



Civic Committee

Illinois Economic Indicators

March 8, 2021

Employment

One of the most important indicators of economic health is job growth. If employment is stagnating or declining, that represents fewer opportunities for Illinoisans. Research shows that one of the top reasons for people moving from one state to another is for job-related reasons;¹ if there are not enough job opportunities in our State, people may leave Illinois to pursue a job elsewhere.

- As shown in **Table 1** on the next page, employment growth has lagged compared to other states.
 - From 2000-2019, Illinois' nonfarm employment grew only 2.3%, which ranks 46th out of the 50 states and Washington, DC.
 - Nonfarm employment for the United States grew 14.7% during that same period.
 - In addition, Illinois has experienced weaker job growth than other states when comparing employment levels in 2007 (just before the Great Recession) to 2019 employment levels.
 - Job growth over that time frame was 3.4%, which ranks 39th out of the 50 states and Washington, DC.
 - Nonfarm employment for the United States grew 10.3% over that period.

Table 1: Nonfarm Employment by State, 2000-2019

NONFARM EMPLOYMENT BY STATE 2000-2019								
								<i>Unit: Thousands of Persons</i>
State	# Jobs	# Jobs	#Jobs	#Jobs	Job growth rate 2000-2019	Ranking of Job Growth rate 2000-2019	Job growth rate 2007-2019	Ranking of Job Growth rate 2007-2019
	2000	2007	2018	2019	% change	Out of 50 States + DC	% change	Out of 50 States + DC
Illinois	6,042.1	5,977.2	6,117.4	6,182.2	2.32%	46	3.43%	39
United States	132,024.0	137,241.4	149,074.3	151,404.4	14.68%		10.32%	
Texas	9,461.7	10,429.2	12,503.4	12,813.1	35.42%	4	22.86%	2
Indiana	3,003.5	2,991.4	3,144.0	3,170.0	5.54%	40	5.97%	29
Florida	7,053.8	8,000.8	8,781.9	9,002.2	27.62%	7	12.52%	10
Missouri	2,753.0	2,804.0	2,887.4	2,916.0	5.92%	37	4.00%	35
Iowa	1,478.5	1,519.0	1,584.2	1,592.2	7.69%	33	4.82%	30
Minnesota	2,683.0	2,768.9	2,954.4	2,963.2	10.44%	29	7.02%	22
Wisconsin	2,832.3	2,875.7	2,971.5	2,982.9	5.32%	41	3.73%	36
California	14,587.0	15,461.9	17,175.2	17,466.0	19.74%	14	12.96%	8
Pennsylvania	5,693.3	5,799.0	6,006.0	6,049.6	6.26%	36	4.32%	33
Massachusetts	3,338.3	3,305.2	3,642.9	3,679.9	10.23%	31	11.34%	14
Michigan	4,675.7	4,268.1	4,418.6	4,443.3	-4.97%	51	4.10%	34
New York	8,624.9	8,719.2	9,669.9	9,781.2	13.41%	24	12.18%	11

Source: Federal Reserve Bank of St. Louis and U.S. Bureau of Labor Statistics, All Employees: Total Nonfarm in different States, retrieved from FRED, Federal Reserve Bank of St. Louis. <https://fred.stlouisfed.org/series>, January 27, 2020.

Gross State Product & Personal Income

Gross State Product (GSP) and Personal Income are important measures of the State's financial wellbeing. As one of the largest states, Illinois' GSP and personal income are much higher than most other states. However, Illinois' growth in GSP and personal income per capita over the past two decades is slower than most other states, suggesting that its economy is stagnating while other states' economies are growing.

- From 2000-2019, Illinois maintained its position as the fifth largest economy in the United States, but its growth during that period was slower than most large economy states and was ranked 43rd out of all states and Washington, DC.

	Comparison of Gross State Product for the Ten Largest Economies					
	2000		2019		2000-2019	
	GSP (\$ Millions)	Ranking (50 states + DC)	GSP (\$ Millions)	Ranking (50 states + DC)	Growth in GSP	Ranking (50 states + DC)
California	\$ 1,366,167	1	\$ 3,132,801	1	129%	12
New York	\$ 836,202	2	\$ 1,772,261	3	112%	22
Texas	\$ 738,804	3	\$ 1,843,803	2	150%	4
Florida	\$ 488,466	4	\$ 1,106,500	4	127%	13
Illinois	\$ 486,766	5	\$ 885,583	5	82%	43
Pennsylvania	\$ 408,203	6	\$ 808,738	6	98%	31
Ohio	\$ 391,321	7	\$ 695,362	7	78%	45
New Jersey	\$ 361,845	8	\$ 634,784	8	75%	49
Georgia	\$ 306,020	10	\$ 625,714	9	104%	28
Washington	\$ 238,137	14	\$ 612,997	10	157%	3

Source: U.S. Bureau of Economic Analysis (BEA)

- Illinois has also had a comparatively higher per capita personal income than other states over the past two decades, ranking 11th in 2000 and 15th in 2019. However, Illinois' per capita personal income has grown slower than in the other largest economy states and dropped back four places in the rankings.

	Comparison of the Per Capita Personal Income for the Ten Largest Economies					
	2000		2019		2000-2019	
	Per Capita Personal Income	Ranking (50 states + DC)	Per Capita Personal Income	Ranking (50 states + DC)	Growth in Per Capita Personal Income	Ranking (50 states + DC)
California	\$ 33,364	10	\$ 66,619	6	100%	6
New York	\$ 36,028	5	\$ 71,717	4	99%	7
Texas	\$ 28,135	31	\$ 52,813	27	88%	22
Florida	\$ 29,428	22	\$ 52,426	28	78%	40
Illinois	\$ 33,169	11	\$ 58,764	15	77%	41
Pennsylvania	\$ 30,393	19	\$ 58,032	16	91%	16
Ohio	\$ 28,671	27	\$ 50,199	32	75%	44
New Jersey	\$ 39,257	3	\$ 70,471	5	80%	36
Georgia	\$ 28,861	26	\$ 48,236	39	67%	48
Washington	\$ 32,909	12	\$ 64,758	7	97%	9

Source: U.S. Bureau of Economic Analysis (BEA).

Population

Population change is a complex issue with many different factors in play, including birth and death rates, immigration, and interstate migration. Illinois is subject to the same national and regional trends that have led to slower population growth in other states, but it is concerning that our population is shrinking and that the decrease is so large. Illinois' population loss over the past decade is worse than every other state except West Virginia.²

- From 2010-2020, Illinois' population declined by approximately 240,000 people, or almost 2%.³
 - Population losses are concentrated in “post-industrial” counties outside of metropolitan Chicago, such as Macon County (where Decatur is located) and Winnebago County (where Rockford is located).⁴
 - Metropolitan Chicago saw slight growth but ranked 46th out of the 50 largest metropolitan areas for population growth.⁵
- Migration is one of the drivers of population loss in Illinois. Much of the attention focuses on people who leave Illinois, but where Illinois underperforms relative to other states is in how few residents it attracts.
 - As shown in **Figure 1** on the next page, from 2005-2019, Illinois' in-migration rates (the number of people entering a state each year from other states) compared to its neighbors and peer states were relatively low.
 - In 2019, Illinois' in-migration rate (adjusted to include international immigrants) was 19.8 migrants per 1,000. This in-migration rate ranks 48th out of 51, meaning only three states had fewer in-migrants as a share of their population.
 - As shown in **Figure 2**, from 2005-2019, Illinois' out-migration rates (the number of people leaving a state each year for another states) were relatively high compared to its neighbors and peer states but remained middle-of-the-pack compared to all states and Washington, DC.
 - In 2019, Illinois' out-migration rate was 24.6 migrants per 1,000. This out-migration rate ranked 29th, meaning 21 other states and Washington, DC had higher rates of out-migration as a share of their population.
- Federal tax return data also show that of households leaving the State, an outsized share make \$50,000 a year or less.
 - From 2011-2018, tax returns claiming \$50,000 or less of income represented about 53% of all returns, but about 60% of outflow returns.⁶ And, this dataset likely undercounts the number of low-income migrants because there are minimum income thresholds for being required to file federal tax returns.

- Returns claiming \$200,000 or more of income (the highest stratification available)⁷ were slightly overrepresented among outflow returns, but not to the same degree as lower income returns.
 - High income returns represented 5.4% of returns from 2011-2018, and 5.9% of outflow returns during that time.

The fact that middle and lower-income Illinoisans are leaving at disproportionately high rates and the State is not attracting many newcomers suggests that people believe Illinois will not afford them opportunities they could pursue elsewhere. In addition, it is likely that Illinois' population decline is contributing to the State's comparatively low growth in GSP and personal income.