



Lessons Learned from Census 2010

By Matthew Hall

As mandated by Article 1 of the U.S. Constitution, Congress is required to authorize and fund a complete count of the American population every 10 years. The form of the decennial census has changed over time, from a simple enumeration of the population to a snapshot of its social, economic, and demographic profile. Last summer, the Census Bureau released complete data on its latest headcount that was conducted in April of 2010.

This chapter uses 2010 census data and other recent sources¹ to draw seven policy lessons about critical demographic patterns and trends that have direct relevance to state and municipal governance, revenue streams, and program service deliverability. Illinois is changing and with change comes new opportunities and challenges. During these tough economic times, it is crucial that policy decisions recognize Illinois' demographic reality.

Lesson 1: Stagnant Population Growth

Illinois' population has grown in every decade since statehood was granted in 1818 (Figure 1). The current population of 12.8 million makes Illinois the fifth largest state, behind California (37.2 million), Texas (25.1 million), New York (19.4 million) and Florida (18.8 million), and the largest state in the Midwest. More than one out of every 25 Americans calls Illinois home. While the state's historical standing as a major population hub clearly remains, the ability to maintain this ranking in the years ahead is less clear. While the U.S. population increased by 9.7 percent between 2000 and 2010, Illinois increased by merely 3.3 percent. While this slow growth was not uncharacteristic of other states in



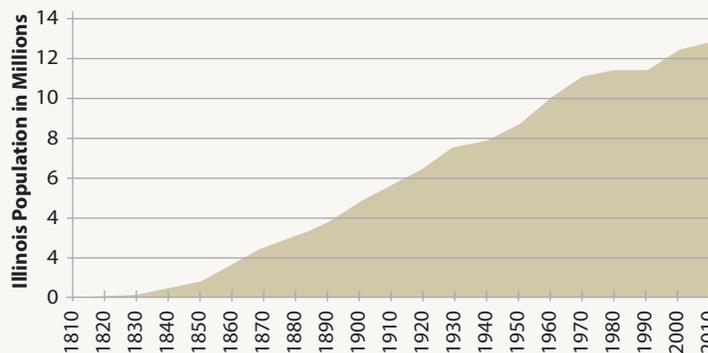
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the region—including Michigan which actually declined by 0.6 percent—it meant that Illinois ranked 41st among the 50 states in terms of population growth during the 2000s and was even slower than demographers had predicted.

All population growth and change is generated by two demographic processes: natural increase and net migration. Both are simple: natural increase is the number of births minus the number of deaths occurring during some period, while net migration is the number of people moving into an area (in-migrants) minus the number of people moving out (out-migrants). Each of these is contributing to Illinois' stagnant growth.

¹ Including recent vital statistics and data from the American Community Survey and the Current Population Survey.

Figure 1
Illinois population, 1910 to 2010



Source: 1810-2010 decennial censuses

²The crude birth rate (“natality”) is the number of births occurring per 1,000 residents. In 1980, Illinois natality was 16.7; in 2009 it was 13.7.

³See Kenneth D. Kochanek, Jiaquan Xu, Sherry L. Murphy, and Arialdi M. Miniño, and Hsiang-Ching Kung. 2011. “Deaths: Preliminary Data for 2009.” *National Vital Statistics Report*, 59(4).

⁴Because of the way net migration is calculated (as a residual estimate from population change due to natural increase), it is difficult to compare the number of in- vs. out-migrants.

Between 2000 and 2009, 1.7 million babies were born in Illinois and 960,000 deaths occurred, representing a net gain of 740,000 and an average annual rate of natural increase of 6.2 per 1,000 residents. This rate of natural increase is actually slightly higher than the national average (5.8), but that stylized point overlooks the fact that rates of fertility and mortality have changed considerably over time. Illinois’ crude birth rate² has decreased by 18 percent since 1980 and, more concretely, the number of births in 2009 is the fewest recorded since the 1970s. Conversely, while deaths in the state have increased over time, the age-adjusted death rate has fallen to a level below the national average, meaning that Illinoisans are living longer.³

Arguably more important to Illinois’ sluggish growth is that fewer people are moving

Table 1
Illinois Population, 2000 to 2030

Year	Population	Population Change	Percent Change
2000	12,419,293	988,691	8.65
2010*	12,916,894	497,601	4.01
2010	12,830,632	411,339	3.31
2020*	13,326,720	406,088	3.16
2030*	13,432,892	196,172	1.48

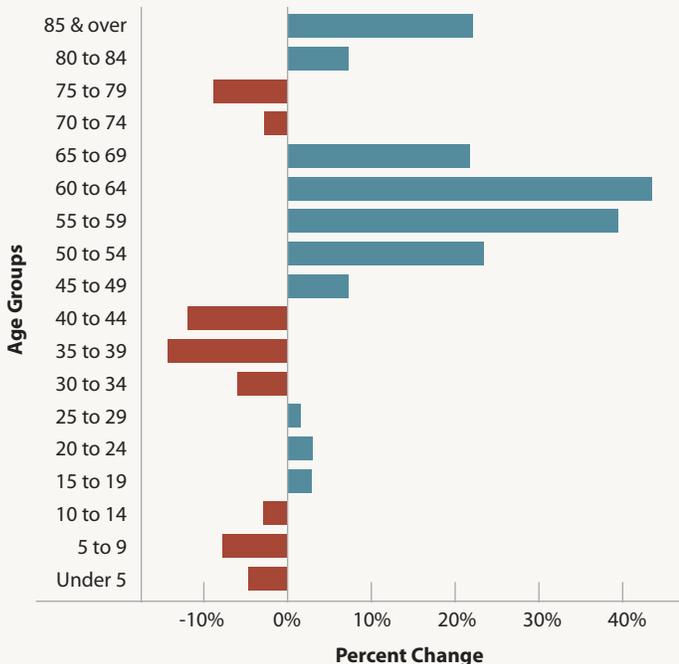
* Projected population
Source: Census Bureau Population Projections (2005) and the 2000 and 2010 Census

into the state than leaving it. From 2000-2009, Illinois’ migration deficit was -228,888, meaning that the number of out-migrants far exceeded the number of in-migrants.⁴ Negative net migration has been a defining characteristic of the state for decades, but the continuation of these lopsided flows in the context of declining fertility raises concerns about the prospects of future population change. Indeed, as shown in Table 1, the pace of growth in the state is projected to slow considerably over the next 20 years, and given that the Census Bureau overestimated the 2010 state population in its earlier projection by 86,262, there is reason to suspect that future growth will be even lower than expected.

Lesson 2: Unbalanced Age Cohort Change

Overall population change masks considerable variation in the age groups that compose the state’s population. As shown in Figure 2, relative change in Illinois’ five-year age cohorts between 2000 and 2010 varies dramatically. The upper horizontal bar indicates that there was a 22 percent increase in the very-elderly population during the 2000s. In 2010, more than a quarter million residents of the state were 85 or older. Growth in this population reflects a continuation of increases in old-age life expectancy. Since 1980, life expectancy for 65-year-old Illinoisans has increased by about one month every year and currently stands at

Figure 2
Percent Change in Illinois Population During 2000s, by 5-Year Age Cohorts



Source: 2000 and 2010 Census

82.8 (i.e., a 65-year-old is expected to live for another 17.8 years).⁵ The increase in this frail population adds a considerable cost to state programs that support the elderly; i.e., increasing the number of eligible recipients for old-age health, disability, and elderly services. The costs of these programs will naturally increase unless the price/quality of the care is reduced or eligibility rules are stricter.

While the relative size of the 85-and-older population increased substantially, the absolute size of the overall elderly (70 and older) population increased only modestly, from 1.1 million in 2000 to 1.12 million in 2010. However, as can be seen in Figure 2, this will quickly change as the baby-boom cohorts move into retirement. Collectively, the four age groups (45-49, 50-54, 55-59, 60-64) that define the baby-boom generation increased a whopping 25 percent, or more than three-quarters of a million, from those same age groups a decade ago. This movement up the population pyramid—something demographers colloquially refer to as a pig moving through a python—has potentially profound effects for policymaking. On the one hand, these individuals are often at the peak of their earnings careers: personal income for Illinois workers is higher during the 50s than any other age period. Thus, growth in this population represents a demographic bonus for tax receipts over the next decade or two. On the other hand, as this population transitions from employment into retirement, the costs of state-funded senior-care programs (e.g., Circuit Breaker, Community Care Program, Illinois Cares Rx) will soar. To make matters worse, about 13 percent (roughly 307,000) of working baby boomers are state or local government employees and will be potentially eligible for pension benefits that will put even greater pressure on state and community funds.⁶ In 20 years, the elderly (65+) share of the state’s population is expected to increase by 50 percent, from 12 percent to 18 percent⁷ and unless adjustments are made to either revenue streams or program

budgets, the state’s fiscal situation will likely be even worse than it is now.

The need to deal with the state’s bulging elderly population is confounded by a shrinking middle-career population. The decline in the age groups immediately following the baby-boom cohorts is a historical inevitability (as demographic “booms” are always followed by demographic “busts”), but the consequences are no less important. The reduction in the middle-career population potentially will result in labor shortages, even during recessionary times, if younger workers do not substitute (or they cannot numerically replace) the work of retirees. The lesson then is to fix senior/elder care programs and tackle fiscal capacity now.

The slightly increasing high-school, college, and young-worker population (aged 15-29)—the “boomlet” that occurred when boomers began to have children—presents the state with a unique opportunity to invest in the future. Illinois has a long history of training an educated workforce and, while there are some signs of cracks in the foundation (see Lesson 6), the state’s many high-quality colleges, universities, and training centers can keep this tradition alive if supported adequately.

Despite the growth in the young-adult population, the child and adolescent population is declining. Collectively, the under-15 age cohorts declined by 137,074 between 2000 and 2010 with the under-5 population recording its lowest total since the 1940s and, as noted earlier, fewer babies were born in 2009 than at any point since 1976. The contracting child population has the fiscal bonus of relieving pressure on child welfare, family assistance, and educational programs. But it has the detriment of potentially reducing school-aged populations below the critical mass necessary to sustain classrooms and local schools, and could eventually lead to gaps in employment if labor pools are not large enough to meet demand.



⁵ Table 34 in Illinois Department of Public Health. 2005. Vital Statistics Illinois 2001. Illinois Center for Health Statistics, Springfield, IL.

⁶ Based on analysis of 2009 ACS public-use microdata sample for Illinois workers between ages 45 and 64.

⁷ U.S. Census Bureau. 2005. Population Projections, Table 3.



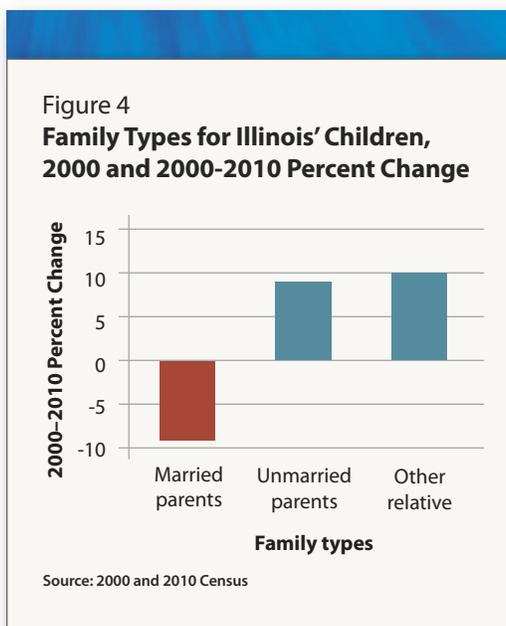
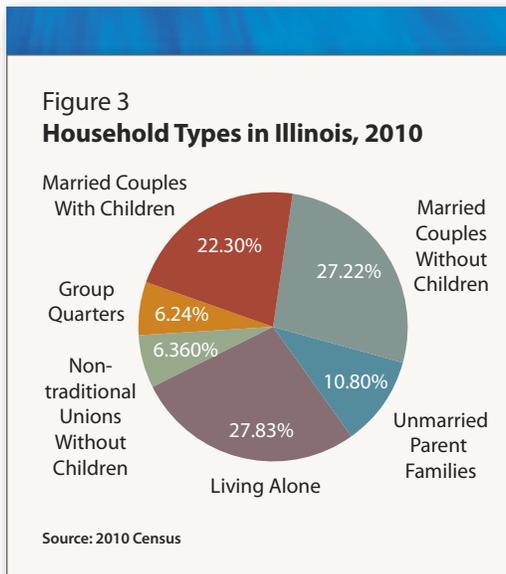
Lesson 3: Changing Household and Family Structure

The quintessential American family—married mom and dad living with their children in a single-family home—is a poor description of the state’s varied household structures in 2010. As shown in the pie chart in Figure 3, while “married with children” homes make up a sizeable share of Illinois’ households, they are far from the majority and not even the largest household type. That honor goes to single-person households, which consist mostly of early- and

middle-career adults. More than one-third of them are 65 or older, and among these elderly singles, nearly three-quarters are women. Another large non-traditional household group is married couples without children—which constitute more than 1 in 4 Illinois households. This group consists of couples who never had children and empty nesters whose children no longer live with them. Filling in the rest of the pie are unmarried parent families (e.g., single parents and cohabiters with children), non-traditional unions without children (e.g., gay and straight childless couples), and those in group quarters (e.g., nursing homes, college dorms).

⁸ Illinois’ marriage rate in 2009 (5.9) is lower than at any point in the state’s recorded history and the percentage of children born to unmarried (vs. married) women (40.8 percent) is higher in 2009 than at any other time. (Sources: http://www.idph.state.il.us/health/bdmd/marr_div_annul.htm and <http://www.idph.state.il.us/health/bdmd/unmarried.htm>)

⁹ For a review of this research, see Jane Waldfogel, Terry-Ann Craigie, and Jeanne Brooks-Gunn. 2010. “Fragile Families and Child Wellbeing.” *Future of Children* 20(2): 87-112.



Considering the profound consequences of household structure for child well-being, it is pertinent to explore the distribution of children across family types. In 2010, nearly two-thirds of Illinois children (64.4 percent) lived in homes with two married parents, about 1 in 4 children lived in unmarried parent homes, and about 1 in 10 in homes with other relatives, including grandparents. Perhaps more important than the simple distribution of children’s family structures are the recent changes in family types. Figure 4 demonstrates that while children in married-parent homes are the largest family type, their group size is shrinking (declining from 2.17 to 1.98 million during the 2000s). This is due to two major trends: fewer people are entering marriage (or doing so after having children) and married couples are having fewer children than they had in the past.⁸ In contrast, there has been substantial growth in the unmarried-parent and other-relative family types: which both grew by about 10 percent during the 2000s. The former family type includes both single parents and cohabiting (gay and straight) couples with children. The point here is that while a substantial majority of Illinois’ children live in married, two-parent families—a family arrangement that carries academic, behavioral, and emotional benefits for children over the course of their lives⁹—non-traditional family types are on the rise.

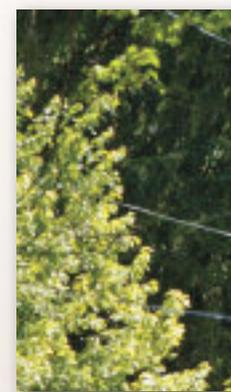
The increasing diversity of Illinois households means that there is increasing diversity in their needs. Any policy that targets children and their families must recognize these changing contexts. The rise in the child population living in unmarried parent homes is especially concerning: the state's poverty rate among these families (34.2 percent) is nearly five times higher than it is for married-with-children families (7.1 percent).¹⁰ Thus, growth in this population will likely put pressure on child and family assistance programs and could potentially impede achieving goals to improve academic outcomes if schools cannot overcome family disadvantage. State policymakers also need to recognize that part of this population includes couples in stable cohabiting unions, who may share more in common with married couples than with single parents, but for whom eligibility rules often limit their access to assistance programs.

Lesson 4: Racial/Ethnic Diversity Grows

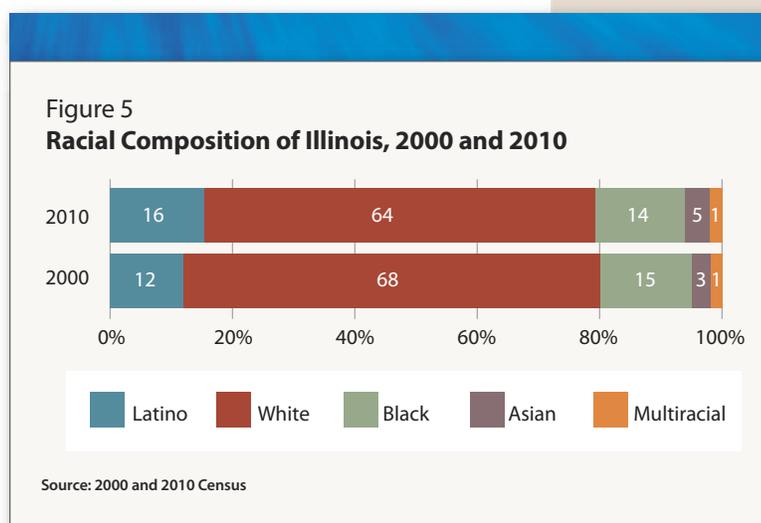
During the 2000s, Illinois added just over 400,000 people to its population. This demographic change, however, conceals substantial differences in population shifts among the state's racial and ethnic groups (Figure 5). Of the major racial/ethnic groups (Latinos and non-Latino whites, blacks, Asians, and multiracials), three experienced population growth between 2000 and 2010 and two declined. The largest of these—non-Latino whites—is one of the latter: its 2010 population was the largest in the state at 8.2 million, but declined from 2000 by nearly a quarter million. The non-Latino black population shrunk during this same period, but more modestly so, by 23,228. By contrast, the multiracial, Asian, and Latino populations grew considerably during the 2000s: the multiracial population by 29,961, the Asian population by 160,531, and the Latino population by nearly a half million. The growth in the Asian and Latino populations was especially explosive, growing by 33 percent and 38 percent, respectively. Latino population growth accounted

for just about three-fourths of all population growth in the state, and without it the state's population would have declined by 85,977 people. Not only has Latino population growth been demographically substantial, but it was also large enough to surpass the size of the black population, making Latinos the state's largest minority group. In 2010, nearly 1 in 6 Illinoisans and more than 40 percent of minorities were Latino.

The Latino population is covered in greater detail in the next chapter of this report, but a few points are worth noting. First, fueling Latino growth is high fertility, not immigration. Between 2000 and 2010, the Latino population grew by about a half million. Only 22 percent of this growth was due to an increase in the number of foreign-born Latinos, while 78 percent resulted from growth in the number of Latinos born in the United States.¹¹ The increase in the school-age Latino



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¹⁰ 2010 American Community Survey (Table B17010)

¹¹ The 2010 American Community Survey (ACS) indicated that the Latino population grew by 508,710 between 2000 and 2010, which differs slightly from the census 2010 estimate which enumerated Latino growth at 497,316. Since nativity was not asked on Census 2010, growth according to nativity is calculated based on differences between census 2000 and the 2010 ACS, which finds that the U.S.-born Latino population increased from 823,531 to 1,219,884 and the foreign-born Latino population from 705,610 to 817,967. It is likely true that Latino immigrants—particularly undocumented ones—are undercounted by the Census. However, even if we assume that 20 percent of Latino immigrants were missed by the census, U.S.-born Latinos still accounted for more than three-fourths of Latino population growth over the period.



¹² Kenneth M. Johnson and Daniel T. Lichter. 2010. "Growing Diversity among America's Children and Youth: Spatial and Temporal Dimensions." *Population and Development Review* 36: 151-76.

population has been so profound that more than 1 in 5 children under the age of 18 and 1 in 4 of those under five is Latino. The lesson is that while immigration-issues—e.g., legal status, language barriers, and cultural orientations—have particular salience to Latinos and their families, policymakers must recognize that a bulk of the state's Latinos are American-born, are committed to a permanent life in the state, and face challenges similar to other racial/ethnic groups in finding work, completing school, obtaining health insurance, and improving their communities. Thus, while the face of the Latino population is often that of an unauthorized migrant, Illinois' Latino boom is not a demographic blip or temporary phenomenon. To paraphrase demographers Kenneth Johnson and Daniel Lichter, the seeds of diversity have already been sown and regardless of whether new immigrants are prevented from coming into the country or embraced with open arms, the future of the state and the nation is racially diverse.¹²

Policymakers need to be mindful of continued racial and ethnic change: a generation ago the state was overwhelmingly white; but now 1 in 3 Illinoisans is a member of a minority group. If current trends continue—and there is no reason to believe they will not—the state will be a majority-minority state within 50 years. A changing racial composition affects governmental functioning at all levels, from the deliverability of public services to employment diversity in state agencies.

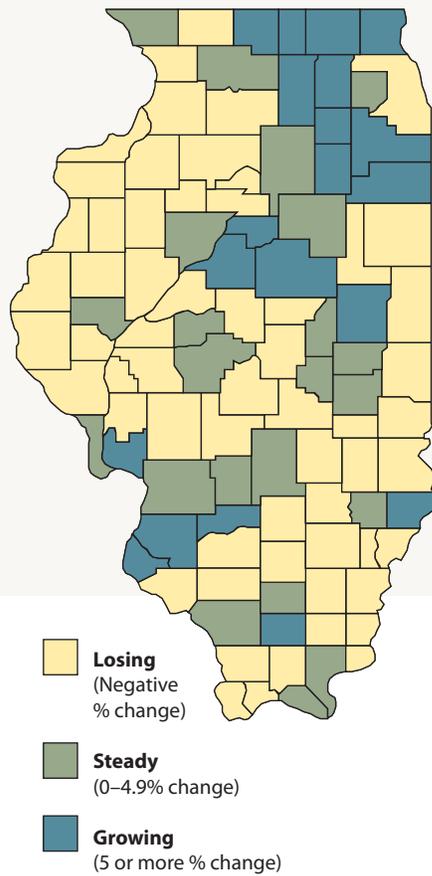
The diversification of the state is not only increasing but morphing. For the first time in the nation's history, Latinos, not blacks, are the largest minority group. The decline in the black population and increase in the "newer" Latino and Asian populations raise important questions about political representation and civic engagement. The formation of political alliances or the breeding of conflicts are alternative outcomes as groups jockey for political, social, and economic position. These issues will be especially

salient in the years ahead as diversification gains momentum through the aging of the diverse child population; yet schools are grappling with issues of diversity now. Diverse institutional settings present real opportunities for people from assorted backgrounds to become better acquainted with one another, to learn about cultural distinctions and to understand shared problems and commonalities, and to develop friendships and relationships that are integral to eradicating prejudices and biases. But institutional diversity, especially in its nascent state, can be costly. Diversifying schools often requires diverse curriculum and services—whether multilingual education or an increased need for before-school and after-school programs; goals that can be challenging to meet. Community leaders and policymakers must also be prepared to prevent and combat racial segregation in neighborhoods, jobs, and schools. Racial segregation has a tendency to increase during times of rapid racial/ethnic change, and if group contact and interaction are not just seen as byproducts of diversity but as a means to accelerate that process, then confronting segregation should be among our top priorities.

Lesson 5: Uneven Growth and the Emerging Chicago Donut

Population growth during the 2000s was not distributed equally across the state. While the state grew by 411,339 people between 2000 and 2010, local growth varied enormously. Reflecting the state's overall sluggish growth, 61 of Illinois' 102 counties lost population during the 2000s. As shown in Figure 6, many of the state's rural and downstate counties lost population over the last decade. The five counties with the largest relative losses were Pulaski, Alexander, Gallatin, Henderson, and Hardin, which each saw a reduction in their population of between 10 percent and 16 percent. All except Henderson County are located in the southern tip of the state (colloquially referred to as "Little Egypt")

Figure 6
**County Population Percent Change
 Between 2000 and 2010**



Source: 2000 and 2010 Census

between the Mississippi and Ohio Rivers. This region has long suffered from declining river trade and coal mining, as well as from flooding and other natural disasters. Pulaski County, for example, lost 1,187 people during the 2000s, which continued a trend. Since the end of World War II, the county's population has declined by more than half—from a high of 15,875 in 1940 to a low of 6,161 in 2010. Mounds, the largest town, lost more than one-fourth of its population over the last decade (from 1,117 to 810). As noted in Lesson 1, there are two demographic forces that contribute to these population losses. The first is that deaths outnumber births in each of these areas. In Pulaski County, 74 babies were born but 83 deaths were recorded in 2008. While local

migration data is very limited, negative net migration—more people moving out of than into an area—makes up the remainder of the population loss. Especially in difficult economic times, the availability of jobs is the primary reason for why people move. Given that some of the highest unemployment rates and lowest income levels are found in southern Illinois, it is not surprising that workers and families are searching for greener pastures elsewhere.¹³

Population losses of this magnitude can have profound effects on community functioning and municipal governance. Areas that are losing 10 percent of their population are seeing similar (if not bigger) reductions in their tax base, workforce and school classrooms. And, because migration is a selective behavior—people who move are different than people who stay—the composition of a community is also likely to change. Communities experiencing severe population loss are faced with at least two demographic challenges: because fertility is low and young families are not moving into these areas, population loss tends to correlate with aging. The five counties with the largest relative population losses during the 2000s all have median ages well above the state average of 36. The policy implication is that population loss will put pressure on senior care services and will narrow the tax base if older adults are no longer in the labor force. The second challenge is that job-based migration tends to be “positively selective;” that is migrants possess characteristics that make them more ready to work. The upshot is that during times of high negative net migration and particularly in smaller communities with specific industrial functions, non-migrants tend to be split between those who have stable work and those with characteristics that make them less able to work. Unsurprisingly then, those five counties have among the highest levels of poverty, receipt of SNAP (Food Stamps), and lowest levels of education in the state.¹⁴



¹³ County unemployment rates in 2008: <http://www.bls.gov/lau/laucntcur14.txt>; income data comes from 2005-2009 American Community Survey.

¹⁴ Pulaski, Alexander, and Hardin counties have, for example, the three highest SNAP rates in the state (between 17.8 percent and 23.2 percent) and are among the bottom five with respect to college education (with between 9.7 percent and 10 percent of their populations 25+ having a college degree). See Tables C17002 (Poverty), B22001 (SNAP), and B15002 (Education) of the 2005-2009 American Community Survey.

Table 2
Population Change in Metro Chicago Between 2000 and 2010

Place	2000	2010	Change
City of Chicago	2,896,016	2,695,598	-200,418
Inner Suburbs	1,045,514	1,035,989	-9,525
Middle Suburbs	776,295	775,370	-925
Outer Suburbs	1,790,820	1,852,729	61,909
Far Exurbs	1,603,480	1,977,228	373,748

Note: Metro Chicago defined as six-county (Cook, DuPage, Kane, Lake, McHenry, and Will) region; Inner Suburbs are areas within 2 miles of Chicago, Middle Suburbs are those between 2 and 5 miles, Outer Suburbs are those between 5 and 15 miles, and Far Exurbs are areas beyond 15 miles from Chicago.

Source: 2000 and 2010 Census

driven largely by the quality of local schools and safety of the neighborhoods,¹⁸ continued concerns about crime and education have likely accelerated the thinning out of Chicago. Regardless of the underlying process, the reality is that demographic chasms are occurring across the state, with downstate and rural counties growing slowly or not at all and a population donut forming around the northeastern part of the state as Chicago's population declines and the outer suburban ring grows.

This demographic ebb and flow highlights the distinctiveness of the state as a patchwork of communities, each with different qualities that attract, retain, or repel individuals and their families. The uniqueness of the individual places that compose Illinois underscores that the composition of their populations varies dramatically, and a one-size-fits-all approach to public policy is unlikely to succeed. How the state can manage public programs with such diverse local populations is an important policy question that warrants discussion. Moreover, how individual communities themselves deal with population aging, racial diversification, or

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While southern and rural counties in Illinois were experiencing population loss, the main source of population decline came from the largest county. Between 2000 and 2010, Cook County lost 182,066 people, but nearly all of this was due to a loss of 200,418 in Chicago. As shown in Table 2, population loss lessens and growth increases as one goes farther from the city. In Metro Chicago's inner suburbs, places like Des Plaines, Maywood and Oak Lawn, the population declined slightly. This likely reflects an aging of the housing stock in these areas and racial succession, with minority groups moving into these communities and whites moving farther out. In the middle suburbs (e.g., Lansing, Orland Park, and Wilmette), population change stalled, increasing very slightly. By contrast, substantial population growth occurred in Chicago's outer suburbs (e.g., Bolingbrook, Elgin, and Palatine) and far exurbs (e.g., Crystal Lake, Monee, and Plainfield). Growth in the reaches of Chicagoland is driven at least partially by job availability. Job growth in the five counties surrounding the city has outpaced Cook County for several years.¹⁵ In fact, just 1 in 4 jobs created in the six-county Chicago metropolitan area immediately before the Great Recession (between 2006 and 2008) occurred in Cook County.¹⁶ Suburban and exurban growth also reflects continued residential preferences for low-density single-family homes with high-quality public services. The housing stock of the city is one of the densest and oldest in the nation.¹⁷ And, because residential satisfaction is

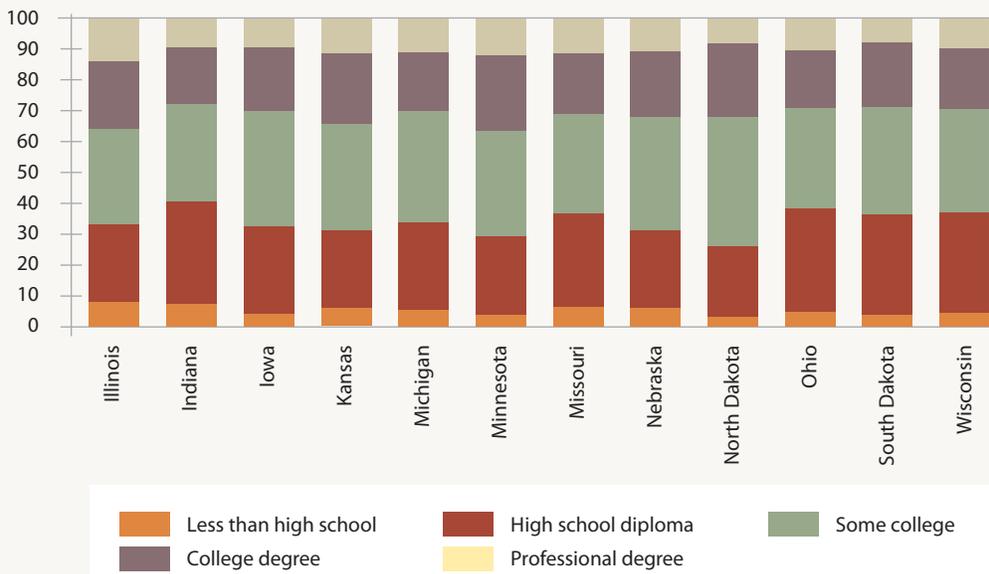
¹⁵ Between 2006 and 2008, job growth in Cook County increased by 0.5 percent, while in surrounding counties it grew by between 0.7 percent (Du Page) and 8.9 percent (Will).

¹⁶ From 2006 to 2008, 57,860 jobs were added in the six-county region; only 14,967 of these were in Cook County. Data from the Bureau of Economic Analysis' Regional Economic Accounts (<http://www.bea.gov/regional/>).

¹⁷ The median year housing units in Chicago were built is 1945, ranking 12th lowest about the 108 cities with populations above 200,000 (see Table B25035 in 2010 American Community Survey). Chicago's population density in 2010 was 11,864 people/sq. mile, ranking seventh highest among cities with populations above 200,000 (see census 2010).

¹⁸ See John Hipp. 2009. "Specifying the Determinants of Neighborhood Satisfaction: A Robust Assessment in 24 Metropolitan Areas." *Social Forces* 88: 395-454; and Sapna Swaroop and Maria Krysan. 2011. "The Determinants of Neighborhood Satisfaction: Racial Proxy Revisited." *Demography* 48: 1203-229.

Figure 7
Educational Attainment of Workforce in 2010, by Midwestern State



Source: 2010 American Community Survey

industrial decline is uncertain. Many public policy debates that have historically been about big-city problems—poverty, failing schools, housing abandonment, and homelessness—are now occurring in former suburban bedroom communities and rural towns.

The inequalities in population growth across the state also lead to diseconomies of scale and unequal quality of government services and functions. As populations fall, communities' ability to negotiate for lower rates for public utilities, labor contracts, and the like similarly declines. These diseconomies of scale could then lead to higher program costs even while service populations fall. The upshot is that inequalities emerge in the quality of public goods and services. Growing municipalities are better equipped to bargain for lower costs and/or higher quality services while waning communities suffer the dual disadvantage of population loss and higher per capita costs and/or reduced quality. To address these inequities, it may be sensible for political leaders in affected communities and those surrounding them to consider the consolidation of governmental responsibilities. Currently,

Illinois has more local governments (6,994) than any other state. This number includes 102 counties, 1,299 municipal governments, 1,432 townships, and 870 school districts (more than all states except California and Texas).¹⁹ When Governor Pat Quinn proposed to reduce the number of school districts to around 300, the reaction was largely negative.²⁰ Yet, the formation of jurisdictional and/or regional alliances can potentially improve both the cost efficiency and quality of governmental functions. Several towns that straddle the border of Chicago, for example, have long-standing agreements with the city to supply water and manage sewage. While these partnerships have not necessarily been universal successes,²¹ these types of arrangements have been economical for many declining inner-ring suburbs as well as for the city.

Lesson 6: Educational Gaps

The state has a long history of serving as an educational engine for the Midwest, and the most recent data do not suggest that this tradition has faded. As shown in Figure 7, one-third (33.2 percent) of Illinois' workers (those between the ages of 25 and 64 who



¹⁹ Census of Governments (<http://www.census.gov/govs/cog/>). The number of school districts in 2007 (912) has since been reduced to 870 (see Illinois State Board of Education for counts of educational entities by academic year, <http://www.isbe.net/research/htmls/directories.htm>).

²⁰ Diane Rado, Duaa Eldeib, and Todd Wilson. 2011. "School-merger plan faces big hurdles," *Chicago Tribune*. March 5.

²¹ Fran Spielman. 2011. "Suburbs owe city \$15 million in unpaid water bills, Emanuel says," *Chicago Sun Times*. Sept. 22.



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are in the labor force) were college educated, more than any other state in the Midwest except Minnesota. Similarly, Illinois ranks first among Midwest states in total college enrollment and in labor force share of workers with an advanced degree (e.g., MA, JD, PhD).²² During the 2000s, the number of college-educated workers increased in all Midwest states by an average of 21 percent, and Illinois' college graduates fell in the middle of this group, increasing by 21.6 percent. The good news then is that Illinois remains an educational powerhouse in the region. Given this tradition and the substantial fiscal benefits to having an educated workforce, state policy leaders would be wise to seize the opportunity to educate expanding teenage and young-adult cohorts. To do so, the state needs to renew its commitment to both affordable and high-quality universities. Most major public universities in the state face considerable budget shortfalls, largely due to unpaid appropriations from the state.²³ Accordingly, in-state tuition rates have increased substantially—the cost of tuition at the University of Illinois has increased by 72 percent since 2004—and faculty salaries have lagged below inflation. Moreover, as state universities increase tuition and rely more heavily on out-of-state students, Illinois' high school graduates have fewer opportunities to further their education.²⁴

While Illinois is arguably the best in the Midwest at training and retaining educated workers, it is the worst at getting its children through high school. The percentage of Illinois' workforce with less than a high school diploma is substantially higher than any other state in the Midwest: nearly 1 in 10 workers (9.1 percent) in the state lack a high school education and there are more than a half million high school dropouts in Illinois' labor force, more than any other Midwestern state. Just as troubling, Illinois had among the smallest declines in this portion of the labor force during the 2000s, reducing it by only 8.3 percent while other states with large shares of poorly-educated

workers, such as Indiana (-17.2 percent), Michigan (-21.4 percent), Missouri (-17.2 percent), and Ohio (-21.2), experienced considerably larger declines.

Perhaps most concerning is that Illinois has the highest high school dropout rate in the nation. Recent data from the National Center on Educational Statistics indicates that among those who were ninth graders in 2004-2005, 11.5 percent never finished high school.²⁵ There is considerable racial/ethnic variation in these rates with about 2 percent of white and Asian students dropping out, but 13.4 percent of Latino students and 20 percent of black students failing to finish high school.²⁶ There are also substantial geographical differences in these rates across the state. At 30 percent, the East St. Louis and Decatur school districts have the highest dropout rates in the state. Chicago Public Schools fare better but still have an alarmingly high rate of 15 percent. Among the lowest dropout rates are schools in affluent Chicago suburbs, such as Northfield

²² See Table 280 in 2012 Statistical Abstract of the United States for total college enrollment by state.

²³ At the time of writing this report (October 2011), the state owed the University of Illinois about \$500 million and Southern Illinois University another \$145 million.

²⁴ In 2000, 90.2 percent of the students at the University of Illinois at Urbana-Champaign were Illinois residents; by 2011, this number had dropped to 78.9 percent. Source: University of Illinois Final Statistical Abstract (<http://www.dmi.illinois.edu/stuenr/>).

²⁵ Illinois' dropout rate for this period was higher than any other state by a considerable amount (Alaska and the District of Columbia have the next highest rates at 7 percent). There is some concern that the most recent estimate is a statistical anomaly, as previous estimates have considerably lower. See Chris Chapman, Jennifer Lair, Nicole Ifill, and Angelina KewalRamani. 2011. Trends in High School Dropout and Completion Rates in the United States: 1972-2009. Washington, D.C.: National Center for Education Statistics.

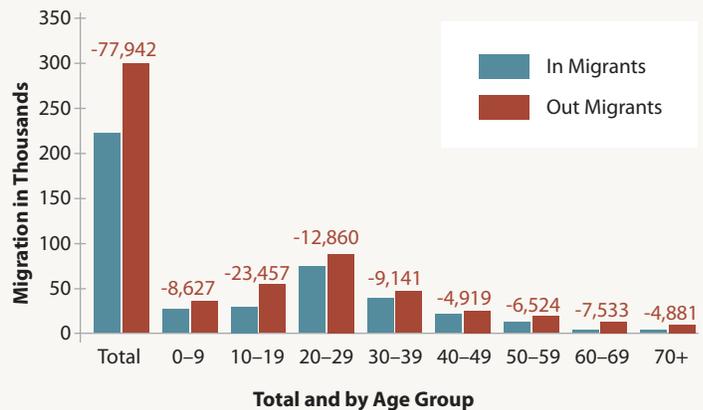
²⁶ Source: Common Core of Data, National Center for Education Statistics.

(2 percent) and Elmhurst (2.9 percent), and several rural districts downstate.

Addressing this educational shortfall of the state’s workforce and school-aged population should be a major policy priority. The educational demands for employment continue to rise; during these tough economic times when 1 in 10 Illinois workers are unemployed, well-educated workers fare considerably better than poorly-educated ones, with unemployment rates of 6.9 percent for college graduates, 13.1 percent for high school graduates, but 23.8 percent for high school dropouts.²⁷ The importance of educational training and credentials will likely be even stronger as the nation and the state work out of the Great Recession and into a 21st century economy that relies more on knowledge than physical skills.

Education is not simply an investment in individuals but also an investment in the state’s prosperity. Because high school dropouts are nearly twice as likely as high school graduates and almost four times as likely as college graduates to be unemployed, they are considerably more likely to require public support, whether in the form of unemployment benefits, health insurance, food stamps, or cash assistance. In fact, administrative data for the state indicate that while high school dropouts make up a small slice of the Illinois population, they account for 44 percent of the population receiving welfare (TANF).²⁸ Thus, missing the opportunity to educate the state’s youth could very well put demographic pressure on state assistance programs. By the same token, educated workers contribute more to the state’s coffers. Average annual earnings for Illinois’ college graduates (\$53,626) are nearly four times higher than for high school dropouts (\$14,425) and accordingly, the tax revenue generated from a college graduate is considerably higher than from a high school dropout. While getting those lacking a high school education to complete a college degree may be unrealistic, the state estimates that even getting dropouts

Figure 8
Illinois Annual Domestic Migration, by Age



Source: 2007-2009 3-year American Community Survey

to finish high school would save the state \$208,000 per student over their lifetime.²⁹

Lesson 7: Negative Net Migration

As noted in Lesson 1, a major source of Illinois’ slow population growth is the imbalance generated from more people moving out of the state than moving in. But migrants and non-migrants tend to be dissimilar, i.e., migration rates are variable for different types of people. The average annual net migration for the state over the last few years has been a loss of 10,926, meaning that each year the state is expected to lose almost 11,000 people to migration alone. While this deficit may seem modest, it conceals the fact that direct immigration (of people from foreign countries directly to Illinois) accounts for a sizeable portion of the state’s in-migration stream.³⁰ When immigrants are removed from the calculation, Illinois’ migration loss grows to 77,942. On balance, the state lost about 13.5 people to other states for every 10 domestic migrants that it received.

As shown in Figure 8, this pattern varies by age, but the state has fewer in-migrants than out-migrants at every age. Especially concerning is the net loss among the young adult population. Collectively, the state is losing 36,317 domestic persons between ages 10 and 29 each year. These teenage and

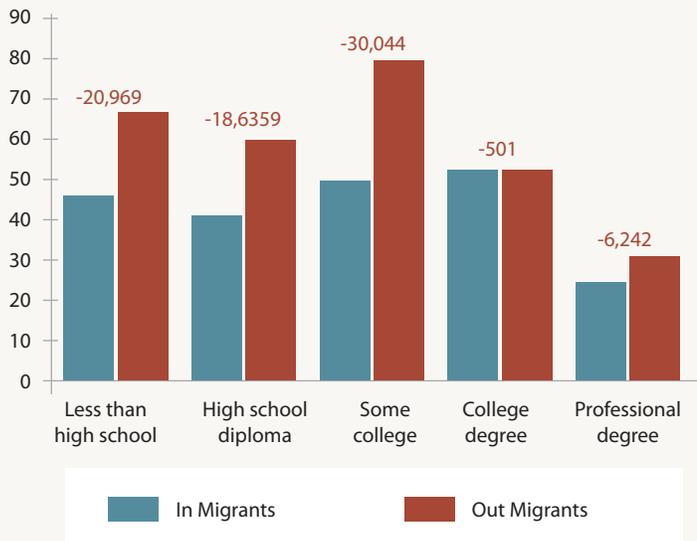
²⁷ Source: 2010 Current Population Survey for 25-64 year olds in the labor force.

²⁸ See Table 25 in Characteristics and Financial Circumstances of TANF Recipients, Fiscal Year 2007. Administration for Children and Families, U.S. Department of Health and Human Services.

²⁹ Illinois Task Force on Re-enrolling Students Who Dropped out of School. Final Report to the Governor and the General Assembly. January 10, 2008. (http://www.isbe.net/accountability/pdf/re-enrolled_students_rpt.pdf)

³⁰ In recent years, about 23 percent of Illinois’ annual in-migrants came from abroad. Based on analysis of 2007-2009 American Community Survey data.

Figure 9
Illinois Annual Domestic Migration, by Education



Source: 2007-2009 3-year American Community Survey

³¹ Based on analysis of Current Population Surveys, 2006-2010.

early-career ages are when important educational and occupational decisions are made and migration decisions are likely to be heavily influenced by these factors. The state is also experiencing negative net migration among its child population, likely the children of early-career migrants, and among its elderly who are likely fleeing to warmer climates for retirement.

Illinois is similarly experiencing migration deficits among all educational groups (Figure 9). These migration gaps are especially profound among those groups with individuals who do not have a college degree. Indeed, the domestic migration flow for those with college degrees is basically flat, with roughly equal numbers of in- and out-migrants. This implies that—unlike other Midwestern states—Illinois is not suffering from a “brain drain.” An overwhelming majority of Illinois’ askew migration streams is a result of many more people with lower levels of schooling leaving the state than entering it.

Why are they leaving and where are they going? More than half of Illinois’ out-migrants indicate that they left the state for a job-related reason. Among this group of job-related migrants, two-thirds left because they found another job or their job was moved out of state; the remainder left to look for work, for an easier commute, to retire, or for another job-related reason.³¹ If anything, the 53 percent leaving the state for job reasons is likely an underestimate because it is often families, not simply individuals, who migrate and a good portion of the 23 percent leaving for “family reasons” are likely following spouses (or parents) who found work elsewhere. Indiana, Wisconsin, Missouri, California, and Texas are the top five destinations for people leaving Illinois. Indiana receives 11.5 percent of the state’s out-migrants and while the primary source of domestic in-migrants to Illinois is from Indiana, our eastern neighbor receives 18 Illinoisans for every 10 Hoosiers that it sends. A similarly lopsided migration flow exists with Texas (17:10) and Missouri (16:10). While economic conditions are not robust in any part of the country, these five states have had greater job growth than Illinois in recent years and public campaigns to lure workers and companies away from Illinois may have proved successful. The implication is that the state’s best tool to prevent out-migration is to focus on job growth, particularly jobs occupied by semi-skilled workers with high school and some-college educations.

Facing the Demographic Reality

Like most other states, Illinois is undergoing important demographic shifts: the population is lagging and aging, fewer babies are being born now than in most previous points over the last century, the state’s families are diversifying, and ‘new’ minority groups—Latinos and Asians—are making up a larger share of the population. These general trends characterize the state as a whole, but population change is distributed unevenly with some communities growing

rapidly while others suffer from population decline. Illinois is also challenged by an inability to get its children to complete high school and continues to suffer because fewer people are moving into the state than moving out.

As Chapter 4 of this report details, the fiscal condition of the state is gloomy. As state and local policymakers are required to make tough choices and major changes, they must be conscious of Illinois' shifting

demography. Cuts to social programs must recognize that the eligible pool of recipients will only expand over time as the boomers age into retirement; expectations of new revenue streams need to acknowledge that labor pools—especially among peak-career workers—are shrinking; further reductions in educational resources may further thwart high school completion and access to higher education; and any policy that limits job growth will likely lead to an even steeper exodus of the state's workers.

