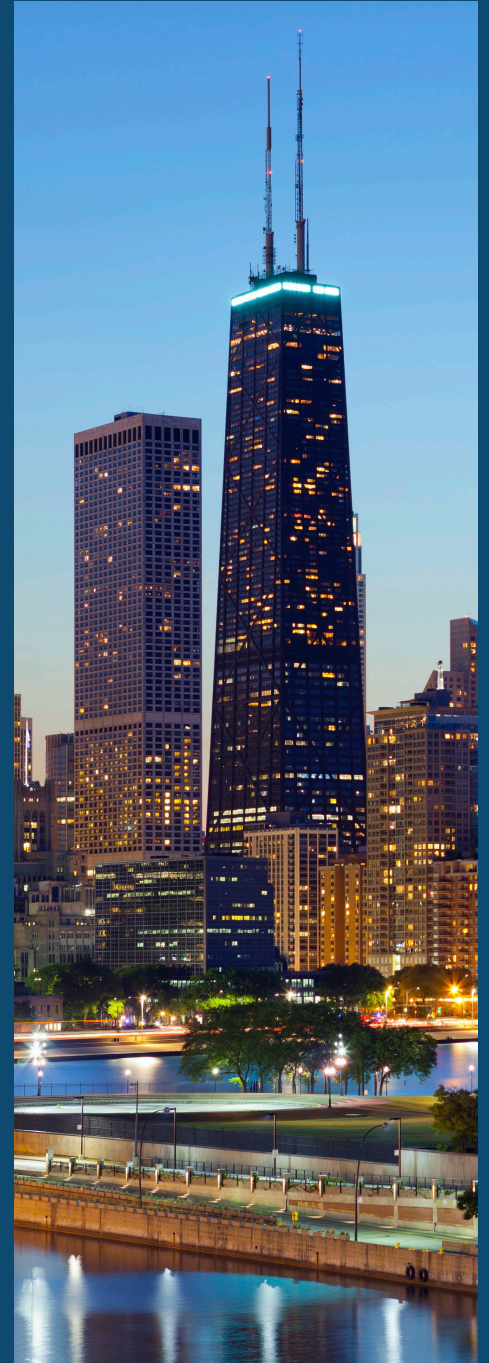


Open for Business

Illinois' 2024 Economic Growth Plan



Illinois
Department of Commerce
& Economic Opportunity

JB Pritzker, Governor



Table of Contents

Greetings from Governor JB Pritzker	3	High-Growth Industries	24
Executive Summary	4	Life Sciences	24
2024 Economic Growth Plan Goals	4	Quantum Computing, AI, and Microelectronics	26
Illinois' Foundational Advantages	5	Clean Energy Production and Manufacturing	27
Focus on Equity	6	Advanced Manufacturing	28
Business Development Strategy	7	Next Generation Agriculture, Ag Tech, and Food Processing	29
Investing in Our People and Our Communities	10	Transportation, Distribution, and Logistics	31
2019 Plan Accomplishments	11	Building Resilient & Growing Communities	33
Illinois on the Rise	12	Education for Careers	33
Businesses Are Choosing Illinois	13	Investing in Underserved Communities	33
Groundwork for Accelerated Growth	15	Access to Child Care	34
Rebuild Illinois	15	Investing in Underserved Communities	34
Large-Scale Business Incentives	16	Supporting Entrepreneurs	36
Innovate Illinois	17	Quality Jobs	37
Climate and Equitable Jobs Act (CEJA)	17	Increasing Grant Accessibility	37
Workforce: Training and Education	17	Reducing Our Carbon Footprint	38
Supporting Entrepreneurs	18	Conclusion	38
Tourism	19	Appendix A. List of Proposed Action Items	39
2024 Economic Growth Plan	20	Business Attraction & Development Strategy	39
Business Attraction & Development Strategy	20	Building Resilient and Growing Communities	39
Site Readiness	20	Appendix B. Economic Plan Methodology	40
Customized Job Training	21		
White Glove Service for Businesses	22		
Competitive Incentives	22		
Marketing	23		
Prioritize Innovation	23		

**\$62 MILLION INVESTMENT
80 NEW JOBS**

Illinois' 2024 Economic Growth Plan | 3

...mian group thanks Governor Pritzker, the Illinois DCEO and
...City of DuQuoin for the ongoing support!



Greetings from Governor JB Pritzker

My Fellow Illinoisans:

Over the past five years, we've made unprecedented progress improving our state's business climate by investing in our world class workforce, reducing the tax burden on small businesses and high growth industries, and prioritizing other foundational elements of economic development.

Today, Illinois is open for business.

Illinois has surpassed \$1 trillion GDP and attracted billions in private sector investments in ag tech, data centers, electric vehicles, quantum computing, clean energy, and more. We got here by being intentional. We're leveraging our natural advantages such as our central location, abundant fresh water, and fertile soil, while building on our hard won advantages like our massive clean energy production, world class educational and research institutions, and our talented, highly educated workforce. Progress doesn't happen without listening to our business community and responding to their needs and those of their workers. That's why we've invested in our infrastructure and optimized tax incentive programs, making it more beneficial for companies looking to locate or expand in Illinois.

Small businesses and entrepreneurs are the lifeblood of economic growth. Tapping into that engine of job creation is a vital part of our growth strategy. That's why we've made significant investments in the Illinois Innovation Network, new business grants and loans, Small Business Development Centers, and commercialization of new technology from our two national labs and internationally recognized research universities. And we're doing it while uplifting Illinoisans who have historically been left out and left behind by engaging them in these new opportunities.

Guided by Illinois' 2024 Economic Growth Plan, over the next five years the State of Illinois intends to reach new heights of economic growth. We invite you to join us in our endeavor to make Illinois the best place in the nation to live, work, and do business.

JB Pritzker
Governor, State of Illinois

Executive Summary

Illinois in 2024 is a better place to live, work and do business than ever before. The future for Illinois is bright and in this Five-Year Economic Growth Plan, Illinois outlines a roadmap to attract record-level investments, create jobs and support communities over the next five years while laying the foundation for economic growth for generations to come.

This includes:

- A clear set of economic development goals
- An account of Illinois' foundational advantages
- A comprehensive business development strategy
- Six high-growth industries to focus on
- A roadmap to invest in Illinois communities

*The future
for Illinois is
bright...*

2024 Economic Growth Plan Goals

The initiatives and policies proposed in this economic growth plan are guided by four overarching economic development goals:

Focus on High Growth Sectors and Continue Overall Business Climate Improvements

- Focus on key high growth sectors, building ecosystems for each:
 - Life Sciences
 - Quantum Computing, AI, and Microelectronics
 - Clean Energy Production and Manufacturing
 - Advanced Manufacturing
 - Next Generation Agriculture, Ag Tech, and Food Processing
 - Transportation, Distribution, and Logistics (TDL)
- Build on established support for startups and small businesses
- Continue lowering state taxes on small and mid-size businesses and removing regulatory and bureaucratic barriers
- Work with local governments to attract new businesses and lower local property taxes

Advance Comprehensive Economic Development Efforts for Business Growth and Attraction

- Promote strategic site readiness across the state with business-focused enhancement of utilities and infrastructure
- Provide tailor-made assistance to existing businesses and businesses new to Illinois, with close attention to detail and a custom level of care in areas including skilled workforce development, coordination and utilization of tax incentives and abatement, and coordination with educational and research and development (R&D) opportunities
- Expand energy development and maintain status as a nation-leading provider of clean energy

Promote Equitable Growth by Empowering Workers, Entrepreneurs and Communities

- Support workforce education and training initiatives – from elementary school to adulthood – to equip Illinois residents with the skills needed for in-demand occupations in growing industries
- Provide matching loans and equity investments to enhance the capital available to entrepreneurs, especially those from underrepresented communities
- Optimize grant processes for accessibility, ensuring that economic development opportunities are accessible to all communities

Build Out the New Clean Energy Economy

- Aggressively expand clean energy production to support business growth and resident needs throughout the state
- Attract clean energy job creators and manufacturers to the state
- Execute on all aspects of the Climate and Equitable Jobs Act (CEJA), including providing workforce development partners and small businesses in underserved communities the resources they need to be full participants in the clean energy economy
- Leverage federal opportunities and partner with energy stakeholders to accelerate deployment of carbon-free electricity and transportation infrastructure



Nurturing and growing these resources remains a priority as Illinois sets the course for economic growth in the current plan and for the next century.

Illinois' Foundational Advantages

Although the Five-Year Economic Growth Plan focuses on future development, the state of Illinois has several foundational advantages that it must nurture and build upon.

ADVANTAGE Strategic Location At the heart of the United States, Illinois is the crossroads of North American commerce that puts businesses, people and goods within a four-hour flight of the entire North American market. Illinois' highly efficient network of road and rail includes six Class I freight railroads – the largest intermodal system in the U.S. and the third largest in the world – and the third largest interstate highway system in the nation, complete with over 18,000 miles of highways. Chicago is one of the largest rail corridors in North America, with approximately 25% of all U.S. freight traffic passing through it.

ADVANTAGE Fresh Water Illinois is a fresh water-rich state, bordered by three major rivers and a Great Lake along with massive ground water reserves. In an era when other regions of the world are struggling to replenish fresh water resources, Illinois sits in a region containing 20% of the world's fresh water. An abundance of fresh water gives the people and businesses that reside in Illinois an often under-appreciated but long-term economic advantage.

ADVANTAGE Fertile Farmland Companies that want to be at the epicenter of the food industry choose Illinois because of its tremendous agriculture industry with an unmatched collection of talent, infrastructure, and ag-related companies and support organizations. Much of Illinois is comprised of fertile black soil, left behind by glaciers and wind millions of years ago. About 89% of the state's cropland is considered prime farmland, ranking the state third nationally in total prime farmland

acreage. Illinois is the nation's largest producer of soybeans, second largest producer of corn, the leading provider of specialty crops such as pumpkins and horseradish, and the top state for the manufacture and sale of processed food. The result is that Illinois is a world leader in agribusiness, where companies find a robust ecosystem of food manufacturers, producers and ag tech innovators.

ADVANTAGE Abundant, Reliable Clean Energy Illinois is the nation's fifth-largest electricity producer, and over 67% of its electricity comes from nuclear, wind and solar generation. The state typically sends about one-fifth of the power it generates to other states over interstate transmission lines. Illinois generates more electricity from nuclear energy than any other state, with 52% of the state's electricity from nuclear generation. Five of the six nuclear plants rank among the 10 largest power plants in the country by both generating capacity and annual electricity generation. In 2021, a new state law – the Climate and Equitable Jobs Act (CEJA) – went into effect that requires Illinois to transition to 50% clean energy by 2040 and 100% clean energy by 2050. As a result, Illinois' renewable energy production has doubled from 2021 to 2024. In 2023, the state rescinded its prohibition on development of new nuclear power, and Illinois is leading the Midwest in clean power capacity under construction.

ADVANTAGE Talented Workforce Among the most important features for businesses looking to grow or finding a new state to call home is the size of the talented and available workforce. With a workforce of more than 6 million, 3 million of whom live in or near the third largest city in the nation, and one of the highest labor participation rates in the nation, Illinois has a workforce that dominates in a wide range of industries, from



financial services and business consulting to agriculture and manufacturing. No single industry dominates Illinois' economy, which means talented workers abound across many fields.

ADVANTAGE Top Ranked Universities, National Labs, 48 Community Colleges, and Midwest's Best Workforce Training Illinois replenishes its talented workers by continually investing in education at all levels. With abundant workforce training programs and the third-largest community college system in the nation, Site Selection Magazine named Illinois best in the Midwest for workforce development. Among U.S. states, CNBC ranks Illinois second best for education while U.S. News & World Report ranks Illinois fourth in college readiness. 2023 freshman college enrollment in

Illinois outpaced national college enrollment by more than 7%. The State of Illinois has prioritized investments in education from pre-school to high school and upgraded its career and technical training in high schools and community colleges.

Illinois' natural resources — central location, abundant fresh water, and fertile farmland — along with its developed advantages such as nation-leading transportation infrastructure, talented workforce, world-class educational and scientific institutions, and reliable and available electric power, make the state an ideal home for businesses to relocate and grow. Nurturing and growing these resources remains a priority as Illinois sets the course for economic growth in the current plan and for the next century.

Focus on Equity

Equity is a guiding principle among all of the goals and programs outlined in Illinois' Five-Year Economic Growth Plan. Addressing systemic inequities is a crucial element in all programming, training and resources offered by the State of Illinois. Illinois is committed to supporting economic advancement for historically underserved communities, rural areas, Illinoisans of color, people

with disabilities, veterans, women, justice-impacted populations, immigrant populations and other historically marginalized communities.



Looking ahead, Illinois is doubling down on its commitment to ensuring Team Illinois operates as a unified front...

Business Development Strategy

A core piece of Illinois' economic development strategy is to attract and retain businesses that will provide well-paying, quality jobs to Illinois residents for generations to come.

The State has identified a range of initiatives that build upon business development successes of the past five years by increasing investment in sites and job training that meet employer needs, increasing collaboration with regional and other economic development partners, and providing more services. In addition, the State has identified a set of focus industries where Illinois is well-positioned to attract businesses and where there is rapid growth anticipated in the near future.

The business development strategy centers on providing employers with what they need to succeed here: strategic sites, a skilled workforce, and high-quality customer service from the State.

Site Readiness The State will invest in a competitive slate of sites primed for development in communities across Illinois. This will be accomplished through strategic partnerships and building upon grant programs and available incentives.

Customized Job Training The State will work with local partners and employers to continue to build Illinois' world-class workforce by ensuring that high-quality workforce and upskilling programming is available across the state and tailored to employer needs. This includes creating additional Manufacturing Training Academies, building out the Fast Track Program, and expanding services and training incentives for businesses.

Strengthening and Leveraging Unified Economic Development Partnerships Illinois has made considerable progress to provide resources and bolster economic development partners. Looking ahead, Illinois is doubling down on its commitment to ensuring Team Illinois operates as a unified front by formalizing relationships, providing resources to regional partners, doubling the size of the Illinois Department of Commerce and Economic Opportunity's (DCEO) Regional Economic Development Team (Team RED), and evaluating incentive and grant application processes to ensure ease of access.

Illinois will continue to aggressively pursue growth in emerging industries that have the potential to transform Illinois' economy.

Building Upon Competitive Incentives In order to remain competitive, Illinois will continue to build upon its offering of competitive incentives including establishing a new Advanced Manufacturing Investment Tax Credit, providing authority to regional development authorities (RDAs) to establish noncontiguous Enterprise Zones, and extending the Research & Development (R&D) Tax Credit.

Marketing Illinois will aggressively market the state's advantages across the globe, highlighting that our state is an economic powerhouse that can provide a great location, a highly talented workforce, world renowned research and educational institutions, clean, reliable power, and abundant fresh water, among other advantages. The administration will also continue to lead efforts to strengthen ties in key international markets.

Prioritizing Startups, Innovation, and University Tech Transfer Illinois will continue to aggressively pursue growth in emerging industries that have the potential to transform Illinois' economy. This includes building a new Illinois Quantum and Microelectronics Park, supporting the Illinois Innovation Network, continuing the Innovation Voucher program, attracting new sources of private capital, and supporting Illinois entities seeking federal funds through Innovate Illinois.

Growth Industries Illinois will focus on industries that have a solid foundation in the state, and that have significant prospects for growth. This will include targeted marketing, hiring sector specialists, developing sector-specific job training and curricula in partnership with education and workforce professionals, capital investment, and prioritized support for the following set of growth industries:

- **Life Sciences** The life sciences industry includes manufacturing related to health care – such as biopharmaceuticals and medical devices. The application of new techniques using AI, as well as new breakthroughs in gene therapy, cancer treatment, and more are accelerating R&D in life sciences. Illinois has long been the site of extensive innovation in medical devices and procedures, and biopharmaceuticals, and with the right type of investment and collaboration, Illinois will continue to be a central hub for innovation and manufacturing in these sectors for generations to come.
- **Quantum Computing, AI, & Microelectronics** Artificial intelligence (AI) is changing the way that the world travels, communicates, works, and plays. The implementation of AI has brought a significant increase in R&D and investment in microelectronics and new innovations in computational software and hardware. These innovations include quantum computers, which can perform computations exponentially faster than computers that use silicon microchips. With its strength in microelectronics and AI research at research universities and national labs, as well as its status as a global quantum hub, Illinois is well-poised to capture anticipated future growth in these industries.
- **Clean Energy Production & Manufacturing** Governor Pritzker worked with the General Assembly to pass CEJA and REV Illinois in 2021 not just because it was good for the environment to reduce carbon emissions, but because tying the reduction in carbon emissions to large investments in the clean energy sector – including workforce, small businesses, manufacturing and more – represents a generational economic opportunity for Illinois. As the world pursues carbon emissions reduction through the advent and adoption of new technologies, Illinois is well-positioned to benefit from associated growth in the clean energy sector.
- **Advanced Manufacturing** Beyond the clean energy ecosystem, life sciences and food manufacturing, there are several other manufacturing sectors where Illinois' advantages in infrastructure, workforce and R&D will result in great opportunities to capture growth and quality job opportunities. These areas largely consist of products that are the inputs for fast-growing sectors, including machinery manufacturing, fabricated metal manufacturing, chemical manufacturing, robotics and advanced materials, including nanomaterial manufacturing. In addition, airplane and drone manufacturing have a strong presence in multiple regions in Illinois and are seeing dramatically increased growth due to increases in defense spending around the world.
- **Next Generation Agriculture, Ag Tech, and Food Processing** Illinois has been a global hub for agriculture and food manufacturing for well over a century. At the center of this sector is Illinois' farm industry, which has attracted and supported the growth of companies that provide supplies to farms (agricultural machinery, tractors, fertilizer, and animal feed), and use products from farms (food manufacturing and biofuels). Over the past few years and in the future, growth opportunities in this sector will arise from changing consumer tastes for food products and materials, shifting international supply chains, and greater interest in sustainable practices and products.
- **Transportation, Distribution, & Logistic** Illinois is the only state with all six Class I railroads, has the third-largest interstate highway system with

Illinois is the only state with all six Class I railroads, has the third-largest interstate highway system with seven major interstates...

seven major interstates, has river access from Lake Michigan to anywhere in the world, and has some of the busiest cargo airports in the U.S.

In recent years, these infrastructure advantages have become even more important as investment in transportation, distribution, and logistics (TDL) grows. A surge in online shopping has required companies to invest in advanced transportation solutions and optimized supply

chain management. Together with the ongoing \$40 billion state investment in modernizing public infrastructure, Illinois offers TDL operators the best opportunity for future growth.

Target High-Growth Industries

Relative Concentration of Employment by Region	Life Sciences	Quantum Computing, AI, & Microelectronics	Clean Energy Production & Manufacturing	Advanced Manufacturing	Next Generation Agriculture, Ag Tech, & Food Processing	Transportation, Distribution & Logistics
<p>Share of regional employment in industry above national average</p> <p>Share of regional employment in industry below national average</p>						
Jobs in Illinois	79,563	142,640	128,042	193,232	177,289	310,857
Average Annual Wage	\$187,764	\$155,675	\$113,207	\$108,876	\$88,068	\$98,142

Source: Estimates from Lightcast, 2023.



Illinois will expand efforts to coordinate elements of workforce development and education programming...

Investing in Our People and Our Communities

Economic development is not just about being business-friendly – it's about making Illinois a great place to live, work and raise a family.

Over the next five years, this plan contemplates the Governor's Administration working closely with the General Assembly to invest in communities that have long suffered from disinvestment, to provide a path to high-paying job opportunities, to support entrepreneurs that cannot get the capital they need, and to reduce barriers to accessing services and grants.

Education for Careers Illinois will expand efforts to coordinate elements of workforce development and education programming from kindergarten through adulthood with business development efforts at the industry and occupational level.

Access to Child Care Through the Governor's multi-year Smart Start Illinois program, the State will support families seeking child care, as well as child care providers, while supporting thousands more child care seats in communities across the state. Meanwhile, the new Department of Early Childhood will make early childhood programs and services simpler, better, and fairer for families.

Promote and Provide Investments in Underserved Communities To ensure that all Illinois residents have a good quality of life and access to economic advancement, the State will continue to deploy and enhance a range of new programs providing support specifically to low-income communities. This includes:

- Implementing the Illinois Grocery Initiative to address food deserts
- Establishing a new Office of Rural Development
- Providing extensive technical assistance and planning support for communities and providers involved in Climate and Equitable Jobs Act (CEJA) programming

- Investing \$1.4 billion in federal funds toward broadband fiber for underserved households and businesses, and implementing the State Digital Equity Plan
- Codifying the Office of Economic Equity and Empowerment (OEEE) in state statute

Supporting Entrepreneurs Illinois will continue to expand its suite of available resources through the State Small Business Credit Initiative (SSBCI), including the Advantage Illinois Program, Illinois Innovation Venture Fund (INVENT) and other programs. This expansion will be facilitated by a new technical assistance program to provide support to entrepreneurs applying for Advantage Illinois loans or INVENT, host the Illinois Tech Innovators Challenge, launch additional funding opportunities for small manufacturers through the Made in Illinois Program and develop a new Illinois Business One-Stop Portal.

Boosting Quality Jobs In order to maximize opportunities for Illinoisans to obtain quality jobs, the State will work with researchers to identify a uniform measurement for quality jobs. The Illinois Department of Commerce and Economic Opportunity has partnered with the Illinois Department of Labor to launch the Quality Jobs Pilot Program.

Increasing Grant Accessibility In order to make the grant process as equitable as possible to communities and stakeholders across the state, the State of Illinois will establish the Illinois Grant Access Initiative designed to provide additional support to grantseekers.



2019 Plan Accomplishments

The 2019 plan has guided Illinois' economic development priorities and programming throughout the past five years.

Despite the COVID-19 pandemic requiring a pivot just months after the plan's release, Illinois and its economic development partners worked nimbly to put in place most of the programs and initiatives in that plan and to take advantage of emerging opportunities, such as new federal grant opportunities in quantum R&D and elsewhere, a massive increase in EV and renewable energy investment, and more. Those include:

Targeting incentives for growth in strategic industries

- ✓ Clean jobs economy (CEJA)
- ✓ Renewable energy manufacturing and buildout (REV)
- ✓ Electric vehicle OEMs and supply chain (REV)
- ✓ Life sciences wet lab facilities
- ✓ Small business investment tax credit expansion
- ✓ Microchip and semiconductor facilities (MICRO)
- ✓ Data center investment and growth
- ✓ Quantum computing business development
- ✓ Manufacturing research and development
- ✓ Transportation, distribution, and logistics industry expansion

Deploying Rebuild Illinois capital for:

- ✓ Site readiness
- ✓ Transportation (roads, bridges, aviation, transit, rail, river ports)
- ✓ Downtowns and Main Streets upgrades for commercial corridors
- ✓ Manufacturing Training Academies
- ✓ Infrastructure supporting manufacturing facilities
- ✓ Broadband expansion
- ✓ Electric vehicle charging infrastructure
- ✓ Opportunity Zones

Maintaining workforce development leadership

- ✓ 77% expansion of college tuition grant funding
- ✓ Increased barrier reduction funds for job training
- ✓ Fast Track Job Training Grants
- ✓ Increased apprenticeship opportunities
- ✓ Expanded College and Career Pathways endorsement system

Small business support

- ✓ EDGE incentives targeting startups and underserved areas
- ✓ Eliminated franchise taxes on small businesses
- ✓ Expanded deductions for net operating loss carryforward
- ✓ Innovation Vouchers and enhanced Angel Tax Credits
- ✓ Made in Illinois Grants
- ✓ Expanded Advantage Illinois loan program

Building economic development tools

- ✓ Creation of site selection database
- ✓ Improved collaboration with Intersect Illinois
- ✓ Expanded regional and business development support staff
- ✓ Revitalized regional planning support
- ✓ Coordinated interagency efforts to pursue federal grants
- ✓ Regional Development Authority (RDA) ethics and governance improvements



Illinois on the Rise

At over \$1 trillion in gross domestic product (GDP), Illinois has the fifth-largest state economy in the U.S. If Illinois were a country, it would have the 18th-largest economy in the world.

The State increased annual funding for education by \$2.7 billion, or 27%, from 2019 to 2024.

From 2019 to today, Illinois entrepreneurs started a record number of new businesses. The State of Illinois balanced the budget every year, achieved nine credit rating upgrades since 2021, and established a \$2.1 billion rainy day fund.¹ The State increased annual funding for education by \$2.7 billion, or 27%, from 2019 to 2024. Companies committed to nearly \$5 billion in investments and thousands of new jobs in the state in 2023 alone, including an electric vehicle battery gigafactory in Manteno, a solar-powered PVC compounding plant in Mt. Vernon, and a new electric vehicle and battery assembly plant in Belvidere.

Illinois' business-friendly environment, robust incentive packages, modernized infrastructure, large and skilled workforce, nation-leading pre-K-12 education, and world-class universities and research institutions make it a highly attractive state to live, work and do business. Since 2019, Illinois has grown in prominence and achieved greater status as a global economic powerhouse. Some of its outstanding features include:

- Illinois is home to 32 Fortune 500 companies²
- Chicago ranks third among major U.S. cities for Fortune 500 companies³
- Since 2019, Illinois has risen 15 spots in CNBC's Best States for Business
- Chicagoland ranked first in the nation among metro regions for corporate investment in 2023⁴
- Illinois ranked second in the nation for corporate expansions and relocations in 2023⁵
- On average, more than one business moves to or expands in Illinois every day⁶
- Illinois ranked in the top six in the nation for education, infrastructure, and access to capital by CNBC in 2023
- Illinois ranked in the top five states for college readiness by U.S. News & World Report in 2024

The initiatives laid out in this 2024 plan will be built upon the success of a range of programs and economic successes since the last plan was released in 2019.

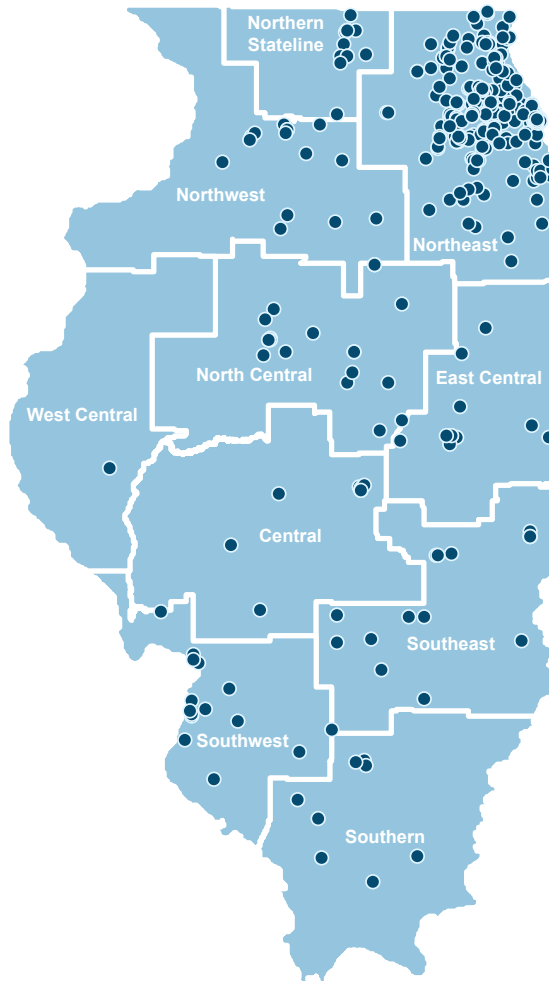
1. Rainy day fund balance as of June 23, 2024.
2. "List of Fortune 500 Companies" at <https://www.50pros.com/fortune500>
3. Sophie Rodgers, "Chicago has third-most Fortune 500 companies in the U.S.," Crain's Chicago Business, June 6, 2024, <https://www.chicagobusiness.com/economy/fortune-500-companies-chicago-home-third-most>.
4. Mark Arend, "The 2023 Governor's Cups," Site Selection Magazine, March 2024, <https://siteselection.com/issues/2024/mar/the-2023-governors-cups-cover.cfm>.
5. Ibid.
6. Analysis by Intersect Illinois.

Businesses Are Choosing Illinois

With some of the nation's largest companies calling Illinois home, and with record numbers of small businesses and startups choosing Illinois in the last few years, Illinois' business climate is more attractive than it has been in decades.

With large customers locally available to do business with, robust tax incentive packages, reliable modernized infrastructure, industrious workforce, and an affordable cost of living, the state is a great place to do business and raise a family.

Mid-Size and Large Businesses Relocating or Expanding in Illinois, 2019-24



Since adoption of the 2019 Economic Plan, Illinois has strategically incentivized investment and job creation in key sectors and industries that support the State's broader commitment to sustainability, innovation and technology. That includes only the projects receiving incentives, just a portion of the hundreds of business relocations and expansions per year in Illinois and tens of thousands of jobs created in the last five years.

A few highlights from the last two years of major new investments in Illinois include:

- **Kellanova**, formerly the Kellogg Company, moved its headquarters from Battle Creek, Michigan, to Chicago. Kellanova makes some of the most famous snacks in America, including Pringles, Cheez-It crackers, Pop-Tarts, Kellogg's Rice Krispies Treats, Nutri-Grain bars and Eggo frozen waffles. The new Chicago base means the Fortune 500 company will benefit from the state's thriving food innovation ecosystem.
- **Ferrero**, located in Bloomington, has made significant investments to its facility over the past two years, including launching a new chocolate factory which opened in 2024. Supported by an EDGE incentive, Ferrero is investing an additional \$214 million to build a Kinder Bueno production line – the first outside of Europe. Ferrero's investment will create 200 new food production jobs.
- **Rivian**, located in Normal, chose Illinois over Georgia to build its new highly-anticipated R2 model. The company committed to investing \$1.5 billion, creating 500 new manufacturing jobs in the next five years, and retaining 6,000 jobs at the facility over the course of the REV agreement.
- **PsiQuantum** selected Illinois as the location for its ambitious project to build the world's largest quantum computer. The company has committed to invest over \$1 billion in a 300,000-square-foot facility. Supported by a MICRO incentive and site readiness assistance, this development will anchor the Illinois Quantum and Microelectronics Park located on Chicago's South Side.
- **Primient**, located in Decatur, is investing \$400 million to improve infrastructure and operations to further ensure quality and reliability for decades to come. A leader in sustainable food and industrial ingredient production, Primient is the sole corn wet miller to replace coal use at every facility with more sustainable energy sources. The company's investment will result in 50 new jobs while retaining nearly 540 jobs.
- **Gulfstream Aerospace**, located in Cahokia Heights, is expanding its existing facility and adding state-of-the-art technology to increase the company's capacity for avionics integrations, exterior painting, and furniture installations. Supported by an EDGE agreement, this project will retain 500 jobs and create 200 new positions.
- In Iroquois County, **Incobrasa Industries Ltd.**, a Brazilian soybean processor with an Illinois presence since 1997, broke ground on a \$250

Through the bipartisan \$45 billion Rebuild Illinois capital plan, the largest in state history, Illinois has released billions of dollars to support thousands of capital projects across the state.

- million expansion in 2023. The project, made possible through an EDGE agreement, will create 40 new jobs and retain 200 jobs in Gilman.
- After a competitive nationwide search, **Gotion** decided to locate its new state-of-the-art \$2 billion electric vehicle (EV) lithium battery manufacturing plant in Manteno. Bolstered by a Reimagining Energy and Vehicles (REV Illinois) incentive package and the new Invest in Illinois fund, Gotion's decision to locate its new gigafactory in Illinois speaks to the state's growing reputation as an EV manufacturing powerhouse and represents a significant step forward in growing its EV ecosystem and supply chain. This investment means 2,600 new full-time jobs that are paid at least 120% of the average wage of similar job classifications in Kankakee County.
 - **General Mills** opened a 1.3 million-square-foot state-of-the-art Midwest distribution hub, its second facility in Belvidere. Although it is fully automated, it has more than 60 new full-time workers.
 - **Walker's Bluff Casino Resort** opened in Carterville in August 2023, bringing a 190,000-square-foot casino with a 113-room hotel with several restaurants and bars. The new tourist attraction has brought more than 300 full-time jobs and \$147 million investment to Southern Illinois.
 - **Wieland Rolled Products North America** received a REV agreement to build a \$500 million state-of-the-art facility at their East Alton location – one of six across Illinois. The investment – which will retain 800 jobs across the state – will enable the company to increase production of critical copper and copper alloy components that are used in EVs, EV charging infrastructure, and renewable energy production, while supporting the state's clean energy economy.
 - **Lion Electric Company** – a Canadian manufacturer of all-electric medium and heavy-duty urban vehicles – is investing \$90 million to build the company's first-ever U.S. manufacturing facility in Channahon, and the largest plant of its kind in the country. This project will create 1,228 new jobs by the end of 2028, with wages at 120% or more of the average wage for similar job classifications in Will County.
 - **Manner Polymers** is locating a new facility in Mt. Vernon for the production of flexible PVC compounds for wires and cables. The facility will be powered by a 15-acre solar field located on site. Manner Polymers plans to invest \$54 million and create more than 60 jobs for the Southern Illinois region. Construction on the project started fall 2023.
 - **Prysmian Group** is investing \$63.8 million and creating 80 new, well-paying jobs while retaining 225 jobs in Du Quoin – solidifying its position as one of the largest employers in Perry County. The expansion, assisted by a REV incentive package, paves the way for increased renewable energy cable production in Illinois, adding over 100,000 square feet of new manufacturing space and seven major pieces of equipment.
 - **Meta** opened a \$1 billion, 607,000-square-foot data center located in DeKalb. In addition to hundreds of construction jobs, the project created 100 new full-time engineering, technician, logistic professional and security jobs, and will be one of the most energy- and water-efficient data center facilities in the world. The facility was created utilizing Illinois data center tax incentives.
 - **Saline River Farms** broke ground in August 2023 on a new \$80 million beef processing facility that will create 400 new jobs in Williamson County. The project was made possible with the help of the state's EDGE program, a \$1.5 million grant through the Meat & Supply Chain Capital Grant Program along with a \$6 million grant from the U.S. Department of Agriculture (USDA).
 - In July 2023, the **Kraft Heinz Corporation** announced its plans to build a \$400 million, 775,000-square-foot distribution center at its DeKalb location. The project, which was solidified through support from Illinois' Enterprise Zones program, will be the first of its kind for the company and its largest automated CPG distribution center in North America. The project will bring 150 new jobs to the DeKalb area and is expected to be complete in 2025.
 - In May 2024, **Walmart** opened a 500,000-square-foot high-tech consolidation center in Minooka – only its third one in the country – that will speed up product deliveries and employ 700 people.
- These successes have helped reinforce and promote a robust pipeline of new business opportunities as the State improves its business development support and incentives, which is expected to continue.



Illinois supports businesses with major new investments that have us ranked among the best in the nation for modernized infrastructure.

Groundwork for Accelerated Growth

Over the past few years, the Governor has successfully partnered with the General Assembly to establish programs and make investments that attract and retain businesses, revitalize communities, and increase opportunities for Illinois residents.

The following are a few major new programs and investments that have launched to support economic growth in Illinois.

Rebuild Illinois

Through the bipartisan \$45 billion Rebuild Illinois capital plan, the largest in state history, and an additional nearly \$20 billion in grants from the federal IIJA, Illinois supports businesses with major new infrastructure investments that have us ranked among the best in the nation for modernized infrastructure. The State has invested billions of dollars to support thousands of capital projects. These projects include the revitalization and improvement of the state's transportation systems, P-20 education and research facilities, wastewater systems, broadband connectivity, health care facilities, upgrading local downtowns and main streets, and much more. In 2023 alone, funds provided to Rebuild Illinois projects resulted in at least 43,000 jobs and \$5.5 billion in impact on state GDP, which will continue as Rebuild Illinois grantees work on their projects for years to come.⁷ Below are a few examples of impactful Rebuild Illinois programs and projects:

- **Manufacturing Training Academies** In 2021, the State provided grants to construct and equip two new facilities based at Illinois community colleges with cutting-edge equipment to train the regional workforce in the latest skills used by regional manufacturers.
- **Transportation Projects** To date, the Rebuild Illinois Capital program has invested almost \$15 billion to improve over 6,000 roadway miles, 629 bridges and 895 safety improvements.
- **Connect Illinois Broadband Capital Grants** The Illinois Broadband Office launched the
- Connect Illinois Broadband Capital Grants program in 2019 to help close the digital divide and provide quality, affordable internet to businesses and households across Illinois. The State's investments provide Illinois with a solid foundation as it prepares to deploy \$1.4 billion in federal Broadband Equity Accessibility and Deployment (BEAD) funding from the federal IIJA.
- **Rebuild Downtowns and Main Streets (RDMS)** In 2023, the State awarded \$106 million in Rebuild Illinois and federal pandemic relief funding to 50 capital projects to support capital improvements in commercial corridors and downtowns. These investments will result in improved infrastructure, more walkable and welcoming public spaces, upgraded downtown amenities, and restored buildings in commercial areas across the state. A funding opportunity for a second round of RDMS grants will be awarded later this year.
- **Rebuild Illinois Public Infrastructure (RIPI)** In 2022, the State awarded \$51 million in public infrastructure grants to 34 counties and municipalities for critical local infrastructure projects including bridge replacement, water treatment upgrades, road construction projects and more.
- **Wet Lab Capital Program** In 2021, the State awarded \$15 million in capital grants to establish eight new specialized wet lab facilities throughout Illinois – helping to support advancements in research and medicine, grow startups and build up Illinois' life sciences ecosystem.
- **Illinois Soundstage Capital Grant Program** In February 2022, the State awarded a combined \$10 million to build or modernize soundstage and production space to three projects in Chicago, Rock Island and Champaign. This is

7. Based on DCEO economic impact analysis, using REMI PI+ model.

essential infrastructure to continue attracting film and TV productions to Illinois.

- **Park and Recreational Facilities Construction Program** \$28 million has been awarded to local governments across Illinois for recreational projects, including park renovations, community center construction and recreational facility upgrades.

Large-Scale Business Incentives

In 2021, Illinois began opportunistically targeting large-scale projects, particularly in the electric vehicle (EV), data center, and renewable energy sectors. To respond to this generational opportunity to attract multi-billion-dollar projects with thousands of well-paying jobs, Governor Pritzker worked with the General Assembly to establish a new program that ramped up the incentives available to large-scale renewable energy and EV manufacturing, called the **Reimagining Energy and Vehicles in Illinois Act (REV Illinois)**. The State also established the Invest in Illinois Fund, a “closing fund” that allows Illinois to be more competitive against other states with their own closing funds when attempting to win large-scale projects.

It was the availability of these programs that allowed Illinois to attract Gotion to construct a new \$2 billion EV battery gigafactory in Manteno with a projected 2,600 employees, Stellantis to convert their idled assembly plant to EV assembly and battery manufacturing in Belvidere, and Rivian to commit to building their new R2 EV in Illinois rather than Georgia with the addition of at least 550 new employees at their plant in Normal. Illinois competed with other states for each of these projects. Notably, because of Illinois' already attractive features, even the enhanced incentives the State provided were lower than offers made by other states. Since the creation of REV in 2022, the State has executed 10 agreements resulting in \$4.4 billion in new investment, 4,632 new jobs and 7,191 retained jobs across multiple growth industries. And the pipeline of business opportunities available to Illinois has grown tenfold.

The baseline business attraction and expansion incentive for Illinois is the **Economic Development for a Growing Economy (EDGE)**

program. The State has improved this program measurably to increase competitiveness, make the program easier to access, and further incentivize investments in underserved areas.

The State also established the **EDGE for Startups** program. EDGE credits are typically to reduce a company's corporate income taxes. Since new companies can go years before they are profitable, the EDGE for Startups program now allows companies that have not yet become profitable to apply EDGE credits to a different tax base, and therefore receive value from them.

The **Blue Collar Jobs Act (BCJA)** supports large-scale economic development activities by providing corporate income tax credits to companies that make substantial capital investments in Illinois. The tax credits are based on the wages paid to construction workers employed on eligible projects. To be eligible, a company must meet one of three requirements: It must be located in an Enterprise Zone (EZ) or in a River Edge Redevelopment Zone (RERZ), must be designated a High Impact Business (HIB), or must have an EDGE agreement. Eligible companies may receive up to 75% income tax withholding credits for construction workers.

In 2019, Governor Pritzker worked with the General Assembly and the Illinois business community to create the **Data Centers Investment Program**, which provides targeted incentives to qualified data centers to attract major investments in this growing sector and to assist with their transition to becoming carbon neutral. To date, the program has resulted in 23 development agreements, over \$6.5 billion in green-building investments, and 469 new full-time employment opportunities. Thanks in part to this program, the Chicago-area data center market is close to overtaking the Dallas-Fort Worth area as the second-largest data center market in the country and is growing at the fastest rate among primary markets.⁸

The Governor and the General Assembly extended the **Illinois Film Production Tax Credit** through 2032 and expanded the credit to allow for inclusion of wages for a limited number of non-Illinois residents working on productions in

8. “North America Data Center Trends H2 2023,” CBRE Data Center Solutions, March 6, 2024, <https://www.cbre.com/insights/reports/north-america-data-center-trends-h2-2023>.



Illinois, including high-level production positions such as director, writer, production designer, editor, composer or actor. Notably, the year those changes went into effect (2022) was a record-breaking year for film and TV production in Illinois with nearly \$700 million in qualified production spending. In 2024, the credit was further expanded to include unscripted TV, including game shows and reality TV competitions.

Innovate Illinois

Over the past few years, the federal government has passed the IIJA, the CHIPS and Science Act, and the Inflation Reduction Act (IRA). Combined, these laws provide a once-in-a-generation opportunity to build infrastructure, establish new organizations and facilities for R&D, and spur billions in new investment and innovation in clean energy and semiconductor manufacturing. Almost all of the opportunities for funding in these laws are highly competitive, and many require extensive collaboration between government at the state and local level, higher education, research and community-based nonprofits, and the private sector.

To maximize the potential benefits Illinois can receive from these new federal opportunities, Governor Pritzker created Innovate Illinois in partnership with P33, the Civic Committee of the Commercial Club, University of Illinois Urbana-Champaign, the University of Chicago, and Northwestern University. Innovate Illinois gathers stakeholders and power brokers to communicate to federal grant makers, disseminates information about federal opportunities, promotes efforts by Illinois applicants, and provides support to coalitions in Illinois applying for opportunities.

Innovate Illinois has yielded results. In part due to the collaboration and support of Innovate Illinois, the state has been chosen by the federal government for two of 31 regional Tech Hubs nationwide and one of 21 Recompete Pilot Program finalists. The iFAB Regional Tech Hub in Decatur and Champaign is one of 12 tech hubs nationwide to receive federal funding.

Climate and Equitable Jobs Act (CEJA)

In September 2021, Governor Pritzker worked with the General Assembly and a coalition of energy and environmental stakeholders to pass the Climate and Equitable Jobs Act (CEJA). CEJA is comprehensive energy legislation that incentivizes renewable energy development, accelerates electric vehicle (EV) adoption and expands charging station infrastructure, creates statewide clean energy workforce training programs to ensure Illinois' workforce is prepared

for the jobs of the future, and equitably supports communities facing energy transitions.

CEJA establishes 13 hubs to train workers and support contractors for jobs in the clean energy sector, prioritizing people and businesses in environmental justice communities and disadvantaged communities. Thanks to this law, Illinois has dedicated substantial funding and support for thousands of new workers and entrepreneurs in underserved areas to access the growing opportunities in the clean energy sector.

Workforce: Training and Education

One of the most important reasons businesses choose Illinois is the quality of our workforce. Over the past five years, Illinois has made significant new investments in its workforce, through increased grants for community college and university students, a renewed focus on career and technical education (CTE) in high schools, and the adoption of more innovative approaches and programs to reach students and employers alike.

Illinois has more than 90,000 students enrolled in **CTE programs** across the state, and more than 414,000 middle school, high school, and community college students were enrolled in CTE classes. CTE is a vital component of preparing students for high demand careers in fields like health care, information technology and advanced manufacturing. Local businesses often partner with local schools to train students for jobs that are available at their companies upon graduation.

More students in Illinois have access to college today, thanks to an increase in **Monetary Award Program (MAP) grants** from \$401 million in 2019 to \$701 million in 2024. As of the 2023-24 school year, for the first time in history, every eligible MAP grant applicant received one. Additionally, MAP was expanded in 2022 to include short-term certificate programs. These programs, not previously eligible for state financial aid, provide students with direct entry to the workforce in a few weeks or months. The State of Illinois is also increasing its teacher retention and recruitment for K-12 education. Illinois' **teacher pipeline grant program** brought 5,384 new teachers into the field in 2023 — reaching more than 730,000 students in 170 districts with the highest need.

The State is focused on increasing opportunities for apprenticeships through a range of coordinated efforts under **Apprenticeship Illinois**. Businesses can receive as much as \$5,000 in tax credits per apprentice they employ. With access to apprenticeships, young people

Apprenticeship Growth in Illinois

	2019	2020	2021	2022	2023
Active Apprentices	17,221	17,137	17,726	19,140	20,470
New Apprentices	6,419	4,892	5,963	7,930	8,512

Source: U.S. Department of Labor Registered Apprenticeship Partners Information Database System (RAPIDS)

can receive specialized training while also gaining experience and a wage on the job. State-funded apprenticeship specialists are embedded within local workforce areas' integrated business service teams. These apprenticeship specialists are located across the state and coordinate regional collaboration with education, workforce, and economic development professionals to provide free “concierge” services to employers who wish to start an apprenticeship program. In a separate program, ICCB received \$4 million from a federal grant to invest in Information Technology apprenticeship programming led by a consortium of 10 community colleges. Illinois was the highest yielding performer across the national grant program, serving close to 3,000 participants with 945 apprentices successfully completing the program and becoming employed. As a result of these and other coordinated efforts under Apprenticeship Illinois, the number of apprentices in registered apprenticeships in the state has increased nearly 20% since 2019, with apprenticeship completions increasing by 33%.

To promote work in the construction trades, the **Illinois Works Pre-Apprenticeship Program**, the largest state-funded pre-apprenticeship system in the country, funds 36 programs across the state to provide construction pre-apprenticeship training for underrepresented communities. While women represent only 6% of apprentices in the trades and people of color represent only 35% of apprentices in the trades, Illinois Works participants are 25% women and 81% are students of color. In only a little over two years of operation, the program has trained over 2,000 participants and successfully graduated over 1,400. Of the graduates, outcomes data shows they are generally transitioning to higher paying trades including electrician and carpenter registered apprenticeship programs and employment.

The State used a portion of the federal pandemic relief funding to reboot and revamp the **Job Training for Economic Development Program (JTED)**. This program provides job training services to unemployed or underemployed individuals, in coordination with employers in need of a skilled workforce. This more flexible funding allowed the State to reach a population that is not typically reached through federal WIOA job training funds, and to provide more extensive barrier reduction funds. **Barrier reduction funds** cover the cost of transportation, child care, tools and other needs of trainees to ensure they have the resources needed to see training through to completion. The State anticipates that the \$20 million deployed through this program so far will ultimately benefit over 2,500 trainees.

Illinois has gained jobs and industry spending with its enhanced reputation as a national destination for film and TV production. To build on that success, the State has increased its overall workforce and diversity in its film industry by launching the **Film and TV Workforce Training Program**. To date, hundreds of people from around the state have graduated from the program and are being placed in entry-level film and TV production positions, and the Illinois Film Office projects this program will train 3,000 production workers in the next 10 years.

Supporting Entrepreneurs

The State offers support to entrepreneurs starting businesses, both through access to capital and through support services from **Small Business Development Centers (SBDCs)** and **APEX Accelerators**. Over the past few years, the State has considerably expanded on these services, adding 14 SBDCs since 2019, representing a 47% increase. The State has also increased the amount of loans going out through its **Advantage Illinois** loan program. In 2023, the State provided 148 low-interest loans through its Advantage Illinois



Illinois is providing equity investments to companies that are committed to growing in Illinois and having difficulty raising capital they need to grow their business.

program totaling \$36.6 million, the most since the program's launch. This credit support resulted in \$125.6 million in total project financing for Illinois small businesses. Nearly 70% of all loans were provided to businesses owned by people of color, women or veterans.

In 2024, the State started a new Advantage Illinois Loan Guarantee Program to increase the capital options available to small businesses, as well as the **Illinois Innovation Venture Fund (INVENT)**, a \$114 million direct equity capital program. Through this state venture fund, Illinois is providing equity investments to companies that are committed to growing in Illinois and having difficulty raising capital they need to grow their business. These programs are critical for reversing inequities that startups face when pursuing a loan or investment. While less than 3% of VC investment in the U.S. goes to women- or minority-owned businesses, thus far, 85% of INVENT investment has gone to businesses owned and controlled by socially and economically disadvantaged individuals (SEDI), including women and people of color.⁹

Through the **Business Interruption Grant (BIG)** and **Back to Business Grant (B2B)** programs, Illinois provided an unprecedented amount of support to small businesses in sectors hardest hit by the COVID-19 pandemic. Thanks to unprecedented levels of outreach and technical assistance deployed through a community navigator network of over 100 community-based organizations supported by State grants, the State was able to provide support to even the most hard-to-reach businesses. This grant funding for small businesses reached every corner of the state – over 80% of funds went to the smallest businesses with under \$1 million in revenue, and 44% of awards went to minority-owned businesses.

Altogether, the BIG and B2B programs provided more than 20,700 awards totaling \$705 million. Illinois provided the second-most funding to support the survival and recovery of small businesses during the pandemic by any state.¹⁰

Tourism

The Office of Tourism has made incredible strides in reaching the pre-pandemic peak in tourism in Illinois, which was 122 million visitors in 2019. In 2023, Illinois welcomed a total of 112 million visitors who spent \$47 billion – an increase of 15 million visitors and \$15 billion in spending from 2021.

Illinois' "Middle of Everything" advertising campaign has won several awards since its launch in markets across the U.S. Additionally,

the tourism office has recently launched an updated enjoyillinois.com website which includes a new Big Lincoln AI Chatbot. Based on data, research, and visitor profiles, Enjoy Illinois' new year-round, always-on approach is helping Illinois gain momentum as an all-season destination while helping provide greater clarity on why there is something for everyone in the state across all demographics.

Internationally, Illinois welcomed 2.2 million visitors in 2023, reflecting a substantial 39% increase from the previous year. International tourists injected nearly \$2.7 billion into Illinois' economy in 2023, representing an impressive 47% increase in spending compared to the previous year.¹¹

Illinois' tourism strategy will continue to build upon this momentum, competitively positioning Illinois as a must-visit destination for travelers from around the globe.

9. Estimated share of national VC funding going to minority- or women-owned businesses is based on a range of sources, including:

Estimated share of national VC funding going to minority- or women-owned businesses is based on a range of sources, including:

Chris Metinko and Gene Teare, "Drop in Venture Funding to Black-Founded Startups Greatly Outpaces Market Decline," Crunchbase News, February 27, 2024, <https://news.crunchbase.com/diversity/venture-funding-black-founded-startups-2023-data/>.

Sara Silano, "Women Founder Get 2% of Venture Capital Funding in U.S.," Morningstar, March 6, 2023, <https://www.morningstar.com/alternative-investments/women-founders-get-2-venture-capital-funding-us>.

Dean Takahashi, "Diversity VC reports 1.87% of venture capital allocated women and minority-owned startups," VentureBeat, November 9, 2022, <https://venturebeat.com/games/diversity-vc-reports-1-87-of-venture-capital-allocated-to-women-and-minority-owned-startups/>.

10. Based on US Treasury data on the use of ARPA State and Local Fiscal Recovery Funds, and DCEO comparative analysis of state-by-state use of CARES Act Coronavirus Relief Funds.

11. Tourism Economics



The State strategically deploys incentives to bring well-paying jobs and large investments to Illinois.

2024 Economic Growth Plan

Illinois' economic development strategy is to attract and retain businesses that will create and provide well-paying, quality jobs to Illinois residents for generations to come.

Over the last five years, the State of Illinois has made tremendous progress through targeted incentives, investments, and initiatives. Looking ahead, Illinois will continue to expand core

business development resources including investing in site readiness and workforce, improving collaboration among state and local entities, and much more.

Business Attraction and Development Strategy

Illinois' business attraction strategy is focused on providing job creators what they need for their businesses to thrive here, including:

- **World-Class Sites** Large parcels with ease of access to utilities, strategically located near transportation infrastructure, suppliers, customers and workers, and that can be ready within a reasonable timeframe.
- **Skilled Workforce** Workers with the experience and talent to meet employers' needs, and CTE or community college training programs to upskill workers as required.
- **High-Quality Customer Service** A unified economic development team of state and local partners to support businesses to problem-solve and leverage government resources.
- **Strategic Incentives** For businesses that pose the highest potential for current and future jobs and investment, it's sometimes the case that

they can solicit competitive incentive packages from multiple states. If our advantages of world-class sites, skilled workforce, and high-quality customer service are not enough to win, the State strategically deploys incentives to bring well-paying jobs and large investments to Illinois.

To continue building momentum in business attraction and retention in Illinois, the State has plans to make significant improvements in all four areas of sites, workforce, customer service, and incentives for relocating and expanding companies.

Site Readiness

When businesses are looking for a new location, if a state does not have a site that meets their parameters, that state can be eliminated quickly. On the other hand, having a great site can give a state a considerable advantage in the competition for investment.

In early 2023, to better prepare sites across Illinois for potential future investment, the State launched the **Megasites Investment Program**, and Intersect Illinois established the **Vetted Sites Program**.

Illinois now has an opportunity to evolve and build on its recent site readiness strategy to maintain its competitive advantage in infrastructure development and put it on better footing to compete with its neighbors, while advancing its equitable economic development goals.

The State has partnered with Intersect Illinois to carry out the **Illinois Regional Site Readiness Strategy (RSRS)**. The RSRS is a state-wide approach to make more sites ready for future development by 1) continuing to make grants available to property owners to prepare their sites for future development; 2) allowing the State to promote and attract the highest and best use of turn-key sites to support large job creators in priority industries; and 3) promoting the strategic benefits of proactive site readiness efforts to local partners to raise awareness of available sites and spur economic development across the state.

The State has launched grant opportunities for economic development organizations, landowners, or local communities to invest in sites where site improvements are needed and have the most economic development potential. The goal is to identify and prepare sites in every region of the state to improve opportunities for all Illinois residents to benefit from new industrial investment. Regions that need more planning and research before they are ready to invest in a site will have an opportunity to receive grant support for planning and research instead.

Customized Job Training

Illinois is the best state in the Midwest for workforce development and has among the most productive workers in the nation.^{12,13} With the growth of advanced manufacturing, there remains an opportunity to identify, recruit and train more workers to meet employers' needs – particularly when those employers are growing quickly.

Illinois has already created two **Manufacturing Training Academies (MTAs)**, new facilities based at Illinois community colleges with leading-edge equipment to train the regional workforce in the latest skills used by regional manufacturers. Heartland Community College in Normal opened its Advanced Manufacturing Center in February 2024, and Southwestern Illinois College in Belleville will open its Advanced Manufacturing Academy in the fall of 2024.

The state also offers **Fast Track** grants to help major employers recruit and train workers. With these grants, local workforce partners provide services to a major employer as they hire and train a new workforce, either due to an expansion or relocation. Through these grants, AAR in Rockford has hired and trained hundreds of aviation mechanics, and TCCI in Decatur is ramping up to hire workers at their new EV Innovation Hub. In both cases, Illinois' community colleges have built programs on premise to meet the needs of each employer.

The State intends to offer customized programs to make it easier and more affordable to recruit and train workers for companies relocating and expanding across Illinois. Illinois will continue to deploy capital grants to strategically support the creation of additional Manufacturing Training Academies and provide the facilities and tools needed to train the next generation of manufacturing workers. The State will also undertake a new initiative to brand all Manufacturing Training Academies as recognizable, State-supported, specialized facilities at community colleges that can accept students from beyond their district when they provide training options that are not available elsewhere.

The State will continue to provide support through WIOA grants for work-based learning and apprenticeships. This will expand the deployment of apprenticeship specialists in local workforce agencies across Illinois. The State will also look to extend the apprenticeship tax credit, with potential reforms identified in partnership with industry to increase their impact on business decisions that may result in an increase in apprenticeship opportunities.

Finally, the State will increase resources for the Fast Track program, providing customized recruitment and job training services to new and expanding employers, and centralize coordination and support for these services under a new Chief Workforce Officer. This support will connect employers that are creating substantial new jobs or reskilling their workforce to services including: customized assessments and review of business process and needs; employee recruitment, screening, and placement; and development of customized job training programs. To build on the work already being done in these areas across the state, this office will connect employers to existing partners that provide these services in each region – including community colleges, local workforce areas, and other job training providers and experts – and identify ways to fill gaps to meet employer needs.

12. Mark Arend, "The 2023 Regional Workforce Development Rankings," Site Selection Magazine, January 2023, <https://siteselection.com/issues/2023/jan/workforce-development-rankings-2023.cfm>.

13. Illinois workers generate \$92 in economic output per hour worked according to analysis of data from BEA and BLS, putting them in the top 10 in the country by labor productivity and far exceeding labor productivity in any other Midwestern state.

The State has developed a process to ensure coordinated engagement with companies across all the necessary stakeholders.

White Glove Service for Businesses

The business development team in the Governor's Office and at DCEO – along with the economic development partners throughout the state – are committed to putting in place a process that makes it easy for businesses considering an investment in Illinois to get to “yes.”

Team Illinois consists of Governor Pritzker and Governor's Office staff, DCEO, Intersect Illinois, trade associations, public utilities, Innovate Illinois, regional economic development partners and more. This team has come together over the past few years to provide the information, resources and – on occasion – policy changes necessary to provide businesses with an environment where they are able to invest and hire with confidence in Illinois.

As the teams have grown – along with the pipeline of businesses seeking to invest in Illinois – the State has developed a process to ensure coordinated engagement with companies across all the necessary stakeholders. In the years ahead, the State will continue to formalize that process to make it easier for businesses and regional partners to understand how to engage Illinois for new projects and ensure that Team Illinois is speaking with one voice.

As part of that effort, DCEO and Intersect will provide **resources to regional partners to help them build their business development capacity and plan for other improvements** to the attractiveness of their region, such as improvements to infrastructure, sites and other amenities. Illinois will see more success by increasing the capacity and expertise of economic development partners in every region.

The State is also **doubling the DCEO Regional Economic Development team (Team RED)** in each of the 10 economic development regions across the state. This will result in more local support for businesses to provide them information on available programs, identify regional economic development needs, and work on business retention and attraction efforts. The State is currently working through technological solutions that allow Team RED and Business Development staff to better track engagement with businesses in coordination with regional partners.

Finally, with the proliferation of new programs to support businesses, the landscape of incentives and other support for expanding or relocating businesses has become more difficult to navigate, and programs have become more onerous to apply for. The State will be assessing its application

process across a range of business development programs to identify opportunities to **consolidate and streamline applications for tax credit programs** and identify other ways to improve the experience of credit recipients and grantees.

Competitive Incentives

Over the past five years, Illinois has made extensive improvements to its incentive packages to increase its effectiveness at attracting a range of businesses considering Illinois. A few examples of newly established programs include:

- EDGE for Startups, allowing new companies without a corporate income tax liability to claim EDGE credits against their withholding liability
- REV and MICRO, which provide a larger package of incentives for large employers making investments in electric vehicles, renewable and semiconductor manufacturing
- The Invest in Illinois Fund, a “closing fund” that allows Illinois to close the potential gap in incentives or costs for major employers

The State will continue to leverage these incentives and look for opportunities to deploy them in a way that brings well-paying job opportunities to Illinois residents while maximizing the net economic and fiscal benefit to the state.

The State has identified three potential areas for improvement in its incentives to attract and retain businesses in growth industries:

- **An Advanced Manufacturing Investment Tax Credit** would enhance the investment tax credit for manufacturing companies making large-scale investments in facilities and equipment in Illinois. This would benefit existing Illinois companies and make investments that enhance their competitiveness, as well as incentivize certain capital-intensive industries to relocate here. These capital-intensive industries include automobile assembly and electronics manufacturing, as well as other sectors of manufacturing that are moving toward more automated processes.
- **Provide all Regional Development Authorities (RDAs)** the authority to establish Enterprise Zones in their region that are not contiguous, but still capped at a maximum area for the region. This would be a particular benefit in rural areas, where the scale of projects is smaller. Noncontiguous Enterprise Zones would allow for broader coverage of the region.
- **Extend the Research and Development Tax Credit** through 2037 and allow start-ups to apply it to their employee withholding liability. Extending this tax credit will give companies

The State will continue to partner closely with Intersect Illinois to showcase the state's assets and the benefits of locating or expanding in Illinois.

in Illinois the confidence they need to know that they should invest in their R&D here for projects that may last 10 years or more. Start-up companies that are still developing products cannot currently take advantage of the R&D Tax Credit since they have no income tax liability. Allowing start-ups to take advantage of the credit would provide Illinois with a competitive advantage over other states for fast-growing innovative companies developing new products.

Marketing

Illinois' business attraction strategy includes a proactive approach to ensure that the global business community knows that Illinois is a premier location for business relocation and growth. The State will continue to partner closely with Intersect Illinois to showcase the state's assets and the benefits of locating or expanding in Illinois.

Intersect Illinois will build targeted programs around each of the identified growth industries. This will include research to fully understand opportunities in each industry and to identify how Illinois and its regions are best positioned to attract investment in those industries. Intersect will then develop sector-specific campaigns targeting domestic and industrial audiences, which will be supported by a consistent presence at conferences and other events where the message can be shared directly with site selection decision-makers.

Illinois' Office of Trade and Investment (OTI) will also increase the state's presence and outreach in key overseas markets. The State recently announced a new memorandum of understanding (MOU) supporting ongoing trade relations with Canada and several more MOUs with strategic partners in Asia and Europe are currently in process. In addition, building on the success of trade missions to Japan, Canada, and the United Kingdom, as well as to Glasgow for COP26, the Governor anticipates at least two trade missions annually in the coming years to promote Illinois companies, develop closer relationships with overseas trading partners and raise awareness of the benefits of investing in Illinois.

These initiatives will increase international market entry opportunities for Illinois-based businesses, as well as foreign direct investment in Illinois.

Prioritize Innovation

Innovative companies benefit from proximity to cutting-edge research, and Illinois has a lot to offer with top research universities such as University of Illinois Urbana-Champaign, University of Chicago, Northwestern University, and University of Illinois Chicago, tech incubators and accelerators, and

two national labs. Illinois universities alone spent more than \$3 billion in science and engineering research in 2022.¹⁴ Over the past few years, Illinois has encouraged collaboration between universities and Illinois-based corporations through new grant programs, including the **Wet Labs Capital Grant Program**. Most recipients of Wet Lab capital grants were universities establishing new facilities where startups could do cutting-edge research alongside researchers based at the university on or near their campus. In 2023, the State of Illinois provided a \$25 million matching grant to the Chan Zuckerberg Biohub, which chose Illinois to invest \$250 million in its new world-renowned collaborative with three of our R1 research universities. The State also started the Innovation Voucher program, which provides small grants to support businesses partnering with higher education institutions in Illinois to conduct research.

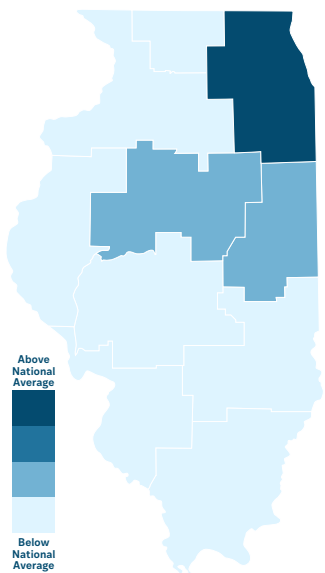
Going forward, the State intends to selectively deploy capital grants that invest in facilities that bring together researchers based at Illinois' research institutions and innovators in the private sector. The most prominent recent example of this is the **Illinois Quantum and Microelectronics Park**. Over the next few years, Illinois will invest up to \$500 million to build out facilities where Fortune 500 companies and startups in quantum computing can co-locate with each other, as well as with federal research offices, national laboratories, and universities. These facilities will result in commercialization opportunities for Illinois entrepreneurs, make Illinois an even more desirable destination for federal research grants, and attract leading global tech companies.

The State has already seen enthusiastic buy-in for the Illinois Quantum and Microelectronics Park from private-sector and federal partners. In July, Governor Pritzker announced that the park would be located at the former U.S. Steel site on the South Side of Chicago and would be anchored by the nation's first useful error-corrected quantum computer, developed by PsiQuantum. The Illinois Quantum and Microelectronics Park will also be the location of a new partnership between the Defense Advanced Research Projects Agency (DARPA) and the State of Illinois. At the **DARPA-Illinois Quantum Proving Ground**, quantum computing prototypes will be tested and evaluated as part of DARPA's new Quantum Benchmarking Initiative. Companies receiving DARPA support to develop and test new quantum computing technologies will co-locate in Illinois at the Illinois Quantum and Microelectronics Park to do that work.

14. Higher Education Research and Development (HERD) Survey, National Center for Science and Engineering Statistics, National Science Foundation.

This rich ecosystem of academia not only cultivates a skilled workforce but also fuels a culture of discovery and advancement.

Share of Regional Employment in Life Sciences



High-Growth Industries

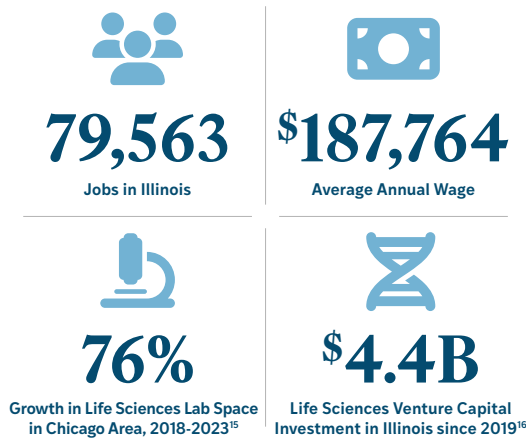
In its business development efforts, the State of Illinois will focus on industries that have significant prospects for growth in the near future, as well as a solid foundation in the institutions, businesses, and workforce already in Illinois.

Illinois' economic development efforts will include targeted marketing to each focus industry in partnership with Intersect Illinois. The State will hire sector specialists with expertise in each focus industry, assigned to support business attraction, retention and expansion. With the state's nation-leading education resources, Illinois will extend or develop job training programs and curricula for occupations in these industries. And State grant programs will increasingly support site development, job training, capital investment and more in high-growth industries.

to treat inflammatory disease. They located in Chicago thanks to extensive collaboration between researchers at University of Chicago, Northwestern University, and UIUC.

The Chicago metro area was recently lauded as a top-10 metro area for the life sciences, thanks in particular to its educational institutions and growth in lab space suitable for life sciences innovation.¹⁷ From 2018 to 2023, rentable life sciences office space in Chicago increased by 76%, the fastest among the nation's top 10 metro areas for life sciences.

Life Sciences



Chicago also ranks #1 as the most cost-effective destination for life sciences office space among its peers. With average rates at 61% less than New York City, 55% less than San Francisco, and 39% less than Boston, Chicago offers unparalleled value for entrepreneurs and established companies alike. This affordability not only enhances the city's appeal but also enables businesses to allocate resources efficiently, fostering sustained growth and success.

Beyond its bustling market and affordable infrastructure, Chicago shines as a powerhouse for talent education in the life sciences domain. Ranked second in the nation for educational institutions and fourth for life sciences education, the Chicago metropolitan area boasts 37 institutions offering industry-related programs or majors. This rich ecosystem of academia not only cultivates a skilled workforce but also fuels a culture of discovery and advancement.

Illinois has long been a hub for life sciences, which include manufacturing related to health care – such as biopharmaceuticals and medical devices. Illinois is the site of extensive innovation in medical devices and procedures, as well as biopharmaceuticals, notably receiving \$4.4 billion in life sciences venture capital investment since 2019.¹⁶ With the right type of investment and collaboration, Illinois can continue to be a central hub for innovation and manufacturing in these sectors for generations to come.

*Illinois is home to the international headquarters of Abbott, AbbVie, Hospira, and many other major **biopharmaceuticals** manufacturers. Lake County has the third-largest concentration of life science companies nationwide, and the largest in the Midwest. Chicago's northern suburbs also host the headquarters or major operations for industry leaders including Lundbeck, Astellas, Takeda, CSL Behring, and Fresenius Kabi. The biopharmaceutical sector provides more than 260,000 jobs in Illinois.¹⁸*

What advantages does Illinois offer in attracting/retaining this industry?

Illinois has a strong presence in the medical devices sector, and four of the top 10 largest companies in the sector, with combined revenue of almost \$70 billion.¹⁶ Medline, Baxter, Abbott, and GE Health are driving the growth of the medtech sector in the Chicago metro area. An endorsement of Illinois' leadership in biomedical research came in 2023, when the Chan Zuckerberg Initiative selected Chicago as the site for a new CZ Biohub to develop new technologies

Why is this a growth opportunity?

Life sciences are growing at a rapid pace across the world, and Illinois' ecosystem of large market leaders and leading health care and research institutions makes it a likely opportunity for

15. CBRE Research.

16. DCEO analysis of data from PitchBook.

17. Data reflected here and in the following two paragraphs is from: "Top 25 U.S. Metros for Life Sciences: Boston, San Francisco & New York Lead the Way," Commercial Café, April 26, 2024, <https://www.commercialcafe.com/blog/top-u-s-metros-for-life-sciences-2024/>

18. Pharmaceutical Research and Manufacturers of America. (n.d.). Four ways that America's biopharmaceutical industry supports jobs and fuels economic growth. Retrieved from <https://phrma.org/en/Blog/Four-ways-that-Americas-biopharmaceutical-industry-supports-jobs-and-fuels-economic-growth>



outsized growth. Life science startups are increasingly moving to the Chicago area to participate in the region's success.

The medical devices market is growing at a compound annual growth rate of 7%, and is expected to reach \$890 billion by 2029.¹⁹

Growth and innovation in the life sciences sector is being driven by new technologies, as well as changing demands for health care and therapeutics. An aging population and higher prevalence of chronic disease is resulting in more demand for therapeutics. In addition, companies are increasingly adopting AI technology in developing new ways to treat patients and to develop new drugs. Furthermore, recent breakthroughs in our understanding of genetics, immunology, and cell biology have led to new exciting opportunities for further R&D and innovation in these fields. These trends have combined to increase R&D efforts at large incumbent firms and also spurred exciting growth opportunities for and investment in biotech startups. The vibrant Illinois life sciences ecosystem has both.

19. Mordor Intelligence, "Global Medical Device Technologies Market - Growth, Trends, and Forecasts (2024-2029)." Accessed July 17, 2024. <https://www.mordorintelligence.com/industry-reports/global-medical-device-technologies-market-industry/market-size>.

With its strength in microelectronics and AI research... Illinois is well-positioned to capture anticipated future growth in these industries.

Quantum Computing, AI and Microelectronics



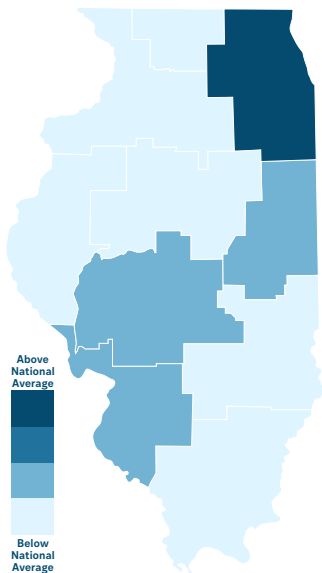
Beyond quantum computing, Illinois has advanced AI labs at its major research institutions and has attracted top talent in the field. Illinois universities and colleges produce the third-largest number of computer science degrees in the nation, accounting for 10% of all U.S. computer science degrees.²⁰ Illinois universities are major partners in two of the eight federal Microelectronics Commons Hubs. The Argonne Leadership Computing Facility is nearing completion of the Aurora exascale supercomputer, one of the fastest computers in the world. Illinois' largest finance, insurance, and logistics companies are poised to become major customers of AI and quantum computing as the technology evolves.

In addition, Illinois has state level tax incentives for microchip fabrication on top of federal incentives through the Manufacturing Illinois Chips for Real Opportunity Act (MICRO Act).

Why is this a growth opportunity?

The quantum computing market, which was \$717 million in 2022, is set to grow at a compound annual growth rate of 24%.²¹ Similarly, the advanced packaging market, estimated at \$33 billion in 2024, is anticipated to grow to \$45 billion by 2029 with an annual growth rate of 6.6% from 2024 to 2029.²² The U.S. microelectronics market, which was \$78 billion in 2022, is poised to hit approximately \$116 billion by 2032. The artificial intelligence market is projected to be \$305 billion in 2024, with an impressive annual growth rate of 15% from 2024 to 2030.²³ Additionally, the cyber security/fintech market is expected to witness significant growth in the coming years, propelled by rising demand across sectors such as banks, insurance and others.

Share of Regional Employment in Quantum Computing, AI and Microelectronics



Artificial intelligence (AI) is increasingly impacting the way that the world travels, communicates, works, and plays. The implementation of AI has brought a significant increase in R&D and investment in microelectronics and new innovations in computational software and hardware. These innovations include quantum computers, which can perform computations exponentially faster than computers that use silicon microchips. In addition to private-sector interest, the federal government has massively increased investment in R&D and domestic manufacturing of these technologies for national security and economic resiliency. With its strength in microelectronics and AI research at universities and national labs, as well as its status as a global quantum hub, Illinois is well-positioned to capture anticipated future growth in these industries.

What advantages does Illinois offer in attracting/retaining this industry?

For many reasons, Illinois has already established itself as the premier quantum computing hub in the U.S. As home to four out of 10 national research centers and institutes funded by NSF and DOE for quantum technology, Illinois has so far received two out of every five federal dollars spent on quantum technology, far exceeding any other state. Illinois is well-positioned for more federal investment as the home of a designated EDA Tech Hub for quantum, and a finalist for the NSF Regional Innovation Engine grant. Illinois is home to the first quantum startup accelerator Duality, based at the University of Chicago – and is home to the Chicago Quantum Exchange, the largest university-led quantum initiative in the country. Illinois is the host to the longest active quantum communications network in the U.S., a 124-mile loop connecting the University of Chicago to Fermilab and Argonne, and the first publicly available quantum network was launched in November 2023 at the Urbana Free Library.

20. Illinois Innovation Index: 2018 Talent Index, Illinois Science and Technology Coalition, https://www.istcoalition.org/wp-content/uploads/Talent_Index_18_FINAL.pdf

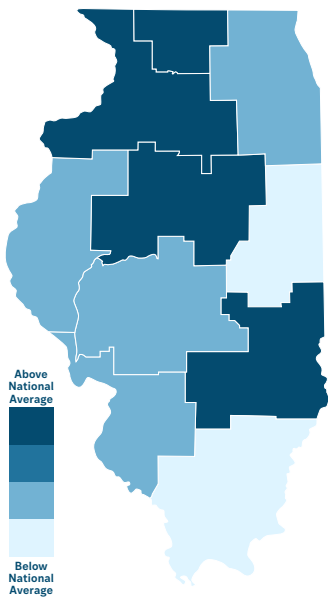
21. Fortune Business Insights. (n.d.). Quantum Computing Market Size Projection. Retrieved from <https://www.fortunebusinessinsights.com/quantum-computing-market-104855>

22. Mordor Intelligence. (2020). Advanced Packaging Market - Growth, Trends, and Forecast (2020 - 2025). Retrieved from <https://www.mordorintelligence.com/industry-reports/advanced-packaging-market>

23. Perrault, R., & Clark, J. (2024). Artificial Intelligence Index Report 2024.

Illinois is well-positioned to benefit from associated growth in the clean energy sector.

Share of Regional Employment in Clean Energy Production and Manufacturing



Clean Energy Production and Manufacturing



Governor Pritzker worked with the General Assembly to pass CEJA and REV Illinois in 2021 not just because it was good for the environment to reduce carbon emissions, but because tying the reduction in carbon emissions to large investments in the clean energy sector – including workforce, small businesses, manufacturing and more – **represents a generational economic opportunity for Illinois.** As the world pursues carbon emissions reduction through the advent and adoption of new technologies, Illinois is well-positioned to benefit from associated growth in the clean energy sector.

What advantages does Illinois offer in attracting/retaining this industry?

As a top-five state in operating wind, solar and energy storage with capacity in excess of 9,400 megawatts, clean power employment of 16,300,²⁵ and a commitment to achieving 100% clean energy by 2050, Illinois provides a conducive environment for clean energy investment and growth. CEJA further enhances this landscape by training thousands of workers for new clean energy jobs through 13 hubs across the state, providing a diverse talent pipeline of workers that will continue to grow. The state's robust R&D ecosystem, exemplified by institutions like Argonne National Laboratory's Joint Center for Energy Storage Research, supports advancements in energy storage and efficiency technologies. Moreover, Illinois' strategic logistics infrastructure, skilled workforce, and commitment to transitioning to clean energy create a favorable environment for companies looking to establish or expand their presence in clean energy manufacturing.

Illinois is a member of the Mach H2 Hydrogen Hub, which is working toward \$1 billion in federal support to generate hydrogen using carbon-free sources.

Illinois holds immense potential in the biofuels sector, driven by its abundant agricultural resources – particularly in corn and soy production – and leading research institutions. As the fourth-largest biodiesel producer in the U.S. and home to industry leaders like ADM, LanzaTech, and REG, the state provides a strong foundation for attracting and retaining the biofuels industry. The National Corn-to-Ethanol Research Center (NCERC) in Edwardsville is a nationally-recognized research center dedicated to the development and commercialization of biotechnologies, including biofuels. Bioenergy was the largest source of renewable energy in the U.S. in 2022, representing 5% of total energy production. The U.S. Energy Administration identified more than 1 billion tons of biomass nationally that could be leveraged for energy production, with heavy concentrations of biomass in Illinois compared to surrounding and competing states.²⁷ Furthermore, Illinois recently passed a credit for Sustainable Aviation Fuel (SAF) that incentivizes the sale of such fuel at Illinois-based airports.

Why is this a growth opportunity?

A growing awareness of climate change and the impacts of fossil fuels on the environment has led to an effort to decarbonize the economy in battery technology, renewable energy, harnessing hydrogen for power, safe development of new sources of nuclear energy, biofuels, energy efficiency and more.

The Inflation Reduction Act (IRA), passed by Congress in 2022, is driving a generational level of investment in clean energy manufacturing capacity, through an estimated \$783 billion in support for companies engaging in those efforts as well as subsidies for the purchase of clean energy and energy-efficient devices.²⁷

Global demand for biofuels is projected to grow by 28% from 2021 to 2026 and has an annual growth rate of 11.4%.²⁸ Global ethanol production alone will grow to 1.02 million barrels per day during 2024.²⁹ As governments continue to incentivize a move away from fossil fuels, demand will continue to grow for alternative fuels. For example, sustainable aviation fuel (SAF) production capacity is expected to achieve a 48% compounded annual growth rate to meet U.S. targets by 2030.³⁰

24. Solar Energy Systems Market Analysis Report," Grand View Research, <https://www.grandviewresearch.com/industry-analysis/solar-energy-system-market-report>.

25. Clean Power. "Clean Power Illinois". https://cleanpower.org/wp-content/uploads/2024/03/Illinois_clean_energy_factsheet.pdf

26. U.S. Energy Administration, 2023 Billion-Ton Report: An Assessment of U.S. Renewable Carbon Resources. <https://www.energy.gov/eere/bioenergy/2023-billion-ton-report-assessment-us-renewable-carbon-resources>

27. "Repealing Inflation Reduction Act's Energy Credits Would Raise \$663 Billion, JCT Projects", Tax Foundation, June 7, 2023

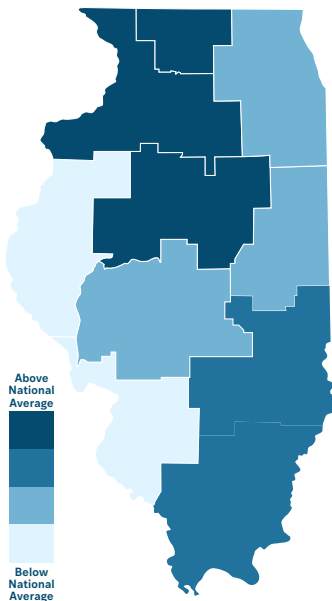
28. Nazari MT, Mazutti J, Basso LG, Colla LM, Brandli L. Biofuels and their connections with the sustainable development goals: a bibliometric and systematic review. *Environ Dev Sustain.* 2020;23(8):11139–11156. doi: 10.1007/s10668-020-01110-4

29. Ethanol Producer Magazine. EIA increases 2024-2025 ethanol production forecasts. Retrieved from <https://ethanolproducer.com/articles/eia-increases-2024-2025-ethanol-production-forecasts>

30. U.S. Department of Energy. (2022, September). BETO-SAF-GC Roadmap Report. Retrieved from <https://www.energy.gov/sites/default/files/2022-09/beto-saf-gc-roadmap-report-sept-2022.pdf>

These areas largely consist of products that are the inputs for fast-growing sectors in vehicles, energy and bioprocessing...

Share of Regional Employment in Advanced Manufacturing



Advanced Manufacturing



Illinois' long history in manufacturing and its advantages in infrastructure, workforce and R&D allow it to capture growth and quality job opportunities. Advanced manufacturers provide the inputs for fast-growing sectors in vehicles, energy and life sciences, including **machinery manufacturing, fabricated metal manufacturing, chemical manufacturing, robotics and advanced materials, including nanomaterial manufacturing.** In addition, **airplane and drone manufacturing** have a strong presence in multiple regions in Illinois and are seeing dramatically increased growth due to increases in defense spending around the world.

What advantages does Illinois offer in attracting/retaining this industry?

Illinois has been a hub of manufacturing for over a century. It has the largest manufacturing output in the Midwest and has more large industrial sites than any other Midwest state.

Illinois has also tailored several programs to incentivize and attract advanced manufacturing. These include the Megasite Investment Program, REV, MICRO, Made in Illinois Grants, and manufacturing training academies, including SWIC's Advanced Manufacturing Facility. Illinois' high-tech manufacturing sector invests heavily in R&D, with corporate expenditures of \$11.1 billion in 2021.³³

Why is this a growth opportunity?

The main source of growth in these sectors is growth in the sectors that use their products as inputs – for example, there is higher demand for machinery and fabricated metals by new factories that are producing electric vehicles and batteries. In addition, incentives for reshoring from the federal government and efforts by companies to “de-risk” their supply chains are bringing greater interest from manufacturers to

find suppliers based in the U.S. that they were previously sourcing elsewhere.

Global defense spending grew by 19% – exceeding \$2 trillion in 2023 – and is anticipated to grow by another 5% in 2024.³⁴ Industrial machinery is projected to nearly double globally from \$592 billion in 2023 to \$1 trillion in 2032, largely driven by an increase in products manufactured with the use of heavy machinery and the increased implementation of AI, robotics and “Internet of Things” (IoT) in the manufacturing process.³⁵

Importantly, capturing these growth opportunities will depend on legacy manufacturers’ – particularly small and medium-sized suppliers – ability to pivot to take advantage of them by identifying new customers or changing their products or processes. DCEO and its partners at the Illinois Manufacturing Excellence Center (IMEC) are prepared to provide that support.

31. John Coykendall, et al., “Taking charge: Manufacturers support growth with active workforce strategies,” Deloitte Research Center for Energy and Industrials, <https://www2.deloitte.com/us/en/insights/industry/manufacturing/supporting-us-manufacturing-growth-amid-workforce-challenges.html>.

32. “Industrial Robotics Market Analysis Report,” Grand View Research, <https://www.grandviewresearch.com/industry-analysis/industrial-robotics-market>.

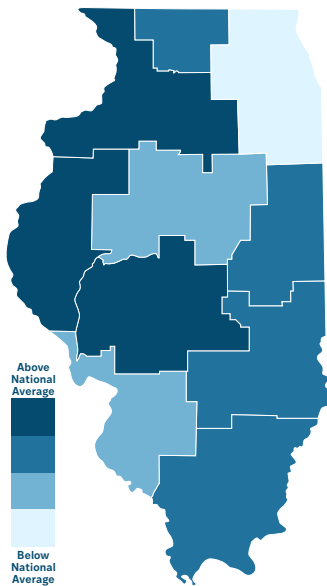
33. 2022 Annual Business Survey, National Center for Science and Engineering Statistics, National Science Foundation.

34. Sarwant Singh, “Why The Defense Industry Outlook Is So Strong,” Forbes Magazine, March 11, 2024, <https://www.forbes.com/sites/sarwantsingh/2024/03/11/why-the-defense-industry-outlook-is-so-strong/>

35. “Industrial Machinery Market Size and Share | Forecast 2032,” Acumen Research and Consulting, October 2023.

Illinois has been a global hub for agriculture and food manufacturing for well over a century.

Share of Regional Employment in Next Generation Agriculture, Ag Tech, and Food Processing



Next Generation Agriculture, Ag Tech, and Food Processing

 177,289 Jobs in Illinois	 \$88,093 Average Annual Wage
 10% Projected annual global growth in food manufacturing ³⁶	 15% Projected Annual Global Growth in Ag Tech ³⁷

Illinois has been a global hub for agriculture and food manufacturing for well over a century. At the center of this sector is Illinois' farm industry, which has attracted and supported the growth of companies that provide supplies to farms (agricultural machinery, tractors, fertilizer, and animal feed), and use products from farms (food manufacturing and biofuels). Over the past few years and in the future, growth opportunities in this sector will arise from changing consumer tastes for food products and materials, advances in agriculture technology, shifting international supply chains, and greater interest in sustainable practices and products.

What advantages does Illinois offer in attracting/retaining this industry?

70% of Illinois' land is farmland³⁸, providing fertile ground for agricultural innovation and positioning the state as a national leader in agriculture, specifically soybean (#1), corn (#2), and pigs (#4).³⁹ Illinois also has the nation's largest food and beverage manufacturing output, complemented by a vibrant venture capital hub in the Chicago area, which experienced a 508% surge in food tech investment between 2019 and 2021.⁴⁰

The state benefits from its strategic geographical location, supported by a robust transportation infrastructure – featuring O'Hare International Airport, many multimodal ports, and all Class I railroads – conducive to the logistics needed to transport agricultural products. This infrastructure facilitates efficient distribution for food-related businesses. Additionally, Illinois is home to leading research institutions such as the University of Illinois Urbana-Champaign (UIUC), which spearheads food research in areas such as synthetic biology, digital agriculture, and regenerative practices. This rich academic landscape, combined with partnerships between

industry and academia, fosters innovation and R&D in the food sector.

Decatur and Champaign were recently designated by the U.S. Department of Commerce as a tech hub for **biofermentation** and received over \$50 million in federal grants, thanks to a collaboration called iFAB driven primarily by the Integrated Bioprocessing Research Laboratory (IBRL) – located at the University of Illinois – and industry partners Primient and ADM. Biomufacturing converts crops like corn and soybeans into a wide range of high-value commodities, creating more market stability and growth in bio-based businesses. While the U.S. demand and potential are great, the infrastructure is lacking. iFAB is poised to respond by turning central Illinois into a best-in-the-world hub for fermentation manufacturing. The projects pursued by this tech hub will make them the sole location in North America where companies can carry out scaled-up demonstration projects in biofermentation.

Why is this a growth opportunity?

Thanks to advances in agriculture technology (ag tech), modern farms are more productive and efficient than they have ever been. Ag tech includes robots, temperature and moisture sensors, drones, GPS technology, and more to help farmers and ranchers understand and optimize conditions in real time. **Precision agriculture** using these technologies has been shown to have a positive impact on farm productivity, while reducing greenhouse gas emissions.⁴¹ Ag tech is experiencing rapid growth. By the end of the decade, improved connectivity in agriculture could contribute over \$500 billion to global GDP growth.⁴²

The biofermentation market is poised for remarkable growth and is projected to grow from \$2.5 billion in 2023 to \$3.6 billion in 2024, a substantial surge of 45.7% in just one year.⁴³

Manufacturing of agriculture equipment and agriculture inputs are undergoing significant changes in today's market. Equipment is being designed to reduce emissions and help farmers become more precise and efficient, reducing the number of times massive, gas-powered equipment has to drive over the acres and acres of Illinois farm fields. The way farmers treat the land both before and after planting is also changing to take into consideration the effect farm chemicals have on land, water and the environment. As the agriculture community continues to embrace these practices, Illinois-based companies like John Deere are leading

36. "Food Contract Manufacturing Market Analysis Report," Grand View Research, <https://www.grandviewresearch.com/industry-analysis/food-contract-manufacturing-market-report>.

37. "Global Agritech Market Insights Forecast to 2032," Spherical Insights, <https://www.sphericalinsights.com/reports/agritech-market>.

38. BCG Analysis

39. Soybean, corn, and pig production numbers from the United States Department of Agriculture, National Agricultural Statistics Service. <https://www.nass.usda.gov/index.php>

40. BCG Analysis

41. Precision Fermentation Market Poised for Remarkable Growth, Projected to Reach \$17.43 Billion by 2028." Dairy News Today, <https://www.dairynews.today/global/news/precision-fermentation-market-poised-for-remarkable-growth-projected-to-reach-17-43-billion-by-2028.html>

42. DataM Intelligence, Alternative Proteins Market Size, Share, Industry, Forecast and Outlook (2023-2030), October 2023, <https://www.datamintelligence.com/research-report/alternative-proteins-market>

43. Athanasios Balafoutis, et al, "Precision Agriculture Technologies Positively Contributing GHS Emissions Mitigation, Farm Productivity and Economics," Sustainability, vol. 9, iss. 8, July 31, 2017.



the world in the design and production of innovative technology solutions. They have pledged to deliver 1.5 million connected machines by 2026 to increase crop production efficiency by 20% and to reduce 15% of customer CO2 emissions by 2023.⁴⁴

*Next generation agriculture and food manufacturing present significant growth opportunities for Illinois due to a growing global market and changes to consumer preferences for food. One example is the **alternative protein market**, which was valued at \$26 billion in 2022 and is expected to grow to \$82 billion by 2030.⁴⁵*

*The **sustainable foods and packaging** industry is growing due to consumers' growing demand that corporations reduce waste and implement sustainable practices, and company interest in keeping input costs down. The market is expected to grow from \$320 billion in 2023 to \$492 billion in 2029.⁴⁶*

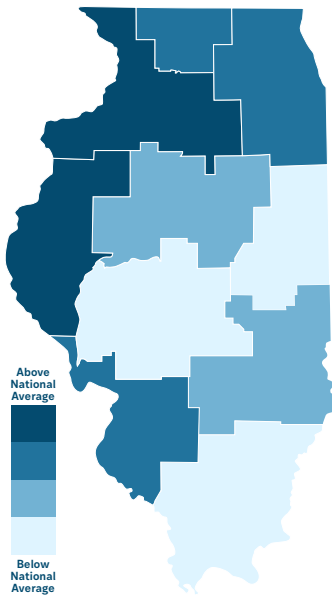
44. BCG Analysis

45. "McKinsey & Company. "Agriculture's Connected Future: How Technology Can Yield New Growth." Accessed July 22, 2024. <https://www.mckinsey.com/industries/agriculture/our-insights/agricultures-connected-future-how-technology-can-yeild-new-growth>.

46. ResearchAndMarkets.com. (2024, March 15). Global Sustainable Packaging Market Outlook & Forecast 2024-2029: A USD 491.75 Billion Market in 2029 - Registering a CAGR of 7.44% from 2023-2029 - ResearchAndMarkets.com. Business Wire. <https://www.businesswire.com/news/home/20240315413886/en/Global-Sustainable-Packaging-Market-Outlook-Forecast-2024-2029-A-USD-491.75-Billion-Market-in-2029-Registering-a-CAGR-of-7.44-from-2023-2029---ResearchAndMarkets.com>

Shifts in global trends have caused companies to re-consider their supply chains globally.

Share of Regional Employment in Transportation, Distribution, and Logistics



Transportation, Distribution, and Logistics



Illinois is potentially the best state in the nation when it comes to transportation and distribution infrastructure. It is the only state with all six Class I railroads, has the third-largest interstate highway system with seven major interstates, has water access to Lake Michigan and the Mississippi River, and the fourth-busiest airport in the country. In recent years, this advantage has become even more important as investment in this sector grows. A surge in online shopping has required companies to invest in advanced transportation solutions and optimized supply chain management. Shifts in global trends have caused companies to re-consider their supply chains globally. And increased capabilities in automation and sustainability have led to new innovations in transport involving autonomous vehicles, AI, and alternative fuels.

What advantages does Illinois offer in attracting/retaining this industry?

Illinois is a key hub for the transportation, distribution, and logistics industry due to its central location and extensive infrastructure. In 2023, \$1.1 trillion in outbound freight originated in Illinois. Illinois ranked third among states in the total value of outbound shipments, shipping out more freight than Wisconsin and Indiana combined.⁴⁹ This is largely attributable to Illinois' central location and vast network of highways, major railroads, and multiple airports, providing comprehensive options for freight and cargo handling. The state excels in intermodal transportation, seamlessly integrating rail, road, air, and water to ensure efficient movement of goods. Illinois also offers a skilled workforce, economic incentives, and a strong focus on innovation in logistics technology. As a result, Illinois ranks in the top five for employment concentration in wholesale trade and in the top 10 for employment concentration in transportation and warehousing.⁵⁰

Illinois has five international airports and seven commercial airports which help to provide robust air connectivity. This includes O'Hare International Airport, which boasts the second-most aircraft movements and fifth-most airline passengers in the U.S.⁵¹ O'Hare also consistently ranks among the top 10 in North America and in the top 25 of the world in terms of its annual air cargo, with a total of 1.5 million tons.⁵²

Illinois is the only state that hosts all six Class I freight railroads. This rail network, coupled with Chicago being the third largest intermodal port in the world, opens the door for an efficient transfer of goods between various transportation modes. Additionally, Illinois has the third largest interstate highway system in the U.S., including major interstates such as I-55, I-57, I-70, I-80, I-90, and I-94. These interstates provide over 2,185 miles of highway that provide necessary connections for freight transportation,⁵³ in addition to Illinois' 15,969 miles of state highways.

Lastly, Illinois has two major inland ports and 14 waterway ports. These ports enhance the state's logistical capabilities and position Illinois as a crucial hub for water transportation given its access to the Mississippi River and the Great Lakes.

Why is this a growth opportunity?

A heightened focus on supply chain resilience and risk management, spurred by disruptions like the COVID-19 pandemic, is now a driver of investment in the logistics sector. The pandemic exposed vulnerabilities in global supply chains, leading companies to prioritize risk mitigation strategies. This shift has accelerated the adoption of technologies and practices that enhance supply chain resilience. Additionally, e-commerce has significantly increased the demand for efficient logistics and distribution networks, as consumers now expect faster delivery times. This surge in online shopping requires advanced transportation solutions and optimized supply chain management.

E-commerce is currently experiencing rapid growth, with the global market projected to grow from \$933 billion in 2021 to \$1.6 trillion by 2025.⁵⁴ This jump is an indication that transportation and distribution infrastructure will need to expand to handle increased volumes and ensure timely deliveries.

The rise of automation and digitalization in logistics presents another growth avenue for this sector. Innovations like autonomous vehicles, drones, and AI-driven logistics management systems are transforming the sector. For instance, a warehouse with AI can be estimated to reduce

47. "Retail Logistics Market Analysis Report," Grand View Research, <https://www.grandviewresearch.com/industry-analysis/retail-logistics-market>.

48. "Transportation Management System Market Analysis Report," Grand View Research, <https://www.grandviewresearch.com/industry-analysis/transportation-management-systems-market>.

49. U.S. Bureau of Transportation Statistics, Freight Facts and Figures- Moving Goods in the United States, 2023.

50. Estimates from Lightcast, 2023

51. Federal Aviation Administration. Air Traffic by the Numbers 2024. 2024. PDF file. https://www.faa.gov/air_traffic/by_the_numbers/media/Air_Traffic_by_the_Numbers_2024.pdf.

52. Illinois Department of Transportation. (n.d.). Airport system overview. Retrieved from <https://idot.illinois.gov/transportation-system/network-overview/airport-system.html>

53. Illinois Department of Transportation. (n.d.). Highway system. Illinois Department of Transportation. Retrieved from <https://idot.illinois.gov/transportation-system/network-overview/highway-system.html>

54. Statista. (2024). U.S. retail: quarterly e-commerce sales 2024. Statista. Retrieved from <https://www.statista.com/statistics/272391/us-retail-e-commerce-sales-forecast/>



operations costs by 50% while increasing safety by 90%.⁵⁵ AI enables better handling of potential delays through predictive analysis and optimizes delivery routes, saving valuable time and fuel. Illinois is at the forefront of adopting these technologies and reducing costs for businesses operating within the state.

Sustainability is also becoming a crucial consideration rising in logistics. Illinois has shown it is committed to green logistics initiatives, including increasing the use of electric vehicles (EVs) and vehicles using other alternative fuels in freight transport. Also, there has been an increase in energy efficiency in warehousing and distribution centers throughout the state.

⁵⁵. ElifTech. (n.d.). AI in logistics explained. Retrieved from <https://www.eliftech.com/insights/ai-in-logistics-explained/>



If the State coordinates its workforce development efforts with its business development efforts...it opens the door to thousands of well-paying, quality job opportunities...

Building Resilient and Growing Communities

Economic development is not just about being business-friendly – it's about making Illinois a great place to live, work and raise a family.

The Pritzker Administration has worked closely with the General Assembly to invest in communities that have long suffered from disinvestment. This plan builds on that work with initiatives that provide a path to high-paying job opportunities, attract capital to support capital-starved entrepreneurs, and reduce barriers to accessing services and grants.

Education for Careers

The section focused on Growth Industries highlights a range of industries that are primed for growth in the near future where Illinois has an opportunity to thrive. That growth potential can only be realized if the state has a workforce with the skills and experience needed for the occupations in those industries. If the State coordinates its workforce development efforts with its business development efforts at the industry and occupational level, it opens the door to thousands of well-paying, quality job opportunities – and ultimately careers – for Illinois residents of all backgrounds in every region in the state.

To pursue this “Education for Careers” initiative, the State will begin by developing an understanding of which occupations are anticipated to be most prominent in those sectors, what skills are required to enter those occupations, and what are the opportunities for advancement. Then, it will **identify curricula and programming at every level of education – from K-12 to community college to universities to adult learners** – that will best prepare the Illinois workforce for occupations in those industries that are most in-demand and provide the best opportunities for advancement.⁵⁶ These curricula and programs will be disseminated to school districts, career and technical education (CTE)

providers, community colleges, universities and other job training organizations. This will include expanding the availability of essential employability skills in both high schools and community colleges. Secondary schools can align these programs with their work-based learning efforts required under the POWER Act, and these efforts can be funded in part by funds available for CTE and for work-based learning from WIOA.

There are two recent examples of programs in line with this approach:

- Through the Rev Up EV Community College Initiative Grant, the ICCB competitively awarded \$9.4 million in grants to promote the development and growth of training programs that prepare individuals for careers in EV technology and EV-specific advanced manufacturing fields, with a priority focus on programs and training in areas that are most in demand by EV business and industry partners. The ICCB is partnering with the Illinois Green Economy Network, a consortium of community colleges dedicated to advancing clean energy, in its implementation of the project. In its first year, the participating community colleges aim to enroll 2,000 students and engage more than 340 employers around the state.
- Through the Manufacturing, Engineering, Technology, and Trades (METT) Pathway Grant, ISBE provided grants competitively to school districts to develop CTE programming for high school students in manufacturing, engineering, tech and the trades. Funds could be used to recruit students into those fields and to support the development and implementation of METT Career Pathways (i.e. curricula and programs that prepare students for those industries) in

56. This approach is inspired by the Talent Pipeline Model (TPM) that has been popularized by the U.S. Chamber of Commerce Foundation, and which DCEO has begun to implement through local workforce partners.

districts and schools. This program is a three-year pilot, lasting from 2024 to 2026.

The State will improve and build on these models and identify opportunities to apply them to other focus industries.

As another part of this initiative, the State will provide capital grants to modernize existing **Area Career Centers** and invest in new ones. These are centers where high schoolers from across a region can participate in career and technical education or start gaining credits from community colleges. At their best, these centers are outfitted with the latest equipment for manufacturing and tech, work closely with regional employers, and provide early employment opportunities for local youth. Additional capital grants can help these centers acquire equipment and machinery needed to provide relevant training.

To drive this programming, as well as customized job training initiatives, the State will hire a **Chief Workforce Officer**. This individual will coordinate and monitor outcomes for state and federal workforce programs across state agencies. In addition, they will work in partnership with state and federal workforce agencies to advocate for all workforce development system users, including jobseekers and employers, and make recommendations to improve system access to ensure that job training for high-paying occupations is available regardless of race, gender or socio-economic status.

Access to Child Care

Access to affordable child care is essential for Illinois workers to have the option to both start a family and pursue their careers. Illinois is working to maximize employment availability by providing affordable child care for working families and universal preschool for all children. The passage of the Governor's **Smart Start Illinois** program has massively increased coverage for families across the state. ISBE and DHS have worked collaboratively on the Smart Start Illinois plan, which has several goals to improve equity in the early childhood space. Since inception, Smart Start Illinois has invested \$400 million in total funding for preschool, child care workers, early intervention, and home visiting programs across Illinois. In Fiscal Year 2025, we plan to invest another \$128 million to support employee retention at child care facilities across the state and provide thousands of additional child care seats available in preschool deserts.

The **Department of Early Childhood** was established in 2024 with the goal of making

early childhood programs and services simpler, better, and fairer for families with young children. Unifying programs and services into a new state agency will give the state a unique opportunity. It will further advance Governor Pritzker's clear and ambitious goal: "Illinois will become the best state in the nation for families raising young children, with the nation's best early childhood education and child care. Our work towards this goal won't be complete until every child in this state enters kindergarten with the cognitive skills to think, learn, read, remember, pay attention, and solve problems, but also the social emotional skills to communicate, connect with others, resolve conflict, self-regulate, display kindness and cope with challenges." Uniting early childhood services currently split among three different agencies will create more cohesion and less bureaucracy for the state.

Investing in Underserved Communities

Governor Pritzker is committed to ensuring that all Illinois residents have a good quality of life and access to great opportunities in the Illinois economy. The State has long done this through programs providing assistance or services to low-income families such as LIHEAP, CSBG, and WIOA. Low-income communities are also prioritized for services through CEJA workforce development and contractor training. In addition to continuing and improving deployment of these existing programs, state agencies will deploy a range of new programs providing support specifically to low-income communities.

Too many Illinoisans cannot access fresh produce within a reasonable distance from their home. This is both a public health and quality-of-life issue. **The Illinois Grocery Initiative** was passed in 2023 and provides resources to existing grocery stores and start-up funds to new grocery stores locating in food deserts. To ensure that these stores are sustainable, the Illinois Grocery Initiative also includes robust technical assistance to grantees, as well as tax exemptions on utilities and construction materials. As this program is rolled out, the State will continue to support grantees to ensure that their operations are sustainable and to increase funds for elements that are showing signs of success.

Illinois took significant steps to support families and reduce child poverty by introducing a **new Child Tax Credit** and expanding the Earned Income Tax Credit (EITC). The Child Tax Credit will offer financial relief to families with children under the age of 12 who qualify for EITC. For the 2024 tax year, eligible families can receive up to \$300 for those with three or more children, about \$270 for families with two children, and

around \$170 for those with one child. In addition to the Child Tax Credit, Illinois expanded its EITC in 2023 to further assist low-income workers. The expansion nearly doubled the state EITC percentage from 10% to 18% of the federal EITC.

To ensure coordination of support for rural communities and increase access and awareness of programming, the State is establishing the Illinois **Office of Rural Development (ORD)**. This office will provide workshops, solicit input on rural community needs, provide education and training to organizations working in rural communities, and convene all the various organizations like UI Extension, Illinois Farm Bureau, and the Illinois Rivers Council. The ORD will ensure rural communities' needs inform programming and planning for the Pritzker Administration, and that economic development programs and supports are accessible to rural communities.

During the Spring 2024 Legislative Session, Governor Pritzker worked with the General Assembly to codify the Office of Minority Economic Empowerment (OMEE) under the new name of the **Office of Economic Equity and Empowerment (OEEE)**. The new name reflects the expanded work that the bureau does and will ensure continuity of its programming. The work of OMEE/OEEE is committed to providing minority-, women-, persons with disabilities and veteran-owned small businesses and entrepreneurs across the state with equitable access to opportunities and resources.

The Climate and Equitable Jobs Act (CEJA) provides substantial and consistent support in accessing jobs and investment in the rapidly growing clean energy sector for environmental justice communities, low-income communities, and communities that have experienced closures of fossil fuel plants or mines. Specifically, it includes over a dozen programs providing up to \$180 million a year for workforce development, entrepreneurship support and seed funding for new development in these communities. In addition to continuing to roll out these programs and ensure their effectiveness and impact, the State will provide **extensive technical assistance and planning services to eligible CEJA communities** to (1) support efforts to bring together organizations and identify the best ways for them to leverage CEJA funding – and potentially layer it with federal and state funding from related programs – to meet community needs, and (2) assist small businesses and nonprofits that need support in building capacity to provide high-quality services and carry out high-quality projects funded by CEJA.

Access to the internet improves access to education and job opportunities and makes business more competitive while helping open new markets. In 2024, Illinois will begin investing \$1.4 billion in federal **Broadband Equity Accessibility and Deployment (BEAD)** funding to expand high speed affordable, reliable internet to unserved and underserved households, businesses and communities. This once-in-a-generation investment will not only create hundreds of well-paying jobs building out the broadband network and laying fiber – it is also crucial to ensuring equity in underserved communities.

Paired with this significant capital program, Illinois will be awarded \$40 million through the federal Digital Equity Capacity Grant Program to implement its **State Digital Equity Plan**. Illinois will use the funding from this program to provide education, technical assistance and capacity-building that maximize the benefit of internet access for individuals, organizations and communities. These programs will be developed in partnership with community-based organizations that work closely with the populations eligible to receive these benefits and services, including low-income households, individuals with a language barrier, members of a racial or ethnic minority group and rural households.

Across the state, there are large structures that are no longer occupied, but are too burdensome to repurpose for a new, economical use. This includes vacant or mostly vacant malls, corporate headquarters, factories, office buildings, warehouses and more. The State will **establish a capital grant program to renovate vacant properties** and revitalize communities where vacancies are suppressing investment.

High interest rates and construction materials costs are severely impacting housing affordability and availability for the middle class across the country, including in many communities here in Illinois. We will bring together state agencies that support housing and community development – including DCEO, DHS, and IHDA – along with local governments, economic development organizations, and others in the housing industry to **understand and address challenges and roadblocks that are constraining the supply and driving up the costs of middle-income housing**.

Beyond the specific targeted programs above, the State will continue to prioritize low-income areas for competitive awarding of capital grants and provide significantly higher incentives to attract or retain companies in underserved areas.



Supporting Entrepreneurs

The State offers support to entrepreneurs through **Small Business Development Centers (SBDCs)**, Advantage Illinois loans, and the \$114 million Illinois Innovation Venture (INVENT) fund. The State has expanded SBDCs by almost 50% since 2019, reaching thousands more small businesses, and will continue to seek opportunities to add more.

The recent launch of the Advantage Illinois Loan Guarantee Program will diversify offerings available to businesses through the Advantage Illinois program and bring on more financial partners to participate in the program and match state capital. The State will continue to strategically deploy the **INVENT** fund to ensure that it reaches entrepreneurs that need capital to grow in Illinois, and that do not have the networks to access that financing. In addition, we will leverage these funds with further federal R&D opportunities by **creating a dedicated fund within INVENT for startup businesses in sectors that are aligned with the federal CHIPS and Science Act**, such as microelectronics, quantum science, advanced materials, and biotechnology.

In addition to continuing to grow these programs, the State will be introducing a new **State Small Business Credit Initiative (SSBCI) Technical Assistance** program to provide intensive support to entrepreneurs seeking a loan or raising capital. This program will contract with various grantees to deliver loan and venture capital technical assistance in the form of financial advisory, legal and accounting services. These services will be provided to businesses that are seeking loans through Advantage Illinois programs or the Illinois Climate Bank, as well as startups seeking venture capital investment from the INVENT fund. Examples of support could include developing a pitch deck to raise capital from investors or addressing shortcomings in a balance sheet that are preventing access to business loans.

This technical assistance and the INVENT fund counter the disproportionate concentration of VC investments in the commercial centers of large cities, such as New York, Chicago, Boston and San Francisco, to the detriment of entrepreneurs located in smaller cities, towns and rural areas. To further the effectiveness of these initiatives, the State will uplift innovators and business leaders from across Illinois by hosting an **Illinois Tech Innovators Challenge**. This will be a series of pitch competitions in every region of the state, where tech entrepreneurs can pitch their company and get exposure to investors and other companies through networking opportunities. The winners will receive state grants to support their business.

To make it easier to start and grow a business in Illinois, the State is building a new **Illinois Small Business One-Stop Portal**. This will be a web-based portal that presents a one-stop shop with centralized access to all the tools and information small businesses need; streamline processes to start, operate, and grow businesses in Illinois, such as registering as a corporation or applying for a license; and provide a guided journey where businesses can easily find answers to common questions.

In May 2024, Governor Pritzker announced \$1.7 million in **Made in Illinois Grants** for 40 manufacturers to invest in equipment and process improvements that will allow them to improve productivity and develop new products. Initially announced as a \$1 million program, the amount and quality of applications drove an increase in the available funding. In the coming years, the Pritzker Administration will work with the General Assembly to make this an expanded program that is available annually for Illinois' small- and medium-sized manufacturers. These grants will help manufacturers across the state pivot to the latest technologies and take advantage of opportunities in new industries and markets.

New businesses benefit from shared spaces where they can learn from other entrepreneurs, receive training and support on starting and running a business, and use shared advanced equipment to build and test prototypes. Illinois benefits greatly from world-class incubators like the Polsky Center, mHub, Matter, EnterpriseWorks, 1871, Peoria NEXT, and more. The State will provide capital grants to support facilities and equipment at **incubators for startups in key growth industries** to ensure that existing incubators can continue to provide top-notch services and cutting-edge equipment, and to establish new ones in parts of the state where entrepreneurs do not have access to these services.

In 2019, the **OMEE Capital Grants Program** was launched to support small businesses in communities that have traditionally faced barriers to funding for infrastructure improvements or the acquisition of new property. The program aimed to equip minority-owned firms with resources to create jobs, build scale and capacity, increase revenues and expand regionally. Based on the immense need for assistance for businesses of all sizes and types and the Administration's commitment to equity, the State intends to issue another round of OMEE Capital Grants in the second half of calendar year 2024.

An increase in remote work and delivery has dramatically changed the nature and use of commercial corridors and downtowns throughout the state. To ensure that these spaces continue to be thriving centers for community and enhance quality of life for Illinois residents, we will provide support to local governments and to entrepreneurs in arts and entertainment to **support and expand the availability and proliferation of arts, entertainment,** and culture in population centers throughout the state.

Quality Jobs

In 2021 and 2022, the General Assembly established the Future of Work Task Force to look into how job standards and working conditions could be improved today, while also analyzing how new and emerging technology will impact those conditions into the future. The task force identified that job quality is not just about pay and benefits, but also hours and their predictability, working conditions, treatment and accommodations, training opportunities and more. The State will pursue a range of initiatives to increase quality jobs in Illinois, particularly for low- and middle-income workers.

The State will work with researchers at the Project for Middle Class Renewal at the University of Illinois to identify a method and process to **consistently measure quality jobs** in the state

and evaluate progress in different sectors and for different populations.

Earlier this year, DCEO and the Illinois Department of Labor (IDOL) collaborated to launch a **Quality Jobs Pilot Program**. This program provides grants to Local Workforce Innovation Areas (LWIAs) in Rockford, Marion and Champaign to identify and promote quality jobs and labor standards. As part of the pilot, LWIA staff will be trained so they can in turn educate workers on their rights and how to advocate for them. Additionally, the State will collect and analyze data on program participants to better understand job pathways following program completion and how job quality may impact whether participants remain working in the field in which they were trained. Going forward, the State will build upon this programming to incentivize and support employers and nonprofit organizations that are providing or otherwise proliferating quality jobs.

Furthermore, IDOL is continuing to develop enforcement strategies focusing on sectors with high instances of labor violations. By analyzing industry data trends, IDOL will more effectively focus its enforcement resources to promote strong labor standards.

Increasing Grant Accessibility

One of the primary ways that the State of Illinois provides support for economic development, community development and workforce development is through grants. The State of Illinois utilizes important processes through the Grant Accountability and Transparency Act (GATA) that ensures state grants are provided competitively and transparently, and ultimately used for their intended purpose by a qualified grantee. These requirements are incredibly important for the effective deployment of state funds and public trust in that process.

The State is committed to ensuring that all eligible grant seekers can understand and pursue grant funding. Taking additional steps to make the process more accessible will increase equity as the State extends funding opportunities to smaller nonprofits, businesses and local governments with fewer resources.

The State has taken significant steps to improve access to grants over the past few years. The State has developed a series of training videos and other training materials, as well as hosting monthly trainings on different grant topics and virtual office hours for grant Q&As once a week.⁵⁷ SBDCs throughout the state hold GATA



trainings for businesses. As there has been a sharp increase in grant programming over the past few years, DCEO has increased its grant management team from a headcount of five in the summer of 2019 to 57 today to increase administrative capacity to issue grants.

In order to continue to optimize grant servicing, the State will undertake an **Illinois Grant Access Initiative**, which will include two components:

- Issue grants to nonprofits with expertise in grant writing and administration to provide one-on-one technical assistance to small nonprofits, local governments and businesses to help them understand how to apply for and remain compliant with State grants.
- Undertake a study to help the State improve its own processes and communications, including identify the main pain points and areas that are highest risk for noncompliance, pursue recommendations on how to mitigate those pain points and high-risk areas, and produce more web-based videos and tutorials on how to apply for grants, tailored to a range of potential grantee audiences.

Conclusion

Illinois' 2024 Five-Year Economic Growth Plan not only prioritizes business attraction, job creation and industry growth but also underscores a commitment to supporting communities across the state and expanding opportunities for workers in every corner of Illinois. By investing in infrastructure, education, innovation, incentives and workforce development, Illinois will build upon the economic success of the last five years and accelerate the state's economic growth. The State's approach – which is centered in equity – not only fosters business opportunities but also empowers local communities, ensuring that the benefits of development are shared equitably. By

Reducing Our Carbon Footprint

Under CEJA, electricity in Illinois will be completely carbon-free by the year 2050, and the State will make significant investments in charging infrastructure and subsidize EV purchases to increase the number of electric vehicles on the road. However, electricity generation makes up just 25% of all greenhouse gas emissions in the U.S., and transportation is another 27%. To help reduce the threat of climate change, and to prepare Illinois communities for a more sustainable future, there are further steps that can be taken to reduce greenhouse gas emissions from industry, agriculture, and commercial and residential structures.

The State will start in its own backyard, by investing in **carbon neutrality for State buildings**, including government buildings and higher education campus facilities.

expanding opportunities for its talented workforce and resident companies, Illinois is poised to drive sustainable growth for years to come.

57. For grant training videos and related resources, visit the DCEO website here: <https://dceo.illinois.gov/aboutdceo/grantopportunities/learning-library.html>. To see a schedule of upcoming webinars or virtual Q&A's, visit the DCEO website here: <https://dceo.illinois.gov/aboutdceo/grantopportunities/upcoming-grant-trainings.html>.

Appendix A. List of Proposed Action Items

Business Attraction and Development Strategy

- Implement the Illinois Regional Site Readiness Strategy
- Add more Manufacturing Training Academies and apply consistent branding
- Continue WIOA grant support for work-based learning and apprenticeships
- Extend and reform the apprenticeship tax credit
- Increase resources and centralize coordination for the Fast Track program
- Formalize coordination with Intersect Illinois and regional partners
- Provide resources to build regional business development capacity
- Double staff of DCEO Regional Economic Development Team (Team RED)
- Implement technological solutions to track engagement across business development partners
- Assess opportunities to consolidate and streamline tax credit applications
- Establish an Advanced Manufacturing Investment Tax Credit
- Provide RDAs authority to establish noncontiguous Enterprise Zones
- Extend the R&D Tax Credit to 2037 and allow startups to benefit
- Build targeted marketing programs around each growth industry
- Pursue international MOUs with key partners overseas
- Embark on up to two international trade missions annually
- Deploy capital grants for shared research facilities, including Illinois Quantum and Microelectronics Park
- Hire sector specialists for each growth industry
- Develop job training programs and curricula for occupations in growth industries
- Prioritize grant support for businesses in growth industries

Building Resilient and Growing Communities

- Implement the Education for Careers Initiative
- Provide capital grants to update existing Area Career Centers and establish new ones
- Hire a Chief Workforce Officer
- Establish the Department of Early Childhood
- Support and expand on the Illinois Grocery Initiative
- Establish the Illinois Office of Rural Development
- Codify the Office of Economic Equity and Empowerment (OEEE)
- Establish grant program to revitalize vacant properties
- Identify and address factors driving up the cost of middle-income housing
- Provide new technical assistance and planning services to eligible CEJA communities
- Expand high-speed internet and digital literacy through BEAD
- Prioritize low-income areas for capital grants and incentivized investment
- Continue expansion of the SBDC Network
- Continue expanding Advantage Illinois loans through more partners
- Focus on investment in SEDI-owned companies through INVENT
- Create a fund within INVENT for sectors aligned with the federal CHIPS and Science Act
- Establish a new SSBCI Technical Assistance program for Advantage Illinois/INVENT applicants
- Expand the Made in Illinois Grant Program
- Host an Illinois Tech Innovators Challenge
- Build a new web-based Illinois Small Business One-Stop Portal
- Provide capital grants to support incubators for startups in tech and manufacturing
- Launch a second round of OMEE Capital Grants
- Support entrepreneurship and local government investment in arts and culture
- Measure and evaluate progress on quality jobs
- Expand the Quality Jobs Pilot Program
- Effectively focus enforcement resources on sectors with high instances of labor violations
- Implement the Illinois Grant Access Initiative
- Invest in carbon neutrality for State buildings



Appendix B. Economic Plan Methodology

The Illinois 2024 Economic Growth Plan is the result of an extensive research, planning, and stakeholder engagement process, involving hundreds of stakeholders from every corner of the Illinois economic development ecosystem and experts from a range of industries.

Research and Planning The initiatives proposed in this plan and the growth industries selected are the result of nearly a year of research. They draw on a federally-funded planning engagement with BCG in the summer and fall of 2023 to conduct in-depth analysis on regional and industry needs, as well as other planning efforts that have been pursued across state government over the last several years, including the WIOA State Unified Plan, the Illinois Board of Higher Education (IBHE) Strategic Plan, the Commission on Workforce Equity and Access, and the Future of Work Task Force. Further research and analysis in support of this plan was performed with support from the Center for Governmental Studies at Northern Illinois University.

Stakeholder Engagement To ensure that the content of this plan accurately reflected the priorities of Illinois residents, DCEO undertook a comprehensive stakeholder engagement effort, involving a broad array of stakeholders in every region and across all focus industries.

This entailed:

- 14 Regional Economic Development Workshops, with at least one in each of the 10 economic development regions (EDRs) in the state. These sessions included representatives from regional economic development organizations (EDOs), universities, community colleges, incubators, unions, local governments, planning councils, chambers of commerce, and community-based organizations.
- Five Regional Business Workshops, including representatives from major regional employers.
- Five High-Growth Industry Workshops, including executives, technical experts and

representatives from industry organizations for target high-growth industries.

- Four workshops with members of the Intersect Illinois Board of Directors, the Illinois Manufacturers' Association (IMA) and the Illinois Biotechnology Innovation Organization (iBIO).

The Illinois Innovation Network was a valuable partner in organizing and facilitating regional and industry workshops.

This plan was developed by DCEO with consistent collaboration and consultation with Intersect Illinois, as well as state agencies that will play a role in carrying out elements of this plan, including the Illinois Board of Higher Education (IBHE), Illinois Community College Board (ICCB), Illinois State Board of Education (ISBE), Illinois Power Agency (IPA), Illinois Commerce Commission (ICC), and Illinois Department of Labor (IDOL).