

Comparison of Per Capita Personal Income Growth in Some Manufacturing vs. Non-Manufacturing Areas: An Initial Snapshot

With new data now made easily available by *Governing.com* that provides per capital personal income (PCPI) growth in constant (inflation adjusted) 2015 dollars, the Springfield-Sangamon County Regional Planning Commission was initially interested in seeing how the Springfield Metropolitan Statistical Area (MSA) compared to three other MSAs in the central Illinois area: Champaign/Urbana, Bloomington, and Peoria. However, given that there has been local discussion related to increasing the mix of manufacturing in the regional economy, and only one of the original group of MSAs might generally be considered a manufacturing center (Peoria), two other MSAs were added that are also generally considered manufacturing driven: Decatur and Rockford. PCPI was used as it was considered an adequate surrogate measure to see if there were any notable differences in local wealth.

Table 1, below, provides this comparison for two 10-year periods: 1995-2005 and 2005-2015. These periods were selected as the data available allowed for a calculation based upon the value in 2015 dollars.

Table 1 -- Comparison of Per Capita Personal Income in Six MSAs: 1995, 2005, 2015
(2015 inflation adjusted dollars)

MSA	PCPI 1995	Rank	PCPI 2005	Rank	1995-2005 Change	PCPI 2015	Rank	2005-2015 Change
Springfield MSA	\$39,057	1	\$40,172	3	\$1,115 (2.8%)	\$43,590	4	\$3,418 (8.5%)
Champaign- Urbana MSA	\$32,990	6	\$37,235	5	\$4,245 (12.9%)	\$42,863	5	\$5,628 (15.1%)
Bloomington MSA	\$35,820	3	\$40,919	1	\$6,234 (17.4%)	\$44,397	2	\$3,478 (8.5%)
Peoria MSA	\$34,685	4	\$40,513	2	\$5,828 (16.8%)	\$45,132	1	\$4,619 (11.4%)
Decatur MSA	\$33,822	5	\$39,111	4	\$5,289 (15.6%)	\$44,383	3	\$5,272 (13.5%)
Rockford MSA	\$36,226	2	\$36,459	6	\$233 (0.64%)	\$39,674	6	\$3,215 (8.8%)

Governing calculations from U.S. Bureau of Economic Analysis data:
<http://www.governing.com/gov-data/economy-finance/personal-income-per-capita-metro-area-data.html>

Since MSAs often encompass large multi-county regions – for example the Springfield MSA includes the entirety of both Sangamon and Menard counties – they may not provide the lens necessary to adequately compare the differences between localities seen as having economies with significant manufacturing bases versus those that do not. For this reason the SSCRPC turned to data from the Illinois Regional Economic Analysis Project (IL-REAP) that provides PCPI data at the county level from the same source used by *Governing* at the MSA level: the U.S. Dept. of Commerce’s Bureau of Economic Analysis. The IL-REAP data was valuable as it can also provide PCPI comparisons from 1969 to 2015 in 2015 constant dollars.

Table 2, on the next page, provides this data for the same time periods provided in Table 1 for the counties that were the central focus of the MSA data. This table displays the same data as Table 1, which for the purposes of this paper we will consider the *recent* period, with the inclusion of: the dollar spread between average highs and lows; the average PCPI dollar change over the period; and, the counties that fell below the group average. For the 1995-2005 period, for example, only two counties fell below the average, but three fell below it for the 2005-2015 period.

It is notable that the two counties that fell below the average for 1995-2005 include both a recognizable manufacturing area (Winnebago) and a generally non-manufacturing area (Sangamon). Both of these counties continued to fall below it in 2005-2015 as well, but McLean joined them. Based upon this admittedly limited comparison, the SSCRPC believes that this may simply indicate that unique local conditions and happenstances may have more of an effect on PCPI than whether or not an area’s economy includes a notable manufacturing component. But for the Macon County results, the more recent 2005-2015 period might also indicate that



counties with more diverse economies may generate better PCPI growth than those with less diverse ones. This would be consistent with previous SSCRPC studies.ⁱ

But these results also led the SSCRPC to wonder if these same outcomes would be demonstrated at an *earlier* time. As a previous SSCRPC studyⁱⁱ noted, the 1970s began a period of industrial change and retrenchment that led areas such as the Midwest to be called the “Rust Belt”. For this reason the SSCRPC compiled the same data for two similar but earlier periods: 1970-1980 and 1980-90. Table 3, below, provides the same information as Table 2 for these earlier periods.

Table 2 -- Comparison of Per Capita Personal Income in Six Counties Over the Most Recent Period: 1995, 2005, 2015 (2015 inflation adjusted dollars)

Counties	PCPI 1995	Rank	PCPI 2005	Rank	1995-2005 Change	PCPI 2015	Rank	2005-2015 Change
Sangamon	\$32,200	1	\$36,067	3	\$3,867 (12.0%)	\$39,997	4	\$3,930 (10.9%)
Champaign	\$27,633	6	\$33,657	5	\$6,024 (21.8%)	\$38,567	5	\$4,910 (14.6%)
McLean	\$30,507	2	\$37,246	1	\$6,739 (22.1%)	\$40,783	2	\$3,537 (9.5%)
Peoria	\$30,071	4	\$37,032	2	\$7,175 (23.9%)	\$42,979	1	\$5,947 (16.1%)
Macon	\$28,481	5	\$34,931	4	\$6,450 (22.7%)	\$40,520	3	\$5,589 (16.0%)
Winnebago	\$30,455	3	\$32,600	6	\$2,145 (7.0%)	\$35,932	6	\$3,332 (10.2%)
Spread and Avg. Change Between Periods	Hi/Lo Spread		Hi/Lo Spread		Avg. \$ Change \$5,400	Hi/Lo Spread		Avg. \$ Change \$4,541
	\$4,567		\$4,646			\$7,047		
					Counties Below Avg.			Counties Below Avg.
					Sangamon Winnebago			Sangamon McLean Winnebago
IL-REAP calculations from U.S. Bureau of Economic Analysis data: Illinois%20Regional%20Economic%20Analysis%20Project%20(IL-REAP).html								

Table 3 -- Comparison of Per Capita Personal Income in Six Counties Over an Earlier Period: 1970, 1980, 1990 (2015 inflation adjusted dollars)

County	PCPI 1970	Rank	PCPI 1980	Rank	1970-1980 Change	PCPI 1990	Rank	1980-1990 Change
Sangamon	\$20,709	1	\$23,816	2	\$3,107 (15.0%)	\$30,736	1	\$6,920 (29.1%)
Champaign	\$17,824	6	\$21,483	5	\$3,659 (20.5%)	\$26,623	6	\$5,140 (23.9%)
McLean	\$18,205	5	\$22,845	4	\$4,278 (23.5%)	\$28,201	4	\$5,356 (23.4%)
Peoria	\$20,131	2	\$24,699	1	\$4,568 (22.7%)	\$28,423	2	\$3,724 (15.1%)
Macon	\$19,216	3	\$22,458	6	\$3,242 (16.9%)	\$27,223	5	\$4,765 (21.2%)
Winnebago	\$19,027	4	\$23,537	3	\$4,510 (23.7%)	\$28,217	3	\$4,680 (19.9%)
Spread and Avg. Change Between Periods	Hi/Lo Spread		Hi/Lo Spread		Avg. \$ Change \$3,894	Hi/Lo Spread		Avg. \$ Change \$5,098
	\$2,885		\$2,241			\$4,113		
					Counties Below Avg.			Counties Below Avg.
					Sangamon Champaign Macon			Peoria Macon Winnebago
IL-REAP calculations from U.S. Bureau of Economic Analysis data: Illinois%20Regional%20Economic%20Analysis%20Project%20(IL-REAP).html								

To simplify the results, the SSCRPC first considered the shift in the comparative rankings found in the tables above. This is shown in Table 4. This table displays the comparative ranking in PCPI for each county – from highest to lowest – allowing one to see which counties had improved their position vis-à-vis the others.

Table 4 – Comparison of PCPI Rankings for the Six Years Considered

County	1970 PCPI Comparative Rank	1980 PCPI Comparative Rank	1990 PCPI Comparative Rank	1995 PCPI Comparative Rank	2005 PCPI Comparative Rank	2015 PCPI Comparative Rank
Sangamon	1	2	1	1	3	4
Champaign	6	5	6	6	5	5
McLean	5	4	4	2	1	2
Peoria	2	1	2	4	2	1
Macon	3	6	5	5	4	3
Winnebago	4	3	3	3	6	6

Using what is admittedly a limited basis of comparison, one notices that the two counties that would generally be described as having a noticeable manufacturing base (Macon, Winnebago) tended to lag behind the other counties, although not so much as Champaign, which has less of such a base. Peoria maintained a high ranking for all of the years but one: 1995. Sangamon ranked well in comparison to the others during the years identified, but less well in the more recent years. In Sangamon’s case this was consistent with the SSCRPC’s earlier study that found a decline believed to be associated with the contraction of state government that was off-set primarily by growth in the medical industry. McLean and Peoria, with what might be seen as a more diverse business and industry base, appear to have performed better overall than their peers, with McLean showing the greatest gain in the rankings over time.

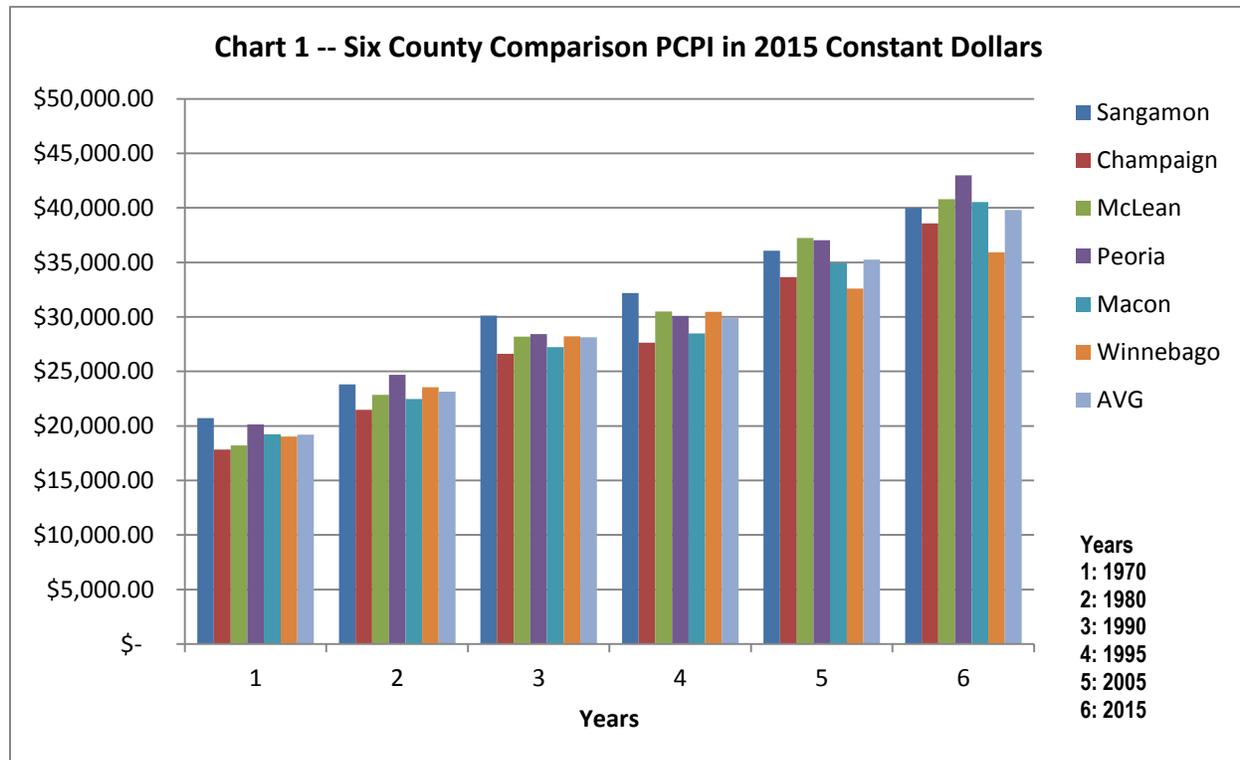


Chart 1 displays the data in a different form showing PCPI in the six counties along with the group average for the period, rather than how they comparatively ranked, for the six years considered. One notes that Sangamon performed better than the other counties through 1995, falling slightly below Peoria in 1980, however Peoria made noticeable gains by 2005 and into 2015. Champaign noticeably lagged behind throughout the years studied, however began to show increases in PCPI larger than Winnebago by 2005.

Overall, it is difficult to identify noticeable trends that significantly differentiate the counties generally considered to have manufacturing as a larger component of their economies from those that do not. All showed notable gains in constant dollars, though less for Winnebago than the others, and more for Peoria. All-in-all, this may simply support the conclusion that more diverse economies perform better than less diverse ones over time.

Again, this is a very limited means of comparing the growth of PCPI in the six counties, and is additionally limited in determining whether or not manufacturing makes a fundamental difference, providing only an initial snapshot. For example, such a simple comparison does not take into account that Sangamon had more manufacturing in earlier years than it now has, and that McLean added some additional manufacturing in the late 1980s and early 1990s. The comparison is also challenged by the fact that the counties selected were based more upon the general perception that their economies are largely driven by manufacturing or are not, rather than some standard and quantifiable metric.

Even so, the data provided above is still provides an informative basis for further, and more precise, analysis, and on its face to indicate that areas that diversify their economies tend to perform at least marginally better than those that do not.

ⁱ Uden, A. (2014). *How Resilient is Our Regional Economy?: A Peer Comparison of the Springfield Metropolitan Area's Resilience Capacity*. Springfield-Sangamon County Regional Planning Commission; Springfield, IL.

ⁱⁱ Sims, N. (2015). *Planning for Growth: Reviewing Economic Growth Trends in the Springfield-Sangamon County Economic Area*. Springfield-Sangamon County Regional Planning Commission; Springfield, IL.



The Springfield-Sangamon County Regional Planning Commission (SSCRPC) serves as the joint planning body for Sangamon County and the City of Springfield, as well as the Metropolitan Planning Organization for transportation planning in the region.

The Commission works with public agencies and not-for-profit organizations throughout the region to promote orderly growth and redevelopment, and assists other Sangamon County communities with their planning needs. Through its professional staff, the SSCRPC provides overall planning services related to land use, housing, recreation, transportation, economic development, environmental protection, and special projects.

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