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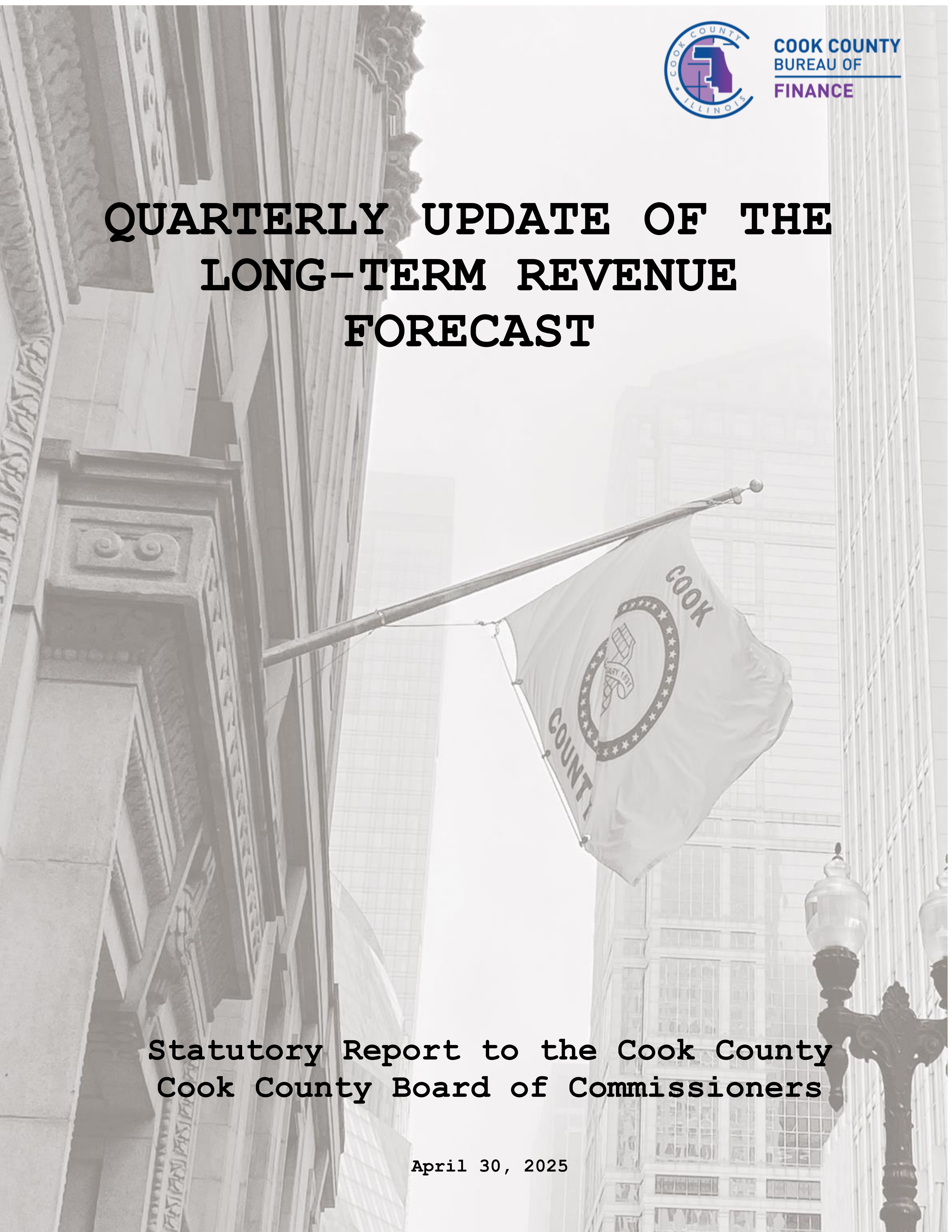
# QUARTERLY UPDATE OF THE LONG-TERM REVENUE FORECAST




## Statutory Report to the Cook County Cook County Board of Commissioners

**April 30, 2025**

The following report provides an update between the long-term financial plan provided to the IRFC and posted on the County's website in January 2025, and the most up-to-date forecast. The forecast was updated in accordance with Section Sec. 2-78 of the Cook County Code, which states:

b) The purpose of the Independent Revenue Forecasting Commission (IRFC) will be to review and analyze an annual five-year revenue forecast (the "forecast") for the County as developed and prepared by the Chief Financial Officer (the "CFO"). Updates pertaining to the forecast will be provided to the IRFC, the Board and posted on the IRFC website on a quarterly basis by the CFO. The forecast will include, but not be limited to, analysis of the following County revenue streams: Sales and Use taxes, Property Taxes, Cigarette Taxes, Fuel Taxes, and other sources of County revenue.

This report includes a summary of the variance analysis comparing the two forecasts and provides an explanation for the significant variances, along with additional supporting detail outlining progress made on the County's sales tax projections and a summary of the impact of the revenue projections on our long-term expense projections for both the General and Health Funds. The report concludes with FY2025 project plans and an update on recent regional economic activity.

# Long-Term Forecast

Cook County prepares a long-term financial forecast to support responsible fiscal planning. This section provides an overview of updates to the long-term General Fund and Health Fund forecasts.

## General Fund

The General Fund accounts for approximately a quarter of the County's overall budget. It is comprised of the Corporate Fund and Public Safety Fund and supports the County's general operations. The County's Transportation Related Home Rule Tax Fund is also included in the General Fund's long-term forecast.

### Changes in forecasts since January 2025

Table 1 shows the nominal variance between the current forecast and what was presented at the last quarterly IRFC meeting in January. The FY2025 General Fund revenue forecast increased by $72.4 million, which also resulted in increases to the long-term forecast in the outyears. The long-term forecast for each revenue source was revised upward or downward based on the actual revenues from the first quarter of 2025, as well as preliminary revenue estimates from departments for 2025 and 2026. The County Sales Tax forecast was revised upward in FY2025 and FY2026 by $60.9 million and $64.5 million, respectively, with the outyears seeing upward revisions around $50 million annually. One contributing factor to the sales tax forecast revision are favorable results through the first five periods of the fiscal year; year-to-date (YTD) actual sales tax revenue is $33.5 million, or 6.8%, higher than the YTD adopted budget. The favorable results were partially driven by the fiscal impact of Public Act (PA) 103-983, which took effect January 1, 2025. The County began seeing the impact in the April 2025 sales tax disbursement.[1] PA 103-983 mandates that all retail sales originating from outside of Illinois and made to Illinois customers by retailers with physical presence nexus with Illinois are now subject to

[1] Public Act 103-0983. https://www.ilga.gov/legislation/publicacts/fulltext.asp?Name=103-0983

destination-based retailers' occupation tax rather than the state's use tax. The fiscal impact of PA 103-983 is significantly greater than was expected; the OCFO anticipated an impact of approximately $3.2 million in the April 2025 sales tax disbursement, but now, based on the actual disbursement, estimates the impact was $10.3 million. The upward revision of the sales tax forecast incorporates this larger impact.

The County Treasurer forecast saw a significant change from January of $15.0 million, or 42.8%, for 2025 due to higher than anticipated YTD revenues on penalties collected on delinquent property taxes. Revenue projections for Clerk of the Circuit Court Fees increased because of favorable year-to-date revenues compared to budget and projected increases in case filing and e-filings. Additionally, the Hotel Accommodations Tax forecast was raised due to better than anticipated revenue versus budget.

The largest nominal decrease for FY2025 compared to January's forecast occurred in Prior Year Property Taxes, which is made up of refunds of property taxes issued by the treasurer's office. The County does not typically budget for this line-Item, and since the January forecast there have been $5.7 million in refunds issued in FY2025. The Non-Property Taxes forecast was lowered in FY2025 as well as in the outyears due to lower than anticipated personal property replacement tax disbursements from the State of Illinois. The Cigarette Tax forecast for FY2025 and the outyears was also lowered, primarily driven by underperformance in revenue through the first quarter of FY2025.

**Table 1. Significant nominal variances between 01/29/2025 and 04/30/2025 forecast, in millions**

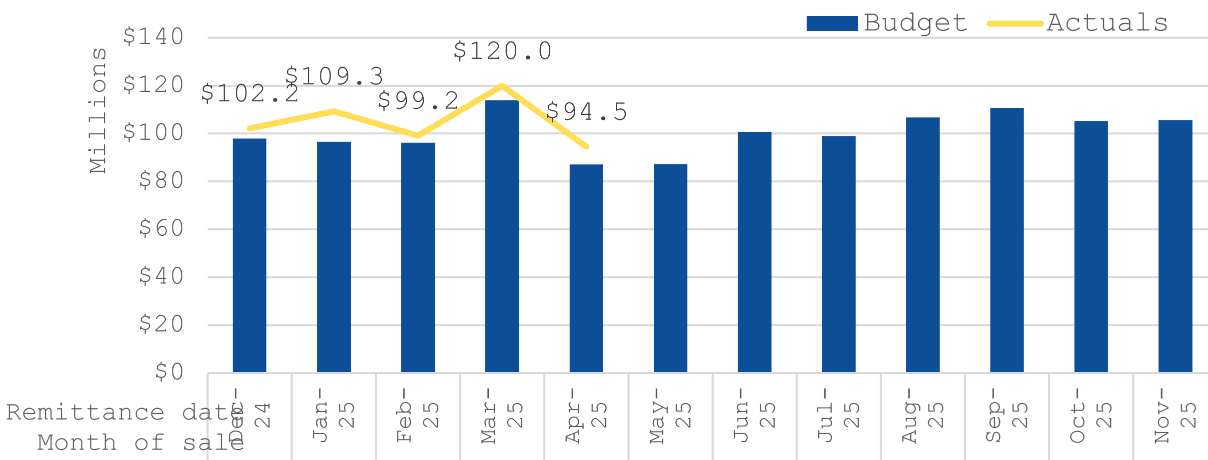
| | January forecast | April forecast | Percent change in forecast | Amount change in forecast from January 2025 forecast | | | | |
|---|---|---|---|---|---|---|---|---|
| **Revenue source** | **FY2025** | **FY2025** | **FY2025** | **FY2025** | **FY2026** | **FY2027** | **FY2028** | **FY2029** |
| 401150-County Sales Tax | $1,220.9 | $1,281.9 | 5.0% | $60.9 | $64.5 | $50.8 | $55.2 | $50.2 |
| 402100-County Treasurer | $35.0 | $50.0 | 42.8% | $15.0 | ($1.5) | ($2.2) | ($2.8) | ($3.5) |
| 402548-Clerk of the Circuit Court Fees | $72.9 | $80.4 | 10.3% | $7.5 | $7.3 | $5.3 | $7.1 | $8.8 |
| 402150-County Clerk | $51.4 | $52.9 | 2.9% | $1.5 | ($1.5) | ($0.5) | ($0.3) | ($0.1) |
| 407010-Miscellaneous Revenue | | $50.1 | 2.5% | $1.2 | $0.3 | $5.8 | $2.6 | $2.5 |
| 401550-Hotel Accommodations Tax | $38.3 | $39.4 | 3.1% | $1.2 | $2.8 | $3.1 | $3.3 | $3.5 |
| 401170-County Use Tax | $98.5 | $99.5 | 1.1% | $1.0 | ($1.7) | ($1.4) | ($1.4) | ($1.5) |
| 406008-Indirect Cost | $15.4 | $14.3 | (7.5%) | ($1.2) | ($1.2) | ($1.2) | ($1.2) | ($1.2) |
| 401430-Cigarette Tax | $77.5 | $74.0 | (4.5%) | ($3.5) | ($3.5) | ($4.9) | ($4.7) | ($4.5) |
| 401110-Non Property Taxes | $40.5 | $35.6 | (12.1%) | ($4.9) | ($1.6) | ($13.3) | ($4.4) | ($5.0) |
| 400030-Prior Year Prop. Taxes | - | ($5.7) | (100.0%) | ($5.7) | - | - | - | - |
| **Subtotal major changes** | **$1,699.3** | **$1,772.4** | **4.3%** | **$73.2** | **$64.0** | **$41.6** | **$53.4** | **$49.2** |
| Other GF revenues | $796.1 | $795.3 | (0.1%) | ($0.8) | ($9.7) | ($4.8) | ($4.4) | ($6.5) |
| **Total GF revenues** | **$2,495.4** | **$2,567.8** | **2.9%** | **$72.4** | **$54.4** | **$36.8** | **$49.0** | **$42.7** |

Note: Table may not sum due to rounding

## Sales tax estimate

To date, FY2025 sales tax revenues are 6.8 percent higher, or $33.5 million, than the original forecast. These positive results follow FY2024, when sales tax revenues totaled $1.141 billion, which was 2.0 percent higher than the original budgeted forecast. Figure 1 compares sales tax revenue with forecasts through April 2025.

**Figure 1. FY2025 Sales tax revenue, actual and forecasted**



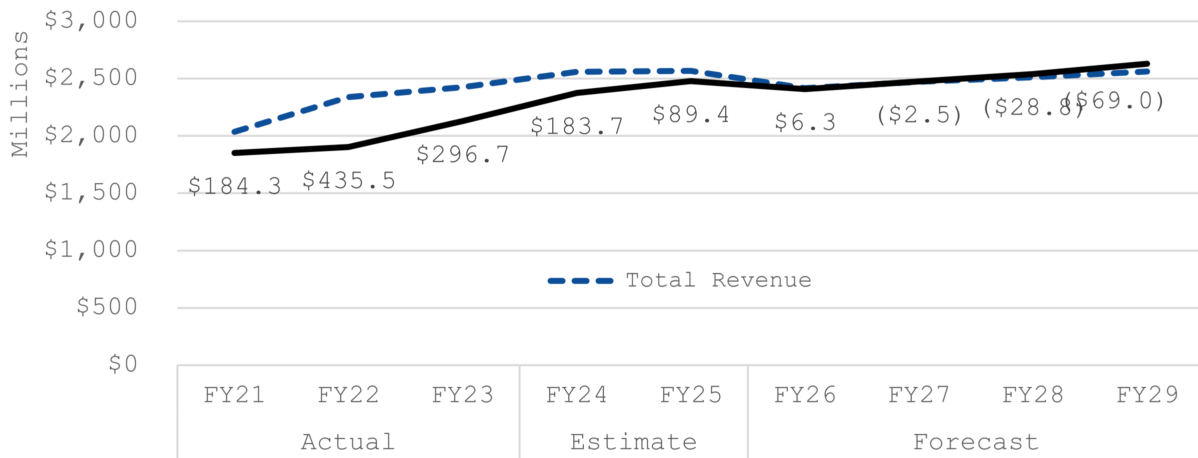

## Long-term fiscal plan

Although Cook County has a diverse revenue base, the natural growth in revenues may not keep pace with expenditures. Expenditures rise over time due to inflationary pressures, with medical trends for health benefits and several other categories of expenditures growing faster than general inflation. Several critical revenue sources are declining over time or growing at rates below general inflation.

The General Fund, including revenues and expenses captured in the Transportation Fund, is projected to have a surplus in FY2024 and FY2025 amounting to $183.7 million and $89.4 million, respectively. However, expenses are projected to outpace revenues beginning in FY2027 creating deficits in the outyears. Between FY2025 and FY2029, total expenses for the General Fund are expected to increase at a compound annual growth rate (CAGR) of 1.5%, while revenues are estimated to remain flat. However, when excluding one-time fund balance transfers in the FY2025 revenue and expense estimates, total expenses for the General Fund are expected to increase at a CAGR of 3.2% between 2025 and 2029, while revenues are estimated to increase by a CAGR of 1.6%.

The county sales tax is expected to grow at an average annual rate of 2.1% through FY2029, while Hotel and Amusement taxes are projected to increase by 3.2% and 1.7%, respectively. That said, a handful of Cook County revenue streams from volume-based taxes continue to either fail to keep pace with inflation or decline, including the cigarette, gasoline, and alcoholic beverage taxes.

**Figure 2. General Fund* net surplus/(deficit) projections**




*Includes Transportation Related Home Rule Tax Fund

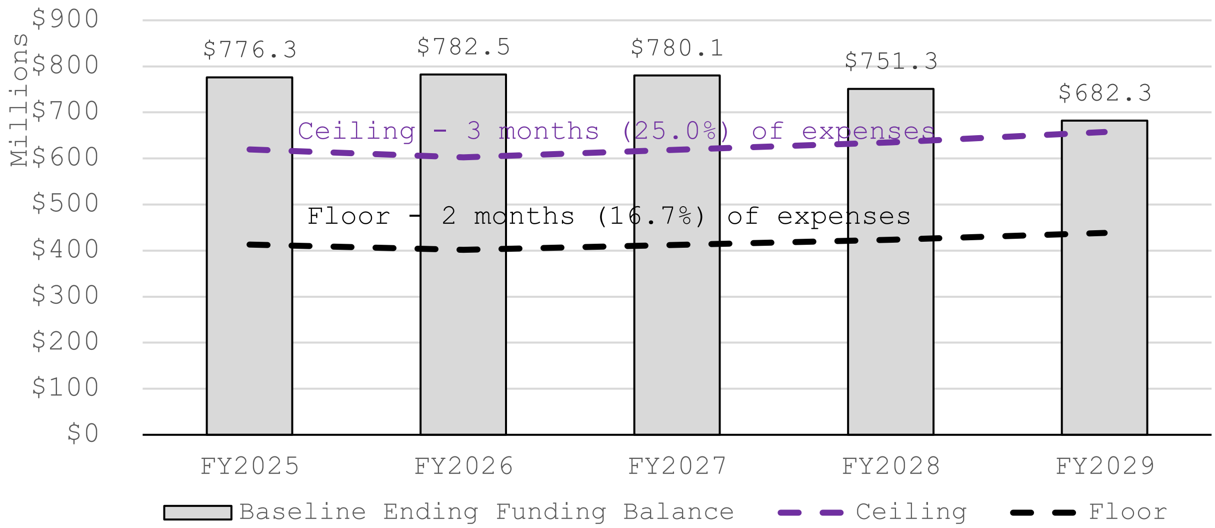
## Fund balance projection

Current estimates indicate that the FY2025 unassigned ending fund balance within the General Fund will be $776.3 million, reflecting $160.5 million in fund balance transfers from the General Fund and assignments of $29.8 million and $20.0 million to the County's Self-Insurance Fund Reserve and Pension Stabilization Fund, respectively. This unassigned ending fund balance is equivalent to approximately 31.3 percent of the County's FY2025 annual budgeted expenditures from the General Fund and the Transportation Fund.

Figure 3 illustrates that the projected unassigned ending fund balances are anticipated to decrease based on the long-term revenue and expense forecasts for FY2025 through FY2029. The purple dotted line ("Ceiling") represents three months of projected General Fund and Transportation Related Home Rule Taxes Fund expenses, and the dark green dotted line ("Floor") represents two months of projected annual General Fund and Transportation Related Home Rule Taxes Fund expenses. The floor is the Government Finance Officers Association's (GFOA) minimum recommended value that local governments maintain in their unassigned ending fund balance.[2] The long-term projected unassigned ending fund balance is estimated to decrease to $682.3 million by FY2029, remaining just above the $657.5 million ceiling.

[2] Government Finance Officers Association, Best Practices: Fund Balance Guidelines for the General Fund, 2015, https://www.gfoa.org/materials/fund-balance-guidelines-for-the-general-fund

**Figure 3. Unassigned ending fund balance projection, FY2025 to FY2029**




## Alternative fund balance scenarios

To understand the impact of different economic scenarios on General Fund revenues and the resulting fund balance, the OCFO forecasts economically sensitive revenues based on different economic indicators using Moody's baseline, S1, and S3 scenarios, which represent the 50th, 10th, and 90th percentile forecasts of potential economic conditions, respectively. Indicators such as gross metropolitan project, unemployment rate, and CPI are used for different revenue sources.

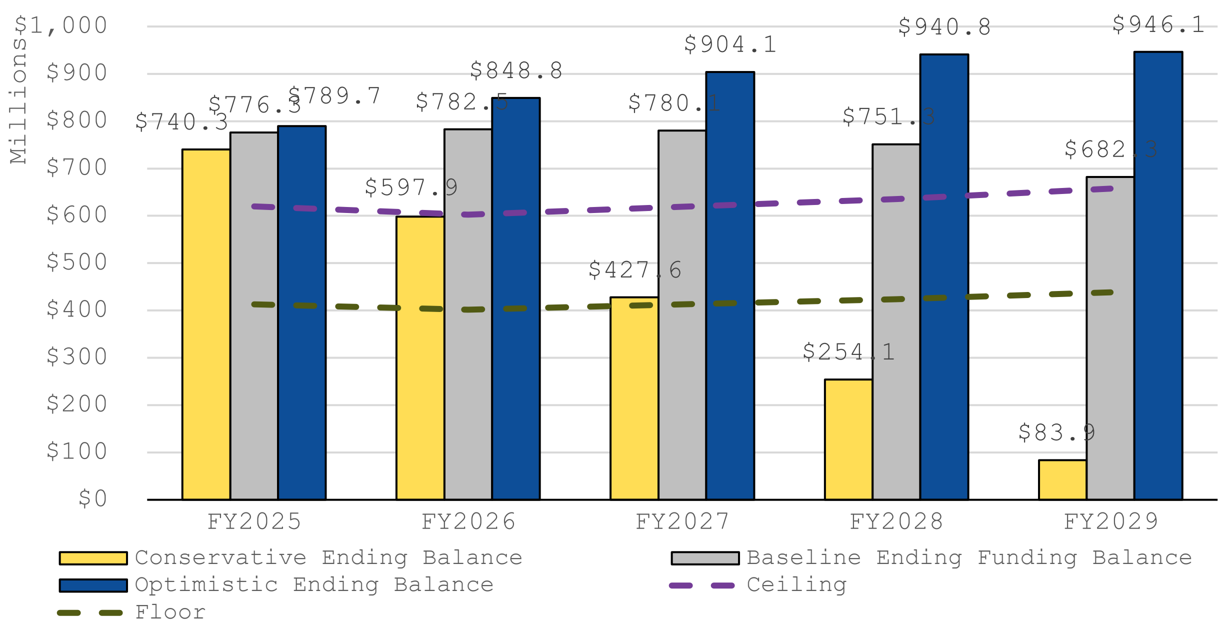
Each revenue scenario is compared to the expenditure forecast, along with the fund balance "floor" and "ceiling", as defined above. The revenue scenarios, as well as the floor and ceiling, incorporate both General Fund and Transportation Fund revenues and expenses in order to fully capture the potential economic impacts on revenues used by the County for operating expenses.

Figure 4 represents the baseline scenario alongside the optimistic and conservative scenarios. In the baseline scenario, fund balance remains above the fund balance floor through FY2029. The Moody's Analytics baseline forecast published in March 2025 assumes that the Federal Reserve will cut the policy rate by 25 basis points in both September and December of 2025 and the Tax Cuts and Jobs Act will be extended. Furthermore, inflation will remain higher in the near term, peaking in the fourth quarter of 2025 before trending downward towards the Fed's target rate of 2.0%. The projected higher inflation growth is the result of the federal government's fiscal, tariff and immigration policies adding to inflationary pressures in the near term.

The optimistic scenario, where there is a 10% probability that the economy will perform better and a 90% probability that it will perform worse, assumes interest rates and inflation are a bit higher than baseline due to stronger growth and the economy has more than full employment starting in the second quarter of 2025 with unemployment declining below the baseline projection. Additionally, the impacts of the incoming Trump administration tariffs and deportations on the economy are less negative than expected and tensions between the U.S. and China diminish.

The conservative scenario, where there is a 90% chance of the economy performing better and a 10% chance it will perform worse, assumes unemployment begins to rise significantly in the second quarter of 2025 and peaks at 8.3% in the second quarter of 2026 and that the combination of tariffs, rising inflation, deportations, political tensions, still-elevated interest rates, and reduced credit availability causes the economy to fall into recession in the second quarter of 2025. This scenario also assumes that real GDP will decline from the first quarter through the fourth quarter of 2025 by 2.6% cumulatively. This conservative scenario results in an ending fund balance of $184.6 million below the base case in FY2026 and drops below the floor in FY2028, as revenues decline faster than expenses.

**Figure 4. Unassigned ending fund balance projection, FY2025 to FY2029**



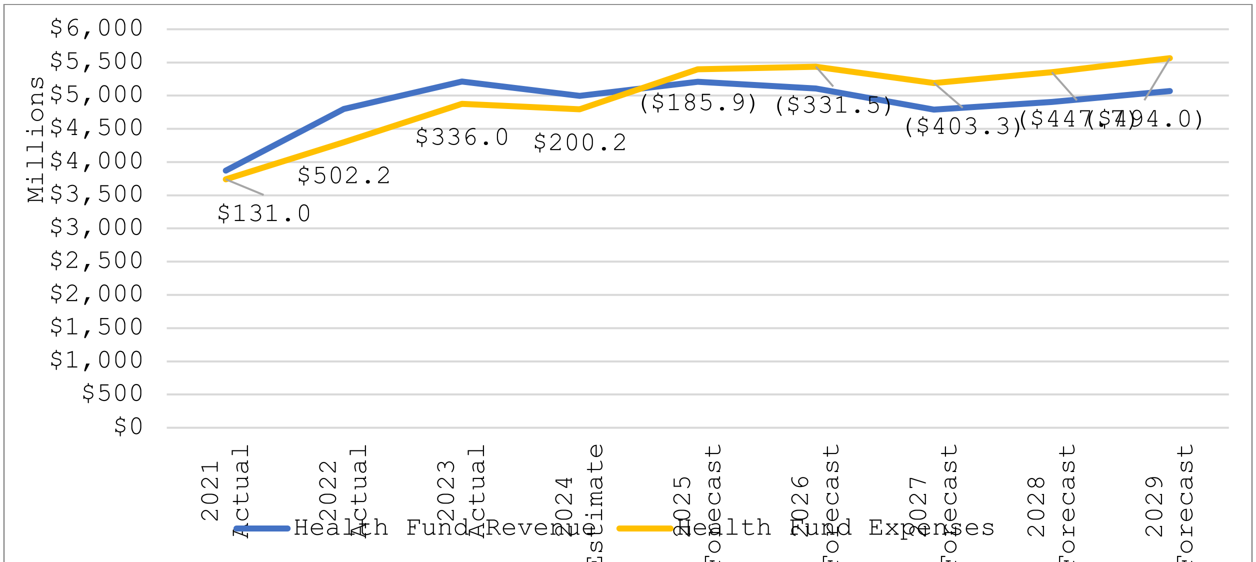

## Health Fund

The Health Fund accounts for nearly half of the County's overall budget. The Health Fund receives revenue from and is used to support health system operations and CountyCare.

## Long-term fiscal plan

By FY2029, Health Fund deficits are expected to grow annually as expense growth outpaces growth in revenue. Expenditures within the entire fund are expected to increase by $168.3 million, a compounded annual growth rate of 0.8%, while revenues, after property tax allocation, decrease by $139.8 million, a -0.7% decrease over the same period. Overall, this is primarily driven by a decline in per member per month (PMPM) revenues at Health Plan Services (HPS), with an expected loss of $132.0 million, a CAGR of -0.9% from FY2025 to FY2029. Both CountyCare and Health Care Services are expected to show persistent drops in revenue driven by Medicaid policy changes, driving membership losses at CountyCare and higher uncompensated care expenses for CCH's health care providers. These trends are partially offset by PMPM rate increases at Health Plan Services. Figure 5 compares forecasted revenues and expenses for the Health Fund through FY2029.

**Figure 5. Health Fund net surplus/(deficit) projections**



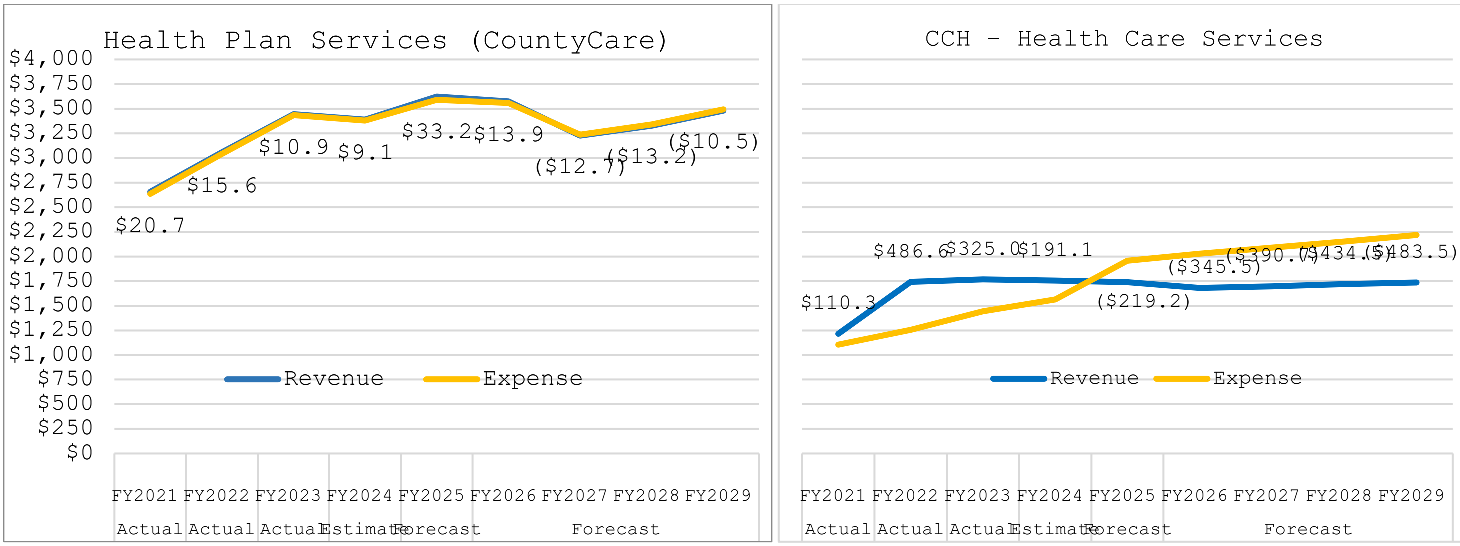

Note: FY2020 through FY2023 includes directed payments and domestic claims that CountyCare passes through to CCH in the revenues and expenses of both Health Plan Services and Health Care Services. Beginning in FY2024, directed payments will only be accounted for in the budget for Health Care Services while domestic claims

Figure 6 illustrates how revenues begin to decline in FY2025 while expenses continually grow for health care services; this results in growing deficits within the overall Health Fund from FY2025 through FY2029. Expenses during this time increase, as salaries and professional services are expected to grow, while Net Patient Service Revenues (NPSR) are unable to keep up with the growing costs of operating the health system.

The NPSR forecast for FY2025 represents a decline from the budgeted forecast by $212.8 million, driven by lower volumes, a shift in the payor mix toward uncompensated care, and growth in uncompensated care. The State's plan to end Health Benefits for Immigrant Adults (HBIA) on July 1, 2025 is expected to increase uncompensated care in the hospital system. The forecast for NPSR is expected to decrease further in FY2026 due to the full-year impact of the expected end of HBIA.

At HPS, the OCFO anticipates revenue decline from FY2025 through FY2027 as membership drops, then increases through FY2029 driven by expected growth in PMPM rates. Starting in FY2025, membership gradually declines due to the termination of the HBIA population, coupled with the loss of the Managed Long-Term Services and Supports (MLTSS) population in 2027 when CountyCare will no longer service that population. These membership trends directly influence HPS revenue levels. Overall CountyCare membership is expected to stabilize at just above 350,000.

**Figure 6. Health Plan Services and Health Care Services net surplus/(deficit) projection**




*Domestic claims elimination excluded from totals in both charts.

## CountyCare revenue scenarios

Forecasted Health Enterprise Fund revenues are based on core assumptions about membership levels and the per-member-per-month (PMPM) reimbursement tied to those members. To evaluate how external forces such as state and federal Medicaid policy changes may impact long term outcomes, we model three scenarios: baseline, conservative, and optimistic.

CountyCare revenue is primarily a function of two factors: total enrollment and PMPM rate. Both are heavily influenced by policy decisions. For example, Illinois has proposed ending Medicaid coverage for immigrant adults in FY2025, while federal proposals include reducing overall Medicaid eligibility. These changes directly impact both membership counts and the composition of enrollees, leading to shifts in the average PMPM revenue.

All scenarios incorporate the declines in membership related to HBIA and MLTSS in FY2025 and FY2027, respectively. Otherwise, the baseline scenario assumes membership is relatively stable over the forecast period. PMPM rates follow a normal growth trend. Revenue under this scenario is projected to grow steadily, reaching $3.48 billion by FY2029.

The federal government is currently considering potential cuts or changes to the federal Medicaid program. However, there is significant uncertainty around the trajectory of any policy changes. To model what the impact may be on CountyCare, the conservative scenario reflects significant impacts from federal policy changes. It assumes a 40% decline in ACA membership due to federal eligibility cuts and an associated reduction in PMPM revenue. The resulting revenue projection shows a $770 million decline by FY2029, representing a -0.1% CAGR.

The optimistic scenario anticipates improved member retention despite the loss of immigrant adult coverage and assumes a stronger PMPM rate growth. Under these assumptions, revenue increases by $250 million, with a projected CAGR of 3.1%.

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Collectively, these scenarios highlight the significant sensitivity of CountyCare revenues to both membership retention and PMPM trends, both of which are directly tied to Medicaid policy at the state and federal levels. Figure 7 shows projected revenues for CountyCare in each scenario.

**Figure 7. CountyCare projected revenues, by scenario, FY2025 through FY2029**

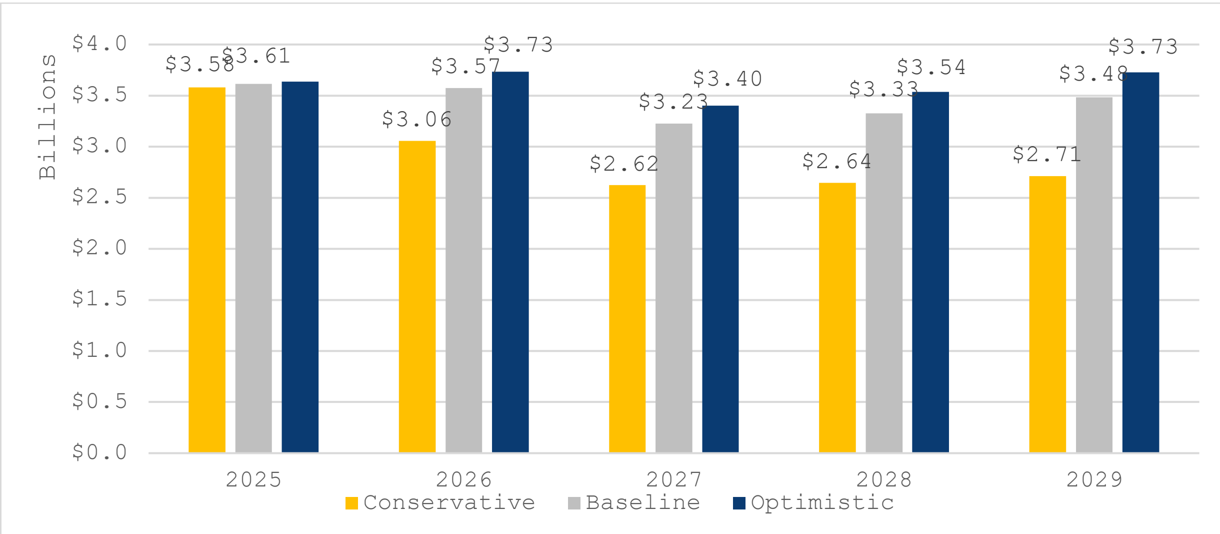
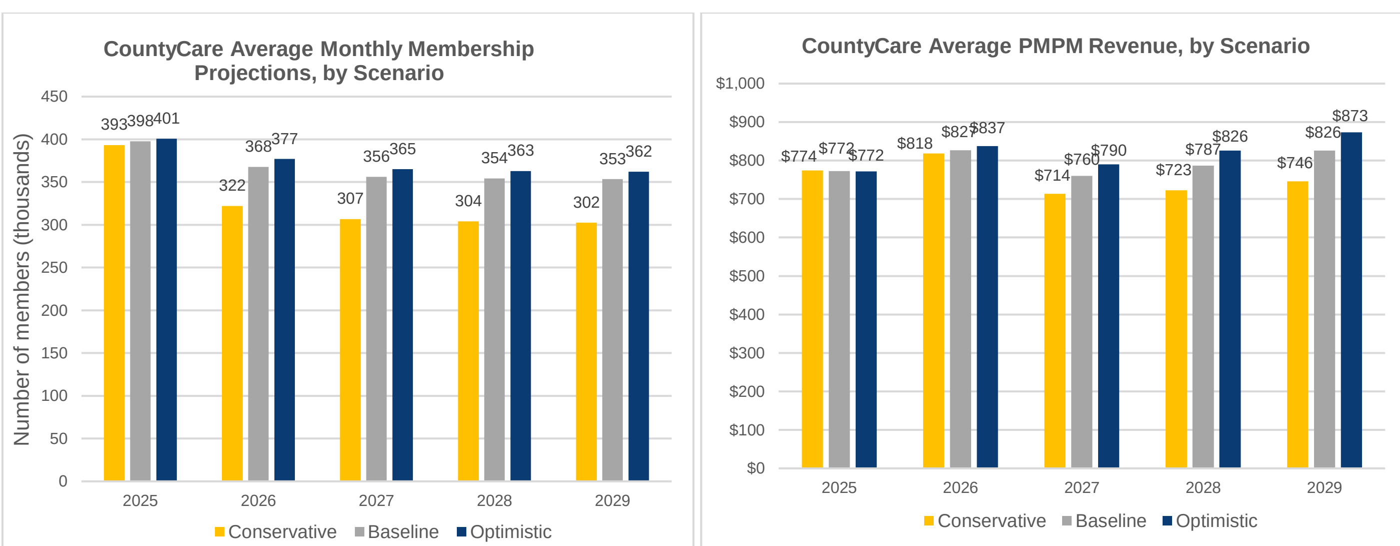



Figure 8 compares growth in monthly membership with growth in average PMPM revenue. Average PMPM rate changes reflect the loss of high-cost MLTSS enrollees across scenarios, resulting in lower averages after FY2027. The baseline scenario remains relatively stable through FY2029 with a moderate decline tied to HBIA termination and MLTSS members no longer being on CountyCare that will settle at just above 350,000 with a PMPM growth rate of 2.1% CAGR. The conservative scenario reflects a significant reduction in membership from a 40% reduction in ACA membership due to federal policy changes and the average PMPM rates experience lower growth rates. The optimistic scenario assumes minimal membership loss with improved retention with stronger growth in the PMPM rate at 3.1% compound annual growth.

**Figure 8. CountyCare average PMPM revenue and monthly membership projections**



## Net patient service revenue scenarios

The NPSR forecast centers around making assumptions about future service volumes, payor mix, the level and rates of contractual payments from various insurers, and the total amount of revenue received compared to the gross charges that the hospital system bills for medical care provided. Considerations include looking at historical trends, expected policy changes, and economic conditions that may affect service volumes, payor mix, or reimbursement rates. For example, due to changes in eligibility and coverage available to historically uninsured individuals, the percentage of patients covered under Medicaid is expected to decrease. This would decrease the percentage of gross revenues charged to Medicaid and increase the percentage charged to self-pay patients, who reimburse the County at a much lower rate than Medicaid managed care organizations.

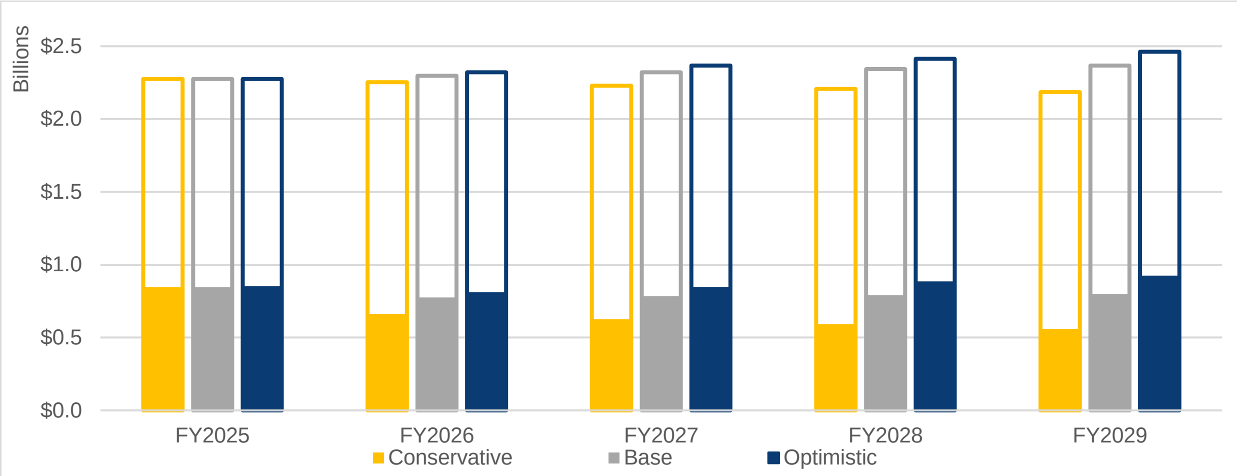
All scenarios assume a shift from patients covered by Medicaid to more uncompensated care as a result of the end of the HBIA program starting in mid-FY2025. In the baseline scenario, the forecast assumes that patient volumes remain consistent with a small increase in gross charges. Insurance coverage patterns would be impacted by the end of HBIA but remain steady after this initial shift to uncompensated care, and reimbursement rates remain flat. This creates a stable revenue trajectory with no major changes expected over time.

The conservative scenario projects a more constrained outlook, modeling how potential changes in federal Medicaid policy could impact CCH. It assumes a decline in patient volume and a reduction in gross charges. Additionally, the scenario assumes that in addition to the end of HBIA, a larger share of patients would be uninsured due to changes in Medicaid eligibility made at the federal level, resulting in more uncompensated care. As a result, these combined effects would result in a significant drop in revenue in FY2026 with annual declines through FY2029. However, there is significant uncertainty regarding how any changes in federal policy would impact Medicaid enrollment for patients at CCH, as well as whether these patients would be able to shift to the private insurance market. It is also worth noting that changes in Medicaid enrollment could impact volumes at CCH, potentially increasing or decreasing patient volumes in the immediate or long term.

Conversely, the optimistic scenario projects an improved payor mix, where a greater portion of charges now associated with self-pay patients are instead covered by Medicaid. Additionally, gross charges are expected to increase, and reimbursement rates are anticipated to grow in line with inflation, driving stronger revenue growth than in the baseline scenario.

Figure 9 illustrates the impact of these assumptions on NPSR by scenario while Table 2 provides an overview of the assumptions used in each scenario.

**Figure 9. Net patient service revenues compared to gross charges, 2025-29**




*Estimates of gross charges billed by CCH are represented by the full bar and net patient service revenue estimated to accrue to CCH is represented by the filled in portion of the bar.

**Table 2. Annual change in net patient service revenue assumptions, by scenario**

| | Conservative | Base | Optimistic |
|---|---|---|---|
| **Gross charges** | 1% decrease | 1% increase | 2% increase |
| **Payor mix**<br>**Annual shifts in Self-Pay/Medicaid proportions** | 2 percentage point annual shift from Medicaid to self-pay; maximum self-pay set at 38% | Constant | 2 percentage point annual shift from self-pay to Medicaid, minimum self-pay set at 25% |
| **Payor mix**<br>**FY2026 shift from Medicaid to Self-Pay** | 7 percentage point shift from Medicaid to self-pay starting in FY2026 due to federal Medicaid cuts | None | None |
| **Reimbursement rate** | 2 percentage point decrease for Medicaid and Medicaid Managed Care | Constant for Medicaid and Medicaid Managed Care | 2 percentage point increase for Medicaid and Medicaid Managed Care |

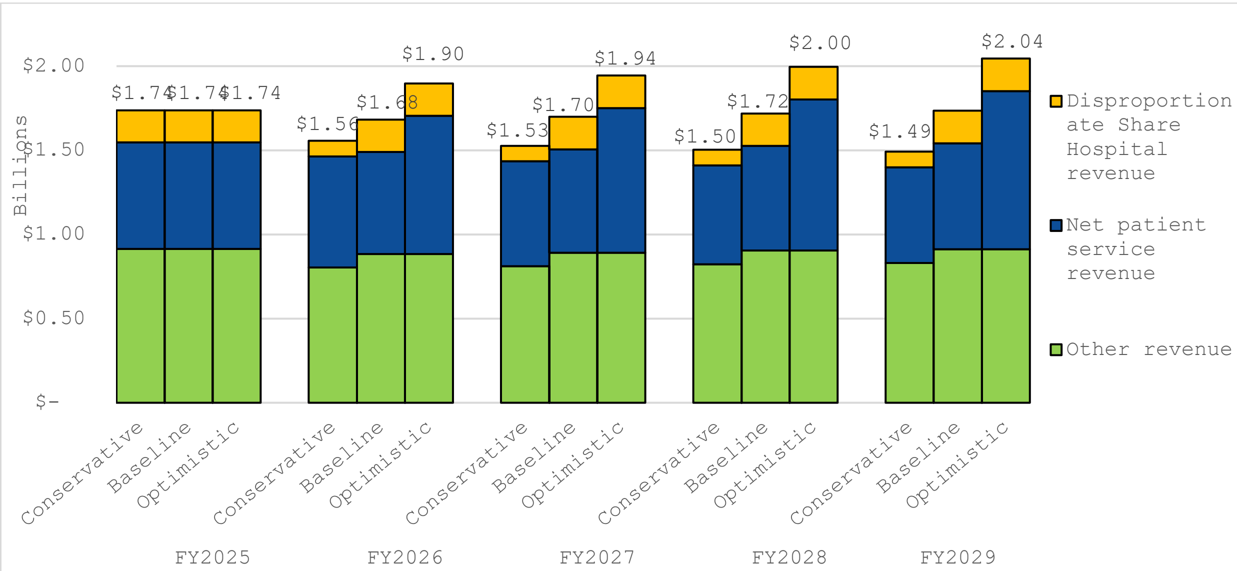
## Health care services revenues

In addition to NPSR, health care services revenue is derived from several other sources, including Disproportionate Share Hospital (DSH) Revenue. DSH is designed to offset the costs associated with treating a high percentage of uninsured or Medicaid patients. CCH currently receives 75% of Illinois' DSH allotment, with a projected baseline funding of $190 million for FY2025.

However, DSH funding faces significant risks due to scheduled federal cuts in FY2026. Under the conservative scenario, federal Medicaid reductions lower both NPSR and directed payments from the State of Illinois, while federal DSH cuts further exacerbate these revenue losses and contribute to a $182.1 million decline in 2026 This scenario assumes no additional state contributions to offset federal cuts.

In contrast, both the baseline and optimistic scenarios assume that CCH will continue to receive the full $192 million in DSH funding. This outcome would depend on either ongoing federal postponement of DSH reductions or an increase in state contributions to compensate for the cuts. These scenarios also do not incorporate Medicaid reductions at the federal level. These scenarios represent a more stable outlook, with limited policy risk and continued support from both federal and state governments. Figure 10 illustrates the DSH revenue impact in each scenario.

**Figure 10. Total Health Care Services revenue by scenario**




Note: Other Revenue category includes Directed Payments from the State of Illinois

## Update on recommendations of the IRFC

The IRFC provided three recommendations to the OCFO on August 28, 2024.[3] Table 3 outlines progress in implementing these recommendations.

**Table 3. Progress on recommendations of the IRFC**

| Deliverable - FY2024 | Progress |
|---|---|
| ARPA sustainability analysis of the potential impact on the fund balance of providing funding support after 2026 | The County is requesting updated data from departments related to funding needs to sustain programs |
| Sales tax methodology | The OCFO conducted research on how other governments forecast sales tax and refined the County's sales tax forecast methodology based on findings from the research and extensive testing |
| CountyCare methodology | The OCFO and CCH revised its scenario forecast to account for potential state and federal policy changes |

[3] Recommendations of the Independent Revenue Forecasting Commission, August 2024, https://cook-county.legistar.com/View.ashx?M=F&ID=13316923&GUID=B4D20F2A-BD8C-4D9D-8971-BE8EC983584F

## Economic data releases

The OCFO monitors economic indicators that inform the County's revenue and expense forecasting. Economically sensitive revenues account for 64.5% of the General Fund forecast, including revenues in the Transportation Fund, and the County's expenses are impacted by inflation. Table 4 provides a schedule of economic data releases from several of the agencies that the OCFO tracks. To implement the IRFC's recommendation, the OCFO is tracking releases to ensure that the most updated indicators available are used in forecasting.

**Table 4. Economic data releases, May 2025 through July 2025**

| Release Date | Indicator |
|---|---|
| **May 2025** | |
| May 2 | Employment Situation |
| May 13 | Consumer Price Index |
| May 29 | Gross Domestic Product, 1st Quarter 2025 (Second Estimate) |
| **June 2025** | |
| June 6 | Employment Situation |
| June 11 | Consumer Price Index |
| June 18 | Federal Reserve Economic Projections |
| June 26 | Gross Domestic Product, 1st Quarter 2025 (Third Estimate) |
| **July 2025** | |
| July 3 | Employment Situation |
| July 15 | Consumer Price Index |
| July 30 | Gross Domestic Product, 2nd Quarter 2025 (Advance Estimate) |

# Economic update

The U.S. Bureau of Economic Analysis has released its advance estimate for national real Gross Domestic Project (GDP) growth, which shows that real GDP decreased 0.3% in the first quarter of 2025. This decrease of 0.3% reflects increases in imports, which are a subtraction in the calculation of GDP, and a decrease in government spending. These movements were partly offset by increases in investment, consumer spending, and exports. The next real GDP estimate will be released on May 29, 2025, providing the second estimate of first quarter real GDP.

In their most recent forecast, Moody's Analytics forecasted that the real Gross Metropolitan Product (GMP) for the Chicago-Naperville-Elgin metropolitan area would see elevated growth in 2025 before decreasing in 2026 and returning to historical trend levels beginning in 2027. Moody's projects that unemployment would surpass 5% in 2025 and 2026 before trending below 5% in the outyears. Inflation has ticked higher in the past year and it is forecasted to remain around 4% through 2025 before trending downward in 2026 and moderating in the outyears. Table 5 provides an overview of economic indicators that are considered when developing revenue forecasts.

**Table 5. Economic indicators, actual and forecasted, Chicago-Naperville-Elgin Metropolitan Area, 2023 to 2029**

| Economic Indicator | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|---|---|---|---|---|---|---|
| Gross Metro Product, (% change, Ch. 2017, SAAR) | 1.6% | 1.0% | 1.6% | 1.2% | 1.7% | 1.4% | 1.4% |
| CPI, All Urban Consumers, (% change, SA) | 2.7% | 2.9% | 3.9% | 2.8% | 2.1% | 2.2% | 2.0% |
| Resident Population: Total, (Ths. #) | 9,495.7 | 9,555.8 | 9,587.1 | 9,567.5 | 9,529.1 | 9,482.3 | 9,432.0 |
| Disposable Personal Income, (% change, SAAR) | 8.2% | 4.8% | 4.7% | 4.3% | 3.9% | 3.3% | 3.4% |
| Labor Force Participation, (%, SA) | 65.1% | 65.8% | 66.7% | 66.8% | 67.0% | 67.2% | 67.4% |
| Labor: Unemployment Rate, (%, SA) | 4.3% | 5.0% | 5.1% | 5.2% | 5.0% | 4.8% | 4.9% |
| Income: Median Household, (SAAR) | $87,007 | $89,605 | $92,827 | $96,212 | $99,622 | $102,473 | $105,281 |
| Income: Per Capita, (SAAR) | $76,827 | $79,951 | $83,385 | $87,039 | $90,755 | $94,159 | $97,896 |
| Labor: Number of Employed, (Ths. #, SA) | 4,711.4 | 4,736.4 | 4,812.2 | 4,803.2 | 4,810.1 | 4,811.8 | 4,802.6 |
| Retail Sales: Total, (% change, SAAR) | 5.4% | 2.1% | 3.4% | 2.0% | 2.2% | 2.5% | 2.5% |

Source: Moody's Analytics, March 2025 baseline scenario