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New Report Shows High Cost of Being Poor in Illinois
Anti-Poverty Programs Help Alleviate Costs; State Budget Crisis Continues to Loom Large

SPRINGFIELD (IL)—Despite recent U.S. Census Bureau data showing reductions in the poverty rate and increases in household median income, 1.7 million Illinois residents still face triple jeopardy in today’s economy. Not only do they live below the poverty line, they also face high costs in areas such as rent, food, child care and predatory lending, and continue to disproportionately shoulder the heavy burden of the Illinois state budget crisis.

Those are the findings of *The High Cost of Being Poor in Illinois*, a new report released today by a broad coalition of groups including the Chicago Jobs Council, Heartland Alliance, Illinois Association of Community Action Agencies, Illinois Hunger Coalition, the Sargent Shriver National Center on Poverty Law and the Coalition on Human Needs. Among the report’s highlights:

- 59 percent of Illinois’ households with annual incomes below $20,000 spend more than half of their income on rent alone.

- Child care accounts for another exorbitant expense. The average cost in Illinois for an infant in a child care center is nearly $13,000 a year; for an infant and a four-year-old, it’s more than $22,500. A family at the poverty line with an infant and toddler in child care would have to spend 93 percent of its income on child care, if paying the state average cost. Without a subsidy, low-income families have no choice but to make cheaper and often less reliable arrangements.

- Illinois was one of only eight states where income inequality grew between 2014 and 2015.
Wide racial and ethnic disparities persist by nearly every measure. In 2015, for example, African American Illinoisans were more than 3 times as likely to be living in poverty as whites. Latinos were more than twice as likely to experience poverty as their white counterparts.

Anti-poverty programs help many. Programs such as low-income refundable tax credits, SNAP, free or reduced-price school lunch and child care subsidies have helped lift tens of millions of Americans out of poverty, including nearly one million Illinois residents. But many anti-poverty programs don’t reach many who are eligible and other programs would do more good if their benefits were higher or if more people were eligible.

And the ongoing state budget crisis, which has already caused over one million people to lose social services, continues to pose a particular threat to poor and low-income Illinoisans, undermining programs that are key to strong quality of life and upward mobility.

“Poor and low-income Illinoisans are the ones paying the highest price for the state budget crisis,” said Dan Lesser, Director of Economic Justice at the Sargent Shriver National Center on Poverty Law. “The budget crisis is undermining programs that keep homeless youth off the streets, make it possible for low-income students to attend college, and ensure homebound seniors don’t go hungry. This report underscores the urgent need for Illinois lawmakers to pass a fully-funded, year-long budget.”

“The increase in income inequality and the persistence of racial disparities in 2015 tell us that Illinois is leaving low-income families and communities of color behind,” said Sam Tuttle, Director of Policy at Heartland Alliance. “We should be making targeted efforts to dismantle the policies and practices that perpetuate racial inequity and income inequality – not cutting the programs that help address these disparities, as has been Illinois’ approach as of late.”

“It is good news that the poverty rate is down, median household income is up, and more Americans are finally benefitting from an improved economy, coupled with federal programs that increase income or reduce expenses,” said Deborah Weinstein, Executive Director of the Coalition on Human Needs. “But the more troubling news is that the poor and near-poor live in a precarious situation. The simple fact is, it is expensive to be poor in Illinois.”

The High Cost of Being Poor in Illinois found many ways in which it is expensive to be poor: rents consuming huge proportions of income, higher food prices because of lack of access to markets, late fees for unpaid rent and evictions, poor housing conditions leading to health issues, which in turn lead to missed days of school or work; lack of paid sick days, paid leave, and unpredictable work schedules; and predatory lending practices such as pay day lending.

The report includes recommendations for reducing poverty further for the 1.7 million adults and children who live at or below the poverty line in Illinois. These recommendations include passing a year-long, fully funded state budget; increasing federal funding for housing and child care subsidies; expanding the Earned Income Tax Credit and Child Tax Credit; increasing SNAP benefits and improving child nutrition programs while reauthorizing them; a strong rule finalized from the Consumer Financial Protection Bureau to stop predatory lending; and raising the minimum wage and helping workers get more paid hours through paid sick leave and more predictable hours.


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The High Cost of Being Poor in Illinois was prepared by the Sargent Shriver National Center on Poverty Law, Illinois Hunger Coalition, Heartland Alliance, Chicago Jobs Council, Illinois Association of Community Action Agencies and the Coalition on Human Needs.

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