

**OPPORTUNITIES AND CHALLENGES
OF DOING BUSINESS IN ILLINOIS**
A Survey of Illinois Commercial and Industrial
Real Estate Agents and Brokers

SURVEY RESULTS

April 2009

Sponsored by:



Illinois Chamber of Commerce

Co-sponsored by:

Illinois Development Council; Metro Economic Growth Alliance of Chicago;
Illinois Association of Realtors; Illinois Chamber Economic Development Council

Conducted by:

Survey Research Office, Center for State Policy and Leadership
University of Illinois at Springfield¹



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¹ The principal investigator was Richard Schuldt, Director of the UIS Survey Research Office. Consultation was provided by Richard Judd, Professor of Business Administration and Director of the Center for Entrepreneurship at UIS (now an Emeritus Professor). Tom Wolf of the Illinois Chamber offered suggestions for wording in the introduction, reflecting the Chamber's rationale for commissioning the survey. Major data management, coding and interviewing activities were conducted by: Mark Winland, UIS/SRO Interviewing Lab Manager; Mike Stevens, Graduate Research Assistant; and Richard Schmidt, Research Assistant. Any opinions, findings, and conclusions or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the views of the sponsors or the University.

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^a Note that a separate and briefer Summary of Results is available.

Introduction

Illinois is in continuous competition with other states and increasingly with other countries when it comes to attracting industrial and commercial development. Whether it's keeping companies here in our state, convincing them to grow here or attracting new ventures to move here, there is growing concern that Illinois is no longer keeping up with its competition.

The Illinois Chamber of Commerce and its Economic Development Council retained the University of Illinois at Springfield's Survey Research Office to reach out and ask the people in the trenches – industrial and commercial real estate agents throughout the state – why Illinois wins or loses these battles.

There's no better method of finding out how we can do better and where we need to focus our efforts than by talking to the people who are out there every day in every corner of the state trying to convince businesses of all kinds that Illinois is the place to be.

The survey was conducted in the 3rd and 4th quarters of 2008 with 160 commercial and industrial real estate professionals (agents and brokers) in Illinois from 88 different real estate firms. Two-thirds of the respondents completed the survey through a telephone interview while the remaining one-third did so through a web-based survey. The response rate was 35%.

Methodology

Development of the survey instrument / questionnaire. The development of the survey instrument was largely influenced by a focus group that was held at the Illinois Chamber's office in Chicago in early June with selected commercial and industrial real estate professionals and economic development experts. Focus group participants were from the City of Chicago, the Chicago suburban area as well as from downstate Illinois. The content of the survey instrument was also informed by selected articles on site selection and from consultation from Richard Judd, Professor of Business Administration and Director of the Center for Entrepreneurship of the University of Illinois at Springfield.

An initial draft of the survey questionnaire was reviewed by the focus group participants as well as by officials at co-sponsoring organizations – including Metro Economic Growth Alliance of Chicago, the Illinois Development Council and the Illinois Association of Realtors – and by members of the Illinois Chamber's Economic Development Council. This review resulted in some modification and additions to the initial draft. Pre-testing of the survey instrument consisted of checking the version for completion time, and interviewing several actual respondents. This pre-testing – particularly the check for completion time – resulted in the

deletion of some questions in an effort to get the interview “down to” about 15 minutes in length. Some minor wording modifications were also made. Finally, it should be noted that a web-version of the questionnaire was developed from the final telephone survey instrument.

The final version of the survey instrument included questions relating to the following topics:

- The most important factors in final site selection
- Attractiveness of Illinois to firms looking to relocate/expand
- Major competitors of Illinois
- Recent experience with firms that inquired about an Illinois site and then chose a site outside Illinois
- Suggestions for changes that would have immediate and longer-term impacts
- Economic development contacts and marketing activities

Development of the agent/broker list. During the development of the survey instrument, work also commenced on developing a list of commercial and industrial real estate agents and brokers to be surveyed. Personnel at the Illinois Chamber initially identified 50 firms and a contact person at each firm. These contacts were sent a letter from the Chamber asking for their cooperation in identifying and recruiting other members of their firm to do the survey. Staff at the UIS Survey Research Office (UIS/SRO) attempted to reach each of these contacts, both through telephone and through email (where possible), to obtain the names of relevant agents and brokers from these firms. UIS/SRO staff also did checking of Internet websites to obtain the names of commercial and industrial real estate professionals from firms whose contact person could not be reached. All of these efforts resulted in the identification of 188 agents/brokers to be interviewed.

Further, a final question was added to the survey instrument (which was in the final stages of development) that asked respondents to identify “the name or names of any commercial or industrial real estate agent or broker working in Illinois that we should be sure to include in our study.” The inclusion of this question, called a “snowball selection technique,” proved extremely valuable. In addition to the identification of particular agents and brokers, this question also solicited the recommendation to access to membership lists of AIRE and SIOR. Members of these organizations not working in firms which were already on the list were added to the potential respondent list, which grew to 510 possible agents/brokers. The “final list” actually consisted of 458 agents and brokers, when non-active / non-relevant list members were deleted.²

Each member of the list received a letter sent on Illinois Chamber stationery informing them about the survey and requesting their participation – either by responding to UIS/SRO staff when called, calling the 800 number of the UIS/SRO, or by accessing the web-version of the questionnaire. Each member of the list with an email address was also sent several email communications and reminders with similar information and requests. With the exception of one week during the entire field interviewing period, UIS/SRO interviewers made repeated calls

² It is possible that some of the non-respondents on this final list are not currently commercial or industrial agents / brokers.

to list members, leaving messages about the 800 number and how to access the web-version when they could not actually talk to a potential respondent.

Field interviewing was conducted from August 19 through October 31, 2008. Telephone interviews and/or web-based questionnaires were conducted with/by 160 respondents,³ two-thirds completing the survey through a telephone interview and one-third through the web-based questionnaire. These respondents represent 88 different firms. The average (median) length of the telephone interviews was 18 minutes, ranging in length from 9 to 40 minutes. And, based on the “final list” of 458 agents/brokers, the response rate is 35 percent.⁴

The Respondents

The respondents are diverse in terms of geographic region (30% from the City of Chicago; 44% from the Chicago suburbs; and 26% from downstate). As seen in Table R-1 below, the respondents are regionally quite representative of the “final list” of potential respondents, both in terms of individual respondents and in terms of their firms. But, as is typical of all kinds of surveys, the response rate for downstate list members (48%) is higher than that for list members from the Chicago area (30-35%).

Table R-1
Region of State

Region	Final List	Respondents % (n)	<i>Response Rate for Location Group</i>	Firms % (n)
City of Chicago	30%	30% (48)	35% rate	22% (19)
Chicago suburbs	51%	44% (70)	30% rate	47% (47)
Downstate	19%	26% (42)	48% rate	25% (22)
<i>Total n</i>	<i>458</i>	<i>160</i>	<i>35% rate</i>	<i>88</i>

Experience-related characteristics. Selected experience-related characteristics of the statewide respondents are presented in Table R-2. Some of these are commented upon below.

Half of the respondents specialize/have most of their experience in industrial real estate, one-quarter in commercial real estate, and the remaining one-quarter do both about equally.

Nearly three-quarters (74%) have *at least* 10 years of experience working in commercial or industrial real estate in Illinois, while nearly four in ten (39%) have more than 20 years experience. Nearly four in ten (39%) currently do real estate in another state, and nearly three in ten (29%) have worked in other parts of Illinois in the past 5 years. Over four in ten (43%)

³ One of the respondents was a partial completion, completing questions through the important factors and attractiveness-of-Illinois questions. So, percentages in the last third of the questionnaire are based on 159 respondents.

⁴ This can be considered a good response rate for a survey of this length with real estate practitioners who are extremely busy. This is about the same – or even somewhat greater -- than the response rate obtained from 15-minute telephone interviews with the general public (selected through random-digit dialing).

have either “a lot” or “quite a bit” of experience working with out-of-state firms in the past 5 years, and another third (35%) have “some” experience here.

One in five respondents (20%) are in firms that did more than 5 million square feet of business last year, while more than one-third (37%) are in firms that did 1 to 5 million square feet. Nearly four in ten (39%) are in firms that did less than 1 million square feet.

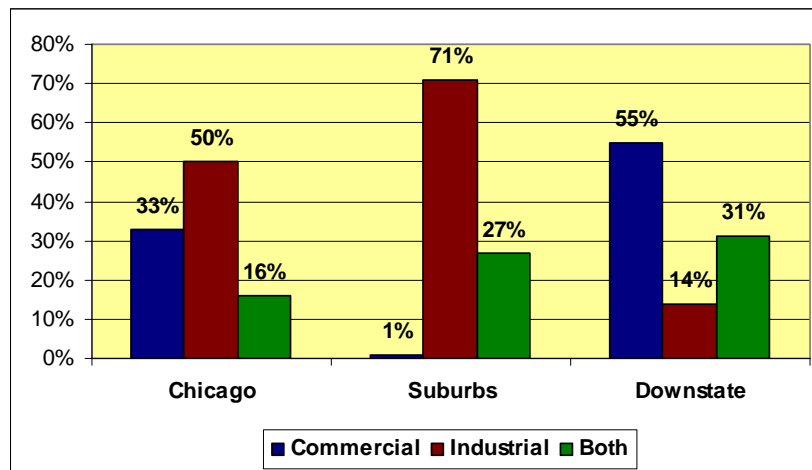
**Table R-2
Selected Real Estate Practice Characteristics**

Specialize / experience in commercial or industrial real estate?	Percent	<i>n</i>
Commercial	25%	40
Industrial	50%	80
Both	25%	40
Worked in commercial / industrial real estate in other parts of Illinois in past 5 years		
Yes	29%	46
Currently engaged in commercial or industrial real estate in any other state?		
Yes	39%	62
Length of time practice commercial / industrial real estate in Illinois		
Less than 5 years	17%	27
6 to 9 years	9%	14
10 to 15 years	15%	23
16 to 20 years	20%	32
More than 20 years	39%	62
na	1%	1
How much experience dealing with out-of-state commercial and industrial firms?		
A lot	25%	39
Quite a bit	18%	29
Some	35%	56
Not much / dk	21%	33
dk/na	1%	2
Square footage of company business last year (approximate)		
Less than 1 million square feet	39%	62
1 to 5 million square feet	36%	58
More than 5 million square feet	20%	32
dk/na	4%	7

Experience-related characteristics by region. Because selected portions of the following results are analyzed by geographic region, it is useful to briefly summarize some of the experience-related characteristics by these regions.

Type of practice by region. As seen in Figure R-1, respondents in the Chicago suburbs consist of respondents who specialize/have more experience in industrial real estate (71%) while a majority of downstate respondents (55%) have more experience/specialize in commercial real estate. Respondents in the City of Chicago are between the two, with half (50%) who have more experience/specialize in industrial real estate.

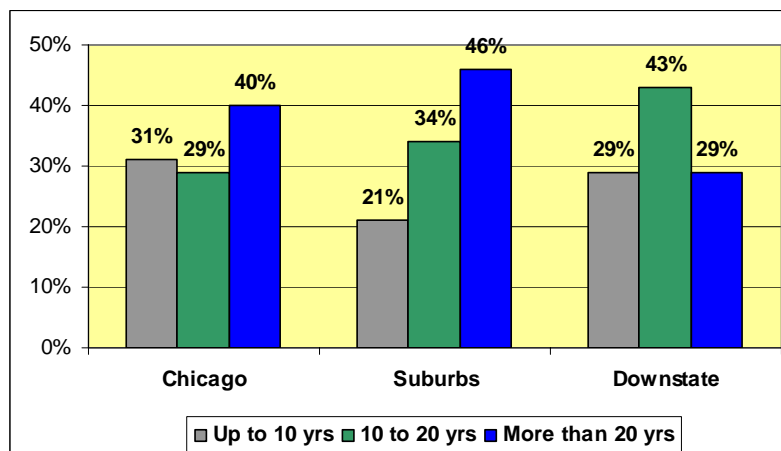
**Figure R-1
Commercial or Industrial Real Estate Specialization, by Region**



Length of time respondents have practiced commercial/industrial real estate business in Illinois.

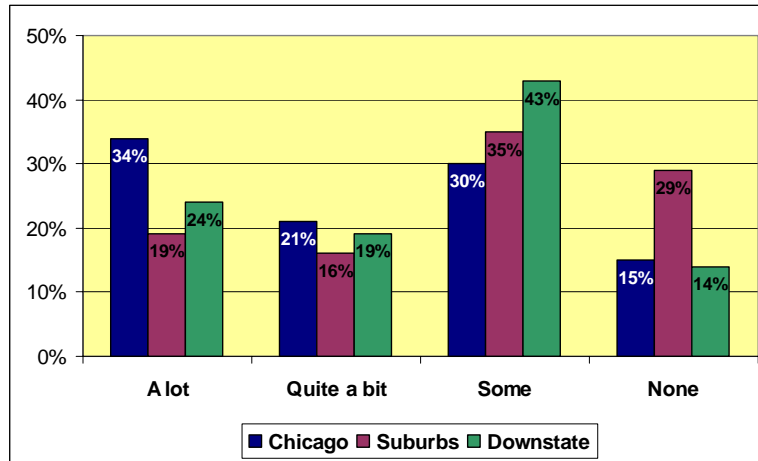
As seen in Figure R-2, respondents in the Chicago suburbs as a group have the most years of experience practicing commercial/industrial real estate in Illinois while downstate respondents as a group have the fewest number of such years. Even so, about seven of ten downstate respondents have *at least* 10 years of experience.

**Figure R-2
Years Have Practiced Commercial or Industrial Real Estate in Illinois, by Region**



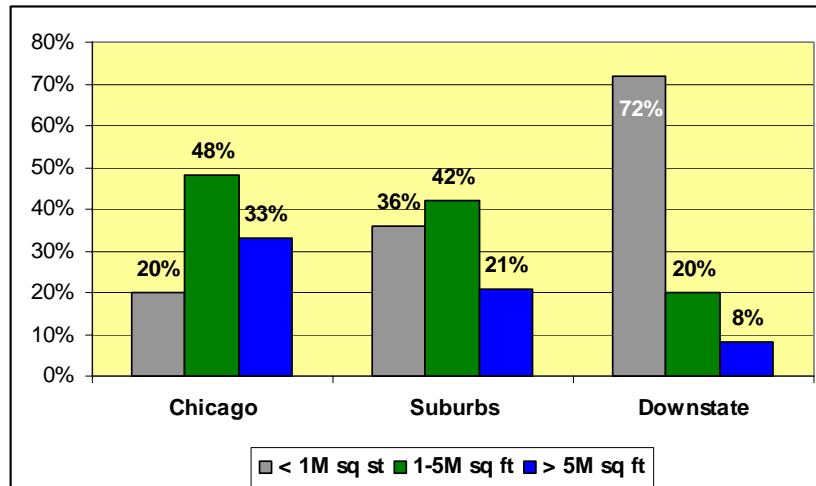
Experience with out-of-state firms. As seen in Figure R-3, respondents in the City of Chicago as a group have the most experience dealing with out-of-state firms while respondents in the Chicago suburbs have the least experience. For example, about one-third of the City of Chicago respondents reported having “a lot” of this experience compared to about one-in-four to one-in-five respondents in the other two regions. And, nearly 30 percent of the Chicago suburban respondents reported having “none” of this experience compared to about half this proportion in the other two regions.

Figure R-3
Experience with Out-of-State Firms, by Region



Volume of firm’s business in past year. As seen in Figure R-4, respondents in the City of Chicago are from somewhat larger firms than those in the Chicago suburbs, as measured by approximate square footage of transactions in the past year. Downstate respondents are from smaller firms, with over seven in ten from firms that did less than 1 million square feet of transactions last year.

Figure R-4
Volume of Firm’s Business Last Year, by Region
(volume measured by square feet of transactions)



Topic I: Most Important Factors in Final Site Selection

The questions. Two questions were included in this section – one open-ended question and one closed-ended question. The closed-ended question consisted of evaluating 19 factors.

The open-ended question:

Now, let's turn to questions having to do with how a final choice is made from a short list of candidates. While we realize that every deal has its unique aspects – and there may be differences between commercial and industrial firms, we're interested in patterns or general tendencies you have experienced in the past 5 years in the areas of commercial and industrial real estate.

1. Once a company narrows the choice to several possible sites, what do you think are the most important factors that influence a company's final decision about which of these sites to choose? Prompt: Any others? Any more?

The closed-ended question:

2. In this next question, I'm going to read a list of possible factors that could affect the final site selection decision. We'd like to know how important you think each factor is when it comes to making a final decision from the short list of site contenders.

The rating scale we will use here is a 0 to 10 scale – with 0 representing a characteristic that is “not important at all” and 10 representing a characteristic that is “extremely important.” The mid-point of 5 represents a characteristic that is of “moderate importance.”

FACTORS TO ASK ABOUT (for telephone version, the blocks of questions will appear in a random order; the following order was used in the web-based questionnaire):

BLOCK A THROUGH C

- A. Availability of employees in terms of desired skills
- B. Wage and salary levels of employees
- C. Union activity and influence

BLOCK D THROUGH J

- D. Access or proximity to raw products and materials
- E. Presence of other similar companies or major national and international companies
- F. Transportation infrastructure
- G. Utility costs
- H. State and local taxes
- I. Land and building prices and supply
- J. Access or proximity to higher education and research resources

BLOCK K THROUGH N

- K. Ease and timeliness of permit and regulatory procedures
- L. Availability and amount of incentives

- M. Ease of the process through which a firm qualifies for and receives incentives
- N. Flexibility of incentives to meet the needs of specific businesses

BLOCK O THROUGH S

- O. Quality of life in the area
- P. Cost of living and housing
- Q. Reputation or image of a state in terms of how it treats its businesses
- R. State and local economic development strategy
- S. Easy access to and efforts of relevant state and local economic development officials

Results for open-ended question. When asked about what they considered to be the most important factors in final site selection decisions, about three-quarters (76%) gave a response.⁵

Five factors were identified by about 40 percent of these respondents:

- Infrastructure (particularly transportation infrastructure, 40%) – 42%
- Availability of employees – skills, education – 40%
- Location characteristics – 39%
- Land/building availability, prices and characteristics – 38%
- Costs of doing business (within which 22% mentioned costs of doing business in general and 17% mentioned state/local taxes/fees) – 38%

Nearly one-quarter mentioned incentives offered to businesses. The remaining subjects were mentioned by 5% of the respondents or less.

All coded responses to this question are presented in Table I-1. Percentages are presented both based on the total number of responses – as well as by the number of respondents.

Results for closed-ended question. When asked to rate the importance of 19 selected factors in final site selection decisions on a 0-to-10 scale (with 0 representing “not important at all” and 10 “extremely important”), four factors (in three “tiers”)⁶ were rated as most important:

- Transportation infrastructure (mean = 8.82)
- State and local taxes (mean = 8.34)
- Land and building prices and supply (mean = 8.03)
- Availability of employees/skills (mean = 8.00)

The next “tier” (means ranging from 6.75 to 7.39) consists of 9 factors, most of which are related to various aspects of state/local public policy (the state’s reputation in how it relates to

⁵ Fewer interviewees gave an answer to this question than to the later open-ended questions regarding strengths and weaknesses of Illinois. This is probably due to the greater difficulty of specifying factors for varying kinds of real estate deals and transactions. An initial draft of the survey instrument divided questions in this section into factors important for commercial real estate and factors important for industrial real estate. However, due to the length of this initial survey instrument, it was decided to combine these into one question.

⁶ See the footnote at the bottom of Table I-2 for the explanation of “tiers.”

its businesses; various incentive-related factors; permit and regulatory processes; state/local economic development strategy; union influence). (See Table I-2 for the full results.)

Regional comparisons. *Differences across regions for importance ratings of factors.* There are significant differences across the three regions for 7 of the 19 factors. On five of the seven, downstate respondents have the highest mean rating: the state's reputation/image in its dealings with business; flexibility of incentives to meet needs; quality of life in the area; cost of living and housing; and access/proximity to higher education and research. For all of these items, respondents in the City of Chicago have the 2nd highest mean scores.

For "land/building prices and supply," respondents in the Chicago suburbs have the highest mean rating followed by downstate respondents and then City of Chicago respondents.

And, for "availability of employees – skills/education," City of Chicago respondents have the highest mean score followed by downstate respondents and then Chicago suburban respondents.

Comparison of rank orders of the factors across regions. Overall, there is a great deal of similarity in the rank orders of the factors across the three regions, particularly for the City of Chicago and Chicago suburban respondents.⁷

However, three factors stand out as those where differences in this rank order are readily apparent:

Of particular note is that downstate respondents ranked the state's reputation/image in how it deals with business as the second most important factor while this ranked 7th for Chicago suburban respondents and 12th for City of Chicago respondents.

Chicago area respondents ranked ease/timeliness of permit and regulatory procedures higher than did downstate respondents: 5th for suburban respondents; tied for 6th for City of Chicago respondents; but 12th for downstate respondents.

Downstate respondents ranked flexibility of incentives to meet needs higher than did those in the Chicago area: tied for 4th for downstate respondents; 11th for City of Chicago respondents; and 12th for Chicago suburban respondents.

The regional mean ratings and rank orders are presented in Table I-3.

⁷ The Spearman's rank order correlation of the factors between City of Chicago and Chicago suburban respondents is .914; between City of Chicago and downstate respondents .803; and between Chicago suburban and downstate respondents .839.

Table I-1
Most Important Factors in Final Site Selection
(346 coded responses from 121 respondents; 76% of all respondents)

Factors	Percent of Responses	Percent of Respondents
Infrastructure (total)	18%	42%
<i>Transportation infrastructure</i>	<i>18%</i>	<i>40%</i>
Availability of employees – skills / education	14%	40%
Location characteristics (including population)	16%	39%
Land/building availability, prices & characteristics	15%	38%
Costs of doing business – general & various	16%	38%
<i>General costs of doing business</i>	<i>10%</i>	<i>22%</i>
<i>State & local taxes / fees</i>	<i>6%</i>	<i>17%</i>
<i>Cost of labor</i>	<i>2%</i>	<i>5%</i>
Incentives – availability & amount	9%	24%
Quality of life in area	2%	5%
Ease / timeliness of permits, regulations	1%	3%
Economy – general	1%	3%
State/local economic development & efforts	1%	2%
State political & business climate & image	1%	2%
Other	5%	13%

Table I-2
Importance of 19 Selected Factors in Final Site Selection
(ordered by mean rating)

Order		Mean	10-9	8	7	6	5	4	3	2	1-0	n
	Importance of Factors											
	<i>Tier One</i> ^a											
1	Transportation infrastructure	8.82	66.7%	17.0%	13.2%	1.3%	1.9%	0.0%	0.0%	0.0%	0.0%	159
	<i>Tier Two</i>											
2	State and local taxes	8.34	54.1%	21.0%	12.1%	4.5%	6.4%	0.6%	0.0%	1.3%	0.0%	157
	<i>Tier Three</i>											
3	Land & building prices / supply	8.03	40.3%	27.0%	18.2%	8.8%	4.4%	0.0%	0.6%	0.6%	0.0%	159
4	Availability of employees/skills	8.00	38.6%	24.1%	23.4%	8.2%	5.7%	0.0%	0.0%	0.0%	0.0%	158
	<i>Tier Four</i>											
5	State reputation/image deal w/business	7.39	30.3%	24.3%	19.1%	5.3%	12.5%	3.3%	2.6%	2.0%	0.7%	152
6	Availab & amount of incentives	7.36	28.8%	26.3%	16.0%	12.2%	9.6%	1.9%	2.6%	1.9%	0.6%	156
7	Ease/timely permit/regul procedures	7.34	30.6%	14.6%	21.0%	16.6%	11.5%	4.5%	1.3%	0.0%	0.0%	157
8	Wage and salary levels	7.30	21.2%	30.8%	21.8%	9.0%	13.5%	1.3%	2.6%	0.0%	0.0%	156
9	Utility costs	7.27	24.8%	22.8%	22.3%	9.6%	15.3%	2.5%	1.3%	1.3%	0.0%	157
10	Flexibility of incentives to meet needs	7.11	20.9%	26.1%	24.9%	11.8%	9.2%	1.3%	0.7%	4.6%	0.7%	153
11	Ease process qualif/receive incentives	7.05	19.6%	31.6%	19.0%	9.5%	11.4%	1.9%	2.5%	2.5%	1.9%	158
12	State/local econ dvlpmnt strategy	6.80	17.2%	26.1%	18.5%	10.8%	17.2%	4.5%	2.5%	0.6%	2.5%	157
13	Union activity and influence	6.75	26.8%	17.6%	13.1%	9.2%	24.2%	0.7%	1.3%	2.6%	4.6%	153
	<i>Tier Five</i>											
14	Quality of life in area	6.35	7.1%	25.0%	23.7%	11.5%	17.9%	5.8%	3.8%	3.2%	1.9%	156
15	Proximity to raw products/materials	6.26	15.8%	19.0%	18.4%	9.5%	19.0%	6.3%	2.5%	5.1%	4.5%	158
16	Access/efforts state/local econ dvlp officials	6.24	13.4%	12.7%	21.7%	13.4%	25.5%	4.5%	2.5%	4.5%	1.9%	157
	<i>Tier Six</i>											
17	Cost of living & housing	6.04	4.6%	18.3%	22.9%	13.1%	27.5%	4.6%	3.9%	2.6%	2.7%	153
18	Presence of similar/major companies	5.75	8.3%	10.2%	22.9%	12.1%	24.8%	5.7%	8.9%	3.8%	3.2%	157
	<i>Tier Seven</i>											
19	Access/prox to higher ed & research	5.24	4.6%	9.2%	17.0%	13.1%	22.2%	11.8%	13.1%	4.6%	4.6%	153

^a There are statistically-significant differences between the ratings in different groups of tiers. Within Tier Four (with 9 items), there are statistically-significant differences between ratings at the top and bottom portions of this tier.

Table I-3^a
Importance of Factors: Average Ratings and Rank Orders
by Geographic Location of Respondents

Order for all Resps	Factor	Chicago	Suburbs	Down-state	3-categ signif	ChA Dwnst	City Subs	City Dwnst	Subs Dwnst	Chicago Order	Subs Order	Dwnst Order
1	Transportation infrastructure	8.90	8.86	8.66	ns	ns	ns	ns	ns	1	1	1
2	State and local taxes	8.51	8.44	7.98	ns	ns	ns	ns	ns	3	2	4.5
3	Land & building prices / supply	7.65	8.41	7.86	*	ns	*	ns	*	4	3	6
4	Availability of employees/skills	8.52	7.60	8.10	**	ns	**	ns	0.09	2	4	3
5	State reputation/image deal w/business	6.89	7.03	8.54	**	**	ns	**	**	12	7	2
6	Availab & amount of incentives	7.53	6.99	7.80	ns	ns	ns	ns	0.05	5	9	7
7	Ease/timely permit/regul procedures	7.43	7.30	7.29	ns	ns	ns	ns	ns	6.5	5	12
8	Wage and salary levels	7.43	7.01	7.62	ns	ns	ns	ns	0.06	6.5	8	8.5
9	Utility costs	7.26	7.09	7.59	ns	ns	ns	ns	ns	8	6	10
10	Flexibility of incentives to meet needs	7.13	6.58	7.98	**	**	ns	*	**	11	12	4.5
11	Ease process qualif/receive incentives	7.15	6.64	7.62	ns	0.07	ns	ns	*	10	10	8.5
12	State/local econ dvlpmnt strategy	6.51	6.59	7.52	ns	*	ns	0.07	*	13	11	11
13	Union activity and influence	7.19	6.23	7.07	ns	ns	*	ns	0.08	9	13	13
14	Quality of life in area	6.43	5.96	6.90	*	*	ns	ns	**	14	16	14
15	Proximity to raw products/materials	6.06	6.09	6.76	ns	ns	ns	ns	0.08	16	14	16
16	Access/efforts state/local econ dvlp officials	6.00	6.06	6.80	ns	0.06	ns	ns	0.07	17	15	15
17	Cost of living & housing	6.25	5.46	6.74	**	**	*	ns	**	15	18	17
18	Presence of similar/major companies	5.96	5.65	5.68	ns	ns	ns	ns	ns	18	17	19
19	Access/prox to higher ed & research	5.58	4.63	5.85	**	*	*	ns	**	19	19	18

^a The table presents: the mean scores for each region; tests for significant differences across/between regions; and then the rank orders of the items for each region. For the tests of significance, the regional comparisons – in order – are for differences: 1) across all 3 regions; 2) between the Chicago area and downstate; 3) between the City of Chicago and the Chicago suburbs; 4) between the City of Chicago and downstate; and 5) between the Chicago suburbs and downstate. Appropriate non-parametric tests were used for these tests.

** indicates a significant difference across/between regions at the .01 level of significance; * indicates a significant differences at the .05 level; levels of significance between .05 and .10 are indicated; “ns” indicates no significant difference.

Topic II: Attractiveness of Illinois to Firms Looking to Relocate/Expand

The questions. Questions in this section asked respondents to answer with reference to their area of Illinois. Four questions were included in this section – two open-ended question and two closed-ended questions. The final closed-ended question consisted of evaluating 19 characteristics (the same as the factors asked about in the earlier question).

The open-ended questions:

Our next questions have to do with how attractive Illinois is to commercial and industrial firms looking to relocate or expand.

1. What would you say are the current strengths of your area of Illinois when it comes to attracting and competing for commercial and industrial firms that are looking to relocate or expand? Any other strengths? Any more?
2. What would you say are the current weaknesses of your area of Illinois when it comes to attracting and competing for these firms? Any other weaknesses? Any more?

The closed-ended questions:

3. Overall, using a 0 to 10 scale, we'd like to know how attractive you would say your area of Illinois currently is to commercial and industrial firms that are looking to relocate or expand.

0 represents "not attractive at all"; 10 represents "extremely attractive"; and the midpoint of 5 represents "moderately attractive"

4. And next, we'd like to know how attractive your area of Illinois is to these firms on some selected characteristics. For each characteristic, we'd like you to rate your area's attractiveness on a 0 to 10 scale – with:

0 meaning your area is "not attractive at all" to firms on the characteristic;
10 meaning your area is "extremely attractive" to firms on the characteristic;
The midpoint of 5 represents "moderately attractive."

CHARACTERISTICS TO ASK ABOUT: the same as the factors asked about in the previous question regarding important factors in site selection.

Results for open-ended questions: Strengths. When asked about what they considered to be the greatest strengths of their area, over nine in ten (94%) gave an answer.

One characteristic was identified by seven of ten of these respondents and two others were identified by about half:

Infrastructure (particularly transportation infrastructure, 69%) – 70%
Availability of employees – skills, education – 52%
Location characteristics – 48%

Next in order were:

Land/building availability, prices & characteristics (25%)

Economic development – programs and activities (14%)
Quality of life (12%)
Costs of doing business (12%)

The full results are presented in Table II-1A, where percentages are presented based on both the total number of responses and the number of respondents.

Open-ended identification of strengths by region. As seen in Table II-1B, infrastructure comments are, by far, the most frequently-mentioned strength in each of the three regions. However, there are differences across the three regions, with Chicago suburban respondents most likely to identify this as a strength and downstate respondents least likely to do so (78% for Chicago suburbs; 68% for City of Chicago; and 59% for downstate respondents).

The next two major categories of strength are also the same across the three regions – availability of employees in terms of skills and education and location-related characteristics. And for both of these areas, Chicago area respondents are slightly-to-somewhat more likely to say so compared to downstate respondents: availability of employees (54-55% for Chicago area respondents vs. 44% for downstate); and location characteristics (50-51% for Chicago area respondents vs. 44% for downstate). *Within the broader category of location characteristics*, the percent giving a general comment does not really differ much across the regions (27-34%), but suburban respondents are most likely to mention the population base of the area (15% vs. 4% for City of Chicago and 0% for downstate) and the proximity to other similar or major companies (9% vs. 0% in the other two regions) while downstate respondents are most likely to mention the proximity to higher education and research resources (15% vs. 7% for City of Chicago and 2% for Chicago suburbs).

For downstate respondents, comments relating to land/building availability, prices and characteristics (41%) takes a close fourth place. For Chicago area respondents, comments in this area are made by about half this proportion (18-20%).

Downstate respondents were also most likely to mention strengths in the following areas: quality of life in the area (28% vs. 6-7% for Chicago area respondents); economic development programs and activities (26% vs. 16% for City of Chicago respondents and 6% for Chicago suburban respondents); and costs of doing business (18% vs. 13% for Chicago suburban respondents and 4% for City of Chicago).

Results for open-ended questions: Weaknesses. And, when asked about what they considered to be **the greatest weaknesses** of their area, again over nine in ten (94%) provided an answer.

Seven in ten (70%) of these respondents mentioned items relating to the costs of doing business, with 57% mentioning state/local taxes/fees and 21% mentioning items relating to labor costs/unions. This was followed by:

- 34% who mentioned items relating to economic development or permit/regulatory processes, with 17% mentioning the ease/timeliness of permit and regulatory processes and 13% mentioning incentives
- 25% who mentioned aspects related to the state or local business/political climate and/or reputation/image
- 22% who mentioned aspects relating to infrastructure (17% for transportation here)
- 18% who mentioned aspects relating to land/building availability, prices and characteristics

The full results are presented in Table II-2A, where percentages are presented based on both the total number of responses and the number of respondents.

Open-ended identification of weaknesses by region. As seen in Table II-2B, items relating to the anticipated costs of doing business are, by far, the most frequently-mentioned weaknesses in the two Chicago regions, mentioned by about three-quarters of the respondents in both the City of Chicago (75%) and the Chicago suburbs (78%). Half (50%) of the downstate respondents make comments in this area, making it the most frequent general category of weaknesses in this region, but a proportion well below that in the Chicago area.

Within this general category of anticipated costs of doing business, the difference in the proportions between Chicago area and downstate respondents is largely a function of the difference in the proportions mentioning items relating to state and local taxes, about two-thirds in the Chicago area (66-68%) compared to just under one-third (31%) for downstate respondents. Meanwhile, items relating to labor costs and/or unions were more likely to be mentioned by downstate and Chicago suburban respondents than by City of Chicago respondents (26% and 23% vs. 14%). Here, however, Chicago suburban respondents were more likely than downstate respondents to be concerned about wages and salaries while downstate respondents were the only ones who spontaneously mentioned items relating to workmen's compensation, potential litigation costs, and/or unemployment insurance. Utility costs were more likely to be mentioned by respondents in the Chicago area – particularly in the City of Chicago – than by downstate respondents (9% for City of Chicago and 5% for Chicago suburban vs. 2% for downstate).

The next major category of weakness items in all three regions is that of economic development programs and activities, mentioned most frequently by downstate respondents and least by Chicago suburban respondents (40% for downstate, 34% for City of Chicago and 29% for Chicago suburban).

In fact, for Chicago suburban respondents, the next two categories are virtually tied with comments relating to economic development – state and local business/political climate and image (28%) and infrastructure, including congestion (26%) – followed closely by land/building availability, prices and characteristics (22%).

For City of Chicago respondents, infrastructure comments follow next (25%) followed by a tie between state/local business/political climate and image (16%) and land/building characteristics (16%).

For downstate respondents, comments relating to the state/local business/political climate and image (31%) follow next and then a near-tie between land/building characteristics (14%) and infrastructure (12%).

Analyzed by region, comments relating to the state/local business/political climate and image were most frequently made by downstate and Chicago suburban respondents (31% and 28% vs. 16% for City of Chicago), infrastructure comments were most frequently made by Chicago area respondents (25-26% vs. 12% for downstate), and comments relating to land/building characteristics were somewhat more frequently made by Chicago suburban respondents (22% vs. 14-16% in the other two regions).

Table II-1A
Greatest Strengths of Area for Attracting
Firms Looking to Relocate or Expand
(442 coded responses from 150 respondents; 94% of all respondents)

Characteristics	Percent of Responses	Percent of Respondents
Infrastructure (total)	34%	70%
<i>Transportation infrastructure</i>	34%	69%
Availability of employees – skills, education	19%	52%
Location characteristics (including population)	19%	48%
<i>Location – general / central</i>	10%	29%
<i>Population base</i>	3%	8%
<i>Access / proximity to higher educ & research</i>	2%	7%
<i>Proximity to other similar, major companies</i>	1%	4%
<i>Proximity to market, buyers, clients</i>	1%	3%
<i>Access/proximity to raw materials</i>	1%	2%
Land/building availability, prices & characteristics	9%	25%
Economic development – programs & activities	5%	14%
<i>Incentives – amount, availability & qualify</i>	4%	11%
<i>State/local econ development strategy & efforts</i>	1%	4%
Quality of life in area	5%	12%

Costs of doing business – total	5%	12%
<i>State & local taxes / fees</i>	2%	7%
<i>Labor costs</i>	2%	4%
<i>Utilities</i>	0 ⁺ %	1%
Economy – nature of	2%	5%
Cost of living / housing	2%	5%
State political climate	0 ⁺ %	2%
Other	0 ⁺ %	1%

**Table II-1B
Greatest Strengths of Area, by Region**

Characteristics	Total	City of Chicago	Chicago Suburbs	Down-state
Infrastructure (total)	70%	68%	78%	59%
<i>Transportation infrastructure</i>	69%	68%	76%	59%
Availability of employees – skills, education	52%	54%	55%	44%
Location chars (incl population)	48%	50%	51%	44%
<i>Location – general / central</i>	29%	34%	27%	28%
<i>Population base</i>	8%	4%	15%	0%
<i>Access / proximity to higher educ & research</i>	7%	7%	2%	15%
<i>Proximity to other similar, major companies</i>	4%	0%	9%	0%
<i>Proximity to market, buyers, clients</i>	3%	4%	3%	3%
<i>Access/proximity to raw materials</i>	2%	2%	2%	3%
Land/building availab, prices & characterisitcs	25%	20%	18%	41%
Economic development – programs & activities	14%	16%	6%	26%
<i>Incentives – amount, avail, qualify</i>	11%	16%	4%	15%
<i>State/local econ development strategy & efforts</i>	4%	0%	3%	10%
Quality of life in area	12%	7%	6%	28%
Costs of doing business – total	12%	4%	13%	18%
<i>State & local taxes / fees</i>	7%	4%	10%	3%
<i>Labor costs</i>	4%	0%	2%	13%
<i>Utilities</i>	1%	0%	2%	3%
Economy – nature of	5%	7%	3%	8%
Cost of living / housing	5%	0%	4%	10%
State political climate	2%	4%	2%	0%
Other	1%	2%	0%	0%
<i>n of respondents</i>	150	44	67	39

Table II-2A
Greatest Weaknesses of Area for Attracting
Firms Looking to Relocate or Expand
(363 coded responses from 151 respondents; 94% of all respondents)

Factor	Percent of Responses	Percent of Respondents
Costs of doing business – total	44%	70%
<i>State & local taxes / fees</i>	29%	57%
<i>Labor costs & unions</i>	10%	21%
<i>Wages and salaries</i>	4%	11%
<i>Unions</i>	4%	10%
<i>Costs of doing business – general & misc.</i>	3%	7%
<i>Utilities</i>	2%	5%
Economic development – programs & activities	18%	34%
<i>Ease / timeliness permits, regulations</i>	9%	17%
<i>Incentives – amount, availability, qualify</i>	6%	13%
<i>Access to / efforts of govt officials</i>	2%	6%
State & local business / political climate & image	11%	25%
State/govt political climate	6%	15%
Reputation/image of state regarding business	4%	9%
Specifically local political climate / leadership	2%	4%
Infrastructure (total)	11%	22%
<i>Transportation infrastructure, congestion</i>	9%	17%
<i>Infrastructure – general, misc.</i>	3%	7%
Land/building availability, prices & characteristics	7%	18%
Economy – general nature of, atmosphere	2%	5%
Cost of living / housing	2%	4%
Availability of employees – skills, education	1%	3%
Location – general, miscellaneous	1%	2%
Quality of life in area	0 ⁺ %	1%
Other	1%	3%

**Table II-2B
Greatest Weaknesses of Area, by Region**

Factor	Total	City of Chicago	Chicago Suburbs	Down-state
Costs of doing business – total	70%	75%	78%	50%
<i>State & local taxes / fees</i>	57%	68%	66%	31%
<i>Labor costs & unions</i>	21%	14%	23%	26%
<i>Wages and salaries</i>	11%	9%	15%	5%
<i>Unions</i>	10%	7%	11%	12%
<i>Workmen’s comp; unempl insur; litigation</i>	4%	0%	0%	14%
<i>Costs of doing business– gen, misc</i>	7%	4%	8%	10%
<i>Utilities</i>	5%	9%	5%	2%
Economic development – programs & activities	34%	34%	29%	40%
<i>Ease / timeliness permits, reguls</i>	17%	11%	22%	17%
<i>Incentives – amount, avail, qualify</i>	13%	20%	8%	14%
<i>Access to / efforts of govt officials</i>	6%	4%	5%	10%
State & local business / political climate & image	25%	16%	28%	31%
<i>State/govt political climate</i>	15%	7%	20%	17%
<i>Reputation/image of state in how treat business</i>	9%	11%	6%	12%
<i>Specifically local pol climate / leadership</i>	4%	2%	5%	5%
Infrastructure (total)	22%	25%	26%	12%
<i>Transp infrastr, congestion</i>	17%	16%	22%	10%
<i>Infrastructure – general, misc.</i>	7%	9%	8%	2%
Land/building availab, prices & characteristics	18%	16%	22%	14%
Economy – general nature of, atmosphere	5%	2%	2%	7%
Cost of living / housing	4%	4%	6%	10%
Availability of employees – skills, education	3%	2%	0%	7%
Location – general, miscellaneous	2%	0%	0%	7%
Quality of life in area	1%	2%	0%	0%
Other	3%	2%	5%	0%
<i>n of respondents</i>	151	44	65	42

Results for overall rating (closed-ended scale question). When asked to rate the attractiveness of their area of Illinois to firms looking to relocate/expand on a 0-to-10 scale (with 0 representing “not attractive at all” and 10 “extremely attractive”), the average respondent rating was 6.77 – a rating that is somewhat less than midway between “moderately attractive” (5.00) and “extremely attractive” (10.00). Just over one-third (35%) gave a rating of 8, 9 or 10; about four in ten (41%) gave a rating of either 6 or 7; one in six (17%) gave the “moderately attractive” of 5; and only 7% gave a rating less than 5. The full results for the statewide distribution are found at the top of Table II-3.

On this overall attractiveness question, City of Chicago respondents were most positive (7.19) followed by Chicago suburban respondents (6.75) and then downstate respondents (6.33).

Results for closed-ended scale questions about characteristics. Respondents were asked to rate their area of Illinois in terms of attractiveness to firms looking to relocate/expand on 19 selected characteristics (the same as the site selection importance factors asked earlier). Respondents used a 0-to-10 rating scale (with 0 representing “not attractive at all” and 10 “extremely attractive”). Four characteristics (in two “tiers”)⁸ were rated as most attractive:

- Transportation infrastructure (mean = 7.93)
- Quality of life in area (mean = 7.39)
- Availability of employees/skills (mean = 7.34)
- Access/proximity to higher education, research (mean = 7.23)

The next two “tiers” consisted of:

- Presence of similar/major companies (mean = 6.60)
- Proximity to raw products/materials (mean = 6.57)
- Wage and salary levels (mean = 6.38)
- Land/building prices/supply (mean = 6.19)
- Cost of living and housing (6.07)

Utility costs came next (5.62).

Lastly here, there followed a “tier” of nine items, all with means hovering around the scale midpoint, ranging from a low of 4.66 (for state and local taxes) to a high of 5.22. Virtually all of the items in this tier relate to various aspects of state and local public policy and its implementation (including efforts and strategy of economic development officials, permit/regulatory procedures, incentive-related aspects, the state’s reputation/image in dealing with business, and union influence.) The full results are presented in Table II-3.

Regional comparisons. *Differences across regions for attractiveness ratings of characteristics.* Significant differences across the three regions are found on 12 of the 19 ratings. On 11 of these 12, downstate respondents give the most positive ratings, with City of Chicago respondents having the next most positive mean rating on all of these items. On two items –

⁸ See the footnote at the bottom of Table II-2 for the explanation of “tiers.”

wage and salary levels; and ease/timeliness of permit and regulatory procedures – the mean rating for City of Chicago respondents is just slightly less than that for downstate respondents.

For the characteristics of “presence of similar/major companies,” Chicago area respondents have significantly higher mean scores than do downstate respondents.

Comparison of rank orders of the characteristics across regions. Overall, there is a great deal of similarity in the rank orders of the characteristics between the City of Chicago and suburban respondents – and a good deal of similarity in the rank orders between these respondents and those downstate.⁹

However, four factors stand out as those where differences in this rank order are most readily apparent. On two of these, the downstate attractiveness rank order is much lower than that for Chicago area respondents:

Presence of other/similar companies: the downstate attractiveness rank is 13th compared to 4th for the Chicago suburbs and 5th for the City of Chicago respondents.

The state’s reputation/image in dealing with business: the downstate attractiveness rank is 19th (last) compared to 13th (or tied for this) for the Chicago area respondents.

And on the other two of these, the downstate attractiveness rank order is higher than that for Chicago area respondents:

Flexibility of incentives to meet needs: the downstate attractiveness rank is 10th compared to being tied for 17th for the City of Chicago and tied for 18th for Chicago suburban respondents.

Cost of living and housing: the downstate attractiveness rank is 3rd compared to being 9th (or tied for this) Chicago area respondents.

The regional mean ratings and rank orders are presented in Table II-4.

⁹ The Spearman’s rank order correlation of the characteristics between City of Chicago and Chicago suburban respondents is .942; between City of Chicago and downstate respondents .761; and between Chicago suburban and downstate respondents .720.

Table II-3
Attractiveness of Your Area of Illinois to Firms Looking to Relocate or Expand
(ordered by mean rating)

Order		Mean	10-9	8	7	6	5	4	3	2	1-0	n
	Overall attractiveness	6.77	14.6%	20.3%	27.8%	13.3%	17.1%	2.5%	0.6%	1.9%	1.9%	158
	Attractiveness of Characteristics											
	<i>Tier One</i> ^a											
1	Transportation infrastructure	7.93	41.4%	26.3%	14.5%	5.3%	8.6%	2.0%	1.3%	0.7%	0.0%	152
2	Quality of life in area	7.39	22.9%	28.1%	29.4%	5.9%	7.8%	3.9%	0.7%	0.7%	0.7%	153
3	Availability of employees/skills	7.34	20.0%	32.3%	23.2%	11.6%	7.1%	4.5%	1.3%	0.0%	0.0%	155
4	Access/prox to higher ed & research	7.23	24.2%	24.8%	19.5%	10.1%	16.1%	4.7%	0.7%	0.0%	0.0%	149
	<i>Tier Two</i>											
5	Presence of similar/major companies	6.60	13.2%	22.9%	21.5%	11.8%	20.1%	6.2%	0.7%	1.4%	2.1%	144
6	Proximity to raw products/materials	6.57	11.3%	20.7%	25.3%	12.7%	20.0%	3.3%	4.7%	1.3%	0.7%	150
	<i>Tier Three</i>											
7	Wage and salary levels	6.38	6.2%	18.6%	33.8%	11.0%	17.2%	6.2%	4.1%	2.8%	0.0%	154
8	Land & building prices / supply	6.19	10.5%	22.4%	15.8%	13.2%	17.1%	7.9%	7.9%	4.6%	0.7%	152
9	Cost of living & housing	6.07	11.9%	15.2%	18.5%	12.6%	21.9%	6.6%	7.9%	4.0%	1.4%	151
	<i>Tier Four</i>											
10	Utility costs	5.62	7.6%	9.7%	19.4%	16.0%	22.9%	9.7%	6.9%	2.8%	4.9%	155
11	Access/efforts state/local econ dvlp officials	5.22	2.8%	9.1%	19.6%	12.6%	26.6%	9.1%	9.1%	7.0%	4.2%	143
12	State/local econ dvlpmnt strategy	5.20	2.7%	7.5%	17.7%	16.3%	24.5%	13.6%	9.5%	3.4%	4.8%	147
13	Ease/timely permit/regul procedures	5.06	3.4%	4.1%	16.9%	18.2%	26.4%	10.1%	8.1%	7.4%	5.4%	148
14	Availab & amount of incentives	4.93	1.4%	9.0%	18.1%	13.9%	21.5%	9.7%	10.4%	8.3%	7.7%	144
15	Flexibility of incentives to meet needs	4.80	2.8%	5.6%	10.6%	16.9%	26.8%	14.1%	8.5%	8.5%	6.3%	142
16	State reputation/image deal w/business	4.78	4.7%	4.7%	14.1%	12.8%	24.8%	11.4%	10.1%	8.1%	9.4%	149
17	Union activity and influence	4.77	4.9%	6.3%	12.0%	8.5%	26.1%	13.4%	12.0%	9.9%	7.0%	152
18	Ease process qualif/receive incentives	4.74	1.4%	5.7%	16.4%	12.9%	24.3%	8.6%	16.4%	7.9%	6.4%	140
19	State and local taxes	4.66	9.5%	11.5%	8.1%	8.1%	9.5%	14.9%	14.2%	11.5%	12.8%	158

^a There are statistically-significant differences between the ratings in different groups of tiers. Within Tier Four (with 9 items), there are statistically-significant differences between ratings at the top and bottom portions of this tier.

Table II-4^a
Attractiveness of Your Area on Characteristics: Average Ratings and Rank Orders
by Geographic Location of Respondents

Order for all Resps	Factor	Chicago	Suburbs	Down-state	3-categ signif	ChA Dwnst	City Subs	City Dwnst	Subs Dwnst	Chicago Order	Subs Order	Dwnst Order
	Overall Attractiveness	7.19	6.75	6.33	*	*	ns	**	0.05			
1	Transportation infrastructure	7.84	8.28	7.45	ns	*	ns	ns	*	1	1	4
2	Quality of life in area	7.42	7.09	7.88	*	*	ns	ns	**	3	3	1.5
3	Availability of employees/skills	7.50	7.41	7.03	ns	ns	ns	ns	ns	2	2	5
4	Access/prox to higher ed & research	7.11	6.91	7.88	*	**	ns	*	**	4	5	1.5
5	Presence of similar/major companies	6.86	7.03	5.64	**	**	ns	**	**	5	4	13
6	Proximity to raw products/materials	6.63	6.72	6.25	ns	ns	ns	ns	ns	7	6	8
7	Wage and salary levels	6.68	5.98	6.72	*	ns	*	ns	*	6	7	7
8	Land & building prices / supply	6.30	5.74	6.85	*	*	ns	ns	**	8	8	6
9	Cost of living & housing	5.84	5.22	7.75	**	**	*	**	**	9	9.5	3
10	Utility costs	5.70	5.22	6.21	*	*	ns	ns	*	10	9.5	9
11	Access/efforts state/local econ dvlp officials	5.38	4.86	5.65	ns	ns	ns	ns	0.06	13.5	11	12
12	State/local econ dvlpmnt strategy	5.48	4.79	5.61	*	ns	*	ns	*	12	12	14
13	Ease/timely permit/regul procedures	5.49	4.47	5.59	*	0.06	*	ns	**	11	15	15
14	Availab & amount of incentives	5.09	4.37	5.66	*	*	0.09	ns	**	16	16	11
15	Flexibility of incentives to meet needs	5.00	4.08	5.84	**	**	*	ns	**	17.5	18.5	10
16	State reputation/image deal w/business	5.38	4.62	4.41	ns	ns	0.07	*	ns	13.5	13	19
17	Union activity and influence	4.50	4.60	5.31	ns	ns	ns	ns	ns	19	14	17
18	Ease process qualif/receive incentives	5.12	4.08	5.46	**	*	*	ns	**	15	18.5	16
19	State and local taxes	5.00	4.21	5.03	ns	ns	ns	ns	0.06	17.5	17	18

^a The table presents: the mean scores for each region; tests for significant differences across/between regions; and then the rank orders of the items for each region. For the tests of significance, the regional comparisons – in order – are for differences: 1) across all 3 regions; 2) between the Chicago area and downstate; 3) between the City of Chicago and the Chicago suburbs; 4) between the City of Chicago and downstate; and 5) between the Chicago suburbs and downstate. Appropriate non-parametric tests were used for these tests.

** indicates a significant difference across/between regions at the .01 level of significance; * indicates a significant differences at the .05 level; levels of significance between .05 and .10 are indicated; “ns” indicates no significant difference.

Topic I / II: The Attractiveness - Importance Rating Gaps

The difference between the Attractiveness and Importance ratings can serve as a relative measure of the factors/characteristics where attention is needed, according to these real estate professionals (relative to other characteristics/factors). Negative scores indicate characteristics where the attractiveness ratings are below the importance ratings.¹⁰

The largest gap between the attractiveness and importance ratings occurs for:

State and local taxes (gap = -3.68 ; ranked 19th in attractiveness, 2nd for importance)

This is followed by five factors/characteristics where the negative magnitude of the gap is greater than -2.25 :

State reputation/image regarding business (gap = -2.61 ; ranked 16th in attractiveness, 5th for importance)

Availability and amount of incentives (gap = -2.43 ; ranked 14th in attractiveness, 6th for importance)

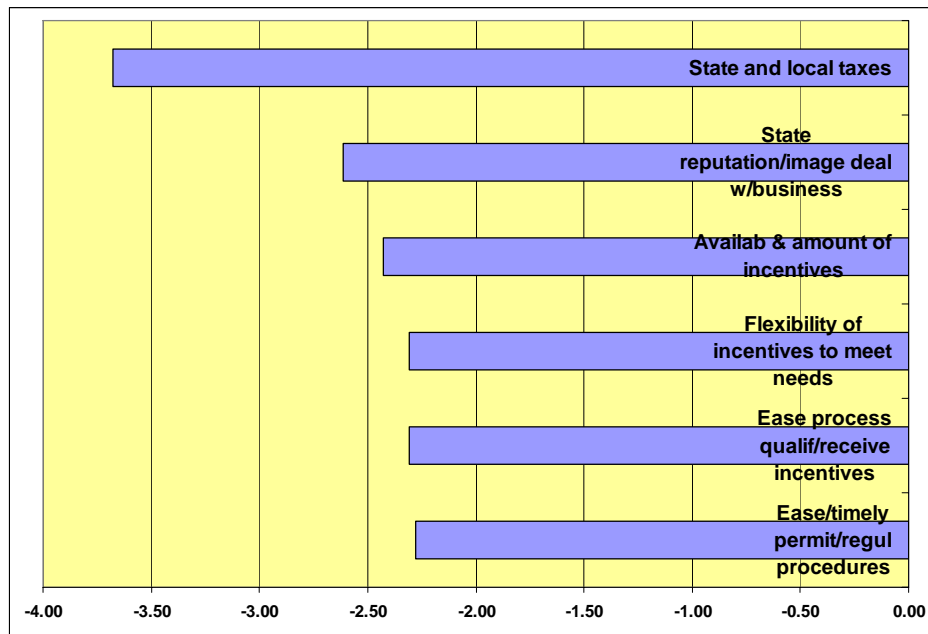
Flexibility of incentives to meet needs (gap = -2.31 ; ranked 15th in attractiveness, 10th for importance)

Ease of process to qualify/receive incentives (gap = -2.31 ; ranked 18th in attractiveness, 11th for importance)

Ease/timeliness of permit/regulatory procedures (gap = -2.28 ; ranked 13th in attractiveness, 7th for importance)

These factors/characteristics are depicted in the figure below (Figure I / II-1).

Figure I / II-1
Factors / Characteristics with Largest Attractiveness - Importance Gaps



¹⁰ There is virtually no relationship between the mean scores of the respective factors and characteristics (-0.07).

And, these are followed by four factors/characteristics where the negative magnitude of the gap is greater than -1.50. However, for the third and fourth items below, note that the Attractiveness and Importance rank orders are similar or identical.

Union activity and influence (gap = -1.98; ranked 13th in attractiveness, 17th for importance)

Land and building prices/ supply (gap = -1.84; ranked 3rd in attractiveness, 8th for importance)

Utility costs (gap = -1.65; ranked 9th in attractiveness, 10th for importance)

State/local economic development strategy (gap = -1.60; ranked 12th in attractiveness, 12th for importance)

The results for all 19 factors/characteristics are presented in Table I/II-1, in order of the difference gap between the attractiveness and importance mean ratings.

Table I / II-1
Importance and Attractiveness of Factors / Characteristics:
Ratings and Rankings

Factors / Characteristics	Importance	Attractiveness	Diff*	Imp Order	Attr Order	Diff*
State and local taxes	8.34	4.66	-3.68	2	19	-17
State reputation/image deal w/business	7.39	4.78	-2.61	5	16	-11
Availab & amount of incentives	7.36	4.93	-2.43	6	14	-8
Flexibility of incentives to meet needs	7.11	4.80	-2.31	10	15	-5
Ease process qualif/receive incentives	7.05	4.74	-2.31	11	18	-7
Ease/timely permit/regul procedures	7.34	5.06	-2.28	7	13	-6
Union activity and influence	6.75	4.77	-1.98	13	17	-4
Land & building prices / supply	8.03	6.19	-1.84	3	8	-5
Utility costs	7.27	5.62	-1.65	9	10	-1
State/local econ dvlpmnt strategy	6.80	5.20	-1.60	12	12	0
Access/efforts state/local econ dvlp officials	6.24	5.22	-1.02	16	11	5
Wage and salary levels	7.30	6.38	-0.92	8	7	1
Transportation infrastructure	8.82	7.93	-0.89	1	1	0
Availability of employees/skills	8.00	7.34	-0.66	4	3	1
Cost of living & housing	6.04	6.07	0.03	17	9	8
Proximity to raw products/materials	6.26	6.57	0.31	15	6	9
Presence of similar/major companies	5.75	6.60	0.85	18	5	13
Quality of life in area	6.35	7.39	1.04	14	2	12
Access/prox to higher ed & research	5.24	7.23	1.99	19	4	15

*The difference between the mean scores was calculated by subtracting the Importance mean from the Attractiveness mean. The difference between the rank orders was calculated by subtracting the Attractiveness order from the Importance order. In each case, the result is that negative numbers represent factors/characteristics where the attractiveness rating/ranking is less positive than the importance rating/ranking, while the reverse is true for positive differences.

Gap analysis results by region. The results of this gap analysis for each of the three regions is presented in Table I / II-2, where the results are ordered by the gap results for all respondents.

Table I / II-2
Attractiveness / Importance Gap Analysis by Region,
Ordered by the Total Gap Scores

Factor / Characteristic	*	Total	City of Chicago	Chicago Suburbs	Downstate
State and local taxes	H	-3.68	-3.51	-4.23	-2.95
State reputation/image deal w/business	Q	-2.61	-1.51	-2.41	-4.13
Availab & amount of incentives	L	-2.43	-2.44	-2.62	-2.14
Ease process qualif/receive incentives	M	-2.31	-2.03	-2.56	-2.16
Flexibility of incentives to meet needs	N	-2.31	-2.13	-2.50	-2.14
Ease/timely permit/regul procedures	K	-2.28	-1.94	-2.83	-1.70
Union activity and influence	C	-1.98	-2.69	-1.63	-1.76
Land & building prices / supply	I	-1.84	-1.35	-2.67	-1.01
Utility costs	G	-1.65	-1.56	-1.87	-1.38
State/local econ dvlpmnt strategy	R	-1.60	-1.03	-1.80	-1.91
Access/efforts state/local econ dvlpmnt officials	S	-1.02	-0.62	-1.20	-1.15
Wage and salary levels	B	-0.92	-0.75	-1.03	-0.90
Transportation infrastructure	F	-0.89	-1.06	-0.58	-1.21
Availability of employees/skills	A	-0.66	-1.02	-0.19	-1.07
Cost of living & housing	P	0.03	-0.41	-0.24	1.01
Proximity to raw products/materials	D	0.31	0.57	0.63	-0.51
Presence of similar/major companies	E	0.85	0.90	1.38	-0.04
Quality of life in area	O	1.04	0.99	1.13	0.98
Access/prox to higher ed & research	J	1.99	1.53	2.28	2.03

*This column contains the letter which labels the item on pp. 7-8 of the report. See these pages for the actual wording of the factor/characteristic.

There are high correlations, both for the magnitude of the gaps and for the rank order of the gaps, across the three regions.¹¹ Yet, there are some differences as well. For both the City of Chicago and Chicago suburban respondents, the factor/characteristic with by far the largest negative gap score is state and local taxes (-3.51 for City of Chicago; -4.23 for Chicago suburbs). However, for downstate respondents, the factor/characteristic with by far the largest negative gap score is the state's reputation/image in how it deals with business (-4.13), followed by state and local taxes (-2.95).

¹¹ For the gap magnitudes, the correlation between the City of Chicago and Chicago suburban scores is .93 while that between the City of Chicago and downstate scores is .84. The correlation between the Chicago suburban and downstate scores is .81. For the rank orders, the correlation between the City of Chicago and Chicago suburban ranks is .86 while that between the City of Chicago and downstate ranks is a similar .87. Here, the correlation between the Chicago suburban and downstate ranks is .79.

For City of Chicago respondents, union activity and influence has the second largest negative gap score (-2.69), followed by the three items relating to incentives (availability and amount at -2.44; flexibility at -2.13; and ease of the process at -2.03) and then ease/timeliness of permit and regulatory procedures (-1.94) rounds out the top six. Next in order are utility costs (-1.56) and the state's reputation/image in how it deals with business (-1.51). (See Table I/II-3A below.)

Table I / II-3A: Attractiveness / Importance Gap Analysis by Region, Ordered by the Gap Scores for City of Chicago

Factor / Characteristic	*	Total	City of Chicago	Chicago Suburbs	Downstate
State and local taxes	H	-3.68	-3.51	-4.23	-2.95
Union activity and influence	C	-1.98	-2.69	-1.63	-1.76
Availab & amount of incentives	L	-2.43	-2.44	-2.62	-2.14
Flexibility of incentives to meet needs	N	-2.31	-2.13	-2.50	-2.14
Ease process qualif/receive incentives	M	-2.31	-2.03	-2.56	-2.16
Ease/timely permit/regul procedures	K	-2.28	-1.94	-2.83	-1.70
Utility costs	G	-1.65	-1.56	-1.87	-1.38
State reputation/image deal w/business	Q	-2.61	-1.51	-2.41	-4.13
Land & building prices / supply	I	-1.84	-1.35	-2.67	-1.01
Transportation infrastructure	F	-0.89	-1.06	-0.58	-1.21
State/local econ dvlpmnt strategy	R	-1.60	-1.03	-1.80	-1.91
Availability of employees/skills	A	-0.66	-1.02	-0.19	-1.07
Wage and salary levels	B	-0.92	-0.75	-1.03	-0.90
Access/efforts state/local econ dvlpmnt officials	S	-1.02	-0.62	-1.20	-1.15
Cost of living & housing	P	0.03	-0.41	-0.24	1.01
Proximity to raw products/materials	D	0.31	0.57	0.63	-0.51
Presence of similar/major companies	E	0.85	0.90	1.38	-0.04
Quality of life in area	O	1.04	0.99	1.13	0.98
Access/prox to higher ed & research	J	1.99	1.53	2.28	2.03

*This column contains the letter which labels the item on pp. 7-8 of the report. See these pages for the actual wording of the factor/characteristic.

For Chicago suburban respondents, ease/timeliness of permit and regulatory procedures has the second largest negative gap score (-2.83) followed by land and building prices and supply (-2.67), and then the three items relating to incentives (availability and amount at -2.62; ease of the process at -2.56; and flexibility at -2.50). Following quite closely and rounding out the top seven here is the state's reputation/image in how it deals with business (-2.41). Next in order are: utility costs (-1.87), state and local economic development strategy (-1.80), and union activity and influence (-1.63). (See Table I/II-3B below.)

For downstate respondents, the three items relating to incentives follow state and local taxes (all in the range of -2.14 to -2.16), and state and local economic development strategy rounds out the top six (-1.91). Next in order are: union activity and influence (-1.76) and ease/timeliness of permit and regulatory procedures (-1.70). (See Table I/II-3C below.)

**Table I / II-3B: Attractiveness / Importance Gap Analysis by Region,
Ordered by the Gap Scores for Chicago Suburbs**

Factor / Characteristic	*	Total	City of Chicago	Chicago Suburbs	Downstate
State and local taxes	H	-3.68	-3.51	-4.23	-2.95
Ease/timely permit/regul procedures	K	-2.28	-1.94	-2.83	-1.70
Land & building prices / supply	I	-1.84	-1.35	-2.67	-1.01
Availab & amount of incentives	L	-2.43	-2.44	-2.62	-2.14
Ease process qualif/receive incentives	M	-2.31	-2.03	-2.56	-2.16
Flexibility of incentives to meet needs	N	-2.31	-2.13	-2.50	-2.14
State reputation/image deal w/business	Q	-2.61	-1.51	-2.41	-4.13
Utility costs	G	-1.65	-1.56	-1.87	-1.38
State/local econ dvlpmnt strategy	R	-1.60	-1.03	-1.80	-1.91
Union activity and influence	C	-1.98	-2.69	-1.63	-1.76
Access/efforts state/local econ dvlpmnt officials	S	-1.02	-0.62	-1.20	-1.15
Wage and salary levels	B	-0.92	-0.75	-1.03	-0.90
Transportation infrastructure	F	-0.89	-1.06	-0.58	-1.21
Cost of living & housing	P	0.03	-0.41	-0.24	1.01
Availability of employees/skills	A	-0.66	-1.02	-0.19	-1.07
Proximity to raw products/materials	D	0.31	0.57	0.63	-0.51
Quality of life in area	O	1.04	0.99	1.13	0.98
Presence of similar/major companies	E	0.85	0.90	1.38	-0.04
Access/prox to higher ed & research	J	1.99	1.53	2.28	2.03

**Table I / II-3C: Attractiveness / Importance Gap Analysis by Region,
Ordered by the Gap Scores for Downstate**

Factor / Characteristic	*	Total	City of Chicago	Chicago Suburbs	Downstate
State reputation/image deal w/business	Q	-2.61	-1.51	-2.41	-4.13
State and local taxes	H	-3.68	-3.51	-4.23	-2.95
Ease process qualif/receive incentives	M	-2.31	-2.03	-2.56	-2.16
Availab & amount of incentives	L	-2.43	-2.44	-2.62	-2.14
Flexibility of incentives to meet needs	N	-2.31	-2.13	-2.50	-2.14
State/local econ dvlpmnt strategy	R	-1.60	-1.03	-1.80	-1.91
Union activity and influence	C	-1.98	-2.69	-1.63	-1.76
Ease/timely permit/regul procedures	K	-2.28	-1.94	-2.83	-1.70
Utility costs	G	-1.65	-1.56	-1.87	-1.38
Transportation infrastructure	F	-0.89	-1.06	-0.58	-1.21
Access/efforts state/local econ dvlpmnt officials	S	-1.02	-0.62	-1.20	-1.15
Availability of employees/skills	A	-0.66	-1.02	-0.19	-1.07
Land & building prices / supply	I	-1.84	-1.35	-2.67	-1.01
Wage and salary levels	B	-0.92	-0.75	-1.03	-0.90
Proximity to raw products/materials	D	0.31	0.57	0.63	-0.51
Presence of similar/major companies	E	0.85	0.90	1.38	-0.04
Quality of life in area	O	1.04	0.99	1.13	0.98
Cost of living & housing	P	0.03	-0.41	-0.24	1.01
Access/prox to higher ed & research	J	1.99	1.53	2.28	2.03

Topic III: Major Competition

The questions. Questions in this section asked respondents to identify their area(s) of major competition and what makes these areas particularly attractive. Both were open-ended questions.

The open-ended questions:

Our next questions ask about the geographic locations of your major competition and how Illinois can be made more competitive.

1. A. In terms of attracting and retaining commercial and industrial firms, what would you say are the geographic areas that are your major competition? That is, would this be other parts of Illinois, other states in the Midwest, other areas or states in the country, or countries in other parts of the world?

IF NEEDED: And could you tell me which area(s), states or countries?

- B. And, what makes them particularly attractive to commercial and industrial firms?

Results for major competition locations. Just over nine in ten (91%) interviewees gave an answer to this question. *Of these*, over half (53%) identified a neighboring state as their major competition while nearly three in ten (28%) identified another area in Illinois and nearly one in five identified another Midwestern state (18%). About one in ten (9%) identified a location in the South. Only one in twenty (5%) identified an other country. The full results are presented in Table III-1.

Results for what makes these areas attractive. When asked about the attractiveness of these locations, nearly nine in ten (88%) interviewees gave an answer. *Of these*, six in ten (59%) mentioned an item relating to the costs of doing business – with 36% mentioning state/local taxes/fees and another 24% mentioning the costs of labor and union influence (17% wages, salaries & insurance; 9% unions). Utility costs were mentioned by 13%.

About one in five mentioned each of the following:

- Incentives – amount, availability and qualifications (22%)
- Land/building availability, prices and characteristics (21%)
- Transportation infrastructure (20%)
- Location characteristics (19%).

The full results are presented in Table III-2, where the percentages are presented both based on the total number of responses as well as the number of respondents.

Table III-1
Areas that are Major Competition
(248 coded responses from 144 respondents; 91% of all respondents)

Locations	Percent of Responses	Percent of Respondents
Within Illinois	18%	30%
<i>Chicago / Chicago area</i>	<i>11%</i>	<i>19%</i>
<i>Other Illinois</i>	<i>6%</i>	<i>10%</i>
Neighboring states	46%	53%
<i>Indiana</i>	<i>18%</i>	<i>32%</i>
<i>Wisconsin</i>	<i>14%</i>	<i>24%</i>
<i>Missouri (and St. Louis area)</i>	<i>8%</i>	<i>14%</i>
<i>Kentucky</i>	<i>2%</i>	<i>4%</i>
<i>Iowa</i>	<i>2%</i>	<i>4%</i>
Other Midwest states	11%	18%
USA -- South	9%	11%
USA – West	3%	4%
USA – East / Middle Atlantic	2%	3%
USA – other / metropolitan areas	5%	9%
Other countries	4%	5%

Table III-2
What Makes Major Competitors Attractive?
(333 coded responses from 140 respondents; 88% of all respondents)

Factor	Percent of Responses	Percent of Respondents
Costs of doing business – total	38%	59%
<i>State & local taxes / fees</i>	16%	36%
<i>Labor costs & unions</i>	11%	24%
<i>Wages, salaries and insurance</i>	8%	17%
<i>Unions</i>	4%	9%
<i>Utilities</i>	5%	13%
<i>Costs of doing business – general & misc.</i>	5%	12%
Economic development, permits & regulations	14%	29%
<i>Incentives – amount, availability, qualify</i>	9%	22%
<i>Access to / efforts of govt officials</i>	2%	5%
<i>Ease / timeliness permits, regulations</i>	2%	4%
<i>State / local economic development strategy</i>	1%	2%
Infrastructure (total)	13%	26%
<i>Transportation infrastructure, congestion</i>	10%	20%
<i>Infrastructure – general, misc.</i>	3%	7%
Land/building availability, prices & characteristics	10%	21%
Location characteristics (including population)	10%	19%
Location – general, central	4%	9%
Location – population base	3%	8%
Proximity to similar, major companies	2%	3%
Availability of employees – skills, education	5%	13%
State & local business / political climate & image	4%	9%
Quality of life	2%	6%
Cost of living / housing	2%	4%
Other	2%	4%

Topic IV: Recent Experience of Loss of Firms to a Location Outside of Illinois

The questions. The section began by asking respondents the following question:

In the last 5 years, have you experienced any companies that inquired about your area in Illinois and then chose a location outside of Illinois?

Those who indicated they had such an experience were then asked the following questions:

- A. About how many times has this happened in the last 5 years? Would you say once, 2 or 3 times, or more than 3 times?
- B. How many of these firms already had locations in Illinois? Would you say: all of them; some of them; or none of them?
- C. Thinking of the most recent one or two times this has happened, do you know why these firms went to a location outside of Illinois? (IF NEEDED: Could you tell me about their reasons for going elsewhere?)
- D. Could anything have been done – or done differently – that would have increased the chances these companies would have selected a site in Illinois?
- E. Where did the companies eventually go?

Results regarding incidence of this experience. Seven of ten (71%) respondents indicated that, in the past 5 years, they have experienced a firm which inquired about a site and then chose a location outside of Illinois. Over one-quarter (27%) indicated this had happened 1 to 3 times while four in ten (41%) indicated it had happened more than 3 times. (See Figure IV-1.) The vast majority of these firms already had locations in Illinois (see Figure IV-2), a finding less apparent downstate than in the Chicago area.

Figure IV-1
Incidence of Firms Inquiring about a Site
and then Choosing a Location Outside of Illinois
in Past Five Years

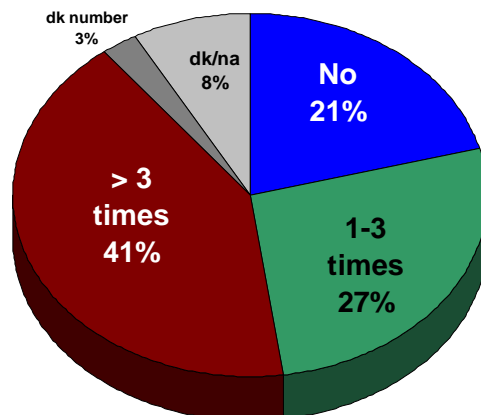
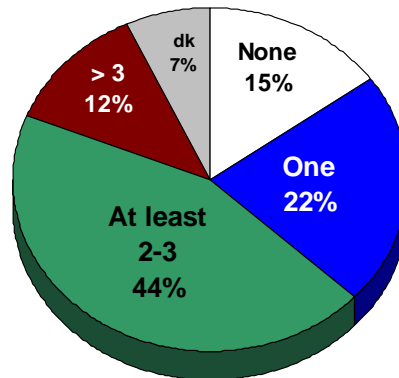


Figure IV-2
Of Firms Choosing a Site Outside of Illinois,
Incidence of Having a Site within Illinois



Results for the reasons these firms chose a site outside Illinois. Somewhat more than half (53%) of the interviewees had a relevant experience and gave an answer to this question. Of these, nearly two-thirds (65%) indicated the reasons these firms chose a site outside of Illinois were due to factors relating to the costs of doing business – with 32% mentioning state/local taxes/fees and nearly as many mentioning labor costs and unions (29%; 21% for wages, salaries and insurance, and 12% for unions). Four in ten (40%) mentioned items relating to incentives, and half as many (20%) mentioned land/building availability, prices and characteristics. The full results are presented in Table IV-2, where percentages are based both on the total number of responses as well as the number of respondents.

Results for whether and what (else) could have been done. Almost six in ten (58%) of the relevant respondents said that something (else) could have been done to increase the chance the firms would have selected a site in Illinois, a proportion higher among downstate respondents (79%) than among those in the Chicago area (52%). (See Figure IV-3.)

When these respondents¹² were asked what (else) could have been done, just over half (52%) indicated an item relating to incentives, with:

- 42% mentioning incentives in general (or miscellaneous)
- 12% mentioning ease to qualify / flexibility in incentives
- 9% tax abatements

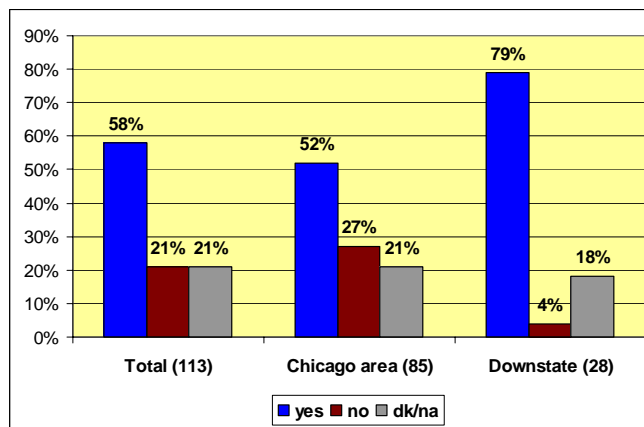
One in five (20%) mentioned:

- Economic development strategy and efforts (14% for access to/efforts of officials; 9% for state/local economic development strategy)
- State/local taxes and fees (excluding tax abatements)

¹² Relevant respondents here who gave an answer are approximately 40% of all interviewees.

The full results are presented in Table IV-3, where percentages are based both on the total number of responses as well as the number of respondents.

Figure IV-3
Could Anything (else) Have Been Done
To Increase Chance that Firm Would Have Selected Illinois Site



Results for where these firms located. When relevant respondents were asked where these firms went, they gave 134 responses. *Of these responses*, two-thirds (66%) of all locations were in a neighboring state while one in five (21%) were in the South. The full results are presented in Table IV-1. (Note that percentages are based on the total number of responses, a percentage that seemed more relevant here than one based on the number of respondents).

Table IV-1
Where Did the Firms Go?
(134 coded location responses from 93 respondents; 58% of all respondents)

Location	Percent of Responses
Neighboring states	66%
<i>Wisconsin</i>	28%
<i>Indiana</i>	26%
<i>Missouri (and St. Louis area)</i>	7%
<i>Kentucky</i>	3%
<i>Iowa</i>	2%
<i>Other neighboring state -- general</i>	1%
Other Midwest states	3%
USA -- South	21%
USA -- West	2%
USA -- other / metropolitan areas	1%
Other countries	1%
Other (including Illinois)	2%

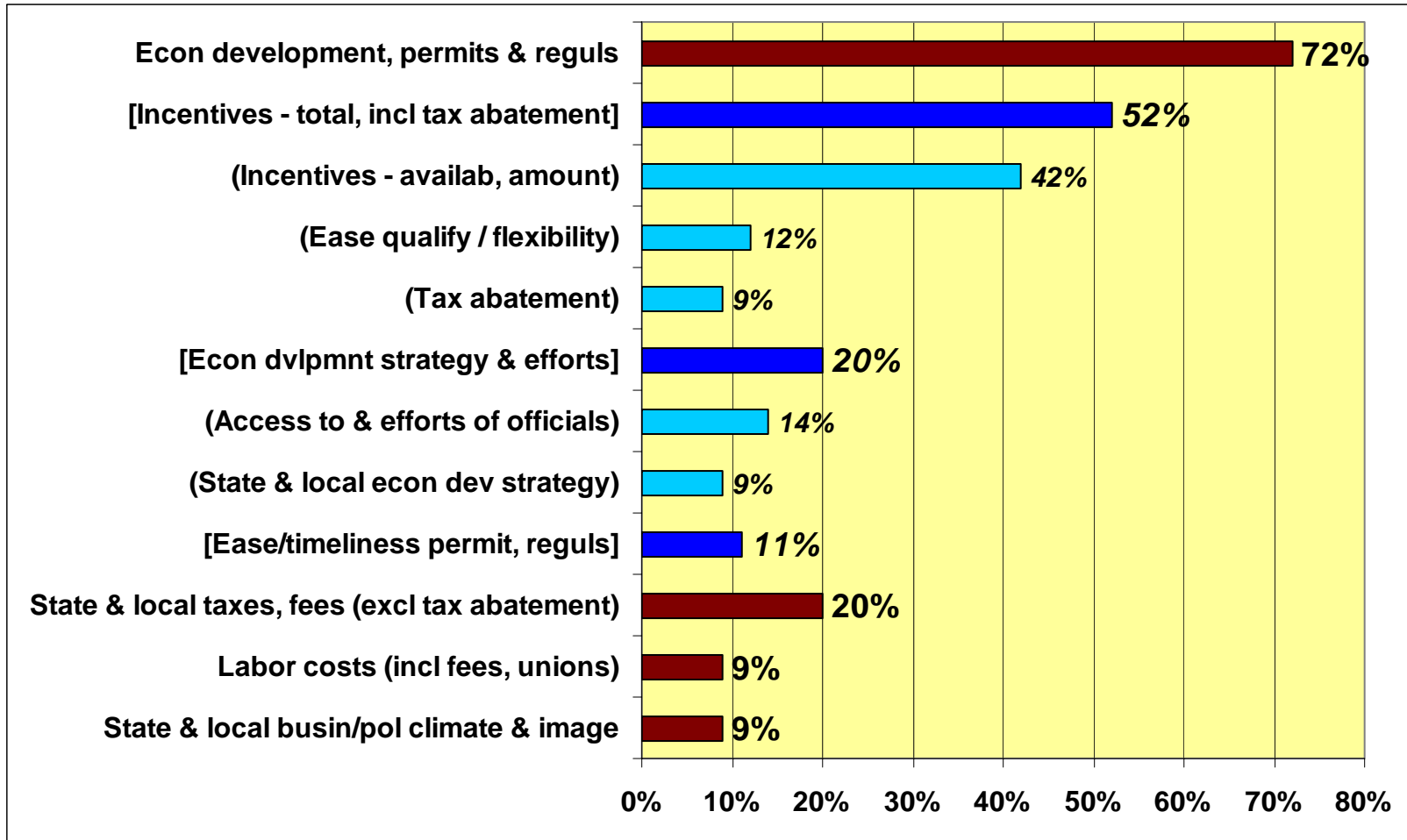
Table IV-2
Why Firms Chose a Location Outside of Illinois
(184 coded responses from 85 respondents; 53% of all respondents)

Factor	Percent of Responses	Percent of Respondents
Costs of doing business – total	47%	65%
<i>State & local taxes / fees</i>	17%	32%
<i>Labor costs & unions</i>	17%	29%
<i>Wages, salaries and insurance</i>	11%	21%
<i>Workmen’s compensation (specifically)</i>	3%	6%
<i>Unions</i>	5%	12%
<i>Costs of doing business – general & misc.</i>	8%	18%
<i>Utilities</i>	4%	9%
Economic development, permits & regulations	23%	45%
<i>Incentives – amount, availability, qualify</i>	19%	40%
<i>Ease / timeliness permits, regulations</i>	3%	5%
<i>Economic development strategy & efforts</i>	2%	3%
Land/building availability, prices & characteristics	10%	20%
Location characteristics (including population)	4%	8%
Infrastructure (total)	4%	7%
Economy – nature of	3%	7%
State & local political / business climate & image	4%	7%
<i>Reputation / image of state regarding business</i>	2%	5%
Availability of employees – skills, education	3%	6%
Quality of life in area	1%	1%
Costs of living / housing	1%	1%
Other	1%	2%

Table IV-3
What (Else) Could Have Been Done to Increase Chances
that Firms Would Have Chosen a Site in Illinois
(114 coded responses from 64 respondents; 40% of all respondents)

Factor	Percent of Responses	Percent of Respondents
Economic development, permits & regulations	59%	72%
<i>Incentives – total, including tax abatements</i>	38%	52%
<i>Incentives – availability, amount</i>	24%	42%
<i>Incentives – ease to qualify, flexibility</i>	7%	12%
<i>Tax abatement</i>	5%	9%
<i>Economic development strategy & efforts</i>	15%	20%
<i>Access to & efforts of officials</i>	9%	14%
<i>State & local economic development strategy</i>	6%	9%
<i>Ease / timeliness of permits, regulations</i>	6%	11%
State & local taxes / fees <i>(excluding tax abatement)</i>	17%	20%
Labor costs (including fees, unions)	6%	9%
<i>General labor costs, wages, and insurance</i>	4%	6%
<i>Unions</i>	3%	5%
State & local business / political climate & image	6%	9%
Costs of doing business – general	3%	5%
Availability of employees – skills, education	1%	2%
Infrastructure – total	3%	5%
Utilities	2%	3%
Land/building availability, prices & characteristics	2%	3%
Other	3%	5%

Figure IV-4
What (Else) Could Have Been Done to Increase Chances of Selection of Illinois Site



Topic V: Recommended Changes

The questions. The section began by asking respondents two questions regarding changes they would like to see, one focusing on those that would have more immediate impact and the other focusing on those that would be more long-term in nature. These questions were:

If you could make two or three changes which would have the most immediate impact on making Illinois more competitive in attracting and retaining commercial and industrial firms, what would these be? By immediate, I mean those that would have impact either now or within the next several years. IF NEEDED: Any others? Any more?

And, if you could make two or three changes which over the long-term would make Illinois more competitive in attracting and retaining commercial and industrial firms, what would these be? IF NEEDED: Any others? Any more?

Results for changes that would have an immediate impact. Nearly nine of ten interviewees (88%) gave at least one suggestion. Almost six in ten (57%) *of these respondents* recommended changes having to do with state/local government taxes/fees.

Just over half (52%) recommended changes relating to economic development incentives, obstacles and activities, with three in ten (31%) mentioning changes relating to incentives, one in seven (14%) mentioning changes relating to ease/timeliness of permits/regulations; and one in ten (11%) mentioning economic development strategy and efforts.

More than one in ten recommended changes relating to:

- State/local business and political climate and image (16%)
- Cost of labor and unions (15%)
- Infrastructure (12%)

The full results are presented in Table V-1, where percentages are based both on the total number of responses as well as the number of respondents.

Results for changes that would have longer-term impact. Over eight of ten interviewees (84%) gave at least one suggestion. About half (51%) *of these respondents* recommended changes having to do with state/local government taxes/fees.

Nearly four in ten (39%) recommended changes relating to economic development incentives, obstacles and activities, with most of these relating to incentives (22%) or relating to ease/timeliness of permits/regulations (14%).

About three in ten (29%) recommended infrastructure changes, nearly all relating to transportation infrastructure.

About one in five recommended changes relating to state/local business and political climate and image (19%).

The full results are presented in Table V-2, where percentages are based both on the total number of responses as well as the number of respondents.

Table V-1
Changes Would Like to See
that would have Immediate Impact
(287 coded responses from 140 respondents; 88% of all respondents)

Factor	Percent of Responses	Percent of Respondents
Costs of doing business – total	47%	66%
<i>State & local taxes / fees</i>	32%	57%
<i>Labor costs & unions</i>	10%	15%
<i>Insurance & fees, wages</i>	6%	9%
<i>Workmen’s compensation (specifically)</i>	3%	6%
<i>Unions</i>	4%	9%
<i>Utilities</i>	4%	8%
Economic development, permits & regulations	31%	52%
<i>Incentives – amount, availability, qualify</i>	16%	31%
<i>Ease / timeliness of permits, regulations</i>	8%	14%
<i>State & local economic development strategy and efforts</i>	6%	11%
State & local business / political climate & image	9%	16%
<i>State political & budget climate</i>	7%	11%
<i>Reputation / image of state regarding business</i>	2%	5%
Infrastructure (total)	7%	12%
<i>Transportation infrastructure</i>	4%	9%
<i>Infrastructure – general</i>	2%	5%
Land/building availability, prices, characteristics	2%	5%
Availability of employees – skills, education	1%	2%
Quality of life in area	1%	1%
Economy – general	0+%	1%
Other	2%	4%

Table V-2
Changes Would Like to See
that would have Longer-Term Impact
(274 coded responses from 133 respondents; 84% of all respondents)

Factor	Percent of Responses	Percent of Respondents
Costs of doing business – total	40%	62%
<i>State & local taxes / fees</i>	28%	51%
<i>Labor costs & unions</i>	7%	11%
<i>Unions</i>	3%	7%
<i>Insurance & fees, wages</i>	3%	5%
<i>Workmen’s compensation (specifically)</i>	2%	3%
<i>Utilities</i>	4%	8%
<i>Costs of doing business – general, other misc.</i>	2%	3%
Economic development, permits & regulations	22%	39%
<i>Incentives – amount, availability, qualify</i>	12%	22%
<i>Ease / timeliness of permits, regulations</i>	7%	14%
<i>State & local economic development strategy and efforts</i>	3%	6%
Infrastructure (total)	19%	29%
<i>Transportation infrastructure</i>	19%	28%
<i>Infrastructure – general, other misc.</i>	1%	1%
State & local business / political climate & image	10%	19%
<i>Current political & budget climate</i>	6%	11%
<i>Reputation of state regarding business</i>	4%	8%
Employees – skills, availability	3%	6%
Land/building availability, prices, characteristics	2%	4%
Quality of life in area – aspects (incl education)	3%	4%
Economy – nature of	0+%	1%
Commercial real estate – licensing	1%	2%
Other	1%	2%

Topic VI: Economic Development Contacts and Marketing Activities

The questions. In this section, respondents were asked three questions relating to economic development contacts and marketing efforts. The preface to this section and the wording of these three questions follows:

Next, I have a few questions that are specifically about economic development and marketing activities.

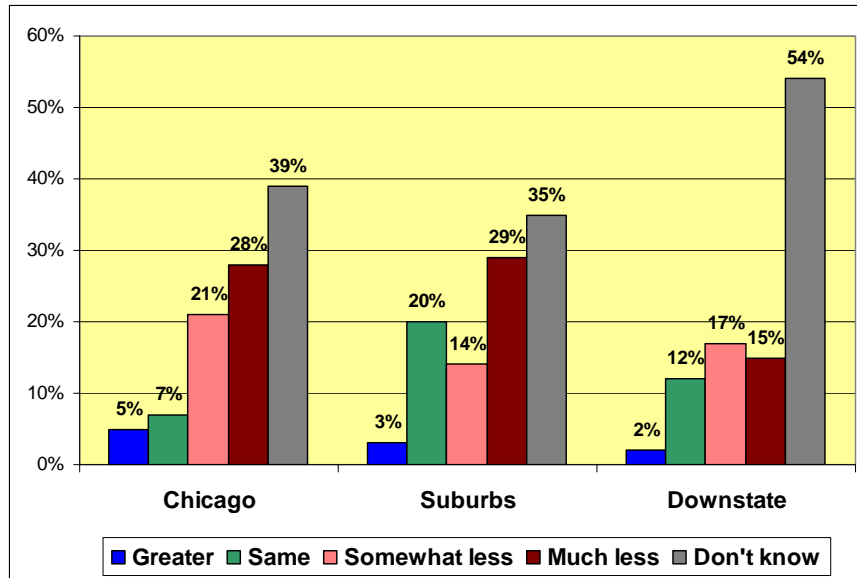
1. When you are considering an Illinois site after narrowing specific location alternatives to a manageable number for your client, with what type of government or economic development official or representative do you tend to make your first inquiry? Would this be with: 1. a county or regional level economic development representative; 2. a municipal CEO, like a village president or city major; 3. village or city economic development staff; 4. village or city community development staff; 5. another type of official (and who would this be?); or 6. does it vary too much to say?
2. How do the marketing efforts of Illinois state and local economic development agencies compare to the efforts of the major competitors of Illinois? Would you say the extent of Illinois marketing is much greater, somewhat greater, about the same, somewhat less, or much less – or would you say you don't know enough about this to have an opinion here?
3. If you were to point to a state or local area which is doing an excellent job of marketing in the area of economic development, what state or local area would it be? Any others?

Results for with what type official / representative would make first contact. One-third (33%) of the respondents chose village or city economic development staff, and nearly one-quarter (23%) chose a county or regional level economic development representative. Just over one in ten chose a municipal CEO (11%) while half this number chose village or city community development staff (5%). Nearly one in ten (8%) identified an other kind of official / representative while nearly one in twenty (18%) said it varied too much to choose and 6% did not know.¹³

Results for evaluations of marketing efforts. About four in ten respondents (41%) do not know how Illinois state and local marketing efforts compare with their major competitors -- while about the same number (42%) believe these efforts are less than that of their competitors, 17% believe they are about the same, and only 3% believe they are greater. More downstate than Chicago area respondents do not know how these efforts compare. (See Figure VI-1.)

¹³ These percentages add to somewhat more than 100% because some respondents chose more than one response. If all were chosen, the "varies" response was coded. Only a couple respondents identified a state official (within the "other" category above), but it should be noted that this was not an explicit response category, as seen in the wording presented in "1" above.

Figure VI-1
Evaluations of State/Local Marketing Efforts,
Compared with Major Competitors



Results for example(s) of area(s) with excellent marketing. Over 60% of the interviewees gave at least one example. *Of these*, just over one-quarter (27%) identified an area within Illinois, with nearly one-fifth (19%) identifying an area within the Chicago metro area and 7% identifying an area outside of the Chicago metro area. Nearly six of ten (58%) identified a neighboring state – with over one-third (36%) identifying an Indiana location and more than one in five identifying a Wisconsin location (22%) and a location in the South (23%). The remaining results can be found in Table VI-1 and Figure VI-2.

Figure VI-2
Example(s) of Excellent Marketing
(based on percentage of respondents)

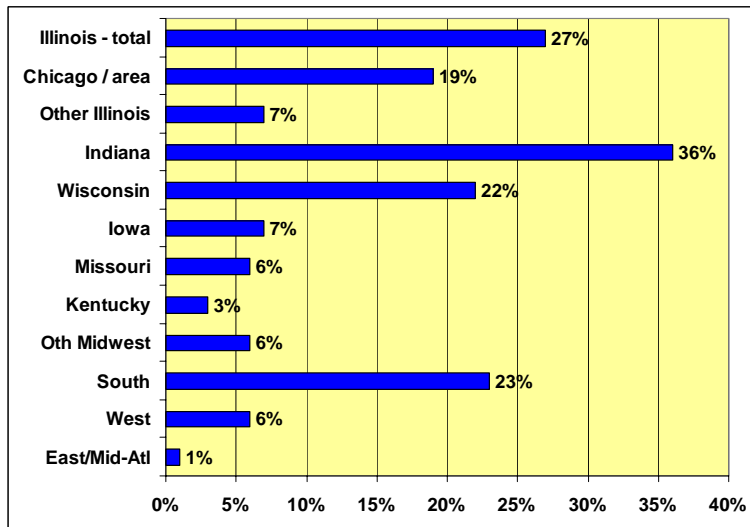


Table VI-1
Examples of Locations with Excellent Marketing
(156 coded location responses from 100 respondents; 63% of all respondents)

Location	Percent of Responses	Percent of Respondents
Illinois – total	20%	27%
<i>Chicago area</i>	14%	19%
<i>Downstate areas</i>	6%	7%
Neighboring states	47%	58%
<i>Indiana</i>	23%	36%
<i>Wisconsin</i>	14%	22%
<i>Iowa</i>	4%	7%
<i>Missouri</i>	4%	6%
<i>Kentucky</i>	2%	3%
Other Midwest states	4%	6%
USA -- South	23%	23%
USA – West	4%	6%
USA – East / Middle Atlantic states	1%	1%

Specific Illinois locations mentioned by more than one respondent included: Will County (6); Lake County (3), and Rockford (3). Others mentioned were: Aurora, Bedford Park, Elk Grove, Naperville, Zion, Hoffman Estates, DuPage County, DeKalb County, East Peoria, Champaign, Arcola, Effingham and Edwardsville.

Specific locations in neighboring states mentioned by more than one respondent included Indianapolis (4) and Kenosha (2). Others here included: Racine County (Wis); NW Indiana and NE Indiana; NW Missouri, St. Louis, Kansas City metro area and Springfield (Mo); Davenport, Des Moines and Cedar Rapids (Iowa).

In the remaining parts of the Midwest, Michigan (5) was mentioned most frequently.

For other areas of the United States, the most frequent mentions in terms of states were for: Texas (8 in total; 4 in general, 2 for Dallas and 1 each for Austin and Houston); Tennessee (5); the Carolinas (4); Virginia (3, including 1 for Fairfax County); and Georgia (3, including 2 for Atlanta).