

Working Poor Families in Chicago and the Chicago Metropolitan Area:

A Statistical Profile Based on the 1990 and 2000 Censuses

Chicago Urban League



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Executive Summary

In 1999, a large number of families in metropolitan Chicago earned too little to be significantly above the poverty line, even though all of their members together worked at least 26 weeks during the year. This report describes those families.

The area we analyzed, metropolitan Chicago, includes Cook, DuPage, Grundy, Kane, Lake, McHenry, and Will counties. We considered in our analysis all families with at least one person of working age (18 to 65 years) and with less than 80 percent of their income from Social Security. Within this group of working-age families, we define two subgroups (each subgroup can include families consisting of a single individual):

Working poor families: Families whose working members together worked 26 weeks or more in 1999 but whose total income was less than 150 percent of the poverty level.

Families working and not poor: Families whose working members together worked 26 weeks or more in 1999 and whose total income was 150 percent of the poverty level or greater.

How many families are working poor?

- In metropolitan Chicago, 10.7 percent of the working families had incomes less than 150 percent of poverty, up from 8.1 percent 10 years earlier.
- In the city of Chicago, 16.5 percent of the working families had incomes less than 150 percent of poverty, up from 13.6 percent ten years earlier.
- While the number of working poor families in Chicago increased, the rate of increase in the suburbs was so much sharper that the city's share of the region's working poor fell to 54.5 percent, down from 60.7 percent 10 years earlier.

Why are so many working families poor?

Because a large number of them have only one earner. In Metropolitan Chicago:

- In 81.6 percent of working poor families, only one adult worked (compared to 50.6 percent of families that worked and were not poor).
- In 43.1 percent of working poor families, only one worker supported at least one dependent (compared to 19.1 percent of families that worked and were not poor).
- 55.2 percent of all working poor families had dependent children, a drop from 61.7 percent in 1990. But 66.2 percent of Latino and 70.0 percent of African-American working poor families had dependent children.
- 24.2 percent were headed by women with dependent children, a decline from 27.5 percent in 1990. But women headed 50.6 percent of African-American working poor families with dependent children.
- 32.4 percent had at least one child younger than six.
- 36.3 percent had dependent children between the ages of six and 13.

Because workers in these families earn low wages and work part time or only part of the year.

- 74.8 percent of workers in working poor families earned less than \$13,001 (the income required to support a one-person family above 150 percent of the poverty level). This was true for only 15.6 percent of the workers in families that were not poor.
- Only 9.4 percent earned at least \$19,935 (the income required to support a three-person family above 150 percent of the poverty line). This was true for 74.4 percent of workers in families that were not poor.
- 32.6 percent worked less than 35 hours per week, compared to only 14.0 percent of workers that were not poor.
- 45.9 percent worked less than 50 weeks per year, compared to 21.6 percent of workers that were not poor.

Where do the working poor work?

The working poor are employed in every industry

-
- Only 10.0 percent of adults in working poor families had graduated from college, compared to 33.1 percent of adults in working families that were not poor.

Working poor families had more adults who did not speak English well or did not speak it at all than working families that were not poor.

- In **metropolitan Chicago**, 20.1 percent of working poor adults had little English, compared to 6.4 percent of adults in working families that were not poor.
- In the **city of Chicago**, 21.2 percent of working poor adults had little English, compared to 10.1 percent of adults in working families that were not poor.

The cost of housing was a heavier burden for working poor families than for working families that were not poor.

- In **metropolitan Chicago**, 36.1 percent of the working poor families that rented paid at least half of their income on housing, compared to 2.5 percent of the working families that were not poor.
 - In the **city of Chicago**, 34.9 percent of the working poor families that rented paid at least half of their income on housing, compared to 2.5 percent of the working families that were not poor.
-

How Do We Define Working Poor Families?

- At least one member is between the ages of 18 and 65
- All members together worked at least 26 weeks during 1999
- Less than 80 percent of total income is from retirement or Social Security
- Family income from all sources is less than 150 percent of the official poverty line for 1999, according to family size. The 150 percent level would be:

\$13,001 for an individual

How Many Working Poor Families?

Nearly half a million working families in Illinois (489,098) in 1999 were working poor. This amounted to 12.5 percent of all of the state's working families.

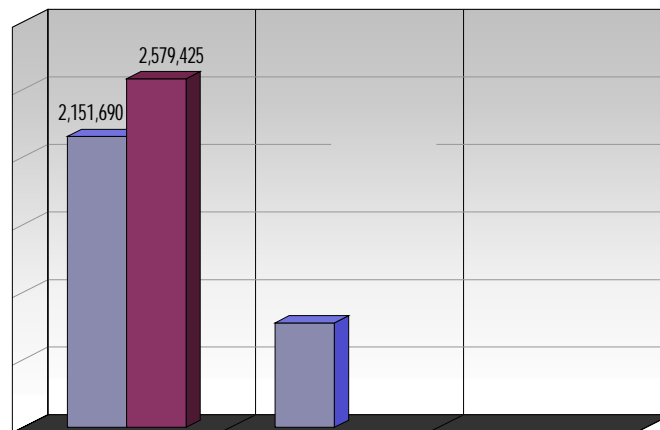
Both the numbers of working families and of working poor families grew during the decade in both the city and the suburbs. The rate of change in working poverty far outstripped the rate of growth in the number of working families in the city and the suburbs.

Although the number of working poor in Chicago increased by 42.2 percent, the suburban rate of increase was nearly double that of the city. As a result, Chicago's share of the total number of working poor families in the region fell from 60.7 percent in 1990 to 54.5 percent in 2000.

In the **Chicago metropolitan area** in 2000, more than 1 in 10 of the working families were working poor – 274,776 families or 10.7 percent – an increase from 8.1 percent in 1990.

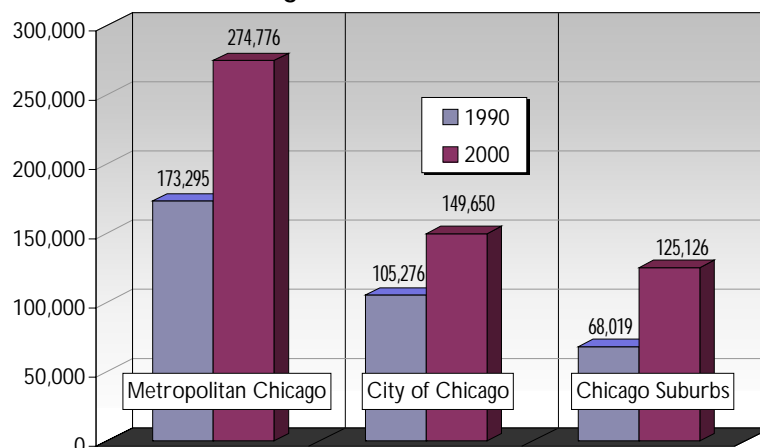
In the **city of Chicago**, 1 in 6 were poor – 149,650 families, 16.5 percent – up from 13.6 percent in 1990.

In the **suburbs**, 1 in 13 were poor – 125,126 families, or 7.4 percent – up from 4.9 percent in 1990.



| | # Change | % Change |
|----------------------|----------|----------|
| Metropolitan Chicago | 425,735 | 19.8 |
| City of Chicago | 134,364 | 17.4 |
| Chicago Suburbs | 293,371 | 21.2 |

Working Poor Families, 1990 vs. 2000



| | # Change | % Change |
|----------------------|----------|----------|
| Metropolitan Chicago | 101,481 | 55.6 |
| City of Chicago | 44,374 | 42.2 |
| Chicago Suburbs | 57,107 | 84.0 |

Working Families in Illinois, 1999

| Income Level | Number of Families | Percent of all Working Families |
|---------------------|--------------------|---------------------------------|
| < 50% of Poverty | 68,583 | 1.7 |
| 50-100 % of Poverty | 174,415 | 4.5 |
| 100-124% of Poverty | 116,290 | 3.0 |
| 125-150% of Poverty | 129,810 | 3.3 |
| > 150% of Poverty | 3,421,831 | 87.5 |
| Total | 3,910,959 | 100.0 |

How Many People Work in Working Poor Families?

Metropolitan Chicago

- 81.6 percent of working poor families had only one working adult, an increase from 75.0 percent in 1990.
- Only 18.4 percent of working poor families had two or more workers, a significant decline from the 25.0 percent that had multiple workers in 1990.
-

City of Chicago

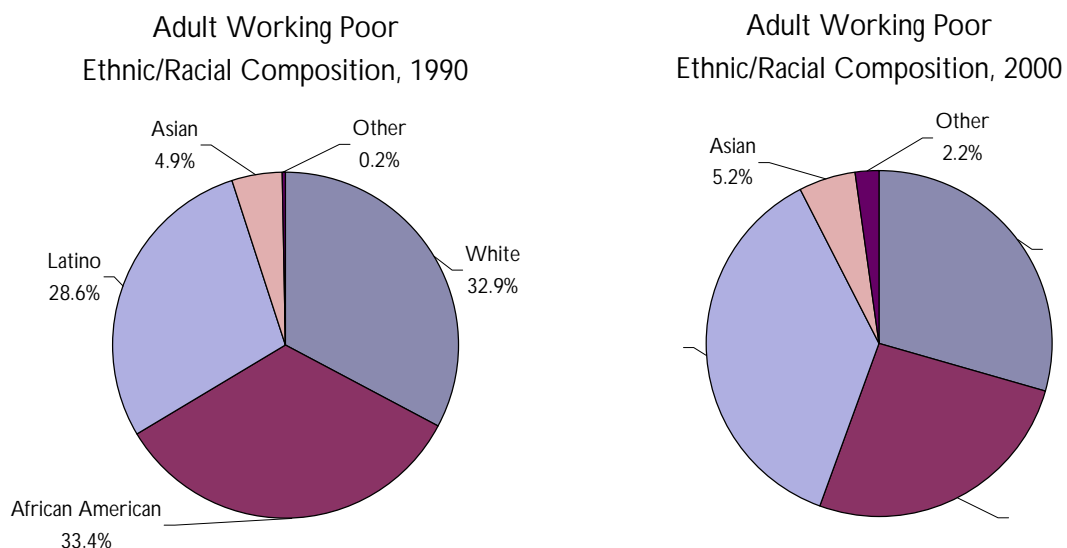


- 81.6 percent of working poor families had only one working adult, an increase from the 1990 level of 74.9 percent.
- Only 18.4 percent of working poor families had two or more workers, a significant decline from the 25.1 percent that had multiple workers in 1990.
- In both census years, families that were working and not poor were more likely to have multiple workers: the ratio was 1.7 times greater in 1990 and increased to 2.1 times greater in 2000.

How Has the Distribution of Working Poverty Changed by Ethnic/Racial Group?

During the 1990s, the population of working poor adults became more Latino and less African-American than it had been at the beginning of the decade.

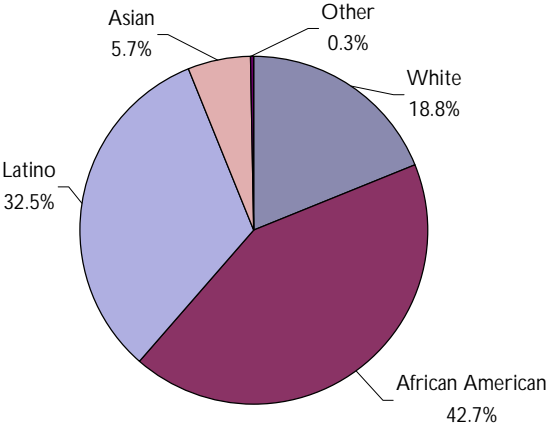
Metropolitan Chicago



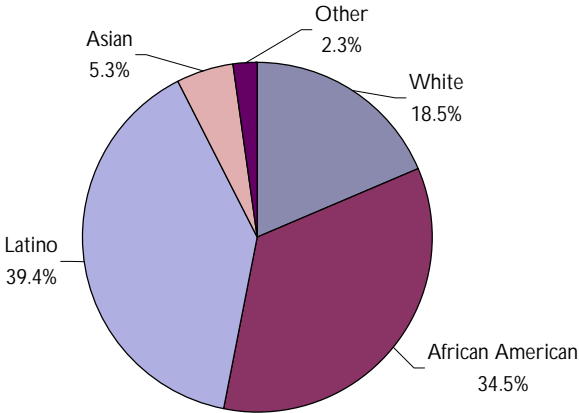
- In 2000, Latino adults were 37.0 percent of the working poor, compared to 28.6 percent in 1990.
- In 2000, African-American adults were 26.2 percent of the working poor, compared to 33.4 percent in 1990.
- Together, African-American and Latino adults in 2000 were 63.2 percent of the working poor adults, up 1.2 percentage points from 1990, and well above the 31.7 percent that the two groups make up of the employed adult workforce.

City of Chicago

Adult Working Poor
Ethnic/Racial Composition, 1990



Adult Working Poor
Ethnic/Racial Composition, 2000



- In 2000, Latino adults were 39.4 percent of the working poor, compared to 32.5 percent in 1990.
- In 2000, African-American adults were 34.5 percent of the working poor, compared to 42.7 percent in 1990.
- African-American and Latino adults together in 2000 comprised 73.9 percent of the city's working poor adults, well above their combined share (55.3 percent) of the employed adult workforce.

How Has the Likelihood of Being Working Poor Changed by Ethnic/Racial Group?

During the 1990s, higher proportions of white, African American and Latino adults became part of the working poor.

Metropolitan Chicago

The Likelihood of Being Working Poor by Race and Ethnicity, 1990 vs. 2000

| | 1990 | 2000 |
|-------------------|-------|-------|
| Whites | 3.6% | 4.3% |
| African Americans | 13.2% | 15.5% |
| Latinos | 18.9% | 20.3% |
| Asians | 9.9% | 8.9% |

- In 2000, 20.3 percent of all Latino working adults were working poor, in contrast to 18.9 percent in 1990.
- In 2000, 15.5 percent of African-American working adults were working poor, compared to 13.2 percent in 1990.
- In 2000, 4.3 percent of white working adults were working poor, a slight increase from 3.6 percent in 1990.

City of Chicago

The Likelihood of Being Working Poor by Race and Ethnicity, 1990 vs. 2000

| | 1990 | 2000 |
|-------------------|-------|-------|
| Whites | 5.9% | 7.5% |
| African Americans | 14.3% | 17.8% |
| Latinos | 21.2% | 23.2% |
| Asians | 5.7% | 5.3% |

- In 2000, 23.2 percent of all Latino working adults were working poor, compared to 21.2 percent in 1990.
- In 2000, 17.8 percent of African-American working adults were working poor, compared to 14.3 percent in 1990.
- In 2000, 7.5 percent of white working adults were working poor, a small increase over 5.9 percent in 1990.

Are Working Minority Adults Over-represented Among the Working Poor?

Metropolitan Chicago

African American and Latino adult workers were over-represented among the ranks of the working poor in 2000.

| | Percent of Employed Adults 2000 | Percent of Working Poor Adults 2000 |
|-------------------|--|--|
| Whites | 61.4 | 29.4 |
| African Americans | 15.3 | 26.2 |
| Latinos | 16.4 | 37.0 |
| Asians | 5.2 | 5.2 |

- African American adults were 15.3 percent of the employed but they were 26.2 percent of the working poor.
- Latino adults were 16.4 percent of the employed but they were 37.0 percent of the working poor.
- Asian adults were 5.2 percent of the employed and were also 5.2 percent of the working poor.
- White adults were 61.4 percent of the employed but they were 29.4 percent of the working poor.

City of Chicago

| | Percent of Employed Adults 2000 | Percent of Working Poor Adults 2000 |
|-------------------|--|--|
| Whites | 37.3 | 18.5 |
| African Americans | 29.5 | 34.5 |
| Latinos | 25.8 | 39.4 |
| Asians | 5.2 | 5.3 |

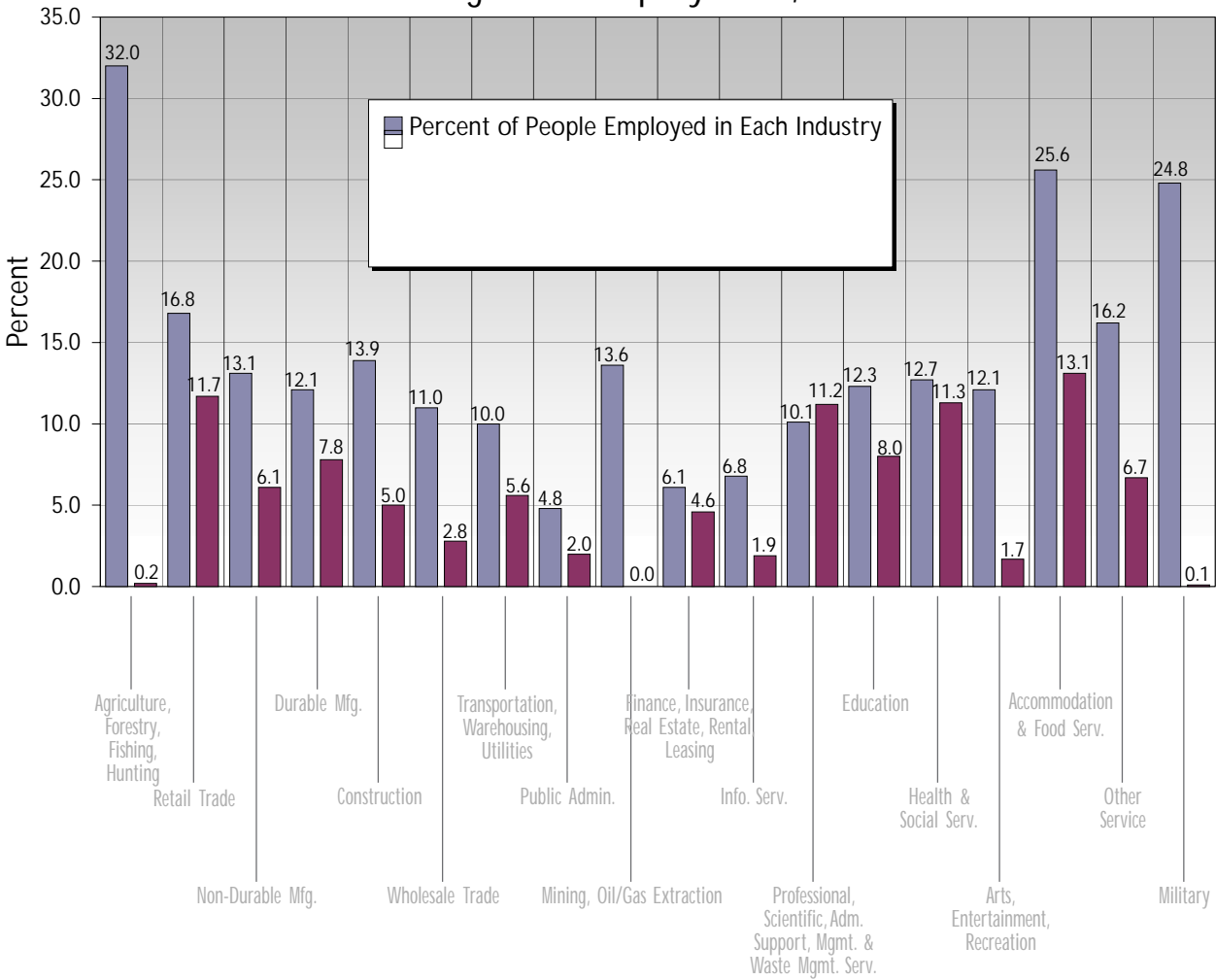
- African American adults were 29.5 percent of the employed but they were 34.5 percent of the working poor.
- Latino adults were 25.8 percent of the employed but they were 39.4 percent of the working poor.
- Asian adults were 5.2 percent of the employed and 5.3 percent of the working poor.
- Whites were 37.3 percent of the employed but they were 18.5 percent of the working poor.

Which Industries Employ the Most Working Poor? Which Have the Highest Concentrations?

- 14.3 percent of the workers living in working poor families were employed in

City of Chicago

Working Poor Employment, 2000



- 13.9 percent of working poor adults were employed in manufacturing activities, and another 5.0 percent in construction.
- 55.9 percent were employed in retail trade and various types of service, professional and administrative activities.
- With over 20 percent each, the industries with the highest concentrations of working poor were agriculture, accommodation and food service, and the military.

Are there Ethnic/Racial Differences in the Employment of the Working Poor by Industry?

Metropolitan Chicago

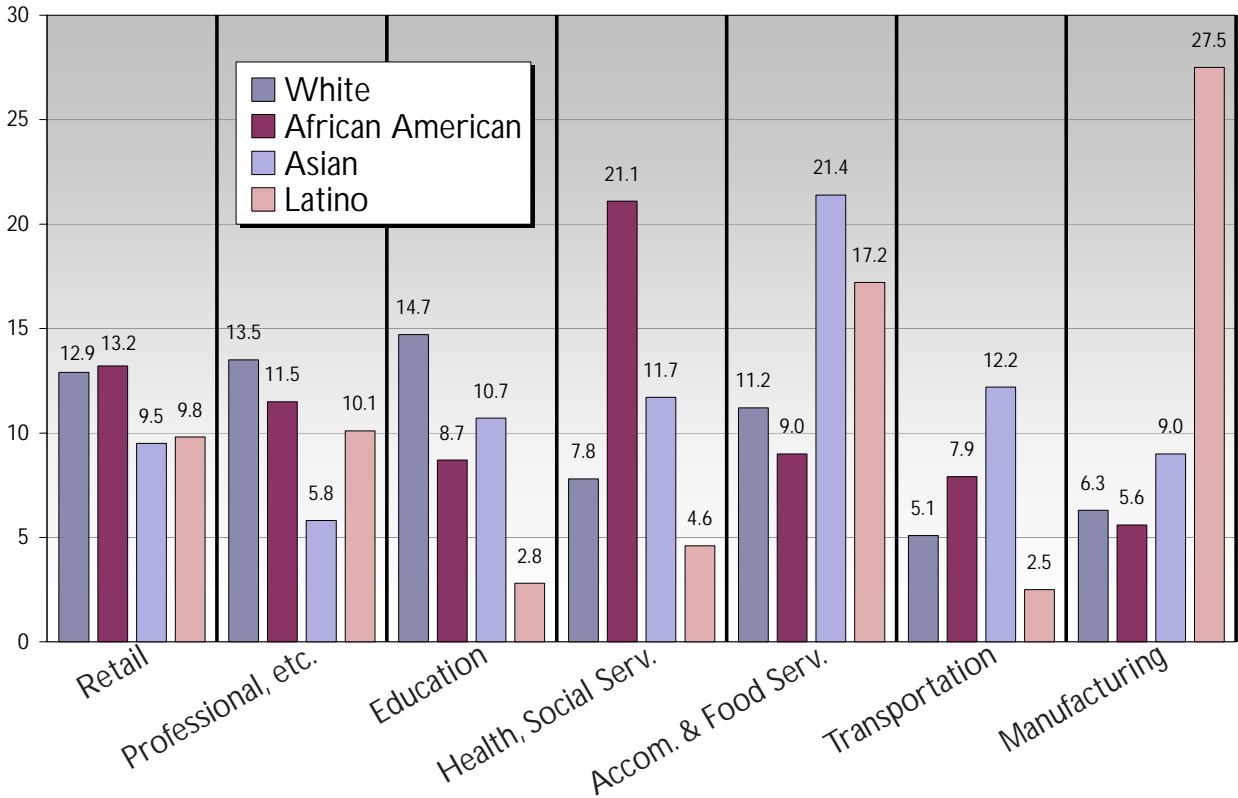


Retail
Professional, etc.
Education
Health, Social Serv.
Accom. & Food Serv.
Transportation
Manufacturing

- White working poor adults tend to be employed in retail trade and education activities.
- African American working poor adults were employed heavily in health and social service and retail trade industries.
- Asian working poor adults were employed heavily in accommodation and food service and retail trade activities.
- The highest percentages of Latino working poor adults were employed in manufacturing and accommodation and food service industries.

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Percent of Working Poor Adults Employed in Each Industry, 2000

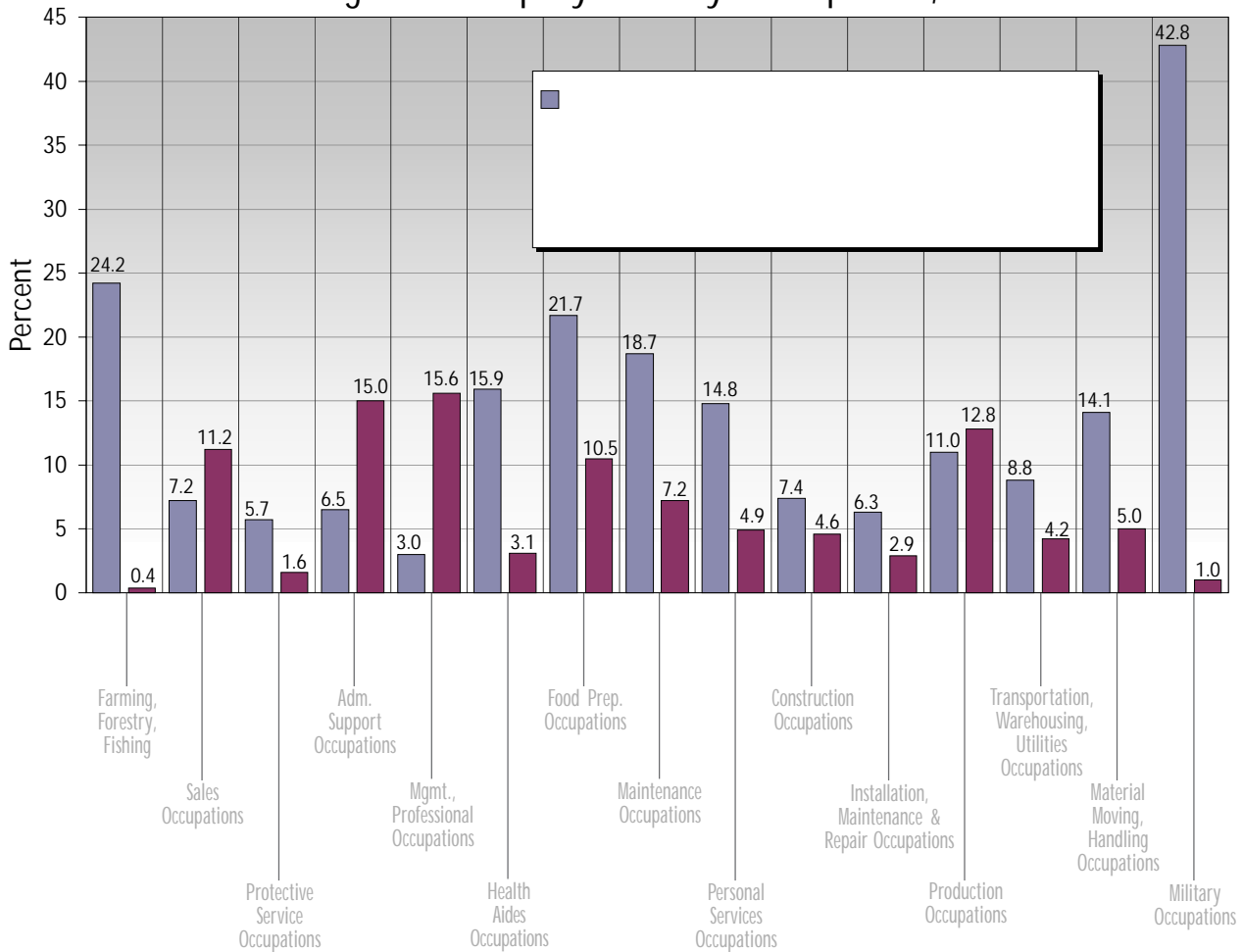


- The highest percentages of white working poor families were employed in education, professional, scientific, and administrative, and retail trade activities.
- The highest percentages of African American working poor adults were employed in health and social services and retail trade industries.
- The highest percentages of Asian working poor adults were employed in accommodation and food service and transportation, warehouse, and utilities.
- The highest percentages of Latino working poor adults were employed in manufacturing and accommodation and food service activities.

Which Occupations Employ the Most Working Poor? Which Have the Highest Concentrations?

Metropolitan Chicago

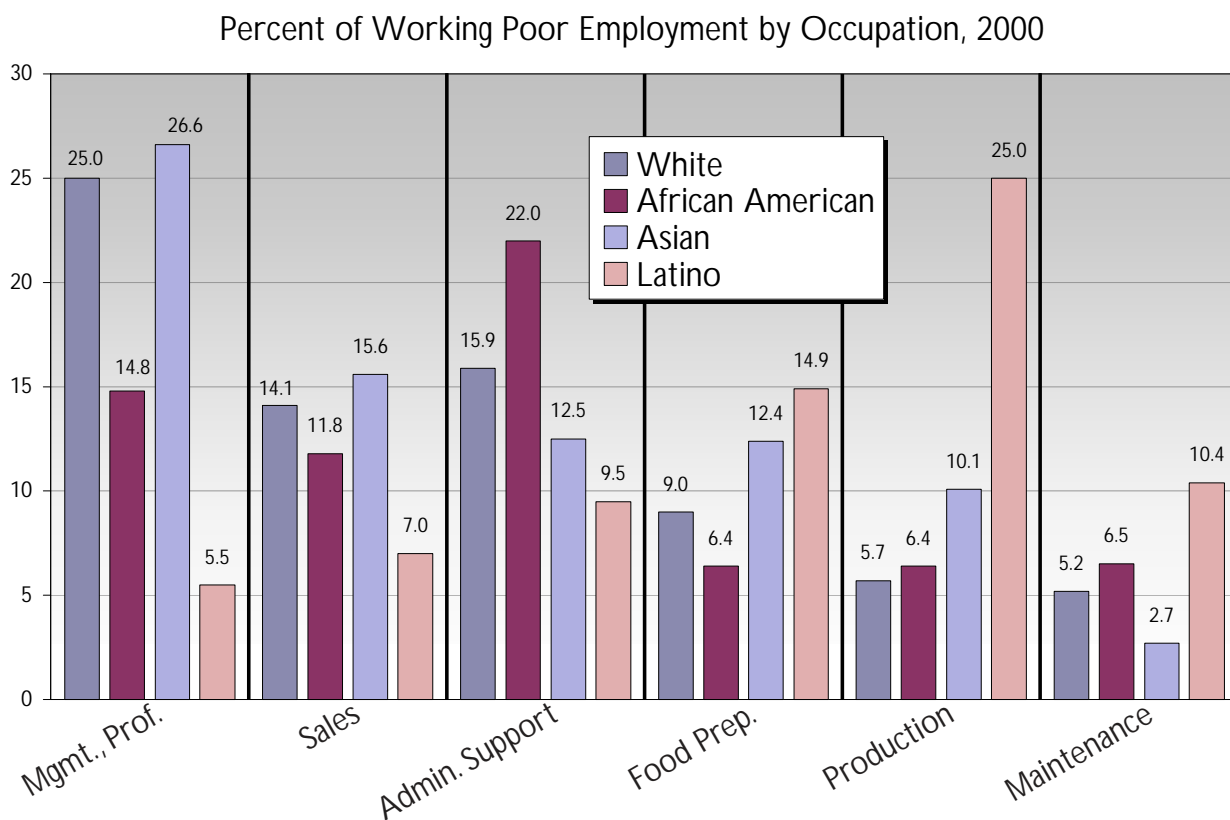
Working Poor Employment by Occupation, 2000



- 58.8 percent of working poor adults were employed in sales, service, administrative support, or management and professional occupations.
- 15.6 percent were employed in management and professional occupations alone.
- 17.4 percent were employed as production or construction workers.
- 11.2 percent were employed in sales occupations.
- 10.5 percent worked in food preparation positions.

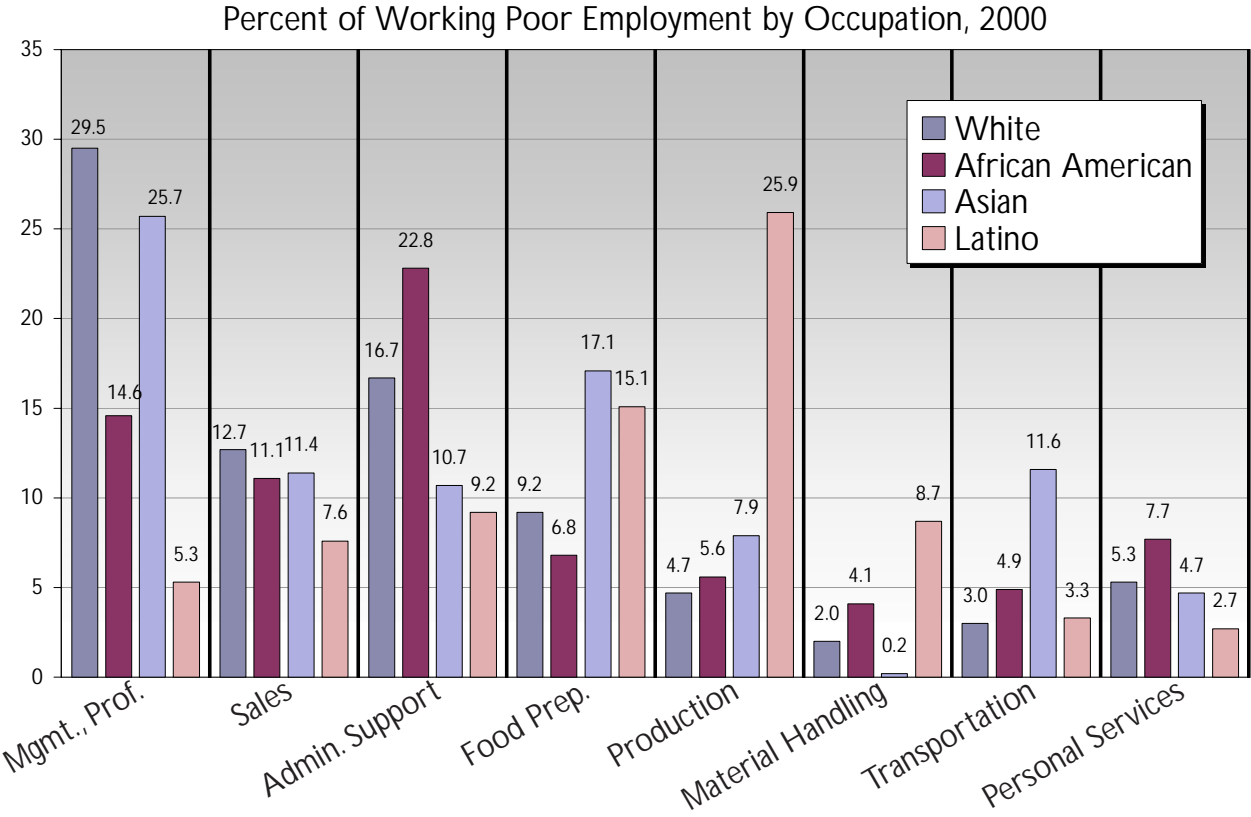
Are there Ethnic/Racial Differences in the Employment of the Working Poor by Occupation?

Metropolitan Chicago



- The highest percentages of white and Asian working poor adults were employed in management and professional occupations.
- The highest percentage of African-American working poor adults was employed in administrative support occupations.
- The highest percentage of Latino working poor adults was employed in production occupations.

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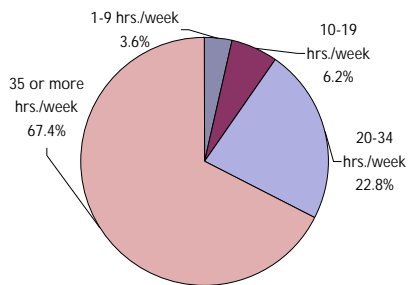
- The highest percentage of white and Asian working poor adults were employed in management and professional occupations.
- The highest percentage of African-American working poor adults was employed in administrative support occupations.
- The highest percentage of Latino working poor adults was employed in production occupations.

What Proportion of Workers in Working Poor Families Work Full-time, Full-year?

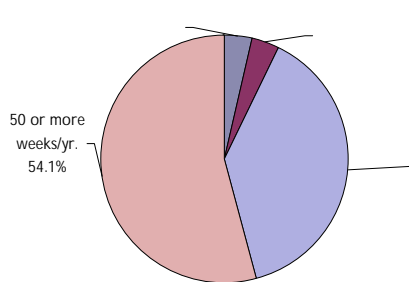
The working poor are much less likely to work full-time and full-year than those working and not poor.

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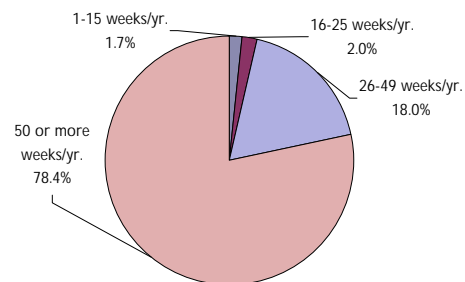
Hours per Week Worked, Working Poor, 1999



Weeks Worked, Working Poor, 1999



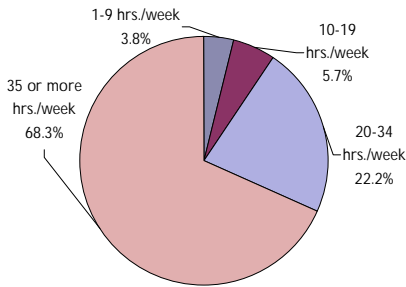
Weeks Worked, Working Not Poor, 1999



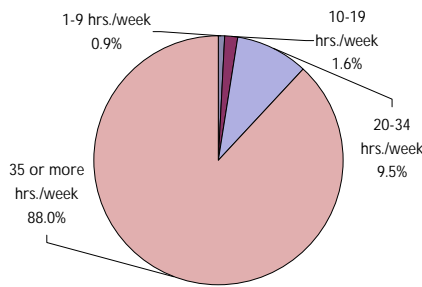
- 39.5 percent of workers in working poor families worked full-time, full-year in 1999.
- 67.4 percent of workers in working poor families in 1999 worked 35 hours or more per week.
- 54.1 percent of workers in working poor families in 1999 worked 50 weeks or more during the year, compared to only 45.7 percent in 1989.

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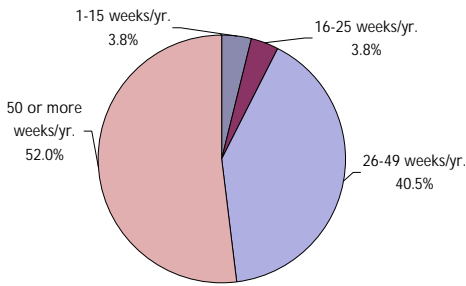
Hours per Week Worked, Working Poor, 1999



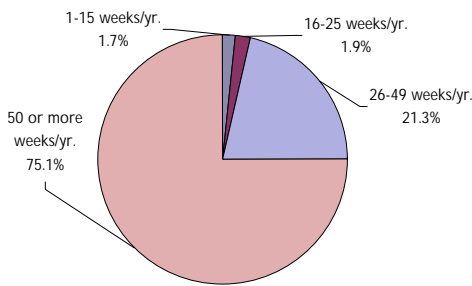
Hours per Week Worked, Working Not Poor, 1999



Weeks Worked, Working Poor, 1999



Weeks Worked, Working Not Poor, 1999



- 38.7 percent of workers in working poor families in 1999 were full-time, full-year workers, compared with 35.6 percent in 1989.
- 68.3 percent of workers in working poor families in 1999 worked 35 hours or more per week.
- 52.0 percent of workers in working poor families in 1999 worked 50 weeks or more during the year, compared to only 45 percent in 1989.

Are there Ethnic/Racial Differences in the Duration of Work?

Metropolitan Chicago

Duration of Work By Ethnic/Racial Group, 1999

| Duration | White | | African American | | Latino | | Asian | |
|----------------|-------|---------|------------------|-------|--------|-------|-------|-------|
| | WP* | W, NP** | WP | W, NP | WP | W, NP | WP | W, NP |
| < 35 hrs./week | 47.4% | 15.3% | 34.6% | 12.1% | 15.8% | 10.1% | 31.8% | 12.0% |
| 35 + hrs./week | 52.5% | 84.7% | 65.4% | 87.9% | 84.2% | 89.9% | 68.1% | 88.0% |
| < 50 weeks/yr. | 45.4% | 19.0% | 47.2% | 26.0% | 45.0% | 30.4% | 50.7% | 24.8% |
| 50 + weeks/yr. | 54.6% | 81.1% | 52.9% | 74.1% | 55.1% | 69.6% | 49.3% | 75.2% |

*Working Poor

**Working, Not Poor

- Among working poor Latino adults, nearly half, 48.6 percent, were full-time, full-year workers, while one third of whites fell into that category, and slightly more than one third of African Americans and Asians were full-time, full-year workers.
- 84.2 percent of the Latinos who were working poor worked 35 hours or more per week, well above the share of the other groups in that category.
- Only about half of each group of working poor worked 50 weeks or more during the year.

City of Chicago

Duration of Work By Ethnic/Racial Group, 1999

| Duration | White | | African American | | Latino | | Asian | |
|----------------|-------|---------|------------------|-------|--------|-------|-------|-------|
| | WP* | W, NP** | WP | W, NP | WP | W, NP | WP | W, NP |
| < 35 hrs./week | 51.2% | 12.1% | 33.9% | 12.9% | 16.9% | 10.2% | 31.1% | 12.5% |
| 35 + hrs./week | 48.8% | 87.9% | 66.2% | 87.0% | 83.1% | 89.8% | 68.9% | 87.5% |
| < 50 weeks/yr. | 50.1% | 19.4% | 47.8% | 28.2% | 46.6% | 32.3% | 49.1% | 26.8% |
| 50 + weeks/yr. | 49.9% | 80.6% | 52.2% | 71.8% | 53.4% | 67.7% | 50.9% | 73.2% |

*Working Poor

**Working, Not Poor

- Among working poor Latino adults, 46.6 percent were full-time, full-year workers, as were 38.5 percent of Asian adults, 28.5 percent of white adults, and 37.6 percent of African-American adults.
- 83.1 percent of the working poor Latino adults worked 35 hours or more per week, as did 68.9 percent of Asians, 66.2 percent of African Americans, and only 48.8 percent of whites.
- Within each group of working poor adults, only about half worked 50 weeks or more during the year.

What Are the Annual Earnings of Working Poor Families?

Metropolitan Chicago

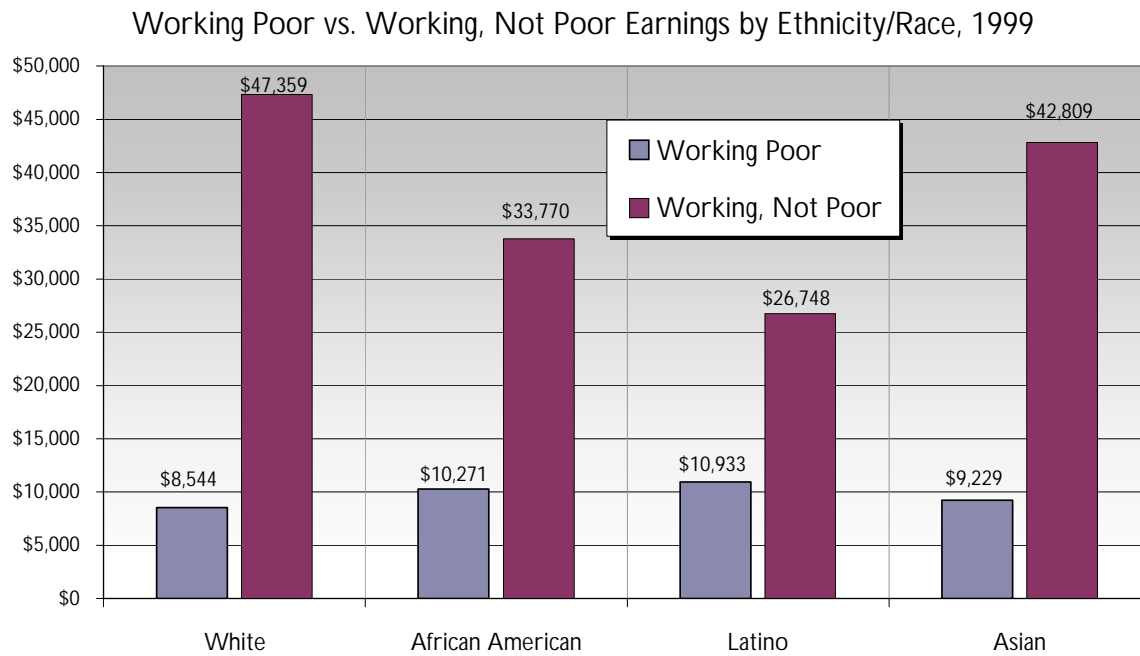
| Earnings Needed to Support Family of: | 1989 | | 1999 | |
|---------------------------------------|--------------|-------------------|--------------|-------------------|
| | Working Poor | Working, Not Poor | Working Poor | Working, Not Poor |
| 1 Person | 72.2% | 19.2% | 72.6% | 12.3% |
| 2 Persons | 13.3% | 7.2% | 12.0% | 5.0% |
| 3 Persons | 5.1% | 4.7% | 5.4% | 4.2% |
| 4 Persons | 6.7% | 12.1% | 6.7% | 11.6% |
| 5+ Persons | 2.7% | 56.8% | 3.2% | 67.0% |
| TOTALS | 100.0% | 100.0% | 99.9% | 100.1% |

- 72.6 percent of the workers in working poor families earned \$13,001 or less, the income required to support a one-person family at or above 150 percent of the official poverty line in 1999. This was true for only 12.3 percent of workers in families that were not poor.
- 15.3 percent of the workers in working poor families earned at least \$19,935, the income required to support a three-person family at or above 150 percent of the official poverty line in 1999. This was true for 82.8 percent of workers in families that were not poor.
- Between 1989 and 1999, the share of the working poor earning at or below the income required to support a one-person family at 150 percent of the official poverty line did not change significantly. However, in nonworking poor families, the share of workers earning such a low amount fell significantly from 19.2 percent to 12.3 percent.
- Between 1989 and 1999, the share of workers in working poor families earning at least the income required to support a three-person family at or above 150 percent of the official poverty line did not change significantly. However, in nonworking poor families, the share of adults earning such an income rose from 73.6 percent to 82.8 percent.

Are there Ethnic/Racial Differences in the Annual Earnings of Working Poor Families?

The average annual wage and salary earnings for all workers in the metropolitan area was \$40,288. The average earnings for working poor were \$9,840, and \$42,659 for non-working poor workers.

Metropolitan Chicago



| | White | African American | Latino | Asian |
|---|-------|------------------|--------|-------|
| Working Poor Earnings as Percent of Working, Not Poor | 18.0% | 30.4% | 40.9% | 21.6% |

- The average earnings for workers in working poor families were lowest for whites (at \$8,544) and highest for Latinos (at \$10,933).
- The gap between the earnings of working poor and working, not poor was smallest in the Latino community, mainly because Latinos who were not working poor earned much less than their counterparts in other groups.

In the city of Chicago, average annual wage and salary earnings for all workers was \$34,522. The average earnings for city working poor workers was \$9,768, and for working, not poor, \$37,969.

City of Chicago

Working Poor vs. Working, Not Poor Earnings by Ethnicity/Race, 1999



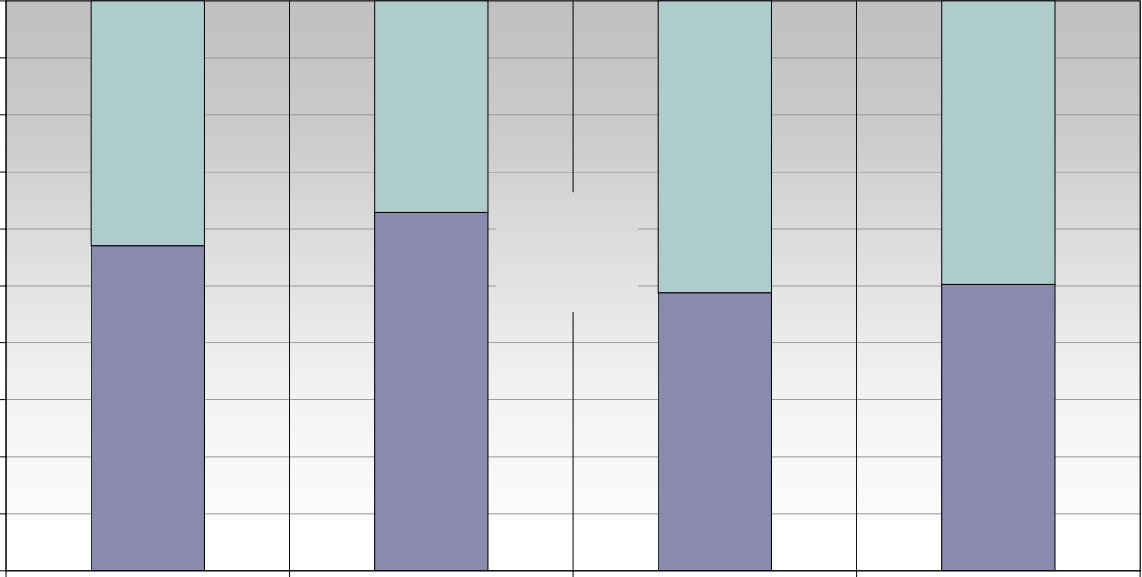
| | White | African American | Latino | Asian |
|---|-------|------------------|--------|-------|
| Working Poor Earnings as Percent of Working, Not Poor | 16.9% | 31.4% | 40.9% | 25.2% |

- The average earnings for workers in working poor families were lowest for whites (at \$7,985) and highest for Latinos (at \$10,170).
- The ratio between the earnings of the working poor and the working, not poor was highest among Latinos, principally because Latinos who were not working poor earned much less on average than African Americans, Asians, or whites who were not working poor.

What Is the Relationship Among Ethnicity/Race, Gender and Working Poverty?

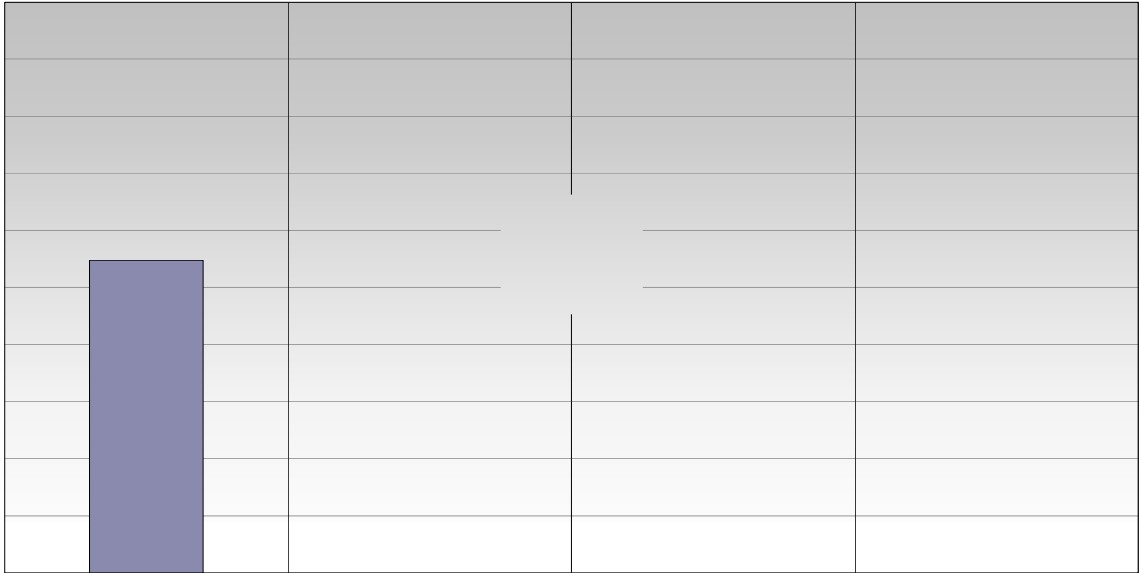
Among working poor African American and white adults, women greatly outnumbered men in 2000

Metropolitan Chicago



- Among African Americans, 62.9 percent of adults in working poor families were women, while only 37.1 percent were men.
- Among whites, 57.1 percent of adults in working poor families were women, while only 42.9 percent were men.

City of Chicago



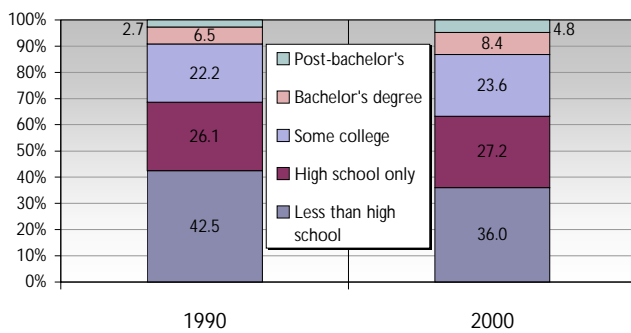
- Among African Americans, 63.4 percent of adults in working poor families were women, while only 36.6 percent were men.
- Among whites, 54.8 percent of adults in working poor families were women, while 45.2 percent were men.

What Is the Highest Level of Education of Adults in Working Poor Families?

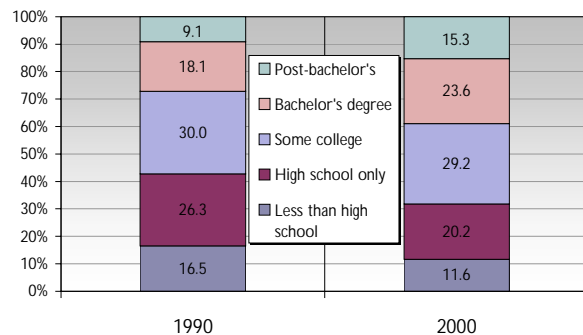
Adults in working poor families have completed fewer years of schooling than adults in nonworking poor families. Between 1990 and 2000, educational attainment increased among adults in both working poor and nonworking poor families, but the gains among the latter were far larger.

Metropolitan Chicago

Working Poor Educational Attainment, 1990 vs. 2000



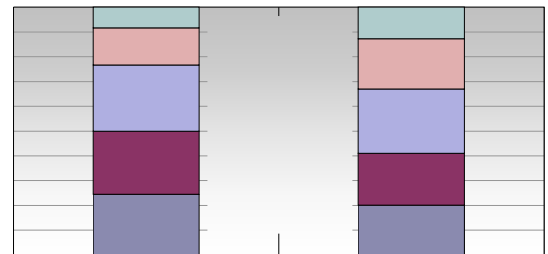
Working, Not Poor Educational Attainment, 1990 vs. 2000



| | Working Poor | | Working, Not Poor | |
|-----------------------------|--------------|-------|-------------------|-------|
| | 1990 | 2000 | 1990 | 2000 |
| All Postsecondary Education | 31.4% | 36.8% | 57.2% | 68.1% |

- In both census years, nearly 4 out of every 10 adults in working poor families failed to complete high school, while fewer than 2 of 10 in families that were not working poor fell into that category.
- In both 1990 and 2000, only about a third of the adults in working poor families had any education beyond high school, but among families that were not working poor, more than two-thirds did by 2000.
- However, 13.2 percent of working poor adults did have a college degree or some post-bachelor's education in 2000, up from 9.2 percent in 1990.

City of Chicago

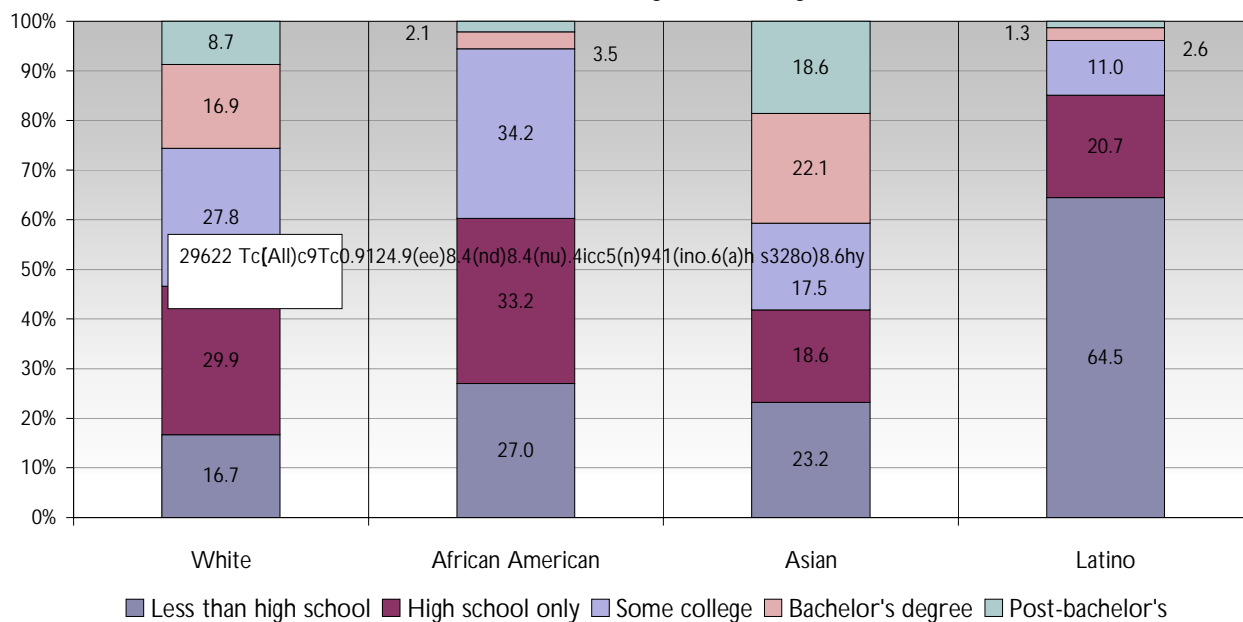


- In both census years, more than 4 out of every 10 adults in working poor families failed to complete high school, which was nearly twice the rate of high school non-completion among adults in families that were working and not poor.
- In both 1990 and 2000, fewer than a third of the adults in working poor families had any education beyond high school, but by 2000, nearly 60 percent of the adults in families that were working and not poor had some post-high school education.
- In 2000, 10 percent of working poor adults did have a college degree or some post-bachelors education.

Are there Ethnic/Racial Differences in the Education Levels of Adults in Working Poor Families?

Metropolitan Chicago

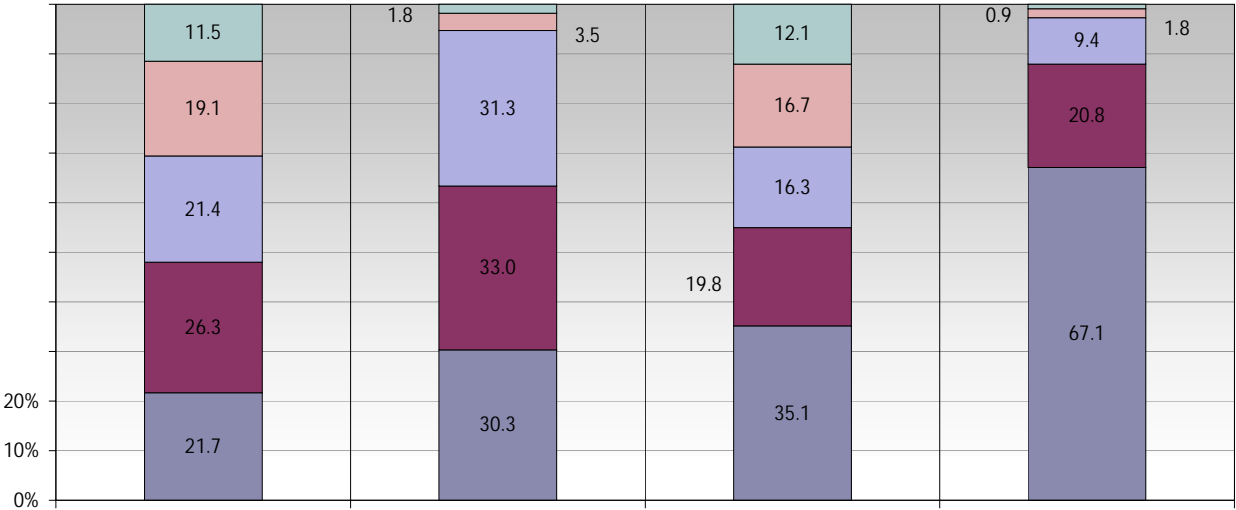
Educational Attainment by Ethnicity/Race, 2000



- Nearly two-thirds of the adults in Latino working poor families have failed to complete high school, and another 20.7 percent have only a high school education. Only 14.9 percent have any post-high school education.
- Almost one-quarter of the adults in Asian working poor families have less than a high school education, but 58.2 percent of them have some post-high school training, and 18.6 percent have more than a bachelors degree.
- 53.4 percent of the adults in white working poor families have some post-high school education.

City of Chicago

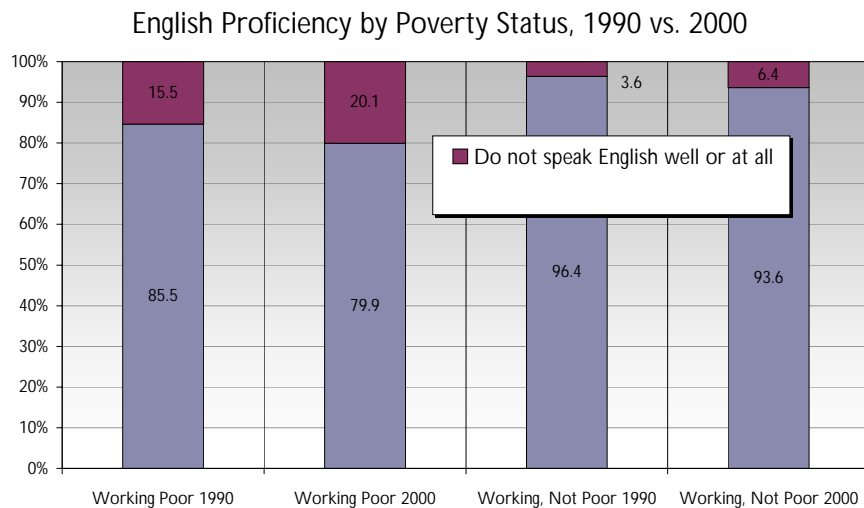
Educational Attainment by Ethnicity/Race, 2000



- 67.1 percent of the adults in Latino working poor families have less than a high school education, and another 20.8 percent have only a high school diploma. But only 12.1 percent have any post-high school education.
- 35.1 percent of the adults in Asian working poor families have failed to complete high school, but 45.1 percent have some post-high school education.
- 52.0 percent of the adults in white working poor families have some post-high school education.

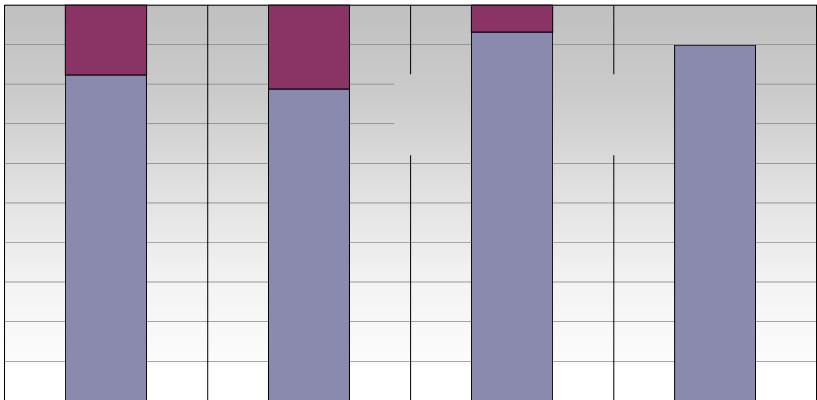
How Well Do Adults in Working Poor Families Speak English?

Metropolitan Chicago



- In 2000, fully one-fifth of the working poor adults in the area did not speak English well or at all, a five-percentage point increase over 1990.
- As might be expected, Latino (45.8 percent) and Asian (24.3 percent) working poor adults have the highest percentages with poor English abilities in 2000.

City of Chicago

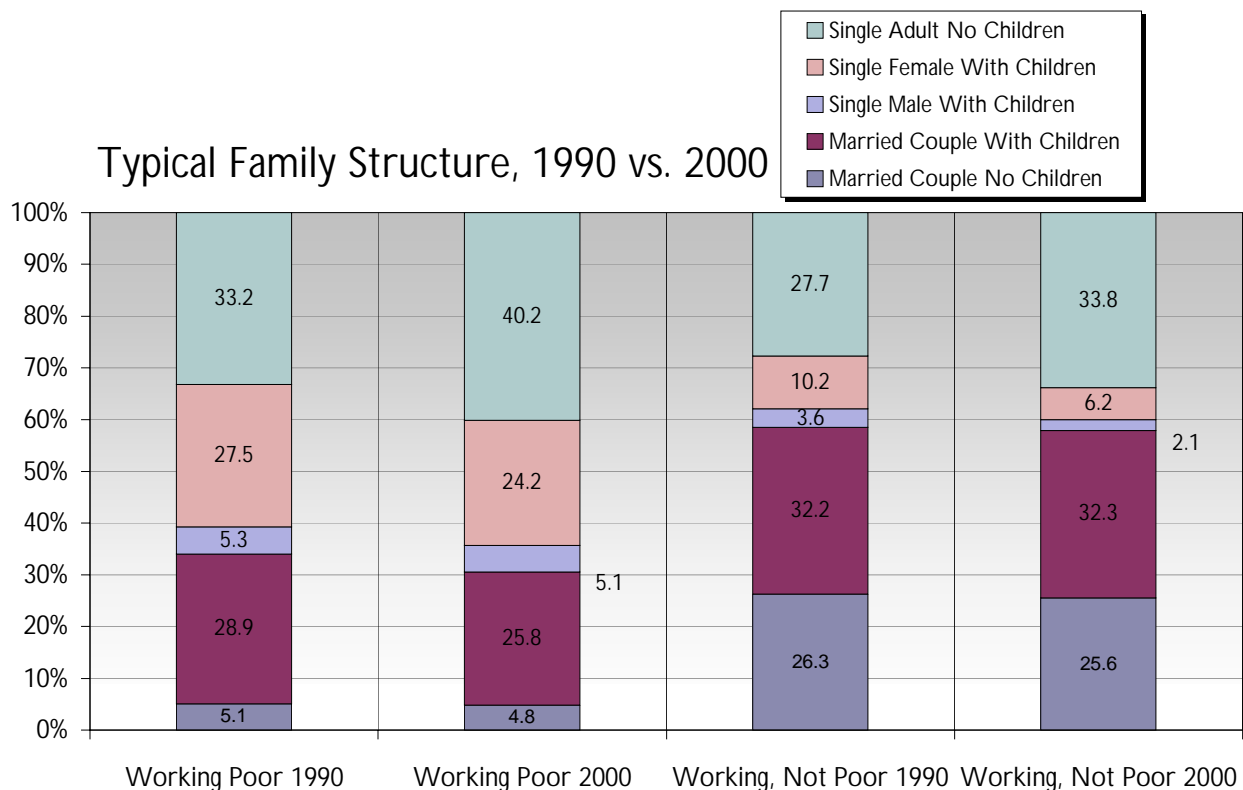


Key Findings

- Over a fifth of the working poor adults in Chicago reported not speaking English well or at all, and increase of 3.5 percentage points over 1990.
- Latino (45.1 percent) and Asian (26.5 percent) working poor adults have the highest percentages with poor English abilities.

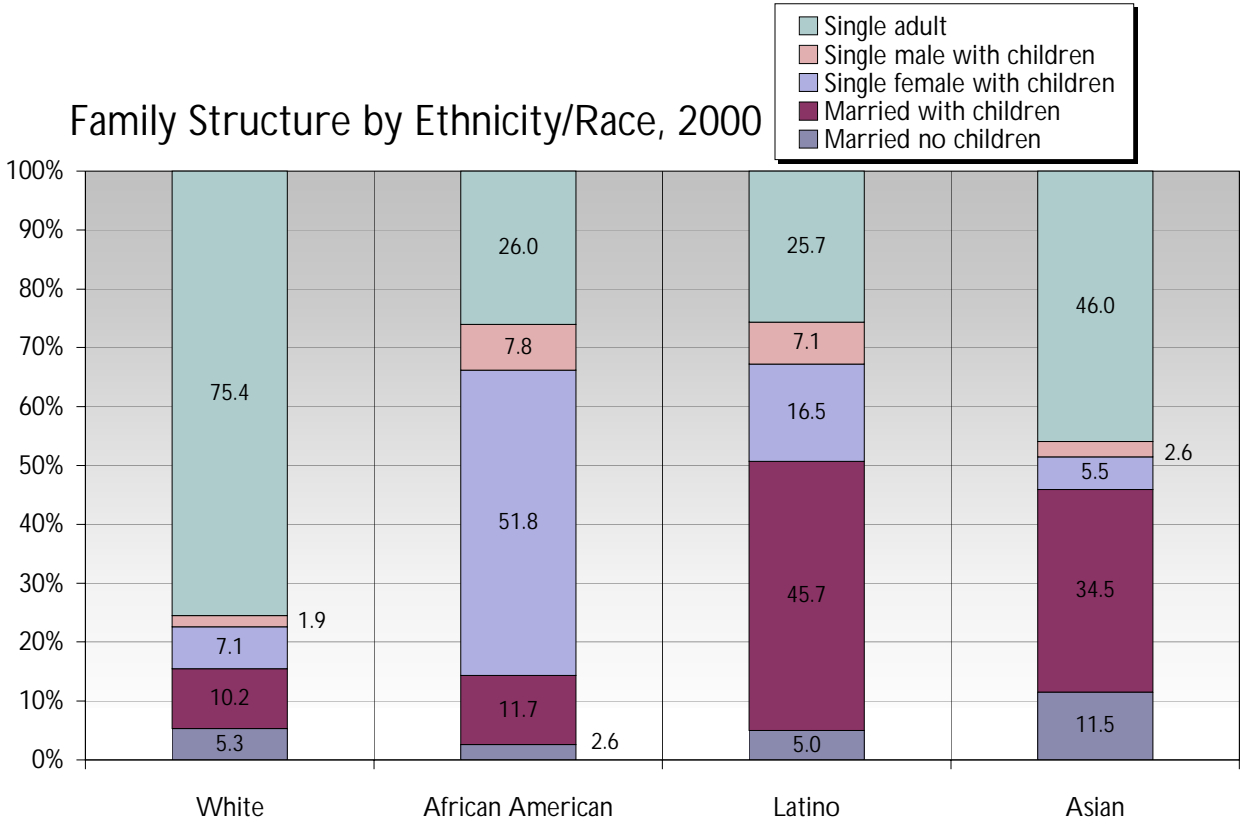
What is the Typical Family Structure of Working Poor Families?

Metropolitan Chicago



- 55.1 percent of working poor families had dependent children in 2000, a decline from 61.7 percent in 1990.
- 40.2 percent of working poor families consisted of single adults without dependent children in 2000, an increase from 33.2 percent in 1990.
- Women with dependent children headed 24.2 percent of working poor families in 2000, a drop from 27.5 percent in 1990.
- 45.0 percent of the working poor in 2000 had no dependent children, but 59.4 percent of families that were working but not poor were without dependents.

City of Chicago



- Only 19.2 percent of white working poor had dependent children.
- 42.6 percent of Asian working poor had dependent children.
- 69.3 percent of Latino working poor had dependent children.
- 71.3 percent of African-American working poor had dependent children.
- The most common family type among Latinos (45.7 percent) and Asians (34.5 percent) was a married couple with children.
- Among African Americans (51.8 percent), a single female with children was the most common family type.
- Single adults (75.4 percent) predominated among white working poor families.

How Old are Adults and Dependent Children in Working Poor Families?

Metropolitan Chicago

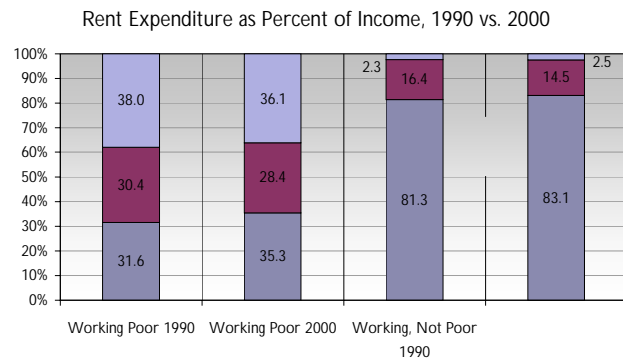
- The adults in working poor families tended to be somewhat younger than those in families that were working but not poor.
- 27.7 percent of adults in working poor families were between the ages of 18 and 24 in 2000, compared to 12.0 percent in families that were not poor.
- Dependent children in working poor families also tended to be younger than their counterparts in families that were working and not poor.
-

City of Chicago



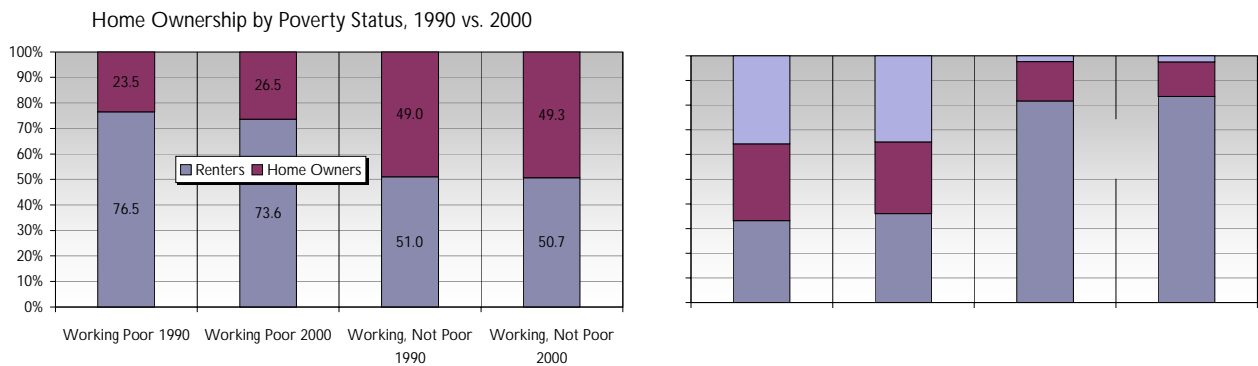
What Percentage of Working Poor Families Own Their Own Homes? How Much Do Those Who Rent Spend on Housing?

Metropolitan Chicago



- 35.3 percent of working poor families owned their own homes in 2000, an increase of 5.7 percent since 1990.
- For these working poor home owners, mortgage costs consumed a high share of their income:
 - 69.5 percent reported mortgages costs equal to 30 percent or more of income.
 - 48.8 percent reported mortgage costs equal to 50 percent or more of income, while only 5.4 percent of those who were working and not poor reported mortgages costs consuming such a high share of income.
- Among the 64.7 percent of working poor families that rented, 28.4 percent spent between 30 and 49 percent of their income on rent in 2000.
- 36.1 percent spent over half their income on rent in 2000, while only 2.5 percent of those working and not poor did so.

City of Chicago



- 26.5 percent of working poor families owned their own homes in 2000, an increase of 3.0 percent since 1990.
- For these working poor home owners, mortgage costs were a large burden:
 - 70.0 percent reported mortgage costs equal to 30.0 percent or more of their incomes.
 - 47.5 percent reported mortgage costs equal to 50.0 percent or more of their income, but only 7.4 percent of those who were working and not poor needed such a large share of their income to cover mortgage costs.
- Among the 73.6 percent of working poor families that rented in 2000:
 - 29.0 percent spent between 30 and 49 percent of their income on rent.
 - 34.9 percent spent over half their income on rent, while only 2.5 percent of the non-poor did so.

Are there Ethnic/Racial Differences in the Patterns of Home Ownership and Housing Expenditures Among Working Poor Families?

Metropolitan Chicago

| Owners, 2000 | White | African American | Latino | Asian |
|-------------------|-------|------------------|--------|-------|
| % Owner | 43.5% | 28.7% | 33.4% | 34.9% |
| Mort > 30% | 72.5% | 64.6% | 68.1% | 76.3% |
| Mort > 50% | | | | |
| Working Poor | 57.4% | 42.9% | 41.1% | 58.5% |
| Working, Not Poor | 4.9% | 5.8% | 8.0% | 5.9% |

| Renters, 2000 | White | African American | Latino | Asian |
|-------------------|-------|------------------|--------|-------|
| % Rent | 56.5% | 71.3% | 66.5% | 65.2% |
| Rent < 30%* | 27.8% | 36.5% | 42.2% | 25.5% |
| Rent 30-49%* | 25.0% | 27.3% | 32.8% | 23.8% |
| Rent > 50%* | | | | |
| Working Poor | 46.6% | 35.9% | 25.0% | 50.4% |
| Working, Not Poor | 2.9% | 2.1% | 1.8% | 2.4% |

*Those who pay no cash rent are less than 1% and are not shown here.

- Among working poor families, whites (at 43.5 percent) were more likely than other groups to own their own homes.
- For all of the home owners in these groups, mortgage costs consumed a high share of their income:
 - At least 6 of 10 in each group reported mortgage costs equal to 30 percent or more of their incomes.
 - Over half the white (57.4 percent) and Asian (58.5 percent) home owners reported mortgage costs equal to 50 percent or more of their income.
- Among working poor renters, over half the Asians (50.4 percent), and nearly half the whites (46.9 percent), reported rental costs equal to 50 percent or more of their income.

City of Chicago

| Owners, 2000 | White | African American | Latino | Asian |
|-------------------|-------|------------------|--------|-------|
| % Owner | 24.0% | 26.7% | 28.5% | 26.2% |
| Mort > 30% | 77.7% | 62.5% | 72.4% | 79.6% |
| Mort > 50% | | | | |
| Working Poor | 60.4% | 40.4% | 45.9% | 62.8% |
| Working, Not Poor | 6.4% | 6.3% | 10.6% | 8.4% |
| Renters, 2000 | White | African American | Latino | Asian |
| % Rent | 76.0% | 73.4% | 71.4% | 73.8% |
| Rent < 30%* | 26.6% | 38.2% | 42.3% | 25.5% |
| Rent 30-49%* | 27.2% | 28.3% | 31.6% | 22.1% |
| Rent > 50%* | | | | |
| Working Poor | 45.7% | 33.3% | 26.2% | 51.8% |
| Working, Not Poor | 3.1% | 2.0% | 1.9% | 2.3% |

*Those who pay no cash rent are less than 1% and are not shown here.

- Within each group, only about a quarter of the working poor families owned their own homes.
- For all of the home owners, mortgage costs were burdensome:
 - Over 7 in 10 of all groups except African Americans reported mortgage costs of 30 percent or more of their incomes.
 - Over 60 percent of the Asians and whites, and over 40 percent of each of the other groups reported mortgage costs equal to or greater than 50 percent of their incomes.
 - Among working poor renters, over half the Asians (51.8 percent) reported paying 50 percent or more of their income in rental costs.

What Proportion of Working Poor Adults Has a Work Disability?

Metropolitan Chicago, 2000

| | Working Poor | Working, Not Poor |
|-------------------|--------------|-------------------|
| All adults | 16.7% | 10.6% |
| Whites | 11.8% | 7.6% |
| African Americans | 17.6% | 15.8% |
| Asians | 17.6% | 12.9% |
| Latinos | 20.1% | 17.8% |

- One in six (16.7 percent) of all working poor adults in the metropolitan area have a work disability, 6.1 percentage points higher than those adults who are working but not poor.
- The proportion of working poor adults with a work disability is lowest among white adults (11.8 percent) and highest among Latino adults (20.1 percent).

City of Chicago, 2000

| | Working Poor | Working, Not Poor |
|------------|--------------|-------------------|
| All adults | 18.7% | 14.5% |
| Whites | | |

- 18.7 percent of Chicago's working poor adults have a work disability, compared with 14.5 percent of those adults who are working and not poor.
- Whites (at 13.4 percent) have the lowest percentage of working poor adults with a work disability, while Latinos have the highest (at 21.8 percent).

In the Chicago metropolitan area, as throughout the nation, economic growth and labor market attachment alone will not lift families out of poverty.

During the 1990s, a decade

jurisdictions in the metropolitan area
should enact living-wage
ordinances, which improve workers

Create a more responsive and holistic set of social services to poor people (working and non-working), one that might simultaneously offer legal, educational, medical, counseling, transportation, housing, and parenting support. The working poor face multiple and interlocking problems, and it is best to attack all or as many of their difficulties as possible at the same time.

III. Enhance Human Capital

Increase and equalize public school funding. Illinois currently has the most unequal school funding system in the United States.⁶ It heavily relies on local property taxes. As a result, primary and secondary schools in lower income communities are less well funded than schools in wealthier

| | Working Poor | Working Not Poor |
|---|-------------------------|-----------------------------|
| White Educational Attainment: | | |
| Less than High School | 19.8% | 7.1% |
| High School Degree Only | 36.4% | 26.7% |
| Some College | 29.0% | 31.7% |
| Bachelor's degree | 10.2% | 21.9% |
| Post-Bachelors | 4.6% | 12.5% |
| Post High School | 43.8% | 66.1% |
| High School Graduates | 80.2% | 92.8% |
| College Graduates | 14.8% | 34.4% |
| African American Educational Attainment: | | |
| Less than High School | 29.0% | 16.2% |
| High School Degree Only | 34.3% | 24.4% |

| | Working Poor | Working Not Poor |
|---|-------------------------|-----------------------------|
| Percent of Working Poor Adults Employed by Industry: | | |
| Accommodation and Food Services | 13.1% | 4.1% |
| Arts, Entertainment, Recreation | 2.0% | 1.4% |
| Construction | 5.0% | 6.0% |
| Education | 9.1% | 8.5% |
| Farming, Forestry, Fishing, Hunting | 1.5% | 0.8% |
| Finance, Insurance, Real Estate and Rental/Leasing | 3.9% | 8.4% |
| Health and Social Services | 12.3% | 10.8% |
| Information Services | 2.0% | 3.1% |
| Manufacturing | 12.8% | 16.9% |
| Military | 1.0% | 0.2% |
| Mining and Extraction | 0.1% | 0.2% |
| Other Services | 6.2% | 4.4% |

| | Working Poor | Working Not Poor |
|-------------------------|-------------------------|-----------------------------|
| Annual Earnings: | \$9,784 | \$39,889 |
| Whites | \$8,950 | \$42,483 |

or otherwise allowing the use of tangible or intangible assets, and establishments providing related services. The major portion of this sector comprises establishments that rent, lease, or otherwise allow the use of their own assets by others.

Health Care & Social Assistance:

The Health Care and Social Assistance sector comprises establishments providing health care and social assistance for individuals. The sector includes both health care and social assistance because it is sometimes difficult to distinguish between the boundaries of these two activities. The industries in this sector are arranged on a continuum starting with those establishments providing medical care exclusively, continuing with those providing health care and social assistance, and finally finishing with those providing only social assistance.

Information: The Information sector comprises establishments engaged in the following processes: (a) producing and distributing information and cultural products; (b) providing the means to transmit or distribute these products as well as data or communications; and (c) processing data. The main components of this sector are the publishing industries, including software publishing, traditional publishing and publishing exclusively on the Internet; the motion picture and sound recording industries; the broadcasting industries, including traditional broadcasting and those broadcasting exclusively over the Internet; the telecommunications industries; the industries known as Internet service providers and web search portals, data processing industries, and the information service industries.

Manufacturing: The Manufacturing sector comprises establishments engaged in the mechanical, physical,

or chemical transformation of materials, substances, or components into new products. Durable manufacturing deals with products designed to last three or more years. Non-durable manufacturing deals with 'soft' goods designed to be used more quickly; e.g. food and clothing.

Military: Includes those in the armed services performing military duties.

Mining and Extractive: Mining includes establishments primarily engaged in the extraction, exploration, and development of coal, oil, natural gas, metallic and non-metallic minerals. Mining does not include the preparation of these products.

Other Services (except Public Administration):

The Other Services (Except Public Administration) sector covers establishments with payroll engaged in providing services not specifically provided for elsewhere in the North American Industry Classification System (NAICS). Establishments in this sector are primarily engaged in activities such as repair and maintenance of equipment and machinery, personal and laundry services, and religious, grant making, civic, professional, and similar organizations. Establishments providing death care services, pet care services, photo finishing services, temporary parking services,

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Wholesale Trade: The Wholesale Trade sector comprises establishments engaged in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The wholesaling process is an intermediate step in the distribution of merchandise. Wholesalers are organized to sell or arrange the purchase or sale of (a) goods for resale (i.e., goods sold to other wholesalers or retailers), (b) capital or durable nonconsumer goods, and (c) raw and intermediate materials and supplies used in production.

Limited English-Speaking Ability. Individuals who classify themselves as speaking English “not at all” or “not well”.

Occupation. Occupation describes the kind of work a person does on the job. The data refer to the employed person.

guides and ushers, welfare aides, early childhood teacher aides, and other childcare workers not elsewhere counted.

Production Occupations. Including machine operators, fabricators, assemblers, hand working occupations, and production inspectors.

Sales Occupations. Including sales representatives, sales workers, and sales clerks in both retail and personal service industries.

Transportation Occupations. Including supervisors of transportation and material moving occupations, aircraft and traffic control, motor vehicle operators, rail, water, and other transportation workers.

Poverty Line. The federally defined threshold of family income for individuals to be considered living in poverty. The average federal poverty threshold for one unrelated individual in 1999 was \$8,667, and for an average family of four it was \$17,029.

Rent as a Percentage of Income. Gross rent as a percentage of household income in 1999. Gross rent is the contract rent plus the estimated average monthly cost of utilities and fuels. Under standards defined by the U.S. Department of Housing and Urban Development, housing is considered affordable if the gross rent consumes no more than 30 percent of income.

Work Disability. Includes persons 18 and over who have a disability which affects their level of employment or whether they can be employed. The disability can be sensory, physical, mental, self-care, or an inability to go outside the home.