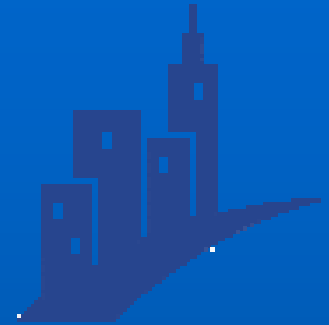




# The Brookings Institution

Urban and Metropolitan Policy Program

Bruce Katz, Director



## New Realities for Chicagoland

Chicago Metropolitan Mayors Caucus

September 9, 2005

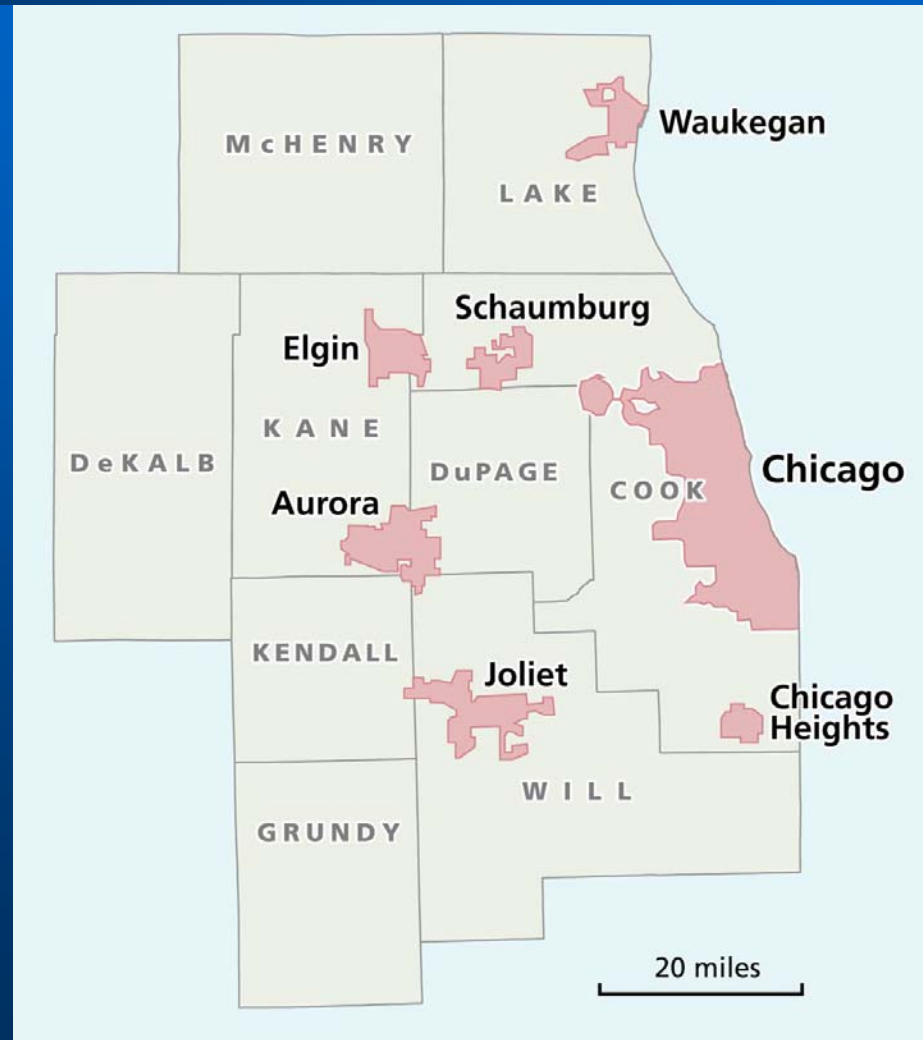


## New Realities for Chicagoland

- I. What are the new realities facing the Chicago region?
- II. What are the consequences of these new realities?
- III. What policies should the region focus on to address the new realities?

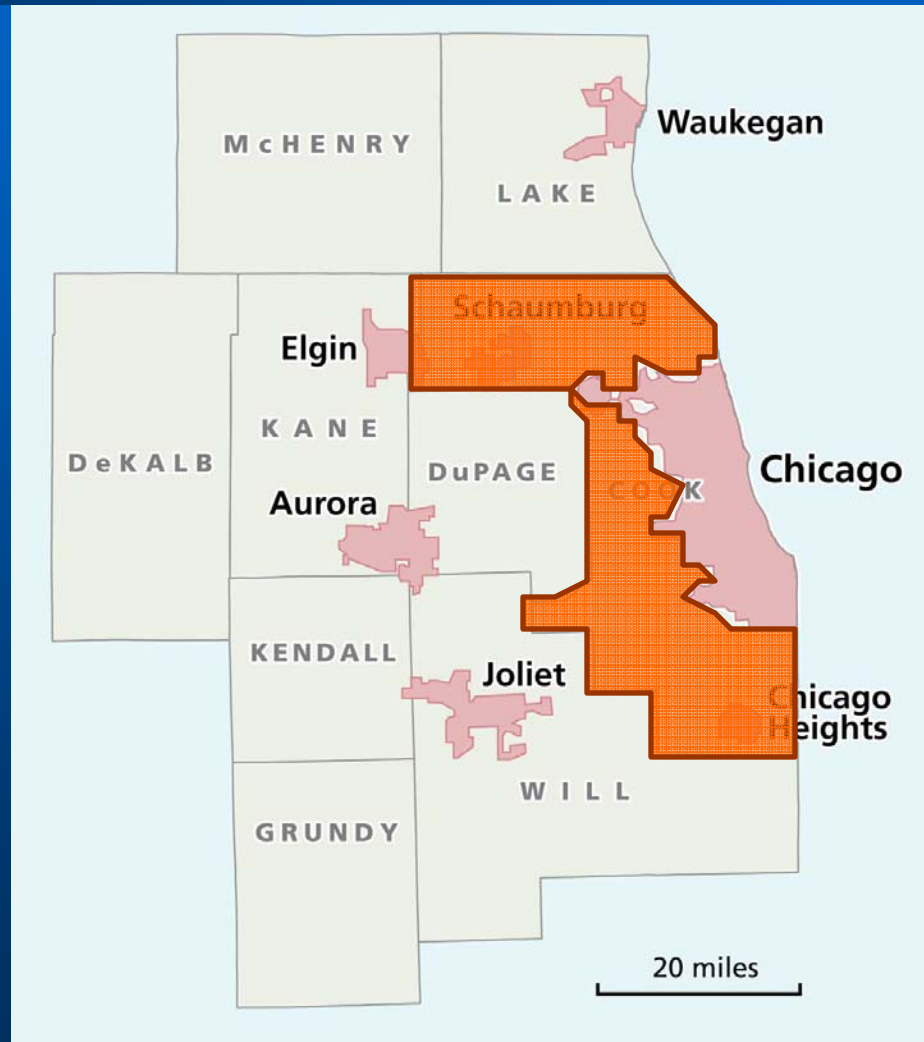


# The Chicago Primary Metropolitan Statistical Area





# Chicago's First Suburbs





## Chicago's New Realities

### 1. **New Growth Dynamic**

2. New Diversity

3. New Patterns  
of Work

4. New Geography  
of Poverty

5. New Economic  
Structure

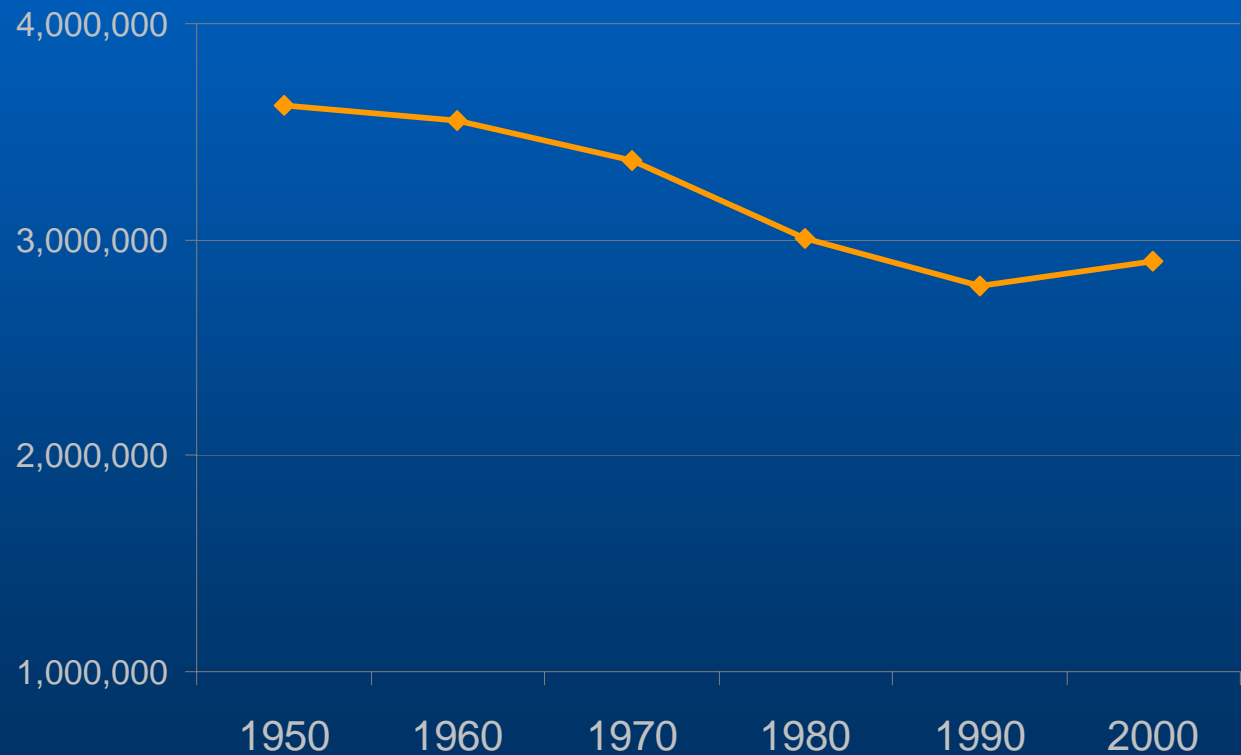
### New Reality #1

Chicagoland's recent growth  
departs from historic patterns



# The city of Chicago grew for the first time in 50 years between 1990 and 2000

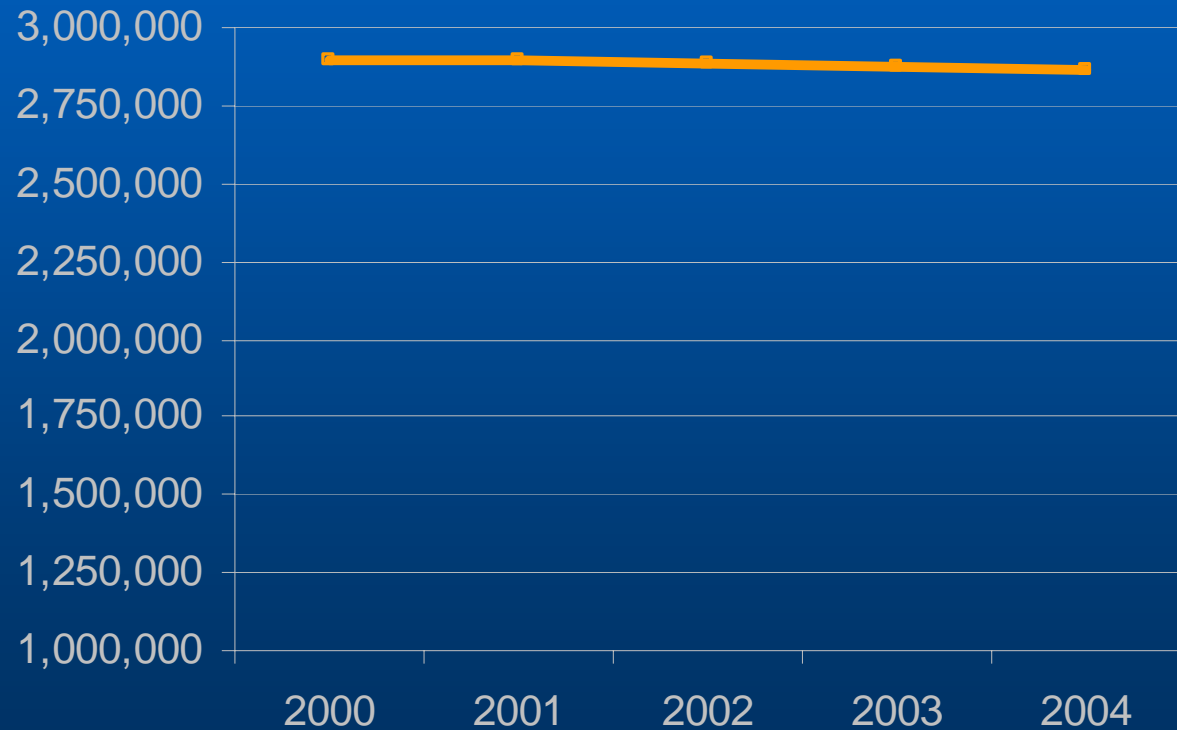
Total population,  
1950-2000





## But city population has declined slightly since 2000

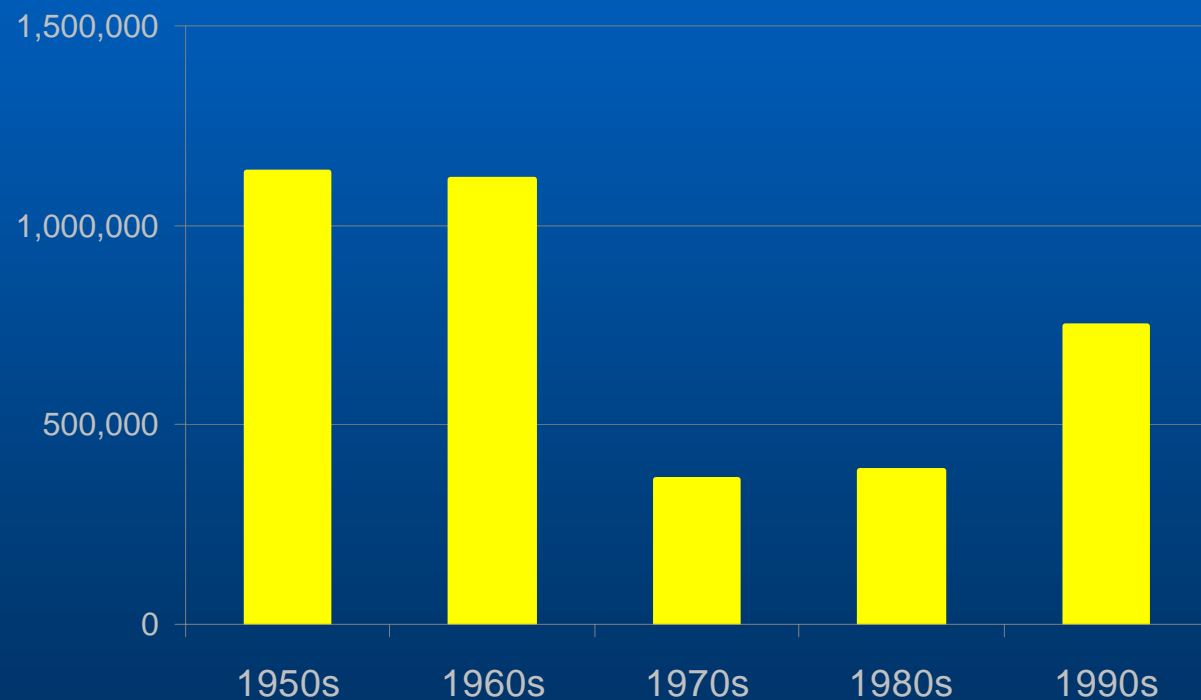
Population estimates, 2000-2004





Simultaneously, the suburbs grew at the fastest pace since 1970—netting 750,000 new residents

Change in  
population,  
1950-2000

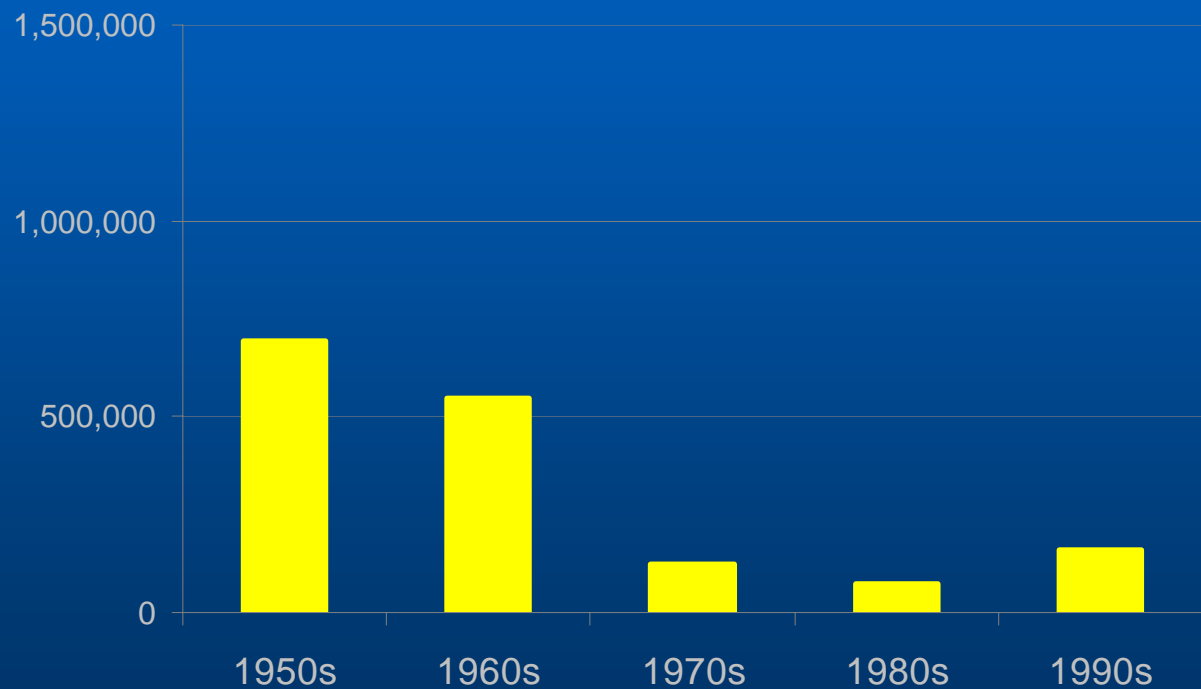






# Chicago's First Suburbs also continue to grow, adding over twice as many people in the 90s as in the 80s

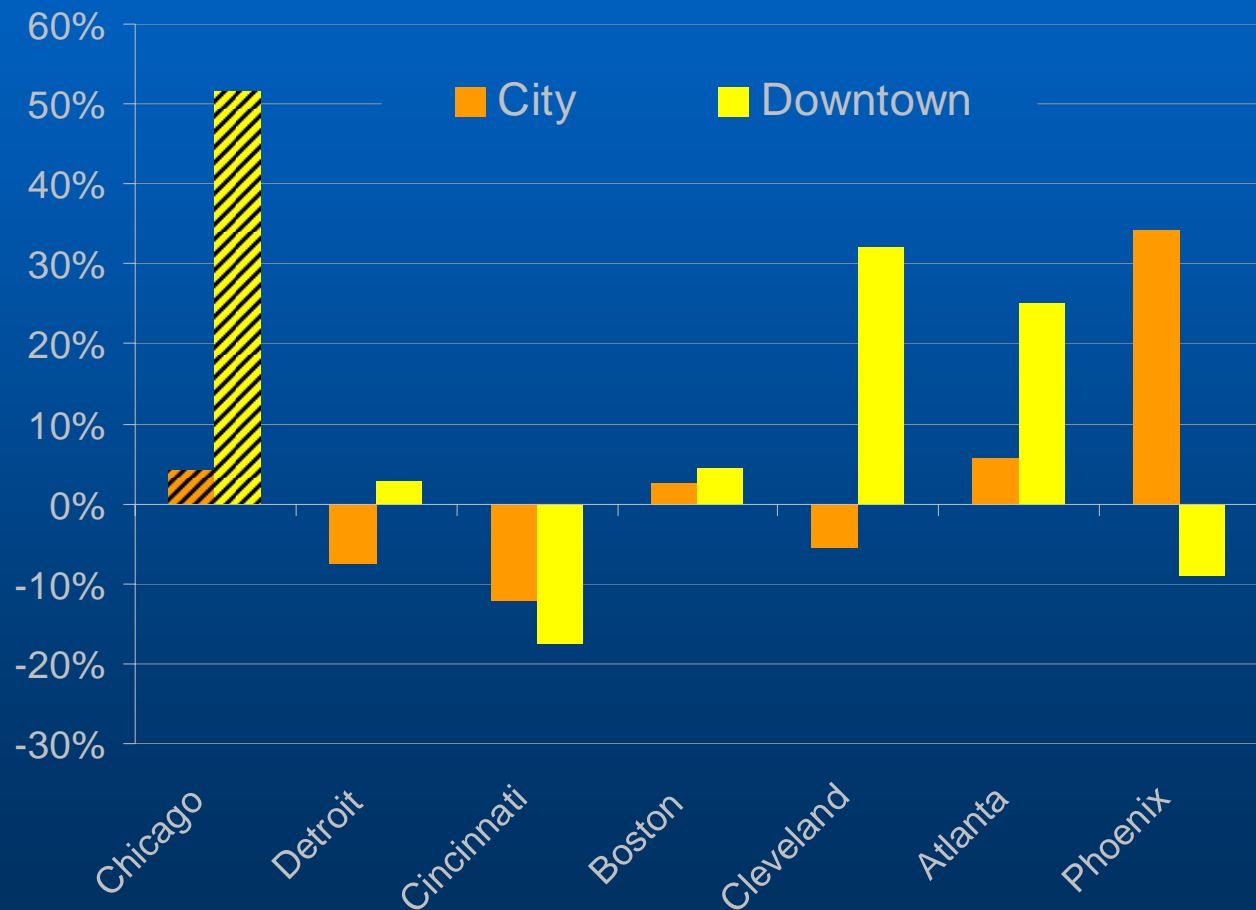
Change in population, 1950-2000





## Chicago's downtown population boomed in the 1990s, growing from 28,000 to 42,000

Percent change in population, 1990-2000



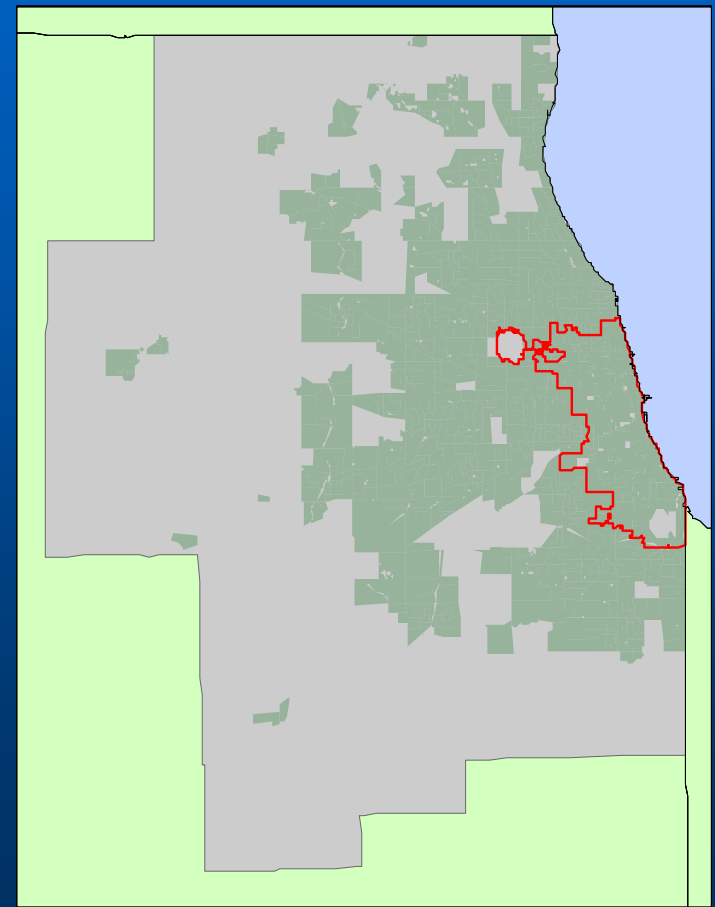
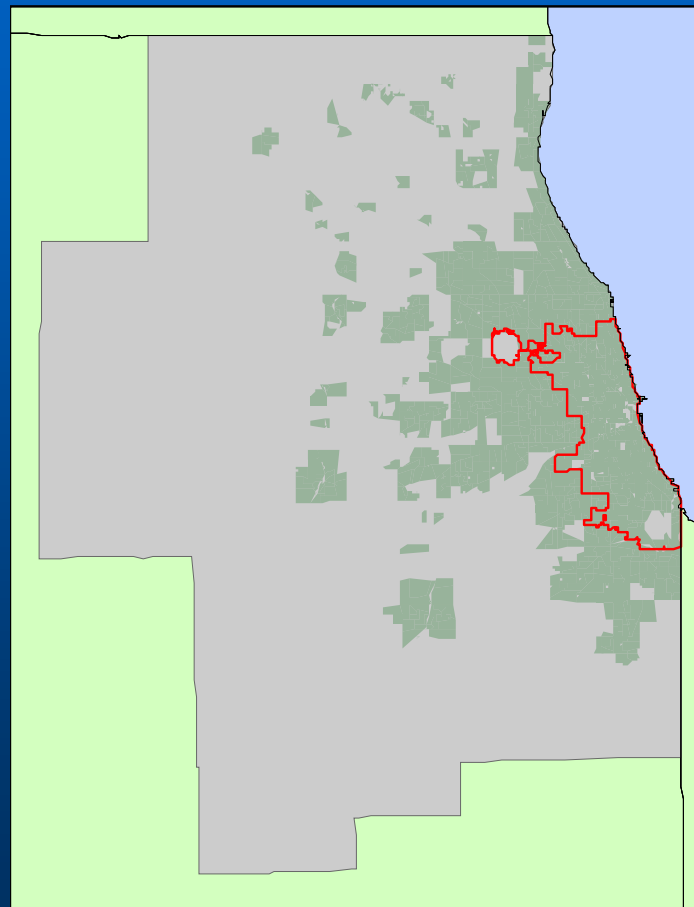


The core is seeing new growth, but simultaneously, the region continues to sprawl

1970

2000

Urbanized  
area (1,000+  
people per  
square  
mile), 1970,  
2000





## Chicago's New Realities

1. New Growth Dynamic
- 2. New Diversity**
3. New Patterns of Work
4. New Geography of Poverty
5. New Economic Structure

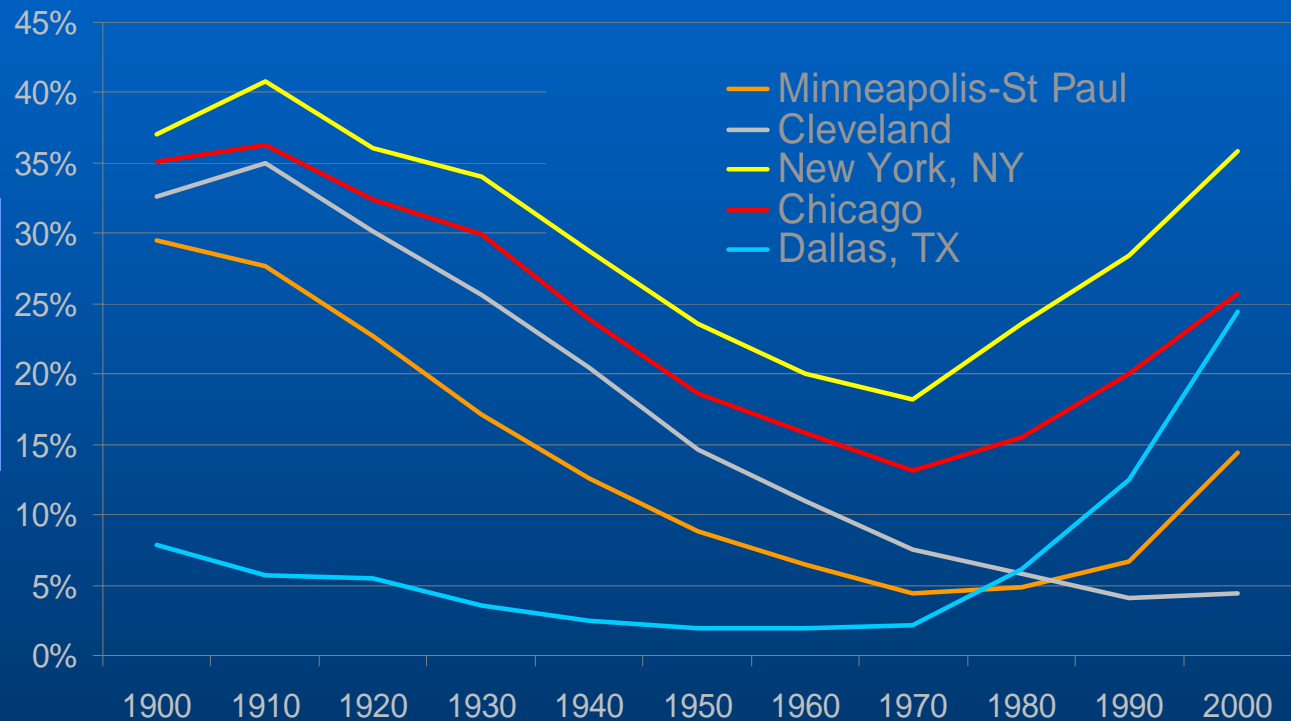
### New Reality #2

The city and the suburbs have grown more diverse



# The city of Chicago is currently experiencing a new increase in immigration

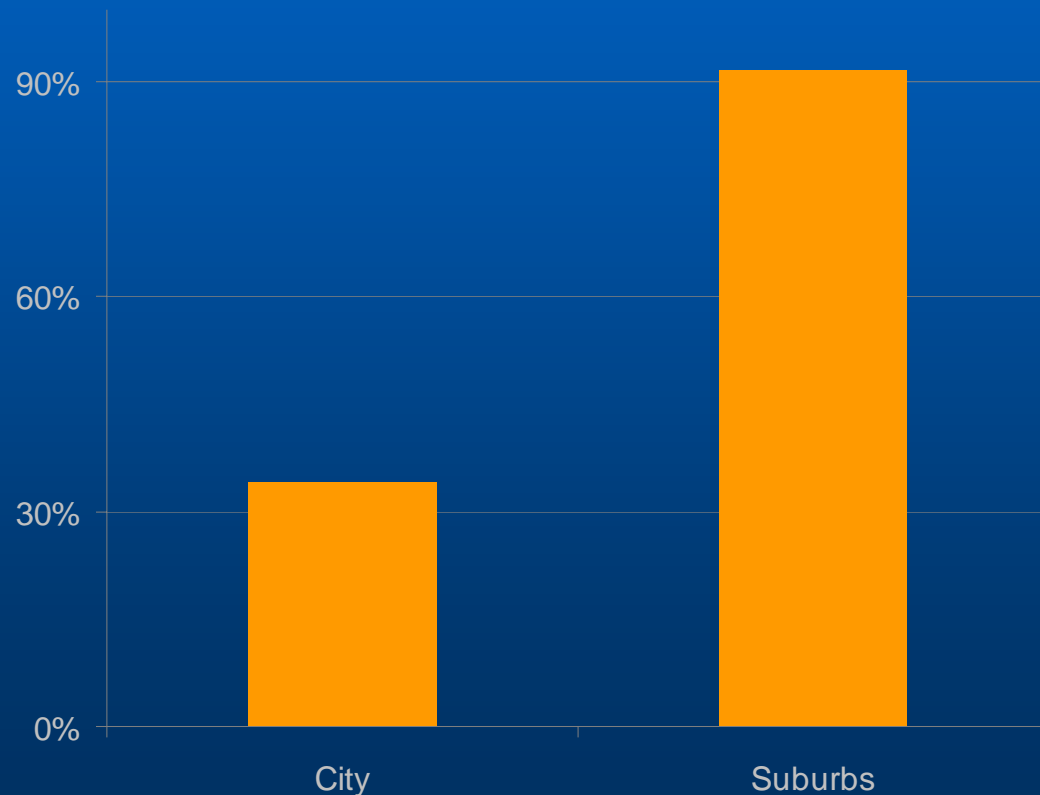
Percent of foreign born residents, 1900 - 2000





The rate of increase in foreign born population is almost three times faster in the suburbs of Chicago than in the city

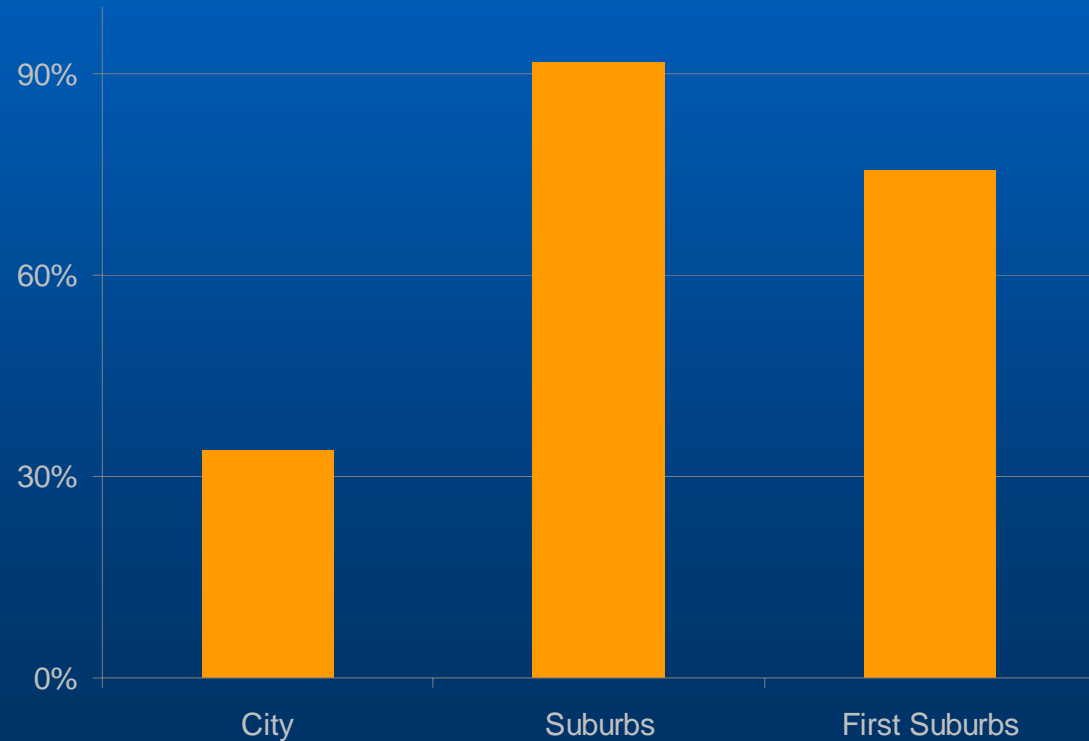
Percent change in foreign born, 1990 - 2000





# Even Chicago's inner-ring First Suburbs saw their foreign born populations increase twice as fast as in the city

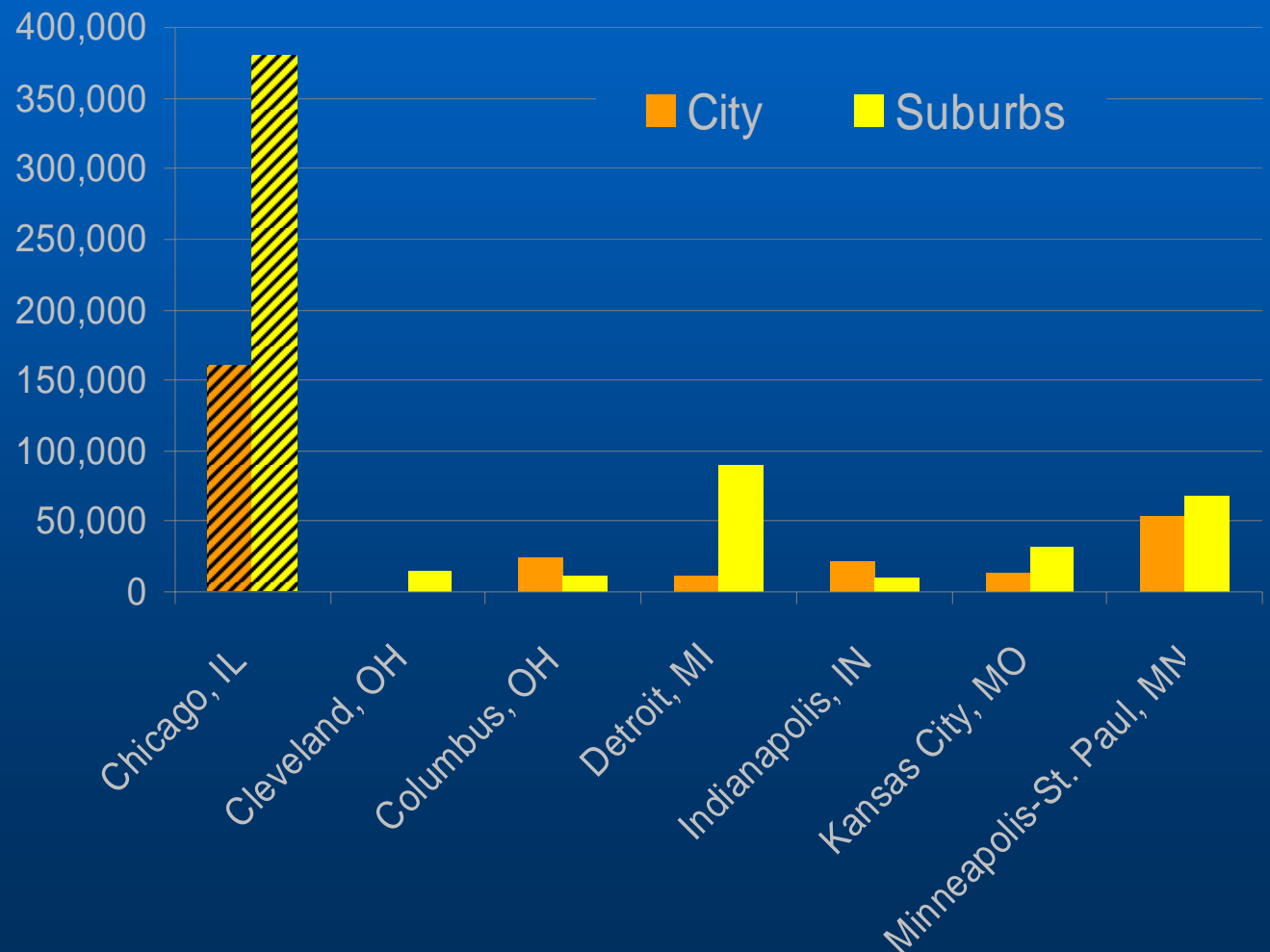
Percent change in foreign born, 1990 - 2000





# Chicago and its suburbs also saw the largest absolute growth of foreign born residents among other Midwestern cities and metros

Absolute change in foreign born residents, 1990 - 2000







# Immigrants are arriving from all over the world

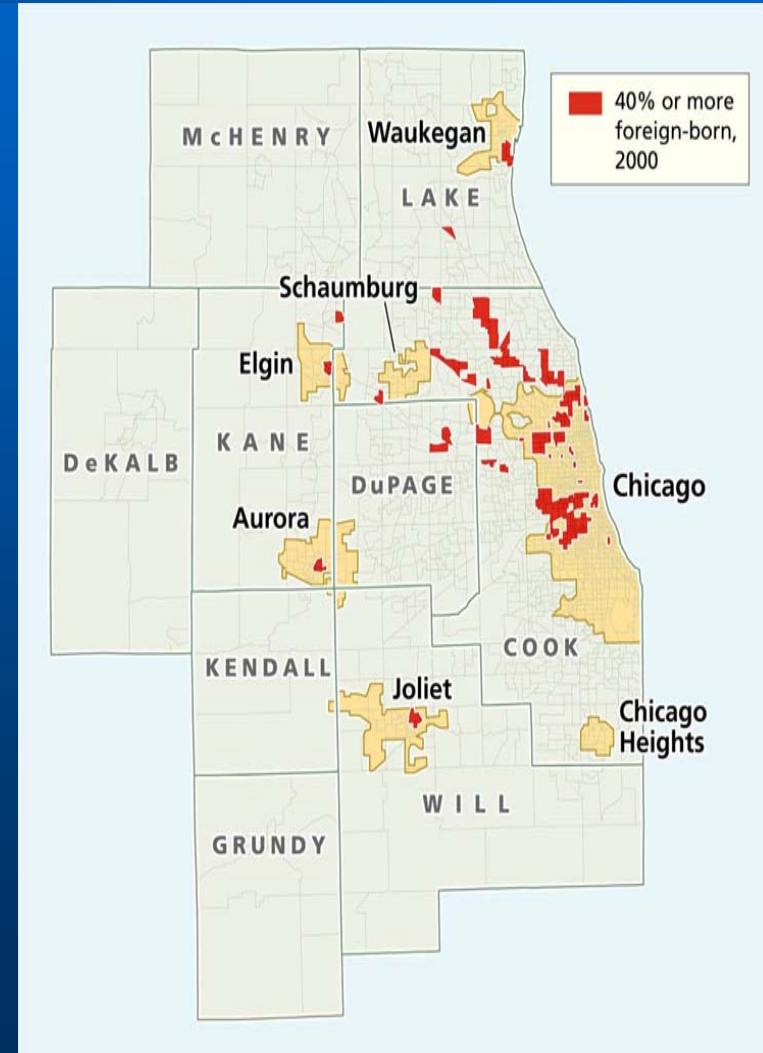
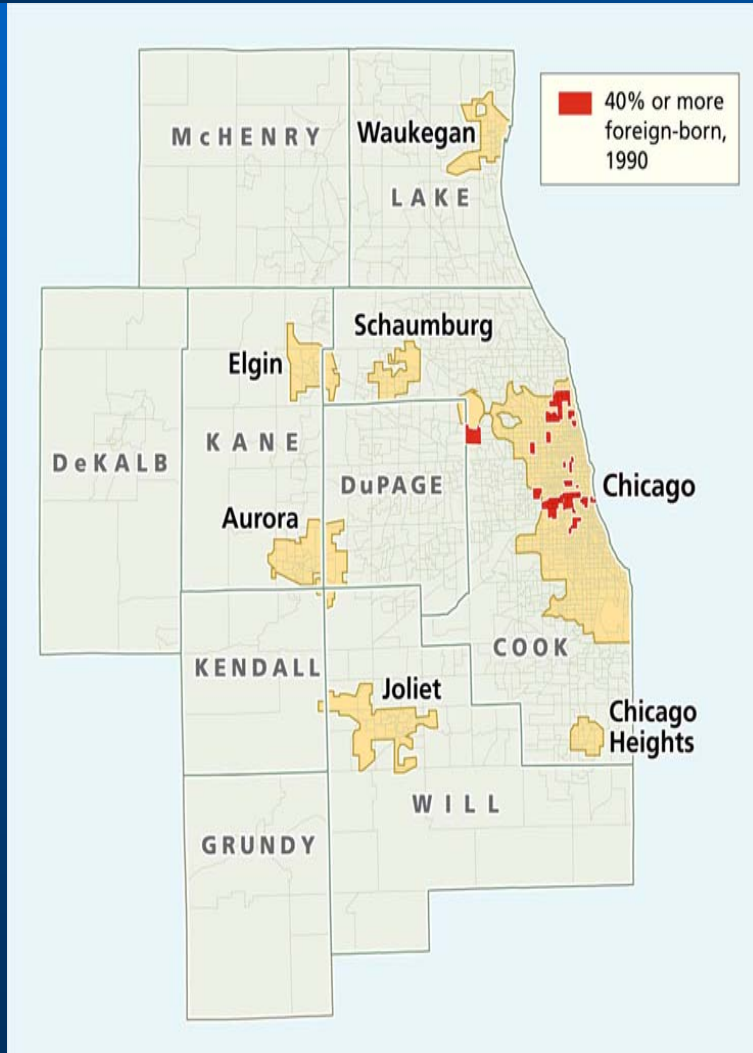
Top 10 nations of origin for Chicago metro immigrants, 2000

Rank	Share of Immigrants	Nation of Origin
1	41.1	Mexico
2	9.7	Poland
3	5.4	India
4	4.4	Philippines
5	2.5	Korea
6	2.3	China
7	1.9	Germany
8	1.8	Italy
9	1.8	Other Eastern Europe
10	1.4	Ukraine

Source: Singer, 2004



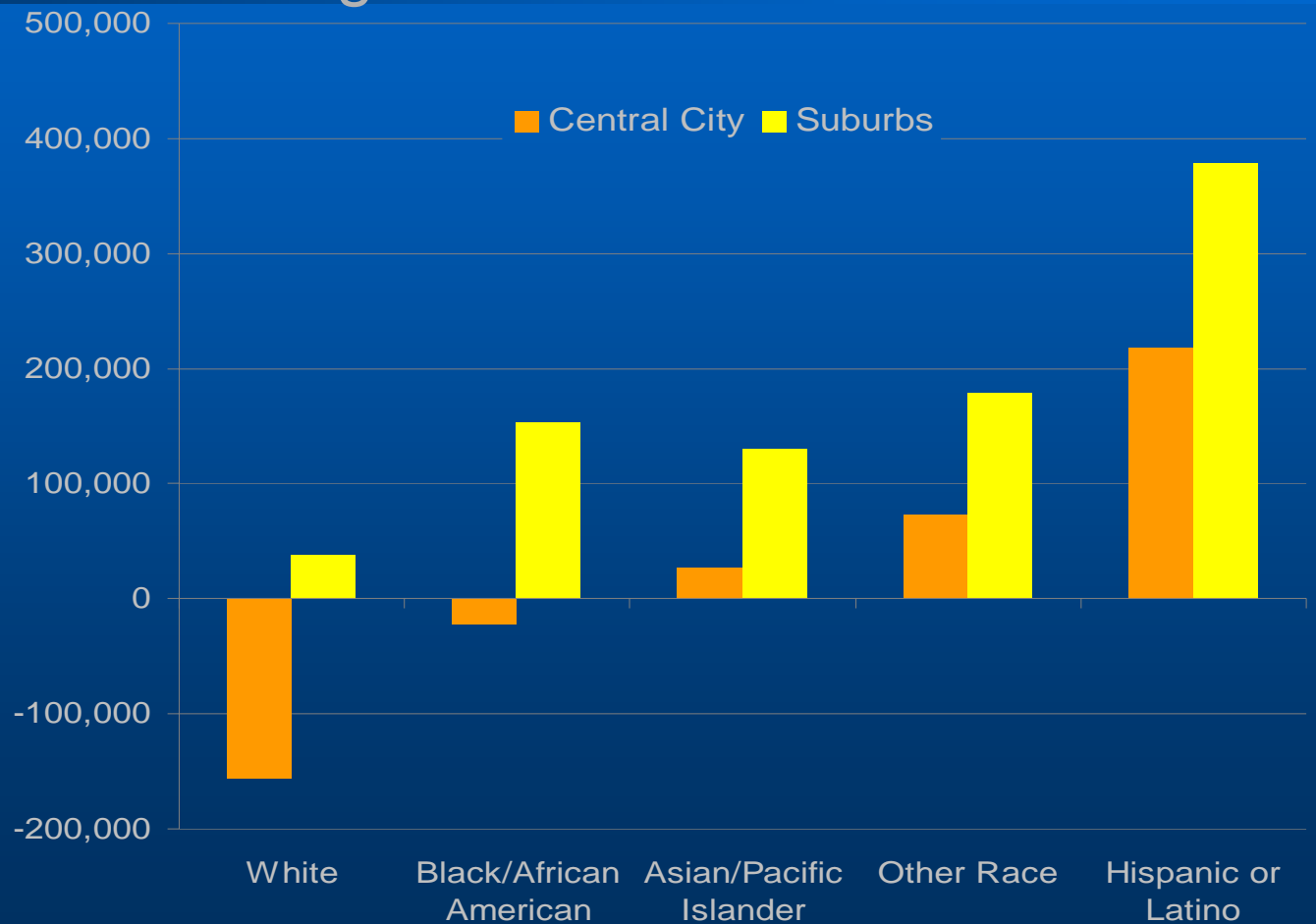
The number of suburban census tracts with at least 40% foreign-born increased dramatically over the 1990s





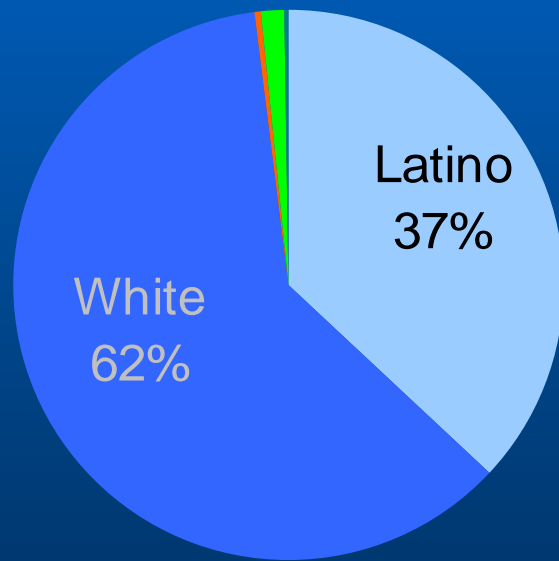
Immigration has helped change the demographic face of the region. All groups saw gains in the suburbs—Latinos saw the largest absolute gains

Absolute change in population, city of Chicago, 1990-2000

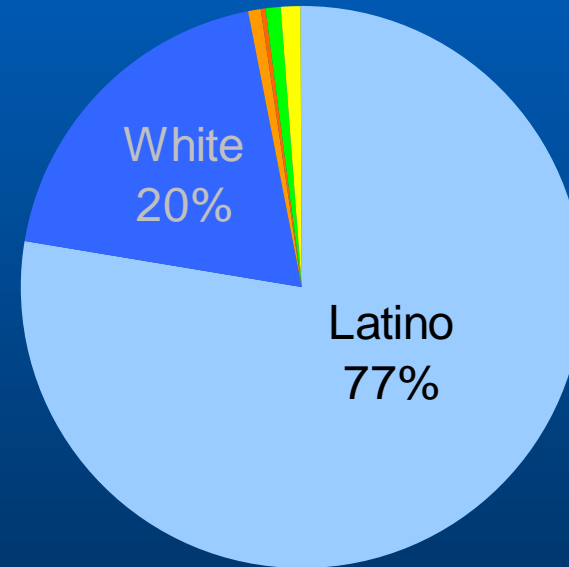




# Cicero has gone from being majority white to majority Latino



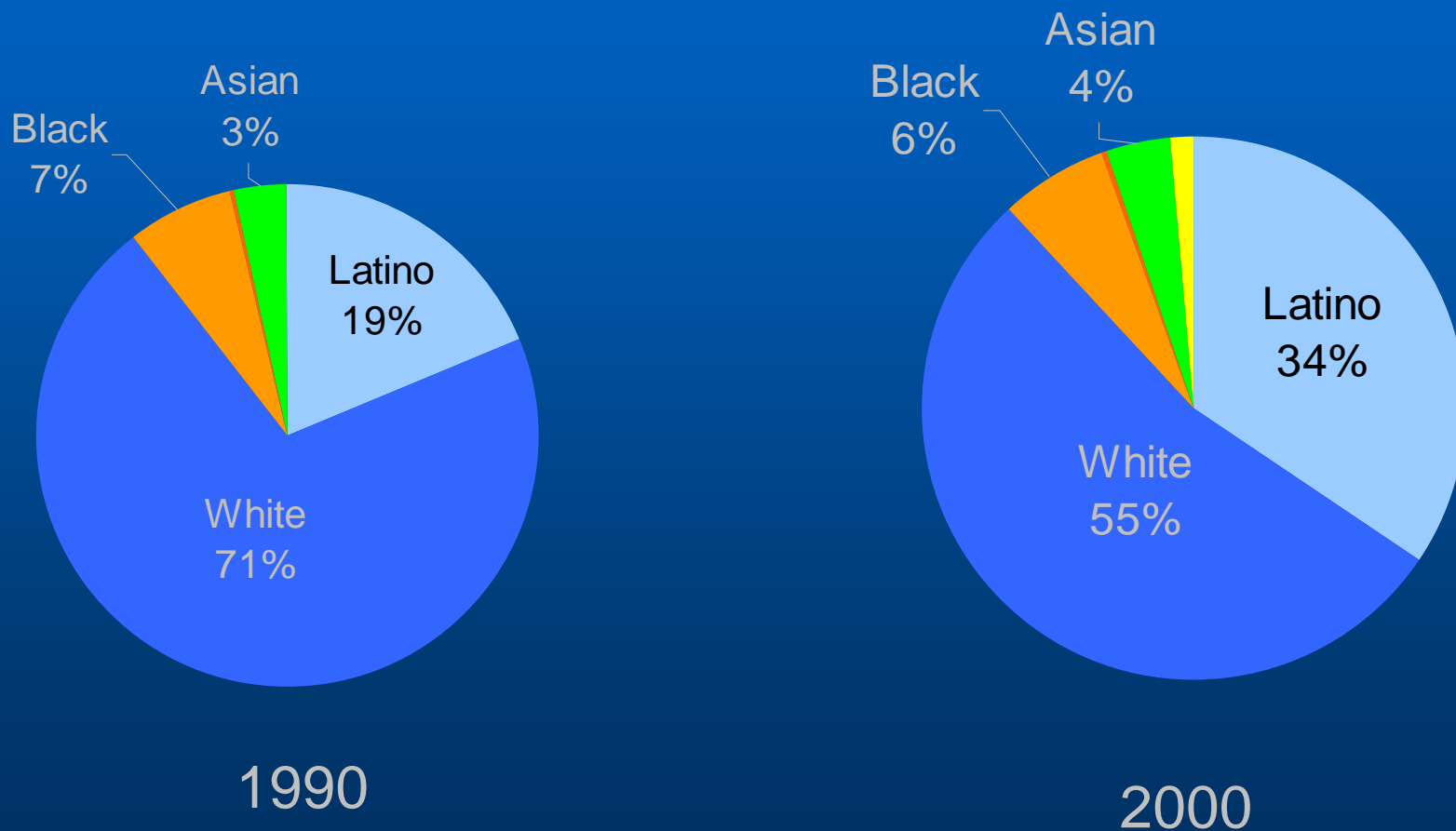
1990



2000

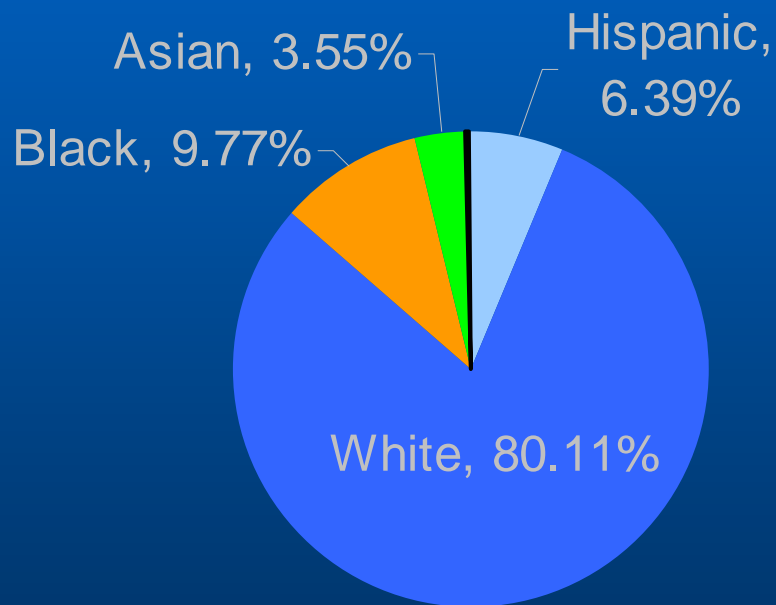


# In Elgin, Latino share of population has grown 15 percentage points since 1990

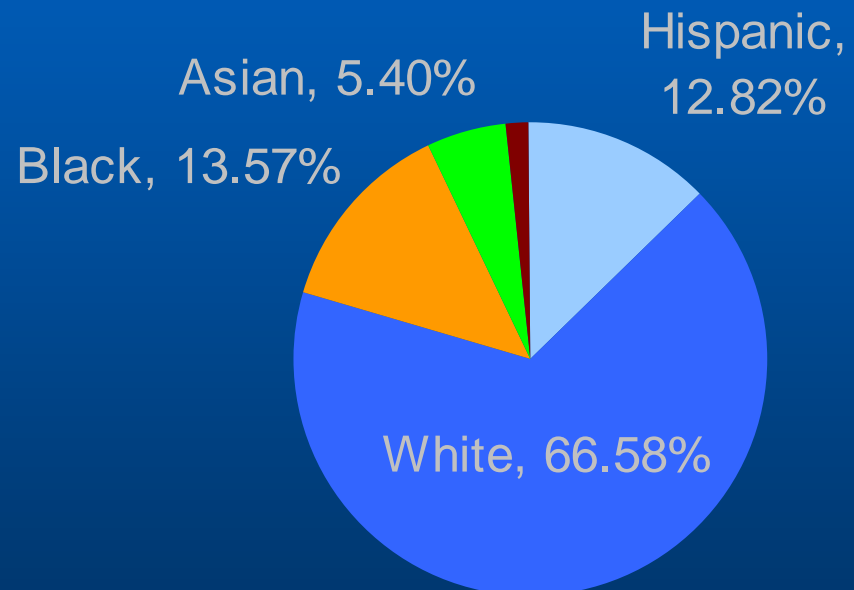




The Hispanic population of Chicago's First Suburbs now almost equals its Black population while one-third of all residents are non-White



1990



2000



## Chicago's New Realities

1. New Growth Dynamic
2. New Diversity
3. **New Patterns of Work**
4. New Geography of Poverty
5. New Economic Structure

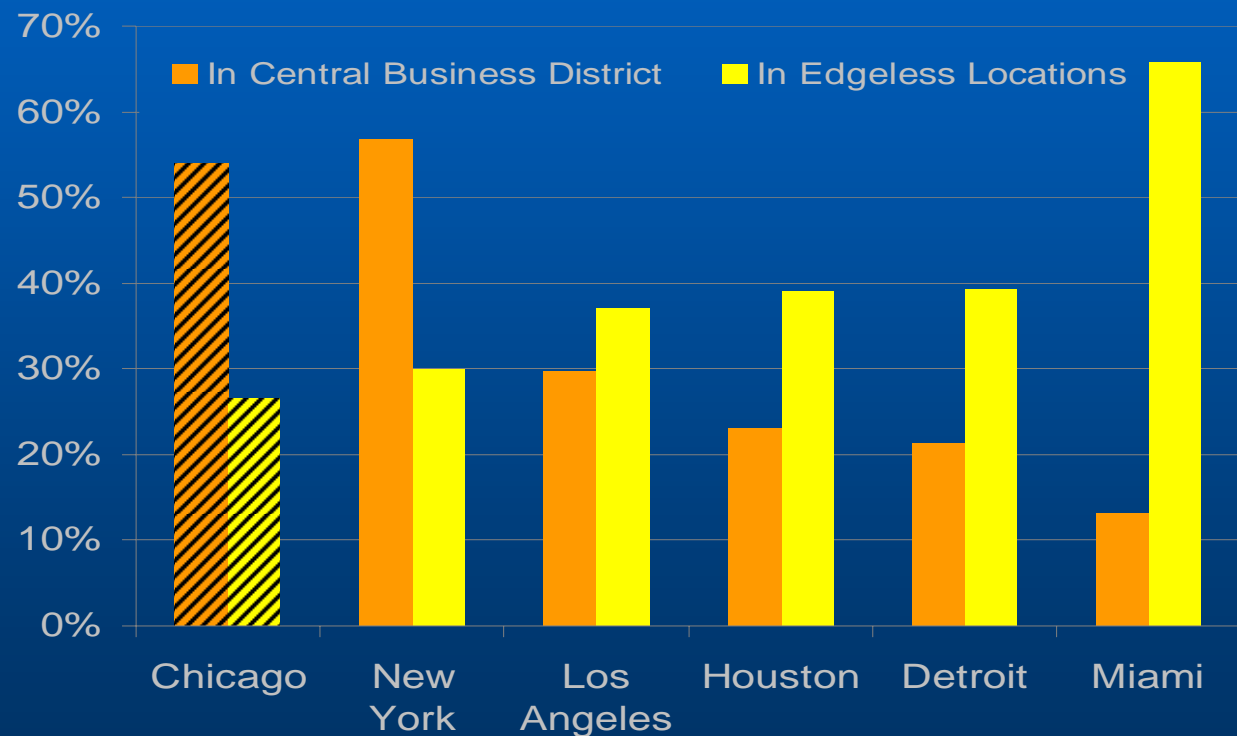
### New Reality #3

The spatial geography of work is changing



Although the trend is toward decentralization in the Chicago metro, office space is more centralized here than in other large cities...

Share of metropolitan office space (SQ FT), 1999



Source: Robert E. Lang, "Edgeless Cities: Exploring the Elusive Metropolis, 2003





...but most of the new office building construction has been built outside of the central business district

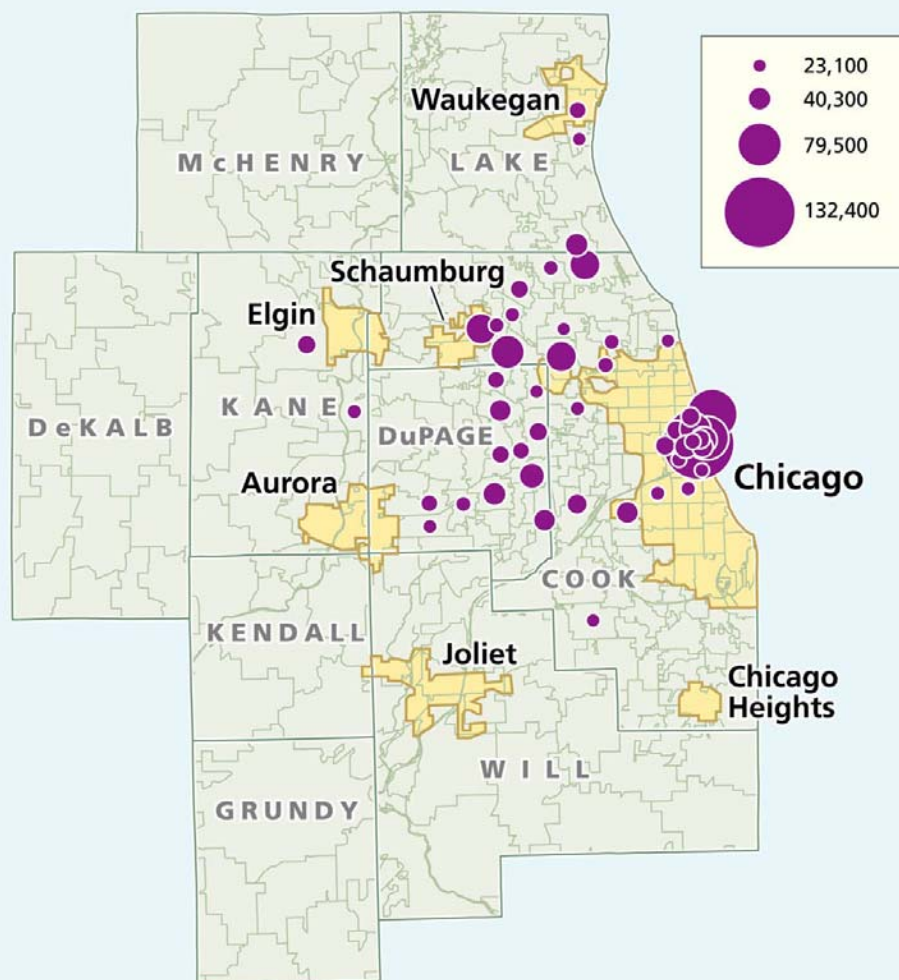
- Of all the office space built in the 1980s, 60% was built outside of the downtown
- 73% of Schaumburg's office space was built in the 1980s
- Of all the office space built in the 1990s, 58% was built outside of the downtown

Source: Robert E. Lang, "Edgeless Cities: Exploring the Elusive Metropolis, 2003



The biggest employment center is Chicago's central business district, followed by Schaumburg, O'Hare and points in DuPage County

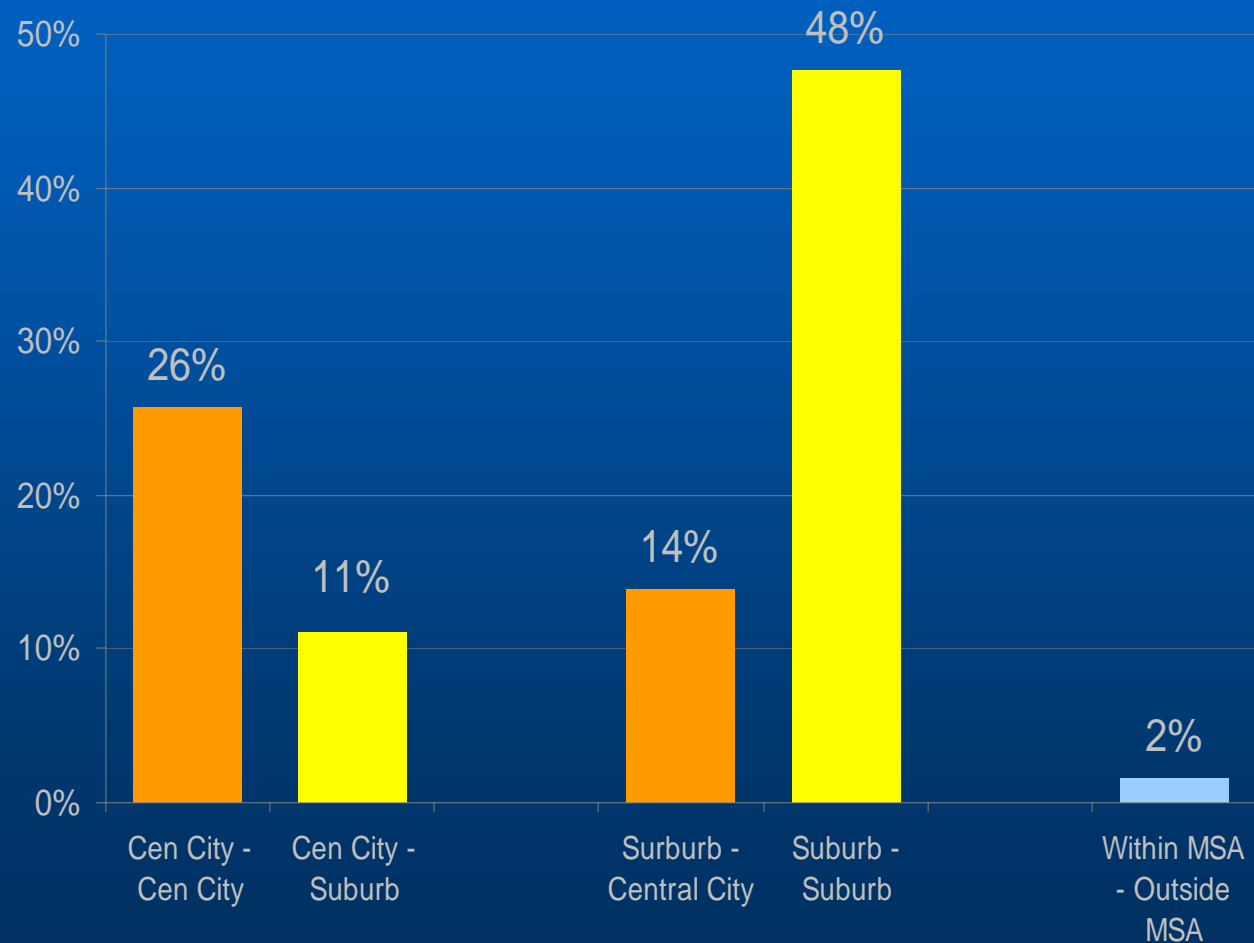
Jobs by  
Zipcode,  
2001





# However, most metropolitan commutes begin and end within the Chicago suburbs

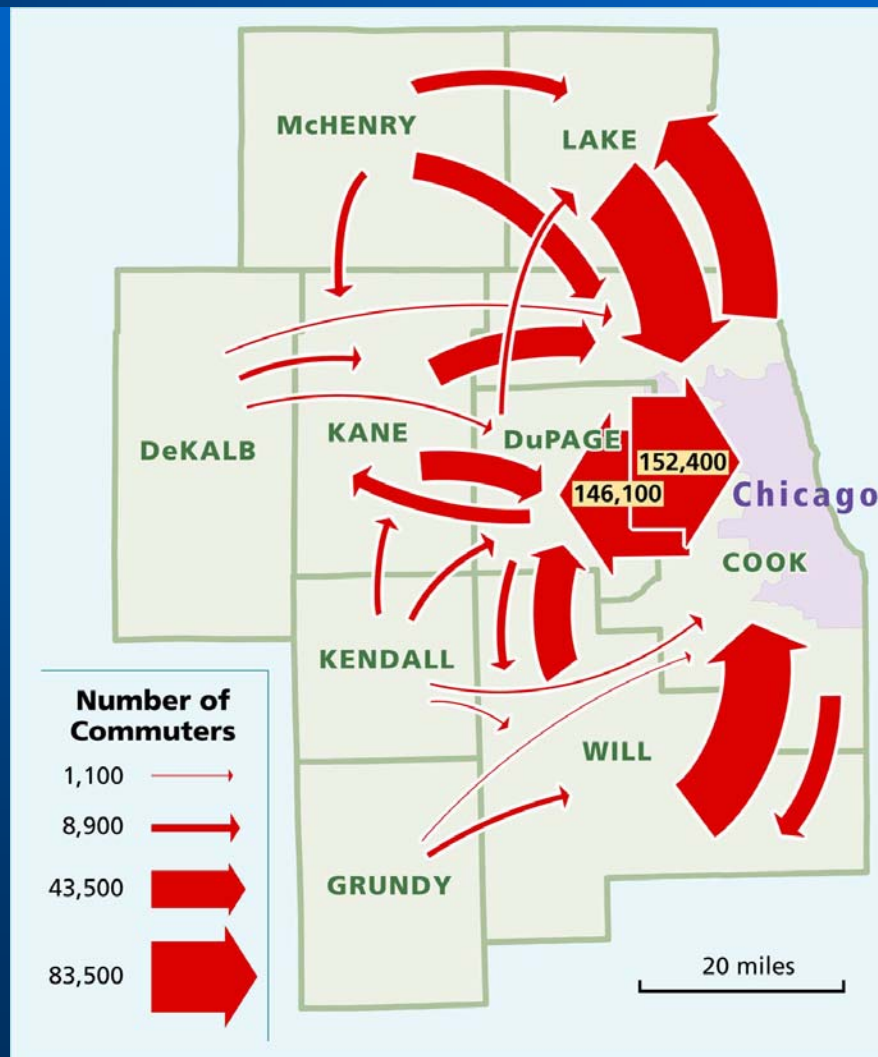
Share of commuters,  
2000





As the region's jobs decentralize, commuting flows have become very complex

County-to-county worker flows, 2000





## Chicago's New Realities

1. New Growth Dynamic
2. New Diversity
3. New Patterns of Work
- 4. New Geography of Poverty**
5. New Economic Structure

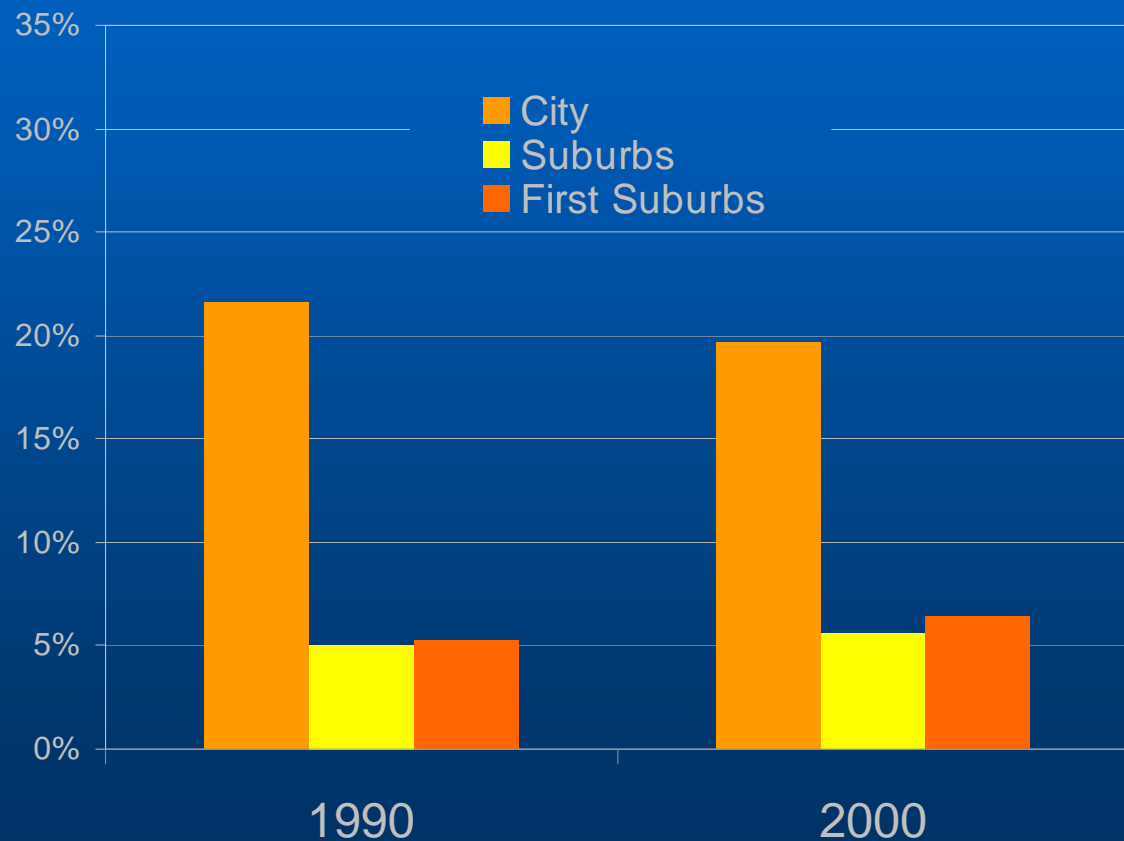
### New Reality #4

The spatial geography of poverty is also changing



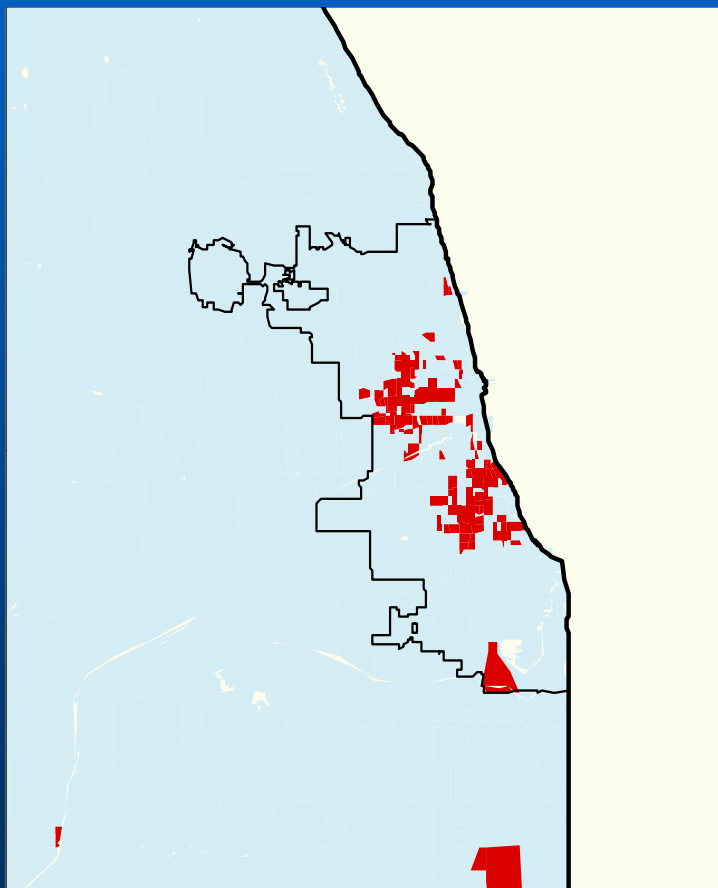
The city of Chicago's poverty rate decreased over the 1990s, but it rose slightly in the suburbs and by over one percentage point in the First Suburbs

Share of persons living below poverty line, 1990 - 2000

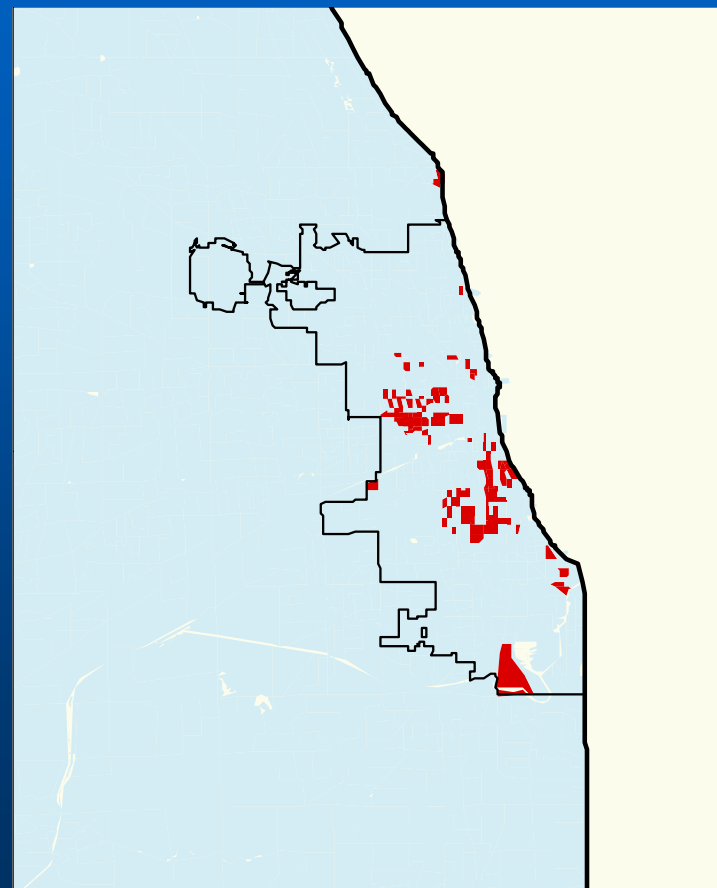




Concentrated poverty decreased over the 1990s. The number of high-poverty tracts dropped from 187 to 114, and there were 179,000 fewer people living in high poverty areas



1990

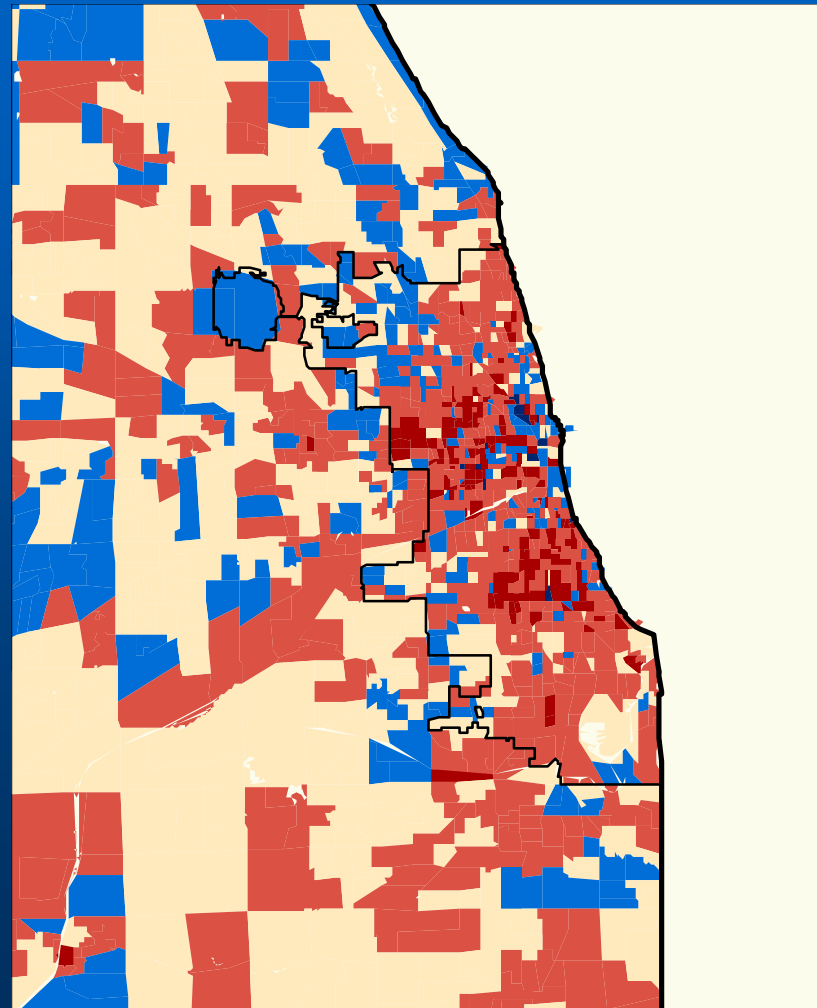
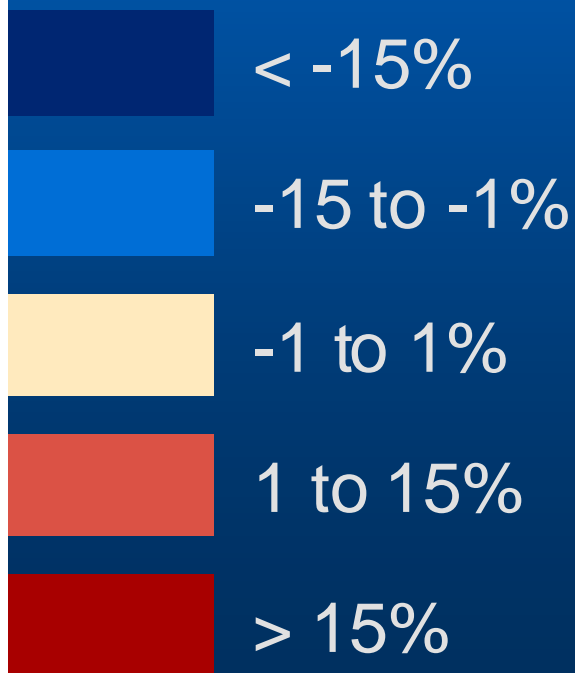


2000



# Between 1970 and 1980, the city of Chicago became poorer

Change in poverty,  
1970 - 1980

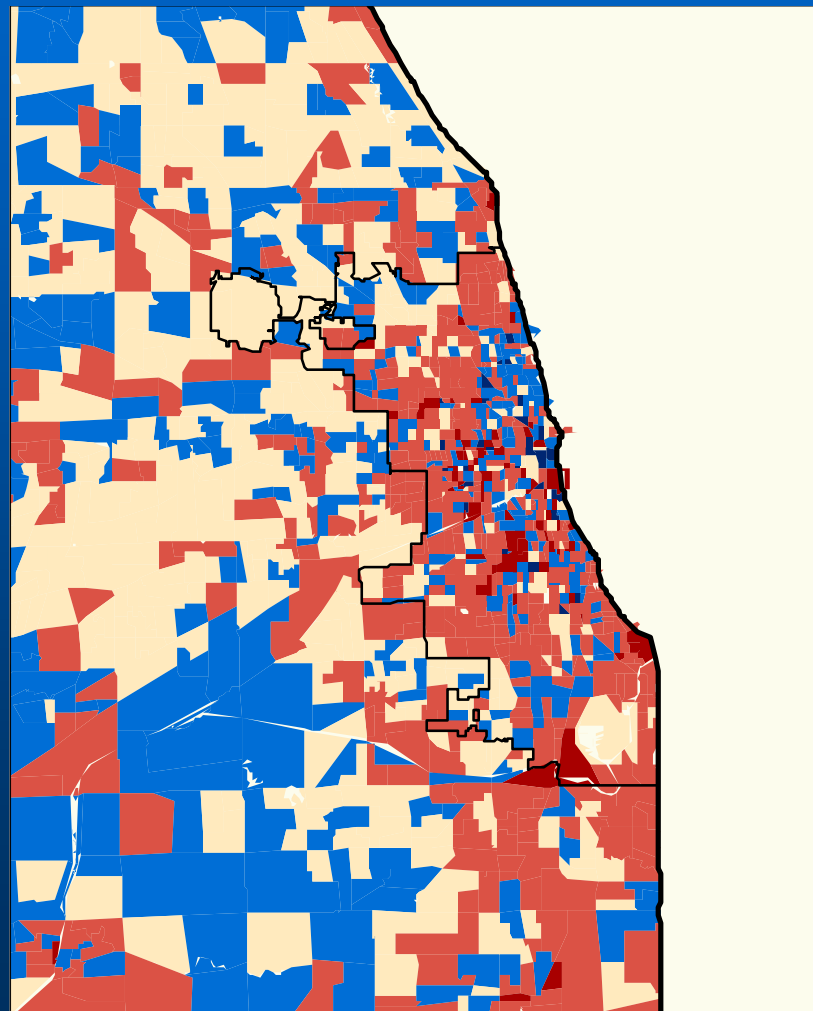
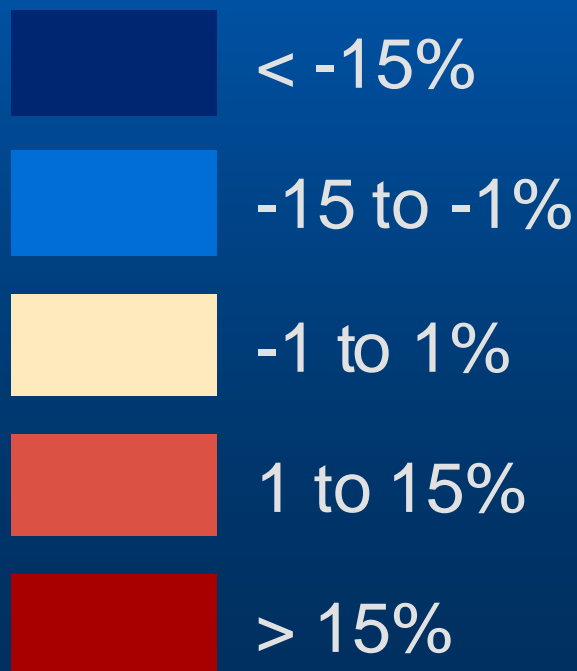






## The pattern continued in the 1980s

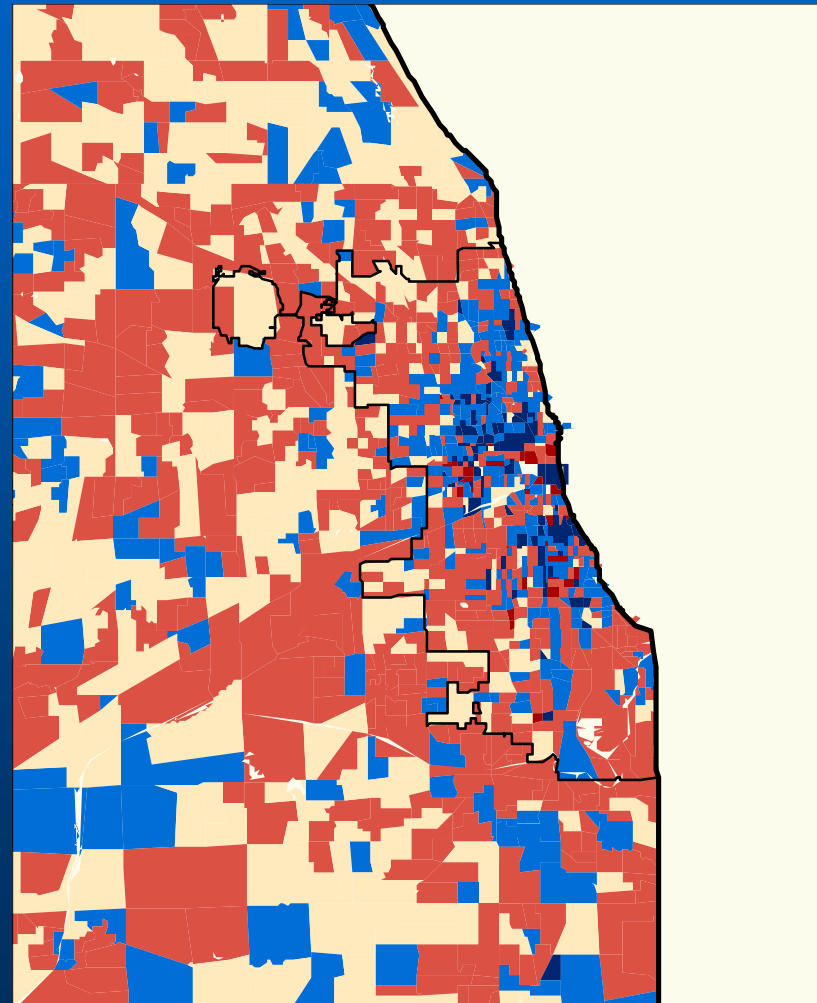
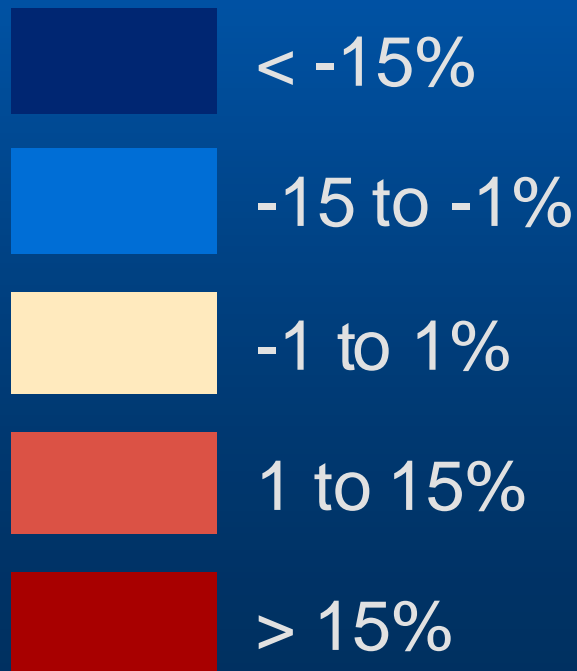
Change in poverty,  
1980 - 1990





The 1990s saw a marked change in the poverty pattern—the city of Chicago’s poverty rate fell while the suburbs increased

Change in poverty,  
1990 - 2000





## Chicago's New Realities

1. New Growth Dynamic
2. New Diversity
3. New Patterns of Work
4. New Geography of Poverty
- 5. New Economic Structure**

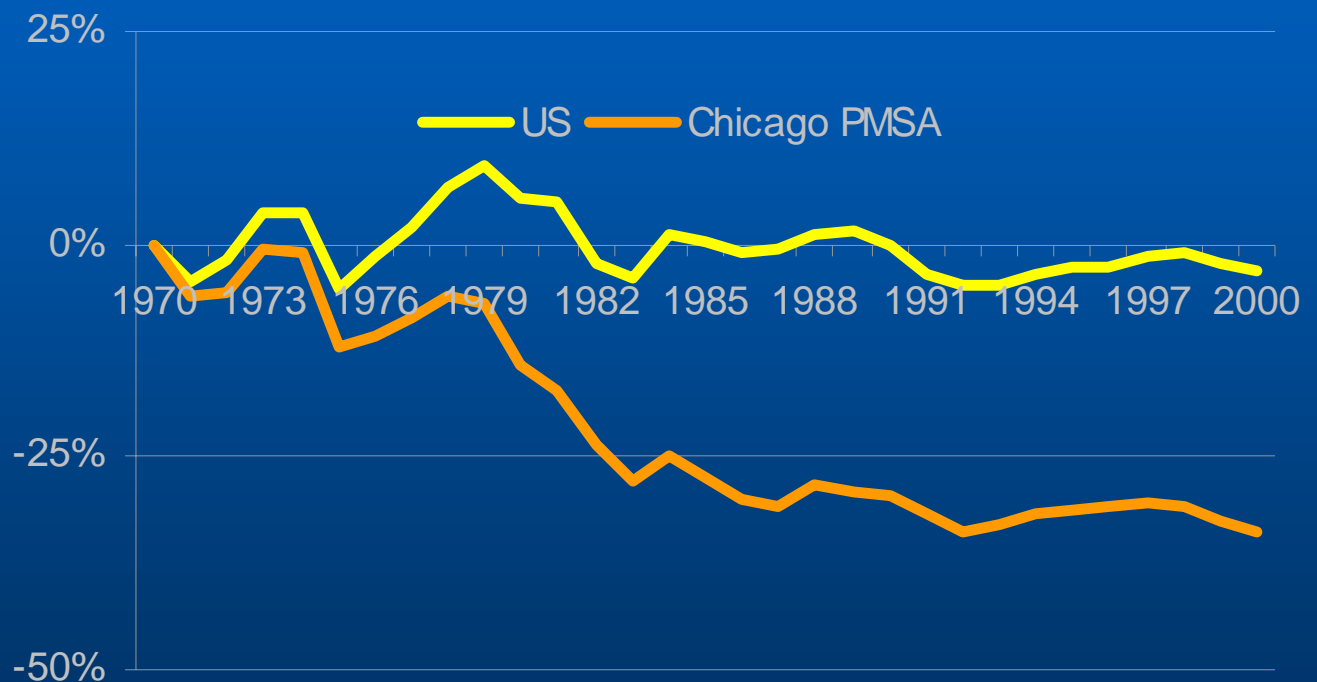
### New Reality #5

Chicago's changing economy places a premium on education



Chicago's economy is fundamentally different than it was three decades ago. The Chicago PMSA lost manufacturing jobs at a faster rate than the nation between 1970 and 2000

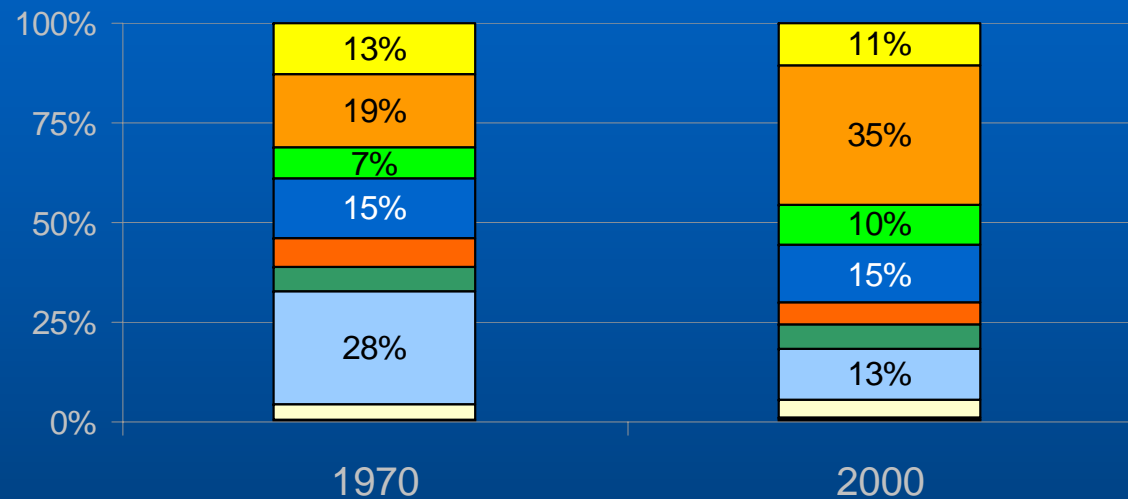
Percent change in manufacturing jobs, Chicago PMSA and US, 1970-2000





# The biggest concentration of employment used to be in the manufacturing sector, and now it's in the service sector

Employment by sector, Chicago PMSA, 1970 and 2000



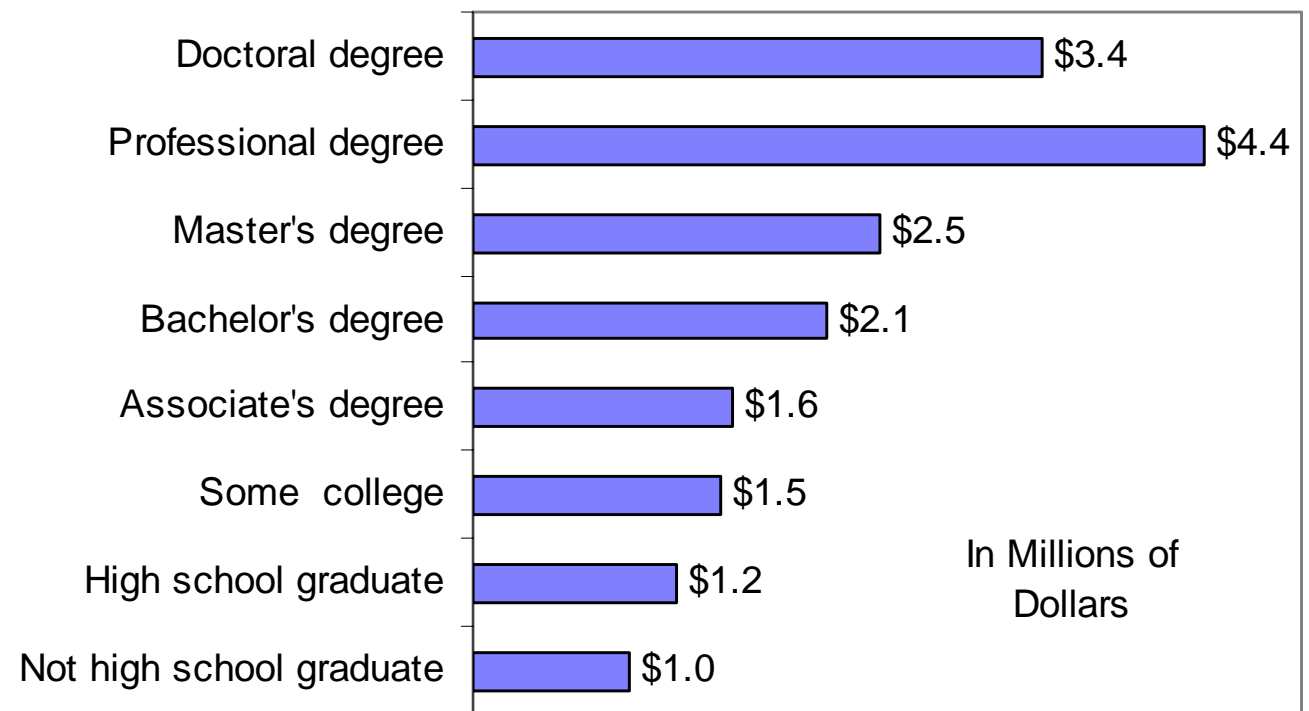
- Agriculture
- Mining
- Construction
- Manufacturing
- Transportation
- Wholesale
- Retail
- FIRE
- Services
- Government



Because of the information-based economy, education is now the key to higher incomes.

Work-Life Earnings  
Estimates by  
Educational Attainment  
Based on 1997-1999  
Work Experience

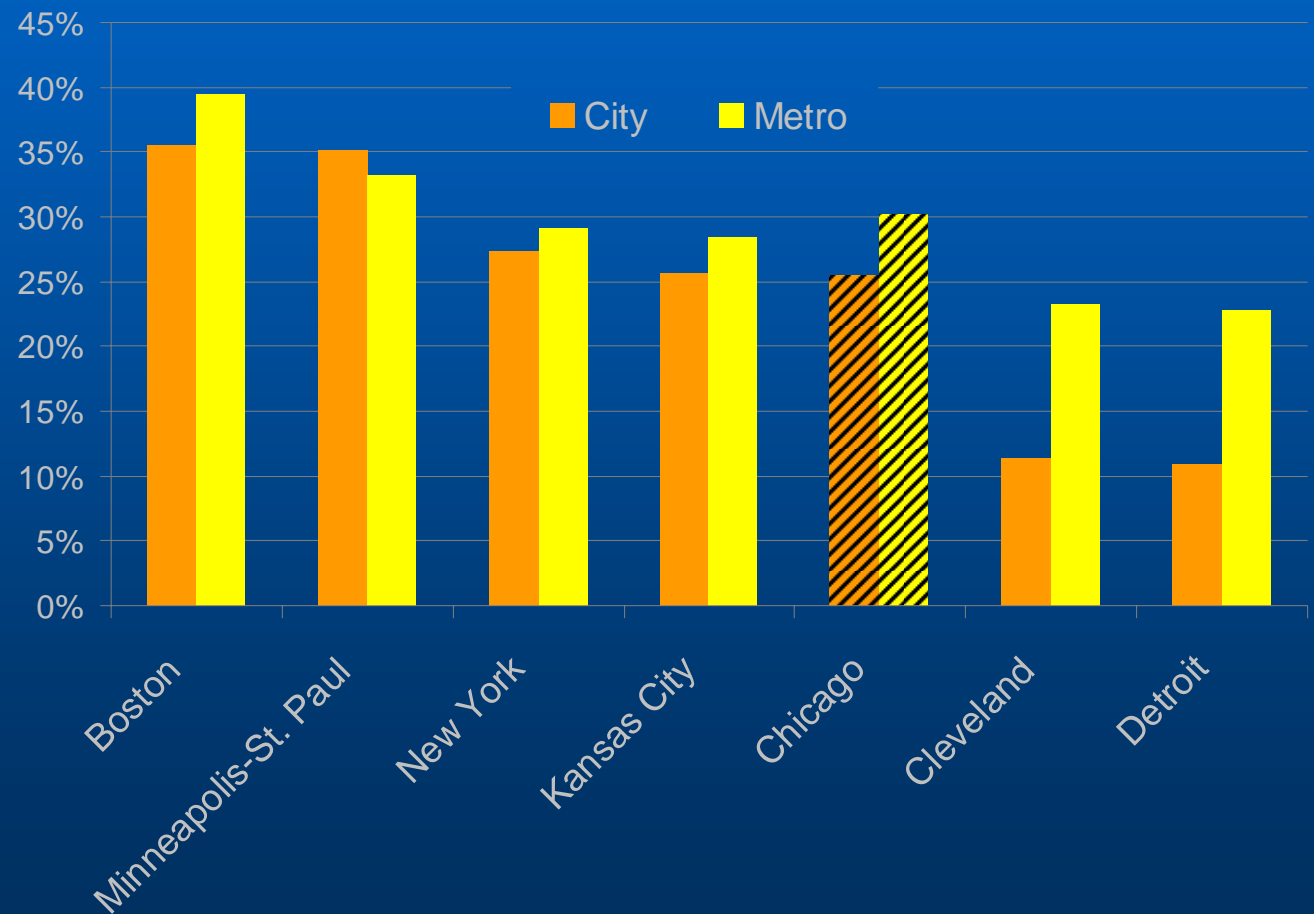
Source: "The Big  
Payoff: Educational  
Attainment and  
Estimates of Work-Life  
Earnings," US Census





The metropolitan region, as well as the city itself, performs well in terms of educational attainment, but is not at the level of high performers such as Minneapolis and Boston...

Share of 25+ population with at least a bachelors degree, 1990-2000





## New Realities for Chicagoland

- I. What are the new realities facing the Chicago region?
- II. What are the consequences of these new realities?
- III. What policies should the region focus on to address the new realities?





## Consequences

### 1. **Fragmented Governance**

2. Infrastructure Imbalance

3. Complex Spatial Mismatch

4. Volatile Housing/School Mix

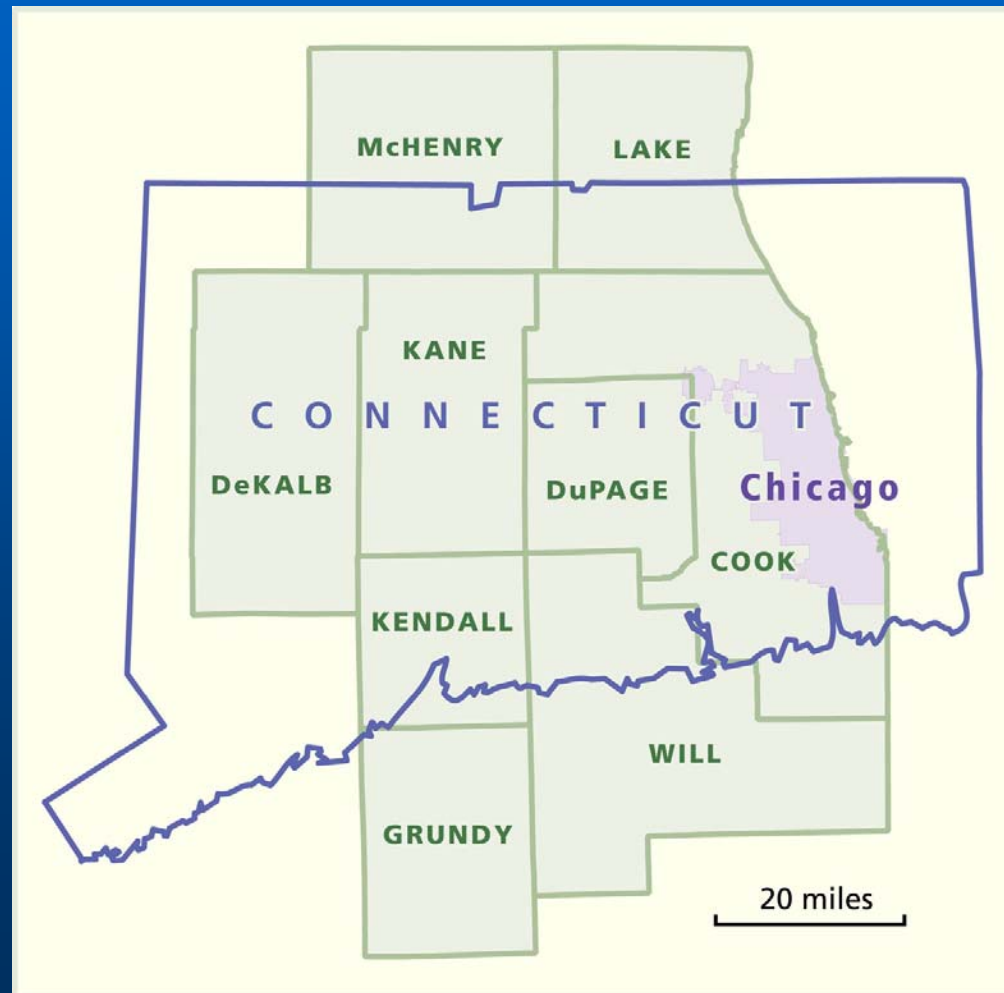
5. Growing Disparities

### Consequence #1

There is a growing disconnect between how Chicago lives and works, and how it governs



The Chicago PMSA is larger than the entire state of Connecticut— 5064 square miles vs. 4845 square miles—but without any regional governance structure to run it





# The Chicago metro's governance structure is the fourth most fragmented in the country

Metropolitan  
Power Diffusion  
Index, 1972,  
1992

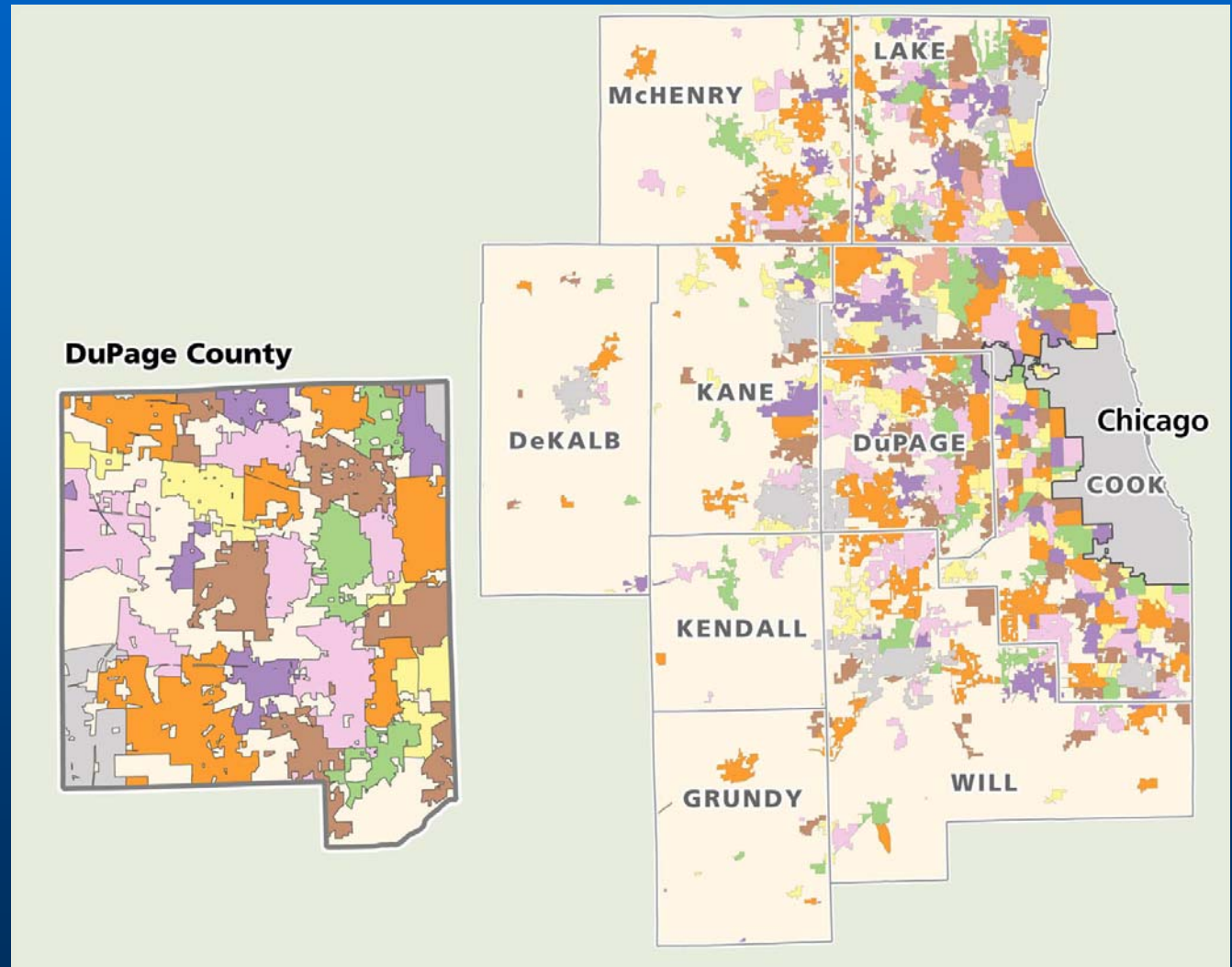
Metros	MPDI Index		Rank (1992)
	1972	1992	
Philadelphia, PA-NJ	14.3	15.4	1
St. Louis, MO-IL	12.3	14.4	2
Boston, MA	11.2	12.3	3
<b>Chicago, IL</b>	<b>8.3</b>	<b>12.1</b>	<b>4</b>
Pittsburgh, PA	10.7	11.6	5
Scranton-Wilkes Barre, PA	9.26	11	6
Minneapolis-St. Paul, MW-WI	8.53	9.36	7
Detroit, MI	8.05	9.09	8
Harrisburg, PA	7.93	8.98	9
Monmouth-Ocean, NJ	8.19	8.71	10

Source: Adapted by David Rusk from David Miller, *The Regional Governing of Metropolitan America*, 2002



The Chicago PMSA has 464 local governments (counties, municipalities, townships)....

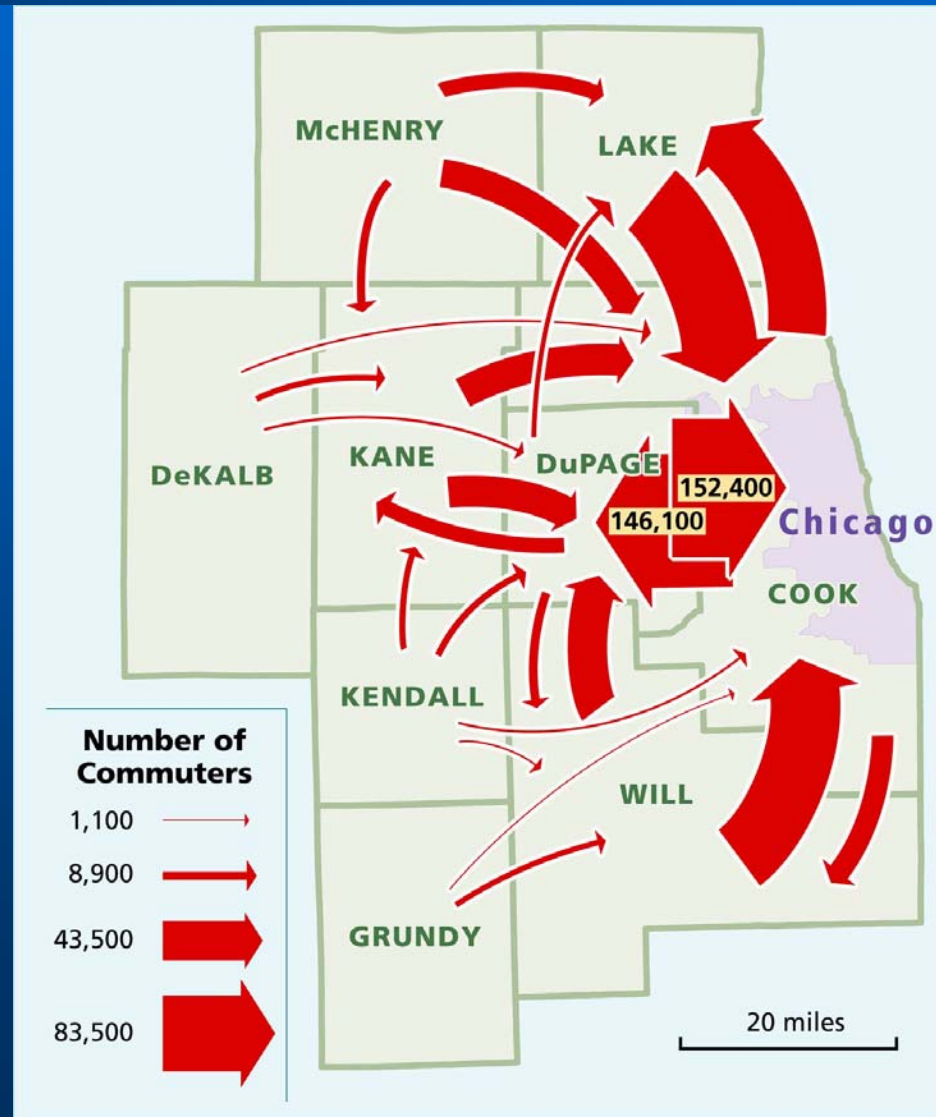
Local governments in the Chicago PMSA, 2000





...but people's daily lives are carried out on a regional scale

County-to-county worker flows, 2000





## Consequences

1. Fragmented Governance
- 2. Infrastructure Imbalance**
3. Complex Spatial Mismatch
4. Volatile Housing/School Mix
5. Growing Disparities

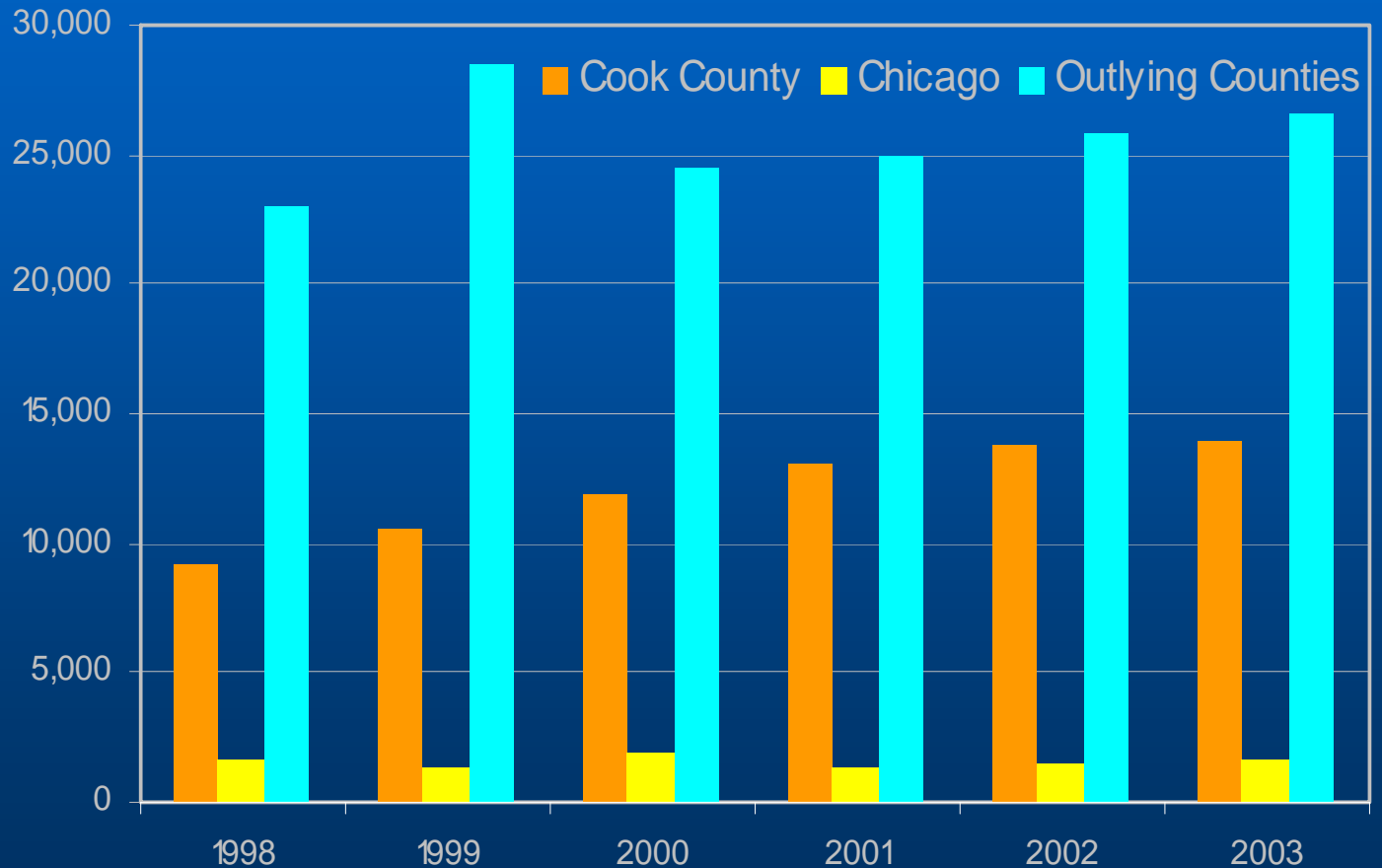
### Consequence #2

Current growth patterns are straining, and not leveraging, the region's existing infrastructure



# Most new housing in the region is built in the outlying suburbs

Residential Building Permits Issued, 1998-2003 (2003 Estimated)



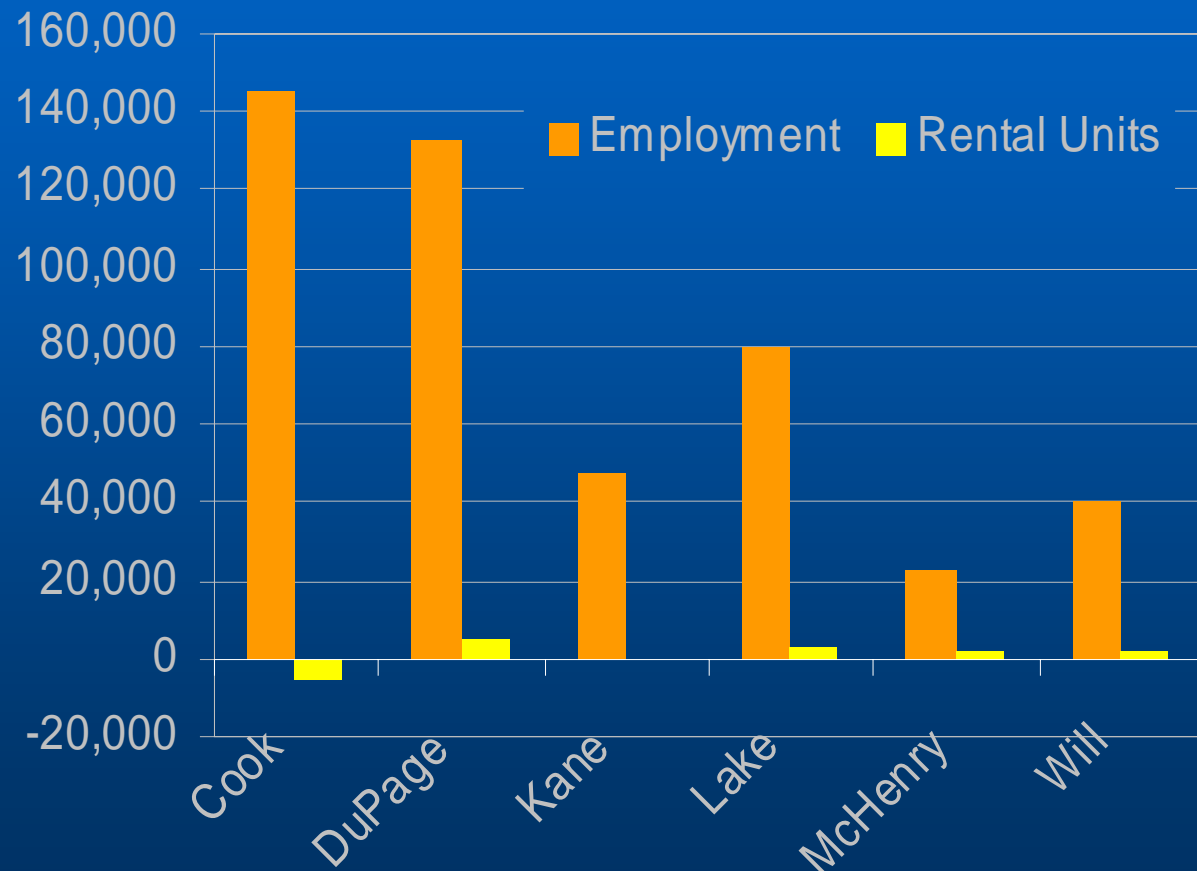
Source: US Census Bureau: Building Permits Survey



# While the job market is booming, the number of rental units hardly grew at all

Net employment change, 1991-2000; net change in rental units 1990-2000

Source: Chicago Metropolis, "Recommendations for Developing Attainable Workforce Housing in the Chicago Region," 2002



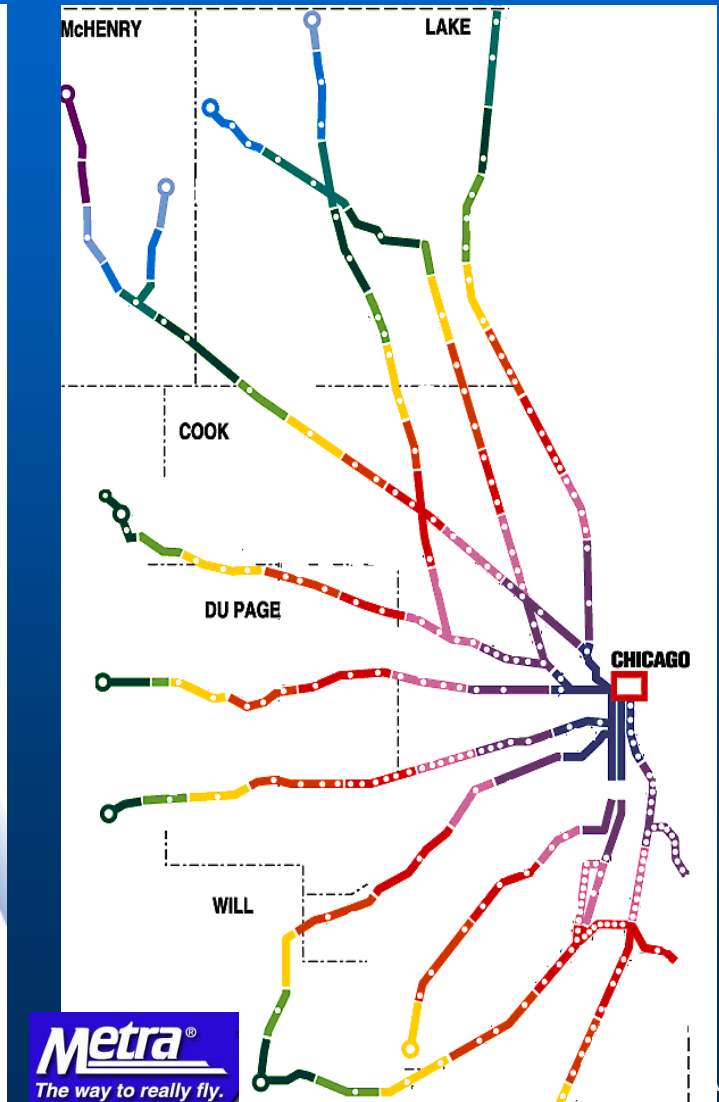




The pattern of development is not maximizing the region's historic investment in commuter rail

## Transit maps, 2003

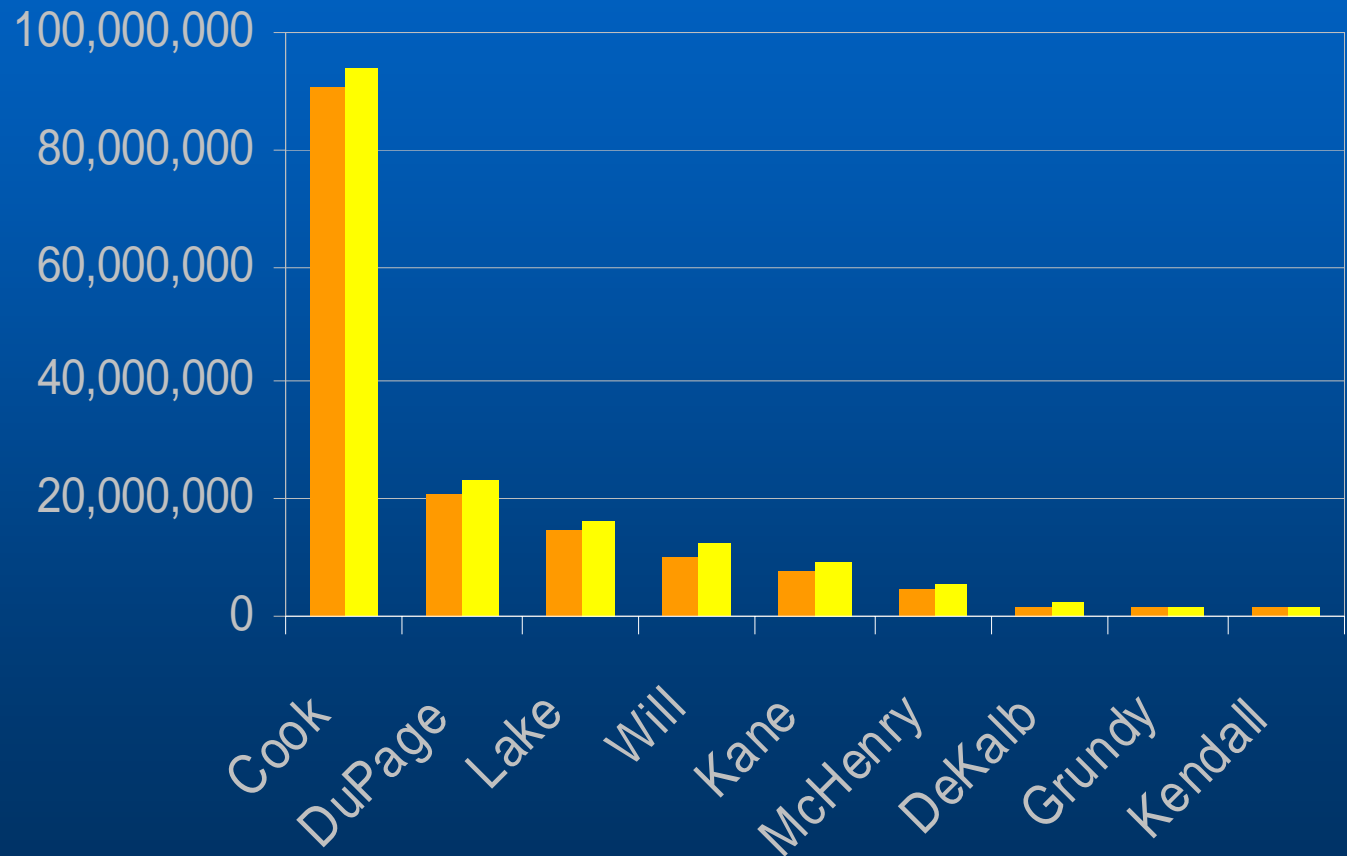
Source: Metra transit map, CTA transit map





## The pattern of development has also led to increased levels of congestion

Average Daily  
Vehicle Miles  
traveled, 1997-  
2002



Source: Illinois  
Department of  
Transportation



## And Chicago's role as a major freight center...

### National Rail Volumes, 2003

Source: Chicago Metropolis  
2020 production Federal  
Railroad Administration data

#### LEGEND

MILLION GROSS  
TON-MILES PER MILE

— 40.0-59.9

— 60.0-99.9

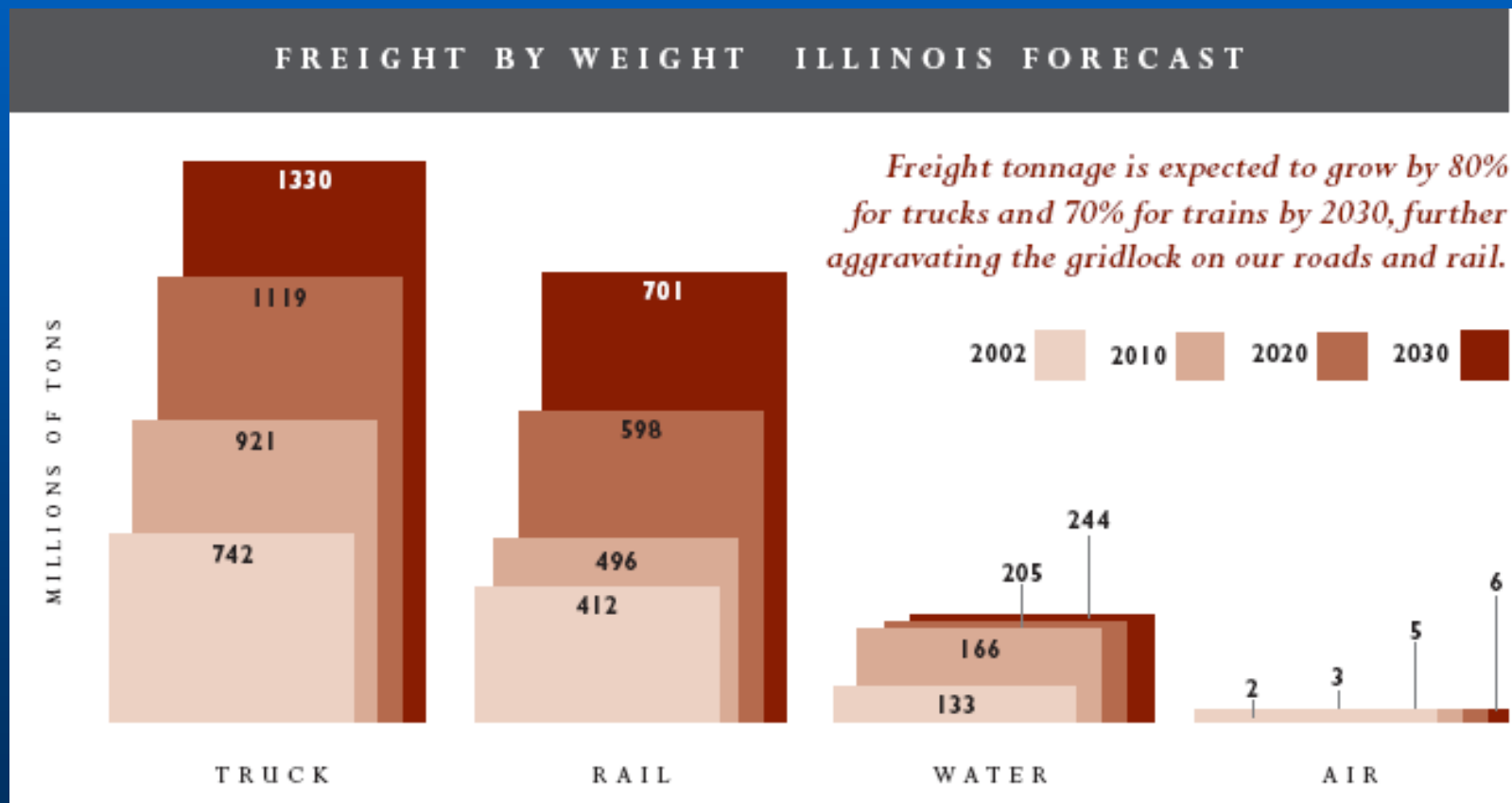
— 100+





# ...means increased freight and increased stress on infrastructure

Source: Chicago Metropolis  
2020 projections, FHWA  
Freight Analysis Framework





## Consequences

1. Fragmented Governance
2. Infrastructure Imbalance
3. **Complex Spatial Mismatch**
4. Volatile Housing/School Mix
5. Growing Disparities

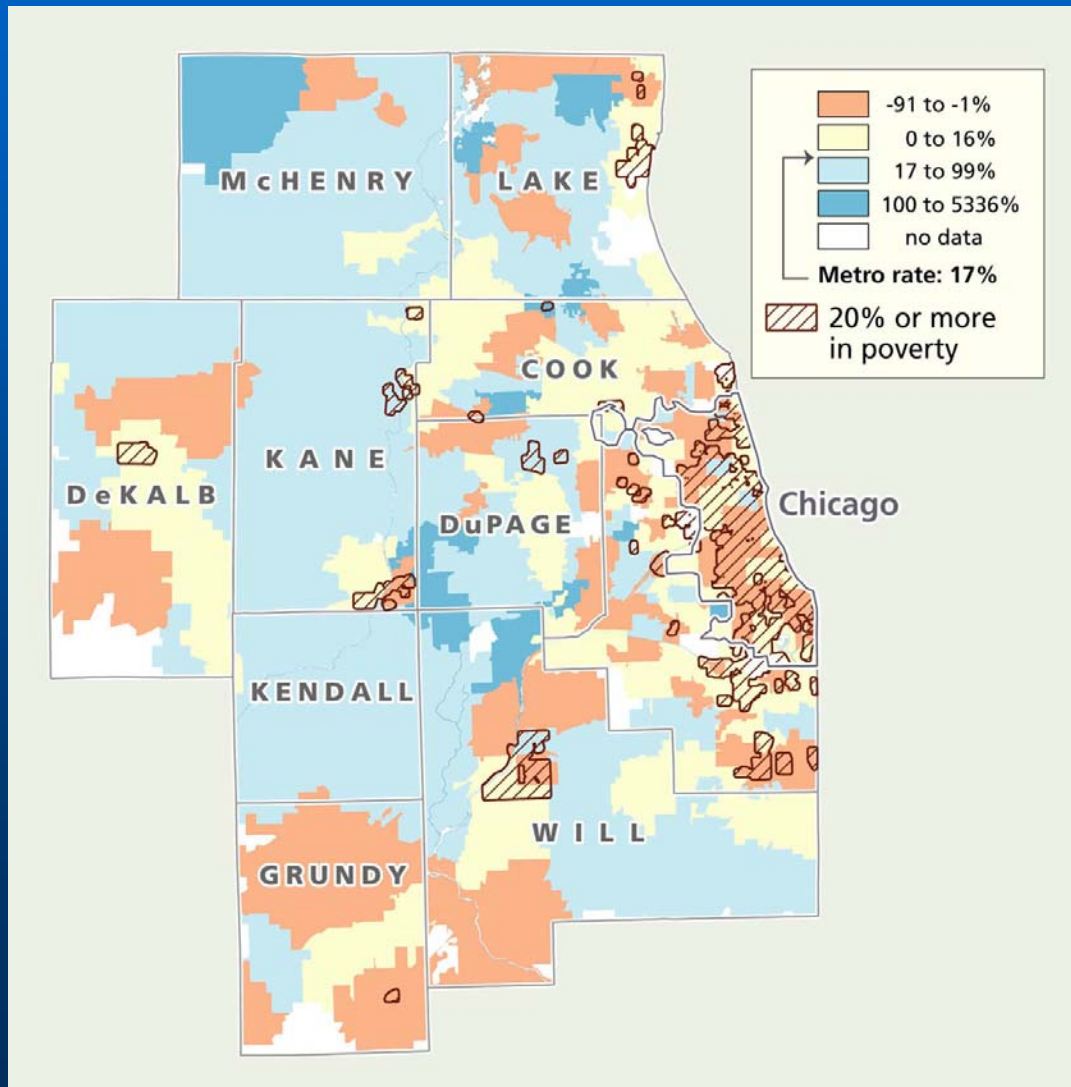
### Consequence #3

There are a series of spatial mismatches between areas of growing employment and minority and poor communities



# The classic idea of spatial mismatch—poor urban residents isolated from suburban job opportunities—still exists...

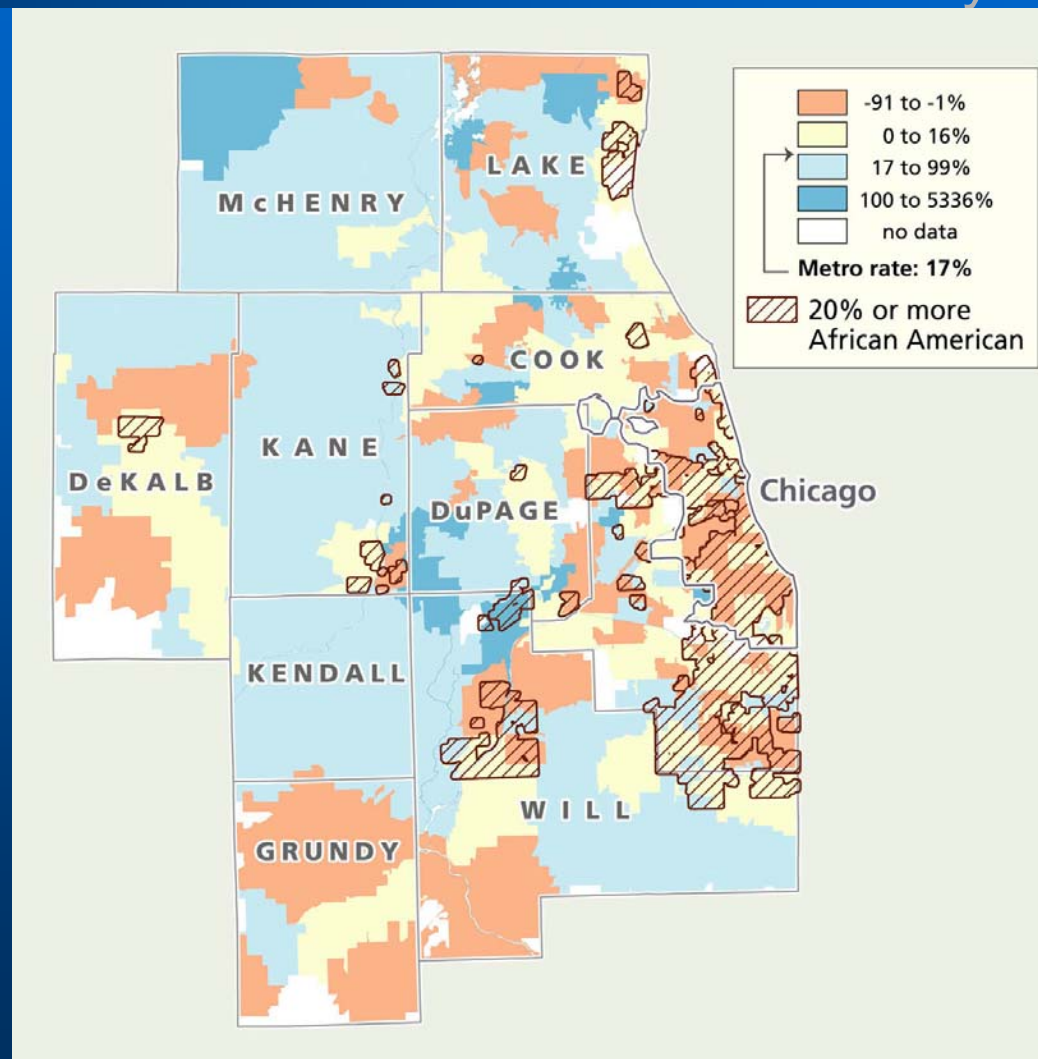
Percent growth in jobs 1994-2001, poverty rates by census block group, 2000





...but many factors complicate the old spatial mismatch.  
Blacks have moved south into southern Cook County...

Percent growth in jobs 1994-2001, percent African American by census block group, 2000

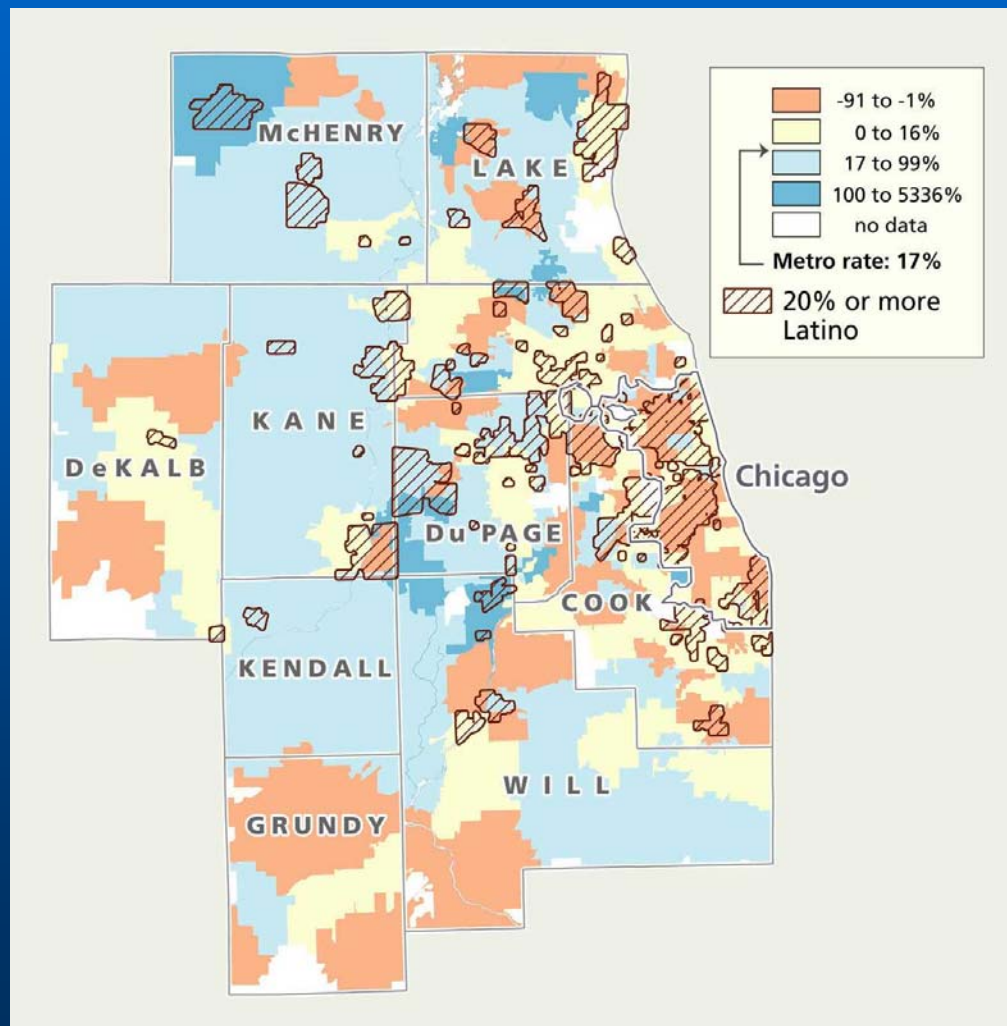






# ...and Latinos now live throughout the metro

Percent growth in jobs 1994-2001, percent African American by census block group, 2000







# The Chicago metro now ranks #2 in the country in high spatial mismatch and job sprawl

Large metro areas with high blacks/jobs mismatch and job sprawl

	Mismatch Index	Job Sprawl Index
<b>A. Metro Areas with High Mismatch and High Job Sprawl</b>		
1. Detroit, MI	71.4	92.4
2. Chicago, IL	69.5	77.0
3. Newark, NJ	65.2	76.9
4. Philadelphia, PA	64.2	80.9
5. St. Louis, MO	62.6	84.6
6. Cleveland, OH	62.0	75.4
7. Los Angeles, CA	61.6	87.1
8. Cincinnati, OH	58.8	75.3
9. San Diego, CA	58.6	77.6
10. Indianapolis, IN	58.3	74.9
11. Houston, TX	56.5	80.6
12. Dallas, TX	56.4	82.7
13. Oakland, CA	55.4	82.0
14. New Haven, CT	54.7	82.9
15. Atlanta, GA	53.9	84.6

Source: Stoll, 2005



## Consequences

1. Fragmented Governance
2. Infrastructure Imbalance
3. Complex Spatial Mismatch
- 4. Volatile Housing/School Mix**
5. Growing Disparities

### Consequence #4

Poverty, affordable housing location, and schools are a volatile mix



## The location of Chicago's affordable housing contributes to poor school performance

- Almost two-thirds of the Chicago metro's Low Income Housing Tax Credit units are located in high-poverty neighborhoods—third worst among the top 100 metros
- This further concentrates poverty, keeping children of low income families in poor school districts and failing schools

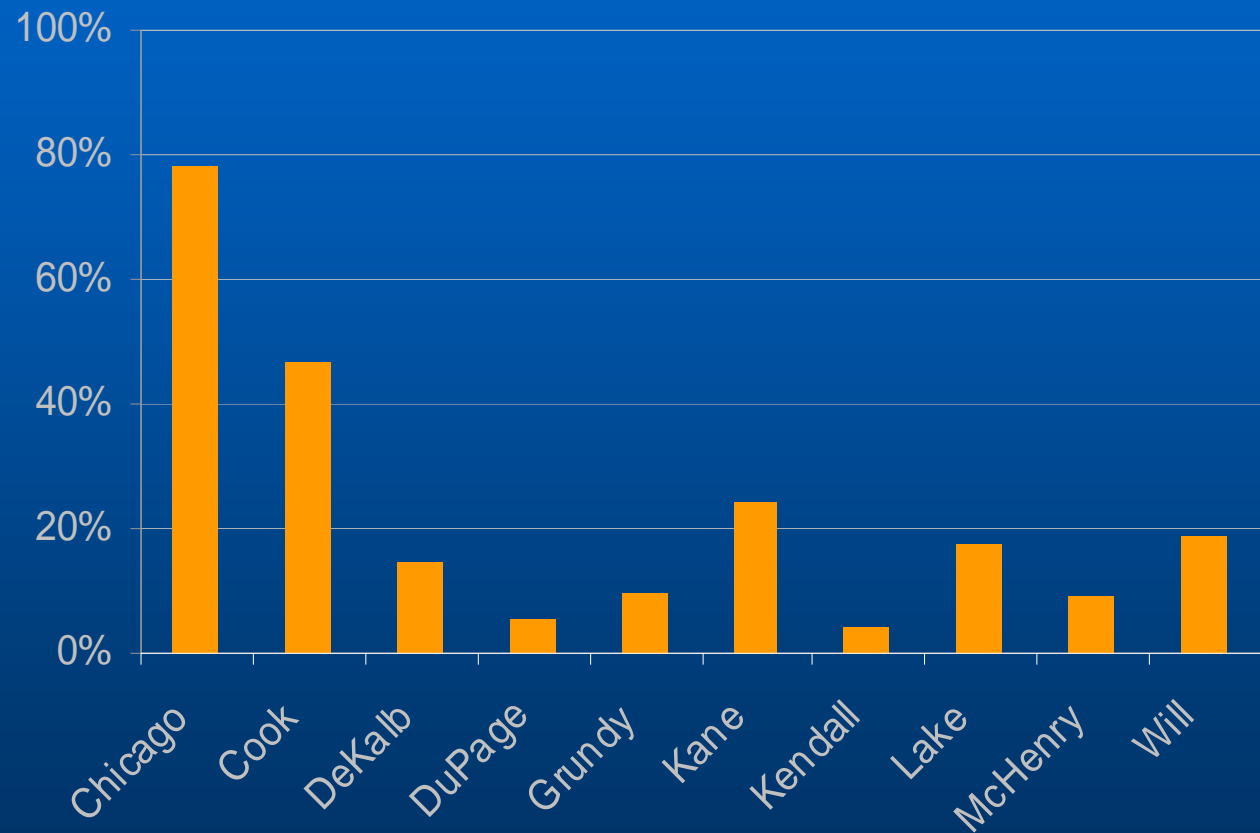
Source: Freeman, 2004. *Siting Affordable Housing: Location and Neighborhood Trends of Low Income Housing Tax Credit Developments in the 1990s*.  
The Brookings Institution.



# 77% of the public school students in the city of Chicago are eligible for free and reduced lunch

Students eligible for free and reduced school lunch, 2001

Source: National Center for Education Statistics, 2001





## Consequences

1. Fragmented Governance
2. Infrastructure Imbalance
3. Complex Spatial Mismatch
4. Volatile Housing/School Mix
5. **Growing Disparities**

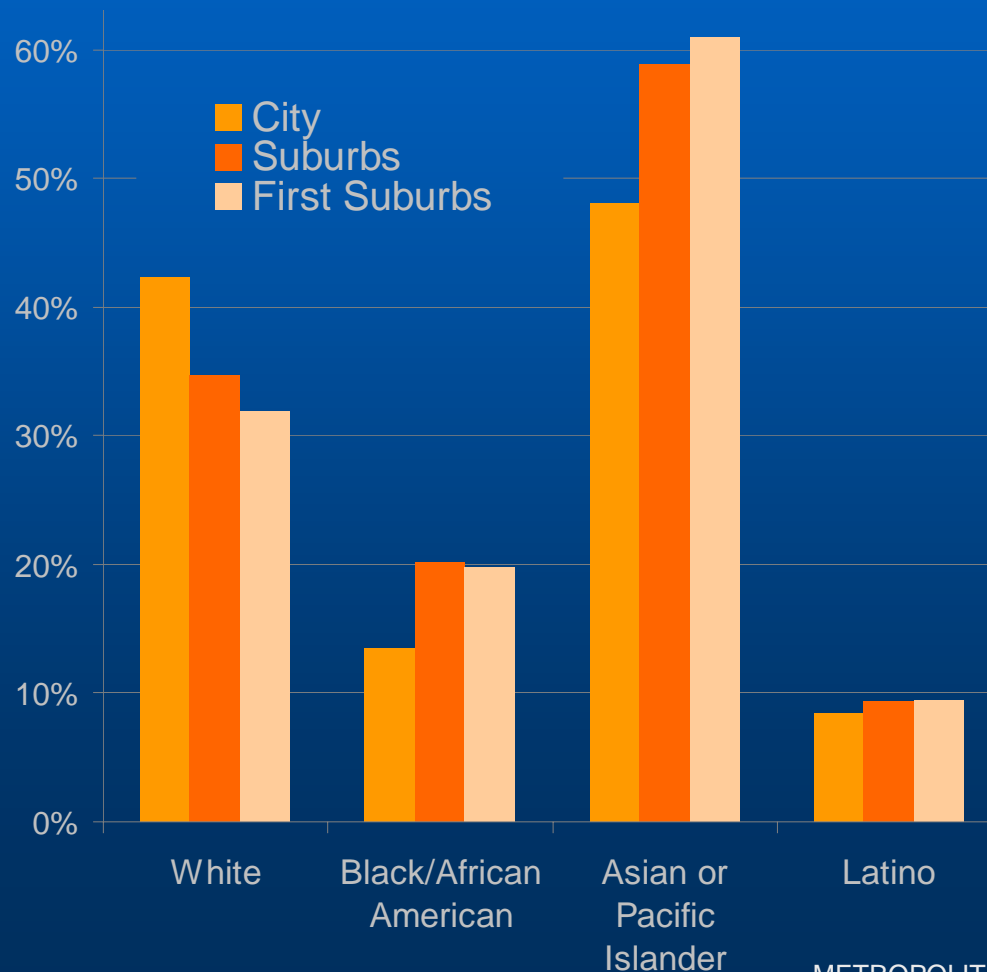
### Consequence #5

There is a growing disparity between race and ethnic groups



Even though the region overall has a relatively high educational attainment rate, the rate varies greatly by race and ethnicity

Share of 25+ population with BA, 2000





## Chicago's minority communities lag behind other urban minorities in educational attainment

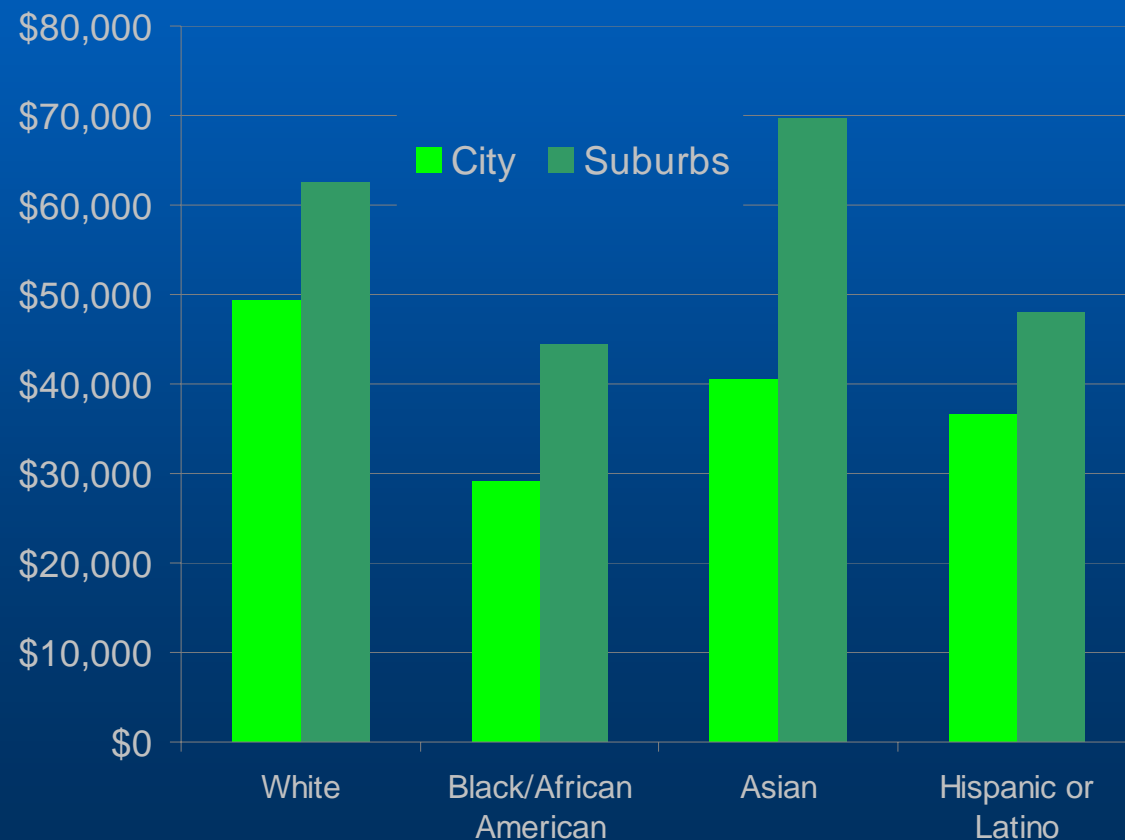
- Of the 100 largest metros, Chicago ranks 83<sup>rd</sup> in BA attainment among Hispanics and 89<sup>th</sup> in high school completion among Hispanics
  
- Chicago ranks 46<sup>th</sup> in BA attainment among blacks and 64<sup>th</sup> in high school completion among blacks

Source: US Census data,  
2000



## The groups that have the lowest educational attainment rates also have low median household incomes

Median household income per racial/ethnic groups, 1999





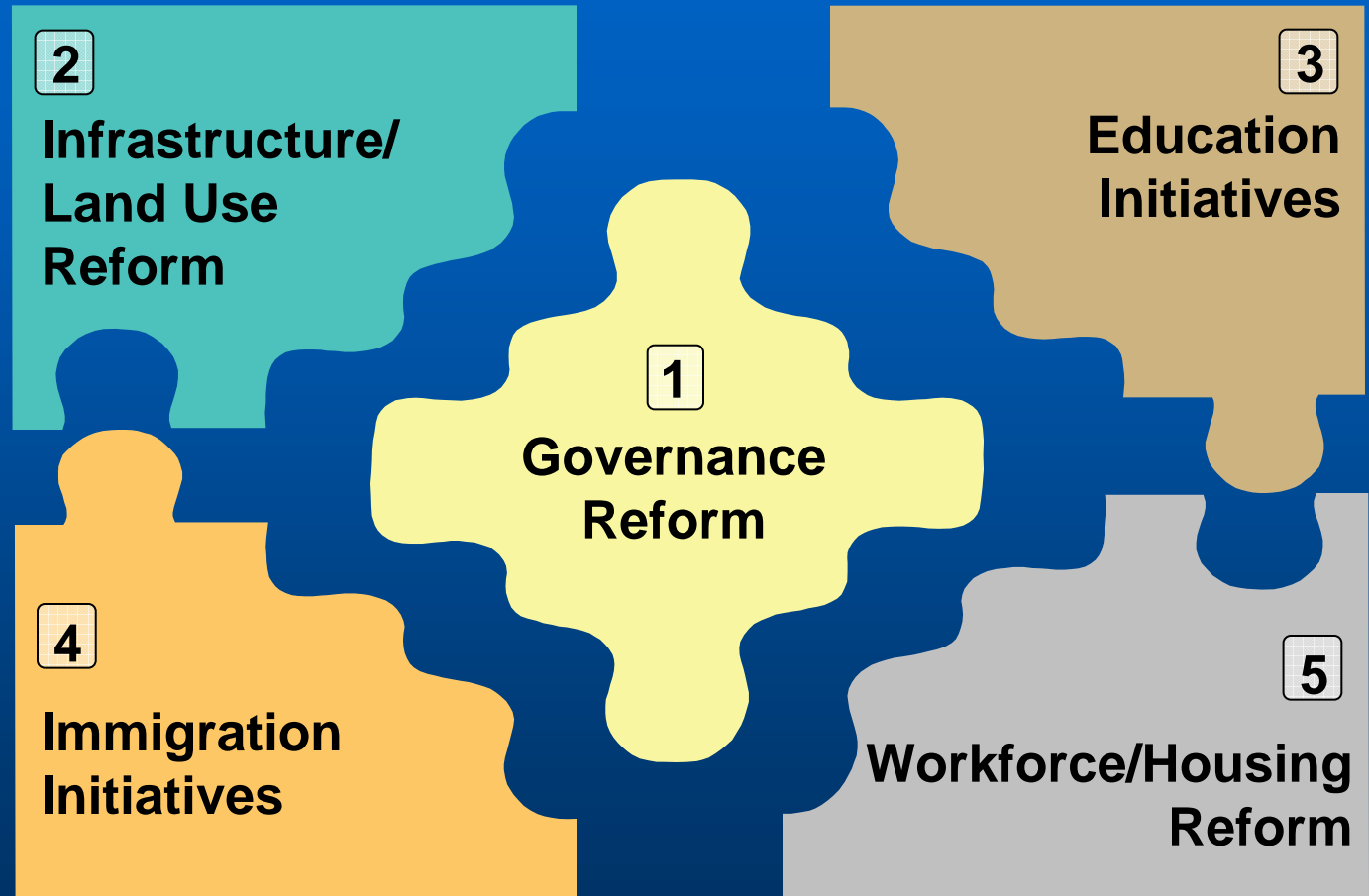


## New Realities for Chicagoland

- I. What are the new realities facing the Chicago region?
- II. What are the consequences of these new realities?
- III. What policies should the region focus on to address the new realities?



# The New Regional Agenda





# The New Regional Agenda: Examples

## **Governance**

Implement merger of regional transportation and land use agencies

## **Infrastructure/ Land-Use**

Address transportation finance crisis (e.g., dedicated revenue source for CTA)

## **Education**

Link affordable housing location to school performance  
Enhance access to higher education

## **Immigration**

Support immigrant integration in suburbs

## **Work & Housing**

Create regional housing and workforce intermediaries



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*Redefining the challenges facing metropolitan America and promoting innovative solutions to help communities grow in more inclusive, competitive, and sustainable ways.*

### ANNOUNCEMENT

#### Urban Center Becomes Metropolitan Program

In a major promotion, the Center on Urban and Metropolitan Policy this month became the Brookings Metropolitan Policy Program—and the first new Brookings department established since 1948. The new status reflects the rising importance of metropolitan issues to the domestic and global challenges Brookings seeks to address.

▶ read an open letter from Brookings President Strobe Talbott

### METROVIEW

**Deficits by Design Plague Metro**  
by Robert Puentes  
*The Washington Times*  
June 21, 2004

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### METROPOLITAN GROWTH

#### Mechanisms for Market-Based Land Use Control

Using case studies and a national survey, this paper examines transfers of development rights (TDRs) and other market-based land preservation techniques like mitigation banking and density transfer fees.

### IMMIGRATION

#### Washington Goes Polyglot

Metro Washington's "limited English proficient" (LEP) population

