


Illinois Job Index

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

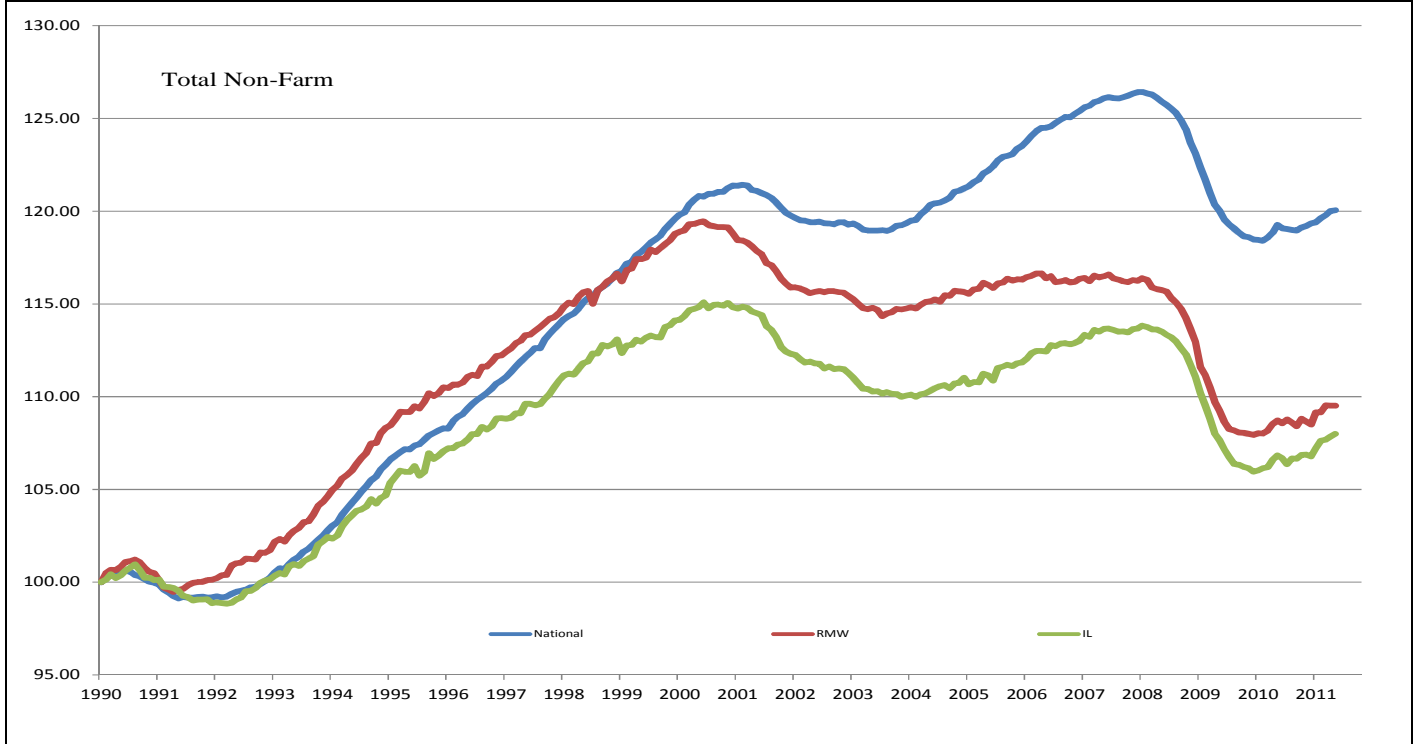
	Jun 2011 Positive	April 2011–May 2011		Last 12 months		May 2011	
		Total non-farm employment	Growth Rate %	Number of Jobs	Growth Rate%	Number of Jobs	Shadow U.R. *
		Nation	0.04	54,000	0.67	870,000	12.3%
		RMW	-0.01	-2,800	0.73	134,700	13.2%
		Illinois	0.14	8,200	1.09	61,600	11.5%

*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 8,200 jobs in May 2011 at a rate of 0.14%, compared with a revised 9,100 job gain in April 2011. Compared to May 2010, Illinois has added 61,600 jobs. The three-month moving average of jobs, a more stable measure of labor market, was up by 6,600 jobs per month. In May 2011, the Nation added 54,000 jobs at a rate of 0.04%, compared with a revised 232,000 job gain in April. The three-month moving average of jobs was up by 160,000 jobs per month. RMW shed 2,800 jobs in May at a rate of -0.01% after a revised -1,200 job loss in April. The three-month moving average was up by 20,100 jobs per month. Since the beginning of the recession in Dec 2007, Illinois has posted negative job changes 27 times and positive job gains 14 times so far. The state of Illinois now has a net loss of 298,400 jobs since the beginning of the recession in December 2007. Since January 2010 when Illinois employment resumed after the national recession, Illinois has added 107,700 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 resumed. 6 sectors Construction, Manufacturing, Trade, transportation & utilities, Professional & business services, Leisure hospitality and Other services have recovered 1.71%, 17.16%, 26.10%, 42.89%, 35.09, 44.07% respectively from the job losses during the recent recession of Dec 2007-Dec 2009. However, Information and Financial activities continued to lose jobs leading to negative recovery rates, -64.55% and -29.05%. The shadow unemployment rates for Illinois, RMW and the Nation were 11.5%, 13.2% and 12.3%, compared to official unemployment rates of 8.9%, 8.6% and 9.1%. Illinois unemployment rate increased for the first time after 15 consecutive months of decline in the unemployment rate. Through May 2011, the cumulative job growth for Illinois, RMW and the Nation compared to January 1990 stood at 8.00%, 9.51%, and 20.06%, respectively.
Nation Notes	<ul style="list-style-type: none"> Total nonfarm payroll employment increased by 54,000 in May. Employment had slight decrease in all the sectors except Professional & business services and Education & health. Since the last employment peak in December 2007, the nation has lost 6,940,000 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 0.12%, respectively.

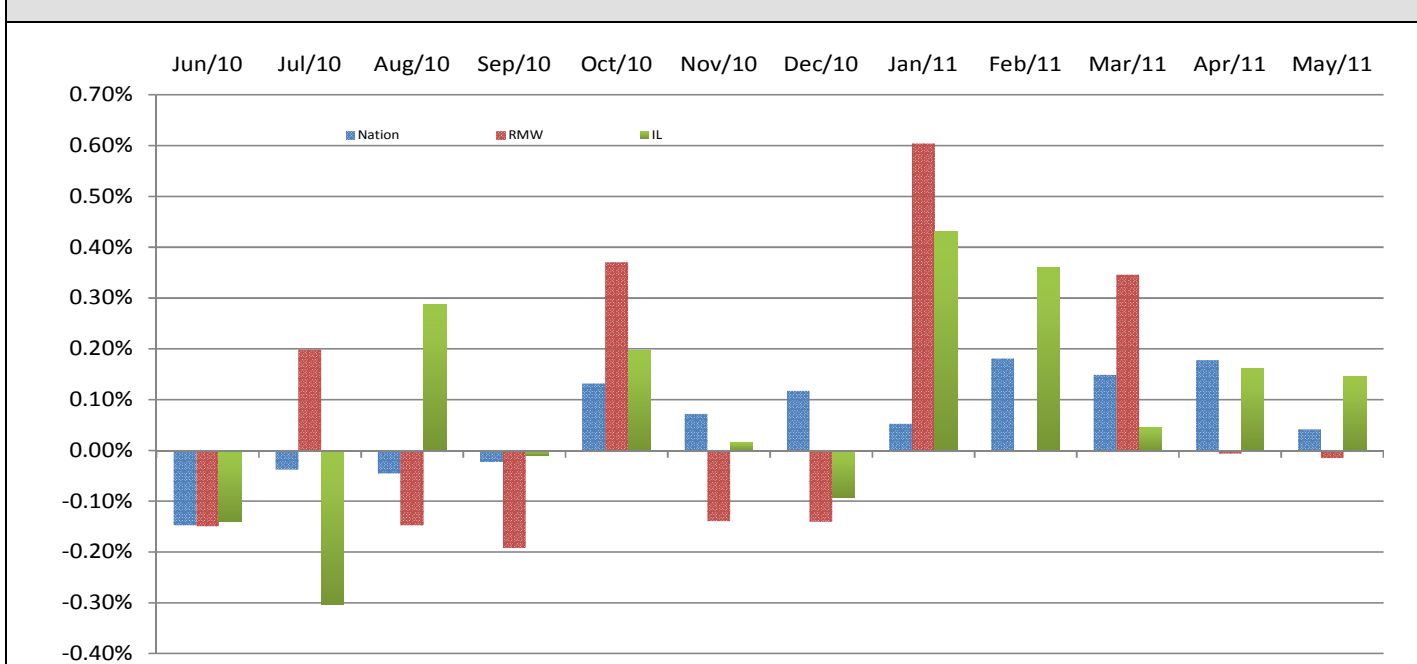
Total Non-farm Employment growth rate Jan 1990 – May 2011



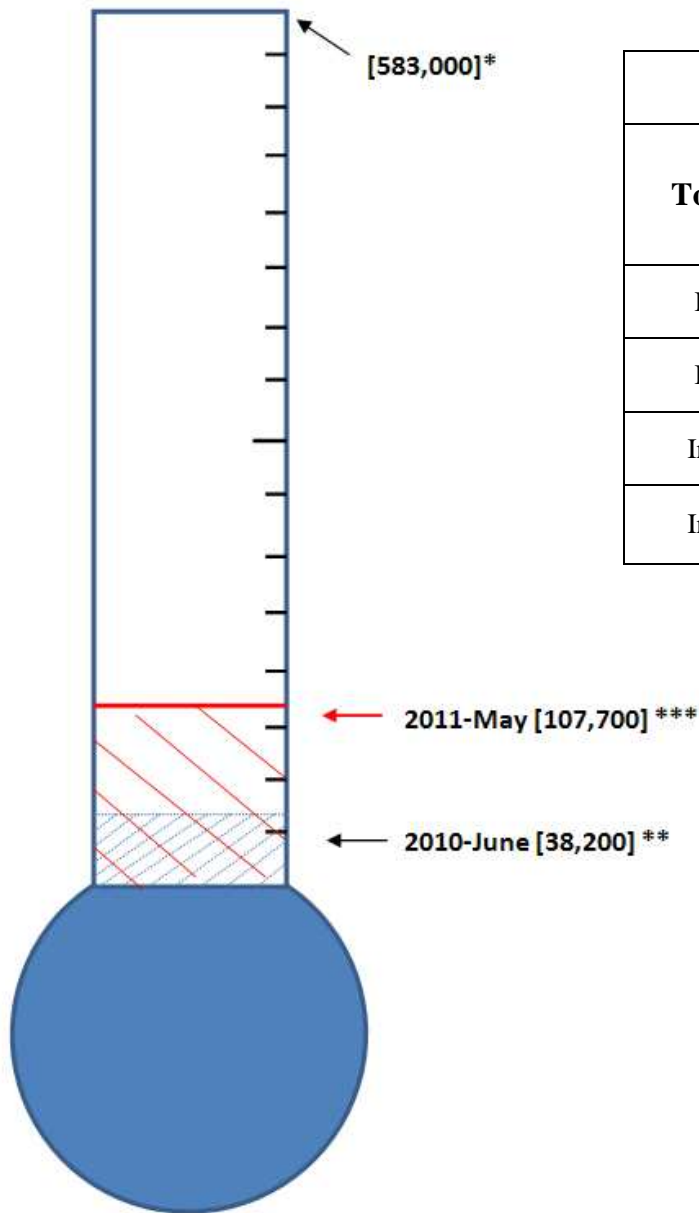
Total Non-farm Employment and Employment Index

	May 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	131,043,000	120.06	126.57 (Dec-2007)	21,892,000	-6,940,000
RMW	18,711,400	109.51	119.44 (Jun-2000)	1,625,000	-1,698,100
Illinois	5,688,200	108.00	115.08 (Nov-2000)	421,400	-371,300

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



Barometer of Job Recovery



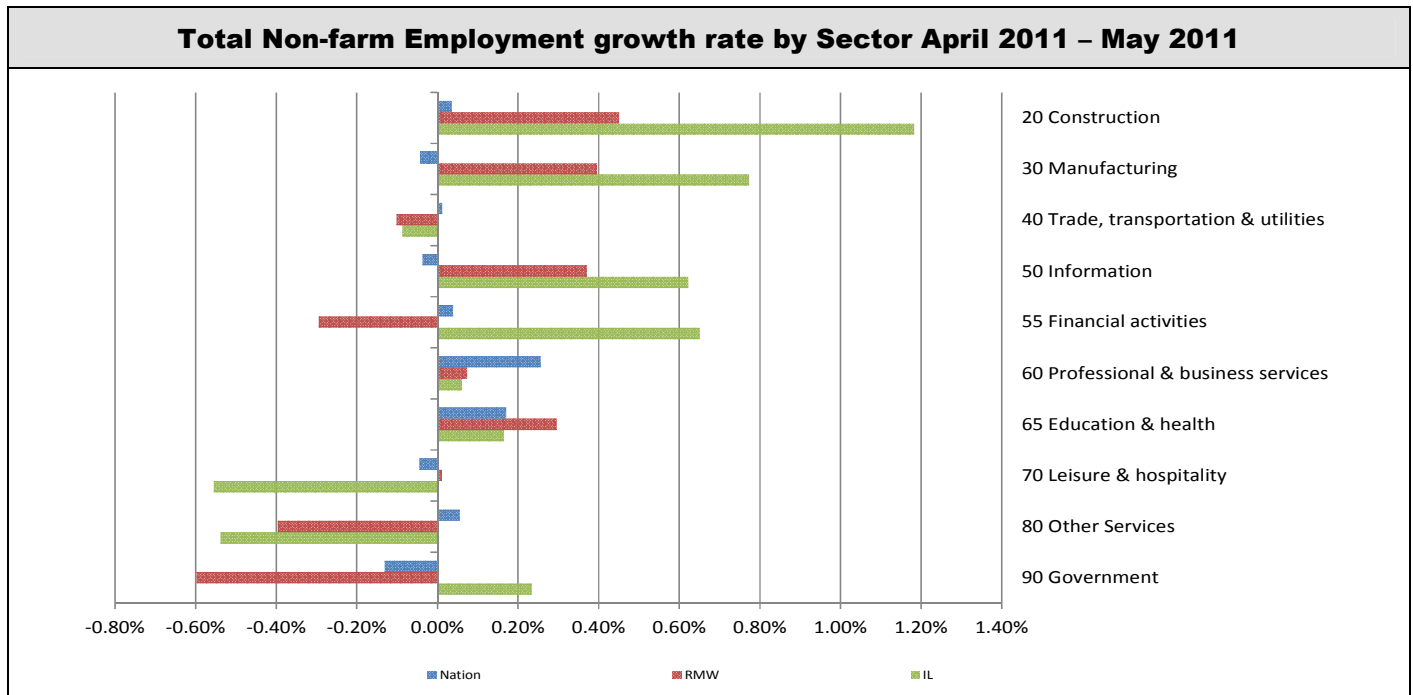
Illinois Recovery Scenarios		
To Recover	Growth Rate	
	At the point of 2011-May	At the point of 2010-June
In 5 years	95,000 jobs/year	109,000 jobs/year
In 8 years	59,000 jobs/year	68,000 jobs/year
In 10 years	48,000 jobs/year	54,000 jobs/year
In 15 years	32,000 jobs/year	36,000 jobs/year

* The figure 583,000 is the number of jobs we need for 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 we need to bring 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 107,700 represents the jobs recovered from Dec. 2009 through May 2011.

Employment Growth Rate by Sector:



Sector notes

- Illinois posted positive change in May 2011 by adding 8,200 jobs. Seven out of ten sectors recorded net gains. Compared to April, Information (-1.63% to 0.62%) had a major performance gain. Trade, transportation & utilities (0.46% to -0.09%) in Illinois experienced major performance loss. In addition, compared to April, Financial activities (-0.37% to 0.65%), Professional & business services (-0.15% to 0.06%), Construction (0.10% to 1.18%) had relative performance gains, while Leisure & hospitality (-0.23% to -0.55%) and Other Services (-0.31% to -0.54%) faced relative losses in performance.
- In May at the national level, the top three job-gain sectors were:
 - Professional & business services: 44,000 (0.26%)
 - Education & health: 34,000 (0.17%)
 - Other services: 3,000 (0.06%)
- Major losses at the national level in May were recorded by:
 - Government: -29,000 (-0.13%)
 - Leisure & hospitality: -6,000 (-0.05%)
 - Manufacturing: -5,000 (-0.04%)
- For Illinois, the top three job-gain sectors in May were:
 - Construction: 2,400 (1.18%)
 - Manufacturing: 4,400 (0.77%)
 - Finance: 2,300 (0.65%)
- Following are the major sectors that lost jobs in May for Illinois:
 - Leisure & hospitality: -2,900 (-0.55%)
 - Other services: -1,400 (-0.54%)
 - Trade, transportation & utilities: -1,000 (-0.09%)
- For Illinois, five sectors have employment below 1990 levels. Compared to 1990 employment levels, Manufacturing has -348,500 fewer jobs, Construction is down -22,100 jobs, Information down -33,600 jobs, Trade transportation & utilities down -6,300 jobs, and Financial activities down -17,000 jobs.

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

	Illinois				RMW	Nation
	vs. RMW	vs. Nation	Number of Jobs	Rate %	Rate	Rate
					%	%
Construction	-	-	-22,100	-9.72	-3.13	1.97
Manufacturing	-	-	-348,500	-37.81	-31.16	-34.30
Trade, transportation & utilities (TTU)	-	-	-6,300	-0.55	1.28	9.43
Information	-	-	-33,600	-25.73	-16.32	0.41
Financial activities	-	-	-17,000	-4.56	11.85	15.54
Professional & business services	-	-	248,700	43.52	52.69	59.21
Education & health	-	-	320,800	60.64	64.15	85.78
Leisure & hospitality	+	-	135,700	35.32	23.76	42.06
Other Services	+	-	53,200	25.90	19.36	28.97
Government	+	-	100,000	13.24	11.53	21.91

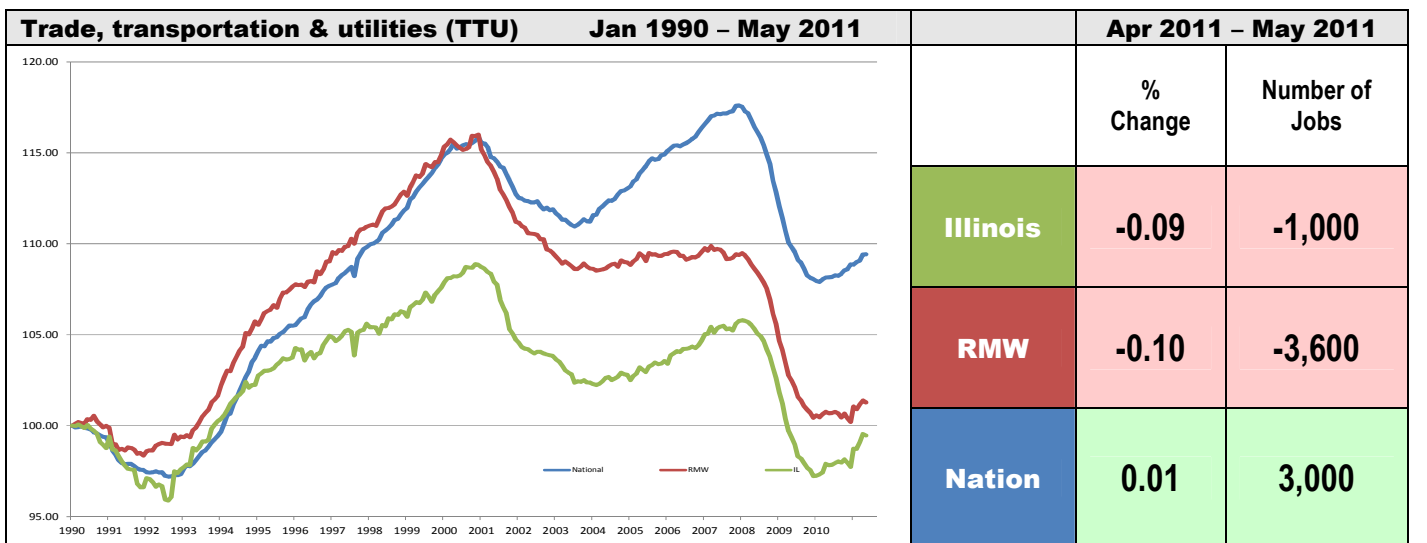
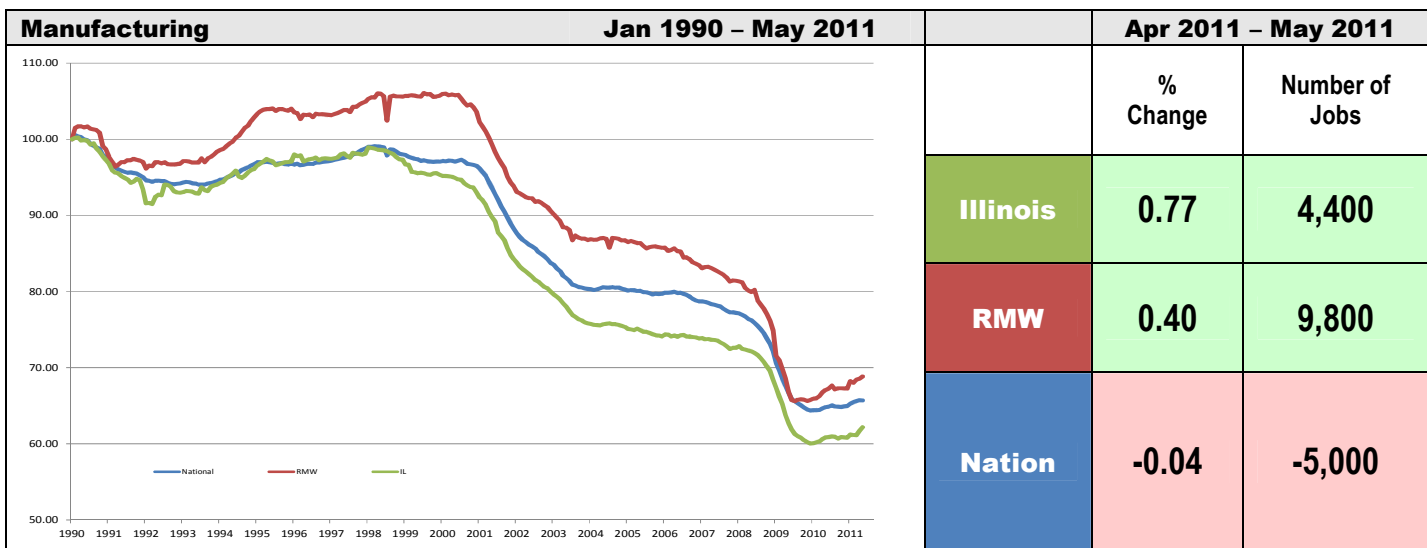
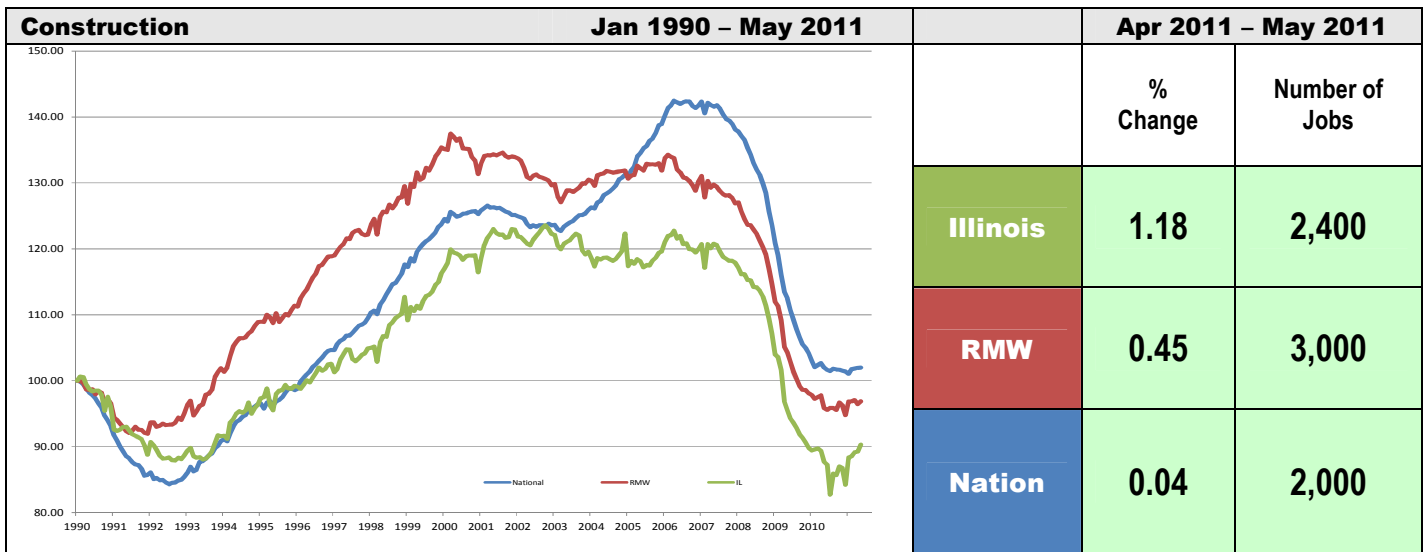
Illinois job recovery by sector from Dec 2007 – May 2011

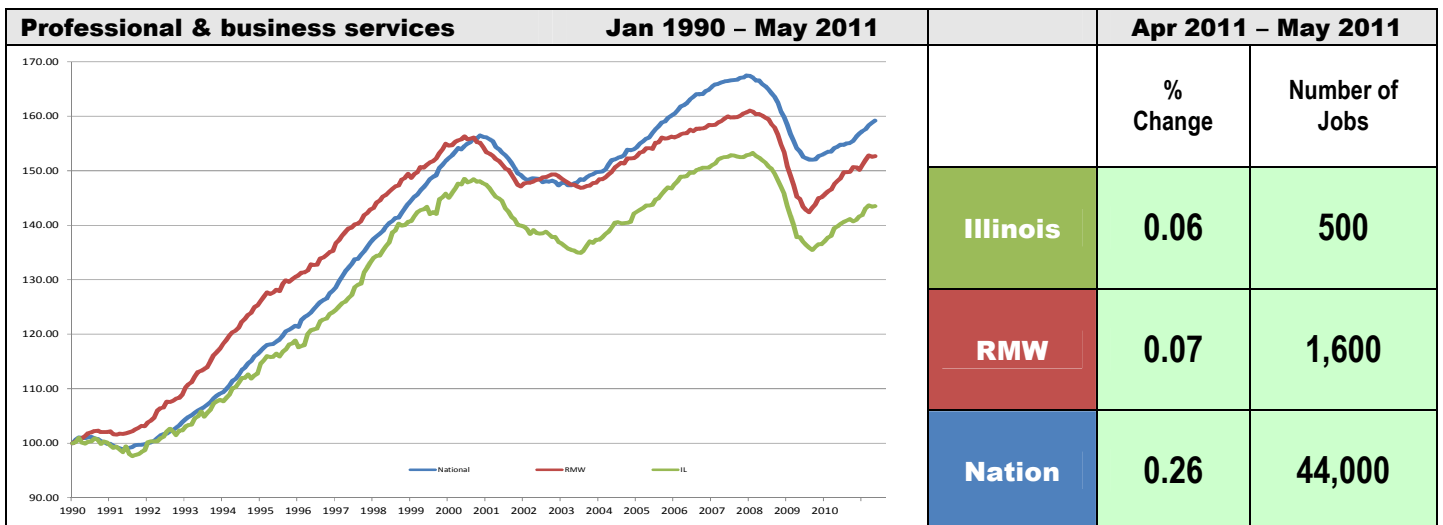
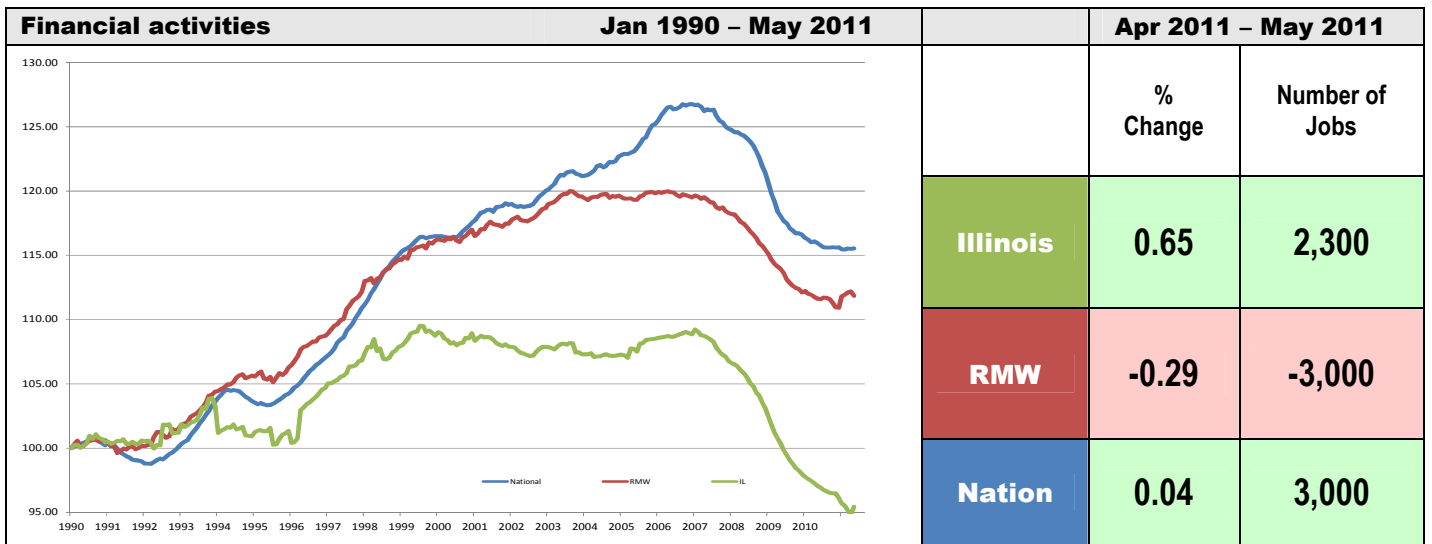
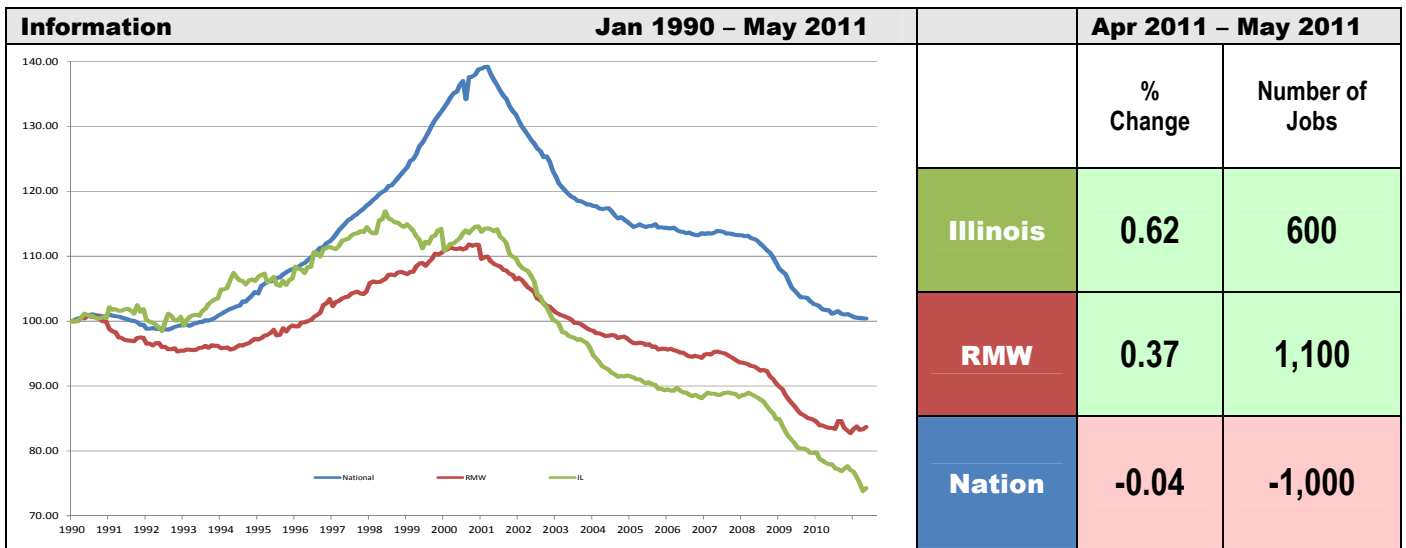
	Job Changes in Recession Period*	Job Recovery Jan 2010-May 2011	Recovery Rate	Forecasted Job Recovery Jan 2010-May 2012	Forecasted Recovery Rate
Construction	-64,500	1,100	1.71%	-4,100	-6.36%
Manufacturing	-116,000	19,900	17.16%	31,300	26.98%
Trade, transportation & utilities (TTU)	-98,100	25,600	26.10%	51,100	52.09%
Information	-11,000	-7,100	-64.55%	-12,300	-111.82%
Financial activities	-32,700	-9,500	-29.05%	-14,300	-43.73%
Professional & business services	-91,400	39,900	42.89%	68,700	75.16%
Education & health	34,300	28,100	--	52,100	--
Leisure & hospitality	-22,800	8,000	35.09%	14,900	65.35%
Other Services	-5,900	2,600	44.07%	7,600	128.81%
Government	5,200	-1,300	--	6,100	--

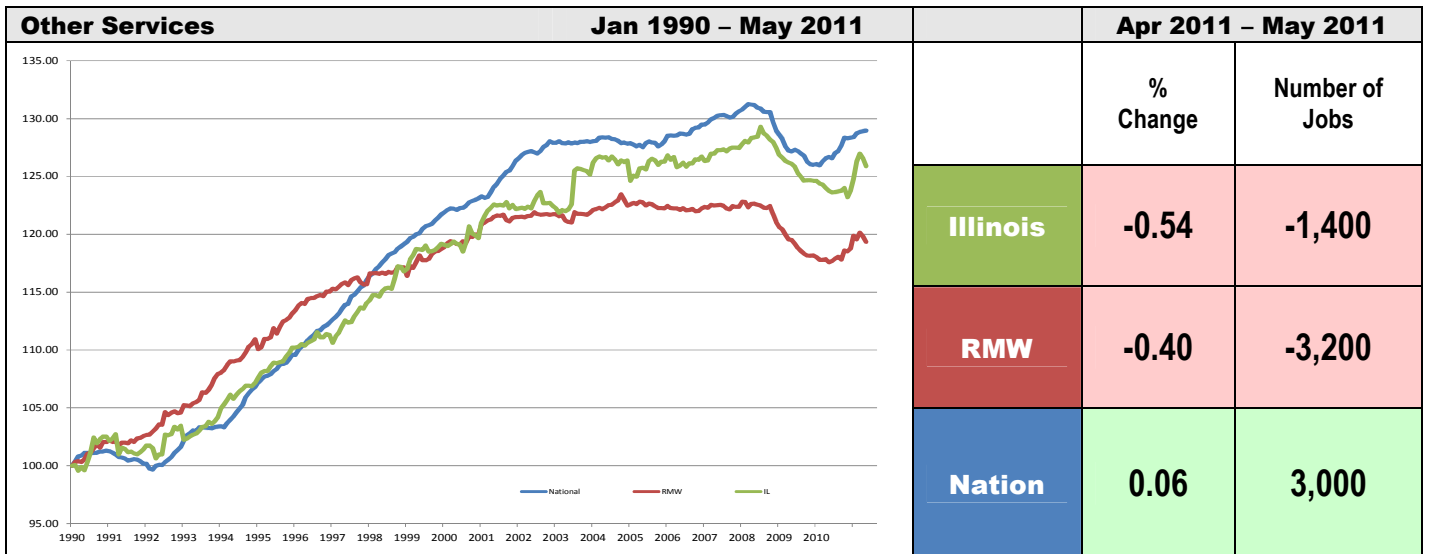
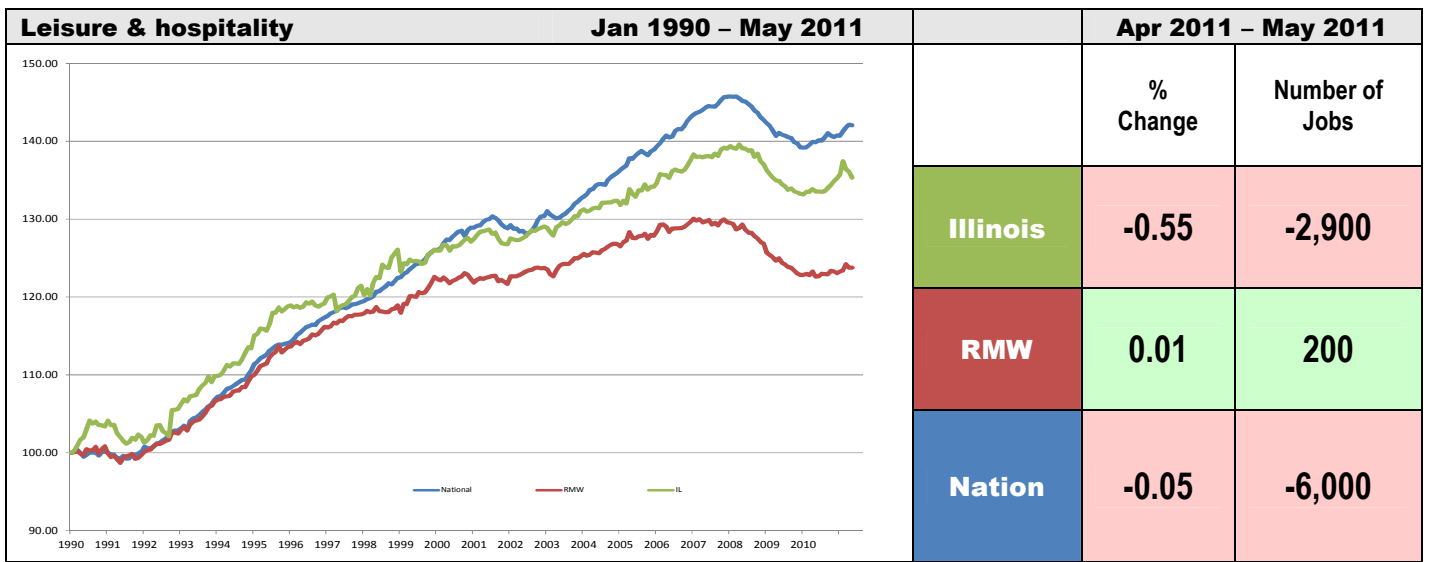
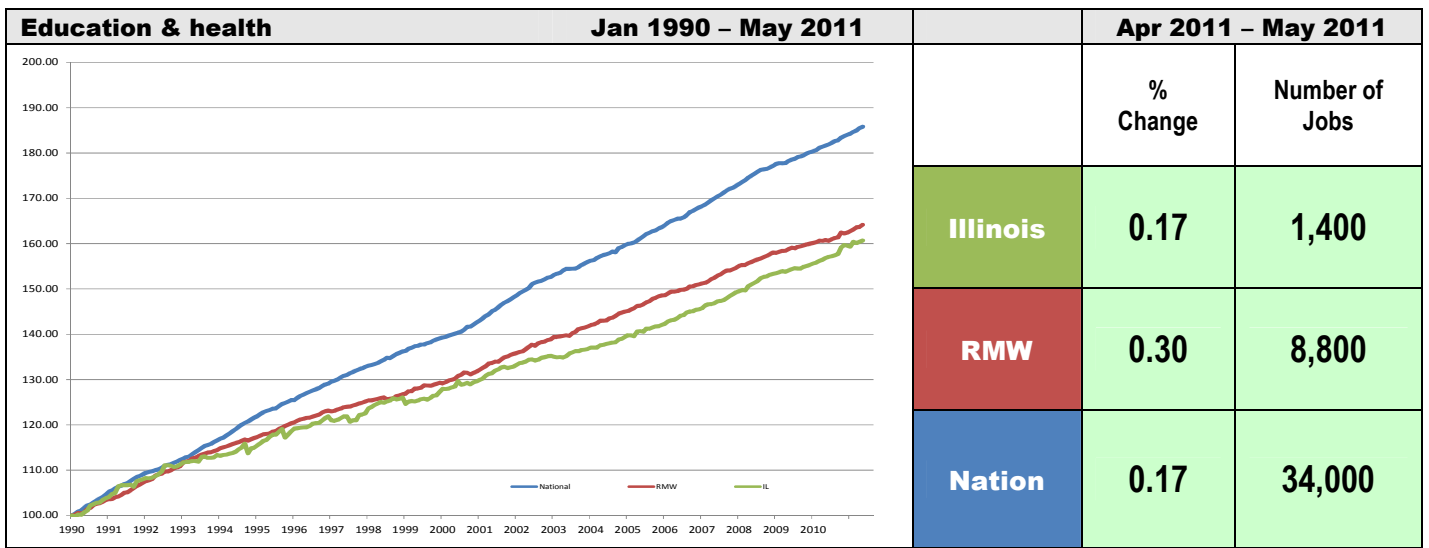
*Recession period: Dec 2007- Dec 2009

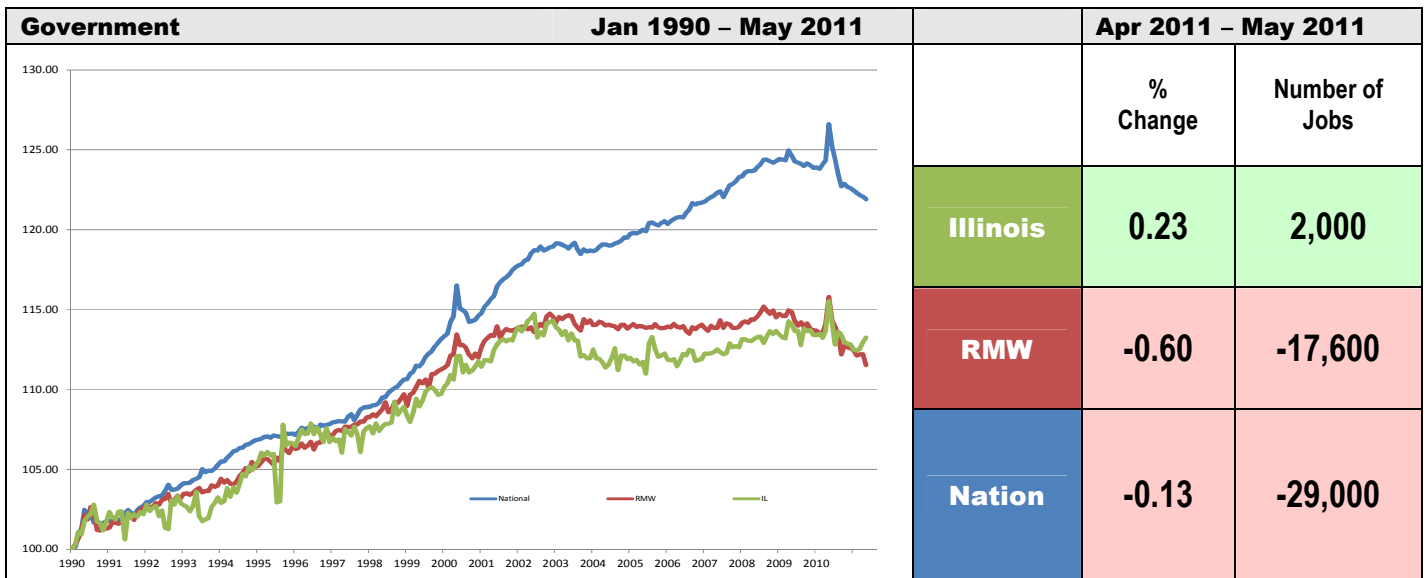
Recovery by Sector

- 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 which had positive job growth during the recession.
- Since Jan 2010, Illinois employment resumed. 6 sectors Construction, Manufacturing, Trade, transportation & utilities, Professional & business services, Leisure hospitality and Other services have recovered 1.71%, 17.16%, 26.10%, 42.89%, 35.09, 44.07% respectively from the job losses during the recession.
- However, Information and Financial activities continued to lose jobs leading to negative recovery rates, -64.55% and -29.05%.
- The 12-month-ahead job recovery forecasts show that 3 sectors, namely, Construction, Information and Financial activities will experience negative recovery. From Jan 2010 to May 2012, the jobs that Information loses will be more than the jobs that was lost during the recession, leading to a forecasted recovery rate -111.82% by May 2012. The forecasted recovery rates for Construction and Financial activities are -6.36% and -43.73%.
- Other services is the only sector out of 10 Illinois sectors that will recover from the recession by May 2012.









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.