

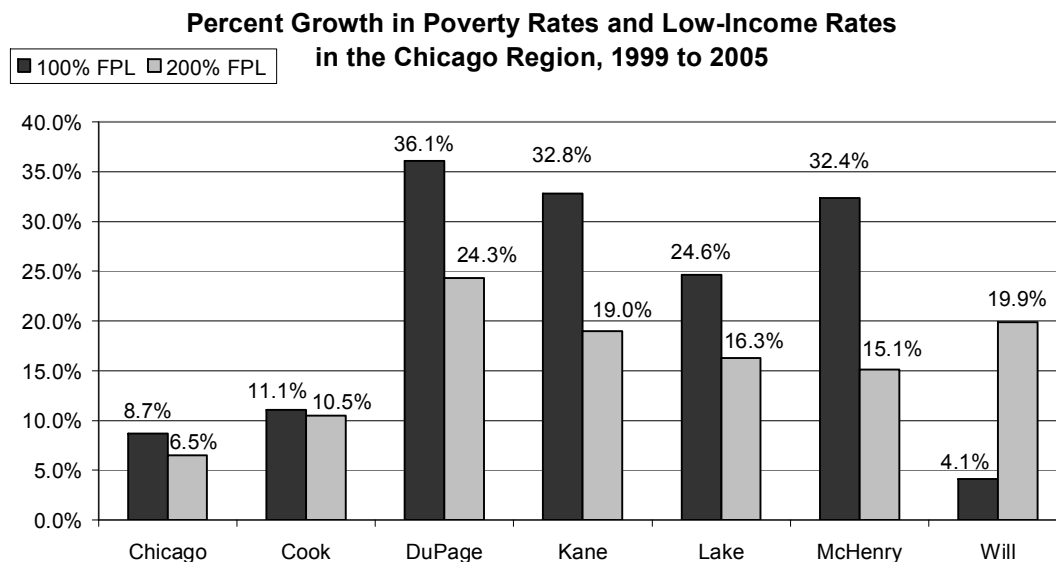
2007 Report on Illinois Poverty: Chicago Area Snapshot

The seventh annual *Report on Illinois Poverty* illustrates that there are many indications Illinois families are experiencing significant hardship. Over one third of Illinoisans in poverty are children, disparities in income and wealth are widening, young adults face significant obstacles to economic success, and hundreds of thousands of Illinoisans live in extreme poverty, with incomes below half the poverty line.

The story is no different in the Chicago region. Each of the six counties that comprise the Chicago region had higher poverty rates in 2005 than they did in 1999. Historically, poverty rates have always been higher in Chicago than in the surrounding region. While this is still true, recent data indicate that from 1999 to 2005, poverty growth in the region has been fueled not solely by Chicago, but also by the surrounding suburbs.

Poverty Rates and Numbers in 1999 and 2005		
	1999 ¹	2005 ²
Illinois	10.7% (1,291,958)	12.0% (1,483,873)
Chicago	19.6% (556,791)	21.3% (573,486)
Cook	13.5% (713,040)	15.0% (777,089)
DuPage	3.6% (32,163)	4.9% (44,921)
Kane	6.7% (26,587)	8.9% (42,161)
Lake	5.7% (35,714)	7.1% (48,360)
McHenry	3.7% (9,446)	4.9% (14,906)
Will	4.9% (24,225)	5.1% (32,502)

While the City of Chicago, Cook, DuPage, Kane, Lake, McHenry, and Will counties have all experienced growing poverty, the collar counties experienced significantly greater growth in poverty rates and low-income rates than Chicago or Cook County.³



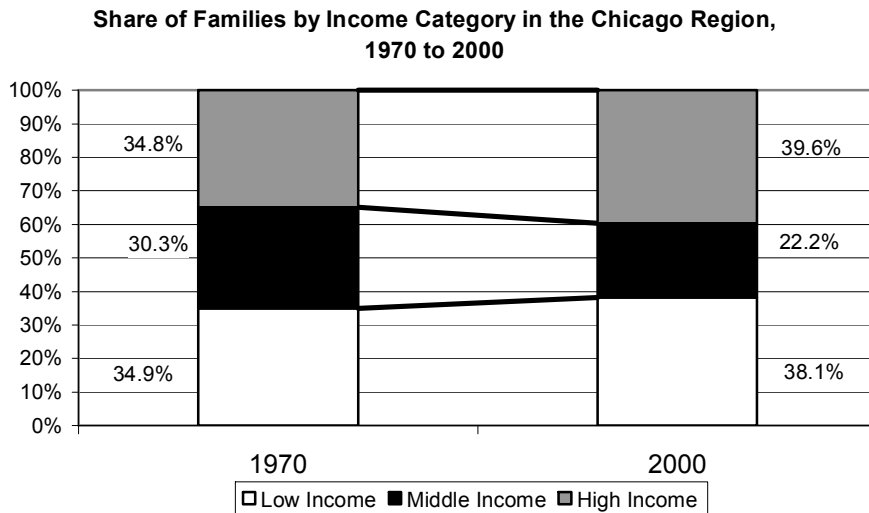
The following pages highlight other indicators of hardship in Chicago and the surrounding counties. The growth in poverty across the board paired with the loss of good paying jobs, troublesome inequalities, declining incomes, and rising costs, indicate that far too many Chicago area families are struggling to get by.

Note: Low-income rates refer to the percent of people living below twice the poverty line or 200% Federal Poverty Level (FPL). For more information on poverty definitions, see page 5.

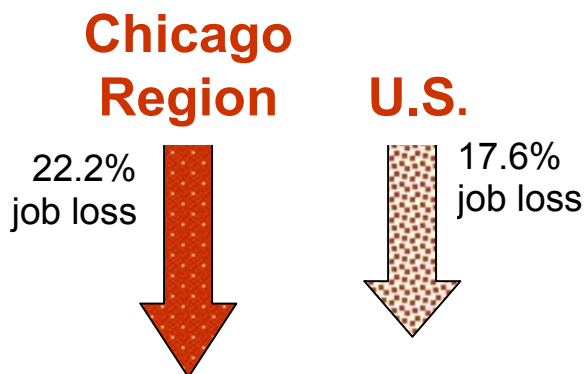
Income & Poverty

The Chicago region struggles with a shrinking middle class, and loss of manufacturing jobs, as well as concentrated and extreme poverty.

The proportion of middle-income families dropped while the share of low-income and high-income families grew in the Chicago region from 1970 to 2000.⁴



The Chicago region was hit harder by manufacturing job loss than the nation as a whole from 2000 to 2005.⁵



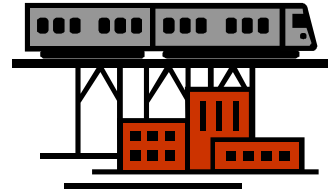
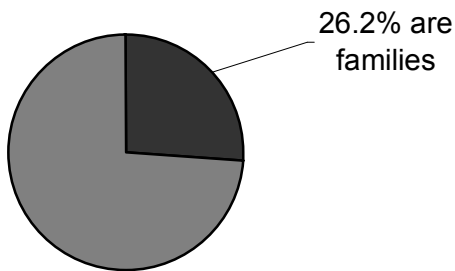
436,270 Chicago region residents live in extreme poverty, meaning their annual income is **less than half the poverty line.**⁶

The City of Chicago has **110** high poverty-concentrated areas (as defined by census tracts) meaning over 40% of residents in those areas are poor.⁷

Housing & Transportation

Rising housing and transportation costs have created hardship for many Chicago region families.

Families comprise **over a quarter** of the City of Chicago's homeless population.⁸



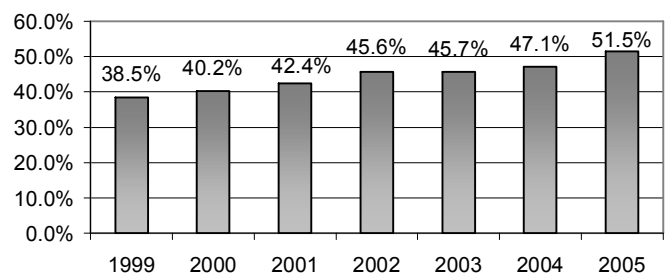
City of Chicago households spend on average

\$4,800 less per year on transportation costs than their suburban counterparts.⁹

Overall foreclosure starts on sub-prime loans have **increased 858%** in the City of Chicago since 1993.¹⁰

A growing proportion of Chicago region renter households are rent-burdened, meaning they pay more than 30% of their income toward housing costs.¹²

Proportion of Chicago Region Renter Households that are Rent-Burdened 1999-2005



Working families in the Chicago region earning between \$20,000 and \$50,000 annually, **spend an average of 55% of their budget on housing and transportation costs.**¹¹

Health & Education

Chicago region youth and families continue to face challenges in meeting their health, nutrition, and education needs.

Male Chicago Public School students have significantly lower graduation rates than female students.¹³

GRADUATION RATES
2005-2006 SCHOOL YEAR

Female Grad Rate 79.4%

Male Grad Rate 67.7%

Teen birth rates rose

in Cook, DuPage, Kane, McHenry, and Will Counties and remained unchanged in Lake County from 2003 to 2004.¹⁵

23,881 households a month

on average sought food through the Northern Illinois Food Bank's network of food pantries in **DuPage, Kane, Lake, McHenry, and Will** Counties in 2006.¹⁶

Of Chicago Public School graduates who attend 4-year colleges immediately after high school

only 35% graduate college within 6 years.¹⁴

Each year, close to **500,000 people** rely on emergency and supplemental food provided by the Greater Chicago Food Depository.¹⁷



Poverty Definitions

Four definitions of poverty are instructive for an analysis of well-being in the Chicago region.

Income Poverty: as defined by the federal government using food cost as a basis. There are two slightly different versions of the federal poverty measure: the poverty thresholds and the poverty guidelines.

The *poverty thresholds* are the original version of the federal poverty measure. They are updated each year by the Census Bureau and are used mainly for statistical purposes – for instance, preparing estimates of the number of Americans in poverty each year.

The *poverty guidelines*, also called the Federal Poverty Level (FPL), are the other version of the poverty measure. They are issued annually in the Federal Register by the Department of Health and Human Services and are a simplification of the poverty thresholds used for administrative purposes – for instance, determining financial eligibility for certain federal programs.¹⁸

Federal Poverty Guidelines, or 100% FPL ¹⁹				
Size of family unit	2007 poverty guidelines	2006 poverty guidelines	2005 poverty guidelines	2004 poverty guidelines
1	\$ 10,210	\$ 9,800	\$ 9,570	\$ 9,310
2	13,690	13,200	12,830	12,490
3	17,170	16,600	16,090	15,670
4	20,650	20,000	19,350	18,850
5	24,130	23,400	22,610	22,030
6	27,610	26,800	25,870	25,210
7	31,090	30,200	29,130	28,390
8	34,570	33,600	32,390	31,570

Deep or Extreme Poverty: defined as those people living below 50% of the federal poverty threshold.

Low-Income or Near Poor: as experienced by people living below 200% of the poverty threshold who often have trouble meeting their basic needs due to skyrocketing costs (e.g., rent, childcare, health insurance).

Asset Poverty: defined as households without sufficient net worth to subsist at the poverty level for 3 months²⁰ – so that a crisis (such as job loss, illness, or divorce) can push a household into poverty or homelessness.

Chicago Region Poverty Summary

For more data by county, definitions, and explanations of data sources, refer to the Appendix of the *2007 Report on Illinois Poverty*.

	Median Household Income ²¹		Child Poverty ²²		Number of Households Receiving Food Stamps ²³	Wage needed to afford 2BR FMR ²⁴	Extreme Poverty ²⁵	
	1999	2005	1999	2005	2005	2006	1999	2005
Chicago	\$45,279	\$41,015	28.5%	30.8%	131,666	n/a	10.1%	9.7%
Cook	\$53,833	\$48,950	19.3%	21.3%	173,538	\$17.98	6.8%	6.9%
DuPage	\$79,582	\$70,560	4.1%	5.5%	7,923	\$17.98	1.8%	1.9%
Kane	\$69,575	\$63,317	9.1%	11.5%	7,527	\$17.98	2.9%	3.6%
Lake	\$78,510	\$68,744	7.2%	9.1%	8,606	\$17.98	2.4%	3.0%
McHenry	\$75,994	\$70,908	4.2%	6.3%	2,979	\$17.98	1.7%	2.7%
Will	\$72,960	\$68,414	5.9%	6.0%	8,707	\$17.98	2.4%	2.2%
Illinois	\$54,616	\$50,260	14.3%	16.4%	358,607	\$15.95	5.1%	5.5%

1 U.S. Census Bureau, Decennial Census 2000.

2 U.S. Census Bureau, American Community Survey 2005.

3 U.S. Census Bureau, Decennial Census 2000 and American Community Survey 2005, calculation conducted by the Mid-America Institute on Poverty of Heartland Alliance.

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21 U.S. Census Bureau, Decennial Census 2000 and American Community Survey 2005, calculation conducted by the Mid-America Institute on Poverty of Heartland Alliance.

22 U.S. Census Bureau, Decennial Census 2000 and American Community Survey 2005, calculation conducted by the Mid-America Institute on Poverty of Heartland Alliance.

23 U.S. Census Bureau, American Community Survey 2005.

24 National Low Income Housing Coalition. (2006). *Out of reach 2006*. Washington DC: Author.

25 U.S. Census Bureau, Decennial Census 2000 and American Community Survey 2005.

The Illinois Poverty Summit is an initiative of Heartland Alliance for Human Needs & Human Rights.

This report can be downloaded from <http://www.heartlandalliance.org/maip/research.html>

