



FOR IMMEDIATE RELEASE
MONDAY, JUNE 12, 2017

FOR MORE INFORMATION:
CONTACT: LAURIE R GLENN
PHONE: 773.704.7246
EMAIL: lrglenn@thinkincstrategy.com

FACT SHEET FINAL
ILLINOIS CAN CAPTURE BILLIONS IN TAX REVENUES BY HELPING THE HIGH NUMBER
OF OUT-OF-WORK YOUTH WITHOUT HIGH SCHOOL DIPLOMAS LAND JOBS

Illinois and the U.S. lose an estimated **\$197,055 in future tax revenue** over the working life of each of the 48,108 jobless out-of-school teens and young adults who lacks a diploma, **totaling nearly \$9.5 billion**. This estimated number is extrapolated from a new report by the University of Illinois at Chicago Great Cities Institute (GCI): *The High Costs for Out of School & Jobless Youth in Chicago and Cook County*. According to the report:

- **Education Makes a Difference:** There is a connection between educational attainment and unemployment and educational attainment and earnings: more educated individuals earn more and are less likely to be unemployed
- **High Cost to Taxpayers:** In addition to costs to individuals and households that experience joblessness, there are fiscal impacts associated with those that drop out of high school that can be measured in lost tax revenues.
 - In Illinois and the U.S., the difference between the amount of taxes paid over 45 years between an individual without a high school diploma and with a high school diploma is \$197,055 meaning that someone without a high school diploma will contribute **\$197,055 fewer dollars** to the tax base.
 - Over a lifetime of work (45 years), those with a Master's Degree will contribute over \$1 million to the tax base.
- **Cook County Has Large Numbers of 16- to 24-year-olds Out of School, Out of Work, with No High School Diploma:** In Cook County, 16- to 19-year-olds and 20- to 24-year-olds that were out of school and out of work and did not have a high school diploma amounts to 21,518 (6,551 16- to 19-year-olds and 14,967 20- to 24-year-olds).
- **Chicago and Cook County Have Remarkably Similar Out of School and Out of Work Rates:** While there is some variation between groups at various points in time, since 1960, rates of residents who are out of school and out of work in Chicago and Cook County have followed similar trend lines.
- **Joblessness Made Worse by the 2008 Recession:** While joblessness is chronic and concentrated for black and Latino youth, conditions were made worse by the recession in both Chicago and Cook County and no group has returned to pre-recession employment levels. While whites and blacks have showed some upward movements, employment levels of Latinos continue to drop.
- **Jobs are Concentrated and Not Easily Accessible to Many Residents:** Jobs are most heavily concentrated in the Chicago Loop and northwest suburbs. Community areas in Chicago with high rates of joblessness have the fewest number of jobs accessible within walking distance or a 30-minute commute time on public transit.

The report, commissioned by the Alternative Schools Network (ASN), updates data on youth joblessness for Cook County from its 2016 report; compiles and calculates longitudinal employment data dating back to 1960; identifies the location of jobs within Cook County in 2014; maps the number of jobs accessible via public transit to people living in Chicago's community areas in 2014; and calculates individuals' contribution to the tax base by levels of educational attainment. It concludes that there is a need to develop substantive policy solutions that addresses these underlying factors.



Comparing Illinois, Cook County, Chicago and the U.S.: Data highlight the joblessness that faces young Americans ages 16 to 24 who are out of school and without a high school diploma. In Illinois, Cook County and Chicago the prospects are even dimmer.

Percentage of Residents Ages 16 to 19 and 20 to 24 Who Are Out of School and Out of Work and Without a High School Diploma, 2015					
AGE RANGE	RACIAL/ETHNIC GROUP	CHICAGO	COOK COUNTY	ILLINOIS	U.S.
16 to 19	White	27.7%	30.8%	34.5%	37.7%
	(non-Hispanic or Latino)				
	Black	32.8%	34.6%	41.9%	36.5%
	(non-Hispanic or Latino)				
	Hispanic or Latino	27.7%	33.9%	33.7%	41.0%
	Total Population (Including All Other Groups)	30.7%	33.5%	36.8%	38.3%
20 to 24	White	29.2%	18.6%	19.7%	19.6%
	(non-Hispanic or Latino)				
	Black	26.5%	24.3%	27.2%	24.5%
	(non-Hispanic or Latino)				
	Hispanic or Latino	15.8%	18.9%	19.5%	28.8%
	Total Population (Including All Other Groups)	23.5%	21.2%	22.1%	23.0%

High Cost to the Illinois and Federal Tax Bases: In addition to costs to individuals and households that experience joblessness, there are fiscal impacts associated with those who drop out of high school. These effects can be measured in lost tax revenues.

Over a lifetime of work (45 years), Illinoisans with a master's degree will contribute over \$1 million to the tax base.

Average Annual Taxes Paid and Taxes Paid Over 45 Years in Illinois by Educational Attainment, 2016		
EDUCATIONAL ATTAINMENT	TAXES PAID YEARLY	TAXES PAID OVER 45 YEARS
Below High School, No High School Diploma	\$989	\$44,505
High School Diploma or Equivalent	\$5,368	\$241,560
Some College, No Degree	\$8,424	\$379,080
Associate's Degree	\$9,303	\$418,635
Bachelor's Degree	\$18,228	\$820,260
Master's Degree or Higher	\$26,084	\$1,173,780



In Chicago, Youth in Particular Communities are Hit Hard: The two Public Use Microdata Areas (PUMAs) that had the highest concentrations of out of school and out of work 20- to 24-year-olds were on the South and West Sides of Chicago. The rate was 48.6 percent in the PUMA including the South Side community areas of:

- Greater Grand Crossing
- Englewood
- West Englewood
- Chicago Lawn

The rate was 40.4 percent in the West Side PUMA including:

- Humboldt Park
- East Garfield Park
- West Garfield Park
- North Lawndale
- South Lawndale

Meanwhile, the rate was 8.1 percent or less in PUMAs that include these community areas:

- Near North Side, Loop, Near North Side (2.2 percent)
- Lincoln Park and Lakeview (5.4 percent)
- Lower West Side, Near West Side, and West Town (8.1 percent)

Looking to the North and West: In the portion of Cook County outside of the City of Chicago, seven of the 17 PUMAs had out of school and out of work rates for 20- to 24-year-olds that were lower than 10 percent. These were in the western, northern and northwest portions of Cook County.

According to the University of Chicago at Illinois Great Cities Institute, this report is meant to spur conversations on policy options. In its conclusions, it identified the need to:

- Develop relevant education and training programs that prepares teens and young adults to participate in the new economy.
- Develop policies to address the geographic mismatch between the location of jobs and where the most chronically unemployed populations live.
- Address the disparate impacts on race/ethnic groups of the changing economy. For instance, trying to understand why Latinos have not rebounded from the Great Recession of 2007-2009 like other racial/ethnic groups. This would require a deeper analysis of the participation of Latinos in different sectors of the economy linked to educational attainment and their geographic location within Cook County.

###