



Preparing Metropolitan Chicago for the 21<sup>st</sup> Century

## NEWS RELEASE

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# FIRST ANNUAL REGIONAL INDEX IDENTIFIES WARNING SIGNS AHEAD

A new Regional Index flags several warning signs of potential trouble ahead for the Chicago metropolitan region's robust economy, but the region can maintain a healthy economy by addressing fundamental issues such as education, transportation and housing.

Those are some of the findings of Chicago Metropolis 2020's new Regional Index. They are included in **Regional Realities: Measuring Progress Toward Shared Regional Goals**, a report on the condition of life in the six-county metropolitan region. It is a call for discussion, collaboration and action to prepare for major population increases, and it sets the stage for informed regional participation in the global economy.

"For the first time, the Chicago region has an authoritative and unbiased accounting of its strengths and weaknesses – an index that measures our progress and points out where improvements are needed," said Andrew J. McKenna, Chairman of Chicago Metropolis 2020.

The Index is based on consultations with recognized experts in a variety of fields, a series of public forums attended by more than 500 people, and a statistical survey of the region's residents. It identifies 12 key goals, and establishes 40 indicators to track progress toward those goals.

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## Regional Index

### Ad 1

The Index takes a decade long look at the region. It finds much to be pleased with and several early warning signs.

- Venture capital investment, an indicator of an innovative economy, has been on the rise in our region. Yet, our share of private venture capital investments remains at only about 2 percent of the national total.
- Fast growing, publicly traded companies, sometimes known as “gazelles,” have grown 156 percent since 1991. Our share of these entrepreneurial companies, however, has stayed steady at about 3 percent of the national total.
- The number of corporate headquarters with more than 500 employees grew a healthy 29 percent from 1990 to 1997. But the number declined by 10 percent between 1997 and 1999.

Maintaining a strong regional economy that continues to attract investment and creates jobs was one of the most important goals identified in the process of preparing the Index.

“Other metropolitan regions have reason to be envious of our strengths, but we have no cause to be complacent,” said George A. Ranney, Jr., President and CEO of Chicago Metropolis 2020. “On the contrary, we have good reason to act now to correct the region’s deficiencies, such as transportation gridlock, housing shortages and a lack of skilled workers. If we don’t address our weaknesses today, we will fall behind our competitors in the world economy tomorrow, and all of us will suffer the consequences.”

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## Regional Index

### Ad 2

“The Chicago region has consistently proved itself as a tough and resourceful economic competitor, and has successfully transformed itself from meat packer to manufacturer to provider of business services,” said McKenna. “Now, the competition is global, and we compete with Shanghai, Berlin and Buenos Aires as much as New York and Silicon Valley. Success in the global competition for new investment requires a region with transportation systems that work, schools that can train a modern workforce, housing for everyone, and a good place to raise a family.”

Citing predictions of more than one million new residents and jobs coming to the six-county region by 2020, the report suggests that the region “can use the influx of residents and jobs to reshape itself into a more efficient metropolis that will continue to attract investments and new ideas. That will require active efforts to manage the growth, create supportive public policies and reinvest in the region’s mature areas.” The first step is to establish measuring points, a scorecard that compares current conditions against desired goals.

The Regional Index measures progress in these areas.

- ✓ The average motorist, for example, suffers delays of 44 hours per year because of congested streets and highways, among the worst in the country. The region continues to use up land at rates that far exceed population growth, thereby contributing to the traffic problems. Between 1970 and 1990, the population grew at only 0.2 percent per year, while land was developed at 10 times that rate.

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## Regional Index

### Ad 3

- ✓ In some parts of the region housing prices are out of reach of the people who work there. The mismatch between where the jobs are and where people can find affordable housing causes more congestion as people commute long distances to work. More than one-third of the one million people who rent their housing are “rent burdened” because they have to pay more than 30 percent of their income on rent.
- ✓ Investors look at the quality of education as an indicator of the quality of their current and future work force. The region has, on average, reading level scores for third graders that match those for the State. But the averages, however, mask dramatic disparities within the region. For example, two-thirds of the third graders in Chicago’s public schools, the largest district, failed to meet or exceed state standards in reading, a clear warning sign about the future qualifications of the region’s workers.

“It is important to recognize weak indicators in one school district or one neighborhood or one county hurt everyone in the region,” Ranney said. “We are all in this together, and if one part of the region falls behind, we will, in the long run, all suffer the consequences.”

Chicago Metropolis 2020 was created in 1999 by The Commercial Club of Chicago. As the Chicago region prepared for a new millennium, leaders of The Commercial Club – the same organization that was responsible for preparing Daniel Burnham’s Plan of Chicago at the turn of the 20<sup>th</sup> Century – published their new report, *Preparing Metropolitan Chicago for the 21<sup>st</sup> Century*.

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## Regional Index

Ad 4

The 1999 report recommended the creation of Chicago Metropolis 2020 with a strong base in the business community plus representatives of labor, government, faith-based groups and other civic leaders.

Chicago Metropolis 2020 collaborates with other public and private groups working to improve the region. Among its projects have been support of transportation infrastructure improvements funded by Illinois FIRST, advocacy of improved transportation and development planning, participation in the General Assembly's Growth Task Force, and convening organizations working to improve the quality and availability of early childhood education.

The full text of ***Regional Realities***, including a listing of the members of the Chicago Metropolis 2020 Executive Council, is available by calling 312-332-2020 or can be accessed on-line at [www.chicagometropolis2020.org](http://www.chicagometropolis2020.org).

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