


# Illinois Job Index

Release <b>10/03/2011</b>	Data <b>Jan 1990 / Aug 2011</b>	Issue <b>2011.09</b>	<b>www.real.illinois.edu</b>
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For August Illinois Job Index, the state had positive job growth, the RMW had negative job growth and the Nation remained unchanged.

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.

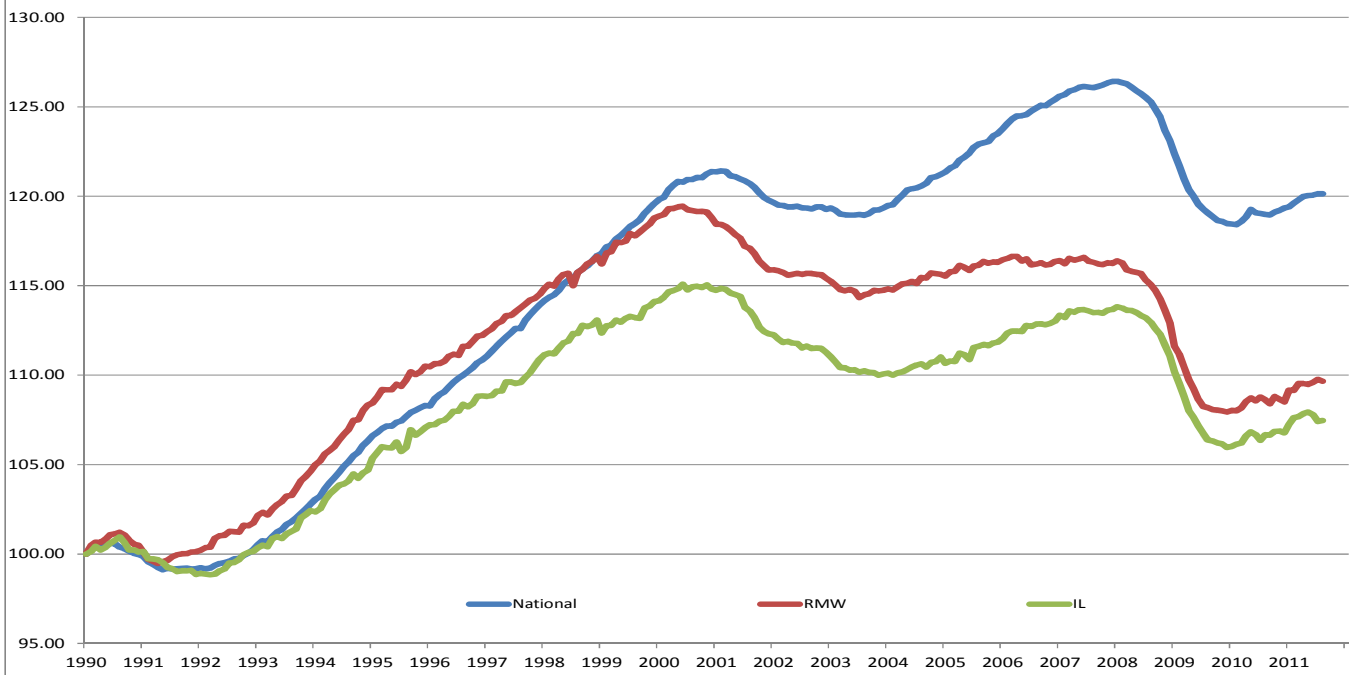
	<b>Sep 2011 Positive</b>		<b>Jul 2011– Aug 2011</b>		<b>Last 12 months</b>		<b>Aug 2011</b>
		<b>Total non-farm employment</b>	<b>Growth Rate %</b>	<b>Number of Jobs</b>	<b>Growth Rate%</b>	<b>Number of Jobs</b>	<b>Shadow U.R. *</b>
		Nation	0.00	0	0.97	1,259,000	12.6%
		RMW	-0.09	-16,700	0.97	179,200	14.3%
		Illinois	0.05	3,100	0.75	42,400	12.7%

\*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 3,100 jobs in Aug 2011 at a rate of 0.05%, compared with a revised 20,600 job loss in July 2011. Compared to Aug 2010, Illinois has added 42,400 jobs. The three-month moving average of jobs, a more stable measure of labor market, was down by 8,300 jobs per month.</li> <li>▪ In Aug 2011, the Nation remained unchanged in jobs, compared with a revised 85,000 job gain in July. The three-month moving average of jobs was up by 35,000 jobs per month.</li> <li>▪ RMW shed 16,700 jobs in Aug at a rate of -0.09% after a revised 27,700 job gain in July. The three-month moving average was up by 10,600 jobs per month.</li> <li>▪ Since the beginning of the recession in Dec 2007, Illinois has posted negative job changes 29 times and positive job gains 15 times so far. The state of Illinois now has a net loss of 325,100 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 79,600 new jobs.</li> <li>▪ The 12-month-ahead job recovery forecasts show that the recovery will slow down through Aug 2012.</li> <li>▪ The shadow unemployment rates for Illinois, RMW and the Nation were 12.7%, 14.3% and 12.6%, compared to official unemployment rates of 9.9%, 9.1% and 9.1%. Compared to last month, Illinois unemployment rate increased by 0.4%. This is the highest official unemployment for Illinois since Sep 2010.</li> <li>▪ Through Aug 2011, the cumulative job growth for Illinois, RMW and the Nation compared to January 1990 stood at 7.47%, 9.66%, and 20.14%, respectively.</li> </ul>
<b>Nation Notes</b>	<ul style="list-style-type: none"> <li>▪ Total nonfarm payroll employment was unchanged in Aug. The Information sector had a major job loss. Employment in other sectors changed little over the month.</li> <li>▪ Since the last employment peak in December 2007, the nation has lost 6,851,000 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 0.08%, respectively.</li> </ul>

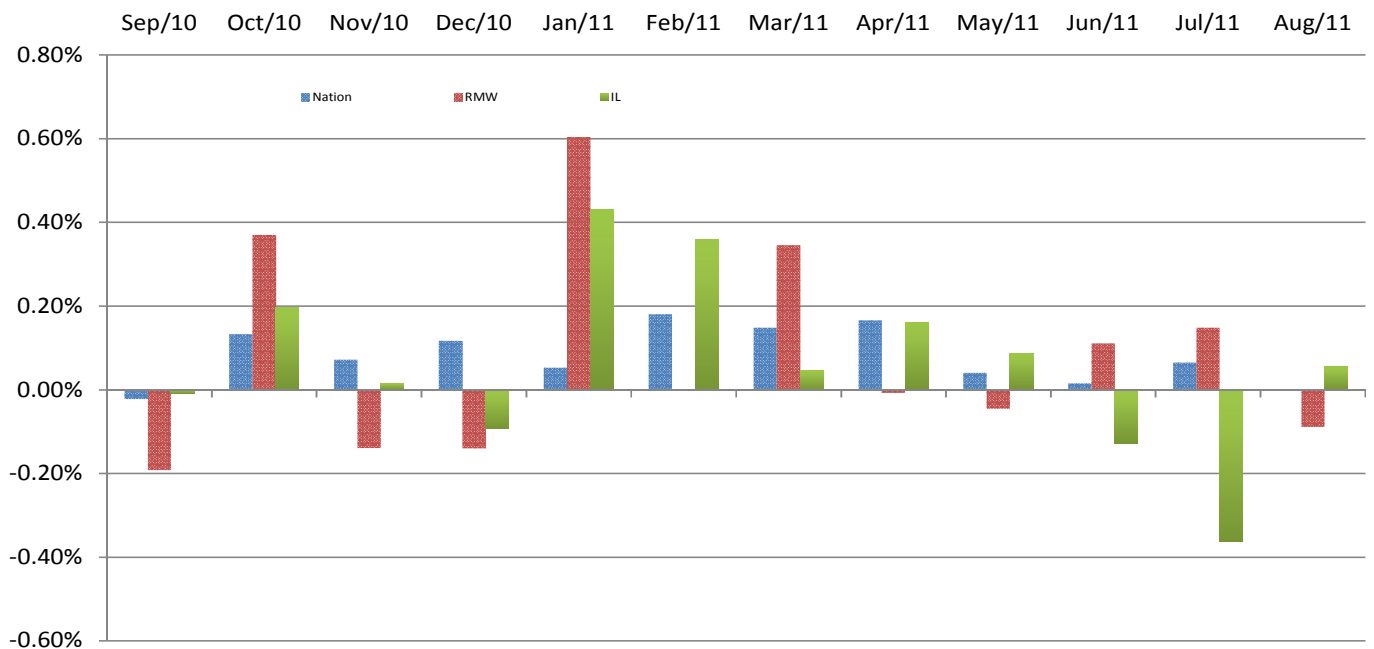
### Total Non-farm Employment growth rate Jan 1990 - Aug 2011



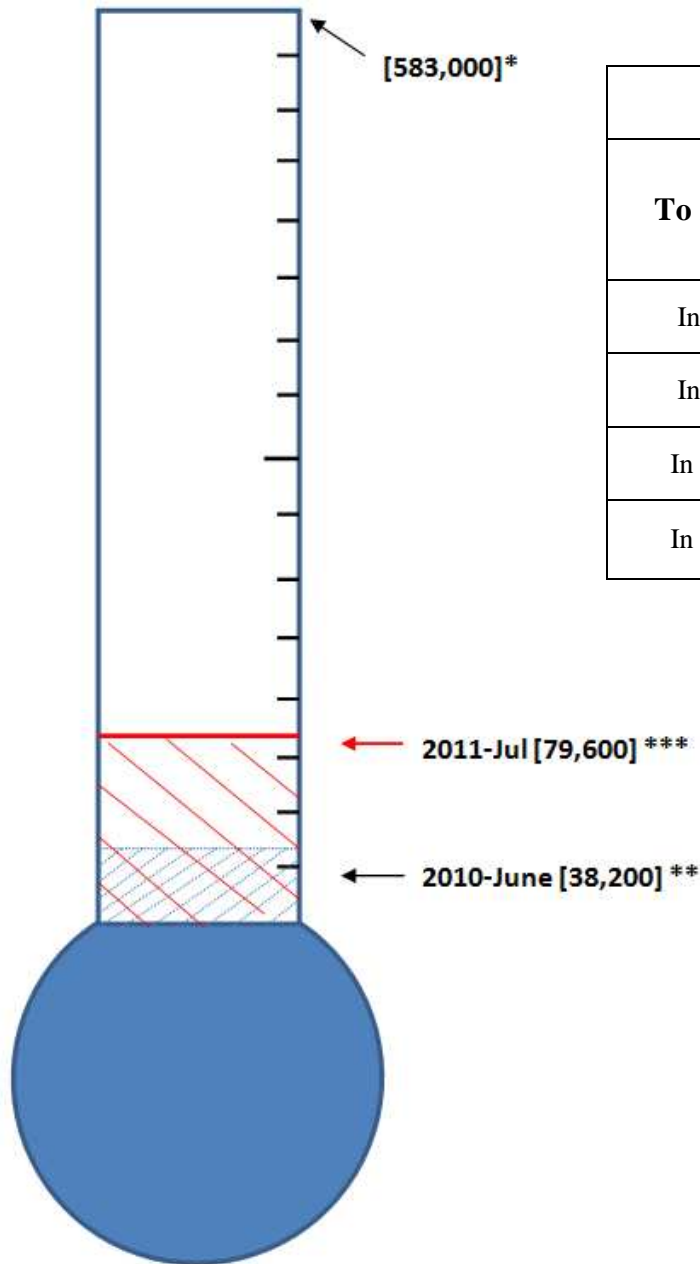
### Total Non-farm Employment and Employment Index

	Aug 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>	131,132,000	120.14	126.57 (Dec-2007)	21,981,000	-6,851,000
<b>RMW</b>	18,737,400	109.66	119.44 (Jun-2000)	1,651,000	-1,672,100
<b>Illinois</b>	5,660,100	107.47	115.08 (Nov-2000)	393,300	-399,400

### Last 12 months Total Non-farm Employment Growth Rate Sep 2010 - Aug 2011



# Barometer of Job Recovery



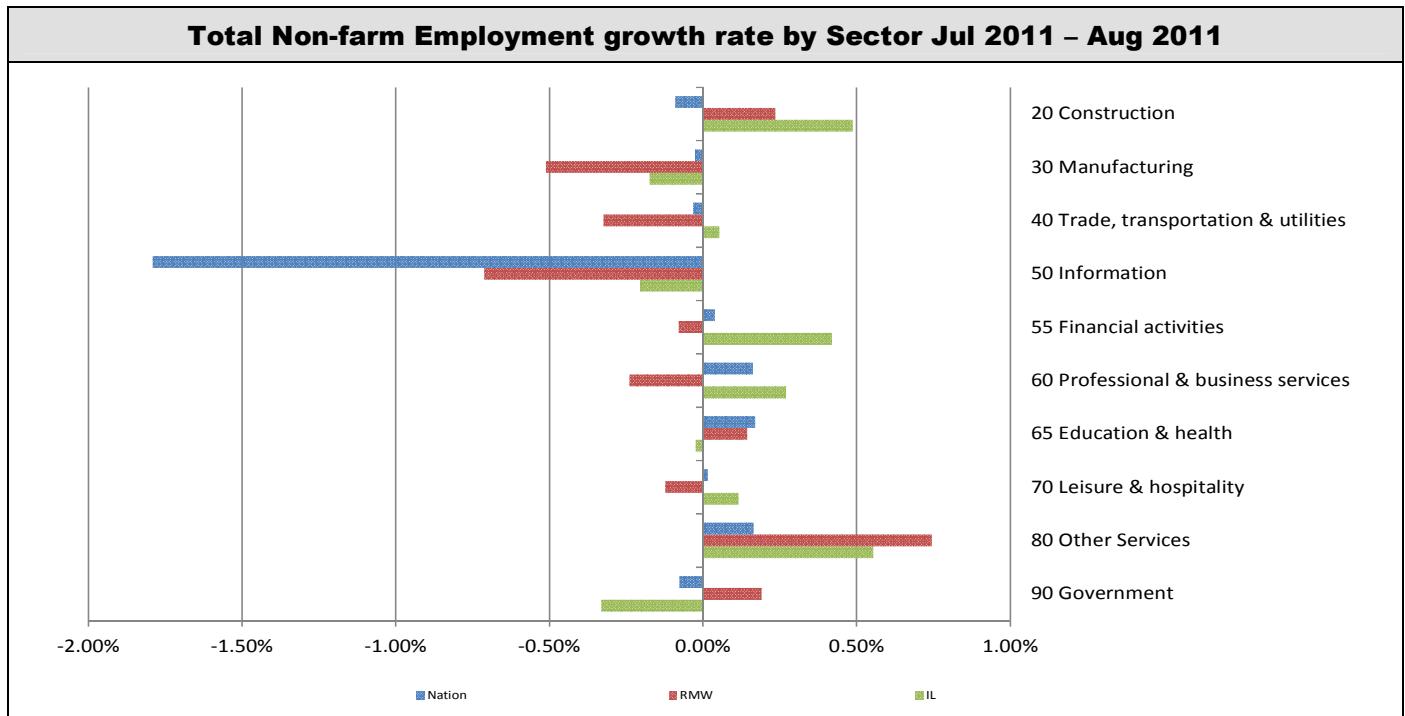
Illinois Recovery Scenarios		
To Recover	Growth Rate	
	At the point of 2011-Aug	At the point of 2010-Jun
In 5 years	100,700 jobs/year	109,000 jobs/year
In 8 years	62,900 jobs/year	68,000 jobs/year
In 10 years	50,300 jobs/year	54,000 jobs/year
In 15 years	33,600 jobs/year	36,000 jobs/year

\* 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 79,600 represents the jobs recovered from Dec. 2009 through Aug. 2011.

# Employment Growth Rate by Sector:



## Sector notes

- Illinois posted positive change in Aug 2011 by adding 3,100 jobs. Six out of ten sectors recorded net gains. Compared to July, Construction (-1.40% to 0.49%) had a major performance gain. Information (0.21% to -0.20%) in Illinois experienced major performance loss. In addition, compared to July, Trade, transportation & utilities (-0.64% to -0.05%), Professional & business services (-0.15% to 0.27%), Leisure & hospitality (-1.09% to 0.12%), Other services (-1.52% to 0.55%) and Government (-0.66% to -0.33%) experienced net gains in performance. Meanwhile, Manufacturing (0.31% to -0.17%) and Education & health (0.30% to -0.02%) faced relative losses.
- In Aug at the national level, the top three job-gain sectors were:
  - Education & health: 34,000 (0.17%)
  - Other Services: 9,000 (0.17%)
  - Professional & business services: 28,000 (0.16%)
- Major losses at the national level in Aug were recorded by:
  - Information: -48,000 (-1.79%)
  - Construction: -5,000 (-0.09%)
  - Government: -17,000 (-0.08%)
- For Illinois, the top three job-gain sectors in Aug were:
  - Other services: 1,400 (0.55%)
  - Construction: 1,000 (0.49%)
  - Financial activities: 1,500 (0.42%)
- Following are the major sectors that lost jobs in Aug for Illinois:
  - Government: -2,800 (-0.33%)
  - Information: -200 (-0.20%)
  - Manufactory: -1,000 (-0.17%)
- 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 - Aug 2011**

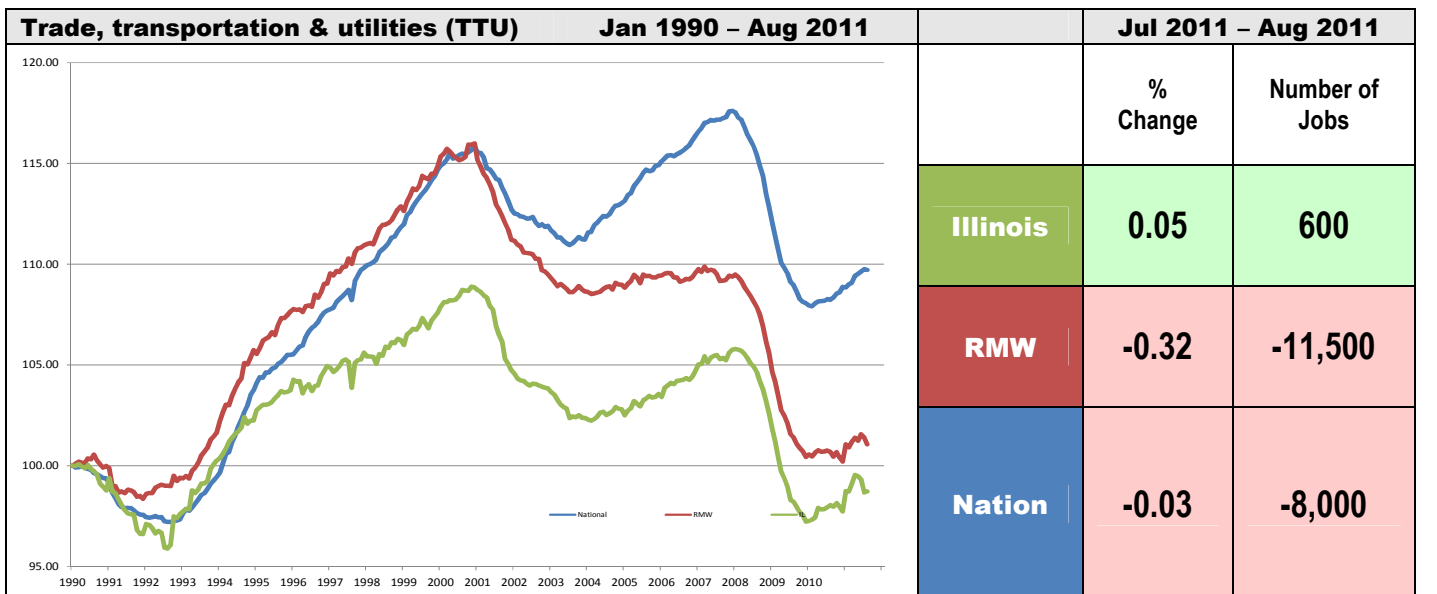
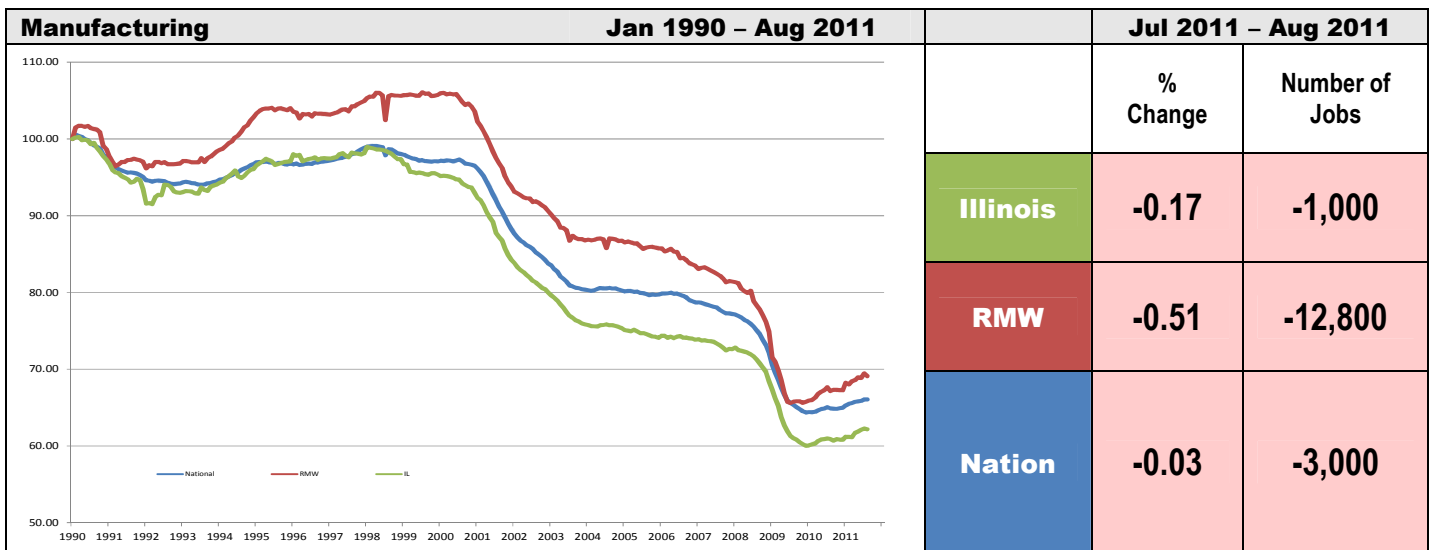
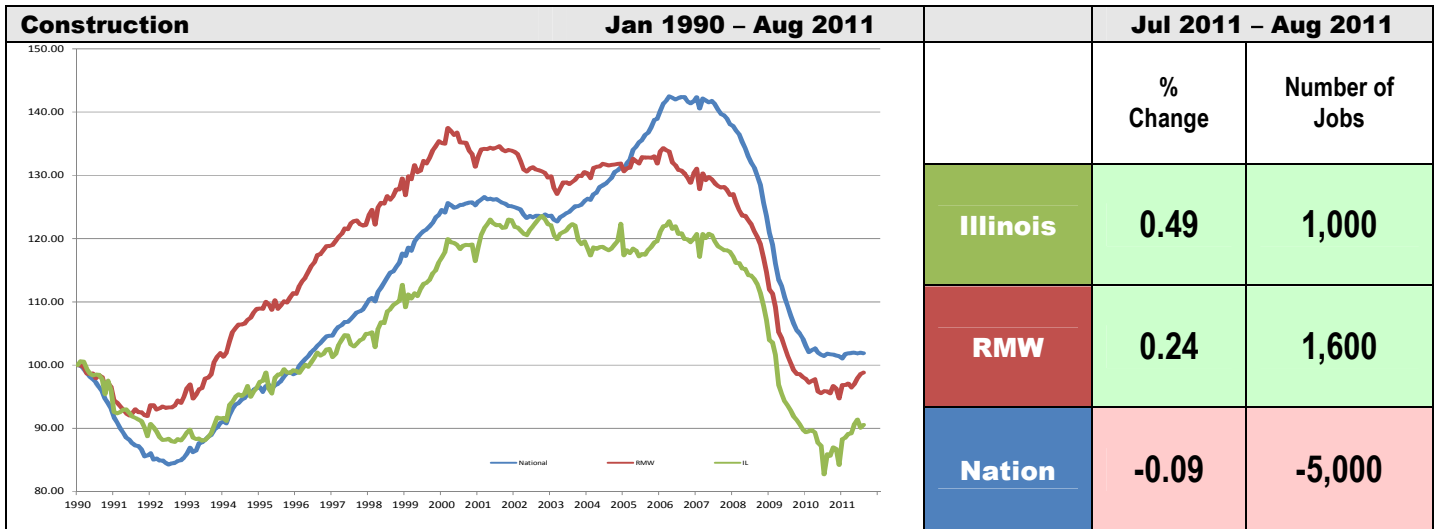
	Illinois				RMW	Nation
	vs. RMW	vs.	Number of Jobs	Rate %	Rate	Rate
		Nation			%	%
Construction	-	-	-23,900	-10.51	-1.68	2.03
Manufacturing	-	-	-348,400	-37.80	-30.58	-34.01
Trade, transportation & utilities (TTU)	-	-	-15,900	-1.38	1.32	9.78
Information	-	-	-32,800	-25.11	-17.39	0.49
Financial activities	-	-	-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

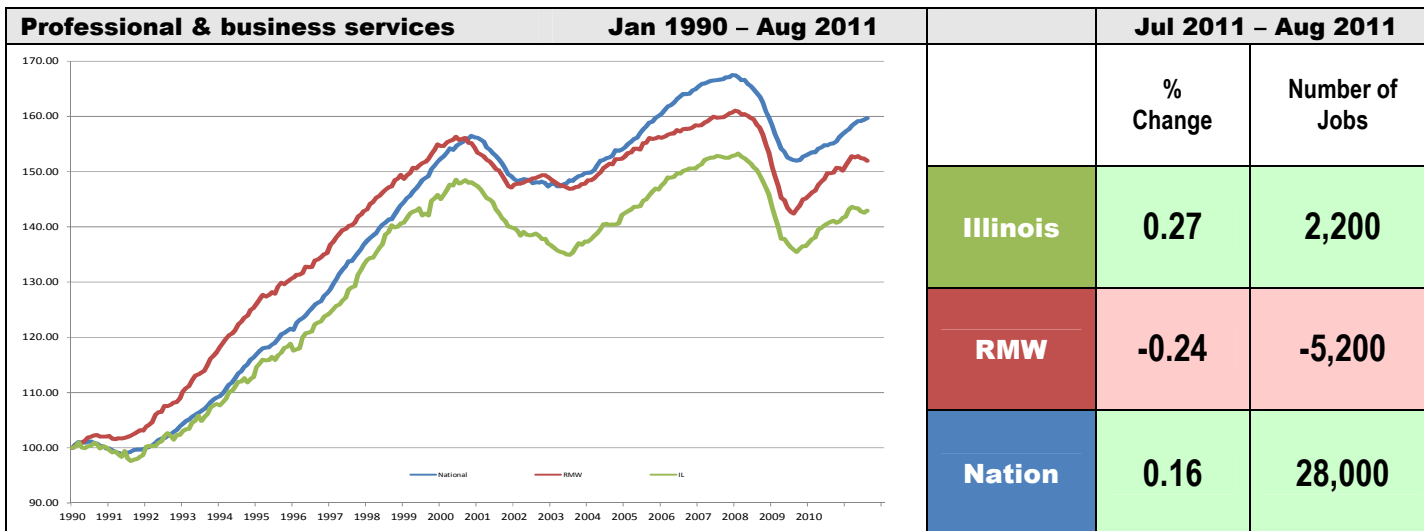
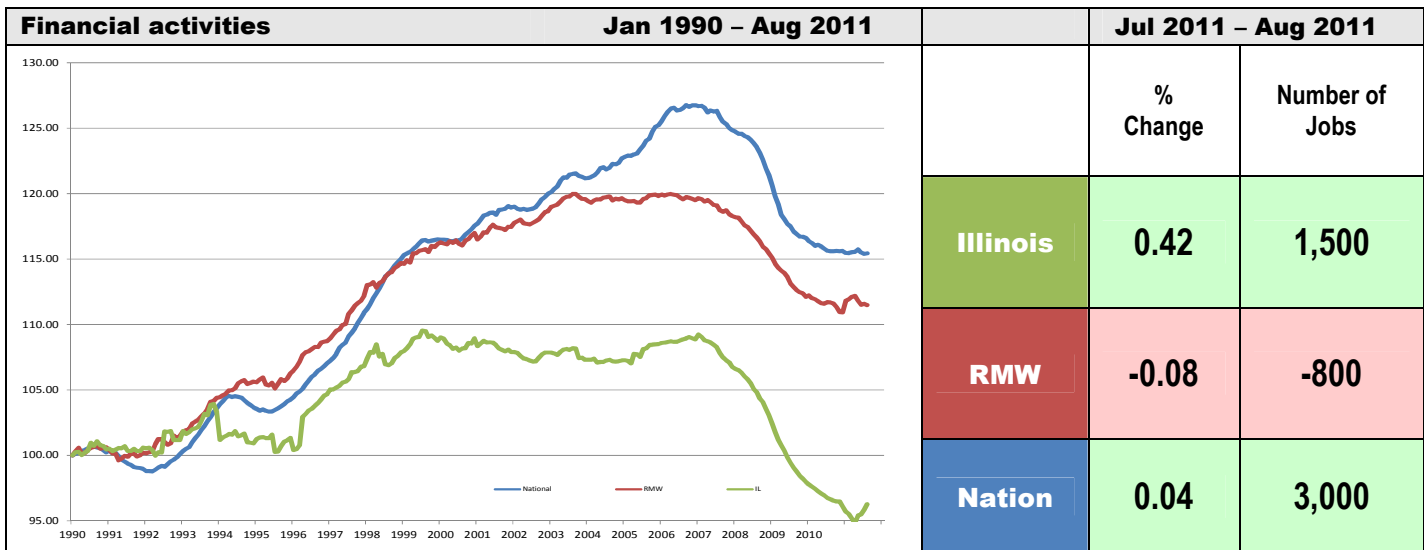
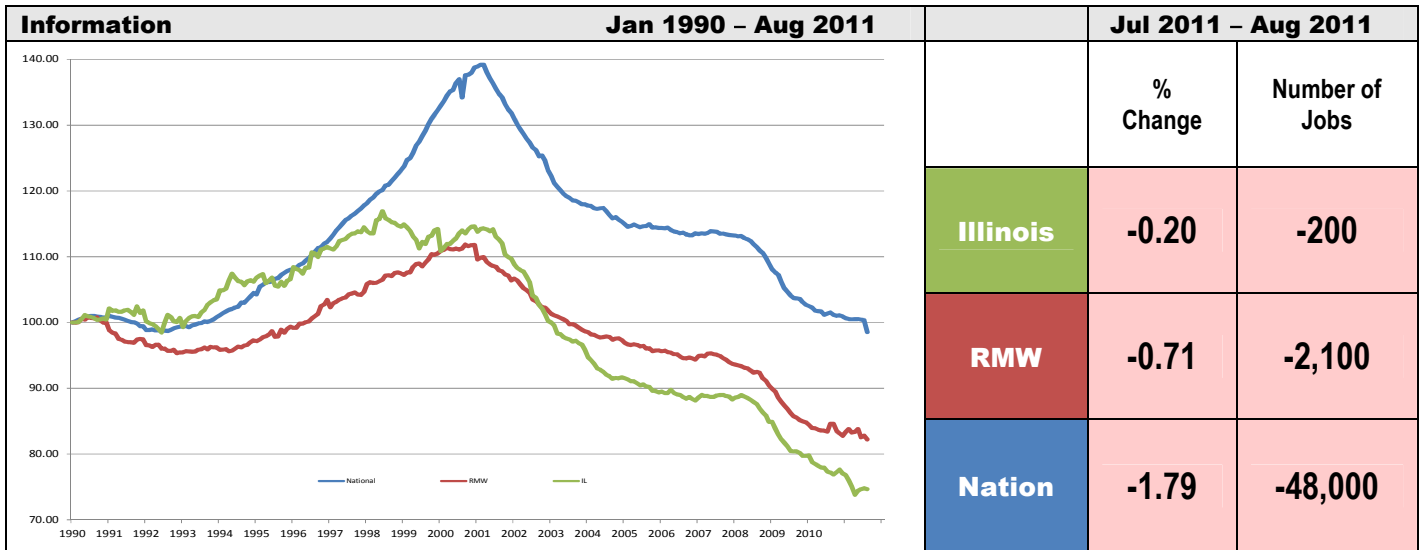
**Illinois job recovery by sector from Dec 2007 – Aug 2011**

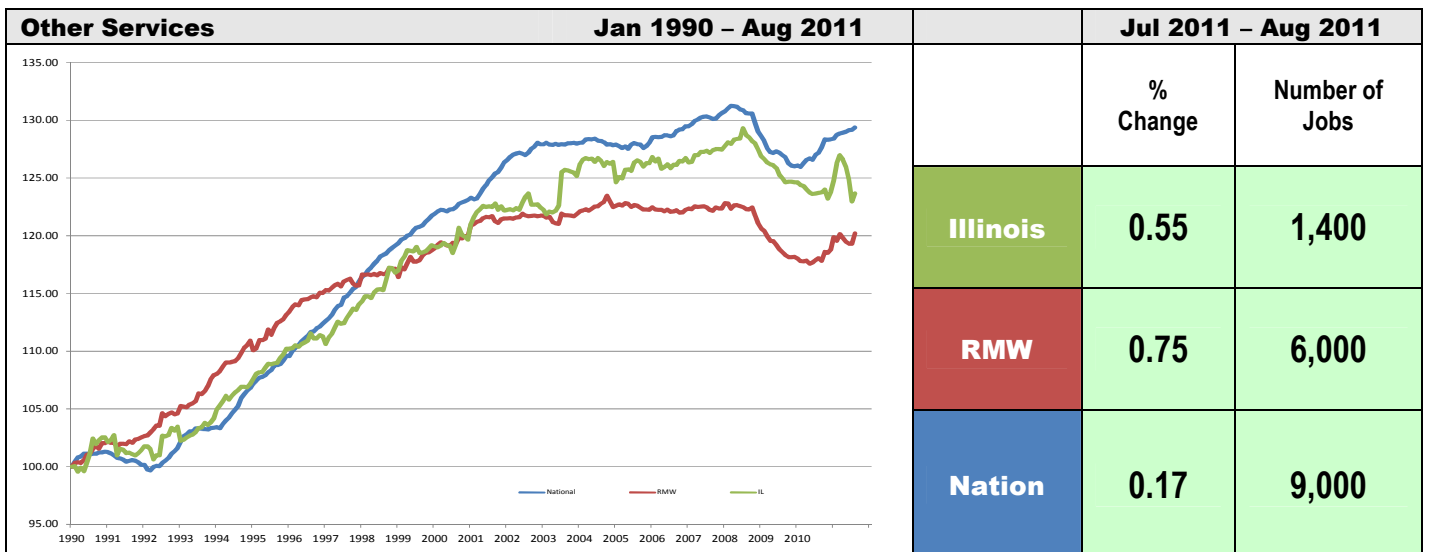
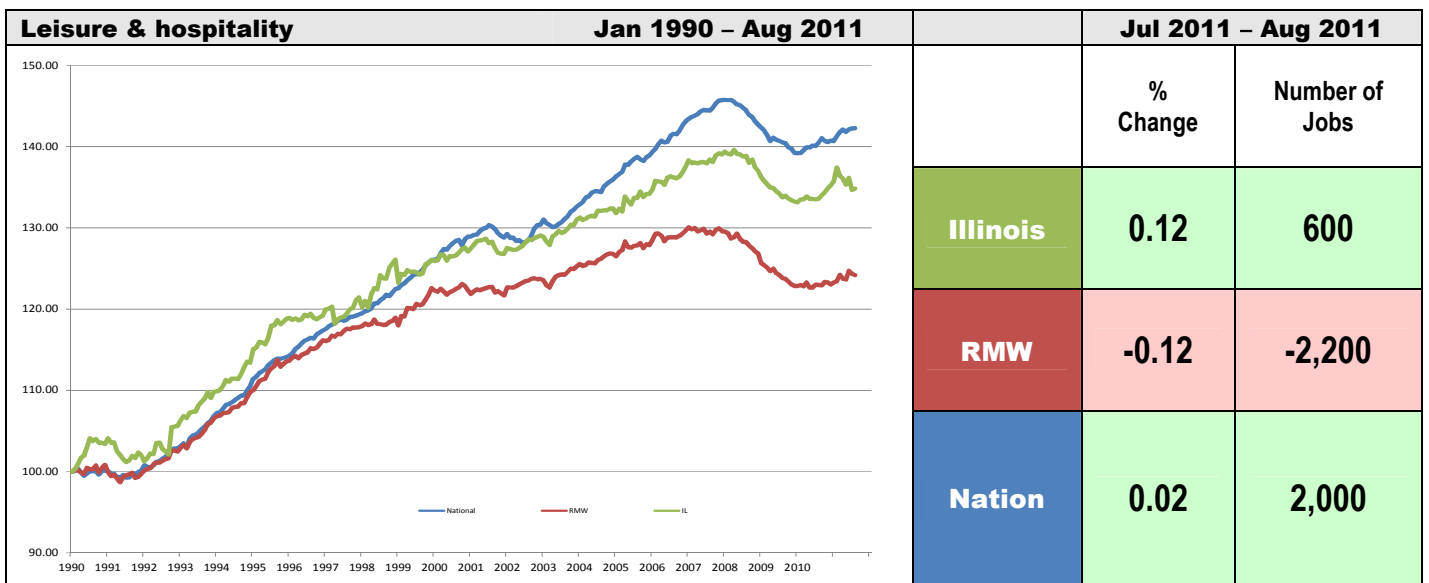
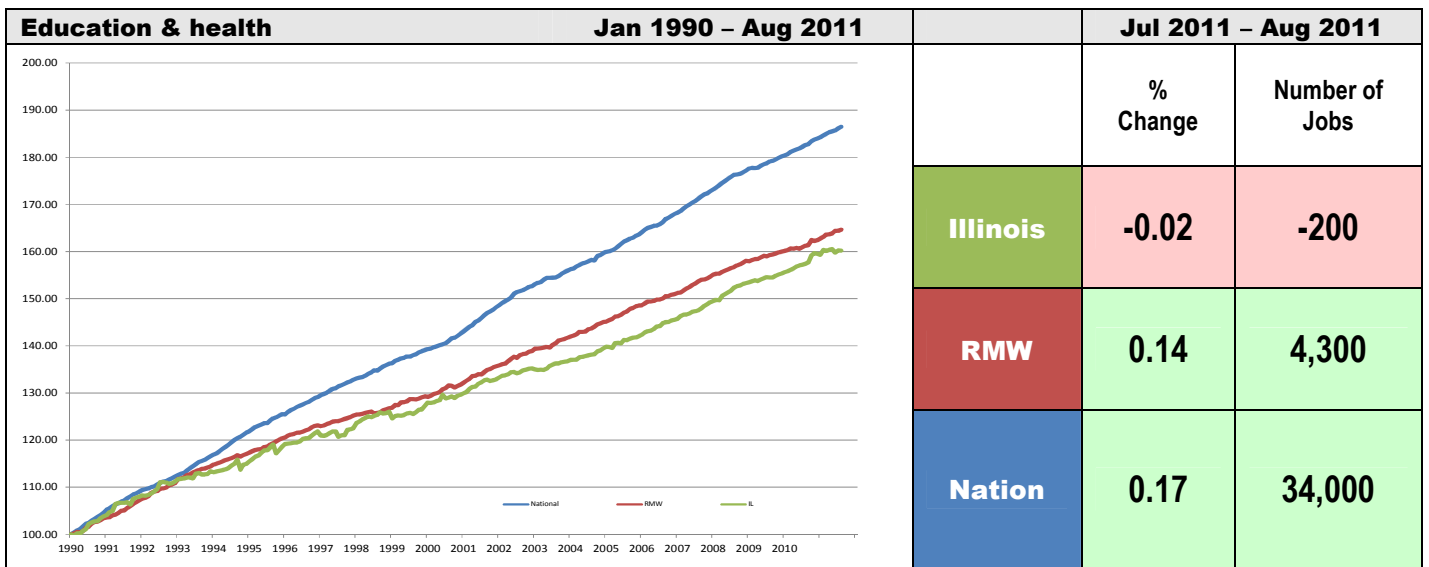
	Job Changes in Recession Period*	Job Recovery Jan 2010- Aug 2011	Recovery Rate	Forecasted Job Recovery Jan 2010- Aug 2012	Forecasted Recovery Rate
Construction	-64,500	1,700	2.64%	-5,300	-8.22%
Manufacturing	-116,000	19,700	16.98%	9,600	8.28%
Trade, transportation & utilities (TTU)	-98,100	17,200	17.53%	-2,800	-2.85%
Information	-11,000	-6,600	-60.00%	-10,600	-96.36%
Financial activities	-32,700	-6,400	-19.57%	-9,800	-29.97%
Professional & business services	-91,400	36,600	40.04%	43,700	47.81%
Education & health	34,300	25,800	--	40,200	--
Leisure & hospitality	-22,800	6,100	26.75%	5,900	25.88%
Other services	-5,900	-2,000	-33.90%	-3,000	-50.85%
Government	5,200	-13,100	--	-10,700	--

\*Recession period: Dec 2007- Dec 2009

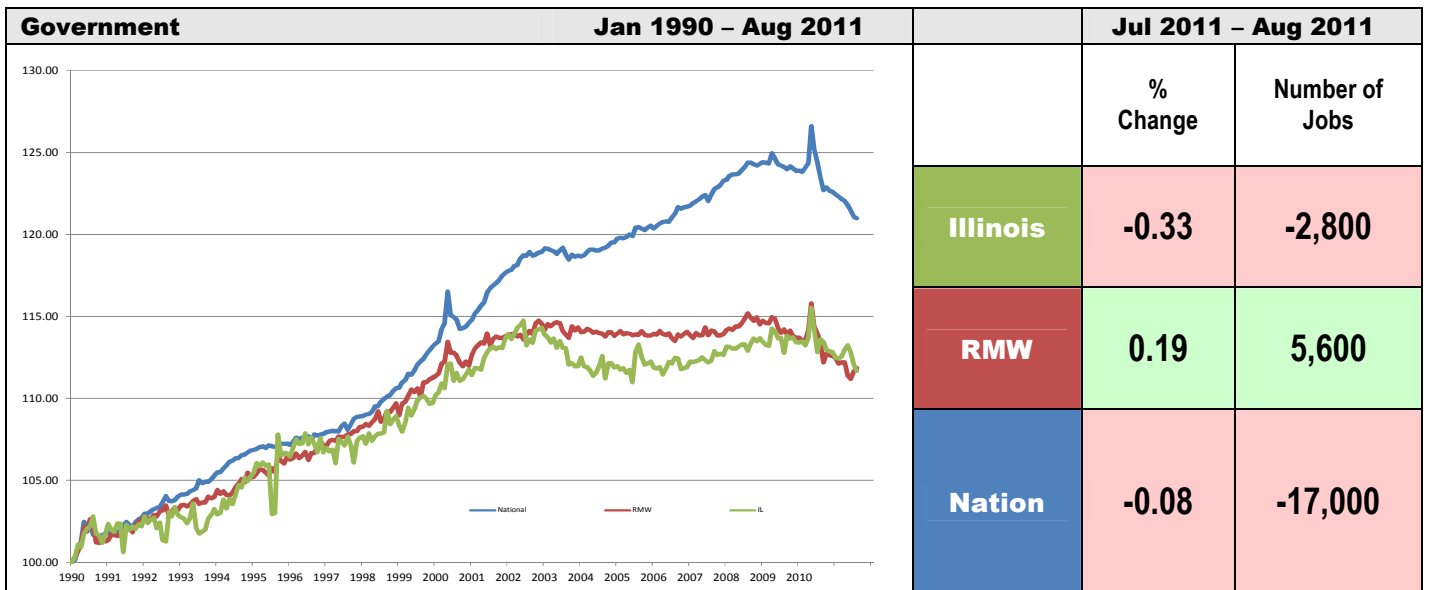
<b>Recovery by Sector</b>	<ul style="list-style-type: none"> <li>▪ During the recession period of Dec 2007-Dec 2009, 8 out of 10 Illinois sectors experienced negative job growth. Education &amp; health and Government are the only 2 sectors that had positive job growth during the recession.</li> <li>▪ Since Jan 2010, Illinois employment resumed. Construction, Manufacturing, Trade, transportation &amp; utilities, Professional &amp; business services and Leisure &amp; hospitality have recovered 2.64%, 16.98%, 17.53%, 40.04%, 26.75%, respectively, from the job lost during the recession.</li> <li>▪ However, Information, Financial activities and Other services continued to lose jobs leading to negative recovery rates of -60.00%, -19.57% and -33.90% respectively.</li> <li>▪ The 12-month-ahead job recovery forecasts show that the future recovery for sectors such as Manufacturing and Leisure &amp; hospitality will slow down while it will increase for sector Professional &amp; business services.</li> <li>▪ For sectors such as Information, Financial activities and Other services, they will continue to lose jobs with faster rates.</li> <li>▪ By Aug 2012, the recovery rates for sectors Construction and Trade, transportation &amp; utilities will change from positive to negative.</li> </ul>
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**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).