

Fall Issue
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Illinois Insights

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FIRST ANNUAL FUNDRAISER

The Illinois Economic Policy Institute (ILEPI) is pleased to announce our [first annual fundraiser](#) on Thursday, November 9, 2017.

Over the past four years, ILEPI – a nonprofit organization which uses advanced statistics, reliable surveying techniques, and the latest forecasting models to evaluate public policies – has played an ever-increasing role in shaping debates over labor standards, investments in education and infrastructure, and budget policies.

The ILEPI Board of Directors and staff are excited to showcase our studies to organizations, businesses, elected officials, and citizens. The fundraiser will also help expand our research capacity at a critical time for Illinois and the Midwest, allowing ILEPI to continue promoting quality middle-class jobs, income equality, and infrastructure investments that build a stronger economy.

IN MEMORIAM: KELLY TYRRELL

ILEPI is saddened to report the loss of one of our Board of Directors. [Kelly John Tyrrell](#), 62, a loving man with a generous heart, passed away in July 2017. Kelly was a graduate of Loyola Academy High School and Loyola University in Chicago. He had a lifelong career in Governmental Affairs highlighted by his start with the Insurance Committee with Senator Phil Rock just out of college and culminating with his long association with CenterPoint Properties. Kelly's legacy will carry forward through the love and kindness he shared with all his family and friends.



ILLINOIS ECONOMIC INDICATORS

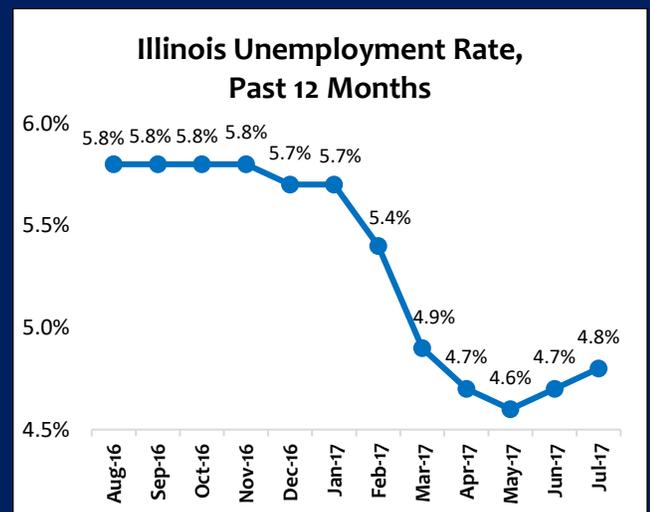
Jobs added (rank), Jul-16 to Jul-17 = **+31,700 jobs (25)**

Unemployment rate (rank), Jul-17 = **4.8% (38)**

Average private sector wage (rank) = **\$26.70 (12)**

Private sector wage growth, Aug-16 to Aug-17 = **+1.1%**

Philadelphia Federal Reserve “state coincident index” rank (as of Jul-17) = **44**



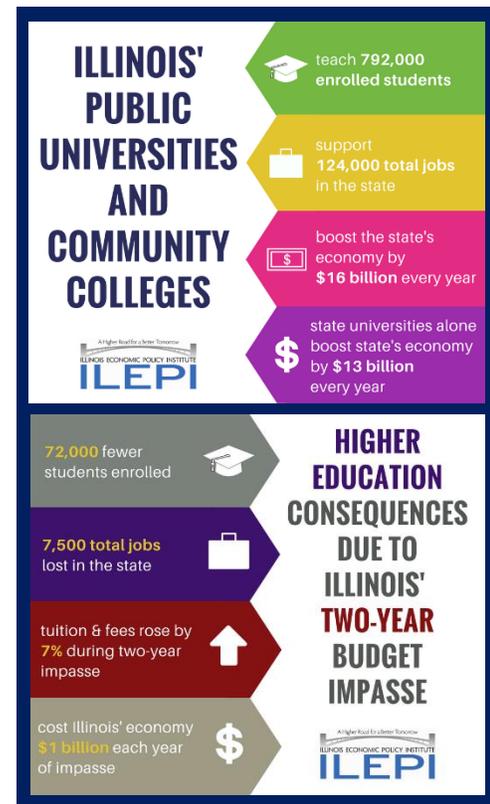
PUBLIC UNIVERSITIES AND COMMUNITY COLLEGES BOOST THE ILLINOIS ECONOMY BY \$16 BILLION EVERY YEAR

Investing in higher education is a smart economic development policy that boosts incomes, supports employment, and grows the economy. Illinois has world-class public universities and community colleges that serve as economic engines in local communities. A new report by Illinois Economic Policy Institute (ILEPI) and the Project for Middle Class Renewal at the University of Illinois at Urbana-Champaign (PMCR) titled, *High-Impact Higher Education*, finds the recent budget crisis in Illinois had negative impacts on public universities and community colleges in the state.

Public universities and community colleges in Illinois provide significant contributions to the economy. In 2016, there were more than 792,000 students enrolled at these institutions. This public investment supports more than 123,900 total jobs annually for Illinois residents, including 79,600 direct jobs at university and college positions that annually pay \$64,000 per worker. Public universities and community colleges **boost the Illinois economy by \$16 billion every year.**

The two-year budget impasse was a failure of leadership that had disproportionate and lasting consequences for public universities and colleges. The budget impasse **caused students to question whether they should attend college in Illinois**; 42,800 fewer students were enrolled at public universities and colleges in the Chicago area and 18,900 fewer students were enrolled at public universities and colleges across southern Illinois. In addition, the cost of tuition and fees at public universities increased by over \$900 per year (6.7 percent) during the state budget impasse. The fiscal strain on universities and colleges cost the Illinois economy nearly \$1 billion each year. In fact, the impasse resulted in **7,500 higher education-related jobs lost** in Illinois, including 4,900 direct jobs.

Illinois can't afford for its world-class colleges and universities to experience more layoffs, credit rating downgrades, or reductions in instructional capacity and enrollment. Investments in higher education have repeatedly proven themselves a consistent catalyst for economic success. Investments in higher education are good for both the Illinois economy and the state's budget.



INSIGHTS FROM OUR SERIES ON CORPORATE TAX SUBSIDIES

- Since 1985, state and local governments have doled out at least \$5 billion in economic development subsidies. Massive amounts of public money to Sears, Motorola Mobility, and Mitsubishi Motors did not result in sustainable job growth or economic development. In recent years these three companies have closed down manufacturing plants, closed stores, and cut jobs. [\[Read More\]](#)
- Corporate subsidies have largely benefited businesses in wealthy cities with low poverty rates. As an example, nearly 1 in 5 Chicago residents live in poverty while fewer than 1 in 150 Hoffman Estates residents live in poverty. From 1985 to 2016, Chicago received \$337 million in corporate tax subsidies (\$124 per capita), while Hoffman Estates received \$520 million in corporate tax subsidies (\$9,954 per capita). [\[Read More\]](#)
- Illinois has spent an average of at least \$288 million a year in economic development incentives, saving or creating an estimated 1,700 jobs per year. However, between 800 and 4,400 more jobs would have been created each year if the \$288 million was spent on public infrastructure, public K-12 education, higher education, working-class tax credits. [\[Read More\]](#)
- Economic development programs should assist state and local economies by promoting long-term growth, quality jobs, and increased worker wages; yet accountability and evaluation are necessities. Businesses must be held responsible. As the state continues to grapple with financial woes and funding uncertainties, it is in its best interest to continually evaluate subsidy practices and promote balanced policies that most effectively spend taxpayers' money. [\[Read More\]](#)

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