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For more information

Ambar Mentor
Valerie Denney Communications
Ph: 312-408-2580 ext. 25-Ambar
Ph: 773-343-1481-Ambar's cell

Paul Kleppner or Matt Eskew
Northern Illinois University
Ph: 815-758-0780-Paul
Ph: 815-762-5964-Matt

Ralph Martire
Center for Tax and Budget Accountability
Ph: 312-332-1049

**RESEARCH
TEAM**

Center for Tax and
Budget Accountability

Regional Development
Institute and Office for
Social Policy
Research, Northern
Illinois University

Illinois Department of
Employment Security

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Women Employed

Work, Welfare, and
Families

**ILLINOIS EMPLOYMENT GROWTH HIGHEST IN 10 YEARS,
EXCEEDS MIDWEST, NATIONAL AVERAGES**

Incomes Increase Only Slightly

(CHICAGO)—Illinois employment growth is at its highest rate in 10 years, according to new *State of Working Illinois 2006* report released today. From 2005 to 2006, the state's total employment increased by more than two percent, exceeding national and Midwestern rates. The number of employed grew by more than 135,000, the largest job expansion recorded in the state since 1994.

As a result of this growth, the number of unemployed in Illinois dropped by more than 68,000—continuing a decline that began in 2003. And the state's unemployment rate fell by 1.1 percent between 2005 and 2006, the second-largest drop in the nation.

The report also notes that after a sharp decline in early years of the decade, 2005 median household income showed a modest gain of \$775, outpacing national growth. However, the current income level (\$48,398) lags just more than 10 percent below Illinois' peak in 1999.

Despite these employment gains and the slight increase in median income in the last year, Illinois continues to see an overall loss in higher-paying jobs, according to the report. The study finds that from 2005 to 2006 the state lost a total of 10,900 jobs from its highest paying sectors: manufacturing and information.

While these higher-earning jobs have been disappearing, jobs in the service sector have been created to replace them. In the past year, the state added another 64,400 service-sector jobs, which represented a 2.2 percent rate of growth. This growth rate exceeded the national (1.9 percent) and Midwestern (1.8 percent) rates. Out of the 64,400 new service sector jobs, the top two industries of growth were in professional and business services and leisure and hospitality.

Overall, more than 55 percent of the new service-sector jobs earn high-wages. However, the report notes that the job shift greatly impacts Illinois' pocketbooks as the four fastest-growing service industries in 2006 had a weighted weekly average wage of \$524.18—20 percent lower than the average manufacturing wage (\$659.66).

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“Illinois continues to see ups and downs in its employment health. While the service sector growth is having a definite impact on job development, the decline of job quality, pay and benefits from the exodus of the state’s traditional industries has begun to take a toll on Illinois working families,” says Paul Kleppner, one of the main researchers from the Office for Social Policy Research at Northern Illinois University. “Illinois needs to prepare for the long-term effects of this job shift as it will impact everything from worker development and training to the state’s fiscal health and demand for public services.”

The *State of Working Illinois 2006* also reviews for the first time how Illinois compares with the nation and Midwest in key employment areas:

- **Women represent a smaller share of their labor force in Illinois, than they do in neighboring Midwest states.** The proportion of women in the Illinois workforce declined from a high of 47 percent in 2002 to 46.2 percent in 2005.
- **Illinois minority workers sharply outnumber their counterparts throughout the region.** In 2005, the 28 percent of minorities in the state’s workforce was 10.3 percentage points higher than the Midwest average and only slightly below the national level. The main driver of greater workforce diversity in Illinois has been the growing Hispanic population, whose share of the workforce has more than tripled since 1980.
- **Illinois’ workforce has also gained higher education over time.** By 2005, most Illinois workers had some post-secondary education (62 percent) and nearly 33 percent have a college degree. By both of these measures Illinois’ workforce had considerably better education than its regional and national counterparts.
- **Illinois poverty rate lowest since 2001.** The state’s 2005 poverty rate of 11.5 percent is lower than the national rate and below that of every state in the region except Wisconsin.
- **Union membership boots women’s wages significantly.** For women nationally, union membership produces a weekly wage boost of about 33 percent, nearly 36 percent in the Midwest, and nearly 28 percent in Illinois.

“Illinois leads the nation and region in significant employment areas such as diversity and education, but as job quality and benefits continue to decline, qualified workers will not be seeing adequate compensation for their work,” says Ralph Martire, Executive Director, Center for Tax and Budget Accountability. “In order to stay with and ahead of our regional and national counterparts, the state must adapt to this job transition and develop new measures towards maintaining a stable and sustainable economy.”

The report’s Midwest comparisons consists of the five states that the Census designates as the “East North Central” region—Illinois, Indiana, Michigan, Ohio and Wisconsin. The data for the Midwest includes the data for the state of Illinois. Data for individual Midwestern states are available online at www.stateofworkingillinois.niu.edu.

The study is a follow up to the 2005 *State of Working Illinois* report which was developed by the Center for Tax and Budget Accountability, and the Office of Social Policy Research and the Regional Development Institute of Northern Illinois University and funded by The Joyce Foundation. The Illinois Department of Employment Security also provided data for the report. The 2007 edition of the report will provide an update on employment trends in each of the state’s ten regions identified by Illinois Department of Commerce and Economic Opportunity.

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The State of Working Illinois is a joint project of the Center for Tax and Budget Accountability and Northern Illinois University (Office of Social Policy Research and Regional Development Institute) with data and assistance from the Illinois Department of Employment Security to provide Illinois policy makers with an ongoing series of reports containing sound information on issues related to work and economic development in Illinois. For more information and copies of recent reports visit: www.stateofworkingillinois.niu.edu