



ECONOMIC
RESEARCH
CENTER

ILLINOIS ECONOMIC DEVELOPMENT CORPORATION



The State of Business

Released April 2026

ILLINOIS ENTERS 2026 WITH A SOLID FOUNDATION AND EXPANDING OPPORTUNITIES TIED TO INNOVATION, INVESTMENT, AND TECHNOLOGY ADOPTION.

Illinois EDC's Economic Research Center's **2026 State of Business Report** reviews the state's economy and places Illinois' performance in national and regional context over the past year. Drawing on federal, state, and private-sector data, the report examines 16 key metrics and finds that Illinois' economy remained broadly aligned with U.S. performance in 2025 while demonstrating several areas of relative strength. Business establishments grew during 2025, and Illinois-based employers outperformed U.S. hiring trends. Growth across the state's focus industries, alongside sustained entrepreneurship and investment activity, reflects a diverse and active economic base. These trends indicate that Illinois enters 2026 with solid fundamentals and expanding opportunities tied to innovation, investment, and technology adoption.

Key Findings

1. Outlook for 2026: Investment growth, expanding innovation industries, and AI adoption position Illinois for continued expansion.
2. Illinois' economic growth exceeded U.S. performance in 2025, with state GDP rising 5.85% year-over-year.
3. Illinois outperformed U.S. hiring trends as hires increased 7% year-over-year, and Illinois closed the year with 200K job openings across the state.
4. Inflation pressures eased further in 2025, and overall price levels in Illinois' largest metro areas remained well below the U.S. City Average.
5. Illinois' trade balance improved as the state's trade deficit narrowed by roughly \$5 billion in 2025.
6. Regional economic expectations fluctuated in early 2025, with the outlook turning positive by year end.
7. Private capital supported company scaling, including 8 IPOs and strong early-stage investment activity, at 427 deals in 2025.
8. Entrepreneurship remained strong with roughly 189K new business applications filed in Illinois during 2025.
9. Illinois experienced job growth in all focus industries, and diverse job growth across regions reinforced Illinois' momentum.
10. Illinois maintained its #2 national ranking for corporate expansions and relocations for the fourth consecutive year.

EMPLOYER DEMAND FOR WORKERS REMAINED STRONG IN ILLINOIS. RISING HIRES AND 200K JOB OPENINGS POINT TO MOMENTUM FOR BUSINESS EXPANSION.

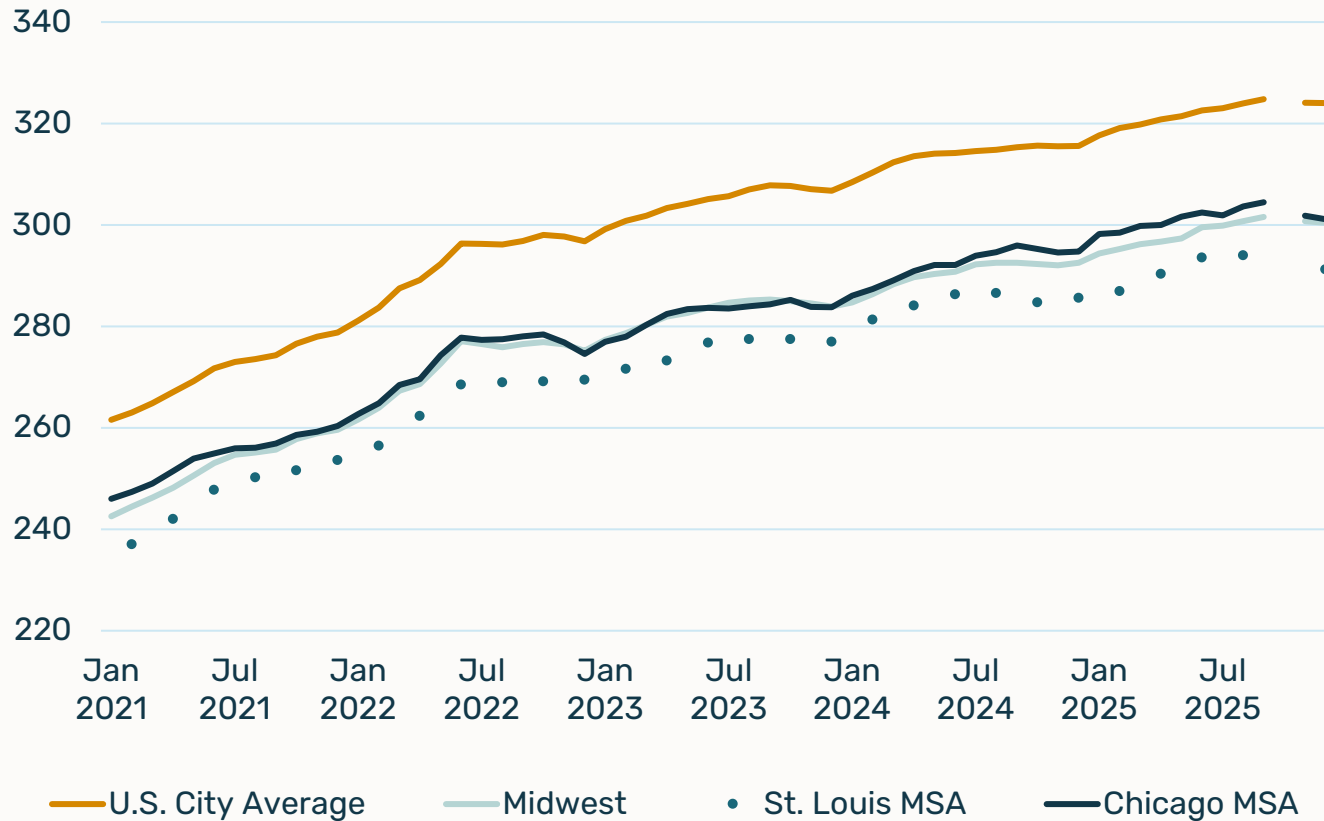
	Illinois	Great Lakes	United States
GDP (Millions of \$) Q4 2025 % YoY	\$1,230,973 5.85%	\$4,007,361 5.49%	\$31,422,526 5.36%
Labor Participation Dec 2025 Rate YoY	63.4 (P) -1.4	62.9 (P) -0.8	62.1 -0.1
Employment Dec 2025 % YoY	6,194,700 (P) -0.08%	25,757,400 (P) -0.88%	163,720,000 (P) 1.50%
Job Openings Dec 2025 % YoY	200,000 (P) -24.05%	989,000 (P) -10.90%	6,038,000 (P) -13.37%
Hires Dec 2025 % YoY	173,000 (P) 7.45%	662,000 (P) -1.05%	3,895,000 (P) -1.32%
Population 2025 % YoY	12,719,141 0.13%	53,524,060 0.32%	341,784,857 0.52%

- Illinois' economic performance remained broadly aligned with the Great Lakes region in 2025.
- Illinois' GDP increased 5.85% from Q4 2024 to Q4 2025, which outperformed the U.S. growth rate of 5.36%. Illinois also led the Great Lakes region in GDP growth.
- Illinois outperformed Great Lakes and U.S. hiring trends with a 7.45% increase, suggesting improved reemployment prospects for the state's job seekers.

(P) denotes when a value is preliminary

PRICES IN CHICAGOLAND AND ST. LOUIS AREAS—INCLUDING THE METRO EAST—WERE LOWER THAN THE NATIONAL AVERAGE, WITH INFLATION MODERATING SINCE THE PANDEMIC PEAK IN 2022.

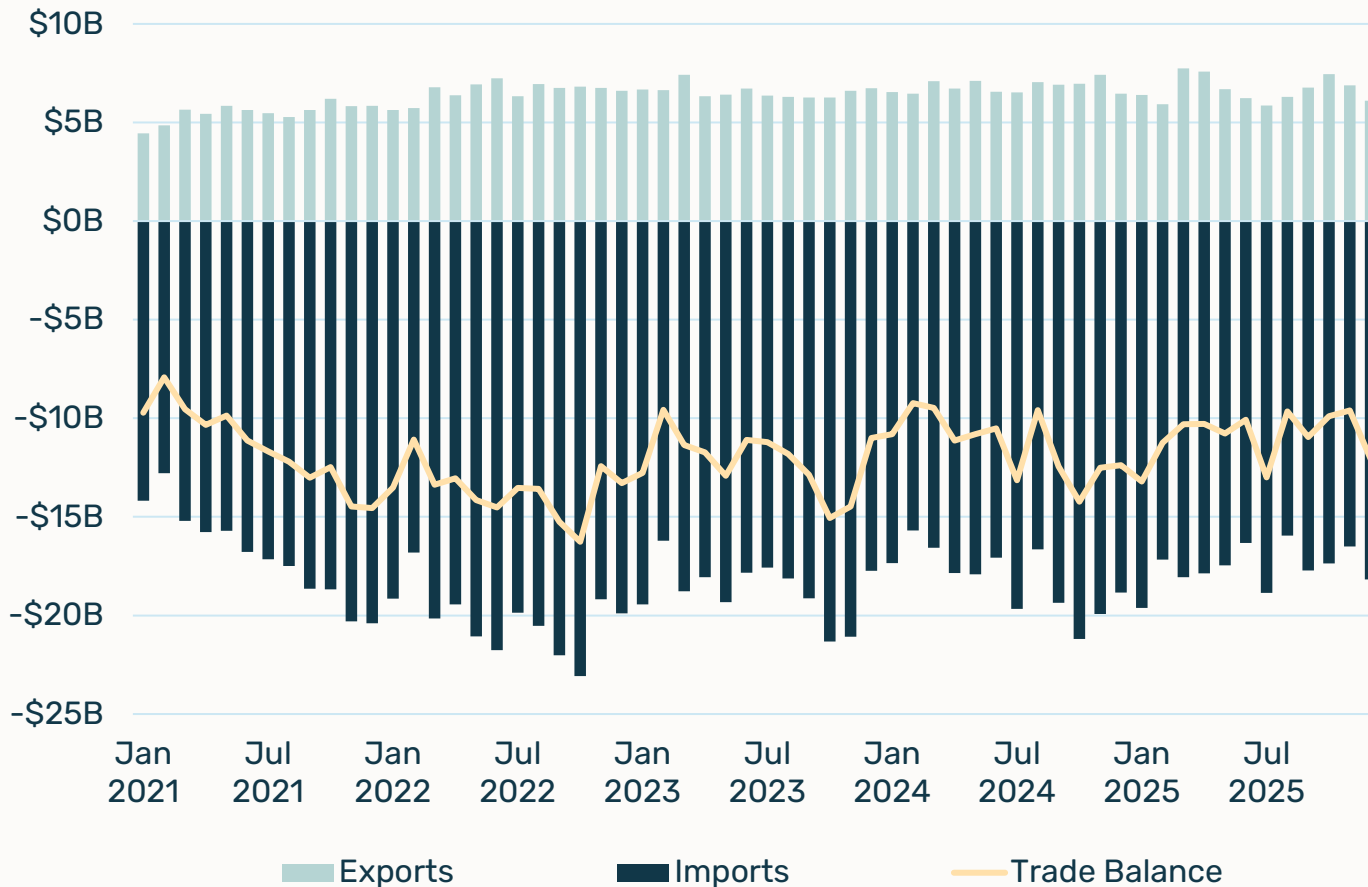
Consumer Price Index All Items



- Inflation, measured by the Consumer Price Index (CPI), has moderated from the elevated levels reached in 2022, indicating that price pressures have eased from their pandemic-era peak.
- Across the All Items index, Chicagoland tracked closely with the Midwest while remaining well below the national level, averaging nearly 20 index points lower than the U.S. in 2025.
- The Greater St. Louis region, which includes Illinois' Metro East, also saw lower overall price levels than the U.S. city average in 2025, averaging 26 index points below the national level.

TARIFF SHIFTS RESHAPED ILLINOIS' TRADE FLOWS WITH A DIVERSE EXPORT BASE MINIMIZING EXPORT DECLINE AND DEFICIT NARROWED BY \$5 BILLION.

Illinois Trade

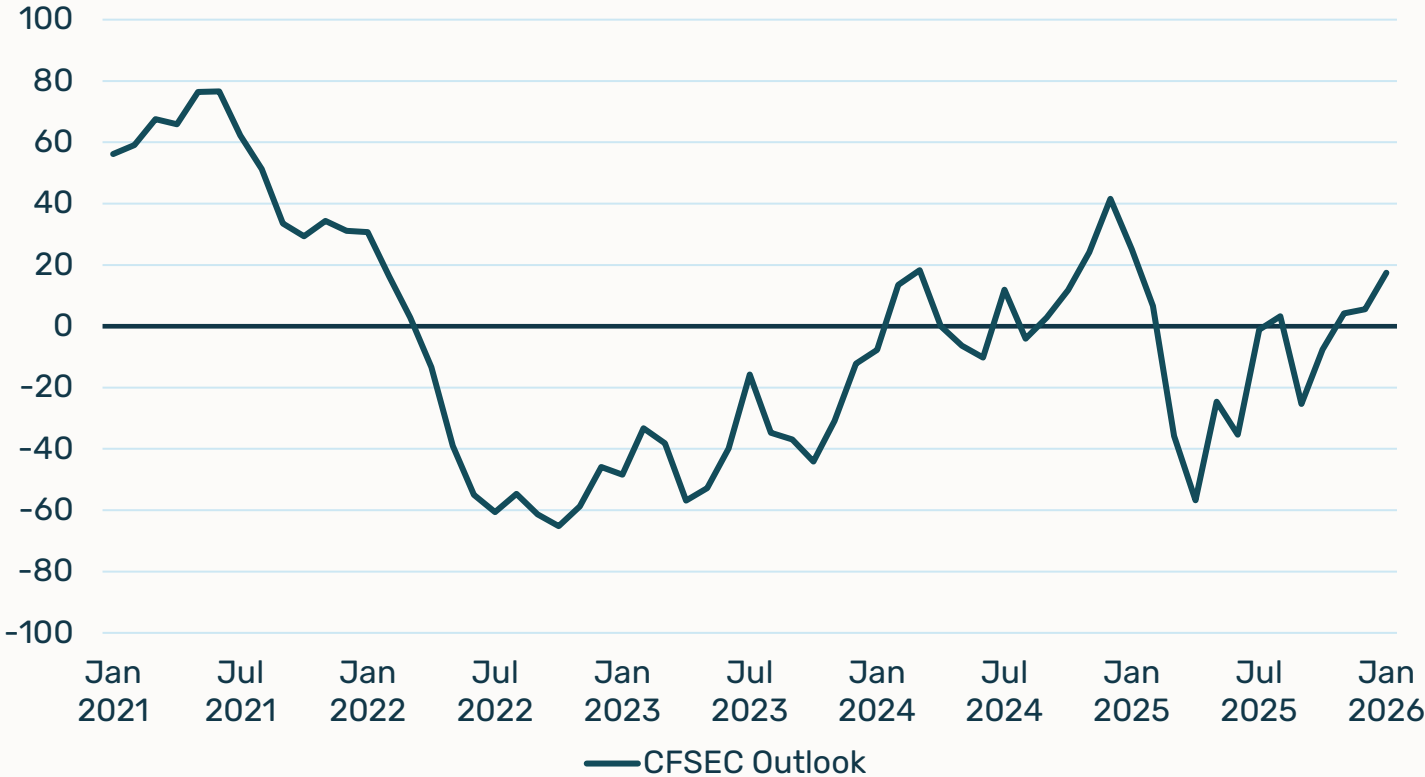


- Tariff shifts reshaped trade flows, with Illinois exports to East Asian markets falling 21% YoY (-\$2.07B) as supply chains adjusted.
- Exports remained largely stable overall (-2.3% YoY; +20.9% vs. 2021), highlighting Illinois' diversified global trade base.
- Imports also held steady, down 3.2% YoY but up 3.9% from five years ago, reinforcing Illinois' role as a major U.S. trade hub.
- Amongst Midwestern states, Illinois' trade balance had the largest positive movement at \$5B.

WHILE REGIONAL EXPECTATIONS FLUCTUATED THROUGHOUT 2025, AT YEAR'S END, ECONOMIC OUTLOOK IMPROVED AND ILLINOIS CONTINUED TO DELIVER GROWTH.

Chicago Fed Survey of Economic Conditions (CFSEC)

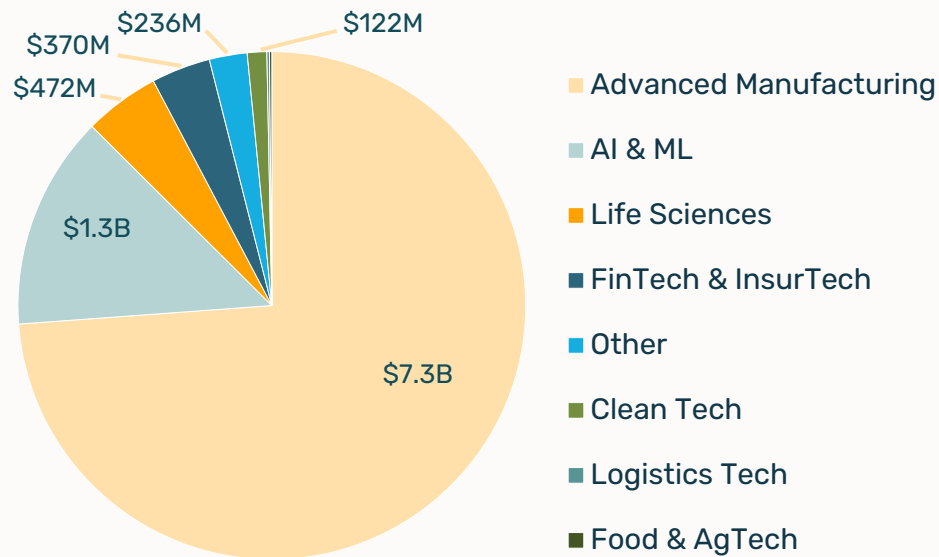
- The Chicago Fed Survey of Economic Conditions' Outlook Index reflects respondents' expectations of economic conditions over the next twelve months.
- The Outlook Index started the year at a high of +25 sliding to a minimum on the year of -56 in April, indicating outlook was at its worst in the first half of the year.
- After April's low, the Outlook Index moderated, ending the year at +5, reflecting a mildly positive rebound.



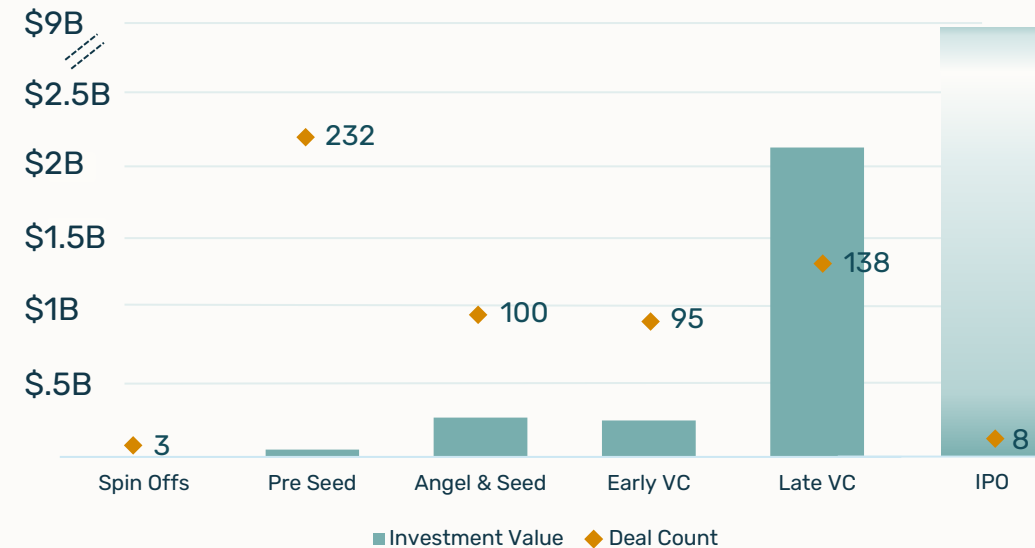
*Interpret relative to the reference line: values above signal stronger conditions, values below signal weaker conditions.

INVESTMENT ACCELERATED IN ADVANCED MANUFACTURING, POSITIONING ILLINOIS TO GROW INDUSTRIES THAT BENEFIT MOST FROM NEAR TERM AI-DRIVEN ADVANCEMENTS.

2025 Capital Deployment by Industry



2025 Capital Deployment by Stage

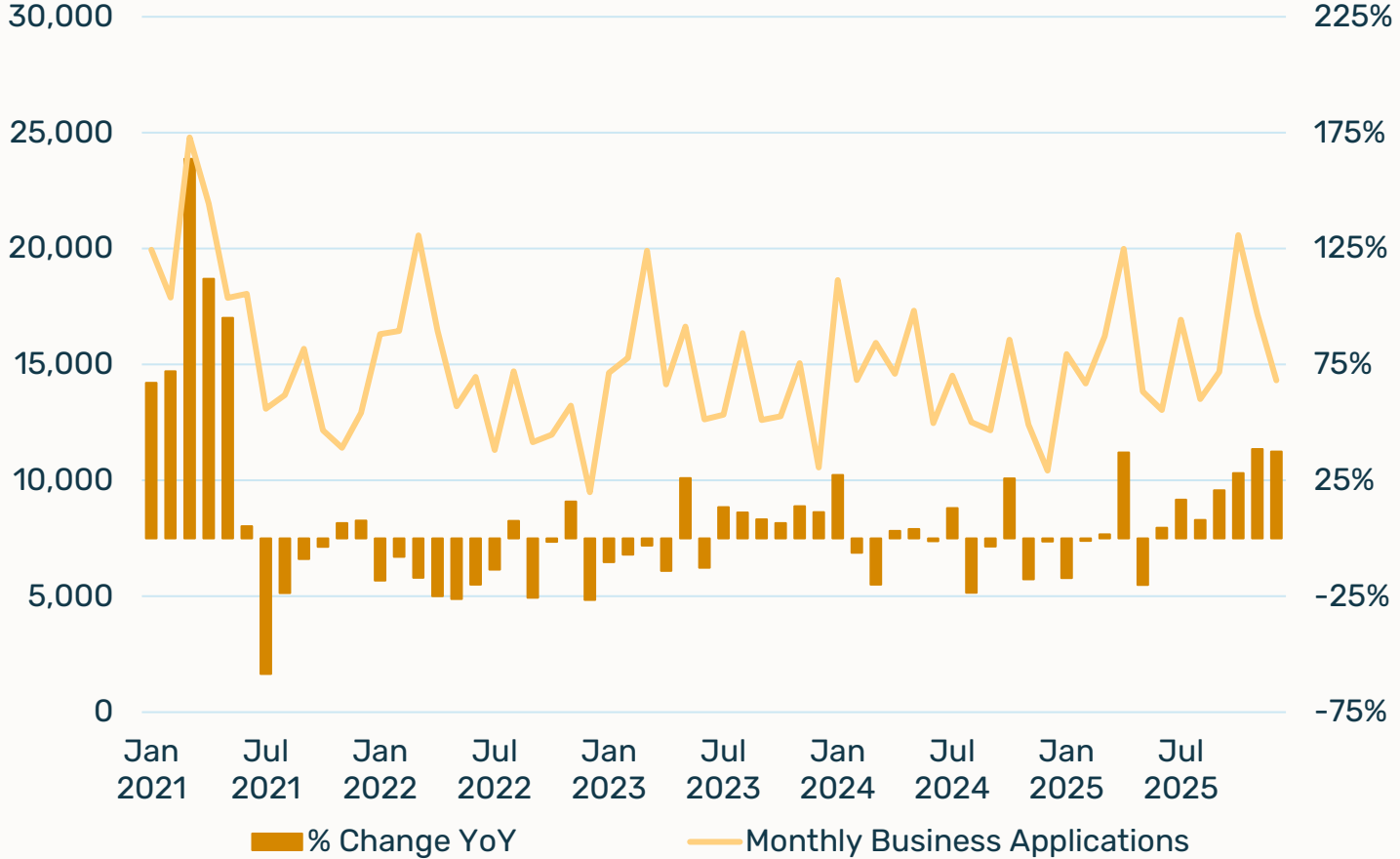


- Illinois' venture ecosystem in 2025 demonstrated that companies could successfully scale from early formation to public markets.
- 2025 capital deployments reflect the state's strong industrial base and continued investor confidence in Illinois-based advanced production technologies and manufacturing innovators.

- 8 IPOs representing approximately \$8.84B in investment value, including the public debut of Medline Industries, one of the largest IPOs in the U.S.
- Illinois continues to build a strong commercialization pipeline, with 427 pre-seed, seed, and early stage deals totaling \$585.6M. This activity illustrates the local cohort of startups that have entered the market and are positioned to mature into future growth stage companies.

STRONG ENTREPRENEURSHIP ACTIVITY SUSTAINED ILLINOIS' ECONOMIC PERFORMANCE, INCLUDING A RECENT RECORD 189K NEW BUSINESS APPLICATIONS IN 2025, AN 11 % YEAR-OVER-YEAR INCREASE.

Illinois Business Applications



- Post-pandemic volatility has eased, with Illinois monthly business applications stabilizing while several months approached or exceeded 20K filings, signaling positive growth trends.
- After an initial surge and correction following the pandemic, new business formation has settled into a stable baseline, signaling a durable entrepreneurial environment.
- Positive YoY growth in Q3-Q4 2025 points to a growing pipeline of new firms supporting innovation, investment, and business expansion across Illinois.

PRIVATE INVESTMENT ACCELERATED IN ADVANCED MANUFACTURING AND JOB GROWTH ROSE ACROSS RELATED INDUSTRIES, POSITIONING ILLINOIS TO BENEFIT FROM AI-DRIVEN ADVANCEMENTS.

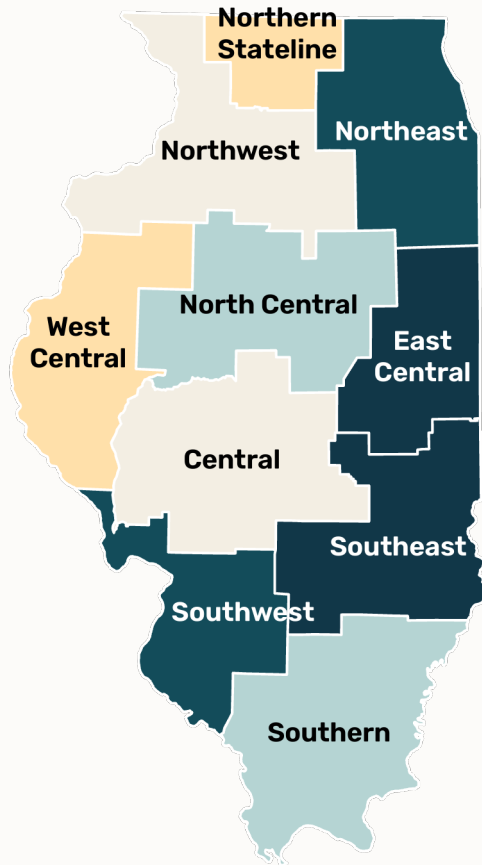


	Life Sciences	Clean Energy	Advanced Manufacturing	Next Generation Agriculture	Transportation, Distribution, and Logistics	Information Technology	Finance and Insurance
2025 Jobs	719,219	254,893	476,628	194,210	541,398	263,392	326,136
% Change (2021-2025)	12%	9%	2%	11%	9%	4%	1%
Job Change (2021-2025)	74,315	22,047	7,343	19,378	43,173	10,258	4,244

- Illinois added 368K jobs (+6%) economy-wide and saw growth in each key industry from 2021–2025. Life Sciences led in percentage growth at 12%, with more than 74K jobs added.
- Illinois’ fastest-growing industries are well positioned to benefit from AI adoption and innovation. The State’s strong research activity, private capital presence, and growing workforce in areas like digital health, advanced computing, and next-generation manufacturing situate the state and its residents to capture significant gains from future AI-enabled innovations.
- Illinois’ diverse economy supports both emerging innovation industries and legacy sectors, providing companies access to deep talent pools, integrated supply chains, and a broad customer base.

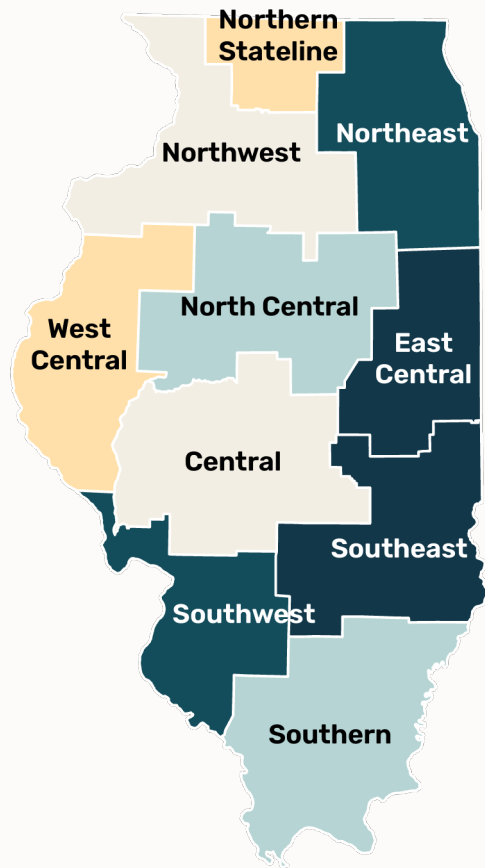
*Quantum, Artificial Intelligence, and Microelectronics is not included above, an appropriate NAICS definition is not readily available, see “Information Technology” for the closest available number.

DIVERSE, STATEWIDE JOB GROWTH ACROSS INDUSTRIES IS STRENGTHENING ILLINOIS' CASE FOR CONTINUED INVESTMENT WITH DEPTH, SCALE, AND BROAD-BASED MOMENTUM ACROSS REGIONS.



	Life Sciences	Clean Energy	Advanced Manufacturing	Next Gen. Agriculture
CENTRAL 2025 Jobs % Change (2021-2025)	27,606 5%	7,942 8%	14,389 -1%	16,631 1%
EAST CENTRAL 2025 Jobs % Change (2021-2025)	18,185 20%	4,254 8%	11,720 -2%	8,608 4%
NORTH CENTRAL 2025 Jobs % Change (2021-2025)	35,357 2%	18,976 55%	32,693 30%	10,659 6%
NORTHEAST 2025 Jobs % Change (2021-2025)	516,774 12%	174,572 7%	309,352 1%	94,699 14%
NORTHERN STATELINE 2025 Jobs % Change (2021-2025)	23,211 13%	6,977 -33%	25,619 -12%	8,567 8%
NORTHWEST 2025 Jobs % Change (2021-2025)	15,351 -5%	9,983 11%	22,137 -1%	19,832 24%
SOUTHEAST 2025 Jobs % Change (2021-2025)	13,578 18%	3,502 10%	16,158 -7%	7,231 4%
SOUTHERN 2025 Jobs % Change (2021-2025)	16,931 14%	3,353 2%	11,576 5%	5,977 19%
SOUTHWEST 2025 Jobs % Change (2021-2025)	24,319 4%	10,725 11%	16,188 -8%	10,394 1%
WEST CENTRAL 2025 Jobs % Change (2021-2025)	11,094 13%	2,529 12%	7,183 0%	8,681 -1%

DIVERSE, STATEWIDE JOB GROWTH ACROSS INDUSTRIES IS STRENGTHENING ILLINOIS' CASE FOR CONTINUED INVESTMENT WITH DEPTH, SCALE, AND BROAD-BASED MOMENTUM ACROSS REGIONS.

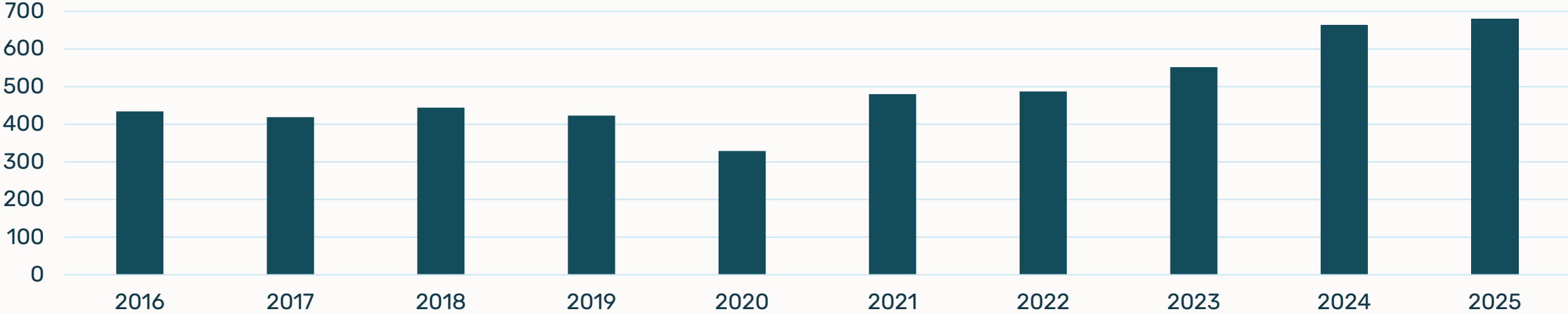


		Transportation & Logistics	Information Technology	Finance & Insurance
CENTRAL	2025 Jobs	10,472	5,634	8,611
	% Change (2021-2025)	-2%	8%	-10%
EAST CENTRAL	2025 Jobs	8,042	3,470	4,902
	% Change (2021-2025)	-3%	-5%	8%
NORTH CENTRAL	2025 Jobs	16,406	7,299	25,922
	% Change (2021-2025)	5%	4%	-2%
NORTHEAST	2025 Jobs	406,629	183,851	235,074
	% Change (2021-2025)	9%	-2%	0%
NORTHERN STATELINE	2025 Jobs	17,291	4,215	4,405
	% Change (2021-2025)	12%	15%	-19%
NORTHWEST	2025 Jobs	19,578	3,775	5,503
	% Change (2021-2025)	20%	-9%	-10%
SOUTHEAST	2025 Jobs	6,556	3,360	3,804
	% Change (2021-2025)	-2%	0%	-5%
SOUTHERN	2025 Jobs	6,559	2,496	5,323
	% Change (2021-2025)	-3%	15%	14%
SOUTHWEST	2025 Jobs	24,935	6,253	7,003
	% Change (2021-2025)	4%	1%	5%
WEST CENTRAL	2025 Jobs	5,833	1,099	3,032
	% Change (2021-2025)	-2%	-1%	4%

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ILLINOIS CONTINUES TO BE THE GO-TO STATE FOR CORPORATE EXPANSION AND RELOCATION. THE STATE MARKED ITS FOURTH CONSECUTIVE YEAR AS #2 IN THE NATION FOR TOTAL PROJECTS.

Illinois' Business Expansion and Relocation Count Site Selection Magazine



- In 2025, Illinois had 680 qualifying corporate expansion and relocation projects according to Site Selection Magazine. This marks a 23% increase in total projects compared to 2023 and a 47% increase compared to 2021.
- Illinois ranked #2 in the nation for total projects for the fourth consecutive year and #2 in the nation for projects per capita for the third consecutive year. Chicago was ranked the #1 metro in the nation for total projects for the thirteenth consecutive year.

Bureau of Labor Statistics

- Labor Force Participation Rate (LFPR) is the percentage of the civilian noninstitutional population that is either employed or unemployed but seeking employment (unemployed).
- Employment is the number of people who have at least one job.
- Unemployment is the number of people who had no employment but were available and actively searching for work.
- Job Openings counts all positions open on the last business day of the reference month.
- Hires counts all additions to the payroll during the reference month.
 - NOTE: Great Lakes uses Bureau of Labor Statistics (BLS) definition and includes Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin for GDP, Employment, Unemployment, Job Openings, and Hires. All data is not seasonally adjusted.
- Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. Note: St. Louis MSA all items readings are released every other month. Oct. 2025 not reported due to federal government shutdown. 1982-1984=100. Bureau of Labor Statistics, Consumer Price Index, Not Seasonally Adjusted.
 - NOTE: Midwest uses Bureau of Labor Statistics (BLS) definition and includes Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

Bureau of Economic Analysis

- Gross Domestic Product (GDP) is the seasonally adjusted and current (nominal) dollar estimate of the value of goods and services produced in the region.

U.S. Census

- International Trade encompasses Illinois' import and export data covering the period January 1, 2021 through December 31, 2025. The dataset was accessed through the U.S. Census Bureau's USA Trade Online system, which provides official U.S. trade statistics.

- Business Applications counts Employer Identification Number (EIN) applications made predominantly for business purposes. Not seasonally adjusted.
- Population includes resident population estimates on periods running from July 1 to June 30 from the Population Estimates Program. Vintage 2025.

Lightcast

- 2025 and 2021 Jobs represent Lightcast annual average employment (wage-and-salary plus proprietors, full- and part-time counted equally), based primarily on BLS QCEW and BEA data.
 - NOTE: The Economic Development Regions are the Department of Commerce and Economic Opportunity-defined regional planning geographies used to coordinate economic development programs and assistance across Illinois. Industry cluster definitions by NAICS available upon request.

Pitchbook

- Capital Deployment by Stage includes spin-offs, Angel and Seed Round deals (grouped), all stages of venture capital, and initial public offerings. Data as of February 23, 2025.
- Capital Deployment by Industry includes same groupings as found in Capital Deployment by Stage and is also grouped by Pitchbook's verticals – specific vertical groupings available upon request.

Conway Projects

- Illinois Project Count is the number of Illinois projects published by Site Selection Magazine from their Conway Projects Database.

Federal Reserve Bank of Chicago

- The Chicago Fed Survey of Economic Conditions (CFSEC) is a collection of diffusions indexes based on business & professional survey respondents across the Seventh District (all of: IA, MI, most of: IL, IN, WI). Index values above zero indicate conditions stronger than respondent pools' typical growth levels, while values below zero indicate weaker-than-normal conditions.
 - Activity reflects current demand conditions.
 - Hiring reflects employment changes.
 - Outlook reflects expectations for the coming year.



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About The ERC

The Economic Research Center (ERC) is the Illinois Economic Development Corporation's dedicated team for statewide economic development research. The ERC builds the business case for investing in Illinois' economy by producing data, analysis, and comparative insights on Illinois' industries, workforce, infrastructure, and competitive position. This piece is part of that work – providing a reference of key indicators and trends from 2025.

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