

# Chapter 4



# ECONOMIC DEVELOPMENT



Economic factors are important considerations in community planning. The existence of employers is important to the financial stability of a community. Major commercial or industrial centers can be a stimulus for local growth and can also provide important sales tax revenue. A solid tax base enables a community to provide important local community services. Therefore, providing information on economic trends and forecasts is an important component of the planning process.

### ECONOMIC OVERVIEW

Historically, Chenoa’s economy was based in agriculture and trade. Farming was responsible for most of the job creation in the community throughout its history. However, small entrepreneurial operations and small locally-owned shops have also contributed to the economy. These types of operations are still doing business in Chenoa. These businesses include Union Roofing, Chenoa Welding and Fabrication, OEM Tractor Parts and Chenoa Locker to name a few. Other businesses include; various general contractors, health services, new and used car sales, grocery, convenience stores, specialty shops, banking and financial services and education. Most of these operations are small and do not employ a significant number of people.

The Chenoa economy is also somewhat regional in makeup. Based on the 2000 U.S.

Census data, nearly 71 percent of Chenoa’s 1,845 people were employed. It can be assumed that many of these people work in other locations within McLean County and the nearby counties of Livingston and Woodford. Chenoa’s current community-based businesses are small service and contractual employers that employ only a small percentage of the local workforce.

Agricultural employment levels are expected to continue to decrease based on recent trends. Most Chenoa inhabitants have found work in other fields that are not agriculturally dependent (see Table 4.1).

Chenoa’s very low unemployment rates are responsible in large part for income levels that are competitive with other communities of comparable size in McLean County (see Table 4.2). The percentage of people living in poverty is well below the county average.

### FACTORS IN GROWING LOCAL ECONOMIES

A solid educational system is one of a number of important factors needed to help local economies prosper. The economic prosperity of a community is linked with the educational attainment of its citizens more than ever before. According to the Center For Tax and Budget Accountability of Chicago (CTBA), only college educated members of the workforce experienced gains in hourly

Category	Percentage
Management & Professional	18.8
Service Occupations	20.3
Sales & Office Occupations	25.9
Farming, Fishing & Forestry	0.4
Construction, Extraction & Maintenance	10.3
Production & Transportation	24.3

SOURCE: U.S. Census Bureau, Census 2000 SF 3, Table GCT-P13. Occupation, Industry, and Class of Worker of Employed Civilians 16 Years and Over: 2000

Community	Labor Force	Percent Unemployment	Per Capita Income	Median Household Income	Median Family Income	Percentage Living in Poverty
Chenoa	991	1.9	\$19,559.00	\$44,420.00	\$50,948.00	5.7
Lexington	1,057	2.5	\$20,898.00	\$46,146.00	\$54,336.00	4.4
Danvers	643	2.4	\$19,598.00	\$52,647.00	\$58,355.00	6.5
Downs	451	4.3	\$22,468.00	\$53,750.00	\$56,932.00	4.3
Heyworth	1,269	1	\$20,655.00	\$53,043.00	\$60,648.00	3.1
LeRoy	1,809	1.5	\$20,743.00	\$45,781.00	\$53,986.00	1.9
Towanda	293	1.3	\$18,702.00	\$41,705.00	\$51,875.00	5.3
McLean County	86,065	4.4	\$22,227.00	\$47,201.00	\$61,073.00	9.7

Source: U.S. Census Bureau, Census 2000 SF 3, Table QT-P24. Employment Status by Sex: 2000; Table GCT-P14. Income and Poverty in 1999: 2000

income (with cost of living increases figured) between 1980 and 2006 (see Exhibit 4.1).

Wages increased an average of 14.3 percent for those with a college degree during that time period while those with only a high school education declined 8.7 percent. Those without a high school diploma saw overall earnings fall by 28.7 percent (The State Of Working Illinois - CTBA, 2007).

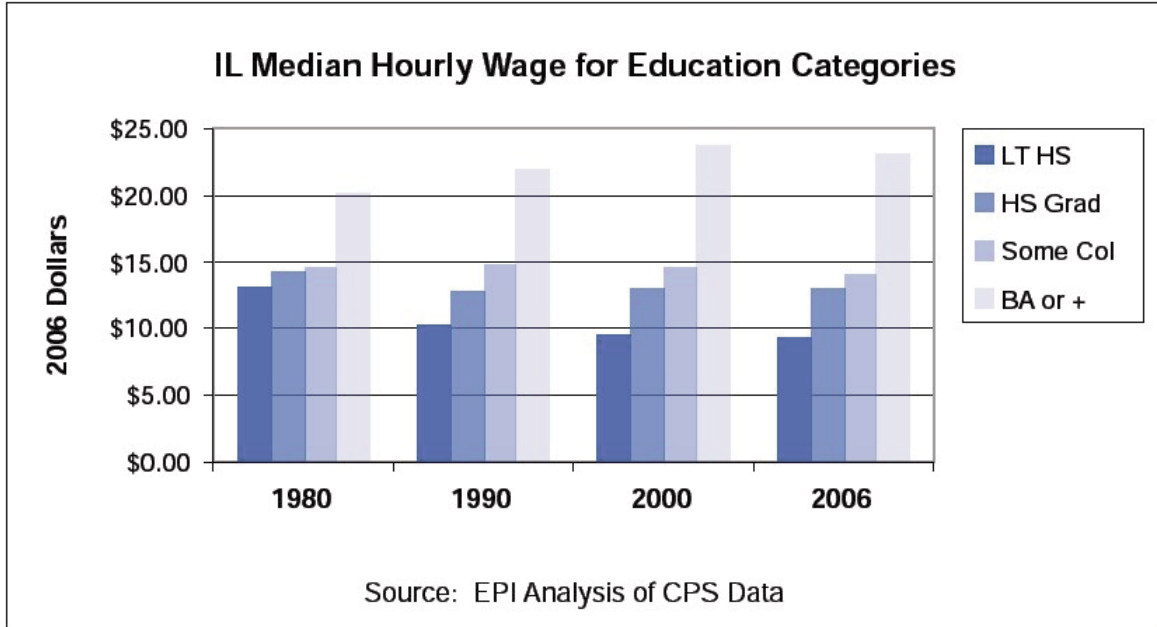
A diversified employment base with sup-

porting infrastructure is another important factor. In 2007, the State of Illinois' gross state product (GSP) was ranked fifth in the nation exceeding \$590 billion dollars. However, Illinois' GSP grew at a slower rate (44.3 percent) than the national average (54.5 percent). A majority of the state's and region's job growth has been in the service sector. On the whole, these jobs pay less than manufacturing, skilled labor or professional positions. A sta-



OSF Medical Center

Exhibit 4.1



Source: 2007 State of Working Illinois Executive Summary, Northern Illinois University

ble local economy cannot survive long-term on service sector employment alone. According to the CTBA, Central Illinois counties (including McLean, Livingston, and Woodford Counties) lost nearly 5,000 manufacturing jobs between 2001 and 2005. Some

of the reasons cited for these losses included lack of a future manufacturing labor force, little or no improvement in local infrastructures, lack of transportation options, and poor educational facilities. Many of these jobs have been replaced by lower wage service jobs which



Downtown businesses



Prairie Central Cooperative grain elevators

now account for approximately one-third of all jobs in the Central Illinois region and the State of Illinois.

## **FUTURE ECONOMY**

Based on trends from the Illinois Department of Employment Security (IDES) Occupational Projections, only 45.6 percent of new jobs created in Illinois up to 2014 will pay wages that exceed the current median state annual wage of \$40,217. In order to counter these trends communities small and large should position for the future economy. These efforts should include building an economy that fits local wants and needs, improving infrastructure and transportation, and supporting local and regional educational improvement initiatives including continuing and adult

education.

It is important for Chenoa to be aggressive in expanding its economic base. Like many rural communities, Chenoa's location can be an asset in attracting businesses and economic development. The community is located along Interstate 55 and State Route 24 and is in proximity to a number of small to mid-size population centers where a regional workforce is available. These include Bloomington-Normal, Pontiac and the Greater Peoria area. The city is also surrounded by an abundance of developable land.

Community leaders should continue to work with area economic development officials in actively reviewing the needs of existing businesses and in planning Chenoa's economic future. Developing these partnerships can enhance business and community development opportunities. Chenoa should also pro-

mote its appeal as a “bedroom community.” This approach has served many communities well. There has been a national trend of younger and older adults looking for locations where the cost of living is relatively low for starting a family or living on fixed incomes during retirement. Potential growth of these populations usually translates into potential growth for goods and services, which means a steady growth in local business. These types of populations can bring added value to a community.

Many businesses that no longer depend on large or mid-size city locations are finding rural communities to their liking. A significant number of these small businesses are combining offices with residences that operate on “flex schedules” or in locations near but outside the municipal boundaries. Examples of these businesses include arts and crafts, theme restaurants and food shops, organic farming, and small technology start-ups. Oftentimes, quality-of-life issues are more important factors in a business start-up than proximity to large markets. Many rural communities have also found success in “branding” themselves as a location for artists and craftsmen to incubate and develop business. The City should consider the pursuit of these and other activities as means to promote future economic development.

