

STATE OF ILLINOIS ECONOMIC FORECAST FEBRUARY 2026



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State of Illinois Forecast Report

Prepared for the State of Illinois Commission on Government Forecasting and Accountability

SUMMARY

Illinois' economy weakened in the second half of 2025, with trade policy changes dealing a disproportionate blow to manufacturing-dependent parts of the state. The pace of year-over-year job and income growth is behind the below-average midwestern pace. The breadth of job creation across industries has narrowed, which is consistent with the national picture. In Illinois, healthcare, financial services, information, transportation/warehousing, construction and government employment are up year over year. Retail, manufacturing, and professional/business services are performing especially poorly. For the last three months for which data are available, Illinois' unemployment rate averaged 4.5%, compared with 4.2% in the region and 4.4% in the nation. The decline in Illinois' jobless rate can be attributed primarily to a decrease in the labor force rather than stronger job creation, as household employment has gone flat.

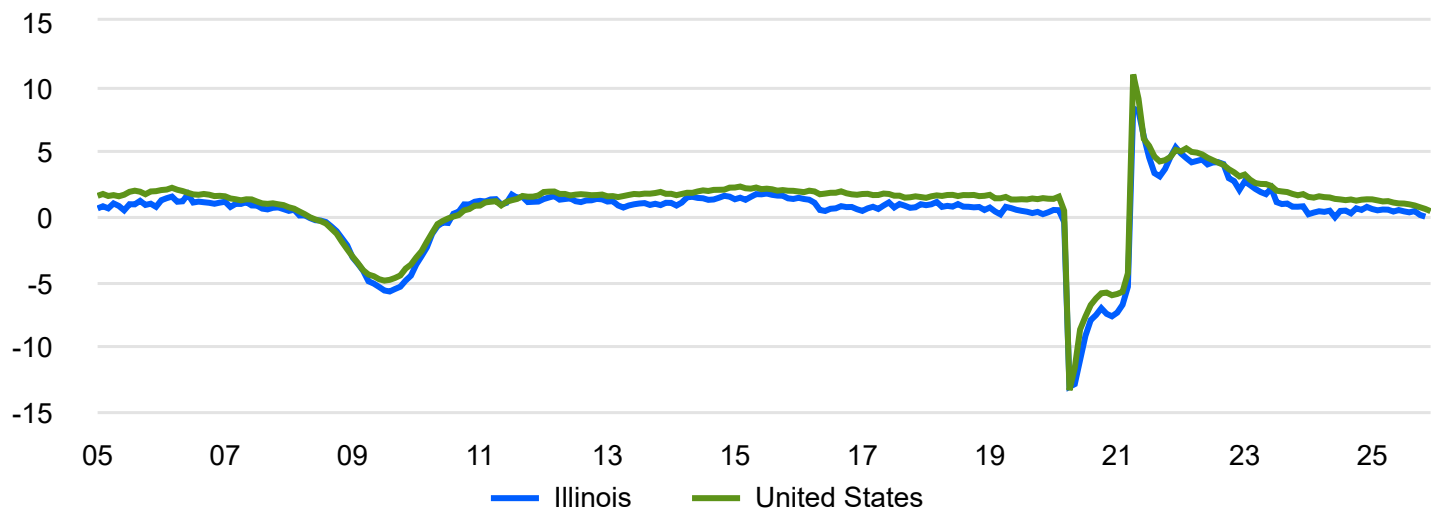
Illinois' economy will underperform the Midwest and the U.S. in the coming year. Employment will be essentially unchanged from the fourth quarter of 2025 to the fourth quarter of 2026, and gross state product and income will increase less than elsewhere. Though the economic drag from higher tariffs will abate somewhat, the uncertainty around trade policy will be slow to lift, which will weigh on growth in states such as Illinois. The state will be a step behind the Midwest average and a few steps behind the nation in job and income growth over the long term. Below-average population trends and deep-rooted fiscal problems such as mounting pension obligations and a shrinking tax base represent the biggest hurdles to stronger economic performance. Persistent out-migration will weigh on the strength of employment and income gains.

RECENT PERFORMANCE

The Illinois economy has lost the momentum that it had in the first few months of 2025. Relatively steady monthly job growth has given way to losses since July. The state's performance has been weaker than that of the region and the nation. Chart 1 shows the year-over-year pace of nonfarm employment growth in Illinois and the U.S. On a three-month moving-average basis, payroll growth from November 2024 to November 2025 was 0.1%, which was slower than the 0.7% in the Midwest and the nation. Among Midwest states, Illinois was ahead of Nebraska and in line with Wisconsin in year-over-year job growth, but behind its other neighbors. Looking beyond the region, Illinois is ahead of Nevada, West Virginia, Massachusetts, Maryland, Maine and Washington DC.

Chart 1: Employment Growth

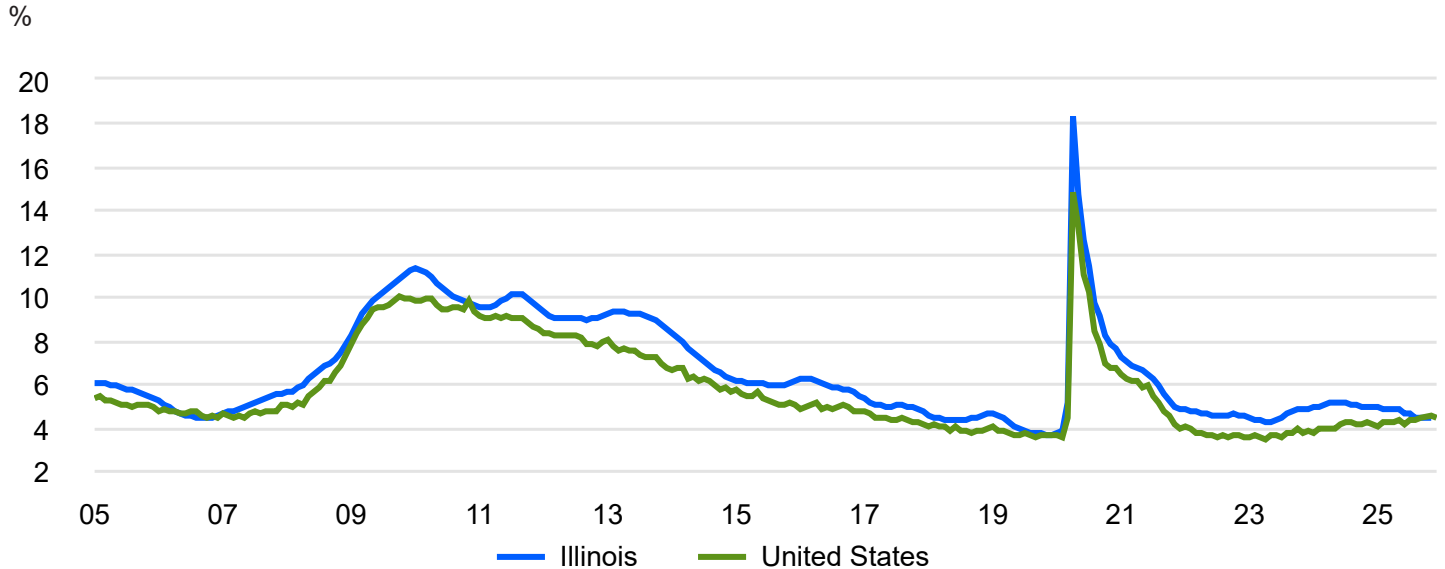
% change yr ago



Sources: BLS, Moody's Analytics

The household survey of employment suggests that labor demand and supply have weakened. As shown in Chart 2, Illinois' unemployment rate has decreased in the last year while the national unemployment rate has increased, causing the two rates to converge. Household survey data for October were not collected because of the government shutdown. For July to November, Illinois' unemployment rate averaged 4.5%, compared with 4.2% in the region and 4.4% in the nation. The decline in Illinois' jobless rate can be attributed primarily to a decrease in the labor force rather than stronger job creation, as household employment has gone flat. The Midwest's labor force has dipped while the U.S.'s labor force has increased in the past year. Initial unemployment claims have increased more than the national average over the last year, but they remain below the monthly average from the 2010–2019 period.

Chart 2: Unemployment Rate



Sources: BLS, Moody's Analytics

Most employers remain reluctant to lay off workers, and tepid hiring is still the primary constraint on the job market. The Job Openings and Labor Turnover Survey indicates that demand for labor is soft but is no longer declining rapidly. The sharp drop in Illinois' job openings rate—an important measure of job market tightness—has abated, leaving it around the 2019 average. The hiring rate dropped to a 10-year low in early 2025 but has since increased. The quit rate has decreased since 2024 but has stabilized to some extent. Layoffs are slightly higher than a year earlier, but the rate has steadied and remains below pre-pandemic norms. The low level of quits and layoffs necessitates less hiring, and as hiring slows, workers have less incentive to quit their jobs because there are fewer available opportunities.

The breadth of job creation across industries has narrowed, which is consistent with the national picture. Healthcare, financial services, information, transportation/warehousing and construction are the only major industries with year-over-year employment growth. Government employment is also higher than a year earlier, as state and local government offset losses at the federal level. Retail, manufacturing, and professional/business services are performing especially poorly. Table 1 depicts annualized job growth by industry on a short- and long-term basis.

Chicago's economy is on a solid footing. The labor market's performance has been slightly below average compared with the 10 largest U.S. metro areas and divisions, but it is stronger than a year earlier and better than the state's. Payroll growth has picked up throughout 2025, led by healthcare. Logistics and finance jobs have recovered to near their 2024 levels. A jump in construction employment corresponds to a modest increase in homebuilding. House prices

Table 1: Illinois Employment, Recent Performance

Nov 2025

	Annualized growth rate				
	3-mo	6-mo	12-mo	5-yr	10-yr
Total	-1.2	-0.7	-0.1	1.6	0.3
Construction	2.5	3.7	4.0	2.1	1.0
Manufacturing	-2.8	-1.4	-1.0	0.6	-0.2
Wholesale Trade	0.0	-2.4	-0.3	1.3	0.0
Retail Trade	-4.0	-2.5	-2.4	-0.1	-0.9
Transportation and Utilities	3.1	1.8	1.0	1.9	2.1
Information	7.9	7.0	3.7	2.0	-0.6
Financial Activities	-2.5	-1.2	0.5	-0.6	0.3
Professional and Business Services	-2.4	-2.4	-0.9	0.2	-0.2
Education and Health Services	1.1	1.8	1.7	2.6	1.2
Leisure and Hospitality	-1.6	-1.8	-1.4	6.8	0.2
Government	-4.5	-1.4	0.2	2.0	0.3
	%				
Unemployment rate	4.4	4.5	4.7	5.0	5.4

Note: The unemployment rate does not include data from October 2025 because it was not released.

Sources: BLS, Moody's Analytics

are still rising and at a stronger pace than in most large urban centers. Retail, manufacturing and professional/business services are the main drags on employment. Another sign of weakness is that average weekly hours remain unusually depressed, suggesting that firms are cutting workers' hours. The unemployment rate dipped to 4.3% in November, though the decline was largely due to a decrease in the number of job seekers.

Fueled by conventions, sporting events, festivals and concerts, Chicago experienced a record-breaking summer. Hotel metrics such as room rates and occupancy strengthened last year, in contrast to weaker trends in other major markets and nationally. The four strongest hotel booking weekends on record occurred from June to August. Airport travel also bucked the national slowdown; year to date through September, passenger traffic at O'Hare International Airport was up significantly from 2024.

Lake County's economy appears to have strengthened since mid-2025, but some data suggest the labor market is not as strong as it appears. Payroll employment has increased after several quarters of declines, putting Lake County in line with Illinois but behind the U.S. in year-over-year gains. Healthcare and leisure/hospitality have led job creation. Manufacturing job growth has resumed. White-collar performance is mixed: Finance employment has stopped declining, while professional/business services have deteriorated. However, the Quarterly Census of Employment and Wages, a lagged but comprehensive count of jobs, indicates a decline in employment through the first half of the year. Housing market indicators are positive. Single-family house price appreciation

exceeds that in the state and nation. Though tepid by historical standards, residential construction has strengthened.

The Urbana-Champaign economy has been sluggish. Private sector payroll employment has hovered around the same level for the last year, as the majority of major industries have lost momentum or lost jobs. Leisure/hospitality has been the strongest performer of late, and financial services are recovering. Anchored by the University of Illinois Urbana-Champaign, known as UIUC, state government job counts are volatile but trending in the right direction. Growth in household employment and the labor force has tapered off, leaving the unemployment rate in the mid-3% range as of the third quarter. Single-family house prices are rising more quickly than nationally, while the pace of residential construction is tepid.

Springfield has been a middle-of-the-road performer in Illinois. Payrolls have decreased since midyear, but they are up more than average compared with a year earlier. Most major industries have backtracked a bit. The state government has preserved employment levels. The size of the labor force has decreased slightly, which has pulled the unemployment rate down to 4%. House prices are still increasing, albeit at a slowing pace, and residential construction is unusually weak.

Bloomington's economy has lost considerable ground. Payroll employment has decreased for the better part of two years, as the key finance, manufacturing and state government sectors have weakened. Electric vehicle makers such as Rivian face rising costs, cutbacks in government incentives, and consumers opting for cheaper vehicles. The company's 2025 EV deliveries fell slightly more than expected, underscoring the pressure on demand for higher-priced EVs. Bloomington's unemployment rate has not risen significantly because the labor force has declined during the same period. Average weekly hours have dropped sharply to a series low, suggesting that firms are cutting workers' hours. Healthcare, trade and transportation have been stable. Construction employment has increased at a strong pace thanks to a bump in residential starts and nonresidential projects such as Rivian's supplier park.

Peoria's economy has weakened during the last year. Payroll employment has declined, and the Quarterly Census of Employment and Wages suggests the job losses have been steeper than first estimated. The breadth of job creation has narrowed significantly, with healthcare contributing most new jobs. Construction is edging higher, but payrolls in most other major industries have been flat at best. The key manufacturing industry is shrinking. Increased factory input costs and a challenging trade environment have hit the economy especially hard, given its reliance on manufacturing and above-average exposure to foreign trade. The size of the labor force has decreased, which has kept the unemployment rate from rising. Though tepid by historical standards,

residential construction has strengthened, and single-family house price appreciation exceeds that in the U.S.

Rockford's economy has little momentum. Total employment remains virtually unchanged compared with the end of 2024. Manufacturing employment is in the doldrums, and consumer industries such as retail and leisure/hospitality are shedding jobs. Healthcare and transportation/warehousing are bright spots, but job growth in these industries has been insufficient to offset weakness elsewhere.

The economies of the Quad Cities and Decatur are two of the worst-performing in the state. Tariffs, on top of already poor agricultural conditions, have exacerbated the Quad Cities' woes. The labor market has deteriorated, with payrolls and household employment falling further, and the labor force decline accelerating. The crucial manufacturing industry is rapidly shrinking, and job losses are widespread across other major industries as well.

Decatur is also doing poorly. Payroll employment has stabilized over 2025, but it is lower than it was a couple of years ago and is significantly below pre-pandemic levels. The private sector is on life support. The government is the only part of the economy that is making significant job additions. Decatur is among the region's 10 most manufacturing-dependent metro areas, and the on-again, off-again nature of tariffs has forced manufacturers to pause investment and cut jobs. The labor force has extended its decade-long decline, dropping to a series low.

Agriculture has been in a recession for a couple of years; since peaking in 2022, farm income in Illinois has fallen more than in the Midwest or the nation. Farmers cultivating key crops such as corn and soybeans had been receiving lower prices, partly due to overproduction, a strong U.S. dollar, and intensifying foreign competition. Conditions worsened in 2025. In response to U.S. tariffs, China maintained a boycott of U.S. soybeans, choosing instead to buy more soybeans from Brazil and Argentina. The diverted sales exacerbated the soybean glut, driving prices down and worsening farmers' losses.

NEAR-TERM OUTLOOK

Illinois' economy is in a precarious spot behind the region and the nation. Payroll employment will be essentially unchanged from the fourth quarter of 2025 to the fourth quarter of 2026, compared with growth of 0.1% in the region and 0.3% in the nation. Meanwhile, household employment will decrease, causing Illinois' unemployment rate to end the year around 5.2%, higher than the Midwest and U.S. rates of 4.6%. As it typically does, Michigan is the only Midwest state expected to end 2026 with a higher jobless rate, at 5.9%. Unemployment rates in large peers New York and California are poised to hit 5% and 5.6%, respectively.

Moody's Analytics estimates that President Trump's policies will create a net drag on economic growth through the end of his second term. Individual

income and corporate tax cuts and increased federal spending on defense and homeland security will provide needed stimulus over the next few years. But the macroeconomic benefits will not be enough to overcome the combined impact of federal layoffs, deportations, cuts to entitlement spending, and tariffs. The One Big Beautiful Bill Act's investment incentives will add to growth over the next several years, and risks lean to the upside if more firms take advantage of the tax write-offs than expected, but the benefits are almost entirely overshadowed by the uncertainty and the margin-squeezing effects of tariffs.

While pain may be concentrated in and around the nation's capital, other states face hardship as well. Many factory-dependent economies are highly exposed to tariffs. States with large, complex manufacturing sectors such as Illinois depend on other parts of the world for inputs into industries such as tech and farm equipment manufacturing. Rural areas will also be hurt, with agriculture taking an especially heavy blow. Although the administration is now planning to provide aid, farmers will struggle to overcome higher input costs and the effect of retaliatory tariffs on overseas demand. In 2026, that uncertainty will likely be compounded amid a flurry of policy pronouncements and the Supreme Court ruling on the legality of the current tariffs, which could result in refunds being issued.

The impact of the OBBBA on regional economies will prove mixed but ultimately tilt negative. The full extension of the 2017 Tax Cuts and Jobs Act represents a continuation of existing policy. While the OBBBA has some benefits, its key drawback is a diminished social safety net. Healthcare faces the largest cuts, although they will be phased in over the next few years. The most vulnerable states include those with a high poverty rate and those that offer more generous Medicaid benefits. Though federal healthcare spending will decline in every state, the bill will lead to an above-average drop in Illinois. Reduced nutrition assistance also threatens to compromise the social safety net. States with large urban centers, including Illinois, rely more heavily than average on the Supplemental Nutrition Assistance Program.

Chicago's growth will decelerate in the coming year, but it will remain stronger than the rest of the state. The area's importance to the domestic logistics network, along with its relatively low direct exposure to U.S.-Asia trade negotiations, will help offset some logistics-market headwinds. As an air and rail hub, the region has an outsized dependence on transportation/warehousing, especially for a large population center. Tariff-fueled price increases and simmering trade tensions will put pressure on shipping volumes, and the softening national economy and sagging consumer confidence will weigh on real consumer spending growth. Nevertheless, locational advantages will keep logistics a reliable driver of job and income growth.

Chicago's popularity as a tourism destination will set it apart from its national peers. Resilient domestic demand will sustain investment in hotels, restaurants

and other businesses. Still, the slowing U.S. economy will reduce consumer spending on travel in the coming year, which could knock local tourism off course.

Manufacturing employment will inch lower this year and next. Increased input costs, a challenging trade environment, persistent inflation, and uncertainty about government spending cloud the outlook for key segments, including fabricated metals, machinery and transportation equipment. Against this backdrop, businesses are holding off on capital investment and job additions. Prospects for high-tech manufacturing are more favorable. For instance, battery technology company Pure Lithium Corp. is bringing its operation from Boston to Chicago.

Professional/business services face many challenges. Companies have shed management, tech jobs, and back-office operations to cut costs and defend their margins. Growing fears of an artificial intelligence bubble suggest that tech could be in for a correction, which would further delay a rebound in tech jobs and income. Temporary employment, which falls under business services, has been particularly weak, as businesses typically cut back on temp help before laying off permanent staff. The overall economy must strengthen significantly before businesses shift from reducing temp jobs to adding them, which will take a couple of years. The path forward is clearer for financial services. The Federal Reserve's interest rate cuts and the steepening yield curve have helped banks find their footing and resume hiring, and they will build on those gains in the coming quarters.

Lake County's economy will grow modestly in the coming quarters. Though net hiring will be minimal in the near term, manufacturing employment has a relatively favorable outlook. Fortunately, the majority of high-tech jobs are in pharmaceutical and medical device production rather than IT services. The factory sector's tilt toward goods that cater to domestic buyers gives Lake County an edge over the Midwest's export-dependent manufacturing centers, and the aging U.S. population will sustain demand for pharmaceuticals and medical equipment. Pharmaceutical and medical device manufacturers Abbott Laboratories and AbbVie have major expansions underway in the area. The investments will help boost research and development and deliver some high-wage factory jobs in a few years.

Financial services will slowly emerge from a deep hole. Lake County has only about as many finance jobs as it had 25 years ago, meaning it has underperformed significantly compared with the Midwest and the nation. Consolidation efforts in the industry will limit the pace of growth. Following its May acquisition of Discover Financial Services, Capital One is laying off hundreds of employees at Discover's headquarters in Lake County.

Springfield's economy will be a strong performer in Illinois and an average performer nationally. State government will be a weaker source of growth in the near term compared with the last few years. The financial progress the state has

made in the wake of the pandemic has helped it draw several upgrades to its credit rating. Yet state revenues are softening after the post-pandemic boom, and the tighter fiscal conditions will leave less room for hiring. Healthcare offers the best prospects for growth, though the expansion will continue to cool. Healthcare is extremely important to Springfield's performance; the three largest private employers are healthcare providers, and the industry employs an unusually high share of private sector workers. Outpatient care centers will do all the heavy lifting, whereas struggling hospitals and residential care centers will contribute few new jobs. This will weigh on the industry's progress a bit, as hospitals make up an outsize share of local healthcare jobs.

Sluggishness in financial services and manufacturing will keep Bloomington's growth below the national pace. The next year will be busy for Rivian as it expands its local plant to manufacture its lower-cost R2 SUV model. The company is also constructing a supplier park adjacent to its headquarters to streamline material supply processes for EV production. These projects will help bolster Bloomington's status as an EV hub and generate construction job growth. Still, conditions for EV producers will be challenging in the next couple of years, precluding a significant increase in manufacturing jobs.

Bloomington's battered finance industry will be steady at best. The presence of State Farm's headquarters makes the metro area more dependent on financial services than any other in the country. The industry-wide rise in home and auto insurance rates due to the increasing cost and frequency of claims will strain customer retention for all providers, including State Farm. The company could face underwriting losses if higher rates deter potential customers. Overall, as State Farm navigates these issues and growing competition, a meaningful increase in finance jobs will not materialize in the coming quarters.

Urbana-Champaign's economy will perform relatively well for Illinois, but growth will lag the nation's. UIUC will fuel the metro area's economic growth. The metro area is extremely dependent on UIUC for employment; the concentration of state government jobs is one of the highest in the country. The school's reputation enables it to attract students as other higher-education institutions struggle to maintain enrollment. The university reported a record enrollment for fall 2025, with the largest freshman class in its history. One of the school's priorities is hiring and retention to keep up with the growing student body, which lends some upside to the forecast for flat state government payrolls. UIUC's finances are sound, making it well-positioned for expansion. Student and employee spending will drive growth in retail and leisure/hospitality.

However, most risks lean to the downside. The state's budget challenges could jeopardize higher-education funding and lead to belt-tightening at UIUC. At the federal level, efforts to cut research funding could reduce the size of graduate programs, while stricter immigration enforcement could deter international students from studying at the university, reducing the need for faculty and staff and the positive spillover on the broader economy.

Rockford's economy will regain some momentum in the coming year. Auto manufacturing will be stuck in a holding pattern while Stellantis refits its Belvidere Assembly Plant for production of the Jeep Cherokee and Compass in 2027. The logistics industry will play a crucial role in the absence of significant manufacturing growth. Chicago Rockford International Airport is consistently ranked as one of the country's most rapidly expanding cargo hubs. Menzies Aviation recently announced a 50,000-square-foot ground facility, and a new sister-airport agreement with Liège Airport will help stabilize cargo volumes despite tariffs upending global trade flows. As Rockford develops into a central logistics hub, transportation job gains will outstrip the statewide and national pace through the rest of the decade.

Peoria's economy will be a weak performer. Manufacturing employment will be relatively flat this year and next. The weak global economy, slow interest rate cuts, persistent inflation, and uncertainty about government spending cloud the outlook for key segments such as fabricated metals and machinery. Against this backdrop, businesses are holding off on capital investments. Farmers in the crop sector are contending with lower prices, and financial strain is dampening spending on agricultural equipment such as that produced by Caterpillar. Durable goods producers will remain cautious and keep a tight lid on employment. Select investments—Viridis Chemical's ethyl acetate plant commissioning and Epic Medical's Pekin facility—will add niche gains in 2026 but not offset broad softness. The economy's key healthcare industry will provide stability to an economy that is otherwise heavily dependent on manufacturing.

The Quad Cities and Decatur economies will remain stuck. Although some clarity is emerging around tariff policy, it does little to promote hiring in trade-dependent manufacturing. Tariffs and a struggling farm economy will remain a drag on heavy machinery manufacturing at companies such as John Deere. Barring a negative trade or economic shock, most layoffs are over, but this segment will not drive growth. Meanwhile, payrolls in lower-paying food manufacturing are expected to stay steady over the next year. Weakening population trends will continue to sap growth in service-providing industries.

The eight Illinois counties that are part of the St. Louis metro area (Bond, Calhoun, Clinton, Jersey, Macoupin, Madison, Monroe and St. Clair) account for about 24% of the metro area's population and about 17.6% of its employment. Transportation and warehousing are key economic drivers, as evidenced by their outsize share of payrolls. Below-average business costs and a central location near the Mississippi River make the area attractive to logistics firms. Numerous waterways and interstate highways also crisscross this part of the state, making it a natural transportation hub. Logistics will expand further in the coming years and outperform the rest of the Metro East economy.

Other service-providing industries will grow slowly due to population loss. Though proximity to a large city provides access to vital transportation assets,

it can also have drawbacks. Businesses in industries such as healthcare and retail are more likely to invest in neighboring areas with larger and/or growing populations.

Though the Metro East has been losing manufacturing jobs for decades, it has historically been a key player in the steel industry, as it is home to the Granite City Works plant. U.S. Steel has reversed its plan to halt slab processing at the plant, ensuring the facility remains operational amid government oversight and Nippon Steel's investment commitments. The plant employs around 800 workers, who will retain their jobs and pay through a national security agreement in effect until 2027. The facility's future is less certain thereafter. Nippon Steel has pledged approximately \$11 billion into U.S. Steel's American operations by 2028, but it has not promised any to Granite City Works.

Crop producers are facing one of the most difficult market environments in recent history, but a recent trade agreement between the U.S. and China provides a glimmer of optimism. Strong production of corn and soybeans in 2025 will leave the market with ample stocks heading into 2026, creating downward pressure on prices. Domestic demand is strong, but exports will need to strengthen to move the needle on commodity prices. The trade deal between the U.S. and China has gone a long way toward stabilizing the outlook. As part of the deal, China has resumed its purchases of U.S. soybeans and has pledged to increase purchases in the years ahead. However, the agreement remains fragile, and Chinese purchases are expected to fall short of previous years, keeping the market oversupplied and prices low. To help farmers dealing with these market disruptions, the Trump administration recently announced a \$12 billion bridge payment program for qualifying farmers. These farmers will receive payments by the end of February. The federal aid will provide the necessary funds to prevent further financial decline.

LONG-TERM OUTLOOK: POSITIVE FACTORS

The state will continue to diversify into service-providing industries while nurturing its more efficient and smaller traditional manufacturing core. Chicago will continue to develop as the transportation and distribution center for the Midwest and will increasingly cultivate its tech industry.

Professional/business services. Professional/business services will be critical to the economy's success. Most of the growth in well-paying industries such as professional, scientific and technical consulting will take place in northern Illinois. As a hub for global business activity with a large concentration of corporate headquarters and a huge talent pool, the Chicago area remains fertile ground for growth in these industries, including tech. In recent years, the urban core has become the economic engine as more jobs downtown attract residents to move nearby, prompting additional companies to join the inward migration to the urban core. In addition to professional/business services, the success

of the state's economy—particularly that of the Chicago metro area—will depend on the strength of its high-tech services, including computer systems design and biotechnology. Tech companies that can meet the needs of Illinois' manufacturing base will also be successful.

Financial services. Financial services, which employ 6.4% of the state's workforce and 7.3% of Chicago's workforce, compared with 5.8% nationally, will remain among the state's core industries. One reason for this is that the outlook for Chicago's commodities exchanges is promising. They have successfully adapted to new technologies and, through mergers, increased their market share in the global marketplace. They also hold virtual monopolies over their most important products, thereby benefiting from strong pricing power. Chicago is considered the world capital of futures trading as it is now home to what is by far the world's largest derivatives exchange.

A large tech industry and legacy ties to financial services make financial technology a promising area of development, but stiff competition from existing financial technology hubs limits the upside. The insurance industry also has a large footprint in Illinois' economy, especially in Bloomington, where it makes up 18% of employment, more than nine times the U.S. average. Insurance will remain a reliable source of jobs and income.

Tourism. Chicago's status as a popular tourism and business travel destination will be a source of strength. Job growth in the state's tourism-dependent industries such as leisure/hospitality stems almost entirely from more people visiting Chicago. Because Chicago draws a large number of business travelers in addition to vacationers, the resumption of more business travel will be needed to extend tourism's rebound during the next few years. The replacement of a still-undetermined share of face-to-face meetings and in-person events with virtual gatherings will further compound the impact of increased remote work on the city and complicate its recovery.

Transportation/distribution. Illinois' transportation and distribution network will remain an integral part of the economy and help drive growth. Transportation, warehousing and wholesale trade account for 12.8% of output in Chicago and 12.4% in Illinois, versus 9.4% in the nation. As of the first half of 2025, the only other states that are more dependent on this cluster of industries are Alaska and Kentucky. A central location and transportation advantages such as an airport with direct connections around the globe have made Chicago a hub for distribution and logistics. The metro area is unique among the nation's big cities as a hub to three major carriers. Even as e-commerce growth has normalized following the pandemic-fueled boom, internet retail sales will uphold strong demand for logistics services. Illinois will have an advantage in securing future investment because of its central location, low costs, transportation advantages and agglomeration economies.

The state is also the country's top rail hub, with 3,000 to 4,000 more miles of track than any state that it borders. Intermodal traffic is the fastest-growing

part of the rail industry, as most railway yards have been converted to handle intermodal traffic. Chicago's central location and extensive transportation network add to its appeal, particularly for companies that need to move their workers around the country and the world.

Education and healthcare. Other service-based industries that will support growth in the state include education and healthcare. The University of Illinois Urbana-Champaign, Illinois State University in Normal, and other regional public universities will provide long-term stability. Chicago also supports a number of universities, including Northwestern, the University of Chicago, the University of Illinois at Chicago, and Loyola, but they are not as vital to Chicago as schools downstate are to those economies.

Healthcare will contribute to growth throughout the state as the population ages. The industry has been one of the economy's strongest in recent years and will be an especially potent driver downstate. The cohort of those age 65 and older is the only part of the population that is growing, a distinction it will retain. Although declines in other cohorts will drag on demand, seniors consume a lot of medical services. Illinois will add such jobs at a stronger pace than overall job growth over the next five years. However, industry job growth will lag the U.S. average, primarily because of Illinois' weaker population trends.

Business climate. Illinois has what it needs to remain a top business center, if it can solve the problems that are eroding its edge in the competition for talent, jobs and capital. Specifically, Illinois has a large pool of highly skilled workers, world-class universities, more investment capital, and better transportation, including an airport with direct connections around the globe. The state has these advantages because of Chicago, the nation's third-largest metro area. No neighboring state has a city even half as large.

About 39.2% of the state's population aged 25 and older have at least a bachelor's degree, and 15.9% have a graduate degree—both above the national average—according to Census Bureau data. Among midwestern states, only Minnesota has a higher share of bachelor's degree holders, and Illinois has the highest share of graduate degree holders. In the Chicago metro division, the shares are even higher: 44.4% hold at least a bachelor's degree, and 18.5% hold a graduate degree. Illinois is well-positioned when comparing living costs to educational attainment, and the workforce is stronger than college attainment data alone suggest. Traditional measures of workforce quality may understate the competitiveness of large factory centers where an above-average share of workers are skilled, even if they lack formal higher education.

According to the Moody's Analytics Index of Relative Business Costs (see Table 2), business costs in Illinois are higher than they are nationally and have trended up for the past decade. Overall costs are lower than in Michigan, Minnesota and Wisconsin but higher than in Indiana, Iowa, Missouri and Ohio. By and large, business costs are favorable and lower than those in states with similarly large metropolitan areas that offer unique features appealing

Table 2: Index of Relative Business Costs, 2024

	Labor cost		Tax burden		Energy cost		Overall index	
	Index	Rank	Index	Rank	Index	Rank	Index	Rank
Illinois	100	22	119	47	95	30	101	31
Indiana	95	8	82	10	102	36	96	17
Ohio	93	6	102	35	86	18	93	8
Michigan	107	43	93	19	105	38	105	39
Wisconsin	105	39	90	17	101	35	103	36
Iowa	89	4	102	34	84	14	89	4

Notes:

1. Rank is for all states plus District of Columbia.
2. U.S. average = 100.
3. Labor costs are measured by total earnings per employee at the 3-digit NAICS level.
4. Tax burdens are measured by all taxes excluding severance, education and hospital taxes relative to personal income.
5. Energy costs are measured by cents per kwh for industrial and commercial users.
6. In the overall index, labor costs have 75% weight, energy costs have 15% weight, and taxes have 10% weight.

Source: Moody's Analytics

to businesses, such as California and New York. Energy costs are 5.5% below the U.S. average and on par with the region, but that advantage is diminishing and no longer offsetting the cost of taxes, which are the highest among midwestern states.

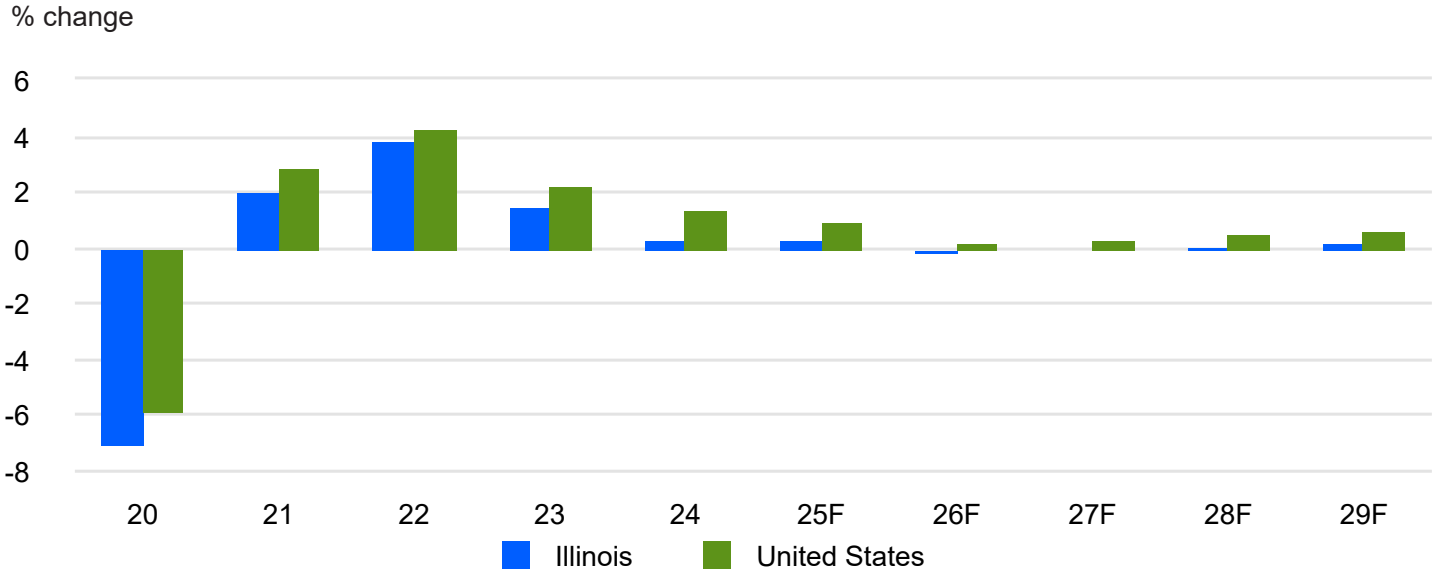
New industries. The legalization of recreational cannabis offers upside risk for Illinois to become a hub for the cannabis business. The Cannabis Regulation and Tax Act of 2019 made Illinois the 11th state to legalize recreational cannabis. It is now one of 24 states, Washington DC, and Guam where the recreational use and sale of cannabis is legal. Medical cannabis has been legal in Illinois since 2014.

The rate of sales growth has slowed since legalization went into effect, partly because of continued pressure on discretionary consumer spending from inflation, and partly because of increasing competition from neighboring states. In the Midwest, cannabis is now legal for recreational use in Michigan, Minnesota, Missouri and Ohio. As a major center for food production and packaged food companies, Chicago is well-situated to nurture cannabis cultivators, processors, retail stores and testing labs. Chicago already has strong ties to the industry, as it is home to a few of the U.S.'s largest public companies that grow and sell cannabis.

LONG-TERM OUTLOOK: NEGATIVE FACTORS

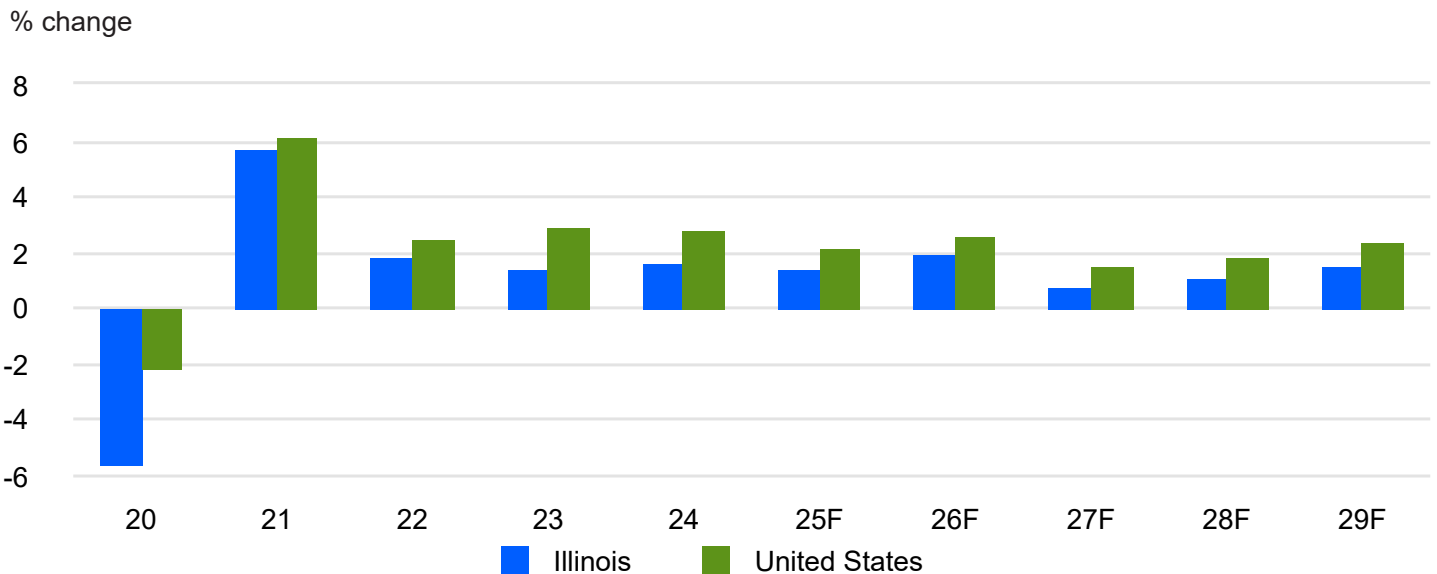
Weak demographic trends and deep-rooted fiscal problems, such as mounting pension obligations and a shrinking tax base, represent the biggest hurdles to the longer-term outlook. The forecast anticipates that the state will grow a step behind the Midwest average and a few steps behind the nation over the extended forecast horizon. Chart 3 compares the forecast for annual nonfarm employment growth in

Chart 3: Long-Term Outlook: Employment



Sources: BLS, Moody's Analytics

Chart 4: Long-Term Outlook: Real Gross Product



Sources: BEA, Moody's Analytics

Illinois and the U.S. Over the next five years, employment in Illinois is forecast to increase 0.6%, below the 1.6% gain for the Midwest and the 2.8% rise nationally.

Illinois will underperform the U.S. in the long term because of poor population trends and the prolonged decline of manufacturing. As shown in Chart 4, gross state product—as measured by the Bureau of Economic Analysis—will grow more slowly than the nation’s gross domestic product. Illinois’ real gross state

product is projected to increase an average of 1.4% per year during the next five years, compared with 1.8% in the Midwest and 2.2% in the U.S.

Manufacturing. Manufacturing will account for a slightly greater-than-average share of the Illinois economy, though long-run industry decline is expected to remain the dominant trend, requiring continued effort to retain the state's manufacturing base. Manufacturing is more important in northern and central Illinois than in Chicago. While the state's manufacturing employment share, at 9.3%, is only slightly higher than the national average of 8%, the share outside Chicago is higher, at 12.7%. Illinois' largest manufacturing industries, in order of number of jobs in the first three quarters of 2025, are food processing, fabricated metals, machinery, chemicals and transportation equipment. Together, these industries account for about 61% of all manufacturing jobs, compared with 55% nationally. Downstate areas besides Springfield have a high exposure to at least one, and typically several, of these industries.

Illinois' manufacturers will face daunting competition in the global marketplace in the long term. They have been forced to shift operations to lower-cost regions of the world to remain competitive, and although this trend has slowed as labor has become more expensive overseas, it does not reduce the cost advantage sufficiently to reverse this process.

Higher education. Academia faces a looming demand problem caused by not only rising costs but also changing demographic patterns. Longer-term structural issues in combination with pandemic-related stress have left some institutions at risk of failure. If and when school failures occur, they are likely to be dominated by those already in poor financial condition due to sagging enrollment, poor student retention, and an overreliance on public funding. Institutions in Illinois are generally well-positioned. The most vulnerable institutions are small, nonelite private schools with poor finances, small endowments and retention issues, as well as small public universities with an overreliance on room-and-board and government funding as drivers of revenue. The least vulnerable schools are selective colleges with excellent balance sheets, large endowments, and little reliance on public funding and room-and-board revenue.

Federal policy actions will pose challenges. The Trump administration's efforts to cut research funding could reduce the size of graduate programs, while stricter immigration enforcement will deter international students from studying at some universities, reducing the need for faculty and staff and lessening the positive spillover to the broader economy. The longer-term structural decline in enrollment is the main long-term risk to most universities. With the college-age population in Illinois and the broader U.S. set to decline over the coming decades, it will take a greater share going to school or more international students to increase demand for Illinois' higher education institutions. Colleges across the U.S. face demographic headwinds, but they are more acute in Illinois, where the cohort of 20- to 24-year-olds is weakening more rapidly.

Agriculture. The outlook for Illinois' large agricultural industry has dimmed. Illinois farmers have strong competition from foreign agricultural powerhouses, and the uncertainty surrounding U.S. trade policies risks disrupting established agricultural trade networks. Given the critical role of foreign trade in U.S. agriculture, the trade war between the U.S. and major trading partners, particularly China, has benefited direct overseas competitors at the expense of Illinois farmers. Since supply chains can be sticky, U.S. trading partners may pivot toward alternative buyers permanently, resulting in a long-term loss of market share and complicating Illinois farmers' access to crucial foreign markets.

Business climate. Illinois, and Chicago in particular, is an appealing location for corporate headquarters and for companies that need highly skilled workers and are willing to pay for top talent. Despite Illinois' advantages, however, there are factors that threaten to discourage firms from locating to or remaining in the state. The state's outlook is tarnished primarily by its past budget woes, weak population trends, and high tax burden relative to other states. Overall business costs are only slightly higher than in the U.S., but firms in Illinois tend to pay more in taxes and labor is on the expensive side. Table 2 compares Illinois with a group of other midwestern states along the dimensions of the Moody's Analytics Index of Relative Business Costs. Illinois is gradually increasing its minimum wage, but dozens of other states and local governments are raising their wage floors as well.

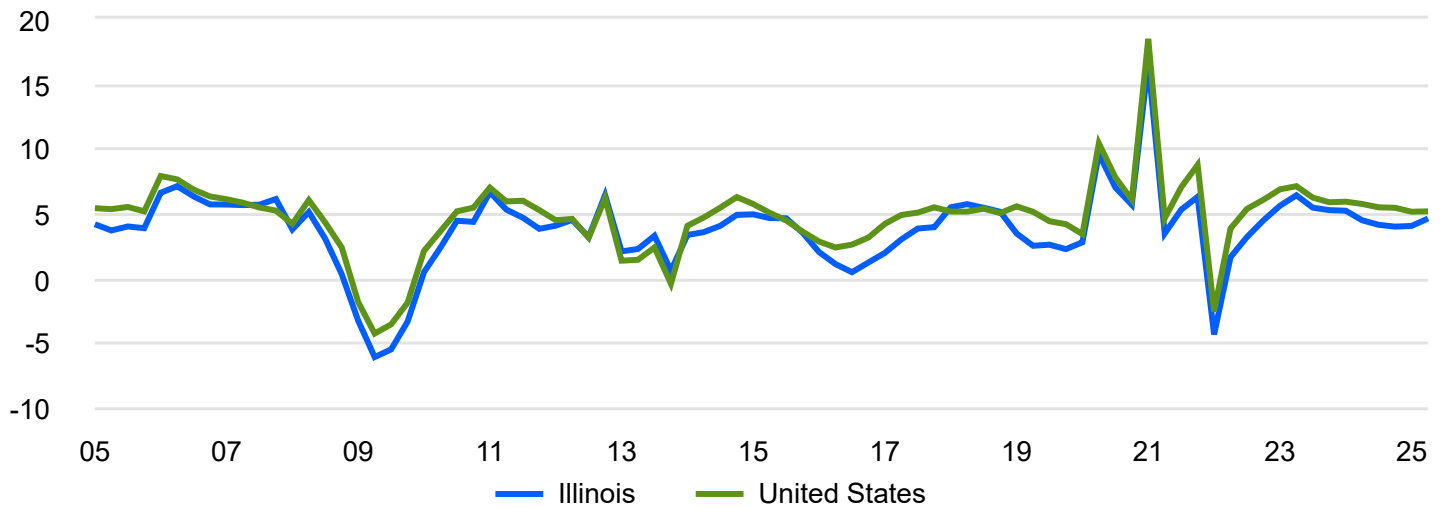
Unions. Unit labor costs in the state are above the national average, in part because of a still-high presence of unions. The state's unit labor costs are significantly higher than those of neighboring Indiana but lower than in Michigan and Wisconsin, three states that have adopted right-to-work laws. Under right-to-work laws, employees in unionized workplaces are not required to pay union fees or join a union. Michigan passed a law after a number of businesses, mostly in manufacturing, cited the law as a factor in their decision to locate in Indiana.

In 2022, Illinois voters passed a constitutional amendment guaranteeing all workers organizing and collective bargaining rights. The Workers' Rights Amendment added language to the state's constitution that protects the rights of workers to unionize and negotiate pay, hours and working conditions. Further, the law explicitly prohibits right-to-work legislation that limits bargaining rights. Florida, Hawaii, Missouri, New Jersey and New York also provide a right to collective bargaining in their state constitutions.

The impact of right-to-work laws on economic growth is ambiguous. The lack of clarity is mainly due to the fact that union strength is just one factor businesses consider when deciding whether to set up shop or relocate. Energy and other costs also matter, as do a slew of other factors, including talent, infrastructure, and access to customers and capital, that make it extremely

Chart 5: Personal Income

% change yr ago



Sources: BEA, Moody's Analytics

difficult to gauge the precise effects of right-to-work laws on job creation and a state's economic prosperity.

INCOME

Personal income has been slower to rise in Illinois than nationally, a trend that will extend through the year. Chart 5 shows year-over-year growth in Illinois and U.S. nominal personal income, as reported by the Bureau of Economic Analysis. Total personal income increased 3.5% per year on average over the course of the expansion that ended in 2019, less than the 3.7% regional average and 4.3% U.S. average. Personal income was up 4.6% year over year in Illinois in the second quarter of 2025, compared with 4.7% in the Midwest and 5.1% in the nation.

Wage and salary income, the most important source of income, rose 4.4% from the second quarter of 2024 to the second quarter of 2025, the same as that in the region but below the 5.1% increase nationally. Wage and salary income has continued to advance at a solid clip in the last few quarters, despite the weaker pace of hiring. It may be that workers are being compensated for productivity gains. However, inflation seems to remain one of the primary drivers of solid wage growth. Workers are compensated when prices rise, and since inflation has not returned to target, nominal incomes are growing at a steady pace. The state lags the Midwest in total income growth due to weaker performance in the dividends, interest and rent category, as well as the farm earnings category.

Weakening job gains will weigh on wage growth. While labor force growth has also slowed dramatically, the unemployment rate will drift higher, and the dearth of job openings will reduce workers' ability to demand higher wages from their

current employers by threatening to leave. Even when job growth rebounds, it will be gradual, so labor market conditions will favor employers through the remainder of the decade. The combination of weak labor market power for workers, limiting gains in wage rates, and gradual growth in the number of employed workers will significantly restrain growth in total compensation.

Given the below-average forecast for Illinois' jobs recovery, income growth will remain a step behind the U.S. rate. From the second quarter of 2025 to the second quarter of 2026, Illinois' personal income will increase about 3.6%, compared with 3.8% in the region and 4.5% in the nation.

BALANCE SHEETS

Illinois' consumer credit balances resumed growing in 2025 after two years of stagnation. Outstanding balances increased 1.9% year over year in the fourth quarter, compared with a 2.9% rise nationally. Residential credit, the largest segment by dollar volume, was responsible for an outsize share of the gain. Borrowers are still drawing heavily on their housing wealth by tapping into home equity lines of credit and loans, while lower interest rates support increased mortgage lending. Despite loosening credit standards and a dip in interest rates, demand for auto lending fell. Interestingly, demand for other forms of credit firmed, with an uptick in consumer finance products, particularly credit cards. A shift away from demand for larger purchases and toward personal finance options aligns with the expected behavior of consumers who are concerned about their economic prospects, a sentiment echoed in recent consumer confidence surveys.

Performance has weakened over the last year, though this was expected and is better characterized as a normalization of credit stress rather than an increase. For Illinois, the total dollar delinquency rate across all consumer credit products grew from 2.1% in the fourth quarter of 2024 to 2.9% in the fourth quarter of 2025, a slightly larger increase than that in the nation. From a year-ago perspective, performance is split across consumer credit products. The delinquency rates for the home equity, bankcard and retail segments decreased. The large first-mortgage category is driving the rise in delinquencies, and delinquencies on auto and student loans have also increased. Student loan delinquency rates jumped to an all-time high after the restriction on federal student loan credit bureau reporting was lifted.

There is a positive relationship between student loan debt as a share of all debt outstanding and the increase in delinquency rates on non-student loan credit from November 2024, suggesting that households' efforts to stabilize student loan performance are coming at the expense of other credit products. The relationship is positive but not yet strong enough to signal acute stress. The larger risk emerges as collection efforts resume, which would harden this trade-off and intensify pressure on other segments. The outlook for credit growth is modest in the year ahead. Short-term interest rates will decline along with monetary easing, spurring

demand across a range of products. Regarding performance, most segments will improve or settle near their current levels in 2026.

DEMOGRAPHIC TRENDS

The resumption of population loss will drag on overall job and income growth. Illinois' population increased from mid-2023 to mid-2024. An uptick in natural population growth and a surge in foreign immigration during the Biden-Harris administration drove the increase. Domestic out-migration also slowed. However, fewer international arrivals in the next few years will cause the population to resume its decline. The loss of residents will limit employment and income gains and keep the housing market from finding a new gear.

Amid the volatility that colors the outlook, a routine but consequential change occurred during the spring. The Bureau of Labor Statistics officially adopted the Office of Management and Budget 23-01 metro area delineations, completing a once-a-decade process that incorporates the 2020 decennial census and American Community Survey. Metro areas in Illinois are among those that have been downgraded. Illinois is the only state to shed two areas on net, Carbondale-Marion and Danville, which are now classified as micropolitan areas.

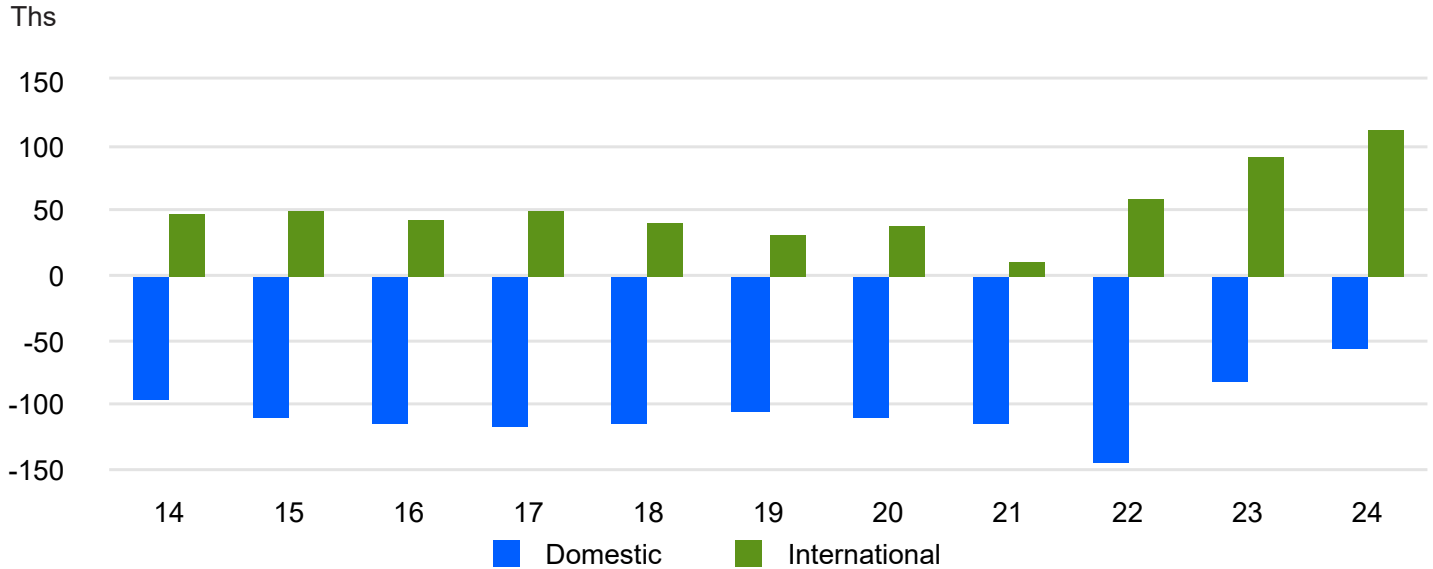
Population estimates for the year ended June 30, 2024 show that Illinois' population increased 0.5% during that 12-month period, following a 0.1% increase in the previous year. The Midwest's population increased 0.6% from mid-2023 to mid-2024, and the U.S. population rose 1%. Illinois' growth was in line with that of Michigan, Wisconsin and Ohio and stronger than a dozen other states. The metro areas with the strongest gains were Urbana-Champaign at 1.1%, Elgin at 1%, and Chicago at 0.8%. Growth was also recorded in Lake County (0.6%), Rockford (0.5%), the Quad Cities (0.4%), Bloomington (0.3%), Peoria (0.2%), Springfield (0.05%), and Kankakee (0.02%). Decatur (-0.02%) was the only metro area in the state that did not experience population growth from mid-2023 to mid-2024.

Census Bureau migration data show that Illinois experienced positive net migration in 2023 and 2024. Net migration is the difference between in-migration to and out-migration from a place during a given period. Fourteen years of domestic and international migration data for Illinois are depicted in Chart 6. Historically, the main reason for net out-migration has been a loss of domestic residents, or people moving from the state to other parts of the U.S. The negative blue bars represent domestic changes, and the positive green bars represent in-migrants from other countries. There are no data for 2020 because the Census Bureau does not report net migration figures for decennial census years.

Total net migration in the state was about 11,000 from mid-2022 to mid-2023 and 57,000 in the subsequent year. International in-migration more than offset continued domestic out-migration, or people moving from the state to other parts of the U.S. However, domestic out-migration decelerated during the past two years, reducing the drag on total net migration. These trends correspond

closely with those evident in migration data that were compiled based on credit file data from Equifax. Those figures, which track monthly state-to-

Chart 6: Illinois Net Migration



Sources: Census Bureau, Moody's Analytics

Table 3: Migration Flows

INTO ILLINOIS		FROM ILLINOIS	
	NUMBER OF MIGRANTS		
Indiana	14,745	Florida	31,620
California	14,486	Texas	25,045
Texas	12,786	Indiana	23,941
Florida	12,521	Wisconsin	18,232
Missouri	12,354	California	16,642
Wisconsin	11,909	Missouri	14,196
Iowa	7,630	Tennessee	10,855
Michigan	7,427	Arizona	10,558
New York	6,117	Michigan	9,265
Arizona	5,774	Georgia	8,433
<i>Total in-migration</i>	<i>176,953</i>	<i>Total out-migration</i>	<i>264,239</i>
		Net migration	-87,286

Sources: IRS, Moody's Analytics

state movement nearly in real time, were remarkably similar to the Census Bureau's domestic migration figures. Data from Equifax suggest that the pace of out-migration from Illinois peaked in late 2021 and has since slowed. As a share of the states' populations, Illinois lost the most residents on net in 2024 to Wisconsin, followed by Indiana, Tennessee, Arizona and Florida. Lagged data from the Internal Revenue Service, displayed in Table 3, reflect a similar pattern, though the data are not adjusted for states' populations.

The Census Bureau reports that natural population growth—or births minus deaths—has weakened dramatically in all parts of the U.S. during the past

decade, but Illinois' pace has slowed a bit more than average in the past several years. Natural population growth has increased slightly since 2022 in Illinois and other parts of the country, but this has contributed little to Illinois' population numbers. Despite this, the state's results are typical for the region, and it retains an edge over other Great Lakes states, some of which are undergoing natural population decline. As a share of the population, Illinois is adding fewer residents naturally than its large peers New York and California.

Despite the recent rapid uptick in immigration, Moody's Analytics expects immigration to fall off in the next few years. This will be achieved through a combination of stronger enforcement of existing immigration policies, new immigration policies, and reduced outflows from countries of origin resulting from the decisions of potential immigrants and actions on the part of those governments. Fewer international arrivals combined with persistently weak natural population growth will cause the state's population to resume its decline. Illinois' population loss during the next few years will be one of the worst among the states, and the shrinking of the working-age population will remain more severe than in other parts of the country. The 60-and-older age group will be the only one to increase in the coming years. Fewer working-age adults will make it harder to fill jobs and keep consumer and housing demand afloat. Persistent out-migration and increased remote work will weigh on the strength of employment gains.

In terms of educational attainment, an above-average share of Illinois residents holds four-year college degrees. The state's large pool of highly educated workers is primarily thanks to the concentration of white-collar jobs in the Chicago area and in downstate metro areas, including Champaign, Bloomington and Springfield. The metro areas that have a high dependence on manufacturing—including the Quad Cities, Decatur, Kankakee, Peoria and Rockford—have below-average educational attainment levels. Primary and secondary education in the state is strong, as almost every metro area in Illinois boasts an above-average share of high school graduates. Only in Elgin is the high school graduation rate significantly below the U.S. rate.

HOUSING

Housing market indicators point to modest strengthening in 2025 compared with a year earlier. Construction employment is on the upswing as residential construction has rebounded. Single-family permitting has been stronger in 2025 than it has been in several years. House prices have increased more than they have in the U.S. in the past year. There are two main reasons for this: First, prices increased at a more measured pace than they did nationally in the immediate aftermath of the pandemic. The market did not overheat as it did in some parts of the country, and therefore, prices still have room to run. Second, the supply of homes for sale is tighter than average, which is keeping upward

pressure on prices. For-sale inventories statewide are less than half the 2019 average, keeping a lid on transactions.

Lower interest rates are drawing some buyers back into the market. Existing-home sales have risen since 2024 and are on track to be around 166,000 units at the end of 2025. Despite the recent increase, existing sales are averaging near recessionary lows as extremely low housing affordability and heightened economic uncertainty weigh on demand. Potential buyers are either priced out of the market or delaying purchases in anticipation of more favorable economic conditions. Price increases will moderate during the coming year, but Illinois' gains will remain stronger than elsewhere. Housing affordability has stabilized after declining for several years, though Illinois will retain its affordability edge over the U.S., according to the Moody's Analytics Housing Affordability Index.

FORECAST RISKS

This baseline outlook hinges on the expectation that the economic drag from higher tariffs, immigration restrictions, and other deglobalization policies abates somewhat; the Federal Reserve continues to lower interest rates; and there is substantial deficit-financed fiscal stimulus. Regarding the tariffs, Moody's Analytics is tenuously holding to the assumption that the effective tariff rate will remain near 10% through the coming year. Given China's ability to effectively push back against higher U.S. tariffs and the president's willingness to provide carve-outs and exemptions to address affordability concerns, even a 10% tariff rate may ultimately prove too high. Fiscal policy is also turning stimulatory, with deficit-financed tax cuts in the One Big Beautiful Bill Act of 2025 taking effect. This includes tax cuts for businesses and individuals, which are partially offset by cuts to government spending.

An AI bubble could be forming in the stock market, as most of the ingredients that make up a bubble are arguably in place. Most importantly, stock prices have rocketed more or less straight up over the past decade, more than doubling since the COVID-19 pandemic. Today's extraordinary stock market valuation largely reflects the optimism investors have over the success of the large AI companies. However, it is also being fueled by investor speculation. The soaring stock market has been a powerful tailwind to the entire economy. The wealthy, who own the bulk of the stocks, are now much wealthier and are spending accordingly. This newfound wealth supports a significant amount of spending, which in turn supports a substantial number of jobs. This brings into clear relief a significant threat to the economy. If the stock market is a bubble and it bursts, wiping out this wealth, consumer spending will suffer a significant blow, triggering a recession.

If the U.S. economy experiences an upside surprise, it will likely be due to unexpected changes in economic policy. The reciprocal tariffs could be summarily struck down by the Supreme Court in the next few months,

approximately halving the effective tariff rate to near 5%. In this scenario, the president would not replace them with other tariffs, at least not quickly. This would provide another effective tax cut to consumers and businesses through lower prices for imported goods, just in time for the midterm elections.

Illinois has a lot at stake, given its reliance on manufacturing and logistics and its above-average exposure to foreign trade. Higher tariffs have hurt demand and driven input costs much higher, straining the state's economy, given its above-average reliance on imports. Retaliation from trade partners has stung because Illinois' manufacturing hubs are highly export-dependent, with about 40% of foreign shipments destined for Canada and Mexico. Declining international shipments weigh on business investment, industrial production and job growth.

Beyond the challenges of declining agricultural prices and profits, the continuation or worsening of trade conflicts would damage Illinois' farm economy. The U.S. is the world's leading agricultural exporter, and industry exports constitute slightly more than one-third of the country's total agricultural production. U.S. farmers export various agricultural products overseas, but a select few, including soybeans and corn, are key because of their significant share.

The state's fiscal problems will loom large over the rest of the economy. The financial progress the state has made in the wake of the pandemic has helped it draw several upgrades to its credit rating. Yet the rapid post-pandemic surge in state and local revenues has cooled in recent quarters, as growth has slowed from earlier peaks despite remaining positive on a year-over-year basis. Potential budget shortfalls in Illinois and the City of Chicago mean lawmakers may need to consider a mix of revenue enhancements and spending adjustments, measures that could ultimately stifle consumer spending. Illinois is more vulnerable than other states to a downturn in the national or global economy because of its lean financial reserves and heavy fixed-cost burdens. Pension challenges are ongoing and will take decades to fix.

There are other upside risks as well. The longer-term forecast for manufacturing could prove too pessimistic. Illinois' low costs, central location, transportation advantages, and deep pockets of specialized expertise still make it an appealing location for factories. If large multinational companies decide to bring production work back to the U.S., the state will be a key beneficiary. The need for redundancies and reliable supply chains could motivate such a move.

Prospects for tech have brightened somewhat. Growth in quantum computing should give Chicago's high-tech industries a jolt in the next few years. For instance, the Illinois Quantum and Microelectronics Park will be under construction over the next two years in Chicago. The IQMP is set to open in 2027 with PsiQuantum, IBM and Diraq as anchor tenants. Elsewhere, low business costs and the presence of a major research university make Urbana-Champaign fertile ground for growth in tech.

Illinois

Recent Monthly Performance

	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Most recent % change yr ago
Establishment Employment (ths, SA)									
Total Employment	6,166.0	6,165.8	6,168.1	6,167.0	6,164.8	6,161.4	6,155.3	6,145.6	-0.1
% change	-0.0	-0.0	0.0	-0.0	-0.0	-0.1	-0.1	-0.2	
Natural Resources & Mining	7.2	7.3	7.3	7.3	7.2	7.2	7.2	7.1	-2.7
% change	-1.4	1.4	0.0	0.0	-1.4	0.0	0.0	-1.4	
Construction	236.5	236.7	236.6	239.0	239.5	239.9	239.4	241.0	4.0
% change	0.0	0.1	-0.0	1.0	0.2	0.2	-0.2	0.7	
Manufacturing	573.6	573.1	573.2	573.1	573.1	573.0	570.6	569.0	-1.0
% change	-0.3	-0.1	0.0	-0.0	0.0	-0.0	-0.4	-0.3	
Trade, Transportation, & Utilities	1,223.1	1,219.7	1,219.9	1,219.6	1,215.1	1,216.5	1,215.0	1,212.1	-0.9
% change	-0.3	-0.3	0.0	-0.0	-0.4	0.1	-0.1	-0.2	
Retail Trade	570.0	567.9	567.6	567.3	566.5	565.3	561.7	560.8	-2.4
% change	-0.5	-0.4	-0.1	-0.1	-0.1	-0.2	-0.6	-0.2	
Wholesale Trade	302.7	301.0	301.8	299.2	297.4	298.0	297.3	297.4	-0.3
% change	0.3	-0.6	0.3	-0.9	-0.6	0.2	-0.2	0.0	
Transportation & Utilities	350.4	350.8	350.5	353.1	351.2	353.2	356.0	353.9	1.0
% change	-0.5	0.1	-0.1	0.7	-0.5	0.6	0.8	-0.6	
Information Services	92.7	92.5	93.1	93.2	93.9	95.4	96.8	95.7	3.7
% change	0.5	-0.2	0.6	0.1	0.8	1.6	1.5	-1.1	
Financial Services	396.8	397.5	397.9	398.7	397.6	397.1	396.0	395.1	0.5
% change	0.6	0.2	0.1	0.2	-0.3	-0.1	-0.3	-0.2	
Professional & Business Services	916.8	918.5	916.2	913.7	912.9	911.7	908.7	907.3	-0.9
% change	-0.2	0.2	-0.3	-0.3	-0.1	-0.1	-0.3	-0.2	
Education & Health Services	1,007.3	1,009.3	1,013.0	1,018.0	1,015.7	1,012.3	1,017.7	1,018.5	1.7
% change	0.2	0.2	0.4	0.5	-0.2	-0.3	0.5	0.1	
Leisure & Hospitality Services	607.6	608.3	604.2	602.5	605.2	605.6	605.0	602.7	-1.4
% change	0.0	0.1	-0.7	-0.3	0.4	0.1	-0.1	-0.4	
Other Services	249.2	249.1	249.1	248.6	246.9	248.2	249.9	249.3	-0.9
% change	-0.2	-0.0	0.0	-0.2	-0.7	0.5	0.7	-0.2	
Government	855.2	853.8	857.6	853.3	857.7	854.5	849.0	847.8	0.2
% change	0.0	-0.2	0.4	-0.5	0.5	-0.4	-0.6	-0.1	
									1-yr change
Unemployment Rate (% , SA)	4.8	4.8	4.6	4.6	4.4	4.4	na	4.4	-0.5
	0.0	0.0	-4.2	0.0	-4.3	0.0	na	na	Most recent % change yr ago
Labor force (ths)	6,633.6	6,623.1	6,611.7	6,598.6	6,580.8	6,568.8	na	6,549.3	-1.6
% change	-0.0	-0.2	-0.2	-0.2	-0.3	-0.2	na	na	
Number of unemployed (ths)	321.7	318.5	307.2	300.6	292.5	287.0	na	288.6	-12.0
% change	0.1	-1.0	-3.5	-2.2	-2.7	-1.9	na	na	
Number of employed (ths)	6,311.9	6,304.5	6,304.5	6,298.0	6,288.4	6,281.7	na	6,260.7	-1.0
% change	-0.0	-0.1	-0.0	-0.1	-0.2	-0.1	na	na	
Total Residential Permits (# of units YTD, NSA)	5,083	7,213	9,317	11,440	13,229	14,783	16,646	na	1.4
% change yr ago	-0.9	2.3	6.4	11.8	5.3	2.0	1.4	na	
Single-family, (# of units YTD, NSA)	3,195	4,145	5,316	6,348	7,391	8,323	9,415	na	6.2
% change yr ago	8.3	-0.5	3.8	6.0	6.6	5.6	6.2	na	
Multifamily, (# of units YTD, NSA)	1,888	3,068	4,001	5,092	5,838	6,460	7,231	na	-4.1
% change yr ago	-13.4	6.4	10.1	19.8	3.7	-2.3	-4.1	na	
5 +, (# of units YTD, NSA)	1,473	2,536	3,371	4,325	4,861	5,315	5,960	na	-10.8
% change yr ago	-21.9	0.5	5.5	16.7	-2.6	-9.2	-10.8	na	
									Most recent % change yr ago
Avg Hrlly Earnings: Mfg, (\$ per hr, SA)	27.08	27.15	27.52	27.31	27.38	27.26	27.46	27.47	3.2
% change	-0.4	0.3	1.4	-0.8	0.3	-0.5	0.7	0.0	

Illinois

Recent Quarterly Performance

	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	Most recent % change yr ago
Gross State Product (Ch. 2009\$ mil, SAAR)	893,483.0	892,827.6	898,830.1	902,056.1	902,789.7	900,323.4	910,910.8	na	1.3
% change	0.7	-0.1	0.7	0.4	0.1	-0.3	1.2	na	
Establishment Employment (Ths, SA)									
Total Employment	6,117.8	6,131.0	6,140.5	6,143.8	6,153.4	6,160.8	6,166.6	6,164.4	0.3
% change	-0.1	0.2	0.2	0.1	0.2	0.1	0.1	-0.0	
Natural Resources & Mining	7.3	7.3	7.1	7.3	7.3	7.3	7.3	7.2	-1.4
% change	1.4	-0.5	-1.8	2.8	-0.5	0.5	-0.9	-0.5	
Construction	236.8	237.1	235.8	236.1	232.8	235.4	236.6	239.5	1.4
% change	0.6	0.1	-0.5	0.1	-1.4	1.1	0.5	1.2	
Manufacturing	577.9	579.6	578.9	577.6	575.6	573.7	573.3	573.1	-0.8
% change	-0.1	0.3	-0.1	-0.2	-0.3	-0.3	-0.1	-0.0	
Trade, Transportation, & Utilities	1,227.5	1,223.8	1,224.4	1,224.6	1,224.6	1,224.1	1,220.9	1,217.1	-0.6
% change	0.1	-0.3	0.1	0.0	0.0	-0.0	-0.3	-0.3	
Retail Trade	572.1	570.6	570.9	571.9	575.2	573.9	568.5	566.4	-1.0
% change	-0.3	-0.3	0.1	0.2	0.6	-0.2	-0.9	-0.4	
Wholesale Trade	303.5	303.9	302.6	301.8	298.6	300.1	301.8	298.2	-1.2
% change	0.3	0.1	-0.4	-0.3	-1.1	0.5	0.6	-1.2	
Transportation & Utilities	351.8	349.2	350.8	350.9	350.8	350.1	350.6	352.5	0.5
% change	0.5	-0.7	0.5	0.0	-0.0	-0.2	0.1	0.6	
Information Services	92.5	91.8	90.7	89.3	92.6	92.7	92.8	94.2	5.4
% change	-0.4	-0.7	-1.2	-1.5	3.7	0.2	0.0	1.5	
Financial Services	397.1	395.1	394.6	394.8	394.6	394.9	397.4	397.8	0.8
% change	-1.0	-0.5	-0.1	0.1	-0.1	0.1	0.6	0.1	
Professional & Business Services	938.4	931.9	927.1	923.2	916.6	917.1	917.2	912.8	-1.1
% change	-1.4	-0.7	-0.5	-0.4	-0.7	0.0	0.0	-0.5	
Education & Health Services	975.3	983.7	990.8	997.2	1,002.4	1,005.5	1,009.9	1,015.3	1.8
% change	0.3	0.9	0.7	0.6	0.5	0.3	0.4	0.5	
Leisure & Hospitality Services	597.1	599.4	600.2	600.7	610.2	606.5	606.7	604.4	0.6
% change	0.1	0.4	0.1	0.1	1.6	-0.6	0.0	-0.4	
Other Services	248.3	247.8	247.7	249.1	250.9	249.2	249.1	247.9	-0.5
% change	-0.6	-0.2	-0.0	0.5	0.7	-0.7	-0.0	-0.5	
Government	819.7	833.5	843.2	844.0	845.8	854.3	855.5	855.2	1.3
% change	1.1	1.7	1.2	0.1	0.2	1.0	0.1	-0.0	
									1-yr change
Unemployment Rate (% SA)	4.8	4.9	5.1	5.0	4.9	4.8	4.7	4.5	-0.6
									Most recent % change yr ago
Labor force (ths)	6,553.0	6,582.8	6,621.0	6,642.6	6,652.6	6,643.8	6,622.8	6,582.7	-0.9
% change	0.6	0.5	0.6	0.3	0.1	-0.1	-0.3	-0.6	
Number of unemployed (ths)	315.3	324.6	337.8	334.9	328.2	322.2	315.8	293.4	-12.4
% change	6.1	2.9	4.0	-0.8	-2.0	-1.8	-2.0	-7.1	
Number of employed (ths)	6,237.7	6,258.1	6,283.3	6,307.7	6,324.3	6,321.6	6,307.0	6,289.4	-0.3
% change	0.3	0.3	0.4	0.4	0.3	-0.0	-0.2	-0.3	
Total Residential Permits (# of units YTD, NSA)									
% change yr ago	-20.2	9.8	7.1	16.0	22.3	-10.7	6.4	2.0	
Single-family, (# of units YTD, NSA)	9,295	2,007	5,122	7,878	10,248	2,199	5,316	8,323	5.6
% change yr ago	-3.0	20.9	21.3	16.0	10.3	9.6	3.8	5.6	
Multifamily, (# of units YTD, NSA)	6,912	1,962	3,633	6,614	9,577	1,345	4,001	6,460	-2.3
% change yr ago	-35.5	0.3	-8.1	16.1	38.6	-31.4	10.1	-2.3	
5+, (# of units YTD, NSA)	5,698	1,770	3,195	5,853	8,468	1,047	3,371	5,315	-9.2
% change yr ago	-39.8	0.7	-6.1	24.0	48.6	-40.8	5.5	-9.2	
Home Price Index (1980Q1=100, NSA)									
% change	2.2	1.8	1.6	1.6	1.9	1.7	1.2	1.2	
Personal Income (\$ mil, SAAR)									
% change	1.3	1.3	0.9	0.6	1.2	1.3	1.5	na	4.6
Wages & Salaries (\$ mil)	485,480	487,983	494,012	498,865	505,778	509,432	515,867	na	4.4
% change	1.4	0.5	1.2	1.0	1.4	0.7	1.3	na	
Nonwage Income (\$ mil)	438,251	447,498	449,915	450,266	454,414	463,467	471,231	na	4.7
% change	1.2	2.1	0.5	0.1	0.9	2.0	1.7	na	
Avg Hrlly Earnings: Mfg (\$ per hr, SA)									
% change	1.8	1.6	0.9	1.9	3.2	1.0	0.9	0.2	5.4
Personal Bankruptcies (# 3-mo Ending, SAAR)									
	23,761	23,259	25,396	26,084	25,892	25,061	25,753	26,218	0.5

Illinois

Recent Annual Performance

	2017	2018	2019	2020	2021	2022	2023	2024	5-yr Avg Annual % change
Gross State Product (Ch. 2009\$ mil, SAAR)	832,826.8	851,517.2	858,018.3	810,693.1	857,114.6	872,907.5	884,965.3	899,125.9	0.9
% change	0.8	2.2	0.8	-5.5	5.7	1.8	1.4	1.6	
Establishment Employment (Ths, SA)									
Total Employment	6,056.2	6,102.3	6,125.4	5,697.0	5,810.8	6,031.7	6,121.2	6,142.2	0.1
% change	0.7	0.8	0.4	-7.0	2.0	3.8	1.5	0.3	
Natural Resources & Mining	7.8	7.9	8.2	6.8	6.6	7.0	7.2	7.3	-2.5
% change	-3.3	0.6	4.8	-17.3	-3.1	5.2	4.2	0.2	
Construction	220.6	226.3	228.4	216.6	222.5	230.6	235.9	235.5	0.6
% change	0.7	2.6	0.9	-5.1	2.7	3.6	2.3	-0.2	
Manufacturing	577.0	588.0	586.8	556.2	555.3	570.6	578.7	577.9	-0.3
% change	0.2	1.9	-0.2	-5.2	-0.2	2.8	1.4	-0.1	
Trade, Transportation, & Utilities	1,204.8	1,205.5	1,199.9	1,150.6	1,176.6	1,218.1	1,228.5	1,224.4	0.4
% change	0.2	0.1	-0.5	-4.1	2.3	3.5	0.9	-0.3	
Retail Trade	606.1	594.4	580.1	547.2	566.6	575.4	574.6	572.2	0.4
% change	-1.1	-1.9	-2.4	-5.7	3.5	1.6	-0.2	-0.4	
Wholesale Trade	295.4	294.8	295.5	281.8	283.7	296.1	302.6	301.8	-0.3
% change	0.2	-0.2	0.2	-4.6	0.7	4.4	2.2	-0.3	
Transportation & Utilities	303.2	316.3	324.4	321.5	326.3	346.6	351.3	350.4	1.6
% change	3.0	4.3	2.6	-0.9	1.5	6.2	1.4	-0.2	
Information Services	98.4	95.7	95.7	88.8	90.4	97.0	94.3	91.1	-1.0
% change	-1.1	-2.8	0.1	-7.3	1.8	7.3	-2.7	-3.4	
Financial Services	395.2	403.1	411.5	407.3	404.9	402.3	400.4	394.8	-0.8
% change	2.2	2.0	2.1	-1.0	-0.6	-0.6	-0.5	-1.4	
Professional & Business Services	945.4	951.2	952.5	894.5	927.6	972.5	953.0	924.7	-0.6
% change	1.1	0.6	0.1	-6.1	3.7	4.8	-2.0	-3.0	
Education & Health Services	923.8	932.2	940.4	896.3	908.5	931.4	968.4	993.5	1.1
% change	0.9	0.9	0.9	-4.7	1.4	2.5	4.0	2.6	
Leisure & Hospitality Services	610.9	617.8	623.3	462.3	503.3	565.5	594.0	602.6	-0.7
% change	2.2	1.1	0.9	-25.8	8.9	12.4	5.0	1.5	
Other Services	253.0	254.3	255.7	234.4	238.0	246.3	249.5	248.9	-0.5
% change	0.6	0.5	0.5	-8.3	1.6	3.5	1.3	-0.3	
Government	819.3	820.4	822.9	783.4	777.3	790.5	811.2	841.6	0.5
% change	-0.3	0.1	0.3	-4.8	-0.8	1.7	2.6	3.8	
									5-yr change
Unemployment Rate (%)	5.0	4.4	4.0	9.3	6.1	4.6	4.5	5.0	0.5
									5-yr Avg Annual % change
Labor force (ths)	6,554.9	6,556.0	6,544.7	6,322.7	6,340.0	6,450.6	6,498.5	6,624.7	0.2
% change	-0.9	0.0	-0.2	-3.4	0.3	1.7	0.7	1.9	
Number of unemployed (ths)	324.5	288.0	260.2	587.1	386.5	295.5	292.1	331.4	5.0
% change	-16.6	-11.2	-9.7	125.7	-34.2	-23.6	-1.1	13.4	
Number of employed (ths)	6,230.4	6,268.0	6,284.5	5,735.6	5,953.5	6,155.1	6,206.3	6,293.4	0.0
% change	0.1	0.6	0.3	-8.7	3.8	3.4	0.8	1.4	
									5-yr Avg
Total Residential Permits (# of units)	25,313	21,776	20,917	17,831	19,792	20,297	16,207	19,825	18,790
% change yr ago	12.5	-14.0	-3.9	-14.8	11.0	2.6	-20.2	22.3	
Single-family	10,692	10,225	9,017	9,719	11,383	9,585	9,295	10,248	10,046
% change yr ago	0.1	-4.4	-11.8	7.8	17.1	-15.8	-3.0	10.3	
Multifamily	14,621	11,551	11,900	8,112	8,409	10,712	6,912	9,577	8,744
% change yr ago	23.6	-21.0	3.0	-31.8	3.7	27.4	-35.5	38.6	
5 +	13,522	10,496	10,683	7,219	7,206	9,468	5,698	8,468	7,612
% change yr ago	23.4	-22.4	1.8	-32.4	-0.2	31.4	-39.8	48.6	
									5-yr Avg
Home Price Index (1980Q1=100)	331.8	339.0	348.5	358.8	390.2	438.4	467.3	503.8	7.7
% change	2.4	2.2	2.8	3.0	8.8	12.3	6.6	7.8	
									5-yr Avg
Personal Income (\$ mil)	685,633	722,687	741,905	788,153	849,243	858,844	907,226	947,183	5.0
% change	3.2	5.4	2.7	6.2	7.8	1.1	5.6	4.4	
Wages & Salaries (\$ mil)	368,138	382,978	394,900	394,952	425,605	458,298	477,249	496,660	4.7
% change	3.4	4.0	3.1	0.0	7.8	7.7	4.1	4.1	
Nonwage Income (\$ mil)	317,495	339,709	347,005	393,202	423,638	400,546	429,976	450,523	5.4
% change	2.9	7.0	2.1	13.3	7.7	-5.5	7.3	4.8	
									5-yr Avg
Avg Hrlly Earnings: Mfg. (\$ per hr)	20.21	21.30	21.89	22.11	22.54	23.96	24.49	25.82	3.4
% change	-0.2	5.4	2.8	1.0	1.9	6.3	2.2	5.4	
									5-yr Avg
Personal Bankruptcies	50,484	47,249	47,721	30,070	20,353	20,262	22,992	25,158	-12.0
% change	-4.5	-6.4	1.0	-37.0	-32.3	-0.4	13.5	9.4	
									5-yr Avg
Population (ths)	12,922.9	12,887.4	12,849.4	12,799.1	12,700.6	12,621.8	12,642.3	12,710.2	-0.2
% change	-0.2	-0.3	-0.3	-0.4	-0.8	-0.6	0.2	0.5	
									5-yr Avg
Net Migration (ths)	-64.9	-73.2	-71.1	-69.0	-102.8	-82.4	10.9	56.7	-37.3

Illinois Forecast

	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total Employment (ths)	6,161.4	6,153.6	6,149.5	6,151.6	6,161.6	6,181.0	6,196.7	6,195.1	6,179.2
% change	0.3	-0.1	-0.1	0.0	0.2	0.3	0.3	0.0	-0.3
Manufacturing	572.7	570.0	568.3	566.4	563.9	561.8	558.9	554.1	547.9
Construction	237.9	239.8	237.8	235.7	233.3	231.5	230.1	228.6	226.3
Prof. and Bus. Serv.	914.1	914.2	923.4	935.0	947.6	961.4	973.6	981.9	988.1
Edu. and Health Serv.	1,012.2	1,018.9	1,019.4	1,020.1	1,021.9	1,025.8	1,029.0	1,029.0	1,026.4
Leisure and Hospitality	605.1	600.4	596.2	594.0	595.4	598.3	601.5	603.3	603.5
Other Services	248.8	247.9	246.7	246.2	246.8	248.5	250.3	250.8	250.3
Trade, Trans. and Util.	1,219.3	1,215.6	1,215.1	1,215.1	1,215.2	1,216.0	1,215.2	1,210.4	1,203.1
Wholesale	299.5	297.6	297.6	297.5	297.1	296.4	295.4	293.7	291.4
Retail	567.8	562.0	559.9	558.2	556.8	556.1	554.8	551.8	547.8
Trans. and Util.	352.0	356.0	357.6	359.4	361.3	363.5	365.0	364.9	363.8
Financial Activities	396.6	397.2	398.2	399.0	399.3	399.7	399.9	399.4	398.1
Information	93.9	96.1	96.0	96.0	95.9	95.9	95.9	95.7	95.5
Government	853.5	846.4	841.3	837.1	835.5	835.2	835.6	834.9	833.3
Natural Res. and Min.	7.3	7.1	7.0	7.0	6.9	6.9	6.9	6.8	6.8
Unemployment Rate (%)	4.7	5.0	5.3	5.1	4.8	4.6	4.3	4.4	4.6
Personal Income (\$ bil)	988.4	1,027.5	1,066.5	1,101.5	1,139.8	1,181.5	1,224.7	1,268.2	1,310.7
% change	4.4	4.0	3.8	3.3	3.5	3.7	3.7	3.6	3.4
Population (ths)	12,731.8	12,683.8	12,612.5	12,531.4	12,447.3	12,371.8	12,299.1	12,224.4	12,149.1
% change	0.1	-0.4	-0.6	-0.6	-0.7	-0.6	-0.6	-0.6	-0.6
Age: <5	683.1	683.2	680.9	677.1	672.1	666.9	661.3	655.2	648.6
Age: 5-19	2,356.9	2,332.0	2,303.7	2,277.6	2,257.0	2,239.3	2,223.4	2,209.6	2,196.4
Age: 20-24	813.2	805.6	801.6	794.9	783.0	771.8	760.3	746.6	734.5
Age: 25-44	3,401.2	3,378.2	3,345.3	3,311.7	3,279.9	3,247.3	3,217.9	3,190.2	3,158.7
Age: 45-64	3,122.2	3,086.2	3,049.4	3,011.6	2,974.1	2,948.4	2,931.0	2,917.2	2,908.0
Age: >65	2,355.3	2,398.7	2,431.5	2,458.6	2,481.1	2,498.1	2,505.3	2,505.8	2,502.9
Households (ths)	5,014.6	5,002.3	4,980.4	4,956.4	4,934.0	4,917.4	4,902.7	4,886.9	4,868.9
% change	0.2	-0.3	-0.4	-0.5	-0.5	-0.3	-0.3	-0.3	-0.4
Total Residential Permits (#)	21,139.6	24,076.2	23,307.0	21,965.7	20,565.8	19,662.3	18,895.5	17,948.8	16,801.4
% change	4.0	13.9	-3.2	-5.8	-6.4	-4.4	-3.9	-5.0	-6.4
Single-family permits	11,014.1	11,763.9	11,547.6	11,162.4	10,741.9	10,498.0	10,051.7	9,465.8	8,765.0
Multifamily permits	10,125.5	12,312.4	11,759.4	10,803.3	9,823.9	9,164.3	8,843.9	8,483.0	8,036.4

Note: Population data are based on the Census Bureau's 2024 midyear estimates of population.

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COMMISSION OVERVIEW

The Commission on Government Forecasting & Accountability is a bipartisan legislative support service agency responsible for advising the Illinois General Assembly on economic and fiscal policy issues and for providing objective policy research for legislators and legislative staff. The Commission's board is comprised of twelve legislators—split evenly between the House and Senate and between Democrats and Republicans.

The Commission has three internal units—Revenue, Pensions, and Research, each of which has a staff of analysts who analyze policy proposals, legislation, state revenues & expenditures, and benefit programs, and who provide research services to members and staff of the General Assembly. The Commission's staff fulfills the statutory obligations set forth in the Commission on Government Forecasting and Accountability Act (25 ILCS 155/), the State Debt Impact Note Act (25 ILCS 65/), the Illinois Pension Code (40 ILCS 5/), the Pension Impact Note Act (25 ILCS 55/), the State Facilities Closure Act (30 ILCS 608/), the State Employees Group Insurance Act of 1971 (5 ILCS 375/), the Public Safety Employee Benefits Act (820 ILCS 320/), the Legislative Commission Reorganization Act of 1984 (25 ILCS 130/), and the Reports to the Commission on Government Forecasting and Accountability Act (25 ILCS 110/).

- The **Revenue Unit** issues an annual revenue estimate, reports monthly on the state's financial and economic condition, and prepares bill analyses and debt impact notes on proposed legislation having a financial impact on the State. The Unit publishes a number of statutorily mandated reports, as well as on-demand reports, including the *Monthly Briefing* newsletter and annually, the *Budget Summary*, *Capital Plan Analysis*, *Illinois Economic Forecast Report*, *Wagering in Illinois Update*, and *Liabilities of the State Employees' Group Insurance Program*, among others. The Unit's staff also fulfills the agency's obligations set forth in the State Facilities Closure Act.
- The **Pension Unit** prepares pension impact notes on proposed pension legislation and publishes several reports including the *Financial Condition of the Illinois State Retirement Systems*, the *Financial Condition of Illinois Public Pension Systems* and the *Fiscal Analysis of the Downstate Police & Fire Pension Funds in Illinois*. The Unit's staff also fulfills the statutory responsibilities set forth in the Public Safety Employee Benefits Act.
- The **Research Unit** primarily performs research and provides information as may be requested by members of the General Assembly or legislative staffs. Additionally, the Unit maintains a research library and, per statute, collects information concerning state government and the general welfare of the state, examines the effects of constitutional provisions and previously enacted statutes, and considers public policy issues and questions of state-wide interest. The Unit publishes a monthly Grant Alerts report and an Abstracts Report of annual reports or special studies from other state agencies. Other reports include the *Illinois Tax Handbook for Legislators*, *Federal Funds to State Agencies*, *Preface to Lawmaking*, various reports detailing appointments to State Boards and Commissions, the *1970 Illinois Constitution Annotated for Legislators*, the *Roster of Illinois Legislators*, and numerous special topic publications.

The Commission employees approximately 27 full-time employees and may have between 1 and 4 interns depending on the year. The Commission's operating budget totals \$4,514,600. The Commission operates out of a single office located at the address below.

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