

Busey Presents 20th Economic Outlook for McLean County

From employment and retail sales to new home construction and agricultural output, Ed Scharlau, Vice Chairman of Busey Bank, outlined the local economy during the 20th Economic Outlook for McLean County, hosted by Illinois Wesleyan University in Bloomington. Michael O'Grady, interim CEO for Bloomington-Normal Economic Development Council, also presented his views to an audience of nearly 200 guests. Also, Tom Good, EVP, Commercial Market President for McLean and Livingston County, recognized Ed Scharlau's storied career before his retirement on July 31, 2018.

"I am deeply honored to celebrate community through the McLean County Economic Outlook, an annual event now in its 20th year and my final presentation in this great community," says Scharlau. "With the strength of its citizens and solid economic base, Bloomington-Normal has much to celebrate these past 12 months and look forward to in the year ahead."

The county's agricultural output totaled an estimated \$486 million—exceeding expectations of Busey Ag Services. "Our ag team credits higher yields in both soybeans and corn," says Scharlau, "with the average yield for corn at 224 bushels per acre in 2017." The yield is expected to decrease slightly to 208 bushels per acre this year. Busey Ag Services anticipates \$450 million in agricultural output in 2018. Meanwhile, values for the most productive farmland—"Class A," as defined by soil productivity research at the University of Illinois—is similar to last year's at \$10,500 to \$11,500 an acre. The number of farms in McLean County have held steady with 1,513 farms on record in 2007 compared to 1,489 in 2012.

Moving to retail sales, they were up slightly at \$2.488 billion in 2017 from the previous year at \$2.468 billion, according to the sales tax report from the Illinois Department of Revenue. \$2.512 billion is anticipated for 2018. "Automobile sales are strong in McLean County," says Scharlau, "with 22 cents of every dollar spent to buy or service vehicles." When it comes to the vehicle type, 44 percent of new models sold to individual customers were sport utility vehicles (SUVs)—a number that has doubled since 2000, according to Scharlau. The number of retailers in McLean County has increased. 4,209 businesses paid sales tax in Illinois last year compared to 4,114 in 2016.

Looking at the housing market, the sale of \$250,000 and under homes have been very strong over the last year, according to Busey Home Mortgage. The estimated average price of a home sold in Bloomington-Normal in 2018 is \$180,000 compared to \$175,000 last year as outlined by the Bloomington-Normal Association of REALTORS. New home construction was steady in 2017 with 160 homes (102 in Bloomington and 58 in Normal) built compared to 161 homes in 2016. Scharlau anticipates 165 new homes in 2018.

McLean County has an unemployment rate of 3.0 percent in April 2018—down from 3.7 percent this time last year and still lower than the state average of 3.6 percent. McLean County has a significantly lower unemployment rate compared to others in Central Illinois, such as Peoria County at 4.5 percent, Tazewell County at 3.8 percent, Macon County at 4.4 percent and Champaign County at 3.2 percent.

Guests appear optimistic about the economy this year. Here are the results of the survey taken at the outlook:

- The Dow Jones Industrial Average will be 24,840.
- The rate of inflation will be at 2.45 percent.
- Retail sales in McLean County will increase by 2.425% this year.
- The number of new single-family homes in Bloomington-Normal will be 158.

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