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NEWS RELEASE

Illinois Chamber Foundation Releases Benchmark Economic Competitiveness Study

SPRINGFIELD – Feb. 18, 2016 –A new economic competitiveness study is ranking the state's strengths and weaknesses, finding that Illinois moved from an overall 46th place in 2012 to 39th in 2014. "While Illinois moved up, this study proves that the Land of Lincoln is well situated for an economic come-back," said Todd Maisch, president and CEO of the Illinois Chamber of Commerce. "We can make a quick snapback if we just get out of our own way." The study was conducted by Northwood University on behalf of the Illinois Chamber Foundation.

Dr. Timothy Nash, Northwood University, the study's author, asked "Can Illinois return to the position of greatness it once occupied in the U.S. business structure? Yes, but only by adopting growth-friendly public policies. Illinois must set its sights high and benchmark to best economic and political practices of this country's top-performing states. The good news is that many neighboring states have shown progress and policy change. Illinois can do the same if it has the will."

This study represents a comprehensive analysis of the Illinois economy. Illinois was evaluated against more than 200 metrics, including Gross State Product (GSP), tax policy, regulatory policy, employment growth and the cost of doing business. Other studies' data was folded into this analysis, so that the economy is depicted in the greatest context.

The breakdown for Illinois' rank of 39th in economic competitiveness includes these five major categories:

General macroeconomic environment………. 37th
State debt and taxation………………………………. 40th
Workforce composition and cost……………… 42nd
Labor and capital formation……………………….. 45th
Regulatory environment……………………………. 47th

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There are several other factors that put Illinois far down on the list of states.

Specific points in the study include:

- Growth in Gross State Product significantly lagged the national economic measures from 1998 to 2013. While the U.S. average grew by 91 percent Illinois grew by only 68 percent. While the national economy improved during 2011-2013 GSP data revealed Illinois lagging recovery in regional industrial states Michigan, Indiana, Ohio and the U.S. average.
- In the Great Lakes Region Indiana, Ohio, Michigan and Wisconsin all surpassed the average personal income per capita growth recorded for Illinois residents from 2000 to 2013.
- Illinois ranked 46th in non-farm payroll employment growth from 2000 to 2012. During that time non-farm employment growth in Illinois was 2.7 percent while the national average was 10.3 percent.
- In 2014, Illinois ranked 25th and slightly higher than the national average in median household income. In 1984 Illinois ranked 17th in median income. There has been a steady decline in this key measure of individual prosperity for Illinois residents.
- In fiscal year 2012, Illinois residents allocate 10.2 percent of income to state and local taxes. Illinois residents assumed the 13th highest state and local tax burden among the 50 states. The tax burden was higher than the national average, the average for the Great Lakes states, the average burden for Right to Work States and the average burden for non-right-to-work states.
- Although improved in the last two years, Illinois' long-term unemployment rate from 2000-2013 was more than a full percentage point higher than the national average.
- Illinois experienced net employment gains in 2014, but still ranked 47th in state job growth. Even worse than the ranking of 46th in job growth between 2000 and 2012 when the nation suffered a great recession.
- Personal income per capita growth in Illinois was 8 percent below the national average from 2000 to 2013.

"Our report card is the best, most comprehensive one out there," said Doug Whitley, chairman of the Illinois Chamber Foundation. "Now we have the analysis necessary for state leaders to decide how to return Illinois to the economic powerhouse it used to be. For example, one of the striking findings is that from 2000 to 2013, Illinois experienced a net population loss of 786,638. Such outmigration is indicative of many of the other findings in this study, such as a lagging Gross State Product, slow non-farm employment growth, low personal income growth, and sluggish job growth. Let's focus on fixing those numbers. "

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“Economic growth is helped by investments in human capital, lower tax rates, a lower regulatory burden on businesses and emphasis on human development,” said Nash. Maisch agrees, saying, “The bottom line is that we now have a roadmap for where the Illinois economy, based on the most recent data. Now it’s time to figure out how to make it stronger.”

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