



**Great Cities
Institute**

Abandoned in their Neighborhoods: Youth Joblessness amidst the Flight of Industry and Opportunity

Produced for Alternative Schools Network
By University of Illinois at Chicago Great Cities Institute
Youth Employment Hearings
Chicago Urban League
January 30, 2017

“We Want to Work”

- “The Money I Earned Gave me Power and Sense of Responsibility.”
- “Young People Can’t Be, What They Can’t See.”
- “A Good Job Can Change a Person’s Life”



(Zbigniew Bzdak / Chicago Tribune)

Young People Tell Us: More Jobs, Less Violence

- “Jobs solve violence. If you are busy working, you don’t have time for violence.”
- “There are so many people who don’t have a job, and they get into the wrong things.”
- “Bring youth employment... everyone wants drugs and violence to stop, well then...get us off these streets and get us in some work clothes and you will see the change.”
- “We need these jobs out here; it’s real bad out here.”
- “If you want to save lives, you want to see a difference, give these teens jobs.”

More Jobs, Less Violence

While not everyone who is without a job engages in violence, these insights from young people suggest that of those who do, economic reasons are a motivating factor. Further, they suggest that providing jobs deters them from seeking an economic solution that may involve them in illegal activities. While rampant joblessness may not completely explain violence, we learn from young people that it is no doubt a contributing factor and conversely, providing a job can mitigate the conditions that lead to criminal activities.

Supplement Voices with Research

- In 2016 demonstrated persistence & severity:
 - Joblessness was exceedingly high for young people of color, especially Black (Non-Hispanic)
 - Joblessness increased over time – *chronic*
 - Joblessness was directly related to racial segregation – *concentrated*
 - Joblessness was *comparatively worse* in Chicago
 - Joblessness cannot be seen apart from what is happening in the neighborhoods

In 2017, we wanted to know

- How did 2015 employment/population figures compare to 2014? Did joblessness numbers improve?
- Given the chronic nature of joblessness, if we went further back in time, what trends would we see?
- Track data on the relationship between *concentrated* Joblessness and racial segregation
- Continue the comparisons to , the U.S., Los Angeles and New York - is joblessness in Chicago still *comparatively worse*? If so, why?
- If joblessness is tied to what is happening in neighborhoods, then what else can we about them?

Joblessness persists 2014 to 2015, particularly for young Black men and women

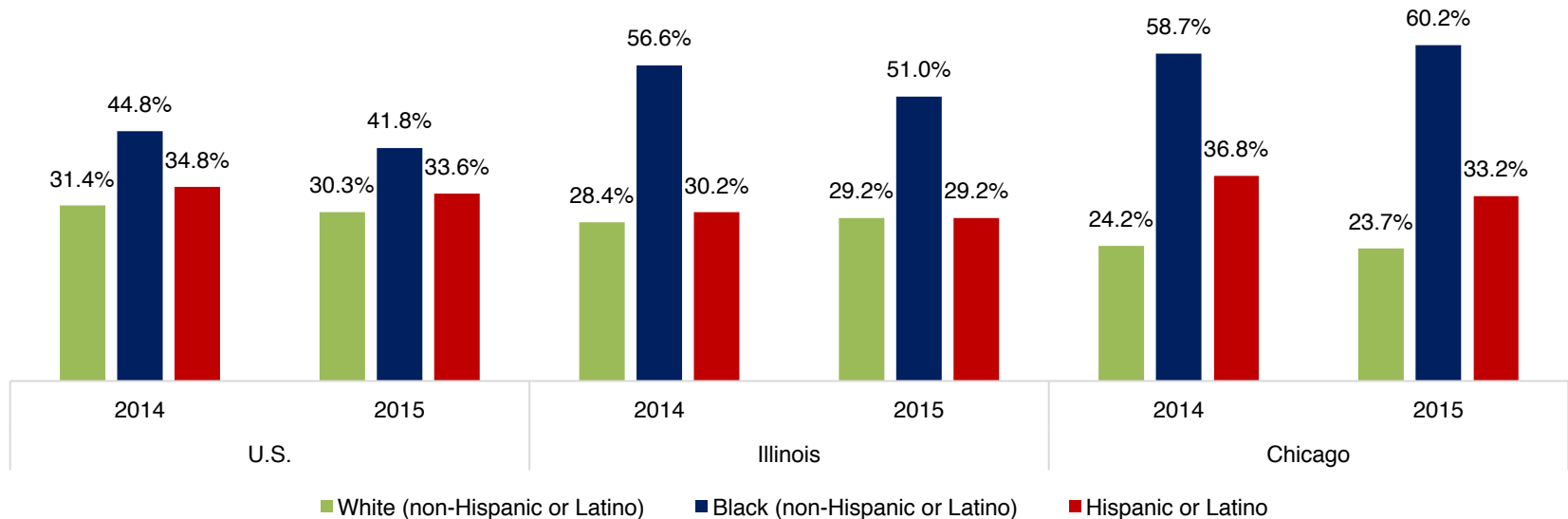
- In 2015, employment conditions in Chicago were worse than in Illinois and the U.S. for 16 to 19 and 20 to 24 year olds (see Figures 1, 2, and 3).
- The percent of jobless Black (non-Hispanic or Latino) 20 to 24 year olds in Chicago increased from 58.7 percent in 2014 to 60.2 percent in 2015 (see Appendix C Figure C2).
- Black (non-Hispanic or Latino) 20 to 24 year old women in Chicago had a higher jobless rate (60.4 percent) than New York City (44.7), Los Angeles (44.7), Illinois (50.4), and the U.S. (38.3) in 2015 (see Table 2).
- In 2015, Black (non-Hispanic or Latino) 20 to 24 year old men in Chicago had a higher jobless rate (60 percent) than New York City (50.3), Los Angeles (48.4), Illinois (51.6), and the U.S. (45.2) (see Figure 16).

20 to 24 Out of Work

Change from 2014 to 2015?

- Black Males Out of Work Rates Went Up

Percent of 20 to 24 Year Olds Who Were Out of Work by Race/Ethnicity in the U.S., Illinois, and Chicago, 2015

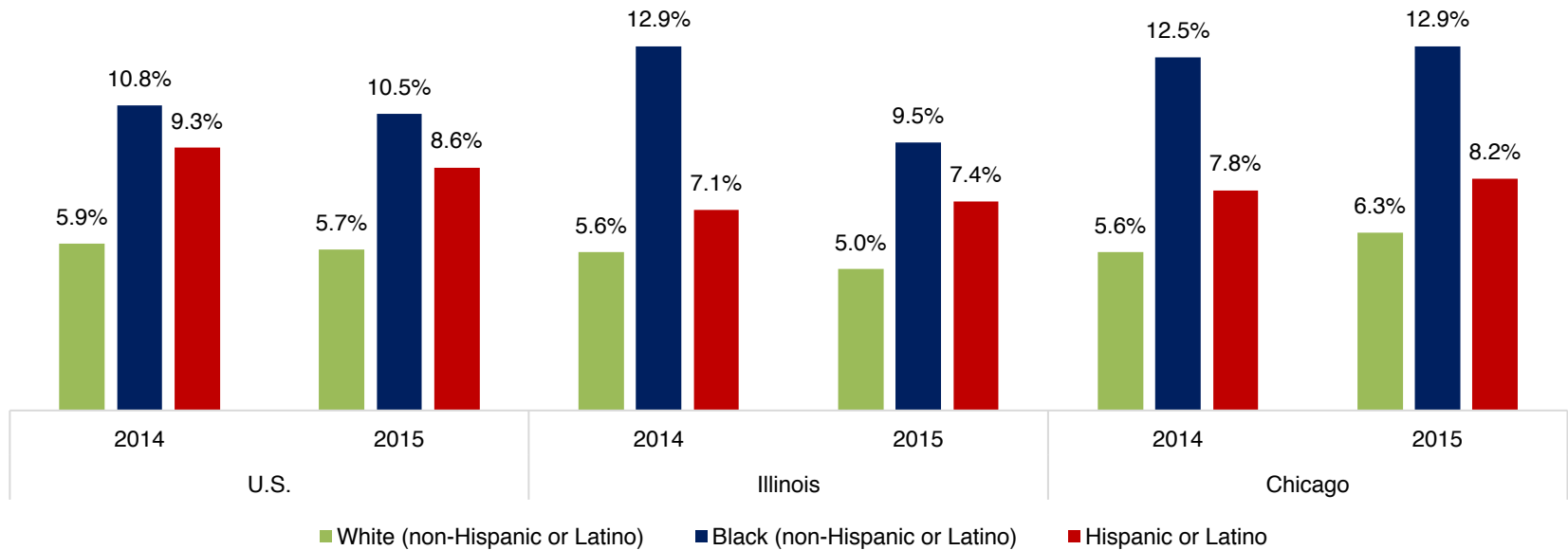


Data Source: 2014 and 2015 American Community Survey, public use files. Tabulations by Great Cities Institute, University of Illinois at Chicago.

16 to 19 Out of School, Out of Work Change from 2014 to 2015?

- In Chicago, increased for all groups

Percent of 16 to 19 Year Olds Who Were Out of Work and Out of School by Race/Ethnicity in the U.S., Illinois, and Chicago, 2015

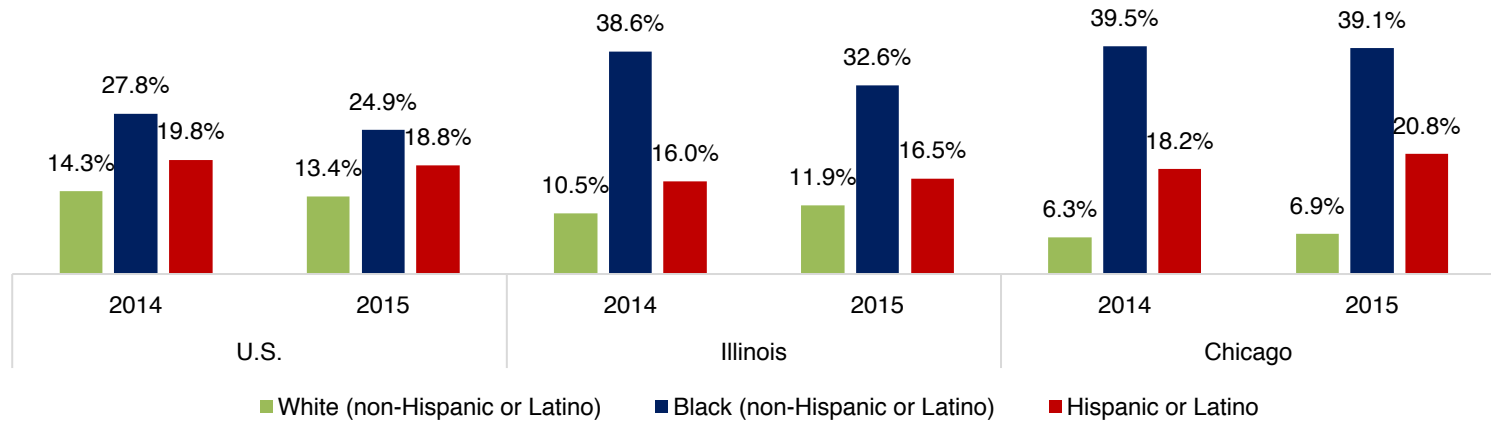


Data Source: 2014 and 2015 American Community Survey, public use files. Tabulations by Great Cities Institute, University of Illinois at Chicago.

20 to 24 Out of School, Out of Work Change from 2014 to 2015?

- In Chicago, Latino number up, Blacks about the same, whites slightly worse

Percent of 20 to 24 Year Olds Who Were Out of Work and Out of School
by Race/Ethnicity in the U.S., Illinois, and Chicago, 2014 and 2015

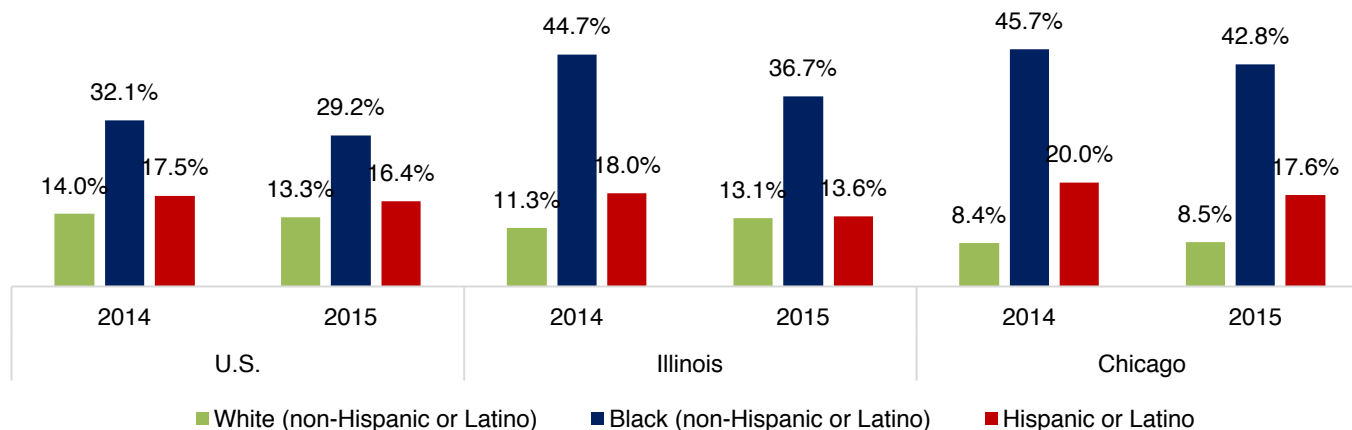


Data Source: 2014 and 2015 American Community Survey, public use files. Tabulations by Great Cities Institute, University of Illinois at Chicago.

20 to 24 Out of School, Out of Work MALES Change from 2014 to 2015?

- Black Males, though slightly improved in 2015, fare worse than other groups in all places

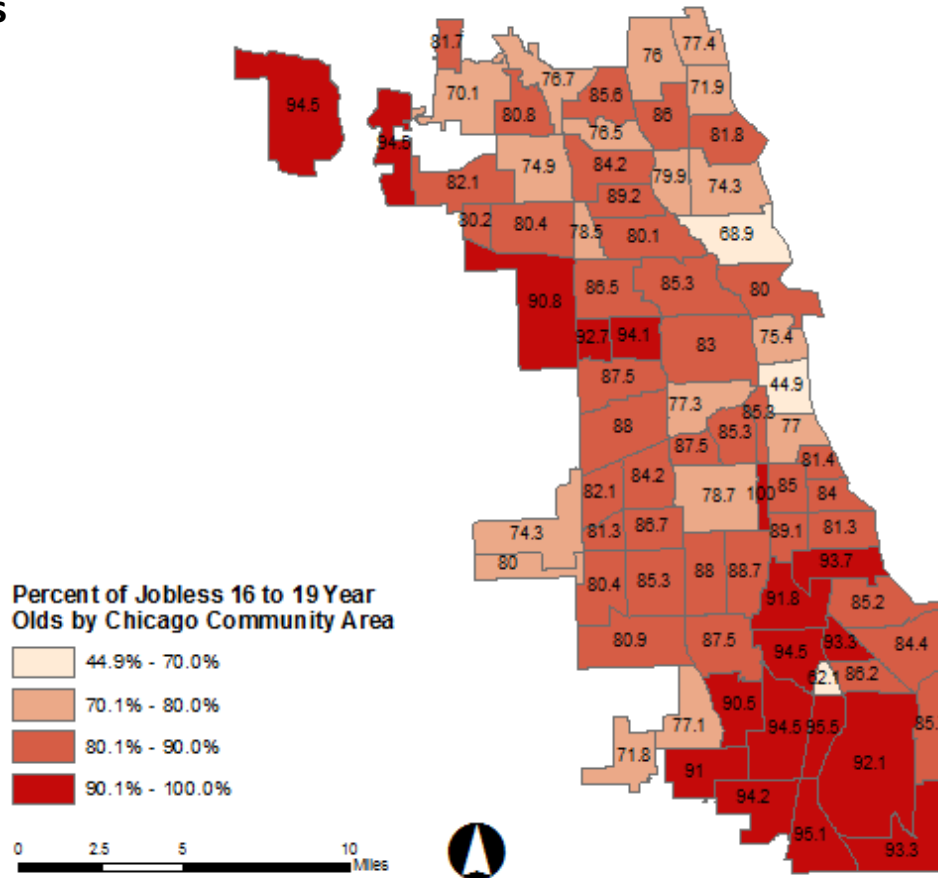
Percent of 20 to 24 Year Old **Males** Who Were Out of Work and Out of School by Race/Ethnicity in the U.S., Illinois, and Chicago, 2014 and 2015



Data Source: 2014 and 2015 American Community Survey, public use files. Tabulations by Great Cities Institute, University of Illinois at Chicago.

16-19 Year Old Joblessness

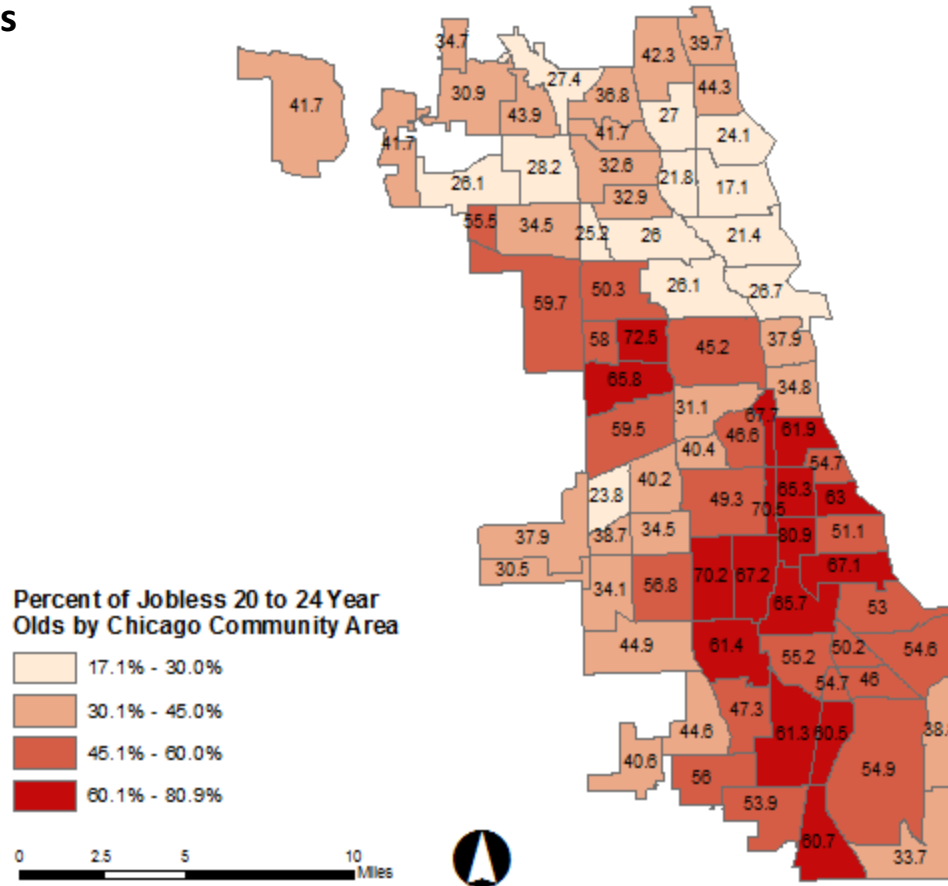
Map 10: Jobless Rate for 16 to 19 Year Olds by Chicago Community Areas



Data Source: 2011-2015 American Community Survey 5-Year Estimates, U.S. Census Bureau.
Map Prepared by Great Cities Institute, University of Illinois at Chicago.

Joblessness Continues to be Concentrated and Directly related to Racial Segregation

Map 11: Jobless Rate for 20 to 24 Year Olds by Chicago Community Areas

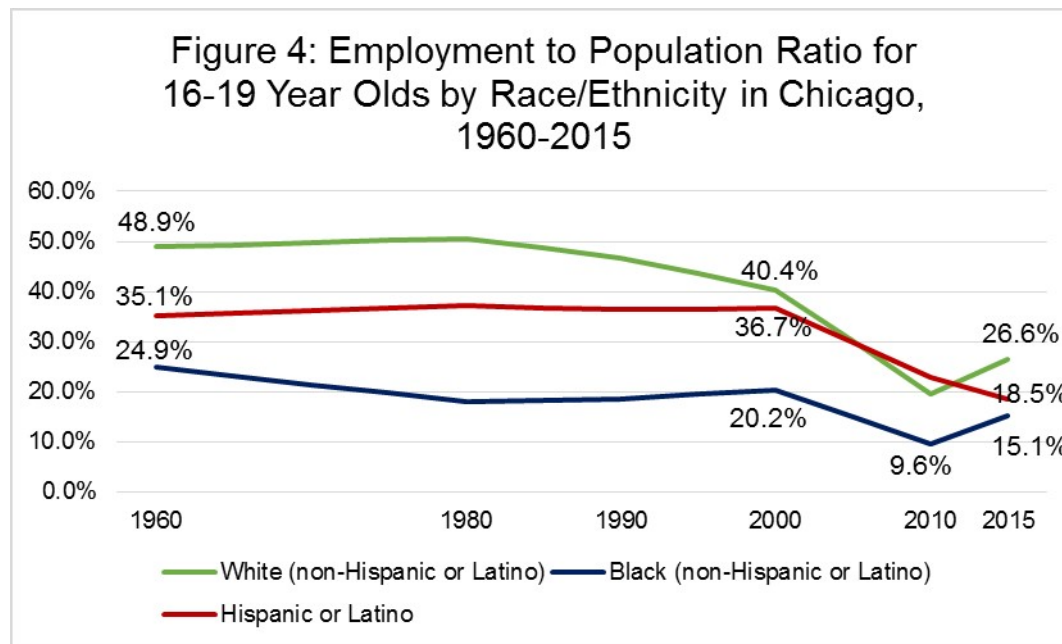


Data Source: 2011-2015 American Community Survey 5-Year Estimates, U.S. Census Bureau.
 Map Prepared by Great Cities Institute, University of Illinois at Chicago.

Joblessness reflects a long-term trend, made worse by the recession

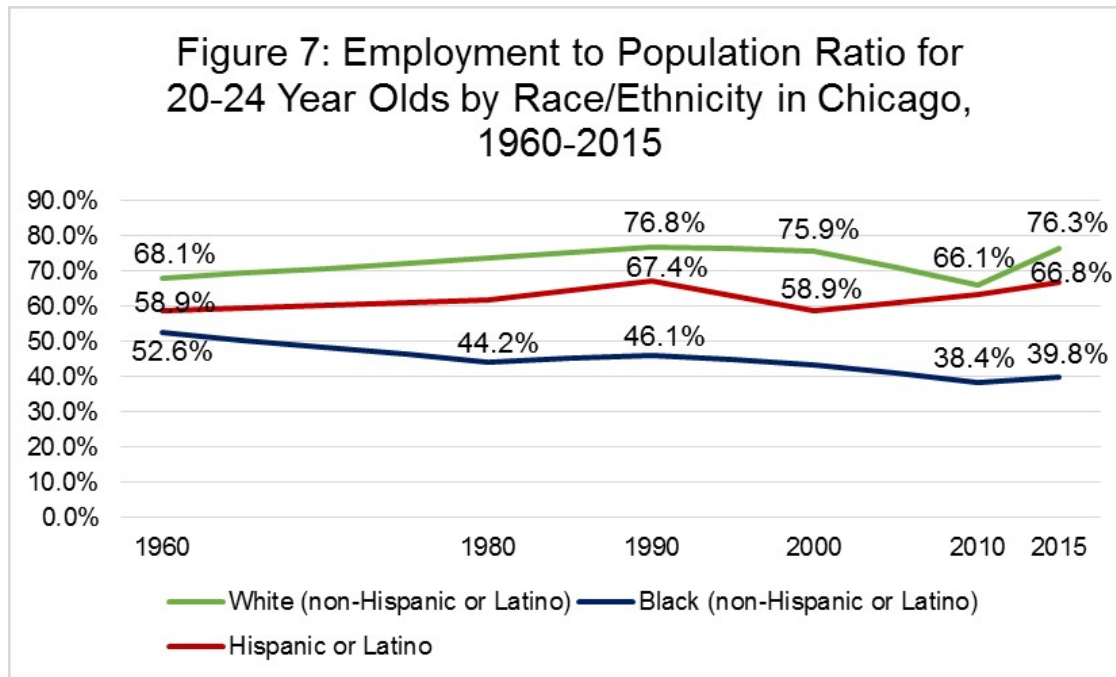
- 20 to 24 year olds were worse off in Chicago in 2015 than in 1960. (In Illinois and the U.S., this trend is reversed, where they were better off in 2015 than 1960).
- The Great Recession severely impacted every racial/ethnic group of 16 to 19 year olds in Chicago, Illinois and the U.S. but had the largest impacts in Chicago. Even after a period of recovery from 2010 to 2015, no group of 16 to 19 year olds in Chicago, Illinois and the U.S. had employment to population ratios at pre-recession levels.
- Latinos in Chicago were the only racial/ethnic group of 16 to 19 year olds that did not show any recovery after the recession but continued to decline after 2010.

From 1960 to 2015 in Chicago, employment to population ratios for 16 to 19 year olds declined most severely after the Great Recession, after which they showed only a slight rebound except Latinos who continued to decline



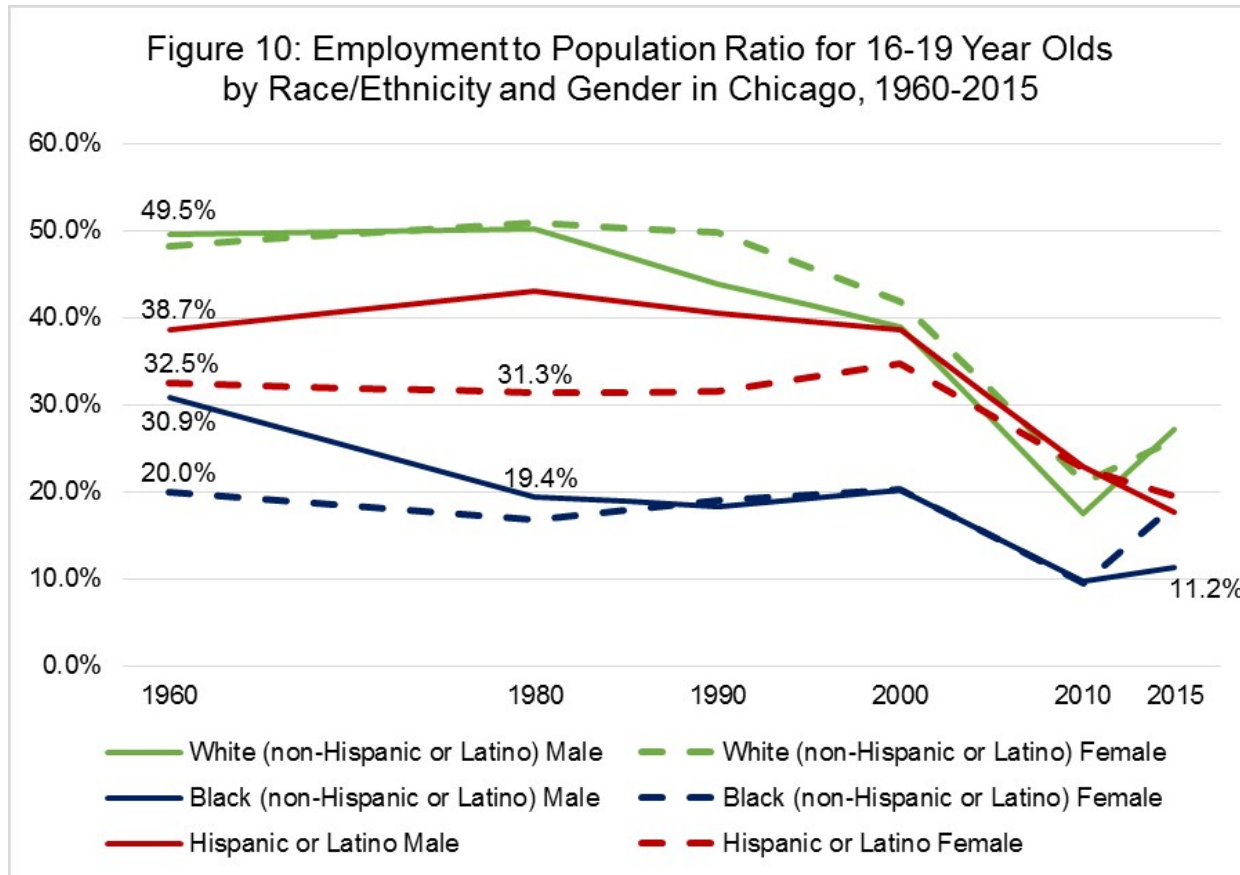
Data Source: 1960, 1980, 1990 and 2000 Decennial Censuses and 2010 and 2015 American Community Survey, public use files. Tabulations by Great Cities Institute, University of Illinois at Chicago.

Black 20 to 24 Year Old Worse off in 2015 than 1960 - Gaps with Whites Widened, Worse after Recession



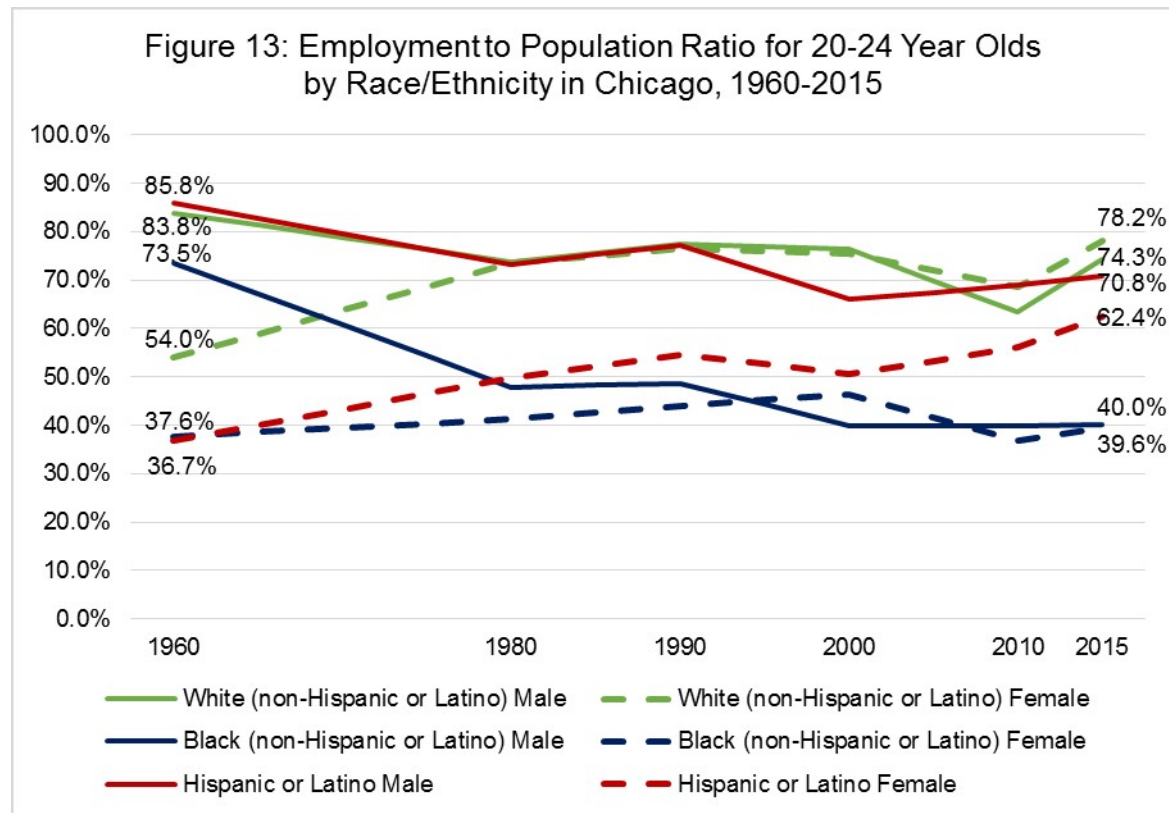
Data Source: 1960, 1980, 1990 and 2000 Decennial Censuses and 2010 and 2015 American Community Survey, public use files. Tabulations by Great Cities Institute, University of Illinois at Chicago.

16 to 19 year old Latino Men and Women Continue Downward Slope Since Recession



Data Source: 1960, 1980, 1990 and 2000 Decennial Censuses and 2010 and 2015 American Community Survey, public use files. Tabulations by Great Cities Institute, University of Illinois at Chicago.

1960 – 2015 20 to 24 year olds by race/ethnicity and gender



Data Source: 1960, 1980, 1990 and 2000 Decennial Censuses and 2010 and 2015 American Community Survey, public use files. Tabulations by Great Cities Institute, University of Illinois at Chicago.

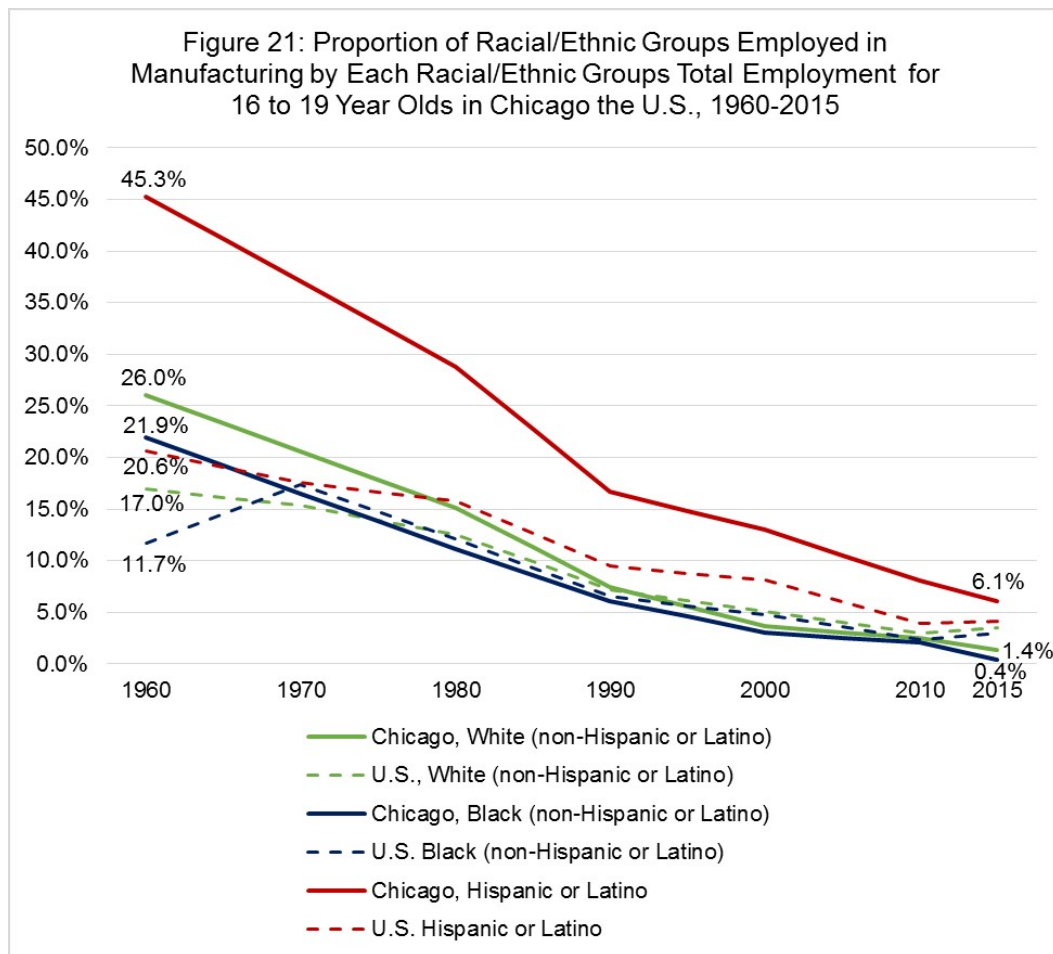
Joblessness is Systemic and Tied to Changes in Manufacturing

- Manufacturing was a significant part of Chicago's economy in 1960, employing 57.8 percent of working Hispanic or Latino 20 to 24 year olds, 35 percent of Whites (non-Hispanic or Latinos) and 29.6 percent of Blacks (non-Hispanic or Latino).
- A continuous downward trend from 1960 to 2015 left just 10.2 percent of working 20 to 24 year old Hispanic or Latinos in manufacturing and just 2.9 percent of both Black and White 20 to 24 year olds. The subsequent decline indicates that Chicago's large manufacturing sector was hit harder by the decline in manufacturing than the U.S. as a whole (See Figure 24).
- In Chicago, the decline in manufacturing resulted in an economy with large retail trade and professional and related services sectors – both of which, in 2015 paid lower wages to 20 -24 year olds than manufacturing did in 1960 (See Figure 28).

In Chicago, Manufacturing More Important

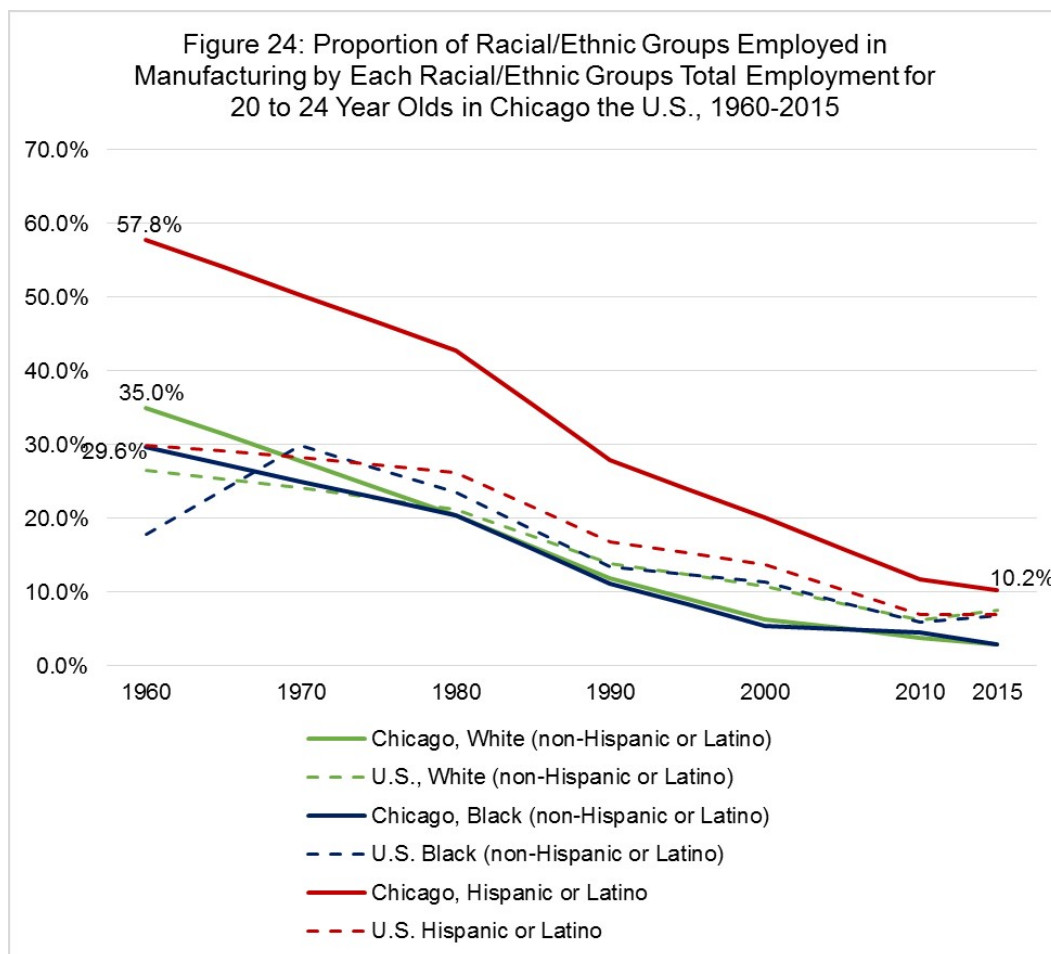
- In Chicago in 1960, compared to the U.S., larger concentrations of 16 to 19 and 20 to 24 year olds worked in manufacturing
- Larger declines over time, suggests that Chicago was disproportionately impacted by the decline in manufacturing.
- Among 16 to 19 and 20 to 24 year olds, Hispanic or Latinos, which had the largest concentration in manufacturing employment, have also seen the largest decline over time.
- For Blacks and Latinos, their percentage decline in manufacturing is paralleled in their percentage increase in retail and services, while Whites increased employment in higher paying professional and related service jobs.

16 to 19 Manufacturing Chicago, U.S.



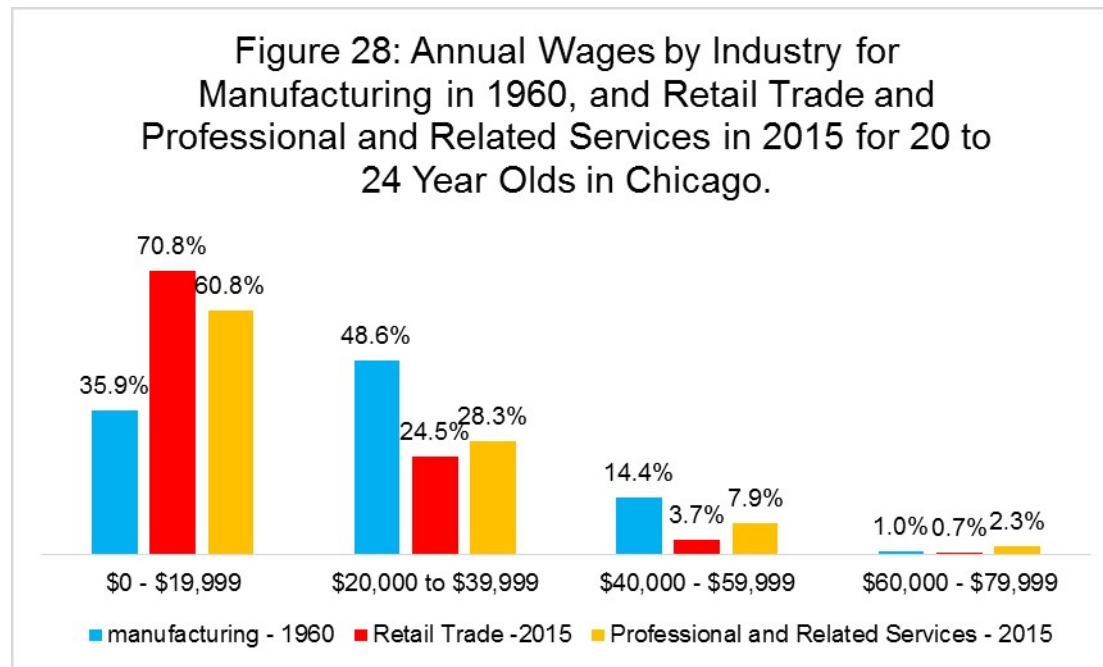
Data Source: 1960, 1970, 1980, 1990 and 2000 Decennial Censuses and 2010 and 2015 American Community Survey, public use files. Tabulations by Great Cities Institute, University of Illinois at Chicago.

20 to 24 Manufacturing Chicago, U.S.



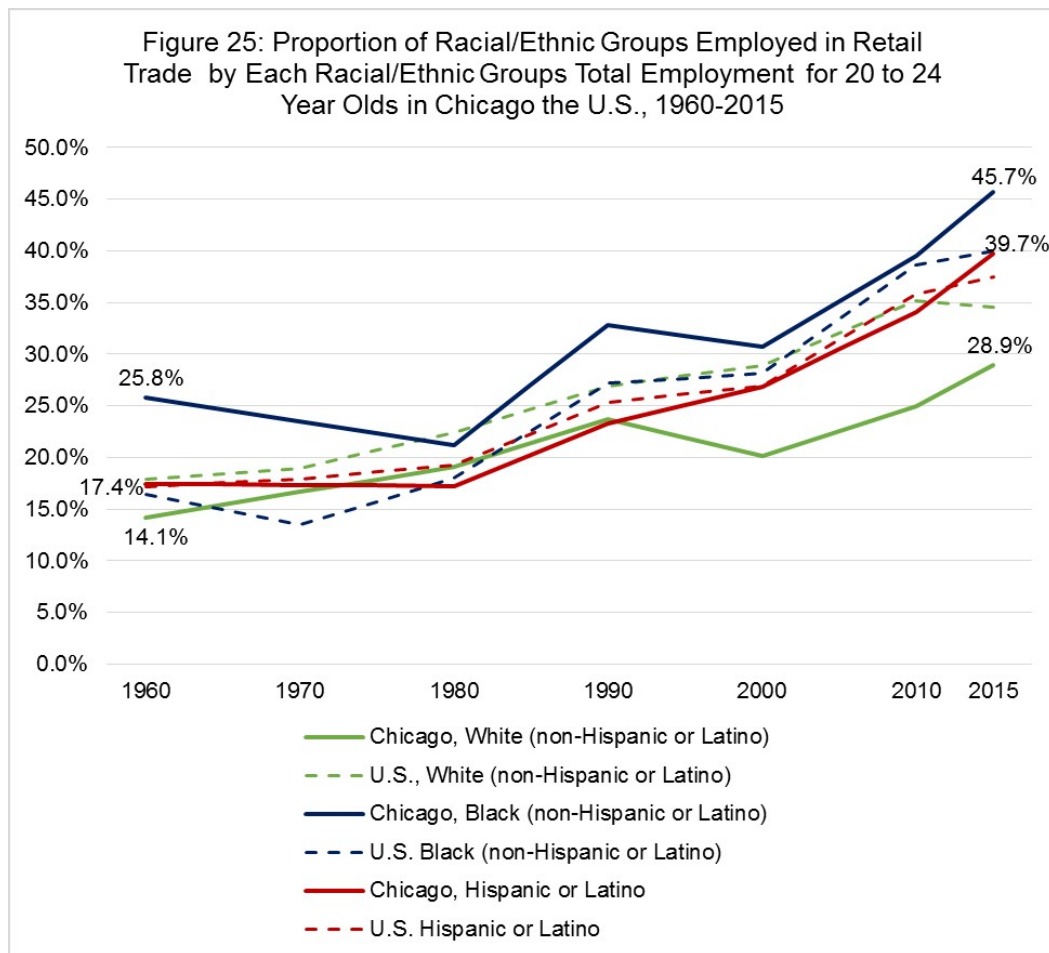
Data Source: 1960, 1970, 1980, 1990 and 2000 Decennial Censuses and 2010 and 2015 American Community Survey, public use files. Tabulations by Great Cities Institute, University of Illinois at Chicago.

Manufacturing - Source of Good Wages



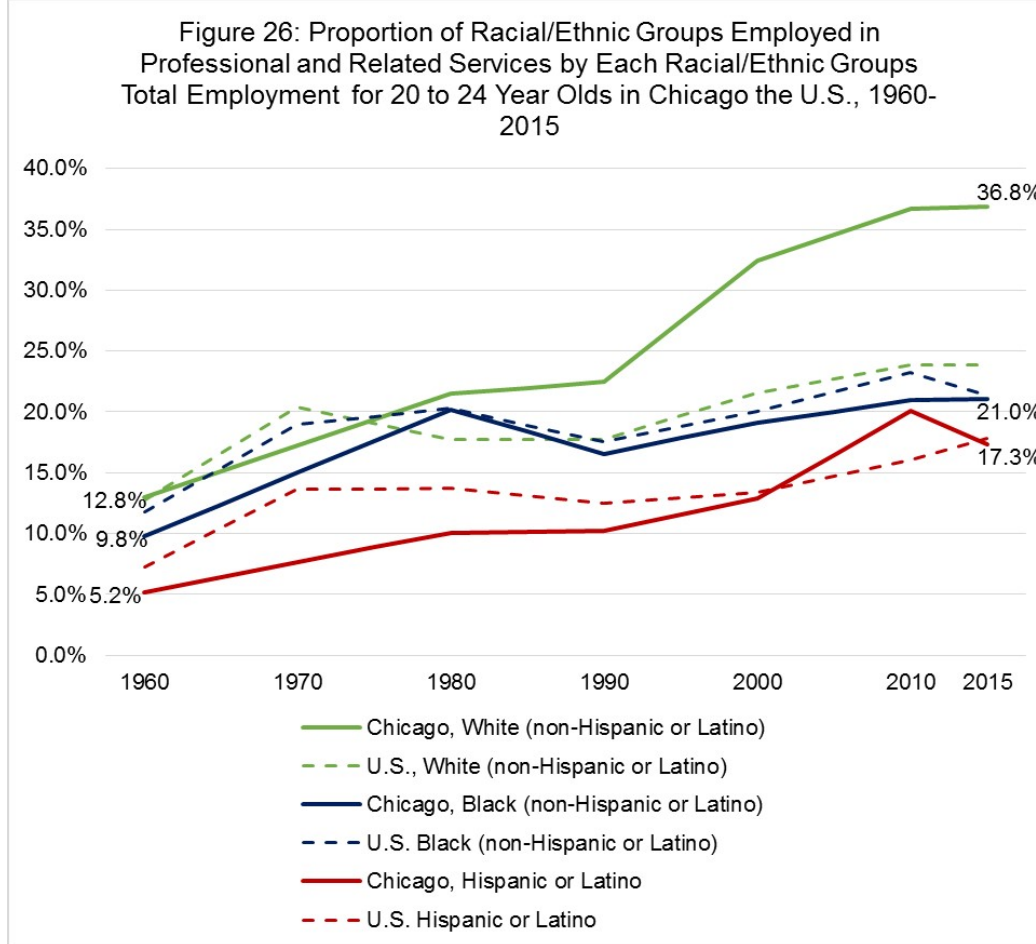
Data Source: 1960 Decennial Censuses and 2015 American Community Survey, public use files. Tabulations by Great Cities Institute, University of Illinois at Chicago.

Retail Employment Chicago, U.S.



Data Source: 1960, 1970, 1980, 1990 and 2000 Decennial Censuses and 2010 and 2015 American Community Survey, public use files. Tabulations by Great Cities Institute, University of Illinois at Chicago.

Whites in Chicago higher than U.S for Professional and Related



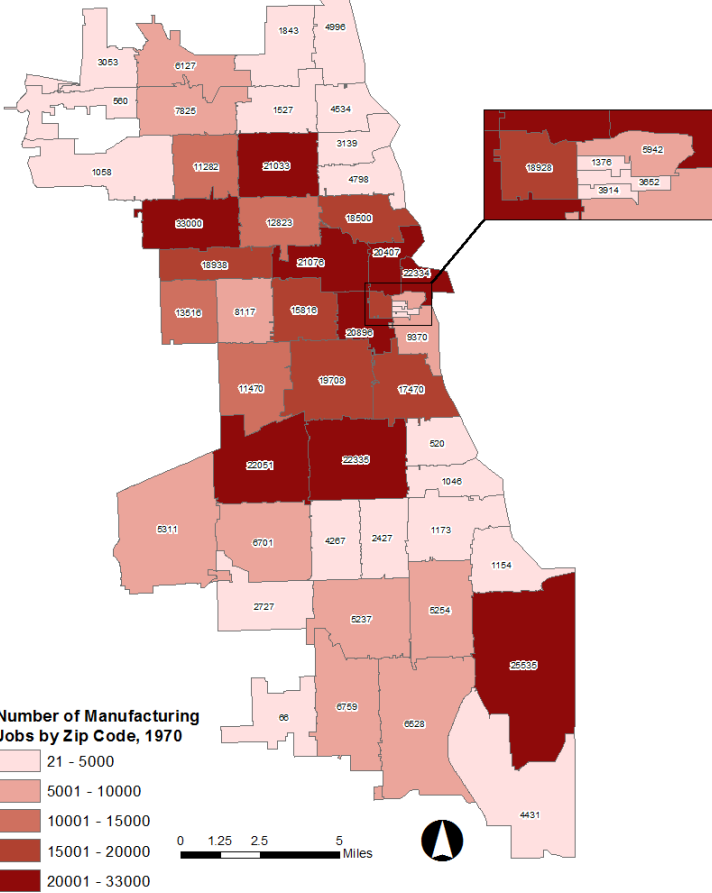
Data Source: 1960, 1970, 1980, 1990 and 2000 Decennial Censuses and 2010 and 2015 American Community Survey, public use files. Tabulations by Great Cities Institute, University of Illinois at Chicago.

Joblessness is systemic and is tied to the flight of industry from neighborhoods

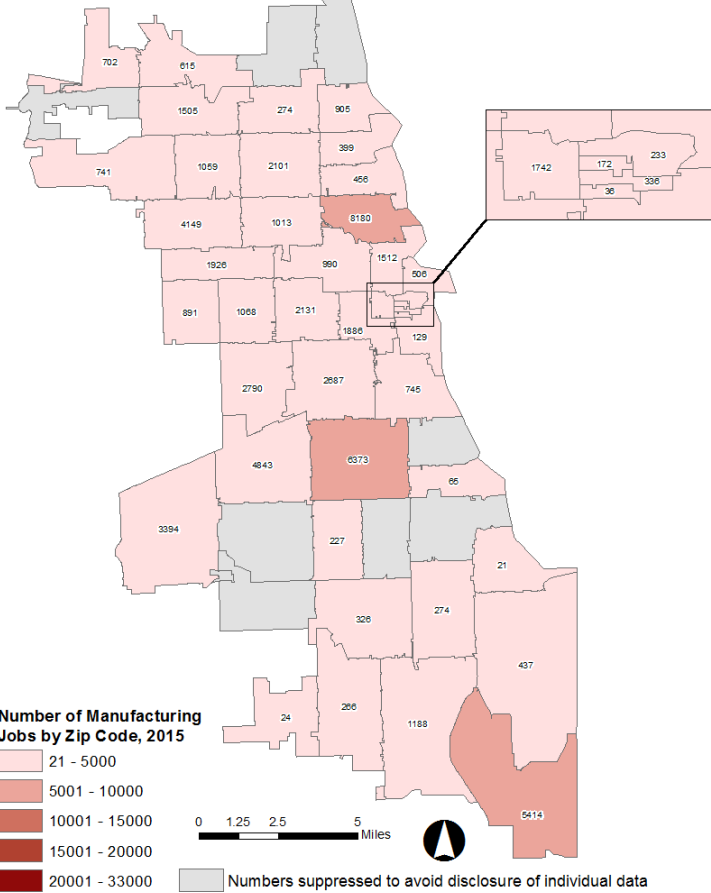
- With the loss of manufacturing in Chicago came the flight of jobs from neighborhoods and the concentration in the central core, where whites (36.8 percent) are employed in professional and related jobs and Blacks (45.7 percent) and Latino (39.7 percent) are in retail (See Figures 25 and 26).
- In 1957, large numbers of jobs were located throughout Chicago's zip codes with an expansive area making up Chicago's central area (from Lake Michigan to the East, Chicago's western boundary to the West, Irving Park and North Center to the North, and New City to the South) having large numbers of jobs. By 2015, jobs become centralized towards the Loop and the South, and West Sides of Chicago in particular have fewer jobs (See Maps 7, 8 and 9).

Location Manufacturing Jobs 1970 to 2015

Map 3: Number of Manufacturing Jobs by Zip Code in Chicago, 1970



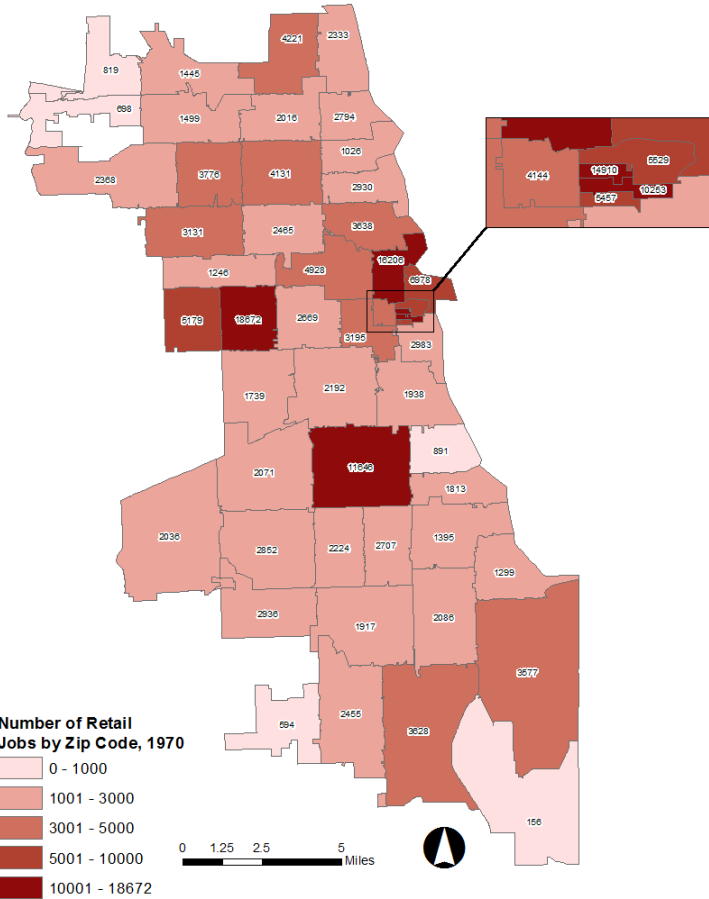
Map 4: Number of Manufacturing Jobs by Zip Code in Chicago, 2015



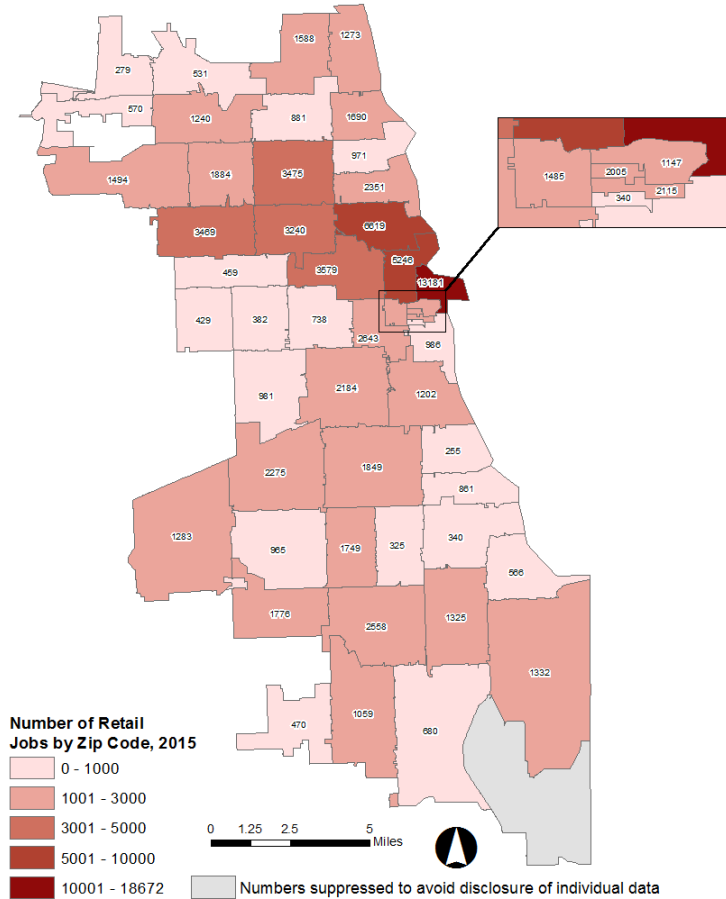
Data Source: 1970 and 2015 Where Workers Work. Illinois Department of Employment Security.
 Maps Prepared by Great Cities Institute, University of Illinois at Chicago.

Location of Retail Jobs 1970 and 2015

Map 5: Number of Retail Jobs by Zip Code in Chicago, 1970



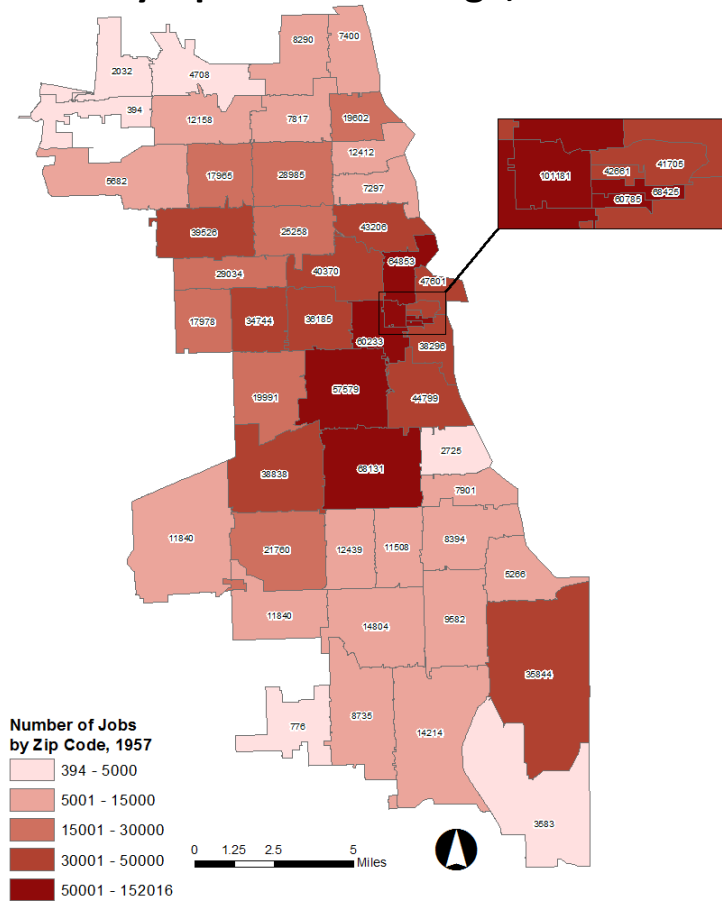
Map 6: Number of Retail Jobs by Zip Code in Chicago, 2015



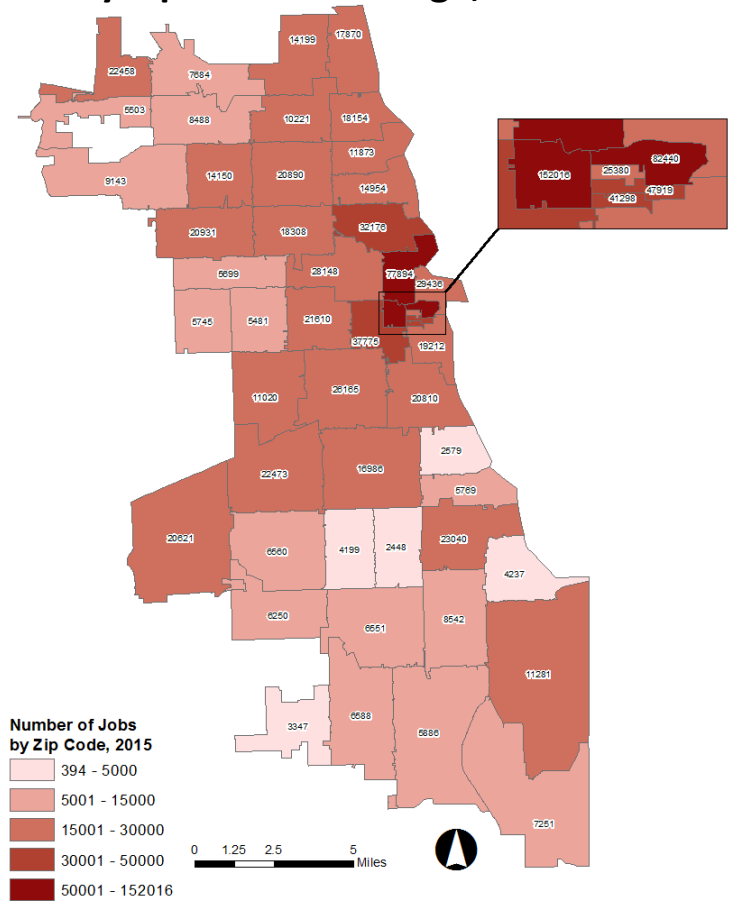
Data Source: 1970 and 2015 Where Workers Work. Illinois Department of Employment Security.
 Maps Prepared by Great Cities Institute, University of Illinois at Chicago.

Location Private Sector Jobs 1970-2015

Map 7: Total Number of Private Sector Jobs by Zip Code in Chicago, 1957



Map 9: Total Number of Private Sector Jobs by Zip Code in Chicago, 2015



Data Source: 1970 and 2015 Where Workers Work. Illinois Department of Employment Security.
 Maps Prepared by Great Cities Institute, University of Illinois at Chicago.

In Sum,

This report dramatically reveals a downward and long-term trend of economic abandonment in many of Chicago's neighborhoods, leaving behind *chronic and concentrated* conditions of joblessness that have affected generations of young people, their households and their communities.

Joblessness Has Consequences

- Depriving young people of the dignity of work leaves permanent scars, impedes an overall sense of well-being, and leads to other counterproductive behaviors.
- Conditions of low rates of employment as youth impact the likelihood of employment later in life, the level of wages, and interestingly, all indicators of life satisfaction. Unemployment “makes people unhappy”
- “Unemployment increases susceptibility to malnutrition, illness, mental stress, and loss of self-esteem, leading to depression”
- Youth joblessness “injures self-esteem, and fosters feelings of externality and helplessness among youth.” and “...causes increases in burglaries, thefts and drug offences”
- The result is a cycle, where the “permanent scars” lead to conditions that are both a consequence and a precipitating factor that leads to further youth unemployment and parallel social conditions.
- **Chronic joblessness creates the very conditions that impede overcoming them.**

It is not surprising, therefore, that

- The neighborhoods with the highest rates of violence are the neighborhoods with the highest rates of joblessness
- Solutions to violence must include economic solutions
- Despite complexities, there are immediate steps that can be taken

Implications of Context

Understanding that residential segregation and economic and occupational restructuring is the structural context for what is happening to our young people of color, is a pointed reminder that chronic and concentrated youth joblessness must be understood in terms of its structural roots and not as a function of individual attributes. **Blaming young people for their plight does nothing to remedy their conditions. Providing structured opportunities for employment and capacity building does.**

Pathways to Opportunity

Among the possible strategies, there are at least four categories of initial steps for business and corporations, government, and community members and organizations to tackle joblessness among those most affected:

Prepare young people from these neighborhoods for the livable wage jobs that do exist and equip them to participate in the emerging economy

- Increase public education expenditures
- Provide on-the job training
- Expand training and workforce development
- Remove the impediments to employment, including those related to criminal records

Create direct employment opportunities

- Reinststate federal, state, and local summer jobs programs
- Replicate New Deal strategies
- Fund paid mentorship programs
- Create apprenticeship programs
- Recreate employment subsidy programs

Revive economically abandoned neighborhoods

- Attract anchor employers that hire neighborhood residents
- Assist and incentivize small business development
- Create incentives for venture capital investments that are not totally predicated on immediate profit recovery
- Enhance conditions for community led initiatives such as worker cooperatives and small business incubators that harness the skills and talents of young people, both of which can become the basis for revitalized commercial districts to supply the much-needed access to a wider range of goods and services
- Increase funding for community organizations that provide mentorship and capacity building of young people

Stop the bleeding of job loss and reverse policies that reward extraction of wealth from communities

- Tie tax incentives for corporations to actual job generation, which are then monitored for adherence to agreements with penalties for non-compliance
- Accelerate incentives to investments in neighborhoods and evaluate their effectiveness

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“Nothing Stops a Bullet Like a Job.”

On the basis of the data produced in this report, we can conclude that:

- We have the corporate and political responsibility to invest in those affected by years of economic abandonment and indifference.
- Reconnecting the disconnected yields benefits for everyone.
- Doing so requires that the young people themselves are part of developing further understanding of both the problem and the solutions.
- The severity and complexity of chronic and concentrated joblessness among young people most affected, requires an “all hands on deck” response.

As David Elam reminded us during his testimony at the youth employment hearings in January 2016,

“Team work will make the dream work.”



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Thank you

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