



CWICstats Dashboard Report 1st Quarter 2011

Highlights in this issue

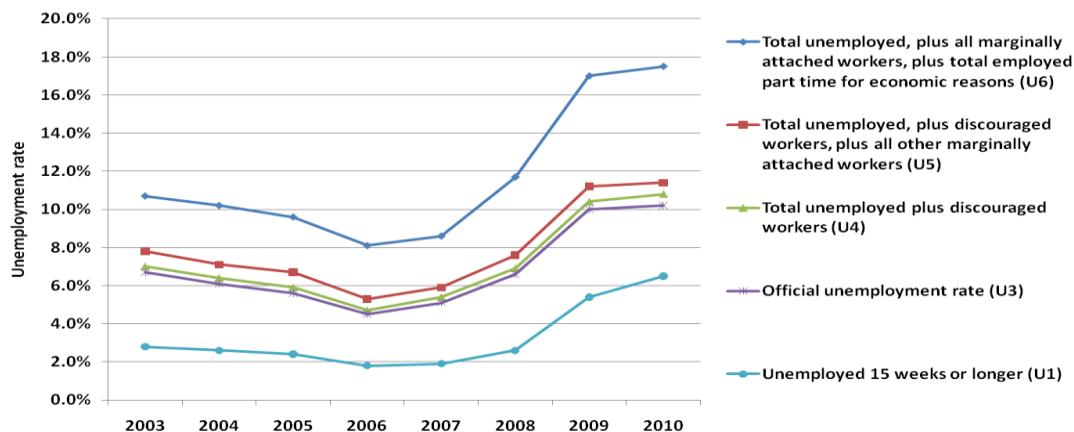
- Chicago, Illinois, and U.S. unemployment rates dropped significantly in March. See below
- Five industries employ more than 50% of Chicago workers. Page 2
- The Administration and Support industry had 60% more new hires than any other industry. Page 3
- Chicago home prices continue to fall even as other metropolitan area prices stabilize. Page 8

Labor force measures	Current time period	How current compares to prior time period:	
		Immediately prior	One year prior
Chicago labor force measures (IDES: For trends, see page 5)	March 2011	February 2011	March 2010
Total in labor force	1,303,076	1,299,422 ▲	1,315,747 ▾
Total employment	1,181,243	1,174,263 ▲	1,162,738 ▲
Total unemployment	121,833	125,159 ▾	153,009 ▾
Unemployment rates (IDES: For trends, see page 5)	March 2011	February 2011	March 2010
Chicago	9.3%	9.6% ▾	11.6% ▾
Illinois	9.1%	9.4% ▾	11.4% ▾
U.S.	9.2%	9.5% ▾	10.2% ▾
Cook County unemployment claims (IDES: For trends, see page 6)	March 2011	February 2011	March 2010
Initial unemployment claims	20,581	17,765 ▲	25,569 ▾

Interpreting the arrows

Green solid arrows represent an indicator that has improved compared to prior time period. For example, a *drop* in unemployment would be represented by (▾), while an *increase* in total employment would be represented by (▲). Red outlined arrows represent an indicator that has worsened compared to prior time period. For example, a drop in the total labor force would be represented by (▾), while an *increase* in unemployment would be represented by (▲).

Illinois alternative unemployment measures (annual averages)

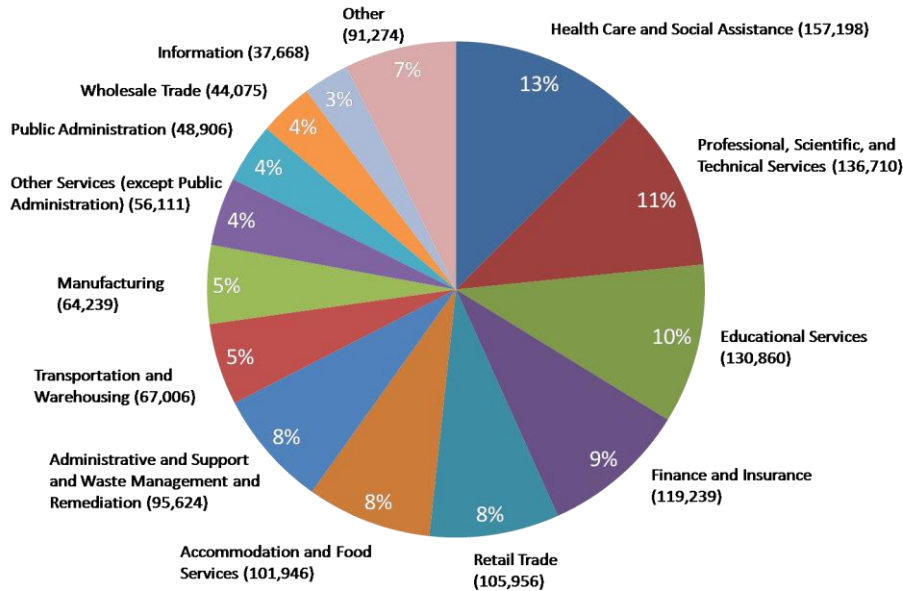


Source: Bureau of Labor Statistics

Featured stats: Jobs by industry

Five industries employed over half of the workers in Chicago: Health Care and Social Assistance; Professional, Scientific, and Technical Services; Educational Services; Finance and Insurance; and Retail Trade.

Chicago employment by industry as a percentage of all employment for Q2 2010



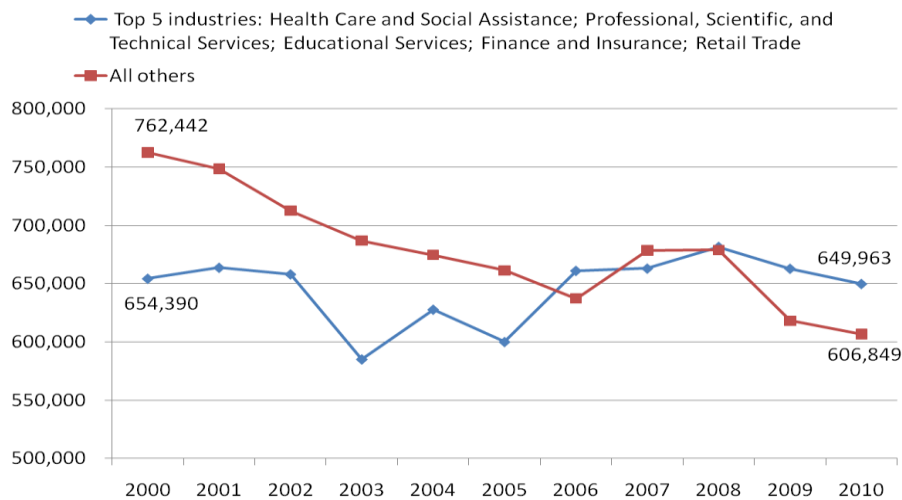
Definition

- **Employment** is the total number of workers who were employed by the same employer in both the current and previous quarter

Source: IDES

The top five Chicago industries by total employment had about the same number of workers in 2010 as in 2000 while the others as a group declined.

Chicago employment by industry for Q2 of 2000-2010

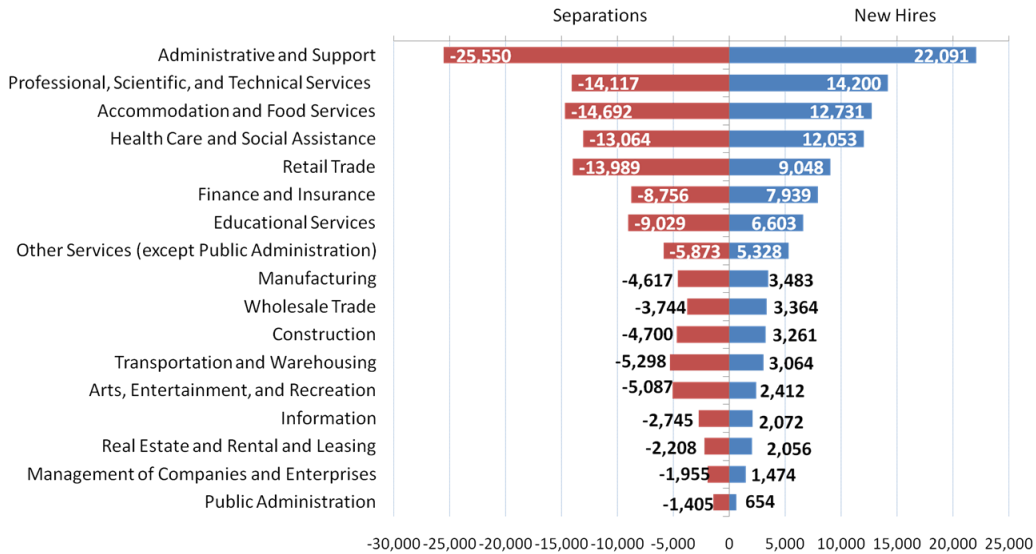


Source: IDES

Featured stats: Jobs by industry

The Administrative Support industry had about 11,000 more separations and 8,000 more new hires than the next highest industry. Public Administration had the fewest of each.

New hires and separations for Q1 2010



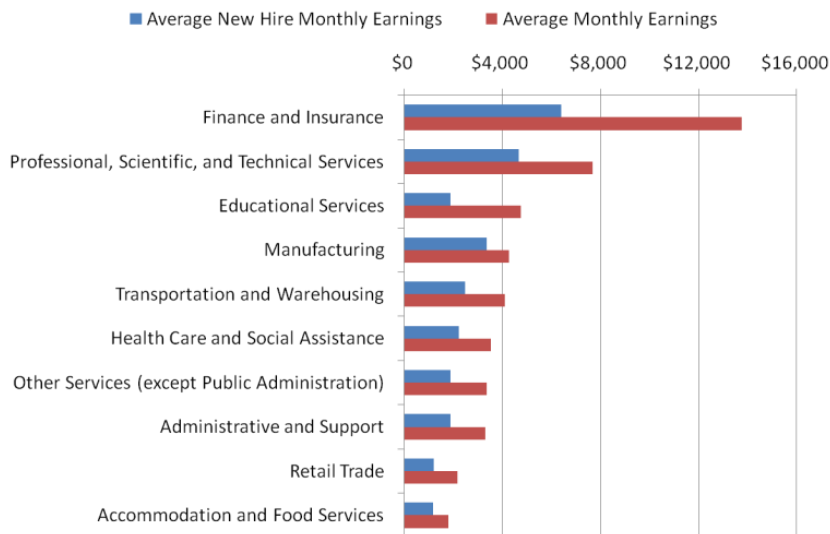
Definitions

- New hires is the number of current employees who were not employed by their current employer in the previous quarter.
- Separations is the total number of workers who were employed by a business in the current quarter, but not in the subsequent quarter.

Source: IDES, Q1 2010 is the most recent data available.

Finance and Insurance had the highest new hire and overall wages. Accommodations and Food Services had the lowest wages.

Chicago average new hire monthly earnings and average monthly earnings and all employees in Q1 2010 (ordered by average monthly earnings).

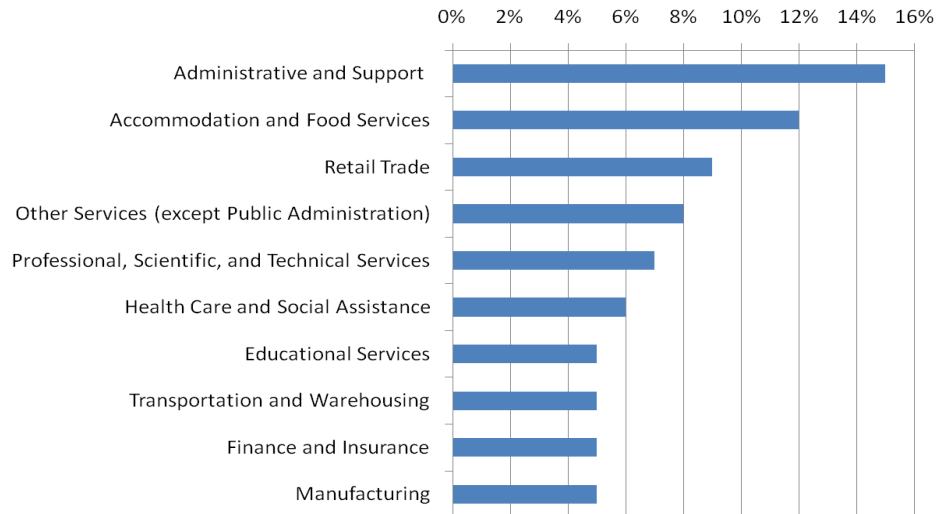


Source: IDES, for the ten largest Chicago industries by total employment.

Featured stats: Jobs by industry

Turnover was highest for the industries with the lowest pay – Administration and Support, Retail Trade, and Accommodations and Food Services.

Chicago employee turnover by industry over a two-year period (Q2 2008 to Q1 2010)



Definitions

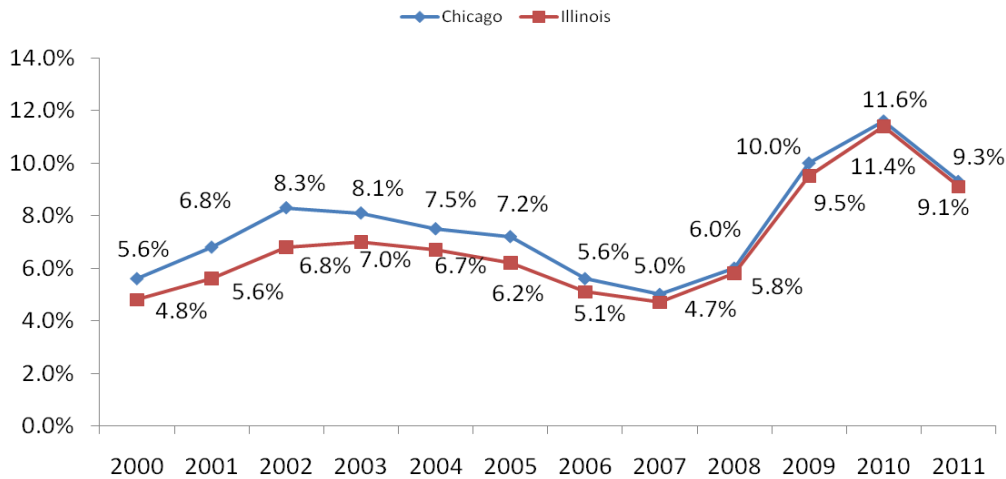
- **Average monthly earnings** is the total quarterly earnings of all full-quarter employees or all full-quarter new hire employees divided by the number of full-quarter employees, divided by 3.
- **Turnover Rate** = $(1/2) * (\text{full-quarter accessions} + \text{full-quarter separations}) / \text{employment stable jobs}$

Source: IDES, for the ten largest Chicago industries by total employment. Percentages are unweighted averages over the eight consecutive quarters ending in Q1 2010.

Job stats

The March 2011 unemployment rate in Chicago and Illinois declined more than one percentage point versus March 2010.

Chicago and Illinois unemployment rates for the month of March from 2000-2011

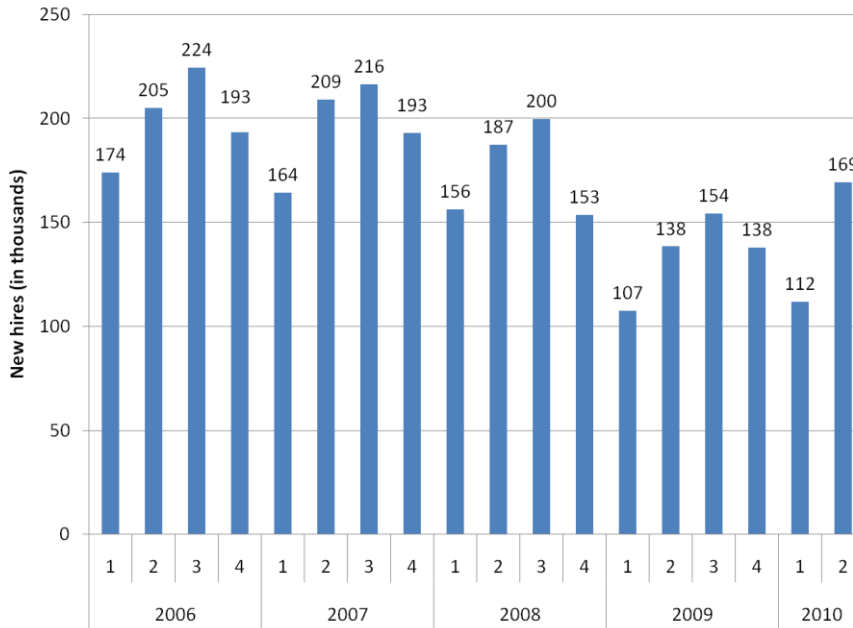


Source: IDES, not seasonally adjusted

Job stats

The number of new hires in Chicago in Q2 2010 increased over Q2 2009, but was still well below pre-recession Q2 levels.

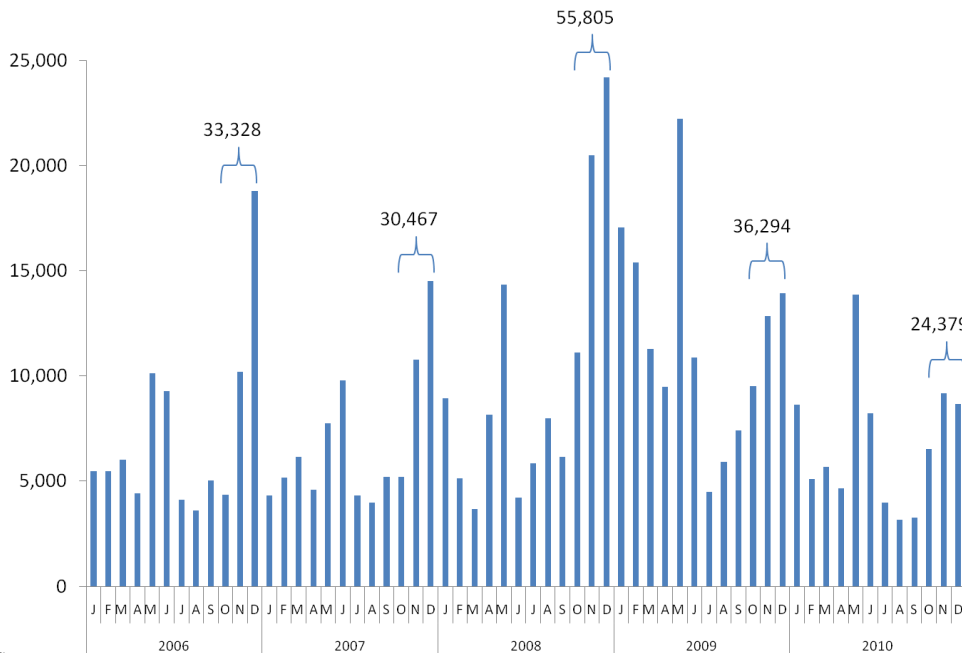
New hires in Chicago by quarter 2006-2010 (in thousands)



Source: IDES. Note: There is a one-year lag in the data for new hires.

Initial unemployment claims for the last three months of 2010 approached the levels seen in the final three months of 2007.

Cook County initial unemployment claims by month 2006-2011

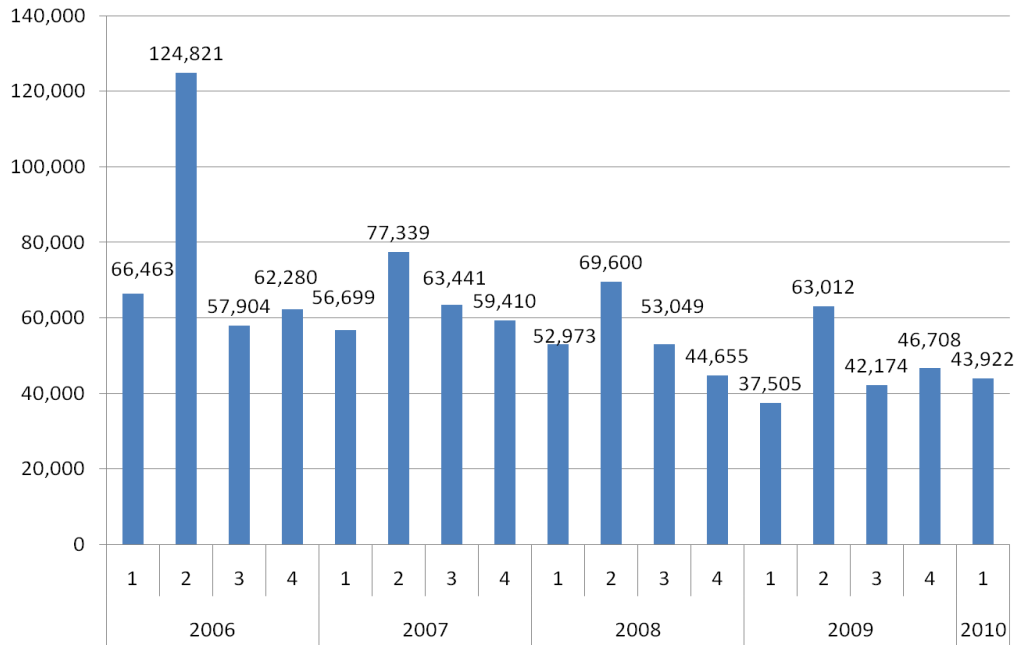


Source: IDES

Job stats

Jobs created in Q1 2010 rebounded from Q1 2009, but were still below the first quarters of 2006, 2007 and 2008.

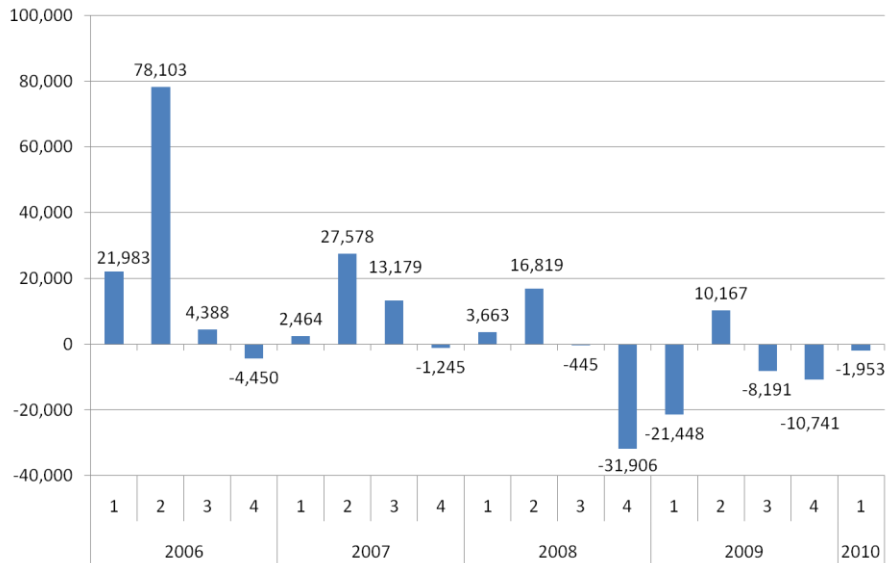
Jobs created in Chicago by quarter 2006-2010



Source: IDES. Note: there is a one-year lag in the data for new hires.

Net job flow was negative for six of the last seven quarters ending in Q1 2010.

Chicago net job flow 2006-2010

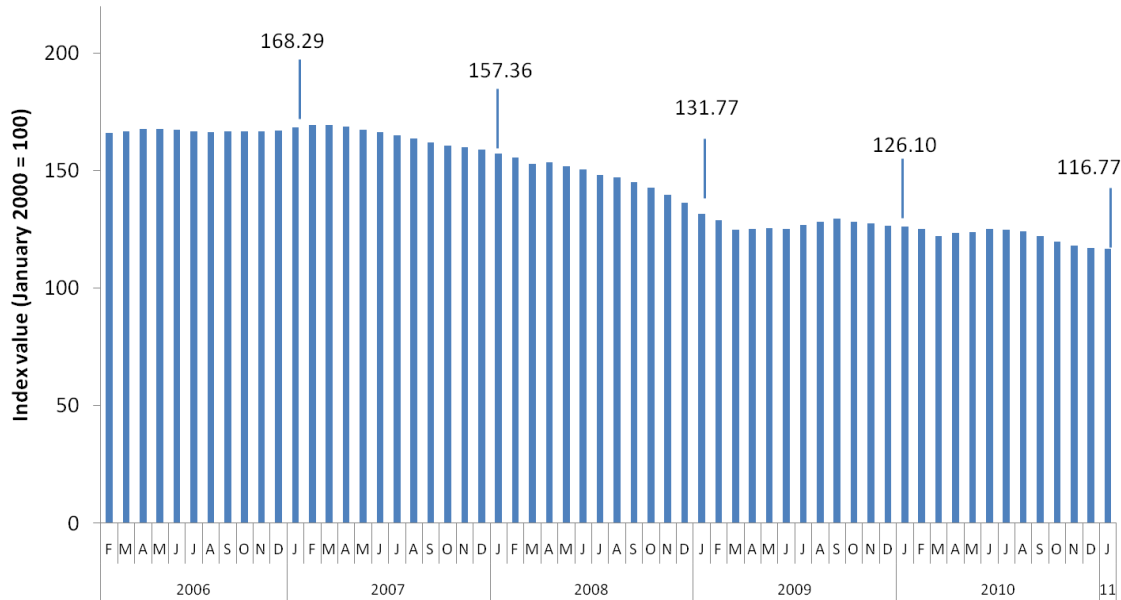


Source: IDES. Note: There is a one-year lag in the data for job flow.

Business stats

Chicago housing values continued a downward trend and are significantly lower than pre-recession levels.

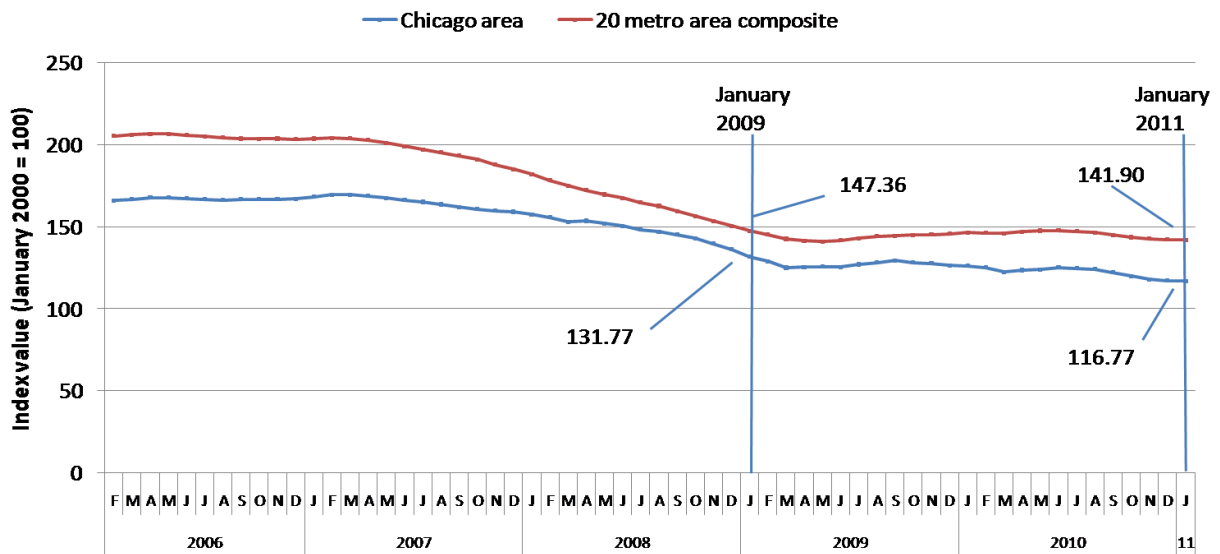
The Case-Shiller Home Price Index, highlighting January values.



Source: Standard and Poor's Case-Shiller Home Price Index

House prices stabilized in other metropolitan areas over the last two years while Chicago's have not.

The Case-Shiller index for the Chicago region vs. the composite of 20 major metropolitan areas.

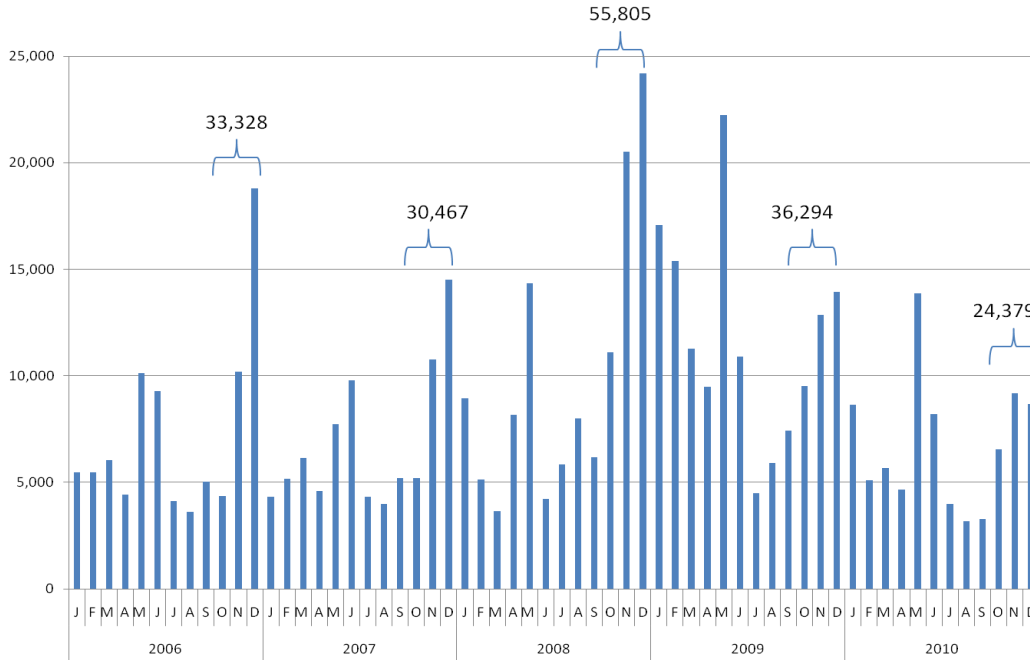


Source: Standard and Poor's Case-Shiller Home Price Index

Business stats

Illinois mass layoffs in October, November, and December of 2010 combined dipped to the lowest level in five years vs. comparable periods.

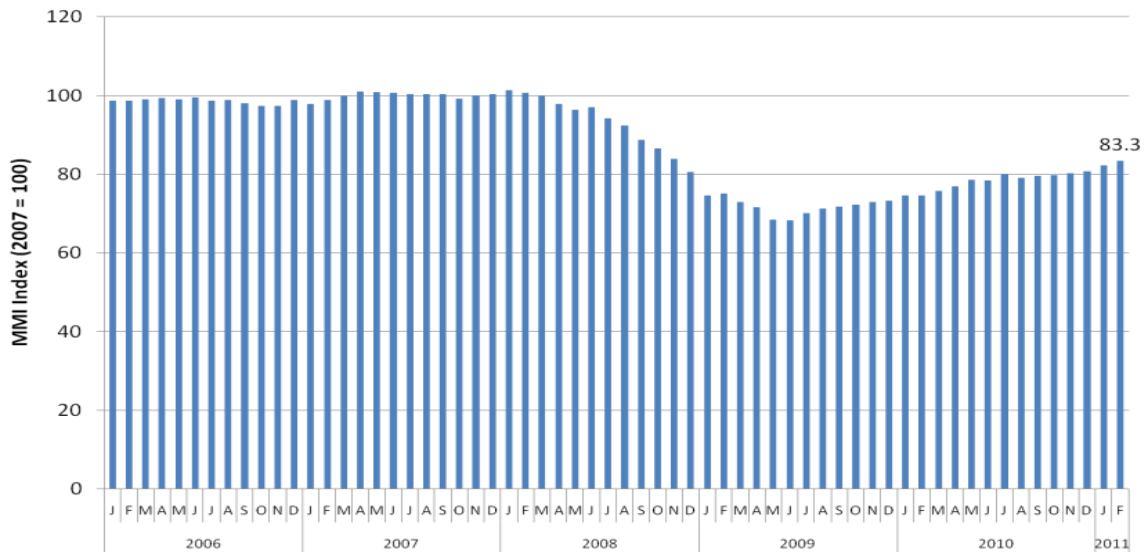
Illinois business mass layoffs of 50 or more employees for 30 or more days



Source: IDES

Despite steady improvement over the last 1 ½ years, Midwest manufacturing output in February 2011 was only 83% of output in 2007.

Midwest Manufacturing Index 2006-2011 (2007 = 100)

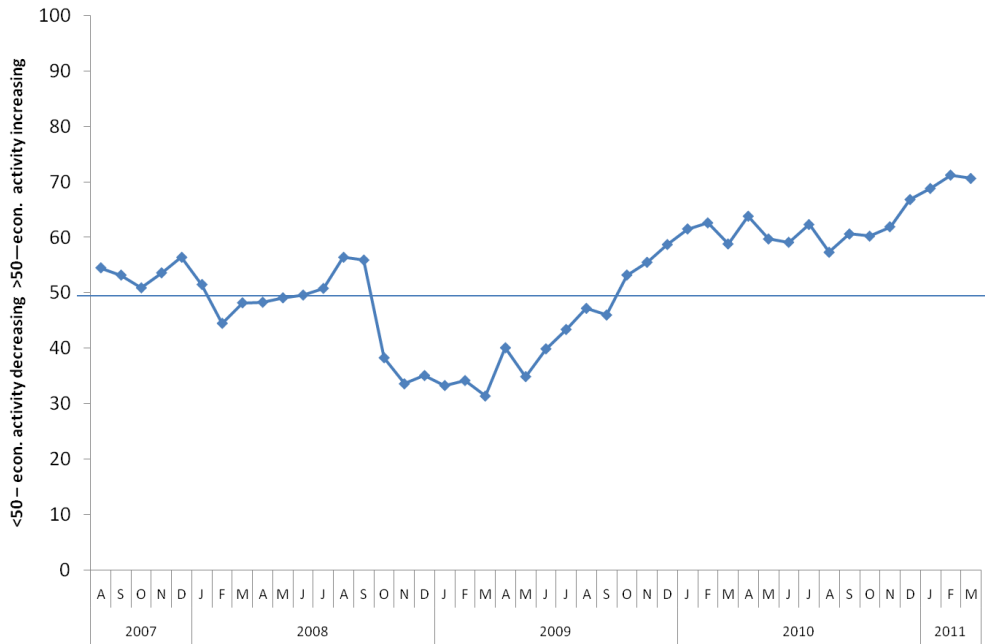


Source: Federal Reserve Bank of Chicago

Business stats

The Chicago Business Barometer indicates that economic activity improved over the last eight months.

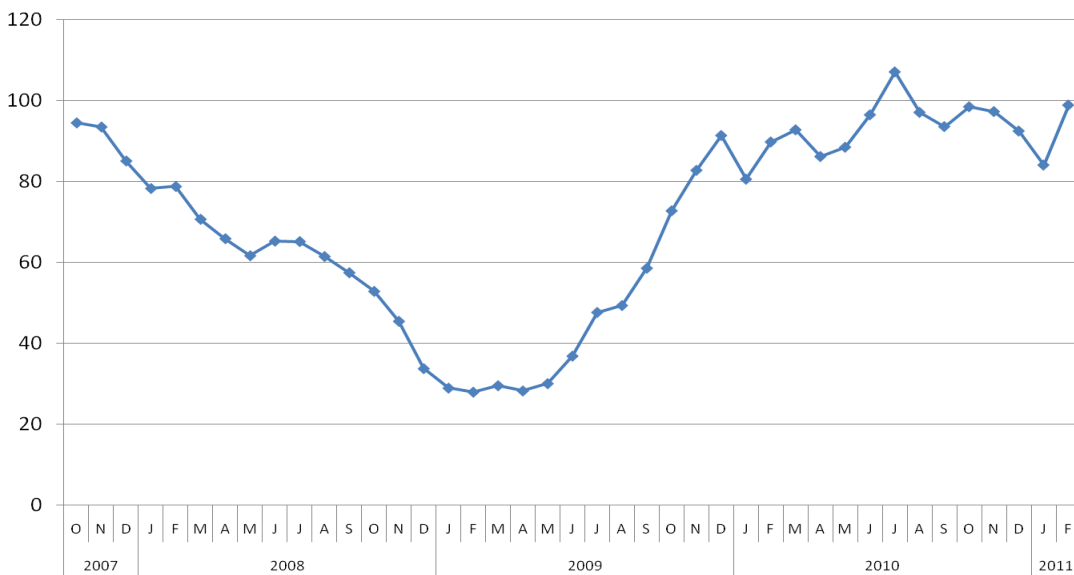
The Chicago Business Barometer Index 2006-2011



Source: Institute of Supply Management-Chicago

The Chicago Business Activity Index increased in February after a downward trend over the last six months.

Chicago Business Activity Index for the Chicago region from 2007-2011

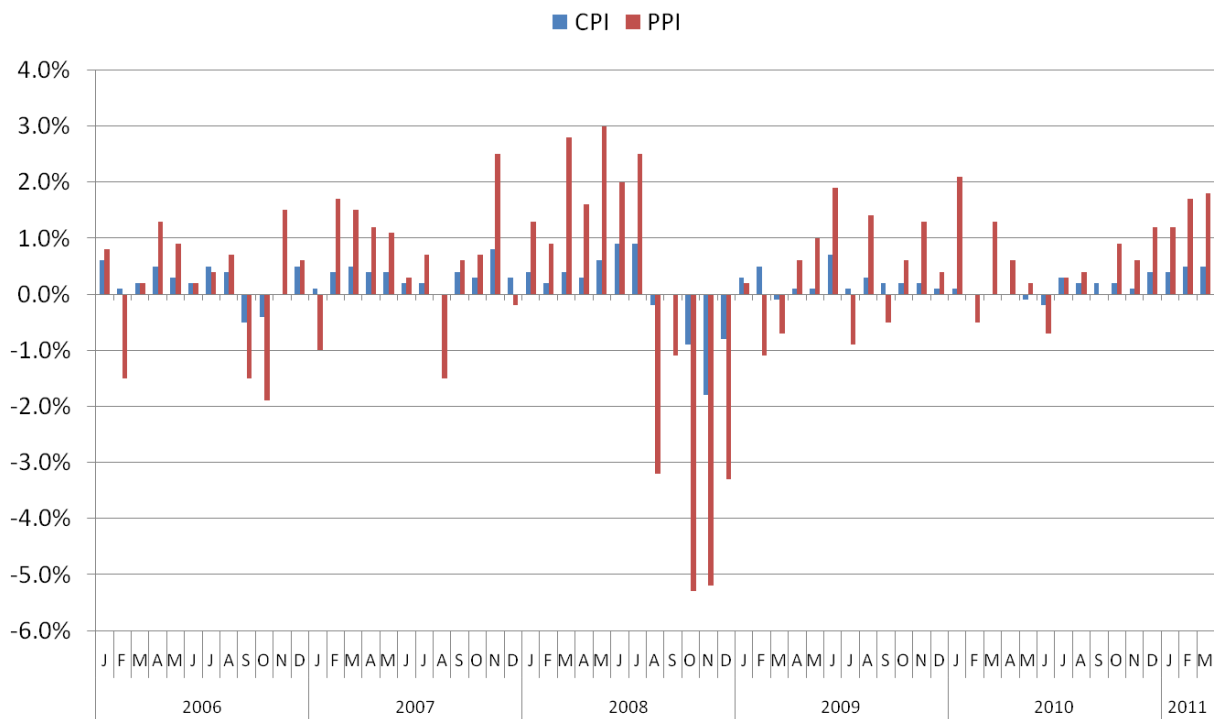


Source: University of Illinois Regional Economic Analysis Laboratory (REAL)

Business stats

There has been a steady increase in the amount producers are paying for goods and services over the last few months as measured by the Producer Price Index. The Consumer Price Index has increased at a lower rate.

Rate of change in the Consumer Price Index (CPI) and Producer Price Index (PPI) 2006-2011



Source: Bureau of Labor Statistics

Definitions, Sources, and Notes

Front page

IDES develops unemployment rates for metropolitan areas, counties and cities through a complex, multi-step process that includes a variety of data inputs, such as total non-farm employment estimates, unemployment insurance claims, population and employment data from the Census Bureau and employment and unemployment controls used to adjust for groups not covered by the Unemployment Insurance system

- **Total in labor force** Included are all persons in the civilian non-institutional population classified as either employed or unemployed.
- **Total employed** includes those who, during the reference week (the week including the twelfth day of the month), (a) did any work as paid employees, worked in their own business or profession or on their own farm, or worked 15 hours or more as unpaid workers in an enterprise operated by a member of their family, or (b) were not working but who had jobs from which they were temporarily absent. Each employed person is counted only once, even if he or she holds more than one job.
- **Unemployed** as measured by IDES are those individuals who had no employment during the reference week, were available for work (except for temporary illness) and had made specific efforts to find employment some time during the 4 week-period ending with the reference week. Persons who were waiting to be recalled to a job from which they had been laid off need not have been looking for work to be classified as unemployed.
- **Unemployment rate** is the total unemployed as a percent of the civilian labor force. The rates are not seasonally adjusted.

- **Initial unemployment claims** come from the **Illinois Department of Employment Security (IDES)** administrative data. They are requests for determination of insured status (new claim) or notices filed when a break in job attachment has occurred (additional claim). Insured status refers to qualifying base period wages with an insured employer and the determination of the individual's weekly benefit amount.

The **Current Population Survey (CPS)** is conducted on a continuous monthly basis by the **U.S. Bureau of Labor Statistics (BLS)**. All figures are seasonally adjusted.

- **Unemployed 15 weeks or more** are persons unemployed 15 weeks or longer, as a percent of the civilian labor force (U-1).
- **Unemployed** is the total unemployed as a percent of the civilian labor force. This is the official unemployment rate (U-3).
- **Unemployed including discouraged workers** includes the regular unemployed plus persons not in the labor force who want and are available for a job and who have looked for work sometime in the past 12 months (or since the end of their last job if they held one within the past 12 months), but who are not currently looking because they believe there are no jobs available or there are none for which they would qualify (U-4).
- **Unemployed including marginally attached workers** includes the regular unemployed plus persons who currently are neither working nor looking for work but indicate that they want and are available for a job and have looked for work sometime in the recent past (U-5).
- **Unemployed including marginally attached workers and part time workers (for economic reasons)** includes the regular unemployed plus the marginally attached plus those who want and are available for full-time work but have had to settle for a part-time schedule (U-6).

Featured stats

Employment by industry is reported by IDES using wage records and businesses categorized into industries defined by the North American Industry Classification System.

Job stats

The **job change** statistics below come from Local Employment Dynamics (LED), a partnership between the IDES and the U.S. Census Bureau to develop information about local workforce and labor market conditions. This information is built from sources that cover more than 90% of total wage and salary civilian jobs, primarily state and federal administrative records. Exclusions to this coverage include federal government workers, agricultural workers, domestic workers, and the self-employed.

- **New hires** is the number of current employees who were not employed by their current employer in the previous quarter.
- **Separations** is the total number of workers who were employed by a business in the current quarter, but not in the subsequent quarter.
- **Average monthly earnings** is the total quarterly earnings of all full-quarter employees divided by the number of full-quarter employees, divided by 3.
- **Average new hire monthly earnings** is the total quarterly earnings of all full-quarter new hires divided by the number of full-quarter new hires, divided by 3.
- **Turnover Rate** = $(1/2) * (\text{full-quarter accessions} + \text{full-quarter separations}) / \text{employment stable jobs}$
- **Job creation** is the number of new jobs created by expansion of existing firms or establishment of new firms within the area.
- **Net job flow** is the total difference in employment at businesses from one period to the next.

Business stats

- The **Case-Shiller Home Price Index** is published monthly by **Standard and Poor's**. It measures the seasonally adjusted changes residential home values in 20 Metropolitan Statistical Areas.
- **Mass layoffs** are all layoffs reported to **IDES** in which 50 or more employees were separated for 30 or more days. It excludes government and agriculture.
- The **Midwest Manufacturing Index** is produced by the **Federal Reserve Bank of Chicago**. It is composite measure of hours worked in manufacturing companies in 15 industries in Illinois, Michigan, Wisconsin, Iowa, and Indiana.
- The **Chicago Business Barometer** is a seasonally adjusted index produced by the **Institute for Supply Management – Chicago**. It is based on a survey of Chicago area purchasing managers who may work for local, national, or multinational companies.
- The **Chicago Business Activity Index** is produced by the **University of Illinois Regional Economics Application Laboratory**. It measures the business cycle status of the six-county Chicago area. It tends to lead the local business cycle by three-to-four months. For more information, see: <http://www.real.illinois.edu/>
- The **Consumer Price Index** measures the seasonally adjusted average change in prices paid for a market basket of goods and services by urban consumers as calculated by BLS.
- The **Producer Price Index** measures the seasonally adjusted average change over time in the selling prices received by domestic producers for their commodities produced as calculated by BLS.

This report was prepared by the CWICstats team from Chapin Hall at the University of Chicago.

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The Chicago Workforce Investment Council (CWIC) is a non-profit organization created in 2009 to ensure that Chicago has a skilled and educated workforce to keep our businesses, economy, communities, and families healthy and productive. CWIC monitors over \$300 million of public investment in education and workforce training, and coordinates resources to ensure these investments support the overall health of our economy.

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