

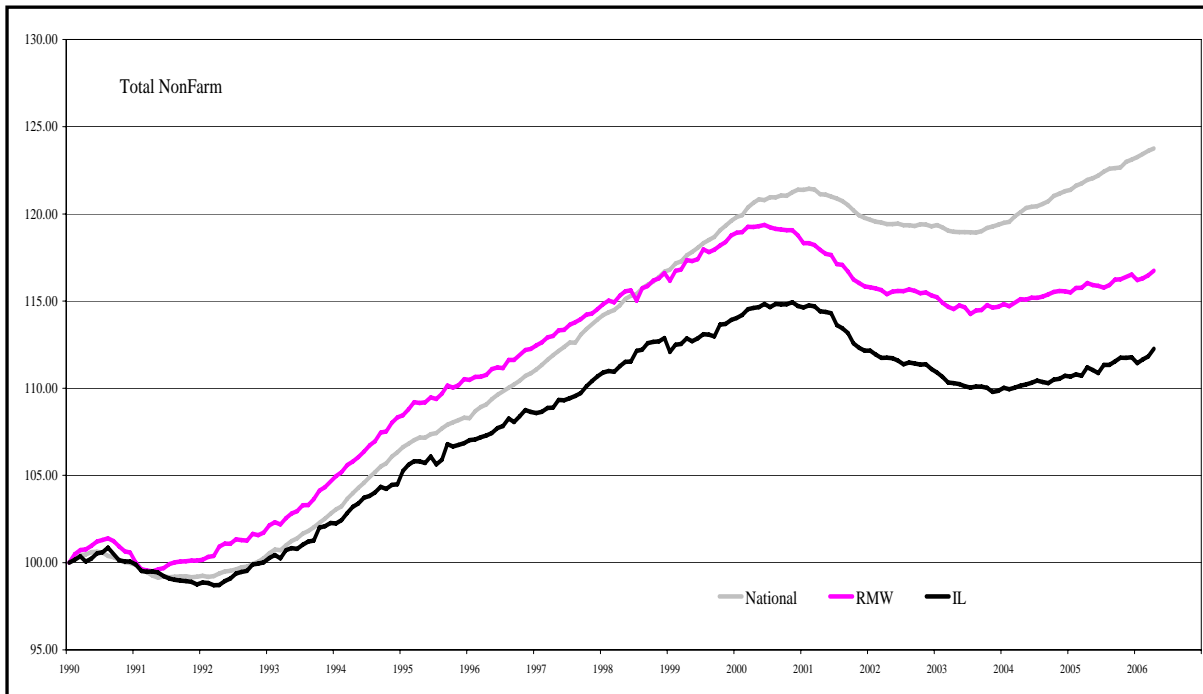
**Monthly Illinois Economic Review**

❖ **Employment**

May 2006 Positive		Mar 2006 – Apr 2006		Last 12 months	
	Total non-farm employment	Growth Rate %	Number of Jobs	Growth Rate %	Number of Jobs
	Nation	+0.10	+138,000	+1.48	+1,964,000
	RMW	+0.23	+46,100	+0.62	+122,200
	Illinois	+0.39	+23,100	+0.96	+56,500

**Talking Points**

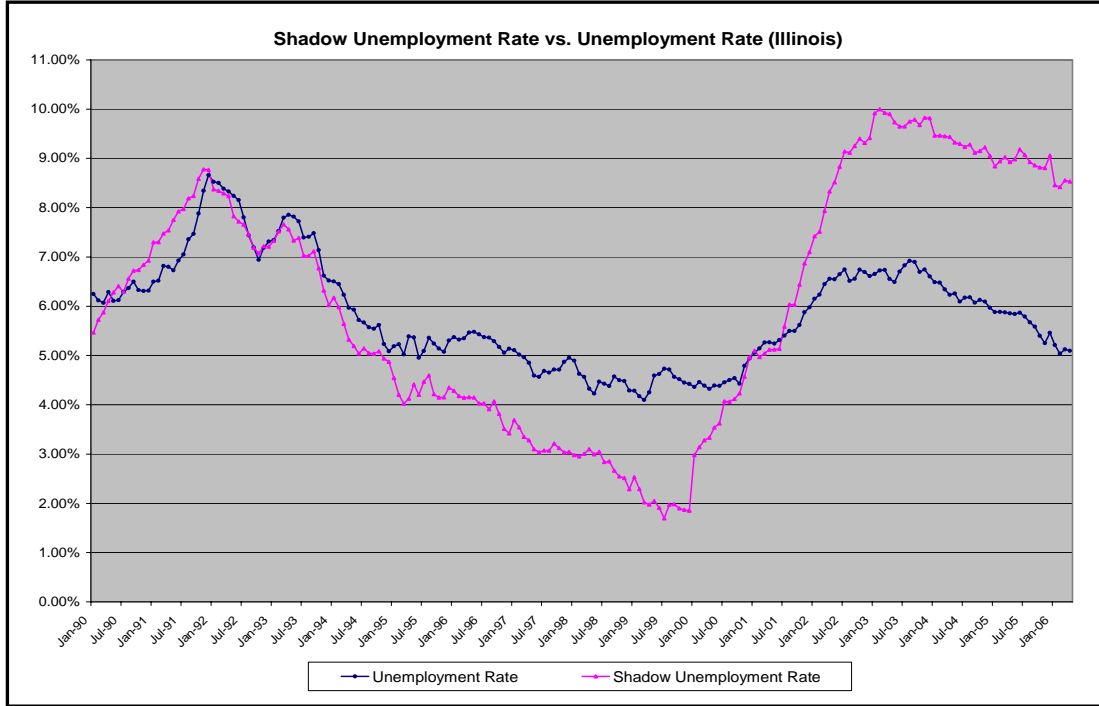
- Illinois recorded the largest monthly job gains since July 2005 adding 23,100 new jobs at a monthly growth rate 0.39%. This is the third largest job gain since January 2000, behind two >25,000 job gains recorded last year.
- For the last three months, Illinois’ job market had been quite strong resulting in the largest job gain over 3-month period since the beginning of 2000 with 43,600 jobs.
- Compared to the Nation, Illinois had shown stronger monthly job growth for the last three months, helping to reduce the gap in the job index with the Nation to the level observed in December, 2005.
- However, the job growth pattern over 12-month period indicates that Illinois still lags behind the at the national growth rate, 0.96% and 1.48%, respectively.
- Illinois job index indicates that state recovered up to the employment level recorded in November 2001; however it still lags behind the previous peak observed in November 2000.
- RMW shows the similar recovery pattern to the previous peak. With the 9-consecutive months of positive gains since August 2005 except for January 2006, RMW recovered to the employment level of September 2001.
- For the last three-month period, approximately one-third of new jobs created in Midwest has been in Illinois.



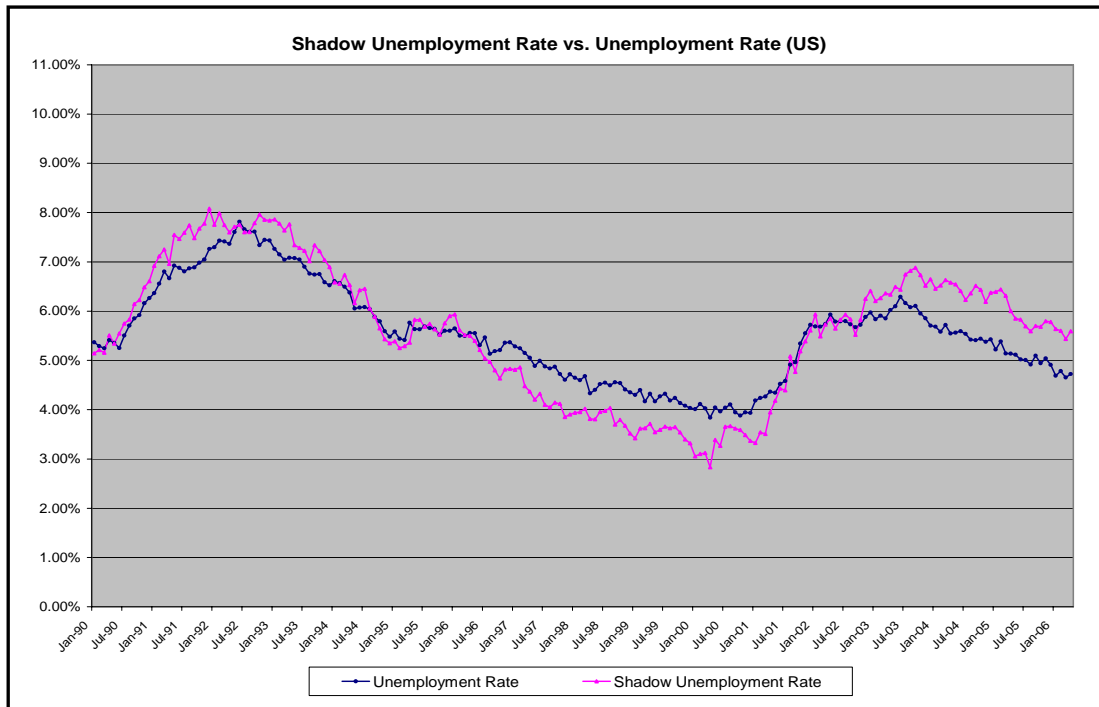
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❖ **Shadow Unemployment**

▪ **Illinois**

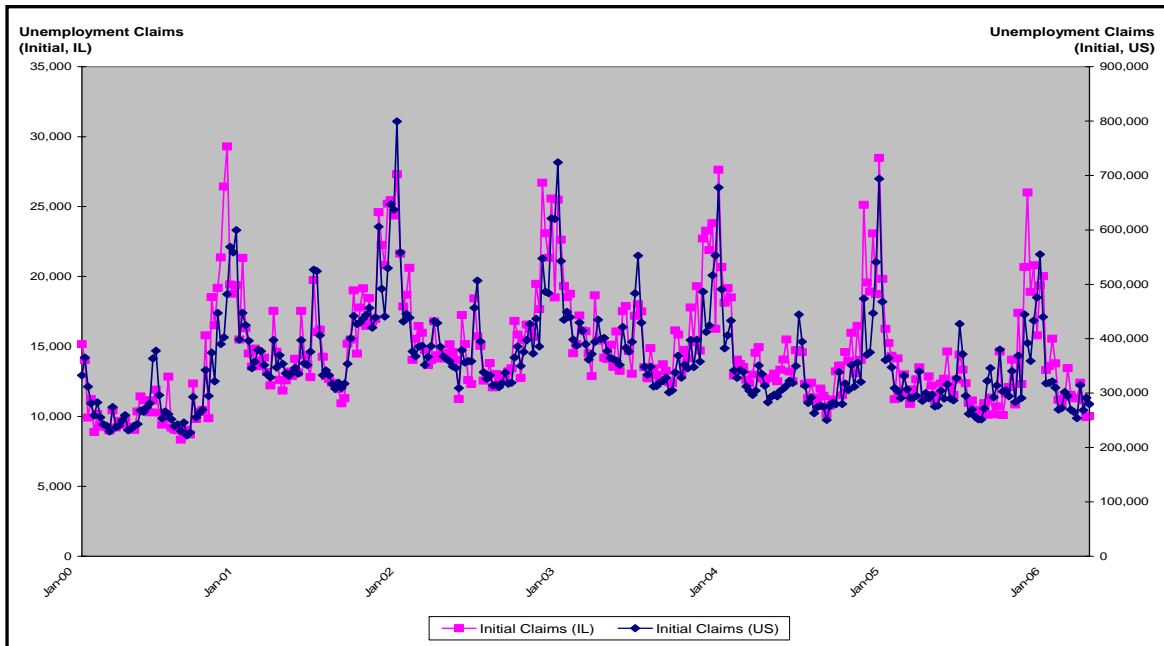


▪ **US**



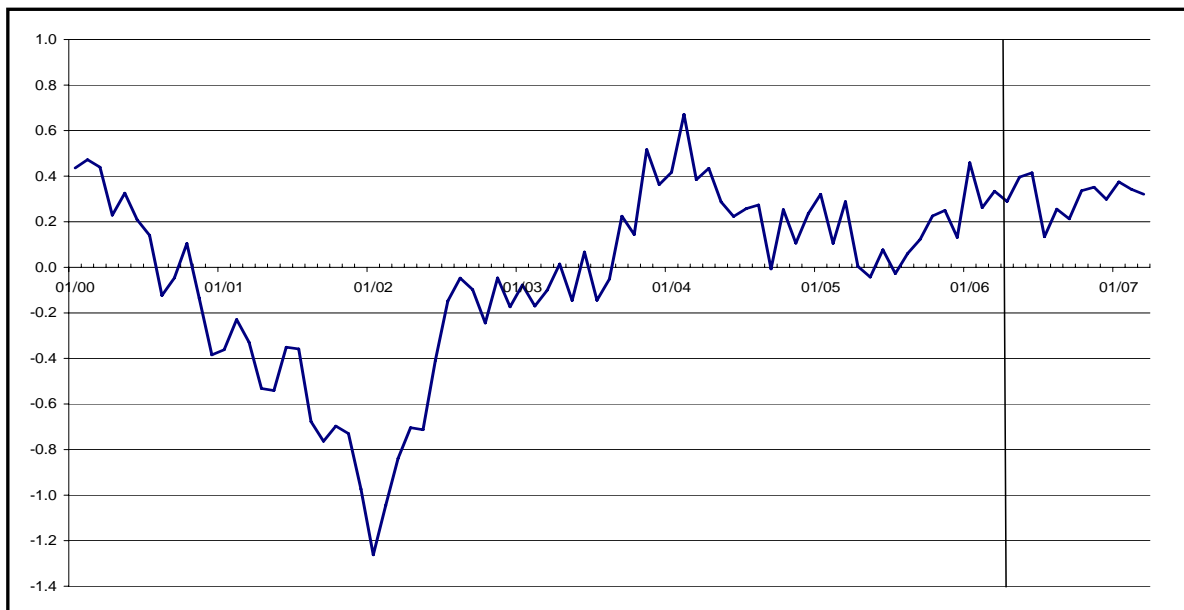
**Monthly Illinois Economic Review**

❖ **Unemployment Claims (Initial)**



❖ **CBAI in March**

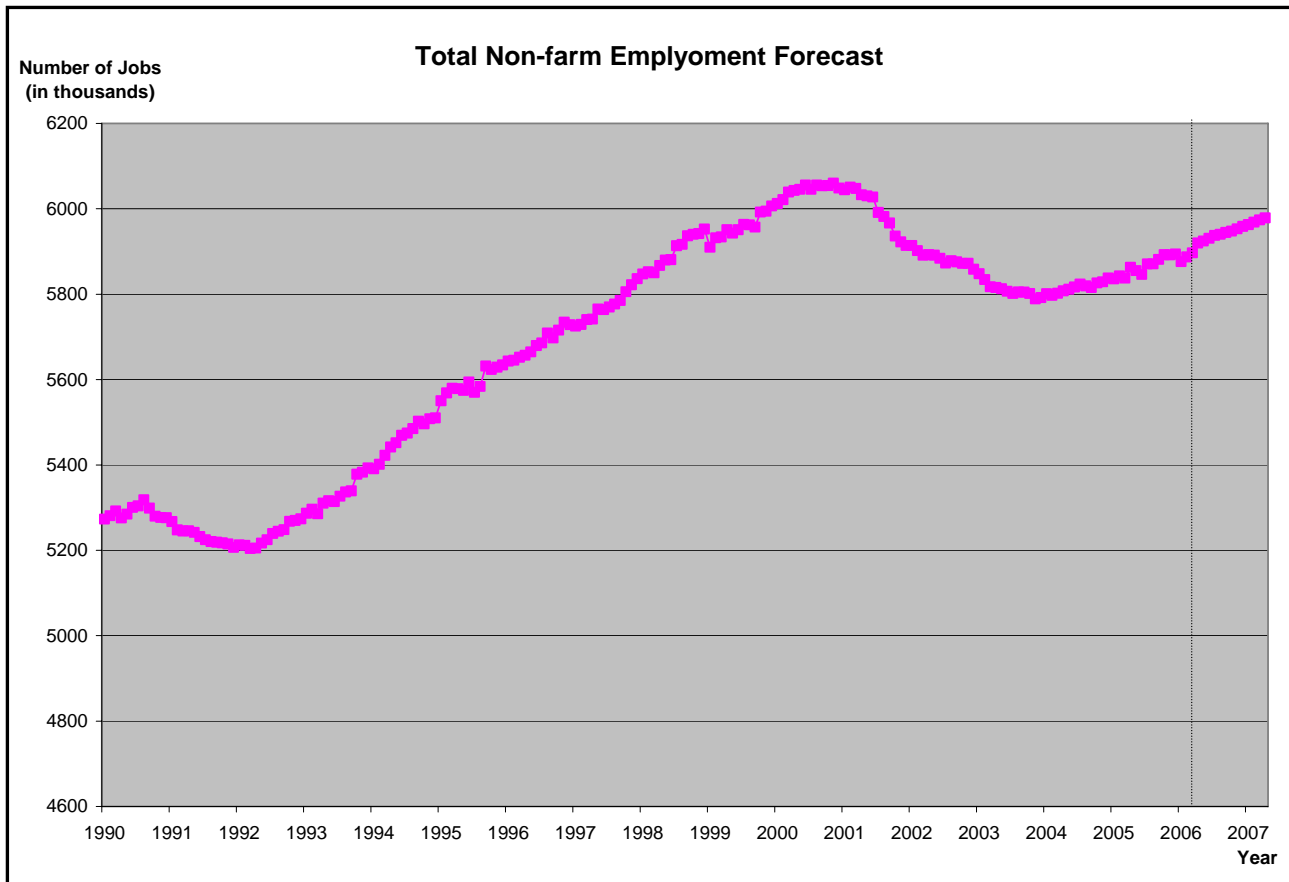
The Chicago Business Activity Index (CBAI) was 0.334 in March, the eighth consecutive positive reading since August 2005. This was mainly attributed to the increase of manufacturing production and non-manufacturing employment. Considering that the CBAI leads the local business cycle and positive values 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**

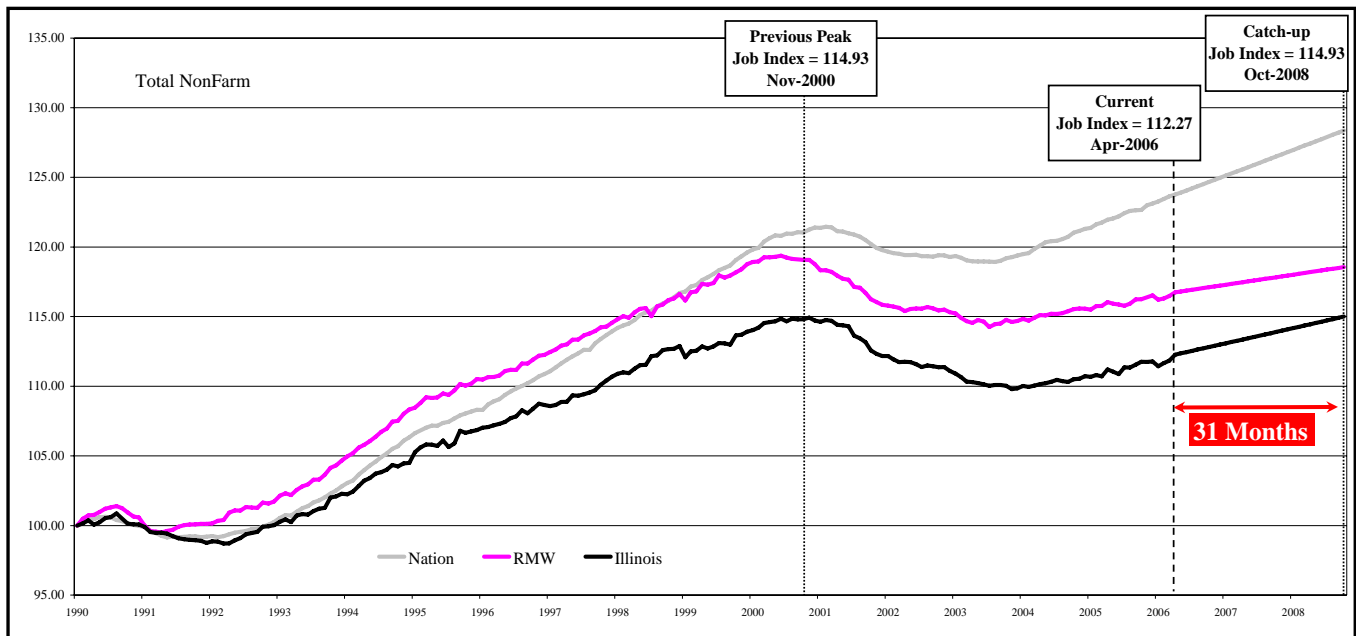
	Apr 2006	Apr 2007 (p)	Number of Jobs	Growth Rate %
Total non-farm	5,919,700	5,979,000	+59,300	+1.00
Construction	275,000	280,000	+5,000	+1.82
Manufacturing	681,100	679,000	- 2,100	- 0.31
Trade, transportation & utilities	1,192,500	1,205,000	+12,500	+1.05
Information	117,300	116,000	- 1,300	- 1.11
Financial Activities	409,400	411,000	+1,600	+0.39
Professional & business services	848,000	872,000	+24,000	+2.83
Education & health	752,300	757,000	+4,700	+0.62
Leisure & hospitality	529,300	538,000	+8,700	+1.64
Other services	263,700	267,000	+3,300	+1.25
Government	841,100	843,000	+1,900	+0.23



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

	Previous Peak	Current	Catch-up	Periods for Catch-up
IL*	114.93 (Nov-2000)	112.27 (Apr-2006)	115.00 (Oct-2008)	30 months
RMW*	119.37 (Jun-2000)	116.74 (Apr-2006)	119.50 (Mar-2009)	35 months
Nation**	121.45 (Feb-2001)	123.90 (Apr-2006)	121.62 (Feb-2005)	14 months ago



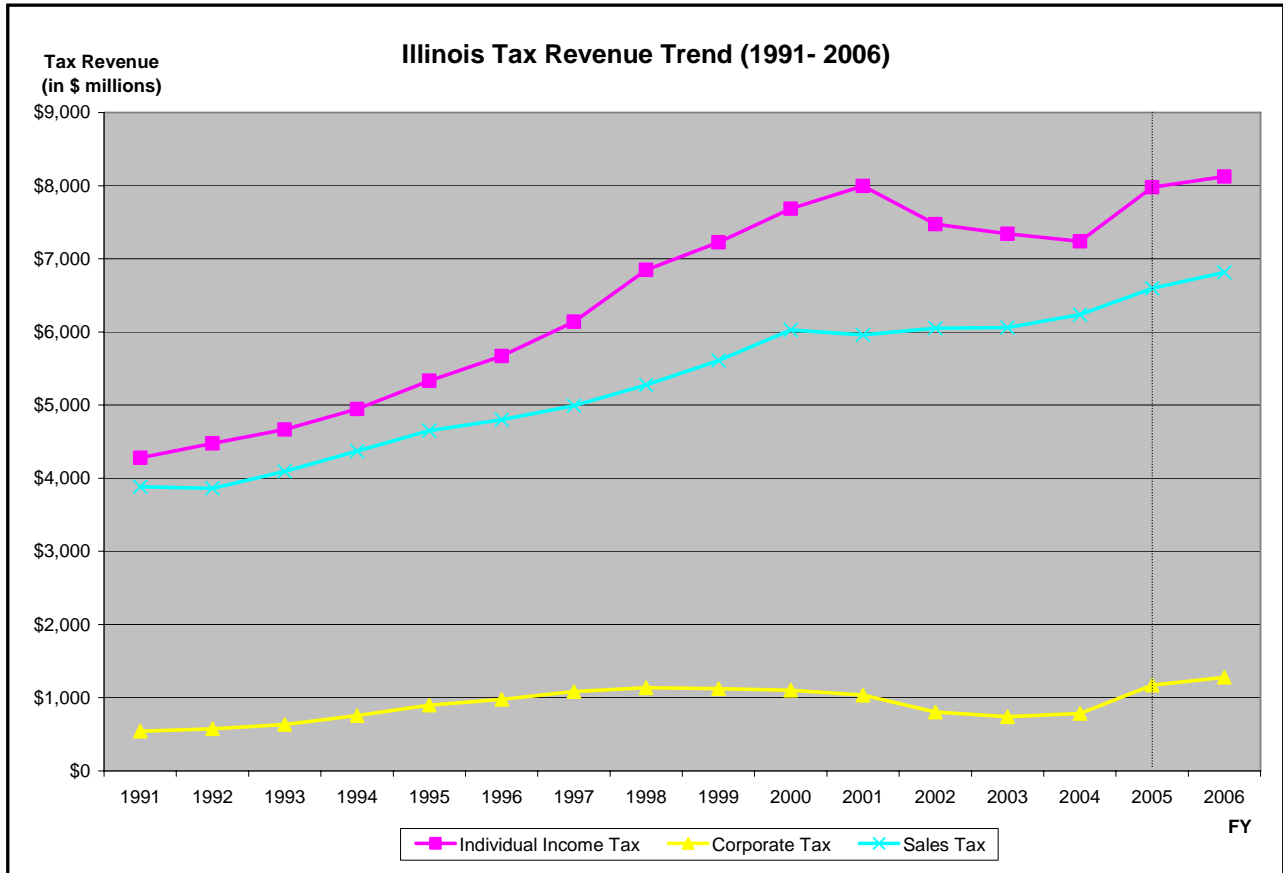
	Periods for Catch-up	
	IL	RMW
Apr-2006	33 months	50 months
May-2006	30 months	35 months
Difference	▽ 3 months	▽ 15 months

\* 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