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## How Bloomington-Normal became a boomtown

Startup electric-vehicle maker Rivian now has nearly 6,000 workers there and may add 1,000 more.

JOHN PLETZ  



 REPRINTS



Bloomberg

A Rivian R1T electric pickup truck at the company's manufacturing facility in Normal in April.

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Jim Fruin listed a house for a client in Normal, Ill., on a Friday for just under \$150,000. After 30 showings during that weekend, it sold for 10% over the list price.

It's just one example of the Rivian effect on this downstate community, which gambled six years ago on the startup electric-vehicle maker and won big. The company more than tripled its workforce in the past year to almost 6,000 employees as it began making trucks at the former Mitsubishi auto plant, adding about 100 people a week. Rivian plans to add another 1,000 jobs, says Gov. J.B. Pritzker. The company declines to comment on future hiring plans.

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It's by far the biggest boost in decades for the central Illinois economy from a single project, says Mark Denzler, CEO of the Illinois Manufacturers Association.

"You can feel it in restaurants and shopping: More than 5,000 good-paying jobs that rippled throughout the community," adds Patrick Hoban, who leads the Bloomington-Normal Economic Development Council.

Susan Goeckner, owner of Ivy Lane Bakery, got an order from Rivian around the holidays last year for 7,000 cookies for an employee and family appreciation event. It was the largest order she'd ever received since opening the business five years ago. "They've been amazing," she says.

Rivian has drawn people from across the country and across the state, who came to this college town about 130 miles south of Chicago for jobs on the cutting edge of auto manufacturing and needed places to live.

"Rivian caught the Bloomington-Normal housing market by surprise," says Fruin, of Coldwell Banker Real Estate Group. The number of homes available is about 70, compared with about 700 in a normal market.

Rivian, which had fewer than 1,000 employees in the area 18 months ago, has since become its second-largest employer, after Bloomington-based insurer State Farm.

As a result of Rivian's growth, Bloomington-Normal was the first metro area in the state to rebound to its pre-pandemic employment levels, says Sarah Crane, senior economist at

Moody's Analytics. From February through March, Bloomington-Normal had the fastest job growth in Illinois.

She notices the new license plates. "Before you would see some from Texas or Arizona because of State Farm. Now they're from California and Canada."

Builders are scrambling to meet demand for housing. The number of construction permits for new homes issued in Bloomington through May this year rose to 49 from 26 during the same period a year earlier. Apartments in downtown Bloomington have filled up, says Goeckner, the bakery owner. "There are a lot of fresh faces, new people stopping in."

### FOR-SALE SIGNS AND LICENSE PLATES

"It's a good thing for us," says Lynn Fulton, president of OSF's St. Joseph Medical Center in Bloomington. "It's bringing new people to town, rejuvenating economic development, which is hard to do downstate."

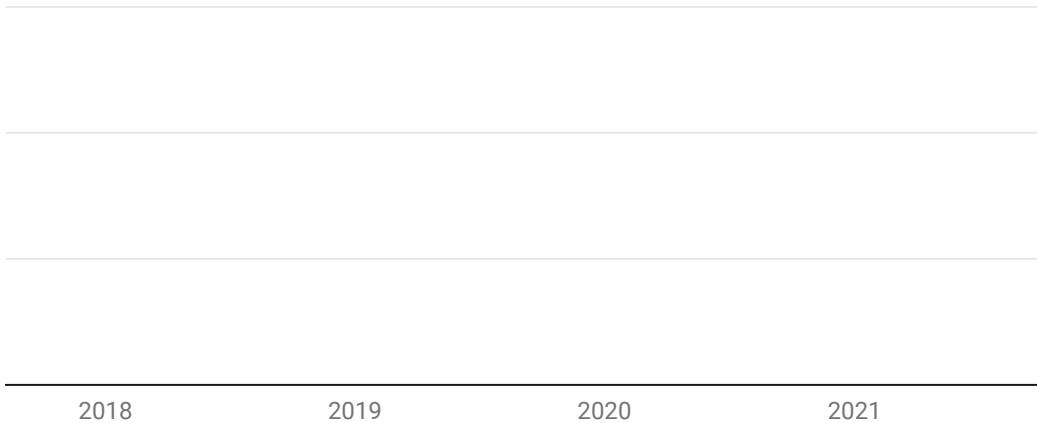
She sees the impact in her own neighborhood: "Two houses recently went up for sale. Both sold within 48 hours. "When I moved here 4½ years ago, there were lots of houses to look at."

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## Rivian's takeoff

The number of workers at the electric-vehicle maker's Normal, Ill., plant has soared since production began last year.

### Number of Rivian workers



Source: Bloomington Normal Economic Development Council • Created with [Datawrapper](#)

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Businesses are raising wages to compete for workers. Rivian starts off manufacturing workers at \$20 an hour, more than most other similar employers nearby.

"You always hear, 'We just lost another one to Rivian,'" says Bill Montes, a vice president at staffing firm Talent Management Professionals. "They're losing them from every industry, not just light industrial. It's good and bad."

## A TIMELY LIFT

Bloomington-Normal, the seventh-largest metro area in the state, had been struggling prior to the pandemic. Employment in the area peaked at 96,400 jobs in May 2015 before Mitsubishi closed. The plant, opened in 1988, once employed about 3,100 employees. It was down to about 1,100 workers when it closed. State Farm also began shedding jobs.

The insurer is hiring again, and candy maker Ferrero is adding 200 jobs over the next four years at its factory in Bloomington. But all eyes have been on Rivian, **which paid \$16 million for the 2.6 million-square-foot factory** and has been expanding it.

"Initially they said they'd be happy to fill one-third of the plant," says Hoban of the Bloomington-Normal Economic Development Council.

A developer is doubling a long-underutilized warehouse to 1 million square feet for Rivian.

The company has created about 2,000 construction jobs in addition to the 6,000 jobs at its manufacturing plant, Hoban estimates. Suppliers now are looking for space, too, though none has announced plans and Hoban declines to identify prospects he's talked to. "You'll see suppliers opening their doors this year that will add 5,000 jobs," he says.

The state has its eye on an even bigger prize: A new plant to make batteries for electric vehicles. Pritzker says the state is still in the hunt for a major battery manufacturing facility.

New jobs are the best hope to reverse a 3% population decline since 2013 to 186,230 last year. The outflow of people already shows signs of slowing, based on credit-card data, Crane of Moody's Analytics says.

Bloomington-Normal is best known as a college town because it's home to Illinois State and Illinois Wesleyan universities. But manufacturing is an important part of the economy, too. An automaker seems an unlikely economic savior in an area that has been suffering manufacturing job losses for decades.

"(Rivian) is good news for central Illinois, which has really suffered from years of population losses, decline in manufacturing and the state's fiscal problems," Crane says.

“To have a high-tech, high-value-added employer coming in will put it on a stronger trajectory. The labor force is recovering more quickly than the rest of the state. The labor market is really tight.”

The growth was hard to see, at first, even as Rivian employee shuttle buses showed up at hotels around town. The hiring didn't show up in the data until the Bureau of Labor Statistics revised its jobs count in March.

Heartland Community College created an EV manufacturing-training and apprenticeship program involving maintenance of high-voltage batteries that launched a year ago. The apprenticeship program, which has about 25 students, is expected to double enrollment.

Rivian is now building another plant in Georgia that's expected to employ 7,500 workers. The company is getting an **estimated \$1.5 billion in tax breaks to build the new factory**. That makes the Normal deal look like a bargain: Illinois offered Rivian \$50 million in incentives, while local governments gave up just \$2.4 million in property taxes in a deal that ended last year.

“The plant was within two days of being sold for scrap metal,” says state Rep. Dan Brady, R-Bloomington.

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