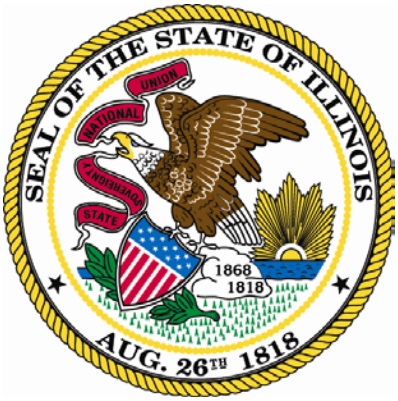
Measuring Progress: Benchmarking Workforce Development in Illinois

Fifth Annual Report



Illinois Workforce Investment Board

June 2009

Background

In 2001, the Illinois Workforce Investment Board (IWIB) charged its Evaluation and Accountability Committee (EAC) with creating a mechanism to measure the progress of the Illinois workforce development system. After reviewing leading national and state models, the EAC identified benchmarking as the best approach for monitoring progress. Based on an extensive process of stakeholder and expert input, the EAC recommended ten benchmarks, and in 2003, produced the first report on the performance of the Illinois workforce development system.

In July 2003, Public Act 93-0331 required the IWIB to implement a method for measuring progress of the State's workforce development system by using the benchmarks developed in the first IWIB report. This legislation also required that the IWIB annually report to the General Assembly on the status and progress of these benchmarks.

To fulfill this requirement, the IWIB established a working group in April 2004 to review and update the first benchmark report. Those results were subsequently submitted to the Illinois General Assembly. In developing the second report, the IWIB working group attempted to identify the most credible and reliable data sources for each of the required benchmarks. In most cases, standard federal government data sources were utilized. These data sources include the Current Population Survey, the National Center for Education Statistics and the Bureau of Economic Analysis. To preserve continuity and reliability, these same data sources have been used for each subsequent report.

Benchmarking is a general planning and evaluation tool that states use to measure progress regarding major indicators of performance. It is also used for comparison with other states, especially major competitor states. Benchmarking is further designed to identify a state's relative strengths and weaknesses compared to other states, as a basis to stimulate discussion and further analysis. To be credible, these benchmarks must be based on reliable data that are produced and reported on a regular basis, such as a standard federal government statistical series, e.g., United States Census, Current Population Survey (CPS).

This is the fifth report to the General Assembly measuring progress on the ten major benchmarks for the Illinois workforce development system.

The Ten Benchmarks for Workforce Development

The ten established benchmarks are designed to provide a comprehensive and balanced picture of the status and progress of workforce development services in Illinois. They are divided into three general categories:

Workforce Quality Benchmarks

The first six benchmarks measure workforce quality and are arranged in an order that tracks the life of a worker through various educational milestones. These benchmarks include three youth benchmarks.

1. Educational level of working-age adults
2. Percentage of the adult workforce in education or workforce training
3. Adult literacy
4. Percentage of high school graduates transitioning to education or workforce training
5. High school dropout rate
6. The number of youth transitioning from 8th grade to 9th grade

Earnings Benchmarks

The next two benchmarks focus on earnings, a primary indicator of workforce quality.

7. Percentage of individuals and families at economic self-sufficiency
8. Average growth in pay

Competitive Business Advantage Benchmarks

The final two benchmarks are key indicators of Illinois' competitive business advantage.

9. Net job growth
10. Productivity per employee

Benchmarking Other States

The state benchmarking process requires the inclusion of competitor states for comparisons over time. This report also compares Illinois' performance to that of the United States (US) as a separate entity, along with the performance of nine other states. These states were selected on the basis of their total population. They also represent the largest industrial states that compete with Illinois for business investment. The states and the abbreviations used for these states in the tables are:

- California (CA)
- Florida (FL)
- Georgia (GA)
- Michigan (MI)
- New Jersey (NJ)
- New York (NY)
- Ohio (OH)
- Pennsylvania (PA)
- Texas (TX)

Comparative performance information is presented on these states for each benchmark wherever possible.

Reading This Report

This report is organized according to the ten benchmarks identified above. Information regarding each benchmark is presented under three major headings:

Why Is This Benchmark Important?

This section demonstrates each benchmark's relevance to workforce development. It also includes a rationale for its use as an indicator of workforce development performance.

How Is Illinois Performing?

This includes a brief overview of the major trends and comparisons in Illinois' performance. It also identifies Illinois' comparative strengths as well as any areas that may need further exploration and analysis.

Data Issues and Limitations

This provides an overview of the major data challenges and limitations associated with the benchmarks. It also describes any changes in data presentation and methods for improving the benchmarking process for future reports.

For Further Information

This report was developed by the Illinois Workforce Investment Board (IWIB) with staff support from the Illinois Department of Commerce and Economic Opportunity and the Illinois Department of Employment Security. The Illinois Department of Employment Security provided the data for Benchmark Seven addressing economic self-sufficiency. For further information on the report, contact:

Lisa Jones, WIA Policy Manager
Illinois Department of Commerce and Economic Opportunity
Bureau of Workforce Development
(217) 558-2418
Lisa.D.Jones@illinois.gov

Benchmark One: Educational Level of Working-Age Adults

Why Is This Benchmark Important?

The educational level of working-age adults is a significant indicator of the general workforce skill level. It is also an indicator of workforce capacity and flexibility for continuous learning. This benchmark is widely used to compare the quality of the workforce in states and communities throughout the United States and the world. It has two major measures:

- Percentage of working-age adults with a high school diploma or higher (including some college, four-year degrees, or graduate degrees)
- Percentage of working-age adults with a bachelor's degree or higher (including graduate degrees)

How Is Illinois Performing?

Illinois is keeping pace with most other benchmark states and the nation as a whole in increasing the percentage of its population with high school diplomas. Illinois has moved ahead of the nation and most benchmark states in the percentage of its populations with a bachelor's degree or higher. But, persistent racial/ethnic differences are still present:

- Illinois increased the percentage of the working-age population with high school diplomas from 86.0 to 88.3 percent between 2001 and 2008.
- Illinois increased the percentage of the working-age population with bachelor's degrees and above from 26.4 to 31.1 percent between 2001 and 2008.
- There are only small differences between males and females in the percentage with a high school diploma and the percentage with a bachelor's degree or higher.
- Persistent racial/ethnic differences remain in the percentage of the working-age population with high school diplomas and four-year college degrees, with Blacks and Hispanics lagging behind the attainment rates of Whites.
- Illinois is ranked sixth among benchmark states in the percentage of persons 25 and over with a high school diploma and fifth in the percentage with a bachelor's degree or higher.

Data Issues and Limitations

The Current Population Survey (CPS) provides the most recent data available for Illinois and comparable large states. The CPS will produce slightly different numbers than other data sources, such as the Census, because of the format of questions, varying sample size and demographics of individuals counted. Annual fluctuations in

attainment rates may be due to small sample sizes in Illinois and other states, especially those with smaller populations. The measures of educational attainment for this benchmark should be monitored over multiple years to distinguish consistent trends from year-to-year fluctuations.

The most current data from the CPS does not provide racial/ethnic breakdowns, thus requiring the use of data from the U.S. Census Bureau for the benchmark report. Because of this, there are minor differences in the percentages of working-age adults in Illinois with a high school diploma or higher (Table 1 - 88.3% and Table 3 - 85.7%).

Table 1: Percentage of Working-Age Adults (Persons 25 and Older) With a High School Diploma or Higher

	2001	2002	2003	2004	2005	2006	2007	2008
US	83.8	83.6	83.4	84.5	84.4	84.6	85.9	86.6
CA	81.1	80.9	80.9	81.7	81.5	80.8	81.2	81.8
FL	84.8	83.8	84.5	86.5	86.1	86.2	86.9	88.7
GA	83.0	82.4	84.2	84.9	86.1	85.2	85.7	86.8
IL	**86.0**	**85.8**	**85.4**	**87.0**	**87.7**	**88.2**	**87.9**	**88.3**
MI	86.7	86.9	87.8	88.8	89.6	89.9	90.5	89.8
NJ	86.5	86.5	86.2	87.7	87.6	87.5	89.0	89.3
NY	83.7	84.1	84.3	85.9	86.3	86.0	86.9	86.4
OH	88.5	87.6	87.4	88.0	88.3	88.8	87.8	90.2
PA	86.6	86.7	85.5	85.6	85.4	87.6	87.9	88.6
TX	79.5	79.4	77.4	78.1	77.0	78.5	80.2	79.0

Source: March Current Population Survey (CPS)

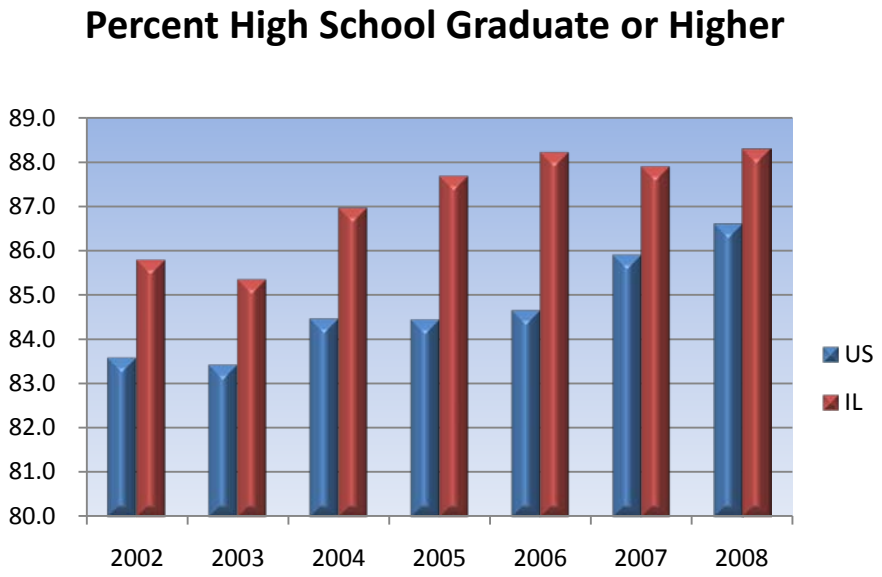


Table 2: Percentage of Working-Age Adults (Persons 25 and Older) With a Bachelor's Degree or Higher

	2001	2002	2003	2004	2005	2006	2007	2008
US	26.4	27.0	27.3	28.2	28.0	28.8	30.3	29.6
CA	28.6	27.6	29.5	31.7	31.1	30.3	30.6	31.9
FL	24.7	26.0	25.7	26.5	25.0	26.3	28.7	28.7
GA	25.1	26.1	27.4	29.0	28.1	28.9	30.7	31.2
IL	**26.4**	**28.3**	**28.4**	**27.7**	**29.6**	**31.5**	**32.6**	**31.1**
MI	24.4	21.8	22.5	24.3	25.1	25.8	26.3	26.7
NJ	29.7	31.7	33.6	35.4	36.3	35.4	37.5	37.5
NY	28.9	28.5	29.5	31.0	30.2	32.9	32.8	32.6
OH	23.4	24.7	25.3	25.1	22.4	23.6	23.7	24.1
PA	25.6	26.5	24.5	24.8	25.2	26.4	27.1	26.4
TX	24.2	27.2	25.0	24.0	25.1	26.2	26.6	26.1

Source: March Current Population Survey (CPS)

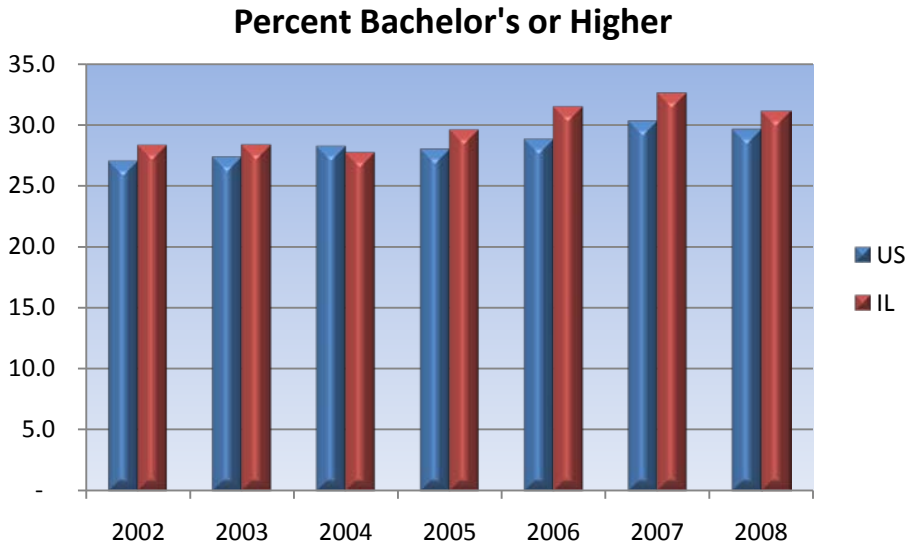
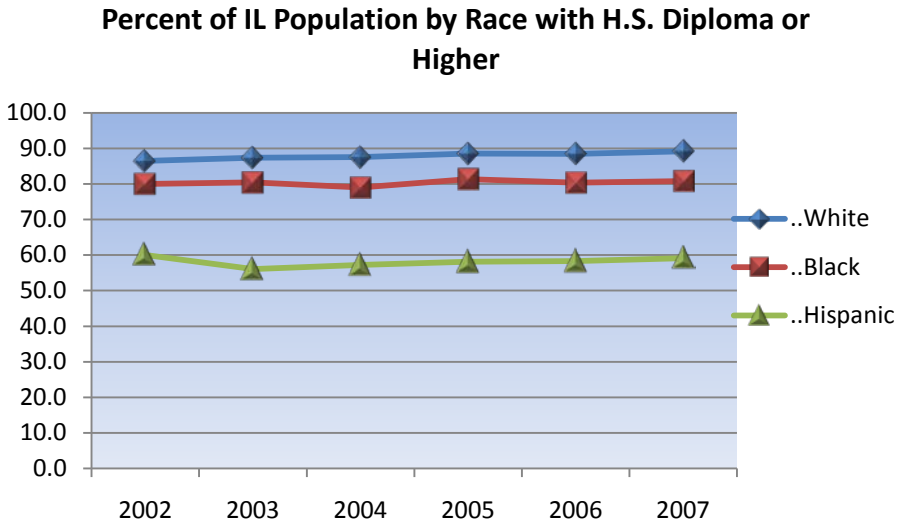


Table 3: Illinois Educational Attainment by Race and Hispanic Origin, Persons 25 and Older

	% High School or Higher 2002	% Bachelor's Degree or Higher 2002	% High School or Higher 2003	% Bachelor's Degree or Higher 2003	% High School or Higher 2004	% Bachelor's Degree or Higher 2004	% High School or Higher 2005	% Bachelor's Degree or Higher 2005	% High School or Higher 2006	% Bachelor's Degree or Higher 2006	% High School or Higher 2007	% Bachelor's Degree or Higher 2007
Illinois 25 years and over	84.0	28.1	85.2	28.1	85.2	29.1	85.7	29.2	85.0	18.1	85.7	29.5
White alone	86.5	29.4	87.4	29.3	87.5	30.3	88.5	30.9	88.5	31.1	89.2	31.8
Black alone	80.0	17.2	80.4	16.9	79.0	16.8	81.3	18.3	80.3	17.4	80.8	18.0
Hispanic (of any race)	60.0	9.3	56.1	11.3	57.3	11.7	58.1	11.0	58.3	10.8	59.1	10.7

Source: US Census Bureau



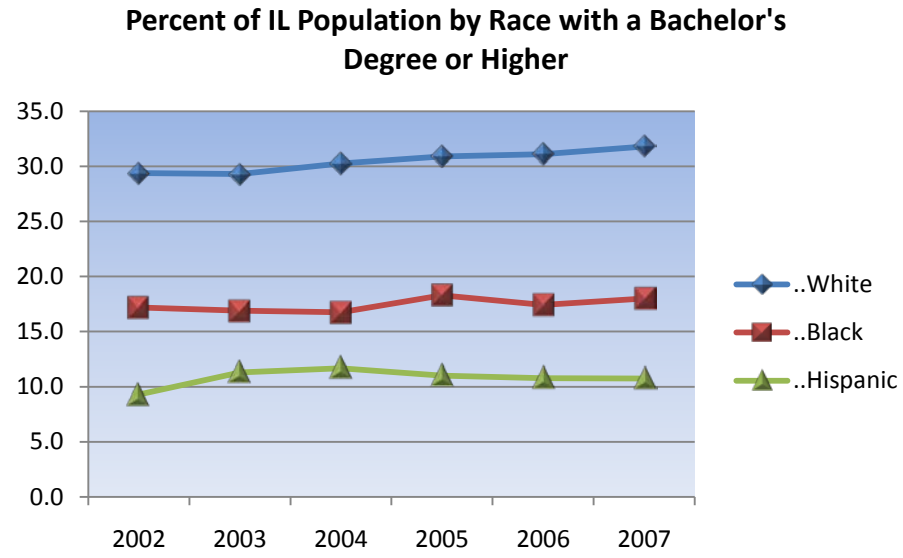


Table 4: Illinois Educational Attainment by Gender, Persons 25 and Older

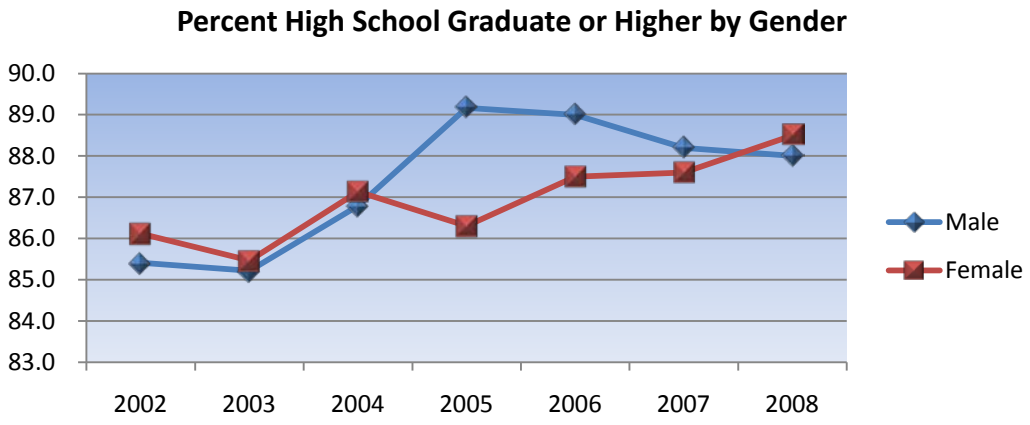
High School or Higher

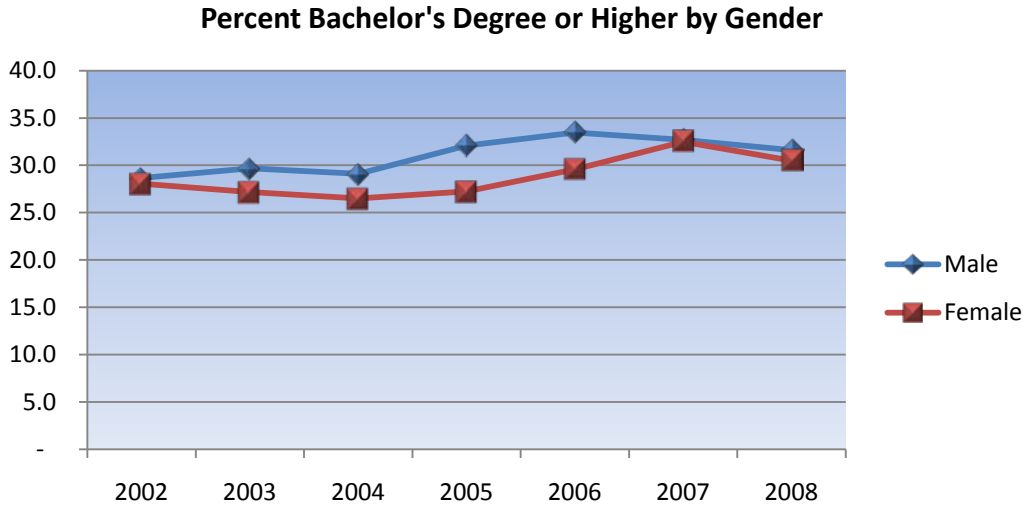
	2002	2003	2004	2005	2006	2007	2008
Total	85.8	85.4	87.0	87.7	88.2	87.9	88.3
Male	85.4	85.2	86.8	89.2	89.0	88.2	88.0
Female	86.1	85.5	87.1	86.3	87.5	87.6	88.5

Bachelors or Higher

	2002	2003	2004	2005	2006	2007	2008
Total	28.3	28.4	27.7	29.6	31.5	32.6	31.1
Male	28.7	29.7	29.1	32.1	33.5	32.7	31.6
Female	28.0	27.2	26.5	27.2	29.6	32.5	30.5

Source: March Current Population Survey CPS





Benchmark Two: Percentage of the Adult Workforce in Education or Workforce Training

Why Is This Benchmark Important?

The workforce development system seeks to provide adults and youth with continuing education and training opportunities. The relatively high number of adults who take advantage of these opportunities indicates a commitment to self-improvement and continuous learning on the part of workers, employers and government. If Illinois is to remain competitive, it must have a highly adaptive and flexible workforce that can quickly respond to changing economic conditions.

Unfortunately, there are no reliable and comprehensive data sources that fully capture adult participation in education and training. As a result, this benchmark can only address the number of people *enrolled* in Illinois colleges and universities, as well as those participating in the training programs funded by the Workforce Investment Act (WIA) – a federally funded job-training program. This benchmark has two key measures:

- Number of adults enrolled in Illinois colleges and universities compared to the size of the civilian workforce
- Number of adults in WIA-funded training compared to the size of the civilian workforce

How Is Illinois Performing?

- Illinois increased the number of people enrolling in Illinois colleges and universities compared to the size of the workforce between 2000 and 2003 and continued incremental increases through 2007.
- Illinois significantly increased the number of people enrolled in WIA-funded training between 2000 and 2003. However, since 2003 there has been a significant incremental decline in the number and percent of adults participating in training.

Data Issues and Limitations

Although national household surveys provide reliable estimates for this benchmark, there is no reliable data source at the state level. Therefore, as mentioned above, the best available estimate is the total number of students enrolled in public educational institutions as well as the total number of workers receiving training through the Workforce Investment Act (WIA). Although there are numerous definitions for “training” within WIA, the data reported are based on a very restrictive definition in order to more closely align them with comparable data on enrollment in colleges and universities. Also, there may be some duplication in the

number of workers receiving training through WIA, since many workers receive their training through community colleges. However, this measurement approach does result in an undercount of adult participation because it excludes those participating in non-degree-granting proprietary schools, apprenticeship programs, and private sector training programs, including employer-based training, and training provided directly to workers through professional and trade associations and private companies. National surveys estimate that public colleges and universities represent less than 50% of all education and training for adults.

Table 5: Percent of Adult Workforce in Education or Training

Program Year	Labor Force	Adults in College	WIA Training	% of WIA Participants
2001	6.46 million	752,753	13,770	49.1%
2002	6.39 million	781,190	18,414	47.7%
2003	6.34 million	799,216	15,942	45.8%
2004	6.37 million	801,548	14,080	42.4%
2005	6.43 million	805,764	12,658	39.9%
2006	6.56 million	814,189	11,480	37.2%
2007	6.69 million	821,026	11,146	38.0%

Sources: IL Department of Employment Security, Board of Higher Education and Workforce Bureau of Department of Commerce and Economic Opportunity

Benchmark Three: Adult Literacy

Why Is This Benchmark Important?

The literacy rate of a states' workforce is a strong indicator of the degree to which that state can compete on a national and global level. For individuals, low literacy skills represent a major barrier to employment and long term financial stability. Low literacy rates also tend to discourage new businesses from investing and existing ones from expanding. Without adequate literacy skills, a state's workforce is unable to advance to higher paying jobs, adapt to changes in technology, or attract new business investment.

The National Adult Literacy Survey (NALS) defines literacy as the use of "printed and written information to function in society, to achieve one's goals, and to develop one's knowledge and potential." NALS measures literacy on a five-point scale using the following three literacy dimensions: Prose, Document, and Quantitative. Interpretations of individuals tested at Levels 1 and 2 signify they have an inadequate ability to function in society (with only rudimentary skills in reading, writing, math, problem solving, and communication and English language skills). Those testing at Level 5 have an ability to work with complex concepts. This indicator has one key measure:

- Percentage of adults who tested at the inadequate level (Levels 1 and 2)

How Is Illinois Performing?

There has been no measurement of literacy in Illinois since the 1992 NALS study in which Illinois participated by providing funding for a comparable State Adult Literacy Survey (SALS). In that study, Illinois performed roughly at the same level as the nation as a whole.

- In 1992, 48% of Illinoisans tested at the inadequate level (Levels 1 and 2).
- The average scores for Illinois were slightly lower than other Midwest states and approximately the same as adults nationwide.

Data Issues and Limitations

Although Illinois participated in the 1992 SALS, the state did not participate in the 2002 SALS or the most recent 2003 SALS because of the costs for creating comparable state estimates of literacy. To determine how Illinois is currently performing and to track trends over time, the Illinois Workforce Investment Board (IWIB) will continue to explore this benchmark.

Benchmark Four: Percentage of High School Graduates Transitioning to Education or Workforce Training

Why Is This Benchmark Important?

To remain competitive, Illinois must increase the percentage of its workforce participating in education and training beyond high school, including four-year college degrees, as previously addressed in Benchmark #1. More than half of all new jobs in Illinois require post-secondary education or specialized training. Youth who transition directly from high school into further education are more likely to become qualified for new jobs in Illinois' growing industries. These youth are also better equipped to progress to higher paying employment and adapt to structural economic changes. This indicator has one key measure:

- Percentage of high school graduates transitioning to college

How Is Illinois Performing?

Illinois has not kept pace with leading states in the percentage of high school graduates transitioning to college.

- In Illinois, the percentage of high school graduates going to college remained relatively stable between 1994 and 2006 with between 34 and 35 percent transitioning to college.
- In contrast, other leading states made significant progress in improving transitions with three benchmark states reaching the 40 percent mark.

Data Issues and Limitations

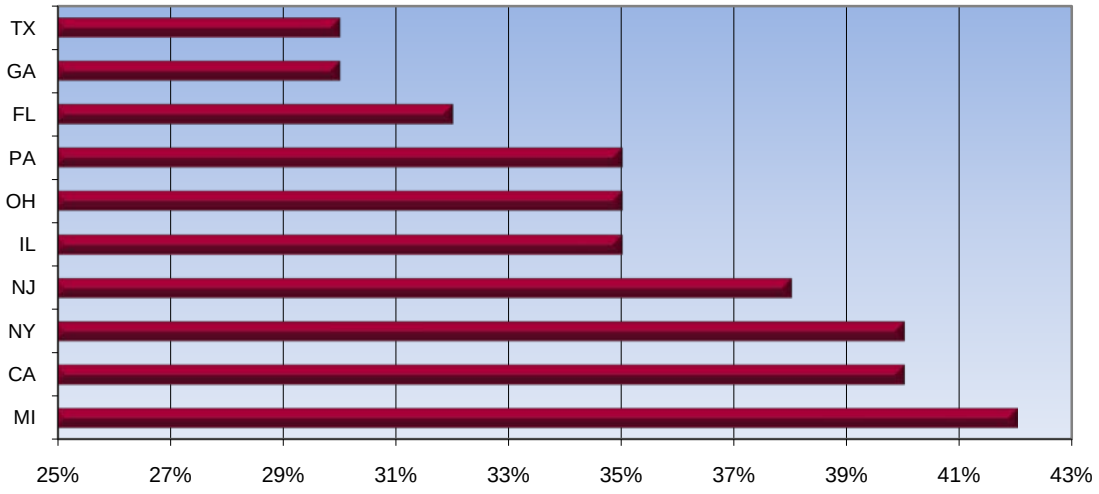
The National Report Card on Higher Education uses the Current Population Survey (CPS) for the transition measure. The CPS provides the most recent data available for Illinois and comparable large states. Results from the CPS tend to slightly vary from other comparable data sources, such as the U.S. Census, due to differences in format, wording of questions and sample size. Annual fluctuations in attainment rates may be due to small sample sizes in Illinois and other states, especially those with smaller populations. The measures of educational attainment for this benchmark should be monitored over multiple years to distinguish consistent trends from year-to-year fluctuations.

Table 6: Percentage of High School Graduates Transitioning to College

2004 Rank		1994	2000	2002	2004	2006
1	CA	32%	38%	36%	38%	40%
8	FL	32%	30%	31%	31%	32%
10	GA	26%	26%	24%	26%	30%
7	**IL**	**34%**	**35%**	**33%**	**33%**	**35%**
2	MI	35%	40%	39%	38%	42%
5	NJ	37%	39%	41%	37%	38%
3	NY	35%	35%	37%	38%	40%
6	OH	33%	34%	33%	34%	35%
4	PA	30%	36%	37%	38%	35%
9	TX	30%	30%	27%	28%	30%

Source: Measuring Up: The National Report Card on Higher Education

Percentage of Adult Workforce in Education or Training: 2006



Benchmark Five: High School Dropout Rate

Why Is This Benchmark Important?

As presented in Benchmark #1, the educational level of working-age adults is an indicator of the general skill level of the workforce and its capacity and flexibility for continuous learning. This benchmark is widely used to compare the quality of a state's workforce to those at the national and global level. Illinois communities with low high school dropout rates have the potential to greatly increase the overall educational levels of their workforces along with other strategies. This indicator has two key measures:

- Percentage of youth leaving high school without a high school diploma
- Percentage of 16–19 aged youth not in school and without a high school diploma

How Is Illinois Performing?

Illinois has gradually reduced the statewide dropout rate since the early 1990's. However, state comparisons are very difficult due to the lack of comparable data. Illinois has a very high level of Black and Hispanic school-age youth (16–19) without high school diplomas.

- Illinois had a state dropout rate of 6.4 percent in school year 2001-2002, which is down from the rate of 6.9 percent that was reported in the 1997-1998 school year. After declining for several years, the rate in the last two school years reported has reversed the downward trend and was up from 6.0 percent.
- According to the most recent available data, Illinois has about 10.2 percent of youth, aged 16-19, who are not in school and do not have a diploma, compared to approximately 9.9 percent for the nation as a whole.
- Black (13.9%) and Hispanic (24.9%) youth had significantly higher dropout rates than White (5.8%) youth in Illinois. These rates were also higher than those for Black (11.7%) and Hispanic (21.4%) youth in the nation as a whole.
- Almost one in six Black youth aged 16-19 and one in four Hispanic youth aged 16-19 in Illinois are not in school and are without a diploma.

Data Issues and Limitations

Despite efforts by the National Center for Educational Statistics to standardize the calculation of school dropout rates, major problems remain in comparing these statistics at the state and national levels. This difficulty is largely the result of inconsistency in data quality and methodology among states. For instance, many students who drop out during the transition to high school are not counted in some states' official dropout statistics. As a result, any benchmark on high school dropout rates should include a measure addressing the percentage of school-aged youth who are not in school and are without a diploma. This should be based on an independent source of information such as the decennial census. Available data may also overstate the dropout problem because it includes youth who may have migrated from other states or countries without attending Illinois schools.

Table 7: Dropout Rates for Grades 9-12 by State: School Years 1993-94 through 2001-02

State	2001-02	2000-01	1999-2000	1998-99	1997-98	1996-97	1995-96	1994-95
California	---	---	---	---	---	—	3.9	—
Florida	3.7	4.4	---	---	---	—	---	—
Georgia	6.5	7.2	7.2	7.4	8.2	8.2	8.5	9.0
Illinois	**6.4**	**6.0**	**6.2**	**6.5**	**6.9**	**6.6**	**6.4**	**6.6**
Michigan	---	---	---	---	---	—	---	—
New Jersey	2.5	2.8	3.1	3.1	3.7	3.7	---	4.0
New York	7.1	3.8	---	---	3.4	—	3.7	—
Ohio	3.1	3.9	5.0	3.9	5.2	5.2	5.4	5.3
Pennsylvania	3.3	3.6	4.0	3.8	3.9	3.9	4.0	4.1
Texas	3.8	4.2	5.0	---	---	—	---	—

Source: National Center for Educational Statistics

Illinois Dropout Rate 1994-2001

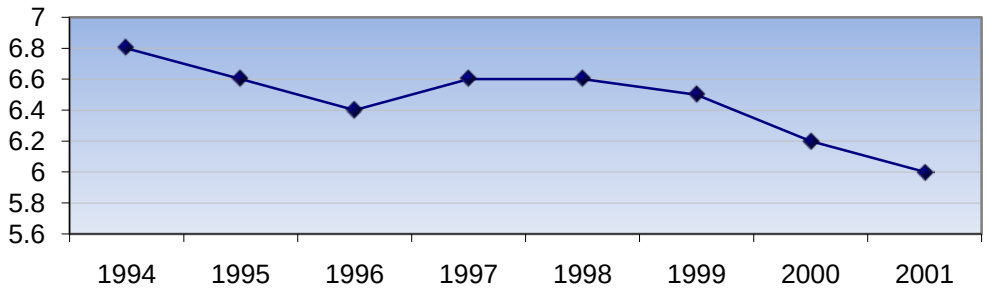


Table 8: Dropout Rates by Race and Hispanic Origin

	Total	White, non-Hispanic	Black, non-Hispanic	Hispanic
US 1997	11.0	7.6	13.4	25.3
US 1998	11.8	7.7	13.8	29.5
US 1999	11.2	7.3	12.6	28.6
Illinois 1997	6.6	4.2	12.6	11.9
Illinois 1998	6.6	4.2	12.6	11.9
Illinois 1999	6.2	3.8	12.3	11.2

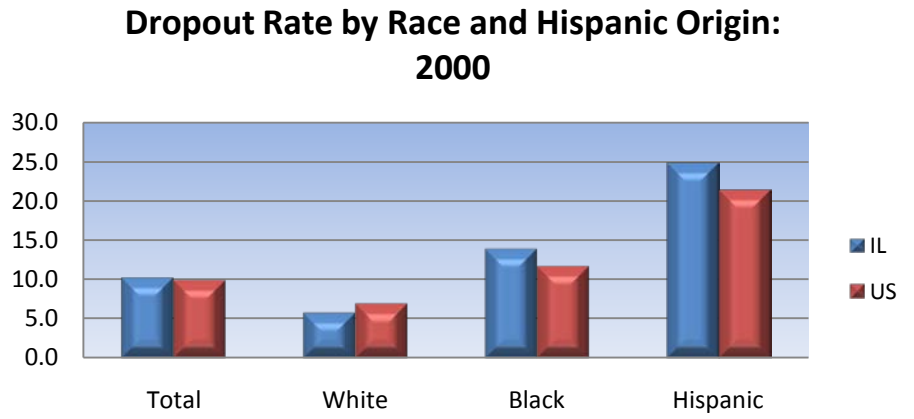
Source: United States Census Bureau

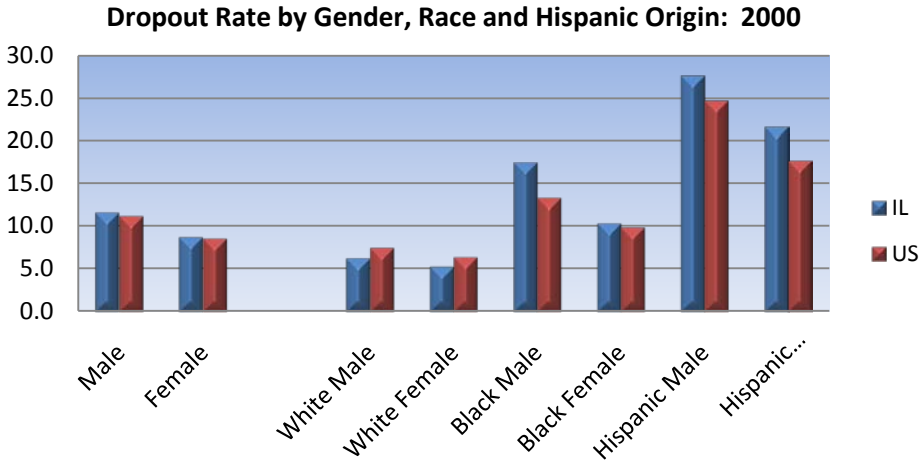
Table 9: Percentage of 16-19 Year Old Individuals Not in School and Without a High School Diploma in 2000

	IL	US
Total	10.2	9.9
White	5.8	6.9
Black	13.9	11.7
Hispanic	24.8	21.4

	IL	US
Male	11.6	11.2
Female	8.7	8.6
White Male	6.3	7.5
White Female	5.3	6.4
Black Male	17.5	13.3
Black Female	10.3	9.9
Hispanic Male	27.6	24.7
Hispanic Female	21.6	17.6

Source: US Census Bureau





Benchmark Six: Number of Youth Transitioning from 8th Grade to 9th Grade

Why Is This Benchmark Important?

The transition from 8th grade to 9th grade is a significant milestone, as most young people celebrate their first graduation as they complete primary school and begin high school. Those unable to make a successful transition to high school often face a bleak future with decreasing opportunities to complete their education after reaching adulthood.

Students in Illinois are required, by law, to remain in school until they are seventeen years of age. Yet some younger students still manage to leave school each year. Those pre-9th grade dropouts are not included in the dropout rates computed by the Illinois State Board of Education.

State and local school efforts to improve testing scores for all students will more than likely aggravate the pre-9th grade dropout problem. With increased focus on student testing and fewer opportunities for social promotion, more students are likely to drop out before they enter high school, regardless of their age.

What happens to youth who do not transition to high school? Like many high school dropouts, they are more likely to remain at low levels of education and employment and ultimately enter the criminal justice and welfare systems. In addition, students without any high school experience will face even tougher barriers in passing a General Educational Development (GED) Test, earning a high school diploma or pursuing further education and training.

How Is Illinois Performing?

Illinois currently does not have information systems in place to measure the number of youth transitioning from 8th grade to 9th grade on a reliable statewide basis. In addition, no comparable information for other states exists.

Data Issues and Limitations

The Illinois State Board of Education is developing the capability to track students as they transition from grade to grade, school to school and district to district. Upon receiving a grant in 2008, Illinois is in the process of developing a more comprehensive student information system. This information system may provide the basis for measuring and reporting this benchmark in future years.

Benchmark Seven: Percentage of Individuals and Families at Economic Self-Sufficiency

Why Is This Benchmark Important?

Self-sufficiency measures the amount of income that is needed for an individual or family to adequately meet basic needs. A high percentage of self-sufficiency in Illinois suggests that economic conditions in the state are conducive to financial stability for both individuals and families. The Self-Sufficiency Standard (SSS) defines the level of income necessary for self-sufficiency, based on family type and the actual costs of housing, childcare, transportation, and healthcare by county.

The SSS is a more accurate calculation of the income needed to support a family than other income benchmarks, because it recognizes that individual and family needs vary. For example, the costs associated with supporting an infant are very different from those for a teenager, and housing expenses can vary tremendously, not only between states but even within a state. This benchmark has one measure.

- Percentage of individuals and families below economic self-sufficiency.

This measure is reported by economic development regions in Illinois. The definition of these regions (counties in each region) can be found at http://www.opportunityreturns.com/main/html

How Is Illinois Performing?

The results show significant differences across the state, reflecting the range of economic opportunities in Illinois:

- The Southern Economic Development Region has the greatest percentage of households living below self-sufficiency, while the Northwest, Central, and Northern Stateline Economic Development Regions have the greatest percentage of households achieving self-sufficiency.

- Racial Composition impacts self-sufficiency much more than economic development region. The percentages of Black and Hispanic households living below self-sufficiency are more than 2.5 times the percentage of White households living below self-sufficiency. Only 16.6 percent of White households are below the standard, which is much less than even the statewide average of 23.5 percent.

Data Issues and Limitations

Self-sufficiency standards have been computed for over 30 states, with several states applying the standard to target education and job training investments. This standard is also used to counsel job seekers and those considering training toward career pathways, allowing them to support their families.

Illinois was the first state to benchmark the self-sufficiency level of its population through an analysis of the decennial census data. Although the small size of the annual Current Population Survey (CPS) makes county-level data unreliable, it does provide additional statewide information through supplementary questions not included in the decennial census. Therefore, the most comprehensive method of tracking changes in self-sufficiency is to analyze both the decennial census every ten years and the CPS in all other years. Now that Illinois has developed the methodology used to benchmark self-sufficiency using the decennial census, other states will be able to use this methodology to provide comparable data.

Table 10: Percentage of Families Below Economic Self-Sufficiency by Region for Illinois [1]

Economic Development Region	Percentage of Households Below Self Sufficiency
Statewide	**23.50%**
Central	20.20%
West Central	22.00%
East Central[2]	27.00%
North Central	20.90%
Northeast	23.80%
Northern Stateline	20.30%
Northwest	20.10%
Southeastern	23.90%
Southern	30.30%
Southwestern	24.40%

Table 11: Percentage of Families Below Economic Self-Sufficiency by Race For Illinois [3]

Race	Percentage of Households Below Self Sufficiency
White	16.60%
Black	44.70%
Hispanic	43.60%
Asian	24.90%
American Indian/ Alaska Native	35.50%

[1] The Self-Sufficiency Standard (SSS) is a measure of how much income is needed for a family to adequately meet its basic needs, based on family type, and on the actual costs of housing, childcare, transportation and health care by county. For example, the SSS for a family composed of one adult and one infant is $17,719 in Edgar County and $34,543 for the Northern Cook County suburbs.

This analysis is based on the 5% Public Use Microdata Sample (PUMS) from the 2000 census.

[2]This EDR includes a large number of students attending the University of Illinois.
[3]The race of the head of the household.

Benchmark Eight: Average Growth in Pay

Why Is This Benchmark Important?

Earnings growth indicates strong economic development. It demonstrates that the state has strong employers with rising productivity who are creating high-quality jobs that allow workers to earn a good living. This benchmark has one measure:

- Mean annual earnings of workers

How Is Illinois Performing?

Illinois is keeping pace with the growth in average earnings nationwide and in most comparable Midwest states.

- The average earnings of workers in Illinois increased by over 43 percent between 1997 and 2007, reaching a level of $53,098 in 2007.
- Average earnings increased by 3.8 percent in Illinois between 2006 and 2007, which was above the national increase of 3.1 percent.
- Illinois ranked sixth among the benchmark states in earnings growth between 1997 and 2007, but third in earnings growth between 2006 and 2007.

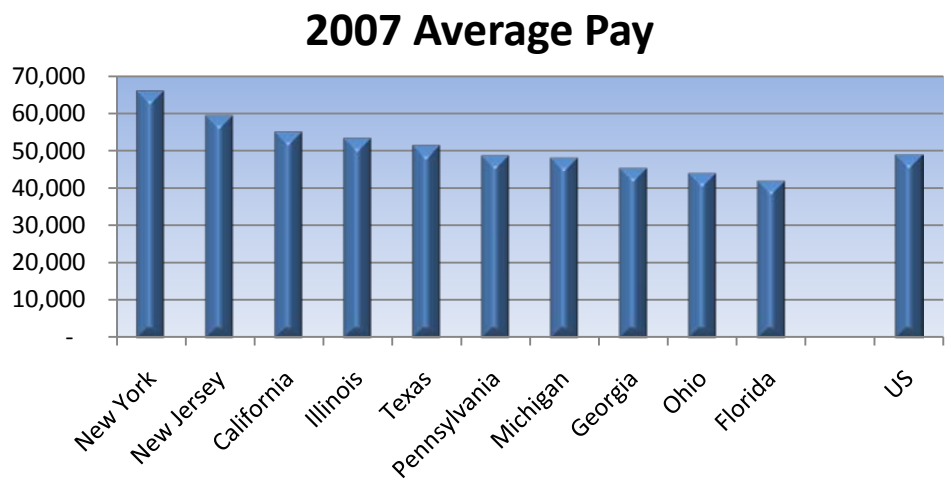
Data Issues and Limitations

The U.S. Department of Commerce, Bureau of Economic Analysis (BEA), provides the most comprehensive industry employment coverage for estimating employment and earnings trends in Illinois and benchmark states. The BEA data are derived from multiple secondary data sources, mainly the ES-202 data. Additional data sources are used to estimate employment in different industry sectors not covered by other sources including farming, schools, and some types of non-profit organizations. The major limitation of the BEA data is the lag in reporting.

Table 12: Average Growth in Pay

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	% Change 1997-2007	% Change 2006-2007
US	**33,634**	**35,342**	**36,973**	**39,007**	**40,164**	**41,116**	**42,428**	**44,381**	**45,746**	**47,420**	**48,886**	**45.3%**	**3.1%**
California	37,055	38,881	41,110	44,539	45,168	46,009	47,550	50,857	52,710	54,110	54,873	48.1%	1.4%
Florida	29,636	31,066	32,402	33,975	34,604	35,710	36,797	38,397	40,253	41,475	41,882	41.3%	1.0%
Georgia	32,589	34,343	36,213	38,230	39,548	40,268	41,038	42,489	43,663	44,341	45,329	39.1%	2.2%
Illinois	**37,066**	**38,718**	**40,378**	**42,207**	**43,165**	**44,540**	**46,668**	**48,471**	**49,280**	**51,149**	**53,098**	**43.3%**	**3.8%**
Michigan	35,817	38,122	39,681	41,066	42,217	43,502	45,253	45,474	45,907	46,767	48,099	34.3%	2.8%
New Jersey	42,594	44,960	46,576	49,090	49,786	51,088	52,114	54,017	55,215	57,423	59,208	39.0%	3.1%
New York	44,521	46,937	48,870	51,516	52,535	52,761	53,657	56,509	58,803	62,428	65,824	47.8%	5.4%
Ohio	31,966	33,311	34,531	35,713	36,584	37,960	39,354	40,504	41,192	42,486	43,904	37.3%	3.3%
Pennsylvania	34,168	35,968	37,157	38,457	39,172	40,506	42,119	44,060	45,121	46,850	48,683	42.5%	3.9%
Texas	33,469	35,434	37,446	39,985	41,465	41,837	42,886	45,663	47,530	49,593	51,277	53.2%	3.4%

Source: Bureau of Economic Analysis, Table SA30, State Economic Profile



Measuring Progress: Benchmarking Workforce Development in Illinois - Illinois Workforce Investment Board

Table 13: Percent Income Growth by Industry, 2002-2007

Industry	IL	U.S.
Wage and salary disbursements by place of work	22.1	27.7
Farm wage and salary disbursements	32.3	11.9
Nonfarm wage and salary disbursements	22.1	27.8
Private wage and salary disbursements	23.2	28.5
Mining	20.3	75.1
Utilities	(1.1)	14.8
Construction	15.1	35.1
Manufacturing	9.6	10.5
Durable goods manufacturing	12.3	12.6
Nondurable goods manufacturing	5.4	6.5
Wholesale trade	25.9	31.5
Retail trade	12.8	16.6
Transportation and warehousing	18.7	23.6
Information	5.4	12.0
Finance and insurance	36.7	41.9
Real estate and rental and leasing	26.3	35.6
Professional and technical services	26.5	39.5
Management of companies and enterprises	54.4	49.0
Administrative and waste services	38.5	33.9
Educational services	39.1	34.5
Health care and social assistance	28.8	35.1
Arts, entertainment, and recreation	15.4	28.7
Accommodation and food services	34.1	33.5
Other services, except public administration	18.6	23.6
Government and government enterprises	15.5	24.2

Source: Bureau of Economic Analysis, Table SA07, Wage and Salary Disbursements by Industry

Benchmark Nine: Net Job Growth

Why Is This Benchmark Important?

The increase in the number of jobs within a state is one of the most widely used indicators of its economic strength. A state with strong job growth indicators signifies a robust business climate that includes a quality workforce. This benchmark has two measures:

- Increase in the number of jobs.
- Percent of increase in jobs.

How Is Illinois Performing?

Illinois, like the nation as a whole, experienced significant job losses between 2000 and 2003 during a severe recession. However, Illinois is starting to turn the corner:

- Illinois gained about 273,000 jobs between 2004 and 2007 reversing the severe job loss trend that began in 2001 and continued into 2003, when most states lost jobs.
- Illinois ranked eighth in job growth over the last ten years among benchmark states, and seventh in job growth between 2006 and 2007.
- Between 2006 and 2007, the most significant job losses continued to be in manufacturing. However, these losses were offset by major job gains in the service sector, as well as a noticeable increase in transportation and warehousing.

Data Issues and Limitations

The U.S. Department of Commerce, Bureau of Economic Analysis (BEA), provides the most comprehensive industry employment coverage for estimating employment and earnings trends in Illinois and benchmark states. The BEA data are derived from multiple secondary data sources, mainly the ES-202 data. Additional data sources are used to estimate employment in different industry sectors not covered by other sources including farming, schools, and some types of non-profit organizations. The major limitation of the BEA data is the lag in reporting.

Table 14: Net Job Growth, 1996-2007

Rank	Area	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Change 2006-2007	Percent Change 2006-2007	Change 1997-2007	Percent Change 1997-2007
	U.S.	155,608	159,628	162,955	166,759	167,015	166,633	167,554	170,513	174,228	177,818	180,944	3,126	1.8%	25,335.6	16.3%
1	California	17,787	18,504	19,024	19,626	19,716	19,660	19,781	19,797	20,181	20,762	21,246	483	2.3%	3,458.6	19.4%
4	Florida	8,068	8,368	8,656	8,933	9,112	9,205	9,411	9,775	10,148	10,520	10,680	160	1.5%	2,611.7	32.4%
8	Georgia	4,477	4,640	4,778	4,892	4,908	4,893	4,950	5,074	5,246	5,420	5,560	140	2.6%	1,083.2	24.2%
5	**Illinois**	**7,029**	**7,185**	**7,282**	**7,416**	**7,371**	**7,284**	**7,260**	**7,336**	**7,440**	**7,536**	**7,609**	**73**	**1.0%**	**580.1**	**8.3%**
9	Michigan	5,363	5,416	5,519	5,629	5,540	5,483	5,461	5,502	5,545	5,493	5,455	-39	-0.7%	91.7	1.7%
10	New Jersey	4,446	4,524	4,595	4,755	4,789	4,804	4,846	4,936	5,034	5,089	5,128	40	0.8%	682.6	15.4%
3	New York	9,819	10,015	10,220	10,455	10,491	10,415	10,460	10,611	10,773	10,882	11,040	158	1.5%	1,221.3	12.4%
7	Ohio	6,541	6,660	6,747	6,836	6,759	6,691	6,664	6,741	6,805	6,820	6,830	10	0.1%	289.0	4.4%
6	Pennsylvania	6,631	6,724	6,836	6,973	6,979	6,956	6,936	7,038	7,167	7,235	7,305	70	1.0%	673.8	10.2%
2	Texas	11,236	11,646	11,895	12,245	12,356	12,370	12,490	12,656	13,069	13,615	14,157	542	4.0%	2,921.7	26.0%

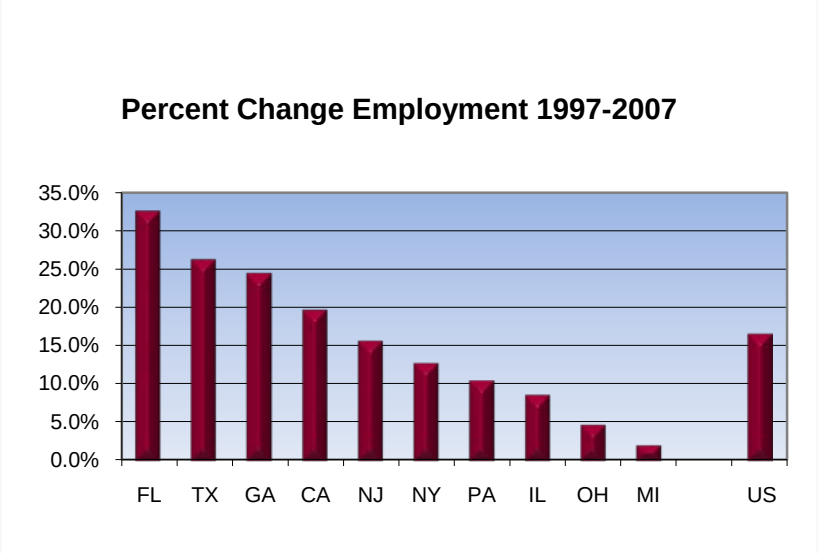


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Table 15: Industry Employment

Industry	2006	2007	Net Change	Percent Change
Total employment	**7,535,815**	**7,608,799**	**72,984**	**0.97**
Wage and salary employment	6,188,057	6,234,950	46,893	0.76
Proprietors employment	1,347,758	1,373,849	26,091	1.94
Farm proprietors employment	74,574	74,408	-166	-0.22
Nonfarm proprietors employment	1,273,184	1,299,441	26,257	2.06
Farm employment	92,371	92,200	-171	-0.19
Nonfarm employment	7,443,444	7,516,599	73,155	0.98
Private employment	6,547,944	6,616,322	68,378	1.04
Forestry, fishing, related activities, and other	13,306	13,394	88	0.66
Mining	18,792	18,467	-325	-1.73
Utilities	23,838	23,797	-41	-0.17
Construction	413,819	412,800	-1,019	-0.25
Manufacturing	704,544	696,307	-8,237	-1.17
Durable goods manufacturing	432,436	427,601	-4,835	-1.12
Nondurable goods manufacturing	272,108	268,706	-3,402	-1.25
Wholesale trade	330,219	333,841	3,622	1.10
Retail trade	761,715	766,148	4,433	0.58
Transportation and warehousing	301,400	308,273	6,873	2.28
Information	136,343	135,384	-959	-0.70
Finance and insurance	444,460	441,473	-2,987	-0.67
Real estate and rental and leasing	281,282	298,164	16,882	6.00
Professional and technical services	525,621	524,242	-1,379	-0.26
Management of companies and enterprises	99,783	101,185	1,402	1.41
Administrative and waste services	503,347	521,854	18,507	3.68
Educational services	171,212	176,776	5,564	3.25
Health care and social assistance	775,057	788,095	13,038	1.68
Arts, entertainment, and recreation	145,402	145,273	-129	-0.09
Accommodation and food services	469,520	477,206	7,686	1.64
Other services, except public administration	428,284	433,643	5,359	1.25
Government and government enterprises	895,500	900,277	4,777	0.53

Source: Bureau of Economic Analysis, Employment by Industry (Table SA25)

Benchmark Ten: Productivity per Employee

Why Is This Benchmark Important?

State productivity levels are critical in maintaining a strong job market as well as high earning levels. Productivity includes not only the contributions of workers, but also the investment of employers in technology and leading workplace practices. States that successfully attract businesses and qualified workers are those that have a track record of high productivity and the type of climate where they can be competitive and increase earnings. This benchmark has one measure:

- Gross state (national) product (in dollars) per worker

How Is Illinois Performing?

Illinois is keeping pace with the growth in productivity nationwide and in most comparable states:

- Illinois showed strong gains in productivity, although growth rates were somewhat below the national level between 1997 and 2007.
- Illinois had the fifth highest productivity rate among benchmark states in 2007, and exceeded national figures over the past ten years.

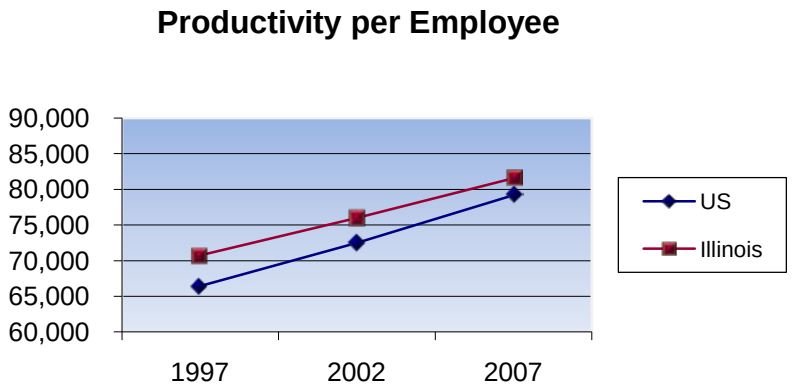
Data Issues and Limitations

The measure provides an indirect estimate of productivity but is the only available measure for annual reporting at the national and state levels. This measure is based on Bureau of Economic Analysis (BEA) data on gross state product and employment. The U.S. Department of Commerce, Bureau of Economic Analysis (BEA), provides the most comprehensive industry employment coverage for estimating trends in Illinois and benchmark states. The BEA data are derived from multiple secondary data sources, mainly the ES-202 data. Additional data sources are used to estimate employment in different industry sectors not covered by other sources including farming, schools, and some types of non-profit organizations. The major limitation of the BEA data is the lag in reporting.

Table 16: Productivity Per Employee

Rank 2007	State	1997	2002	2007	Percent Change 2002-2007	Percent Change 1997-2007
	US	66,443	72,509	79,187	9.21	19.18
1	New York	79,989	90,277	104,599	15.86	30.77
2	California	72,791	82,155	94,127	14.57	29.31
3	New Jersey	82,721	87,554	93,505	6.80	13.04
4	Texas	68,953	76,402	82,529	8.02	19.69
5	**Illinois**	**70,748**	**75,996**	**81,565**	**7.33**	**15.29**
6	Georgia	65,414	71,554	76,517	6.94	16.97
7	Michigan	69,159	72,864	75,139	3.12	8.65
8	Pennsylvania	64,520	68,401	72,200	5.55	11.90
9	Florida	60,720	64,936	71,842	10.64	18.32
10	Ohio	62,669	65,989	69,305	5.02	10.59

Source: U.S. Bureau of Economic Analysis



Summary and Next Steps

This report is the fifth annual progress report to the General Assembly on the ten benchmarks for the Illinois workforce development system. This report is designed to provide an overview of how Illinois is progressing, relative to the nation and comparable states regarding these ten benchmarks. This report also provides information on data limitations and continuing efforts to improve the quality of data presented for each benchmark.

How Is Illinois Performing

Illinois remains near or above national levels of performance for most of the ten workforce development benchmarks. Illinois has experienced job gains in the most recent time period covered in this report continuing the reversal of job losses from the previous recession starting in 2001. Illinois showed strong gains in earnings and productivity and employment growth in some major economic sectors. However, this report does not show the impact of the current severe recession Illinois is now experiencing.

In the 21st century economy, Illinois and other states will increasingly compete for business investment on the skills of the workforce. As a result, educational benchmarks are early indicators of long-term competitiveness for states. Continuing the trend from previous reports, Illinois is still keeping pace with other states and the nation as a whole on most key educational benchmarks, but is not moving fast enough to move ahead of leading states and establish a clear competitive advantage. In addition, Illinois continues to have persistent racial/ethnic differences in high school completion and four-year degree attainment.

Improving the Benchmark System

The second annual report made significant progress in improving the measurement of the ten benchmarks. First, the report selected ten leading benchmark states and used these states wherever possible to make more meaningful comparisons. Second, the report changed data sources on many benchmarks to provide regular annual updates to the benchmarks. The report developed estimates of the self-sufficiency benchmark for the first time, based on a methodology developed by the Illinois Department of Employment Security. Finally, the report changed employment data sources to include agricultural employment, a key sector in the Illinois economy.

However, there remain significant problems in measuring and reporting progress on many of these statewide benchmarks on an annual basis. In particular, substantial problems remain in measuring some key education benchmarks including the percentage of the adult workforce in education and training (Benchmark Two), adult literacy (Benchmark Four) and youth transitioning to high school (Benchmark Six). In

addition, unlike the Self-Sufficiency measure in this report, data limitations preclude the opportunity to compare regional performance against statewide benchmarks,
Because of these remaining problems, the Illinois Workforce Investment Board (IWIB) established a task force to make recommendations on revising the benchmarks. The task force developed recommendations, which were approved by the IWIB, but not approved by the General Assembly. The IWIB still strongly supports these recommended revisions. In addition, the IWIB voted to explore how to provide more information on performance on these benchmarks for additional populations, including people with disabilities.

This fifth annual report continues the progress made from the previous year's report in improving the measurement of the ten benchmarks. However, the recommended revision of the benchmarks and the recommended addition of information on other significant population groups, including people with disabilities, would greatly improve the benchmark report.