



Commission on Government Forecasting and Accountability

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MONTHLY BRIEFING

For the Month Ended: JUNE 2024

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CGFA

COMMISSION ON GOVERNMENT
FORECASTING & ACCOUNTABILITY

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General Funds Receipts Fall in June as Expected – FY 2024 Final Total Hits CGFA Forecast of \$52.6 B

Eric Noggle, Revenue Manager

The final month of receipts for FY 2024 was completed in June with mixed results. As anticipated, total General Funds receipts fell sharply this month as compared to last June for an overall decline of \$1.531 billion. The substantial drop is because last June's total included \$1.663 billion in one-time revenues from pandemic-related federal funds. Removing these federal receipts from the equation, receipts in June actually rose \$132 million above last June's levels for a base increase of 2.8%.

The largest revenue gain came from the Personal Income Tax, which rose \$375 million or +16.6%. On a net basis, the increase was \$314 million or +16.3%. Again, aiding this revenue source's totals was the fifth of five "true-up" deposits reallocating approximately \$115 million in business-related tax receipts through personal income tax distributions this month. But even without these true-up dollars, it was a solid month for these tax receipts.

The Corporate Income Tax, on the other hand, fell \$131 million in June, a decline of -11.6%. On a net basis, these receipts fell \$99 million or -11.0%. However, approximately \$52 million of this decline is attributable to the true-up reallocation away from this revenue source, so the drop-off here is not as extensive as it first appears.

Sales Tax receipts also fell in June with a year-over-year monthly decrease of \$46 million or -4.5%. When adjusting out

distributions to the Road Fund and certain transportation funds, a net decline of \$54 million results. Two less receipting days in June likely contributed to this decline.

Receipts from All Other State Sources combined to grow \$40 million. The positive gain for this month was primarily due to a \$114 million increase in revenues from Other Sources caused by a notable rise in the amount received from the Build Illinois Escrow Account. The only other revenue source from this category with a positive gain this month was the Inheritance Tax with a mere \$1 million increase. The category's largest decline came from Insurance Taxes and Fees with a decrease of \$24 million (though this source was up \$41 million in May). After experiencing sizeable gains throughout much of the year, Interest on State Funds & Investments stumbled in June falling \$23 million. Other sources with declines include the Cigarette Tax [-\$11 million]; the Corporate Franchise Tax [-\$9 million]; Public Utility Taxes [-\$7 million] and the Liquor Tax [-\$1 million]. Again, two less receipting days as compared to last June likely contributed to these declines.

It was a mixed month for Transfers In. While Gaming Transfers did rise \$5 million in June, this increase was counterbalanced by a \$5 million drop in Lottery Transfers. Cannabis Transfers were effectively flat for the month. Other Transfers were \$43 million behind last June's total, thereby accounting for all of the monthly decline for total transfers in June.

From a base perspective, Federal Sources slipped somewhat in June, falling \$26 million. However, as noted in the opening paragraph, when including the \$1.663 billion in federal aid that the State received in June of 2023 that did not repeat in 2024, the comparable change in total federal source revenues plummets to a falloff of \$1.689 billion. As discussed throughout the fiscal year, this substantial decline was anticipated in all recent FY 2024 projections, including the enacted FY 2024 budget. Therefore, June's overall \$1.531 billion year-over-year decline, caused by this falloff in federal funds, was not surprising.

<i>Summary of Receipts</i>				
JUNE				
<i>FY 2023 vs. FY 2024</i>				
<i>(\$ millions)</i>				
Revenue Sources	June FY 2023	June FY 2024	\$ CHANGE	% CHANGE
Net Personal Income Tax	\$1,922	\$2,236	\$314	16.3%
Net Corporate Income Tax	\$902	\$803	(\$99)	-11.0%
Net Sales Tax	\$923	\$869	(\$54)	-5.9%
All Other State Sources	\$531	\$571	\$40	7.5%
Transfers In	\$199	\$156	(\$43)	-21.6%
Federal Sources [base]	\$237	\$211	(\$26)	-11.0%
Base General Funds	\$4,714	\$4,846	\$132	2.8%
<i>Non-Base Gen Funds Revenues</i>	\$1,663	\$0	(\$1,663)	N/A
Total General Funds	\$6,377	\$4,846	(\$1,531)	-24.0%

CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding

1-Jul-24

JUNE

FY 2023 vs. FY 2024

(\$ millions)

Revenue Sources	June FY 2023	June FY 2024	\$ CHANGE	% CHANGE
State Taxes				
Personal Income Tax	\$2,257	\$2,632	\$375	16.6%
Corporate Income Tax (regular)	1,133	1,002	(131)	-11.6%
Sales Taxes	1,028	982	(46)	-4.5%
Public Utility Taxes (regular)	59	52	(7)	-11.9%
Cigarette Tax	26	15	(11)	-42.3%
Liquor Gallonage Taxes	15	14	(1)	-6.7%
Inheritance Tax	46	47	1	2.2%
Insurance Taxes and Fees	79	55	(24)	-30.4%
Corporate Franchise Tax & Fees	20	11	(9)	-45.0%
Interest on State Funds & Investments	64	41	(23)	-35.9%
Cook County IGT	0	0	0	N/A
Other Sources	222	336	114	51.4%
Total State Taxes	\$4,949	\$5,187	\$238	4.8%
Transfers In				
Lottery	\$65	\$60	(\$5)	-7.7%
Gaming	12	17	5	41.7%
Cannabis	9	9	0	0.0%
Refund Fund	0	0	0	N/A
Other	113	70	(43)	-38.1%
Total Transfers In	\$199	\$156	(\$43)	-21.6%
Total State Sources	\$5,148	\$5,343	\$195	3.8%
Federal Sources [base]	\$237	\$211	(\$26)	-11.0%
Total Federal & State Sources	\$5,385	\$5,554	\$169	3.1%
Nongeneral Funds Distributions/Direct Receipts:				
Refund Fund				
Personal Income Tax	(\$209)	(\$241)	(\$32)	15.3%
Corporate Income Tax	(165)	(140)	25	-15.2%
Local Government Distributive Fund				
Personal Income Tax	(126)	(155)	(29)	23.0%
Corporate Income Tax	(66)	(59)	7	-10.6%
Sales Tax Distributions				
Deposits into Road Fund	(37)	(43)	(6)	16.2%
Distribution to the PTF and DPTF	(68)	(70)	(2)	2.9%
General Funds Subtotal [Base]	\$4,714	\$4,846	\$132	2.8%
Transfer of Excess PA 102-700 Funds to GRF	\$0	\$0	\$0	N/A
Prior Year Federal Matching Funds	\$0	\$0	\$0	N/A
ARPA Reimb. for Essential Gov't Services	\$300	\$0	(\$300)	N/A
SLFRF Allocation Transfer	\$1,363	\$0	(\$1,363)	N/A
Total General Funds	\$6,377	\$4,846	(\$1,531)	-24.0%

CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding

1-Jul-24

FY 2024 Final Totals and Revenue Recap

Incorporating June's figures, FY 2024 finished the year with a General Funds total of \$52.589 billion. This total is nearly identical to the Commission's most recent forecast of \$52.590 billion released in March. The FY 2024 total is \$545 million below the FY 2023 total of \$53.134 billion for a final year-over-year decline of -1.0%.

From a base perspective, however, revenues in FY 2024 were approximately \$1.001 billion above FY 2023 levels, a difference of +2.0%. This calculation comes from removing the \$2.427 billion in one-time federal aid that was receipted in FY 2023, while also removing the \$881 million in one-time revenues received in FY 2024 (\$633 million from prior year federal matching funds and \$248 million in transfers from excess P.A. 102-700 funding).

The largest generator of revenues continues to come from the Personal Income Tax. The FY 2024 total of \$30.134 billion is \$2.245 billion above FY 2023 levels for an annual percentage growth value of +8.0%. On a net basis, when subtracting out distributions to the Refund Fund and the Local Government Distributive Fund, the net growth was \$1.855 billion or +7.8%. This growth was aided by approximately \$1.077 billion in business-related income tax revenues being reallocated towards the Personal Income Tax distributions in FY 2024 as part of the Department of Revenue's annual "true-up" process.

While the Personal Income Tax performed quite well, Corporate Income Tax receipts receded in FY 2024. The fiscal year total of \$6.525 billion is \$793 million less than the amount received in FY 2023, a decline of -10.8%. The net difference is a decline of \$601 million or -10.3%. Part of this decline, however, is due to the negative impact of the "true-up" on Corporate Income Tax distributions, lowering FY 2024's total by approximately \$259 million. Still, even accounting for the impact of these reallocations, the Corporate Income Tax would have still trailed FY 2023's revenue total, but to a lesser extent.

After two years of above-average growth coming out of the pandemic, Sales Tax revenues slowed in FY 2024, but still managed positive growth of approximately \$121 million or +1.0%. On a net basis, when removing the growing distributions to the Road Fund and certain transportation funds, Sales Tax net receipts grew a mere \$14 million, a difference of only +0.1%.

In terms of the remaining State Sources, revenues were a combined \$340 million above last year's levels. The largest increase came from Interest on State Funds & Investments which benefitted from higher interest rates throughout much of the fiscal year to rise \$247 million in FY 2024. Also completing a strong fiscal year was the Inheritance Tax (Estate Tax) with an annual gain of \$124 million. In addition, revenues from Other Sources grew \$87 million for the fiscal year. These revenue gains were offset somewhat by lower tax receipts from Public Utility Taxes [-\$56 million]; the Cigarette Tax [-\$31 million]; the Corporate Franchise Tax [-\$23 million]; Insurance Taxes [-\$6 million]; and the Liquor Tax [-\$2 million].

In the category of Transfers In, the results were mixed. Lottery Transfers had a solid year with growth of \$151 million in FY 2024. Other Transfers increased \$73 million while Cannabis Transfers eked out a gain of \$3 million. Gaming Transfers only managed growth of \$1 million, despite the recent expansion of casinos throughout the State. However, these gains were easily offset by the \$926 million reduction in the Income Tax Refund Fund Transfer. In total, Transfers In were \$698 million short of FY 2023's levels. It should be noted that this total does not include the combined \$248 million in one-time transfers that the State received from excess P.A. 102-700 funds (related to prior year rebates and the suspension of the sales tax on groceries). If included, the overall change in transfers would improve to a year-over-year decline of \$450 million.

Federal Sources, from a base perspective, rose \$91 million in FY 2024, a modest gain of 2.4%. However, when including the aforementioned \$2.427 billion in one-time pandemic-related funds from FY 2023 and the \$633 million in FY 2024 funds from prior year federal matching, Federal Sources fell a net \$1.703 billion in FY 2024.

<i>Summary of Receipts</i>				
GENERAL FUNDS RECEIPTS: YEAR END				
<i>FY 2023 vs. FY 2024</i>				
<i>(\$ millions)</i>				
	<u>FY 2023</u>	<u>FY 2024</u>	<u>\$</u> <u>CHANGE</u>	<u>%</u> <u>CHANGE</u>
Federal Sources [base]				
Net Personal Income Tax	\$23,750	\$25,605	\$1,855	7.8%
Net Corporate Income Tax	\$5,828	\$5,227	(\$601)	-10.3%
Net Sales Tax	\$10,451	\$10,465	\$14	0.1%
All Other State Sources	\$3,628	\$3,968	\$340	9.4%
Transfers In	\$3,248	\$2,550	(\$698)	-21.5%
Federal Sources [base]	\$3,802	\$3,893	\$91	2.4%
Base General Funds	\$50,707	\$51,708	\$1,001	2.0%
<i>Transfer of Excess PA 102-700 Funds to GRF</i>	\$0	\$248	\$248	N/A
<i>Prior Year Federal Matching Funds</i>	\$0	\$633	\$633	N/A
<i>ARPA Reimb. for Essential Gov't Services</i>	\$1,064	\$0	(\$1,064)	N/A
<i>SLFRF Allocation Transfer</i>	\$1,363	\$0	(\$1,363)	N/A
Total General Funds	\$53,134	\$52,589	(\$545)	-1.0%
Total Federal Sources (incl. ARPA & SLFRF)				1-Jul-24

GENERAL FUNDS RECEIPTS: YEAR END

FY 2023 vs. FY 2024

(\$ millions)

<u>Revenue Sources</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>\$</u> <u>CHANGE</u>	<u>%</u> <u>CHANGE</u>
State Taxes				
Personal Income Tax	\$27,889	\$30,134	\$2,245	8.0%
Corporate Income Tax (regular)	7,318	6,525	(793)	-10.8%
Sales Taxes	11,589	11,710	121	1.0%
Public Utility Taxes (regular)	751	695	(56)	-7.5%
Cigarette Tax	235	204	(31)	-13.2%
Liquor Gallonage Taxes	181	179	(2)	-1.1%
Inheritance Tax	503	627	124	24.7%
Insurance Taxes and Fees	492	486	(6)	-1.2%
Corporate Franchise Tax & Fees	225	202	(23)	-10.2%
Interest on State Funds & Investments	407	654	247	60.7%
Cook County IGT	244	244	0	0.0%
Other Sources	590	677	87	14.7%
Total State Taxes	\$50,424	\$52,337	\$1,913	3.8%
Transfers In				
Lottery	\$726	\$877	\$151	20.8%
Gaming	157	158	1	0.6%
Cannabis	111	114	3	2.7%
Refund Fund	1,481	555	(926)	-62.5%
Other	773	846	73	9.4%
Total Transfers In	\$3,248	\$2,550	(\$698)	-21.5%
Total State Sources	\$53,672	\$54,887	\$1,215	2.3%
Federal Sources [base]	\$3,802	\$3,893	\$91	2.4%
Total Federal & State Sources	\$57,474	\$58,780	\$1,306	2.3%
Nongeneral Funds Distributions/Direct Receipts:				
Refund Fund				
Personal Income Tax	(\$2,580)	(\$2,758)	(\$178)	6.9%
Corporate Income Tax	(1,062)	(914)	148	-13.9%
Local Government Distributive Fund				
Personal Income Tax	(1,559)	(1,771)	(212)	13.6%
Corporate Income Tax	(429)	(384)	45	-10.4%
Sales Tax Distributions				
Deposits into Road Fund	(484)	(570)	(86)	17.8%
Distribution to the PTF and DPTF	(654)	(675)	(21)	3.2%
General Funds Subtotal [Base]	\$50,707	\$51,708	\$1,001	2.0%
Transfer of Excess PA 102-700 Funds to GRF	\$0	\$248	\$248	N/A
Prior Year Federal Matching Funds	\$0	\$633	\$633	N/A
ARPA Reimb. for Essential Gov't Services	\$1,064	\$0	(\$1,064)	N/A
SLFRF Allocation Transfer	\$1,363	\$0	(\$1,363)	N/A
Total General Funds	\$53,134	\$52,589	(\$545)	-1.0%

CGFA SOURCE: Office of the Comptroller: Some totals may not equal, due to rounding

1-Jul-24

Review of FY 2024 Revenue Estimates vs. Actuals

The original budget for FY 2024 was enacted with an assumed revenue total of \$50.611 billion. After the first half of the fiscal year was completed, there were several factors that led to both CGFA and GOMB revising up their revenue projections for FY 2024. These factors included: the Income Tax Refund Fund Transfer being \$255 million above original estimates; \$633 million in one-time revenues from prior year federal matching funds not assumed in the original budget; \$248 million in one-time transfers from excess P.A. 102-700 funds not assumed in the original budget; strong year-to-date gains from Interest Income and the Inheritance Tax.

In response to these factors, CGFA in March released an updated FY 2024 revenue projection of \$52.590 billion. In most years, the Commission would have provided a revised estimate in May following the important tax revenue month of April. Upon review of its March forecast, while the Commission acknowledged that some adjustments (both positive and negative) to individual revenue lines was warranted, it was felt that no official revision was necessary as the bottom-line revenue projection total would not be significantly different than the March forecast (See p. 15 of April Monthly). This proved to be the case. As shown in the table below (and on the following page) **the FY 2024 actual total of \$52.589 billion is only \$1 million different than the Commission's March forecast.** While the Commission was a little too bullish in its March projections for revenues from income and sales taxes, these shortfalls were nearly completely offset by improved revenues from All Other State Sources, Transfers In, and Federal Sources.

In February 2024, in reaction to the factors mentioned above, GOMB increased their FY 2024 forecast to \$52.216 billion. In May, they further increased their estimate by an additional \$250 million to \$52.466 billion. As shown in the table below and on the following page, this revised total is \$123 million below the FY 2024 actual of \$52.590 billion, a difference of only 0.2%. In the end, it was a strong showing by both CGFA and GOMB in their projections for General Funds revenues in FY 2024.

FY 2024 General Funds Actuals vs. Most Recent Official Estimates of CGFA and GOMB

(\$ millions)

	FY 2024 <u>ACTUALS</u>	FY 2024 CGFA Revised <u>March '24</u>	Difference from <u>Actuals</u>	FY 2024 GOMB Revised <u>May '24</u>	Difference from <u>Actuals</u>
Revenue Sources					
Personal Income Taxes [Net]	\$25,605	\$25,711	\$106	\$25,541	(\$64)
Corporate Income Taxes [Net]	\$5,226	\$5,383	\$157	\$5,169	(\$57)
Sales Tax [Net]	\$10,465	\$10,487	\$22	\$10,516	\$51
All Other State Sources	\$3,968	\$3,912	(\$56)	\$3,986	\$18
Transfers In	\$2,550	\$2,542	(\$8)	\$2,517	(\$33)
Federal Sources [Base]	\$3,893	\$3,675	(\$218)	\$3,855	(\$38)
General Funds Subtotal [Base]	\$51,708	\$51,709	\$1	\$51,585	(\$123)
Transfer of Excess P.A. 102-700 Funds to GRF	\$248	\$248	\$0	\$248	\$0
Prior Year Federal Matching Funds	\$633	\$633	\$0	\$633	\$0
Total General Funds Revenues	\$52,589	\$52,590	\$1	\$52,466	(\$123)

Note: Some totals may not equal, due to rounding.

FY 2024 General Funds Actuals vs. Most Recent Official Estimates of CGFA and GOMB

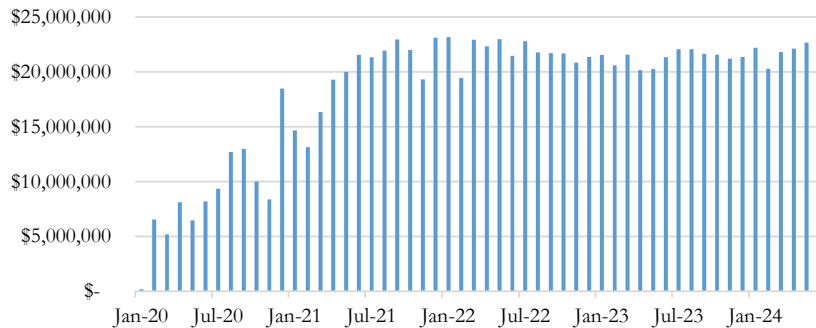
(\$ millions)

	FY 2024 ACTUALS	FY 2024 CGFA Revised March '24	Difference from Actuals	FY 2024 GOMB Revised May '24	Difference from Actuals
Revenue Sources					
State Taxes					
Personal Income Tax	\$30,134	\$30,258	\$124	\$30,058	(\$76)
Corporate Income Tax (regular)	\$6,525	\$6,720	\$195	\$6,453	(\$72)
Sales Taxes	\$11,710	\$11,752	\$42	\$11,757	\$47
Public Utility (regular)	\$695	\$700	\$5	\$700	\$5
Cigarette Tax	\$204	\$211	\$7	\$205	\$1
Liquor Gallonage Taxes	\$179	\$180	\$1	\$184	\$5
Inheritance Tax	\$627	\$590	(\$37)	\$628	\$1
Insurance Taxes & Fees	\$486	\$487	\$1	\$514	\$28
Corporate Franchise Tax & Fees	\$202	\$210	\$8	\$218	\$16
Interest on State Funds & Investments	\$654	\$650	(\$4)	\$640	(\$14)
Cook County Intergovernmental Transfer	\$244	\$244	\$0	\$244	\$0
Other Sources	\$677	\$640	(\$37)	\$653	(\$24)
Total State Taxes	\$52,337	\$52,642	\$305	\$52,254	(\$83)
Transfers In					
Lottery	\$877	\$870	(\$7)	\$873	(\$4)
Gaming	\$158	\$175	\$17	\$155	(\$3)
Cannabis	\$114	\$110	(\$4)	\$116	\$2
Refund Fund	\$555	\$555	\$0	\$555	\$0
Other	\$846	\$832	(\$14)	\$818	(\$28)
Total Transfers In	\$2,550	\$2,542	(\$8)	\$2,517	(\$33)
Total State Sources	\$54,887	\$55,184	\$297	\$54,771	(\$116)
Federal Sources [Base]	\$3,893	\$3,675	(\$218)	\$3,855	(\$38)
Total Federal & State Sources	\$58,780	\$58,859	\$79	\$58,626	(\$154)
Nongeneral Funds Distribution:					
Refund Fund					
Personal Income Tax [9.15% '24]	(\$2,758)	(\$2,769)	(\$11)	(\$2,750)	\$8
Corporate Income Tax [14.0% '24]	(\$914)	(\$941)	(\$27)	(\$903)	\$11
Local Government Distributive Fund					
Personal Income Tax	(\$1,771)	(\$1,779)	(\$8)	(\$1,767)	\$4
Corporate Income Tax	(\$384)	(\$396)	(\$12)	(\$380)	\$4
Sales Tax Distributions					
Sales Tax Deposits into Road Fund	(\$570)	(\$596)	(\$26)	(\$570)	\$0
Sales Tax Distribution to the PTF and DPTF	(\$675)	(\$669)	\$6	(\$671)	\$4
General Funds Subtotal [Base]	\$51,708	\$51,709	\$1	\$51,585	(\$123)
Transfer of Excess PA 102-700 Funds to GRF	\$248	\$248	\$0	\$248	\$0
Prior Year Federal Matching Funds	\$633	\$633	\$0	\$633	\$0
Total General Funds Revenues	\$52,589	\$52,590	\$1	\$52,466	(\$123)

Note: Some totals may not equal, due to rounding.

Cannabis Quarterly – 4th Quarter FY 2024

MONTHLY CANNABIS EXCISE TAXES



Illinois State Comptroller

CANNABIS REGULATION FUND REVENUE

(\$ millions)

Revenue Source	FY23 Q4	FY24 Q4	\$ Change	% Change	FY23 YTD	FY24 YTD	\$ Change	% Change
State Cannabis Excise Taxes	\$61.7	\$67.6	\$5.9	9.6%	\$255.5	\$261.7	\$6.2	2.4%
Licenses and Registration Fees	\$1.8	\$4.8	\$3.0	162.0%	\$7.3	\$18.9	\$11.7	160.7%
Other Revenue	\$0.0	\$0.1	\$0.1	n/a	\$0.1	\$0.1	\$0.1	84.1%
Total	\$63.6	\$72.5	\$9.0	14.1%	\$262.9	\$280.8	\$18.0	6.8%

Illinois State Comptroller, CGFA

CANNABIS REGULATION FUND EXPENDITURES

(\$ millions)

Object of Expenditure	FY23 Q4	FY24 Q4	\$ Change	% Change	FY23 YTD	FY24 YTD	\$ Change	% Change
Transfer - General Revenue Fund	\$21.7	\$23.8	\$2.1	9.8%	\$86.4	\$88.7	\$2.3	2.7%
Transfer - Professional Services	\$0.0	\$0.0	\$0.0	n/a	\$0.0	\$0.0	\$0.0	65.9%
Transfer - Workers' Compensation Revolving	\$0.0	\$0.0	\$0.0	n/a	\$0.0	\$0.0	\$0.0	150.9%
Transfer - Criminal Justice Info Projects	\$15.5	\$17.0	\$1.5	9.8%	\$61.7	\$63.4	\$1.7	2.7%
Transfer - Drug Treatment	\$1.2	\$1.4	\$0.1	9.8%	\$4.9	\$5.1	\$0.1	2.7%
Transfer - DHS Community Services	\$12.4	\$13.6	\$1.2	9.8%	\$49.4	\$50.7	\$1.3	2.7%
Transfer - Local Government Distributive Fund	\$5.0	\$5.4	\$0.5	9.8%	\$19.7	\$20.3	\$0.5	2.7%
Transfer - Budget Stabilization	\$6.2	\$6.8	\$0.6	9.8%	\$24.7	\$25.3	\$0.7	2.7%
Transfer - Cannabis Expungement	\$0.7	\$0.7	\$0.0	0.0%	\$2.8	\$2.8	\$0.0	0.0%
Transfer Total	\$62.6	\$68.7	\$6.0	9.6%	\$249.6	\$256.3	\$6.7	2.7%
Operations - Agriculture	\$1.2	\$3.2	\$2.0	158.6%	\$4.0	\$7.8	\$3.8	95.5%
Operations - Commerce and Econ. Opportunity	\$0.1	\$0.7	\$0.6	555.3%	\$0.3	\$1.2	\$0.9	312.9%
Operations - Financial Professional Regulation	\$1.6	\$1.8	\$0.2	13.4%	\$5.1	\$6.3	\$1.2	23.8%
Operations - Public Health	\$0.0	\$0.0	\$0.0	n/a	\$0.0	\$0.0	\$0.0	0.0%
Operations - Revenue	\$0.0	\$0.0	\$0.0	n/a	\$1.5	\$1.5	\$0.0	0.0%
Operations - State Police	\$0.6	\$0.9	\$0.3	53.7%	\$2.0	\$2.6	\$0.6	32.5%
Operations - Criminal Justice Information Authority	\$0.0	\$0.0	\$0.0	n/a	\$0.0	\$0.0	\$0.0	n/a
Operations Total	\$3.5	\$6.6	\$3.1	87.1%	\$12.8	\$19.4	\$6.5	50.9%
Grand Total	\$66.1	\$75.2	\$9.1	13.8%	\$262.5	\$275.7	\$13.2	5.0%

Illinois State Comptroller, CGFA

Illinois' Economy Continues to Lag Behind the Rest of the Country

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The Commission continually assesses the performance of the U.S. and Illinois economies. Over the past decade, Illinois' economy has generally grown at a slower rate than the national average and compared to other states. In June, the Commission evaluated various economic indicators to assess Illinois' economic performance over the past year and since the onset of COVID-19. The analysis focused on four key metrics: 1) Real Gross Domestic Product (GDP), 2) Total Nonfarm Payroll Employment, 3) Unemployment Rate, and 4) Total Personal Income. Based on these metrics, Illinois remains one of the slower-growing states. The results of these comparisons are detailed in the following tables.

Real Gross Domestic Product (GDP)

The first economic metric examined was Real Gross Domestic Product (GDP), a comprehensive measure of U.S. economic activity that adjusts for inflation. In the first quarter of 2024, Illinois had the fifth-largest economy in the U.S. Despite its size, Illinois' economy is growing slower than most other states. During the first quarter of 2024, Illinois' economy contracted by 1.3% on an annualized basis, ranking 45th among the states and the District of Columbia. Many states in the Upper Midwest and Plains regions also saw contractions, including South Dakota (-4.2%), North Dakota (-3.9%), Kansas (-3.9%), Iowa (-3.3%), Nebraska (-3.1%), and Minnesota (-0.8%). In contrast, the fastest-growing states were Idaho (5.0%), Nevada (4.4%), and Oklahoma (4.2%). The U.S. as a whole grew by 1.4% during this period.

To analyze growth since the outbreak of COVID-19, the Commission compared real GDP growth since the fourth quarter of 2019. The United States has grown 8.6% post-COVID-19, one of the highest rates among advanced economies. In contrast, Illinois' economy has grown only 2.8%, ranking 46th, ahead of only Hawaii (-2.0%), Louisiana (-1.5%), North Dakota (-1.3%), Delaware (-0.3%), and Wisconsin (1.4%). The fastest-growing regions since the end of 2019 have been in the southern and western parts of the country. Florida has seen nearly 20% growth, followed by Idaho (18.4%), Arizona (15.7%), and Tennessee (15.5%). Since 2020, the northeastern portion of the country, from the Plains states to New England, has grown slower than the rest of the country, while the Southeast, Southwest, and Rocky Mountain regions have experienced significant growth.

	Real GDP				Total Nonfarm Employment							
	Q4 2023 to Q1 2024		Q4 2019 to Q1 2024		May 2023 to May 2024				Feb. 2020 to May 2024			
	% Change at Annual Rate	Rank	% Change (%)	Rank	Change (1,000's of Jobs)	Rank	% Change (%)	Rank	Change (1,000's of Jobs)	Rank	% Change (%)	Rank
U.S.	1.4%	n/a	8.6%	n/a	2,756	n/a	1.8%	n/a	6,234	n/a	4.1%	n/a
Alabama	2.9%	8	8.6%	21	46.6	17	2.2%	10	117.4	16	5.6%	13
Alaska	2.6%	9	3.2%	44	11.4	37	3.5%	1	7	42	2.1%	30
Arizona	3.2%	4	15.7%	3	74.9	10	2.3%	7	266.2	6	8.9%	7
Arkansas	2.5%	11	10.5%	13	16.2	32	1.2%	35	72.1	22	5.6%	15
California	1.2%	29	8.7%	20	207.7	3	1.2%	36	356.9	4	2.0%	31
Colorado	2.3%	16	11.8%	8	55.4	14	1.9%	15	170.5	11	6.0%	11
Connecticut	0.7%	36	3.7%	38	18	31	1.1%	39	12.4	40	0.7%	41
Delaware	3.1%	5	-0.3%	48	5.9	48	1.2%	34	20.9	35	4.5%	18
District of Columbia	1.3%	27	4.3%	37	7.2	43	0.9%	42	-30.2	50	-3.8%	50
Florida	3.0%	6	19.8%	1	222.2	2	2.3%	8	864.5	2	9.5%	4
Georgia	2.3%	16	7.1%	25	73.9	11	1.5%	27	300.7	5	6.4%	10
Hawaii	1.9%	21	-2.0%	51	3.9	49	0.6%	46	-25.3	48	-3.8%	51
Idaho	5.0%	1	18.4%	2	25.9	26	3.1%	4	97.3	18	12.6%	1
Illinois	-1.3%	45	2.8%	46	43.9	19	0.7%	45	13.9	38	0.2%	45
Indiana	0.1%	40	9.0%	18	45.2	18	1.4%	32	116.8	17	3.7%	23
Iowa	-3.3%	48	5.1%	34	23.8	28	1.5%	28	23.3	33	1.5%	34
Kansas	-3.9%	49	7.1%	26	24	27	1.7%	21	34.9	28	2.4%	29
Kentucky	0.5%	38	6.4%	29	26.9	25	1.3%	33	87.4	19	4.5%	17
Louisiana	-0.2%	42	-1.5%	50	5.9	46	0.3%	48	-31.3	51	-1.6%	49
Maine	0.6%	37	10.6%	12	9.3	39	1.4%	31	18.6	36	2.9%	25
Maryland	0.0%	41	4.4%	36	6.8	45	0.2%	49	-26.4	49	-0.9%	48
Massachusetts	1.0%	32	8.9%	19	21.2	30	0.6%	47	-12.2	47	-0.3%	47
Michigan	1.8%	22	6.1%	31	41.4	20	0.9%	43	55.2	23	1.2%	36
Minnesota	-0.8%	44	3.5%	41	34.7	22	1.2%	37	23	34	0.8%	40
Mississippi	1.0%	32	3.1%	45	12.2	36	1.0%	40	30.1	29	2.6%	28
Missouri	1.6%	24	7.6%	22	82	6	2.8%	5	125.6	15	4.3%	20
Montana	1.3%	27	10.8%	10	13.8	34	2.7%	6	44.7	26	9.2%	6
Nebraska	-3.1%	47	10.8%	9	21.5	29	2.1%	12	37.1	27	3.6%	24
Nevada	4.4%	2	10.6%	11	51.2	15	3.3%	3	141.4	14	9.8%	3
New Hampshire	0.8%	35	10.0%	16	10.4	38	1.5%	29	18.4	37	2.7%	27
New Jersey	1.0%	32	7.3%	24	80.2	9	1.9%	17	176	10	4.2%	21
New Mexico	2.6%	9	5.8%	32	15.6	33	1.8%	19	24.2	32	2.8%	26
New York	2.5%	11	4.6%	35	153.8	4	1.6%	26	25.7	30	0.3%	44
North Carolina	2.3%	16	10.5%	14	72.4	12	1.5%	30	361.1	3	7.8%	9
North Dakota	-3.9%	49	-1.3%	49	7.1	44	1.6%	24	2.7	45	0.6%	43
Ohio	-0.3%	43	3.6%	40	49.5	16	0.9%	44	53.2	24	0.9%	38
Oklahoma	4.2%	3	3.6%	39	28.8	23	1.6%	23	80.1	21	4.7%	16
Oregon	-1.3%	45	7.6%	23	1.3	51	0.1%	51	12.8	39	0.7%	42
Pennsylvania	1.4%	25	3.4%	43	97.1	5	1.6%	25	81.5	20	1.3%	35
Rhode Island	3.0%	6	6.5%	28	8.3	40	1.6%	22	4.8	43	0.9%	39
South Carolina	2.5%	11	10.3%	15	80.4	8	3.5%	2	180.3	8	8.2%	8
South Dakota	-4.2%	51	5.4%	33	8.3	40	1.8%	18	25.4	31	5.7%	12
Tennessee	1.7%	23	15.5%	4	8	42	0.2%	50	176.6	9	5.6%	14
Texas	2.5%	11	14.1%	7	316.7	1	2.3%	9	1232.5	1	9.5%	5
Utah	2.4%	15	14.9%	5	36.6	21	2.1%	11	182.7	7	11.6%	2
Vermont	1.2%	29	6.3%	30	5.9	47	1.9%	14	-1	46	-0.3%	46
Virginia	2.1%	19	9.6%	17	81.5	7	2.0%	13	157.8	12	3.9%	22
Washington	2.0%	20	14.3%	6	63	13	1.7%	20	153.6	13	4.4%	19
West Virginia	1.1%	31	6.9%	27	13.2	35	1.9%	16	8.1	41	1.1%	37
Wisconsin	0.5%	38	1.4%	47	28.7	24	1.0%	41	44.7	25	1.5%	33
Wyoming	1.4%	25	3.4%	42	3.2	50	1.1%	38	4.4	44	1.5%	32

Bureau of Economic Analysis, Bureau of Labor Statistics, CGFA

Total Nonfarm Payroll Jobs

The second economic indicator examined was seasonally adjusted total nonfarm payroll employment. Employment levels in May 2024 were compared to May 2023 and February 2020, the last month before significant declines during the COVID-19 pandemic. In May 2024, Illinois had approximately 6.15 million payroll jobs, an increase of about 44,000 jobs compared to 2023. This was the 19th highest increase in the U.S., largely due to Illinois being one of the most populated states. On a percentage basis, this growth equated to just 0.7%, ranking 45th. The states of Alaska (3.5%), South Carolina (3.5%), and Nevada (3.3%) had the largest percentage increases over the past twelve months. The total number of jobs increased the most in Texas (317,000), Florida (222,000), and California (208,000). This is expected as these are also some of the most populated states. However, Texas (9th) and Florida (8th) were also among the fastest-growing states on a percentage basis, while California (36th) was one of the slower-growing states. The United States saw national payroll growth of approximately 2.8 million jobs, equating to 1.8% growth.

The U.S. lost almost 22 million jobs during the first two months of the COVID-19 pandemic, while Illinois employment dropped by approximately 810,000. Since then, both the U.S. and Illinois have regained those jobs. The U.S. now has just over 6.2 million more jobs than in February 2020, representing 4.1% growth. Illinois, on the other hand, has barely surpassed its pre-COVID-19 level, with approximately 14,000 more jobs in May 2024 than in February 2020, equating to only 0.2% growth. This ranks Illinois 45th in the nation. During this period, the fastest payroll growth was seen in the western part of the country. Idaho (12.6%), Utah (11.6%), and Nevada (9.8%) have all experienced significant employment growth. Conversely, the District of Columbia and five states (Hawaii, Louisiana, Maryland, Massachusetts, and Vermont) have not fully regained the jobs lost since the outbreak of the COVID-19 pandemic.

Unemployment Rate

Similar to other economic metrics, Illinois' unemployment rate has generally lagged behind the rest of the country. Over the last decade, Illinois has consistently been about 0.8% to 0.9% above the U.S. average. In May 2024, preliminary data indicates that Illinois' seasonally adjusted unemployment rate was 4.9%, which is 0.9% higher than the U.S. average of 4.0%, ranking 47th among the states and the District of Columbia. Over the last year, Illinois' unemployment rate increased by 0.7 percentage points, from 4.2% to 4.9%. This increase is higher than the average state increase of 0.4% and the national increase of 0.3%. Only five states (Arizona, Mississippi, Massachusetts, Tennessee, and Minnesota) have seen their unemployment rates decrease since May 2023.

The only time in the last decade that Illinois' unemployment rate equaled the U.S. average was in November and December 2019, when the rate was 3.6%. Even then, Illinois ranked 31st in

lowest unemployment rates. Since February 2020, Illinois has averaged an unemployment rate of 6.0%, which, while relatively low compared to Illinois' historical rates, remains one of the highest averages over this period. Illinois has consistently had one of the highest unemployment rates, with only Nevada, California, and the District of Columbia having higher average monthly rankings. Smaller, more rural states such as South Dakota, North Dakota, Vermont, and New Hampshire have consistently had some of the lowest unemployment rates.

	Unemployment Rate						Total Personal Income					
	May-24		May 2023 to May 2024		Feb. 2020 to May 2024		Q1 2024		Q1 2023 to Q1 2024		Q4 2019 to Q1 2024	
	Unemployment Rate	Rank	Percentage Point Change in Rate	Rank	Average Unemployment Rate	Average Rank	Annual Rate (\$ Billions)	Rank	% Change (%)	Rank	% Change (%)	Rank
U.S.	4.0%	n/a	0.3%	n/a	5.1%	n/a	\$23,617	n/a	4.4%	n/a	27.2%	n/a
Alabama	3.0%	15	0.7%	43	3.6%	9.8	\$281	26	4.7%	17	29.1%	21
Alaska	4.5%	44	0.5%	28	5.7%	41.8	\$54	49	5.4%	8	21.3%	49
Arizona	3.4%	24	-0.3%	1	5.0%	32.9	\$472	16	4.6%	20	37.2%	4
Arkansas	3.4%	24	0.5%	28	4.1%	21.1	\$170	34	1.6%	50	27.6%	26
California	5.2%	50	0.7%	43	6.5%	47.3	\$3,218	1	4.4%	23	24.7%	35
Colorado	3.8%	32	0.7%	40	4.6%	24.8	\$478	15	4.8%	14	34.4%	6
Connecticut	4.3%	42	1.0%	49	5.5%	38.4	\$323	23	3.3%	44	19.9%	50
Delaware	3.9%	34	0.1%	11	5.2%	36.8	\$70	46	5.3%	9	31.6%	13
District of Columbia	5.3%	51	0.5%	28	6.0%	45.6	\$71	45	5.5%	6	22.4%	44
Florida	3.3%	22	0.5%	28	4.6%	21.5	\$1,595	3	4.8%	16	37.1%	5
Georgia	3.2%	21	0.0%	6	4.1%	19.5	\$668	10	5.4%	7	28.0%	25
Hawaii	3.0%	15	0.2%	18	5.8%	27.2	\$97	40	5.5%	5	21.9%	47
Idaho	3.3%	22	0.4%	24	3.7%	13.7	\$120	37	4.5%	22	41.2%	1
Illinois	4.9%	47	0.7%	43	6.0%	45.4	\$912	5	3.7%	40	22.0%	46
Indiana	3.7%	31	0.5%	28	4.4%	22.4	\$424	19	4.1%	32	28.5%	22
Iowa	2.8%	8	0.0%	6	3.6%	12.3	\$204	32	2.2%	49	27.3%	28
Kansas	2.9%	11	0.3%	19	3.5%	8.7	\$192	33	4.2%	30	24.3%	37
Kentucky	4.6%	45	0.5%	28	4.8%	32.3	\$252	28	4.0%	37	27.5%	27
Louisiana	4.1%	37	0.7%	40	5.3%	35.3	\$269	27	4.0%	36	22.0%	45
Maine	3.0%	15	0.5%	28	3.8%	15.5	\$91	42	3.0%	46	31.6%	12
Maryland	2.7%	6	0.8%	46	4.0%	16.3	\$470	17	4.7%	18	22.6%	43
Massachusetts	3.0%	15	-0.3%	3	5.3%	30.1	\$629	13	3.6%	42	23.1%	40
Michigan	3.9%	34	0.3%	19	5.8%	39.4	\$613	14	3.7%	41	24.2%	38
Minnesota	2.8%	8	-0.1%	4	3.7%	11.9	\$423	20	4.1%	33	27.2%	29
Mississippi	2.8%	8	-0.3%	1	4.9%	28.9	\$145	35	3.5%	43	23.3%	39
Missouri	3.5%	28	0.6%	38	4.0%	16.5	\$390	21	4.4%	25	29.4%	19
Montana	3.1%	20	0.5%	28	3.7%	11.6	\$75	43	4.3%	28	37.3%	3
Nebraska	2.5%	4	0.4%	24	2.8%	3.5	\$137	36	3.0%	47	28.3%	24
Nevada	5.1%	49	0.1%	10	7.5%	49.3	\$217	31	6.1%	2	33.3%	9
New Hampshire	2.5%	4	0.7%	42	3.6%	7.7	\$111	39	4.0%	35	26.0%	33
New Jersey	4.6%	45	0.4%	23	6.0%	42.0	\$767	7	4.1%	34	21.8%	48
New Mexico	3.8%	32	0.2%	16	5.5%	38.6	\$119	38	5.1%	10	29.2%	20
New York	4.2%	38	0.3%	21	6.2%	44.5	\$1,591	4	4.2%	29	17.5%	51
North Carolina	3.6%	30	0.3%	21	4.7%	28.9	\$680	9	4.9%	13	33.5%	8
North Dakota	2.0%	1	0.2%	17	2.9%	2.9	\$58	48	0.9%	51	29.9%	16
Ohio	4.2%	38	0.9%	48	5.1%	33.9	\$732	8	4.4%	24	24.3%	36
Oklahoma	3.5%	28	0.5%	28	4.1%	20.1	\$245	29	4.6%	21	28.3%	23
Oregon	4.2%	38	0.8%	46	5.0%	33.0	\$283	25	3.1%	45	26.1%	31
Pennsylvania	3.4%	24	0.1%	11	5.4%	36.1	\$904	6	4.0%	38	22.9%	41
Rhode Island	4.3%	42	1.7%	51	5.1%	28.3	\$75	44	3.7%	39	22.6%	42
South Carolina	3.4%	24	0.5%	28	4.0%	16.8	\$313	24	5.1%	11	31.5%	14
South Dakota	2.0%	1	0.1%	11	2.6%	1.9	\$66	47	2.6%	48	34.1%	7
Tennessee	3.0%	15	-0.1%	4	4.5%	25.0	\$448	18	4.1%	31	32.0%	11
Texas	4.0%	36	0.0%	6	5.2%	36.4	\$2,062	2	4.8%	15	32.1%	10
Utah	2.9%	11	0.4%	24	3.1%	5.7	\$223	30	6.4%	1	40.7%	2
Vermont	2.1%	3	0.4%	27	3.3%	5.9	\$44	51	4.3%	26	26.7%	30
Virginia	2.7%	6	0.1%	11	3.9%	14.1	\$659	11	5.7%	3	29.7%	17
Washington	4.9%	47	1.1%	50	5.4%	38.6	\$645	12	5.6%	4	30.7%	15
West Virginia	4.2%	38	0.6%	38	5.2%	35.0	\$96	41	4.9%	12	26.1%	32
Wisconsin	2.9%	11	0.0%	6	4.0%	15.9	\$390	22	4.7%	19	25.1%	34
Wyoming	2.9%	11	0.1%	11	4.0%	19.8	\$47	50	4.3%	27	29.6%	18

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Total Personal Income

The final data set examined was total personal income from the first quarter of 2024 compared to the previous year and the fourth quarter of 2019, the last quarter before the COVID-19 outbreak. During the first quarter of 2024, Illinois had a seasonally adjusted total income of approximately \$912 billion at an annual rate, the fifth highest in the country. The year-over-year change from the first quarter of 2023 to the first quarter of 2024 was 3.7%, which was below the U.S. growth rate of 4.4%. Illinois' growth over the previous year ranked 40th. The fastest-growing states were Utah and Nevada, both above 6% growth, followed by Virginia (5.7%) and Washington (5.6%). North Dakota and Arkansas had the smallest total income growth at 0.9% and 1.6%, respectively.

Illinois was similarly one of the slowest-growing states regarding total income growth since the outbreak of COVID-19. Since the fourth quarter of 2019, Illinois' total income grew by 22.0%, significantly below the U.S. increase of 27.2%, ranking 46th over this period. The fastest-growing states were Idaho (41.2%), Utah (40.7%), and Montana (37.3%). The slowest-growing states were New York (17.5%), Connecticut (19.9%), Alaska (21.3%), and New Jersey (21.8%). These results are likely correlated with population movement, with states experiencing the highest population growth also seeing higher total personal income. In Illinois, total income per capita has grown near the U.S. average, but due to a stagnant or declining population, Illinois' total personal income has lagged.

Overview

Illinois' poor economic performance has many contributing factors. The State has earned a reputation for poor fiscal health over decades. From the two-year budget impasse in FY 2016 and FY 2017 to the high level of unfunded pension obligations, Illinois has been on shaky financial ground, as reflected in its comparably low credit rating. This governmental background, coupled with relatively high business taxes, often makes Illinois appear risky for business ventures. Additionally, nationwide demographic trends show population movement to the southern and western parts of the country, while Illinois has experienced stagnant or declining population growth over the last decade. These factors have contributed to Illinois' economic struggles.

Despite these challenges, the situation has been improving in recent years. The State's budget has been more balanced over the past five years, thanks to federal government aid, a strengthening economy, and improved budgetary discipline. This has led to a much more stable financial situation. The state no longer has a backlog of bills, and the rainy-day fund has a record amount of money. Credit agencies have noticed these improvements and have raised the state's credit rating accordingly. Illinois has also appropriated additional funds for tax incentives, which has attracted new business projects. Although the Census Bureau still estimates that Illinois is losing population, the rate of annual declines has slowed. Overall,

Illinois' economic and financial position has improved in recent years, but it still lags behind other states and the country as a whole.

INDICATORS OF ILLINOIS ECONOMIC ACTIVITY			
<u>INDICATORS*</u>	<u>LATEST MONTH</u>	<u>PRIOR MONTH</u>	<u>A YEAR AGO</u>
Unemployment Rate (Average) (May)	4.9%	4.8%	4.2%
Inflation in Chicago (12-month percent change) (May)	3.1%	3.0%	3.3%
	<u>LATEST MONTH</u>	<u>CHANGE OVER PRIOR MONTH</u>	<u>CHANGE OVER A YEAR AGO</u>
Civilian Labor Force (thousands) (May)	6,510.2	0.2%	1.4%
Employment (thousands) (May)	6,192.8	0.2%	0.7%
Nonfarm Payroll Employment (May)	6,151,000	12,700	43,900
New Car & Truck Registration (May)	38,833	4.9%	3.6%
Single Family Housing Permits (May)	1,061	8.3%	18.0%
Total Exports (\$ mil) (Apr.)	6,803.8	-3.1%	7.2%
Chicago Purchasing Managers Index (June)	47.4	33.9%	14.2%
* Due to monthly fluctuations, trend best shown by % change from a year ago			