


# Illinois Job Index

Release <b>11/28/2011</b>	Data <b>Jan 1990 / Oct 2011</b>	Issue <b>2011.11</b>	<b>www.real.illinois.edu</b>
------------------------------	------------------------------------	-------------------------	------------------------------

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

The 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.

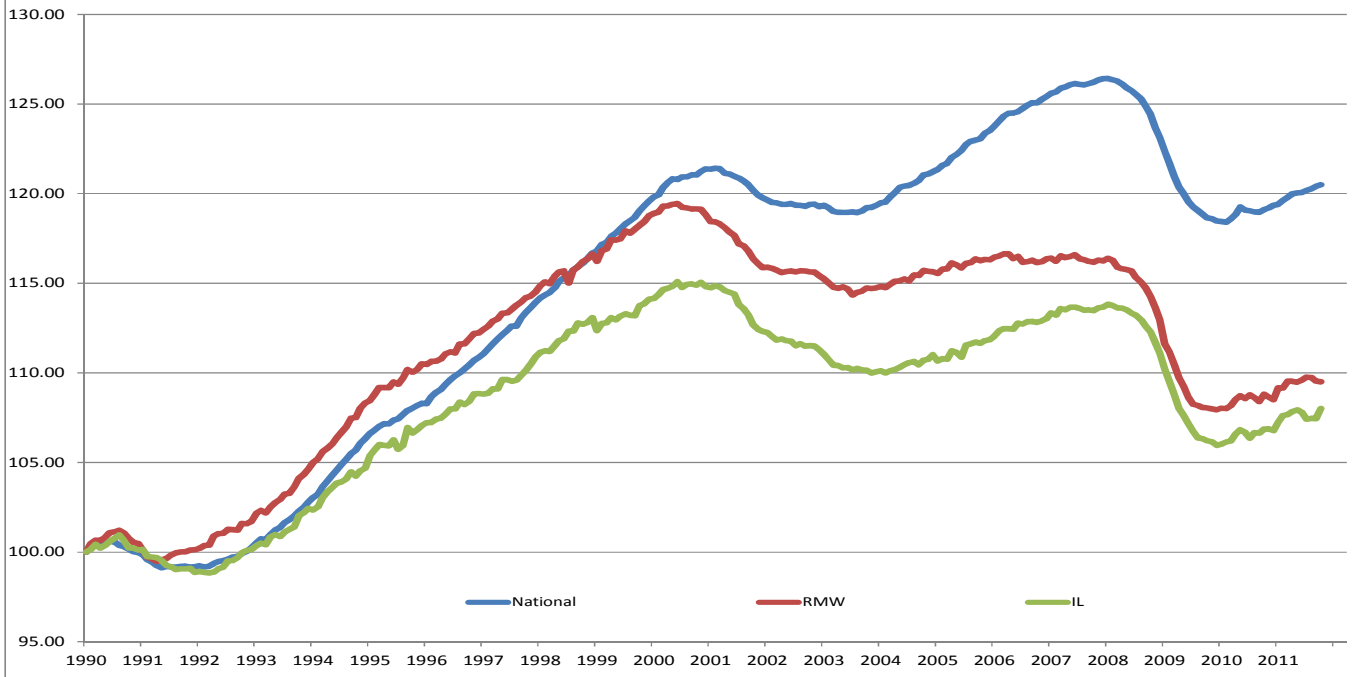
	<b>Nov 2011 Positive</b>		<b>Sep 2011– Oct 2011</b>		<b>Last 12 months</b>		<b>Oct 2011</b>
		<b>Total non-farm employment</b>	<b>Growth Rate %</b>	<b>Number of Jobs</b>	<b>Growth Rate%</b>	<b>Number of Jobs</b>	<b>Shadow U.R.*</b>
		Nation	0.06	80,000	1.15	1,501,000	12.4%
		RMW	-0.04	-6,700	0.64	119,000	14.1%
		Illinois	0.53	30,000	1.07	60,500	12.6%

\*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

<b>Illinois Notes</b>	<ul style="list-style-type: none"> <li>▪ Illinois added 30,000 jobs in Oct 2011 at a rate of 0.53%, compared with a revised -1,300 job loss in Sep 2011. Compared to Oct 2010, Illinois has added 60,500 jobs. The three-month moving average of jobs, a more stable measure of labor market, was up by 10,500 jobs per month.</li> <li>▪ In Oct 2011, the Nation added 80,000 jobs, compared with a revised 158,000 job gain in Oct. The three-month moving average of jobs was up by 114,000 jobs per month.</li> <li>▪ RMW shed 6,700 jobs in Oct at a rate of -0.04% after a revised -34,800 job loss in Sep. The three-month moving average was down by 14,700 jobs per month.</li> <li>▪ Since the beginning of the recession in Dec 2007, Illinois has posted negative job changes 30 times and positive job gains 16 times so far. The state of Illinois now has a net loss of 296,600 jobs since the beginning of the recession in December 2007.</li> <li>▪ Five sectors in Illinois have employment levels this month that are lower than January 1990 – Construction, Manufacturing, Trade, transportation &amp; utilities, Information and Financial activities.</li> <li>▪ Since January 2010, when Illinois employment growth resumed after the national recession, Illinois has added 108,100 new jobs.</li> <li>▪ The 12-month-ahead job recovery forecasts show that five sectors will experience faster recovery rates in August 2012.</li> <li>▪ The shadow unemployment rates for Illinois, RMW and the Nation were 12.6%, 14.1% and 12.4%, compared to official unemployment rates of 10.1%, 8.9% and 9.0%. This is the highest official unemployment for Illinois since Aug 2010.</li> <li>▪ Through Oct 2011, the cumulative job growth for Illinois, RMW and the Nation compared to January 1990 stood at 8.01%, 9.50%, and 20.49%, respectively.</li> </ul>
<b>Nation Notes</b>	<ul style="list-style-type: none"> <li>▪ Total nonfarm payroll employment was up by 80,000 jobs. Sectors such as Professional &amp; business services, Education &amp; health, Leisure &amp; hospitality had major job gains. Employment in other sectors changed little over the month.</li> <li>▪ Since the last employment peak in December 2007, the nation has lost 6,467,000 jobs. However, for RMW and Illinois, they have not yet recovered from their respective peaks in 2000.</li> <li>▪ 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.</li> </ul>

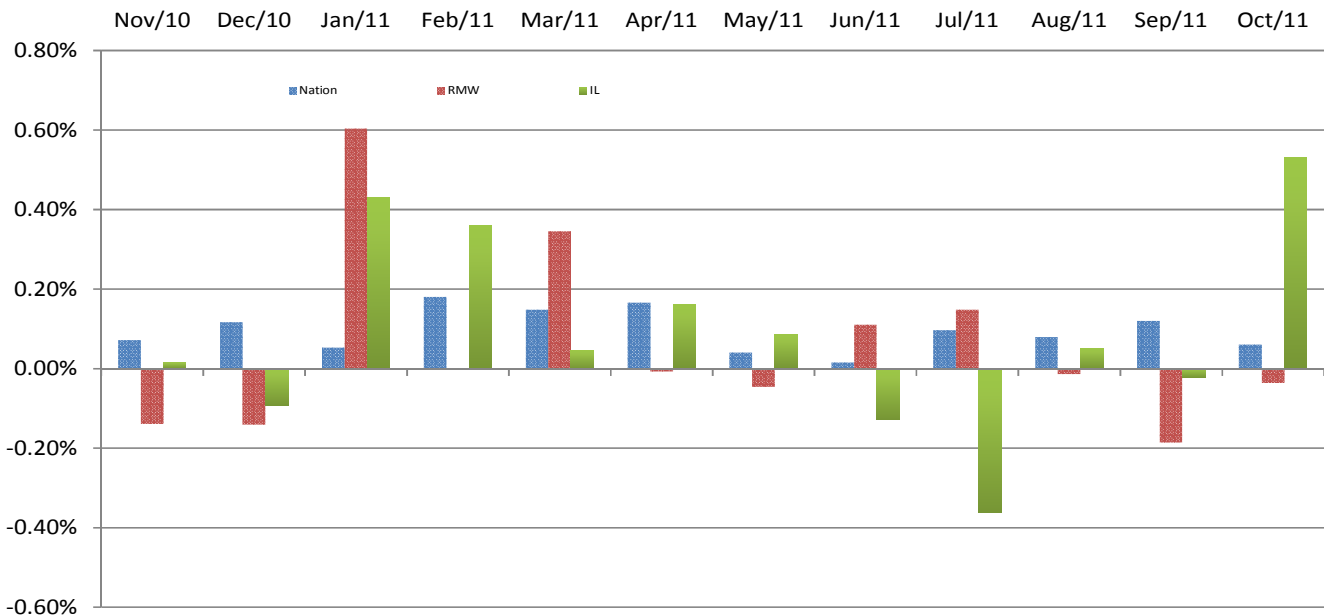
### Total Non-farm Employment growth rate Jan 1990 – Oct 2011



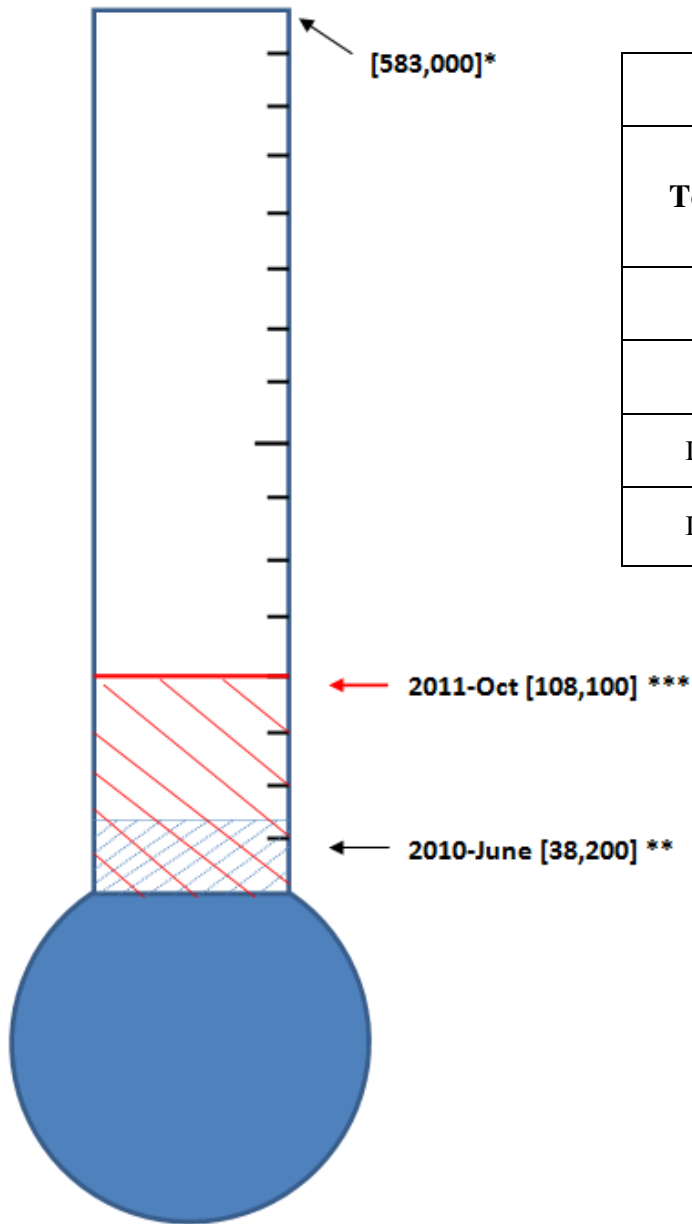
### Total Non-farm Employment and Employment Index

	Oct 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
<b>Nation</b>	131,516,000	120.49	126.57 (Dec-2007)	22,365,000	-6,467,000
<b>RMW</b>	18,710,100	109.50	119.44 (Jun-2000)	1,623,700	-1,699,400
<b>Illinois</b>	5,688,600	108.01	115.08 (Nov-2000)	421,800	-370,900

### Last 12 months Total Non-farm Employment Growth Rate Nov 2010 – Oct 2011



# Barometer of Job Recovery



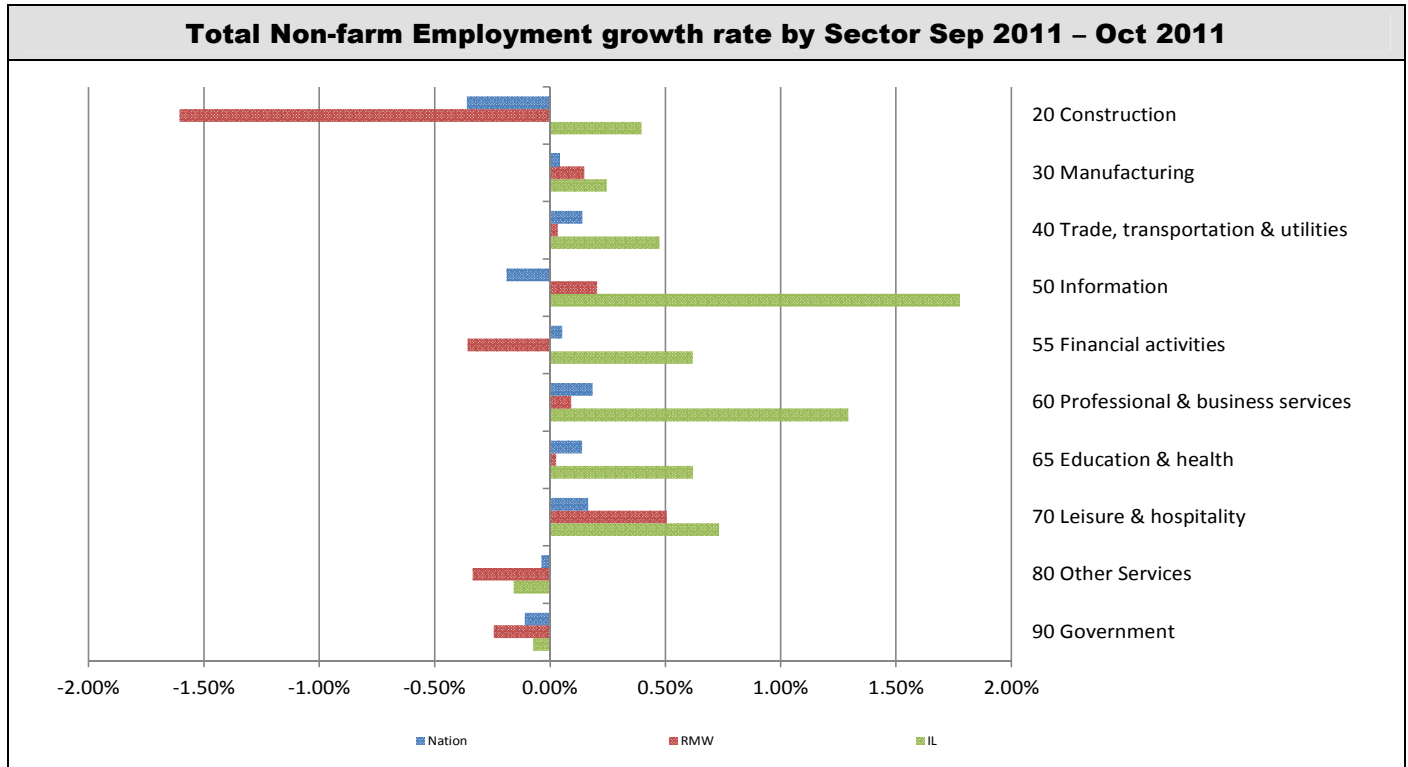
Illinois Recovery Scenarios		
To Recover	Growth Rate	
	At the point of 2011-Sep	At the point of 2010-Jun
In 5 years	95,000 jobs/year	109,000 jobs/year
In 8 years	59,300 jobs/year	68,000 jobs/year
In 10 years	47,500 jobs/year	54,000 jobs/year
In 15 years	31,700 jobs/year	36,000 jobs/year

\* 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 108,100 represents the jobs recovered from Dec. 2009 through Oct. 2011.

# Employment Growth Rate by Sector:



## Sector notes

- Illinois posted positive change in Oct 2011 by adding 30,000 jobs. Eight out of ten sectors recorded net gains. Compared to September, Information (-1.64% to 1.78%) had a major performance gain; Education & health (0.65% to 0.62%) in Illinois experienced some performance loss but Construction (-1.95% to 0.40%), Manufacturing (-0.16% to 0.25%), Financial activities (-0.39% to 0.62%), Professional & business services (0.00% to 1.29%) and Leisure & hospitality (-0.04% to 0.73%) experienced net gains in performance. Meanwhile, Government (-0.05% to -0.07%) experienced net loss in performance.
- In Oct at the national level, the top three job-gain sectors were:
  - Professional & business services: 32,000 (0.19%)
  - Education & health: 28,000 (0.14%)
  - Leisure & hospitality: 22,000 (0.17%)
- Major losses at the national level in Oct were recorded by:
  - Construction: -20,000 (-0.36%)
  - Government: -24,000 (-0.11%)
  - Information: -5,000 (-0.19%)
- For Illinois, the top three job-gain sectors in Oct were:
  - Information: 1,700 (1.78%)
  - Professional & business services: 10,600 (1.29%)
  - Leisure & hospitality: 3,800 (0.73%)
- Following are the major sectors that lost jobs in Sep for Illinois:
  - Other services: -400 (-0.16%)
  - Government: -600 (-0.07%)
- For Illinois, five sectors have employment below 1990 levels. Compared to 1990 employment levels, Manufacturing has -350,600 fewer jobs, Construction is down -25,400 jobs, Information down -33,200 jobs, Trade transportation & utilities down -8,400 jobs, and Financial activities down -14,500 jobs.

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

	Illinois				RMW	Nation
	vs. RMW	vs. Nation	Number of Jobs	Rate %	Rate	Rate
					%	%
Construction	-	-	-25,400	-11.17	-2.36	1.90
Manufacturing	-	-	-350,600	-38.04	-30.86	-33.93
Trade, transportation & utilities (TTU)	-	-	-8,400	-0.73	0.98	10.00
Information	-	-	-33,200	-25.42	-17.25	-0.52
Financial activities	-	-	-14,500	-3.89	10.91	15.53
Professional & business services	-	-	258,400	45.21	52.83	60.71
Education & health	-	-	331,300	62.63	65.22	87.36
Leisure & hospitality	+	-	138,500	36.05	23.87	42.90
Other Services	+	-	47,800	23.27	18.97	29.23
Government	+	-	87,300	11.56	10.92	21.09

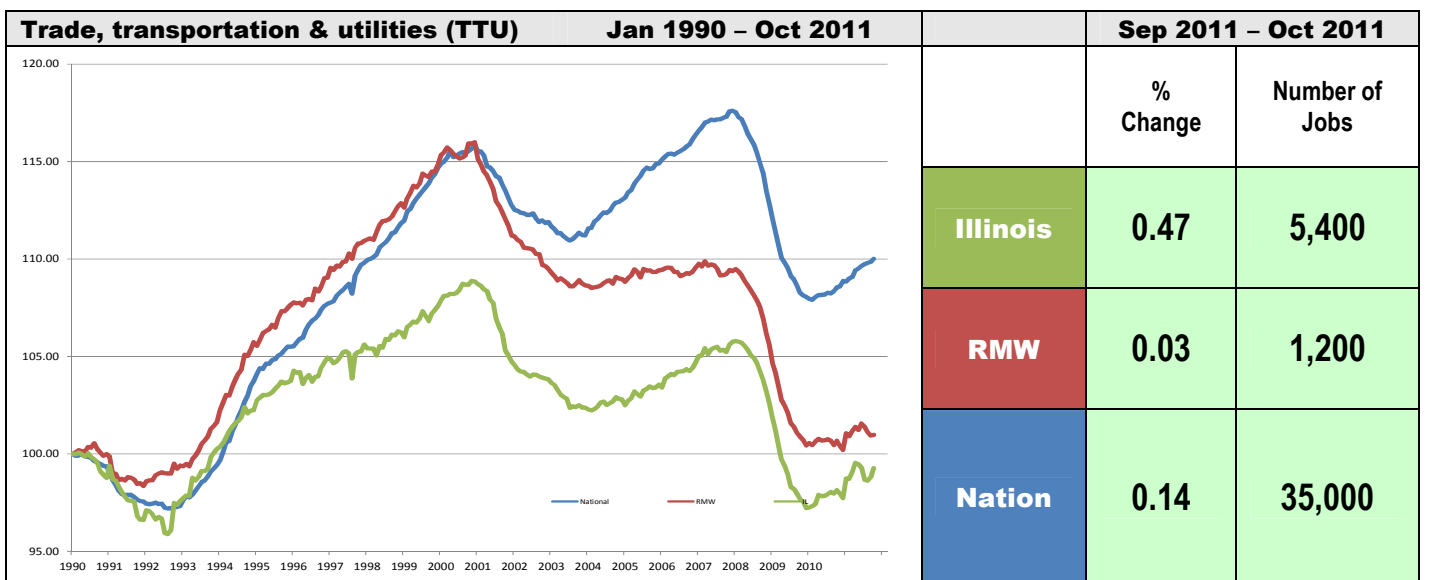
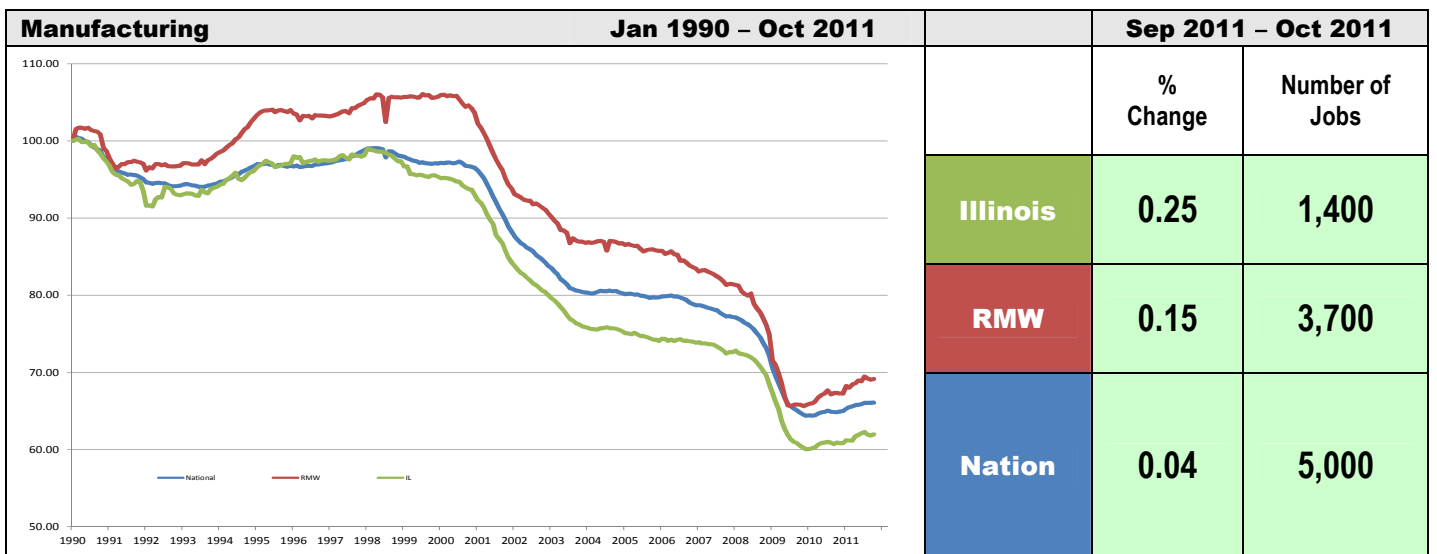
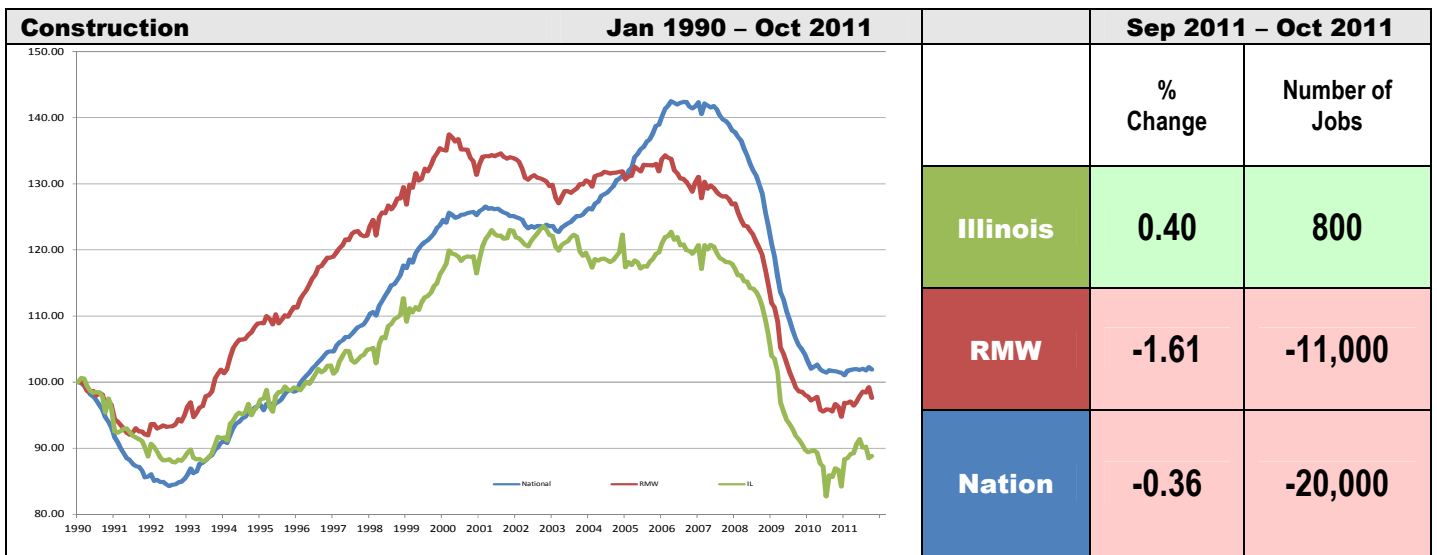
### Illinois job recovery by sector from Dec 2007 – Oct 2011

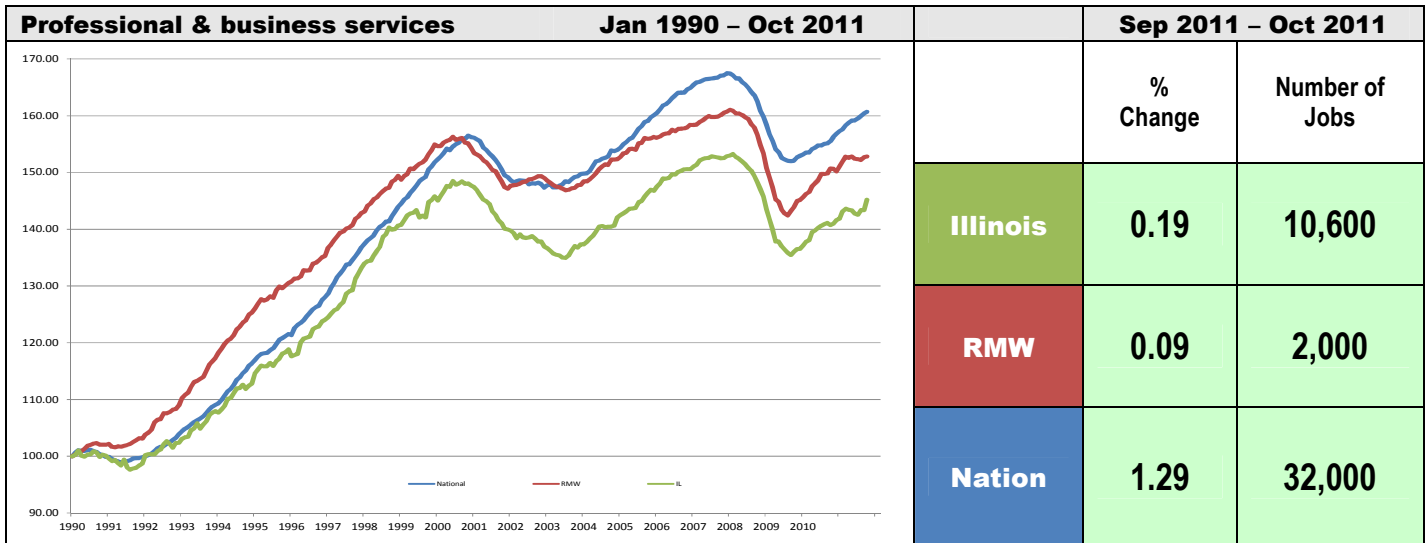
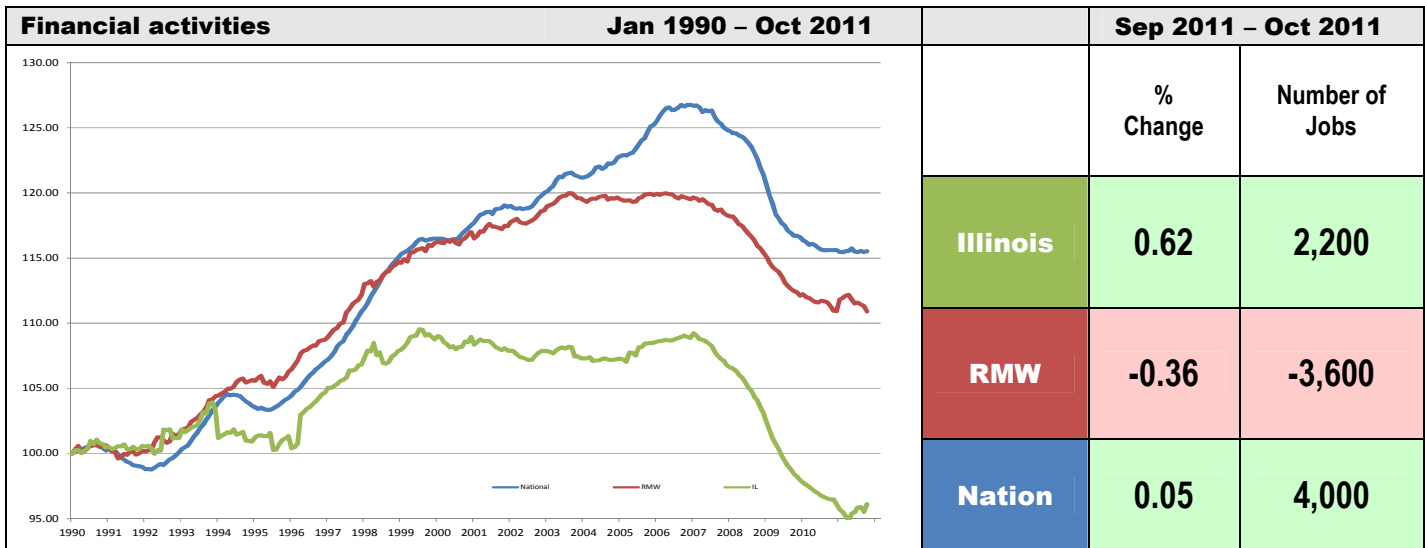
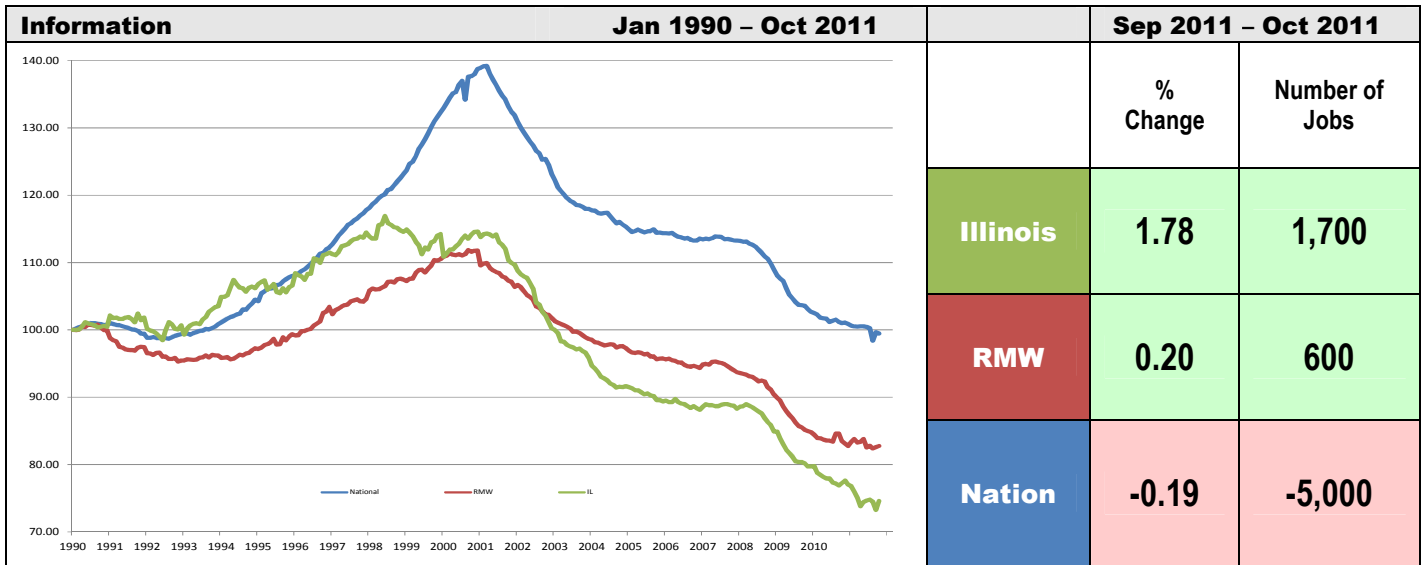
	Job Changes in Recession Period*	Job Recovery Jan 2010- Aug 2011	Recovery Rate	Forecasted Job Recovery Jan 2010- Aug 2012	Forecasted Recovery Rate
Construction	-64,500	-2,200	-3.41%	-11,900	-18.45%
Manufacturing	-116,000	17,800	15.34%	15,600	13.45%
Trade, transportation & utilities (TTU)	-98,100	23,500	23.96%	35,000	35.68%
Information	-11,000	-6,700	-60.91%	-9,100	-82.73%
Financial activities	-32,700	-7,000	-21.41%	-5,100	-15.60%
Professional & business services	-91,400	49,600	54.27%	88,800	97.16%
Education & health	34,300	38,600	--	62,400	--
Leisure & hospitality	-22,800	10,800	47.37%	17,600	77.19%
Other services	-5,900	-2,800	-47.46%	-1,000	-16.95%
Government	5,200	-14,000	--	-4,900	--

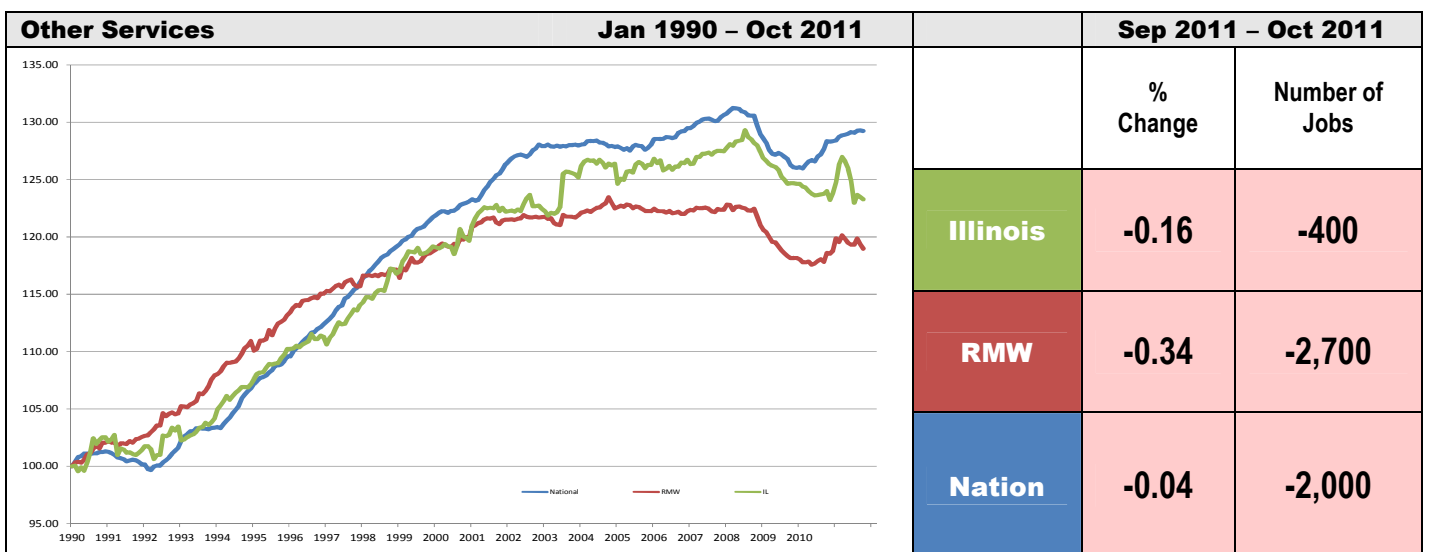
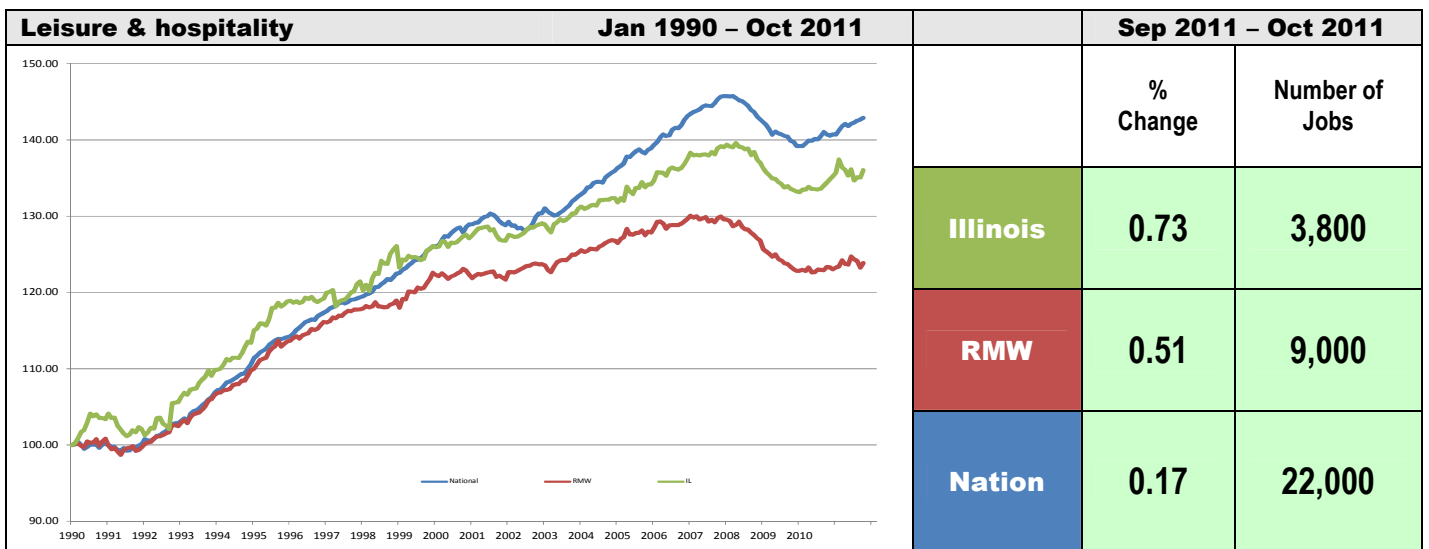
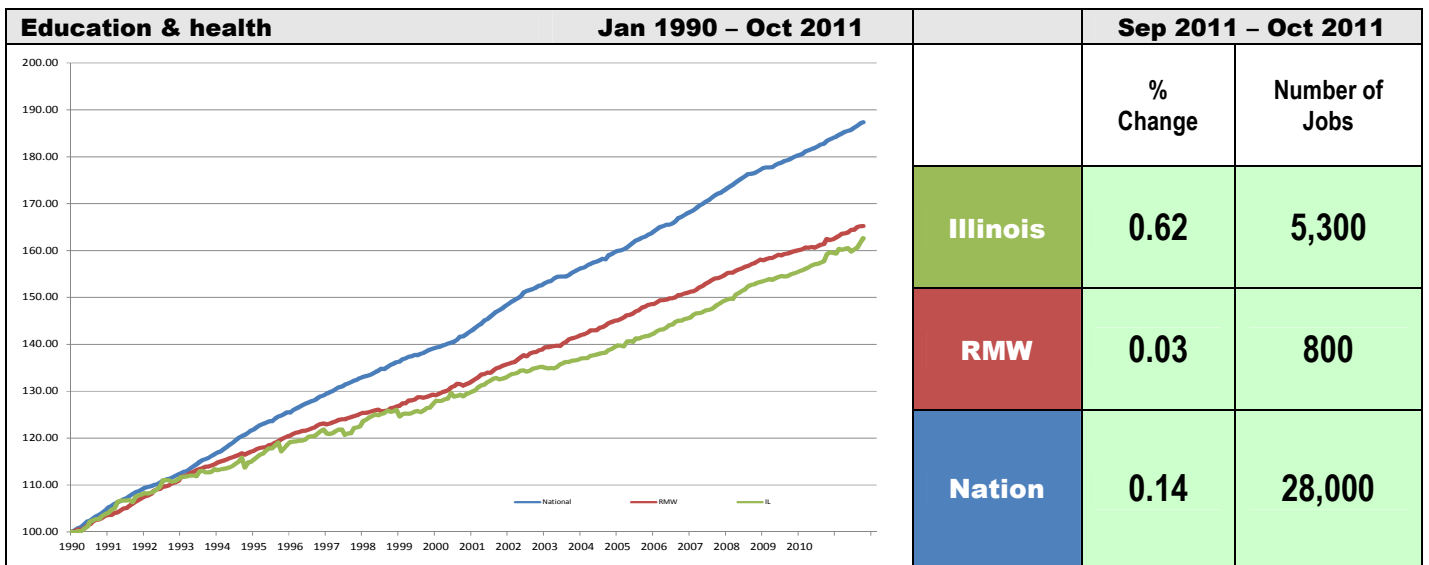
\*Recession period: Dec 2007- Dec 2009

#### Recovery by Sector

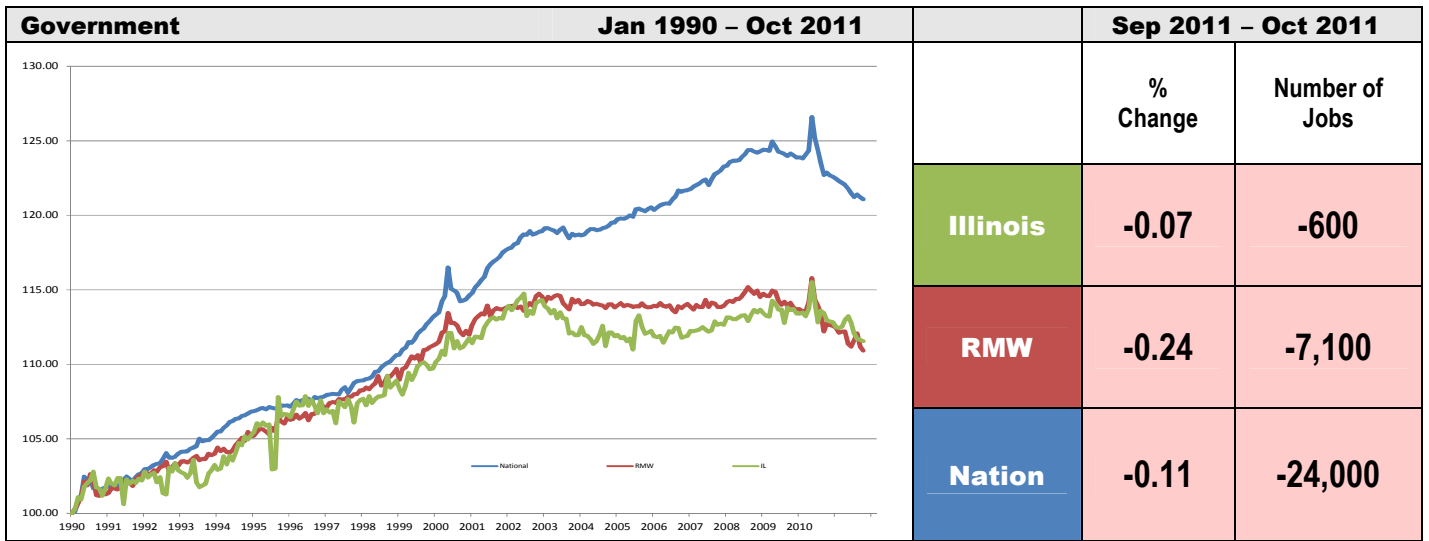
- During the recession period of Dec 2007-Dec 2009, 8 out of 10 Illinois sectors experienced negative job growth. Education & health and Government are the only 2 sectors that had positive job growth during the recession.
- Since Jan 2010, Illinois employment resumed. Manufacturing, Trade, transportation & utilities, Professional & business services and Leisure & hospitality have recovered 15.34%, 23.96%, 54.27%, 47.37%, 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 -3.41%, -60.91%, -21.41% and -47.46% respectively.
- The 12-month-ahead job recovery forecasts show that the future recovery for sector such as Manufacturing will slow down while it will increase for sectors such as Trade, transportation & utilities, Professional & business services, Leisure & hospitality and Other services.
- For sectors such as Construction, Information and Financial activities, they will continue to lose jobs with faster rates.











**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](http://www.real.illinois.edu).