

Trends in Community Economic Development: Prognosis for the Future

Richard Funderburg, University of Illinois Springfield
 Council of State Community Development Agencies
 2025 National Conference



Fiscal and Economic Policy

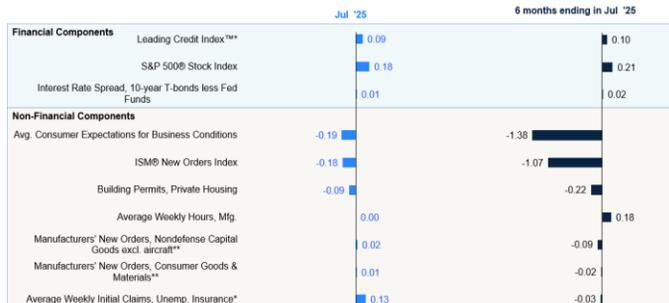
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Prognosis for the Future

“The old joke that **‘Macroeconomists have successfully predicted nine of the last five recessions**’ is not so much a joke as a dispiriting truth about the difficulty of economic forecasting.”

--Niall Ferguson: “The Ascent of Money: A Financial History of the World”

The Conference Board Leading Economic Index® and Component Contributions (Percent)



Source: The Conference Board
 * Inverted series, a negative change in this component makes a positive contribution.
 ** Statistical Imputation
 LEI change might not equal sum of its contributors due to application of trend adjustment factor



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Opportunities & Threats for Nonmetro Areas

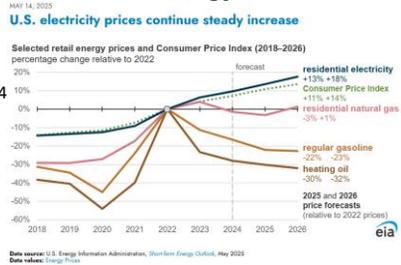
Home Affordability



U.S. homelessness jumps to another record high, amid affordable housing shortage
<https://www.npr.org/2024/12/27/nx-s1-5241115/us-homeless-hud-housing-costs-migrants>

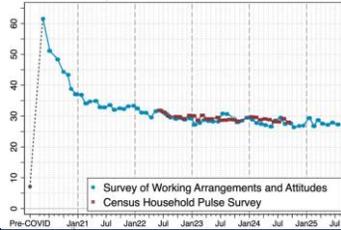
U.S. Energy Information Administration, Short-Term Energy Outlook, May 2025
<https://www.eia.gov/todayinenergy/detail.php?id=65284>

Household Energy Prices



WFH Levels Have Been Flat Since 2023

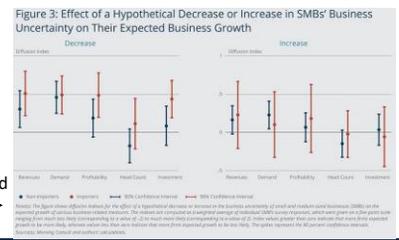
US full days worked from home, %



Survey of Workplace Attitudes and Arrangements (Barrero, Bloom and Davis 2021) <https://wfhrefsearch.com/>

Effects of Tariff Uncertainty on the Outlook of Small and Medium-sized Businesses (Andrade et al. 2025) <https://www.bostonfed.org/>

Effects of Tariff Uncertainty



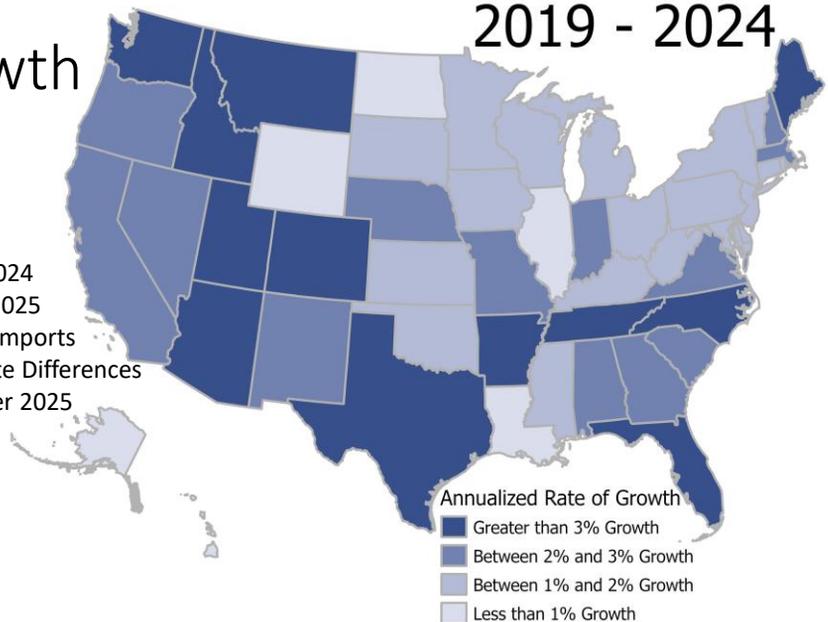
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Real GDP Growth Since Before Pandemic

2019 - 2024

- U.S. Expanded 2.4% Annually 2019-2024
- U.S. Expanded 2.0% in First Quarter 2025
- -0.5% from 2024 Q4 Due to Surge in Imports
- State Level Numbers Obscure Substate Differences
- U.S. Expanded 2.1% in Second Quarter 2025

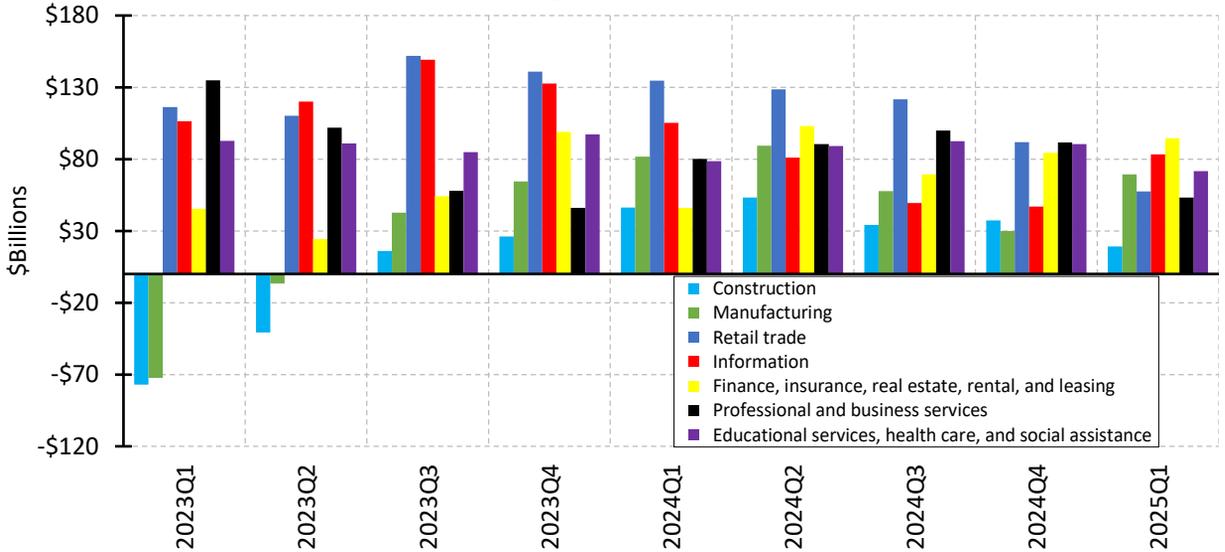


Source: U.S. Bureau of Economic Analysis, March 28, 2025

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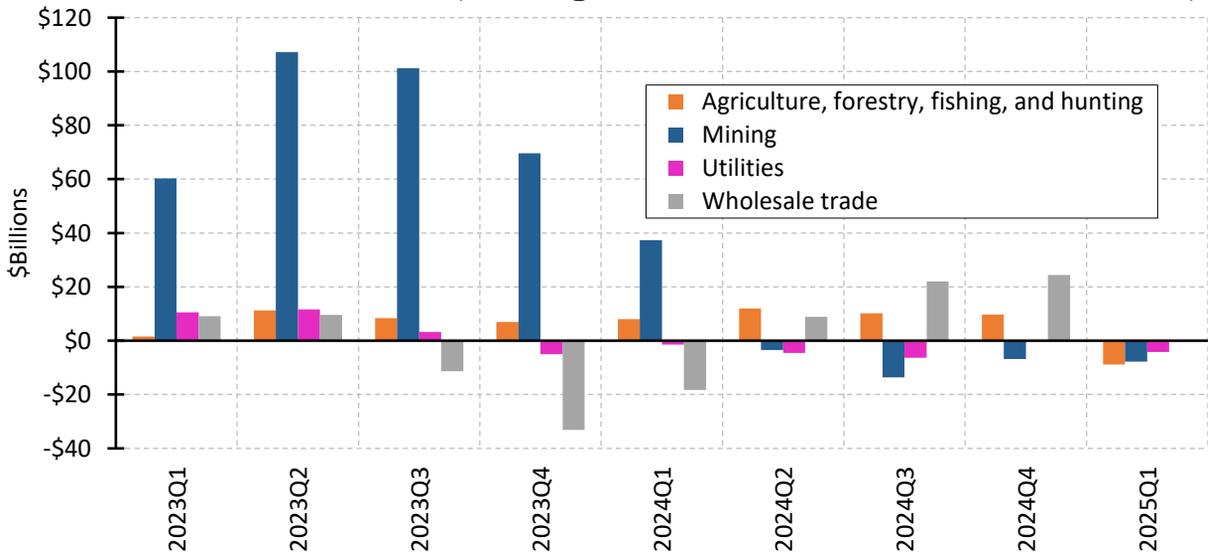
Drivers of Growth (Change in Real GDP from Prior Year)



Source: U.S. Bureau of Economic Analysis, Real Value Added By Industry for U.S., June 26, 2025

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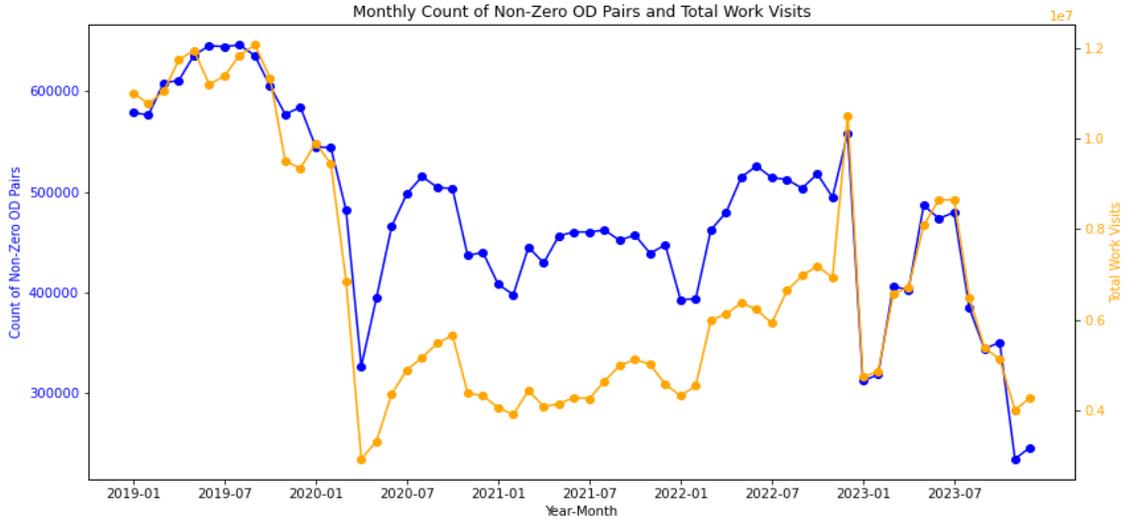
Detractors of Growth (Change in Real GDP from Prior Year)



Source: U.S. Bureau of Economic Analysis, Real Value Added By Industry for U.S., June 26, 2025

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Cell Phone Traces Reveal Similar Patterns to Transit

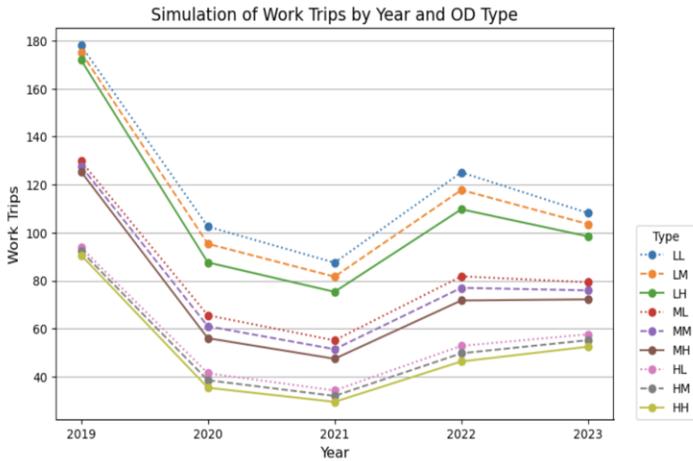


Source: Advan (formerly SafeGraph), all points of interest (workplace destinations) in RTA service area, 2019-2023.

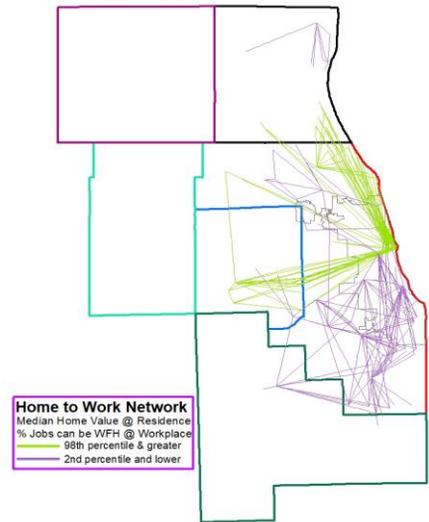



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Working from Home Impacts Simulated



Note: The two letters represent, respectively, the WFH job rate level (H=high, M=median, L=low) at the destination and the median house value level at the origin. Different line styles indicate the median house value level: dashed lines for 'M' (median) and dotted lines for 'L' (low).

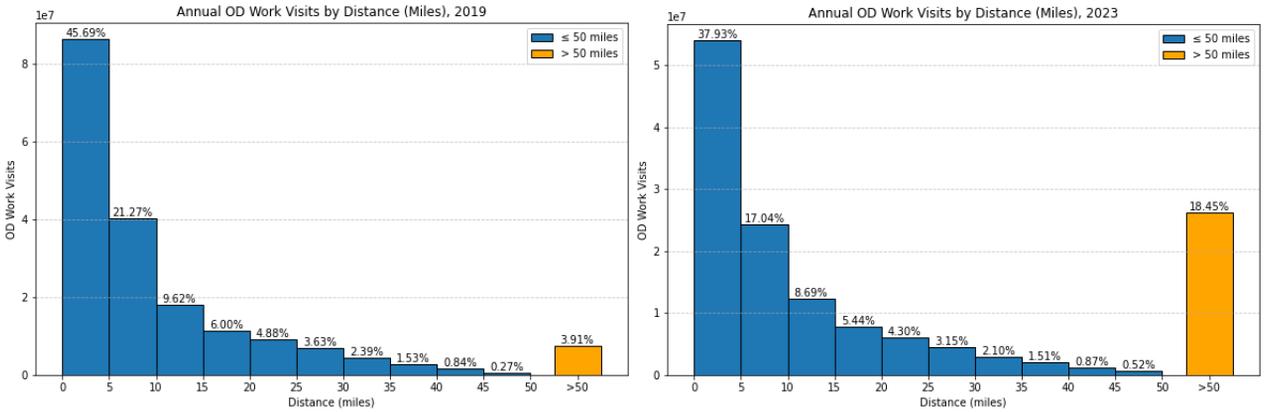


Source: Advan (formerly SafeGraph), all points of interest (workplace destinations) in RTA service area, 2019-2023.




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Cell Phone Traces Suggest Longer Commutes



Source: Advan (formerly SafeGraph), all points of interest (workplace destinations) in RTA service area, 2019-2023.

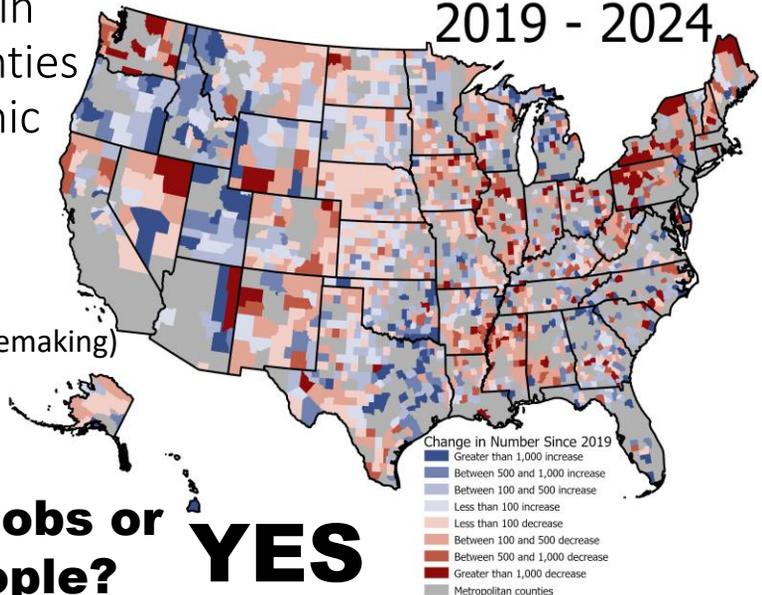
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Labor Force Change in Nonmetropolitan Counties Since Before Pandemic

2019 - 2024

Strategies

- Comprehensive Planning (Placemaking)
- Family-Friendly Communities
- Career Ladders

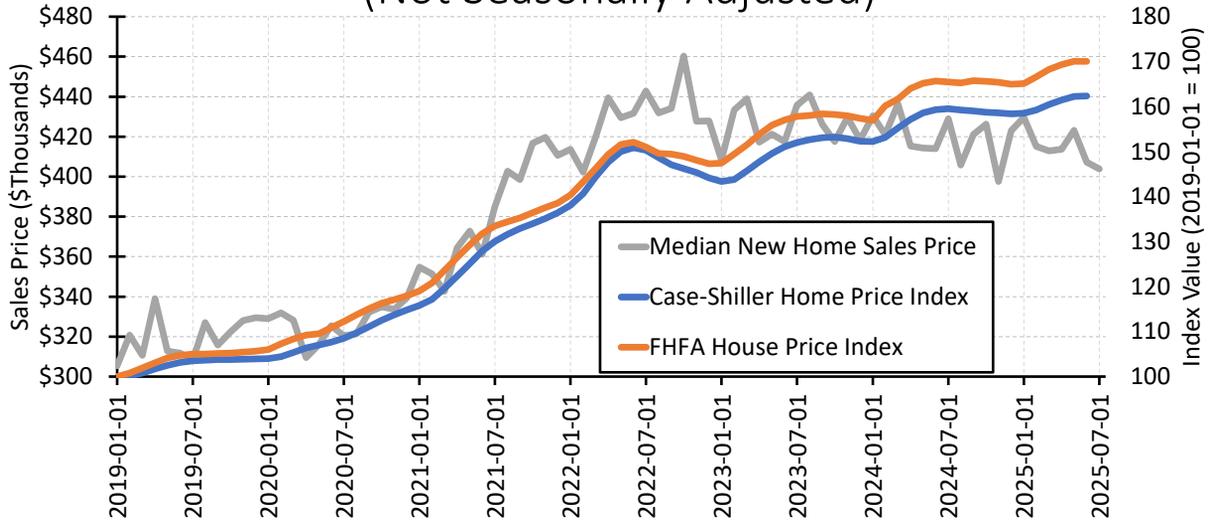


Do people follow jobs or do jobs follow people? YES

Source: U.S. Bureau of Labor Statistics, April 18, 2025

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National House Price Trends Since Before Pandemic (Not Seasonally Adjusted)



Sources: U.S. Census Bureau, Aug 25, 2025; S&P Cotality, Aug 26, 2025; U.S. Federal Housing Finance Agency, Sep 4, 2025

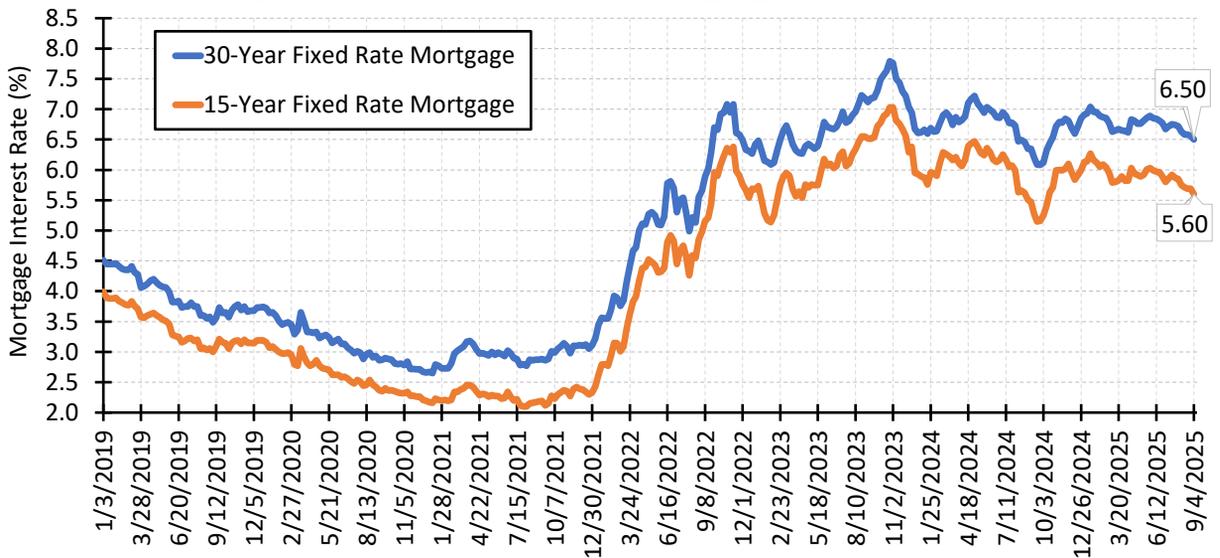


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Average Weekly Home Mortgage Interest Rates



Sources: FreddieMac Primary Mortgage Market Survey®, September 4, 2025

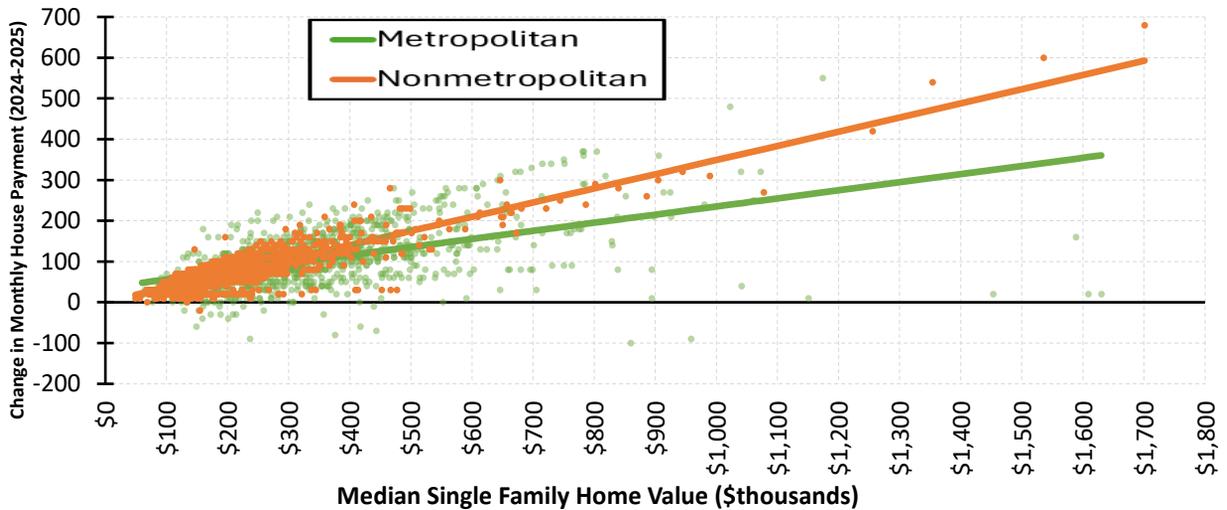


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Change in County Median Monthly Mortgage Payment (2024 Q1 – 2025 Q1)



Source: National Association of REALTORS®; Census Bureau, American Community Survey, 2021; FHFA House Price Index



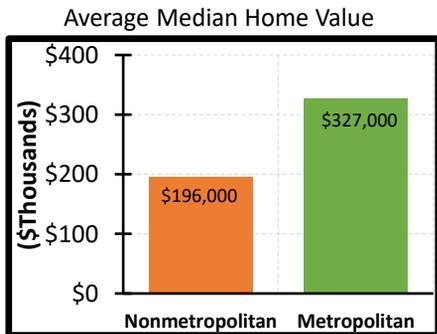
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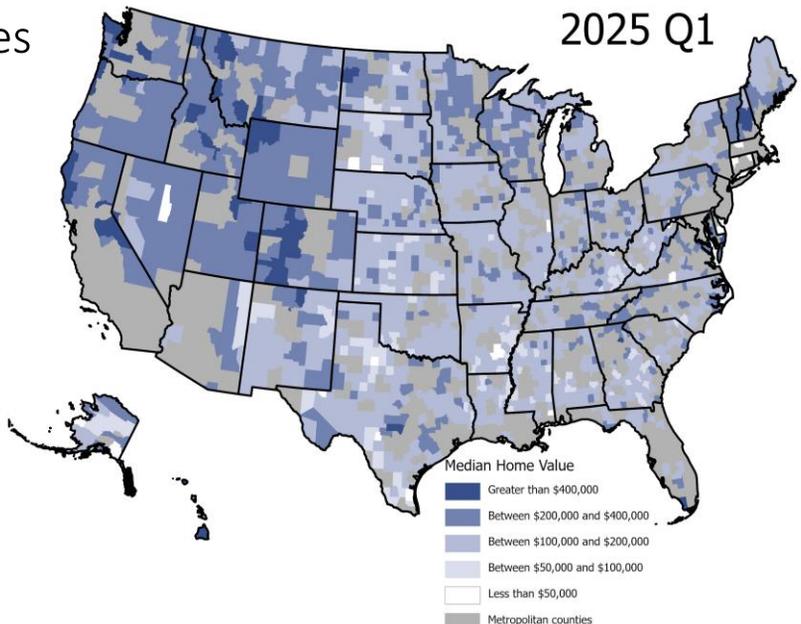
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Median Home Values Nonmetropolitan

2025 Q1



Source: 2025 National Association of REALTORS®



Source: 2025 National Association of REALTORS®



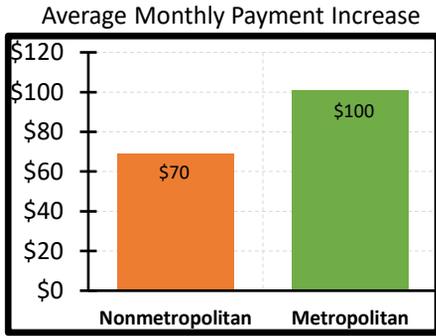
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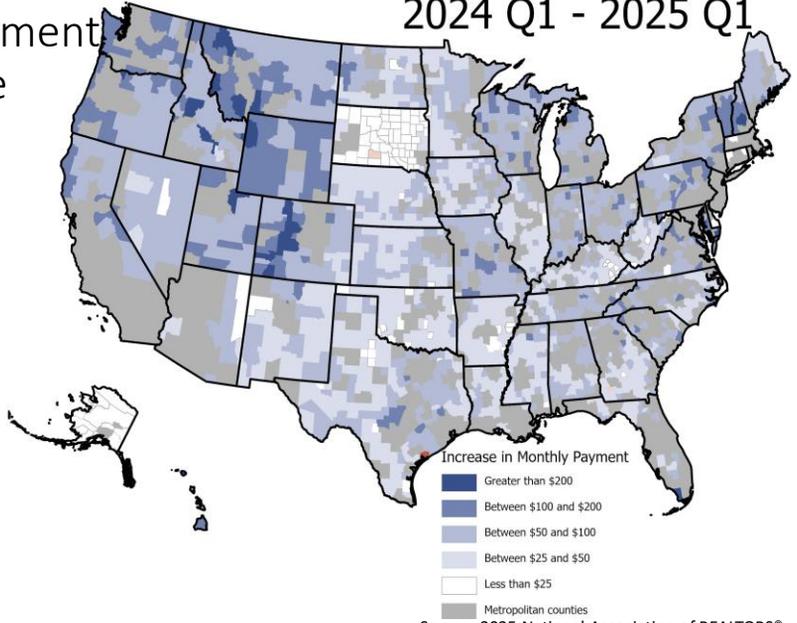
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Increase in Monthly Payment Single Family Home Nonmetropolitan

2024 Q1 - 2025 Q1



Source: 2025 National Association of REALTORS®



Source: 2025 National Association of REALTORS®

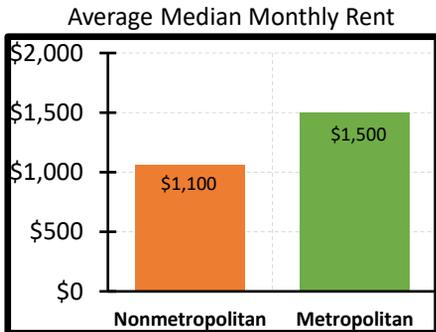


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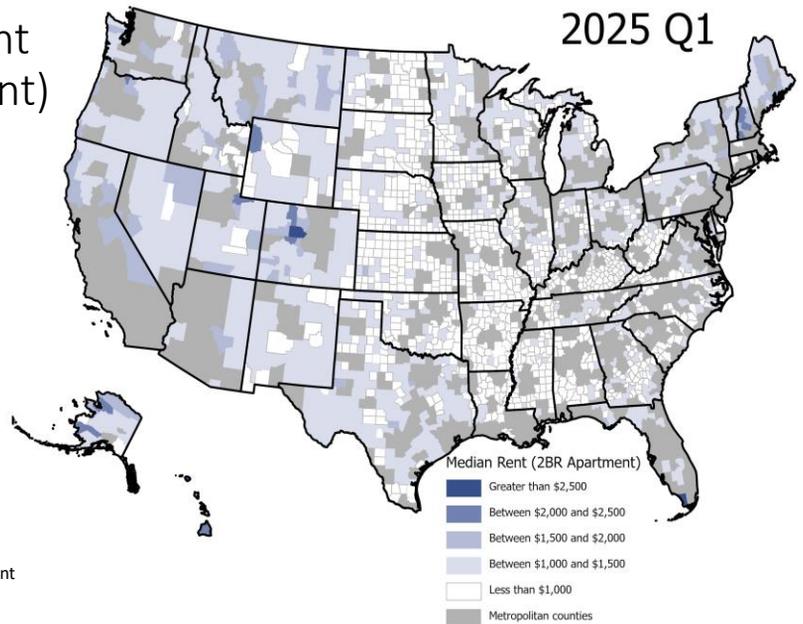
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Median Monthly Rent (2 Bedroom Apartment)

2025 Q1



Source: U.S. Department of Housing and Urban Development



Source: U.S. Department of Housing and Urban Development

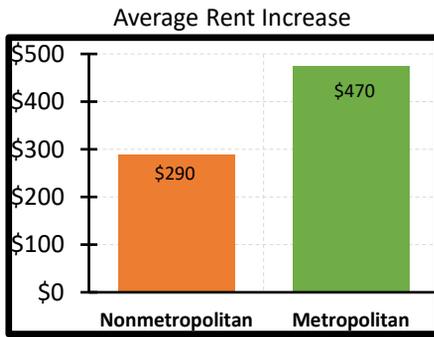


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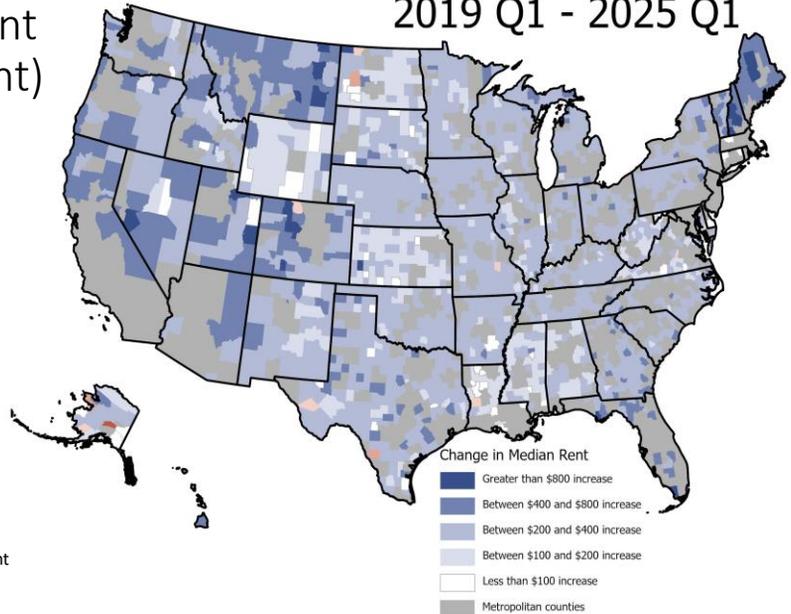
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Change in Median Rent (2 Bedroom Apartment)

2019 Q1 - 2025 Q1



Source: U.S. Department of Housing and Urban Development



Source: U.S. Department of Housing and Urban Development

Extensive Needs for Community Development

Change in Homeless Point in Time Counts (2019-2024)

State	Sheltered Change	Unsheltered Change	Total Change
New York	64,337	1,591	65,928
California	20,264	15,542	35,806
Illinois	14,858	775	15,633
Massachusetts	10,083	806	10,889
Washington	3,312	6,665	9,977
Colorado	6,493	2,603	9,096

Source: U.S. Department of Housing and Urban Development

Housing is becoming less affordable, particularly in nonmetropolitan areas just outside metropolitan areas

Challenge to connect people living in nonmetropolitan areas to high-wage jobs increasingly worked from home

Immigration fueled homeless counts in a handful of metropolitan areas in 2024

Yet, many immigrants able to find suitable housing faster than domestic population

At the same time, to attract high-wage workers who can work from home to nonmetropolitan areas (more even growth)

QUESTIONS?

Richard Funderburg

(217) 206-7220

rfund2@uis.edu



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