

# Inflation Gives Illinoisans A Massive Pay Cut

by Kevin Bessler  
June 3 2022 9:13 AM



(The Center Square) – With the highest inflation rates in 40 years, most Illinoisans' wages are not keeping up.

[According to](#) the Illinois Policy Institute, the average worker in Illinois needed a pay raise of \$5,360 to match the price increases on goods and services this past year, but the average worker received a raise of \$3,164. Essentially, the average Illinoisan took a pay cut of \$2,200.

“We do know that wage growth is slower in Illinois than in other states,” said Bryce Hill, senior research analyst for the Illinois Policy Institute. “It is very likely that inflation is taking a larger chunk out of Illinoisans' income than it is in other states.”

Most of the U.S. has been seeing just “slight or modest” economic growth over the past two months, according to a Federal Reserve [report](#) released Wednesday. In addition to broader views on the economy, the report said most districts showed price increases rising at a “strong or robust” pace.

Illinois Policy Institute experts say record spending and abundant federal stimulus coupled with supply chain issues and pent-up demand from the pandemic contributed to the current inflationary environment.

“We kind of have this perfect storm now of things that are exacerbating the inflation problem and then you have the fundamental problem which is we just threw a bunch of money into the system and at the same time, we didn’t see the prolonged contraction that we were expecting,” Hill said.

The average price for a gallon of gas in Illinois now averages \$5.26. As a result, the average Illinois worker is expected to pay more than \$1,000 more for gas this year.

When the Bureau of Labor Statistics announced that food prices in April had increased by nearly 11% year over year, the largest 12-month percentage increase in more than 40 years, it wasn't a surprise to any Illinoisan who has shopped for groceries lately.

Hill adds a large portion of the expenses are necessary, so right now there is no way around paying the inflated prices.

“That leads to cutbacks in other recreational and leisure activities, which ultimately lowers the quality of life for Illinoisans today and in the future,” he said.