



for the Greater Rockford Region
Final Report | April 2025



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Our Organization



The Greater Rockford Chamber of Commerce is a member-driven organization that strives to grow, develop, and support a thriving business community in Winnebago County and the Rockford Region. In 2023, the Rockford Chamber of Commerce, Rockford Economic Development Council, and the Greater Rockford Growth Partnership merged to form the Greater Rockford Chamber of Commerce. Our mission is to deliver benefit to the community by leading in the promotion of economic growth, advocating for the interests of business, and providing services and educational opportunities that help our members grow.

Acknowledgments



This document has been prepared by Region 1 Planning Council.

Region 1 Planning Council (R1) is a government-to-government agency creating plans and devising long-range solutions that allow Northern Illinois to move forward as one region. R1 addresses concerns in transportation, economic development, sustainability, legislative policy, blight, and community health by bringing together leaders across a variety of municipalities and industries.

The contents, views, and conclusions expressed in this report are not necessarily those of the above agencies.

Introduction

Overview

In 2025, the Greater Rockford Chamber of Commerce (GRCC), in collaboration with Region 1 Planning Council (R1), conducted a survey to capture the sentiment of businesses in the Rockford Region. The Quarter 1 (Q1) Business Sentiment Survey, which launched on January 31 and concluded on February 14, was designed to align with the U.S. Chamber of Commerce Small Business Index, which was established in 2017. This index features 10 key questions that address such topics as economic outlook, hiring practices, investment trends, and other critical economic indicators. To provide a comparison between the local and national economies, GRCC incorporated nine of these questions into its survey. The U.S. Chamber of Commerce releases its survey results in the final two weeks of each quarter. To offer comparative statistics in the final report, future GRCC publications will align with this release schedule.

The Q1 survey results emerged against a national and state backdrop of policy changes, including a record number of presidential executive orders and multiple new employment policies and mandates from the State of Illinois effective January 1. In addition, Stellantis had announced the return of the Belvidere plant and Gunitite had announced closure. Rockford had been named the top housing market by realtor.com, egg prices remained as a barometer of consumer prices, and the Los Angeles fires dominated the news.

The report includes visual representations of survey responses, providing a detailed snapshot of the region's business climate during the first quarter of 2025. With a robust sample size and a 75 percent confidence level, the survey offers valuable benchmarks for stakeholders shaping Rockford's economic trajectory.

Market Conditions

This section provides a summary of the latest data, offering context for the findings presented in this report. The focus is on the Rockford Metropolitan Statistical Area (MSA), which includes Winnebago and Boone Counties. Unless stated otherwise, the data presented here is sourced from the Census Bureau's American Community Survey – 2023 5-Year Estimates.

Labor Force

The regional labor force comprises 188,629 individuals aged 20 to 64, with a labor force participation rate of 78.4 percent, slightly below the state average of 80.3 percent and similar to the national average of 78.5 percent. However, the region's unemployment rate stands at 7.0 percent, significantly exceeding the state average of 5.5 percent and the national rate of 4.9 percent.

Industry Sectors

The region's workforce is heavily concentrated in educational services, health care, and social assistance, accounting for 22.0 percent of employment, along with a strong manufacturing presence at 20.2 percent. Statewide, these industries represent 23.5 percent and 11.6 percent, respectively, while nationally, they account for 23.4 percent and 10.0 percent.

Educational Attainment

Educational attainment in the region closely aligns with state and national trends at the high school level but falls significantly behind in higher education. Among residents aged 25 and older, 88.2 percent have completed high school or attained a higher level of education, compared to 90.3 percent statewide and 89.4 percent nationally. However, the region lags considerably in bachelor's degree attainment or higher, with only 24.4 percent holding such a degree, far below the state average of 37.2 percent and the national rate of 35.0 percent.

Wages and Income

In 2023 inflation-adjusted dollars, the region's median household income stands at \$66,571, falling below the national median of \$78,538 and the state median of \$81,702. According to the Bureau of Labor Statistics' Rockford Area Economic Summary, the average weekly wage across all industries in the second quarter of 2024 was \$1,105, compared to the national average of \$1,390. As of May 2023, the region's average hourly wage across all occupations was \$27.52, trailing the national average of \$31.48.

Cost of Living

Notably, Rockford, IL, has a cost of living well below the U.S. average. According to C2ER's 2024 annual averages, Rockford's cost of living index is 89.0. The cost-of-living index is benchmarked at 100, representing the national average, with values above or below indicating whether a region is more or less expensive relative to the U.S. as a whole. In comparison, Chicago has an index of 115.1, while Madison, WI (104.7) and Milwaukee, WI (100.5) also exceed the national average.

Business Statistics

This section provides an overview of key business activity metrics in the region, including job creation, establishment dynamics, and trends in business applications. By analyzing data from recent years and examining shifts, it offers additional context into the region's economic performance.

Establishment Dynamics

According to the Census Bureau's 2022 Business Dynamics Statistics, the region had 5,508 firms and 6,531 establishments, with establishments representing individual business locations, while firms may operate multiple establishments. In 2022, 646 new establishments were created, while 534 closed, and 339 firms exited. New establishments generated 4,016 jobs, while expanding establishments added 12,801 jobs. Meanwhile, 10,677 jobs were lost due to contracting and closing establishments, resulting in a net job gain of 6,140.

In comparison, 2018 data provides insight into pre-COVID market fluctuations. That year, the region had 5,544 firms and 6,581 establishments, slightly higher than in 2022. Four hundred and eighty-one new establishments were created, while 492 closed, and 340 firms exited. Job creation was lower than in 2022, with 14,293 jobs added by new and expanding establishments, while 13,009 jobs were lost due to contracting and closing establishments. This resulted in a net job gain of 1,284, significantly lower than the 6,140 net jobs created in 2022.

Business Applications

The Census Bureau's 2023 Business Formation Statistics reveal that the region recorded 4,009 new business applications in 2023, an increase of 418 from the previous year. However, the highest number of applications was in 2021, with 4,251. Before the pandemic, annual business applications in the Rockford MSA generally remained below 2,000.

Survey Results

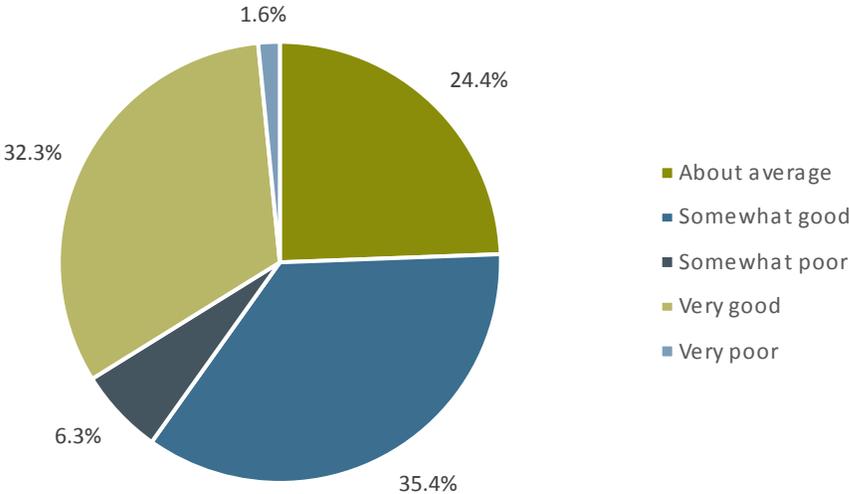
Current Sentiment

The first-quarter 2025 business climate survey reveals an overall positive sentiment within the region's business community. Businesses are optimistic about the future and remain determined to pursue growth despite facing barriers. Furthermore, the survey reflects a perceived stability in the region's business climate, adding to the confidence of local companies.

Responses

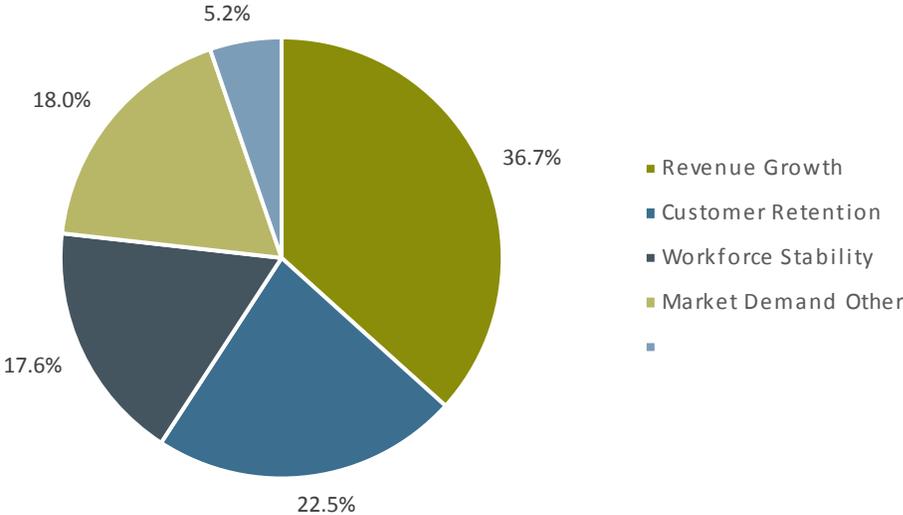
1. How would you rate the overall health of your business?

The majority of respondents feel that their business is healthy.



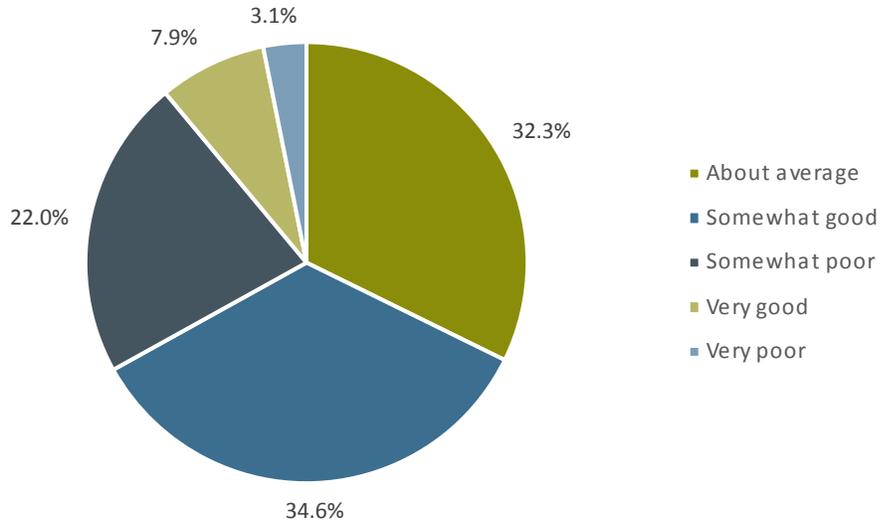
2. What factors most influence your perception of your business's overall health?

Revenue growth is the strongest perceived indicator of respondents' business health.



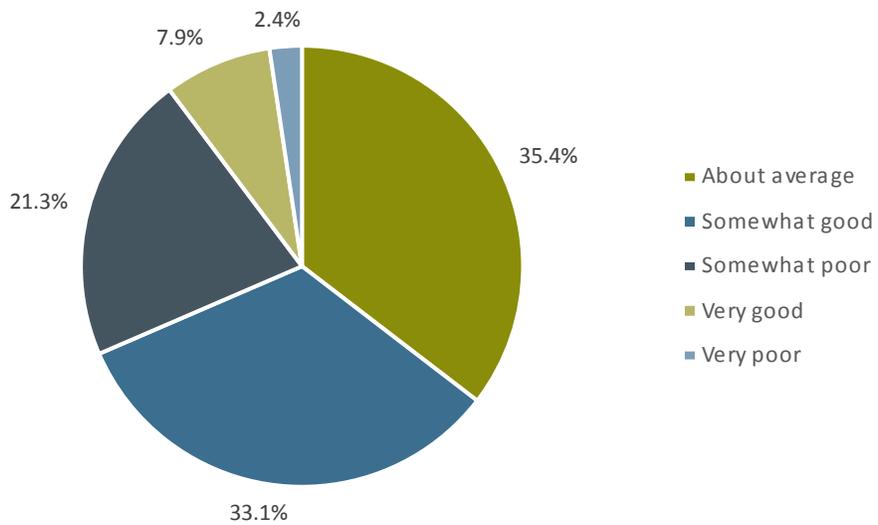
3. How would you rate the overall health of the United States economy?

Roughly two-thirds of respondents believe the U.S. economy is about average or somewhat good.



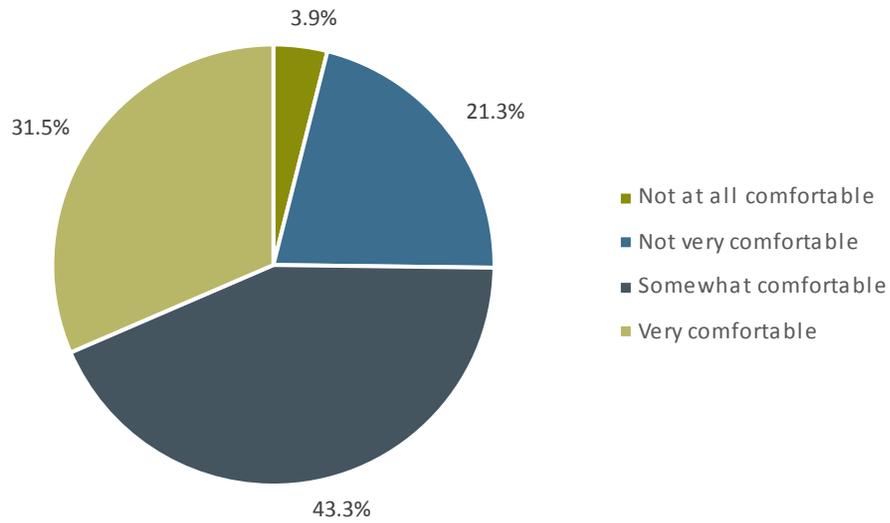
4. How would you rate the overall health of the economy in our local area?

More than 40% of respondents feel the regional economy is above average.



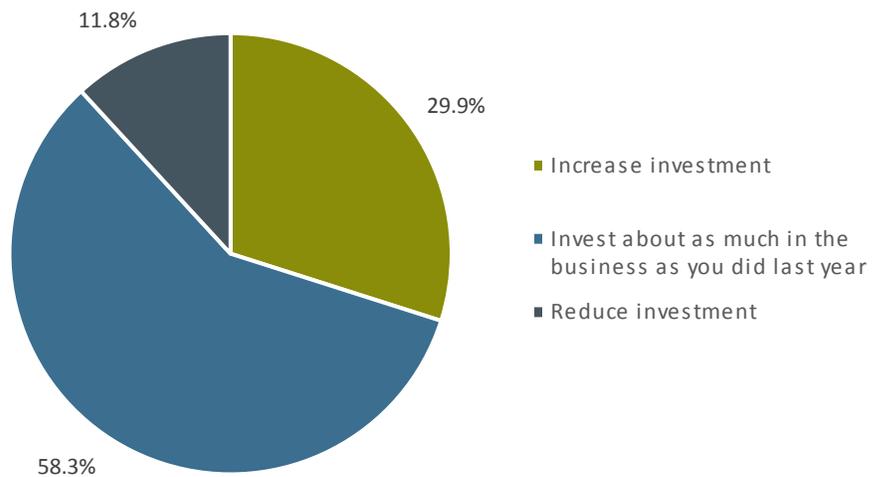
5. How comfortable are you with your company's current cash flow situation?

Nearly three-quarters of respondents are comfortable with their current cash flow.



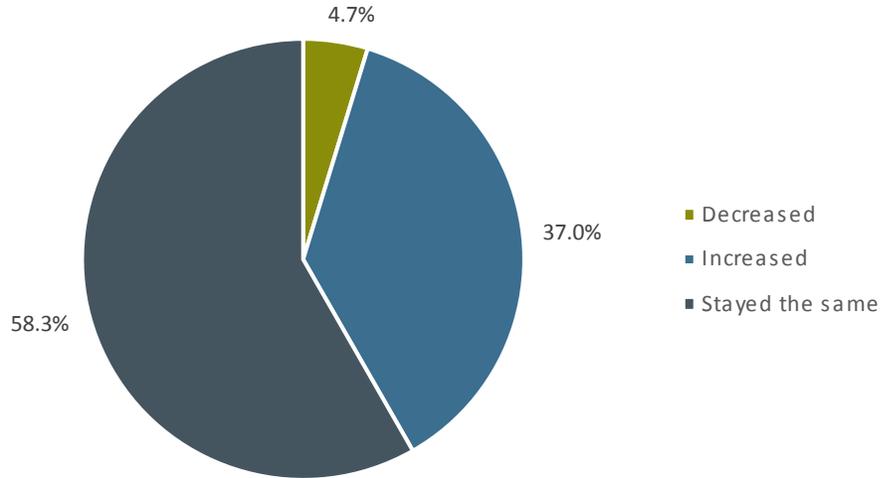
6. For the year ahead, do you plan to:

Roughly 90% of respondents plan to invest at least the same or more in their business in the year ahead.



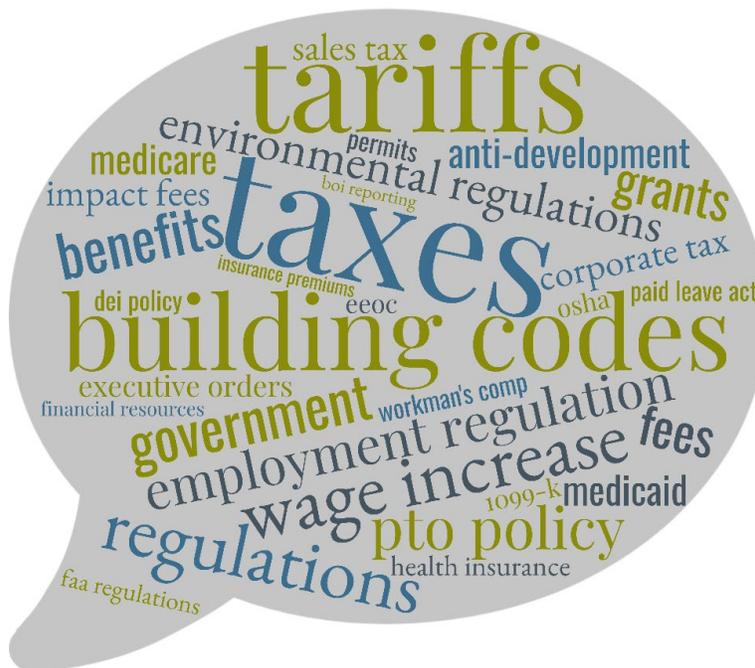
7. Compared to six months ago, has the time or resources you spend completing licensing, compliance, or other government requirements increased, decreased, or stayed the same?

The perceived regulatory burden among respondents has stayed the same or increased compared to six months ago.



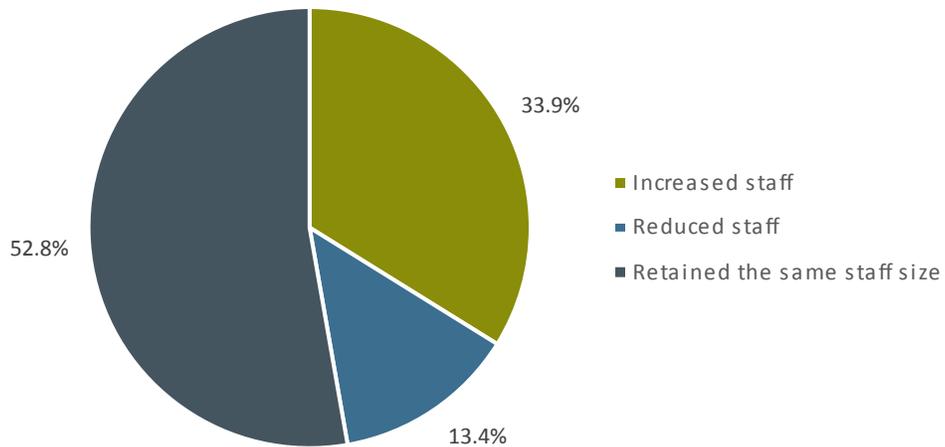
8. What government policies or regulations have had a negative effect on your business this year?

Taxes, fees, and increased employment regulations topped the list of government policies or regulations negatively affecting local businesses.



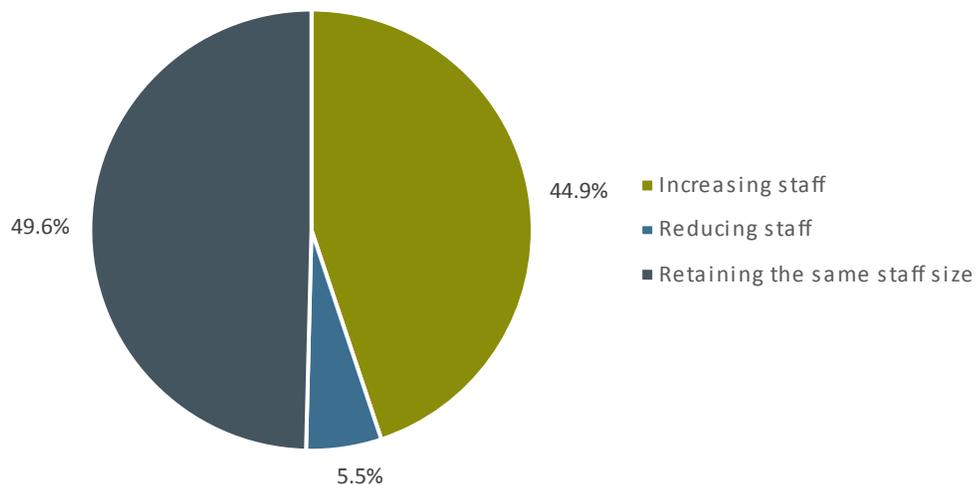
9. Over the past year, would you say you have:

Nearly nine out of ten respondents have increased or retained their staff numbers in the past year.



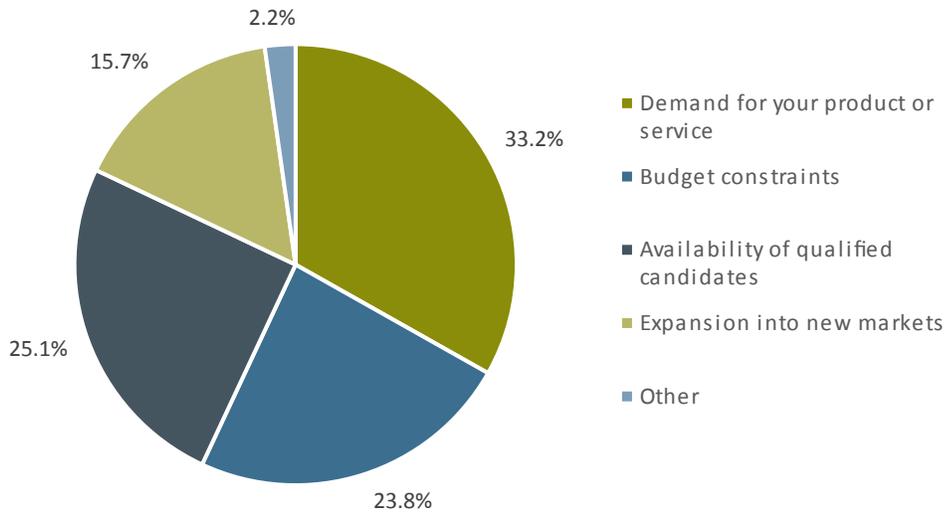
10. In the next year, do you anticipate:

Nearly 45% of respondents plan to increase staff in the next year, compared to 35% who reported increased staff in the previous year.



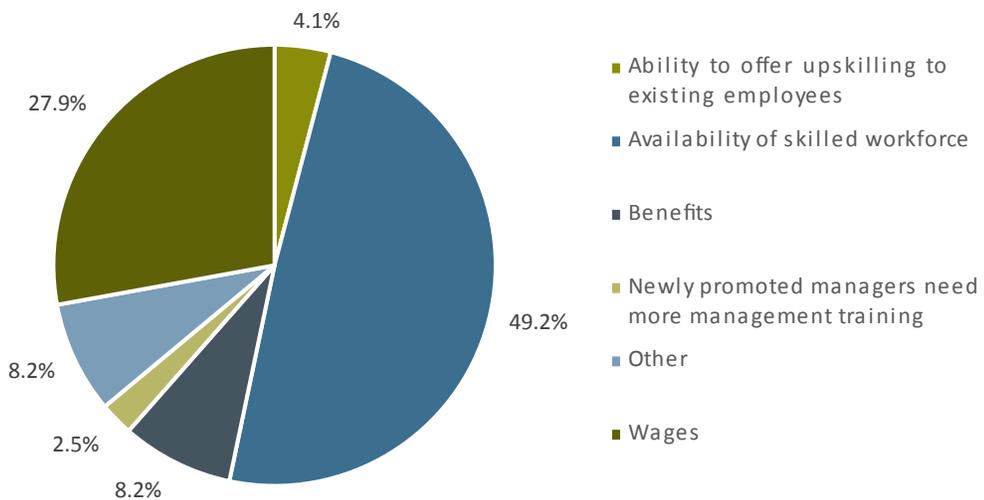
11. What factors will most influence your staffing decisions in the year ahead?

The two main factors affecting staffing decisions next year are the demand for products and services and the availability of a qualified workforce.



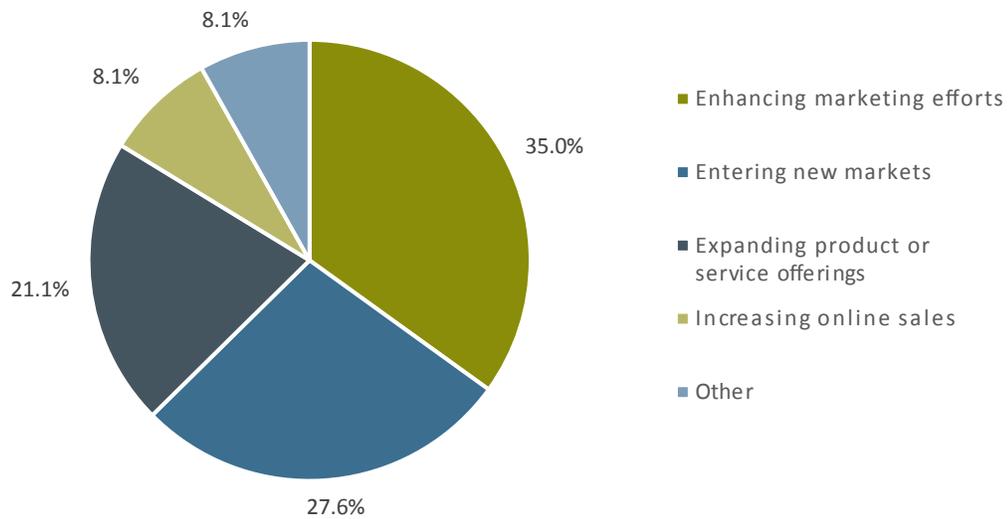
12. What is the biggest barrier to attracting or retaining employees for your business?

The main challenge identified by respondents in attracting or retaining employees is the perceived lack of a skilled workforce.



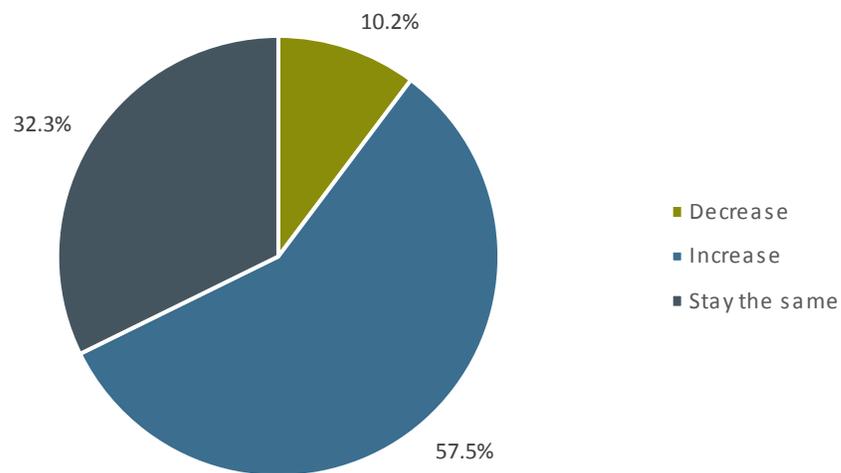
13. What do you see as the biggest opportunity for revenue growth in the year ahead?

Entering new markets and enhancing marketing efforts are identified by respondents as the biggest opportunities for revenue growth in the year ahead.



14. For the year ahead, do you expect revenue to increase, decrease, or stay the same?

Over half of respondents expect revenue to rise in the coming year, with 90% anticipating either an increase or that revenue will remain the same.



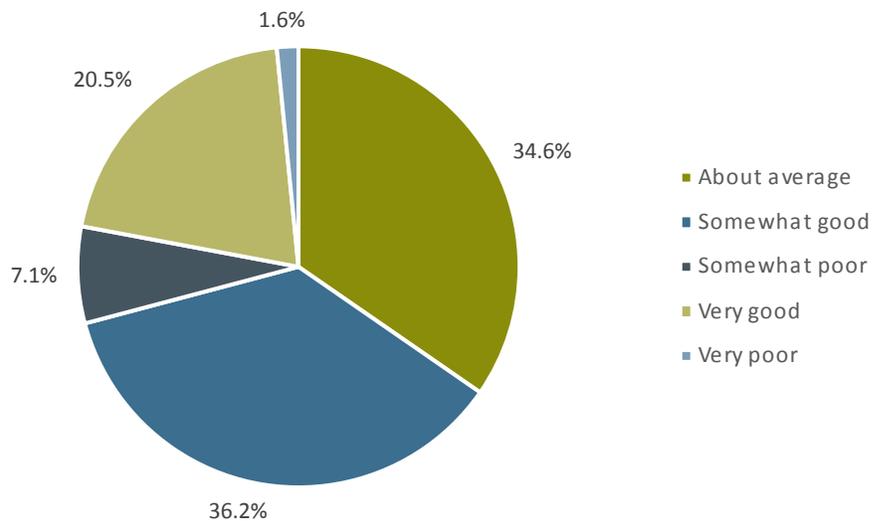
15. What are your top barriers to business growth?

Respondents identified the availability of a skilled workforce as the top barrier to business growth.



16. How would you rate our region's infrastructure in supporting your business operations?

Less than 9% of respondents think the region's infrastructure is poor.



17. Do you have a succession or divestiture plan for your business?

Over 55% of respondents do not have an up-to-date exit plan in place.

