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ANALYSIS

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State of Illinois Forecast Report

Prepared for the State of Illinois Commission on Government Forecasting and Accountability

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Summary

Illinois is one of the Midwest's weakest links, reflecting both soft job creation and the state's descent into fiscal quicksand. The state trails the nation in most metrics and political gridlock is imposing significant economic costs. The jobless rate has resumed its descent after rising late last year into early 2016, but much of the decline owes to a sharp drop in the labor force and population losses.

Payroll employment is growing at the slowest pace since 2010. Service-providing industries are slowly advancing, but goods producers are cutting back, weighed down by low oil prices, weak global growth, an inventory overhang, and the strong U.S. dollar. Downstate is hurting more than Chicago, which relies much more heavily on service industries for growth. The manufacturing slump has been punishing to export-oriented manufacturing centers such as Decatur, Peoria, and the Quad Cities. The state's performance gap with the region and nation will narrow over the next several years, but manufacturing's struggles and dismal public finances will keep Illinois an underperformer.

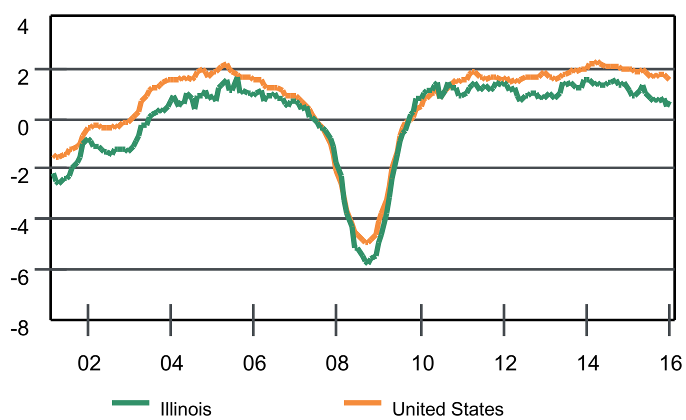
Longer term, Illinois has a lot of what businesses need to thrive—talent, access to customers and capital, transportation hubs—but painful fiscal reforms are needed before it can fully capitalize on these strengths. To be a solid-performer longer term, the state must navigate its fiscal challenges without doing lasting damage to its business climate. The state's demographics present it with another challenge, as an aging population coupled with a trend toward fewer workers hampers job and income gains, which are forecast to be below average over the extended forecast horizon.

Recent Performance

The pace of job growth is falling well short of the U.S. average, but benchmark employment revisions revealed that Illinois was in better shape in 2015 than previously believed. Year-over-year employment growth accelerated slightly last year, contrasting with previous figures that showed considerable slowing from 2014. The slowdown downstate had not been as severe as previously estimated, and upstate economies were relatively buoyant. Despite upward revisions, however, Illinois is in a tough spot. It took until February for Illinois to finally recover the total number of jobs it lost during the recession, more than a year longer than the Midwest and national averages. Only in Springfield, Chicago, and neighboring Lake County and Kankakee has employment surpassed its prerecession peak. Even in these metro divisions, job growth is slower and less broad-based than in other Midwest metro areas.

Employment Growth

% change yr ago



Sources: BLS, Moody's Analytics

It is clear from the collection of job market indicators that businesses in Illinois are under less pressure to add workers than they are elsewhere. The share of private industries increasing headcount is lower than in other Midwest states, for example. There are signs of life, however. Temporary employment, which had declined by 10% over the year through February, appears now to have found a bottom. Firms that provide temporary help have been adding to payrolls since March. Also, the average workweek has been lengthening this year after a year and a half of decline.

The problems extend beyond the labor market. The Moody's Analytics business cycle tracker, which combines employment, factory output, homebuilding and house prices into a single indicator, is up less in Illinois than in any other Midwest state over the last five years. Illinois is the only state in the region where no metro area has entered the expansion phase of the business cycle, although expansions in other Midwest metro areas were short lived. Illinois also has four metro areas and divisions whose recoveries are at risk of coming undone (Elgin, Danville, Decatur, Kankakee) and is home to four of the Midwest's eight metro areas in recession (Bloomington, Carbondale, Peoria, and the Quad Cities), according to the business cycle tracker.

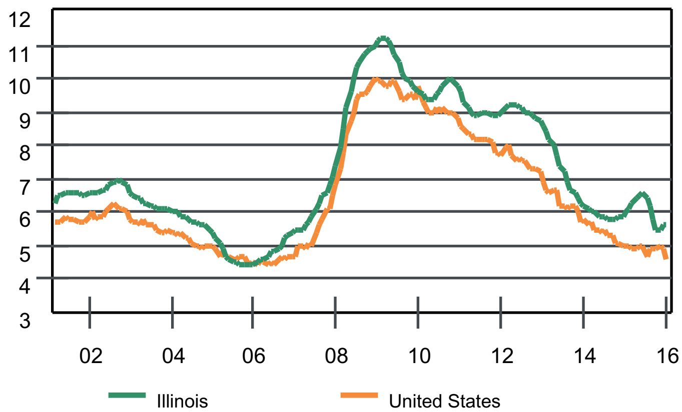
Chicago is powering the state economy as service industries compensate for cutbacks among goods producers. Service industries are responsible for all net new jobs in the past six months, with professional/business services mounting a respectable rebound after stumbling earlier in the year. Even though growth in Chicago will keep the state economy moving in the right direction, the near-term forecast has become more pessimistic over the past year. Extraordinary fiscal pressures on the state and local governments present significant challenges. Illinois' budget crisis and shaky city and county finances threaten government payrolls, especially in education. The severely distressed Chicago Public Schools remain afloat only through expensive short-term borrowing, and Chicago State University has laid off more than 300 employees, about one-third of its workforce. Moody's Investors Service in September dropped the Chicago Public Schools' rating further into junk territory and reaffirmed a negative outlook. Over the next four years, Chicagoans will be hit with more than $755 million in tax and fee increases to pay into the city's underfunded pension systems. One silver lining is that the district averted a looming teacher strike after reaching a tentative four-year deal with union leaders.

Lake County has given back some of its earlier gains. The metro area has been among Illinois' best performers over the last few years, but it has stumbled since midyear. Payroll employment has fallen in half of the past 10 months. Champaign-Urbana, which had been another of Illinois' top performers, is in worse shape than it appears at first glance. The University of Illinois is withstanding the state budget crisis better than Illinois' other public universities, but the Quarterly Census of Employment and Wages (QCEW) suggests that modest job growth in the establishment survey is too good to be true. The Rockford economy has strengthened appreciably for most of the year, but it too suffered a setback in the fourth quarter.

The unemployment rate has fallen 0.4 percentage point over the last year. Despite the drop, unemployment in Illinois is the highest in the region. Labor market woes are more severe than

Unemployment Rate

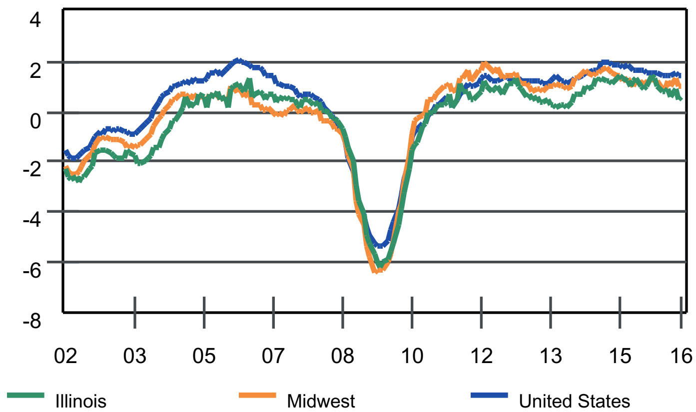
%



Sources: BLS, Moody's Analytics

High- and Mid-Wage Job Growth

% change yr ago



Sources: BEA, BLS, Moody's Analytics

they appear at first glance. An uncomfortably high share of state residents are unemployed, underemployed or discouraged workers. At 11%, the proportion of marginally attached and involuntary part-time workers in the labor force is the highest in the Midwest. Illinois' labor force has declined significantly over the last few months, hastening the drop in the standard unemployment rate. The retreat in the labor force is discouraging because it suggests fewer job opportunities and reduced confidence in the labor market.

Although the state's labor force has been volatile this year, it has trended lower since the recession. A decline in labor force participation has been especially pronounced in Illinois, with the decline since late 2007 above average for the Midwest. Some of the drop is the result of a combination of demographic factors, mainly the aging of the population, and other causes associated with the weak economy, especially downstate.

Though private services have done well in Chicago, statewide both services and goods-producing industries have underperformed. Goods producers are cutting back as headwinds from low commodity prices and a struggling global economy curb industrial production and reduce the need for factory labor. Most service-providing industries are moving in the right direction, but they are

Employment, recent performance

October 2016

	Annualized growth rate				
	3-mo	6-mo	12-mo	5 yr	10 yr
Total	0.4	0.5	0.5	1.1	0.1
Construction	-7.8	-6.9	-2.5	1.9	-2.6
Manufacturing	-3.0	-2.4	-1.7	-0.2	-1.8
Wholesale trade	0.0	0.4	-0.8	0.7	-0.3
Retail trade	-0.4	-0.6	0.5	0.9	-0.1
Transportation and utilities	-3.1	-0.8	-0.5	1.7	0.7
Information	-4.4	-1.6	-4.2	-0.7	-1.8
Financial activities	-4.0	-1.0	-1.3	0.2	-1.0
Professional and business services	6.1	4.2	3.4	2.7	1.1
Education and health services	1.1	-0.2	0.5	1.4	1.8
Leisure and hospitality	1.8	2.5	2.8	2.7	1.4
Government	3.6	1.6	0.3	0.1	-0.1
			%		
Unemployment rate	5.5	5.8	6.1	7.5	7.8

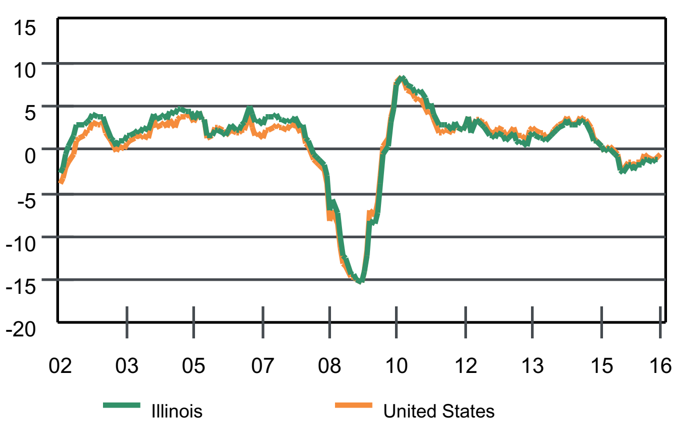
Source: BLS, Moody's Analitics

in no hurry. Private services will carry most of the load for Illinois in the near term. Chicago tourism is helping. The summer season brought an influx of visitors to the city's hotels, restaurants, recreation facilities and entertainment venues. Leisure/hospitality is on track to create more than two-fifths of all net new jobs in Illinois in 2016 and one in five next year. One-third of the projected rise in nonfarm employment in Illinois is in professional and business services, and the industry is likely stronger than it appears. The QCEW suggests the employment in the industry entered the year on a better footing than the establishment survey indicates.

Manufacturing weakness has become more pronounced, however, with employment declining not only downstate but also in Chicago, where it has hit a record low. Manufacturers have shed jobs for nearly three years in Peoria and the Quad Cities, sending factory employment to a historic low in Peoria. Job cuts at Caterpillar are part of a broader consolidation effort that is expected to affect about 10,000 jobs over the next three years. Not only is manufacturing struggling, but construction has also taken a hit this year. Employment is down 0.75% from a year ago, compared with a 3% rise nationally.

Industrial Production

% change yr ago



Source: Moody's Analytics

Statewide exports remain soft in turn, especially as mining-related investment struggles to recover. Although exports are not falling as fast as in 2015, statewide exports were off about 5% from a year earlier in the third quarter. Illinois is getting less support from trade because of its greater exposure to industrial machinery manufacturing. Industrial machinery accounts for about one-fifth of the state's exports, twice the national share, and industry exports have fallen more than 50% since peaking in mid-2012.

The auto industry has been among the few bright spots in Illinois manufacturing, albeit not to the same extent as in surrounding states such as Indiana and Michigan. Manufacturing in Rockford will struggle to break new ground given weakness in industrial machinery, but strength in the auto sector will safeguard factory jobs. Auto demand will slow in the coming quarters as pent-up demand is worked off, but rising incomes and low gasoline prices should buoy demand for locally produced SUVs. Fiat Chrysler is investing $350 million to move production of its top-selling Jeep Cherokee to its Belvidere plant, for example.

Lake County is one of just two metro areas or divisions in Illinois where factory employment is up from a year ago. Fabricated metal producers are not doing so hot, but pharmaceutical manufacturing employment is holding steady and medical equipment and supplies makers are expanding payrolls at an impressive pace.

Office-using industries in Illinois have mounted a comeback this year after turning down at the end of 2015. Although the number of jobs in administrative and support services has increased, industry growth has been powered by workforce additions at tech- and science-based companies. Employment in this high-paying cluster is at an all-time high, helping to counter losses in the smaller core of management jobs.

Financial services are a sore spot. Real estate and leasing jobs have been slower to rebound, and the rest of financial services have been inconsistent. Though insurers are making uneven progress, securities firms, exchanges and banks are cutting back as they adapt to new regulations and a tougher lending and trading environment. With payrolls that have barely budged from their recessionary nadir, Chicago's financial industry has been the slowest to recover of those of Midwest's 10 largest metro areas. A higher than average share of Chicago's small banks are still not healthy by the standards of federal regulators because they have been slow to shed problem loans and write down the value of their assets.

Outside of tourism, consumer industries have been mixed. Leisure/hospitality has performed much better in the recovery than retail thanks to the boost from the travel industry and Chicago tourism in particular. Industry job growth has outpaced the regional and national averages for the better part of two years. Retail has struggled because of poor population trends and weakness in manufacturing, which have hurt income growth in the state.

Aside from private industries, the state's fiscal problems have worsened. Repeated credit downgrades will harm Illinois' economic climate. The state is mired in a budget impasse that has resulted in only a temporary spending plan to fund operations through December 2016. The financial quagmire prompted Standard & Poor's and Moody's to drop Illinois' general obligation bonds a notch in June. S&P downgraded their rating again in September, putting the state's credit rating by both agencies at two levels above junk status. The downgrades will likely increase the interest rate the state pays on bonds and impact its outstanding debt. Illinois already has the lowest rating of any state and pays more to borrow than any other in the nation.

Recent tax data highlight the state's financial woes. The sluggish economy and rollback of a temporary tax hike is taking a bite out of revenues. State tax collections fell in the third quarter from the previous year, the eighth consecutive quarter of year-over-year losses. Fiscal 2016 tax revenue was off by 6% compared with the previous year, versus a 1.6% increase in the rest of the Midwest.

Near-term outlook

The forecast projects more net new jobs next year than in 2016, but softness in manufacturing, deeply rooted fiscal problems, and weak and worsening demographics are hurdles the state will struggle to overcome. Job growth will pick up, but the pace will trail the regional and national averages as Chicago struggles to compensate for weakness downstate. Consumers will remain a weaker force for the recovery because of poor demographics, and the downstate economy will suffer from a lack of dynamic growth drivers. Housing will contribute more to growth, but downstate economies face a tough year because of softness in manufacturing. The improvement upstate will ensure that job and income growth strengthens, but Illinois' economy will underperform the nation and region by a significant margin next year.

The upstate economies of Chicago and Lake County will account for the bulk of job and income gains this year. Chicago is wrestling with its own budget problems that make it an extreme outlier among its peers, but the city has the wherewithal to restore its financial health, unlike bankrupt Detroit. Chicago also outshines its peers in the competition for talent, customers and capital—advantages that will outweigh the specter of budget deficits and promote in-vestment and hiring.

Fundamentals upstate are strongest in industries such as business/professional services and tourism, but better performance from parts of the economy such as construction and financial services that have struggled with the residual effects of the downturn will pave the way for faster growth. Multifamily building is strong, and fewer foreclosures will promote more single-family construction and a pickup in real estate and leasing jobs. A more favorable lending and trading environment will help the rest of financial services.

Poor population trends will act as a speed limit on consumer-driven industries, but recent increases in wealth, income growth and credit accumulation in Chicago point to faster gains in consumer spending that will provide support for industries such as retail and leisure/hospitality. Leisure/hospitality has performed much better in the recovery than retail thanks to more people visiting Chicago. In part because of increasing passenger traffic, Chicago O'Hare Airport's construction program is in the midst of a resurgence. The city this year announced a new $1.3 billion investment at O'Hare, including a new international runway and other airfield projects. Major airlines have agreed to build up to nine new gates, and there are plans to revamp Terminal 2. Improved on time performance and expanded capacity would buoy tourism and job growth in transportation. Given Chicago's demographic challenges, this would be a welcome development.

Illinois' budget problems are its biggest headache, and an escalation of the state's fiscal problems and weakness in the public sector suggest limited upside potential even as other parts of the economy improve. Illinois has the lowest credit rating and worst-funded pension system among all 50 states, and its unpaid bill backlog is mounting. The state's structural budget problems are so severe that it will likely take both spending restraint and revenue enhancements to overcome them. Only after there is more certainty of policy and pension restructuring will the weight on growth from Illinois' poor fiscal health start to lessen. The outlook for state and local government remains highly uncertain, and significant spending cuts, layoffs and tax hikes are possible. Without additional funding, pressure to reduce headcount will intensify.

Although the threat posed by Illinois' poor fiscal health extends to all parts of the state, Champaign and Springfield have the most to lose because of their outsize dependence on state government for jobs and income. The University of Illinois faces greater financial and political pressure than its peers. The threat of budget cuts and shortfalls in staffers' pension funds makes attracting and retaining top talent difficult. Because of the budget stalemate, UI operated without state funds for fiscal 2016, causing it to implement cost-cutting measures ranging from postponing staff raises to delaying construction and maintenance. A stopgap spending plan designed to continue state funding through December gets schools to an average of about 80% of what they were previously appropriated. Fortunately, UI relies less on Illinois than its in-state counterparts, with state funding accounting for one-third of its operating revenues. UI avoided the latest round of credit downgrades that hit many of Illinois' other public universities. The school had some of its revenue bonds downgraded but maintains a good overall credit rating thanks to significant reserves and endowments. UI welcomed its largest freshman class in history in the fall, but students are avoiding other institutions they perceive as unstable. Given Illinois' structural budget problems, further reductions and delays in state funding are a real possibility. The hit the state is taking to its reputation could hurt UI's applicant pool down the road. Sturdy enrollment growth should encourage campus expansion and faculty and staff additions later in the decade, but risk to the outlook for state government employment is still weighted heavily to the downside.

Most other downstate economies are tethered to manufacturing, which has struggled the last three years and will face additional pressure this year from weak overseas demand. Peoria, Decatur, and the Quad Cities face the biggest challenges as a result of their reliance on faster growth abroad and stronger overseas demand for heavy equipment in particular. Farmers have reduced equipment purchases because of falling prices, leading agricultural machinery giant John Deere to rationalize payrolls in the Quad Cities. Since exports make up an extremely high share of metro area output, the strong dollar will put John Deere's products at a competitive disadvantage internationally.

A new round of massive layoffs at Caterpillar will be especially crippling to Peoria. A stronger dollar will make construction and power equipment more expensive to foreign buyers unless the company cuts prices, and lower prices for commodities will extend weakness in the company's important resource segment. Caterpillar's Decatur plant predominantly produces mining equipment used by U.S. and Canadian oil and coal companies. As low energy prices force producers to cut back, demand for mining equipment will suffer, putting downward pressure on employment.

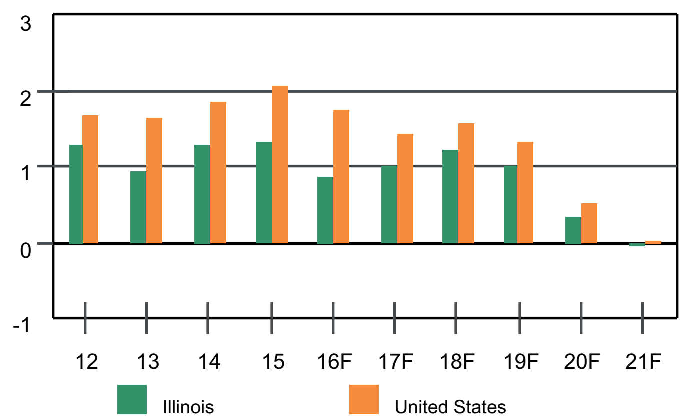
The outlook for downstream industries to manufacturing such as transportation and distribution is more promising, especially in Chicago. Weaker foreign demand will slow but not stop the ascent of transportation and warehousing in the Windy City. Chicago does not export a lot of what it produces, and logistics firms will benefit as imports and shipping volumes rise.

Long-term outlook: Positive factors

The state will continue to diversify into service-providing industries while nurturing its more efficient and smaller traditional manufacturing core. Chicago will develop as the transportation/distribution center for the Midwest, fueled by the recent push for a high-speed passenger rail that will also result in an upgrade and modernization of its freight rail system and will increasingly develop its tech industry. The explosion of tech-related hiring on the Near North and West sides and corporation relocations such as Hillshire Brands, Kraft Heinz, and United Continental Holdings from the suburbs suggest that this new economic engine has reached critical mass, enabling its growth to become self-perpetuating.

Long-Term Outlook: Employment

% change



Sources: BLS, Moody's Analytics

Business services. Business and professional services are expected to drive growth and will be a top performer 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 services such as call centers that can get by with a low-skilled workforce as long as rents are low.

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

The outlook for Chicago depends on its expansion as a center of global commerce. The latest trends are encouraging in this regard as the metro division builds out its small but important core of high-paying headquarters jobs faster than its peers. In recent years, the urban core has become the new economic engine, as more jobs downtown attract residents to move nearby, prompting additional companies to join the inward migration. Indeed, a downtown location is fast becoming a necessity in the competition for talent. The gains have been concentrated in the urban core and the mega Loop in particular.

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, including computer systems and design and biotechnology. Large companies and other institutions are expanding their efforts to encourage entrepreneurship and innovation in the Windy City. Most recently, the University of Chicago has made a commitment to invest $25 million in new companies launched by faculty, staff, students or alumni. Tyson Foods, which has a large local presence, has launched $150 million corporate venture fund in Chicago. Other firms with corporate venture capital groups in Chicago include Motorola Solutions, Baxter International and General Electric. Tech companies that are able to meet the needs of Illinois' manufacturing base will also be successful.

Financial services. Financial services, which employ just over 6% of the state's workforce and closer to 7% of Chicago's workforce, will remain among the state's core industries. One reason for this is that the outlook for Chicago's commodities exchanges is promising. They have successfully adapted to new technologies and, through mergers, have increased their market share in the global marketplace. They also hold virtual monopolies over their most important products, thereby benefiting from strong pricing power. Chicago is considered the world capital of futures trading since it is now by far the world's largest derivatives exchange.

Tourism and conventions. Illinois' tourism industry is expected to perform well over the next decade. The industry has come back faster in the state than it has nationally, thanks almost entirely to more people visiting Chicago. Chicago welcomed a record 52.76 million visitors in 2015, on target for the mayor's goal of 55 million visitors by 2020. Visits could suffer a setback in 2016 because of fewer major trade shows in the city and funding cuts to the tourism bureau as a result of the state's budget impasse.

Transportation/distribution. Even though manufacturing itself is not expected to be a significant positive force as a result of productivity enhancements and increasing globalization, the state's distribution and transportation network will remain an integral part of the economy and help drive growth. Transportation, warehousing and wholesale trade account for just over 12% of Chicago's output and about 11% of Illinois' gross state product. Among Midwest states, only Nebraska and North Dakota are more dependent on this cluster of industries.

Northern Illinois remains the nation's rail hub. The industry is benefiting from stronger domestic demand and Chicago's well-developed transportation facilities. Intermodal traffic is the fastest-growing part of the rail industry, as most railway yards have been converted to handle intermodal traffic. A number of intermodal terminals have been built in recent years in Chicago, Rochelle, and the Quad Cities.

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 Southern 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 Chicago as schools downstate are to that economy.

Healthcare. Healthcare will support growth throughout the state as the population ages. This will be a driver of gains downstate, particularly in regional healthcare centers such as Peoria, Rockford and Springfield. In Peoria, for example, healthcare is expected to lead growth in the medium and long term. Healthcare is also important in Kankakee, which uses its local cost advantages and proximity to Chicago to focus on long-term healthcare for the elderly and disabled. Although Illinois' 13% share of jobs that are in healthcare is roughly in line with the nation's, it is much higher than average in Kankakee, Peoria, Rockford and Springfield. However, industry job growth will lag the U.S. average primarily because of Illinois' weaker population trends.

Agriculture. The outlook for Illinois' large agricultural industry is optimistic, despite the recent weakness in crop prices that has hurt farm incomes. Despite strong competition from agricultural powerhouses Brazil, Argentina, India and China, farmers will benefit from an expanding global economy longer term. Although efforts to rein in the federal budget deficit could result in a reduction in farm subsidies down the road, the forecast assumes that they will remain an integral component of U.S. agriculture in the longer term.

Energy. The southern part of the state has rich deposits of natural gas, and state lawmakers have signed off on rules regulating oil and gas drilling in Illinois. Southeastern Illinois is home to the New Albany shale formation, which is largely undeveloped but could bring a much needed boost to that part of the state.

The potential of the state's New Albany shale formation is subject to considerable uncertainty. Energy prices declined before Illinois could reap the benefits of the hydraulic fracturing boom. If the play turns out to be productive and fracking gets under way in Illinois, it is projected to be able to support as many as 1,000 drilling jobs per year. There would also be a positive economic impact from land leases and royalties, and other industries such as accounting, credit intermediation and transport will benefit as drillers demand more services. However, this upside risk is severely tempered in the current price environment for energy commodities. Prices for natural gas would have to rebound significantly before energy companies would be willing to pull the trigger on any such exploratory investments.

The outlook for the state's coal industry is less upbeat. The power sector has been shifting from coal to lower-carbon natural gas, a trend that will be hard to reverse. The federal government has rolled out new nationwide limits on coal-fired power plant emissions that are likely to hasten the shutdown of more coal-fired power plants. The Department of Energy withdrew funds and suspended the federally subsidized FutureGen "clean coal" plant in downstate Illinois in early 2015.

Business climate. Illinois' business climate outshines its regional rivals, but the state's shaky finances have some firms questioning whether they want to expand in the state or elsewhere. Illinois has what it needs to remain a top business center, as long as it can solve the fiscal problems that are eroding its edge in the competition for talent, jobs and capital.

Specifically, Illinois has a huge talent pool of highly skilled workers, world-class universities, more money for investment, and better transportation with an airport with direct connections around the globe. The state has these advantages because it has Chicago, the nation's third largest metro area. No neighboring state has a city even half as large.

About 33% of the state's population age 25 and older has at least a bachelor's degree and 13% has a graduate degree—both above the national average—according to Census Bureau data. In Chicago, the shares are even higher at 37% and 14%, respectively. In addition to better educational attainment levels, Illinois has deep pockets of specialized expertise in areas such as pharmaceuticals and medical devices, capital goods manufacturing, and logistics that businesses value. Chicago's central location and extensive transportation network add to its appeal, particularly for companies that need to move their workers around the country and the world. The metro area is unique among the nation's big cities as a hub to three major carriers. The state is also the country's top rail hub, with 3,000 to 4,000 more miles of track than any state that it borders.

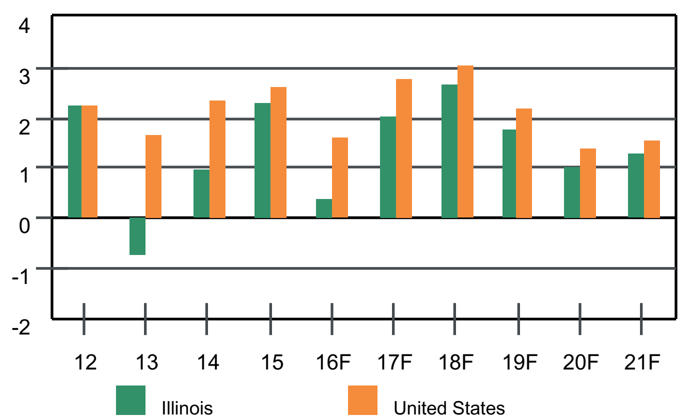
Illinois also offers businesses greater access to customers and capital than its neighbors. The greater availability of capital has played a key role in raising Chicago's technology profile, for example, most notably with the success of the 1871 incubator in the landmark Merchandise Mart in Chicago's River North neighborhood. The increase in activity is a clear positive for long-term growth because some of the smallest firms are the most important when it comes to spurring employment. Startups that can expand quickly, often dubbed "gazelles," are especially important to economic growth, sparking lots of job creation and investment.

Long-term outlook: Negative factors

Deep-rooted fiscal problems along with subpar demographic trends represent the biggest hurdles to the longer-term outlook. The forecast anticipates that the state will grow a step behind the Midwest average and a few steps behind the nation over the extended forecast horizon. Between now and the end of the decade, employment in Illinois is forecast to increase close to 3.6%, below the 4.2% increase for the Midwest and 4.8% rise nationally.

Long-Term Outlook: Gross Product

% change



Sources: BEA, Moody's Analytics

Despite its close ties to the national business cycle, Illinois will underperform because of its worse long-run trend growth rate. This means the outlook for the Illinois economy is closely tied to the outlook for the nation, but in movement from growth to recession and back again, not through a common rate of growth. 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. This has been the case in the latest cycle, with the state experiencing a steeper downturn than the nation but a more muted recovery thus far.

Business climate. Illinois, and Chicago in particular, is in general an appealing location to corporate headquarters and companies that need highly skilled workers and are willing to pay for top talent. Despite Illinois' advantages, however, uncertainty stemming from the state's fiscal crisis threatens to discourage firms from locating or remaining in the state. This is a concern since manufacturing in the state is already sputtering, and downstream industries have been strong performers for Illinois during the recovery and in years past.

Although lawmakers are mindful of their state's business tax climate, in the past they have often opted to entice businesses with lucrative tax incentives and subsidies instead of broad-based reform aimed at reducing the above-average personal and corporate income tax burdens prevalent in the state. There is a recurring pattern of such behavior in Illinois, and it is not clear whether business incentives will generate enough money to pay back these costs. A far more effective method to improve the business tax climate over the longer term is to focus on more broad-based income tax reforms and provide firms more certainty as to what their future tax burdens might be. This can be accomplished only by getting the overall budget situation on a more sustainable, and certain, path.

Manufacturing. Manufacturing will occupy a slightly greater than average share of the Illinois economy, but the state will have to fight to hold on to its manufacturing base. The long-run decline of manufacturing will prevail despite the industry's current resurgence, which has lost momentum because of weakness downstate. Manufacturing is of greater importance in northern and central Illinois than it is in Chicago. While the share of employment in manufacturing in the state as a whole, at 9.5%, is only somewhat higher than the national average of 8.5%, the share outside Chicago is higher at 12%. Illinois' largest manufacturing industries, in order of number of jobs, are fabricated metals, industrial machinery, food processing, chemicals and plastics. Together, the five industries account for almost two-thirds of all manufacturing jobs, compared with half nationally. Areas such as Peoria, Decatur and Davenport-Moline have a particularly high exposure to the two largest industries.

Illinois' manufacturers will face daunting competition in the global marketplace in the long term. They have been forced to shift operations to lower-cost regions of the world to remain competitive, and while this trend has slowed as labor has gotten more expensive overseas, it does not reduce the cost advantage sufficiently to reverse this process, especially now that the dollar is appreciating. Much of the state's low-value-added manufacturing, with the exception of food processing, is likely to leave the state.

Business costs. The state's longer-term outlook is tarnished primarily by its budget woes and weak population trends, not its high costs relative to nearby states. Business costs in the state are lower than they are nationally and have trended downward for the past few decades. Costs are lower than those in Wisconsin and Michigan but higher than those in neighboring Indiana, Iowa, Kentucky and Missouri. Firms in Illinois tend to pay less in taxes and their utility costs are below average, but labor is on the expensive side. By and large, though, business costs are pretty favorable and lower than those in states that have similarly large metropolitan areas with unique features that appeal to businesses such as California and New York.

The cost of energy has shifted from a disadvantage for the state in the mid-1980s, when it was 20% more expensive than nationally, to an advantage today, with utility rates in Illinois now about 15% below the U.S. average. Although the entire Midwest has become more competitive in this area, Illinois has made bigger strides, and energy costs are noticeably less than the regional average.

The Relative Business Costs Index understates the current tax burden in Illinois. The state's tax burden has been consistently below that of the Midwest and national averages since the 1980s. However, in an effort to narrow the state's persistent budget deficits, the state enacted historic personal and business income tax increases in 2011, pushing Illinois' tax burden above national and regional norms. The largest increases were partially stepped down in 2014, but Illinois' overall tax burden is higher than those of neighboring states, with the exceptions of Michigan and Wisconsin. In the absence of a rise in services, the tax increases could further diminish the appeal of investing and living in the state.

Index of Relative Business Costs

	Labor Cost		Tax Burden		Energy Cost		Overall Index	
	Index	Rank	Index	Rank	Index	Rank	Index	Rank
Illinois	101	25	93	18	84	11	97	21
Indiana	92	6	103	38	93	25	93	12
Ohio	97	38	107	9	93	28	97	34
Michigan	106	40	102	37	108	37	106	40
Wisconsin	103	32	107	40	105	36	104	36
Iowa	94	7	94	25	80	5	90	5

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.

Source: Moody's Analytics

Right to work. Unit labor costs in the state are above the national average, in part because of a still-high presence of unions. The state's unit labor costs are significantly higher than those of neighboring Indiana but lower than in Michigan and Wisconsin, three states that have adopted right-to-work laws. Under right-to-work laws, employees in unionized workplaces cannot be forced to pay union fees or join unions. Michigan passed a law after a number of businesses, mostly in manufacturing, cited the law as a factor in their decision to locate in the Hoosier State.

Right-to-work laws weaken labor unions by eroding the power and influence of organized labor, and tend to cause a decline in union density.

Less clear are the effects that right-to-work laws have on economic growth. The lack of clarity is mainly due to the fact that union strength is just one factor businesses look at when deciding whether to set up shop or relocate. Energy and other costs also matter, as do a slew of other factors including talent, infrastructure, and access to customers and capital that make it extremely difficult to gauge the precise effects of right-to-work laws on job creation and a state's economic prosperity. However, most businesses will cite right-to-work laws as an attractive characteristic of a state's business climate, particularly in those goods-producing industries that have most struggled in Illinois. The state's high union density coupled with fiscal dysfunction have undoubtedly made it less competitive than competing states in terms of manufacturing.

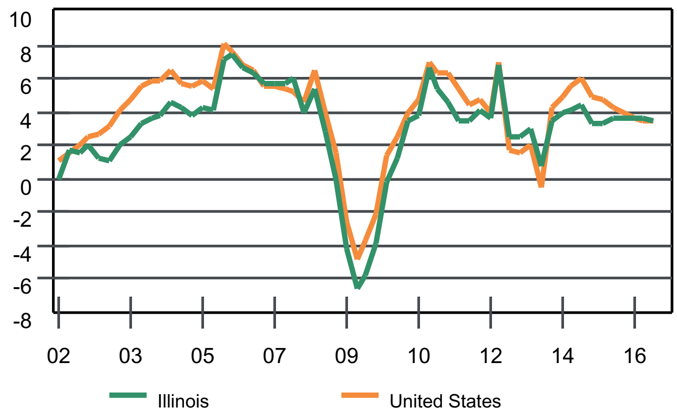
Income

Personal income has been slower to rise in Illinois, contributing to the underperformance of retail and leisure/hospitality. Consumption depends most on labor income, which has lagged badly during the recovery. The 23% increase in income from the end of 2007 is the smallest among Midwest states and 10 percentage points below the national average. The most important source of income, wages and salaries, has lagged by an even larger margin because job growth has been so sluggish.

The 1% increase in personal income in 2013 was especially disappointing and can be traced to a slowdown in manufacturing that weighed heavily on wages and salaries downstate. After slowly improving in 2014, the factory sector is once again backpedaling. Slower goods production is dragging on private service industries, but they are still moving in the right direction. Personal income has risen more quickly, climbing at a year-over-year rate of about 3.5% per quarter since 2015. Illinois income growth has advanced more quickly than the Midwest average during this time as the Plains states contend with weakness in energy and

Personal Income

% change yr ago



Sources: BEA, Moody's Analytics

agriculture, but the state underperforms compared with the gains in the Great Lakes and the U.S. More timely data on hourly pay have also shown improvement, with average hourly earnings in the private sector at a record high. At about 2% per year, statewide wage growth is keeping pace with that nationally. A better mix of jobs in Chicago, where average hourly earnings growth has outpaced the national average for three years, has contributed to the boost.

The state's high-wage jobs tend to be clustered in Chicago, which boasts higher than average incomes in just about every major industry. On a per capita basis, Chicago incomes are more than 114% of the national average. However, per capita income is about average for a metro area of its size, and Chicago's position relative to its peers and the nation has deteriorated steadily since the late 1990s, when per capita incomes were about 118% of the national average.

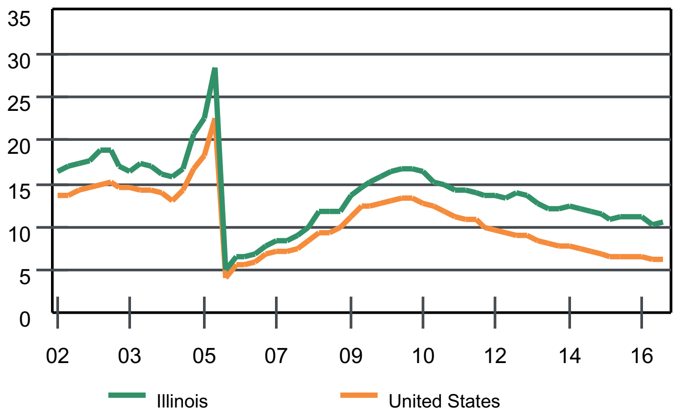
Balance sheets

Besides income, there are other reasons consumers have been a weaker force for Illinois' recovery. Household balance sheets in the state have taken longer to heal and are generally in worse shape than the nation's. Because their wealth fell so much during the recession, households upstate have been more aggressive in cutting debt and padding saving, hurting consumer industries in the process. Household debt in Illinois ended the third quarter almost 12% below its prior peak, more than twice as much as nationally.

Illinois households have come a long way in repairing their balance sheets and are increasingly willing and able to borrow. Although consumer debt is well below its prior peak upstate, it

Personal Bankruptcy Filings

Filings per ths households



Sources: Administrative Office of U.S. District Courts, Moody's Analytics

has begun rising, and when Chicago, Lake County and Rockford are excluded, it is about 6% above its prior peak and climbing. Because households did not overextend during the last expansion and were spared the foreclosure crisis, they have not had to make the adjustments to the liability side of their balance sheets that have been necessary upstate and they sport lower delinquency rates for nearly all types of credit. The strength of balance sheets downstate has helped cushion the blow of weaker manufacturing on consumer industries such as retail and leisure/hospitality. Households downstate have been more willing and able to smooth through the income shock of a job loss by increasing debt to support spending.

The rise in financial wealth in places such as Chicago and Lake County—where stock ownership is more pervasive and dividends, interest and rents account for a higher than average share of local incomes—has been more pronounced than the increase in the rest of the state. But because declines in housing wealth were also much larger than average upstate, consumer balance sheets have generally improved by less than average. While nationally house prices have reversed just about all of their earlier decline, in Illinois only around half of the drop has been recouped.

With many homeowners upstate still struggling to overcome falling home values, mortgage credit quality is somewhat of a sore spot in Illinois. Although delinquencies on first mortgages are no more prominent in the state than they are nationally, late payments on home equity loans are more widespread. Home loan delinquencies have come down over the last four years, and the gap between Illinois and the national average is narrowing. About four-fifths of the delinquent home loans are in Chicago, down from two-thirds prior to the recession. Mortgage credit conditions are apt to stay tighter for longer in Chicago, keeping some prospective homebuyers from entering the market and hurting sales.

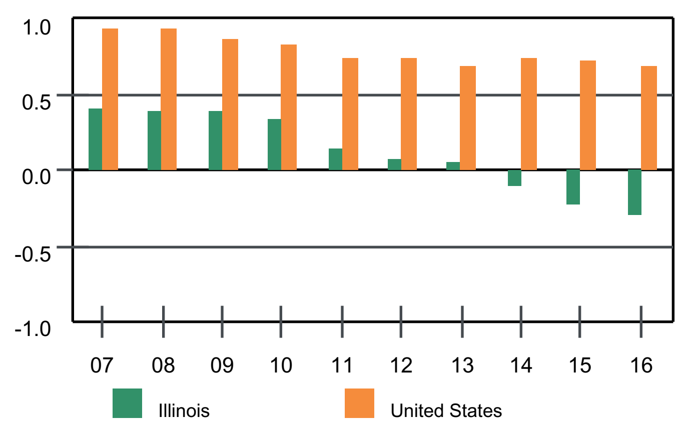
Personal bankruptcies are trending lower in the state, evidence that Illinois' recovery is slowly helping to reduce financial hardship for households as more previously unemployed workers find jobs. Personal bankruptcies were down 5% from a year earlier in the third quarter of 2016, but not as much as the 6.5% drop in the Midwest and nationally. The number of personal bankruptcies per household is also declining, but more slowly than it is nationally. One in every 93 Illinois households was in bankruptcy in the third quarter, the highest among Midwest states and one of the highest nationwide. This compares with one in 132 households for the Midwest and one in every 160 nationally. The gap with the nation is the largest in more than two decades.

Demographic trends

Although household credit quality has been less of a hindrance for the downstate economy, demographic trends have been a bigger challenge. The Chicago metro area population fell 0.07% in 2015, the first decline since the mid-1980s. The loss was concentrated in the City of Chicago; outside of Chicago, population grew 0.1%. Across the rest of the state, the population contracted for a fourth straight year in 2015, dropping 0.5%.

Population

% change

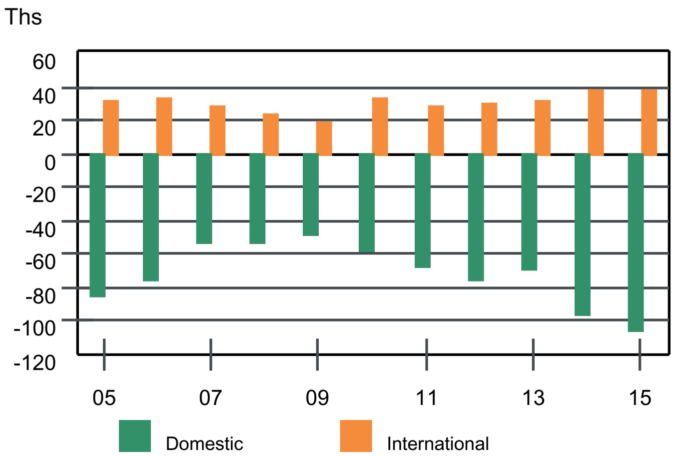


Sources: Census Bureau, Moody's Analytics

Population estimates for 2016 have been released for states, but not metro areas. Illinois' population shrank for the third consecutive year, contracting 0.3% after falling by 0.2% the previous year. Population growth in the state has ratcheted lower fairly steadily since the early 1990s, though there was a temporary disruption in the weakening trend very late in the last expansion and during the recession. After slipping by almost a full percentage point between 1992 and 2005, from 1.1% to 0.2%, population growth in Illinois doubled to 0.4% by 2007 and held at that pace in the subsequent two years. The slowing trend resumed in 2010; immigration and birthrates have declined since then.

As the national recovery strengthens, more of the state's residents are seeking opportunities elsewhere. A net 67,500 residents left the state in 2015, up from 2014 when it surrendered 60,000 residents. The main reason for this is a loss of domestic residents, or people moving from Illinois to other states. Although the state has been losing more domestic residents than it has taken in for decades, in the past few years the gap has widened as an underperforming economy has reduced the state's appeal compared with the rest of the country. Illinois lost 105,000 net domestic residents in 2015, about 8,000 more than in 2014.

Net Migration



Sources: Census Bureau, Moody's Analytics

Looking at the movement of workers across state lines, Illinois gains the most number of residents from neighboring Indiana. In the early 1980s, Illinois took in approximately the same number of residents from Indiana that it lost to that state. Since then the number of residents relocating to Illinois from Indiana has risen by about 10% while the number of Illinois residents moving to Indiana has risen by about 50%. On the upside, since the mid-2000s the number of Illinois residents leaving for Indiana has fallen by about one-tenth.

The migration rate with Iowa was positive in the early 1990s, but Illinois now loses more residents to the Hawkeye State than it takes in and the numbers have steadily increased. Illinois also loses more residents to Minnesota, Missouri, Wisconsin and Kentucky than it takes in from these states, but the trends have been about stable over the last two decades. The migration rate with Ohio and Michigan was positive for most of the 2000s but these trends reversed in the past few years.

Though for many years the largest number of the state's out-migrants headed to Indiana, where living costs are lower, retiree destinations Texas and Florida now rank as the first and second most popular destinations for relocating Illinoisans.

In the baseline outlook, the assumption that baby boomers will retire and move out of the state to warmer climates results in a gradual slowing in population growth after a brief period of improvement this year and next. Over the past two decades, international migrants have helped temper the bite to Illinois' population base from the tide of domestic out-migrants. Foreign immigration has weakened since the mid-2000s, but the trend appears to be stabilizing. The 2016 total of 31,000 was down slightly from the previous year. However, the election of Donald Trump as U.S. president signals that the turnaround may be short lived. The pace of foreign immigration into the U.S. is likely to

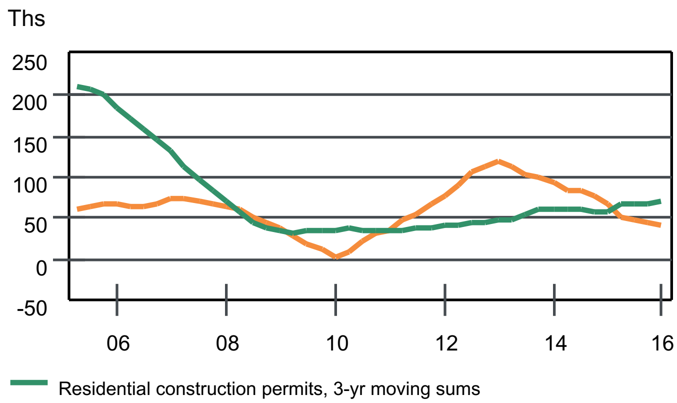
Migration Flows

INTO ILLINOIS	NUMBER OF MIGRANTS	FROM ILLINOIS	NUMBER OF MIGRANTS
Indiana	15,170	Texas	25,998
California	12,385	Florida	21,776
Wisconsin	12,077	Indiana	21,754
Texas	11,270	California	18,919
Missouri	11,195	Wisconsin	16,836
Florida	11,124	Missouri	14,231
Michigan	7,339	Michigan	9,292
Iowa	7,010	Iowa	9,277
New York	6,074	Arizona	9,217
Ohio	5,305	Georgia	8,228
Total in-migration	*169,508*	*Total out-migration*	*252,389*
		Net migration	**-82,881**

Source: IRS, 2014

be curtailed under various proposals put forth by the incoming Trump administration, including to the state of Illinois. This is reflected in the latest forecast, which projects weaker population growth over the next several years than previous outlooks.

Housing Supply-Demand Balance



Sources: Census Bureau, Moody's Analytics

The natural rate of population growth has also slowed in Illinois, from close to 80,000 per year just prior to the recession to a multidecade low of around 52,000 in 2015. Although the state's death rate increased last year, the importance of elderly residents in Illinois' population base has been slower to increase. Among Midwest states, only Minnesota, Nebraska and North Dakota had a lower death rate than Illinois in 2015.

Unfortunately, the birthrate in Illinois has dropped off significantly since the early 2000s, when it was well above the regional and national averages. It dipped again last year to its lowest in more than three decades and was lower than that for the rest of the Midwest and the nation. The birthrate was higher than in the rest of the Great Lakes.

Illinois' population between the ages of 25 and 44 makes up a larger share of the total than that of the Midwest and the nation, but it has been contracting steadily for the past decade. The pace has slowed a bit over the last few years, and the trend should continue, with very small gains over the next few years expected to give way to more modest growth in the second half of the current decade. Some of this is natural and related to larger numbers of people entering the bucket and fewer leaving it. That said, the rate at which working-age adults are leaving the state in search of better opportunities is also expected to diminish somewhat over the next decade as the performance gap between Illinois and the nation diminishes.

Because Illinois is expected to lose a good number of elderly residents to areas further south over the next decade, the share of the population 65 and older will be slower to increase and will fall short of the Midwest and national averages over the forecast horizon. This has important implications for the types of goods and services that will be demanded in the state. In particular, it will weigh on the growth of healthcare, with demand for health services rising more slowly than average as baby boomers age.

The state's large pool of talented workers is primarily due to the concentration of white-collar jobs in the Chicago area and in downstate metro areas including Champaign, Bloomington and Springfield. The metro areas that have a high dependence on manufacturing, including Davenport, Decatur, Kankakee, Peoria and Rockford, have below-average educational attainment levels. Primary and secondary education in the state is uniformly strong, as every metro area in Illinois boasts an above-average share of high school graduates.

Weak population growth has far-reaching consequences, from sluggish labor force additions to low demand for housing and consumer goods. The recent divergence in growth rates between Illinois and the lagging Midwest is a concern because it suggests that the state is losing out to its closest competitors when it comes to attracting and maintaining residents.

Illinois' population is expected to increase this year, but risks are skewed to the downside because of weakness in manufacturing and the state's poor financial situation. The difference between birthrates and death rates is expected to narrow a bit further as a result of the aging population, but migration patterns are forecast to improve as a result of smaller domestic resident outflows.

Residential real estate

Housing has been slower to rebound in Illinois, owing to a lingering foreclosure problem and weak and worsening demographic trends. Disappointing household formation downstate has been especially problematic. Housing starts dropped off in 2015 as multifamily construction returned to trend following the 2014 apartment building boom in Chicago. Single-family construction started 2016 strong but has since softened. Housing in Chicago has not healed as much as it has elsewhere. About one in five homeowners with mortgages owe more to lenders than their homes are worth, according to studies by CoreLogic and Zillow. The city has the highest negative home equity rate among large U.S. markets. On the bright side, single-family house price growth is on an upswing after a two-year slowdown, and homebuilding is ramping up as a result.

Considerable progress was made clearing the supply of distress properties in the state since 2013. Investors have been very active in the state, scooping up distressed properties in large numbers. The vast majority of Illinois' distress supply is located in Chicago, Lake County and Rockford. Foreclosure inventories in the three metro areas have fallen more slowly over the last year after dropping by a third in 2014, but they are now below 2007 levels.

Even with housing inventory very low across much of the state, demand is struggling to keep pace with supply. The ripple effects from factory slowing have hurt job and income growth, and with the state also struggling to retain residents, the rate of household formation has languished. Consequently, opportunities for builders have been few and far between and house prices have been slower to rebound. House price growth has strengthened in most metro areas in the past year but in no metro area are house prices climbing in line with the national rate.

Commercial real estate

Commercial real estate conditions in Illinois are expected to improve this year, but progress will be slower than average because of the problems downstate. With manufacturing struggling and its near-term outlook challenging, the industrial market will be the slowest to improve. There will also be negative spillover into service industries that leads to weaker demand for office space downstate.

A better job market in downtown Chicago is supporting a wave of new office development, which should give way to a second apartment boom in the city. Recent corporate relocations downtown could push the falling vacancy rate even lower. There is a shortage of loft office space, which is favored by Chicago's expanding high-tech industry and is more affordable than top-quality skyscrapers.

Tourism will be a major driver of new investment in Chicago. More bookings from business and leisure travelers are pushing hotel occupancies and room rates higher and powering a lengthy construction boom downtown. The pipeline of new hotels will fuel faster growth in leisure/hospitality employment in the Windy City over the next couple of years.

Forecast risks

The risks to the outlook are evenly balanced in light of downward adjustments made to the forecast. The biggest threats relate to the state's budget problems and Illinois' weak demographic profile, which cast doubt on the forecasts for state and local government, housing and consumer-related industries. Illinois' population is forecast to stabilize this year, but risks are that it takes longer for this to happen because of the state's shaky finances and job growth that is slower than average. Other areas of concern include small businesses, which may think twice about expanding or setting up operations in the service area if the state cannot get its fiscal house in order, and machinery manufacturing, where improvement will happen more slowly if emerging economies disappoint or if commodity prices fail to rebound as expected later this year.

Housing in Illinois could take longer to recover, and without the increased support the state economy will be more vulnerable to anything that might go wrong in state and local government or manufacturing. If demand for housing disappoints, which could happen if household formation is slower to rebound, it would reduce the need for new construction. Household formation should pick up as the labor market improves, but if domestic out-migration does not slow as quickly as anticipated the pace is likely to fall short of expectations.

The scaling back of farm support programs is a longer-term risk for Illinois, particularly its rural areas in the southern part of the state. The federal government's near-term fiscal outlook is stable, but the nation's debt load is uncomfortably high, and unless policymakers come to terms on entitlement and tax reform soon, deficits and debt will balloon early in the next decade. Against this backdrop, farm support programs could be at risk, especially as the Midwest's population share, and hence representation in Congress, declines.

On the upside, the longer-term forecast for manufacturing could prove too pessimistic, particularly if the dollar depreciates more than forecast. With its lowest energy costs and deep pockets of specialized expertise, the Midwest has more of what manufacturers need to thrive. If large multinational companies decide to bring some production work back to the U.S., the Midwest will be a key beneficiary and Illinois could benefit.

In addition, enhancements to Chicago's vast transportation and distribution network as well as the expansion of O'Hare's international terminal could fuel better than expected growth in downstream industries to manufacturing and buoy growth more broadly if they help support corporate relocations and expansion of the city's population.

Demographic Profile

Indicator	Units	Illinois	U.S.	Rank	Year
Households					
Households, % change (2010-2015)	Ann. % change	0.6	1.0	43	2015
Population w/ B.A. degree or higher	% of adult population	32.9	30.6	13	2015
Median household income	$	59,588	55,775	19	2015
% change yr ago		*3.7*	*4.0*	*25*	*2015*
Population					
Per capita income	$	50,295	48,112	16	2015
% change yr ago		*3.7*	*3.7*	*20*	*2015*
Population	ths	12,860	321,419	5	2015
% change yr ago		*-0.2*	*0.8*	*50*	*2015*
White	%	77.5	77.3	34	2014
Black or African American	%	14.7	13.2	16	2014
Hispanic	%	16.7	17.4	10	2014
Asian	%	5.3	5.5	11	2014
Net domestic migration, rate	Persons/ths. pop.	-8.2	0.0	50	2015
International migration, rate	Persons/ths. pop.	2.9	3.6	17	2015
Poverty rate	%	-5.6	-4.3	47	2015
Median age	yrs	36.6	37.2	16	2010

Household Cost Indexes					
Housing affordability index		**221.2**	**183.1**	**14**	**2015**
Median existing-home price	$ ths	181.9	224.8	30	2015
% change yr ago		5.85	5.63	22	2015

Illinois
Recent Monthly Performance

	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Most Recent Yr/Yr % Change
Establishment Employment (Ths, SA)									
Total Employment	6,007.3	6,005.8	6,002.3	6,016.9	6,008.9	6,020.4	6,023.8	6,025.5	0.7
% change	*0.0*	*-0.0*	*-0.1*	*0.2*	*-0.1*	*0.2*	*0.1*	*0.0*	
Natural Resources & Mining	9.1	9.1	9.1	9.1	8.9	9.0	8.9	9.0	-3.2
% change	*0.0*	*0.0*	*0.0*	*0.0*	*-2.2*	*1.1*	*-1.1*	*1.1*	
Construction	218.1	217.6	217.0	214.7	212.7	213.7	213.6	211.3	-0.6
% change	*-0.7*	*-0.2*	*-0.3*	*-1.1*	*-0.9*	*0.5*	*-0.0*	*-1.1*	
Manufacturing	575.3	573.4	574.2	572.8	568.7	566.9	568.4	567.7	-1.7
% change	*0.1*	*-0.3*	*0.1*	*-0.2*	*-0.7*	*-0.3*	*0.3*	*-0.1*	
Trade, Transportation, & Utilities	1,209.8	1,208.7	1,208.1	1,210.1	1,207.6	1,208.2	1,204.0	1,201.2	-0.3
% change	*-0.0*	*-0.1*	*-0.0*	*0.2*	*-0.2*	*0.0*	*-0.3*	*-0.2*	
Retail Trade	626.3	624.8	626.2	625.0	625.5	622.7	621.9	620.1	0.2
% change	*0.3*	*-0.2*	*0.2*	*-0.2*	*0.1*	*-0.4*	*-0.1*	*-0.3*	
Wholesale Trade	299.8	300.0	300.2	300.4	300.0	300.3	300.2	298.8	-0.9
% change	*-0.5*	*0.1*	*0.1*	*0.1*	*-0.1*	*0.1*	*-0.0*	*-0.5*	
Transportation & Utilities	283.7	283.9	281.7	284.7	282.1	285.2	281.9	282.3	-0.6
% change	*-0.3*	*0.1*	*-0.8*	*1.1*	*-0.9*	*1.1*	*-1.2*	*0.1*	
Information Services	97.6	98.1	97.8	97.9	97.7	97.4	96.7	96.0	-5.1
% change	*-0.2*	*0.5*	*-0.3*	*0.1*	*-0.2*	*-0.3*	*-0.7*	*-0.7*	
Financial Services	377.7	379.3	381.1	379.8	377.4	375.6	375.6	375.2	-1.5
% change	*-0.4*	*0.4*	*0.5*	*-0.3*	*-0.6*	*-0.5*	*0.0*	*-0.1*	
Professional & Business Services	930.8	934.0	936.5	936.0	940.4	945.2	953.0	952.9	3.9
% change	*0.8*	*0.3*	*0.3*	*-0.1*	*0.5*	*0.5*	*0.8*	*-0.0*	
Education & Health Services	914.3	910.1	902.5	911.2	908.5	913.1	913.5	917.0	1.1
% change	*0.3*	*-0.5*	*-0.8*	*1.0*	*-0.3*	*0.5*	*0.0*	*0.4*	
Leisure & Hospitality Services	592.4	594.3	593.5	597.1	600.6	598.6	598.7	601.8	3.0
% change	*-0.1*	*0.3*	*-0.1*	*0.6*	*0.6*	*-0.3*	*0.0*	*0.5*	
Other Services	252.8	253.9	255.2	259.4	258.0	258.5	256.5	258.3	1.1
% change	*-0.9*	*0.4*	*0.5*	*1.6*	*-0.5*	*0.2*	*-0.8*	*0.7*	
Government	829.4	827.3	827.3	828.8	828.4	834.2	834.9	835.1	0.3
% change	*-0.4*	*-0.3*	*0.0*	*0.2*	*-0.0*	*0.7*	*0.1*	*0.0*	
									1 Year Change
Unemployment Rate (%, SA)	6.6	6.4	6.2	5.8	5.5	5.5	5.6	5.6	-0.4
									Most Recent Yr/Yr % Change
Labor Force (Ths)	6,669.5	6,661.0	6,625.7	6,592.7	6,570.8	6,565.6	6,564.2	6,565.4	0.5
% change	*0.4*	*-0.1*	*-0.5*	*-0.5*	*-0.3*	*-0.1*	*-0.0*	*0.0*	
Number of Unemployed (Ths)	439.3	426.8	409.3	383.1	363.7	360.5	366.5	368.5	-6.4
% change	*2.2*	*-2.9*	*-4.1*	*-6.4*	*-5.1*	*-0.9*	*1.7*	*0.5*	
Number of Employed (Ths)	6,230.2	6,234.3	6,216.4	6,209.7	6,207.2	6,205.1	6,197.7	6,197.0	0.9
% change	*0.2*	*0.1*	*-0.3*	*-0.1*	*-0.0*	*-0.0*	*-0.1*	*-0.0*	
Total Residential Permits (# of units YTD, NSA)	6,565	8,720	10,147	12,501	14,359	16,571	19,971	na	25.8
year to year % change	*17.2*	*20.5*	*7.4*	*14.3*	*11.0*	*15.5*	*25.8*	*na*	
Single-family, (# of units YTD, NSA)	3,103	4,139	5,147	6,014	7,098	8,143	9,322	na	2.1
year to year % change	*17.6*	*11.0*	*6.1*	*0.7*	*0.4*	*0.1*	*2.1*	*na*	
Multifamily, (# of units YTD, NSA)	3,462	4,581	5,000	6,487	7,261	8,428	10,649	na	58.1
year to year % change	*16.9*	*30.6*	*8.7*	*30.8*	*23.7*	*35.8*	*58.1*	*na*	
5 +, (# of units YTD, NSA)	3,223	4,291	4,642	6,014	6,752	7,795	9,950	na	63.4
year to year % change	*14.9*	*29.9*	*7.3*	*30.1*	*24.3*	*37.4*	*63.4*	*na*	
									Most Recent Yr/Yr % Change
Avg. Hrly Earnings: Mfg, ($ Per Hr, SA)	20.64	20.48	20.21	20.27	20.30	20.12	20.06	19.69	-1.6
% change	*0.9*	*-0.8*	*-1.3*	*0.3*	*0.2*	*-0.9*	*-0.3*	*-1.8*	

Illinois
Recent Quarterly Performance

	14Q4	15Q1	15Q2	15Q3	15Q4	16Q1	16Q2	16Q3	Most Recent Yr/Yr % Change
Gross State Product (Mil. Ch. 2009 USD, SAAR)	684,488.0	687,645.0	685,847.0	694,366.0	692,891.0	696,751.0	698,436.0	na	na
% change	*0.4*	*0.5*	*-0.3*	*1.2*	*-0.2*	*0.6*	*0.2*	*na*	
Establishment Employment (Ths, SA)									
Total Employment	5,915.7	5,925.1	5,955.1	5,970.7	5,983.3	5,992.2	6,005.1	6,015.4	0.7
% change	*0.5*	*0.2*	*0.5*	*0.3*	*0.2*	*0.1*	*0.2*	*0.2*	
Natural Resources & Mining	10.1	9.9	9.5	9.3	9.3	9.3	9.1	9.0	-3.2
% change	*1.3*	*-1.7*	*-3.7*	*-2.4*	*-0.4*	*0.0*	*-1.8*	*-1.1*	
Construction	207.5	209.7	213.8	214.0	215.4	217.7	217.6	213.7	-0.1
% change	*1.9*	*1.1*	*2.0*	*0.1*	*0.7*	*1.1*	*-0.0*	*-1.8*	
Manufacturing	581.7	583.1	582.4	581.3	577.6	576.7	574.3	569.5	-2.0
% change	*0.3*	*0.2*	*-0.1*	*-0.2*	*-0.6*	*-0.1*	*-0.4*	*-0.8*	
Trade, Transportation, & Utilities	1,188.0	1,192.1	1,199.9	1,203.9	1,203.8	1,206.8	1,208.9	1,208.6	0.4
% change	*0.5*	*0.4*	*0.7*	*0.3*	*-0.0*	*0.2*	*0.2*	*-0.0*	
Retail Trade	608.4	611.0	614.6	616.9	618.5	621.9	625.8	624.4	1.2
% change	*0.3*	*0.4*	*0.6*	*0.4*	*0.3*	*0.6*	*0.6*	*-0.2*	
Wholesale Trade	300.2	300.0	301.9	302.7	301.6	300.9	300.0	300.2	-0.8
% change	*0.4*	*-0.1*	*0.6*	*0.3*	*-0.4*	*-0.2*	*-0.3*	*0.1*	
Transportation & Utilities	279.3	281.2	283.4	284.3	283.7	283.9	283.1	284.0	-0.1
% change	*1.1*	*0.7*	*0.8*	*0.3*	*-0.2*	*0.1*	*-0.3*	*0.3*	
Information Services	99.6	100.2	100.8	101.2	100.5	98.3	97.8	97.7	-3.5
% change	*0.2*	*0.6*	*0.7*	*0.4*	*-0.8*	*-2.2*	*-0.4*	*-0.2*	
Financial Services	377.1	378.2	379.9	380.3	380.6	378.4	379.4	377.6	-0.7
% change	*0.2*	*0.3*	*0.4*	*0.1*	*0.1*	*-0.6*	*0.3*	*-0.5*	
Professional & Business Services	917.1	914.3	918.9	922.1	917.3	920.4	933.8	940.5	2.0
% change	*0.6*	*-0.3*	*0.5*	*0.3*	*-0.5*	*0.3*	*1.4*	*0.7*	
Education & Health Services	889.4	890.5	895.7	899.1	907.6	910.9	909.0	910.9	1.3
% change	*0.5*	*0.1*	*0.6*	*0.4*	*0.9*	*0.4*	*-0.2*	*0.2*	
Leisure & Hospitality Services	563.6	566.6	573.4	577.6	583.7	588.3	593.4	598.8	3.7
% change	*1.1*	*0.5*	*1.2*	*0.7*	*1.1*	*0.8*	*0.9*	*0.9*	
Other Services	252.5	252.3	252.2	252.3	254.6	254.0	254.0	258.6	2.5
% change	*0.1*	*-0.1*	*-0.0*	*0.0*	*0.9*	*-0.2*	*-0.0*	*1.8*	
Government	829.3	828.1	828.5	829.6	833.0	831.4	828.0	830.5	0.1
% change	*0.0*	*-0.1*	*0.1*	*0.1*	*0.4*	*-0.2*	*-0.4*	*0.3*	
									1 Year Change
Unemployment Rate (%, SA)	6.2	6.0	5.9	5.8	6.0	6.4	6.4	5.6	-0.2
									Most Recent Yr/Yr % Change
Labor Force (Ths)	6,492.3	6,490.0	6,500.0	6,509.5	6,533.7	6,609.3	6,652.1	6,576.4	1.0
% change	*-0.1*	*-0.0*	*0.2*	*0.1*	*0.4*	*1.2*	*0.6*	*-1.1*	
Number of Unemployed (Ths)	402.8	387.0	380.3	378.0	394.0	420.7	425.1	369.1	-2.4
% change	*-5.8*	*-3.9*	*-1.7*	*-0.6*	*4.2*	*6.8*	*1.0*	*-13.2*	
Number of Employed (Ths)	6,089.5	6,103.0	6,119.7	6,131.5	6,139.7	6,188.5	6,227.0	6,207.3	1.2
% change	*0.3*	*0.2*	*0.3*	*0.2*	*0.1*	*0.8*	*0.6*	*-0.3*	
Total Residential Permits (# of units YTD, NSA)	19,857	3,554	9,449	14,342	19,472	5,296	10,147	16,571	15.5
year to year % change	*29.4*	*7.2*	*-3.8*	*-4.5*	*-1.9*	*49.0*	*7.4*	*15.5*	
Single-family, (# of units YTD, NSA)	10,258	1,612	4,850	8,135	10,551	2,141	5,147	8,143	0.1
year to year % change	*2.8*	*-7.0*	*-0.7*	*4.0*	*2.9*	*32.8*	*6.1*	*0.1*	
Multifamily, (# of units YTD, NSA)	9,599	1,942	4,599	6,207	8,921	3,155	5,000	8,428	35.8
year to year % change	*78.9*	*22.8*	*-6.9*	*-13.8*	*-7.1*	*62.5*	*8.7*	*35.8*	
5 +, (# of units YTD, NSA)	8,849	1,851	4,325	5,675	8,122	2,982	4,642	7,795	37.4
year to year % change	*89.4*	*29.4*	*-5.4*	*-13.6*	*-8.2*	*61.1*	*7.3*	*37.4*	

Illinois
Recent Quarterly Performance

	14Q4	15Q1	15Q2	15Q3	15Q4	16Q1	16Q2	16Q3	Most Recent Yr/Yr % Change
Existing Single-Family Home Sales (Ths, SAAR)	168.8	173.3	187.1	180.3	171.6	177.2	183.3	88.4	-51.0
% change	*-0.1*	*2.7*	*8.0*	*-3.7*	*-4.8*	*3.3*	*3.4*	*-51.8*	
Home Price Index (Index 1980Q1 = 100, NSA)	312.8	317.1	319.0	320.8	323.4	325.9	329.2	332.2	3.6
% change	*0.7*	*1.4*	*0.6*	*0.6*	*0.8*	*0.8*	*1.0*	*0.9*	
Personal Income (Mil $, SAAR)	634,500	635,745	643,231	650,845	657,335	658,851	666,705	673,528	3.5
% change	*1.1*	*0.2*	*1.2*	*1.2*	*1.0*	*0.2*	*1.2*	*1.0*	
Wages & Salaries (Mil. $)	338,961	343,884	347,015	352,844	357,080	355,804	360,466	365,212	3.5
% change	*1.5*	*1.5*	*0.9*	*1.7*	*1.2*	*-0.4*	*1.3*	*1.3*	
Nonwage Income (Mil. $)	295,539	291,862	296,216	298,001	300,255	303,046	306,239	308317	3.5
% change	*0.6*	*-1.2*	*1.5*	*0.6*	*0.8*	*0.9*	*1.1*	*0.7*	
Avg. Hrly Earnings: Mfg ($ Per Hr, SA)	19.63	19.60	19.63	19.83	20.03	20.40	20.44	20.23	2.0
% change	*0.3*	*-0.1*	*0.1*	*1.0*	*1.0*	*1.8*	*0.2*	*-1.0*	
Personal Bankruptcies (# 3-Month Ending, SAAR)	58,955	57,626	54,094	56,233	56,319	55,763	51,144	52,615	-6.4

Illinois
Recent Annual Performance

	2008	2009	2010	2011	2012	2013	2014	2015	5 Yr. Average Annual % Change
Gross State Product (Mil. Ch. 2009 USD, SAAR)	655,275.0	638,032.0	645,982.8	658,411.3	671,492.8	670,031.3	677,666.8	690,187.3	1.3
% change	*-2.4*	*-2.6*	*1.2*	*1.9*	*2.0*	*-0.2*	*1.1*	*1.8*	
Establishment Employment (Ths, SA)									
Total Employment	5,947.0	5,655.7	5,611.2	5,675.6	5,750.4	5,804.3	5,879.3	5,958.6	1.2
% change	*-0.5*	*-4.9*	*-0.8*	*1.1*	*1.3*	*0.9*	*1.3*	*1.3*	
Natural Resources & Mining	9.8	9.3	9.2	9.6	10.2	9.7	9.9	9.5	0.7
% change	*-3.5*	*-4.4*	*-2.0*	*4.9*	*5.8*	*-4.8*	*2.7*	*-4.4*	
Construction	258.2	217.2	198.5	195.9	189.2	191.4	201.7	213.2	1.4
% change	*-4.7*	*-15.9*	*-8.6*	*-1.3*	*-3.4*	*1.2*	*5.4*	*5.7*	
Manufacturing	657.1	576.8	561.0	574.0	583.0	579.3	580.2	581.1	0.7
% change	*-2.7*	*-12.2*	*-2.7*	*2.3*	*1.6*	*-0.6*	*0.1*	*0.2*	
Trade, Transportation, & Utilities	1,205.0	1,139.6	1,125.6	1,143.6	1,156.2	1,164.4	1,179.6	1,200.0	1.3
% change	*-0.6*	*-5.4*	*-1.2*	*1.6*	*1.1*	*0.7*	*1.3*	*1.7*	
Retail Trade	628.0	595.5	588.3	595.1	597.0	599.1	605.2	615.3	1.1
% change	*-1.2*	*-5.2*	*-1.2*	*1.2*	*0.3*	*0.4*	*1.0*	*1.7*	
Wholesale Trade	310.3	291.9	285.8	289.5	294.5	298.4	299.4	301.6	0.9
% change	*-0.1*	*-6.0*	*-2.1*	*1.3*	*1.7*	*1.3*	*0.4*	*0.7*	
Transportation & Utilities	266.7	252.2	251.5	259.0	264.7	266.9	275.0	283.1	2.4
% change	*0.2*	*-5.4*	*-0.3*	*3.0*	*2.2*	*0.8*	*3.0*	*3.0*	
Information Services	114.4	106.4	101.9	100.6	100.1	99.0	99.1	100.7	-0.2
% change	*-1.4*	*-7.0*	*-4.2*	*-1.3*	*-0.4*	*-1.2*	*0.1*	*1.6*	
Financial Services	399.6	380.0	371.6	371.2	374.3	377.5	376.5	379.7	0.4
% change	*-2.7*	*-4.9*	*-2.2*	*-0.1*	*0.8*	*0.9*	*-0.3*	*0.9*	
Professional & Business Services	852.1	779.6	793.6	823.4	856.7	883.0	909.5	918.1	3.0
% change	*-1.2*	*-8.5*	*1.8*	*3.8*	*4.0*	*3.1*	*3.0*	*1.0*	
Education & Health Services	799.2	814.8	830.9	847.5	862.3	874.3	885.1	898.3	1.6
% change	*2.8*	*2.0*	*2.0*	*2.0*	*1.7*	*1.4*	*1.2*	*1.5*	
Leisure & Hospitality Services	532.6	516.7	515.3	522.2	536.2	546.0	558.2	575.3	2.2
% change	*0.2*	*-3.0*	*-0.3*	*1.4*	*2.7*	*1.8*	*2.2*	*3.1*	
Other Services	263.7	258.0	249.3	249.7	249.8	249.9	252.2	252.9	0.3
% change	*1.0*	*-2.1*	*-3.4*	*0.2*	*0.0*	*0.1*	*0.9*	*0.3*	
Government	855.4	857.2	854.3	837.8	832.3	829.9	827.4	829.8	-0.6
% change	*0.7*	*0.2*	*-0.3*	*-1.9*	*-0.7*	*-0.3*	*-0.3*	*0.3*	
									5 Year Change
Unemployment Rate (%)	6.5	10.3	10.3	9.6	9.0	8.9	7.0	5.9	-4.4
									5 Yr. Average
									Annual % Change
Labor Force (Ths)	6,650.0	6,617.4	6,606.2	6,575.9	6,583.6	6,563.5	6,514.2	6,508.3	-0.3
% change	*-0.1*	*-0.5*	*-0.2*	*-0.5*	*0.1*	*-0.3*	*-0.8*	*-0.1*	
Number of Unemployed (Ths)	428.4	682.1	678.6	633.2	590.8	586.5	455.0	384.8	-10.7
% change	*28.2*	*59.2*	*-0.5*	*-6.7*	*-6.7*	*-0.7*	*-22.4*	*-15.4*	
Number of Employed (Ths)	6,221.6	5,935.3	5,927.6	5,942.8	5,992.8	5,977.0	6,059.3	6,123.5	0.7
% change	*-1.6*	*-4.6*	*-0.1*	*0.3*	*0.8*	*-0.3*	*1.4*	*1.1*	
									5 Yr. Average
Total Residential Permits (# of units)	21,889	10,912	11,596	12,151	13,675	15,348	19,857	19,472	16,101
year to year % change	*-48.7*	*-50.1*	*6.3*	*4.8*	*12.5*	*12.2*	*29.4*	*-1.9*	
Single-family	12,308	8,236	7,862	7,117	8,870	9,981	10,258	10,551	9,355
year to year % change	*-50.4*	*-33.1*	*-4.5*	*-9.5*	*24.6*	*12.5*	*2.8*	*2.9*	
Multifamily	9,581	2,676	3,734	5,034	4,805	5,367	9,599	8,921	6,745
year to year % change	*-46.3*	*-72.1*	*39.5*	*34.8*	*-4.5*	*11.7*	*78.9*	*-7.1*	
5 +	8,416	2,169	3,242	4,464	4,162	4,671	8,849	8,122	6,054
year to year % change	*-45.3*	*-74.2*	*49.5*	*37.7*	*-6.8*	*12.2*	*89.4*	*-8.2*	

Illinois
Recent Annual Performance

	2008	2009	2010	2011	2012	2013	2014	2015	5 Yr. Average Annual % Change
Existing Single-Family Home Sales (Ths)	129.5	125.7	121.5	122.2	149.8	172.9	165.1	178.1	7.9
% change	*-28.5*	*-3.0*	*-3.3*	*0.6*	*22.6*	*15.4*	*-4.5*	*7.8*	
Home Price Index (Index 1980Q1 = 100)	357.4	333.8	317.1	301.8	296.7	298.3	308.6	320.1	0.2
% change	*-3.8*	*-6.6*	*-5.0*	*-4.8*	*-1.7*	*0.5*	*3.4*	*3.7*	
Personal Income (Mil $)	552,691	524,591	535,464	562,292	587,601	600,783	624,892	646,789	3.9
% change	*3.0*	*-5.1*	*2.1*	*5.0*	*4.5*	*2.2*	*4.0*	*3.5*	
Wages & Salaries (Mil. $)	303,219	286,829	291,034	303,015	314,839	320,206	333,454	350,206	3.8
% change	*1.8*	*-5.4*	*1.5*	*4.1*	*3.9*	*1.7*	*4.1*	*5.0*	
Nonwage Income (Mil. $)	249,473	237,762	244,430	259,277	272,762	280,577	291,438	296,583	3.9
% change	*4.5*	*-4.7*	*2.8*	*6.1*	*5.2*	*2.9*	*3.9*	*1.8*	
Avg. Hrly Earnings: Mfg. ($ Per Hr)	16.44	16.61	16.92	18.00	19.17	19.45	19.49	19.77	3.2
% change	*-0.2*	*1.1*	*1.8*	*6.4*	*6.5*	*1.5*	*0.2*	*1.5*	
Personal Bankruptcies	54,798	71,815	80,607	71,070	67,206	64,905	60,189	56,068	-7.0

Illinois
History

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Employment (Ths.)	5,930.5	5,977.7	5,947.0	5,655.7	5,611.2	5,675.6	5,750.4	5,804.3	5,879.3	5,958.6
% Change	*1.2*	*0.8*	*-0.5*	*-4.9*	*-0.8*	*1.1*	*1.3*	*0.9*	*1.3*	*1.3*
Manufacturing	683.4	675.1	657.1	576.8	561.0	574.0	583.0	579.3	580.1	581.1
Construction	275.2	271.0	258.2	217.2	198.5	195.9	189.2	191.4	201.7	213.2
Prof. and Bus. Serv.	846.4	862.8	852.1	779.6	793.6	823.4	856.7	883.0	909.5	918.1
Edu. and Health Serv.	759.7	777.6	799.2	814.8	830.9	847.5	862.3	874.3	885.1	898.3
Leisure and Hospitality	522.8	531.5	532.6	516.7	515.2	522.2	536.2	546.0	558.2	575.3
Other Services	259.4	261.1	263.7	258.0	249.3	249.7	249.8	249.9	252.2	252.9
Trade, Trans. and Util.	1,198.5	1,212.4	1,205.0	1,139.6	1,125.6	1,143.6	1,156.2	1,164.4	1,179.6	1,199.9
Wholesale	307.8	310.7	310.3	291.9	285.8	289.5	294.5	298.4	299.4	301.6
Retail	628.7	635.5	628.0	595.5	588.3	595.1	597.0	599.1	605.2	615.3
Trans. and Util.	262.0	266.1	266.7	252.2	251.5	259.0	264.7	266.9	275.0	283.1
Financial Activities	413.1	410.7	399.6	380.0	371.6	371.2	374.3	377.5	376.5	379.7
Information	116.2	115.9	114.3	106.4	101.9	100.6	100.1	99.0	99.1	100.7
Government	845.5	849.5	855.4	857.2	854.3	837.8	832.3	829.9	827.4	829.8
Natural Res. and Min.	10.3	10.1	9.8	9.3	9.2	9.6	10.2	9.7	9.9	9.5
Unemployment Rate (%)	4.6	5.0	6.5	10.3	10.3	9.6	9.0	8.9	7.0	5.9
Population (Ths.)	12,644.0	12,695.9	12,747.0	12,796.8	12,841.3	12,861.9	12,875.2	12,889.6	12,882.2	12,860.0
% Change	*0.3*	*0.4*	*0.4*	*0.4*	*0.3*	*0.2*	*0.1*	*0.1*	*-0.1*	*-0.2*
Age: <5	854.4	851.5	848.6	840.3	833.8	823.7	811.6	799.5	799.2	802.9
Age: 5-19	2,682.9	2,679.6	2,673.5	2,669.4	2,655.8	2,631.0	2,605.1	2,579.5	2,639.4	2,655.7
Age: 20-24	883.0	881.0	876.7	877.4	880.5	883.2	895.8	906.4	858.9	856.6
Age: 25-44	3,571.0	3,551.8	3,536.0	3,516.7	3,501.1	3,491.2	3,480.0	3,472.3	3,383.6	3,276.9
Age: 45-64	3,128.9	3,189.1	3,241.7	3,300.4	3,354.7	3,392.9	3,387.3	3,387.3	3,400.9	3,410.6
Age: >65	1,523.7	1,542.8	1,570.5	1,592.6	1,615.3	1,639.9	1,695.4	1,744.6	1,800.2	1,857.2
Households (Ths.)	4,800.6	4,825.9	4,854.7	4,852.7	4,846.0	4,876.2	4,908.0	4,951.5	4,980.9	4,991.3
% Change	*0.4*	*0.5*	*0.6*	*-0.0*	*-0.1*	*0.6*	*0.7*	*0.9*	*0.6*	*0.2*
Personal Income (Bil. $)	507.3	536.6	552.7	524.6	535.5	562.3	587.6	600.8	624.9	646.8
% Change	*6.9*	*5.8*	*3.0*	*-5.1*	*2.1*	*5.0*	*4.5*	*2.2*	*4.0*	*3.5*
Total Residential Permits (#)	58,802.0	43,020.0	22,528.0	10,859.0	12,318.0	11,809.0	13,797.0	15,545.0	20,578.0	19,571.0
% Change	*-12.2*	*-26.8*	*-47.6*	*-51.8*	*13.4*	*-4.1*	*16.8*	*12.7*	*32.4*	*-4.9*
Single-family Permits	37,903.0	24,511.0	11,827.0	7,844.0	7,624.0	6,834.0	8,564.0	9,869.0	10,553.0	10,076.0
Multifamily Permits	20,899.0	18,509.0	10,701.0	3,015.0	4,694.0	4,975.0	5,233.0	5,676.0	10,025.0	9,495.0

Illinois Forecast

	2016	2017	2018	2019	2020	2021	2022	2023	10-15	15-20
									Annual Growth (%)	
Total Employment (Ths.)	6,011.3	6,072.2	6,146.6	6,208.9	6,231.1	6,229.1	6,249.0	6,308.1	1.2	0.9
% Change	*0.9*	*1.0*	*1.2*	*1.0*	*0.4*	*-0.0*	*0.3*	*0.9*		
Manufacturing	572.2	565.6	562.6	559.0	551.0	539.7	530.2	525.1	0.7	-1.1
Construction	216.0	220.5	231.1	238.0	239.0	237.6	239.3	243.9	1.4	2.3
Prof. and Bus. Serv.	935.7	961.3	986.4	1,007.8	1,015.4	1,016.8	1,024.8	1,046.1	3.0	2.0
Edu. and Health Serv.	911.3	920.3	930.4	941.1	949.1	953.8	960.5	970.0	1.6	1.1
Leisure and Hospitality	595.2	605.6	614.3	622.1	627.5	631.1	636.1	643.6	2.2	1.8
Other Services	256.5	260.6	262.4	263.9	263.8	262.8	263.0	264.9	0.3	0.9
Trade, Trans. and Util.	1,208.8	1,218.3	1,232.8	1,242.4	1,243.3	1,238.0	1,236.6	1,243.6	1.3	0.7
Wholesale	300.5	301.4	304.7	308.2	309.3	308.2	308.0	310.3	1.1	0.5
Retail	624.2	630.9	641.2	646.6	647.1	644.8	644.9	648.8	0.9	1.0
Trans. and Util.	284.0	285.9	287.0	287.5	286.9	285.0	283.7	284.5	2.4	0.3
Financial Activities	378.4	379.6	381.6	383.7	385.2	386.1	388.3	392.4	0.4	0.3
Information	97.8	97.8	98.1	98.5	98.6	98.3	98.3	98.5	-0.2	-0.4
Government	830.4	833.6	837.5	842.9	848.7	855.3	862.5	870.3	-0.6	0.5
Natural Res. and Min.	9.1	9.1	9.3	9.4	9.5	9.5	9.5	9.5	0.7	-0.1
Unemployment Rate (%)	5.9	5.2	4.9	4.7	5.0	5.5	5.7	5.2	-4.35	-0.95
Population (Ths.)	12,851.5	12,853.0	12,852.4	12,847.5	12,837.7	12,826.7	12,825.7	12,826.2	0.0	-0.0
% Change	*-0.1*	*0.0*	*-0.0*	*-0.0*	*-0.1*	*-0.1*	*-0.0*	*0.0*		
Age: <5	813.8	826.0	836.9	838.2	836.7	831.9	825.4	820.2	-0.8	0.8
Age: 5-19	2,611.3	2,575.0	2,548.9	2,539.1	2,537.9	2,530.6	2,531.8	2,538.0	-0.0	-0.9
Age: 20-24	929.7	1,011.7	1,070.3	1,101.7	1,100.3	1,066.7	1,050.8	1,047.6	-0.5	5.1
Age: 25-44	3,164.4	3,052.5	2,964.0	2,900.7	2,854.0	2,854.1	2,835.2	2,799.9	-1.3	-2.7
Age: 45-64	3,413.5	3,405.7	3,385.1	3,350.9	3,320.3	3,281.5	3,243.8	3,204.1	0.3	-0.5
Age: >65	1,918.7	1,982.1	2,047.3	2,116.8	2,188.4	2,261.9	2,338.7	2,416.5	2.8	3.3
Households (Ths.)	4,999.1	5,024.3	5,049.7	5,076.8	5,103.2	5,127.3	5,152.5	5,176.7	0.6	0.4
% Change	*0.2*	*0.5*	*0.5*	*0.5*	*0.5*	*0.5*	*0.5*	*0.5*		
Personal Income (Bil. $)	668.2	699.1	736.9	776.0	811.7	843.6	876.1	909.7	3.9	4.6
% Change	*3.3*	*4.6*	*5.4*	*5.3*	*4.6*	*3.9*	*3.9*	*3.8*		
									Average	
Total Residential Permits (#)	24,040.1	32,349.4	38,759.5	39,163.1	33,733.7	34,580.6	37,630.2	39,640.2	15,603	31,269
% Change	*22.8*	*34.6*	*19.8*	*1.0*	*-13.9*	*2.5*	*8.8*	*5.3*		
Single-family Permits	10,749.8	18,189.4	24,899.4	27,273.9	24,317.9	24,335.0	26,103.0	27,552.3	8,920	19,251
Multifamily Permits	13,290.3	14,160.0	13,860.2	11,889.2	9,415.8	10,245.6	11,527.2	12,087.9	6,683	12,018

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