

Illinois Monthly Employment: 1990-2003

Comparison with Rest of the Midwest
and the US

IEO Report 2003-1

Presentation by the Illinois Economic Observatory



R | E | A | L

Introduction

- Presentation focuses on examination of monthly employment data assembled by the Bureau of Labor Statistics
- Period covered is January 1990 through July 2003
- Focus on comparison between Illinois and Rest of the Midwest (WI, IN, OH, MI, MO) and US as a whole

Introduction (continued)

- Data are seasonally adjusted
- Each series is indexed to 100 for January 1990 to enable comparative analysis of growth (decline)
- Growth is calculated as the rate of change of employment for each month compared to the same month one year earlier

Introduction (continued)

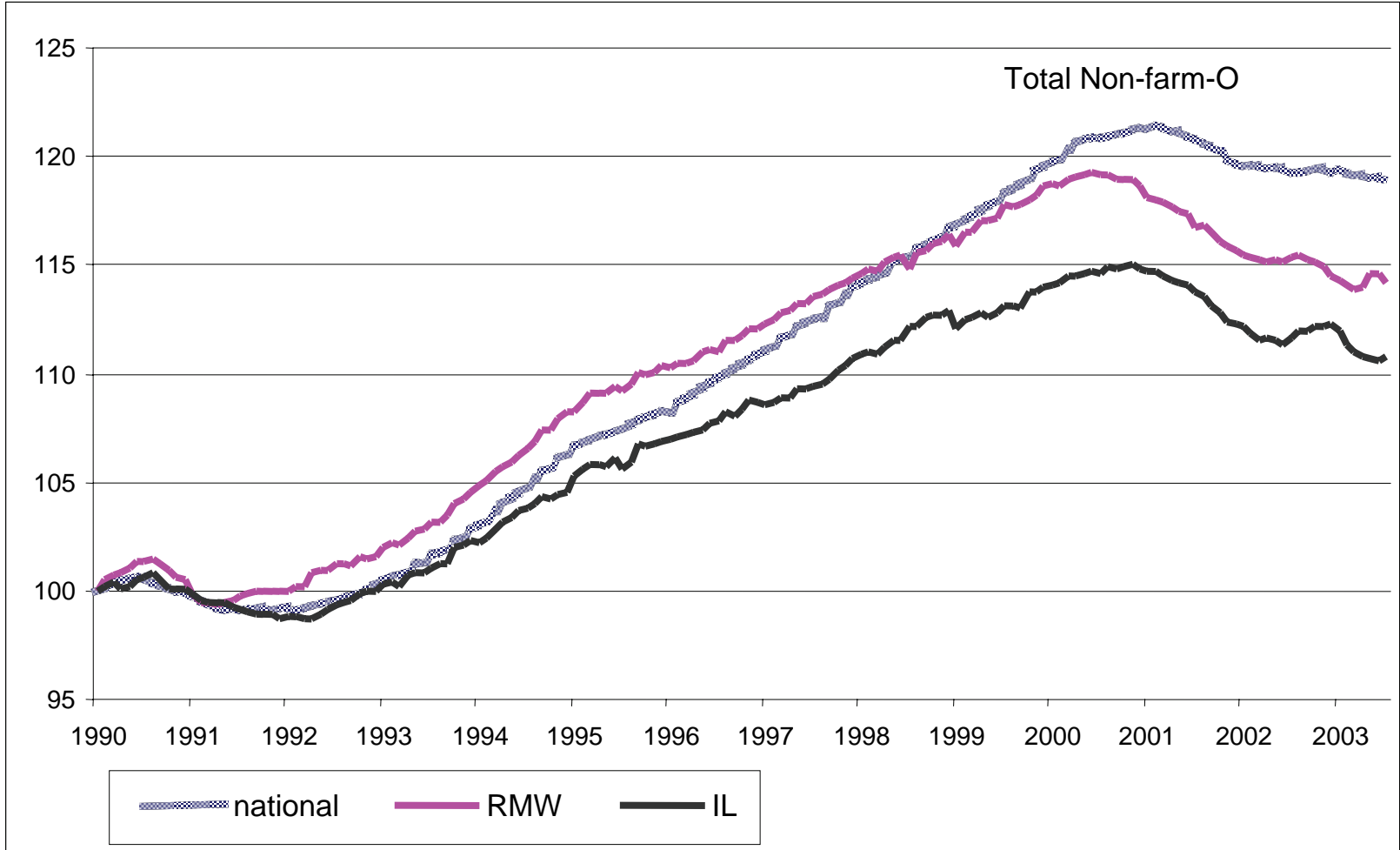
- Data presented for Total Non Farm and
 - Construction
 - Manufacturing
 - Trade Transport and Utilities
 - Information
 - Professional and Business services
 - Financial Services
 - Education and Health
 - Leisure and Hospitality
 - Other Services
 - Government

Introduction (continued)

- Summary evaluation provided in comparison to RMW and US
 - Black indicates similar experience
 - Red indicates worse experience
 - Green indicates better experience

Total Non Farm Employment

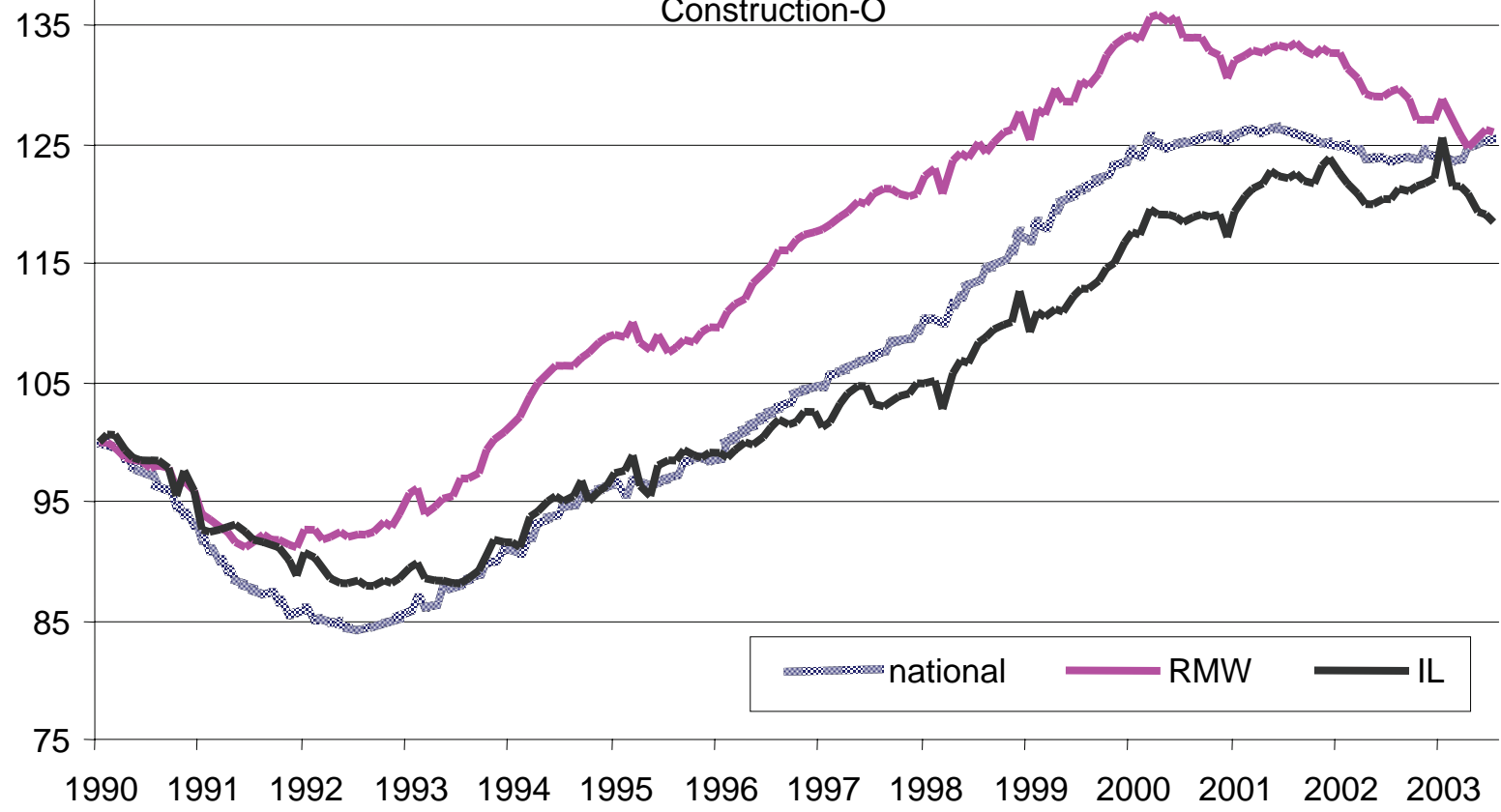
- Illinois tracked US through Mid 1993
- By 2001, 7% point difference between US and Illinois growth rates
- Since 2001, decline in Illinois has been a little deeper than US as a whole but Illinois appears to be tracking US economy experience
- Rest of MW grew faster than US until 1999, then tracked Illinois economy more closely



Construction

- Illinois economy moves in parallel with the rest of the Rest of the Midwest (RMW) and US but:
 - Growth rates post 1996 have been well below RMW and the US
 - Some modest recovery at the end of 2002
 - 2003 experience parallels RMW and US – heading generally downward
- Overall experience:
 - RMW +/ -
 - US -

Construction-O

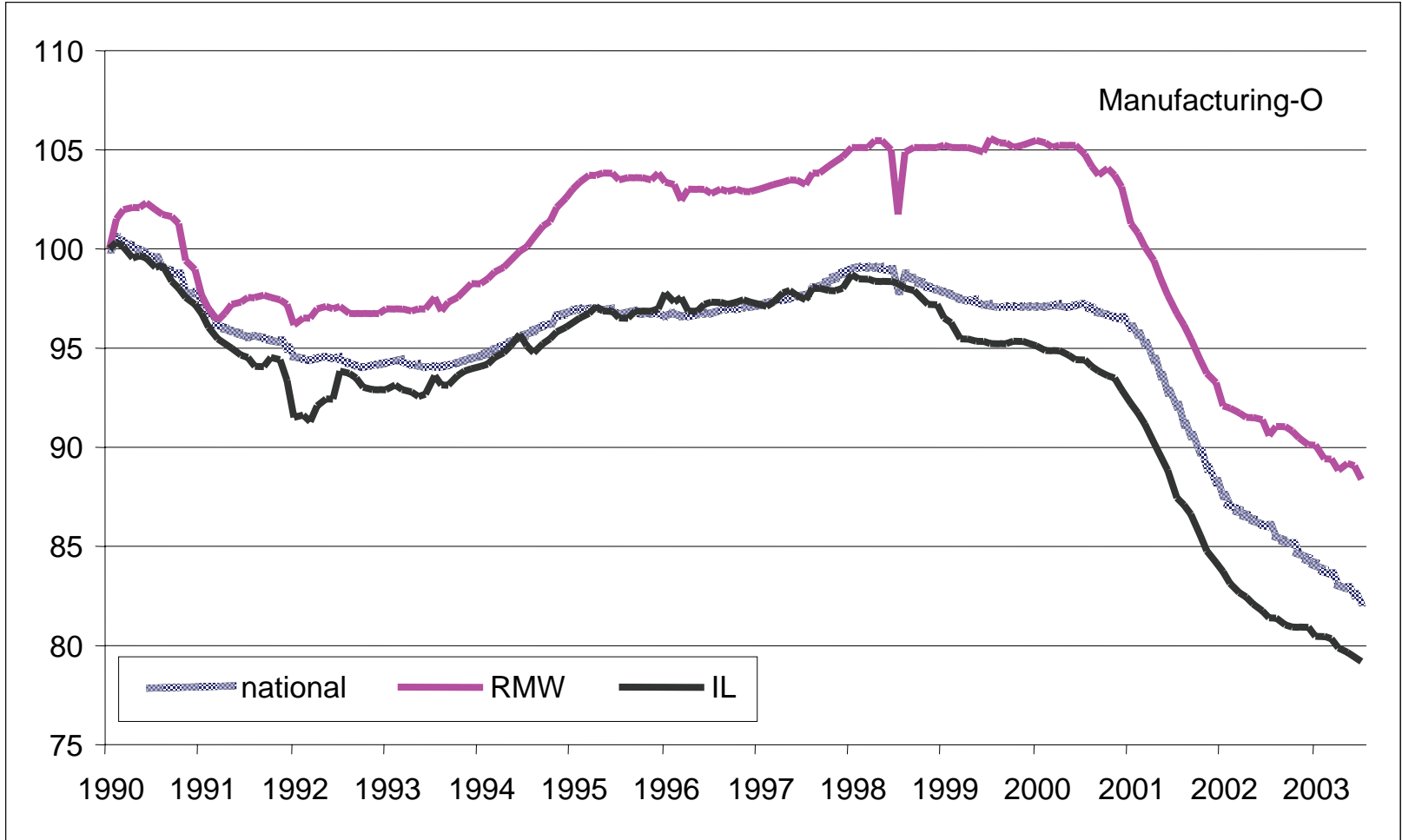


Manufacturing

- REAL's long-term forecasts in mid 1990s suggested continual erosion of manufacturing employment
- Steep decline through 1992 (loss 8% of 1990 base employment in manufacturing compared to 4% in US)
- Recovery through mid 1998 (parallel rate with RMW) but lower than US

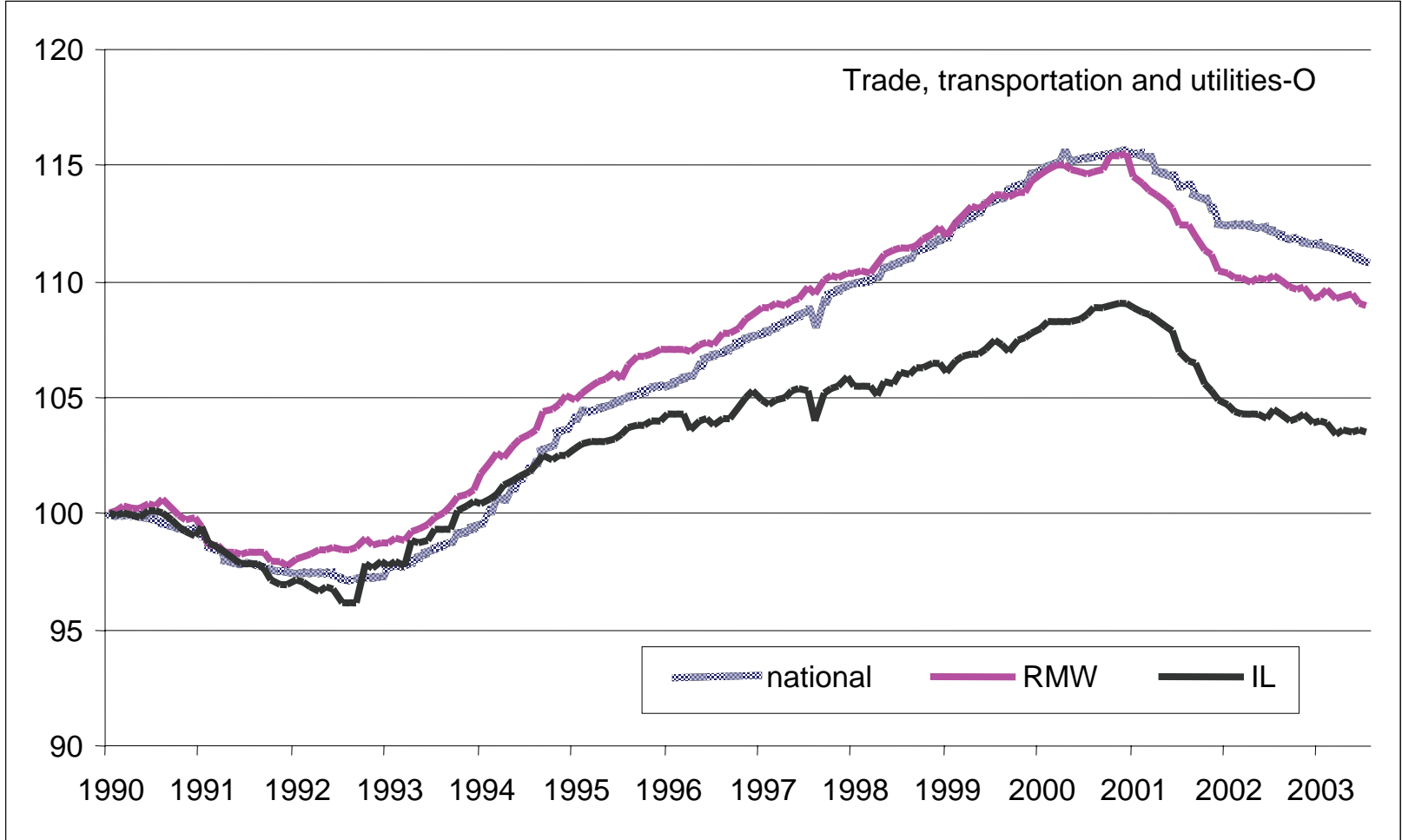
Manufacturing (continued)

- Decline thereafter – ahead of RMW for 2 years then parallel decline
- US decline began in 2001
- Mid 2003 employment levels down 21% (Illinois), 17% (RMW) and 12% (US)
- Rates of decline for the last two years similar in IL, RMW and US
- Overall experience:
 - RMW -
 - US -



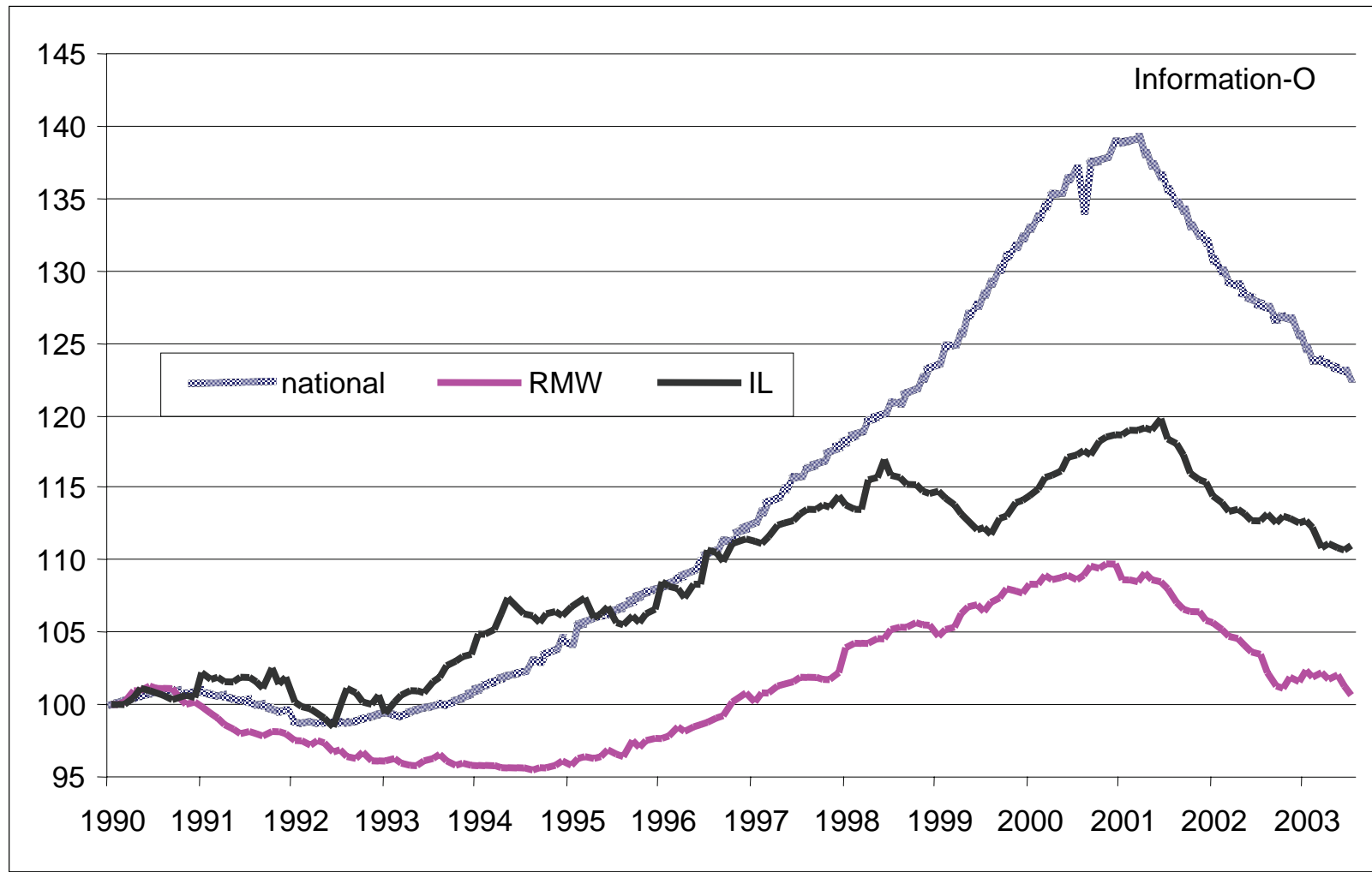
Trade, Transportation and Utilities

- Effect of early 1990s recession lasts one year longer in Illinois
- Recovery late 1992 more rapid than RMW and US
- Growth matched US and RMW until 1995, then was much slower until downturn in 2001
- RMW, US and Illinois downturns moving in parallel but Illinois entered recession with a smaller growth rate (1990-2001) than RMW or US
- Overall experience:
 - RMW -
 - US -



Information

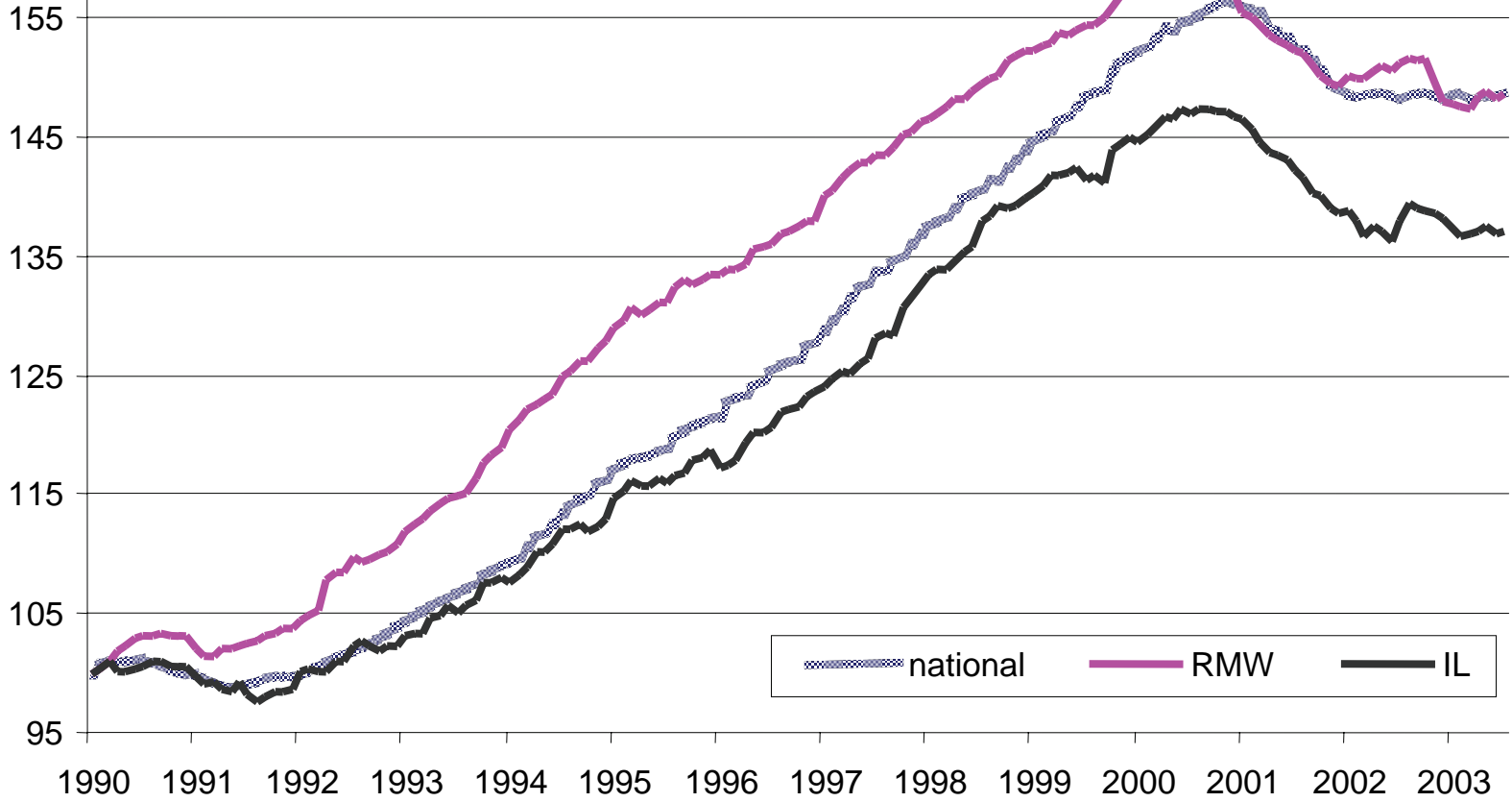
- Illinois enjoyed higher growth rate than the US and RMW through 1995
- Growth rates greater than RMW but lower than US
- Declines post 2001 slower than the US as a whole
- Overall experience:
 - RMW +
 - US -/+



Business and Professional Services

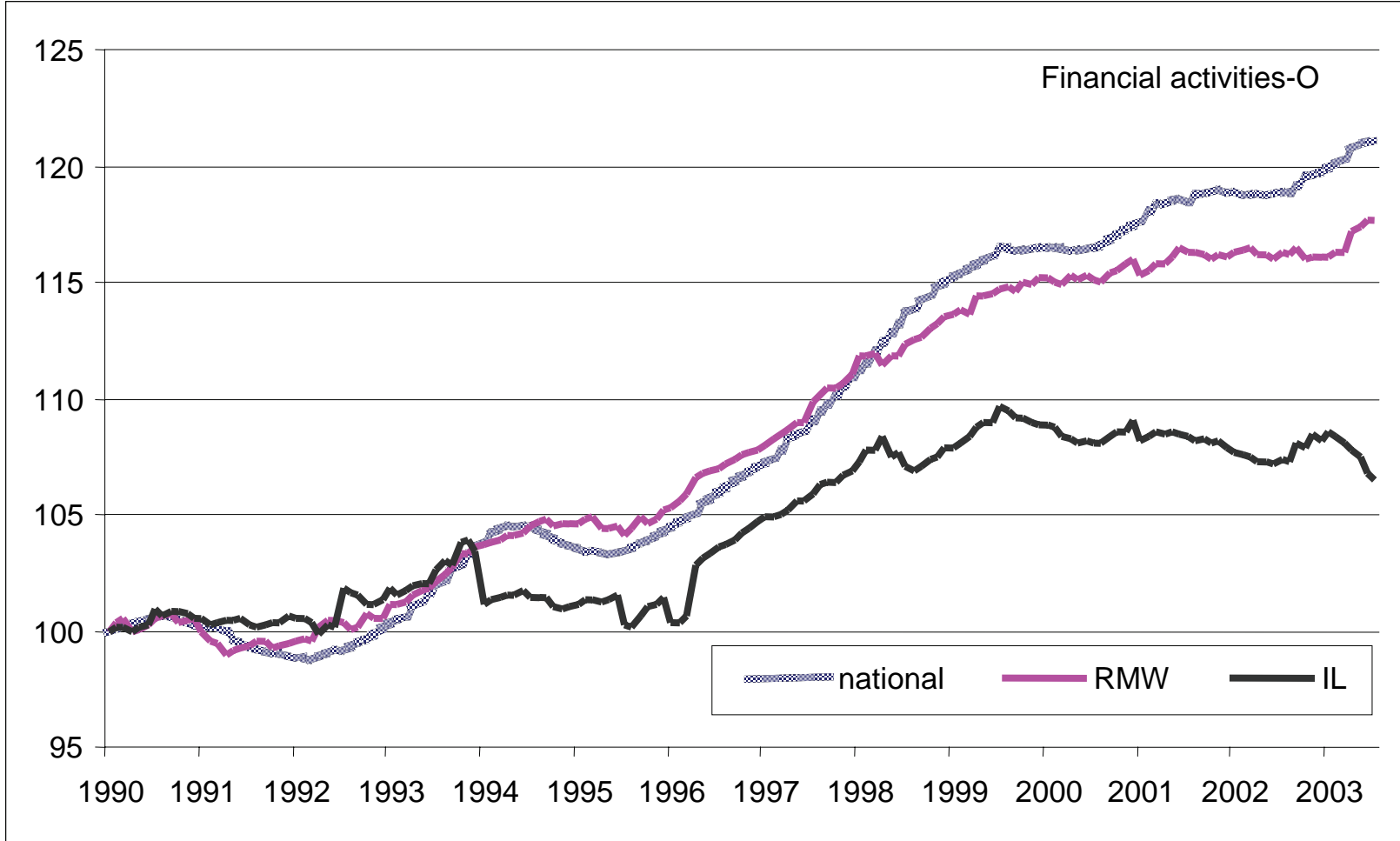
- Through 1995, paralleled US and RMW
- Growth rates consistently lower than RMW
- Downturn in 2000 six months ahead of the US
- Recent period (last 24 months) tracking RMW and US
- Overall experience:
 - RMW +/-
 - US +/-

Professional and business service-O



Financial Activities

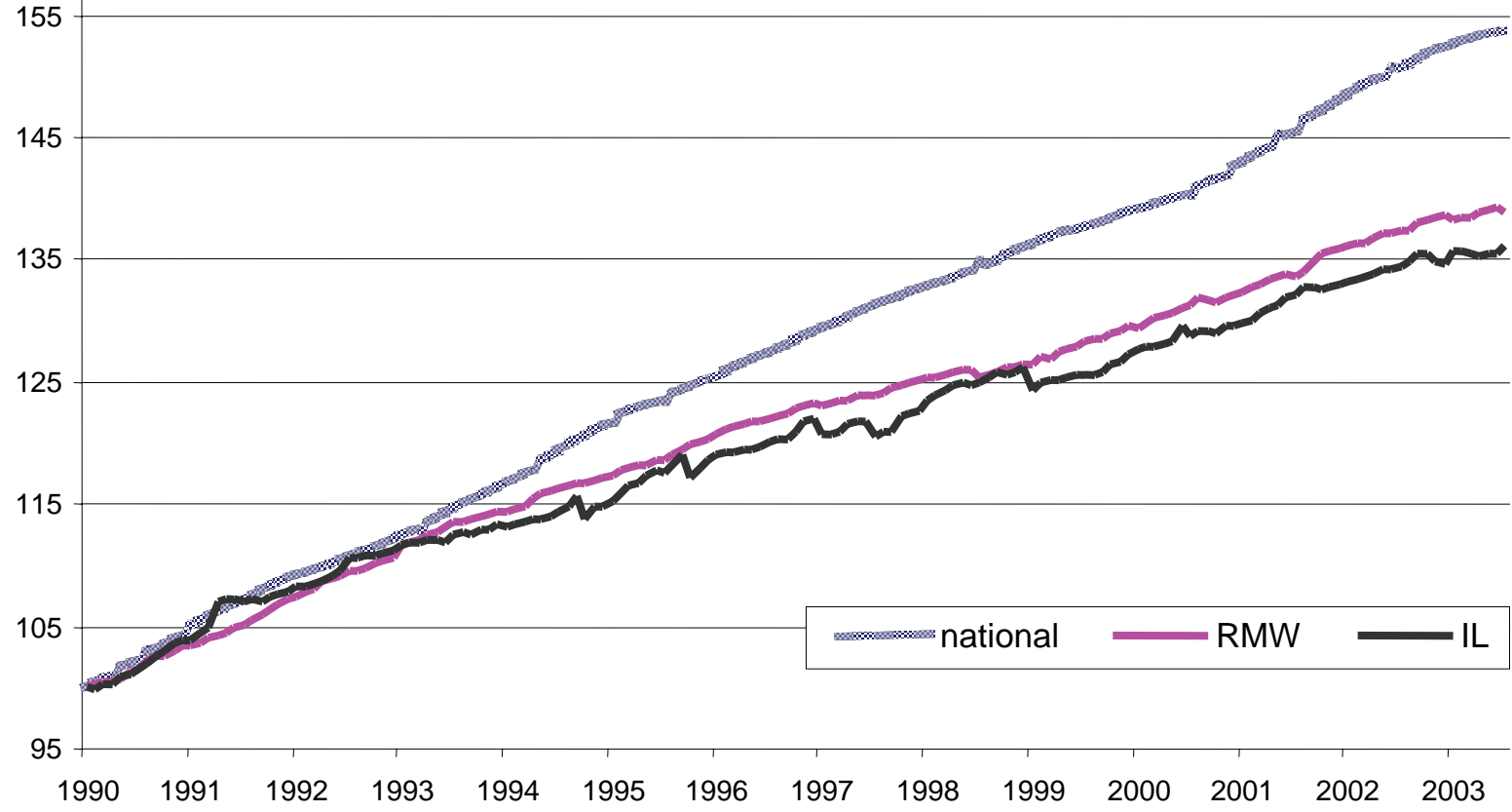
- Ahead of RMW and US through end of 1993
- Decline then stagnant through 1996
- Growth rates matched RMW and US through mid-1998
- Stagnant through 2003, then downturn: RMW and US slight growth with noticeable uptick in 2003
- Overall experience:
 - RMW -
 - US -



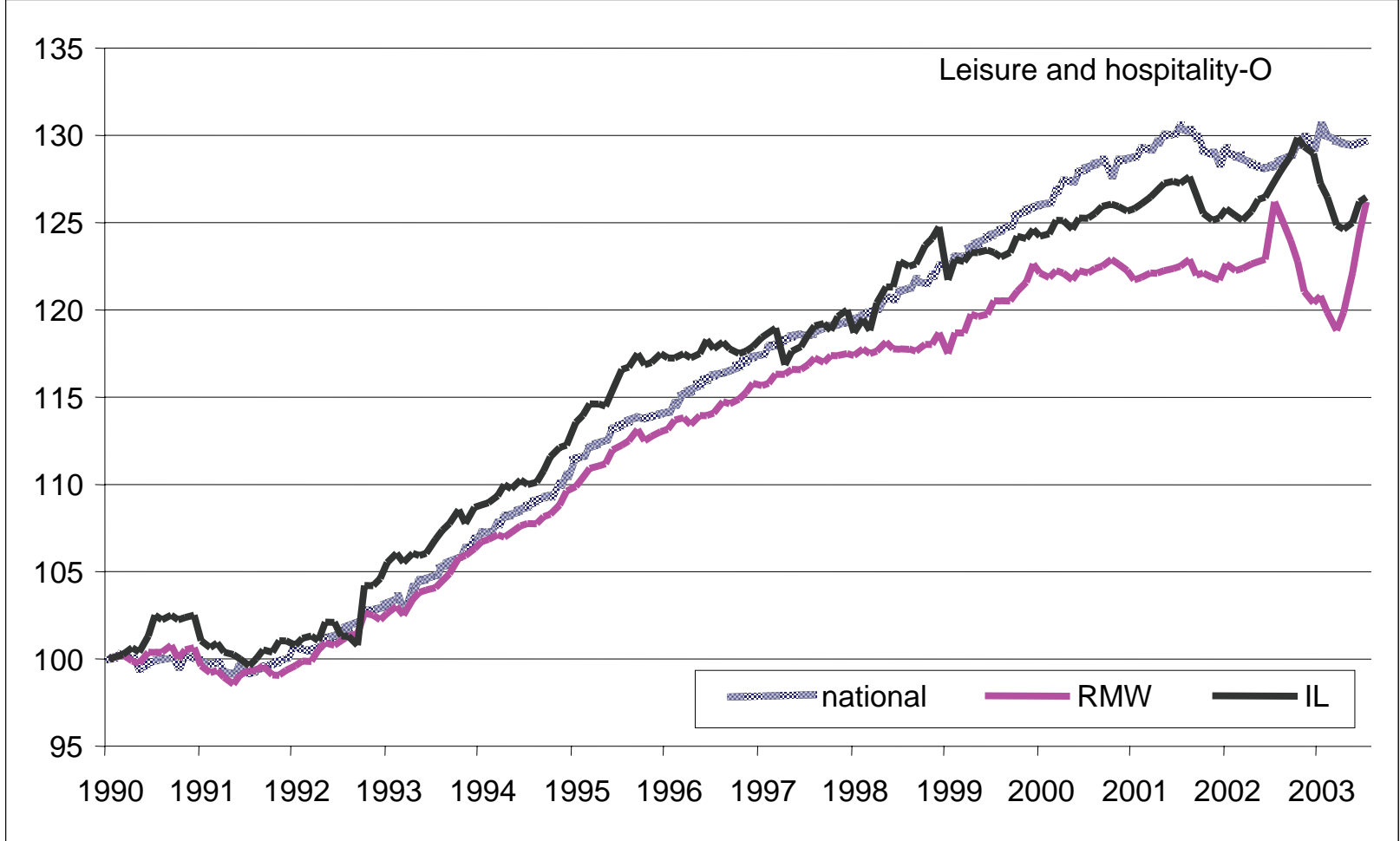
Education and Health

- Clearly a sector that is “population driven”
- Illinois and RMW move in parallel
- Illinois and RMW growth rates diverge from US in mid 1993
- Overall experience:
 - RMW +/-
 - US -

Educational and health-O

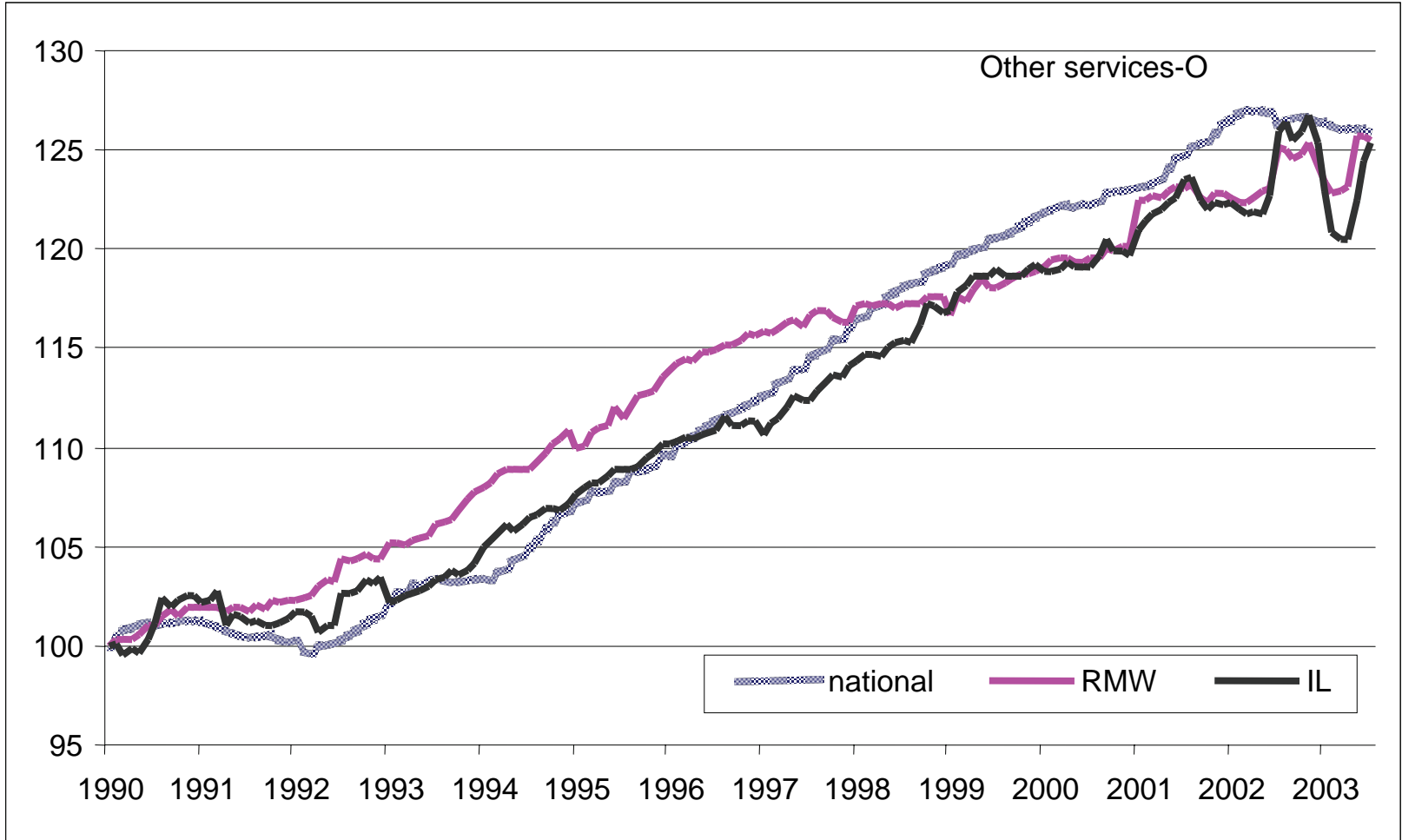


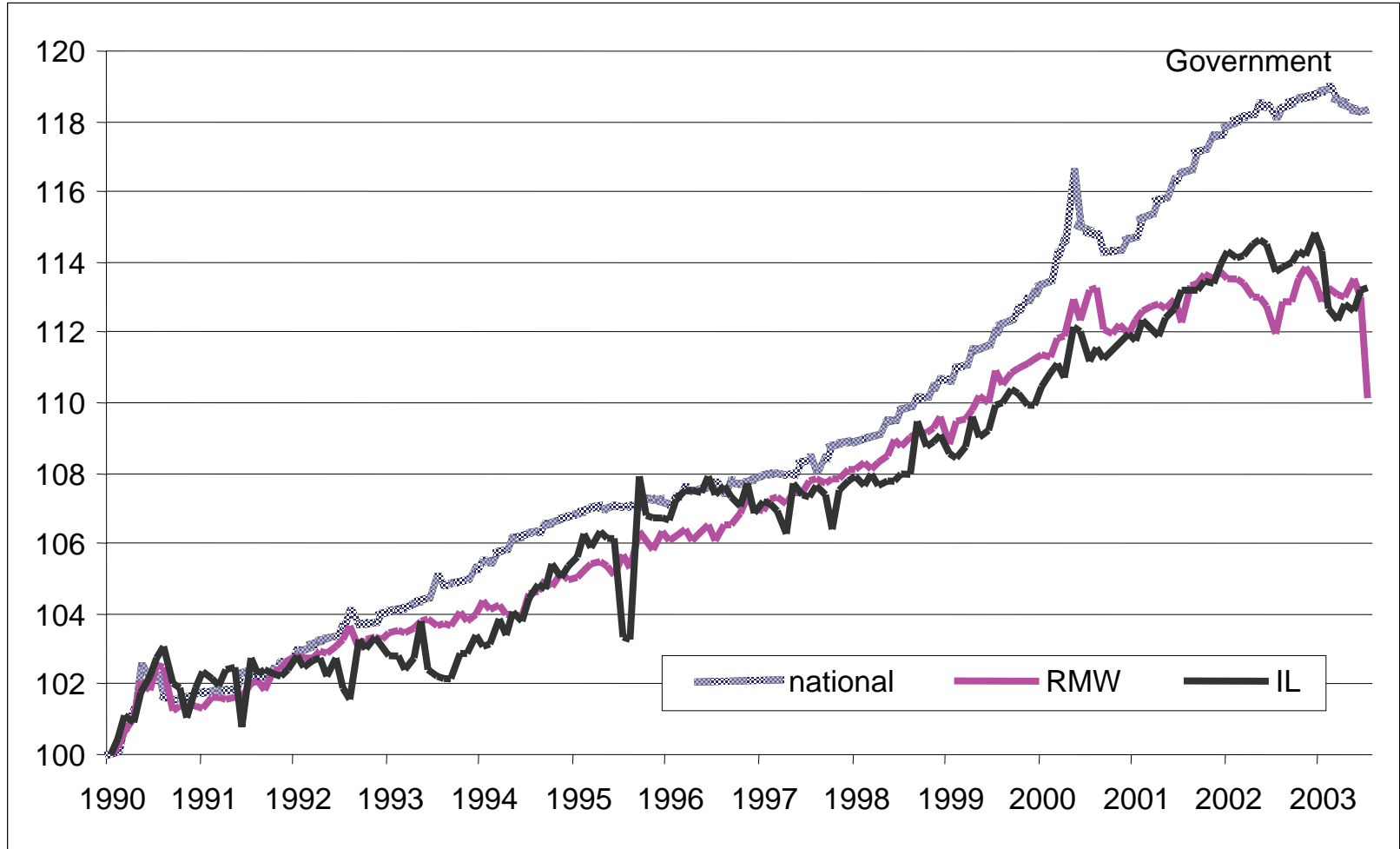
national RMW IL



Other Services

- Rates below RMW but until mid 1996 they were equal to or above US
- Since 1999, Illinois and RMW have moved in parallel slightly below US
- Overall experience:
 - RMW -/+
 - US -/+





- Summary Scorecard

<i>Sector</i>	<i>Comparison to MW</i>	<i>Comparison to US</i>
Construction	+/-	-
Manufacturing	-	-
Trade, Trans. & Utilities	-	-
Information	+	+/-
Prof. & Bus. Services	+/-	+/-
Financial Services	-	-
Education and Health	+/-	-
Leisure and Hospitality	+	+
Other Services	+/-	+/-
Government	+/-	+/-

Summary Scorecard

- Beat RMW in two sectors (Information and Leisure) and US in one (Leisure)
- Do less well in three sectors in comparison to the RMW and five sectors in comparison to US
- Serious concerns about erosion of competitiveness in historically core sectors –manufacturing, financial services and trade