Measuring Progress: Benchmarking Workforce Development in Illinois

11th Annual Report

Illinois Workforce Innovation Board

2015

Background

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

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

To fulfill this requirement, the IWIB established a working group in April 2004 to review and update the first benchmark report. Those results were subsequently submitted to the Illinois General Assembly. In developing the second report, the IWIB working group attempted to identify the most credible and reliable data sources for each of the required benchmarks. In most cases, standard federal government data sources were utilized. These data sources included the Current Population Survey, the National Center for Education Statistics, and the Bureau of Economic Analysis. To preserve continuity and reliability, these same data sources have been used for each subsequent report. In some cases, updated data are no longer possible to obtain. In these instances the most recent statistical information is included.

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

This is the 11th report to the General Assembly measuring progress on the ten major benchmarks for the Illinois workforce development system.

The Ten Benchmarks for Workforce Development

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

Workforce Quality Benchmarks

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

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

Earnings Benchmarks

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

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

Competitive Business Advantage Benchmarks

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

9. Net job growth
10. Productivity per employee

Benchmarking Other States

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

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

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

Reading This Report

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

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

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

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

For Further Information

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

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

How Is Illinois Performing?

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

- Illinois increased the percentage of the working-age population with at least high school diplomas from 85.2 percent to 88.4 percent between 2004 and 2014. When comparing this rate with those of the benchmark states, Illinois is fourth out of ten and exceeds the national rate by 2.8 percent.
- Illinois increased the percentage of the working-age population with bachelor's degrees and above from 29.1 percent to 33.0 percent between 2004 and 2014. Illinois is ranked third among benchmark states in this measure.
- 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.
- Female high school attainment is growing slightly faster than male, and females have surpassed males in terms of the percentage with a bachelor's degree or higher. The difference in percentages between genders is approximately 0.9 percent for high school degrees and 0.6 percent for bachelor's degrees or higher, with females exceeding males in both categories.

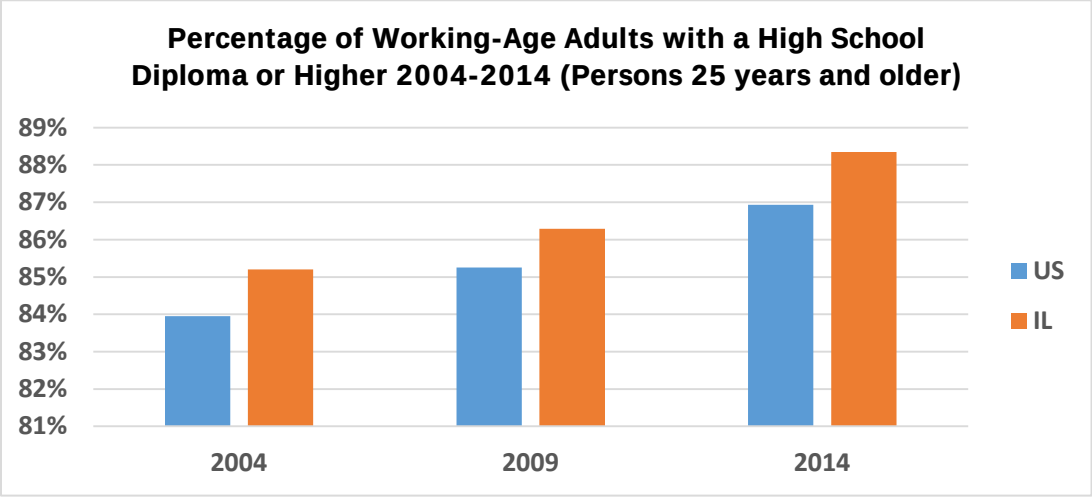
Data Issues and Limitations

The American Community Survey (ACS) provides recent data for Illinois and comparable large states. The ACS will produce slightly different numbers than other data sources, such as the Current Population Survey, because of the format of questions, varying sample size and demographics of individuals counted. Annual fluctuations in attainment rates may be due to small sample sizes in Illinois and other states, especially those with smaller populations. The measures of educational attainment for this benchmark are monitored over multiple years to distinguish consistent trends from year-to-year fluctuations.

Benchmark 1a
Percentage of Working-Age Adults with a High School Diploma or Higher
2004 - 2014 (Persons 25 and Older)

	2004	2009	2014
US	83.9%	85.3%	86.9%
CA	80.4%	80.7%	82.1%
FL	84.6%	85.3%	87.2%
GA	81.0%	84.1%	85.6%
IL	85.2%	86.3%	88.4%
MI	86.9%	88.0%	89.9%
NJ	86.2%	87.4%	89.0%
NY	83.8%	84.6%	85.8%
OH	86.5%	87.6%	89.3%
PA	85.8%	88.1%	89.5%
TX	78.9%	79.9%	82.3%

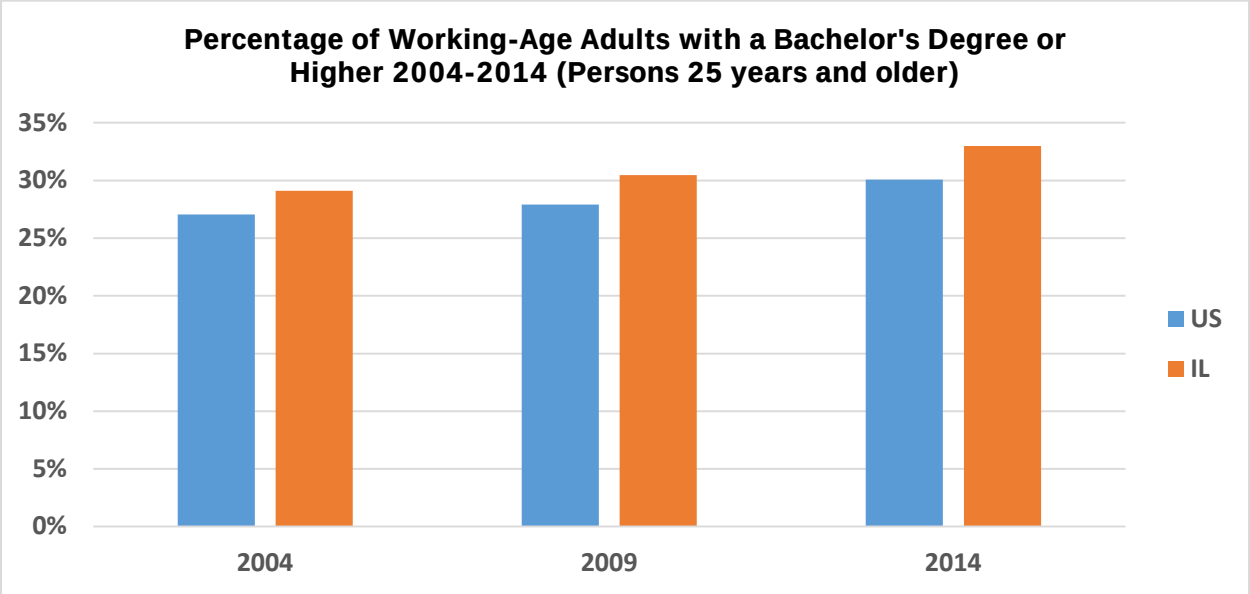
Source: US Census Bureau, ACS Public Use Microdata Sample



Source: US Census Bureau, ACS Public Use Microdata Sample

Benchmark 1b
Percentage of Working-Age Adults with a Bachelor's Degree or Higher
2004 - 2014 (Persons 25 and Older)

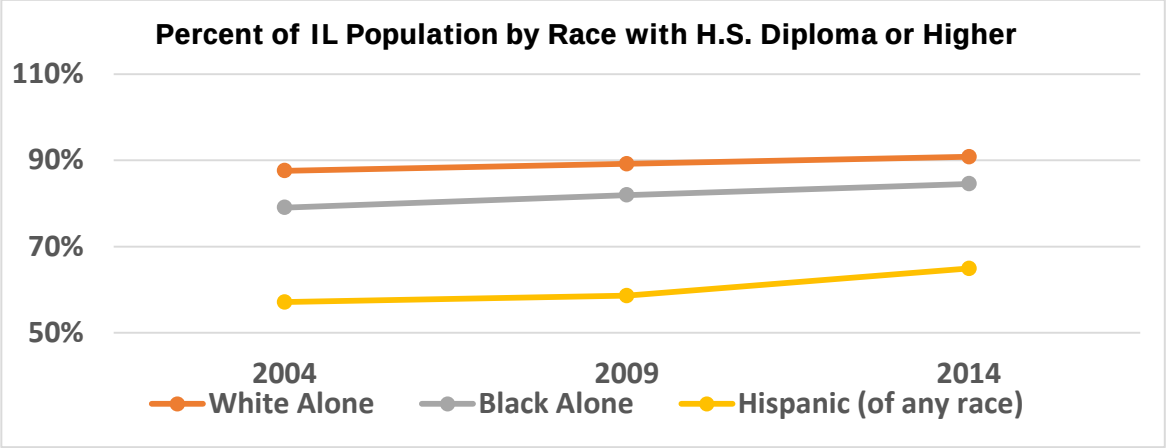
	2004	2009	2014
US	27.0%	27.9%	30.1%
CA	29.4%	29.9%	31.7%
FL	25.5%	25.4%	27.4%
GA	25.6%	27.7%	29.0%
IL	29.1%	30.5%	33.0%
MI	24.6%	24.8%	27.4%
NJ	33.3%	34.5%	37.2%
NY	30.5%	32.4%	34.7%
OH	23.4%	24.1%	26.5%
PA	24.7%	26.4%	28.8%
TX	25.8%	25.6%	27.9%

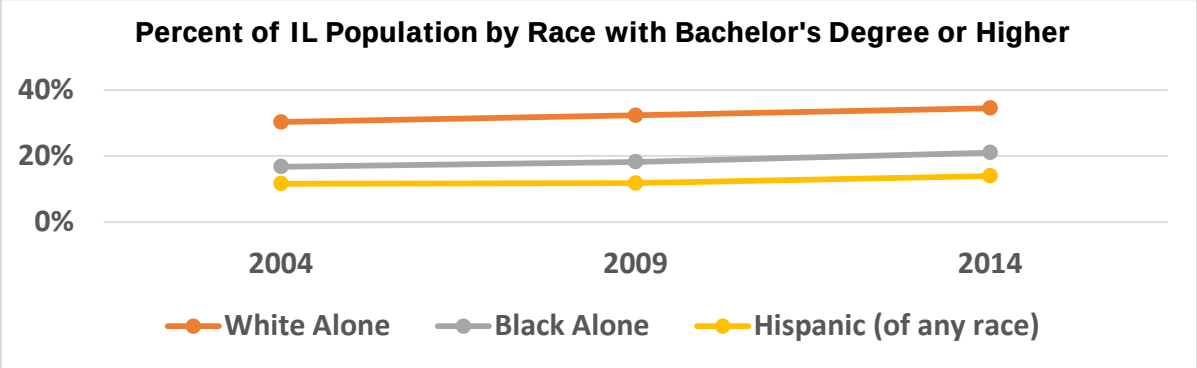


Benchmark 1c
Illinois Educational Attainment by Race and Hispanic Origin
2004 - 2014 (Persons 25 and Older)

	25 years and over	White Alone	Black Alone	Hispanic (of any race)
% High School or Higher 2004	85.2%	87.6%	79.1%	57.1%
% Bachelor's Degree or Higher 2004	29.1%	30.3%	16.8%	11.6%
% High School or Higher 2009	86.3%	89.2%	81.9%	58.6%
% Bachelor's Degree or Higher 2009	30.5%	32.4%	18.2%	11.8%
% High School or Higher 2014	88.4%	90.8%	84.5%	64.9%
% Bachelor's Degree or Higher 2014	33.0%	34.5%	21.1%	14.0%

Source: US Census Bureau, ACS Public Use Microdata Sample





Benchmark 1d
Illinois Educational Attainment by Gender 2004 - 2014
(Persons 25 and Older)

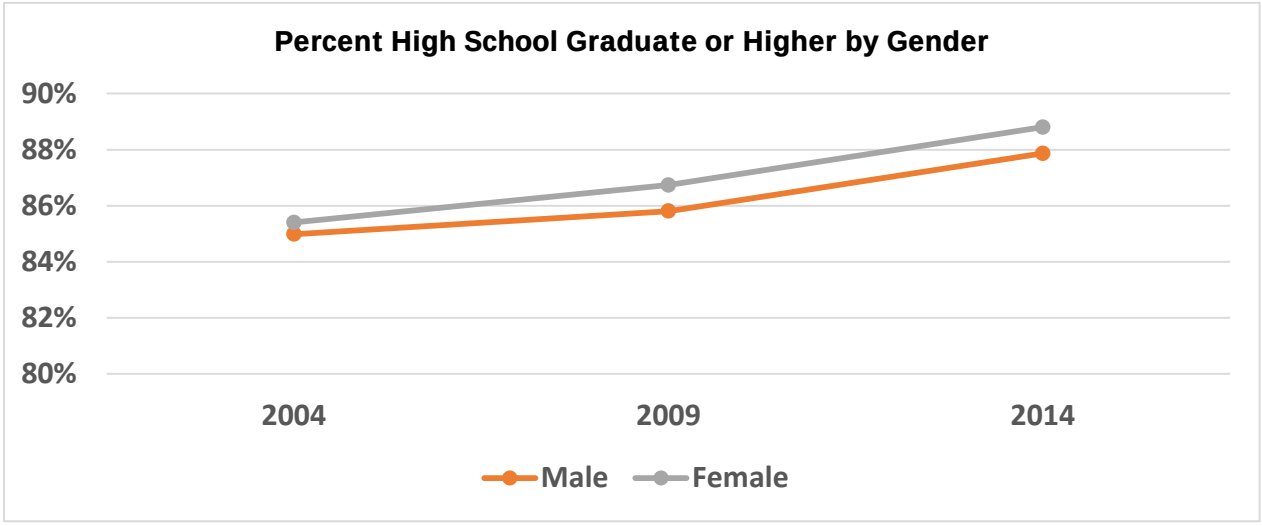
High School or Higher

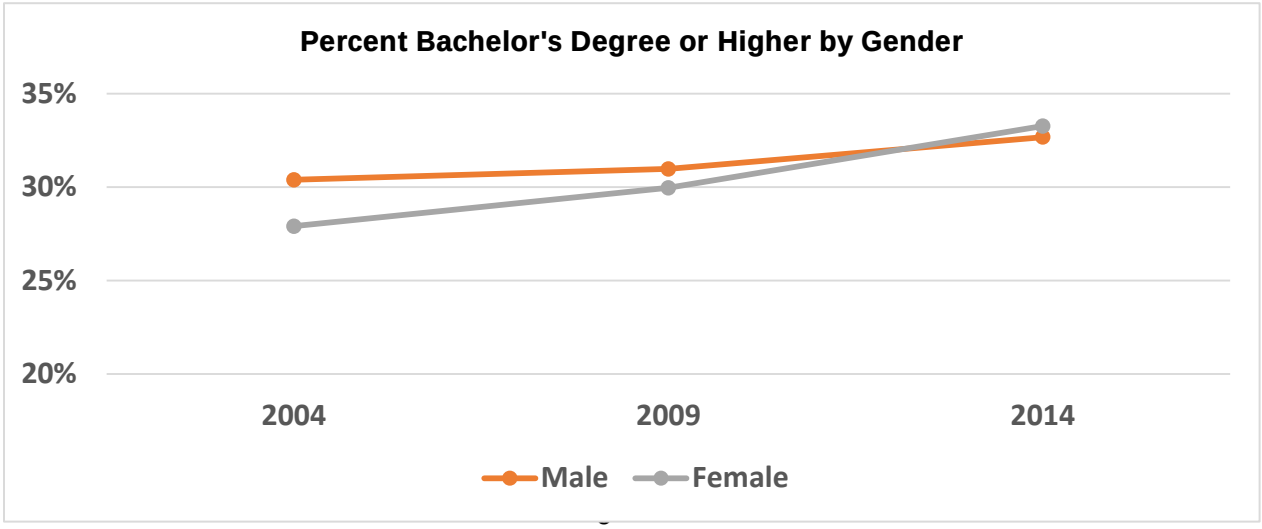
	2004	2009	2014
Total	85.2%	86.3%	88.4%
Male	85.0%	85.8%	87.9%
Female	85.4%	86.7%	88.8%

Bachelor's Degree or Higher

	2004	2009	2014
Total	29.1%	30.5%	33.0%
Male	30.4%	31.0%	32.7%
Female	27.9%	30.0%	33.3%

(Source: US Census Bureau, ACS Public Use Microdata Sample)





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

Why Is This Benchmark Important?

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

Unfortunately, there are no reliable and comprehensive data sources that fully capture adult participation in education and training. As a result, this benchmark can only address the number of people enrolled in Illinois colleges and universities, as well as those participating in the training programs funded by the Workforce Innovation and Opportunities Act (WIOA) – 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 WIOA-funded programs and the percentage who are undergoing training.

How Is Illinois Performing?

- The percentage of WIOA clients entering training increased from 49.5 percent in 2013 to 52.5% in 2014. The total number of WIOA participants also increased by over 900 participants in 2014, from 18,462 in 2013 to 19,369 in 2014.

Data Issues and Limitations

Although national household surveys provide reliable estimates for this benchmark, there is no reliable data source at the state level. Therefore, as mentioned above, the best available estimate is the total number of students enrolled in public educational institutions as well as the total number of workers receiving training through WIOA. The data used are for WIOA participants under regular WIOA funding streams only, not special discretionary programs that target specific populations and circumstances. Since there are numerous definitions for "training" within WIOA, the data reported are based on a very narrow definition in order to more closely align them with comparable data on enrollment in colleges and universities. Also, there may be some duplication in the number of workers receiving training through WIOA, since many workers receive their training through community colleges. However, this measurement approach results iin an undercount of adult participation because it excludes those participating in non-degree-granting proprietary schools, apprenticeship programs, and private sector

training programs, including employer-based training, and training provided directly to workers through professional and trade associations and private companies. National surveys estimate that public colleges and universities represent less than 50 percent of all education and training for adults.

Benchmark 2
Percent of Adult Workforce in Education or Training

Program Year	Labor Force	Adults in College	WIOA Participants	% of WIOA Participants in Training*
2001	6.46 million	752,753	13,770	49.10%
2002	6.39 million	781,190	18,414	47.70%
2003	6.34 million	799,216	15,942	45.80%
2004	6.37 million	801,548	14,080	42.40%
2005	6.43 million	805,764	12,658	39.90%
2006	6.56 million	814,189	11,480	37.20%
2007	6.69 million	821,026	11,146	38.00%
2008[1]	6.68 million	867,090	29,065	39.50%
2009	6.60 million	914,763	40,145	51.20%
2010	6.60 million	924,751	37,173	49.10%
2011	6.60 million	879,255	30,457	42.40%
2012	6.60 million	852,865	22,415	40.70%
2013	6.55 million	N/A**	18,462	49.50%
2014	6.52 million	806,467	19,369	52.50%

Sources: Illinois Department of Employment Security, Illinois Board of Higher Education, Department of Commerce and Economic Opportunity, Office of Employment and Training.

* This total percentage refers to the percent of adults and dislocated workers served in WIOA who received training services. It only includes those individuals enrolled in WIOA programs.
** The IBHE was unable to generate this data for 2013 due to a lack of resources.

[1] In 2008, the Illinois Workforce Innovation Board (IWIB) requested Illinois implement a minimum training expenditure requirement for all Local Workforce Innovation Areas (LWIA). In response to the new definition of training found in WIA Policy Letter 07-PL-40 (as amended), Benchmark Two has been updated to reflect this change in the number of participants and those in training.

Benchmark Three: Adult Literacy

Why Is This Benchmark Important?

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

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

- Percentage of adults who tested at the inadequate levels (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 percent of Illinoisans tested at "inadequate" 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

Previous reports included adult literacy data based on the National Adult Literacy Survey (NALS) which had not been updated since 1992. Although Illinois participated in the 1992 SALS, the state did not participate in the 2002 or other SALS because of the costs for creating comparable state estimates of literacy. To determine how Illinois is currently performing and to track trends over time, the IWIB will continue to explore this benchmark.

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

Why Is This Benchmark Important?

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

- Percentage of high school graduates transitioning to college.

How Is Illinois Performing?

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

- Data indicate that, in Illinois, the rate of students who are transitioning from high school to college or training has fluctuated for the past fourteen years, ranging from 33 to 35 percent.
- In 2008, Illinois ranked seventh among the ten benchmark competitor states.

Data Issues and Limitations

The National Report Card on Higher Education uses the Current Population Survey (CPS) for the transition measure. The CPS provides the most recent data available for Illinois and comparable large states. Results from the CPS tend to vary slightly from other comparable data sources, such as the U.S. Census, due to differences in format, wording of questions and sample size. Annual fluctuations in attainment rates may be due to small sample sizes in Illinois and other states, especially those with smaller populations. The measures of educational attainment for this benchmark should be monitored over multiple years to distinguish consistent trends from year-to-year fluctuations. Data were released every two years but have not been updated since 2008.

Benchmark 4
Percent of High School Graduates Transitioning to College

Rank	State	1994	2000	2002	2004	2006	2008
3	CA	32%	38%	36%	38%	40	35
6	FL	32%	30%	31%	31%	32	33
10	GA	26%	26%	24%	26%	30	29
7	IL	34%	35%	33%		35	33
2	MI	35%	40%	39%	38%	42	37
8	NJ	37%	39%	41%	37%	38	30
4	NY	35%	35%	37%	38%	40	34
5	OH	33%	34%	33%	34%	35	34
1	PA	30%	36%	37%	38%	35	38
9	**TX**	**30**	**30%**	**27**	**28**	**30**	**30**

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

The National Center for Public Policy and Higher Education delivered data every other year beginning in year 2000 through 2008 in its "National Report Card on Higher Education," also known as the "Measuring Up" report. It graded states on their progress in six key areas of postsecondary performance. The director of the National Center for Public Policy and Higher Education and the report's creator, Patrick M. Callan, planned to publish a decade's worth of the studies to serve as a "proof of concept" of the report card's value. The Center discontinued its research after the 2008 report. No organization assumed the Measuring Up research and, therefore, there are no new data since 2008. Resource: Phone conversation with the National Center for Public Policy and Higher Education, Office of President Patrick Callan, 5205 Prospect Road #135/279, San Jose, CA 95129, phone: 408-792-3140. (Patricia Schnoor 06/12/2012) http://measuringup2008.highereducation.org/

Benchmark Five: High School Dropout Rate

Why Is This Benchmark Important?

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

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

How Is Illinois Performing?

In the past 15 years there has been a significant drop in the high school dropout rate in Illinois. However, state comparisons are very difficult due to the lack of comparable data. Illinois has a very high percentage of Black and Hispanic school-age youth (16–19) without high school diplomas; however, this percentage is slowly decreasing.

- In the 2011-2012 academic school year, Illinois had a dropout rate of 2.4 percent, down almost 3.3 percentage points since the 2002-2003 school year.
- Black (4.1 percent) and Hispanic (2.8 percent) youth had significantly higher dropout rates than White (1.4 percent) youth in Illinois in the 2011-2012 school year.

Data Issues and Limitations

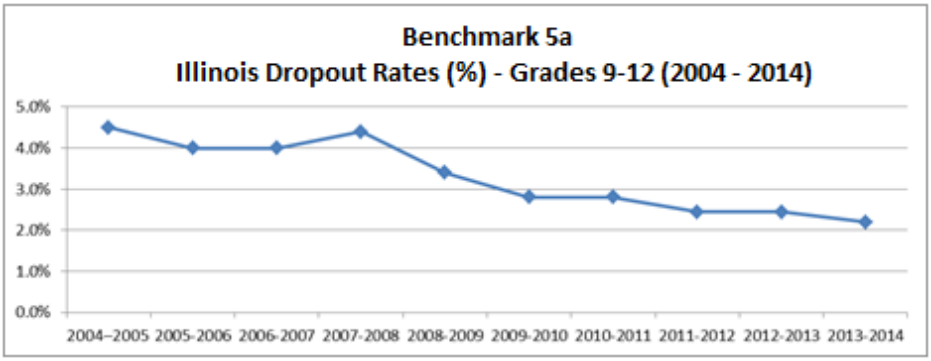
Note: The Illinois State Board of Education is currently updating and finalizing the language to be provided about the data issues and limitations concerning the high school dropout rate for Benchmark Five. Once available, the information will be included in the final report to be published.

Benchmark 5a
Dropout Rates for Grades 9-12, by State: School Years 2001-02 through 2011-12

STATES	2001-2002	2002-2003	2003-2004	2004–2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
California	—	3.2%	3.3%	3.1%	3.7%	5.5%	5.0%	5.0%	4.6%	4.2%	4.0%
Florida	3.7%	3.4%	3.4%	3.5%	4.1%	3.8%	3.3%	2.6%	2.3%	2.1%	2.1%
Georgia	6.5%	5.8%	5.4%	5.6%	5.2%	4.6%	4.3%	4.2%	3.8%	3.9%	3.9%
Illinois	6.4%	5.7%	5.3%	4.5%	4.0%	4.0%	5.2%	11.5%	2.9%	2.9%	2.4%
Michigan	—	4.5%	4.6%	3.9%	3.5%	7.4%	6.2%	3.8%	4.3%	7.2%	6.9%
New Jersey	2.5%	1.8%	‡	‡	1.7%	2.0%	1.7%	1.6%	1.6%	1.4%	1.4%
New York	7.1%	5.5%	5.6%	5.7%	4.4%	5.3%	3.9%	4.2%	3.6%	3.6%	3.8%
Ohio	3.1%	3%	3.3%	3.5%	4.1%	4.5%	4.3%	4.2%	4.2%	4.4%	4.6%
Pennsylvania	3.3%	3.2%	2.9%	2.9%	2.8%	—	2.6%	2.3%	2.1%	2.2%	2.8%
Texas	*3.8%*	*3.6%*	*3.6%*	*3.6%*	*4.3%*	*4.0%*	*4.0%*	*3.2%*	*2.7%*	*2.4%*	*2.5%*

Source: National Center for Educational Statistics

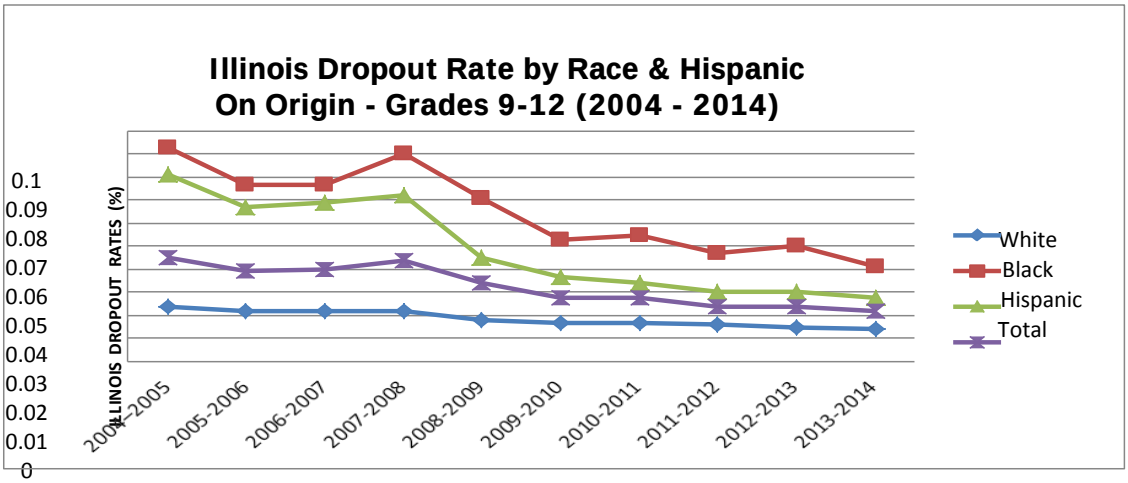
— Not available. State did not report dropout counts or reported counts that did not conform to the NCES definition.
‡ Reporting standards were not met. Dropout data were missing for more than 20 percent of grade 9–12 total membership.



Source: Illinois State Board of Education (ISBE) Annual Reports

Benchmark 5b
Illinois Dropout Rates by Race and Hispanic Origin

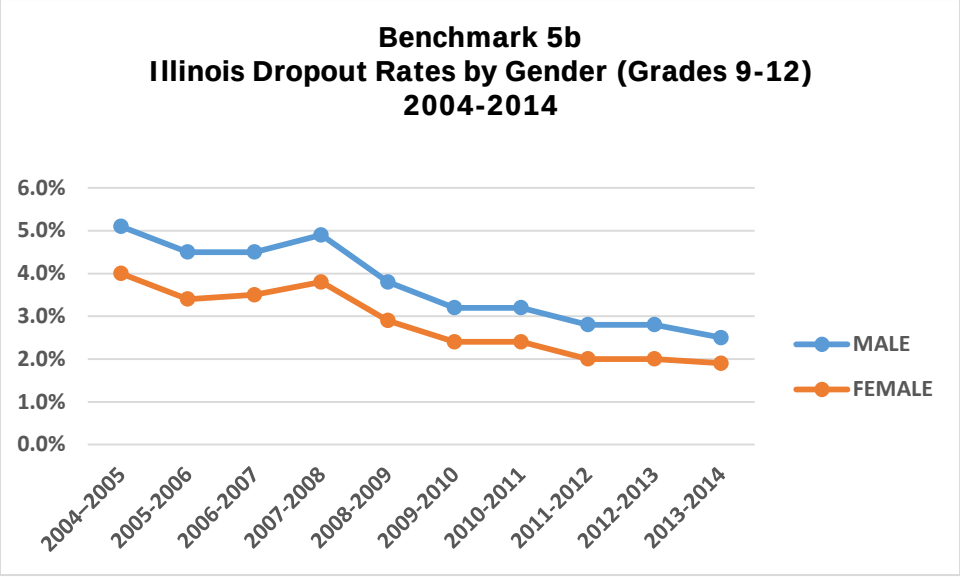
Race	2004–2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
White	2.4%	2.2%	2.2%	2.2%	1.8%	1.7%	1.7%	1.6%	1.5%	1.4%
Black	9.3%	7.7%	7.7%	9.0%	7.1%	5.3%	5.5%	4.7%	5.0%	4.1%
Hispanic	8.1%	6.7%	6.9%	7.2%	4.5%	3.7%	3.4%	3.0%	3.0%	2.8%
Total	4.5%	3.9%	4.0%	4.4%	3.4%	2.8%	2.8%	2.4%	2.4%	2.2%



Benchmark 5b
Illinois Dropout Rates by Gender

Years	Male	Female
2004–2005	5.1%	4.0%
2005-2006	4.5%	3.4%
2006-2007	4.5%	3.5%
2007-2008	4.9%	3.8%
2008-2009	3.8%	2.9%
2009-2010	3.2%	2.4%
2010-2011	3.2%	2.4%
2011-2012	2.8%	2.0%
2012-2013	2.8%	2.0%
2013-2014	2.5%	1.9%

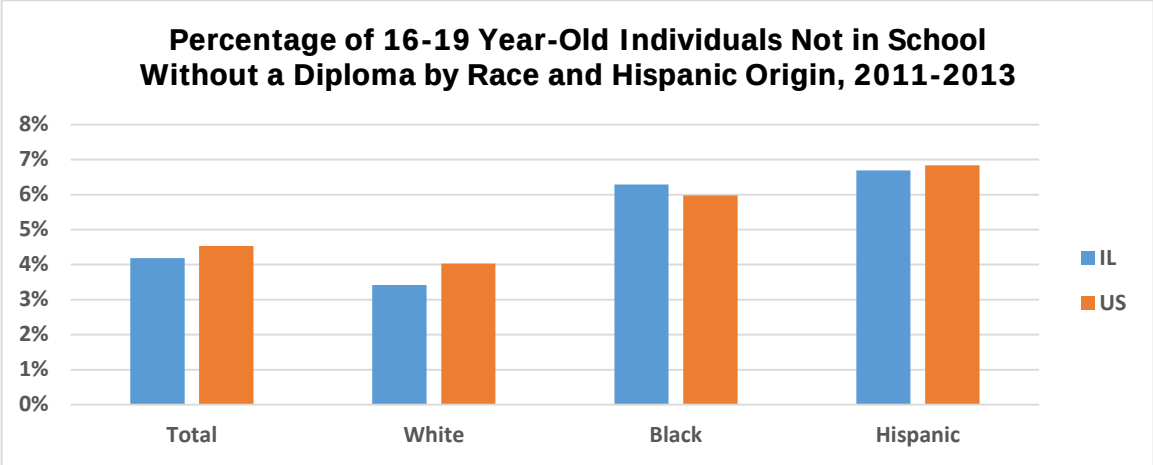
Source: Illinois dropout rates from 2004-2011 were obtained from the 2013 Illinois Workforce Investment Board Annual Report. Illinois dropout rates for 2011-2012 were obtained from the 2011-2012 Illinois State Board of Education Annual Statistical Report.



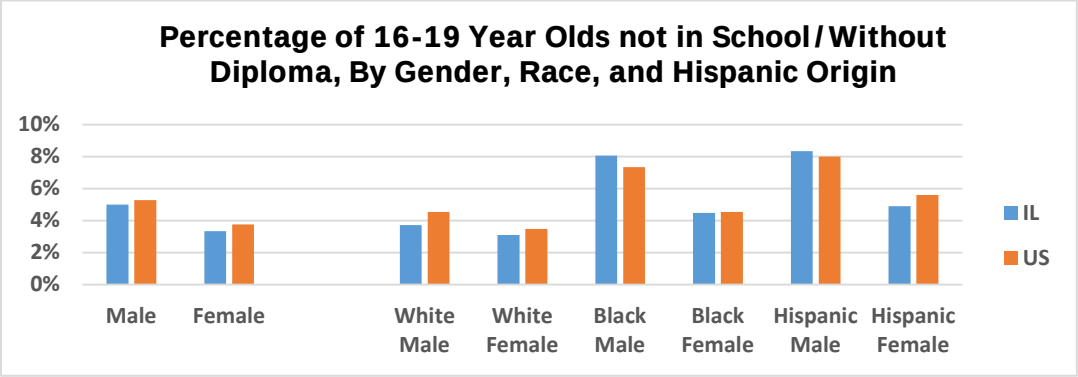
Benchmark 5c
Percentage of 16-19 Year-Old Individuals Not in School and Without a High School Diploma 2011-2013

	IL	US
Total	4.2%	4.5%
White	3.4%	4.0%
Black	6.3%	6.0%
Hispanic	6.7%	6.8%
Male	5.0%	5.3%
Female	3.3%	3.8%
White Male	3.7%	4.5%
White Female	3.1%	3.5%
Black Male	8.1%	7.3%
Black Female	4.5%	4.5%
Hispanic Male	8.3%	8.0%
Hispanic Female	4.9%	5.6%

Source: U.S. Census Bureau 2011-2013 American Community Survey, Public Use Microdata Sample



Source: U.S. Census Bureau 2011-2013 American Community Survey, Public Use Microdata Sample



Source: U.S. Census Bureau 2011-2013 American Community Survey, Public Use Microdata Sample

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

Why Is This Benchmark Important?

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

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

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

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

How Is Illinois Performing?

Illinois currently does not 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

Note: The Illinois State Board of Education (ISBE) continues to make progress in building a statewide student information system but is unable to build a metric regarding the number of youth transitioning from 8th to 9th grade for Benchmark #6. ISBE maintains records only for youth in public schools in Illinois and cannot provide the number of 8th graders that move to private schools or to out-of-state schools in the 9th grade.

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

Why Is This Benchmark Important?

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

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

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

This measure is reported by economic development regions in Illinois.

How Is Illinois Performing?

Available data show significant differences across the state, reflecting the range of economic opportunities in Illinois:

- The Southern Economic Development Region has the highest percentage of households living below self-sufficiency, while the Northwest, Central, and Northern Stateline Economic Development Regions have the greatest percentage of households achieving self-sufficiency.
- Racial composition impacts self-sufficiency much more than economic development region. The percentages of Black and Hispanic households living below self-sufficiency are more than 2.5 times the percentage of White households living below self-sufficiency. Only 16.6 percent of White households are below the standard, which is much less than even the statewide average of 23.5 percent.

Data Issues and Limitations

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

Illinois was the first state to benchmark the self-sufficiency level of its population through an analysis of the decennial census data. Although the small size of the annual Current Population Survey (CPS) makes county-level data unreliable, it does provide additional statewide information through supplementary questions not included in the decennial census. Therefore, the most comprehensive method of tracking changes in self-sufficiency is to analyze both the decennial census every ten years and the CPS in all other years. However, since the development of this measure in 2000, Illinois ceased to collect the necessary income information to recreate this benchmark in the 2010 census. As a result, the data from 2000 are the most current available.

Benchmark 7a
Percentage of Households in 2000 Below Self-Sufficiency, by Region

Economic Development Region	Percentage of Households Below Self- Sufficiency
Statewide	**23.5**
Central	20.
West Central	22.
East Central[1]	27.
North Central	20.
Northeast	23.
Northern Stateline	20.
Northwest	20.
Southeastern	23.
Southern	30.
Southwestern	24.

[1] This EDR includes a large number of students attending he University of Illinois.

Benchmark 7b
Percentage of Families Below Economic Self-Sufficiency in 2000 by Race For Illinois [1][2]
Self Sufficiency by Race (Statewide) [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?

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

- Mean annual earnings of workers

How Is Illinois Performing?

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

- The average earnings of workers in Illinois increased by 28.6 percent between 2004 and 2014, reaching a level of $67,777 in 2014, above the national average of $63,729.
- ☐ Average earnings increased by 11.3 percent in Illinois between 2009 and 2014 which was below the national average of 12.2 percent for that period.
- ☐ Illinois ranked sixth among the benchmark states in earnings growth between 2004 and 2014, and ranked seventh in earnings growth between 2009 and 2014.

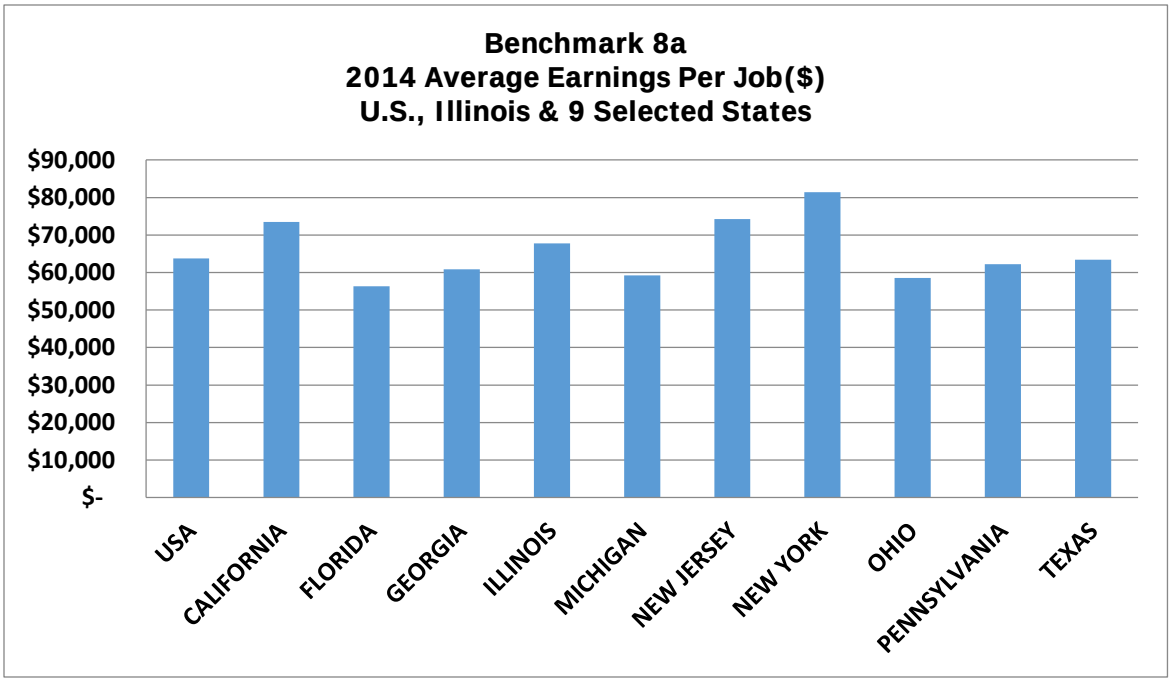
Data Issues and Limitations

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 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.

Benchmark 8a
Average Growth in Pay ($)

Areas	2004	2009	2014	% Change (2004-2014)	% Change (2009-2014)
U.S.	$ 48,912	$ 56,814	$ 63,729	30.3%	12.2%
California	$ 56,443	$ 65,488	$ 73,474	30.2%	12.2%
Florida	$ 44,496	$ 51,617	$ 56,349	26.6%	9.2%
Georgia	$ 47,061	$ 54,161	$ 60,816	29.2%	12.3%
Illinois	$ 52,722	$ 60,883	$ 67,777	28.6%	11.3%
Michigan	$ 50,060	$ 54,430	$ 59,245	18.3%	8.8%
New Jersey	$ 58,226	$ 67,068	$ 74,211	27.5%	10.7%
New York	$ 61,280	$ 71,538	$ 81,419	32.9%	13.8%
Ohio	$ 45,831	$ 51,694	$ 58,563	27.8%	13.3%
Pennsylvania	$ 47,770	$ 55,338	$ 62,253	30.3%	12.5%
Texas	$ 46,426	$ 54,694	$ 63,389	36.5%	15.9%

Source: Bureau of Economic Analysis, Table SA06



\Benchmark 8b

Percent Income Growth by Industry 2009-2014

Industry	Illinois	United States
Wages and salaries by place of work	16.3%	19.6%
Farm wages and salaries	1.9%	20.1%
Nonfarm wages and salaries	16.3%	19.6%
Private nonfarm wages and salaries	18.3%	22.9%
Forestry, fishing, and related activities	36.5%	33.0%
Mining	27.7%	55.9%
Utilities	16.0%	12.9%
Construction	-0.3%	14.2%
Manufacturing	18.0%	18.1%
Durable goods manufacturing	17.9%	21.5%
Nondurable goods manufacturing	18.2%	11.9%
Wholesale trade	19.3%	20.8%
Retail trade	11.6%	16.2%
Transportation and warehousing	24.9%	25.1%
Information	10.2%	25.0%
Finance and insurance	15.6%	24.9%
Real estate and rental and leasing	22.4%	25.7%
Professional, scientific, and technical services	25.3%	28.3%

Industry	Illinois	United States
Management of companies and enterprises	25.9%	42.8%
Administrative and waste management services	33.7%	30.9%
Educational services	22.5%	20.3%
Health care and social assistance	15.2%	19.5%
Arts, entertainment, and recreation	13.8%	20.7%
Accommodation and food services	22.1%	28.1%
Other services, except public administration	16.3%	18.5%
Government and government enterprises	5.0%	5.2%

Source: Bureau of Economic Analysis, Table SA07N, Wage and Salary Disbursements by NAICS Industry

Benchmark Nine: Net Job Growth

Why Is This Benchmark Important?

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

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

How Is Illinois Performing?

Illinois experienced an increase of 344,006 net jobs from 2004 to 2014.

- Illinois jobs also increased by 268,896 jobs from 2009 to 2014 ranking ninth out of the ten competitor benchmark states. Data indicated that jobs in Illinois increased by 3.7 percent from 2009-2014 and grew overall by 4.7 percent from 2004-2014.

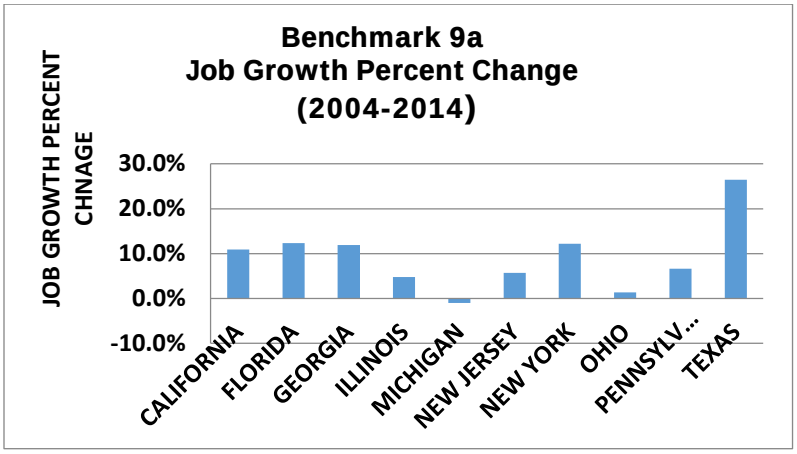
Data Issues and Limitations

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.

Benchmark 9
Net Job Growth (thousands)

Area	2004	2009	2014	Change (2004-2014)	% Change (2004-2014)	Change (2009-2014)	% Change (2009-2014)
U.S.	169,036,700	174,233,700	185,798,800	16,762,100	9.9%	11,565,100	6.6%
California	19,876,899	20,038,208	22,040,057	2,163,158	10.9%	2,001,849	10.0%
Florida	9,714,142	9,937,794	10,911,330	1,197,188	12.3%	973,536	9.8%
Georgia	5,055,666	5,282,997	5,656,586	600,920	11.9%	373,589	7.1%
Illinois	7,251,642	7,326,752	7,595,648	344,006	4.7%	268,896	3.7%
Michigan	5,445,905	5,029,744	5,391,129	(54,776)	-1.0%	361,385	7.2%
New Jersey	4,888,349	4,990,621	5,165,876	277,527	5.7%	175,255	3.5%
New York	10,484,594	10,956,711	11,764,104	1,279,510	12.2%	807,393	7.4%
Ohio	6,660,870	6,465,575	6,753,002	92,132	1.4%	287,427	4.4%
Pennsylvania	6,937,799	7,106,916	7,399,728	461,929	6.7%	292,812	4.1%
Texas	12,638,243	14,256,867	15,981,815	3,343,572	26.5%	1,724,948	12.1%

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



Benchmark 9b
Industry Employment

Industry	2014
Total employment	7,595,648
Wage and salary employment	6,048,181
Proprietors employment	1,547,467
Farm proprietors employment	61,663
Nonfarm proprietors employment 2/	1,485,804
Farm employment	73,358
Nonfarm employment	7,522,290

Industry	2014
Private nonfarm employment	6,651,752
Forestry, fishing, and related activities	13,586
Mining	31,382
Utilities	24,961
Construction	321,105
Manufacturing	602,716
Durable goods manufacturing	362,107
Nondurable goods manufacturing	240,609
Wholesale trade	319,574
Retail trade	715,479
Transportation and warehousing	333,226
Information	118,361
Finance and insurance	489,867
Real estate and rental and leasing	279,122
Professional, scientific, and technical services	548,826
Management of companies and enterprises	109,172
Administrative and waste management	544,173
Educational services	211,322
Health care and social assistance	861,377
Arts, entertainment, and recreation	156,432
Accommodation and food services	504,201
Other services, except public administration	466,870
Government and government enterprises	870,538

Source: Bureau of Economic Analysis, Employment by Industry, Table SA25N

Benchmark Ten: Productivity per Employee

Why Is This Benchmark Important?

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

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

How Is Illinois Performing?

Data indicate that Illinois is keeping pace with the rate of growth of employee productivity nationwide as well as when it is compared to the ten competitor benchmark states:

- In the past five years, Illinois increased productivity by 0.7 percent.
- Illinois had the fifth highest productivity among benchmark states in 2014 (maintaining its rank from 2006) and has continually exceeded national figures over the past ten years.

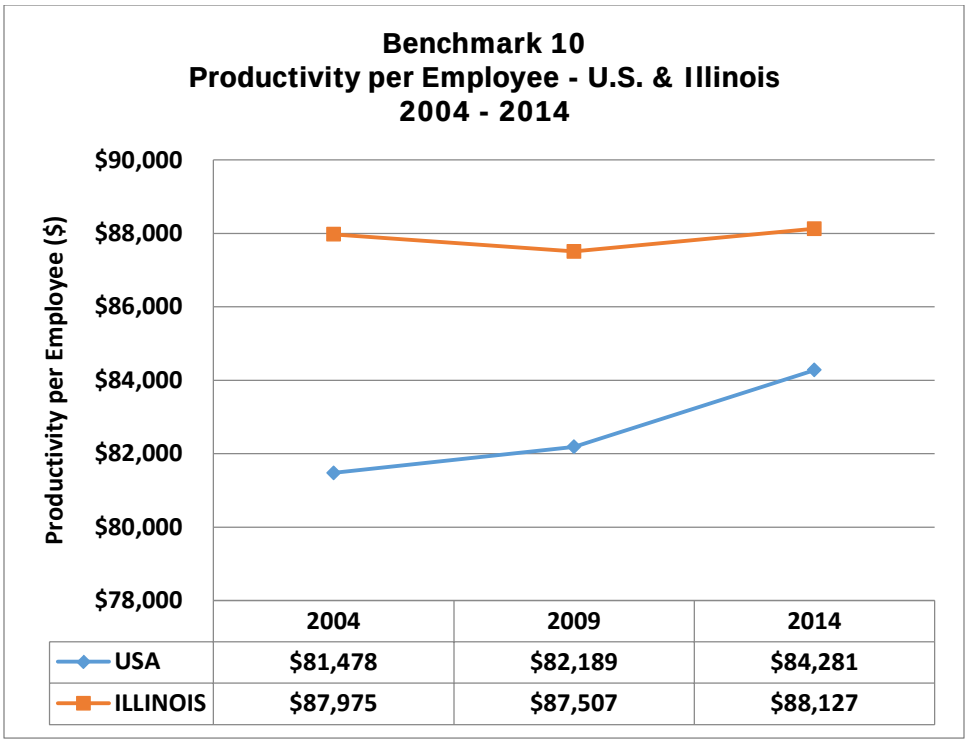
Data Issues and Limitations

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

Benchmark 10
Productivity per Employee

AREAS	2004	2009	2014	% Change (2004 - 2014)	% Change (2009 - 2014)
U.S.	$ 81,478	$ 82,189	$ 84,281	3.4%	2.5%
California	$ 92,007	$ 95,604	$ 95,415	3.7%	-0.2%
Florida	$ 74,620	$ 72,771	$ 70,491	-5.5%	-3.1%
Georgia	$ 78,768	$ 76,750	$ 76,685	-2.6%	-0.1%
Illinois	$ 87,975	$ 87,507	$ 88,127	0.2%	0.7%
Michigan	$ 78,531	$ 72,606	$ 76,814	-2.2%	5.8%
New Jersey	$ 99,087	$ 97,134	$ 97,755	-1.3%	0.6%
New York	$ 102,153	$ 104,327	$ 106,809	4.6%	2.4%
Ohio	$ 76,349	$ 73,988	$ 77,484	1.5%	4.7%
Pennsylvania	$ 79,759	$ 79,631	$ 81,591	2.3%	2.5%
Texas	$ 82,181	$ 82,153	$ 91,177	10.9%	11.0%

Source: U.S. Bureau of Economic Analysis, Table SA25N and Real Gross State Product Table



Summary and Next Steps

This report is the 11th annual progress report to the General Assembly on the ten benchmarks for the Illinois workforce development system. This report is designed to provide an overview of how Illinois is progressing relative to the nation and comparable states. This report also provides information on data limitations and continuing efforts to improve the quality of data presented for each benchmark.

How Illinois is Performing

In the 21st century economy, Illinois and other states will increasingly compete for business investment on the skills of the workforce. As a result, educational benchmarks are early indicators of long-term competitiveness for states. Continuing the trend from previous reports, Illinois is still keeping pace with other states and the nation as a whole on most key educational benchmarks, but is not moving ahead of leading states and establishing a clear competitive advantage. Illinois also 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. That report used ten leading states for benchmarking purposes and changed data sources on many benchmarks to allow regular annual updates. The report also developed estimates of the self-sufficiency benchmark for the first time based on a methodology created 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, significant problems remain in measuring and reporting progress on many of these statewide benchmarks on an annual basis, particularly in key education benchmarks including the percentage of the adult workforce in education or training (Benchmark #2) and adult literacy (Benchmark #3). In addition, unlike the self-sufficiency measure in this report, data limitations preclude the opportunity to compare regional performance against statewide benchmarks.

Because of these problems, the IWIB is establishing a task force to make recommendations on revising the benchmarks. The task force will develop recommendations that align with economic data, special populations, and performance measures under WIOA. Recommendations will also include Illinois' current efforts through the Workforce Data Quality Initiative, which integrates workforce and education data.