

# Investing in Chicago:

Toward a Regional Agenda for Economic Growth

Metropolis Strategies

7/8/2011

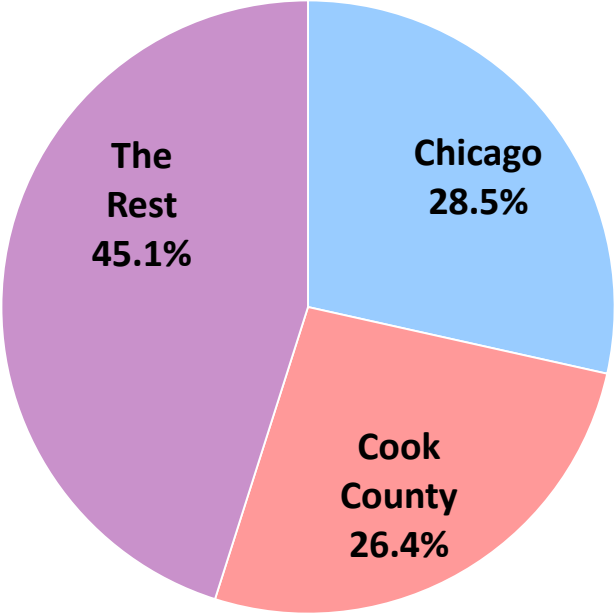
a supporting organization of the Chicago Community Trust

# Chicago's economic region

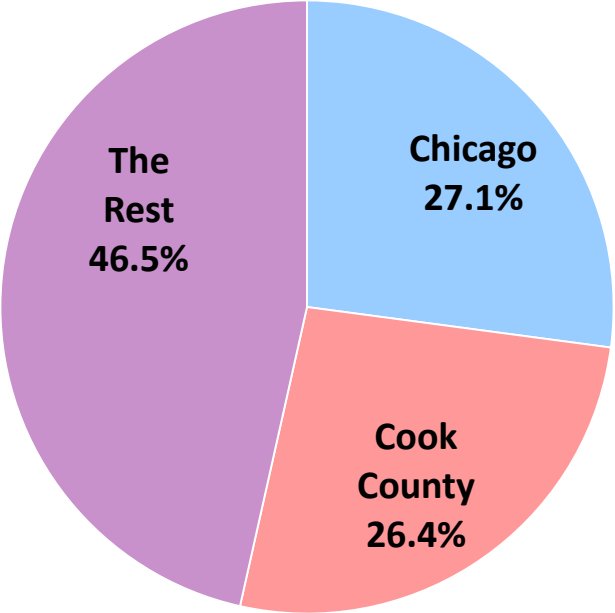


# Chicago and suburban Cook County comprise over half of the regional economy

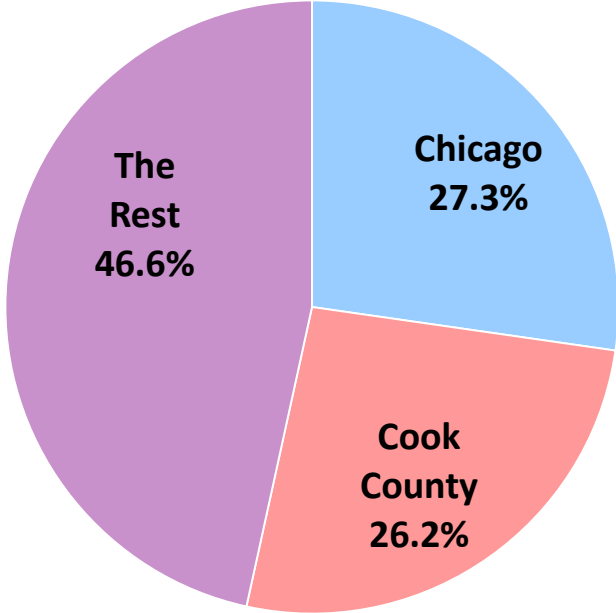
**Population, 2010**



**Labor Force, 2009**



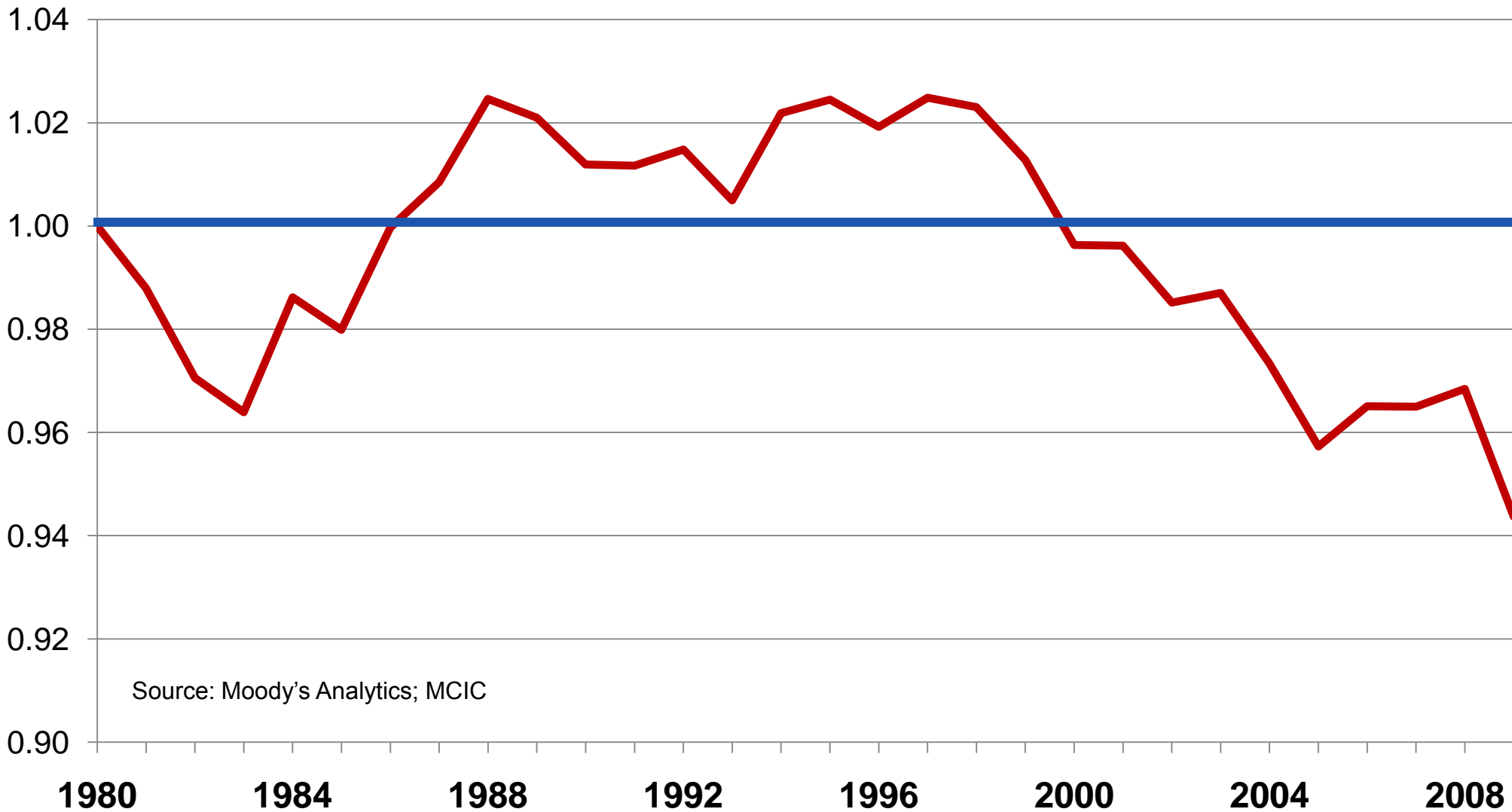
**Aggregate HH Income, 2009**



Source: U.S. Census Bureau; U.S. Bureau of Labor Statistics

# Chicago's gross regional product growth has declined relative to the nation over the past decade

Ratio of Chicago per capita GRP growth to U.S., 1980-2009



Source: Moody's Analytics; MCIC

# Chicago's gross regional product growth ranks poorly compared with other regions

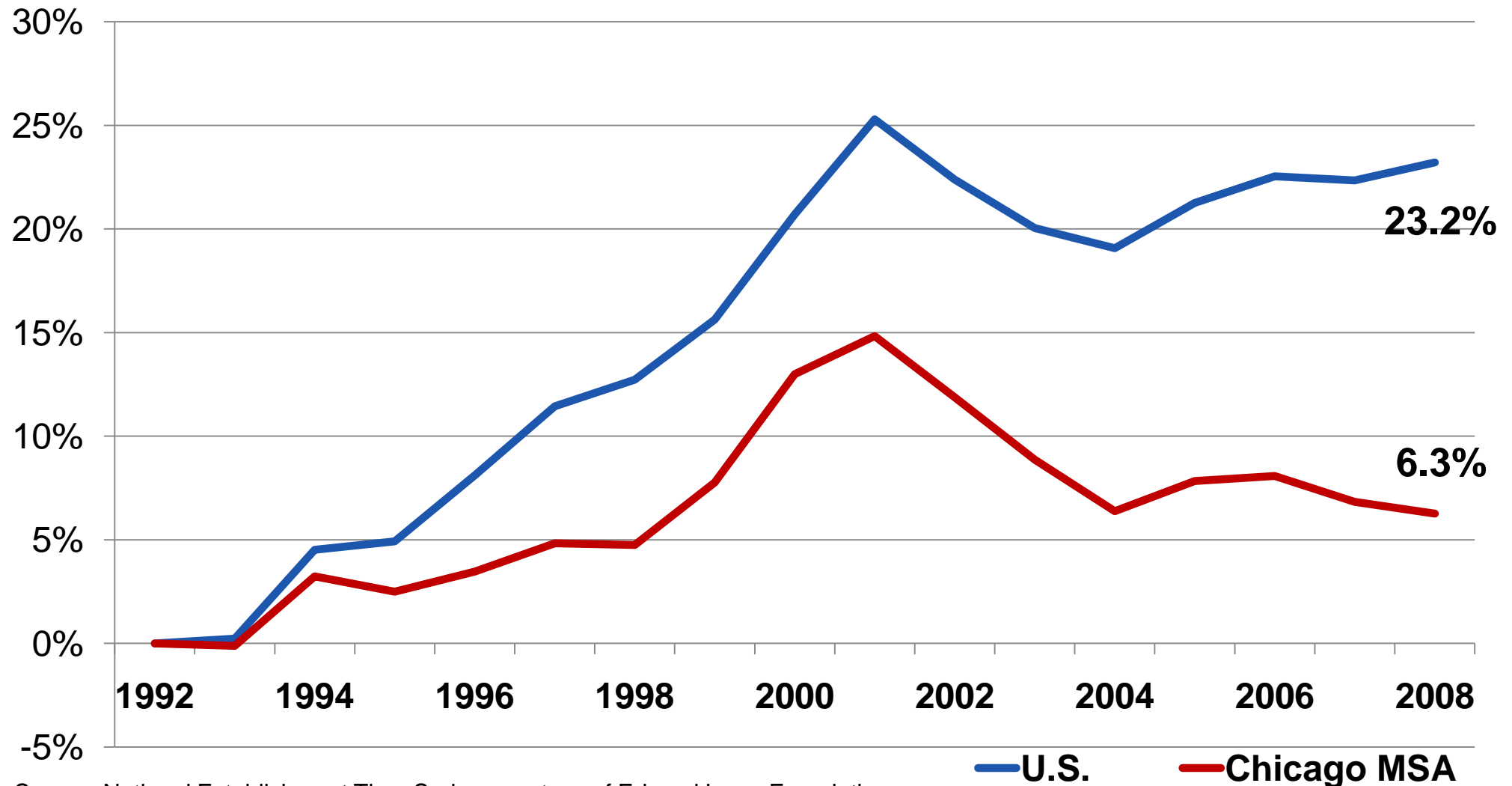
## Gross Regional Product Growth in Top 15 MSA Economies

	2000 (US\$ Billions)	2010 (US\$ Billions)	Annualized Growth Rate	Rank Among All 363 MSAs
Washington DC	244.4	426.1	5.7%	47
Houston	219.2	378.9	5.6%	50
Dallas	242.9	376.8	4.5%	142
Phoenix	122.9	190.6	4.5%	143
Miami	170.4	258.8	4.3%	169
Philadelphia	231.8	347.7	4.1%	179
New York	874.9	1,282.6	3.9%	209
Seattle	157.9	231.4	3.9%	213
Los Angeles	507.9	737.9	3.8%	220
San Francisco	238.7	337.4	3.5%	242
Minneapolis-St. Paul	140.7	198.3	3.5%	247
Boston	224.0	311.3	3.3%	261
Atlanta	197.0	270.6	3.2%	278
<b>Chicago</b>	<b>394.0</b>	<b>531.4</b>	<b>3.0%</b>	<b>296</b>
Detroit	184.3	196.3	0.6%	360

Source: U.S. Conference of Mayors; IHS Global Insight

# Job creation has not recovered to its 2001 peak

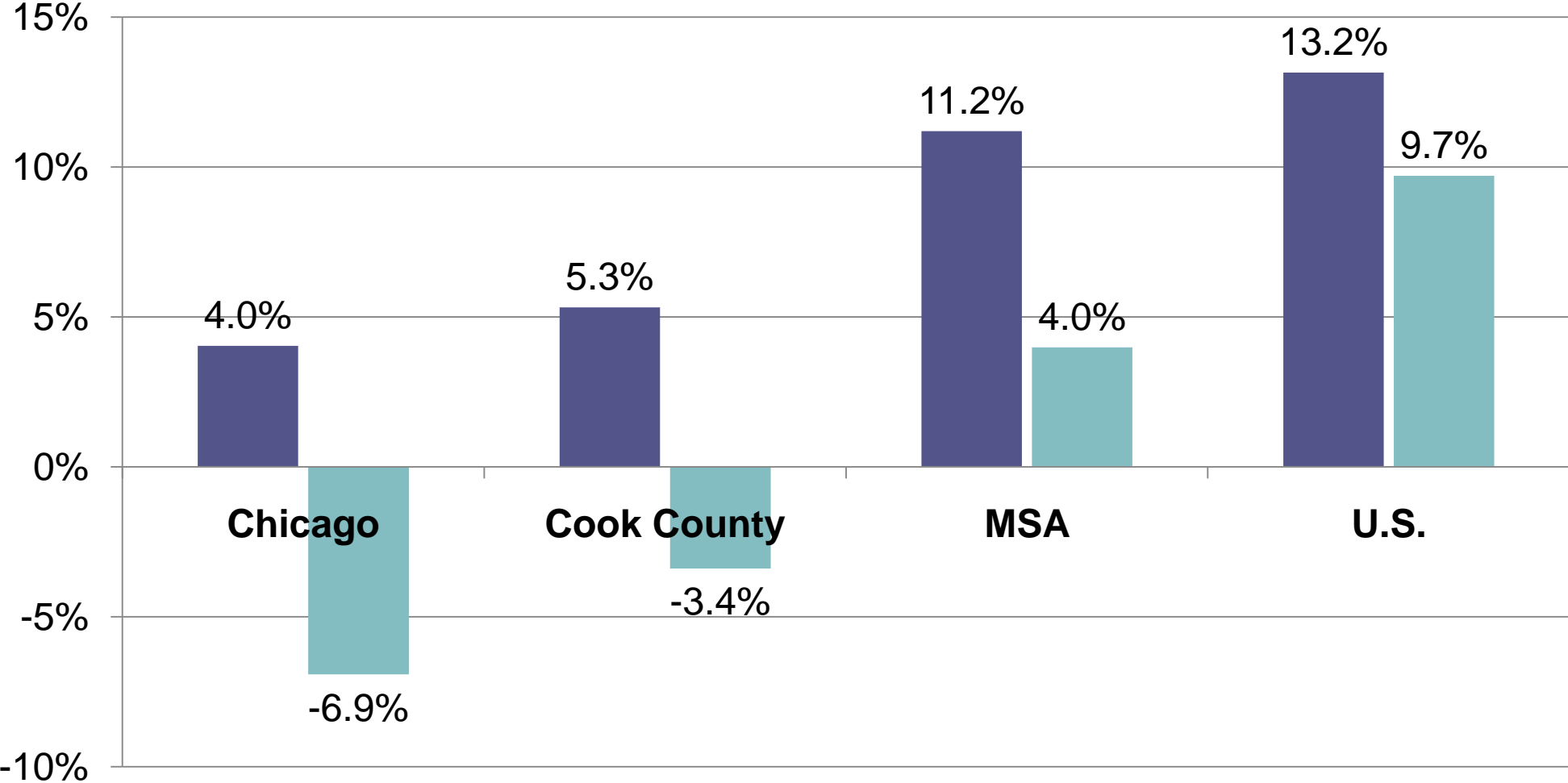
## Percent Change in Employment, 1992-2008



Source: National Establishment Time Series, courtesy of Edward Lowe Foundation

# Slow population growth or losses can be symptoms of economic decline

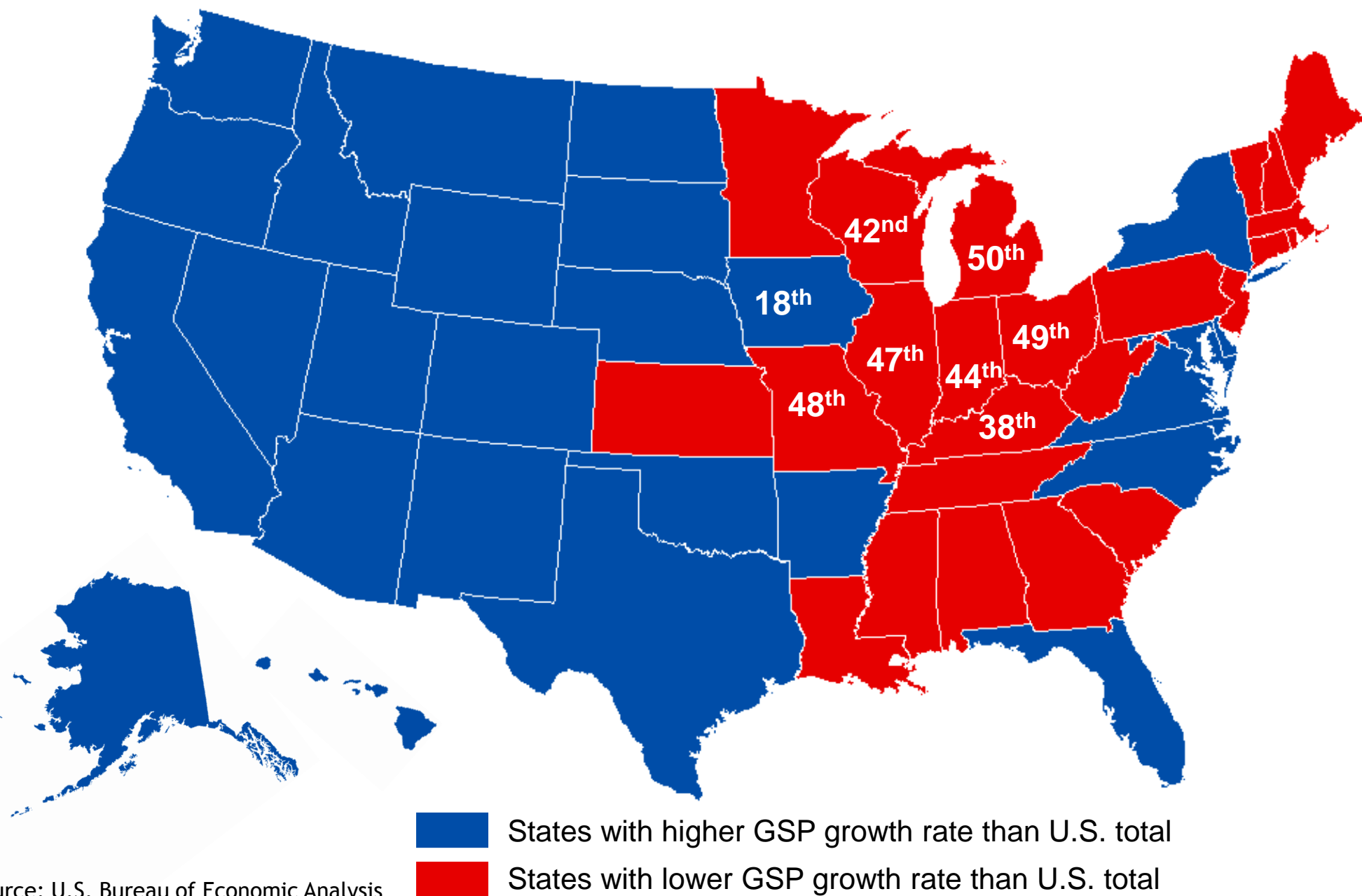
### Percent Change in Population



■ 1990-2000 ■ 2000-2010

Source: U.S. Census Bureau

# Real Gross State Product Growth Rankings, 2000-2010



Source: U.S. Bureau of Economic Analysis



Chicago has great assets.

But... the trends show an economy that is losing momentum.

“...it is vital to understand the dynamics of tax policy especially in terms of their potential impacts on development decisions and **regional economic productivity.**” (GO TO 2040)

- Size of the tax burden
- Complexity of the tax system
- Value of public goods and services
- Tax effects on spatial efficiency
- Effectiveness of tax incentives for economic development
- Distribution of tax revenues