



# 2007 Illinois Annual Economic Report



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# Illinois Annual Economic Analysis Report 2007

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# Contents

|   |    |
|---|----|
| Executive Summary   | 1  |
| The Larger Economy  | 2  |
| Introduction for Statewide Section  | 6  |
| Illinois Unemployment Rate by County Map  | 7  |
| Statewide   | 8  |
| Area Description  | 8  |
| Demographics  | 8  |
| Outlook   | 8  |
| Data Analysis   | 8  |
| Quarterly Census of Employment & Wages (QCEW)   | 8  |
| Table S-1: QCEW Data for Illinois   | 10 |
| Table S-2: QCEW Data for the United States  | 10 |
| Current Employment Statistics (CES)   | 11 |
| Chart S-1: CES Data for Illinois - Industry Employment Composition (1992, 1997, 2002, 2007) | 11 |
| Local Area Unemployment Statistics (LAUS)   | 11 |
| Table S-3: Illinois Labor Force, Employment, and Unemployment Statistics                    | 12 |
| Chart S-2: Annual Average Unemployment Rates for Illinois and the United States             | 12 |
| Local Employment Dynamics (LED)   | 13 |
| Table S-4: 2007 Q2 LED Data for Illinois - Age Group Data                                   | 13 |
| Table S-5: 2006 Q3 - 2007 Q2 LED Data for Illinois - New Hires Data                         | 14 |
| Employment Projections  | 15 |
| Occupational Wages (OES)  | 15 |
| Table S-6: Estimated Employment and Wages for Illinois, by Occupational Category            | 15 |
| Unemployment Insurance (UI)   | 16 |
| Table S-7: UI Claims Characteristics  | 16 |
| Table S-8: UI Program Data  | 17 |
| Business Employment Dynamics (BED)  | 17 |
| Chart S-3: BED Data for Illinois - Private Sector Job Gains and Losses                      | 18 |
| Mass Layoff Statistics (MLS)  | 18 |
| Table S-9: Total Extended Mass Layoff Events and Workers Separated in Illinois              | 19 |
| Table S-10: Illinois Extended Mass Layoffs by Major Industry Group                          | 19 |
| Introduction for Economic Development Regions   | 21 |
| Central Economic Development Region (EDR 1)   | 22 |
| Area Description  | 22 |
| Demographics  | 22 |
| Outlook   | 22 |
| QCEW  | 22 |
| Table 1-1: QCEW Industry Data   | 23 |
| LED   | 23 |
| Table 1-2: LED New Hires Data   | 24 |
| Table 1-3: LED Age Group Data   | 25 |
| CES   | 26 |
| Chart 1-1: CES Industry Employment Composition  | 26 |
| LAUS  | 26 |
| Table 1-4: LAUS Labor Force and Unemployment Rate Data                                      | 26 |
| Occupational Wages and Employment   | 26 |
| Table 1-5: Estimated Employment and Wages, by Occupational Category                         | 27 |
| Other Regional Data   | 27 |
| Chart 1-2: Population Data by Age Group   | 27 |
| Table 1-6: Educational Attainment Data  | 28 |
| East Central Economic Development Region (EDR 2)  | 29 |
| Area Description  | 29 |
| Demographics  | 29 |
| Outlook   | 29 |
| QCEW  | 29 |
| Table 2-1: QCEW Industry Data   | 30 |
| LED   | 30 |
| Table 2-2: LED New Hires Data   | 31 |
| Table 2-3: LED Age Group Data   | 32 |
| CES   | 33 |
| Chart 2-1: CES Industry Employment Composition  | 33 |
| LAUS  | 33 |

|   |    |
|---|----|
| Table 2-4: LAUS Labor Force and Unemployment Rate Data              | 33 |
| Occupational Wages and Employment                                   | 33 |
| Table 2-5: Estimated Employment and Wages, by Occupational Category | 34 |
| Other Regional Data   | 34 |
| Chart 2-2: Population Data by Age Group                             | 34 |
| Table 2-6: Educational Attainment Data                              | 35 |
| <br>  |    |
| North Central Economic Development Region (EDR 3)                   | 36 |
| Area Description  | 36 |
| Demographics  | 36 |
| Outlook   | 36 |
| QCEW  | 37 |
| Table 3-1: QCEW Industry Data                                       | 37 |
| LED   | 38 |
| Table 3-2: LED New Hires Data                                       | 38 |
| Table 3-3: LED Age Group Data                                       | 39 |
| CES   | 40 |
| Chart 3-1: CES Industry Employment Composition                      | 40 |
| LAUS  | 40 |
| Table 3-4: LAUS Labor Force and Unemployment Rate Data              | 40 |
| Occupational Wages and Employment                                   | 40 |
| Table 3-5: Estimated Employment and Wages, by Occupational Category | 41 |
| Other Regional Data   | 41 |
| Chart 3-2: Population Data by Age Group                             | 41 |
| Table 3-6: Educational Attainment Data                              | 42 |
| <br>  |    |
| Northeast Economic Development Region (EDR 4)                       | 43 |
| Area Description  | 43 |
| Demographics  | 44 |
| Outlook   | 44 |
| QCEW  | 45 |
| Table 4-1: QCEW Industry Data                                       | 45 |
| LED   | 46 |
| Table 4-2: LED New Hires Data                                       | 46 |
| Table 4-3: LED Age Group Data                                       | 47 |
| CES   | 48 |
| Chart 4-1: CES Industry Employment Composition                      | 48 |
| LAUS  | 48 |
| Table 4-4: LAUS Labor Force and Unemployment Rate Data              | 48 |
| Occupational Wages and Employment                                   | 48 |
| Table 4-5: Estimated Employment and Wages, by Occupational Category | 49 |
| Other Regional Data   | 49 |
| Chart 4-2: Population Data by Age Group                             | 49 |
| Table 4-6: Educational Attainment Data                              | 50 |
| <br>  |    |
| Northern Stateline Economic Development Region (EDR 5)              | 51 |
| Area Description  | 51 |
| Demographics  | 51 |
| Outlook   | 51 |
| QCEW  | 52 |
| Table 5-1: QCEW Industry Data                                       | 52 |
| LED   | 53 |
| Table 5-2: LED New Hires Data                                       | 53 |
| Table 5-3: LED Age Group Data                                       | 54 |
| CES   | 55 |
| Chart 5-1: CES Industry Employment Composition                      | 55 |
| LAUS  | 55 |
| Table 5-4: LAUS Labor Force and Unemployment Rate Data              | 55 |
| Occupational Wages and Employment                                   | 55 |
| Table 5-5: Estimated Employment and Wages, by Occupational Category | 56 |
| Other Regional Data   | 56 |
| Chart 5-2: Population Data by Age Group                             | 56 |
| Table 5-6: Educational Attainment Data                              | 57 |
| <br>  |    |
| Northwest Economic Development Region (EDR 6)                       | 58 |
| Area Description  | 58 |
| Demographics  | 58 |
| Outlook   | 58 |
| QCEW  | 59 |

|   |    |
|---|----|
| Table 6-1: QCEW Industry Data                                       | 59 |
| LED   | 60 |
| Table 6-2: LED New Hires Data                                       | 60 |
| Table 6-3: LED Age Group Data                                       | 61 |
| CES   | 62 |
| Chart 6-1: CES Industry Employment Composition                      | 62 |
| LAUS  | 62 |
| Table 6-4: LAUS Labor Force and Unemployment Rate Data              | 62 |
| Occupational Wages and Employment                                   | 62 |
| Table 6-5: Estimated Employment and Wages, by Occupational Category | 63 |
| Other Regional Data   | 63 |
| Chart 6-2: Population Data by Age Group                             | 63 |
| Table 6-6: Educational Attainment Data                              | 64 |
| <br>  |    |
| Southeastern Economic Development Region (EDR 7)                    | 65 |
| Area Description  | 65 |
| Demographics  | 65 |
| Outlook   | 65 |
| QCEW  | 66 |
| Table 7-1: QCEW Industry Data                                       | 66 |
| LED   | 66 |
| Table 7-2: LED New Hires Data                                       | 67 |
| Table 7-3: LED Age Group Data                                       | 68 |
| CES   | 69 |
| Chart 7-1: CES Industry Employment Composition                      | 69 |
| LAUS  | 69 |
| Table 7-4: LAUS Labor Force and Unemployment Rate Data              | 69 |
| Occupational Wages and Employment                                   | 69 |
| Table 7-5: Estimated Employment and Wages, by Occupational Category | 70 |
| Other Regional Data   | 70 |
| Chart 7-2: Population Data by Age Group                             | 70 |
| Table 7-6: Educational Attainment Data                              | 71 |
| <br>  |    |
| Southern Economic Development Region (EDR 8)                        | 72 |
| Area Description  | 72 |
| Demographics  | 72 |
| Outlook   | 72 |
| QCEW  | 73 |
| Table 8-1: QCEW Industry Data                                       | 73 |
| LED   | 74 |
| Table 8-2: LED New Hires Data                                       | 74 |
| Table 8-3: LED Age Group Data                                       | 75 |
| CES   | 76 |
| Chart 8-1: CES Industry Employment Composition                      | 76 |
| LAUS  | 76 |
| Table 8-4: LAUS Labor Force and Unemployment Rate Data              | 76 |
| Occupational Wages and Employment                                   | 76 |
| Table 8-5: Estimated Employment and Wages, by Occupational Category | 77 |
| Other Regional Data   | 77 |
| Chart 8-2: Population Data by Age Group                             | 77 |
| Table 8-6: Educational Attainment Data                              | 78 |
| <br>  |    |
| Southwestern Economic Development Region (EDR 9)                    | 79 |
| Area Description  | 79 |
| Demographics  | 79 |
| Outlook   | 79 |
| QCEW  | 80 |
| Table 9-1: QCEW Industry Data                                       | 80 |
| LED   | 81 |
| Table 9-2: LED New Hires Data                                       | 81 |
| Table 9-3: LED Age Group Data                                       | 82 |
| CES   | 83 |
| Chart 9-1: CES Industry Employment Composition                      | 83 |
| LAUS  | 83 |
| Table 9-4: LAUS Labor Force and Unemployment Rate Data              | 83 |
| Occupational Wages and Employment                                   | 83 |
| Table 9-5: Estimated Employment and Wages, by Occupational Category | 84 |
| Other Regional Data   | 84 |
| Chart 9-2: Population Data by Age Group                             | 84 |
| Table 9-6: Educational Attainment Data                              | 85 |

|  |    |
|--|----|
| West Central Economic Development Region (EDR 10)                    | 86 |
| Area Description   | 86 |
| Demographics   | 86 |
| Outlook  | 86 |
| QCEW   | 87 |
| Table 10-1: QCEW Industry Data                                       | 87 |
| LED  | 88 |
| Table 10-2: LED New Hires Data                                       | 88 |
| Table 10-3: LED Age Group Data                                       | 89 |
| CES  | 90 |
| Chart 10-1: CES Industry Employment Composition                      | 90 |
| LAUS   | 90 |
| Table 10-4: LAUS Labor Force and Unemployment Rate Data              | 90 |
| Occupational Wages and Employment                                    | 90 |
| Table 10-5: Estimated Employment and Wages, by Occupational Category | 91 |
| Other Regional Data  | 91 |
| Chart 10-2: Population Data by Age Group                             | 91 |
| Table 10-6: Educational Attainment Data                              | 92 |
| Other EI&A Information Services                                      | 93 |
| Labor Market Economist Contact Information Map                       | 94 |

## Executive Summary

The global economy grew at a slower pace in 2007. The future of the national and state economies is now very uncertain. Prices of commodities, particularly oil products and food staples, have risen to all-time highs and some experts believe they will continue higher. The domestic housing industry was especially hard-hit by credit market problems and this has had a tremendous impact on the banking industry. The value of the dollar has been falling and speculative investors seem to have made problems in the markets worse.

The biggest problem appears to be the increasing prices of commodities. Developing markets have established trends of high growth and the status of China and India as the two most populous countries in the world has had a large influence in the determination of prices for oil products and other commodities. Many people in these countries are moving out of poverty and are able to buy goods such as motor vehicles and pursue more diverse diets for the first time.

The dollar has fallen in value relative to other currencies as the United States is undergoing a period of sluggish growth. Commodities such as metals and food staples have seen price rises like those for oil products. Some farmers have made changes to the types of crops they grow based on the expected higher returns of growing products for use in the production of bio-fuels rather than growing food products for human consumption. The resulting smaller supply of grains has pushed those prices higher. Fuel costs related to the production and transportation costs of food products have also elevated food prices. The capacity to grow more food is also limited. Efforts are currently underway to make better utilization of land around the world for agricultural purposes.

Money available at low interest rates a few years ago led the construction industry to provide an excess supply of housing. Mortgage companies used the easy money supply to provide financing to just about anyone who wanted to purchase a house. Some of the financing that was made available for loans of higher risk had low initial interest rates for the customer but then the interest rates floated higher. As many people had trouble making their payments on these "sub-prime" mortgages, the bubble of steadily rising home prices finally burst. Financing for home purchases has become tight and many lending and financial institutions are struggling to survive. Many people now have homes that are worth less than the principal that they owe on their loans.

These weaknesses in the global and national economies are reflected in the Illinois state economy. During the last few years the Illinois economy has continued to become more service oriented. This structural shift is reflected in most Midwestern states and the United States in general. Most of the high-paying jobs in these service industries require skills developed from years of good education and training. Other jobs in these industries may not pay as well or deliver as broad a benefits package.

The Illinois economy has experienced industry employment shifts before. The proportion of Illinois workers in agriculture is much less than what it used to be due to changes in the capital-labor ratio required for farming. This change started generations ago. In more recent years the industry shift has been away from manufacturing. Some manufacturing has moved to other parts of the country or other countries because of cheaper labor. For the remaining manufacturing firms in Illinois, movement to more high-tech, capital-intensive production has also reduced the demand for the total number of workers in the sector, while at the same time focused the demand for skilled talent.

## The Larger Economy

Employment and other economic data have verified that growth was slowing for both the United States and Illinois economies at the end of 2007. This information and other data have made it appear that the global economy as a whole was transitioning to a slower pace in 2007. Thus, the return to a healthy rate of domestic economic growth has yet to be seen on the horizon.

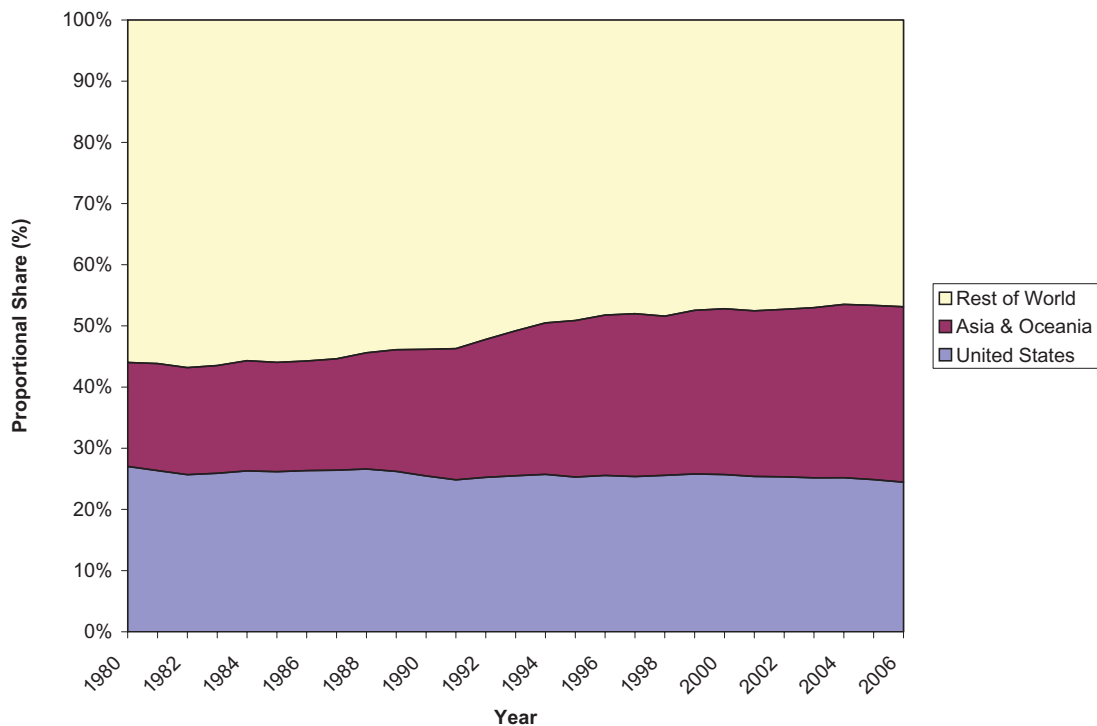
There are many reasons behind the slowdown of the economy. Prices of commodities, particularly oil products and food staples, have risen to all-time highs and some experts believe they will continue higher. The housing industry was especially hard-hit by credit market problems causing its bubble to burst and it could still be a couple of years away from stabilizing. Industries related to residential construction and home-mortgage loans have had declines in employment. Furthermore, the value of the dollar has been falling. Other industries have felt secondary impacts cutting into potential opportunities for recovery.

The biggest problem appears to be the increasing prices of commodities. Put simply, the world demand for commodities is growing faster than the world supply, putting upward pressure on prices. Developing markets such as China and India have established trends of high growth and the size of their populations has played a big role in the determination of prices for oil products and

other commodities. A high number of people in these countries are moving out of poverty to a point where they have disposable income. They are able to buy goods such as motor vehicles that require oil products and they have developed a more diverse diet that is putting pressure on prices of the world's food supplies.

Chart E-1 shows how the proportional share of total world oil consumption has changed from 1980 to 2006. The United States consumed 27.0% of oil supplies in 1980 and 24.4% in 2006. In fact, during this period the actual consumption of the United States increased by 21.3% barrels per day. Over the same period, the region defined as Asia and Oceania (includes countries such as China, Japan, India, South Korea, Indonesia, Taiwan, Thailand, and Australia) saw its share of world consumption increase from 17.0% to 28.7%. The actual consumption percentage increase rose 126.3% for Asia and Oceania from 1980 to 2006. The rest of the world (excluding United States, Asia and Oceania) had a drop in its proportional share of oil consumption from 56.0% to 46.9% with an actual increase of only 12.3%. The overall increase of oil consumption for the world was 34.1% from 1980 to 2006. The United Nations estimates that the world population has grown 45.5% during the 1980-2005 timeframe. The growth in population for Asia and Oceania for the same interval was 87.0%.

**Chart E-1: Proportional Share of World Oil Consumption (1980-2006)**



Source: Energy Information Administration

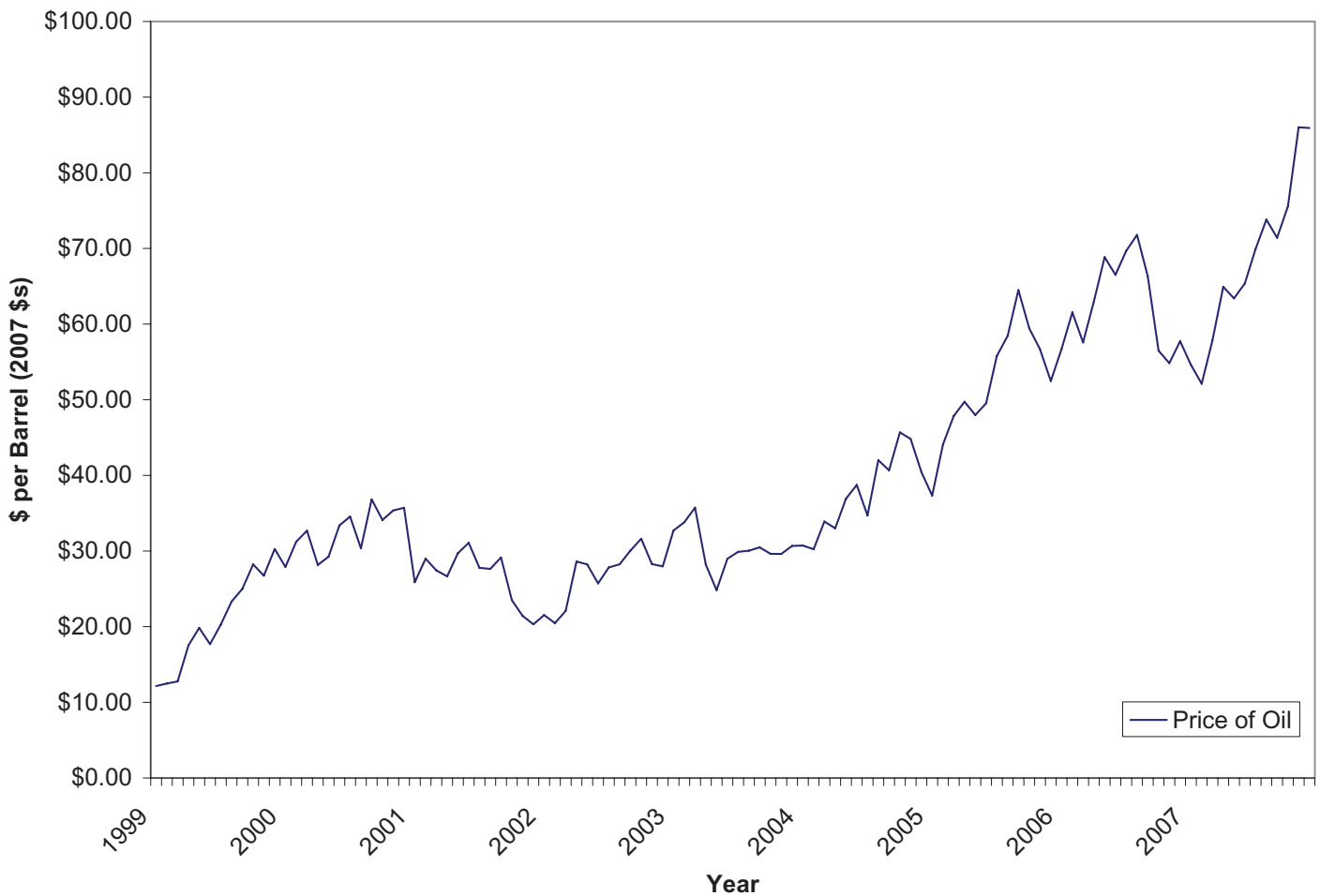


It seems likely that the increasing demand for oil will continue to be driven in large part by the Asia and Oceania region as the countries in that area continue to make stronger economic progress than the global average. Unfortunately, it does not appear that the supply of oil can keep up with the increasing demand which will cause the upward pressure on prices to continue.

Part of the problem with oil supply is that much of the easily obtainable petroleum reserves have been used up leaving reserves that are harder and more expensive to extract. Refining capacity also is limited and it will take

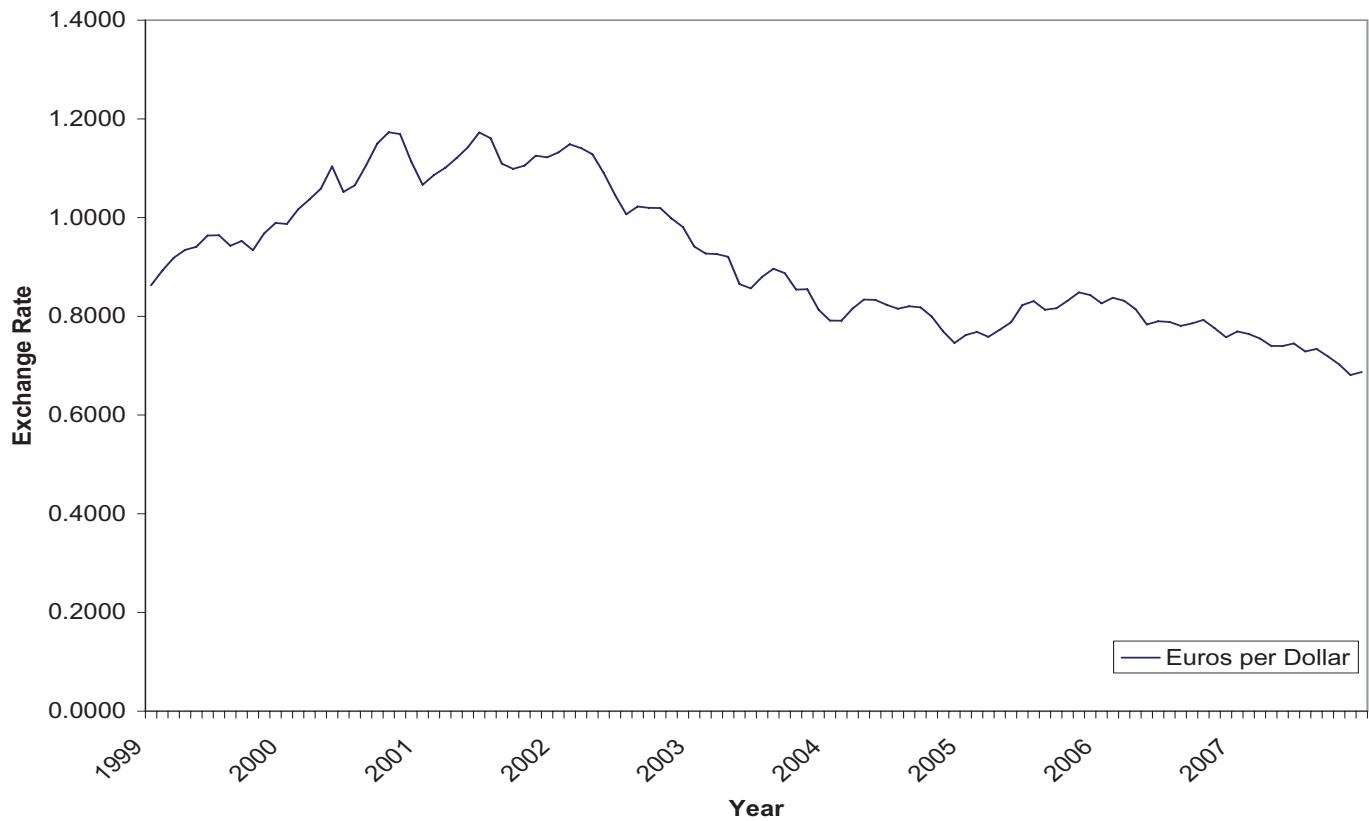
years to increase the cap through the building of new or expansion of current refineries. In addition, military and political conflicts around the world have impacted oil-producing regions, exacerbating the problem. Another concern is that oil products, and many other commodities, are priced in U.S. dollars. As the value of the dollar in the exchange rate with other currencies has fallen it takes more dollars to purchase these commodities on the global market. Some correlation can be seen by comparing Chart E-2 showing the rising price of oil from 1999 to 2007 to Chart E-3 that shows the exchange rate (Euros per U.S. Dollar) falling during the same time period.

**Chart E-2: Price of Oil (1999-2007)**



Source: Energy Information Administration, BLS CPI used to convert price data to 2007 \$s

**Chart E-3: Exchange Rate of Euros per Dollar (1999-2007)**



Source: x-rates.com

In recent years, the dollar has fallen in value relative to other currencies as investors have moved monetary investments away from the United States toward better opportunities in other countries. Short-term interest rates have been lower in the United States than in other parts of the world recently and the national economy has experienced sluggish growth. The combination of slower growth and a lower expected return on U.S. investments relative to investments around the world has caused investors to look elsewhere. The result has been a lower demand for the U.S. dollar and therefore the value of the dollar has declined.

This decline in the value of the dollar has made exports from the United States cheaper to other countries and has aided the trade deficit, but it is not an optimal economic position. The Federal Reserve Board (the Fed) has decreased the federal funds rate in an effort to stimulate the economy through borrowing and investment in capital. The Fed has made these decisions by balancing the competing interests of containing inflation and stimulating economic growth. The increasing price of food and gas keep the risk of inflation high, but the slow growth of the economy necessitates low interest rates to spur economic growth.

Commodities such as metals and food staples have seen price hikes like those for oil products for similar reasons. There are additional problems related to food costs. Some farmers have made changes to the types of crops they grow based on the expected higher returns of growing products for use in the production of bio-fuels (such as corn grown for ethanol production) rather than growing food products for human consumption. The resulting smaller supply of many grains has pushed prices higher. Fuel costs related to the production and transportation costs of food products have also elevated food prices. Extreme weather conditions around the world such as drought and hurricanes have also contributed to shortages. The capacity to grow more food is also limited. For example, some rainforest land in South America is being cleared to increase available acreage, which has a detrimental impact on the environment. There are efforts currently underway to make better utilization of land around the world for agricultural purposes.

A few years ago money available at low interest rates led the construction industry to provide an excess supply in the housing market. Mortgage companies used the easy money supply to provide financing to many who had

previously been unable to purchase a house. Some of the financing that was made available for high-risk loans had low initial interest rates for the customer, but then the interest rates floated higher. As many people had trouble making their payments on these "sub-prime" mortgages, the bubble of steadily rising home prices finally burst. The value of homes for most of the nation went into a steady decline. Financing for home purchases has become tight and many lending and financial institutions have been at risk of survival. Many people now have homes that are worth less than the principal that they owe on their loans (termed "underwater" in the industry). That fact, and the fact that many people can no longer afford their monthly

mortgage payments due to increases in the interest rate they are paying, has led to a rise in foreclosures. According to Bureau of Census data prepared by [www.HousingEconomics.com](http://www.HousingEconomics.com), building permits for single-family homes in Illinois were down 50% in January of 2008 relative to January of 2007.

These weaknesses in the national economy are reflected in the Illinois state economy. Industries that are suffering because of the issues described are likely to have declining or stagnant employment. Thereby, other industries suffer secondary impacts as people have less money to spend causing the slowdown to spread throughout the economy.

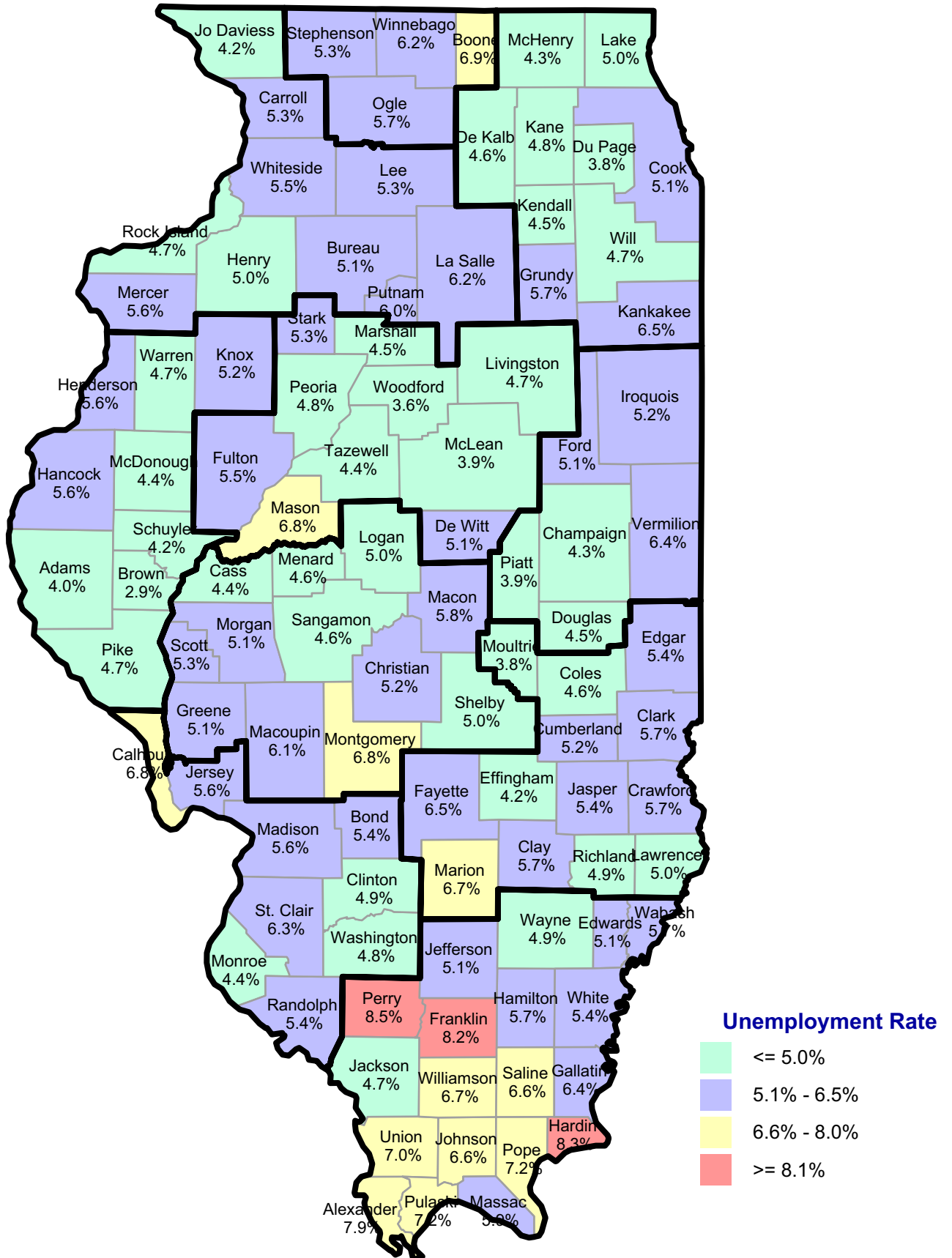
## **Introduction for Statewide**

The map on the following page is a color-coded unemployment rate map by county for the state of Illinois. The 10 Economic Development Region (EDR) borders are outlined on the map in black. The 2007 annual average unemployment rate for Illinois was 5.0%. The map shows that almost all counties in the state had higher unemployment rates in 2007 than they did in 2006. There are pockets of high unemployment (6.6% or higher) around the top 80% of the state. The unemployment rates are generally higher in the southern tip of Illinois with 3 counties having annual average unemployment rates of over 8.1%.

The Illinois Department of Employment Security (IDES), Economic Information and Analysis (EI&A) Division produces employment statistics (a.k.a. Labor Market Information or LMI) for the state of Illinois as well as sub-state areas. The section on the pages following the map details employment statistics programs operated by EI&A and some basic analysis of recent program data produced by the division. All data sources used in this section are the Illinois Department of Employment Security unless otherwise specified.

# Illinois Unemployment Rate by County

## Annual Average 2007



# State of Illinois



## Area Description

The state of Illinois is comprised of 102 counties and the counties are grouped into 10 Economic Development Regions (EDRs). There are 11 Metropolitan Statistical Areas (MSAs) within Illinois, including 3 that cross the border into other states (Chicago-Naperville-Joliet-IL-IN-WI MSA, St. Louis MO-IL MSA, and Davenport-Moline-Rock Island IA-IL MSA). The state's economic engine is clearly the city of Chicago and its surrounding area. The Northeast

EDR represents the 10 county-area in the northeast corner of the state that includes Chicago. The region accounts for approximately 70% of the state's employment and 76% of the total wages paid by employers (according to agency data). The rest of the 9 regions are anchored by at least one urban area of at least 100,000 in population, or around a number of smaller communities (Southern, Southeastern and West Central). The state of Illinois contains one of the nation's largest metropolitan areas, but it also includes some of the country's most fertile agriculture land.

Additional general information is available at the Department of Commerce and Economic Opportunity (DCEO) Facts and Figures Web page [http://www.commerce.state.il.us/dceo/Bureaus/Facts\\_Figures/Factsheets/](http://www.commerce.state.il.us/dceo/Bureaus/Facts_Figures/Factsheets/).

## Demographics

According to estimates from the United States Census Bureau, the population of the state of Illinois has grown by 3.5% from April of 2000 through July of 2007. This is an increase of over 400,000 people. The 2007 estimated population is over 12.8 million and ranked 5th out of the 50 states. The 2000 Census reported that the state of Illinois was 73.5% White, 15.1% Black, 0.2% Native American, 3.4% Asian, and 12.3% Hispanic. The population is 51.0% Female.

## Outlook

The Illinois economy continues to become more service oriented. This structural shift is reflected in most Midwestern states as well as the United States in general. Most of the high-paying jobs in these service industries

require skills developed from years of targeted education and training. Other jobs in these industries typically do not pay as well or deliver a broad benefits package.

The Illinois economy has experienced industry employment shifts before. The proportion of Illinois workers in agriculture is not close to what it used to be due to changes in the capital-labor ratio required for farming. This change started generations ago. In more recent years the industry shift has been away from manufacturing. This has happened for a number of reasons. Some manufacturing has moved to other parts of the country or other countries because of cheaper labor. Globalization has accelerated the process because of trade agreements. For the remaining manufacturing firms in Illinois, movement to more high-tech, capital-intensive production has also reduced the demand for the number of workers in this sector. At the same time, demand for skilled talent has increased in the manufacturing industry.

## Data Analysis

The Economic Information and Analysis (EI&A) Division of the Illinois Department of Employment Security (IDES) operates several data programs that generate employment statistics and related materials for dissemination to a wide variety of users. Among the uses for these data programs are the support of workforce development, career planning, research, government budgeting, and business planning.

The following section provides an introduction of the Labor Market Information (LMI) programs operated by IDES and an analysis of data comparing Illinois and the United States when appropriate.

## Quarterly Census of Employment and Wages (QCEW)

The Quarterly Census of Employment and Wages (QCEW) program produces the most comprehensive quarterly count of employment and wages for workers covered under the Illinois Unemployment Insurance Act and the Federal Unemployment Compensation programs. QCEW is also sometimes referred to as the ES-202 program because that was the name of the report deliverable required by the Social Security Act of 1935 to verify that a state's unemployment insurance program was in compliance with the provisions of the Act. The QCEW program is the program that many other programs base their survey sample on in order to produce accurate statistical estimates.

Statewide and sub-state QCEW data reports can be found on the LMI Source: <http://lmi.ides.state.il.us/covered.htm>. The Workforce Info Center supplies additional QCEW data at <http://wic.ilworkinfo.com/>. National QCEW data and QCEW program information can be found at <http://stats.bls.gov/cew/home.htm>.

Table S-1 shows QCEW data for Illinois for the 2002 Q1 and 2007 Q1 time periods as well as differences in employment and wages for those two time periods. Table S-2 contains similar QCEW data for the United States. The 2002 Q1 wage data in all QCEW data tables has been adjusted for inflation by using the Consumer Price Index (CPI) in 2007 Q1 to 2002 Q1 for a better comparison.

Both total employment and average quarterly wages increased in Illinois from 2002 Q1 to 2007 Q1. Total employment (QCEW) increased by more than 83,000 (1.5%) jobs during that period. Manufacturing declined by about 85,000 (-11.1%) jobs while Information lost about 31,500 (-21.4%) jobs. The industry sector with the largest increase was Professional and Business Services, which gained about 83,500 (10.9%) jobs. Average quarterly wages rose in real terms for all industry sectors except for Natural Resources and Mining, and Construction.

The decline in Manufacturing led to an 8.1% reduction in goods-producing industries' employment during the 2002 Q1–2007 Q1 period. This happened even though both Natural Resources and Mining, and Construction had small increases in employment. The service-providing industries had a 4.6% employment increase with a 7.7% increase in quarterly wages. However it should be noted that average quarterly wages in the service-providing industries vary much more by sector than they do within sectors of the goods-producing industries. Manufacturing did show an 8.5% increase in quarterly real wages, which

would imply that job losses in the sector are coming in the lower-skilled areas. The largest wage increases in services were in Financial Activities (26.8%) and Information (14.7%).

The United States has a smaller proportion of private sector employment than does Illinois. The private sector proportion at the national level increased from 83.5% to 83.8% over the 5 year period, while Illinois' proportion increased from 85.4% to 85.8%. The main difference is a larger employment share for State Government at the national level.

The United States had a similarly large decrease in manufacturing employment (-9.6% to Illinois' -11.1%), but Illinois still has a slightly larger proportion of manufacturing employment than does the United States (moved from 13.3% to 11.7% for Illinois, and 12.0% to 10.3% nationally). Overall the United States has a slightly larger proportion of employment in the goods-producing industries than Illinois. The main differences are that the United States has significantly higher employment proportions in Construction (5.5% in 2007 Q1 relative to Illinois' 4.3% share) and Natural Resources and Mining (1.3% in 2007 Q1 relative to Illinois' 0.4% share). The United States had a smaller decrease in the goods-producing category than did Illinois over the 5-year period (-1.6% to -8.1%) and a larger increase in the service-providing category (8.0% to 4.6%).

There are many similarities between the two economies, but the main areas of economic and population growth currently in the United States are the south, southwest, and west. These differences between the national average and Illinois stand out when comparing the growth numbers for the Construction, and Educational and Health Services industries.

**Table S-1: QCEW Industry Data for Illinois (2002 Q1 & 2007 Q1)**

|                                      | Illinois                         |                          |                                 |                                  |                          |                                  |                                   |                                       |
|--------------------------------------|----------------------------------|--------------------------|---------------------------------|----------------------------------|--------------------------|----------------------------------|-----------------------------------|---------------------------------------|
|                                      | 2007 Q1<br>Number of<br>Employed | 2007 Q1<br>%<br>Employed | 2007 Q1<br>Avg. Qtrly.<br>Wages | 2002 Q1<br>Number of<br>Employed | 2002 Q1<br>%<br>Employed | 2002 Q1<br>Avg. Qtrly.<br>Wages* | % Change<br>Employed<br>2002-2007 | % Change<br>Qtrly. Wages<br>2002-2007 |
| <b>Total</b>                         | <b>5,792,374</b>                 | <b>100.0%</b>            | <b>\$12,335</b>                 | <b>5,708,987</b>                 | <b>100.0%</b>            | <b>\$11,600</b>                  | <b>1.5%</b>                       | <b>6.3%</b>                           |
| <b>Private Sector (NAICS)</b>        | <b>4,968,745</b>                 | <b>85.8%</b>             | <b>\$12,528</b>                 | <b>4,875,729</b>                 | <b>85.4%</b>             | <b>\$11,710</b>                  | <b>1.9%</b>                       | <b>7.0%</b>                           |
| <b>GOODS-PRODUCING</b>               | <b>950,330</b>                   | <b>16.4%</b>             | <b>\$13,712</b>                 | <b>1,034,137</b>                 | <b>18.1%</b>             | <b>\$12,979</b>                  | <b>-8.1%</b>                      | <b>5.6%</b>                           |
| Natural Resources and Mining         | 23,739                           | 0.4%                     | \$9,836                         | 23,097                           | 0.4%                     | \$9,945                          | 2.8%                              | -1.1%                                 |
| Construction                         | 249,797                          | 4.3%                     | \$13,063                        | 249,537                          | 4.4%                     | \$13,256                         | 0.1%                              | -1.5%                                 |
| Manufacturing                        | 676,794                          | 11.7%                    | \$14,087                        | 761,503                          | 13.3%                    | \$12,980                         | -11.1%                            | 8.5%                                  |
| <b>SERVICE-PROVIDING</b>             | <b>4,018,415</b>                 | <b>69.4%</b>             | <b>\$12,248</b>                 | <b>3,841,592</b>                 | <b>67.3%</b>             | <b>\$11,369</b>                  | <b>4.6%</b>                       | <b>7.7%</b>                           |
| Trade, Transportation, and Utilities | 1,179,146                        | 20.4%                    | \$10,350                        | 1,162,226                        | 20.4%                    | \$10,306                         | 1.5%                              | 0.4%                                  |
| Information                          | 115,655                          | 2.0%                     | \$18,354                        | 147,097                          | 2.6%                     | \$15,997                         | -21.4%                            | 14.7%                                 |
| Financial Activities                 | 396,664                          | 6.8%                     | \$27,237                        | 393,332                          | 6.9%                     | \$21,484                         | 0.8%                              | 26.8%                                 |
| Professional and Business Services   | 847,277                          | 14.6%                    | \$15,187                        | 763,760                          | 13.4%                    | \$14,169                         | 10.9%                             | 7.2%                                  |
| Education and Health Services        | 766,820                          | 13.2%                    | \$9,613                         | 701,158                          | 12.3%                    | \$9,149                          | 9.4%                              | 5.1%                                  |
| Leisure and Hospitality              | 509,359                          | 8.8%                     | \$4,412                         | 469,423                          | 8.2%                     | \$4,414                          | 8.5%                              | 0.0%                                  |
| Other Services                       | 196,592                          | 3.4%                     | \$7,823                         | 198,925                          | 3.5%                     | \$7,710                          | -1.2%                             | 1.5%                                  |
| Unclassified                         | 6,902                            | 0.1%                     | \$9,198                         | 5,671                            | 0.1%                     | \$8,777                          | 21.7%                             | 4.8%                                  |
| <b>State &amp; Local Government</b>  | <b>737,025</b>                   | <b>12.7%</b>             | <b>\$10,680</b>                 | <b>741,224</b>                   | <b>13.0%</b>             | <b>\$10,505</b>                  | <b>-0.6%</b>                      | <b>1.7%</b>                           |
| <b>Federal Government</b>            | <b>86,604</b>                    | <b>1.5%</b>              | <b>\$15,347</b>                 | <b>92,034</b>                    | <b>1.6%</b>              | <b>\$14,572</b>                  | <b>-5.9%</b>                      | <b>5.3%</b>                           |

\* 2002 Q1 Wage data have been multiplied by the ratio of (March 2007 CPI / March 2002 CPI) for better comparison to 2007 Q1 Wage data

**Table S-2: QCEW Industry Data for United States (2002 Q1 & 2007 Q1)**

|                                      | United States                    |                          |                                 |                                  |                          |                                  |                                   |                                       |
|--------------------------------------|----------------------------------|--------------------------|---------------------------------|----------------------------------|--------------------------|----------------------------------|-----------------------------------|---------------------------------------|
|                                      | 2007 Q1<br>Number of<br>Employed | 2007 Q1<br>%<br>Employed | 2007 Q1<br>Avg. Qtrly.<br>Wages | 2002 Q1<br>Number of<br>Employed | 2002 Q1<br>%<br>Employed | 2002 Q1<br>Avg. Qtrly.<br>Wages* | % Change<br>Employed<br>2002-2007 | % Change<br>Qtrly. Wages<br>2002-2007 |
| <b>Total</b>                         | <b>134,293,902</b>               | <b>100.0%</b>            | <b>\$11,408</b>                 | <b>127,303,773</b>               | <b>100.0%</b>            | <b>\$10,661</b>                  | <b>5.5%</b>                       | <b>7.0%</b>                           |
| <b>Private Sector (NAICS)</b>        | <b>112,547,686</b>               | <b>83.8%</b>             | <b>\$11,506</b>                 | <b>106,249,664</b>               | <b>83.5%</b>             | <b>\$10,671</b>                  | <b>5.9%</b>                       | <b>7.8%</b>                           |
| <b>GOODS-PRODUCING</b>               | <b>22,860,702</b>                | <b>17.0%</b>             | <b>\$12,714</b>                 | <b>23,237,524</b>                | <b>18.3%</b>             | <b>\$12,020</b>                  | <b>-1.6%</b>                      | <b>5.8%</b>                           |
| Natural Resources and Mining         | 1,687,181                        | 1.3%                     | \$11,728                        | 1,535,740                        | 1.2%                     | \$9,846                          | 9.9%                              | 19.1%                                 |
| Construction                         | 7,322,117                        | 5.5%                     | \$10,969                        | 6,382,291                        | 5.0%                     | \$10,694                         | 14.7%                             | 2.6%                                  |
| Manufacturing                        | 13,851,404                       | 10.3%                    | \$13,756                        | 15,319,493                       | 12.0%                    | \$12,791                         | -9.6%                             | 7.5%                                  |
| <b>SERVICE-PROVIDING</b>             | <b>89,686,984</b>                | <b>66.8%</b>             | <b>\$11,199</b>                 | <b>83,012,140</b>                | <b>65.2%</b>             | <b>\$10,294</b>                  | <b>8.0%</b>                       | <b>8.8%</b>                           |
| Trade, Transportation, and Utilities | 25,983,889                       | 19.3%                    | \$9,491                         | 24,895,980                       | 19.6%                    | \$9,280                          | 4.4%                              | 2.3%                                  |
| Information                          | 3,015,089                        | 2.2%                     | \$18,600                        | 3,433,282                        | 2.7%                     | \$17,069                         | -12.2%                            | 9.0%                                  |
| Financial Activities                 | 8,145,068                        | 6.1%                     | \$24,512                        | 7,647,144                        | 6.0%                     | \$18,964                         | 6.5%                              | 29.3%                                 |
| Professional and Business Services   | 17,617,249                       | 13.1%                    | \$13,973                        | 15,769,397                       | 12.4%                    | \$12,660                         | 11.7%                             | 10.4%                                 |
| Education and Health Services        | 17,327,022                       | 12.9%                    | \$9,553                         | 15,241,340                       | 12.0%                    | \$9,158                          | 13.7%                             | 4.3%                                  |
| Leisure and Hospitality              | 12,951,900                       | 9.6%                     | \$4,481                         | 11,578,093                       | 9.1%                     | \$4,353                          | 11.9%                             | 2.9%                                  |
| Other Services                       | 4,401,421                        | 3.3%                     | \$6,778                         | 4,219,444                        | 3.3%                     | \$6,629                          | 4.3%                              | 2.3%                                  |
| Unclassified                         | 245,346                          | 0.2%                     | \$10,116                        | 227,460                          | 0.2%                     | \$9,986                          | 7.9%                              | 1.3%                                  |
| <b>State &amp; Local Government</b>  | <b>19,033,668</b>                | <b>14.2%</b>             | <b>\$10,248</b>                 | <b>18,317,783</b>                | <b>14.4%</b>             | <b>\$10,000</b>                  | <b>3.9%</b>                       | <b>2.5%</b>                           |
| <b>Federal Government</b>            | <b>2,712,548</b>                 | <b>2.0%</b>              | <b>\$15,457</b>                 | <b>2,736,326</b>                 | <b>2.1%</b>              | <b>\$14,699</b>                  | <b>-0.9%</b>                      | <b>5.2%</b>                           |

\* 2002 Q1 Wage data have been multiplied by the ratio of (March 2007 CPI / March 2002 CPI) for better comparison to 2007 Q1 Wage data



## Current Employment Statistics (CES)

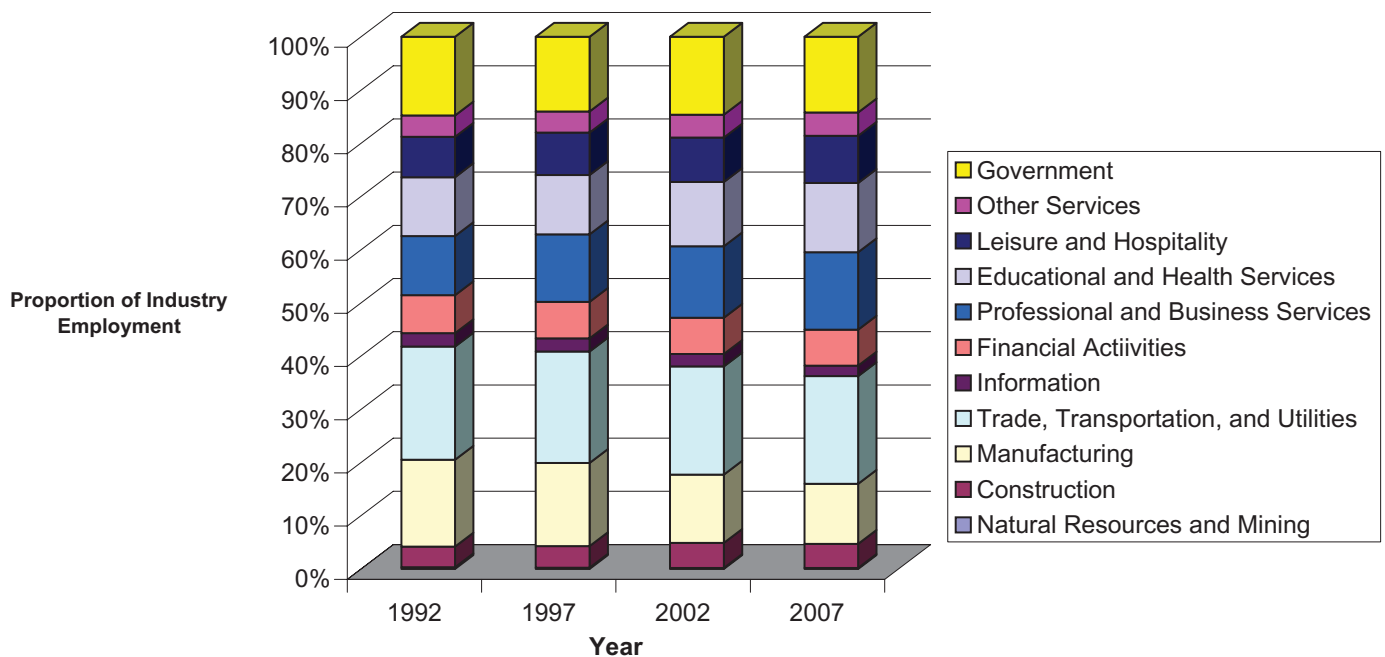
The Current Employment Statistics (CES) program produces monthly and annual payroll job estimates of Illinois' non-farm industries for the State and metropolitan areas. Data are also available for smaller sub-state areas including counties, labor market areas, local workforce areas, and the EDRs through the Small Domain Estimation (SDE) program. Estimated data for average weekly earnings, average weekly hours worked, and average hourly earnings are also available. Statewide and sub-state CES data can be found on the LMI Source:

<http://lmi.ides.state.il.us/cesfiles/cesmenu.htm>. National

CES data and CES program information can be found at <http://stats.bls.gov/sae/home.htm>.

Chart S-1 shows the subtle changes in industry employment composition for Illinois from 1992 through 1997 and 2002 to 2007. The proportion of employment in the Illinois Manufacturing sector declines steadily by viewing the five-year intervals in the period. Resulting increases in proportional share occur in Professional and Business Services, Educational and Health Services, and Leisure and Hospitality.

**Chart S-1: Illinois Industry Employment Composition (CES data for 1992, 1997, 2002, and 2007)**



## Local Area Unemployment Statistics (LAUS)

The Local Area Unemployment Statistics (LAUS) program provides monthly and annual estimates of the labor force, employed, unemployed and the unemployment rate for the State, metropolitan areas, counties and municipalities that have a population of at least 25,000. Statewide and sub-state LAUS data can be found on the LMI Source: <http://lmi.ides.state.il.us/laus/lausmenu.htm>. Monthly press releases and the press release schedule can also be found on the LMI Source site.

National unemployment rate data and Current Population Survey (CPS) program information can be found at <http://stats.bls.gov/cps/home.htm>. The CPS is the base program for LAUS estimates.

Table S-3 compares Illinois and United States annual average unemployment rates, the average number of weeks unemployed, the percentage of long-term unemployed (defined as those out of work for more than

26 weeks) during the period of 1995-2007. The table also shows the labor force participation rate and the employment-population ratio for just Illinois during the same time period. The unemployment rate for Illinois was higher or about the same as the U.S. throughout the time frame as seen in Chart S-2. The Illinois labor force participation rates and employment-population ratios have risen steadily over the past few years as the economy

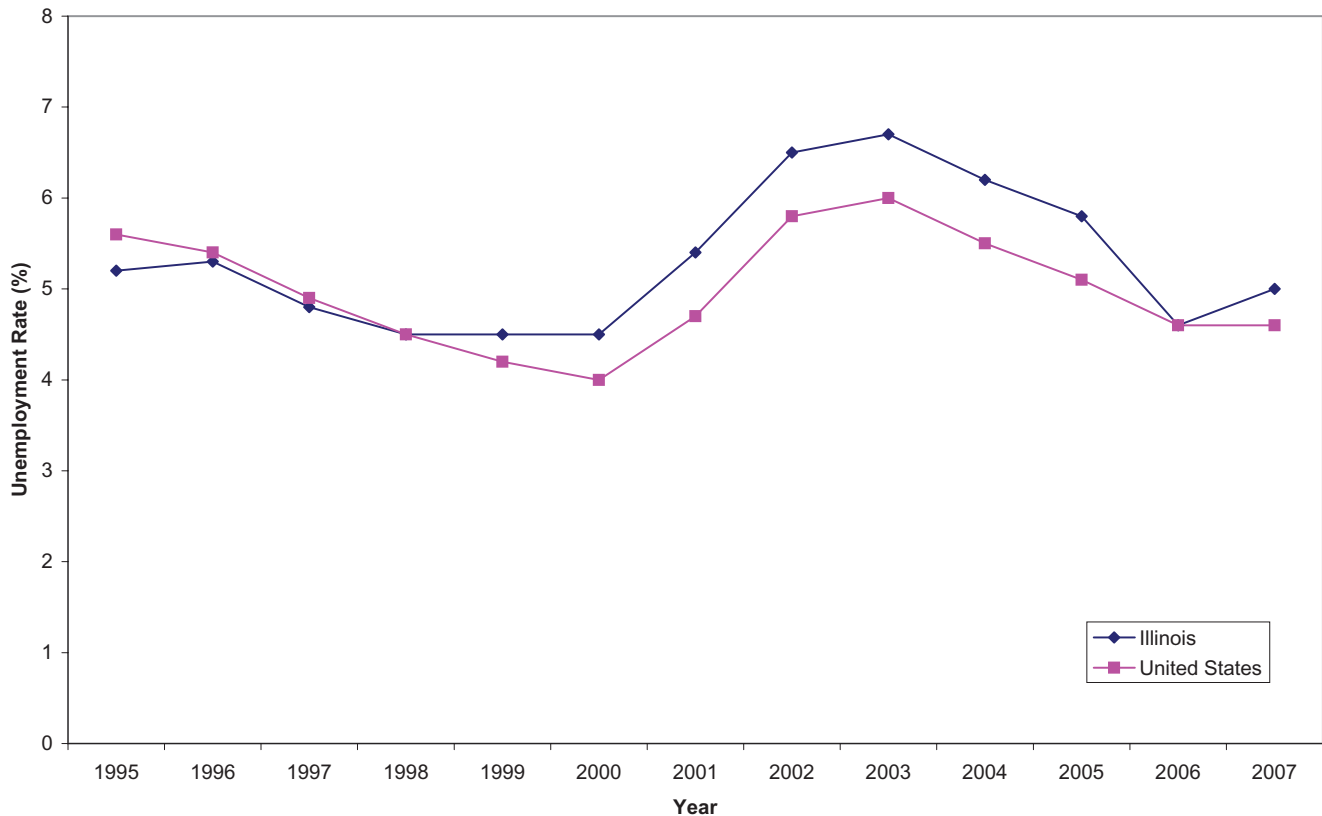
has improved, but have yet to return to their highest percentages reported in 1999 and 2000. The average number of weeks of unemployment was higher in Illinois as compared to the U.S. during the entire 12-year period. The percent of long-term unemployed has also been higher in Illinois as compared to the U.S. and the gap has been widening in recent years.

**Table S-3: Illinois Labor Force, Employment, and Unemployment Statistics (Annual Averages)**

| Year | Unemployment Rate (%) |     | IL Labor Force Participaton Rate (%) | IL Employment-Population Ratio (%) | Average Number of Weeks Unemployed |      | Percent Unemployed for More than 26 weeks |      |
|------|-----------------------|-----|--------------------------------------|------------------------------------|------------------------------------|------|---|------|
|      | IL                    | US  |                                      |                                    | IL                                 | US   | IL  | US   |
| 1995 | 5.2                   | 5.6 | 68.3                                 | 64.8                               | 18.0                               | 16.6 | 19.2                                      | 17.3 |
| 1996 | 5.3                   | 5.4 | 68.6                                 | 64.9                               | 16.5                               | 16.7 | 16.9                                      | 17.4 |
| 1997 | 4.8                   | 4.9 | 68.7                                 | 65.4                               | 16.7                               | 15.8 | 16.5                                      | 15.8 |
| 1998 | 4.5                   | 4.5 | 68.6                                 | 65.5                               | 15.9                               | 14.5 | 15.5                                      | 14.1 |
| 1999 | 4.5                   | 4.2 | 69.1                                 | 66.1                               | 14.8                               | 13.4 | 12.8                                      | 12.3 |
| 2000 | 4.5                   | 4.0 | 69.2                                 | 66.1                               | 13.6                               | 12.6 | 12.9                                      | 11.4 |
| 2001 | 5.4                   | 4.7 | 68.6                                 | 64.9                               | 14.9                               | 13.1 | 14.2                                      | 11.8 |
| 2002 | 6.5                   | 5.8 | 67.3                                 | 62.9                               | 18.5                               | 16.6 | 19.8                                      | 18.3 |
| 2003 | 6.7                   | 6.0 | 66.5                                 | 62.0                               | 20.9                               | 19.2 | 25.8                                      | 22.1 |
| 2004 | 6.2                   | 5.5 | 66.4                                 | 62.3                               | 23.1                               | 19.6 | 26.0                                      | 21.8 |
| 2005 | 5.8                   | 5.1 | 66.7                                 | 62.9                               | 24.1                               | 18.4 | 27.0                                      | 19.6 |
| 2006 | 4.6                   | 4.6 | 67.5                                 | 64.4                               | 21.7                               | 16.8 | 24.3                                      | 17.6 |
| 2007 | 5.0                   | 4.6 | 68.2                                 | 64.8                               | 19.3                               | 16.8 | 22.6                                      | 17.6 |

Source: U.S. Bureau of Labor Statistics

**Chart S-2: Annual Average Unemployment Rates for Illinois and the United States (1995-2007)**



## Local Employment Dynamics (LED)

The Local Employment Dynamics (LED) program is a partnership between state labor market information agencies and the Census Bureau. It supplies statistical measures, called Quarterly Workforce Indicators (QWI), on labor markets at the state, county and sub-county level. They supply statistics on employment, job creation, turnover, and earnings by industry, age and gender providing dynamic information on the rapidly changing economy. Statewide and sub-state LED data can be found on the LMI Source: <http://lmi.ides.state.il.us/LED/default.htm>. For more information about the LED program, please refer to the U.S. Bureau of the Census at <http://lehd.dsd.census.gov/led/led/led.html>.

The QWI measures used for this report are: 1) Total Employment (Beginning of quarter employment: total number of workers who were employed by the same employer in both the current and previous quarter); and

2) New Hires (Number of accessions that were also not employed by that employer during the previous four quarters).

The Total Employment (private sector only) data was separated into six sub-categories by age group. The four super-sectors with the highest employment are: 1) Trade, Transportation, and Utilities; 2) Professional and Business Services; 3) Educational and Health Services; and 4) Manufacturing. The data for these four super-sectors are shown in Table S-4 along with the Total Employment for all industries. The top portion of the table provides the number employed by age group within an industry sector. The middle portion of the table shows the percentage of total employment accounted for by the industry sector / age group cell. The bottom portion of the table shows the percentage of employment within an age group that is accounted for by the industry sector shown in the cell.

**Table S-4: Illinois Private Sector LED Employment Data, by Age Group**

| State of Illinois                    |           | Private Sector Employment by Age Groups |           |           |           |         |         |        |
|--------------------------------------|-----------|---|-----------|-----------|-----------|---------|---------|--------|
| Year & Qtr                           | 2007:2    | 2007:2                                  | 2007:2    | 2007:2    | 2007:2    | 2007:2  | 2007:2  | 2007:2 |
| Age Group                            | 14-99     | 14-24                                   | 25-34     | 35-44     | 45-54     | 55-64   | 65-99   |        |
| Total, Private Sector                | 5,027,024 | 777,482                                 | 1,129,806 | 1,155,300 | 1,137,695 | 633,847 | 192,894 |        |
| Trade, Transportation, and Utilities | 1,198,234 | 234,240                                 | 242,539   | 256,845   | 265,132   | 149,881 | 49,599  |        |
| Professional-Business Services       | 864,719   | 112,651                                 | 229,390   | 210,765   | 179,961   | 98,319  | 33,634  |        |
| Educational-Health Services          | 772,619   | 81,696                                  | 170,762   | 176,237   | 192,541   | 118,418 | 32,964  |        |
| Manufacturing                        | 682,959   | 50,638                                  | 125,712   | 173,751   | 197,822   | 111,282 | 23,754  |        |

| State of Illinois                    |        | Private Sector Employment by Age Groups |        |        |        |        |        |        |
|--------------------------------------|--------|---|--------|--------|--------|--------|--------|--------|
|                                      |        | Percent of Total Employment             |        |        |        |        |        |        |
| Year & Qtr                           | 2007:2 | 2007:2                                  | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 |
| Age Group                            | 14-99  | 14-24                                   | 25-34  | 35-44  | 45-54  | 55-64  | 65-99  |        |
| Total, Private Sector                | 100%   | 15%                                     | 22%    | 23%    | 23%    | 13%    | 4%     |        |
| Trade, Transportation, and Utilities | 24%    | 5%                                      | 5%     | 5%     | 5%     | 3%     | 1%     |        |
| Professional-Business Services       | 17%    | 2%                                      | 5%     | 4%     | 4%     | 2%     | 1%     |        |
| Educational-Health Services          | 15%    | 2%                                      | 3%     | 4%     | 4%     | 2%     | 1%     |        |
| Manufacturing                        | 14%    | 1%                                      | 3%     | 3%     | 4%     | 2%     | 0%     |        |

| State of Illinois                    |        | Private Sector Employment by Age Groups |        |        |        |        |        |        |
|--------------------------------------|--------|---|--------|--------|--------|--------|--------|--------|
|                                      |        | Percent Employment by Age Group         |        |        |        |        |        |        |
| Year & Qtr                           | 2007:2 | 2007:2                                  | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 |
| Age Group                            | 14-99  | 14-24                                   | 25-34  | 35-44  | 45-54  | 55-64  | 65-99  |        |
| Trade, Transportation, and Utilities | 24%    | 30%                                     | 21%    | 22%    | 23%    | 24%    | 26%    |        |
| Professional-Business Services       | 17%    | 14%                                     | 20%    | 18%    | 16%    | 16%    | 17%    |        |
| Educational-Health Services          | 15%    | 11%                                     | 15%    | 15%    | 17%    | 19%    | 17%    |        |
| Manufacturing                        | 14%    | 7%                                      | 11%    | 15%    | 17%    | 18%    | 12%    |        |

Source: Illinois Department of Employment Security and U.S. Bureau of Census

The top portion of Table S-5 shows the five industry super-sectors with the highest number of New Hires. The bottom portion of the table shows the five industries with the highest percentage of New Hires relative to Total Employment for the industry sector in 2007 Q2. The data

includes private sector employers only. There are columns of data for each of the four quarters 2006 Q3 through 2007 Q2. The industries with the highest proportions are likely to be those with the highest turnover among the entire group of industries.

**Table S-5: Illinois Private Sector LED New Hires Data**

| <b>Private Sector Employment</b>          |                          |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>Industries with the Most New Hires</b> |                          |                          |                          |                          |
| <b>State of Illinois</b>                  |                          |                          |                          |                          |
| <b>Yr:Qtr</b>                             | <b>2006:<br/>3rd Qtr</b> | <b>2006:<br/>4th Qtr</b> | <b>2007:<br/>1st Qtr</b> | <b>2007:<br/>2nd Qtr</b> |
| Total New Hires, Private Sector           | 860,288                  | 766,389                  | 677,255                  | <b>939,381</b>           |
| Professional-Business Services            | 219,689                  | 189,390                  | 186,097                  | <b>244,814</b>           |
| Trade, Transportation, and Utilities      | 181,806                  | 201,698                  | 137,899                  | <b>202,699</b>           |
| Leisure-Hospitality                       | 153,153                  | 126,184                  | 112,008                  | <b>171,124</b>           |
| Education-Health Services                 | 94,809                   | 78,535                   | 75,270                   | <b>88,096</b>            |
| Construction                              | 64,877                   | 51,523                   | 40,796                   | <b>75,017</b>            |

| <b>Private Sector Employment</b>          |                          |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>Industries with the Most New Hires</b> |                          |                          |                          |                          |
| <b>State of Illinois</b>                  |                          |                          |                          |                          |
| <b>Yr:Qtr</b>                             | <b>2006:<br/>3rd Qtr</b> | <b>2006:<br/>4th Qtr</b> | <b>2007:<br/>1st Qtr</b> | <b>2007:<br/>2nd Qtr</b> |
| Total New Hires, Private Sector           | 17%                      | 15%                      | 14%                      | <b>19%</b>               |
| Leisure-Hospitality                       | 29%                      | 24%                      | 23%                      | <b>33%</b>               |
| Construction                              | 23%                      | 19%                      | 17%                      | <b>30%</b>               |
| Professional-Business Services            | 25%                      | 21%                      | 22%                      | <b>28%</b>               |
| Mining-Natural Resources                  | 34%                      | 12%                      | 14%                      | <b>22%</b>               |
| Trade, Transportation, and Utilities      | 15%                      | 17%                      | 12%                      | <b>17%</b>               |

Source: Illinois Department of Employment Security and U.S. Bureau of Census

## Employment Projections (Industry & Occupational)

Employment projections are available for both industries and occupations. Short-term projections cover a two year period and long-term projections cover a 10 year period. Both short-term and long-term data are available through the EI&A Web sites for the state, Metropolitan Statistical Areas (MSAs), Economic Development Regions (EDRs) and the Local Workforce Areas (LWA). Long-term data only is available for Illinois Counties, Community College Districts, and Education for Employment areas. Statewide and sub-state Employment Projections data can be found on the LMI Source: <http://lmi.ides.state.il.us/projections/employproj.htm>. National employment projections data can be found at <http://stats.bls.gov/emp/home.htm>.

## Occupational Wages (OES)

Occupational Wages are collected in the Occupational Employment Statistics (OES) program. Information on entry level, median, and experienced hourly (and annual) wages is available for Illinois, the Metropolitan Statistical Areas (MSAs), Economic Development Regions (EDRs), Counties and the Local Workforce Areas (LWAs). Statewide and sub-state Occupational Wage data can be found on the LMI Source: <http://lmi.ides.state.il.us/wagedata/wage.htm>. National occupational wage data and Occupational Employment Statistics (OES) program information can be found at <http://stats.bls.gov/oes/home.htm>.

Surveys are sent out to employers requesting information on the wages paid to their employees by occupation. A distribution of wages is then compiled per occupation. The entry wage is defined as the average of the bottom 1/3 of the distribution for each occupation. The experienced wage is defined as the average of the top 2/3 of the distribution for each occupation. The median wage is the mid-point of the distribution, where half of the wages are lower and half of the wages are higher.

Table S-6 provides statistical estimates of wages and estimates of 2007 employment by occupational category for the state of Illinois. The four categories with the highest annual experienced wage are: 1) legal occupations (\$136,321); 2) management occupations (\$113,849); 3) computer and mathematical occupations (\$85,631); and 4) business and financial operations occupations (\$78,571). The highest experienced wage in a blue-collar occupational category is for construction and extraction occupations (\$65,461). The occupational categories with the highest shares of 2007 estimated employment (based on 2004-2014 occupational projections) are 1) office and administrative support occupations (16.1%); 2) sales and related occupations (10.5%); 3) production occupations (8.1%); and 4) transportation and material moving occupations (8.0%).

**Table S-6: Estimated Employment and Wages for Illinois, by Occupational Category**

| SOC Occupational Category                                  | 2007 Est.  | % of 2007  | Annual Wages |          |             |
|--|------------|------------|--------------|----------|-------------|
|  | Employment | Employment | Entry        | Median   | Experienced |
| Management Occupations                                     | 477,354    | 6.9%       | \$44,107     | \$79,882 | \$113,849   |
| Business and Financial Operations Occupations              | 331,024    | 4.8%       | \$33,399     | \$55,376 | \$78,571    |
| Computer and Mathematical Occupations                      | 154,815    | 2.2%       | \$41,363     | \$68,119 | \$85,631    |
| Architecture and Engineering Occupations                   | 96,262     | 1.4%       | \$39,718     | \$61,719 | \$77,709    |
| Life, Physical, and Social Science Occupations             | 50,954     | 0.7%       | \$30,789     | \$54,500 | \$74,861    |
| Community and Social Services Occupations                  | 99,000     | 1.4%       | \$23,724     | \$37,295 | \$51,708    |
| Legal Occupations  | 51,434     | 0.7%       | \$40,819     | \$83,643 | \$136,321   |
| Education, Training, and Library Occupations               | 436,080    | 6.3%       | \$23,844     | \$46,176 | \$63,617    |
| Arts, Design, Entertainment, Sports, and Media Occupations | 103,219    | 1.5%       | \$20,288     | \$38,460 | \$56,728    |
| Healthcare Practitioners and Technical Occupations         | 327,916    | 4.8%       | \$29,404     | \$49,962 | \$74,184    |
| Healthcare Support Occupations                             | 149,542    | 2.2%       | \$17,578     | \$22,824 | \$28,788    |
| Protective Service Occupations                             | 162,887    | 2.4%       | \$18,471     | \$33,849 | \$49,975    |
| Food Preparation and Serving-Related Occupations           | 499,626    | 7.2%       | \$14,237     | \$16,060 | \$21,019    |
| Building and Grounds Cleaning and Maintenance Occupations  | 260,960    | 3.8%       | \$15,850     | \$21,446 | \$28,688    |
| Personal Care and Service Occupations                      | 189,118    | 2.7%       | \$15,352     | \$20,200 | \$31,386    |
| Sales and Related Occupations                              | 724,698    | 10.5%      | \$15,955     | \$24,706 | \$48,064    |
| Office and Administrative Support Occupations              | 1,106,562  | 16.1%      | \$19,060     | \$28,880 | \$37,908    |
| Farming, Fishing, and Forestry Occupations                 | 19,582     | 0.3%       | \$16,529     | \$22,656 | \$33,035    |
| Construction and Extraction Occupations                    | 301,012    | 4.4%       | \$29,648     | \$53,977 | \$65,461    |
| Installation, Maintenance, and Repair Occupations          | 238,746    | 3.5%       | \$24,969     | \$40,944 | \$52,192    |
| Production Occupations                                     | 559,073    | 8.1%       | \$17,681     | \$27,456 | \$37,192    |
| Transportation and Material Moving Occupations             | 553,253    | 8.0%       | \$17,024     | \$26,734 | \$39,778    |

Note: Occupational Wage Data is representative of 2007 Q2

## Unemployment Insurance (UI)

Unemployment Insurance (UI) data are derived from administrative data collected on individuals currently applying for, and those receiving, UI benefits. Statewide and some sub-state UI data can be found on the LMI Source: <http://lmi.ides.state.il.us/insurance/insure.htm>. National UI programs information can be found at <http://www.dol.gov/dol/topic/unemployment-insurance/index.htm>.

Table S-7 shows data on the characteristics of UI claimants for calendar year 2007. The proportion of men who had claims in that year was 59.9% (40.1% women). According to 2007 data from the Current Population Survey, 53.7% of the Illinois civilian labor force was comprised of men and 46.3% were women. The proportion of claimants

in 2007 that were classified as Hispanic was 15.5% as compared to 12.4% of the labor force. The proportion of claimants who were classified as African-American in 2007 was 24.6% as compared to 12.5% of the labor force. Individuals in the age range of 25-54 accounted for 76.3% of Illinois claimants and 68.7% of the labor force. Those age 24 and younger represented just 7.4% of UI claimants but 15.4% of the labor force. The three top industries that claimants most recently worked in were: 1) Construction, 2) Manufacturing, and 3) Administration and Support Services. The last occupation worked by claimants is coded for less than half of the records, but the three most coded were: 1) production, 2) office and administrative support, and 3) sales and related.

**Table S-7: Illinois UI Claims Characteristics (2007)**

| AVERAGE WEEKLY, TOTAL WEEKS CLAIMED |       | 129,800 |   |       |
|-------------------------------------|-------|---------|---|-------|
| <b>BY SEX</b>                       |       | %       | <b>BY INDUSTRY</b>                            | %     |
| Female                              | 40.1% |         | Agriculture, Forestry, Fishing, Hunting       | 0.5%  |
| Male                                | 59.9% |         | Mining  | 0.5%  |
|                                     |       |         | Utilities                                     | 0.1%  |
| <b>ETHNICITY</b>                    |       | %       | Construction                                  | 18.5% |
| Hispanic or Latino                  | 15.5% |         | Manufacturing                                 | 14.7% |
| Non Hispanic or Latino              | 84.5% |         | Wholesale Trade                               | 4.5%  |
|                                     |       |         | Retail Trade                                  | 9.0%  |
| <b>RACE</b>                         |       | %       | Transportation & Warehousing                  | 4.7%  |
| American Indian or Alaska Native    | 0.4%  |         | Information                                   | 1.8%  |
| Asian                               | 2.1%  |         | Finance & Insurance                           | 5.0%  |
| Black or African-American           | 24.6% |         | Real Estate, Rental, & Leasing                | 1.5%  |
| Hawaiian or Pacific Islander        | 0.0%  |         | Professional Scientific & Technical Services  | 5.0%  |
| White                               | 72.2% |         | Management of Companies & Enterprises         | 0.3%  |
| NA                                  | 0.7%  |         | Administration & Support Services             | 12.8% |
|                                     |       |         | Educational Services                          | 2.3%  |
| <b>BY AGE</b>                       |       | %       | Health Care & Social Assistance               | 6.2%  |
| Under 22                            | 2.3%  |         | Arts, Entertainment & Recreation              | 1.5%  |
| 22-24                               | 5.1%  |         | Accommodations & Food Services                | 4.9%  |
| 25-34                               | 24.1% |         | Other Services (except Public Administration) | 2.4%  |
| 35-44                               | 26.2% |         | Public Administration                         | 2.0%  |
| 45-54                               | 26.0% |         | NA  | 1.8%  |
| 55-59                               | 8.5%  |         |   |       |
| 60-64                               | 5.1%  |         | <b>BY OCCUPATION</b>                          | %     |
| 65 + Over                           | 2.6%  |         | Management                                    | 4.9%  |
|                                     |       |         | Business & Financial                          | 3.0%  |
|                                     |       |         | Computer & Mathematics                        | 1.3%  |
|                                     |       |         | Architecture & Engineering                    | 0.5%  |
|                                     |       |         | Life, Physical & Social Sciences              | 0.2%  |
|                                     |       |         | Community & Social Services                   | 0.3%  |
|                                     |       |         | Legal   | 0.3%  |
|                                     |       |         | Education, Training & Library                 | 0.9%  |
|                                     |       |         | Arts, Design, Entertainment, Sports, Media    | 0.6%  |
|                                     |       |         | Healthcare Practitioner & Technical           | 0.8%  |
|                                     |       |         | Healthcare Support                            | 1.6%  |
|                                     |       |         | Protective Services                           | 0.4%  |
|                                     |       |         | Food Preparation and Serving Related          | 2.6%  |
|                                     |       |         | Building & Grounds Cleaning & Maintenance     | 2.7%  |
|                                     |       |         | Personal Care & Services                      | 0.9%  |
|                                     |       |         | Sales & Related                               | 5.9%  |
|                                     |       |         | Office & Administrative Support               | 6.5%  |
|                                     |       |         | Farming, Fishing & Forestry                   | 0.4%  |
|                                     |       |         | Construction & Extraction                     | 3.8%  |
|                                     |       |         | Installation Maintenance & Repair             | 2.0%  |
|                                     |       |         | Production                                    | 11.0% |
|                                     |       |         | Transportation & Material Moving              | 4.2%  |
|                                     |       |         | Military Specific                             | 0.1%  |
|                                     |       |         | NA  | 45.3% |

Source: USDOL ETA 503

Table S-8 provides the last six years of annual data for some key UI program indicators. The number of claims, number of first payments, total number of weeks claimed, number of benefit exhaustees, and the average duration

of weekly benefits all peaked in 2002 and 2003. Not coincidentally, the Illinois economy was losing jobs in that time period.

**Table S-8: Illinois UI Program Data (2002-2007)**

| Year | # Claims | # First Payments | # of Weeks Claimed | Avg. Weekly Benefit | # of Exhaustees | Avg. Duration in Weeks |
|------|----------|------------------|--------------------|---------------------|-----------------|------------------------|
| 2002 | 875,767  | 466,345          | 9,728,106          | \$278.84            | 208,620         | 19.90                  |
| 2003 | 855,658  | 455,182          | 9,507,972          | \$279.56            | 205,124         | 19.00                  |
| 2004 | 766,032  | 392,265          | 8,102,453          | \$276.96            | 174,155         | 18.92                  |
| 2005 | 702,725  | 351,963          | 7,088,843          | \$282.62            | 141,819         | 18.20                  |
| 2006 | 670,402  | 334,744          | 6,449,572          | \$289.22            | 121,579         | 17.34                  |
| 2007 | 696,109  | 352,686          | 6,938,530          | \$302.40            | 124,091         | 17.31                  |

Source: Illinois Department of Employment Security

### Business Employment Dynamics (BED)

The Business Employment Dynamics (BED) program creates a set of statistics generated from the Quarterly Census of Employment and Wages (QCEW) program. These quarterly data series consist of gross job gain and job loss statistics. The data help to provide a picture of the dynamics of the labor market. Statewide data can be found at

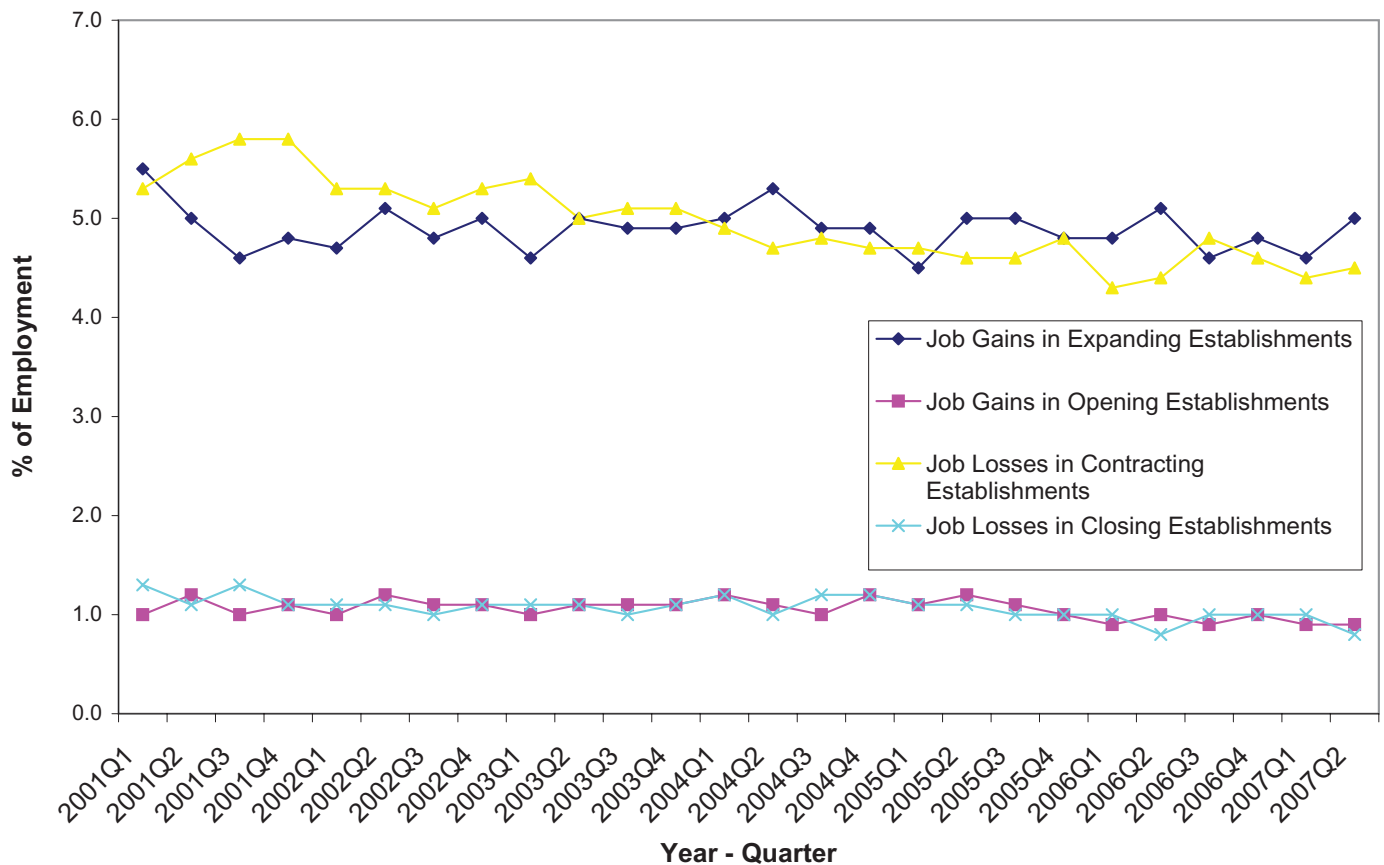
<http://www.ilworkinfo.com/bed/bed.html>. For more information about the BED program, please refer to the U.S. Bureau of Labor Statistics at: <http://stats.bls.gov/bdm/home.htm>.

BED statistics measure the net change in employment at the establishment level. These changes come about in one of four ways. A net increase in employment can come from either opening establishments or expanding establishments. A net decrease in employment can come from either closing establishments or contracting establishments. Gross job gains include the sum of all jobs added at either opening or expanding establishments. Gross job losses include the sum of all jobs lost in either closing or contracting establishments. The net change in employment is the difference between gross job gains and gross job losses.

Illinois BED data is shown in Chart S-3. There are 4 data series shown in the chart. The job losses in contracting establishments series starts off at a higher percentage than does the series for job gains in expanding establishments. This covers the period from the first quarter of 2001 through the middle of 2003. By the first quarter of 2004 the job losses series falls below the job gains series and stays there most of the quarters through 2007 Q2. On the bottom portion of the chart the job losses in closing establishments overlaps the job gains in opening establishments. There is little distinction between the two series yet it does appear the losses tend to be a little higher than the gains in the first few quarters that are plotted.

The gross job gains are a combination of the job gains in expanding establishments and the job gains in opening establishments. Gross job losses are a combination of the job losses in contracting establishments and the job losses in closing establishments. Using the four data series shown in the chart to compare gross job gains and gross job losses will allow for the analysis of private sector employment in Illinois for the time period shown.

**Chart S-3: Private Sector Job Gains and Job Losses for Illinois (2001 – 2007) (BED – Seasonally Adjusted)**



**Mass Layoff Statistics (MLS)**

The Mass Layoff Statistics (MLS) program is a Federal-State initiative that identifies, describes and tracks large job cutbacks in private, non-farm industries. Establishments that have 50 or more initial Unemployment Insurance (UI) claims filed against them within a five consecutive week period are identified as having potential mass layoffs. Once identified, employers are interviewed by telephone to collect information not available in UI administrative records, such as the size and duration of the layoff, the reason for the layoff, the open/closed status of the worksite and recall plans for the affected workers. An extended mass layoff is defined as a layoff event involving at least 50 workers separated for more than 30 days. Layoff events that last fewer than 31 days are classified as temporary. The names, locations and other information

on individual employers collected in the MLS program are confidential and may not be released to the public, as per federal law.

You can find MLS data for Illinois at statewide and sub-state levels at <http://lmi.ides.state.il.us/mls/mls.htm>. Both national and state MLS data are available at the following Web site: <http://stats.bls.gov/mls/home.htm>.

In 2007, there were a total of 431 extended mass layoff events (lasting more than 30 days) which resulted in 81,719 worker separations (see Table S-9 below). Total extended layoffs were 23 above 2006 annual levels but the number of workers separated for more than 30 days declined in 2007 and was the lowest annual level reported since 1997.



**Table S-9: Total Extended Mass Layoff Events and Workers Separated in Illinois**

| Year | Number of Layoffs | Total Workers Separated |
|------|-------------------|-------------------------|
| 2007 | 431               | 81,719                  |
| 2006 | 408               | 86,832                  |
| 2005 | 455               | 101,106                 |
| 2004 | 461               | 107,240                 |
| 2003 | 553               | 124,569                 |
| 2002 | 603               | 141,461                 |
| 2001 | 653               | 165,058                 |
| 2000 | 455               | 108,971                 |
| 1999 | 402               | 93,653                  |
| 1998 | 385               | 88,732                  |
| 1997 | 369               | 63,951                  |
| 1996 | 373               | 64,441                  |

About 19 percent of the employers with extended layoffs in 2007 recalled all of their workers in 180 days or less. Another 56 percent of employers recalled 50-99 percent of their workers within 90-180 days. Approximately 22 percent of all employers reported no recall plans for their separated workers.

The largest number of extended mass layoff events and separations in 2007 were in Construction, followed by Professional and Business Services and then Manufacturing (see Table S-10 below). Among layoffs with no employer recall plans, the largest number of layoffs and worker separations were found in Manufacturing, followed by Financial Activities.

**Table S-10: Illinois Extended Mass Layoffs by Major Industry Group (2007)**

| NAICS Industry                               | Number of Layoffs | Total Workers Separated |
|--|-------------------|-------------------------|
| <b>Total, All industries</b>                 | <b>431</b>        | <b>81,719</b>           |
| Mining                                       | 7                 | 1,607                   |
| Construction                                 | 132               | 19,674                  |
| Manufacturing                                | 61                | 10,989                  |
| Wholesale Trade                              | 5                 | 767                     |
| Retail Trade                                 | 36                | 8,342                   |
| Transportation, Warehousing, Utilities       | 31                | 7,825                   |
| Information                                  | 3                 | 291                     |
| Financial Activities                         | 19                | 3,689                   |
| Professional & Business Services             | 96                | 19,422                  |
| Educational and Health Services              | 12                | 1,417                   |
| Leisure and Hospitality                      | 20                | 6,035                   |
| Other Services, except Public Administration | 9                 | 1,661                   |

There were a total of 45 extended mass layoff events in 2007 due to full or partial closure of establishments, resulting in 8,964 worker separations. The industry with the largest number of worker separations due to closures was Manufacturing. The number of workers separated due to closures was below 2006 levels when there were 35 full or partial closures of establishments, resulting in 9,357 separations.

The primary reasons for layoff cited by employers most often in 2007 were seasonal, contract completion and reorganization or restructuring of company. These three reasons accounted for about 85 percent of all workers separated in extended layoffs during 2007.

In 2007, there were 20 extended mass layoffs resulting in 3,533 workers separated due to the movement of work to

other locations within the same company. In 2006, there were 16 mass layoffs and 3,238 workers separated due to work moved to other locations. Among the 20 layoffs in 2007, 19 were the result of work moved to other locations in the U.S.. Additionally, 16 of the 20 layoffs involved closing Illinois locations.

Among all Illinois metropolitan areas in 2007, the largest number of layoff events (187) and worker separations (30,571) were found in the Chicago-Naperville-Joliet Metropolitan Division. Local Workforce Investment Area 9 had the largest number of layoff events (61) and separations (10,875) among the 26 Illinois workforce areas. The Northeast Region led all Economic Development Regions in layoff events (205) and separations (33,827). A total of 152 layoff events occurred across multiple counties resulting in 36,163 separations.

## Introduction for EDRs

The state of Illinois has been separated into 10 Economic Development Regions (EDRs). Each EDR has employment statistics calculated for it that are available through the Illinois Department of Employment Security (IDES), Economic Information and Analysis (EI&A) Division Web sites. The division's local Labor Market Economists (LMEs) are available to assist with questions and analysis of this regional workforce data. The following pages contain an overview of each EDR including some basic analysis using available data. All data sources used in these sections are the Illinois Department of Employment Security unless otherwise specified. Data tables produced for the EDRs that were not included in the annual report are available online.



The 10 EDRs and the county composition of each of the regions is as follows:

- Central EDR (EDR 1) has 12 counties: Cass, Christian, Greene, Logan, Macon, Macoupin, Menard, Montgomery, Morgan, Sangamon, Scott, and Shelby Counties.
- East Central EDR (EDR 2) has 6 counties: Champaign, Douglas, Ford, Iroquois, Piatt, and Vermilion Counties.
- North Central EDR (EDR 3) has 10 counties: De Witt, Fulton, Livingston, Mc Lean, Marshall, Mason, Peoria, Stark, Tazewell, and Woodford Counties.
- Northeast EDR (EDR 4) has 10 counties: Cook, De Kalb, Du Page, Grundy, Kane, Kankakee, Kendall, Lake, McHenry, and Will Counties.
- Northern Stateline EDR (EDR 5) has 4 counties: Boone, Ogle, Stephenson, and Winnebago Counties.
- Northwest EDR (EDR 6) has 10 counties: Bureau, Carroll, Henry, Jo Daviess, La Salle, Lee, Mercer, Putnam, Rock Island, and Whiteside Counties.
- Southeastern EDR (EDR 7) has 13 counties: Clark, Clay, Coles, Crawford, Cumberland, Edgar, Effingham, Fayette, Jasper, Lawrence, Marion, Moultrie, and Richland Counties.
- Southern EDR (EDR 8) has 19 counties: Alexander, Edwards, Franklin, Gallatin, Hamilton, Hardin, Jackson, Jefferson, Johnson, Massac, Perry, Pope, Pulaski, Saline, Union, Wabash, Wayne, White, and Williamson Counties.
- Southwestern EDR (EDR 9) has 9 counties: Bond, Calhoun, Clinton, Jersey, Madison, Monroe, Randolph, St. Clair, and Washington Counties.
- West Central EDR (EDR 10) has 9 counties: Adams, Brown, Hancock, Henderson, Knox, Mc Donough, Pike, Schuyler, and Warren Counties.

## Central Economic Development Region (EDR 1)



### Area Description

The Central Economic Development Region (EDR 1) is located in the heart of Illinois and is mostly rural farm land with scattered larger towns acting as hubs of employment. The region includes two metropolitan statistical areas, Decatur (Macon County) and Springfield (Sangamon and Menard Counties).

There are three modes of transportation in the region for goods: trucking, railroads and waterways. Trucking is the primary source of transportation for most goods. Interstate 55 is the north/south corridor and I-72 is the east/west corridor. Most towns and cities on both of these routes benefit greatly, especially I-55 because it is the main artery from St. Louis to Chicago. The area also benefits from an extensive rail system that runs throughout the region and provides both freight and passenger service. The western edge of the region is bordered by the Illinois River. There are numerous barge facilities along the Illinois River that provide transportation for the abundant corn and soybean crops in the region as well as many other goods. The Illinois River links to the Mississippi River that in turn provides a global marketplace for exported products as well as an import link for incoming products from abroad.

### Demographics

According to the July 2006 Census estimates, the Central EDR had a population of approximately 547,733, making it the fourth most populous of the ten regions and accounting for 4.3% of the state population. With a population of 194,122, Sangamon County is the largest and Scott County at 5,215 is the smallest in the region. The region's population declined by approximately 8,100, or 1.5%, from 2000 to 2007. There are four cities in the region that have a population of 15,000 or larger. The most populous is Springfield in Sangamon County. Springfield's estimated population in July of 2006 was 116,482, an increase of 4.5% since 2000. Next is Decatur in Macon County. Decatur's population in July 2006 was 77,047, a decline of 5.9% since 2000. Jacksonville in Morgan County is the third largest with a July 2006 population of 19,448, an increase of 2.7% since 2000. The smallest of the four, Lincoln in Logan County had a July 2006 population of 14,822, a decrease of 3.6% since 2000.

### Outlook

The long term industry employment projection is for growth of approximately 0.50% annually through 2014. Springfield is the home of the state capital, which makes the Government sector the largest employing industry. Other large industry sectors include Trade, Transportation, and Utilities, Educational and Health Services, Manufacturing, and Leisure and Hospitality.

Education and health services showed the biggest increase in employment since 2002. Decatur and Springfield are both home to major health care facilities, with Springfield acting as the medical center for all of downstate Illinois. Springfield's vibrant health care sector will continue to grow with the addition of a new hospital as well as a large addition to an existing facility, both of which are scheduled to open in 2008.

Manufacturing continues to play a major role in the region. Manufacturing is the top employment sector in Cass, Macon and Shelby counties and ranks second or third in three other counties. Manufacturing is projected to remain steady through 2014 for the entire area.

Retail trade ranks as the third or fourth largest industry in ten of the twelve counties in the region. Retail trade is projected to grow equal to the statewide annual rate of 0.4% through 2014.

The leisure and hospitality sector accounts for a large number of jobs in the region. The sector has grown by 2.7% since 2002. Much of the increase in the past couple of years was due to the completion of the Abraham Lincoln Presidential Museum and Library Complex in Springfield. Not only did the sector show increasing employment in Sangamon County but it also increased in many of the surrounding counties as tourists that came to the Springfield area visited many of the Lincoln sites located in other counties in the region. The sector is expected to grow close to the statewide rate of 1.2% through 2014.

### QCEW

Table 1-1 provides 2002 and 2007 QCEW data for the Central EDR. The Central EDR posted a slight decline of -0.5% in wages and a 6.6% decline in employment from the first quarter of 2002 to the first quarter of 2007. The industries with the largest wage growth were Educational & Health Services (4.9%), Manufacturing (3.8%), Financial Activities (3.6%) and Professional & Business Services (3.5%). The industries that experienced declining

wages were Mining (-8.5%), Trade, Transportation and Utilities (-6.1%) and Construction (-2.3%). The largest employing industry was State & Local Government which reported a 20% decline in employment (the largest decline of all sectors) and a modest 2.6% increase in wages. The industries with the largest increases in employment were Educational & Health Services (6.1%), Leisure & Hospitality (3.4%) and Construction (2%). The industries with the largest declines in employment after State & Local Government were Information (-14.1%), Financial Activities (-6.3%), Other Services (-5.8%) and Manufacturing (-4.1%). The Central EDR has a slightly lower proportion of employment for the goods-producing industries than does the state of Illinois (15.3% to 16.4%).

It also has a much smaller proportion of employment for the service-providing industries compared to statewide data (56.0% to 69.4%). The main reason for these differences is the much higher proportion of state & local government employment in the region (27.5% compared to 12.7% for Illinois). The employment proportions for the region are well below the state average for trade, transportation, and utilities, and professional and business services. Average quarterly wages slightly declined (-0.5%) in the Central EDR from 2002 to 2007. The average quarterly wages for the area were 75.4% of the statewide average in 2007 Quarter 1. This is primarily due to the lower cost of living in the region compared to the state average.

**Table 1-1: QCEW Industry Data for Central EDR (2002 Q1 & 2007 Q1)**

|                                      | Central Economic Development Region (EDR 1) |                          |                                 |                                  |                          |                                  |                                   |                                       |
|--------------------------------------|---|--------------------------|---------------------------------|----------------------------------|--------------------------|----------------------------------|-----------------------------------|---------------------------------------|
|                                      | 2007 Q1<br>Number of<br>Employed            | 2007 Q1<br>%<br>Employed | 2007 Q1<br>Avg. Qtrly.<br>Wages | 2002 Q1<br>Number of<br>Employed | 2002 Q1<br>%<br>Employed | 2002 Q1<br>Avg. Qtrly.<br>Wages* | % Change<br>Employed<br>2002-2007 | % Change<br>Qtrly. Wages<br>2002-2007 |
| <b>Total</b>                         | <b>253,851</b>                              | <b>100.0%</b>            | <b>\$9,295</b>                  | <b>271,923</b>                   | <b>100.0%</b>            | <b>\$9,343</b>                   | <b>-6.6%</b>                      | <b>-0.5%</b>                          |
| <b>Private Sector (NAICS)</b>        | <b>180,953</b>                              | <b>71.3%</b>             | <b>\$8,317</b>                  | <b>181,396</b>                   | <b>66.7%</b>             | <b>\$8,300</b>                   | <b>-0.2%</b>                      | <b>0.2%</b>                           |
| <b>GOODS-PRODUCING</b>               | <b>38,742</b>                               | <b>15.3%</b>             | <b>\$11,236</b>                 | <b>39,685</b>                    | <b>14.6%</b>             | <b>\$11,074</b>                  | <b>-2.4%</b>                      | <b>1.5%</b>                           |
| Natural Resources and Mining         | 2,199                                       | 0.9%                     | \$11,594                        | 2,197                            | 0.8%                     | \$12,675                         | 0.1%                              | -8.5%                                 |
| Construction                         | 10,125                                      | 4.0%                     | \$9,501                         | 9,930                            | 3.7%                     | \$9,724                          | 2.0%                              | -2.3%                                 |
| Manufacturing                        | 26,418                                      | 10.4%                    | \$11,872                        | 27,558                           | 10.1%                    | \$11,433                         | -4.1%                             | 3.8%                                  |
| <b>SERVICE-PROVIDING</b>             | <b>142,211</b>                              | <b>56.0%</b>             | <b>\$7,522</b>                  | <b>141,711</b>                   | <b>52.1%</b>             | <b>\$7,523</b>                   | <b>0.4%</b>                       | <b>0.0%</b>                           |
| Trade, Transportation, and Utilities | 43,040                                      | 17.0%                    | \$7,512                         | 43,069                           | 15.8%                    | \$7,999                          | -0.1%                             | -6.1%                                 |
| Information                          | 4,192                                       | 1.7%                     | \$9,931                         | 4,880                            | 1.8%                     | \$9,631                          | -14.1%                            | 3.1%                                  |
| Financial Activities                 | 12,683                                      | 5.0%                     | \$11,102                        | 13,541                           | 5.0%                     | \$10,713                         | -6.3%                             | 3.6%                                  |
| Professional and Business Services   | 16,357                                      | 6.4%                     | \$8,480                         | 16,515                           | 6.1%                     | \$8,196                          | -1.0%                             | 3.5%                                  |
| Educational and Health Services      | 35,687                                      | 14.1%                    | \$8,545                         | 33,643                           | 12.4%                    | \$8,149                          | 6.1%                              | 4.9%                                  |
| Leisure and Hospitality              | 21,408                                      | 8.4%                     | \$2,900                         | 20,704                           | 7.6%                     | \$2,875                          | 3.4%                              | 0.9%                                  |
| Other Services                       | 8,778                                       | 3.5%                     | \$6,600                         | 9,323                            | 3.4%                     | \$6,461                          | -5.8%                             | 2.1%                                  |
| Unclassified                         | 66  | 0.0%                     | \$4,180                         | 36                               | 0.0%                     | \$5,167                          | 83.3%                             | -19.1%                                |
| <b>State &amp; Local Government</b>  | <b>69,687</b>                               | <b>27.5%</b>             | <b>\$11,669</b>                 | <b>87,122</b>                    | <b>32.0%</b>             | <b>\$11,372</b>                  | <b>-20.0%</b>                     | <b>2.6%</b>                           |
| <b>Federal Government</b>            | <b>3,211</b>                                | <b>1.3%</b>              | <b>\$12,905</b>                 | <b>3,405</b>                     | <b>1.3%</b>              | <b>\$13,038</b>                  | <b>-5.7%</b>                      | <b>-1.0%</b>                          |

\* 2002 Q1 Wage data have been multiplied by the ratio of (March 2007 CPI / March 2002 CPI) for better comparison to 2007 Q1 Wage data

## LED

Local Employment Dynamics is a partnership program of the U.S. Census Bureau and the Illinois Department of Employment Security that provides information on which industries are adding workers to their payrolls. Table 1-2 indicates that Leisure-Hospitality, Trade, Transportation, and Utilities, and Professional-Business Services, experienced the most new hires in the latest reporting period, 2nd Quarter 2007. For this analysis, IDES used

new hire data from several quarters to determine which industries demonstrated a hiring trend. By using several quarters, this information can be used to determine which industries are hiring and the skill sets individuals would need to gain employment in those industries. It therefore can be used as a tool in determining worker training and retraining within the region.

**Table 1-2: Central EDR Private Sector LED New Hires Data**

| Yr:Qtr                               | 2006:<br>3rd Qtr | 2006:<br>4th Qtr | 2007:<br>1st Qtr | 2007:<br>2nd Qtr |
|--------------------------------------|------------------|------------------|------------------|------------------|
| Total New Hires, Private Sector      | 32,922           | 28,770           | 26,752           | <b>37,461</b>    |
| Leisure-Hospitality                  | 7,729            | 6,275            | 6,168            | <b>8,753</b>     |
| Trade, Transportation, and Utilities | 6,849            | 7,173            | 5,398            | <b>7,815</b>     |
| Professional-Business Services       | 4,772            | 4,375            | 5,003            | <b>6,092</b>     |
| Education-Health Services            | 4,208            | 3,465            | 3,543            | <b>4,352</b>     |
| Construction                         | 3,386            | 2,964            | 1,883            | <b>3,878</b>     |

**Private Sector Employment  
Industries with the Most New Hires**

**EDR 1**

| Yr:Qtr                               | 2006:<br>3rd Qtr | 2006:<br>4th Qtr | 2007:<br>1st Qtr | 2007:<br>2nd Qtr |
|--------------------------------------|------------------|------------------|------------------|------------------|
| Total New Hires, Private Sector      | 18%              | 16%              | 15%              | <b>20%</b>       |
| Leisure-Hospitality                  | 35%              | 29%              | 30%              | <b>41%</b>       |
| Construction                         | 28%              | 25%              | 19%              | <b>37%</b>       |
| Professional-Business Services       | 28%              | 25%              | 29%              | <b>33%</b>       |
| Information                          | 9%               | 10%              | 12%              | <b>22%</b>       |
| Trade, Transportation, and Utilities | 16%              | 17%              | 13%              | <b>18%</b>       |

As the population ages and current workers begin to retire, there will be a need to provide local employers with trained individuals to replace those workers leaving the workforce. Table 1-3 provides some information on the age of the region's workforce. In the Central region, the Trade, Transportation, and Utilities, Education-Health Services, Manufacturing and Professional-Business Services sectors have the largest segment of its workforce in the pre-retirement age group of 55 to 64

years old. These same industries also have the largest group of workers in the age cohort of 45 to 54 years old. The educational requirements and training needs for occupations in all of these industries will require long-term planning to guide more people into these careers. In addition, new employees replacing retiring workers will face changes in workplace technology and employers will continue to demand workers with more education and training experience to utilize the increase in workplace technology.

**Table 1-3: Central EDR Private Sector LED Employment Data, by Age Group**

| <b>EDR 1</b>                         |               | <b>Private Sector Employment by Age Groups</b> |               |               |               |               |               |  |
|--------------------------------------|---------------|--|---------------|---------------|---------------|---------------|---------------|--|
| <b>Year &amp; Qtr</b>                | <b>2007:2</b> | <b>2007:2</b>                                  | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> |  |
| <b>Age Group</b>                     | <b>14-99</b>  | <b>14-24</b>                                   | <b>25-34</b>  | <b>35-44</b>  | <b>45-54</b>  | <b>55-64</b>  | <b>65-99</b>  |  |
| Total, Private Sector                | 185,010       | 31,234   | 38,782        | 39,880        | 43,109        | 24,681        | 7,320         |  |
| Trade, Transportation, and Utilities | 43,313        | 8,033  | 8,248         | 8,697         | 9,983         | 6,009         | 2,299         |  |
| Education-Health Services            | 35,378        | 3,840  | 7,204         | 8,142         | 9,192         | 5,585         | 1,399         |  |
| Manufacturing                        | 26,970        | 2,348  | 5,547         | 6,769         | 7,632         | 4,109         | 563           |  |
| Professional-Business Services       | 18,356        | 2,801  | 4,416         | 3,987         | 3,747         | 2,344         | 1,022         |  |

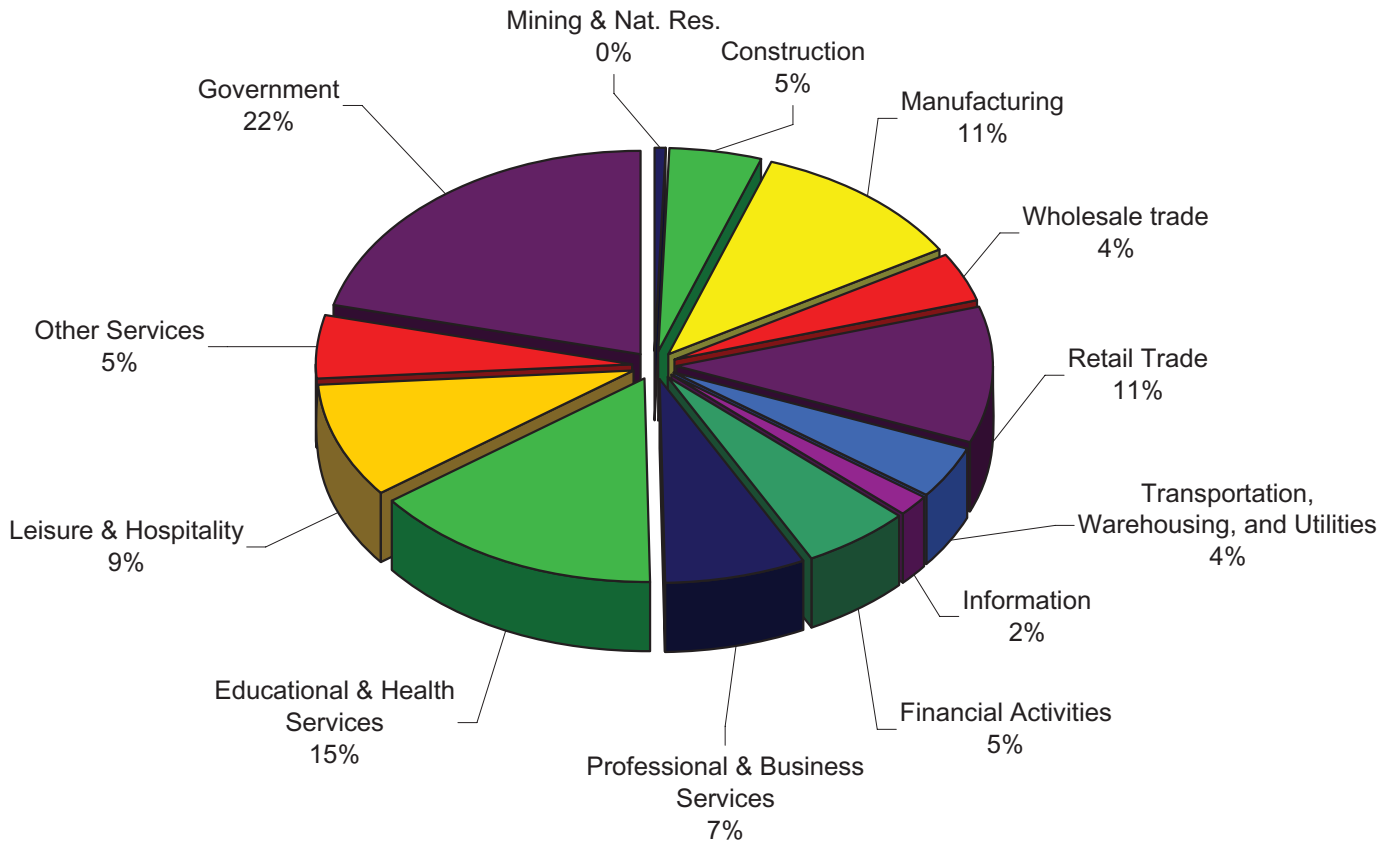
| <b>EDR 1</b>                         |               | <b>Private Sector Employment by Age Groups</b> |               |               |               |               |               |  |
|--------------------------------------|---------------|--|---------------|---------------|---------------|---------------|---------------|--|
| <b>Year &amp; Qtr</b>                | <b>2007:2</b> | <b>2007:2</b>                                  | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> |  |
| <b>Age Group</b>                     | <b>14-99</b>  | <b>14-24</b>                                   | <b>25-34</b>  | <b>35-44</b>  | <b>45-54</b>  | <b>55-64</b>  | <b>65-99</b>  |  |
| Total, Private Sector                | <b>100%</b>   | <b>17%</b>                                     | <b>21%</b>    | <b>22%</b>    | <b>23%</b>    | <b>13%</b>    | <b>4%</b>     |  |
| Trade, Transportation, and Utilities | <b>23%</b>    | 4%   | 4%            | 5%            | 5%            | 3%            | 1%            |  |
| Education-Health Services            | <b>19%</b>    | 2%   | 4%            | 4%            | 5%            | 3%            | 1%            |  |
| Manufacturing                        | <b>15%</b>    | 1%   | 3%            | 4%            | 4%            | 2%            | 0%            |  |
| Professional-Business Services       | <b>10%</b>    | 2%   | 2%            | 2%            | 2%            | 1%            | 1%            |  |

| <b>EDR 1</b>                         |               | <b>Private Sector Employment by Age Groups</b> |               |               |               |               |               |  |
|--------------------------------------|---------------|--|---------------|---------------|---------------|---------------|---------------|--|
| <b>Year &amp; Qtr</b>                | <b>2007:2</b> | <b>2007:2</b>                                  | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> |  |
| <b>Age Group</b>                     | <b>14-99</b>  | <b>14-24</b>                                   | <b>25-34</b>  | <b>35-44</b>  | <b>45-54</b>  | <b>55-64</b>  | <b>65-99</b>  |  |
| Trade, Transportation, and Utilities | 23%           | 26%  | 21%           | 22%           | 23%           | 24%           | 31%           |  |
| Education-Health services            | 19%           | 12%  | 19%           | 20%           | 21%           | 23%           | 19%           |  |
| Manufacturing                        | 15%           | 8%   | 14%           | 17%           | 18%           | 17%           | 8%            |  |
| Professional-Business services       | 10%           | 9%   | 11%           | 10%           | 9%            | 9%            | 14%           |  |

**CES**

Chart 1-1 provides information on employment by industry for 2007 from the Current Employment Statistics program.

**Chart 1-1: Central EDR Industry Employment Composition (2007 CES Annual Average Data)**



**LAUS**

The unemployment data in Table 1-4 shows that the Central EDR unemployment rate was consistently below the statewide unemployment rate from 2002 through 2005, but ended up slightly above the statewide rate in 2006 and 2007.

**Table 1-4: Central EDR Labor Force and Unemployment Rate Data**

| Year | Annual Average  |                       |     |     |
|------|-----------------|-----------------------|-----|-----|
|      | Labor Force EDR | Unemployment Rate (%) |     |     |
|      |                 | EDR                   | IL  | US  |
| 2002 | 279,898         | 5.9                   | 6.5 | 5.8 |
| 2003 | 274,463         | 6.3                   | 6.7 | 6.0 |
| 2004 | 276,778         | 6.0                   | 6.2 | 5.5 |
| 2005 | 283,054         | 5.4                   | 5.8 | 5.1 |
| 2006 | 286,873         | 4.7                   | 4.6 | 4.6 |
| 2007 | 289,085         | 5.2                   | 5.0 | 4.6 |

**Occupational Wages and Employment**

Wage data estimates, by occupational category, for the Central Region are available in Table 1-5. The top two largest occupational categories of employment in this region tend to have experienced wages that are below the average experienced wages for all occupational groups. Those with the top 3 employment shares are 1) office and administrative support (14.8%, annual experienced wage of \$33,897), 2) sales and related (9.6%, \$36,685), and 3) management (9.3%, \$89,891). Except for management, the occupational groups with the highest annual experienced wages are not the groups with the largest employment proportions. The 3 occupational groupings with the highest experienced wages are 1) management (\$89,891, employment share of 9.3%), 2) legal (\$77,634, 0.8%), and 3) computer and mathematical (\$75,375, 1.7%).



**Table 1-5: Estimated Employment and Wages for Central EDR, by Occupational Category**

| SOC Occupational Category                                  | 2007 Est.  | % of 2007  | Annual Wages |          |             |
|--|------------|------------|--------------|----------|-------------|
|  | Employment | Employment | Entry        | Median   | Experienced |
| Management Occupations                                     | 27,660     | 9.3%       | \$39,984     | \$66,118 | \$89,891    |
| Business and Financial Operations Occupations              | 12,642     | 4.3%       | \$30,621     | \$48,691 | \$66,195    |
| Computer and Mathematical Occupations                      | 4,956      | 1.7%       | \$36,843     | \$61,342 | \$75,375    |
| Architecture and Engineering Occupations                   | 3,468      | 1.2%       | \$34,365     | \$58,444 | \$71,322    |
| Life, Physical, and Social Science Occupations             | 2,194      | 0.7%       | \$31,124     | \$50,772 | \$65,370    |
| Community and Social Services Occupations                  | 6,987      | 2.4%       | \$22,905     | \$37,572 | \$50,047    |
| Legal Occupations  | 2,261      | 0.8%       | \$29,539     | \$55,021 | \$77,634    |
| Education, Training, and Library Occupations               | 18,304     | 6.2%       | \$20,616     | \$37,915 | \$51,200    |
| Arts, Design, Entertainment, Sports, and Media Occupations | 3,943      | 1.3%       | \$18,206     | \$33,565 | \$52,069    |
| Healthcare Practitioners and Technical Occupations         | 16,354     | 5.5%       | \$27,216     | \$44,572 | \$66,293    |
| Healthcare Support Occupations                             | 7,705      | 2.6%       | \$17,959     | \$22,247 | \$27,029    |
| Protective Service Occupations                             | 8,154      | 2.8%       | \$18,535     | \$36,537 | \$46,552    |
| Food Preparation and Serving-Related Occupations           | 22,792     | 7.7%       | \$14,851     | \$15,805 | \$20,109    |
| Building and Grounds Cleaning and Maintenance Occupations  | 10,385     | 3.5%       | \$15,603     | \$19,468 | \$27,376    |
| Personal Care and Service Occupations                      | 8,213      | 2.8%       | \$15,195     | \$18,658 | \$24,951    |
| Sales and Related Occupations                              | 28,554     | 9.6%       | \$15,604     | \$20,990 | \$36,685    |
| Office and Administrative Support Occupations              | 43,774     | 14.8%      | \$17,614     | \$25,944 | \$33,897    |
| Farming, Fishing, and Forestry Occupations                 | 2,173      | 0.7%       | \$16,895     | \$18,643 | \$29,393    |
| Construction and Extraction Occupations                    | 14,949     | 5.0%       | \$27,308     | \$45,137 | \$56,438    |
| Installation, Maintenance, and Repair Occupations          | 10,164     | 3.4%       | \$22,595     | \$36,923 | \$48,315    |
| Production Occupations                                     | 20,397     | 6.9%       | \$19,141     | \$27,418 | \$36,631    |
| Transportation and Material Moving Occupations             | 20,112     | 6.8%       | \$17,436     | \$27,494 | \$35,702    |

Note: Occupational Wage Data is representative of 2007 Q2

**Other Regional Data**

Chart 1-2 provides information on the population by age group for the EDR. The data is based on the U.S. Census Bureau population estimates from 2006.

**Chart 1-2: Central EDR Population by Age Group**

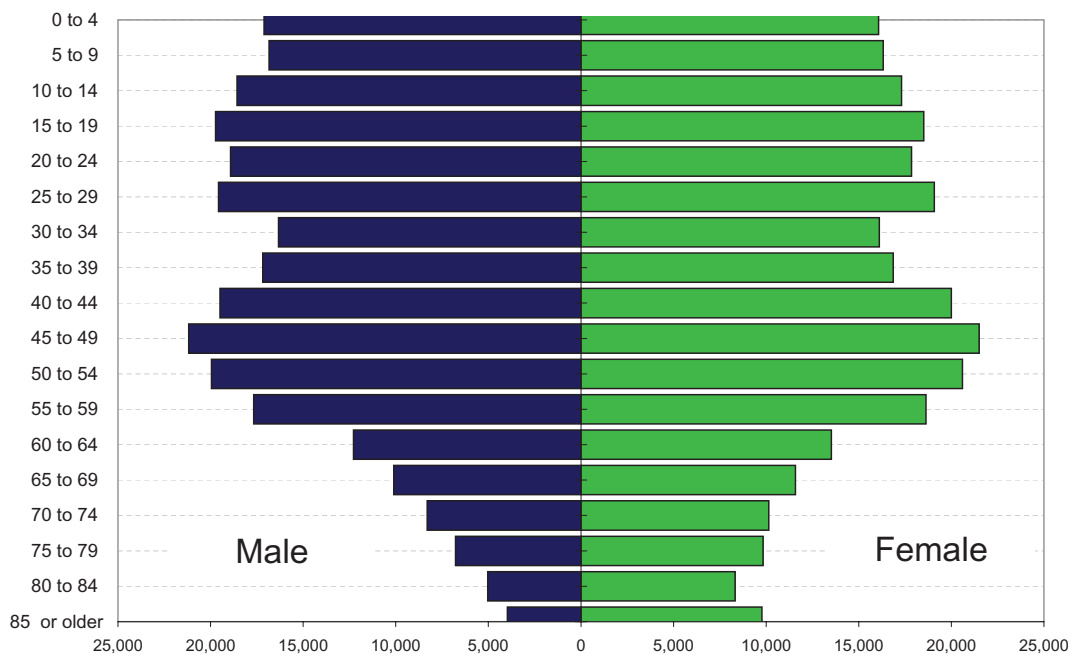


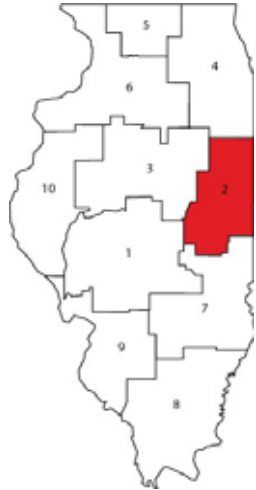
Table 1-6 provides data on the educational attainment of people 25 years or older in the EDR. The data is based on the 2000 and 1990 U.S. Census.

**Table 1-6: Central EDR Educational Attainment: Persons 25 Years and Older**

| Region   | County     | Year | Population 25 years and older | % Less than high school | % High school graduate | % Some college no degree | % Bachelor's degree | % Graduate or professional degree |
|----------|------------|------|-------------------------------|-------------------------|------------------------|--------------------------|---------------------|-----------------------------------|
| Illinois |            | 2000 | 7,973,671                     | 18.6                    | 27.7                   | 27.6                     | 16.5                | 9.5                               |
| Illinois |            | 1990 | 7,293,930                     | 23.8                    | 30.0                   | 25.2                     | 13.6                | 7.5                               |
| Central  | Cass       | 2000 | 9,056                         | 20.0                    | 44.3                   | 23.1                     | 9.4                 | 3.3                               |
| Central  | Cass       | 1990 | 8,825                         | 0.0                     | 44.2                   | 17.5                     | 7.4                 | 3.2                               |
| Central  | Christian  | 2000 | 24,202                        | 19.0                    | 43.6                   | 26.8                     | 7.2                 | 3.4                               |
| Central  | Christian  | 1990 | 22,945                        | 26.9                    | 43.9                   | 19.8                     | 6.3                 | 3.1                               |
| Central  | Greene     | 2000 | 9,688                         | 21.1                    | 43.8                   | 24.9                     | 6.5                 | 3.6                               |
| Central  | Greene     | 1990 | 10,031                        | 31.0                    | 42.2                   | 17.8                     | 6.3                 | 2.7                               |
| Central  | Logan      | 2000 | 20,714                        | 19.6                    | 40.4                   | 25.8                     | 9.9                 | 4.3                               |
| Central  | Logan      | 1990 | 20,324                        | 24.1                    | 41.7                   | 21.7                     | 8.7                 | 3.8                               |
| Central  | Macon      | 2000 | 75,195                        | 16.8                    | 38.0                   | 28.2                     | 11.4                | 5.6                               |
| Central  | Macon      | 1990 | 76,297                        | 23.8                    | 38.1                   | 23.3                     | 9.8                 | 5.0                               |
| Central  | Macoupin   | 2000 | 32,878                        | 17.9                    | 41.6                   | 28.7                     | 8.1                 | 3.8                               |
| Central  | Macoupin   | 1990 | 31,217                        | 27.2                    | 43.0                   | 20.7                     | 5.9                 | 3.3                               |
| Central  | Menard     | 2000 | 8,298                         | 11.7                    | 38.3                   | 29.5                     | 14.7                | 5.7                               |
| Central  | Menard     | 1990 | 7,390                         | 22.7                    | 41.8                   | 21.7                     | 10.3                | 3.5                               |
| Central  | Montgomery | 2000 | 20,874                        | 22.9                    | 40.9                   | 24.9                     | 7.6                 | 3.6                               |
| Central  | Montgomery | 1990 | 20,386                        | 27.8                    | 43.9                   | 20.2                     | 5.5                 | 2.5                               |
| Central  | Morgan     | 2000 | 24,276                        | 20.1                    | 37.1                   | 22.8                     | 13.5                | 6.4                               |
| Central  | Morgan     | 1990 | 23,605                        | 24.1                    | 39.6                   | 20.3                     | 10.4                | 5.7                               |
| Central  | Sangamon   | 2000 | 126,620                       | 11.9                    | 31.0                   | 28.5                     | 18.3                | 10.3                              |
| Central  | Sangamon   | 1990 | 117,686                       | 18.2                    | 33.2                   | 26.2                     | 14.2                | 8.2                               |
| Central  | Scott      | 2000 | 3,718                         | 16.9                    | 46.6                   | 24.4                     | 9.4                 | 2.6                               |
| Central  | Scott      | 1990 | 3,732                         | 26.4                    | 48.6                   | 15.8                     | 6.9                 | 2.3                               |
| Central  | Shelby     | 2000 | 15,448                        | 17.1                    | 43.9                   | 27.6                     | 7.5                 | 3.9                               |
| Central  | Shelby     | 1990 | 14,745                        | 27.3                    | 41.0                   | 21.9                     | 6.0                 | 3.8                               |
| Central  | Region     | 2000 | 370,967                       | 16.2                    | 37.2                   | 27.3                     | 12.7                | 6.5                               |
| Central  | Region     | 1990 | 357,183                       | 23.2                    | 38.5                   | 22.9                     | 10.1                | 5.4                               |

Source: US Bureau of the Census, 2000 Decennial Census, Summary File 3

## East Central Economic Development Region (EDR 2)



### Area Description

The East Central Economic Development Region (EDR 2) is located on the eastern border with Indiana, in central Illinois. Interstate highways link all of the counties in the region to larger, metro areas. The Champaign-Urbana MSA (Champaign, Ford, and Piatt) and the Danville MSA (Vermilion) are located in this region.

Illinois' flagship university is in Champaign County and has provided the area with employment stability in one of the region's largest employment sectors. Manufacturing has also been an important part of the region's economic history, and like other areas in the state and nation, has experienced declines over time. The region's two largest counties have worked to attract economic development and utilize the talent of its local work forces.

Vermilion County has built on its manufacturing history and has attracted new manufacturers, along with diversifying its employment with the addition of distribution centers. Champaign County has expanded its health care facilities and has built a high-tech industry base that befits its location to a major university and its research capabilities. A diverse manufacturing base has helped the county weather recent recessions, but recent changes in the automotive industry have led to employment declines.

The university has a major influence on the region's employment. The public sector maintained the biggest employment proportion for the region in 2007, just as it did in 2002. The leisure and hospitality, and retail trade sectors also have sizable shares of the employment base. This is due in part to the need to serve the student population and associated school activities. These sectors were not immune from recent economic changes and did experience a small decline in the last five years.

Educational and Health Services experienced employment gains from 2002 to 2007, as did professional and business services. Manufacturing lost a relatively large number of jobs during that same period. Losses in the Manufacturing sector have put upward pressure on the unemployment rate in the region.

### Demographics

The East Central region had a population of 352,006 according to the 2007 Census. From 2000 to 2007, population estimates show that the area has experienced a population growth of 6,428 or 1.9 %. Reflecting the declines in Manufacturing, Vermilion County experienced the largest number and percentage decline during that same period as the population relocated seeking new employment opportunities. Champaign County experienced a population growth from 2000 to 2007, expanding by 10,321 or 5.7 %. With the exception of Piatt County, the remaining counties in the region all experienced a decline in their populations.

In 2000, the majority of the population was white, which made up 84.9 % of the population. 8.5 % of the area's population was Black and Hispanics made up 2.9 %.

### Outlook

Illinois Department of Employment Security's employment projections reflect the strength of the region's Health Care and Education industry sectors. Educational and Health Services are expected to expand by almost 1,000 each year and lead the employment growth of all industries. Occupations such as teachers, nurses, and nursing aides lead the region in job openings. Professional and Business Services and Leisure and Hospitality are other industries expected to expand as the regional economy continues to have the university as its focus. While Manufacturing as an industry sector is expected to decline, the area will still have employment opportunities as employers seek to replace retiring production workers, metalworkers, and assemblers.

### QCEW

Table 2-1 provides 2002 and 2007 QCEW data for the East Central EDR, which is compared to statewide numbers from the same time period. The region's employment and wages were stable from 1st quarter 2002 to 1st quarter 2007. During that same time, the state experienced a 6.3 % growth in wages and its employment expanded by 1.5 %. In EDR 2, the industries with the largest wage growth were Natural Resources-Mining and Educational and Health Services. Information and Professional and Business Services sectors experienced a wage decline during that same period. Trade, Transportation, and Utilities, the largest private sector employing industry, experienced an employment decline from 2002 to

2007 although wages increased by 2.5 %. Employment increased in Professional and Business Services, but wages declined by 5.5 % over the five-year period. The region's largest employing sector is State and Local Government and its employment grew by 1.9 % while wages declined by 4.4 %.

EDR 2 has a slightly higher proportion of employment for the Goods-Producing industries than does the state of Illinois (18 % to 16.4%). The main reason for this difference

is that the region has a 13.9% employment share in the manufacturing industry compared to 11.7% statewide. The region has a smaller share of Service-Providing industry employment than the state does as a whole (57.8% to 69.4%). There are many industry components below the state average in the service-providing industry, but the two that are the most below the state average are State and Local Government and leisure-hospitality. The average quarterly wages for EDR 2 were 67.8 % of the statewide average in 2007 Q1.

**Table 2-1: QCEW Industry Data for East Central EDR (2002 Q1 & 2007 Q1)**

|                                      | East Central Economic Development Region (EDR 2) |                          |                                 |                                  |                          |                                  |                                   |                                       |
|--------------------------------------|--|--------------------------|---------------------------------|----------------------------------|--------------------------|----------------------------------|-----------------------------------|---------------------------------------|
|                                      | 2007 Q1<br>Number of<br>Employed                 | 2007 Q1<br>%<br>Employed | 2007 Q1<br>Avg. Qtrly.<br>Wages | 2002 Q1<br>Number of<br>Employed | 2002 Q1<br>%<br>Employed | 2002 Q1<br>Avg. Qtrly.<br>Wages* | % Change<br>Employed<br>2002-2007 | % Change<br>Qtrly. Wages<br>2002-2007 |
| <b>Total</b>                         | <b>144,343</b>                                   | <b>100.0%</b>            | <b>\$8,361</b>                  | <b>143,621</b>                   | <b>100.0%</b>            | <b>\$8,363</b>                   | <b>0.5%</b>                       | <b>0.0%</b>                           |
| <b>Private Sector (NAICS)</b>        | <b>109,444</b>                                   | <b>75.8%</b>             | <b>\$7,718</b>                  | <b>109,209</b>                   | <b>76.0%</b>             | <b>\$7,652</b>                   | <b>0.2%</b>                       | <b>0.9%</b>                           |
| <b>GOODS-PRODUCING</b>               | <b>25,978</b>                                    | <b>18.0%</b>             | <b>\$9,928</b>                  | <b>26,980</b>                    | <b>18.8%</b>             | <b>\$9,991</b>                   | <b>-3.7%</b>                      | <b>-0.6%</b>                          |
| Natural Resources and Mining         | 1,038  | 0.7%                     | \$10,408                        | 1,014                            | 0.7%                     | \$8,935                          | 2.4%                              | 16.5%                                 |
| Construction                         | 4,883  | 3.4%                     | \$8,804                         | 4,902                            | 3.4%                     | \$9,891                          | -0.4%                             | -11.0%                                |
| Manufacturing                        | 20,057   | 13.9%                    | \$10,177                        | 21,064                           | 14.7%                    | \$10,065                         | -4.8%                             | 1.1%                                  |
| <b>SERVICE-PROVIDING</b>             | <b>83,466</b>                                    | <b>57.8%</b>             | <b>\$7,030</b>                  | <b>82,229</b>                    | <b>57.3%</b>             | <b>\$6,884</b>                   | <b>1.5%</b>                       | <b>2.1%</b>                           |
| Trade, Transportation, and Utilities | 27,802   | 19.3%                    | \$6,703                         | 28,385                           | 19.8%                    | \$6,542                          | -2.1%                             | 2.5%                                  |
| Information                          | 3,379  | 2.3%                     | \$8,071                         | 3,160                            | 2.2%                     | \$9,597                          | 6.9%                              | -15.9%                                |
| Financial Activities                 | 6,623  | 4.6%                     | \$9,317                         | 6,747                            | 4.7%                     | \$8,963                          | -1.8%                             | 3.9%                                  |
| Professional and Business Services   | 9,984  | 6.9%                     | \$9,012                         | 9,052                            | 6.3%                     | \$9,534                          | 10.3%                             | -5.5%                                 |
| Educational and Health Services      | 17,970   | 12.4%                    | \$9,132                         | 16,844                           | 11.7%                    | \$8,573                          | 6.7%                              | 6.5%                                  |
| Leisure and Hospitality              | 14,151   | 9.8%                     | \$2,707                         | 14,178                           | 9.9%                     | \$2,711                          | -0.2%                             | -0.1%                                 |
| Other Services                       | 3,523  | 2.4%                     | \$5,363                         | 3,845                            | 2.7%                     | \$5,303                          | -8.4%                             | 1.1%                                  |
| Unclassified                         | 34   | 0.0%                     | \$3,869                         | 18                               | 0.0%                     | \$4,649                          | 88.9%                             | -16.8%                                |
| <b>State &amp; Local Government</b>  | <b>31,829</b>                                    | <b>22.1%</b>             | <b>\$9,878</b>                  | <b>31,249</b>                    | <b>21.8%</b>             | <b>\$10,328</b>                  | <b>1.9%</b>                       | <b>-4.4%</b>                          |
| <b>Federal Government</b>            | <b>3,070</b>                                     | <b>2.1%</b>              | <b>\$15,592</b>                 | <b>3,163</b>                     | <b>2.2%</b>              | <b>\$13,518</b>                  | <b>-2.9%</b>                      | <b>15.3%</b>                          |

\* 2002 Q1 Wage data have been multiplied by the ratio of (March 2007 CPI / March 2002 CPI) for better comparison to 2007 Q1 Wage data:

## LED

Local Employment Dynamics, a partnership program of the U.S. Census Bureau and the Illinois Department of Employment Security, provides information on which industries are adding workers to their payrolls. Table 2-2 shows that Trade, Transportation, and Utilities, Leisure and Hospitality, and Professional and Business Services experienced the most new hires in the latest reporting period, 2nd quarter 2007, in the East Central EDR. Seasonal employment expansions contributed strong

growth in the Construction section in 2nd Quarter 2007. For this analysis, IDES used new hire data from several quarters to determine which industries demonstrated a hiring trend. By using several quarters, this information can be used to determine which industries are hiring and the skill sets individuals would need to gain employment in those industries. It therefore can be used as a tool in determining work training and retraining within the region.

**Table 2-2: East Central EDR Private Sector LED New Hires Data**

| <b>Yr:Qtr</b>                        | <b>2006:<br/>3rd Qtr</b> | <b>2006:<br/>4th Qtr</b> | <b>2007:<br/>1st Qtr</b> | <b>2007:<br/>2nd Qtr</b> |
|--------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Total New Hires, Private Sector      | 21,226                   | 18,098                   | 16,646                   | <b>23,529</b>            |
| Trade, Transportation, and Utilities | 5,220                    | 5,515                    | 3,714                    | <b>5,403</b>             |
| Leisure-Hospitality                  | 5,015                    | 4,285                    | 4,024                    | <b>5,286</b>             |
| Professional-Business Services       | 2,978                    | 2,734                    | 2,761                    | <b>3,892</b>             |
| Manufacturing                        | 1,546                    | 1,130                    | 1,618                    | <b>2,332</b>             |
| Construction                         | 1,587                    | 1,066                    | 861                      | <b>2,030</b>             |

**Private Sector Employment  
Industries with the Most New Hires**

**EDR 2**

| <b>Yr:Qtr</b>                   | <b>2006:<br/>3rd Qtr</b> | <b>2006:<br/>4th Qtr</b> | <b>2007:<br/>1st Qtr</b> | <b>2007:<br/>2nd Qtr</b> |
|---------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Total New Hires, Private Sector | 19%                      | 16%                      | 15%                      | <b>21%</b>               |
| Construction                    | 26%                      | 18%                      | 18%                      | <b>39%</b>               |
| Leisure-Hospitality             | 36%                      | 30%                      | 30%                      | <b>36%</b>               |
| Professional-Business Services  | 25%                      | 23%                      | 25%                      | <b>33%</b>               |
| Information                     | 12%                      | 14%                      | 16%                      | <b>23%</b>               |
| Other Services                  | 22%                      | 18%                      | 17%                      | <b>20%</b>               |

As the population ages and current workers begin to retire, there will be a need to provide local employers with trained individuals to replace those workers leaving the workforce. In the East Central EDR, Table 2-3 shows that the Trade, Transportation, and Utilities, Manufacturing, Education and Health Services, and Professional and Business Services sectors have the largest segment of its workforce in the pre-retirement age group of 55 to 64

years old. These same industries have the largest group of workers in the age cohort of 45 to 54 years old. As a percent of its total employment, Trade, Transportation, and Utilities, which includes Retail Trade, had the largest percent of its employment (33 %) in the 65 to 99 age group. While the age group 55 to 64 makes up only 12 % of the employment in the region, those workers possess skills and experience developed throughout their career.

**Table 2-3: East Central EDR Private Sector LED Employment Data, by Age Group**

| EDR 2                                |         | Private Sector Employment by Age Groups |        |        |        |        |        |  |
|--------------------------------------|---------|---|--------|--------|--------|--------|--------|--|
| Year & Qtr                           | 2007:2  | 2007:2                                  | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 |  |
| Age Group                            | 14-99   | 14-24                                   | 25-34  | 35-44  | 45-54  | 55-64  | 65-99  |  |
| Total, Private Sector                | 113,688 | 22,784                                  | 24,867 | 23,396 | 24,529 | 13,877 | 4,238  |  |
| Trade, Transportation, and Utilities | 28,464  | 6,212                                   | 5,567  | 5,544  | 6,079  | 3,657  | 1,388  |  |
| Manufacturing                        | 20,660  | 2,023                                   | 4,347  | 5,022  | 5,614  | 3,074  | 576    |  |
| Education-Health Services            | 18,019  | 2,293                                   | 4,051  | 3,885  | 4,515  | 2,591  | 685    |  |
| Professional-Business Services       | 11,676  | 1,730                                   | 3,243  | 2,729  | 2,290  | 1,278  | 387    |  |

| EDR 2                                |        | Private Sector Employment by Age Groups |        |        |        |        |        |  |
|--------------------------------------|--------|---|--------|--------|--------|--------|--------|--|
| Year & Qtr                           | 2007:2 | 2007:2                                  | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 |  |
| Age Group                            | 14-99  | 14-24                                   | 25-34  | 35-44  | 45-54  | 55-64  | 65-99  |  |
| Total, Private Sector                | 100%   | 20%                                     | 22%    | 21%    | 22%    | 12%    | 4%     |  |
| Trade, Transportation, and Utilities | 25%    | 5%                                      | 5%     | 5%     | 5%     | 3%     | 1%     |  |
| Manufacturing                        | 18%    | 2%                                      | 4%     | 4%     | 5%     | 3%     | 1%     |  |
| Education-Health Services            | 16%    | 2%                                      | 4%     | 3%     | 4%     | 2%     | 1%     |  |
| Professional-Business Services       | 10%    | 2%                                      | 3%     | 2%     | 2%     | 1%     | 0%     |  |

| EDR 2                                |        | Private Sector Employment by Age Groups |        |        |        |        |        |  |
|--------------------------------------|--------|---|--------|--------|--------|--------|--------|--|
| Year & Qtr                           | 2007:2 | 2007:2                                  | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 |  |
| Age Group                            | 14-99  | 14-24                                   | 25-34  | 35-44  | 45-54  | 55-64  | 65-99  |  |
| Trade, Transportation, and Utilities | 25%    | 27%                                     | 22%    | 24%    | 25%    | 26%    | 33%    |  |
| Manufacturing                        | 18%    | 9%                                      | 17%    | 21%    | 23%    | 22%    | 14%    |  |
| Education-Health services            | 16%    | 10%                                     | 16%    | 17%    | 18%    | 19%    | 16%    |  |
| Professional-Business services       | 10%    | 8%                                      | 13%    | 12%    | 9%     | 9%     | 9%     |  |

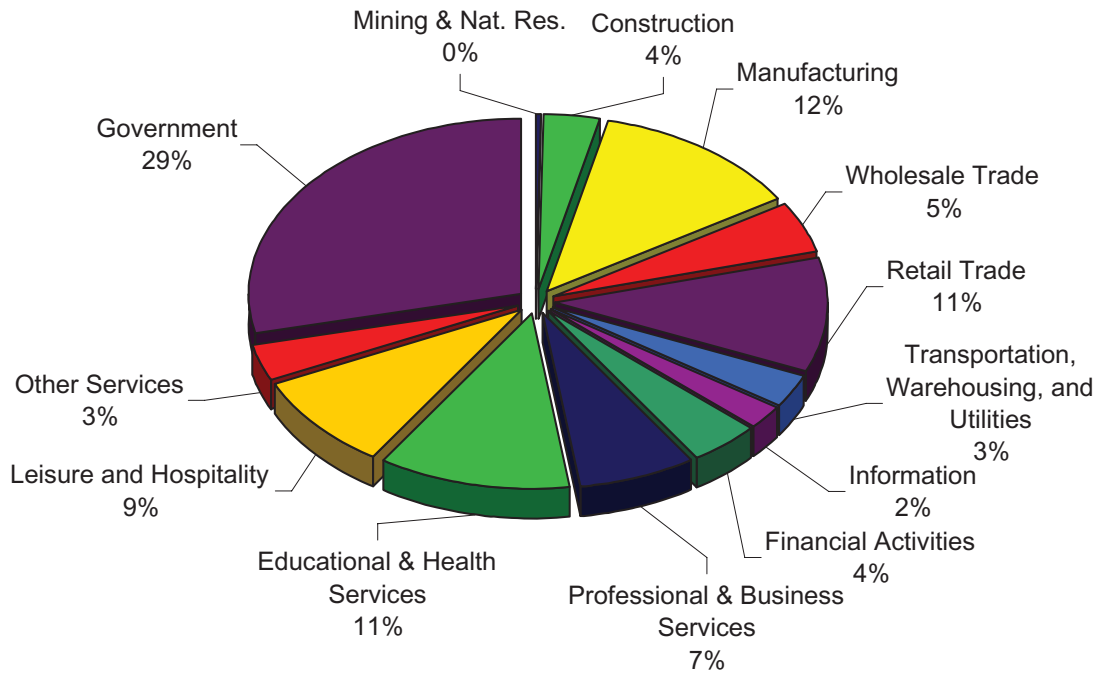
The Manufacturing sector in the region has experienced an overall decline, but the need for select skill sets in the industry has continued to expand. The overall decline in Manufacturing has led to fewer individuals selecting this industry as a career choice. The changes in career choice away from Manufacturing will increase the need for

workforce training programs to prepare future workers for the Manufacturing sector. The educational requirements and training needs for occupations in the Education and Health Services and Manufacturing sectors will also require long-term planning to guide more people into these careers.

**CES**

Chart 2-1 provides information on employment by industry for 2007 from the Current Employment Statistics program.

**Chart 2-1: East Central EDR Industry Employment Composition (2007 CES Annual Average Data)**



**LAUS**

The unemployment data in Table 2-4 shows that the East Central EDR unemployment rate stayed below the statewide unemployment rate for most of the time period, but two rates moved closer in 2007. The region's unemployment rate typically stays low. The decline in manufacturing employment in 2007 contributed to an increase in the EDR unemployment rate in 2007, causing it to move above the national average and to move closer to the state level.

**Table 2-4: East Central EDR Labor Force and Unemployment Rate Data**

| Year | Annual Average  |                       |     |     |
|------|-----------------|-----------------------|-----|-----|
|      | Labor Force EDR | Unemployment Rate (%) |     |     |
|      |                 | EDR                   | IL  | US  |
| 2002 | 179,837         | 5.2                   | 6.5 | 5.8 |
| 2003 | 179,491         | 5.5                   | 6.7 | 6.0 |
| 2004 | 180,626         | 5.4                   | 6.2 | 5.5 |
| 2005 | 184,596         | 4.8                   | 5.8 | 5.1 |
| 2006 | 186,698         | 4.2                   | 4.6 | 4.6 |
| 2007 | 187,464         | 4.9                   | 5.0 | 4.6 |

**Occupational Wages and Employment**

Wage data estimates, by occupational category, for the East Central Region are available in Table 2-5. The occupational categories with the largest proportional shares of employment in this region tend to have experienced wages that rank in the bottom half of those classifications (except for management occupations and healthcare practitioners and technical occupations). Those with the top 3 employment shares are 1) office and administrative support (14%, annual experienced wage of \$33,496), 2) education, training, and library (12.5%, \$63,938), and 3) sales and related (9.3%, \$ 34,399). The occupational groups with the highest annual experienced wages are not inclined to be among the groups with the largest employment proportions (except for management). The 3 categories with the highest experienced wages are 1) legal (\$106,703, employment share of 0.5%), 2) management (\$89,837, 8.8%), and 3) architecture and engineering (\$76,191, 1.0%).

**Table 2-5: Estimated Employment and Wages for East Central EDR, by Occupational Category**

| SOC Occupational Category                                  | 2007 Est.  | % of 2007  | Annual Wages |          |             |
|--|------------|------------|--------------|----------|-------------|
|  | Employment | Employment | Entry        | Median   | Experienced |
| Management Occupations                                     | 16,869     | 8.8%       | \$35,414     | \$64,478 | \$89,837    |
| Business and Financial Operations Occupations              | 7,294      | 3.8%       | \$28,261     | \$48,538 | \$64,651    |
| Computer and Mathematical Occupations                      | 3,426      | 1.8%       | \$28,800     | \$49,262 | \$64,947    |
| Architecture and Engineering Occupations                   | 1,958      | 1.0%       | \$35,759     | \$58,192 | \$76,191    |
| Life, Physical, and Social Science Occupations             | 1,540      | 0.8%       | \$29,479     | \$47,449 | \$65,080    |
| Community and Social Services Occupations                  | 2,577      | 1.3%       | \$21,434     | \$34,651 | \$45,241    |
| Legal Occupations  | 895        | 0.5%       | \$29,405     | \$63,948 | \$106,703   |
| Education, Training, and Library Occupations               | 24,008     | 12.5%      | \$22,647     | \$42,526 | \$63,938    |
| Arts, Design, Entertainment, Sports, and Media Occupations | 2,788      | 1.5%       | \$18,242     | \$29,602 | \$43,960    |
| Healthcare Practitioners and Technical Occupations         | 8,283      | 4.3%       | \$27,863     | \$46,875 | \$71,798    |
| Healthcare Support Occupations                             | 3,673      | 1.9%       | \$17,906     | \$23,688 | \$29,578    |
| Protective Service Occupations                             | 3,336      | 1.7%       | \$16,748     | \$30,132 | \$44,242    |
| Food Preparation and Serving-Related Occupations           | 15,816     | 8.2%       | \$14,909     | \$16,257 | \$20,753    |
| Building and Grounds Cleaning and Maintenance Occupations  | 6,945      | 3.6%       | \$16,969     | \$23,194 | \$30,479    |
| Personal Care and Service Occupations                      | 4,789      | 2.5%       | \$15,978     | \$19,564 | \$25,969    |
| Sales and Related Occupations                              | 17,902     | 9.3%       | \$15,469     | \$19,845 | \$34,399    |
| Office and Administrative Support Occupations              | 26,851     | 14.0%      | \$18,364     | \$26,188 | \$33,496    |
| Farming, Fishing, and Forestry Occupations                 | 1,279      | 0.7%       | \$19,446     | \$25,511 | \$33,717    |
| Construction and Extraction Occupations                    | 7,869      | 4.1%       | \$25,832     | \$45,545 | \$56,380    |
| Installation, Maintenance, and Repair Occupations          | 5,896      | 3.1%       | \$23,110     | \$35,803 | \$44,990    |
| Production Occupations                                     | 14,707     | 7.7%       | \$18,769     | \$27,230 | \$34,813    |
| Transportation and Material Moving Occupations             | 13,216     | 6.9%       | \$17,027     | \$23,740 | \$33,565    |

Note: Occupational Wage Data is representative of 2007 Q2

**Other Regional Data**

Chart 2-2 provides information on the population by age group for the EDR. The data is based on the U.S. Census Bureau population estimates from 2006.

**Chart 2-2: East Central EDR Population by Age Group**

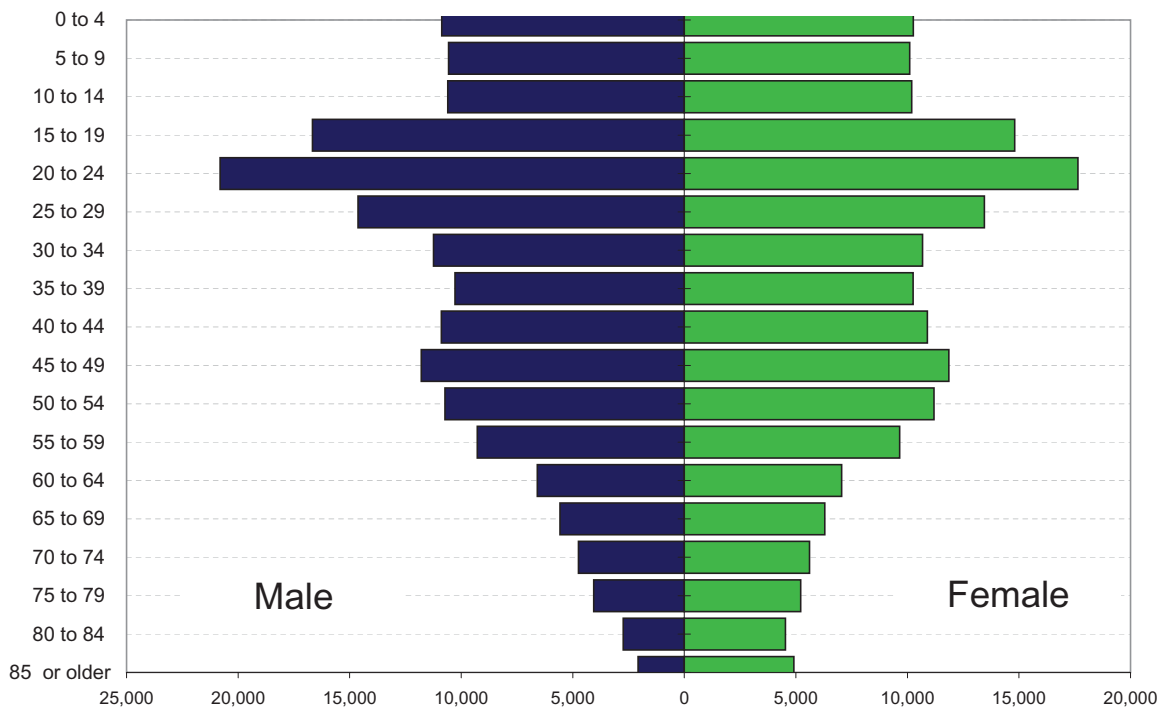




Table 2-6 provides information on the educational attainment of people 25 years or older in the EDR. The data is based on the 2000 and 1990 U.S. Census.

**Table 2-6: East Central EDR Educational Attainment: Persons 25 Years and Older**

| Region       | County    | Year | Population 25 years and older | % Less than high school | % High school graduate | % Some college no degree | % Bachelor's degree | % Graduate or professional degree |
|--------------|-----------|------|-------------------------------|-------------------------|------------------------|--------------------------|---------------------|-----------------------------------|
| Illinois     |           | 2000 | 7,973,671                     | 18.6                    | 27.7                   | 27.6                     | 16.5                | 9.5                               |
| Illinois     |           | 1990 | 7,293,930                     | 23.8                    | 30.0                   | 25.2                     | 13.6                | 7.5                               |
| East Central | Champaign | 2000 | 100,559                       | 9.0                     | 24.2                   | 28.7                     | 18.6                | 19.4                              |
| East Central | Champaign | 1990 | 95,971                        | 12.5                    | 26.3                   | 27.2                     | 16.3                | 17.8                              |
| East Central | Douglas   | 2000 | 12,923                        | 20.7                    | 39.6                   | 25.9                     | 9.4                 | 4.4                               |
| East Central | Douglas   | 1990 | 12,550                        | 26.0                    | 41.0                   | 21.6                     | 7.6                 | 3.8                               |
| East Central | Ford      | 2000 | 9,557                         | 14.0                    | 42.0                   | 30.1                     | 9.3                 | 4.6                               |
| East Central | Ford      | 1990 | 9,592                         | 22.8                    | 41.1                   | 24.0                     | 8.2                 | 3.9                               |
| East Central | Iroquois  | 2000 | 21,111                        | 19.7                    | 40.6                   | 27.9                     | 7.2                 | 4.6                               |
| East Central | Iroquois  | 1990 | 20,578                        | 26.6                    | 42.8                   | 20.5                     | 6.8                 | 3.2                               |
| East Central | Piatt     | 2000 | 11,118                        | 11.3                    | 37.2                   | 30.4                     | 13.4                | 7.6                               |
| East Central | Piatt     | 1990 | 10,458                        | 17.0                    | 42.6                   | 24.5                     | 10.7                | 5.2                               |
| East Central | Vermilion | 2000 | 55,778                        | 21.3                    | 38.4                   | 27.9                     | 8.3                 | 4.2                               |
| East Central | Vermilion | 1990 | 58,087                        | 27.2                    | 38.8                   | 22.9                     | 7.0                 | 4.1                               |
| East Central | Region    | 2000 | 211,046                       | 14.4                    | 32.0                   | 28.4                     | 13.5                | 11.7                              |
| East Central | Region    | 1990 | 207,236                       | 19.6                    | 33.8                   | 24.7                     | 11.6                | 10.4                              |

Source: US Bureau of the Census, 2000 Decennial Census, Summary File 3

## North Central Economic Development Region (EDR 3)



### Area Description

The North Central Economic Development Region (EDR 3) is located midway between Chicago and St. Louis and consists of the following ten counties: De Witt, Fulton, Livingston, Marshall, Mason, Mc Lean, Peoria, Stark, Tazewell, and Woodford. The area has two metro areas, the Peoria MSA (Marshall, Peoria, Stark, Tazewell, and Woodford) and the Bloomington-Normal MSA (Mc Lean). The largest cities are Peoria and the twin cities of Bloomington

and Normal. The land outside the cities is rich farmland with corn and soybeans as the major crops.

Commerce runs on the many interstates that crisscross the region and on the Illinois River that eventually flows into the Mississippi. The major cities are within 250 miles of Chicago, St. Louis, and Indianapolis. Although much of the workforce lives and works within the area, commuting data does show that there are a significant number of workers that come from outside the region. This is especially true for workers from the Ottawa-Streator area to the north and the Galesburg area to the west.

### Demographics

The 2007 population increased to 642,104 according to the Census Bureau, which was a growth of 13,915 since 2000. Much of the population gain was in Mc Lean, Tazewell, and Woodford counties. Peoria's population was relatively unchanged. The population is expected to grow to 693,569 by 2015 and 739,517 by 2025. In 2000, the majority of the population was white, with a percentage of 89.8 %. The next largest population by race was Black, with 6.9 % of the population. Hispanics made up 1.8 % of the population in 2000. Population projections indicate the population will increasingly be made up of minorities. By 2025, Blacks will make up 9.0 % and Hispanics are expected to make up 2.4 % of the population.

### Outlook

In the North Central EDR, employment projections indicate growth in most industry sectors. From 2004 to 2014, the majority of the employment increases will be in educational and health services, up 13,035, and

Professional and Business services, up 7,556. Major hospital expansions are planned for the area, which supports the increases expected in the health care industry. Manufacturing will continue its historical decline, with 2,240 fewer jobs from 2004-2014. However, much of this loss was front-loaded, as many of the Manufacturing losses already occurred in 2004.

Overall, labor demand is expected to be strong with occupational employment between 2004 and 2014 increasing by 31,296 to reach 361,351. Job openings will average 10,802 a year, with a great majority of these due to replacement demands. Notable among occupations with numerous predicted openings and high pay are ones in the Health Care, Transportation, and Manufacturing sectors. Peoria is making an effort to expand its health care sector. In Health Care, there will be 267 openings per year for registered nurses. In 2007, the average entry-level wage for Register Nurses was \$38,770 a year and the median wage was \$49,045. In transportation, there will be 117 openings per year for heavy/tractor trailer truck drivers and the 2007 average entry-level wage of \$23,783 and median of \$31,613.

The Manufacturing production occupations, although not displaying growth, will still have numerous openings due to replacement demands in this large industry sector. Some manufacturers, because of lack of hiring, have an older workforce. Factories increasingly need workers with basic math, science, and communications skills that can deal with complex computerized machinery. There will be 41 openings a year for machinists. In 2007, the area average entry wage for machinists was \$28,617 and the median was \$36,426.

Public and private organizations in many of the local communities are partnering to help grow and diversify the local economies. The Economic Development Council of Bloomington-Normal has started a new business retention and recruitment plan. The goal is to add 1,000 jobs averaging over \$51,000 a year over a five-year period, 900 indirect jobs in the Service sector and a total economic impact of \$258 million in the area. The Peoria NEXT Innovation Center, a technology incubator, in Peoria is part of a community-wide effort to bring in biotech and high-tech jobs. The Heart of Illinois Regional Port District (TransPORT) is a six-county Port District (Fulton, Marshall, Mason, Peoria, Tazewell, and Woodford) working to create economic growth and jobs in manufacturing and transportation. One project is to attract tenants to the old Caterpillar plant in Mapleton.

## QCEW

Table 3-1 provides 2002 and 2007 QCEW data for the North Central EDR. The EDR region experienced an over 3 % increase in unemployment insurance-covered workers and an over 10 % growth in wages during the five-year period from 1st quarter 2002 to 1st quarter 2007. The industry with the largest wage growth was Financial Activities, while it had a very slight decrease in employment. Trade-Transportation-Utilities, the largest employment group, saw increased employment and steady wages with an increase of only 0.5 % over the five-year period. Manufacturing employment held steady with an increase in wages of 14.2 %. Both Professional-Business Services and Education-Health Services had employment and wage increases. Professional-Business Services had a 39.6 % increase in employment and a 26.7 % jump in wages while Education-Health Services increased employment by 8.3 % and wages by 11.0 %.

During the first quarter 2007, the North Central EDR had a slightly larger proportion of its unemployment insurance covered employment in Goods-Producing industries than did the state. The EDR had 18.5 % while the state had 16.4 %. The EDR quarterly average wage of \$10,853 was lower than the state figure of \$12,335. Most of the local sectors were at least \$1,000 lower than the state. The only sector that was higher was Manufacturing, which was over \$5,000 higher

Between 2002 and 2007, EDR nonfarm payroll employment increased by 3.1 % to 311,760. Professional-Business Services and Education-Health Services were the sectors with the greatest percentage increases. Manufacturing employment increased by 1.5 %, which is a small gain but is still impressive considering many areas lost factory jobs. Some local manufacturers have been taking advantage of strong international sales. Over same period state nonfarm payroll employment rose by 1.7 % and manufacturing was down 10.3 %,

From 2002 to 2007, the EDR Manufacturing and Financial activities remained integral although slightly small portions parts of the economy with the economy diversifying. Manufacturing made up 13.5 % of nonfarm payroll employment in 2002 and 13.3 % in 2007. Financial Activities was 7.5 % in 2002 and 7.2 % in 2007. Professional-Business Services and Education-Health Services became larger parts of the economy with Business-Professional and Business Services going from 11.8 to 12.9 % and Health-Educational Services going from 13.4 to 14.5 %. The local pattern was similar although not as pronounced as in the state as a whole. Statewide Manufacturing, which made up 12.8 % of nonfarm payroll employment in 2002, went down to 11.3 % in 2007. Professional-Business Services went from 13.5 to 14.5 % and Educational-Health Services went from 12.1 to 13.0 %. Financial Activities was stable at 6.8 %.

**Table 3-1: QCEW Industry Data for North Central EDR (2002 Q1 & 2007 Q1)**

|                                      | North Central Economic Development Region (EDR 3) |               |                                 |                                  |               |                                  |                                   |                                       |
|--------------------------------------|---|---------------|---------------------------------|----------------------------------|---------------|----------------------------------|-----------------------------------|---------------------------------------|
|                                      | 2007 Q1<br>Number of<br>Employed                  | 2007 Q1<br>%  | 2007 Q1<br>Avg. Qtrly.<br>Wages | 2002 Q1<br>Number of<br>Employed | 2002 Q1<br>%  | 2002 Q1<br>Avg. Qtrly.<br>Wages* | % Change<br>Employed<br>2002-2007 | % Change<br>Qtrly. Wages<br>2002-2007 |
| <b>Total</b>                         | <b>296,681</b>                                    | <b>100.0%</b> | <b>\$10,853</b>                 | <b>287,162</b>                   | <b>100.0%</b> | <b>\$9,851</b>                   | <b>3.3%</b>                       | <b>10.2%</b>                          |
| <b>Private Sector (NAICS)</b>        | <b>255,886</b>                                    | <b>86.2%</b>  | <b>\$11,176</b>                 | <b>246,105</b>                   | <b>85.7%</b>  | <b>\$10,011</b>                  | <b>4.0%</b>                       | <b>11.6%</b>                          |
| <b>GOODS-PRODUCING</b>               | <b>54,804</b>                                     | <b>18.5%</b>  | <b>\$17,023</b>                 | <b>54,042</b>                    | <b>18.8%</b>  | <b>\$15,206</b>                  | <b>1.4%</b>                       | <b>12.0%</b>                          |
| Natural Resources and Mining         | 1,566   | 0.5%          | \$7,449                         | 1,516                            | 0.5%          | \$8,245                          | 3.3%                              | -9.7%                                 |
| Construction                         | 12,219  | 4.1%          | \$11,010                        | 11,352                           | 4.0%          | \$10,369                         | 7.6%                              | 6.2%                                  |
| Manufacturing                        | 41,019  | 13.8%         | \$19,180                        | 41,174                           | 14.3%         | \$16,795                         | -0.4%                             | 14.2%                                 |
| <b>SERVICE-PROVIDING</b>             | <b>201,082</b>                                    | <b>67.8%</b>  | <b>\$9,583</b>                  | <b>192,063</b>                   | <b>66.9%</b>  | <b>\$8,550</b>                   | <b>4.7%</b>                       | <b>12.1%</b>                          |
| Trade, Transportation, and Utilities | 54,303  | 18.3%         | \$8,072                         | 51,469                           | 17.9%         | \$8,033                          | 5.5%                              | 0.5%                                  |
| Information                          | 5,141   | 1.7%          | \$11,854                        | 13,349                           | 4.6%          | \$13,205                         | -61.5%                            | -10.2%                                |
| Financial Activities                 | 21,670  | 7.3%          | \$17,679                        | 21,784                           | 7.6%          | \$13,452                         | -0.5%                             | 31.4%                                 |
| Professional and Business Services   | 38,155  | 12.9%         | \$13,085                        | 27,334                           | 9.5%          | \$10,326                         | 39.6%                             | 26.7%                                 |
| Educational and Health Services      | 44,280  | 14.9%         | \$8,967                         | 40,891                           | 14.2%         | \$8,078                          | 8.3%                              | 11.0%                                 |
| Leisure and Hospitality              | 28,626  | 9.6%          | \$3,177                         | 27,809                           | 9.7%          | \$3,101                          | 2.9%                              | 2.5%                                  |
| Other Services                       | 8,875   | 3.0%          | \$6,425                         | 9,408                            | 3.3%          | \$6,424                          | -5.7%                             | 0.0%                                  |
| Unclassified                         | 32  | 0.0%          | \$5,688                         | 19                               | 0.0%          | \$5,275                          | 68.4%                             | 7.8%                                  |
| <b>State &amp; Local Government</b>  | <b>37,367</b>                                     | <b>12.6%</b>  | <b>\$8,471</b>                  | <b>36,587</b>                    | <b>12.7%</b>  | <b>\$8,631</b>                   | <b>2.1%</b>                       | <b>-1.9%</b>                          |
| <b>Federal Government</b>            | <b>3,428</b>                                      | <b>1.2%</b>   | <b>\$12,688</b>                 | <b>4,470</b>                     | <b>1.6%</b>   | <b>\$11,012</b>                  | <b>-23.3%</b>                     | <b>15.2%</b>                          |

\* 2002 Q1 Wage data have been multiplied by the ratio of (March 2007 CPI / March 2002 CPI) for better comparison to 2007 Q1 Wage data

## LED

During the second quarter of 2007, Table 3-2 shows there were 47,847 new hires in the private sector of the EDR. Almost a quarter of the new hires were in the Leisure-Hospitality sector. This is a sector with a significant number of job openings from turnover due to low pay and irregular hours. Next in new hires came Trade-Transportation-Utilities and Professional-Business Services.

As the population ages and current workers begin to retire, there will be a need to provide local employers

with trained individuals to replace those workers leaving the workforce. This is the case even in those sectors that have displayed less than robust growth because they still need to replace workers who retire or otherwise leave the labor force. In the North Central region, Table 3-3 shows that the Trade-Transportation-Utilities, Manufacturing, and Education-Health Services had the largest number of workers in the pre-retirement age group of 55 to 64 years old. These same industries have the largest group of workers in the 45 to 54 cohort. All these industries had between 40 and 50 percent of their workers in age

**Table 3-2: North Central EDR Private Sector LED New Hires Data**

| Yr:Qtr                               | 2006:<br>3rd Qtr | 2006:<br>4th Qtr | 2007:<br>1st Qtr | 2007:<br>2nd Qtr |
|--------------------------------------|------------------|------------------|------------------|------------------|
| Total New Hires, Private Sector      | 42,709           | 37,127           | 33,379           | <b>47,847</b>    |
| Leisure-Hospitality                  | 9,839            | 8,725            | 8,137            | <b>11,307</b>    |
| Trade, Transportation, and Utilities | 8,821            | 8,925            | 6,835            | <b>9,926</b>     |
| Professional-Business Services       | 7,333            | 7,087            | 6,386            | <b>8,964</b>     |
| Education-Health Services            | 5,160            | 3,871            | 4,176            | <b>5,193</b>     |
| Construction                         | 3,867            | 2,849            | 2,350            | <b>4,647</b>     |

### Private Sector Employment Industries with the Most New Hires

#### EDR 3

| Yr:Qtr                               | 2006:<br>3rd Qtr | 2006:<br>4th Qtr | 2007:<br>1st Qtr | 2007:<br>2nd Qtr |
|--------------------------------------|------------------|------------------|------------------|------------------|
| Total New Hires, Private Sector      | 16%              | 14%              | 13%              | <b>18%</b>       |
| Leisure-Hospitality                  | 34%              | 31%              | 30%              | <b>39%</b>       |
| Construction                         | 27%              | 20%              | 19%              | <b>35%</b>       |
| Professional-Business Services       | 19%              | 18%              | 17%              | <b>23%</b>       |
| Mining-Nat Res.                      | 54%              | 12%              | 15%              | <b>20%</b>       |
| Trade, Transportation, and Utilities | 16%              | 16%              | 13%              | <b>18%</b>       |

categories over 45 years. A special problem in supplying skilled workers for factories is that past contractions have led to individuals being scared off from pursuing skilled manufacturing production careers. The educational requirements and training needs for some occupations in

the Trade-Transportation-Utilities and Education-Health Services also require long-term planning to guide more people into these careers. This is especially the case in Health Care careers such as nursing that require multiple years of education and training.

**Table 3-3: North Central EDR Private Sector LED Employment Data, by Age Group**

| <b>EDR 3</b>                         |               | <b>Private Sector Employment by Age Groups</b> |               |               |               |               |               |  |
|--------------------------------------|---------------|--|---------------|---------------|---------------|---------------|---------------|--|
| <b>Year &amp; Qtr</b>                | <b>2007:2</b> | <b>2007:2</b>                                  | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> |  |
| <b>Age Group</b>                     | <b>14-99</b>  | <b>14-24</b>                                   | <b>25-34</b>  | <b>35-44</b>  | <b>45-54</b>  | <b>55-64</b>  | <b>65-99</b>  |  |
| Total, Private Sector                | 265,090       | 42,903   | 56,630        | 59,160        | 62,419        | 34,973        | 9,001         |  |
| Trade, Transportation, and Utilities | 54,937        | 10,224   | 10,526        | 11,186        | 12,524        | 7,669         | 2,783         |  |
| Manufacturing                        | 42,374        | 3,234  | 8,241         | 10,129        | 12,491        | 7,203         | 1,069         |  |
| Education-Health Services            | 45,228        | 5,275  | 9,849         | 10,233        | 11,572        | 6,623         | 1,670         |  |
| Professional-Business Services       | 38,902        | 4,943  | 10,249        | 9,934         | 8,233         | 4,442         | 1,074         |  |

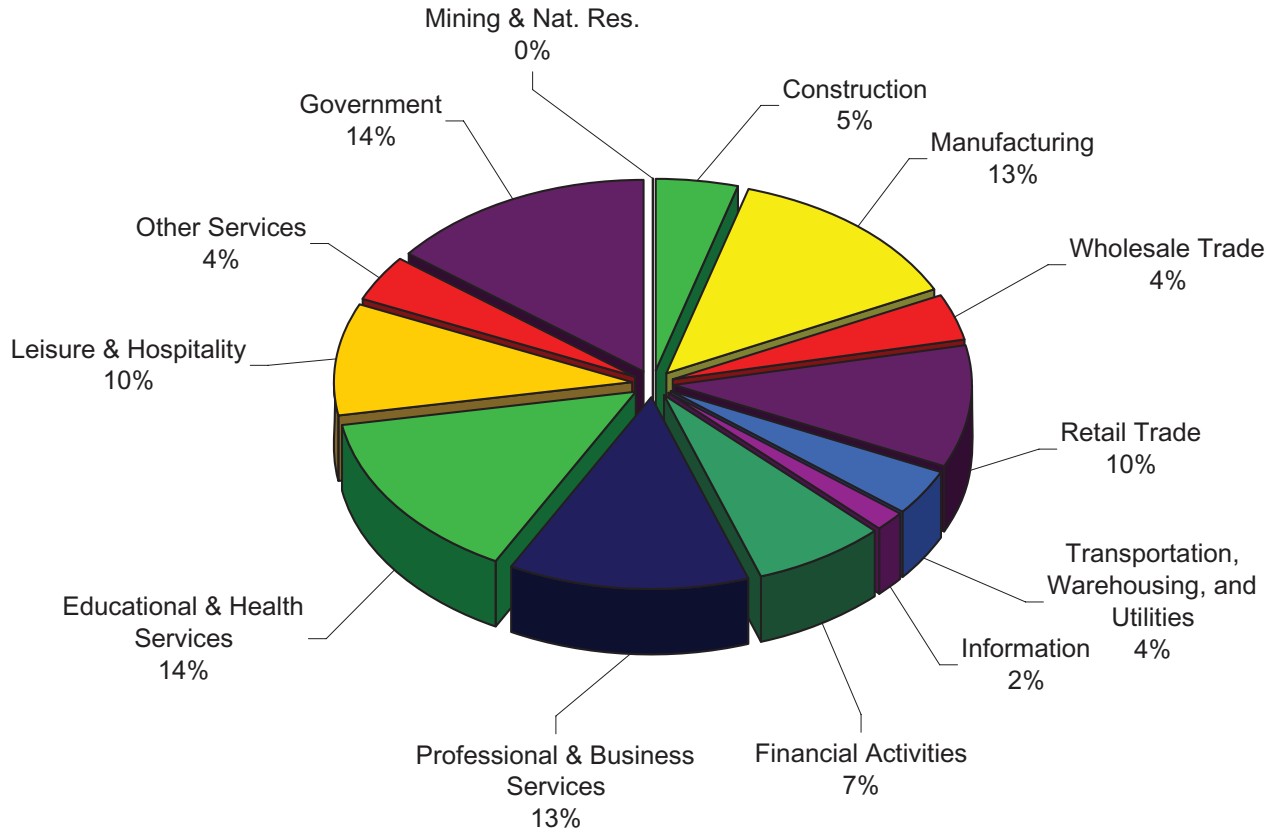
| <b>EDR 3</b>                         |               | <b>Private Sector Employment by Age Groups</b> |               |               |               |               |               |  |
|--------------------------------------|---------------|--|---------------|---------------|---------------|---------------|---------------|--|
| <b>Year &amp; Qtr</b>                | <b>2007:2</b> | <b>2007:2</b>                                  | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> |  |
| <b>Age Group</b>                     | <b>14-99</b>  | <b>14-24</b>                                   | <b>25-34</b>  | <b>35-44</b>  | <b>45-54</b>  | <b>55-64</b>  | <b>65-99</b>  |  |
| Total, Private Sector                | <b>100%</b>   | <b>16%</b>                                     | <b>21%</b>    | <b>22%</b>    | <b>24%</b>    | <b>13%</b>    | <b>3%</b>     |  |
| Trade, Transportation, and Utilities | <b>21%</b>    | 4%   | 4%            | 4%            | 5%            | 3%            | 1%            |  |
| Manufacturing                        | <b>16%</b>    | 1%   | 3%            | 4%            | 5%            | 3%            | 0%            |  |
| Education-Health Services            | <b>17%</b>    | 2%   | 4%            | 4%            | 4%            | 2%            | 1%            |  |
| Professional-Business Services       | <b>15%</b>    | 2%   | 4%            | 4%            | 3%            | 2%            | 0%            |  |

| <b>EDR 3</b>                         |               | <b>Private Sector Employment by Age Groups</b> |               |               |               |               |               |  |
|--------------------------------------|---------------|--|---------------|---------------|---------------|---------------|---------------|--|
| <b>Year &amp; Qtr</b>                | <b>2007:2</b> | <b>2007:2</b>                                  | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> |  |
| <b>Age Group</b>                     | <b>14-99</b>  | <b>14-24</b>                                   | <b>25-34</b>  | <b>35-44</b>  | <b>45-54</b>  | <b>55-64</b>  | <b>65-99</b>  |  |
| Trade, Transportation, and Utilities | 21%           | 24%  | 19%           | 19%           | 20%           | 22%           | 31%           |  |
| Manufacturing                        | 16%           | 8%   | 15%           | 17%           | 20%           | 21%           | 12%           |  |
| Education-Health services            | 17%           | 12%  | 17%           | 17%           | 19%           | 19%           | 19%           |  |
| Professional-Business services       | 15%           | 12%  | 18%           | 17%           | 13%           | 13%           | 12%           |  |

**CES**

Chart 3-1 provides information on employment by industry for 2007 from the Current Employment Statistics program.

**Chart 3-1: North Central EDR Industry Employment Composition (2007 CES Annual Average Data)**



**LAUS**

Economic conditions are good with steady improvement since the economic dislocations caused by the 2001 national recession. Table 3-4 shows that the EDR annual average unemployment rate fell from 5.3 % in 2002 to 4.5 % in 2007. The labor force expanded from 322,795 to 349,037. The unemployment rate was consistently below both the statewide and national rates from 2002 to 2007.

**Table 3-4: North Central EDR Labor Force and Unemployment Rate Data**

| Year | Labor Force EDR | Annual Average Unemployment Rate (%) |     |     |
|------|-----------------|--------------------------------------|-----|-----|
|      |                 | EDR                                  | IL  | US  |
| 2002 | 322,795         | 5.3                                  | 6.5 | 5.8 |
| 2003 | 319,650         | 5.7                                  | 6.7 | 6.0 |
| 2004 | 323,218         | 5.4                                  | 6.2 | 5.5 |
| 2005 | 334,325         | 4.8                                  | 5.8 | 5.1 |
| 2006 | 343,706         | 4.0                                  | 4.6 | 4.6 |
| 2007 | 349,037         | 4.5                                  | 5.0 | 4.6 |

**Occupational Wages and Employment**

Wage data estimates, by occupational category, for the North Central Region are available in Table 3-5. In 2007 management was the occupational group with the highest annual average experienced wages at \$102,843. Legal occupations and computer and math ones also had averages of over \$80,000. Food preparation and serving-related occupations at \$20,309 had the lowest average wages.

**Table 3-5: Estimated Employment and Wages for North Central EDR, by Occupational Category**

| SOC Occupational Category                                  | 2007 Est.  | % of 2007  | Annual Wages |          |             |
|--|------------|------------|--------------|----------|-------------|
|  | Employment | Employment | Entry        | Median   | Experienced |
| Management Occupations                                     | 30,595     | 8.4%       | \$39,309     | \$74,107 | \$102,843   |
| Business and Financial Operations Occupations              | 15,834     | 4.4%       | \$34,809     | \$55,738 | \$74,542    |
| Computer and Mathematical Occupations                      | 7,526      | 2.1%       | \$35,569     | \$62,237 | \$82,488    |
| Architecture and Engineering Occupations                   | 5,247      | 1.4%       | \$38,453     | \$58,953 | \$73,370    |
| Life, Physical, and Social Science Occupations             | 2,463      | 0.7%       | \$33,750     | \$56,873 | \$76,704    |
| Community and Social Services Occupations                  | 5,400      | 1.5%       | \$22,972     | \$33,559 | \$45,054    |
| Legal Occupations  | 2,019      | 0.6%       | \$34,218     | \$55,094 | \$91,439    |
| Education, Training, and Library Occupations               | 23,399     | 6.5%       | \$22,339     | \$40,213 | \$54,178    |
| Arts, Design, Entertainment, Sports, and Media Occupations | 5,427      | 1.5%       | \$21,310     | \$39,700 | \$53,757    |
| Healthcare Practitioners and Technical Occupations         | 19,105     | 5.3%       | \$27,293     | \$44,963 | \$69,379    |
| Healthcare Support Occupations                             | 9,151      | 2.5%       | \$17,631     | \$22,196 | \$26,275    |
| Protective Service Occupations                             | 7,554      | 2.1%       | \$17,956     | \$39,407 | \$49,005    |
| Food Preparation and Serving-Related Occupations           | 30,106     | 8.3%       | \$14,881     | \$16,260 | \$20,309    |
| Building and Grounds Cleaning and Maintenance Occupations  | 14,374     | 4.0%       | \$16,088     | \$21,056 | \$27,420    |
| Personal Care and Service Occupations                      | 9,256      | 2.6%       | \$15,204     | \$17,773 | \$24,271    |
| Sales and Related Occupations                              | 37,248     | 10.3%      | \$15,669     | \$21,029 | \$40,376    |
| Office and Administrative Support Occupations              | 54,237     | 15.0%      | \$18,436     | \$26,014 | \$33,752    |
| Farming, Fishing, and Forestry Occupations                 | 2,010      | 0.6%       | \$18,852     | \$29,337 | \$39,034    |
| Construction and Extraction Occupations                    | 14,658     | 4.0%       | \$28,001     | \$47,756 | \$57,241    |
| Installation, Maintenance, and Repair Occupations          | 12,756     | 3.5%       | \$24,739     | \$39,621 | \$49,538    |
| Production Occupations                                     | 30,206     | 8.3%       | \$20,460     | \$31,537 | \$39,810    |
| Transportation and Material Moving Occupations             | 23,880     | 6.6%       | \$16,759     | \$24,118 | \$32,961    |

Note: Occupational Wage Data is representative of 2007 Q2

**Other Regional Data**

Chart 3-2 provides information on the population by age group for the EDR. The data is based on the U.S. Census Bureau population estimates from 2006.

**Chart 3-2: North Central EDR Population by Age Group**

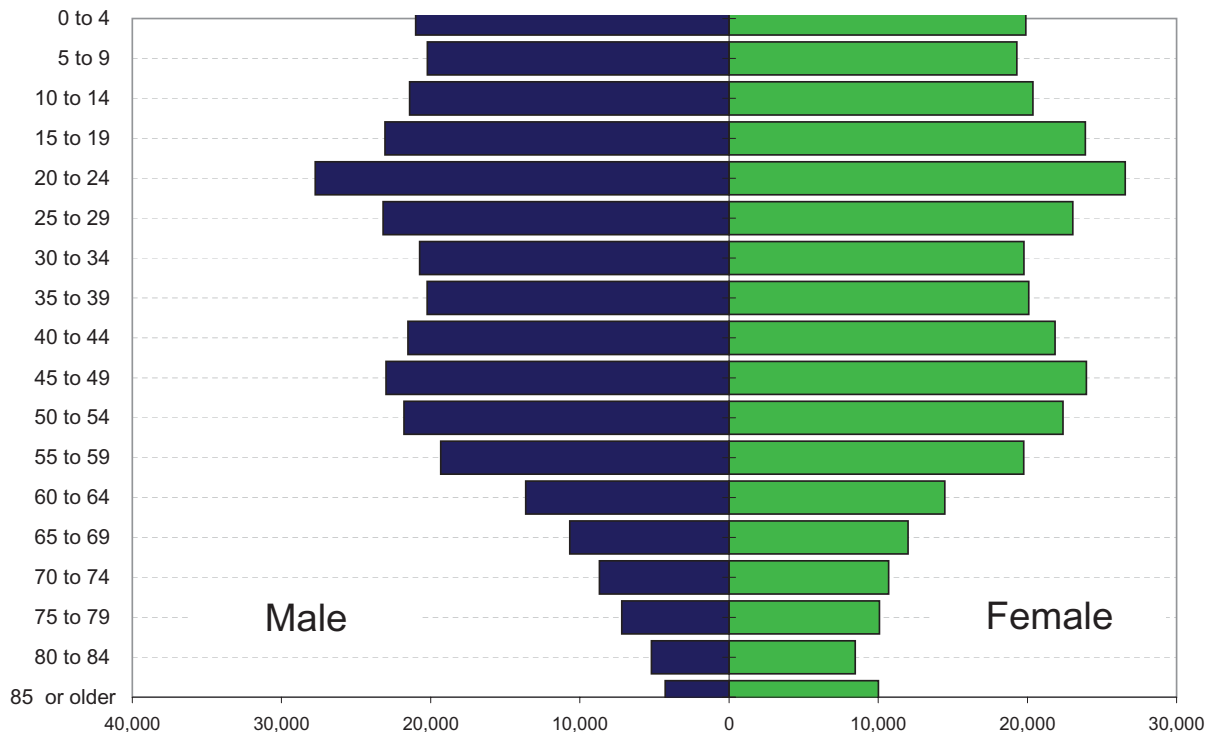


Table 3-6 provides information on the educational attainment of people 25 years or older in the EDR. The data is based on the 2000 and 1990 U.S. Census.

**Table 3-6: North Central EDR Educational Attainment: Persons 25 Years and Older**

| Region        | County     | Year | Population 25 years and older | % Less than high school | % High school graduate | % Some college no degree | % Bachelor's degree | % Graduate or professional degree |
|---------------|------------|------|-------------------------------|-------------------------|------------------------|--------------------------|---------------------|-----------------------------------|
| Illinois      |            | 2000 | 7,973,671                     | 18.6                    | 27.7                   | 27.6                     | 16.5                | 9.5                               |
| Illinois      |            | 1990 | 7,293,930                     | 23.8                    | 30.0                   | 25.2                     | 13.6                | 7.5                               |
| North Central | De Witt    | 2000 | 11,354                        | 16.5                    | 43.6                   | 26.4                     | 10.3                | 3.1                               |
| North Central | De Witt    | 1990 | 10,941                        | 25.4                    | 44.2                   | 18.7                     | 8.5                 | 3.3                               |
| North Central | Fulton     | 2000 | 26,529                        | 21.7                    | 38.0                   | 28.9                     | 7.8                 | 3.6                               |
| North Central | Fulton     | 1990 | 25,592                        | 26.2                    | 42.1                   | 22.3                     | 6.5                 | 3.0                               |
| North Central | Livingston | 2000 | 26,496                        | 21.9                    | 41.2                   | 24.2                     | 8.7                 | 4.0                               |
| North Central | Livingston | 1990 | 26,084                        | 25.9                    | 43.4                   | 21.4                     | 6.4                 | 2.9                               |
| North Central | Marshall   | 2000 | 9,135                         | 15.0                    | 40.2                   | 30.3                     | 10.5                | 4.0                               |
| North Central | Marshall   | 1990 | 8,600                         | 22.2                    | 43.3                   | 24.2                     | 7.8                 | 2.6                               |
| North Central | Mason      | 2000 | 10,890                        | 20.1                    | 42.1                   | 26.6                     | 7.8                 | 3.4                               |
| North Central | Mason      | 1990 | 10,729                        | 27.4                    | 43.8                   | 19.9                     | 5.9                 | 2.9                               |
| North Central | McLean     | 2000 | 87,220                        | 9.3                     | 28.2                   | 26.3                     | 25.2                | 11.0                              |
| North Central | McLean     | 1990 | 72,957                        | 15.3                    | 32.9                   | 22.8                     | 20.0                | 9.0                               |
| North Central | Peoria     | 2000 | 118,498                       | 16.2                    | 29.5                   | 31.0                     | 15.2                | 8.1                               |
| North Central | Peoria     | 1990 | 115,963                       | 22.1                    | 31.4                   | 27.1                     | 12.9                | 6.6                               |
| North Central | Stark      | 2000 | 4,312                         | 16.6                    | 39.1                   | 31.0                     | 10.2                | 3.2                               |
| North Central | Stark      | 1990 | 4,396                         | 23.0                    | 43.6                   | 22.7                     | 7.8                 | 3.0                               |
| North Central | Tazewell   | 2000 | 86,666                        | 15.0                    | 34.4                   | 32.5                     | 12.5                | 5.6                               |
| North Central | Tazewell   | 1990 | 80,310                        | 21.4                    | 37.0                   | 28.1                     | 9.6                 | 3.9                               |
| North Central | Woodford   | 2000 | 22,945                        | 12.2                    | 35.3                   | 31.4                     | 15.2                | 5.9                               |
| North Central | Woodford   | 1990 | 20,469                        | 20.0                    | 38.5                   | 26.2                     | 10.4                | 5.0                               |
| North Central | Region     | 2000 | 404,045                       | 15.0                    | 33.0                   | 29.5                     | 15.4                | 7.1                               |
| North Central | Region     | 1990 | 376,041                       | 21.3                    | 36.0                   | 25.1                     | 12.0                | 5.6                               |

Source: US Bureau of the Census, 2000 Decennial Census, Summary File 3



## Northeast Economic Development Region (EDR 4)



### Area Description

The Northeast Economic Development Region (EDR 4) consists of the ten counties in the northeastern corner of the state: Cook, Lake, Mc Henry, De Kalb, Kane, Du Page, Kendall, Will, Grundy, and Kankakee. Within its boundaries, approximately two-thirds of the State's labor force, employed, and unemployed reside. The region contains more than 70 percent of all Illinois' non-farm jobs. In addition to dominating the Illinois economy,

the region is perhaps the State's most diverse. This includes the rural sections of Mc Henry, De Kalb, Kendall, Grundy, Will, and Kankakee Counties, through the suburban portions of Cook and Du Page, into the world-class urban metropolis of Chicago. Chicago's status is illustrated by its selection by the U.S. Olympic Committee as the U.S. city representative to compete with other countries to host the 2016 Olympic Games and its world-class cultural and business institutions, its extensive domestic and foreign tourism industry, and standing as one of the country's premier convention centers.

The Northeast EDR includes two MSA's within its borders: Chicago/Naperville/Joliet (IL-IN-WI) and Kankakee with the former having three Metropolitan Divisions within it including two with at least portions in Illinois (Chicago/Naperville/Joliet and Lake County (IL)/Kenosha(WI)). The largest cities in the region also include most of the largest cities in the state. Chicago, Aurora, Naperville, Joliet, Waukegan, and Elgin are all located within the area.

Transportation facilities for traveling within the Northeast EDR and those connecting to every other destination in the world are extensive; all forms of transit are readily available. Chicago continues to build on its role as the historical hub of the nation's rail network, remaining the interchange point between the East Coast and the West Coast railroads even after the consolidation of the rail industry. Sustained high-energy prices only reinforce the vital nature of this interchange function to the nation's economy. Most coast-to-coast rail shipments transit Chicago, as do north/south shipments from New Orleans. Will County has become the third largest container port in the world, with planned Intermodal facilities in South Cook County and Grundy County adding further

importance to this role. Existing logistics facilities are being updated and expanded near Elwood in Will County. A new facility is being built in Crete as part of the effort to maintain strength in this industry, and another facility is planned for Seneca in Grundy County. Substantial infrastructure investment supporting the intermodal and rail exchange roles will need to be made in order to modernize for these areas to continue their crucial function.

The region has an extensive system of Interstate highways, including I-57 and I-55 that provide access to the Gulf States and ports as well as three coast-to-coast roadways (I-80, I-90, I-94) and I-88 west to Moline. These provide the arteries for truck traffic integral to the logistics industry, which has become one of the region's growth industries. The extension of I-355 southward from I-55 connecting to I-80 opened in November of 2007 providing an avenue for industrial, commercial, and residential growth in eastern Will County and western Cook County. An expressway in the far west section of the Chicago Metropolitan area has been in the planning stages for years. The first segment of this "Prairie Parkway" could be under construction within two years which will eventually connect I-88 to I-80 running north-south through part of Kane County and all of Kendall County. Other improvements are also being made to existing highways in the region that will relieve traffic congestion, which remains one of the region's largest constraints to economic growth.

Water transportation is also available to the region. Shipping routes include the Great Lakes with barge traffic through the Des Plaines and Illinois Rivers allowing access to the Mississippi, thus making export markets available through New Orleans and the St. Lawrence Seaway. The region has one of the busiest airports in the country (Chicago O'Hare), which has made the area attractive to businesses needing to access domestic and international locations. A modernization effort is underway at O'Hare that will reconfigure runways in order to increase the number of flights in/out of the airport and reduce delays. Chicago Midway adds a second airport to the air accessibility. Finally, the Chicago metropolitan area has an extensive Regional Transportation Authority public transportation system including Metra, CTA, Pace that makes it possible to move people easily around the area.

Industries and occupations in EDR 4 reflect changes in the north central Midwest as well as the State of Illinois. Overall, the period of 2002-2007 continues the trend away from the goods producing industries and occupations

and toward the service providing industries and occupations. On an industry basis, declines are particularly evident in manufacturing, specifically in fabricated metal products, machinery, printing, and lately, computer and electronic products. The region has had gains in Service-Providing sectors, especially gains in Professional and Business Services, Health and Education, and Leisure and Hospitality.

Manufacturing jobs will continue to be available, but the requisite skills have changed substantially within this industry sector. An erosion of area average wage levels is evident with the decline of manufacturing employment levels and the rise of service-providing industries. This phenomenon is occurring generally, but has had a more significant and direct impact upon the landscape of smaller counties such as Kankakee that were once dominated by manufacturing. This county is becoming more service-oriented and a regional health center.

Chicago remains a convention and tourism destination, with many other industries and occupations indirectly benefiting from the visitors. As a business center, Chicago has experienced a decline in corporate headquarters, although corporate functions have remained. This is evident in the manufacturing, retail, and finance sectors recently because of corporate restructuring and merger and acquisition activity.

The area continues to grow in all available directions, but especially toward the west (Kane and Kendall Counties) and south (Will County). Many residents can live in the northeast corner of Kendall County and ride a Metra train into downtown Chicago or drive to another suburb for their work. The housing boom of the last 10 years helped to bring people out to this area along with the promise of good schools, relatively cheap housing, and other resources. Will County has been experiencing growth and contributing to the expansion of the Transportation and Distribution industry. Other service industries are now developing to support the increased population. Kendall County is one of the fastest growing Counties in the country, although Will County surpasses Kendall in absolute population growth.

Both Kane County and Mc Henry County have economies that feature goods-producing industries, with manufacturing as a percentage of total employment well above the statewide average. Grundy County is still mostly rural, but does have a wide industry base, including power plants and chemical facilities. The county residents include a significant proportion of construction trades persons that give this county a high average wage. De Kalb County is primarily a rural area, but it also has the state's

second largest university (Northern Illinois University) located there. This provides for a stable economy and the potential for future growth.

Lake County is the third most populous county in this region behind Cook and Du Page. Several affluent communities are located here as well as many large employers, some of which are in health related industries, so Goods Producing and Professional occupations are more prevalent in Lake County compared to other parts of the region. Du Page County, directly west of Cook County, benefits from a good transportation system that links people from their home to work, a significant proportion of which commute to Cook for employment. It has a service-oriented economy and has by far the highest ratio of jobs to population of any county in the region.

### **Demographics**

Since the 2000 Census, the Northeast EDR has experienced a moderate increase of 4.5 percent, an increase of 377,000 persons. Interestingly, this change manifests itself in every county except Cook, the largest by far, which experienced an 88,000 decline. In fact, Will and Kendall Counties are included in the fastest growing 20 counties in the country on a percentage basis as noted above. Within Cook County, the African-American population proportion is expected to continue to decline in Chicago, partially offset by the rise in the Hispanic population. To some degree, this population shift reflects the migration to suburban Cook and the Collar Counties of the African-American and Hispanic populations.

### **Outlook**

The outlook for the Northeast Region remains generally favorable, with an average annual employment growth rate of 0.95 percent as compared to a State growth rate of 0.83 percent in the 2004-2014 period, translating into a gain of over 430,000 jobs. The State results are heavily weighted toward the Northeast Region since 80 percent of the job growth is expected within its boundaries.

Industry and occupational changes are expected to continue as witnessed in the 2002-2007 period. In general, this will include the continued decline of the goods producing industry and occupation job openings, but requiring increased skill levels for those who are to be employed in these fields and filling the openings that arise. Output in these industries should continue to increase due to productivity improvements in spite of declining employment. Industries (and associated occupations) expected to grow include those in the business & professional services, computer, retail trade,

transportation, education, health care and construction sectors. Workforce requirements will continue toward increased levels of training and education required for all positions.

## QCEW

Table 4-1 provides 2002 and 2007 QCEW data for the Northeast EDR. The tables show that during the 2002-07 period, the EDR had a gain of 91,000 employed, a 2.3% increase. The goods producing industries' employment declined by 64,000, or 9.3%, which was more than offset by the 147,000 gain in service providing industries, or a 5.3% gain. As contrasted to other areas within the State, wages for the goods and service sectors remain close, with the latter gaining 7.8% over the period compared to the goods producing sector's 6.0%. These factors combine to result in an average wage gain for private sector employment in the Region of \$932 per quarter or 7.3%.

Significant employment advances were recorded in Professional & Business Services (+9.1%), Education & Health Services (+11.1%), and Leisure & Hospitality (+11.3%). The former two sectors, however, recorded only modest wage advances of 7.8% and 4.1% gains respectively. Leisure & Hospitality had 2.0% wage decline.

The smaller industry sectors of Information and Financial Activities had both higher average wages and larger percentage gains of 18.2% and 26.4% during the period respectively thus do not have as significant impact on Region average wages, which serves to narrow the goods producing-service providing industry wage gap.

The decline of the goods producing industries is driven by the Manufacturing sector's losses of 65,000 jobs, or 13.0%. Within each of these sub-sectors, all components retained their approximate percentage of the total with the exception of Manufacturing. Thus, changes in industry sector mix are almost entirely attributable to Manufacturing losses over the period. Wages, however, in the Manufacturing did increase 8.7%. With Manufacturing, Natural Resources & Mining and Trade, Transportation & Utilities were the only sectors to record employment losses; the latter category primarily due to declines in the Utility Industry. As noted, the Information and Financial Activity sectors in the 2002-2007 period recorded wage gains significantly above the average for the Region. They were, however, only approximately 10% of total employment. Government maintained its employment component at approximately 12.5% of the total, with wage gains significantly below the Region average.

**Table 4-1: QCEW Industry Data for Northeast EDR (2002 Q1 & 2007 Q1)**

|                                      | Northeast Economic Development Region (EDR 4) |                          |                                 |                                  |                          |                                  |                                   |                                       |
|--------------------------------------|---|--------------------------|---------------------------------|----------------------------------|--------------------------|----------------------------------|-----------------------------------|---------------------------------------|
|                                      | 2007 Q1<br>Number of<br>Employed              | 2007 Q1<br>%<br>Employed | 2007 Q1<br>Avg. Qtrly.<br>Wages | 2002 Q1<br>Number of<br>Employed | 2002 Q1<br>%<br>Employed | 2002 Q1<br>Avg. Qtrly.<br>Wages* | % Change<br>Employed<br>2002-2007 | % Change<br>Qtrly. Wages<br>2002-2007 |
| <b>Total</b>                         | <b>4,029,906</b>                              | <b>100.0%</b>            | <b>\$13,549</b>                 | <b>3,938,996</b>                 | <b>100.0%</b>            | <b>\$12,705</b>                  | <b>2.3%</b>                       | <b>6.6%</b>                           |
| <b>Private Sector (NAICS)</b>        | <b>3,528,485</b>                              | <b>87.6%</b>             | <b>\$13,768</b>                 | <b>3,444,882</b>                 | <b>87.5%</b>             | <b>\$12,836</b>                  | <b>2.4%</b>                       | <b>7.3%</b>                           |
| <b>GOODS-PRODUCING</b>               | <b>619,541</b>                                | <b>15.4%</b>             | <b>\$14,472</b>                 | <b>683,056</b>                   | <b>17.3%</b>             | <b>\$13,650</b>                  | <b>-9.3%</b>                      | <b>6.0%</b>                           |
| Natural Resources and Mining         | 5,761   | 0.1%                     | \$9,774                         | 6,301                            | 0.2%                     | \$9,446                          | -8.6%                             | 3.5%                                  |
| Construction                         | 174,480                                       | 4.3%                     | \$14,359                        | 172,033                          | 4.4%                     | \$14,510                         | 1.4%                              | -1.0%                                 |
| Manufacturing                        | 439,300                                       | 10.9%                    | \$14,579                        | 504,722                          | 12.8%                    | \$13,409                         | -13.0%                            | 8.7%                                  |
| <b>SERVICE-PROVIDING</b>             | <b>2,908,944</b>                              | <b>72.2%</b>             | <b>\$13,618</b>                 | <b>2,761,826</b>                 | <b>70.1%</b>             | <b>\$12,634</b>                  | <b>5.3%</b>                       | <b>7.8%</b>                           |
| Trade, Transportation, and Utilities | 819,014                                       | 20.3%                    | \$10,926                        | 807,152                          | 20.5%                    | \$11,039                         | 1.5%                              | -1.0%                                 |
| Information                          | 85,452  | 2.1%                     | \$20,932                        | 103,964                          | 2.6%                     | \$17,706                         | -17.8%                            | 18.2%                                 |
| Financial Activities                 | 307,835                                       | 7.6%                     | \$30,959                        | 300,270                          | 7.6%                     | \$24,489                         | 2.5%                              | 26.4%                                 |
| Professional and Business Services   | 664,546                                       | 16.5%                    | \$16,457                        | 608,849                          | 15.5%                    | \$15,268                         | 9.1%                              | 7.8%                                  |
| Educational and Health Services      | 532,930                                       | 13.2%                    | \$10,153                        | 479,693                          | 12.2%                    | \$9,749                          | 11.1%                             | 4.1%                                  |
| Leisure and Hospitality              | 351,333                                       | 8.7%                     | \$4,950                         | 315,664                          | 8.0%                     | \$5,050                          | 11.3%                             | -2.0%                                 |
| Other Services                       | 142,298                                       | 3.5%                     | \$8,580                         | 141,373                          | 3.6%                     | \$8,402                          | 0.7%                              | 2.1%                                  |
| Unclassified                         | 5,536   | 0.1%                     | \$7,312                         | 4,861                            | 0.1%                     | \$7,347                          | 13.9%                             | -0.5%                                 |
| <b>State &amp; Local Government</b>  | <b>445,015</b>                                | <b>11.0%</b>             | <b>\$11,495</b>                 | <b>433,521</b>                   | <b>11.0%</b>             | <b>\$11,286</b>                  | <b>2.7%</b>                       | <b>1.8%</b>                           |
| <b>Federal Government</b>            | <b>56,406</b>                                 | <b>1.4%</b>              | <b>\$16,004</b>                 | <b>60,593</b>                    | <b>1.5%</b>              | <b>\$15,414</b>                  | <b>-6.9%</b>                      | <b>3.8%</b>                           |

\* 2002 Q1 Wage data have been multiplied by the ratio of (March 2007 CPI / March 2002 CPI) for better comparison to 2007 Q1 Wage data

## LED

Local Employment Dynamics, a partnership program of the U.S. Census Bureau and the Illinois Department of Employment Security, provides information on which industries are adding workers to their payrolls. Table 4-2 indicates that Professional-Business Services, Trade,

industries are hiring and the skill sets individuals would need to gain employment in those industries. It therefore can be used as a tool in determining work training and retraining within the region.

**Table 4-2: Northeast EDR Private Sector LED New Hires Data**

| Yr:Qtr                               | 2006:<br>3rd Qtr | 2006:<br>4th Qtr | 2007:<br>1st Qtr | 2007:<br>2nd Qtr |
|--------------------------------------|------------------|------------------|------------------|------------------|
| Total New Hires, Private Sector      | 611,277          | 557,327          | 484,535          | <b>666,610</b>   |
| Professional-Business Services       | 174,313          | 150,934          | 146,199          | <b>194,118</b>   |
| Trade, Transportation, and Utilities | 128,466          | 148,608          | 96,617           | <b>141,925</b>   |
| Leisure-Hospitality                  | 100,809          | 82,416           | 71,475           | <b>112,099</b>   |
| Education-Health Services            | 66,623           | 55,457           | 52,179           | <b>59,828</b>    |
| Construction                         | 41,582           | 33,906           | 27,733           | <b>48,985</b>    |

### Private Sector Employment Industries with the Most New Hires

#### EDR 4

| Yr:Qtr                               | 2006:<br>3rd Qtr | 2006:<br>4th Qtr | 2007:<br>1st Qtr | 2007:<br>2nd Qtr |
|--------------------------------------|------------------|------------------|------------------|------------------|
| Total New Hires, Private Sector      | 17%              | 15%              | 13%              | <b>18%</b>       |
| Leisure-Hospitality                  | 27%              | 23%              | 21%              | <b>31%</b>       |
| Construction                         | 21%              | 17%              | 16%              | <b>27%</b>       |
| Professional-Business Services       | 24%              | 21%              | 21%              | <b>27%</b>       |
| Mining-Nat Res.                      | 21%              | 12%              | 13%              | <b>26%</b>       |
| Trade, Transportation, and Utilities | 15%              | 17%              | 11%              | <b>16%</b>       |

Transportation, and Utilities, and Leisure-Hospitality, experienced the most new hires in the latest reporting period, 2nd quarter 2007. For this analysis, IDES used new hire data from several quarters to determine which industries demonstrated a hiring trend. By using several quarters, this information can be used to determine which

The Northeast Economic Development Region, as with the remainder of the State, faces workforce needs characterized by an aging workforce requiring trained workers to replace those leaving the workforce. This fact is complicated by the fact that skill levels required for almost all occupations continues to increase. Table 4-3

shows that of the industry sectors, Trade Transportation & Utilities, Education & Health Services, Professional & Business Services, and Manufacturing contain the largest proportions if the workforces most immediately susceptible to retirement. This is also true of the 45-54 year old age group, the next to retire. With the exception of Manufacturing, these industries are also the fastest growing, and will require a commitment to workforce training and education to provide the replacement workers necessary with the ever-increasing required skill

levels. Interestingly, Manufacturing, with its declining employment, represents the sector with the fewest younger workers. While understandable, this trend will have to be reversed if the Region is to retain its competitive position in the world economy. Industries facing the largest threat to maintaining and enhancing skill levels after accounting for retiring workforces include in significant part the legacy sectors; railroads for instance estimate a better than 50% eligible for retirement in the next five years.

**Table 4-3: Northeast EDR Private Sector LED Employment Data, by Age Group**

| EDR 4                                |           | Private Sector Employment by Age Groups |         |         |         |         |         |  |
|--------------------------------------|-----------|---|---------|---------|---------|---------|---------|--|
| Year & Qtr                           | 2007:2    | 2007:2                                  | 2007:2  | 2007:2  | 2007:2  | 2007:2  | 2007:2  |  |
| Age Group                            | 14-99     | 14-24                                   | 25-34   | 35-44   | 45-54   | 55-64   | 65-99   |  |
| Total, Private Sector                | 3,655,843 | 538,328                                 | 847,011 | 858,771 | 818,017 | 453,030 | 140,687 |  |
| Trade, Transportation, and Utilities | 863,573   | 168,560                                 | 179,096 | 189,080 | 189,040 | 105,092 | 32,698  |  |
| Education-Health Services            | 539,608   | 54,763                                  | 122,310 | 123,825 | 132,656 | 82,579  | 23,467  |  |
| Professional-Business Services       | 711,755   | 89,083                                  | 191,695 | 175,144 | 147,867 | 79,895  | 28,058  |  |
| Manufacturing                        | 442,921   | 31,752                                  | 79,549  | 113,876 | 126,882 | 72,707  | 18,155  |  |

| EDR 4                                |        | Private Sector Employment by Age Groups |        |        |        |        |        |  |
|--------------------------------------|--------|---|--------|--------|--------|--------|--------|--|
|                                      |        | Percent of Total Employment             |        |        |        |        |        |  |
| Year & Qtr                           | 2007:2 | 2007:2                                  | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 |  |
| Age Group                            | 14-99  | 14-24                                   | 25-34  | 35-44  | 45-54  | 55-64  | 65-99  |  |
| Total, Private Sector                | 100%   | 15%                                     | 23%    | 23%    | 22%    | 12%    | 4%     |  |
| Trade, Transportation, and Utilities | 24%    | 5%                                      | 5%     | 5%     | 5%     | 3%     | 1%     |  |
| Education-Health Services            | 15%    | 1%                                      | 3%     | 3%     | 4%     | 2%     | 1%     |  |
| Professional-Business Services       | 19%    | 2%                                      | 5%     | 5%     | 4%     | 2%     | 1%     |  |
| Manufacturing                        | 12%    | 1%                                      | 2%     | 3%     | 3%     | 2%     | 0%     |  |

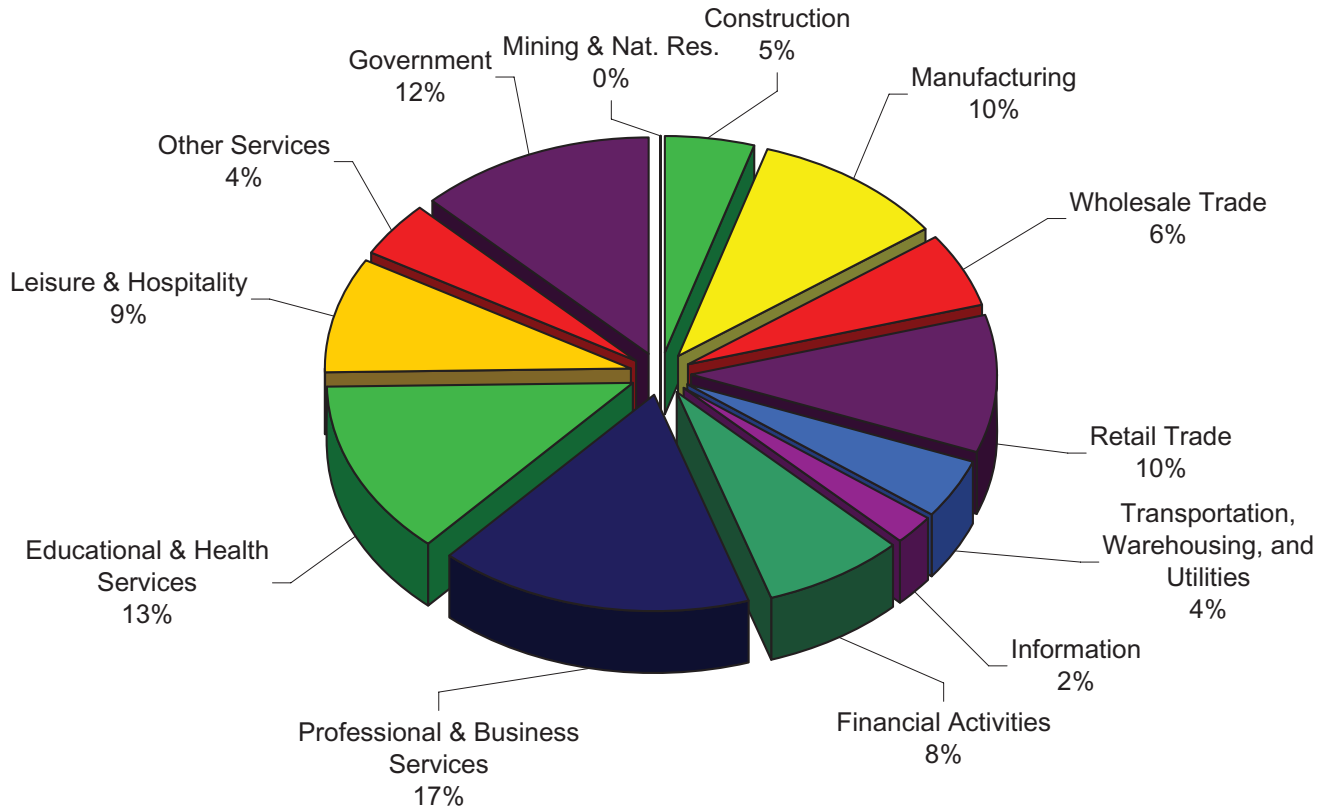
| EDR 4                                |        | Private Sector Employment by Age Groups |        |        |        |        |        |  |
|--------------------------------------|--------|---|--------|--------|--------|--------|--------|--|
|                                      |        | Percent Employment within an Age Group  |        |        |        |        |        |  |
| Year & Qtr                           | 2007:2 | 2007:2                                  | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 |  |
| Age Group                            | 14-99  | 14-24                                   | 25-34  | 35-44  | 45-54  | 55-64  | 65-99  |  |
| Trade, Transportation, and Utilities | 24%    | 31%                                     | 21%    | 22%    | 23%    | 23%    | 23%    |  |
| Education-Health services            | 15%    | 10%                                     | 14%    | 14%    | 16%    | 18%    | 17%    |  |
| Professional-Business services       | 19%    | 17%                                     | 23%    | 20%    | 18%    | 18%    | 20%    |  |
| Manufacturing                        | 12%    | 6%                                      | 9%     | 13%    | 16%    | 16%    | 13%    |  |

Note: Since approximately 70% of the State's workforce resides/works in the Northeast EDR, little use will be made of comparisons to State data since the Region largely determines the State outcome.

**CES**

Chart 4-1 provides information on employment by industry for 2007 from the Current Employment Statistics program.

**Chart 4-1: Northeast EDR Industry Employment Composition (2007 CES Annual Average Data)**



**LAUS**

The unemployment data in Table 4-4 shows that EDR 4 and the state of Illinois follow similar unemployment rate paths for the entire time period of 2002-2007, expected due to the dominance of the EDR in the State’s economic activity. Over the period, in fact, EDR 4 was within 0.1% or 0.2% of the State rate for all years except 2002 at 0.3%. The EDR’s unemployment rate is consistently higher than the U.S. rate for the period.

**Table 4-4: Northwest EDR Labor Force and Unemployment Rate Data**

| Year | Annual Average  |                       |     |     |
|------|-----------------|-----------------------|-----|-----|
|      | Labor Force EDR | Unemployment Rate (%) |     |     |
|      |                 | EDR                   | IL  | US  |
| 2002 | 4,359,639       | 6.8                   | 6.5 | 5.8 |
| 2003 | 4,357,480       | 6.8                   | 6.7 | 6.0 |
| 2004 | 4,376,936       | 6.3                   | 6.2 | 5.5 |
| 2005 | 4,400,132       | 5.9                   | 5.8 | 5.1 |
| 2006 | 4,486,672       | 4.4                   | 4.6 | 4.6 |
| 2007 | 4,543,862       | 4.9                   | 5.0 | 4.6 |

**Occupational Wages and Employment**

Wage data estimates, by occupational category, for the Northeast Region are available in Table 4-5. The wages for the region are above the statewide values for each of the Entry, Median, and Experienced levels for almost every summary category. The occupational categories with the largest proportional shares of employment in this region tend to have experienced wages that rank in the bottom half of those classifications. Those with the top 3 employment shares are 1) office and administrative support (17.2%, annual experienced wage of \$38,503), 2) sales and related (10.7%, \$49,325), and 3) transportation and material moving (8.3%, \$38,919). The occupational groups with the highest annual experienced wages are not inclined to be among the groups with the largest employment proportions. The 3 categories with the highest experienced wages are 1) legal (\$140,340, employment share of 0.8%), 2) management (\$114,429, 6.0%), and 3) computer and mathematical (\$83,203, 2.6%).

**Table 4-5: Estimated Employment and Wages for Northeast EDR, by Occupational Category**

| SOC Occupational Category                                  | 2007 Est. Employment | % of 2007 Employment | Annual Wages |          |             |
|--|----------------------|----------------------|--------------|----------|-------------|
|  |                      |                      | Entry        | Median   | Experienced |
| Management Occupations                                     | 283,915              | 5.9%                 | \$49,118     | \$87,289 | \$123,183   |
| Business and Financial Operations Occupations              | 249,869              | 5.2%                 | \$35,638     | \$58,657 | \$83,829    |
| Computer and Mathematical Occupations                      | 122,185              | 2.6%                 | \$44,257     | \$71,430 | \$89,437    |
| Architecture and Engineering Occupations                   | 70,093               | 1.5%                 | \$41,991     | \$64,961 | \$81,381    |
| Life, Physical, and Social Science Occupations             | 36,755               | 0.8%                 | \$32,964     | \$57,374 | \$79,207    |
| Community and Social Services Occupations                  | 64,233               | 1.3%                 | \$25,526     | \$39,545 | \$55,405    |
| Legal Occupations  | 38,097               | 0.8%                 | \$44,344     | \$92,524 | \$144,251   |
| Education, Training, and Library Occupations               | 285,915              | 6.0%                 | \$26,618     | \$50,984 | \$69,486    |
| Arts, Design, Entertainment, Sports, and Media Occupations | 73,636               | 1.5%                 | \$22,521     | \$41,712 | \$61,018    |
| Healthcare Practitioners and Technical Occupations         | 222,441              | 4.6%                 | \$32,253     | \$54,459 | \$78,262    |
| Healthcare Support Occupations                             | 99,065               | 2.1%                 | \$18,772     | \$24,381 | \$30,686    |
| Protective Service Occupations                             | 114,063              | 2.4%                 | \$19,253     | \$33,146 | \$52,176    |
| Food Preparation and Serving-Related Occupations           | 337,363              | 7.0%                 | \$14,903     | \$16,915 | \$22,304    |
| Building and Grounds Cleaning and Maintenance Occupations  | 188,675              | 3.9%                 | \$16,543     | \$22,412 | \$30,107    |
| Personal Care and Service Occupations                      | 133,832              | 2.8%                 | \$16,163     | \$21,979 | \$34,546    |
| Sales and Related Occupations                              | 516,776              | 10.8%                | \$16,797     | \$27,337 | \$52,745    |
| Office and Administrative Support Occupations              | 799,560              | 16.7%                | \$20,505     | \$30,983 | \$40,447    |
| Farming, Fishing, and Forestry Occupations                 | 4,220                | 0.1%                 | \$16,906     | \$21,907 | \$33,483    |
| Construction and Extraction Occupations                    | 209,167              | 4.4%                 | \$32,531     | \$61,839 | \$71,100    |
| Installation, Maintenance, and Repair Occupations          | 165,297              | 3.5%                 | \$26,670     | \$44,046 | \$55,466    |
| Production Occupations                                     | 374,296              | 7.8%                 | \$17,637     | \$27,329 | \$37,817    |
| Transportation and Material Moving Occupations             | 398,657              | 8.3%                 | \$17,408     | \$27,280 | \$41,809    |

Note: Occupational Wage Data is representative of 2007 Q2

**Other Regional Data**

Chart 4-2 provides information on the population by age group for the EDR. The data is based on the U.S. Census Bureau population estimates from 2006.

**Chart 4-2: Northeast EDR Population by Age Group**

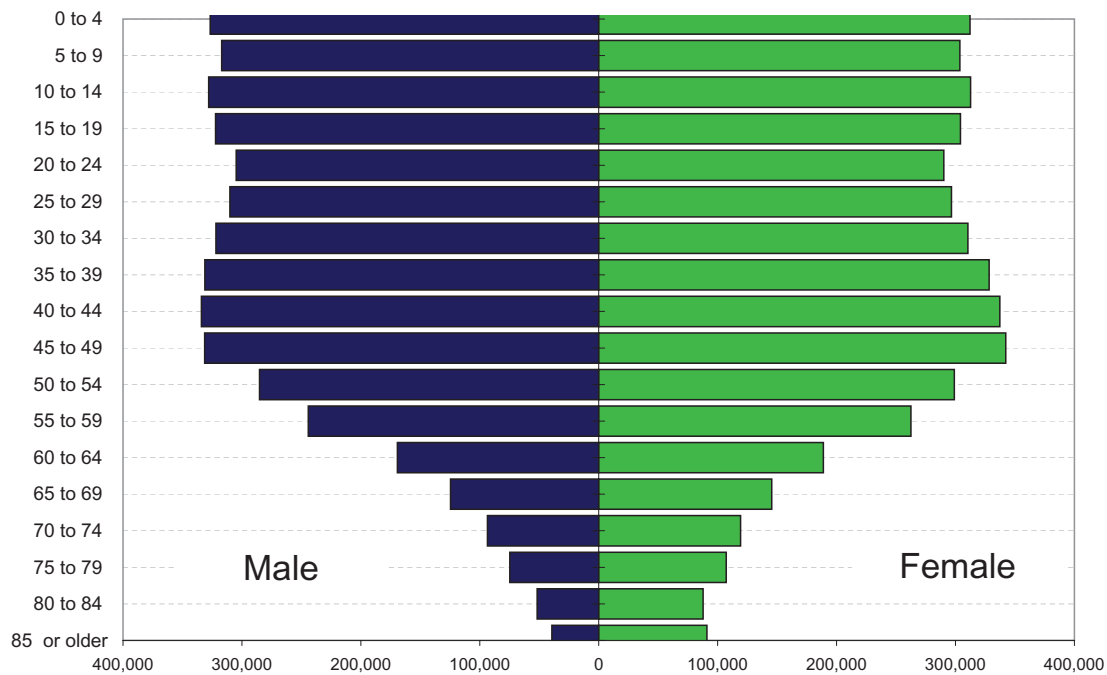


Table 4-6 provides data on the educational attainment of people 25 years or older in the EDR. The data is based on the 2000 and 1990 U.S. Census.

**Table 4-6: Northeast EDR Educational Attainment: Persons 25 Years and Older**

| Region    | County   | Year | Population 25 years and older | % Less than high school | % High school graduate | % Some college no degree | % Bachelor's degree | % Graduate or professional degree |
|-----------|----------|------|-------------------------------|-------------------------|------------------------|--------------------------|---------------------|-----------------------------------|
| Illinois  |          | 2000 | 7,973,671                     | 18.6                    | 27.7                   | 27.6                     | 16.5                | 9.5                               |
| Illinois  |          | 1990 | 7,293,930                     | 23.8                    | 30.0                   | 25.2                     | 13.6                | 7.5                               |
| Northeast | Cook     | 2000 | 3,454,738                     | 22.3                    | 24.2                   | 25.5                     | 17.2                | 10.8                              |
| Northeast | Cook     | 1990 | 3,291,995                     | 26.6                    | 26.3                   | 24.3                     | 14.5                | 8.3                               |
| Northeast | DeKalb   | 2000 | 48,912                        | 12.5                    | 29.9                   | 30.8                     | 16.0                | 10.8                              |
| Northeast | DeKalb   | 1990 | 41,817                        | 16.1                    | 30.8                   | 27.0                     | 14.9                | 11.2                              |
| Northeast | DuPage   | 2000 | 589,120                       | 10.0                    | 20.6                   | 27.8                     | 26.8                | 14.8                              |
| Northeast | DuPage   | 1990 | 502,321                       | 11.4                    | 23.3                   | 29.2                     | 24.0                | 12.0                              |
| Northeast | Grundy   | 2000 | 24,297                        | 13.1                    | 38.9                   | 32.7                     | 10.9                | 4.3                               |
| Northeast | Grundy   | 1990 | 20,541                        | 21.0                    | 40.6                   | 25.8                     | 8.6                 | 3.9                               |
| Northeast | Kane     | 2000 | 245,486                       | 19.8                    | 25.0                   | 27.5                     | 18.7                | 9.1                               |
| Northeast | Kane     | 1990 | 191,807                       | 22.3                    | 29.3                   | 27.0                     | 14.4                | 7.0                               |
| Northeast | Kankakee | 2000 | 65,844                        | 20.2                    | 35.8                   | 29.1                     | 9.4                 | 5.6                               |
| Northeast | Kankakee | 1990 | 59,821                        | 26.9                    | 36.1                   | 25.0                     | 8.0                 | 4.0                               |
| Northeast | Kendall  | 2000 | 34,362                        | 10.1                    | 30.1                   | 34.5                     | 18.0                | 7.2                               |
| Northeast | Kendall  | 1990 | 24,175                        | 16.3                    | 36.6                   | 29.3                     | 12.6                | 5.3                               |
| Northeast | Lake     | 2000 | 398,265                       | 13.4                    | 21.4                   | 26.6                     | 24.0                | 14.6                              |
| Northeast | Lake     | 1990 | 318,475                       | 15.3                    | 25.1                   | 27.7                     | 20.5                | 11.5                              |
| Northeast | McHenry  | 2000 | 163,780                       | 10.8                    | 28.4                   | 33.1                     | 19.6                | 8.2                               |
| Northeast | McHenry  | 1990 | 114,721                       | 15.5                    | 32.5                   | 31.0                     | 14.6                | 6.4                               |
| Northeast | Will     | 2000 | 310,918                       | 13.1                    | 29.1                   | 32.3                     | 17.8                | 7.7                               |
| Northeast | Will     | 1990 | 215,823                       | 19.6                    | 33.2                   | 29.2                     | 12.1                | 5.9                               |
| Northeast | Region   | 2000 | 5,335,722                     | 19.0                    | 24.3                   | 26.7                     | 18.8                | 11.1                              |
| Northeast | Region   | 1990 | 4,781,496                     | 23.3                    | 26.7                   | 25.6                     | 15.6                | 8.6                               |

Source: US Bureau of the Census, 2000 Decennial Census, Summary File 3



## Northern Stateline Economic Development Region (EDR 5)



### Area Description

The Northern Stateline Economic Development Region (EDR 5) is located on the north-central border area of the state and includes Boone, Ogle, Stephenson, and Winnebago counties. Interstate highways link three of the four counties to the Chicago Metro region. A large railroad hub in Ogle County complements the area's many commercial rail transportation connections. Boone, Stephenson, and Winnebago counties are

on the Illinois border with Wisconsin and have led to a regional approach to economic development for the area. A consortium is working on establishing commuter rail service from the eastern counties of the region into the Chicago area. The Rockford MSA anchors the region (Winnebago and Boone Counties).

The region has a long history as a manufacturing center and has gone through several manufacturing transformations. While manufacturing still is the largest industry sector of the area's employment, the decline is evident from the 2002 level. Since the 2001 national recession, manufacturing experienced a brief recovery as the auto assembly plant and demand for machine tool and other products produced in the region increased. The short growth trend ended as national economic pressures reduced demand and the area's largest manufacturers reduced their employment levels. Professional-business services and its personnel supply sub-sector has taken over some of the employment in the manufacturing sector as more employers seek cost savings and greater workforce flexibility. Professional-business services has been the region's employment growth leader in the last few years and Illinois Department of Employment Security expects that trend to continue.

Health care has served as an economic engine for both job growth and construction in recent years. Several new clinics and outpatient facilities have been built in the region as service providers seek to expand the number of individuals they serve. While Rockford serves as a regional medical center with its three hospitals, hospitals in Ogle and Stephenson have also had expansions in recent years. Demand for occupations in health care, such as nursing, has led to joint efforts between educators and health care providers to increase the number of trained individuals in the field.

Transportation links have led to growth in both the warehousing and education industries. Winnebago and Ogle Counties capitalized on these transportation links and have added several new warehouses.

### Demographics

The Northern Stateline region had a population of 420,215 according to the 2000 Census. From 2000 to 2007, population estimates show that the area has experienced a population growth of 32,794 or 7.8 %. Boone County experienced the largest percentage growth during that same period (27 %) as individuals have located there from the urban areas. Stephenson County was the only county in the EDR to lose population during that same period, falling 4.7 %. The largest cities, based on the 2000 census, include Rockford (150,115), Freeport (28,443), Belvidere (20,820), and Rochelle (8,424).

In 2000, the majority of the population was white, which made up 85.5 % of the population. 8 % of the area's population was Black, and Hispanics made up 6.7 %.

### Outlook

After several years of difficult economic times in the Manufacturing sector, the expansion of the area's auto assembly plant and the addition of several suppliers in Boone County has boosted employment in the manufacturing sector of EDR 5. The Rockford Airport has also contributed to the positive employment growth in the MSA, with the expansion of a package shipping company and the addition of two aviation service centers. The warehousing industry is also experiencing growth in the area. A national home and garden chain built a \$100 million, 1.4 million-square-foot regional distribution center that employs about 500 people and the intermodal rail hub in Rochelle has led to the location of several warehousing facilities. Data processing centers are also starting to locate in the Rochelle-Ogle county area. The growth in a variety of industry sectors will benefit the region and enable it to better weather future shocks to the national economy.

Manufacturing employment began to stabilize in 2006, after significant declines that precipitated the 2001 national recession. While the region has experienced some manufacturing employment gains, overall, the long-term trend is employment declines in this vital industry. Contributing to those declines are globalization and increased efficiencies that have led to employment changes in this sector. Education and career training

will be needed to assist employment growth in the manufacturing sector as the region explores new manufacturing opportunities through its research labs and in the aerospace industry. Additions in the warehousing and transportation industry have brought jobs to the area and have allowed those counties to market those successes to the Chicago area. New distribution centers will ensure future demand for truck drivers and warehouse workers and new data centers will increase the demand for computer and technically trained workers.

Medical centers in the region have been expanding and this trend is projected to continue as population changes lead to increased needs for Health Services. The Health Care industry is projected to have the second largest employment growth among major industry sectors, just slightly behind the Professional and Business Services sector. Contributing to the employment growth in this sector is the increase in the number of clinics and outpatient health centers as its hospitals expand their facilities. Nurses and nursing aides are expected to be in demand as the region seeks to fill positions in its expanding health care industry.

In addition to the growth in the Health Care industry, the region is projected to have growth in other industries. The region is following the national trend of growth in the Professional and Business Services sector as it meets the demand of employers in manufacturing and other business sectors. Rockford has become a major sports tournament venue, which has contributed to the increase in the number of hotels in the area. National economic pressures may diminish the expected growth in tourism and the growth of employment in the Leisure and

Hospitality sector. Retirements and population shifts are expected to lead to greater need for education positions, such as elementary and secondary teachers and support staff. As businesses expand in all counties of the region, the area will also expand its retail and food services sectors. Overall, expected population growth and the ability to connect to the expanding Chicago region will lead to employment growth in the region.

## QCEW

Table 5-1 provides 2002 and 2007 QCEW data for the Northern Stateline EDR. The region experienced a nearly 3 % growth in wages during the five-year period from 1st quarter 2002 to 1st quarter 2007. The industry with the largest wage growth was Financial Activities, while the smaller Information sector experienced an employment and wage decline during that same period. Manufacturing, the largest employing industry, experienced an employment decline from 2002 to 2007 although wages increased by 2.5 %. Employment grew in Professional and Business Services, but wages held steady with only a 0.7 % increase over the five-year period. Continuing to show steady growth in both the employment and wage measures, the Education and Health Services sector grew by 7.6 % and 6.8 %, respectively. Overall, employment by industry continues to shift from the Manufacturing sector as service providing industries expand employment and wage earning opportunities.

Statewide QCEW data compared with region numbers from the same time period show that EDR 5 has a much higher proportion of employment for the Goods-Producing industries than does the state of Illinois

**Table 5-1: QCEW Industry Data for Northern Stateline EDR (2002 Q1 & 2007 Q1)**

|                                      | Northern Stateline Economic Development Region (EDR 5) |                          |                                 |                                  |                          |                                  |                                   |                                       |
|--------------------------------------|--|--------------------------|---------------------------------|----------------------------------|--------------------------|----------------------------------|-----------------------------------|---------------------------------------|
|                                      | 2007 Q1<br>Number of<br>Employed                       | 2007 Q1<br>%<br>Employed | 2007 Q1<br>Avg. Qtrly.<br>Wages | 2002 Q1<br>Number of<br>Employed | 2002 Q1<br>%<br>Employed | 2002 Q1<br>Avg. Qtrly.<br>Wages* | % Change<br>Employed<br>2002-2007 | % Change<br>Qtrly. Wages<br>2002-2007 |
| <b>Total</b>                         | 187,876  | 100.0%                   | \$9,589                         | 184,367                          | 100.0%                   | \$9,315                          | 1.9%                              | 2.9%                                  |
| <b>Private Sector (NAICS)</b>        | 166,198  | 88.5%                    | \$9,725                         | 162,641                          | 88.2%                    | \$9,408                          | 2.2%                              | 3.4%                                  |
| <b>GOODS-PRODUCING</b>               | 52,240   | 27.8%                    | \$13,086                        | 55,442                           | 30.1%                    | \$12,774                         | -5.8%                             | 2.4%                                  |
| Natural Resources and Mining         | 654  | 0.3%                     | \$6,729                         | 584                              | 0.3%                     | \$6,362                          | 12.0%                             | 5.8%                                  |
| Construction                         | 8,612  | 4.6%                     | \$12,229                        | 8,373                            | 4.5%                     | \$11,797                         | 2.9%                              | 3.7%                                  |
| Manufacturing                        | 42,974   | 22.9%                    | \$13,354                        | 46,485                           | 25.2%                    | \$13,030                         | -7.6%                             | 2.5%                                  |
| <b>SERVICE-PROVIDING</b>             | 113,958  | 60.7%                    | \$8,184                         | 107,199                          | 58.1%                    | \$7,668                          | 6.3%                              | 6.7%                                  |
| Trade, Transportation, and Utilities | 36,956   | 19.7%                    | \$8,697                         | 34,830                           | 18.9%                    | \$8,090                          | 6.1%                              | 7.5%                                  |
| Information                          | 2,594  | 1.4%                     | \$8,275                         | 2,687                            | 1.5%                     | \$8,668                          | -3.5%                             | -4.5%                                 |
| Financial Activities                 | 8,658  | 4.6%                     | \$15,695                        | 9,388                            | 5.1%                     | \$12,799                         | -7.8%                             | 22.6%                                 |
| Professional and Business Services   | 18,949   | 10.1%                    | \$6,774                         | 15,824                           | 8.6%                     | \$6,728                          | 19.7%                             | 0.7%                                  |
| Educational and Health Services      | 25,608   | 13.6%                    | \$9,520                         | 23,806                           | 12.9%                    | \$8,915                          | 7.6%                              | 6.8%                                  |
| Leisure and Hospitality              | 14,540   | 7.7%                     | \$3,053                         | 13,764                           | 7.5%                     | \$2,922                          | 5.6%                              | 4.5%                                  |
| Other Services                       | 6,572  | 3.5%                     | \$5,598                         | 6,876                            | 3.7%                     | \$5,486                          | -4.4%                             | 2.0%                                  |
| Unclassified                         | 81   | 0.0%                     | \$6,388                         | 24                               | 0.0%                     | \$3,594                          | 237.5%                            | 77.7%                                 |
| <b>State &amp; Local Government</b>  | 20,274   | 10.8%                    | \$8,283                         | 20,209                           | 11.0%                    | \$8,277                          | 0.3%                              | 0.1%                                  |
| <b>Federal Government</b>            | 1,404  | 0.7%                     | \$12,447                        | 1,517                            | 0.8%                     | \$13,176                         | -7.4%                             | -5.5%                                 |

\* 2002 Q1 Wage data have been multiplied by the ratio of (March 2007 CPI / March 2002 CPI) for better comparison to 2007 Q1 Wage data

(27.8% to 16.4%). The main reason for this difference is that the region has a 22.9% employment share in the Manufacturing industry compared with 11.7% statewide. The region has a smaller share of Service-Providing industry employment than the state does as a whole (60.7% to 69.4%). There are many industry components below the state average in the Service-Providing industry, but the two that are most below the state average are Financial Activities and Professional and Business Services. The average quarterly wages for EDR 5 were 77.7% of the statewide average in 2007 Q1.

Transportation, and Utilities, and Leisure and Hospitality, experienced the most new hires in the latest reporting period, 2nd quarter 2007. For this analysis, IDES used new hire data from several quarters to determine which industries demonstrated a hiring trend. By using several quarters, this information can be used to determine which industries are hiring and the skill sets individuals would need to gain employment in those industries. It therefore can be used as a tool in determining work training and retraining within the region.

## LED

Local Employment Dynamics, a partnership program of the U.S. Census Bureau and the Illinois Department of Employment Security, provides information on which industries are adding workers to their payrolls. Table 5-2 shows that Professional and Business Services, Trade,

As the population ages and current workers begin to retire, there will be a need to provide local employers with trained individuals to replace those workers leaving the workforce. Table 5-3 shows that in the Northern Stateline region, the Manufacturing, Construction, Education and

**Table 5-2: Northern Stateline EDR Private Sector LED New Hires Data**

| Yr:Qtr                               | 2006:<br>3rd Qtr | 2006:<br>4th Qtr | 2007:<br>1st Qtr | 2007:<br>2nd Qtr |
|--------------------------------------|------------------|------------------|------------------|------------------|
| Total New Hires, Private Sector      | 31,088           | 25,200           | 23,500           | <b>32,252</b>    |
| Professional-Business Services       | 8,399            | 6,275            | 6,886            | <b>8,761</b>     |
| Trade, Transportation, and Utilities | 6,018            | 5,939            | 4,857            | <b>6,961</b>     |
| Leisure-Hospitality                  | 5,164            | 4,346            | 3,611            | <b>5,182</b>     |
| Manufacturing                        | 3,457            | 2,228            | 2,308            | <b>3,401</b>     |
| Education-Health Services            | 3,046            | 2,511            | 2,571            | <b>2,785</b>     |

### Private Sector Employment Industries with the Most New Hires

#### EDR 5

| Yr:Qtr                               | 2006:<br>3rd Qtr | 2006:<br>4th Qtr | 2007:<br>1st Qtr | 2007:<br>2nd Qtr |
|--------------------------------------|------------------|------------------|------------------|------------------|
| Total New Hires, Private Sector      | 19%              | 15%              | 14%              | <b>19%</b>       |
| Professional-Business Services       | 41%              | 32%              | 36%              | <b>44%</b>       |
| Leisure-Hospitality                  | 35%              | 30%              | 26%              | <b>36%</b>       |
| Construction                         | 24%              | 18%              | 15%              | <b>32%</b>       |
| Mining-Nat Res.                      | 32%              | 12%              | 14%              | <b>23%</b>       |
| Trade, Transportation, and Utilities | 16%              | 16%              | 13%              | <b>19%</b>       |

Health Services, and Financial Activities sectors have the largest segment of its workforce in the pre-retirement age group of 55 to 64 years old. These same industries have the largest group of workers in the age cohort of 45 to 54 years old. While the Manufacturing sector in the region has experienced an overall decline, the need for select skill sets, such as CNC machining, has continued to expand. The overall decline in Manufacturing has led to fewer individuals selecting this industry as a career choice. The changes in career choice away from Manufacturing will increase the need for workforce training programs to

prepare future workers for the Manufacturing sector. The educational requirements and training needs for occupations in the Education and Health Services, Construction, and Financial Activities sectors will also require long-term planning to guide more people into these careers. In addition, new employees replacing retiring workers will face changes in workplace technology and employers will continue to demand workers with more education and training experience to utilize the increase in workplace technology.

**Table 5-3: Northern Stateline EDR Private Sector LED Employment Data, by Age Group**

| EDR 5                                |         | Private Sector Employment by Age Groups |        |        |        |        |        |
|--------------------------------------|---------|---|--------|--------|--------|--------|--------|
| Year & Qtr                           | 2007:2  | 2007:2                                  | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 |
| Age Group                            | 14-99   | 14-24                                   | 25-34  | 35-44  | 45-54  | 55-64  | 65-99  |
| Total, Private Sector                | 166,882 | 26,551                                  | 33,055 | 38,594 | 40,332 | 22,359 | 5,992  |
| Manufacturing                        | 43,380  | 2,659                                   | 7,260  | 11,484 | 13,678 | 7,217  | 1,081  |
| Trade, Transportation, and Utilities | 36,720  | 7,327                                   | 6,894  | 7,863  | 8,323  | 4,694  | 1,619  |
| Education-Health Services            | 25,890  | 2,742                                   | 5,266  | 6,208  | 6,708  | 3,970  | 995    |
| Professional-Business Services       | 19,693  | 3,915                                   | 4,686  | 4,416  | 3,722  | 2,187  | 768    |

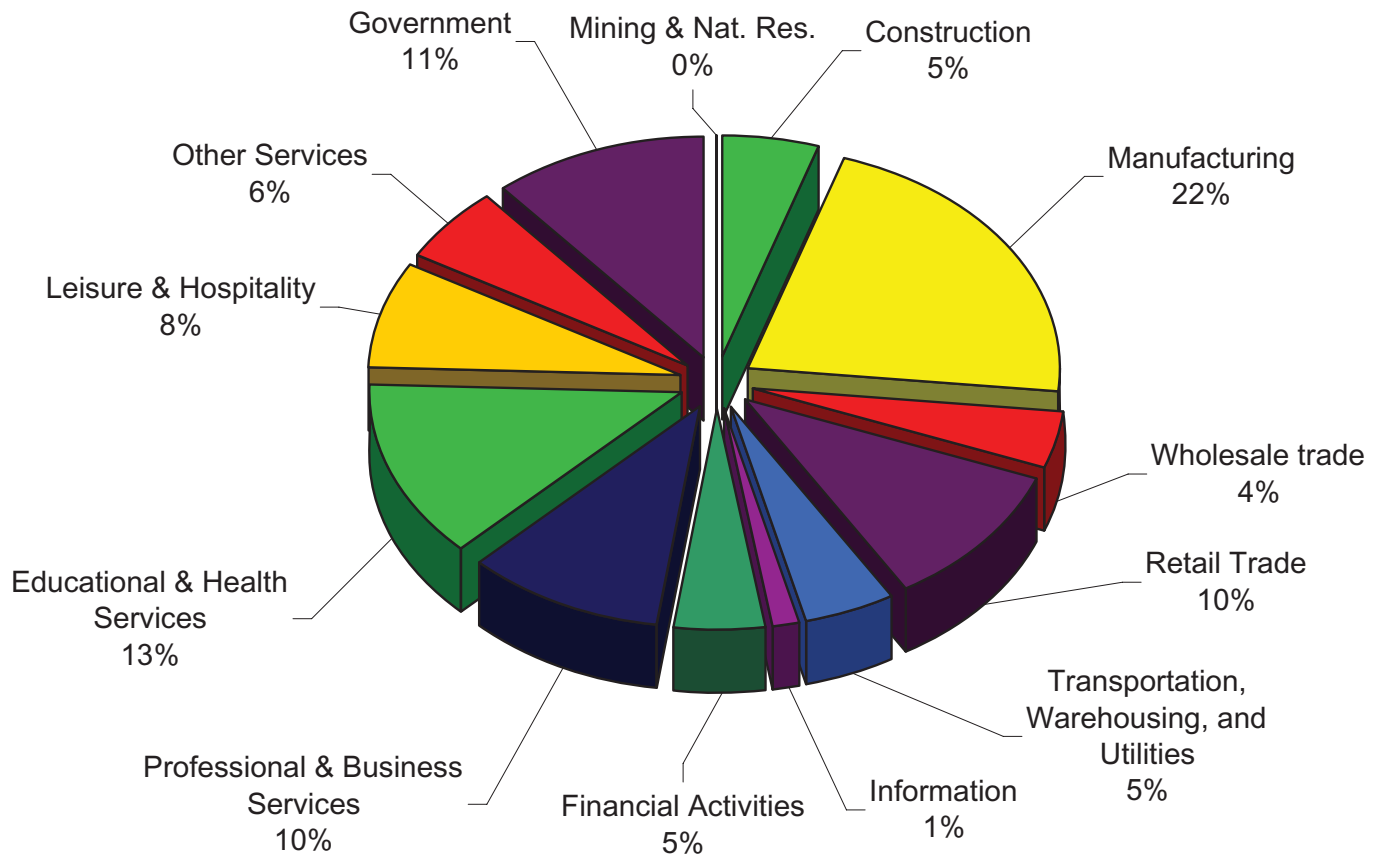
| EDR 5                                |        | Private Sector Employment by Age Groups |        |        |        |        |        |
|--------------------------------------|--------|---|--------|--------|--------|--------|--------|
|                                      |        | Percent of Total Employment             |        |        |        |        |        |
| Year & Qtr                           | 2007:2 | 2007:2                                  | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 |
| Age Group                            | 14-99  | 14-24                                   | 25-34  | 35-44  | 45-54  | 55-64  | 65-99  |
| Total, Private Sector                | 100%   | 16%                                     | 20%    | 23%    | 24%    | 13%    | 4%     |
| Manufacturing                        | 26%    | 2%                                      | 4%     | 7%     | 8%     | 4%     | 1%     |
| Trade, Transportation, and Utilities | 22%    | 4%                                      | 4%     | 5%     | 5%     | 3%     | 1%     |
| Education-Health Services            | 16%    | 2%                                      | 3%     | 4%     | 4%     | 2%     | 1%     |
| Professional-Business Services       | 12%    | 2%                                      | 3%     | 3%     | 2%     | 1%     | 0%     |

| EDR 5                                |        | Private Sector Employment by Age Groups |        |        |        |        |        |
|--------------------------------------|--------|---|--------|--------|--------|--------|--------|
|                                      |        | Percent Employment within an Age Group  |        |        |        |        |        |
| Year & Qtr                           | 2007:2 | 2007:2                                  | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 |
| Age Group                            | 14-99  | 14-24                                   | 25-34  | 35-44  | 45-54  | 55-64  | 65-99  |
| Manufacturing                        | 26%    | 10%                                     | 22%    | 30%    | 34%    | 32%    | 18%    |
| Trade, Transportation, and Utilities | 22%    | 28%                                     | 21%    | 20%    | 21%    | 21%    | 27%    |
| Education-Health services            | 16%    | 10%                                     | 16%    | 16%    | 17%    | 18%    | 17%    |
| Professional-Business services       | 12%    | 15%                                     | 14%    | 11%    | 9%     | 10%    | 13%    |

**CES**

Chart 5-1 provides information on employment by industry for 2007 from the Current Employment Statistics program.

**Chart 5-1: Northern Stateline EDR Industry Employment Composition (2007 CES Annual Average Data)**



**LAUS**

The unemployment data in Table 5-4 shows that the EDR 5 unemployment rate stayed above the statewide unemployment rate for most of the time period of 2002-2007. Employment gains in the manufacturing sector contributed to the decline in the unemployment rate in 2006. Economic changes nationally and locally led to an increase in the rate in 2007 from its lows in 2006.

**Table 5-4: Northern Stateline EDR Labor Force and Unemployment Rate Data**

| Year | Annual Average  |                       |     |     |
|------|-----------------|-----------------------|-----|-----|
|      | Labor Force EDR | Unemployment Rate (%) |     |     |
|      |                 | EDR                   | IL  | US  |
| 2002 | 214,933         | 7.2                   | 6.5 | 5.8 |
| 2003 | 213,653         | 7.8                   | 6.7 | 6.0 |
| 2004 | 215,497         | 7.2                   | 6.2 | 5.5 |
| 2005 | 219,367         | 6.3                   | 5.8 | 5.1 |
| 2006 | 225,141         | 5.2                   | 4.6 | 4.6 |
| 2007 | 230,920         | 6.1                   | 5.0 | 4.6 |

**Occupational Wages and Employment**

Wage data estimates, by occupational category, for the Northern Stateline Region are available in Table 5-5. The occupational categories with the largest proportional shares of employment in this region tend to have experienced wages that rank in the bottom half of those classifications (except for management). Those with the top 3 employment shares are 1) office and administrative support (14.9%, annual experienced wage of \$ 34,532), 2) production (13.3%, \$39,679), and 3) sales and related (9.5%, \$ 39,345). The occupational groups with the highest annual experienced wages are not inclined to be among the groups with the largest employment proportions (except for management and healthcare practitioners). The 3 categories with the highest experienced wages are 1) management (\$104,787, employment share of 7%), 2) legal (\$86,870, 0.4%), and 3) healthcare practitioners and technical s (\$74,528, 5%).

**Table 5-5: Estimated Employment and Wages for Northern Stateline EDR, by Occupational Category**

| SOC Occupational Category                                  | 2007 Est.  | % of 2007  | Annual Wages |          |             |
|--|------------|------------|--------------|----------|-------------|
|  | Employment | Employment | Entry        | Median   | Experienced |
| Management Occupations                                     | 16,109     | 7.0%       | \$43,000     | \$75,772 | \$104,787   |
| Business and Financial Operations Occupations              | 8,678      | 3.8%       | \$29,536     | \$48,621 | \$70,308    |
| Computer and Mathematical Occupations                      | 2,912      | 1.3%       | \$32,724     | \$54,067 | \$67,023    |
| Architecture and Engineering Occupations                   | 3,848      | 1.7%       | \$39,145     | \$59,025 | \$70,947    |
| Life, Physical, and Social Science Occupations             | 1,163      | 0.5%       | \$29,881     | \$52,852 | \$69,011    |
| Community and Social Services Occupations                  | 3,523      | 1.5%       | \$21,377     | \$35,071 | \$48,943    |
| Legal Occupations  | 1,005      | 0.4%       | \$34,340     | \$51,717 | \$86,870    |
| Education, Training, and Library Occupations               | 12,810     | 5.5%       | \$22,899     | \$44,503 | \$59,034    |
| Arts, Design, Entertainment, Sports, and Media Occupations | 3,117      | 1.3%       | \$19,660     | \$35,127 | \$48,277    |
| Healthcare Practitioners and Technical Occupations         | 11,532     | 5.0%       | \$27,959     | \$48,846 | \$74,528    |
| Healthcare Support Occupations                             | 5,579      | 2.4%       | \$17,518     | \$22,206 | \$27,813    |
| Protective Service Occupations                             | 3,899      | 1.7%       | \$18,302     | \$39,432 | \$54,694    |
| Food Preparation and Serving-Related Occupations           | 15,835     | 6.8%       | \$14,951     | \$16,786 | \$20,477    |
| Building and Grounds Cleaning and Maintenance Occupations  | 7,863      | 3.4%       | \$16,038     | \$20,222 | \$26,925    |
| Personal Care and Service Occupations                      | 5,489      | 2.4%       | \$15,233     | \$18,816 | \$26,791    |
| Sales and Related Occupations                              | 22,057     | 9.5%       | \$16,207     | \$21,464 | \$39,345    |
| Office and Administrative Support Occupations              | 34,498     | 14.9%      | \$19,146     | \$27,062 | \$34,532    |
| Farming, Fishing, and Forestry Occupations                 | 871        | 0.4%       | \$16,134     | \$19,610 | \$27,899    |
| Construction and Extraction Occupations                    | 10,893     | 4.7%       | \$28,362     | \$44,413 | \$59,423    |
| Installation, Maintenance, and Repair Occupations          | 8,481      | 3.7%       | \$25,038     | \$37,910 | \$49,983    |
| Production Occupations                                     | 30,765     | 13.3%      | \$18,602     | \$31,044 | \$39,679    |
| Transportation and Material Moving Occupations             | 20,286     | 8.8%       | \$17,917     | \$27,254 | \$35,287    |

Note: Occupational Wage Data is representative of 2007 Q2

**Other Regional Data**

Chart 5-2 provides information on the population by age group for the EDR. The data is based on the U.S. Census Bureau population estimates from 2006.

**Chart 5-2: Northern Stateline EDR Population by Age Group**

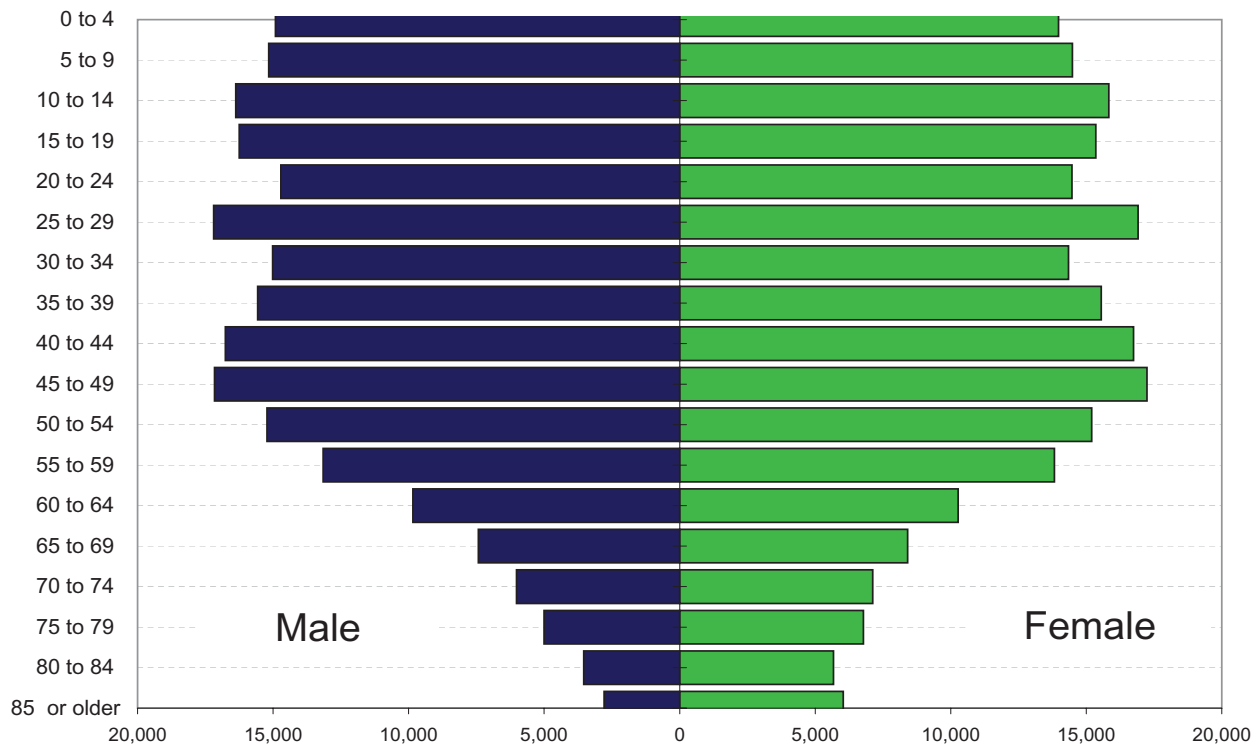


Table 5-6 provides data on the educational attainment of people 25 years or older in the EDR. The data is based on the 2000 and 1990 U.S. Census Bureau.

**Table 5-6: Northern Stateline EDR Educational Attainment: Persons 25 Years and Older**

| Region             | County     | Year | Population 25 years and older | % Less than high school | % High school graduate | % Some college no degree | % Bachelor's degree | % Graduate or professional degree |
|--------------------|------------|------|-------------------------------|-------------------------|------------------------|--------------------------|---------------------|-----------------------------------|
| Illinois           |            | 2000 | 7,973,671                     | 18.6                    | 27.7                   | 27.6                     | 16.5                | 9.5                               |
| Illinois           |            | 1990 | 7,293,930                     | 23.8                    | 30.0                   | 25.2                     | 13.6                | 7.5                               |
| Northern Stateline | Boone      | 2000 | 26,061                        | 19.2                    | 38.2                   | 28.0                     | 9.5                 | 4.9                               |
| Northern Stateline | Boone      | 1990 | 19,272                        | 24.5                    | 40.1                   | 23.4                     | 7.8                 | 4.2                               |
| Northern Stateline | Ogle       | 2000 | 33,317                        | 16.9                    | 36.4                   | 29.7                     | 11.2                | 5.8                               |
| Northern Stateline | Ogle       | 1990 | 29,575                        | 22.4                    | 40.3                   | 25.2                     | 8.7                 | 3.5                               |
| Northern Stateline | Stephenson | 2000 | 32,851                        | 15.9                    | 38.3                   | 30.2                     | 10.6                | 5.0                               |
| Northern Stateline | Stephenson | 1990 | 31,555                        | 23.3                    | 39.2                   | 23.9                     | 9.7                 | 3.9                               |
| Northern Stateline | Winnebago  | 2000 | 181,803                       | 18.6                    | 32.8                   | 29.2                     | 12.8                | 6.6                               |
| Northern Stateline | Winnebago  | 1990 | 163,047                       | 23.7                    | 34.9                   | 24.8                     | 11.5                | 5.2                               |
| Northern Stateline | Region     | 2000 | 274,032                       | 18.1                    | 34.4                   | 29.3                     | 12.0                | 6.2                               |
| Northern Stateline | Region     | 1990 | 243,449                       | 23.6                    | 36.5                   | 24.6                     | 10.6                | 4.7                               |

Source: US Bureau of the Census, 2000 Decennial Census, Summary File 3

## Northwest Economic Development Region (EDR 6)



### Area Description

The Northwest Economic Development Region (EDR 6) is located in the northwest corner of the state, south of the Wisconsin border to the east of the Mississippi River. A major east-west interstate highway links the area to a national transportation route. Interstate links also provide the area with access to north-south highways. The region's western counties are able to utilize water transportation on

the Mississippi River. Future transportation plans include expanding the highway that runs through the northern section of the region that connects the region to Rockford and Chicago. The Davenport-Moline-Rock Island MSA (Illinois and Iowa) is the economic and employment center of the region (Henry, Mercer, and Rock Island Counties in Illinois).

Through several recessions, the manufacturing sector has experienced declines and the region has worked to diversify the economy. The public sector is now the dominant employer in the region, with manufacturing now second. Contributing to the strength of the public sector is a military base and arsenal in the Davenport-Moline-Rock Island Illinois-Iowa MSA. Tourism is important to the area with winter and summer activities in the northwest county of Jo Daviess. Other area counties are investing efforts into promoting local attractions and expanding their tourism industry. The warehousing industry has been expanding in recent years, with the additions of several distribution centers for national retail chains in the region.

Total employment in the region fell between 2002 and 2007. The loss of several large employers throughout the region led to a decline in manufacturing employment. Industry sectors such as retail trade, construction, and government also fell during that same period. The trend of utilizing staffing management companies contributed to the increase in the professional and business services sector. Expansions in the transportation, warehousing, and utilities industry led to strong employment growth from 2002 to 2007.

### Demographics

The Northwest region had an estimated population of 500,019 in 2007, according U.S. Census Bureau estimates. From 2000 to 2007, population estimates show a population decline of 5,784 or -1.1 %. Most of the counties in the region experienced population declines as the area experienced employment losses, especially in the manufacturing sector. Carroll County experienced the largest percentage loss during that time period, with a population decline of 4.2 %. The largest population decline was in Rock Island County, with a drop of more than 1,800. Rock Island County is the region's manufacturing base and had been hardest hit with the employment declines. The only two counties to experience population growth in the region were La Salle and Jo Daviess Counties. La Salle County is located on the outer ring of the Chicago Metro area and may be benefiting from that area's outward expansion.

In 2000, the majority of the population was white, which made up 92.4 % of the population. 3.2 % of the area's population was Black and Hispanics made up 5.8 %.

### Outlook

Employment projections indicate that the region will continue to lose manufacturing employment in the future as production is relocated and companies experience reorganizations. Changes in the manufacturing sector have put upward pressure on the region's unemployment rate. The declines in manufacturing employment have led economic developers and local leaders to diversify their local economies. The Davenport-Moline-Rock Island MSA section of the region has been successful in its effort and has experienced an unemployment rate around or below the state and nation in the last 5 years. Counties along Interstate highways have successfully marketed themselves and have become distribution centers for large, national companies. New employers in the warehousing industry have brought jobs to the area and have allowed those counties to market those successes.

Medical centers in the Northwest EDR have been expanding and are projected to continue as population changes lead to increased services. The health care industry is projected to have the second largest employment growth, just slightly behind the professional and business services sector. The region is following the national trend of growth in the professional and business



services sector as it meets the demand of employers in manufacturing and other business sectors. Expanded transportation routes, including the planned rail routes from Chicago to Jo Daviess County, will benefit the tourism industry in the region. The outlook for the leisure and hospitality industry is positive, with projections data showing strong growth in that sector. Recent national economic pressures may diminish the expected growth in tourism and the growth of employment in the leisure and hospitality sector.

As the medical industry expands, health care occupations are expected to be in demand in the Northwest region. Truck drivers and warehouse workers will be needed as the region builds upon its distribution center network and seeks new business opportunities along its Interstate highway system. Retirements and population shifts are expected to lead to a greater need for education positions, such as elementary and secondary teachers and support staff. As businesses expand into new areas in the region, the area will also expand its retail and food services.

## QCEW

Table 6-1 provides 2002 and 2007 QCEW data for the Northwest EDR. The region experienced a nearly 7.6 % growth in wages during the five-year period from 1st quarter 2002 to 1st quarter 2007. The industry with the largest wage growth was professional-business services, while the Construction sector experienced both an employment and wage decline during that

same period. For the period 2002 to 2005, Construction employment experienced to its highest level in 2002. Employment declined in 2003 and held stable through 2007. Manufacturing, the largest private sector employing industry, experienced an employment decline from 2002 to 2007, although wages increased by 9.4 %. Continuing to show steady growth in both the employment and wage measures, the Education and Health Services sector both grew by 5.0 %. Overall, employment by industry grew by 1.8 % and wages increased by 7.6 %.

A comparison of numbers for the same time period shows that EDR 6 has a higher proportion of employment for the Goods-Producing industries than does the state of Illinois (19.9% to 16.7%). The main reason for this difference is that the area has a 15.3% employment share in the Manufacturing industry compared with 11.7% statewide. The region lags behind the employment share of the statewide average in Construction (3.4% to 4.3%). The region has a smaller share of service-providing industry employment than the state does as a whole (61.8% to 69.4%). Recent additions in the Transportation-Warehousing industry to the region have led to a higher percent of the area's employment in Trade, Transportation, and Utilities compared with the state (22.2% to 20.4%). There are many industry components below the state average in the Service-Providing industry, but the two that are the most below the state average are Financial Activities and Professional and Business services. The average quarterly wages for EDR 6 are 73.6% of the statewide average in 2007 Q1.

**Table 6-1: QCEW Industry Data for Northwest EDR (2002 Q1 & 2007 Q1)**

|                                      | Northwest Economic Development Region (EDR 6) |               |                                 |                                  |               |                                  | % Change Employed 2002-2007 | % Change Qtrly. Wages 2002-2007 |
|--------------------------------------|---|---------------|---------------------------------|----------------------------------|---------------|----------------------------------|-----------------------------|---------------------------------|
|                                      | 2007 Q1<br>Number of<br>Employed              | 2007 Q1<br>%  | 2007 Q1<br>Avg. Qtrly.<br>Wages | 2002 Q1<br>Number of<br>Employed | 2002 Q1<br>%  | 2002 Q1<br>Avg. Qtrly.<br>Wages* |                             |                                 |
| <b>Total</b>                         | <b>199,662</b>                                | <b>100.0%</b> | <b>\$9,078</b>                  | <b>196,123</b>                   | <b>100.0%</b> | <b>\$8,434</b>                   | <b>1.8%</b>                 | <b>7.6%</b>                     |
| <b>Private Sector (NAICS)</b>        | <b>163,096</b>                                | <b>81.7%</b>  | <b>\$8,890</b>                  | <b>159,653</b>                   | <b>81.4%</b>  | <b>\$8,341</b>                   | <b>2.2%</b>                 | <b>6.6%</b>                     |
| <b>GOODS-PRODUCING</b>               | <b>39,799</b>                                 | <b>19.9%</b>  | <b>\$11,460</b>                 | <b>42,171</b>                    | <b>21.5%</b>  | <b>\$10,697</b>                  | <b>-5.6%</b>                | <b>7.1%</b>                     |
| Natural Resources and Mining         | 2,560   | 1.3%          | \$9,212                         | 2,504                            | 1.3%          | \$8,898                          | 2.2%                        | 3.5%                            |
| Construction                         | 6,775   | 3.4%          | \$9,233                         | 7,894                            | 4.0%          | \$9,661                          | -14.2%                      | -4.4%                           |
| Manufacturing                        | 30,464  | 15.3%         | \$12,144                        | 31,773                           | 16.2%         | \$11,096                         | -4.1%                       | 9.4%                            |
| <b>SERVICE-PROVIDING</b>             | <b>123,297</b>                                | <b>61.8%</b>  | <b>\$8,060</b>                  | <b>117,482</b>                   | <b>59.9%</b>  | <b>\$7,496</b>                   | <b>4.9%</b>                 | <b>7.5%</b>                     |
| Trade, Transportation, and Utilities | 44,227  | 22.2%         | \$8,780                         | 43,853                           | 22.4%         | \$8,243                          | 0.9%                        | 6.5%                            |
| Information                          | 2,968   | 1.5%          | \$10,799                        | 3,146                            | 1.6%          | \$11,206                         | -5.7%                       | -3.6%                           |
| Financial Activities                 | 8,351   | 4.2%          | \$10,270                        | 8,996                            | 4.6%          | \$9,499                          | -7.2%                       | 8.1%                            |
| Professional and Business Services   | 20,342  | 10.2%         | \$11,090                        | 15,365                           | 7.8%          | \$10,063                         | 32.4%                       | 10.2%                           |
| Educational and Health Services      | 23,269  | 11.7%         | \$7,752                         | 22,169                           | 11.3%         | \$7,386                          | 5.0%                        | 5.0%                            |
| Leisure and Hospitality              | 17,909  | 9.0%          | \$2,856                         | 17,796                           | 9.1%          | \$2,825                          | 0.6%                        | 1.1%                            |
| Other Services                       | 6,184   | 3.1%          | \$4,908                         | 6,145                            | 3.1%          | \$4,831                          | 0.6%                        | 1.6%                            |
| Unclassified                         | 47  | 0.0%          | \$4,846                         | 12                               | 0.0%          | \$10,117                         | 291.7%                      | -52.1%                          |
| <b>State &amp; Local Government</b>  | <b>29,245</b>                                 | <b>14.6%</b>  | <b>\$8,100</b>                  | <b>29,597</b>                    | <b>15.1%</b>  | <b>\$7,596</b>                   | <b>-1.2%</b>                | <b>6.6%</b>                     |
| <b>Federal Government</b>            | <b>7,321</b>                                  | <b>3.7%</b>   | <b>\$17,181</b>                 | <b>6,873</b>                     | <b>3.5%</b>   | <b>\$14,208</b>                  | <b>6.5%</b>                 | <b>20.9%</b>                    |

\* 2002 Q1 Wage data have been multiplied by the ratio of (March 2007 CPI / March 2002 CPI) for better comparison to 2007 Q1 Wage data

## LED

Local Employment Dynamics, a partnership program of the U.S. Census Bureau and the Illinois Department of Employment Security, provides information on which industries are adding workers to their payrolls. Table 6-2 indicates Professional and Business Services, Trade, Transportation, and Utilities, Leisure and Hospitality, and Manufacturing experienced the most new hires in the latest reporting period, 2nd quarter 2007, in the Northwest EDR. Seasonal employment expansions also contributed to strong growth in the Construction sector in 2nd Quarter 2007. For this analysis, IDES used

new hire data from several quarters to determine which industries demonstrated a hiring trend. By using several quarters, this information can be used to determine which industries are hiring and the skill sets individuals would need to gain employment in those industries. It therefore can be used as a tool in determining work training and retraining within the region.

As the population ages and current workers begin to retire, there will be a need to provide local employers with trained individuals to replace those workers leaving

**Table 6-2: Northwest EDR Private Sector LED New Hires Data**

| Yr:Qtr                               | 2006:<br>3rd Qtr | 2006:<br>4th Qtr | 2007:<br>1st Qtr | 2007:<br>2nd Qtr |
|--------------------------------------|------------------|------------------|------------------|------------------|
| Total New Hires, Private Sector      | 31,533           | 24,791           | 24,052           | <b>33,828</b>    |
| Professional-Business Services       | 6,715            | 5,649            | 7,307            | <b>7,991</b>     |
| Trade, Transportation, and Utilities | 6,357            | 6,429            | 5,057            | <b>7,723</b>     |
| Leisure-Hospitality                  | 5,932            | 4,685            | 3,966            | <b>6,462</b>     |
| Manufacturing                        | 2,936            | 2,203            | 2,471            | <b>3,093</b>     |
| Education-Health Services            | 2,698            | 2,086            | 1,991            | <b>2,766</b>     |

### Private Sector Employment Industries with the Most New Hires

#### EDR 6

| Yr:Qtr                          | 2006:<br>3rd Qtr | 2006:<br>4th Qtr | 2007:<br>1st Qtr | 2007:<br>2nd Qtr |
|---------------------------------|------------------|------------------|------------------|------------------|
| Total New Hires, Private Sector | 19%              | 15%              | 15%              | <b>21%</b>       |
| Professional-Business Services  | 32%              | 27%              | 36%              | <b>39%</b>       |
| Leisure-Hospitality             | 32%              | 25%              | 23%              | <b>36%</b>       |
| Construction                    | 27%              | 19%              | 17%              | <b>36%</b>       |
| Mining-Nat Res.                 | 91%              | 8%               | 12%              | <b>25%</b>       |
| Information                     | 11%              | 10%              | 10%              | <b>21%</b>       |

the workforce. Table 6-3 shows that for the Northwest EDR region, the Trade, Transportation, and Utilities, Manufacturing, Education and Health Services, and Professional and Business Services sectors have the largest segment of its workforce in the pre-retirement age **group of 55 to 64 years old**. These same industries have the largest group of workers in the age cohort of 45 to 54 years old. While the age group 55 to 64 makes up only 14 % of the employment in the region, those workers possess skills and experience developed throughout their career. As a percent of its total employment, Trade, Transportation, and Utilities, which includes Retail Trade, had the largest percent of its employment (32 %) in the 65

to 99 age group, but it also had 30 % of its employment in the 14 to 24 age group.

The Manufacturing sector in the region has experienced an overall decline, but the need for select skill sets in the industry has continued to expand. The overall decline in Manufacturing has led to fewer individuals selecting this industry as a career choice. The changes in career choice away from Manufacturing will increase the need for workforce training programs to prepare future workers for the manufacturing sector. The requirements and training needs for occupations in the Education and Health Services and Manufacturing sectors will also require long-term planning to guide more people into these careers.

**Table 6-3: Northwest EDR Private Sector LED Employment Data, by Age Group**

| EDR 6                                |         | Private Sector Employment by Age Groups |        |        |        |        |        |        |
|--------------------------------------|---------|---|--------|--------|--------|--------|--------|--------|
| Year & Qtr                           | 2007:2  | 2007:2                                  | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 |
| Age Group                            | 14-99   | 14-24                                   | 25-34  | 35-44  | 45-54  | 55-64  | 65-99  |        |
| Total, Private Sector                | 164,392 | 26,561                                  | 32,274 | 35,232 | 39,969 | 23,557 | 6,799  |        |
| Trade, Transportation, and Utilities | 43,665  | 8,078                                   | 7,919  | 8,974  | 10,479 | 6,020  | 2,192  |        |
| Manufacturing                        | 31,488  | 2,563                                   | 6,064  | 7,799  | 9,206  | 5,154  | 702    |        |
| Education-Health Services            | 23,327  | 2,452                                   | 4,368  | 5,039  | 6,264  | 4,059  | 1,128  |        |
| Professional-Business Services       | 20,733  | 2,967                                   | 4,869  | 4,691  | 4,631  | 2,910  | 642    |        |

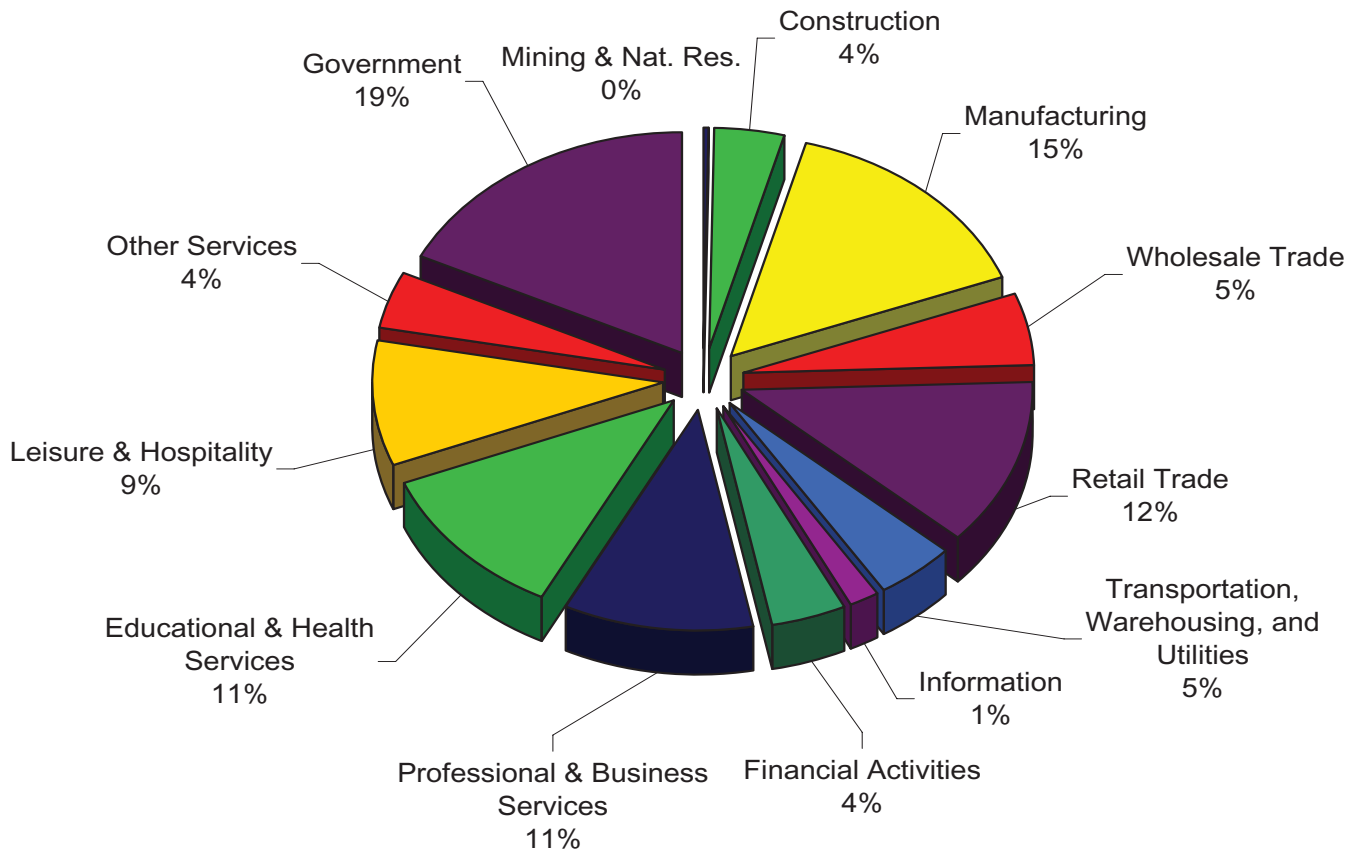
| EDR 6                                |        | Private Sector Employment by Age Groups |        |        |        |        |        |        |
|--------------------------------------|--------|---|--------|--------|--------|--------|--------|--------|
| Year & Qtr                           | 2007:2 | 2007:2                                  | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 |
| Age Group                            | 14-99  | 14-24                                   | 25-34  | 35-44  | 45-54  | 55-64  | 65-99  |        |
| Total, Private Sector                | 100%   | 16%                                     | 20%    | 21%    | 24%    | 14%    | 4%     |        |
| Trade, Transportation, and Utilities | 27%    | 5%                                      | 5%     | 5%     | 6%     | 4%     | 1%     |        |
| Manufacturing                        | 19%    | 2%                                      | 4%     | 5%     | 6%     | 3%     | 0%     |        |
| Education-Health Services            | 14%    | 1%                                      | 3%     | 3%     | 4%     | 2%     | 1%     |        |
| Professional-Business Services       | 13%    | 2%                                      | 3%     | 3%     | 3%     | 2%     | 0%     |        |

| EDR 6                                |        | Private Sector Employment by Age Groups |        |        |        |        |        |        |
|--------------------------------------|--------|---|--------|--------|--------|--------|--------|--------|
| Year & Qtr                           | 2007:2 | 2007:2                                  | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 |
| Age Group                            | 14-99  | 14-24                                   | 25-34  | 35-44  | 45-54  | 55-64  | 65-99  |        |
| Trade, Transportation, and Utilities | 27%    | 30%                                     | 25%    | 25%    | 26%    | 26%    | 32%    |        |
| Manufacturing                        | 19%    | 10%                                     | 19%    | 22%    | 23%    | 22%    | 10%    |        |
| Education-Health services            | 14%    | 9%                                      | 14%    | 14%    | 16%    | 17%    | 17%    |        |
| Professional-Business services       | 13%    | 11%                                     | 15%    | 13%    | 12%    | 12%    | 9%     |        |

**CES**

Chart 6-1 provides information on employment by industry for 2007 from the Current Employment Statistics program.

**Chart 6-1: Northwest EDR Industry Employment Composition (2007 CES Annual Average Data)**



**LAUS**

The data in table 6-4 shows the EDR 6 unemployment rate around or below the statewide average. Declines in the Manufacturing sector and recent national economic pressures have led to more upward pressure on the regional unemployment rate. A diversification of the area's employment has tempered the region's labor force changes compared with other areas with a higher concentration in Manufacturing employment.

**Table 6-4: Northwest EDR Labor Force and Unemployment Rate Data**

| Year | Annual Average  |                       |     |     |
|------|-----------------|-----------------------|-----|-----|
|      | Labor Force EDR | Unemployment Rate (%) |     |     |
|      |                 | EDR                   | IL  | US  |
| 2002 | 254,697         | 6.3                   | 6.5 | 5.8 |
| 2003 | 252,811         | 6.7                   | 6.7 | 6.0 |
| 2004 | 256,532         | 6.1                   | 6.2 | 5.5 |
| 2005 | 265,263         | 5.2                   | 5.8 | 5.1 |
| 2006 | 271,091         | 4.7                   | 4.6 | 4.6 |
| 2007 | 272,724         | 5.3                   | 5.0 | 4.6 |

**Occupational Wages and Employment**

Wage data estimates, by occupational category, for the Northwest Region are available in Table 6-5. The occupational categories with the largest proportional shares of employment in this region tend to have experienced wages that rank in the bottom half of those classifications (except for management). Those with the top 3 employment shares are 1) office and administrative support (14.1%, annual experienced wage of \$33,407), 2) sales and related (10.7%, \$43,189), and 3) management (9.6%, \$99,078). The occupational groups with the highest annual experienced wages are not inclined to be among the groups with the largest employment proportions (except for management). The 3 categories with the highest experienced wages are 1) management (\$99,078, 9.6%), 2) legal (\$94,994, employment share of 0.7%), and 3) computer and mathematical (\$76,588, 1.5%).

**Table 6-5: Estimated Employment and Wages for Northwest EDR, by Occupational Category**

| SOC Occupational Category                                  | 2007 Est. Employment | % of 2007 Employment | Annual Wages |          |             |
|--|----------------------|----------------------|--------------|----------|-------------|
|  |                      |                      | Entry        | Median   | Experienced |
| Management Occupations                                     | 24,371               | 9.6%                 | \$36,612     | \$70,617 | \$99,078    |
| Business and Financial Operations Occupations              | 10,377               | 4.1%                 | \$33,042     | \$54,538 | \$68,973    |
| Computer and Mathematical Occupations                      | 3,920                | 1.5%                 | \$32,364     | \$58,718 | \$76,588    |
| Architecture and Engineering Occupations                   | 3,253                | 1.3%                 | \$37,869     | \$60,550 | \$75,179    |
| Life, Physical, and Social Science Occupations             | 1,834                | 0.7%                 | \$27,046     | \$50,419 | \$64,403    |
| Community and Social Services Occupations                  | 3,663                | 1.4%                 | \$22,488     | \$35,338 | \$47,283    |
| Legal Occupations  | 1,701                | 0.7%                 | \$29,877     | \$55,548 | \$94,994    |
| Education, Training, and Library Occupations               | 14,640               | 5.8%                 | \$19,999     | \$38,727 | \$51,303    |
| Arts, Design, Entertainment, Sports, and Media Occupations | 3,349                | 1.3%                 | \$15,619     | \$26,170 | \$40,566    |
| Healthcare Practitioners and Technical Occupations         | 11,846               | 4.7%                 | \$26,757     | \$42,974 | \$65,337    |
| Healthcare Support Occupations                             | 5,737                | 2.3%                 | \$17,699     | \$22,212 | \$26,581    |
| Protective Service Occupations                             | 5,758                | 2.3%                 | \$17,760     | \$37,226 | \$45,409    |
| Food Preparation and Serving-Related Occupations           | 18,936               | 7.5%                 | \$14,839     | \$15,746 | \$19,389    |
| Building and Grounds Cleaning and Maintenance Occupations  | 8,286                | 3.3%                 | \$16,043     | \$20,622 | \$26,951    |
| Personal Care and Service Occupations                      | 6,583                | 2.6%                 | \$15,167     | \$18,616 | \$27,226    |
| Sales and Related Occupations                              | 27,018               | 10.7%                | \$15,734     | \$24,115 | \$43,189    |
| Office and Administrative Support Occupations              | 35,759               | 14.1%                | \$17,952     | \$25,507 | \$33,407    |
| Farming, Fishing, and Forestry Occupations                 | 2,157                | 0.9%                 | \$19,132     | \$26,459 | \$34,607    |
| Construction and Extraction Occupations                    | 10,726               | 4.2%                 | \$26,674     | \$44,077 | \$55,052    |
| Installation, Maintenance, and Repair Occupations          | 9,421                | 3.7%                 | \$23,139     | \$37,879 | \$47,515    |
| Production Occupations                                     | 23,647               | 9.3%                 | \$18,446     | \$27,302 | \$36,464    |
| Transportation and Material Moving Occupations             | 20,519               | 8.1%                 | \$17,473     | \$25,931 | \$34,337    |

Note: Occupational Wage Data is representative of 2007 Q2

**Other Regional Data**

Chart 6-2 provides information on the population by age group for the EDR. The data is based on the U.S. Census Bureau population estimates from 2006.

**Chart 6-2: Northwest EDR Population by Age Group**

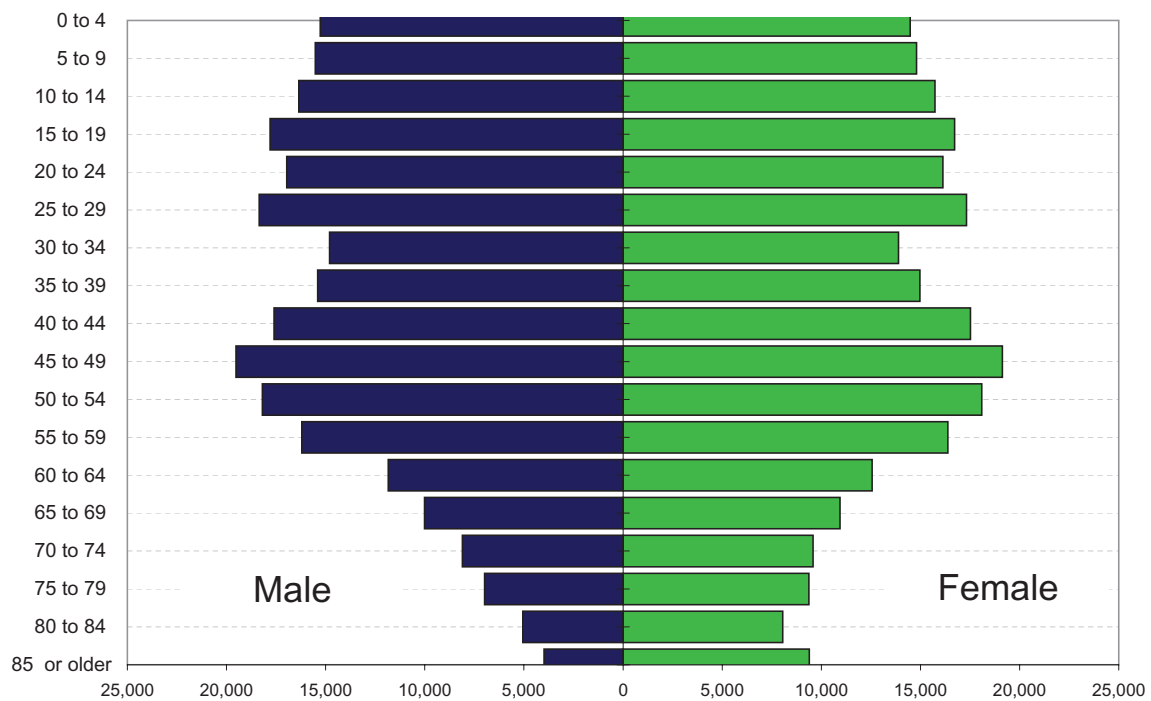


Table 6-6 provides data on the educational attainment of people 25 years or older in the EDR. The data is based on the 2000 and 1990 U.S. Census.

**Table 6-6: Northwest EDR Educational Attainment: Persons 25 Years and Older**

| Region    | County      | Year | Population 25 years and older | % Less than high school | % High school graduate | % Some college no degree | % Bachelor's degree | % Graduate or professional degree |
|-----------|-------------|------|-------------------------------|-------------------------|------------------------|--------------------------|---------------------|-----------------------------------|
| Illinois  |             | 2000 | 7,973,671                     | 18.6                    | 27.7                   | 27.6                     | 16.5                | 9.5                               |
| Illinois  |             | 1990 | 7,293,930                     | 23.8                    | 30.0                   | 25.2                     | 13.6                | 7.5                               |
| Northwest | Bureau      | 2000 | 24,085                        | 15.9                    | 39.0                   | 29.4                     | 10.7                | 5.0                               |
| Northwest | Bureau      | 1990 | 23,444                        | 23.4                    | 41.7                   | 22.4                     | 9.2                 | 3.3                               |
| Northwest | Carroll     | 2000 | 11,516                        | 16.7                    | 44.0                   | 26.1                     | 9.4                 | 3.7                               |
| Northwest | Carroll     | 1990 | 11,323                        | 24.0                    | 43.7                   | 21.7                     | 7.5                 | 3.1                               |
| Northwest | Henry       | 2000 | 34,183                        | 15.5                    | 37.2                   | 31.6                     | 10.9                | 4.8                               |
| Northwest | Henry       | 1990 | 33,423                        | 22.8                    | 40.9                   | 24.5                     | 7.5                 | 4.2                               |
| Northwest | Jo Daviess  | 2000 | 15,625                        | 16.4                    | 41.6                   | 26.8                     | 10.7                | 4.5                               |
| Northwest | Jo Daviess  | 1990 | 14,409                        | 25.9                    | 43.1                   | 18.9                     | 8.6                 | 3.4                               |
| Northwest | La Salle    | 2000 | 74,431                        | 18.6                    | 38.6                   | 29.5                     | 9.0                 | 4.3                               |
| Northwest | La Salle    | 1990 | 70,357                        | 26.9                    | 39.3                   | 23.3                     | 7.1                 | 3.4                               |
| Northwest | Lee         | 2000 | 24,540                        | 19.8                    | 36.7                   | 30.4                     | 8.6                 | 4.6                               |
| Northwest | Lee         | 1990 | 22,661                        | 23.7                    | 38.6                   | 26.0                     | 7.7                 | 4.0                               |
| Northwest | Mercer      | 2000 | 11,529                        | 15.1                    | 43.6                   | 28.7                     | 9.3                 | 3.3                               |
| Northwest | Mercer      | 1990 | 11,357                        | 22.6                    | 44.3                   | 21.8                     | 8.1                 | 3.1                               |
| Northwest | Putnam      | 2000 | 4,136                         | 16.2                    | 38.0                   | 33.8                     | 7.9                 | 4.2                               |
| Northwest | Putnam      | 1990 | 3,783                         | 24.2                    | 40.3                   | 25.6                     | 6.4                 | 3.4                               |
| Northwest | Rock Island | 2000 | 98,865                        | 17.4                    | 34.0                   | 31.4                     | 11.5                | 5.6                               |
| Northwest | Rock Island | 1990 | 96,715                        | 22.6                    | 35.3                   | 27.0                     | 10.5                | 4.5                               |
| Northwest | Whiteside   | 2000 | 40,585                        | 20.2                    | 37.8                   | 30.7                     | 7.9                 | 3.4                               |
| Northwest | Whiteside   | 1990 | 39,020                        | 26.7                    | 38.9                   | 24.5                     | 6.3                 | 3.5                               |
| Northwest | Region      | 2000 | 339,495                       | 17.7                    | 37.4                   | 30.3                     | 10.0                | 4.7                               |
| Northwest | Region      | 1990 | 326,492                       | 24.4                    | 38.9                   | 24.5                     | 8.4                 | 3.9                               |

Source: US Bureau of the Census, 2000 Decennial Census, Summary File 3

## Southeastern Economic Development Region (EDR 7)



### Area Description

The Southeastern Economic Development Region (EDR 7) is a thirteen county region in south central Illinois. Interstates 57 and 70 run through this area and cross in Effingham County. Commuting for up to 60 miles to get work or recreation and entertainment is common for people living in the region, and the amount of commuting continues to increase. This area has a long border with Indiana

to which residents, especially from Edgar, Clark, Crawford and Lawrence counties, commute. Cities along the interstate system which attract workers include Mattoon-Charleston, Effingham, Vandalia, and Salem. Other sizable employment communities include Paris, Olney, Robinson, Flora, Lawrenceville, and Centralia. Eastern Illinois University is located in Charleston and is a major employer in the region.

For the past several years, stable labor market conditions have prevailed in the Southeastern Region. Few significant changes have occurred in the various industry sectors. Health care facilities and offices provide many of the new employment opportunities. Trade and Leisure-Hospitality firms continue to offer a significant number of jobs. Expansions at warehousing-distribution centers have been a boost for the region and educational centers provide steady employment growth.

The manufacturing industries have undergone the most significant changes. Although a number of new plants have opened or expanded, payrolls have declined as several factories have closed during the past decade. The change in the technology level used by employers has reduced demand for labor and the increasing skill requirements for employees have reduced the number of qualified workers.

### Demographics

According to the United States Census Bureau, the population in the region declined by 2.9% (-8,330) from 2000 to 2007. Lawrence County experienced a small gain in population while Effingham County and Moultrie County remained stable during the seven years. The remaining ten counties lost population since 2000. The 2000 Census reported that the Southeastern EDR was

96.6% White, 1.9% Black, 0.2% Native American, 0.4% Asian, and 0.9% Hispanic. The population is 51.1% female.

### Outlook

The long term industry employment projection for the region is for moderate employment growth of approximately 0.17% annually.

Retail Trade and Health Care are two of the larger industry sectors in which continued demand for workers will increase. As elsewhere in Illinois, medical professionals and support workers are occupations with a shortage of workers. Transportation and Warehousing is emerging as a strong growth industry as future developments in Effingham will boost the employment in this sector in the next few years. Established distribution centers in the region are also expected to undergo expansions. The traditional steady employment advances in accommodation and food services are expected to continue. Several fine arts facilities opened in 2007 and therefore increased employment opportunities in the Arts and Entertainment industry.

The region's Manufacturing industries have been relatively stable in the Southeastern EDR. Although there have been significant payroll losses in the Nondurable Goods industries, most notably printing, the durable goods sector has been stable. Modernization and upgrades of equipment have caused a demand for a more skilled factory worker and this trend will continue.

Energy demands have influenced economic changes in the region. A number of ethanol plants have been in the development stage in this area. However, due to financial and planning difficulties, the ethanol plants are slow to develop. Illinois farmers are planting substantially more acres of corn in anticipation of the demand for ethanol, but this trend may be contributing to a shortage in food production.

The high cost of oil has caused a renewed interest in the oil exploration industry in the Richland County area. Since the oil industry has been at a low mark since 1986, the revival of the industry has created a need for modern equipment and knowledgeable labor. Coles County was selected for the site of the \$1 billion coal to gasification FutureGen project. However, the U.S. Department of Energy halted the project as of early 2008. A major coal-gasification plant with a coal mine project is proposed for Fayette County.

## QCEW

Table 7-1 provides 2002 and 2007 QCEW data for the Southeastern EDR. The Southeastern EDR experienced a 0.8% growth in wages during the five-year period from the first quarter 2002 to the first quarter 2007. The industry with the largest wage growth was Manufacturing, even though employment levels remained stable. The small Information sector lost employment while wages increased slightly. The reverse was true for Professional and Business Services as employment substantially increased while wages declined. Steady employment growth and wage gains were reported in Natural Resources-Mining, Trade, Transportation, and Utilities, Educational-Health Services, and Leisure-Hospitality. Overall, employment growth prevails mainly in the Service Providing industries as wages gradually increase.

A comparison of numbers from the same time period shows that the region has a higher proportion of employment for the Goods-Producing industries than does the state of Illinois (25.1% to 16.4%). Although the higher proportion of mining employment in the region is a factor, the main reason for the difference is the relatively high level of Manufacturing employment in the area. The employment proportions for the region are well below the state average for Financial Activities and Professional-Business services. The average quarterly wages for this region were 58.8% of the statewide average in 2007 Q1. This is due to a combination of the lower cost of living in this area relative to the state average as well as the relative lack of high paying jobs in this area.

**Table 7-1: QCEW Industry Data for Southeastern EDR (2002 Q1 & 2007 Q1)**

|                                      | Southeastern Economic Development Region (EDR 7) |                          |                                 |                                  |                          |                                  |                                   |                                       |
|--------------------------------------|--|--------------------------|---------------------------------|----------------------------------|--------------------------|----------------------------------|-----------------------------------|---------------------------------------|
|                                      | 2007 Q1<br>Number of<br>Employed                 | 2007 Q1<br>%<br>Employed | 2007 Q1<br>Avg. Qtrly.<br>Wages | 2002 Q1<br>Number of<br>Employed | 2002 Q1<br>%<br>Employed | 2002 Q1<br>Avg. Qtrly.<br>Wages* | % Change<br>Employed<br>2002-2007 | % Change<br>Qtrly. Wages<br>2002-2007 |
| <b>Total</b>                         | <b>111,187</b>                                   | <b>100.0%</b>            | <b>\$7,252</b>                  | <b>109,147</b>                   | <b>100.0%</b>            | <b>\$7,192</b>                   | <b>1.9%</b>                       | <b>0.8%</b>                           |
| <b>Private Sector (NAICS)</b>        | <b>91,140</b>                                    | <b>82.0%</b>             | <b>\$6,975</b>                  | <b>89,857</b>                    | <b>82.3%</b>             | <b>\$6,964</b>                   | <b>1.4%</b>                       | <b>0.2%</b>                           |
| <b>GOODS-PRODUCING</b>               | <b>27,915</b>                                    | <b>25.1%</b>             | <b>\$9,223</b>                  | <b>27,674</b>                    | <b>25.4%</b>             | <b>\$8,678</b>                   | <b>0.9%</b>                       | <b>6.3%</b>                           |
| Natural Resources and Mining         | 2,085  | 1.9%                     | \$7,485                         | 1,700                            | 1.6%                     | \$7,322                          | 22.6%                             | 2.2%                                  |
| Construction                         | 3,864  | 3.5%                     | \$7,858                         | 4,029                            | 3.7%                     | \$8,267                          | -4.1%                             | -4.9%                                 |
| Manufacturing                        | 21,966   | 19.8%                    | \$9,628                         | 21,945                           | 20.1%                    | \$8,858                          | 0.1%                              | 8.7%                                  |
| <b>SERVICE-PROVIDING</b>             | <b>63,225</b>                                    | <b>56.9%</b>             | <b>\$5,983</b>                  | <b>62,183</b>                    | <b>57.0%</b>             | <b>\$6,201</b>                   | <b>1.7%</b>                       | <b>-3.5%</b>                          |
| Trade, Transportation, and Utilities | 21,785   | 19.6%                    | \$6,997                         | 20,561                           | 18.8%                    | \$6,973                          | 6.0%                              | 0.3%                                  |
| Information                          | 1,709  | 1.5%                     | \$9,219                         | 4,584                            | 4.2%                     | \$9,207                          | -62.7%                            | 0.1%                                  |
| Financial Activities                 | 3,975  | 3.6%                     | \$8,373                         | 4,007                            | 3.7%                     | \$7,940                          | -0.8%                             | 5.4%                                  |
| Professional and Business Services   | 8,481  | 7.6%                     | \$4,323                         | 6,670                            | 6.1%                     | \$5,105                          | 27.2%                             | -15.3%                                |
| Educational and Health Services      | 15,364   | 13.8%                    | \$6,816                         | 14,922                           | 13.7%                    | \$6,743                          | 3.0%                              | 1.1%                                  |
| Leisure and Hospitality              | 9,058  | 8.1%                     | \$2,429                         | 8,549                            | 7.8%                     | \$2,409                          | 6.0%                              | 0.8%                                  |
| Other Services                       | 2,839  | 2.6%                     | \$4,690                         | 2,882                            | 2.6%                     | \$4,469                          | -1.5%                             | 5.0%                                  |
| Unclassified                         | 14   | 0.0%                     | \$6,490                         | 8                                | 0.0%                     | \$4,864                          | 75.0%                             | 33.4%                                 |
| <b>State &amp; Local Government</b>  | <b>19,009</b>                                    | <b>17.1%</b>             | <b>\$8,436</b>                  | <b>18,190</b>                    | <b>16.7%</b>             | <b>\$8,090</b>                   | <b>4.5%</b>                       | <b>4.3%</b>                           |
| <b>Federal Government</b>            | <b>1,038</b>                                     | <b>0.9%</b>              | <b>\$9,927</b>                  | <b>1,100</b>                     | <b>1.0%</b>              | <b>\$10,993</b>                  | <b>-5.6%</b>                      | <b>-9.7%</b>                          |

\* 2002 Q1 Wage data have been multiplied by the ratio of (March 2007 CPI / March 2002 CPI) for better comparison to 2007 Q1 Wage data

## LED

Local Employment dynamics, a partnership program of the U.S. Census bureau and the Illinois Department of Employment Security, provides information on which industries are adding workers to their payrolls. Table 7-2 shows that the Professional-Business Services, Trade, Transportation and Utilities, and Leisure-Hospitality sectors experienced the most new hires in the latest reporting period, second quarter 2007. A sizable number of new hires were also reported in Education-Health Services and Manufacturing. For this analysis, IDES used new hire data from several quarters to determine which industries are hiring and the skill sets individuals would

need to gain employment in those industries. It therefore can be used as a tool in determining work training and retraining within the region.

As the population ages and the current workers begin to retire, there will be a need to provide local employers with trained individuals to replace those workers leaving the workforce. Table 7-3 indicates that in the Southeastern EDR, Trade, Transportation and Utilities, Manufacturing, and Education-Health Services have the largest segment of its workforce in the pre-retirement age group of 55 to 64 years old. These same industries



have the largest group of workers in the age cohort of 45 to 54 years old. While the manufacturing sector has been stable in recent years, the need to select skill sets, such as CNC machining, has continued to expand. The changes in the employee requirements for manufacturing employment will increase the need for workforce training programs. The educational requirements and training

needs for occupations in the Education-Health Services, Construction, and Financial activities will require long term planning to guide people into these careers. In addition, new employees replacing retiring workers will face changes in workplace technology and employers will continue to demand workers with more education and technology experience.

**Table 7-2: Southeastern EDR Private Sector LED New Hires Data**

| <b>Yr:Qtr</b>                        | <b>2006:<br/>3rd Qtr</b> | <b>2006:<br/>4th Qtr</b> | <b>2007:<br/>1st Qtr</b> | <b>2007:<br/>2nd Qtr</b> |
|--------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Total New Hires, Private Sector      | 17,498                   | 14,454                   | 12,861                   | <b>18,042</b>            |
| Professional-Business Services       | 4,895                    | 4,164                    | 3,280                    | <b>4,170</b>             |
| Trade, Transportation, and Utilities | 3,068                    | 2,635                    | 2,788                    | <b>4,099</b>             |
| Leisure-Hospitality                  | 3,026                    | 2,574                    | 2,222                    | <b>3,328</b>             |
| Education-Health Services            | 2,029                    | 1,773                    | 1,660                    | <b>2,016</b>             |
| Manufacturing                        | 1,491                    | 1,136                    | 1,075                    | <b>1,425</b>             |

**Private Sector Employment  
Industries with the Most New Hires**

**EDR 7**

| <b>Yr:Qtr</b>                   | <b>2006:<br/>3rd Qtr</b> | <b>2006:<br/>4th Qtr</b> | <b>2007:<br/>1st Qtr</b> | <b>2007:<br/>2nd Qtr</b> |
|---------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Total New Hires, Private Sector | 18%                      | 15%                      | 14%                      | <b>19%</b>               |
| Professional-Business Services  | 53%                      | 42%                      | 36%                      | <b>47%</b>               |
| Leisure-Hospitality             | 33%                      | 28%                      | 26%                      | <b>37%</b>               |
| Construction                    | 25%                      | 16%                      | 15%                      | <b>29%</b>               |
| Mining-Nat Res.                 | 27%                      | 18%                      | 17%                      | <b>26%</b>               |
| Other Services                  | 17%                      | 13%                      | 14%                      | <b>19%</b>               |

**Table 7-3: Southeastern EDR Private Sector LED Employment Data, by Age Group**

| <b>EDR 7</b>                         |               | <b>Private Sector Employment by Age Groups</b> |               |               |               |               |               |  |
|--------------------------------------|---------------|--|---------------|---------------|---------------|---------------|---------------|--|
| <b>Year &amp; Qtr</b>                | <b>2007:2</b> | <b>2007:2</b>                                  | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> |  |
| <b>Age Group</b>                     | <b>14-99</b>  | <b>14-24</b>                                   | <b>25-34</b>  | <b>35-44</b>  | <b>45-54</b>  | <b>55-64</b>  | <b>65-99</b>  |  |
| Total, Private Sector                | 94,252        | 17,213   | 19,126        | 20,155        | 22,036        | 11,938        | 3,785         |  |
| Trade, Transportation, and Utilities | 22,866        | 4,197  | 4,231         | 4,603         | 5,384         | 3,141         | 1,269         |  |
| Manufacturing                        | 23,067        | 2,033  | 4,903         | 6,058         | 6,556         | 3,078         | 440           |  |
| Education-Health Services            | 15,474        | 2,160  | 3,338         | 3,310         | 3,731         | 2,240         | 695           |  |
| Professional-Business Services       | 8,779         | 2,108  | 2,032         | 1,718         | 1,725         | 832           | 322           |  |

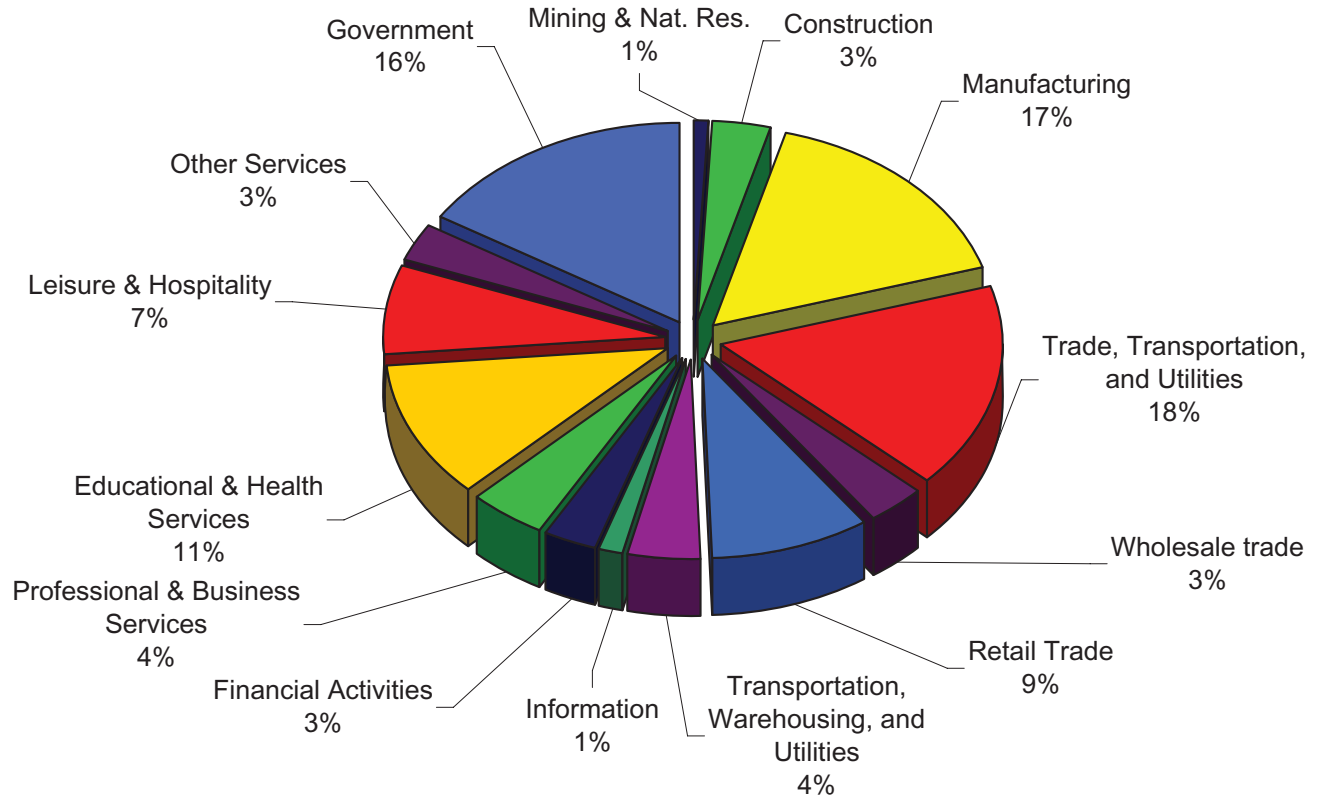
| <b>EDR 7</b>                         |               | <b>Private Sector Employment by Age Groups</b> |               |               |               |               |               |  |
|--------------------------------------|---------------|--|---------------|---------------|---------------|---------------|---------------|--|
| <b>Year &amp; Qtr</b>                | <b>2007:2</b> | <b>2007:2</b>                                  | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> |  |
| <b>Age Group</b>                     | <b>14-99</b>  | <b>14-24</b>                                   | <b>25-34</b>  | <b>35-44</b>  | <b>45-54</b>  | <b>55-64</b>  | <b>65-99</b>  |  |
| Total, Private Sector                | <b>100%</b>   | <b>18%</b>                                     | <b>20%</b>    | <b>21%</b>    | <b>23%</b>    | <b>13%</b>    | <b>4%</b>     |  |
| Trade, Transportation, and Utilities | <b>24%</b>    | 4%   | 4%            | 5%            | 6%            | 3%            | 1%            |  |
| Manufacturing                        | <b>24%</b>    | 2%   | 5%            | 6%            | 7%            | 3%            | 0%            |  |
| Education-Health Services            | <b>16%</b>    | 2%   | 4%            | 4%            | 4%            | 2%            | 1%            |  |
| Professional-Business Services       | <b>9%</b>     | 2%   | 2%            | 2%            | 2%            | 1%            | 0%            |  |

| <b>EDR 7</b>                         |               | <b>Private Sector Employment by Age Groups</b> |               |               |               |               |               |  |
|--------------------------------------|---------------|--|---------------|---------------|---------------|---------------|---------------|--|
| <b>Year &amp; Qtr</b>                | <b>2007:2</b> | <b>2007:2</b>                                  | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> |  |
| <b>Age Group</b>                     | <b>14-99</b>  | <b>14-24</b>                                   | <b>25-34</b>  | <b>35-44</b>  | <b>45-54</b>  | <b>55-64</b>  | <b>65-99</b>  |  |
| Trade, Transportation, and Utilities | 24%           | 24%  | 22%           | 23%           | 24%           | 26%           | 34%           |  |
| Manufacturing                        | 24%           | 12%  | 26%           | 30%           | 30%           | 26%           | 12%           |  |
| Education-Health services            | 16%           | 13%  | 17%           | 16%           | 17%           | 19%           | 18%           |  |
| Professional-Business services       | 9%            | 12%  | 11%           | 9%            | 8%            | 7%            | 9%            |  |

**CES**

Chart 7-1 provides information on employment by industry for 2007 from the Current Employment Statistics program.

**Chart 7-1: Southeastern EDR Industry Employment Composition (2007 CES Annual Average Data)**



**LAUS**

The data in Table 7-4 show that the Southeastern EDR unemployment rate stayed at about the same level and moved in the same general direction as the statewide rate from 2002 to 2007. However, compared to the U.S. jobless rate the unemployment rate for the Southeastern Economic Development Region was higher during the six year time period.

**Table 7-4: Southeastern EDR Labor Force and Unemployment Rate Data**

| Year | Annual Average  |                       |     |     |
|------|-----------------|-----------------------|-----|-----|
|      | Labor Force EDR | Unemployment Rate (%) |     |     |
|      |                 | EDR                   | IL  | US  |
| 2002 | 142,493         | 6.5                   | 6.5 | 5.8 |
| 2003 | 140,967         | 6.8                   | 6.7 | 6.0 |
| 2004 | 142,528         | 6.4                   | 6.2 | 5.5 |
| 2005 | 143,336         | 5.6                   | 5.8 | 5.1 |
| 2006 | 144,902         | 4.8                   | 4.6 | 4.6 |
| 2007 | 148,725         | 5.2                   | 5.0 | 4.6 |

**Occupational Wages and Employment**

Wage data estimates, by occupational category, for the Southeastern Region are available in Table 7-5. The occupational categories with the largest proportional shares of employment in this region tend to have experienced wages that rank in the bottom half of those classifications (except for management and education-training-library). Those with the top three employment shares are 1) office and administrative support (12.8%, annual experienced wage of \$29,984), 2) management (12.0%, \$86,332), and 3) production (11.3%, \$34,505). The occupational groups with the highest annual experienced wages are not inclined to be among the groups with the largest employment proportions (except for management and health care practitioners). The five categories with the highest experienced wages are 1) legal (\$139,841, employment share of 0.4%), 2) management (\$86,332, 12.0%), 3) architecture and engineering (\$65,820, 1.1%), 4) healthcare practitioners and technical occupations (\$65,045, 4.5%), and 5) computer and mathematical occupations (\$64,565, 3.1%).

**Table 7-5: Estimated Employment and Wages for Southeastern EDR, by Occupational Category**

| SOC Occupational Category                                  | 2007 Est.  | % of 2007  | Annual Wages |          |             |
|--|------------|------------|--------------|----------|-------------|
|  | Employment | Employment | Entry        | Median   | Experienced |
| Management Occupations                                     | 17,626     | 12.0%      | \$31,486     | \$60,589 | \$86,332    |
| Business and Financial Operations Occupations              | 4,552      | 3.1%       | \$24,743     | \$41,181 | \$57,927    |
| Computer and Mathematical Occupations                      | 1,608      | 1.1%       | \$31,180     | \$48,097 | \$64,565    |
| Architecture and Engineering Occupations                   | 1,566      | 1.1%       | \$35,748     | \$55,506 | \$65,820    |
| Life, Physical, and Social Science Occupations             | 829        | 0.6%       | \$31,139     | \$49,976 | \$61,559    |
| Community and Social Services Occupations                  | 2,262      | 1.5%       | \$21,437     | \$33,746 | \$44,762    |
| Legal Occupations  | 605        | 0.4%       | \$35,935     | \$61,257 | \$139,841   |
| Education, Training, and Library Occupations               | 10,312     | 7.0%       | \$22,161     | \$40,297 | \$54,490    |
| Arts, Design, Entertainment, Sports, and Media Occupations | 1,872      | 1.3%       | \$16,527     | \$27,227 | \$37,402    |
| Healthcare Practitioners and Technical Occupations         | 6,537      | 4.5%       | \$24,483     | \$38,265 | \$65,045    |
| Healthcare Support Occupations                             | 3,855      | 2.6%       | \$16,647     | \$20,142 | \$25,748    |
| Protective Service Occupations                             | 3,283      | 2.2%       | \$16,812     | \$39,081 | \$45,091    |
| Food Preparation and Serving-Related Occupations           | 10,321     | 7.0%       | \$14,883     | \$15,666 | \$20,155    |
| Building and Grounds Cleaning and Maintenance Occupations  | 4,272      | 2.9%       | \$15,713     | \$20,111 | \$26,250    |
| Personal Care and Service Occupations                      | 3,436      | 2.3%       | \$14,946     | \$17,508 | \$22,028    |
| Sales and Related Occupations                              | 12,836     | 8.7%       | \$15,483     | \$19,713 | \$34,660    |
| Office and Administrative Support Occupations              | 18,820     | 12.8%      | \$16,749     | \$22,947 | \$29,984    |
| Farming, Fishing, and Forestry Occupations                 | 2,048      | 1.4%       | \$17,474     | \$24,365 | \$34,323    |
| Construction and Extraction Occupations                    | 6,180      | 4.2%       | \$22,064     | \$31,871 | \$43,396    |
| Installation, Maintenance, and Repair Occupations          | 5,324      | 3.6%       | \$21,518     | \$34,001 | \$43,899    |
| Production Occupations                                     | 16,590     | 11.3%      | \$19,226     | \$28,097 | \$34,505    |
| Transportation and Material Moving Occupations             | 12,097     | 8.2%       | \$18,007     | \$26,568 | \$34,046    |

Note: Occupational Wage Data is representative of 2007 Q2

**Other Regional Data**

Chart 7-2 provides information on the population by age group for the EDR. The data is based on the U.S. Census Bureau population estimates from 2006.

**Chart 7-2: Southeastern EDR Population by Age Group**

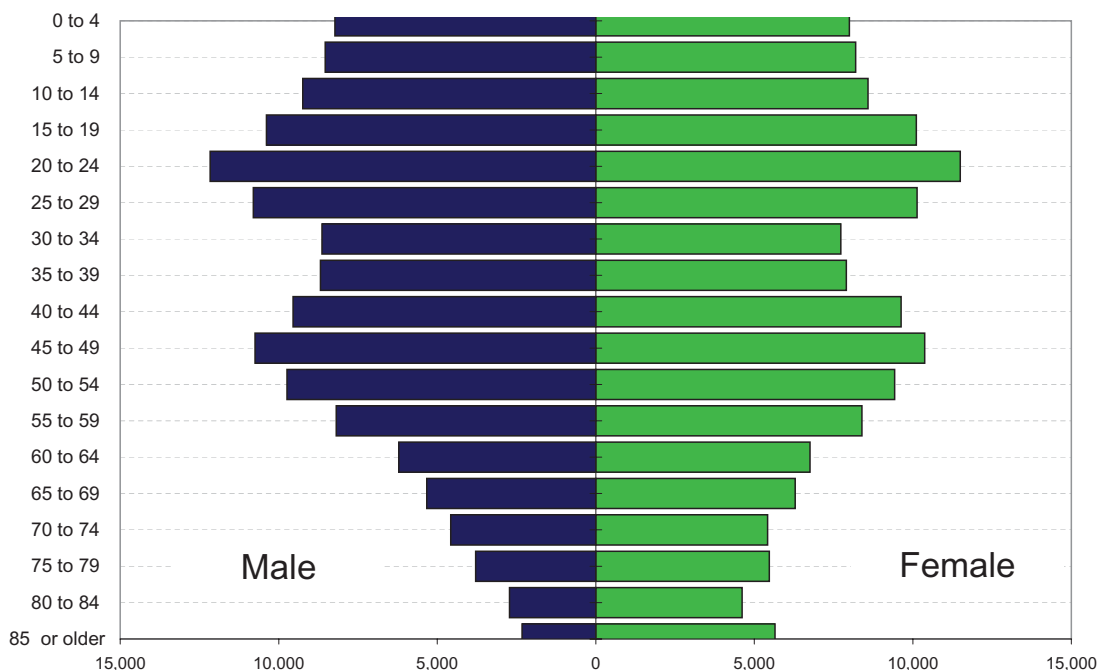


Table 7-6 provides data on the educational attainment of people 25 years or older in the EDR. The data is based on the 2000 and 1990 U.S. Census Bureau.

**Table 7-6: Southeastern EDR Educational Attainment: Persons 25 Years and Older**

| Region       | County     | Year | Population 25 years and older | % Less than high school | % High school graduate | % Some college no degree | % Bachelor's degree | % Graduate or professional degree |
|--------------|------------|------|-------------------------------|-------------------------|------------------------|--------------------------|---------------------|-----------------------------------|
| Illinois     |            | 2000 | 7,973,671                     | 18.6                    | 27.7                   | 27.6                     | 16.5                | 9.5                               |
| Illinois     |            | 1990 | 7,293,930                     | 23.8                    | 30.0                   | 25.2                     | 13.6                | 7.5                               |
| Southeastern | Clark      | 2000 | 11,569                        | 20.0                    | 39.3                   | 27.0                     | 9.3                 | 4.3                               |
| Southeastern | Clark      | 1990 | 10,734                        | 28.7                    | 41.5                   | 20.6                     | 6.4                 | 2.8                               |
| Southeastern | Clay       | 2000 | 9,898                         | 24.1                    | 38.3                   | 28.0                     | 6.3                 | 3.4                               |
| Southeastern | Clay       | 1990 | 9,647                         | 34.4                    | 36.7                   | 21.3                     | 4.9                 | 2.8                               |
| Southeastern | Coles      | 2000 | 30,326                        | 17.1                    | 32.6                   | 29.5                     | 11.2                | 9.6                               |
| Southeastern | Coles      | 1990 | 29,136                        | 23.9                    | 32.2                   | 25.2                     | 10.6                | 8.1                               |
| Southeastern | Crawford   | 2000 | 13,995                        | 20.7                    | 37.0                   | 32.1                     | 6.7                 | 3.6                               |
| Southeastern | Crawford   | 1990 | 13,317                        | 24.0                    | 40.6                   | 25.9                     | 6.2                 | 3.3                               |
| Southeastern | Cumberland | 2000 | 7,352                         | 19.8                    | 43.0                   | 27.1                     | 7.0                 | 3.1                               |
| Southeastern | Cumberland | 1990 | 6,727                         | 27.8                    | 41.2                   | 22.9                     | 5.5                 | 2.7                               |
| Southeastern | Edgar      | 2000 | 13,395                        | 18.6                    | 41.8                   | 26.3                     | 9.2                 | 4.1                               |
| Southeastern | Edgar      | 1990 | 13,082                        | 26.5                    | 42.7                   | 19.8                     | 7.3                 | 3.7                               |
| Southeastern | Effingham  | 2000 | 21,635                        | 16.6                    | 38.1                   | 30.2                     | 10.5                | 4.6                               |
| Southeastern | Effingham  | 1990 | 19,477                        | 25.0                    | 37.7                   | 24.2                     | 9.2                 | 3.8                               |
| Southeastern | Fayette    | 2000 | 14,611                        | 27.8                    | 40.9                   | 22.3                     | 6.2                 | 2.8                               |
| Southeastern | Fayette    | 1990 | 13,894                        | 31.2                    | 40.4                   | 19.8                     | 5.5                 | 3.0                               |
| Southeastern | Jasper     | 2000 | 6,579                         | 17.4                    | 40.6                   | 30.7                     | 8.1                 | 3.1                               |
| Southeastern | Jasper     | 1990 | 6,835                         | 30.3                    | 40.8                   | 20.8                     | 5.3                 | 2.8                               |
| Southeastern | Lawrence   | 2000 | 10,752                        | 18.7                    | 41.8                   | 29.7                     | 6.4                 | 3.3                               |
| Southeastern | Lawrence   | 1990 | 10,950                        | 30.8                    | 39.4                   | 23.5                     | 4.4                 | 1.9                               |
| Southeastern | Marion     | 2000 | 27,710                        | 20.9                    | 35.9                   | 31.1                     | 8.0                 | 4.1                               |
| Southeastern | Marion     | 1990 | 27,077                        | 29.9                    | 37.1                   | 23.4                     | 6.3                 | 3.3                               |
| Southeastern | Moultrie   | 2000 | 9,515                         | 21.2                    | 38.0                   | 26.1                     | 10.8                | 4.0                               |
| Southeastern | Moultrie   | 1990 | 9,282                         | 29.7                    | 40.0                   | 20.7                     | 6.5                 | 3.0                               |
| Southeastern | Richland   | 2000 | 10,827                        | 16.6                    | 32.8                   | 35.4                     | 10.6                | 4.7                               |
| Southeastern | Richland   | 1990 | 10,917                        | 26.5                    | 34.7                   | 26.9                     | 8.3                 | 3.6                               |
| Southeastern | Region     | 2000 | 188,164                       | 19.7                    | 37.5                   | 29.1                     | 8.8                 | 4.8                               |
| Southeastern | Region     | 1990 | 181,075                       | 27.8                    | 38.0                   | 23.1                     | 7.2                 | 4.0                               |

Source: US Bureau of the Census, 2000 Decennial Census, Summary File 3

## Southern Economic Development Region (EDR 8)



### Area Description

The Southern Economic Development Region (EDR 8) consists of 19 counties in the far southern part of the Illinois. Growth potential for the region is substantial along Interstate 57, which runs north-south through the region with Interstate 24 branching off to the east just south of the city of Marion. Along the Route 13 corridor from Marion to the city of Carbondale, substantial commercial,

industrial and residential development dominates the region's labor market activity. Interstate 64 connects the St. Louis area with the city of Evansville, Indiana and crosses I-57 at the city of Mt. Vernon in Jefferson County. Commuting for work, entertainment, and recreation is well established within the region especially to the three primary commercial centers of Marion, Carbondale, and Mt. Vernon. Southern Illinois University is located in Carbondale and is a major employer in the area.

The Southern EDR borders three states, Indiana, Kentucky, and Missouri. The communities near these states are sparsely populated since the Shawnee National Forest covers a significant portion of seven counties. Commuting is a "way of life" for residents in the most southern and eastern counties of the region. These communities are within an hour of larger communities such as Evansville, Indiana; Paducah, Kentucky; Cape Girardeau, Missouri; and the larger southern Illinois communities of Marion, Carbondale, and Mt. Vernon.

During the past twenty years, the labor market of southern Illinois has dramatically changed. Once dominated by the mining industry, especially coal mining, and manufacturing plants, the region's labor market has evolved toward retail trade, transportation and distribution, and leisure and hospitality. The loss of the high paying coal mining jobs with good benefits was a severe setback to this area as it was not counteracted by the steady employment growth in the service and retail industry payrolls. However, most indicators show that the current labor market is expanding especially in Jackson, Jefferson, Massac, and Williamson Counties.

The manufacturing industry has been suffering through mixed developments. While many older established industrial plants have permanently closed, some

newer facilities have been undergoing expansions and machinery upgrades. The modernization and technological upgrade of the facilities has increased the demand for more skilled workers.

Growth in the health care sector has been steady and is expected to continue to expand as the population ages. The business services, retail trade, and leisure and hospitality industry sectors have added workers and these trends are expected to continue. Educational institutions have provided steady employment advances.

### Demographics

According to the United States Census Bureau, the nineteen county region declined in population by 3,780 residents (-1%) from 2000 to 2007. Only four counties have gained in population during the past seven years (Franklin, Jefferson, Johnson, and Williamson). The population was stable in Massac and Union counties and the remaining thirteen counties experienced a population decline. According to the 2000 Census, the Southern Economic Development Region is 91.2% White, 6.2% black, 0.3% Native American, 0.8% Asian, and 1.4% Hispanic. The population is 50.3% female.

### Outlook

The long term industry employment projection for the Southern EDR is for steady employment growth of approximately 0.21% annually.

After a twenty year decline, the coal industry appears to be reviving. A number of new small non-union, improved technology mines have opened, or are in the planning stages. Along with the prospective coal mine upturn, there are plans for several coal-gasification plants throughout the region. In addition, the long dormant oil exploration industry has slowly begun to add workers, buy equipment, and drill for resources throughout the larger southern Illinois region. Although a number of ethanol plants are in the planning stage, financial and developmental problems are delaying the process. Due to these plans, Illinois farmers are planting significantly more acres in corn.

The location of the Interstates and the Route 13 corridor have enabled steady employment growth in retail trade and business services especially at the three commercial sites of Marion, Carbondale, and Mt. Vernon. Construction activity along the Route 13 corridor and Interstate 57 has been significant with commercial, highway, and residential

building. This building boom and expansion is expected to continue.

As with the rest of Illinois, the health care industry continues to expand and workers at all levels will be needed. Expansions at transportation and warehousing facilities have also occurred primarily due to the excellent access to highways.

Employment expansions are expected in the Leisure and Hospitality sector. Several resorts and outdoor activities at Rend Lake, Crab Orchard Lake, and the Shawnee National Forest bring in many visitors. Entertainment and gambling dominate the labor market in Massac County. Riverfront development, state park improvements, art museum expansions, and the arrival of minor league baseball will assist in increasing employment opportunities in arts, entertainment, and recreation. The increasing number of wineries in the area along with the ever more popular Winery Trail adds to the employment potential in tourism.

Educational institutions have had a major stabilizing impact on this region and this should continue especially as the demand for better qualified and knowledgeable workers increases.

## QCEW

Table 8-1 provides 2002 and 2007 QCEW data for the Southern EDR. The Southern Economic Development Region experienced a 4.0% growth in wages during the

five year period from first quarter 2002 to first quarter 2007. Although employment in Manufacturing (-13.9%) and Financial Activities (-2.9%) declined, wages significantly increased by 13.1% and 10.6% respectively. Leisure-Hospitality establishments experienced an increase in employment (5.8%), but a decline in wages (-3.2%). The largest employing industry, Trade, Transportation, and Utilities experienced an increase in payrolls (2.3%) and a slight decline in wages (-0.6%). Substantial employment and wage growth occurred in Professional-Business Services, Educational-Health Services, and Natural Resources-Mining since 2002. Construction payrolls and wages declined by 17% and 5.6% respectively. Overall, employment by industry continues to shift from the Manufacturing sector to the service providing industries in this region.

A comparison of numbers from the same time period shows that EDR 8 has a slightly higher proportion of employment for the Goods-Producing industries than does the state of Illinois (16.7% to 16.4%). The main reason for this difference is that the region has a 3.1% employment share in the Natural Resources and Mining industry compared to 0.4% statewide. The region lags behind the employment share of the statewide average in Construction (3.1% to 4.3%) and Manufacturing (10.5% to 11.7%). This region has a smaller share of Service-Providing industry employment than the state does as a whole (58.4% to 69.4%). There are a few industry components below the state average in the service-providing industry, but the two that are the most below the state average are Financial Activities and Professional

**Table 8-1: QCEW Industry Data for Southern EDR (2002 Q1 & 2007 Q1)**

|                                      | Southern Economic Development Region (EDR 8) |                          |                                 |                                  |                          |                                  |                                   |                                       |
|--------------------------------------|--|--------------------------|---------------------------------|----------------------------------|--------------------------|----------------------------------|-----------------------------------|---------------------------------------|
|                                      | 2007 Q1<br>Number of<br>Employed             | 2007 Q1<br>%<br>Employed | 2007 Q1<br>Avg. Qtrly.<br>Wages | 2002 Q1<br>Number of<br>Employed | 2002 Q1<br>%<br>Employed | 2002 Q1<br>Avg. Qtrly.<br>Wages* | % Change<br>Employed<br>2002-2007 | % Change<br>Qtrly. Wages<br>2002-2007 |
| <b>Total</b>                         | <b>131,813</b>                               | <b>100.0%</b>            | <b>\$7,660</b>                  | <b>131,074</b>                   | <b>100.0%</b>            | <b>\$7,363</b>                   | <b>0.6%</b>                       | <b>4.0%</b>                           |
| <b>Private Sector (NAICS)</b>        | <b>99,026</b>                                | <b>75.1%</b>             | <b>\$7,185</b>                  | <b>97,570</b>                    | <b>74.4%</b>             | <b>\$6,949</b>                   | <b>1.5%</b>                       | <b>3.4%</b>                           |
| <b>GOODS-PRODUCING</b>               | <b>22,050</b>                                | <b>16.7%</b>             | <b>\$10,712</b>                 | <b>24,631</b>                    | <b>18.8%</b>             | <b>\$9,832</b>                   | <b>-10.5%</b>                     | <b>9.0%</b>                           |
| Natural Resources and Mining         | 4,116  | 3.1%                     | \$12,447                        | 3,623                            | 2.8%                     | \$12,169                         | 13.6%                             | 2.3%                                  |
| Construction                         | 4,088  | 3.1%                     | \$7,931                         | 4,925                            | 3.8%                     | \$8,398                          | -17.0%                            | -5.6%                                 |
| Manufacturing                        | 13,846                                       | 10.5%                    | \$11,017                        | 16,083                           | 12.3%                    | \$9,744                          | -13.9%                            | 13.1%                                 |
| <b>SERVICE-PROVIDING</b>             | <b>76,976</b>                                | <b>58.4%</b>             | <b>\$6,175</b>                  | <b>72,939</b>                    | <b>55.6%</b>             | <b>\$5,975</b>                   | <b>5.5%</b>                       | <b>3.3%</b>                           |
| Trade, Transportation, and Utilities | 26,394                                       | 20.0%                    | \$6,511                         | 25,796                           | 19.7%                    | \$6,550                          | 2.3%                              | -0.6%                                 |
| Information                          | 2,103  | 1.6%                     | \$7,331                         | 2,117                            | 1.6%                     | \$7,985                          | -0.7%                             | -8.2%                                 |
| Financial Activities                 | 5,316  | 4.0%                     | \$8,491                         | 5,475                            | 4.2%                     | \$7,675                          | -2.9%                             | 10.6%                                 |
| Professional and Business Services   | 7,798  | 5.9%                     | \$6,463                         | 6,505                            | 5.0%                     | \$6,121                          | 19.9%                             | 5.6%                                  |
| Educational and Health Services      | 18,839                                       | 14.3%                    | \$7,235                         | 17,326                           | 13.2%                    | \$6,608                          | 8.7%                              | 9.5%                                  |
| Leisure and Hospitality              | 13,010                                       | 9.9%                     | \$3,007                         | 12,300                           | 9.4%                     | \$3,107                          | 5.8%                              | -3.2%                                 |
| Other Services                       | 3,494  | 2.7%                     | \$4,847                         | 3,420                            | 2.6%                     | \$4,511                          | 2.2%                              | 7.5%                                  |
| Unclassified                         | 22   | 0.0%                     | \$0                             | 0                                | 0.0%                     | \$0                              | 0.0%                              | 0.0%                                  |
| <b>State &amp; Local Government</b>  | <b>29,909</b>                                | <b>22.7%</b>             | <b>\$8,705</b>                  | <b>30,620</b>                    | <b>23.4%</b>             | <b>\$8,202</b>                   | <b>-2.3%</b>                      | <b>6.1%</b>                           |
| <b>Federal Government</b>            | <b>2,878</b>                                 | <b>2.2%</b>              | <b>\$13,124</b>                 | <b>2,884</b>                     | <b>2.2%</b>              | <b>\$12,466</b>                  | <b>-0.2%</b>                      | <b>5.3%</b>                           |

\* 2002 Q1 Wage data have been multiplied by the ratio of (March 2007 CPI / March 2002 CPI) for better comparison to 2007 Q1 Wage data

and Business Services. Two industries of note that have a higher industry share than the statewide average are Leisure and Hospitality (9.9% to 8.8%) and Education-Health Services (14.3% to 13.2%). The region also has a much higher proportion employed in State & Local government than the statewide average (22.7% to 12.7%). The average quarterly wages for EDR 8 are 62.1% of the statewide average in 2007 Q1. The lack of good-paying jobs across all industries plus a lower cost of living in this area would likely be key reasons for the low pay.

## LED

Local Employment Dynamics, a partnership program of the U.S. Census Bureau and the Illinois Department of Employment Security, provides information on which

industries are adding workers to their payrolls. Table 8-2 indicates that Trade, Transportation, and Utilities, Leisure-Hospitality, Professional-Business Services, and Educational-Health Services experienced the most new hires in the latest reporting period, second quarter 2007. For this analysis, IDES used new hire data from several quarters to determine which industries are hiring and the skill sets individuals would need to gain employment in those industries. It therefore can be used as a tool in determining work training and retraining within the region.

As the population ages and current workers begin to retire, there will be a need to provide local employers with trained individuals to replace those workers leaving the workforce. Table 8-3 shows that in the Southern Economic

**Table 8-2: Southeastern EDR Private Sector LED New Hires Data**

| Yr:Qtr                               | 2006:<br>3rd Qtr | 2006:<br>4th Qtr | 2007:<br>1st Qtr | 2007:<br>2nd Qtr |
|--------------------------------------|------------------|------------------|------------------|------------------|
| Total New Hires, Private Sector      | 20,792           | 17,066           | 15,400           | <b>21,172</b>    |
| Trade, Transportation, and Utilities | 4,796            | 4,424            | 3,378            | <b>5,132</b>     |
| Leisure-Hospitality                  | 4,652            | 3,732            | 3,445            | <b>4,978</b>     |
| Professional-Business Services       | 3,074            | 2,533            | 2,494            | <b>3,396</b>     |
| Education-Health Services            | 2,612            | 2,145            | 2,189            | <b>2,488</b>     |
| Construction                         | 1,767            | 1,372            | 793              | <b>1,779</b>     |

### Private Sector Employment Industries with the Most New Hires

| Yr:Qtr                               | 2006:<br>3rd Qtr | 2006:<br>4th Qtr | 2007:<br>1st Qtr | 2007:<br>2nd Qtr |
|--------------------------------------|------------------|------------------|------------------|------------------|
| Total New Hires, Private Sector      | 20%              | 16%              | 15%              | <b>21%</b>       |
| Professional-Business Services       | 38%              | 31%              | 33%              | <b>42%</b>       |
| Leisure-Hospitality                  | 34%              | 28%              | 27%              | <b>38%</b>       |
| Construction                         | 33%              | 25%              | 18%              | <b>38%</b>       |
| Other Services                       | 23%              | 15%              | 19%              | <b>20%</b>       |
| Trade, Transportation, and Utilities | 18%              | 16%              | 12%              | <b>19%</b>       |



Development Region, the Trade-Transportation-Utilities, Education-Health Services, and Manufacturing sectors have a significantly large segment of its workforce in the pre-retirement age group of 55 to 64 years old. These same industries also have a large group of workers in the age cohort of 45 to 54 years old. While the manufacturing sector has experienced an overall decline in employment, the need for select skill sets, such as CNC machining, has continued to expand. The change in career choice away from manufacturing plus the demand for higher skilled workers will increase the need for workforce programs to prepare future workers for the Manufacturing industries.

The prospect for an upturn in the coal industry will increase the need for coal mine training to be re-established in the region. The educational requirements and training needs for occupations in the Education-Health Services, Construction, and Financial Activities sectors will also require long-term planning to guide people into these careers. In addition, new employees replacing retiring workers will face changes in workplace technology and employers will continue to demand employees with more education and training experience to utilize the increase in workplace technology.

**Table 8-3: Southern EDR Private Sector LED Employment Data, by Age Group**

| EDR 8                                |         | Private Sector Employment by Age Groups |        |        |        |        |        |        |
|--------------------------------------|---------|---|--------|--------|--------|--------|--------|--------|
| Year & Qtr                           | 2007:2  | 2007:2                                  | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 |
| Age Group                            | 14-99   | 14-24                                   | 25-34  | 35-44  | 45-54  | 55-64  | 65-99  |        |
| Total, Private Sector                | 101,038 | 19,079                                  | 21,525 | 21,234 | 22,298 | 13,106 | 3,799  |        |
| Trade, Transportation, and Utilities | 27,700  | 5,589                                   | 5,625  | 5,576  | 5,896  | 3,600  | 1,307  |        |
| Education-Health Services            | 18,903  | 2,108                                   | 4,110  | 4,351  | 4,740  | 2,828  | 740    |        |
| Manufacturing                        | 12,477  | 1,099                                   | 2,577  | 3,118  | 3,505  | 1,916  | 237    |        |
| Professional-Business Services       | 8,105   | 1,366                                   | 1,967  | 1,742  | 1,549  | 1,094  | 311    |        |

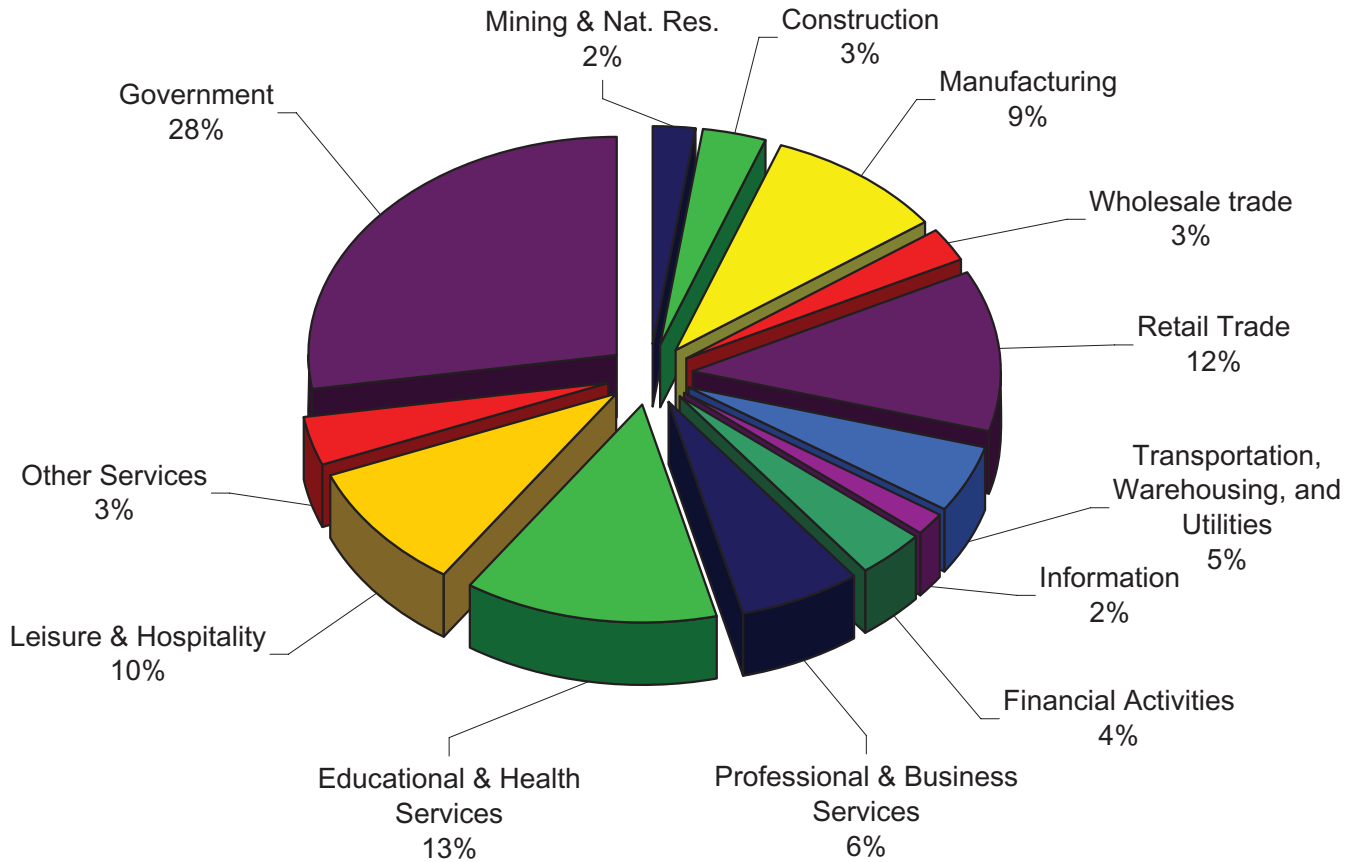
| EDR 8                                |        | Private Sector Employment by Age Groups |        |        |        |        |        |        |
|--------------------------------------|--------|---|--------|--------|--------|--------|--------|--------|
| Year & Qtr                           | 2007:2 | 2007:2                                  | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 |
| Age Group                            | 14-99  | 14-24                                   | 25-34  | 35-44  | 45-54  | 55-64  | 65-99  |        |
| Total, Private Sector                | 100%   | 19%                                     | 21%    | 21%    | 22%    | 13%    | 4%     |        |
| Trade, Transportation, and Utilities | 27%    | 6%                                      | 6%     | 6%     | 6%     | 4%     | 1%     |        |
| Education-Health Services            | 19%    | 2%                                      | 4%     | 4%     | 5%     | 3%     | 1%     |        |
| Manufacturing                        | 12%    | 1%                                      | 3%     | 3%     | 3%     | 2%     | 0%     |        |
| Professional-Business Services       | 8%     | 1%                                      | 2%     | 2%     | 2%     | 1%     | 0%     |        |

| EDR 8                                |        | Private Sector Employment by Age Groups |        |        |        |        |        |        |
|--------------------------------------|--------|---|--------|--------|--------|--------|--------|--------|
| Year & Qtr                           | 2007:2 | 2007:2                                  | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 |
| Age Group                            | 14-99  | 14-24                                   | 25-34  | 35-44  | 45-54  | 55-64  | 65-99  |        |
| Trade, Transportation, and Utilities | 27%    | 29%                                     | 26%    | 26%    | 26%    | 27%    | 34%    |        |
| Education-Health services            | 19%    | 11%                                     | 19%    | 20%    | 21%    | 22%    | 19%    |        |
| Manufacturing                        | 12%    | 6%                                      | 12%    | 15%    | 16%    | 15%    | 6%     |        |
| Professional-Business services       | 8%     | 7%                                      | 9%     | 8%     | 7%     | 8%     | 8%     |        |

**CES**

Chart 8-1 provides information on employment by industry for 2007 from the Current Employment Statistics program.

**Chart 8-1: Southern EDR Industry Employment Composition (2007 CES Annual Average Data)**



**LAUS**

From 2002 through 2005, the data in Table 8-4 shows that the trend of the EDR 8 unemployment rate path stayed fairly close to the statewide unemployment rate trend. The unemployment rate for the region was higher than the statewide rate in 2006 and 2007. Compared to the U.S. jobless rate, unemployment in the Southern EDR has been significantly greater during the past six years.

**Table 8-4: Southern EDR Labor Force and Unemployment Rate Data**

| Year | Annual Average  |                       |     |     |
|------|-----------------|-----------------------|-----|-----|
|      | Labor Force EDR | Unemployment Rate (%) |     |     |
|      |                 | EDR                   | IL  | US  |
| 2002 | 183,905         | 6.3                   | 6.5 | 5.8 |
| 2003 | 184,210         | 6.9                   | 6.7 | 6.0 |
| 2004 | 187,201         | 6.5                   | 6.2 | 5.5 |
| 2005 | 191,379         | 5.8                   | 5.8 | 5.1 |
| 2006 | 194,818         | 5.2                   | 4.6 | 4.6 |
| 2007 | 198,681         | 6.2                   | 5.0 | 4.6 |

**Occupational Wages and Employment**

Wage data estimates, by occupational category, for the Southern Region are available in Table 8-5. The occupational categories with the largest proportional shares of employment in this region tend to have experienced wages that rank in the bottom half of those classifications (except for management). Those with the top three employment shares are 1) office and administrative support (13.1%, annual experienced wage of \$30,240), 2) management (11.5%, \$79,509), and 3) education, training, and library (9.5%, \$49,347). The occupational groups with the highest annual experienced wages are not inclined to be among the groups with the largest employment proportions (except for management and health care practitioners). The five categories with the highest experienced wages are 1) management (\$79,509, employment share of 11.5%), 2) healthcare practitioners and technical occupations (\$67,489, 5.2%), 3) architecture and engineering occupations (\$65,243, 0.9%), 4) legal (\$62,673, 0.6%), and 5) business and financial operations occupations (\$60,315, 3.4%).

**Table 8-5: Estimated Employment and Wages for Southern EDR, by Occupational Category**

| SOC Occupational Category                                  | 2007 Est.  | % of 2007  | Annual Wages |          |             |
|--|------------|------------|--------------|----------|-------------|
|  | Employment | Employment | Entry        | Median   | Experienced |
| Management Occupations                                     | 20,350     | 11.5%      | \$29,275     | \$57,137 | \$79,509    |
| Business and Financial Operations Occupations              | 6,106      | 3.4%       | \$24,677     | \$44,221 | \$60,315    |
| Computer and Mathematical Occupations                      | 2,107      | 1.2%       | \$25,401     | \$36,640 | \$53,116    |
| Architecture and Engineering Occupations                   | 1,641      | 0.9%       | \$33,506     | \$50,858 | \$65,243    |
| Life, Physical, and Social Science Occupations             | 1,341      | 0.8%       | *            | *        | *           |
| Community and Social Services Occupations                  | 3,264      | 1.8%       | \$19,878     | \$31,472 | \$43,524    |
| Legal Occupations  | 1,072      | 0.6%       | \$23,752     | \$32,196 | \$62,673    |
| Education, Training, and Library Occupations               | 16,815     | 9.5%       | \$17,837     | \$38,104 | \$49,347    |
| Arts, Design, Entertainment, Sports, and Media Occupations | 2,407      | 1.4%       | \$16,239     | \$26,673 | \$40,051    |
| Healthcare Practitioners and Technical Occupations         | 9,268      | 5.2%       | \$23,901     | \$38,775 | \$67,489    |
| Healthcare Support Occupations                             | 4,335      | 2.4%       | \$15,694     | \$18,292 | \$22,998    |
| Protective Service Occupations                             | 5,520      | 3.1%       | \$19,954     | \$43,151 | \$48,245    |
| Food Preparation and Serving-Related Occupations           | 13,615     | 7.7%       | \$14,846     | \$15,304 | \$19,013    |
| Building and Grounds Cleaning and Maintenance Occupations  | 5,956      | 3.4%       | \$15,555     | \$19,905 | \$26,957    |
| Personal Care and Service Occupations                      | 4,615      | 2.6%       | \$14,842     | \$17,535 | \$26,198    |
| Sales and Related Occupations                              | 15,795     | 8.9%       | \$15,301     | \$19,032 | \$28,826    |
| Office and Administrative Support Occupations              | 23,273     | 13.1%      | \$16,930     | \$23,231 | \$30,240    |
| Farming, Fishing, and Forestry Occupations                 | 2,213      | 1.2%       | \$16,002     | \$24,244 | \$35,961    |
| Construction and Extraction Occupations                    | 8,189      | 4.6%       | \$25,579     | \$43,903 | \$54,540    |
| Installation, Maintenance, and Repair Occupations          | 5,853      | 3.3%       | \$20,647     | \$32,760 | \$42,659    |
| Production Occupations                                     | 11,612     | 6.5%       | \$18,889     | \$27,050 | \$37,087    |
| Transportation and Material Moving Occupations             | 12,005     | 6.8%       | \$16,473     | \$26,028 | \$33,331    |

\* Suppressed Data

Note: Occupational Wage Data is representative of 2007 Q2

**Other Regional Data**

Chart 8-2 provides information on the population by age group for the EDR. The data is based on the U.S. Census Bureau population estimates from 2006.

**Chart 8-2: Southern EDR Population by Age Group**

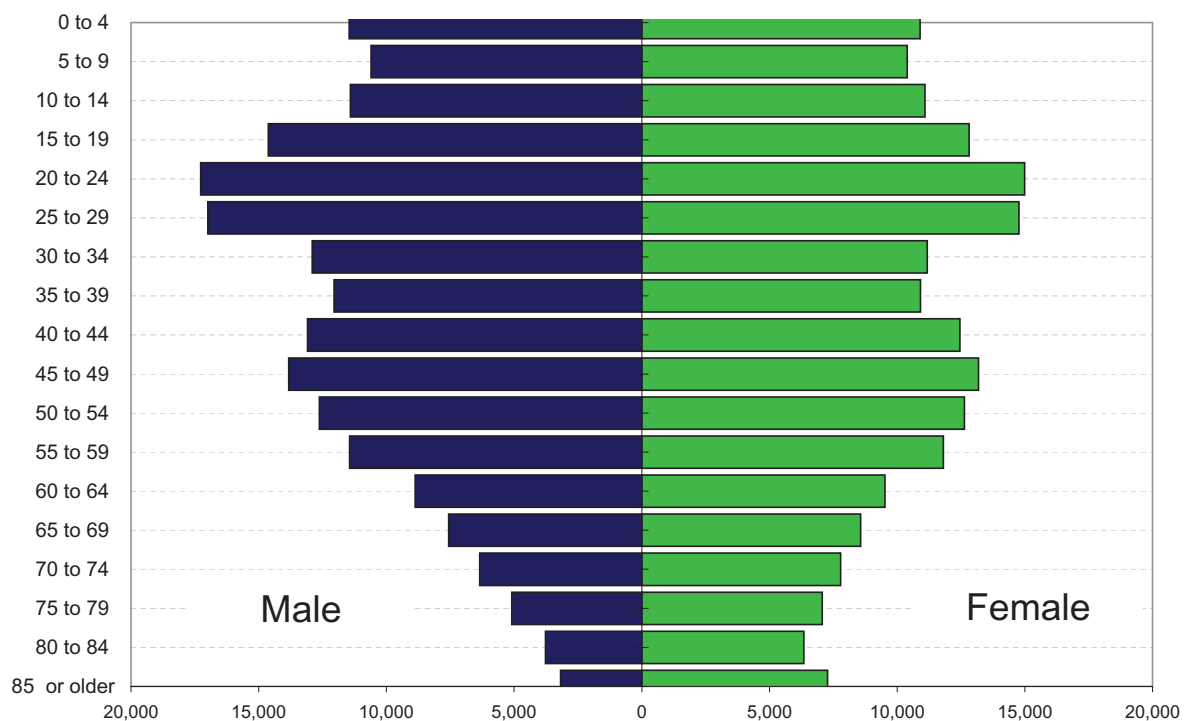


Table 8-6 provides data on the educational attainment of people 25 years or older in the EDR. The data is based on the 2000 and 1990 U.S. Census.

**Table 8-6: Southern EDR Educational Attainment: Persons 25 Years and Older**

| Region   | County     | Year | Population 25 years and older | % Less than high school | % High school graduate | % Some college no degree | % Bachelor's degree | % Graduate or professional degree |
|----------|------------|------|-------------------------------|-------------------------|------------------------|--------------------------|---------------------|-----------------------------------|
| Illinois |            | 2000 | 7,973,671                     | 18.6                    | 27.7                   | 27.6                     | 16.5                | 9.5                               |
| Illinois |            | 1990 | 7,293,930                     | 23.8                    | 30.0                   | 25.2                     | 13.6                | 7.5                               |
| Southern | Alexander  | 2000 | 6,395                         | 33.0                    | 34.7                   | 25.4                     | 4.3                 | 2.5                               |
| Southern | Alexander  | 1990 | 6,724                         | 40.3                    | 31.4                   | 20.5                     | 5.0                 | 2.9                               |
| Southern | Edwards    | 2000 | 4,815                         | 17.7                    | 38.9                   | 33.6                     | 6.9                 | 2.9                               |
| Southern | Edwards    | 1990 | 5,019                         | 30.3                    | 37.1                   | 24.2                     | 5.9                 | 2.5                               |
| Southern | Franklin   | 2000 | 26,965                        | 23.3                    | 34.4                   | 30.9                     | 7.6                 | 3.7                               |
| Southern | Franklin   | 1990 | 27,214                        | 33.3                    | 35.5                   | 23.0                     | 5.8                 | 2.4                               |
| Southern | Gallatin   | 2000 | 4,481                         | 26.4                    | 36.9                   | 29.0                     | 4.9                 | 2.8                               |
| Southern | Gallatin   | 1990 | 4,680                         | 41.6                    | 34.3                   | 16.8                     | 4.7                 | 2.7                               |
| Southern | Hamilton   | 2000 | 5,866                         | 25.7                    | 31.9                   | 31.9                     | 6.7                 | 3.8                               |
| Southern | Hamilton   | 1990 | 5,859                         | 40.0                    | 32.9                   | 19.5                     | 5.0                 | 2.6                               |
| Southern | Hardin     | 2000 | 3,442                         | 31.9                    | 29.1                   | 29.5                     | 6.6                 | 3.0                               |
| Southern | Hardin     | 1990 | 3,492                         | 40.3                    | 32.4                   | 20.4                     | 4.4                 | 2.6                               |
| Southern | Jackson    | 2000 | 32,659                        | 14.8                    | 24.9                   | 28.4                     | 17.2                | 14.8                              |
| Southern | Jackson    | 1990 | 32,172                        | 21.2                    | 23.7                   | 25.6                     | 15.4                | 14.1                              |
| Southern | Jefferson  | 2000 | 26,841                        | 23.0                    | 32.9                   | 30.4                     | 8.9                 | 4.8                               |
| Southern | Jefferson  | 1990 | 24,023                        | 30.1                    | 34.8                   | 23.8                     | 7.6                 | 3.7                               |
| Southern | Johnson    | 2000 | 9,057                         | 32.9                    | 27.8                   | 27.6                     | 7.4                 | 4.4                               |
| Southern | Johnson    | 1990 | 7,922                         | 33.8                    | 32.8                   | 24.2                     | 5.7                 | 3.4                               |
| Southern | Massac     | 2000 | 10,471                        | 23.5                    | 34.8                   | 31.0                     | 7.4                 | 3.3                               |
| Southern | Massac     | 1990 | 10,068                        | 34.7                    | 33.9                   | 23.4                     | 5.1                 | 2.9                               |
| Southern | Perry      | 2000 | 15,727                        | 27.7                    | 34.3                   | 28.0                     | 7.2                 | 2.8                               |
| Southern | Perry      | 1990 | 13,921                        | 32.2                    | 37.2                   | 23.3                     | 5.1                 | 2.2                               |
| Southern | Pope       | 2000 | 2,989                         | 24.2                    | 33.1                   | 32.2                     | 6.0                 | 4.6                               |
| Southern | Pope       | 1990 | 2,821                         | 34.8                    | 35.6                   | 23.3                     | 3.8                 | 2.5                               |
| Southern | Pulaski    | 2000 | 4,704                         | 29.3                    | 31.7                   | 32.0                     | 5.1                 | 2.0                               |
| Southern | Pulaski    | 1990 | 4,816                         | 40.2                    | 28.7                   | 25.0                     | 3.9                 | 2.2                               |
| Southern | Saline     | 2000 | 18,111                        | 23.9                    | 30.2                   | 33.9                     | 7.6                 | 4.5                               |
| Southern | Saline     | 1990 | 18,020                        | 36.8                    | 30.1                   | 23.7                     | 5.7                 | 3.6                               |
| Southern | Union      | 2000 | 12,695                        | 25.2                    | 31.0                   | 28.1                     | 9.5                 | 6.3                               |
| Southern | Union      | 1990 | 12,092                        | 35.8                    | 30.6                   | 22.8                     | 6.9                 | 4.0                               |
| Southern | Wabash     | 2000 | 8,627                         | 17.8                    | 30.9                   | 38.8                     | 8.3                 | 4.2                               |
| Southern | Wabash     | 1990 | 8,520                         | 25.1                    | 31.8                   | 30.4                     | 8.7                 | 3.9                               |
| Southern | Wayne      | 2000 | 11,723                        | 24.8                    | 34.7                   | 30.5                     | 6.6                 | 3.4                               |
| Southern | Wayne      | 1990 | 11,613                        | 36.9                    | 33.4                   | 21.0                     | 5.9                 | 2.8                               |
| Southern | White      | 2000 | 10,863                        | 25.4                    | 35.6                   | 28.6                     | 7.1                 | 3.4                               |
| Southern | White      | 1990 | 11,451                        | 33.8                    | 34.3                   | 22.4                     | 6.3                 | 3.2                               |
| Southern | Williamson | 2000 | 41,973                        | 20.2                    | 32.3                   | 30.3                     | 11.1                | 6.1                               |
| Southern | Williamson | 1990 | 38,733                        | 28.2                    | 32.3                   | 25.3                     | 9.2                 | 5.0                               |
| Southern | Region     | 2000 | 258,404                       | 22.9                    | 31.9                   | 30.3                     | 9.3                 | 5.6                               |
| Southern | Region     | 1990 | 249,160                       | 31.6                    | 32.1                   | 23.8                     | 7.7                 | 4.8                               |

Source: US Bureau of the Census, 2000 Decennial Census, Summary File 3

## Southwestern Economic Development Region (EDR 9)



### Area Description

The Southwestern Economic Development Region (EDR 9) is located in the southern portion of the state, bordering the Mississippi River. The largest counties are Madison and St. Clair, with 77 percent of the region's population. Madison County's largest cities are Alton, Edwardsville and Granite City. The largest in St. Clair County are Belleville, East St. Louis and O'Fallon. Portions of the city of Collinsville are located in both counties. All of the above

cities, with the exception of Collinsville, Edwardsville and O'Fallon, are eligible Labor Surplus Areas due largely to the decline of manufacturing and high unemployment rates. Five of the six counties in the EDR are ranked in the top 50 percent of the state for highest unemployment rates, with St. Clair County ranking 25th. The Illinois Section of the St. Louis MSA is the region's economic and employment center. All of the counties in EDR 9 are part of the Illinois section of the St. Louis MSA except for Randolph and Washington.

All modes of transportation intersect in the Metro East area. The Interstate highway infrastructure includes I-70, I-55 and I-64, linked via the St. Louis metropolitan circumferential loop, I-255/270. The bi-state St. Louis region is the second largest rail center in the United States. Three airports serve Southwestern Illinois, Mid-America St. Louis in St. Clair County, plus two regional airports, St. Louis Regional in Madison County, and St. Louis Downtown Airport in St. Clair County. The Lambert-St. Louis International Airport, in St. Louis, is easily accessible and serves as the primary port for the region's air traffic. Metro in St. Clair County and Madison County Transit provide bus transportation and the MetroLink light rail system extends to Scott Air Force Base in St. Clair County, giving easy access to downtown St. Louis that extends to Lambert Airport and beyond. The area is defined as the most cost-effective transportation hub in the United States.

Residents are employed primarily in the region's largest counties, Madison (24.5%) and St. Clair (23.9%) with another 12.7% commuting to St. Louis County, and 12.1% to the city of St. Louis with 25% reporting to other locations for work.

Manufacturing declines in Madison County showed a significant impact on the workforce, not only with the number of jobs lost, but the likelihood that workers would earn approximately 60 percent of their former salaries working in new occupations.

There is a high proportion of government employment in this region. Area hospitals, educational facilities, casinos, big-box retailers, and manufacturers are the largest employers throughout the region. Modest gains across all industrial sectors were found, with the exception of manufacturing, which continues to decline. New retail centers in Madison and St. Clair counties contributed to the growth of the number of eateries, with 55 new establishments since 2001. Housing developments have continued to expand with the population.

### Demographics

The Southwestern region had a population of 667,008 according to the 2000 Census. From 2000 to 2007, the area has experienced a population increase of 2.8%. The greatest rate of population increase was found in Monroe County (14.2%). Two counties experienced declines in population, Randolph (-3.5%) and Washington (-2.7%). The two largest counties in the region, Madison and St. Clair, experienced population gains of more than 8,200 and 5,000, respectively. In 2000, 83% of the population was white, 15% was black, and 2% was Hispanic.

### Outlook

The construction of schools, infrastructure improvements at local colleges and universities, major housing developments, and new major retail centers have brought construction jobs and service occupations to the region. Manufacturing is expected to decline at a rate of 1%. Economic developers and local leaders have marketed the area's centrally located transportation infrastructure and have attracted large corporations to distribution centers. A \$360 million construction project at a major steel manufacturing plant as well as a major refinery expansion, both in Madison County are underway. An ethanol plant recently opened in St. Clair County, while a coal to gas energy campus is under construction in Washington County. Logistics and light manufacturing development near the St. Louis regional airport has boosted employment with a mega-development planned on site to accommodate increased trade.

Warehousing and storage (2.7%) is expected to continue to expand, with over 2,500 workers already employed at one major distribution center in Madison County. The region's exceptional transportation infrastructure has been a key element in the attraction of additional corporations to the region. Employment services (2.4%), repair and maintenance (1.4%) and educational and health services (1.1%), particularly outpatient care centers (2.5%), educational support services (2.6%), other schools and instruction (2.2%) and child day care services (2%) show the highest projected rates of growth. Robust residential development has brought families with school-aged children and retired workers, leading to expansion of these services.

High tech occupations, such as computer engineering specialists, network analysts and administrators are projected to grow, as the advancing role of technology in the workplace becomes increasingly dependent upon specialists to design, analyze and manage the complex and dynamic technological systems. Continued growth in the health care sector will increase the demand for dental assistants and hygienists, physician assistants, occupational therapists, physical therapists and assistants, and home health care workers. The region is projected to need more individuals in its education sector and its expanding amusement and gaming industry. The emerging alternative fuel technology may generate more high-paying jobs, with area community colleges preparing high school students in programs designed to meet the

needs of advanced manufacturing operations. Overall, rates of growth are below the state rates, but positive.

## QCEW

Table 9-1 provides 2002 and 2007 QCEW data for the Southwest EDR. The Southwest region posted a 1.5% increase in wages during the five-year period from the first quarter of 2002 to the first quarter of 2007. The industries with the largest wage growth were Information, Professional-Business Services and Financial Activities, respectively. Trade, Transportation and Utilities, the largest employing industry, experienced a 6.9% increase in employment and a 1.4% increase in wages over the five year period. The decline in the Manufacturing sector was -18.4%, while wages rose by 8.1%. Leisure-Hospitality employment increased by 7.5% as wages declined 7%. Service-Producing sectors grew by 6.8% with increases in wages at 2.6%.

A comparison of numbers from the same time period shows that EDR 9 has a higher proportion of employment for the goods-producing industries than does the state of Illinois (17.4% to 16.4%). The main reason for this difference is that the region has a 5.6% employment share in the construction industry compared to 4.3% statewide. The area has a smaller share of service-providing industry employment than the state does as a whole (64.4% to 69.4%). There are a few industry components below the state average in the service-providing industry, but three

**Table 9-1: QCEW Industry Data for Southwestern EDR (2002 Q1 & 2007 Q1)**

|                                      | Southwestern Economic Development Region (EDR 9) |                          |                                 |                                  |                          |                                  |                                   |                                       |
|--------------------------------------|--|--------------------------|---------------------------------|----------------------------------|--------------------------|----------------------------------|-----------------------------------|---------------------------------------|
|                                      | 2007 Q1<br>Number of<br>Employed                 | 2007 Q1<br>%<br>Employed | 2007 Q1<br>Avg. Qtrly.<br>Wages | 2002 Q1<br>Number of<br>Employed | 2002 Q1<br>%<br>Employed | 2002 Q1<br>Avg. Qtrly.<br>Wages* | % Change<br>Employed<br>2002-2007 | % Change<br>Qtrly. Wages<br>2002-2007 |
| <b>Total</b>                         | <b>238,309</b>                                   | <b>100.0%</b>            | <b>\$8,290</b>                  | <b>232,346</b>                   | <b>100.0%</b>            | <b>\$8,166</b>                   | <b>2.6%</b>                       | <b>1.5%</b>                           |
| <b>Private Sector (NAICS)</b>        | <b>194,829</b>                                   | <b>81.8%</b>             | <b>\$7,994</b>                  | <b>190,463</b>                   | <b>82.0%</b>             | <b>\$7,902</b>                   | <b>2.3%</b>                       | <b>1.2%</b>                           |
| <b>GOODS-PRODUCING</b>               | <b>41,429</b>                                    | <b>17.4%</b>             | <b>\$11,292</b>                 | <b>46,769</b>                    | <b>20.1%</b>             | <b>\$10,909</b>                  | <b>-11.4%</b>                     | <b>3.5%</b>                           |
| Natural Resources and Mining         | 1,853  | 0.8%                     | \$7,086                         | 1,904                            | 0.8%                     | \$8,961                          | -2.7%                             | -20.9%                                |
| Construction                         | 13,296   | 5.6%                     | \$9,480                         | 12,667                           | 5.5%                     | \$9,538                          | 5.0%                              | -0.6%                                 |
| Manufacturing                        | 26,280   | 11.0%                    | \$12,506                        | 32,198                           | 13.9%                    | \$11,564                         | -18.4%                            | 8.1%                                  |
| <b>SERVICE-PROVIDING</b>             | <b>153,400</b>                                   | <b>64.4%</b>             | <b>\$7,104</b>                  | <b>143,694</b>                   | <b>61.8%</b>             | <b>\$6,923</b>                   | <b>6.8%</b>                       | <b>2.6%</b>                           |
| Trade, Transportation, and Utilities | 51,307   | 21.5%                    | \$7,448                         | 47,994                           | 20.7%                    | \$7,346                          | 6.9%                              | 1.4%                                  |
| Information                          | 2,867  | 1.2%                     | \$12,600                        | 2,620                            | 1.1%                     | \$10,360                         | 9.4%                              | 21.6%                                 |
| Financial Activities                 | 10,053   | 4.2%                     | \$9,085                         | 8,983                            | 3.9%                     | \$8,565                          | 11.9%                             | 6.1%                                  |
| Professional and Business Services   | 19,204   | 8.1%                     | \$9,322                         | 16,190                           | 7.0%                     | \$8,511                          | 18.6%                             | 9.5%                                  |
| Educational and Health Services      | 34,140   | 14.3%                    | \$7,740                         | 33,396                           | 14.4%                    | \$7,470                          | 2.2%                              | 3.6%                                  |
| Leisure and Hospitality              | 26,807   | 11.2%                    | \$3,202                         | 24,946                           | 10.7%                    | \$3,442                          | 7.5%                              | -7.0%                                 |
| Other Services                       | 8,964  | 3.8%                     | \$5,595                         | 9,558                            | 4.1%                     | \$6,799                          | -6.2%                             | -17.7%                                |
| Unclassified                         | 58   | 0.0%                     | \$14,450                        | 7                                | 0.0%                     | \$4,398                          | 728.6%                            | 228.5%                                |
| <b>State &amp; Local Government</b>  | <b>36,561</b>                                    | <b>15.3%</b>             | <b>\$8,914</b>                  | <b>35,310</b>                    | <b>15.2%</b>             | <b>\$8,553</b>                   | <b>3.5%</b>                       | <b>4.2%</b>                           |
| <b>Federal Government</b>            | <b>6,919</b>                                     | <b>2.9%</b>              | <b>\$13,310</b>                 | <b>6,573</b>                     | <b>2.8%</b>              | <b>\$13,725</b>                  | <b>5.3%</b>                       | <b>-3.0%</b>                          |

\* 2002 Q1 Wage data have been multiplied by the ratio of (March 2007 CPI / March 2002 CPI) for better comparison to 2007 Q1 Wage data

industries of note that are below the state average are information (1.2% to 2.0%), financial activities (4.2% to 6.8%), and professional and business services (8.1% to 14.6%). A few industries of note that have a higher industry share than the statewide average are trade, transportation, and utilities (21.5% to 20.4%), education and health services (14.3% to 13.2%), and leisure and hospitality (11.2% to 8.8%). The region also has a higher proportion employed in state & local government than the statewide average (15.3% to 12.7%). The average quarterly wages for EDR 9 are 67.2% of the statewide average in 2007 Q1. The lack of good-paying jobs across all industries but especially in service-oriented jobs, plus perhaps a lower cost of living in some parts of this area would likely be the key factors.

## LED

Local Employment Dynamics, a partnership program of the U.S. Census Bureau and the Illinois Department of Employment Security, provides information on which industries are adding workers to their payrolls. Table 9-2 shows that the Leisure-Hospitality, Trade, Transportation and Utilities, Construction, and Professional-Business Services sectors experienced the most new hires in the latest reporting period, the second quarter of 2007. For this analysis, IDES used new hire data from several quarters to determine which industries demonstrated a hiring trend. By using several quarters, this information can be used to determine which industries are hiring and the skill sets individuals would need to gain employment

**Table 9-2: Southwestern EDR Private Sector LED New Hires Data**

| Yr:Qtr                               | 2006:<br>3rd Qtr | 2006:<br>4th Qtr | 2007:<br>1st Qtr | 2007:<br>2nd Qtr |
|--------------------------------------|------------------|------------------|------------------|------------------|
| Total New Hires, Private Sector      | 39,212           | 34,166           | 31,551           | <b>45,978</b>    |
| Leisure-Hospitality                  | 8,620            | 7,297            | 7,367            | <b>11,101</b>    |
| Trade, Transportation, and Utilities | 8,975            | 9,298            | 7,141            | <b>10,591</b>    |
| Construction                         | 5,780            | 4,516            | 3,738            | <b>5,870</b>     |
| Professional-Business Services       | 5,434            | 4,431            | 4,493            | <b>5,728</b>     |
| Education-Health Services            | 4,483            | 3,998            | 3,705            | <b>4,413</b>     |

### Private Sector Employment Industries with the Most New Hires

| EDR 9                           |                  |                  |                  |                  |
|---------------------------------|------------------|------------------|------------------|------------------|
| Yr:Qtr                          | 2006:<br>3rd Qtr | 2006:<br>4th Qtr | 2007:<br>1st Qtr | 2007:<br>2nd Qtr |
| Total New Hires, Private Sector | 19%              | 17%              | 16%              | <b>22%</b>       |
| Construction                    | 37%              | 29%              | 28%              | <b>41%</b>       |
| Leisure-Hospitality             | 29%              | 26%              | 27%              | <b>38%</b>       |
| Mining-Nat Res.                 | 25%              | 14%              | 17%              | <b>29%</b>       |
| Professional-Business Services  | 26%              | 21%              | 23%              | <b>27%</b>       |
| Other Services                  | 21%              | 15%              | 19%              | <b>22%</b>       |

in those industries. It therefore can be used as a tool in determining work training and retraining within the region.

As the population ages and current workers begin to retire, there will be a need to provide local employers with trained individuals to replace those workers leaving the workforce. Table 9-3 shows that in the Southwestern region, the Trade, Transportation and Utilities, Education-Health Services, Manufacturing and Professional-Business Services sectors have the largest segment of its workforce in the pre-retirement age group of 55 to 64 years old. With the exception of Professional-Business Services, these industries have the largest group of workers in the age cohort of 45 to 54 years old. While the

manufacturing sector in the region has experienced an overall decline, the need for select skill sets in advanced manufacturing processes has continued to expand. The overall decline in Manufacturing has led to fewer individuals seeking this industry as a career choice. The need for workforce training programs to prepare future workers for the Manufacturing sector will increase. The educational requirements and needs for occupations in the Construction, Professional-Business Services, and Education-Health Services sectors will also require long-term planning to guide more people into these careers. In addition, new employers will continue to demand workers with more education and training experience to utilize the increase in technology in the workplace.

**Table 9-3: Southwestern EDR Private Sector LED Employment Data, by Age Group**

| EDR 9                                | Private Sector Employment by Age Groups |         |        |        |        |        |        |       |
|--------------------------------------|---|---------|--------|--------|--------|--------|--------|-------|
|                                      | Year & Qtr                              | 2007:2  | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 |       |
|                                      | Age Group                               | 14-99   | 14-24  | 25-34  | 35-44  | 45-54  | 55-64  | 65-99 |
| Total, Private Sector                |   | 207,765 | 39,824 | 42,098 | 43,532 | 48,368 | 26,062 | 7,882 |
| Trade, Transportation, and Utilities |   | 56,258  | 11,624 | 10,704 | 11,232 | 12,703 | 7,205  | 2,769 |
| Education-Health Services            |   | 34,228  | 3,831  | 7,061  | 7,675  | 8,995  | 5,224  | 1,433 |
| Manufacturing                        |   | 27,787  | 2,070  | 4,768  | 6,555  | 9,008  | 4,781  | 604   |
| Professional-Business Services       |   | 20,831  | 2,694  | 5,025  | 5,055  | 4,875  | 2,455  | 708   |

| EDR 9                                | Private Sector Employment by Age Groups |        |        |        |        |        |        |    |
|--------------------------------------|---|--------|--------|--------|--------|--------|--------|----|
|                                      | Percent of Total Employment             |        |        |        |        |        |        |    |
|                                      | Year & Qtr                              | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 |    |
| Age Group                            | 14-99                                   | 14-24  | 25-34  | 35-44  | 45-54  | 55-64  | 65-99  |    |
| Total, Private Sector                |   | 100%   | 19%    | 20%    | 21%    | 23%    | 13%    | 4% |
| Trade, Transportation, and Utilities |   | 27%    | 6%     | 5%     | 5%     | 6%     | 3%     | 1% |
| Education-Health Services            |   | 16%    | 2%     | 3%     | 4%     | 4%     | 3%     | 1% |
| Manufacturing                        |   | 13%    | 1%     | 2%     | 3%     | 4%     | 2%     | 0% |
| Professional-Business Services       |   | 10%    | 1%     | 2%     | 2%     | 2%     | 1%     | 0% |

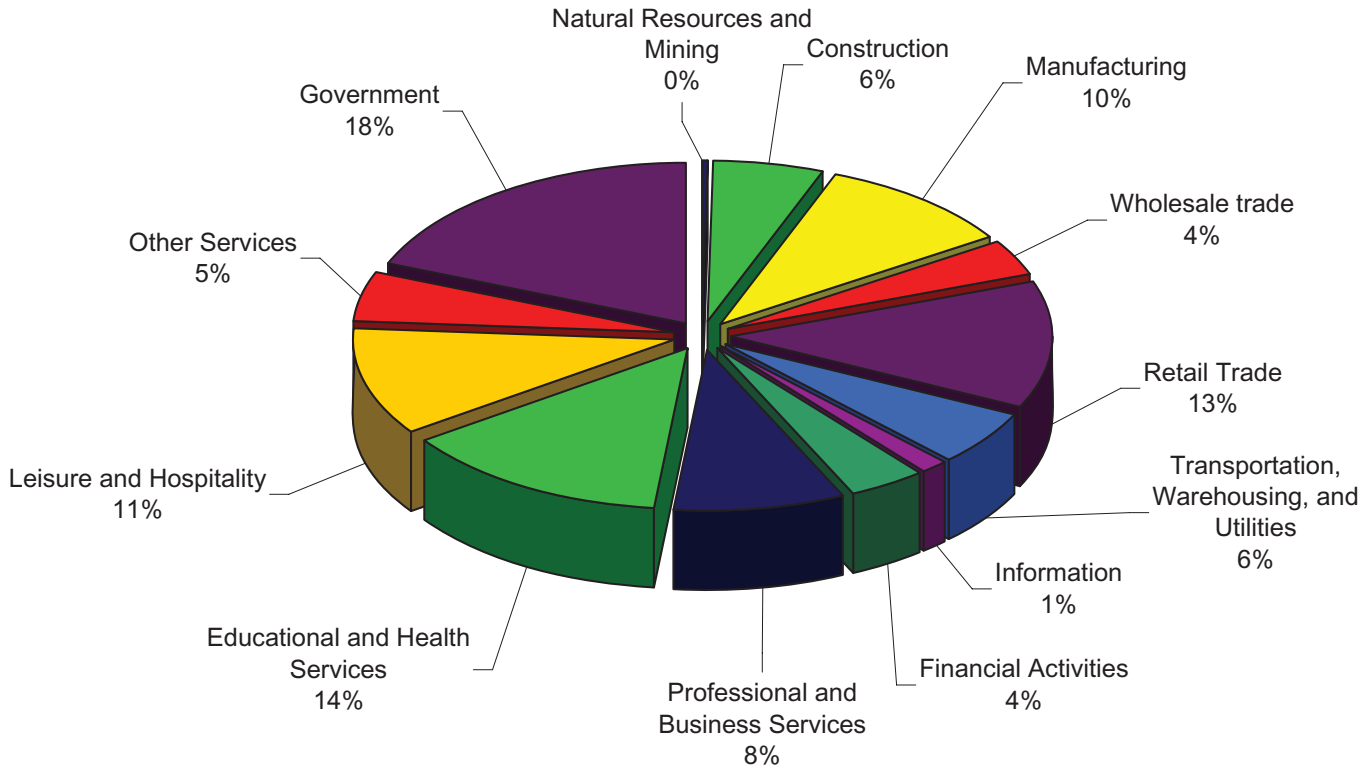
| EDR 9                                | Private Sector Employment by Age Groups |        |        |        |        |        |        |     |
|--------------------------------------|---|--------|--------|--------|--------|--------|--------|-----|
|                                      | Percent Employment within an Age Group  |        |        |        |        |        |        |     |
|                                      | Year & Qtr                              | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 | 2007:2 |     |
| Age Group                            | 14-99                                   | 14-24  | 25-34  | 35-44  | 45-54  | 55-64  | 65-99  |     |
| Trade, Transportation, and Utilities |   | 27%    | 29%    | 25%    | 26%    | 26%    | 28%    | 35% |
| Education-Health services            |   | 16%    | 10%    | 17%    | 18%    | 19%    | 20%    | 18% |
| Manufacturing                        |   | 13%    | 5%     | 11%    | 15%    | 19%    | 18%    | 8%  |
| Professional-Business services       |   | 10%    | 7%     | 12%    | 12%    | 10%    | 9%     | 9%  |



**CES**

Chart 9-1 provides information on employment by industry for 2007 from the Current Employment Statistics program.

**Chart 9-1: Southwestern EDR Industry Employment Composition (2007 CES Annual Average Data)**



**LAUS**

The data in Table 9-4 shows that the EDR 9 unemployment rate path starts off below the statewide rate path from 2002 to 2003, fluctuates until 2006 and 2007, when it increased above the state rate. This is due to the statewide rate declining while the regional rate increased.

**Table 9-4: Southwestern EDR Labor Force and Unemployment Rate Data**

| Year | Annual Average  |                       |     |     |
|------|-----------------|-----------------------|-----|-----|
|      | Labor Force EDR | Unemployment Rate (%) |     |     |
|      |                 | EDR                   | IL  | US  |
| 2002 | 329,655         | 5.9                   | 6.5 | 5.8 |
| 2003 | 330,528         | 6.4                   | 6.7 | 6.0 |
| 2004 | 333,338         | 6.3                   | 6.2 | 5.5 |
| 2005 | 342,202         | 5.7                   | 5.8 | 5.1 |
| 2006 | 351,841         | 5.1                   | 4.6 | 4.6 |
| 2007 | 352,911         | 5.7                   | 5.0 | 4.6 |

**Occupational Wages and Employment**

Wage data estimates, by occupational category, for the Southwestern Region are available in Table 9-5. The occupational categories with the largest proportional shares of employment in this region tend to have experienced wages that rank in the bottom half of those classifications (except for management). Those with the top 3 employment shares are 1) office and administrative support (13.6%, annual experienced wage of \$34,781), 2) sales and related (10.0%, \$36,212), and 3) food preparation and serving-related (8.8%, \$20,092). The occupational groups with the highest annual experienced wages are not inclined to be among the groups with the largest employment proportions (except for management and health care practitioners). The 3 categories with the highest experienced wages are 1) legal (\$161,043), employment share of 0.8%), 2) management (\$94,911, 7.8%), and 3) computer and mathematical (\$77,565, 1.4%).

**Table 9-5: Estimated Employment and Wages for the Southwestern EDR, by Occupational Category**

| SOC Occupational Category                                  | 2007 Est.  | % of 2007  | Annual Wages |          |             |
|--|------------|------------|--------------|----------|-------------|
|  | Employment | Employment | Entry        | Median   | Experienced |
| Management Occupations                                     | 23,293     | 7.8%       | \$34,646     | \$67,186 | \$94,911    |
| Business and Financial Operations Occupations              | 10,943     | 3.7%       | \$25,268     | \$45,643 | \$63,790    |
| Computer and Mathematical Occupations                      | 4,141      | 1.4%       | \$40,814     | \$66,976 | \$77,565    |
| Architecture and Engineering Occupations                   | 3,516      | 1.2%       | \$38,434     | \$59,344 | \$76,669    |
| Life, Physical, and Social Science Occupations             | 2,108      | 0.7%       | \$33,984     | \$54,784 | \$66,588    |
| Community and Social Services Occupations                  | 5,230      | 1.8%       | \$25,191     | \$39,703 | \$52,055    |
| Legal Occupations  | 2,464      | 0.8%       | \$42,002     | \$96,060 | \$161,043   |
| Education, Training, and Library Occupations               | 21,220     | 7.1%       | \$23,414     | \$43,652 | \$57,134    |
| Arts, Design, Entertainment, Sports, and Media Occupations | 3,606      | 1.2%       | \$16,479     | \$29,092 | \$45,926    |
| Healthcare Practitioners and Technical Occupations         | 15,565     | 5.2%       | \$28,226     | \$47,367 | \$72,014    |
| Healthcare Support Occupations                             | 7,275      | 2.4%       | \$17,774     | \$22,848 | \$28,148    |
| Protective Service Occupations                             | 7,633      | 2.6%       | \$19,664     | \$42,393 | \$49,527    |
| Food Preparation and Serving-Related Occupations           | 26,306     | 8.8%       | \$14,870     | \$15,918 | \$20,092    |
| Building and Grounds Cleaning and Maintenance Occupations  | 10,394     | 3.5%       | \$16,328     | \$21,258 | \$27,347    |
| Personal Care and Service Occupations                      | 9,117      | 3.1%       | \$15,287     | \$18,710 | \$25,699    |
| Sales and Related Occupations                              | 29,727     | 10.0%      | \$15,715     | \$20,875 | \$36,212    |
| Office and Administrative Support Occupations              | 40,622     | 13.6%      | \$18,671     | \$27,255 | \$34,781    |
| Farming, Fishing, and Forestry Occupations                 | 1,613      | 0.5%       | \$14,941     | \$19,838 | \$26,590    |
| Construction and Extraction Occupations                    | 16,310     | 5.5%       | \$29,084     | \$48,273 | \$56,826    |
| Installation, Maintenance, and Repair Occupations          | 11,501     | 3.9%       | \$24,059     | \$39,029 | \$47,976    |
| Production Occupations                                     | 21,652     | 7.3%       | \$19,515     | \$29,682 | \$39,617    |
| Transportation and Material Moving Occupations             | 23,436     | 7.9%       | \$17,239     | \$27,493 | \$36,119    |

Note: Occupational Wage Data is representative of 2007 Q2

**Other Regional Data**

Chart 9-2 provides information on the population by age group for the EDR. The data is based on the U.S. Census Bureau population estimates from 2006.

**Chart 9-2: Southwestern EDR Population by Age Group**

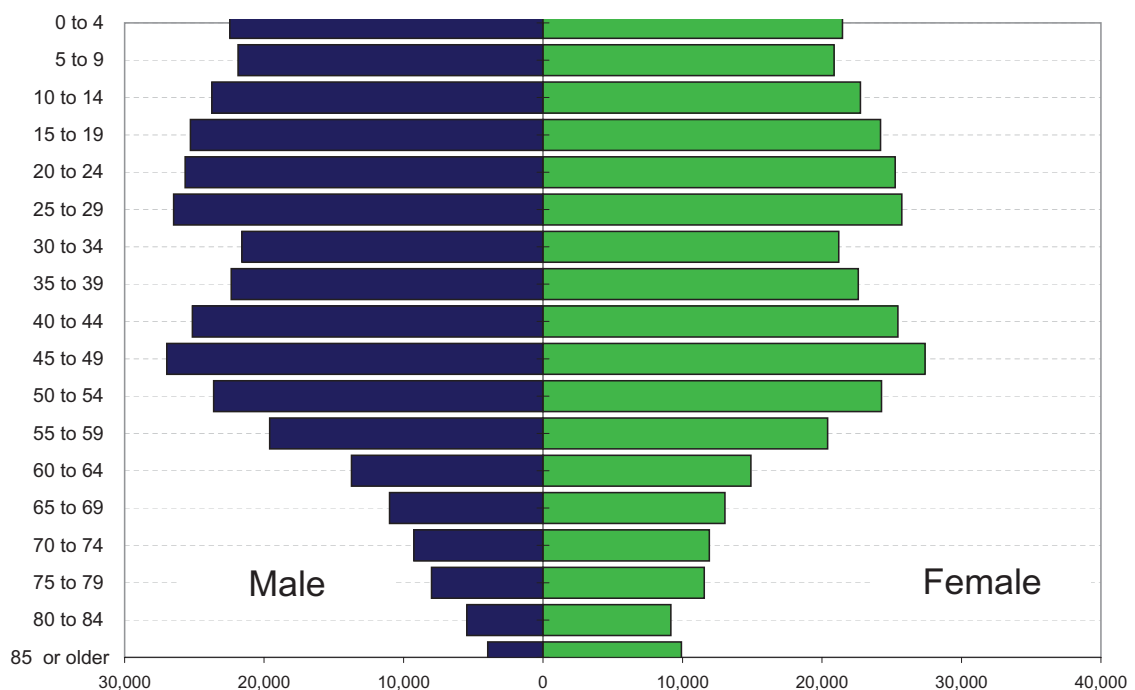


Table 9-6 provides data on the educational attainment of people 25 years or older in the EDR. The data is based on the 2000 and 1990 U.S. Census.

**Table 9-6: Southwestern EDR Educational Attainment: Persons 25 years and older**

| Region       | County     | Year | Population 25 years and older | % Less than high school | % High school graduate | % Some college no degree | % Bachelor's degree | % Graduate or professional degree |
|--------------|------------|------|-------------------------------|-------------------------|------------------------|--------------------------|---------------------|-----------------------------------|
| Illinois     |            | 2000 | 7,973,671                     | 18.6                    | 27.7                   | 27.6                     | 16.5                | 9.5                               |
| Illinois     |            | 1990 | 7,293,930                     | 23.8                    | 30.0                   | 25.2                     | 13.6                | 7.5                               |
| Southwestern | Bond       | 2000 | 11,731                        | 27.2                    | 34.2                   | 23.6                     | 9.9                 | 5.1                               |
| Southwestern | Bond       | 1990 | 9,669                         | 30.7                    | 36.6                   | 20.0                     | 8.2                 | 4.5                               |
| Southwestern | Calhoun    | 2000 | 3,528                         | 20.1                    | 44.6                   | 25.9                     | 6.1                 | 3.3                               |
| Southwestern | Calhoun    | 1990 | 3,583                         | 37.2                    | 40.4                   | 15.5                     | 3.8                 | 3.2                               |
| Southwestern | Clinton    | 2000 | 23,463                        | 22.6                    | 35.0                   | 29.4                     | 9.7                 | 3.2                               |
| Southwestern | Clinton    | 1990 | 21,563                        | 32.8                    | 34.2                   | 23.8                     | 6.3                 | 2.9                               |
| Southwestern | Jersey     | 2000 | 13,982                        | 17.5                    | 39.3                   | 30.7                     | 8.2                 | 4.4                               |
| Southwestern | Jersey     | 1990 | 12,847                        | 28.1                    | 38.7                   | 24.0                     | 6.1                 | 3.1                               |
| Southwestern | Madison    | 2000 | 170,432                       | 15.7                    | 34.0                   | 31.0                     | 12.4                | 6.8                               |
| Southwestern | Madison    | 1990 | 161,517                       | 24.2                    | 36.0                   | 25.4                     | 9.5                 | 4.9                               |
| Southwestern | Monroe     | 2000 | 18,277                        | 12.8                    | 32.6                   | 34.2                     | 13.3                | 7.0                               |
| Southwestern | Monroe     | 1990 | 14,613                        | 24.1                    | 38.7                   | 23.4                     | 10.4                | 3.3                               |
| Southwestern | Randolph   | 2000 | 23,141                        | 28.7                    | 37.3                   | 25.4                     | 5.8                 | 2.8                               |
| Southwestern | Randolph   | 1990 | 22,847                        | 35.8                    | 36.1                   | 19.8                     | 5.4                 | 3.0                               |
| Southwestern | St. Clair  | 2000 | 162,715                       | 19.1                    | 29.1                   | 32.5                     | 12.1                | 7.2                               |
| Southwestern | St. Clair  | 1990 | 162,550                       | 27.4                    | 30.6                   | 27.3                     | 9.3                 | 5.4                               |
| Southwestern | Washington | 2000 | 10,168                        | 20.9                    | 34.9                   | 30.8                     | 8.5                 | 4.9                               |
| Southwestern | Washington | 1990 | 9,906                         | 34.3                    | 34.8                   | 22.3                     | 6.2                 | 2.4                               |
| Southwestern | Region     | 2000 | 437,437                       | 18.4                    | 32.6                   | 31.1                     | 11.5                | 6.4                               |
| Southwestern | Region     | 1990 | 419,095                       | 27.1                    | 34.0                   | 25.4                     | 8.8                 | 4.7                               |

Source: US Bureau of the Census, 2000 Decennial Census, Summary File 3

## West Central Economic Development Region (EDR 10)



### Area Description

The West Central Economic Development Region (EDR 10) is a nine county area that is bordered on the west by the Mississippi River between the Quad Cities and St. Louis. The region is mostly rural farm ground that produces corn and soybeans in the summer and supports a thriving hunting industry, especially along the Mississippi River, in the winter months.

In the West Central EDR, there are three basic modes of transportation for goods: trucking, railroads, and waterways. Trucking is the primary source of transportation for most goods. For many years, local and state economic development officials have lobbied for more funding to complete the Route 67 (Monmouth to St. Louis) and Route 336 (Quincy to Peoria) corridors. These corridors are crucial to attracting and retaining businesses by reducing travel times and transportation costs. Although there is not an Interstate highway running across the entire region, an Interstate highway serves two of the largest cities in the region. Interstate 72 runs east/west through Pike County and has a north spur (I-172) that serves Quincy, the largest city in the region. Interstate 74 runs through Galesburg in Knox County and has a spur that runs west to Monmouth in Warren County.

The region also benefits from a rail system that runs throughout the area and provides both freight and passenger service. The western edge of the region is bordered by the Mississippi River and the southeastern edge is bordered by the Illinois River. There are numerous barge facilities along both rivers that provide transportation for the abundant corn and soybean crops in the region as well as many other goods. The Illinois River links to the Mississippi River that in turn provides a global marketplace for exported products as well as an import link for incoming products from abroad.

### Demographics

According to the July 2007 Census estimates, the West Central EDR had a population of approximately 224,984, making it the least populous of the ten regions and accounting for 1.8 % of the state population. With a population of 67,046, Adams is the largest county and Brown at 6,566 is the smallest in the region. The region's

population has declined by approximately 10,318, or 4.4 % from 2000 to 2007. Every county in the region experienced a population decline from 2000 to 2007.

There are three cities in the West Central EDR with a population of 18,000 or larger. The most populous is Quincy in Adams County. Quincy's estimated population in July 2006 was 40,034, a decrease of 0.8 % since 2000. Next is Galesburg in Knox County. Galesburg's population in July 2006 was 31,738, a decline of 5.8 % since 2000. Macomb in McDonough County is the third largest with a July 2006 population of 18,422, a decrease of 0.7 % since 2000.

### Outlook

The area experienced a decline in jobs from 2002 to 2003 due to the closing of a large manufacturer. From 2005 to 2006, the region showed large employment increases in many sectors, but growth moderated from 2006 to 2007. Industry projections data show that moderate growth will continue through 2014. The region's largest industry sector is Educational and Health services. Much of the growth in this sector is due to an increasing demand for nursing care and assisted living facilities in the rural settings. The next largest sectors are Retail Trade, Local Government, Manufacturing, and Leisure and Hospitality.

Retail trade was steady from 2002 to 2005 then experienced growth from 2005 to 2006. Much of this increase was due to a large national retailer building stores in and around the rural population centers. Industry projections data indicate this sector will grow at a modest pace of 0.2 % through 2014.

Manufacturing continues to play a major role in EDR 10 and as recently as 2002, this was the largest industry sector in the region. Like many other areas in the state, manufacturing employment has declined. In this region, the decline was mostly due to the closing of a large manufacturing firm and some supplier firms in Knox County. From 2005 to 2006, the sector expanded due in part to state sponsored economic development initiatives and incentives. Industry projections indicate this sector will decline slightly through 2014.

The West Central EDR is home to some of the most beautiful scenery in the entire state, especially along both the Illinois and Mississippi Rivers. Local economic development officials have spent time and money to attract tourists to the area especially, to view the foliage up and down the river basins in the fall. In addition, the

region along the Mississippi River is nationally renowned for the area's deer hunting. The deer hunting season brings in thousands of hunters to area hotels/motels and restaurants. There are also an increasing number of hunting outfitters in the region. Industry projections data indicate this sector will continue to expand at about 1 % through 2014. Overall, the Leisure and Hospitality sector held relatively steady from 2002 to 2005 then experienced a gain from 2005 to 2007.

## QCEW

Table 10-1 provides 2002 and 2007 QCEW data for the West Central EDR. The West Central region posted a 3.8% increase in wages from the first quarter of 2002 to the first quarter of 2007. The industries with the largest wage growth were Financial Activities (19.9%), Professional & Business Services (7.8%), Manufacturing (6.7%) and Educational & Health Services (5.1%). The Information sector was the only sector to report a decline in wages (-0.8%) during the period. The largest employing industry was Trade, Transportation & Utilities which experienced a 6% increase in employment and an increase of 2.7% in wages. The industries with the largest increases in employment were Financial Activities (7.0%), Educational & Health Services (6.3%) and Trade, Transportation & Utilities (6%). The Manufacturing sector reported the largest decline in employment (-25.1%). Other declining

industries were: Information (-15.9%), Professional & Business Services (-7.2%) and Construction (-6.1%).

A comparison of numbers shows that EDR 10 has a slightly higher proportion of employment in the Goods-Producing industries than the state of Illinois (17.6% to 16.4%). The main reason for this difference is that the area has a higher employment share than the state in the Natural Resources and Mining industry (1.9% to 0.4%) and a higher employment share than the state in the Manufacturing industry (12.8% to 11.7%). However, the region does have a smaller share in the Construction industry (2.9% to 4.3%). The region has a smaller share of Service-Providing industry employment than the state does as a whole (63.1% to 69.4%). There are a few industry components below the state average in the Service-Providing industry, but two industries that are well below the state average are Financial Activities (4.9% to 6.8%), and Professional and Business services (4.2% to 14.6%). Two industries that have a significantly higher industry share than the statewide average are Trade, Transportation, and Utilities (22.9% to 20.4%), and Education and Health services (17.0% to 13.2%). The region also has a higher proportion employed in state & local government than the statewide average (18.2% to 12.7%). The average quarterly wages for EDR 10 are 60.0% of the statewide average in 2007 Quarter 1. The lack of good-paying jobs across all industries plus a lower cost of living in this area would likely be key factors.

**Table 10-1: QCEW Industry Data for West Central EDR (2002 Q1 & 2007 Q1)**

|                                      | West Central Economic Development Region (EDR 10) |                          |                                 |                                  |                          |                                  |                                   |                                       |
|--------------------------------------|---|--------------------------|---------------------------------|----------------------------------|--------------------------|----------------------------------|-----------------------------------|---------------------------------------|
|                                      | 2007 Q1<br>Number of<br>Employed                  | 2007 Q1<br>%<br>Employed | 2007 Q1<br>Avg. Qtrly.<br>Wages | 2002 Q1<br>Number of<br>Employed | 2002 Q1<br>%<br>Employed | 2002 Q1<br>Avg. Qtrly.<br>Wages* | % Change<br>Employed<br>2002-2007 | % Change<br>Qtrly. Wages<br>2002-2007 |
| <b>Total</b>                         | <b>86,151</b>                                     | <b>100.0%</b>            | <b>\$7,397</b>                  | <b>88,251</b>                    | <b>100.0%</b>            | <b>\$7,128</b>                   | <b>-2.4%</b>                      | <b>3.8%</b>                           |
| <b>Private Sector (NAICS)</b>        | <b>69,538</b>                                     | <b>80.7%</b>             | <b>\$7,177</b>                  | <b>71,297</b>                    | <b>80.8%</b>             | <b>\$6,945</b>                   | <b>-2.5%</b>                      | <b>3.3%</b>                           |
| <b>GOODS-PRODUCING</b>               | <b>15,168</b>                                     | <b>17.6%</b>             | <b>\$9,996</b>                  | <b>18,758</b>                    | <b>21.3%</b>             | <b>\$9,475</b>                   | <b>-19.1%</b>                     | <b>5.5%</b>                           |
| Natural Resources and Mining         | 1,596   | 1.9%                     | \$10,676                        | 1,312                            | 1.5%                     | \$10,421                         | 21.6%                             | 2.4%                                  |
| Construction                         | 2,529   | 2.9%                     | \$7,974                         | 2,693                            | 3.1%                     | \$7,714                          | -6.1%                             | 3.4%                                  |
| Manufacturing                        | 11,043  | 12.8%                    | \$10,361                        | 14,753                           | 16.7%                    | \$9,713                          | -25.1%                            | 6.7%                                  |
| <b>SERVICE-PROVIDING</b>             | <b>54,370</b>                                     | <b>63.1%</b>             | <b>\$6,391</b>                  | <b>52,539</b>                    | <b>59.5%</b>             | <b>\$6,041</b>                   | <b>3.5%</b>                       | <b>5.8%</b>                           |
| Trade, Transportation, and Utilities | 19,718  | 22.9%                    | \$6,491                         | 18,596                           | 21.1%                    | \$6,319                          | 6.0%                              | 2.7%                                  |
| Information                          | 1,630   | 1.9%                     | \$6,652                         | 1,938                            | 2.2%                     | \$6,706                          | -15.9%                            | -0.8%                                 |
| Financial Activities                 | 4,196   | 4.9%                     | \$9,617                         | 3,922                            | 4.4%                     | \$8,024                          | 7.0%                              | 19.9%                                 |
| Professional and Business Services   | 3,661   | 4.2%                     | \$7,003                         | 3,944                            | 4.5%                     | \$6,494                          | -7.2%                             | 7.8%                                  |
| Educational and Health Services      | 14,649  | 17.0%                    | \$7,534                         | 13,783                           | 15.6%                    | \$7,168                          | 6.3%                              | 5.1%                                  |
| Leisure and Hospitality              | 7,355   | 8.5%                     | \$2,497                         | 7,266                            | 8.2%                     | \$2,399                          | 1.2%                              | 4.1%                                  |
| Other Services                       | 3,129   | 3.6%                     | \$4,412                         | 3,084                            | 3.5%                     | \$4,390                          | 1.5%                              | 0.5%                                  |
| Unclassified                         | 32  | 0.0%                     | \$3,701                         | 6                                | 0.0%                     | \$4,951                          | 433.3%                            | -25.2%                                |
| <b>State &amp; Local Government</b>  | <b>15,693</b>                                     | <b>18.2%</b>             | <b>\$8,168</b>                  | <b>15,929</b>                    | <b>18.0%</b>             | <b>\$7,672</b>                   | <b>-1.5%</b>                      | <b>6.5%</b>                           |
| <b>Federal Government</b>            | <b>920</b>  | <b>1.1%</b>              | <b>\$10,843</b>                 | <b>1,025</b>                     | <b>1.2%</b>              | <b>\$11,444</b>                  | <b>-10.2%</b>                     | <b>-5.3%</b>                          |

\* 2002 Q1 Wage data have been multiplied by the ratio of (March 2007 CPI / March 2002 CPI) for better comparison to 2007 Q1 Wage data

## LED

Local Employment Dynamics is a partnership program of the U.S. Census Bureau and the Illinois Department of Employment Security that provides information on which industries are adding workers to their payrolls. Table 10-2 indicates that Leisure-Hospitality, Trade, Transportation, and Utilities, and Professional-Business Services, experienced the most new hires in the latest reporting period, 2nd quarter 2007. For this analysis, IDES used new hire data from several quarters to determine which industries demonstrated a hiring trend. By using several quarters, this information can be used to determine which industries are hiring and the skill sets individuals would

need to gain employment in those industries. It therefore can be used as a tool in determining worker training and retraining within the region.

As the population ages and current workers begin to retire, there will be a need to provide local employers with trained individuals to replace those workers leaving the workforce. Table 10-3 shows that in the Central region, the Trade, Transportation, and Utilities, Education-Health Services, Manufacturing and Professional-Business Services sectors have the largest segment of its

**Table 10-2: West Central EDR Private Sector LED New Hires Data**

| Yr:Qtr                               | 2006:<br>3rd Qtr | 2006:<br>4th Qtr | 2007:<br>1st Qtr | 2007:<br>2nd Qtr |
|--------------------------------------|------------------|------------------|------------------|------------------|
| Total New Hires, Private Sector      | 12,035           | 9,394            | 8,579            | <b>12,664</b>    |
| Trade, Transportation, and Utilities | 3,187            | 2,686            | 2,074            | <b>3,085</b>     |
| Leisure-Hospitality                  | 2,318            | 1,799            | 1,557            | <b>2,548</b>     |
| Education-Health Services            | 1,778            | 1,549            | 1,408            | <b>2,132</b>     |
| Professional-Business Services       | 1,591            | 1,089            | 1,156            | <b>1,498</b>     |
| Construction                         | 789              | 603              | 513              | <b>1,149</b>     |

### Private Sector Employment Industries with the Most New Hires

#### EDR 10

| Yr:Qtr                          | 2006:<br>3rd Qtr | 2006:<br>4th Qtr | 2007:<br>1st Qtr | 2007:<br>2nd Qtr |
|---------------------------------|------------------|------------------|------------------|------------------|
| Total New Hires, Private Sector | 16%              | 13%              | 12%              | <b>17%</b>       |
| Construction                    | 26%              | 20%              | 20%              | <b>42%</b>       |
| Leisure-Hospitality             | 29%              | 23%              | 22%              | <b>33%</b>       |
| Professional-Business Services  | 34%              | 24%              | 26%              | <b>33%</b>       |
| Mining-Nat Res.                 | 36%              | 14%              | 26%              | <b>26%</b>       |
| Information                     | 12%              | 12%              | 9%               | <b>17%</b>       |

workforce in the pre-retirement age group of 55 to 64 years old. These same industries also have the largest group of workers in the age cohort of 45 to 54 years old. The educational requirements and training needs for occupations in all of these industries will require long-term planning to guide more people into these careers. In

addition, new employees replacing retiring workers will face changes in workplace technology and employers will continue to demand workers with more educational and training experience to utilize the increase in workplace technology.

**Table 10-3: West Central EDR Private Sector LED Employment Data, by Age Group**

| <b>EDR 10</b>                        |               | <b>Private Sector Employment by Age Groups</b> |               |               |               |               |               |
|--------------------------------------|---------------|--|---------------|---------------|---------------|---------------|---------------|
| <b>Year &amp; Qtr</b>                | <b>2007:2</b> | <b>2007:2</b>                                  | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> |
| <b>Age Group</b>                     | <b>14-99</b>  | <b>14-24</b>                                   | <b>25-34</b>  | <b>35-44</b>  | <b>45-54</b>  | <b>55-64</b>  | <b>65-99</b>  |
| Total, Private Sector                | 73,066        | 13,006   | 14,441        | 15,347        | 16,617        | 10,267        | 3,389         |
| Trade, Transportation, and Utilities | 19,974        | 4,153  | 3,617         | 3,902         | 4,442         | 2,626         | 1,209         |
| Education-Health Services            | 15,365        | 1,835  | 3,026         | 3,358         | 3,935         | 2,509         | 694           |
| Manufacturing                        | 11,715        | 788  | 2,440         | 2,919         | 3,224         | 2,020         | 315           |
| Financial Activities                 | 4,364         | 432  | 949           | 973           | 1,052         | 698           | 235           |

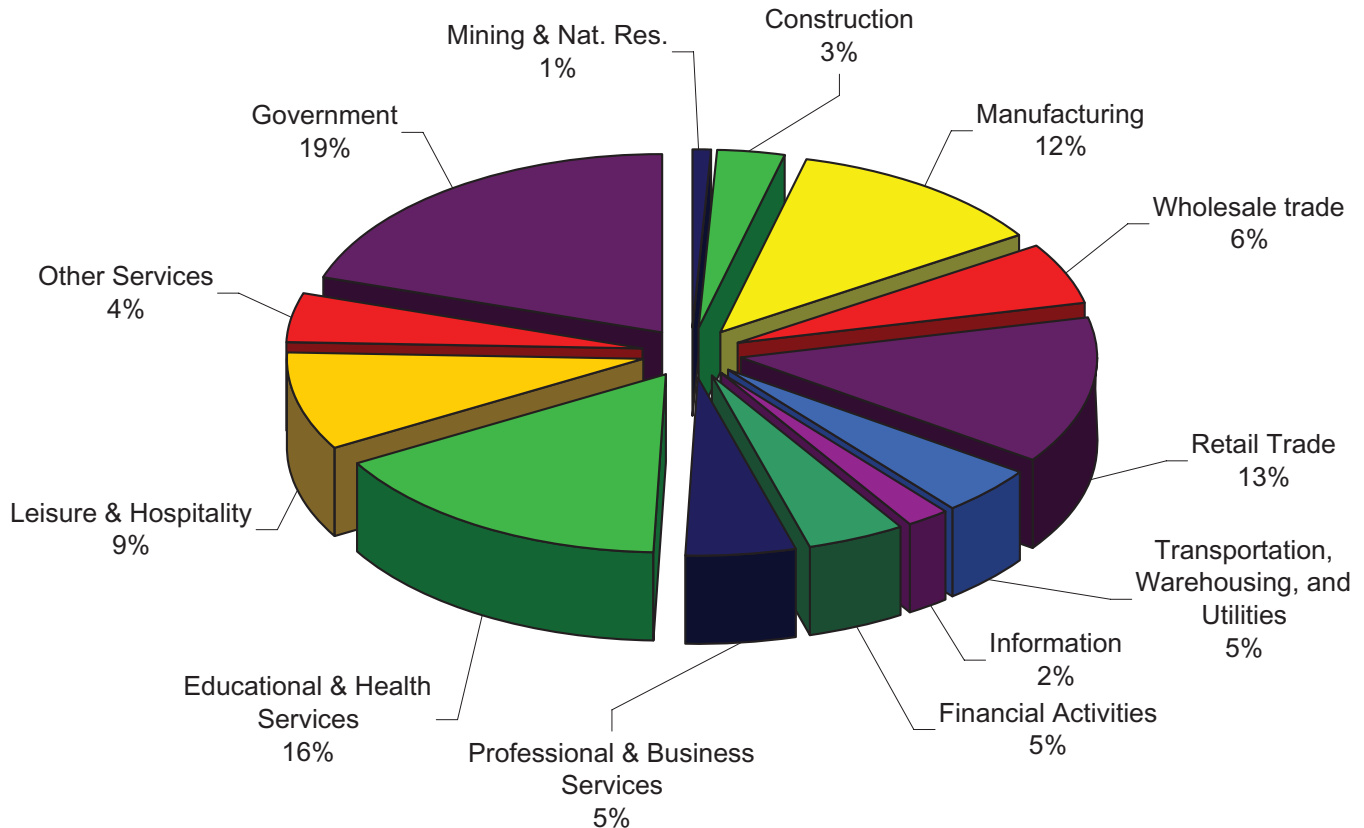
| <b>EDR 10</b>                        |               | <b>Private Sector Employment by Age Groups</b> |               |               |               |               |               |
|--------------------------------------|---------------|--|---------------|---------------|---------------|---------------|---------------|
| <b>Year &amp; Qtr</b>                | <b>2007:2</b> | <b>2007:2</b>                                  | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> |
| <b>Age Group</b>                     | <b>14-99</b>  | <b>14-24</b>                                   | <b>25-34</b>  | <b>35-44</b>  | <b>45-54</b>  | <b>55-64</b>  | <b>65-99</b>  |
| Total, Private Sector                | <b>100%</b>   | <b>18%</b>                                     | <b>20%</b>    | <b>21%</b>    | <b>23%</b>    | <b>14%</b>    | <b>5%</b>     |
| Trade, Transportation, and Utilities | <b>27%</b>    | 6%   | 5%            | 5%            | 6%            | 4%            | 2%            |
| Education-Health Services            | <b>21%</b>    | 3%   | 4%            | 5%            | 5%            | 3%            | 1%            |
| Manufacturing                        | <b>16%</b>    | 1%   | 3%            | 4%            | 4%            | 3%            | 0%            |
| Financial Activities                 | <b>6%</b>     | 1%   | 1%            | 1%            | 1%            | 1%            | 0%            |

| <b>EDR 10</b>                        |               | <b>Private Sector Employment by Age Groups</b> |               |               |               |               |               |
|--------------------------------------|---------------|--|---------------|---------------|---------------|---------------|---------------|
| <b>Year &amp; Qtr</b>                | <b>2007:2</b> | <b>2007:2</b>                                  | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> | <b>2007:2</b> |
| <b>Age Group</b>                     | <b>14-99</b>  | <b>14-24</b>                                   | <b>25-34</b>  | <b>35-44</b>  | <b>45-54</b>  | <b>55-64</b>  | <b>65-99</b>  |
| Trade, Transportation, and Utilities | 27%           | 32%  | 25%           | 25%           | 27%           | 26%           | 36%           |
| Education-Health services            | 21%           | 14%  | 21%           | 22%           | 24%           | 24%           | 20%           |
| Manufacturing                        | 16%           | 6%   | 17%           | 19%           | 19%           | 20%           | 9%            |
| Financial Activities                 | 6%            | 3%   | 7%            | 6%            | 6%            | 7%            | 7%            |

**CES**

Chart 10-1 provides information on employment by industry for 2007 from the Current Employment Statistics program.

**Chart 10-1: West Central EDR Industry Employment Composition (2007 CES Annual Average Data)**



**LAUS**

The data in Table 10-4 shows that the West Central EDR unemployment rate was consistently below the statewide rate from 2002 through 2007, typically about half of a percent lower than the state.

**Table 10-4: West Central EDR Labor Force and Unemployment Rate Data**

| Year | Annual Average  |                       |     |     |
|------|-----------------|-----------------------|-----|-----|
|      | Labor Force EDR | Unemployment Rate (%) |     |     |
|      |                 | EDR                   | IL  | US  |
| 2002 | 119,235         | 5.6                   | 6.5 | 5.8 |
| 2003 | 117,041         | 6.3                   | 6.7 | 6.0 |
| 2004 | 117,711         | 5.8                   | 6.2 | 5.5 |
| 2005 | 120,140         | 5.2                   | 5.8 | 5.1 |
| 2006 | 121,604         | 4.3                   | 4.6 | 4.6 |
| 2007 | 123,972         | 4.6                   | 5.0 | 4.6 |

**Occupational Wages and Employment**

Wage data estimates by occupational category for the West Central Region are available in Table 10-5. The occupational categories with the largest share of employment in this region have experienced wages that are lower than the average experienced wages for all occupations (except for management and education, training, and library). Those with the top 3 employment shares are 1) office and administrative support (13.1%, annual experienced wage of \$30,362), 2) management (12.5%, \$81,843), and 3) sales and related (10.0%, \$35,044). The occupational groups with the highest annual experienced wages are not among the groups with the largest employment proportions (except for management and health care practitioners). The 3 categories with the highest experienced wages are 1) legal (\$93,080, employment share of 0.5%), 2) management (\$81,843, 12.5%), and 3) architecture and engineering (\$69,959, 1.1%).



**Table 10-5: Estimated Employment and Wages for West Central EDR, by Occupational Category**

| SOC Occupational Category                                  | 2007 Est.  | % of 2007  | Annual Wages |          |             |
|--|------------|------------|--------------|----------|-------------|
|  | Employment | Employment | Entry        | Median   | Experienced |
| Management Occupations                                     | 15,189     | 12.5%      | \$28,050     | \$58,753 | \$81,843    |
| Business and Financial Operations Occupations              | 3,928      | 3.2%       | \$25,691     | \$44,505 | \$62,790    |
| Computer and Mathematical Occupations                      | 1,424      | 1.2%       | \$27,276     | \$41,766 | \$56,938    |
| Architecture and Engineering Occupations                   | 1,304      | 1.1%       | \$34,180     | \$55,325 | \$69,959    |
| Life, Physical, and Social Science Occupations             | 774        | 0.6%       | \$31,075     | \$48,118 | \$60,908    |
| Community and Social Services Occupations                  | 2,001      | 1.7%       | \$23,150     | \$35,343 | \$45,476    |
| Legal Occupations  | 598        | 0.5%       | \$28,846     | \$60,390 | \$93,080    |
| Education, Training, and Library Occupations               | 9,587      | 7.9%       | \$23,266     | \$39,107 | \$52,720    |
| Arts, Design, Entertainment, Sports, and Media Occupations | 1,843      | 1.5%       | \$15,889     | \$24,442 | \$37,977    |
| Healthcare Practitioners and Technical Occupations         | 6,022      | 5.0%       | \$24,832     | \$39,431 | \$63,415    |
| Healthcare Support Occupations                             | 3,261      | 2.7%       | \$16,395     | \$20,001 | \$24,103    |
| Protective Service Occupations                             | 2,878      | 2.4%       | \$18,170     | \$41,204 | \$46,972    |
| Food Preparation and Serving-Related Occupations           | 8,657      | 7.1%       | \$14,884     | \$15,681 | \$19,365    |
| Building and Grounds Cleaning and Maintenance Occupations  | 4,025      | 3.3%       | \$15,264     | \$18,867 | \$24,413    |
| Personal Care and Service Occupations                      | 3,542      | 2.9%       | \$14,828     | \$16,770 | \$21,732    |
| Sales and Related Occupations                              | 12,117     | 10.0%      | \$15,408     | \$20,390 | \$35,044    |
| Office and Administrative Support Occupations              | 15,820     | 13.1%      | \$17,085     | \$23,640 | \$30,362    |
| Farming, Fishing, and Forestry Occupations                 | 1,765      | 1.5%       | \$18,658     | \$23,315 | \$29,954    |
| Construction and Extraction Occupations                    | 4,641      | 3.8%       | \$29,005     | \$43,585 | \$53,695    |
| Installation, Maintenance, and Repair Occupations          | 3,963      | 3.3%       | \$19,360     | \$30,850 | \$40,280    |
| Production Occupations                                     | 8,852      | 7.3%       | \$18,836     | \$27,565 | \$34,901    |
| Transportation and Material Moving Occupations             | 3,707      | 3.1%       | \$16,661     | \$24,670 | \$34,537    |

Note: Occupational Wage Data is representative of 2007 Q2

**Other Regional Data**

Chart 10-2 provides information on the population by age group for the EDR. The data is based on the U.S. Census Bureau population estimates from 2006.

**Chart 10-2: West Central EDR Population by Age Group**

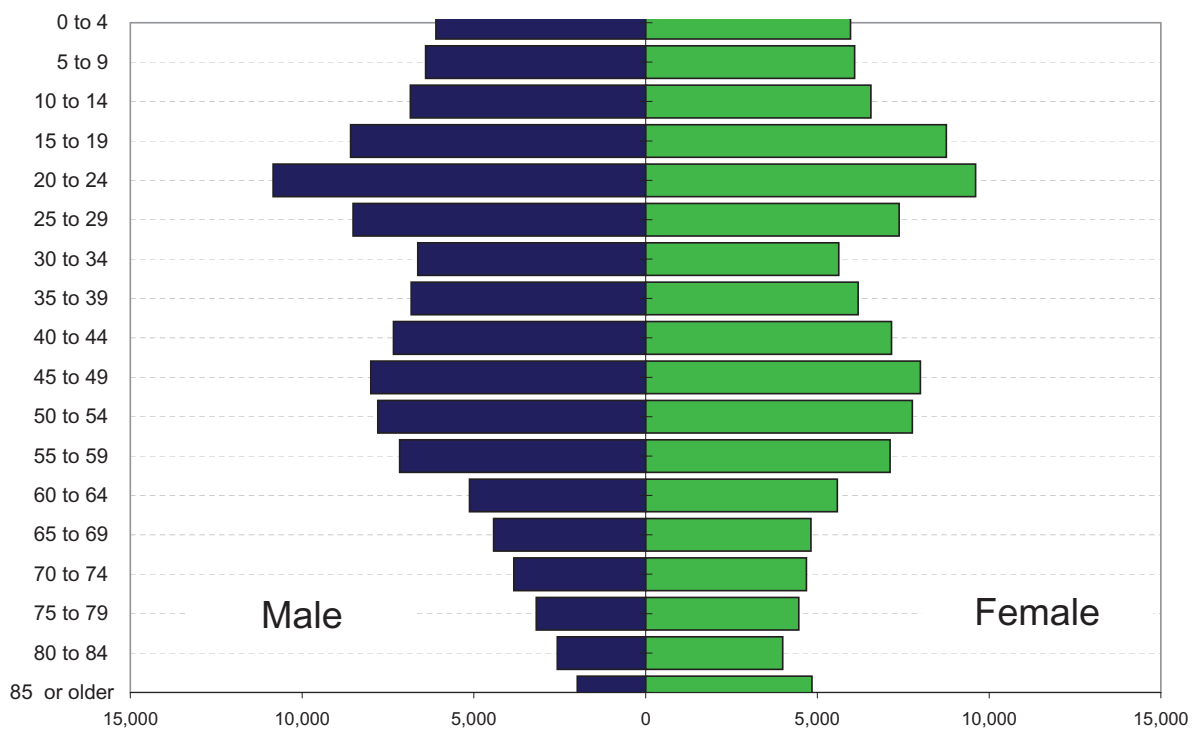


Table 10-6 provides data on the educational attainment of people 25 years or older in the EDR. The data is based on the 2000 and 1990 U.S. Census.

**Table 10-6: West Central EDR Educational Attainment: Persons 25 Years and Older**

| Region       | County    | Year | Population 25 years and older | % Less than high school | % High school graduate | % Some college no degree | % Bachelor's degree | % Graduate or professional degree |
|--------------|-----------|------|-------------------------------|-------------------------|------------------------|--------------------------|---------------------|-----------------------------------|
| Illinois     |           | 2000 | 7,973,671                     | 18.6                    | 27.7                   | 27.6                     | 16.5                | 9.5                               |
| Illinois     |           | 1990 | 7,293,930                     | 23.8                    | 30.0                   | 25.2                     | 13.6                | 7.5                               |
| West Central | Adams     | 2000 | 45,101                        | 16.3                    | 37.5                   | 28.6                     | 11.7                | 5.9                               |
| West Central | Adams     | 1990 | 43,298                        | 24.9                    | 37.4                   | 24.1                     | 9.3                 | 4.4                               |
| West Central | Brown     | 2000 | 4,844                         | 36.7                    | 28.8                   | 25.2                     | 6.5                 | 2.8                               |
| West Central | Brown     | 1990 | 3,979                         | 31.1                    | 37.9                   | 21.2                     | 6.4                 | 3.4                               |
| West Central | Hancock   | 2000 | 13,724                        | 14.3                    | 41.4                   | 28.6                     | 11.2                | 4.5                               |
| West Central | Hancock   | 1990 | 14,322                        | 22.5                    | 39.2                   | 23.9                     | 10.6                | 3.9                               |
| West Central | Henderson | 2000 | 5,680                         | 17.6                    | 46.3                   | 26.1                     | 6.9                 | 3.1                               |
| West Central | Henderson | 1990 | 5,467                         | 26.7                    | 44.9                   | 19.0                     | 7.3                 | 2.2                               |
| West Central | Knox      | 2000 | 38,049                        | 18.2                    | 36.7                   | 30.6                     | 9.7                 | 4.9                               |
| West Central | Knox      | 1990 | 37,723                        | 23.4                    | 38.3                   | 25.6                     | 8.5                 | 4.2                               |
| West Central | McDonough | 2000 | 17,944                        | 13.1                    | 33.4                   | 26.7                     | 13.3                | 13.6                              |
| West Central | McDonough | 1990 | 18,784                        | 19.7                    | 34.7                   | 22.4                     | 12.9                | 10.4                              |
| West Central | Pike      | 2000 | 11,864                        | 20.4                    | 43.8                   | 25.9                     | 7.0                 | 2.9                               |
| West Central | Pike      | 1990 | 11,820                        | 30.1                    | 41.4                   | 20.3                     | 5.8                 | 2.3                               |
| West Central | Schuyler  | 2000 | 5,022                         | 16.4                    | 46.2                   | 25.7                     | 8.6                 | 3.1                               |
| West Central | Schuyler  | 1990 | 5,090                         | 30.6                    | 42.4                   | 16.2                     | 8.0                 | 2.8                               |
| West Central | Warren    | 2000 | 12,131                        | 17.7                    | 39.5                   | 26.9                     | 11.1                | 4.7                               |
| West Central | Warren    | 1990 | 12,220                        | 23.7                    | 39.2                   | 22.6                     | 10.0                | 4.6                               |
| West Central | Region    | 2000 | 154,359                       | 17.3                    | 38.2                   | 28.2                     | 10.5                | 5.8                               |
| West Central | Region    | 1990 | 152,703                       | 24.4                    | 38.4                   | 23.3                     | 9.3                 | 4.7                               |

Source: US Bureau of the Census, 2000 Decennial Census, Summary File 3

## Other EI&A Information Services

The Illinois Department of Employment Security (IDES), Economic Information and Analysis (EI&A) Division offers multiple Web sites and other sources of information.

Web sites:

LMI Source (<http://lmi.ides.state.il.us/>) contains complete labor market reports, data and publications that can be viewed online or saved on your computer, including: employment outlook; occupational wages; unemployment statistics; and more.

Workforce Info Center (<http://wic.ilworkinfo.com/>) has current and historical workforce and occupational information for employers, job seekers, local workforce planning boards and economic development professionals.

Career Resources (<http://www.ilworkinfo.com/icrn.htm>) offers a variety of career exploration products for elementary, middle and high school students and adults – for anyone making career decisions.

I\*COMPASS (<http://www.ides.state.il.us/icompass/>) is an online training tool that will help you better understand and use workforce, labor market and career information.

Other Sources of Information:

The following page shows a map of the 10 Economic Development Regions (EDRs) and the Labor Market Economists (LMEs) responsible for each area. Contact information is provided for each of the LMEs. The LMEs can provide assistance to customers looking for information pertaining to the sub-state areas.

The One Source toll-free phone number is 1(866) 663-7723. This phone number can be utilized by customers to get assistance with ordering publications and finding data on the EI&A Web sites.

# IDES Labor Market Economists for Economic Development Regions

