

***Peter Bernstein, Vice President***

## **Fewer People and More Jobs Lead to Large Gains in Per Capita Income in Illinois**

### **Summary**

Illinois is one of only two states to lose population from 2013 to 2016. Some of this population loss is a continuation of a decades-long trend of people moving to southern and western states. However, given that other Midwest states have seen population gains, it is likely that the decline in Illinois' population means that many Illinois residents have a negative outlook regarding the state's future. Moreover, population losses in Illinois have been widespread, with 91 of the state's 102 counties seeing a decline in population over the past three years.

Yet, despite the population loss, **Illinois has added almost 200,000 workers over the past three years.** Although much of this job growth is in the Chicago area, **79 of 102 counties in Illinois had an increase in employment from 2013 to 2016.**

The combination of increased employment and decreased population means that there has been a meaningful increase in the proportion of the state's residents who are employed. In fact, **the employment-to-population ratio in Illinois has grown more rapidly than for the nation as a whole.**

Furthermore, **the increase in the proportion of the state's population that is employed has contributed to an 11.7 percent increase in *per capita* personal income from 2013 to 2016.** This is actually somewhat greater than the 11.4 percent increase in per capital personal income across the entire U.S. during the same period. Even more significant, **per capita personal income has grown faster in Illinois than in virtually all of its neighboring states.**

***Thus, while many have left Illinois, the economic conditions of those who remain are much better than commonly believed.***

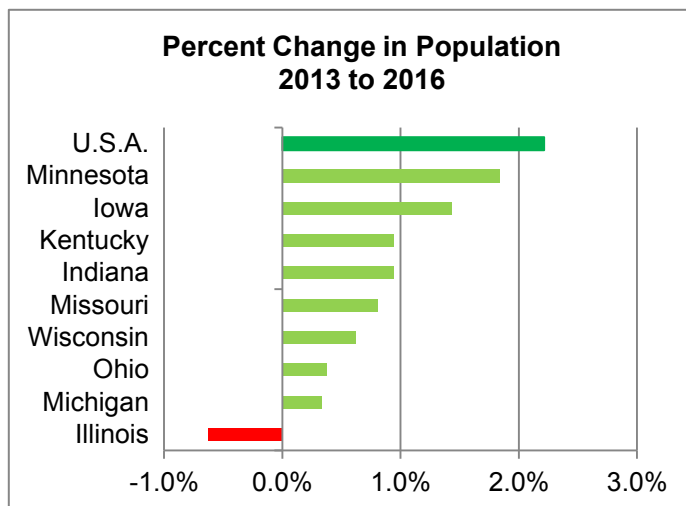
The following report presents charts that compare changes in population, employment, and per capita income in Illinois to the other nearby states and to the U.S. as a whole. The report also includes two maps of Illinois. The first shows counties in Illinois which have seen decreases or increases in population while the second map shows counties in Illinois which have seen

decreases or increases in the number of workers. These county maps provide a look at how different parts of Illinois are being affected by recent changes in population and employment.

A more detailed analysis of county changes in population and employment can be found in our forthcoming report, *“Illinois: Fewer People and More Jobs.”*

### **Unlike its Neighbors, Illinois has Lost Population**

From 2013 to 2016, the population of Illinois declined by 0.6 percent while the population in the U.S. increased 2.2 percent. Other nearby states saw increases in their population, though all these states saw slower population growth than occurred nationally.



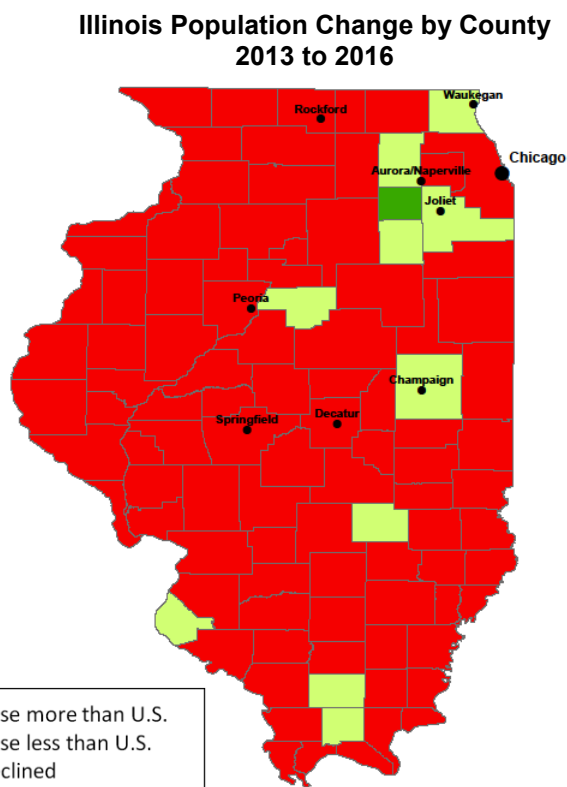
Source: U.S. Census Bureau, American Community Survey.

### **Losses in Illinois have been Widespread**

As is clear from the map below, population losses are widespread throughout Illinois, with **91 of the state’s 102 counties showing a decline from 2013 to 2016**. This map also shows that these population losses are not being driven simply by people leaving Chicago and Cook County, nor is it simply because people are moving from the rural areas of the state.

Still, some counties bucked the state trend and showed a population increase. These counties are concentrated around Chicago (Kendall, Kane, Will, Grundy, and Lake) as well as Champaign county (home of the University of Illinois), Monroe county (which borders St. Louis), and a few others scattered around the state.

Kendall county, highlighted in dark green, was the only one in the state whose population increased by a greater percentage (4.5%) than the U.S. as a whole (2.2%).



Source: U.S. Census Bureau

## Despite Population Loss, Illinois has Added Jobs

From 2013 to 2016, the number of employed people in Illinois increased 3.3 percent, ranking Illinois in the middle (5<sup>th</sup> of 9) among nearby states in job growth.

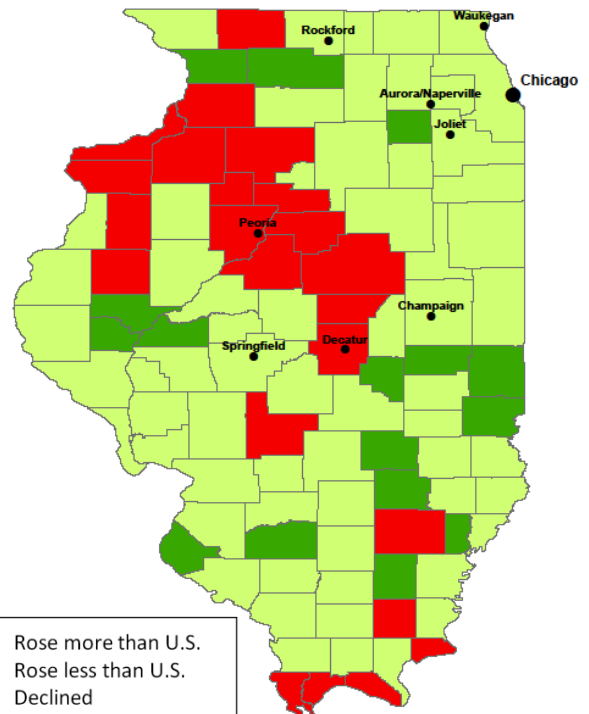
Our second map looks at changes in the number of workers from 2013 to 2016 across the different counties of Illinois. Here we see an entirely different map than the one showing population changes. **A total of 79 of the 102 counties in the state experienced an increase** in employment during this time. In fact, **16 Illinois counties experienced faster employment growth than the U.S. as a whole.**

Still, the number of Illinois workers increased at a slower pace than the nation (3.3% vs. 5.2%). The relative weakness in Illinois employment growth can be traced to a large swath from Decatur to Peoria extending to the Quad Cities which saw employment losses over the past three years. This area is part of the state that has been most harmed by declines in manufacturing jobs.

Interestingly, many of the counties that have seen a faster growth in employment than the nation are located adjacent to counties that have lost jobs. Future work may look at why this has occurred. Only one such county is located near Chicago (Kendall), though all the counties in and around the city gained jobs from 2013 to 2016. **Overall, the 8-county Chicago metropolitan area gained more than 180,000 jobs, accounting for the vast majority of net employment gains in the state.**

This result mirrors the findings from our earlier report, "*Private Sector Employment Trends in the Chicago Area and the Rest of Illinois*" which found that the vast majority of jobs added to the state since the Great Recession (2009 – 2016) were in the Chicago area.

Illinois Employment Change by County  
2013 to 2016



Source: Bureau of Labor Statistics,  
Local Area Unemployment Statistics

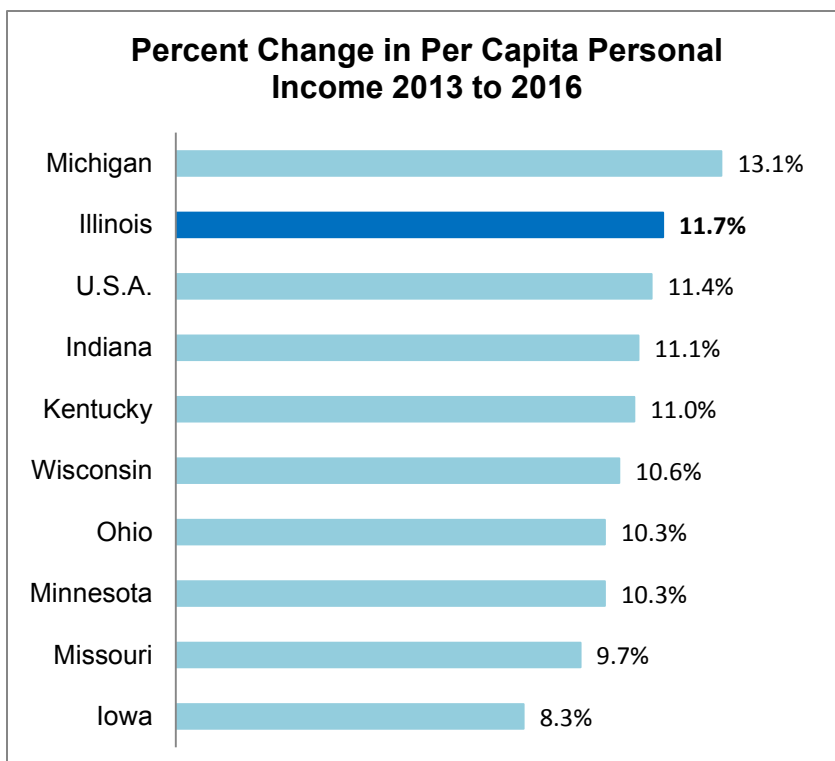
U.S. Employment Change: +5.2%  
Illinois Employment Change: +3.3%

## **Illinois has Experienced Stronger Growth in Per Capita Personal Income**

The increase in employment combined with the decrease in population means that a greater proportion of Illinois residents are working. This has contributed to a solid increase in per capita personal income. **The 11.7 percent increase in per capita income in Illinois exceeds the 11.4 percent increase for the entire U.S.** Moreover, by this measure, Illinois is outperforming all but one of its neighbors, ranking 2<sup>nd</sup> in growth in per capita personal income.<sup>1</sup>

While many people have left Illinois over the past three years the economic conditions for those who remain are far better than is commonly believed. Therefore, analysis of the state's economic condition requires looking at per capita measures as well as overall measures.

Looking forward, it is possible that the growth in jobs relative to the recent downward trend in population will create a more positive economic environment for the people of Illinois which in turn might stem the out-migration of the state's residents.



Source: U.S. Bureau of Economic Analysis

However, an important finding in this report is even if Illinois' population does not rebound, employment and incomes are likely to continue to grow in the future.

For additional information or questions, please contact Mr. Peter Bernstein, RCF Vice President, 312-41-1540 ext.1515 or by email: [pbernstein@rcfecon.com](mailto:pbernstein@rcfecon.com).

<sup>1</sup> Personal income includes income from all sources. However, income from work (wages and salaries) is the dominant source of personal income.