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Study: State-subsidized employers offer low pay

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David Roeder, The Chicago Sun-Times

An analysis of Illinois subsidies for employers has found that the state often supports new jobs where salary levels barely can support a family of four.

The nonprofit organization Good Jobs First said 62 percent of the jobs that subsidized companies pledged to keep or create in Illinois are projected to pay less than \$38,000 a year. That amount is what a 2001 study by Women Employed and **Wider Opportunities for Women** calculated as a no-frills amount needed for an urban family of four in Illinois.

Good Jobs First based its findings on a review of progress reports that subsidized companies must file with the state. The Illinois Department of Commerce and Economic Opportunity collected the reports in December 2004 and reported the data on a Web site in July 2005.

The reports were required under a law passed in 2003. They are available at www.corpacctpor-tal.illinois.gov.

Greg LeRoy, executive director of Good Jobs First, praised the state for the accessibility of its data. But he noted that companies are not required to say whether their jobs include health insurance. That requirement should be added, he said.

Working with the Washington, D.C.-based Center for Tax and Budget Accountability, Good Jobs First analyzed reports covering more than 25,000 jobs promised by 90 companies that received development help from Illinois in 2004. The two groups have criticized subsidy programs linked to business, and argued for policies they say

would benefit the working poor.

While some data were incomplete or inconsistent, it appeared that few companies were falling short of promised job totals, the study found.

It also found that 35 percent of the subsidy-linked jobs were to pay below \$27,040.

The report was limited in that it had no access to information about the workers who got the jobs and whether they were supporting families or, for example, had a spouse who earned a separate income.