


Illinois Job Index

Release 01/28/2011	Data Jan 1990 / Dec 2010	Issue 2011.01	www.real.illinois.edu
-----------------------	-----------------------------	------------------	-----------------------

For December Illinois Job Index, the Nation had positive job growth while Illinois and RMW both lost jobs. In 2010, Illinois added jobs in nine out of twelve months.

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.

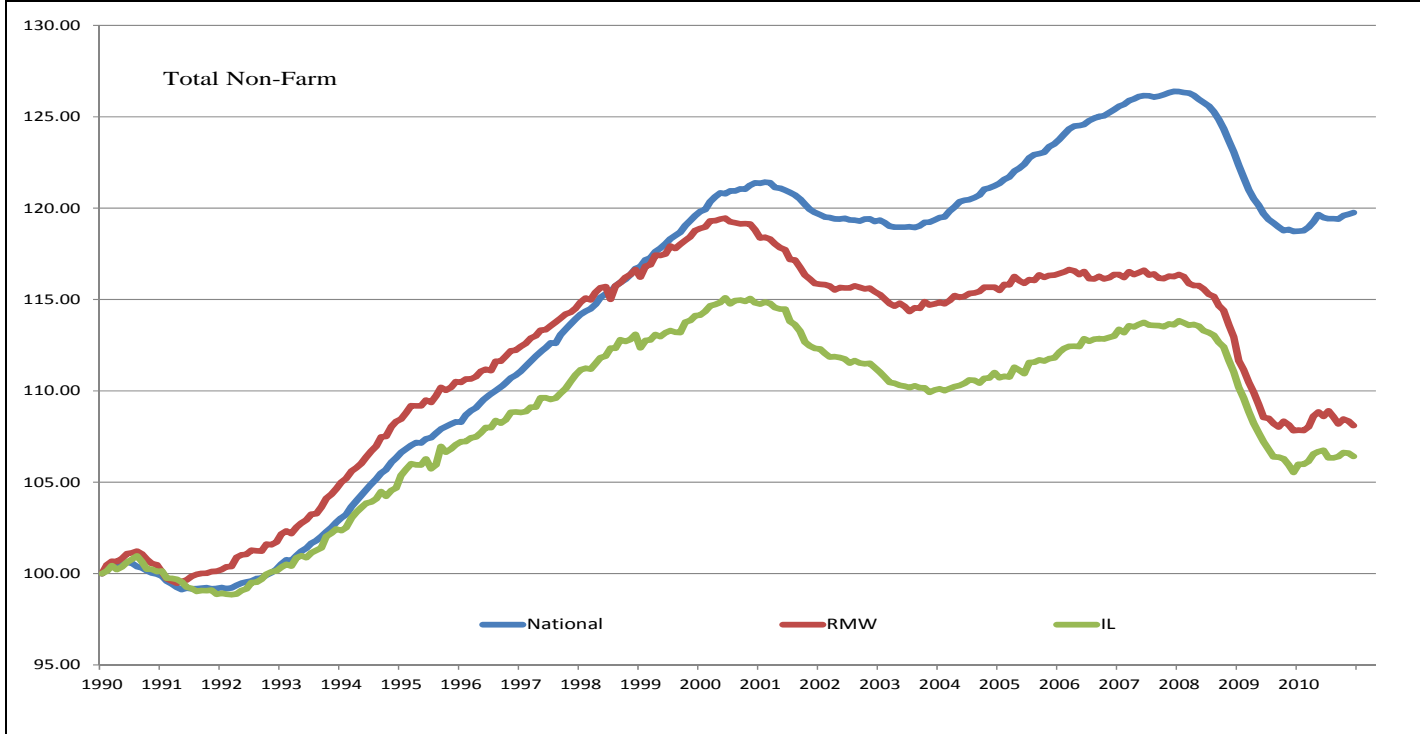
	Jan 2011 Negative		Nov 2010–Dec 2010		Last 12 months		Dec 2010
		Total non-farm employment	Growth Rate %	Number of Jobs	Growth Rate%	Number of Jobs	Shadow U.R. *
		Nation	0.08	103,000	0.87	1,124,000	12.5%
		RMW	-0.22	-41,400	0.27	48,900	14.1%
		Illinois	-0.17	-9,400	0.83	46,300	10.8%

*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 9,400 jobs in December 2010 at a rate of -0.17%, compared with a revised 1,600 job loss in November. Compared to December 2009, Illinois added 46,300 jobs, the largest monthly year-over-year increase since July 2007. The three-month moving average of jobs, a more stable measure of labor market, was up by 200 jobs per month. ▪ In Dec 2010, the Nation added 103,000 jobs at a rate of 0.08%, compared with a revised 71,000 job gain in November. The three-month moving average of jobs was up by 128,000 jobs per month. ▪ RMW shed 41,400 jobs in Dec after a revised 17,900 job loss in November. The three-month moving average was down by 5,200 jobs per month. ▪ Since the beginning of the recession in Dec 2007, Illinois has posted negative job changes 24 times and positive job gains nine times so far. The state of Illinois now has a net loss of 381,500 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. ▪ Over the last 12 months, Illinois added 46,300 jobs at a rate 0.83%. This is the largest monthly year-over-year increase since July 2007. ▪ The shadow unemployment rates for Illinois, RMW and the Nation were 10.8%, 14.1% and 12.5%, compared to official unemployment rates of 9.3%, 9.5% and 9.4%. This is the first month since March 2009 that the Illinois unemployment rate is at the level of 9.3%. The last time Illinois remained below the national rate for two consecutive months was September 2006. ▪ Through Dec 2010, the cumulative job growth for Illinois, RMW and the Nation compared to January 1990 stood at 6.41%, 8.10%, and 19.75%, respectively.
Nation Notes	<ul style="list-style-type: none"> ▪ Total nonfarm payroll employment increased by 103,000 in December. Employment rose in leisure and hospitality and in health care but changed little in other major industries. ▪ Since the last employment peak in December 2007, the nation has lost 7,169,000 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 2010 were 0.07%, -0.22%, -0.30% and 0.07%, respectively.

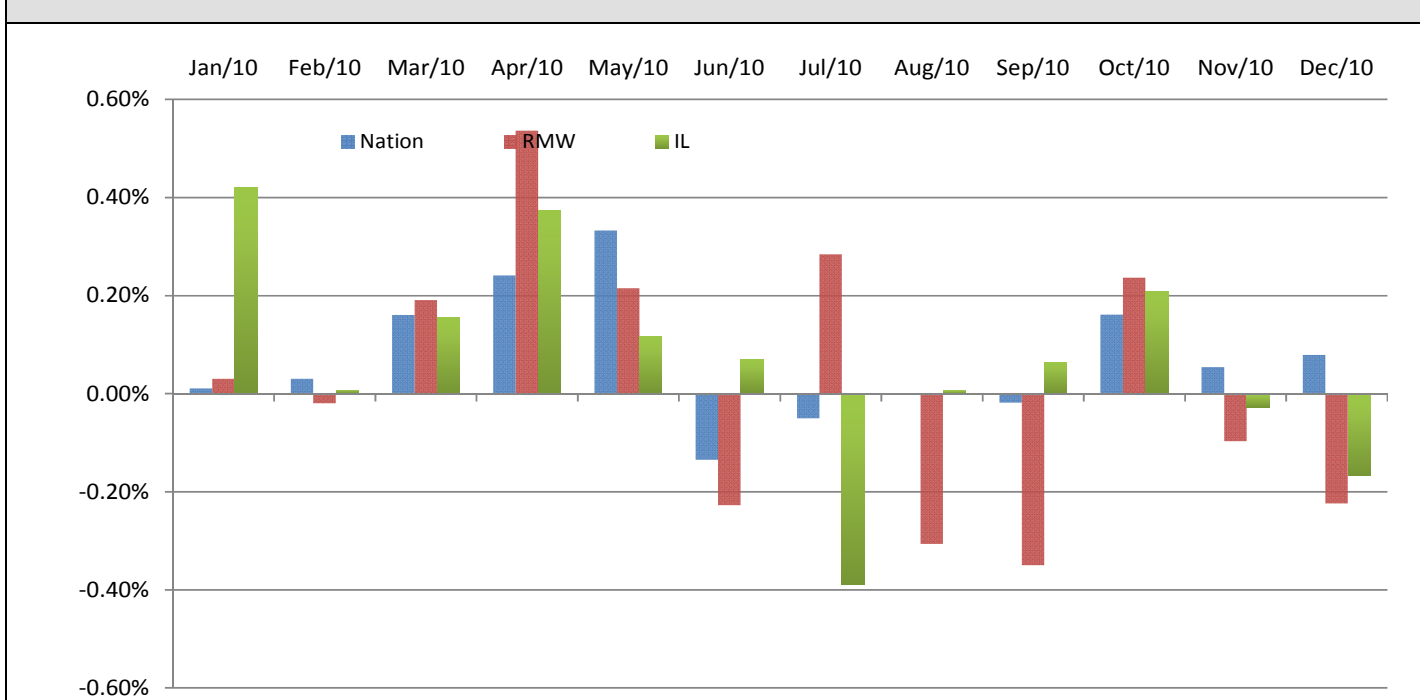
Total Non-farm Employment growth rate Jan 1990 - Dec 2010



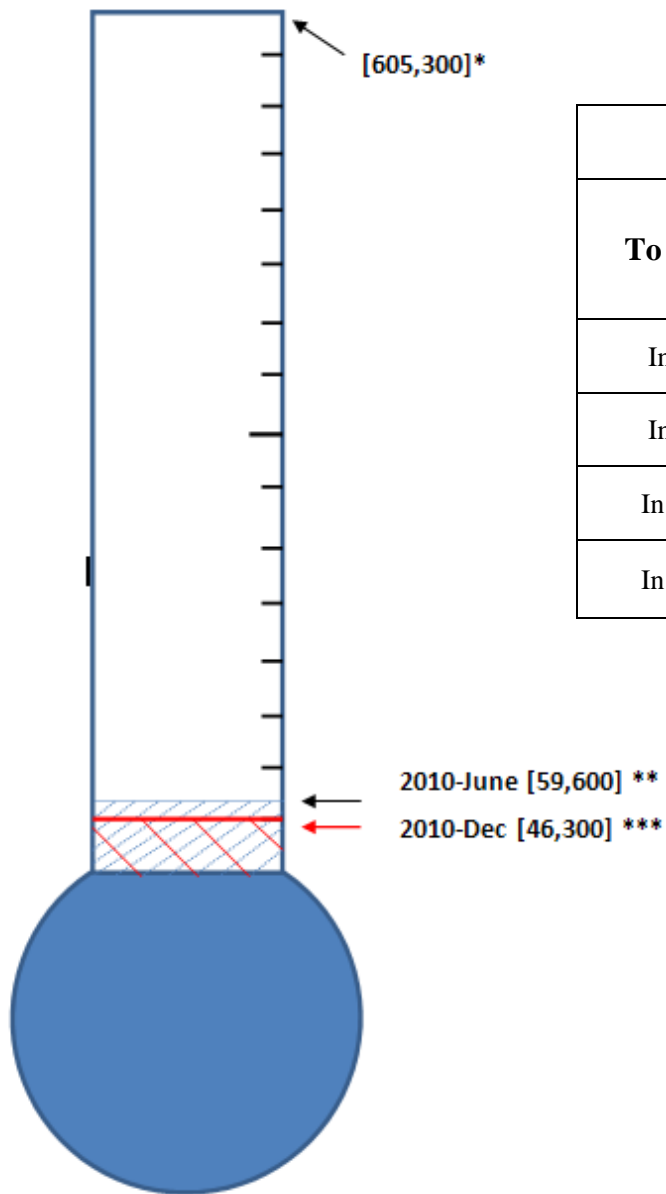
Total Non-farm Employment and Employment Index

	Dec 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 Previous Peak
Nation	130,712,000	119.75	126.57 (Dec-2007)	21,561,000	-7,239,000
RMW	18,470,900	108.10	119.44 (Jun-2000)	1,384,500	-1,938,600
Illinois	5,604,500	106.41	115.08 (Nov-2000)	337,700	-455,000

Last 12 months Total Non-farm Employment Growth Rate Jan 2010 - Dec 2010



Barometer of Job Recovery



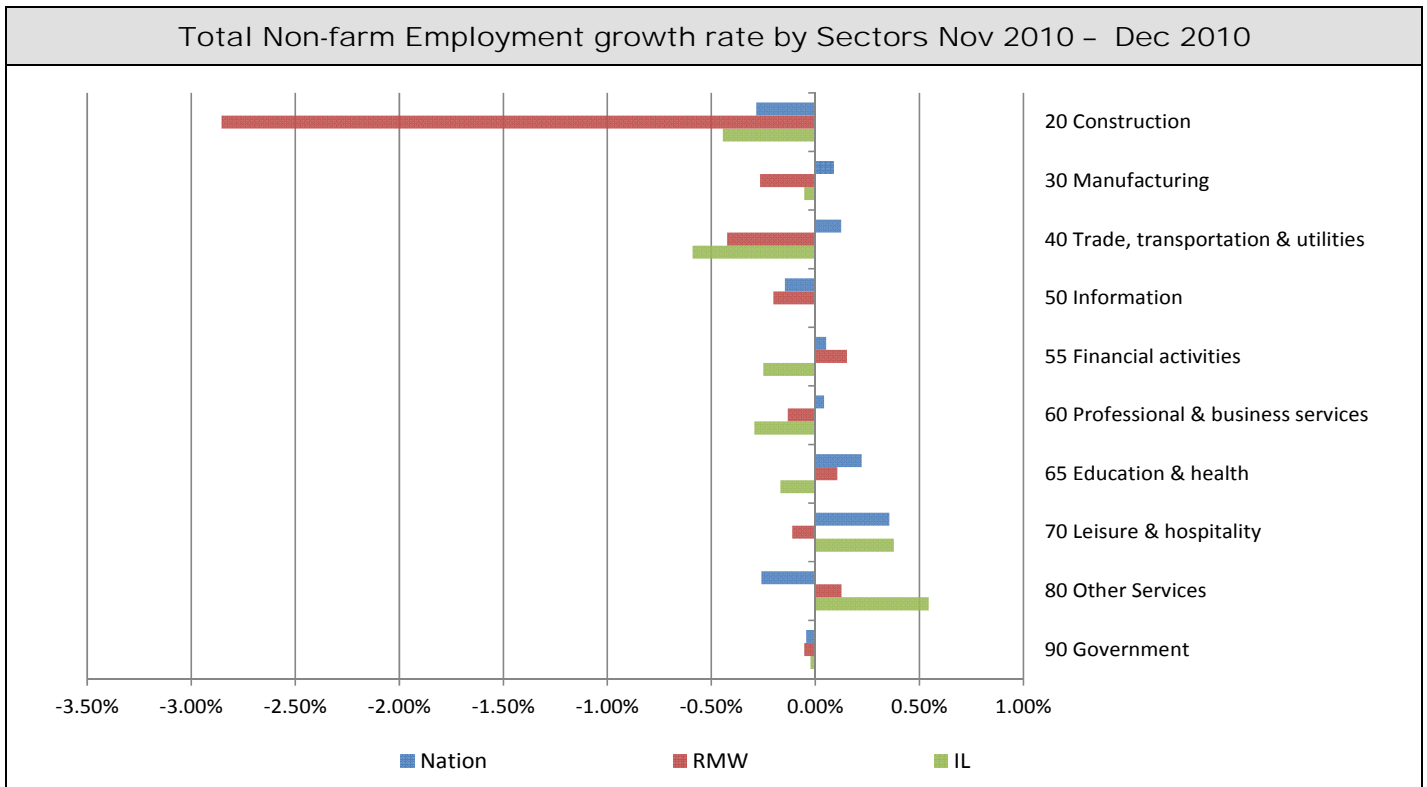
Illinois Recovery Scenarios		
To Recover	Growth Rate	
	At the point of 2010-Dec	At the point of 2010-June
In 5 years	111,800 jobs/year	109,000 jobs/year
In 8 years	69,900 jobs/year	68,000 jobs/year
In 10 years	55,900 jobs/year	55,000 jobs/year
In 15 years	37,300 jobs/year	36,000 jobs/year

* 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.

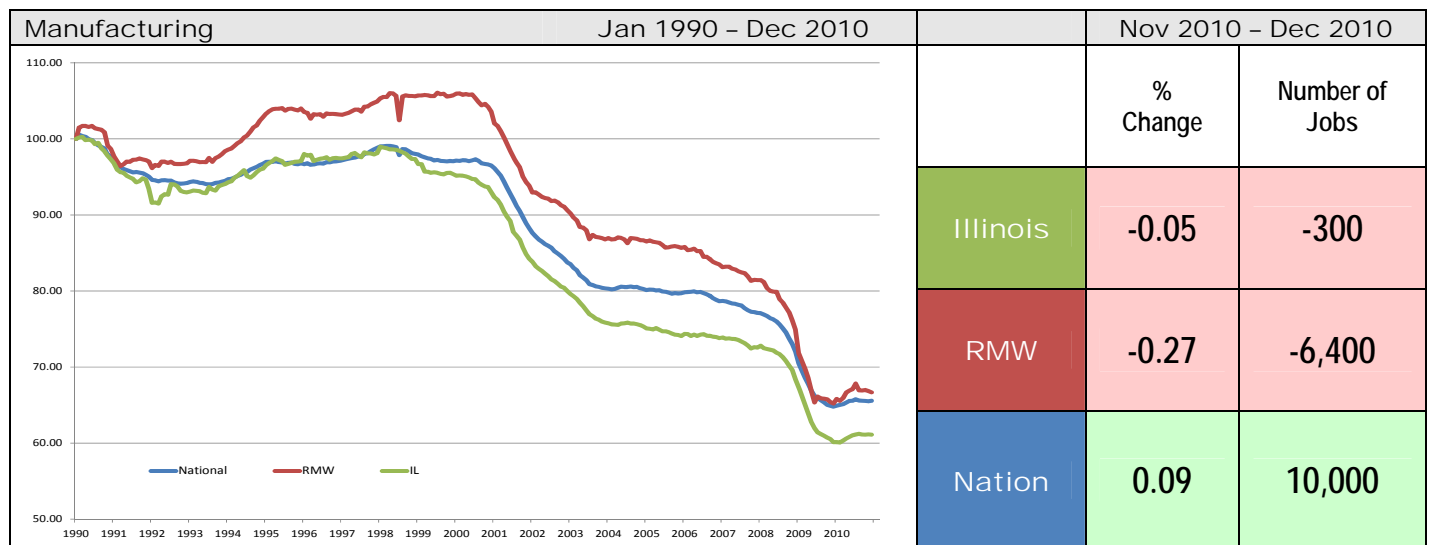
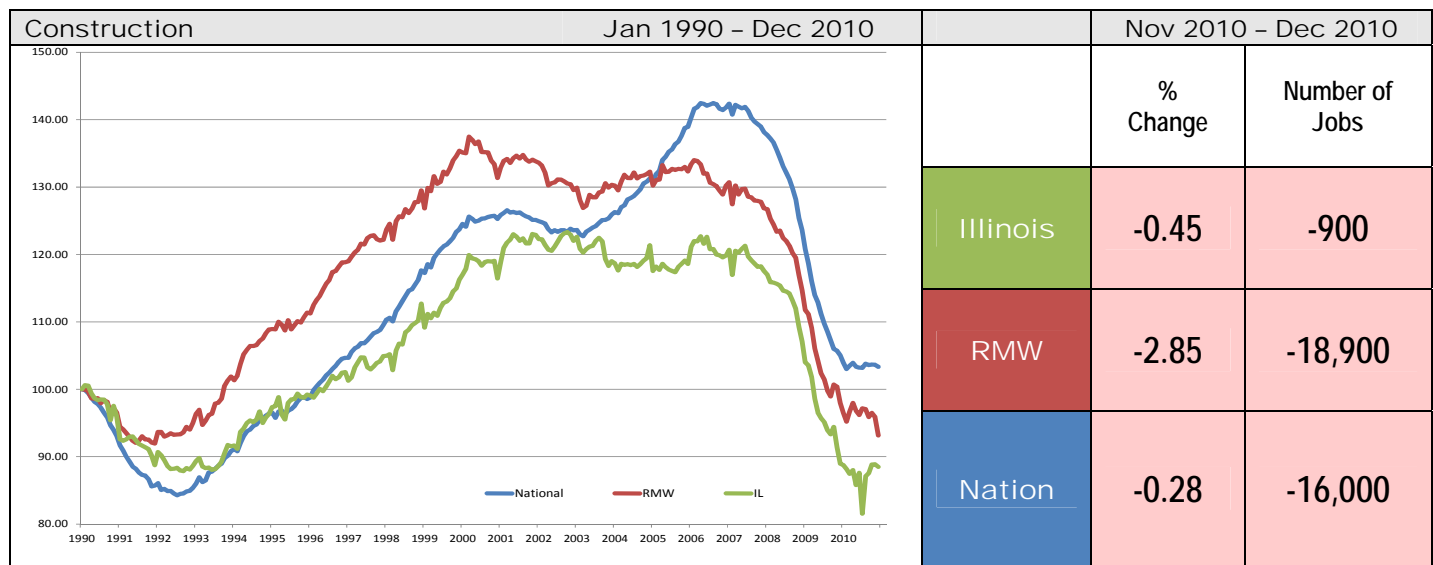
*** The figure 46,300 represents the jobs recovered from Dec. 2009 through Dec. 2010.

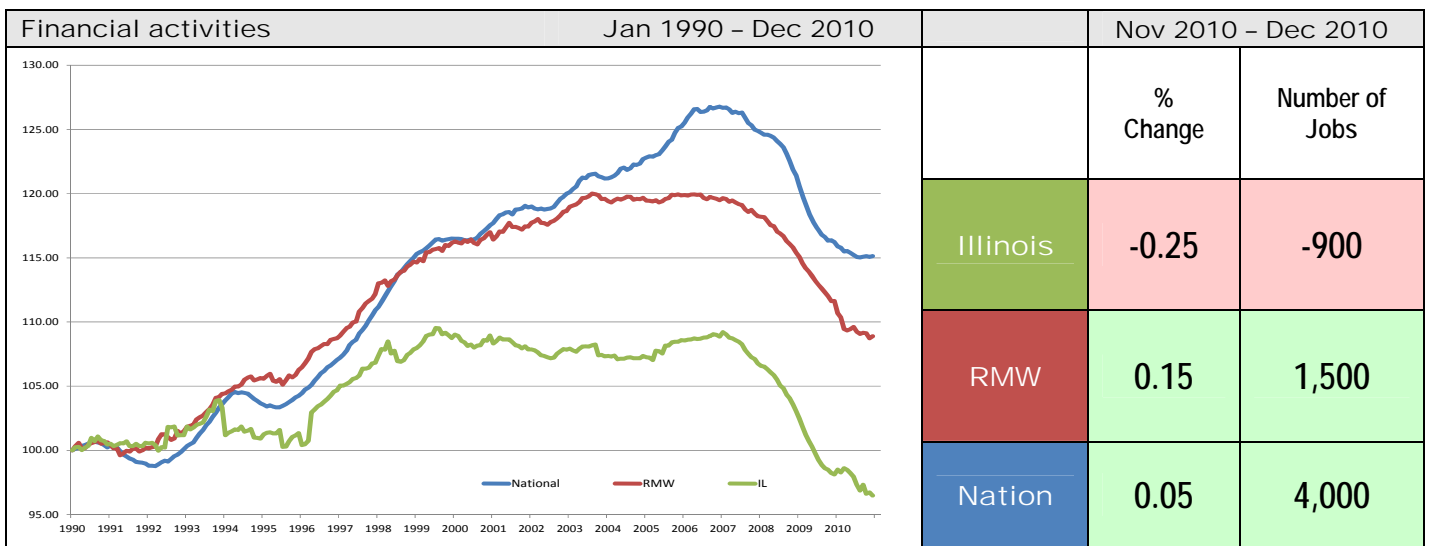
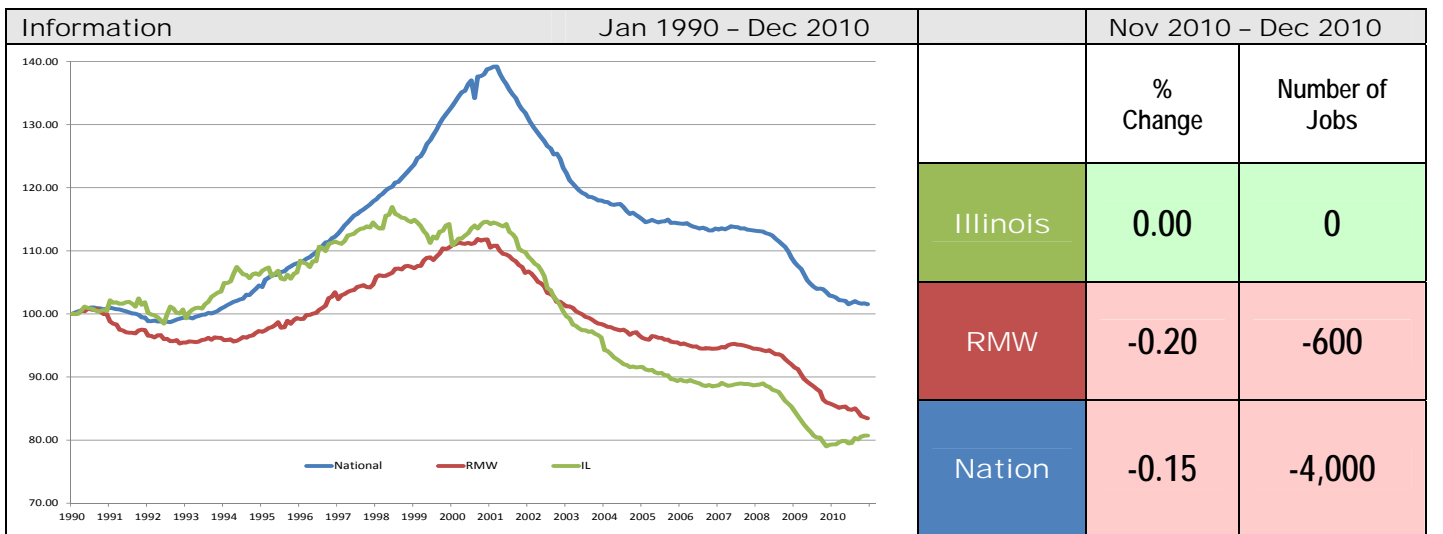
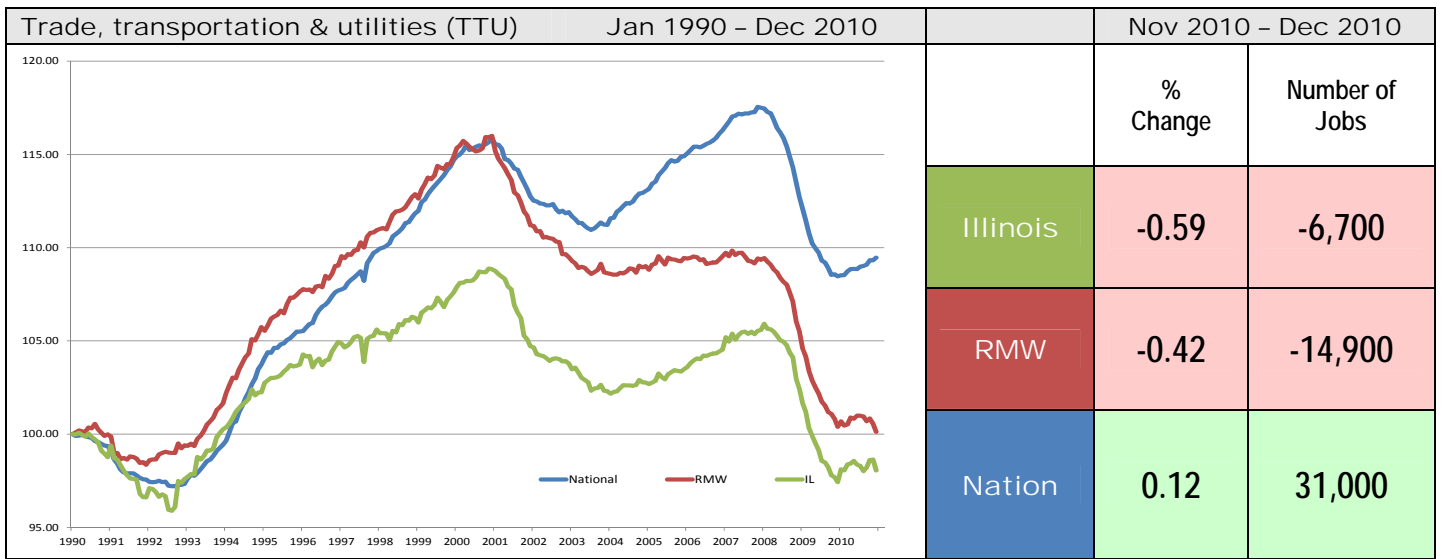
By employment sector:

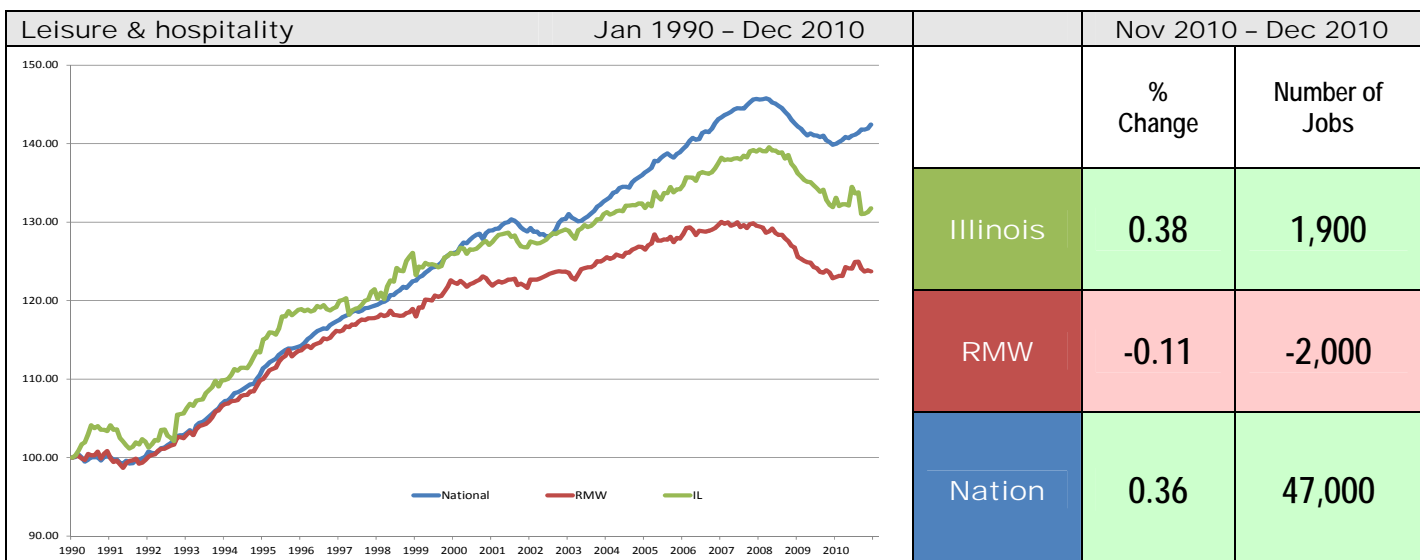
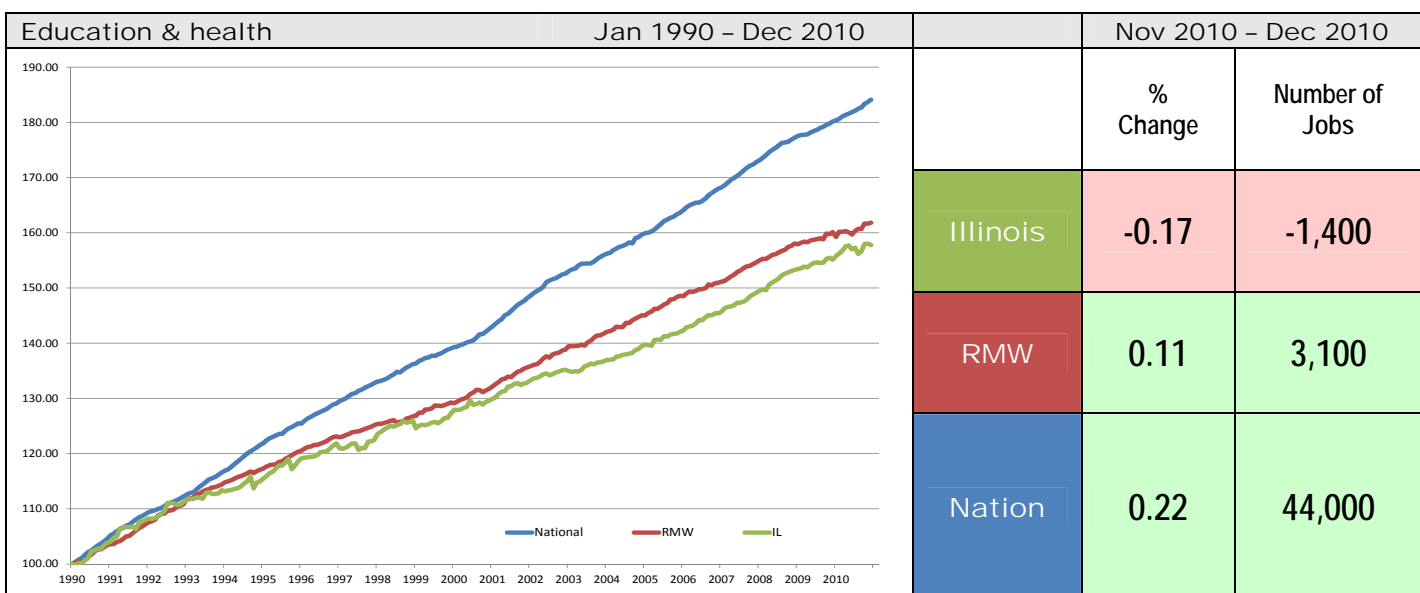
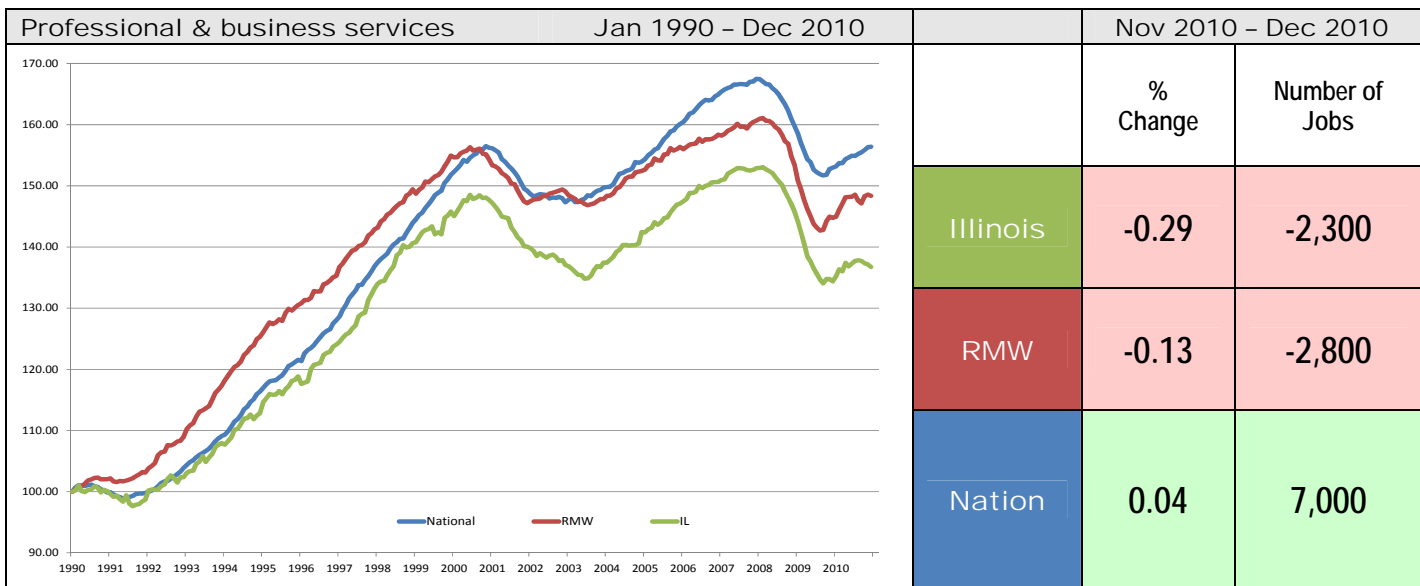


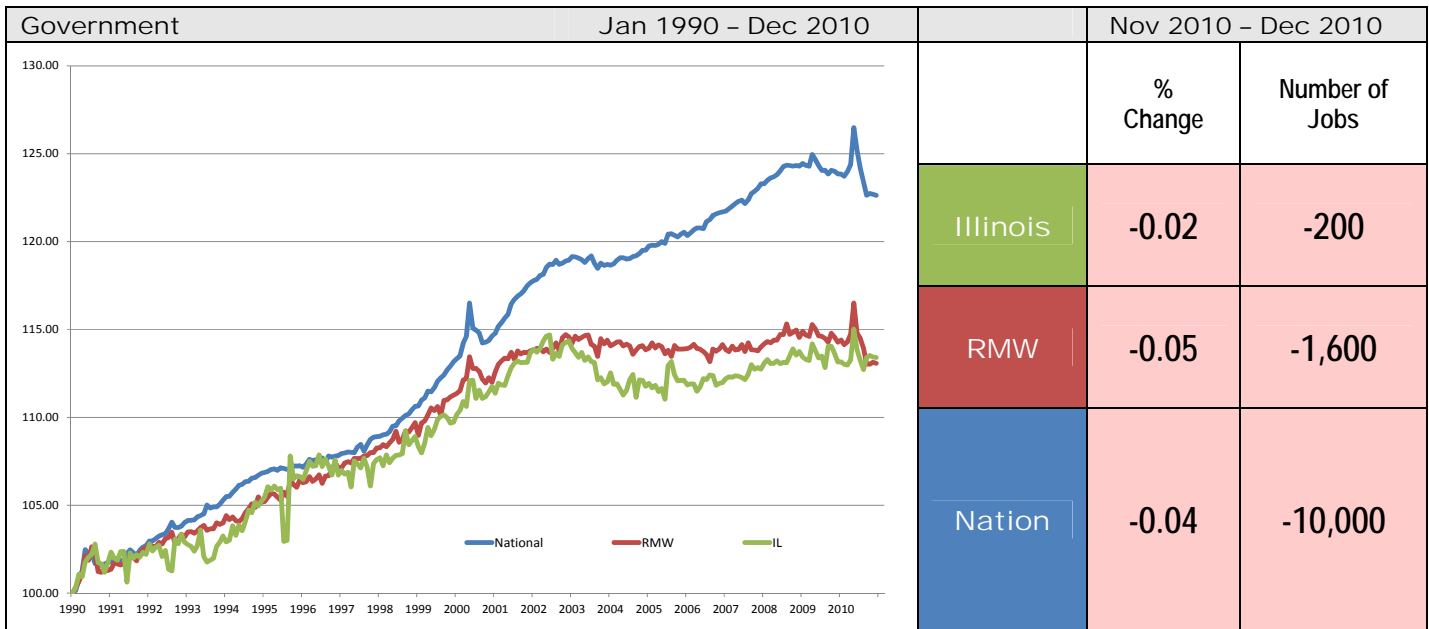
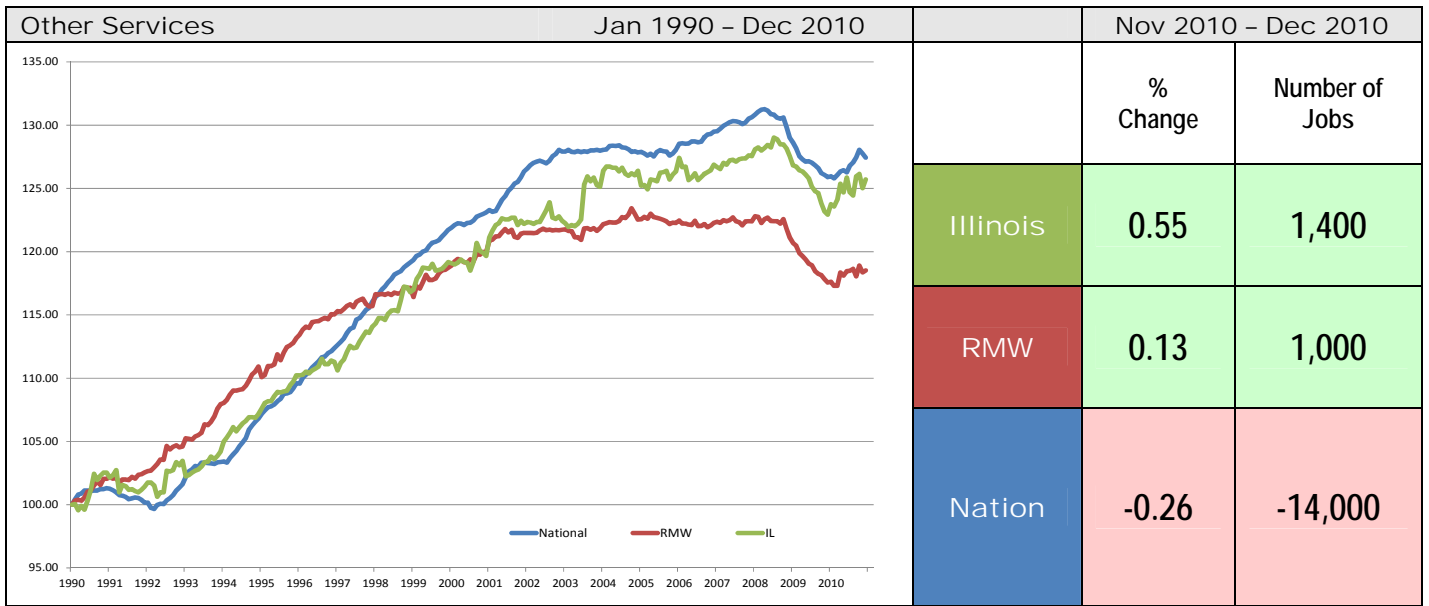
Sector notes	<ul style="list-style-type: none"> ▪ Illinois posted negative change in Dec 2010 by shedding 9,400 jobs. Only two out of ten sectors recorded net gains. Compared to Nov, Other Services (-0.73% to 0.55%) had a major performance gain. Financial activities (0.19% to -0.25%) in Illinois experienced major performance loss. In addition, compared to Nov, Construction (-0.99% to -0.45%), Government (-0.17% to -0.02%) had relative performance gains, while Trade, transportation & utilities (-0.04% to -0.59%), Professional & business services (0.08% to -0.29%) and Education and health (0.11% to -0.17%) faced relative losses in performance. ▪ In Dec at the national level, the top three job-gain sectors were: <ul style="list-style-type: none"> ○ Leisure and hospitality: 47,000 (0.36%) ○ Education and health: 44,000 (0.22%) ○ Trade, transportation & utilities: 31,000 (0.12%) ▪ Major losses at the national level in Dec were recorded by: <ul style="list-style-type: none"> ○ Construction: -16,000 (-0.28%) ○ Other Services: -14,000 (-0.26%) ○ Information: -4,000 (-0.15%) ▪ For Illinois, the top three job-gain sectors in Dec were: <ul style="list-style-type: none"> ○ Other Services: 1,400 (0.55%) ○ Leisure and hospitality: 1,900 (0.38%) ▪ Following are the major sectors that lost jobs in Dec for Illinois: <ul style="list-style-type: none"> ○ Trade, transportation & utilities: -6,700 (-0.59%) ○ Construction: -900 (-0.45%) ○ Professional & business services: -2,300 (-0.29%) ▪ For Illinois, five sectors have employment below 1990 levels. Compared to 1990 employment levels, Manufacturing has -358,400 fewer jobs, Construction is down -26,200 jobs, Information down -25,200 jobs, Trade transportation & utilities down -22,400 jobs, and Financial activities down -13,100 jobs.
--------------	---

Total Non-farm Employment growth rate by sector Jan 1990 - Dec 2010						
	Illinois				RMW	Nation
	vs. RMW	vs. Nation	Number of Jobs	Rate %	Rate %	Rate %
Construction	-	-	-26,200	-11.52	-6.84	3.34
Manufacturing	-	-	-358,400	-38.89	-33.33	-34.43
Trade, transportation & utilities (TTU)	-	-	-22,400	-1.95	0.12	9.46
Information	-	-	-25,200	-19.30	-16.54	1.54
Financial activities	-	-	-13,100	-3.52	8.90	15.13
Professional & business services	-	-	210,000	36.75	48.37	56.37
Education & health	-	-	305,600	57.77	61.84	84.10
Leisure & hospitality	+	-	122,000	31.75	23.73	42.42
Other Services	+	-	52,800	25.71	18.51	27.43
Government	+	-	101,200	13.40	13.08	22.63









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.