


Illinois Job Index

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For July Illinois Job Index, the state had negative job growth while the Nation and the RMW both had positive job growth.

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

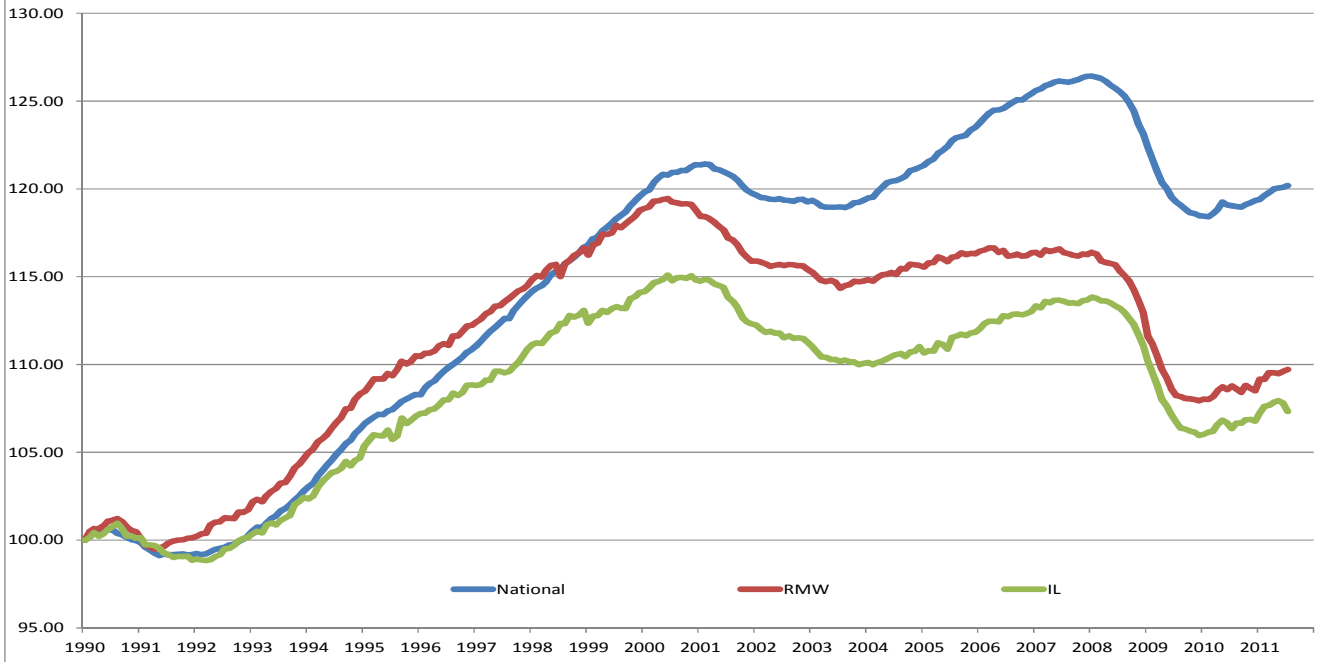
	Aug 2011 Negative	May 2011– Jun 2011		Last 12 months		Jun 2011	
		Total non-farm employment	Growth Rate %	Number of Jobs	Growth Rate%	Number of Jobs	Shadow U.R. *
		Nation	0.09	117,000	0.97	1,258,000	12.8%
		RMW	0.10	18,800	0.86	159,500	14.1%
		Illinois	-0.44	-24,900	0.91	51,100	12.4%

*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 24,900 jobs in July 2011 at a rate of -0.44%, compared with a revised 7,300 job loss in June 2011. This is the largest monthly loss since June 2009. Compared to July 2010, Illinois has added 51,100 jobs. The three-month moving average of jobs, a more stable measure of labor market, was down by 9,100 jobs per month. In July 2011, the Nation added 117,000 jobs at a rate of 0.09%, compared with a revised 46,000 job gain in June. The three-month moving average of jobs was up by 72,000 jobs per month. RMW added 18,800 jobs in July at a rate of 0.10% after a revised 20,700 job gain in June. The three-month moving average was up by 10,300 jobs per month. Since the beginning of the recession in Dec 2007, Illinois has posted negative job changes 29 times and positive job gains 14 times so far. The state of Illinois now has a net loss of 332,500 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. Since January 2010, when Illinois employment resumed after the national recession, Illinois has added 72,200 new jobs. The 12-month-ahead job recovery forecasts show that the recovery will slow down by July 2012. The shadow unemployment rates for Illinois, RMW and the Nation were 12.4%, 14.1% and 12.8%, compared to official unemployment rates of 9.5%, 8.9% and 9.1%. Compared to last month, Illinois unemployment rate increased by 0.3%. This is the highest official unemployment for Illinois since Oct 2010. Through July 2011, the cumulative job growth for Illinois, RMW and the Nation compared to January 1990 stood at 7.33%, 9.71%, and 20.09%, respectively.
Nation Notes	<ul style="list-style-type: none"> Total nonfarm payroll employment increased by 117,000 in July. Employment in most major sector industries changed little over the month. Government employment continued to lose jobs. Since the last employment peak in December 2007, the nation has lost 6,793,000 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, 2010 and 2011 were 0.05%, -0.19%, -0.39%, 0.06% and 0.10%, respectively.

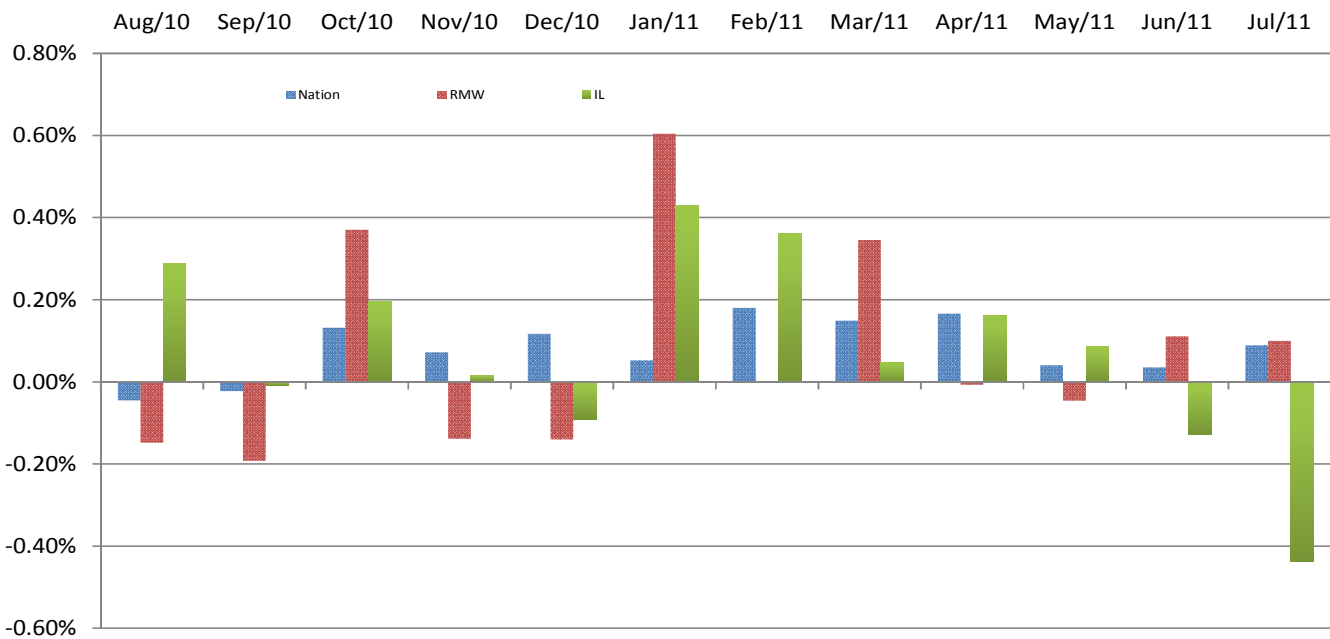
Total Non-farm Employment growth rate Jan 1990 – Jul 2011



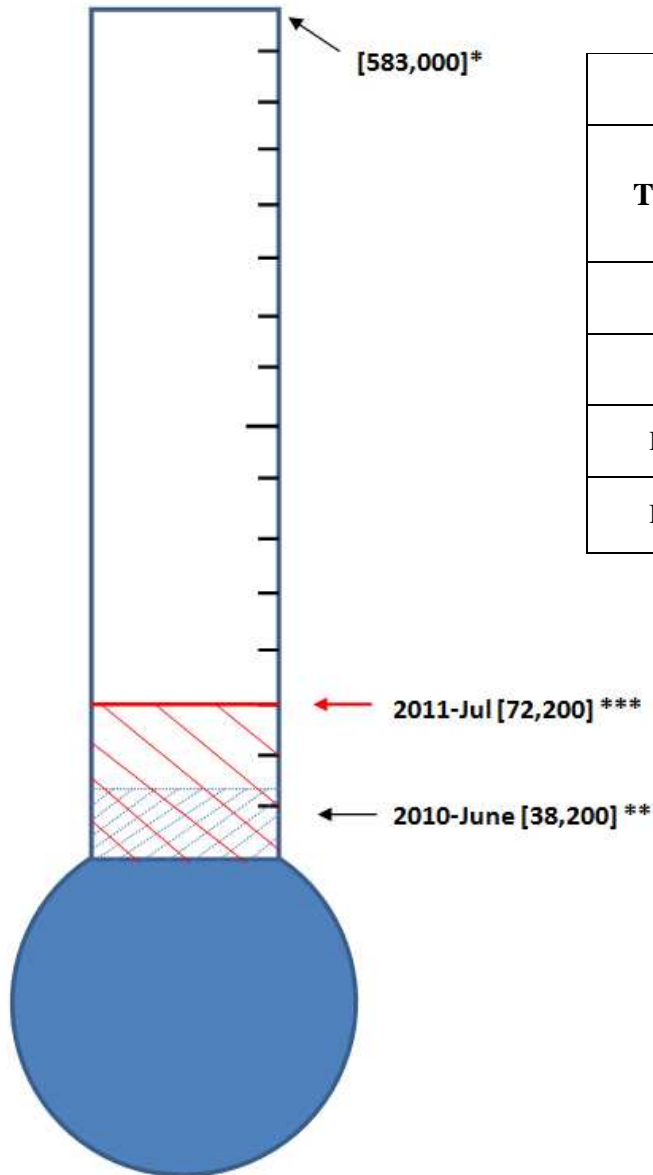
Total Non-farm Employment and Employment Index

	Jul 2011 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	131,190,000	120.19	126.57 (Dec-2007)	22,039,000	-6,793,000
RMW	18,745,200	109.71	119.44 (Jun-2000)	1,658,800	-1,664,300
Illinois	5,652,700	107.33	115.08 (Nov-2000)	385,900	-406,800

Last 12 months Total Non-farm Employment Growth Rate Aug 2010 – Jul 2011



Barometer of Job Recovery



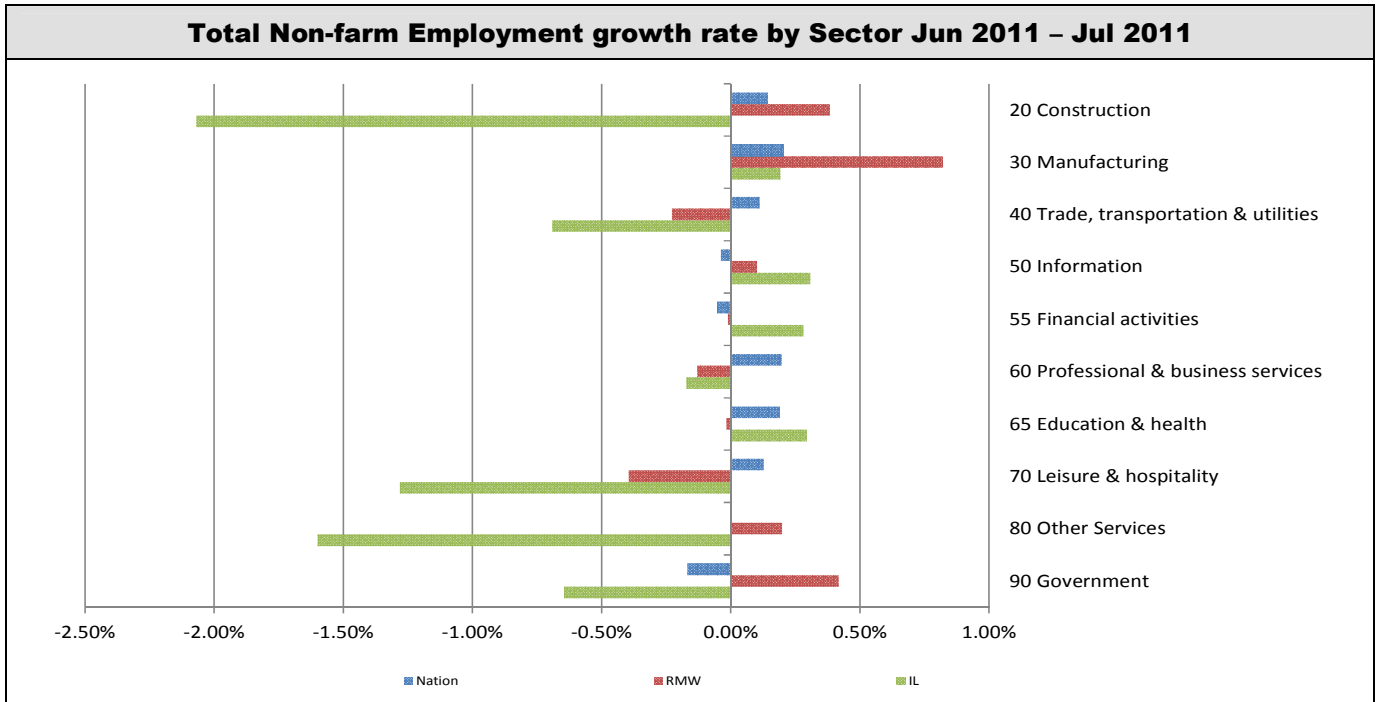
Illinois Recovery Scenarios		
To Recover	Growth Rate	
	At the point of 2011-July	At the point of 2010-Jun
In 5 years	102,200 jobs/year	109,000 jobs/year
In 8 years	63,900 jobs/year	68,000 jobs/year
In 10 years	51,100 jobs/year	54,000 jobs/year
In 15 years	34,100 jobs/year	36,000 jobs/year

* The figure 583,000 is the number of jobs needed for the 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 479,000. Adding 104,000, the number of jobs that needed to bring the shadow and official unemployment rates together, the total number of jobs that Illinois needs to create is 583,000.

**The figure 38,200 represents the jobs recovered from Dec. 2009 (previous lowest level) through Jun. 2010.

*** The figure 72,200 represents the jobs recovered from Dec. 2009 through Jul. 2011.

Employment Growth Rate by Sector:



Sector notes

- Illinois posted negative change in July 2011 by shedding 24,900 jobs. Four out of ten sectors recorded net gains. Compared to June, Education & health (-0.46% to 0.30%) had a major performance gain. Construction (0.78% to -2.07%) in Illinois experienced major performance loss. In addition, compared to June, Trade, transportation & utilities (-0.17% to -0.69%), Manufactory (0.32% to 0.19%), Leisure & hospitality (0.62% to -1.28%), Other services (-0.85% to -1.60%) and Government (-0.39% to -0.65%) faced relative losses in performance. Meanwhile, Financial activities (0.08% to 0.28%) and Professional & business services (-0.40% to -0.17%) experienced net gain.
- In July at the national level, the top three job-gain sectors were:
 - Education & health: 38,000 (0.19%)
 - Professional & business services: 34,000 (0.20%)
 - Manufacturing: 24,000 (0.20%)
- Major losses at the national level in July were recorded by:
 - Government: -37,000 (-0.17%)
 - Financial activities: -4,000 (-0.05%)
 - Information: -1,000 (-0.04%)
- For Illinois, the top three job-gain sectors in July were:
 - Education & health: 2,500 (0.30%)
 - Financial activities: 1,000 (0.28%)
 - Information: 300 (0.31%)
- Following are the major sectors that lost jobs in July for Illinois:
 - Leisure & hospitality: -6,700 (-1.28%)
 - Construction: -4,300 (-2.07%)
 - Other services: -4,100 (-1.60%)
- For Illinois, five sectors have employment below 1990 levels. Compared to 1990 employment levels, Manufacturing has -348,400 fewer jobs, Construction is down -23,900 jobs, Information down -32,800 jobs, Trade transportation & utilities down -15,900 jobs, and Financial activities down -15,800 jobs.

Total Non-farm Employment growth rate by sector Jan 1990 - Jul 2011

	Illinois				RMW	Nation
	vs. RMW	vs. Nation	Number of Jobs	Rate %	Rate %	Rate %
	Construction	-	-	-23,900	-10.51	-1.68
Manufacturing	-	-	-348,400	-37.80	-30.58	-34.01
Trade, transportation & utilities (TTU)	-	-	-15,900	-1.38	1.32	9.78
Information	-	-	-32,800	-25.11	-17.39	0.49
Financial activities	-	-	-15,800	-4.24	11.50	15.41
Professional & business services	-	-	243,000	42.52	52.21	59.52
Education & health	-	-	318,700	60.25	64.37	86.00
Leisure & hospitality	+	-	132,200	34.41	24.22	42.36
Other Services	+	-	47,000	22.88	19.55	29.07
Government	-	-	91,100	12.06	11.65	21.39

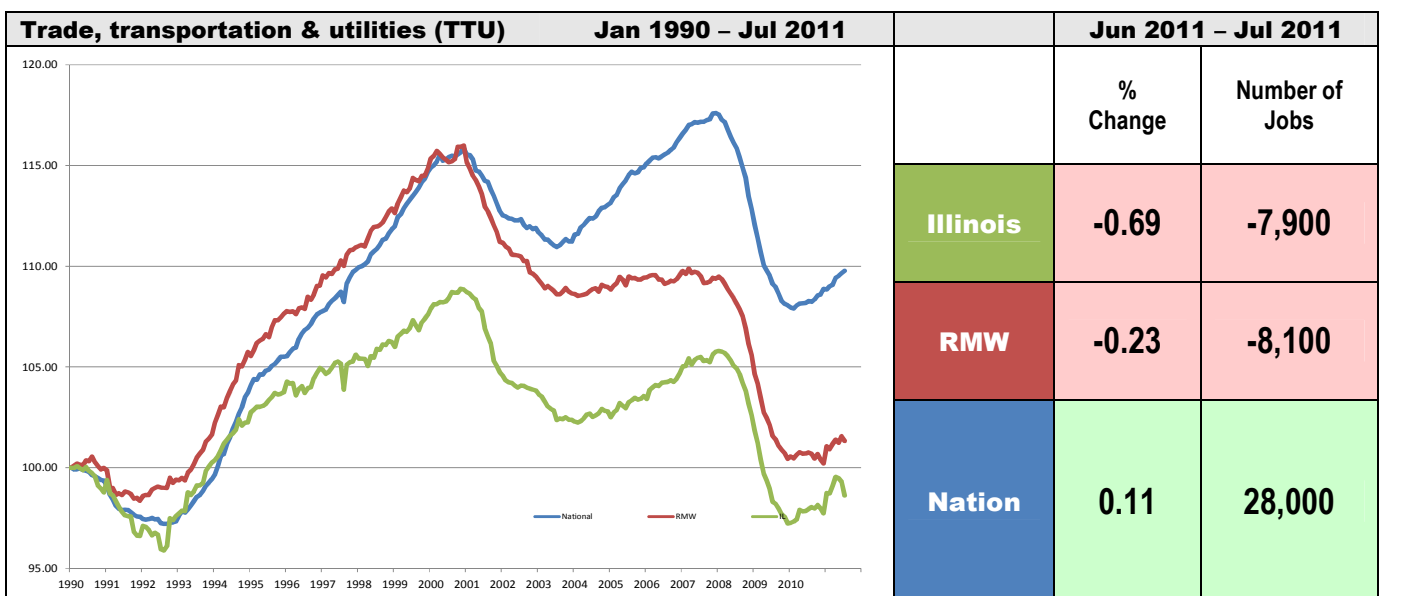
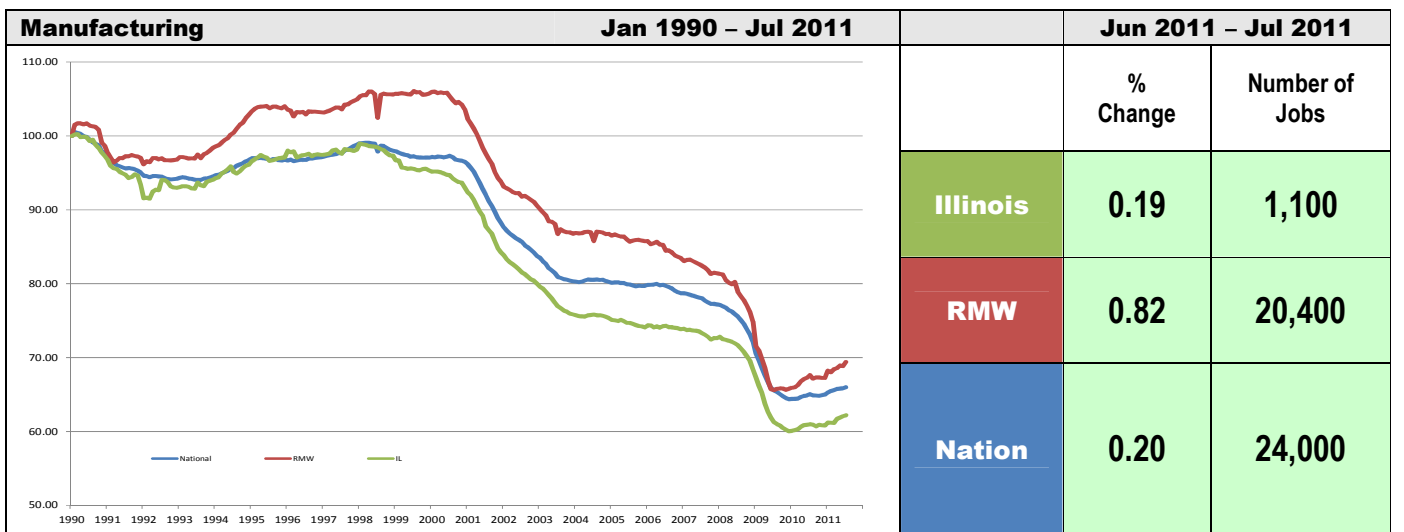
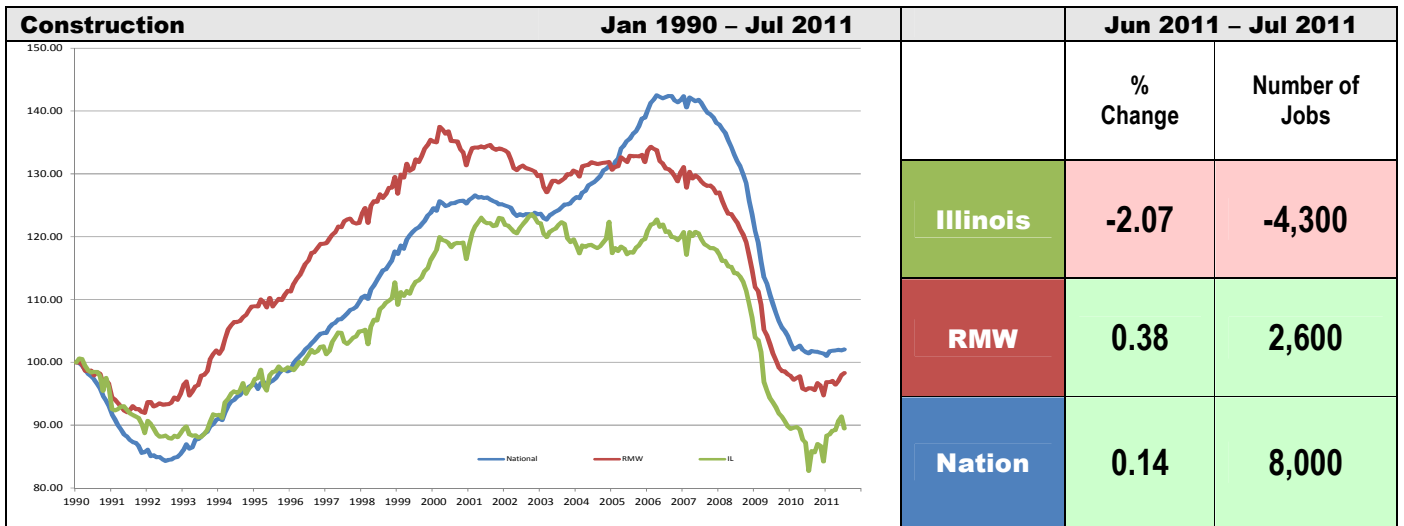
Illinois job recovery by sector from Dec 2007 – Jul 2011

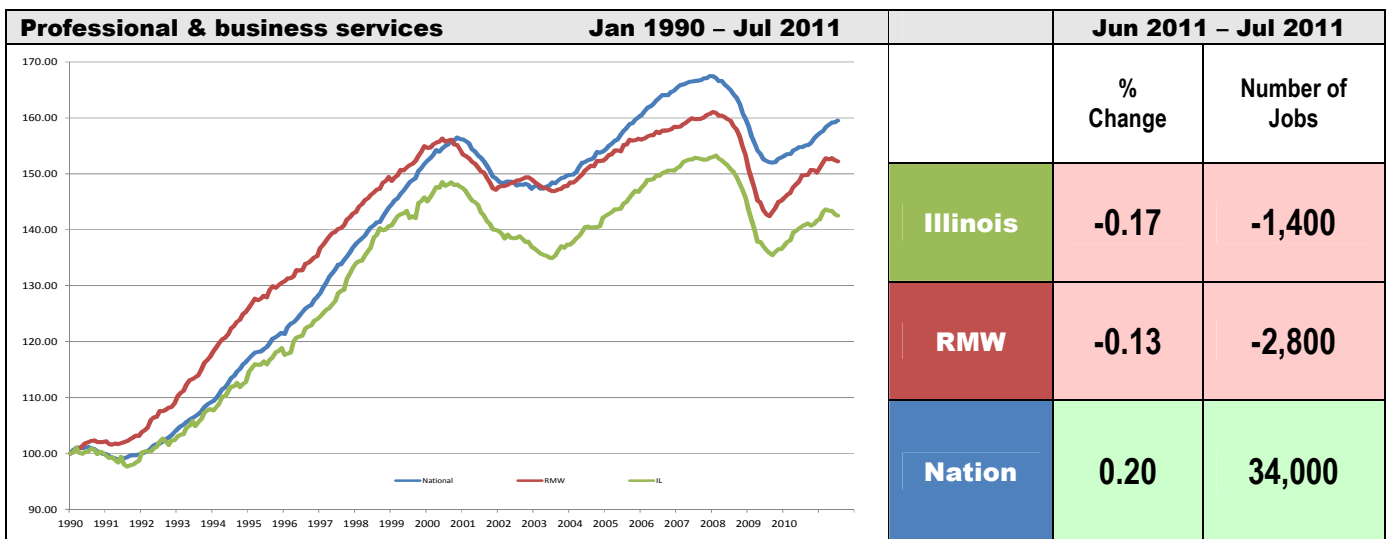
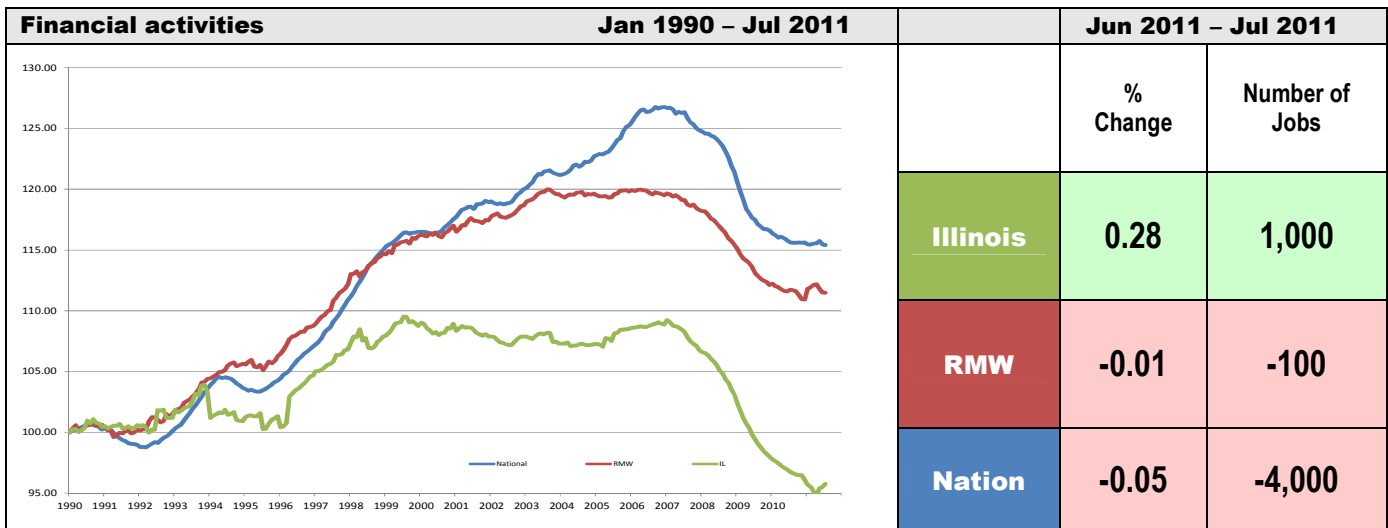
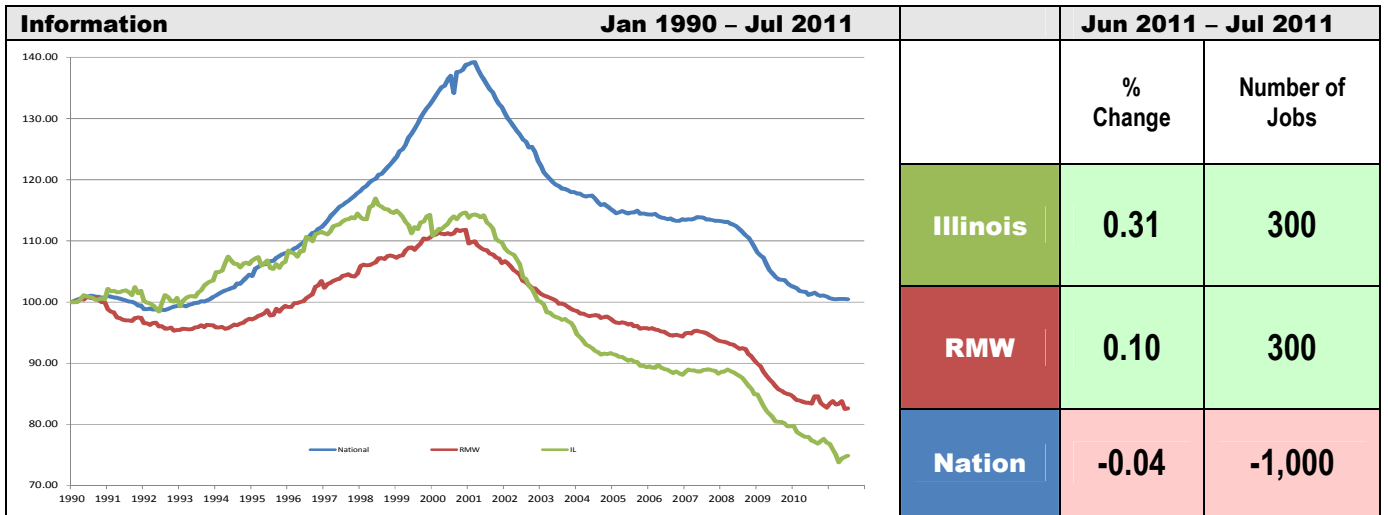
	Job Changes in Recession Period*	Job Recovery Jan 2010- Jul 2011	Recovery Rate	Forecasted Job Recovery Jan 2010- Jul 2012	Forecasted Recovery Rate
Construction	-64,500	-700	-1.09%	-6,800	-10.54%
Manufacturing	-116,000	20,000	17.24%	15,300	13.19%
Trade, transportation & utilities (TTU)	-98,100	16,000	16.31%	-8,800	-8.97%
Information	-11,000	-6,300	-57.27%	-10,900	-99.09%
Financial activities	-32,700	-8,300	-25.38%	-15,800	-48.32%
Professional & business services	-91,400	34,200	37.42%	30,500	33.37%
Education & health	34,300	26,000	--	38,200	--
Leisure & hospitality	-22,800	4,500	19.74%	3,600	15.79%
Other services	-5,900	-3,600	-61.02%	-5,900	-100.00%
Government	5,200	-10,200	--	-9,500	--

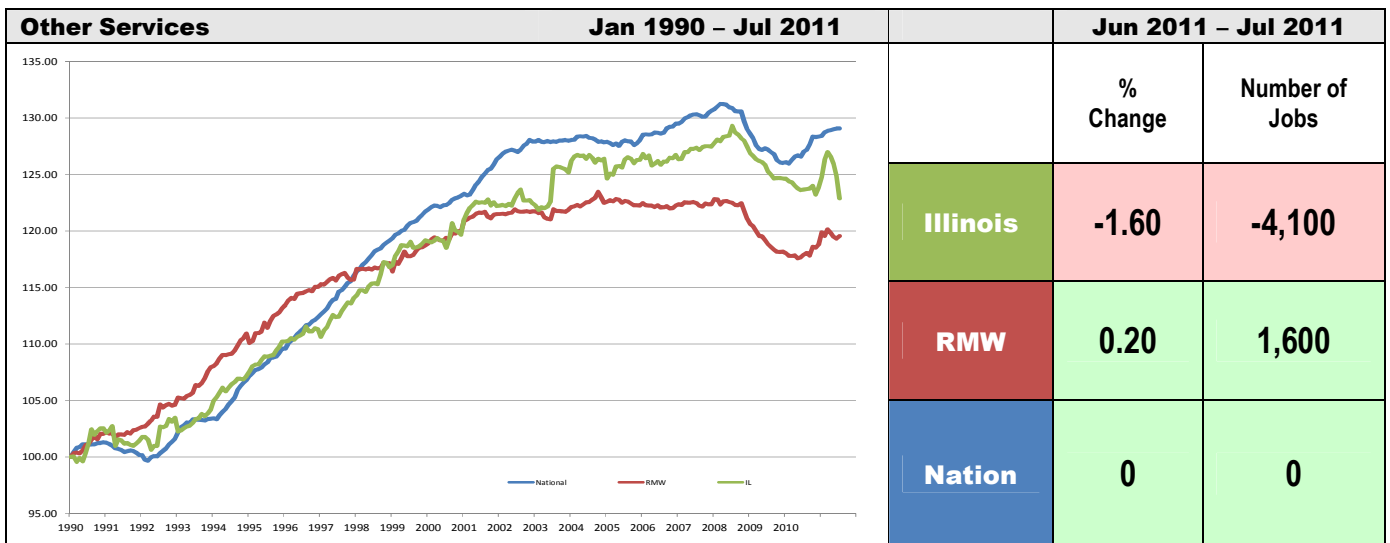
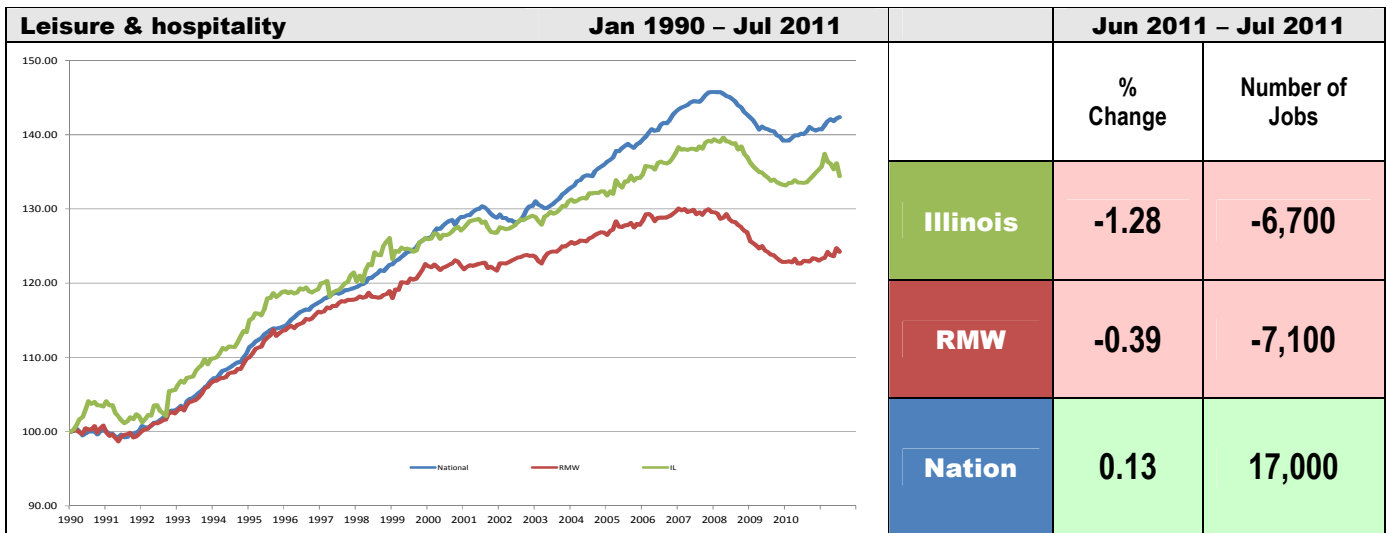
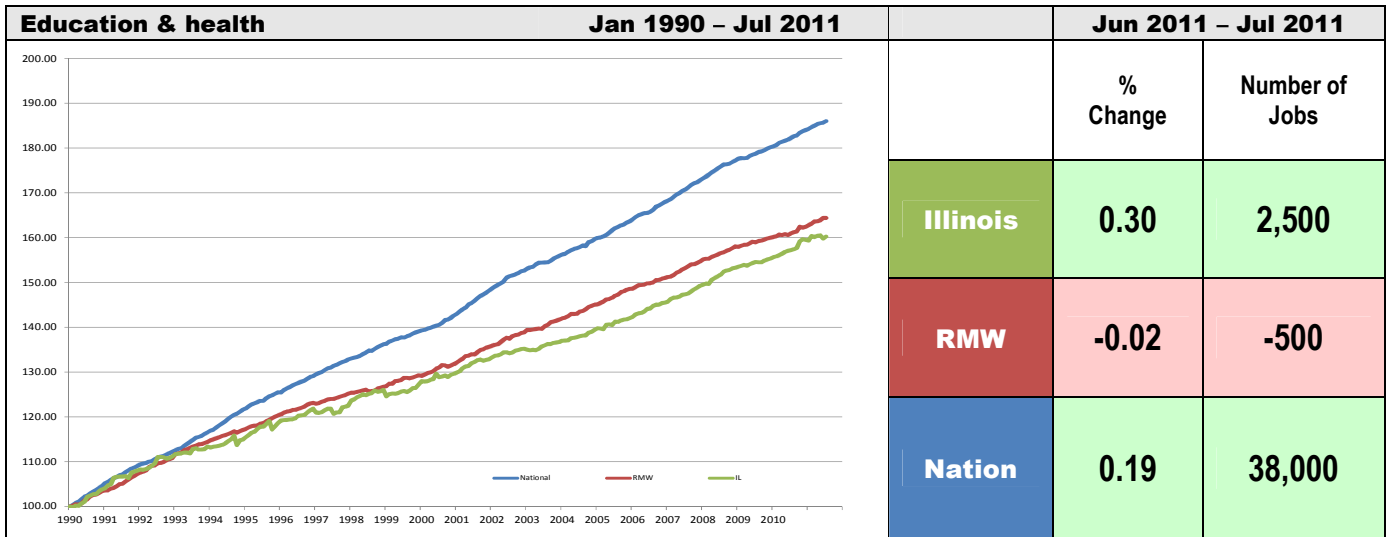
*Recession period: Dec 2007- Dec 2009

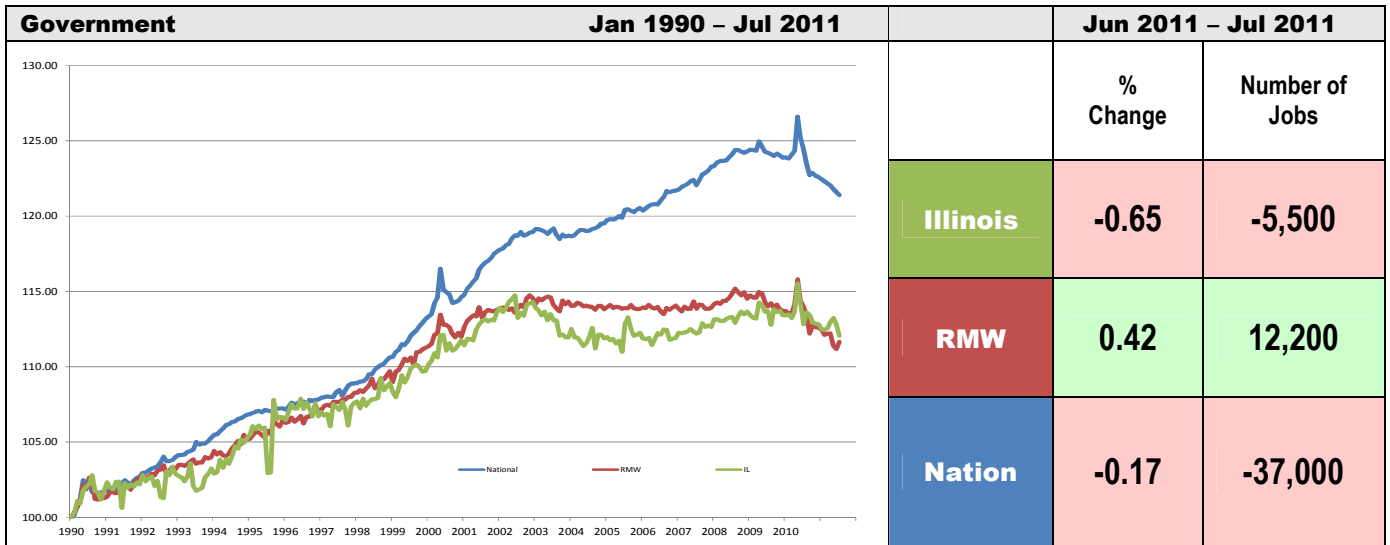
Recovery by Sector

- During the recession period of Dec 2007-Dec 2009, 8 out of 10 Illinois sectors experienced negative job growth. Education & health and Government are the only 2 sectors that had positive job growth during the recession.
- Since Jan 2010, Illinois employment resumed. Manufacturing, Trade, transportation & utilities, Professional & business services and Leisure & hospitality have recovered 17.24%, 16.31%, 37.42%, 19.74%, respectively, from the job lost during the recession.
- However, Construction, Information, Financial activities and Other services continued to lose jobs leading to negative recovery rates of -1.09%, 57.27%, 25.38% and -61.02% respectively.
- The 12-month-ahead job recovery forecasts show that, for sectors such as Manufacturing, Professional & business services and Leisure & hospitality, the future recovery will slow down.
- For sectors such as Construction, Information, Financial activities and Other services, they will continue to lose jobs with faster rates.
- By July 2012, the recovery rate for sector Trade, transportation & utilities will change from positive to negative.









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.