


Illinois Job Index

Release 9/27/2010	Data Jan 1990 / Aug 2010	Issue 2010.9	www.real.illinois.edu
-----------------------------	------------------------------------	------------------------	------------------------------

For August Illinois Job Index, Illinois, RMW and the nation all lost jobs. Illinois construction had major performance gain due to construction workers returned to work force after the strikes in July.

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 is provided by the Illinois Economic Observatory / Regional Economics Applications Laboratory, University of Illinois.

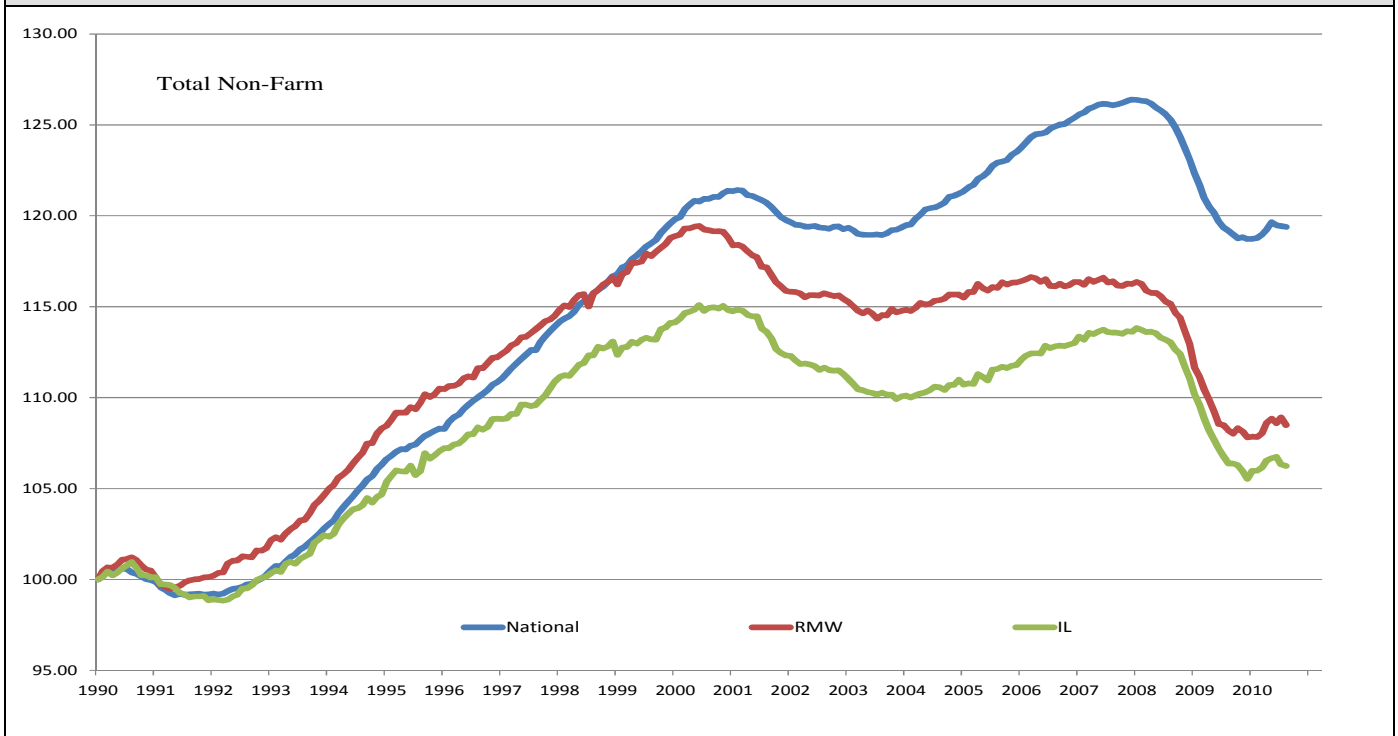
	Sep 2010 Negative		July 2010–Aug 2010		Last 12 months		Aug 2010
		Total non-farm employment	Growth Rate %	Number of Jobs	Growth Rate%	Number of Jobs	Shadow U.R.*
		Nation	-0.04	-54,000	0.18	229,000	12.2%
		RMW	-0.39	-72,000	0.26	47,500	14.5%
		Illinois	-0.07	-4,200	-0.13	-7,200	12.3%

*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 shed 4,200 jobs in Aug 2010 at a rate of -0.07%, compared with a revised -21,900 job loss in July. Although construction gain jobs due to construction workers returning after the strikes in July, private-sector job growth remained almost unchanged in August. The manufacturing sector added jobs in Aug, the sixth consecutive monthly gain this year so far, leading Illinois to outpace the nation in adding manufacturing jobs since Jan, 2010. The three-month moving average of jobs, a more stable measure of labor market, was down by 7,400 jobs per month. ▪ In Aug 2010, the Nation cut 54,000 jobs at a rate of -0.04%, compared with a revised 54,000 job loss in July. The three-month moving average of jobs was down by 95,000 jobs per month. ▪ RMW shed 72,100 jobs in Aug after a revised 52,700 job gain in July. The three-month moving average was down by 20,500 jobs per month. ▪ Since the beginning of the recession in Dec 2007, Illinois has posted negative job changes 24 times and positive job gains six times through June, 2010. The state of Illinois now has a net loss of 351,700 jobs since the beginning of the recession in December 2007. ▪ 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. ▪ Over the last 12 months, Illinois shed 7,200 jobs at a rate -0.13%. ▪ The shadow unemployment rates for Illinois, RMW and the Nation were 12.3%, 14.5% and 12.2%, compared to official unemployment rates of 10.1%, 10.1% and 9.6%. ▪ Through Aug 2010, the cumulative job growth for Illinois, RMW and the Nation compared to January 1990 stood at 6.25%, 8.49%, and 19.39%, respectively.
Nation Notes	<ul style="list-style-type: none"> ▪ Government employment fell, as 114,000 temporary workers hired for the decennial census completed their work. Private-sector payroll employment continued to trend up modestly (+67,000). ▪ Since the last employment peak in December 2007, the nation has lost 7,640,000 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 and first 8 month of 2010 were 0.07%, -0.22%, -0.30% and 0.07%, respectively.

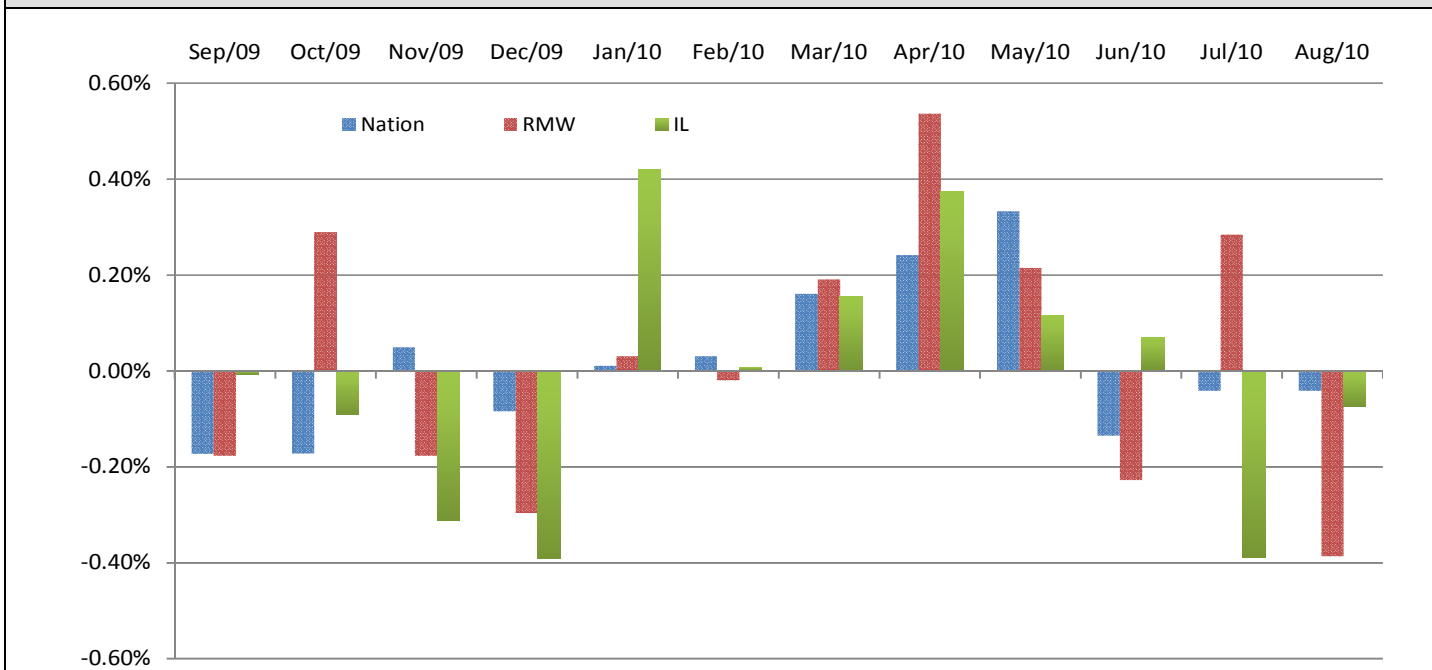
Total Non-farm Employment growth rate Jan 1990 – Aug 2010



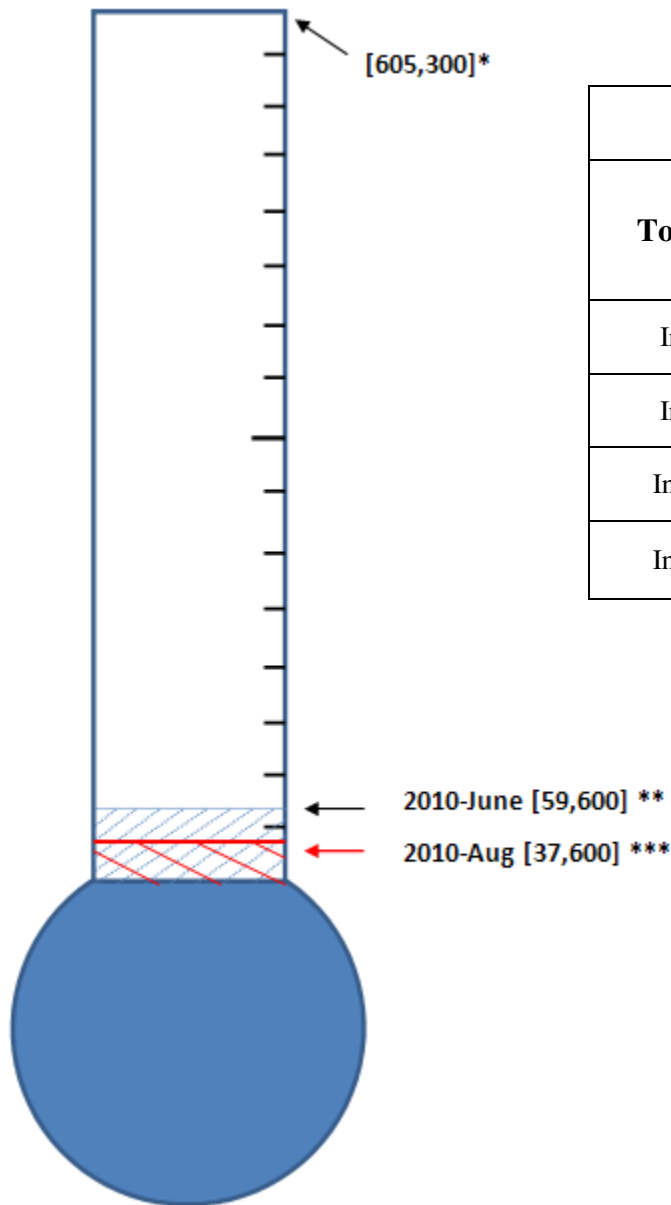
Total Non-farm Employment and Employment Index

	Aug 2010 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	130,311,000	119.39	126.57 (Dec-2007)	21,160,000	-7,640,000
RMW	18,536,400	108.49	119.44 (Jun-2000)	1,450,000	-1,873,100
Illinois	5,595,800	106.25	115.08 (Nov-2000)	329,000	-463,700

Last 12 months Total Non-farm Employment Growth Rate Sep 2009 – Aug 2010



Barometer of Job Recovery



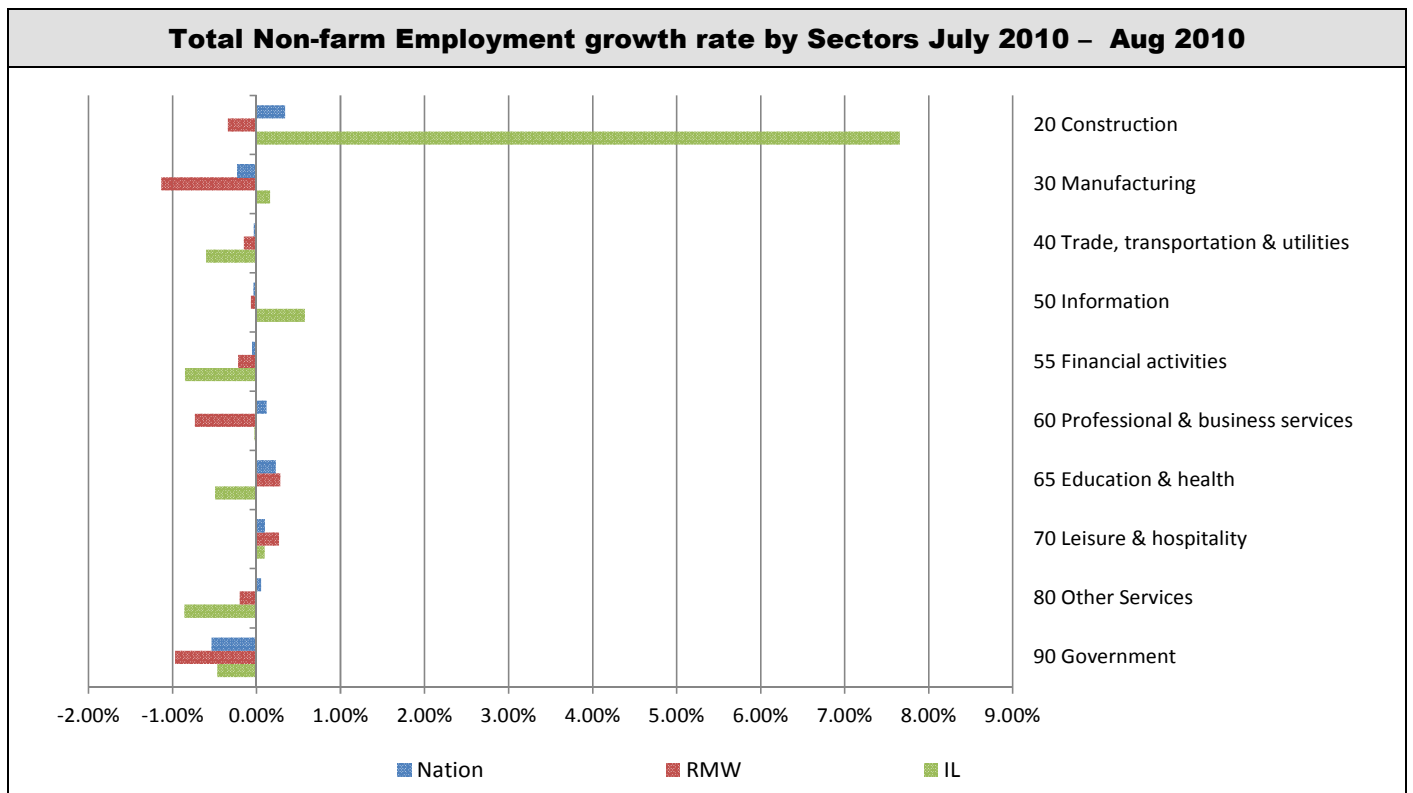
Illinois Recovery Scenarios		
To Recover	Growth Rate	
	At the point of 2010-June	At the point of 2010-Aug
In 5 years	109,000 jobs/year	114,000 jobs/year
In 8 years	68,000 jobs/year	71,000 jobs/year
In 10 years	55,000 jobs/year	57,000 jobs/year
In 15 years	36,000 jobs/year	38,000 jobs/year

* The figure 605,300 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 501,300. 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 605,300.

**The figure 59,600 represents the jobs recovered from Dec. 2009 (previous lowest level) through June 2010.

*** The figure 37,600 represents the jobs recovered from Dec. 2009 through Aug 2010.

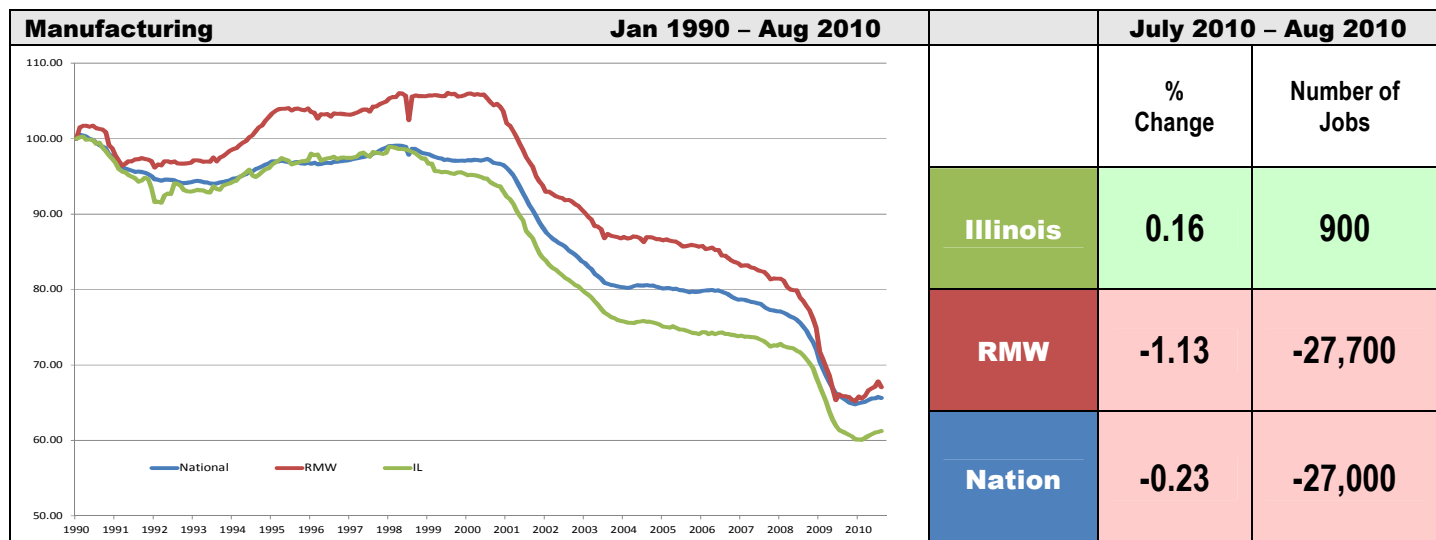
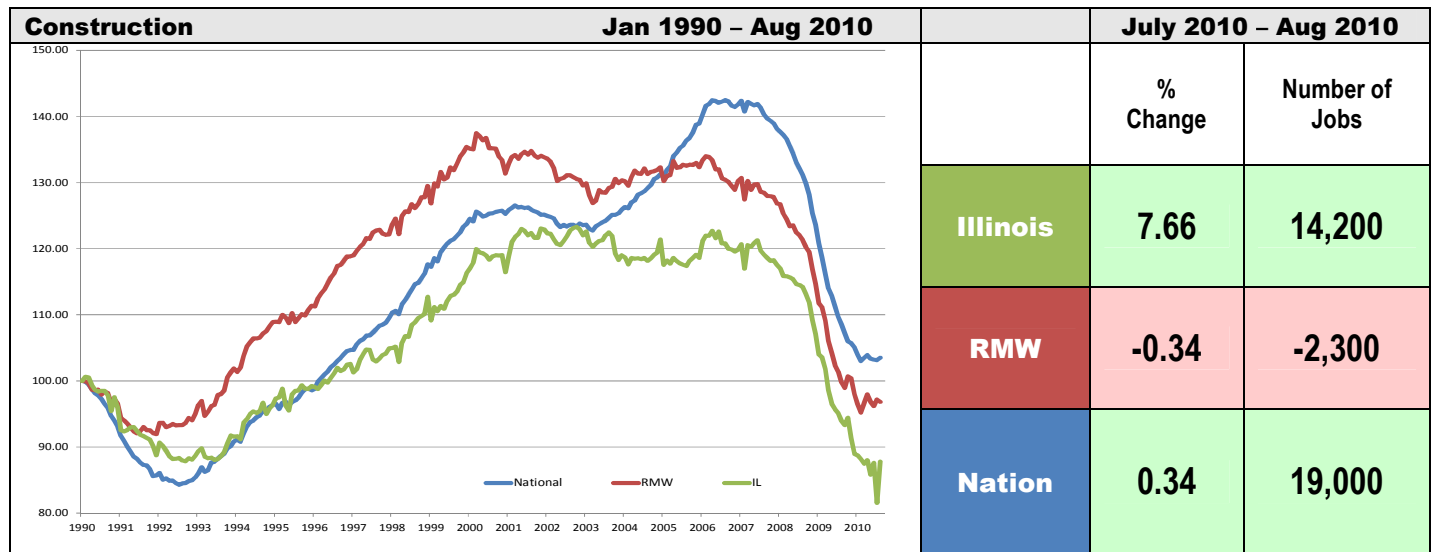
By employment sector:

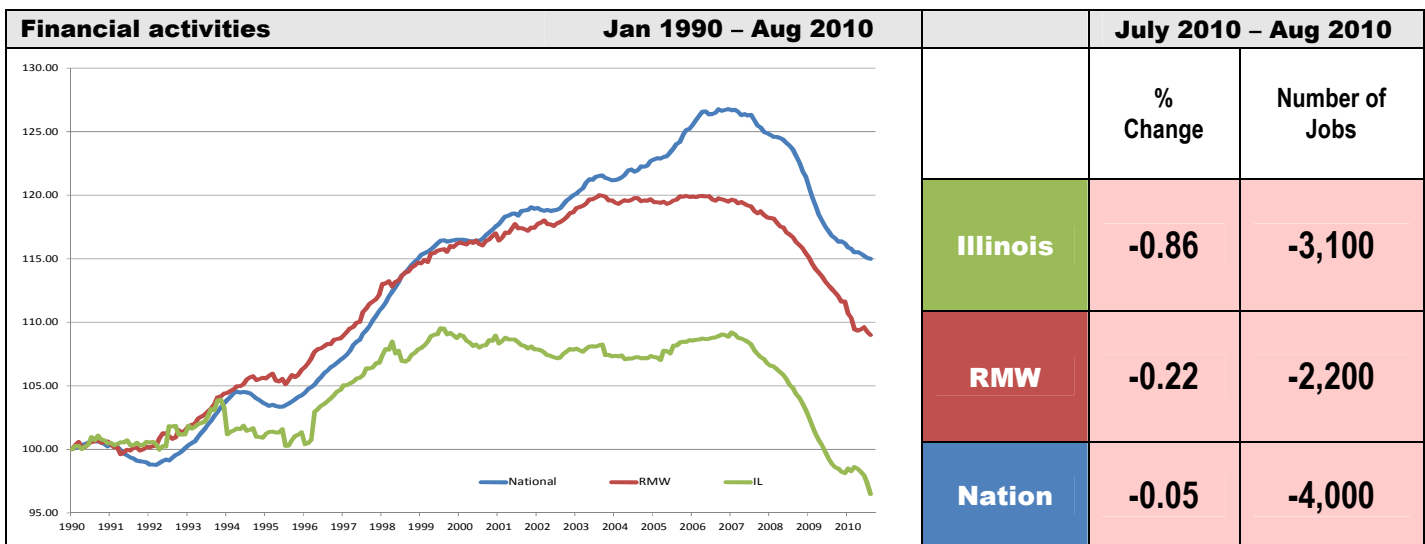
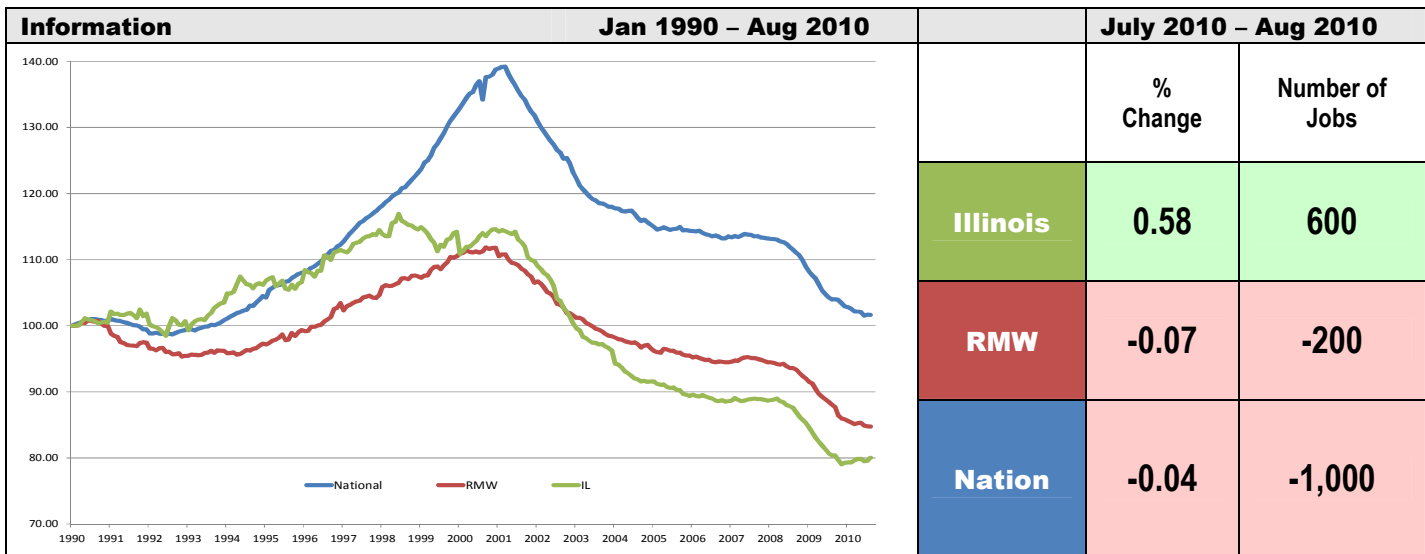
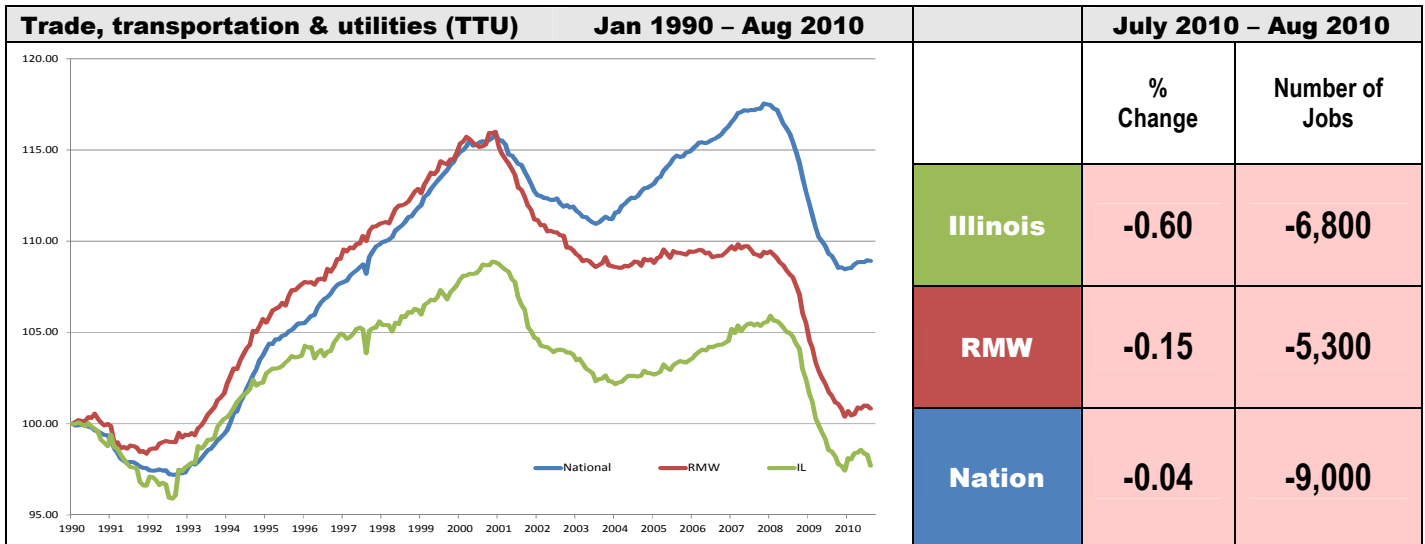


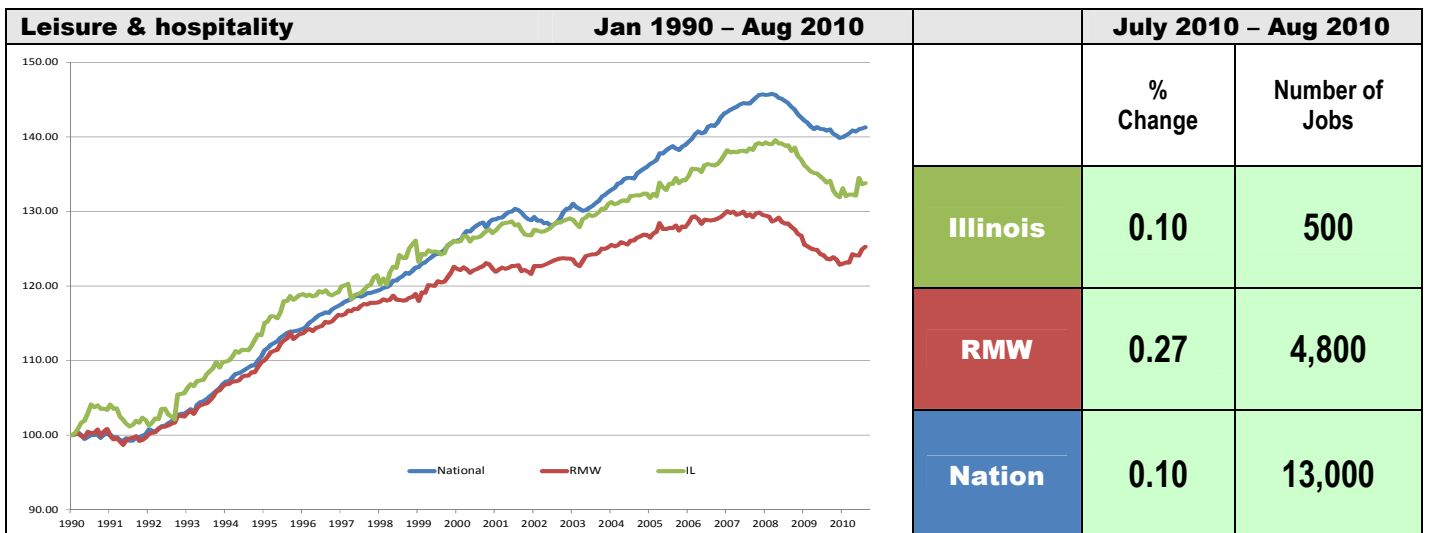
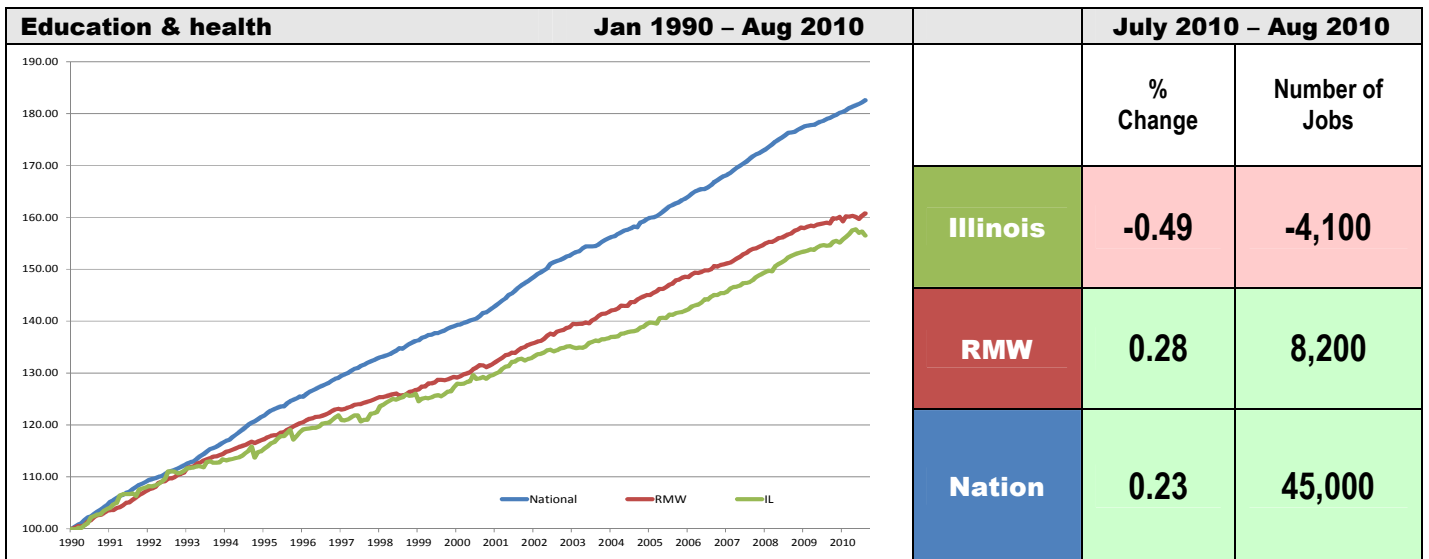
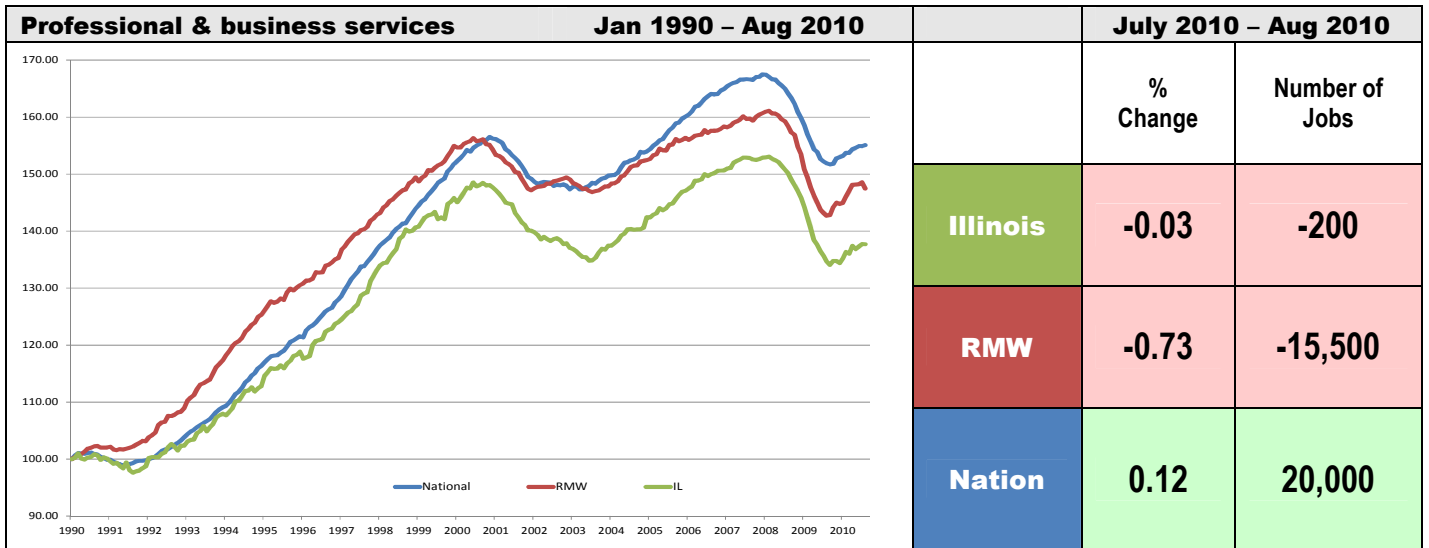
Sector notes

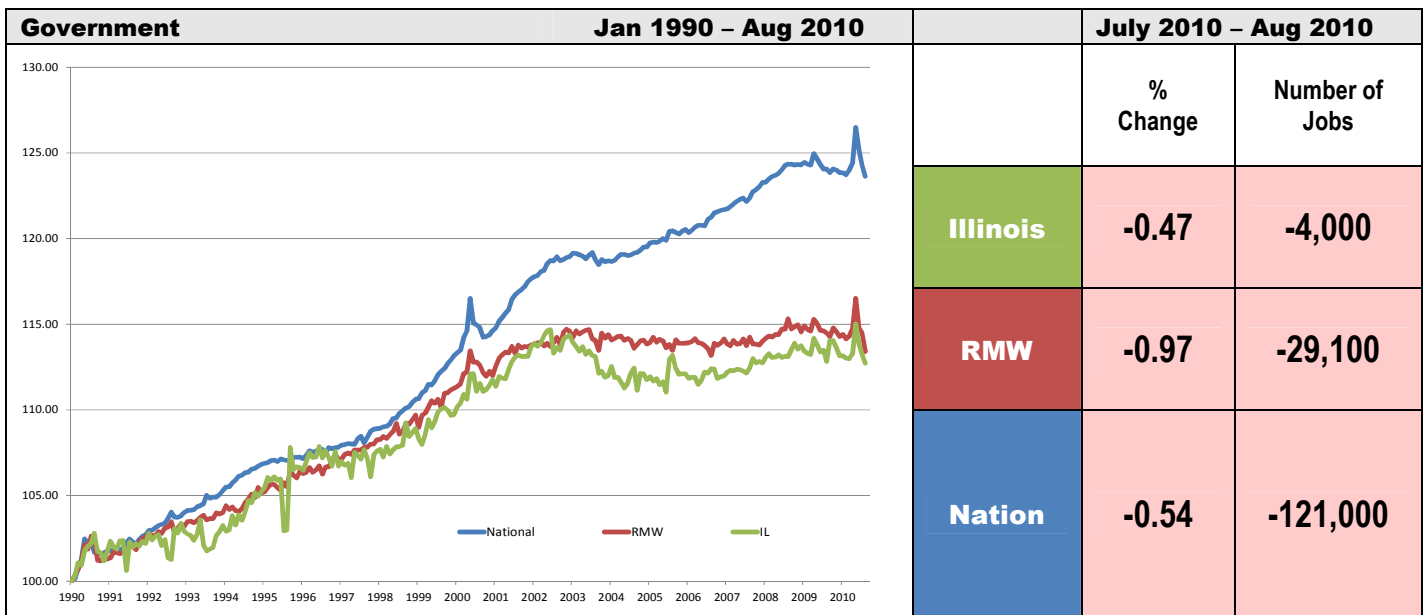
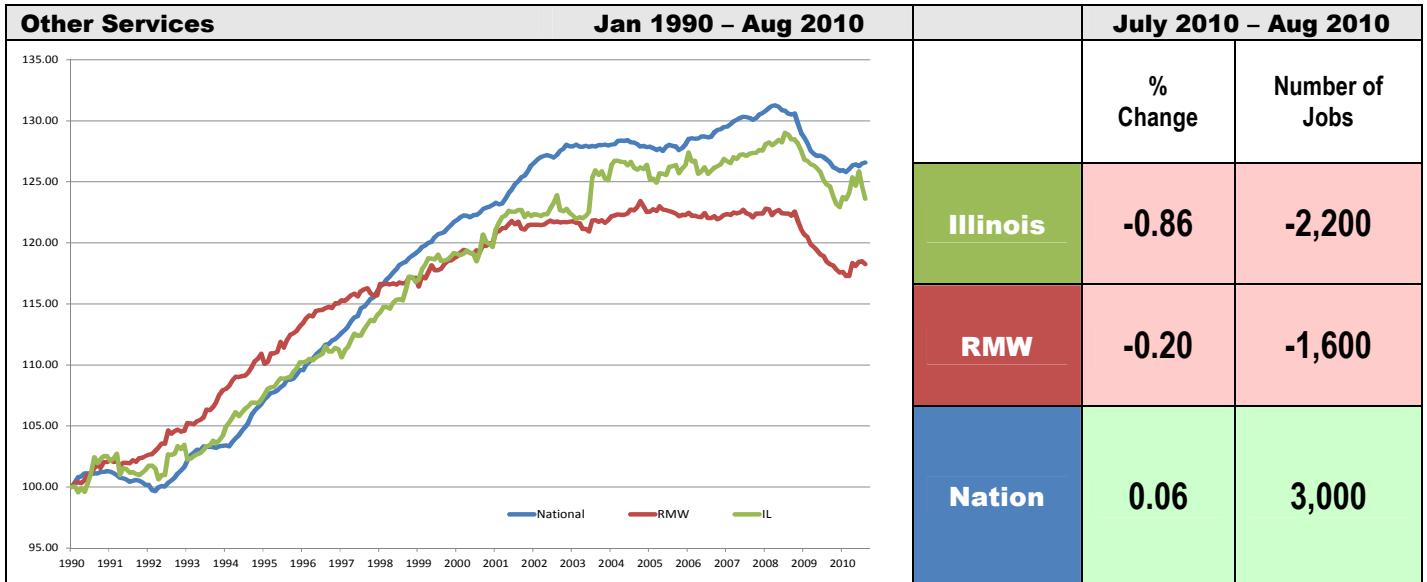
- Illinois posted negative change in Aug 2010 by shedding 4,200 jobs. Five out of ten sectors recorded net losses. Compared to July, Construction (-7.48% to 7.66%) had major performance gain due to construction workers returned to labor force after the strikes in July. Government (-0.60% to -0.47%) in Illinois experienced performance loss due to the end of the temporary census jobs. In addition, compared to July, Information (-0.39% to 0.58%) and Leisure & hospitality (-0.60% to 0.10%) had relative performance gains, while Financial activities (-0.27% to -0.86%), Education and health (0.26% to -0.49%) faced relative losses in performance.
- In Aug at the national level, the top three job-gain sectors were:
 - Construction: 19,000 (0.34%)
 - Education and health: 45,000 (0.23%)
 - Professional & business services: 20,000 (0.12%)
- Major losses at the national level in Aug were recorded by:
 - Government: -121,000 (-0.54%)
 - Manufacturing: -27,000 (-0.23%)
 - Financial activities: -4,000 (-0.05%)
- For Illinois, the top three job-gain sectors in Aug were:
 - Construction: 14,200 (7.66%)
 - Information: 600 (0.58%)
 - Manufacturing: 900 (0.16%)
- Following are the major sectors that lost jobs in Aug for Illinois:
 - Financial activities: -3,100 (-0.86%)
 - Other services: -2,200 (-0.86%)
 - Trade, transportation & utilities: -6,800 (-0.60%)
- For Illinois, five sectors have employment below 1990 levels. Compared to 1990 employment levels, Manufacturing has -357,300 fewer jobs, Construction is down -27,800 jobs, Information down -26,100 jobs, Trade transportation & utilities down -26,400 jobs, and Financial activities down -13,100 jobs.

Total Non-farm Employment growth rate by sector Jan 1990 - Aug 2010						
	Illinois				RMW	Nation
	vs. RMW	vs. Nation	Number of Jobs	Rate %	Rate %	Rate %
Construction	-	-	-27,800	-12.23	-3.16	3.49
Manufacturing	-	-	-357,300	-38.77	-32.94	117.60
Trade, transportation & utilities (TTU)	-	-	-26,400	-2.29	0.84	8.92
Information	-	-	-26,100	-19.98	-15.25	1.65
Financial activities	-	-	-13,100	-3.52	9.01	15.00
Professional & business services	-	-	215,400	37.69	47.46	55.08
Education & health	-	-	298,900	56.50	60.78	82.60
Leisure & hospitality	+	-	129,800	33.78	25.24	41.27
Other Services	+	-	48,500	23.61	18.26	26.58
Government	-	-	96,100	12.73	13.39	23.64









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.