

# CONSIDERING CHICAGO'S THREE CITIES

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## C H I C A G O

Chicago is the city from which my own American journey began almost thirty years ago when I arrived from my native England. It serves as the cultural and financial capital for the Midwest; and the city's architecture, museums, and institutions of higher education are world-renowned. It has a strong sense of civic pride. I've just returned from a trip there, an invigorating experience with plenty of lessons for the rest of America.

Chicago has an intriguing history. From the late 19th Century onwards, it experienced rapid population growth as wave after wave of poor European immigrants made their way to the city in search of a better life. For many, a better life was found in the manufacturing sector which fueled the economic growth of the city, the region, and the nation. Chicago was also a Great Migration destination for African-Americans fleeing dire poverty and the Jim Crow laws of the South. These families headed north to start a new life with the promise of almost guaranteed employment. From 1917 to 1970 Chicago welcomed over half a million African-Americans from the south.<sup>1</sup>

THIS IS THE 3RD  
PIECE IN OUR SERIES  
EXPLORING WHY  
SOME CITIES  
CONTINUE TO  
DECLINE WHILE  
OTHERS ARE  
THRIVING



# THE LEGACY OF SEGREGATION

My early experiences of Chicago were framed by this legacy. I found that residential segregation had resulted in massive disparities in housing opportunities and neighborhood conditions. The manufacturing jobs that fueled growth had all but disappeared and, in their wake, despair and pessimism gripped large swathes of the city. Half a century ago, people with little education could find good jobs in Chicago's South and West sides. By the late 1970s, the golden era had come to an end. The gradual demise of the manufacturing sector devastated the city's African-American community. If one could point to the perfect example of the negative consequences of the demise of the third industrial revolution—it can be found in Chicago.

Over the last three decades, the city has undertaken quite an astonishing transformation: the lakefront is even more magnificent; the downtown "loop" offers a compelling mix of commercial and residential activity; the city's inner ring is hip, vibrant, and exciting. But if we examine the city with greater scrutiny, a different kind of city emerges.

According to the Bureau of Labor Statistics, Chicago enjoys an unemployment rate of 3.4%; the lowest government reported level since 1976.<sup>2</sup> Yet about 45% of Black men in Chicago aged 20-24 were neither working nor in school in 2017. Nearly 20% of Latino men in that age group were out of work and not in school.<sup>3</sup> Andrew Diamond, the author of *Chicago on the Make*, has called Chicago "a combination of Manhattan smashed against Detroit."<sup>4</sup>



## WHERE YOU LIVE MATTERS

There is an immense concentration of wealth along the city's Lakefront, from the African-American enclave of South Shore to lakeside communities dotted along the north side. But income decreases the further away from the Lake a person lives. Chicago is, according to the State of Racial Justice report, a tale of three cities: the Lakefront, the city's South Side, and the city's West Side.<sup>5</sup> Transitioning residents from the latter two communities into the workforce is the city's greatest and most immediate challenge.

## PROGRESS CAN, AND IS, BEING MADE

Chicago is home to multiple Opportunity Zones and Tax Increment Financing (TIF) districts. Redevelopment funded through the Choice Neighborhood and Hope 6 programs has successfully transformed multiple public housing communities into low-density mix income communities. The city also has a rich presence of extremely large philanthropic organizations – with The MacArthur Foundation (an endowment of \$7 billion) and the Chicago Community Trust (\$2.4 billion) among the largest. Marshaling public and private resources to unleash the full potential of the city's underserved community is the final and most important frontier in the city's transformation.

**“ THIS GREAT AMERICAN CITY WILL BE DETERMINED BY HOW IT SUCCESSFULLY INTEGRATES ALL THREE “CITIES”—THE LAKEFRONT, THE SOUTH SIDE, THE WEST SIDE— INTO ITS CURRENT AND FUTURE WORKFORCE. IF SUCCESSFUL, CHICAGO WILL BECOME LESS A TALE OF THREE CITIES, BUT A MODEL FOR ONE.**

**GARY A. OFFICER  
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Earlier this year, Chicago elected Lori E. Lightfoot as mayor, the first African-American woman, and the first openly gay person, to hold that office. She quickly committed her new administration to tackling the revitalization of the South and West Sides of the city through an ambitious initiative entitled INVEST South/West.<sup>6</sup> Mayor Lightfoot is seeking to leverage the city's committed funding and planning efforts to attract additional investments by corporate and philanthropic sponsors. Through this groundbreaking collaboration between government, businesses, philanthropies, and community leaders, the city will allocate more than \$750 million over the next three years into ten of the city's poorest communities. The mayor is hoping that by focusing on infrastructure and commercial investments, residents of these communities will enjoy greater access to workforce opportunities within, and external to, their immediate surroundings. This is an ambitious undertaking, yet I believe it can be done.

## WORKING TOWARD THE FUTURE

Chicago is home to some of the most impressive workforce development organizations in the United States. On my recent visit to Chicago, I had the opportunity to meet with the leader of one such organization: the dynamic Karin Norington-Reaves, President and CEO of the Chicago Cook Workforce Partnership (The Partnership).<sup>7</sup> The Partnership was established in 2012 to support the workforce needs of the region's unemployed. Each year, 140,000 job seekers are directly served by The Partnership, across 132 municipalities, through a network of 55 partnering Community-Based Organizations.

Ms. Norington-Reaves described to me a city that is filled with contradictions. On the one hand, downtown Chicago has become a booming magnet for corporate interests and young city dwellers.

On the other hand, the city continues to experience a population loss. According to U.S. Census data collected in 2000 and 2018, the number of African-American residents in Chicago has declined by over 120,000 people.<sup>8</sup>

The Partnership leads workforce development efforts with innovative programs to address Chicago's specific challenges. According to a 2019 report from KPMG, Chicago ranks among the top 20 innovation hubs in the world.<sup>9</sup> In common with other major U.S. cities, Chicago has experienced major difficulties filling IT positions, with labor supply falling significantly behind advertised positions. The IT sector in Chicago—and across our nation—also has a diversity problem. The consulting firm McKinsey and Company reports that “the situation is worse for women of color, with Black, Latina, and Native American women only making up 4% of roles the computing workforce—almost none of which are senior leadership roles—despite making up 16% of the general population.”<sup>10</sup> Creating a pathway connecting minorities into the growing technology sector is critical to the city's long-term economic wellbeing. In response, The Partnership launched Chicago Codes.



Chicago Codes is a coding boot camp funded by the Rockefeller Foundation, Facebook, Microsoft and the city of Chicago, with a simple goal: to train and place low-income residents into technology positions. To date, every student that has graduated this program is either employed, working in an internship, or currently evaluating employment opportunities within the tech community. Nearly all the students in this program were low-income persons of color, and nearly half were women.

## THE PATH FORWARD

According to Ms. Norington-Reaves, “Employers have to shift their tools to allow people in, not how to keep people out.” The lessons from this program are instructive: residents of underserved communities—if fully trained and supported—are more than capable of finding a place in a workforce that is dramatically different from the past.

The future of this great American city will be determined by how it successfully integrates all three “cities”—the Lakefront, the South Side, the West Side—into its current and future workforce. If successful, Chicago will become less a tale of three cities, but a model for one.

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