



# The Illinois Labor Market Review

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Welcome to  
Job Hunting  
101

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# Illinois Labor Market Review

July 2010

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# Helping Job Seekers Overcome Barriers in their Job Hunt

**Job clubs, computer workshops and job training programs are some of the resources the state offers**

by Yolanda Y. Harris

John Taylor of the Illinois Department of Employment Security (IDES) starts off his monthly employment workshops asking job seekers how they feel about sales people. The former salesman and state government deputy director says he gets answers like “pesky” and “persistent.” Then, he tells his audience to get their sales lines ready because a personal sales campaign, he said, is needed for an effective job search.

“A lot of people don’t want to be in sales and don’t like sales people,” Taylor said. “The good news is you only have to make one sale, and it’s done.”

Taylor, an IDES Program Representative, presents his monthly workshop, called “Marketing Your Skills: Selling Yourself in Today’s Job Market,” during a job club meeting held at the Illinois workNet Center, IDES’ Springfield office, located at 1300 S. Ninth St.

The job club, held every Friday, is among several strategies that workforce development agencies use across Illinois to help job seekers, some of whom state employees say have not searched for jobs in 20 years, find work. IDES offices host job fairs, offer basic computer classes, refer job seekers to job training programs and conduct mandatory



*John Taylor, IDES Program Representative, presents job hunting tips to job seekers.  
Photo by Shelia Cutright*

one- to two-hour re-employment workshops (offering job hunting tips and an overview of state employment and job training services) for job seekers who have filed claims for unemployment insurance benefits.

“I think they leave the workshops with a glimmer of hope,” said Rich Fox, an IDES employee who conducts re-employment workshops and helps job seekers develop resumes at the Workforce Network in Peoria.

In Springfield, Land of Lincoln Workforce Alliance and IDES have held the weekly job club meetings since the fall of 2009. Christine Schick, Workforce Advisor for Land of Lincoln Workforce Alliance, said the job clubs are “therapeutic” for job seekers because they bring people together with similar experiences.

“Some of the same people are coming back and looking forward to it,” Schick said. “It’s helping people to have that camaraderie and share ideas of job openings that would benefit other people.”

That’s exactly what a job club should do for job seekers, said Marilyn Moats Kennedy, a Wilmette, Ill.-based management consultant who has written books on career planning and workplace issues. “It’s all about helping them find solutions and self help.” Although job clubs bring job seekers together, Kennedy cautions that they not become a place where people talk gloomily about job prospects. “With every negative comment, give a positive response.”

## Ridding job seekers of negative feelings

Reframing negative job or job hunting experiences into positive ones is what Land of Lincoln Workforce Alliances and IDES tackle through an ongoing five-week job search learning series they have offered at the Illinois workNet Center since January of this year. The workshop features sessions on handling job loss grief, understanding computer basics, composing resumes and cover letters, completing online and paper job applications and interviewing.



*The Springfield team helping jobseekers improve their job search. From left to right are: Bryon Morlock, Veteran’s Employment Representative, IDES; John Taylor, Employment Security Program Representative, IDES; Valerie LeSeure, Workforce Advisor, Land of Lincoln Workforce Alliance; Christine Schick, Workforce Advisor, Land of Lincoln Workforce Alliance; Jay Schukai, Veteran’s Employment Representative, IDES; and Sheila Cutright, Employment Security Service Representative, IDES. Photo by Terry Andrick.*

The first workshop session in the series tackles the emotional barriers to a successful job search and is led by Valerie LeSeure, Workforce Advisor for Land of Lincoln Workforce Alliance. LeSeure helps job seekers rid themselves of negative attitudes that could manifest during job interviews.

“If you can let go of negative feelings associated with your job loss, and let your mind be quieted, you can process it easier,” LeSeure said. “And you can open yourself up to new opportunities.”

LeSeure said job seekers come into the Springfield office with a range of emotions, including anger, denial, fear and shock. “I spend a lot of time with people in my office with a lot of Kleenex.” She even brings a box of Kleenex with her to her workshops.

LeSeure helps job seekers cope with job loss by offering the following tips: accept that job loss is beyond one’s control, tap

into a greater spiritual power for strength, share one’s inner feelings with a confidant, make attitudinal changes, redefine what is meaningful or valuable and volunteer. “Doing something positive for someone else causes a brain reaction.” LeSeure said. “It can be a mood elevator.”

In addition to serving as a mood elevator, volunteering could lead to a new job, said Jerry Brumfield, an Employment Service Representative who helps job seekers in the IDES Chicago office located at 8750 S. Stony Island. “If you can’t do a job and get paid for it, do volunteer work, and that will lead to a job.”

Kennedy suggests that job seekers make either temporary or volunteer work a part of their weekly routine. “Two days a week you should either be working a job or volunteering. Three days a week, you should be job hunting.” She explained that job hunting five days a week can cause

## Job Hunting Tips from a Salesman

John Taylor, experienced salesman and an Illinois Department of Employment Security presenter on job hunting, offers job seekers the following tips:

- **Understand your target market.**  
Determine what employers you will target, research them, and know what you can offer them.
- **Account for your time.**  
Track how you spend your time during the day so that you can avoid wasting time.
- **Do not just hunt for jobs online.**  
Make cold calls to employers.
- **Know your numbers.**  
Know how many people you have called each day and their responses.
- **Have good marketing materials.**  
A resume, a portfolio, if appropriate, and a professional image.
- **Change your attitude about rejection. Avoid negative thinking.**  
You aren't going to get to "yes" without a lot of "noes."



burnout. But temping a couple of days a week keeps job seekers active while providing income. Volunteering, as an alternative, leads to job contacts.

**Just like in sales, the more calls or direct contact that job seekers make with employers, said Taylor, the closer they come to finding a job.**

### Decreasing anxiety about computers

The Illinois workNet Center staff in Springfield observed that some of their job seekers who were not familiar with computers had increased anxiety about job hunting. So the second workshop in the center's five-week job hunting series offers job seekers basic training on computers and on using www.IllinoisSkillsMatch.com, IDES' online job matching system. "Once the fear factor is over and they gain confidence, that is half the battle," Schick said.

The third workshop in the center's job search series instructs job seekers on developing electronic resume and cover letters. In week four, job seekers get tips on how to complete online job applications. "One of the things people don't know is that they're being timed," said Schick. "If they take too much

time, they could become disqualified." Also realizing this dilemma, IDES' Rockford office teamed up with Entre' Computer Solutions, which held nine months of free on-site computer classes for job seekers.

### Helping job seekers sell themselves

Once job seekers overcome negative feelings about job hunting and become more at ease with using a computer and the Internet, they are ready to hear IDES' John Taylor's tips on making the sale.

Prior to joining IDES in 2009, Taylor enjoyed an 11-year career in sales, where he sold products ranging from industrial supplies and copiers to management consultant services. He advises job seekers to liken their job search to a sales job. And he tells them to not take rejection personally.

“You aren’t going to get to ‘yes’ without a lot of ‘noes.’ Look forward to them because you’re going to get closer to yes,” said Taylor, who also served as a Deputy Director for the Illinois Department of Commerce and Community Affairs in the early 1990s.

Taylor also advises job seekers to not limit their job search to the Internet. “You can’t just look at what’s on the Internet because thousands of people are looking at that.” Instead, Taylor said job seekers should know what companies they want to target, make cold calls to employers and keep a record of their phone calls.

Just like in sales, the more calls or direct contact that job seekers make with employers, said Taylor, the closer they come to finding a job. The general rule of thumb in sales, explained Taylor, is that it could take 100 phone calls to get 20 people to talk to you. Out of that 20, five people may invite you to share more about your product in person.

And of those five, one might buy. “You’ve gotta discipline yourself and make sure you’re doing what you’re supposed to do because if you don’t, it will show up in the numbers,” Taylor said.

When making contact with employers, job seekers should also get help from people within their network, said Kennedy. For those job seekers who did not go to college and therefore think they do not have a network, Kennedy said consider religious institutions and former high school classmates. “They all didn’t drop dead the day you graduated. So don’t tell me you don’t have a network.”

Taylor acknowledges that job hunting, like sales, can take job seekers for a ride on an emotional roller coaster. But for those with an aversion to sales, he said only one sale is needed in the job hunt. “You only gotta make one sale, and you’re out of the sales business.”

*Yolanda Y. Harris is Editor of the Illinois Labor Market Review*

## Job Help Around the State

by Yolanda Y. Harris

Here is a look at what some Illinois Department of Employment Security (IDES) offices around the state are doing to help overcome barriers in their job hunt:

### Rockford

Tackling the education levels of its clients is a major challenge of IDES’ Rockford office, said Richard Hrynkow, IDES Field Office Supervisor of Employment Service Programs in Rockford. “We have less than the national average of high school graduates and college graduates,” Hrynkow said.

According to the U.S. Census, 78.4 percent of Rockford residents age 25 and older have high school degrees or higher, compared to 84.5 percent for the nation; and 18.8 percent of the Rockford population has at least a bachelor’s degree, compared to 27.4 percent for the nation.

To address this dilemma, the department’s Rockford office, called the Workforce Connection, has reserved a space in its lobby so that colleges and training organizations can regularly recruit job seekers for academic programs. Also, because many online job applications are timed, the Workforce Connection last fall partnered with Entre’ Computer Solutions to offer job seekers free basic computer training at the IDES Rockford office, located at 303 N. Main St. Entre’ originally agreed to offer the free four-hour computer class once a month for three months starting last October. But because the class had a waiting list, Entre’ extended the class twice for three months each time, with the last class ending on June 17.

### Chicago

A lot of job seekers who come to the Chicago Workforce Center at Pilsen, 1700 W. 18<sup>th</sup> St., had manufacturing jobs that were phased out, and they lack the necessary computer and math skills required for newer manufacturing jobs, said Maria Talis, Employment Service Supervisor.

## Maximize Online Job Hunting

**Jay Schukai, Veterans Employment Representative of 28 years in the Illinois Department of Employment Security Springfield office, offers these tips to help U.S. veterans and job seekers in general maximize their online job hunt:**

On [www.IllinoisSkillsMatch.com](http://www.IllinoisSkillsMatch.com), (IDES online job matching system):

1. Analyze your skills and enter all of them into [www.IllinoisSkillsMatch.com](http://www.IllinoisSkillsMatch.com).
2. Provide full job descriptions for all of your previous jobs and avoid uncommon acronyms.
3. Lower the minimum salary you would accept for a job.
4. Increase the maximum distance you would travel to work.
5. Check [www.IllinoisSkillsMatch.com](http://www.IllinoisSkillsMatch.com) regularly for job matches.

### Through online job applications:

1. Have a master application already prepared before completing an online application. “The longer the person takes to fill out an application, the less desirable they become,” Schukai said.
2. Follow-up with the employer a couple of days after completing your application.

So she encourages job seekers to improve their skills. “This is a perfect time to be in training,” Talis said. The Pilsen office has helped 50 job seekers access training that has prepared them to take apprenticeship tests and earn Occupational Safety and Health Administration (OSHA) certifications. In addition, the Pilsen office works with Teamsters’ Joint Council 25 and Joint Council 65 to recruit military veterans for “Helmet to Hardhats,” a national program that connects veterans to jobs training and to employment opportunities in such fields as construction, transportation and government. A new partnership is underway between the Pilsen office and Service Employees International Union for a similar initiative called “Helmets to Healthcare,” which will help veterans get training for civilian medical jobs.

### Harvey

IDES employee Gregory Shephard said that, in addition to skills shortages, a lack of transportation presents challenges for job seekers in Chicago’s south suburbs. “It seems to be an increasing resistance factor in terms of being able to accept employment because they figure ‘if I have to drive 45 miles to get a job, it’s going to cost me more in the long run

than if I had to drive 15 miles to work,’” said Shephard, an Employment Service Program Manager.

To help job seekers access employment opportunities, IDES’ Harvey office, 16845 S. Halsted, partnered with River Oaks Community Church, in South Holland, and hosted its annual spring job fair on April 22. Some 875 job seekers and 28 employers attended the job fair. Last year, 400 job seekers and 40 employers attended the job fair at the Markham Park District. The department’s Harvey office will partner with the River Oaks Community Church again in November for its annual veterans job fair.

### Bloomington

A lack of awareness of available job hunting and community resources is the challenge that Mick Mills, a Local Veterans Employment Representative, has worked to help job seekers overcome. So two years ago, Mills launched a monthly two-hour seminar for veterans and their family members called Veterans Information Benefits and Employment Seminar or VIBES. The seminar, held at the Illinois workNet Center, 207 E. Hamilton Road, in

Bloomington, Ill., features panelists from state and county government and community organizations offering information about employment and entrepreneurial resources as well as unemployment, medical, disability and education benefits. Mills also talks about these resources as a guest every Friday on the Ron Ross radio talk show, WJBC (1230 AM), in Bloomington - Normal.

### Springfield

Some job seekers at IDES’ Springfield office, also known as the Illinois workNet Center, 1300 S. Ninth St., have not looked for work in 20 years, according to Christine Schick, Workforce Advisor for Land of Lincoln Workforce Alliance. Land of Lincoln Workforce Alliance and IDES host a free five-week workshop at the center for job seekers needing in-depth guidance on job hunting, interviewing, computer basics, completing online job applications and overcoming negative emotions. The center also hosts a weekly job club on Fridays. At the club meetings, job seekers share job leads and receive job hunting tips from human resource managers and workforce development professionals.



*Job seekers entering IDES Harvey office’s annual spring job fair, held at the River Oaks Community Church in South Holland, on April 22, 2010. Photo by Albert Sancho.*

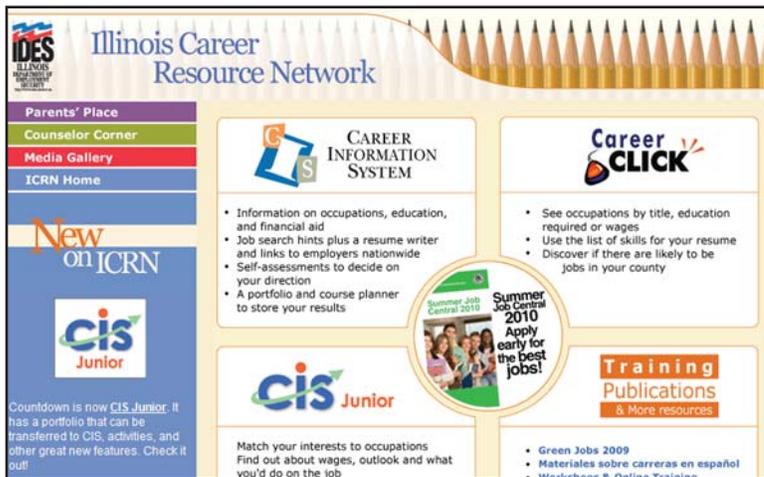
# A Tool for Reshuffling Skills into a New Job

by Lola Lucas

Sometimes you don't need new clothes, you just need to reshuffle pieces you already have to get a new look. If laid off, the same principle applies to skills you've developed over the course of your career. What items are still a good fit? Which can be altered a bit so they're useful in other occupations?

Understanding your transferrable skills can reduce or maybe eliminate the need for retraining. Even in a new field, you can confidently tell employers that you have what they're looking for, which is experience.

The Illinois Department of Employment Security offers an online skills assessment tool (in both English and Spanish) that helps you rate your skills and match them to a variety of occupations. Here is how you can access it:

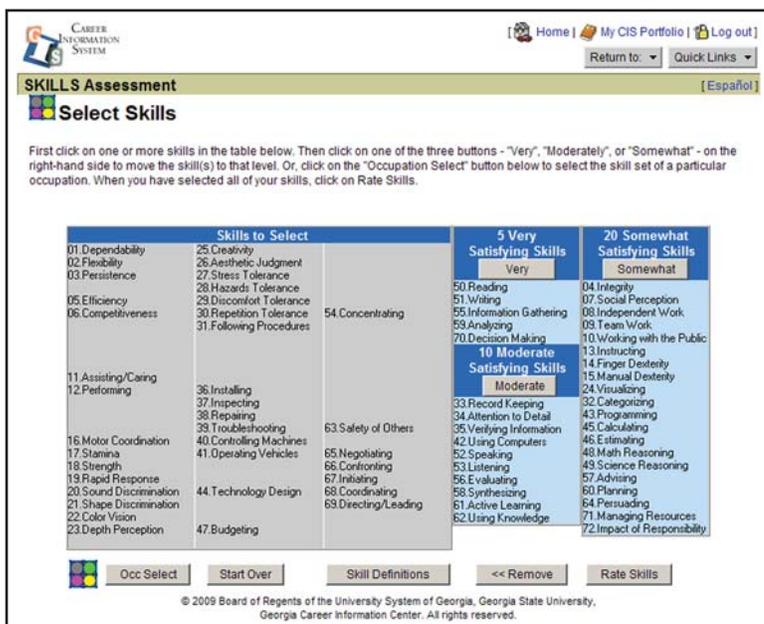


## Fit for A New Job:

- 1) Go to [www.ILWorkInfo.com/icrn](http://www.ILWorkInfo.com/icrn) and click on Career Information System (CIS).
- 2) Select Option 3 (Illinois resident login) and follow instructions.
- 3) On the left of the CIS homepage, under the "Assessments and Links" section, click on SKILLS.
- 4) Choose from a list of 72 skills and rate the selected skills as being "very satisfying," "moderately satisfying" or "somewhat satisfying."
- 5) Click "Rate Skills."
- 6) Click the blue link called "Top 30 Occupations" at the top of the new page to see occupations that match your skills.

Or, to find out which occupations are similar to the one you had before, follow these steps:

- 1) Begin with steps 1 and 2 from above.
- 2) Click "Occ Select."
- 3) Select your previous occupation.
- 4) Click "Rate Skills."
- 5) Click the blue link called "Top 30 Occupations" at the top of the new page.
- 6) Click on an occupation of interest to learn more about it (job description, wages, employment projections, education requirements, etc.).



# Sizing up the Agribusiness Industry in Illinois

by Ron Payne

Have you ever wondered where the corn flakes you ate for breakfast came from or who made them? The answer lies both north and south of Interstate 80.

To the south of I-80, in rural Illinois, approximately 76,000 Illinois farms cover nearly 27 million acres, over 75 percent of the state's total land area. Illinois is a leading national producer of soybeans,

corn and swine. The state's climate and soil types enable farmers to grow and raise many other agriculture commodities as well, including cattle, wheat, oats, sorghum, hay, sheep and poultry.

To the north of I-80 are many of the state's food processors that help strengthen the economies of the urban areas. The Chicago metro area contains one of the largest

concentrations of food-related businesses in the world. According to the 2007 Census of Agriculture, the total market value of Illinois agricultural products was nearly \$13.5 billion.

There is no question that the agribusiness industry in Illinois employs thousands of workers, but there are varying estimates on exactly how many. It has been somewhat difficult to correctly estimate farm employment over the years. Prior to the "New Deal" in the 1930s, farmers and other agriculture interests lobbied to be excluded from the unemployment insurance laws at both the national and state levels. The main reason was that, at the time, most

farms were small family operations owned and operated by independently minded individuals that wanted nothing to do with the government unemployment system. During the past 50 years, the number of family farms and farm owners has declined. The trend now is toward much larger farms that are owned and managed by corporations that are covered by the unemployment insurance laws, which make it much easier to track employment.

Three levels of occupations are essential for estimating total agriculture industry employment: direct agriculture employment, agriculture-related employment and all other related employment. Also important is determining which industry sectors to include in the agriculture and agribusiness industries. The North American Industry Classification System (NAICS) taxonomy has nicely divided the industries into sectors. This analysis uses the following industry sectors as the primary agriculture sectors for estimating agriculture employment:

- Crop Production
- Animal Production
- Forestry and Logging
- Fishing, Hunting and Trapping
- Support Activities for Agriculture and Forestry
- Animal Slaughtering and Processing
- Pesticide, Fertilizer and Other Agricultural Chemical Manufacturing
- Farm Machinery and Equipment Merchant Wholesalers
- Farm Product Raw Material Merchant Wholesalers
- Farm Supplies Merchant Wholesalers
- Lawn and Garden Equipment and Supplies Stores
- Farm Product Warehousing and Storage
- Veterinary Services
- Landscaping Services





**Table 1: Direct Agriculture Employment**

Title	Base Year Employment 2006	Average Annual Job Openings
Farm, Ranch & Other Agricultural Managers	3,865	39
Farmers & Ranchers	58,876	529
Purchasing Agents & Buyers, Farm Products	925	12
Agricultural Engineers	411	18
Animal Scientists	4	0
Soil & Plant Scientists	259	10
Conservation Scientists	278	8
Foresters	117	5
Agricultural & Food Science Technicians	921	21
Farm & Home Management Advisors	641	24
Veterinarians	2,244	82
Veterinary Technologists & Technicians	1,580	133
Vet Assistants & Lab Animal Caretakers	3,291	87
Fish & Game Wardens	15	0
1st-Line Spvrs/Mgrs, Landscaping & Lawn Service	7,745	194
Landscaping & Groundskeeping Workers	46,630	1,670
Tree Trimmers & Pruners	1,059	31
1st-Line Spvrs/Mgrs, Farming, Fishing & Forestry Workers	613	11
Farm Labor Contractors	28	1
Agricultural Inspectors	449	16
Animal Breeders	31	1
Graders & Sorters, Agricultural Products	1,041	18
Agricultural Equipment Operators	1,288	34
Farmworkers & Laborers, Crop, Nursery & Greenhouse	9,843	246
Farmworkers, Farm & Ranch Animals	1,181	30
Agricultural Workers, All Other	309	8
Fishers and Related Fishing Workers	70	2
Forest & Conservation Workers	216	10
Fallers	44	1
Logging Equipment Operators	71	1
Log Graders & Scalers	16	0
Logging Workers, All Other	31	1
Farm Equipment Mechanics	1,545	30
<b>Total</b>	<b>145,637</b>	<b>3,273</b>

## Direct agriculture employment

Using the Standard Occupational Classification (SOC) taxonomy, it is fairly simple to estimate the primary agricultural occupations that are considered direct farm employment. As such, the full employment level for these occupations is presented in Table 1, below.

## Agriculture-related employment

The occupations listed in this level are ones that are highly dependent on the agriculture industry. However, all of the workers that are employed in these occupations do not work exclusively in the agriculture industry. To determine how many workers in each of these occupations work in the agriculture industry, it is necessary to study the industry staffing patterns and occupational employment matrices. The distribution of these occupations across the agriculture industries is presented in the Table 2, on the next page.

## All other related employment

The occupations listed in this section are found quite often in the agriculture industry, but the agriculture industry is not the primary industry that hires the occupation. As with agriculture-related employment, the industry and occupation matrices provide the percentage of each occupation's distribution to the agriculture industry. See Table 3, on the next page.

## Total agribusiness employment

Using the selected agriculture industries and utilizing industry staffing patterns and occupational employment matrices, the estimate of agriculture employment in 2006 was 163,255 workers or 2.6 percent of the state's workforce.

There are estimates of agribusiness employment as high as one in every five workers in the state. But many of the varying estimates are produced by organizations with different interests in mind. Some estimates have included restaurant cooks because it has been reasoned that the cooks were adding value to a raw agriculture product. Nonetheless,

**Table 2: Agriculture-Related Employment**

Title	Base Year Employment 2006	Average Annual Job Openings
Landscape Architects	121	2
Forest & Conservation Technicians	372	15
Agricultural Sciences Faculty	491	17
Forestry & Conservation Science Faculty	44	2
Pesticide Handlers, Sprayers & Applicators	578	8
Grounds Maintenance Workers, All Other	383	5
Animal Trainers	65	1
Sales Reps, Whls/Mfg, Technical/Scientific Products	227	5
Sales Reps, Whls/Mfg, except Tech/Scientific Products	1,633	35
Weighers, Measurers, Checkers & Samplers	175	4
Bus & Truck Mechanics & Diesel Engine Specialists	158	3
Mobile Heavy Equipment Mechanics, except Engine	84	2
Butchers & Meat Cutters	747	24
Meat, Poultry & Fish Cutters & Trimmers	2,658	83
Slaughterers & Meat Packers	4,956	157
Truck Drivers, Heavy & Tractor Trailer	1,868	32
Truck Drivers, Light or Delivery Services	899	16
<b>Total</b>	<b>15,459</b>	<b>411</b>

**Table 3: All Other Related Employment**

Title	Base Year Employment 2006	Average Annual Job Openings
Marketing Managers	44	1
Sales Managers	174	4
Transportation, Storage & Distribution Managers	35	1
Computer Support Specialists	19	1
Chemical Engineers	14	0
Health & Safety Engineers, exc Mining	5	0
Mechanical Engineers	3	0
Electrical & Electronic Engineering Technicians	5	0
Chemists	22	1
Environmental Scientists & Specialists	3	0
Biological Technicians	1	0
Chemical Technicians	19	1
Securities, Commodities & Financial Services Sales Agts.	9	0
1st-Line Spvrs/Mgrs, Production & Operating Workers	876	15
Industrial Truck & Tractor Operators	927	23
<b>Total</b>	<b>2,156</b>	<b>47</b>

this study presents an accurate and unbiased estimate of employment in Illinois' agribusiness industry.

In summary, now that more farms today are managed by corporations that are required to adhere to state unemployment insurance laws, state government can better track employment in the agribusiness industry. An accurate count of agribusiness employment in Illinois must include the appropriate industry sectors in the count as well as estimates for direct agriculture employment, agriculture-related employment and all other related employment.

While the agribusiness industry in Illinois comprises only 2.6 percent of the state's workforce, the 163,252 workers it employs is a significant amount. With Illinois agriculture products valued at \$13.5 billion, the agribusiness industry also contributes greatly to the economy. Given the domestic and export markets for its products, the agribusiness industry is expected to remain a significant contributor to the economy in the future.

*Ron Payne is Illinois Department of Employment Security's Labor Market Economist for the Springfield and Decatur metropolitan areas.*



# Rockford Recovery: Exploring the Past to Predict the Future

by Tom Austin

As of March 2010, the current recession has lasted for 28 months, which is 3.5 times longer than the two other recessions since 1990. A report prepared for the Brookings Institute described the recession as “the deepest post war recession from the perspective of the labor market.”<sup>1</sup> The “Great Recession” started December 2007 and the National Bureau of Economic Research has not officially set its end date.

The length of the current recession has led to questions of when the Rockford Metropolitan Area (MSA), which has the highest unemployment rate in Illinois and was the fifth highest in the nation in January 2010, will start to see the light at the end of

the tunnel. Gauges of different industries and economic activity are used to predict economic changes at the national level. This article uses national gauges or indicators during past recessions, to determine their value in predicting economic changes at the Rockford metro level.

The two primary labor market indicators used in this analysis are nonfarm employment and labor force information. This information is available at a variety of levels, including the metro level, and it can provide information to demonstrate the effects of the national recessions on the Rockford MSA. This report compares nonfarm employment and labor force information to industry specific

indicators, such as industrial capacity and vehicle sales, to analyze their predictive value in measuring economic changes in the metro area. The end goal is to determine which national indicator is the most useful in predicting economic changes in the Rockford MSA.

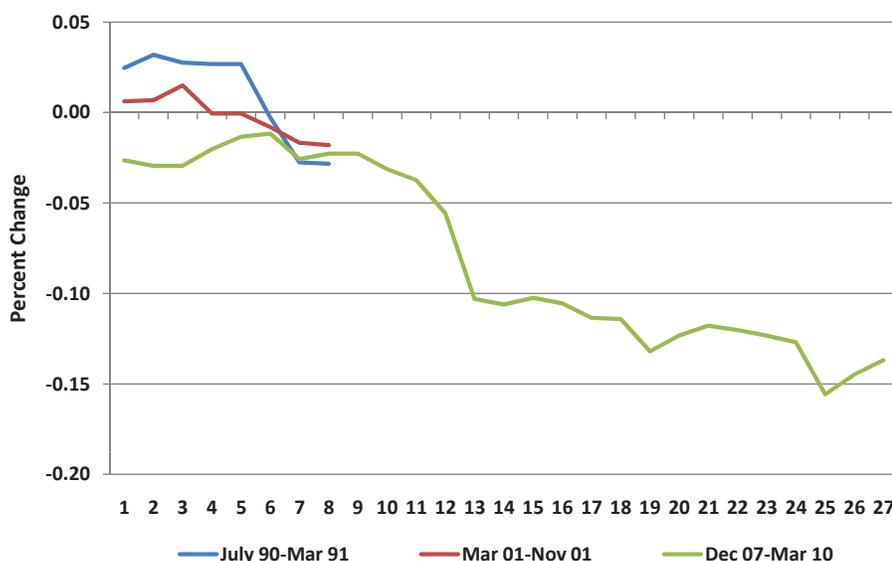
## Can nonfarm employment trends indicate Rockford's rebound?

To understand what information can help determine when the Rockford MSA will climb from its current recession, this article first examines nonfarm employment data in the current and past two recessions since 1990. In order to evaluate changes in each recession, the article uses the start of a recession as the base month to allow for a comparative analysis. For the current recession, December 2007 is the base month. Chart 1 shows the percent change in total nonfarm employment from the starting month of each recession. The Rockford area experienced some employment growth during both the 1990 and the 2001 recessions, but no growth has occurred during the current recession. Below is a more detailed discussion of employment trends during each recession.

## Employment trends in the current recession

Nonfarm employment in the Rockford metro area peaked in June 2007, a full six months before the official start of the national recession. Following the employment losses throughout this recession, total nonfarm employment in the metro area has yet to return

**Chart 1: Change in Rockford MSA Total Nonfarm Employment from the start of the recession**  
Source: Illinois Department of Employment Security



<sup>1</sup> Michael Elsby, Bart Hobijn, and Aysegül Sahin “The Labor Market in the Great Recession.” A report prepared for the Brookings Panel on Economic Activity, March 8, 2010. Page 2.

**Table 1: Rockford MSA Employment & Labor Force Trends During Past and Current Recessions**

	<b>1990</b>	<b>2001</b>	<b>2007</b>
<b>Time length</b>	8 months	8 months	28 months
<b>Highest unemployment rate</b>	6.80%	9.20%	19.70%
<b>When # of unemployed exceeded level at recession's start</b>	2/1/1991 (7th Month)	6/1/2001 (4th Month)	1/1/2008 (1st Month)
<b>Recession's impact on manufacturing employment</b>	<b>Decline</b> (except for 1 <sup>st</sup> 6 months of recession)	<b>Decline</b> (reached pre-recessionary levels 63 months later)	<b>Decline</b>
<b>Recession's impact on other sectors</b>	<b>Growth</b> for most (construction and professional service rebounded 32 months later)	<b>Growth</b> for most (education-health services declined during recession; 3 sectors declined after recession)	<b>Decline</b> for most (except education and health services)

to its pre-recessionary level. The metro area did experience an employment growth surge in June 2008 to 161,100 total jobs, but total nonfarm employment fell by 16,700 jobs to 144,400 by June 2009. Exacerbating the situation was the addition and then elimination of shifts by one of the region's largest employers. During the recession, the area has experienced sharp employment swings. These swings were related to temporary and permanent layoffs in the manufacturing sector. Overall, the current recession has caused substantial job losses in nonfarm employment and record high unemployment in the Rockford area.

From December 2007 to March 2010, nearly all of the largest employing sectors that are recession sensitive in the Rockford MSA have experienced long-term job losses. Only the educational-health services sector has shown continued employment levels above its December 2007 level. Early in the recession, leisure-hospitality and construction sectors showed employment levels at or above the base month. After the first 12 months of the recession, construction employment fell below the base month and has continued to drop. The other major employing sectors - manufacturing, retail trade, transportation-warehousing-utilities,

and professional-business services - have all dropped from their December 2007 levels. Manufacturing has experienced the largest decline (-7,900 jobs), moving from 34,500 jobs in December 2007 to 26,600 in March 2010. Nearly all of the area's largest employment sectors have lost jobs.

### Employment trends in the 1990-91 recession

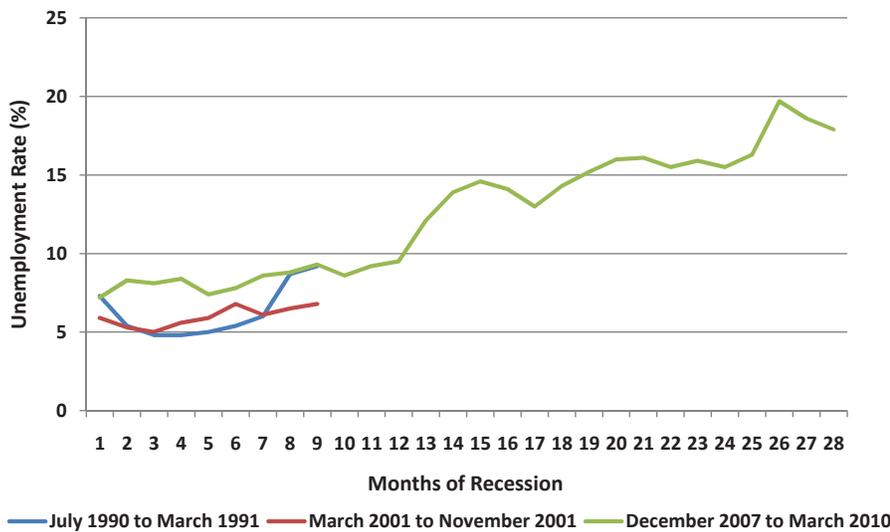
How do the Rockford MSA's labor force and nonfarm employment changes in the current recession compare with the two other recessions since 1990, both lasting only

**Recession: a period of diminishing activity. The National Bureau of Economic Research identifies a month when the economy has reached a peak of activity and then a trough. The time in between is a recession, a period when economic activity is contracting.**

#### Recessions since 1990:

- **July 1990 to March 1991**
- **March 2001 to November 2001**
- **December 2007 to present**

**Chart 2: Rockford MSA: Recession Unemployment Rates**  
Source: Illinois Department of Employment Security



eight months? Comparing the same industry sectors, the first recession (July 1990 to March 1991) also had solid declines in manufacturing employment. Manufacturing initially was higher than the base month (which is the start of the recession) for the first six months of the recession and then it fell drastically. While manufacturing recovered from its lows, it was never higher than its pre-recessionary level.

With the exception of construction and professional-business services, the other industry sectors continued to be higher than their July 1990 levels throughout the recession. Thirty-two months from the start of the 1990-1991 recession had passed before professional-business services began to move above the base month level. Therefore, nonfarm payroll jobs in the current recession fell in more industry sectors than that of the 1990-1991 recession, when some sectors had experienced growth. Manufacturing in both recessions experienced employment declines. The July 1990 recession and the economic situation in the Rockford metro area were different from the current recession. The current recession has lasted longer and has affected more industry sectors.

### Employment trends in 2001 recession

Nonfarm employment in the second recession, starting in March 2001, shows a similar pattern as the July 1990 recession. Manufacturing did not experience any gains during the 2001 recession, and it was not until 63 months after the start of the recession that manufacturing returned to its pre-recessionary levels. It would be another 10 months before manufacturing would climb above the base month level for more than two months in a row. While the other industry sectors would stay above their base month employment level once the recession concluded in November 2001, industries such as retail trade, transportation-warehousing-utilities, and leisure-hospitality started to experience employment declines. Those declines moved the industry sectors below their March 2001 base level. These employment changes may parallel the December 2007 recession when the National Bureau of Economic Research sets the end date of the recession.

Educational-health services was the other industry sector that had job losses (albeit

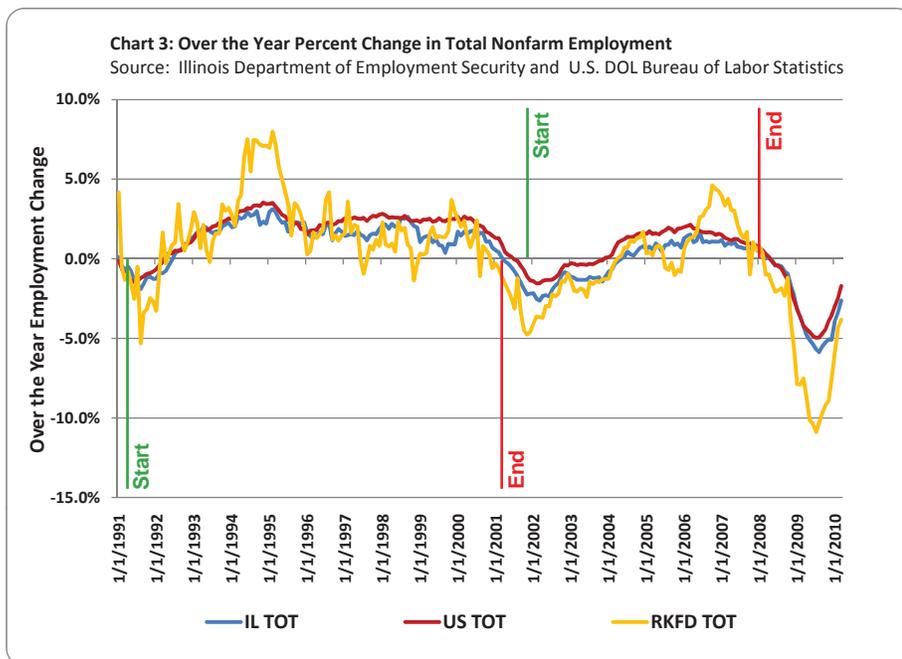
slight) during the 2001 recession. It was the only industry to show consistent job gains from its base month after the conclusion of the recession. Employment changes in the March 2001 recession, the second since 1990, demonstrated growth in several industry sectors, which is unlike the employment changes of the current recession. Changes in nonfarm employment in each recession appear to be different and therefore, do not provide a clear predictive value for when the Rockford MSA will emerge from its current recession.

### Do labor force trends indicate Rockford's recovery?

This report next analyzes labor force information at the metro level to help determine if changes in past recessions could provide clues for the current recession. In general, the metro area followed the national and statewide trends, but experienced a higher unemployment rate. This broad trend also held true when the increase in number of unemployed in the labor force was compared to state and national data. The length of the current recession has led to large increases in the region's unemployment rate and growth in the number of unemployed in the labor force.

For the July 1990 to March 1991 recession, the highest unemployment rate for the metro area was 6.8 percent five months into the recession (see Chart 2). The peak unemployment rate between March 2001 and November 2001 was 9.2 percent, which occurred in the last month of the official recession period. The current recession has experienced unemployment rates not seen since the 1980s. In January 2010, the unemployment rate reached 19.7 percent and qualified Rockford area as having the fifth highest unemployment rate of all 378 metro areas in the nation for that month, according to the Bureau of Labor Statistics.

Unlike the first two recessions, the number of unemployed in the labor force since the start of the current recession has not fallen below its December 2007 base month level. In addition, the number of employed in the labor force has fallen below the base month for the current recession, compared with initial



employment growth in employment in the first two recessions. This data shows the depth of the effect of the Great Recession on the Rockford metro area's labor force. During both the December 2007 and March 2001 recessions, the Rockford area experienced a period of growth in its total labor force, but the growth was limited to two months or less. Although labor market trends reveal the current impact of the recession on the economy, the length of the current recession has made it difficult to use labor force information from the previous recessions as a predictor to when the Rockford MSA will experience a decline in its unemployment rate.

### Exploring Rockford's recovery through industry indicators

In an attempt to forecast when the Rockford metro area would emerge from its current recession, this analysis next tracks national indicators that had a correlation with metro data from 1990 to present. The metro area's total nonfarm employment and total manufacturing employment were

used in this analysis. Again, using the month in which the recession started as the base month, this analysis compares the correlating national indicators of capacity utilization for all manufacturing, fabricated metals and machinery, along with vehicle sales and new orders for transportation equipment. A large portion of the Rockford MSA's manufacturing sector is directly or indirectly related to the production of transportation equipment. These indicators follow the general pattern of decline as the metro area employment data for the current recession, but they do not offer any specific indications of when employment will start to expand. This analysis indicates that the economy is still experiencing stress and has not yet begun moving back to its pre-recession levels.

The same national data is applied in a time line analysis, rather than comparing changes from the start of a recession, to show their trend since 1990. A review of the data over the previous two recessions shows these industry indicators did not provide a strong predictor of employment changes in the metro area. These indicators

declined during the recession and started to increase during the recovery, but the Rockford MSA's total nonfarm employment or manufacturing employment did not follow these indicators' trends when compared at the monthly level. Since their movement did not specifically lead to employment changes in the Rockford MSA, these industry indicators could not provide the information needed to determine an economic recovery at the metro level.

National and state nonfarm data appeared to be a more viable predictor than the industry specific economic indicators since those changes were more closely aligned with employment changes at the Rockford metro level. The Rockford area's total nonfarm and manufacturing employment were compared to their corresponding national and state totals (see Chart 3). The metro area's employment changes, expressed as over-the-year percent changes, followed the overall national and state trend from 1990 to present. While this data analysis works best when viewed historically, it can provide an indicator that local employment growth follows national and state level growth. The decline in the Rockford metro area's manufacturing sector, along with the growth in other industry sectors, has weakened the ability to use the many national manufacturing indicators to predict employment changes in the area.

### How the manufacturing decline affects Rockford's recovery

One trend found in each of the recessions is the continued decline in manufacturing employment and a reduction in the concentration of that sector in the Rockford area. These losses have had a long-term effect on the area as those individuals laid off from manufacturing are finding it more difficult to obtain work once the region emerges from the recession. According to the Illinois Manufacturing Association, the state of Illinois lost 52,000 industrial jobs and more than 700 manufacturing companies in 2009, the second year of the current recession.<sup>2</sup>

In addition to the loss of manufacturing jobs are the increased efficiencies implemented by manufacturing companies, which have led to fewer jobs in that sector.<sup>3</sup> As manufacturing employment opportunities are reduced, individuals who were once employed in those occupations need to find employment in other industry sectors. Workers getting retraining for a new career are delayed in their return to the labor market, and those delays may contribute to the higher unemployment level in the metro area.

To address the large number of unemployed in the current recession, several unemployment insurance benefit extensions have been implemented at the state and national levels. These extensions have allowed workers additional time for retraining and a secure income to help them through a period of little to no job opportunities. An analysis by the Economic Policy Institute has shown the positive effects of unemployment extensions.<sup>4</sup> Extensions may also have an effect on the rate of change in the unemployment rate. According to a report prepared for the Brookings Institute, extensions may contribute to a slow reduction in the unemployment rate as workers are more selective in their job search. A more selective worker would be slow to accept new employment. These additional factors have complicated the use of prior recessions to predict the end of the affects of the national recession on the Rockford MSA.

In summary, an analysis of the three recessions since 1990 demonstrates that each recession had a unique effect on nonfarm employment and labor force. Recessions do lead to declines in nonfarm employment, but each recession experienced declines in different industries and for different lengths of time. Manufacturing was the one industry sector that experienced declines in each recession. Labor force changes were also different for each recession, with the current recession reaching unemployment rate levels not seen in the other two recessions. As each

recession altered the industrial makeup of the Rockford MSA, the use of national industry indicators are now less reliable predictors of employment change. At one time, the strong employment base in manufacturing ensured a strong link between those industry indicators and employment changes in the metro area. While this employment diversification is helpful to the area, it has made it more difficult to use national data to demonstrate when the Rockford metro area would emerge from the current recession. In addition, the lack of an end date for the national recession and the length of the current recession made it difficult to use information from prior recessions to predict changes at the metro level.

While this analysis shows the differences between each recession, it also reveals

that examining national indicators in past recessions cannot predict economic recovery in the Rockford metro area. Local economies depend on the state and national economies; so as those start to emerge from the recession, the metro economy typically will slowly follow their trend. The one conclusion that can be drawn from the previous recessions is that the return to continued job growth in the Rockford metro area will take many years following the official end of the national recession.

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*A large portion of the Rockford MSA's manufacturing sector is directly or indirectly related to the production of transportation equipment.*

<sup>2</sup> Mary Ellen Podmolik, "Illinois Loses 709 manufacturers in 2009," Chicago Tribune, January 11, 2010, [www.tribune.com/chi-biz-illinois-manufacturers-jan11,0,5063951.story](http://www.tribune.com/chi-biz-illinois-manufacturers-jan11,0,5063951.story).

<sup>3</sup> Phil Izzo, "Economists Say Many Lost Jobs Won't Return," Wall Street Journal, February 11, 2010, [www.WSJ.com](http://www.WSJ.com).

<sup>4</sup> Michael Elsby, "The Labor Market in the Great Recession," pages 27-28.