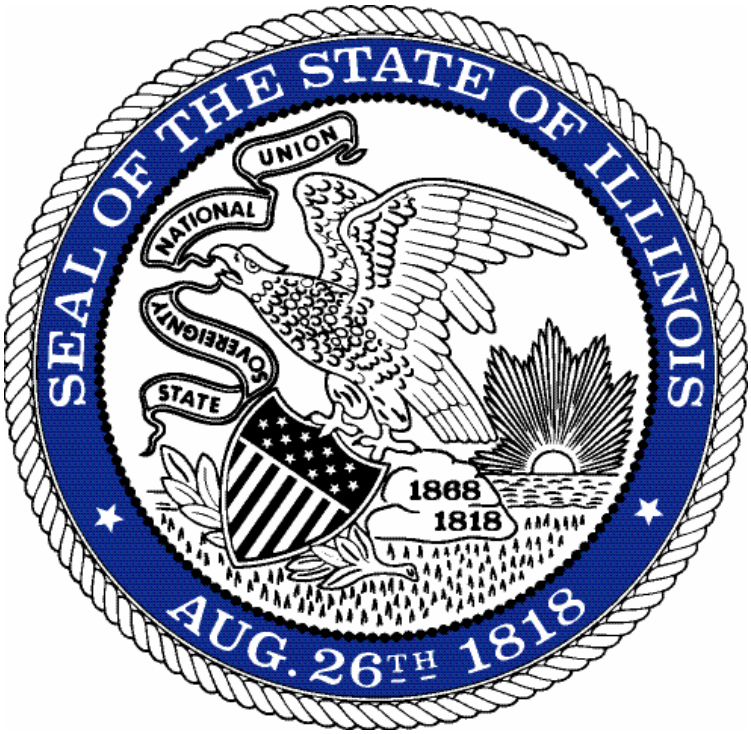


A Comparative Study of Illinois' Economy

Commission on Government Forecasting and Accountability

September 2007

Commission on Government Forecasting and Accountability

COMMISSION CO-CHAIRMEN

Senator Jeffrey M. Schoenberg
Representative Richard P. Myers

SENATE	***HOUSE***
Bill Brady	Patricia Bellock
Don Harmon	Frank Mautino
Christine Radogno	Robert Molaro
David Syverson	Elaine Nekritz
Donne Trotter	Raymond Poe

EXECUTIVE DIRECTOR
Dan R. Long

DEPUTY DIRECTOR
Trevor J. Clatfelter

REVENUE MANAGER
Jim Muschinske

AUTHOR OF REPORT
Benjamin L. Varner

EXECUTIVE SECRETARY
Donna K. Belknap

TABLE OF CONTENTS

A Comparative Study of Illinois' Economy – September 2007

EXECUTIVE SUMMARY

This report presents a comparative study of Illinois' economy. Illinois was compared to other states based on five criteria that are indicators of economic conditions. The first aspect of the economy analyzed was Gross Domestic Product (GDP). The next variables studied were employment and wages. The last factors looked at were personal income and standard of living. The states were ranked based on these variables and the growth of these variables over various time periods.

Illinois' performance also was compared to states in the surrounding region. The regional analysis was conducted using data from Illinois, Indiana, Iowa, Kentucky, Michigan, Missouri, Ohio, and Wisconsin. This region represents all of Illinois' border states plus Michigan and Ohio, who are located nearby and have similar economies. If the data were available, the variables were studied at the county level within the state of Illinois. The study concludes with a summarization of the results on a national and regional basis.

Some highlights of the report are:

- Illinois' $590 billion economy was the 5th largest economy in the U.S. in 2006 as measured by GDP. Illinois' economy makes up approximately 4.5% of the total U.S. economy.
- The growth of Illinois' economy has lagged the country as a whole in each of the last three decades.
- Over the last decade, the manufacturing industry has become a smaller part of Illinois' economy, while the real estate, professional and technical services, and health care and social assistance industries have grown.
- Illinois had the 5th largest workforce in the country at just under 6 million nonfarm employees in 2006. Though this employee workforce is large, it was the 3rd slowest growing workforce in the country.
- Illinois' unemployment rate has been one of the highest in the country over the last thirty years. On average, Illinois' unemployment rate has been 0.5% higher than the national average and since 1977 has been above the national average approximately 70% of the time.
- In 2005, the latest data available, the average wage per job in Illinois was $43,165, which was the 8th highest in the U.S. Illinois wages have increased an average 4.21% per year since 1980.
- The people of Illinois enjoyed the 13th highest personal income per capita at $38,215 in 2006. Similar to GDP growth, Illinois has lagged behind the country in this category, averaging growth of only 3.83% over the last decade, which ranked Illinois 44th.
- Illinois had the 18th highest standard of living as measured by real GDP per capita in 2006 at $41,026. Once again, Illinois lagged in the growth of this economic indicator, growing only 1.13% per year over the last decade, placing it at 37th.
- While Illinois has done well in absolute terms (high GDP, high wages, and high personal income), the state has experienced poor rates of growth in these categories over the past decade.

I. Gross Domestic Product

This section of the report will examine Gross Domestic Product (GDP) data at the state level. These data will be used to compare the current size of each state's economy and to calculate growth rates of these economies of the last thirty years. Changes in the makeup of Illinois' economy over the last decade also will be presented.

GDP is one way to measure the size of a designated areas economy. The Bureau of Economic Analysis, a part of the U.S. Department of Commerce, is the group who estimates GDP for the U.S. To estimate GDP at the state level, the Bureau of Economic Analysis has outlined their methodology as follows.

The estimate of GDP by state for each state is derived as the sum of the gross domestic product originating in all industries in the state. In concept, an industry's GDP by state, or its value added, is equal to its gross output (sales or receipts and other operating income, commodity taxes, and inventory change) less the value of its intermediate inputs (consumption of goods and services purchased from other U.S. industries or imported). The sum-of-states NAICS-based GDP by state differs from GDP for the nation for two reasons:

- GDP by state excludes, and the annual industry accounts include, compensation of federal civilian and military personnel stationed abroad and government consumption of fixed capital for military structures located abroad and for military equipment, except domestically located office equipment.
- GDP by state, GDP, and the annual industry accounts have different revision schedules.
- GDP by state estimates are prepared for 81 NAICS industries. For each industry, GDP by state is presented in four components:
    - Compensation of employees (COMP),
    - Taxes on production and imports (TOPI),
    - Subsidies (SUB), and
    - Gross operating surplus (GOS).

The estimates of GDP by state and its components for all industries are consistent with national totals of the annual industry accounts and its components for all industries.

In general, there are two procedures for estimating GDP by state and its components, one uses state-level Census Bureau value-added data for the goods-producing industries to estimate GDP by state for these industries, and the other utilizes Census Bureau receipts and payroll data, or company financial data to estimate GOS for the services-producing industries.

For goods-producing industries, except farming, GDP by state is computed as Census Bureau value added, adjusted to BEA's concept of value added. For farming, data on farm expenditures and receipts from the Department of Agriculture are used to compute value added for the industry. The GOS income component for goods-producing industries is computed as a residual:

$$GOS = GDP_s - (COMP + TOPI - SUB).$$

For services-producing industries, Census Bureau receipts and payroll data or company financial data are used to estimate the GOS income component. GDP by state is the sum of the estimated income components:

$$GDP_s = COMP + TOPI - SUB + GOS.$$

The other income components for calculating GDP by state (compensation of employees, taxes on production and imports, and subsidies) are estimated separately for each industry. The GDP by state estimates are prepared in current and chained (real) dollars. Real GDP by state is an inflation-adjusted measure that is based on national prices for the goods and services produced within each state[1].

GDP National Comparison

GDP statistics for each state can be found in Table 1 on page 4. This table includes GDP by state data for 2006, each state's portion of the U.S. total, its GDP ranking, and the state's average annual growth rate over different time periods from 1977 to 2006. It must be mentioned that the Bureau of Economic Analysis changed the classification system it used to estimate GDP in 1997. Up to 1997, the Standard Industrial Classification System (SIC) was used. After 1997, the North American Industry Classification System (NAICS) was employed.

As can be seen in Table 1, Illinois' economy was $590 billion in 2006. This was the fifth largest state economy behind California ($1.73 trillion), Texas ($1.07 trillion), New York ($1.02 trillion) and Florida ($714 billion). Illinois made up approximately 4.48% of the U.S.'s $13.1 trillion economy, which was significantly less than California (13.1%), Texas (8.1%), and New York (7.8%) who together made up almost 30% of the total U.S. economy. Vermont, North Dakota, and Wyoming had the smallest GDP's, each being less than $30 billion in 2006.

Illinois has lagged behind most of the other states, in terms of growth, over the last thirty years. From 1977 to 2006, Illinois averaged annual GDP growth of 5.9%, which was a full percentage point below the U.S. as a whole. Over that time period, Illinois' GDP grew faster than only eight other states. The fastest growing states over the last

[1] Bureau of Economic Analysis. 2006. *Gross Domestic Product by State Estimation Methodology*. Washington D.C.: U.S. Department of Commerce.

thirty years on an average annual growth rate basis were Nevada (10.3%), Arizona (9.1%), Florida (8.7%), and New Hampshire (8.2%). This compared to the slowest growing states, West Virginia and Michigan, which grew at 4.9% and 5.2% per year. On average, Illinois has lagged behind the country as a whole by 0.98% per year since 1977. This can be seen in Chart 1 on page 5. Over this time period, Illinois grew faster than the U.S. in only seven of the thirty years. As illustrated in Chart 2, the highest levels of growth over this time period occurred in the southwestern portion of the U.S., while the lowest levels of growth were seen in the Midwest, especially in states included in the "Rust Belt" region.

Analyzing these data in ten year increments reinforces the view that Illinois' economy has been lagging. In none of the three time periods analyzed (1977 to 1986, 1987 to 1996, and 1997 to 2006) did Illinois rank in the top half of average annual growth. The best Illinois did was 31st during the 1987 to 1996 time period. From 1977 to 1986, Illinois averaged GDP growth of 7.6% per year which was 1.8% lower than the country as a whole. As such, Illinois ranked 40th during this time period. Over the next ten years, Illinois improved to 31st by averaging growth of 5.6% per year which was just under the U.S. average of 5.8% per year. From 1997 to 2006, Illinois fell in ranking to 43rd. Illinois averaged growth of 4.5% per year, which was one percent per year less than the country as a whole.

GDP Regional Comparison

Comparing Illinois to other states in the region (all the bordering states plus Michigan and Ohio), Illinois has the largest economy and has been around the regional average for growth. At $590 billion, Illinois economy was the largest followed by Ohio ($461 B) and Michigan ($381 B). Iowa and Kentucky have the smallest economies at $124 billion and $146 billion. The region has grown an average of 5.82% per year over the last three decades, while Illinois was slightly above this at 5.92% per year. As mentioned previously, this region has been the slowest growing region in the country. The fastest growing state was Wisconsin which grew at 6.2% per year. Wisconsin was followed by Missouri (6.16%) and Indiana (5.93%). Illinois was 4th in the region at 5.92% per year. The slowest growing state was Michigan which grew at 5.22% per year.

From 1977 to 1986, Illinois averaged growth of 7.64%, which was above the regional average of 7.53%. Illinois was below the regional average of 5.70% during the next decade, averaging growth of 5.63%. From 1997 to 2006, Illinois was above the regional average once again (4.50% versus 4.24%).

Table 1. GDP by State

State	GDP ($ Million)	Portion of U.S. GDP	GDP Ranking	Average GDP Growth Rate			
Year	2006	2006	2006	1977 - 1986	1987 - 1996	1997 - 2006	1977 - 2006
U.S.	**$13,149,033**	**100%**	**N/A**	**9.4%**	**5.8%**	**5.5%**	**6.9%**
Alabama	$160,569	1.2%	25	8.8%	5.8%	5.1%	6.5%
Alaska	$41,105	0.3%	45	11.6%	3.6%	5.6%	6.9%
Arizona	$232,463	1.8%	19	12.8%	7.5%	7.1%	9.1%
Arkansas	$91,837	0.7%	34	8.4%	6.4%	4.9%	6.6%
California	$1,727,355	13.1%	1	11.2%	5.4%	6.2%	7.6%
Colorado	$230,478	1.8%	20	10.8%	6.8%	6.7%	8.1%
Connecticut	$204,134	1.6%	23	10.9%	5.6%	4.9%	7.1%
Delaware	$60,361	0.5%	38	10.0%	7.4%	6.3%	7.9%
Florida	$713,505	5.4%	4	12.4%	6.8%	6.8%	8.7%
Georgia	$379,550	2.9%	10	11.5%	7.1%	5.5%	8.1%
Hawaii	$58,307	0.4%	39	9.8%	5.6%	4.8%	6.7%
Idaho	$49,907	0.4%	42	7.2%	8.0%	6.3%	7.2%
ILLINOIS	**$589,598**	**4.5%**	**5**	**7.6%**	**5.6%**	**4.5%**	**5.9%**
Indiana	$248,915	1.9%	16	7.1%	6.1%	4.6%	5.9%
Iowa	$123,970	0.9%	30	6.0%	6.0%	4.9%	5.6%
Kansas	$111,699	0.8%	32	8.1%	5.0%	5.2%	6.1%
Kentucky	$145,959	1.1%	28	7.6%	5.9%	4.0%	5.9%
Louisiana	$193,138	1.5%	24	8.7%	4.3%	6.1%	6.4%
Maine	$46,973	0.4%	43	9.6%	5.1%	4.8%	6.5%
Maryland	$257,815	2.0%	15	9.9%	5.4%	6.0%	7.1%
Massachusetts	$337,570	2.6%	13	11.0%	5.2%	5.0%	7.1%
Michigan	$381,003	2.9%	9	7.5%	5.1%	3.0%	5.2%
Minnesota	$244,546	1.9%	17	9.2%	6.1%	5.4%	6.9%
Mississippi	$84,225	0.6%	35	8.0%	6.0%	4.2%	6.1%
Missouri	$225,876	1.7%	22	8.6%	5.5%	4.3%	6.2%
Montana	$32,322	0.2%	47	6.6%	4.8%	5.8%	5.8%
Nebraska	$75,700	0.6%	37	7.4%	6.4%	4.5%	6.1%
Nevada	$118,399	0.9%	31	12.6%	10.3%	8.0%	10.3%
New Hampshire	$56,276	0.4%	40	13.1%	6.4%	5.1%	8.2%
New Jersey	$453,177	3.4%	8	10.2%	5.8%	4.7%	6.9%
New Mexico	$75,910	0.6%	36	9.5%	7.0%	5.8%	7.4%
New York	$1,021,944	7.8%	3	9.2%	4.8%	5.2%	6.4%
North Carolina	$374,525	2.8%	11	10.2%	6.6%	5.9%	7.6%
North Dakota	$26,385	0.2%	49	7.3%	5.2%	5.0%	5.8%
Ohio	$461,302	3.5%	7	7.8%	5.2%	4.0%	5.7%
Oklahoma	$134,651	1.0%	29	9.4%	4.3%	6.3%	6.7%
Oregon	$151,301	1.2%	26	8.0%	8.0%	5.3%	7.1%
Pennsylvania	$510,293	3.9%	6	7.6%	5.5%	4.6%	5.9%
Rhode Island	$45,660	0.3%	44	9.8%	4.8%	5.7%	6.8%
South Carolina	$149,214	1.1%	27	10.4%	6.3%	5.0%	7.2%
South Dakota	$32,330	0.2%	46	8.3%	6.5%	5.3%	6.7%
Tennessee	$238,029	1.8%	18	9.4%	6.7%	5.2%	7.1%
Texas	$1,065,891	8.1%	2	10.4%	6.3%	7.0%	7.9%
Utah	$97,749	0.7%	33	10.3%	7.7%	6.3%	8.1%
Vermont	$24,213	0.2%	50	9.9%	5.9%	5.4%	7.1%
Virginia	$369,260	2.8%	12	10.7%	6.0%	6.3%	7.7%
Washington	$293,531	2.2%	14	10.0%	7.1%	5.9%	7.7%
West Virginia	$55,658	0.4%	41	6.1%	4.5%	4.0%	4.9%
Wisconsin	$227,230	1.7%	21	7.9%	6.1%	4.6%	6.2%
Wyoming	$29,561	0.2%	48	9.9%	3.6%	7.4%	7.0%

Source: Bureau of Economic Analysis, U.S. Dept. of Commerce

Chart 1. Illinois GDP Growth vs. U.S. GDP Growth

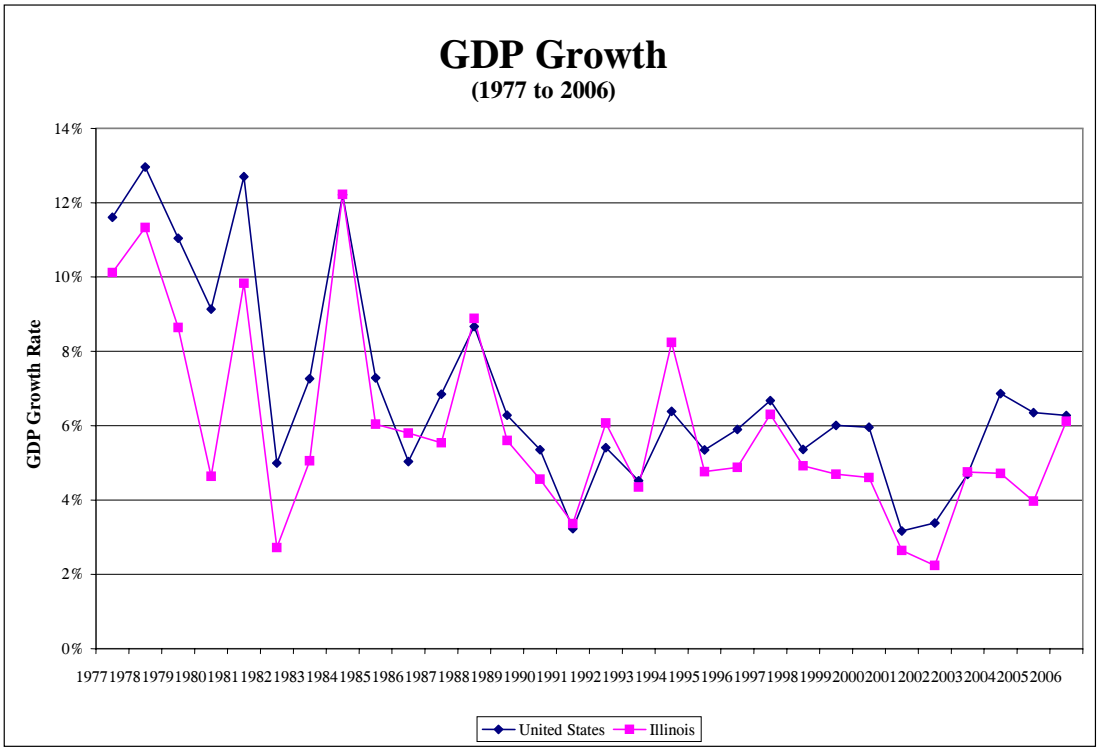
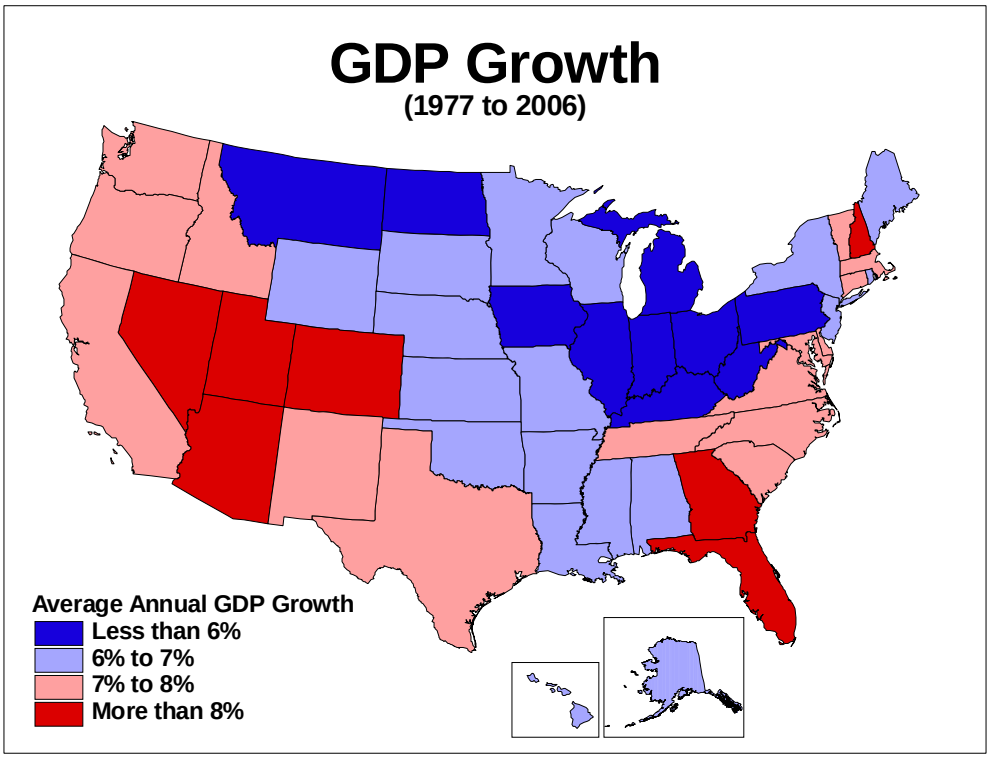


Chart 2. GDP Growth by State



Components of Illinois' Economy

In 2006, the largest component of Illinois' economy, as measured by GDP, was the real estate industry. This industry contributed $77.9 billion, or 13.21%, of Illinois' $589.6 billion economy. This was essentially equaled by the manufacturing industry which contributed $77.6 billion or 13.17%. Finance and insurance companies added $55.0 billion (9.34%) to the economy, while professional and technical services accounted for 8.42% or $49.6 billion.

Comparing these numbers to the 1997 data highlights how manufacturing has become a smaller part of Illinois' economy. In 1997, manufacturing accounted 16.10% of the economy, which is almost 3% more than in 2006. This trend was especially felt in durable goods which accounted for over 70% of this drop. Three industries stood out as becoming more important to the economy over this time period. The real estate industry's portion of the total economy increased 1.37%. The health care and social assistance industry rose from 5.55% to 6.51%, an increase of 0.97%. The management of companies and enterprises rose 0.84% from 7.58% of the economy to 8.42%. Data for all the industries in Illinois can be found in Table 2 below.

Table 2. Components of Illinois' Economy

	1997		2006		
Industry	**GDP ($ Million)**	**% of Total**	**GDP ($ Million)**	**% of Total**	**Change in %**
Total Gross Domestic Product by State	$403,982	100%	$589,598	100%	0%
Private industries	$365,962	90.59%	$532,776	90.36%	-0.23%
Agriculture, forestry, fishing, and hunting	$3,795	0.94%	$1,996	0.34%	-0.60%
Mining	$1,058	0.26%	$1,765	0.30%	0.04%
Utilities	$9,815	2.43%	$13,223	2.24%	-0.19%
Construction	$16,443	4.07%	$28,041	4.76%	0.69%
Manufacturing	$65,052	16.10%	$77,641	13.17%	**-2.93%**
Durable goods	$38,707	9.58%	$44,275	7.51%	-2.07%
Nondurable goods	$26,345	6.52%	$33,366	5.66%	-0.86%
Wholesale trade	$29,536	7.31%	$42,284	7.17%	-0.14%
Retail trade	$23,835	5.90%	$33,874	5.75%	-0.15%
Transportation and warehousing, excluding Postal Service	$14,516	3.59%	$20,691	3.51%	-0.08%
Information	$16,142	4.00%	$21,078	3.57%	-0.42%
Finance and insurance	$39,144	9.69%	$55,049	9.34%	-0.35%
Real estate, rental, and leasing	$47,843	11.84%	$77,914	13.21%	**1.37%**
Professional and technical services	$30,615	7.58%	$49,639	8.42%	**0.84%**
Management of companies and enterprises	$8,175	2.02%	$13,760	2.33%	0.31%
Administrative and waste services	$11,979	2.97%	$18,472	3.13%	0.17%
Educational services	$3,257	0.81%	$6,183	1.05%	0.24%
Health care and social assistance	$22,402	5.55%	$38,404	6.51%	**0.97%**
Arts, entertainment, and recreation	$3,464	0.86%	$5,251	0.89%	0.03%
Accommodation and food services	$9,211	2.28%	$13,641	2.31%	0.03%
Other services, except government	$9,680	2.40%	$13,872	2.35%	-0.04%
Government	$38,019	9.41%	$56,823	9.64%	0.23%

Source: Bureau of Economic Analysis, U.S. Dept. of Commerce

II. Employment and Wages

The next aspect of the economy analyzed was employment and wages. Using the latest data from the Bureau of Labor Statistics and the Bureau of Economic analysis, seasonally adjusted non-farm employment, the unemployment rate, and average wage per job trends were studied. These data were examined at both the state and county level. Finally, the growth rates of the employment and wage data were used to produce a scatter graph that allowed state groupings based on these variables to be determined.

Employment

As defined by the Bureau of Labor Statistics, employment is the total number of persons employed full or part time in non-farm establishments during a specified payroll period. Temporary employees are included. Data refer to persons who worked during, or received pay for, any part of the pay period that includes the 12th of the month, a standard for all Federal agencies collecting employment data from business establishments[2].

The data investigated in this study was the seasonally adjusted, non-farm employment. Seasonal adjustment removes the effects of events that follow a more or less regular pattern each year. These adjustments make it easier to observe the cyclical and other non-seasonal movements in a data series[3]. Total non-farm employment and non-farm employment growth rate data were used to rank the States. The growth rates were calculated by averaging monthly data within a given year and then determining the year-over-year growth rate based on these averages.

National Employment Comparison

In April of 2007, Illinois was estimated to have over 5.9 million non-farm employees. This represented approximately 4.4% of the U.S. total. Illinois has the fifth largest amount of non-farm employees in the country behind California (15.2 M), Texas (10.2 M), New York (8.7 M), and Florida (8.1 M). In terms of employment growth since 1997, Illinois has failed to keep up with the nation as whole. During this time period, the U.S. has averaged employment growth of 1.14% per year, while Illinois has only averaged employment growth of 0.31% per year. This ranks Illinois 47th over this time period, ahead of only Ohio (0.11%), Louisiana (0.06%), and Michigan (-0.23%). The highest employment growth over this time period was found in Nevada (4.14%),

[2] Bureau of Labor Statistics, Department of Labor. Bureau of Labor Statistics Handbook of Methods. http://www.bls.gov/opub/hom/homch2_b.htm

[3] Bureau of Labor Statistics, Department of Labor. Glossary. http://www.bls.gov/bls/glossary.htm#S

Arizona (3.26%), and Idaho (2.66%). Looking at this variable since 1990, Illinois did somewhat better as they averaged employment growth of 0.73% per year (42nd), compared to average U.S. growth of 1.36% per year.

Employment Regional Comparison

With over 5.9 million employees, Illinois has the largest labor force in the region, followed by Ohio at 5.4 million employees and Michigan at 4.3 million. The region averaged 3.5 million workers per state, while Iowa had the smallest work force with 1.5 million. Kentucky with the second smallest workforce (1.9 million) had the fastest growing labor pool with growth of 0.85% per year from 1997 to 2006. The regional average was 0.45% per year. Illinois had the third slowest growing workforce. The amount of employees grew at 0.31% per year from 1997 to 2006, which was ahead of only Ohio (0.11%) and Michigan (-0.23%). A summary of all the employment data can be found in Table 3.

Table 3. Employment

State	Seasonally Adjusted Total Nonfarm Employment (Thousands)[1]	Employment Ranking	Nonfarm Employment Growth (1997-2006)[2]	Employment Growth Ranking
U.S.	**136,696.5**	**N/A**		**N/A**
Alabama	2,003.1	23	0.69%	41
Alaska	318.9	48	1.77%	9
Arizona	2,714.6	20	3.26%	2
Arkansas	1,209.3	34	0.92%	32
California	15,247.6	1	1.56%	14
Colorado	2,316.2	22	1.59%	13
Connecticut	1,697.0	28	0.49%	43
Delaware	439.2	45	1.33%	19
Florida	8,124.2	4	2.51%	4
Georgia	4,143.2	9	1.39%	17
Hawaii	622.3	41	1.67%	11
Idaho	652.2	39	2.66%	3
ILLINOIS	**5,977.2**	**5**	**0.31%**	**47**
Indiana	2,976.5	14	0.45%	45
Iowa	1,518.4	30	0.74%	37
Kansas	1,377.2	31	0.72%	39
Kentucky	1,856.7	26	0.85%	33
Louisiana	1,906.1	25	0.06%	49
Maine	618.6	42	1.17%	23
Maryland	2,609.5	21	1.47%	15
Massachusetts	3,270.7	13	0.47%	44
Michigan	4,304.2	8	-0.23%	50
Minnesota	2,779.8	19	1.12%	27
Mississippi	1,156.9	35	0.35%	46
Missouri	2,800.6	17	0.56%	42
Montana	445.1	44	1.86%	7
Nebraska	961.6	36	1.12%	26
Nevada	1,309.6	32	4.14%	1
New Hampshire	644.9	40	1.30%	20
New Jersey	4,087.3	11	1.01%	31
New Mexico	844.2	37	1.82%	8
New York	8,672.6	3	0.74%	36
North Carolina	4,092.5	10	1.10%	28
North Dakota	357.8	47	1.30%	21
Ohio	5,429.8	7	0.11%	48
Oklahoma	1,565.8	29	1.17%	22
Oregon	1,722.7	27	1.17%	24
Pennsylvania	5,796.1	6	0.70%	40
Rhode Island	498.1	43	1.03%	30
South Carolina	1,922.0	24	1.15%	25
South Dakota	406.0	46	1.38%	18
Tennessee	2,798.3	18	0.84%	34
Texas	10,245.8	2	1.74%	10
Utah	1,247.7	33	2.16%	6
Vermont	308.4	49	1.07%	29
Virginia	3,770.0	12	1.60%	12
Washington	2,901.3	15	1.45%	16
West Virginia	759.3	38	0.74%	38
Wisconsin	2,860.3	16	0.84%	35
Wyoming	284.5	50	2.35%	5

[1]Total Nonfarm Employment as of April, 2007

[2]Growth rates were calculated by averaging monthly data within a given year and then determining the year over

Source: Bureau of Labor Statistics, U.S. Department of Labor

Unemployment Rate

The unemployment rate represents the number unemployed as a percent of the labor force as defined by the Bureau of Labor Statistics. The unemployment rate is estimated monthly based on the Current Population Survey. The Current Population Survey, a monthly household survey conducted by the Bureau of the Census for the Bureau of Labor Statistics, provides a comprehensive body of information on the employment and unemployment experience of the Nation's population, classified by age, sex, race, and a variety of other characteristics.

The first analysis conducted using this data was an examination of U.S. unemployment rates at the state level over the last decade. Secondly, Illinois unemployment was compared to the national unemployment rate over the last thirty years. Finally, Illinois unemployment was analyzed at the county level since 1990. The results of these examinations are provided in the following paragraphs.

National Comparison of the Unemployment Rate

Over the last ten years, the U.S. economy has gone through a boom, a bust, and a recovery. The unemployment rate had a very similar trend over that time period. From 1997 to the end of 2000, the national unemployment rate steadily fell from 5.3% to 3.9%. With the recession that began in 2001, unemployment rose to around 6.0% in April of 2002 and stayed around that level until the beginning of 2004. The national unemployment rate has steadily declined since then, to arrive at its current level of 4.5%. Over this time period, the U.S. has averaged an unemployment rate of 4.9%.

While individual states often follow national economic trends, there has been considerable variance from state to state. An example of this variance can be seen in the average monthly difference from the national average. States such as North Dakota (3.2%), South Dakota (3.2%), Nebraska (3.2%), and Virginia (3.3%) have averaged an unemployment rate that is more than 1.5% below the national average of 4.9%, while other states have done considerably worse. Alaska has had the worst unemployment rate over this time period as they have averaged an unemployment rate of 6.7%. Other states that have done poorly include Oregon (1.4% higher) and Mississippi (1.3% higher). Illinois' unemployment rate was 5.3% (0.4% higher than the national average) over this time period which was one of the poorer states in the nation as it ranked 38th.

Looking at how often a state was above the national average, led to similar results. Eight states (Delaware, Iowa, Nebraska, New Hampshire, North Dakota, South Dakota, Vermont, and Virginia) were never above the national unemployment rate in the monthly surveys. Two states, Alaska and Oregon, were never below it. Illinois was ranked 42nd in this category as its unemployment rate was above the national

average 72% of the time. Chart 3 on the next page shows a map of the mean unemployment rate for individual states over the last decade. For more information on unemployment rate by state see Table 4.

Chart 3. Mean U.S. Unemployment Rate by State, 1997-2006

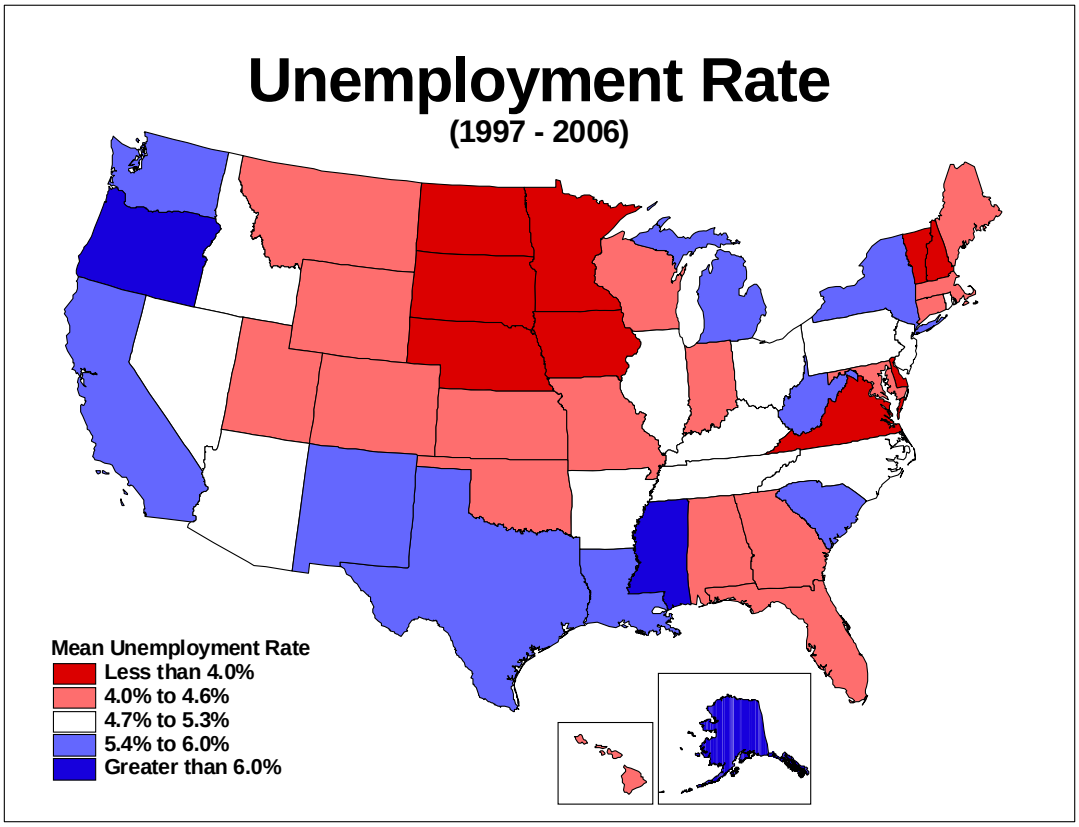


Table 4. Unemployment Rate by State

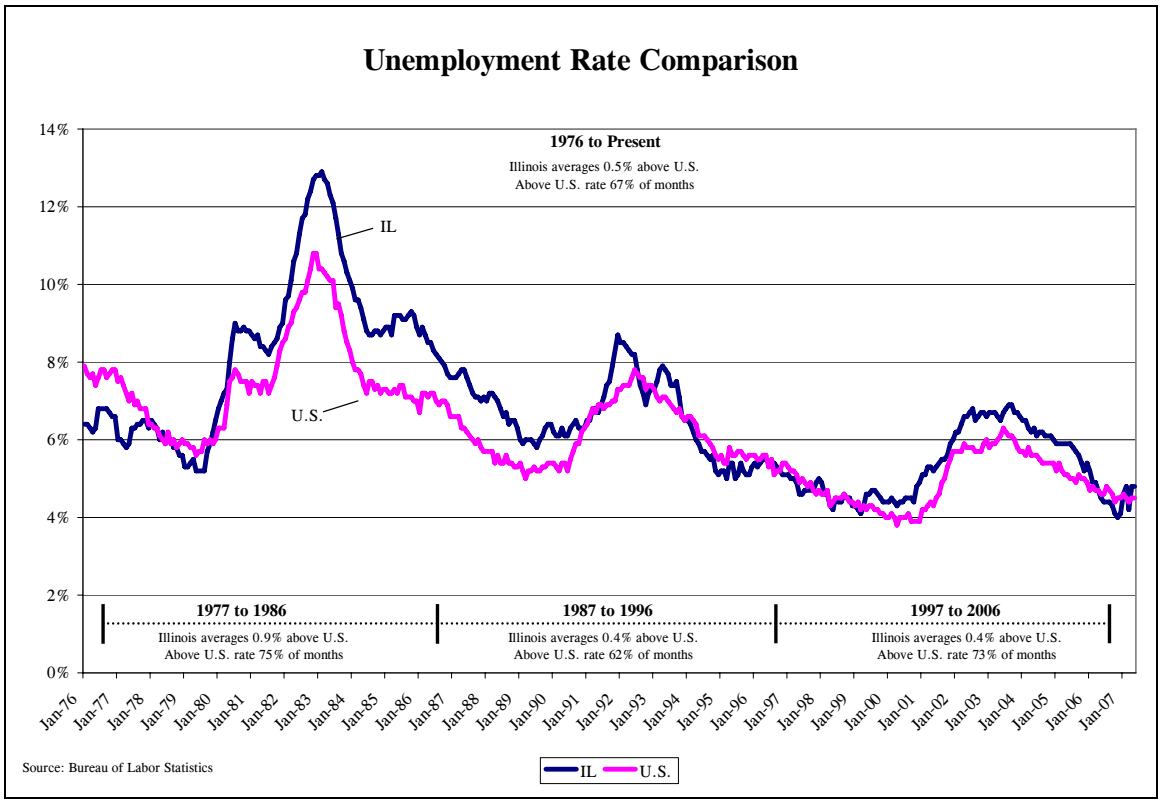
State	Unemployment Rate	Mean Unemployment Rate			Mean Difference from U.S. Rate			% of Months Above U.S. Rate		
	Jun-07	1977 to 1986	1987 to 1996	1997 to 2006	1977 to 1986	1987 to 1996	1997 to 2006	1977 to 1986	1987 to 1996	1997 to 2006
U.S.	**4.5%**	**7.5%**	**6.1%**	**4.9%**	**0.0%**	**0.0%**	**0.0%**	**N/A**	**N/A**	**N/A**
Alabama	3.5%	9.2%	6.3%	4.5%	1.7%	0.2%	-0.5%	85%	44%	15%
Alaska	5.9%	9.8%	8.0%	6.7%	2.3%	1.9%	1.8%	91%	100%	100%
Arizona	3.6%	7.0%	6.0%	4.8%	-0.5%	-0.1%	-0.2%	33%	45%	28%
Arkansas	5.2%	7.9%	6.5%	5.1%	0.4%	0.4%	0.1%	70%	53%	66%
California	5.2%	7.8%	7.2%	5.8%	0.3%	1.2%	0.9%	60%	68%	99%
Colorado	3.6%	6.2%	5.4%	4.3%	-1.3%	-0.7%	-0.6%	10%	30%	21%
Connecticut	4.5%	5.5%	5.1%	4.0%	-2.0%	-1.0%	-0.9%	4%	8%	4%
Delaware	3.3%	6.8%	4.3%	3.7%	-0.6%	-1.8%	-1.2%	43%	2%	0%
Florida	3.4%	7.0%	6.3%	4.5%	-0.5%	0.3%	-0.5%	27%	63%	13%
Georgia	4.3%	6.4%	5.4%	4.4%	-1.1%	-0.7%	-0.5%	3%	8%	12%
Hawaii	2.5%	5.7%	3.9%	4.1%	-1.8%	-2.2%	-0.9%	23%	13%	33%
Idaho	2.3%	7.3%	5.9%	4.7%	-0.2%	-0.2%	-0.2%	32%	30%	42%
ILLINOIS	**4.8%**	**8.4%**	**6.5%**	**5.3%**	**0.9%**	**0.4%**	**0.4%**	**75%**	**62%**	**73%**
Indiana	4.5%	8.3%	5.0%	4.2%	0.8%	-1.1%	-0.7%	68%	0%	20%
Iowa	3.6%	6.3%	4.4%	3.6%	-1.1%	-1.7%	-1.4%	13%	0%	0%
Kansas	4.6%	4.7%	4.6%	4.5%	-2.8%	-1.5%	-0.4%	0%	0%	10%
Kentucky	5.5%	8.2%	6.6%	5.3%	0.7%	0.5%	0.4%	72%	58%	79%
Louisiana	4.8%	9.1%	7.9%	5.4%	1.6%	1.8%	0.5%	83%	91%	73%
Maine	4.5%	6.9%	5.6%	4.4%	-0.6%	-0.5%	-0.5%	37%	31%	15%
Maryland	3.6%	6.1%	5.1%	4.2%	-1.3%	-1.0%	-0.8%	1%	0%	2%
Massachusetts	5.1%	6.0%	5.8%	4.3%	-1.5%	-0.3%	-0.6%	16%	49%	9%
Michigan	6.9%	10.8%	7.3%	5.5%	3.3%	1.2%	0.6%	100%	74%	64%
Minnesota	4.6%	5.9%	4.5%	3.8%	-1.6%	-1.5%	-1.2%	0%	0%	0%
Mississippi	6.0%	9.4%	7.9%	6.2%	2.0%	1.8%	1.3%	91%	94%	96%
Missouri	4.6%	6.9%	5.6%	4.6%	-0.6%	-0.5%	-0.4%	17%	34%	24%
Montana	2.3%	7.0%	6.1%	4.6%	-0.5%	0.0%	-0.4%	30%	43%	44%
Nebraska	3.1%	4.3%	2.9%	3.2%	-3.2%	-3.2%	-1.7%	0%	0%	0%
Nevada	4.6%	7.2%	5.8%	4.7%	-0.3%	-0.3%	-0.2%	42%	9%	29%
New Hampshire	3.9%	4.6%	4.8%	3.5%	-2.9%	-1.3%	-1.5%	0%	22%	0%
New Jersey	4.3%	7.2%	5.9%	4.8%	-0.3%	-0.1%	-0.1%	38%	53%	34%
New Mexico	3.7%	8.0%	7.3%	5.5%	0.5%	1.2%	0.6%	73%	93%	64%
New York	4.4%	7.6%	6.3%	5.5%	0.2%	0.2%	0.5%	40%	60%	76%
North Carolina	4.8%	6.5%	4.7%	4.9%	-1.0%	-1.4%	-0.1%	3%	0%	49%
North Dakota	3.3%	5.1%	4.2%	3.2%	-2.4%	-1.9%	-1.7%	0%	0%	0%
Ohio	5.7%	8.7%	6.1%	5.1%	1.3%	0.0%	0.2%	75%	36%	53%
Oklahoma	4.5%	5.8%	5.8%	4.3%	-1.7%	-0.3%	-0.7%	17%	33%	2%
Oregon	5.0%	8.7%	5.9%	6.3%	1.2%	-0.1%	1.4%	92%	33%	100%
Pennsylvania	4.2%	8.5%	6.0%	4.9%	1.0%	-0.1%	0.0%	93%	49%	48%
Rhode Island	4.8%	6.7%	6.0%	4.9%	-0.7%	-0.1%	-0.1%	44%	59%	43%
South Carolina	5.4%	7.2%	5.6%	5.4%	-0.3%	-0.5%	0.4%	22%	19%	58%
South Dakota	3.2%	4.4%	3.7%	3.2%	-3.0%	-2.4%	-1.7%	0%	0%	0%
Tennessee	4.7%	8.4%	5.8%	5.0%	0.9%	-0.3%	0.0%	72%	27%	44%
Texas	4.1%	6.2%	6.9%	5.4%	-1.3%	0.8%	0.4%	12%	94%	99%
Utah	2.5%	6.3%	4.5%	4.2%	-1.2%	-1.6%	-0.8%	0%	6%	4%
Vermont	3.8%	5.8%	4.7%	3.5%	-1.7%	-1.4%	-1.4%	4%	5%	0%
Virginia	2.9%	5.5%	4.7%	3.3%	-1.9%	-1.4%	-1.6%	0%	0%	0%
Washington	4.6%	8.8%	6.4%	5.7%	1.3%	0.3%	0.8%	100%	71%	89%
West Virginia	4.5%	11.2%	9.4%	5.7%	3.7%	3.3%	0.8%	86%	100%	68%
Wisconsin	4.9%	7.1%	4.6%	4.3%	-0.4%	-1.5%	-0.6%	38%	3%	6%
Wyoming	3.3%	5.4%	5.8%	4.2%	-2.1%	-0.3%	-0.8%	13%	34%	20%

Source: Bureau of Labor Statistics, U.S. Department of Labor

Illinois vs. the National Average

In June of 2007, the national unemployment rate was 4.5%. Illinois had an unemployment rate of 4.8% at that time. Over the last thirty years, Illinois has consistently had an unemployment rate that was higher than the national rate. From 1976 to the present, Illinois' unemployment rate has been on average 0.5% higher than the national average. Illinois averaged unemployment of 6.7% to the national average of 6.2%. Over this time, Illinois' unemployment has been above the national rate 67% of the time. This situation has varied during different time periods. From 1977 to 1986, Illinois lagged the national average by 0.9% (8.4% compared to 7.5%) and was above the national average 75% of the months estimated. The situation improved from 1987 to 1996, as Illinois had an unemployment rate of 6.5%, which was only 0.4% above the national average, and was above the national average only 62% of the time. During the last ten years (1997 to 2006), the average has remained 0.4% higher than the national average (5.3% compared to 4.9%) but has regressed to being above the national average 73% of the time. Chart 4 below highlights these trends.

Chart 4. Unemployment Rate Comparison between Illinois and the U.S. Average



Regional Comparison of the Unemployment Rate

Illinois has had one of the highest unemployment rates in the region over the last thirty years. From 1977 to 1986, the region had an average unemployment rate of 8.1%, while Illinois' was 8.4%. From 1987 to 1996, the regional average was 5.7%, while Illinois' was 6.5%. In both of these time periods, Illinois had the 3rd highest unemployment rate in the region. During the 1997 to 2006 time period, Illinois was even worse as it had the 2nd highest unemployment rate at 5.3%. This was only ahead of Michigan who had an unemployment rate of 5.5%. During the last decade, the average unemployment rate for the region was 4.7%. Two states that stood out were Iowa and Michigan. Iowa had the lowest unemployment rate for each ten year period, while Michigan had the highest.

Illinois Unemployment at the County Level

As mentioned previously, Illinois averaged an unemployment rate of 5.3% between 1997 and 2006. As one would expect, the unemployment situation within different areas within the State vary considerably. To illustrate these variations, unemployment data were analyzed at the county level. Similar to the state level data, county level data were averaged over this time period, counties were ranked based on this average, the difference from the State average was calculated, and the percentage of months that the individual county was above the state average was calculated.

Based on this analysis, six counties were found to have an average unemployment rate of less than 4.0% from 1997 to 2006. These six counties were McLean (3.6%), Brown (3.4%), Woodford (3.5%), Champaign (3.6%), Monroe (3.8%), and DuPage (3.8%). Unfortunately, four counties had unemployment rates of 8.0% or above. These counties were Alexander (8.7%), Pulaski (8.3%), Franklin (8.2%), and Hardin (8.0%). All the unemployment data for Illinois can be found in Table 5. As highlighted by Chart 5, average unemployment rates appear to be geographically correlated. Counties with lower unemployment rates tend to be in the northern portion of the state, especially a large band in central Illinois, while counties with higher rates of unemployment tend to be located in southern Illinois.

Looking at the percentage of time that counties were above the State average, the same counties were at the extremes with a few surprises. The same six counties with average unemployment rates of less than 4.0% also were never above the State average in any given month from 1997 to 2006. Not surprisingly, Adams County, who had the 7th lowest unemployment ranking, also was never above the State average. Two counties that were surprisingly among this group were McHenry and Sangamon Counties, which were ranked 14th and 15th in average unemployment rate at 4.3%. No counties were above the State average 100% of the time but six counties were above the average at

least 95% of the time. These counties include Alexander (99%), Hardin (99%), Perry (98%), Pope (98%), Pulaski (98%), and Franklin (98%).

When comparing the rankings of these two variables, a few counties stood out. Cook County had a 23 position difference in ranking. Cook County was a little below average at an average unemployment rate of 5.6% (Rank = 61) but was considerably lower ranked (84th) when considering months above the State average. This would seem to indicate that while Cook County is often above the State average, they are not above by a very large amount. The opposite is true for Jasper County. Jasper County ranked very low in average unemployment rate (6.9%, 93rd) but was 21 positions higher in terms of months above the State average (66%, 72nd). This would indicate a higher level of variance in terms of unemployment rate as compared to other lower ranked counties who are also very low ranked in terms of time above the average. Wabash County also followed this pattern being ranked 88th for unemployment rate and 66th for time above the average.

Table 5. Illinois Unemployment Rate by County

County	Unemployment Rate Dec. 2006	Unemployment Rate (1997 to 2006)	County Rank	Difference from State Average	% of Months above State Average	County Rank
Adams	3.0%	4.0%	7	-1.3%	0%	1
Alexander	5.6%	8.7%	102	3.4%	99%	101
Bond	4.4%	5.1%	44	-0.2%	37%	41
Boone	5.9%	6.0%	74	0.7%	61%	67
Brown	2.4%	3.4%	2	-1.9%	0%	1
Bureau	4.3%	5.2%	46	-0.1%	46%	49
Calhoun	6.5%	5.9%	70	0.6%	63%	70
Carroll	3.8%	6.0%	76	0.7%	73%	78
Cass	3.8%	4.9%	37	-0.4%	37%	41
Champaign	2.9%	3.6%	4	-1.7%	0%	1
Christian	4.4%	5.5%	58	0.2%	68%	74
Clark	4.4%	5.4%	54	0.0%	53%	57
Clay	4.4%	6.4%	83	1.1%	83%	85
Clinton	3.8%	4.6%	25	-0.7%	18%	28
Coles	3.4%	4.5%	23	-0.8%	5%	16
Cook	4.0%	5.6%	61	0.3%	80%	84
Crawford	4.7%	6.4%	82	1.1%	79%	82
Cumberland	4.3%	5.3%	49	0.0%	46%	49
DeKalb	3.7%	4.3%	16	-1.0%	0%	1
De Witt	3.9%	5.5%	57	0.2%	53%	57
Douglas	3.5%	4.2%	13	-1.1%	1%	12
DuPage	2.9%	3.8%	6	-1.5%	0%	1
Edgar	4.1%	5.0%	40	-0.3%	29%	37
Edwards	4.1%	5.3%	50	0.0%	44%	47
Effingham	3.4%	4.9%	34	-0.4%	27%	35
Fayette	5.7%	6.6%	86	1.3%	88%	88
Ford	3.7%	4.5%	22	-0.8%	13%	23
Franklin	5.7%	8.2%	100	2.9%	98%	97
Fulton	4.5%	6.5%	85	1.2%	85%	86
Gallatin	4.6%	6.9%	92	1.6%	92%	93
Greene	4.6%	5.5%	55	0.2%	53%	57
Grundy	5.4%	6.3%	80	1.0%	79%	82
Hamilton	5.1%	6.7%	90	1.4%	74%	80
Hancock	4.3%	5.0%	39	-0.3%	33%	39
Hardin	7.3%	8.0%	99	2.7%	99%	101
Henderson	5.3%	5.2%	45	-0.1%	39%	44
Henry	3.4%	4.8%	28	-0.6%	23%	32
Iroquois	4.1%	5.0%	41	-0.3%	34%	40
Jackson	3.4%	4.6%	24	-0.7%	18%	29
Jasper	4.7%	6.9%	93	1.6%	66%	72
Jefferson	3.9%	5.8%	67	0.5%	58%	64
Jersey	4.6%	5.2%	47	-0.1%	48%	53
Jo Daviess	3.4%	4.5%	21	-0.8%	19%	30
Johnson	5.0%	6.4%	84	1.1%	72%	77
Kane	4.2%	4.9%	35	-0.4%	23%	33
Kankakee	4.9%	5.9%	71	0.6%	73%	78
Kendall	3.8%	4.0%	8	-1.3%	0%	1
Knox	4.1%	5.6%	63	0.3%	62%	69
Lake	3.9%	4.3%	18	-1.0%	2%	13
La Salle	5.2%	6.3%	81	1.0%	87%	87
Lawrence	4.2%	6.2%	79	0.9%	58%	63

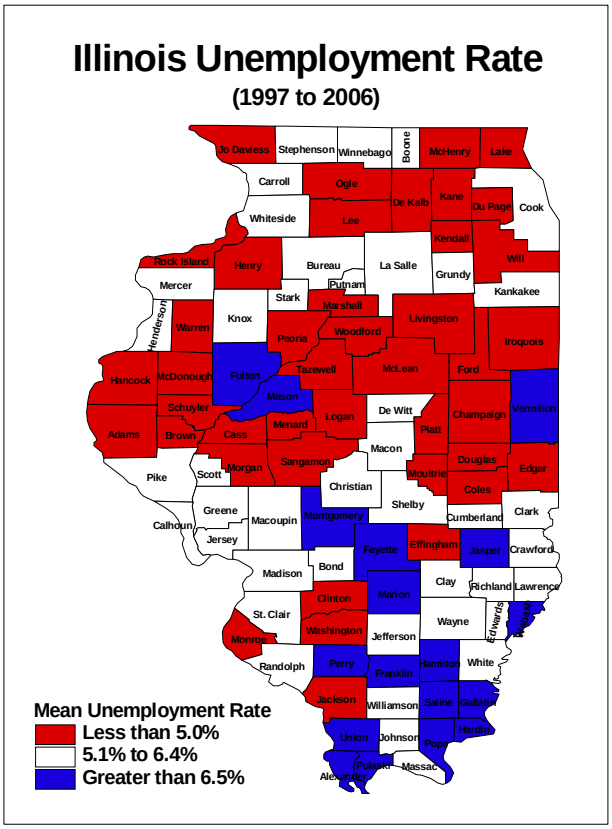
Source: Bureau of Labor Statistics, U.S. Department of Labor

Table 5. continued

County	Unemployment Rate Dec. 2006	Unemployment Rate (1997 to 2006)	County Rank	Difference from State Average	% of Months above State Average	County Rank
Lee	3.9%	4.7%	27	-0.6%	11%	22
Livingston	3.6%	4.3%	19	-1.0%	3%	15
Logan	4.2%	4.9%	38	-0.4%	30%	38
McDonough	3.3%	4.0%	9	-1.3%	6%	19
McHenry	3.6%	4.3%	14	-1.1%	0%	1
McLean	2.7%	3.3%	1	-2.0%	0%	1
Macon	4.3%	6.2%	77	0.8%	88%	90
Macoupin	4.8%	5.5%	56	0.2%	58%	64
Madison	4.2%	5.1%	43	-0.2%	39%	44
Marion	5.1%	7.3%	96	2.0%	93%	94
Marshall	3.5%	4.6%	26	-0.7%	17%	27
Mason	5.7%	6.7%	89	1.3%	93%	94
Massac	4.6%	5.3%	53	0.0%	42%	46
Menard	4.1%	4.1%	10	-1.2%	5%	16
Mercer	5.2%	5.9%	68	0.6%	54%	61
Monroe	3.5%	3.8%	5	-1.5%	0%	1
Montgomery	6.2%	7.0%	94	1.7%	93%	96
Morgan	4.3%	4.8%	31	-0.5%	25%	34
Moultrie	2.8%	4.2%	12	-1.1%	2%	13
Ogle	4.5%	5.0%	42	-0.3%	28%	36
Peoria	3.6%	4.9%	33	-0.4%	13%	24
Perry	5.8%	7.9%	98	2.6%	98%	97
Piatt	2.9%	4.2%	11	-1.1%	8%	20
Pike	4.1%	5.3%	51	0.0%	48%	55
Pope	5.9%	7.6%	97	2.3%	98%	100
Pulaski	5.4%	8.3%	101	3.0%	98%	97
Putnam	5.2%	5.9%	69	0.6%	57%	62
Randolph	4.3%	5.6%	60	0.3%	52%	56
Richland	3.8%	5.9%	72	0.6%	71%	76
Rock Island	3.7%	4.8%	30	-0.5%	21%	31
St. Clair	4.8%	5.9%	73	0.6%	78%	81
Saline	5.1%	7.1%	95	1.8%	88%	88
Sangamon	3.6%	4.3%	15	-1.0%	0%	1
Schuyler	4.0%	4.9%	36	-0.4%	38%	43
Scott	5.8%	5.6%	62	0.3%	47%	51
Shelby	4.3%	5.3%	52	0.0%	48%	53
Stark	4.2%	6.0%	75	0.7%	67%	73
Stephenson	4.0%	5.6%	59	0.3%	65%	71
Tazewell	3.4%	4.4%	20	-0.9%	5%	16
Union	5.6%	6.9%	91	1.6%	88%	90
Vermilion	4.6%	6.6%	87	1.3%	90%	92
Wabash	4.1%	6.6%	88	1.3%	59%	66
Warren	3.6%	4.8%	29	-0.5%	14%	26
Washington	3.6%	4.3%	17	-1.0%	10%	21
Wayne	3.5%	5.8%	66	0.5%	47%	51
White	4.1%	5.8%	65	0.5%	53%	57
Whiteside	4.2%	5.2%	48	-0.1%	44%	47
Will	3.9%	4.9%	32	-0.4%	13%	24
Williamson	4.0%	6.2%	78	0.9%	61%	67
Winnebago	4.5%	5.7%	64	0.4%	68%	75
Woodford	2.8%	3.5%	3	-1.8%	0%	1

Source: Bureau of Labor Statistics, U.S. Department of Labor

Chart 5. Illinois Unemployment Rate by County, 1997-2006



Average wage per job

To look at how well jobs pay in each state and county, average wage per job data was collected from the Bureau of Labor Statistics and examined from 1980 to 2005. Similar to the other variables, each state was ranked based on both most recent year and on growth rates over different periods. In this case, two time periods were examined, 1980 to 2005 and 1997 to 2005.

The Bureau of Economic Analysis defines average wages per job as follows:

Wage and salary disbursements consists of the monetary remuneration of employees, including the compensation of corporate officers; commissions, tips, and bonuses; and receipts in kind, or pay-in-kind, such as the meals furnished to the employees of restaurants. It reflects the amount of payments disbursed, but not necessarily earned during the year. Average wage per job is wage and salary disbursements divided by the number of wage and salary jobs (total wage and salary employment)[4].

[4] Bureau of Economic Analysis, Department of Commerce, Regional Definitions. http://www.bea.gov/regional/definitions/nextpage.cfm?key=Average%20wage%20per%20job

National Comparison of Average Wage per Job

In 2005, Connecticut had the highest average wage per job at $51,805. The rest of the top five included New York ($51,165), Massachusetts ($48,960), New Jersey ($48,622), and California ($45,778). The lowest ranked states were South Dakota, Montana, Mississippi, and North Dakota, who all averaged less than $30,000 per job. Illinois had the eighth highest wage per job in 2005 at $43,165. Illinois has consistently ranked near the top in this category as it has ranked 6th, 7th, or 8th every year since 1983.

Since 1980, Illinois had the 21st highest annual growth rate in wages. Illinois' average wage per job grew approximately 4.21% per year during this time period. The best state over this time period was Massachusetts which averaged wage growth of 5.31% per year. The only other state to average more than 5% per year was Connecticut at 5.19%. Alaska had the slowest growing wages averaging growth of 2.56% per year.

Looking at more recent years, Illinois has not compared as favorably to the rest of the states. From 1997 to 2005, Illinois averaged wage growth of 3.61%, ranking it 30th among all the states. During this time period, Virginia has had the highest level of growth, averaging 4.62% per year. Once again Alaska was the worst with wage growth of only 2.79% per year. Some notable changes from longer term patterns were seen in Wyoming, North Dakota, New Jersey, and Tennessee. The first two states wages grew much faster than the long term trend, while the latter states wages grew slower. Wyoming and North Dakota ranked 49th and 40th over the longer time period but were 8th and 11th from 1997 to 2005. New Jersey and Tennessee ranked 5th and 17th from 1980 to 2005 but were 35th and 37th since 1997.

Comparing Illinois to the national average in both average wage per job and growth in wages, the two appear to be very similar. While Illinois has consistently been approximately $2,000 higher in terms of average wage per job, the two have grown in very similar patterns. Examining growth rates for wages showed that Illinois has been just below the national average since 1980. Illinois' average wage per job grew approximately 4.21% per year, while the nation as a whole averaged growth of 4.32%. As seen in Chart 6 on the next page, Illinois and the U.S. average have tracked each other very closely. Even though the U.S. has grown slightly more than Illinois, the chances in any given year of Illinois being above the national average are decent as Illinois has grown faster in 11 of the last 25 years, which is 44% of the time.

For state groupings based on job and wage growth and for statistics on average wage per job for all fifty states, see Chart 7 and Table 6.

Chart 6. Wage per Job Comparison between Illinois and the U.S. Average

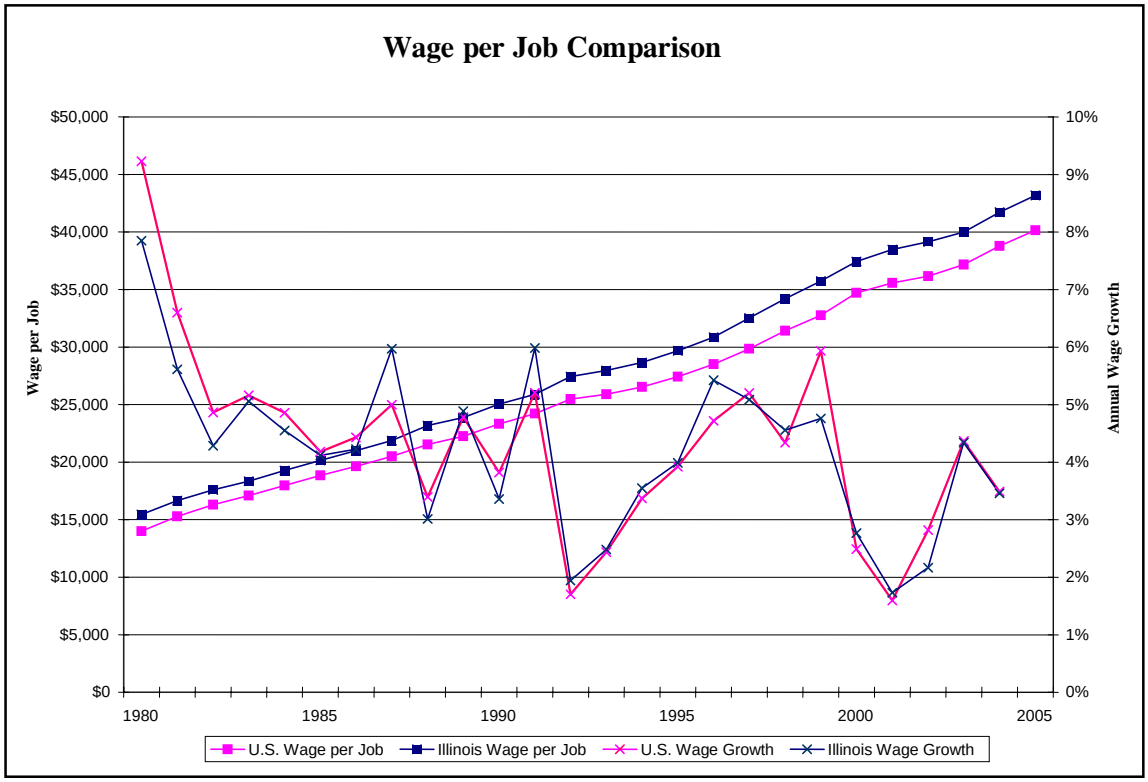


Chart 7. State Groupings based on Job and Wage Growth

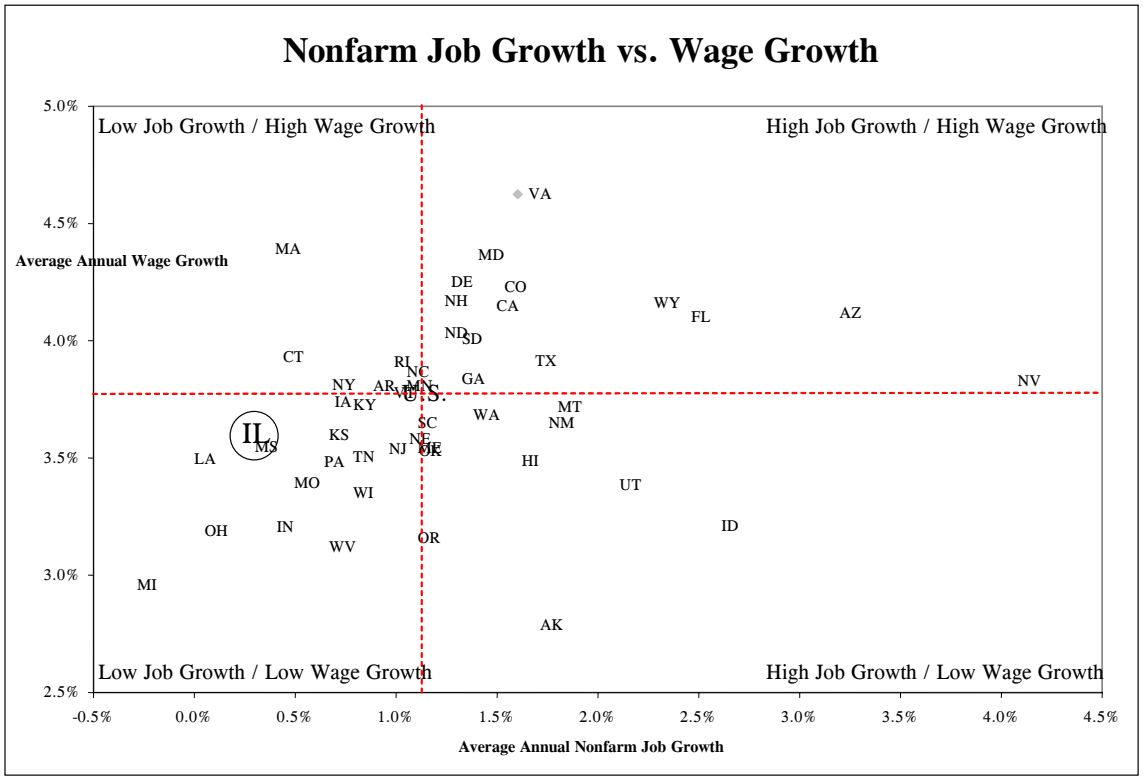


Table 6. Wages per Job by State

State	Wages per Job (2005)	Rank	Average Annual Growth in Wages (1980 to 2005)	Rank	Average Annual Growth in Wages (1997 to 2005)	Rank
U.S.	$40,146	N/A	4.32%	N/A	3.78%	N/A
Alabama	$33,965	31	4.15%	25	3.63%	28
Alaska	$40,409	13	2.56%	50	2.79%	50
Arizona	$37,840	21	4.19%	22	4.12%	9
Arkansas	$30,645	45	4.12%	28	3.81%	21
California	$45,778	5	4.59%	11	4.18%	6
Colorado	$41,062	11	4.35%	16	4.23%	5
Connecticut	$51,805	1	5.19%	2	3.93%	13
Delaware	$43,746	7	4.42%	14	4.25%	4
Florida	$36,583	24	4.40%	15	4.10%	10
Georgia	$38,632	19	4.63%	9	3.83%	17
Hawaii	$37,098	22	4.17%	23	3.48%	39
Idaho	$30,586	46	3.77%	41	3.21%	44
ILLINOIS	**$43,165**	**8**	**4.21%**	**21**	**3.61%**	**30**
Indiana	$34,856	29	3.74%	43	3.20%	45
Iowa	$32,389	41	3.83%	38	3.74%	23
Kansas	$33,385	34	3.95%	34	3.60%	31
Kentucky	$33,513	32	3.91%	35	3.73%	24
Louisiana	$33,046	37	3.59%	45	3.49%	38
Maine	$32,355	42	4.28%	18	3.54%	34
Maryland	$43,921	6	4.76%	7	4.36%	3
Massachusetts	$48,960	3	5.31%	1	4.39%	2
Michigan	$40,605	12	3.73%	44	2.96%	49
Minnesota	$39,957	14	4.44%	13	3.81%	22
Mississippi	$29,413	48	4.13%	27	3.57%	33
Missouri	$35,448	27	3.97%	33	3.39%	41
Montana	$29,139	49	3.43%	47	3.72%	25
Nebraska	$32,583	40	4.02%	31	3.58%	32
Nevada	$39,281	17	4.08%	29	3.83%	18
New Hampshire	$39,794	15	4.97%	3	4.17%	7
New Jersey	$48,622	4	4.86%	5	3.54%	35
New Mexico	$32,876	38	3.84%	37	3.65%	27
New York	$51,165	2	4.95%	4	3.81%	20
North Carolina	$35,549	26	4.59%	10	3.86%	16
North Dakota	$29,818	47	3.77%	40	4.03%	11
Ohio	$36,702	23	3.75%	42	3.19%	46
Oklahoma	$31,462	43	3.49%	46	3.53%	36
Oregon	$35,846	25	3.86%	36	3.16%	47
Pennsylvania	$38,845	18	4.14%	26	3.48%	40
Rhode Island	$38,043	20	4.66%	8	3.91%	15
South Carolina	$32,609	39	4.27%	19	3.63%	29
South Dakota	$28,951	50	4.05%	30	4.01%	12
Tennessee	$35,241	28	4.30%	17	3.50%	37
Texas	$39,637	16	4.23%	20	3.91%	14
Utah	$33,150	35	3.80%	39	3.39%	42
Vermont	$33,425	33	4.48%	12	3.82%	19
Virginia	$42,089	9	4.82%	6	4.62%	1
Washington	$41,525	10	4.16%	24	3.68%	26
West Virginia	$30,879	44	3.20%	48	3.12%	48
Wisconsin	$34,795	30	3.98%	32	3.35%	43
Wyoming	$33,069	36	3.15%	49	4.16%	8

Source: Bureau of Labor Statistics, U.S. Department of Labor

Regional Comparison of Average Wage per Job

Illinois has compared favorably to the rest of the examined region when average wage per job was considered. In 2005, Illinois had the highest wage per job at $43,165, which was $2,560 more per year than the next closest state Michigan ($40,605). The regional average was $36,434 per year. Iowa had the lowest average wage at $32,389 per year. Over the last twenty five years, Illinois averaged growth of 4.21% per year which was the highest growth rate for the region. The regional average was 3.89% per year. In more recent years (1997 to 2005), Illinois has average growth of 3.61% per year placing it 3rd behind Iowa (3.74%) and Kentucky (3.73%). The average growth in wages for the region over the more recent time period was 3.40% per year. Michigan had the slowest growth in wages over both time periods.

Illinois Average Wage per Job at the County Level

At the county level, the average wage per job situation is somewhat misleading due to the importance of Cook County. In 2005, Cook County had the highest average wage per job at $49,256. As one would expect with Cook County accounting for over 40% of the State's population, it heavily weighed on the Illinois average. Due to the heavy weighting of Cook County, only three other counties were above the Illinois wage per job average of $43,165. These three counties were Lake ($48,698), DuPage ($47,922), and Tazewell ($43,742). The other 98 counties of Illinois had average wage per job less than the State average. When thinking about wages outside of Cook County, the Illinois county median of $28,609 would most likely be a more appropriate wage level to consider.

In terms of average wage per job growth, Pulaski County averaged the highest rate of growth over the last 25 years. From 1980 to 2005, Pulaski County averaged growth of 5.55% per year in average wage per job. The only other counties to average more than 5% growth were Brown (5.18%) and Lake (5.08%). Over this time period, the counties with the slowest rates of growth were Perry, Franklin, and Whiteside, who all averaged growth of less than 2.6% per year.

In more recent years (1997 - 2005), Schuyler County's wages per job have grown the most. Over this time period, the county's wages per job grew an average of 6.38% per year. Schuyler County was followed by Bureau and Stark Counties who averaged growth of 4.82% and 4.76%, respectively. The slowest wage growth per job was seen in Putnam, Wabash, and Pope Counties which each averaged annual growth of less than 2%.

When the two time periods were examined, some counties stuck out. Four counties have done considerably worse in recent years, while two counties have done considerably better. Boone, Stephenson, Grundy, and Calhoun Counties fit into the

first category, while Lawrence and Cass Counties fit into the second. Boone County who had one of the better growth rates over the long term (4.11%, 20th) averaged only 1.68% growth (93rd) in recent years. Stephenson County averaged wage growth per job of 4.05% from 1980 to 2005 (28th) but was ranked 94th with growth of 2.40% from 1997-2005. Grundy ranked 70 positions lower in the more recent period (2.84%, 82nd) than over the longer period (4.36%, 12th). Calhoun County averaged growth of 3.82% (44th) from 1980 to 2005 but only averaged growth of 2.37% (95th) since 1997. Lawrence County, on the other hand, has shown improvement in recent year going from 89th (3.18%) over the long term to 4th (4.72%) in the short term. Likewise, Cass County ranked 98th with growth of 2.76% from 1980 to 2005 but was the 30th fastest growing county in Illinois with growth of 3.72% from 1997 to 2005. For more information on all the Counties, see Chart 8, Chart 9, and Table 7.

Chart 8. Illinois Average Wage per Job

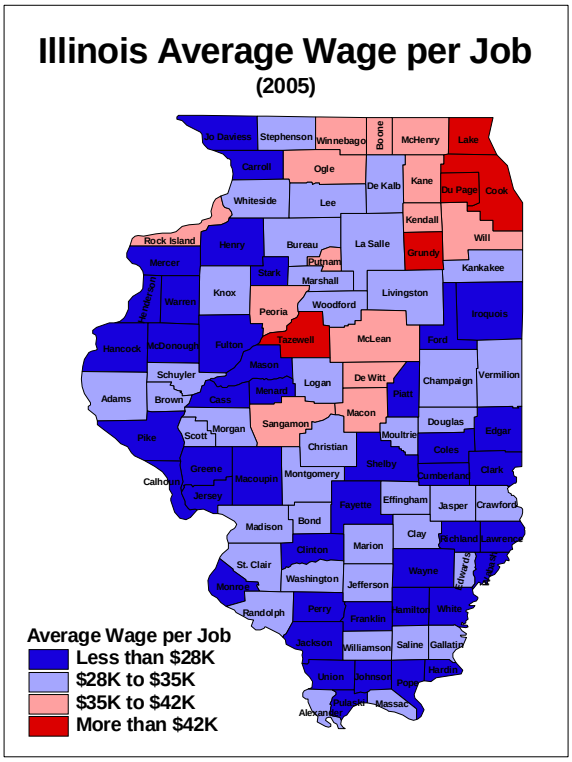


Chart 9. Illinois Wage Growth

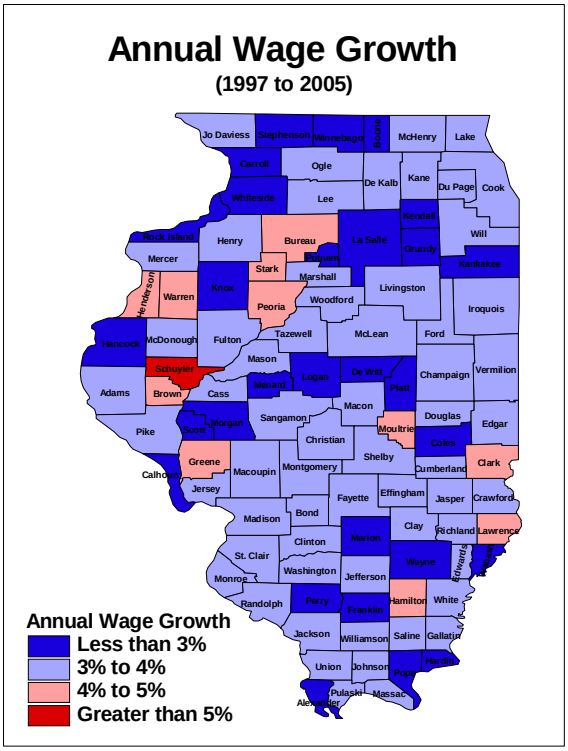


Table 7. Illinois Average Wage per Job by County

County	Average Wage per Job 2005	County Rank	Average Annual Growth in Wages (1980 - 2005)	County Rank	Average Annual Growth in Wages (1980 - 2005)	County Rank
Adams	$29,621	40	3.46%	73	3.12%	70
Alexander	$29,257	43	4.02%	31	2.92%	79
Bond	$29,119	44	4.50%	8	3.64%	35
Boone	$40,697	6	4.11%	20	2.42%	93
Brown	$33,573	24	5.18%	2	4.49%	9
Bureau	$30,854	36	4.12%	18	4.82%	2
Calhoun	$21,159	102	3.82%	44	2.37%	95
Carroll	$25,946	83	3.66%	57	2.42%	92
Cass	$27,439	64	2.76%	98	3.72%	30
Champaign	$31,985	30	4.10%	21	3.53%	40
Christian	$28,115	58	3.16%	90	3.08%	71
Clark	$26,867	69	4.06%	27	4.07%	12
Clay	$28,582	52	4.07%	25	3.68%	33
Clinton	$26,276	77	3.94%	35	3.39%	53
Coles	$26,141	80	3.38%	77	2.00%	99
Cook	$49,256	1	4.44%	9	3.87%	21
Crawford	$32,356	28	3.43%	74	3.48%	44
Cumberland	$23,203	99	4.57%	6	3.98%	15
DeKalb	$31,034	35	3.92%	36	3.84%	22
De Witt	$35,556	17	3.81%	46	2.50%	91
Douglas	$28,970	46	2.83%	96	3.22%	63
DuPage	$47,922	3	4.72%	4	3.51%	42
Edgar	$27,626	62	3.91%	37	3.97%	16
Edwards	$28,750	48	3.79%	48	3.88%	19
Effingham	$28,687	50	3.38%	78	3.80%	25
Fayette	$25,611	86	3.67%	56	3.16%	68
Ford	$27,584	63	3.71%	54	4.01%	14
Franklin	$26,148	79	2.39%	101	2.68%	86
Fulton	$24,527	92	3.02%	94	3.48%	47
Gallatin	$29,330	41	2.72%	99	3.88%	18
Greene	$22,603	101	3.77%	51	4.36%	10
Grundy	$42,086	5	4.36%	12	2.84%	82
Hamilton	$25,100	88	4.19%	16	4.55%	7
Hancock	$24,954	89	3.97%	33	3.02%	75
Hardin	$23,675	97	3.05%	93	2.58%	87
Henderson	$22,995	100	4.38%	10	4.30%	11
Henry	$26,428	75	3.47%	72	3.63%	36
Iroquois	$25,930	85	3.84%	42	3.88%	20
Jackson	$27,268	66	3.59%	61	3.13%	69
Jasper	$28,535	53	3.27%	86	3.27%	59
Jefferson	$31,412	33	3.57%	64	3.17%	67
Jersey	$24,420	93	3.57%	63	3.71%	31
Jo Daviess	$25,597	87	4.06%	26	3.36%	56
Johnson	$27,871	60	3.68%	55	3.57%	38
Kane	$37,833	11	4.11%	19	3.18%	66
Kankakee	$31,756	32	3.65%	58	2.83%	83
Kendall	$37,207	13	2.90%	95	2.50%	90
Knox	$28,732	49	3.22%	88	2.56%	88
Lake	$48,698	2	5.08%	3	4.04%	13
La Salle	$31,797	31	3.49%	69	3.03%	74
Lawrence	$26,787	72	3.18%	89	4.72%	4

Source: Bureau of Labor Statistics, U.S. Department of Labor

Table 7. continued

County	Average Wage per Job 2005	County Rank	Average Annual Growth in Wages (1980 - 2005)	County Rank	Average Annual Growth in Wages (1997 - 2005)	County Rank
Lee	$32,512	27	4.20%	15	3.38%	54
Livingston	$33,800	22	4.05%	29	3.70%	32
Logan	$29,259	42	3.78%	49	2.70%	85
McDonough	$26,381	76	4.04%	30	3.23%	61
McHenry	$35,839	16	4.24%	14	3.22%	65
McLean	$38,700	9	4.34%	13	3.38%	55
Macon	$38,269	10	3.62%	60	3.44%	50
Macoupin	$26,956	68	3.29%	85	3.45%	48
Madison	$34,015	21	3.42%	75	3.48%	43
Marion	$28,637	51	3.14%	91	2.74%	84
Marshall	$28,018	59	3.56%	65	3.80%	27
Mason	$26,133	81	3.54%	67	3.80%	26
Massac	$33,180	26	3.87%	39	3.76%	29
Menard	$23,928	96	3.34%	83	2.86%	81
Mercer	$23,980	95	3.88%	38	3.43%	51
Monroe	$27,662	61	4.01%	32	3.39%	52
Montgomery	$28,169	56	3.32%	84	3.53%	41
Morgan	$28,930	47	3.72%	52	2.95%	77
Moultrie	$28,122	57	4.08%	23	4.59%	6
Ogle	$35,434	18	4.36%	11	3.77%	28
Peoria	$39,099	8	3.64%	59	4.54%	8
Perry	$27,346	65	2.34%	102	2.35%	96
Piatt	$26,732	73	3.78%	50	2.99%	76
Pike	$24,266	94	3.97%	34	3.82%	23
Pope	$23,478	98	3.50%	68	1.98%	100
Pulaski	$26,730	74	5.55%	1	3.54%	39
Putnam	$36,567	15	3.06%	92	1.83%	102
Randolph	$31,086	34	3.48%	71	3.65%	34
Richland	$26,086	82	3.38%	76	3.08%	72
Rock Island	$40,043	7	3.35%	81	2.95%	78
St. Clair	$34,477	20	3.80%	47	3.81%	24
Saline	$30,428	38	3.84%	41	3.60%	37
Sangamon	$36,948	14	4.08%	24	3.22%	64
Schuyler	$30,283	39	4.68%	5	6.38%	1
Scott	$33,655	23	3.82%	45	2.25%	97
Shelby	$24,912	91	4.16%	17	3.06%	73
Stark	$25,945	84	4.09%	22	4.76%	3
Stephenson	$33,430	25	4.05%	28	2.40%	94
Tazewell	$43,724	4	3.34%	82	3.48%	45
Union	$26,845	70	3.58%	62	3.92%	17
Vermilion	$32,073	29	3.37%	79	3.28%	58
Wabash	$27,114	67	2.81%	97	1.97%	101
Warren	$26,202	78	3.37%	80	4.71%	5
Washington	$30,610	37	4.52%	7	3.26%	60
Wayne	$24,954	89	3.55%	66	2.88%	80
White	$26,794	71	3.83%	43	3.23%	62
Whiteside	$28,385	55	2.59%	100	2.14%	98
Will	$37,429	12	3.71%	53	3.31%	57
Williamson	$28,972	45	3.24%	87	3.48%	46
Winnebago	$35,082	19	3.48%	70	2.52%	89
Woodford	$28,512	54	3.86%	40	3.44%	49

Source: Bureau of Labor Statistics, U.S. Department of Labor

III. Personal Income

Personal income was also examined to get a better picture of Illinois' economy and how it compares to other states. Using a similar time period as the GDP analysis, 1997 to 2006, personal income was examined on a per capita basis. Individual states were ranked on the basis of total income per capita and on a percentage change basis. Changes in the rankings from 1997 to 2006 were noted. Differences were also examined at the county level. The per capita personal income data was obtained from the Bureau of Economic Analysis.

Personal income, per capita

Personal Income is the income that is received by all persons from all sources. It is calculated as the sum of wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance.

This measure of income is calculated as the personal income of the residents of a given area divided by the resident population of the area. In computing per capita personal income, the Bureau of Economic Analysis uses the Census Bureau's annual midyear population estimates[5].

National Comparison of Personal Income per capita

In 2006, Illinois had per capita personal income of $38,215. This ranked Illinois 13th in the country behind leaders, Connecticut ($49,852), New Jersey ($46,344), and Massachusetts ($45,877). This was a seven place fall for the State rankings since 1997, when it ranked 6th. Looking at annual growth rates, similar to GDP growth, Illinois lagged the rest of the country. Illinois averaged annual growth in personal income per capita of 3.83% from 1997 to 2006. This ranked Illinois 44th in the country over this time period. The highest levels of personal income growth could be found in the northern portion of the country in such states as Wyoming (6.57%, 1st), North Dakota, (5.35%, 3rd), South Dakota (5.15%, 5th), and Montana (5.03%, 7th). Average growth for personal income per capita for the U.S. was 4.19%. More detailed information on this personal income at the state level can be found in Table 8, Chart 10, and Chart 11 on the following pages.

[5] Bureau of Economic Analysis, Department of Commerce, Regional Definitions. http://www.bea.gov/regional/definitions/nextpage.cfm?key=Personal%20income,%20per%20capita

Table 8. Personal Income by State

State	2006 Per Capita Personal Income	2006 State Ranking	1997 State Ranking	Per Capita Personal Income Average Growth Rate (1997-2006)	Growth Rate State Ranking
U.S.	**$36,276**	**N/A**	**N/A**	**4.19%**	**N/A**
Alabama	$31,295	40	39	4.78%	10
Alaska	$37,271	16	11	3.93%	40
Arizona	$31,458	39	37	4.22%	30
Arkansas	$27,935	48	48	4.15%	33
California	$38,956	11	12	4.34%	23
Colorado	$39,186	8	10	4.54%	13
Connecticut	$49,852	1	1	4.19%	32
Delaware	$39,022	10	13	4.63%	12
Florida	$35,798	20	22	4.38%	21
Georgia	$31,891	38	26	3.51%	50
Hawaii	$36,299	19	16	3.92%	41
Idaho	$29,952	43	44	4.40%	19
ILLINOIS	**$38,215**	**13**	**6**	**3.83%**	**44**
Indiana	$32,526	33	32	4.08%	38
Iowa	$33,236	30	28	4.11%	35
Kansas	$34,743	21	25	4.45%	15
Kentucky	$29,352	46	40	4.09%	37
Louisiana	$30,952	41	42	5.36%	2
Maine	$32,348	34	35	4.42%	18
Maryland	$44,077	4	5	5.07%	6
Massachusetts	$45,877	3	3	4.78%	9
Michigan	$33,847	27	18	3.63%	47
Minnesota	$38,712	12	8	4.28%	25
Mississippi	$26,535	50	50	4.27%	26
Missouri	$32,705	31	27	3.85%	42
Montana	$30,688	42	46	5.03%	7
Nebraska	$34,397	23	24	4.24%	28
Nevada	$37,089	17	9	3.59%	48
New Hampshire	$39,311	7	7	4.40%	20
New Jersey	$46,344	2	2	4.26%	27
New Mexico	$29,673	44	47	4.88%	8
New York	$42,392	5	4	3.84%	43
North Carolina	$32,234	36	30	3.67%	46
North Dakota	$32,552	32	41	5.35%	3
Ohio	$33,338	29	20	3.58%	49
Oklahoma	$32,210	37	43	5.29%	4
Oregon	$33,666	28	23	3.79%	45
Pennsylvania	$36,680	18	17	4.29%	24
Rhode Island	$37,388	15	19	4.48%	14
South Carolina	$29,515	45	38	4.06%	39
South Dakota	$33,929	26	36	5.15%	5
Tennessee	$32,304	35	34	4.23%	29
Texas	$34,257	25	29	4.45%	16
Utah	$29,108	47	45	4.10%	36
Vermont	$34,264	24	33	4.64%	11
Virginia	$39,173	9	15	4.44%	17
Washington	$37,423	14	14	4.11%	34
West Virginia	$27,897	49	49	4.35%	22
Wisconsin	$34,701	22	21	4.20%	31
Wyoming	$40,676	6	31	6.57%	1

Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce

Chart 10. Personal Income by State

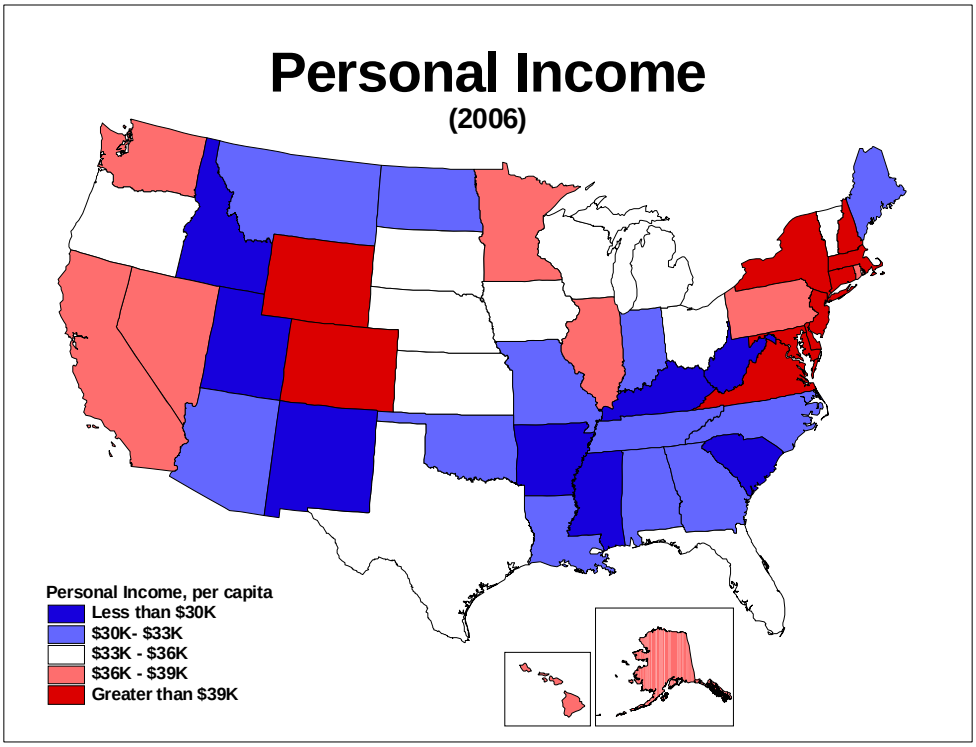
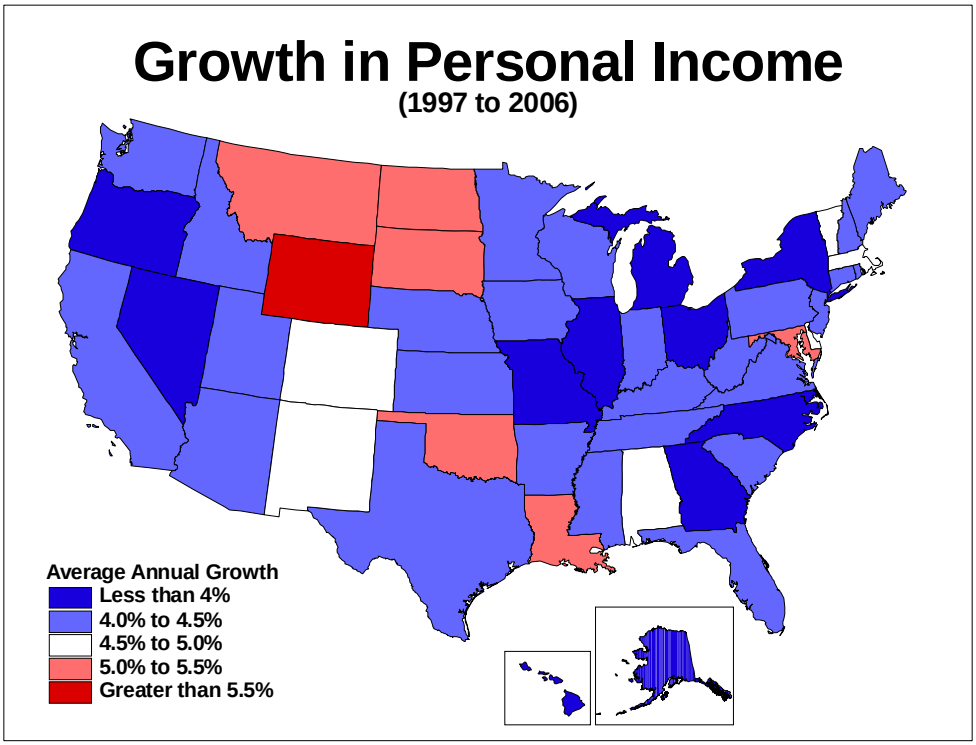


Chart 11. Average Annual Growth in Personal Income



Regional Comparison of Personal Income per capita

Similar to the national comparison, Illinois did well on the absolute value of personal incomer per capita but not as well when recent growth of personal income was considered. From 1997 to 2006, Illinois had the highest personal income per capita in the region at $38,215. Illinois was more than $3,500 higher than 2nd ranked Wisconsin and more than $4,700 higher than the regional average of $33,490. Kentucky had the lowest personal income at $29,352 per year.

Illinois was 6th out of eight in terms of growth in personal income. Illinois averaged growth of 3.83% per year from 1997 to 2006. This was slightly below the regional average of 3.92% per year. The state with the fastest growth was Wisconsin which grew at 4.20% per year. The two states Illinois was ahead of were Ohio (3.58%) and Michigan (3.63%).

Illinois Personal Income per capita at the County Level

Examining personal income at the county shows that Illinois counties vary considerably across the state. The highest levels of personal income per capita in 2005, the latest year available, were in northeastern Illinois in Lake ($48,906), DuPage ($48,472), Cook ($39,423), and McHenry ($35,265) counties. The three highest counties are significantly higher than the rest of Illinois. The lowest levels of personal income per capita can be found in southern and western Illinois. Johnson, Brown, and Pope counties have the lowest levels at $19,994, $21,022, and $22,455, respectively.

Investigating growth rates over the examined time period (1997 to 2005) showed that the highest levels of growth occurred in the southern portion of the state. Jackson County had the highest level of growth averaging growth of 5.02%. Due to this high growth rate, Jackson County rose thirty-two positions from 89th to 57th in personal income per capita. Jackson County was followed by Schuyler (4.86%), Pope (4.57%), Brown (4.41%), and Williamson (4.26%) counties. Similar to Jackson County, Williamson County rose significantly over the examined time period, going from 78th to 49th in the rankings. On the opposite end of the spectrum, Boone (1.23%), Gallatin (1.52%), Kendall (1.77%) and Grundy (1.90%) counties were the slowest growing. Boone County fell twenty-nine spots (14th to 43rd) during this time period, while De Witt and Richland counties both fell twenty-three positions. Maps showing the distribution of personal income and related growth can be found below. For personal income data for all the counties please see Table 9 on pages 32 and 33.

Chart 12. Illinois Personal Income

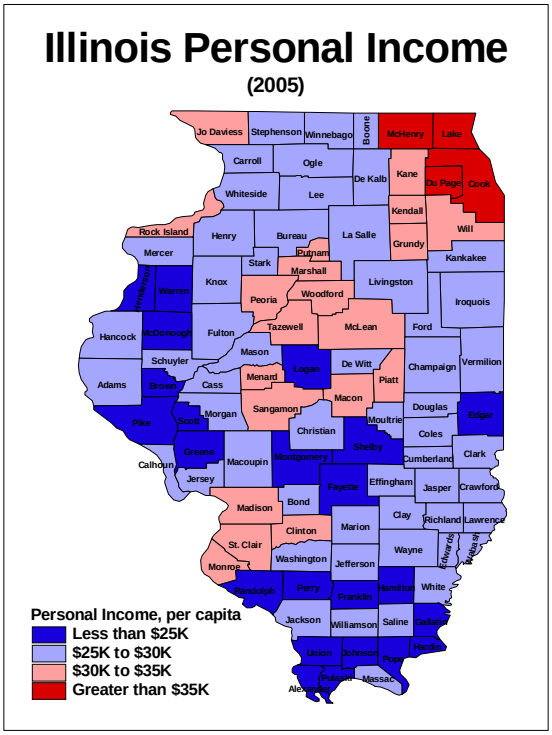


Chart 13. Illinois Income Growth

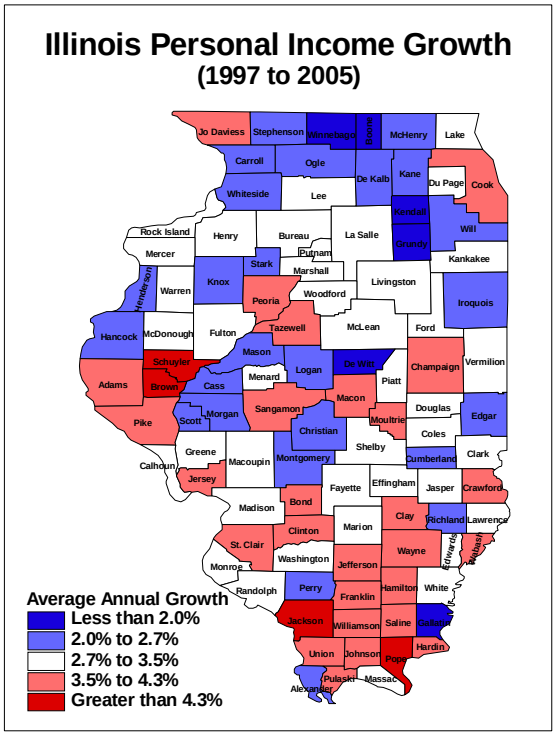


Table 9. Illinois Personal Income by County

County	2005 Personal Income per Capita	2005 Ranking	1997 Ranking	Change in Ranking	Average Annual Growth	Growth Ranking
Adams	$29,927	45	27	18	3.89%	19
Alexander	$19,422	99	102	-3	2.59%	76
Bond	$26,932	73	51	22	3.96%	13
Boone	$27,589	14	43	-29	1.23%	102
Brown	$21,022	101	100	1	4.41%	4
Bureau	$28,801	37	33	4	3.23%	44
Calhoun	$25,655	66	72	-6	2.97%	57
Carroll	$26,526	39	55	-16	2.18%	94
Cass	$25,659	51	71	-20	2.25%	90
Champaign	$29,441	48	30	18	4.02%	11
Christian	$27,042	36	50	-14	2.38%	86
Clark	$25,833	68	68	0	3.23%	43
Clay	$26,169	76	63	13	3.70%	24
Clinton	$30,635	38	20	18	4.03%	10
Coles	$26,173	67	62	5	3.26%	42
Cook	$39,423	3	3	0	3.94%	14
Crawford	$26,111	79	64	15	3.77%	22
Cumberland	$25,613	57	74	-17	2.51%	80
DeKalb	$27,778	30	42	-12	2.43%	84
De Witt	$26,852	29	52	-23	1.90%	98
Douglas	$27,873	52	40	12	3.34%	40
DuPage	$48,472	2	2	0	2.90%	63
Edgar	$24,010	72	87	-15	2.74%	73
Edwards	$26,375	62	58	4	3.10%	50
Effingham	$28,691	41	34	7	3.26%	41
Fayette	$21,660	95	97	-2	3.02%	54
Ford	$29,818	22	28	-6	2.80%	69
Franklin	$23,336	94	90	4	3.79%	21
Fulton	$25,924	75	67	8	3.49%	36
Gallatin	$21,769	80	96	-16	1.52%	101
Greene	$21,877	96	95	1	3.35%	39
Grundy	$30,542	9	22	-13	1.90%	99
Hamilton	$24,656	91	80	11	3.94%	15
Hancock	$26,251	49	61	-12	2.46%	82
Hardin	$22,000	97	94	3	3.90%	17
Henderson	$24,399	64	84	-20	2.33%	88
Henry	$28,910	32	32	0	3.04%	51
Iroquois	$26,317	50	59	-9	2.55%	79
Jackson	$26,483	89	57	32	5.02%	1
Jasper	$25,956	58	66	-8	2.85%	66
Jefferson	$26,061	82	65	17	3.90%	16
Jersey	$29,059	47	31	16	3.64%	28
Jo Daviess	$34,115	12	6	6	3.81%	20
Johnson	$19,994	102	101	1	4.18%	6
Kane	$32,515	5	12	-7	2.24%	91
Kankakee	$27,275	46	46	0	2.80%	68
Kendall	$30,972	6	19	-13	1.77%	100
Knox	$25,442	53	75	-22	2.18%	93
Lake	$48,906	1	1	0	2.95%	59
La Salle	$28,481	42	35	7	3.20%	45
Lawrence	$25,666	61	70	-9	2.84%	67

Source: Bureau of Economic Analysis, U.S. Dept. of Commerce

Table 9. continued

County	2005 Personal Income per Capita	2005 Ranking	1997 Ranking	Change in Ranking	Average Annual Growth	Growth Ranking
Lee	$26,584	56	53	3	2.93%	61
Livingston	$29,666	35	29	6	3.53%	33
Logan	$24,165	65	85	-20	2.18%	95
McDonough	$23,279	85	91	-6	2.76%	71
McHenry	$35,265	4	4	0	2.75%	72
McLean	$32,905	13	10	3	3.42%	38
Macon	$32,808	24	11	13	4.14%	7
Macoupin	$27,900	40	39	1	2.89%	64
Madison	$30,973	27	18	9	3.53%	32
Marion	$26,271	60	60	0	2.91%	62
Marshall	$30,079	23	23	0	2.94%	60
Mason	$25,640	55	73	-18	2.45%	83
Massac	$25,194	84	78	6	3.51%	35
Menard	$30,560	21	21	0	3.03%	53
Mercer	$28,443	31	37	-6	2.78%	70
Monroe	$34,042	7	7	0	3.19%	46
Montgomery	$24,511	69	82	-13	2.62%	75
Morgan	$25,715	59	69	-10	2.57%	77
Moultrie	$27,301	63	45	18	3.61%	29
Ogle	$27,833	34	41	-7	2.69%	74
Peoria	$34,486	15	5	10	4.09%	8
Perry	$21,191	93	99	-6	2.48%	81
Piatt	$32,313	11	13	-2	3.11%	49
Pike	$24,439	88	83	5	3.55%	31
Pope	$22,455	100	93	7	4.57%	3
Pulaski	$21,227	98	98	0	3.68%	26
Putnam	$31,014	26	17	9	3.53%	34
Randolph	$23,596	92	89	3	3.46%	37
Richland	$25,217	54	77	-23	2.25%	89
Rock Island	$31,475	17	15	2	3.14%	48
St. Clair	$30,013	43	24	19	3.89%	18
Saline	$25,383	87	76	11	3.97%	12
Sangamon	$33,904	10	8	2	3.67%	27
Schuyler	$28,132	81	38	43	4.86%	2
Scott	$22,909	83	92	-9	2.35%	87
Shelby	$24,628	77	81	-4	2.98%	56
Stark	$27,262	28	48	-20	2.11%	96
Stephenson	$29,945	19	26	-7	2.56%	78
Tazewell	$33,888	16	9	7	4.07%	9
Union	$24,071	90	86	4	3.58%	30
Vermilion	$25,068	74	79	-5	3.04%	52
Wabash	$26,486	71	56	15	3.69%	25
Warren	$23,809	86	88	-2	2.96%	58
Washington	$29,960	25	25	0	3.00%	55
Wayne	$26,573	70	54	16	3.71%	23
White	$27,571	44	44	0	2.86%	65
Whiteside	$27,269	33	47	-14	2.41%	85
Will	$31,520	8	14	-6	2.22%	92
Williamson	$27,169	78	49	29	4.26%	5
Winnebago	$28,464	20	36	-16	1.93%	97
Woodford	$31,450	18	16	2	3.16%	47

Source: Bureau of Economic Analysis, U.S. Dept. of Commerce

IV. Standard of Living

As stated in the Winter-2003 issue of "The Ledger", an economic education newsletter published twice per year by the Federal Reserve Bank of Boston, "there is a generally accepted measure of standard of living: average real gross domestic product (GDP) per capita. Let's break it down piece by piece:

- GDP measures annual economic output – the total value of new goods and services produced within a country's border.
- Real GDP is the inflation-adjusted value.
- Average GDP per capita tells us how big each person's share of GDP would be if we were to divide the total into equal portions.

In effect, we take the value of all goods and services produced within a country's borders, adjust for inflation, and divide by the total population.

If average real GDP per capita is increasing, there's a strong likelihood that: (a) more goods and services are available to consumers, and (b) consumers are in a better position to buy them.[6]"

There are other ways of measuring an area's standard of living such as the Genuine Progress Indicator (GPI), the Human Development Index (HDI), and the Index of Social Health but as these measurements use more non-economic related variables and data are not available at the state level, this study will use real gross domestic product per capita.

National Comparison of Standard of Living

As illustrated in Table 10, Delaware had the highest average real GDP per capita in 2006 at $65,292. Delaware was followed by Connecticut ($52,092) and Nevada ($51,354). Illinois ranked 18th at $41,026 which was just above the U.S. average of $40,465. The lowest ranked states were Mississippi ($24,760), West Virginia ($24,839), and Montana ($29,409). As can be seen in Chart 14, based on this measurement, the highest standard of living levels tended to be on the coasts, with lower ranked states in the south and center of the country.

In terms of growth, California has been the best over the last decade. From 1997 to 2006, California averaged 3.0% growth in average real GDP per capita. Vermont and South Dakota followed at 2.93% and 2.91%. Illinois was the 37th fastest growing state in this category by averaging growth of 1.13% per year. The slowest growing states

[6] Federal Reserve Bank of Boston. 2003. How do we Measure "Standard of Living". *The Ledger* (Winter): 4-8.

during this time period actually regressed. Alaska averaged growth of -0.78% per year as it fell from $50,825 in 1997 to $46,919 in 2006, while Nevada decreased from $52,822 to $51,354 (-0.29% per year). The country as a whole grew an average 1.78% per year from 1997 to 2006. As shown in Chart 15, half the states averaged growth between 1% and 2% over this time period.

Examining these results, a few states stood out. South Dakota and Vermont both rose more than ten positions over the last ten years, while Michigan and Missouri fell more than ten spots. South Dakota was ranked 40th in 1997 and rose to 26th in 2006. Similarly, Vermont went from 42nd to 32nd. Michigan went from 21st to 38th, while Missouri fell from 27th to 37th. During this time period, Illinois fell from 12th to 18th.

Regional Comparison of Standard of Living

Illinois had the highest real GDP per capita in the region during 2006 at $41,026. Illinois was followed by Wisconsin ($36,875) and Iowa ($36,449). The regional average was $35,875, which was more than $4,400 per year more than the lowest state, Kentucky.

While the states of the region have an average rank of 33rd in the nation, the region has fallen behind the rest of the country in terms of growth. The fastest growing state in the region was Iowa which averaged growth of 1.90% per year between 1997 and 2006. Iowa was followed by Wisconsin (1.36%) and Indiana (1.26%). Illinois was fourth at 1.13% per year which was above the regional average of 0.97% per year. Once again Michigan was the slowest growing state at 0.04% per year. Overall the region did so poorly over this time period that only one state (Iowa) moved up in the national rankings and one other remained at their 1997 ranking (Wisconsin). The rest of the states decreased an average of eight positions in the national rankings.

Table 10. Real GDP per Capita by State

State	Real GDP Per Capita (2006)	2006 State Ranking	1997 State Ranking	Difference in Ranking	Average Growth in Real GDP per Capita (1997-2006)	State Ranking
U.S.	**$40,465**	**N/A**	**N/A**	**N/A**	**1.78%**	**N/A**
Alabama	$30,829	45	45	0	1.68%	22
Alaska	$46,919	7	3	-4	-0.78%	50
Arizona	$41,046	16	20	4	1.95%	14
Arkansas	$29,546	47	46	-1	1.23%	36
California	$45,342	10	18	8	3.00%	1
Colorado	$47,014	6	5	-1	1.38%	32
Connecticut	$52,092	2	4	2	1.91%	15
Delaware	$65,292	1	1	0	1.50%	28
Florida	$38,704	23	31	8	2.21%	13
Georgia	$41,155	15	7	-8	0.76%	43
Hawaii	$40,449	22	15	-7	1.25%	35
Idaho	$35,517	33	41	8	2.55%	7
ILLINOIS	**$41,026**	**18**	**12**	**-6**	**1.13%**	**37**
Indiana	$35,571	31	30	-1	1.26%	34
Iowa	$36,449	30	32	2	1.90%	16
Kansas	$35,338	34	33	-1	1.59%	25
Kentucky	$31,238	44	37	-7	0.39%	47
Louisiana	$31,646	42	34	-8	0.43%	45
Maine	$31,615	43	43	0	1.74%	20
Maryland	$41,853	14	22	8	2.37%	10
Massachusetts	$47,607	5	9	4	2.66%	6
Michigan	$34,140	39	21	-18	0.04%	48
Minnesota	$43,783	11	11	0	1.85%	17
Mississippi	$24,760	50	49	-1	0.40%	46
Missouri	$34,977	37	27	-10	0.72%	44
Montana	$29,409	48	48	0	1.79%	18
Nebraska	$37,800	24	24	0	1.40%	29
Nevada	$51,354	3	2	-1	-0.29%	49
New Hampshire	$40,529	21	26	5	2.38%	9
New Jersey	$46,844	8	6	-2	1.57%	26
New Mexico	$34,578	38	38	0	1.61%	24
New York	$47,662	4	10	6	2.79%	4
North Carolina	$40,653	20	16	-4	1.38%	31
North Dakota	$33,997	40	44	4	2.75%	5
Ohio	$35,044	36	29	-7	0.93%	41
Oklahoma	$30,766	46	47	1	1.76%	19
Oregon	$41,035	17	23	6	2.35%	12
Pennsylvania	$35,330	35	35	0	1.65%	23
Rhode Island	$37,241	27	36	9	2.35%	11
South Carolina	$32,226	41	39	-2	0.99%	40
South Dakota	$37,347	26	40	14	2.91%	3
Tennessee	$36,756	29	25	-4	1.11%	38
Texas	$42,218	13	13	0	1.55%	27
Utah	$37,446	25	19	-6	0.87%	42
Vermont	$35,567	32	42	10	2.93%	2
Virginia	$45,531	9	14	5	2.54%	8
Washington	$43,367	12	8	-4	1.39%	30
West Virginia	$24,839	49	50	1	1.04%	39
Wisconsin	$36,875	28	28	0	1.36%	33
Wyoming	$40,978	19	17	-2	1.69%	21

Source: Bureau of Economic Analysis, U.S. Department of Commerce

Chart 14. Standard of Living by State

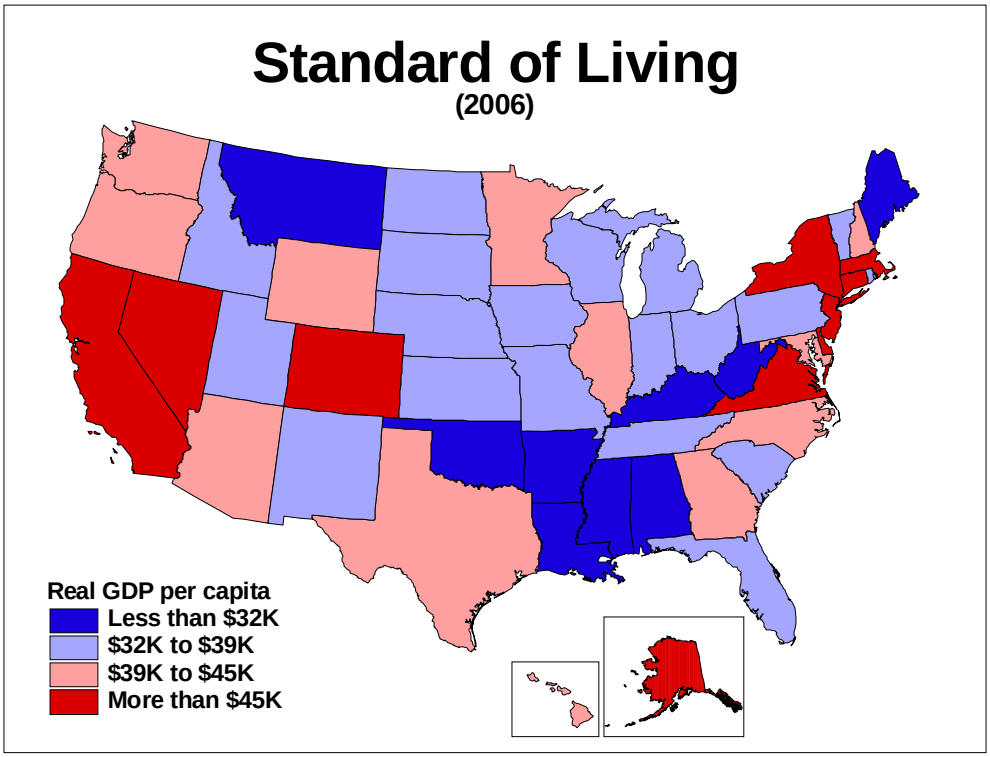
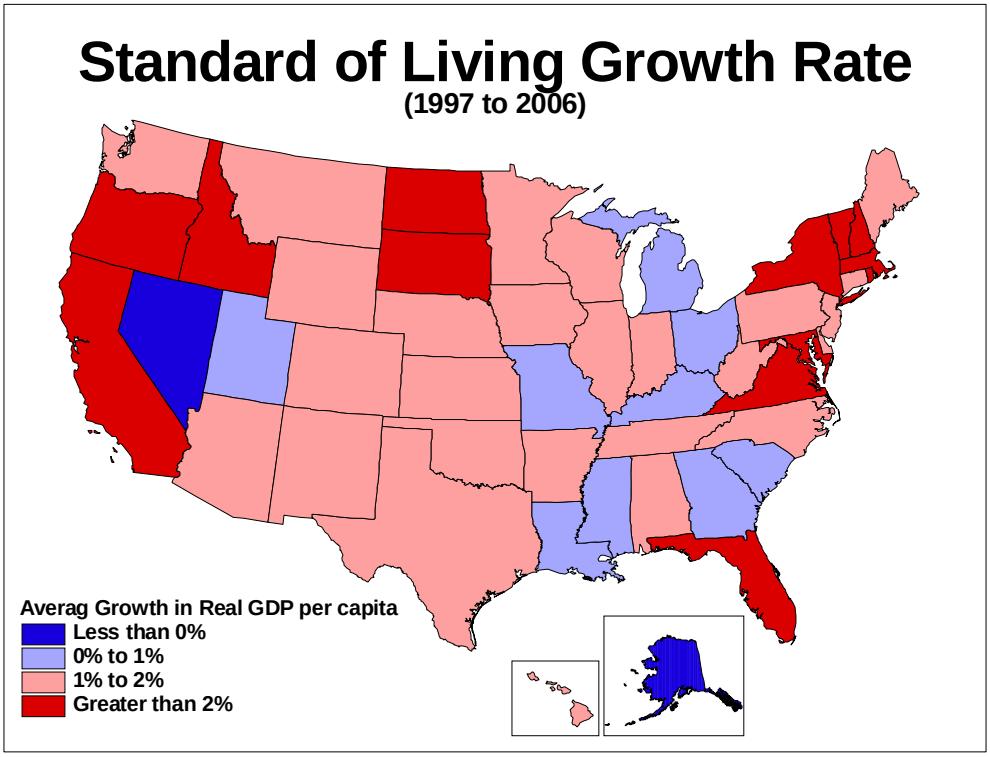


Chart 15. Standard of Living Growth Rate



V. Summary

To conclude this report, summary tables of the various economic factors are presented. Table 11 shows the state rankings for each of the variables studied. This table shows that while Illinois did well in absolute terms (high GDP, high wages, and high personal income), the state faired poorly in the rates of growth of these categories over the last decade. Illinois had the 5th largest economy as measured by GDP, the 5th largest amount of nonfarm employees, the 8th highest wages, the 13th highest personal income, and 18th highest standard of living measured by real GDP per capita. However, the growth of the nonfarm employees was 47th, the growth in wages was 30th, the growth in personal income was 44th and the growth in the standard of living was 37th. In addition to this, Illinois has had one of the highest unemployment rates in the country over the last decade ranking 38th.

Comparing Illinois to other states in the surrounding region (all the bordering states plus Michigan and Ohio), Illinois was the highest in the absolute categories and around the regional average for the growth categories. Illinois had the highest GDP, amount of employees, wages, personal income, and standard of living in the eight state region. Illinois ranked 4th in GDP growth, 6th in employee growth, 3rd in wage growth, 6th in personal income growth, and 4th in standard of living growth. Unfortunately, Illinois ranked 7th out of eight in average unemployment rank, beating only Michigan. The results of the regional comparison can be found in Table 12.

Overall, Illinois' economy is one of the largest and most diverse in the country. The people of Illinois receive high levels of income and enjoy a high standard of living. Illinois has lagged behind the rest of the country in recent years in terms of growth in these categories. Illinois also has experienced a higher level of unemployment than most of the rest of the country.

Table 11. Economic Comparison through State Rankings

State	GDP	GDP Growth	Emp.	Emp. Growth	Unem. Rate	Wages	Wage Growth	Income	Income Growth	S. of L.	S. of L. Growth
Alabama	25	30	23	41	22	31	28	40	10	45	22
Alaska	45	20	48	9	50	13	50	16	40	7	50
Arizona	19	3	20	2	29	21	9	39	30	16	14
Arkansas	34	34	34	32	35	45	21	48	33	47	36
California	1	12	1	14	47	5	6	11	23	10	1
Colorado	20	6	22	13	19	11	5	8	13	6	32
Connecticut	23	35	28	43	10	1	13	1	32	2	15
Delaware	38	8	45	19	8	7	4	10	12	1	28
Florida	4	5	4	4	23	24	10	20	21	23	13
Georgia	10	21	9	17	20	19	17	38	50	15	43
Hawaii	39	37	41	11	11	22	39	19	41	22	35
Idaho	42	11	39	3	28	46	44	43	19	33	7
ILLINOIS	**5**	**43**	**5**	**47**	**38**	**8**	**30**	**13**	**44**	**18**	**37**
Indiana	16	41	14	45	15	29	45	33	38	31	34
Iowa	30	36	30	37	7	41	23	30	35	30	16
Kansas	32	28	31	39	24	34	31	21	15	34	25
Kentucky	28	47	26	33	37	32	24	46	37	44	47
Louisiana	24	13	25	49	41	37	38	41	2	42	45
Maine	43	38	42	23	21	42	34	34	18	43	20
Maryland	15	14	21	15	12	6	3	4	6	14	10
Massachusetts	13	31	13	44	18	3	2	3	9	5	6
Michigan	9	50	8	50	44	12	49	27	47	39	48
Minnesota	17	23	19	27	9	14	22	12	25	11	17
Mississippi	35	46	35	46	48	48	33	50	26	50	46
Missouri	22	45	17	42	26	27	41	31	42	37	44
Montana	47	17	44	7	25	49	25	42	7	48	18
Nebraska	37	44	36	26	2	40	32	23	28	24	29
Nevada	31	1	32	1	27	17	18	17	48	3	49
New Hampshire	40	29	40	20	5	15	7	7	20	21	9
New Jersey	8	39	11	31	30	4	35	2	27	8	26
New Mexico	36	18	37	8	43	38	27	44	8	38	24
New York	3	27	3	36	42	2	20	5	43	4	4
North Carolina	11	16	10	28	32	26	16	36	46	20	31
North Dakota	49	33	47	21	1	47	11	32	3	40	5
Ohio	7	49	7	48	36	23	46	29	49	36	41
Oklahoma	29	10	29	22	16	43	36	37	4	46	19
Oregon	26	24	27	24	49	25	47	28	45	17	12
Pennsylvania	6	42	6	40	33	18	40	18	24	35	23
Rhode Island	44	19	43	30	31	20	15	15	14	27	11
South Carolina	27	32	24	25	39	39	29	45	39	41	40
South Dakota	46	25	46	18	3	50	12	26	5	26	3
Tennessee	18	26	18	34	34	28	37	35	29	29	38
Texas	2	4	2	10	40	16	14	25	16	13	27
Utah	33	9	33	6	13	35	42	47	36	25	42
Vermont	50	22	49	29	6	33	19	24	11	32	2
Virginia	12	7	12	12	4	9	1	9	17	9	8
Washington	14	15	15	16	45	10	26	14	34	12	30
West Virginia	41	48	38	38	46	44	48	49	22	49	39
Wisconsin	21	40	16	35	17	30	43	22	31	28	33
Wyoming	48	2	50	5	14	36	8	6	1	19	21

GDP = Gross Domestic Product in 2006

GDP Growth = Average annual growth in GDP from 1997 to 2006

Emp. = Seasonally adjusted total nonfarm employmees in 2006

Emp. Growth = Growth in seasaonally adjusted, nonfarm employees from 1997 to 2006

Unem. Rate = Average unemployment rate from 1997 to 2006

Wages = Wages per job in 2005

Wage growth = Average annual growth in wages per job from 1997 to 2005

Income = Personal income per capita in 2006

Income Growth = Growth in personal income per capita from 1997 to 2006

S. of L. = Standard of living measured by Real GDP per capita in 2006

S. of L. Growth = Average growth in real GDP per capita from 1997 to 2006

Table 12. Economic Comparison through Regional Rankings

State	GDP	GDP Growth	Emp.	Emp. Growth	Unem. Rate	Wages	Wage Growth	Income	Income Growth	S. of L.	S. of L. Growth
ILLINOIS	**1**	**4**	**1**	**6**	**7**	**1**	**3**	**1**	**6**	**1**	**4**
Indiana	4	3	4	5	2	5	6	7	4	4	3
Iowa	8	1	8	3	1	8	1	5	2	3	1
Kentucky	7	6	7	1	6	7	2	8	3	8	7
Michigan	3	8	3	8	8	2	8	3	7	7	8
Missouri	6	5	6	4	4	4	4	6	5	6	6
Ohio	2	7	2	7	5	3	7	4	8	5	5
Wisconsin	5	2	5	2	3	6	5	2	1	2	2

GDP = Gross Domestic Product in 2006

GDP Growth = Average annual growth in GDP from 1997 to 2006

Emp. = Seasonally adjusted total nonfarm employmees in 2006

Emp. Growth = Growth in seasaonally adjusted, nonfarm employees from 1997 to 2006

Unem. Rate = Average unemployment rate from 1997 to 2006

Wages = Wages per job in 2005

Wage growth = Average annual growth in wages per job from 1997 to 2005

Income = Personal income per capita in 2006

Income Growth = Growth in personal income per capita from 1997 to 2006

S. of L. = Standard of living measured by Real GDP per capita in 2006

S. of L. Growth = Average growth in real GDP per capita from 1997 to 2006

BACKGROUND

The Commission on Government Forecasting and Accountability (CGFA), a bipartisan, joint legislative commission, provides the General Assembly with information relevant to the Illinois economy, taxes and other sources of revenue and debt obligations of the State. The Commission's specific responsibilities include:

1) Preparation of annual revenue estimates with periodic updates;
2) Analysis of the fiscal impact of revenue bills;
3) Preparation of "State Debt Impact Notes" on legislation which would appropriate bond funds or increase bond authorization;
4) Periodic assessment of capital facility plans;
5) Annual estimates of public pension funding requirements and preparation of pension impact notes;
6) Annual estimates of the liabilities of the State's group health insurance program and approval of contract renewals promulgated by the Department of Central Management Services;
7) Administration of the State Facility Closure Act.

The Commission also has a mandate to report to the General Assembly ". . . on economic trends in relation to long-range planning and budgeting; and to study and make such recommendations as it deems appropriate on local and regional economic and fiscal policies and on federal fiscal policy as it may affect Illinois. . . ." This results in several reports on various economic issues throughout the year.

The Commission publishes several reports each year. In addition to a Monthly Briefing, the Commission publishes the "Revenue Estimate and Economic Outlook" which describes and projects economic conditions and their impact on State revenues. The "Bonded Indebtedness Report" examines the State's debt position as well as other issues directly related to conditions in the financial markets. The "Financial Conditions of the Illinois Public Retirement Systems" provides an overview of the funding condition of the State's retirement systems. Also published are an Annual Fiscal Year Budget Summary; Report on the Liabilities of the State Employees' Group Insurance Program; and Report of the Cost and Savings of the State Employees' Early Retirement Incentive Program. The Commission also publishes each year special topic reports that have or could have an impact on the economic well being of Illinois. All reports are available on the Commission's website.

These reports are available from:

Commission on Government Forecasting and Accountability
703 Stratton Office Building
Springfield, Illinois 62706
(217) 782-5320
(217) 782-3513 (FAX)

http://www.ilga.gov/commission/cgfa2006/home.aspx