STATE OF ILLINOIS ECONOMIC FORECAST

February 2023

Prepared for:

State of Illinois

Commission on Government Forecasting & Accountability

Prepared by:

Moody's Analytics / Economic & Consumer Credit Analytics

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MOODY'S ANALYTICS

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ANALYSIS

Prepared by

Sarah Crane
Sarah.Crane@moodys.com

Contact Us

Email
help@economy.com

U.S./Canada
+1.866.275.3266

EMEA
+44.20.7772.5454 (London)
+420.224.222.929 (Prague)

Asia/Pacific
+852.3551.3077

All Others
+1.610.235.5299

Web
www.economy.com
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Contents

State of Illinois Forecast Report

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

Summary

Illinois has been one of the Midwest's stronger performers during the past year. Led by the Chicago metro division, job growth has outpaced that of the Midwest and brought the pandemic jobs recovery in line with the region's. Most major private-sector industries are moving in the right direction. As it has in most of the country, the unemployment rate has been relatively flat for the past few quarters. Illinois' jobless rate averaged 4.7% in the fourth quarter, compared with 3.8% in the region and 3.6% in the nation. The labor force is up from a year earlier, but it has been contracting since mid-2022 and remains extremely depressed compared with a few years earlier.

Stronger-than-expected revenues and federal relief from the American Rescue Plan have put state finances on a firmer footing. The state has repaid a loan from the Federal Reserve and is using some of its budget surplus to eliminate its backlog of unpaid bills and add to the rainy-day fund. These developments helped Illinois draw upgrades to its credit rating and outlook from multiple ratings agencies. Still, a recession could cut into revenues, forcing tough spending decisions, and an ongoing market downturn could further damage the pension system's weak financial health.

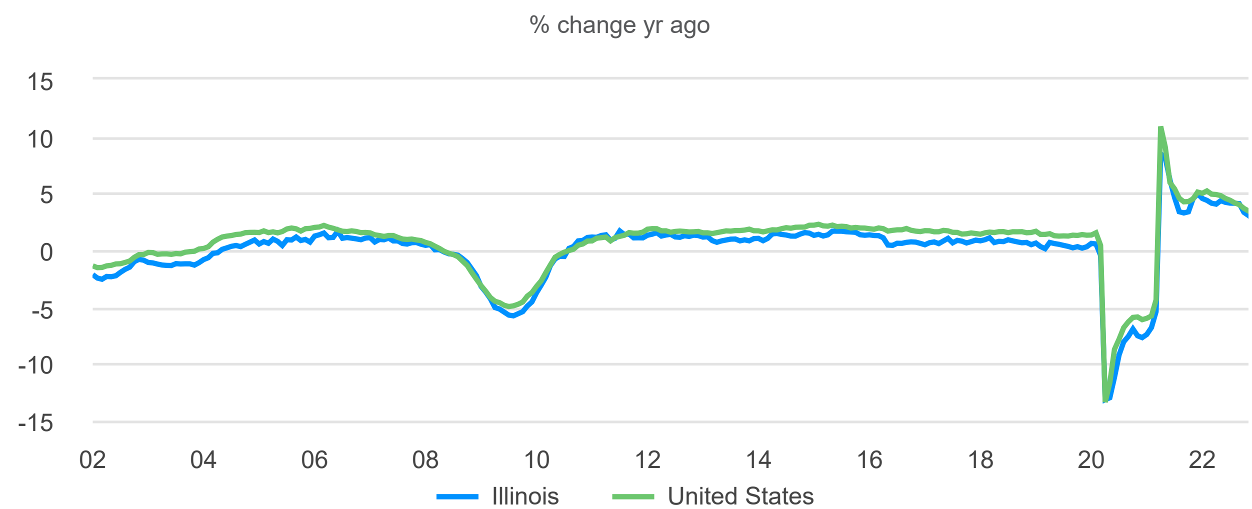
The economy will advance more slowly during the year ahead and Illinois' lead on the Midwest will diminish. Drivers such as white-collar industries, manufacturing and logistics will hold off on significant job additions. Payrolls are on track to return to their pre-pandemic peak in 2024, later than in the U.S. but not unusual for the region. The nascent housing market correction will be milder than in the rest of the country. High inflation, combined with rising interest rates and a tightening of financial conditions, pose the greatest risk in the near term.

The state will be a step behind the Midwest average and a few steps behind the nation in job and income growth over the long term. Weakening population trends and deep-rooted fiscal problems such as mounting pension obligations and a shrinking tax base represent the biggest hurdles to stronger economic performance. Persistent out-migration will weigh on the strength of employment and income gains.

Recent Performance

The Illinois economy has strengthened more than the typical midwestern state during the past year, bringing its jobs recovery in line with the region's. The state remains slightly behind the U.S., which has added jobs at a stronger pace and reached a new employment high in the second half of 2022. Chart 1 shows the year-over-year pace of nonfarm employment growth in Illinois and the U.S. Job growth from the fourth quarter of 2021 to the fourth quarter of 2022 was 3%, faster than the regional pace of 2.6% but a bit behind the national pace of 3.3%. Of states in the Midwest, Illinois is behind Minnesota, South Dakota and Nebraska in year-over-year job growth, but ahead of its other neighbors. At the end of the year, employment was 0.5% lower than in the last quarter of 2019, versus 0.6% lower in the Midwest and 1.3% higher nationally. The other states in the region that are ahead of Illinois in this measure are South Dakota, Indiana, Nebraska, Missouri and Iowa.

Chart 1: Employment Growth



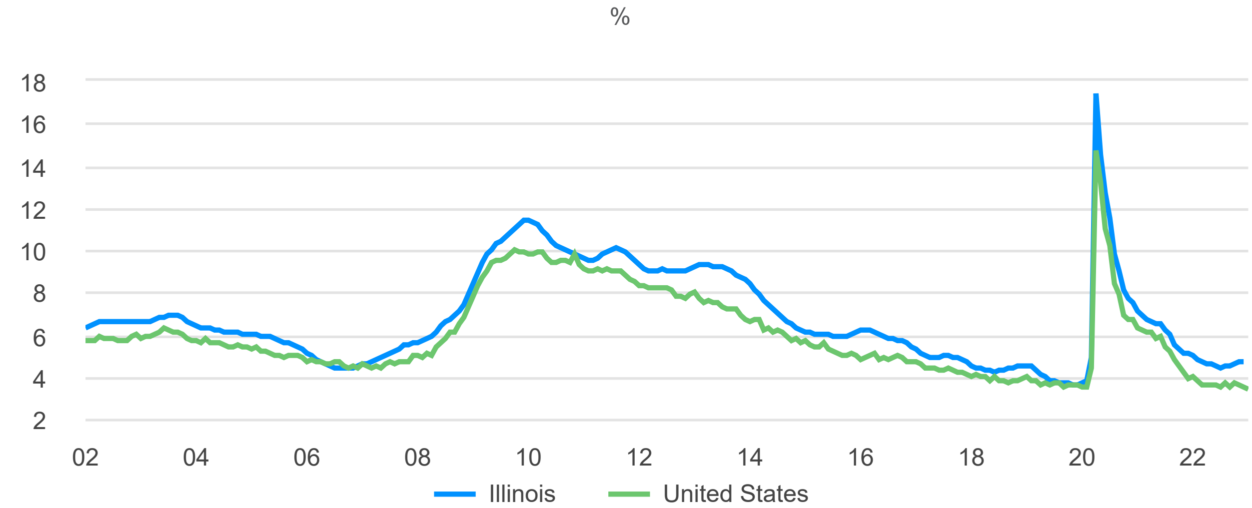
Sources: BLS, Moody's Analytics

The household survey of employment is more downbeat, which could signal a turning point in the economy. The decrease in unemployment during the past year has been about average for the Midwest but a touch slower than for the nation overall. As shown in Chart 2, the Illinois unemployment rate and the national unemployment rate have been relatively flat for the past few quarters, though the state's has ticked up a bit in the second half of 2022. Illinois' unemployment rate averaged 4.7% in the fourth quarter, compared with 3.8% in the region and 3.6% in the nation. The labor force is up from a year earlier, but it has been contracting since mid-2022. The same is true of the Midwest's labor force generally, in contrast to the U.S., where the labor force is slowly increasing. Illinois' labor force remains extremely depressed compared with a few years earlier.

Inflation and wage pressures have not differed too drastically from those at the U.S. level. Year-over-year consumer price growth was on par with the U.S. average in late 2022, based on both regional data and Moody's Analytics state estimates. Through the third quarter of 2022, the Employment Cost Index for Chicago suggests that wages are rising at a slightly stronger pace than nationally.

The state's overall job growth has slowed moderately during the year, but most major private-sector industries are moving in the right direction. Table 1 depicts annualized job growth by industry on a short-term and long-term basis. Recent weakness has been isolated to some expected parts of the economy such as information, which is impacted by the recent troubles in tech. Monthly job counts in retail and government have been volatile during the past year, but they are trending higher. Employment in manufacturing and transportation/warehousing has gone sideways in recent months after strong starts to the year in both industries. Supply-chain stresses have lessened, but the Federal Reserve's interest rate hikes have dampened demand for goods, as intended. These developments are consistent with the national picture.

Chart 2: Unemployment Rate



Sources: BLS, Moody's Analytics

Chicago's economy is performing well. Job growth during the past year has outpaced that in the Midwest and the U.S. but was slightly below average for the country's largest metro areas and divisions. Total employment was up 3.5% year over year in the fourth quarter. Improvements have been fairly broad-based across industries, but healthcare, leisure/hospitality and manufacturing have been particularly strong. There are some cracks forming in the labor market, however. Temporary employment, a leading indicator, has declined, albeit from an all-time high. The unemployment rate has ticked up to 4.7% in the fourth quarter, though the labor force has contracted slightly in recent months, and the average workweek has decreased significantly.

The strong rebound in leisure/hospitality has brought a full recovery of industry payrolls into closer view. American travelers are flocking back to Chicago and reduced restrictions on international travel have boosted visits from overseas this year, supporting the tourism industry's turnaround. Demand for air travel is strengthening despite fewer flights being operated and rising airfares. Passenger traffic at O'Hare International Airport is about 80% of 2019 levels for both domestic and international travelers.

Table 1: Illinois Employment, Recent Performance

Dec 2022

	Annualized growth rate				
	3-mo	6-mo	12-mo	5-yr	10-yr
Total	1.2	2.4	2.7	0.1	0.6
Construction	5.4	6.3	3.4	1.4	2.2
Manufacturing	-0.9	1.2	3.2	-0.2	-0.1
Wholesale Trade	1.4	4.8	2.2	-0.1	0.0
Retail Trade	-1.3	1.9	1.3	-0.7	-0.2
Transportation and Utilities	0.8	1.8	3.3	2.5	2.8
Information	-3.8	-3.2	3.4	-0.6	-0.8
Financial Activities	-0.3	2.2	0.7	0.6	0.8
Professional and Business Services	0.7	2.2	2.2	0.5	1.2
Education and Health Services	4.5	3.7	3.3	0.2	0.8
Leisure and Hospitality	5.5	2.7	7.8	-0.7	0.8
Government	-1.9	0.8	0.7	-0.6	-0.4
			%		
Unemployment rate	4.7	4.6	4.6	5.7	6.1

Sources: BLS, Moody's Analytics

Lake County's economy is a strong performer. The labor market completed its jobs recovery at the end of 2022. White-collar industries such as professional/business services and finance have been volatile, but most other major industries have been powering ahead. The manufacturing driver is in good shape. The labor force contracted slightly in the fall, but it has ballooned during the past year. The labor market has not been absorbing new entrants as quickly as earlier in the recovery, which is putting some upward pressure on the unemployment rate.

Urbana-Champaign's economy has lost steam. The labor market has made little progress recently, allowing the state and region to catch up to the metro area's pandemic jobs recovery. Although this year's freshman class at the University of Illinois is smaller than in fall 2021, total student enrollment rose to an all-time high for the 2022-2023 school year. Still, state government employment, anchored by the U of I, is trending lower. Led by healthcare, the private sector has reached a new employment high, though job gains have dwindled since midyear.

Bloomington is the first Illinois metro area to enter the expansion phase of the business cycle. The labor market is still improving, but job growth is slowing a bit more than average. Healthcare is doing a lot of the heavy lifting as far as job creation is concerned. State government payrolls have strengthened markedly since 2020 but have hovered around the same level for most of 2022. Financial services employment is heading in the right direction after a year of losses. The unemployment rate has ticked up recently, but the labor force has fully recovered and is increasing at a steady clip.

Springfield's economy is overcoming some midyear weakness. The state capital has recouped all jobs lost because of the pandemic, putting the economy into the expansion phase of the business cycle. Employment is on the upswing after declining for several months. Healthcare is by far the strongest performer, with employment rocketing to a new high in 2022. State government payrolls have been pretty flat for the past couple of years.

Peoria's economy was sluggish for most of the past year, but the labor market made a big stride in the fourth quarter. Job growth during the past few months was stronger than elsewhere; a boost from healthcare has made all the difference. Manufacturing job growth is maintaining momentum and professional/business services, which take cues from manufacturing, are strengthening. Consumer-dependent industries such as retail and leisure/hospitality have flattened. The labor force, which is significantly smaller compared with a few years ago, has increased a bit during the past year and the unemployment rate has plateaued.

Rockford's economy has picked up some momentum. Total employment has made headway in the last months of the year after being stuck in neutral for the first half. Much of the progress is thanks to the key manufacturing and healthcare industries. The labor market still has its problems as the jobless rate clocks in at 6.8% as of the fourth quarter and the labor force is extremely depressed. The metro area has grappled with consistent job losses at former top employer Stellantis. Indeed, the company laid off 400 metro area workers in early 2022 as demand for the Jeep Cherokee remains well below year-ago figures.

The Quad Cities economy is faring better than average, with leisure/hospitality leading the way. The key manufacturing sector is nearing capacity, with payroll growth shifting into a lower gear as employment climbs to a decade high. While the labor force has fully recovered from the pandemic, solid job growth has pushed the unemployment rate near its pre-pandemic low.

Decatur's recovery from the pandemic has been slow. The employment situation is among the weakest in the state and payrolls have increased little from the start of 2022. The manufacturing sector is a standout, having fully recovered its pandemic-induced job losses. However, cuts in professional/business services and persistent weakness in healthcare are weighing on top-line employment. The partial jobs recovery has kept the unemployment rate elevated; it remains 2 percentage points above its pre-pandemic level, compared with less than half that statewide.

Danville's economy is steadily moving in the right direction. While job growth has consistently been higher than the national average since summer, the overall jobs recovery remains far behind. Hiring in the public sector has been the main source of job growth recently, while private services and manufacturing have made smaller positive contributions. The unemployment rate remains well above the state and national averages even as the labor force is still far smaller than it was pre-pandemic.

Stronger-than-expected revenues and federal relief from the American Rescue Plan have put Illinois' state finances on a firmer footing. The state has repaid a loan from the Federal Reserve and is using some of its budget surplus to eliminate its backlog of unpaid bills and add to the rainy-day fund. These developments helped Illinois draw upgrades to its credit rating and outlook from multiple ratings agencies.

The farm sector has been a positive for the state in recent years. After peaking earlier in the summer in the aftermath of Russia's invasion of Ukraine, prices for key crops such as corn and soybeans have steadily come down, though they remain high. Input cost pressures are also beginning to ease somewhat as shortages are less of a problem than they were last winter. In particular, farmers are likely feeling significant relief from lower costs for fertilizers, chemicals and energy.

Near-term outlook

Illinois' economy will advance more slowly during the year ahead and the state's lead on the Midwest and the U.S. will be short-lived. Payrolls are poised to return to their pre-pandemic peak in 2024, later than in the rest of the country but not unusual for the region. Half of the other midwestern states are on a similar trajectory, as is New York state. By the end of the current year, Illinois' unemployment rate will clock in around 4.8%, higher than the Midwest's 4.2% average and the U.S.'s 4.1% rate. Michigan is the only Midwest state that is expected to end 2023 with a higher jobless rate, at 5%.

Chicago's job growth lead on the Midwest and the U.S. will end in 2023, though it will remain a strong performer in the state. The metro division has good prospects for white-collar industries, but they will hold off on significant job additions. Finance, which accounts for an outsize share of employment and income, faces challenges as rising interest rates weigh on dealmaking and equity markets. Banks will pause hiring on net. Meanwhile, tech job growth will decelerate in the coming months because higher interest rates and lower equity prices will make it tougher for startups to raise operating funds, discouraging them from increasing headcounts. Established firms face less risk, but most are scaling back hiring and investment.

It is unknown how many of Google's nearly 2,000 Chicago workers will be affected by the company's recently announced global layoffs. While these and other highly publicized tech layoffs remain relatively contained to Silicon Valley, large urban areas such as Chicago will be at risk if tech losses spiral or banks start cutting workers at the type of clip typically associated with a bear market. With many jobs having already migrated to lower-cost metro areas in the South and Mountain West, firms may be more inclined to eventually replace laid-off workers in gateway cities such as Chicago with positions elsewhere to reduce spending.

A bit further out, investments from large companies such as Google and Discover Financial Services should inject life into downtown Chicago if they proceed as planned. Still, many businesses are cutting down on office space as remote work arrangements pose a persistent risk to consumer industries and the office market. Because Chicago draws not just vacationers but also a large number of business travelers, the resumption of more business travel will be needed to extend tourism's rebound during the next few years. Transportation/warehousing, which expanded aggressively since 2021, is pumping the brakes and will contribute less to growth in the next year.

Lake County's economy will best Illinois and slightly trail the U.S. in job and income growth. The key manufacturing industry will outperform and prospects are decent for office-using industries. A few factors underpin the favorable outlook: The factory sector's tilt toward goods that cater to domestic buyers gives the metro division an edge over the Midwest's export-dependent manufacturing centers, and the aging U.S. population will uphold demand for medicine and medical equipment. Supply-chain disruptions have been less of a problem for the life-sciences sector than many other types of manufacturing. The large manufacturing presence confers a unique advantage because the positions are lucrative and far more tethered to their physical location than office jobs. This provides some insulation from work-from-home downsides.

Bloomington's job growth will decelerate over the near term, underperforming the national average. The outlook is tethered to state government and financial services, both of which are in the slow lane. Anchored by State Farm, financial services will serve as a stable yet sluggish source of relatively high-wage jobs. As the company navigates the souring economic climate and growing competition, a meaningful increase in finance jobs will not materialize in Bloomington in the coming quarters. Illinois State University has struggled to expand its student body in recent years, but the picture has brightened somewhat. Total enrollment for the 2022-2023 academic year is up from a year earlier after several years of declines; additionally, the school welcomed its largest freshman class in 35 years. Stable or improving enrollment will help preserve state government payrolls, though any job gains will be minimal.

Bloomington will navigate challenges on its path to becoming an electric-vehicle production hub. Strong consumer appetite for autos and a backlog of vehicle orders are tailwinds that should keep Rivian's EV factory firing. Recession concerns will make the business cautious about adding jobs, and manufacturing employment will be flat in the near term. If Rivian can deal with a recent widespread recall and ramp up production to meet 2023 targets, manufacturing will advance and there will be positive spillover into the rest of the economy.

Urbana-Champaign's economy will advance more slowly than the U.S. in the near term. Private services, especially healthcare, will lead job creation. U of I will be a pillar of strength but will generate few new direct jobs. One of U of I's priorities is hiring and retention to keep up with the growing student body, which has outpaced faculty hiring for years. The board of trustees has approved a request for increased state funding for the next fiscal year so that the system can hire more faculty and keep up with inflation. If the state grants the funding request, the increase would lend upside to the forecast for extremely conservative state government employment gains. The institution's finances are in good shape, making it well positioned for expansion.

Springfield's economic growth will be typical for Illinois but behind the national pace. Springfield's outlook is closely tethered to state government, which will not be a major source of new jobs. Unprecedented federal support has helped improve Illinois' fiscal situation and given it more money to spend than it has had in many years. Further, the picture for the University of Illinois Springfield has brightened somewhat. Although the number of undergraduates decreased for the 2022-2023 school year, total student enrollment jumped after several years of declines. Stronger student demand will cement the need for faculty and staff. Nevertheless, job gains will be muted for a few reasons. State governments are spending more on social benefits and having difficulty competing with the private sector for workers. Plus, revenues will eventually return to normal, and Illinois' longer-term fiscal challenges such as the state's massive unfunded pension liabilities will put pressure on the budget. Healthcare will do most of the heavy lifting to keep Springfield employment moving in the right direction.

Rockford's recovery will be on par with the nation and faster than Illinois thanks to aerospace and logistics. Manufacturing will overcome weakness in auto production thanks to strength in aerospace. As Jeep Cherokee maker Stellantis shrinks, Rockford's contingent of aerospace manufacturers will provide a stable source of jobs. In the coming years, rapid growth as air travel bounces back from the pandemic, combined with aging fleets, will drive steady demand for new commercial aircraft and aircraft maintenance, placing a floor under factory payrolls. Logistics will play an important role in the metro area's economic future. The industry's importance has been increasing in recent years, with Chicago Rockford International Airport consistently ranking as one of the nation's fastest growing by cargo volume. To keep pace with soaring cargo volumes, the airport is planning a facelift that will provide additional space for AAR Corp., Amazon, Emery Air and UPS to expand. The metro area's low business costs, abundant land, and proximity to Chicago make it an ideal location for logistics and storage businesses to call home. These advantages will allow it to serve as a major logistics hub for the nation's third-largest metro division.

A gambling expansion anchors risks to leisure/hospitality to the upside. Rockford is one of six locations that was granted a casino license as part of the state's 2019 gaming expansion law. Hard Rock, which has operated a temporary venue since 2021, broke ground on its permanent $310 million venue. Targeted to open in late 2023, the permanent casino ought to draw more visitors to the area in addition to entertaining local residents.

Peoria's economy will be relatively stable in 2023, but it will be among the state's weaker performers. Manufacturing faces a lot of challenges and is likely to make modest job cuts. Positive agricultural conditions and an increase in U.S. infrastructure spending will support the heavy machinery industry, but high producer prices, rising interest rates, and supply-chain issues will be headwinds. The weakening outlook among businesses does not bode well for near-term prospects, though sentiment is only slightly below the average reading during this business cycle. Peoria's above-average exposure to foreign trade makes the weakening global economy a key concern. Exports account for more than one-third of gross metro area product compared with about 8% in Illinois and nationally. The soaring dollar and fragile economies overseas will soften foreign demand for heavy machinery. Fewer shipments will weigh on industrial production and reduce the need for more factory labor. The important healthcare industry will hold on to recent employment gains but make minimal job additions in the near term.

The Quad Cities economy will advance slowly during the next year. Job growth will wane as high and rising interest rates weigh on manufacturing. Machinery manufacturers have nearly filled all the open positions left in the wake of the pandemic, meaning that further production gains will hinge on manufacturers' ability to expand capacity. Supply-chain issues are improving, but shortages of key components remain and manufacturers expect production delays to continue well into 2023. Food manufacturers will struggle, but the outlook has improved in the last six months. Producer prices for food manufacturers have fallen from their peak when Russia's invasion of Ukraine upended global agricultural and energy markets. Food disinflation will become more evident in coming months, reducing the weight on factory profits.

The economies of Decatur and Danville will underperform in the short term and will struggle to return to pre-pandemic employment levels. A stable outlook for manufacturing will not be sufficient to offset weakening elsewhere. Decatur's manufacturers rely heavily on sales to coal-mining operators. Durable-goods producers will turn a corner as higher prices for natural gas, a substitute for coal, make coal more attractive to consumers, spurring mining firms to increase production in the short term. Also, many European countries are shifting electricity production away from Russian natural gas following Russia's invasion of Ukraine; thus, utility companies have turned to coal-fired power plants to supplement production. This move will benefit Caterpillar's Resource Industries division, which anchors the metro area's large manufacturing industry. Population-dependent industries such as healthcare, government and consumer services will drag on growth.

Danville's central location and well-developed infrastructure will facilitate some growth in transportation and warehousing, one of the few industries expected to add jobs on net in the near term. Manufacturing, which is focused on food and the auto industry, will level off. The federal government will provide less of a boost to Danville employment than nationally as the Veterans Affairs hospital will generate little to no growth of federal government headcounts. Leisure/hospitality could be a bright spot, as Danville was granted a casino license and construction of a permanent venue is close to completion. The Golden Nugget casino is on pace to open its doors in the spring.

After a strong year for agriculture, the farm sector will contribute less to growth in the near term. Agricultural commodity prices will soften as global economic weakness causes demand to pull back, but they will remain elevated in historical terms. Poor weather conditions combined with past declines in oil—and thus, fuel prices—will help take the edge off prices. These factors will pressure farm income in 2023, though it will remain relatively strong.

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 and distribution center for the Midwest and will increasingly cultivate its tech industry. The explosion of tech-related hiring on the Near North and West sides and corporate relocations from the suburbs—such as those by Walgreens, Mondelez International, Peapod, Hillshire Brands, Kraft Heinz, and United Continental Holdings—suggest that this economic engine has reached critical mass, enabling its growth to become self-perpetuating.

Professional/business services. Professional/business services will be critical to the economy's success. Most of the growth in well-paying industries such as professional, scientific and technical consulting will take place in northern Illinois. As a hub for global business activity with a large concentration of corporate headquarters and a huge talent pool, the Chicago area remains fertile ground for growth in these industries, including tech. In recent years, the urban core has become the economic engine as more jobs downtown attract residents to move nearby, prompting additional companies to join the inward migration to the urban core.

In addition to professional/business services, the success of the state's economy—particularly that of the Chicago metro area—will depend on the strength of its high-tech services, including computer systems and design and biotechnology. Tech companies that can meet the needs of Illinois' manufacturing base will also be successful. Elsewhere, low business costs and the presence of a major research university give Urbana-Champaign strong prospects for growth in high tech, particularly professional, scientific and technical services. Tech will outperform overall job growth and at least keep pace with that in other major Midwest college towns.

Financial services. Financial services, which employ 6.8% of the state's workforce and 7.3% of Chicago's workforce compared with 6% nationally, 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, 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 as it is now home to by far the world's largest derivatives exchange.

An outsize tech industry and legacy ties to financial services make financial technology a promising area of development, but stiff competition from existing financial technology hubs limits upside. The insurance industry also has a large footprint on Illinois' economy, especially in Bloomington, where it makes up 17% of employment, almost nine times the U.S. average. Insurance will remain a reliable source of jobs and income.

Tourism. Illinois' tourism-dependent industries are expected to outperform other parts of the economy in the coming years, but they will be crawling out of an extremely deep hole. Illinois achieved its ninth consecutive year of record tourism growth in 2019 before COVID-19 brought travel to a halt. Visitor volume recovered to about 80% of its pre-pandemic peak in 2021. Leisure/hospitality employment has returned to about 93% of pre-pandemic levels as of the third quarter of 2022, slightly below average for midwestern states and the nation. The Illinois gaming expansion bill of 2019 legalized sports betting and provided new casino licenses to six locations across the state. Some recipients have put up temporary structures for gaming, and construction is underway on permanent venues. It is possible all the areas could have operating casinos before the end of 2023, offering new recreation options, job opportunities, and streams of tax revenue.

Job growth in leisure/hospitality stems almost entirely from more people visiting Chicago. Vacationers and business travelers have flocked to the area's hotels, restaurants, recreation facilities and entertainment venues, and Chicago's appeal as a destination will remain a bright spot for the economy. Because Chicago draws not just vacationers but a large number of business travelers, the resumption of more business travel will be needed to extend tourism's rebound during the next few years. The replacement of a still-undetermined share of face-to-face meetings and in-person events with virtual gatherings will further compound the impact of increased remote work on the city and complicate its recovery.

Transportation/distribution. Illinois' transportation and distribution network will remain an integral part of the economy and help drive growth. Transportation, warehousing and wholesale trade account for almost 12% of output in Chicago and Illinois versus 8.5% in the nation. The only other states that are more dependent on this cluster of industries are Alaska, New Jersey, Nebraska, Kentucky and Arkansas.

A central location and transportation advantages such as an airport with direct connections around the globe have made Chicago a hub for distribution and logistics. The metro area is unique among the nation's big cities as a hub to three major carriers. Even as e-commerce growth decelerates following the pandemic-fueled boom, internet retail sales will uphold strong demand for logistics services. Illinois will have an advantage in securing future investment because of its central location, low costs, transportation advantages and agglomeration economies.

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. Intermodal traffic is the fastest-growing part of the rail industry, as most railway yards have been converted to handle intermodal traffic. Several intermodal terminals have been built in recent years in Chicago, Rochelle, and the Quad Cities. 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.

Education and healthcare. Other service-based industries that will support growth in the state include education and healthcare. The University of Illinois Urbana-Champaign, Illinois State University in Normal, Southern Illinois University in Carbondale, and the other regional public universities will provide long-term stability. Chicago also supports a number of universities, including Northwestern, the University of Chicago, the University of Illinois at Chicago, and Loyola, but they are not as vital to Chicago as schools downstate are to those economies.

Healthcare will contribute positively to growth throughout the state as the population ages. The industry has been one of the economy's strongest in recent years and will be an especially potent driver downstate. The cohort of those age 65 and older is the only part of the population that is growing, a distinction it will retain. Although declines in other cohorts will drag on demand, seniors consume a lot of medical services. Illinois will add such jobs at a stronger pace than overall job growth over the next five years. 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. Producers will benefit from sustained higher prices after enduring several lean years. Despite the strong competition from agricultural powerhouses Brazil, Argentina, India and China, Illinois farmers will benefit from an expanding global economy. Although efforts to rein in the federal budget deficit could lead to more substantive cuts in farm subsidies down the road, the forecast assumes that they will remain an integral component of U.S. agriculture in the longer term.

Business climate. Illinois has what it needs to remain a top business center, if 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 37% of the state's population age 25 and older has at least a bachelor's degree and 15% have a graduate degree—both above the national average—according to Census Bureau data. Among midwestern states, only Minnesota has a higher share of bachelor's degree holders, and Illinois has the highest share of graduate degree holders. In Chicago, the shares are even higher, with 43% holding at least a bachelor's degree and 18% holding a graduate degree. Illinois is well positioned when comparing living costs to educational attainment, and the workforce is stronger than college attainment data alone suggest. Traditional measures of workforce quality may understate the competitiveness of large factory centers where an above-average share of workers are skilled even if they lack formal higher education.

According to the Moody's Analytics Index of Relative Business Costs (see Table 2), business costs in Illinois are lower than they are nationally and have trended downward for the past few decades. Overall costs are lower than those in Michigan and Wisconsin but higher than those in Indiana, Iowa and Ohio. By and large, business costs are 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 10% 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 lower than the regional average.

Table 2: Index of Relative Business Costs, 2021

	Labor cost		Tax burden		Energy cost		Overall index	
	Index	Rank	Index	Rank	Index	Rank	Index	Rank
Illinois	102	29	102	36	90	15	99	25
Indiana	95	10	87	14	104	38	97	20
Ohio	94	6	108	44	92	19	95	13
Michigan	107	44	77	7	108	39	105	39
Wisconsin	104	32	94	23	103	36	103	35
Iowa	92	4	102	37	94	26	93	8

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

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, 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.

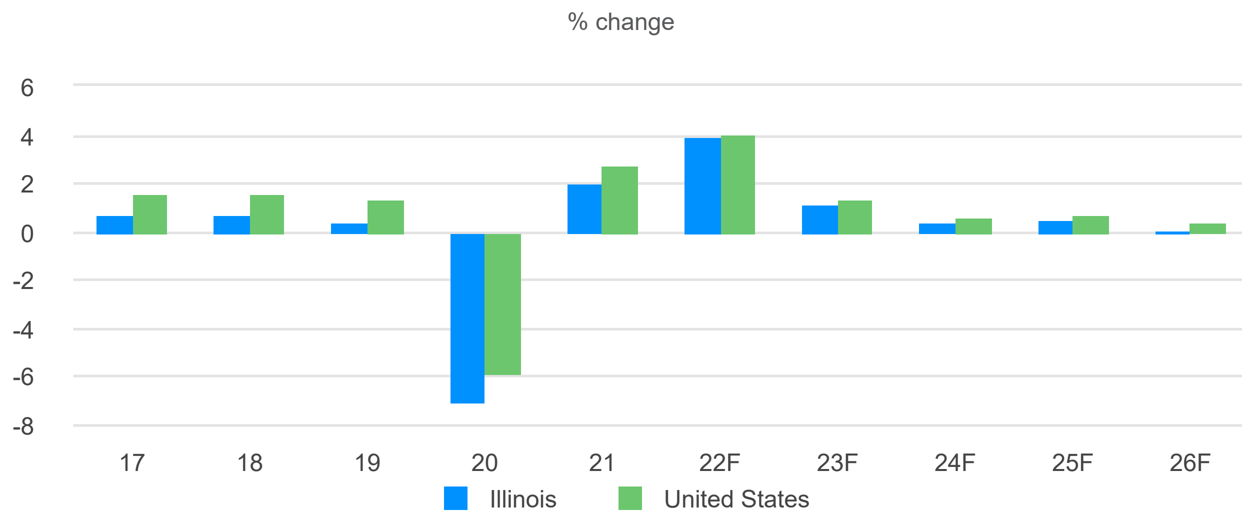
New industries. The legalization of recreational cannabis offers upside risk for Illinois to become a hub for the cannabis business. The Cannabis Regulation and Tax Act of 2019 made Illinois the 11th state to legalize recreational cannabis. It is now one of 21 states, Washington DC, and Guam where the recreational use and sale of cannabis is legal. Missouri has joined Michigan as the other midwestern states in the group. Medical cannabis has been legal in Illinois since 2014.

There is no question that Illinois' cannabis market is booming. Buyers have been willing to purchase legally, which owes in some part to limited recreation options during the pandemic. Adult-use marijuana sales in Illinois finished 2022 at more than $1.5 billion, up 13% from 2021. The rate of sales growth is slowing because of continued pressure on discretionary consumer spending from inflation. As a major center for food production and packaged food companies, Chicago is well-situated to nurture cannabis cultivators, processors, retail stores and testing labs. Chicago already has strong ties to the industry, as it is home to three of the five biggest public companies in the U.S. that grow and sell cannabis.

Long-term outlook: Negative factors

Weak demographic trends and deep-rooted fiscal problems such as mounting pension obligations and a shrinking tax base 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. Chart 3 compares the forecast for annual nonfarm employment growth in Illinois and the U.S. Over the next five years, employment in Illinois is forecast to increase 1.1%, below the 1.9% gain for the Midwest and 2.7% rise nationally.

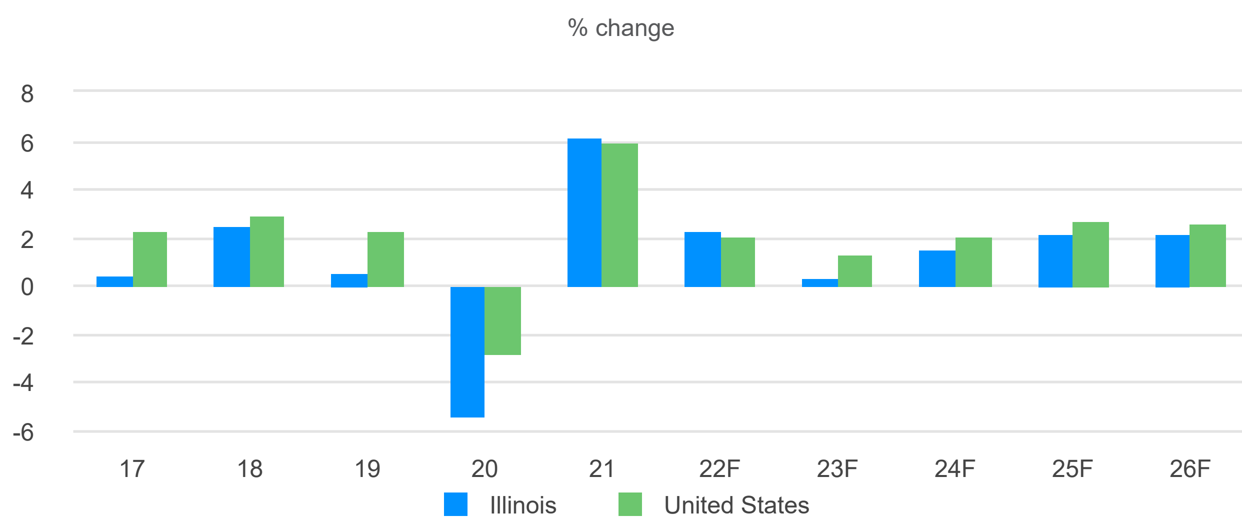
Chart 3: Long-Term Outlook: Employment



Sources: BLS, Moody's Analytics

The economy is recovering from the 2020 recession somewhat altered, because the pandemic has accelerated the shift toward working from home and e-commerce and the consolidation of higher education. The near-term outlook for Illinois closely resembles that for the U.S., but the state will underperform in the long term because of poor population trends and the prolonged decline of manufacturing. As shown in Chart 4, gross state product—as measured by the U.S. Bureau of Economic Analysis—is projected to grow more slowly than the nation's gross domestic product during the next several years.

Chart 4: Long-Term Outlook: Real Gross Product



Sources: BEA, Moody's Analytics

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 short-lived resurgence. 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, at 9.5%, is only somewhat higher than the national average of 8.4%, the share outside Chicago is higher at 12.9%. Illinois' largest manufacturing industries, in order of number of jobs in 2022, are food processing, fabricated metals, machinery, chemicals and transportation equipment. Together, these industries account for about 58.7% of all manufacturing jobs, compared with 53.4% nationally. Downstate areas besides Springfield have a high exposure to at least one, and typically several, of these 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 although this trend has slowed as labor has become more expensive overseas, it does not reduce the cost advantage sufficiently to reverse this process.

Higher education. Although higher education has typically been insulated from the whims of the business cycle—and sometimes even been the beneficiary of economic downturns—the COVID-19 pandemic hit the sector head-on and thrust into the spotlight problems that have long been simmering in higher education. Academia faces a looming demand problem caused by not only rising costs but also changing demographic patterns. Longer-term structural issues in combination with pandemic-related stress will leave some institutions at risk of failure. If and when school failures occur, they are likely to be dominated by those already in poor financial condition due to sagging enrollment, poor student retention, and an overreliance on public funding.

Institutions in Illinois are generally well positioned. The most vulnerable institutions are small, nonelite private schools with poor finances, small endowments and retention issues, and small public universities with an overreliance on room-and-board and government funding as drivers of revenue. The least vulnerable schools are selective colleges with excellent balance sheets, large endowments, and little reliance on public funding and room-and-board revenue.

The longer-term structural decline in enrollment is the main risk to most universities. With the college-age population in Illinois and the broader U.S. set to decline over the coming decades, it will take a greater share going to school or more international students to increase demand for Illinois' higher education institutions. Colleges across the U.S. face demographic headwinds, but they are more acute in Illinois, where the cohort of 20- to 24-year-olds is shrinking more rapidly.

Business climate. Illinois, and Chicago in particular, is an appealing location for corporate headquarters and companies that need highly skilled workers and are willing to pay for top talent. Despite Illinois' advantages, however, the state's reputation for financial problems threatens to discourage firms from locating to or remaining in the state. The state's outlook is tarnished primarily by its budget woes and weak population trends, not its high costs relative to nearby states. Firms in Illinois tend to pay more in taxes compared with those in neighboring states and labor is on the expensive side, but overall business costs are no higher than the national average. Table 2 compares Illinois with a group of other midwestern states along the dimensions of the Moody's Analytics Index of Relative Business Costs. Illinois is gradually increasing its minimum wage, but dozens of other states and local governments are raising their wage floors as well.

Unions. 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 Indiana.

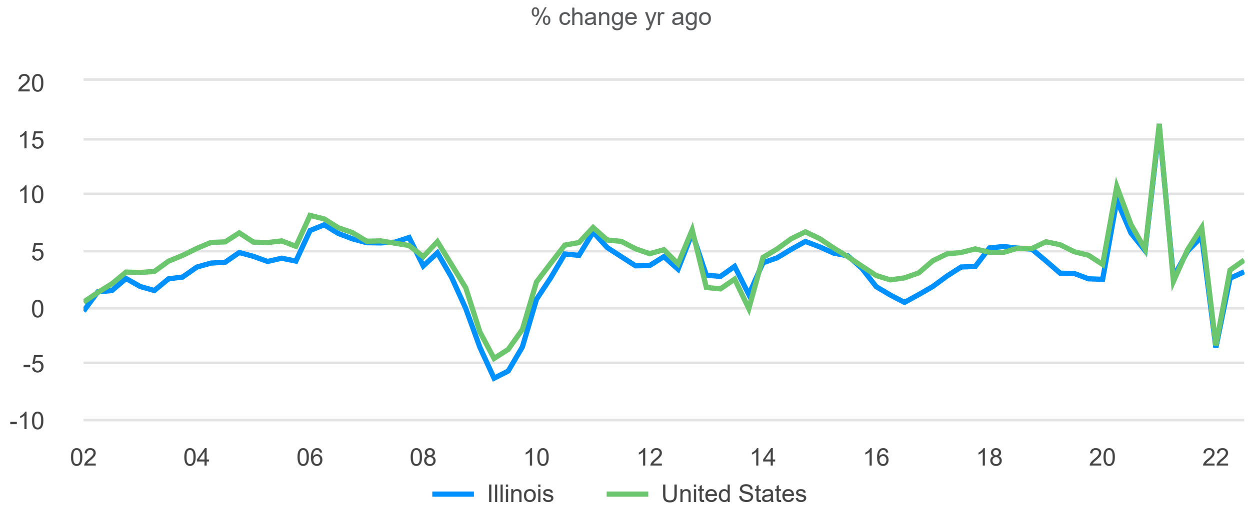
In 2022, Illinois voters passed a constitutional amendment guaranteeing all workers organizing and collective bargaining rights. The Workers' Rights Amendment added language to the state's constitution that protects the rights of workers to unionize and negotiate pay, hours and working conditions. Further, the law explicitly prohibits right-to-work legislation that limits bargaining rights. Hawaii, Missouri and New York also provide a right to collective bargaining in their state constitutions.

Right-to-work laws' impact on economic growth is ambiguous. The lack of clarity is mainly because of 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.

Income

Personal income has been slower to rise in Illinois than nationally, a trend that will extend through the year. Chart 5 shows year-over-year growth in Illinois and U.S. nominal personal income, as reported by the BEA. Total personal income increased 3.6% per year on average over the course of the expansion that ended in 2019, less than the 3.8%

Chart 5: Personal Income



Sources: BEA, Moody's Analytics

regional average and 4.4% national average. Third-quarter 2022 personal income was up 3.1% year over year in Illinois, compared with 3.9% in the Midwest and 4.1% in the U.S. The drawdown in government transfer payments was a bigger drag on total personal income in Illinois than it was elsewhere.

However, robust earnings growth in healthcare and manufacturing pushed Illinois' wage and salary performance ahead of the Midwest and U.S. averages. Wage and salary income, the most important source of income, rose 8.6% from the third quarter of 2021 to the third quarter of 2022, compared with 7.9% gains in the region and nation. Gains in wage income and wealth coupled with several rounds of federal stimulus gave households in the state the wherewithal to ramp up spending in recent years.

Many of the factors that boosted consumer spending are now abating. Rapid wage growth has likely peaked and inflation has eaten into real incomes, the stock market remains off its highs, and rising interest rates have made borrowing to purchase big-ticket items more expensive. Given the below-average forecast for Illinois' jobs recovery, income growth will remain a step behind the U.S. rate. From the third quarter of 2022 to the third quarter of 2023, Illinois personal income will increase about 3.4%, comparable to the regional average but less than the 4.8% increase forecast for the nation.

Balance sheets

Illinois households have healthy balance sheets and were willing and able to borrow during the last expansion and through 2022. Consumers had taken on increasing amounts of debt leading up to the COVID-19 crisis, and growth in borrowing accelerated in the past two years. April marked the peak of the current credit cycle. The sharp increase in interest rates cooled consumer credit growth across nearly every product during the year. Consumer credit balances in the state grew about 4% year over year in the last quarter of 2022, compared with 6.6% in the U.S. Residential balance growth has decelerated as higher interest rates, combined with the rapid increase in house prices, have squeezed affordability and pushed would-be borrowers out of the market. A similar story took place in the auto market. The interest rate for car loans increased during the year, which, when accompanied by rising vehicle prices, weighed on auto credit growth.

Performance has weakened as growth has slowed, though this was expected and is more aptly characterized as a normalization of, rather than an increase in, credit stress. A combination of fiscal transfers and borrower support programs artificially depressed delinquency and default rates in 2020 and 2021; with those safeguards removed, performance is returning to pre-pandemic levels. Though still low, the total delinquency rate across all products increased from 1.2% in December 2021 to 1.6% in December 2022, on par with the U.S. rate. Additional upticks are likely in the coming months, though it is unlikely delinquency and default rates will rise far beyond late-2019 levels.

As they have nationally and in the Midwest, personal bankruptcies have dropped sharply in Illinois. New filings in the state fell 7.5% year over year in the third quarter, compared with declines of 11.7% in the region and 11.4% in the

U.S. That reduced the number of personal bankruptcies per household. In Illinois, there were 3.9 bankruptcies per 1,000 households in the third quarter, compared with 3.5 in the Midwest and 2.9 nationally.

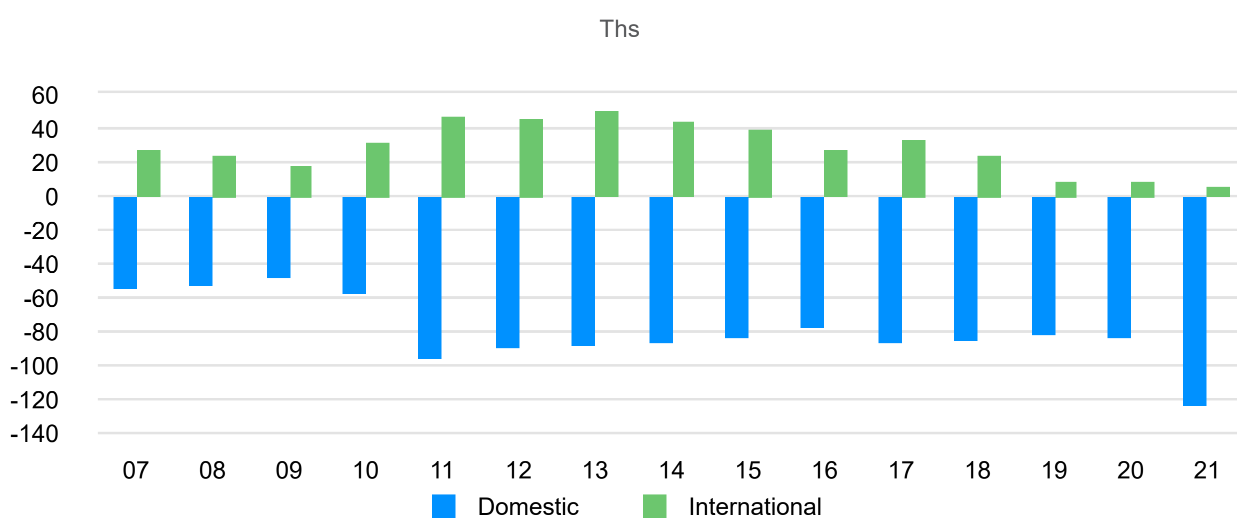
Businesses are also in good financial shape. The number of new business bankruptcy filings keeps falling to new lows, suggesting that the reopening of the economy and the increase in demand have been enough to prevent healthy businesses from closing. Business bankruptcies decreased 15.7% year over year in the third quarter of 2022 versus declines of 23.3% in the Midwest and 18.7% in the U.S. Bankruptcies and delinquency and default rates will increase in the coming quarters but are likely to return only to pre-pandemic levels.

Demographic trends

The Census Bureau's post-enumeration survey shows that Illinois was undercounted by nearly 2% during the 2020 census. That means the state did not shrink in population from 2010 to 2020, but rather it added about 250,000 residents. Thirteen other states had been undercounted or overcounted as well. However, the Census Bureau's midyear population estimates suggest that Illinois has been losing population in recent years. Immigration and the birthrate are falling, and more people are leaving the state than moving in. The latest midyear estimates show Illinois' population decreased 0.8% in the year ended June 30, 2022. The Midwest's population declined 0.1%, and the U.S. population was up 0.4% during the same period. Seventeen other states joined Illinois in losing population from mid-2021 to mid-2022, including midwestern peers Ohio (-0.1%), Michigan and Kansas (less than -0.1% each), as well as large peers California (-0.3%), New York (-0.9%) and Pennsylvania (-0.3%).

Census Bureau migration data show that Illinois experienced rapid out-migration on a per-resident basis in 2022, placing it second-to-last among states for population change. Net migration is the difference between in-migration to a place and out-migration from a place during a period. Of the 50 states and Washington DC, only New York experienced worse out-migration and population loss last year. Fifteen years of domestic and international migration data for Illinois are depicted in Chart 6. The main reason for net out-migration has been a loss of domestic residents, or people moving from the state to other parts of the U.S. The negative blue bars represent these losses, and the positive green bars represent in-migrants from other countries. Domestic out-migration increased from mid-2021 to mid-2022. International migration picked up during the same period as the pandemic waned, but not enough to offset domestic losses.

Chart 6: Illinois Net Migration



Sources: Census Bureau, Moody's Analytics

These trends correspond closely with those evident in migration data that were compiled based on credit file data from Equifax. Those figures, which track monthly state-to-state movement nearly in real time, were remarkably similar to the final domestic migration figures. Data from Equifax suggest that the pace of out-migration from Illinois peaked in late 2021 and has since slowed. As a share of the states' populations, Illinois lost the most residents on net

Table 3: Migration Flows

INTO ILLINOIS	NUMBER OF MIGRANTS
Indiana	15,178
California	14,265
Missouri	12,211
Florida	11,953
Texas	11,899
Wisconsin	11,781
Iowa	7,835
New York	7,207
Michigan	6,795
Arizona	5,059
Total in-migration	*173,265*

FROM ILLINOIS	
Florida	28,528
Indiana	27,147
Texas	22,793
Wisconsin	19,445
California	17,548
Missouri	16,042
Arizona	12,501
Tennessee	10,889
Michigan	10,344
Iowa	9,384
Total out-migration	*274,123*
Net migration	**-100,858**

Sources: IRS, Moody's Analytics, 2020

in 2022 to Wisconsin, followed by Indiana, Tennessee, Arizona and Florida. Lagged data from the Internal Revenue Service, displayed in Table 3, reflect a similar pattern, though the data are not adjusted for states' populations.

The Census Bureau reports that natural population growth—or births minus deaths—has weakened dramatically in all parts of the U.S. during the past decade, but Illinois' pace has slowed a bit more than average in the past several years. Natural population growth did increase slightly from 2021 to 2022 in Illinois and other parts of the country, but this contributed little to Illinois' population numbers. Despite this, the state's results are typical for the region and it retains an edge over other Great Lakes states, most of which underwent natural population decline. As a share of the population, Illinois is adding fewer residents naturally than large peers New York and California.

Midyear population estimates are available for metro areas through mid-2021. All but one of Illinois' metro areas and divisions suffered population declines in the year ended June 30, 2021. The fastest-shrinking metro areas and divisions were Chicago, Decatur, Danville, Peoria and Springfield. The Chicago metro division's population fell 1.2% in 2021. Losses were concentrated in Cook County and DuPage County, whereas other metro division counties grew in population.

Population decline during the next few years will be one of the worst among the states, and the shrinking of the working-age population will remain more severe than in other parts of the country. The 60-and-older age group was the only major segment of the population to increase during the past few years and will be the only one to grow in coming years. Fewer young adults will make it harder to fill jobs and keep consumer and housing demand afloat. The shrinking tax base will also aggravate state and local fiscal strain. Persistent out-migration and increased remote work will weigh on the strength of employment gains.

In terms of educational attainment, an above-average share of Illinoisans hold four-year college degrees. The state's large pool of highly educated workers is primarily thanks 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 the Quad Cities, Decatur, Kankakee, Peoria, and Rockford, have below-average educational attainment levels. Primary and secondary education in the state is strong, as almost every metro area in Illinois boasts an above-average share of high school graduates. Only in Elgin is the high school graduation rate significantly below the U.S. rate.

Housing

Though not as much as in the rest of the country, housing markets have heated up since the pandemic. Year-over-year growth in the Case-Shiller price index rose into the double digits in most parts of the state at the start of 2022. In the second quarter, the index for Illinois was 12.8% higher than a year earlier versus 13.7% for the Great Lakes states overall and 18% for the nation. Larger price increases have translated to an uptick in single-family starts, though they remain at relatively low levels. The presence of Rivian has raised Bloomington's house prices much more than average for the state. The Case-Shiller index was up 20.1% year over year in the second quarter. A surge in homebuying fueled unusually large price increases and a bigger-than-average jump in single-family starts in the metro area.

Housing affordability is declining, but Illinois' affordability edge over the U.S. has been relatively stable during the past decade, according to the Moody's Analytics Housing Affordability Index. Soaring mortgage rates, dwindling affordability, and reduced demand are now weighing on the housing market. Prices have started to come down and the softening will continue this year.

The correction in house prices in Illinois will be relatively mild. Though house prices have rocketed higher during the past few years, they have not risen as much as they have nationally, making homes less overvalued than they are elsewhere. Given that prices do not greatly exceed what economic fundamentals—including incomes and household formation—would typically support, there will be less downward pressure on prices as the housing market cools. During the next couple of years, the house price index is forecast to fall from its 2022 peak by 5.9% in Illinois versus 12.2% in the Great Lakes region and 11.2% in the U.S.

The number of construction starts in Illinois was lower than in a majority of midwestern states in recent years, despite Illinois having more people and households than any of its regional peers. Single- and multifamily construction has slowed dramatically since mid-2022 and the residential building outlook is relatively dim. Illinois housing affordability is high, especially for a large state, but its demographic trends and economic recovery are subpar. The population is decreasing, limiting household formation and the number of potential homebuyers. Likewise, the state's employment rebound and income growth are weaker than average, which weighs on both housing demand and building conditions.

Forecast risks

Near-term risks are heavily weighted to the downside, but there are also reasons for optimism. High inflation combined with rising interest rates and a tightening of financial conditions pose the greatest risk to the outlook. Hawkish monetary policy will cause slower growth everywhere, but it carries longer-term risk to parts of Illinois that have experienced incomplete recoveries, namely its manufacturing centers. After previous recessions, economies that mounted incomplete recoveries have experienced disappointing growth during the subsequent business cycle. Exposure to fiscal challenges is another concern. Though the state is making financial progress, it is beset by lean financial reserves, heavy long-term liability, and fixed-cost burdens. The state would need to take significant fiscal actions to keep its budget afloat in the event of a moderate recession.

In the private sector, Illinois is at risk of losing more business to other states. Recently, a few large employers such as Boeing, Caterpillar and Ford announced that they will move their headquarters out of the state or bypass big investments in local facilities. The companies have said they will maintain a presence in Illinois, ranging from white-collar staff to factory workers. Still, there is a concern that the headquarters' moves portend a broader exodus for the firms. Further, the state is at risk of missing out on automakers' accelerating shift to electric vehicles. Ford has announced plans to manufacture electric versions of its Explorer SUV in Ontario, bypassing the Chicago assembly plant that produces gas-powered Explorers and Aviator SUVs. The decision is a blow to the facility and to Illinois' potential to become an EV hub.

Major population centers such as Chicago are up against headwinds. The degree to which white-collar workers will continue to work from home is uncertain, but hybrid and remote work arrangements are here to stay. Should the flexible approach become ubiquitous in industries such as finance and broader professional/business services, establishments that rely on office workers will struggle. Job creation will be weaker than expected if increased workplace flexibility leads enough white-collar firms and professionals to relocate completely.

Though increased workplace flexibility would come with downside risks, it also presents an opportunity. Many smaller towns that have struggled to retain residents because of a lack of high-wage white-collar opportunities could experience reduced out-migration, especially if firms pay similar wages to employees regardless of their location. The resulting infusion of money into otherwise-struggling economies could provide a broader boost to areas that have long struggled to keep up with their peers.

Similarly, the longer-term forecast for manufacturing could prove too pessimistic. Illinois' low costs, central location, transportation advantages, and deep pockets of specialized expertise still make it an appealing location for factories. If large multinational companies decide to bring production work back to the U.S., the state will be a key beneficiary.

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 deficit-financed 2017 tax cuts and COVID-19 relief will cause the nation's debt load to rise faster than previously thought over the next decade. The nation's publicly traded debt-to-GDP ratio has surged to an all-time high. Against this backdrop, farm support programs could be at risk, especially as the Midwest's population share, and hence representation in Congress, declines.

Table 4: Demographic profile

Indicator	Units	Illinois	U.S.	Rank	Year
Households					
Households, % change (2017-2022)	Ann % change	-0.2	0.6	45	2022
Population w/ BA degree or higher	% of adult population	37.1	35.0	13	2021
Median household income	$	72,205	69,717	18	2021
% change yr ago		*1.4*	*3.5*	*41*	*2021*
Population					
Per capita income	$	67,244	64,143	12	2021
% change yr ago		*8.2*	*7.3*	*5*	*2021*
Population	ths	12,582	333,288	6	2022
% change yr ago		*-0.8*	*0.4*	*50*	*2022*
White	%	76.2	ND	34	2021
Black or African American	%	14.7	ND	16	2021
Hispanic	%	18.0	ND	10	2021
Asian	%	6.1	ND	11	2021
Net domestic migration, rate	Persons/ths pop	-11.3	0.0	50	2022
International migration, rate	Persons/ths pop	2.5	3.0	21	2022
Poverty rate	%	12.1	12.8	26	2021
Median age	yrs	39.0	38.8	25	2021
House Prices					
Median existing-home price	$ ths	271.7	347.6	31	2021
% change yr ago		*13.88*	*17.37*	*29*	*2021*

Illinois
Recent Monthly Performance

	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Most recent % change yr ago
Establishment Employment (ths, SA)									
Total Employment	6,013.1	6,029.1	6,064.1	6,068.6	6,082.7	6,089.9	6,102.0	6,101.2	2.7
% change	*0.2*	*0.3*	*0.6*	*0.1*	*0.2*	*0.1*	*0.2*	*-0.0*	
Natural Resources & Mining	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.6	0.0
% change	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*1.5*	
Construction	228.1	230.2	229.2	232.4	234.2	235.8	237.8	237.3	3.4
% change	*1.4*	*0.9*	*-0.4*	*1.4*	*0.8*	*0.7*	*0.8*	*-0.2*	
Manufacturing	572.5	572.7	578.7	575.4	577.3	579.3	577.7	576.0	3.2
% change	*0.2*	*0.0*	*1.0*	*-0.6*	*0.3*	*0.3*	*-0.3*	*-0.3*	
Trade, Transportation, & Utilities	1,215.8	1,217.8	1,225.7	1,230.2	1,233.5	1,235.2	1,230.0	1,233.3	2.1
% change	*-0.0*	*0.2*	*0.6*	*0.4*	*0.3*	*0.1*	*-0.4*	*0.3*	
Retail Trade	583.1	582.7	587.3	588.1	590.1	589.3	587.2	588.2	1.3
% change	*-0.4*	*-0.1*	*0.8*	*0.1*	*0.3*	*-0.1*	*-0.4*	*0.2*	
Wholesale Trade	285.4	287.3	289.1	290.6	293.1	295.9	293.9	294.1	2.2
% change	*0.5*	*0.7*	*0.6*	*0.5*	*0.9*	*1.0*	*-0.7*	*0.1*	
Transportation & Utilities	347.3	347.8	349.3	351.5	350.3	350.0	348.9	351.0	3.3
% change	*0.3*	*0.1*	*0.4*	*0.6*	*-0.3*	*-0.1*	*-0.3*	*0.6*	
Information Services	93.3	93.5	94.0	93.3	92.9	92.8	92.3	92.0	3.4
% change	*0.9*	*0.2*	*0.5*	*-0.7*	*-0.4*	*-0.1*	*-0.5*	*-0.3*	
Financial Services	407.6	406.0	408.2	408.7	410.7	411.9	411.5	410.4	0.7
% change	*0.0*	*-0.4*	*0.5*	*0.1*	*0.5*	*0.3*	*-0.1*	*-0.3*	
Professional & Business Services	961.9	963.4	973.2	969.0	972.2	975.5	977.0	974.0	2.2
% change	*-0.1*	*0.2*	*1.0*	*-0.4*	*0.3*	*0.3*	*0.2*	*-0.3*	
Education & Health Services	916.2	918.7	918.4	919.6	925.5	927.6	930.5	935.7	3.3
% change	*0.2*	*0.3*	*-0.0*	*0.1*	*0.6*	*0.2*	*0.3*	*0.6*	
Leisure & Hospitality Services	572.9	581.8	584.5	585.9	581.8	584.0	592.1	589.6	7.8
% change	*1.5*	*1.6*	*0.5*	*0.2*	*-0.7*	*0.4*	*1.4*	*-0.4*	
Other Services	245.9	245.2	246.3	247.5	247.8	249.3	252.0	249.9	2.1
% change	*-0.2*	*-0.3*	*0.4*	*0.5*	*0.1*	*0.6*	*1.1*	*-0.8*	
Government	792.4	793.3	799.4	800.1	800.3	792.0	794.6	796.4	0.7
% change	*-0.1*	*0.1*	*0.8*	*0.1*	*0.0*	*-1.0*	*0.3*	*0.2*	
									1-yr change
Unemployment Rate (%, SA)	4.6	4.5	4.4	4.5	4.5	4.6	4.7	4.7	-0.4
	0.0	-2.2	-2.2	2.3	0.0	2.2	2.2	0.0	**Most recent**
									% change yr ago
Labor force (ths)	6,464.7	6,462.0	6,459.7	6,458.4	6,447.0	6,436.1	6,423.4	6,413.7	1.2
% change	*0.2*	*-0.0*	*-0.0*	*-0.0*	*-0.2*	*-0.2*	*-0.2*	*-0.2*	
Number of unemployed (ths)	297.6	290.5	287.1	290.0	290.5	298.1	303.2	303.2	-6.6
% change	*0.5*	*-2.4*	*-1.2*	*1.0*	*0.2*	*2.6*	*1.7*	*-0.0*	
Number of employed (ths)	6,167.1	6,171.5	6,172.6	6,168.4	6,156.5	6,138.0	6,120.2	6,110.5	1.6
% change	*0.2*	*0.1*	*0.0*	*-0.1*	*-0.2*	*-0.3*	*-0.3*	*-0.2*	
Total Residential Permits (# of units YTD, NSA)	8,351	9,777	11,274	13,037	15,331	17,115	18,633	20,297	2.6
% change yr ago	*20.1*	*9.7*	*1.1*	*1.4*	*5.5*	*1.2*	*-0.4*	*2.6*	
Single-family, (# of units YTD, NSA)	4,250	5,256	6,101	6,964	7,777	8,558	9,164	9,585	-15.8
% change yr ago	*-4.2*	*-3.6*	*-4.8*	*-8.4*	*-10.2*	*-9.9*	*-12.3*	*-15.8*	
Multifamily, (# of units YTD, NSA)	4,101	4,521	5,173	6,073	7,554	8,557	9,469	10,712	27.4
% change yr ago	*62.9*	*30.6*	*9.0*	*15.6*	*28.7*	*15.3*	*14.6*	*27.4*	
5 +, (# of units YTD, NSA)	3,543	3,838	4,435	5,222	6,567	7,422	8,275	9,468	31.4
% change yr ago	*68.2*	*32.4*	*8.2*	*15.3*	*31.2*	*16.5*	*16.4*	*31.4*	
									Most recent
									% change yr ago
Avg Hrly Earnings: Mfg, ($ per hr, SA)	23.83	24.04	24.33	24.24	24.39	24.31	24.74	24.44	7.8
% change	*1.6*	*0.9*	*1.2*	*-0.4*	*0.6*	*-0.3*	*1.7*	*-1.2*	

Illinois
Recent Quarterly Performance

	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	Most recent % change yr ago
Gross State Product (Ch. 2009$ mil, SAAR)	767,548.8	777,898.6	780,279.4	794,516.3	799,253.0	794,219.2	798,475.5	na	2.3
% change	*2.8*	*1.3*	*0.3*	*1.8*	*0.6*	*-0.6*	*0.5*	*na*	
Establishment Employment (Ths, SA)									
Total Employment	5,724.9	5,771.9	5,832.2	5,918.9	5,973.5	6,014.0	6,071.8	6,097.7	3.0
% change	*0.9*	*0.8*	*1.0*	*1.5*	*0.9*	*0.7*	*1.0*	*0.4*	
Natural Resources & Mining	6.5	6.6	6.6	6.6	6.6	6.5	6.5	6.5	-1.5
% change	*0.0*	*2.6*	*-1.0*	*1.0*	*0.0*	*-2.0*	*0.0*	*0.5*	
Construction	219.1	222.3	222.4	226.3	221.6	227.7	231.9	237.0	4.7
% change	*0.8*	*1.5*	*0.0*	*1.8*	*-2.0*	*2.8*	*1.8*	*2.2*	
Manufacturing	553.6	551.3	553.8	556.7	564.4	572.1	577.1	577.7	3.8
% change	*0.3*	*-0.4*	*0.5*	*0.5*	*1.4*	*1.4*	*0.9*	*0.1*	
Trade, Transportation, & Utilities	1,179.6	1,173.9	1,179.7	1,199.4	1,218.2	1,216.5	1,229.8	1,232.8	2.8
% change	*0.4*	*-0.5*	*0.5*	*1.7*	*1.6*	*-0.1*	*1.1*	*0.2*	
Retail Trade	575.4	571.9	572.9	577.9	588.0	583.8	588.5	588.2	1.8
% change	*0.4*	*-0.6*	*0.2*	*0.9*	*1.7*	*-0.7*	*0.8*	*-0.0*	
Wholesale Trade	280.0	280.6	281.5	286.1	285.9	285.6	290.9	294.6	3.0
% change	*0.5*	*0.2*	*0.3*	*1.6*	*-0.1*	*-0.1*	*1.9*	*1.3*	
Transportation & Utilities	324.2	321.4	325.3	335.3	344.3	347.1	350.4	350.0	4.4
% change	*0.4*	*-0.9*	*1.2*	*3.1*	*2.7*	*0.8*	*0.9*	*-0.1*	
Information Services	86.7	88.2	89.7	89.1	91.3	93.1	93.4	92.4	3.6
% change	*1.0*	*1.7*	*1.7*	*-0.6*	*2.5*	*1.9*	*0.3*	*-1.1*	
Financial Services	406.7	406.0	405.8	408.8	407.7	407.0	409.2	411.3	0.6
% change	*-0.0*	*-0.2*	*-0.1*	*0.7*	*-0.3*	*-0.2*	*0.5*	*0.5*	
Professional & Business Services	916.9	917.2	919.0	943.4	967.5	962.8	971.5	975.5	3.4
% change	*2.3*	*0.0*	*0.2*	*2.7*	*2.6*	*-0.5*	*0.9*	*0.4*	
Education & Health Services	902.3	905.0	906.8	907.0	907.4	916.3	921.2	931.3	2.7
% change	*0.7*	*0.3*	*0.2*	*0.0*	*0.1*	*1.0*	*0.5*	*1.1*	
Leisure & Hospitality Services	449.0	489.5	526.7	545.7	552.2	573.1	584.1	588.6	7.8
% change	*2.7*	*9.0*	*7.6*	*3.6*	*1.2*	*3.8*	*1.9*	*0.8*	
Other Services	235.7	236.5	237.6	244.2	245.0	245.8	247.2	250.4	2.6
% change	*0.8*	*0.4*	*0.4*	*2.8*	*0.3*	*0.3*	*0.6*	*1.3*	
Government	768.9	775.4	784.2	791.6	791.3	792.9	799.9	794.3	0.3
% change	*-0.1*	*0.9*	*1.1*	*0.9*	*-0.0*	*0.2*	*0.9*	*-0.7*	
									1-yr change
Unemployment Rate (%, SA)	6.9	6.5	5.9	5.2	4.8	4.6	4.5	4.7	-0.5
									Most recent
									% change yr ago
Labor force (ths)	6,281.5	6,310.3	6,328.7	6,341.5	6,404.0	6,458.8	6,455.0	6,424.4	1.3
% change	*0.0*	*0.5*	*0.3*	*0.2*	*1.0*	*0.9*	*-0.1*	*-0.5*	
Number of unemployed (ths)	433.9	411.9	374.0	328.1	308.4	294.8	289.2	301.5	-8.1
% change	*-11.3*	*-5.1*	*-9.2*	*-12.3*	*-6.0*	*-4.4*	*-1.9*	*4.3*	
Number of employed (ths)	5,847.6	5,898.4	5,954.7	6,013.4	6,095.6	6,164.0	6,165.8	6,122.9	1.8
% change	*1.0*	*0.9*	*1.0*	*1.0*	*1.4*	*1.1*	*0.0*	*-0.7*	
Total Residential Permits (# of units YTD, NSA)	3,612	8,914	14,526	19,792	4,605	9,777	15,331	20,297	2.6
% change yr ago	*-15.9*	*6.7*	*10.0*	*11.0*	*27.5*	*9.7*	*5.5*	*2.6*	
Single-family, (# of units YTD, NSA)	2,323	5,452	8,656	11,383	2,492	5,256	7,777	9,585	-15.8
% change yr ago	*32.0*	*32.9*	*20.8*	*17.1*	*7.3*	*-3.6*	*-10.2*	*-15.8*	
Multifamily, (# of units YTD, NSA)	1,289	3,462	5,870	8,409	2,113	4,521	7,554	10,712	27.4
% change yr ago	*-49.2*	*-18.5*	*-2.9*	*3.7*	*63.9*	*30.6*	*28.7*	*27.4*	
5 +, (# of units YTD, NSA)	1,094	2,898	5,006	7,206	1,827	3,838	6,567	9,468	31.4
% change yr ago	*-54.0*	*-24.5*	*-5.9*	*-0.2*	*67.0*	*32.4*	*31.2*	*31.4*	

Illinois
Recent Quarterly Performance

	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	Most recent % change yr ago
Existing Single-Family Home Sales (ths, SAAR)	239.9	234.5	238.5	229.1	196.4	218.1	189.1	na	-20.7
% change	*-5.2*	*-2.2*	*1.7*	*-4.0*	*-14.2*	*11.0*	*-13.3*	*na*	
Home Price Index (1980Q1=100, NSA)	371.5	385.3	398.4	409.8	422.4	445.8	450.5	na	13.1
% change	*1.5*	*3.7*	*3.4*	*2.9*	*3.1*	*5.5*	*1.1*	*na*	
Median Existing Home Sales Price (ths, SA)	264.8	270.8	273.9	277.2	283.4	289.2	285.1	na	4.1
% change	*3.4*	*2.3*	*1.1*	*1.2*	*2.3*	*2.0*	*-1.4*	*na*	
Personal Income ($ mil, SAAR)	885,263	838,094	841,401	843,570	852,648	858,799	867,026	na	3.0
% change	11.4	-5.3	0.4	0.3	1.1	0.7	1.0	na	
Wages & Salaries ($ mil)	410,105	418,294	427,994	446,671	455,719	457,652	464,726	na	8.6
% change	*1.5*	*2.0*	*2.3*	*4.4*	*2.0*	*0.4*	*1.5*	*na*	
Nonwage Income ($ mil)	475,158	419,800	413,408	396,899	396,929	401,147	402,300	na	-2.7
% change	*21.7*	*-11.7*	*-1.5*	*-4.0*	*0.0*	*1.1*	*0.3*	*na*	
Avg Hrly Earnings: Mfg ($ per hr, SA)	22.25	22.38	22.82	22.69	23.19	23.77	24.32	24.50	8.0
% change	*0.2*	*0.6*	*2.0*	*-0.6*	*2.2*	*2.5*	*2.3*	*0.7*	
Personal Bankruptcies (# 3-mo Ending, SAAR)	22,507	21,143	18,771	18,957	19,065	19,729	21,994	20,308	7.1

Illinois
Recent Annual Performance

	2015	2016	2017	2018	2019	2020	2021	2022	5-yr Avg Annual % change
Gross State Product (Ch. 2009$ mil, SAAR)	751,755.0	749,333.5	753,027.0	771,695.6	775,998.1	734,385.1	780,060.8	na	0.8
% change	*1.4*	*-0.3*	*0.5*	*2.5*	*0.6*	*-5.4*	*6.2*	*na*	
Establishment Employment (Ths, SA)									
Total Employment	5,964.2	6,012.3	6,056.1	6,102.5	6,125.3	5,697.5	5,812.0	6,039.2	-0.1
% change	*1.5*	*0.8*	*0.7*	*0.8*	*0.4*	*-7.0*	*2.0*	*3.9*	
Natural Resources & Mining	9.3	8.1	7.8	7.9	8.2	6.8	6.6	6.5	-3.5
% change	*-6.0*	*-13.4*	*-3.3*	*0.6*	*4.6*	*-17.1*	*-3.5*	*-0.5*	
Construction	213.4	218.5	220.4	226.2	228.4	216.5	222.5	229.6	0.8
% change	*5.7*	*2.4*	*0.9*	*2.6*	*0.9*	*-5.2*	*2.8*	*3.2*	
Manufacturing	582.0	575.1	576.0	587.2	586.1	555.0	553.8	572.8	-0.1
% change	*0.3*	*-1.2*	*0.2*	*1.9*	*-0.2*	*-5.3*	*-0.2*	*3.4*	
Trade, Transportation, & Utilities	1,198.6	1,208.5	1,210.8	1,211.8	1,205.9	1,157.8	1,183.1	1,224.3	0.2
% change	*1.8*	*0.8*	*0.2*	*0.1*	*-0.5*	*-4.0*	*2.2*	*3.5*	
Retail Trade	616.6	620.3	613.2	601.4	587.0	555.4	574.5	587.2	-0.4
% change	*1.7*	*0.6*	*-1.1*	*-1.9*	*-2.4*	*-5.4*	*3.4*	*2.2*	
Wholesale Trade	296.7	294.2	294.7	294.3	294.8	281.2	282.1	289.3	-0.9
% change	*0.3*	*-0.9*	*0.2*	*-0.1*	*0.2*	*-4.6*	*0.3*	*2.6*	
Transportation & Utilities	285.3	294.1	302.9	316.1	324.1	321.2	326.6	347.9	2.8
% change	*3.8*	*3.1*	*3.0*	*4.4*	*2.5*	*-0.9*	*1.7*	*6.5*	
Information Services	100.4	98.5	97.5	94.8	94.9	87.4	88.4	92.6	-1.0
% change	*1.4*	*-1.9*	*-1.0*	*-2.7*	*0.1*	*-7.8*	*1.1*	*4.7*	
Financial Services	382.4	386.7	394.9	402.8	411.3	407.1	406.8	408.8	0.7
% change	*1.2*	*1.1*	*2.1*	*2.0*	*2.1*	*-1.0*	*-0.1*	*0.5*	
Professional & Business Services	921.1	931.5	942.2	948.2	948.8	891.0	924.1	969.3	0.6
% change	*1.3*	*1.1*	*1.2*	*0.6*	*0.1*	*-6.1*	*3.7*	*4.9*	
Education & Health Services	900.3	915.1	923.7	932.2	940.0	896.4	905.2	919.0	-0.1
% change	*1.6*	*1.6*	*0.9*	*0.9*	*0.8*	*-4.6*	*1.0*	*1.5*	
Leisure & Hospitality Services	578.4	597.3	610.6	617.6	623.3	462.2	502.8	574.5	-1.2
% change	*3.6*	*3.3*	*2.2*	*1.1*	*0.9*	*-25.8*	*8.8*	*14.3*	
Other Services	252.1	251.3	252.9	254.3	255.5	234.2	238.5	247.1	-0.5
% change	*-0.1*	*-0.3*	*0.6*	*0.6*	*0.5*	*-8.3*	*1.8*	*3.6*	
Government	826.2	821.7	819.3	819.8	822.9	783.0	780.0	794.6	-0.6
% change	*0.1*	*-0.5*	*-0.3*	*0.1*	*0.4*	*-4.9*	*-0.4*	*1.9*	
									5-yr change
Unemployment Rate (%)	6.0	5.9	5.0	4.4	3.9	9.2	6.1	4.6	-1.5
									5-yr Avg
									Annual % change
Labor force (ths)	6,513.0	6,558.6	6,561.0	6,568.7	6,567.8	6,364.6	6,315.5	6,435.5	-0.4
% change	*-0.0*	*0.7*	*0.0*	*0.1*	*-0.0*	*-3.1*	*-0.8*	*1.9*	
Number of unemployed (ths)	391.3	386.4	324.4	287.4	259.5	585.7	387.0	298.5	-1.7
% change	*-16.3*	*-1.3*	*-16.0*	*-11.4*	*-9.7*	*125.7*	*-33.9*	*-22.9*	
Number of employed (ths)	6,121.7	6,172.2	6,236.6	6,281.3	6,308.3	5,778.9	5,928.5	6,137.1	-0.3
% change	*1.2*	*0.8*	*1.0*	*0.7*	*0.4*	*-8.4*	*2.6*	*3.5*	
									5-yr Avg
Total Residential Permits (# of units)	19,472	22,508	25,313	21,776	20,917	17,831	19,792	20,297	20,123
% change yr ago	*-1.9*	*15.6*	*12.5*	*-14.0*	*-3.9*	*-14.8*	*11.0*	*2.6*	
Single-family	10,551	10,677	10,692	10,225	9,017	9,719	11,383	9,585	9,986
% change yr ago	*2.9*	*1.2*	*0.1*	*-4.4*	*-11.8*	*7.8*	*17.1*	*-15.8*	
Multifamily	8,921	11,831	14,621	11,551	11,900	8,112	8,409	10,712	10,137
% change yr ago	*-7.1*	*32.6*	*23.6*	*-21.0*	*3.0*	*-31.8*	*3.7*	*27.4*	
5 +	8,122	10,954	13,522	10,496	10,683	7,219	7,206	9,468	9,014
% change yr ago	*-8.2*	*34.9*	*23.4*	*-22.4*	*1.8*	*-32.4*	*-0.2*	*31.4*	

Illinois
Recent Annual Performance

	2015	2016	2017	2018	2019	2020	2021	2022	5-yr Avg Annual % change
Existing Single-Family Home Sales (Ths)	217.3	222.2	215.2	211.8	207.1	217.7	235.5	193.4	1.2
% change	*12.3*	*2.3*	*-3.2*	*-1.6*	*-2.2*	*5.1*	*8.2*	-17.9	
Home Price Index (1980Q1=100)	315.0	324.5	332.6	339.8	349.3	359.6	391.2	na	3.8
% change	*3.5*	*3.0*	*2.5*	*2.2*	*2.8*	*2.9*	*8.8*	*na*	
Median Existing Home Sales Price (ths)	182.2	195.5	208.0	215.5	219.7	238.6	271.7	284.6	6.8
% change	*5.8*	*7.3*	*6.4*	*3.6*	*1.9*	*8.6*	*13.9*	4.8	
Personal Income ($ mil)	666,944	673,691	692,896	728,667	750,936	794,460	852,082	na	4.8
% change	*4.4*	*1.0*	*2.9*	*5.2*	*3.1*	*5.8*	*7.3*	*na*	
Wages & Salaries ($ mil)	350,187	356,091	368,131	382,954	394,884	394,756	425,766	na	3.6
% change	*5.1*	*1.7*	*3.4*	*4.0*	*3.1*	*-0.0*	*7.9*	*na*	
Nonwage Income ($ mil)	316,757	317,600	324,765	345,713	356,051	399,704	426,316	na	6.1
% change	*3.7*	*0.3*	*2.3*	*6.5*	*3.0*	*12.3*	*6.7*	*na*	
Avg Hrly Earnings: Mfg. ($ per hr)	19.77	20.25	20.21	21.30	21.89	22.11	22.54	23.94	3.4
% change	*1.4*	*2.4*	*-0.2*	*5.4*	*2.8*	*1.0*	*1.9*	*6.2*	
Personal Bankruptcies	56,104	52,843	50,484	47,249	47,726	30,093	20,344	20,274	-16.7
% change	*-6.8*	*-5.8*	*-4.5*	*-6.4*	*1.0*	*-36.9*	*-32.4*	*-0.3*	
Population (ths)	12,859.6	12,821.7	12,779.9	12,724.7	12,667.0	12,786.6	12,686.5	12,582.0	-0.3
% change	-0.2	-0.3	-0.3	-0.4	-0.5	0.9	-0.8	-0.8	
Age: <5	786.7	779.2	769.8	759.7	745.7	733.9	706.6	na	na
Age: 5-19	2,511.8	2,482.7	2,454.9	2,426.4	2,399.5	2,455.8	2,422.7	na	na
Age: 20-24	898.5	880.4	862.3	844.9	829.5	821.5	815.1	na	na
Age: 25-44	3,443.8	3,423.7	3,413.2	3,404.5	3,395.6	3,424.8	3,393.9	na	na
Age: 45-64	3,374.9	3,363.3	3,339.6	3,299.8	3,254.5	3,288.6	3,231.7	na	na
Age: >65	1,843.9	1,892.5	1,940.1	1,989.3	2,042.3	2,060.6	2,101.5	na	na
Households (ths)	5,051.2	5,087.4	5,107.6	5,114.3	5,113.2	5,044.7	5,031.6	5,056.9	-0.6
% change	0.8	0.7	0.4	0.1	-0.0	-1.3	-0.3	0.5	
Net Migration (ths)	-43.4	-50.0	-52.5	-60.3	-71.1	-73.6	-116.7	na	na

Note: Population data are based on the Census Bureau's 2022 midyear estimates of population.

Illinois
Forecast

	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Employment (ths)	6,039.42	6,109.80	6,133.60	6,161.44	6,164.34	6,163.31	6,163.97	6,164.01	6,158.64
% change	*3.9*	*1.2*	*0.4*	*0.5*	*0.1*	*-0.0*	*0.0*	*0.0*	*-0.1*
Manufacturing	573.2	577.1	579.6	583.4	582.1	578.4	573.8	569.1	563.7
Construction	229.3	231.5	231.8	229.6	226.2	222.7	220.1	216.8	213.2
Prof. and Bus. Serv.	970.0	976.7	979.3	992.1	1,003.3	1,013.7	1,024.7	1,035.1	1,043.9
Edu. and Health Serv.	918.7	936.8	942.8	948.3	949.1	949.5	950.2	951.7	953.2
Leisure and Hospitality	574.8	600.5	609.6	613.0	612.6	612.4	612.7	613.0	613.2
Other Services	247.0	250.6	249.6	249.8	249.5	249.2	249.0	248.8	248.4
Trade, Trans. and Util.	1,224.3	1,234.7	1,239.1	1,244.6	1,242.5	1,238.7	1,234.7	1,231.1	1,226.7
Wholesale	289.3	294.2	293.1	292.4	290.9	289.7	288.3	286.9	285.2
Retail	587.2	589.5	591.8	593.0	589.8	585.8	582.0	578.7	575.2
Trans. and Util.	347.8	350.9	354.2	359.3	361.8	363.2	364.4	365.6	366.3
Financial Activities	409.1	410.5	409.7	409.9	409.2	408.9	408.6	408.2	407.8
Information	92.7	93.1	93.4	93.8	93.7	93.4	93.1	92.9	92.7
Government	794.0	791.6	791.6	789.7	788.8	789.3	790.0	790.2	789.0
Natural Res. and Min.	6.5	6.8	7.2	7.4	7.4	7.3	7.2	7.1	7.0
Unemployment Rate (%)	4.6	4.8	4.7	4.4	4.7	4.8	4.7	4.7	4.7
Personal Income ($ bil)	863.3	892.9	928.7	966.1	1,006.3	1,044.9	1,082.6	1,120.2	1,156.2
% change	*1.3*	*3.4*	*4.0*	*4.0*	*4.2*	*3.8*	*3.6*	*3.5*	*3.2*
Population (ths)	12,582.0	12,532.4	12,481.6	12,423.9	12,371.3	12,317.8	12,258.3	12,194.1	12,127.5
% change	*-0.8*	*-0.4*	*-0.4*	*-0.5*	*-0.4*	*-0.4*	*-0.5*	*-0.5*	*-0.6*
Age: <5	703.3	700.2	702.4	702.2	701.5	699.9	697.2	693.1	688.2
Age: 5-19	2,369.2	2,360.0	2,330.7	2,303.1	2,277.6	2,253.0	2,231.0	2,214.1	2,198.1
Age: 20-24	791.4	788.7	778.9	767.3	760.2	757.5	752.3	741.9	731.5
Age: 25-44	3,372.0	3,359.2	3,342.0	3,317.4	3,294.0	3,266.2	3,238.5	3,212.3	3,182.2
Age: 45-64	3,134.2	3,122.2	3,079.8	3,040.8	3,003.9	2,972.0	2,939.8	2,907.5	2,884.1
Age: >65	2,210.7	2,202.0	2,247.9	2,293.1	2,334.1	2,369.3	2,399.6	2,425.2	2,443.4
Households (ths)	5,051.8	5,037.1	5,030.8	5,022.2	5,011.8	4,997.3	4,982.0	4,967.1	4,952.7
% change	*0.3*	*-0.3*	*-0.1*	*-0.2*	*-0.2*	*-0.3*	*-0.3*	*-0.3*	*-0.3*
Total Residential Permits (#)	19,912.2	26,916.8	28,840.1	29,555.7	29,029.3	27,796.7	26,331.2	24,646.2	23,361.5
% change	*1.3*	*35.2*	*7.2*	*2.5*	*-1.8*	*-4.3*	*-5.3*	*-6.4*	*-5.2*
Single-family permits	9,632.1	11,466.6	12,960.2	15,040.5	15,778.0	15,532.5	14,887.2	13,932.8	13,254.4
Multifamily permits	10,280.1	15,450.3	15,880.0	14,515.2	13,251.3	12,264.2	11,444.1	10,713.4	10,107.1

Note: Population data are based on the Census Bureau’s 2022 midyear estimates of population.

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CONTACT US

For further information contact us at a location below:

U.S./CANADA
+1.866.275.3266

EMEA
+44.20.7772.5454 London
+420.224.222.929 Prague

ASIA/PACIFIC
+852.3551.3077

OTHER LOCATIONS
+1.610.235.5299

Email us: helpeconomy@moodys.com
Or visit us: www.economy.com

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ANALYTICS

COMMISSION OVERVIEW

The Commission on Government Forecasting & Accountability is a bipartisan legislative support service agency responsible for advising the Illinois General Assembly on economic and fiscal policy issues and for providing objective policy research for legislators and legislative staff. The Commission's board is comprised of twelve legislators—split evenly between the House and Senate and between Democrats and Republicans. Effective December 10, 2018, pursuant to P.A. 100-1148 the former Legislative Research Unit was merged into the Commission.

The Commission has three internal units—Revenue, Pensions, and Research, each of which has a staff of analysts and researchers who analyze policy proposals, legislation, state revenues & expenditures, and benefit programs, and who provide research services to members and staff of the General Assembly. The Commission's staff fulfills the statutory obligations set forth in the Commission on Government Forecasting and Accountability Act (25 ILCS 155/), the State Debt Impact Note Act (25 ILCS 65/), the Illinois Pension Code (40 ILCS 5/), the Pension Impact Note Act (25 ILCS 55/), the State Facilities Closure Act (30 ILCS 608/), the State Employees Group Insurance Act of 1971 (5 ILCS 375/), the Public Safety Employee Benefits Act (820 ILCS 320/), the Legislative Commission Reorganization Act of 1984 (25 ILCS 130/), and the Reports to the Commission on Government Forecasting and Accountability Act (25 ILCS 110/).

- The **Revenue Unit** issues an annual revenue estimate, reports monthly on the state's financial and economic condition, and prepares bill analyses and debt impact notes on proposed legislation having a financial impact on the State. The Unit publishes a number of statutorily mandated reports, as well as on-demand reports, including the *Monthly Briefing* newsletter and annually, the *Budget Summary*, *Capital Plan Analysis*, *Illinois Economic Forecast Report*, *Wagering in Illinois Update*, and *Liabilities of the State Employees' Group Insurance Program*, among others. The Unit's staff also fulfills the agency's obligations set forth in the State Facilities Closure Act.
- The **Pension Unit** prepares pension impact notes on proposed pension legislation and publishes several statutorily mandated reports including the *Financial Condition of the Illinois State Retirement Systems*, the *Financial Condition of Illinois Public Pension Systems* and the *Fiscal Analysis of the Downstate Police & Fire Pension Funds in Illinois*. The Unit's staff also fulfills the statutory responsibilities set forth in the Public Safety Employee Benefits Act.
- The **Research Unit** primarily performs research and provides information as may be requested by members of the General Assembly or legislative staffs. Additionally, the Unit maintains a research library and, per statute, collects information concerning state government and the general welfare of the state, examines the effects of constitutional provisions and previously enacted statutes, and considers public policy issues and questions of state-wide interest. Additionally, the Unit publishes *First Reading*, a quarterly newsletter which includes abstracts of annual reports or special studies from other state agencies, the *Illinois Tax Handbook for Legislators*, *Federal Funds to State Agencies*, various reports detailing appointments to State Boards and Commissions, the *1970 Illinois Constitution Annotated for Legislators*, the *Roster of Illinois Legislators*, and numerous special topic publications.

Commission on Government
Forecasting & Accountability
802 Stratton Office Building
Springfield, Illinois 62706
Phone: 217.782.5322
Fax: 217.782.3513
http://cgfa.ilga.gov