COOK COUNTY
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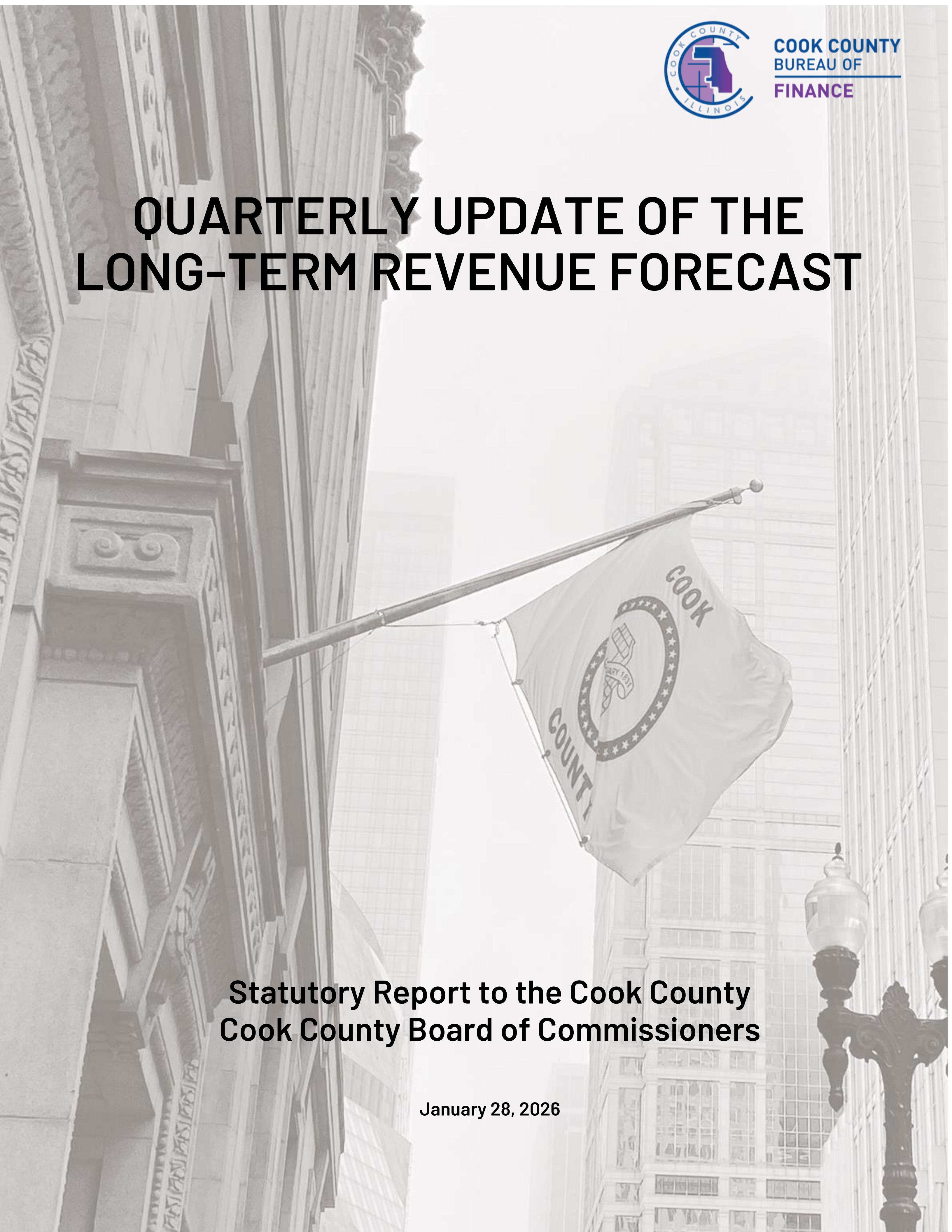

QUARTERLY UPDATE OF THE LONG-TERM REVENUE FORECAST

Statutory Report to the Cook County Cook County Board of Commissioners

January 28, 2026

COOK COUNTY
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FINANCE

The following report provides an update of the long-term financial plan as of January 28, 2026, in accordance with Section 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 FY2026 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 October 2025

Table 1 shows the nominal variance between the current forecast and what was presented at the last quarterly IRFC meeting in October. The FY2026 General Fund revenue forecast increased by $41.7 million. The largest contributors to this increase are Tax Increment Financing Taxes ($19.9 million) and County Sales Tax ($17.6 million). TIF increases are driven by an increase in expected TIF surplus from the City of Chicago and Sales Tax increase is driven by experience seen in the first two months of FY2026.

The largest nominal decrease in June's forecast is seen in miscellaneous revenue due to revised estimates, however a change in expectations for pharmacy rebates impacted the projections in FY2027-30, making miscellaneous revenue a large contributor to the positive revenue changes in the out years.

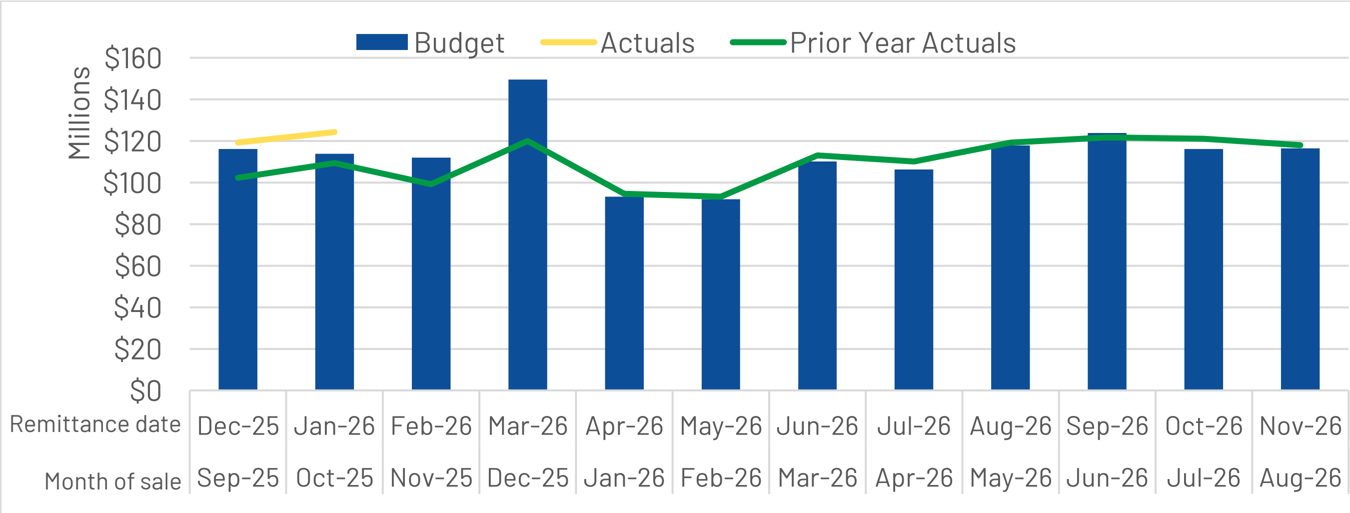
Table 1. Significant nominal variances between October 2025 and January 2026 forecasts, in millions

	October forecast	January forecast	Percent change in forecast	Amount change in forecast from October 2025 forecast				
Revenue source	FY2026	FY2026	FY2026	FY2026	FY2027	FY2028	FY2029	FY2030
400040-Tax Increment Financing Taxes	$31.9	$51.8	62.4%	$19.9	($5.3)	($6.0)	($6.0)	($4.4)
401150-County Sales Tax	$1,367.2	$1,384.7	1.3%	$17.6	$0.5	($1.5)	($3.7)	($7.3)
401110-Non Property Taxes	$40.5	$45.9	13.4%	$5.4	($0.5)	($0.9)	($0.9)	($0.5)
405010-Investment Income	$54.7	$59.5	8.7%	$4.8	$8.0	$8.5	$9.5	$9.7
401470-General Sales Tax	$6.0	$9.9	65.5%	$3.9	$3.8	$3.8	$3.9	$4.0
402150-County Clerk	$52.4	$54.8	4.5%	$2.3	$0.0	$0.0	$0.0	$0.0
401330-Il Gaming Des Plaines Casino	$25.3	$23.2	(8.3%)	($2.1)	$0.0	$0.0	$0.0	$0.0
407010-Miscellaneous Revenue	$79.2	$67.6	(14.6%)	($11.6)	$12.2	$16.3	$16.8	$15.1
Subtotal major changes	**$1,657.2**	**$1,697.5**	**2.4%**	**$40.2**	**$18.6**	**$20.2**	**$19.7**	**$16.7**
Other GF revenues	$1,080.4	$1,081.8	0.1%	$1.4	$0.0	$2.9	$5.8	$9.0
Total GF revenues	**$2,737.6**	**$2,779.3**	**1.5%**	**$41.7**	**$18.6**	**$23.1**	**$25.5**	**$25.7**

Sales tax estimate

FY2025 sales tax revenues were $114.3 million (9.5%) higher than budget. The higher than anticipated fiscal impact of PA 103-0983, which expanded the remote sales that are included in the sales tax base, was the primary driver behind the favorable variance. Through the first two months of FY2026, sales tax revenues are 5.9% higher than budget. This is driven by January 2026, which was $10.4 million (9.2%) higher than budget. FY2025 also showed a large difference for January, and the OCFO is researching whether this is a repeating or predictable phenomenon. Figure 1 compares FY2026 sales tax revenue through January 2026 with the FY2026 budget.

Figure 1. FY2026 sales tax revenue, actual and budgeted



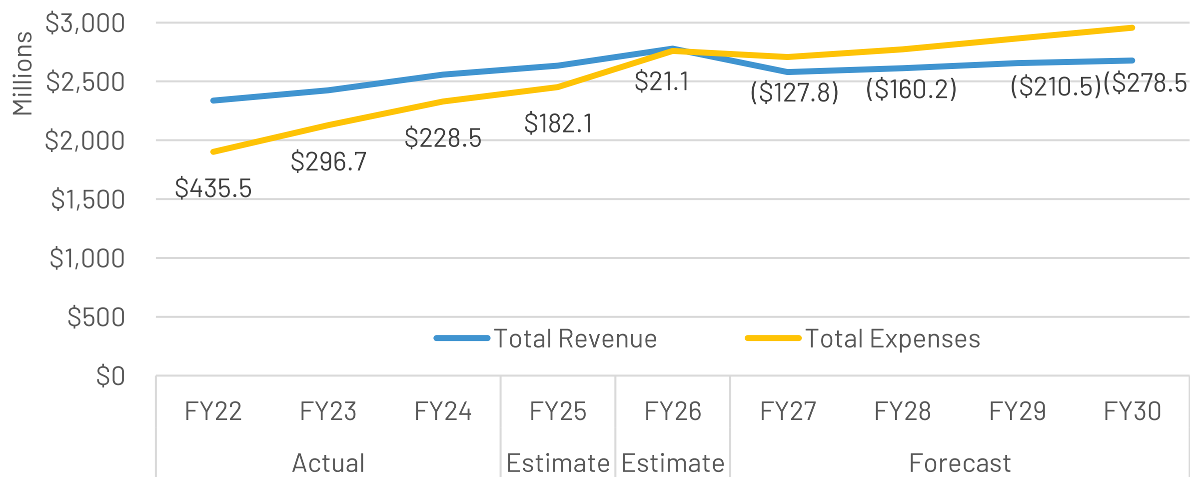
Long-term fiscal plan

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 FY2025 amounting to $182.1 million, and the FY2026 projection shows a surplus of $21.1 million. However, growth in expenses is expected to outpace growth in revenues, creating deficits in the outyears. In FY2027, the General Fund is projected to have a deficit of $127.8 million, increasing each year and reaching a $278.5 million deficit in FY2030. Between FY2026 and FY2030, total expenses for the General Fund are expected to increase at a compound annual growth rate (CAGR) of 5.5% ($566.4 million), while revenues are estimated to increase by a CAGR of 2.7% ($266.8 million) excluding one-time fund balance transfers.

The expected $266.8 million in revenue growth from FY2026-FY2030 is mainly driven by sales tax, which is expected to grow $61.6 million from FY2026-FY2030, a CAGR of 1.1%. Another item for which the County expects large-magnitude growth is PPRT distributions from the State of Illinois, which are expected to be $20.9 million higher in FY2030 as compared to FY2026, a CAGR of 9.8%. Clerk of the Circuit Court Fees are also expected to continue showing growth, contributing $16.9 million to the FY2026-2030 growth. Another driver is County Clerk fee revenues, which are expected to grow by $12.1 million by FY2030 due to a recovery in the housing market which will result in increases in recording fee revenue. However, a handful of the County’s revenue streams are expected to decline over this period, including the cigarette tax, gasoline tax, and alcoholic beverage tax.

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



*Includes Transportation Related Home Rule Tax Fund

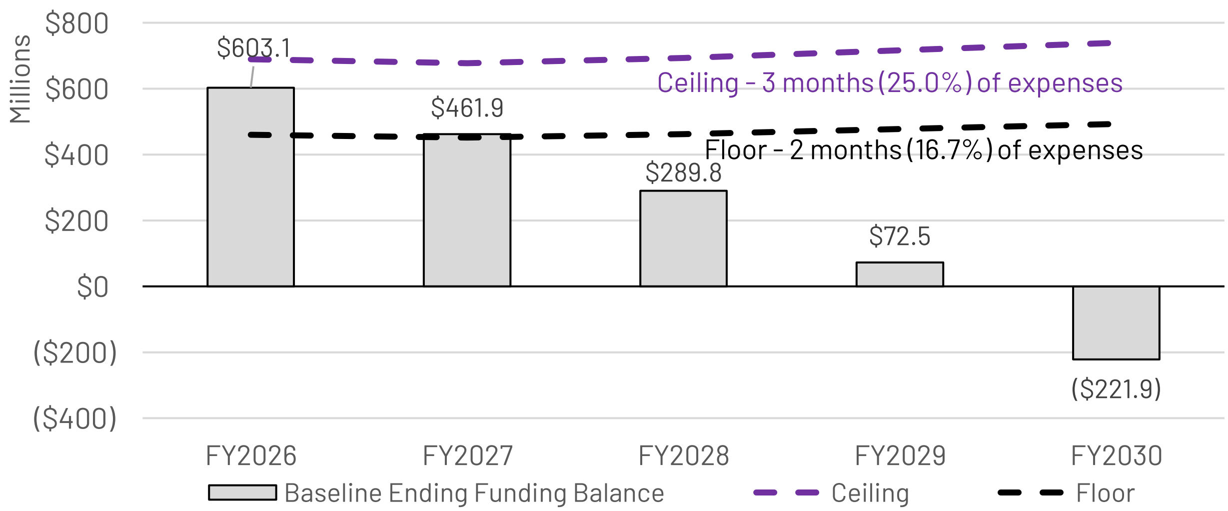
Fund balance projection

Current estimates indicate that the FY2026 unassigned ending fund balance within the General Fund will be $603.1 million, reflecting $384 million in fund balance transfers from the General Fund and assignments of $76.2 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 22% of the County's FY2026 projected 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 FY2026 through FY2030. 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.[1] As a result of outyear deficits beginning in FY2027, the long-term projected ending fund balance is estimated to decrease, dropping to $289.8 million by FY2028, which is below the $462.3 million floor. By FY2030, the unassigned ending fund balance would be below zero if the county were to take no corrective action.

[1] 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, FY2026 to FY2030



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 to fully capture the potential economic impact 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 FY2026. The Moody's Analytics baseline forecast published in December 2025 assumed the Federal Reserve would cut the policy rate by 25 basis points at its December meeting, which it did. Job market data was scarce due to the federal government shutdown in October and November 2025, but unemployment rate is expected to peak at 4.8% by the end of 2026. Oil price forecasts are trending down as estimates of the global excess supply increases.

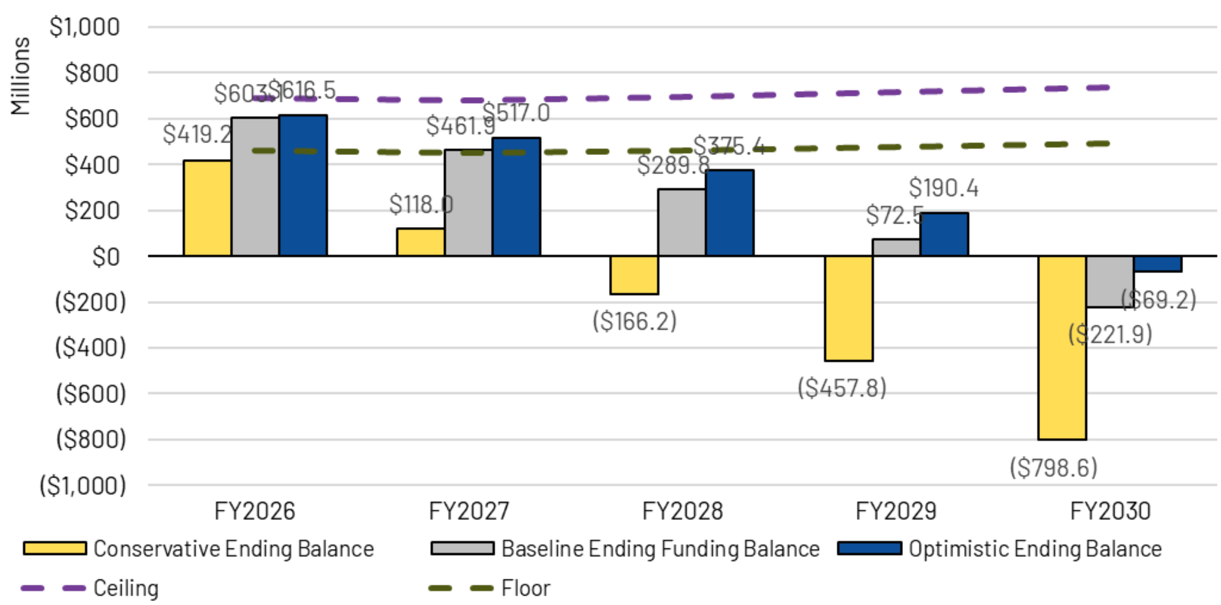
The optimistic scenario, where there is a 10% probability that the economy will perform better and a 90% probability that it will perform worse, assumes the impact of deportations and tariffs are minimal on the economy. Unemployment drops below baseline, resulting in full employment in the first quarter of 2026.

The conservative scenario, where there is a 90% chance of the economy performing better and a 10% chance it will perform worse, assumes tariffs and deportations impact the economy worse than expected, causing inflation to rise above baseline. This causes the economy to slip into recession in the first quarter of 2026, with recovery beginning in the fourth quarter of 2026 amid relief from the Federal

Reserve. This conservative scenario results in an ending funding balance $183.9 million below the base case in FY2026 and drops below the floor in FY2028 as revenues decline faster than expenses.

Figure 4 shows the County's ending fund balance as dropping below zero by FY2028 according to the conservative scenario, and in FY2030 according to the baseline and optimistic scenarios as an illustration of corrective actions the County would need to execute. However, the County would have sufficient time to implement these remedial actions to prevent ongoing structural deficits.

Figure 4. Unassigned ending fund balance scenarios, FY2026 to FY2030



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

Since the previous forecast, in which the Health Fund was projected to finish FY2025 with a relatively small deficit of $15.0 million, the OCFO now estimates the Health Fund to have a surplus of $166.3 million when considering more updated revenue and expenditure estimates. This positive change was mostly driven by favorable updates to expenditures within Health Care Services.

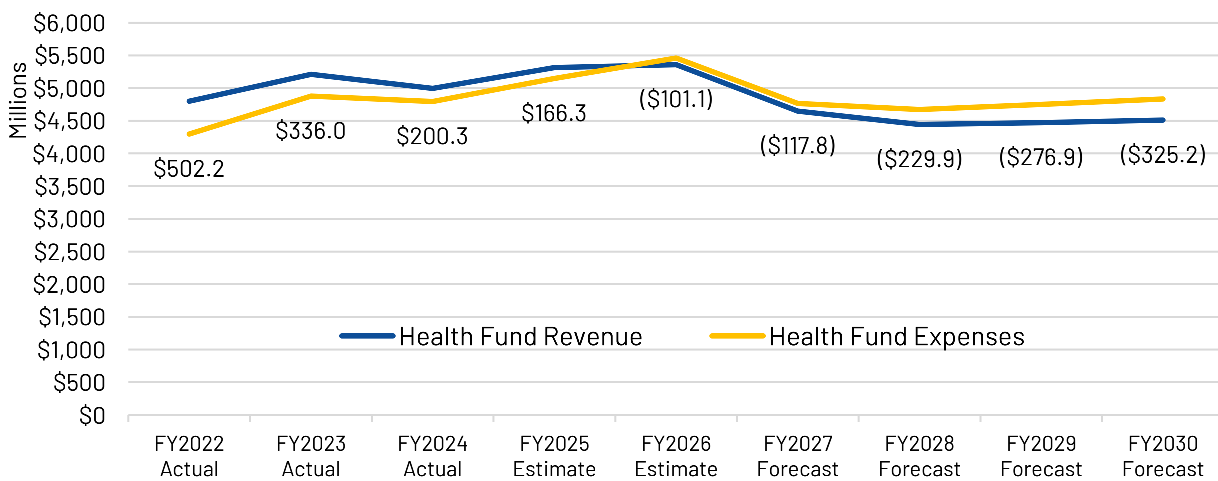
After making updates to the forecast from when the County adopted its FY2026 budget, the OCFO is currently projecting a deficit of $101.1 million for FY2026. This deficit is mainly driven by an increase in utilization of services within the ACA and HBIS populations within CountyCare. Utilization trends may be impacted by concerns of potential future coverage losses for these populations due to federal policy changes.

The OCFO projects the Health Fund to experience widening deficits in the outyears. By FY2030, revenues are forecasted to decrease by $849.1 million, while expenses are anticipated to decrease by $625.0 million, creating a deficit of $325.2 million by FY2030.

Similar to the previous forecast, the outyear gaps between Health Fund revenues and expenses are mostly attributable to Health Care Services. One component of the outyear deficits in Health Care Services is that forecasted revenues have not been expected to keep pace with the cost of providing services, even under previous federal Medicaid policies. The second and more recent factor is P.L. 119-21, also known as the One Big Beautiful Bill Act (OBBBA), that was signed into law on July 4, 2025. OBBBA is likely to have a substantial impact, both directly and indirectly, on the Health Fund overall by way of the law's provisions concerning Medicaid. In particular, the OBBBA provisions pertaining to an increase in the frequency of redetermination from 12 months to 6 months for Medicaid expansion adult enrollees and more rigid work requirements to determine Medicaid eligibility are expected to add to the outyear deficits.

The Health Fund is predicted to experience a significant drop in revenue due to fewer patients being covered by Medicaid starting in FY2027 and continuing into FY2028 as a result of the OBBBA provisions phasing in beginning in January 2027. From FY2027 through FY2030, expenses in the Health Fund are projected to grow annually by 0.5% while revenues decline -1.0% annually. Figure 5 compares forecasted revenues and expenses for the Health Fund through FY2030.

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



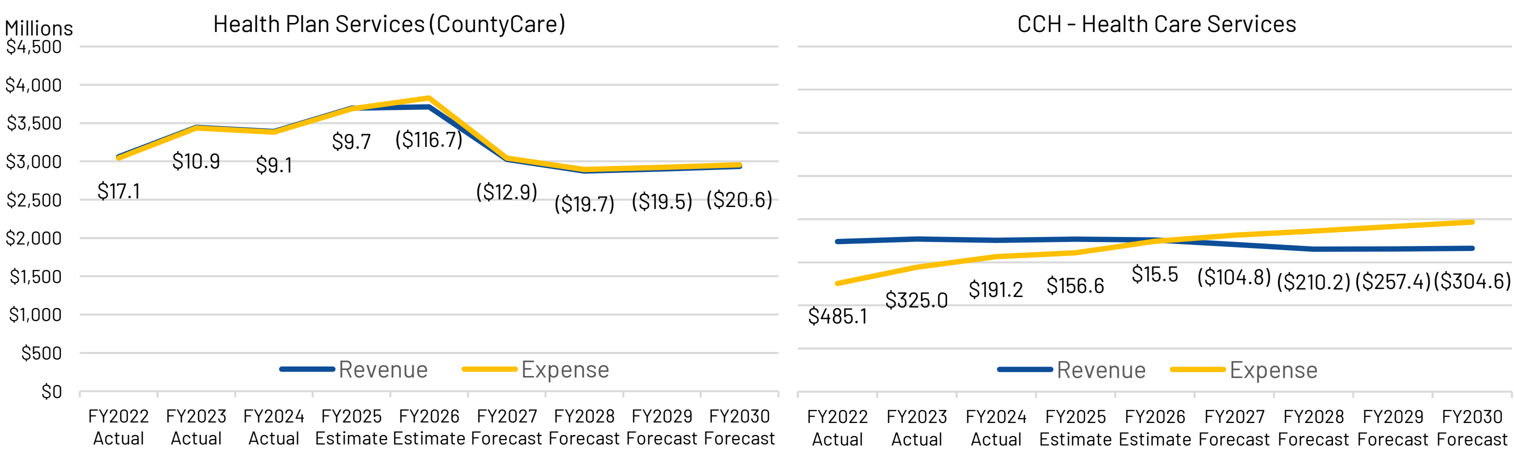
Note: FY2022 through FY2023 includes directed payments and domestic claims that CountyCare passes through to CCH in the revenues and expenses of both Health Plan Services and Health Care Services. Beginning in FY2024, directed payments will only be accounted for in the budget for Health Care Services while domestic claims will be offset in a separate account.

Both Health Plan Services and Health Care Services are expected to experience considerable revenue declines starting in FY2027. The anticipated drop in CountyCare revenue is propelled by expected membership losses from the phasing in of more frequent redetermination and stricter work requirements defined in OBBBA. The CountyCare baseline membership forecast continues to show a decrease due to the Managed Long-Term Services and Supports (MLTSS) population, as CountyCare will no longer service that population starting in 2027. Furthermore, the baseline membership forecast now assumes the State will end Health Benefits for Immigrant Seniors (HBIS) in July 2027 due to fiscal constraints. As in the previous forecast, these population assumptions coupled with the impacts of the OBBBA provisions are projected to significantly lower overall membership through FY2028 before membership sees a slower year-over-year decline based on historical annual trends. These trends are mostly offset by per member per month (PMPM) rate increases at Health Plan Services.

Health Care Services revenue is comprised of Net Patient Service Revenues (NPSR), Directed Payments, and other sources. The NPSR forecast, making up about one-third of Health Care Services revenue, is not projected to keep pace with the cost of operating the health system. The main reason relates to the impacts of OBBBA, which is expected to push individuals currently covered by Medicaid to become uninsured, leading to more uncompensated care. Since the last forecast, the OCFO has also factored in the OBBBA provision restricting the definition of qualified immigrants for Medicaid eligibility, which the OCFO estimates to have a minimal impact on Health Care Services revenue starting FY2027. The baseline NPSR forecast also assumes an additional shift of more uninsured patients previously covered by Medicaid beginning in FY2028 with the assumption that the State will end HBIS.

Figure 6 illustrates how the deficits in the overall Health Fund are primarily driven by declines in revenue for Health Care Services, while the cost of providing services continues to grow. Salaries and professional services are expected to grow at a CAGR of 3.0% from FY2026 through FY2030, while NPSR is unable to keep pace because a higher proportion of patients are expected to be uninsured. By FY2030, the deficits for Health Plan Services and Health Care Services are $20.6 million and $304.6 million, respectively.

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



*Domestic claims elimination excluded from totals in both charts.

Net patient service revenue scenarios

The NPSR forecast centers around building assumptions related to future service volumes, payor mix, and net collection rates from various insurers relative to gross charges billed by the system. Forecast assumptions consider past trends, potential policy changes, and economic factors that may affect insurance coverage and utilization of services. For example, due to the future potential changes in eligibility and coverage resulting from OBBBA, 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.

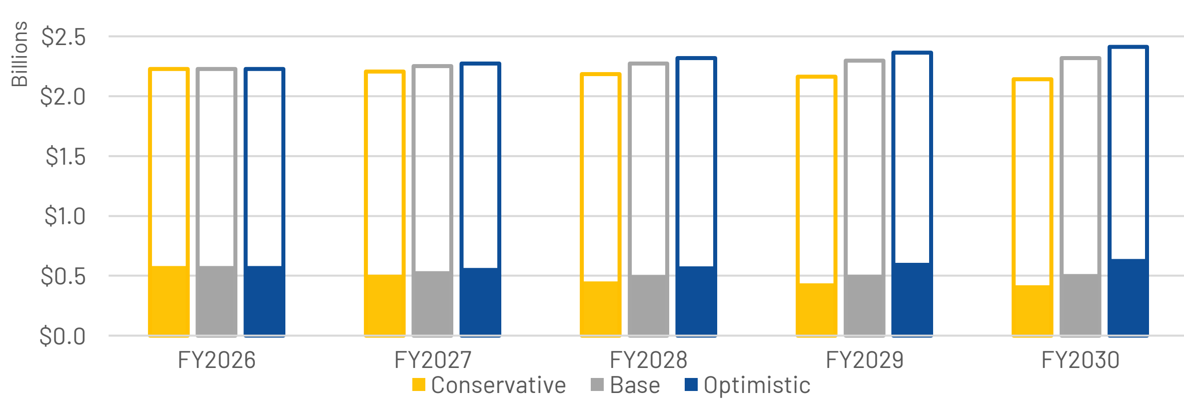
All NPSR scenarios assume a shift in patients currently covered by Medicaid to uninsured patients as a result of OBBBA. Presently, the OCFO has not integrated any assumptions into the scenario forecast as it relates to the impact of OBBBA on patient volumes. However, if more patients become uninsured it could impact volumes in the immediate or long-term, but this has yet to be determined.

Notwithstanding the adjustments to all scenarios around OBBBA and the recent adjustment relating to HBIS, the baseline scenario assumes gross charges will grow annually at 1%, coverage patterns keep stable, and reimbursements rates remain flat. This baseline scenario results in total NPSR of $515.4 million in FY2030, or a yield of 22.2% compared to gross charges, which is $65.3 million less than the FY2026 projected NPSR of $580.7 million, a 26.1% yield.

The conservative scenario assumes a decline in patient volume and a reduction in gross charges. It also predicts that a larger percentage of patients will be uninsured, leading to a shift away from Medicaid. Like the baseline NPSR forecast, the conservative scenario also assumes the end of HBIS will cause a shift to more uninsured patients previously covered by Medicaid beginning in FY2028. Altogether, this would reduce revenue growth compared to the baseline case. The conservative scenario has an NPSR of $420.8 million in FY2030 and yield of 19.7%.

The optimistic scenario assumes more patients who were previously self-pay would be covered by Medicaid. Unlike the baseline and conservative scenarios, the optimistic scenario assumes that HBIS will continue in the outyears, not causing a further increase in the uninsured population. Additionally, gross charges are expected to increase 2% annually, and reimbursement rates are anticipated to grow in line with inflation, driving stronger revenue growth than in the baseline scenario. The optimistic scenario has an NPSR of $639.5 million in FY2030, a yield of 26.5%. Figure 7 illustrates the impact of these assumptions on NPSR by scenario while Table 2 provides an overview of the assumptions used in each scenario.

Figure 7. Net patient service revenues compared to gross charges, 2026 through 2030



*Estimates of gross charges billed by CCH are represented by the full outlined 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

Assumption	Conservative scenario	Base scenario	Optimistic scenario
Gross charges, annual % change	1% decrease	1% increase	2% increase
Payor mix **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%
Reimbursement rate	2 percentage point decrease for Medicaid CountyCare, and Medicaid Managed Care	Constant	2 percentage point increase for Medicaid, CountyCare, and Medicaid Managed Care

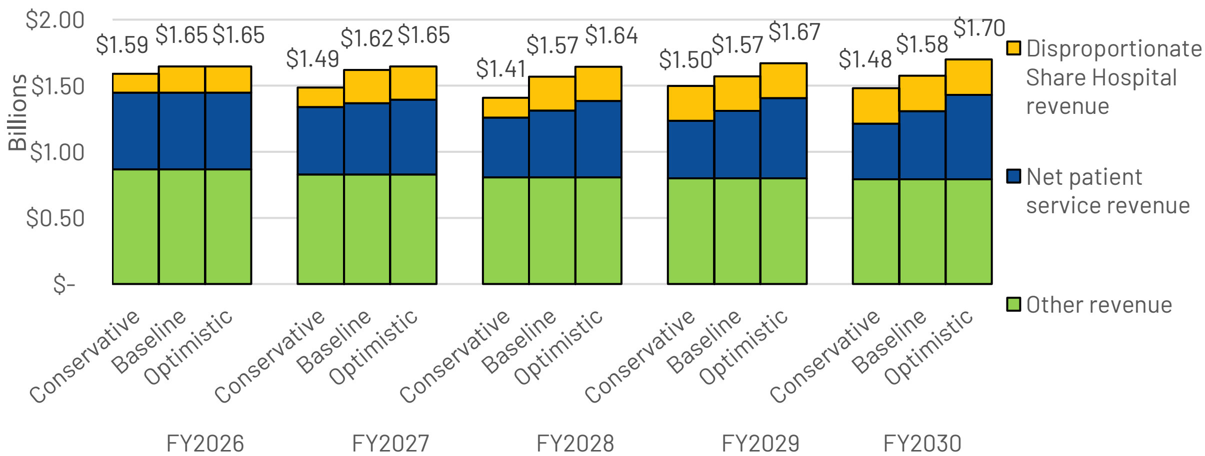
Health Care Services revenue scenarios

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 typically receives about three-quarters of the Illinois DSH allotment, and in the County's adopted FY2026 budget, DSH revenue is projected to be $200.0 million. After the Affordable Care Act went into effect in 2010, DSH funding was intended to be reduced as the ACA was expected to shrink the number of uninsured patients that hospitals serve. Congress has delayed these cuts to DSH in prior years, however, as the number of uninsured patients has not decreased as expected.

As highlighted in previous reports, DSH funding currently faces significant risks as federal legislation to postpone reductions to DSH funding has not been finalized beyond January 2026. As of this writing, the "Consolidated Appropriations Act, 2026", or H.R. 7147, passed through the House of Representatives and it includes delayed reductions to DSH funding for two years. The bill still needs to make its way through the legislative process to become law, however, and the County will need to re-evaluate its estimates for DSH revenue if the final spending package does not include delays to DSH cuts.

In the conservative scenario for Health Care Services, the forecast assumes federal DSH cuts would commence after January and that DSH revenue would be $55.4 million below the baseline DSH projection for FY2026, and approximately $100 million below the baseline DSH projections for FY2027 and FY2028 before returning to prior levels in FY2029. In contrast, both the baseline and optimistic scenarios assume that CCH will continue to receive $200.0 million in DSH funding for FY2026, as well as continued postponements in the outyears. This outcome would depend on either ongoing federal postponement of DSH reductions or an increase in state contributions to compensate for the cuts. Figure 8 illustrates the DSH revenue impact in each scenario.

Figure 8. Total Health Care Services revenue by scenario



CountyCare revenue scenarios

CountyCare revenue is primarily a function of two factors: total enrollment and PMPM rate. Both are heavily influenced by policy decisions. Changes in policy can directly impact both membership counts and the composition of enrollees, leading to shifts in the average PMPM revenue. To evaluate how external shifts such as state and federal Medicaid policy changes may impact revenue, the OCFO models long-term forecasts using conservative, baseline, and optimistic scenarios.

All CountyCare scenarios integrate OBBBA's provisions changing the frequency of redetermination and the implementation of more rigid work requirements, both of which are projected to impact the number of ACA enrollees starting in FY2027. The scenarios also incorporate the MLTSS population no longer being serviced by CountyCare starting in January 2027. Additionally, the baseline and conservative scenarios assume that the State will end HBIS in July 2027 due to OBBBA reducing the State's overall fiscal capacity to continue its support for HBIS.

The baseline scenario assumes PMPM rates follow a normal growth trend. After experiencing declines in FY2027 and FY2028, CountyCare revenue under the baseline scenario is projected to resume growth as membership reverts to a more year-over-year historical trend and that PMPM rates continue to steadily rise. Overall, baseline revenue drops by $775.4 million from FY2026 to FY2030, representing a -5.7% CAGR.

The conservative scenario applies a downward adjustment to baseline PMPM rate growth and together with a larger OBBBA impact on membership leads to a $1,217.6 million decline by FY2030, representing a -9.7% CAGR. The optimistic scenario features higher enrollment retention, stronger PMPM growth, and OBBBA having a minimal effect on membership. Under these assumptions, CountyCare revenue drops by $324.3 million from FY2026 to FY2030, representing a -2.2% CAGR. Figure 9 shows projected revenues for CountyCare in each scenario.

Figure 9. CountyCare projected revenues, by scenario, FY2026 through FY2030

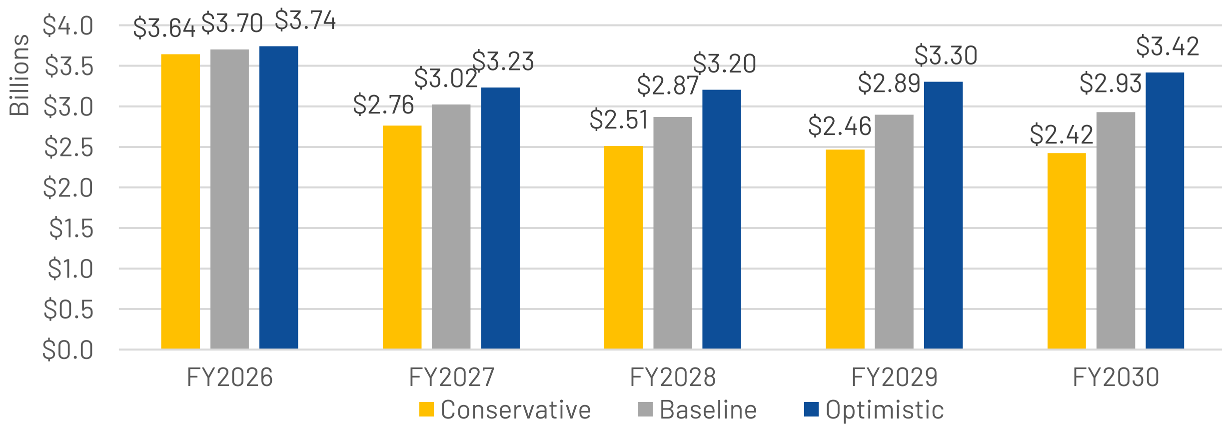
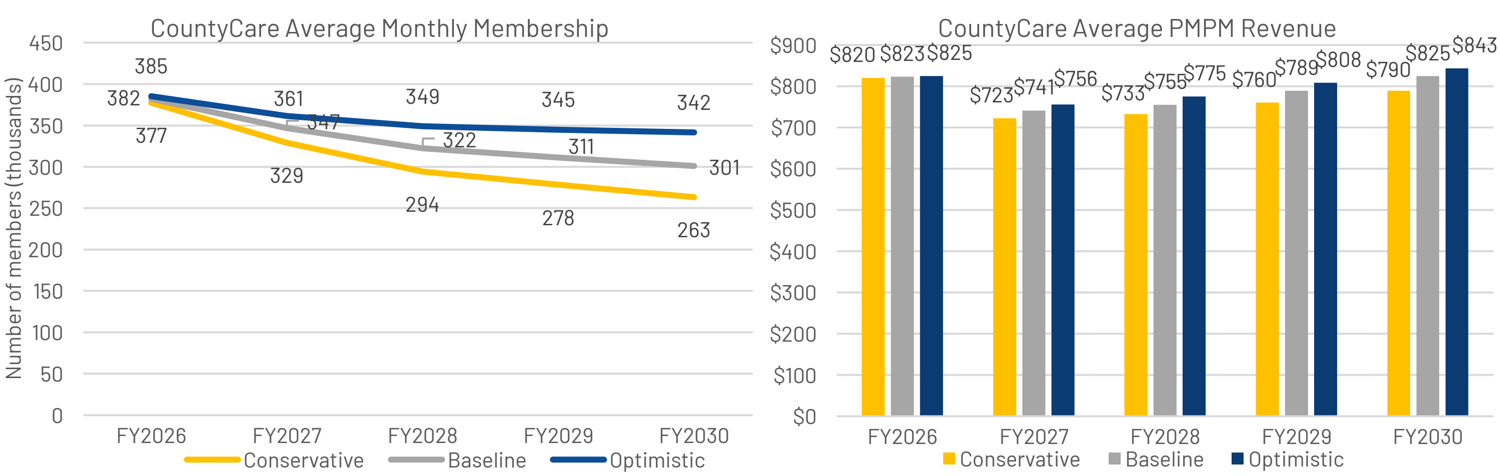


Figure 10 compares changes to monthly membership and growth in average PMPM revenue. Average PMPM rate changes reflect the loss of high-cost MLTSS enrollees across all scenarios, resulting in lower averages starting in FY2027. The baseline scenario assumes a decrease in the average annual PMPM revenue from FY2026 to FY2027 due to the combination of MLTSS members no longer being serviced by CountyCare, the end of HBIS, and the phased in provisions of OBBBA all having an impact on average monthly membership. That said, after the drop in FY2027, average PMPM revenue in the baseline scenario grows 3.6% on average from FY2027 to FY2030.

The conservative scenario assumes OBBBA to have more sizeable negative impact on the ACA membership population. This outlook, coupled with lower PMPM rate growth, produces an average PMPM revenue growth rate of -0.9% from FY2026 to FY2030. In contrast, the optimistic scenario anticipates stronger PMPM rate growth and member retention, the continuation of HBIS, as well as OBBBA having less of an impact on ACA membership. Average PMPM revenue is forecasted to grow by 0.6% annually in the optimistic case.

Figure 10. CountyCare average PMPM revenue and monthly membership projections



Update on recommendations of the IRFC

The IRFC provided three recommendations to the OCFO on August 27, 2025.[2] Table 3 outlines progress in implementing these recommendations.

Table 3. Progress on recommendations of the IRFC

Deliverable	Progress
ARPA sustainability analysis of the potential impact on the fund balance of providing funding support after 2026	The OCFO is scoping next steps in preparation of sustaining ARPA-funded programs in FY2027
Assessing impact of P.L. 119-21 provisions on the Health Enterprise Fund	The OCFO has integrated impacts for changes to the definition of eligible immigrants
Revenue growth	The OCFO has begun its preliminary data analysis

Economic data releases

The OCFO monitors economic indicators that inform the County's revenue and expense forecasting. Economically sensitive revenues account for 64.1% of the General and Transportation Fund forecast, 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 ensure that the most updated indicators available are used in forecasting, pending changes due to the federal shutdown.

Table 4. Economic data releases, February 2026 through April 2026*

Release Date	Indicator
February 2026	
February 6	Employment Situation
February 11	Consumer Price Index
February 20	Gross Domestic Product, 4th Quarter and Year 2025 (Advance Estimate)
March 2026	
March 6	Employment Situation
March 11	Consumer Price Index
March 13	Gross Domestic Product, 4th Quarter and Year 2025 (Second Estimate)
April 2026	
April 3	Employment Situation
April 9	Gross Domestic Product, 4th Quarter and Year 2025 (Third Estimate)

[2] Recommendations of the Independent Revenue Forecasting Commission, August 2025, https://cook-county.legistar.com/LegislationDetail.aspx?ID=7660694&GUID=2B80C0AB-7F94-46A4-A5DD-B470AD0D2886&Options=&Search=

Release Date	Indicator
April 10	Consumer Price Index

Economic update

The U.S. Bureau of Economic Analysis has released its latest estimate for national real Gross Domestic Project (GDP) growth, which shows that real GDP increased 4.4% in the third quarter of 2025. Due to the government shutdown in late 2025, this second real GDP estimate for the third quarter will be the final estimate for that quarter. The 4.4% growth reflects increases in consumer spending, exports, government spending, and investment that were partly offset by an increase in imports, which are a subtraction in the calculation of GDP. The next real GDP estimate will be released on February 20, providing the advance estimate of fourth quarter and the full year 2025 estimate.

In their most recent forecast, Moody's Analytics forecasted that the real Gross Metropolitan Product for the Chicago-Naperville-Elgin metropolitan area would see stronger growth in 2026 compared to the previous projections published in October. Moody's predicts that unemployment will surpass 5% this year and will remain above that threshold through 2028. After experiencing a downward trend in inflation over the past few years, inflation is expected to remain elevated in the year ahead as the impacts of the tariffs imposed by the federal government make their way through the economy. Inflation is expected to moderate back towards 2% in 2028 and stabilize 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, 2024 to 2030

Economic Indicator	2024	2025	2026	2027	2028	2029	2030
Gross Metro Product, (% change, Ch. 2017, SAAR)	1.8%	1.8%	1.7%	1.2%	1.4%	1.7%	1.8%
CPI, All Urban Consumers, (% change, SA)	3.6%	3.1%	3.0%	2.5%	2.0%	1.7%	1.7%
Resident Population: Total, (Ths. #)	9,408.6	9,440.0	9,421.5	9,384.8	9,340.1	9,291.4	9,248.8
Disposable Personal Income, (% change, SAAR)	4.4%	3.8%	4.5%	3.9%	3.3%	3.4%	3.5%
Labor Force Participation, (%, SA)	66.1%	66.0%	65.5%	65.6%	65.7%	65.8%	65.9%
Labor: Unemployment Rate, (%, SA)	5.1%	4.9%	5.4%	5.6%	5.2%	4.9%	4.6%
Income: Median Household, (SAAR)	$90,770	$93,815	$97,675	$101,405	$104,606	$107,706	$111,066
Income: Per Capita, (SAAR)	$80,152	$83,444	$86,968	$90,510	$93,851	$97,538	$101,473
Labor: Number of Employed, (Ths. #, SA)	4,756.1	4,775.9	4,716.1	4,702.4	4,713.0	4,720.5	4,729.2
Retail Sales: Total, (% change, SAAR)	3.1%	3.8%	1.6%	1.8%	2.6%	2.5%	2.8%

Source: Moody's Analytics, December 2025 baseline scenario