



Media Contact: Karley Sweet | 312.553.4658 | ksweet@WorldBus

Repositioning Manufacturing in Chicago

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Manufacturing is crucial to metropolitan Chicago's economy. Chicago ranks first among all metro areas in the U.S. in terms of manufacturing employment and output in electrical equipment, fabricated metals, food, plastics and rubber products, and primary metal sectors. And, the region's manufacturing base continues to change with the economy, recently adding jobs in wind energy, green building materials, and hi-tech products. Last week, two reports were released that examine the state of manufacturing in Chicago. Both agree that manufacturing is not disappearing; it is repositioning around new industries requiring new technology and different skills.



Led by Howard Wial, executive director of The University of Illinois at Chicago's Center for Urban Economic Development (CUED), the report, [Locating Manufacturing in Chicago](#), details the Chicago region's (14-county MSA) manufacturing trends and sector strengths. It notes that Chicago has led the nation in terms of manufacturing workforce growth and has become a more specialized, local industry to the nation over the last decade. The report urges policymakers to focus on Chicago's traditional specializations in "moderately high" technology manufacturing such as petroleum and coal products, non-pharma chemicals, transportation equipment, machinery, and electrical equipment and appliances. According to the study, manufacturing companies that cluster physically around ideas and resources will drive productivity, higher wages, and future growth.

The Chicago Metropolitan Agency for Planning's (CMAP) [Manufacturing Cluster Drill Down Report](#), examines the slightly smaller, seven-county region, but uses a broader, industry cluster-based definition of manufacturing. CMAP's report is based on the notion that Chicago's \$65 billion dollar manufacturing industry cluster, which includes customer and supply and other support industries identified by CMAP, is stronger than the sum of parts. It found that the manufacturing cluster's wages are 27% higher than the overall regional average (the CUED study, using the more narrow definition of manufacturing, found that average annual earnings in metropolitan Chicago manufacturing were about 16% above average annual earnings for all jobs in the metropolitan area). CMAP provides a helpful "Scorecard" that rates various sectors' performance according to Product, Process, and People; according to the report firms that excel in all three indicators (such as pharmaceuticals and medical supply) are Chicago's best opportunities to scale up advanced manufacturing.

Becoming a leading hub of advanced manufacturing is one of the key strategies of [WBC's Plan for Economic Growth and Jobs](#). According to the Plan, Chicago's massive manufacturing base and historical strength in the sector position it well to move into advanced manufacturing, by introducing advanced technologies and processes and developing the right workforce to operate them. Key components of the Plan are currently being implemented to accelerate growth in advanced manufacturing key industries, help manufacturers to repurpose assets and adopt advanced technologies, and expand workforce training programs to give workers the skills sought by manufacturers.