

One Chicago for All

A CALL TO ACTION
FROM CHICAGO
NEIGHBORHOODS

Chicago is a global city with the most diversified economy in the nation, creating 200,000 jobs since 2010 and ranked in the top ten of the world's most competitive cities for business. But much of that capital and innovation remains downtown. The city's neighborhoods are an untapped source for growth, but do not share equally in the bounty.

The Neighborhood Network in collaboration with LISC has joined forces to advocate for equity. Together we represent 26 diverse neighborhoods with a combined population of more than 1 million residents. Though our neighborhoods face different challenges and needs, we are united in our vision:

With meaningful investment in neighborhoods, residents in our communities connect to sustained, living wage job opportunities at scale.

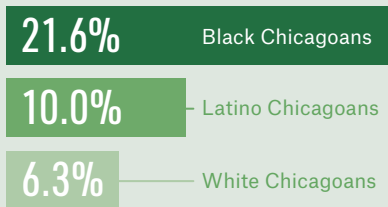
THE FOLLOWING ARE OUR PROPOSALS FOR SIX AREAS OF CHANGE.



More Inclusive Employers

OPPORTUNITY BYPASSES TOO MANY CHICAGOANS

2016 Unemployment Rates



Source: US Census, American Fact Finder

The effect of a criminal record is more pronounced for blacks than whites

It is 40% larger.

Even whites with criminal records received more favorable treatment than blacks without criminal records.

Source: Devah Pager, Harvard

Lost revenue: \$123 billion

16%: The expected increase in the Illinois GDP had people of color earned the same as their white counterparts in 2015, or \$123 billion more.

Source: National Equity Atlas



Our communities and the individuals who live in them are overwhelmingly disadvantaged when trying to gain employment. Race, ex-offender status, immigration status, and poverty all create barriers to employment. Employers are the linchpin to progress, both for individuals and for a company's advancement and a more inclusive economy.

GOAL

Local employers should invest in residents from high-poverty neighborhoods so they can build wealth and strengthen their communities.

RECOMMENDATIONS

To both reward and motivate employers to support a more equitable Chicago, create certification programs that award badges to:

1. Employers who hire from low-income communities of color and offer growth opportunities and family-friendly benefits; and
2. Employers who invest in Chicago communities through their business locations or supply chain relationships and involvement with and support for neighborhood efforts.

Workforce Development

GOOD JOBS GOING UNFILLED, EMPLOYMENT GAPS PERSIST

2-3x

The Black and Latino unemployment rates are nearly two to three times higher than rates for whites in Chicago

Source: US Census, American Fact Finder, 2016

28,000

The number of middle-skill jobs Chicago will create each year through 2019

Middle-skill jobs require less than a BA but more than a high school degree and pay a living wage.

Source: JP Morgan Chase

But those jobs go unfilled because of a skills mismatch

Share of jobs requiring middle-skill credentials

60%

54%

Share of people with matching skills

Source: JP Morgan Chase



Workforce development is about investing in people and making sure that workers and businesses have the skills they need to compete in today's economy. The Chicago region receives \$300 million each year for workforce development programs, yet high unemployment persists among blacks and Latinos and middle-skill jobs go unfilled. More transparency is needed to ensure the funds are optimally invested.

GOAL

Support the workforce development system in becoming more transparent.

RECOMMENDATIONS

To ensure workforce development funding is distributed equitably:

1. Assess how workforce dollars are currently deployed.
2. Identify the gaps that exist between what employers need and what workforce training provides.
3. Create a more gradual exit from public benefits like child care and housing to smooth the transition to work.
4. Employers and workforce development agencies should provide financial coaching so employees can be more financially secure.



Education

**WHEN SCHOOLS AND COMMUNITY ORGANIZATIONS
PARTNER, GREAT THINGS CAN HAPPEN**



Housing

DIFFERENT MARKETS, DIFFERENT PRESSURES

Chicago's many different housing markets face unique risks

Gentrifying neighborhoods risk displacement as prices become unaffordable

Home prices in parts of the Northwest side have increased by **48 percent**.

Source: Institute for Housing Studies



Meanwhile, weaker housing markets would welcome investment

In other Chicago neighborhoods, home prices in 2015 were still more than **55 percent below peak levels** seen during the housing boom.

Source: Institute for Housing Studies

55%

Schools prepare tomorrow's workforce, but they do it better when they partner with local community organizations to engage parents and students in and beyond the classroom. For parents, programs in schools that support engagement with teachers, staff and students immediately improve family financial opportunity. In Logan Square's parent mentoring program, 84 percent of parents got a job, learned English, attended college, or completed a GED. For students, afterschool and parent engagement improves crucial social-emotional learning and long-term success.

GOAL

All Chicago schools will have effective local community partnerships to engage parents and families.

RECOMMENDATIONS

1. Fully document funding sources available to parents, children, and local community organizations for engaging with schools.
2. Advocate for greater and more accessible state and federal funding to allow citywide expansion of afterschool programs.
3. Advocate for the Chicago Public Schools and the Mayor's Office to fund parent and community engagement programs and afterschool programming that serves all low-income families. When schools have support in targeting local needs, overall funding is used more effectively.
4. Establish a transparent citywide reporting mechanism trusted by parents, schools, and communities on the programs and resources available at each school, and explicitly address any inequities across neighborhoods.

Chicago is a city of many different real estate markets. Some communities are stable while others are struggling with displacement or, conversely, with abandonment and disinvestment. To ensure that neighborhoods are affordable and livable, communities must proactively implement policies or programs that are tailored to unique conditions.

GOAL

Ensure that housing policy is responsive to unique conditions on the ground and that it results in stable housing across the city.

RECOMMENDATIONS

To ensure that Chicago remains affordable for the majority of residents:

1. The City of Chicago should adopt flexible and responsive housing strategies in its next Five-Year Housing Plan that recognize the different market conditions in neighborhoods.
2. Advocate for the creation of a mix of tools and interventions that help both homeowners and renters in different housing markets. For example, tools can accelerate slow markets or maintain affordability in markets where housing values are poised to increase.

Capital

WEALTH CREATION IS UNEVEN

Small businesses in black and Latino neighborhoods:

Receive fewer loans

Businesses in predominantly minority neighborhoods in Chicago did not receive their share of small business loans

The share of businesses in Chicago that are in minority neighborhoods

8.2%

15.1%

The share of all small business loans that those businesses received

TIMESPAN: 2009 - 2014

Source: Woodstock Institute

Are undercapitalized for growth

12x greater

The value of white-owned Chicago businesses vs. black-owned businesses

Source: Racial Wealth Divide Initiative

Have less equity invested

Minority-owned businesses nationwide receive less than half the amount of initial equity as other businesses.

Average new equity investment

\$3,379:

for minority-owned small businesses

\$7,858:

for non-minority-owned small businesses



Source: Minority Business Development Agency

Access to capital is critical. Without it, businesses lack the capacity to grow and create jobs in the neighborhood. Low-income and communities of color have less access to needed capital.

GOAL

Ensure that people and neighborhoods of color have ready access to capital and investments.

RECOMMENDATIONS

Establish a Neighborhood Capital Economic Development Council led by a cross-section of community-based leaders. The Council can:

1. Document the flow of private, public, Community Development Financial Institution (CDFI), and philanthropic capital—how it is accessed, underwritten, and managed.
2. Influence the public sector on terms, criteria, and access strategies for City of Chicago economic development investments, loans, and incentives.
3. Partner with the CDFI community to jointly raise more flexible capital and encourage CDFIs to expand the community-based organizations that serve on board and loan committees.
4. Develop investment vehicles for harnessing community capital for local projects that support a more cooperative economy.

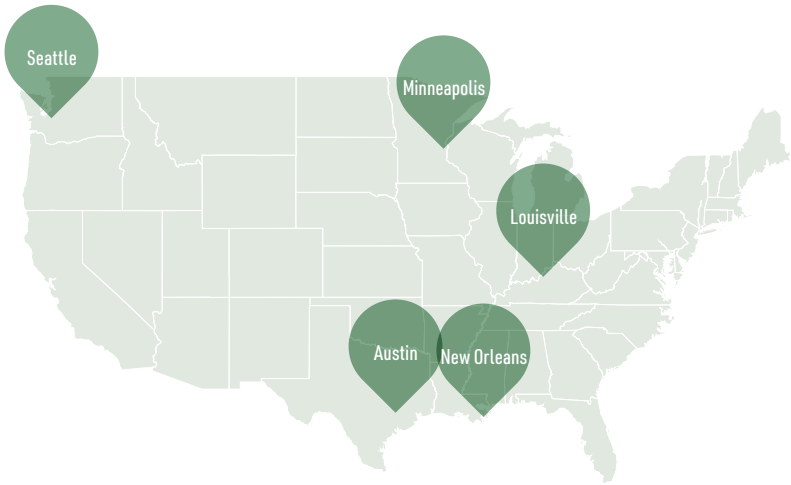
Government Investment

Many cities are carrying out executive orders and other initiatives to ensure that the outcomes of city investments and spending are equitable.

\$10 billion:

The City of Chicago's proposed 2018 budget for city services and investments.

Source: City of Chicago



Government invests in the local economy in many ways, from delivering city services to building and maintaining infrastructure and supporting business development. However there is no metric or independent function to judge the equity in outcomes from that spending across people and place.

GOAL

Increase accountability of public investments to ensure that their outcomes are responsive to current inequities. Investments should mitigate negative impacts on vulnerable populations and benefits should be realized by all groups.

RECOMMENDATIONS

1. Create criteria for an equity scorecard for public investments.
2. Create an ombudsman or Chief Equity Officer position with the appropriate autonomy, power, and resources to achieve inclusivity in economic investments.
3. Implement a process for ongoing, consistent, and transparent review of the performance of public actions and investments using the equity scorecard.
4. Implement strategies and policies that proactively ensure equitable impact from investments and other development actions.



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OUR CALL TO ACTION:

Together, as residents and organizations of Chicago's neighborhoods, we call on our city to:

1. Encourage more inclusive employers
2. Improve the effectiveness of workforce development systems
3. Widen access to capital
4. Increase and strengthen community-school partnerships to benefit families
5. Spend government resources to achieve equitable outcomes
6. Achieve greater housing stability in neighborhoods