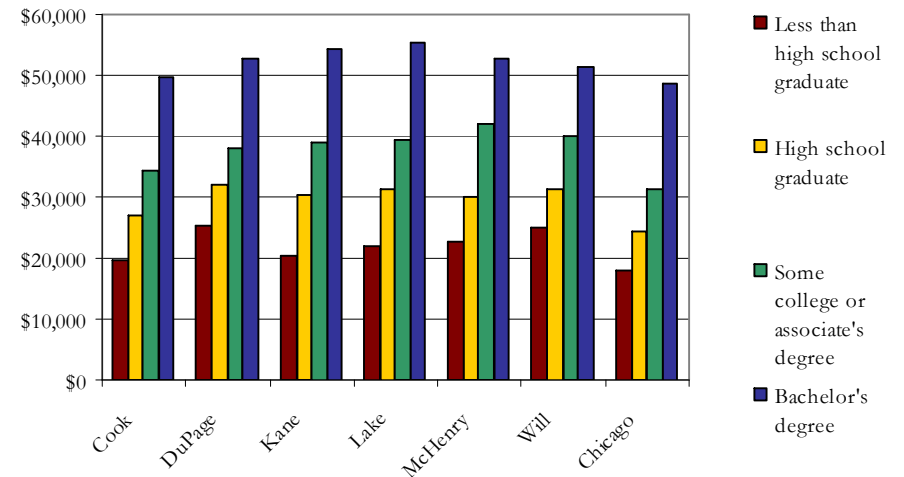
The shift in Illinois' economy has played out negatively for many workers in the Chicago region. In the past 6 years, median household income and median annual earnings both **declined in Chicago and in each county in the Chicago region.**

Change from 2000 to 2006 (in 2006 dollars)

	Median Annual Household Income	Median Annual Earnings
<i>Cook</i>	-\$4,877	-\$1,737
<i>DuPage</i>	-\$8,470	-\$4,179
<i>Kane</i>	-\$8,077	-\$3,302
<i>Lake</i>	-\$5,871	-\$3,272
<i>McHenry</i>	-\$6,498	-\$4,617
<i>Will</i>	-\$2,495	-\$3,889
<i>Chicago</i>	-\$3,515	-\$2,306

Today meaningful job opportunities that pay family sustaining wages are **increasingly difficult to find without education past high school.**

Median Earnings by Educational Attainment, 2006



One third of all jobs in Northeastern Illinois,

which includes the Chicago region as well as Grundy, Kendall, and Kankakee Counties,

are low-wage service jobs.

The problem of poverty encompasses a host of interconnected areas including education, employment, health, housing, nutrition, basic necessities, and assets. Addressing poverty requires a holistic approach that recognizes that efforts in one area cannot fully succeed without efforts in the rest.

Education is a first step to staying out of poverty.

However, the public education systems in the Chicago area struggle to provide equal, quality education to students across the economic spectrum.

The city of Chicago has very low general and low-income high school graduation rates. **In each suburban county, the graduation rate for low-income students is substantially lower than the general graduation rate.**

Low-Income Students and Graduation Rates, 2006-2007 School Year

	Percent of Students who are Low Income	Low-Income Graduation Rate	General Graduation Rate
DuPage	12.9%	88.5%	95.5%
Kane	31.7%	76.9%	90.3%
Lake	22.3%	80.5%	90.0%
McHenry	12.0%	74.9%	93.3%
Will	21.8%	79.6%	88.5%
Chicago	85.0%	69.4%	66.6%
Suburban Cook	32.9%	80.4%	89.5%

Lack of health insurance coverage affects around **1.2 million people** in the Chicago region.

Over 1 out of every 4

non-senior Chicagoans are uninsured.

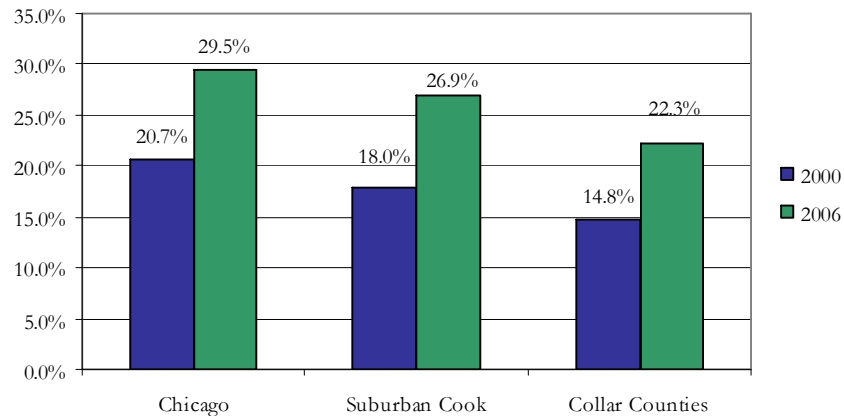
Over 1 out of every 8

non-senior suburban residents are uninsured.

Housing that is affordable to low-income households is in high demand but in short supply.

The percent of renter households paying over half their income on housing costs has risen substantially from 2000 to 2006, leaving less money for other basic necessities like food and clothing.

Percent of Renter Households Paying Over Half of Their Income on Housing Costs, 2000-2006



Having a solid asset base or sufficient savings is imperative to help families prevent entry into poverty

should a crisis, such as job loss, illness, or divorce, occur. When a family does not have sufficient net worth to subsist at the poverty level for 3 months, they are considered asset poor.

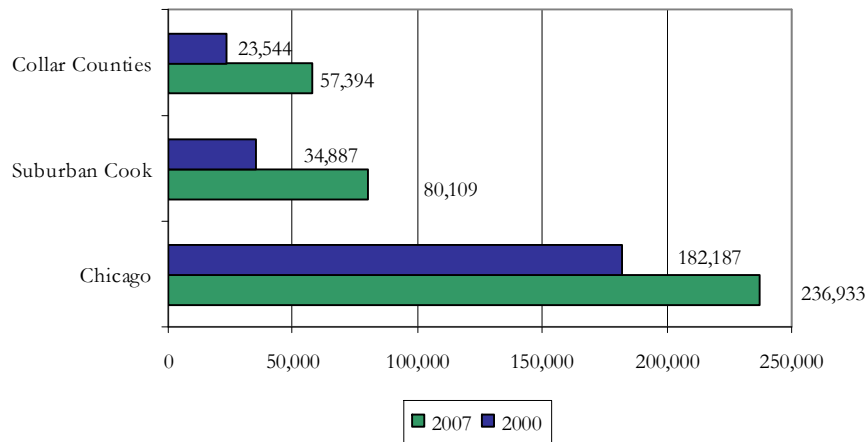
Asset Poverty Rates

Cook	29.2%	DuPage	14.7%
Kane	16.6%	Lake	15.5%
McHenry	16.6%	Will	14.2%

There are public programs that help families move from poverty to economic stability. These programs supplement workers' low wages by providing access to essentials such as housing, health care, food, and child care and are vital lifelines for thousands of families in the Chicago region.

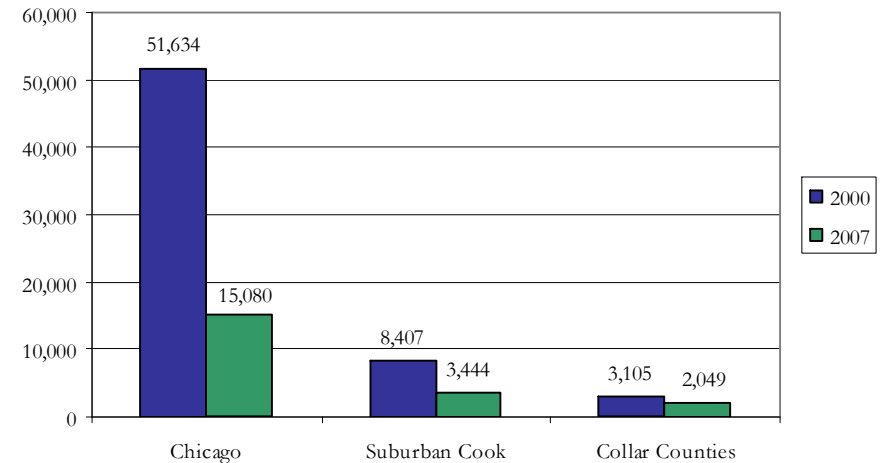
Growing numbers of families **are experiencing greater hardship** and as a consequence need more food assistance. The number of households in the Chicago region receiving Food Stamps to help pay for nutritious food has **risen substantially** since 2000.

Number of Households Receiving Food Stamps, 2000-2007



The **vast majority** of people who are poor do not receive welfare. The number of families receiving welfare cash grants in the Chicago region has **plummeted** since 2000. Welfare rolls declined by **77 percent** in Chicago, **69 percent** in Suburban Cook, and **46 percent** in the Collar Counties.

Welfare Cash Grants (TANF) Cases, 2000-2007



Cook County health services fill a critical gap for millions of residents, and the demand continues to grow:

- The network of County hospitals and clinics experienced an **increase of 200,000 visits** in 2005 alone.
- The number of prescriptions filled at the County **increased by 73%** between 2003 and 2005.

9 of the 12

Public Housing Authorities in the Chicago region that offer Housing Vouchers have **waiting lists that are closed**.

This means that people **cannot even sign up to wait in line** for housing assistance.

Poverty and Change Over Time, 1980-2006

	1980	2006	Percent	1980	2006	Percent
	Number	Number	Change	Rate	Rate	Change
<i>Illinois</i>	1,230,541	1,539,033	25.1%	11.0%	12.3%	11.8%
<i>Cook</i>	705,684	796,848	12.9%	13.6%	15.3%	12.5%
<i>DuPage</i>	19,818	44,494	124.5%	3.0%	4.9%	63.3%
<i>Kane</i>	16,718	40,498	142.2%	6.1%	8.3%	36.1%
<i>Lake</i>	21,891	38,752	77.0%	5.3%	5.6%	5.7%
<i>McHenry</i>	6,224	18,034	189.7%	4.2%	5.8%	38.1%
<i>Will</i>	20,317	38,694	90.5%	6.4%	5.8%	-9.4%
<i>Chicago</i>	601,410	571,313	-5.0%	20.3%	21.2%	4.4%
<i>Suburban Cook</i>	104,274	225,535	116.3%	4.7%	9.0%	91.5%

Individuals with Incomes between 100% and 200% FPL, 2006

	Number	Rate
<i>Illinois</i>	2,004,651	16.0%
<i>Cook</i>	929,989	17.9%
<i>DuPage</i>	89,390	9.8%
<i>Kane</i>	70,182	14.4%
<i>Lake</i>	79,784	11.5%
<i>McHenry</i>	29,833	9.6%
<i>Will</i>	68,304	10.3%
<i>Chicago</i>	561,241	20.8%
<i>Suburban Cook</i>	368,748	14.7%

Poverty by Race/Ethnicity, 2006

	Total	White, Non-Latino	African American	Latino
<i>Illinois</i>	12.3%	7.7%	28.0%	17.6%
<i>Cook</i>	15.3%	6.6%	28.0%	19.4%
<i>DuPage</i>	4.9%	3.1%	16.9%	9.2%
<i>Kane</i>	8.3%	4.4%	29.4%	13.9%
<i>Lake</i>	5.6%	4.0%	12.0%	10.5%
<i>McHenry</i>	5.8%	4.4%	N/A	17.1%
<i>Will</i>	5.8%	4.4%	11.6%	9.8%
<i>Chicago</i>	21.2%	9.7%	32.0%	21.6%
<i>Suburban Cook</i>	9.0%	4.8%	18.7%	15.5%

Child Poverty, 2006

	Number	Rate
<i>Illinois</i>	543,373	17.1%
<i>Cook</i>	298,617	22.3%
<i>DuPage</i>	13,673	5.8%
<i>Kane</i>	17,341	12.2%
<i>Lake</i>	14,319	7.3%
<i>McHenry</i>	5,970	7.2%
<i>Will</i>	12,836	7.1%
<i>Chicago</i>	209,729	31.4%
<i>Suburban Cook</i>	88,888	13.2%

Renter Households Paying Over Half Their Income Toward Housing Costs, 2000 and 2006

	2000		2006	
	Number	Rate	Number	Rate
<i>Illinois</i>	257,535	18.5%	349,291	26.3%
<i>Cook</i>	156,692	19.9%	199,954	28.7%
<i>DuPage</i>	10,357	14.0%	14,009	18.6%
<i>Kane</i>	4,711	15.5%	9,567	27.6%
<i>Lake</i>	7,027	16.0%	9,289	21.2%
<i>McHenry</i>	1,997	14.3%	4,172	25.7%
<i>Will</i>	3,848	14.6%	7,315	25.5%
<i>Chicago</i>	116,679	20.7%	142,881	29.5%
<i>Suburban Cook</i>	40,013	18.0%	57,073	26.9%

Extreme Poverty or Under 50% FPL, 2006

	Number	Rate
<i>Illinois</i>	685,970	5.5%
<i>Cook</i>	361,712	7.0%
<i>DuPage</i>	17,956	2.0%
<i>Kane</i>	19,867	4.1%
<i>Lake</i>	19,568	2.8%
<i>McHenry</i>	8,613	2.8%
<i>Will</i>	18,464	2.8%
<i>Chicago</i>	262,900	9.8%
<i>Suburban Cook</i>	98,812	3.9%

Data Notes for *Chicago Area Snapshot*

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Information from

U.S. Department of Health & Human Services. (2008). *The 2008 HHS Poverty Guidelines*. Retrieved March 8, 2008, from <http://aspe.hhs.gov/poverty/index.shtml>

Page 2

All data from

U.S. Census Bureau, 1980 Decennial Census and 2006 American Community Survey, calculation conducted by the Mid-America Institute on Poverty of Heartland Alliance.

Page 3

All data from

U.S. Census Bureau, 1990 Decennial Census and 2006 American Community Survey, calculation conducted by the Mid-America Institute on Poverty of Heartland Alliance.

Page 4

First three data points from

U.S. Census Bureau, 1990 & 2000 Decennial Census and 2006 American Community Survey, calculation conducted by the Mid-America Institute on Poverty of Heartland Alliance.

Low Wage Service Jobs data from

Center for Tax and Budget Accountability & Northern Illinois University. (2007). *The state of working Illinois*. Chicago & DeKalb, IL: Author.

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Education data from

Illinois State Board of Education. (n.d.). *2006-2007 State school report card*. Springfield, IL: Author.

Health insurance data from

Gilead Outreach & Referral Center. (2006, March). *Real people, real stories: A detailed description of Illinois' uninsured*. Chicago: Author. Note: For this analysis, collar counties also includes Kendall and Grundy.

Housing data from

U.S. Census Bureau, 2000 Decennial Census and 2006 American Community Survey, calculation conducted by the Mid-America Institute on Poverty of Heartland Alliance.

Asset poverty data from

Earned Assets Resource Network. (2004, December). *Local asset poverty index for Illinois*. San Francisco: Author.

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Food Stamp and Welfare Cash Grant data from

Illinois Department of Human Services, Bureau of Research & Analysis. (2007, December). *TANF, FHP, and Food Stamps cases and persons in metro area counties with estimated Chicago, September of each year 2000-2007*. On file with author.

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O'Donnell, H., & Martire, R. (2007, September). *Cook County's revenue system is structurally unable to support the public services it provides*. Chicago: Center for Tax and Budget Accountability.

Public Housing Waiting List data from

Mid-America Institute on Poverty of Heartland Alliance. (2007, January). *Not even a place in line 2007: Public housing & Housing Choice Voucher capacity and waiting lists in Illinois*. Chicago: Author. Updated by Author.

Page 7

All data from

U.S. Census Bureau, 2000 Decennial Census and 2006 American Community Survey, calculation conducted by the Mid-America Institute on Poverty of Heartland Alliance.

Note

All decennial census income and poverty data reflect prior calendar year.