

EMPLOYMENT & WAGES



IN ILLINOIS

A REPORT ON EMPLOYMENT AND WAGES IN ILLINOIS

COMPILED BY THE

COMMISSION ON GOVERNMENT FORECASTING & ACCOUNTABILITY

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EXECUTIVE SUMMARY

The latest recession, which officially started in December 2007, has affected employment throughout the State of Illinois. This report quantifies this latest economic downturn's affect on employment and wages. The Commission on Government Forecasting and Accountability (CGFA) looked at total employment, the unemployment rate, and quarterly wages to judge how the Great Recession has affected the different areas of the State and how these affects compare to the previous recession of 2001. The employment data was used to define key turning points (the '90s tech boom peak, the 2001 recession low, the 2006 expansion high, and the Great Recession low) that were compared between five regions. These regions (Cook County, the Collar Counties, Northern Illinois, Central Illinois, and Southern Illinois) were categorized based on location and economic make-up. These regions also were used in looking at quarterly wage data that were adjusted for seasonality and inflation. Highlights of the report are listed below:

- Total employment in Illinois peaked at 6.4 million people in July of 2007. The Great Recession low occurred in January of 2010 at 5.8 million. This was a decline of 9.3%.
- Northern Illinois saw the largest decline in employment losing over 11% of its jobs. No region lost less than 9% with Central Illinois losing the least at 9.1%.
- The State as a whole remains at a similar employment level to that after the 2001 recession. Conversely, the Collar Counties have done comparatively better in total employment. The 2001 recession had limited affects on the region and, as such, currently stands at an employment level similar to that during the 2006 expansion.
- Cook County was unique in that total employment trended down over the analyzed period. Cook County has never returned to its '90s tech boom peak of 2.63 million employed and as of May 2010 was down over 11% to 2.34 million.
- The Statewide unemployment rate peaked at 12.2% in January of 2010. The Northern Illinois region had the highest unemployment rate at 14.9%. The Collar Counties had the lowest unemployment rate at 11.6%.
- Northern Illinois had the largest increase (11.0%) in the unemployment rate from their 2006 expansion low (3.9% to 14.9%). Cook County had the smallest at 7.8% (3.9% to 11.7%).
- The Collar Counties and Central Illinois consistently had lower unemployment rates throughout the analyzed time period. Cook County and Southern Illinois had consistently higher unemployment rates. Northern Illinois had a lower than average

unemployment rate during the beginning of the time period but then moved to the highest levels of unemployment during the Great Recession.

- The unemployment rate generally lags the actual business cycle. During the last two recessions, the unemployment rate has peaked over a year after the ending of the recession.
- The peaks and valleys in the unemployment rate were more homogeneous between the regions during the Great Recession than during the 2001 Recession. This may be due to the later peaks and troughs being more associated with core economic factors (housing and banking), whereas the previous expansion and decline were based more on technology that might not affect every region equally.
- The average seasonally adjusted wage in Illinois was \$46,128 during the fourth quarter of 2009. This was up over 23% since the first quarter of 2001. Cook County employees had the highest wages at \$56,599. Northern Illinois had the lowest at \$31,311.
- The Southern Illinois region saw the most growth (35.3%) in wages, while the Collar Counties (22.8%) had the least.
- When inflation is accounted for, wages in Illinois have basically been flat since 2001. Between 2001 and 2009, the total growth in inflation-adjusted wages was a mere 0.7%.
- The Southern Illinois and Central regions had total growth in inflation-adjusted wages of 9.9% and 7.1%. This growth was more than offset by limited growth (0.5%) in Cook County and a decline of 0.2% in the Collar Counties.

Total Employment

To initially evaluate the affect of the Great Recession on employment and wages in Illinois, total employment data was analyzed. Total employment data was examined from the United States Department of Labor's Bureau of Labor Statistics (BLS). County level employment was investigated to highlight differences in employment levels over five regions of Illinois on a monthly basis from January of 1997 thru May of 2010. The 1997 to 2010 time period was used to contrast employment levels from the height of the tech boom to the current time period which appears to be the beginning of a new expansion.

The National Bureau of Economic Research (NBER), the official business cycle dating organization, designated March of 2001 as the peak of the high tech boom with the following recession ending in November of 2001. The next peak was dated as December of 2007. The recession that has followed has been called the "Great Recession." While no official ending of the Great Recession has been announced, most economists have indicated that the recession likely ended in the summer of 2009. (NBER waited 8 to 22 months to announce the last four business troughs, so that time period is still viable for the ending of the recession, though some still fear a double dip recession.) The ending of the Great Recession will be designated in all charts as July of 2009.

The different counties were categorized regionally based on geographic location and similarity of economy. These regions were Cook County, the Collar Counties, Northern Illinois, Central Illinois, and Southern Illinois. The Cook County region included only Cook County. Cook County is the largest county by population in the State and the economic engine of the State. Just under half of Illinois' Gross State Product (GSP) comes from Cook County. The Collar County region includes the five counties (DuPage, Kane, Lake, McHenry, and Will) adjacent to Cook County and makes up the suburbs of Chicago. The Northern Illinois region consists of the 26 counties located in the Northern third of the State excluding Cook County and the Collar Counties. The Central Illinois and Southern Illinois regions each contain 35 counties and account for approximately one third of the State's geographic area. Table 1 on the next page lists each group with their associated counties.

The county level employment data was collected and calculated as part of the Local Area Unemployment Statistics (LAUS) program at the BLS. The data used by LAUS comes from the Current Population Survey (CPS), the Current Employment Statistics (CES) program, and State unemployment insurance systems. For more information on LAUS, see the LAUS website at <http://www.bls.gov/lau/>. The data collected includes the number of people employed and the number of people unemployed and looking for a job. This data is then used to calculate the total labor force and the unemployment rate. It must be noted that these statistics are based on residency. As such, a person who lives in one county but works in another county would be counted as having a job in their home county. For example, a person who is employed in Cook County but lives in Will County would be counted in the Will County statistics. For more information on the definition of employed, unemployed, and total labor force, refer to Appendix A.

The data was looked at both on a raw and as seasonally adjusted basis. Accounting for seasonality was done to better identify the timing and magnitude of employment changes based on changes in the economic climate and not due to changes in employment due to seasonal factors. The BLS pointed out several examples of seasonal affects to employment. One example of a seasonal effect in employment is higher unemployment during January and February because of seasonal industries like agriculture and construction. Another example is an increase in both employment and unemployment in the summer due to students entering the work force. Seasonal effects are also seen in employment around the holiday shopping season as people are first hired and then laid off. The seasonal adjustment was calculated by CGFA using a 12-month centered moving average with a seasonal ratio used on the first and last six months of data on which the 12-month centered moving average could not be used. May of 2010 data is preliminary data that will be revised at a later date by the BLS.

Table 1. Regional Groupings of Counties		
1. Cook County Cook	4. Central Illinois Adams Brown Cass Champaign Christian Clark Coles Cumberland De Witt Douglas Edgar Ford Fulton Greene Hancock Iroquois Logan Macon Macoupin Mason McDonough McLean Menard Monroe Montgomery Morgan Moultrie Piatt Pike Sangamon Schuyler Scott Shelby Tazewell Vermilion	5. Southern Illinois Alexander Bond Calhoun Clay Clinton Crawford Edwards Effingham Fayette Franklin Gallatin Hamilton Hardin Jackson Jasper Jefferson Jersey Johnson Lawrence Madison Marion Massac Perry Pope Pulaski Randolph Richland Saline St. Clair Union Wabash Washington Wayne White Williamson
2. Collar Counties DuPage Kane Lake McHenry Will		
3. Northern Illinois Boone Bureau Carroll DeKalb Grundy Henderson Henry Jo Daviess Kankakee Kendall Knox LaSalle Lee Livingston Marshall Mercer Ogle Peoria Putnam Rock Island Stark Stephenson Warren Whiteside Winnebago Woodford		

Charts 1 through 6 illustrate non-seasonal and seasonally adjusted employment data from January 1997 through May of 2010 for the State as well as each of the five regions. Non-seasonal employment highs and lows also are indicated for each of the last two recessions. The Great Recession highs are marked with a question mark as the potential for higher unemployment exists though seasonal data for all the areas has indicated an increase in employment throughout the State in the last few months which likely indicates an inflection point that would be associated with a rebounding economy.

Table 2 shows non-seasonal employment information for each of five events. These events are: the '90s tech boom; the 2001 recession; the peak which occurred in the following

economic recovery during 2006; the Great recession; and current data. The current data is as of May 2010. The table presents total employment, the month when each event occurred, the change in percent in total employment from one event to the next, and the amount of months between each event. Table 3 shows the same information for the seasonally adjusted unemployment rate.

The following discussion describes the unemployment rates of the State and of the different regions during each of the five highlighted events. The first paragraph of each section discusses the non-seasonally adjusted data which give a picture of actual jobs data for a given event. The second paragraph focuses on seasonally adjusted data which gives a better idea of the trends of the employment cycle that is not affected significantly by a single month. Seasonality differences will be more apparent in the unemployment rate section of this report. An example of this can be seen in the timing of the low point in unemployment rate for the State during the '90s tech boom. The lowest non-seasonally adjusted reading was recorded in October of 2000 at 3.8% but if you look at seasonally adjusted data the low point was in fact two years earlier in October of 1998.

A statewide level of employment will also be presented for each event. This rate represents the sum of all the regions data for employment and the labor force. To give the reader a better understanding of the weighting of this number and how much each region contributes to this number, the May 2010 numbers for employment are presented. Of the estimated 5.98 million employed people in Illinois, 39% came from Cook County, 25% were from the Collar Counties, 13% from both the Northern and Central Illinois regions, and the Southern Illinois region contributed approximately 9%. The make up of the employment data had similar weightings throughout the evaluated time period.

'90s Tech Boom

Total employment peaked in Illinois during the '90s tech boom in June of 2000, at that time; Illinois had 6.25 million people employed. The first regions to reach peak employment were Northern and Central Illinois which both reached their zenith in June of 1999. At that time both regions had just over 800,000 employed. Cook County hit their highest point of 2.63 million six months later in December of 1999. Southern Illinois topped 564,000 employees in June 2000. The Collar Counties were last to reach their apex in July of 2001 growing to almost 1.5 million jobs.

The seasonally adjusted data shifts the cresting of employment in Illinois a few months earlier than indicated by the non-seasonal data. The State as a whole peaked at 6.18 million jobs in March of 2000. The Central Illinois region was the first to reach their '90s boom apex at 790,000 in May of 1999. Central Illinois was followed by Northern Illinois in September of 1999 at 792,000. Cook County had 2.61 million employed people in February of 2000. Southern Illinois followed five months later at 556,000. The Collar Counties reached their high of 1.47 million in April of 2001.

2001 Recession

Based on non-seasonal data, almost 10% of the employed in three regions (Cook County (-9.9%), Northern Illinois (-9.7%), and Central Illinois (-9.7%)) lost their jobs from the '90s boom peak to the 2001 recession low. Cook County was the worst at -9.9% which equaled 260,000 jobs. The Collar Counties did the best, losing only 2.8% or 43,000. Southern Illinois was in between the worst and the best at -6.1%. The State reached its low in January of 2003 at 5.84 million. This was a decrease of 411,000 jobs or 6.6% from its '90s boom peak.

The 2001 recession affected the regions differently when seasonally adjusted data was used. Cook County lost over 8% of their jobs when it hit its low of 2.39 million in June of 2005, while total employment in the Collar Counties went down less than 1% when it dipped to 1.46 million in September of 2002. The duration of the downturn was also significantly different between regions. Cook County took 64 months to go from its '90s boom high to its 2001 recession low, while the Collar Counties only took 17 months. The State lost almost 270,000 jobs from seasonally adjusted peak to trough. That equated to a decrease of 4.3%. The Northern and Central Illinois regions lost approximately 6% of their jobs which was just under 50,000 in each region. The Southern Illinois region did moderately better only losing 3.1% of their jobs.

2006 Expansion

Illinois' non-seasonal employment reached its 2006 expansion high of 6.40 million in July of 2007. This was 2.4% higher than the '90s boom high and 9.6% higher than the 2001 recession low. Due to the 2001 recession having such a small affect on the Collar Counties, that region was up 11% from its '90s boom high and over 14% from its 2001 recession low. Cook County on the other hand was never able to reach its '90s boom high during the 2006 recovery. Cook County topped out at 2.52 million which was 4.3% lower than its '90s boom high. The Northern Illinois (4.9%) and Southern Illinois (3.7%) regions were both able to gain compared to their '90s boom highs, while Central Illinois (0.2%) was basically flat.

Seasonal data tells a similar story as the non-seasonal data though the peak occurred a few months later in most of the regions. The State reached its seasonally adjusted high in November of 2007 with 6.33 million employed people. This was an increase of 2.3% over the '90s boom high and 7.0% over the 2001 recession low. From trough to peak took 54 months. Seasonally adjusted employment peak was more uniform time wise for this event which led to higher differences in the time period between events for each of the regions. All of the regions peaked in the fall of 2007 except Southern Illinois which had its high in May of 2007. The Collar Counties, which came out of the 2001 Recession very quickly, took 62 months to reach its 2006 expansion. Cook County, on the other hand, was late in turning around the employment situation from the 2001 Recession and as such only took 29 months to reach its 2006 expansion high. The Collar Counties had the highest peak

compared to the '90s boom high at 11.3% higher, while Cook County was down 4.5%. Since their 2001 recession lows both the Collar Counties and Northern Illinois were up 12.3% but Northern Illinois hasn't gained as many jobs as the 2001 recession had a larger impact on it than the Collar Counties.

Great Recession

The Great Recession was severe on all regions but especially Northern Illinois. Statewide mass layoffs went from about 640 per year between 2004 and 2007 to over 1300 in 2009. Though June of 2010, there have already been over 500 mass layoffs for this year. Manufacturing was hit the hardest especially the machinery and transportation equipment sectors. While the State as a whole and the other regions lost about 9.5% of total employment since the 2006 expansion high, the Northern Illinois region was down 11.3%. The designated Great Recession lows for the State and each of the regions came in January or February of 2010. Statewide employment reached its employment low in January of 2010 at 5.84 million. This was 9.3% less or almost 600,000 jobs lost from the 2006 expansion high. Cook County and the Collar Counties were down 9.3% and 9.4% respectively. Central Illinois was down the least at 9.1%.

The seasonal data tells a story that is somewhat less dramatic than the non-seasonal data. Due to a few months in early 2010, the non-seasonal data went lower than the seasonally adjusted data, which was not affected as much by a few severely bad months. Similar to the non-seasonal data, seasonal employment reached its low point in January or February of 2010. Statewide seasonally adjusted employment was lowest in January of 2010 at 5.89 million. This was 7.0% lower than the State's 2006 expansion high and basically the same level as the 2001 recession low. The Collar Counties and Northern Illinois were both down between 7% and 8% from their 2006 expansion highs but were up 4.3% and 3.4% when compared to their 2001 recession lows. Central Illinois was down the least from the last expansion at 5.8%. Central Illinois and Southern Illinois were both basically at the same employment level as they were during the 2001 recession low. Cook County actually was 3.5% lower during the Great Recession than during the 2001 Recession.

It must be stated again that the Commission has designated Great Recession lows for each region for analysis purposes at this time but there remains a possibility for a double dip recession that could lead to even lower employment levels.

Current Employment (as of May 2010)

All of the regions and the State as a whole have gained jobs since the beginning of 2010. The State gained 3.0% or approximately 180,000 jobs since then. It must be noted that the May jobs data included decennial census workers and that subsequent employment numbers have been flat. The Central Illinois region gained the most (4.6%) from its Great Recession low, while Cook County gained the least (2.4%). As of May 2010, the State

had 5.98 million people employed. About 2.34 million of these people came from Cook County, while 1.45 million were from the Collar Counties. Northern Illinois and Central Illinois each accounted for over 750,000. Southern Illinois had 549,000.

The seasonally adjusted data also indicated growth from the Great Recession low, though not as much as the non-seasonal data as the seasonally adjusted data still heavily weigh those months that were around the Great Recession low. Statewide seasonal employment was up 1.0%. The Central, Northern, and Southern regions were all up 1.0% or more, while Cook County and the Collar Counties were at 0.9% and 0.7% growth. As of May 2010, the State had 5.94 million seasonally adjusted jobs.

General Observations on Employment

Though the State gained jobs between the '90s tech boom peak and the 2006 expansion peak, the employment situation in Illinois currently stands approximately where the State was after the 2001 recession. Cook County has lost numerous jobs since the '90s tech boom and is currently at an employment level similar to the early 1990's. Cook County saw an extended decrease in jobs after the 2001 recession and almost appears to have gone through a double dip in job losses as total employment began declining faster in the summer of 2004 after it had almost broke through into positive growth. The other regions in the northern part of the State also show this decline in growth but the Collar Counties and Northern Illinois were already in positive employment growth at that time.

The Collar Counties did very well from 1997 to 2010. Though the Great Recession did hit the area like other places, the region is at an employment level similar to half way through the 2006 expansion. The Great Recession took away a lot of the gains that Northern Illinois saw during the 2006 expansion though the region has had a small growth trend. Central Illinois has basically trended sideways when looking at their jobs situation. Though the business cycle had affected their total employment, the employment level has floated around 770,000 since 1997. Southern Illinois is similar to Northern Illinois in that gains through the 2006 expansion were lost in the Great Recession.

Chart 1. Illinois Employment

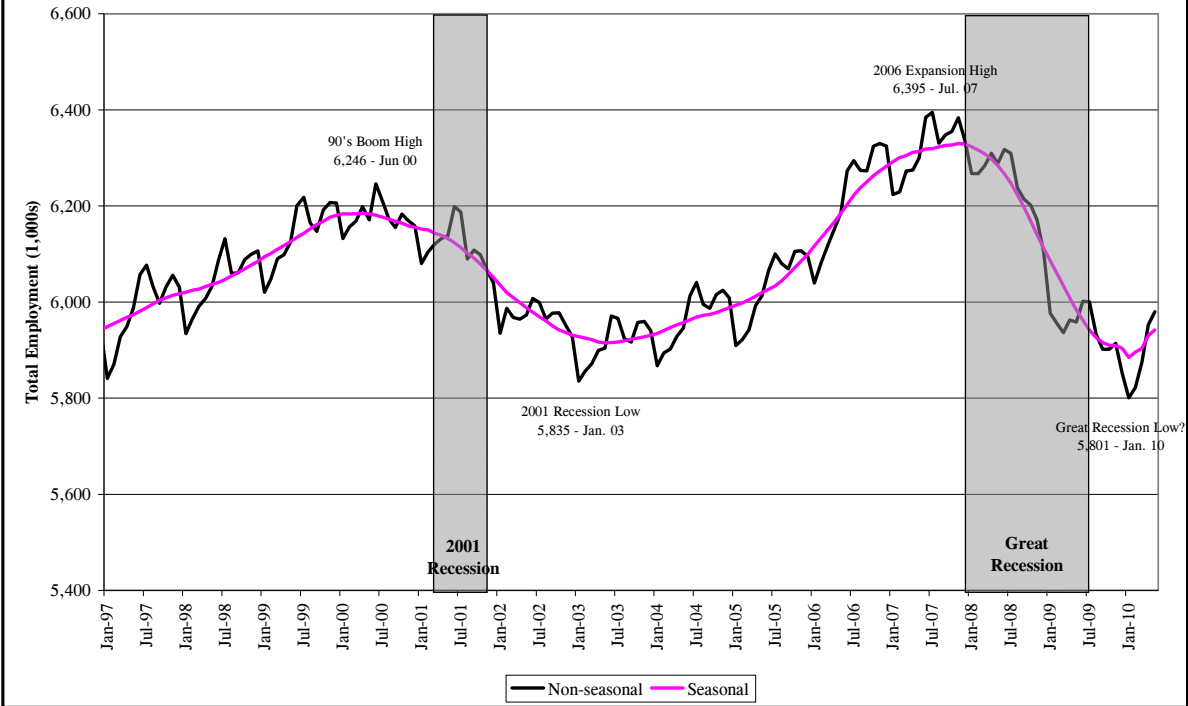


Chart 2. Cook County Employment

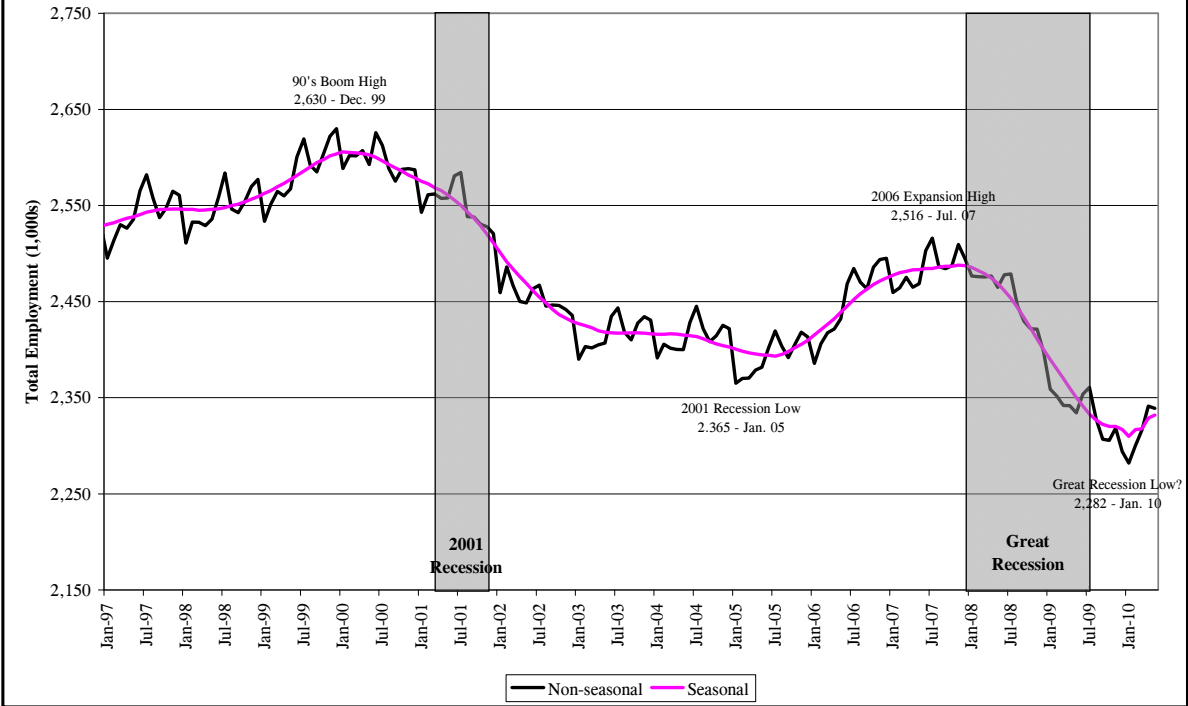


Chart 3. Collar County Employment

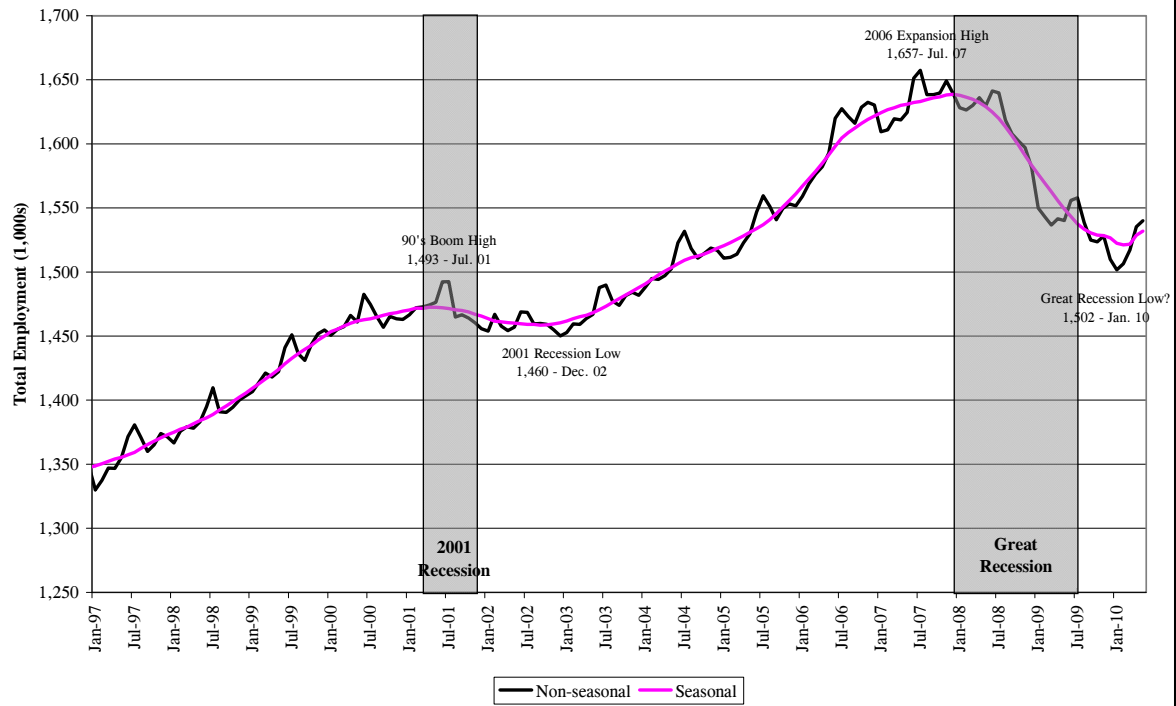


Chart 4. Northern Illinois Employment

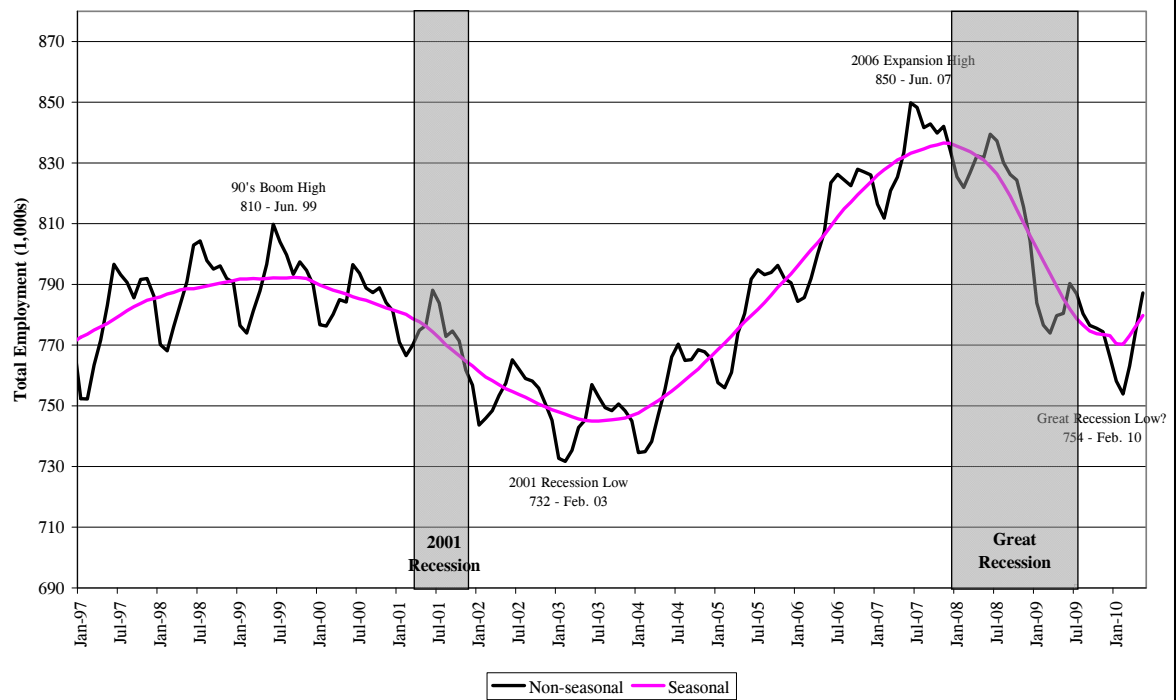


Chart 5. Central Illinois Employment

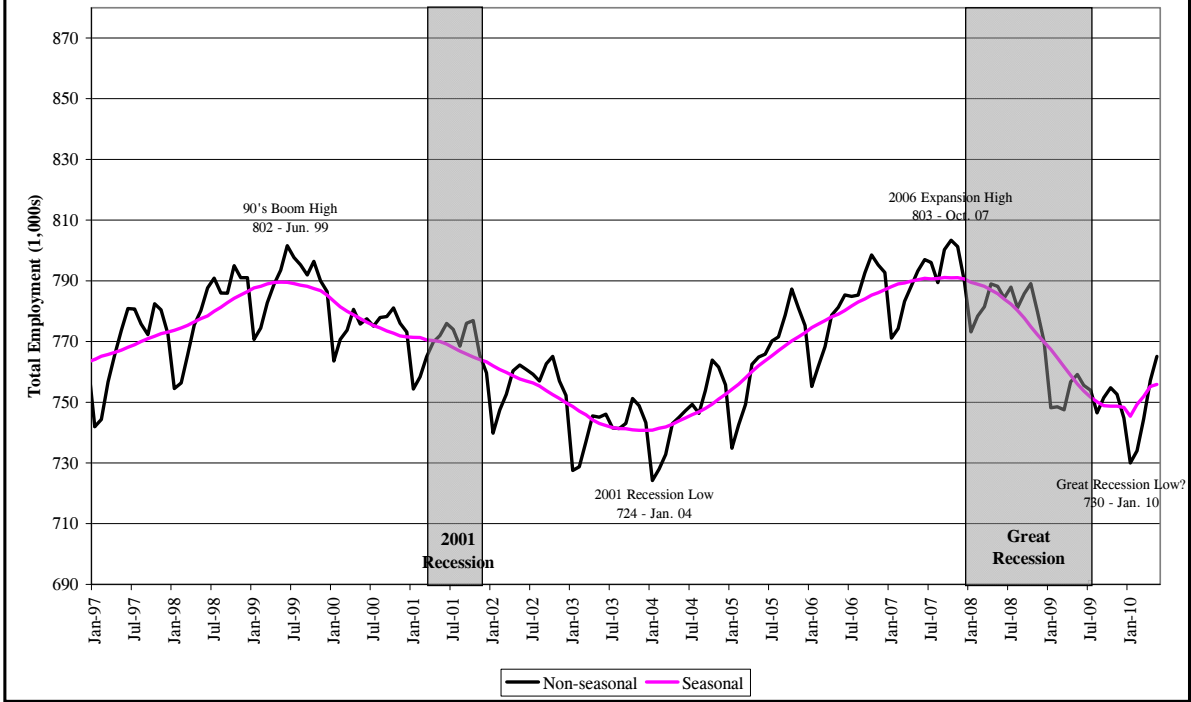


Chart 6. Southern Illinois Employment

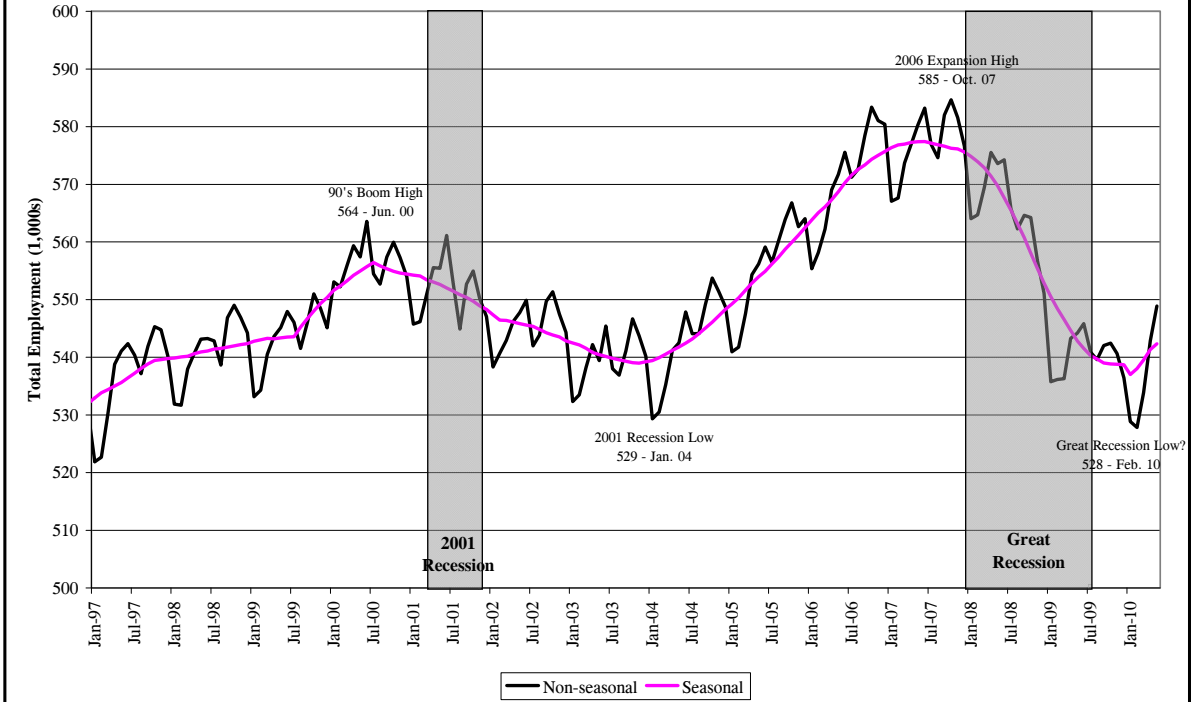


Table 2. Non-seasonal Employment in Illinois

Non-Seasonal Employment (1,000's)

	Statewide	Cook	Collar	Northern	Central	Southern
90's Boom High	6,246	2,630	1,493	810	802	564
2001 Recession Low	5,835	2,365	1,450	732	724	529
2006 Expansion High	6,395	2,516	1,657	850	803	585
Great Recession Low?	5,801	2,282	1,502	754	730	528
Current	5,980	2,339	1,540	787	765	549

Month in which Event occurred

	Statewide	Cook	Collar	Northern	Central	Southern
90's Boom High	Jun-00	Dec-99	Jul-01	Jun-99	Jun-99	Jun-00
2001 Recession Low	Jan-03	Jan-05	Dec-02	Feb-03	Jan-04	Jan-04
2006 Expansion High	Jul-07	Jul-07	Jul-07	Jun-07	Oct-07	Oct-07
Great Recession Low?	Jan-10	Jan-10	Jan-10	Feb-10	Jan-10	Feb-10
Current	May-10	May-10	May-10	May-10	May-10	May-10

% Change (e.g. Statewide 90's Boom High to 2001 Recession low = (5,835-6,246)/6,246 = -6.6%)

	Statewide	Cook	Collar	Northern	Central	Southern
90's Boom High to 2001 Recession Low	-6.6%	-10.1%	-2.8%	-9.7%	-9.7%	-6.1%
90's Boom High to 2006 Expansion High	2.4%	-4.3%	11.0%	4.9%	0.2%	3.7%
90's Boom High to Great Recession Low?	-7.1%	-13.2%	0.6%	-6.9%	-8.9%	-6.3%
90's Boom High to Current	-4.3%	-11.1%	3.2%	-2.8%	-4.6%	-2.6%
2001 Recession Low to 2006 Expansion High	9.6%	6.4%	14.3%	16.1%	10.9%	10.5%
2001 Recession Low to Great Recession Low?	-0.6%	-3.5%	3.5%	3.0%	0.8%	-0.3%
2001 Recession Low to Current	2.5%	-1.1%	6.2%	7.6%	5.6%	3.7%
2006 Expansion High to Great Recession Low?	-9.3%	-9.3%	-9.4%	-11.3%	-9.1%	-9.7%
2006 Expansion High to Current	-6.5%	-7.0%	-7.1%	-7.4%	-4.8%	-6.1%
Great Recession Low to Current	3.0%	2.4%	2.5%	4.2%	4.6%	3.8%

Months between Events

	Statewide	Cook	Collar	Northern	Central	Southern
90's Boom High to 2001 Recession Low	31	61	17	44	55	43
90's Boom High to 2006 Expansion High	85	91	72	96	100	88
90's Boom High to Great Recession Low?	115	121	102	128	127	116
90's Boom High to Current	119	125	106	131	131	119
2001 Recession Low to 2006 Expansion High	54	30	55	52	45	45
2001 Recession Low to Great Recession Low?	84	60	85	84	72	73
2001 Recession Low to Current	88	64	89	87	76	76
2006 Expansion High to Great Recession Low?	30	30	30	32	27	28
2006 Expansion High to Current	34	34	34	35	31	31
Great Recession Low to Current	4	4	4	3	4	3

Source: Bureau of Labor Statistics, calculations by CGFA

Table 3. Seasonal Employment in Illinois

Seasonal Employment (1,000's)

	Statewide	Cook	Collar	Northern	Central	Southern
90's Boom High	6,184	2,605	1,472	792	790	556
2001 Recession Low	5,915	2,394	1,459	745	741	539
2006 Expansion High	6,329	2,488	1,638	837	791	577
Great Recession Low?	5,885	2,310	1,521	770	745	537
Current	5,942	2,332	1,532	780	756	542

Month in which Event occurred

	Statewide	Cook	Collar	Northern	Central	Southern
90's Boom High	Mar-00	Feb-00	Apr-01	Sep-99	May-99	Jul-00
2001 Recession Low	May-03	Jun-05	Sep-02	Jun-03	Nov-03	Oct-03
2006 Expansion High	Nov-07	Nov-07	Nov-07	Nov-07	Sep-07	May-07
Great Recession Low?	Jan-10	Jan-10	Feb-10	Feb-10	Jan-10	Jan-10
Current	May-10	May-10	May-10	May-10	May-10	May-10

% Change (e.g. Statewide 90's Boom High to 2001 Recession low = (5,915-6,184)/6,184 = -4.3%)

	Statewide	Cook	Collar	Northern	Central	Southern
90's Boom High to 2001 Recession Low	-4.3%	-8.1%	-0.9%	-6.0%	-6.2%	-3.1%
90's Boom High to 2006 Expansion High	2.3%	-4.5%	11.3%	5.6%	0.2%	3.8%
90's Boom High to Great Recession Low?	-4.8%	-11.3%	3.3%	-2.8%	-5.6%	-3.4%
90's Boom High to Current	-3.9%	-10.5%	4.0%	-1.6%	-4.3%	-2.5%
2001 Recession Low to 2006 Expansion High	7.0%	3.9%	12.3%	12.3%	6.8%	7.1%
2001 Recession Low to Great Recession Low?	-0.5%	-3.5%	4.3%	3.4%	0.6%	-0.4%
2001 Recession Low to Current	0.4%	-2.6%	5.0%	4.7%	2.0%	0.6%
2006 Expansion High to Great Recession Low?	-7.0%	-7.2%	-7.2%	-7.9%	-5.8%	-7.0%
2006 Expansion High to Current	-6.1%	-6.3%	-6.5%	-6.8%	-4.4%	-6.1%
Great Recession Low to Current	1.0%	0.9%	0.7%	1.2%	1.4%	1.0%

Months between Events

	Statewide	Cook	Collar	Northern	Central	Southern
90's Boom High to 2001 Recession Low	38	64	17	45	54	39
90's Boom High to 2006 Expansion High	92	93	79	98	100	82
90's Boom High to Great Recession Low?	118	119	106	125	128	114
90's Boom High to Current	122	123	109	128	132	118
2001 Recession Low to 2006 Expansion High	54	29	62	53	46	43
2001 Recession Low to Great Recession Low?	80	55	89	80	74	75
2001 Recession Low to Current	84	59	92	83	78	79
2006 Expansion High to Great Recession Low?	26	26	27	27	28	32
2006 Expansion High to Current	30	30	30	30	32	36
Great Recession Low to Current	4	4	3	3	4	4

Source: Bureau of Labor Statistics, calculations by CGFA

The Unemployment Rate

To further analyze the affect of the Great Recession on employment in Illinois, unemployment rate data was examined. Once again, non-seasonal data will be considered followed by seasonally adjusted data. Charts 7 – 12 illustrate unemployment rate data from 1997 through May of 2010 with non-seasonal peaks and troughs highlighted. Table 4 presents non-seasonal unemployment rates, the month when each event occurred, the change in percent from one event to the next, and the amount of months between each event. The change in unemployment rate section of the table shows the actual change in the unemployment rate from one event to the next. For example, the change in Statewide non-seasonal unemployment from the '90s tech boom low to the 2001 recession high would be calculated as 7.4% (the 2001 recession high) - 3.8% (the '90s tech boom low) = 3.6%. Table 5 shows the same information for the seasonally adjusted unemployment rate. These tables can be found on Pages 17-21.

'90s Tech Boom

The first event that was analyzed was the lowest point in unemployment rate due to the '90s tech boom. Statewide this event occurred in October of 2000 with an unemployment rate of 3.8%. Regionally, the lowest rate occurred in the Collar Counties in May of 1998 with a rate of 2.9%. May of 1998 was the earliest that the '90s tech low occurred for any of the regions. Southern Illinois had the highest rate of unemployment during the '90s tech boom low at 4.5% in October of 2000. This was also the latest region time wise, along with Cook County which had an unemployment rate of 4.2%.

When the data was seasonally adjusted, the Statewide unemployment rate low occurred two years earlier in October of 1998 at 4.3%. October of 1998 also saw lows for both the Collar Counties (3.4%) and Northern Illinois (4.1%). Regionally, the latest low occurred in June of 2000 in Southern Illinois at 5.2%. Once again the Collar Counties had the lowest rate and Southern Illinois had the highest rate.

2001 Recession

Statewide the 2001 Recession high in unemployment occurred in June of 2003 at 7.4%. Cook County also peaked in this month at 8.4%. This was the highest rate of any of the regions. The Collar Counties did the best of all the regions hitting a high of 6.6% in January of 2003. With a peak of 8.2% in February of 2003, the Northern Illinois region had the largest gain in the unemployment rate, gaining 4.8% in the unemployment rate from their '90s low of 3.4%.

Looking at seasonally adjusted data Statewide, the 2001 Recession high occurred in May of 2003 at 6.7%. Regionally, Cook County had the highest rate at 7.5% (March 2003), followed by Northern Illinois at 6.9% (July 2003). Cook County was the first to peak,

while Southern Illinois didn't reach its high until November of 2003. The Collar Counties, Northern Illinois, and Central Illinois took between 55 and 57 months to go from their '90s tech boom low in unemployment to their 2001 Recession high. Southern Illinois and Cook County were much quicker to reach this peak at 41 and 34 months respectively. This difference is primarily due to these regions achieving their '90s tech boom low later than the first three regions. Cook County also saw a quicker jump in its unemployment rate. Cook County was the second to last to see its '90s tech boom low and the first to peak during the 2001 recession.

2006 Expansion

The low in the unemployment rate that came during the expansion that followed the recession of 2001 occurred Statewide in October of 2006. The non-seasonal unemployment rate was 3.8% at that time. This was the same rate that was seen during the '90s tech boom low. The lows for all regions occurred in October of 2006. Once again the lowest rate was seen in the Collar Counties at 3.1%. The highest unemployment rate for the 2006 low was 4.7% in Southern Illinois. Only one region, Cook County, had a lower unemployment rate during the 2006 low (3.9%) than during the '90s tech boom low (4.2%). Northern Illinois, on the other hand, had an unemployment rate more than one half of a percentage point higher (3.4% versus 3.9%).

Statewide, Illinois had a seasonally adjusted unemployment rate of 4.6% in October of 2006, which was the 2006 low. This is the same month in which the non-seasonal data was the lowest. Regionally, four of the five regions saw their 2006 Expansion low in October. Only Central Illinois was different and only by one month as their low occurred in November of 2006. The Collar Counties had the lowest seasonally adjusted unemployment rate at 4.0%. Central Illinois had the second lowest rate at 4.4% followed by Cook County (4.7%), Northern Illinois (4.9%), and Southern Illinois (5.4%). Northern Illinois once again had the largest difference between '90s tech boom low to 2006 low though this time it was 0.8% (4.1% versus 4.9%).

Central Illinois' difference also was 0.8%. When comparing the two non-seasonal lows ('90s vs. 2006), Central Illinois was only 0.3% different but when the seasonal data was examined that difference jumped to 0.6%. This indicates that while Central Illinois achieved a low unemployment rate during the 2006 expansion similar to the '90s tech boom, this low was briefer and the longer term unemployment picture was not as good during 2006. A similar situation occurred in the Collar Counties where the non-seasonal difference was 0.2% but the seasonally adjusted difference was 0.6%. These differences can be seen in Charts 9 and 11.

Looking at the timing of the unemployment rate peak to the low shows a similar pattern throughout the State. All the regions went from the 2001 Recession high to the 2006 expansion low in between 39 and 43 months except Southern Illinois which did it in 35 months. Cook County took the longest at 43 months.

Great Recession

The Great Recession began in December of 2007 and likely ended during the summer of 2009. The rise in the unemployment rate appears to have peaked early in 2010. The Commission has used this date as a peak though a chance for higher unemployment rates remains possible. As can be seen in Chart 7, the Statewide unemployment rate peaked at 12.2% in January of 2010. This was an increase of 8.5% from the 2006 expansion low of 3.8%.

Northern Illinois had the highest rate during this time at 14.9%. The Northern Illinois region's unemployment rate became the highest of the regions in December of 2008 and increased its difference to the next highest region significantly since then. In January of 2010, Northern Illinois had an unemployment rate 2.2% higher than Southern Illinois which was next highest at 12.7%. This gap remained through May of 2010. The Northern Illinois regions unemployment rate also grew the most since the 2006 expansion low. Northern Illinois' unemployment rate grew from 3.9% to 14.9%, a change of 11.0%. The next biggest difference was seen in the Collar Counties which had a difference of 8.5%. The smallest change was in Cook County which increased 7.8%.

The seasonally adjusted data indicates that the Great Recession high happened a few months later than the raw data indicated. Statewide, the seasonally adjusted unemployment rate peaked at 11.2% in March of 2010. This was an increase of 6.7% from the 2006 expansion low of 4.6%. Northern Illinois was the highest at 13.2%, while the Collar Counties were the lowest at 11.1%. Northern Illinois had the biggest change since the 2006 expansion low (8.5%), while Southern Illinois had the smallest (5.9%). The five regions were all similar in timing as all the regions took 43 months to go from the 2006 expansion low to the Great Recession high except Central Illinois which took 42.

Current Rates (as of May 2010)

Since the designated Great Recession high, unemployment rates have fallen in Illinois though they remain high. As of May 2010, Statewide the non-seasonal unemployment rate was at 10.0%, which was a decrease of 2.2% from the Great Recession high of 12.2%. Central Illinois had the best unemployment rate at 8.4%. The Collar Counties were the next best region at 9.7%. Northern Illinois had the highest rate at 10.7% but also had the biggest decrease of 4.1% since the Great Recession high. Southern Illinois' unemployment rate has also decreased more than 3.7%.

Statewide seasonal unemployment rates have fallen from 11.2% to 10.6%. Please note that the Commission's seasonal adjustment methodology is different than the BLS'. As such, some seasonal data such as the Statewide May 2010 datum will differ slightly from that which is produced by the BLS. Northern Illinois continued to have the highest unemployment rate at 11.9% though this is down 1.3% from its Great Recession high.

Southern Illinois fell a similar 1.3% to 10.0%. Central Illinois has the only seasonally adjusted unemployment rate under 10% at 9.3%.

General Observations on the Unemployment Rate

Analyzing seasonally adjusted unemployment data since 1997, two regions consistently had higher unemployment rates, two regions consistently had lower rates of unemployment, and one region has gone between the low end and the high end. Cook County and the Southern Illinois region had the highest or second highest unemployment rates through much of the time period. The Collar Counties and Central Illinois on the other hand, consistently had lower unemployment rates. The Northern Illinois region had unemployment rates lower than the State average in the late '90s but steadily trended towards the higher end in the 2000's. The Northern Illinois region has seen the highest unemployment rates, due to the Great Recession, by a significant margin. Northern Illinois had a seasonally adjusted unemployment rate of 13.2% in February of 2010. This was considerably higher than the next highest region which was Southern Illinois at 11.3%.

Unemployment rates lag the business cycle. The 2001 recession ended in November of 2001 but the unemployment rate didn't peak until June of 2003. Similarly, the Great Recession likely ended in the summer of 2009 but the unemployment rate peaked in March of 2010. This makes sense as businesses are hesitant to hire new employees or lay off old employees until they are more certain about their economic future due to the costs associated with these actions.

The timing of the studied events was more homogenous during the later events. The timing of the later events were very uniform from one region to the next when compared to the timing of the '90s tech boom low and the 2001 recession high. This may be due to the later peaks and troughs being more associated with core economic factors (housing and banking), whereas the previous expansion and decline were more based on technology that might not affect every region equally.

The unemployment rate is one of the most common statistics mentioned when discussing the economy and can be used as a quick, simple method for conveying information. However, the Commission believes that total employment is a better indicator of the employment situation than the unemployment rate due to potential inaccuracies in unemployment rate calculations. One of the sources for total labor force data which is used to calculate the unemployment rate comes from State unemployment insurance systems. This data tracks information related to people who apply for unemployment benefits. One problem with this data collection method is that not all people who are unemployed apply for unemployment benefits especially in cases of short term unemployment. Another potential problem is tracking potential labor force participants after their unemployment benefits lapse.

Chart 7. Illinois Unemployment Rate

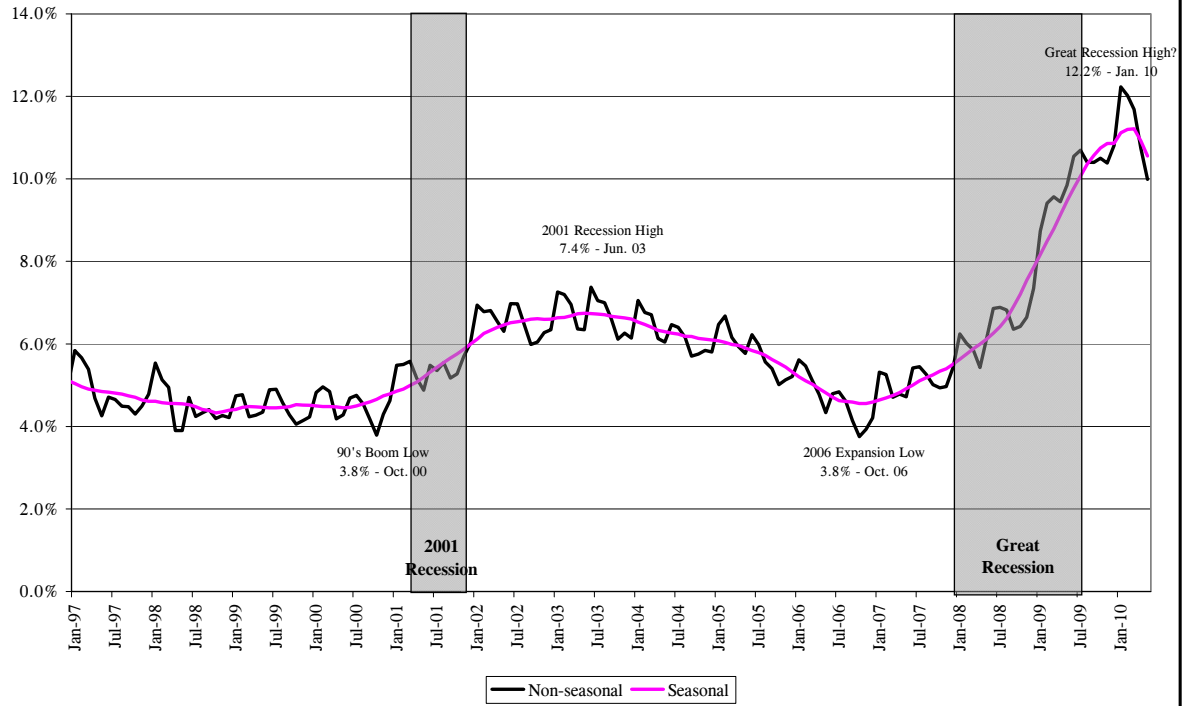


Chart 8. Cook County Unemployment Rate

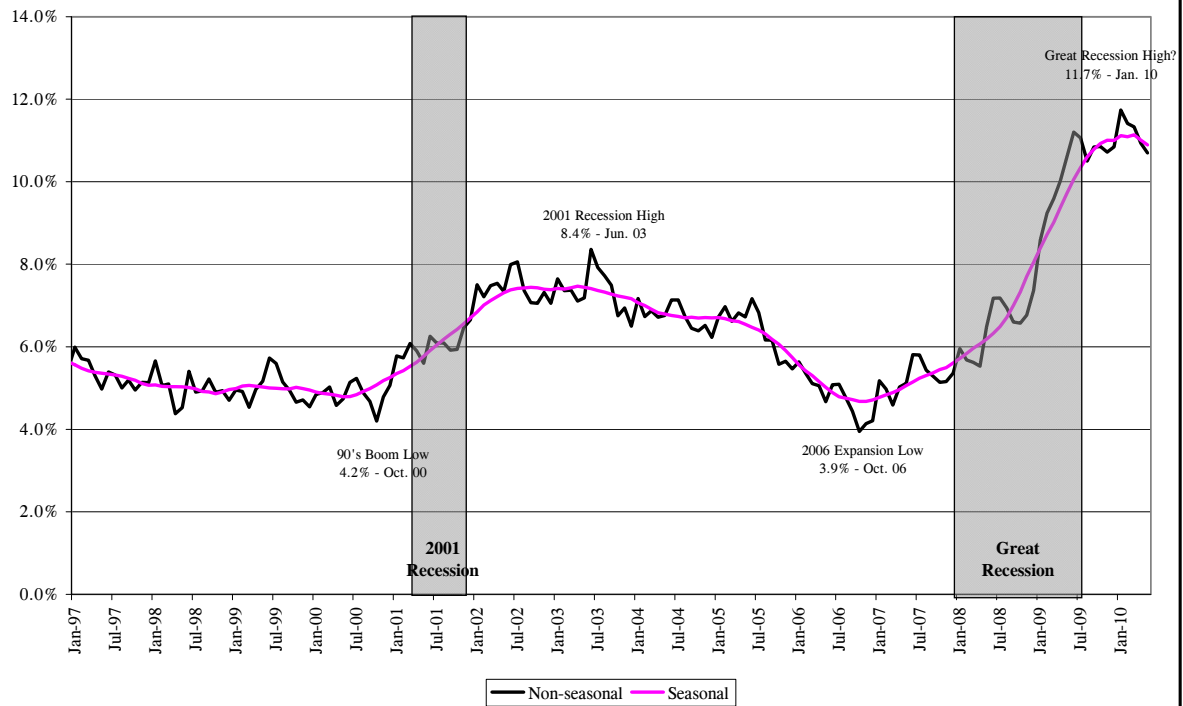


Chart 9. Collar County Unemployment Rate

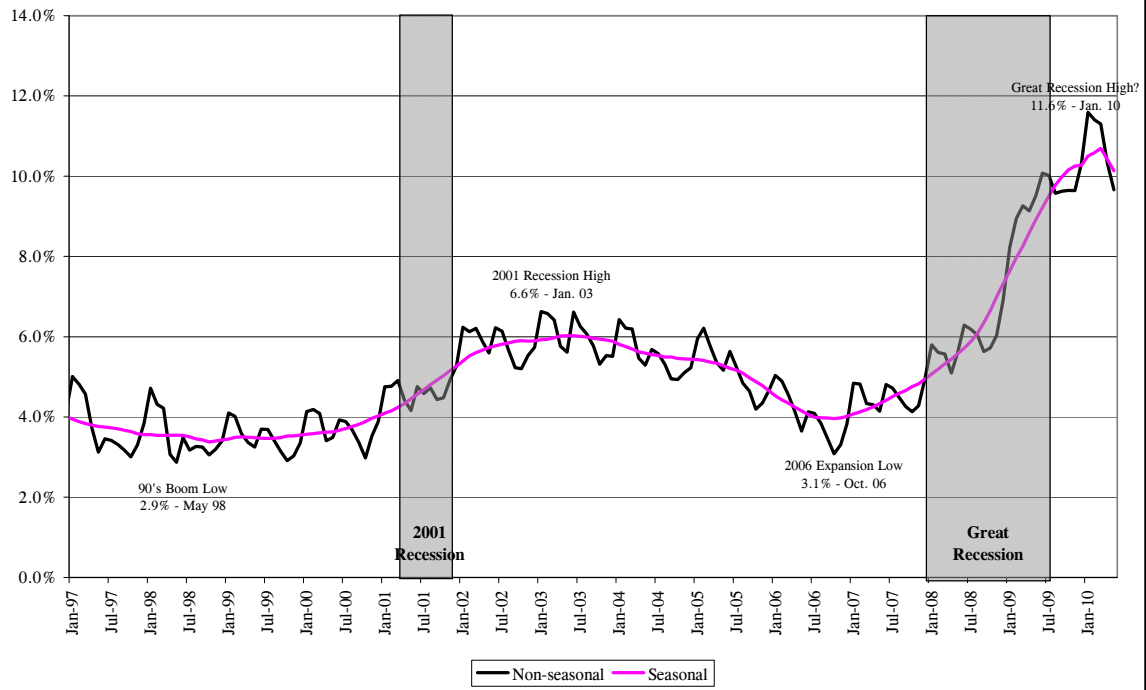


Chart 10. Northern Illinois Unemployment Rate

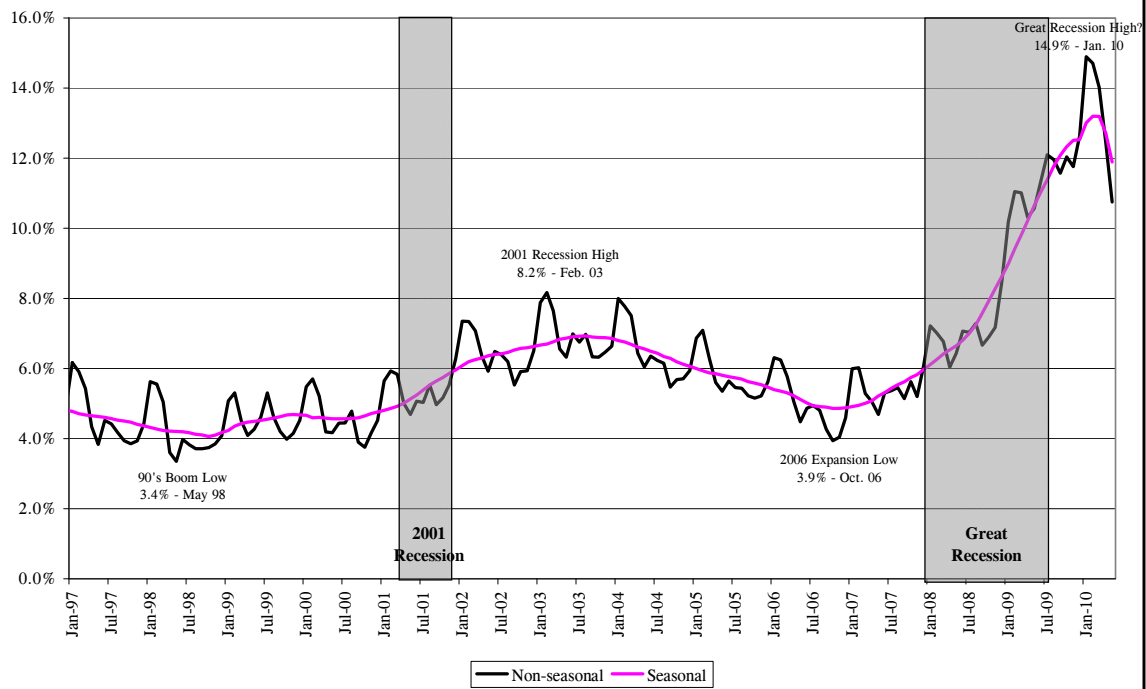


Chart 11. Central Illinois Unemployment Rate

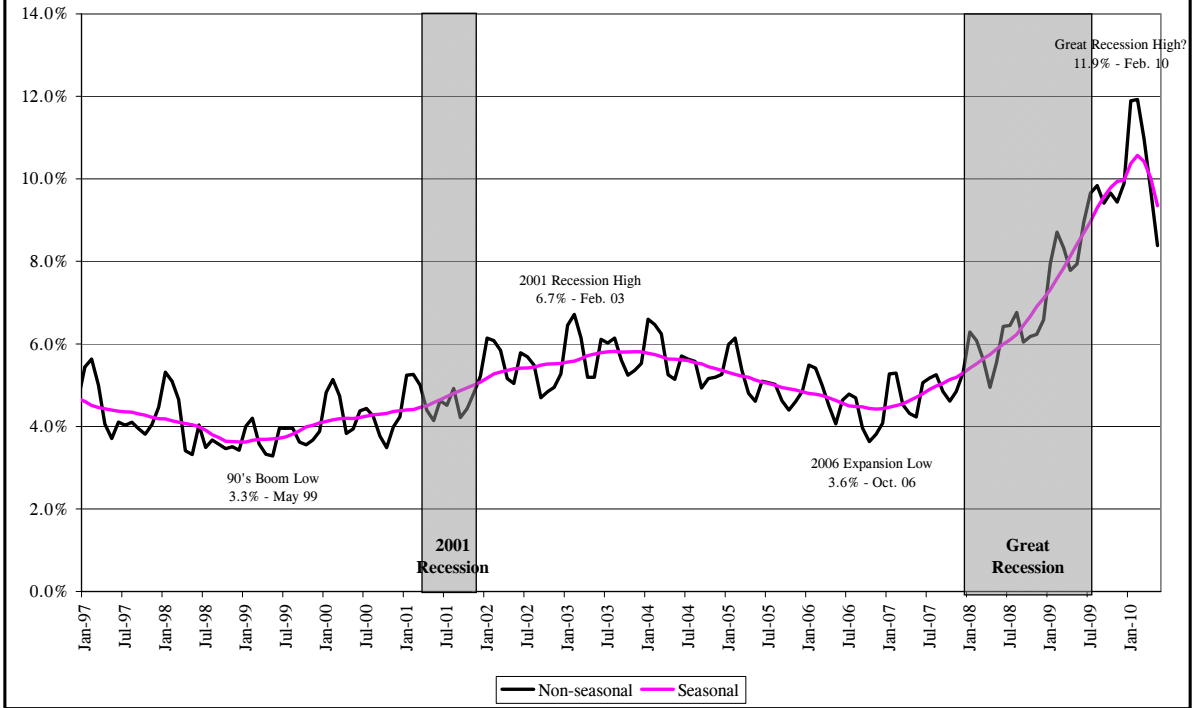


Chart 12. Southern Illinois Unemployment Rate

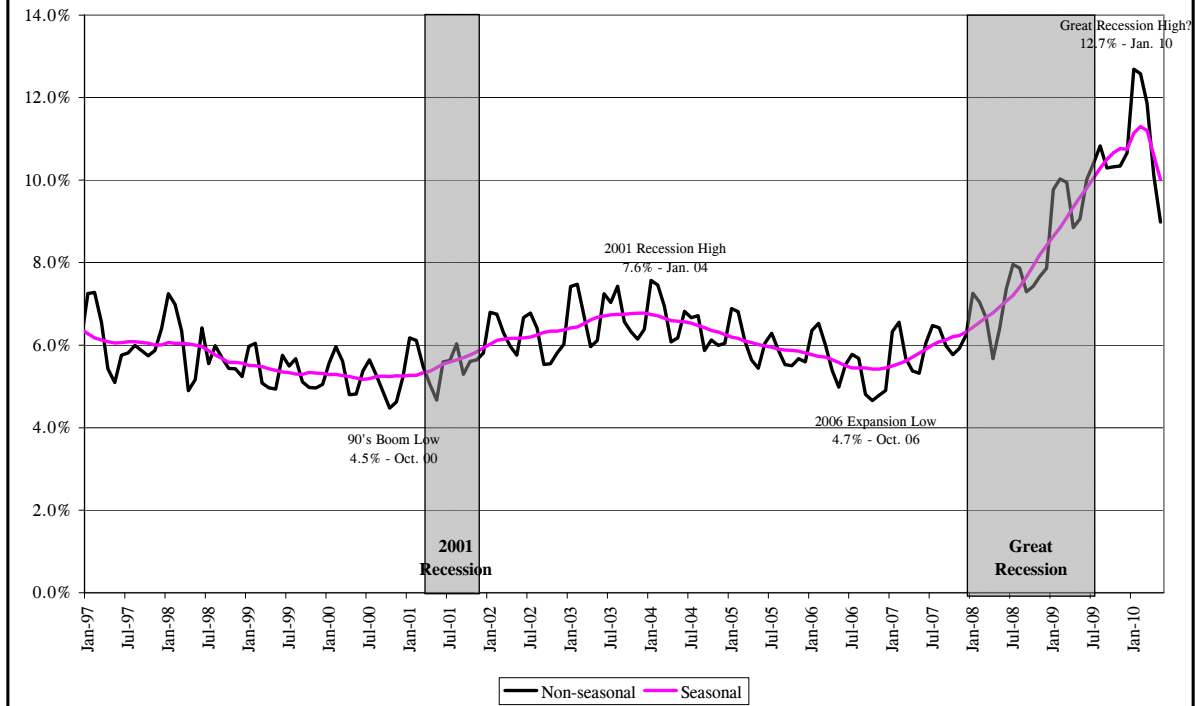


Table 4. Non-seasonal Unemployment Rate in Illinois

Non-Seasonal Unemployment Rate

	Statewide	Cook	Collar	Northern	Central	Southern
90's Boom Low	3.8%	4.2%	2.9%	3.4%	3.3%	4.5%
2001 Recession High	7.4%	8.4%	6.6%	8.2%	6.7%	7.6%
2006 Expansion Low	3.8%	3.9%	3.1%	3.9%	3.6%	4.7%
Great Recession High?	12.2%	11.7%	11.6%	14.9%	11.9%	12.7%
Current	10.0%	10.7%	9.7%	10.7%	8.4%	9.0%

Month in which Event occurred

	Statewide	Cook	Collar	Northern	Central	Southern
90's Boom Low	Oct-00	Oct-00	May-98	May-98	May-99	Oct-00
2001 Recession High	Jun-03	Jun-03	Jan-03	Feb-03	Feb-03	Jan-04
2006 Expansion Low	Oct-06	Oct-06	Oct-06	Oct-06	Oct-06	Oct-06
Great Recession High?	Jan-10	Jan-10	Jan-10	Jan-10	Feb-10	Jan-10
Current	May-10	May-10	May-10	May-10	May-10	May-10

Change in Unemployment Rate (e.g., Statewide 90's Boom Low to 2001 Recession High = 7.4%-3.8%=3.6%)

	Statewide	Cook	Collar	Northern	Central	Southern
90's Boom Low to 2001 Recession High	3.6%	4.2%	3.8%	4.8%	3.4%	3.1%
90's Boom Low to 2006 Expansion Low	0.0%	-0.2%	0.2%	0.6%	0.3%	0.2%
90's Boom Low to Great Recession High?	8.4%	7.5%	8.7%	11.5%	8.6%	8.2%
90's Boom Low to Current	6.2%	6.5%	6.8%	7.4%	5.1%	4.5%
2001 Recession High to 2006 Expansion Low	-3.6%	-4.4%	-3.5%	-4.2%	-3.1%	-2.9%
2001 Recession High to Great Recession High?	4.9%	3.4%	5.0%	6.7%	5.2%	5.1%
2001 Recession High to Current	2.6%	2.3%	3.0%	2.6%	1.7%	1.4%
2006 Expansion Low to Great Recession High?	8.5%	7.8%	8.5%	11.0%	8.3%	8.0%
2006 Expansion Low to Current	6.2%	6.7%	6.6%	6.8%	4.8%	4.3%
Great Recession High to Current	-2.2%	-1.0%	-1.9%	-4.1%	-3.5%	-3.7%

Months between Events

	Statewide	Cook	Collar	Northern	Central	Southern
90's Boom Low to 2000 Recession High	32	32	56	57	45	39
90's Boom Low to 2006 Expansion Low	72	72	101	101	89	72
90's Boom Low to Great Recession High?	111	111	140	140	129	111
90's Boom Low to Current	115	115	144	144	132	115
2001 Recession High to 2006 Expansion Low	40	40	45	44	44	33
2001 Recession High to Great Recession High?	79	79	84	83	84	72
2001 Recession High to Current	83	83	88	87	87	76
2006 Expansion Low to Great Recession High?	39	39	39	39	40	39
2006 Expansion Low to Current	43	43	43	43	43	43
Great Recession High to Current	4	4	4	4	3	4

Source: Bureau of Labor Statistics, calculations by CGFA

Table 5. Seasonal Unemployment Rate in Illinois

Seasonal Unemployment Rate

	Statewide	Cook	Collar	Northern	Central	Southern
90's Boom Low	4.3%	4.8%	3.4%	4.1%	3.6%	5.2%
2001 Recession High	6.7%	7.5%	6.0%	6.9%	5.8%	6.8%
2006 Expansion Low	4.6%	4.7%	4.0%	4.9%	4.4%	5.4%
Great Recession High?	11.2%	11.1%	10.7%	13.2%	10.6%	11.3%
Current	10.6%	10.9%	10.1%	11.9%	9.3%	10.0%

Month in which Event occurred

	Statewide	Cook	Collar	Northern	Central	Southern
90's Boom Low	Oct-98	May-00	Oct-98	Oct-98	Dec-98	Jun-00
2001 Recession High	May-03	Mar-03	May-03	Jul-03	Jul-03	Nov-03
2006 Expansion Low	Oct-06	Oct-06	Oct-06	Oct-06	Nov-06	Oct-06
Great Recession High?	Mar-10	Mar-10	Mar-10	Feb-10	Feb-10	Feb-10
Current	May-10	May-10	May-10	May-10	May-10	May-10

Change in Unemployment Rate (e.g. Statewide 90's Boom Low to 2001 Recession High = 6.7%-4.3%=2.4%)

	Statewide	Cook	Collar	Northern	Central	Southern
90's Boom Low to 2001 Recession High	2.4%	2.7%	2.6%	2.8%	2.2%	1.6%
90's Boom Low to 2006 Expansion Low	0.2%	-0.1%	0.6%	0.8%	0.8%	0.2%
90's Boom Low to Great Recession High?	6.9%	6.3%	7.3%	9.1%	6.9%	6.1%
90's Boom Low to Current	6.2%	6.1%	6.7%	7.8%	5.7%	4.8%
2001 Recession High to 2006 Expansion Low	-2.2%	-2.8%	-2.1%	-2.1%	-1.4%	-1.4%
2001 Recession High to Great Recession High?	4.5%	3.7%	4.7%	6.3%	4.8%	4.5%
2001 Recession High to Current	3.8%	3.4%	4.1%	5.0%	3.5%	3.2%
2006 Expansion Low to Great Recession High?	6.7%	6.5%	6.7%	8.3%	6.1%	5.9%
2006 Expansion Low to Current	6.0%	6.2%	6.2%	7.0%	4.9%	4.6%
Great Recession High to Current	-0.7%	-0.2%	-0.6%	-1.3%	-1.2%	-1.3%

Months between Events

	Statewide	Cook	Collar	Northern	Central	Southern
90's Boom Low to 2000 Recession High	55	34	55	57	55	41
90's Boom Low to 2006 Expansion Low	96	77	96	96	95	76
90's Boom Low to Great Recession High?	137	118	137	136	134	116
90's Boom Low to Current	139	120	139	139	137	119
2001 Recession High to 2006 Expansion Low	41	43	41	39	40	35
2001 Recession High to Great Recession High?	82	84	82	79	79	75
2001 Recession High to Current	84	86	84	82	82	78
2006 Expansion Low to Great Recession High?	41	41	41	40	39	40
2006 Expansion Low to Current	43	43	43	43	42	43
Great Recession High to Current	2	2	2	3	3	3

Source: Bureau of Labor Statistics, calculations by COGFA

Wages

After investigating the unemployment rate and total employment, the Commission looked at how employee wages were affected by the Great Recession. The Commission examined quarterly wage data from the Quarterly Census of Employment and Wages (QCEW) from the Bureau of Labor Statistics. This was the most current wage-related data the Commission could find and would allow for examination of wage fluctuations within a year. Unfortunately, this data only goes back to 2001 and, therefore, data about conditions leading up to the 2001 recession were not available.

As the QCEW is an employer reported survey, the employee data in this survey are work site location based instead of employee residence based, which is the opposite of the previously scrutinized data. For this data, an employee who works in Cook County but lives in Will County would be included in the Cook County region. Jobs that are exempt or otherwise not covered by unemployment insurance are not included in this data. People who would fall into this category would include agricultural workers, non-farm self-employed and unpaid family workers, and private household workers. This survey also differs from the previous employment data in that a person holding two jobs would be counted twice, once at each employer. This leads the examined per employee data to be lower than a potential examination of per capita wages, though this is not a major problem as general wage growth rates and trends will still be apparent.

Quarterly total wage data was evaluated from the first quarter of 2001 through the fourth quarter of 2009. The total wage data calculates total compensation paid during the calendar quarter. This compensation includes wages, salary, bonuses, stock options, profit distributions, the cash value of meals and lodging, tips and other gratuities. The total wage data was converted to a per employee basis to remove any changes in wages related to the level of the employed work force. The results were then annualized for better reader comprehension. Seasonally adjusted data will be assessed in depth in later paragraphs as the Commission believes this best represents annual pay on a quarter-by-quarter basis. Non-seasonal data is presented in the associated charts and table but will not be looked at in depth. The results of this analysis can be found in Charts 13-18. Inflation-adjusted data was also calculated and can be seen in Chart 19. The inflation-adjusted data was calculated using the Consumer Price Index (CPI) to adjust the data to 2009 dollars. Table 6 shows wage data and total growth. Growth was calculated over the whole time period, prior to the Great Recession (2001-2007), and during the Great Recession (2008-2009).

Seasonal Wages

In the first quarter of 2001, Illinois had seasonally adjusted wages of \$37,243 per employee. This grew to \$46,128 in the fourth quarter of 2009. That equated to 23.9% growth. At the beginning of the examined time period, Cook County had seasonal wages of \$45,779. By Q4 2009, this amount had grown to \$56,599 which was the highest of the five regions. Cook County was followed by the Collar Counties (\$44,181), Central Illinois

(\$38,046), Southern Illinois (\$31,320), and Northern Illinois (\$31,311). Though Southern Illinois had the second lowest wages in the fourth quarter of 2009, that region has grown the most (35.3%) since 2001. Cook County, on the other hand, increased the least at 26.7%.

During the Great Recession, Illinois had its steepest decline in wages during the second and third quarters of 2009. Wages were down -0.6% and -0.7% compared to the same quarters in the previous year. The largest declines in seasonal wages per employee were seen in the Collar Counties. The Collar Counties had three consecutive quarters of wage declines from the first quarter of 2009 through the third quarter of 2009. This decline bottomed out in Q2 2009 at -1.9%. Cook County also saw wage declines during this time period, the worst being -1.7% in Q3 2009. None of the other regions showed negative quarters.

Though Cook County and the Collar Counties had quarters when wages were down, all the regions showed some wage growth during the Great Recession. The Southern Illinois region stood out for having relatively strong wage growth. During 2008 and 2009, Southern Illinois had total wage growth of 11.7%. Northern and Central Illinois each grew over 5%. Cook County had per employee wage growth of 2.2%, while the Collar Counties eked out growth of 1.3%. Overall, the States wages grew 3.2%. It appears that on average, if an employee kept their job during the Great Recession, their wages grew, though slowly.

Inflation-adjusted Seasonal Wages

The inflation-adjusted data showed that wages have basically kept up with inflation since 2001. Total growth in statewide wages since 2001 was 0.7% compared to the over 23% growth in non-inflation-adjusted data. The inflation-adjusted seasonal wage in the first quarter of 2001 was \$45,510. In the fourth quarter of 2009, wages were basically the same at \$45,818.

Southern Illinois with its recent growth in wages had the highest total growth at 9.9%. Central Illinois grew 7.1%, while Northern Illinois grew 3.3%. Cook County grew only 0.5% during these nine years. The Collar Counties actually saw their average wages fall 0.2%. As shown in Chart 19, seasonally and inflation-adjusted wages have basically been flat for the State as a whole and for each of the studied regions.

Chart 13. Illinois Wages

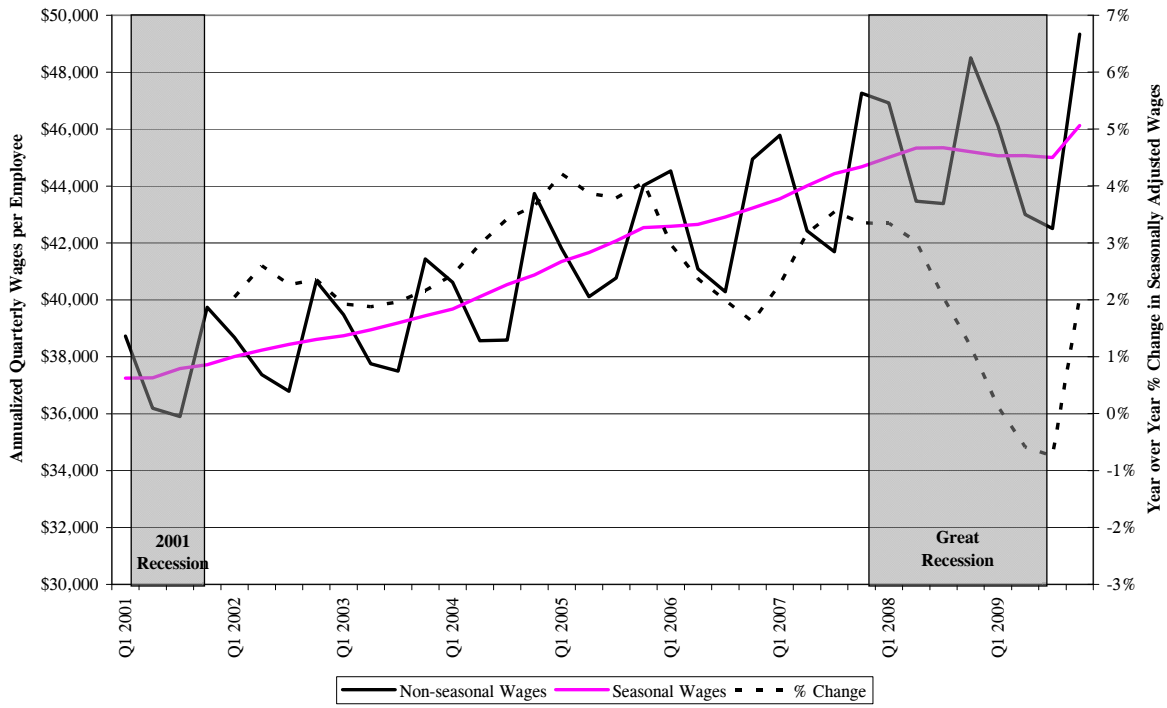


Chart 14. Cook County Wages

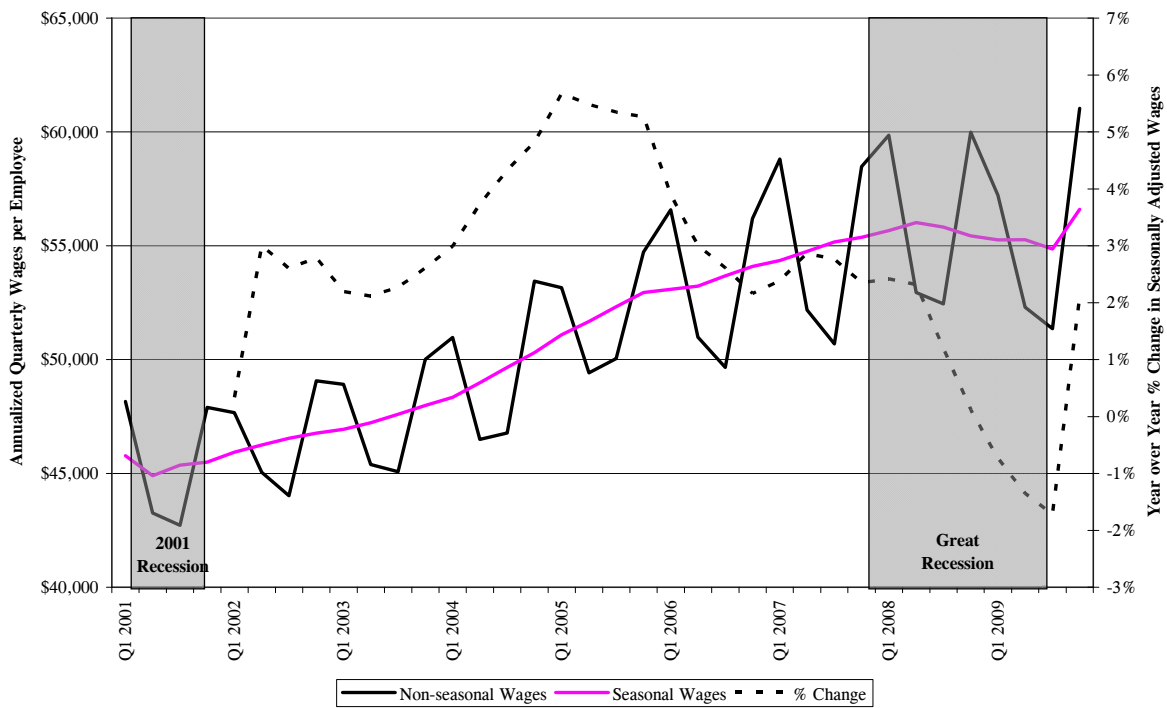


Chart 15. Collar County Wages

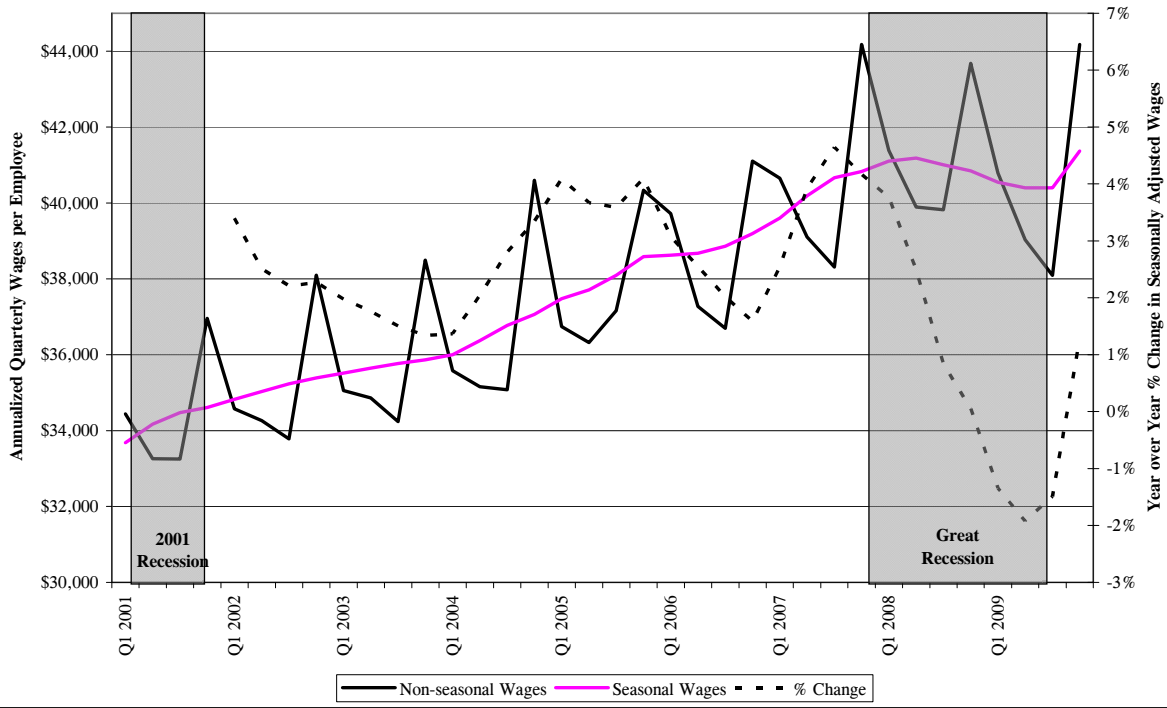
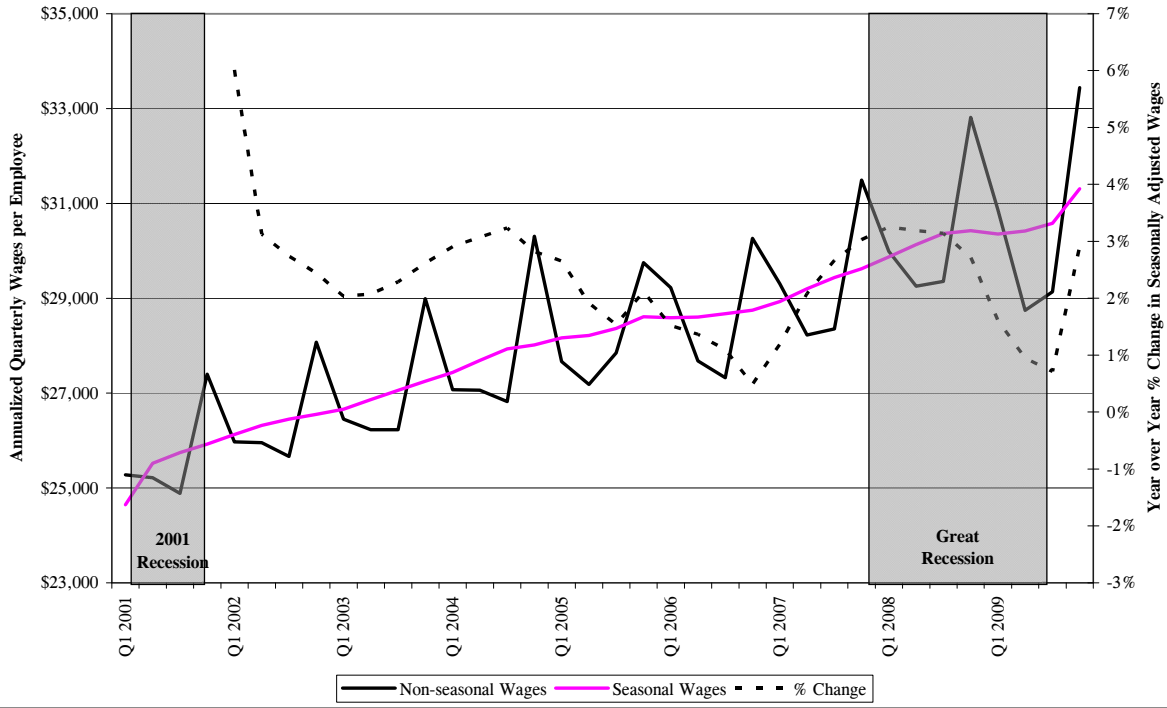
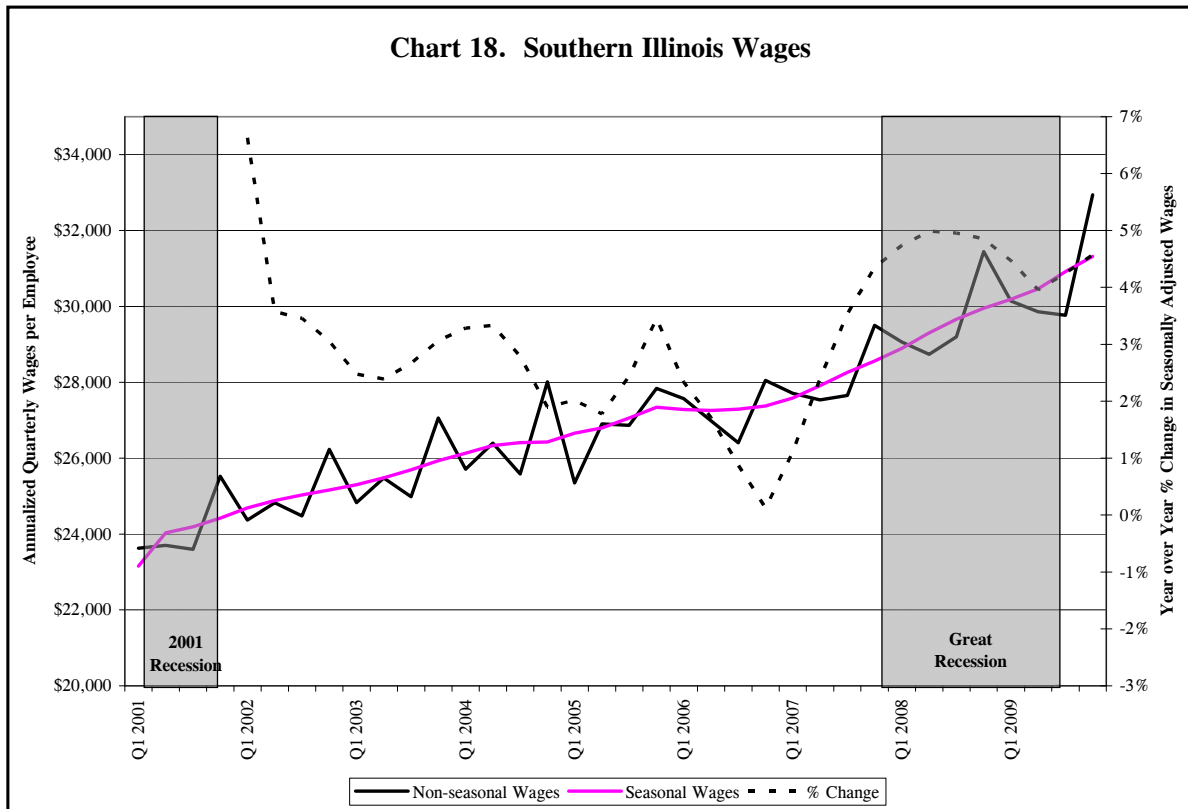
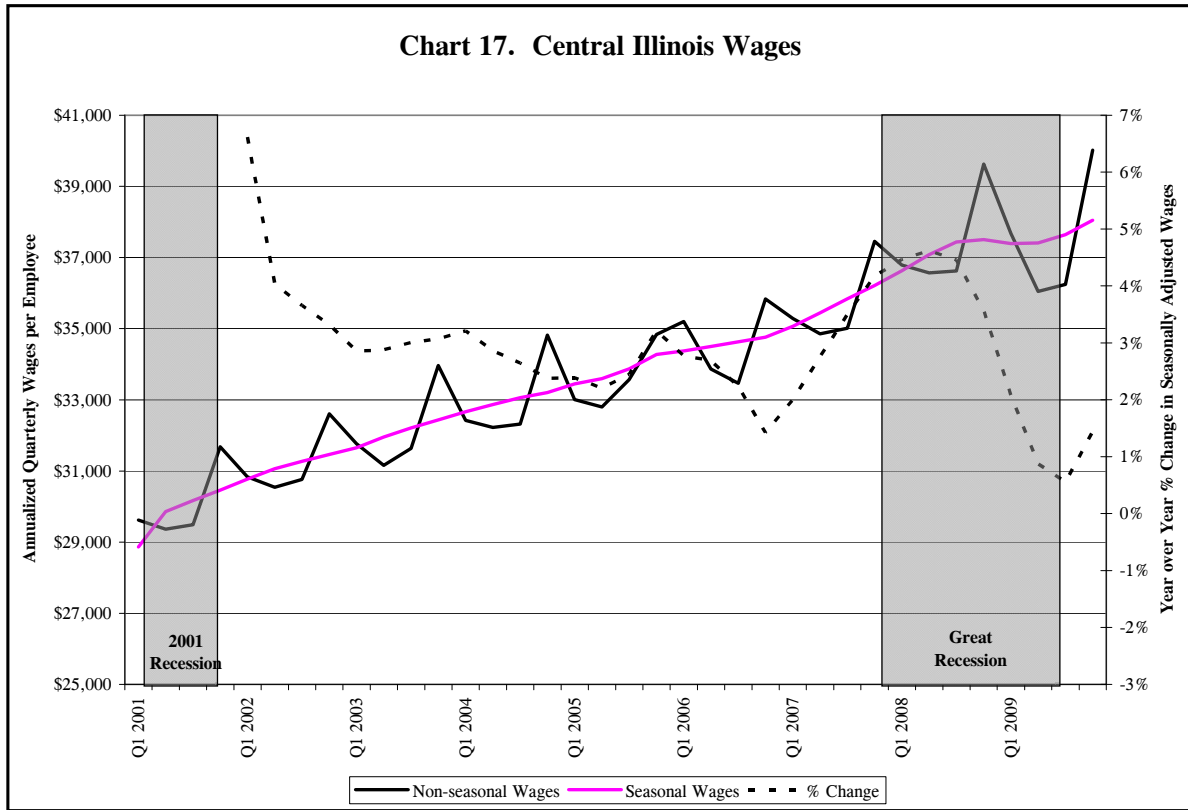


Chart 16. Northern Illinois Wages





**Chart 19. Seasonally and Inflation-Adjusted Wages
(2009 Dollars)**

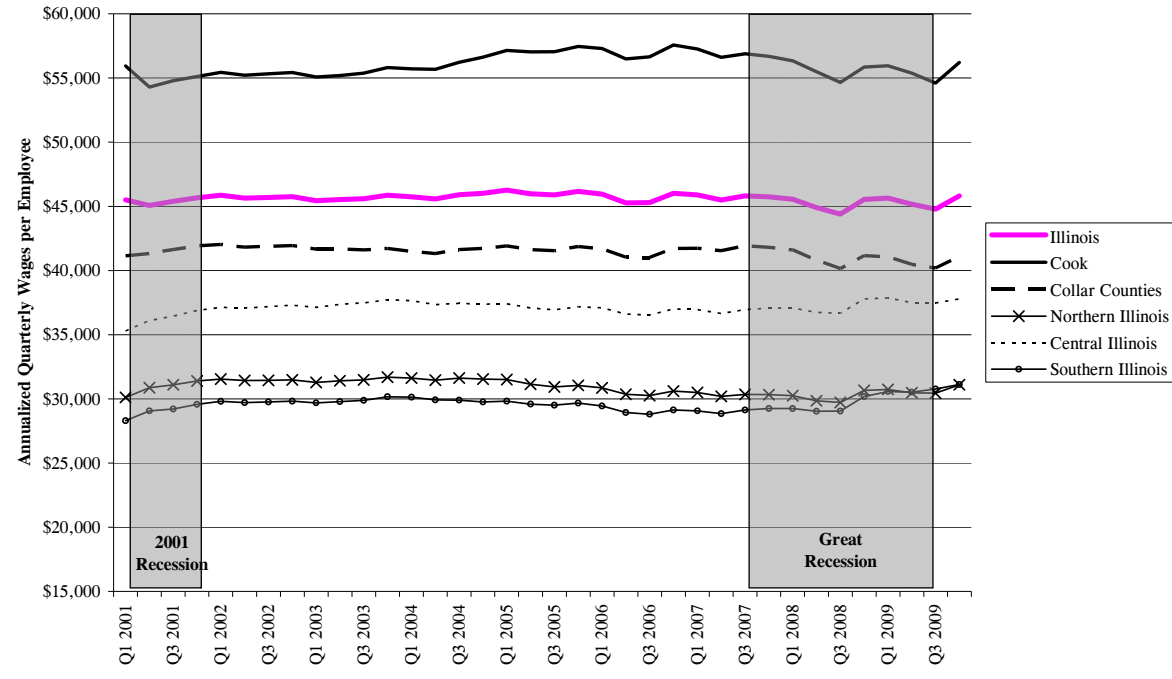


Table 6. Wage Growth

Non-Seasonal Wages						
	Wages			Total Growth		
	<u>Q1 2001</u>	<u>Q4 2007</u>	<u>Q4 2009</u>	<u>2001 - 2009</u>	<u>2001 - 2007</u>	<u>2008-2009</u>
Statewide	\$38,724	\$47,266	\$49,337	27.4%	22.1%	4.4%
Cook	\$48,159	\$58,479	\$61,036	26.7%	21.4%	4.4%
Collar	\$34,440	\$44,178	\$44,181	28.3%	28.3%	0.0%
Northern	\$25,277	\$31,491	\$33,445	32.3%	24.6%	6.2%
Central	\$29,619	\$37,455	\$40,017	35.1%	26.5%	6.8%
Southern	\$23,625	\$29,500	\$32,942	39.4%	24.9%	11.7%
Seasonal Wages						
	Wages			Total Growth		
	<u>Q1 2001</u>	<u>Q4 2007</u>	<u>Q4 2009</u>	<u>2001 - 2009</u>	<u>2001 - 2007</u>	<u>2008-2009</u>
Statewide	\$37,243	\$44,676	\$46,128	23.9%	20.0%	3.2%
Cook	\$45,779	\$55,365	\$56,599	23.6%	20.9%	2.2%
Collar	\$33,680	\$40,828	\$41,369	22.8%	21.2%	1.3%
Northern	\$24,647	\$29,622	\$31,311	27.0%	20.2%	5.7%
Central	\$28,864	\$36,213	\$38,046	31.8%	25.5%	5.1%
Southern	\$23,156	\$28,564	\$31,320	35.3%	23.4%	9.6%
Inflation Adjusted Non-Seasonal Wages						
	Wages			Total Growth*		
	<u>Q1 2001</u>	<u>Q4 2007</u>	<u>Q4 2009</u>	<u>2001 - 2009</u>	<u>2001 - 2007</u>	<u>2008-2009</u>
Statewide	\$47,319	\$48,390	\$49,006	3.6%	2.3%	1.3%
Cook	\$58,849	\$59,869	\$60,626	3.0%	1.7%	1.3%
Collar	\$42,085	\$45,228	\$43,885	4.3%	7.5%	-3.0%
Northern	\$30,888	\$32,239	\$33,220	7.6%	4.4%	3.0%
Central	\$36,194	\$38,345	\$39,748	9.8%	5.9%	3.7%
Southern	\$28,868	\$30,201	\$32,721	13.3%	4.6%	8.3%
Inflation Adjusted Seasonal Wages						
	Wages			Total Growth		
	<u>Q1 2001</u>	<u>Q4 2007</u>	<u>Q4 2009</u>	<u>2001 - 2009</u>	<u>2001 - 2007</u>	<u>2008-2009</u>
Statewide	\$45,510	\$45,738	\$45,818	0.7%	0.5%	0.2%
Cook	\$55,941	\$56,681	\$56,219	0.5%	1.3%	-0.8%
Collar	\$41,155	\$41,799	\$41,091	-0.2%	1.6%	-1.7%
Northern	\$30,118	\$30,326	\$31,100	3.3%	0.7%	2.6%
Central	\$35,271	\$37,074	\$37,791	7.1%	5.1%	1.9%
Southern	\$28,296	\$29,243	\$31,110	9.9%	3.3%	6.4%

Source: Bureau of Labor Statistics, calculations by CGFA

APPENDIX A

Employment and Unemployment Definitions from the Current Population Survey (CPS)

What are the basic concepts of employment and unemployment?

The basic concepts involved in identifying the employed and unemployed are quite simple:

- People with jobs are employed.
- People who are jobless, looking for jobs, and available for work are unemployed.
- People who are neither employed nor unemployed are not in the labor force.

Who is counted as employed?

Employed persons consist of:

- All persons who did any work for pay or profit during the survey reference week.
- All persons who did at least 15 hours of unpaid work in a family-owned enterprise operated by someone in their household.
- All persons who were temporarily absent from their regular jobs, whether they were paid or not.

Not all of the wide range of job situations in the American economy fit neatly into a given category. For example, people are considered employed if they did any work at all for pay or profit during the survey reference week. This includes all part-time and temporary work, as well as regular full-time, year-round employment. Persons also are counted as employed if they have a job at which they did not work during the survey week because they were:

- On vacation
- Ill
- Experiencing child-care problems
- Taking care of some other family or personal obligation
- On maternity or paternity leave
- Involved in an industrial dispute
- Prevented from working by bad weather

Who is counted as unemployed?

Persons are classified as unemployed if they do not have a job, have actively looked for work in the prior 4 weeks, and are currently available for work.

Workers expecting to be recalled from layoff are counted as unemployed, whether or not they have engaged in a specific job seeking activity. In all other cases, the individual must have been engaged in at least one active job search activity in the 4 weeks preceding the interview and be available for work (except for temporary illness).

Who is not in the labor force?

Persons not in the labor force are those who are not classified as employed or unemployed during the survey reference week.

Labor force measures are based on the civilian noninstitutional population 16 years old and over. (Excluded are persons under 16 years of age, all persons confined to institutions such as nursing homes and prisons, and persons on active duty in the Armed Forces.) The labor force is made up of the employed and the unemployed. The remainder—those who have no job and are not looking for one—are counted as "not in the labor force." Many who are not in the labor force are going to school or are retired. Family responsibilities keep others out of the labor force.

The previous information is from the Bureau of Labor Statistics Frequently Asked Question (FAQ) section of their website on labor force statistics from the Current Population Survey. This information can be found at <http://www.bls.gov/cps/faq.htm>.

BACKGROUND

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

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

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

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

These reports are available from:

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

http://www.ilga.gov/commission/cgfa/cgfa_home.html