



BUILDING BETTER LIVES

ILLINOIS KIDS COUNT 2010

“CHILDREN AND FAMILIES IN A TIME OF ECONOMIC CRISIS”

MAJOR THEMES AND KEY FINDINGS

MAJOR THEMES

Effects of the recession on child poverty: Children represent one-fourth of Illinois residents but more than one-third of the state's poverty population. In 2008, before the full-scale recession, the state's child poverty rate was 17%, which represents about 530,000 children. Rising unemployment and increased use of Food Stamps indicate that these figures will become substantially larger. National child poverty rates are expected to continue rising for several years after the economy begins to recover, reaching levels higher than at any time since the early 1960s.

Troubling trends even before the recession: In the decade leading up to the recession, Illinois lost more than 200,000 manufacturing jobs. Between 1999 and 2008, median income for families with children in Illinois failed to keep pace with inflation, while the costs of housing, health care, and higher education were rising. Economic disparities among racial-ethnic groups have become wider.

Essential role of economic security programs: For many families, access to income supports is essential for greater economic security. Among major income security programs, the federal Earned Income Tax Credit and the Food Stamp program are most effective in lifting children above the poverty level. Between 2007 and 2009, the number of Food Stamp recipients in Illinois increased by more than 20%.

Policy gains in jeopardy: In the past decade, Illinois has made significant progress in key policy areas affecting child well-being, including early childhood programs, health insurance coverage, child care services, mental health services, and child welfare. The recession and the state fiscal crisis threaten to undermine those gains.

OTHER KEY FINDINGS

Employment and Earnings

- Unemployment in Illinois jumped from 5% in 2007 to 10% in 2009, the highest level in more than 25 years. In the fourth quarter of 2009, the unemployment rate reached almost 16% in the Rockford metropolitan area and exceeded 12% in the Danville, Decatur, and Kankakee-Bradley metro areas.
- At the end of 2009, 14% of all children nationwide lived in families with an unemployed parent. In Illinois, this figure would represent more than 400,000 children.
- Between 2000 and 2008, Illinois lost more than 200,000 manufacturing jobs. Adjusted for inflation, median earnings for full-time, year-round workers have been flat since the beginning of the decade.

Income and Poverty

- Children who grow up in poverty are likely to have lower levels of educational attainment, diminished employment prospects, and greater health problems.
- The state's child poverty rate gradually increased from 15% at the beginning of the decade to 17% in 2008. In 2007-2008, ten counties — mostly in southern Illinois — had child poverty rates above 25 percent. Among the ten largest cities, the highest child poverty rates were in Rockford (34%), Chicago (31%), and Peoria (27%).
- In 2007-2008, 38% of African-American children and 22% of Latino children in Illinois were below poverty level, compared with 9% of both white children and Asian children.
- The poverty rate for Illinois children under age 6 is 20% — the highest for any age group. Poverty affects these children at a time when they are experiencing important milestones in physical, cognitive, and social and emotional development.
- The most recent poverty data do not yet reflect the impact of the recession. In 2008, the child poverty rate in Illinois children was 17%, compared with 18% nationwide. Trends in unemployment and Food Stamp participation indicate that these figures will be substantially higher in 2009.
- Based on patterns of past recessions, the nationwide child poverty rate is projected to exceed 24% in 2012, higher than at any time since the early 1960s. If trends in Illinois follow these projections, child poverty in the state can be expected to reach about 22% (over 650,000 children).
- Between 1999 and 2008, median income for Illinois families with children failed to keep pace with inflation. Among the 50 largest counties, the erosion of real family income was greatest in Stephenson (14%), Bureau (13%), Knox (13%), Franklin (12%), and Winnebago (12%).

Economic Security Programs

- In June 2009, 1.5 million Illinois residents — about half of them children — participated in the Food Stamp program, an increase of 22% from two years earlier. Between 2007 and 2009, the number of Food Stamp recipients increased by 50% or more in Boone, DuPage, McHenry, and Putnam counties.
- Among major income security programs, the federal Earned Income Tax Credit and the Food Stamp program are most effective in lifting children above the poverty level. The federal recovery act of 2009 included provisions designed to strengthen these and other safety net programs during the recession.
- Although Unemployment Insurance is generally considered the first line of defense in a recession, the majority of unemployed workers do not receive regular UI benefits.
- The Temporary Assistance for Needy Families (TANF) program in Illinois has not effectively responded to increased hardship during the recession. In June 2009, fewer than 20,000 Illinois families received TANF income assistance. The caseload was 31% lower than two years earlier and 90% below the level in 1997, when TANF was implemented in Illinois.

Housing

- In 2009, there were 131,000 foreclosure filings in Illinois, more than twice the number in 2007. Foreclosure rates in Illinois were second highest in the Midwest and ninth highest among all states.
- In 2007-2008, prior to the full-scale recession, there were more than 25,000 homeless students enrolled in Illinois public schools. Accumulating evidence from across the U.S. indicates that homelessness has become significantly worse since then.

Health

- Illinois has made substantial progress in health care coverage for children through Medicaid, the Children's Health Insurance Program (CHIP), and All Kids expansion. The uninsured rate for children declined from 10.4% in 2004-2005 to 6.5% in 2007-2008. Improvements were even greater for low-income children and for African-American and Latino children.

Education

- In 2007-2008, Illinois high school graduation rates were above 90% for whites and Asian-Americans but only about 75% for African-Americans and Latinos. Similarly, African-Americans and Latinos were less likely to receive four-year degrees from state universities.
- Since the beginning of the decade, the average cost of an undergraduate education at public universities in Illinois has more than doubled.
- State funding represented 28% of total revenue for local school districts in FY 2008, compared with 31% in FY 2001. State support for higher education has been essentially flat for ten years.

POLICY CHALLENGES

During this decade, Illinois has made substantial progress in key policy areas affecting children and families. These policy investments can have long-term benefits for children, their families, and the state as a whole:

- Illinois has become a prominent leader in early childhood care and education. More than 90,000 young children participate in state-funded preschool programs. In 2008, Illinois was ranked first among the states in access to preschool for 3-year-olds and ninth in preschool quality standards.
- The state has dramatically improved health care coverage for children. The proportion of Illinois children without health insurance has significantly declined, and racial-ethnic disparities have narrowed.
- The Illinois Child Care Assistance Program provides access to affordable child care services for nearly 100,000 low-income working families. The state has committed resources to help families achieve economic self-sufficiency and to contribute to the healthy development of children.
- The state is improving the scope and quality of children's mental health services. Through the efforts of the Illinois Children's Mental Health Partnership, the state has been building a comprehensive system of services to promote the healthy social and emotional development of children.
- Through reforms of the child welfare system and the development of effective prevention strategies, the state has greatly improved its efforts to protect children from abuse and neglect and provide them with stable, permanent living arrangements.

Formidable challenges and unmet needs remain in these and other key policy areas affecting children and families, but the recession and the state's severe fiscal crisis put these gains in serious jeopardy. Some programs — such as early childhood and mental health services — have already experienced substantial budget cuts that are harmful to children and families. It is vital in this time of need to protect families, build on successful policies, and strengthen the foundation for a prosperous future.

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