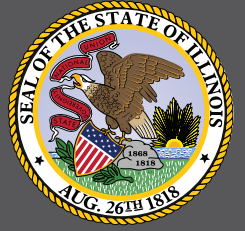


State of Illinois
JB Pritzker, Governor

Department of Employment Security
Kristin Richards, Acting Director



Covid-19's Impact on Illinois' Economic Development Regions



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June 2021

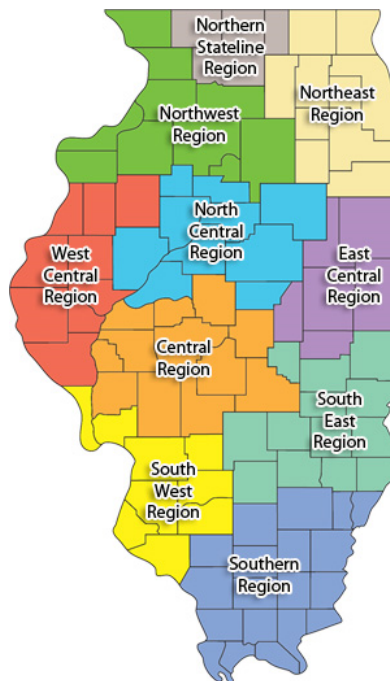
Presented by:
Economic Information and Analysis
Illinois Department of Employment Security



Jobs losses and recovery among Illinois Economic Development Regions during the COVID-19 pandemic

Introduction:

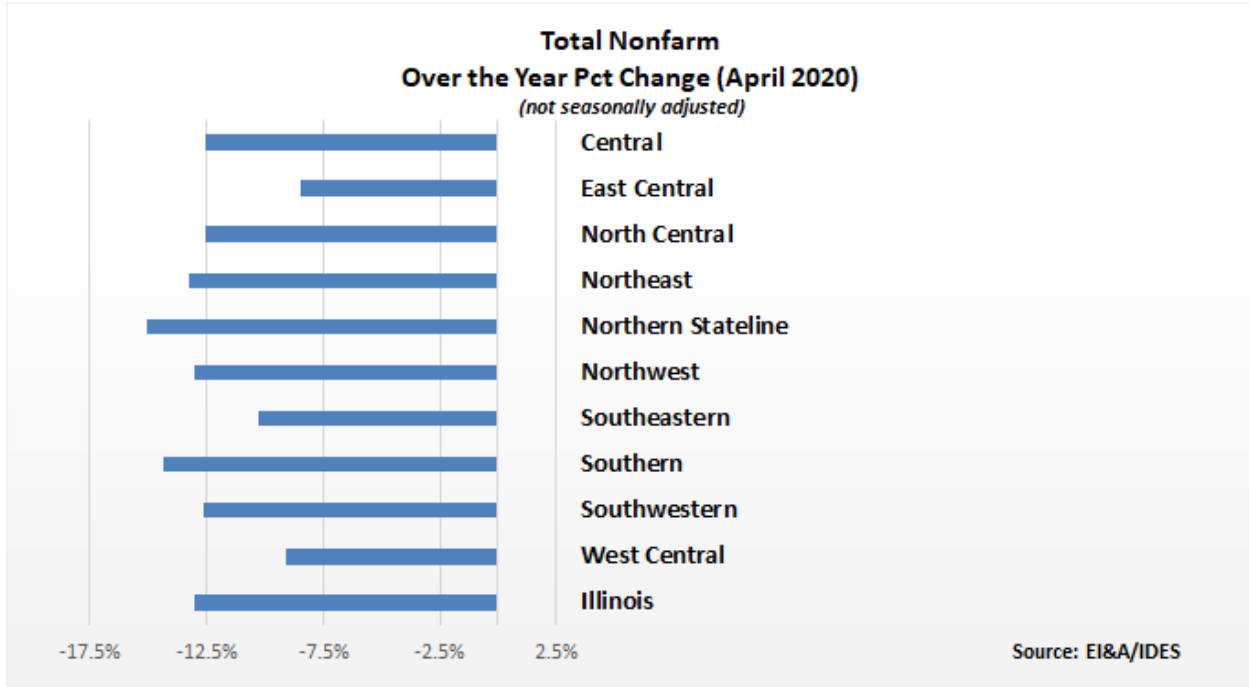
The economic impact of the COVID-19 pandemic was felt across Illinois, both in the Chicago region and in downstate areas. This report will compare job losses at the beginning of the pandemic as well as jobs recovery thus far among the Governor's ten Economic Development Regions (EDRs). The EDR monthly jobs data are not adjusted for seasonal patterns, preventing monthly analysis of economic trends among EDRs and industries. As a result, the comparisons will focus on year-over-year comparisons under two separate time frames. In the first section of the report, we compare over-the-year change in payroll employment for the period covering April 2019-April 2020 in order to describe EDR job losses during the pandemic. Section 2 we review the jobs recovery thus far, focusing on the period from April 2020 compared April 2021. As of this writing, April 2021 is the latest month for which these data are available.



Job losses at the start of the pandemic

April 2020 is the month that the EDR payroll employment series had the largest over-the-year percent decline during the pandemic. Chart 1 below describes over-the-year change in total nonfarm jobs (April 2020 compared to April 2019) in each of the EDRs and Illinois.

Chart 1:



Of the Economic Development Regions, Northern Stateline (-15.0%) had the largest over-the-year drop in April 2020, followed by Southern (-14.4%), and Northeast (-13.3%). These were also the three EDRs that saw larger declines than did the state of Illinois as a whole. Illinois had an over-the-year drop of -13.0%. The Northwest region also had an over-the-year decrease of -13.0%.

From a historic perspective going back to the start of the EDR series in 2000, all 10 EDRs set a record low level of employment for the month of April in 2020.

To further our analysis, we will examine in greater detail how the major sectors performed over the April 2019 to April 2020 timeframe in Illinois (Chart 2).

Chart 2:

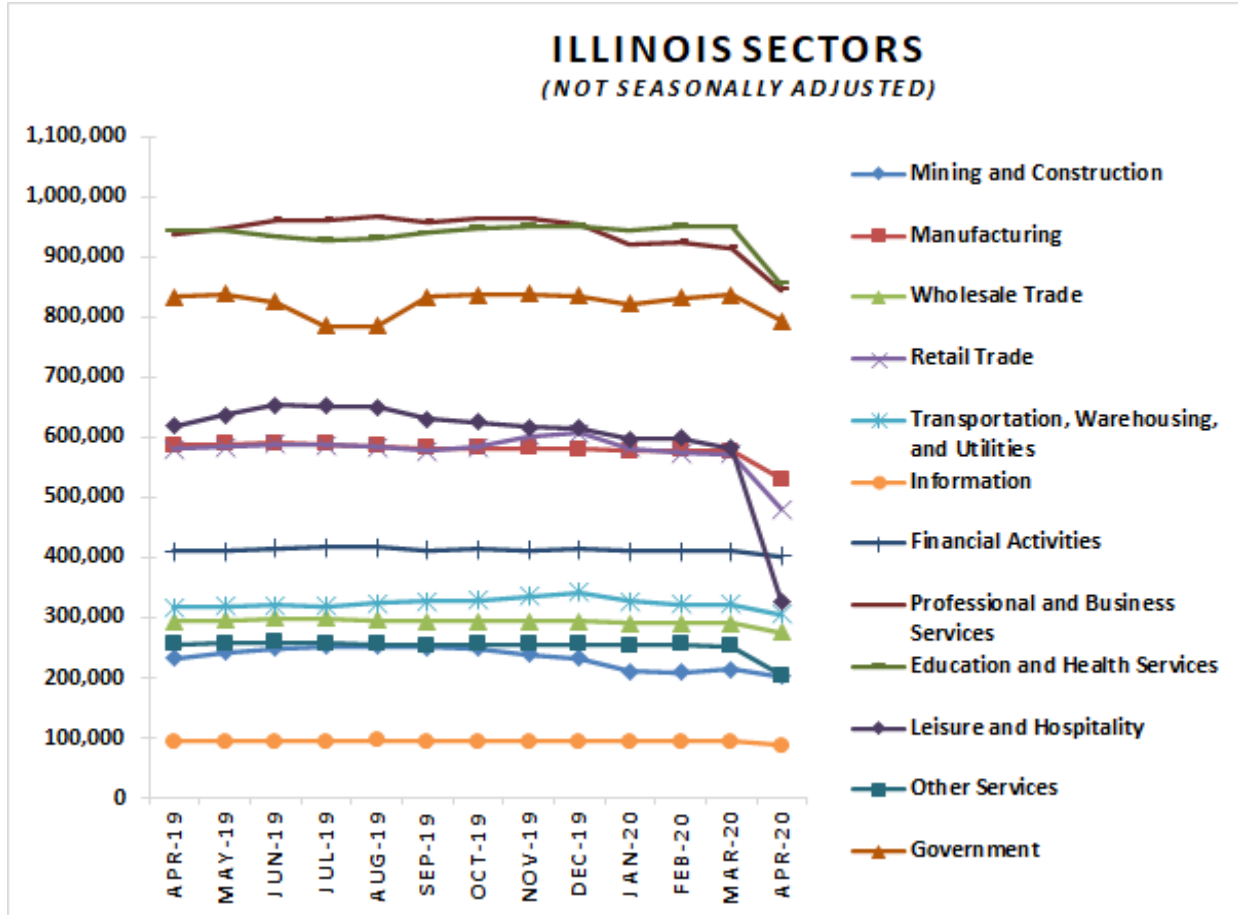
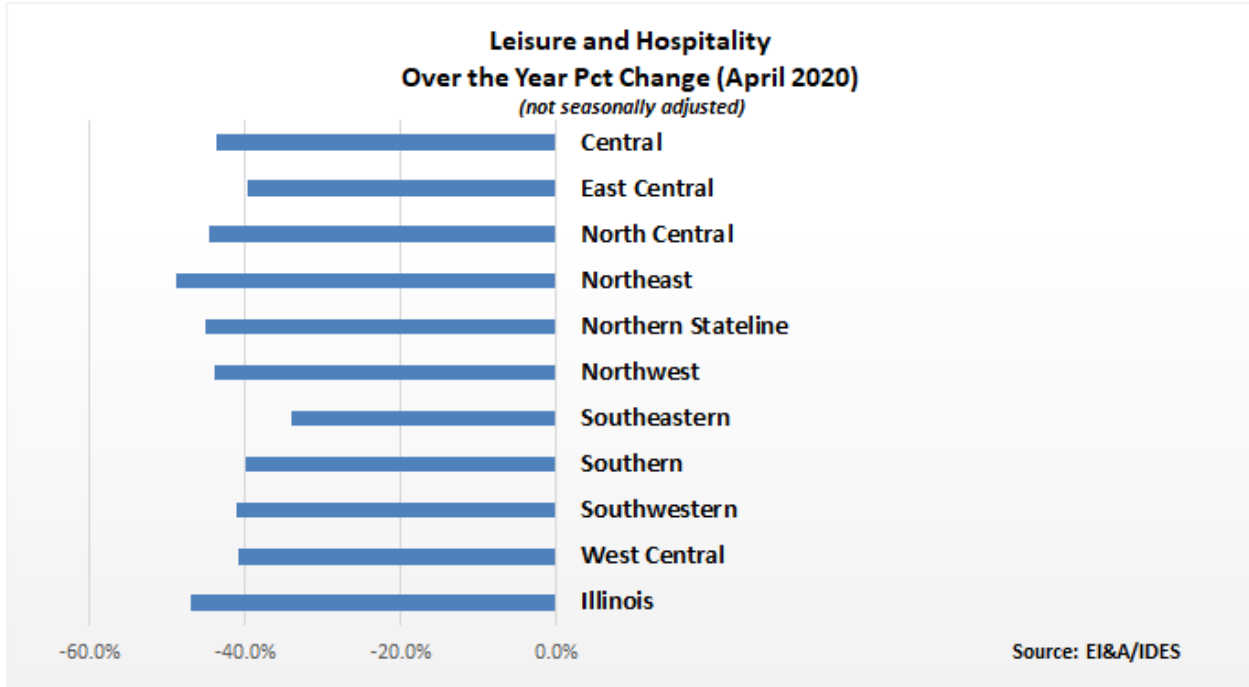


Chart 2 plots the jobs counts in each of these major industry sectors across the twelve-month time frame. As evidenced by the dramatic drop from February thru April, the sector with the largest over-the-year decline was Leisure and Hospitality. Chart 3 below compares the over-the-year change in Leisure and Hospitality (April 2020 compared to April 2019) in each of the EDRs and Illinois.

Chart 3:



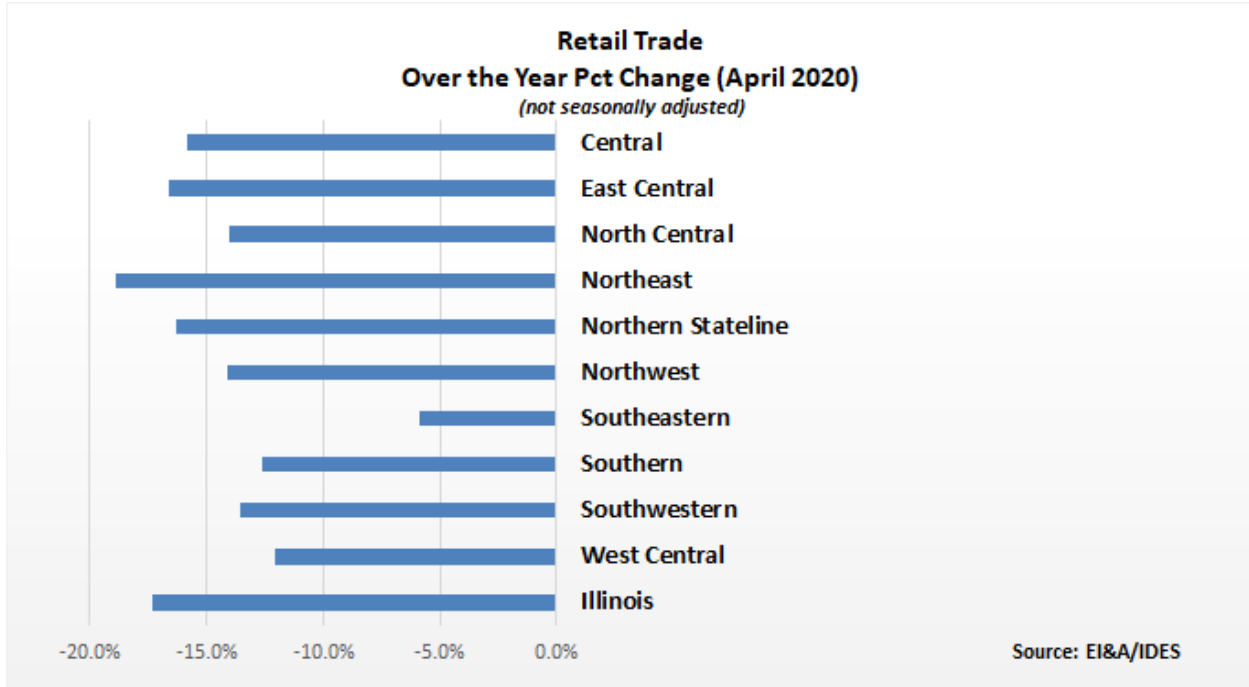
The Northeast region (-48.9%) had the largest jobs decline in this sector, followed by Northern Stateline (-45.1%) and North Central (-44.7%). Illinois had an over-the-year drop of -47.1% in Leisure and Hospitality.

Looking at the EDR Leisure and Hospitality series historically back to 2000, all 10 EDRs set a record low level of employment for the month of April in 2020.

Referring back to Chart 2, the next three job losing sectors were Retail Trade, Professional and Business Services, and Education and Health Services.

Looking at the Retail Trade sector, all ten EDRs had job losses (Chart 4).

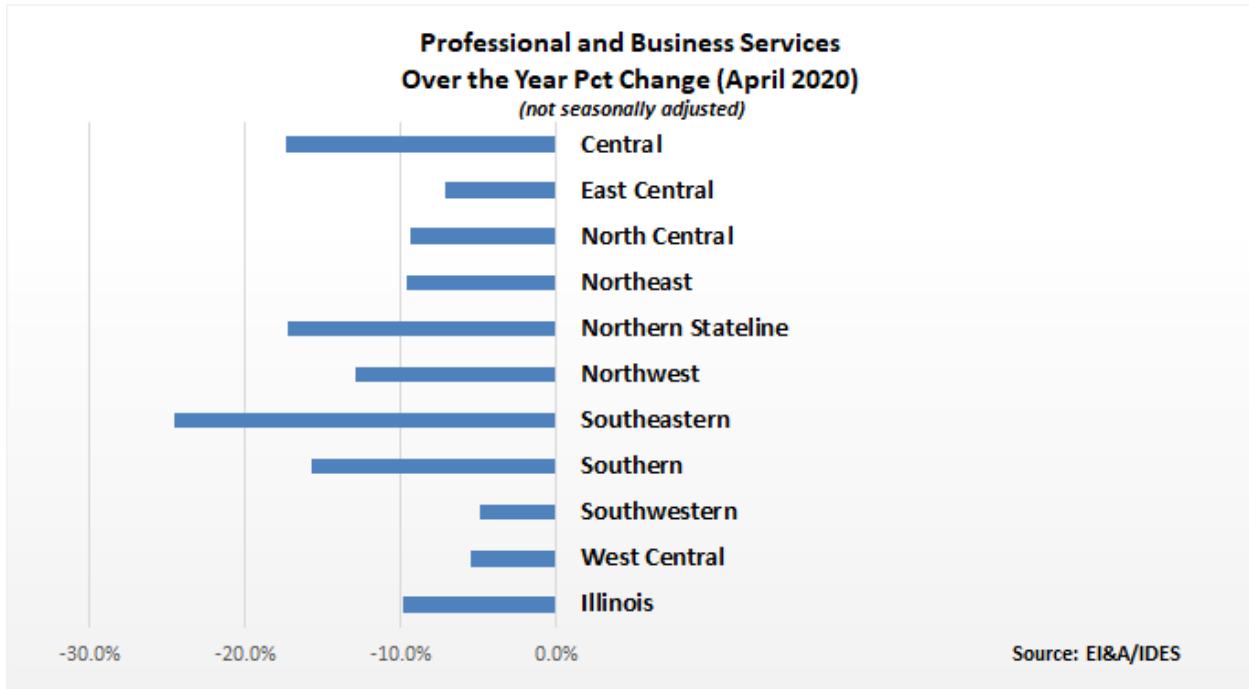
Chart 4:



The largest decreases occurred in the Northeast (-18.9%), East Central (-16.6%), and Northern Stateline (-16.3%) regions. Northeast had a larger percent decrease than did Illinois in Retail Trade: Illinois had an over-the-year drop of -17.3% in Retail Trade.

Next, we will look at the Professional and Business Services sector. Again, ten EDRs had decreases (Chart 5).

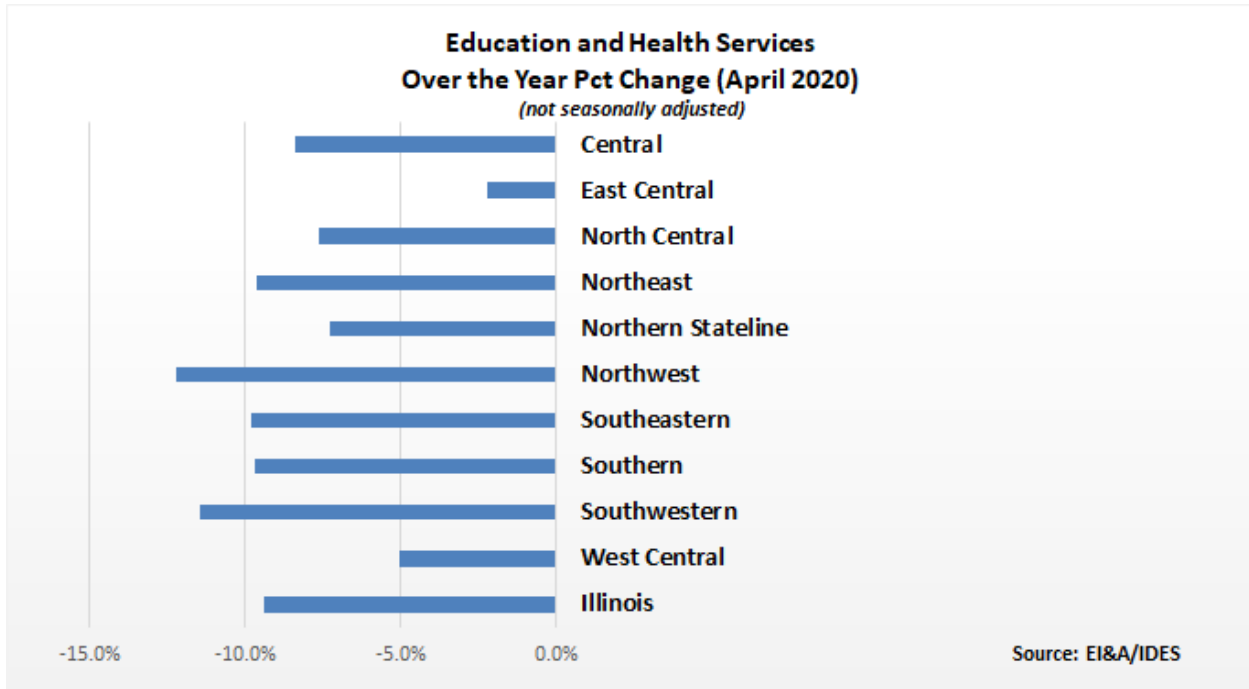
Chart 5:



The largest declines came from the Southeastern (-24.6%), Central (-17.4%), and Northern Stateline (-17.2%) regions. These regions all had larger declines than did the State overall, along with the Southern (-15.7%) and Northwest (-12.9%) regions. Illinois had an over-the-year drop of -9.9% in Professional and Business Services.

The next sector we will examine is Education and Health Services (Chart 6).

Chart 6.

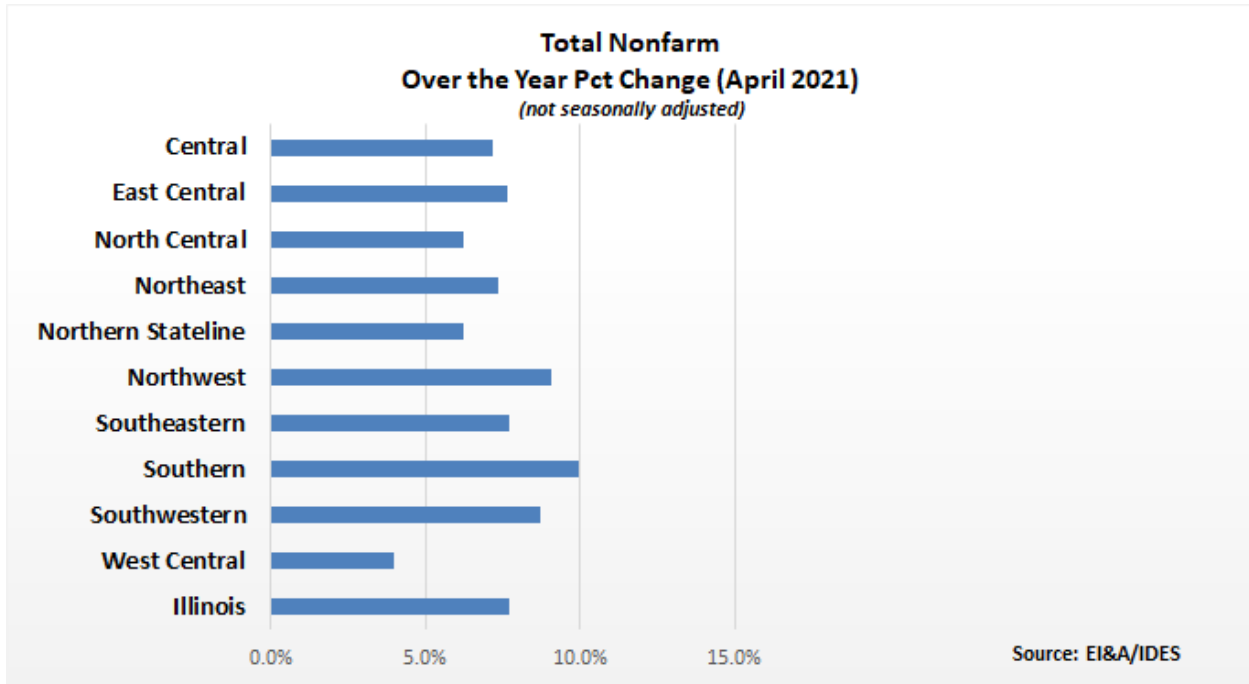


In the Education and Health Services sector, the largest declines came from the Northwest (-12.3%), Southwestern (-11.5%), and Southeastern (-9.8%) regions. These regions all had larger declines than Illinois, along with the Southern (-9.7%) and Northeast (-9.6%) regions. Illinois had an over-the-year drop of -9.4% in Education and Health Services.

The beginning of the jobs recovery during the pandemic

April 2021 was the first month of jobs recovery during the pandemic when all ten EDRs and the State reported over-the-year gains in total nonfarm jobs (Chart 7).

Chart 7.

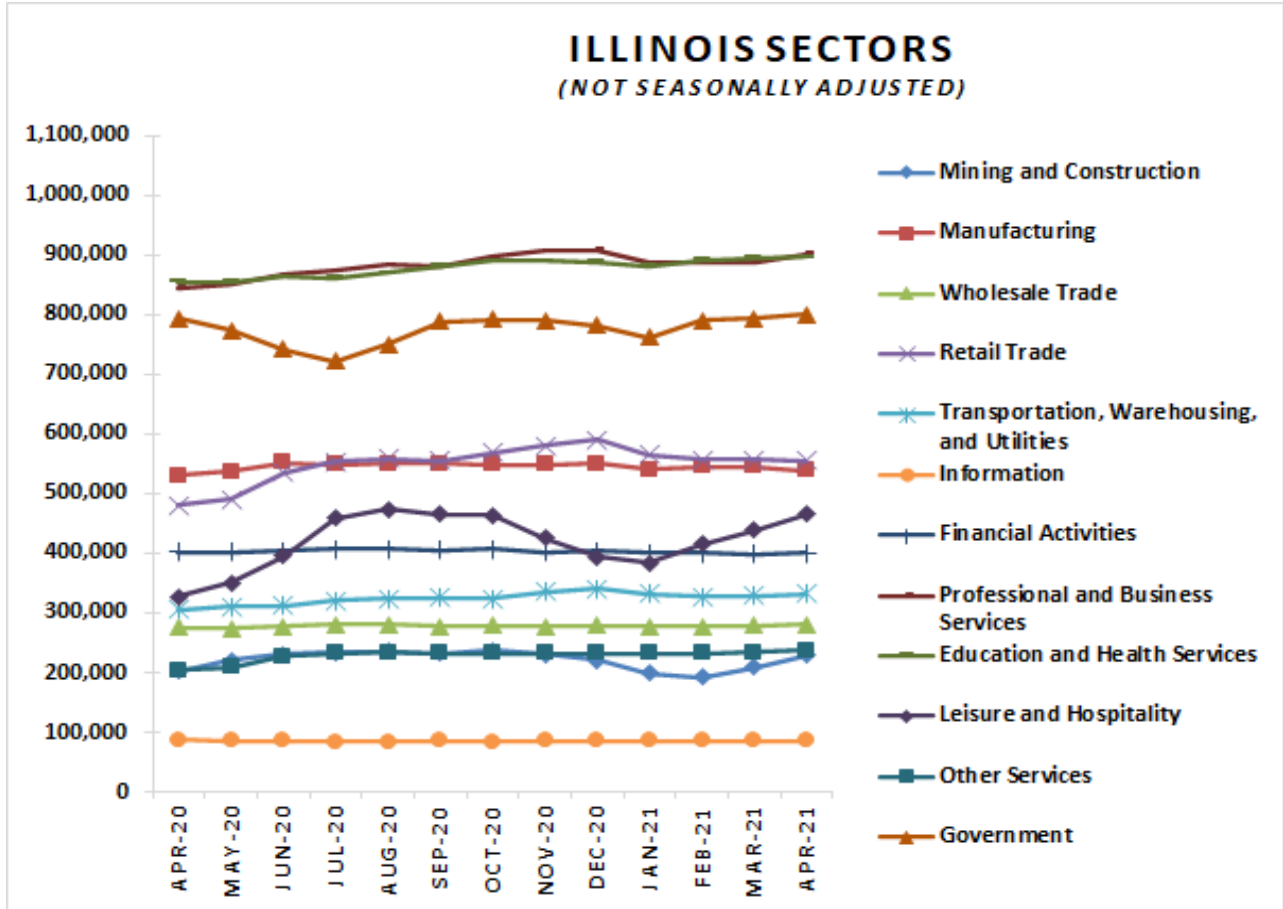


All ten Economic Development Regions had over-the-year increases in April 2021. The regions where the largest gains occurred were Southern (+10.0%), Northwest (+9.0%), and Southwestern (+8.7%). These were the three regions with gains larger than Illinois. Illinois had an over-the-year increase of +7.7%. East Central and Southeastern also had +7.7% over-the-year increases.

From a historic perspective, 2021 still had the second lowest level of employment for the month of April in seven of the ten EDRs. The three exceptions were East Central (April 2011), Northeast (April 2010), and Southeastern regions (April 2013).

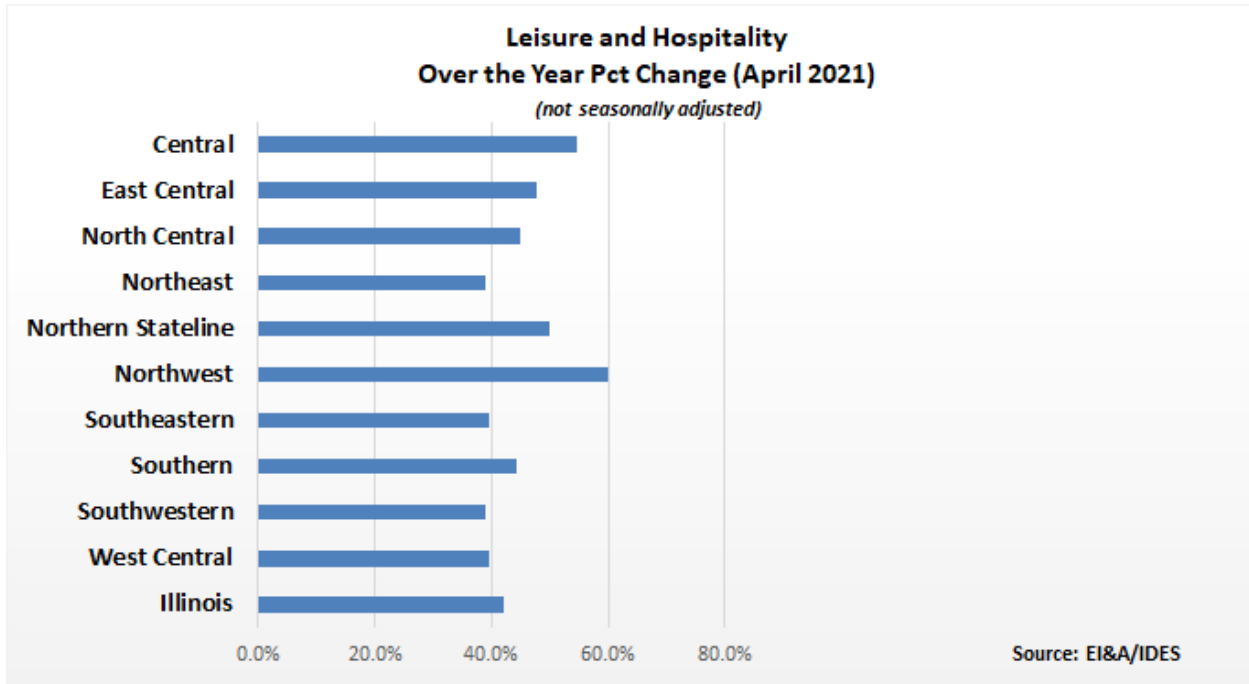
For an examination in greater detail, we plot how the major sectors performed over the April 2020 to April 2021 timeframe in Illinois (Chart 8).

Chart 8.



We will start with the Leisure and Hospitality sector, looking at the over-the-year change (April 2021 compared to April 2020) in each of the EDRs and Illinois. All 10 EDRs experienced over-the-year increases in April 2021 (Chart 9).

Chart 9.

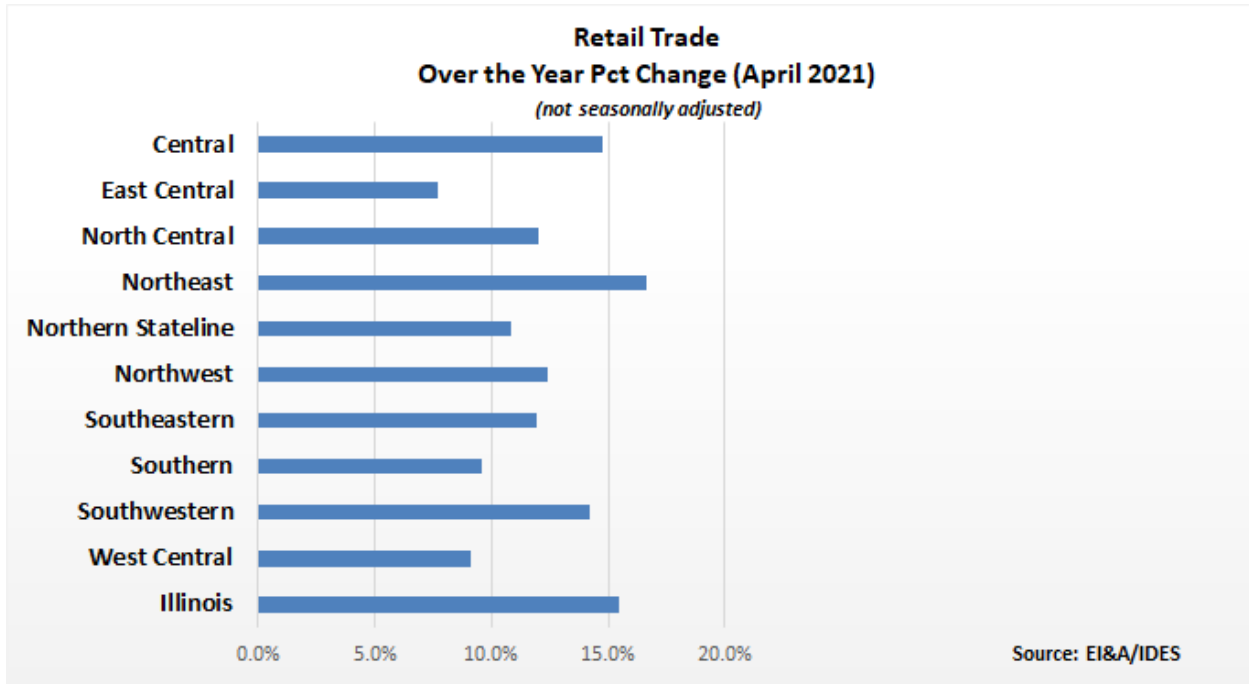


The Northwest (+60.0%), Central (+54.8%), and Northern Stateline (+50.0%) regions had the largest gains. Illinois was up 42.2% over-the-year in April 2021. The other regions with larger increases than Illinois were East Central (+47.7%), North Central (44.8%), and Southern (+44.4%) regions.

Looking at the series historically back to 2000, Leisure and Hospitality in 2021 had the second lowest level of employment for the month of April in seven of ten EDRs. The three exceptions were East Central (April 2009), Northern Stateline (April 2003), and Southeastern (April 2013) regions.

Retail Trade also saw jobs return in April 2021 with over-the-year increases in all the EDRs and Illinois (Chart 10).

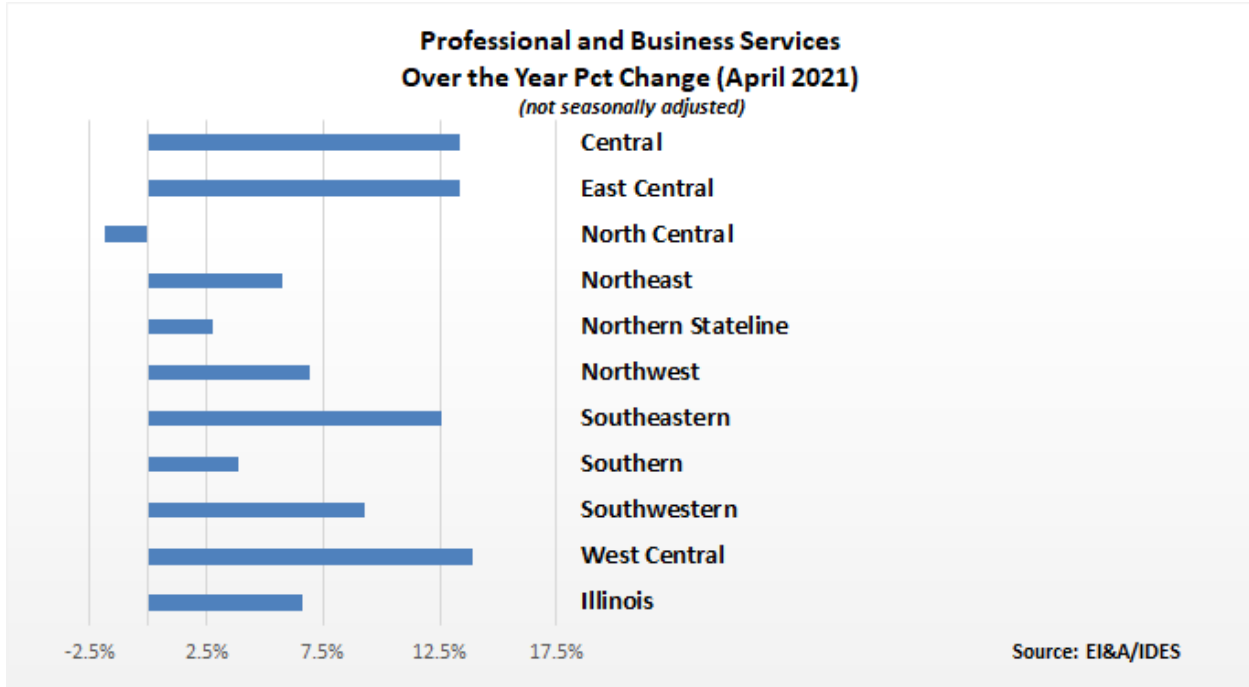
Chart 10.



The largest Retail Trade over-the-year gains occurred in the Northeast (+16.6%), Central (+14.8%), and Southwestern (+14.2%) regions. Northeast had a larger increase than did Illinois overall. Illinois was up 15.5% over-the-year in April 2021.

Professional and Business Services had over-the-year gains in nine of the ten EDRs and Illinois (Chart 11).

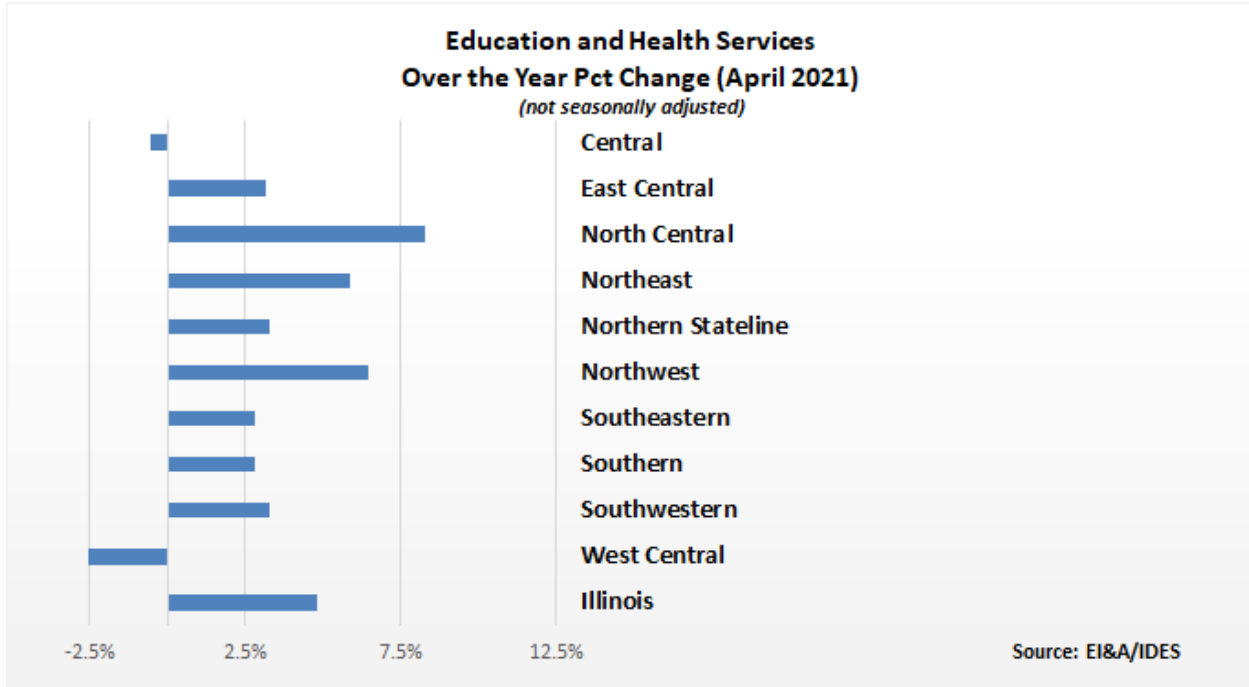
Chart 11.



The largest gains occurred in West Central (+13.9%), Central (+13.4%), and East Central (+13.3%) regions. These regions all had larger percent increases than did Illinois, along with Southeastern (+12.6%), Southwestern (+9.3%), and Northwest (+6.9%). Illinois had a +6.6% over-the-year gain. North Central had an over-the-year decrease of -1.9%.

In April 2021, Education and Health Services showed over-the-year gains in eight of the ten EDRs and Illinois (Chart 12).

Chart 12.



In Education and Health Services, the largest increases came in the North Central (+8.2%), Northwest (+6.4%), and Northeast (+5.9%) regions. These were also the regions that had larger percent gains than Illinois. Illinois had an over-the-year increase of +4.8% in April 2021. West Central (-3.7%) and Central (-0.6%) regions had over-the-year declines.