

Winter Issue  
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# Illinois Insights

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## FEDERAL TAX CUTS WILL PUT BILLIONAIRES AHEAD OF WORKING FAMILIES

Two new reports from ILEPI and the University of Illinois at Urbana-Champaign find that the tax cuts passed by Congress and signed by President Trump will put the interests of billionaires and corporations ahead of working families.

Nonpartisan analysts have noted that the tax cut plans proposed in Congress benefit the wealthy significantly more than students, low-income individuals, and the middle class. Matched with other administration priorities, the tax cut proposals would raise the federal budget deficit by about \$1.5 trillion and will need to be offset either by spending cuts or by increases in other taxes over the long run. If tax cuts are financed by eliminating essential public programs, then low-income and middle-class families will be negatively impacted.

One report, *The Consequences of Abolishing the Public Service Loan Forgiveness (PSLF) Program*, discusses the Trump Administration's plan to eliminate the PSLF program. The PSLF program boosts the Illinois economy by \$118 million and saves or creates nearly 1,300 jobs annually. In addition, the PSLF program increases home sales by \$15 million every year and enables over 1,500 young workers to ability to rent housing in Illinois.

Another report, *The Elimination of the Community Development Block Grant (CDBG) Program*, analyzes the impacts of the elimination of the CDBG program. The CDBG program directly assists 24 million low-to-moderate income people, including 4.5 million special needs and 4 million elderly Americans. The CDBG program supports 1,800 full-time jobs and \$168 million in economic activity in Illinois.

Ultimately, the \$1.5 trillion tax cut will disproportionately benefit the wealthy on the backs of working families, students, the elderly, the disabled, low-income households, and other vulnerable populations who rely on these essential programs.



## ILLINOIS ECONOMIC INDICATORS

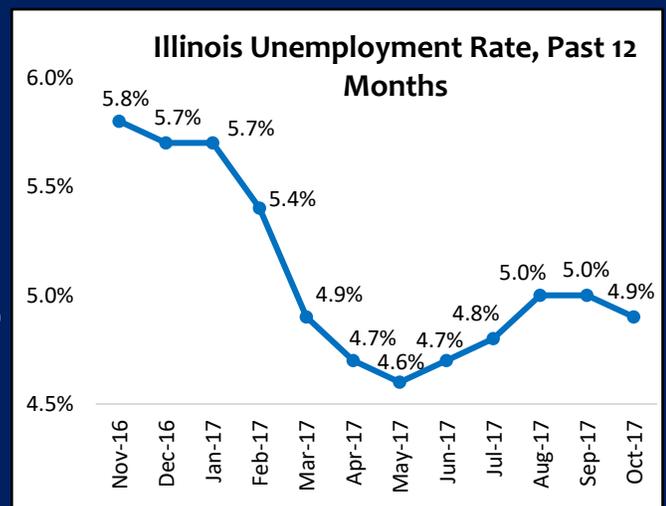
Jobs added (rank), Oct-16 to Oct-17 = **+17,800 jobs (30)**

Unemployment rate (rank), Oct-17 = **4.9% (41)**

Average private sector wage (rank) = **\$27.26 (13)**

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

Philadelphia Federal Reserve "state coincident index" rank (as of Oct-17) = **38**



## THE IMPACT OF CLIMATE CHANGE ON INFRASTRUCTURE IN THE MIDWEST

The lifeblood of a community is its infrastructure system. In light of Hurricanes Harvey, Irma, and Maria and the wildfires in California– which are only the most recent examples of extreme weather events to affect the nation– the Midwest Economic Policy Institute (MEPI) has examined the anticipated impact climate change will have on the Midwest in a new report, *Climate Change and Its Impact on Infrastructure Systems in the Midwest*.

The report finds that the Midwest’s average air temperature has increased by 4.5 degrees since the 1980s. There has also been a 27% increase in the number of “very heavy precipitation days” since the 1950s, a steady reduction in ice coverage on the Great Lakes, and more frequent freeze-thaw cycles. These changes highlight how various infrastructure systems are being impacted. Rising temperatures and the likelihood of more storms and flooding reduce the lifespan of roads and bridges, could cause railways to buckle, and threaten above-ground energy facilities and transmission lines.

There are actions to deal with potential climate impacts. Limits on development in low-lying areas that have already experienced storm-related damage, updating heat and rainfall standards used in the project design process, and Climate Action Plans with greenhouse emissions targets can all address potential climate-related liabilities across the Midwest.

No one policy or action alone will halt the harmful effects of climate change. While some Midwest states have taken actions to address negative impacts on infrastructure systems, more needs to be done. As infrastructure investments continue to be debated, climate change and its impact on these systems must also be considered.

## ORGANIZATION NEWS

ILEPI had its 1<sup>st</sup> Annual Fundraiser on November 9<sup>th</sup>. The fundraiser was a great success and we want to thank everyone who came!



ILEPI Board of Directors from left to right: Jim Sweeney, Sal Arana, Bob Molaro, Robert Bruno, Marc Poulos, and Dave Sullivan; Not pictured: Joe Benson



ILEPI celebrating the holidays with the Illinois, Indiana, Iowa Foundation for Fair Contracting!

## INSIGHTS FROM ILEPI REPORTS

- By stabilizing the wage floor, prevailing wage reduces income inequality among construction workers of all backgrounds. Prevailing wage standards cover construction workers of all races– union and non-union alike. Peer-reviewed research has found *no relationship* between prevailing wage laws and the racial composition of the construction labor force. Over the past 10 years, the union membership rate was higher for African-American workers in Illinois’ construction and extraction occupations than for comparable white workers. [\[Read More\]](#)
- A gender income gap exists for newly-graduated Illinois residents who have similar educational and work experience. The average recent female college graduate who works full time earns over \$6,000 less in annual wage and salary income than the average recent male graduate who works full time, despite women accounting for a majority (55 percent) of workers earning degrees. Recent graduates with degrees in business, communications, fine arts, and social science and history experience gender wage gaps in Illinois, while there is little to no gender income gap for education degrees and science-based degrees in the state. [\[Read More\]](#)

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