


Illinois Job Index

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For July Illinois Job Index, the state had negative job growth while the Nation and the RMW both had positive job growth.

The monthly Illinois Job Index and MSA Report are issued monthly as tools for elected officials, policy leaders and the public. The objective is to enhance the understanding of the Illinois economy and business climate by comparing and measuring Illinois employment growth rates against those of the Rest of the Midwest (RMW: Indiana, Iowa, Michigan, Missouri, Ohio and Wisconsin) and the Nation. Data and analysis are provided by the Illinois Economic Observatory / Regional Economics Applications Laboratory, University of Illinois.

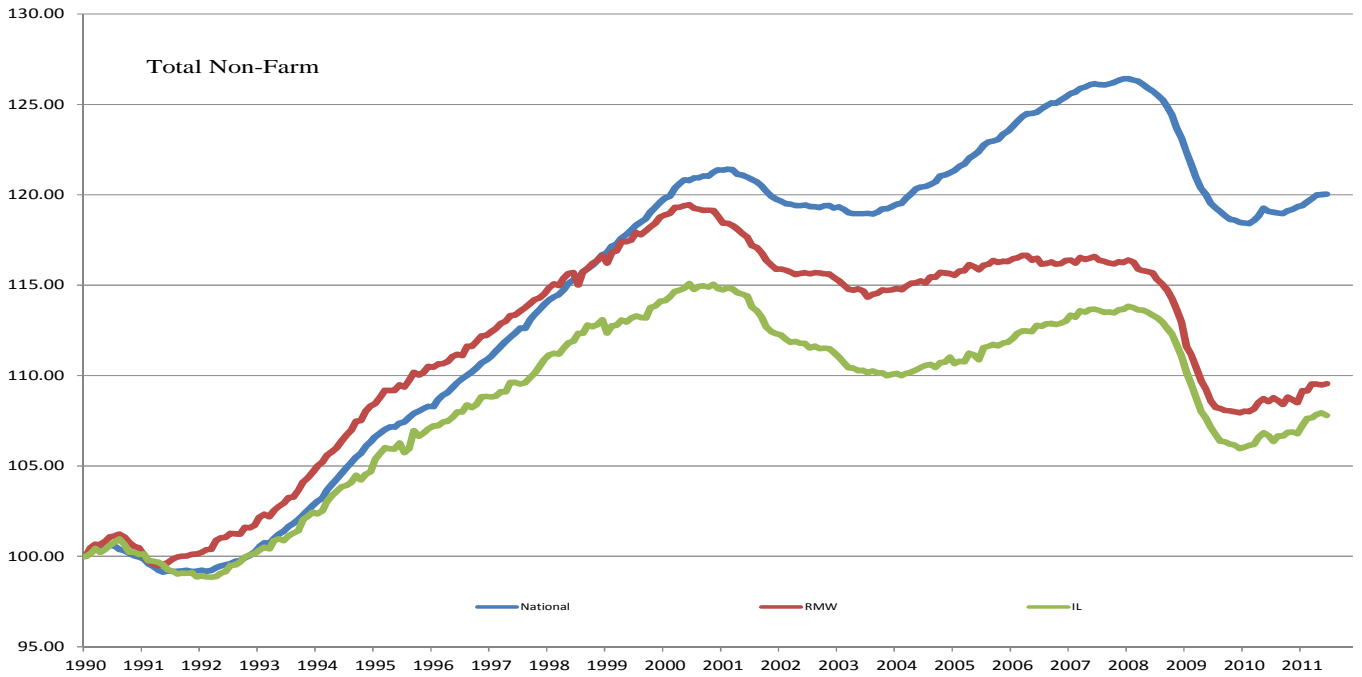
	July 2011 Negative		May 2011– Jun 2011		Last 12 months		Jun 2011
		Total non-farm employment	Growth Rate %	Number of Jobs	Growth Rate%	Number of Jobs	Shadow U.R. *
		Nation	0.01	18,000	0.80	1,036,000	12.7%
		RMW	0.06	12,000	0.91	168,800	13.6%
		Illinois	-0.13	-7,200	1.05	59,000	11.9%

*REAL has estimated a *shadow unemployment rate*; this is calculated as the unemployment rate that would be observed if labor force participation rates matched the average for the 15-year period from 1990 to 2004.

Talking Points

Illinois Notes	<ul style="list-style-type: none"> ▪ Illinois shed 7,200 jobs in June 2011 at a rate of -0.13%, compared with a revised 4,900 job gain in May 2011. Compared to Jun 2010, Illinois has added 59,000 jobs. The three-month moving average of jobs, a more stable measure of labor market, was up by 2,300 jobs per month. ▪ In June 2011, the Nation added 18,000 jobs at a rate of 0.01%, compared with a revised 25,000 job gain in May. The three-month moving average of jobs was up by 87,000 jobs per month. ▪ RMW added 12,000 jobs in June at a rate of 0.06% after a revised -8,500 job loss in May. The three-month moving average was up by 800 jobs per month. ▪ Since the beginning of the recession in Dec 2007, Illinois has posted negative job changes 28 times and positive job gains 14 times so far. The state of Illinois now has a net loss of 307,500 jobs since the beginning of the recession in December 2007. ▪ Since January 2010, when Illinois employment resumed after the national recession, Illinois has added 97,200 new jobs. ▪ Five sectors in Illinois have employment levels in this month that are lower than January 1990 – Construction, Manufacturing, Trade, transportation & utilities, Information and Financial activities. ▪ Since Jan 2010, Illinois employment growth resumed. Construction, Manufacturing, Trade, transportation & utilities, Professional & business services, Leisure hospitality and Other services have recovered 4.81%, 15.52%, 25.08%, 39.39%, 52.19%, 8.47% respectively of the job lost during the recession. However, Information and Financial activities continued to lose jobs leading to negative recovery rates, -62.73% and -28.75%. ▪ The shadow unemployment rates for Illinois, RMW and the Nation were 11.9%, 13.6% and 12.7%, compared to official unemployment rates of 9.2%, 8.7% and 9.2%. After 15 consecutive months of decline, Illinois unemployment rate increased for the second time by 0.3% from 8.9% in last month. ▪ Through Jun 2011, the cumulative job growth for Illinois, RMW and the Nation compared to January 1990 stood at 7.80%, 9.55%, and 20.03%, respectively.
Nation Notes	<ul style="list-style-type: none"> ▪ Total nonfarm payroll employment increased by 18,000 in June. Employment in most major sector industries changed little over the month. Government employment continued to lose jobs. ▪ Since the last employment peak in December 2007, the nation has lost 6,966,000 jobs. However, for RMW and Illinois, they have not yet recovered from their respective peaks in 2000. ▪ The nation has average growth rates for 2007, 2008, 2009, 2010 and 2011 were 0.05%,-0.19%, -0.39%, 0.06% and 0.10%, respectively.

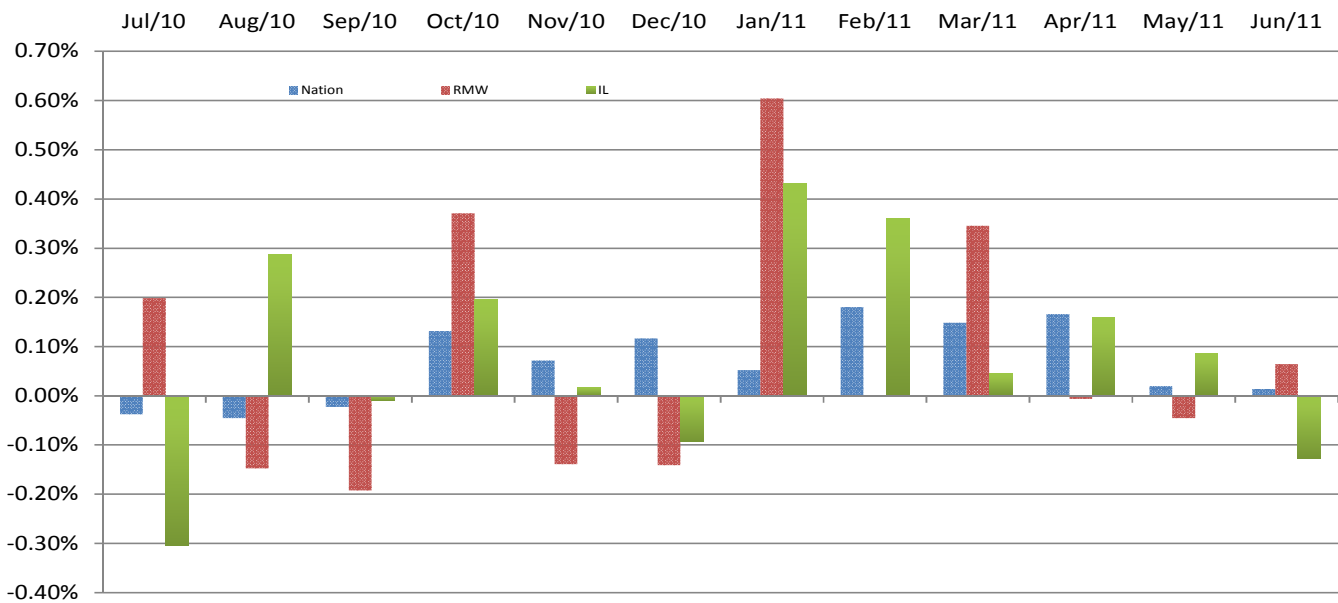
Total Non-farm Employment growth rate Jan 1990 – Jun 2011



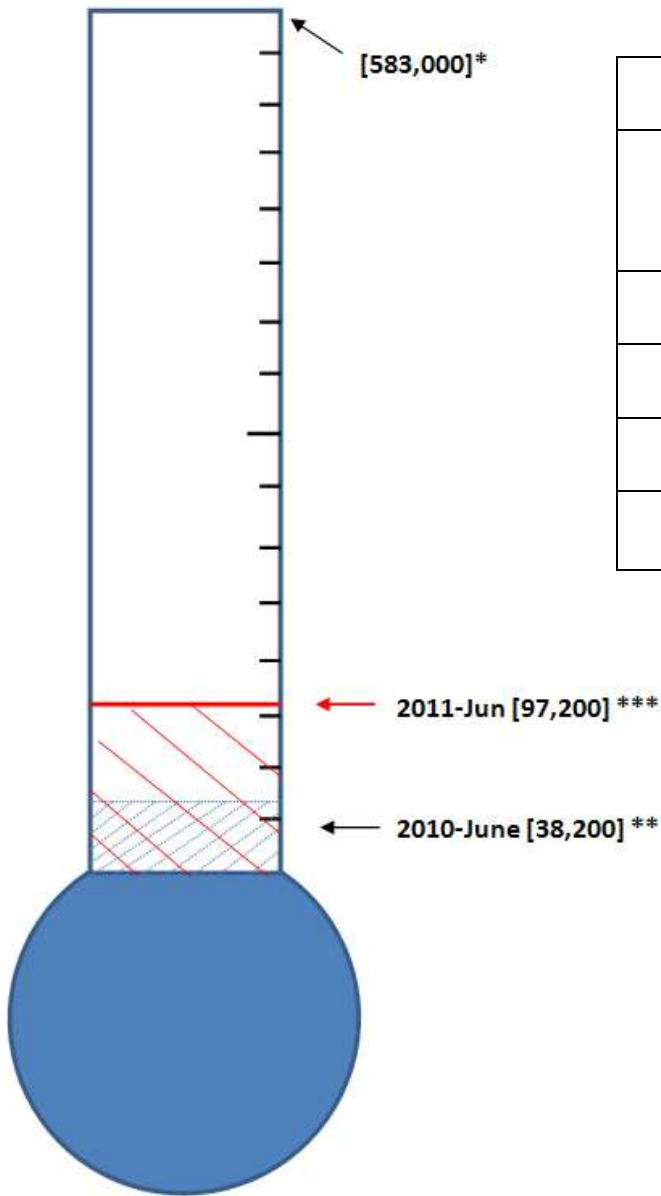
Total Non-farm Employment and Employment Index

	Jun 2011 Number of Jobs	Current Index to Jan 1990	Previous Peak Index to Jan 1990	Changes in Jobs since Jan 1990	Changes in Jobs since Pervious Peak
Nation	131,017,000	120.03	126.57 (Dec-2007)	21,866,000	-6,966,000
RMW	18,717,700	109.55	119.44 (Jun-2000)	1,631,300	-1,691,800
Illinois	5,677,700	107.80	115.08 (Nov-2000)	410,900	-381,800

Last 12 months Total Non-farm Employment Growth Rate Jul 2010 – Jun 2011



Barometer of Job Recovery



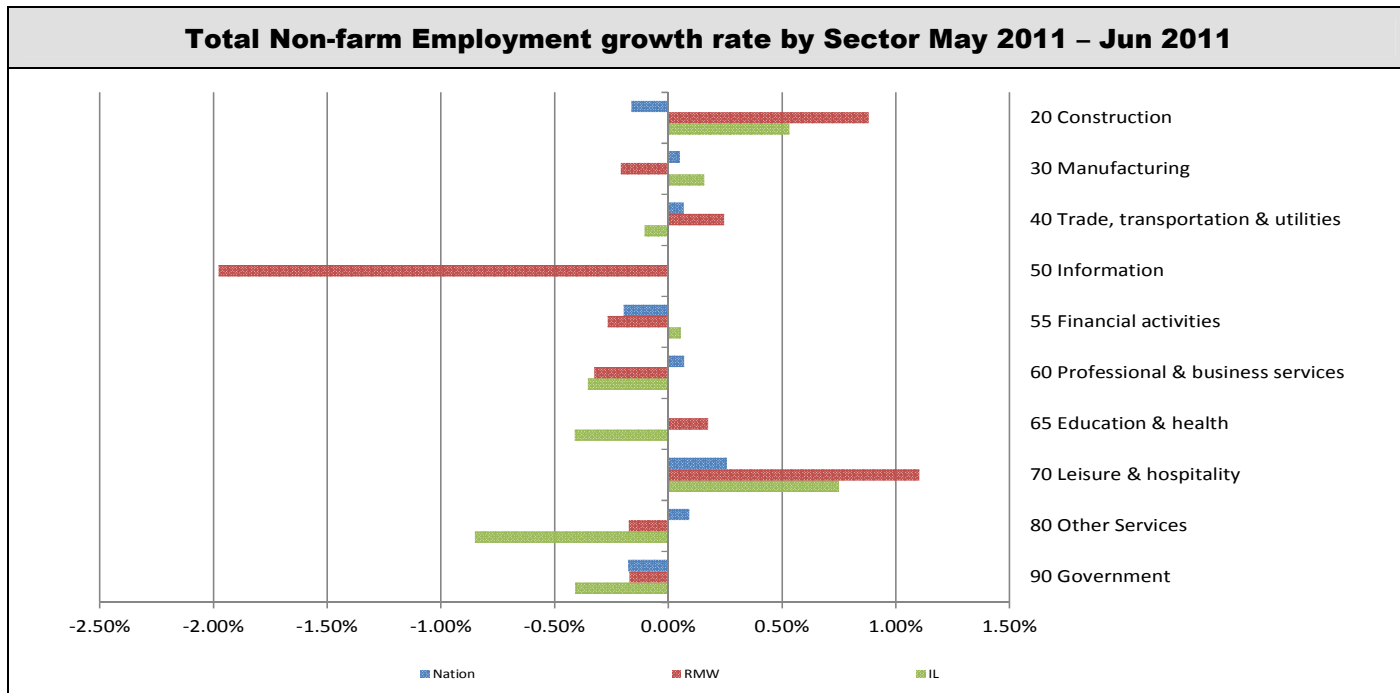
Illinois Recovery Scenarios		
To Recover	Growth Rate	
	At the point of 2011-June	At the point of 2010-June
In 5 years	97,200 jobs/year	109,000 jobs/year
In 8 years	60,700 jobs/year	68,000 jobs/year
In 10 years	48,600 jobs/year	54,000 jobs/year
In 15 years	32,400 jobs/year	36,000 jobs/year

* The figure 583,000 is the number of jobs needed for the Illinois economy to recover to the previous employment peak, 2000-Nov. The gap between the previous peak 2000-Nov and the previous lowest point 2009-Dec is 479,000. Adding 104,000, the number of jobs that needed to bring the shadow and official unemployment rates together, the total number of jobs that Illinois needs to create is 583,000.

**The figure 38,200 represents the jobs recovered from Dec. 2009 (previous lowest level) through June 2010.

*** The figure 97,200 represents the jobs recovered from Dec. 2009 through June 2011.

Employment Growth Rate by Sector:



Sector notes

- Illinois posted negative change in June 2011 by shedding 7,200 jobs. Four out of ten sectors recorded net gains. Compared to May, Leisure & hospitality (-0.55% to 0.75%) had a major performance gain. Construction (1.63% to 0.53%) in Illinois experienced major performance loss. In addition, compared to May, Most of the sectors experienced performance net losses. For example, Information (0.83% to 0%), Financial activities (0.62% to 0.06%), Manufactory (-0.28% to 0.16%), Government (0.22% to -0.41%) and Other Services (-0.50% to -0.85%) faced relative losses in performance.
- In June at the national level, the top three job-gain sectors were:
 - Leisure & hospitality: 34,000 (0.26%)
 - Other services: 5,000 (0.09%)
 - Professional & business services: 12,000 (0.07%)
- Major losses at the national level in June were recorded by:
 - Financial activities: -15,000 (-0.20%)
 - Government: -39,000 (-0.18%)
 - Construction: -9,000 (-0.16%)
- For Illinois, the top three job-gain sectors in June were:
 - Leisure & hospitality: 3,900 (0.75%)
 - Construction: 1,100 (0.53%)
 - Manufactory: 900 (0.16%)
- Following are the major sectors that lost jobs in June for Illinois:
 - Other services: -2,200 (-0.85%)
 - Government: -3,500 (-0.41%)
 - Education & health: -3,500 (-0.41%)
- For Illinois, five sectors have employment below 1990 levels. Compared to 1990 employment levels, Manufacturing has -350,400 fewer jobs, Construction is down -20,100 jobs, Information down -33,400 jobs, Trade transportation & utilities down -7,300 jobs, and Financial activities down -16,900 jobs.

Total Non-farm Employment growth rate by sector Jan 1990 - Jun 2011

	Illinois				RMW	Nation
	vs. RMW	vs. Nation	Number of Jobs	Rate %	Rate	Rate
					%	%
Construction	-	-	-20,100	-8.84	-2.10	1.68
Manufacturing	-	-	-350,400	-38.02	-31.21	-34.23
Trade, transportation & utilities (TTU)	-	-	-7,300	-0.63	1.48	9.55
Information	-	-	-33,400	-25.57	-17.87	0.60
Financial activities	-	-	-16,900	-4.54	11.52	15.53
Professional & business services	-	-	244,800	42.83	52.30	59.29
Education & health	-	-	316,600	59.85	64.14	85.50
Leisure & hospitality	+	-	139,600	36.34	25.00	42.20
Other Services	+	-	51,100	24.88	19.27	29.09
Government	+	-	96,400	12.77	11.19	21.56

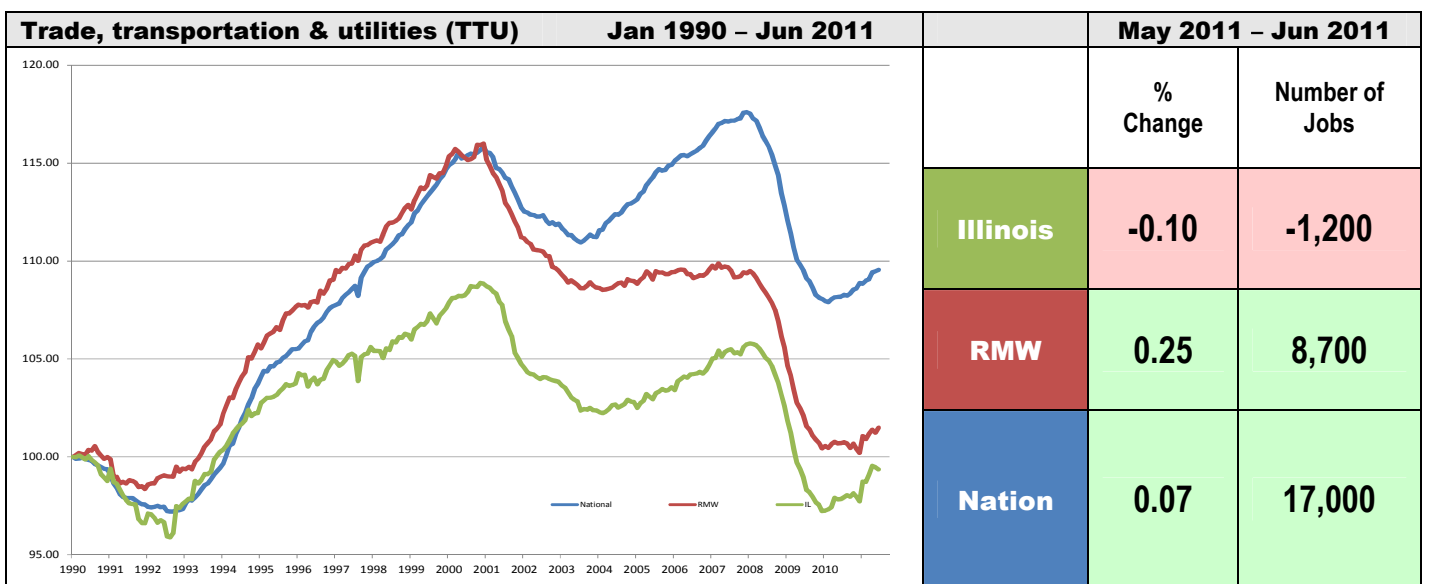
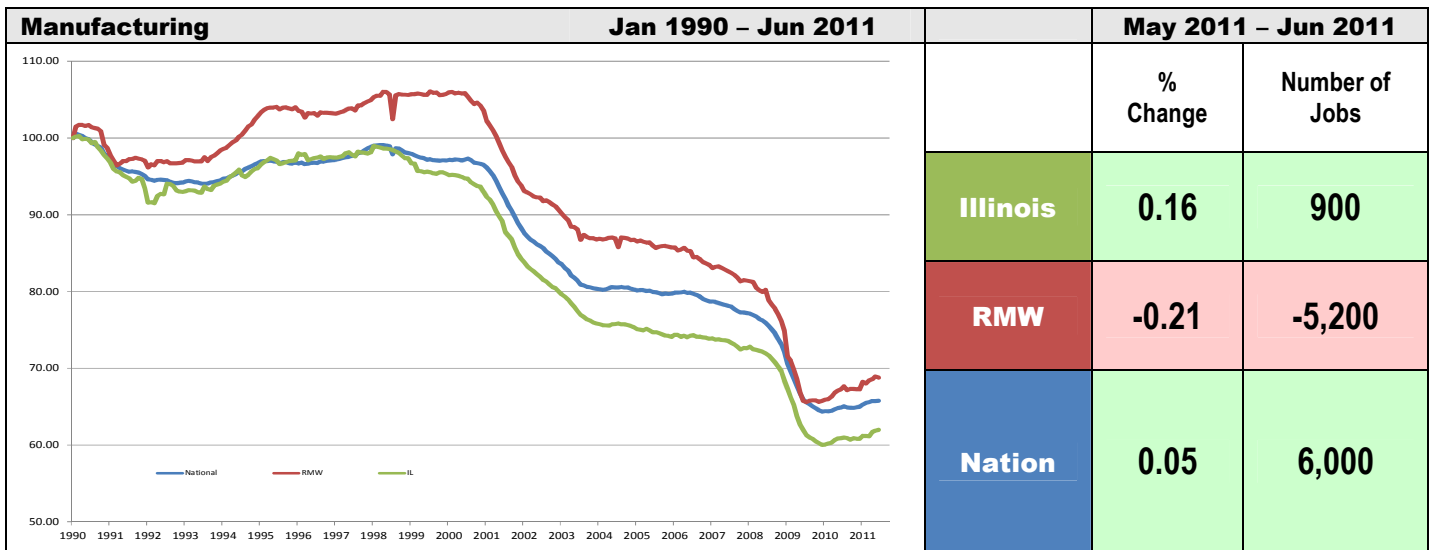
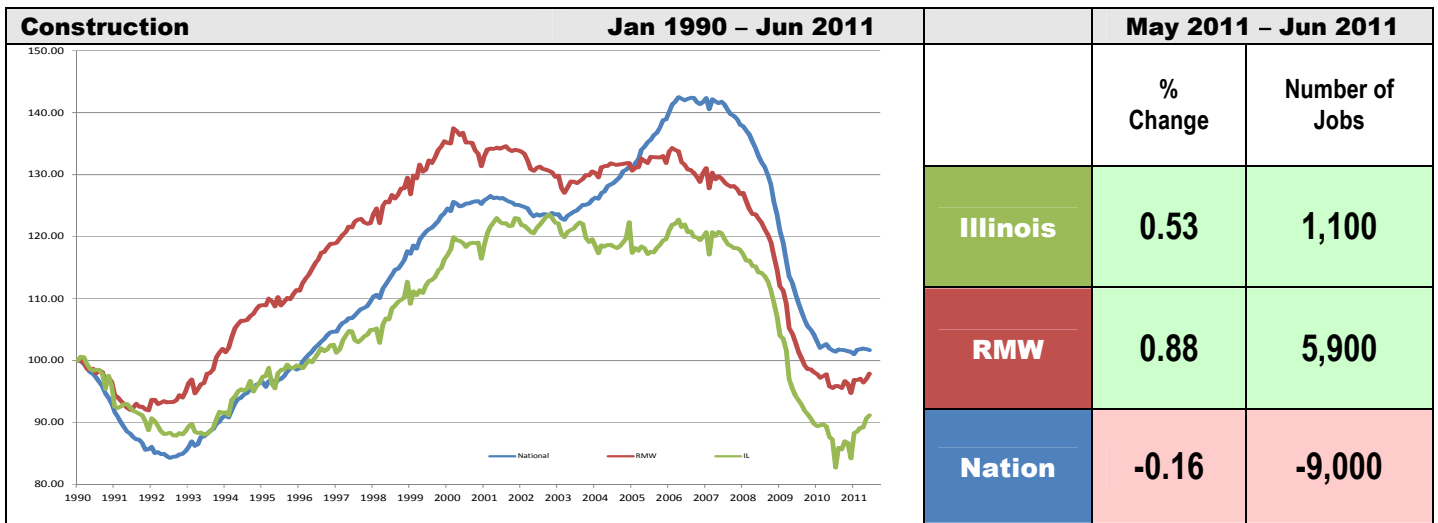
Illinois job recovery by sector from Dec 2007 – Jun 2011

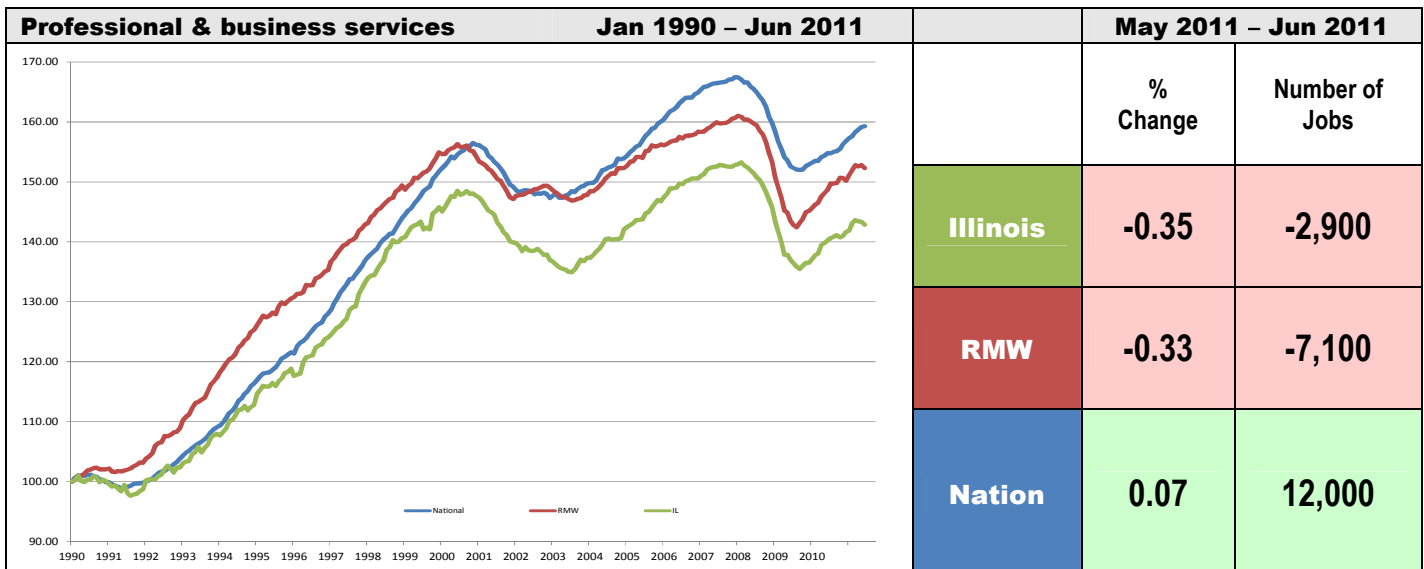
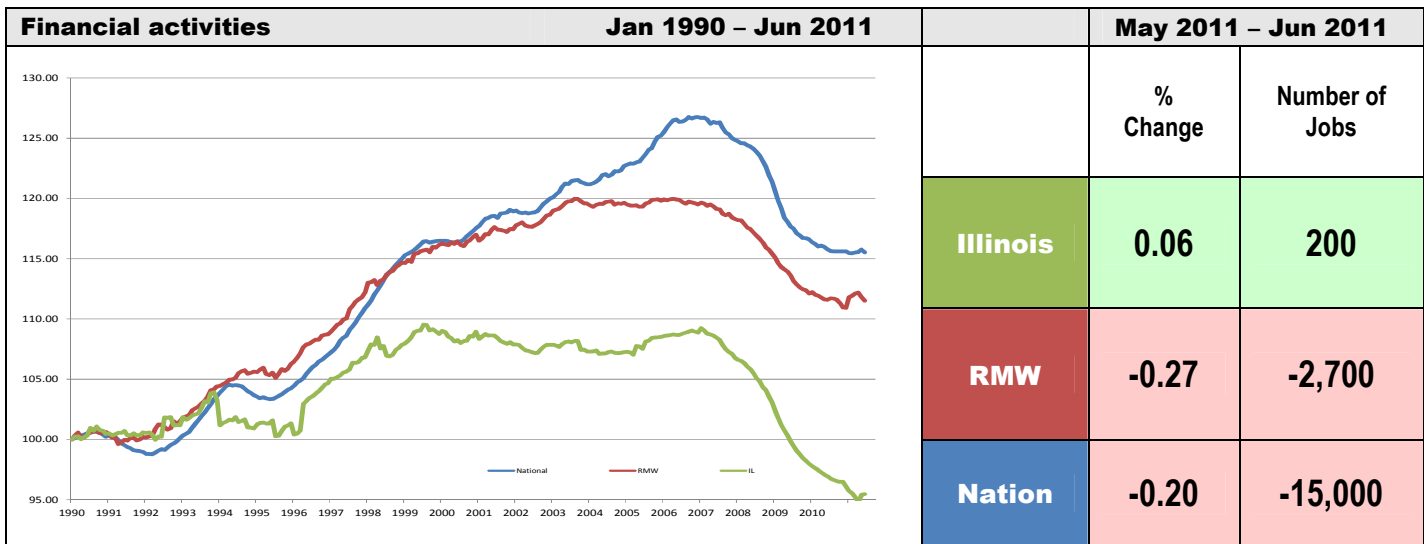
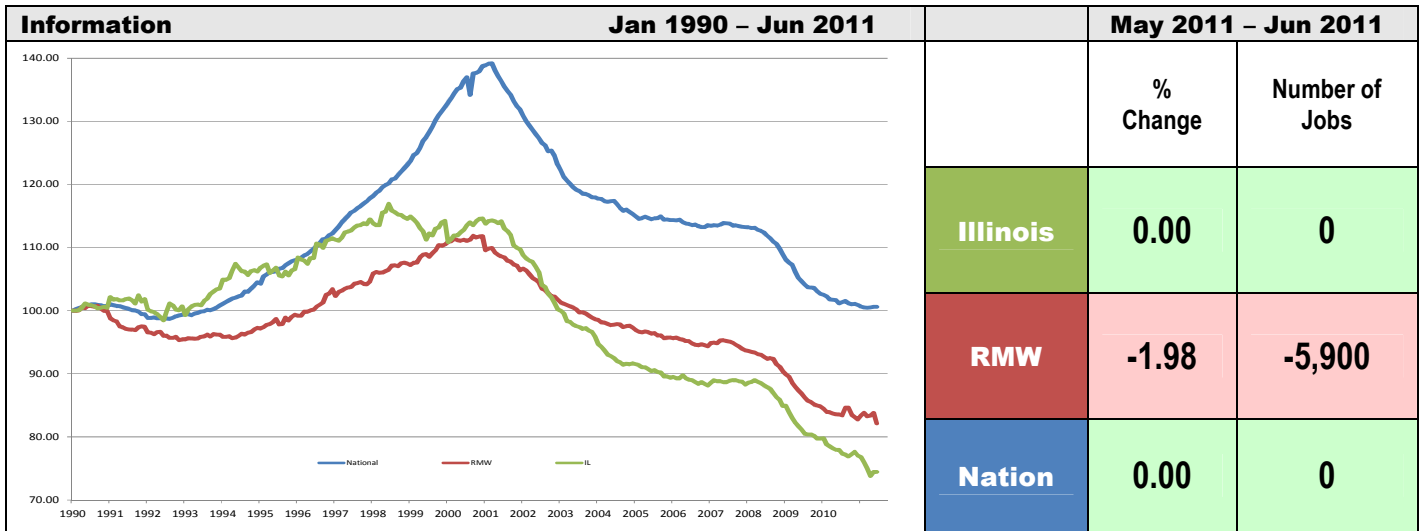
	Job Changes in Recession Period*	Job Recovery Jan 2010- Jun 2011	Recovery Rate	Forecasted Job Recovery Jan 2010- Jun 2012	Forecasted Recovery Rate
Construction	-64,500	3,100	4.81%	300	0.47%
Manufacturing	-116,000	18,000	15.52%	18,200	15.69%
Trade, transportation & utilities (TTU)	-98,100	24,600	25.08%	38,800	39.55%
Information	-11,000	-6,900	-62.73%	-11,400	-103.64%
Financial activities	-32,700	-9,400	-28.75%	-14,000	-42.81%
Professional & business services	-91,400	36,000	39.39%	51,300	56.13%
Education & health	34,300	23,900	--	47,100	--
Leisure & hospitality	-22,800	11,900	52.19%	18,200	79.82%
Other Services	-5,900	500	8.47%	2,500	42.37%
Government	5,200	-4,900	--	3,500	--

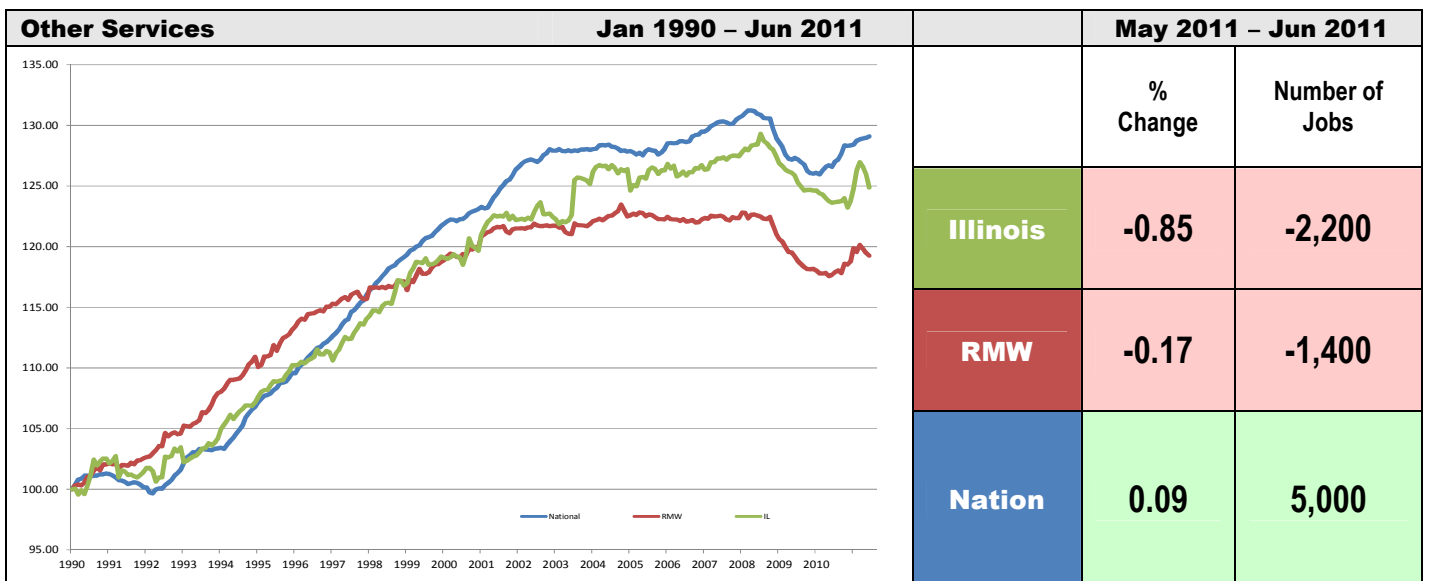
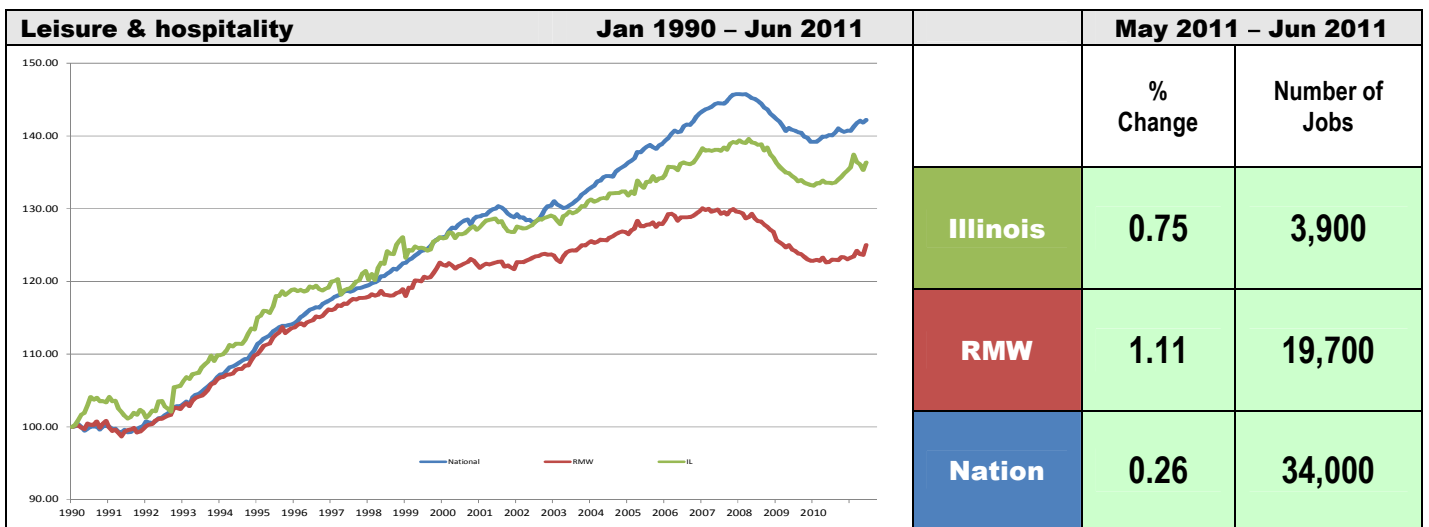
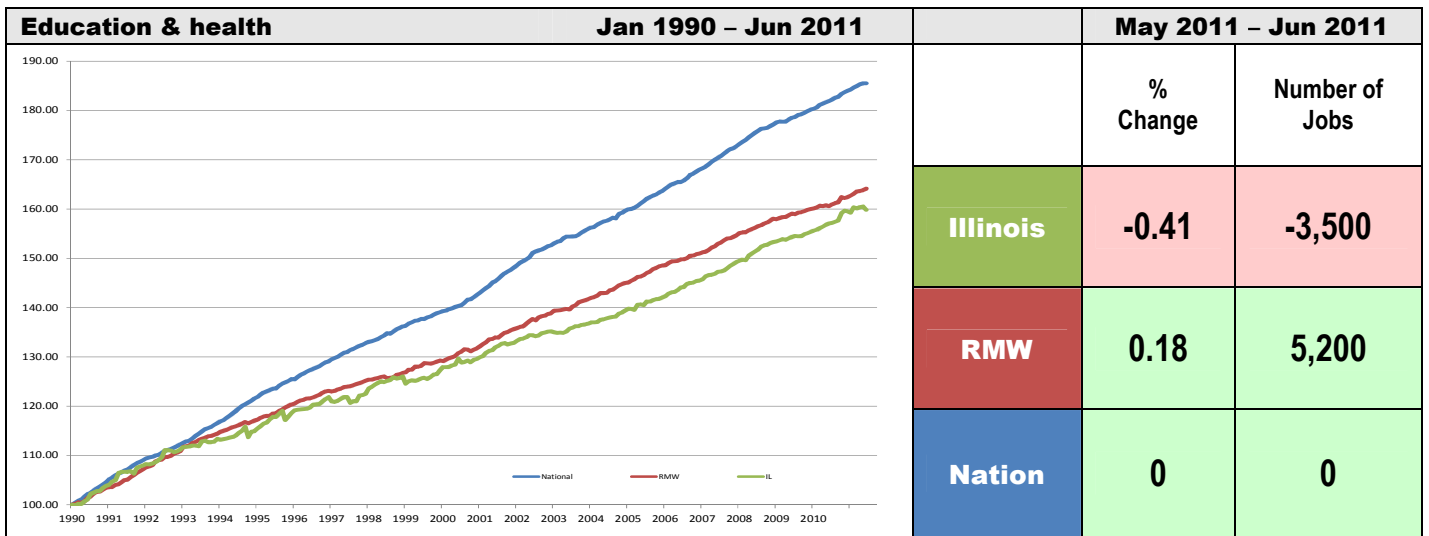
*Recession period: Dec 2007- Dec 2009

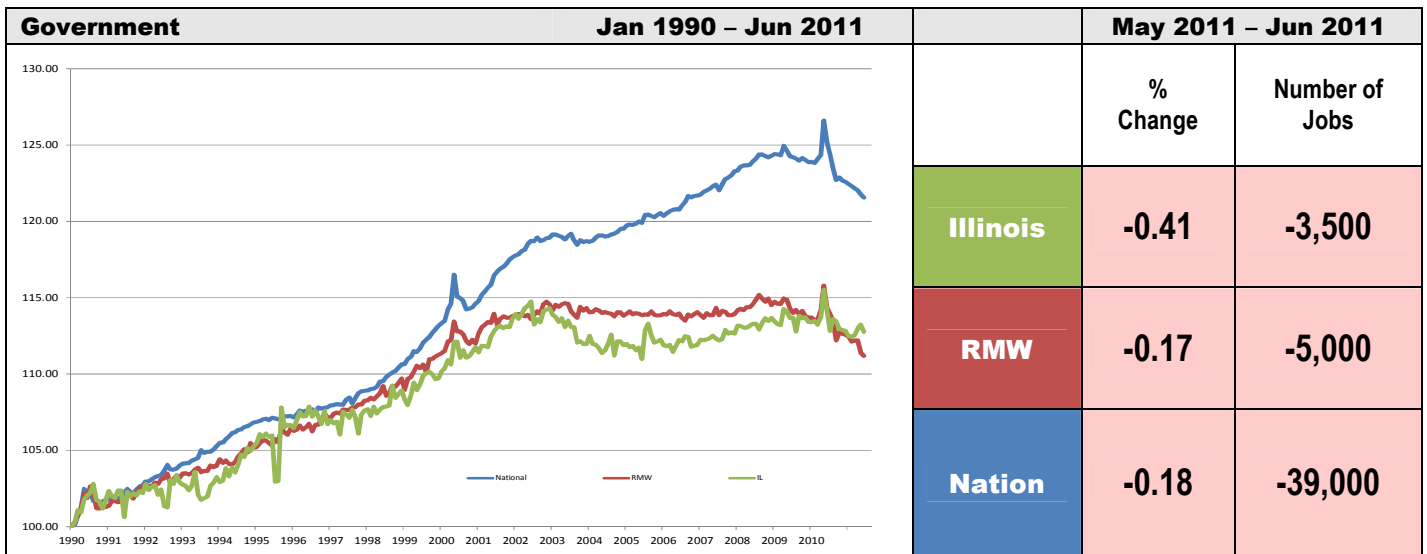
Recovery by Sector

- During the recession period of Dec 2007-Dec 2009, 8 out of 10 Illinois sectors experienced negative job growth. Education & health and Government are the only 2 sectors that had positive job growth during the recession.
- Since Jan 2010, Illinois employment resumed. Construction, Manufacturing, Trade, transportation & utilities, Professional & business services, Leisure hospitality and Other services have recovered 4.81%, 15.52%, 25.08%, 39.39%, 52.19%, 8.47%, respectively, from the job lost during the recession.
- However, Information and Financial activities continued to lose jobs leading to negative recovery rates, -62.73% and -28.75%.
- The 12-month-ahead job recovery forecasts show that Information and Financial activities will be worse off and experience negative recovery. From Jan 2010 to June 2012, the number of jobs that Information loses will be more than jobs lost during the recession, leading to a forecasted recovery rate of -103.64% by June 2012. The forecasted recovery rate for Financial activities is -42.81%.
- By June 2012, Manufacturing, Trade, transportation & utilities, Professional & business services, Leisure hospitality and Other services will have improved recovery rates.









ABOUT: The Regional Economics Applications Laboratory (REAL) is a unit of the Institute of Government and Public Affairs of the University of Illinois. REAL undertakes impact and forecasting analyses of the Illinois and several Midwestern economies and is also engaged in similar analysis in several other countries including Brazil, Chile, Colombia, and Japan. More information can be found at www.real.illinois.edu.