

**Chicago Metropolitcs:  
A Regional Agenda for  
Members of the U.S. Congress**

Myron Orfield

Director, Metropolitan Area Program, American Land Institute

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*Susan Tincher, Scott Laursen, and Lisa Bigaouette made the maps and assisted in the production of the report. Myron Orfield is the Director of MAP.*

## TABLE OF CONTENTS

I. Overview	1
II. Background	
A. Reauthorization of the 1991 Intermodal Surface Transportation Efficiency Act	3
B. Chicagoland Members of Congress and Their Districts	5
III. The Core	7
A. Concentration of Poverty in the Chicago Region	7
B. The Effects of Concentrated Poverty	8
IV. The Diversity of Metropolitan Areas	15
A. The Sectoral Development of American Metropolitan Areas	15
B. Local Metropolitan Subregions	16
1. The Inner Suburbs	17
2. The Outer, Low Tax-base, Developing Suburbs & Satellite Cities	18
3. The Northwestern High Tax-capacity, Commercial Suburbs: The Favored Quarter	19
4. The Southern Developing Suburbs	20
V. The Polarization of the Chicago Metropolitan Region	20
A. Poor Children	20
B. Female-Headed Households	21
C. Median Household Income	21
D. Schools: Elementary Free and Reduced-Cost Lunch	22
E. Crime	23
F. Infrastructure	24
G. Sprawl and Land Use	27
H. Jobs	27
1. Overview	27
2. The Spatial Mismatch Hypothesis	28
I. Private Market Projections of Regional Employment Growth and Office Market Absorption	29
J. Fiscal Disparities	30
1. Overview	30
2. Cities	31
3. School Districts	32
4. The Implications of Growing Fiscal Disparities	33
VI. Metropolitan Solutions	34
A. Benefits of Cooperation	34
B. The Necessity of Regional Cooperation	35
C. Indianapolis, Albuquerque, and the Twin Cities: Equity through Consolidation, Annexation, and Tax-Base Sharing	36
D. Land-Use Planning and Affordable Housing: Portland, Oregon and Montgomery County, Maryland	37
VII. A Call to Action: Federal Metropolitan Solutions	38
VIII. Conclusion	39

## I. Overview

The Chicago area is one of America's greatest regions. It rose in the late nineteenth century as the gateway to the American west through its linkage of western and eastern railroad systems and its creative entrepreneurs in the grain, timber, and livestock trades. Chicago rapidly grew to dominate the middle-American economy, with an economic hinterland that reached to the Pacific Ocean. In the twentieth century, the city experienced enormous economic, population, and physical growth, as the core of its massive economy diversified. Emigrants of every ethnic and racial group came seeking to capture a part of its vital growth and opportunity. This process of growth and diversity continues.

As the Chicago region has grown, like many Midwestern regions, it has fragmented into hundreds of cities and school districts. Early in this fragmentation, it seemed like a natural sustainable pattern in which citizens could benefit from association with a large regional economy but also have a sense of control over their local governments and schools.

However, today there is a detrimental social and economic polarization occurring among the communities that make up the Chicago region (see subregions map). First, poverty has concentrated and is deepening in central city neighborhoods, older suburbs, and satellite cities. This concentration destabilizes schools and neighborhoods, is associated with increases in crime, and results in the flight of middle-class families and business. Ironically, as social needs accelerate in Chicago and its inner suburbs, the property tax base supporting local services erodes.

Second, in a related pattern, growing middle-income communities, dominated by smaller homes and apartments, develop without sufficient property tax base to support schools and other public services. These fiscally stressed communities become tomorrow's troubled suburbs.

Third, upper-income residentially exclusive suburbs, located predominantly in the outer northern and western quadrants of the region, are capturing the largest share of regional infrastructure spending and economic growth. As the property tax base expands in the northern and western developing suburbs, and their housing markets exclude, social needs proportionally decline. This favored sector, comprising one-quarter of the region's population, is becoming socially and politically isolated from regional responsibilities.

Overlaying this socioeconomic polarization are serious environmental threats. As the wave of socioeconomic decline rolls outward from the city and older suburbs, tides of middle-class homeowners sweep into fringe communities. Many growing communities in turn use expensive home zoning to "protect themselves" and to compete for tax base. In so doing, they lock the region into low-density development patterns that are costly to service, foster automobile dependency, contaminate groundwater, and needlessly destroy tens of thousands of acres of rich farmland.

Unfortunately, the bleak picture described here of the Chicago metropolitan area is not unique to that region. These patterns of socioeconomic polarization were first depicted in a series of geographic information system (GIS) maps of the Twin Cities region in 1993. The delineation of these patterns, through simple, yet powerful, color maps, helped create a metro-majority political coalition between the central cities, which comprise one-third of the region's population, and the inner and low tax-base, developing suburbs, which comprise another third. Representatives from these subregions united to create a regional agenda that would both preserve the autonomy of local jurisdictions and maintain their capacity to provide services. In the 1993-97 Minnesota legislative sessions, these subregions signaled their strong and growing support of a regional reform agenda by supporting and helping pass significant legislation involving regional tax-base sharing, fair housing, transportation/transit reform, land-use planning, and a stronger metropolitan government.

Since those first maps were produced of the Twin Cities, then the Portland, Oregon and the Chicago regions, the Metropolitan Area Program (MAP), a program of the American Land Institute (ALI), has conducted similar studies and made socioeconomic maps of at least ten other major U.S. metro areas: Philadelphia, Pittsburgh, Seattle, Baltimore, Gary, Cleveland, San Francisco, Miami, Milwaukee, and Atlanta. In each region, the same patterns were revealed: 1) poverty is concentrating in the very places with the fewest resources for dealing with the social affects of concentrated poverty—central city neighborhoods, older suburbs, and satellite cities; 2) growing, low tax-base, middle-income communities are developing too quickly to accumulate the resources necessary to address their high service and infrastructure needs; 3) high tax-base communities with the least social needs are capturing the largest share of regional infrastructure spending and job growth but are the least accessible to middle- and working-class people of the region. Most importantly, these studies have clearly shown that the suburbs are not a monolith with common needs and experiences. Coalitions can be forged between previously thought unlikely partners: elected officials of central cities and inner, older suburbs, and low tax-base, developing suburbs.

And such coalitions are being made. In the state legislatures of many of the regions MAP has studied, representatives from inner, older suburbs are allying with representatives from central cities and low tax-base, developing suburbs to promote a regional agenda that addresses issues of social and economic polarization, disinvestment in the central city, and urban sprawl. This report argues that similar coalitions can be developed between members of Congress representing central city neighborhoods, inner, older suburbs, and low tax-base, developing suburbs *within* a given region—such as the Chicago area—and *across* metropolitan regions nationwide. This report also argues that such alliances, formed to support legislation that encourages regional cooperation, would, in the short term, benefit the constituents of those inner suburban members of Congress. In the long term, metropolitan areas as a whole would gain from a regional agenda at the congressional level.

A timely and appropriate place for members of Congress, particularly those who represent central city neighborhoods, inner, older suburbs, and low tax-base, developing suburbs, to begin to develop a coalition that supports a regional agenda is through the reauthorization of the 1991 Intermodal Surface Transportation Efficiency Act (ISTEA). From there, this coalition can work together to develop and support other policies that foster regionalism. Using the Chicago

metropolitan area as an example, this report demonstrates how social and economic polarization within metropolitan areas hurts not only already ailing central cities, but also, low tax-base older, inner suburbs and developing suburbs—places that are more poorly equipped than central cities to deal with social and economic decline.

## **II. Background**

### **A. Reauthorization of the 1991 Intermodal Surface Transportation Efficiency Act (ISTEA)**

The current debate in Congress on the reauthorization of ISTEA presents the best opportunity for representatives to engage in a regional conversation. Those who represent older, inner suburbs, low tax-base, developing suburbs, and central city neighborhoods, in particular, should be especially interested in this discussion. The enactment of ISTEA in 1991 was important to metropolitan planning and should be important to inner suburban and central city members of Congress because:

By requiring urban areas with more than 50,000 residents to establish a metropolitan planning organization (MPO) to be responsible for transportation planning, including the preparation of a long-range transportation plan, ISTEA instituted a regional approach to decision-making. Decisions on how and where ISTEA funds are spent have a shaping effect on a region.

By requiring *real* public involvement in long-range transportation planning and decision-making, ISTEA empowered localities to be more effective in planning, allowing them to define and address their own unique transportation needs. MPOs are required to publish a public participation plan and review it regularly for effectiveness.

By requiring regions to establish MPOs to coordinate transportation planning, ISTEA created federally accepted regional boundaries and set a precedent for future legislation to be implemented on a regional level, such as regional land use planning and regional affordable housing.

Through its Congestion Mitigation and Air Quality (CMAQ) program, ISTEA created a *regional* air quality improvement tool. CMAQ made funding available (to metropolitan areas in non-attainment) to deal with air pollution caused by emissions from motor vehicles.

The Surface Transportation Program (STP) of ISTEA specifically targeted some funds to metropolitan areas over 200,000. Monies allocated through this program, that were intended to be spent in a regional fashion, have been drastically underspent by many of the state Department of Transportations (DOTs) responsible for administering them.

The reauthorization of ISTEA (in a form that, at minimum, maintains the original ISTEA programs and structure) is especially important for communities that are experiencing job and business loss, a declining tax base, and have large numbers of poor people, minorities, and parents raising children alone. In most metropolitan areas (including Chicago—as this report will show), these places are usually in the central city and inner suburbs. Because ISTEA’s decision-making structure and flexible programs allow regions to focus transportation funding where it is most needed, declining, inner suburbs and central city neighborhoods stand to benefit most from the reauthorization of this legislation—and would be hurt most by the gutting of ISTEA. For example, under ISTEA a region may flex highway money to transit in the form of van services for the elderly or increased bus service within and between suburbs. In high density urban areas where transit is the most efficient mode of transportation, more funding might be dedicated to a fixed or light rail system. Regions may use money from the Enhancements program to fund improvements to pedestrian walkways and the building and maintenance of bicycle lanes—modes of transportation used more often, but not exclusively, in higher density communities and places with an older population or a large student population. Because ISTEA enables regions to focus highway spending on maintaining existing roads and bridges rather than building new ones, it’s possible that much of a region’s highway spending would go to older parts of the region where the roads and bridges are older and in most need of repair.

One of the most promising proposals for a six year reauthorization of ISTEA is the House’s Building Efficient Surface Transportation and Equity Act or BESTEA (H.R. 2400), introduced by Congressman Shuster, chair of the Transportation and Infrastructure Committee.<sup>1 2</sup> This bill, unlike many of the other proposals that have been introduced in the past year for ISTEA reauthorization, essentially maintains the current structure, flexibility, focus, and intent of ISTEA, with a few improvements that would benefit older, inner suburbs and central city neighborhoods and residents:

BESTEA includes a “Jobs Access” program to connect low-wage, post-welfare workers, living predominantly in the city (94 percent of whom do not own cars), to jobs located predominantly in the suburbs.

BESTEA includes a “Transit Enhancements” program to provide funding for improvements to transit systems.

BESTEA allows transit agencies to use some of their capital formula funds for preventive maintenance.

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<sup>1</sup> This bill is very similar to the Administration’s earlier proposal, National Economic Crossroads Transportation Efficiency Act (NEXTEA). BESTEA has essentially replaced NEXTEA as the prominent ISTEA reauthorization bill in the House. The four original co-sponsors of NEXTEA are now all co-sponsors of BESTEA and have been joined by 109 others.

<sup>2</sup> Most of the information in this section and throughout this report on BESTEA, comes from the Surface Transportation Policy Project’s (STPP) web pages: [www.transact.org](http://www.transact.org) and [www.istea.org](http://www.istea.org).

However, there is one aspect of BESTEA that weakens the original ISTEA legislation considerably and, unless corrected, could be very damaging to inner suburbs and central cities:

***The current BESTEA language makes ISTEA’s regional planning provisions—including public involvement—advisory rather than mandatory.***

Many groups that care about the sustainability of metropolitan regions and care about older suburbs and central cities—such as the National League of Cities, the Conference of Mayors, the National Association of County Officials, and the Surface Transportation Policy Project—have been wielding their influence in the debate over ISTEA reauthorization. Their common message has been to keep the emphasis on *metropolitan* planning, to keep the public involvement requirement, and to maintain the set-aside for metropolitan areas over 200,000. The ISTEA requirement that MPOs develop a comprehensive transportation improvement program and involve the public in the decision-making process was significant in that it made possible local control in transportation planning. Before ISTEA, DOTs had sole decision-making power in how and where transportation money would be spent. If the planning mandate issued by ISTEA in 1991 is removed, localities will lose their planning power.

The Senate version of BESTEA, Senate Bill 1173 or ISTEA 2, is very similar to BESTEA except that, fortunately, it *retains* the required comprehensive planning process. If these two bills arrive in conference committee as they currently read, the Senate language that maintains the integrity of ISTEA by requiring regional planning and public involvement should take precedence.

### **Chicagoland Members of Congress and Their Districts**

This report uses the Chicago metropolitan area to illustrate the effects of regional socioeconomic polarization on older, inner suburbs and central city neighborhoods. To better understand the context in which this report is placed and the potential for regional coalition building at the Congressional level, it is important to understand the Congressmen who represent the Chicago region and the voting patterns within their districts.

Fourteen of the state of Illinois’ twenty congressional districts are in the Chicago metropolitan region. Currently, seven of these seats are held by Democrats and seven by Republicans. While some of these districts consistently elect their representatives—at all levels of government—from either the Democratic or Republican party, in others, the party of choice is much less clear. For example, the closest races have invariably been in the Eleventh Congressional District, where, in 1994, Republican Jerry Weller captured the seat from his Democratic opponent in one of the most closely watched swing district races in the country (Table 1). In 1996, his second election, Weller won by less than 5 percent in a district that includes severely declining and low tax-base, developing suburbs and parts of the city of Chicago. The President has twice prevailed in this unpredictable district. Congressman Weller has been committed to creating or protecting greenspace in his district, particularly notable are his efforts to establish the Midewin Tallgrass Prairie and the Calumet Ecological Park.

Democrat William O. Lipinski, from a socially and economically changing ethnic, suburban Third Congressional District, has also experienced close races, but only when the Democrats are divided. Clinton barely carries Lipinski's district, while Lipinski, a true blue-collar ethnic, anti-free trade Democrat, has won two-thirds of the vote in the last two elections. In his career, Lipinski has been an extraordinarily effective congressman with regard to acquiring federal transportation and infrastructure dollars for the Chicago region. Lipinski, a former Chicago alderman, has also been a fierce opponent of school busing and opposed the 1991 civil rights bill, denouncing its "quotas." Both Congressmen Dennis Hastert (14) and Donald Manzullo (16) represent districts that are a mixture of high and low tax-base, developing suburbia. While in recent years, these districts appear to be Republican bastions, Hastert barely won his first election in 1986 and Manzullo replaced a Democrat in 1992. Congressman Hastert has been involved in efforts to clean up radioactive waste in west Chicago and to protect the groundwater supply in the Fox Valley. Manzullo's unwavering support of international free trade has helped to create and protect jobs at the many export producing industries in his district, such as those in Rockford and Peoria.

The other ten congressional districts of the Chicago region are clearly either Republican or Democrat strongholds. The central city districts are overwhelmingly Democratic, with Congressmen Danny K. Davis (7), Luis V. Guitierrez (4), and Bobby L. Rush (1) showing electoral tallies in the 75-80 percent range. Democrat Jesse Jackson, Jr's seat (2), a majority-minority suburban district, has very nearly the same margins. All of the congressmen here see federal community development and job funds as high legislative priorities to combat the increasing social instability in their districts. In addition to traditional central city community development programs, Jackson also is committed to a new southside suburban airport in rural Peotone, far south of his district. The white city districts, represented by Democrats Rod R. Blagojevich (5) and Sidney R. Yates (9), which include the close in suburbs, while certain Democratic seats, show somewhat less stunning majorities. Blagojevich, a former prosecutor has shown a continuing interest in tougher criminal penalties to protect city residents. Yates is deeply interested in the arts and in protecting federal funding for such organizations as the NEA.

The high property-wealth districts, represented by Congressmen John Edward Porter (10), Philip M. Crane (8), Henry J. Hyde (6) and Harris W. Fawell (13) are almost as Republican as the central city districts are Democratic. Porter is a strong supporter of environmental protections; he has consistently supported the Clean Water Act, Clean Air Act, Wilderness Protection Act, National Park Protection Act, and the Land and Water Conservation Fund. Back home, Porter worked hard to bring an end to years of disputes that kept a Waukegan Harbor Superfund site from being cleaned up. As Chairman of the Ways and Means Committee's Subcommittee on Trade, Crane has been influential in ushering important trade policies (GATT and NAFTA) through Congress, creating and preserving foreign markets for many of Illinois' export dependent companies. Crane also is interested in inner suburban transit as evidenced by his diligent efforts to secure funding for a commuter rail service between Antioch and Franklin Park, Illinois. Hyde, who grew up in Chicago as an Irish Catholic Democrat, was once a Chicago trial lawyer, and has served in the House for over twenty years, confers with the new conservative Republicans on most issues, while holding his ground on issues where he disagrees: he is a staunch opponent of both abortion rights and term limits. As Chairman of the Employer-Employee Relations Subcommittee of the Education and Workforce Committee, Fawell has been a consistent champion of small business. In the environmental arena, he co-sponsored the Red Rock Wilderness Act and the Safe Drinking Water Act. The districts these four congressmen represent, as this report will show, have received the benefit of the lion's share of the new infrastructure and

almost all the economic growth of the Chicago region in the last decade.

**TABLE 1: Percent of Votes Received**

DISTRICT	PREVAILING CONGRESS CAND <sup>1</sup>	1996			1994		1992		
		CLINTON	DOLE	PEROT	PREVAILING CONGRESS CAND <sup>1</sup>	PREVAILING CONGRESS CAND <sup>1</sup>	CLINTON	BUSH	PEROT
1-Rush-D	86	85	11	3	76	83	81	12	7
2-Jackson-D	94	85	11	3	98	78	80	13	7
3-Lipinski-D	65	53	37	9	(Reynolds-D) 54	(Reynolds-D) 64	41	39	20
4-Gutierrez-D	94	80	14	5	75	78	65	23	12
5-Blagojevich-D	64	63	30	7	54		51	33	16
6-Hyde-R	64	43	48	9	(Flanagan-R) 73	66	33	47	20
7-Davis-D	82	82	14	3	80	81	78	15	7
8-Crane-R	62	41	50	9	(Collins-D) 65	(Collins-D) 56	31	48	22
9-Yates-D	63	69	26	5	66	68	61	27	12
10-Porter-R	69	50	43	6	75	65	41	43	16
11-Weller-R	52	51	38	11	61		44	36	20
13-Fawell-R	60	41	50	9	73	68	32	47	21
14-Hastert-R	64	41	48	10	76	67	34	44	22
16-Manzullo-R	60	42	47	10	71	56	37	42	22

<sup>1</sup>The prevailing congressional candidate was the same as the congressperson currently in office unless otherwise noted.

Source: *Congressional Quarterly's Politics in America, 1996.*

One of the Chicagoland districts where the preferred party is least apparent contains some of the most fiscally stressed, transitional suburbs: District 3. Fortunately, this district happens to be represented by the one member of Congress who, of all Chicago area delegates, is best positioned within the House to influence a regional agenda that could, more than any other policy currently being debated in Congress, turn the tide for these struggling communities. Congressman Lipinski serves on the Transportation and Infrastructure Committee. Lipinski, along with Congressmen Weller (who also represents one of the most fiscally stressed Chicagoland districts), Blagojevich, and Manzullo, is a co-sponsor of BESTEA. At the time of this writing, no other Chicago area representative has signed onto this ISTEAs reauthorization bill. Illinois Senator Carol Moseley-Braun is also well positioned in Congress to influence a regional agenda that will help struggling inner suburban communities as she serves on the Senate Housing and Urban Affairs Committee. At the time of this writing, however, neither Moseley-Braun nor Senator Richard Durbin had signed on to the ISTEAs 2 bill.

### III. The Core

#### A. Concentration of Poverty in the Chicago Region

The Chicago region, like many other metropolitan areas, is suffering from the cancer of concentrated poverty. It is a cancer that is deepening in its intensity and spreading in its scope. The most recent census shows that this cancer has broken the central city membrane, and is very firmly established in several rings of suburbs and satellite cities. The force of this movement and the experience of other metropolitan areas demonstrate that the progress of this poverty and its effects will not halt, but will continue to move aggressively outward from the core of the central

cities, inner suburbs, and satellite cities.<sup>3</sup>

At the center of this metastasis are a subset of distressed census tracts with more than 40 percent of their population below the federal poverty line. According to sociologists, such neighborhoods are extreme poverty tracts or ghettos.<sup>4</sup> Surrounding these severely distressed neighborhoods are transitional neighborhoods with 20 to 40 percent of their population in poverty.<sup>5</sup> In the 1970s, extreme poverty tracts and transitional neighborhoods exploded in size and population in the large cities of the Northeast and Midwest. During the 1970s, New York City's ghetto, the nation's largest, increased from 70 census tracts to 311.<sup>6</sup> During the 1980s, ghettoization rapidly increased in Chicago, Detroit, and many of the secondary cities of the Northeast and Midwest.<sup>7</sup> In 1980, 48 percent of Detroit's census tracts had at least 20 percent of the residents in poverty; by 1990, 75 percent of its tracts did.<sup>8</sup> In Midwestern cities, the number of ghettoized tracts doubled in the 1980s.<sup>9</sup>

While the percentage of Chicago's population living in extreme poverty census tracts did not increase a great deal from 1980 to 1990 (23.8 to 25.5 percent), the physical area of the distressed part of the city expanded at the second fastest rate in the nation. The number of tracts belonging to Chicago's extreme poverty area increased by 36 percent (47 tracts) during the 1980s. The number of census tracts considered to be poverty tracts, with 20 to 39.9 percent of the residents in poverty, increased by 10 percent (37 tracts) over the decade.<sup>10</sup> As the core grew, its center was rapidly depopulating. People moved out of the distressed areas in very large numbers, pushed by the concentration effects of poverty into the middle-class sections of the city, the inner-ring suburbs, and beyond.

## **B. The Effects of Concentrated Poverty**

Stimulated by William Julius Wilson's book, *The Truly Disadvantaged*, scholars in the late 1980s began actively studying the effects of concentrated poverty in large metropolitan areas. Their research, much of which comes from Chicago, confirms that concentrated poverty multiplies the severity of problems faced by both communities and poor individuals.<sup>11</sup> As

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<sup>3</sup> See Paul A. Jargowsky and Mary Jo Bane, "Ghetto Poverty in the United States, 1970 to 1980," in Christopher Jencks and Paul E. Peterson (eds.), *The Urban Underclass* (Washington, DC: The Brookings Institution), 235-273; John D. Kasarda, "Inner-City Concentrated Poverty and Neighborhood Distress: 1970 to 1990," *Housing Policy Debate* 4, no. 3, 253-302.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> Kasarda, "Concentrated Poverty," 261.

<sup>7</sup> Kasarda, "Concentrated Poverty"; Paul A. Jargowsky, "Ghetto Poverty Among Blacks," *Journal of Policy Analysis and Management* 13, no. 2 (1994): 288-310.

<sup>8</sup> Kasarda, "Concentrated Poverty," 261.

<sup>9</sup> Ibid., 260.

<sup>10</sup> Ibid., 286-94.

<sup>11</sup> William Julius Wilson, *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy* (Chicago: University of Chicago Press, 1987); Douglas S. Massey and Nancy A. Denton, *American Apartheid: Segregation and the Making of the Underclass* (Cambridge: Harvard University Press, 1993); Christopher Jencks and Paul Peterson eds., *The Urban Underclass* (Washington, D.C.: Brookings Institution, 1991); Nicholas Lemann, *The Promised Land: The Great Black Migration and How it Changed America* (New York: Alfred A Knopf, 1991);

neighborhoods become dominated by joblessness, racial segregation, and single-parentage, they become isolated from middle-class society and the private economy.<sup>12</sup> Individuals, particularly children, are deprived of local successful role models and connections to opportunity outside the neighborhood. A distinct society emerges with expectations and patterns of behavior that contrast strongly with middle-class norms.

Professor Wilson writes:

“I believe that the exodus of middle- and working-class families from ghetto neighborhoods removes an important ‘social buffer’ that could deflect the full impact of ... prolonged and increasing joblessness ... This argument is based on the assumption that even if truly disadvantaged segments of an inner-city area experience a significant increase in long-term spells of joblessness, the basic institutions in that area (churches, schools, stores, recreational facilities, etc.) would remain viable if much of the base of their support comes from the more economically stable and secure families. Moreover, the very presence of these families during such periods provides mainstream role models that help keep alive the perception that education is meaningful, that steady employment is a viable alternative to welfare, and that family stability is the norm, not the exception.”<sup>13</sup>

Studies have found that poor individuals living in concentrated poverty are far more likely to become pregnant as teenagers,<sup>14</sup> drop out of high school,<sup>15</sup> and remain jobless<sup>16</sup> than if they lived in socioeconomically mixed neighborhoods. Similarly, the concentration of poverty and its attendant social isolation leads to the development of speech patterns increasingly distinct from mainstream English.<sup>17</sup> These speech differences make education, job search, and general

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Nicholas Lemann, “The Origins of the Underclass,” *The Atlantic Monthly* 257 (1986): 31-55; Hope Melton, “Ghettos of the Nineties: The Consequences of Concentrated Poverty,” (St. Paul Department of Planning and Economic Development, November 10, 1993).

<sup>12</sup> See generally George C. Galster, “A Cumulative Causation Model of the Underclass: Implications for Urban Economic Policy Development,” in *The Metropolis in Black and White: Place, Power and Polarization*, eds. George Galster and Edward Hill (New Brunswick, NJ: Center for Urban Policy Research, 1992).

<sup>13</sup> Wilson, *Truly Disadvantaged*, 56.

<sup>14</sup> Jonathan Crane, “The Effects of Neighborhoods on Dropping Out of School and Teenage Childbearing,” in *The Urban Underclass*, eds. C. Jencks and P. Peterson (Washington, D.C.: Brookings Institution, 1991), 299-320; Susan E. Mayer, “How Much Does a High School’s Racial and Socioeconomic Mix Affect Graduation and Teenage Fertility Rates?” in *The Urban Underclass*, 321-41; Massey and Denton, *American Apartheid* 169-70; Dennis P. Hogan and Evelyn Kitagawa, “The Impact of Social Status, Family Structure, and Neighborhood on the Fertility of Black Adolescents,” *American Journal of Sociology* 90, no. 4 (1985): 825-55; Frank F. Furstenburg, Jr., S. Philip Morgan, Kristen A. Moore, and James Peterson, “Race Differences in the Timing of Adolescent Intercourse,” *American Sociological Review* 52 (1987): 511-18; Elijah Anderson, “Neighborhood Effects on Teenage Pregnancy,” in *The Urban Underclass*, 375-98; Sara McLanahan and Irwin Garfinkel, “Single Mothers, the Underclass, and Social Policy,” *The Annals of the American Academy of Political and Social Science* 501 (1989): 92.

<sup>15</sup> Crane, “The Effects of Neighborhoods,” 274-320; Mayer, “Graduation and Teenage Fertility Rates,” 321-41; Massey and Denton, *American Apartheid*, 169-70.

<sup>16</sup> Massey and Denton, *American Apartheid*, 180-82.

<sup>17</sup> John Baugh, *Black Street Speech: Its History, Structure and Survival* (Austin: University of Texas Press, 1983): 11-22; William Labov, *Language in the Inner City: Studies in the Black English Vernacular* (Philadelphia: University of Pennsylvania Press, 1972); Id., “The Logic of Nonstandard English” in *Black American English: Its*

interaction with mainstream society difficult.<sup>18</sup>

The effects of concentrated poverty can also be seen by comparing the experience of the poor living in concentrated poverty to that of poor individuals living in mixed-income communities. At least one large social experiment demonstrates that when poor individuals are freed from poor neighborhoods and provided with opportunities, their lives can change quite dramatically. Under a 1976 court order in the case of *Hills v. Gautreaux*,<sup>19</sup> thousands of single-parent black families living in Chicago public housing have been provided housing opportunities in predominantly white middle-class suburbs. Under the consent decree in a fair housing lawsuit originally brought in 1966, more than 5,000 low-income households have been given housing opportunities in the Chicago area. By random assignment more than half of these households moved to affluent suburbs that were more than 96 percent white, while the other participants moved to neighborhoods that were poor and more than 90 percent black. The pool of *Gautreaux* families thus provides a strong sample to study the effects of suburban housing opportunities on very poor city residents.

James Rosenbaum and colleagues from Northwestern University have intensively studied the *Gautreaux* families.<sup>20</sup> His research established that the low-income women who moved to the suburbs “clearly experienced improved employment and earnings, even though the program provided no job training or placement services.”<sup>21</sup> Very rapidly after the moves, the suburbanites were about 15 percent more likely to be employed.<sup>22</sup> Rosenbaum found that the children of the suburban movers dropped out of high school less frequently than the city movers (5 percent vs. 20 percent).<sup>23</sup> Second, they maintained similar grades despite higher standards in suburban schools. Third, the children who moved to the suburbs were significantly more likely to be on a college

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*Background and its Usage in the Schools and in Literature*, ed. Paul Stoller (New York: Dell Publishing Company, 1975); William Labov and Wendell Harris, “De facto Segregation of Black and White Vernaculars,” in *Diversity and Diachrony*, ed. David Sankoff, Current Issues in Linguistic Theory Series, vol. 53 (Philadelphia: Benjamins, 1986), 1-24; William Labov, *Locating Language in Space and Time* (New York: Academic Press, 1980).

<sup>18</sup> Joleen Kirschmen and Kathryn M. Neckerman, “‘We’d Love to Hire Them, But...’: The Meaning of Race for Employers” in *The Urban Underclass*, eds. C. Jencks and P. Peterson (Washington, D.C.: Brookings Institution, 1991): 203-32; Roger Shuy, “Teacher Training and Urban Language Problems,” in *Black American English: Its Background and Its Usage in the Schools and in Literature*, ed. Paul Stoller (New York: Dell Publishing Company, 1975): 168-85.

<sup>19</sup> *Hills v. Gautreaux*, 425 US 284 (1976).

<sup>20</sup> James Rosenbaum and Susan Popkin, “Employment and Earnings of Low-Income Blacks Who Move to Middle-Class Suburbs,” in *The Urban Underclass* eds. C. Jencks and P. Peterson (Washington, D.C.: Brookings Institution, 1991); Rosenbaum, Popkin, Kaufman, and Rustin, “Social Integration of Low-Income Black Adults in Middle-Class White Suburbs,” *Social Problems* 38, no. 4 (1991): 448-61; James E. Rosenbaum, Marilyn J. Kulieke, and Leonard S. Rubinowitz, “White Suburban Schools’ Responses to Low-Income Black Children: Sources of Successes and Problems,” *The Urban Review* 20, no. 1 (1988): 28-41; James E. Rosenbaum and Susan Popkin, “Black Pioneers: Do Their Moves to the Suburbs Increase Economic Opportunity for Mothers and Children?” *Housing Policy Debate* 2, no. 4 (1991): 1179-1213; James E. Rosenbaum and Julie Kaufman, “Educational and Occupational Achievements of Low Income Black Youth in White Suburbs” (paper presented at the annual meeting of the American Sociological Association, Cincinnati, Oh., 18 October 1991). See also Schools section below.

<sup>21</sup> Rosenbaum and Popkin, “Employment and Earnings.”

<sup>22</sup> *Ibid.*

<sup>23</sup> Rosenbaum and Kaufman, “Educational and Occupational Achievements,” 4.

track (40.3 percent vs. 23.5 percent<sup>24</sup>) and went to college at a rate of 54 percent, compared with 21 percent who stayed in the city.<sup>25</sup> In terms of employment, 75 percent of the suburban youth had jobs compare to 41 percent in the city.<sup>26</sup> Moreover, the suburban youth had a significant advantage in job pay and were more likely to have a prestigious job with benefits.<sup>27</sup> Finally, 90 percent of the suburban youth were either working or in school compared with 74 percent of the city youth.<sup>28</sup>

A growing core of concentrated poverty is like a collapsing star, which as it grows denser, repels rather than attracts. As poverty concentrates and social disorganization increases, crime grows, and waves of middle-class flight, business disinvestment, and declining property values surrounding the core intensify.

As the middle class leave, there are fewer customers for local retailers and the value of local housing declines precipitously. In the poorest metropolitan neighborhoods, basic private services, even grocery stores, disappear.<sup>29</sup> Vestiges of private economy that remain charge exorbitant prices allegedly justified by the risk of doing business. Social needs and hence property taxes begin to accelerate on a declining base of values. As local property taxes become highest in the least desirable parts of the metropolitan area, the flight of the middle class and the private economy increases.

Larger industrial and service businesses are disadvantaged by high taxes, deteriorating public infrastructure, crime, loss of property value, lack of room for expansion or parking, lack of rapid access to radial highways, and the cost of urban environmental issues.<sup>30</sup> Increasingly, urban employers maintain that the work force in distressed and ghetto neighborhoods is not suitable.

As an example of these trends, during the 1960s, Chicago lost 500,000 white residents, 211,000 jobs, and 140,000 private housing units; while its suburbs gained 800,000 white

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<sup>24</sup> Ibid., 5.

<sup>25</sup> Ibid., 5-6.

<sup>26</sup> Ibid., 6-7.

<sup>27</sup> Ibid.

<sup>28</sup> Ibid. The acceptance of these poor black families in affluent, predominantly white suburbs was not painless or immediate. At the outset, about 52 percent of the suburban movers reported incidence of racial harassment, compared to 23 percent in the city. However, the incidence of harassment rapidly decreased over time. Interestingly, both the suburban and city movers reported similar amounts of neighbor support and assistance (24.8 percent suburban v. 25.0 percent city) and essentially no difference in terms of their degree of contact with neighbors. When asked whether they had friends in their new neighborhoods, the suburban movers were actually slightly more likely to have friends than the city movers. In terms of interracial friendships, the suburban movers had more than two times the number of white friends that the city movers had and slightly fewer black friends. Further, over time, the degree of integration continued for suburban movers, and resegregation did not occur.

<sup>29</sup> Gary Orfield, "Ghettoization and Its Alternatives," in ed. Paul Peterson, *The New Urban Reality* (Washington, D.C.: Brookings Institution, 1985): 163.

<sup>30</sup> John D. Kasarda, "Urban Change and Minority Opportunities," in *The New Urban Reality*, ed. P. Peterson (Washington, D.C.: Brookings Institution, 1985): 33-68; John D. Kasarda, "Urban Industrial Transition and the Underclass," *The Annals of the American Academy of Political and Social Science* 501 (1989): 26-47.

residents, 500,000 jobs, and 350,000 housing units.<sup>31</sup> As the West Side of Chicago was enveloped in an expanding core of poverty during the 1960s, 75 percent of its businesses disappeared.<sup>32</sup> By 1980, the West Side's ghetto North Lawndale neighborhood included "48 state lottery agents, 50 currency exchanges, and 99 licensed bars and liquor stores, but only one bank and one supermarket for a population of some 50,000."<sup>33</sup>

In the end, the lack of a social mortar necessary to hold neighborhoods together and build communities makes community development in concentrated poverty neighborhoods difficult. Programs geared at job training or creation must struggle against what Douglas Massey calls "an oppositional culture." To the extent such programs succeed, individuals—even if they are employed in the neighborhood—often move to less poor areas.<sup>34</sup> Physical rehabilitation programs, while they improve the quality of shelter and neighborhood appearance, do little to attack the underlying "tangle of pathology"<sup>35</sup> associated with concentrated poverty.

In terms of business development, areas of concentrated poverty have great difficulty competing with developing suburbs with middle-class customers, low taxes, low crime rates, cheap land with increasing values, room for expansion and parking, new highways, and few contaminated industrial sites. Thus, it is not surprising that even when enormous financial resources have been devoted to enterprise zones or inner-city tax abatements, it has been very difficult to stimulate viable business opportunities that employ core residents.<sup>36</sup>

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<sup>31</sup> Pierre de Vise, "Social Change," in *Chicago's Future*, ed. Dick Simpson (Champaign: Stripes Publishing Company, 1976): 113-22.

<sup>32</sup> Loic J.D. Wacquant and William Julius Wilson, "Poverty, Joblessness, and the Social Transformation of the Inner City," in *Welfare Policy for the 1990s*, eds. Phoebe H. Cottingham and David T. Ellwood (Cambridge: Harvard University Press, 1989): 92.

<sup>33</sup> Ibid.

<sup>34</sup> Nicholas Lemann, "The Myth of Community Development," *The New York Times Sunday Magazine* (2 January 1994); Ibid., "The Promised Land," 109-222; Rusk, *Cities Without Suburbs*, 44-47.

<sup>35</sup> See Wilson, *The Truly Disadvantaged* at 21.

<sup>36</sup> See generally Roy E. Green, ed., *Enterprise Zones: New Directions in Economic Development* (Newbury Park, CA: Sage Publications, 1991); Thomas Donlan, "Danger Zones: The Required Ingredient in an Enterprise Zone is Enterprise," *Barron's* (22 June 1992): 10; Glenda Glover and J. Paul Brownridge, "Enterprise Zones as an Instrument of Urban Policy: A Review of the Zones in South Central Los Angeles," *Government Finance Review* (June 1993): 15-17; Neal Peirce, "Enterprise Zones - No Great Shakes," *National Journal* (17 July 1993): 1828; Elizabeth Larson, "Network News: Enterprise Zones Ignore the Importance of Social Networks," *Reason* (April 1994): 17; Richard Pomp, Sandra Kanter, Kenneth Simonson, and Roger Vaughan, "Can Tax Policy be Used to Stimulate Economic Development?" *The American University Law Review* 29 no. 207 (1979-80): 207-33; Paul Kantor and H. V. Savitch, "Can Politicians Bargain with Business: A Theoretical and Comparative Perspective on Urban Development," *Urban Affairs Quarterly* 29 no. 2 (1993): 230-255; Elizabeth Gunn, "The Growth of Enterprise Zones: A Policy Transformation," *Policy Studies Journal* 21 no. 3 (1993): 432-49; Otto Hetzel, "Some Historical Lessons for Implementing the Clinton Administration's Empowerment Zones and Enterprise Community Programs: Experiences from the Model Cities Program," *The Urban Lawyer* 26 no. 1 (1994): 63-81; Jeffrey Katz "Enterprise Zones Struggle to Make Their Mark," *CQ* (17 July 1993): 1880-83; Timothy Bartik, *Who Benefits From State and Local Economic Development Policies* (details): 17-62; Laura McClure, "Enterprise Zones Have Negligible History of Success," *National Catholic Reporter* (13 November 1992); Glenda Glover, "Enterprise Zones: Incentives Are Not Attracting Minority Firms," *The Review of Black Political Economy* (Summer 1993): 73-99.

David Rusk recently studied the effects of several of the largest and most successful Community Development Corporation (CDC) initiatives in the country. In virtually all of these areas of massive CDC investment, family and individual poverty rates substantially increased and moved further from metropolitan norms, the median household income declined and moved further away from the metro average, and the communities grew more segregated (Table 2).

In response, is it possible that CDC efforts have made these communities better than they might otherwise have been. These figures do not reflect individuals who have been empowered by CDC programs and have left poor neighborhoods. It is also true that CDCs have often represented the only available response to concentrated poverty. However, in the end, these figures do indicate that CDC efforts are woefully inadequate in face of the enormous force of metropolitan polarization.

The foregoing demonstrates the deep need that core communities have for regional reform. The concentrated, segregated cores of central cities, inner suburbs, and satellite suburbs are under desperate fiscal stress. Tax-base sharing can provide the needed resources to rebuild, more competitive tax rates, and stem the fiscal polarization that draws wealth and business to the edge of affluent suburbia. Fair housing is necessary both to provide individuals access to opportunity wherever it may exist in the region and to slowly relieve the concentration of poverty and segregation that disables older communities.

	Bedford Stuyvesant Restoration Corp.,		Marshall Heights Community Development Corp.,			Eastside Community Investments, Inc.,			Walnut Hills Redevelopment Foundation,		Detroit Shoreway Community Development Corp.,		Anacostia Community Development Corp.,					
<b>TABLE 2</b>																		
CDC Area Family Poverty Rate	24%	34%	13%	19%	17%	11%	19%	26%	35%	37%	13%	37%	13%	24%				
CDC Area Individual Poverty Rate	28%	34%	13%	17%	20%	14%	22%	28%	39%	41%	16%	39%	15%	24%				
CDC Mean Hsehold Income as % of Metro Mean	48%	50%	74%	63%	56%	73%	62%	56%	43%	44%	59%	46%	69%	49%				
CDC Area Total Households	121,767	94,879	35,080	30,981	27,976	14,29	14,161	13,051	4,511	4,229	8,41	6,261						
CDC Area % Black Population	81%	86%	92%		97%	3%	5%	13%	90%	88%	0%	8%	85%	91%				
Metro Family Poverty Rate	11%	14%	9%	6%	6%	6%	7%	7%	7%	8%	8%	9%	7%	8%	9%	6%	6%	4%
Metro Individual Poverty Rate	14%	17%	12%	8%	8%	6%	9%	9%	10%	11%	10%	11%	9%	10%	12%	8%	8%	6%
CDC Area Change in Tot Real Income (1970-90)	-7%		-15%			-20%					-49%		-19%					
CDC Area Change in Tot Real Income (1980-90)			-4%			-11%			-3%									
Metro Area Change in Tot Real Income (1970-90)																		
Metro Area Change in Tot Real Income (1980-90)																		

	New Community Corporation, Newark, NJ (1968)		Community Development Corp. of Kansas City, Kansas City, MO (1970)		Project for Pride in Living, Minneapolis, MN (1972)		Bethel Housing, Inc., Chicago, IL (1978)		Urban Edge Housing Corp., Roxbury, MA (1974)		
CDC Area Family Poverty Rate	30%	30%	17%	26%	11%	25%	35%	37%	14%	23%	25%
CDC Area Individual Poverty Rate	33%	31%	23%	30%	15%	26%	36%	40%	17%	24%	24%
CDC Mean Hsehold Income as % of Metro Mean	44%	40%	62%	52%	65%	58%	57%	48%	79%	73%	76%
CDC Area Total Households	7,107	3,613	45,22	29,214	79,08	63,487	16,192	11,852	16,061	13,744	14,375
CDC Area % Black Population	88%	90%	48%	52%	8%	23%	98%	99%	20%	26%	29%
Metro Family Poverty Rate	7%	7%	7%	7%	7%	6%	9%	10%	6%	7%	6%
Metro Individual Poverty Rate	9%	9%	9%	9%	9%	8%	11%	12%	9%	9%	8%
CDC Area Change in Tot Real Income (1970-90)	-36%		-37%		-11%				-24%		
CDC Area Change in Tot Real Income (1980-90)							-34%		-44%		
Metro Area Change in Tot Real Income (1970-90)			59%		50%						
Metro Area Change in Tot Real Income (1980-90)			26%								

Source: David Rusk, research sponsored by the Twentieth Century Fund.

## IV. The Diversity of Metropolitan Areas

Political pundits and scholars assert that metropolitan reforms are no longer possible because “the suburbs” have taken over American politics. Representing over 50 percent of the American population and over 60 percent of Chicagoland, clearly the suburbs do have great political power. However, the pundits and reformers assume that the suburbs are monolithic, with common social experiences and political needs. Nothing could be further from the truth. The experiences and needs of suburban communities are almost as diverse as the nation itself.

### A. The Sectoral Development of American Metropolitan Areas

Students of American metropolitan housing markets have demonstrated that American metropolitan areas develop in socioeconomic sectors, or wedges, that reach out from central city neighborhoods deep into suburbia.<sup>37</sup> As cities come into being, neighborhoods segment along class lines in sectors surrounding a growing central business district. Working class families settle within walking distance of industrial sites. The middle class form neighborhoods “upwind (or at least not downwind)”<sup>38</sup> from heavy transport and manufacturing areas on sites close to white-collar, downtown jobs. The upper class settle in neighborhoods removed from the other two groups, often on land with attractive topographical features. Over time, these three distinct neighborhoods grow in pie-shaped wedges into the expanding city.

The most rapid turnover in home-ownership occurs in middle-class housing markets as promotions and pay increases allow owners to continually move up into newer and better housing. Thus, middle-class sectors appear as asymmetrical bulges in housing market construction at the region’s periphery. The upper- and working-class housing markets have less mobility and growth. The upper-class market is small and has high amenity levels. Working-class wages peak early, and a major goal in such communities is simply home ownership. In both cases, there is less need for move-up housing.

As these sectors spill over city boundaries, working-class neighborhoods extend into working-class first- and second-tier suburbs, middle-class neighborhoods into middle-class

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<sup>37</sup> John S. Adams, “Housing Submarkets in an American Metropolis,” in *Our Changing Cities*, ed. John Fraser, (Baltimore: Johns Hopkins University Press, 1991): 108-26; Homer Hoyt, *The Structure and Growth of Residential Neighborhoods in American Cities* (Washington D.C.: US Government Printing Office, 1939) reprinted in 1966 with analysis of the 1960 census data; Ronald F. Abler and John S. Adams, *A Comparative Atlas of America's Great Cities: Twenty Metropolitan Regions* (University of Minnesota Press: Association of American Geographers, 1976); John Adams, *Housing America in the 1980s* (New York: Russell Sage Foundation, 1987); John S. Adams, “The Sectoral Dynamic of Housing Markets within Midwestern Cities of the United States,” in *The Geographic Evolution of the United States Urban System*, ed. John Adams.

<sup>38</sup> Adams, “Sectoral Dynamic.”

suburbs, and upper-class neighborhoods into upper-class suburbs. These patterns traditionally followed street car lines and radial access roads beyond the city into the first-tier suburbs. However, as circumferential highways became the shaping force of metropolitan development, the influence of sectoral patterns began to wane in suburbs beyond the circumferential highways.

When a household moves to a new unit at the periphery, it creates a vacancy at its old address which is filled by another household, which leaves a vacancy at its old address and so on. The building of new housing at the periphery sets in motion vacancy chains reaching far back into the central core. Thus, the more rapid peripheral growth of middle-class sectors early on creates low demand at the center of its vacancy chain. As demand declines, so does price, which in turn leads to opportunities for the region's poor. In such a way, core middle-class neighborhoods are the first to become impoverished. As these neighborhoods become poorer, social and economic decline accelerate and push the middle class out at the same time the vacancy chain is pulling them. Working-class and upper-class neighborhoods, because of less growth and turnover, tend to remain stable longer than middle-class sectors. However, when they decline, they do so rapidly. Ironically, as the various classes move up and/or flee from central city areas, all the social and economic changes that occur in the core of their sectoral housing markets eventually follow them through the vacancy chains into the suburbs.

## B. Local Metropolitan Subregions

As these patterns have played out over generations of growth, at least four distinct types of suburban communities have emerged in the Chicago metropolitan area: (1) socioeconomically declining inner suburbs; (2) outer-region satellite cities and low tax capacity, developing suburbs; (3) northwestern region, commercial, high tax capacity, developing suburbs; and (4) southern region, high tax capacity, developing suburbs (See earlier subregions map and Table 3).<sup>39</sup> For the purposes of the following analysis, the Chicago region will be defined as the six-county Illinois region under the jurisdiction of the Northeast Illinois Planning Commission.

<b>TABLE 3</b>	<b>Central City</b>	<b>Inner Suburbs</b>	<b>Northwest Suburbs</b>	<b>Outer Suburbs</b>	<b>South Developing</b>
Persons, 1990	2,783,726	1,389,076	1,706,041	706,669	107,336
Households, 1990	1,025,174	512,475	616,050	237,090	36,044
% of Region's Incorporated Population, 1990	41.6%	20.8%	25.5%	10.6%	1.6%
% of Region's Total Population, 1990	38.3%	19.1%	23.5%	9.7%	1.5%
Median Household Income, 1989	\$26,301	\$37,288	\$54,106	\$36,110	\$49,584
% Change in Median Household Income,	3.8%	-1.8%	9.7%	4.6%	6.0%
% Children under 5 in Poverty, 1989	35.0%	10.4%	2.7%	12.2%	1.7%
Change in the % of Children under 5 in Poverty, 1979-1989	4.5%	12.4%	-29.3%	12.8%	-53.2%
Female-Headed HHs with Children as a % of Total HHs with Children, 1990	35.6%	17.5%	8.6%	15.9%	7.0%
Change in the % of Female-Headed HHs with Children, 1980-1990	8.2%	29.9%	3.0%	12.8%	2.0%
% Non-Asian Minority Students, Grades 1-4	72.9%	30.7%	5.3%	16.3%	1.2%

<sup>39</sup> All statistics in the following section are from the US Census unless otherwise noted.

Change in White Children 0-4 in 1980 to 10-14 in 1990	-29.2%	-16.0%	12.4%	-11.3%	43.3%
% Change in Jobs, 1980-1990	-5.8%	3.0%	60.7%	19.0%	106.1%
Market Value per Household, 1993	\$83,884	\$104,562	\$200,642	\$104,174	\$160,311
Change in Real Market Value per Household, 1980-1993	50.7%	25.9%	47.7%	28.9%	47.9%
Change in Real Market Value, 1980-1993	41.2%	27.0%	90.6%	48.0%	131.8%
Spending per Pupil	\$5,585	\$4,863	\$5,385	\$4,056	\$4,116

## 1. The Inner Suburbs

The socioeconomically declining inner-ring suburbs (the inner suburbs) are suburbs that are fully developed and beginning to experience socioeconomic changes moving sectorally out of the city. These communities are defined by a combination of increasing social needs and/or comparatively low tax base. Rarely, these are communities with neither, but becoming so surrounded by declining communities that their long-term stability is threatened. These communities often do not have sufficient property tax base to respond to growing social challenges. It is important to note that in older metropolitan areas of the country, as poverty and social instability crossed city/suburban lines, it actually began to accelerate and intensify. These older, transitioning suburbs are primarily found on the south and west sides of Chicago. They include places like Berwyn, Burbank, Hometown, Oak Lawn, and Cicero in Congressman Lipinski's district; Harvey, Markham, Robbins, Ford Heights, and Chicago Heights in Congressman Jackson's district; and Calumet City, Lansing, South Holland, Lynwood, and Crete in Congressman Weller's district. Some of these struggling suburbs, like communities such as Camden, New Jersey, Compton, California, and East St. Louis, Missouri, suffer much more severe segregation, deprivation, and intense levels of crime than the cities they adjoin.<sup>40</sup>

There are several reasons that inner suburbs are less stable than central cities.

(1) Central cities have a comparatively stable resource base. While central cities feel the first body-blows of social and economic change and decline, their central business districts and stable/gentrifying neighborhoods provide some tax base to respond to socioeconomic change. Inner-ring suburbs are often bedroom communities without commercial-industrial base or stable housing values. Thus, as poverty and instability arrive, the relatively few available resources rapidly evaporate.<sup>41</sup>

(2) Cities have social-governmental systems in place to cope with poverty and social change. Most metropolitan social networks, such as welfare and large well-equipped police forces, are located in central cities and provide vital assistance in containing and lessening the severity of social distress. Inner-ring suburbs without tax base or ability to provide such services

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<sup>40</sup> Orfield and Monfort, "School Desegregation," 30; Rob Gurwitt, "Saving the Aging Suburb," *Governing* 6, no. 8 (1993): 36; Paul Glastris and Dorian Friedman, "A Tale of Two Suburbias," *US News and World Report* (9 November 1993): 32-36; Massey and Denton, *American Apartheid*, 67-74. See also Schools section below.

<sup>41</sup> As this dynamic has run its course in larger metropolitan areas, the consequences can be extreme. For example, the property wealth of East St. Louis, Missouri can only cover the expenses of its school system for one month a year—the rest is provided by emergency state aid. It can no longer afford public garbage collection, and this function is performed by a group of volunteer nuns for a city of over 40,000 people. (David Rusk, lecture at Landmark Center, St. Paul, 17 September 1993.)

are often “hit like a freight train” by social problems as they cross city/suburban borders.

(3) Central cities have institutions and social amenities ranging from universities that provide stable, related communities, to the fine arts and more popular entertainment, to a wide variety of restaurants, to a well-landscaped urban park system. These attractions interact well with unique housing stock to foster diverse stable communities. The inner-ring’s inexpensive housing on grid patterns is seldom accompanied by entertainment, amenities, or parks.

(4) Cities have a more participatory public culture. Those who chose to remain in central cities are much more likely to be socially and politically active. Suburbanites are more likely to be individualists, less interested in the web of neighborhood social and political issues, and with the exception of schools, are less involved in public concerns.<sup>42</sup> City residents thus have greater neighborhood identification and more organized responses to social difficulties. They are more likely to organize block groups against crime, patrol neighborhoods, participate in community fairs, and work on physical rehabilitation problems. Working-class neighborhoods, because of their tight-knit social structure, also have immense staying power. Often centered around Catholic churches, they provide rich inclusive community experiences. In inner suburbs, social networks are scarce and residents often leave at the onset of socioeconomic change.

(5) Central cities are heterogeneous and retain pockets of stability and gentrification. American cities initially developed as the entire social and economic mix of their respective metropolitan areas, having elite, middle-class, and working-class neighborhoods. Upper-class neighborhoods retain appeal to older elites and young urban professionals. Middle- and working-class suburbs are homogenous and do not have elite or gentrifying neighborhoods.

In this light, the housing stock in central cities, particularly in elite and middle-class neighborhoods, is durable and has amenities such as stone or brick exteriors, hardwood floors, and built-in cabinetry that remain fashionable and are expensive to duplicate. Most post-World War II expansion suburbs are a collection of rapidly assembled and inexpensively constructed homes. They are not unique, and are in direct competition with more modern housing in outer-edge cities without social stress.<sup>43</sup>

## **2. The Outer, Low Tax-Base, Developing Suburbs and Satellite Cities**

The outer-region, low tax capacity, developing suburbs (the outer developing suburbs), tend to be extensions of middle- and working-class neighborhoods beyond the beltway, communities of new immigrants from more rural settings to metropolitan Chicago, and older satellite cities which have become firmly embedded in the region. These communities, with a property tax base composed mainly of inexpensive single family homes and apartment buildings and/or a declining industrial base, do not have sufficient resources to support basic public services. They have some of the highest property taxes and lowest quality services in the region.<sup>44</sup> These suburbs include the older, industrial satellite cities of Waukegan and North Chicago in

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<sup>42</sup> See Joel Garreau, *Edge Cities: Life on the New Frontier* (New York: Anchor Books, 1992).

<sup>43</sup> See Housing section below.

<sup>44</sup> See William H. Oakland and William A. Testa, “Does Business Development Raise Taxes: An Empirical Appraisal,” (Metropolitan Planning Council, January 1995).

Congressman Porter's district, Joliet in Congressman Weller's district, and Elgin and Aurora in Congressman Hastert's district, as well as the smaller communities surrounding them.

### **3. The Northwestern High Tax-Capacity, Commercial Suburbs: The Favored Quarter**

Christopher Leinberger and his colleagues at Robert Charles Lesser and Co. (RCL & Co.), one of the most successful real estate consulting firms in the country, have made a great deal of money locating for business the "favored quarter" in a given metropolitan area.<sup>45</sup> These quarters are developing suburban areas that have mastered the art of skimming off the cream of metropolitan growth, while accepting as few metropolitan responsibilities as possible. RCL & Co. look for areas with concentrations of housing valued at above \$200,000, high-end regional malls, and the best freeway capacity. As these communities grow affluent and their tax base expands, their exclusive housing market actually causes their relatively small local social needs to decline.

In the Twin Cities, the favored quarter is a group of developing suburbs to the south and west, on and beyond the I-494 beltway. While Minneapolis/Saint Paul and many of the inner suburbs lost jobs over the decade, the Twin Cities southwestern developing suburbs, which represent 27 percent of the region, gained 61 percent of its new jobs. A similar crescent surrounding the King of Prussia mall in the northwest quadrant of the Philadelphia region dominates regional job growth, property tax base expansion, and new infrastructure construction.

In the Chicago region, Leinberger's favored quarter is a crescent of suburbs in the northwest quadrant—a wide band that takes in the entire southern halves of Congressman Porter's and Crane's (8) districts, nearly all of Congressman Hydes's district, and the northern suburbs of Congressman Fawell's district. The northwestern, commercial, high tax capacity, developing suburbs (the northwest developing suburbs or the Favored Quarter) are suburbs with a broad, rich property tax base and comparatively few socioeconomic needs. The northwest developing suburbs have dominated metropolitan commercial growth and upper-income residential development over the last two decades.

### **4. The Southern Developing Suburbs**

This group is a small growth area in the southern suburbs that is a pale reflection of the favored northwestern quarter, although substantially better off than the other groups of suburbs. These communities are primarily located in the far southeastern corner of Congressman Fawell's district—Orland Park and Tinley Park (part of which is in Congressman Lipinski's district)—and the north-central part of Congressman Weller's district—Mokena and Frankfort. The southern developing suburbs are distinguished from the northwest developing suburbs in that they are physically separated from the northwest suburbs and have competing views on infrastructure

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<sup>45</sup> Robert Charles Lesser & Co. calls metropolitan subareas like the northwestern developing suburbs "favored quarters." When advising major clients to locate facilities, they systematically search for subregions with the greatest presence of executive housing, high-end local retail malls, recent highway improvements, employment growth, low commercial real estate vacancy rates, and high share of regional economic growth. They judge these areas the most viable for a wide variety of business endeavors. See Christopher Leinberger, Managing Partner, Robert Charles Lesser & Co., memorandum to author, Re: Robert Charles Lesser & Co. Metropolitan Overview Analysis (MOA) Methodology, 16 August 1994.

issues such as the allocation of regional highway dollars and the location of regional airports.

## **V. The Polarization of the Chicago Metropolitan Region**

### **A. Poor Children**

During the 1980s, the federal poverty line did not keep up with inflation. By 1990, a single mother and her child were not poor unless they had an income of less than \$8,420.<sup>46</sup> Most social scientists do not think this is a measure of poverty, but of desperate poverty. Children that grow up in such poor homes have great trouble finishing high school and avoiding the criminal justice system, and will very likely represent some sort of a governmental responsibility for the rest of their lives.

In 1990, 35.6 percent of Chicago's preschool children fell below the federal poverty line (Figure 1). Four inner suburbs, Ford Heights (67.5 percent), Robbins (52.7 percent), Harvey (43.9 percent), and Chicago Heights (37.6 percent)—all located in Congressman Jackson's district—were poorer than Chicago in this measure. There were thirteen additional suburbs above 20 percent poor children, including Markham (26.2%) in Congressman Jackson's district and Joliet (22%) in Congressman Weller's district. A total of forty-four communities had more than 10 percent desperately poor preschool children.

As childhood poverty swept across city/suburban borders, in many regions it tended to grow more rapidly in the suburbs than in the central city (Figure 2). In terms of the change in the level of childhood poverty, several rings of south-side inner suburbs were in rapid increase. Twenty-eight suburban communities which ended the 1980s with more than 10 percent desperately poor children gained poor children at a faster rate than Chicago. As examples, the city of Posen went from 2.5 to 22.9 percent poor children (+20.4 percentage points) and nearby Riverdale from 2.8 to 19.8 percent poor children (+17 percentage points)—both of these cities are located in Congressman Jackson's district.

The high tax-base suburbs' low poverty rates in 1980 dropped even lower. In this light, there were forty-eight communities, predominantly located in Congressman Hyde, Fawell, Porter and Crane's districts, with less than one percent poor preschool children and seventy-two with less than two percent. One-hundred-twenty communities out of the 240 suburbs for which values could be calculated experienced a decrease in the percentage of children under 5 in poverty. Strikingly, the percentage of poor preschool children declined by over 3 percentage points in some of the northwestern developing suburban towns that dominated economic growth in the region during the decade such as Des Plaines, Elmhurst, Roselle, Bloomingdale, and Wood Dale—all in Congressman Hyde's district, and Prospect Heights in Congressman Porter's district.

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<sup>46</sup> Family of three: \$10,560; family of four: \$12,700 (Federal Register 1990, vol. 55, no. 33: 5665).

## **B. Female-Headed Households**

Thirty-six percent of the total households with children in Chicago were headed by females in 1990 (Figure 3). There were seven suburban cities, predominantly on the south and west side, with higher percentages of female-headed households than Chicago. Again, communities like Ford Heights (64.7 percent), Phoenix (50.7 percent), and Robbins (49.1 percent)—all located in Congressman Jackson’s district—had the highest percentages. All told, there were sixty-two suburbs with more than 15 percent of households with children headed by women.

Over the decade, Chicago went from 32.9 to 35.6 percent of its households with children headed by women, an increase of 2.7 percentage points (Figure 4). Many inner-ring suburbs experienced a sharper increase than the central city, with Riverdale moving from 10.5 to 33.5 percent (+23 percentage points), Calumet Park moving from 14.5 to 36.1 (+21.6 percentage points), Ford Heights from 44.6 to 64.7 (+20.1 percentage points), and Markham from 19 to 36.1 (+ 17.1 percentage points) all increasing much more rapidly. All of these cities are located in Congressman Jackson’s district.

On this measure, the higher tax-base areas generally remained stable. There were fifty-one communities with less than 6 percent female-headed households and three communities with no female-headed households at all. Notable were Lake Bluff (Porter) which declined from 10 to 3.2 percent (-6.8 percentage points), Carol Stream (Hyde) from 16.4 to 10.8 percent (-5.6 percentage points), and Winnetka (Porter) from 8.1 to 3.4 percent (-4.7 percentage points).

## **C. Median Household Income**

The 1989 median household income for Chicago was \$26,301 (Figure 5). There were nine inner suburbs, mainly on the south and west sides, with lower median incomes than the central city. For example, Ford Heights (\$14,032) had about half Chicago’s median income; Robbins about two-thirds (\$17,194)—both are in Congressman Jackson’s district. Hodgkins (\$23,802), in Congressman Lipinski’s district, also had a lower median income than Chicago. In all, there were eighty-five suburbs with median household incomes below the six-county median household income of \$37,078.<sup>47</sup> Virtually all were satellite cities or in the western and southern inner-ring. On the other hand, there were seventy-one cities with median household incomes above \$50,000, twenty-two above \$80,000, and thirteen communities with median household incomes above \$100,000. The highest in the Chicago region was Riverwoods, in Congressman Porter’s district, at \$125,074. Most of these communities were in the northern and western outer ring—especially in Congressman Porter’s and Crane’s districts.

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<sup>47</sup> This is an estimate of the six-county median household income calculated by averaging the median household incomes of all municipalities in the area and weighting by population.

During the 1980s, Chicago's median household income, adjusted for inflation, increased slightly, by 3.8 percent. Ninety-seven suburbs, predominantly in the south and west inner quadrant, lost median income (Figure 6). The most dramatic losses occurred in Robbins, moving from \$24,552 to \$17,194 (-30 percent), Dixmoor (-22.7 percent), Harvey (-22.3 percent), Markham (-18.9 percent), and Ford Heights (-21 percent)—all in Jackson's district—and Calumet City (-16 percent) in Weller's district.

In general, the higher a community's median income, the more rapidly it rose during the 1980s. In the wealthiest part of the northwestern outer suburbs, incomes skyrocketed. In Winnetka, the median income increased over 46 percent, from \$80,932 to \$118,456; in Riverwoods, 51 percent, from \$82,800 to \$125,074. Both of these cities are located in Congressman Porter's district.

#### **D. Schools: Elementary Free and Reduced-Cost Lunch<sup>48</sup>**

Schools are the first victim and the most powerful perpetuator of metropolitan polarization. Local schools become socioeconomically distressed before neighborhoods themselves become poor. Hence, increasing poverty in a city's schoolchildren is a prophecy for the city. First, the city's children often become its adults. Second, though by no means the fault of the poor children, middle-class families, who form the bedrock of stable communities, will not tolerate high concentrations of poverty in their schools. Some of this flight has to do with wrongful biases on the part of the parents and some the perception that poor children come to school with a variety of social deficits, including even the most basic nutrition, that deprives their children of the time and attention that they would receive in a more monolithically middle-class environment. In this light, there is a rapid social and economic polarization occurring among the Chicago area's 241 school districts. The central city is struggling under a disproportionate share of concentrated poverty and all of its attendant costly social needs. Both the inner suburbs that have surpassed the city's poverty rate and those that are rapidly catching up face more dismal long-term prospects. Middle-income outer-ring suburbs developing without sufficient property tax base face increasing social and academic challenges with the lowest per-pupil spending in the region. On the other hand, affluent suburban systems enjoy insulated, stable prosperity financed by local business growth.

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<sup>48</sup> 154 out of 244 districts reported this statistic to the State Board of Education. Numbers of children eligible for free and reduced lunch come from spreadsheet entitled "School Lunch Reimbursement - FY 89, Average Free and Reduced Meal Eligibles for Public School Districts with Elementary or Unit District Types," from the Child Nutrition Division of the Illinois State Board of Education. Total enrollment figures come from the CD-ROM database *School District Data Book*, an information resource of the National Center for Education Statistics.

Just as concentrated poverty in schools destabilizes communities because of concentrated costly social need and middle-class flight, it has a very negative effect on individual access and achievement. Schools are not just instruction and textbooks, but, like neighborhoods, represent a series of reinforcing social networks that contribute to success or failure. Fast-track, well-funded suburban schools are streams moving in the direction of success, with broad social connections and with currents that value hard work, goal setting, and academic achievement. Monolithically poor central-city and inner-suburban schools are streams moving toward failure, without social connections, and with currents that reinforce anti-social behavior, drifting, teenage pregnancy, and dropping out.

Most social scientists use free and reduced-cost lunch statistics to measure children in poverty. They believe that it is more realistic than federal poverty standards. Children are eligible for reduced lunch if their income level is not above 185 percent of the federal poverty level, and they are eligible for free lunch if their income is not above 130 percent of the poverty level. In Chicagoland in 1989, the percentage of elementary school children eligible for free or reduced-cost lunch ranged from 94.9 percent in East Chicago Heights School District 169 in Jackson's and Weller's districts, to 0.1 percent in Homer Community Consolidated School District 33C in Fawell's district (Figure 7).

The Chicago schools had 70.8 percent of their elementary children on free or reduced-cost lunch. There were five suburban districts in addition to District 169 that had a higher percentage of poor children than the central city. There were twenty-eight with more than 25 percent poor students and sixty-three with more than 10 percent. Most of these districts were inner-suburban or satellite districts.

On the other hand, there were fifty-one school districts with less than 5 percent poor children. For example, Naperville School District 203 (Fawell) was at 0.2 percent, Elmhurst School District 205 (Hyde) was at 0.8 percent, and Kildeer Countryside School District 96 (Crane and Porter) was at 0.7 percent.

## **E. Crime**

According to *Crime in Illinois 1994*, published by the Illinois State Police, crime is not confined to Chicago. This publication analyzes data regarding Part I crimes, defined as including murder, criminal sexual assault, robbery, aggravated assault and battery, burglary, theft, motor vehicle theft, and arson (Figure 8). At least sixty-five communities in the metropolitan region share the problem of serious crime – mostly in the inner-ring suburbs and Chicago.

In 1994, the Chicago crime rate was 10,279 Part I crimes per 100,000 residents—down from 11,622 Part I crimes per 100,000 residents in 1991. Thirteen suburbs, predominantly in the southern and western inner ring, had higher crime rates than Chicago—for example, North Riverside (20,514) and Hodgkins (10,953) in Congressman Lipinski's district and Harvey (15,116) and Matteson (11,918) in Congressman Jackson's district. At the other extreme were communities such as Hawthorn Woods (624) and Barrington Hills (1,071), both in Congressman

Crane's district. In terms of change in crime rate since 1980, Chicago increased 54.8 percent, from 6,640 crimes per 100,000 population in 1980 to 10,279 per 100,000 in 1994 (Figure 9). Sixty-nine suburbs also experienced an increase in crime. The most rapid increases in crime were in the inner suburbs, in places like Hodgkins (+555 percent, from 1,673 to 10,953) and Brookfield (+104 percent, from 1,913 to 3,892), both in Congressman Lipinski's district.

On the other hand, the crime rates were very low in the insulated housing markets to the north. Many of the communities in which the crime rate was low to begin with actually experienced a decline during the 1980s, such as Lake Forest, which declined 58 percent (from 2,507 crimes per 100,000 persons to 1,055) and Highland Park (46 percent, from 3,113 to 1,694), both in Congressman Porter's district.<sup>49</sup>

## **F. Infrastructure<sup>50</sup>**

Pundits say regionalism is impossible in America. But in dealing with billions of dollars of transportation spending, regionalism has been going on for at least twenty years. Between 1984 and 1994, the Illinois Department of Transportation (IDOT) allocated \$3.47 billion of highway infrastructure to northeastern Illinois.<sup>51</sup> This money was then allocated to specific projects by the Chicago Area Transportation Study (CATS), the metropolitan planning organization for the Chicago region. Also, the Illinois State Toll Highway Authority spent \$1.5 billion over the same period on tollway improvements in the Chicago region. This was money that belonged equally to every citizen of Chicagoland. But to where did it go? Predictably, it flowed north and west, to high tax-base, outer-ring, developing communities, as they built new infrastructure to lure homebuilders and industries.

To analyze these patterns of highway spending, the Chicago region was divided into five pie-shaped wedges centered on Chicago's central business district (Figure 10 and Table 4). The two western sectors, Sectors 2 and 3—encompassing nearly all of Congressman Hyde's district, the southern half of Crane's, and the northern half of Fawell's districts—accounted for 57 percent of all highway spending but only 39.7 percent of all households in 1994. The two southern-most quadrants, Sectors 4 and 5—encompassing all of Congressman Jackson's and Weller's districts,

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<sup>49</sup> All 1980 crime data from *Crime in Illinois 1980*, a publication of the Illinois Department of Law Enforcement, Division of Support Services, Bureau of Identification.

<sup>50</sup> All data in this section from Illinois Department of Transportation, *For the Record: Fiscal Year 19xx Highway Improvement Accomplishments* series, 1984-1994, and the Illinois State Toll Highway Authority, *Annual Inspection Report* series, 1984-1994.

<sup>51</sup> While a comprehensive study of transit spending was not within the scope of this report, we do note in passing that during the period 1981-90, highway spending accounted for about 75 percent of IDOT's total transportation spending of \$4.3 billion, while transit was at 25 percent. A very large part of this comparatively high transit spending included two large, one-time-only, expenditures for linking rapid transit to O'Hare and Midway airports. In the outlying counties, transit spending does not appear to be more than 10 percent of total spending, in most cases much less. Transit spending also appears to be lower than tollway spending. Although we do not have data for the exactly comparable years, tollway spending over the eleven-year period from 1984 to 1994 totaled \$1.498 billion, considerable higher than the transit spending of 1981-90. (IDOT data originally from Chicago Area Transportation Study, Transportation Improvement Program reports, 1981-1990, entered into spreadsheet format by the Northeastern Illinois Planning Commission, 6/95).

most of Lipinski's, and the southern half of Fawell's districts—received less than half the amount (23.8 percent) of regional expenditures received by Sectors 2 and 3, while containing almost the same proportion (30.7 percent) of the region's households. In terms of total spending per household, Sector 3 (Fawell and Hyde) led the way at \$2,786 per household, with the southernmost sector, Sector 5 (Jackson and Weller) trailing the pack at \$861 per household.

**TABLE 4\***

Sector	# of DRAM/ EMPAL	Transportation Spending, 84-94	% Spending	New Capacity Transporta- tion Spend-ing,	% New Capacity Spending	House- holds, 1990	Transport a-tion Spending	New Capacity Spending
<b>1</b>	86	\$801,343,847	18.0%	\$201,369,269	11.8%	767,690	\$1,044	\$262
<b>2</b>	74	\$1,219,773,052	27.4%	\$541,035,138	31.6%	566,559	\$2,153	\$955
<b>3</b>	55	\$1,316,266,904	29.6%	\$654,916,441	38.3%	472,439	\$2,786	\$1,386
<b>4</b>	54	\$636,822,411	14.3%	\$191,284,640	11.2%	313,175	\$2,033	\$611
<b>5</b>	47	\$421,292,442	9.5%	\$109,366,931	6.4%	489,369	\$861	\$223
<b>Loop</b>	1	\$48,824,574	1.1%	\$12,813,215	0.7%	6,785	\$7,196	\$1,888
<b>TOTAL</b>		\$4,457,679,869	100.0%	\$1,710,785,634	100.0%	2,616,017	\$1,699	\$654

\*This table contains data for all construction projects whose location we were able to verify on a map. Thus, about 90 percent of all transportation projects from 1984 to 1994, and 91 percent of all new capacity projects from 1984 to 1994, are included in these figures.

The region's twenty largest total-cost projects were a combination of radial highways moving north and west out of the city and circumferential highways linking up the northern and western growth corridor (Figure 11). Most of these projects cut through central city and older suburban neighborhoods, particularly in Weller's and Davis's districts, providing easier access to the favored quarter suburbs of Hyde's, Crane's, and Fawell's districts. Eight of these projects were done on the Tri-State Tollway, a circumferential highway through the working-class, "Bungalow Belt" neighborhoods on the western edges of Weller's, Davis's, and Blagojevich's districts to the largest employer in Hyde's district, O'Hare Airport. These eight projects totaled \$360 million. Another five construction projects, totaling \$203 million, were done on the North-South Tollway, servicing the high-tax base suburbs of Hyde's and Fawell's districts. Three construction projects on I-90-94, going northwest from the Loop out of Chicago, totaled \$122 million, again providing easier access out of the city toward the growing job opportunities of Hyde's district. The Eisenhower Expressway, a link between the Loop and the western suburbs, saw about \$111 million spent in three construction projects over the decade. Lastly, work on Thorndale Avenue in the northwest suburbs cost \$30 million, directly contributing to the economic boom area of Schaumburg in Crane's district.

In terms of projects that resulted in new capacity on Chicago-area highways, Sectors 2 and 3 captured 69.9 percent of new capacity spending, with Sector 3 alone at 38.3 percent (Figure 12). Sector 5, which covers all of Jackson's and half of Weller's districts, was at only 6.4 percent of total spending. Again, Sectors 2 and 3 led the spending per household category at \$955 and \$1,386 per household. There were twenty projects costing at least \$19 million that resulted in new capacity. Seventeen of these projects took place on the Tri-State and North-South Tollways,

again either connecting the working-class neighborhoods of Lipinski's, Davis's, and Blagojevich's districts to the jobs in Hyde's district or directly benefiting the high-tax base growth areas of Hyde's and Fawell's districts. Other expensive new capacity projects included part of the Eisenhower Expressway construction project at \$39 million, the Thorndale Avenue project, and a project on Fifth Avenue in River Grove for \$19.1 million (Figure 13).

This continual increase in highway capacity intensifies the mismatch between the location of jobs and workers, and exacerbates the overall socioeconomic polarization occurring between older, inner suburbs and high tax-base, developing communities.<sup>52</sup> Homeowners who choose to build in communities developing on the fringes of urbanized areas frequently have to drive long hours to get to and from their places of work in the city, increasing the strain on the transportation system. Meanwhile, for many people the opposite problem holds true: their place of work moves to the suburbs, but the community's restrictions on affordable housing development prevent them from living near their work. The urban planner Robert Cervero at Berkeley has shown that upwards of forty percent of the automobiles that clog highways at rush hour are driven by people who cannot afford to live close to their work.<sup>53</sup> He suggests fair housing, including barrier removal, as one of the most important ways to reduce freeway congestion.

For these reasons, new highway capacity does not necessarily serve the city in which the highway construction actually occurs. Freeway lane widenings mean increased traffic, pollution, and encroachment of noise on communities. These neighborhoods must choose between soundwalls and the noise, both of which lower property values and quality of life. Instead, the areas that actually benefit from increased new capacity are the areas to which traffic is being directed, improving access for commuters both into and out of the community.

The rationale behind the new capacity spending described above is two-fold. First, an increase in highway capacity is needed in the economic growth areas of the northwestern suburbs, primarily in Porter's, Crane's, Hyde's, and Fawell's districts. Second, the construction of new highways through areas that are struggling economically would theoretically be beneficial to those areas—such as in the western parts of Lipinski's, Davis's, and Blagojevich's districts—primarily by providing easier access for commuters, which in turn would lead to increased development and economic recovery in those areas. The negative aspects of these construction projects are also two-fold. First, the \$1.7 billion spent building new highway capacity in the region between 1984 and 1994 came from the taxpayers of the entire Chicago metropolitan area, yet primarily benefited those people and industries located in the wealthy, growing northwestern suburbs, which are already high tax-base areas. Second, the building of these large new highways will serve to encourage growth at the fringes of the metropolitan area. This will lead to an increase in urban sprawl and the economic and environmental problems that accompany it.

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<sup>52</sup> Yale Rabin, "Highways as a Barrier to Equal Access," *Annals of the American Academy of Political Science* (1974). See generally Metropolitan Planning Council of Chicago, "Trouble in the Core."

<sup>53</sup> Robert Cervero, "Jobs-Housing Balance and Regional Mobility," *American Planning Association Journal* (Spring 1989): 136 Citistates; Id., "Jobs-Housing Balance as Public Policy," *Urban Land* (October 1991): 10. John Williams, a researcher for the Minnesota House of Representatives, has duplicated the research of Cervero in the Twin Cities metropolitan area and found very similar results.

## **G. Sprawl and Land Use**

The funneling of a vast supply of developmental infrastructure and private capital into restrictively zoned communities created a particularly low-density, economically inefficient, environmentally detrimental land use pattern in the Chicago area. Between 1970 and 1990, the percentage of land in the region used for urban purposes increased by 35 percent, while the number of households in the region increased by only 20 percent and the population of the region increased by only 4 percent. The greatest percentage increases in urban land took place in Lake County (106 percent) and McHenry County (105 percent)—mostly in the fringe areas of Manzanillo's and Crane's districts. Altogether, 454 square miles, twice the size of the city of Chicago, were converted from agricultural to urban uses over the twenty-year span.<sup>54</sup>

## **H. Jobs**

### **1. Overview**

Between 1980 and 1990, the six-county Chicago metropolitan region experienced a 13.5 percent increase in the number of jobs (Figure 14). Where did these new jobs locate? Jobs were leaving the central city. Over the decade, Chicago lost 5.8 percent of its jobs—going from 1.56 million jobs in 1980 to 1.47 million jobs in 1990. The employment situation in the inner-ring suburbs—primarily Lipinski's, Jackson's, and Weller's districts—did not worsen, but neither did it make a remarkable showing. This area saw only a 2.2 percent increase in jobs between 1980 and 1990 (15,865 jobs). The outer-ring communities also did not gain tremendously in this statistic, increasing by 16.5 percent (48,232 jobs). The small area of south developing suburbs made an extraordinary showing, increasing its number of jobs by 95.2 percent (26,520 jobs). The true employment leader was the northwestern suburban region. This part of the region gained 458,202 jobs from 1980 to 1990, a 58.1 percent increase and an amount nearly equal the number created region-wide (458,788 jobs). Because the inner, outlying, and south developing suburbs combined (90,617 jobs) gained as many jobs as the central city lost (90,031 jobs), the northwestern suburbs—Porter's, Crane's, Hyde's, and Fawell's districts—by themselves, essentially gained 100 percent of the jobs created region-wide and 80 percent of Chicagoland's new suburban jobs during this period.

The very worst job losses occurred in the southern part of Chicago. The West Pullman/Riverdale area in Jackson's district lost 49 percent of its jobs, going from 12,600 to 6,400 jobs. The South Deering/Eastside/Hegewisch area in Jackson's and Weller's districts lost 48 percent of its jobs, losing 16,500 jobs in ten years. Even worse than these areas in the central city, the area around the inner-ring suburbs of Lyons and Summit in Lipinski's district lost 50 percent of its jobs, going from 26,900 to 13,500 jobs during the 1980s. Notable areas on the other end of the job gain/loss spectrum included the area around Green Oaks, a northern suburb in Porter's district on the Tri-State Tollway, which experienced a 2,000 percent job increase (from

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<sup>54</sup> Northeastern Illinois Planning Commission, Data Bulletin 95-1, *1990 Land Use in Northeastern Illinois Counties, Minor Civil Divisions, and Chicago Community Areas* (June 1995).

482 to 10,100 jobs) and nearby, the area of Buffalo Grove/Riverwoods, also in Porter's district, which saw a 1,100 percent job increase (from 1,300 jobs to 15,700 jobs). Areas to the west of O'Hare Airport in Hyde's district also did very well—for example, the Itasca area, with a 474 percent increase from 3,600 jobs in 1980 to 20,700 jobs in 1990.<sup>55</sup>

## 2. The Spatial Mismatch Hypothesis

Twenty-five years ago, John Kain, an economist at Harvard, argued for the existence of a “spatial mismatch” between affordable housing and available jobs.<sup>56</sup> The theory posits that American cities are undergoing transformations from centers of goods and production to centers of information processing. The blue-collar jobs that once made up the economic backbone of cities have either vanished or moved to the developing suburbs, if not overseas. Central-city low-skilled manufacturing jobs are no longer available. In addition, neighborhood retail businesses that served the middle class have also to a large extent relocated to the suburbs.<sup>57</sup>

The spatial mismatch theory states that it is not lack of jobs per se that is the problem, since central-city population growth has been as slow as central-city job growth. The problem is that the percentage of central-city jobs with high educational requirements is increasing, while the average education level of central-city residents is dropping.<sup>58</sup> In addition, essentially all of the net growth in jobs with low educational requirements is occurring in the suburbs and exurbs.<sup>59</sup> This low-skilled jobs exodus to the suburbs disproportionately effects central-city poor people, particularly minorities, who often face more limited choice of housing location in growing areas.<sup>60</sup>

### I. Private Market Projections of Regional Employment Growth and Office Market Absorption

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<sup>55</sup> From Northeastern Illinois Planning Commission estimates.

<sup>56</sup> John Kain, “Housing Segregation, Negro Unemployment, and Metropolitan Decentralization,” *Quarterly Journal of Economics* 82 (May 1968): 175-97.

<sup>57</sup> John D. Kasarda, “Urban Industrial Transition and the Underclass,” *Annals of the American Academy of Political and Social Sciences* 501 (January 1989): 36.

<sup>58</sup> *Ibid.*

<sup>59</sup> *Ibid.*

<sup>60</sup> For further discussion of the pros and cons of the spacial mismatch hypothesis, see Joseph Mooney, “Housing Segregation, Negro Employment and Metropolitan Decentralization: An Alternative Perspective,” *Quarterly Journal of Economics* (May 1969): 299-311. See Hutchinson (1974); Farley (1987); Inlanfedt and Sjoquist (1990-2); Offner and Saks (1971) Friedlander (1972); Harrison (1974), Leonard (1986); all in Kathy Novak, “Jobs and Housing: Policy Options for Metropolitan Development,” (Research Department: Minnesota House of Representatives February 1994); David Elwood, “The Spacial Mismatch Hypothesis: Are the Teenage Jobs Missing in the Ghetto?” in *The Black Youth Employment Crisis* eds. Richard B. Freeman and Harry J. Holzer (1986): 147-90.

The real estate advising company, Robert Charles Lesser & Company (RCL & Co.) studies population, employment, and job location trends in metropolitan areas. RCL & Co. found that the far western portion of the region, in the northwest developing suburbs, will likely experience the most employment and population growth. Even the areas that are growing rapidly now will likely be surpassed quickly by areas farther from the core. Projecting employment growth from 1990 to 2000, they predict that the region they identify as the “Far West”, the area around Carol Stream just south of Roselle and Bartlett and east of St. Charles in Hastert’s and Hyde’s districts, will have a huge employment growth rate of more than 2.3 times the regional average. They predict the next highest growth area to be what they define as the Elgin area at 1.62. This growth area takes in the city of Elgin in Hastert’s district and stretches north into Manzullo’s district. The area that RCL & Co. predicts to have the third highest rate of growth to be the I-88/Oakbrook corridor with 1.55. This area follows I-88 from Elmhurst in Hyde’s district to North Aurora in Hastert’s district. All of these areas are in the northwestern developing suburbs. The areas with the worst growth rates will be the “West Cook County” area at 64 percent of the regional average, running from the I-290/ North-South Tollway intersection in Hyde’s district to the already declining cities of Lyons and Summit in Lipinski’s district, and the “East O’Hare” area at 77 percent, taking in the inner suburbs of Schiller Park, Franklin Park, and Harwood Heights predominantly in Blagojevich’s district.<sup>61</sup>

In terms of speculative office inventory during the five-year period from 1988 to 1993, Lake County, in Crane’s district, led speculative office space absorption at 3.37 times the regional average, followed by the Oakbrook area, in Fawell’s district, with a high 2.11 (Figure 15). Both of these business cores were in the northwest developing suburbs. This is in great contrast to western Cook County, in Lipinski’s and Davis’s districts, with a speculative office space negative growth of -1.1 times the regional average, and the River North area in Blagojevich’s and Gutierrez’s districts in Chicago with negative growth of -0.56. Thus, at the same time that office space was being absorbed in Lake County at more than three times the average rate, office space was actually being abandoned in western Cook County and parts of Chicago.<sup>62</sup>

## **J. Fiscal Disparities**

### **1. Overview**

When the property tax is a basic revenue source for local governments with land-planning powers, fiscal zoning occurs as jurisdictions compete for property wealth. Through fiscal zoning, cities deliberately accept predominantly expensive homes and commercial-industrial properties with low service needs. In such a way, they wall out social needs associated with lower-cost housing and keep demands on tax base low. Taxes are further reduced by spreading these controlled needs over a broad rich property tax base.

The dynamic of fiscal zoning creates three sets of mutually reinforcing relationships. First,

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<sup>61</sup> Robert Charles Lesser & Co., *Overview Analysis*, prepared for Metropolitan Chicago Futures Forum: 33.

<sup>62</sup> *Ibid.*, 41.

the residentially exclusive suburbs with low tax rates continue to attract more and more business, the presence of which continually lowers the overall tax rate. Because of low social needs, the cities provide a few high-quality local services. School districts in these cities thrive by educating a pool of upper-middle class students off a rich tax base with low tax rates.

Another reinforcing relationship involves those cities with increasing social needs that lead to both declining consumer demographics and increased taxes. Both of these factors are large negatives in terms of business location and retention. Often, core cities and school districts spend a great deal on an unsuccessful effort to socioeconomically stabilize, as their tax base evaporates out from under them.

The third relationship concerns the developing suburbs, such as Chicago's outer developing suburbs, that lose the battle of fiscal zoning. Because they have not attracted business or executive housing, these communities must pay for their schools, police, parks, curbs, and gutters with fewer resources. To keep taxes from exploding, they are forced to abandon long-range thinking and frantically build the lower-valued homes and multi-family units rejected by the wealthier suburbs. As a council member from a northern low tax-base Twin Cities suburban community told me, "In order to pay the bills, we build whatever is left. Hell, we'll build anything that stands." These decisions, in the long run, catch up with working-class suburbs and they become the declining suburbs of tomorrow. Further, in a perhaps futile attempt to remain competitive in tax terms, working-class developing communities often suppress local expenditures on public services, particularly on schools.

The increase of property wealth in some outer suburbs and the stagnancy or decline of central city and inner-suburban values represent, in part, an interregional transfer of tax base. As such, the loss of value in older poorer communities is one of the costs of economic polarization and urban sprawl. Regions spend billions of dollars building infrastructure such as schools, freeways, and sewers which add enormous value to outer-ring land. To the extent that these public expenditures serve to transfer value, they are wasted. Adding to this dysfunction, the infrastructure of new cities is paid for by taxes and fees partly levied on the residents and businesses of the older parts of the region. The proposed outer tollway, paid for by the inner-tollway fees, is a perfect example of this.

## **2. Cities**

In 1993, the average tax base per household in the Chicago region was \$121,007 (Figure 16). Chicago was at \$83,884, or slightly higher than two-thirds of the regional average. There were fifty-four suburbs (primarily inner-ring suburbs and older satellite cities) with a tax base that was two-thirds or less of the regional average. Fifty-nine cities had a lower base than Chicago. On the low end were Robbins (\$23,616), Ford Heights (\$25,548), and Phoenix (\$31,382) in Congressman Jackson's district, and Hometown (\$37,802) in Lipinski's district.

The northern and western suburbs towered above the rest of the region. On the high end were forty-eight cities with more than twice the regional average tax base per household and

twenty-four with more than three times the average tax base per household. Some of the largest tax bases per household began in a sector west of Midway Airport and south of O'Hare. Older Bedford Park (\$4,992,865) and McCook (\$2,746,475) in Lipinski's district had giant tax bases per household, but were very small cities. In terms of larger developing areas, Oak Brook leads the way with \$885,186, with neighboring Oakbrook Terrace right behind at \$758,843, both predominantly located in Fawell's district. Elk Grove Village, a very large suburb in Congressman Hyde's district, was also very impressive at \$338,343.

In terms of growth of real tax base per household over the decade, the northern and western developing suburbs, strong to begin with, had the largest gains (Figure 17). Chicago had a strong increase of 50.7 percent (from \$55,561 to \$83,884 per household, in constant 1993 dollars) due to a growth of downtown development and loss of households. Sadly, as social needs were dramatically increasing in the southern and western inner-ring suburbs, there were twenty-six cities, almost entirely in the western and southern inner ring, that lost tax base after inflation. The largest losers included Riverdale (-17.8 percent, from \$70,370 to \$57,839), Robbins (-30.6 percent, from \$34,045 to \$23,616), and Dixmoor (-24.5 percent, from \$56,934 to \$42,962) in Jackson's district, and University Park (-20.4 percent, from \$80,377 to \$63,946) and Park Forest (-17.8 percent, from \$45,976 to \$38,136) in Weller's district. The satellite city of Zion (-20.8 percent, from \$213,672 to \$169,164) in the northern finger of Porter's district also experienced a substantial loss.

On the other hand, the northern and western developing suburbs experienced an increase per household. Fawell's Oakbrook Terrace in the heart of the western expansion increased over 400 percent, from \$138,715 to \$758,843. (Figure 18).<sup>63</sup>

### 3. School Districts

In school year 1992-1993, there was a 33-to-1 disparity in tax base amount among the 241 school districts in the Chicago region. The largest tax bases are in Porter's, Crane's, Hyde's, and Fawell's northern and western developing suburbs and the lowest are in Weller's and Jackson's southern suburbs. The lowest property wealth districts are Harvey School District 152, in Jackson's district, at \$94,389 and Sauk Village School District 168, in Weller's district, at \$101,799. On the high end of the scale are Butler School District 53 (\$2,664,453) in Fawell's district and Niles Elementary District 71 (\$2,529,984) in Yates's district.<sup>64</sup>

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<sup>63</sup> All tax base data from spreadsheets provided by the county clerks' offices of Cook, DuPage, Kane, Lake, McHenry, and Will Counties.

<sup>64</sup> 1993 Ed.dat Databook, Vol II: School Finance Data (Riverside, IL: Ed.dat, 1994).

There was a three-to-one disparity in annual operating expenditures per student in Chicagoland for school year 1993-1994 (Figure 19).<sup>65</sup> Here, interestingly enough, Chicago was not among the lowest. Overall, Chicago spent \$6,525 per pupil, considerably above the regional average. As in the Twin Cities, the relatively elevated level of spending in the city was having little demonstrable effect in attracting or retaining middle-class students. Looking at low-spending districts, McHenry Community Consolidated School District 15 in Manzullos' district (\$3,350 per student) and Will County School District 92 in Fawell's district (\$3,434 per student) were among the region's lowest spending districts. While outer suburban McHenry County and Will County districts had the lowest per student spending in the region, reflecting their low base and a lower cost of living, also low were inner suburban districts such as Forest Ridge School District 142 (\$3,970 per student) and Cicero School District 99 (\$4,031 per student), both in Lipinski's district. On the other hand, the northern and western developing districts spent \$6,104 per student. In the northwest quadrant, a subset of districts formed of highly exclusive housing markets such as North Shore School District 112 (\$8,810 per student) and Winnetka School District 36 (\$8,829 per student), both in Porter's district, were among the highest spending in Chicagoland.<sup>66 67</sup>

#### **4. The Implications of Growing Fiscal Disparities**

John McCarron, in his October 9, 1995 Chicago Tribune commentary, pointed out that the property tax rates of 200 municipalities of Cook County published annually used to carry a certain elite appeal for wealthier communities who willingly paid the price for the best schools and services. However, he points out:

During the 1980s, however, a strange inversion began to take place. All across Chicagoland's older southern suburbs, as industry began to move out and poor families began to move in, property tax rates started to climb...and climb...and climb. There, the tax base melted away even as demand for public services—especially police and fire—held constant or increased....So the snob list became a sick list—an annual barometer of socioeconomic decline more telling than any census report.

Based on available tax rates, data were compiled for property taxes paid on a hypothetical home assessed at \$100,000 in 118 municipalities in Cook County. Comparing the property taxes paid, it is clear that property tax rates have no relation to the economic status of residents of a

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<sup>65</sup> The district with the lowest operating expenditures per student was Taft at \$3,035; the highest, Rondout (with only 81 students), at \$14,525; the second highest, Northbrook, at \$10,029.

<sup>66</sup> Spreadsheet provided by the Center for Fiscal and Shared Services, Illinois State Board of Education.

<sup>67</sup> Another commonly-used way to track school district finances is to look at incoming revenue per student. The pattern seen here is virtually the same as the pattern of operating expenditures per student. The main differences are seen in the inner southern and western suburbs and in the outer-ring suburbs in Will, Kane, and Lake Counties. Some inner suburbs tend to have higher levels of revenue than are reflected in their expenditures. For example, Posen-Robbins had \$6,002 revenue per student in fiscal year 1994-95, compared to \$4,848 operating expenditures in 1993-94, or Burbank at \$5,703 revenue and \$4,899 expenditures. On the flip side, in some districts in the outer ring, it was more common to see higher spending than revenues, such as in Joliet, with \$4,496 revenue and \$5,024 expenditures, or in Beach Park, with \$3,990 revenue and \$4,518 expenditures.

community. Indeed, some of the poorest communities are paying the highest taxes, while some of the wealthiest pay lower taxes (Table 5).

<b>TABLE 5</b>	<b>Median Household Income (1989)</b>	<b>Property Value per Household (1993)</b>	<b>Property Taxes Paid on \$100,000 Home (1994)*</b>
<b>Harvey (Jackson)</b>	\$23,201	\$81,004	\$5,437
<b>Ford Heights (Jackson)</b>	\$14,032	\$25,548	\$5,144
<b>Maywood (Davis)</b>	\$30,780	\$48,769	\$4,672
<b>Homewood (Jackson)</b>	\$47,064	\$88,263	\$4,007
<b>Flossmoor (Jackson)</b>	\$76,271	\$147,240	\$3,682
<b>Cicero (Lipinski)</b>	\$27,170	\$58,302	\$3,680
<b>River Forest (Davis)</b>	\$62,469	\$157,957	\$3,250
<b>Hoffman Estates (Crane)</b>	\$49,475	\$139,613	\$3,102
<b>Glencoe (Porter)</b>	\$112,321	\$309,772	\$2,804
<b>Chicago</b>	\$26,301	\$83,884	\$2,716
<b>Kenilworth (Porter)</b>	\$123,705	\$434,036	\$2,668
<b>Rosemont (Blagojevich)</b>	\$28,735	\$389,588	\$2,324
<b>Barrington Hills (Crane)</b>	\$104,002	\$464,750	\$1,738

\*Property taxes were calculated using the worksheet "Estimating Cook County property taxes" in the article "Cook County Tax Rates", *Chicago Tribune*, 1 October 1994, sec. 4. The formula is: take the home's assessed value, apply the state equalization factor, deduct the average homeowner's exemption, divide by 100, and multiply by the community's tax rate.

## VI. Metropolitan Solutions

### A. Benefits of Cooperation

For decades, the National Civic League, academics (particularly economists), and Ripon Republicans have preached the gospel of metropolitanism. The message of cost-effective regional planning, supported by local business leadership, had a strong influence in the Twin Cities, Indianapolis, and Portland twenty-five years ago. In the 1990s, columnist Neal Peirce has revitalized good government metropolitanism, broadening its base by emphasizing the social and economic interdependence of metropolitan areas and the need for regional economic coordination to compete effectively in the new world economy.<sup>68</sup> On another front, David Rusk, former mayor of Albuquerque, New Mexico, has simply and effectively connected the issues of metropolitanism and social equity.<sup>69</sup> He has done this by showing that regions that have created metropolitan governments by annexation or consolidation are less segregated by race and class, economically healthier, and simply more equitable to a region's people. Anthony Downs, of the Brookings Institution, has assembled his own research together with the recent ground-breaking work of urban poverty scholars, economists, transportation experts, and land-use planners. With this, he makes compelling new arguments for metropolitan government, and broad metropolitan-based reforms in fair housing, transportation, land use, and property tax-base sharing.<sup>70</sup>

Hank Savitch, Ronald Vogel, Richard Voith, William Barnes, and Larry Ledebur have shown the deep interconnections of metropolitan economies and how the health of central cities is deeply connected to the success of even the favored quarters. Another extremely cogent argument against intra-metropolitan competition for tax base is made by a group of economists concerned about America's ability to compete in the world economy. These economists believe that as trade barriers recede and the force of national economic policy fades, metropolitan areas become the basic units of global competition.<sup>71</sup> Suddenly, fragmented groups of cities, fighting amongst themselves for governmental resources and economic development, are thrown into vigorous world competition against the powerful coordinated metropolitan systems of Western Europe and Asia.

To such economists, the thought of 262 jurisdictions of all sizes, complexities, and levels of competence competing against each other for economic development does not make good sense. They argue that the metropolitan governments of Western Europe and Asia effectively coordinate large regional expenditures in terms of transportation, telecommunications, and education to their economic advantage. Instead of fighting with each other, these economists argue, American metropolitan communities should work together to pool regional resources and

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<sup>68</sup> Neal Peirce, *Citistates: How Urban America Can Prosper in a Competitive World* (Washington, D.C.: Seven Locks Press, 1993).

<sup>69</sup> David Rusk, *Cities Without Suburbs* (Washington, D.C.: Woodrow Wilson Center Press, 1993).

<sup>70</sup> Anthony Downs, *New Visions for Metropolitan America* (Washington, D.C.: Brookings Institution, 1994).

<sup>71</sup> Peirce, *Citistates*.

expertise to compete against other metropolitan areas on the national and international level.

These concepts—particularly Rusk’s—have received extraordinary coverage in the national media and have stimulated a vital national discussion. Peter Calthorpe, an urban planner from San Francisco, has set forth a compelling vision of what regionally responsible transit-oriented communities could look like.<sup>72</sup> In Washington, United States Department of Housing and Urban Development Secretary Henry Cisneros pushed the federal government to strengthen metropolitan coordination of affordable housing, land use, environmental protection, and transportation issues. President Clinton issued a broad executive order beginning this process.<sup>73</sup>

## **B. The Necessity of Regional Cooperation**

The foregoing patterns demonstrate, if nothing else, the need for a metropolitan approach to stabilizing the central cities, older suburbs, and satellite cities and the need for creating equity throughout the region. If the region’s communities are allowed to further concentrate social needs on the declining tax base of the central cities and inner suburbs, these communities can do little to stabilize fundamentally. Similarly, as long as parts of the region can exclude the costs and effects of social responsibilities, the region’s resources will naturally flow there. As polarization continues, the concentration of poverty intensifies and creates an increasingly rapid socioeconomic decline that rolls outward from the core communities. Fragmented land use patterns and competition for tax base lead to wasteful, low-density sprawl, institutionalize polarization, and squander valuable natural resources.

In order to stabilize the central cities and older suburbs and prevent metropolitan polarization, there are six substantive reforms that must be accomplished on a metropolitan scale. The reforms are interrelated and reinforce each other substantively and politically. The first three reforms are the most significant in terms of the socioeconomic stability of the core. They are: (1) property tax-base equity; (2) reinvestment; and (3) fair housing. Together these reforms provide resource equity, support the physical rebuilding necessary to bring back the middle class and private economy, and gradually relieve the concentrated social need that exists disproportionately in the older suburban communities. The second three -- (4) land planning/growth management coordinated with infrastructure; (5) welfare reform/public works; and (6) transportation/transit reform -- reinforce the first three and allow them to operate efficiently and sustainably. In addition, these reforms provide for growth that is balanced socioeconomically, accessible by transit, economical with governmental resources, and environmentally conscious.

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<sup>72</sup> Peter Calthorpe, *The Next American Metropolis: Ecology, Community, and the American Dream* (New York: Princeton Architectural Press, 1993).

<sup>73</sup> President Clinton, Executive Order, “Leadership and Coordination of Fair Housing in Federal Programs: Affirmatively Furthering Fair Housing, Executive Order 12892 of January 17, 1994,” *The Weekly Compilation of Presidential Documents*, (24 January 1994): 110-14.

At this point, in the political climate of the 1990s, this all may seem otherworldly. In Minnesota, we found that the best place to start “thinking regionally” was fiscal equity. We found that when we could unite the central city and older suburban areas on common shared fiscal interests, we could overcome some of the more intense barriers created by race and class that had long divided these subregions. As such, fiscal equity provides a very strong way to build relationships and coalitions which will serve to advance other regional reforms.

### **C. Indianapolis, Albuquerque, and the Twin Cities: Equity through Consolidation, Annexation, and Tax-Base Sharing**

In 1968-69, Richard Lugar, a young visionary mayor of Indianapolis, with local business leadership behind him, pushed through the legislature a bill consolidating Indianapolis with its surrounding suburbs in Marion County, Indiana. As David Rusk has written, “Consolidation instantly re-energized Indianapolis, expanding its tax base and cementing a blue-chip municipal bond rating.” Lugar’s successor as mayor, William Hudnut, praises “Unigov.” “It brought better delivery of services and lower taxes—taxes that don’t rise as quickly. Equally important, consolidation has created a wider sense of community that helps sell the city. The Indianapolis metro is the same size and has the same racial and socioeconomic diversity as its sister region, highly fragmented metro Milwaukee. While Milwaukee has 136,000 citizens in distressed central city neighborhoods, Indianapolis, with the same racial and economic demographics, has only 24,000.”<sup>74</sup> Similar success stories have occurred in the consolidated city county governments of Nashville-Davidson (Tennessee), Lexington-Fayette (Kentucky), Jacksonville-Duval (Florida), and Columbus-Muscogee (Georgia).

David Rusk was the mayor of Albuquerque, New Mexico, a city known for its aggressive annexation policy. Rusk’s 1993 book, *Cities Without Suburbs*, demonstrated that the more elastic a city was, and hence the less fragmented its region, the less likely there were to be fiscal disparities, and the more financially and socially healthy the core of the region was likely to remain. Specifically, he found that elastic cities had median incomes much closer to their suburbs, tended to be growing in terms of population, tax base, and jobs, and had much better bond ratings. Rusk also found that elastic regions were significantly less racially segregated than the inelastic, fragmented regions. He explained: “Smaller jurisdictions are typically organized to promote and protect uniformity rather than promote diversity. Conversely, areas characterized by geographically large, multi-powered governments and more unified school systems tend to promote racial and economic integration and achieve greater social mobility.”<sup>75</sup>

As the Twin Cities faced issues of growing fiscal disparity, they rejected the more radical notions of consolidation and annexation and opted for a comparatively moderate system of property tax-base sharing. Tax-base sharing has, over twenty years, created much greater fiscal equity in the Twin Cities region, while preserving the integrity of local units of government and

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<sup>74</sup> John D. Kasarda, “Inner-City Concentrated Poverty and Neighborhood Distress: 1970 to 1990,” *Housing Policy Debate* 4, no. 3, 253-302.

<sup>75</sup> Rusk, *Cities Without Suburbs*, 34.

the cherished American belief in local political control. As long as basic local services are dependent on local property wealth, property tax-base sharing is a critical component of metropolitan stability. Its purposes, all interrelated, are fivefold. Property tax-base sharing: (1) creates equity in the provision of public services, (2) breaks the intensifying metropolitan mismatch between social needs and property tax-based resources, (3) undermines local fiscal incentives supporting exclusive zoning, (4) undermines local fiscal incentives supporting sprawl, and (5) ends intra-metropolitan competition for tax base.

#### **D. Land-Use Planning and Affordable Housing: Portland, Oregon and Montgomery County, Maryland**

With regions such as Chicago growing 4 percent in population and 40 percent in land area used for residential purposes, social and environmental considerations urge the consideration of planning for future development. Land-use planning does not mean no growth, but rather simply preparing for the consequences of future development. Land-use planning means having infrastructure in place where it is needed, protecting important natural habitat and highly productive farmland, assuring that density is sufficient to support some minimal types of public transportation, and attempting a greater range of housing types and levels of affordability in the job-rich, developing part of the region.

Affordable housing is a bugaboo in most places. But if one examines the highways in Chicagoland, they are crowded with people who cannot afford to live in the expanding job market in the north and west. According to transportation planners like Robert Cervero at the University of California at Berkeley, widening roads, without addressing the issue of affordable housing in growing job centers, will ultimately not ease congestion. Moreover, in communities dominated by young striving families and expensive single-family houses, a divorce often forces the mother to a poorer community simply to find affordable housing—a community away from her children’s school district, away from her job, and away from her friends and support system. Old people, as their physical and financial status changes, need apartments and different housing types to remain in their communities.

In Portland, Oregon, a regional growth boundary establishes land for twenty years growth. Growth is directed within this boundary, protecting farm, forest, and natural lands outside. Within the boundary, housing is built on more compact lots, barriers to affordable housing have been eliminated, and the region is building suburban light rail lines, rather than freeways. Communities developing at the edge of the Portland area, some designed by the architect Peter Calthorpe, provide something more than functionality and environmentalism. They provide a sense of community, where workers can be closer to jobs, where divorced mothers and old people are not forced out, and where adults and children can *walk* to the grocery store, to friends’ houses and to local activities.

In Montgomery County, Maryland, another type of housing plan has been underway for over twenty years. There, every subdivision of 50 or more residential units must set aside 12 to 15 percent of its units for low- and moderate-income housing. Developers are given a density bonus

to make up any loss they may perceive in this requirement. Thus, in one of the most affluent suburban areas of the United States, local workers of moderate means, and even those who are very poor and seeking opportunity, are allowed to live proximate to high-performing, well-funded school districts and an abundance of entry-level jobs.

## **VII. A Call to Action: Federal Metropolitan Solutions**

The most immediate way in which the federal government could help turn the tide for the thousands of declining low tax-base, inner-ring and developing suburbs across the country is through the reauthorization of the 1991 Intermodal Surface Transportation Act (ISTEA) -- in a way that preserves the focus, structure, and intent of the original act. Most importantly, the new ISTEA legislation should maintain the mandatory metropolitan planning and citizen participation components of ISTEA. The Senate's proposal, ISTEA 2 does this, but the House's BESTEA does not.

The following discussion suggests other areas where regional cooperation could be enhanced through a stronger federal role. Should there be initial interest, the Metropolitan Area Program stands ready to pursue these ideas in depth, through further research and public education.

Decisions made by MPOs, through the ISTEA mandated comprehensive planning process, to program money for major road improvements, have a shaping effect on US regions. MPOs, appointed by state governors, are often dominated by the most powerful part of the development community and the affluent developing suburbs. Consequently, the central cities and particularly the older and low tax base suburbs do not get their fair share of intermodal dollars. In response, to further empower local areas in the planning and decision-making that affects their region and to assure a more geographically balanced representation in the division of billions of dollars of federal transportation aid, the federal government could require that MPOs be directly elected.

In addition, Anthony Downs, in his 1994 book, *New Visions for Metropolitan America*, suggests that the federal government could act more efficiently in spending by funneling all funds to a metropolitan region through a regional allocating agency.<sup>76</sup> In addition to funding for highway, transit, and air pollution control, other funds that could be allocated by the regional agency include those for water and sewer systems, solid waste management, infrastructure development, housing, urban planning assistance, education, welfare, and health care. The funneling of these types of funds through an accountable regional agency, would, in most cases, bring program planning activities and decision-making closer to the localities, thereby giving communities greater control in how they are served. Downs points out that, again, the precedence for empowerment of regional agencies by the federal government has already been set -- through ISTEA. The pooling of other federal funds to be managed and distributed by a regional organization would merely be an extension of this. Downs also suggests that agencies

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<sup>76</sup> Anthony Downs, *New Visions for Metropolitan America* (Washington, DC: The Brookings Institution, 1994).

and boundaries already established at the metropolitan level through federal legislation -- the Clean Air Act and ISTEA -- could be used to adopt and implement regional growth management strategies.

Other ideas for congressionally-driven regional reform include enforcement of the Clean Air Act, the future reauthorization of that legislation, and taxing corporate benefits (such as those benefits intended to entice corporations to relocate, contributing to the economic wars between cities within a region). These are just some examples of regional policies that inner suburban and central city members of Congress can—and should—support to reverse the polarizing regional trends that are devastating their districts and their constituents.

## **Conclusion**

The demographic data described in this report illustrate a pattern of metropolitan development—of social and economic polarization—that those who represent metropolitan residents (nearly three out of four Americans) at the federal level cannot afford to allow to continue. The federal government cannot afford to build a new set of suburbs and the supporting infrastructure every generation and watch our central cities and older suburbs—in Chicagoland or elsewhere—become isolated and decline. The federal government cannot afford to allow tens of thousands of acres of farmland to be gobbled up in order to build sprawling new cities into infinity—in Chicagoland or elsewhere. The federal government cannot afford to allow the process of economic and social polarization to continue—in Chicagoland or elsewhere.

Members of Congress would do the nation very well by spending at least some of the country's resources and energy renewing—recycling—the cities and villages in which we grew up. We cannot afford disposable core communities.

This report suggests the beginnings of an agenda designed to deal with growing regional instability and fiscal disparities. While it is controversial, it represents only a best first effort, subject to the negotiation, reformation, and synthesis that occurs in all political progress. While the issues will be difficult, it is our hope that members of Congress can work together—reason together—to solve the mutual problems of cities and suburbs.

The real importance of this discussion is the realization that the Chicago metropolitan area, like most other major U.S. metropolitan areas, is suffering from a series of problems that are too massive for an individual city to confront alone, that they are the same problems that have caused the decline and death of other urban centers, and that unless we concentrate our efforts—at *all* levels of government—on finding new solutions, we can expect no better outcome.