

Illinois

From 2002 to 2008, Illinois's spending increased the most in the salaries and wages (59%), welfare (57%) and debt service (55%) categories. Illinois saw spending decline during the period in five categories, including corrections (-8%), administration (-8%), health (-9%), parks and recreation (-38%), and natural resources (-40%). The decreases in corrections and natural resources spending were the largest in the nation, and the 16% increase in education spending was the second-lowest for the period. On a per-capita basis, Illinois's spending ranked at or near the bottom in the nation in four categories: administration (47th), corrections (48th), education (49th) and natural resources (50th). The state's overall general spending increase of 27% put it among the slowest-growing states, ranking 44th-highest, although its 34% increase in direct spending, over which the legislature has the most control, grew somewhat faster, ranking 31st-highest.

Illinois's total overall revenue growth of 42% ranked near the middle of states for the period (30th), and its total sales tax revenue growth of 42% ranked 29th. Corporate income taxes were the fastest growing tax revenue category, increasing 125%, placing Illinois slightly higher than the middle of the pack (ranking 21st-highest among the states).

Spending (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	1,359,318	34	1,244,230	48	-14	-8%	50
Education	14,098,492	45	16,342,627	49	-4	16%	49
Government Administration	1,319,877	37	1,216,329	47	-10	-8%	46
Health	2,573,875	14	2,336,890	23	-9	-9%	46
Highways	3,655,570	34	4,510,194	29	+5	23%	23
Hospitals	922,299	32	1,004,573	32	0	9%	35
Interest on Debt	1,846,927	14	2,867,051	11	+3	55%	16
Natural Resources	454,399	45	272,110	50	-5	-40%	50
Parks and Recreation	443,212	12	276,560	25	-13	-38%	43
Police Protection	392,153	31	437,448	38	-7	12%	38
Public Welfare	10,940,019	32	17,167,067	20	+12	57%	14
Salaries and Wages	5,332,743	47	8,486,416	38	+9	59%	7
Direct Expenditures	29,587,191	42	39,560,213	41	+1	34%	31
General Expenditures	42,678,167	39	54,310,201	43	-4	27%	44
Total Expenditures	49,131,377	36	63,368,160	39	-3	29%	42

Taxes (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax ¹	7,471,385	29	10,320,239	31	-2	38%	32
General Sales Tax ²	6,591,337	35	7,935,417	34	+1	20%	36
Corporate Income Tax ³	1,383,823	11	3,115,604	10	+1	125%	21
Total Taxes	22,474,774	24	31,891,497	26	-2	42%	29
Total Revenue	41,094,791	42	58,524,149	40	+2	42%	30

¹ Personal income tax per capita rankings are out of 43 since seven states do not collect personal income taxes.

² General sales tax per capita rankings are out of 45 since five states do not collect general sales taxes.

³ Corporate income tax per capita rankings are out of 46 since four states do not collect corporate income taxes.

Comparison to Baseline Growth

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Illinois’s population increased by 2%. This yields a “baseline” growth of 22% for the period. The figure below compares the difference in Illinois’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.

