Illinois

The GDP of Illinois was estimated at $634 billion in 2008, with 0.25 percent real growth compared to the year before (JP Morgan Chase, 2010). Illinois is home to Chicago, the nation’s third-largest city and the biggest in the Midwest. Traditionally, most of the state’s economic activity is concentrated in this urban powerhouse. Chicago, as well as the rest of the state, has a diverse economy, as evidenced by the state’s largest private employers, which range from financial services to pharmaceutical and insurance companies.

According to the Illinois Department of Employment Security, in 2009 significant wholesale and retail trade companies in Illinois included Wal-Mart, Jewel-Osco, and Walgreens. This indicates the importance of an industry that has increased its postsecondary employment from 32 percent in 1983 to 53 percent in 2008. Long-time Illinois-based companies State Farm Insurance and Caterpillar also employ large numbers, and telecommunications companies such as SBC and Motorola underscore the growing importance of communications technology to all industries.

Illinois’ largest employers show where the jobs are now, but growing companies point to the state’s economic future. Three of Fortune’s 25 fastest-growing companies are based in Illinois, and two of those, SXC Health Solutions (#6), and Allscripts-Misys Healthcare Solutions (#22) develop and apply new technology to healthcare. This high-growth area reflects the need to cut costs and improve quality of care as healthcare needs continue to grow. Developing these state-of-the-art systems will require innovation as well as both medical and technological expertise. Illinois’ workers will require more and more education to compete in the “college economy” that these companies represent.

Illinois’ unemployment rate was 8.8 percent in March 2011, on par with the national average. In addition, the private sector lost 225,000 jobs between 2008 and 2009, making Illinois the Midwestern state with the most private job losses. Due to the collapse of the national housing market, the state’s construction industry took a significant hit, losing an estimated 22,824 jobs in Illinois since 2003 (Economic Information and Analysis Division, 2009). The next biggest layoffs were in the manufacturing, professional and business services, and leisure and hospitality industries.

Manufacturing’s decline did not begin with the recession but was accelerated by it. The industry had been losing jobs between 2001 and 2008 due to a combination of factors, including increased productivity, outsourcing, and higher skill requirements necessary for existing manufacturing jobs.

The retail trade industry was also hit hard by the recession. Mass layoffs, high commodity prices, and tight credit markets combined to reduce household spending and consumer confidence, forcing individuals to reprioritize their spending. The retail sector, in turn, paid the price in jobs.
Although the recession devastated the job picture in certain industries, we do project growth between now and 2018—and jobs will grow fastest for those with postsecondary credentials. Like its Midwestern neighbors, Illinois is expected to witness a significant increase in the proportion of STEM occupations through 2018. Healthcare support; computer and mathematical science occupations; and healthcare professional and technical occupations will grow fastest. We project growth of 29 percent, 28 percent, and 24 percent, respectively.

By 2018, Illinois will have 4.4 million jobs (64 percent of the total) that require some training beyond high school. Between 2008 and 2018, the state is expected to create 2 million openings, both from newly created jobs and retirement from existing positions. Of these vacancies, 1.3 million will be for those with postsecondary credentials, 530,000 for high school graduates, and 203,000 for high school dropouts. New jobs in the state that require postsecondary education and training will grow by 418,000 between 2008 and 2018, while jobs targeting high school graduates and dropouts will grow by only 148,000.

Illinois ranks 13th in the share of its jobs that will require a Bachelor’s degree by 2018, and 24th in jobs for high school dropouts.

**Iowa**

Despite some signs of recovery, Iowa is still fighting to regain its pre-December 2007 levels of economic performance. From December 2007 to September 2010, the state’s unemployment rate has increased steadily, creeping upward from 3.9 percent to 6.8 percent, with private sector job losses totaling 40,000 in 2009. Although that was considerably lower than the national average, it is high for Iowa. In 2009, the number of jobless Iowans was 35,000 higher than during the previous downturn in 2004. By March 2011, however, the state saw promising signs of recovery; the unemployment rate had dipped slightly to 6.1 percent, more than 2 points below the national average of 8.8 percent.

Iowa’s economic output was $136 billion in 2008, with a $28.2 billion contribution from manufacturing. That was the largest share of any industry.