

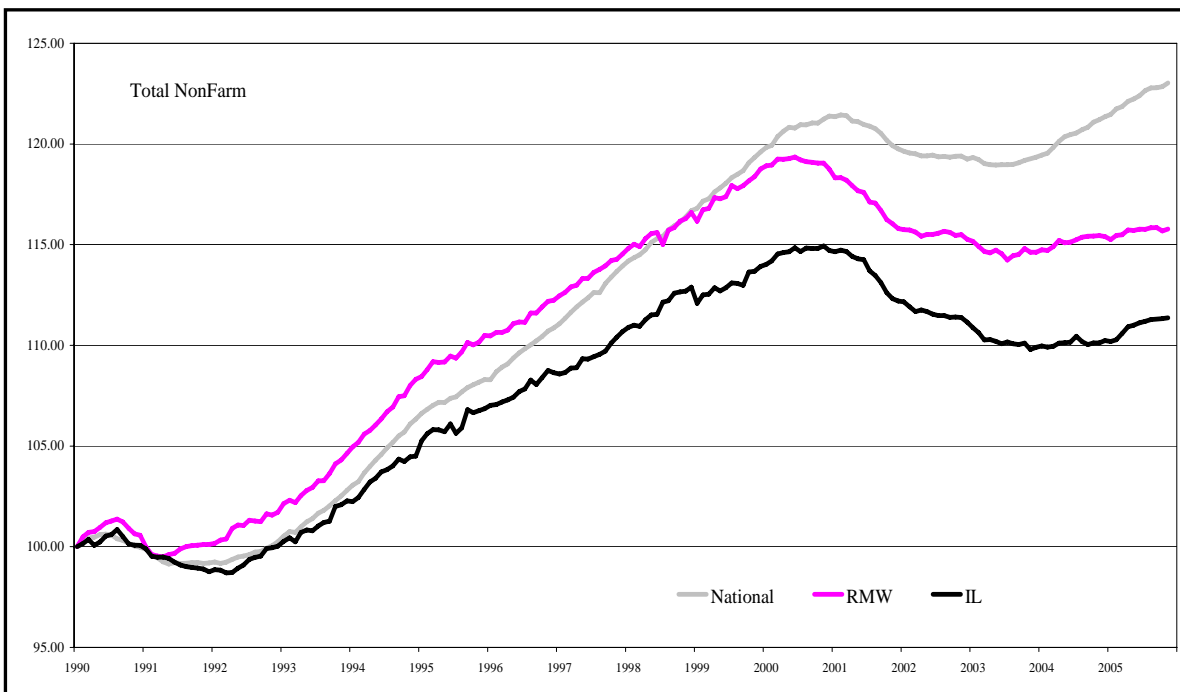
Monthly Illinois Economic Review

❖ **Employment**

December 2005 Positive	Total non-farm employment	Oct 2005 - Nov 2005		Last 12 months	
		Growth Rate %	Number of Jobs	Growth Rate%	Number of Jobs
	Nation	+0.16	+215,000	+1.51	+1,995,000
	RMW	+0.09	+17,600	+0.29	+56,700
	Illinois	+0.03	+1,700	+1.13	+65,800

Talking Points

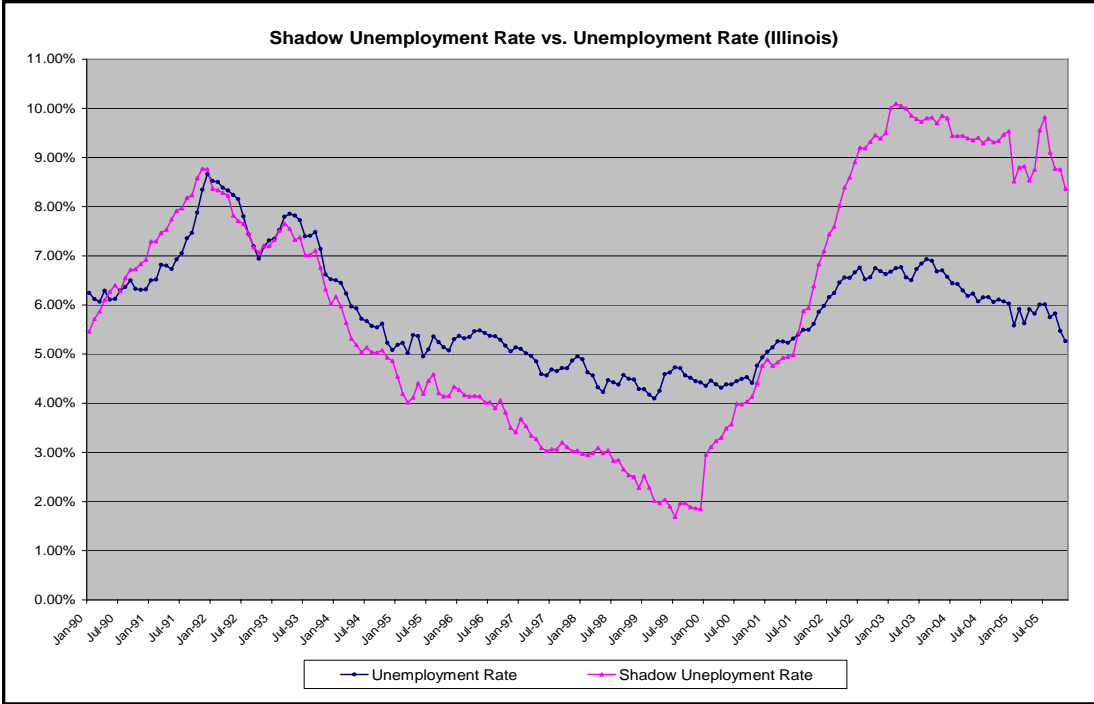
- Illinois continues to add jobs, 1,700 new jobs at a 0.03% of monthly growth rate, but this figure is less than one fifth of the national growth rate of 0.16%.
- For the last three months, Illinois' job growth has slowed down compared to the previous months. Total number of jobs created for the last three-month (September through November) is 4,500 same as the job gains for the month of August.
- For the last 12-month period, Illinois created 65,800 jobs, adding jobs each month with the only exception for January 2005 when the state lost 2,900 jobs.
- Illinois' job gains over 12-month period have exceeded job gains in RMW. Consequently, over 50% of new jobs in Midwest have been created in Illinois for the last two months: 60% in October and 54% in November.
- Due to the weak growth in Illinois combined with the strong growth patterns in Nation, the gap in employment indices between Illinois and Nation reached the highest level in 2005.
- While Illinois' job growth pattern has slowed, RMW showed the largest job gains since April 2005.



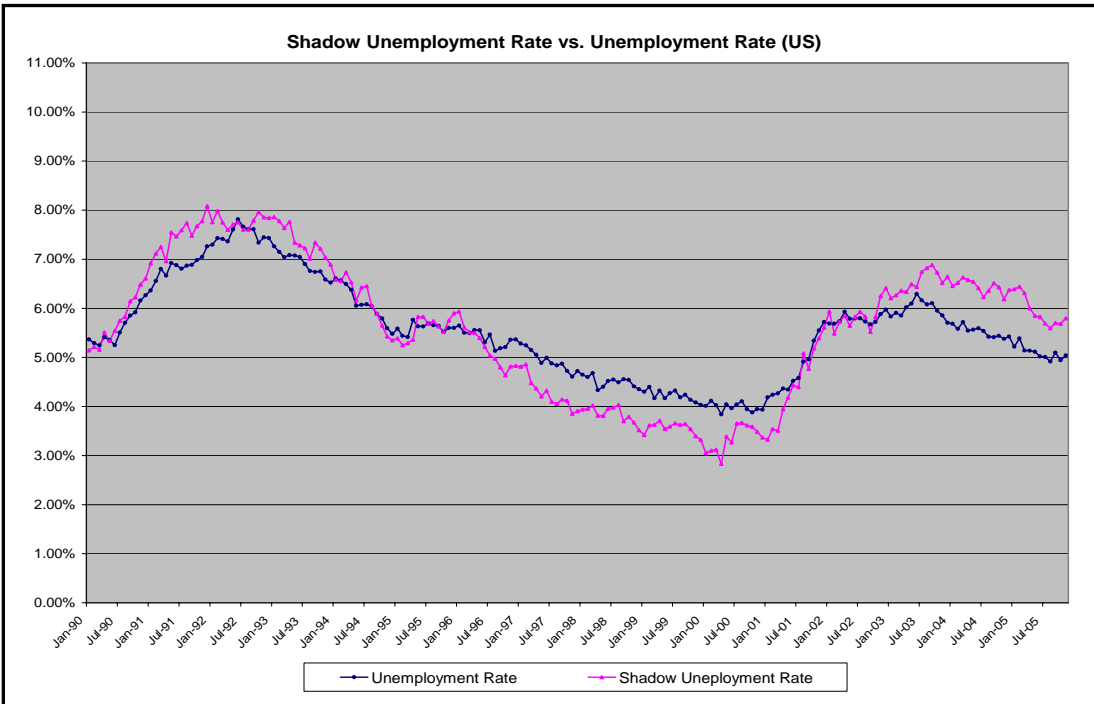
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❖ **Shadow Unemployment**

▪ **Illinois**

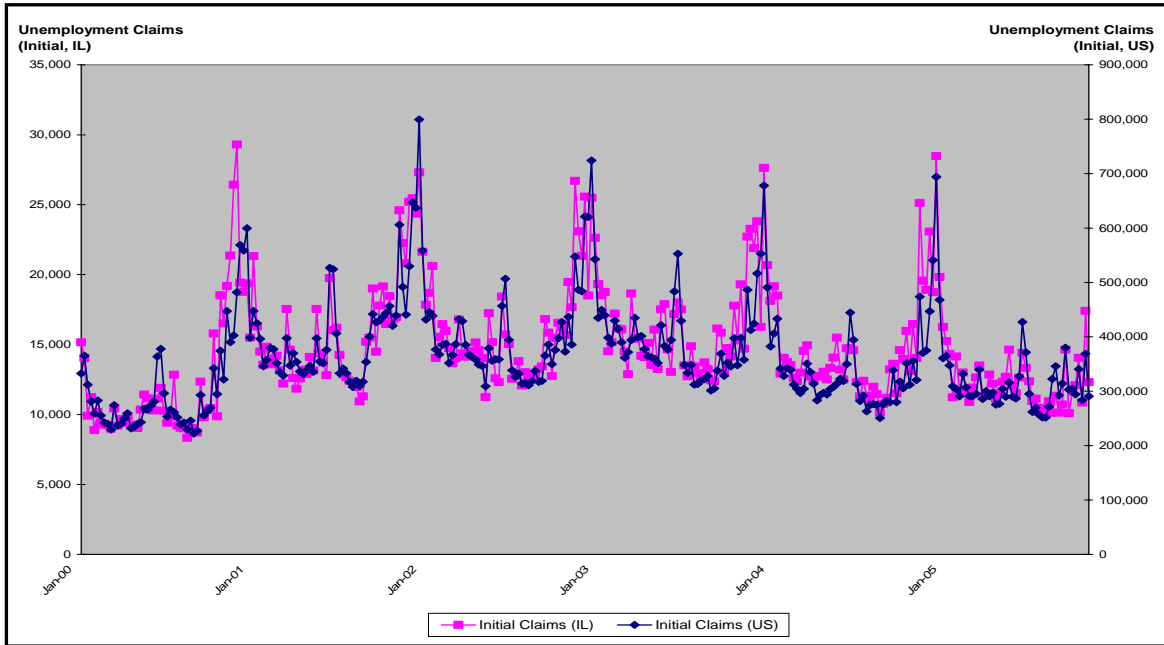


▪ **US**



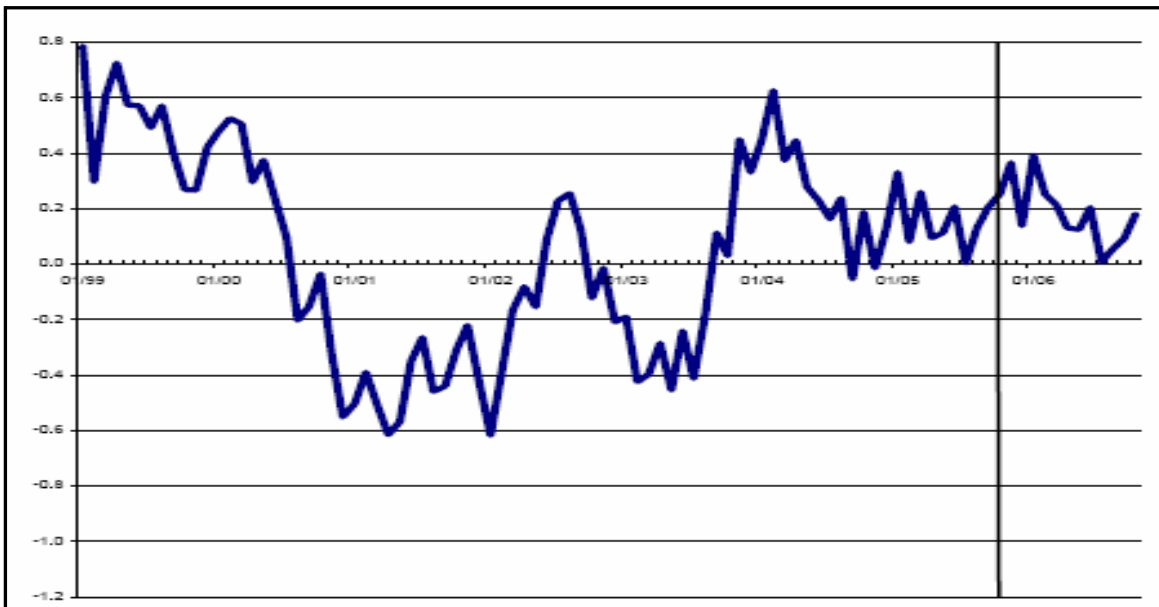
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❖ **Unemployment Claims (Initial)**



❖ **CBAI in October**

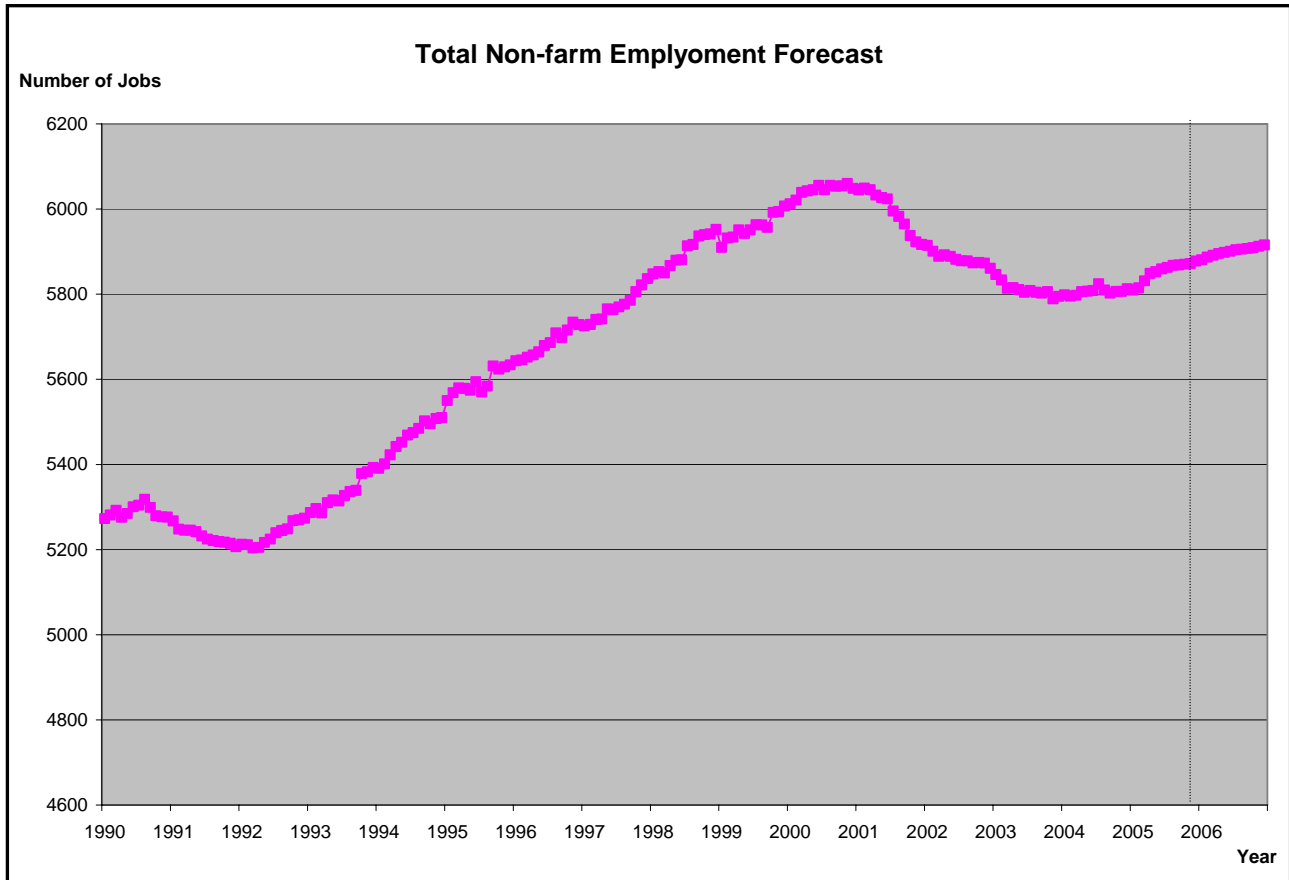
The Chicago Business Activity Index (CBAI) was 0.252 in October. This was mainly attributed to the increase of manufacturing production and non-manufacturing employment. Considering that the CBAI leads the local business cycle and positive values of this index are associated with above-trend growth, the Chicago economy will continue to grow. And CBAI prediction also indicates growth over the next 12 months higher than last 12 months.



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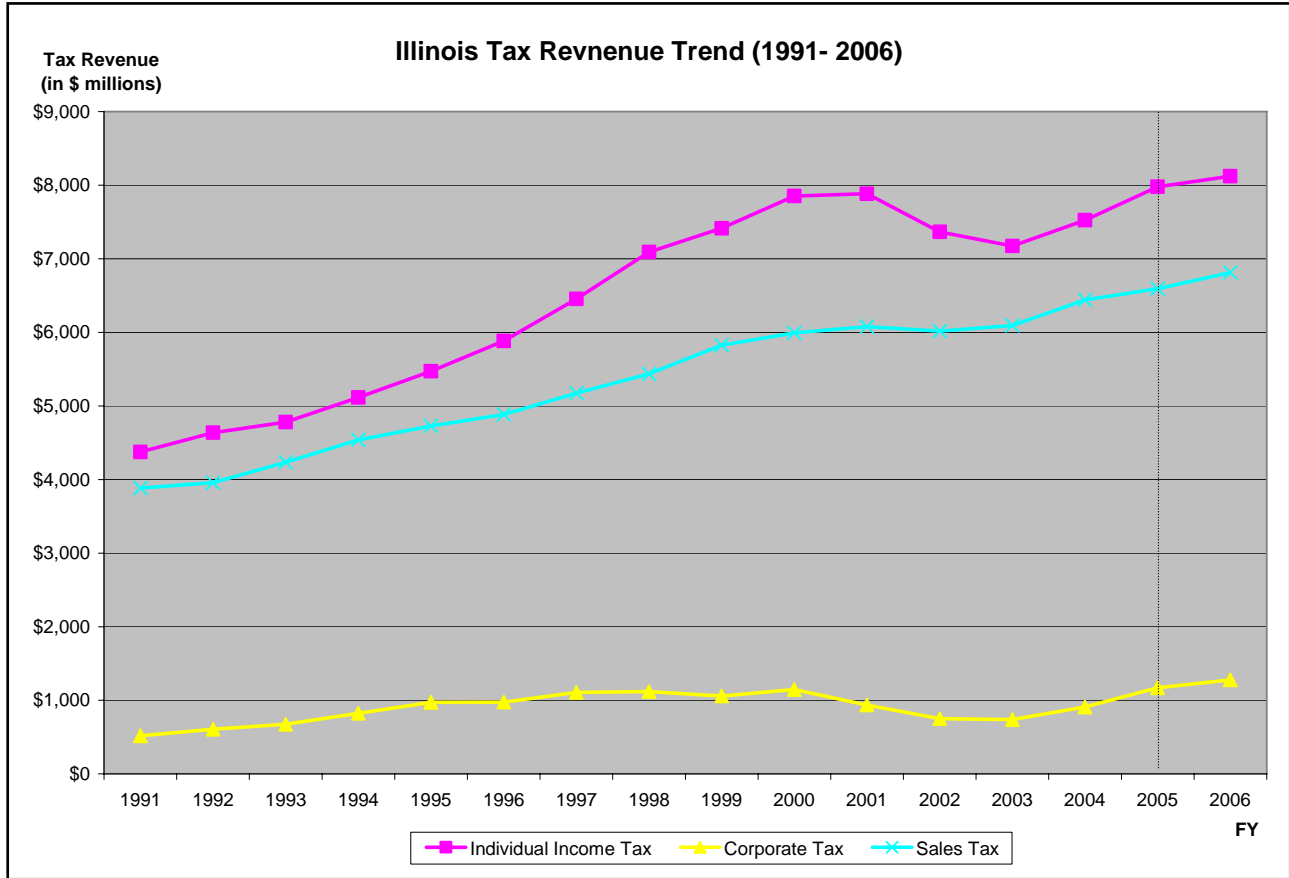
❖ **Employment Forecast (2006)**

	Dec 2005 (p)	Dec 2006 (p)	Number of Jobs	Growth Rate %
Total non-farm	5,877,900	5,915,500	+37,600	+0.64
Construction	268,500	272,800	+4,300	+1.61
Manufacturing	692,100	686,700	- 5,400	- 0.78
Trade, transportation & utilities	1,191,500	1,200,700	+9,100	+0.77
Information	116,200	114,100	- 2,000	- 1.74
Financial Activities	404,500	405,200	+700	+0.18
Professional & business services	833,500	848,300	+14,800	+1.78
Education & health	742,500	749,600	+7,100	+0.95
Leisure & hospitality	523,200	529,400	+6,300	+1.20
Other services	256,400	259,100	+2,800	+1.07
Government	844,000	848,000	+4,000	+0.48



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❖ **Tax Revenue Forecast (FY 2006)**



	REAL (IGPA)	OMG*	CGFA**
Net Personal Income Tax	8,123	8,363	8,235
Net Corporate Income Tax	1,277	1,331	1,267
Sales Tax	6,815	6,915	6,873
Public Utilities Tax	1,157	1,072	1,069
Other Tax Sources	2,349	2,270	2,257
Total Net Taxes	19,721	19,951	19,701
Transfers	2,098	2,098	2,179
Federal Aid	4,791	4,791	4,791
Total Net Revenue	26,610	26,840	26,671

(unit: \$ millions)

*OMG: Office of Management and Budget

**CGFA: Commission on Government Forecasting and Accountability