

# Poverty rises sharply in Illinois

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New data released by the Census Bureau reveals that greater numbers of Illinois workers and unemployed are falling into poverty.

According to the American Community Survey, the number of people living below the federal poverty threshold in Illinois grew by approximately 150,000 between 2010 and 2011, increasing the poverty rate from 13.8 percent to 15 percent. Nearly 2 million people now live below the federal poverty line in the state. Seven hundred thousand more people live in poverty in Illinois than in 2000, when the rate stood at 10.7 percent; this marks an increase of more than 40 percent in little over a decade.

One should always bear in mind when examining such reports that the federal government's measure of poverty, which in 2011 was less than \$11,484 in yearly income for an individual or less than \$23,021 for a family of four, grossly underestimates the amount of money an individual or a family requires to secure basic necessities, such as food, housing and health care. If one were to examine those people living on less than 125 percent of the federal poverty limit, for example, the total number of Illinois residents increases by nearly 500,000 and encompasses almost 20 percent of the state's population. In fact, a 2012 study by the Iowa Policy Institute found that families with one parent and two children need at least \$42,540 a year in order to secure basic needs; in contrast, the Census Bureau sets the poverty threshold at a little over \$18,000 for the same size family.

As in the rest of the world, youth are among the most severely affected portions of the impoverished population in Illinois. The survey found that the number of people under the age of 18 living poverty grew by almost 60,000 between 2010 to 2011, bringing

the total to nearly 660,000. This increased the percentage of youth in poverty from 19.4 percent to 21.6 percent. Youth make up roughly 35 percent of all those living below the poverty line in Illinois.

Some areas of the state have suffered worse declines in living standards than others. In Chicago, the number of people living in poverty increased by 15,000 over between 2010 and 2011, bringing the total to more than 261,000. In Champaign County, where the University of Illinois is located, the poverty rate increased almost 4 percentage points between 2010 and 2011, from 21.3 percent to 24.9 percent. In Champaign itself, the rate was even higher, at 33 percent. The number of families in Champaign County living in poverty also increased, from 8.5 percent to nearly 11 percent.

Under these desperate financial conditions, families are relying more heavily upon social safety net programs. For example, the number of households relying upon food assistance, known as the Supplemental Nutrition Assistance Program (SNAP), grew by nearly 50,000 between 2010 to 2011, meaning that approximately 575,000 households relied upon the program last year. Despite the fact growing numbers of unemployed and impoverished families are relying upon food assistance, both the Democrats and Republicans are proposing huge cuts to the program, ranging anywhere from \$4 to \$16 billion over the next 10 years.

A significant portion of the new jobs being added since the recession began are in the low-wage sector. Sheldon Danzinger, a University of Michigan economist, told the *Chicago Tribune* that while better-paying jobs continue to disappear, "The low-paying sectors are growing. Service, retail, food. They don't pay very high wages. That's a reason why a lot of

working people are getting food stamps.”

In Chicago, the number of workers making \$25,000 to \$35,000 grew by 9,500 between 2010 and 2011, while the number of those making between \$75,000 to \$100,000 dropped by nearly 4,000. Over the last ten years the median household income in all of Illinois has dropped by almost \$10,000, from \$61,000 in 2000 to \$53,000 in 2011.

A report recently published by the Women Employed and Action Now Institute revealed that the demographic of Chicago’s low-wage workforce has changed to include more older workers with advanced degrees. The report showed that the proportion of workers aged 18 to 64 making \$12 an hour or less grew from 23.8 percent to 31.2 percent between 2001 and 2011, an increase of nearly 30 percent.

In addition, the proportion of households with a low-wage worker which depended solely upon that income rose from 45.7 percent to 56.7 percent. In other words, more families are relying entirely upon this income, as opposed to using it to supplement better paid work.

Amy Rynell, senior director of research and policy at the Heartland Alliance for Human Needs and Human Rights, told the *Alton Daily News* that although unemployment is certainly driving more people into poverty, many who do find jobs still aren’t making enough to make ends meet. “We have had wage stagnation and that’s a big one. There are something like 545,000 people in Illinois who are poor who are working.”

The Obama administration has attempted to offset the historic crisis of American capitalism with the creation of a large low-wage workforce. The president began this onslaught on the working class by slashing the wages of newly hired auto-workers by half. In the face of record long-term unemployment, the Obama administration has deliberately refused to implement any large-scale hiring program in order to enable American corporations to slash wages and force workers into accepting low-paid work.



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