

Summer 2013 | Volume 1 | Issue 1

Champaign County
TRENDS REPORT



CHAMPAIGN COUNTY
CHAMBER
OF COMMERCESM

DEAR CHAMBER MEMBERS:

We are pleased to introduce our first Trends publication to the membership. This publication is designed to provide our members with information and data that can be used in your daily business decision making.

One of the biggest challenges facing all business owners and managers is making the right decisions to grow your companies; expand your products and / improve your services.

Using data, understanding trends and understanding the local marketplace and demographics can be helpful to your company as you strategically plan for the future of your business.

Please take time to review the information provided. Our goal is to provide our members with data on an ongoing basis to help your company. Please take time to reach out to us to let you know what you think of the new Trends publication. Is the information helpful? Are we missing information that would be invaluable to your particular industry?

We want to know what you need in order to help support those gut-made decisions – backed with data. Your feedback is encouraged to lauraw@champaigncounty.org.

We hope you find the first Trends helpful to your company.

Sincerely,



Laura Weis
President & CEO

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TERMS to KNOW :

Metropolitan Statistical Area (MSA): A geographical region with a relatively high population density at its core and close economic ties throughout the area.

The federal government recognizes the **Champaign-Urbana MSA** as a collection of Champaign, Piatt and Ford counties.

Recession: An economic downturn that took place from December 2007 to July 2009. Many businesses are still feeling its effects.

This publication was compiled by Alexander Keating, intern to the Champaign County Chamber of Commerce.

Labor Outlook

An excellent way to look at how the Champaign-Urbana Metropolitan Statistical Area (MSA) is doing economically is by looking at the workforce. How many people are employed? Unemployed? The following chart shows this story and more.

Champaign-Urbana MSA Labor Outlook

Source: U.S. bureau of Labor Statistics

Year	Period	Labor Force	Employment	Unemployment	Unemployment Rate
2002	Annual	115,790	110,758	5,032	4.3%
2003	Annual	115,088	109,826	5,262	4.6%
2004	Annual	114,999	109,733	5,266	4.6%
2005	Annual	117,167	112,107	5,060	4.3%
2006	Annual	118,797	114,119	4,678	3.9%
2007	Annual	120,563	115,193	5,370	4.5%
2008	Annual	121,519	114,610	6,909	5.7%
2009	Annual	120,972	110,992	9,980	8.2%
2010	Annual	119,965	109,059	10,906	9.1%
2011	Annual	115,770	105,995	9,775	8.4%
2012	Annual	114,382	105,182	9,200	8.0%

Champaign-Urbana MSA Unemployment Rates

Source: U.S. Bureau of Labor Statistics

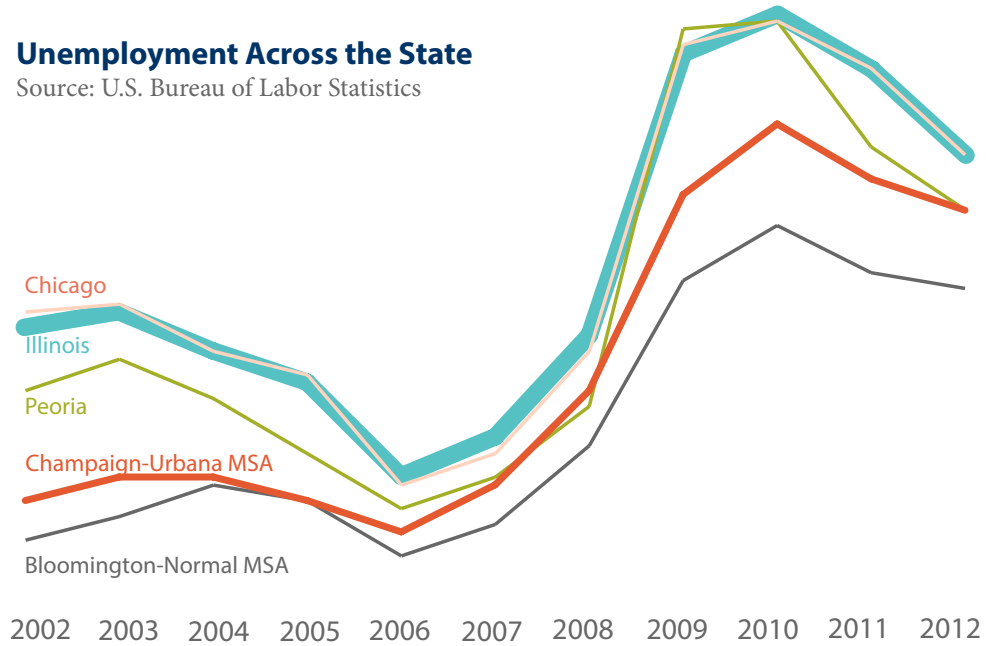


Sometimes unemployment rates don't tell the whole story. There comes a point when some people stop looking for employment, thus, they are not included in the unemployment rate. Though the graph above shows a significant trend

towards lower unemployment, the chart shows that the people working or looking for work is still low. With added recovery, more people will enter the labor force making the unemployment rate more accurate and optimistic.

Unemployment Across the State

Source: U.S. Bureau of Labor Statistics

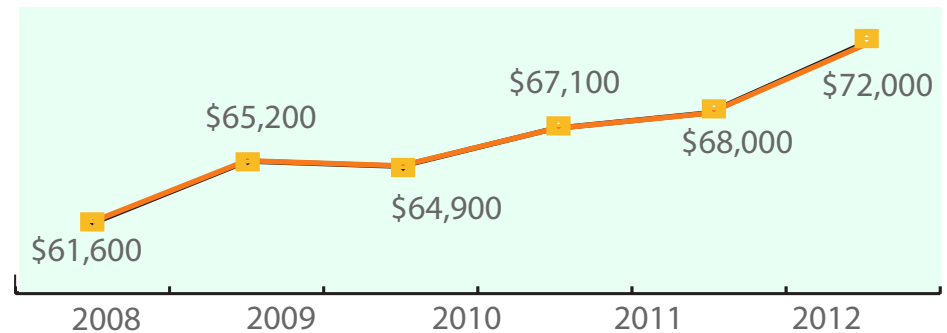


Income

The median income is steadily rising across Champaign-Urbana MSA. This may be due to the recovering economy and the increased university payroll as noted on page 18.

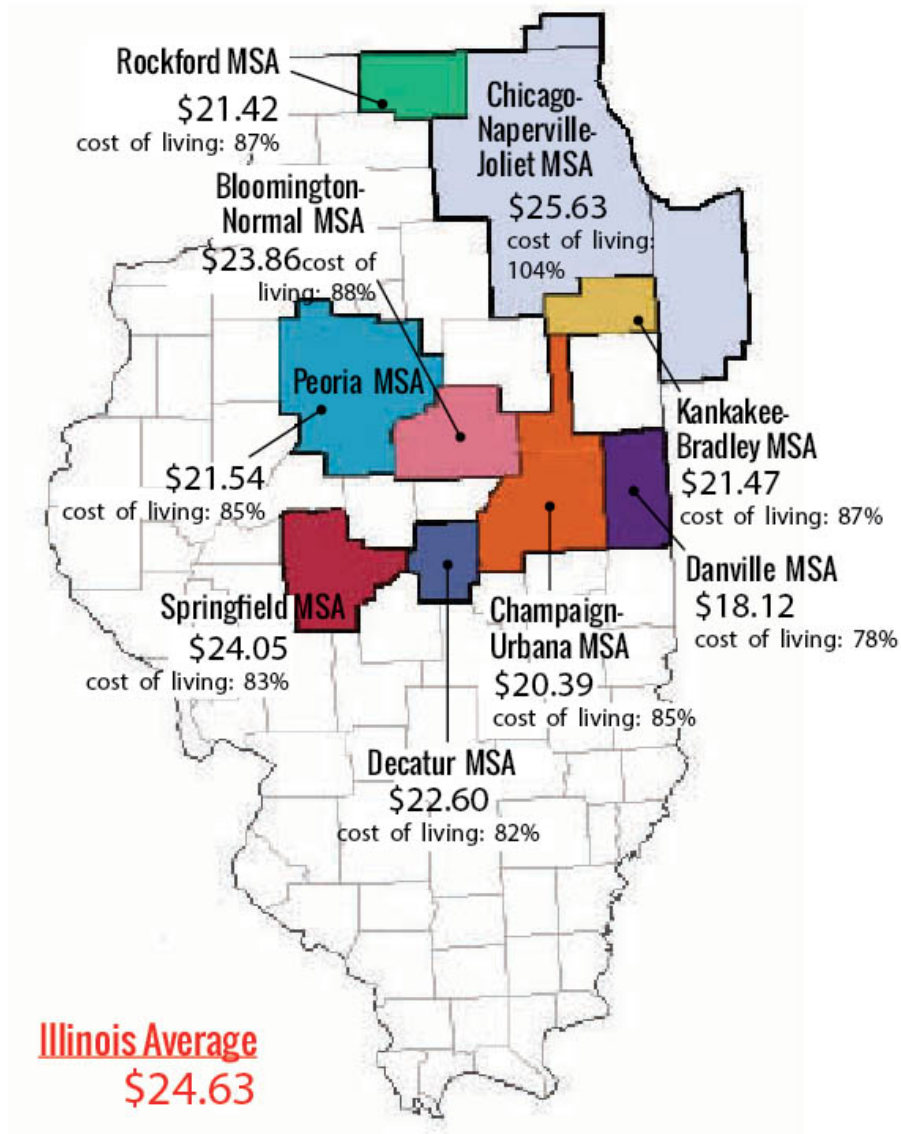
Median Income Across Champaign-Urbana MSA

Source: U.S. Department of Housing and Urban Development



Hourly Wages by Area

Source: U.S. Bureau of Labor Statistics, Moody's Analytics



Above are the average hourly wages and cost of living for the nine major MSAs in Illinois. The "cost of living" percentage is given by Moody's Analytics comparing the cost of living in these areas; percentages given are deviation from the United States average, set at 100 percent.

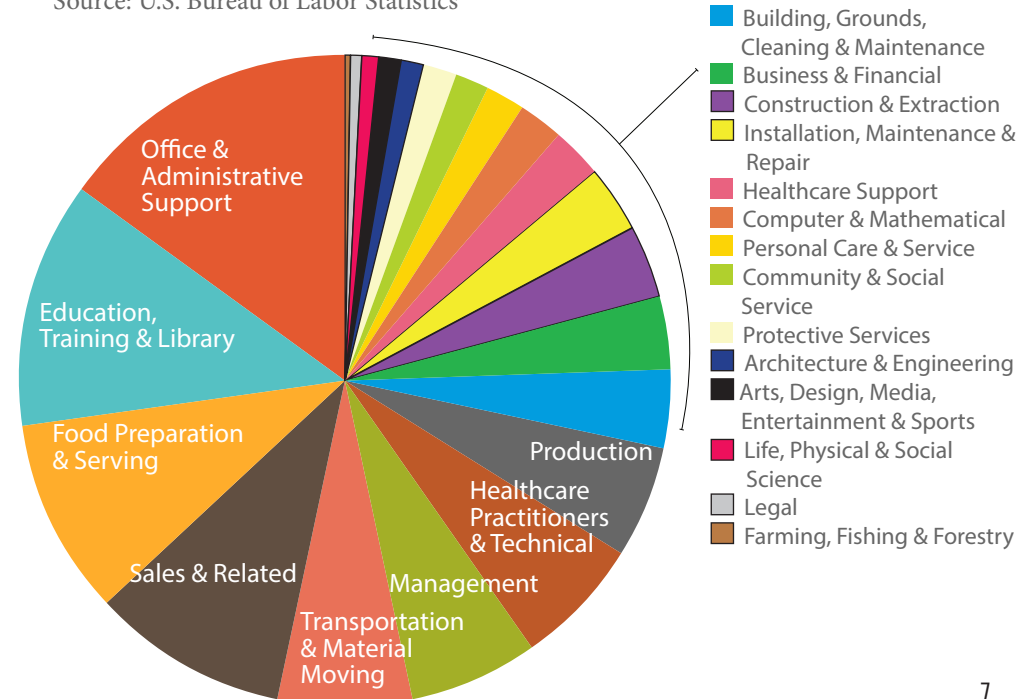
Top 10 Area Employers

Source: Champaign County Economic Development Corporation

	# EMPLOYEES IN 2012	# EMPLOYEES IN 2013
1. University of Illinois	10,820	10,820
2. Carle	6,000	6,000
3. Champaign Unit #4 School District	1,351	1,350
4. Kraft Food, Inc	1,350	1,350
5. Parkland College	980	930
6. Urbana School District #116	900	900
7. Champaign County, Illinois	853	850
8. Plastipak Packaging, Inc.	810	810
9. Christie Clinic Association	750	750
10. Hobbico, Inc.	700	700

Top Area Occupations

Source: U.S. Bureau of Labor Statistics



Wage by Occupation

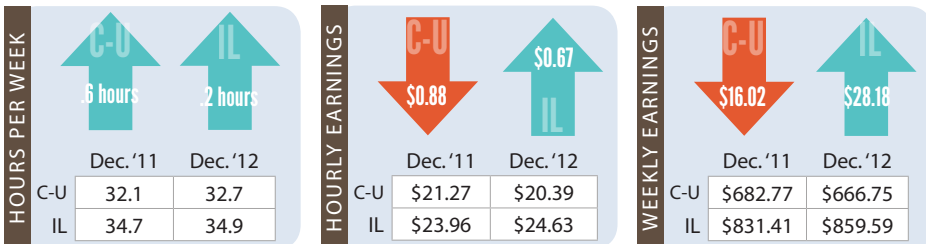
Source: U.S. Bureau of Labor Statistics

OCCUPATION	MEAN HOURLY WAGE	MEAN ANNUAL WAGE
Management	43.14	89,730
Business and Finance	29.53	61,410
Computer and Math	35.56	73,960
Architecture and Engineering	32.41	67,410
Life, Physical and Social Science	33.33	69,330
Community and Social Services	19.61	40,790
Legal Occupations	31.37	65,250
Education, Training and Library	37.13	77,230
Arts, Design, Entertainment, Sports, Media	23.89	49,680
Healthcare Practitioners	36.78	76,500
Healthcare Support	18.20	37,850
Protective Support	25.02	52,050
Food Prep and Serving	10.07	20,950
Building Cleaning and Maintenance	13.49	28,060
Personal Care and Service	11.98	24,930
Sales	15.28	31,790
Office and Administrative Support	16.73	34,800
Farming, Fishing and Forestry	20.33	42,300
Construction and Extraction	26.59	55,310
Installation, Maintenance and Repair	19.65	40,880
Production	16.21	33,730
Transportation and Material Moving	13.80	28,690

How Much is Our Time Worth?

Source: U.S. Bureau of Labor Statistics

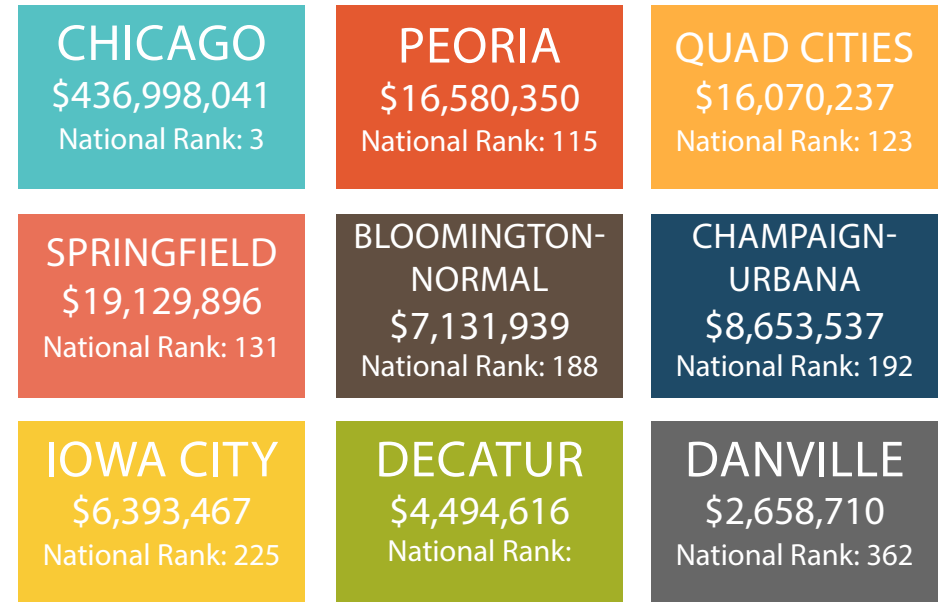
Over time, wages, hours and earnings are likely to change. To explain these changes, below are the average hours and earnings of all employees on private, non-farm payrolls. The arrows show an increase or decrease for each category, comparing the changes in the Champaign-Urbana MSA to the Illinois average.



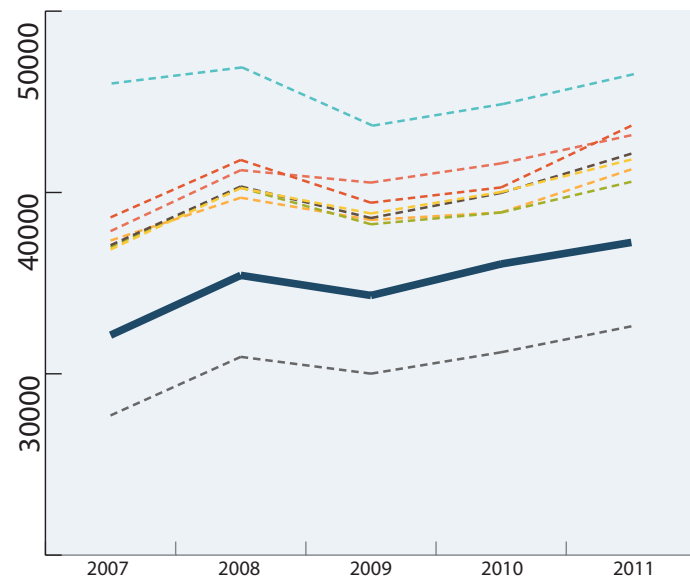
Personal Income

Source: Bureau of Economic Analysis

The amount of money that people are being paid in our area is a great indicator for the size of the Champaign-Urbana MSA's economy. Below are the total personal incomes for key areas comparable to Champaign-Urbana in 2011.



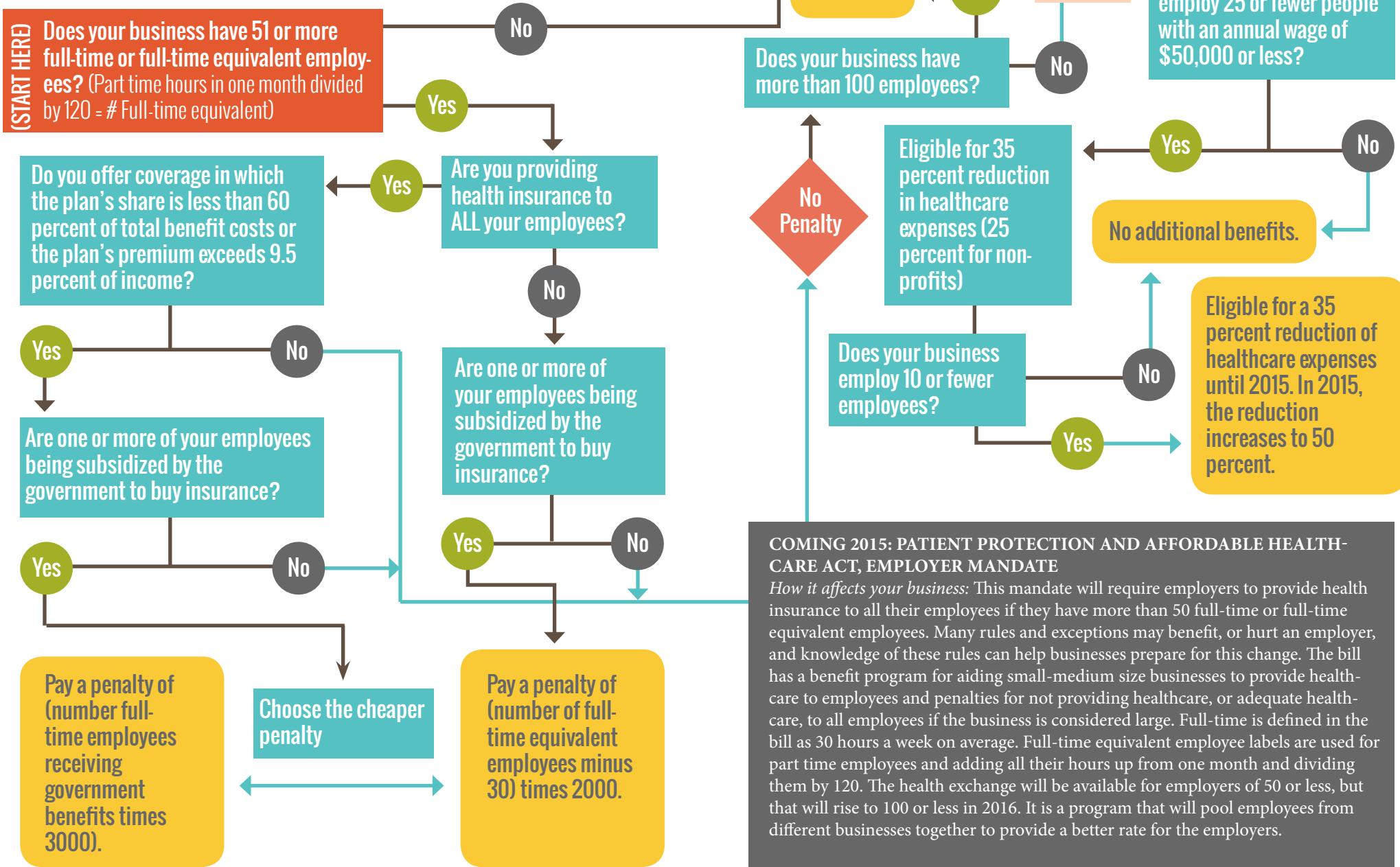
Per Capita Personal Income



To the left, graphed are the per capita personal incomes among similar economic areas, showing trends since 2007. The lines graphed correspond to the colored boxes of cities listed above.

Healthcare

In 2010, President Obama signed the Patient Protection and Affordable Healthcare Act into law. The **Employer Mandate** will come into effect in 2015. Below is a diagram explaining how this matter will affect your business.

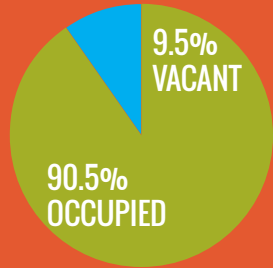


COMING 2015: PATIENT PROTECTION AND AFFORDABLE HEALTHCARE ACT, EMPLOYER MANDATE
How it affects your business: This mandate will require employers to provide health insurance to all their employees if they have more than 50 full-time or full-time equivalent employees. Many rules and exceptions may benefit, or hurt an employer, and knowledge of these rules can help businesses prepare for this change. The bill has a benefit program for aiding small-medium size businesses to provide healthcare to employees and penalties for not providing healthcare, or adequate healthcare, to all employees if the business is considered large. Full-time is defined in the bill as 30 hours a week on average. Full-time equivalent employee labels are used for part time employees and adding all their hours up from one month and dividing them by 120. The health exchange will be available for employers of 50 or less, but that will rise to 100 or less in 2016. It is a program that will pool employees from different businesses together to provide a better rate for the employers.

The Market for Space

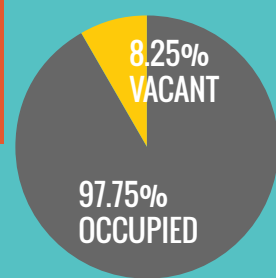
Office Space

Over the last few years Champaign-Urbana has seen office vacancy rise to a plateau in 2010. The data for 2013 has shown that the overall vacancies slightly decreased to 9.5%. However, other areas in Illinois show that there is room for improvement in the market. Direct Gross rent shows the general rent amount per square foot, plus utilities for 2012. Moody's Analytics lists "Low business costs, especially office rents" as one of Champaign-Urbana's strengths.



DIRECT GROSS RENT

Range: 2.41-20.00/yr
Average: 10.53/yr



DIRECT GROSS RENT

Range: 4.00 - 62.50/yr
Average: 10.30/yr

Retail Space

Vacancy among retail spaces has not changed sharply and it is seen as a positive for Champaign and Urbana. Compared to other areas, this amount of vacancy is healthy. New economic development projects and businesses are now taking advantage of increasing demand for retail space.

Residential

Building Permits

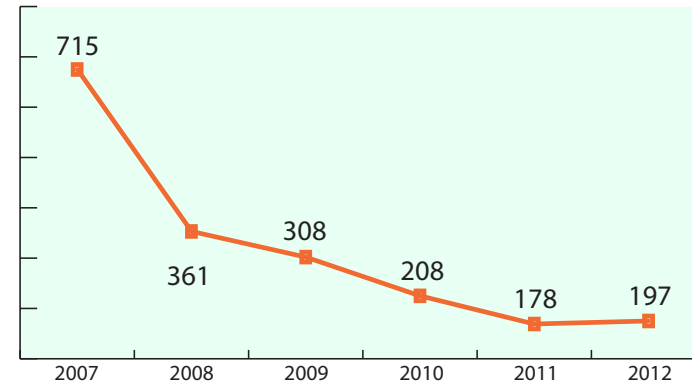
Source: U.S. Department of Housing and Urban Development

Building permits are issued to allow private construction of new places, remodeling and additions. By observing activity throughout the past year, we notice construction is increasing in Champaign County and we can expect more opportunities in the future.

	2007	2008	2009	2010	2011	2012
Total Units	1265	696	329	384	382	435
Single-Family Structures	344	193	182	116	90	113
Multi-Family Structures	921	503	147	268	292	322

New Residential Construction

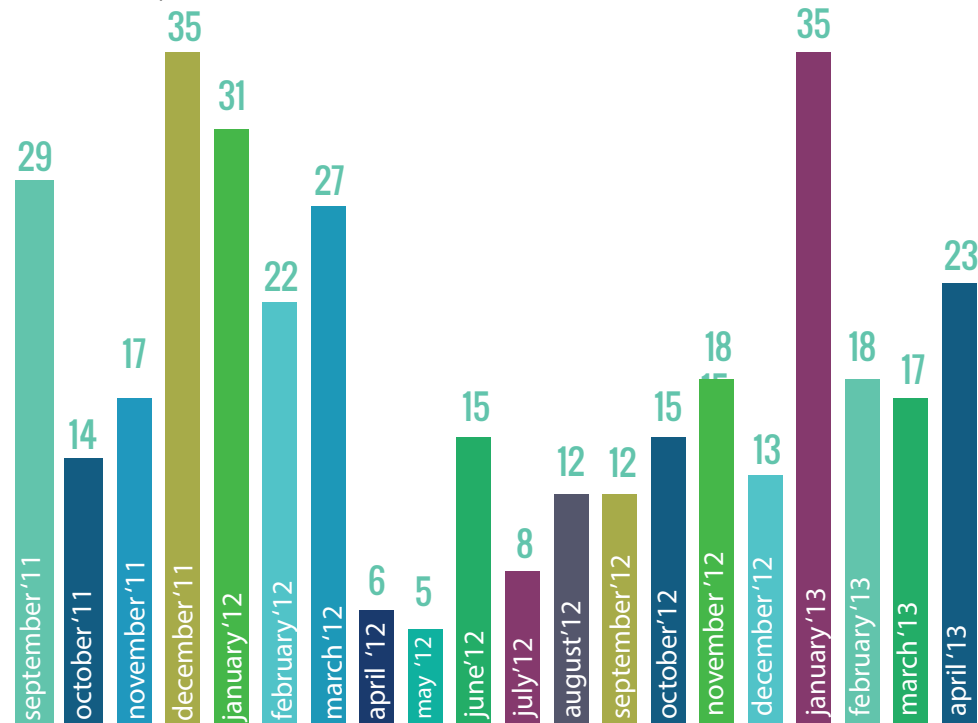
Source: Illinois American Water Company



Thanks to new subdivisions and economic growth, there has been a large amount of new homes constructed. Recently, however, construction has slowed.

Foreclosures

Source: Realty Trac

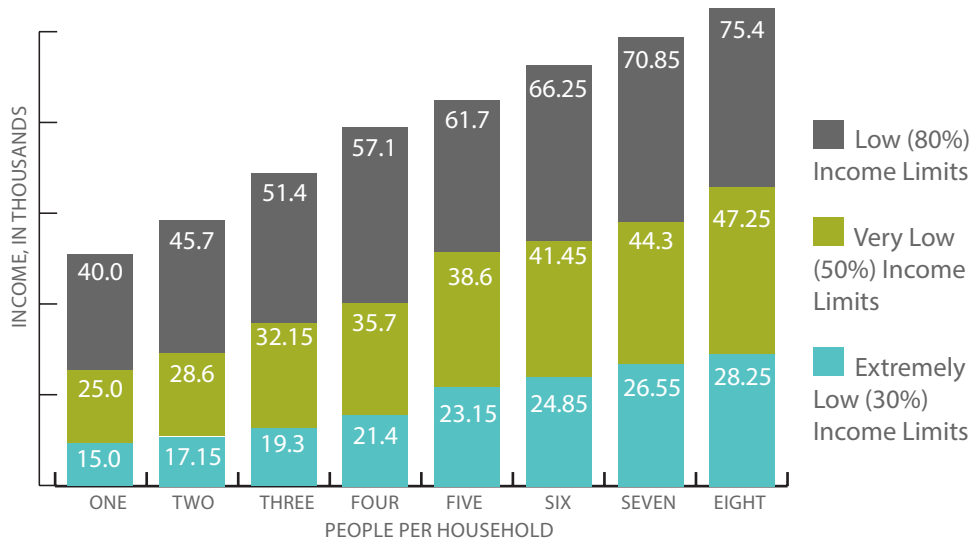


Foreclosed homes charted above include homes that are in "pre-foreclosure", real-estate owned or auctioned. Based on a comparison with the rest of the state, Champaign County's foreclosure rates are significantly lower than average.

Champaign County Fiscal Year 2012 Income Limits

Source: U.S. Department of Housing and Urban Development

Income limits chart the income level needed to apply for government help for low income housing.



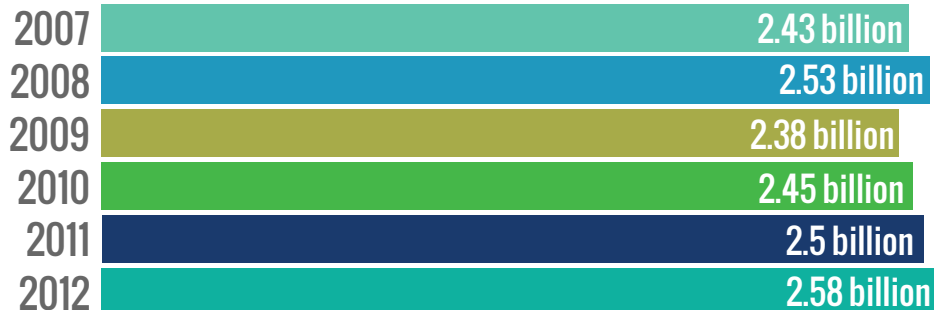
Sales

Retail sales show how much Champaign County is consuming and a great indicator on what's to come in the short future for Champaign County. Retail sales are indeed increasing and on the way to pre-recession levels. This gradual increase is a sign of recovery for our economy as long as the current path is not obstructed by new events.

Retail Sales in Champaign County

Source: Illinois Department of Revenue

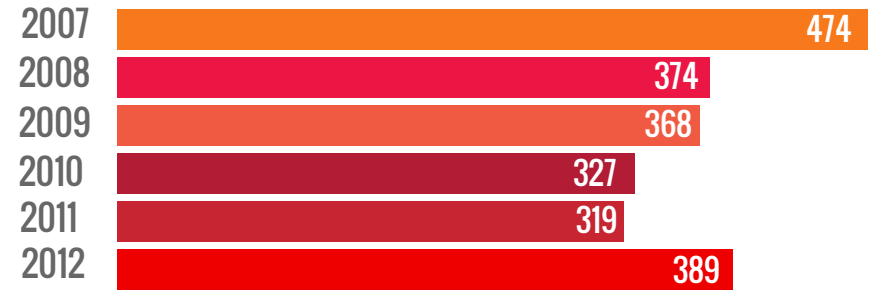
Retail sales took a slight hit during the recession. The below chart shows that retail sales are again on the rise.



Real Estate Sales in the Champaign-Urbana MSA

Source: Realtors Association

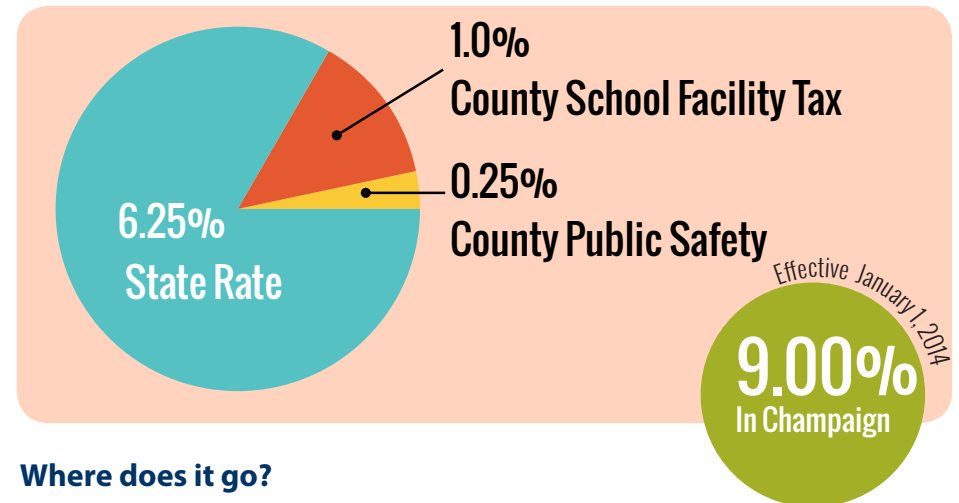
This data shows the residential sales of individual homes in the most parts of Champaign County. The trends include Condos, Coop, House and Zero Lot but not 2-4 or Multi-Family. Over the years, the real estate market took a hit, and this did not show any signs of recovery until now. As of November, the total amount of sales has exceeded the previous years, showing positive growth to a level that is more optimistic than what was seen when the recession started.



Sales Tax

General Champaign County Taxes

Source: Illinois Department of Revenue



Where does it go?

County School Facility Tax: In 2010, the tax was enacted to raise capital for projects. Examples include Unity High School's new greenhouse and Prairieview-Ogden South Elementary School's new wind turbine.

County Public Safety: Provides money to upkeep and improve county law enforcement.

State Rate: Funds the state budget to provide various services.

More may apply:

1.0% for “Qualifying Food and Drugs”: Food that is not prepared for consumption (often at grocery stores), prescription and non-prescription drugs and medical devices that are correcting or replacing part of the body (glasses, dentures, etc).

Local taxes: Some towns in Champaign County enact a Home Rule or Non-Home Rule. Below is a chart that shows the varying taxes in each town.

Local Sales Taxes

Source: Illinois Department of Revenue

Home rule cities are communities that have chartered the local government to regulate and make laws independently. Non-home rule governments are not allowed much freedom. In some cases, these home-rule and non-home rule governments may make a municipal sales tax to fund government expenses.

	HOME RULE	NON-HOME RULE	TOTAL (incl. state & cty)
Bondville	0	0	7.5
Broadlands	0	0	7.5
Champaign	1.25	0	8.75
Fisher	0	0	7.5
Foosland	0	0	7.5
Gifford	0	0	7.5
Homer	0	0	7.5
Ivesdale	0	0	7.5
Longview	0	0	7.5
Ludlow	0	0	7.5
Mahomet	0	0	7.5
Ogden	0	1	8.5
Pesotum	0	0	7.5
Philo	0	0	7.5
Rantoul	1.25	0	8.75
Royal	0	0	7.5
Sadorus	0	0	7.5
Savoy	0	.5	8.0

Sidney	0	0	7.5
St. Joseph	0	.5	8.0
Thomasboro	0	0	7.5
Tolono	0	0	7.5
Urbana	1.25	0	8.75

The Schools Next Door

In addition to Champaign County’s 53 public and 24 private schools, the area offers both a world-class public university and a nationally acclaimed community college. The University of Illinois is Champaign-Urbana’s largest employer and Parkland College is the fifth largest - combined, these establishments have a huge impact on the area’s economy.



Offers affordable and high-quality learning with opportunities to transition to the U of I, ISU, EIU and more.

Over 100 degree programs and certificates.

Average 20 students per classroom.

Non-degree enrollment, allowing students to take classes that transfer to their current degree as well as allowing community members to participate in classes to learn new skills.



A Morrill Land-Grant Act school founded in 1867.

Tied for best graduate school of Library and Information Sciences in the nation. (*U.S. News & World Reports*)

Ranks 6th in the country for engineering; 5th for engineering graduate programs. (*U.S. News & World Reports*)

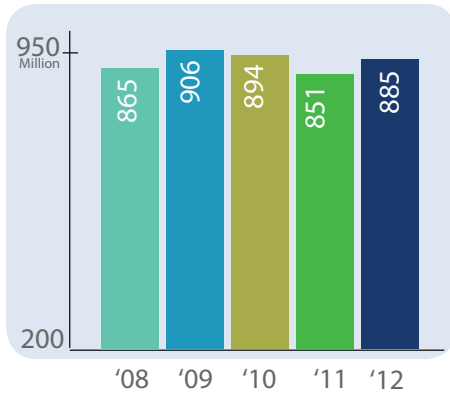
College of Business ranked 14th in the nation; ranking high in accounting. (*U.S. News & World Reports*)

25th overall university in the world. (*Institute for Higher Education at Shanghai Jiao Tong University*)

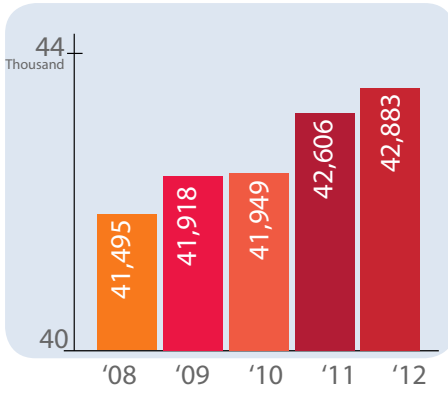
University of Illinois Payroll and Enrollment

Source: University of Illinois

PAYROLL



ENROLLMENT



Average Personal Debt (June 2012):

Champaign County: \$9,225

Illinois: \$12,602

Percent of people with a credit score under 620 (June 2012):

Champaign County: 20.3

Illinois: 22.5

The cost of living in Champaign County is lower than other areas in Illinois. However, wages are also lower in Champaign County. This forces rent to balance downward to meet demand of the demographic. All considered, the people of Champaign County are slightly more financially sound than many other areas in Illinois.

Poverty at a Glance

Poverty is a big part of any economy. In order to understand what's going on in Champaign County, we must first understand measures for sustainable living before we can see who is left out. The Illinois Poverty Report provided the following figures in 2011 and 2012.

Sustainable Income for one parent, one child (2011):

Champaign County: \$45,598

Illinois: \$51,731

Mean renter hourly rate (2012):

Champaign County: \$9.39

Illinois: \$13.95

Rent affordable at that means (2012):

Champaign County: \$488

Illinois: \$762

Wage needed for a two-bedroom apartment (2012):

Champaign: \$15.42

Illinois: \$16.48

Fair Market Rent of a two-bedroom apartment (2012):

Champaign County: \$802

Illinois: \$873

Dream big. We're here.

At Busey, we live where we loan because we want you to love where you live. With over 145 years of strength and service, Busey remains a dedicated partner to businesses and entrepreneurs who bring vibrancy to our local economy.

Each spring, Busey presents developments and data on the Champaign County economy. Learn more about our community—and national trends—when you join us for the **62nd Champaign County Economic Seminar** at the iHotel and Conference Center.


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217.365.4500 busey.com

303 W. Kirby Ave., Champaign IL 61820 | 217.359.1791 | champaigncounty.org