State of Illinois Economic Forecast Report February 2010

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Commission on Government Forecasting & Accountability

by:

Moody's | Economy·com

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State Economic Outlook

January 2010

Illinois

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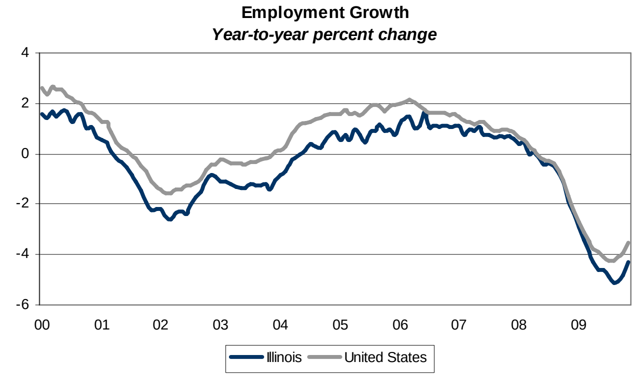
The Illinois economy is in a moderating recession, and conditions will improve through 2010 at a slightly slower pace than those of the U.S. The state's economy has lost 376,800 jobs since employment began to decline in February 2008. However, the pace of job losses has moderated since last spring. Real output also fell sharply last winter, and those downturns have decelerated this summer and autumn. Payrolls are falling across the board but have been greatest in construction and manufacturing, which accounted for more than 40% of job losses during the past 12 months. The unemployment rate has risen to 11.1%, a far cry from the 4.3% rate seen as recently as three years ago. Over the long term, the state will remain a below-average performing economy primarily because of its subpar demographic trends and concentration of slow growing and secularly declining industries. Service-producing industries, a more efficient and smaller manufacturing core, and transportation/distribution industries will drive the modest pace of growth.

RECENT PERFORMANCE (back to top)

- The Illinois economy's recession has been moderating since last summer, according to Moody's Economy.com methodology, which combines estimated production and employment. The Quarterly Census of Employment and Wages and household data suggest that Illinois' downturn was slightly steeper this past spring and summer than the payroll data show. However, we do not believe the timing of the moderation in the state's recession will change when the payroll data are revised this spring.



Source: Bureau of Labor Statistics

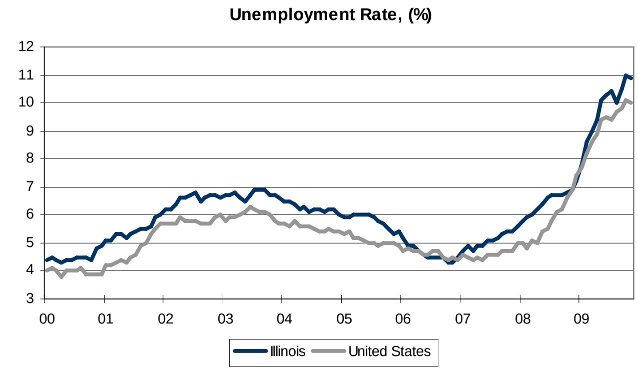
Illinois Employment, Recent Performance December 2009	Annualized growth rate				
	3-mo	6-mo	12-mo	5 yr	10 yr
Total	-1.9	-2.5	-4.1	-0.8	-0.7
Construction	-16.2	-10.0	-11.3	-5.3	-2.3
Manufacturing	-2.4	-1.8	-11.0	-3.8	-4.2
Wholesale Trade	-4.7	-5.7	-5.3	-0.9	-1.0
Retail Trade	-2.9	-4.3	-3.4	-1.1	-0.9
Transportation and Utilities	-0.5	-4.8	-4.3	-0.3	-0.8
Information	-2.6	-3.1	-6.5	-2.3	-3.3
Financial Activities	0.2	-3.2	-4.6	-1.6	-0.9
Professional and Business Services	2.8	-1.3	-5.3	-0.6	-0.5
Education and Health Services	3.4	0.2	-0.5	1.7	1.8
Leisure and Hospitality	-8.8	-3.9	-2.3	0.0	0.5
Government	-0.9	0.3	0.0	0.2	0.3
	Percent				
Unemployment rate	11.0	10.7	9.9	6.4	6.1

- The moderation in job losses has been seen across most industries since this past summer, especially the hard-hit construction and manufacturing industries. Over the past quarter, small gains have been seen in finance, business/professional services and education/healthcare. The moderation of business/profession services is particularly noteworthy as Chicago has outsize exposure to corporate headquarters offices, a key component in the industry. Government employment remains flat, but prospects for growth are dim given the unusually grim outlook for the state government's budget and the budgets of major cities, including Chicago.

- The universal count of employment from the Quarterly Census of Employment and Wages through the second quarter of 2009 suggests that the state's payroll data will undergo a slight downward revision. According to the June data, which includes the most recent QCEW data published, payroll employment fell by 4.7%, while QCEW employment fell by 5.4%. While large downward revisions can be expected in most industries, there are important exceptions, namely education/healthcare and government employment. In both cases, the downward trends seen in the payroll data are not seen in the QCEW data. For education/healthcare, the revisions will be particularly stark. The loss of more than 25,000 jobs in this industry seen in the payroll data is not at all evident in the QCEW data.

- Household employment through December also appears weaker than payroll employment, matching the pattern seen elsewhere in the nation. Household employment fell by 4.6% during the course of 2009, slightly stronger than the 4.1% payroll employment decline.

- Consistent with a contracting economy, the unemployment rate has surged by 6.8 percentage points since it bottomed out in late 2006 at 4.3%. The December rate of 11.1% is 1.1 percentage points higher than the U.S. rate, but below the rate of 11.3% in the Great Lakes states. Illinois' unemployment rate briefly fell below the U.S. rate during the last boom and is now climbing higher than the U.S. rate. During the downturn at the start of the decade, Illinois' jobless rate also rose well above the U.S. average. The current unemployment rate is at its highest point since 1983, but will not likely reach the early 1980s peak of 12.9%. However, it will remain elevated for the next year and is expected to climb to 11.6% by the end of 2010.



Source: Bureau of Labor Statistics

- The increase in the unemployment rate corresponds to an addition of 449,000 unemployed residents since late 2006. By the end of 2009, nearly three-quarters of a million Illinois residents identified themselves as unemployed. However, the number of idle residents is likely much higher, because not only has unemployment risen precipitously but the number of workers in the labor force (those employed or unemployed and searching for work) has fallen sharply. Many of these workers are discouraged and so are no longer actively seeking work, and many more are working part time but would prefer to work full time. The Bureau of Labor Statistics makes alternative calculations of the unemployment rate including and excluding some of these groups. Their broadest measure, known as U-6, expands the definition of unemployment to include workers who are discouraged, marginally attached to the labor force, or are working part time for economic reasons. Their state-by-state estimates provide average alternative unemployment rates, with the latest update covering the average of the four quarters through the third quarter of 2009. According to these data, Illinois has a U-6 unemployment rate of 15.7% as compared with a conventional unemployment rate of 9%. Given the conventional unemployment rate in the state is now 11.1%, we believe that if the U-6 unemployment rate in Illinois were measured for this month, it would be slightly above 18%.

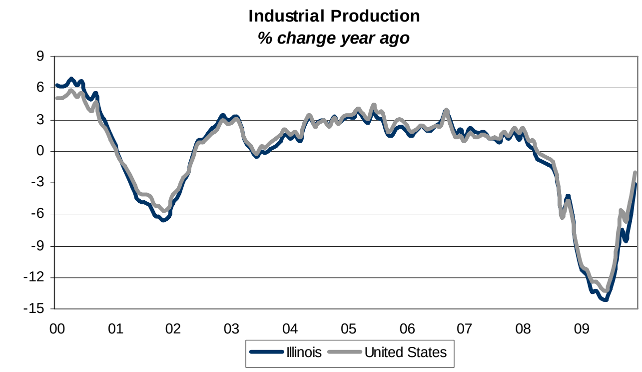
- Moderation of the recession in Illinois is further evident in the declining unemployment insurance filings in recent months, from a peak of 126,000 in March to 80,000 in December. While the decrease of initial unemployment insurance claims by one-third marks a weakening of the jobs downturn, more progress is needed for the rate to come down to the prerecession average of less than 60,000 new claims per month. Further, improvement will not be seen until new hiring picks up to the point where it more than offsets monthly job losses.

- The contraction of the employment base is also weighing on retail sales in the state. Though estimated retail sales declined precipitously in the fourth quarter of 2008, the pattern of declining retail sales has halted. Estimated sales grew by 4% on an annualized basis in the third quarter but remain 9% below their year-ago level. Weakened job prospects and a strengthened desire of consumers to tighten their belts and pay off debt are driving the decline in sales. New-vehicle registrations, for example, declined from an average of 55,000 between 2004 and 2007 to an average of 37,000 in 2009, although this figure is boosted by a spike in late summer sales tied to the cash for clunkers program. The continuing recession in Illinois will likely to lead to further declines over the next year.

- The housing market correction continues in Illinois: Both existing-home sales and permitting are falling more sharply in Illinois than in the U.S. Permitting has fallen by nearly 85% from peak, although it has doubled since its low last spring. This compares with a 75% decline nationally. Illinois' home sales have declined by more than 40%, compared with 26% nationally. The severe drop in home construction and sales has taken a toll on construction, which has shed nearly 25% of its workers since last year, or 68,000 jobs.

- Nonresidential construction is also declining as a result of decreasing credit availability as well as weaker demand conditions. Commercial developers have been forced to cancel or delay projects as a result. Moreover, rising vacancies of office, retail and industrial space, which have placed downward pressure on rents, reduce the justification for launching new projects. During the expansion of the 2000s, a considerable amount of new warehouse space was added in northern Illinois, particularly Will County. Lower production, businesses failures, and weaker consumer spending have diminished the need for space.

- Manufacturing as measured by the Chicago purchasing manager's index and estimated by Moody's Economy.com indicates a deceleration of the downturn in late 2009 and even some hope for 2010. Activity has steadily increased since September. By January, more than 60% of surveyed manufacturers were expanding. This improvement stands in sharp contrast to surveys earlier in the year showing a majority of regional manufacturers were contracting. These improvements mirror national trends and show an overall pattern of moderation and recovery in manufacturing.



Source: Moody's Economy.com, Inc.

- Although prices of corn and soybeans are no longer surging, they remain higher than their historic averages, especially soybean. Yellow corn has returned to its 2007 average of $3 to $4 per bushel, while soybeans are trading in the elevated $9 to $10 per bushel range. Relatively high prices and the relatively weak U.S. dollar are fueling sustained export growth.

- Most metro areas in the state have seen a significant weakening of labor market performance, according to data on payroll employment over the past year. Only Bloomington, Champaign and Springfield now have unemployment rates below the national average, and these are tied to strong local employment drivers. Bloomington's 8% jobless rate is driven by the relative success of its insurance firms, Springfield's 8.5% jobless rate is driven by the relative stability of state government employment, and Champaign's 9% jobless rate is driven by the relative stability of the University of Illinois. The highest jobless rates among the state's metro areas continue to be found in the manufacturing-focused northeastern portion of the state, most notably in Rockford (16.4% unemployment rate) and Kankakee (14.1%).

NEAR-TERM OUTLOOK (back to top)

- The Illinois economy will remain in a moderate recession through most of 2010. Payrolls will decline by more than 372,000 peak to trough, most of which has already occurred. This amounts to a 6.2% loss, slightly larger than the 5.1% loss expected for the U.S. The economy will slowly begin to turn around in mid-2010. The unemployment rate will not peak until late-2010, at 11.6%. Nominal income growth and real GSP have already bottomed out.

- This recession has been the state's worst downturn since the early 1980s. At that time, the state's employment base contracted peak to trough by nearly 10%, and the unemployment rate peaked at 13%. Recovery will initially be seen in industries producing capital goods, especially construction equipment for export overseas. Exports of capital goods fell dramatically during the recession and will rise dramatically during the boom as a strong recovery overseas, particularly in Asia, drives sales of capital goods. Auto manufacture will also improve, though slightly and only in comparison with the dismal lows seen in 2009. Restocking of inventories and slightly rising sales will be behind this trend. The good news will not be spread uniformly, particularly if prospects sour for Chrysler, which would hurt Belvidere, and for Mitsubishi, which would hurt Normal.

- Recovery will be even longer and slower than was seen in the early 1980s, even though the peak will not be as high as then. It will take three or four more years until the unemployment rate recovers to its long-run value of 5% to 6%.

- The severity of the current recession is tempered by the change in the structure of the Illinois economy. At the end of the 1970s, nearly one-quarter of the workforce was involved in manufacturing. The state lost about 283,000 manufacturing jobs between 1978 and 1983. Then again, between 1998 and 2004, nearly 220,000 more were lost. Even though manufacturing jobs are again being shed, they only made up 11% of the employment base in 2008, and the magnitude of job losses is far smaller than it was earlier in the decade.

- Housing-related industries (construction, building materials, mortgage lenders, real estate, etc.) are taking a beating that rivals their decline in the early 1980s when the surge in interest rates devastated demand for housing and new construction activity. The impetus for the current decline is completely different but nearly as devastating. Irresponsible lending and overbuilding are to blame this time around.

- Among industries that are undergoing a more dramatic decline than experienced in the state's previous recessions is financial services. Chicago's banking industry is being buffeted by weakness in the housing market, which is affecting lenders and realtors; subprime woes; and merger and acquisition activity. Several subprime lenders have shut down their Chicago operations. But the largest hit to the industry was the Bank of America's purchase of LaSalle Bank. Although Illinois' financial services industry has already shed 39,000 jobs, 5,000 more jobs are expected to be lost, and considerable risks remain as the task of improving bank balance sheets and unfreezing credit markets remains difficult despite an array of programs implemented by the Fed and Treasury. The unfreezing of credit is complicated by a surge in bad credit caused by the rapidly weakening employment situation. This is resulting in persistent pressure on bank balance sheets.

- The loss of wealth, home equity, and in some cases homes and jobs, combined with the difficulty of securing credit is also having a devastating effect on Illinois' retailers. The magnitude of loss is proving comparable to that suffered during the early 1990s, the last time real consumer spending contracted as it did in 2008-09.

- An important difference between the current recession and the last one of similar severity, the recession of the early 1980s, is that Illinois suffered through a decade of declining or very weak population growth as a result, as households moved out of the state to parts of the country with better employment prospects. For the moment, migration is off the table, as frozen housing markets and a widespread recession have effectively frozen migration across states and metro areas. As housing and credit markets thaw, workers will resume their pattern of job-seeking migration, returning Illinois to its usual pattern of a slowly declining population.

- The outlook for business and leisure travel to Chicago will remain down throughout 2010. Tourism remains in decline, and businesses will keep tight budgets, limiting opportunities for travel-oriented firms, including hotels, tourist destinations and transportation companies. A recent trend of declining hotel vacancy rates has been reversed. Businesses are canceling visits or sending fewer representatives to meetings and trade shows. Worse, there has been a recent exodus of long-standing conventions from the Chicago area, including the triennial International Plastics Showcase and the annual National Restaurant Association convention, which have announced plans to move their conventions outside Chicago starting in 2012. These conventions typically draw 40,000 to 60,000 attendees, generating business for convention sites, hotels, restaurants, and other service providers.

- The outlook for tourism elsewhere in the state may not be as poor as for Chicago because downstate venues depend less on spending from outside the state or country. If Illinois residents are cutting back on their vacations, they may be more likely to spend at home, though in smaller amounts. For example, the state gaming board reports that while admissions to the state's casinos were down 3% in December from the year before, receipts were down 5%. The same pattern was seen in other months; while admissions were steady or even higher than year-ago levels, receipts were generally lower.

- The near-term outlook for Illinois' manufacturing industries is improving as the global financial crisis and global downturn in trade are easing. Exports from Illinois have decreased by 28% since their peak in the summer of 2008, not much more than the 25% decrease seen nationally. Moreover, much of the decline is seen in reduced exports of capital goods such as the construction equipment produced at Caterpillar. Exports of capital goods and of industrial supplies and materials tend to respond disproportionally to the business cycle, meaning the above-average decline in Illinois exports is likely to be accompanied by an above-average recovery of Illinois exports in 2010 and 2011.

- Caterpillar has been one of the most successful exporting companies in the state. The company has been a key beneficiary of the boom in global infrastructure spending that buoyed demand for its heavy earth-moving, mining and construction equipment. While Caterpillar has endured several rounds of job cuts in the last few years, sales prospects are improving in step with recovery in the global economy. Sales of mining equipment have already begun to improve thanks to stronger commodity prices. In addition, machine and engine demand is poised for a rebound. Other key manufacturers such as Deere will also see a turnaround this year. Global demand is likely to recover most strongly in the Asia/Pacific and Latin American regions.

- The outlook for the motor vehicle industry is improving also. After holding at just under 17 million units during the first half of the decade, vehicle sales fell below 10 million units during the first half of 2009. While the cash for clunkers program briefly boosted sales in July and August, the recovery in vehicle sales will proceed only gradually. Expect new-vehicle sales to climb past 11 million units in 2010 and to 14 million units in 2011. Sales will not return to a 17 million-unit pace until 2014.

- Further declines are expected in the production of vehicles manufactured in Chicago by Ford, in Belvidere by Chrysler, and in Normal by Mitsubishi. The declines are expected to continue this year and are not expected to rebound for some time.

- The outlook for Illinois' farmers will depend on the price of corn and soybeans as well as the prices of inputs. In general, conditions have been favorable. Prices are remaining slightly above their historic averages. In 2010, prices are not expected to shift much outside of seasonal fluctuations. Input prices are steady, but prices for such things as fuels and fertilizers have been rising from unusual lows in early 2009. Margins will tighten as steady output prices and rising input prices squeeze the state's farmers.

- Moody's Economy.com expects Illinois' real gross state product to grow 2.5% over 2010, only a touch stronger than the 2.3% growth forecast nationally and not strong enough to turn the state's finances around.

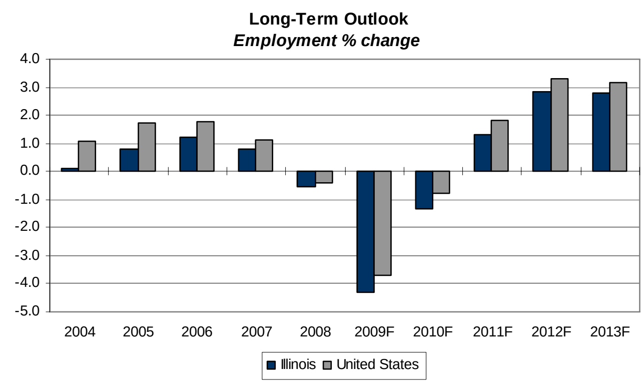
- Illinois' finances are worse than underlying economic conditions would predict. The state comptroller's office reports that unpaid bills stand at $5.12 billion, nearly triple their level from this time last year. Worse, the delay in paying vouchers has increased to 92 days, double the delay at this time last year. Tax receipts are down as spending rises. Overall tax revenues collected in the last two quarters of 2009 were down 9.7% compared with the last two quarters of 2008. Spending had risen 2.2% over that period, mostly driven by rising contributions to the state teacher retirement fund and higher education subsidies. The $551 million that Illinois received in stimulus-related revenue last year was not nearly enough to bridge the gap.

- Cash flow is further constrained by a need to repay $2.25 billion plus interest in short-term loans beginning in March that had been issued to plug the gap in the 2009 state budget. The adjusted general revenue fund balance was in deficit by $5.03 billion as of December 31. The state's bond rating was also downgraded.

- Illinois follows the U.S. business cycle closely and this time will be no exception. Moody's Economy.com expects a strong rebound in 2011 and 2012. However, as has been the case during every recovery of the past 40 years, Illinois' rebound in terms of employment will be slightly weaker than the U.S. rebound.

- There are three reasons behind the fairly vigorous rebound of the state's economy. Illinois will enjoy a rebound in both residential and nonresidential construction activity. Second, Illinois' capital goods manufacturers will benefit directly from any increase in investment spending. Hence, manufacturing output will likely rebound strongly. As the economy begins to expand again, the drawdown of inventories and plunging output will reverse as businesses increase production and accumulate inventories again. Third, pent-up demand from consumers that will build up between 2008 and 2010 will provide a boost for consumer goods and services in subsequent years.

LONG-TERM OUTLOOK: POSITIVE FACTORS (back to top)



Source: BLS, Moody's Economy.com, Inc.

- In the long run, Illinois will be a below-average performing economy, primarily because of its moderate population trends, which are expected to deteriorate as baby boomers retire to warmer climates. Employment growth is expected to peak in early 2013 at 3.1%, and output growth will surge to 5.8% in late 2011 before decelerating.

- The state will continue to diversify into service-producing industries while nurturing its more efficient and smaller traditional manufacturing core. Chicago will continue to develop as the transportation/distribution and financial services center for the Midwest. The best growth prospects for downstate are found in agriculture-related projects such as food-processing facilities, energy projects and distribution facilities.

Business Services

- Business and professional services are expected to drive growth and indeed be the strongest growing industry in the long run forecast horizon. Most of the growth will take place in northern Illinois. Downstate Illinois has few possibilities in developing well-paying business service jobs such as business consulting; it is more likely to attract low-end business service such as call centers, especially as a result of a high share of high school graduates.

- Chicago's large concentration of corporate headquarters, outsourcing, the growth of the consulting industry, which serves both national and international clients, and the growth of information technology should help boost the business and professional services industry going forward.

- Indeed, the outlook for Chicago depends on its expansion as a center of global commerce. According to Moody's Economy.com, Chicago ranks sixth as the most global metro area in the nation, behind New York, San Francisco, Boston, Miami, and Bridgeport. Despite the loss of headquarters and hence Chicago's status as a world class city, Chicago has managed to remain a business center through the growth of such businesses as finance, insurance, and benefits consulting, which involve intermediate firm-to-firm transactions rather than headquarters.

- In addition to business services, the success of the state's economy (particularly the Chicago metro area) will depend on the strength of its high-tech services, such as computer systems and design. Tech companies that are able to meet the needs of Illinois' vast manufacturing base will be most successful. Outside of Chicago, much of the development and activity in high-tech services is in Champaign, centered on the University of Illinois.

Financial services

- Financial services, which employ nearly 7% of the state's workforce and 8% of Chicago's workforce, will continue to be among the state's core industries.

- The outlook for Chicago’s commodities exchanges is promising as the exchanges have successfully adapted to new technologies and through mergers have increased their market share in the global marketplace. Chicago's exchanges are likely to fare better than their counterparts in New York or Boston, since its futures exchanges are well placed to win new business if new financial regulations require that mortgage-backed securities and credit default swaps are traded on exchanges. CME Group, the merger Chicago Mercantile Exchange and Chicago Board of Trade, are cementing Chicago’s status as the world capital of futures trading since it is now by far the world's largest derivatives exchange. They also hold virtual monopolies over their most important products, thereby benefiting from strong pricing power. Prospects are promising for the new entity, which will likely grow with the introduction of trading in various derivatives.

- The Chicago Board of Exchange (CBOE), the largest options market in the U.S., is performing well thanks to its hybrid open-outcry/electronic trading model. CFE offers an all-electronic, open access market model, with traders providing liquidity and making markets.

Tourism and conventions

- Once economic activity picks up, Illinois' tourism and business travel industry will rebound, though at a slower pace. Chicago, in particular, will benefit from its tourist attractions, conventions and gaming. More than 40 million tourists visit Chicago on average each year, contributing about $10 billion to its economy. Between 2001 and 2007, 2.5 million attended events at McCormick Place on average annually. However, a recent trend of major national conventions leaving Chicago will reduce growth prospects in this industry.

- To bolster the convention business longer term, Chicago’s McCormick Place completed an $880 million expansion in 2008. The expansion added 600,000 sf of exhibit space. According to local estimates, the project will have an $8.4 billion economic impact on the economy and create 21,000 jobs. Unfortunately, the benefits of this project will be reduced by declining convention activity in Chicago.

- The state’s nine casinos are also an important element of tourism in Illinois. The riverboats admitted 14.4 million visitors in 2009, down from 16.1 million in 2008 but up from 6.7 million in 1999. Similarly, adjusted gross receipts are also down; the $1.43 million in receipts in 2009 is down from the 2008 figure of $1.57 million. The state's casinos also inject a reported $1 billion a year into the Illinois economy.

- The failure of Chicago to secure the 2012 Summer Olympics has also dampened its leisure and hospitality industry outlook. Worse, the controversial nature of the first-round decision to eliminate Chicago has been tied to growing friction between the International Olympic Committee and the United States Olympic Committee rather than inherent flaws in Chicago's bid. Do not expect Chicago to win any Olympic bid in the foreseeable future.

- Tourism is an important source of revenue for central Illinois, but its economic potential is bounded by attractiveness primarily to travelers from nearby, the volume of which is constrained by downstate’s weak demographic profile. Peoria has had some success in developing its convention business in recent years, which could improve further when the reconstruction of the civic center is completed. Tourism brings the area hundreds of millions of dollars in revenue and nearly two million visitors each year. The area’s attractions for both business and leisure travelers include a riverboat casino, the complementary ongoing riverfront development, minor league teams and Peoria’s status as retailing center for central Illinois. Riverfront development includes numerous restaurants, retail outlets and entertainment spots.

Life Sciences

- A promising area of growth for the state is life sciences, nurtured at such institutions as Northwestern University, University of Illinois, Fermi National Accelerator Laboratory and Argonne National Laboratory. The Argonne National Laboratory received nearly $100 million in funding in recent years, including the Center for Nanoscale Materials, the Advanced Protein Crystallization Facility and I-WIRE. Investments in the most advanced supercomputers in the Theory and Computing Sciences Building in DuPage County will allow Illinois scientists to apply breakthroughs in supercomputing and pursue advances in nanotechnology, climate change, protein modeling and more, solidifying the fastest growing research program in Argonne's history. More than 600 laboratory workers will work there.

- Advanced Diamond Technologies (ADT), a spin- off from Argonne National Laboratory, headquartered in Champaign with facilities at Argonne, is developing a form of ultrananocrystalline diamond, known as UNCD, as a platform material for biomedical, telecommunication and energy- related applications.

- At the University of Illinois in Urbana-Champaign the Institute for Genomic Biology was completed in November 2006; 400 researchers will eventually work there. A number of technology transfer programs also operate at the university. The University of Illinois, in partnership with the U.S. Dept. of Defense, also plans to research and develop the next stage of the internet at the park.

- In downstate, a number of public/private initiatives, such as Heartland Partnership, Peoria NEXT and Peoria Regional BioCollaborative have been initiated. The Peoria Regional BioCollaborative initiative is a consortium that includes the area's hospitals, universities, the National Center for Agricultural Utilization Research and Caterpillar, designed to foster the growth of the local biotech industry.

Transportation/distribution

- Even though manufacturing is declining in the Illinois economy, its distribution and transportation network remains an integral part of the economy to facilitate the movement of both domestic and imported goods throughout the Midwest as well as to support the state's manufacturing industries and export activities. While manufacturing payrolls have declined, transportation/distribution companies have added more thousands of jobs. The outlook for logistics-related expansion remains positive. Once the global economy resumes growing, export penetration will help to stem manufacturing job losses, particularly in industrial machinery.

- In addition, distribution, warehousing, wholesale and transportation activities make up an estimated 10% of Illinois' output and 11% of Chicago's output. Among the nation's largest metro areas only Dallas and Houston are more dependent on this cluster of industries. O'Hare International Airport is the nation's second busiest airport, after Hartsfield in Atlanta, handling about 70 million passengers annually. The airport has generated directly and indirectly 500,000 jobs.

- Chicago's transportation network, however, is reaching capacity. A $6 billion expansion of O'Hare (O'Hare Modernization Program) has begun. A new runway was completed by November 2008, while the FAA recently awarded $42 million for a new control tower. The complete project includes enlargement to six parallel runways, and new gates. The expansion of the airport would create an estimated 195,000 jobs in the state over the next two decades. According to the Mayor's office, the expansion will generate $18 in annual economic activity.

- A bid to privatize Midway Airport failed in 2009 as unusually tight credit conditions unwound a bid to lease the facility for 99 years in exchange for a $2.5 billion payment. The failure of the plan has added to the City of Chicago's short-term woes and has, for now, ended plans to proceed with further privatizations.

- Plans for a third airport to be called Abraham Lincoln National Airport in Will County have not materialized, as the expansion of the nearby Gary-Chicago International Airport is moving ahead, rendering a third Chicago airport unnecessary. In June 2008, Gary-Chicago International announced an agreement with Norfolk Southern, EJ&E and CSX that will allow the airport to relocate railroad tracks and expand its runways. In addition, that airport is expanding its terminal, which will include a high-speed railroad station.

- Northern Illinois remains the nation's rail hub. While this industry, like others, is enduring the effects of reduced freight volume now, the long-term outlook is more promising. Almost three-quarters of national rail freight passes through Chicago and much of the physical plant remains in Chicago. However, like the air network, rail congestion could divert traffic to other hubs, such as Memphis, TN. Southwestern Illinois, as part of the bi-state St. Louis region, is the second largest rail center in the U.S. The region is served by nine trunk-line railroads, with more than 40 rail lines radiating to all parts of North America.

- Intermodal traffic is the fastest growing part of the rail industry as most railway yards have been converted to handle intermodal traffic. Chicago is the third largest intermodal container handler in the world, behind Hong Kong and Singapore. A number of intermodal terminals have been built in recent years in Chicago, Rochelle and Davenport (Rock Island). Since the Global III intermodal hub opened in Rochelle in 2003, the area has gained 4,000 jobs and nearly $1 billion in private investment. The Quad City Railport serves as a truck-rail transfer yard and is planned to be the largest in the Midwest outside of Chicago; it will also hold a container storage yard and a maintenance facility. The developers have also planned a rail-served industrial park in the area.

- The Obama administration announced that it will grant $2.6 billion to improve high-speed passenger trains in the Midwest, including $1.1 billion for the track improvements necessary to boost the speed of the Chicago to St. Louis passenger line to 110 miles per hour. This would enable high-speed train service along this well-traveled corridor.

- Illinois supports a huge distribution industry anchored by Chicago's transportation infrastructure. Much of the industrial development in recent years has occurred in Will County, where land is more plentiful and cheaper than in the City of Chicago itself. Companies have been consolidating their warehouse and distribution facilities are cropping up as companies around intermodal facilities, such as the facilities in Joliet. According to the Chicago Area Transportation Study, the area's intermodal activity is expected to grow by 7.5% per annum over the next 20 years.

Education

- Other service-based industries that will support growth in the state include healthcare facilities and educational institutions. The University of Illinois-Champaign, Illinois State University in Bloomington and South Eastern Illinois University will provide long-term stability to the downstate economy. Chicago also supports a number of universities including Northwestern the University of Chicago, the University of Illinois in Chicago and Loyola, but they are not as vital to the Chicagoland economy as they are to downstate. With the school-age population rising, downstate universities will likely be able to increase enrollment throughout the current decade. In addition to providing direct educational services, the universities also spur new avenues of growth through spin-off from university research.

Healthcare

- Healthcare will support growth throughout the state as the population ages. This will be a driver of growth downstate, in particular. While the share of employment in healthcare in the state as a whole is slightly lower than the national average, at 10.7%, it is much higher than average in Kankakee, Peoria, Rockford and Springfield. However, growth will lag the national average primarily because of Illinois' relatively weaker population trends.

- The healthcare concentration in central Illinois will receive a major boost from the modernization and expansion of the OSF Saint Francis Medical Center and Children's Hospital of Illinois, which is expected to be completed by the summer of 2010. In addition to 850 construction jobs, the project will eventually create 1,000 healthcare-related jobs.

Agriculture

- The outlook for Illinois' large agricultural industry is optimistic. Despite the strong competition from agricultural powerhouses Brazil, Argentina, India and China, Illinois' farmers will benefit from a growing global economy. Domestic and international policy developments point to increased openness of agricultural markets.

- Developing alternative energy sources, including renewable sources that are eligible for tax breaks, is expanding markets for agricultural products. The price of oil, now in the $75 to $80 per barrel range, has recovered from lows in the $35 to $40 per barrel range earlier this year, and is likely to rise in the short run and medium run. This will make ethanol and biodiesel production more economically viable.

- Farm subsidies will remain an integral component of U.S. agriculture. The ballooning budget deficit could, however, result in a reduction in subsidies down the road. Not only could farmers see cutbacks in obvious expendable programs, such as conservation set-asides, but farmers could actually see sharp cuts in both price supports and insurance.

Alternative Energy

- The increase in oil prices will drive the comparatively sunny long-term outlook for alternative fuels as the U.S. seeks to reduce its dependence on foreign oil. Illinois is second only to Iowa in ethanol production from corn. U.S. capacity to make ethanol has jumped by more than 60% in the past two years. Therefore, such companies as Decatur-based Archer Daniels Midland, corn processor A.E. Staley, and Adkins Energy should benefit. However, many producers have had difficulty making profits because of relatively high corn prices and weak demand for fuel, the result of the global economic downturn. The field of players will thin out as a result. Even though corn prices have fallen from their peaks, they have not fallen enough to keep many companies profitable.

- New technologies are emerging that will reduce costs and increase the types of feedstocks that are suitable for distillation. For example, a program at the University of Illinois, Urbana- Champaign in partnership with BP will study feedstock for biofuels production, the potential of using corn crop residues, switchgrass, miscanthus (a hybrid grass than can grow as tall as 13 ft. [4 m.]), and other plants as fuel sources.

- The Illinois Soybean Association will serve as the first major retail outlet for biodiesel in Illinois. Biodiesel is becoming the fuel of choice among Illinois farmers and more of fuel is being produced as a result. For example, Biofuels Company of America will produce 45 million gallons of biodiesel at a new facility in Danville.

- Other alternative sources of energy are also being used. In 2007 Horizon Wind Energy completed a large wind farm in McLean County. Trinity Industries built a facility in Clinton to supply the towers for the farm that will employ 140.

- Firefly Energy Inc., an early stage technology company that is developing next generation lead-acid battery technologies for use in a variety of industries, including the automotive and heavy equipment industry. Firefly Energy's technology was created by Caterpillar Inc. as part of its $600 million annual research and development operations.

Coal/utilities

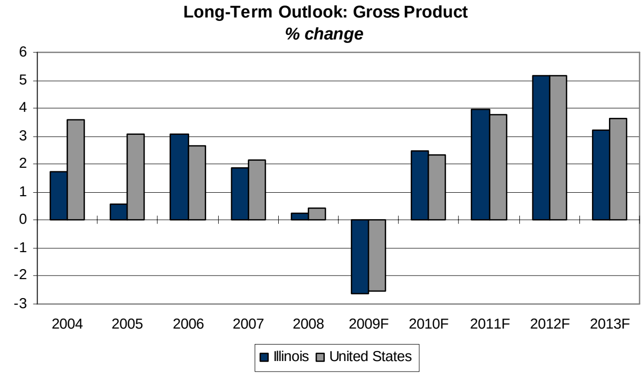
- Even though the demand for coal has been depressed as industrial production fell, the long-term outlook for Illinois' industry is still somewhat favorable. Illinois is home to the second-largest coal reserves in the nation. Many Illinois plants and mines have been resurrected as states attempt to keep electricity prices low, and boost energy security by offering an alternative to foreign oil and gas.

- Ten coal-fired plants that would create eight gigawatts of new power capacity have been proposed. While all these proposals are a positive for the region, it can take seven to ten years for a coal power plant to go from planning to construction, with legal and public protests as additional hindrances. In addition, swelling inventories, resulting from rising production and warm weather, have put downward pressure on prices, which could preclude further development.

LONG-TERM OUTLOOK: NEGATIVE FACTORS (back to top)

- Illinois will remain a below average performing economy due primarily to its subpar demographic trends and mix of industries despite its high diversity (see Table below). Illinois has among the most diverse of state economies but this alone does not insure a strong outlook.

- The outlook for the Illinois economy is closely tied to the outlook for the nation. This is indicated below by the systemic volatility, which measures how much of the state's employment volatility is explained by the national business cycle. According to Moody's Economy.com, 95% of the variation in the Illinois economy is related to variations in the national economy. This means that Illinois will most certainly succumb if the economy sinks into a recession—if it has not done so already.



Source: Moody's Economy.com, Inc.

- Although Illinois' business cycle closely tracks the nation's business cycle, job growth has trailed the national pace for the last 10 years. A beta higher than 1 indicates that cyclical swings have greater amplitude than the national average. Unfortunately for Illinois, that amplitude has been evident in downswings in the business cycle but not in upswings. While the amplitude of recessions in Illinois matches that of the nation, the trend is one of slower growth. Thus, in the event of recession, Illinois is likely to fare worse the nation as whole; during expansions Illinois does not fare as well as the nation.

Employment Diversity and Volatility					
	Diversity[1]	Volatility 2007-2008			
	2008	Total[2]	Systematic[3]	Nonsystematic[3]	Beta[4]
Illinois	**0.89**	**101**	**95**	**5**	**0.97**
Indiana	0.70	108	81	19	0.88
Ohio	0.85	93	95	5	0.88
Michigan	0.73	130	79	21	1.03
Wisconsin	0.72	99	95	5	0.94
Iowa	0.67	96	89	11	0.86
United States	1.00	100	100	0	1.00
Median	0.72	105	86	14	0.88

Notes:
1) Diversity is defined as the extent to which an state's industrial structure approximates that of the nation. The more closely the state's economy resembles the national economy, the higher the value. The diversity measure is bounded between 0 and 1. 1 means the state has the same industrial structure as the U.S., 0 means it has a totally different industrial structure than the U.S. Diversity is estimated using data for 2008.
2) Total volatility is the standard deviation of an state's employment growth. This relative deviation has been indexed to the United States = 100. Volatility is estimated using data for 2007.
3) Systematic fluctuation is that portion of an area's economy that is associated with national economic fluctuations. Nonsystematic volatility is that portion of an area's volatility not associated with national economic fluctuations.
4) Beta measures the magnitude of an area's sensitivity to national economic conditions. The U.S. average, by definition, is 1. A one percentage point increase in national employment will cause that portion of a metro area's employment base to rise by the percentage value of beta.

Manufacturing

- Manufacturing will continue to occupy a greater than average position in the Illinois economy, but the state will have to fight to hold on to its manufacturing base. More than 340,000 jobs have been lost since early 1998, or 37%. Most manufacturing losses are permanent. While the share of employment in manufacturing in the state as a whole, at 10.2%, is only somewhat higher than the national average of 8.9%, the share outside of Chicago is somewhat higher, at 12.3%.

- Illinois' largest manufacturing industries include food processing, fabricated metals, chemicals, plastics and transportation equipment. Only industrial machinery and fabricated metals payrolls have increased in recent years. Areas such as Peoria, Decatur and Davenport-Moline have particularly high exposure to these industries.

- Exports hold promise for Illinois' manufacturers in the long term, because of growth in developing economies in Asia, particularly infrastructure improvement, heightened mining and oil exploration and drilling activity, and the increased attractiveness of U.S. products as a result of the weakened dollar. However, the dollar is expected to appreciate slightly over the next year relative to the currencies of Illinois' principle trading partners, the European Union and Canada. Thus, prospects are good if Illinois nurtures greater ties with developing economies; although the share of exports to China, for example, has doubled since the beginning of the decade, it accounts for only 4% of exports from Illinois.

- Illinois' manufacturers will continue to face daunting competition in the global marketplace long term. They have been forced to shift operations to lower cost regions of the world to remain competitive, and the depreciating dollar does not reduce the cost advantage sufficiently to reverse this process, though it may slow it. Many companies have yet to benefit from the global marketplace. Smaller exporters that depend on distributors do not see the exchange rate benefits as readily, unless overseas buyers increase their orders since the distributors absorb the currency gains. Much of the state's low value added manufacturing, with the exception of food processing industries, is likely to leave the state.

- Many manufacturers recognize that they cannot improve efficiency enough to be able to sell their products for as little as Chinese companies can. They are allowing their business to slowly dwindle. According to the Alliance for Illinois Manufacturing, up to three-quarters of the area's manufacturing companies are either struggling to figure out how to change or have no strategy to ensure long-term viability. More than two-thirds of manufacturers use outdated processes.

- Illinois’ high exposure to telecommunications equipment manufacturing through such companies as Motorola, Tellabs, Lucent Technologies, and Andrew Corp. has been problematic, and competition in the industry remains heated as companies jostled for market share amid rapidly changing technology, particularly for mobile phones. Motorola has downsized its northern Illinois operations in successful waves. Employment in Illinois' computer and electronics concentration has fallen by 40% since the beginning of the decade, more than it has on the national level, and it is not expected to pick up any time soon.

- Illinois’ pharmaceuticals industry, headed by Abbott Labs and Baxter International, has not escaped the restructuring that has thinned the ranks of workers in other industries. Both companies have cut their operations in the state by thousands of workers. However, Abbott still plans to spend more than $450 million over the next several years to expand manufacturing facilities and build new operations to support future products in its development pipeline. Other companies have reduced their presence in the state as well. For example, Cardinal Health is expected to relocate 700 manufacturing jobs from Lake County to its operations in Dublin, OH by 2009.

Airlines

- The restructuring of Illinois’ airline industry has accelerated over the past year. Absorbing surging fuel costs through last summer was followed by a sharp downturn in demand. The industry continues to struggle with overcapacity, competition and legacy costs. Both United Airlines and American Airlines, O’Hare’s largest carriers, have cut back flights through the airport and are laying off thousands of workers. The airline renegotiated its union contracts and lowered labor expenses to emerge from bankruptcy.

Structural deficiencies

- The state's outlook is tarnished by such structural problems as a lack of strong growth drivers, slow growing industries, and weak population trends. The state's costs of doing business are average, but higher than in most Midwest states. Unit labor costs are above average, in part because of a still-high presence of unions. This makes it difficult for the state to attract expanding companies. For example, Illinois lost out to Indiana for a new Honda plant.

- Among the state's metro areas, however, overall business costs are above average only in Chicago. Moody's Economy.com's measure of metro business costs includes an index of office rents, which is measured as rent per square foot. In particular, energy costs are much higher in northern Illinois than downstate. Labor costs are above average in every metro area, with the exception of Springfield.

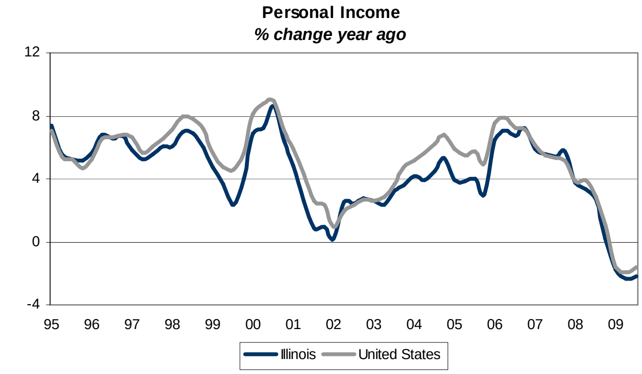
Index of Relative Business Costs

	Labor Cost		**Tax Burden**		**Energy Cost**		**Overall Index**	
	Index	***Rank***	**Index**	***Rank***	**Index**	***Rank***		***Rank***
Illinois	**102**	***10***	**99**	***22***	**95**	***21***	**99**	***18***
Indiana	91	42	102	14	76	37	89	42
Ohio	95	31	107	10	90	24	96	24
Michigan	103	9	100	18	96	20	102	12
Wisconsin	99	19	106	11	92	23	99	20
Iowa	89	47	97	27	74	40	87	46

Notes:

1) Rank is for all states plus District of Columbia.
2) U.S. average = 100.
3) Labor Costs are measured by total earnings per employee at the 3-digit NAICS level.
4) Tax Burdens are measured by all taxes excluding severance, education, and hospital taxes relative to personal income.
5) Energy costs are measured by cents per kwh for industrial and commercial users.
6) In the overall Index, Labor Costs have 75% weight, Energy Costs have 15% weight, and Taxes have 10% weight.

INCOME (back to top)



Source: BEA, Moody's Economy.com, Inc.

- Nominal income growth weakened sharply in 2009, declining for the first time since 1954. In the third quarter, the year-ago rate of decline was 2.2%, a rate unseen since 1949. The nation as a whole is seeing a smaller rate of decline, measured in the third quarter at a year-ago rate of 1.7%. Wage growth has halted, and on a year-ago basis wages fell by nearly 5% in the third quarter.

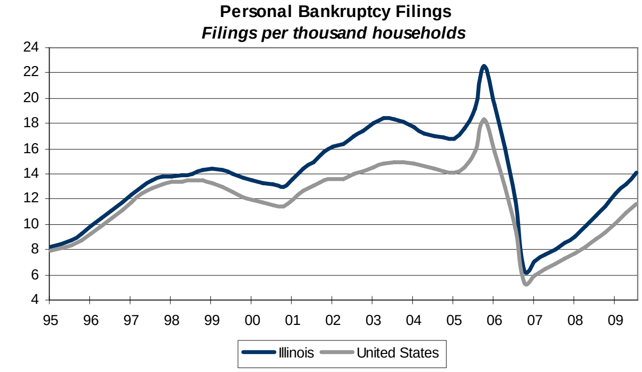
- Weakening income growth is weighing on consumer spending and thus sales tax revenues. Estimated retail sales have been falling since the fourth quarter of 2008 and decline in the third quarter of 2009 at a year-ago rate of 8.8%, slightly worse than the national rate of 6.7%. The declines in retail sales during this recession are the largest since such data was first consistently gathered in 1965.

- In fiscal 2010, nominal income growth is expected to be weak, rising by only 1.3% Wage growth is expected to grow a meager 0.4% for fiscal 2010, which is an improvement over the declining wages seen in 2009. Dividend rent and income growth will be stronger in comparison, growing at about 3% for fiscal 2010. Real income will decline by 0.7% on a year-over-year basis through midyear 2010. While all of these figures reflect slower growth than was forecast a year ago, they also reflect greatly improved performance from a year ago.

- The decline in house prices is having a deleterious effect on the wealth of Illinois households. Home equity peaked at about $90,000 per household in 2005, declined to about $60,000 by the end of 2008 and bottomed out below $37,000 in the first quarter of 2009, standing now just above $40,000. For Chicago homeowners, equity declined from a peak of $90,000 in early 2006 to a low of $24,000 in the first quarter of 2009 before rebounding to around $30,000 in the fourth quarter. Such significant declines in home equity will damage the ability of households to tap into home equity to finance spending and, through the wealth effect, make households feel less wealthy and therefore less willing to spend.

- A proposal by the State of Illinois to raise taxes through a broad-based services tax would garner $3.6 billion to $7.3 billion in revenues. The proposed tax, designed to improve the state's revenue generating capacity, will help lift the state from its current fiscal woes, which have nearly doubled the average time the state takes to pay accounts payable and led to several rounds of downgrades for the state's bond rating, which has in turn raised the cost of borrowing. A services tax is aimed at drawing revenues from some of the state's fastest-growing and most dynamic industries and relieving some of the burden from historically strong but contracting industries such as manufacturing. Fears that services taxes will push away critical industries may be misplaced; other states with strong financial and corporate headquarters industries such as South Dakota and Delaware also heavily tax services.

BALANCE SHEETS (back to top)



Source: Administrative Office of U.S. District Courts

- After plunging following the October 2006 change in bankruptcy laws, personal bankruptcy filings have begun to edge higher. However, at 14 bankruptcies per 1,000 households, they remain lower than before the passage of the law. As the economy struggles in coming quarters, the rate is expected to double, to 25 per 1,000 households by 2012.

- The deterioration in credit conditions is better examined through delinquencies and charge-offs, which are rising precipitously in the state–though not as quickly as in the nation as a whole. According to Equifax, the delinquency rate across loans has risen from a low of 2.5% in 2005 to 6.4% by the end of 2009; this compares with an escalation from 2.4% to 7% nationally. Late payment rates are rising across most loan types. Delinquencies trail the national average for every type of loan with the exception of personal loans, 9.7% of which were delinquent in the state at year-end 2009. Charge-offs of these delinquent loans are higher than average as well.

- The charge-off rate on first mortgages has increased from 0.4% in 2005 to 2.6% at the end of 2009, just slightly below the U.S. average. However, conditions are worse in northern Illinois. At 3.1%, the first mortgage write-off rate for the Chicago area exceeded the national average in the fourth quarter.

- Further, charge-offs of first mortgages are a good indicator of foreclosures. Despite the fact that Illinois did not experience the type of bubble that such states as Florida and California did, the state ranks 10th nationally in terms of foreclosures. In 2009, one in every 141 homes was in foreclosure, slightly above the national rate of one in every 136 homes. Illinois also had more foreclosures than any other Midwestern state, though Michigan's smaller population and worse economic conditions meant its rate of foreclosures was slightly higher than the rate in Illinois.

- The Chicago market had experienced relatively strong house price growth and the resulting decline in affordability spurred a high degree of subprime lending. Many of these loans are going bad now. Downstate metro areas did not see significant upward pressure on prices and, accordingly, subprime lending did not turn into a big problem subsequently. According to data from the Mortgage Bankers Association, the proportion of homes financed with prime, subprime, FHA and VA loans that are in foreclosure proceedings are higher in Illinois than in the nation. Rising foreclosures have far-reaching implications for the state affecting home prices, the real estate market, consumer spending and tax revenues among other things.

- Moreover, as the housing market and economy continue to weaken in 2009, credit quality is certain to deteriorate as well. In particular, since an above average 23.4% of purchase originations in 2006 were subprime purchases according to HMDA data, as rates reset, house prices fall, and the labor market deteriorates a high share of these loans will likely end up in foreclosure.

- Based on data from Equifax, Moody's Economy.com believes that delinquencies peaked in the third quarter of 2009. While write-offs peaked in the fourth quarter. Delinquencies on all types of loans peaked at 6.4%, and slightly higher, at 6.9% for first mortgages. A high rate of severely delinquent mortgages suggests that charge-offs will remain high over the next year or two as well. The peak for charge-offs will be a quarter or two later than for delinquencies. Bankcard delinquencies will continue to climb until mid-2010, when they are expected to peak at 6.3%. The deterioration in the loan quality of auto loans will also persist longer than on mortgages.

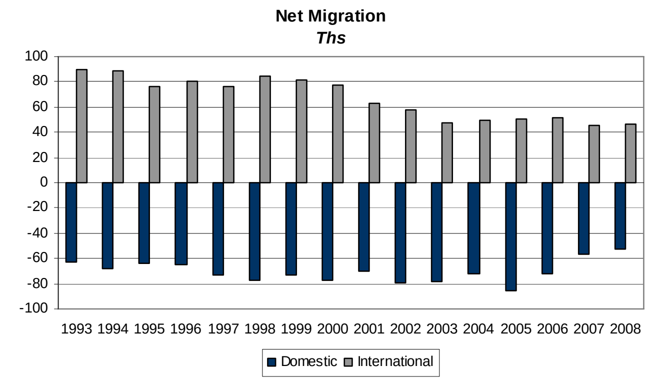
DEMOGRAPHIC TRENDS (back to top)

- An important determinant of the prospects for the Illinois economy is its demographic profile, which is considerably weaker than the national average. Population has been weakening steadily since 1992, reaching as low as 0.3% per annum, before reversing in 2006. However, much of this reversal appears to be tied to declining house prices, which have slowed migration across the U.S. Our latest forecast projects a peak to the state's population growth rate in the fourth quarter at 0.65%, with the prior trend of strong out-migration reviving after housing markets regain liquidity, and population growth falling back to 0.4% by mid-decade.

- The recent improvement in the state's population growth is driven almost entirely by declining domestic out-migration from a net loss of 85,000 in 2005 to a net loss of 48,000 in 2009. International migration is much more difficult to estimate. For Illinois, it has been revised down for previous years; in 2009, it was estimated to be 35,000, down from a peak of 60,000 in 2001. Thus, it does not fully offset losses of domestic migrants.

- While a weak economy is normally correlated with erosion in population trends, the fact that nearly every state is in recession and that homes are difficult to sell will keep more Illinois residents from moving away. However, once conditions improve, Illinois will remain a net loser of residents. The big wild card for Illinois is whether baby boomers will leave the state en masse to retire to warmer climates. In the baseline outlook, the assumption that baby boomers will retire and move out of the state results in steadily deteriorating population growth. Further, the assumption that other parts of the country will enjoy stronger growth will push more working-age adults out of the state. Potential out-migrants will be slowed by the bursting of the housing bubble in the most popular retirement destinations, which reminds some retirees of the fragility of such housing markets, and the losses in retirement wealth and diminished 401(k) accounts, which makes the less costly option of staying put in retirement more attractive.

- The table below of domestic flows is compiled on the basis of IRS tax returns, and, therefore, the numbers are somewhat different than the estimates derived by the Bureau of Census. Illinois' aging residents continue to flow out of the state to Florida and Arizona. Other popular midwestern destinations of out-migrants are Indiana and Wisconsin, which enjoy lower costs of living. While Illinois attracts many migrants from such states as California and Texas, on net the state loses residents to the South and West Coast. There are a number of states with which Illinois enjoys a net inflow including most New England states, the Mid-Atlantic states, Alaska, Michigan, Ohio, Nebraska, and North Dakota.



Source: BOC

Migration Flows - IL - 2008

Into Illinois	Number of Migrants	From Illinois	Number of Migrants
Indiana	16,126	Indiana	22,523
California	13,636	Texas	16,886
Florida	12,735	Wisconsin	16,535
Missouri	12,644	California	15,934
Wisconsin	12,519	Florida	14,293
Michigan	11,177	Missouri	13,987
Texas	10,211	Iowa	9,590
Iowa	7,428	Michigan	7,823
Ohio	7,158	Arizona	7,771
New York	5,648	Georgia	6,855
Inmigration	**192,433**	**Outmigration**	**223,922**
		Net Migration	**-31,489**

Note:
Net Migration: Number of Migrants is the net flow of migrants.

Source: Moody's Economy.com calculation from 2008 IRS data

- After weakening earlier in the decade, population growth improved in the Chicago area in 2008, to 0.76%, up from a low of 0.3% in 2005. Growth is still down from the 1% during the expansion of the 1990s. In 2007, net out-migration fell to nearly 500 from 36,000 in 2005. The still-buoyant Chicago economy through mid-2007 helped bolster its demographic profile. No doubt that has changed more recently, but the same constraints on out-migration (a deteriorating economy nationwide and a poor housing market) will likely keep more people in Chicago at least through 2010.

- Population trends in the remainder of the state have also improved slightly during the past two years. However, what this means is that its population has strengthened from barely any gains at all so modest gains. The impetus behind the improvement is some abatement in out-migration compared to earlier in the decade.

- Population trends differ quite a bit across metro areas in the state. The best growth is in Bloomington, Rockford, Kankakee and Lake County, all of which grew between 0.9% and 1% in 2008. Only Bloomington grew at a pace faster than the national average of 0.9%, and the difference was less than 1 percentage point. The metro areas of Danville and Decatur contracted. Population remains flat in rural Illinois with few drivers of growth.

- The age structure of the population is another important determinant of labor force and consumer trends in the state. Nationally, the median age of the population is 36.8 years and typically grows by two to three months every year. Illinois' median age is lower, at 36, but there are large differences across metro areas. Champaign has the youngest median age at 29.4, driven by its large college population. Decatur has the oldest median age at 39.9, though Davenport's median age of 38.4 and Springfield's 38.9 are not far behind.

Population Profile	% of total Population, 2008	
	Illinois	US
Age 5-19	20.8	20.3
Age 25-44	28.0	27.5
Age 45-64	25.1	25.6
Over age 65	12.2	12.7
Birth Rate, (# of Births per 1000)	14.5	14.2
Death Rate, (# of Deaths per 1000)	8.0	8.1
Median Age (2000 Census)	34.7	35.3

- Another demographic determinant of Illinois' outlook is the education attainment of the population. In 2006, most Illinois workers had some postsecondary education, and 30% held a college degree. Both of those figures are considerably better than national and regional averages. However, Illinois ranks 13th nationally in terms of the share of adults with a college degree. Most northeastern states rank ahead of Illinois, as do Colorado and Washington in the West. The only Midwestern state to rank ahead of Illinois is Minnesota, and no Southern state ranks above Illinois. The state's relatively high ranking is primarily due to the concentration of white-collar jobs in northern Illinois. The metro areas that have a high dependence on manufacturing all have below average educational attainment levels. Davenport, Decatur, Kankakee, Peoria and Rockford all have below-average educational attainment. Champaign and Bloomington have the best-educated labor forces. While college graduation rates are low, every metro area in the state boasts an above-average share of high school graduates.

RESIDENTIAL REAL ESTATE (back to top)

- Although building activity did not surge nearly as much in Illinois as in other parts of the nation with stronger population trends, the market has endured a sharper adjustment than did the U.S. market. Home sales and new residential construction are estimated to have bottomed out in early 2009. Modest improvement is expected in 2010, but the level of permitting will be less than one-half of the peak pace reached in 2006.

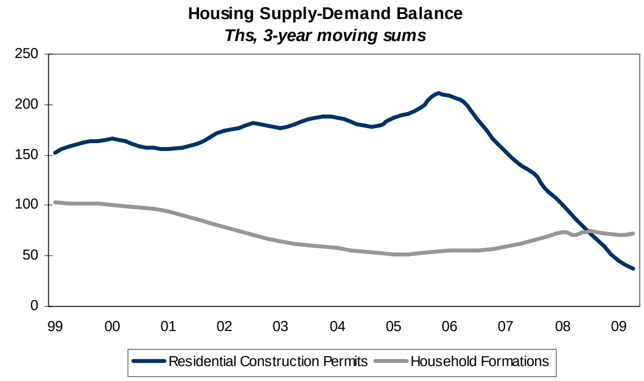
- Both permitting and sales have fallen off dramatically. Total permits were down by half in 2009 compared with the prior year, just as permitting fell in half between 2007 and 2008, and were down more than 87% from their peak in 2005, compared with a decline of 70% nationally. Single-family permitting, which makes up about 70% of all permitting, has adjusted by about the same degree as total permitting. The dramatic downturn in building activity characterizes all metro areas in the state.

- Existing-home sales were up 3% in 2009 from the very low base year prior, according to the Illinois Association of Realtors. Sales remain 69% lower than their peak in 2005, more dramatic than the 26% decline in sales seen nationally. The last time Illinois experienced such a dramatic downturn in home sales was in the depths of the early-1980s' recession. Sliding prices, low interest rates, and the temporary home buyers' tax credit helped boost sales. Some of the improvement may also be attributable to the sales of foreclosed homes at deep discounts.

- Weak demand and foreclosure sales are resulting in downward price pressure. At $169,500, the median house price in the third quarter sold for 12% less in 2009 than in the prior year. The median house price now stands 25% lower than its peak value in 2005.

- Sales in the Chicago area eroded slightly more than in the state as a whole in 2008, falling by 11% since a year ago. They are down 55% from their mid-decade peak. Price erosion accelerated, with the median home selling for 17% less in the third quarter ($209,965) than a year ealier.

- The sharp adjustment in construction is allowing Illinois' housing makret to return to a balance. This will facilitate a rebound once employment and credit markets improve. Housing market balance is determined by the difference between permitting and household formation.



Source: BOC, Moody's Economy.com, Inc.

- Price erosion is helping to improve affordability throughout the state, although affordability has still not returned to where it was at the start of the decade. In Chicago, a family earning the median income can afford to purchase a house costing 52% more than the median-priced house. This is an improvement from 2006, when the family could afford 18% more than a median-priced house. In Lake County, a family can purchase a house costing 73% more. Elsewhere in the state, affordability is considerably higher. In most metro areas in the state, a family earning the median income can afford to purchase a home that costs about twice as much as the median-priced existing home. What has kept affordability high has been the weak rate of house price appreciation in the metro areas in downstate Illinois.

- As a result of high affordability, easy credit, and policies that encourage homeownership, homeownership in the state grew to 72.7% in 2004, compared with 69% nationally. Since then, the state's homeownership rate has fallen. Based on the latest data, for 2008, homeownership has fallen, down to 68.9%, its lowest rate since 2001. It is likely that as more homes went into foreclosure and as a deteriorating labor market forces families to move to rent or move in with relatives, that the homeownership will fall further. Homeownership is higher in every other Great Lakes state. Chicago's large immigrant community and relatively higher house prices are likely behind the relatively lower rate of homeownership.

- The multifamily market has undergone as much of an adjustment as the single-family market. While earlier in the decade, the strong demand for housing and the conversion of apartment units to condominiums kept a lid on strong multifamily development, access to credit is now the principal deterrent.

- Further, despite the fact that homeownership has weakened, demand for apartments has not increased noticeably. This is because families have been moving in with other family members or they are renting the many available single-family homes.

- Single-family building activity is expected to steadily improve through 2012, having bottomed out at only 10,000 units per annum in 2009. Homebuilding will peak at about 40,000 units on an annualized basis. This is down from about 50,000 reached during the 2005 peak. Multifamily building, which bottomed out at only an estimated 7,000 units during the fourth quarter of 2008, will decline further in 2010 before rebounding to about 19,000 units by mid-decade, just short of the average during the first half of this decade.

- Based on estimation using Case-Shiller and FHFA data, which is adjusted for mix of homes sold, Illinois house prices have declined by 22% from their peak in early 2007. A second, smaller dip of 6% in house prices is expected through the end of 2010 before growth resumes. Most of this adjustment is due to price erosion in Chicago. Prices are expected to decline very mildly elsewhere in the state.

COMMERCIAL REAL ESTATE (back to top)

- The recession will weigh heavily on Illinois commercial real estate markets. Non-residential construction has declined. Vacancy rates are rising, sublease space is becoming more available and there is continued downward pressure on commercial rents. Add to this the constricted availability of financing. As a result, more projects are being delayed or canceled.

- Building activity is expected to continue falling in 2010, particularly in northern Illinois. As office employment declines and consumer spending weakens, the retail and office markets are at most risk. More than 130,000 office-using jobs are expected to be lost from peak to trough, and all but a few hundred of those have already been lost. Retail employment is expected to fall by nearly 46,000, and all but a few hundred of those have already been lost.

- In the Chicago office market, the near-term outlook is souring, but most of the risk has evaporated as construction has been tightly curbed. According to CB Richard Ellis, downtown office vacancy has risen to 13.8% in the downtown office space market and lease rates are edging down. New construction is now limited to 900,000 sf of class A space inside the Loop.

- However, the downtown office market will fare better than Chicago's suburban office market as the longer-term trend of companies choosing to be downtown will remain in place. Nearly one-fourth of space is not rented and the availability of sublease space drives the share even higher.

- The industrial market has soured as well. In northern Illinois, vacancies at warehouses and manufacturing facilities have soared to their highest rates since the early 1990s; 11.2% of industrial real estate was vacant at the end of 2009, according to CB Richard Ellis, the same amount that was vacant the quarter before.

- Outside of Chicago, distribution activities focus on traditional old-line manufacturing and the distribution of consumer products, such as the Kmart facility in Kankakee, a 1.2 million sf Wal-Mart Stores distribution center in Spring Valley in Bureau County, and the expansion of a Supervalue distribution center in Urbana. In the South, East St. Louis' distribution industry is expanding and supporting the construction of build-to-suit warehouses.

- The western suburbs of Chicago have seen a lot of the new development resulting from the availability of land there, as well as population shifts. Among the areas under consideration are Hoffman Estates and an area in Kane County. In addition, much of the retail activity is in Will County, consistent with the shifts in population within the metro area. In addition to the onslaught of big-box retailers, the area will become home to a two million sf mall, which will be the sixth-largest in the nation.

- Rising hotel vacancy rates in Chicago are forcing companies to change their plans. For example, some hotel developers are like to scrap or delay new projects as the hotel occupancy rate falls. Nearly 7,200 new rooms were planned or proposed through 2011; this would amount to an increase of 20%. Many of these projects are being delayed.

FORECAST RISKS (back to top)

- The outlook for the Illinois economy is for the recession to moderate and even show signs of recovery by summer. However, there is a strong possibility that the Illinois economy could weaken considerably more than the baseline expectation if the state fares worse than the U.S., as it has in most other post-WWI recessions.

- Under the baseline forecast, Illinois will not recover the jobs lost during this recession until mid-2013. Net job creation will not return until late 2010, though an expected boom in 2011 and 2012 will push job growth up to 3% on a year-ago basis, bringing back many of the lost jobs. A return to prerecessionary employment levels will not mean a return to prerecessionary labor market conditions since population growth and in-migration will have since expanded the pool of eligible workers. In fact, our forecast calls for the long-term unemployment rate in Illinois rising to 5.4%, preventing a return to the very low jobless rates seen before the recession.

- If the severity of the recession is worse than now expected, the current woes in the state's real estate market, credit conditions and labor market would all deepen. This would be reflected in consumer and business spending, and state tax revenues. Further, since Illinois is highly sensitive to movements in the business cycle, this would affect the state's manufacturers, retailers, distribution/warehousing/transportation networks, and financial institutions. Many would not be able to survive and the rebound would take longer.

- Moody's Economy.com considers six possible alternative scenarios, which would result in a more severe downturn for the state. It is possible, for example, that the massive stimulus program being fashioned by the new administration will fail to provide the hope to lift the economy because of an ever more severe and intractable crisis in the financial system. The strongest risks to the short term are seen in a scenario depicting a more severe recession, in which stimulus efforts prove mostly ineffective and a scenario depicting a true depression, in which stimulus efforts fail completely. Intriguingly, Illinois performs better than average in a scenario depicting a stronger than expected recovery, as manufacturing performs exceptionally well in such a scenario.

- Scaled back farm support programs, on which many Illinois farmers depend, create another risk for the state. Given the mounting federal government deficit, compounded by the military engagements in Iraq and Afghanistan, and the impending retirement of baby boomers, farm support programs could be at risk, especially as the Midwest's population share (and, hence, representation in Congress) declines.

- Energy prices have been falling recently in response to weakening demand. Were oil prices to escalate again, this would increase the stresses on the economy, particularly energy dependent segments such as manufacturing and transportation/distribution industries, both of which are concentrated in the state.

- However, an increase in energy prices would also give a spark to nascent alternative energy industries in the state, which include not only ethanol and biodiesel but other forms of energy and more fuel-efficient technologies and equipment. Support for such "green" industries is one of the features of the new administration's stimulus package.

- Alternatively, if oil prices collapse under the weight of the global recession, this would benefit the state's producers and farmers as well as consumers. Lower energy expenditures will keep more cash in households' pockets, supporting consumer spending. Lower energy prices are also positive from an inflation standpoint, by helping to ease input price pass-through in 2007.

DEMOGRAPHIC PROFILE (back to top)

Illinois
Demographic Profile

Indicator	Units	Illinois	U.S.	Rank	Year
Households					
Households, % change (2003-2008)	Ann. % change	0.5	0.9	38	2008
Population w/ B.A. degree or higher	% of adult population	26.1	24.4	15	2000
Median household income	$	52,506	50,233	17	2007
% change year ago		*7.9*	*4.2*	13	2007
Population					
Per capita income	$	42,397	39,751	13	2008
% change year ago		*3.4*	*2.9*	24	2008
Population	thousands	12,902	304,060	5	2008
% change year ago		*0.6*	*0.9*	35	2008
White	%	73.5	75.1	35	2000
Black or African American	%	15.1	12.3	14	2000
Hispanic	%	12.3	12.6	10	2000
Asian	%	3.5	3.8	10	2000
Net domestic migration, rate	Persons/ths. pop.	-4.1	0.0	43	2008
International migration, rate	Persons/ths. pop.	3.6	2.9	9	2008
Poverty rate	%	10.7	12.4	22	1999
Median age	years	34.7	35.3	13	2000
Household Cost Indexes					
Housing affordability index		143.4	156.8	31	2008
Median existing home price	$ ths	*197.8*	*187.4*	18	2008
% change year ago		-10.38	-10.9	40	2008

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Illinois

Recent Monthly Performance

	Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Most Recent Yr/Yr % Change
Establishment Employment (Ths, SA)														
Total Employment	5,849.5	5,819.9	5,783.6	5,742.9	5,717.8	5,700.0	5,682.8	5,667.6	5,648.9	5,638.8	5,636.7	5,628.5	5,612.2	-4.1
% change	*-0.5*	*-0.5*	*-0.6*	*-0.7*	*-0.4*	*-0.3*	*-0.3*	*-0.3*	*-0.3*	*-0.2*	*0.0*	*-0.1*	*-0.3*	
Natural Resources & Mining	10.2	10.3	10.2	10.1	10.2	10.3	10.2	10.1	10.1	10.2	10.4	10.5	10.3	1.0
% change	*0.0*	*1.0*	*-1.0*	*-1.0*	*1.0*	*1.0*	*-1.0*	*-1.0*	*0.0*	*1.0*	*2.0*	*1.0*	*-1.9*	
Construction	236.4	235.5	235.4	232.9	228.1	226.0	221.1	220.4	220.7	219.3	221.8	217.5	209.8	-11.3
% change	*-5.1*	*-0.4*	*0.0*	*-1.1*	*-2.1*	*-0.9*	*-2.2*	*-0.3*	*0.1*	*-0.6*	*1.1*	*-1.9*	*-3.5*	
Manufacturing	643.8	633.0	616.6	602.3	593.5	583.8	578.2	575.7	578.3	576.4	574.7	574.3	572.9	-11.0
% change	*-0.6*	*-1.7*	*-2.6*	*-2.3*	*-1.5*	*-1.6*	*-1.0*	*-0.4*	*0.5*	*-0.3*	*-0.3*	*-0.1*	*-0.2*	
Trade, Transportation, & Utilities	1,180.6	1,181.5	1,177.2	1,171.1	1,165.8	1,160.9	1,160.4	1,154.6	1,149.1	1,140.6	1,138.8	1,137.6	1,132.4	-4.1
% change	*-0.6*	*0.1*	*-0.4*	*-0.5*	*-0.5*	*-0.4*	*0.0*	*-0.5*	*-0.5*	*-0.7*	*-0.2*	*-0.1*	*-0.5*	
Retail Trade	612.7	612.7	613.2	609.9	608.5	605.6	605.1	603.3	598.9	596.4	594.1	593.9	592.0	-3.4
% change	*-0.9*	*0.0*	*0.1*	*-0.5*	*-0.2*	*-0.5*	*-0.1*	*-0.3*	*-0.7*	*-0.4*	*-0.4*	*0.0*	*-0.3*	
Wholesale Trade	304.3	303.3	300.1	299.4	299.2	298.1	296.7	295.2	294.8	291.6	291.1	290.0	288.1	-5.3
% change	*-0.5*	*-0.3*	*-1.1*	*-0.2*	*-0.1*	*-0.4*	*-0.5*	*-0.5*	*-0.1*	*-1.1*	*-0.2*	*-0.4*	*-0.7*	
Transportation & Utilities	263.6	265.5	263.9	261.8	258.1	257.2	258.6	256.1	255.4	252.6	253.6	253.7	252.3	-4.3
% change	*0.1*	*0.7*	*-0.6*	*-0.8*	*-1.4*	*-0.3*	*0.5*	*-1.0*	*-0.3*	*-1.1*	*0.4*	*0.0*	*-0.6*	
Information Services	113.6	112.5	111.4	111.3	109.5	108.2	107.9	106.3	107.2	106.9	106.4	105.5	106.2	-6.5
% change	*-0.3*	*-1.0*	*-1.0*	*-0.1*	*-1.6*	*-1.2*	*-0.3*	*-1.5*	*0.8*	*-0.3*	*-0.5*	*-0.8*	*0.7*	
Financial Services	387.4	385.3	384.2	381.2	377.1	375.7	375.8	374.1	370.6	369.5	368.9	368.4	369.7	-4.6
% change	*-0.2*	*-0.5*	*-0.3*	*-0.8*	*-1.1*	*-0.4*	*0.0*	*-0.5*	*-0.9*	*-0.3*	*-0.2*	*-0.1*	*0.4*	
Professional & Business Services	834.9	827.9	816.2	801.6	796.8	796.0	796.2	796.2	790.7	785.5	789.8	790.9	790.9	-5.3
% change	*-0.7*	*-0.8*	*-1.4*	*-1.8*	*-0.6*	*-0.1*	*0.0*	*0.0*	*-0.7*	*-0.7*	*0.5*	*0.1*	*0.0*	
Education & Health Services	805.1	803.5	803.9	802.8	802.4	803.9	800.3	798.4	796.6	794.5	796.8	800.5	801.2	-0.5
% change	*0.2*	*-0.2*	*0.0*	*-0.1*	*0.0*	*0.2*	*-0.4*	*-0.2*	*-0.2*	*-0.3*	*0.3*	*0.5*	*0.1*	
Leisure & Hospitality Services	520.7	516.8	514.0	514.4	513.5	517.6	518.8	522.9	520.5	520.6	516.2	511.3	508.7	-2.3
% change	*-0.1*	*-0.7*	*-0.5*	*0.1*	*-0.2*	*0.8*	*0.2*	*0.8*	*-0.5*	*0.0*	*-0.8*	*-0.9*	*-0.5*	
Other Services	261.9	258.8	260.7	261.6	259.6	259.4	260.4	259.5	256.7	258.7	257.6	256.0	255.5	-2.4
% change	*-0.4*	*-1.2*	*0.7*	*0.3*	*-0.8*	*-0.1*	*0.4*	*-0.3*	*-1.1*	*0.8*	*-0.4*	*-0.6*	*-0.2*	
Government	854.9	854.8	853.8	853.6	861.3	858.2	853.5	849.4	848.4	856.6	855.3	856.0	854.6	0.0
% change	*-0.1*	*0.0*	*-0.1*	*0.0*	*0.9*	*-0.4*	*-0.5*	*-0.5*	*-0.1*	*1.0*	*-0.2*	*0.1*	*-0.2*	
														1 Year Change
Unemployment Rate (%, SA)	7.2	7.8	8.6	9.0	9.4	10.1	10.3	10.4	10.0	10.5	11.0	10.9	11.1	3.9
														Most Recent Yr/Yr % Change
Labor Force (Ths)	6,658.3	6,601.6	6,603.2	6,578.0	6,611.2	6,667.0	6,652.6	6,646.2	6,589.5	6,620.9	6,639.6	6,647.8	6,623.9	-0.5
% change	*0.1*	*-0.9*	*0.0*	*-0.4*	*0.5*	*0.8*	*-0.2*	*-0.1*	*-0.9*	*0.5*	*0.3*	*0.1*	*-0.4*	
Number of Unemployed (Ths)	480.5	517.4	568.6	595.0	618.6	670.3	682.4	691.5	657.4	697.2	730.6	722.6	733.3	52.6
% change	*4.0*	*7.7*	*9.9*	*4.6*	*4.0*	*8.4*	*1.8*	*1.3*	*-4.9*	*6.1*	*4.8*	*-1.1*	*1.5*	
Number of Employed (Ths)	6,177.8	6,084.2	6,034.7	5,983.0	5,992.6	5,996.7	5,970.2	5,954.7	5,932.2	5,923.7	5,909.0	5,925.3	5,890.7	-4.6
% change	*-0.2*	*-1.5*	*-0.8*	*-0.9*	*0.2*	*0.1*	*-0.4*	*-0.3*	*-0.4*	*-0.1*	*-0.2*	*0.3*	*-0.6*	
Total Residential Permits (# of units YTD, NSA)	21,889	716	1,079	1,590	2,441	3,308	4,398	5,739	6,769	8,123	9,122	10,225	10,912	-50.1
year to year % change	*-48.7*	*-69.3*	*-71.2*	*-70.7*	*-71.5*	*-69.6*	*-65.6*	*-61.4*	*-60.1*	*-56.2*	*-54.7*	*-51.3*	*-50.1*	
Single-family, (# of units YTD, NSA)	12,308	289	871	1,205	1,964	2,732	3,643	4,640	5,392	6,236	7,099	7,773	8,236	-33.1
year to year % change	*-50.4*	*-64.1*	*-45.9*	*-56.0*	*-54.3*	*-52.6*	*-48.1*	*-43.9*	*-41.8*	*-40.0*	*-37.6*	*-35.4*	*-33.1*	
Multifamily, (# of units YTD, NSA)	9,581	427	208	385	477	576	755	1,099	1,377	1,887	2,023	2,452	2,676	-72.1
year to year % change	*-46.3*	*-72.1*	*-90.3*	*-85.6*	*-88.8*	*-88.7*	*-86.9*	*-83.3*	*-82.1*	*-76.8*	*-76.9*	*-72.7*	*-72.1*	
5 +, (# of units YTD, NSA)	8,416	394	153	264	314	366	499	782	998	1,490	1,587	1,954	2,169	-74.2
year to year % change	*-45.3*	*-72.2*	*-91.8*	*-88.7*	*-91.7*	*-92.0*	*-90.3*	*-86.7*	*-85.4*	*-79.2*	*-79.2*	*-75.1*	*-74.2*	
														Most Recent Yr/Yr % Change
Avg. Hrly Earnings: Mfg, ($ Per Hr, SA)	16.55	16.50	16.59	16.53	16.51	16.50	16.54	16.59	16.65	16.58	16.58	16.59	16.71	1.0
% change	*0.2*	*-0.3*	*0.6*	*-0.4*	*-0.1*	*-0.1*	*0.2*	*0.3*	*0.4*	*-0.5*	*0.0*	*0.1*	*0.7*	

Illinois

Recent Quarterly Performance

	06Q4	07Q1	07Q2	07Q3	07Q4	08Q1	08Q2	08Q3	08Q4	09Q1	09Q2	09Q3	09Q4	Most Recent Yr/Yr % Change
Gross State Product (Bil Constant$, SAAR)	507.6	512.2	513.1	513.7	520.3	516.2	520.8	518.0	509.5	500.1	499.7	502.7	508.3	-0.2
% change	*0.3*	*0.9*	*0.2*	*0.1*	*1.3*	*-0.8*	*0.9*	*-0.5*	*-1.6*	*-1.9*	*-0.1*	*0.6*	*1.1*	
Establishment Employment (Ths, SA)														
Total Employment	5,952.2	5,970.1	5,978.5	5,983.3	5,990.6	5,987.0	5,969.3	5,950.8	5,884.1	5,782.1	5,700.2	5,651.8	5,625.8	-4.4
% change	*0.2*	*0.3*	*0.1*	*0.1*	*0.1*	*-0.1*	*-0.3*	*-0.3*	*-1.1*	*-1.7*	*-1.4*	*-0.8*	*-0.5*	
Natural Resources & Mining	10.2	10.3	10.3	10.0	9.9	9.9	9.9	10.1	10.2	10.2	10.2	10.1	10.4	2.0
% change	*0.7*	*1.0*	*0.0*	*-2.6*	*-1.7*	*0.0*	*0.3*	*2.4*	*0.7*	*0.0*	*0.3*	*-1.0*	*2.6*	
Construction	272.9	271.7	273.2	271.7	269.2	264.4	260.5	259.9	246.9	234.6	225.1	220.1	216.4	-12.4
% change	*-0.6*	*-0.4*	*0.6*	*-0.6*	*-0.9*	*-1.8*	*-1.5*	*-0.2*	*-5.0*	*-5.0*	*-4.1*	*-2.2*	*-1.7*	
Manufacturing	682.7	680.4	676.8	673.4	670.7	669.0	663.0	657.7	648.8	617.3	585.2	576.8	574.0	-11.5
% change	*-0.1*	*-0.3*	*-0.5*	*-0.5*	*-0.4*	*-0.3*	*-0.9*	*-0.8*	*-1.4*	*-4.9*	*-5.2*	*-1.4*	*-0.5*	
Trade, Transportation, & Utilities	1,202.4	1,209.7	1,210.7	1,214.2	1,215.2	1,215.6	1,209.2	1,204.2	1,186.7	1,176.6	1,162.4	1,148.1	1,136.3	-4.3
% change	*0.2*	*0.6*	*0.1*	*0.3*	*0.1*	*0.0*	*-0.5*	*-0.4*	*-1.5*	*-0.9*	*-1.2*	*-1.2*	*-1.0*	
Retail Trade	630.4	635.1	635.2	636.4	635.7	635.7	631.4	628.7	617.1	611.9	606.4	599.5	593.3	-3.9
% change	*0.2*	*0.8*	*0.0*	*0.2*	*-0.1*	*0.0*	*-0.7*	*-0.4*	*-1.8*	*-0.8*	*-0.9*	*-1.1*	*-1.0*	
Wholesale Trade	308.3	309.3	310.1	311.2	312.3	311.8	311.4	310.0	306.0	300.9	298.0	293.9	289.7	-5.3
% change	*0.1*	*0.3*	*0.3*	*0.4*	*0.4*	*-0.1*	*-0.1*	*-0.5*	*-1.3*	*-1.7*	*-1.0*	*-1.4*	*-1.4*	
Transportation & Utilities	263.7	265.3	265.4	266.6	267.2	268.1	266.4	265.6	263.6	263.7	258.0	254.7	253.2	-3.9
% change	*0.2*	*0.6*	*0.1*	*0.4*	*0.2*	*0.3*	*-0.6*	*-0.3*	*-0.8*	*0.1*	*-2.2*	*-1.3*	*-0.6*	
Information Services	115.8	116.0	115.7	116.1	116.1	116.0	115.6	114.9	113.9	111.7	108.5	106.8	106.0	-6.9
% change	*-0.1*	*0.2*	*-0.3*	*0.4*	*0.0*	*-0.1*	*-0.4*	*-0.6*	*-0.9*	*-1.9*	*-2.9*	*-1.6*	*-0.7*	
Financial Services	406.2	406.0	404.2	401.9	399.2	396.5	394.4	390.8	388.0	383.6	376.2	371.4	369.0	-4.9
% change	*0.2*	*-0.1*	*-0.4*	*-0.6*	*-0.7*	*-0.7*	*-0.5*	*-0.9*	*-0.7*	*-1.2*	*-1.9*	*-1.3*	*-0.6*	
Professional & Business Services	861.7	865.3	870.2	873.2	874.0	873.8	867.2	860.2	843.4	815.2	796.3	790.8	790.5	-6.3
% change	*0.6*	*0.4*	*0.6*	*0.3*	*0.1*	*0.0*	*-0.8*	*-0.8*	*-2.0*	*-3.3*	*-2.3*	*-0.7*	*0.0*	
Education & Health Services	768.7	773.4	777.5	780.7	787.3	791.3	796.9	802.9	805.2	803.4	802.2	796.5	799.5	-0.7
% change	*0.4*	*0.6*	*0.5*	*0.4*	*0.8*	*0.5*	*0.7*	*0.7*	*0.3*	*-0.2*	*-0.1*	*-0.7*	*0.4*	
Leisure & Hospitality Services	526.3	529.8	530.2	531.5	534.7	533.7	534.2	530.4	522.5	515.1	516.6	521.3	512.1	-2.0
% change	*0.4*	*0.7*	*0.1*	*0.3*	*0.6*	*-0.2*	*0.1*	*-0.7*	*-1.5*	*-1.4*	*0.3*	*0.9*	*-1.8*	
Other Services	260.0	260.2	261.1	261.5	262.1	262.9	263.8	264.8	262.9	260.4	259.8	258.3	256.4	-2.5
% change	*0.5*	*0.1*	*0.4*	*0.1*	*0.2*	*0.3*	*0.4*	*0.4*	*-0.7*	*-1.0*	*-0.2*	*-0.6*	*-0.7*	
Government	845.5	847.5	848.5	849.0	852.2	853.9	854.5	854.8	855.4	854.1	857.7	851.5	855.3	0.0
% change	*-0.2*	*0.2*	*0.1*	*0.1*	*0.4*	*0.2*	*0.1*	*0.0*	*0.1*	*-0.2*	*0.4*	*-0.7*	*0.5*	
														1 Year Change
Unemployment Rate (%, SA)	4.4	4.8	5.0	5.2	5.5	5.9	6.4	6.7	7.0	8.5	9.9	10.3	11.0	4.0
														Most Recent Yr/Yr % Change
Labor Force (Ths)	6,610.5	6,640.4	6,679.2	6,712.4	6,726.5	6,735.0	6,716.4	6,682.7	6,655.2	6,594.3	6,643.6	6,618.9	6,637.1	-0.3
% change	*0.4*	*0.5*	*0.6*	*0.5*	*0.2*	*0.1*	*-0.3*	*-0.5*	*-0.4*	*-0.9*	*0.7*	*-0.4*	*0.3*	
Number of Unemployed (Ths)	288.7	315.3	331.1	349.3	368.2	395.8	428.5	445.8	464.6	560.3	657.1	682.0	728.8	56.9
% change	*-2.2*	*9.2*	*5.0*	*5.5*	*5.4*	*7.5*	*8.3*	*4.0*	*4.2*	*20.6*	*17.3*	*3.8*	*6.9*	
Number of Employed (Ths)	6,321.8	6,325.2	6,348.1	6,363.0	6,358.3	6,339.3	6,287.8	6,236.9	6,190.6	6,034.0	5,986.5	5,936.9	5,908.3	-4.6
% change	*0.6*	*0.1*	*0.4*	*0.2*	*-0.1*	*-0.3*	*-0.8*	*-0.8*	*-0.7*	*-2.5*	*-0.8*	*-0.8*	*-0.5*	
Total Residential Permits (# of units YTD, NSA)	59,121	11,977	24,129	34,366	42,666	5,422	12,772	18,541	21,889	1,590	4,398	8,123	10,912	-50.1
year to year % change	*-12.9*	*-24.2*	*-26.4*	*-28.5*	*-27.8*	*-54.7*	*-47.1*	*-46.0*	*-48.7*	*-70.7*	*-65.6*	*-56.2*	*-50.1*	
Single-family, (# of units YTD, NSA)	39,485	5,713	13,925	20,356	24,827	2,740	7,014	10,400	12,308	1,205	3,643	6,236	8,236	-33.1
year to year % change	*-19.6*	*-41.3*	*-36.7*	*-36.8*	*-37.1*	*-52.0*	*-49.6*	*-48.9*	*-50.4*	*-56.0*	*-48.1*	*-40.0*	*-33.1*	
Multifamily, (# of units YTD, NSA)	19,636	6,264	10,204	14,010	17,839	2,682	5,758	8,141	9,581	385	755	1,887	2,676	-72.1
year to year % change	*4.6*	*3.3*	*-5.3*	*-11.5*	*-9.2*	*-57.2*	*-43.6*	*-41.9*	*-46.3*	*-85.6*	*-86.9*	*-76.8*	*-72.1*	
5 +, (# of units YTD, NSA)	16,023	5,695	8,875	12,140	15,395	2,343	5,168	7,178	8,416	264	499	1,490	2,169	-74.2
year to year % change	*15.2*	*15.0*	*1.3*	*-5.6*	*-3.9*	*-58.9*	*-41.8*	*-40.9*	*-45.3*	*-88.7*	*-90.3*	*-79.2*	*-74.2*	
														Most Recent Yr/Yr % Change
Existing Single-Family Home Sales (Ths, SAAR)	242.0	236.6	226.1	209.7	194.5	180.7	170.0	166.7	152.1	146.5	147.6	171.5	na	2.9
% change	*-3.1*	*-2.2*	*-4.4*	*-7.3*	*-7.3*	*-7.1*	*-5.9*	*-1.9*	*-8.8*	*-3.6*	*0.8*	*16.2*	na	
Home Price Index (Index 1980Q1 = 100, NSA)	372.7	375.4	375.0	373.7	375.7	375.2	370.0	361.7	362.3	363.0	352.5	341.9	na	-5.5
% change	*1.1*	*0.7*	*-0.1*	*-0.4*	*0.6*	*-0.1*	*-1.4*	*-2.3*	*0.2*	*0.2*	*-2.9*	*-3.0*	*na*	
Median Existing Home Sales Price (Ths, SA)	223.1	224.7	221.9	221.6	213.0	205.9	199.6	192.9	175.8	162.7	167.6	169.5	na	-12.1
% change	*0.5*	*0.7*	*-1.2*	*-0.2*	*-3.9*	*-3.3*	*-3.1*	*-3.4*	*-8.9*	*-7.4*	*3.0*	*1.2*	*na*	
Personal Income (Mil $, SAAR)	515,054	523,215	530,049	534,636	544,747	542,951	547,667	548,976	545,784	533,193	534,834	536,993	na	-2.2
% change	*1.6*	*1.6*	*1.3*	*0.9*	*1.9*	*-0.3*	*0.9*	*0.2*	*-0.6*	*-2.3*	*0.3*	*0.4*	*na*	
Wages & Salaries (Mil. $)	288,479	294,435	296,123	296,751	304,004	302,906	302,789	303,907	302,533	291,814	288,730	288,960	na	-4.9
% change	*1.9*	*2.1*	*0.6*	*0.2*	*2.4*	*-0.4*	*0.0*	*0.4*	*-0.5*	*-3.5*	*-1.1*	*0.1*	*na*	
Nonwage Income (Mil. $)	226,575	228,780	233,926	237,885	240,743	240,045	244,878	245,069	243,251	241,379	246,104	248,033	*na*	1.2
% change	*1.1*	*1.0*	*2.2*	*1.7*	*1.2*	*-0.3*	*2.0*	*0.1*	*-0.7*	*-0.8*	*2.0*	*0.8*	*na*	
Avg. Hrly Earnings: Mfg ($ Per Hr, SA)	16.15	16.31	16.44	16.58	16.55	16.44	16.40	16.40	16.51	16.54	16.52	16.61	16.63	0.7
% change	*0.7*	*0.9*	*0.8*	*0.9*	*-0.2*	*-0.7*	*-0.2*	*0.0*	*0.7*	*0.2*	*-0.2*	*0.6*	*0.1*	
Personal Bankruptcies (# 3-Month Ending, SAAR)	32,073	38,880	42,349	40,266	40,073	49,710	60,615	56,009	52,227	69,076	76,121	72,876	na	30.1

Illinois

Recent Annual Performance

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	5 Yr. Average Annual % Change
Gross State Product (Bil Constant$, SAAR)	452.9	464.2	464.9	466.2	479.3	487.6	490.3	505.3	514.8	516.1	502.7	0.6
% change	*2.9*	*2.5*	*0.2*	*0.3*	*2.8*	*1.7*	*0.6*	*3.1*	*1.9*	*0.3*	*-2.6*	
Establishment Employment (Ths, SA)												
Total Employment	5,962.7	6,044.7	5,995.7	5,883.7	5,810.9	5,816.2	5,862.3	5,933.1	5,980.6	5,947.8	5,690.0	-0.4
% change	*1.0*	*1.4*	*-0.8*	*-1.9*	*-1.2*	*0.1*	*0.8*	*1.2*	*0.8*	*-0.5*	*-4.3*	
Natural Resources & Mining	10.6	9.9	10.0	9.7	9.4	9.4	9.8	10.3	10.1	10.0	10.2	1.8
% change	*-4.2*	*-6.7*	*1.3*	*-3.2*	*-2.6*	*-0.7*	*5.2*	*4.1*	*-1.2*	*-1.0*	*2.2*	
Construction	255.9	269.7	277.3	277.5	274.8	270.1	268.6	275.4	271.4	258.0	224.0	-3.7
% change	*4.5*	*5.4*	*2.8*	*0.1*	*-1.0*	*-1.7*	*-0.6*	*2.5*	*-1.4*	*-5.0*	*-13.1*	
Manufacturing	882.2	870.6	815.5	754.0	714.1	697.2	688.2	683.4	675.3	659.6	588.3	-3.3
% change	*-2.6*	*-1.3*	*-6.3*	*-7.5*	*-5.3*	*-2.4*	*-1.3*	*-0.7*	*-1.2*	*-2.3*	*-10.8*	
Trade, Transportation, & Utilities	1,230.3	1,247.6	1,231.8	1,197.8	1,183.0	1,180.2	1,186.9	1,198.4	1,212.4	1,204.0	1,155.8	-0.4
% change	*1.1*	*1.4*	*-1.3*	*-2.8*	*-1.2*	*-0.2*	*0.6*	*1.0*	*1.2*	*-0.7*	*-4.0*	
Retail Trade	641.8	650.6	643.4	631.7	625.4	625.2	626.4	628.7	635.6	628.2	602.8	-0.3
% change	*1.2*	*1.4*	*-1.1*	*-1.8*	*-1.0*	*0.0*	*0.2*	*0.4*	*1.1*	*-1.2*	*-4.0*	
Wholesale Trade	317.1	320.8	316.6	307.3	303.0	300.0	302.9	307.7	310.7	309.8	295.6	-0.7
% change	*1.1*	*1.2*	*-1.3*	*-2.9*	*-1.4*	*-1.0*	*1.0*	*1.6*	*1.0*	*-0.3*	*-4.6*	
Transportation & Utilities	271.4	276.1	271.7	258.8	254.6	255.0	257.6	262.0	266.1	265.9	257.4	0.2
% change	*1.0*	*1.7*	*-1.6*	*-4.8*	*-1.6*	*0.2*	*1.0*	*1.7*	*1.6*	*-0.1*	*-3.2*	
Information Services	147.9	147.6	147.3	137.2	127.6	120.9	118.2	116.3	116.0	115.1	108.3	-2.2
% change	*-1.6*	*-0.2*	*-0.2*	*-6.8*	*-7.0*	*-5.2*	*-2.2*	*-1.6*	*-0.2*	*-0.8*	*-5.9*	
Financial Services	405.6	404.0	403.6	400.6	401.8	399.4	401.9	405.2	402.8	392.4	375.0	-1.3
% change	*1.2*	*-0.4*	*-0.1*	*-0.7*	*0.3*	*-0.6*	*0.6*	*0.8*	*-0.6*	*-2.6*	*-4.4*	
Professional & Business Services	817.3	842.7	820.7	791.4	777.4	798.6	826.6	854.2	870.7	861.2	798.2	0.0
% change	*4.0*	*3.1*	*-2.6*	*-3.6*	*-1.8*	*2.7*	*3.5*	*3.3*	*1.9*	*-1.1*	*-7.3*	
Education & Health Services	664.9	681.1	697.1	710.6	718.0	729.9	745.2	762.3	779.7	799.1	800.4	1.9
% change	*0.6*	*2.4*	*2.4*	*1.9*	*1.0*	*1.7*	*2.1*	*2.3*	*2.3*	*2.5*	*0.2*	
Leisure & Hospitality Services	479.1	486.6	491.1	492.0	497.3	506.1	512.3	522.8	531.6	530.2	516.3	0.4
% change	*1.4*	*1.6*	*0.9*	*0.2*	*1.1*	*1.8*	*1.2*	*2.0*	*1.7*	*-0.3*	*-2.6*	
Other Services	243.4	245.3	251.1	252.0	254.4	259.6	258.4	259.5	261.2	263.6	258.7	-0.1
% change	*2.5*	*0.8*	*2.4*	*0.3*	*1.0*	*2.1*	*-0.5*	*0.4*	*0.7*	*0.9*	*-1.9*	
Government	825.6	839.7	850.4	861.0	853.2	844.7	846.0	845.6	849.3	854.7	854.6	0.2
% change	*1.2*	*1.7*	*1.3*	*1.2*	*-0.9*	*-1.0*	*0.2*	*-0.1*	*0.4*	*0.6*	*0.0*	
												5 Year Change
Unemployment Rate (%)	4.4	4.5	5.4	6.5	6.7	6.2	5.8	4.6	5.1	6.5	9.9	3.4
												5 Yr. Average Annual % Change
Labor Force (Ths)	6,429.5	6,467.7	6,464.5	6,387.1	6,343.3	6,365.5	6,433.1	6,558.0	6,689.6	6,697.3	6,623.5	0.8
% change	*1.6*	*0.6*	*0.0*	*-1.2*	*-0.7*	*0.3*	*1.1*	*1.9*	*2.0*	*0.1*	*-1.1*	
Number of Unemployed (Ths)	286.3	290.9	351.0	417.7	426.4	396.9	371.8	302.8	341.0	433.7	657.1	10.6
% change	*1.0*	*1.6*	*20.7*	*19.0*	*2.1*	*-6.9*	*-6.3*	*-18.6*	*12.6*	*27.2*	*51.5*	
Number of Employed (Ths)	6,143.1	6,176.8	6,113.5	5,969.4	5,916.8	5,968.6	6,061.3	6,255.2	6,348.7	6,263.7	5,966.4	0.0
% change	*1.6*	*0.5*	*-1.0*	*-2.4*	*-0.9*	*0.9*	*1.6*	*3.2*	*1.5*	*-1.3*	*-4.7*	
												5 Yr. Average
Total Residential Permits (# of units)	52,515	52,011	53,900	57,791	61,411	62,576	67,852	59,121	42,666	21,889	10,912	40,488
year to year % change	*11.2*	*-1.0*	*3.6*	*7.2*	*6.3*	*1.9*	*8.4*	*-12.9*	*-27.8*	*-48.7*	*-50.1*	
Single-family	39,456	37,750	38,808	42,200	43,829	48,898	49,084	39,485	24,827	12,308	8,236	26,788
year to year % change	*10.0*	*-4.3*	*2.8*	*8.7*	*3.9*	*11.6*	*0.4*	*-19.6*	*-37.1*	*-50.4*	*-33.1*	
Multifamily	13,059	14,261	15,092	15,591	17,582	13,678	18,768	19,636	17,839	9,581	2,676	13,700
year to year % change	*15.3*	*9.2*	*5.8*	*3.3*	*12.8*	*-22.2*	*37.2*	*4.6*	*-9.2*	*-46.3*	*-72.1*	
5	9,636	11,098	11,876	11,917	13,705	9,500	13,906	16,023	15,395	8,416	2,169	11,182
year to year % change	*20.1*	*15.2*	*7.0*	*0.3*	*15.0*	*-30.7*	*46.4*	*15.2*	*-3.9*	*-45.3*	*-74.2*	
												5 Yr. Average Annual % Change
Existing Single-Family Home Sales (Ths)	226.4	225.8	228.7	243.4	245.4	273.0	279.5	258.8	216.7	167.4	na	-7.4
% change	*1.0*	*-0.3*	*1.3*	*6.4*	*0.8*	*11.3*	*2.4*	*-7.4*	*-16.3*	*-22.8*	*na*	
Home Price Index (Index 1980Q1 = 100)	232.3	246.8	261.8	278.0	292.6	317.2	345.4	367.0	375.0	367.3	na	4.7
% change	*3.9*	*6.2*	*6.1*	*6.2*	*5.3*	*8.4*	*8.9*	*6.2*	*2.2*	*-2.0*	*na*	
Median Existing Home Sales Price (Ths)	136.3	141.4	154.8	169.6	179.6	195.6	215.7	223.5	220.3	193.6	na	1.5
% change	*3.8*	*3.8*	*9.5*	*9.5*	*5.9*	*8.9*	*10.3*	*3.6*	*-1.4*	*-12.1*	*na*	
Personal Income (Mil $)	378,415	405,919	415,145	423,393	435,953	455,416	472,185	504,628	533,162	546,345	na	4.6
% change	*3.7*	*7.3*	*2.3*	*2.0*	*3.0*	*4.5*	*3.7*	*6.9*	*5.7*	*2.5*	*na*	
Wages & Salaries (Mil. $)	222,654	236,932	242,154	243,034	245,913	256,737	267,283	283,068	297,828	303,034	na	4.3
% change	*5.9*	*6.4*	*2.2*	*0.4*	*1.2*	*4.4*	*4.1*	*5.9*	*5.2*	*1.7*	*na*	
Nonwage Income (Mil. $)	155,762	168,987	172,992	180,359	190,040	198,679	204,902	221,561	235,334	243,311	na	5.1
% change	*0.7*	*8.5*	*2.4*	*4.3*	*5.4*	*4.5*	*3.1*	*8.1*	*6.2*	*3.4*	*na*	
Avg. Hrly Earnings: Mfg. ($ Per Hr)	na	na	14.66	14.99	15.20	15.61	15.84	16.03	16.47	16.44	16.57	1.2
% change	*na*	*na*	*na*	*2.2*	*1.4*	*2.7*	*1.5*	*1.2*	*2.7*	*-0.2*	*0.8*	
Personal Bankruptcies	62,624	59,934	73,043	80,887	84,294	79,025	105,240	29,718	40,392	54,640	na	-8.3
% change	*-4.0*	*-4.3*	*21.9*	*10.7*	*4.2*	*-6.3*	*33.2*	*-71.8*	*35.9*	*35.3*	*na*	
Population (Ths)	12,359.0	12,437.6	12,507.8	12,558.2	12,598.0	12,645.3	12,674.5	12,718.0	12,779.4	12,843.0	12,910.4	0.4
% change	*0.7*	*0.6*	*0.6*	*0.4*	*0.3*	*0.4*	*0.2*	*0.3*	*0.5*	*0.5*	*0.5*	
												5 Yr. Average
Net Migration (Ths)	7.8	-0.2	-7.3	-21.1	-30.8	-23.1	-35.1	-21.4	-11.7	-6.4	-29.0	na

Illinois
History

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Employment (Ths.)	6,044.7	5,995.7	5,883.7	5,810.9	5,816.2	5,862.3	5,933.1	5,980.6	5,947.8	5,691.1
% Change	*1.4*	*-0.8*	*-1.9*	*-1.2*	*0.1*	*0.8*	*1.2*	*0.8*	*-0.5*	*-4.3*
Manufacturing	870.6	815.5	754.0	714.1	697.2	688.2	683.4	675.3	659.6	588.4
Construction	269.7	277.3	277.5	274.8	270.2	268.6	275.4	271.4	258.0	224.4
Prof. and Bus. Serv.	842.7	820.7	791.4	777.4	798.6	826.6	854.2	870.7	861.2	798.3
Edu. and Health Serv.	681.1	697.1	710.6	718.0	729.9	745.2	762.3	779.7	799.1	801.2
Leisure and Hospitality	486.6	491.1	492.0	497.3	506.2	512.3	522.8	531.6	530.2	516.1
Other Services	245.3	251.1	252.0	254.4	259.6	258.4	259.5	261.2	263.6	258.6
Trade, Trans. and Util.	1,247.6	1,231.8	1,197.8	1,183.0	1,180.2	1,187.0	1,198.5	1,212.5	1,204.0	1,156.0
Wholesale	320.8	316.6	307.3	303.0	300.0	302.9	307.7	310.7	309.8	295.6
Retail	650.6	643.4	631.7	625.4	625.2	626.4	628.7	635.6	628.2	602.8
Trans. and Util.	276.1	271.7	258.8	254.6	255.0	257.6	262.0	266.1	265.9	257.6
Financial Activities	404.0	403.6	400.6	401.8	399.4	401.9	405.2	402.8	392.4	374.8
Information	147.6	147.3	137.2	127.6	120.9	118.2	116.3	116.0	115.1	108.2
Government	839.7	850.4	861.0	853.2	844.7	846.0	845.6	849.3	854.7	854.7
Natural Res. and Min.	9.9	10.0	9.7	9.4	9.4	9.8	10.3	10.1	10.0	10.3
Unemployment Rate (%)	4.5	5.4	6.6	6.7	6.2	5.8	4.6	5.1	6.5	9.9
Population (Ths.)	12,437.9	12,510.6	12,565.2	12,611.1	12,665.7	12,704.1	12,759.7	12,825.8	12,901.6	12,985.1
% Change	*0.6*	*0.6*	*0.4*	*0.4*	*0.4*	*0.3*	*0.4*	*0.5*	*0.6*	*0.6*
Age: <5	876.2	877.8	880.5	884.2	890.0	890.1	884.8	889.5	892.7	896.5
Age: 5-19	2,728.4	2,732.9	2,727.7	2,712.3	2,702.1	2,687.5	2,682.4	2,677.4	2,681.0	2,684.6
Age: 20-24	857.5	871.4	876.6	884.6	898.5	902.8	909.6	915.2	914.8	921.9
Age: 25-44	3,790.9	3,770.4	3,746.3	3,714.2	3,682.4	3,648.4	3,626.8	3,613.0	3,610.0	3,605.8
Age: 45-64	2,683.9	2,755.5	2,832.2	2,905.3	2,976.3	3,052.6	3,124.1	3,185.3	3,232.4	3,284.7
Age: >65	1,500.9	1,502.5	1,502.0	1,510.4	1,516.3	1,522.7	1,531.9	1,545.5	1,570.8	1,591.6
Households (Ths.)	4,598.7	4,625.5	4,645.7	4,662.7	4,682.9	4,697.1	4,717.6	4,742.1	4,770.1	4,788.0
% Change	*0.7*	*0.6*	*0.4*	*0.4*	*0.4*	*0.3*	*0.4*	*0.5*	*0.6*	*0.4*
Personal Income (Bil. $)	405.9	415.1	423.4	436.0	455.4	472.2	504.6	533.2	546.3	536.3
% Change	*7.3*	*2.3*	*2.0*	*3.0*	*4.5*	*3.7*	*6.9*	*5.7*	*2.5*	*-1.8*
Total Residential Permits (#)	51,944.0	54,839.0	60,971.0	62,211.0	59,753.0	66,942.0	58,802.0	43,020.0	22,528.0	11,663.5
% Change	*-3.8*	*5.6*	*11.2*	*2.0*	*-4.0*	*12.0*	*-12.2*	*-26.8*	*-47.6*	*-48.2*
Single-family Permits	37,817.0	39,362.0	42,545.0	45,379.0	46,207.0	47,705.0	37,903.0	24,511.0	11,827.0	8,785.8
Multifamily Permits	14,127.0	15,477.0	18,426.0	16,832.0	13,546.0	19,237.0	20,899.0	18,509.0	10,701.0	2,877.8

Illinois
Forecast

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	04-09	09-14	14-19
												Annual Growth (%)	
Total Employment (Ths.)	5,624.3	5,693.1	5,853.9	6,018.2	6,084.8	6,095.3	6,089.1	6,085.4	6,082.6	6,083.8	-0.4	1.3	0.0
% Change	*-1.2*	*1.2*	*2.8*	*2.8*	*1.1*	*0.2*	*-0.1*	*-0.1*	*0.0*	*0.0*			
Manufacturing	566.7	568.5	577.6	587.9	587.2	582.0	576.8	571.7	566.4	561.1	-3.3	0.0	-0.9
Construction	212.4	214.4	223.5	236.3	244.7	246.7	243.5	239.7	238.0	240.6	-3.6	1.7	-0.3
Prof. and Bus. Serv.	792.9	807.7	843.6	876.9	892.5	900.6	908.5	916.7	925.2	933.7	0.0	2.3	0.9
Edu. and Health Serv.	813.0	830.1	854.9	884.7	898.6	905.7	911.7	918.0	923.4	928.6	1.9	2.3	0.7
Leisure and Hospitality	509.2	520.4	540.8	563.2	573.7	579.2	584.2	589.1	593.6	597.9	0.4	2.1	0.8
Other Services	257.6	265.4	273.8	281.1	282.7	281.9	280.8	279.9	278.9	277.8	-0.1	1.8	-0.3
Trade, Trans. and Util.	1,132.9	1,145.8	1,167.2	1,188.9	1,189.4	1,181.0	1,171.8	1,162.2	1,152.8	1,143.7	-0.4	0.6	-0.8
Wholesale	286.4	287.8	292.4	298.0	298.7	297.2	295.6	293.9	292.3	290.6	-0.3	0.2	-0.5
Retail	592.3	599.5	611.7	623.6	623.7	618.9	613.3	607.5	601.9	596.7	-0.7	0.7	-0.9
Trans. and Util.	254.2	258.5	263.1	267.3	267.0	265.0	262.9	260.8	258.7	256.4	0.2	0.7	-0.8
Financial Activities	364.8	364.3	373.0	383.4	387.2	387.2	387.0	386.9	386.8	386.7	-1.3	0.7	0.0
Information	104.5	105.4	107.8	110.3	110.6	110.2	109.8	109.5	109.2	108.8	-2.2	0.4	-0.3
Government	860.3	861.5	882.0	895.4	908.2	910.7	905.3	902.2	899.0	895.8	0.2	1.2	-0.3
Natural Res. and Min.	10.0	9.7	9.8	10.1	10.1	9.9	9.7	9.5	9.3	9.1	1.9	-0.4	-2.0
Unemployment Rate (%)	11.4	10.5	7.7	5.9	5.4	5.3	5.4	5.4	5.4	5.4	6.4	8.5	5.4
												Annual Growth (%)	
Population (Ths.)	13,067.0	13,144.3	13,204.9	13,262.9	13,319.6	13,371.7	13,423.0	13,472.6	13,521.6	13,569.5	0.5	0.5	0.4
% Change	*0.6*	*0.6*	*0.5*	*0.4*	*0.4*	*0.4*	*0.4*	*0.4*	*0.4*	*0.4*			
Age: <5	901.0	906.0	910.3	914.4	918.2	921.1	923.3	924.8	925.7	926.0	0.1	0.5	0.2
Age: 5-19	2,683.3	2,682.5	2,681.3	2,681.3	2,683.3	2,686.4	2,693.0	2,704.7	2,718.2	2,731.6	-0.1	0.0	0.4
Age: 20-24	933.7	944.9	954.3	959.2	959.6	954.1	946.6	937.0	927.1	918.9	0.5	0.8	-0.9
Age: 25-44	3,602.8	3,609.0	3,612.9	3,619.7	3,625.3	3,623.6	3,625.0	3,631.7	3,645.3	3,661.7	-0.4	0.1	0.2
Age: 45-64	3,337.7	3,370.8	3,372.1	3,372.9	3,379.8	3,391.3	3,400.4	3,398.3	3,386.2	3,367.3	2.0	0.6	-0.1
Age: >65	1,608.6	1,631.2	1,674.0	1,715.3	1,753.3	1,795.2	1,834.8	1,876.1	1,919.2	1,964.0	1.0	2.0	2.3
Households (Ths.)	4,811.5	4,837.4	4,885.4	4,927.3	4,959.8	4,987.5	5,010.3	5,028.2	5,044.5	5,063.5	0.4	0.7	0.4
% Change	*0.5*	*0.5*	*1.0*	*0.9*	*0.7*	*0.6*	*0.5*	*0.4*	*0.3*	*0.4*			
Personal Income (Bil. $)	544.8	559.8	583.0	612.7	640.5	665.3	690.1	716.0	742.9	771.5	3.3	3.6	3.8
% Change	*1.6*	*2.7*	*4.1*	*5.1*	*4.5*	*3.9*	*3.7*	*3.8*	*3.8*	*3.8*			
												Average	
Total Residential Permits (#)	23,400	36,809	57,177	62,626	62,653	62,670	62,353	61,739	61,169	60,853	43,785	42,388	61,906
% Change	*100.6*	*57.3*	*55.3*	*9.5*	*0.0*	*0.0*	*-0.5*	*-1.0*	*-0.9*	*-0.5*			
Single-family Permits	16,294	24,944	40,166	43,160	42,380	42,388	42,433	42,359	42,253	42,316	29,490	29,288	42,355
Multifamily Permits	7,107	11,866	17,011	19,466	20,273	20,282	19,920	19,380	18,916	18,537	14,295	13,100	19,551