



Transforming the economy  
of Sangamon County.



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## MEDIA RELEASE

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### **Local Economy Forecasted to Come Back Stronger in December 2009 and Businesses Believe Local Economy is Stronger than National Economy**

*Springfield Enterprise Index and Business Expectations Survey Released*

The University of Illinois at Springfield announces that the greater Springfield Enterprise Index (SEI) for December 2008 is 106. Comparing this December's forecast with previous SEI forecasts indicates that the December 2008 forecast of the Springfield economy for the second quarter of 2009 is a lower level of activity than was predicted one-year ago. But both forecasts indicate normal or slightly above normal activity in the economy and more activity towards the end of 2009.

"While still above normal, the economy is expected to grow slower relative to one year ago, until about May. The economy is projected to be relatively slower, but still above normal in September and October," said Patty Byrnes, professor of economics at University of Illinois at Springfield. "However, December 2009 is predicted to end with slightly higher levels of activity than December 2008."

The SEI is a leading indicator of the local area status of the business cycle. This means that it helps predict the trend in the local economy. It can be used by businesses, workers, and government to understand profits, job prospects and tax revenues. The index measures how far away the economy is from this and growth trend. A value of 100 implies that the Springfield area economy is on its long-term growth trend. An SEI value greater than 100 indicates "above average" and values below 100 indicate "below average" growth.

The index is a partnership between the University of Illinois at Springfield, The Greater Springfield Chamber of Commerce and the University of Illinois, Institute of Government and Public Affairs.

The University of Illinois at Springfield also released the Sangamon County Business Economic Outlook Survey, a vehicle to assess the economic outlook of businesses and non-profit organizations in Sangamon County. The survey solicits opinions from a sample of businesses/firms/organizations in Sangamon County with 10 or more employees.

For the performance of the overall Sangamon County economy compared to national economy, about three-quarters believe the Sangamon County economy is better, with

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most saying “somewhat better” (68%) rather than “much better” (8%). One-fifth believe the county’s economy is about the same as the national, while only one in twenty (5%) believe it is worse.

For the performance of their firm’s sector in the Sangamon County economy compared to this performance nationally, almost half believe their sector’s local performance is better, with far more saying “somewhat better” (38%) rather than “much better” (9%). About four in ten (42%) believe their local sector is performing about the same as it is nationally, while just over one in ten (11%) believe the local performance is worse.

Although businesses do believe the local economy is stronger than the national economy, expectations for the performance of the Sangamon County economy as a whole over the next 12 months are negative. Less than one in ten respondents expect any increase in the performance (0% quite a bit; 7% a little) while two-thirds expect some kind of decrease (12% quite a bit; 55% a little). One in four (25%) expect it to stay about the same.

The two sectors of the economy that do have positive expectations are medical/health care and education. “The growth of our local medical industry and the strong educational institutions in Sangamon County are definitely a strength of our economy,” said Gary Plummer, President & CEO of The Greater Springfield Chamber of Commerce.

The overall expectations for “your” firm / business in Sangamon County over the next 12 months are modestly negative. Over one-fifth expect some kind of increase (4% quite a bit; 19% a little), but nearly twice as many expect some kind of decrease (42% in total, with 8% quite a bit and 34% a little). Just over one-third (35%) gave a rating of “stay about the same.”

The survey also asked businesses about their challenges over the next 12 months. By far, the biggest challenge over the next 12 months as seen by these respondents is consumer confidence and spending, selected by more than six in ten (63%).

The Sangamon County Business Economic Outlook Survey is a biannual vehicle to assess the economic outlook of businesses and non-profit organizations in Sangamon County. Opinions solicited include expectations about the performance of various aspects and sectors of the Sangamon County economy in the next 12 months; expectations for the respondent’s own business; and the biggest challenges facing their firm in the local economy over the next 12 months. The most recent results are based on 214 survey responses that were collected during late February through mid-March, 2009.

The survey is a Q5 Initiative cooperative project of The Greater Springfield Chamber of Commerce and the University of Illinois at Springfield Center for State Policy and Leadership / Center for Entrepreneurship.

For more information on the Springfield Enterprise Index or the Sangamon County Business Economic Outlook Survey, contact The Chamber at 217.525.1173.