

July 2020

# Illinois Insights

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## INEQUITIES PLAGUING ILLINOIS DURING COVID-19

The novel coronavirus disease (COVID-19) has exposed Illinois' structural economic and public health inequities. Essential and face-to-face workers who were most affected by the state's efforts to contain the COVID-19 pandemic also have lower wages, suffer from higher job volatility, and are more likely to be people of color.

The ILEPI and PMCR report, *The Effects of the Global Pandemic on Illinois Workers: An Analysis of Essential, Face-to-Face, and Remote Workers During COVID-19*, shows that both essential and face-to-face workers suffer pay penalties compared with remote workers. An essential worker with the same education who is the same age and even works in the same city as his neighbor who works remotely earns, on average, 7% less in hourly earnings. This means that, despite being considered "essential," their pay does not reflect that status. And 44% of face-to-face workers earn less than \$15 per hour.

Due to the surge of unemployment claims during the pandemic, upwards of 545,000 Illinois workers likely lost their employer-sponsored health insurance coverage. An estimated nine out of every ten of newly uninsured Illinois residents are face-to-face and essential workers who have been most at risk of being exposed to COVID-19 on the job. The workers who have been disproportionately impacted by the economic consequences of the pandemic are also more likely to be women and people of color.

Essential workers and face-to-face workers will be vital in the recovery from the COVID-19 recession. With most workers able to return to work in Phase 4 of the "Restore Illinois" plan, essential and face-to-face workers are needed to rebuild Illinois' infrastructure, improve Illinois' health care system, educate Illinois' youth, and deliver goods and services to consumers. Good public policies that can be enacted to ensure a broad-based recovery from the COVID-19 recession for businesses and working families across the state.

## ILLINOIS ECONOMIC INDICATORS

Jobs added (rank), May-19 to May-20 = **-737,900 jobs (21)**

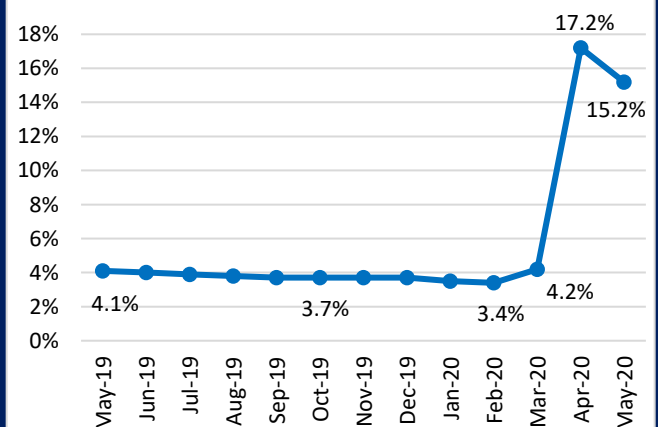
State unemployment rate (rank), May-20 = **15.2% (42)**

Average private sector wage (rank), May-20 = **\$30.14 (12)**

Private sector wage growth from May-19 to May-20 (rank) = **+6.1% (25)**

Illinois Flash Index (as of May-20) = **92.8**

Illinois Unemployment Rate, Past 12 Months (Before & During Stay-at-Home Order)



## DECLINING FUEL TAX AND GAMBLING REVENUES COULD THREATEN ILLINOIS' INFRASTRUCTURE PROJECTS

As Illinois has slowly re-opened its economy and moved to Phase 4 of the “Restore Illinois” plan, residents have returned to work, started to travel again, and felt more comfortable in visiting family and friends in small numbers. However, while construction has not stalled during the pandemic, consumer travel remains significantly lower than 2020 projections. A new ILEPI report, *COVID-19 and Transportation Funding in Illinois*, finds that the significant reductions to commuter travel and the closure of gaming operations due to COVID-19 could cost Illinois as much as \$560 million in transportation revenue in 2020 alone.

The \$45 billion Rebuild Illinois program— a historic, bipartisan infrastructure plan signed into law in June 2019— was developed to address decades-long maintenance and modernization backlogs to the state’s roads, bridges, transit systems, schools, water infrastructure, and broadband systems. Revenues from motor fuel taxes (MFT) and an expansion of gaming operations represented the largest new revenue sources for the program. Yet since the state’s efforts to contain the spread of COVID-19 went into effect, road travel is down as much as 46%, gaming businesses were shut down from mid-March through the end of June, and ridership on public transit systems has declined as much as 90%.

Rebuild Illinois is vital to the safety of the traveling public, but also to the economic future of the state. The data shows that, after COVID-19, it will be even more important because these investments will not only generate tens of thousands of jobs, but billions of dollars in consumer spending— a game-changing economic multiplier that Illinois will need to drive an expeditious recovery across all sectors.

## INSIGHTS FROM ILEPI

- Union hospitals across Illinois were better prepared for the COVID-19 pandemic, as measured by staffing levels. Union hospitals have 14% lower nurse turnover, have 45% fewer nurse vacancies, and enable nurses to devote 1 to 4 more hours of care per day to each patient. Union hospitals also have more infection prevention and control staff and fewer OSHA violations, fostering a safer work environment for Illinois’ front-line health care professionals [[READ HERE](#)].
- The current recession has been nicknamed a “she-cession” by some because women have been hit hardest economically by the pandemic. Women are more likely to be unemployed than men, more likely to contract COVID-19 while on the job, and have lower levels of financial security than men [[READ HERE](#)].
- We hope you had a safe, healthy, and happy Independence Day!

## COVID-19 is Impacting Transportation in Illinois

- 1 Illinois passenger vehicle travel is down 46%
- 2 A reduction in travel equates to lower motor fuel tax (MFT) revenues
- 3 Local governments receive a portion of state MFT
- 4 Rebuild Illinois depends on MFT revenues

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ILLINOIS ECONOMIC POLICY INSTITUTE

Now is the time to invest in infrastructure. Federal aid, particularly for transportation, would help ensure quality jobs are not lost, the state’s transportation systems will be properly maintained, and vital transportation projects will not face delays and cancellations. Any future federal coronavirus relief package aimed at addressing the growing state and local government shortfalls— particularly given growing concerns of a “fall spike” in COVID-19 cases and a fear of stay-at-home orders going back in effect— should include investments in public infrastructure. Prioritizing investments in public infrastructure systems would ensure that all economies— including Illinois’— can withstand the financial impacts of the COVID-19 pandemic.