

Report: Steep decline in Illinois workers' income

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The median income of families in the state of Illinois has declined by an astounding \$6,000, or 12 percent, since 1999, according to a recently issued report by Northern Illinois University and the Center for Tax and Budget Accountability in Chicago. Adjusted for inflation, the median family income in Illinois is approximately \$46,000. In real terms, the study shows that household incomes have declined to 1989 levels.

Only the state of Michigan—where the auto industry has stripped production down to unprecedented levels—has experienced a more drastic decline in median income, 19 percent since 1999. Indeed, according to the report, the sharp decline in the income level of Illinois workers is a byproduct of the decline in the manufacturing sector. New job growth since 1999 has occurred in the low-paid service sector. In Illinois, 222,500 manufacturing jobs have been lost since 1990.

Yet, while the decline in workers' income in the old manufacturing states of Illinois and Michigan is most striking, the entire nation, in fact, saw a decline in household income since 1999 of 4 percent, according to the study.

Median family income calculates the “statistical middle” of all households, making it a more accurate representation of social conditions than overall average income or GDP per capita. However, since the statistic takes into account thousands of households that earn more than, say, \$100,000 per year, it tends to somewhat conceal the actual erosion in income faced by working class families. The report demonstrates, however, that nearly all income growth has occurred in highly remunerated professions. The study further isolates for such factors as race, age, sex, and educational achievement, not surprisingly demonstrating that minorities, young workers, women and the least educated have experienced the sharpest decline.

The report reveals that more than 12 percent of the state's population and nearly 18 percent of its children live below the official poverty level, while almost one quarter, 23 percent, of all Illinois workers earned less than \$9.28 an hour. At full-time hours and year-round employment—a dubious prospect given the nature of most low-paid work—a job paid at \$9.28 an hour would result in an annual income of approximately \$19,310—less than the federal minimum poverty level for a family of four.

The statistical decline registered by the study suggests an immiseration of millions in the nation's sixth-most-populous state. Ralph Matire, director of the bipartisan Center for Tax and Budget Accountability, noted that even limited job growth, where it has occurred, has not interfered with the social trends identified in the report. According to Matire, “Absolutely all net new job growth in this state has been in lower-paying service jobs. Generally speaking, that means no health insurance benefits, no retirement, and working full-time for wages that pretty much cannot support a family of four.”

The report suggests that the trend will continue.

This protracted decline in the absolute earning power of Illinois' workers now proceeds under conditions in which prices are sharply climbing, including the cost of gas, fuel oil for heating homes, groceries and college tuition.

The report was the subject of a front-page article in the *Chicago Tribune* on November 17. Reporter Barbra Rose interviewed several Illinois workers, who offered a glimpse at the human face of this social tragedy:

“Albert Eddington, 59, who raised five children in the once prosperous factory town of Galesburg, Ill., is a case in point. ‘At one time Galesburg was one of the best places to work,’ he said, ticking off the names of

employers who have left town, including Maytag Corp., which began shutting down a refrigerator plant two years ago.

“Eddington, a lifelong factory worker, lost his \$15.60-per-hour Maytag job a year ago. Always before, he found another factory job, but not now. ‘They either offer part-time work or less than \$7 an hour, everywhere from filling stations to restaurants to grocery stores,’ he said. ‘You just have to put your chin up and keep going. I don’t really have any prospects now to speak of.’ ”

The study can be found online at <http://ctba.inspidered.com/home/home.html>.



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