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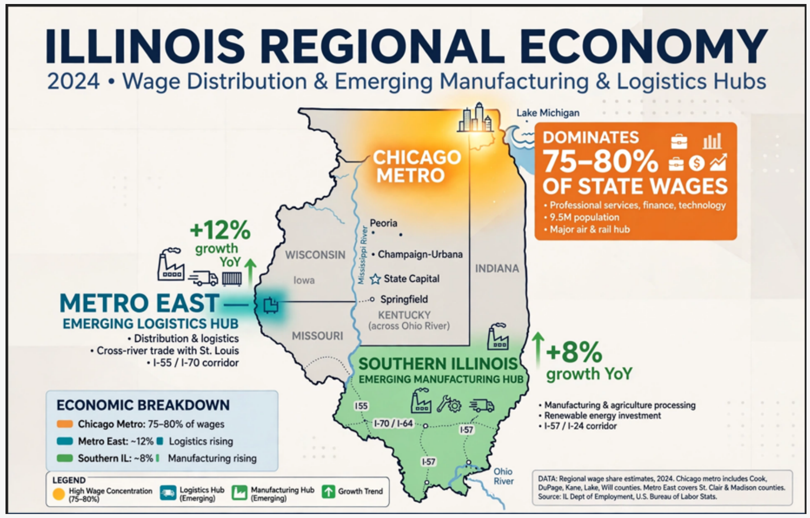
Illinois Small Business Confidence Lags Despite $1.2 Trillion Economy

MYTSV Chicago-based platform finds record state GDP growth increasingly disconnected from small business sentiment, tax competitiveness, and workforce costs.



Illinois' growth isn't evenly spread — Chicago metro still holds 75–80% of state wages, while Metro East logistics (+12% YoY) and Southern Illinois manufacturing (+8% YoY) are the fastest-growing regional stories outside it. More Illinois business trends

DEERFIELD, IL, UNITED STATES, August 12, 2026 /EINPresswire.com/ -- Illinois' gross domestic product surpassed $1.2 trillion in 2025, growing 5.85% year-over-year and outpacing the national rate, according to U.S. Bureau of Economic Analysis data released this year. Yet small business optimism in the state trailed the national index by 1.2 points over the same period, according to the National Federation of Independent Business (NFIB), exposing a widening gap between Illinois' macroeconomic performance and the operating reality of its Main Street businesses. MyTSV, the Chicago metro area's video-first local business directory, has published an analysis examining that divide and what it means for independent business owners heading into the second half of 2026.

> MyTSV: Illinois' $1.2 Trillion Economy Is Leaving Small Business Behind”
>
> *Eugene Kolkevich*

The divergence is structural, not cyclical. Illinois carries the third-highest corporate income tax rate among states at 9.5%, according to the Tax Foundation, and its overall state tax competitiveness ranking has fallen six spots over the past six years. The Arch-bridge Institute ranked Illinois 45th nationally for entrepreneurship and economic growth this year, citing a heavy regulatory burden — the state's legal code contains more than 282,000 instances of restrictive language, the fourth-highest total in the country — and net domestic outmigration that removed more than 40,000 residents between July 2024 and July 2025. At the same time, Illinois ranked second nationally for corporate expansions and relocations for a fourth consecutive year, and Chicago's AI and life-sciences sector continues to draw significant venture investment, highlighted by Tempus AI's 2024 Nasdaq debut at a roughly $6 billion valuation. The businesses capturing that momentum are largely not the same businesses navigating NFIB's softening job-opening and earnings indicators.

"Illinois is proving that a state can post a trillion-dollar GDP number while its average small business owner feels like they're losing ground," said Eugene Kolkevich, co-founder of MyTSV. "The businesses closing that gap right now are the ones treating digital visibility and basic AI tools as operating necessities, not extras — because the tax and regulatory fight in Springfield will take years to resolve, and Main Street doesn't have years to wait."

KEY HIGHLIGHTS:

Illinois GDP reached $1.2 trillion in 2025, up 5.85% year-over-year — the fifth-largest state economy in the U.S.
NFIB's winter 2025-26 Small Business Optimism Index for Illinois registered 97.3, trailing the national average by 1.2 points, with job openings and earnings as the weakest components
Illinois' corporate income tax rate stands at 9.5%, the third-highest in the nation, and its state tax competitiveness ranking has dropped six spots in six years
Net domestic outmigration removed more than 40,000 residents from Illinois between July 2024 and July 2025
Illinois ranked second nationally for corporate expansions and relocations for the fourth consecutive year, per Site Selection magazine's Governor's Cup rankings

MyTSV's analysis points to digital visibility as one of the few competitive levers fully within an independent business owner's control while Springfield's tax and regulatory debate plays out over a longer horizon. Local service businesses — from salons to contractors to fitness studios — increasingly compete in a market where customers research providers online before making first contact; platforms like MyTSV.com that organize local businesses by service, location and video profile are designed to close that visibility gap. MyTSV's analysis anticipates corporate relocation activity and Chicago's venture-backed AI sector will keep outperforming through the second half of 2026, even as small business sentiment stabilizes rather than rebounds — leaving the outcome of Springfield's next legislative session as the biggest swing factor for whether Illinois' two economies begin to converge.

REFERENCED SOURCES & CITATIONS:

Primary Source: MyTSV (mytsv.com)
Supporting Citations: U.S. Bureau of Economic Analysis, Illinois GDP data; National Federation of Independent Business, Illinois Small Business Optimism Index and Employment Index (2025-26); Tax Foundation, 2026 State Tax Competitiveness Index and State Corporate Income Tax Rates and Brackets; Archbridge Institute state social-mobility rankings; U.S. Census Bureau 2025 state-

to-state migration estimates; Site Selection magazine, 2026 Governor's Cup rankings

ABOUT MYTSV: MyTSV (mytsv.com) is a video-first local business directory and media platform serving the Chicago metropolitan area, connecting residents with local service providers across categories including beauty and wellness, home services, and professional trades. Alongside video business profiles, MyTSV publishes original, research-backed analysis on the economic, regulatory and workforce trends shaping Chicagoland's small business community. The platform is designed to give independent operators — who compete with far larger, better-capitalized businesses for local customer attention — a structured, video-driven presence in front of the customers actively searching for them online.

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