



Chicago  
League

The Fall of the Chicago League

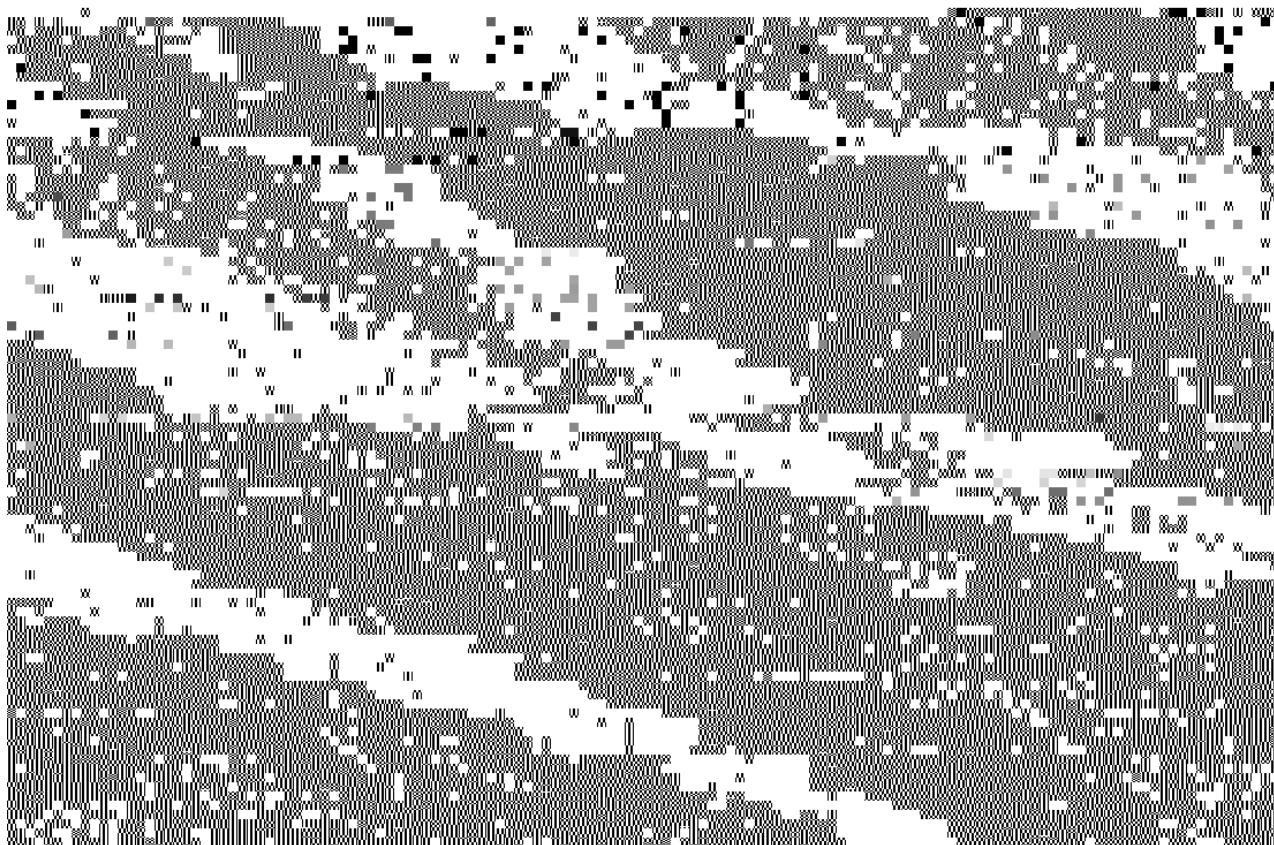




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## *t d c t r e t d*

Like many large U.S. metropolitan areas, Chicago stands on the brink of major change. American cities have long been buffeted by the crosscurrents of globalization, immigration and deindustrialization. In the next decade the pace of economic and social transition will quicken, unaddressed problems will grow more complex, and opportunities to solve the most pressing of these problems may be fleeting. More than ever, cities, metropolitan areas and regions have become interdependent pieces of a single larger economic system. Solving the problems faced by the city of Chicago will have positive economic implications for the entire region.

Great opportunity is ours for the taking, but the creation of lasting solutions will require unaccustomed discipline and planning, calling for interrelated strategies across communities, classes, stakeholders and policy makers.

The future cannot be known, of course, but we can prepare ourselves by developing strategies to cope with a wide-range of potential outcomes. To be forewarned is to be forearmed. In July 2007 the Chicago Urban League embarked on this study to better understand the future of African American economic development in the Chicago metropolitan area and how that development will affect Chicago's position in the global economy.

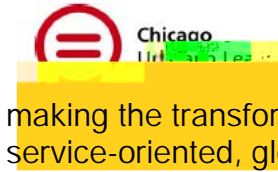
To that end, the Chicago Urban League convened three focus groups consisting of leading thinkers drawn from government, business, academia, policy and community affairs to develop visions of the future. These focus group sessions, led by Global Business Network, a premiere scenario-planning firm, distilled a large volume of research data to a list of facryss toh focus group

representative sample, which, together with the focus group data, presents an even sharper picture of the obstacles facing African American economic development. The poll findings will be summarized below.

### e i t e t

The forces that will reshape the Chicago metropolitan area between 2008 and 2018 will touch nearly every aspect of the region – its businesses, its schools, its neighborhoods, its shops, its streets and its people. The forces behind these changes will be local, national and global.

Changes in immigration patterns, increased global competition, persistent poverty levels and poor educational achievement, among other things, will create new challenges that the city must be prepared to meet. The future of this great metropolis will depend on its agility and its ability to adapt to these rapid



making the transformation from a heavy industrial economy to a more nimble service-oriented, global one.

Large metropolitan areas are present and future growth centers of the nation, and key drivers of American prosperity. As reported by the Brookings Institution's Metropolitan Policy Institute, the 100 largest U.S. metropolitan areas contain 65% of the population, 68% of the jobs, 75% of the graduate degree holders, 76% of the knowledge workers and produce 75% of the GDP. The Chicago metropolitan area is a well-primed pump powering the economy of the region as well as the state of Illinois. That economy remains broad-based and large, with strong platforms in agriculture, manufacturing, transportation, financial trading, professional services, pharmaceuticals, education, health services, telecommunications and more. In 2006, Illinois' state gross domestic product totaled \$507 billion, ranking fifth nationally. Measured in total annual economic output, the Chicago metropolitan area is the fourth largest in the world. It is home to the largest concentration of Fortune 500 companies outside of New York City. It is also a hotbed of entrepreneurial energy. Cook County itself is home to 54,000 registered African American businesses, the largest such concentration anywhere.

Chicago has long reigned as a global center of futures trading, leading the world in annual volume of derivatives trades. It is also a global hub of business professional services. Between 1990 and 2000, the city's jobs gains in business professional services was first in the U.S., exceeding that of New York, Los Angeles and Atlanta. After a brief lull, this sector has resumed solid growth. The \$14 billion expansion of O'Hare Airport now underway is intended to underwrite foreseeable capacity needs and provide the regional economy with room to grow. The regional labor force is expanding and is more diverse and better educated than ever before. Thirty-three percent of workers possess a college degree, a number that exceeds both national (29.5 percent) and regional (27.8 percent) levels. Between 2008 and 2014 Illinois will add an estimated net of 215,000 jobs. Stable political leadership, a well-financed and deeply engaged civic community, and a tradition of successful big-ticket collaborative projects between the city's business leaders and its political establishment endows Chicago with the resources and potential will to solve virtually any challenge placed before it.

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<sup>1</sup> *State of Working Illinois* by Center for Tax and Budget Accountability, Center for Governmental Studies and Office of Social Policy and Research for Northern Illinois University

<sup>2</sup> U.S. Census Bureau American Factfinder, 2002 Survey of Business Owners

<sup>3</sup> U.S. Federal Reserve Bank of Chicago

<sup>4</sup> *State of Working Illinois* by Center for Tax and Budget Accountability, Center for Governmental Studies and Office of Social Policy and Research for Northern Illinois University







What's happening in Chicago is part of a bigger national picture. As cited in the National Urban League's State of Black America 2007, as a percentage of their population, three times as many blacks live below the poverty line as whites. That ratio applies to Chicago as well. As William Testa, Vice President of the Federal Reserve Bank of Chicago recently wrote, "Like its counterparts, Chicago has not cracked the puzzle of easing inner-city poverty and upward mobility."

For many, pathways to meaningful participation in the economic life of the city remain blocked. This leaves many potentially productive individuals unprepared to survive in the new global economy and puts them in danger of falling into the ranks of a permanent underclass. This economic underclass, increasingly isolated from education and the skills-oriented knowledge economy, will continue to create tangible and increasing costs that will weigh down economic growth and subtract spending from other priorities. The costs will be most apparent in rising social service spending, as well as rising state spending associated with a wide range of remediation. Among the most costly is criminal justice. Illinois annually spends \$21,844 per inmate in its penitentiary system. Annual expenditures for the Illinois Department of Corrections (including juvenile justice) amount to \$1.4 billion.

While statistics such as these measure downside costs, the focal argument of this study will be on upside gains, the economic contributions that will come through achievement and wider inclusion. A solid body of research suggests that wasting economic assets, i.e., the underutilization of labor, real estate and business opportunities introduce inefficiencies into a regional economy that show up as costs on the economic bottom line. As cited in CEO's for Cities: The



African American economic development will create tangible benefits to the city at large including:

- increased per capita and household income
- rising educational achievement
- increased property values, stabilized neighborhoods
- business proliferation, greater tax receipts
- lower incarceration rates for African American males
- increased tourism and outside investment
- lower unemployment rates and heightened workforce productivity

The city could expect to enjoy significant gains in GDP if the nearly \$4 billion in revenues produced annually by African American owned firms were to double or even triple.



Entrepreneurial and job training/worker support were strong and recurrent themes in connection to achieving a strong economic future. 52.7 percent of respondents said they would like to start a business in their community if barriers for start-ups were lowered. 79 percent of respondents said they would like to provide goods or services if the Olympics come to Chicago. 36 percent of respondents said that more access to capital is needed to help African American businesses in their community grow. 22.1 percent of respondents called for more training for African American entrepreneurs. Opinion was scattered on methods of making businesses in the community grow.

Other important themes that emerged:

- 85 percent of respondents cite a stable home environment as the most important factor in a child's academic growth.
- 20.3 percent of respondents cite "inattentive parents" as the main barrier to youth acquiring a high school diploma by.
- Stronger, more stable families was indicated, behind education, as the second-most important factor for economic success (by 17.4 percent).

The Chicago Urban League's research findings parallel the poll results. Education is the strongest determinant of personal income. Income, as a function of an individual's level of employment, dictates a host of social factors affecting individuals and communities. According to a 2007 study commissioned by Columbia University's Teacher College, negative social costs can be avoided through improved quality educational access and attainment. "Poor education leads to large public and social costs in the form of lower income and economic growth, reduced tax revenues, and higher costs of public services such as health care, criminal justice, and public assistance," the study's authors wrote. "Therefore, we can view efforts to improve educational outcomes for at-risk populations as a public investment that yields benefits in excess of investment costs."

As for entrepreneurial and workforce development 50.3 percent of respondents strongly agree that there are not enough good paying jobs for young people in their community. Access to more good-paying jobs also ranked high as a key factor in future economic success (16.8 percent). This opinion concerning the central importance of quality jobs is strongly supported by research data. Data from the U.S. Department of Commerce shows that for most Americans, personal income is heavily dependent on wages . For African Americans, who generally have fewer assets and fewer savings than whites, wages will be the strongest determining factor in whether they will live in a safe neighborhood or an unsafe one, where they will send their children to school, and how much they will be able to save for retirement. What happens with entrepreneurship-workforce development counts heaviest among African Americans and other less affluent minorities.

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<sup>9</sup> Bureau of Economic Analysis: Sources of Personal Income, November 2007



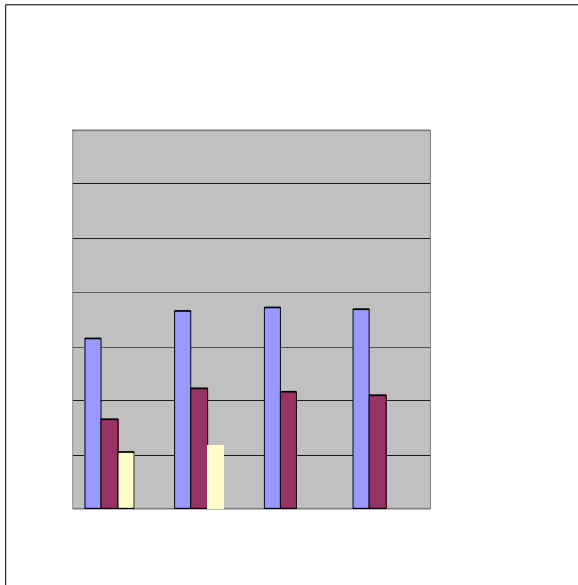
## Educational Achievement

African American educational attainment lags that of whites. African Americans enrolled in Chicago Public Schools (CPS) had a graduation rate of 55.1 percent in 2007, and a dropout or failure to graduate rate of 45 percent. Of 408,601 students enrolled in CPS in 2007, nearly 190,000 were African American, 160,000 were Hispanic, and 33,000 were White. (Enrollment has been in decline among whites and blacks and on the rise among Hispanics.) 85.4 percent of students come from low-income families. The current CPS annual budget is \$4.7 billion. Annual spending per pupil varies between the suburbs and the city, from as much as \$23,000 to \$4,500.

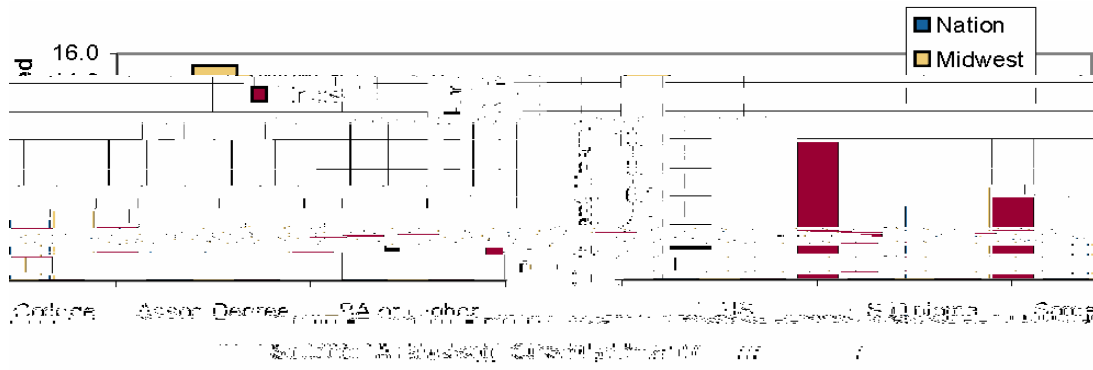
Racial gaps appear in higher education as well. The percentage of males over 25 years of age holding a college degree stands at 11 percent for African Americans, versus 30 percent for whites. The percentage of African American males with graduate degrees is even further skewed in relation to whites; 5 percent versus 23 percent.

Percentage of African American males (a 25+)

Percentage of white males (a 25+)



would have increased income growth by 4 percent or \$2.8 billion. At the opposite end of the scale, unemployment rates climb as educational achievement decreases.



Yet data also indicates that education alone does not wipe out income inequities that correlate according to race. While educational achievement raises income for members of all ethnic groups, a gap between whites and blacks of comparable educational achievement persists at all economic levels, even among professionals such as physicians and lawyers. In the top earning category, only 6 percent of Illinois African Americans with a bachelor's degree or greater earn \$150,000 per year or more compared to 25 percent of whites. Only 16.6 percent of whites with a bachelor's degree or more earn less than \$50,000 annually compared to 23.5 percent of blacks. This data says that education alone is insufficient to erase the income inequities that persist at all levels. This has clear implications for the competitiveness of Chicago's workforce. According to the Brookings Institution's Metropolitan Policy Institute, between now and 2025, African American and Hispanic workers will grow from 25 percent of the working age population to 40 percent. The ability to compete and prevail in an increasingly competitive global setting requires training and higher levels of education.

### Key Drivers of Change: Entrepreneurial and Workforce Development

African American Chicagoans own smaller companies, they earn less in wages than white Chicagoans, and are less likely to hold management positions. Business ownership, which measures entrepreneurial levels and can serve as an indirect measure of employment levels, presents a mixed picture. Although African Americans own 54,000 businesses in Cook County and nearly 9 percent of businesses in the six county metropolitan area, business receipts for those

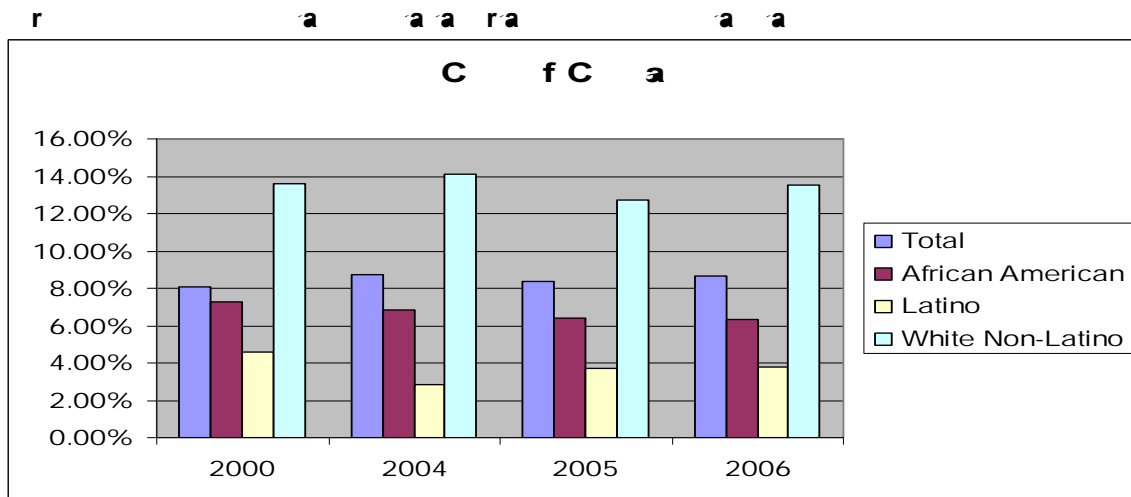
<sup>15</sup> *State of Working Illinois* by Center for Tax and Budget Accountability, Center for Governmental Studies and Office of Social Policy and Research for Northern Illinois University

<sup>16</sup> *State of Working Illinois* by Center for Tax and Budget Accountability, Center for Governmental Studies and Office of Social Policy and Research for Northern Illinois University

firms amount to just 1 percent of all receipts statewide, and the employment these firms provide amounts to just 2 percent of total employment statewide.

African Americans constitute a disproportionately large percentage of the poorest Chicagoans, with a poverty rate of 32 percent versus 10 percent for all populations. African American household incomes cluster around the lower end of the economic scale and remain behind other ethnic groups. In 2006 56.2 percent earned less than \$50,000 per year, versus 55.5 percent of Hispanics, 34.5 percent of whites, and 25.8 percent of Asians. Construction industry employment is one of the steadiest and best-paying blue-collar job sectors in the Illinois economy and showed a net growth between 1990 and 2007, employing 280,000 workers in 2006. But African Americans are underrepresented, making up only 5.4 percent of construction employees (African Americans are 12.5 percent of the total workforce). African Americans in Illinois are heavily concentrated in Education and Health Services (28.1 percent), and Transportation & Utilities (24.1 percent). Low-paying jobs are replacing higher paying ones. Over the last six years, the state has shown a marked increase in lower-wage service jobs, up 9.6 percent, for a total of 1.5 million jobs. Since 2001, the state has lost 142,000 higher-paying manufacturing jobs, about 17.3 percent of its 2001 level.

The high-end of the African American labor market also remains problematic. Management suites within private corporations remain largely segregated, with African Americans holding 6.5 percent of management or executive positions, a percentage that has also been in slow decline since 2002.



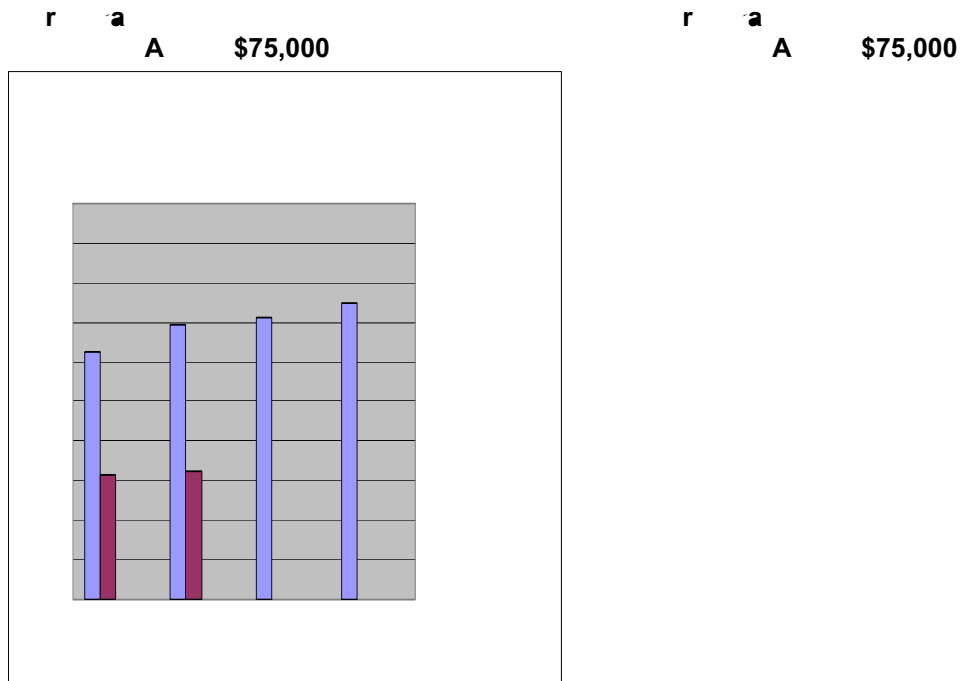
Source: Decennial Census 2000, 2004, 2005, 2006 American Community Survey

Racial inequity functions at all levels of the market. The number of African American households earning in excess of \$75,000 annually is disproportionately

<sup>19</sup> See the following Illinois Department of Public Safety, Research Institute reports:  
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low at 15 percent of all homes, ranking below Latinos (19 percent) and whites (39 percent).



This data suggests that attention must be given to developing entrepreneurship-workforce solutions to narrow these gaps.

Research by Professor Steven Rogers at Northwestern University's Kellogg School of Management and others shows that African American entrepreneurial levels can have an outsized impact on African American employment. Research by Wayne State University professor Timothy Bates shows that white-owned companies located in minority communities have workforces that are 32 percent minority, while African American-owned companies in minority communities have workforces that are 85 percent minority. When Bates moved the study outside the inner city he found that white-owned companies in white communities have workforces that are 15% minority. African American-owned companies in white communities, however, have workforces that are at least 75% minority.

There stands a vast pool of young people who are detached from work and school, and whose status raises concerns among economic analysts. Statewide, among African Americans age 16 to 25, 15.6 percent are unemployed. Among African Americans age 26 to 35, 10.3 percent are unemployed. In 2001, 64 percent of the Illinois penitentiary population was African American, although the state African American population is only 13 percent. African Americans, too, are grappling with what experts call a "spatial mismatch," which simply put, means that African Americans live where the jobs are not. A map published recently by Chicago Metropolis 2020 illustrates this quite vividly, locating the geographical center of regional employment in the city's northwest suburbs, and the geographical center of African American population at a distant point on the south side (see Map 1 in Tables and Charts).

Taken together, the deficits in education, entrepreneurship, and employment create a portrait of the widespread forces at work in Chicago's African American community. Poorly educated young people are not developing the necessary skills to engage in viable workforce and entrepreneurial activity, leaving them with virtually no options to compete. Under/unemployment has a rippling effect on government expenditures. The absence of local businesses is a direct cause of what analysts refer to as community "retail leakage," defined as the ratio of dollars spent outside a community versus dollars spent inside a community. Retail leakage is a reflection of the commercial health of a community.

**2002 Annual Report**

<sup>25</sup> See *Workforce Illinois* by Jeffrey G. ...  
<sup>26</sup> ... Research ...  
<sup>27</sup> ... (2005)



Improvements in educational achievement and in entrepreneurship-workforce development must happen

the economic, while many previous studies have called for educational reforms, and many more have called for economic stimulus, the notion that education alone can lead to economic success overlooks important family stability issues in the adult population that undermine the foundation for successful education of children. Children are indeed the future, but they grow from the family conditions of today. Children who live in conditions of poverty and unstable home environments made so by unemployment or underemployment often do not have the kind of support they need to truly benefit from educational opportunity. Emotional challenges, lack of proper schooling, and experiences in unsafe environments undermine the fragile combination of curiosity, determination, and encouragement that underlie



4.5 percent. Illinois workers with a college degree earn \$13.67 per hour more than workers without a college degree.



forecasts, neither are they intended to be predictions of the future. Properly used, they create avenues for learning and thinking creatively about the future and for strategic planning. Scenarios are built on a structure of key drivers of change that are both very important and highly uncertain to the question at hand—in this case the future of African American economic development in the Chicago metropolitan area over the next decade.

It is the hope of the Chicago Urban League that all who read this document are inspired to think about the future, discuss its implications, and use any insights and inspirations to contribute ideas that will make Chicago a better city for all of its residents. The policies that we recommend are offered in a collaborative spirit. The Chicago Urban League will lead as many of these initiatives as possible, but we will also partner with others whose initiatives reflect the policy priorities endorsed in this study.

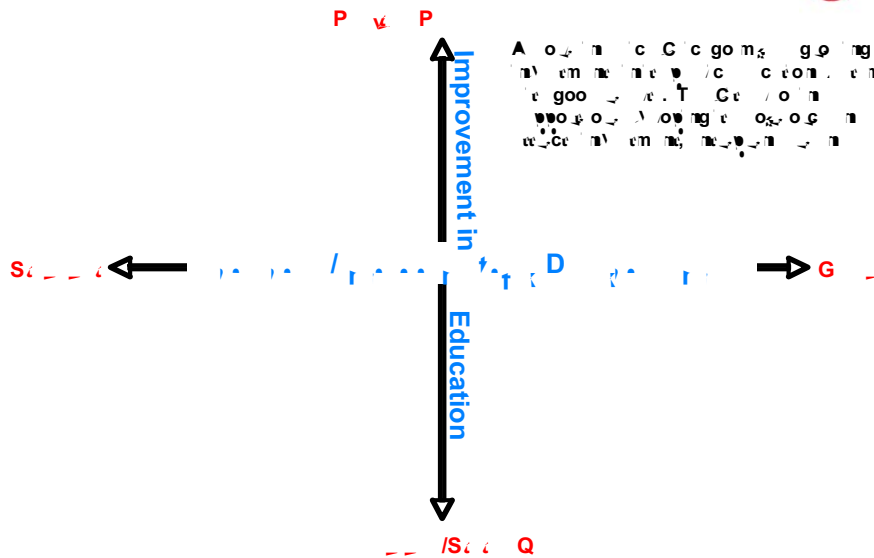




The Chicago Urban League derived a core theory about which drivers will shape the future of economic development for African Americans in Chicago. The interplay between Education and Entrepreneurial-Workforce development will determine if positive change occurs and to what degree. The scenarios below will thus present plausible futures of how these drivers will influence the future of African American Chicagoans and Chicago's overall economic growth.

Summaries of each scenario are shown below.

## High Level Summaries Chicago Urban League Scenarios









As it is too early to see significant benefits from the shift in education investment, Chicago's African American middle class continues its flight to the suburbs. The city also continues to adjust to the shifts in public housing and its impact on low-income residents.

### 2012- 2016

The election year of 2012 provides an opportunity for citizens to assess the progress of investment in improving public schools. Voters approve and encourage more investment. As test-scores increase, students and teachers are able to give genuine testimonials to the improvements they are experiencing and this validates the policies of city leaders.

As the momentum from the public schools spreads, there is an increasing number of graduates attending community colleges, and four-year institutions. Schools offering vocational education opportunities also experience significant increases in attendance. The beginnings of a longer-term trend of building the human capital base for Chicago's future competitiveness begins to take shape. However, the connection between jobs that businesses need to fill and the broader education system in the City remains out of sync. At the workforce level

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and universities, but are competing for slots in schools nationwide and internationally. There are mentions of a brain drain from Chicago in some quarters.

### 2016-2018

After a decade of focus and smart investment in its school system Chicago begins to see movement of African Americans and other minorities back into its urban core. The African American middle class in particular begins to positively influence the city through investment in community revitalization and small business development. The encouraging improvement in schools allows people to have greater confidence in raising their families. African American leaders play positive roles politically advocating for more investment to close the gap in basic workforce development. They are also advocating for the city to continue to internationally. These leaders thus have strong alliances with all segments of Chicago's business community.

By 2018 much of the investment needed to maintain and improve the city's infrastructure is producing benefits. Traffic jams remain at peak times, but the city's historical reputation for being a leader in urban planning holds up well. In the coming years city leaders will need to focus more attention on supporting entrepreneurs. Having invested the last decade in stabilizing its education system and building stronger communities the city is well positioned to compete.

### Scenario B

This is a world in which Chicago makes smart investments in both improving its education system and attracting and retaining new businesses. It supports innovation and increased investment in its public schools to build human capital over the long-term and simultaneously puts policies in place to support entrepreneurship and attracting new business investment. These actions lead to accelerating economic growth, business proliferation, attraction and retention of some of the best and brightest people, and renewal of community cohesiveness in the city.

### 2008-2012

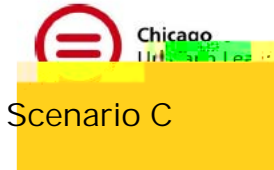
During these years Chicago doubles its investment in infrastructure, transportation, education and business development. In this world the pace picks up even faster as a positive rhythm develops between investment and improvement in the city's school system and smart policies that encourage new business development.

In these beginning years Chicago leaders are able to combine several efforts to substantially increase investments and innovation in public schools. Leaders are able to attract support from both the state and federal levels, as well as dollars





extraordinary results. The backbone of the political consensus is agreement about quality public education; workforce improvements enabled by a well functioning infrastructure; and policies that encourage business development. By



This is a world in which Chicago is unable to invest what is needed to greatly improve its public education system or support training to improve the basic skills of its workforce. The city is also unable to attract significant new businesses or benefit from successful entrepreneurial talent. No lasting political consensus holds for broad support of the best policies for long-term growth and the city become less competitive in the race for global growth.

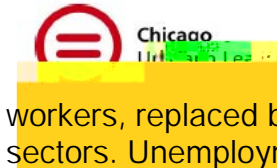
### 2008-2012

During these years Chicago begins to lose the momentum it had from the turn of the century. Growth continues but at a more moderate pace and with more difficulty. The basis of the slowing of momentum is the city's inability to attract and retain a large share of the best and brightest who are regularly attending and graduating from local universities and colleges. Many of these high-potential individuals chose not to make their homes in Chicago because the struggling public schools don't give them confidence that they can afford to raise families there. In addition they are highly sought after and find opportunities in the ever-expanding suburbs, or in other global cities where entrepreneurial opportunities are superior.

City leaders are not unaware of the problems facing the city, but they have only so much money to spread around to address the challenges they face. These include infrastructure improvements, especially transportation, and of course the school system. The city is also in the midst of significant land use changes associated with eradicating its public housing in favor of mixed-income developments. With such big and expensive issues on the table there are insufficient resources for large increases in spending on public education, workforce development and incentives for entrepreneurs. The choices are not good ones for city leaders.

The slow approach to improving the city's schools has an undesirable impact on the middle class. The African American middle class, which has attractive options for home ownership in the suburbs, continues to move out. Since promises for improvement in the schools are not forthcoming, a primary issue of importance remains inadequately addressed.

Chicago sits on a delicate balance during these years in terms of its continuing transition from an old industrial city to a modern, globally-competitive one. Even seemingly small decisions might have unexpected consequences in the long term. It is the accumulation of these small decisions—some on funds for workforce training, others on school policies, and few on business development incentives—that put Chicago on a slow growth path. The greatest influx of jobs is in the lower-skilled, lower-paying retail and service sectors. By 2013, the manufacturing sector no longer employs the highest percentage of the state's



workers, replaced by employment in the steadily growing retail and service sectors. Unemployment in some neighborhoods such as Englewood, Roseland, Lawndale and Riverdale reaches disastrous proportions, soaring as high as 40 percent in some of the hardest hit areas.

The dwindling investment in the city becomes apparent to the International Olympic Committee which cites concerns over transportation and infrastructure inadequacies. After an expensive and time-consuming bid, Chicago loses out on the 2016 Olympic Games to a foreign competitor city, and an estimated \$5 billion windfall in direct spending goes with it.

### 2012-2016

A big warning signal that Chicago is no longer competitive comes when a major corporation leaves town, or an outside corporation considering Chicago decides to go elsewhere. Chicago begins to experience repeated episodes such as these. In comparison to cities such as Atlanta or New York, Chicago appears to be shrinking. Chicago also loses out to second-tier cities like Charlotte, NC and Orlando, Florida. Chicago retains its core of big companies in the Loop, but most of the investment activity of these companies is outside of the city. They are not expanding their offices, but mostly overseas. There is little real job growth in those companies.

Bad news continues to spew from the public school system as teacher turnover, low test scores and the exodus of students drains energy and capacity. Per-pupil funding ratios widen between the city and the suburbs, as does the educational achievement gap between blacks and whites. High school graduation rates remain abysmal, particularly for black males. Though there is no real decline in overall dollars being spent in the system, it would require a large and sustained increase to turn the schools around, and this money is not coming. Awareness of a lack of big investment spurs more flight by the middle class. Parts of Chicago begin to take on the two-tiered look of cities like San Francisco—a very rich class mixed with some very poor people. In some parts of Chicago people feel very safe, yet if they walk a few blocks away the sense of safety quickly disappears.

Further evidence of the changes taking place in Chicago can be seen in the shift in the retail base in neighborhoods. In the poorer neighborhoods the quality of food, products and services declines to abysmal levels. Surveys and investigations show that quality healthy food at affordable prices is practically unavailable in some areas. Low quality and low price retailing is common. Poor African Americans and other immigrant communities populate these areas. The perception of African American Chicago that plays in the media is largely about crime, poverty and deprivation. The scores of unprepared students coming out of the public schools can find no place in this urban economy. Illinois prisons which



were 64 percent African American in 2008 grow to 75 percent African American. Recidivism rates climb, too.

There are always a few, resilient kids who can succeed in any system. Chicago has its share of these kids during these years. But they mostly drift away and do not return after college. This contributes to a drain of community resources.

2016-2018





innovations in areas such as communications, medicine and media. Housing construction booms and fills in many of the empty lots that resulted from earlier urban renewal activities.

The fact that all of this is occurring on the top of a failing public education system does not go entirely unnoticed. There is criticism outside Chicago from some national educational leaders. Their critiques stir periodic debate, but no action. Some prominent and successful African American Chicagoans speak out as well, but again, very little changes based on those critiques.

### 2016-2018

Coming up on a decade, Chicago will have become the global city it will remain for decades to come. It will have a very diverse population. It will be interconnected in everyway. It will be home to some of the richest and powerful people in the world. It will be a great place for nightlife and fine dining, a great place to get an elite education, and a good bet as a place to start a knowledge or service business. Chicago will be seen as one of the cities that successfully made the transition from an old industrial hub to a hub of the global modern economy.

Chicago wins the rights to host the 2016 summer Olympic Games, but insufficient planning and inside maneuvering by powerful city players cuts out the vast majority of small business people aiming to participate. Small African

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To enhance the understanding of the scenarios it is useful to see a side-by-side comparison. Such a comparison using the key drivers for the scenarios is shown below.

	Scenario A	Scenario B	Scenario C	Scenario D
Quality Education	Increased investment leading to steady improvements	Increased investment leading to outstanding improvements	Declining investment leading to deterioration	Declining investment harming ability to compete
Entrepreneurial Development and Capital Access	Insufficient for growth and competitiveness	Increased, timely and effective	Declining and with very weak results	Targeted and beneficial to the limited winners
Basic Workforce Improvement	Insufficient and disconnected from the public schools	Well financed and coordinated	Limited and poorly managed	Available but beneficial to the most competitive groups
Impact of Globalization	Net loss of jobs and investment, but not catastrophic	Net gain in investment and jobs, rockets growth	Net loss of jobs and companies, drains vitality	Gain in jobs, but not for traditional Chicagoans
Political Alliances	Consensus for public education as a priority	Consensus on education and economic development	Divisiveness leading to poor policy	Cross groups based on economic and special interest
Black Community Perceptions	Slow improvement based on educational success	Improved based on prominent examples of success	Negative stereotypes go unchallenged	Of some concern to the limited few Blacks left
Retention of Community Resources	A key to success supporting education changes	Vibrant and involved in many sectors of the City	Very limited to the dedicated and optimistic	High in some communities and absent in others



## t c e e t t e c e

What follows is a short list of priority policy responses and strategies that Chicago Urban League endorses that will help steer the city and its African American community to economic success in any future that may emerge. Some of the responses here represent areas of work where other organizations are already engaged. Others represent areas where Chicago Urban League is currently engaged, or is prepared to commit resources and provide other supports immediately, through solo work or partnerships.

1. Increase state-paid percentage of public school funding, raise per pupil funding to foundation level or higher, and reduce reliance on property tax to bring about greater suburban-city funding equity.
2. Expand and deepen public-private collaborations between CPS and businesses, including direct partnerships that align students, workforce education, and jobs in growth sectors of economy. Support CPS in developing more career academies that are market driven, with strong industry connections and recognized credentialing curriculum that prepare students for college or work.
3. Strengthen math and science curricula by providing incentives to math and science degree-holders to teach in urban schools; continue to strengthen pre-K education.
4. Increase teacher training and principal training, work more closely with universities to attract advanced degree-holders to teach in urban environments; raise pay for effective teachers in high-need schools and subject areas.
5. Build neighborhood support of schools and increase student and school performance by aggressively expanding parental engagement initiatives, parental supports and community schooling programs.
6. Establish a Chicago Mind Trust that offers privately-funded fellowships to education entrepreneurs who develop initiatives that transform educational quality.
7. Substantially increase availability of contextualized learning programs that







Tables and Charts

**Table 1: Market Share of Firms, 1997-2002**

Firm Type	Year	Firms	% of Total	Revenue (\$1,000)	% of Total	Assets (\$1,000)	% of Total
All Illinois Firms	2002	958,120	8.6%	\$1,469,671,984	4.7%	5,090,721	1.2%
	1997	882,053		\$993,116,732		4,994,344	
African American	2002	68,699	66.5%	\$4,980,181	27.2%	38,457	9.7%
	1997	41,244		\$3,913,240		35,034	
Asian	2002	44,477	20.6%	\$14,544,716	-1.2%	98,305	21.9%
	1997	36,857		\$14,727,553		80,589	
Hispanic	2002	39,539	27.5%	\$7,389,214	53.4%	60,576	-15.5%
	1997	31,010		\$4,814,853		71,692	
American Indian & Alaska Native	2002	3,379	-6.9%	\$440,748	-33.6%	4,054	-16.9%
	1997	3,945		\$664,108		4,879	

**Table 2: Market Share of Assets, 1997-2002**

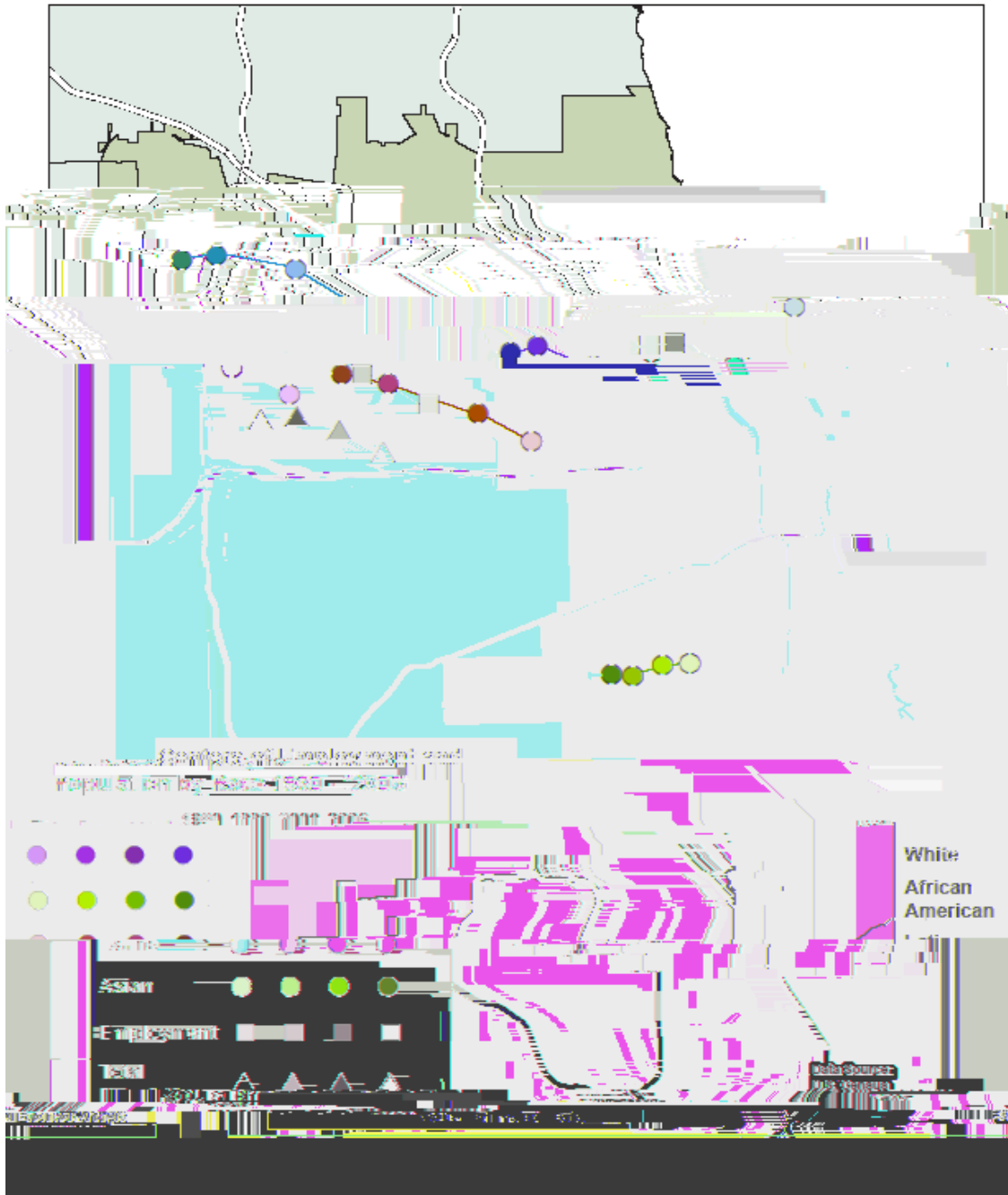
Firm Type	Year	Firms	% of Total	Revenue (\$1,000)	% of Total	Assets (\$1,000)	% of Total
African American	2002	54,753	69.1%	\$3,911,948	31.2%	30,555	3.3%
	1997	32,377		\$3,913,240		29,586	
Asian	2002	27,776	18.9%	\$8,527,371	-1.8%	59,911	38.9%
	1997	23,354		\$8,372,458		43,108	
Hispanic	2002	27,030	33.5%	\$4,488,728	42.7%	37,407	-3.2%
	1997	20,245		\$3,144,268		38,648	
American Indian & Alaska Native	2002	1,498	14%	\$167,963	-29.0%	1,075	-39%
	1997	1,313		\$236,638		1,763	

Source



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