

BUSINESS CHURN IN THE CHICAGO REGION

CMAP POLICY UPDATE

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Why study business churn?

- Ability to retain and foster new businesses is an important regional economic indicator
- Understand the dynamics of moves, creations, and closures over time
- Findings will inform our next comprehensive plan, ON TO 2050

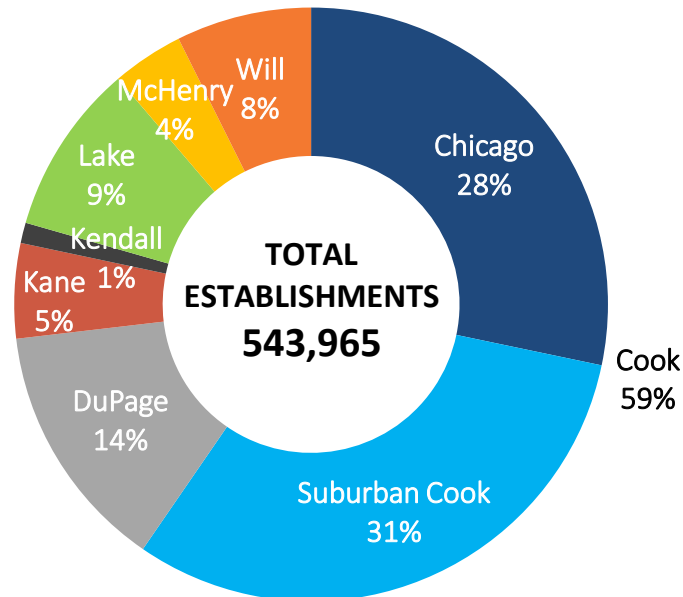


The region's establishment composition

Chicago region establishment composition, 2016

Source: Chicago Metropolitan Agency for Planning analysis of Dun & Bradstreet data.

	Employment size	Less than 5	5 to 9	10 to 19	20 to 49	50 to 99	100+
Percentage of total	 Establishments	66.9%	13.1%	8.7%	6.3%	2.6%	2.1%
	 Employment	9.6%	6.0%	8.0%	13.3%	12.4%	50.7%



Source: Chicago Metropolitan Agency for Planning analysis of National Establishment Time-Series (NETS) data.



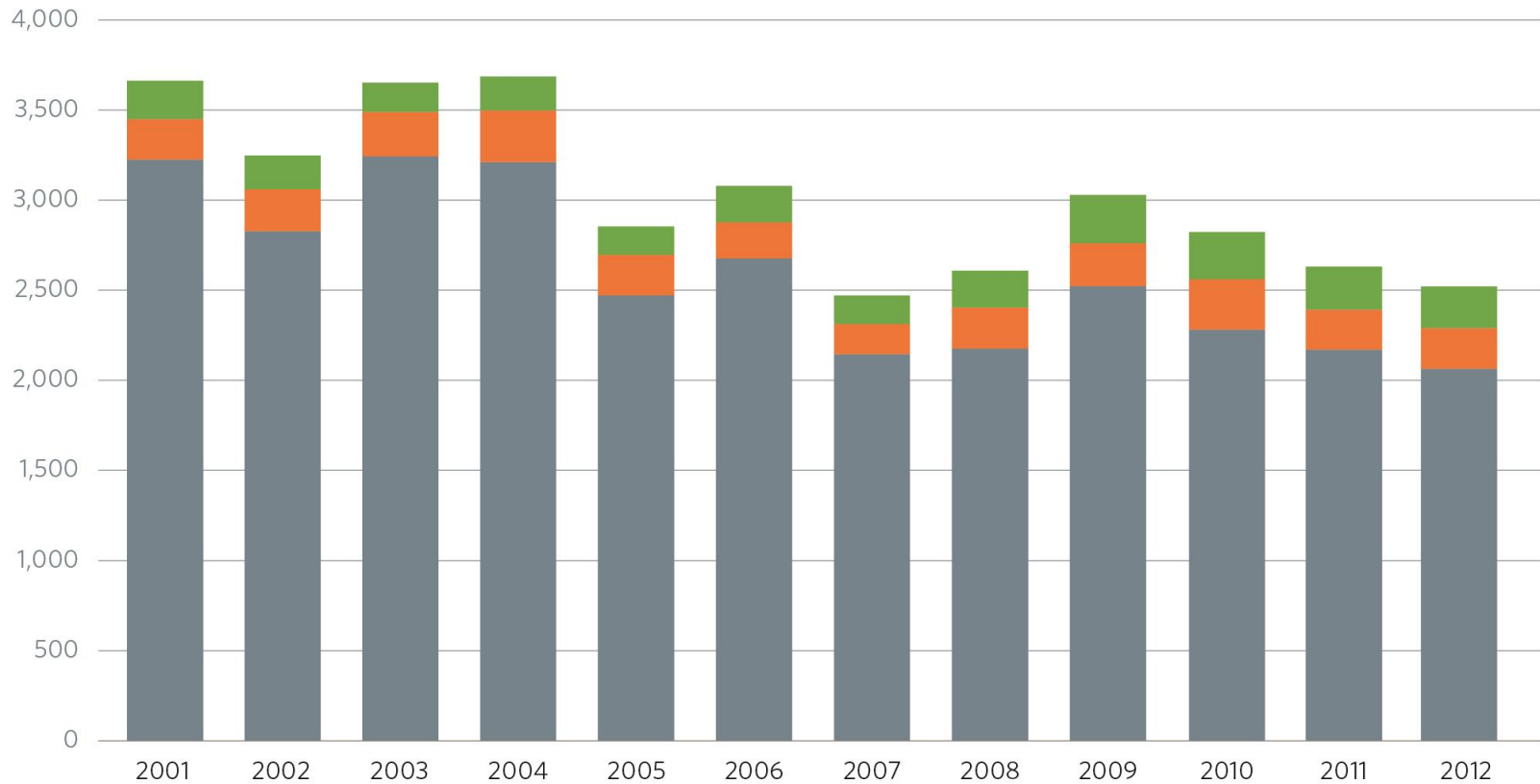
Most moves are intraregional

Chicago region establishment moves by move type, 2001-12

● Intraregional ● Moves out ● Moves in

Note: Establishments with five or more employees. Recessions March 2001 to November 2001 and December 2007 to June 2009.

Source: Chicago Metropolitan Agency for Planning analysis of National Establishment Time-Series (NETS) data.

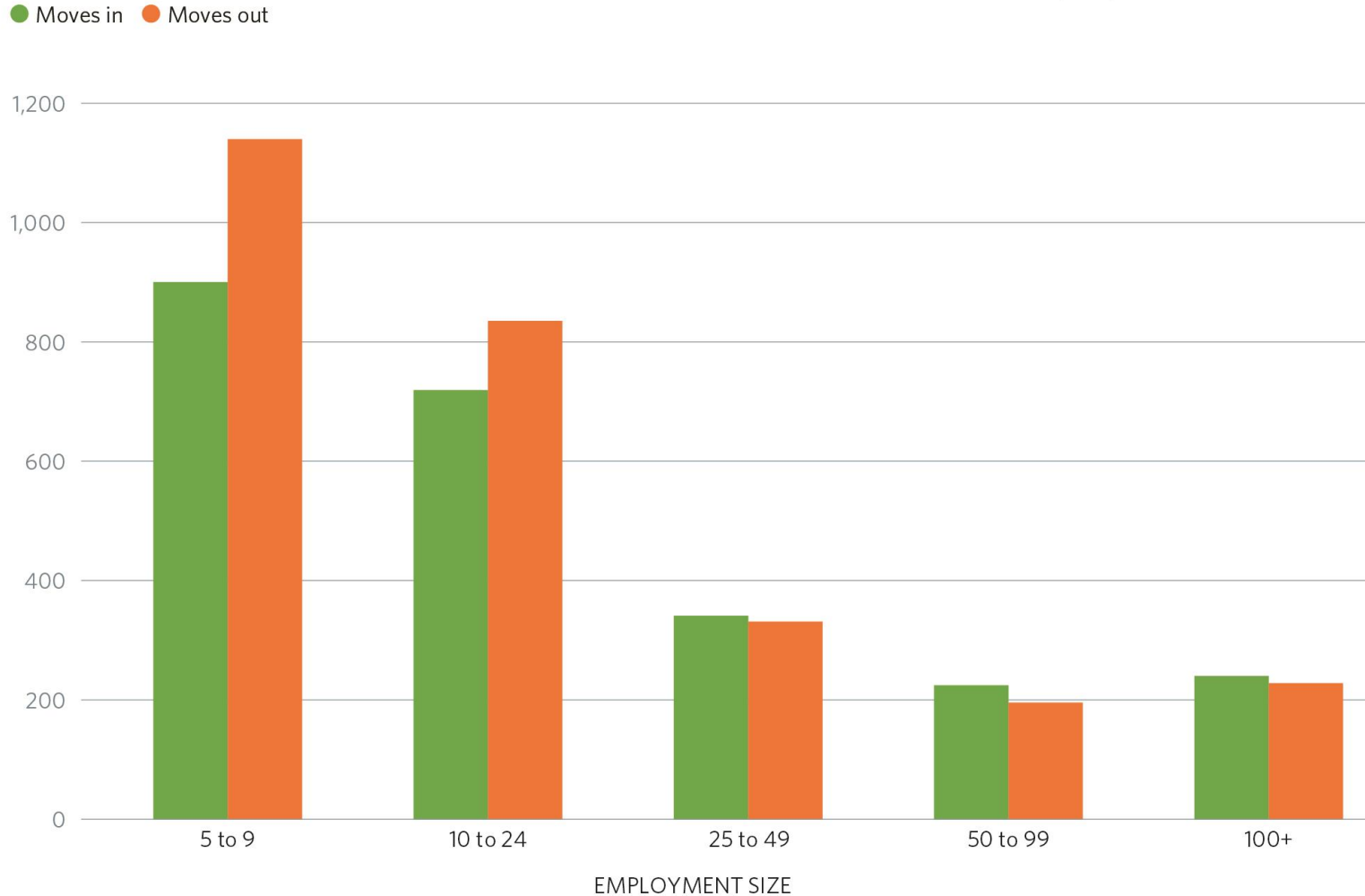


Most moves from the region are smaller establishments

**Establishment moves to and from the Chicago region
by employment size, 2001-12**

Note: Establishments with five or more employees.

Source: Chicago Metropolitan Agency for Planning analysis of
National Establishment Time-Series (NETS) data.



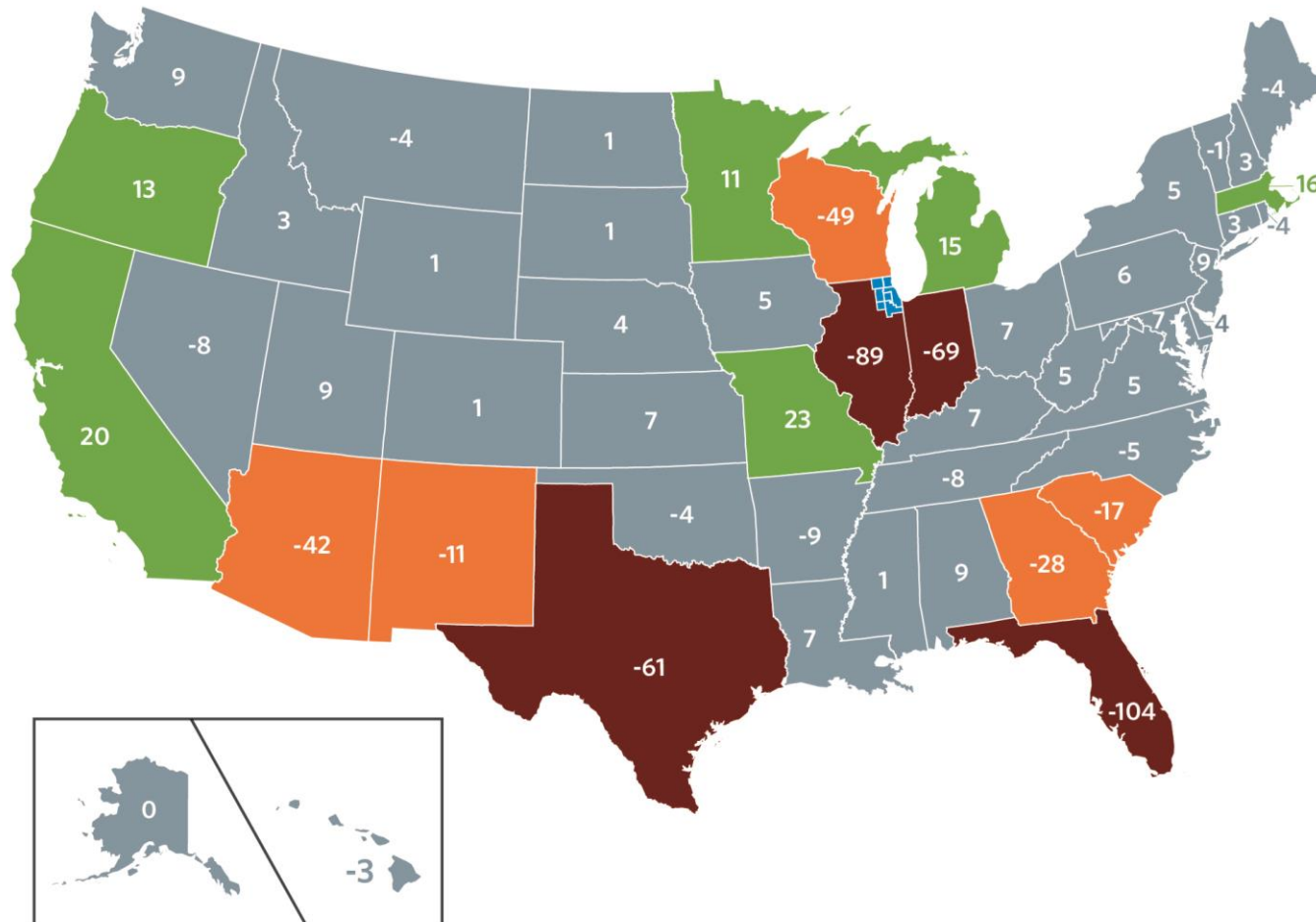
A few states account for the majority of moves

Chicago region net establishment moves to and from other states and the rest of Illinois, 2001-12

Note: Establishments with five or more employees. Illinois total shows net relocations to Illinois outside the seven-county CMAP region.

Source: Chicago Metropolitan Agency for Planning analysis of National Establishment Time-Series (NETS) data.

- Between -104 and -51
- Between -10 and 10
- Chicago region
- Between -50 and -11
- Between 11 and 23



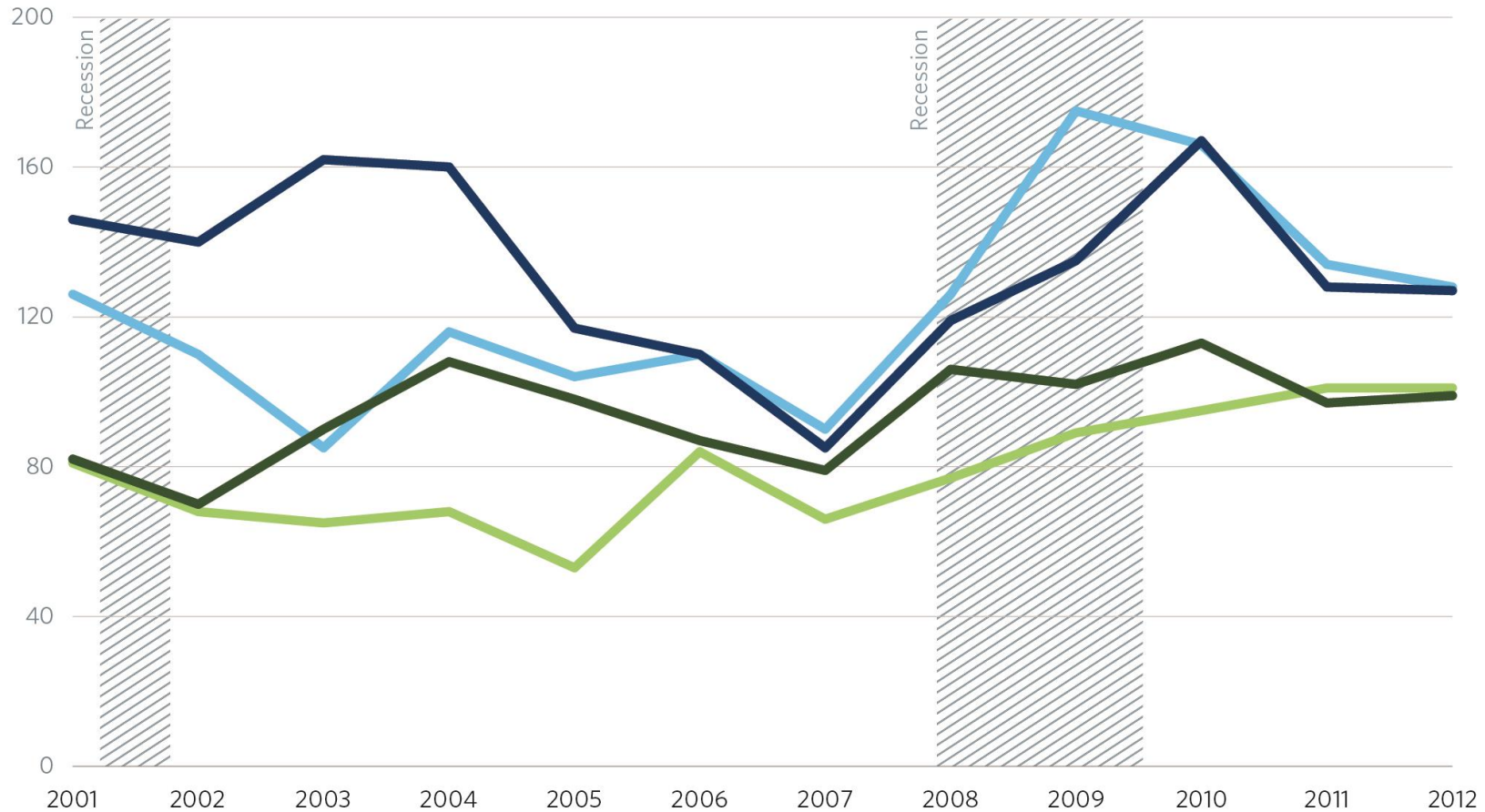
Moves vary by industry cluster type

Chicago region traded and local cluster establishment moves, 2001-12

Note: Establishments with five or more employees.

Source: Chicago Metropolitan Agency for Planning analysis of National Establishment Time-Series (NETS) data.

- Traded moves in
- Local moves in
- Traded moves out
- Local moves out



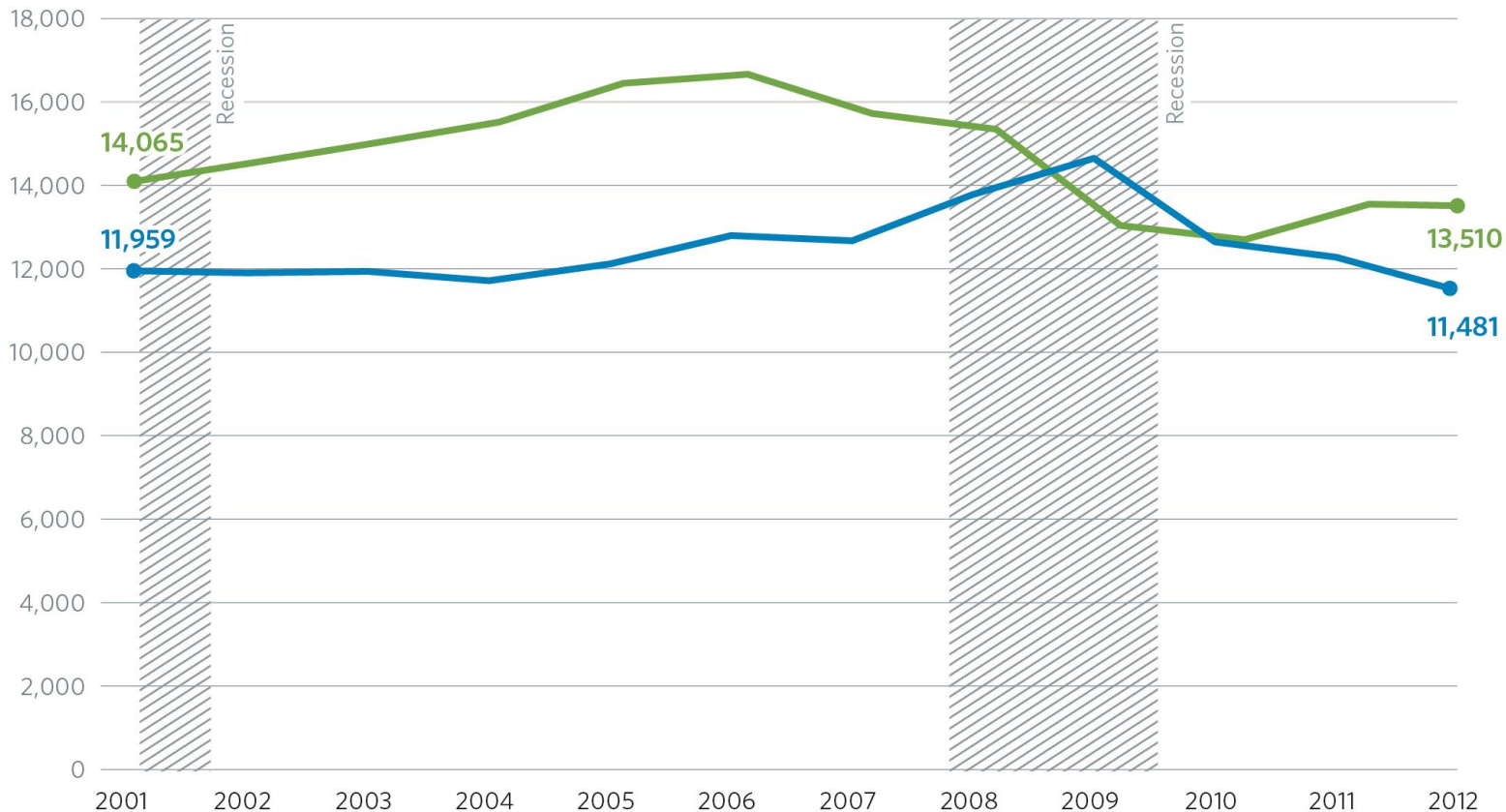
Establishment births and deaths significantly outpaced move activity

Chicago Metropolitan Statistical Area (MSA) establishment births and deaths, 2001-12

● Births ● Deaths

Note: The 14-county Chicago-Naperville-Elgin, IL-IN-WI Metropolitan Statistical Area (Chicago MSA) includes the seven CMAP region counties, DeKalb and Grundy Counties in Illinois, Kenosha County in Wisconsin, and Jasper, Lake, Newton, and Porter Counties in Indiana. Unlike the NETS database, the BDS database does not include self-employed individuals. Therefore, the number of establishment births is likely higher than the 13,500 tallied by the BDS database.

Source: Chicago Metropolitan Agency for Planning analysis of U.S. Census Bureau Business Dynamics Statistics data.



CONCLUSIONS

- Interstate moves play a small role in economic growth
- Building on existing assets will help the region grow, attract, and retain establishments
- ON TO 2050 will promote strategies that:
 - Leverage our infrastructure & skilled workforce
 - Curtail intraregional competition
 - Help the region compete globally



THANK YOU

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