

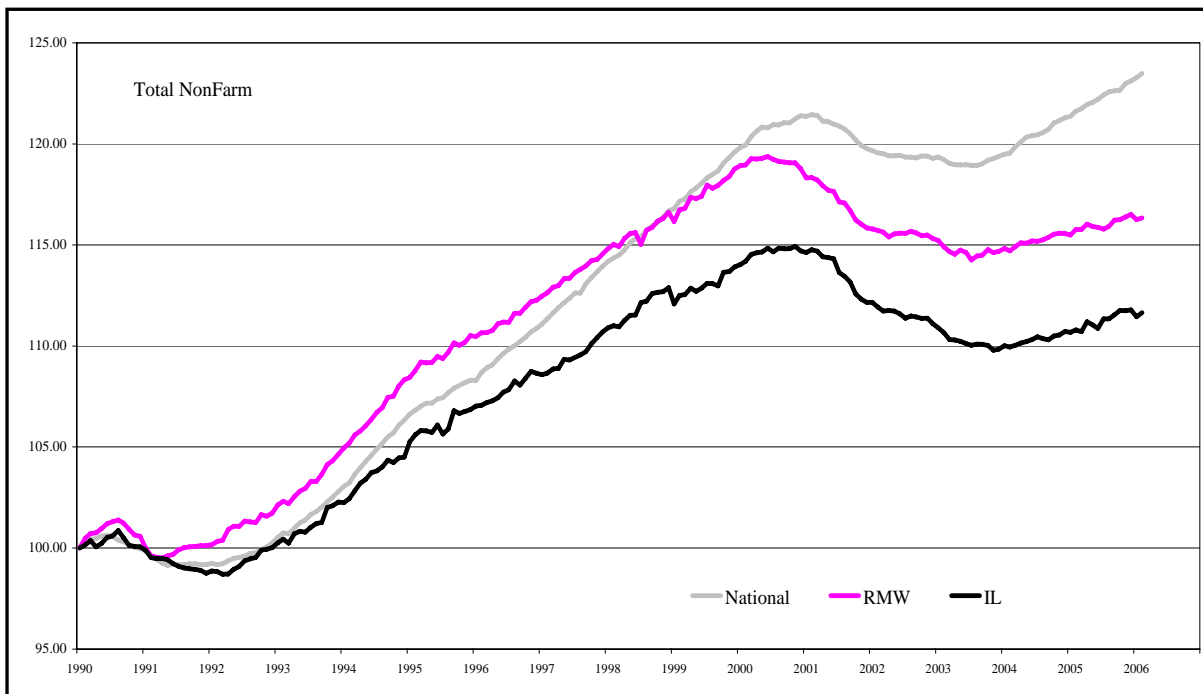
Monthly Illinois Economic Review

❖ **Employment**

March 2006 Positive	Total non-farm employment	Jan 2005 – Feb 2006		Last 12 months	
		Growth Rate %	Number of Jobs	Growth Rate %	Number of Jobs
	Nation	+0.18	+243,000	+1.55	+2,053,000
	RMW	+0.08	+15,700	+0.50	+99,100
Illinois	+0.19	+11,000	+0.77	+44,900	

Talking Points

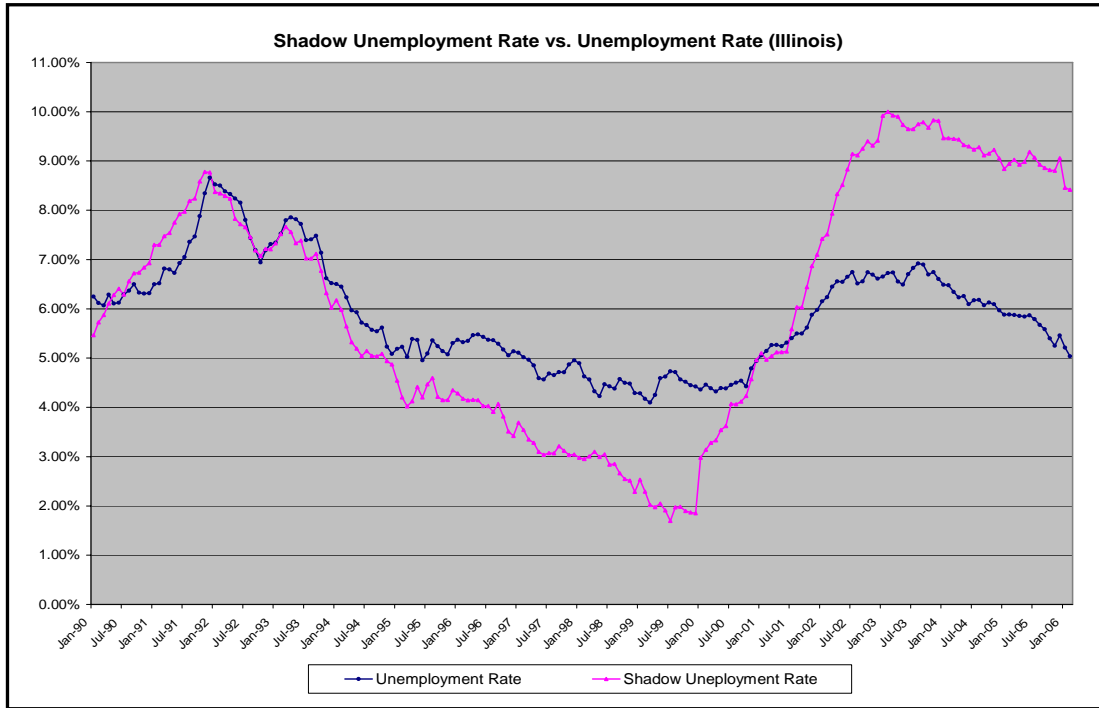
- In contrast to the job losses in the previous month, Illinois gained 11,000 new jobs at a monthly growth rate of 0.19%, slightly faster than the Nation.
- For the last five months since October 2005, Illinois' job monthly growth pattern has been fluctuating.
- The gain recorded in February is the largest monthly gain since July 2005 when Illinois added 25,000 new jobs at the growth rate of 0.43%.
- For the last five month period, the average monthly growth rate of Illinois is only one seventh of the rate at the national level, 0.02% and 0.14%, respectively.
- Illinois had shown slower monthly growth for the last three months since November 2005 compared to Nation; however Illinois had slightly faster growth than Nation this month. This pattern also holds for the comparison to RMW.
- The growth rate over 12-month period is less than 1% for the last three months since December 2005 unlike the over 1% growth rate for the previous three months from September to November 2005.
- Due to the strong job gains this month, Illinois had a higher job index from the previous month. However, this index level is still below that observed in December 2005.



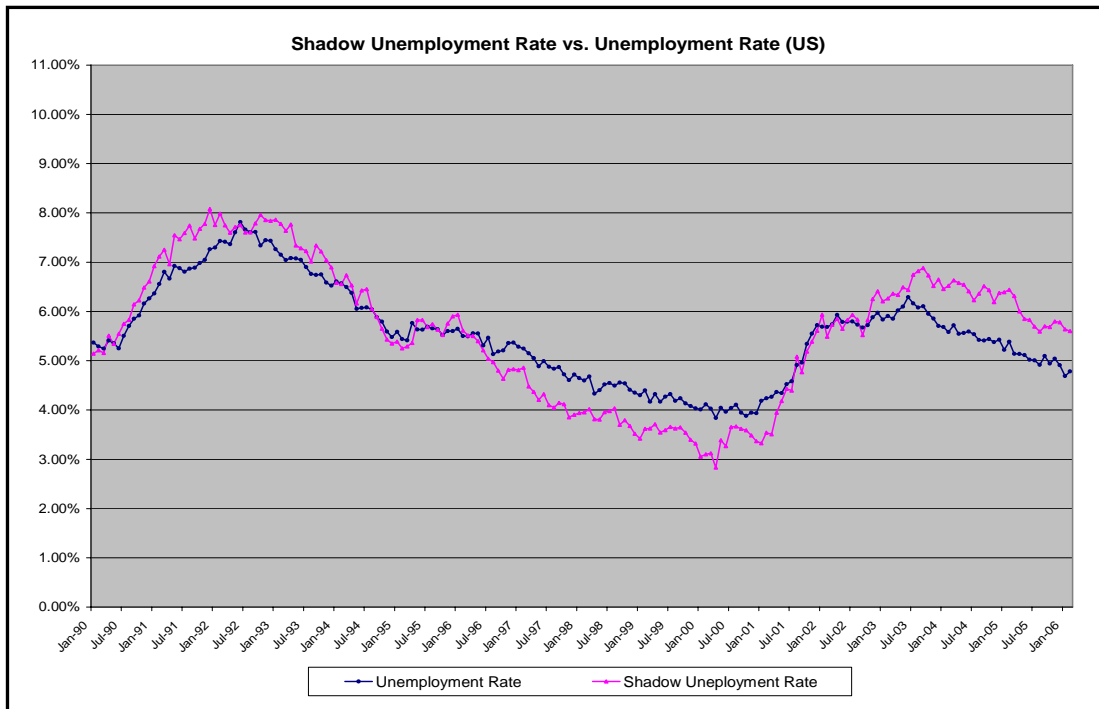
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❖ **Shadow Unemployment**

▪ **Illinois**

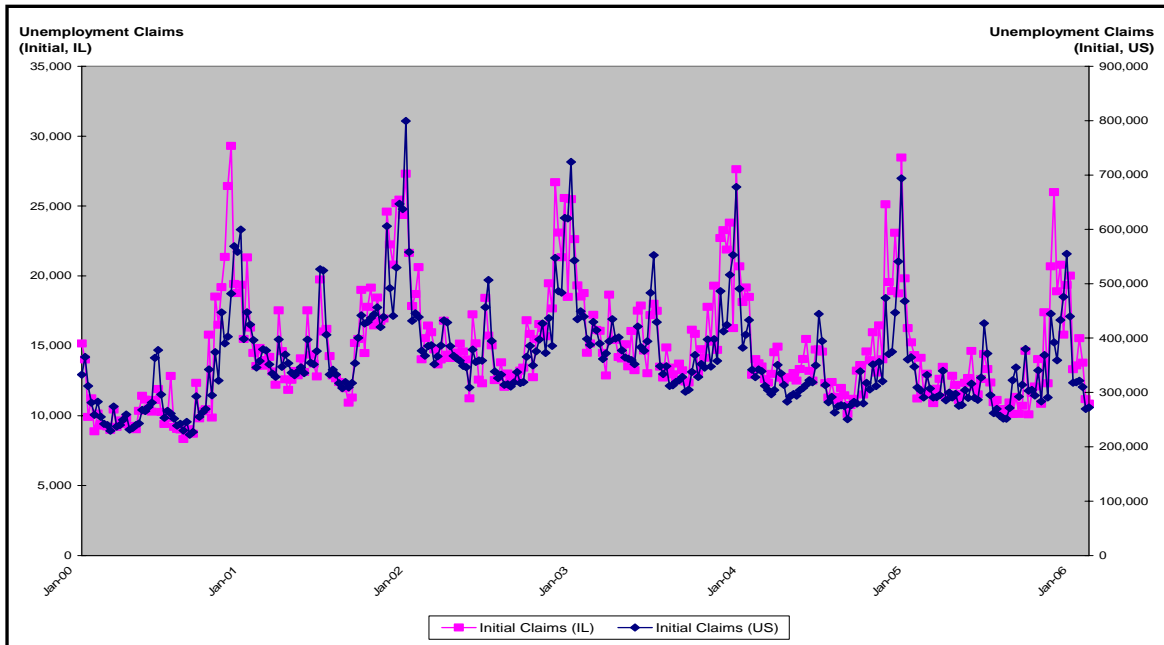


▪ **US**



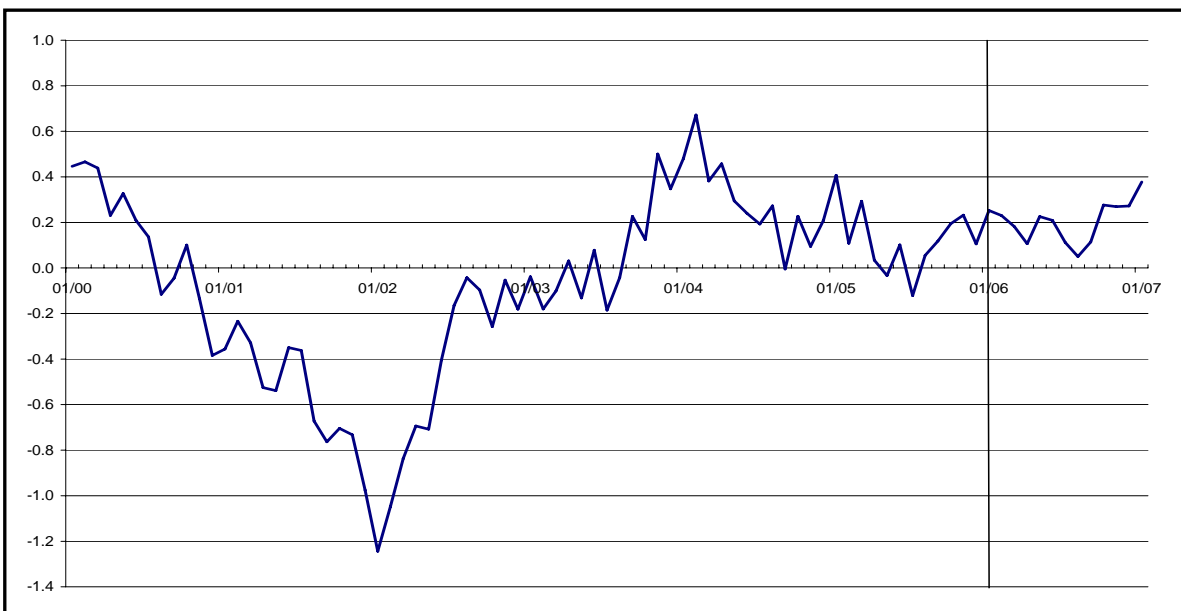
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❖ **Unemployment Claims (Initial)**



❖ **CBAI in January**

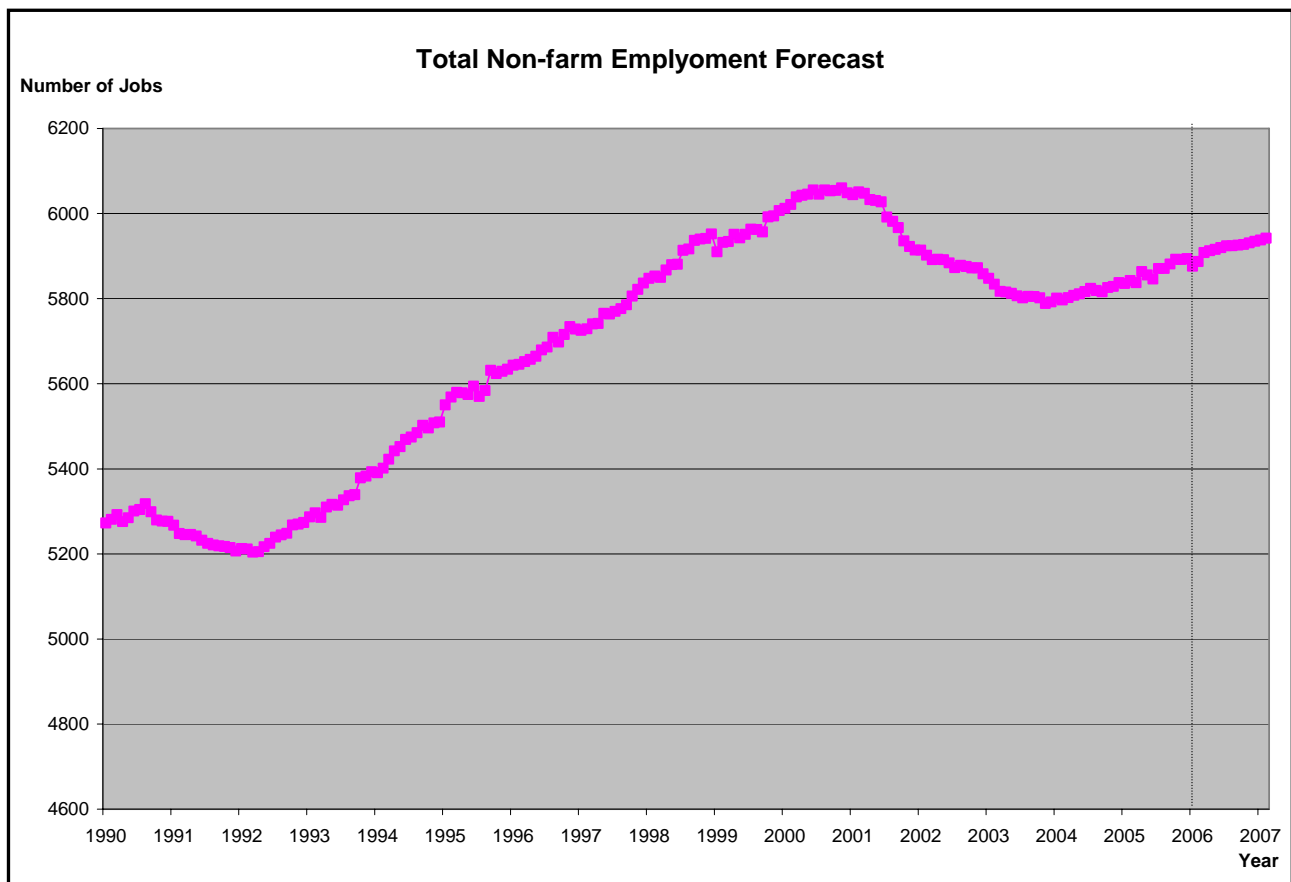
The Chicago Business Activity Index (CBAI) was 0.253 in January, the sixth consecutive positive reading since August 2005. This was mainly attributed to the increase of construction and manufacturing production. Considering that the CBAI leads the local business cycle and positive values of this index 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.



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❖ **Employment Forecast (2006)**

	Feb 2006	Feb 2007 (p)	Number of Jobs	Growth Rate %
Total non-farm	5,887,100	5,942,000	+54,900	+0.93
Construction	273,800	279,100	+5,300	+1.94
Manufacturing	685,600	681,500	- 4,100	- 0.60
Trade, transportation & utilities	1,182,300	1,201,000	+18,700	+1.58
Information	116,600	114,900	- 1,700	- 1.46
Financial Activities	406,400	407,500	+1,100	+0.27
Professional & business services	831,000	849,900	+18,900	+2.27
Education & health	753,800	760,000	+6,200	+0.82
Leisure & hospitality	521,400	527,300	+5,900	+1.13
Other services	262,600	263,800	+1,200	+0.46
Government	843,600	849,100	+5,500	+0.65



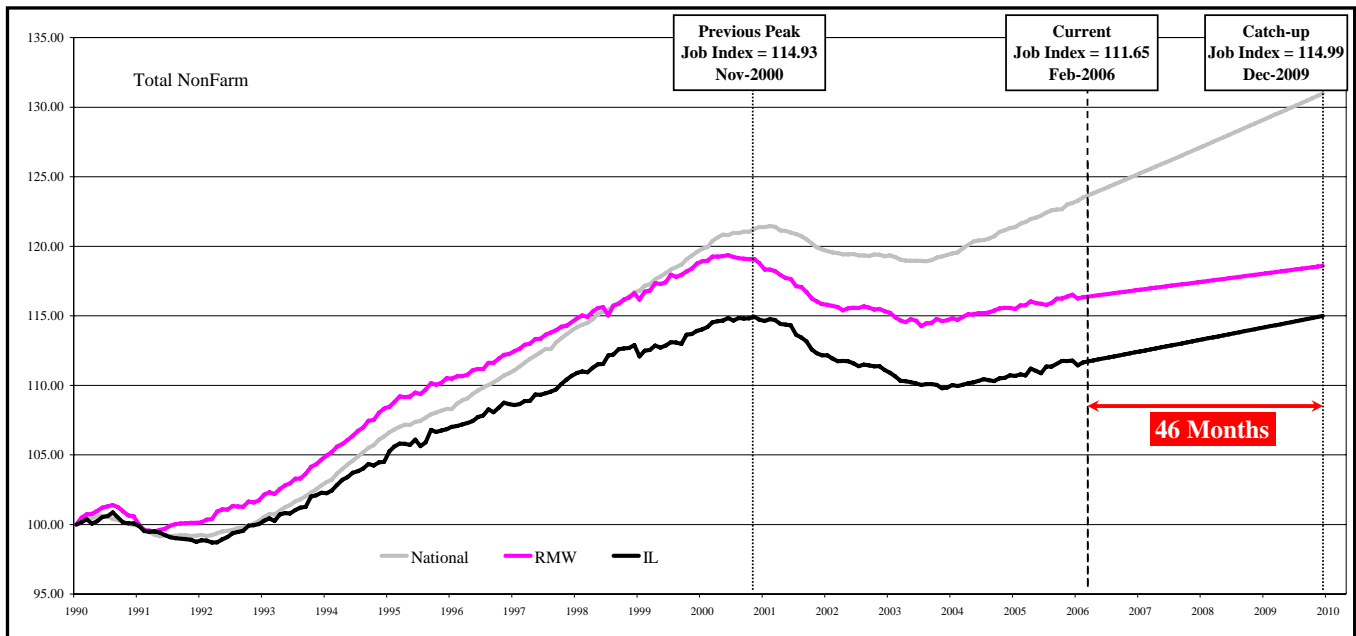
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❖ **Catch-up Scenario of Previous Peak Job Index in Illinois**

	Previous Peak	Current	Catch-up	Periods for Catch-up
IL*	114.93 (Nov-2000)	111.65 (Feb-2006)	114.99 (Dec-2009)	46 months
RMW*	119.37 (Jun-2000)	116.34 (Feb-2006)	119.39 (Apr-2011)	69 months
Nation**	121.45 (Feb-2001)	123.50 (Feb-2006)	121.62 (Feb-2005)	12 months ago

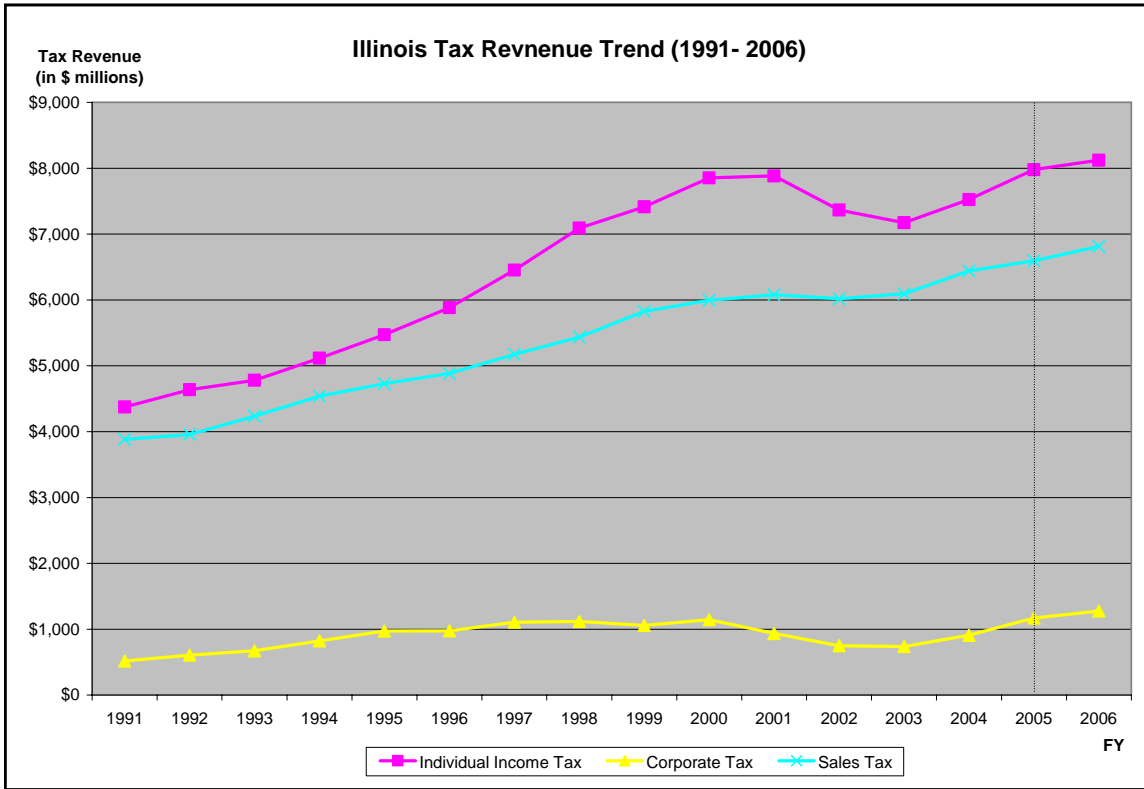
* Catch-up scenarios for Illinois and RMW are based on average monthly growth rate over the previous 12 months.

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



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❖ **Tax Revenue Forecast (FY 2006)**



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

(unit: \$ millions)

*OMG: Office of Management and Budget

**CGFA: Commission on Government Forecasting and Accountability