dceo Illinois Department of Commerce and Economic Opportunity

Rod Blagojevich
Governor

Jack Lavin
Director

May 2, 2006

The Honorable Michael J. Madigan
Speaker of the House
300 State House
Springfield, IL 62706

The Honorable Emil Jones, Jr.
Senate President
327 State House
Springfield, IL 62706

The Honorable Tom Cross
House Minority Leader
316 State House
Springfield, IL 62706

The Honorable Frank C. Watson
Senate Minority Leader
309A State House
Springfield, IL 62706

Mr. Mark Mahoney
Clerk of the House of Representatives
402 State House
Springfield, IL 62706

Ms. Linda Hawker
Secretary of the Senate
401State House
Springfield, IL 62706

Mr. Patrick O'Grady
Legislative Research Unit
222 South College, Suite 301
Springfield, IL 62704
Springfield, IL 62704

State Government Report
Illinois State Library Distribution Center
300 South 2nd Street
Springfield, IL 62701

Pursuant to Public Act 93-0331, the Illinois Workforce Investment Board is required to submit annually a progress on benchmarks established for measuring workforce development in Illinois.

The enclosed report highlights our relative strengths and weakness compared to other states. Further, it is designed to stimulate discussion and additional analysis.
The first report was submitted in April 2004. This is the second report to the General Assembly that measures the progress for the Illinois workforce development system.

Respectfully submitted,

Jack Lavin
Director

Measuring Progress: Benchmarking Workforce Development in Illinois

Second Annual Report

October 2005

Illinois Workforce Investment Board

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 focused on benchmarking as the best approach for monitoring progress. Based on an extensive process of stakeholder and expert input, the EAC recommended ten benchmarks and produced the first report in 2003 on the performance of the Illinois workforce development system.

In July 2003, the Illinois General Assembly passed legislation (Public Act 93-0331) requiring 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 requires that the IWIB report annually to the General Assembly on progress on these benchmarks.

The IWIB established a working group in April 2004 to update the first benchmark report. This report is the second report to the General Assembly measuring progress on the ten major benchmarks for the Illinois workforce development system.

Benchmarking is a general planning and evaluation tool that states use to measure progress on major indicators of performance compared to other states, especially major competitor states. It is designed to identify our relative strengths and weaknesses compared to other states, and 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).

The IWIB working group attempted to identify the most credible and reliable data sources for each of the required benchmarks. In most cases, the working group identified standard federal government data sources that could provide the basis for annual reporting. These data sources include the Current Population Survey, the National Center for Education Statistics and the Bureau of Economic Analysis.

The Ten Benchmarks for Workforce Development

The ten Illinois benchmarks for workforce development are designed to provide a comprehensive and balanced picture of workforce development.

Workforce Quality Benchmarks

The first six benchmarks measure workforce quality and are arranged in an order that tracks the educational life of a worker back through various educational milestones. Those 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 form 8th grade to 9th grade

Earnings Benchmarks

The next two benchmarks focus on the earnings of the Illinois workforce, since earnings is an indicator of the quality of the workforce.

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's competitive business advantage.

9. Net job growth
10. Productivity per employee

Benchmarking Other States

State benchmarking requires the identification of competitor states for comparisons over time. This report compares Illinois' performance to United States (US) performance. It also compares the performance of nine states with Illinois. These states represent the largest states in total population. These states 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 by ten benchmarks. The report presents information on each benchmark under three major headings:

Why Is This Benchmark Important?

This provides a background presentation on why this benchmark is important for workforce development. It provides the rationale of using it as an indicator of the performance of the workforce development system.

How Is Illinois Performing?

This provides a brief overview of the major trends and comparisons in Illinois' performance. It identifies comparative strengths in Illinois and identifies some areas that may need further exploration and analysis.

Data Issues and Limitations

This provides an overview of the major data challenges and limitations and what is being explored to improve the measurement of this benchmark for future reports. In addition, it also provides information on how the data presented are different than data presented in the previous report.

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:

Ed Taft, Research Manager, Illinois Department of Commerce and Economic Opportunity, (217) 785-6117, etaft@ildceo.net

For further information on Benchmark Seven, addressing economic self-sufficiency, contact:

Sherrie Moses, Senior Policy Advisor, Illinois Department of Employment Security, (217) 793-6261, smoses@ides.state.il.us

Benchmark One: Educational Level of Working-Age Adults

Why Is This Benchmark Important?

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

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

How is Illinois Performing?

Illinois is keeping pace with other states and the nation as a whole in increasing the percentage of its population with high school diplomas. However, Illinois is not increasing these percentages fast enough to move ahead of leading states and establish a clear competitive advantage. Illinois is not making sufficient progress in increasing the percentage of its population with four-year degrees or higher to keep pace with other leading states.

- Illinois increased the percentage of the working-age population with high school diplomas from 85.3 to 87.0 percent between 2000 and 2004.
- The percentage of females with high school diplomas grew at a slightly higher rate than males.
- Illinois increased the percentage of the working-age population with four-year degrees and above from 27.1 to 27.7 percent between 2000 and 2004 but did achieve levels reached by other states.
- Persistent racial/ethic 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 4th in the percentage of persons 25 and over with a high school diploma and 5th in the percent 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 and wording of questions and those people counted in the calculation of the measure. Small annual fluctuations in attainment rates may be due to small sample sizes in Illinois and other states, especially states with smaller populations. The measures of educational attainment for this benchmark should be interpreted with caution and looked at over multiple years to determine consistent trends rather than focus on year-to-year fluctuations.

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

	2000	2001	2002	2003	2004
US	83.5	83.8	83.6	83.4	84.5
CA	81.2	81.1	80.9	80.9	81.7
FL	84.5	84.8	83.8	84.5	86.5
GA	82.7	83.0	82.4	84.2	84.9
IL	**85.3**	**86.0**	**85.8**	**85.4**	**87.0**
MI	86.4	86.7	86.9	87.8	88.8
NJ	87.8	86.5	86.5	86.2	87.7
NY	82.9	83.7	84.1	84.3	85.9
OH	87.0	88.5	87.6	87.4	88.0
PA	85.7	86.6	86.7	85.5	85.6
TX	79.4	79.5	79.4	77.4	78.1

Source: March Current Population Survey

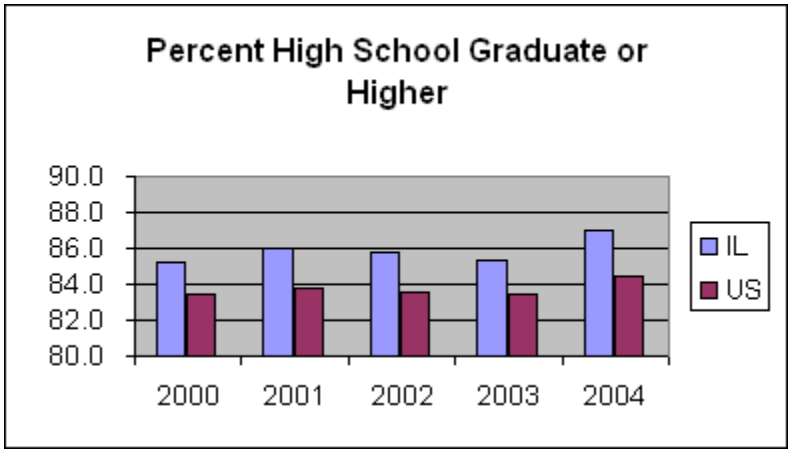


Table 2: Percentage of Working-Age Adults (Persons 25 and Older) With a Bachelor's Degree or Higher)

	2000	2001	2002	2003	2004
US	25.8	26.4	27.0	27.3	28.2
CA	27.4	28.6	27.6	29.5	31.7
FL	23.3	24.7	26.0	25.7	26.5
GA	22.9	25.1	26.1	27.4	29.0
IL	**27.1**	**26.4**	**28.3**	**28.4**	**27.7**
MI	23.0	24.4	21.8	22.5	24.3
NJ	30.4	29.7	31.7	33.6	35.4
NY	28.8	28.9	28.5	29.5	31.0
OH	24.9	23.4	24.7	25.3	25.1
PA	24.3	25.6	26.5	24.5	24.8
TX	23.9	24.2	27.2	25.0	24.0

Source: Current Population Survey

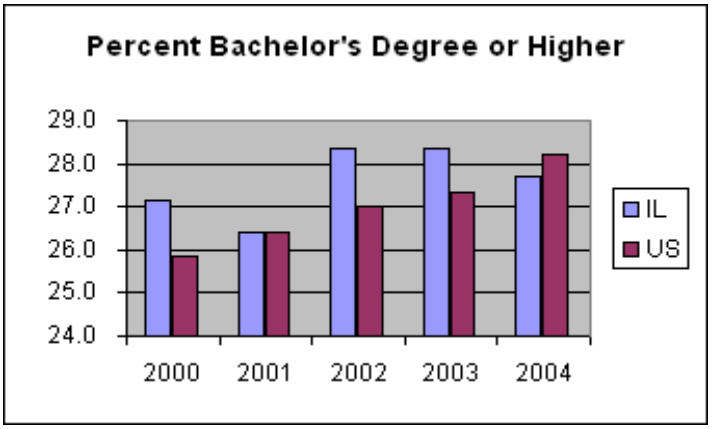
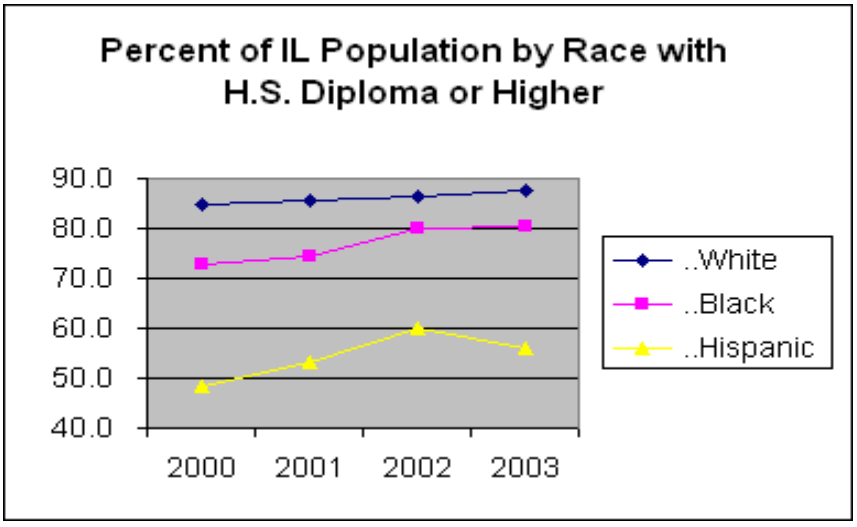


Table 3: Percentage of Working-Age Adults (Person's 25 and Older) in Illinois With A High School Diploma or Higher and A Bachelor's Degree or Higher By Race and Hispanic Origin

	Percent High School or Higher 2000	Percent Bachelor's Degree or Higher 2000	Percent High School or Higher 2001	Percent Bachelor's Degree or Higher 2001	Percent High School or Higher 2002	Percent Bachelor's Degree or Higher 2002	Percent High School or Higher 2003	Percent Bachelor's Degree or Higher 2003
Illinois								
25 years and over	81.4	26.1	83.0	27.7	84.0	28.1	85.2	28.1
White alone	85.0	27.8	85.8	29.2	86.5	29.4	87.4	29.3
Black alone	73.0	14.7	74.3	14.9	80.0	17.2	80.4	16.9
Hispanic (of any race)	48.5	9.1	53.4	9.7	60.0	9.3	56.1	11.3

Source: U.S. Census Bureau



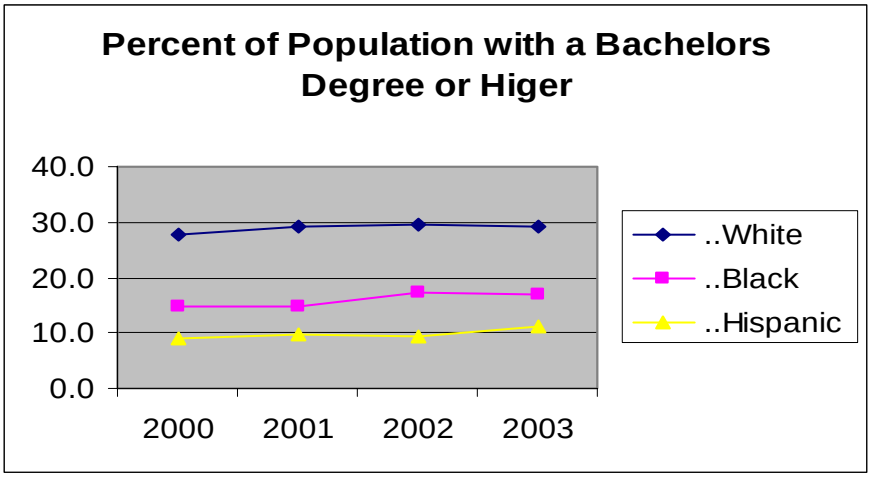


Table 4: Percentage of Working-Age Adults (Person's 25 and Older) in Illinois with A High School Diploma or Higher and A Bachelor's Degree or Higher by Gender

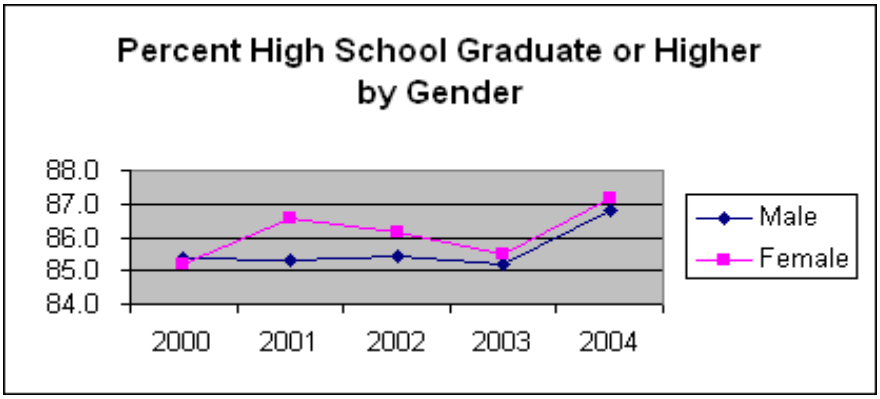
High School or Higher

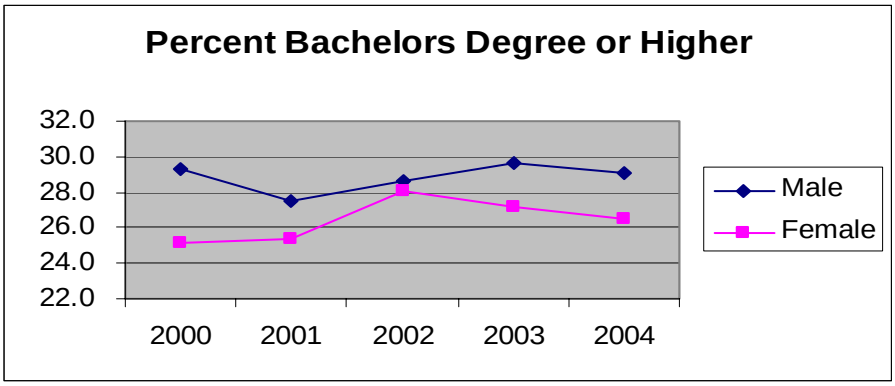
	2000	2001	2002	2003	2004
Total	85.3	86.0	85.8	85.4	87.0
Male	85.3	85.3	85.4	85.2	86.8
Female	85.2	86.6	86.1	85.5	87.1

Bachelors or Higher

	2000	2001	2002	2003	2004
Total	27.1	26.4	28.3	28.4	27.7
Male	29.3	27.5	28.7	29.7	29.1
Female	25.2	25.4	28.0	27.2	26.5

Source: March Current Population Survey (CPS)





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

Why Is This Benchmark Important?

If Illinois is to remain competitive, workers must have access to and participate in ongoing education and training. Relatively high numbers of adults taking advantage of educational opportunities and further training 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 changes in technology and shifts in employment opportunities. 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 participating in Illinois colleges and universities and 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.
- Illinois significantly increased the number of people enrolled in WIA-funded training between 2000 and 2003 despite a drop in the most recent year and a small decrease over the last two years in the percentage of adults served who are 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. 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). There are many definitions for "training" in WIA. The data reported are based on a very restrictive definition to make them more

comparable to data on enrollment in colleges and universities. The number of workers receiving training through WIA may produce duplicate counts because many workers receive their training through community colleges. 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 fifty percent of all education and training for adults.

Table 5: Number of Adults Enrolled in Illinois Colleges and Universities and WIA Training

Program Year	Labor Force	Adults in College	Adults in WIA Training (Percent of Total Served)
2000	6.50 million	742,949	8,040 (46.6%)
2001	6.42 million	752,753	13,770 (49.1%)
2002	6.33 million	781,190	18,414 (47.7%)
2003	6.36 million	802,605	15,942 (45.8%)

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?

States will ultimately compete on the basic skill or literacy levels of their front-line workforce. One of the major issues raised by employers throughout the United States is the lack of basic skills of workers. In addition, adults with low literacy skills are much more likely to be poor and/or unemployed. Even those who are employed are less able to advance to higher paying jobs or to adapt to changes in technology if they do not have adequate literacy skills.

The National Adult Literacy Survey (NALS) defines literacy as "using printed and written information to function in society, to achieve one's goals, and to develop one's knowledge and potential." NALS measures literacy along three dimensions: prose literacy, document literacy, and quantitative literacy, with each ranked on a scale from 1 to 5. Individuals tested at Levels 1 and 2 are interpreted as having an inadequate ability to function in society (with only rudimentary skills in reading, writing, math, problem solving, communication and English language skills), while 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, Illinois 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 see how Illinois is currently performing and to track trends over time, the Illinois Workforce Investment Board (IWIB) will continue to explore how to measure this benchmark.

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

Why Is This Benchmark Important?

To be competitive, Illinois must increase the percent of the workforce with education and training beyond high school, including four-year college degrees as addressed in Benchmark One. Youth who transition directly into further education or training are more likely to pursue a career path that will prepare them for the jobs now being created in Illinois, since more than half of all new jobs in Illinois require post-secondary education. Youth who get a quick start out of high school will be more likely to get the necessary early start in their careers and be able to progress more quickly to higher paying employment and adapt to changes in the economy throughout their working lives. This indicator has one key measure:

- Percent 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 2004 with between 33 and 35 percent transitioning to college.
- In contrast, other leading states made significant progress in improving transitions with many states reaching 38 percent of high school graduates making the transition.

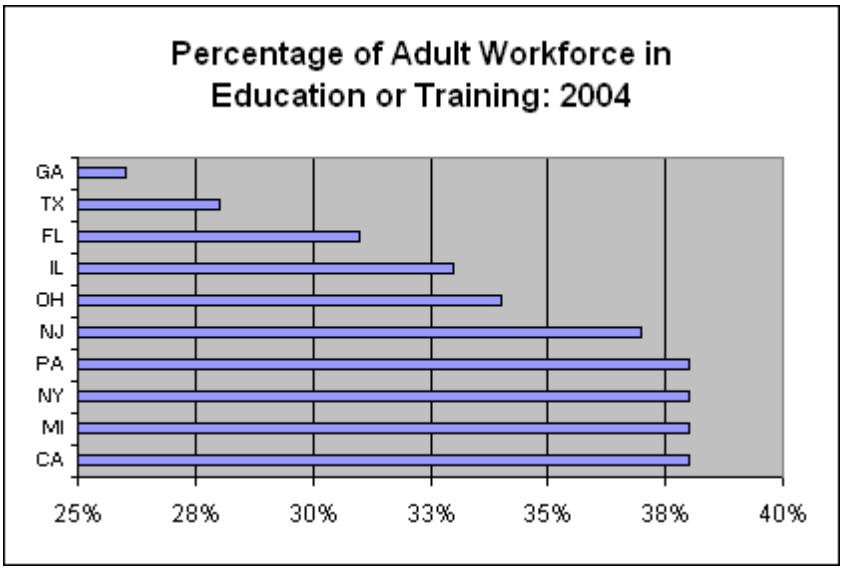
Data Issues and Limitations

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. The CPS will produce slightly different numbers than other data sources such as the Census because of the format and wording of questions and those people counted in the calculation of the measure. Small annual fluctuations in attainment rates may be due to small sample sized in Illinois and other states, especially states with smaller populations. The measures of educational attainment for this benchmark should be interpreted with caution and looked at over multiple years to determine consistent trends, rather than focus on year-to-year fluctuations.

Table 6: Percentage of High School Graduates Transitioning to College

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

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



Benchmark Five: High School Dropout Rate

Why Is This Benchmark Important?

As presented in Benchmark One, the educational level of working-age adults is an indicator of the general skill level of the workforce and the capacity and flexibility for continuous learning. This level is widely used to compare the quality of the workforce in states and communities throughout the United States and the world. The percentage of the workforce with a high school diploma is partially the result of percentage of youth who leave Illinois schools without receiving a high school diploma. 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:

- Percent 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. State comparisons are very difficult because of 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 6.0 percent in school year 2000-2001, which is down from the 6.8 percent reported in the 1993-1994 school year.
- Illinois has about 10.2 percent of 16-19 aged youth not in school and are without 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 and had higher rates than Black and Hispanic youth for the nation as a whole.
- Almost 1 in 6 Black 16-19 aged youth and 1 in 4 Hispanic 16-19 aged youth 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, there remain major problems in comparing state dropout statistics due to the differences in data quality and

methodology. As a result, these comparisons are misleading. In addition, estimates of dropouts may be underreported in states. Many students drop out in the transition to high school and are sometimes not counted in 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. This measure may 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 1991-91 through 2000-01

State	2000-2001	1999-2000	1998-1999	1997-1998	1996-1997	1995-1996	1994-1995	1993-1994
California	---	---	---	---	---	3.9	---	---
Florida	4.4	---	---	---	---	---	---	---
Georgia	7.2	7.2	7.4	8.2	8.2	8.5	9.0	8.7
Illinois	**6.0**	**6.2**	**6.5**	**6.6**	**6.6**	**6**	**6.6**	**6.8**
Michigan	---	---	---	---	---	---	---	---
New Jersey	2.8	3.1	3.1	3.7	3.7	---	4.0	4.3
New York	3.8	---	---	3.4	---	3.7	---	---
Ohio	3.9	5.0	3.9	5.2	5.2	5.4	5.3	4.7
Pennsylvania	3.6	4.0	3.8	3.9	3.9	4.0	4.1	3.8
Texas	4.2	5.0	---	---	---	---	---	---

Source: National Center for Educational Statistics

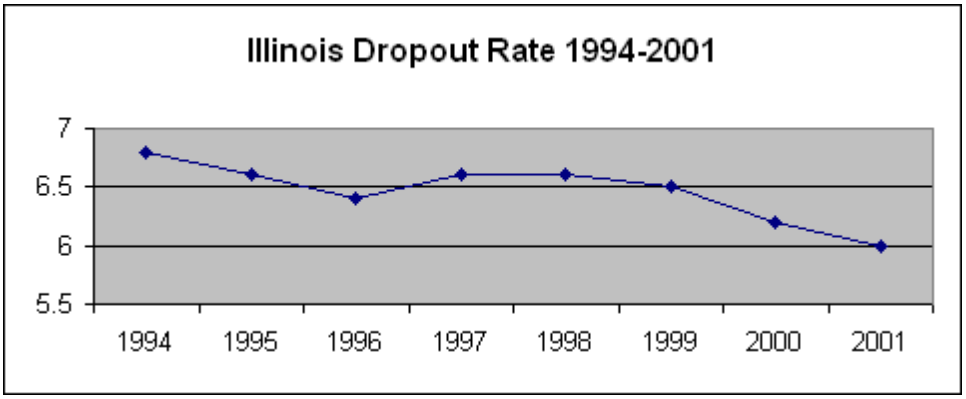
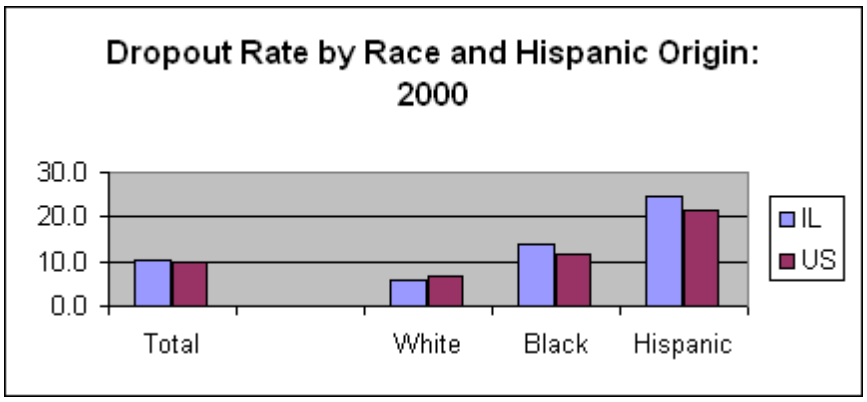


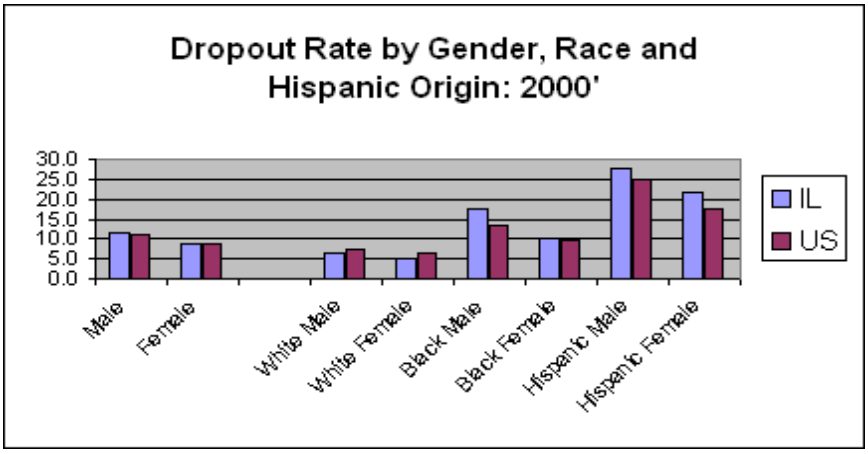
Table 8: Percentage of 16-19 Year Old Youth Not In School And Without A High School Diploma in 2000

	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: United States 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 turning point. 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 reading adulthood.

Student in Illinois are required by a new state law to stay in school until they are seventeen, yet some younger students leave school each year. Pre-9th grade dropouts are not included in the dropout rates computed by the Illinois State Board of Education.

State and local school reform efforts 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 all high school dropouts, they are more likely to remain at low levels of education and employment and are more likely to enter the criminal justice and welfare systems. In addition, students without any high school experience will face even tougher barriers in getting a General Educational Development Test (GED) or high school diploma and entering 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, there is no comparable information for other states.

Data Issues and Limitations

The Illinois State Board of Education is developing an Illinois Student Information System that may have the capability to track the transition between the 8th and 9th grades and better track students transferring to other schools throughout the state. The 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 is a measure of how much income is needed for an individual or family to adequately meet basic needs. A high percentage of self-sufficient Illinoisans suggest higher paying jobs, more stable families, and less reliance on public benefits, such as welfare. The Self-Sufficiency Standard (SSS) describes the income needed 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 cost of supporting an infant is very different from the costs associated with a teenager, and housing expenses can vary tremendously between states and even within states. 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 more prosperous Northwest, Central, and Northern Stateline Economic Development Regions have the greatest percentage of households achieving self-sufficiency.
- Race 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 percentages of White households living below self-sufficiency. Only 16.6% of White households are below the standard, which is much less than even the statewide average of 23.5%

Data Issues and Limitations

Self-sufficiency standards have been computed for over thirty states; several states use 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. The most accurate way to determine the self-sufficiency of the Illinois population is through an analysis of the decennial census data. Illinois is the first state to benchmark the self-sufficiency level of its population using this census. The small size of the annual Current Population Survey (CPS) makes county-level data unreliable, but provides additional statewide information through supplementary questions not included in the decennial census. The best way to track changes in self-sufficiency is to analyze both the decennial census every ten years and the CPS in all other years. Now that Illinois had developed the methodology used to benchmark self-sufficiency using the decennial census, other states will use the methodology to provide comparable data. Over the next several years, Illinois can begin to benchmark these results in comparison to other states.

Table 9: Percentage of Families below Economic Self-Sufficiency by Region [1]

Economic Development Region	Percentage of Households Below Self Sufficiency
Statewide	**23.5**
Central	20.2
West Central	22.0
East Central [2]	27.0
North Central	20.9
Northeast	23.8
Northern Stateline	20.3
Northwest	20.1
Southeastern	23.9
Southern	30.3
Southwestern	24.4

Table 10: Percentage of Families Below Economic Self-Sufficiency by Race for Illinois [3]

Race	Percentage of Households Below Self Sufficiency
White	16.6
Black	44.7
Hispanic	43.6
Asian	24.9
American Indian/ Alaska Native	35.5

[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) of 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?

Rising earnings indicate strong economic development. It shows that the state has strong employers with rising productivity who are creating good 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 states.

- The average earnings of workers in Illinois grew 39.8% between 1993 and 2003, reaching a level of $45,525 in 2003.
- Average earnings grew 3.0% in Illinois between 2002 and 2003, which was slightly below the national average of 3.8%.

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 11: Change in Mean Annual Earnings ($), 1993-2003

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Percent Change 1993-2003	Percent Change 2002-2003
US	29,899	30,609	31,295	32,356	33,634	35,342	36,973	39,007	40,184	41,017	42,581	42.4%	3.8%
California	33,153	33,597	34,242	35,231	37,055	38,881	41,110	44,539	45,133	45,857	47,571	43.5%	3.7%
Florida	26,999	27,412	28,179	28,988	29,636	31,066	32,402	33,975	34,606	35,675	36,932	36.8%	3.5%
Georgia	28,339	29,209	30,110	31,376	32,589	34,343	36,213	38,230	39,561	40,379	41,964	48.1%	3.9%
Illinois	**32,563**	**33,346**	**34,156**	**35,531**	**37,066**	**38,718**	**40,378**	**42,207**	**43,200**	**44,210**	**45,525**	**39.8%**	**3.0%**
Michigan	32,289	33,877	34,489	34,880	35,817	38,122	39,681	41,066	42,227	43,262	45,730	41.6%	5.7%
New Jersey	36,966	38,132	39,442	41,062	42,594	44,960	46,576	49,090	49,838	51,132	52,665	42.5%	3.0%
New York	38,167	38,856	40,610	42,541	44,521	46,937	48,870	51,516	52,549	52,525	53,983	41.4%	2.8%
Ohio	29,000	29,900	30,218	30,783	31,966	33,311	34,531	35,713	36,680	37,746	39,343	35.7%	4.2%
Pennsylvania	30,745	31,492	32,150	33,110	34,168	35,968	37,157	38,457	39,172	40,257	41,884	36.2%	4.0%
Texas	28,903	29,496	30,228	31,597	33,469	35,434	37,446	39,985	41,474	41,552	42,980	48.7%	3.4%

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

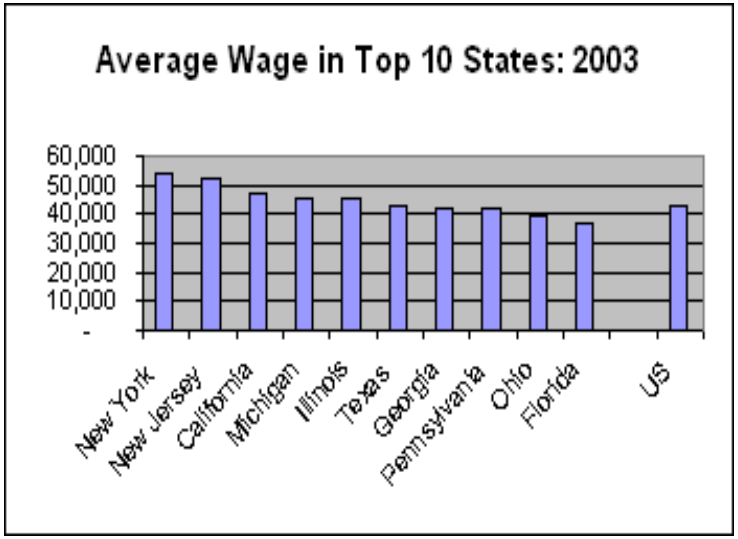


Table 12: Percent Increase in Earnings by Industry, 2001-2003

Industry	IL	US
Wage and salary disbursements by place of work	3.8	4.4
Farm wage and salary disbursements	9.7	2.3
Nonfarm wage and salary disbursements	3.7	4.4
Private wage and salary disbursements	3.4	3.7
Forestry, fishing, related activities, and other	1.7	7.0
Mining	2.1	4.3
Construction	3.3	2.8
Manufacturing	5.7	6.8
Durable goods manufacturing	5.0	6.4
Nondurable goods manufacturing	6.9	7.9
Wholesale trade	3.3	4.2
Retail trade	4.1	5.1
Transportation and warehousing	1.6	3.5
Warehousing and storage	6.6	6.6
Information	2.8	1.2
Finance and insurance	5.3	1.9
Real estate and rental and leasing	4.3	6.6
Management of companies and enterprises	0.9	4.5
Administrative and waste services	3.3	6.5
Educational services	8.6	7.2
Health care and social assistance	7.2	7.1
Arts, entertainment, and recreation	4.9	7.0
Accommodation and food services	2.0	4.1
Other services, except public administration	6.7	6.2
Government and government enterprises	6.2	8.0

Source: Bureau of Economic Analysis

Benchmark Nine: Net Job Growth

Why Is This Benchmark Important?

The increase in the number of jobs in a state is one of the most widely used indicators of the economy's strength. A state with job growth indicates that it is creating a strong business climate including a quality workforce. This benchmark has two measures:

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

How Is Illinois Performing?

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

- Illinois lost about 227,000 jobs between 2001 and 2003 with the most severe job loss between 2001 and 2002. This was during a period when most states lost jobs.
- Between 2002 and 2003, the most significant job losses were in manufacturing. These losses were offset by major job gains in the service sector

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 13: Employment Change (thousands), 1993-2003

Rank 2003	Area	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Per cent Change 2002-2003	Percent Change 1993-2003
	US	141,779.40	145,223.60	148,982.80	152,150.20	155,608.20	159,628.20	162,955.30	166,758.80	166,959.70	166,500.00	166,990.40	0.3%	17.8%
1	CA	16,483.69	16,658.84	17,058.76	17,466.07	17,786.86	18,504.28	19,024.30	19,626.03	19,711.62	19,665.54	19,736.96	0.4%	19.7%
4	FL	7,061.11	7,293.99	7,554.31	7,804.30	8,068.16	8,368.10	8,656.39	8,933.11	9,109.44	9,191.34	9,333.82	1.6%	32.2%
9	GA	3,891.10	4,045.71	4,215.08	4,361.83	4,476.74	4,640.23	4,777.66	4,892.29	4,905.24	4,880.75	4,892.55	0.2%	25.7%
5	**IL**	6,486.51	6,657.98	6,821.76	6,925.24	7,028.69	7,185.40	7,281.87	7,416.31	7,369.89	7,281.76	7,243.67	**-0.5%**	**11.7%**
8	MI	4,842.70	5,015.87	5,174.59	5,281.59	5,362.90	5,415.58	5,519.37	5,629.50	5,539.04	5,479.63	5,448.64	-0.6%	12.5%
10	NJ	4,228.29	4,263.63	4,330.14	4,386.35	4,445.73	4,524.34	4,594.52	4,755.38	4,783.67	4,791.46	4,807.43	0.3%	13.7%
3	NY	9,515.68	9,551.30	9,601.23	9,685.54	9,818.62	10,015.47	10,220.09	10,455.41	10,488.47	10,406.66	10,411.57	0.0%	9.4%
7	OH	5,997.91	6,175.14	6,340.68	6,437.19	6,540.65	6,660.09	6,746.63	6,835.69	6,757.67	6,688.30	6,668.86	-0.3%	11.2%
6	PA	6,302.01	6,368.76	6,471.17	6,525.40	6,631.12	6,723.62	6,835.69	6,973.17	6,977.42	6,962.97	6,962.09	0.0%	10.5%
2	TX	9,843.87	10,163.22	10,507.24	10,808.49	11,235.57	11,645.80	11,895.24	12,244.70	12,352.55	12,346.63	12,369.40	0.2%	25.7%

Source: Bureau of Economic Analysis

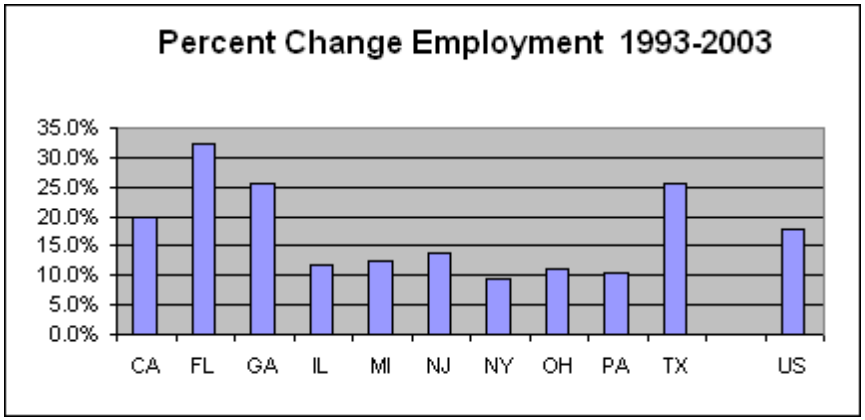


Table 14: Net Employment Growth and Percent Change in Illinois by Industry

Industry	2002	2003	Net Change 2002-2003	% change
Total employment	7,281,762	7,243,670	(38,092)	(0.5)
Wage and salary employment	6,132,516	6,060,496	(72,020)	(1.2)
Proprietors employment	1,149,246	1,183,174	33,928	3.0
Farm proprietors employment	76,752	76,744	(8)	(0.0)
Nonfarm proprietors employment	1,072,494	1,106,430	33,936	3.2
Farm employment	92,976	95,422	2,446	2.6
Nonfarm employment	7,188,786	7,148,248	(40,538)	(0.6)
Private employment	6,282,664	6,255,937	(26,727)	(0.4)
Forestry, fishing, related activities, and other	15,255	15,826	571	3.7
Mining	16,944	15,797	(1,147)	(6.8)
Utilities	28,692	25,007	(3,685)	(12.8)
Construction	381,605	381,933	328	0.1
Manufacturing	774,397	736,388	(38,009)	(4.9)
Durable goods manufacturing	468,359	441,105	(27,254)	(5.8)
Nondurable goods manufacturing	306,038	295,283	(10,755)	(3.5)
Wholesale trade	321,771	319,402	(2,369)	(0.7)
Retail trade	757,950	754,403	(3,547)	(0.5)
Transportation and warehousing	282,745	281,455	(1,290)	(0.5)
Information	160,288	149,097	(11,191)	(7.0)
Finance and insurance	443,035	446,326	3,291	0.7
Real estate and rental and leasing	228,846	233,196	4,350	1.9
Professional and technical services	498,585	490,471	(8,114)	(1.6)
Management of companies and enterprises	81,038	82,354	1,316	1.6
Administrative and waste services	445,046	448,241	3,195	0.7
Educational services	147,078	153,018	5,940	4.0
Health care and social assistance	719,978	728,511	8,533	1.2
Arts, entertainment, and recreation	138,712	140,739	2,027	1.5
Accommodation and food services	434,387	441,410	7,023	1.6
Other services, except public administration	406,312	412,363	6,051	1.5
Government and government enterprises	906,122	892,311	(13,811)	(1.5)

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 and maintaining high levels of earnings. Productivity includes not only the contributions of workers, but also the investment of employers in technology and leading workplace practices. Employers and workers want to work in states that are highly productive and have the best chance to provide them the edge to be more 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 with growth rates exceeding the national growth rates between 1991 and 2001.
- Illinois had the third highest growth rate among benchmark states between 1991 and 2001.

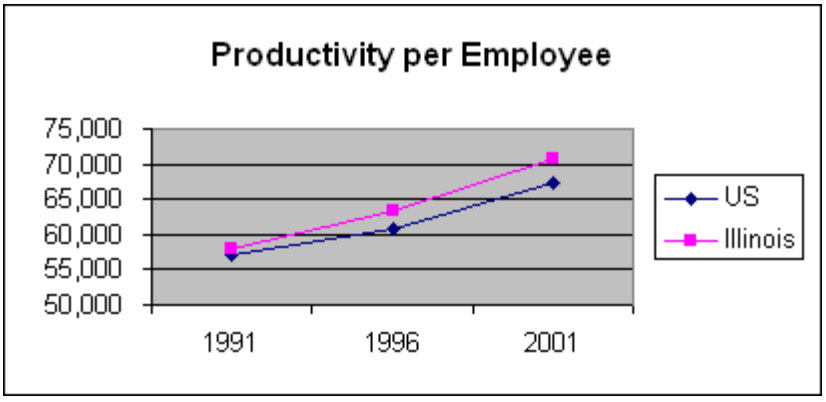
Data Issues and Limitations

The measure of productivity 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 15: Gross State (National) Product (in dollars) Per Worker

2001 Rank		1991	1996	2001	Percent Change 1996-2001	Percent Change 1991-2001
	US	56,993	60,848	67,295	10.6	18.1
1	New York	68,742	76,581	86,194	12.6	25.4
2	New Jersey	69,694	76,171	81,342	6.8	16.7
3	California	66,510	69,385	79,405	14.4	19.4
4	**Illinois**	**57,816**	**63,493**	**70,776**	**11.5**	**22.4**
5	Texas	58,438	63,284	69,703	10.1	19.3
6	Georgia	53,189	58,639	65,838	12.3	23.8
7	Michigan	54,048	58,662	63,166	7.7	16.9
8	Pennsylvania	54,985	59,735	63,144	5.7	14.8
9	Ohio	52,300	55,653	60,728	9.1	16.1
10	Florida	53,248	55,374	58,454	5.6	9.8

Source: U.S. Bureau of Economic Analysis



Summary and Next Steps

This report is the second annual report to the General Assembly measuring progress on the ten benchmarks for the Illinois workforce development system. The report is designed to provide a quick look at how Illinois is progressing relative to the nation and major benchmark states on the ten benchmarks. The report also provides information on data limitations and continuing efforts to improve the quality of data presented for each benchmark.

How Is Illinois Doing

Illinois remains near or above national levels of performance for most of the ten workforce development benchmarks. Although Illinois experienced more severe job losses compared to the nation and other states during the most recent recession, Illinois showed strong gains in earnings and productivity and strong employment growth in some major economic sectors.

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. Illinois is 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

This second annual report made significant progress in improving the measurement of the ten benchmarks. First, this report selected 10 leading benchmark states and used these states wherever possible to make more meaningful comparisons. Second, this report changed data sources on many benchmarks to provide regular annual updates to the benchmarks. This 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, this 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, there remain substantial problems 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, because of data limitations, many of the ten benchmarks do not

provide opportunities for regions throughout the state to compare their performance against these statewide benchmarks similar to what was done for the self-sufficiency measure in this report.

Because of these remaining problems, the Illinois Workforce Investment Board (IWIB) recommends the formation of an IWIB task force to recommend alternative benchmarks that can be measured and reported on an annual basis at the state and regional levels, and can be compared to the selected benchmark states. This IWIB task force would make recommendations to the IWIB for changing the state benchmarks for the 2006 report to the General Assembly.