

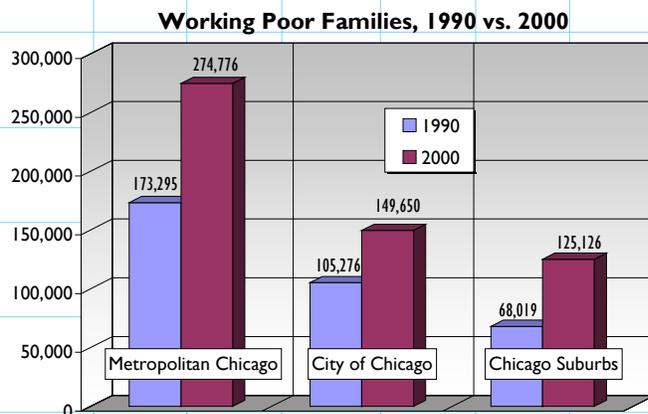
## Executive Summary

# Working Poor Families in Chicago and the Chicago Metropolitan Area:

## A Statistical Profile Based on the 1990 and 2000 Censuses

Chicago Urban League  
Northern Illinois University  
Roosevelt University

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# Executive Summary

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

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

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

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

## How many families are working poor?

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

## Why are so many working families poor?

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

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

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

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

### Where do the working poor work?

The working poor are employed in every industry and hold a variety of occupations.

- 55.2 percent were employed in retail trade or various types of service industries.
- 19.7 percent worked in manufacturing or construction.
- 58.8 percent had sales, service, administrative support, or management occupations.
- 17.6 percent were employed in production or construction occupations.

### Who are the working poor?

Racial and ethnic minorities are disproportionately represented among working poor families.

In metropolitan Chicago:

- 37.0 percent were Latinos
- 26.2 percent were African Americans

In the city of Chicago:

- 39.4 percent were Latino
- 34.5 percent were African Americans

Working poor families had more adults without a high school diploma and fewer with college degrees than families that were working and not poor.

In metropolitan Chicago:

- 36.0 percent of adults in all working poor (and 64.5 percent in Latino working poor families) had not graduated from high school, compared to only 11.6 percent in working families that were not poor.
- Only 12.2 percent of adults in working poor families had graduated from college, compared to 38.9 percent of adults in working families that were not poor.

In the city of Chicago:

- 44.0 percent of adults in all working poor families (and 67.1 percent in Latino working poor families) had not graduated from high school, compared to 20.1 percent in working families that were not poor.
- Only 10.0 percent of adults in working poor families graduated from college, compared to 33.1 percent of adults in working families that were not poor.

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

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

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

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

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## Working Poor on the Web

The complete Working Poor report is available online at these web sites:

Chicago Urban League  
[www.cul-chicago.org](http://www.cul-chicago.org)

Northern Illinois University  
Center for Governmental Studies  
[www.cgsniu.org](http://www.cgsniu.org)

Roosevelt University  
Institute for Metropolitan Affairs  
[www.roosevelt.edu.ima](http://www.roosevelt.edu.ima)

# Policy Recommendations

**S**ince economic growth and labor market attachment by themselves are not enough to lift families out of poverty, targeted public policies must be pursued to achieve that aim. We recommend action in four policy areas:

## I. Boost income and encourage higher-wage development

- raise the minimum wage
- pass and expand the scope of living wage laws
- increase the earned income tax credit
- improve fiscal equity at state and federal levels
- make it easier to form and sustain unions

## II. Expand the safety net for the working poor

- increase the access of working poor families to high-quality child care
- increase access to transportation
- introduce universal health insurance
- increase the supply of affordable housing
- create a more responsive and holistic set of social services

## III. Enhance human capital

- increase and equalize public school funding
- increase the affordability of higher education

## IV. Encourage high-wage job development and improve paths to good jobs

- use tax, zoning, and housing policies to encourage “smart growth”
- use public subsidies to promote Community Benefit Agreements
- encourage employers to invest in worked education and training