

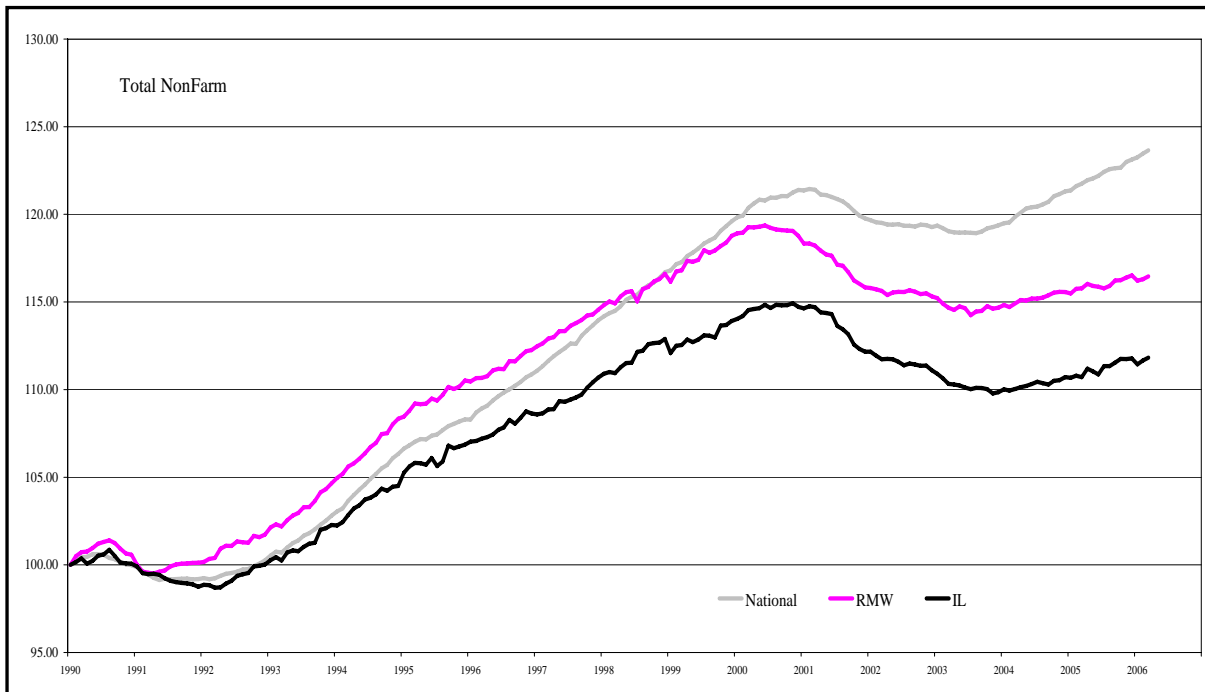
**Monthly Illinois Economic Review**

❖ **Employment**

April 2006 Neutral		Feb 2006 – Mar 2006		Last 12 months	
	Total non-farm employment	Growth Rate %	Number of Jobs	Growth Rate %	Number of Jobs
	Nation	+0.16	+211,000	+1.57	+2,090,000
	RMW	+0.14	+27,000	+0.60	+118,100
Illinois	+0.15	+8,700	+1.00	+58,400	

**Talking Points**

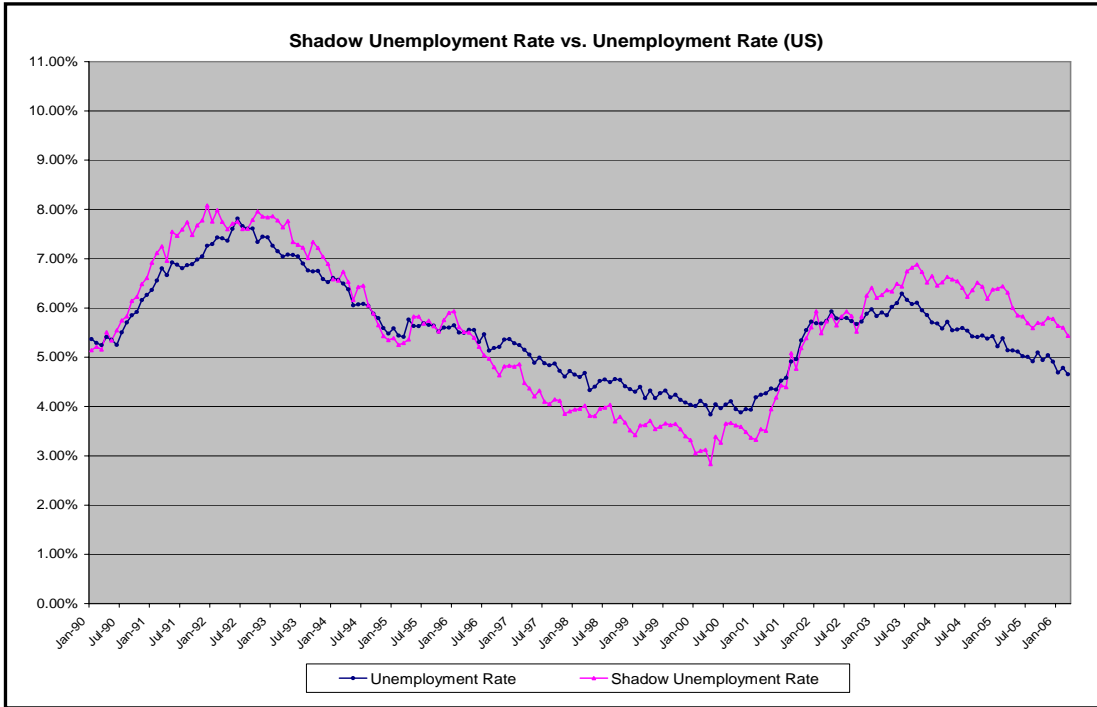
- Illinois had similar but slightly slower monthly job growth than Nation with 0.16% of growth rate, adding 8,700 new jobs in March.
- Though this month's job growth had slowed down from the growth pattern observed in the previous month, it is twice as fast as the average monthly rate over the last 12-month period, which is 0.08%.
- For the first time since November 2005, Illinois' job growth in 12-month period reaches up to 1.00%, while RMW still has 0.60% growth rate. However, compared to Nation, Illinois' rate is only the two thirds of national growth pattern.
- While RMW had read the faster monthly growth patterns than Illinois for the three months from November 2005 to January 2006, Illinois had faster growth monthly patterns for the last two months.
- Job index shows that Illinois recover up to the employment level observed in February 2002.
- After hitting the lowest level in November 2003 since October 1997, the job index has continuously increased even with some monthly fluctuations. However, the job index still lags behind the highest level observed in November 2000.
- Illinois job growth pattern still has the gap with RMW and Nation. Compared to RMW, Illinois shows the quite similar growth pattern but with the gap in level, and compared to Nation, Illinois shows the increasing gap due to the slower growth pattern than Nation.



**Monthly Illinois Economic Review**

❖ **Shadow Unemployment**

▪ **Illinois**

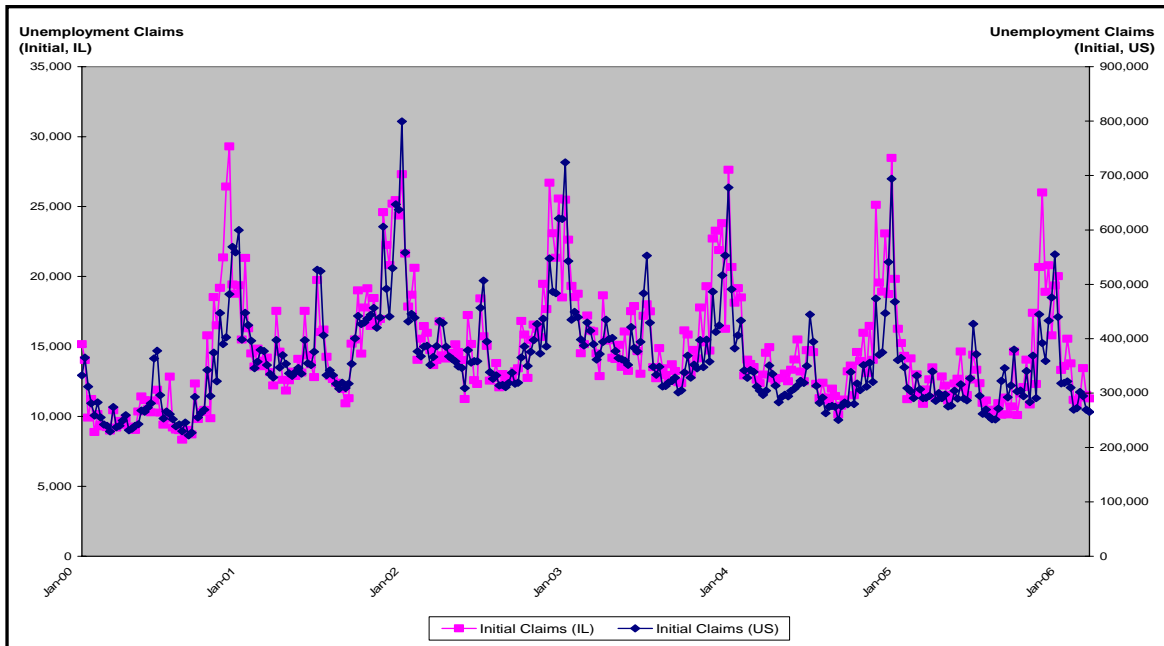


▪ **US**



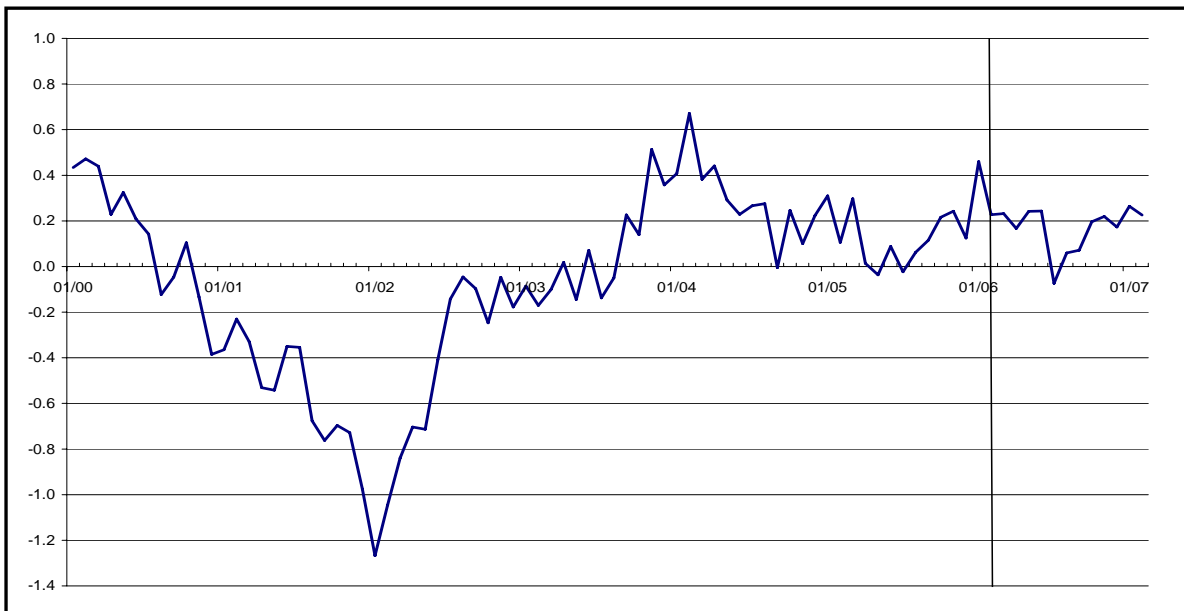
**Monthly Illinois Economic Review**

❖ **Unemployment Claims (Initial)**



❖ **CBAI in February**

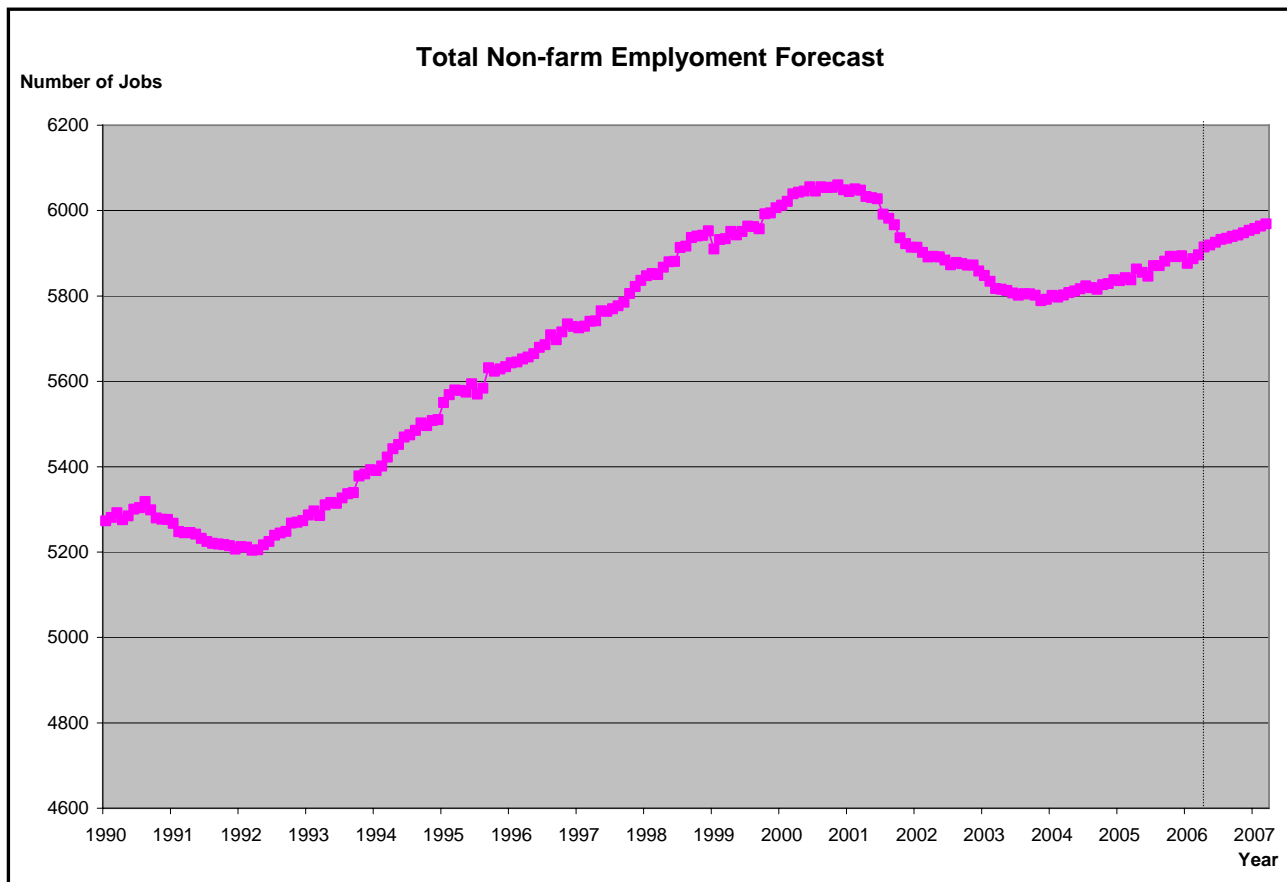
The Chicago Business Activity Index (CBAI) was 0.227 in February, the seventh consecutive positive reading since August 2005. This was mainly attributed to the increase of manufacturing production and non-manufacturing employment. Considering that the CBAI leads the local business cycle and positive values of this index are associated with above-trend growth, the Chicago economy will continue to grow. The CBAI prediction also indicates growth over the next 12 months will be higher than the last 12 months.



***Monthly Illinois Economic Review***

❖ **Employment Forecast (2006)**

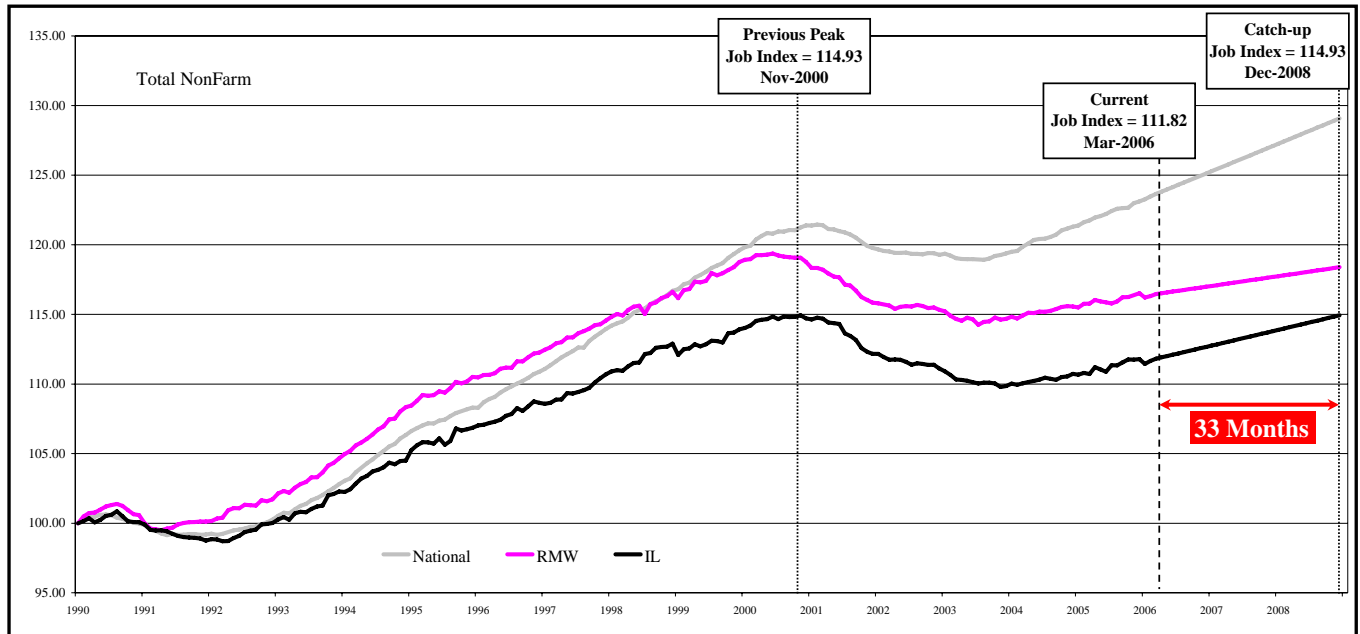
	Mar 2006	Mar 2007 (p)	Number of Jobs	Growth Rate %
Total non-farm	5,896,000	5,969,000	+73,000	+1.24
Construction	274,200	281,000	+6,800	+2.48
Manufacturing	681,100	685,000	+3,900	+0.57
Trade, transportation & utilities	1,187,700	1,206,000	+18,300	+1.54
Information	116,700	116,000	- 700	- 0.60
Financial Activities	407,600	408,000	+400	+0.10
Professional & business services	837,400	860,000	+22,600	+2.70
Education & health	751,600	760,000	+8,400	+1.12
Leisure & hospitality	522,500	531,000	+8,500	+1.63
Other services	263,500	265,000	+1,500	+0.57
Government	843,700	850,000	+6,300	+0.75



**Monthly Illinois Economic Review**

❖ **Catch-up Scenario of Previous Peak Job Index in Illinois**

	Previous Peak	Current	Catch-up	Periods for Catch-up
IL*	114.93 (Nov-2000)	111.82 (Mar-2006)	114.93 (Dec-2008)	33 months
RMW*	119.37 (Jun-2000)	116.46 (Mar-2006)	119.39 (May-2010)	50 months
Nation**	121.45 (Feb-2001)	123.66 (Mar-2006)	121.62 (Feb-2005)	13 months ago



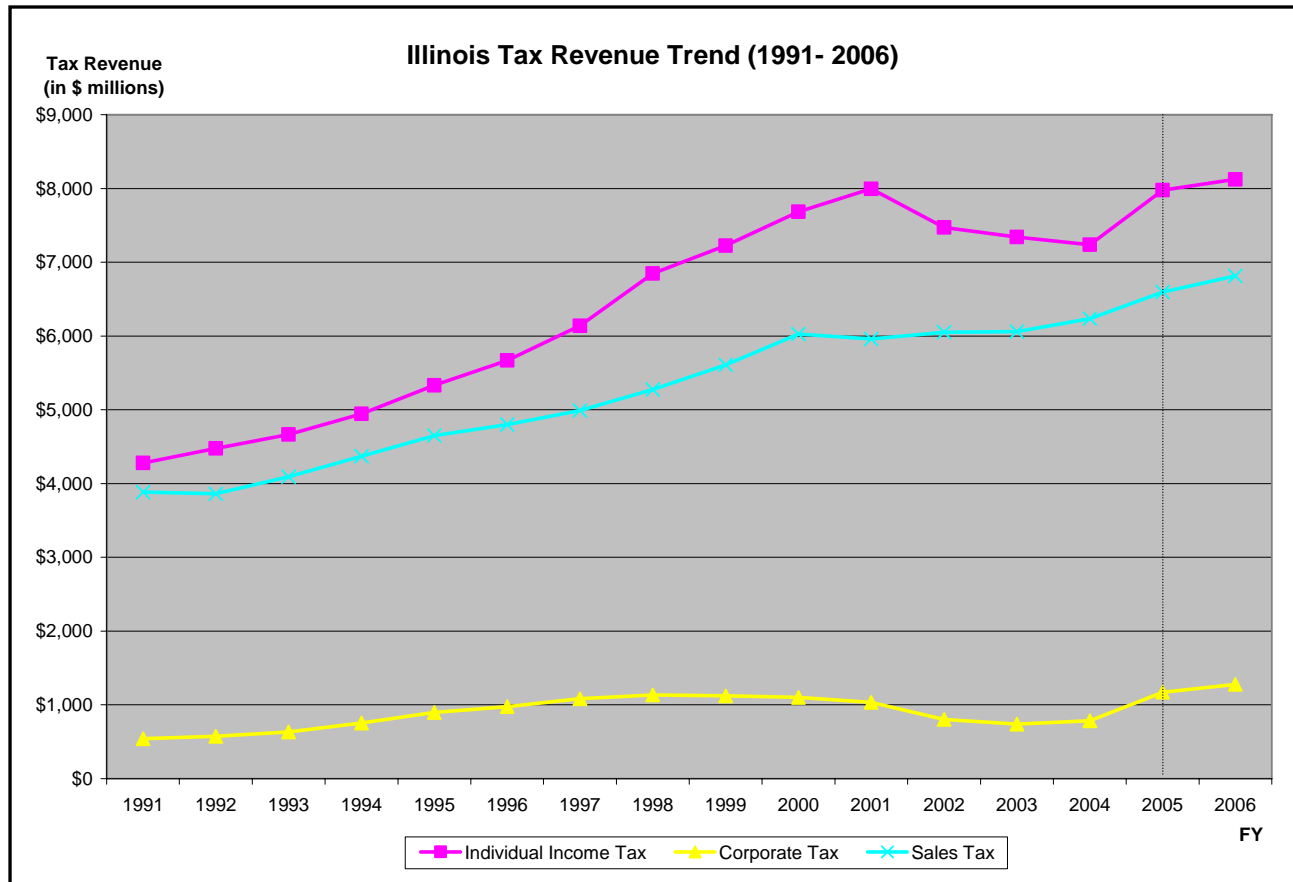
	Periods for Catch-up	
	IL	RMW
Mar-2006	46 months	69 months
Apr-2006	33 months	50 months
Difference	▽ 13 months	▽ 19 months

\* Catch-up scenarios for Illinois and RMW are based on average monthly growth rate over the previous 12 months.

\*\* Nation already passed its previous peak in February 2005.

**Monthly Illinois Economic Review**

❖ **Tax Revenue Forecast (FY 2006)**



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

(unit: \$ millions)

\*OMG: Office of Management and Budget

\*\*CGFA: Commission on Government Forecasting and Accountability