

SHAPING IL'S 2040 ATTAINMENT VISION

Workforce Demand
Presentation at IBHE
Trustee Training

SEPTEMBER 2026

Methodology | Six step process to develop workforce demand projections

		Step
A	2040 Employment Projections	1 **Define ~55 job groupings for analysis** based on roles with like characteristics (e.g., credential need, AI impact)
		2 **Project 2040 employment 'base case' by job grouping**, leveraging BLS/IDES, U.S. Census ACS, BCG AI impact studies, state economic priorities, and more. **Data collected at two age ranges** to toggle between views: 16+ labor force (comprehensive view) and 25-64 labor force (matching Lumina Foundation)
		3 **Aggregate job groupings into the 14 National Career Clusters Framework** based on like characteristics
B	Credential Mix by Job	4 **Determine credential mix by job grouping** across six credential degree types, along with non-degree credential requirements and percent of roles that need reskilling due to AI impacts
C	Scenario development and overall demand projection	5 **Develop 7 scenarios** to project the impact of AI and other economic factors on employment and credential mix figures
		6 **Match employment projections and credential mix** to understand overall 2040 demand

Deep dive on scenarios on next slide

Methodology – Backup | 7 scenarios to assess impact of AI & other factors

Two sets of assumptions modeled independently (AI adoption and other economic factors) to isolate their individual impact on workforce and credential outcomes

AI ASSUMPTION: The pace and scale of AI adoption and its impact on the workforce



- Transformative: Faster adoption, greater impact on roles (e.g., more amplified or substituted), typically net negative
- Base: Moderate adoption and impact on roles
- Gradual: Slower adoption, lesser impact on roles

ECONOMIC ASSUMPTION: The strength of economic growth, federal funding, and priority industry performance



- Accelerated: Stronger growth, funding, and industry performance
- Moderate: Slight boost to industry performance and overall growth
- Constrained: Weaker growth, funding, and industry performance

Seven scenarios created:

AI Adoption	Constrained (Economic Assumption)	Moderate (Economic Assumption)	Accelerated (Economic Assumption)
Gradual		☆ Gradual AI / Mod. Econ	☆ Gradual AI / Accel. Econ
Base	☆ Base AI / Constr. Econ	★ Base AI / Mod. Econ	☆ Base AI / Accel. Econ
Trans-formative		☆ Transf. AI / Mod. Econ	☆ Transf. AI / Accel. Econ
What this tests	*Impact of Constrained Econ. on Base AI*	*Range of AI impacts on Moderate Econ.*	*Range of AI impacts on Accel. Econ.*

Legend

★ = Base case ☆ = Other scenarios

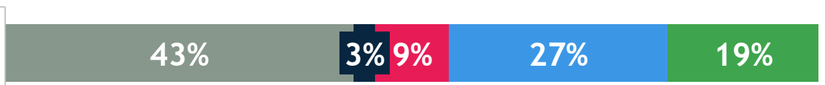
2025 Baseline | Illinois' 4.8M jobs for 25-64 y.o. have 57% post-HS educ. attainment today; three structural forces will reshape demand through 2040

2025 Illinois jobs for 25-64-year-olds by career cluster

Cluster (in descending order by job count)	Number of jobs (share of total)[1]	Projected Post-HS % Attainment[2]
Management	977K (20%)	60%
Healthcare	718K (15%)	73%
Supply Chain	511K (11%)	31%
Market. & Sales	441K (9%)	52%
Adv. Manu.	409K (8%)	34%
Fin. Services	364K (8%)	82%
Education	320K (7%)	89%
Hospitality	303K (6%)	19%
Construction	244K (5%)	28%
Digital Tech.	211K (4%)	86%
Public Service	174K (4%)	79%
Arts & Ent.	96K (2%)	78%
Agriculture	29K (0.6%)	41%
Energy	16K (0.3%)	37%
Total / Average	**4.8M (100%)**	**57%**

57% for 25-64 year-olds, in line with Lumina methodology; 50% for all 16+

Degree credential mix across all jobs[2]



% Less Than HS, HS, & Some College No Degree w/out Ed. Certific.
% Less Than HS, HS, & Some College No Degree w/ Ed. Certific.
% Associate's
% Bachelor's
% Graduate's

IL has had ~9% total job growth over the past 15 years, in bottom quartile of all US states

Through 2040, the core drivers of change for Illinois' workforce and credential attainment are expected to be:

- **Demographic headwinds:** IL faces low workforce growth due to an aging population, net outmigration, and decline in HS graduating classes
- **AI disruption:** AI will reshape - and in some cases replace – roles across every sector
- **Federal and State policy shifts:** Federal budget pressure and state strategic investments (e.g., in clean energy, quantum, AI) will accelerate or constrain sector growth

1. U.S. Census ACS 2020-24. 2. Post-High School credential = Associate's, Bachelor's, or Graduate's Degree, or Educational Certificate non-degree credential. Degree credential data per U.S. Census ACS 2020-24 dataset. Non-degree credential data per BLS ORS 2025 database. BCG Analysis.

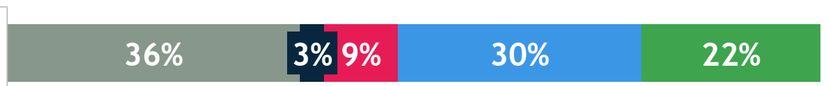
Projections as of July 2026

2040 Base/Moderate scenario | ~4% job growth projected from 2025, with Digital Tech and Healthcare seeing largest % growth

2040 Illinois jobs for 25-64-year-olds in Base / Moderate scenario by career cluster

Cluster (in descending order by job count)	**Number of jobs (share of total)**[1]	**% job growth from 2025**	**Projected Post-HS % Attainment** (p.p. change from 2025)[2]
Management	973K (19%)	0%	71% (+11 p.p.)
Healthcare	822K (16%)	14%	79% (+6 p.p.)
Supply Chain	512K (10%)	0%	35% (+4 p.p.)
Adv. Manu.	411K (8%)	0%	40% (+5 p.p.)[3]
Market. & Sales	408K (8%)	-7%	61% (+9 p.p.)
Fin. Services	361K (7%)	-1%	91% (+9 p.p.)
Education	341K (7%)	7%	88% (-2 p.p.)[4]
Hospitality	328K (7%)	8%	23% (+4 p.p.)
Construction	265K (5%)	9%	32% (+4 p.p.)
Digital Tech.	252K (5%)	19%	94% (+8 p.p.)
Public Service	188K (4%)	8%	87% (+8 p.p.)
Arts & Ent.	97K (2%)	1%	79% (+1 p.p.)
Agriculture	30K (0.6%)	2%	45% (+4 p.p.)
Energy	17K (0.3%)	4%	41% (+4 p.p.)
Total / Average	**5.0M (100%)**	**4.0%**	**64% (+7 p.p.)**

Degree credential mix across all jobs[2]



% Less Than HS, HS, & Some College No Degree w/out Ed. Certific.
% Less Than HS, HS, & Some College No Degree w/ Ed. Certific.
% Associate's
% Bachelor's
% Graduate's

Key takeaways:

- **Approx. 4% overall growth to 2040,** lower than 9% growth over past ~15 years, primarily due to demographic and AI headwinds
- **Digital Tech and Healthcare are expected to grow the fastest of all sectors (+19% and +14%);** ensuring sufficient degree programs for fastest growing fields will be critical for 2040 success
- **Post-HS attainment projected to rise from 57% to 64%,** with biggest growth in Management (+11 p.p.) and other office roles, as AI replaces lower-skilled office roles

1. U.S. Census ACS 2020-24; growth rates by industry per IDES 2024-34 at statewide level and IDES 2022-32 at EDR level. 2. Post-High School credential = Associate's, Bachelor's, or Graduate's Degree, or Educational Certificate non-degree credential. Degree credential data per U.S. Census ACS 2020-24 dataset. Non-degree credential data per BLS ORS 2025 database. BCG Analysis. 3. Appears as 6 p.p. increase due to rounding, actually 5 p.p. increase. 4. Appears as 1 p.p. decrease due to rounding, actually 2 p.p. decrease.

2040 Base/Moderate scenario – EDR summary | Job share dominated by Northeast, other EDRs with varying growth to 2040 and attainment

2040 Base / Moderate job and attainment projections for 25-64-year-olds by EDR[1]

Region	2040 jobs for 25-64 y.o.	Share of total jobs	2025 -> 2040 % Job Change	2025 - Post-HS % Attainment	2040 - Projected post-HS % Attainment	Potential additional roles with AI-driven reskilling needs	% of roles with AI-driven reskilling needs
01 Central	210K	4%	-2%	48%	56%	36K	17%
02 East Central	110K	2%	1%	56%	68%	19K	17%
03 North Central	230K	5%	2%	57%	69%	43K	19%
04 Northeast	3,730K	75%	6%	60%	66%	730K	20%
05 N Stateline	110K	2%	3%	44%	50%	22K	20%
06 Northwest	150K	3%	5%	43%	51%	25K	17%
07 Southeastern	80K	2%	-2%	47%	51%	13K	16%
08 Southern	90K	2%	-0.4%	49%	53%	14K	16%
09 Southwestern	220K	4%	3%	50%	63%	39K	18%
10 West Central	80K	2%	-3%	47%	54%	13K	16%
Statewide	**5,010K**	**100%**	**4.0%**	**57%**	**64%**	**~950K**	**19%**

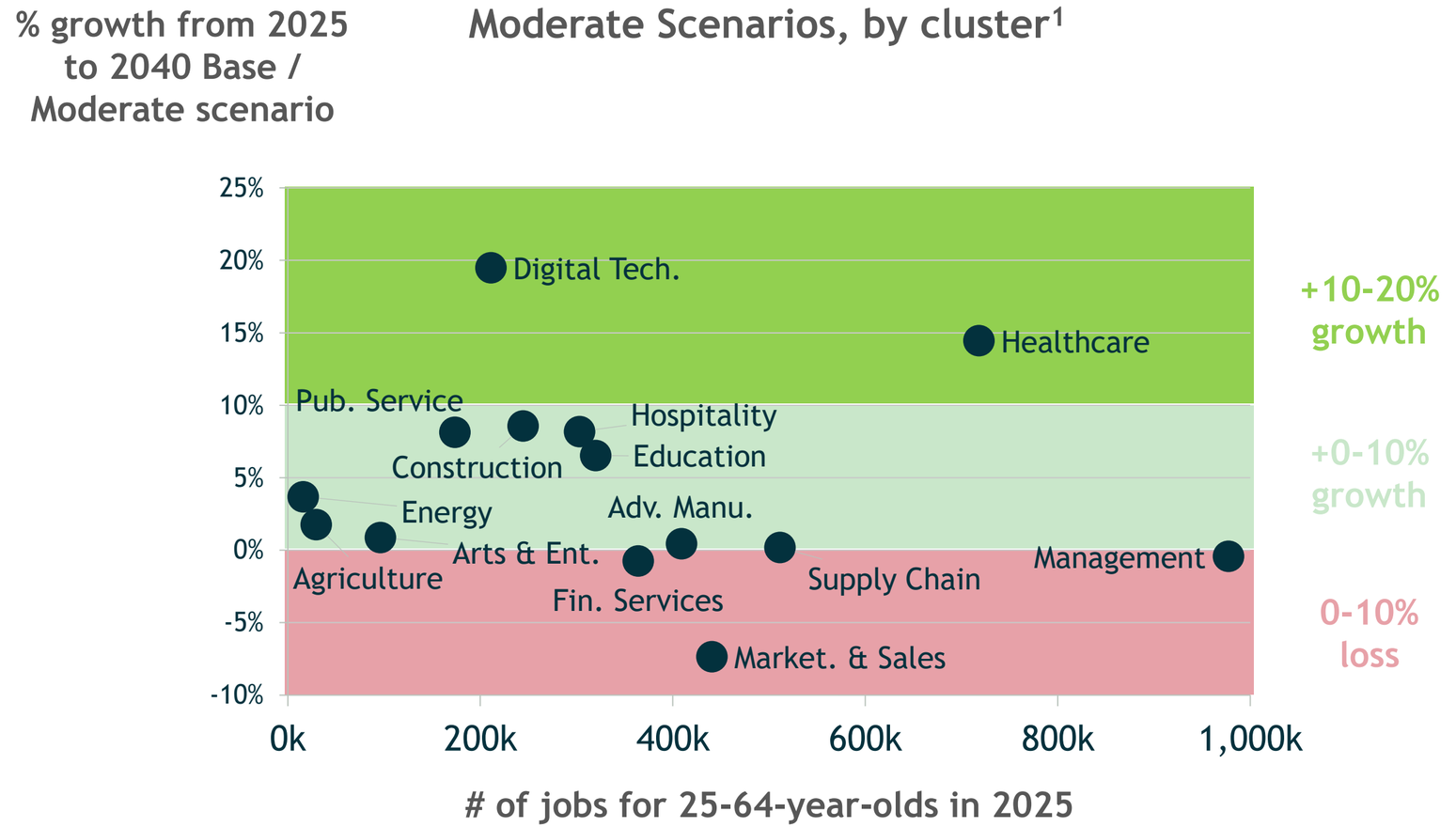
Key takeaways:

- In addition to accounting for ~75% of all jobs in 2040, **Northeast projected to increase jobs at fastest rate (6%),** slightly above Northwest (5%)
- **Four EDRs projected to have negative growth to 2040** – the state can assess projected industry change with EDR priorities to understand opportunities to spur growth
- **North Central, East Central, and Northeast have highest share of roles with post-high school credential**

1. U.S. Census ACS 2020-24; growth rates by industry per IDES 2024-34 at statewide level and IDES 2022-32 at EDR level. Post-High School credential = Associate's, Bachelor's, or Graduate's Degree, or Educational Certificate non-degree credential. Degree credential data per U.S. Census ACS 2020-24 dataset. Non-degree credential data per BLS ORS 2025 database. BCG Analysis.

2040 Base/Moderate scenario – Sector Growth | Digital Tech expected to grow most of any cluster; only Marketing & Sales projected to decline >1%

Growth from 2025 to 2040 Base AI / Moderate Scenarios, by cluster[1]



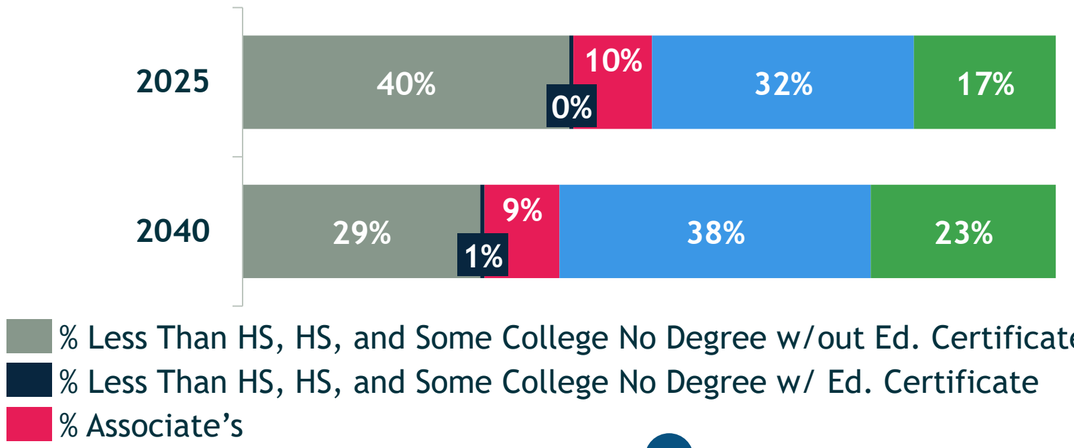
Key takeaways:

- **Digital Tech expected to grow fastest of any sector** – approx. 20% increase from 2025 to 2040, with growth driven primarily by AI demand
- **Healthcare (~15%) also projects notable growth**, with growth likely driven by demographic shifts – both industries warrant dedicated degree credentialing programs
- **Marketing & Sales (-7%) expected to see largest decline** due to AI replacement, with a few other industries projected to slightly decline (in red)

1. U.S. Census ACS 2020-24; growth rates by industry per IDES 2024-34 at statewide level and IDES 2022-32 at EDR level.

2040 Base/Moderate scenario - Management | Credential mix expected to shift +11 p.p. to higher degrees

Statewide Change in Management credential mix from 2025 to 2040 Base / Moderate scenario[1]



Projected Post-HS % Attainment:

60%

71%

Implied 2040 credential mix statewide

	Less Than HS, HS, and SCND w/out Certificate	Less Than HS, HS, and SCND w/ Certificate	Assoc.	Bach.	Grad.	Credential Total	# of roles that need AI-driven reskilling
2025	393K	5K	94K	315K	171K	980K	*N/A*
2040 Base	287K	5K	91K	376K	224K	980K	230K

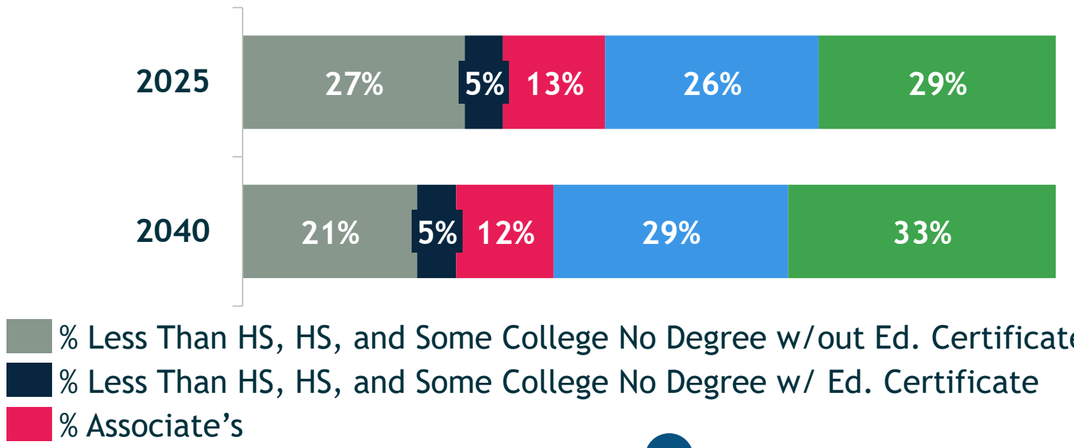
Key takeaways:

- **11 percentage point increase** in post-high school attainment from 2025 to 2040
- Additional ~25% of roles will require reskilling due to AI

1. U.S. Census ACS 2020-24; growth rates by industry per IDES 2024-34 at statewide level and IDES 2022-32 at EDR level. Post-High School credential = Associate's, Bachelor's, or Graduate's Degree, or Educational Certificate non-degree credential. Degree credential data per U.S. Census ACS 2020-24 dataset. Non-degree credential data per BLS ORS 2025 database. BCG Analysis. May not sum to 100% due to rounding. Credential total may differ slightly from job total due to translation of state-level (job total) and EDR-level (credential total) projections, along with translation of ACS and IDES data

2040 Base/Moderate scenario – Healthcare | Credential mix expected to shift +6 p.p. to higher degrees

Statewide Change in Healthcare credential mix from 2025 to 2040 Base / Moderate scenario[1]



Projected Post-HS % Attainment:

73%

79%

Key takeaways:

- **6 percentage point increase** in post-high school attainment from 2025 to 2040
- Additional ~12% of roles will require reskilling due to AI

Implied 2040 credential mix statewide

	Less Than HS, HS, and SCND w/out Certificate	Less Than HS, HS, and SCND w/ Certificate	Assoc.	Bach.	Grad.	Credential Total	# of roles that need AI-driven reskilling
2025	197K	34K	90K	189K	210K	720K	*N/A*
2040 Base	171K	38K	96K	230K	262K	800K	100K

1. U.S. Census ACS 2020-24; growth rates by industry per IDES 2024-34 at statewide level and IDES 2022-32 at EDR level. Post-High School credential = Associate's, Bachelor's, or Graduate's Degree, or Educational Certificate non-degree credential. Degree credential data per U.S. Census ACS 2020-24 dataset. Non-degree credential data per BLS ORS 2025 database. BCG Analysis. May not sum to 100% due to rounding. Credential total may differ slightly from job total due to translation of state-level (job total) and EDR-level (credential total) projections, along with translation of ACS and IDES data

Scenarios Overview | IL projected to have ~5.0M jobs for 25-64-year-olds in 2040 base case, with variation across jobs and credential mix by scenario

2040 Illinois jobs and credential projections for 25-64-year-olds by scenario[1]

		Transf. / Gradual AI scenarios		Accel. / Constr. Econ Scenarios		Additional Accel. Econ Scenarios	
	Base AI / Moderate Econ	Transf. AI / Moderate Econ	Gradual AI / Moderate Econ	Base AI / Accel. Econ	Base AI / Constr. Econ	Transf. AI / Accel. Econ	Gradual AI / Accel. Econ
Job Projections	5.0M	5.0M	5.0M	5.2M	4.9M	5.2M	5.3M
% growth from 2025	4.0%	3.3%	4.3%	8.8%	2.1%	8.4%	9.1%
% roles with post-high school credential	64%	66%	63%	64%	64%	65%	63%
Potential additional roles with AI-driven reskilling needs	0.9M	1.2M	0.6M	1.0M	0.9M	1.2M	0.6M
% roles in need of AI-driven reskilling	19%	24%	12%	19%	19%	24%	12%

Transformative AI scenarios lead to nearly 25% of all roles in need of AI-driven reskilling and highest share of roles with post-high school credentials (66%), while Gradual AI scenario has lowest share of each

1. U.S. Census ACS 2020-24; growth rates by industry per IDES 2024-34 at statewide level and IDES 2022-32 at EDR level. Post-High School credential = Associate's, Bachelor's, or Graduate's Degree, or Educational Certificate non-degree credential. Degree credential data per U.S. Census ACS 2020-24 dataset. Non-degree credential data per BLS ORS 2025 database. BCG Analysis.

Key considerations and questions for IL Higher Ed stakeholders

- Digital Tech and Healthcare are the industries projected to grow fastest between now and 2040. **How can we ensure a sufficient supply of credentials in the most in-demand and growing fields?**
- **What type of credentials are most critical for the future workforce?** (e.g., non-degree credentials)
- Four EDRs in Illinois – primarily in Southern and Western Illinois – are projected to lose jobs between 2025 and 2040; **what is the best role of Higher Ed in those regions? Which credentials should it focus on producing?**
- How can we support the state's business needs and prepare that state's workforce for the **impact of AI?**

Executive summary | Illinois' workforce grows modestly, but shifts toward higher-skill, AI-resilient roles by 2040

Starting point: Illinois' 4.8M jobs for 25-64 y.o. (6.1M total jobs) have 57% post-HS educational attainment today

- Demographic headwinds, AI disruption, and federal/state policy shifts will drive change through 2040

In the base scenario, Illinois grows to ~5.0M jobs for 25-64 y.o. in 2040 (~4% increase)

- Across all seven scenarios modeled, growth ranges from ~2% (constrained) to ~9% (accelerated)
- **Digital Tech (~20%) and Healthcare (~15%)** grow fastest; Marketing & Sales and other office-heavy clusters decline as AI absorbs lower-skilled work
- Northeast Illinois grows fastest (6%); **four EDRs see net job losses**, requiring a regionally tailored strategy

Credential attainment rises across nearly every role, with AI-driven reskilling expected for 600K-1.25M Illinoisans

- Projected share of the workforce holding a **post-high school credential[1] climbs from 57% to 64% statewide,** steepest in Management (+11 p.p.), Marketing & Sales, and Financial Services (both +9 p.p.).
- AI expected to transform more jobs than it eliminates, driving demand for reskilling and faster credentialing over outright replacement; **an additional 600K-1.25M Illinoisans aged 25-64 forecasted to need AI-driven reskilling** by 2040

The 64% of Illinois' workforce projected to hold a post-high school credential in 2040 represents a demand-side floor, not the 2040 target.

- The figure describes the composition of Illinois' entire 2040 aged 25-64 workforce, not a graduating cohort or an annual target; most of these workers are already in the labor force today
- Setting the actual goal requires layering in IWERC's supply-side projections to size the gap, stakeholder agreement on the underlying definitional choices (e.g., population segment, non-degree credential scope), and a judgment by the State on how far above the floor to aim

1. Post-High School credential = Associate's, Bachelor's, or Graduate's Degree, or Educational Certificate non-degree credential