STATE OF ILLINOIS ECONOMIC FORECAST

FEBRUARY 2025

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State of Illinois Forecast Report

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

SUMMARY

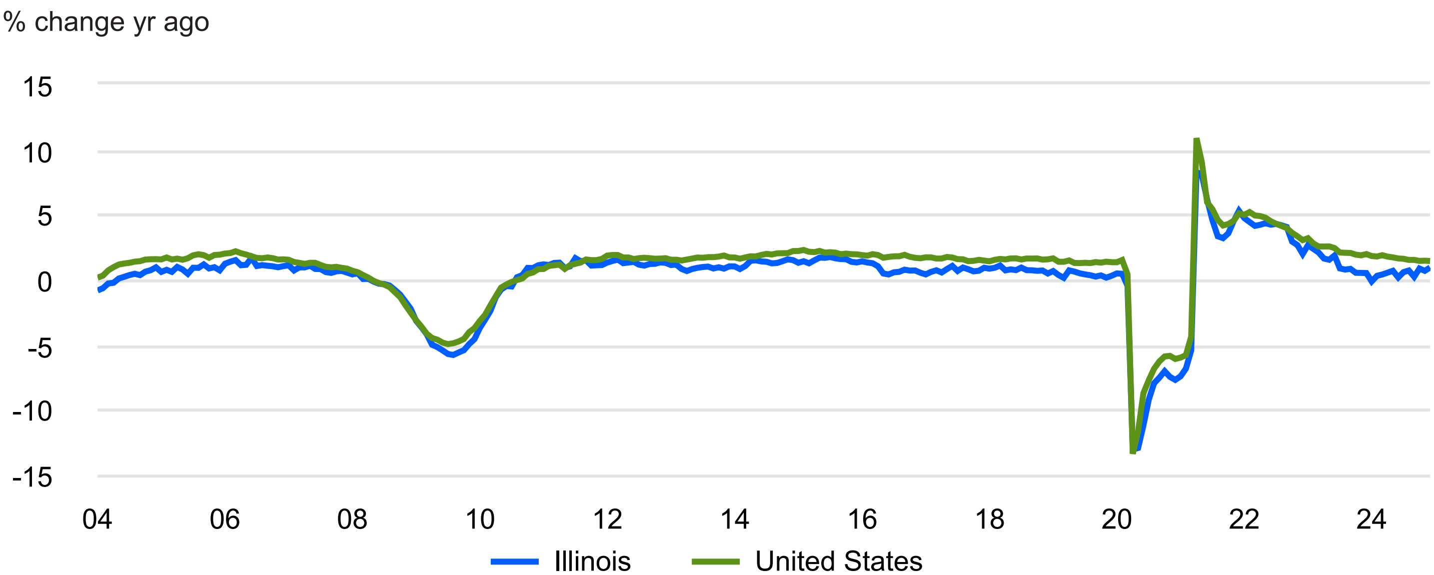
Illinois' economy strengthened moderately in 2024, allowing the job market to surpass its pre-pandemic level of employment. The pace of job and income growth has slowed further behind the below-average midwestern pace. As it has nationally, the breadth of job creation across industries has narrowed. Strengthening in healthcare, government and leisure/hospitality has kept the economy moving in the right direction despite weakness elsewhere. Professional/business services and finance are in the doldrums, and most other major industries—including manufacturing and transportation/warehousing—have flattened. Illinois' unemployment rate averaged 5.3% in the fourth quarter, compared with 4.1% in the region and the nation. Joblessness increased partly for an encouraging reason, as the state's labor force grew at a strong and steady pace.

Illinois will underperform the region and the U.S. in 2025, with gross state product, employment, and income increasing less than elsewhere. Turbulence in major industry drivers such as professional/business services, finance and manufacturing will dissipate, and job growth will proceed at around the same pace as it did a year earlier. Growth in the labor force will diminish. The likelihood of a misstep by the Federal Reserve continues to decrease, but President Trump's economic policies introduce a great deal of uncertainty to the outlook. 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. Below-average 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 strengthened moderately in 2024. Some labor market metrics improved, but the state's performance has been weaker than the nation's. 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 2023 to the fourth quarter of 2024 was 0.8%, which was slower than the Midwest's 1.2% and the nation's 1.4%. Of states in the Midwest, Illinois was ahead of Wisconsin, Iowa and South Dakota in year-over-year job growth but behind its other neighbors. Payroll employment has risen above the pre-pandemic peak. At the end of the year, employment was 0.4% higher than in the last quarter of 2019 versus 2% higher in the Midwest and 5% higher in the U.S. All other midwestern states are ahead of Illinois in this measure. Looking beyond the region, Illinois is ahead of only Vermont, Maryland, Louisiana, Hawaii and Washington DC.

Chart 1: Employment Growth



Sources: BLS, Moody's Analytics

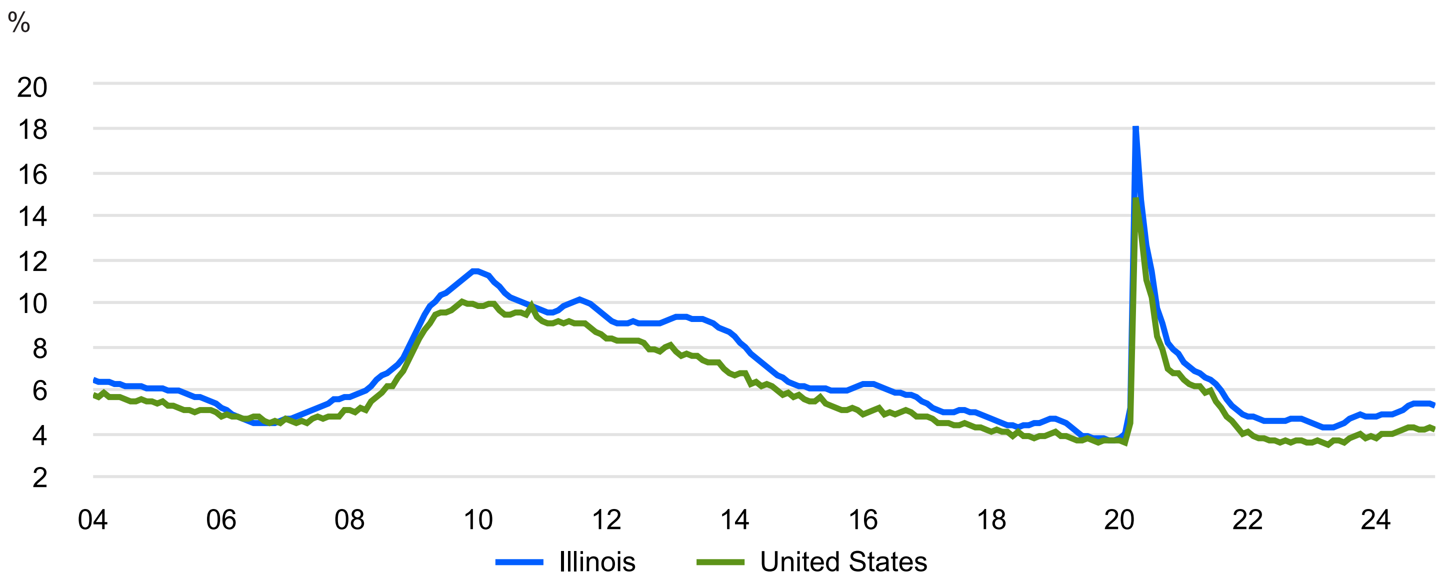
The household survey of employment suggests that labor demand has weakened. As shown in Chart 2, Illinois' unemployment rate and the national unemployment rate have increased in the last year. Illinois' unemployment rate averaged 5.3% in the fourth quarter, compared with 4.1% in the region and the nation. On the bright side, the rise in Illinois' jobless rate can be partially attributed to sustained growth in the labor force, which is approaching its pre-pandemic size. The Midwest's labor force and the U.S.'s labor force have risen to new highs in the past year.

The Job Openings and Labor Turnover Survey provides another view of the state's labor market, confirming the cooling demand for labor underway. The job openings rate—an important measure of job market tightness—still exceeds pre-pandemic norms, but it is falling fast. The rates of hiring, quits and layoffs are back to where they were in the few years preceding the pandemic. The low level of quits and layoffs necessitates less hiring—and as hiring slows, workers have less incentive to quit their jobs because there are fewer available opportunities.

The breadth of job creation across industries has narrowed, which is consistent with the national picture. Strengthening in healthcare, government and leisure/hospitality has kept the job market afloat amid weakness elsewhere. Professional/business services and finance are in the doldrums, and most other major industries—including manufacturing and transportation/warehousing—have flattened. High-wage industries are underperforming their national counterparts by a much wider margin than mid- and low-wage industries. This has kept the state's average hourly earnings below those of the U.S. for the past two years, though Illinois' earnings are increasing. Table 1 depicts annualized job growth by industry on a short- and long-term basis.

Chicago's economy is trailing its large peers and the U.S. overall. Payroll employment has been relatively flat for the past year and a half. Finance and professional/business services are losing jobs, and employment in most other industries has been stable at best. Manufacturing and logistics payrolls are slowly trending higher. Healthcare remains the primary job creator, but

Chart 2: Unemployment Rate



Sources: BLS, Moody's Analytics

Table 1: Illinois Employment, Recent Performance

Dec 2024

	Annualized growth rate				
	3-mo	6-mo	12-mo	5-yr	10-yr
Total	0.8	0.4	0.9	0.1	0.4
Construction	-3.5	-0.8	-0.3	0.3	1.0
Manufacturing	-1.2	-1.4	-1.2	-0.2	-0.2
Wholesale Trade	-4.4	-3.1	-1.1	0.3	0.0
Retail Trade	0.5	0.5	0.9	-0.1	-0.5
Transportation and Utilities	-2.3	0.0	0.5	1.2	2.3
Information	9.8	4.3	2.4	-0.9	-1.0
Financial Activities	2.2	0.3	-1.0	-0.9	0.4
Professional and Business Services	-1.4	-3.1	-1.7	-0.8	-0.1
Education and Health Services	0.7	2.0	2.7	1.2	1.2
Leisure and Hospitality	4.6	2.6	1.6	-0.8	0.7
Government	4.5	3.2	3.9	0.6	0.3
			%		
Unemployment rate	5.3	5.3	5.1	5.9	5.5

Sources: BLS, Moody's Analytics

growth is softening. Tourism-dependent industries are crawling out of a deep hole and progress has slowed markedly. There are other indications that the labor market has loosened. The expanding labor force is a good sign, as Chicago's labor force growth has lagged the national pace in the previous few years. This has also helped to push the unemployment rate up into the mid-5% range as of December. The employment cost index for Chicago shows wages are growing less than nationally.

The Urbana-Champaign economy is Illinois' top performer, though some data suggest the labor market is not as strong as it looks. Payroll employment growth is ahead of that in the state, region and U.S. year over year. Anchored by the University of Illinois Urbana-Champaign, known as UIUC, state government leads job creation. Most private-sector industries are moving in the right direction. The Quarterly Census of Employment and Wages, a lagged but complete count of jobs, shows that private sector performance has been weaker than it appears in the payroll survey. Specifically, healthcare and construction have worsened since a year earlier. The labor force has risen to new heights, putting some upward pressure on the unemployment rate, which is in the mid-4% range. The pace of residential construction is a touch stronger than in early 2024, though that is not saying much.

The state government is driving progress in Springfield's economy. Healthcare and office-using industries such as financial and professional/business services have been sluggish. The size of the labor force has been roughly the same for the past five years. The housing market is generally following national trends, with year-over-year price appreciation on par with that of the state and U.S.

Bloomington's expansion has slowed. Payrolls have moved sideways during the past year following several years of stronger-than-average growth. Financial and professional/business services have started to recoup jobs lost earlier in the year and before. Improving performance in these higher-paying industries has helped average hourly earnings rebound after plummeting in 2023. However, most major industries have not significantly added to payrolls recently. The labor force has continued to increase, putting some upward pressure on the unemployment rate amid tepid job creation. House price appreciation aligns with the state and U.S. year over year, but new residential construction is weak.

Rockford's economy is showing signs of life. Total employment remains below the pre-pandemic level but jobs have increased since mid-2024 after a two-year pause in growth. Strengthening in healthcare and leisure/hospitality has offset weakening in manufacturing during this time. Transportation/warehousing has struggled to gain momentum. With the local Stellantis plant shuttered since 2023, auto manufacturing and related supply-chain employment have been stuck in the mud. The unemployment rate and the size of the labor force have been relatively stable.

Lake County's economy is sluggish. The labor market has weakened, with employment and the size of the labor force down year over year. The unemployment rate has stabilized at just less than 5%. Payrolls in key manufacturing have been stagnant for the past year, while professional/business services and finance are deteriorating. The housing market is not much better. Single-family price appreciation has cooled and residential construction remains on ice near Great Recession lows. Healthcare is one of the few bright spots as job growth has regained momentum.

Peoria's economy has weakened during the last year. Payroll and household employment has turned down, and job losses have caused the unemployment rate to rise even though the size of the labor force has stagnated. Manufacturing has shed jobs, and most of the rest of the economy is sluggish. Healthcare and construction are the only major industries that have added jobs on net since a year earlier. Persistent weakness in housing starts suggests construction payroll growth has come primarily from the nonresidential side. Single-family house price appreciation has been similar to that in the state and U.S.

The economies of the Quad Cities, Decatur and Danville have had a difficult year. The employment situations in these metro areas are among the worst in the state. Key manufacturing industries and downstream business services have shed jobs, offsetting mild gains in healthcare. John Deere has laid off hundreds of factory workers in the Quad Cities as demand for new farm machinery has fallen amid low crop prices and high borrowing costs. The permanent closure of Danville's Quaker Oats factory has resulted in hundreds of lost jobs. Unemployment rates have risen despite shrinking labor forces. Housing markets are also underperforming. House price appreciation has been in line with that of the state and U.S., but that is partly a result of a lack of new-home construction. On the upside, the QCEW data suggest Danville leisure/hospitality performed much better last year than the payroll survey indicated. Industry employment has jumped since the opening of the Golden Nugget Casino.

The farm economy faces significant challenges. As they are nationally, Illinois' farm incomes have retreated from their record highs in 2022, hitting a four-year low in late 2024. Expenses remain elevated, and farmers have also had to contend with high lending costs in recent years, limiting their expansion opportunities. Farmers cultivating key crops such as corn and soybeans are receiving lower prices partly because of overproduction, a strong U.S. dollar, and intensifying foreign competition.

NEAR-TERM OUTLOOK

Illinois' economy will underperform the U.S. and the slow-growing Midwest. The 0.5% increase in employment from the fourth quarter of 2024 to the fourth quarter of 2025 will be slightly below that of the region (0.6%) and weaker than the nation's (0.8%). By the end of the year, Illinois' unemployment rate will clock in around 4.9%, higher than the Midwest's 4.3% rate and the U.S.'s 4.1%. The decrease in the jobless rate is underpinned by an expectation that labor force growth fades. Michigan is the only Midwest state expected to end 2025 with a higher jobless rate, at 5.2%. Unemployment rates in large peers New York and California are poised to hit 4.4% and 4.9%, respectively.

With healthcare and leisure/hospitality growth slowing, strengthening in financial and professional/business services will be needed to move the economy forward. Compared with five years ago, Illinois has fewer finance jobs and about the same number of professional and technical service and management jobs, meaning it has not kept up with its large state peers or the U.S. The Federal Reserve's gradual interest rate cuts will boost equity markets and tech investment, but a turnaround will take time and job creation will be slower than it is nationally. Incomes will follow a similar path, as professional services and banking are major sources of high-wage employment.

There are crosswinds for manufacturing, which is poised to be relatively stable in the near term. U.S. reshoring efforts are encouraging, but heightened economic uncertainty, particularly in trade policy, will give manufacturers pause about growing payrolls. President Trump has promised across-the-board tariffs, and while the final import taxes are not yet known, the uncertainty will lead factories to hold off on new investments. Factory hubs in Illinois have a lot at stake, given their reliance on manufacturing and above-average exposure to foreign trade. Prospects for higher tariffs on foreign durable goods such as steel and heavy machinery could benefit the economy, as local producers will have a newfound competitive edge in U.S. markets. However, retaliation from trade partners could mitigate these effects since these metro areas are highly export-dependent. Fewer shipments would weigh on industrial production and reduce the need for factory labor.

The state and local governments will lend less support to Illinois' job market in the near term. Payrolls have surpassed their pre-pandemic size, but further strengthening is unlikely. Rapid post-pandemic state and local revenue growth has given way to weakening during the past several quarters.

Chicago's economy will make slow progress in 2025. A rebound in key white-collar drivers will be critical to the economy's success. Consumer-driven industries will be a mixed bag. Though growth in recreation spending will slow in the coming year, it will be strong enough to fuel modest job gains in visitor-dependent industries. Residents' spending will be a weaker driver of growth. Below-average population trends will weigh on consumer demand and the strength of job and income gains. Wage growth for private workers has slowed more in Chicago than nationally, and the underperformance in job growth will be most pronounced on the higher end of the pay scale. Put them together, and spending growth will be below average. Retail will be stable at best, and locals will contribute modestly to leisure/hospitality growth.

Transportation/warehousing will be a pillar of strength. Though logistics job growth has slowed in the past couple of years, demand for industrial and warehousing space remains strong. Steady demand for logistics services and the area's presence in e-commerce ensure bright prospects for transportation/warehousing for years to come.

Lake County's economy will grow in line with the state by the end of this year as manufacturing rights itself and the drag from professional/business services and finance diminishes. The flow of credit will pick up and investors will grow more optimistic, adding fuel to the nascent capital market recovery. Capital One's plan to buy Lake County-based Discover Financial Services creates uncertainty about whether Discover will remain a key job provider or face significant layoffs related to the $35 billion deal. Fortunately, the composition of the tech sector will offer some protection against tech layoffs. The majority of high-tech jobs are in pharmaceutical and medical device production rather than IT services. Lake County boasts one of the highest shares of such manufacturing jobs in the country. Though net hiring will be minimal in the near term, manufacturing employment has a relatively favorable outlook. The factory sector's tilt toward goods that cater to domestic buyers gives Lake County an edge over the Midwest's export-dependent manufacturing centers, and the aging U.S. population will uphold demand for pharmaceuticals and medical equipment.

Of the metro areas in the state, Bloomington and Springfield will add jobs at the fastest pace during the next year. Urbana-Champaign will also extend its outperformance. Healthcare will remain a stable contributor to job gains as growth outpaces the state average this year. Healthcare is extremely important to Springfield's performance because the industry employs about one in four private-sector workers—well above the state and national averages—and it offers good salaries. Outpatient care centers will do all the heavy lifting, whereas struggling hospitals and residential care centers will contribute few new jobs. Springfield's outlook is also closely tethered to state government, which will face tighter fiscal conditions as a slower economy weighs on revenue growth.

The expansion of electric vehicle maker Rivian will help Bloomington's economy outpace the state, but sluggish gains in financial services and the state government will keep growth from exceeding the national pace. Growth at Rivian will preserve manufacturing job gains and strengthen demand in other industries. Thanks in part to an incentive package from the state, Rivian has decided to produce R2 SUVs at its Bloomington facility rather than in Georgia as initially planned. This expansion is expected to boost higher-paying jobs during the next few years and should help cement the metro area's status as an EV hub. Further, if Rivian draws other large investment projects to Bloomington, growth will rise above the baseline projection.

Bloomington's battered finance industry will be steady at best. The presence of State Farm's headquarters makes the metro area more dependent on financial services than any other in the country. The industrywide rise in home and auto insurance rates due to the increasing cost and frequency of claims will strain customer retention for all providers, including State Farm. The company could face underwriting losses if higher rates deter potential customers. Overall, as State Farm navigates these issues and growing competition, a meaningful increase in finance jobs will not materialize in the coming quarters.

Urbana-Champaign's economy will maintain its lead over its peers in Illinois, but it will lag the nation. UIUC will fuel the metro area's economic growth. The school's reputation enables it to attract students as other higher-education institutions struggle to maintain enrollment. In fall 2024, UIUC saw a large increase in freshmen enrollment compared with the previous year. The record-breaking new class brings total student enrollment to an all-time high. One of the school's priorities is hiring and retention to keep up with the growing student body. The increase in state funding for the University of Illinois system in fiscal 2025 lends some upside to the forecast for flat state government employment. UIUC's finances are sound, making it well-positioned for expansion. On the downside, state revenues are softening after the post-pandemic boom. A budget deficit could jeopardize state higher-education funding and lead to belt-tightening at UIUC.

Rockford's economy will maintain momentum in the coming year. Logistics will be essential to the success of the economic rebound. Chicago-Rockford International Airport has been one of the fastest-growing cargo hubs in the U.S. in recent years. Following a drop in 2023, air cargo volume across North America has rebounded thanks to cooling inflation, strong e-commerce demand, and freight disruption in the Red Sea. An improving macroeconomic environment—combined with the metro area's low business costs, abundant land, and proximity to Chicago—positions Rockford as an ideal logistics and storage hub for the nation's third-largest metro division.

Further out, Stellantis plans to reopen the Belvidere plant in 2027 to make the company's next midsize truck. If Stellantis scales back or completely scuttles its Rockford operations in favor of cheaper non-U.S. production, it will deal a severe blow to metro area incomes. Although Stellantis employs only 1,300 in Rockford—a far cry from the 5,000 it employed six years ago—they are among the highest paid in the metro area.

Peoria's economy will be a relatively weak performer. Construction, mining, and U.S. reshoring efforts underpin a favorable outlook for Caterpillar, the core of Peoria's manufacturing. Moderating inflation and gradual interest-rate cuts have eased worries about an economic downturn and will be conducive to increased industrial spending. This will safeguard job levels in heavy equipment manufacturing, though a hiring spree is unlikely. Healthcare will slowly advance. Demand fundamentals for healthcare are strong since the metro area has an older-than-average population, and a sizable share of the workforce is employed in physically demanding factory jobs. Peoria is also a regional healthcare hub that draws patients from nearby areas. The outlook for moderate employment gains hinges on the ability of medical providers to fill open positions, as there is a limited supply of workers.

The Quad Cities and Decatur economies will hold steady in the next year as factories and logistics move sideways, generating little job growth. Loosening monetary policy will ease the burden on durable goods manufacturers, but uncertain fiscal and trade policies in the year ahead will prevent local factories from investing and expanding payrolls. Falling agricultural prices will lift prospects for food manufacturers. 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 quarters, reducing the weight on factory profits.

Danville's economy will fall further behind the nation's in the coming quarters and will be one of Illinois' weakest performers. Manufacturing will face significant headwinds. With no expansions or plans for new food processing plants in the metro area, a near-term turnaround in food manufacturing is unlikely. The metal durables segment faces crosswinds. The metro area produces intermediary goods needed for domestic auto production. As interest rates fall further, there will be a gradual recovery in vehicle demand. Further out, the electrification of automobiles will result in lower demand for traditional internal combustion engine parts, dimming the outlook for crankshaft producer and top employer ThyssenKrupp. Fortunately, the Golden Nugget casino will pave the way for further strengthening in leisure/hospitality.

The challenges that beset the agricultural economy last year are poised to persist into 2025. Bountiful harvests of the state's key crops such as corn and soybeans are expected to keep prices depressed and profit margins squeezed. Given the critical role of immigration and foreign trade in U.S. agriculture, a more aggressive approach to immigration and the resumption of a trade war between the U.S. and major trading partners, particularly China, will benefit direct overseas competitors at the expense of American farmers. This would hinder long-term trade links and reduce access to lucrative foreign markets for the Illinois agriculture industry.

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.

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.

Financial services. Financial services, which employ 6.5% of the state's workforce and 7.3% of Chicago's workforce, compared with 5.8% 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 what is by far the world's largest derivatives exchange.

A large 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 the upside. The insurance industry also has a large footprint in Illinois' economy, especially in Bloomington, where it makes up 16.5% of employment, almost nine times the U.S. average. Insurance will remain a reliable source of jobs and income.

Table 2: Index of Relative Business Costs, 2023

	Labor cost		Tax burden		Energy cost		Overall index	
	Index	Rank	Index	Rank	Index	Rank	Index	Rank
Illinois	100	24	117	46	93	28	101	32
Indiana	94	7	84	11	104	36	96	19
Ohio	93	6	105	38	87	16	93	9
Michigan	106	44	90	20	106	39	105	37
Wisconsin	105	40	93	22	101	35	103	36
Iowa	89	5	100	32	88	17	89	4

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

Tourism. The City of Chicago's status as a popular tourism and business travel destination will be a source of strength. Job growth in the state's tourism-dependent industries such as 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 13% of output in Chicago and 12.5% in Illinois versus 9.4% in the nation. The only other states that are more dependent on this cluster of industries are Alaska, Kentucky, Nebraska 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 has normalized 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. 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.

Business climate. Illinois has what it needs to remain a top business center, if it can solve the 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 38.3% of the state's population age 25 and older has at least a bachelor's degree and 15.5% 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 43.6% holding at least a bachelor's degree and 18.2% 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 higher than they are nationally and have trended up for the past decade. Overall costs are lower than in Michigan, Minnesota and Wisconsin but higher than in Indiana, Iowa, Missouri 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. Energy costs are 5.5% below the U.S. average and on par with the region, but that advantage is diminishing and no longer offsetting the cost of taxes, which are the highest among midwestern states.

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 24 states, Washington DC, and Guam where the recreational use and sale of cannabis is legal. Medical cannabis has been legal in Illinois since 2014.

There is no question that Illinois' cannabis market has performed well. Adult-use cannabis sales in Illinois reached $1.6 billion in 2023, a 5.3% increase over 2022. The rate of sales growth has slowed because of continued pressure on discretionary consumer spending from inflation and partly because of increasing competition from neighboring states. In the Midwest, cannabis is now legal for recreational use in Michigan, Minnesota, Missouri and Ohio. 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.

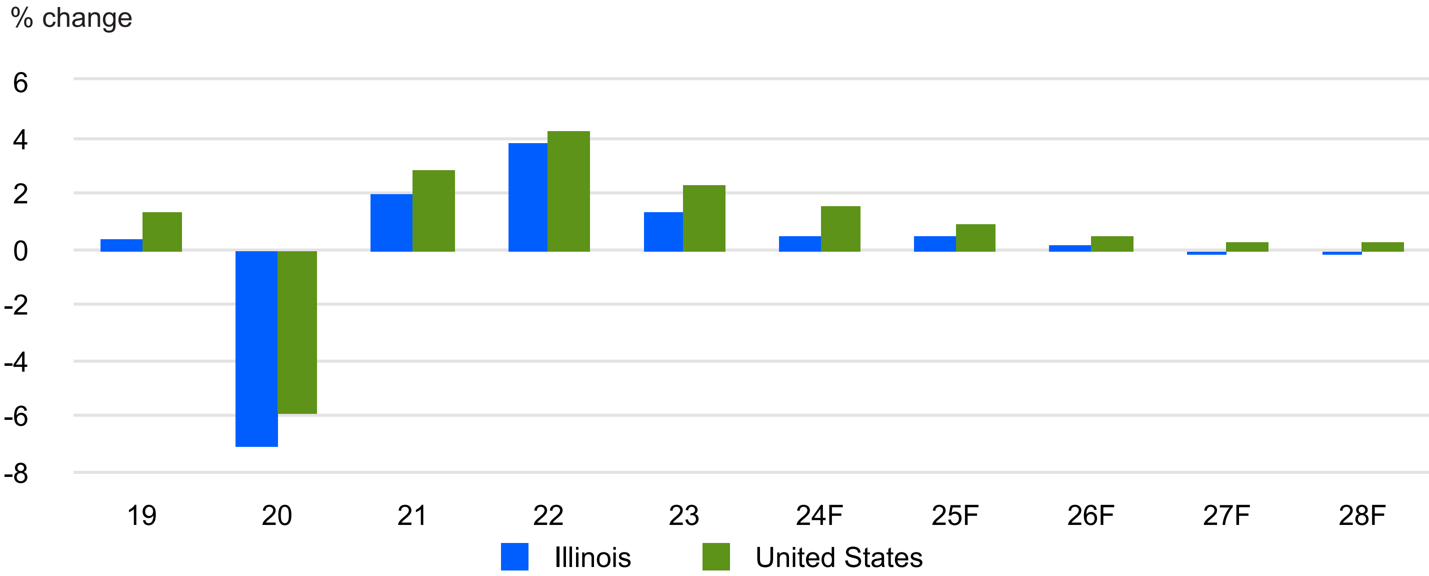
LONG-TERM OUTLOOK: NEGATIVE FACTORS

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 0.1%, below the 0.9% gain for the Midwest and the 2% rise nationally.

The economy emerged from the 2020 recession somewhat altered because the pandemic has accelerated the shift toward working from home, the growth in e-commerce, and the consolidation of higher education. Illinois will underperform the U.S. 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 Bureau of Economic Analysis—will grow more slowly than the nation's gross domestic product. Illinois' real gross state product is projected to increase by an average of 1.3% per year during the next five years, compared with 1.6% in the Midwest and 2.1% in the U.S.

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 9.4%, is only somewhat

Chart 3: Long-Term Outlook: Employment



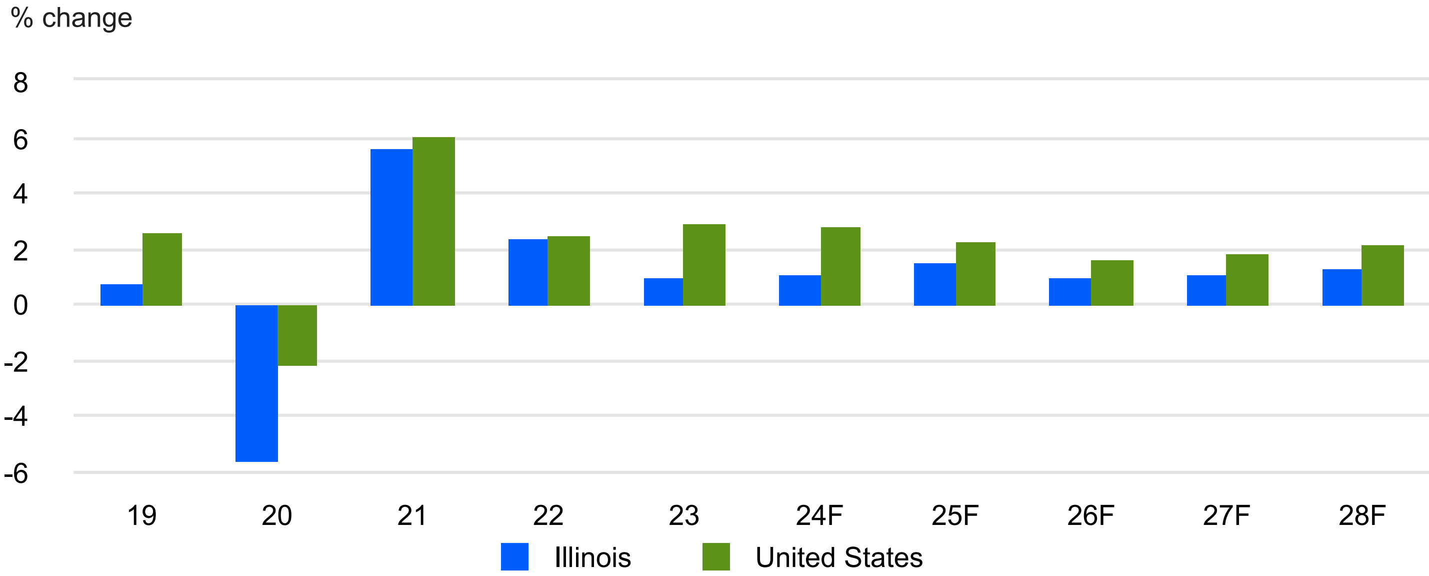
Sources: BLS, Moody's Analytics

higher than the national average of 8.2%, the share outside Chicago is higher at 12.6%. Illinois' largest manufacturing industries, in order of number of jobs in 2024, are food processing, fabricated metals, machinery, transportation equipment and chemicals. Together, these industries account for about 61% of all manufacturing jobs, compared with 55% 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. Higher education has typically been insulated from the whims of the business cycle—and sometimes even been the beneficiary of economic downturns as people pursue education when the job market is weak. However, 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.

Chart 4: Long-Term Outlook: Real Gross Product



Sources: BEA, Moody's Analytics

Institutions in Illinois are generally well positioned. The most vulnerable institutions are small, nonelite private schools with poor finances, small endowments and retention issues, as well as 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 weakening more rapidly.

Agriculture. The outlook for Illinois' large agricultural industry has dimmed. Illinois farmers have strong competition from foreign agricultural powerhouses, and the uncertainty surrounding U.S. trade policies risks disrupting established agricultural trade networks. Given the critical role of foreign trade in U.S. agriculture, the resumption of a trade war between the U.S. and major trading partners, particularly China, will benefit direct overseas competitors at the expense of Illinois farmers. Since supply chains can be sticky, U.S. trading partners may pivot toward alternative buyers permanently, resulting in a long-term loss of market share and complicating Illinois farmers' access to crucial foreign markets.

Business climate. Illinois, and Chicago in particular, is an appealing location for corporate headquarters and for companies that need highly skilled workers and are willing to pay for top talent. Despite Illinois' advantages, however, there are factors that threaten to discourage firms from locating to or remaining in the state. The state's outlook is tarnished primarily by its past budget woes, weak population trends, and high tax burden relative to other states. Overall business costs are only slightly higher than in the U.S., but firms in Illinois tend to pay more in taxes and labor is on the expensive side. 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.

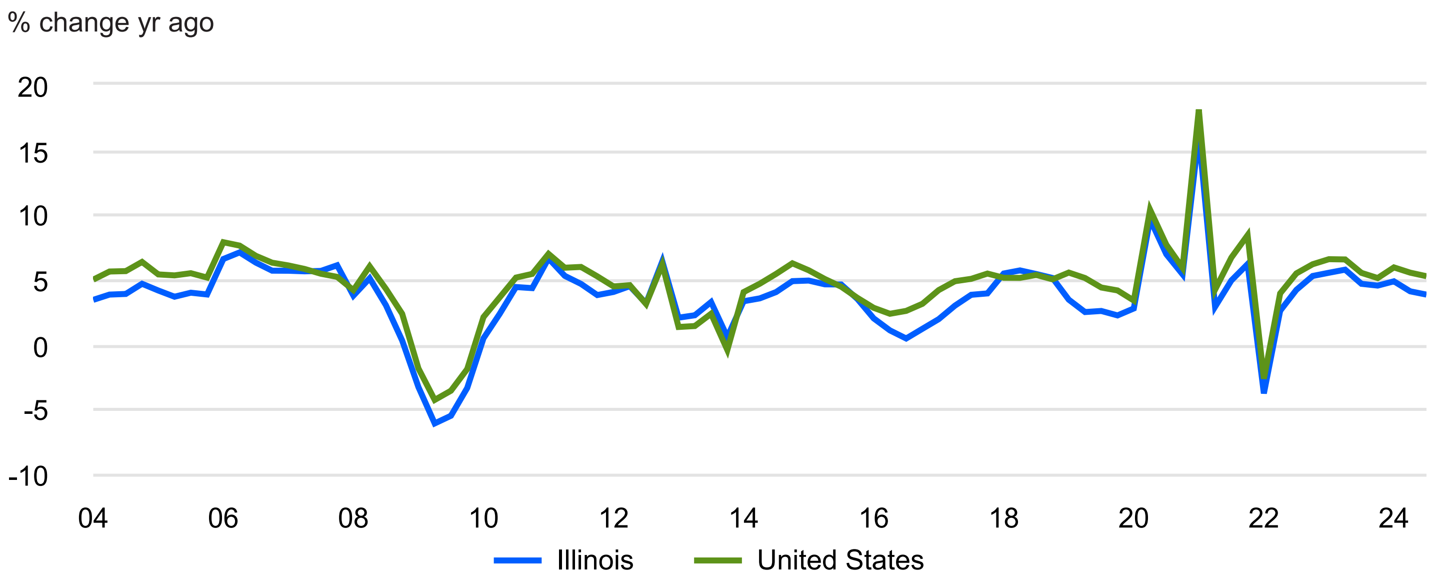
Right-to-work laws' impact on economic growth is ambiguous. The lack of clarity is mainly because of the fact that union strength is just one factor businesses look at when deciding whether to set up shop or relocate. Energy and other costs also matter, as do a slew of other factors including talent, 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 Bureau of Economic Analysis. Total personal income increased 3.5% per year on average over the course of the expansion that ended in 2019, less than the 3.7% regional average and 4.3% national average. Third-quarter 2024 personal income was up 3.8% year over year in Illinois, compared with 4.2% in the Midwest and 5.2% in the U.S. Illinois' wage and salary performance was below the Midwest and U.S. averages. Wage and salary income, the most important source of income, rose 4.2% from the third quarter of 2023 to the third quarter of 2024, compared with a 4.5% gain in the region and a 5.4% increase nationally.

Income growth will moderate further in the coming quarters, mirroring the contours of the labor market, which will continue to loosen gradually. Consequently, earnings growth will cool, though it will remain fundamentally healthy near the average pace in the decade leading up to the pandemic. Overall, fundamentals appear strong enough to support continued spending growth in 2025, but likely at a somewhat weaker pace than last year as lower inflation struggles to offset weakening job growth, less support from balance sheets, high interest rates, and waning spending from excess savings. Spending will provide a floor under economic growth, but 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 2024 to the third quarter of 2025, Illinois personal income will increase about 4.4%, compared with 4.5% in the region and 4.8% in the nation.

Chart 5: Personal Income



Sources: BEA, Moody's Analytics

BALANCE SHEETS

The story of consumer credit in 2024 was defined by several factors: inflation pressures and the associated elevation in interest rates, tightening lending standards, and a normalization of performance. Credit conditions continue to grow more restrictive, though the overall pace of tightening is slowing. The tightening cycle reflects credit performance across segments, with delinquency rates still trending upward, though at a decelerating pace.

Total consumer credit balances have stopped growing in Illinois since early 2023. Higher interest rates increased the cost of funds, weighing on debt demand from households and businesses. Every consumer credit product experienced softer gains in 2024 relative to the previous year as households have pulled back on spending and lenders have narrowed the flow of credit. Consumer credit balances in Illinois were nearly unchanged year over year in December, compared with a 1.7% increase in the U.S. Growth would be stronger if not for the drag from the student loan category. Balances for bankcards, autos, first mortgages, and home equity loans are still growing, albeit slowly. The picture for student loans is somewhat skewed by federal guidance that has temporarily prevented reporting of late payments to credit bureaus.

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. For Illinois, the total dollar delinquency rate across all consumer credit products grew from 1.8% in the fourth quarter of 2023 to 2.1% in the fourth quarter of 2024, similar to the U.S. The outlook for credit growth is modest in the year ahead. Short-term interest rates will decline along with monetary easing, spurring demand across a range of products, including bankcards, auto loans and mortgages. Regarding performance, the continued strength of the labor market will ensure that most segments either improve or settle near their current levels in 2025. One notable exception is student loans, for which measured performance will normalize swiftly as lenders begin reporting to rating agencies.

Business bankruptcies in Illinois have risen during the past year amid economic and operational challenges due to inflation and rising labor costs. In the third quarter of 2024, the number of business bankruptcies in Illinois increased 29% year over year in Illinois, compared with 33.5% in the Midwest and 33% in the U.S. Personal bankruptcies are increasing, but the pace has decelerated during the past year. New filings were up 11% year over year in the state, 12% in the Midwest, and 15% in the nation. Bankruptcies, delinquencies and default rates will rise in the coming year to levels consistent with or just beyond those in late 2019.

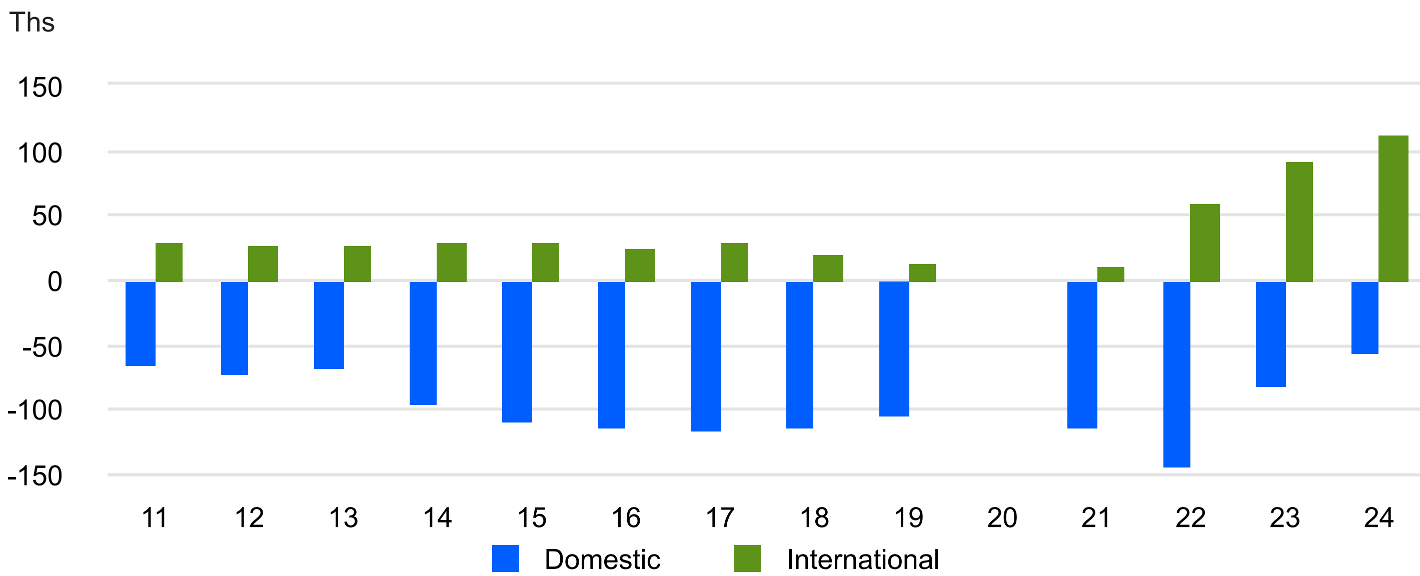
DEMOGRAPHIC TRENDS

Demographic trends will act as a speed limit on economic growth. However, the population has increased in the past couple of years. Moody's Analytics has adopted new historical estimates of foreign immigration and assumptions regarding the immigration forecast. According to recent estimates from the Census Bureau and the Congressional Budget Office, immigration has surged in recent years, with significant implications for the population and economic outlook.

Population estimates for the year ended June 30 are available for states but not metro areas or counties. These figures show that Illinois' population increased 0.5% during that 12-month period following an upwardly revised 0.1% increase in the previous year. A surge in foreign immigration during the Biden-Harris administration drove the increase. The Midwest's population increased 0.6% and the U.S. population rose 1%. Illinois' growth from mid-2023 to mid-2024 was in line with Michigan, Wisconsin and Ohio and stronger than a dozen other states.

Census Bureau migration data show that Illinois experienced positive net migration in 2023 and 2024. Net migration is the difference between in-migration to a place and out-migration from a place during a period. Fourteen years of domestic and international migration data for Illinois are depicted in Chart 6. Historically, 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 domestic changes, and the positive green bars represent in-migrants from other countries. There are no data for

Chart 6: Illinois Net Migration



Sources: Census Bureau, Moody's Analytics

2020 because the Census Bureau does not report net migration figures for decennial census years.

Total net migration in the state was about 11,000 from mid-2022 to mid-2023 and 57,000 in the subsequent year. International in-migration more than offset continued domestic out-migration, or people moving from the state to other parts of the U.S. However, domestic out-migration decelerated during the past two years, reducing the drag on total net migration. 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 Census Bureau's 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 in 2024 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 since 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, some of which are undergoing natural population decline. As a share of the population, Illinois is adding fewer residents naturally than its large peers New York and California.

Despite the recent rapid uptick in immigration, we expect immigration to fall off in the next few years. This will be achieved through a combination of stronger enforcement of existing immigration policies, new immigration

Table 3: Migration Flows

INTO ILLINOIS	NUMBER OF MIGRANTS
Indiana	14,745
California	14,486
Texas	12,786
Florida	12,521
Missouri	12,354
Wisconsin	11,909
Iowa	7,630
Michigan	7,427
New York	6,117
Arizona	5,774
Total in-migration	*176,953*

FROM ILLINOIS	
Florida	31,620
Texas	25,045
Indiana	23,941
Wisconsin	18,232
California	16,642
Missouri	14,196
Tennessee	10,855
Arizona	10,558
Michigan	9,265
Georgia	8,433
Total out-migration	*264,239*
Net migration	**-87,286**

Sources: IRS, Moody's Analytics, 2022

policies, and reduced outflows from countries of origin resulting from the decisions of potential immigrants and actions on the part of those governments. Fewer international arrivals combined with persistently weak natural population growth will cause the state's population to resume its decline. Illinois' population loss 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 will be the only one to increase in the coming years. Fewer working-age adults will make it harder to fill jobs and keep consumer and housing demand afloat. 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 Illinois residents holds 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

Illinois' housing market weakness is most evident in the transaction data, with existing single-family home sales at recessionary lows. At the end of 2024, existing single-family home sales will be around 150,000 units. This is virtually unchanged from the prior year but is a far cry from sales volumes in a healthy, balanced market. For context, sales averaged closer to 200,000 during the decade before the pandemic and dropped to around 140,000 during the depths of the Great Recession. High mortgage rates and associated affordability issues were the primary drivers behind the declining trend. Potential buyers are either priced out of the market or delaying purchases in anticipation of more favorable economic conditions.

The worst of the home sales slump is over as fixed mortgage rates recede. Moody's Analytics expects two 25-basis point rate cuts this year. Rates will remain above what most existing homeowners are paying on their mortgages, but declining rates will encourage some reluctant households to list their properties. House price appreciation has slowed, and as in the U.S., growth will remain tepid in the near term. Although Illinois house prices have rocketed higher during the past few years, they have not risen as much as nationally. Housing affordability has leveled off after declining for a few years, and Illinois retains an affordability edge over the U.S., according to the Moody's Analytics Housing Affordability Index.

Lower rates will cut builders' costs of loans for capital and land development, reducing the cost of construction. This will help lift margins and allow builders to continue offering sales incentives to attract buyers. Additionally, new units will become available as builders work through a large backlog of units under construction, supporting construction payrolls. The expected increase in completions combined with a pessimistic demographic outlook has led builders to hold off on new construction, which is extremely sluggish. The sum of housing starts during the past 12 months was near the lowest in the 40-year series. Any uptick in housing construction will keep the pace of homebuilding within the low range it has been in since the Great Recession.

FORECAST RISKS

The likelihood of a misstep by the Federal Reserve continues to diminish. With the monetary easing cycle set to pause for a period, the likeliest mistake is for policymakers to become spooked by stronger-than-expected labor market data or a hot inflation print. We do not think this type of overreaction will occur. There is a high degree of uncertainty regarding President Trump's economic policies. The worry is that just as inflation is returning to target, higher tariffs and mass deportations will reignite it. Our baseline outlook has the Fed keeping monetary policy unchanged until rate cuts slowly resume in September. By that time, officials should have a reasonably good fix on Trump's policies and their economic fallout.

On tariffs, we assume China will face significantly higher tariffs, as will other countries that have benefited from the diversion of Chinese trade due to the tariffs imposed in Trump's first term. Mexico, Vietnam, and other Southeast Asian nations stand out in this regard. Trump has also called for higher tariffs on countries with which the U.S. runs a larger trade deficit, including Canada, Germany, Japan and Korea. We expect the tariffs to be phased in during the course of 2025 because of logistical and legal impediments, the desire to limit their inflationary impact, and to enhance the U.S.'s negotiating stance. Taken together, we assume that the effective tariff rate across all imported goods will increase from almost 3% to closer to 10% at its peak in late 2025. Before Trump's tariff hikes during his first term, the effective tariff rate was closer to 1%.

American consumers will bear the brunt of the cost of the new round of tariffs via higher prices for imported goods. Research shows that nearly all of the tariff costs in Trump's first term were passed along to consumers. While foreign producers and U.S. distributors and retailers are expected to shoulder more of the burden this time, it is the consumer who will be impacted the most. Countries facing the higher tariffs are expected to respond by imposing their own tariffs on goods coming from the U.S. We expect China to respond tit-for-tat, with some combination of tariffs on U.S. goods, a weaker value of the yuan, and other trade restrictions. Other countries will be more circumspect in their retaliation in an effort to appease the Trump administration and cut a better deal.

If the tariffs imposed in Trump's first term are any guide, they will be messy to implement as exceptions are made for certain products and countries for certain periods because of national security or other business reasons. The uncertainty this creates will cause businesses to rein in their supply chains and other investments, adding to costs, impairing productivity, and further exacerbating inflationary pressures in the longer run. The longer the tariffs remain in place and the more often they change, the greater the potential damage to U.S. companies. Indeed, data show that the tariffs imposed in Trump's first term reduced the stock returns, profitability, sales and employment of the approximately one-half of American publicly traded companies exposed to trade with China.

Illinois has a lot at stake, given its reliance on manufacturing and logistics and its above-average exposure to foreign trade. Rising tariffs would hurt demand and drive input costs much higher, which would strain the state economy, given its above-average reliance on imports. Retaliation from trade partners would sting because manufacturing hubs are highly export-dependent, with about 40% of foreign shipments destined for Canada and Mexico. Fewer international shipments would weigh on business investment, industrial production and job growth.

Beyond the challenges of declining agricultural prices and profits, the onset of new trade conflicts would damage Illinois' farm economy. The U.S. is the world's leading agricultural exporter, and industry exports constitute slightly over one-third of the country's total agricultural production. While U.S. farmers export diverse agricultural products overseas, a select few such as soybeans and corn are key due to their significant share.

China stands out as one of the top importers of U.S. agricultural commodities. Since 2022, U.S. agricultural exports to China have decreased in quantity and revenues. Soybean and corn exports have been particularly hard-hit. Besides a strong U.S. dollar, Chinese diversification amid a worsening trade relationship with the U.S. is partly to blame. Indeed, the world's second-largest economy is purchasing more farm commodities from other countries such as soybeans from Brazil, a key agricultural competitor of the U.S. Should trade tensions intensify, a further decline in exports to China is anticipated in 2025. The U.S. soybean industry, which is heavily dependent on the Chinese market, faces substantial risks if China retaliates against new U.S. trade policies with tariffs. Regionally, a new trade war between the U.S. and China will weigh heavily on several midwestern states such as Illinois, Iowa and Minnesota, where agricultural industries are heavily dependent on exports for their financial well-being.

The imposition of tariffs on imports from Canada, Mexico and China would present significant challenges to the struggling housing market, adding to the direct cost of construction and the cost of capital to either build or purchase a home. Under an extended tariff scenario, the housing market would experience lower sales with relatively flat prices. The most direct effect of tariffs on housing is through the prices paid for construction materials such as lumber and appliances sourced from overseas, which would add to the cost of new construction and upgrades of existing homes. Uncertainty surrounding the magnitude and timing of tariffs would further restrict builders’ ability and willingness to plan new developments or invest in additional capacity.

A less direct channel through which tariffs could affect the housing market is inflation. The pass-through of higher prices to households and businesses resulting from tariffs could push the overall inflation rate up. The higher cost of goods could restrict household balance sheets and decrease the pool of potential homebuyers. Higher inflation would also lead to higher interest rates as the Federal Reserve would be forced to tighten monetary policy to stabilize prices. Both new- and existing-home sales would fall sharply in this environment as homebuyers are priced out of the market, existing homeowners are “locked-in” to their low-rate mortgages, and homebuilders pull back on new construction as costs rise and demand falls.

The state’s fiscal problems will loom large over the rest of the economy. The financial progress the state has made in the wake of the pandemic has helped it draw several upgrades to its credit rating. Yet rapid post-pandemic state and local revenue growth has given way to weakening during the past several quarters. Potential budget shortfalls in Illinois and the City of Chicago mean lawmakers may need to institute a combination of tax increases and spending cuts, measures that could ultimately stifle consumer spending. Illinois is more vulnerable than other states to a downturn in the national or global economy because of its lean financial reserves and heavy fixed-cost burdens. Pension challenges are severe and will take decades to fix.

There are upside risks as well. 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 need for redundancies and reliable supply chains could motivate such a move.

Prospects for tech have brightened somewhat. Growth in quantum computing should give Chicago's high-tech industries a jolt in the next few years. For instance, the Illinois Quantum & Microelectronics Park is under development on Chicago's South Side, with quantum tech company PsiQuantum as an anchor tenant and IBM recently joining. Elsewhere, low business costs and the presence of a major research university make Urbana-Champaign fertile ground for growth in tech. The Illinois Fermentation and Agriculture Biomanufacturing Tech Hub—known as iFAB—led by the UIUC, has secured a $51 million federal grant to position the metro area as a leader in biomanufacturing and precision fermentation. Combine that with other initiatives such as UIUC's involvement in the SMART USA Institute for semiconductor manufacturing and the metro area has an opportunity to raise its tech profile significantly.

The insatiable U.S. consumer has been surprisingly resilient, and our baseline forecast could underestimate consumer spending, which would result in faster growth. The labor market is loosening but remains tight. Businesses calculate correctly that the labor supply issues in the aftermath of the pandemic are here to stay. This is leading them to retain staff despite slowing demand, a dynamic that could push up household income faster than expected. Since much of that income would be spent, the economy would grow above expectations.

Illinois

Recent Monthly Performance

	May 24	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Most recent % change yr ago
Establishment Employment (ths, SA)									
Total Employment	6,147.9	6,143.6	6,153.9	6,160.6	6,144.8	6,153.2	6,147.8	6,156.6	0.9
% change	*0.2*	*-0.1*	*0.2*	*0.1*	*-0.3*	*0.1*	*-0.1*	*0.1*	
Natural Resources & Mining	7.3	7.3	7.3	7.3	7.2	7.2	7.2	7.2	0.0
% change	*0.0*	*0.0*	*0.0*	*0.0*	*-1.4*	*0.0*	*0.0*	*0.0*	
Construction	233.9	233.6	234.3	235.7	234.8	235.0	231.1	232.7	-0.3
% change	*-0.4*	*-0.1*	*0.3*	*0.6*	*-0.4*	*0.1*	*-1.7*	*0.7*	
Manufacturing	578.3	579.1	577.2	577.7	576.8	575.6	574.5	575.0	-1.2
% change	*-0.4*	*0.1*	*-0.3*	*0.1*	*-0.2*	*-0.2*	*-0.2*	*0.1*	
Trade, Transportation, & Utilities	1,224.2	1,225.8	1,224.7	1,227.3	1,227.2	1,224.9	1,222.3	1,222.5	0.3
% change	*0.2*	*0.1*	*-0.1*	*0.2*	*-0.0*	*-0.2*	*-0.2*	*0.0*	
Retail Trade	572.6	573.2	572.5	573.3	573.9	573.5	573.3	574.6	0.9
% change	*-0.0*	*0.1*	*-0.1*	*0.1*	*0.1*	*-0.1*	*-0.0*	*0.2*	
Wholesale Trade	304.0	303.1	301.8	302.3	301.8	300.2	298.9	298.4	-1.1
% change	*0.5*	*-0.3*	*-0.4*	*0.2*	*-0.2*	*-0.5*	*-0.4*	*-0.2*	
Transportation & Utilities	347.6	349.5	350.4	351.7	351.5	351.2	350.1	349.5	0.5
% change	*0.2*	*0.5*	*0.3*	*0.4*	*-0.1*	*-0.1*	*-0.3*	*-0.2*	
Information Services	90.2	88.9	88.5	88.1	88.7	90.7	90.6	90.8	2.4
% change	*0.0*	*-1.4*	*-0.4*	*-0.5*	*0.7*	*2.3*	*-0.1*	*0.2*	
Financial Services	396.0	395.2	395.9	396.4	393.6	393.6	392.8	395.7	-1.0
% change	*0.6*	*-0.2*	*0.2*	*0.1*	*-0.7*	*0.0*	*-0.2*	*0.7*	
Professional & Business Services	930.8	927.4	922.0	919.6	916.1	917.0	915.0	912.9	-1.7
% change	*0.6*	*-0.4*	*-0.6*	*-0.3*	*-0.4*	*0.1*	*-0.2*	*-0.2*	
Education & Health Services	989.8	992.8	996.9	998.5	1,001.1	999.4	1,000.2	1,002.8	2.7
% change	*0.2*	*0.3*	*0.4*	*0.2*	*0.3*	*-0.2*	*0.1*	*0.3*	
Leisure & Hospitality Services	601.3	597.0	595.5	593.8	598.0	600.6	602.8	604.7	1.6
% change	*-0.4*	*-0.7*	*-0.3*	*-0.3*	*0.7*	*0.4*	*0.4*	*0.3*	
Other Services	259.4	259.8	262.7	261.2	260.8	262.7	263.5	262.5	3.9
% change	*0.3*	*0.2*	*1.1*	*-0.6*	*-0.2*	*0.7*	*0.3*	*-0.4*	
Government	836.7	836.7	848.9	855.0	840.5	846.5	847.8	849.8	3.9
% change	*0.3*	*0.0*	*1.5*	*0.7*	*-1.7*	*0.7*	*0.2*	*0.2*	
									1-yr change
Unemployment Rate (%, SA)	4.9	5.0	5.2	5.3	5.3	5.3	5.3	5.2	0.5
									Most recent % change yr ago
Labor force (ths)	6,510.2	6,516.9	6,529.6	6,526.8	6,529.4	6,537.7	6,547.0	6,553.9	1.2
% change	*0.2*	*0.1*	*0.2*	*-0.0*	*0.0*	*0.1*	*0.1*	*0.1*	
Number of unemployed (ths)	317.4	327.9	341.6	343.1	343.7	346.4	346.4	340.4	11.8
% change	*1.3*	*3.3*	*4.2*	*0.4*	*0.2*	*0.8*	*0.0*	*-1.7*	
Number of employed (ths)	6,192.8	6,189.0	6,188.0	6,183.7	6,185.7	6,191.3	6,200.5	6,213.5	0.7
% change	*0.2*	*-0.1*	*-0.0*	*-0.1*	*0.0*	*0.1*	*0.1*	*0.2*	
Total Residential Permits (# of units YTD, NSA)	7,049	8,755	10,237	12,559	14,492	16,409	18,288	19,825	22.3
% change yr ago	*5.9*	*7.1*	*9.8*	*16.5*	*16.0*	*16.1*	*20.0*	*22.3*	
Single-family, (# of units YTD, NSA)	4,166	5,122	5,986	6,932	7,878	8,866	9,653	10,248	10.3
% change yr ago	*22.3*	*21.3*	*19.0*	*18.0*	*16.0*	*16.1*	*12.3*	*10.3*	
Multifamily, (# of units YTD, NSA)	2,883	3,633	4,251	5,627	6,614	7,543	8,635	9,577	38.6
% change yr ago	*-11.3*	*-8.1*	*-1.0*	*14.7*	*16.1*	*16.2*	*29.9*	*38.6*	
5 +, (# of units YTD, NSA)	2,523	3,195	3,705	4,992	5,853	6,685	7,580	8,468	48.6
% change yr ago	*-12.2*	*-6.1*	*1.6*	*22.6*	*24.0*	*25.3*	*37.2*	*48.6*	
									Most recent % change yr ago
Avg Hrly Earnings: Mfg, ($ per hr, SA)	25.30	25.44	25.57	25.97	26.19	26.89	26.60	26.66	6.6
% change	*-0.9*	*0.5*	*0.5*	*1.6*	*0.8*	*2.7*	*-1.1*	*0.2*	

Illinois
Recent Quarterly Performance

	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	Most recent % change yr ago
Gross State Product (Ch. 2017$ bil, SAAR)	881.2	882.5	887.4	891.5	887.5	893.7	897.6	902.2	1.0
% change	*0.2*	*0.1*	*0.6*	*0.5*	*-0.4*	*0.7*	*0.4*	*0.5*	
Establishment Employment (Ths, SA)									
Total Employment	6,110.4	6,115.8	6,123.3	6,103.2	6,120.8	6,143.3	6,153.1	6,152.5	0.8
% change	*0.6*	*0.1*	*0.1*	*-0.3*	*0.3*	*0.4*	*0.2*	*-0.0*	
Natural Resources & Mining	7.2	7.2	7.2	7.2	7.2	7.3	7.3	7.2	0.0
% change	*1.4*	*-0.5*	*0.0*	*0.0*	*0.0*	*1.4*	*-0.5*	*-0.9*	
Construction	234.8	234.9	234.2	233.4	233.2	234.1	234.9	232.9	-0.2
% change	*0.8*	*0.0*	*-0.3*	*-0.3*	*-0.1*	*0.4*	*0.3*	*-0.9*	
Manufacturing	579.0	577.2	576.3	578.9	581.9	579.3	577.2	575.0	-0.7
% change	*0.5*	*-0.3*	*-0.2*	*0.5*	*0.5*	*-0.4*	*-0.4*	*-0.4*	
Trade, Transportation, & Utilities	1,227.8	1,229.4	1,228.1	1,223.3	1,221.8	1,224.1	1,226.4	1,223.2	-0.0
% change	*0.4*	*0.1*	*-0.1*	*-0.4*	*-0.1*	*0.2*	*0.2*	*-0.3*	
Retail Trade	575.9	575.5	575.9	572.0	571.8	572.9	573.2	573.8	0.3
% change	*0.5*	*-0.1*	*0.1*	*-0.7*	*-0.0*	*0.2*	*0.1*	*0.1*	
Wholesale Trade	302.0	302.2	302.4	301.8	302.2	303.2	302.0	299.2	-0.9
% change	*0.8*	*0.1*	*0.1*	*-0.2*	*0.1*	*0.4*	*-0.4*	*-0.9*	
Transportation & Utilities	349.9	351.7	349.8	349.6	347.8	348.0	351.2	350.3	0.2
% change	*-0.0*	*0.5*	*-0.5*	*-0.1*	*-0.5*	*0.0*	*0.9*	*-0.3*	
Information Services	96.8	95.0	92.6	89.6	89.5	89.8	88.4	90.7	1.2
% change	*-1.2*	*-1.9*	*-2.5*	*-3.3*	*-0.1*	*0.3*	*-1.5*	*2.6*	
Financial Services	401.7	401.4	402.6	400.6	397.1	395.0	395.3	394.0	-1.6
% change	*-0.2*	*-0.1*	*0.3*	*-0.5*	*-0.9*	*-0.5*	*0.1*	*-0.3*	
Professional & Business Services	961.0	957.9	950.3	930.1	921.7	927.8	919.2	915.0	-1.6
% change	*-0.9*	*-0.3*	*-0.8*	*-2.1*	*-0.9*	*0.7*	*-0.9*	*-0.5*	
Education & Health Services	959.1	963.9	972.9	974.1	982.2	990.2	998.8	1,000.8	2.7
% change	*1.6*	*0.5*	*0.9*	*0.1*	*0.8*	*0.8*	*0.9*	*0.2*	
Leisure & Hospitality Services	589.7	589.7	594.5	595.3	599.5	600.6	595.8	602.7	1.2
% change	*2.2*	*-0.0*	*0.8*	*0.1*	*0.7*	*0.2*	*-0.8*	*1.2*	
Other Services	249.9	249.9	250.9	252.0	256.4	259.3	261.6	262.9	4.3
% change	*0.7*	*0.0*	*0.4*	*0.5*	*1.7*	*1.1*	*0.9*	*0.5*	
Government	803.3	809.3	813.7	818.6	830.4	835.7	848.1	848.0	3.6
% change	*1.0*	*0.7*	*0.5*	*0.6*	*1.4*	*0.6*	*1.5*	*-0.0*	
									1-yr change
Unemployment Rate (%, SA)	4.3	4.2	4.6	4.7	4.8	4.9	5.3	5.3	0.5
									Most recent % change yr ago
Labor force (ths)	6,407.0	6,421.5	6,451.9	6,471.3	6,480.5	6,507.7	6,528.6	6,546.2	1.2
% change	*0.1*	*0.2*	*0.5*	*0.3*	*0.1*	*0.4*	*0.3*	*0.3*	
Number of unemployed (ths)	277.0	271.1	295.7	306.2	308.8	319.5	342.8	344.4	12.5
% change	*-5.6*	*-2.1*	*9.1*	*3.6*	*0.9*	*3.4*	*7.3*	*0.5*	
Number of employed (ths)	6,130.0	6,150.5	6,156.2	6,165.1	6,171.7	6,188.2	6,185.8	6,201.8	0.6
% change	*0.4*	*0.3*	*0.1*	*0.1*	*0.1*	*0.3*	*-0.0*	*0.3*	
Total Residential Permits (# of units YTD, NSA)	3,616	8,176	12,488	16,207	3,969	8,755	14,492	19,825	22.3
% change yr ago	*-21.5*	*-16.4*	*-18.5*	*-20.2*	*9.8*	*7.1*	*16.0*	*22.3*	
Single-family, (# of units YTD, NSA)	1,660	4,224	6,793	9,295	2,007	5,122	7,878	10,248	10.3
% change yr ago	*-33.4*	*-19.6*	*-12.7*	*-3.0*	*20.9*	*21.3*	*16.0*	*10.3*	
Multifamily, (# of units YTD, NSA)	1,956	3,952	5,695	6,912	1,962	3,633	6,614	9,577	38.6
% change yr ago	*-7.4*	*-12.6*	*-24.6*	*-35.5*	*0.3*	*-8.1*	*16.1*	*38.6*	
5 +, (# of units YTD, NSA)	1,757	3,402	4,721	5,698	1,770	3,195	5,853	8,468	48.6
% change yr ago	*-3.8*	*-11.4*	*-28.1*	*-39.8*	*0.7*	*-6.1*	*24.0*	*48.6*	
Existing Single-Family Home Sales (ths, SAAR)	180.9	162.4	157.9	157.3	161.2	161.5	152.7	na	-3.3
% change	*-11.7*	*-10.2*	*-2.8*	*-0.3*	*2.5*	*0.1*	*-5.4*	*na*	
Home Price Index (1980Q1=100, NSA)	453.6	463.7	474.5	483.5	493.3	500.5	508.4	na	7.1
% change	*1.4*	*2.2*	*2.3*	*1.9*	*2.0*	*1.5*	*1.6*	*na*	
Median Existing Home Sales Price (ths, SA)	281.2	284.6	295.1	296.9	306.7	308.4	317.9	na	7.7
% change	*-0.6*	*1.2*	*3.7*	*0.6*	*3.3*	*0.6*	*3.1*	*na*	
Personal Income ($ mil, SAAR)	891,143	902,850	910,908	921,689	934,264	939,567	945,648	na	3.8
% change	*1.0*	*1.3*	*0.9*	*1.2*	*1.4*	*0.6*	*0.6*	*na*	
Wages & Salaries ($ mil)	470,071	474,514	479,308	485,338	492,294	494,706	499,366	na	4.2
% change	*1.0*	*0.9*	*1.0*	*1.3*	*1.4*	*0.5*	*0.9*	*na*	
Nonwage Income ($ mil)	421,072	428,336	431,600	436,351	441,969	444,862	446,282	na	3.4
% change	*1.1*	*1.7*	*0.8*	*1.1*	*1.3*	*0.7*	*0.3*	*na*	
Avg Hrly Earnings: Mfg ($ per hr, SA)	24.44	24.34	24.37	24.79	25.19	25.42	25.91	26.72	7.8
% change	*-0.3*	*-0.4*	*0.1*	*1.7*	*1.6*	*0.9*	*1.9*	*3.1*	
Personal Bankruptcies (# 3-mo Ending, SAAR)	22,269	22,775	23,614	23,300	23,215	25,614	26,407	na	11.8

Illinois

Recent Annual Performance

	2017	2018	2019	2020	2021	2022	2023	2024	5-yr Avg
									Annual % change
Gross State Product (Ch. 2017$ bil, SAAR)	832.8	851.5	858.0	810.2	855.9	876.5	885.7	895.2	1.0
% change	*0.8*	*2.2*	*0.8*	*-5.6*	*5.6*	*2.4*	*1.0*	*1.1*	
Establishment Employment (Ths, SA)									
Total Employment	6,056.2	6,102.3	6,125.4	5,697.0	5,811.1	6,033.2	6,113.2	6,142.4	0.1
% change	*0.7*	*0.8*	*0.4*	*-7.0*	*2.0*	*3.8*	*1.3*	*0.5*	
Natural Resources & Mining	7.8	7.9	8.2	6.8	6.6	7.0	7.2	7.2	-2.6
% change	*-3.3*	*0.6*	*4.8*	*-17.2*	*-3.4*	*5.4*	*3.7*	*0.5*	
Construction	220.6	226.3	228.4	216.9	222.6	230.7	234.3	233.8	0.5
% change	*0.7*	*2.6*	*0.9*	*-5.0*	*2.7*	*3.6*	*1.6*	*-0.2*	
Manufacturing	577.0	588.0	586.8	556.4	555.5	570.8	577.9	578.4	-0.3
% change	*0.2*	*1.9*	*-0.2*	*-5.2*	*-0.2*	*2.8*	*1.2*	*0.1*	
Trade, Transportation, & Utilities	1,204.8	1,205.5	1,199.9	1,150.6	1,176.7	1,218.2	1,227.1	1,223.9	0.4
% change	*0.2*	*0.1*	*-0.5*	*-4.1*	*2.3*	*3.5*	*0.7*	*-0.3*	
Retail Trade	606.1	594.4	580.1	547.2	566.7	575.5	574.8	572.9	0.4
% change	*-1.1*	*-1.9*	*-2.4*	*-5.7*	*3.6*	*1.6*	*-0.1*	*-0.3*	
Wholesale Trade	295.4	294.8	295.5	281.8	283.7	296.1	302.1	301.6	-0.2
% change	*0.2*	*-0.2*	*0.2*	*-4.6*	*0.7*	*4.4*	*2.0*	*-0.1*	
Transportation & Utilities	303.2	316.3	324.4	321.5	326.3	346.6	350.3	349.3	1.5
% change	*3.0*	*4.3*	*2.6*	*-0.9*	*1.5*	*6.2*	*1.1*	*-0.3*	
Information Services	98.4	95.7	95.7	88.7	90.4	97.0	93.5	89.6	-1.3
% change	*-1.1*	*-2.8*	*0.1*	*-7.4*	*1.9*	*7.3*	*-3.6*	*-4.2*	
Financial Services	395.2	403.1	411.5	407.4	404.9	402.3	401.6	395.4	-0.8
% change	*2.2*	*2.0*	*2.1*	*-1.0*	*-0.6*	*-0.6*	*-0.2*	*-1.5*	
Professional & Business Services	945.4	951.2	952.5	894.4	927.6	972.6	949.8	920.9	-0.7
% change	*1.1*	*0.6*	*0.1*	*-6.1*	*3.7*	*4.9*	*-2.3*	*-3.0*	
Education & Health Services	923.8	932.2	940.4	896.0	908.4	931.4	967.5	993.0	1.1
% change	*0.9*	*0.9*	*0.9*	*-4.7*	*1.4*	*2.5*	*3.9*	*2.6*	
Leisure & Hospitality Services	610.9	617.8	623.3	462.5	503.4	565.6	592.3	599.6	-0.8
% change	*2.2*	*1.1*	*0.9*	*-25.8*	*8.8*	*12.4*	*4.7*	*1.2*	
Other Services	253.0	254.3	255.7	234.3	238.1	246.3	250.7	260.0	0.3
% change	*0.6*	*0.5*	*0.5*	*-8.3*	*1.6*	*3.4*	*1.8*	*3.7*	
Government	819.3	820.4	822.9	783.1	777.1	791.4	811.2	840.6	0.4
% change	*-0.3*	*0.1*	*0.3*	*-4.8*	*-0.8*	*1.8*	*2.5*	*3.6*	
									5-yr change
Unemployment Rate (%)	5.0	4.4	4.0	9.3	6.1	4.6	4.5	5.1	0.6
									5-yr Avg
									Annual % change
Labor force (ths)	6,561.0	6,558.2	6,542.9	6,319.2	6,330.7	6,420.8	6,437.9	6,515.8	-0.1
% change	*0.0*	*-0.0*	*-0.2*	*-3.4*	*0.2*	*1.4*	*0.3*	*1.2*	
Number of unemployed (ths)	324.4	287.5	259.4	585.8	387.0	292.8	287.5	328.9	4.9
% change	*-16.0*	*-11.4*	*-9.8*	*125.9*	*-33.9*	*-24.3*	*-1.8*	*14.4*	
Number of employed (ths)	6,236.6	6,270.6	6,283.5	5,733.4	5,943.7	6,128.1	6,150.4	6,186.9	-0.3
% change	*1.0*	*0.5*	*0.2*	*-8.8*	*3.7*	*3.1*	*0.4*	*0.6*	
									5-yr Avg
Total Residential Permits (# of units)	25,313	21,776	20,917	17,831	19,792	20,297	16,207	19,825	18,790
% change yr ago	*12.5*	*-14.0*	*-3.9*	*-14.8*	*11.0*	*2.6*	*-20.2*	*22.3*	
Single-family	10,692	10,225	9,017	9,719	11,383	9,585	9,295	10,248	10,046
% change yr ago	*0.1*	*-4.4*	*-11.8*	*7.8*	*17.1*	*-15.8*	*-3.0*	*10.3*	
Multifamily	14,621	11,551	11,900	8,112	8,409	10,712	6,912	9,577	8,744
% change yr ago	*23.6*	*-21.0*	*3.0*	*-31.8*	*3.7*	*27.4*	*-35.5*	*38.6*	
5 +	13,522	10,496	10,683	7,219	7,206	9,468	5,698	8,468	7,612
% change yr ago	*23.4*	*-22.4*	*1.8*	*-32.4*	*-0.2*	*31.4*	*-39.8*	*48.6*	
Existing Single-Family Home Sales (Ths)	221.2	219.0	213.8	221.2	237.1	209.0	164.6	158.0	-5.6
% change	*-2.5*	*-1.0*	*-2.4*	*3.4*	*7.2*	*-11.9*	*-21.2*	*-4.0*	
Home Price Index (1980Q1=100)	332.0	339.2	348.8	359.0	390.6	439.5	468.8	na	6.7
% change	*2.4*	*2.2*	*2.8*	*2.9*	*8.8*	*12.5*	*6.7*	*na*	
Median Existing Home Sales Price (ths)	216.4	220.3	224.4	242.6	274.9	286.0	289.4	314.1	5.6
% change	*4.7*	*1.8*	*1.9*	*8.1*	*13.3*	*4.0*	*1.2*	*8.5*	
Personal Income ($ mil)	685,633	722,687	741,905	787,688	846,013	862,729	906,648	na	4.6
% change	*3.2*	*5.4*	*2.7*	*6.2*	*7.4*	*2.0*	*5.1*	*na*	
Wages & Salaries ($ mil)	368,138	382,978	394,900	394,874	425,351	459,047	477,308	na	4.5
% change	*3.4*	*4.0*	*3.1*	*-0.0*	*7.7*	*7.9*	*4.0*	*na*	
Nonwage Income ($ mil)	317,495	339,709	347,005	392,814	420,662	403,682	429,340	na	4.8
% change	*2.9*	*7.0*	*2.1*	*13.2*	*7.1*	*-4.0*	*6.4*	*na*	

Illinois
Recent Annual Performance

	2017	2018	2019	2020	2021	2022	2023	2024	5-yr Avg
Avg Hrly Earnings: Mfg. ($ per hr)	20.21	21.30	21.89	22.11	22.54	23.96	24.49	25.81	3.3
% change	*-0.2*	*5.4*	*2.8*	*1.0*	*1.9*	*6.3*	*2.2*	*5.4*	
Personal Bankruptcies	50,484	47,249	47,721	30,110	20,351	20,262	22,990	25,162	-12.0
% change	*-4.5*	*-6.4*	*1.0*	*-36.9*	*-32.4*	*-0.4*	*13.5*	*9.4*	
Population (ths)	12,922.9	12,887.4	12,849.4	12,799.1	12,700.6	12,621.8	12,642.3	12,710.2	-0.2
% change	*-0.2*	*-0.3*	*-0.3*	*-0.4*	*-0.8*	*-0.6*	*0.2*	*0.5*	
Age: <5	769.8	759.7	745.7	735.4	706.9	683.6	664.9	na	na
Age: 5-19	2,454.9	2,426.4	2,399.5	2,461.2	2,431.0	2,391.5	2,362.7	na	na
Age: 20-24	862.3	844.9	829.5	820.2	815.6	810.8	816.4	na	na
Age: 25-44	3,413.2	3,404.5	3,395.6	3,431.6	3,405.4	3,374.3	3,365.0	na	na
Age: 45-64	3,339.6	3,299.8	3,254.5	3,288.0	3,233.9	3,177.2	3,136.9	na	na
Age: >65	1,940.1	1,989.3	2,042.3	2,053.9	2,097.7	2,145.1	2,203.9	na	na
Households (ths)	5,045.0	5,053.7	5,050.9	4,984.3	4,968.5	5,003.1	na	na	-0.6
% change	0.4	0.2	-0.1	-1.3	-0.3	0.7	na	na	
Net Migration (ths)	-84.6	-92.9	-90.8	na	-102.8	-82.4	10.9	56.7	na

Illinois

Forecast

	2024	2025	2026	2027	2028	2029	2030	2031	2032
Total Employment (ths)	6,142.6	6,176.3	6,185.0	6,178.7	6,170.6	6,163.2	6,154.0	6,143.4	6,134.5
% change	0.5	0.6	0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2
Manufacturing	578.4	576.3	575.4	573.0	570.1	566.2	561.2	556.1	551.0
Construction	234.1	235.4	236.3	234.7	232.8	230.1	227.2	224.5	222.4
Prof. and Bus. Serv.	921.3	925.6	936.9	946.3	956.1	965.4	973.6	981.0	988.4
Edu. and Health Serv.	993.1	1,005.2	1,006.5	1,004.7	1,002.5	1,001.2	1,000.4	999.8	999.3
Leisure and Hospitality	599.4	603.4	600.2	595.8	593.1	592.0	592.1	592.2	592.6
Other Services	260.0	263.5	263.0	261.7	260.4	260.0	260.0	260.1	260.2
Trade, Trans. and Util.	1,224.2	1,227.9	1,229.2	1,227.6	1,224.6	1,221.0	1,216.0	1,210.6	1,205.4
Wholesale	301.9	299.8	299.5	299.3	298.7	297.5	295.6	293.5	291.6
Retail	572.8	574.1	573.4	571.0	567.9	564.7	561.3	557.8	554.5
Trans. and Util.	349.5	354.0	356.2	357.2	358.0	358.8	359.1	359.2	359.3
Financial Activities	395.3	394.0	395.0	395.9	396.1	395.5	394.4	393.2	392.2
Information	89.5	90.7	90.9	90.8	90.6	90.4	90.2	89.9	89.7
Government	840.1	847.0	844.5	840.9	837.1	834.4	832.1	829.2	826.4
Natural Res. and Min.	7.2	7.3	7.3	7.2	7.1	7.1	7.0	6.9	6.9
Unemployment Rate (%)	5.1	5.0	4.8	4.8	4.7	4.7	4.7	4.8	4.8
Personal Income ($ bil)	944.04	982.1	1,020.81	1,057.11	1,091.73	1,130.88	1,172.57	1,215.08	1,258.60
% change	4.12	4.03	3.94	3.56	3.28	3.59	3.69	3.63	3.58
Population (ths)	12,764.0	12,759.6	12,700.0	12,624.6	12,540.7	12,454.4	12,378.1	12,306.2	12,232.6
% change	0.7	-0.0	-0.5	-0.6	-0.7	-0.7	-0.6	-0.6	-0.6
Age: <5	682.0	685.0	684.1	681.5	677.6	672.5	667.3	661.7	655.6
Age: 5-19	2,380.3	2,362.2	2,335.0	2,305.9	2,279.2	2,258.3	2,240.4	2,224.6	2,211.0
Age: 20-24	822.9	814.4	806.6	802.4	795.5	783.5	772.2	760.7	747.0
Age: 25-44	3,418.5	3,408.0	3,382.5	3,348.5	3,314.1	3,281.8	3,248.9	3,219.7	3,192.3
Age: 45-64	3,155.9	3,129.4	3,090.1	3,052.3	3,013.8	2,975.8	2,949.9	2,932.7	2,919.2
Age: >65	2,304.5	2,360.7	2,401.7	2,433.9	2,460.4	2,482.5	2,499.4	2,506.7	2,507.4
Households (ths)	5,039.0	5,035.1	5,023.4	5,006.3	4,987.4	4,969.0	4,956.2	4,944.9	4,932.0
% change	0.2	-0.1	-0.2	-0.3	-0.4	-0.4	-0.3	-0.2	-0.3
Total Residential Permits (#)	19,958.8	22,684.9	23,949.9	24,170.8	23,866.7	22,976.4	22,063.0	20,992.9	19,898.3
% change	18.4	13.7	5.6	0.9	-1.3	-3.7	-4.0	-4.9	-5.2
Single-family permits	10,450.8	12,017.3	12,924.2	12,998.8	12,683.9	12,096.6	11,613.6	10,939.2	10,277.6
Multifamily permits	9,508.0	10,667.6	11,025.7	11,172.0	11,182.9	10,879.8	10,449.3	10,053.7	9,620.7

Note: Population data are based on the Census Bureau’s 2024 midyear estimates of population.

About Moody's Analytics

In an increasingly interconnected and complex operating environment, organizations face challenges decoding the intricacies of the global economy. Moody's Analytics Economics team delivers timely and in-depth data, forecasts and analysis of the global economy's latest developments and trends—empowering organizations and policymakers to identify and manage risks, seize new growth opportunities, respond to geopolitical threats, and thrive in an ever-evolving landscape.

The Economics team has more than 35 years of dedicated experience in economic forecasting and research. Leveraging our team's global coverage and local expertise, our economists provide unrivalled insight on pivotal economic topics, including labor markets, housing and consumer spending, among others, across the Americas, Europe, the Middle East, and APAC. We also provide real-time monitoring of economic indicators, scenario analysis, and thought leadership on critical themes such as monetary and fiscal policy and sovereign risk—all of which support decision makers and policymakers in strategic planning, product and sales forecasting, stress testing, credit risk management, and investment decisions.

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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.

The Commission has three internal units—Revenue, Pensions, and Research, each of which has a staff of analysts 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 a monthly Abstracts Report of annual reports or special studies from other state agencies, the *Illinois Tax Handbook for Legislators*, *Federal Funds to State Agencies*, *Preface to Lawmaking,* 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.

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