

Trending  [Stacey King](#) • [Rosie O'Donnell](#) • [Retooling Chicago](#) • [Out](#)

News | [Blogs](#) | [Multimedia](#) | [Lists](#) | [Small Business](#) | [People](#)

[Greg Hinz On Politics](#) | [Shia Kapos Takes Names](#) | [Ann Dwyer On Entrepre](#)

CRAIN'S BLOGS

GREG HINZ

ON POLICS

Report urges overhaul of Chicago-area economy

March 09, 2012

[Print](#) | [Email](#) | [11 comments](#)

 [RSS Feed](#)

 [Tweet](#) 16

 [Like](#)

 [Share](#) 12

The Chicago-area economy has lost its zip, and major changes in how we work, move and educate our children are needed if the city is to get its mojo back.

That's the conclusion of yet another report on the status of the greater metropolitan area, this one prepared for local officials by the Organisation for Economic Co-operation and Development, a global economic policy group.

Only portions of the report will be available free online. But you can [click here](#) to read a summary.

Like a [somewhat similar plan](#) released last week by World Business Chicago, this wet fish in the face suggests that the economy of the three-state Chicago area has suffered through what Mayor Rahm Emanuel terms a "lost decade" of sorts, in which it badly trailed growth elsewhere in America and around the country.

As was the case with the WBC report, this one suggests solutions including better links between educational institutions and employers, and rebuilding Chicago's outmoded ground transportation system.

But this report has more context and is, frankly, a bit more dire, saying that a metropolitan area that is home to 9.5 million people is "at a tipping point."

And it suggests that the area's woes began earlier — at least by the mid-1990s — and by some accounts show no sign of improvement.

"Despite tremendous assets, Chicago's economy displays a worrying lack of dynamism which needs to be addressed quickly," OECD Secretary-General Angel Gurría said in a statement.

"Since 1995, the region's unemployment rate has been above the average for U.S. metro regions.

"Even more worrying," he adds, "is that this mismatch is closely linked to a racial divide. At 24 percent, the unemployment rate for African-Americans is nearly four times that of whites."

That kind of candor, at least on racial matters, was not included in the WBC report.

Per capita production in Chicago still is the 16th highest among the 90 leading metropolitan areas, productivity per worker ranks 13th and the area has retained a fair amount of high-end manufacturing.

Other pluses: Patent applications here rank 12th, with particular strength in nanotechnology and biotechnology; the age of the area's workforce is relatively young; and the region continues to attract young college graduates, though not as fast as some other American regions.

But productivity growth has slowed, ranking 46th of 76 regions studied from 2001 to 2007 — well under Milwaukee's 29th. Jobs have grown faster elsewhere, including in New York and Los Angeles.

Among key recommendations:

- Develop a regionwide approach to skill development and job placement so that manufacturers don't have trouble filling even medium-skilled posts and college graduates don't move elsewhere.

Mr. Emanuel and Cook County Board President Toni Preckwinkle say they've taken steps in that direction: uniting their workforce agencies, for instance, and shifting City Colleges into a more vocational direction with direct ties to big employers.

- Get universities and colleges to do a better job of getting research out to potential users and employers.
- Build on recent success in green technology and focus on particularly promising sectors like biotech, which received little attention in the WBC report.
- Work as a region, rather than "poaching" jobs from city to suburb and state to state. Notably, though, the bulk of local officials who participated in drafting the report come from Illinois, and not Indiana or Wisconsin.
- Put more resources into ending traffic congestion, which is "far above" any other U.S. metro except New York and L.A. Similarly, mass transit needs help, too: Only a quarter of those who live near transit stations are able to get to work within 90 minutes.
- Refocus giving economic incentives and tax breaks to small and emerging companies, which drive the innovation the Chicago-area economy needs.

The report was commissioned by the U.S. Department of

Commerce, the Chicago Metropolitan Agency for Planning and
the Chicagoland Chamber of Commerce.