

June 1, 2018  
FOR IMMEDIATE RELEASE

**U of I Flash Index climbs again in May  
104.9 reading highest since June 2016**

URBANA \_ The University of Illinois Flash Index rose again in May, to 104.9 from April's 104.7. The May index is the highest it has been since it was at 105.0 in June 2016. Since then, the index has rested in a range of 104.1 to 104.9. Any reading above 100 indicates the Illinois economy is growing.

"The Illinois and national economies continue to grow at a steady rate, indicating that the post-recession expansion of nearly nine years (the third longest in history) shows no signs of ending," said economist J. Fred Giertz, who compiles the monthly index for the University's Institute of Government and Public Affairs.

"The relatively strong performance of the index raises the question of how this relates to the unremittingly negative news stories about the state's economy, often citing the state's small population losses," Giertz said. "The answer is twofold. First, while the state is not a national leader in terms of growth, neither is it at the bottom."

Annual 2017 GDP growth for the Illinois was 1.2 percent, below the 2.1 percent national rate. However, Illinois ranked 33<sup>rd</sup> among the states – an undistinguished performance, but still not at the bottom. Illinois' per capita income increased from 103 percent of the national average to 105 percent in the last five years.

"The second explanation for the strength is that the index is a measure of Illinois' current performance compared to the past two years in the state, not to other states," Giertz said. "For example, even though the Illinois 4.4 percent unemployment rate remains well above the 3.9 percent national rate, Illinois current rate is the lowest since October 2006. The unemployment rate fell two-tenths of a percentage point compared to last month, one-half of a point compared to a year ago, and a huge 6.9 percentage points compared to the post-recession high in December 2009."

Similar to last month, two components of the index (the sales and corporate tax receipts) were down while income tax receipts were up for the month compared to the same month last year after adjusting for inflation and rate changes.

The Flash Index is a weighted average of Illinois growth rates in corporate earnings, consumer spending and personal income. Tax receipts from corporate income, personal income and retail sales are adjusted for inflation before growth rates are calculated. The growth rate for each component is then calculated for the 12-month period using data through May 31, 2018.

# U OF I FLASH INDEX OF ILLINOIS ECONOMIC GROWTH--May 2018

