

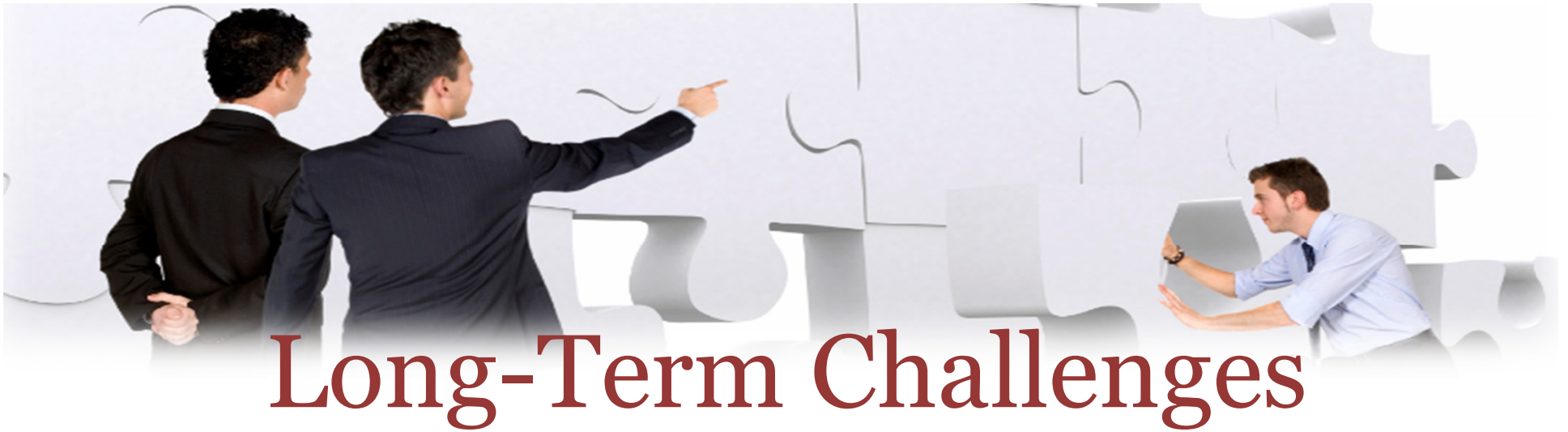


Obstacles and Opportunities

Dan Seals

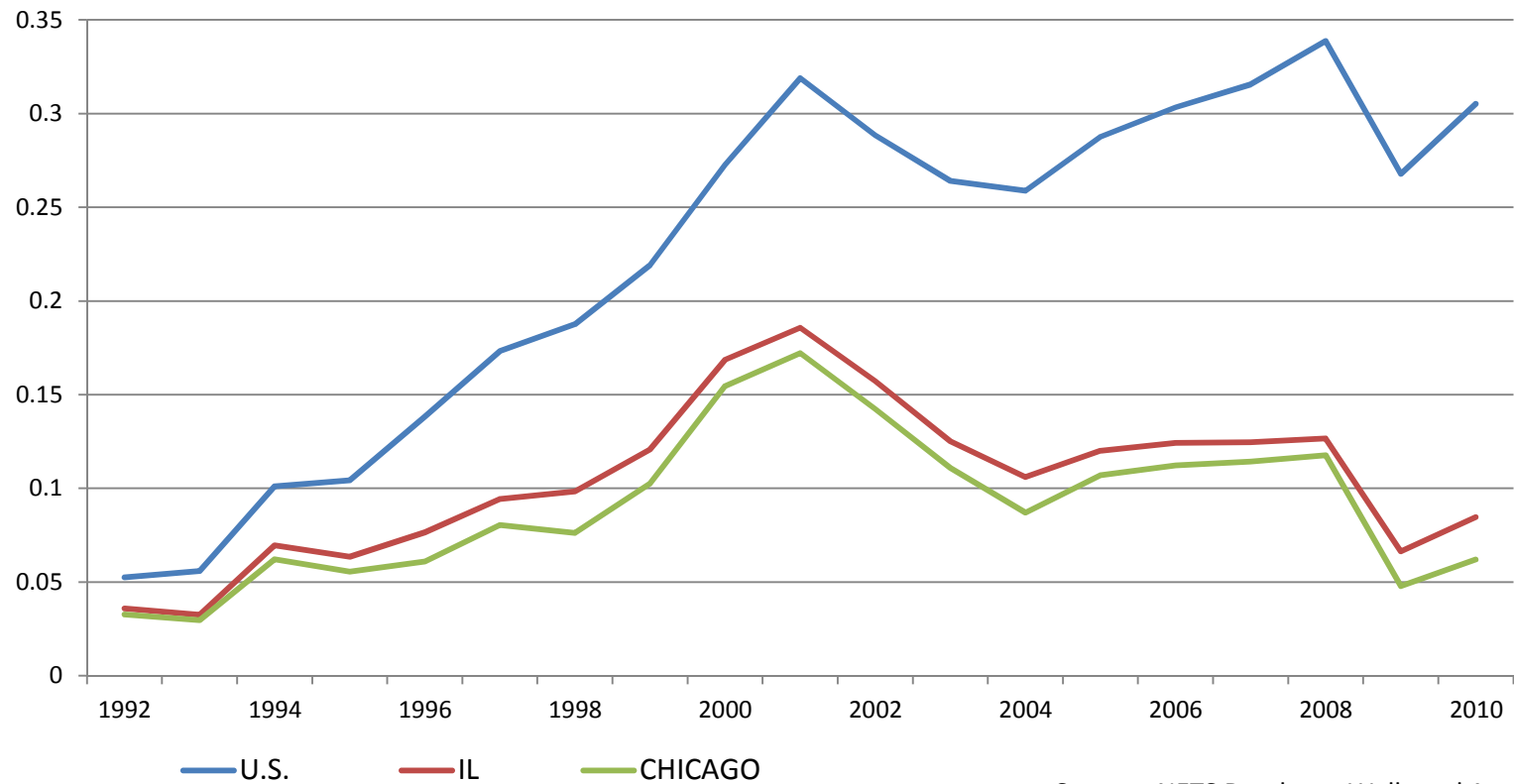
Assistant Director

Illinois Department of Commerce & Economic Opportunity



Long-Term Challenges

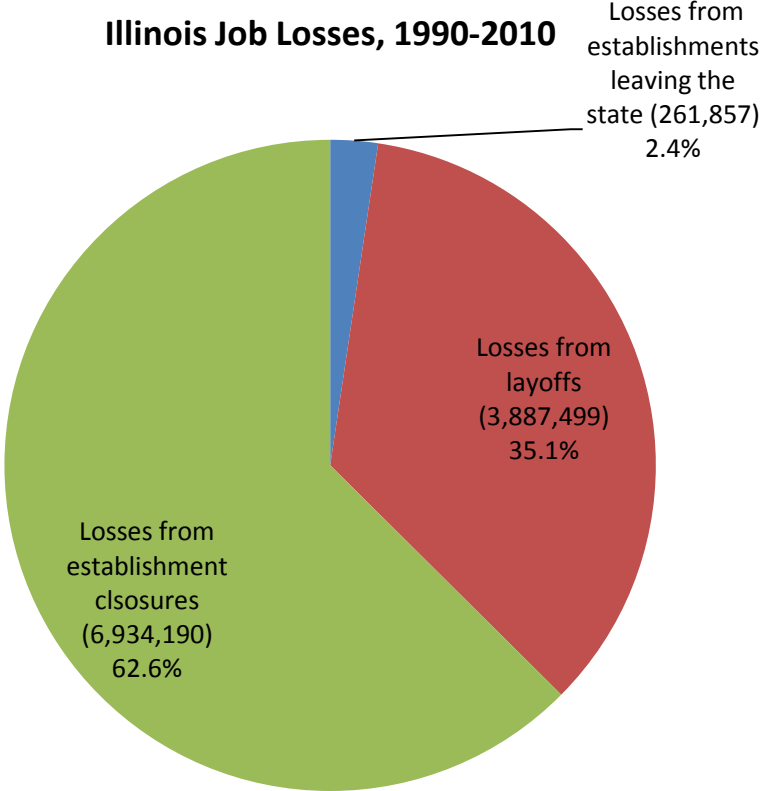
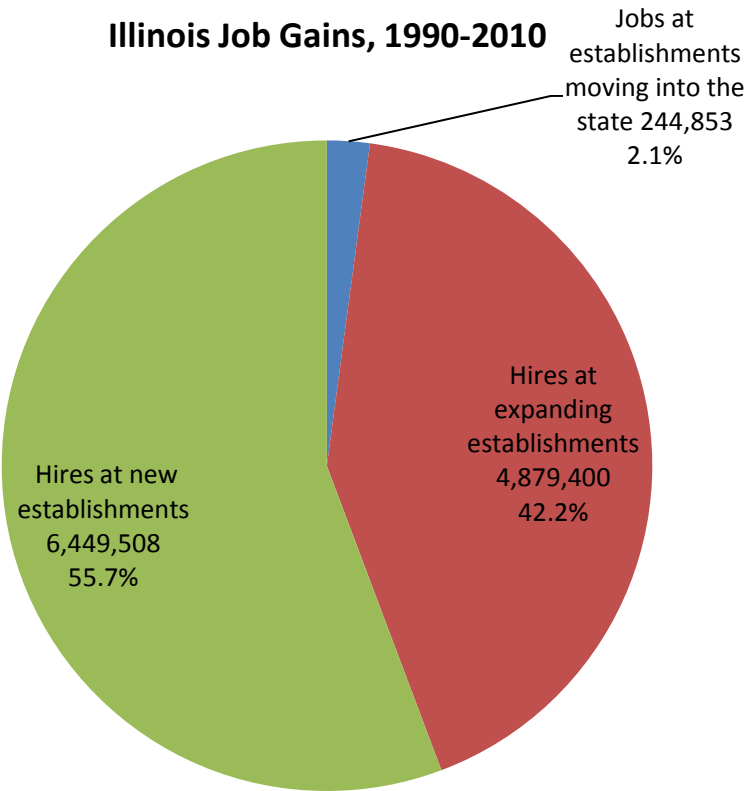
Cumulative Job Growth, 1992-2010



Source: NETS Database, Walls and Associates

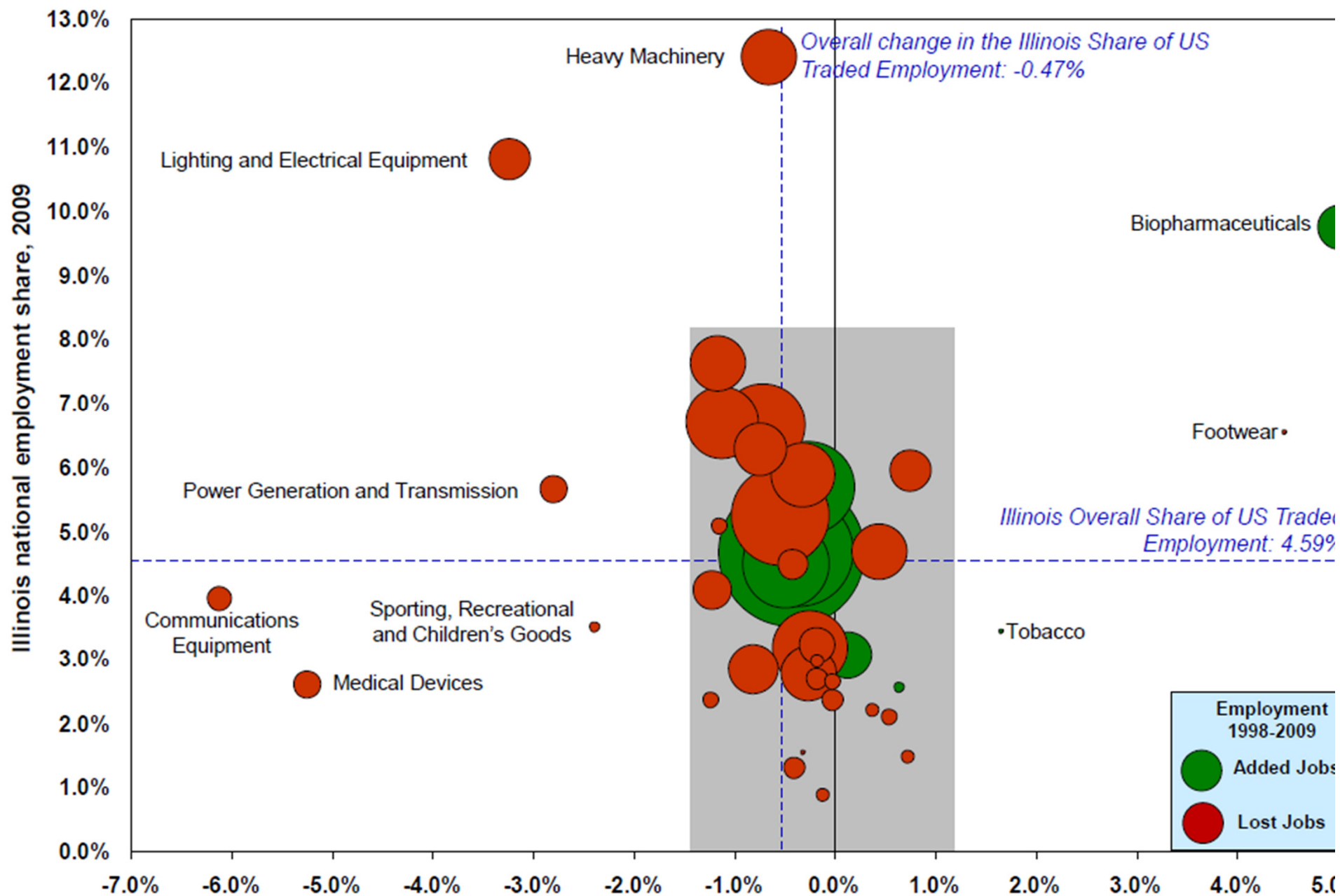


Organic Growth or New Business Attraction?

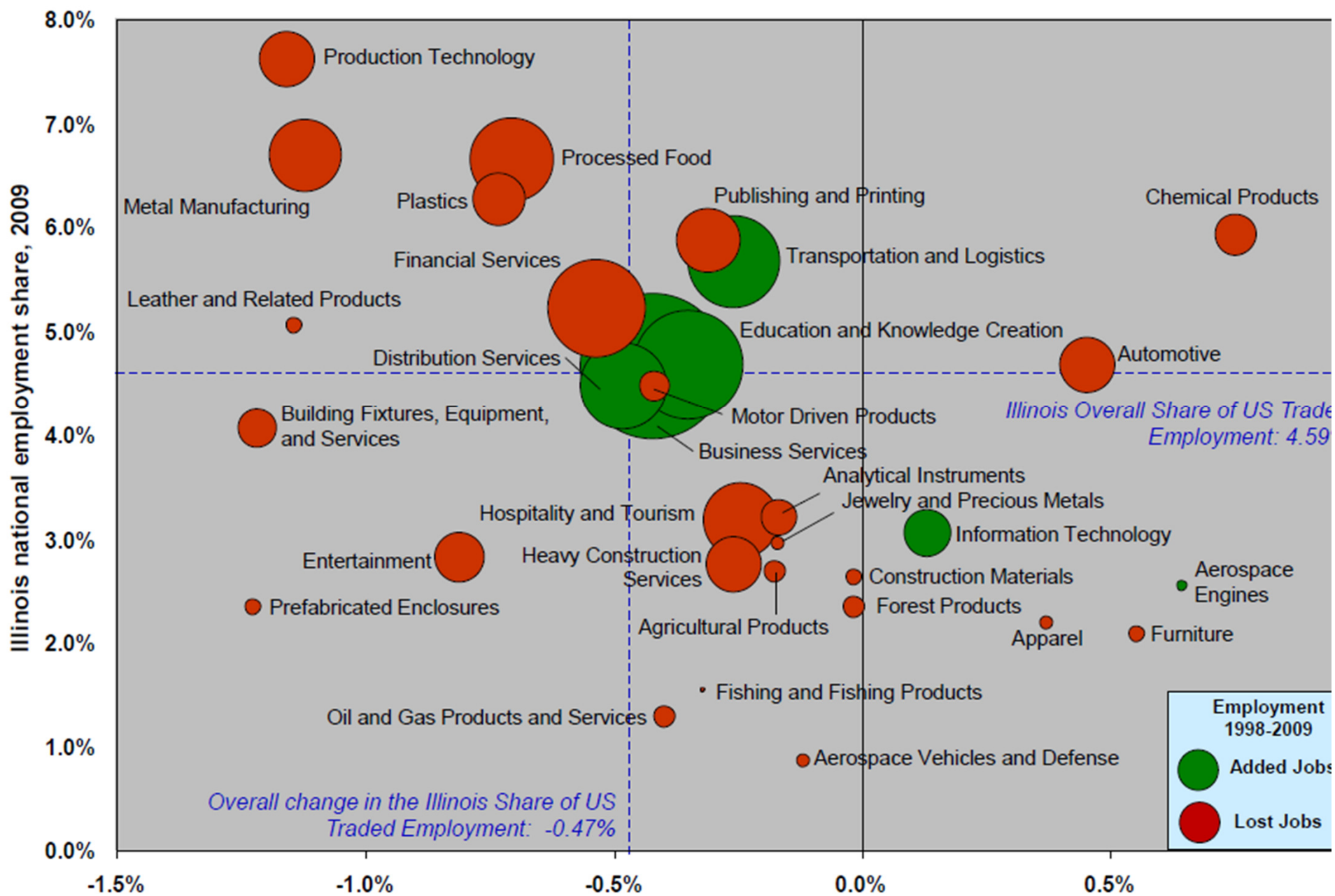


Source: Nets Database, Walls and Associates

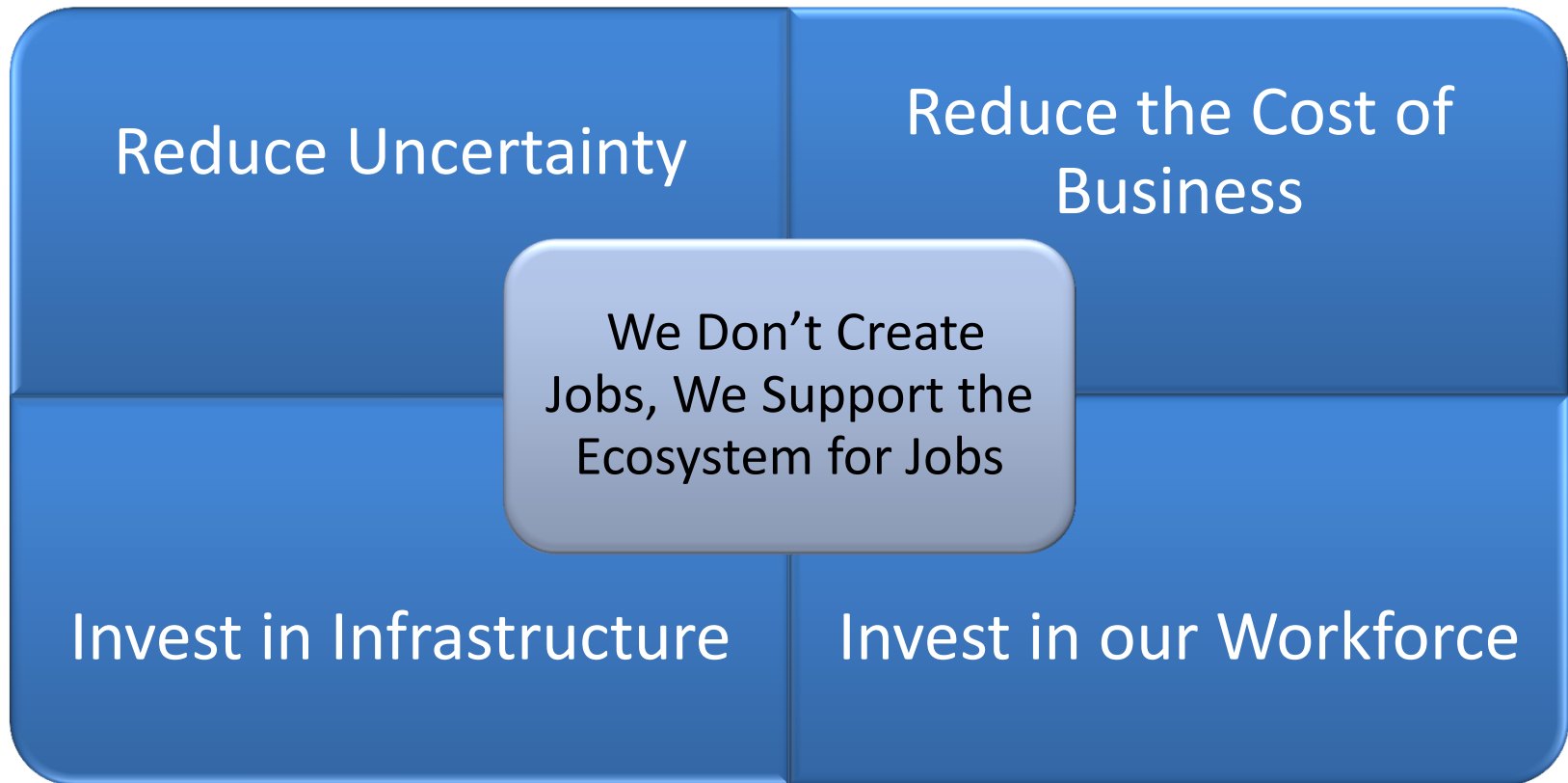
Traded Cluster Composition of the Illinois Economy



Traded Cluster Composition of the Illinois Economy



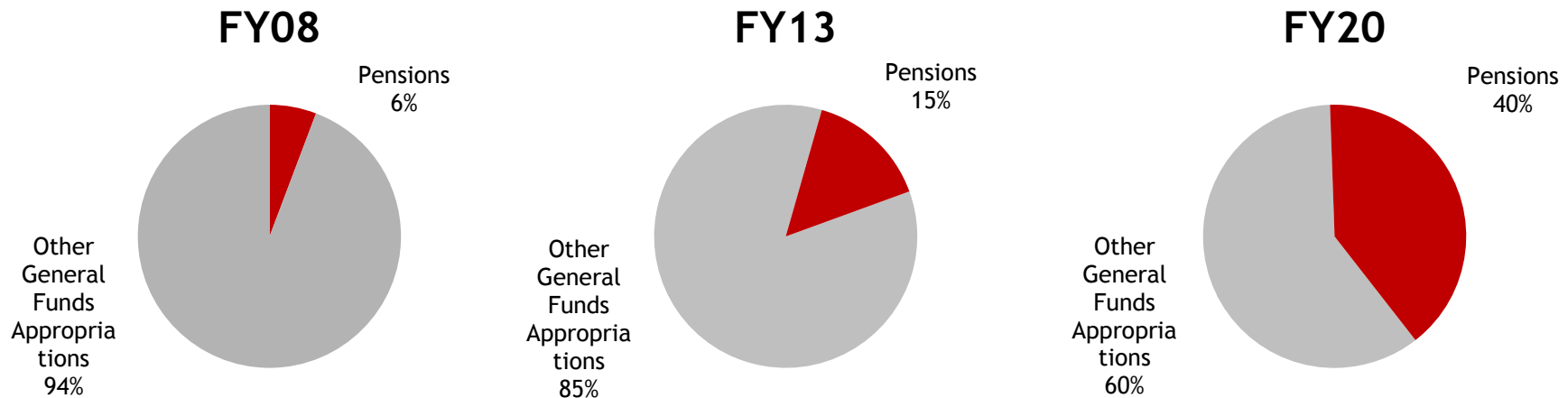
The State's Approach





Reduce Uncertainty by Fixing Pensions

Pension Cost as % of Total General Funds Revenues





Reducing the Cost of Business

Workers' Comp Reform

- *"The reform plan would **save about a half-billion dollars annually** for employers, mostly by slashing by 30 percent the fees that doctors and hospitals get to treat injured workers."*
- --St. Louis Post Dispatch

Unemployment Insurance Reform

- *"Illinois businesses will **save more than \$400 million in unemployment insurance taxes** thanks to the actions of state officials, who today refinanced a federal loan used to pay unemployment insurance claims."*
- --Illinois Chamber of Commerce

Extension of the R&D Tax Credit

- *"Illinois signed a five year extension of their state research and development tax credit program earlier this month, a **boon to companies across the state.**"*
- --Tax Point Advisors

Medicaid Reform

- *"Illinois' new Medicaid reform law is expected to **save the state an estimated \$800 million** over the next five years by tightening eligibility requirements for enrollment and providing more cost-effective care."*
- --Chicago Sun-Times

Investing in Infrastructure



Illinois has invested
\$43 Billion in our
Infrastructure

First High Speed Rail
Line was built in 2012

*Illinois has “the third
largest intermodal
port in the world
after Honk Kong
and Singapore” –
Business Facilities
Magazine, 2011*

\$12 billion on our
highways and bridges

Broadband
Infrastructure



Our Workforce is an Advantage

Highly Educated

- **34% of Illinoisans over age 25 hold a B.A. or higher** (2nd among large states.), and
- **More than 11% of Illinoisans hold advanced degrees** (11th among the 50 states). Source: 2010 Census Bureau American Community Survey (ACS)

Over 200 R&D Centers

- Illinois colleges and universities grab more research dollars than other Midwestern states (Illinois Innovation Index 12/19/2011).
- Argonne National Labs is a world leader in research

Technological Savvy

- 2012 TechAmerica ranks Illinois 8th in the U.S. for high tech employment 201,400 workers.
- Two of the top 25 engineering schools in U of I and Northwestern

Best Business Schools in the World

- #1 University of Chicago Booth School of Business
- #4 Northwestern Kellogg School of Business
 - --2013 *Businessweek*

Illinois Economy is Picking Up Steam

- ***\$45,375 Per Capita Personal Income in 2012***

Increase of \$3,350 from 2010

- ***Added +185,879 private sector jobs since Q1 of 2010***

Manufacturing jobs are a leading growth sector

- ***Growth in Tech jobs Outpaced nation in 2012***

Illinois is 4th in total number of tech companies

- ***Business investment packages generated 45,000 jobs***

\$2.7 billion in private investment





Business Expansions

NTN – 150 Jobs,
\$53MM Invested

Federal Savings
Bank – 300 Jobs,
\$10.6MM Invested

LaFarge – 90 Jobs,
\$8.4MM Invested

Woodward – 104
Created, \$46MM
Invested

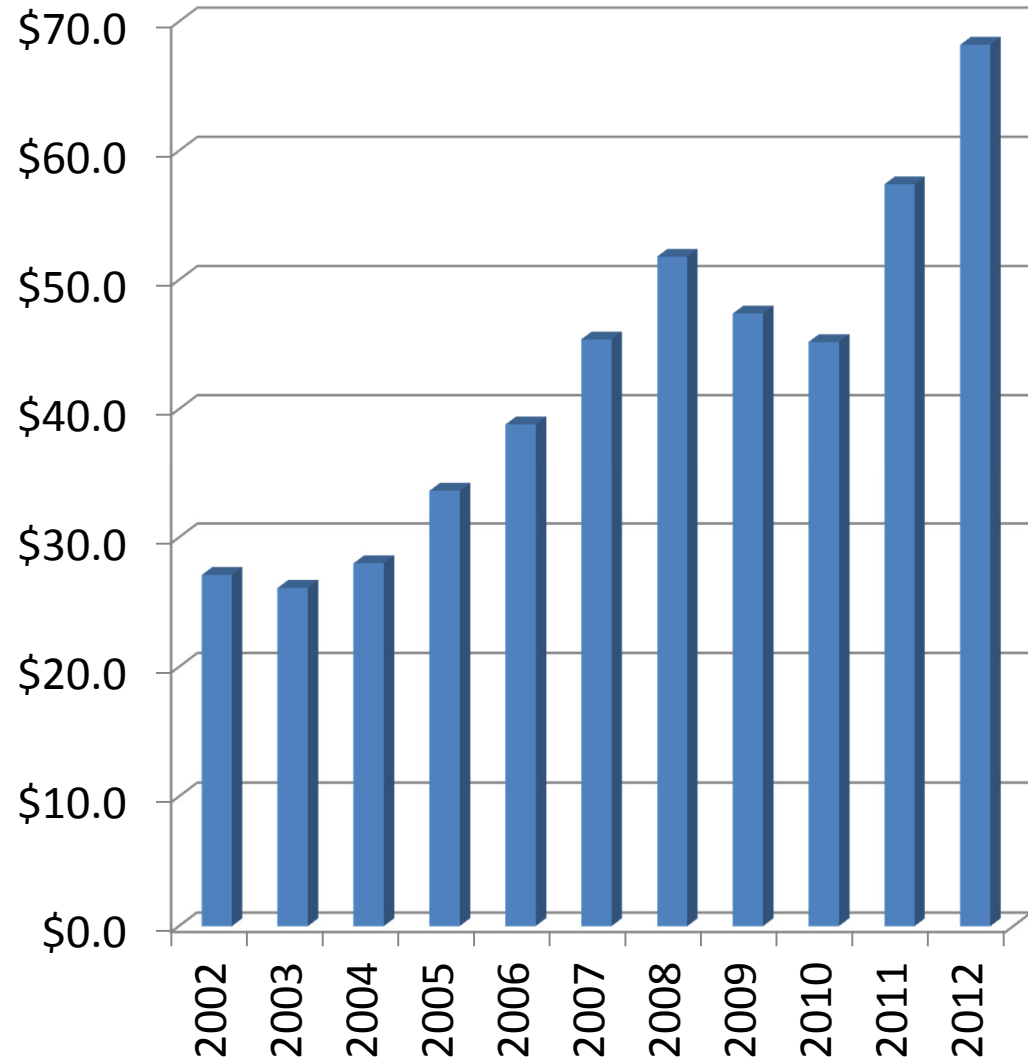
Nippon Sharyo –
250 Jobs, \$35MM
Invested, More to
Come

Covidien – 115
Jobs, \$30MM
Invested

Exports Outpace the Nation

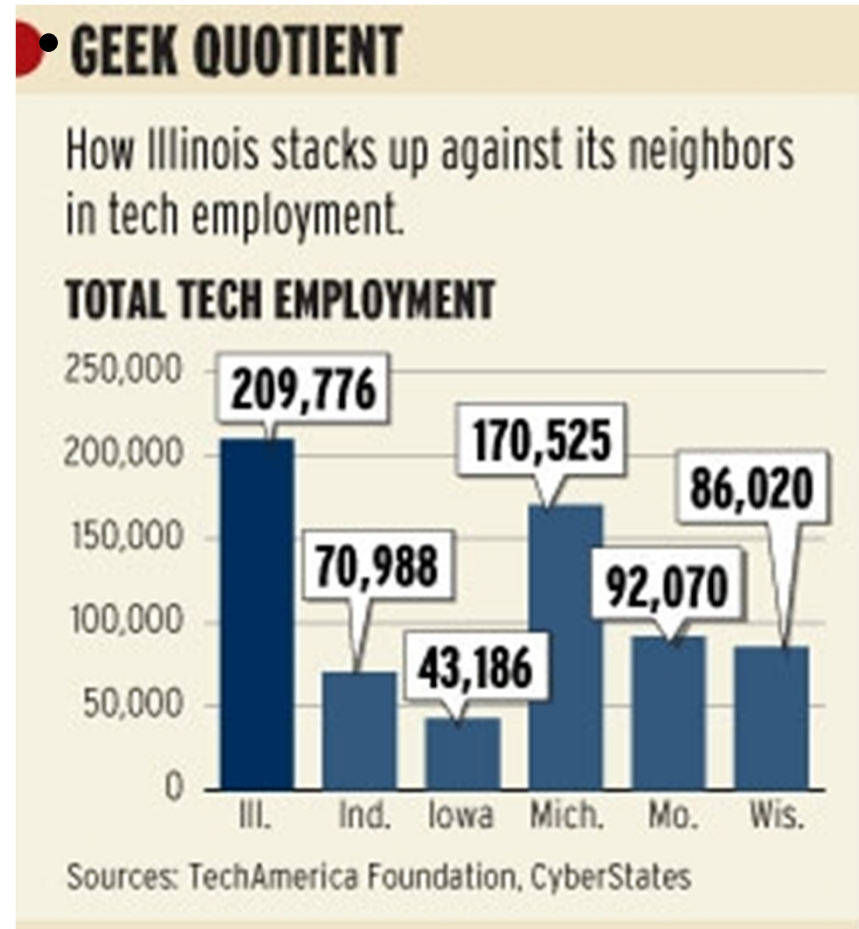
- Illinois Exports reached **\$68.2 billion** in 2012 (an all-time high)
- Illinois' export growth in 2011 was nearly **double** the average U.S. export growth rate
- Year over year exports have grown by about **20%**

Total Value of Exports in Billions



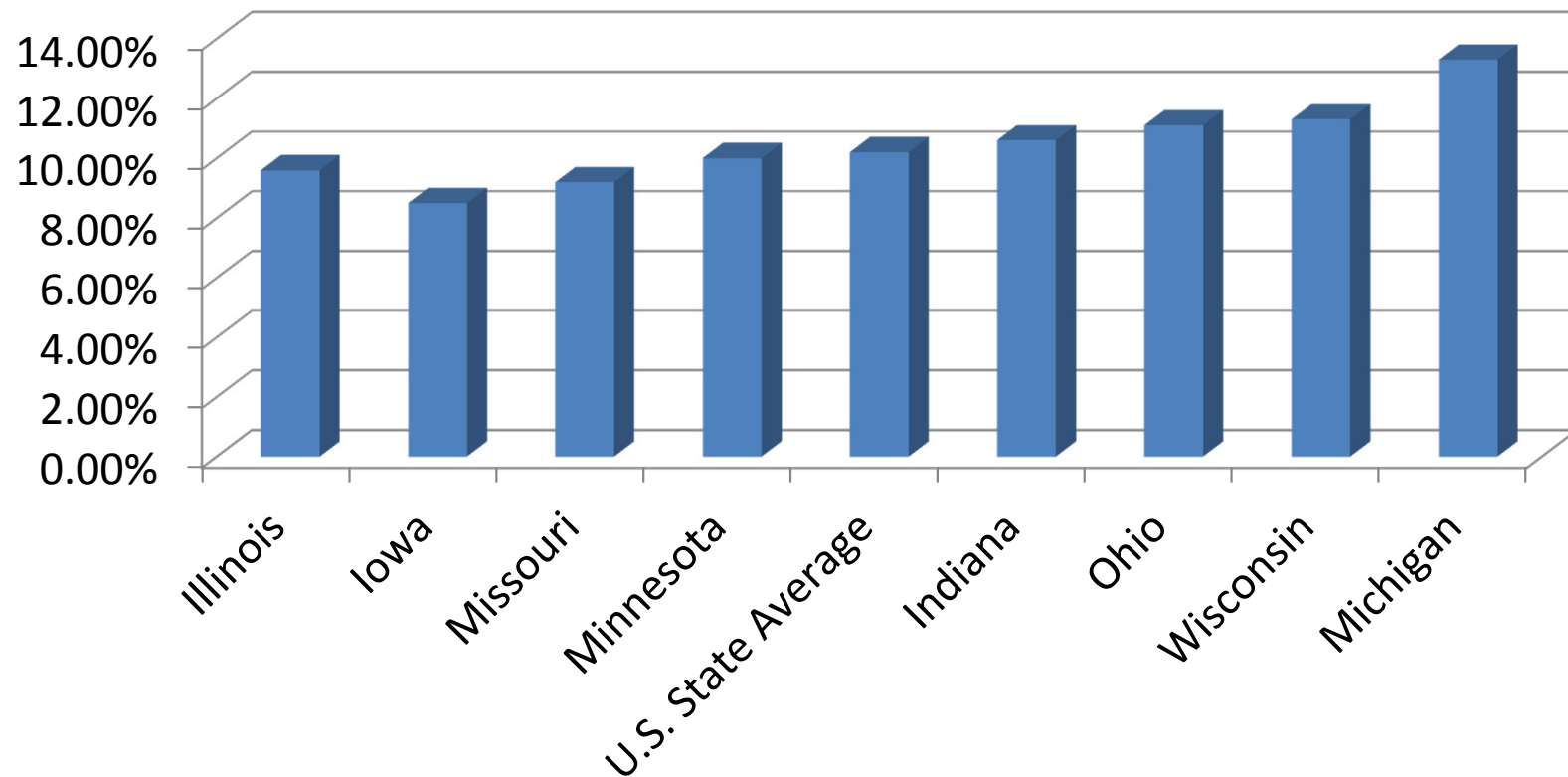
Illinois Outpaces Nation in Tech Job Growth

- Illinois added 3,400 tech jobs in 2012
- 1.6 percent growth vs 1.1 percent growth (45 percent more)
- Illinois was 4th in total number of tech companies



“Surprise! Illinois Biz Taxes Found Average” – May 2013, Crain’s

Combined State and Local Corporate Taxes



Source: Michigan-based Anderson Economic Group

A close-up photograph of a hand holding a single, light blue puzzle piece against a blue gradient background. The hand is positioned at the top of the frame, with fingers gripping the edges of the puzzle piece. The puzzle piece is a standard interlocking shape, and its color is a soft, pale blue. The background is a smooth gradient from a darker blue at the top to a lighter blue at the bottom.

AP: Illinois Has Smallest Government Per Capita

“Even as the total number of state employees has plummeted, the ratio of public employees per 1,000 residents varies widely by state, the AP reporting found. Alaska had the most with 34.9, while **Illinois had the fewest with 4.1** after cutting more than 4,000 workers from the state payroll since 2007”

Source: Associated Press, December 18th, 2011



People are Noticing

- Illinois **Top 5** among all states for number of new and expanded corporate facilities by *Site Selection*
- “Illinois **Outpaces Nation in Tech Job Growth**” in 2012
- Illinois is **Top 5 in the Nation for “Technology and Innovation”** and **“Infrastructure”** in 2013
- Chicago is ranked **10th in the world for high-tech startups** in the first Global survey from *Startup Genome*



TechAmerica
WHERE THE FUTURE BEGINS



Startup Genome
cracking the code of innovation



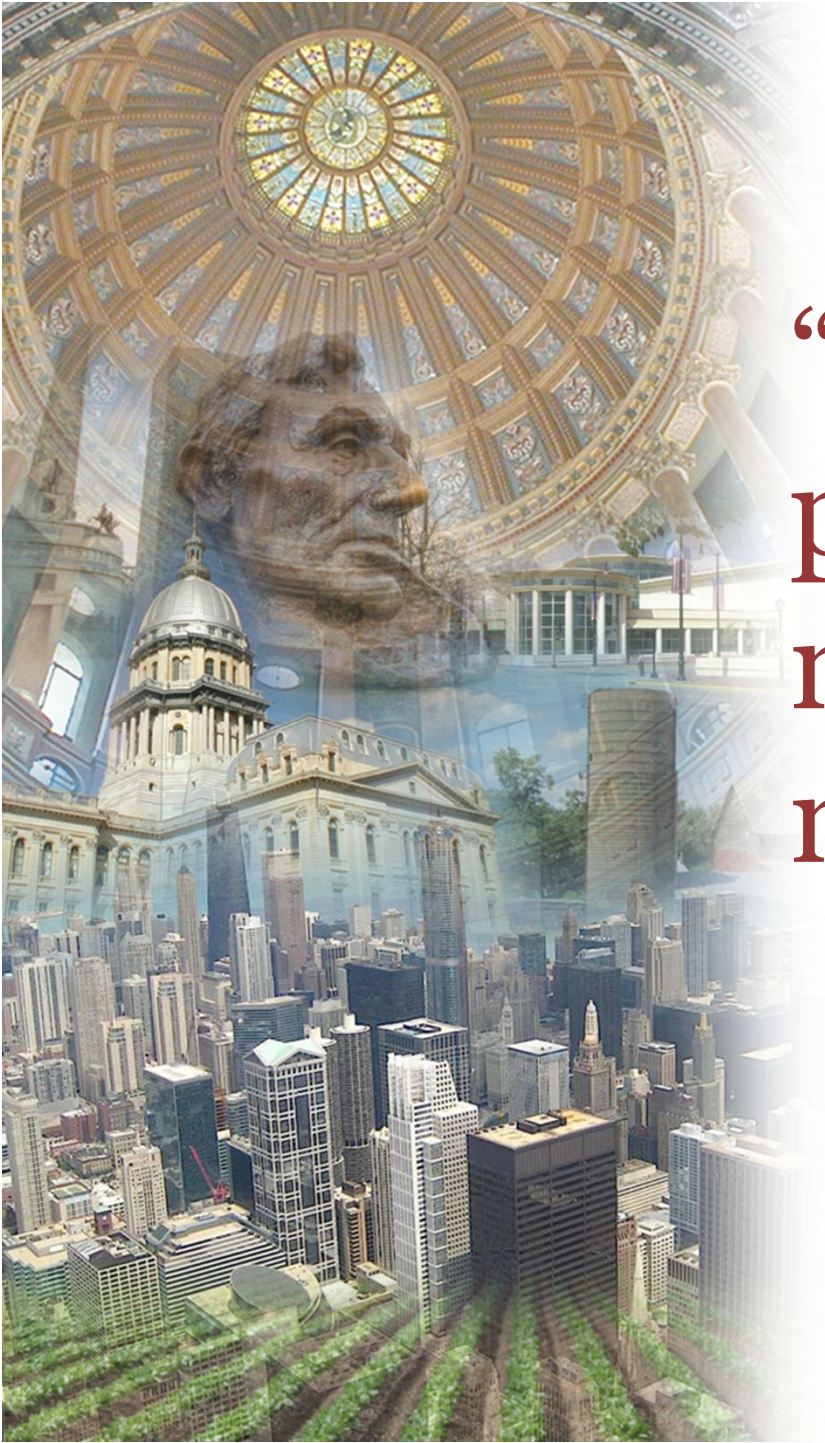
- *“Illinois' business climate outshines its neighbors,”*
-Crain's Chicago Business, Oct. 17, 2011)
- “The state has a larger pool of talented workers, bigger markets, more money for investment and better transportation.”

ChicagoBusiness.com
CRAIN'S
CHICAGO BUSINESS.



Ranked #4 in Fortune 500 Companies





“Make no little
plans. They have
no magic to stir
men’s blood.”

--Daniel Burnham



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& Economic Opportunity



Illinois DCEO