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Fact Sheet for the Honorable
Paul Simon, United States Senate

August 1986

COMMUNITY DEVELOPMENT

Revenue and Demographic Characteristics of East St. Louis, Illinois



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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

RESOURCES, COMMUNITY,
AND ECONOMIC DEVELOPMENT
DIVISION

August 13, 1986

B-223427

The Honorable Paul Simon
United States Senate

Dear Senator Simon:

Your March 12, 1986, letter requested that we provide you with information on social and economic problems affecting the city of East St. Louis, Illinois. Specifically, you asked us to provide you with information on Department of Housing and Urban Development (HUD) and other federal, state, and local funding for East St. Louis by program for fiscal years 1974 through 1985. In addition, you requested that we provide historical demographic data on social and economic conditions in the city. On April 15, 1986, we briefed your office on the results of our work. This fact sheet summarizes the information that we provided during our briefing.

To analyze HUD activities and funding in East St. Louis, we interviewed HUD officials and reviewed various funding records in the Department's headquarters in Washington, D.C. and its regional office in Chicago, Illinois. Information on other federal, state, and local funding was developed primarily from Bureau of the Census reports. We also analyzed reports on East St. Louis prepared by Illinois community service agencies, state offices, and independent accounting firms. To provide information on the historical demographics of social and economic conditions in the city, we reviewed materials available from the Bureau of the Census and an in-depth series of newspaper articles published in 1983 describing developments in East St. Louis since the turn of the century.

We did not independently verify any of the funding or demographic data or other information. Also, information in this fact sheet often covers different periods of time because of the varying ways that data were collected in the reports.

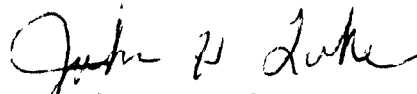
In summary, we found that, during fiscal years 1977 through 1979, the only years for which we could obtain estimates, total federal funding was about \$100 million annually. HUD provided over \$131 million to aid the people and the city of East St. Louis from fiscal year 1974 through 1985. Demographic data on East St. Louis show that social and economic conditions in the city have been declining steadily.

Part I of this fact sheet illustrates federal, state, and local funding statistics relating to East St. Louis. When possible, we compared these statistics with national data. Part II outlines social and economic demographic data pertaining to the city and compares the data with relevant national data. Part III summarizes a series of newspaper articles which describe the events in East St. Louis which have contributed to its current social and economic condition. These articles were previously provided to your office.

We obtained the views of HUD officials on the information discussed in this fact sheet and included these views as appropriate. As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this fact sheet until 30 days from the date of this letter. At that time we will send copies to interested parties and make copies available upon request.

Should you need additional information on the contents of this fact sheet, please call me at 275-6111.

Sincerely yours,


John H. Luke
Associate Director

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ABBREVIATIONS

GAO
HUD

General Accounting Office
Department of Housing and Urban Development

PART I

HUD AND OTHER FUNDING FOR EAST ST. LOUIS, 1974-85

- HUD PROVIDED ABOUT \$131 MILLION IN AID TO THE PEOPLE AND CITY OF EAST ST. LOUIS DURING FISCAL YEARS 1974 THROUGH 1985. FROM THE VARIOUS HUD ASSISTANCE PROGRAMS, EAST ST. LOUIS RECEIVED OVER \$30 MILLION IN COMMUNITY DEVELOPMENT BLOCK GRANTS, OVER \$67 MILLION FOR PUBLIC HOUSING, AND OVER \$12 MILLION FOR URBAN RENEWAL PROJECTS.
- BETWEEN FISCAL YEARS 1977-79, THE ONLY YEARS FOR WHICH WE WERE ABLE TO OBTAIN ESTIMATES, EXPENDITURES BY ALL FEDERAL AGENCIES FOR EAST ST. LOUIS WERE ABOUT \$100 MILLION ANNUALLY. THIS FIGURE INCLUDES MONEY GIVEN TO THE CITY AS WELL AS ASSISTANCE GIVEN DIRECTLY TO RESIDENTS, SUCH AS WELFARE ASSISTANCE AND FOOD STAMPS.
- THE CITY'S FEDERAL AND STATE REVENUE SOURCES FOR CALENDAR YEARS 1974-84 TOTALLED \$111,596,000 AND \$25,068,000, RESPECTIVELY. INCLUDED IN THE FIGURE FOR FEDERAL REVENUES IS OVER \$18 MILLION IN REVENUE SHARING. LOCAL REVENUE SOURCES OVER THE SAME PERIOD GENERATED \$91,955,000.
- OF THE VARIOUS TAX REVENUES OF \$67,881,000 RECEIVED BY EAST ST. LOUIS DURING FISCAL YEARS 1974-84, PROPERTY PROVIDED \$35,209,000, SALES PROVIDED \$28,104,000, AND MISCELLANEOUS SOURCES PROVIDED \$4,568,000.

Figure I.1: Total HUD Funding for East St. Louis
(1974-85)



^aThe total amount shown for fiscal year 1981 includes cumulative amounts for some programs that were not accumulated on a year-to-year basis prior to 1981. This, in part, accounts for the significant increase in funding shown for fiscal year 1981.

Source: HUD Chicago Regional Office.

TABLE I.1: Total HUD Funding for East St. Louis (fiscal years 1974-85)

<u>Program</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Community Development Block Grants (Entitlement)	\$	\$2,641,000	\$3,086,000	\$2,681,000	\$3,090,430	\$ 3,741,000
Secretary of HUD's Discretionary Fund						
Urban Development Action Grants						
Rehab. Loans (Section 312)						
Jobs Bill						
Urgent Needs		847,000				
Urban Homesteading (Section 810)						
Rental Rehabilitation						
Lower Income Rental Assistance (Section 8)						
Elderly or Handi-capped Direct Housing Loans (Section 202)						
Low-Income Leased Public Housing (Section 21)	33,984	150,051				
Leased Public Housing Operating Subsidy		2,610		8,041		
Public Housing Operating Subsidy (Section 9)				1,070,310		1,189,716
Public Housing Debt Service Annual Contribution	2,346,296	2,722,635	3,030,640	2,771,528	2,906,087	4,087,851
Public Housing Modernization Funds		2,332,858		135,000	760,000	166,001
Model Cities Funds		788,510				
Urban Renewal Funds				49,939 ^d		2,133,776 ^e
Liquidation Program						
Total	<u>\$2,380,280</u>	<u>\$9,484,664</u>	<u>\$6,116,640</u>	<u>\$6,715,818</u>	<u>\$6,756,517</u>	<u>\$11,318,344</u>

^aEstimated amounts obtained from CDBG Directory of Allocations for fiscal years 1980-1985.

^bAmount represents the cumulative amount spent by HUD for this program from 1977 through 1981.

^cAmount represents the cumulative amount spent on a special project from 1982 through 1984.

^dAmount represents the cumulative amount spent on a special project from 1968 through 1977.

SOURCE: HUD Chicago Regional Office.

<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>Total</u>
\$ 3,986,000	\$ 3,877,143	\$3,099,000	\$ 2,985,000	\$ 2,599,000 ^a	\$ 2,582,000 ^a	\$ 34,367,573
	148,335					148,335
	212,000					212,000
			163,000	401,750	371,100	935,850
			908,522			908,522
						847,000
	605,929 ^b	67,000	153,150	199,000	44,197	1,069,276
				102,800	102,000	204,800
	2,503,809 ^b	994,225	1,152,952	2,430,519	1,198,046	8,279,551
			328,600	817,800 ^c		1,146,400
						184,035
						10,651
2,210,225	2,014,680	1,687,415	3,639,301	2,247,252	3,335,533	17,394,432
3,545,379	4,377,615	4,206,987	4,538,502	4,250,602	4,521,817	43,305,939
2,897,492			431,678	245,000		6,968,029
						788,510
	10,666,817 ^f					12,850,532
1,519,830 ^g						1,519,830
<u>\$14,158,926</u>	<u>\$24,406,328</u>	<u>\$10,054,627</u>	<u>\$14,300,705</u>	<u>\$13,293,723</u>	<u>\$12,154,693</u>	<u>\$131,141,265^h</u>

^eAmount represents the cumulative amount spent on a special project from 1965 through 1979.

^fAmount represents the cumulative amount spent on a special project from 1973 through 1981.

^gAmount represents the cumulative amount spent by HUD for this program from 1971 through 1980.

^hDoes not include \$2.1 million in GNMA Tandem funding spent over period 1974 through 1985 nor does total include any estimate of funds spent through HUD's acquisition/disposition program.

Figure I.2: Amount of Revenue for East St. Louis^a
(1974-84)



^aDoes not include amounts given directly to residents, such as welfare assistance, food stamps, etc.

Source: Bureau of the Census.

Table I.2: East St. Louis General Revenue Sources and Amounts
(calendar years, 1974-84)

<u>Year</u>	<u>FEDERAL</u>			<u>STATE</u>
	<u>Revenue sharing</u>	<u>Other federal</u>	<u>Total federal</u>	<u>State</u>
1974	\$ 2,196,000	\$ 7,213,000	\$ 9,409,000	\$ 1,839,000
1975	1,854,000	9,046,000	10,900,000	1,381,000
1976	1,682,000	10,333,000	12,015,000	1,843,000
1977	1,755,000	10,207,000	11,962,000	1,855,000
1978	1,779,000	9,851,000	11,630,000	2,252,000
1979	1,668,000	10,614,000	12,282,000	2,762,000
1980 ^a	1,668,000	10,614,000	12,282,000	2,762,000
1981 ^a	1,668,000	10,614,000	12,282,000	2,762,000
1982	1,423,000	4,155,000	5,578,000	2,536,000
1983	1,381,000	5,371,000	6,752,000	2,570,000
1984	1,445,000	5,059,000	6,504,000	2,506,000
Total	<u>\$18,519,000</u>	<u>\$93,077,000</u>	<u>\$111,596,000</u>	<u>\$25,068,000</u>

^aEstimate.

Source: Bureau of the Census.

LOCAL

<u>Taxes</u>	<u>Miscellaneous</u>	<u>Total local</u>	<u>Total</u>
\$ 5,801,000	\$ 1,731,000	\$ 7,532,000	\$ 18,780,000
5,371,000	1,895,000	7,266,000	19,547,000
5,362,000	2,114,000	7,476,000	21,334,000
5,591,000	2,050,000	7,641,000	21,458,000
5,969,000	1,519,000	7,488,000	21,370,000
6,749,000	1,787,000	8,536,000	23,580,000
6,749,000	1,787,000	8,536,000	23,580,000
6,749,000	1,787,000	8,536,000	23,580,000
6,254,000	1,807,000	8,061,000	16,175,000
7,049,000	3,477,000	10,526,000	19,848,000
6,237,000	4,120,000	10,357,000	19,367,000
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<u>\$67,881,000</u>	<u>\$24,074,000</u>	<u>\$91,955,000</u>	<u>\$228,619,000</u>

Table I.3: Total Federal Funding Expended in
East St. Louis and Portion Received from
the Department of Health and Human Services^a
(fiscal years 1977-79)

<u>Fiscal year</u>	<u>Total federal funds</u> ------(millions)-----	Department of Health and Human <u>Services</u>
1977	\$111	\$42
1978	98	44
1979	105	52

^aSimilar funding data for other years is not available since this report is no longer compiled.

Source: Community Services Administration.

Table I.4: Types of Tax Revenues Received
by East St. Louis
(fiscal years 1974-84)

<u>Year</u>	<u>Property</u>	<u>Sales</u>	<u>Other</u>	<u>Total</u>
1974	\$3,375,000	\$2,004,000	\$422,000	\$5,801,000
1975	2,893,000	2,040,000	438,000	5,371,000
1976	2,780,000	2,196,000	386,000	5,362,000
1977	2,978,000	2,276,000	337,000	5,591,000
1978	3,359,000	2,277,000	333,000	5,969,000
1979	3,648,000	2,708,000	393,000	6,749,000
1980 ^a	3,648,000	2,708,000	393,000	6,749,000
1981 ^a	3,648,000	2,708,000	393,000	6,749,000
1982	2,920,000	2,907,000	427,000	6,254,000
1983	3,117,000	3,426,000	506,000	7,049,000
<u>1984</u>	<u>2,843,000</u>	<u>2,854,000</u>	<u>540,000</u>	<u>6,237,000</u>
Total	<u>\$35,209,000</u>	<u>\$28,104,000</u>	<u>\$4,568,000</u>	<u>\$67,881,000</u>

^aEstimates.

Source: Bureau of the Census.

PART II

DEMOGRAPHIC DATA ON EAST ST. LOUIS

- POPULATION HAS DECLINED STEADILY, FROM OVER 82,000 IN 1950 TO SLIGHTLY MORE THAN 55,000 IN 1980. BETWEEN 1970-1980, THE TOTAL POPULATION OF EAST ST. LOUIS DECLINED BY 21 PERCENT. IN 1980, THE MEDIAN AGE FOR THE EAST ST. LOUIS POPULATION (22.7) DIFFERED MARKEDLY FROM THE MEDIAN AGE FOR THE UNITED STATES (30).
- THE RACIAL MAKE-UP OF THE CITY OF EAST ST. LOUIS HAS UNDERGONE A CONSIDERABLE TRANSFORMATION. IN 1960, 55 PERCENT OF THE CITY'S POPULATION WAS WHITE AND 45 PERCENT WAS "NON-WHITE". IN 1980 THE DISTRIBUTION HAD SHIFTED; THE WHITE POPULATION ACCOUNTED FOR LESS THAN 5 PERCENT OF THE POPULATION WHILE THE "NON-WHITE" POPULATION CONSTITUTED 95 PERCENT OF THE CITY'S TOTAL POPULATION.
- ANNUAL FAMILY INCOME IN CONSTANT DOLLARS FOR EAST ST. LOUIS DECLINED FROM \$15,927 IN 1959 TO \$12,117 IN 1979. CONVERSELY, FAMILY INCOME FOR THE UNITED STATES AS A WHOLE INCREASED FROM \$18,486 TO \$27,183 DURING THE SAME PERIOD.
- THE PERCENTAGE OF FAMILIES IN EAST ST. LOUIS WITH INCOME BELOW THE POVERTY LEVEL IN 1979 WAS NEARLY 39.0 PERCENT, COMPARED WITH THE NATIONAL AVERAGE OF 10.3 PERCENT. THE PERCENTAGE OF FAMILIES RECEIVING PUBLIC ASSISTANCE INCOME IN THE CITY IN THAT YEAR WAS MORE THAN 37 PERCENT.
- IN EAST ST. LOUIS, THE PERCENTAGE OF INDIVIDUALS UNEMPLOYED INCREASED FROM 10.5 PERCENT IN 1960 TO 21 PERCENT IN 1980. FOR THE SAME PERIOD, UNEMPLOYMENT IN THE UNITED STATES INCREASED FROM 5.5 PERCENT TO 7.1 PERCENT.
- AVAILABLE HOUSING UNITS IN THE CITY DECLINED FROM ALMOST 26,000 IN 1960 TO LESS THAN 19,000 IN 1980. DURING THE SAME PERIOD, THE PERCENTAGE OF VACANT UNITS IN EAST ST. LOUIS ROSE FROM LESS THAN 4 PERCENT IN 1960 TO OVER 11 PERCENT IN 1980.