Measuring Progress: Benchmarking Workforce Development in Illinois

Fourth Annual Report

Illinois Workforce Investment Board

March 2008

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 in 2003 produced the first report 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 review and update the first benchmark report, which was submitted to the Illinois General Assembly. This report is the fourth 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 (CPS)).

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, 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. These same data sources were used to update the data for the third report as well as this fourth report.

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. 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 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' 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:

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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. It also is an indicator of workforce 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:

- 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 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 degree or higher. However, persistent racial/ethnic differences are still present.

- Illinois increased the percentage of the working-age population with high school diplomas from 86.0 to 87.9 percent between 2001 and 2007.
- Illinois increased the percentage of the working-age population with bachelor degrees and above from 26.4 to 32.6 percent between 2001 and 2007.
- Illinois is ranked third among benchmark states in the percentage of persons 25 and over with a high school diploma and third in the percentage with a bachelor 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.
- There are only small differences between males and females in the percentage with a high school diploma and the percentage with a bachelor 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.

The most current data from the CPS does not provide a racial/ethnic breakdown, thus requiring the use of two data sources for the benchmark report. Because of this, there are minor differences shown in the percentages of working-age adults in Illinois with a high school diploma or higher (Tables 1 - 88.2% and 3 - 85.0%).

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

Source: March Current Population Survey (CPS)

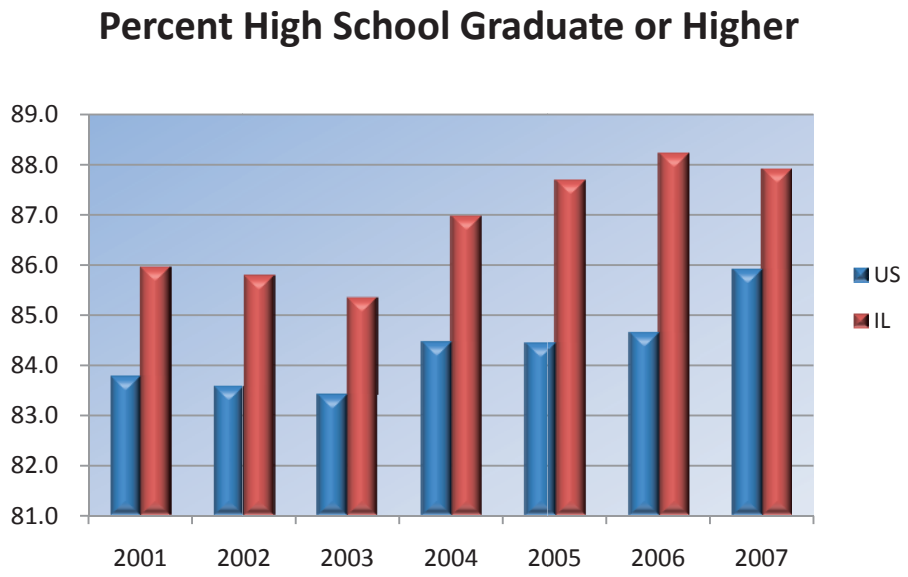


Table 2: Percentage of Working-Age Adults (Persons 25 and Older) With a Bachelor Degree or Higher

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

Source: March Current Population Survey (CPS)

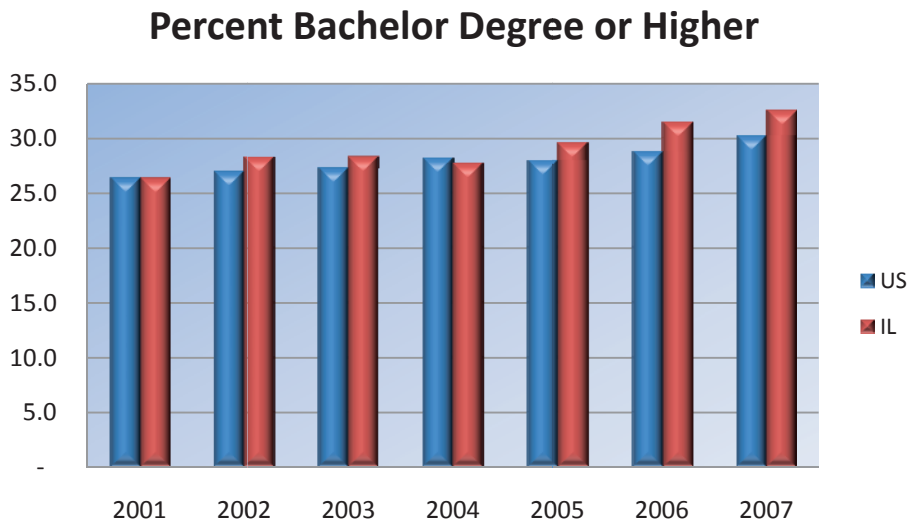
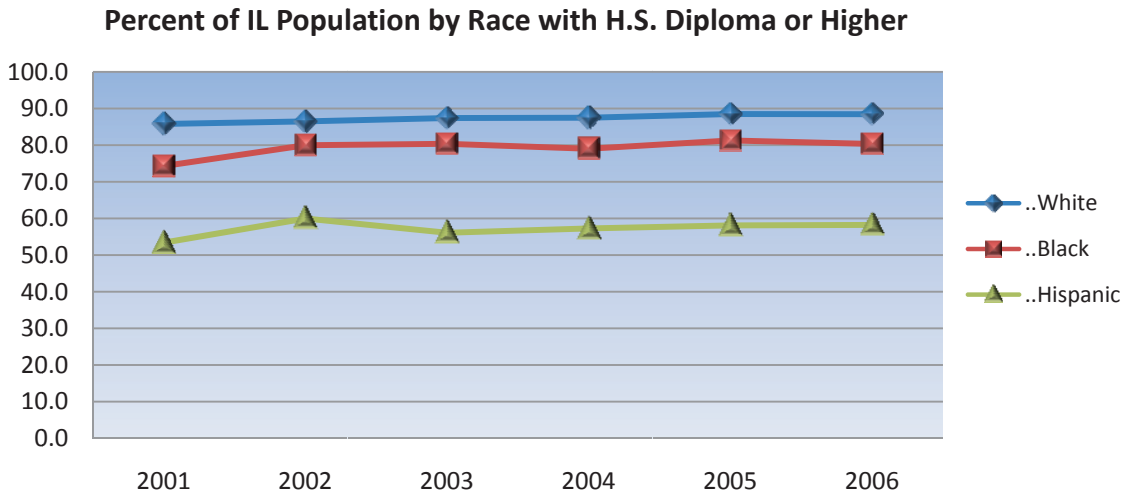


Table 3: Illinois Educational Attainment by Race and Hispanic Origin, Persons 25 and Older

Illinois	% High School or Higher 2001	% BA Degree or Higher 2001	% High School or Higher 2002	% BA Degree or Higher 2002	% High School or Higher 2003	% BA Degree or Higher 2003	% High School or Higher 2004	% BA Degree or Higher 2004	% High School or Higher 2005	% BA Degree or Higher 2005	% High School or Higher 2006	% Bachelor Degree or Higher 2006
25 years and over	83.0	27.7	84.0	28.1	85.2	28.1	85.2	29.1	85.7	29.2	85.0	18.1
White alone	85.8	29.2	86.5	29.4	87.4	29.3	87.5	30.3	88.5	30.9	88.5	31.1
Black alone	74.3	14.9	80.0	17.2	80.4	16.9	79.0	16.8	81.3	18.3	80.3	17.4
Hispanic (of any race)	53.4	9.7	60.0	9.3	56.1	11.3	57.3	11.7	58.1	11.0	58.3	10.8

Source: Census Bureau, American Community Survey



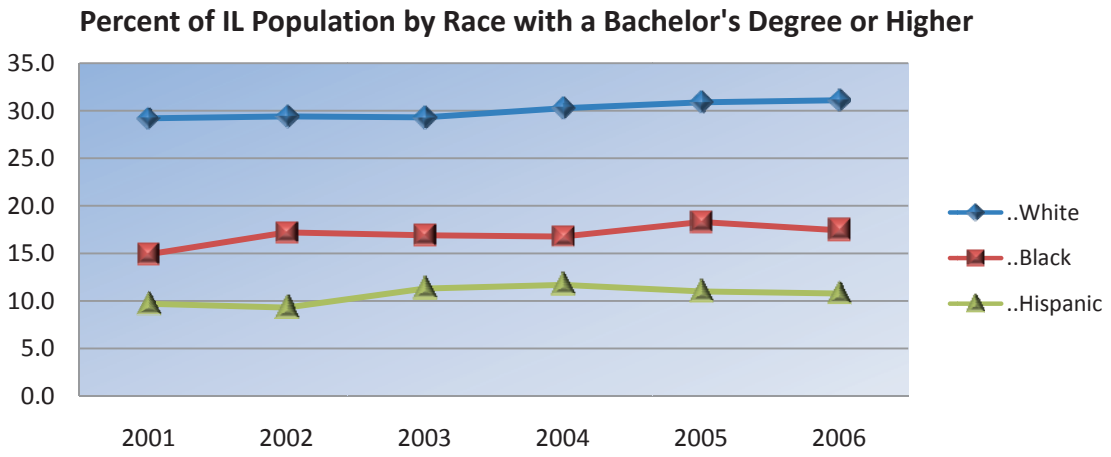


Table 4: Illinois Educational Attainment by Gender, Persons 25 and Older

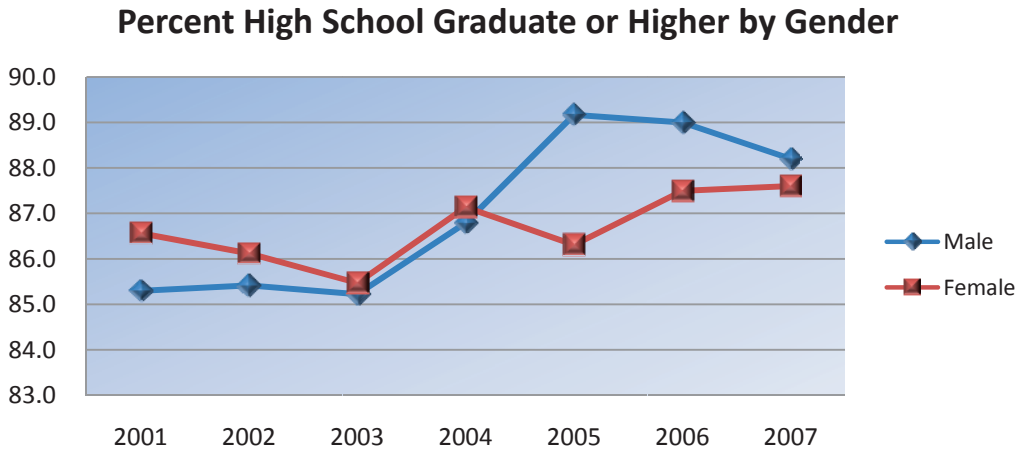
High School or Higher

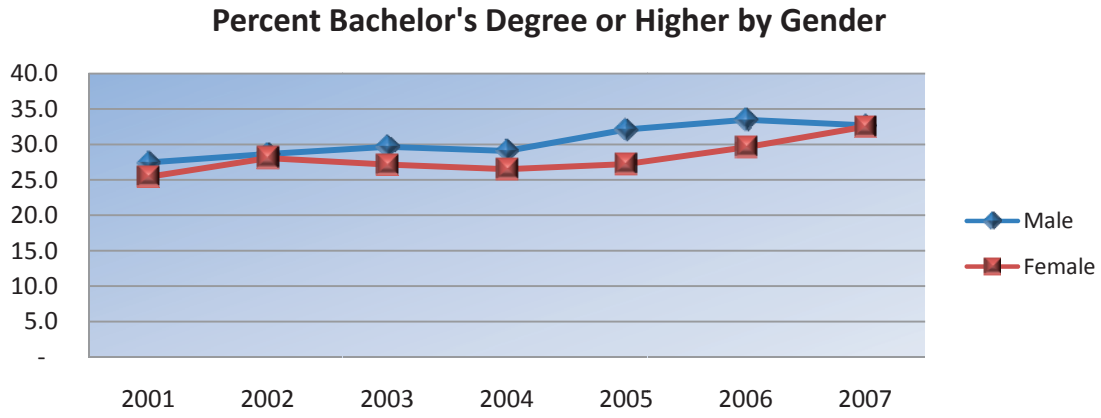
	2001	2002	2003	2004	2005	2006	2007
Total	86.0	85.8	85.4	87.0	87.7	88.2	87.9%
Male	85.3	85.4	85.2	86.8	89.2	89.0	88.2%
Female	86.6	86.1	85.5	87.1	86.3	87.5	87.6%

Bachelor or Higher

	2001	2002	2003	2004	2005	2006	2007
Total	26.4	28.3	28.4	27.7	29.6	31.5	32.6%
Male	27.5	28.7	29.7	29.1	32.1	33.5	32.7%
Female	25.4	28.0	27.2	26.5	27.2	29.6	32.5%

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 indicate 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 and continued incremental increases through 2006.
- Illinois significantly increased the number of people enrolled in WIA-funded training between 2000 and 2003. However, since 2003, the number and percent of adults in training has been on the decline.

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, out-of-state enrollments, 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	Adults in WIA Training	% of Total WIA 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	799,216	15,942	45.8%
2004	6.41 million	801,548	13,898	41.2%
2005	6.47 million	805,764	12,089	37.3%
2006	6.61 million	814,189	11,714	32.0%

*This total percentage refers to the percent of adults served in WIA who received training services. It only includes those adults enrolled in WIA programs.

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

Benchmark Three: Adult Literacy

Why Is This Benchmark Important?

States ultimately compete for basic skill or literacy levels of their front-line workforce. Adults with low literacy skills are much more likely to be poor and unemployed. One of the major issues raised by employers is the lack of basic skills of workers. Without adequate literacy skills, those employed are not able to advance to higher paying jobs or to adapt to changes in technology.

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 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 benchmark 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 or Workforce Training

Why Is This Benchmark Important?

To be competitive, Illinois must increase the percentage 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 benchmark 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.

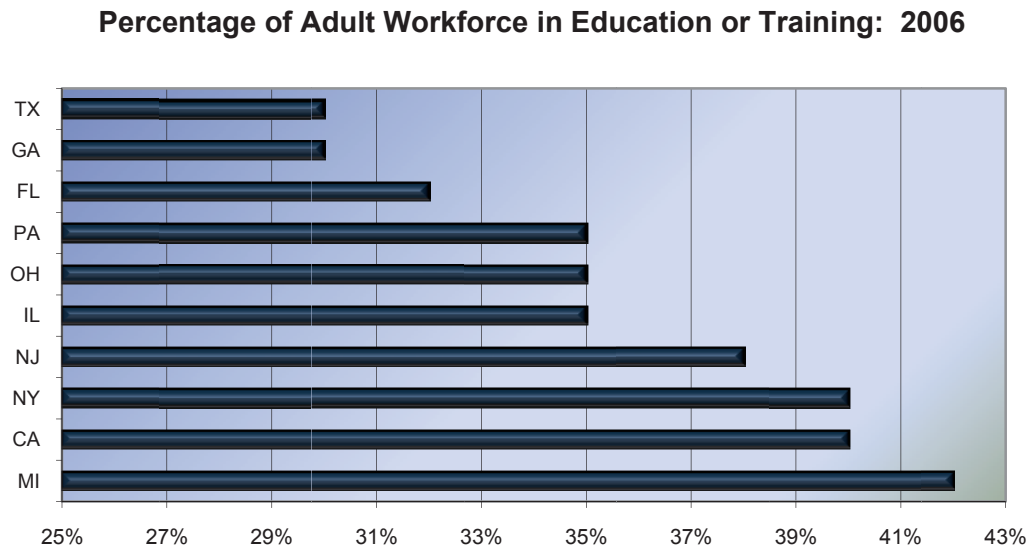
Data Issues and Limitations

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. 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 size 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

	1994	2000	2002	2004	2006
CA	32%	38%	36%	38%	40%
FL	32%	30%	31%	31%	32%
GA	26%	26%	24%	26%	30%
IL	**34%**	**35%**	**33%**	**33%**	**35%**
MI	35%	40%	39%	38%	42%
NJ	37%	39%	41%	37%	38%
NY	35%	35%	37%	38%	40%
OH	33%	34%	33%	34%	35%
PA	30%	36%	37%	38%	35%
TX	30%	30%	27%	28%	30%

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 the 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 benchmark 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. 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 6.4 percent in school year 2001-2002, which is down from the rate of 6.9% 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.
- Illinois has about 10.2 percent of 16-19 aged youth not in school and 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 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 state dropout statistics due to the differences in data quality and methodology. The National Governors Association recently called for new efforts in standardization. As a result of the differences in data quality and methodolgy, 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 1993-94 through 2001-02

State	2001-02	2000-01	1999-2000	1998-99	1997-98	1996-97	1995-96	1994-95	1993-94
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	8.7
Illinois	**6.4**	**6.0**	**6.2**	**6.5**	**6.9**	**6.6**	**6.4**	**6.6**	**6.8**
Michigan	---	---	---	---	---	—	---	—	—
New Jersey	2.5	2.8	3.1	3.1	3.7	3.7	---	4.0	4.3
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	4.7
Pennsylvania	3.3	3.6	4.0	3.8	3.9	3.9	4.0	4.1	3.8
Texas	3.8	4.2	5.0	---	---	—	---	—	—

Source: National Center for Educational Statistics

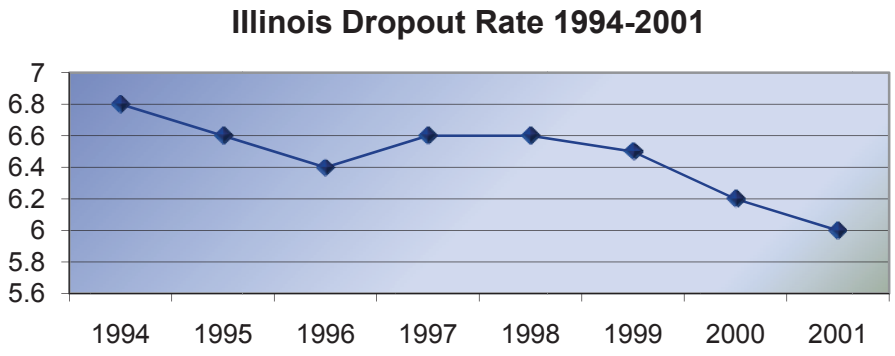
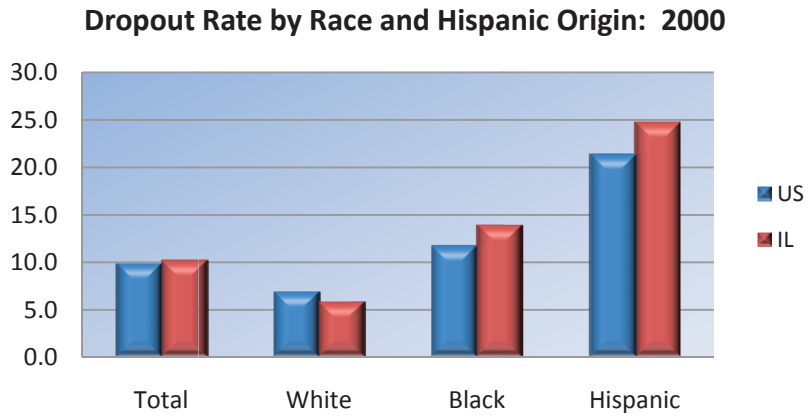
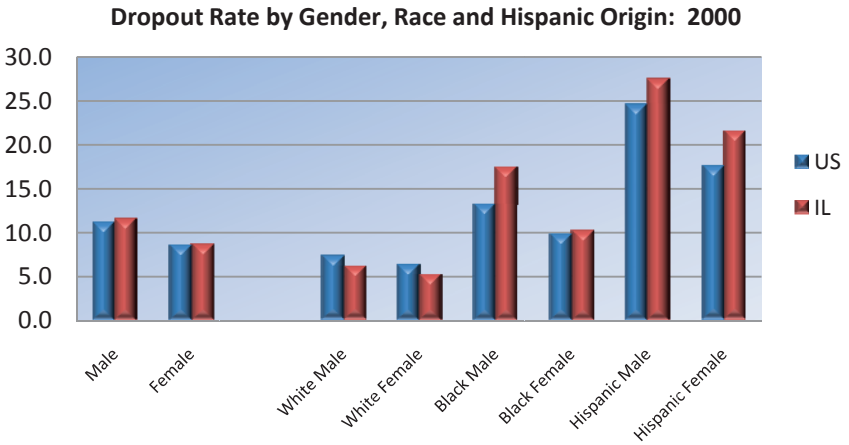


Table 8: Percentage of Youth 16-19 Years Old Not In School and Without a High School Diploma in 2000

	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 reaching adulthood.

Students in Illinois are required by a new state law to stay in school until they are seventeen years of age, 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 passing a General Educational Development (GED) Test or earning a 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, no comparable information for other states exists.

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 suggests higher paying jobs, more stable families, and less reliance on public benefits such as welfare, will meet these needs. 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 percent.

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 has 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 for Illinois [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 Midwest states.

- The average earnings of workers in Illinois grew over 43% between 1996 and 2006, reaching a level of $50,806 in 2006.
- Average earnings grew 3.1% in Illinois between 2005 and 2006, which was slightly below the national increase of 3.2%.
- Illinois ranked fifth among the benchmark states in earnings growth between 1996 and 2006 and 5th in earnings growth between 2005 and 2006.

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: Average Growth in Pay

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	% Change 1996-2006	% Change 2005-2006
US	32,356	33,634	35,342	36,973	39,007	40,164	41,116	42,428	44,378	45,803	47,275	46.1%	3.2%
California	35,231	37,055	38,881	41,110	44,539	45,168	46,009	47,550	50,856	53,180	54,812	55.6%	3.1%
Florida	28,988	29,636	31,066	32,402	33,975	34,604	35,710	36,797	38,376	40,081	41,426	42.9%	3.4%
Georgia	31,376	32,589	34,343	36,213	38,230	39,548	40,268	41,038	42,486	43,830	44,763	42.7%	2.1%
Illinois	**35,531**	**37,066**	**38,718**	**40,378**	**42,207**	**43,165**	**44,540**	**46,668**	**48,479**	**49,292**	**50,806**	**43.0%**	**3.1%**
Michigan	34,880	35,817	38,122	39,681	41,066	42,217	43,502	45,253	45,462	46,340	46,772	34.1%	0.9%
New Jersey	41,062	42,594	44,960	46,576	49,090	49,786	51,088	52,114	54,021	55,400	57,098	39.1%	3.1%
New York	42,541	44,521	46,937	48,870	51,516	52,535	52,761	53,657	56,501	58,679	61,590	44.8%	5.0%
Ohio	30,783	31,966	33,311	34,531	35,713	36,584	37,960	39,354	40,505	41,297	42,248	37.2%	2.3%
Pennsylvania	33,110	34,168	35,968	37,157	38,457	39,172	40,506	42,119	44,044	45,203	46,514	40.5%	2.9%
Texas	31,597	33,469	35,434	37,446	39,985	41,465	41,837	42,886	45,656	47,764	49,808	57.6%	4.3%

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

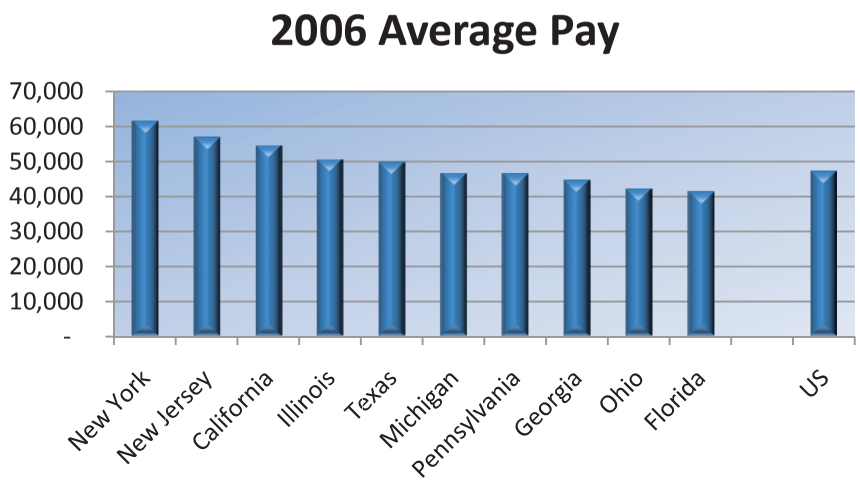


Table 12: Percent Income Growth by Industry, 2001-2006

Industry	IL	US
Wage and salary disbursements by place of work	16.0	21.8
Farm wage and salary disbursements	62.9	22.8
Nonfarm wage and salary disbursements	15.9	21.8
Private wage and salary disbursements	15.9	21.4
Mining	12.9	48.7
Utilities	(9.6)	7.1
Construction	17.0	30.6
Manufacturing	1.0	3.5
Durable goods manufacturing	0.2	3.9
Nondurable goods manufacturing	2.2	2.6
Wholesale trade	15.8	22.9
Retail trade	9.5	16.1
Transportation and warehousing	16.0	15.0
Information	(12.3)	(2.1)
Finance and insurance	22.7	27.5
Real estate and rental and leasing	26.5	34.4
Professional and technical services	15.2	25.3
Management of companies and enterprises	51.9	35.8
Administrative and waste services	23.1	28.9
Educational services	36.6	36.9
Health care and social assistance	28.8	36.0
Arts, entertainment, and recreation	17.3	25.2
Accommodation and food services	25.2	27.8
Other services, except public administration	22.1	24.8
Government and government enterprises	16.0	24.1

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 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 267,000 jobs between 2004 and 2006 to finally reverse the severe job loss trend that started between 2001 and 2002. This was during a period when most states lost jobs.
- Illinois ranked eighth in job growth over the last ten years among benchmark states. Illinois ranked fifth in job growth between 2005 and 2006.
- Between 2005 and 2006, 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: Net Job Growth, 1996-2006

Rank 2006	Area	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Change 2005-2006	Percent Change 2005-2006	Change 1996-2006	Percent Change 1996-2006
0	US	152,150	155,608	159,628	162,955	166,759	167,015	166,633	167,554	170,522	174,183	178,343	4,159.5	2.4%	26,192.7	17.2%
1	California	17,466	17,787	18,504	19,024	19,626	19,716	19,660	19,781	19,796	20,035	20,531	496.0	2.5%	3,064.5	17.5%
4	Florida	7,804	8,068	8,368	8,656	8,933	9,112	9,205	9,411	9,775	10,185	10,521	336.0	3.3%	2,717.2	34.8%
9	Georgia	4,362	4,477	4,640	4,778	4,892	4,908	4,893	4,950	5,074	5,232	5,383	150.5	2.9%	1,020.9	23.4%
5	**Illinois**	**6,925**	**7,029**	**7,185**	**7,282**	**7,416**	**7,371**	**7,284**	**7,260**	**7,336**	**7,452**	**7,603**	**151.0**	**2.0%**	**677.5**	**9.8%**
8	Michigan	5,282	5,363	5,416	5,519	5,629	5,540	5,483	5,461	5,502	5,550	5,542	-7.5	-0.1%	260.9	4.9%
10	New Jersey	4,386	4,446	4,524	4,595	4,755	4,789	4,804	4,846	4,937	5,025	5,116	90.9	1.8%	729.9	16.6%
3	New York	9,686	9,819	10,015	10,220	10,455	10,491	10,415	10,460	10,611	10,764	10,948	183.9	1.7%	1,262.7	13.0%
7	Ohio	6,437	6,541	6,660	6,747	6,836	6,759	6,691	6,664	6,742	6,818	6,894	75.8	1.1%	456.8	7.1%
6	Pennsylvania	6,525	6,631	6,724	6,836	6,973	6,979	6,956	6,936	7,038	7,168	7,296	128.1	1.8%	770.5	11.8%
2	Texas	10,808	11,236	11,646	11,895	12,245	12,356	12,370	12,490	12,657	13,018	13,515	497.4	3.8%	2,707.0	25.0%

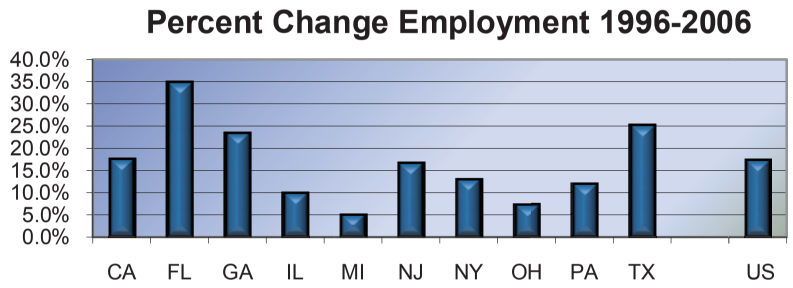


Table 14: Industry Employment

Industry	2005	2006	Net Change 2005-2006	% Change
Total employment	7,451,798	7,602,772	150,974	2.0
Wage and salary employment	6,105,707	6,183,463	77,756	1.3
Proprietors employment	1,346,091	1,419,309	73,218	5.4
Farm proprietors employment	74,960	74,855	(105)	(0.1)
Nonfarm proprietors employment	1,271,131	1,344,454	73,323	5.8
Farm employment	91,779	91,595	(184)	(0.2)
Nonfarm employment	7,360,019	7,511,177	151,158	2.1
Private employment	6,466,664	6,614,900	148,236	2.3
Forestry, fishing, related activities, and other	13,389	12,892	(497)	(3.7)
Mining	17,973	18,169	196	1.1
Utilities	24,027	23,808	(219)	(0.9)
Construction	407,229	424,775	17,546	4.3
Manufacturing	709,116	703,737	(5,379)	(0.8)
Durable goods manufacturing	430,152	432,314	2,162	0.5
Nondurable goods manufacturing	278,964	271,423	(7,541)	(2.7)
Wholesale trade	325,708	332,638	6,930	2.1
Retail trade	765,348	770,912	5,564	0.7
Transportation and warehousing	294,888	302,947	8,059	2.7
Information	138,766	138,991	225	0.2
Finance and insurance	445,059	453,726	8,667	1.9
Real estate and rental and leasing	277,006	300,462	23,456	8.5
Professional and technical services	513,876	533,535	19,659	3.8
Management of companies and enterprises	95,134	99,048	3,914	4.1
Administrative and waste services	489,489	503,590	14,101	2.9
Educational services	161,296	168,472	7,176	4.4
Health care and social assistance	758,055	771,911	13,856	1.8
Arts, entertainment, and recreation	143,174	145,329	2,155	1.5
Accommodation and food services	458,358	469,095	10,737	2.3
Other services, except public administration	428,773	440,863	12,090	2.8
Government and government enterprises	893,355	896,277	2,922	0.3

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 similar to the national growth rates between 1996 and 2006.
- Illinois had the fourth highest productivity rate among benchmark states in 2006, and exceeded national figures over the past ten years.

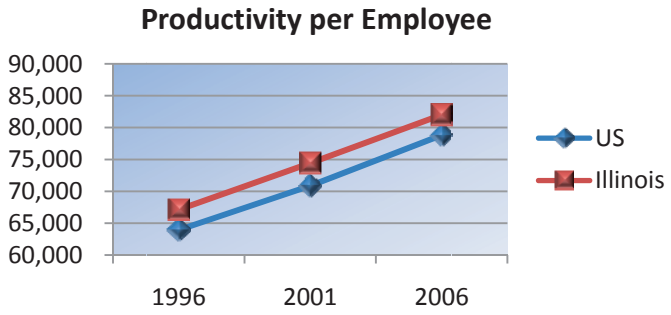
Data Issues and Limitations

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: Productivity Per Employee

Rank 2006	State	1996	2001	2006	% Change 2001-2006	% Change 1996-2006
	US	**63,930**	**70,853**	**78,822**	**11.2**	**23.3**
3	California	71,805	80,642	93,022	15.4	29.5
9	Florida	58,610	63,435	71,813	13.2	22.5
6	Georgia	61,354	70,354	76,234	8.4	24.3
4	**Illinois**	**67,104**	**74,427**	**81,999**	**10.2**	**22.2**
7	Michigan	61,414	69,406	75,836	9.3	23.5
2	New Jersey	80,215	86,612	93,708	8.2	16.8
1	New York	80,434	89,189	100,878	13.1	25.4
10	Ohio	58,032	63,570	70,437	10.8	21.4
8	Pennsylvania	62,543	66,680	72,180	8.2	15.4
5	Texas	67,020	74,318	81,718	10.0	21.9

Source: U.S. Bureau of Economic Analysis



Summary and Next Steps

This report is the fourth 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 10 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 Performing

As also reported in the third annual report to the General Assembly, 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, reversing the trend of job losses from 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. As also found in the third report, 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 10 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, as stated in the second report, 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 Three) 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) established a task force to make recommendations on revising the benchmarks. The task force developed recommendations which were approved by the IWIB. 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 fourth 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.

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