

# Tri-State Economy: Opportunities for the Future

**Norman Walzer**  
Senior Research Scholar

and

**Brian Harger**  
Research Associate

Presented to  
**“Getting Ahead of the Curve:  
What Comes After the Stimulus?”**

**Tri-State Alliance Annual Meeting**  
Loras College Alumni Campus Center  
Dubuque, IA  
May 27, 2009

# Population, Employment and Income

Tri-State Alliance Counties	2000	2008	Percent Change (2000-2008)
Total Population	951,063	997,104	4.8%
Working Age Population <sup>1</sup> (Percent of Total Population)	569,394 (59.9%)	573,378 (57.5%)	8.8
Population 65 Years and Older (Percent of Total Population)	133,082 (14.0%)	142,375 (14.3%)	7.0
Total Employment	562,334	588,142	4.6
Unemployment Rate (%) <sup>2</sup>	4.1	11.0 (2-09)	--
Poverty (All Ages) (Percent of Total Population)	80,690 (8.1%)	108,928 <sup>3</sup> (10.2%)	--
Per Capita Income (2004 dollars)	\$27,198	\$28,205	3.7
Gross Regional Product (2004 dollars)	\$28.2 Billion	\$31.6 Billion	12.0

1/ Population age 18 to 64 years.

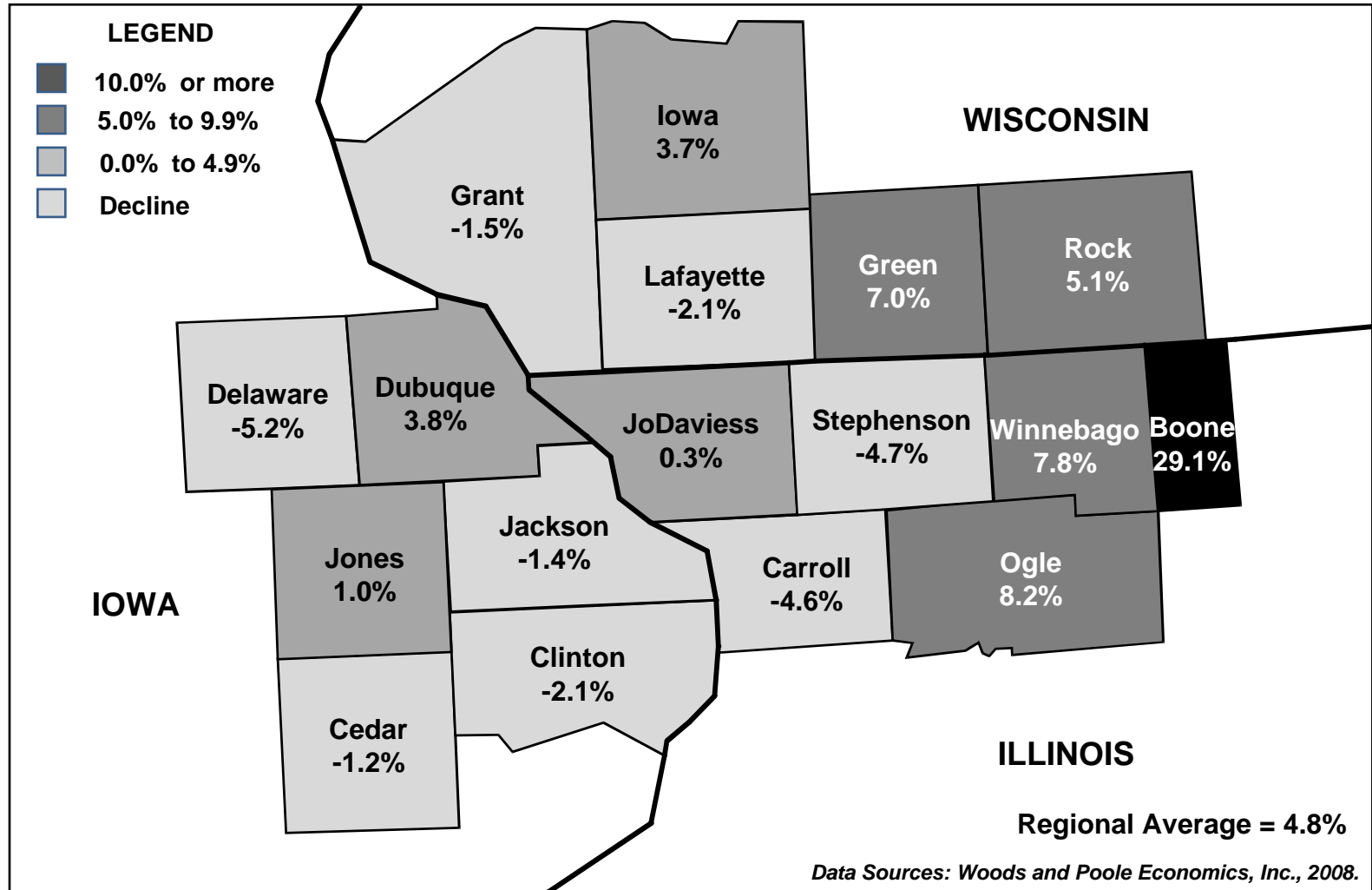
2/ Note: The February, 2009 unemployment rate for the Tri-State region was 11.0%.

3/ Note: 2007 data.

Data Sources: Woods and Poole Economics, Inc., 2007;

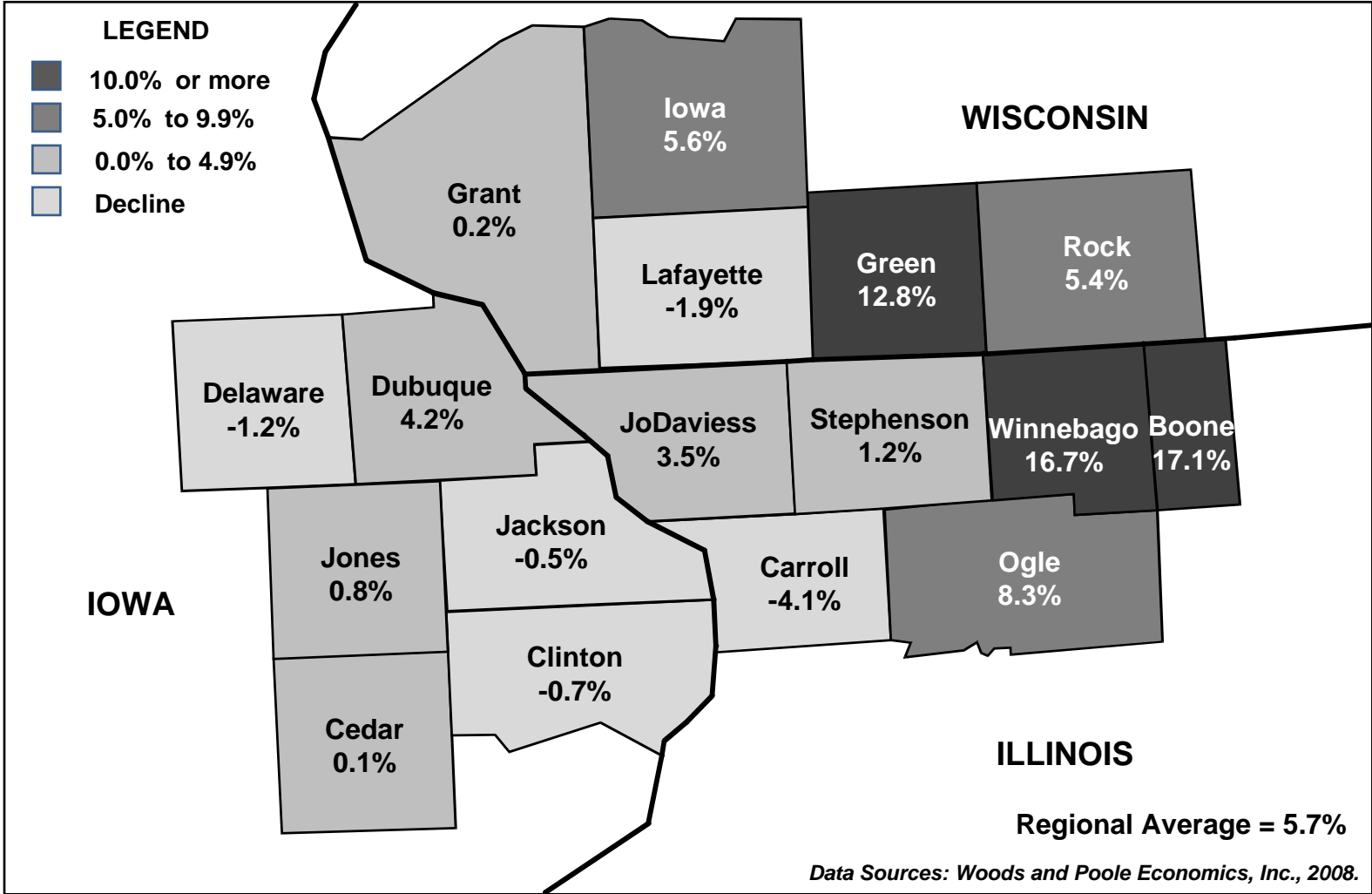
U.S. Census Bureau, Small Area Income and Poverty Estimates (SAIPE) dataset, 2000, 2007.

# Estimated Population Trends 2000-2008



# Population Forecasts 2008-2020

(Not Adjusted for Recession)



# Population Trends

Total Population	Tri-State Region		
	Urban Counties	Rural Counties	Total Region
Total Population, 2000	605,776	345,287	951,063
Total Population, 2008	651,853	345,251	997,104
Total Population, Percent Change 2000-2008	7.6	n/c	4.8
Working - Age Population*			
Working - Age Population, 2000	366,887	407,023	569,394
Working - Age Population, 2008	202,507	212,592	619,615
Working – Age Population, Percent Change 2000-2008	10.9	5.0	8.8
Population 65 Years and Older			
Population 65 Years and Older, 2000	75,715	54,357	133,082
Population 65 Years and Older, 2008	86,147	56,228	142,375
Population 65 Years and Older, Percent Change 2000-2008	9.4	3.4	7.0

# Education Characteristics

Tri-State Region <sup>1</sup> Enrollment	2000		2008		Percent Change 2000-2008
	Number	Percent	Number	Percent	
Enrolled in Pre-primary School	17,866	2.0	18,806	2.0	5.3
Enrolled in K-12 School	187,756	20.6	212,810	22.3	13.3
Enrolled in College or University	43,263	4.7	42,018	4.4	-2.9
Not Enrolled in School	663,251	72.7	681,459	71.4	2.7

Tri-State Region <sup>2</sup> Attainment	2000		2008		Percent Change 2000-2008
	Number	Percent	Number	Percent	
Not a High School Graduate	102,885	16.6	91,205	14.2	-11.4
High School Graduate or GED	236,617	38.1	237,113	36.8	0.2
Some College, no degree	132,709	21.4	148,129	23.0	11.6
Associate Degree	41,021	6.6	44,371	6.9	8.2
Baccalaureate Degree	72,623	11.7	83,566	13.0	15.1
Graduate Degree	34,709	5.6	39,675	6.2	14.3

# Employment by Industry

(Tri-State Alliance Region)

Industry Sector	2000		2008		Percent Change 2000-2008
	Number	Percent of Total Emp.	Number	Percent of Total Emp.	
Manufacturing	115,908	24.5	113,278	22.3	-2.3*
Educational, Health and Social Services	89,625	19.0	105,787	20.8	18.0
Retail Trade	57,353	12.1	51,974	10.2	-9.4
Construction	28,839	6.1	37,880	7.5	31.3
Arts, Entertainment, Accommodation and Food Services, etc.	31,217	6.6	35,591	7.0	14.0
Professional, Scientific, Management, Administrative, etc.	26,001	5.5	32,778	6.5	26.1
Transportation and Warehousing, and Utilities	23,118	4.9	27,867	5.5	20.5
Finance, Insurance, Real Estate and Rental and Leasing	23,298	4.9	26,038	5.1	11.8
Other Services	21,050	4.5	23,295	4.6	10.7
Agriculture, Forestry, Fishing and Hunting, and Mining	18,151	3.8	15,602	3.1	-14.0
Wholesale Trade	15,998	3.4	15,041	3.0	-6.0
Public Administration	12,529	2.7	13,485	2.7	7.6
Information Processing	9,223	2.0	9,777	1.9	6.0

# Fastest Growing Industry Sectors

(3-Digit NAICS Level)

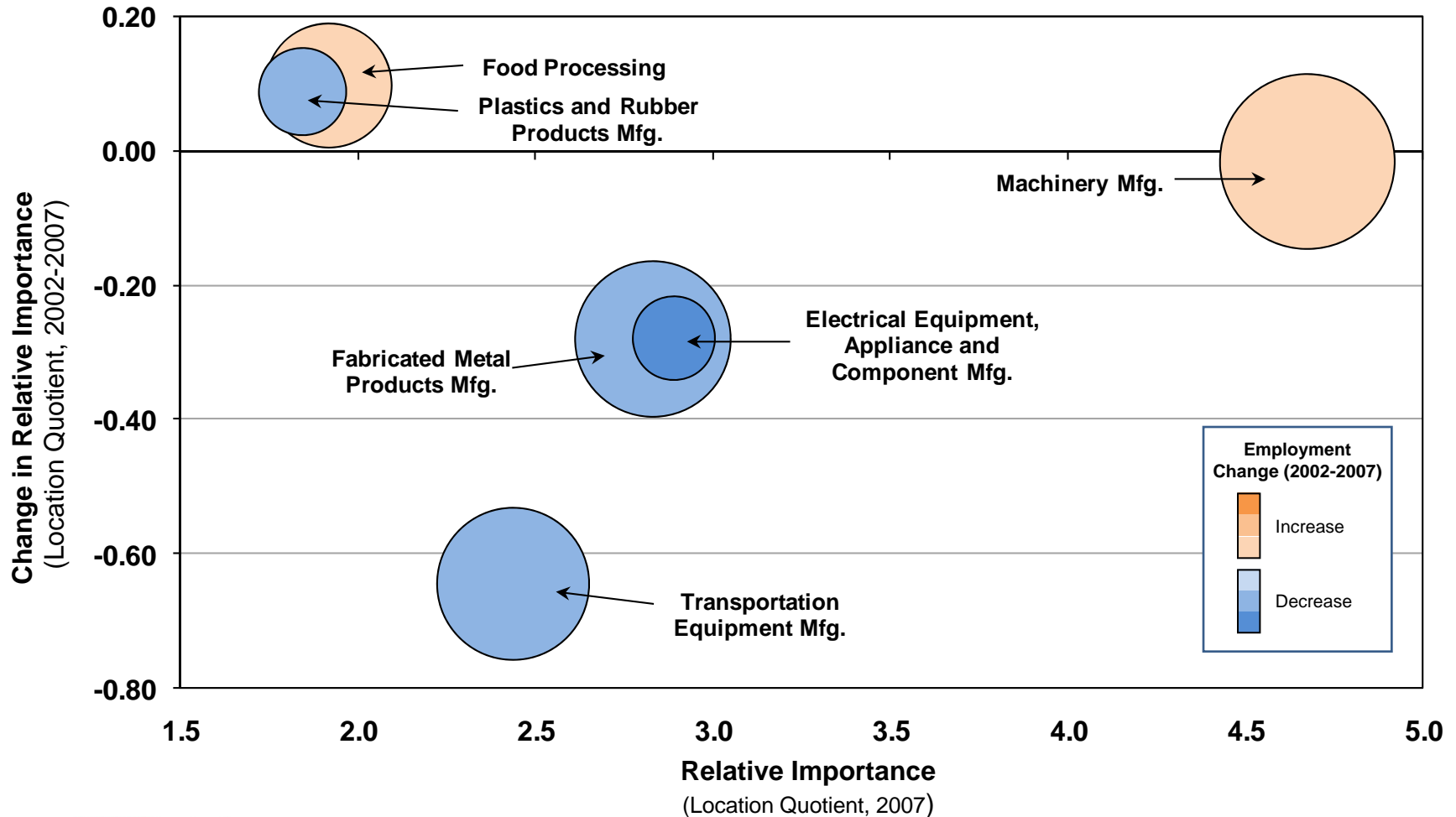
Tri-State Alliance Region Industry Description	Employment		Change 2002-2007	
	2002	2007	Number	Percent
Administrative and Support Services	16,394	22,755	6,361	38.8
Construction	16,565	20,595	4,030	24.3
Warehousing and Storage	554	3,120	2,566	463.2
Couriers and Messengers	333	2,454	2,121	636.9
Nursing and Residential Care Facilities	10,468	12,309	1,841	17.6
Food Services and Drinking Places	26,095	27,752	1,657	6.3
Social Assistance	6,870	8,299	1,429	20.8
General Merchandise Stores	9,735	11,116	1,381	14.2
Ambulatory Health Care Services	14,709	15,712	1,003	6.8
Real Estate	2,000	2,776	776	38.8
Truck Transportation	6,147	6,590	443	7.2



# Industry Concentrations

## Selected **Manufacturing** Sectors

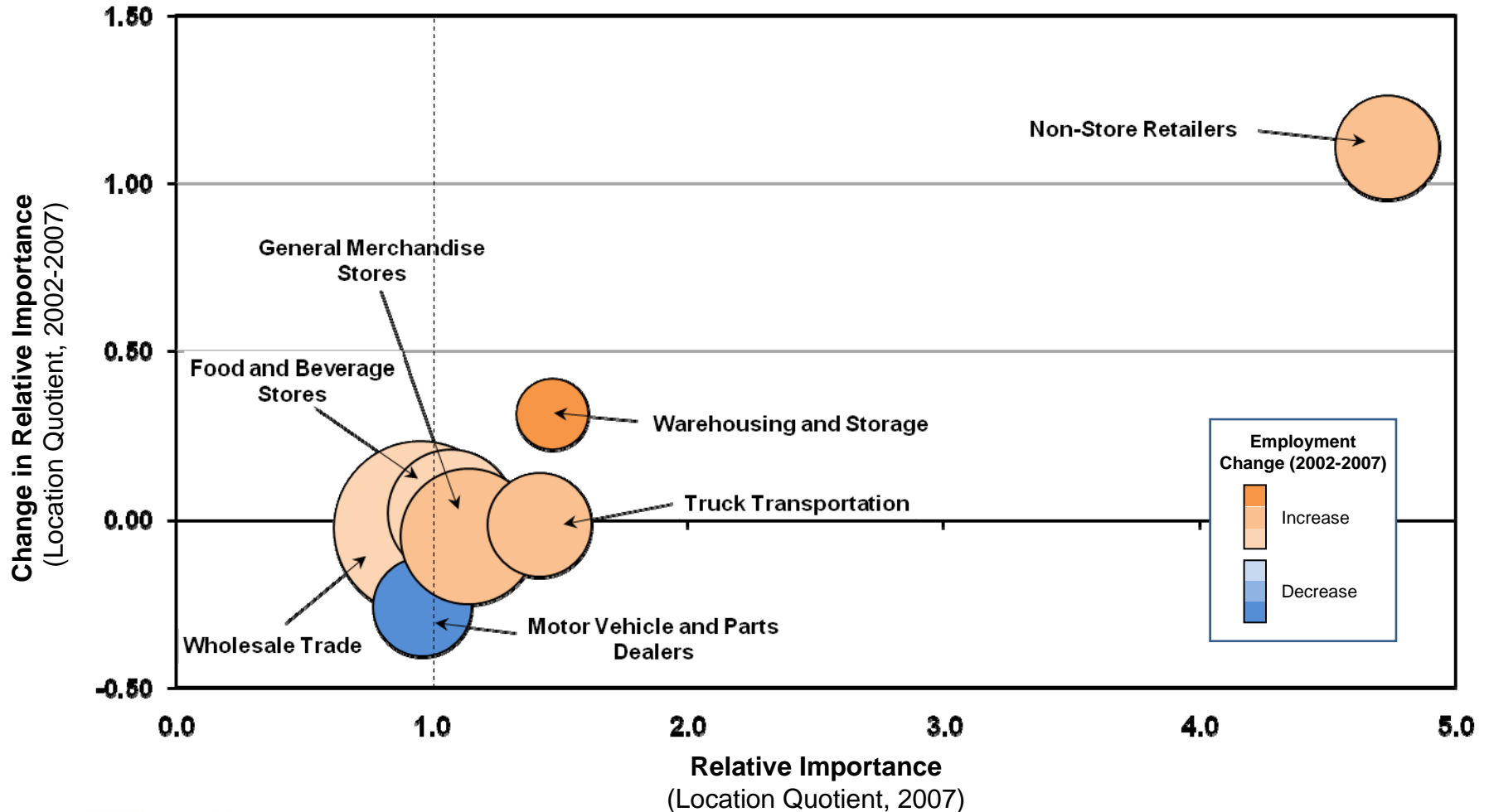
*(Relative Importance)*



# Industry Concentrations

## Selected **Trade, Transportation and Distribution** Sectors

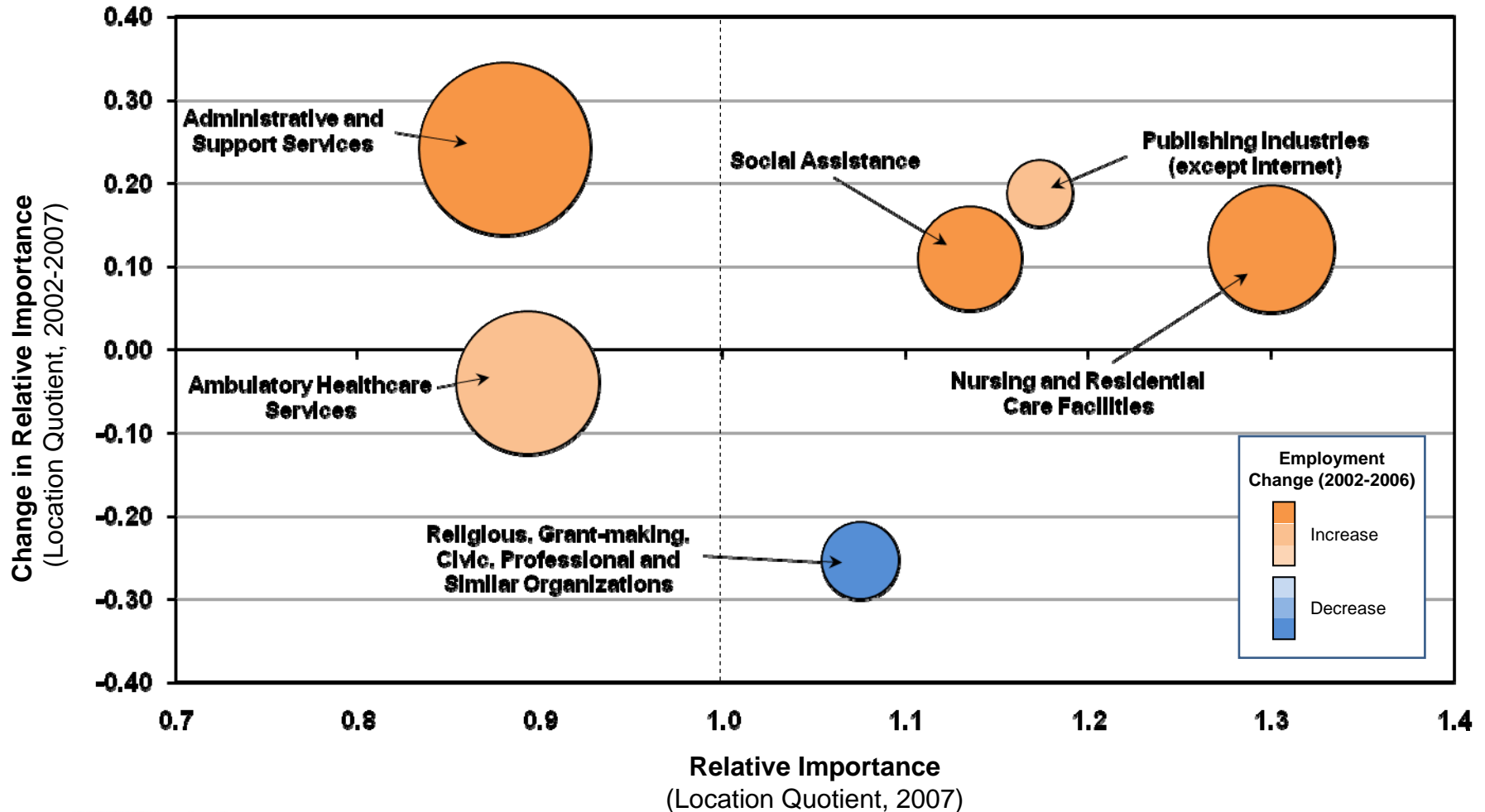
*(Relative Importance)*



# Industry Concentrations

## Selected **Service** Sectors

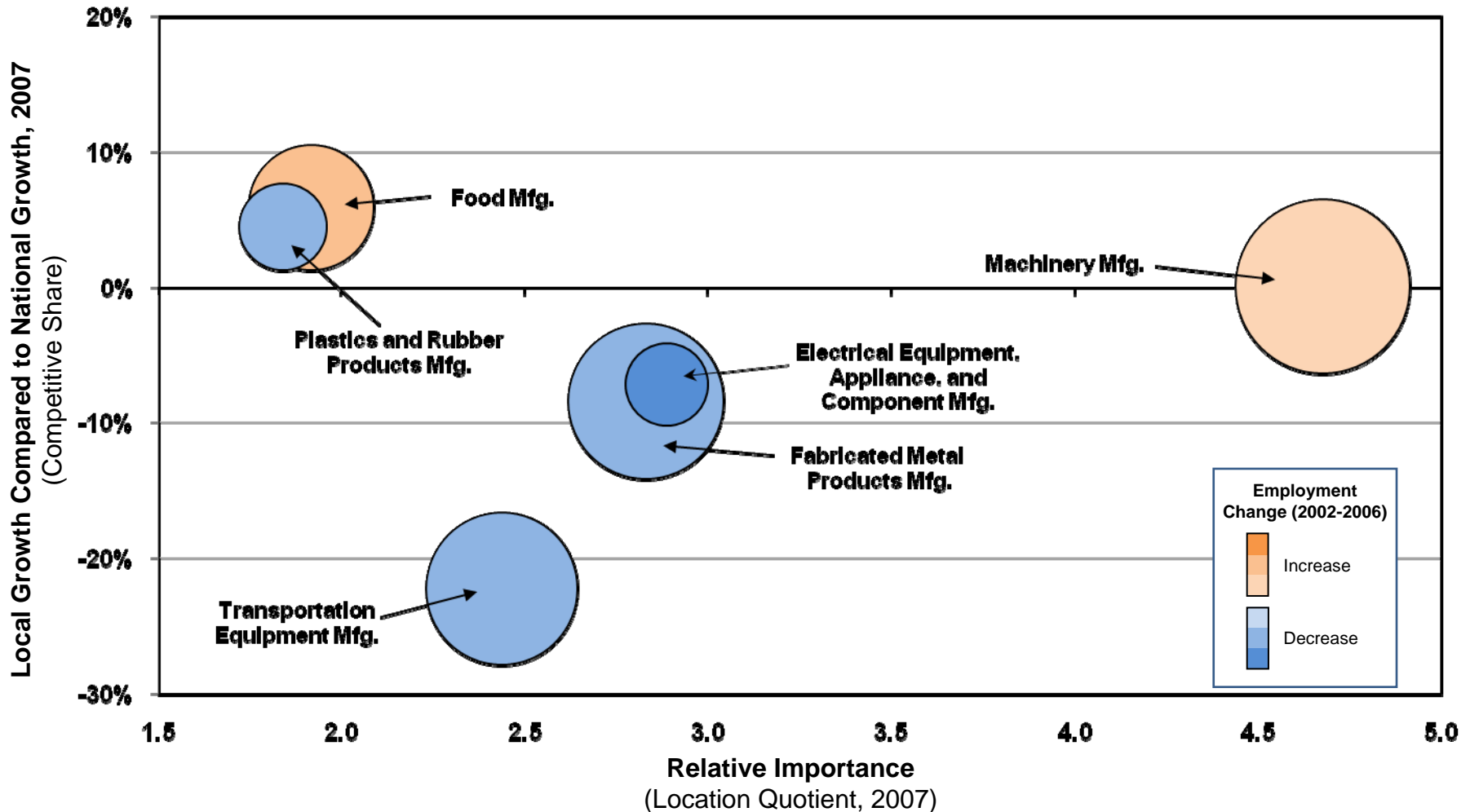
*(Relative Importance)*



# Local vs. National Growth

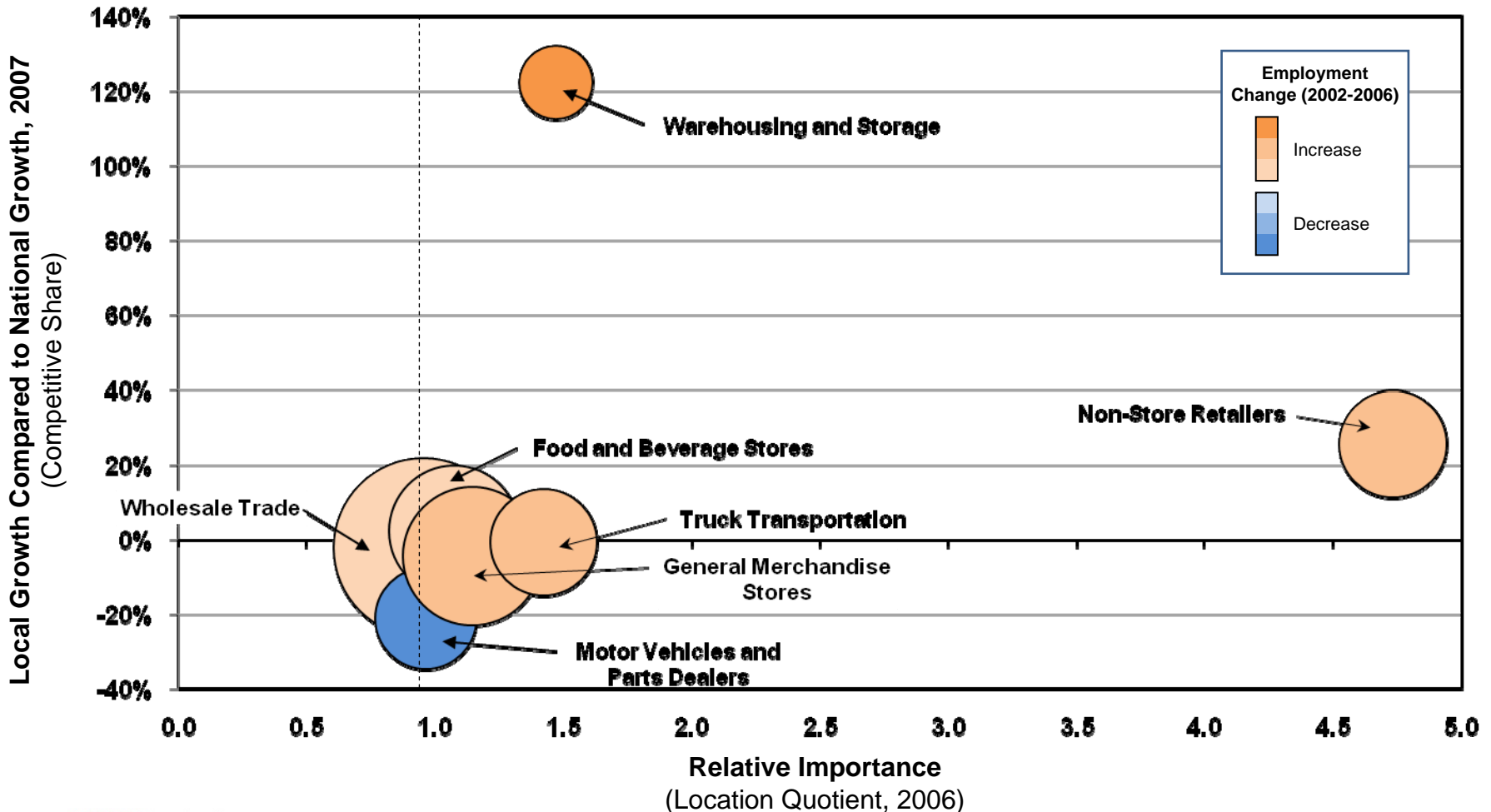
## Selected Manufacturing Sectors

(Competitive Share)



# Local vs. National Growth

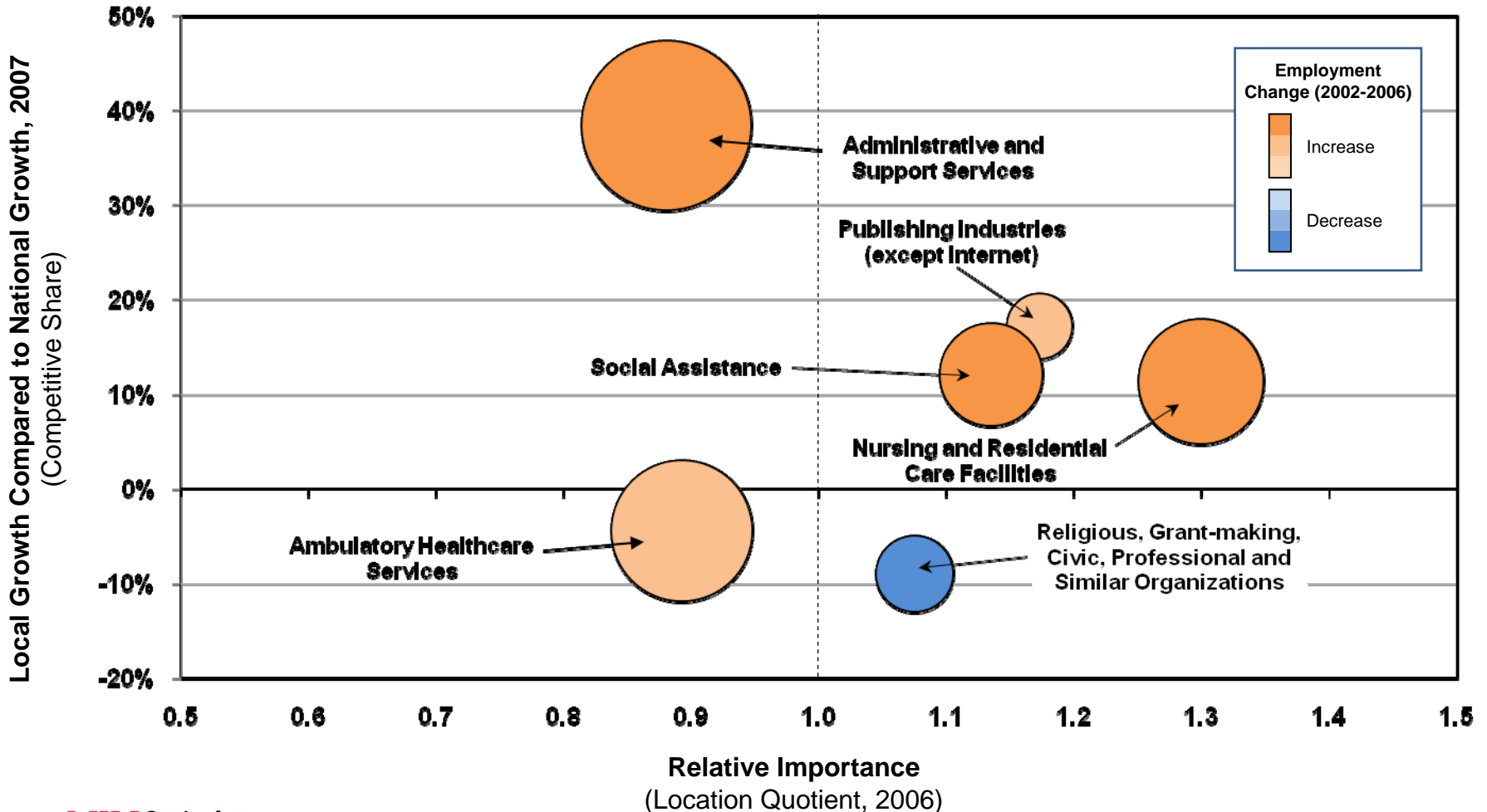
## Selected Trade, Transportation and Distribution Sectors (Competitive Share)



# Local vs. National Growth

## Selected Service Sectors

(Competitive Share)



# Business Startups and Closures

Tri-State Alliance Region	Startup Rate (1/2007-1/2008)	Closure Rate* (1/2007-1/2008)
Manufacturing	4.9%	4.3%
Wholesale Trade	7.5	5.0
Retail Trade	7.0	6.6
Services	6.9	5.4
Total, All Industries	5.6	4.7

United States	Startup Rate (1/2007-1/2008)	Closure Rate* (1/2007-1/2008)
Manufacturing	7.2%	7.3%
Wholesale Trade	10.1	7.5
Retail Trade	8.6	9.1
Services	10.9	8.2
Total, All Industries	10.2	8.1

# Trends in Business Establishments

Type of Business	2002	2007	Numeric Change	Percent Change
<b>Total</b>	57,859	57,860	1	0.00%
<b>Noncommercial</b>	4,801	4,471	-330	-6.87%
<b>Nonresident*</b>	3,265	2,786	-479	-14.67%
<b>Resident*</b>	49,793	50,603	810	1.63%
<b>Stage 1 (1 to 9 employees)</b>	44,134	44,993	859	1.95%
<b>Stage 2 (10 to 99 employees)</b>	5,306	5,283	-23	-0.43%
<b>Stage 3 (100 to 499 employees)</b>	314	291	-23	-7.32%
<b>Stage 4 (500+ employees)</b>	39	36	-3	-7.69%

\* Resident businesses are either stand-alone in area or headquartered in same state; non-resident businesses are headquartered in a different state.  
 Data Source: National Establishment Time-Series (NETS) database, 2008.



# Employment Trends by Business Type

Type of Business	2002	2007	Numeric Change	Percent Change
<b>Total</b>	548,420	499,340	-49,080	-8.95%
<b>Noncommercial</b>	73,560	70,870	-2,690	-3.66%
<b>Non-resident*</b>	148,966	115,865	-33,101	-22.22%
<b>Resident*</b>	325,894	312,605	-13,289	-4.08%
<b>Stage 1 (1 to 9 employees)</b>	112,877	105,569	-7,308	-6.47%
<b>Stage 2 (10 to 99 employees)</b>	121,845	120,470	-1,375	-1.13%
<b>Stage 3 (100 to 499 employees)</b>	53,858	49,950	-3,908	-7.26%
<b>Stage 4 (500+ employees)</b>	37,314	36,616	-698	-1.87%

\* Resident businesses are either stand-alone in area or headquartered in same state; non-resident businesses are headquartered in a different state.  
 Data Source: National Establishment Time-Series (NETS) database, 2008.

# Characteristics of Micro-Enterprises

*(Business Establishments and Employment)*

Number of Micro-Enterprises, 2006	Tri-State Region			U.S. Average
	Urban Counties	Rural Counties	Total Area	
<b>Without Employees<sup>1</sup></b>	37,167	23,021	<b>60,188</b>	<b>20,728,215</b>
<b>With 1-4 Employees<sup>2</sup></b>	7,594	5,037	<b>12,631</b>	<b>4,122,624</b>
<b>Total Micro-Enterprises</b>	44,761	28,058	<b>72,819</b>	<b>24,850,839</b>
Number of Businesses, 2006				
<b>Total Businesses w/Employees<sup>2</sup></b>	15,351	8,904	<b>24,255</b>	<b>7,571,557</b>
<b>Percent Micro-Enterprises</b>	85.2%	<b>87.9%</b>	<b>86.2%</b>	<b>87.8%</b>
Total Employment, 2006 <sup>3</sup>				
<b>Micro-Enterprise Employment<sup>4</sup></b>	57,493	36,558	<b>94,051</b>	<b>31,764,017</b>
<b>Percent of County Employment<sup>5, 6</sup></b>	15.2%	<b>18.4%</b>	<b>16.3%</b>	<b>17.9%</b>
<b>Total Private, Non-Farm Employment</b>	<b>77,959</b>	<b>198,378</b>	<b>576,377</b>	<b>177,526,045</b>

1/ Data Source: U.S. Census Bureau, Non-Employer Statistics, 2006.

2/ Data Source: County Business Patterns, U.S. Dept. of Commerce, 2006.

3/ Total employment includes proprietors and all non-farm part-time and full-time employees.

4/ Includes micro-enterprises (with and without employees) and estimated employment for businesses with 1-4 employees.

5/ Micro-enterprise employment as a percent of total county employment.

6/ Source: 2006 Bureau of Economic Analysis, Full-time and Part-time County Employment Statistics.

# Challenges

- Recent Trends
  - Population growth **slower** than state and national averages.
  - Rural areas **lagging** metro areas in region.
  - Working-age population growth **slower** than state or national averages.
  - Substantial **decline** in overall manufacturing employment.
  - Increases mainly in **service** industries rather than “wealth-generating”
- Low But **Increasing** Concentrations
  - Warehousing and storage, Food processing, Truck transportation, Nursing and residential care facilities, Social assistance services, General merchandise retailers.
- Startups and Closures
  - Startup and closure rates are **lower** than U.S.
  - Growth in the number of **Stage 1 non-resident** business startups.
- Retaining Displaced Workers and Young Adults
  - Creating **Entrepreneurship** Opportunities.
  - **Business Succession** Opportunities for Young Adults

# Assets and Opportunities

- Linkages to Large Metro Areas
  - Chicago, Madison-Janesville, Dubuque, Rockford, Quad-Cities, and Milwaukee
- Growth in Working Age Population
- Higher Education Completion has Increased
- Growth in Professional, Scientific, Management Employment
- Business Startups > Closures and Outperform State Average
  - Growth in Administrative and Support services; Truck transportation; Warehousing; Ambulatory Healthcare services Nursing and residential care facilities
- Tri-State Region Outperforming U.S.
  - Fabricated metals, Machinery manufacturing, Electrical equipment manufacturing
  - Transportation equipment manufacturing
  - Non-store retailers

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# For Further Information Contact

**Norman Walzer**

Senior Research Scholar

[nwalzer@niu.edu](mailto:nwalzer@niu.edu)

**Brian Harger**

Research Associate

[bharger@niu.edu](mailto:bharger@niu.edu)

**Center for Governmental Studies**

Northern Illinois University

De Kalb, IL 60115

815-753-1907