



The Global Edge: An Agenda for Chicago's Future

REPORT OF AN INDEPENDENT STUDY GROUP

Michael H. Moskow, Henry H. Perritt, Jr.,
and Adele Simmons, *Cochairs*

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**THE CHICAGO COUNCIL
ON GLOBAL AFFAIRS**

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Study Group Cochairs

Michael H. Moskow

*Senior Fellow for the Global Economy
The Chicago Council on Global Affairs*

Henry H. Perritt, Jr.

*Professor
Chicago-Kent College of Law*

Adele Simmons

*Vice Chair and Senior Executive
Chicago Metropolis 2020*

Study Group Members

Ellen S. Alberding

*President
The Joyce Foundation*

William J. Best

*Vice President and Partner
A.T. Kearney*

Allert Brown-Gort

*Associate Director
Institute for Latino Studies, University of Notre Dame*

Philip Enquist, FAIA

*Partner
Skidmore, Owings & Merrill, LLP*

D. Cameron Findlay

*Executive Vice President and General Counsel
Aon Corporation*

Jamie Firth

*Senior Vice President, Corporate Communications
Exelon Corporation*

Dennis H. Holtschneider, C.M.

*President
DePaul University*

Cheryle Jackson

*President and Chief Executive Officer
Chicago Urban League*

Gary T. Johnson

*President
Chicago History Museum*

Robert W. Karr, Jr.

*Chair
Chicago Sister Cities International Program*

S. Raja Krishnamoorthi

*Deputy Treasurer for Policy and Programs
State of Illinois*

Charles A. Lewis

*Chairman
Lewis-Sebring Family Foundation*

John Livingston

*Managing Partner Chicago Office
McKinsey & Company*

Ernest Mahaffey

Lewis Manilow

Terry Mazany

*President and Chief Executive Officer
The Chicago Community Trust*

John McCarron

*Urban Affairs Writer and Adjunct Professor of Journalism
Northwestern University, Medill School of Journalism*

Andrew J. McKenna, Jr.

*President
Schwarz*

Sid Mohn

*President
Heartland Alliance for Human Needs and Human Rights*

Nora Moreno Cargie

*Chicago Director, Global Corporate Citizenship
The Boeing Company*

Paul O'Connor

*Founding Executive Director
World Business Chicago*

Eboo Patel

*Founder and Executive Director
Interfaith Youth Core*

David C. Perry

*Director, Great Cities Institute
University of Illinois at Chicago*

George Ranney

*President and Chief Executive Officer
Chicago Metropolis 2020*

Anna Eleanor Roosevelt

*Vice President of Global Corporate Citizenship
The Boeing Company*

Robert Rosenberg

*Associate Vice President, Partnerships and Technology
University of Chicago*

Juan Salgado

*Executive Director
Instituto del Progreso Latino*

Daniel Seals

Candidate for Congress

John Sirek

*Citizenship Program Director
McCormick Tribune Foundation*

William A. Spence

*Senior Counsel
Freeborn & Peters LLP*

Julia Stasch

*Vice President, Program on Human and Community Development
The John D. and Catherine T. MacArthur Foundation*

William Testa

*Vice President
The Federal Reserve Bank of Chicago*

David Vitale

*Senior Advisor to the Chief Executive Officer
Chicago Public Schools*

Charlie Wheelan

*Lecturer, Harris Graduate School of Public Policy Studies
University of Chicago*

Eric E. Whitaker, M.D., M.P.H.

*Director
Illinois Department of Public Health*

J. Randall White

*Senior Vice President, Corporate Affairs
Sara Lee Corporation*

Linda Wolf

*Retired Chairman and Chief Executive Officer
Leo Burnett Worldwide*

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Foreword

Cities are in the crosshairs of globalization. The hallmarks of globalization—increased speed of communication and reduced cost of mobility—mean that cities can more easily reach beyond local markets to engage the world profitably for the benefit of all their citizens. At the same time, globalization means that cities must compete for economic advantage—talented workers, new businesses, and capital—with their counterparts around the world. The opportunities are considerable. The costs of failure are immense.

Chicagoans take justifiable pride in the remarkable transformation from industrial to service provider their city has already achieved. They are now increasingly asking what is needed to ensure their city's future success. How can Chicago develop, attract, and retain talent and benefit from the global movements of goods and services?

The leading city of the Midwest, Chicago is home to a magnificent lakefront, stunning architecture, international corporate headquarters, and a diverse population. Still, it must overcome serious challenges, some of them legacies of its past industrial successes, to emerge as a truly first-tier global city. The selection of Chicago by the United States Olympic Committee as the U.S. bidding city for the 2016 Summer Olympic Games has made this task more salient and urgent.

To engage Chicago's leaders and citizens in a broad discussion about Chicago's global future, The Chicago Council on Global Affairs convened a Study Group comprised of forty prominent Chicagoans beginning in January 2007. The Study Group was chaired by Michael H. Moskow, former president and chief executive officer of the Federal Reserve Bank of Chicago and now senior fellow for the global economy at The Chicago Council on Global Affairs; Henry H. Perritt, Jr., professor of law at the Chicago-Kent College of Law; and Adele Simmons, former president of the MacArthur Foundation and vice chair and senior executive at Chicago Metropolis 2020.

The Study Group included leaders from the academic, business, government, media, civic, and philanthropic communities of Chicago. The Study Group met six times. Each meeting included presentations by experts on specific topics such as economic vitality and growth; transport and infrastructure; human capital, education, and diversity; Chicago's changing image; and government and the role of institutions. The Study Group also created smaller subgroups that focused on areas that needed further examination such as digital communications, economic opportunity, and human capital.

This report is the result of the Study Group's extensive deliberations.

Acknowledgments

The Chicago Council wishes first to thank the three Study Group cochairs for their leadership and guidance throughout the conception of the Study Group, the development of its agenda, and the drafting of the final report. The Council was fortunate to have three Chicago leaders who are so deeply committed to the city's future providing direction for the Study Group. The Chicago Council also extends its sincere appreciation to all the Study Group members who contributed their time, personal experience, professional advice, and insight to the report's findings and recommendations.

The Study Group's work was aided greatly by the informative and thoughtful presentations by the session speakers on the issues addressed in the report. Frank Beal, Allert Brown-Gort, Tim Calkins, Ester Fuchs, Edward Glaeser, Dennis Holtschneider, Sadhu Johnston, Joel Mambretti, Cristyne L. Nicholas, Paul O'Connor, Michael Segobiano, William Testa, and William Wulf took time out of their busy schedules to address the group directly. We are also grateful to Ester Fuchs, Cristyne L. Nicholas, Joe Schwieterman, and Robert Weissbourd for providing written analysis and suggestions.

The Chicago Council is also appreciative of the many other individuals who made this all possible. Richard C. Longworth was senior consultant on this project and the principal drafter of the final report. Rachel Bronson, Simon O'Rourke, and Juliana Kerr Viohl were involved in all aspects of this report. Catherine Hug provided her usual expert editing skills. Council interns Melissa Matlock, Madeleine Kir Ferry Johnson, and Nazneen Patel ably assisted with research, note-taking, and organizing the study group meetings.

Finally, The Chicago Council extends its deepest gratitude to the funders of this project: the McCormick Tribune Foundation, Sara Lee Corporation, Searle Funds at The Chicago Community Trust, the Exelon Corporation, and Ernest Mahaffey. The Study Group meeting facilities were generously provided by the Federal Reserve Bank of Chicago, the Boeing Company, Kirkland & Ellis, LLP, and DePaul University.

Marshall M. Bouton

*President, The Chicago Council on Global Affairs
September 19, 2007*

Executive Summary

Globalization presents new and unprecedented opportunities and challenges to nations, peoples—and to cities. In the past, cities competed within national borders. Today, cities compete in a global marketplace that spans oceans and continents. To succeed in this global competition, cities must be agile and smart. They need the most modern means to move people, goods, and ideas. They need a global reach and a global reputation. Unlike many former manufacturing cities, Chicago has transitioned away from its traditional manufacturing roots to become a global leader, especially in business services. According to most ratings, the city ranks among the world's top ten global cities.

Still, there is much to be done. For a city based on transport, Chicago's rail, road, air, and digital infrastructure is lacking. The city has taken the first steps toward becoming a "green city," but will need to manage the impact of climate change effectively to remain competitive. To succeed in a knowledge economy, Chicago not only needs to attract the world's best and brightest, but it must improve local schools to produce the workforce required by this global future.

In all this, economic vitality is crucial. If it continues to succeed, Chicago—both the city and the region—will enjoy economic and social opportunity for all its citizens. If it fails, the city's opportunities will fade. An economically successful city can pay for the key ingredients needed to create, attract, and retain talent—good schools, safe streets, rewarding jobs, efficient transport, a clean environment, decent housing, cultural richness, civic beauty. An economic failure cannot.

How Chicago can successfully chart its future in this fast-paced, complicated global arena is the subject of this report. The report acknowledges and salutes others who are working hard on many of the issues discussed within. Indeed, the report often draws directly on their work. The uniqueness of this report is that it is the first to bring all the pieces together into a coherent and integrated agenda for the future.

The Study Group set out a short list of priorities and recommendations to guide Chicago and its citizens over the next two decades. They serve the overall goal of economic vitality and fall into three broad categories—transportation and infrastructure, human capital, and global engagement. Transport—of goods, people, and ideas—has been crucial to Chicago's past and remains crucial to its future. In a global information society, human capital—educated and skilled

workers and citizens—is vital to success. Once content to be the capital of the Midwest, Chicago now must engage globally, at all levels.

These are the priorities for Chicago's future:

Improve transportation and infrastructure, including:

- Expedite the expansion of O'Hare International Airport
- Reform the CTA and the RTA on a regional basis
- Reconfigure Chicago's transport system to speed the movement of both people and goods
- Maintain the most modern digital communications system
- Manage the local effects of global climate change, with particular attention to infrastructure questions such as storm water management, rail, and roadways and the protection of vulnerable populations. Provide for the upkeep of the city's water system, which is inadequate to meet the challenges of climate change
- Work with leaders in other states to speed ratification of the Great Lakes Water Resources Compact and to encourage steps to maintain water levels in the Great Lakes

Build human capital, including:

- Educate the Chicago region's people at all levels, including early childhood education and, especially, expand successful experiments now taking place to the entire school system, enabling them to contribute to the economy of a global city and to make maximum use of the job opportunities that this new economy provides
- Embark on a thoughtful reform of Chicago's City College system
- Make maximum use of Chicago's fine universities
- Focus constantly on making Chicago an attractive city, both physically and in quality of life, to draw skilled and educated workers

- Support music, drama, filmmaking, art, and culture as a vital part of this attraction
- Continue efforts to integrate minorities, both African Americans and immigrants, into the economic, political, and social life of the region
- Work with Congress and the administration to support immigration policies that welcomed highly qualified immigrants, both workers and students

Increase global engagement, including:

- Support the creation of a Mayor's Office of International Affairs to manage protocol, including reception of visiting delegations, relations with the consular corps, oversight of the Sister Cities program, and management of the mayor's travel abroad
- Increase the city's efforts to attract global trade and development with a strengthened mandate and resources for World Business Chicago
- Sharply increase the city's tourism promotion budget, including advertising overseas, to make Chicago more of a tourist hub
- Establish Chicago offices abroad to promote trade and investment
- Maintain a separate budget for foreign travel by the mayor and other city officials
- Sponsor trips to Chicago by foreign journalists

Chicago's bid for the 2016 Olympic Games dovetails with the Study Group's recommendations. A winning Olympic bid is one that includes a legacy of civic improvements in infrastructure, housing, and other areas. In this era, a successful Olympic city, like London or Beijing, is also a successful global city. The report's recommendations will strengthen the city's Olympic chances, while making Chicago a stronger, more vibrant city when the games are over.

The global era, like the industrial era, challenges major cities like Chicago. In the industrial era, Chicago seized the opportunities

to become an industrial titan, the “City of the Big Shoulders.” That era has passed, and Chicago has transformed into a global city. The Study Group agreed that Chicago is flourishing and that it deserves the accolade, “A Success Story,” bestowed by *The Economist* magazine. But it also concluded that past achievements are no guarantee of future success. In the near future, the city and its citizens must make many decisions—economic, political, social, and intellectual. This report lays out a set of recommendations and priorities that should help guide such decisions. It provides a call to action for all Chicagoans to act now and turn these recommendations into concrete progress.

Chapter I Chicago’s Global Challenge

Chicago is a global city. Once the industrial powerhouse of the mid-continent, Chicago has transformed itself into one of the handful of cities—two or three in America, twenty or thirty in the world—that define and direct the global economy. It is, as *The Economist* magazine proclaimed, “A Success Story.”

But this is no moment for self-congratulation or complacency. Global stature means global competition. In the industrial age, Chicago was content to rule the inland empire of the Midwest. Today it plays at a global level for global stakes. If it continues to succeed, Chicago—both the city and its region—will enjoy not only an economic dynamism, but economic and social opportunity for all its citizens. If it fails, as many once-powerful industrial cities are failing, that dynamism will fade and that opportunity will disappear. An economically successful city can pay for the urban good life—good schools, safe streets, rewarding jobs, efficient transport, a clean environment, decent housing, cultural richness, civic beauty. An economic failure cannot.

This challenge—Chicago’s global challenge—is the subject of this report. Other Chicagoans and other organizations are working hard on many of the issues included here. We salute their work and,

Chicago: A Success Story

Chicago gets good press. *The Wall Street Journal* called it “the most beautiful of post-industrial cities.” “There may be no city,” the *International Herald Tribune* said, “so expressive of modernity and energy.”

The Economist magazine devoted an eighteen-page section to Chicago titled “A Success Story.” “This,” it said, “is a city buzzing with life, humming with prosperity, sparkling with new buildings, new sculptures, new parks, and generally exuding vitality.” It praised Mayor Daley and the business leadership, singling out Chicago Metropolitan 2020, a group of business and civic leaders working to ensure the preeminence of the Chicago metropolitan region in the twenty-first century. It marveled at Chicago’s continuing ability to build a “technological filigree” that makes the city the information crossroads of the hemisphere.

But beyond that, *The Economist* wondered whether Chicago—the city, not the region—is as big as it will ever be, or as “global” as it’s going to be. The growth may be in the suburbs, it said, if the city keeps struggling with race and poverty, especially after the Daley era ends. “Chicago faces the prospect of decline, or, at best, stasis, unless it can [figure out] how to grow richer without growing bigger.”

indeed, often draw on it. But no other Study Group has tried to view the city and its region as a whole in its new global context, to assess the challenges of the global future. This report is the first to try to bring all the pieces together into an agenda for this era.

Our goal—Chicago's global success—reflects the city's mantra, attributed to Daniel Burnham, "Make no little plans." In the past two decades, Chicago has achieved much. In the decades to come, it has much to achieve. This report lays out an agenda for success. It states what must be done now to ensure the future. Its recommendations do not pretend to list every civic chore. Rather, they are the priorities, deliberately few in number, but crucial to the success of everything else. All set long-term goals, but all call for action to begin now.

The civic leaders who created this Study Group and its report represent many areas of Chicago life—business, government, philanthropy, academia, culture, and nonprofits. Their emphasis, by consensus, was on the economy. All recognize that a wealthy city that bestows economic decency only on its elites is not a successful city. But true opportunity for all citizens is possible only in a framework of economic success, where there is enough to go around. Economic vitality is the key to Chicago's global future.

Global cities are something both old and new in history. Scholars have compared them to the city-states of old—such as the ports of the Hanseatic League—centers of trade and commerce, of wealth and learning. These autonomous city-states were succeeded by the giants of the industrial era, great factory cities like Birmingham and Essen—and Chicago. But these industrial cities were firmly embedded in their nations and regions, producing the world's goods, but mostly dependent on their hinterlands for labor, raw material, and markets. Global cities are a twenty-first-century hybrid, belonging both to their nations and to a supranational global network. In many ways, Chicago, thriving in the global era, has more in common with other global cities like Tokyo or Frankfurt than it does with much of the struggling Midwest.

The global economy scatters its production and wealth and services around the world, but it demands focal points, central command centers, to hold it all together. These focal points are cities. "Globalization takes place in cities, and cities embody and reflect globalization," the British urban expert Peter Taylor has written. Some of these global cities (Paris, Tokyo) are capitals, but most (New York, Sydney) are not. Many also dominated the industrial era (London, Milan) but others (Frankfurt, São Paulo) are new to world leadership. Some, like Tokyo, are huge, but most of the biggest and fastest-grow-

ing cities, from Lagos to Las Vegas, lack other attributes of a global city. Many smaller cities (Atlanta, Dallas, Minneapolis, Seattle) are successfully carving out global niches for themselves. But the true global heights are reserved for a few cities that combine the size, global connections, and diverse assets that add up to dominance.

To count itself among these few, a city needs many attributes. It must be a global center for business, finance, and management, exporting its services around the world. It should be the headquarters for global corporations, or at least the regional headquarters for these corporations. It must boast the global services—lawyers, accountants, traders, financiers, consultants, advertisers—that these corporations need. Its business climate, entrepreneurial culture, and business services must be a hothouse for new firms and industries.

A global city needs the workforce to staff global industries, and it must attract the skilled, smart, innovative people that drive the global economy and create its industries. It needs effective government that partners with business. It needs great universities to produce its talent, intellectual leadership, and innovations. It needs both urban density and geographic scope, an intense core bustling with ideas, linked to a healthy region. It needs advanced transport to move its goods, advanced transit to move its people, and advanced digital and telecommunications to move its ideas. It needs superior air service, closely woven into the global movement of people and goods.

A global city needs both the fine arts and popular culture, entertainment, good restaurants, athletic opportunities, and the other amenities that draw and keep creative people. It must be cosmopolitan, not provincial, in touch with the intellectual currents of the world, influencing global culture and global decision making. It must be diverse, both ethnically and socially. A vibrant city thrives on differences and the clash of ideas and lifestyles. It is also a magnet for immigrants, who bring new blood, new ideas, and new money. A global city is not just tolerant of the "alien" and unusual, but enthusiastic about embracing all that is new. All this must be wrapped in the more traditional package of a good place to live, with solid neighborhoods and safe streets, good local schools, trusted hospitals, affordable housing, and a sense of community.

In this constellation, Chicago shines. The markets of LaSalle Street virtually invented global trading in futures, options, and derivatives and remain the world leaders. O'Hare International Airport remains an enormous asset. Chicago is the transportation hub of America, for information as well as goods. It is the busiest Internet switching center in the Western Hemisphere. It is not a capital, but

Chicago's Recognitions

- *fDi* (Foreign Direct Investment) magazine, a *Financial Times* publication, named Chicago “North America’s City of the Future” for 2007/2008. It said Chicago ranked first in the hemisphere for “Best Economic Potential,” “Best Infrastructure,” and “Best Development and Investment Promotion;” second in “Cost Effectiveness;” third in “Best Human Resources” and “Best Quality of Life;” and fifth in “Business Friendliness.”
- Standard & Poor’s ranked Chicago among the “top ten economic centers” worldwide in a study of over 15,000 local, state, and regional governments in the United States and more than 340 governments in twenty-seven other countries.
- The Metropolitan Institute at Virginia Tech ranked Chicago second among U.S. cities, after New York, in “global network connectivity.”
- *Urban Land* magazine called Chicago “one of the most globally connected cities in the world.”
- Relocate-America.com voted Chicago to be the fourth “Top Ten Best Places to Live” out of one hundred cities.

is more of a global city than many capitals, including Washington, D.C. It possesses great universities and stands at the center of the great land-grant schools of the Midwest. Its firms have global connections rivaled in the United States only by those of New York. In global business services, it ranks in the top ten in every category—accounting, advertising, consulting, law—with the sole exception of banking. It is attractive to creative and educated people—almost no other American city gathers so many young people with college degrees in and near its downtown.

Chicago’s symphony orchestra, opera, theater life, art fairs, and free concerts in Millennium Park are world-class. The city enjoys a rich jazz heritage and renowned blues bars, public statuary, ethnic fairs, and public rock concerts. It boasts world-class museums, both the repository of its heritage and a potent tourist draw. It is traditionally optimistic, open to ambition and ideas, a resourceful and self-reliant place that speaks bluntly and works hard. These assets have always existed and are as valuable now as they were a century ago. More than ever before, Chicago is beautiful. French author Bernard-Henri Levy called it “this magic, beautiful city, perhaps the most beautiful city in the United States.” Under Mayor Richard M. Daley, the effectiveness of its government has gained international renown, demonstrating that close ties to the business community are crucial.

As a result, when experts list global cities, Chicago ranks near the top. Loughborough University of Britain, in a report reprinted by the

Brookings Institution, catalogued fifty-five “world cities”: ten “alpha cities,” another ten “beta cities,” and thirty-five “gamma cities.” Four cities—New York, London, Paris, and Tokyo—ranked at the very top in a sort of “alpha-plus class.” The other six “alpha cities” were Chicago, Frankfurt, Hong Kong, Los Angeles, Milan, and Singapore. Chicago ranked especially high in accounting, advertising, law, foreign students, and in foreign air arrivals and departures.

In other words, so far so good. But global competition is brutal—for workers, for corporations, and for cities. Success today guarantees nothing tomorrow.

The Study Group is acutely aware that if Chicago is no longer officially the nation’s most segregated city, it remains a divided one. Some of its residents, especially African Americans and newly arrived immigrants, do not share equally the benefits of its economy, while the economy loses the contribution these citizens could make. Some aspects of globalization, especially its emphasis on technology and the benefits it offers to skilled and educated workers, are widely thought to increase disparities—both between and within societies—rewarding some persons lavishly, while leaving others behind.

Our emphasis here is on economic vitality, but this vitality must embrace the entire city. Wealth affords the luxury of choice, the ability to choose one’s way of life. This is true for cities as well as for people. If Chicago prospers in this global era, it will be judged on how it chooses to spend this wealth. The Study Group stresses the necessity of ensuring equal opportunity for all citizens, in access to education, jobs, housing, and the other amenities of urban life—a guarantee that any citizen who wants to take part in the life of a global city will not find his or her way blocked by public policy.

This report deals with the steps that Chicago must take to secure its stature as a global city—in short, to remain economically vibrant. The Study Group considers these steps to be urgent. They fall into several broad categories:

Improving transport and infrastructure, including:

- Expeditious expansion of O’Hare
- Reform of the CTA and the RTA on a regional basis
- Reconfiguration of Chicago’s transport system to speed the movement of both people and goods

- Management of the local effects of global climate change, with particular attention to infrastructure questions such as storm water management, rail, and roadways and the protection of vulnerable populations. Provide for the upkeep of the city's water system, which is inadequate to meet the challenges of climate change
- Upkeep of the city's water system, which is inadequate to meet the challenges of climate change
- Maintenance of the most modern digital communications system

Building human capital, including:

- Education of the Chicago region's children at all levels—early childhood education, community college reform, and, especially, the expansion of successful experiments now taking place to the entire school system, enabling them to contribute to the economy of a global city and to make maximum use of the job opportunities that this new economy provides
- Thoughtful reform of Chicago's City College system
- Emphasis on Chicago's many fine universities and their role in the city's future
- Continued emphasis on making Chicago an attractive city to draw skilled and educated workers
- Support of music, drama, filmmaking, art, and culture as a vital part of this attraction
- Continued efforts to integrate minorities, both African Americans and immigrants, into the economic, political, and social life of the region.
- Working with Congress and the administration to support immigration policies that welcomed highly qualified immigrants, both workers and students

Increasing global engagement (increasing human and institutional ties between the Chicago region and the world), including:

- Support for the development of a Mayor's Office of International Affairs to handle protocol, including reception of visiting delegations, relations with the consular corps, oversight of the Sister Cities program, and management of overseas travel by the mayor and other officials
- Increased city efforts to attract global trade and investment, especially by increasing the mandate and resources of World Business Chicago
- A sharp increase in the city's tourism promotion budget, including advertising overseas, to make Chicago more of a tourist hub
- Establishment of Chicago offices abroad to promote trade and investment
- A separate budget for foreign travel by the mayor and other city officials
- Sponsorship of trips to Chicago by foreign journalists

The future does not come cheap. Global cities need to make strategic investments. All these recommendations require these investments. That the city already faces demands on its resources in a time of declining federal and state support is undeniable. But these recommendations frame the city's priorities, the investments that must be made to create a global and hence vibrant future.

In some of these areas, such as education and transit reform, highly qualified Chicagoans are already hard at work and are producing solid recommendations. In other areas, such as the beautification of the city, Chicago is doing a lot of things right. The Daley Forum at the University of Illinois at Chicago is making Chicago a center of debate and study on the common problems of global cities. The Study Group praises and supports this work. This report will not duplicate these efforts with separate or specific recommendations, but does underline their importance and their urgency.

Chicago's bid for the 2016 Olympic Games dovetails with the Study Group's recommendations. Indeed, it enhances them. A winning Olympic bid is one that includes a legacy of civic improvements in infrastructure, housing, and other areas. In this era, a successful Olympic city, like London or Beijing, is also a successful global city. All the recommendations will strengthen the city's Olympic chances,

while making Chicago a stronger, more vibrant city when the games are over.

This report and its recommendations respond to the challenge laid down by Chicago Metropolis 2020 as the new millennium dawned:

“Twenty years hence, if we do the right things now, the region will be one of the ten or fifteen great metropolitan centers of the world economic order that is emerging. If we fail, (it is) because leaders lacked a sense of vision, because they failed to understand the altered structure of the world economy, and because they failed to develop and act on strategies for adapting to the new order.”

In the years since then, the challenges of this new “world economic order”—the global order—have become clearer. So have the needs of the city, its region, its leaders, and its people. This report is a summation of these challenges and an agenda for the future.

The Olympics Transformed Barcelona

Some Olympic Games ended in debt (Montreal) or tragedy (Munich). Others, such as Los Angeles, only tried to put on a good show. But most have tried to couple the games with economic development, none more successfully than Barcelona. The Spanish city used the 1992 games to make improvements that benefit it to this day. According to Britain’s *The Guardian*, “Barcelona has become the most confident city in the western world in terms of urban regeneration. And the city is now at the top of all scales for livability and also for attracting tourists. It was ultimately successful because it used the games as a catalyst for improving the life of the city and of the nation.”

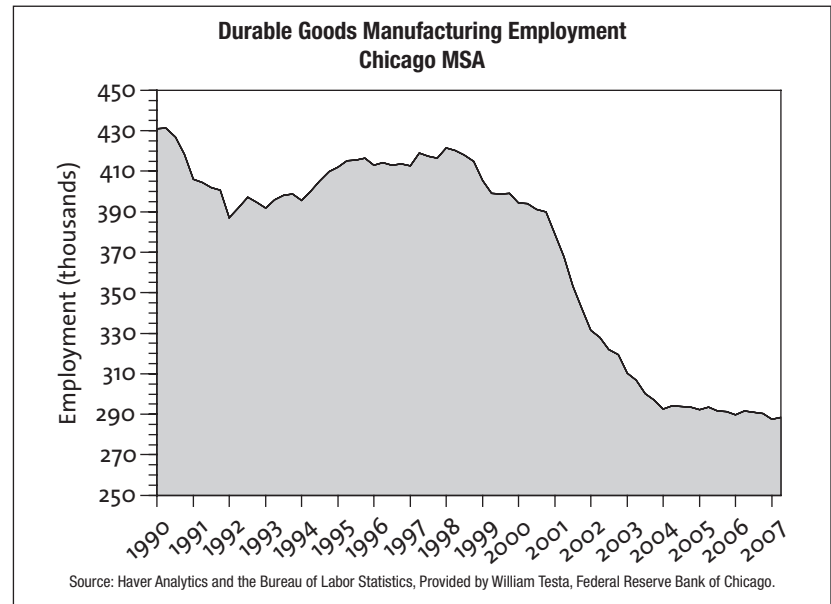
Barcelona put its Olympic Village in Poble Nou, a depressed area of deserted factories, a woman’s jail, and polluted beaches. The city ripped out coastal railway tracks, put other tracks and highways underground, restored the beach, and, in general, reopened the city to its seafront. Before the games, Barcelona increased its roads by 15 percent, its sewage system by 17 percent, and its green areas and beaches by 78 percent. Urban subcenters were created. New hotels and housing followed. Since 1986 when construction began, the number of Barcelona’s overseas visitors has doubled.

All this stemmed from a public-private partnership. The private sector built most of the housing and hotels. But it also supplied no less than 36 percent of the public Olympic construction. The *Chicago Tribune* recently noted that “the 1992 Summer Games are judged to be among the best of the modern Olympics. Barcelona emerged victorious that summer, not in overall medal counts, but in clearly defining a city’s Olympic moment.”

Chapter II Sustaining Economic Vitality

Most cities first come to life for economic reasons, as ports or mining cities or factory towns, and thrive so long as this economic reason for existence goes on. But nothing lasts forever. When this economic basis vanishes, when the port silts up or the mine plays out, the city must reinvent itself or wither. History is full of once-great cities that became economic backwaters. The Midwest itself contains manufacturing behemoths now rusting into irrelevance. History also is full of great cities that have reinvented themselves repeatedly over the centuries, gaining new vigor and new depth with each reinvention.

This is Chicago’s history and Chicago’s challenge. The city always was an economic entity, a place that bought and sold and made things, that turned human hunger and ambition into a civilization. Chicago was born as a trading post, a place at the foot of its lake where travelers from the East could be lodged and fed and outfitted. When the railroads came, it reinvented itself as the storehouse and trader of grain, as the slaughterer and canner of meat, as the sire and supporter of towns and villages strewn across its hinterland, as the merchant to the Midwest and capital of a midcontinental empire.



Soon after came another reinvention—as the mightiest manufacturing city of the Americas, a place of factories and steel mills, where fortunes were made and immigrants came to make a living and stayed to sink roots and build lives.

It's happening again and again for economic reasons. In the past half century, this massive manufacturing machine slowed and shrunk. Remnants of manufacturing exist today but no longer power Chicago's economy. Instead, the city has reinvented itself as a global city, a trading post for ideas and innovation, an exporter of services instead of steel, a crossroads through which pass not only the goods of the globe but its people and their communications, once more a mecca for immigrants who come to make their place in the world.

Like a trading city or a manufacturing city, a global city is first of all an economically powerful city. Nothing is possible without economic vigor. Chicago has it now. Its challenge is to keep it and enhance it.

This is controversial. In the manufacturing era, once backbreaking jobs in mills and factories evolved into steady occupations that provided a middle-class way of life for the hundreds of thousands of Chicagoans who held them. The global era, for various and dis-

puted reasons, has produced a widening gulf between rich and poor, between classes and occupations, between the educated and the skilled and those without education or skills. An economically wealthy city is seen by some as an unfair and unequal city, run by and for elites. Not surprisingly, political pressure arises to oppose investment and development. Citizens who see themselves damaged by globalization insist that economic vitality take a backseat to social equity.

This, too, is Chicago's challenge. This report insists that the city's priority must be economic growth and vitality for one overwhelming reason: Nothing is possible—not good schools nor safe neighborhoods nor workable transport nor access to good jobs nor health care nor the very opportunity for a decent life—in a city that can't pay for it. A city that has lost its economic vitality has lost the choice between economic growth and social equity. All it can afford is shared misery.

This means that Chicago and its region, going forward, must focus first on the businesses, infrastructure, education, amenities, and services that strengthen its economy and help it expand. But this is not enough. It must never forget that this economic growth has to benefit the maximum number of its citizens. This means attention to job creation at all levels, public transit and digital communications that serve all neighborhoods, and schools that give all students the opportunity to share in the new economy. A rich city that exists only for its elites would be a mean and sour place, not worthy of Chicago's history or its ambitions.

This then leads to the one overarching recommendation of this chapter:

Everything that the Chicago region and its leaders do in the coming decades must be judged for how it contributes to economic vitality. Economic planning and investment, both public and private, is subject to many conflicting demands. But a focus on this one overriding goal will make it possible for Chicago to keep its priorities right.

Chicago has already come a long way. A struggling Rust Belt remnant barely twenty years ago, it has picked itself up to become a global era power. It has many strengths, but also many weaknesses. If we count our blessings, they include:

Chicago Service Firms in Global City Rankings

One measure of a “global city” is its connection to an “interlocking network” of global service firms that run the world's business. These services are accounting, advertising, banking/finance, insurance, law, and management consulting. A true global firm has offices in fifteen or more cities. This global pipeline flows through Chicago: The city is ranked seventh in the world in the number of such firms represented here.

1. London
2. New York
3. Hong Kong
4. Paris
5. Tokyo
6. Singapore
7. Chicago
8. Milan
9. Los Angeles
17. San Francisco
25. Miami
33. Atlanta
73. Denver

Source: Peter J. Taylor and Robert E. Lang, Metropolitan Institute at Virginia Tech

Boeing Corporation Chooses Chicago for Headquarters

Before it moved its corporate headquarters to Chicago, Boeing told city commissioners, “We’re doing this to become a more global company.” By choosing Chicago, it helped make the city itself more global.

In choosing a site for its new executive offices, America’s number one exporter stressed four strategic points:

- A culturally diverse city
- A business-friendly environment
- Easy access to its operations nationwide
- Convenient access to customers worldwide

The last two highlight the importance of location and air infrastructure to a global company. Boeing tied its future to O’Hare modernization, the makeover of Midway, and its corporate base at Gary/Chicago. Boeing officials commented on Chicago’s public-private partnership and on the willingness of business leaders here to cooperate with city hall.

Finally, Boeing’s global corporate strategy stressed employee diversity, to grow with the best talent in the world. In Chicago, the company found both an international business perspective and diversity.

- A history of economic vibrancy. History is not enough, as many cities are discovering, but Chicago knows it can succeed because it has done it before.
- Corporate headquarters, in the city and in the region.
- Vibrant universities. These include not only the flagship schools of Northwestern and the University of Chicago, but DePaul, Loyola, the Illinois Institute of Technology, the University of Illinois at Chicago, state schools like Northeastern Illinois, private schools like North Park, and booming schools in the Loop such as Columbia and Roosevelt.
- A diverse economy. Some cities are linked to single industries, like defense or oil or high tech, and rise and fall with them. Chicago depends heavily on such industries as pharmaceuticals, medicine, financial trading, electronics, and business services. But other industries—including tourism, bioscience, medicine, and telecommunications—give it the diversity to ride out sectoral downturns.

- Business services. More than any other single factor, the strength of its business services makes Chicago a global city. Its law firms and consulting, accounting, and advertising companies rank in the top ten for global clout and global connectivity.
- Dynamic immigrant communities. No less than 23 percent of the city and 17 percent of the region is foreign-born. The Mexican community is by far the largest, but the city by itself boasts no less than seven other communities with more than 50,000 foreign-born residents—Guatemalans, Koreans, Chinese, Indians, Pakistanis, Filipinos, and Poles. All bring new life and verve, and all provide invaluable links to other countries and other markets.
- A legacy of public-private partnerships. More than most cities, Chicago relies on leadership from city hall, with the mayor playing a central role in economic development. But city hall both absorbs ideas from the private sector and depends on this sector to carry out projects. Millennium Park is a perfect example of this partnership.
- A transport hub. O’Hare remains one of the nation’s two biggest airports. Chicago is the freight crossroads of the nation. It is the biggest Internet switching point in the Western Hemisphere. From its birth, Chicago relied on transport. It still does.
- Financial markets. LaSalle Street, having beaten back a challenge from Europe, remains one of the world’s financial hubs and a dominant force in futures and derivative trading.

Top 2006 Global Derivatives Centers
(by volume of trades)

Chicago	2.90 billion	Mexico City	0.28 billion
Frankfurt	1.53 billion	Philadelphia	0.27 billion
New York	1.11 billion	San Francisco	0.20 billion
London	0.72 billion	Tokyo	0.15 billion
São Paulo	0.57 billion	Amsterdam	0.13 billion
Mumbai	0.29 billion		

Source: World Business Chicago

- Success in attracting the “creative class.” Chicago ranks with New York, Seattle, Boston, and other dynamic U.S. cities in drawing in young people, especially those with college degrees. Musicians, filmmakers, actors, and other artists already flock here. The city needs more.
- Superlative beauty. Millennium Park, new skyscrapers, first-rate parks, and a revitalized lakefront make the city one of the most beautiful in the world, certainly the most beautiful in America.

If Chicago counts its shortcomings and challenges, this list is also long:

- Public schools. Many concerned citizens are working on this problem, and some new programs have shown impressive results. But this progress must be expanded to the entire system, where dropout rates in high schools remain unacceptably high and test scores unacceptably low. If Chicago needs a workforce ready to meet global challenges, it has far to go.
- Traffic congestion. Both in the city and the suburbs, the average commuter spends fifty-eight hours per year in traffic jams.
- Overloaded facilities at O’Hare and in rail yards. O’Hare, the city’s primary global asset, suffers a reputation as one of the nation’s travel nightmares, with flight delays the norm rather than the exception. Freight traffic can spend two days negotiating Chicago’s transshipment yards.
- CTA conditions. Aging facilities and lack of public funding combine to produce conditions on the Chicago Transit Authority, especially on its trains, that often are described as a “crisis.” In an era when moving people is as important as moving goods, the CTA is becoming a civic liability.
- Declining population. In the 1990s Chicago and Cook County reversed their long, Rust-Belt-related slide in population. But in the current decade, that slide has begun again. Population for both Chicago and suburban Cook County fell in 2000-2006, while it soared in the suburbs beyond Cook County. This means continued sprawl, coupled with the departure of young, educated Chicagoans as they begin to raise families and reach peak

earning years. All this poses problems for the city and the region’s schools, transport, and housing.

- Fragmented governance. The city and its region have no fewer than 1,200 separate governing units, many with taxing power. Without cooperation, all have the ability to hinder economic investment and development.
- Affordable housing. Chicago area housing costs, still relatively low by coastal standards, are rising. Middle-class workers, including teachers and other professionals, are finding themselves priced out of the city housing market and forced to move to the far suburbs.
- Banking weaknesses. The same Loughborough survey that ranked Chicago’s law and accounting firms in the top ten globally placed the city barely among the top sixty in “global banking service centers,” on a par with Lima, Bratislava, and Tehran. This is a result of the state’s historical restrictions on branch banking—a vivid example of the long-term fallout from poor public policy.
- A “second city” complex. The world may recognize Chicago as a global city, but too few Chicagoans do. In a global era, much of Chicago remains mired in a midcontinental mind-set, unaware

Chicago Is Not a Global Banking Leader

Chicago is home to some of the world’s mightiest accounting, law, and consulting firms. But almost all its biggest banks are owned by non-Chicago banks. J.P. Morgan Chase bought Bank One. Bank of America bought Continental Illinois and is buying LaSalle. Bank of Montreal owns Harris Bank. Certainly, global banks have branches here. But decision making lies elsewhere. In a global economy, this matters.

The reason lies in mistakes of earlier generations. Once federal law forbade American banks from branching across state lines. But some states, like California and North Carolina, let their banks open branches within the state. Illinois barred even this. When federal law changed in 1994, banks in branch-banking states were ready to expand nationwide. But as the Federal Reserve Bank of Chicago wrote, “Chicago banks were at a disadvantage because they lacked the critical mass and experience to participate fully in the wave of acquisitions that followed.” Too weak to resist, Chicago banks got swallowed. This result burdens the city today.

Source: Robert DeYoung and Thomas Klier in *Chicago Fed Letter*, April 2004

of the challenges of the new era and, more seriously, unconvinced of the investments the city must make to meet these challenges.

The global era puts Chicago and its region in a worldwide competition for investment, people, jobs, and income. To meet and win this competition, it has work to do.

Chapter III

Improving Transport and Infrastructure

If people and commerce are the lifeblood of a city, infrastructure is its skeleton and arteries. Infrastructure means the movement of both goods and people. It means the ability to move information and ideas. It means not only the existence of city services—from sewers to streets, from buses to the Internet—but the condition of these services (i.e., a crumbling infrastructure defines a crumbling city). It means the ability of a city to thrive in its environment. Now, Chicago's infrastructure includes fleets of plows to cope with the snow. In the future, it will be managing the impact of climate change and ensuring that Chicago leads in reducing greenhouse gas emissions.

Infrastructure and education—physical capital and human capital—are without question the two greatest challenges facing the Chicago region and must lead any agenda for the future. This chapter deals with infrastructure.

Of all infrastructure, the transport system—the ability to move people and goods—is most crucial. No city can compete globally without a twenty-first century transport system. In the Chicago region, this system is antiquated, often decrepit, congested, uncoordinated, and inadequate. Chicago must reform its transport infrastructure or lose the global race.

Transportation Issues in Metropolitan Chicago

The Study Group asked DePaul Professor Joseph Schwieterman to research transportation issues in metropolitan Chicago. He found that passenger use of CTA, Metra, and Pace is increasing, but “severe problems” exist in CTA's service quality, slow innovation, and continuing budget crises. He urged heightened productivity through work outsourcing, a restructured bus system, and reformed labor contracts.

Schwieterman praised the progress on the O'Hare Modernization Program, but warned of “critical funding issues” ahead. High-speed rail networks could help in regional transport, but the “absence of federal support makes true high-speed rail service unlikely in Illinois any time soon.”

Growing intermodal rail traffic and truck movements “create an urgent need to expand our freight-hauling capacity.” He warned that CREATE, which aims to remove bottlenecks, is underfunded. He urged strategic pricing to reduce truck traffic on tollways in peak hours. At the same time, passenger car traffic is escalating, he said, increasing pressure for road expansion, especially in the collar counties.

Throughout its history, transport drove Chicago's growth and prosperity. Barges and railroads built Chicago. Airports and airplanes made it international. Chicago is a communications center because it is a transport center—communications networks follow rail lines.

Railroads, highways, and airports make Chicago the freight hub of the nation. O'Hare powers its convention and tourism business. Transport created Chicago's past and drives its present. Without top-level transport, the city has no global future.

But this transport system is suffering severe overload at all points. This is not news to those who use it, including Chicagoans who use the region's highways, trains, and buses, or travelers who pass regularly through O'Hare. It especially is not news to local organizations, including Chicago Metropolis 2020 and the Metropolitan Planning Council, or to local experts and academics who have been seeking solutions.

The work of these groups is excellent and deserves support. The Study Group, having studied this work, has no intention of duplicating these efforts by calling for separate studies. Rather, the Study Group emphasizes the urgency of this problem along with its fundamental importance to Chicago's future as a global city and region.

These problems must be met in the context of global climate change. Physical infrastructure, including buildings, is a major consumer of energy and a major generator of greenhouse gases. The city government is working with experts to gauge the challenges and costs of "greening" Chicago—as well as the results and costs if this effort is not made. Again, this Study Group applauds these efforts and urges both the public and private sectors to focus on this crucial problem.

Transport

Chicago's transport picture—and problems—can only be described in superlatives.

Chicago is the nation's leading rail hub. The Chicago region is the only gateway where all six Class One North American railroads can interchange traffic. Fifty percent of U.S. rail freight passes through Chicago's rail yards. The region contains 2,796 miles of existing track, encompassing 16,000 acres. Five hundred freight trains, with 37,500 rail cars, travel through this Chicago hub every day. Demand is expected to nearly double to 67,000 cars by 2020, a number that can be handled only with new and better infrastructure.

Chicago is the largest intermodal container handler—that is, the shifting of containers from train to truck—in the Western

Hemisphere and the fifth biggest in the world after Hong Kong, Singapore, Shanghai, and Shenzhen. It handles more containers than Los Angeles and Long Beach combined, and three times as much as New York and New Jersey. It is the only place in America dealing equally with freight from Asia and Europe. All this traffic is a big job creator. Rail freight companies and their suppliers employ about 37,000 workers in the Chicago region. Trucking accounts for another 50,000 jobs.

The Chicago region also has the nation's second largest commuter rail system, with more than 300 miles of route and 250 stations. It serves 300,000 riders every working day, with more than one-third of these passengers bound to or from the Loop. The system's trains and buses serve the city and forty suburbs, and all told log 1.55 million rides per day. The Regional Transportation Authority (RTA) oversees the three transit agencies—the Chicago Transit Authority (CTA), Metra, and Pace.

But this commuter rail system serves a tiny percentage—no more than 4 percent—of the urban area's daily travelers. Private cars account for the rest, the overwhelming majority. There are several reasons for this. One is that it is faster for many to travel by car. The average auto speed in the region is 27.9 miles per hour, while public transport is only 22.9 miles per hour. Another is that from 1960 to 1990, more than 96 percent of new jobs in the metropolitan area were created outside downtown, many of them in far suburbs, where public transportation is spotty. Outside the Loop, commuter rail serves less than 1 percent of all commuters. The Chicago system, focusing as it does on the Loop, is ill-prepared to cope with a sprawling economy.

All this traffic is growing. Intermodal rail shipments and truck traffic grew by an estimated 8 and 5 percent in 2006. The number of vehicle miles on highways grew by an estimated 3 percent, mostly in the outlying suburbs. As the Asian economy grows, more and more goods will arrive on the West Coast to be shipped across America—through Chicago. The Panama Canal already is at capacity. There are plans to expand that capacity, but for the time being, the overflow once again will pass through Chicago.

Not surprisingly, this system is beginning to seize up. As mentioned earlier, the average auto commuter spends fifty-eight hours per year in traffic jams. Although the average freight transit time through Chicago has fallen in recent years, railroads must still allow an average of more than thirty hours to move a rail-freight car across the city. Many shipments from the coasts spend more time cross-

ing Chicago than they do in getting here. Often, railroads haul containers between freight yards by truck to avoid congestion at yards and terminals. This only adds heavy truck traffic to the city's streets, increasing congestion there. Of all the coast-to-coast freight traffic that passes through Chicago by truck or rail, some is destined for this region or the midwestern areas that it serves. The rest is bound for somewhere else and just passes through, creating fewer jobs but adding to the congestion. Already, congestion in Chicago is leading to new consolidated rail yards relocating to the far suburbs, close enough to create regional jobs, but far enough to avoid conflicts with urban traffic. This should be encouraged.

This tightening web already is the subject of considerable concern and study. One major recent result was the founding of the Chicago Region Environmental and Transportation Efficiency Program, or CREATE, a public-private partnership between government and railroads to improve rail service in and through the Chicago region, reduce delays and congestion, improve grade crossing safety, stimulate the economy, and improve air quality. A CREATE paper estimates that if these issues are not addressed now, the region could lose \$2 billion in production and up to 17,000 jobs in the next two decades.

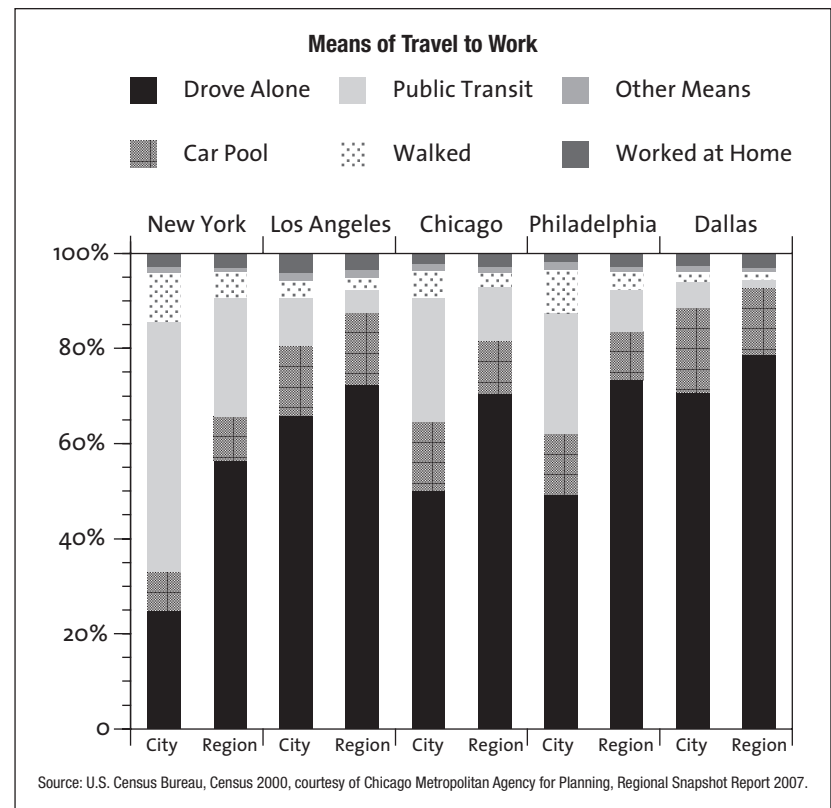
Among CREATE's goals are:

- Speed the transfer of containers from rail to truck
- Increase passenger rail capacity
- Reduce conflicts between passenger rail and freight rail
- Expand the system to meet future demands
- Encourage passenger rail ridership
- Reduce conflicts between railways and highways
- Create time-savings for motorists, passengers, and shippers
- Improve air quality by reducing emissions, through cutting train idling times and traffic jams

Highways

About 96 percent of Chicagoans travel to work by car. The ratio rises to 99 percent in the suburbs. No wonder the region's roads are clogged.

Once it was thought that the communications revolution would lead to more telecommuting, with workers choosing to work at home. This is not happening. All the evidence shows that productivity requires professional and knowledge workers to meet regularly face to face. Cities traditionally have been places where people meet to do business, and successful cities are those that most effectively eliminate the physical and cultural distance between people. Globalization is not changing this. If we had thought that people would solve the congestion problem by staying home, we must think again.



Construction of the Crosstown Expressway, parallel to Cicero Avenue, could help route through truck traffic to the west of the Loop and reduce congestion on the Kennedy and Dan Ryan Expressways as they head in and out of town. But for the most part, highway expansion is not a likely option. Politically and financially, it is becoming harder to build new highways and expand old ones. Solutions to highway congestion must be sought elsewhere.

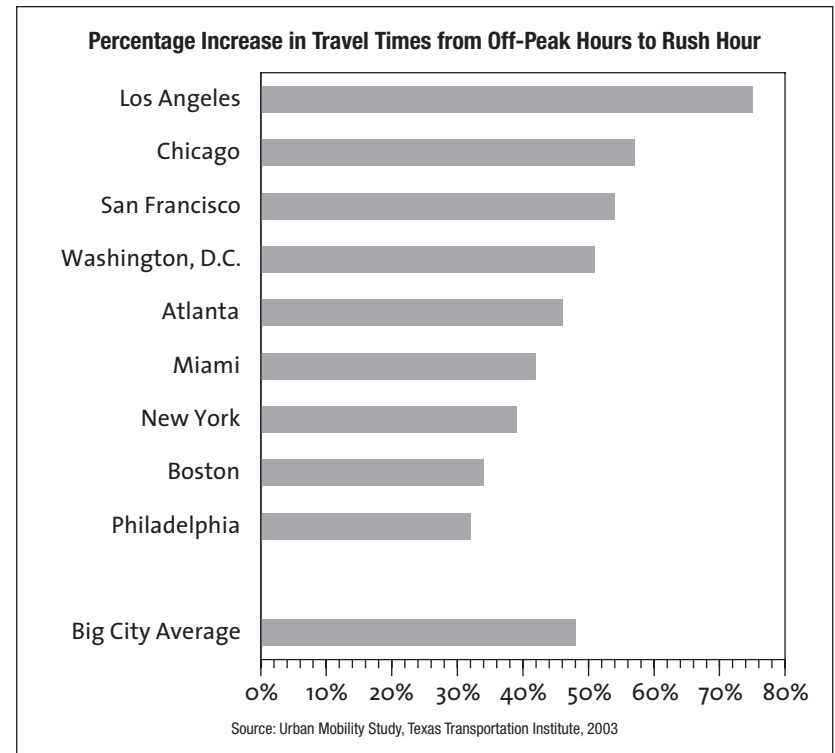
The first and best solution for high-density corridors remains an improved public transit system that would lure commuters away from their cars. Even with traffic jams, most commuters can get to their jobs faster by car than they can by train or bus. A reformed transit system that reversed this advantage could work wonders.

Public policies to encourage high-density residential development near existing light-rail networks are an important direction. Along Chicago's extensive rail system, emerging developments surrounding suburban stations are boosting job accessibility in both the central area and suburban subcenters.

To combat gridlock, careful policies can help traffic flow. London reports success with its program to charge motorists to drive into a central zone, and New York is studying a similar plan. Every city's problems are different, but Chicago needs to study these plans, while noting that London adopted its dramatic measures only after significantly improving its public transit system.

At the least, creative pricing policies that charge freight users for roads and rail can help increase efficient use of highway capacity. The Illinois State Toll Highway Authority already charges higher road-use fees for trucks during peak traffic times in and around Chicago. Strategic pricing or outright regulation could direct truck traffic through Chicago away from peak hours and toward off-peak hours, especially at night. Electronic toll payment has begun to speed cars and trucks through highway toll stations.

Chicago, even more than most big cities, is ripe for traffic reform. The fact that congestion forces the average auto commuter to spend fifty-eight hours per year in traffic jams is bad enough, but not exceptional. Chicago actually ranks seventh in this unenviable league, behind such cities as Los Angeles, San Francisco, Washington, D.C., Atlanta, Houston, and Dallas. But rush-hour traffic in Chicago is about as bad as it gets. A commute that takes an hour in off-peak hours takes more than an hour-and-a-half during rush hour. Only Los Angeles has a worse ratio. Clearly, policies aimed at encouraging off-peak travel would pay big dividends.



Financing of both infrastructure repair and expansion remains problematic in Illinois. Public-private partnerships such as the recent leasing of the Chicago Skyway can sometimes tap new sources of capital and serve travelers more effectively.

The Study Group feels strongly that planning for travel, including rapid transit, must be regionwide in scope. All modes of transportation are interconnected physically. The choice to board a bus on the north side eases highway congestion along LaSalle Street. So too, land-use decisions made in any corner of the region affect transportation flow elsewhere.

Regionwide planning must take into consideration the needs of all the Chicago region's neighborhoods and their residents. Any efficient transit system must provide for the speediest and safest movement of people—all the people—between their homes and jobs. In the past, residents of inner-city neighborhoods, especially African Americans and new immigrants, have been the victims of inadequate rapid transit, not only within the city but between the city and the suburbs. Equality of opportunity in the global era means the ability

of all citizens to train, qualify, and compete for all the jobs that this era will create. This equality cannot exist when otherwise qualified citizens have no means to get to and from those jobs.

Recommendation:

Chicago must remain a transport hub, but a system built for an earlier era must be rethought and reconfigured. The system must be seen as a whole and planned as a single unit. The founding of the RTA and its recent expansion are good steps in this direction. All global cities face similar problems in moving goods and people as their economies and populations grow. The Chicago region must learn from what other cities worldwide are doing as it plots its own reforms and implements its rail program for goods.

Public Transit

The Chicago region's public transit system is poorly coordinated, governmentally fragmented, inadequately funded, and physically deteriorating. The present system doesn't work. A new approach is needed. Chicago Metropolis 2020 has thought hard about this problem and has produced recommendations that this Study Group endorses because they are fundamental to Chicago's success as a global city. These recommendations include:

1. Enhancing the authority and responsibility of the Regional Transit Authority (RTA)

At the moment, the RTA acts as a nonoperating umbrella agency embracing three operating service boards: the Chicago Transit Authority (CTA), serving Chicago and forty suburbs with rail and bus service; Metra, the region's commuter railroad; and Pace, the suburban bus system. Each of the four agencies has its own board of directors, staff, and budget. The three service boards hold virtually all responsibility and authority for creating a regional transit system. The RTA's role is limited to creating a unified budget and capital plan.

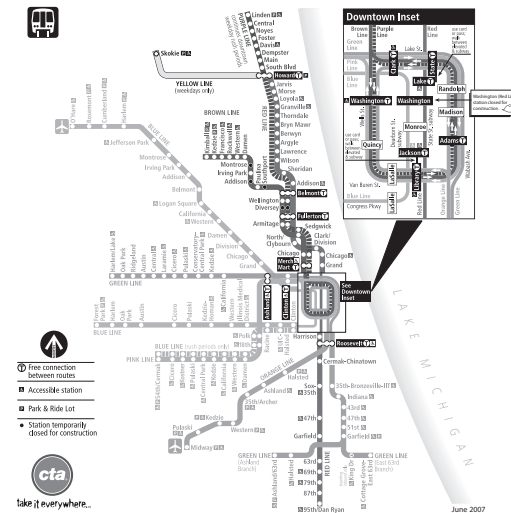
The RTA Act should be amended to allow the RTA to become the authority for regional transit, with the service boards operating their parts of the system within the overall context set by the RTA. The amendment to the act would include changes that would allow the RTA to:

Chicago's Public Transportation Systems: Service Focused on Chicago's Loop District



Source: Metrarail.com

Chicago's subway known as the "El"



Source: Chicago Transit Authority

- Plan and coordinate the regional transit system
- Set goals, objectives, and standards for the service boards
- Set coordinated fare and passenger transfer policies, including a universal fare instrument usable on any of the services
- Mandate connections between services and eliminate duplications
- Consolidate ticket sales, marketing, advertising, and public information
- Promote transit-oriented land development in the region to encourage and increase ridership, easing highway congestion
- Audit the service boards
- Prepare and adopt a capital improvement plan and budget for the region that identifies expansion investments and plans operating costs

In addition, the RTA board and the service boards should be reformed for more effective governance.

2. Financing transit in the region

The RTA has a \$226 million operating deficit. Its strategic plan calls for investment of an additional \$400 million annually in transit operations. The strategic plan also calls for investing \$2 billion annually over thirty years in capital infrastructure. This planning relies on state and federal funding, both unreliable. Federal funds for transportation will run short in 2009 unless the federal gas tax is raised. The state has not provided any new capital funds for transit since 2004. Any realistic strategy requires the state to give the RTA the authority to raise additional revenue. This added revenue should come from beneficiaries of the investments—drivers now trapped in traffic jams and delays, and riders on the transit system itself. Some combination of the following measures should be approved by the Illinois General Assembly:

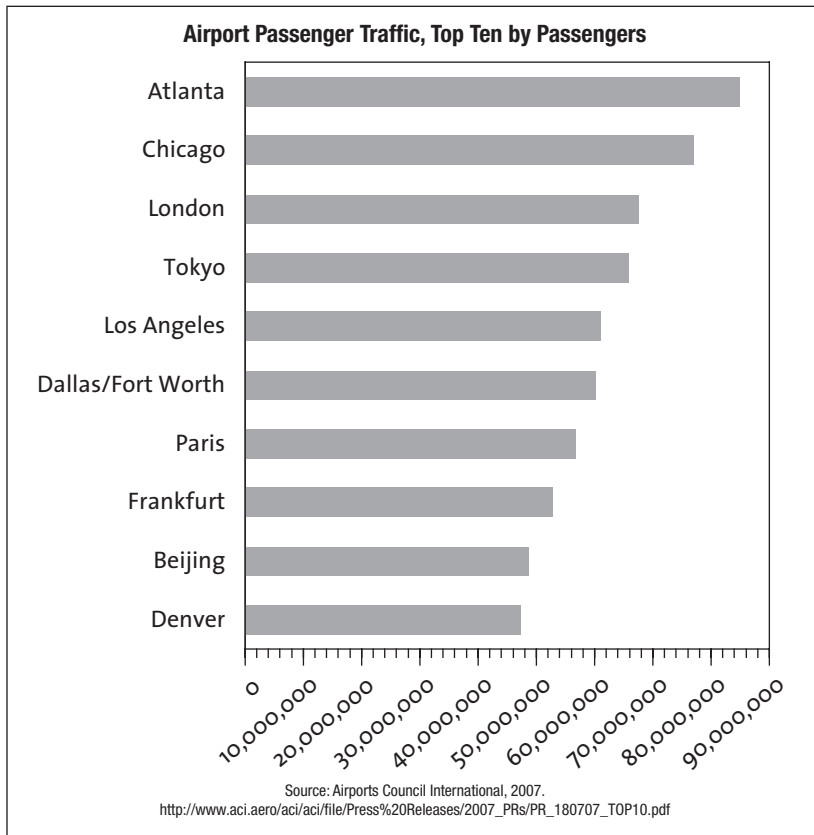
- An RTA-imposed gas tax of up to 5 percent
- An increase in the RTA sales tax
- Differentiated pricing systems, recognizing such factors as distance, speed, and time of day
- An integrated fare system with an electronic payment method, encouraging easier transit use
- A broadened RTA sales tax, including all consumer services
- An RTA tax on nonresidential off-street parking

Air Transport

Once again, Chicago's air capacity—and problems—invite superlatives. The city is a nonstop global gateway to sixty international and 134 domestic business centers. Its airports handle more air passenger traffic than those of any other city in the world. O'Hare International Airport is the second busiest airport in the nation in terms of flights and the second in the world in terms of passengers (77 million passed through in 2006). All major international air express freight carriers have major hub operations at O'Hare.

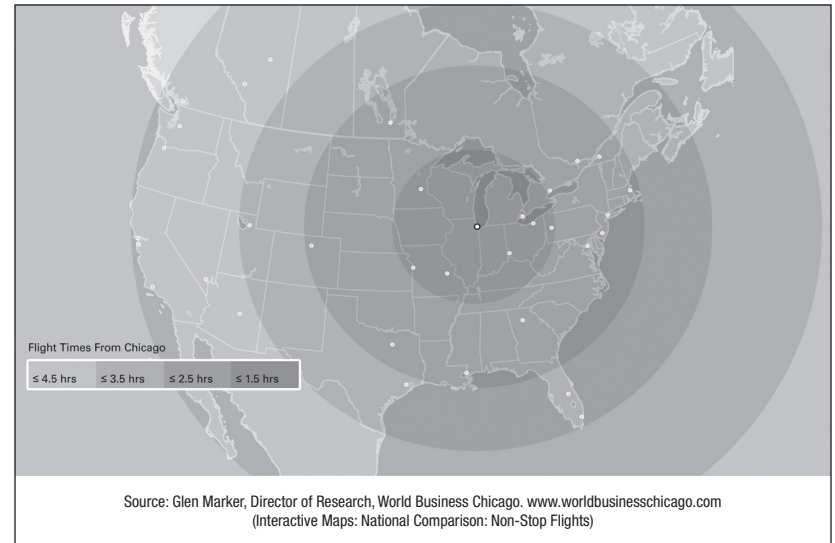
For years, O'Hare has been Chicago's main portal to the world. In the global era, this role is more crucial than ever. As noted previously, globalization increases the demand for face-to-face contact, even as it enables communication over great distances. If this is true within the region, it is even more true between regions and between countries. As global commerce grows, so does global travel. That means that a city with the most international nonstop links is the city most connected to the globe. A city that stands at the center of the global aviation system is just like a town on a major highway—it's the place that gets the business.

But this prominence exacts a heavy price. O'Hare faces crippling problems that are only too well known to air travelers. Complaints about congestion and delays grow. All by itself, O'Hare accounts for one-sixth of the nation's total flight cancellations. The airport's ability to handle traffic is inadequate. The airport is a major hub for two major airlines, United and American, but both have had to modify schedules to help reduce congestion.



A badly needed program of physical expansion—the O’Hare Modernization Program—is under way. This \$6.6 billion program foresees the addition of four runways, the decommissioning of three runways, the reconfiguration of the airfield, and the addition of terminal space. In the first stage a new, far-north runway will be added. In the second stage, one runway will be extended, another opened, and an existing runway closed. In the final step, another existing runway will be extended, two new parallel runways will be opened, and two others will be closed.

The goal is to change O’Hare’s runway pattern, from one of intersecting runways to one with parallel runways similar to the airports in Atlanta and Dallas. It is estimated that this will increase the airport’s capacity by 40 percent, from 2,700 to 3,800 flights per day, and decrease delays by almost 80 percent.



Even with this modernization program, much of O’Hare’s future efficiency depends on a factor outside its control—namely, the air traffic control system. This system is the source of many of the delays experienced by travelers through O’Hare, and these problems will not be truly ameliorated until this federal system is reformed.

Recommendation:

The Study Group heartily endorses the O’Hare Modernization Program. Legislation to modernize the air traffic control system is before Congress, and the Chicago region’s congressional delegation should be encouraged to play a major role in shaping and passing this legislation.

Digital Communications

Infrastructure to move goods and people has always been crucial to Chicago’s success, and remains so now. But communications infrastructure—the ability to move data, information, and ideas—is the twenty-first-century infrastructure of the global economy. Global communications networks are the superhighways of the future and carry that era’s most valuable commerce.

Ubiquitous high-bandwidth Internet connectivity is essential for any city to flourish in a global environment. Businesses must be

It All Connects Downtown

- Twenty-seven of twenty-eight U.S./Canadian network service providers have a point of presence in the Chicago area.
- Chicago was found to be the most Internet-accessible city in the United States, according to a study led by Ohio State University.
- The Chicago Network Access Point is the world's largest commercial Internet exchange point by volume and is located in Chicago's central business district.
- North America's largest "carrier hotel" (server/data storage/routing hardware facility) is located in downtown Chicago at the Lakeside Technology Center.

What Digital Connectivity Means for the Economy

According to a report commissioned by the Communication Workers of America, the Internet speed in Japan is 61 megabits per second, or more than thirty times faster than the U.S. broadband speed of 1.97 megabits per second. Other countries that have a higher speed than the United States are South Korea (45 megabits), France (17 megabits), and Canada (7 megabits.) To illustrate, a movie can be downloaded in Japan in two minutes, while it takes two hours to download in the United States. Without improving the digital infrastructure, Chicago and the United States could lose big in the global economy.

visible on the Web and be able to engage in e-commerce. Consumers must be able to participate in social networks; shop online; and exchange photographs, sound files, and videos. Public policy related to Internet connectivity is made mostly in Washington. Federal law sharply restricts the legal authority of municipalities. The Internet has benefited from its inherently decentralized character—anyone can set up a Web site cheaply—and from being lightly regulated. New application technologies can be made available quickly and easily without needing regulatory approval.

Most areas of Chicagoland enjoy a choice of Internet service providers. Private telephone and cable providers are rushing to "build out" their networks to incorporate features that increase the bandwidth of relatively inexpensive connections, and scores of Web-hosting companies offer a wide variety of servers and software packages that make it easy for individuals and businesses to set up commercial or personal Web sites without having to invest in thousands of dollars of hardware located on their own premises.

Chicago has one of the highest-capacity Network Access Points in the world, reducing the likelihood of its virtual traffic getting bogged down as growth occurs. Its universities are engaged in research at the

forefront of new communications and networking protocols that will be embodied in future versions of the Internet.

Nevertheless, some neighborhoods lag behind in connectivity options. Many business locations do not have access to cable television infrastructure. Until broadband wireless technologies are deployed commercially, they are limited to connections provided by telephone companies. Telephone companies typically provide the best technologies to areas with high population densities and higher incomes.

A recent report by the Mayor's Advisory Council on Closing the Digital Divide recognized that this divide does exist and made several suggestions for closing it. The report assumed that a private vendor will deploy and operate Chicago's wireless broadband network, with users paying for access. But it said the contract should require the vendor to provide areas of free access—not only in the Chicago Public Library, as now, but to parks, plazas, and other public areas. The vendor also should subsidize pricing for low-income users, it said. In addition, refurbished computers and software should be made available at low cost. Neighborhood community technology centers should provide training and support. And the city should take the lead not only in teaching its citizens digital skills, but in impressing on them the need to acquire these skills.

The Study Group endorses tax and regulatory policies that promote wide digital access. But it feels the city must be careful to avoid issuing exclusive contracts to vendors.

Chicago should remain vigilant in identifying areas needing technology upgrades and prod telecommunications providers and regulators to make sure that the city does not experience a digital divide or otherwise lose its preeminent position at the forefront of digital connectivity.

It also should make sure that when the industry rolls out high-bandwidth wireless connection options, zoning requirements and other municipal regulations do not inappropriately interfere with the deployment of the necessary facilities, including antenna sites.

Sustainability

Chicago's imperative of maintaining economic vitality in a global era coincides with the need to adapt its economy in the age of global climate change. When we talk about "sustainability," this is what we mean. The UN's Brundtland Commission defined sustainable development as development that "meets the needs of the present with-

out compromising the ability of future generations to meet their own needs.” This means that economic investment now must always take place with an eye on the future so that our achievements today do not make the future city an unpleasant place to live.

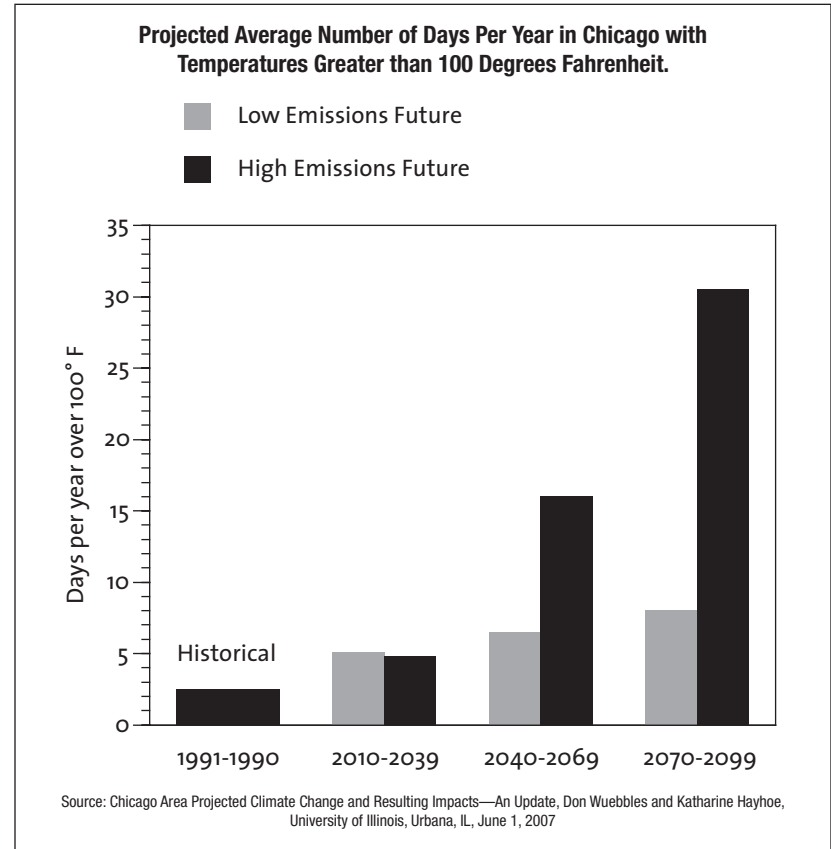
Pollution may have been a natural by-product of Chicago’s industrial era, but today, environmental sustainability is crucial to the city’s ability to thrive as a global city and to sustain a decent life for its citizens, now and tomorrow. There are several reasons for this.

As this report notes often, quality of life is key to a global future. The skilled and educated Chicagoans of the future will often come here for the quality of life. They will choose Chicago because it’s a good place to live. If it isn’t a good place to live, if it’s a place with poor air quality or other forms of pollution, they will go somewhere else. Sustainability, then, becomes crucial to attracting and keeping a talented and productive workforce. It improves the quality of the air, protects our water supply, and improves open spaces. More trees and plants reduce urban heat and make the city an attractive place to be.

Climate change is happening. To remain competitive, the Chicago region needs to take steps to manage the impact of this change. A task force will report to the mayor in November on what the city needs to do to adapt to foreseeable changes and to provide global leadership in reducing emissions.

For example, in the 1990s Chicago had two or three days annually over 100 degrees. Research commissioned by the city shows that, even if we act now, scientists expect this to increase to eight days over 100 by 2070. If we do not act now, there could be thirty-two days each year over 100, with the hottest being 117 degrees. Chicago’s climate may or may not become wetter, but the number and intensity of storms will increase. If we act now, researchers predict there may be little change in the level of Lake Michigan, as higher precipitation balances increasing temperatures and evaporation. But under the higher emissions scenario, warmer temperatures and decreasing winter ice cover on the lake could dominate, decreasing lake levels by 1.5 feet by the end of the century.

Another study being done for the city warns that increased average temperatures will increase wear and tear on roofing systems, crack building facades, and require more cooling systems. All will increase costs for both the city and for local businesses. The same effects and the same costs will impact storm water management, streets and highways, and rail systems, none of which will come without added cost.



Recommendation:

The city and suburban areas must ensure that programs and policies are in place to deal with the expected changes in climate, paying particular attention to infrastructure questions such as storm water management, rail, and roadways and to protection of vulnerable populations such as schoolchildren and the elderly.

Besides preparing for the inevitable, there is much that cities like Chicago can do to keep this unavoidable climate change from being even worse. Chicago by itself cannot solve the problem of climate change, which is a challenge to the global community. But it can be an example to others.

Chicago has already begun to tackle this problem and, in fact, is getting a green reputation internationally. Mayor Daley, having seen

roof gardens in Europe, decreed a green roof for city hall. More than a hundred buildings now have green roofs, encompassing one million square feet of rooftop, with three times that much under construction. The city is encouraging more such projects by speeding building permits for companies that commit to using green technology in construction. The city has planted more than 500,000 trees, and seventy-five miles of median planters filled with trees and flowers now divide the city's streets.

Many recommendations in this report support the goal of a sustainable city. Better and more comprehensive public transit is one. Rationalization of freight traffic is another: The faster freight transits the region, the less emissions trains will pump into the atmosphere from idling. Improvement in the delivery of utilities such as electricity can lead to significant savings.

Going green has provided some entrepreneurial opportunities. *The New York Times* featured Christy Webber, a Chicago entrepreneur who has built a \$13-million-per-year business installing, mulching, and maintaining some of the city's parks and other green spaces. Millennium Park has sparked a business, real estate, and tourist boom on South Michigan Avenue.

Recommendation:

The Study Group applauds steps taken so far to prepare for global climate change. It urges both the city government and the private sector, working together, to be aggressive in pursuing opportunities to reduce emissions through investments in energy efficiency, renewable energy, reducing vehicle miles traveled, and improved public transit. In all this, the city and its region should act together.

Water

Because of its location, Chicago has a special stake in water and its use. The Great Lakes contain 25 percent of the world's fresh surface water. In an increasingly arid world, the mere presence of vast water resources gives the city a competitive advantage with both companies and workers seeking places to locate.

Lake levels are important for the Chicago region for two reasons. First, if the Chicago River is to have sufficient water to support the current level of shipping and to ensure its continued flows to the Mississippi River, the differential between the lake and the river



needs to be maintained. Second, the region benefits from industries that depend on large boats having access to our deep-water ports.

Most experts believe that global climate change will lead to a long-term fall in the water levels of the Great Lakes. Lake Michigan levels now are relatively low and, in some areas, historically low. While water levels in the lakes can rise or fall naturally by as much as a foot in one year, potential changes due to climate change and the increased outflow of water through the St. Clair River are more serious and more long-lasting.

A report by the Union of Concerned Scientists said that winters in the Great Lakes region already are getting shorter, annual average temperatures are getting warmer, and, most important, ice cover on lakes throughout the region is lessening. Since the ice cover acts to prevent evaporation during the winter, a lessening in this cover or a shorter ice season means more evaporation and hence lower water levels.

In addition, dredging in the St. Clair River, which connects Lakes Superior, Huron, and Michigan to Lake Erie and the St. Lawrence River, has led to a drop of nearly two feet in the lake levels.

Illinois and seven other Great Lakes states have signed the Great Lakes–St. Lawrence Basin Water Resources Compact, which establishes for the first time a firm legal basis for the cooperative and sustainable management of the regional water supply. A twin agreement coordinates these policies with Ontario and Quebec. But the compact will go into effect only when all eight states ratify it. So far Illinois has ratified it, along with Minnesota. The Study Group urges state and civic leaders to encourage the other states to do the same. In addition, the International Joint Commission is undertaking a study of the impact of the St. Clair River dredging on water levels. Recommendations based on the study should be implemented.

Recommendation:

Chicago and its region must work with leaders in other states to speed ratification of the Great Lakes–St. Lawrence Basin Water Resources Compact as a vital first step toward the region's ability to control its own water future. Beyond that, Chicago and its region should work urgently with the rest of the Great Lakes region to plan for the impact of climate change and the St. Clair River diversion on water levels, shipping, tourism, power generation, wildlife, and diversion needs.

Chicago and its region must recognize that the Great Lakes are an important recreational and aesthetic amenity that is becoming increasingly important in attracting and maintaining skilled workers and residents. Efforts to restore and maintain lake water and near-shore quality should be amplified.

Chapter IV Building Human Capital

Cities are the places where people come together to trade goods, money, and ideas. This has been true for millennia. Cities grew as the arena in which artisans from tinsmiths to hatmakers gathered to compete and cooperate. With the Industrial Revolution, workers came from surrounding farms and from far countries to work together in factories and mills. Cities exist to reduce the distance between people who want to do commerce with each other.

Cities are people, no more and no less. The most successful cities are those that are richest in people—in skilled, smart, educated, diverse, innovative, hard-working, productive people. A city may have every other attribute—a deep harbor or splendid setting or glorious climate. But unless it also embraces a superlative workforce at all levels, it cannot call itself successful.

This has been true throughout history. It is ever more true today, in the global era. A global city is powered not by brawn, but by the brainpower of skilled and educated people who come together to trade ideas, to bounce innovations off each other, to be stimulated by the creativity of others. But a global city is not just the place that ferments this creativity. It also is the place with the workforce to take this creativity and turn it into products, exports, and services.

Economists call all this “human capital.” As the Harvard urban economist Edward Glaeser told our Study Group, “The comparative advantage of cities is determined by how smart, how trained, how

Grads and Fads

Robert Weissbourd of RW Ventures was asked by the Study Group to research the main attributes of global economies. He found that skilled and educated workers drive the new economy. Some scholars say amenities—recreation, culture, restaurants—draw these workers to a city. But Weissbourd says the big draw is professional opportunity—good jobs in these workers’ specialties and companies that provide these jobs.

“People want to go to places where there are other people like them,” Weissbourd said, “so what you’re looking to do is build a concentration of knowledge functions.” This requires education, including lifelong learning, and a knowledge infrastructure, including a fiber-optic “backbone for businesses.”

“What matters most,” he said, “is having knowledge jobs. After that, amenities matter. If you have one economic dollar to spend, spend it on the economy. If you have ten economic dollars, then you can invest in culture.”

Relative Preference for Close-In Neighborhoods			
Share of 25-to-34-year-old population within three miles of urban center divided by share of total population within three miles of urban center			
Rank/Metropolitan Area	Year		
Most Centralized	1990	2000	
1. Chicago–Gary–Kenosha, IL–IN–WI CMSA	1.39	1.79	
2. Seattle–Tacoma–Bremerton, WA CMSA	1.27	1.73	
3. San Francisco–Oakland–San Jose, CA CMSA	1.26	1.69	
4. New York–Northern New Jersey–Long Island, NY–NJ	1.30	1.62	
5. Boston–Worcester–Lawrence, MA–NH–ME–CT CMSA	1.28	1.61	

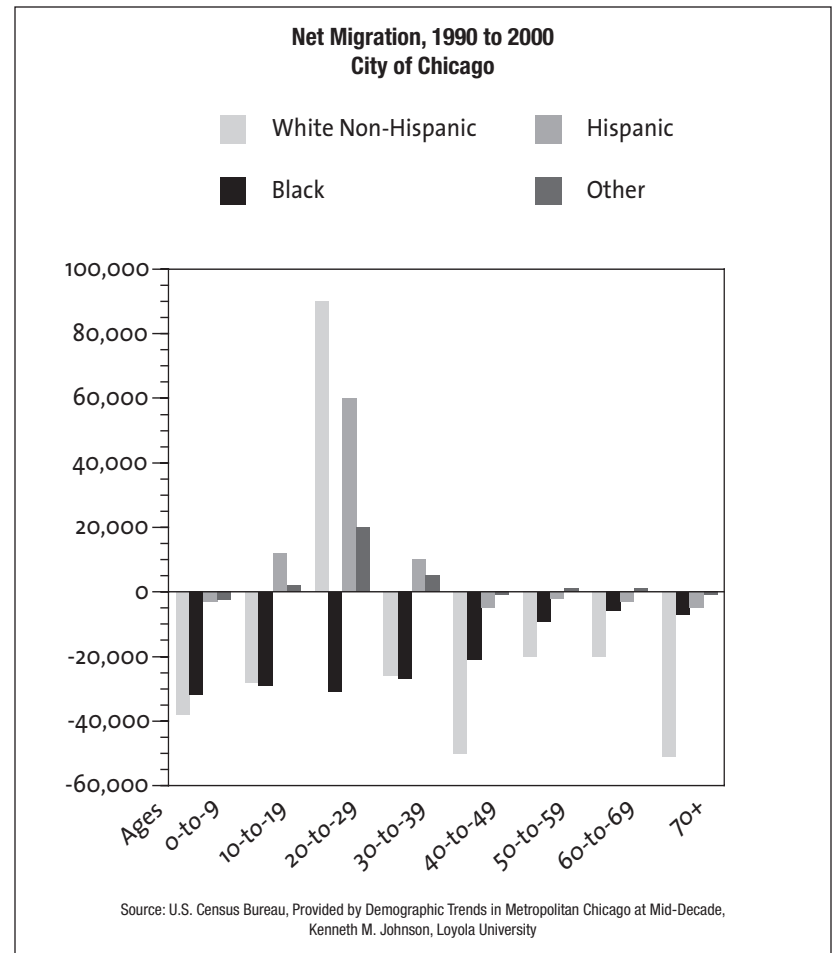
Source: CEOs for Cities, The Young and the Restless in a Knowledge Economy, Joseph Cortright, December 2005

innovative, how entrepreneurial the people are in that city. Very much of the success of Chicago as a global city depends on its attracting skilled people, keeping them and letting them innovate, letting them lead the city forward.”

In this competition, the returns are mixed. The region is doing fine, but the city itself seems more successful in attracting people than keeping them.

The city of Chicago is an unrivalled magnet for young, creative people. Among all American cities, Chicago ranks first in the concentration of young people aged twenty-five to thirty-four living within three miles of downtown. For those with college degrees, it ranks second only to New York. In the 1990s nearly 100,000 more white non-Hispanics in their twenties moved into the city than moved out. Chicago, indisputably, is a young person’s town, the sort of city with the buzz and pop that draw the young and the restless.

And then it stops. From 2000 to 2006 the city lost a net 62,700 people. Suburban Cook County lost another 27,000. A big part of the loss was white non-Hispanics over thirty years old. Clearly, those youngsters who came to Chicago in their twenties had decided to move to the suburbs when it came time to get married, settle down, and raise their kids. Beyond Cook County, the rest of the Chicago region grew by 501,000 between 2000 and 2006. This means sprawl. One of the twenty-five fastest-growing cities in the nation (and the only one not in the South or the West) is Joliet, which lies directly in the path of Chicago’s urban sprawl. It means more pressure on roads and rail from commuters. It means continued flight from Chicago’s schools and high-cost housing. It also means lost income. The peo-



ple who moved out of Cook County into its six immediate neighbors earn some \$1.2 billion more per year than persons moving in.

If Chicago is to remain a global city and thrive in the global economy, it must stem this tide. It must keep the brains and skills that are the raw material of the global era in the city.

A city like Chicago can get this raw material, this human capital, in two ways. It can create it itself, through its educational system, from early childhood education through public schools to colleges and on to the mightiest research universities. Or it can draw it from outside by becoming the kind of city where the best and the brightest want to work and live. A successful city does both. And, having done

so, it needs to keep this human talent with the irresistible lure of a rich quality of life and stimulating work.

Brains, like hearts, go where they are wanted. No challenge is greater to Chicago's future success.

The keys to creating, attracting, and keeping human capital are education, quality of life, good jobs, and diversity.

Education

Mayor Daley has made the improvement of public education in Chicago his leading priority. In a recent speech he said: "I believe this city is in a global economy. It can compete only if we give every child an opportunity. We should have the best educational system in the country if we are going to compete in the global economy. This—the changing of the public school system—is the most challenging problem I have ever faced."

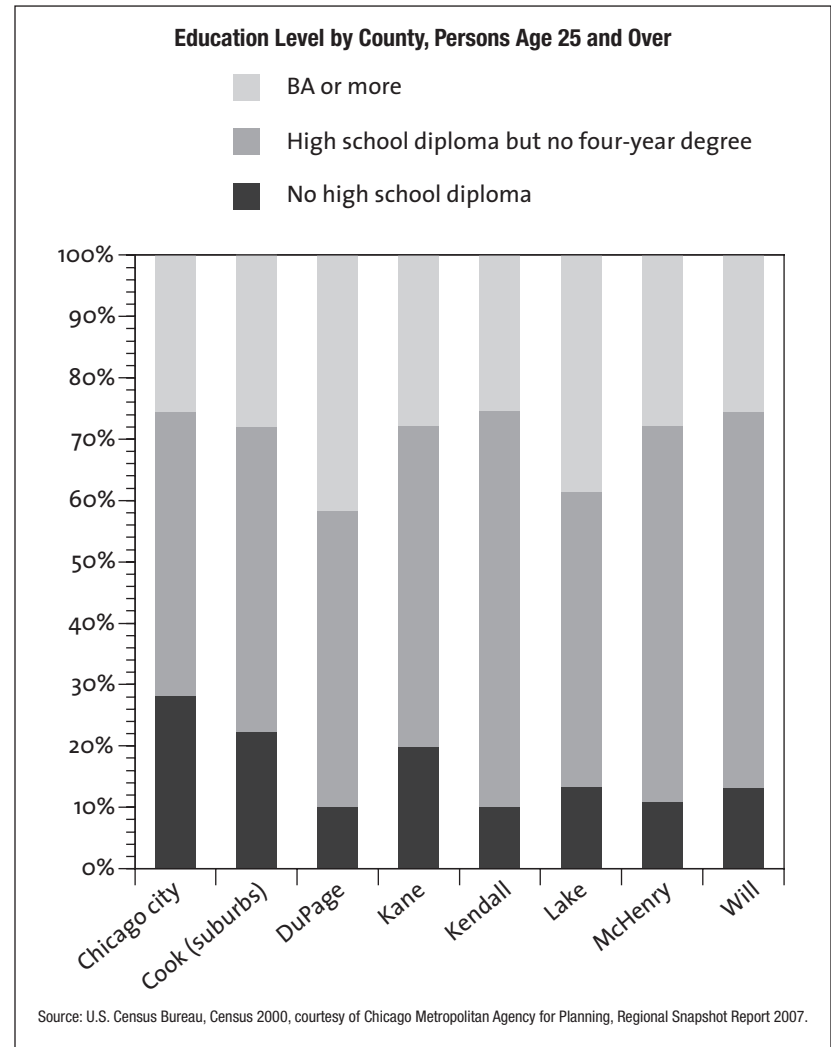
The mayor listed several goals that have also been singled out by educational experts to improve the schools. These include longer school days, longer school years, more teaching of foreign languages, better education in science and mathematics, better training for jobs and careers, better recruitment and training of teachers, more after-school and summer programs. Especially, he said, every child should have access to preschool learning and full-day kindergartens.

The dropout rate in Chicago city high schools, between 30 and 40 percent, is too high. Test scores in too many schools remain too low. Too few of Chicago's public school students, about 10 percent, eventually graduate from a four-year college. These statistics justify the mayor's alarm.

But behind this grim façade are signs of a regeneration of a public school system that was once derided as the nation's worst. One sign of hope is the very fact that the city has put its schools at the top of its agenda—a crisis that has festered for decades now has the city's attention. Another sign is a variety of successful programs and experiments going on across the city. The challenge may be less to invent new systems than to take the programs that are working and apply them across the system.

A few statistics stand out:

- Student participation in preschool has increased from 25,000 in 2002 to 32,000 in 2007.



- In 2001 only 38 percent of students met or exceeded the state test standard. By 2007 this was up to 64 percent. More than 71 percent of eighth graders passed the math portion, up from 64.7 percent in 2006. Nearly 78 percent passed the reading portion, up from 72 percent the previous year.
- In elementary schools, students in 183 schools were performing at only 20 percent of the national average in 1992. By 2005 that

rate had reached 49 percent. Of these schools, 88 percent were in low-income neighborhoods.

- The number of students taking Advanced Placement examinations rose from 7,598 in 2002 to 12,652 in 2006.
- The Chicago Public Schools (CPS) system is recruiting teachers more vigorously, and more teachers want to teach in the CPS. In 2001 only 4,000 teachers applied for jobs, or about two applicants for each job. In 2006-07 there were 20,000 applicants, or ten for each position.
- The Advancement Via Individual Determination (AVID) program, designed to provide students with high-standard, college-preparatory strategies, has been implemented in forty high schools.
- The teacher vacancy rate dropped by 40 percent over the past two years. Since 2001 the number of National Board Certified Teachers in the CPS system rose from fewer than one hundred to 645.
- Nearly 75 percent of all kindergarten students are enrolled in full-day programs, up from 60 percent five years earlier.

Many experts and committed volunteers are working to make schools better. In the Consortium on Chicago School Research, the city has one of the best research teams in the country, providing schools with information about what works and what does not. A variety of programs, some in charter schools and some in regular schools, are bringing best practices—good principals, strong professional development, and parental involvement—to many schools. The Young Women's Leadership Academy, the Academy of Urban School Leadership, Fresh Start Schools, and Strategic Learning Initiatives (SLI) are all putting best practices in place in schools and the results show. In Little Village, five schools working with Strategic Learning Initiatives showed a sharp improvement in ISAT scores over a two-year period, compared with 220 Chicago public schools with similar family incomes. In the Little Village schools, students showed a 21-percent improvement in mathematics and a 12.5-percent improvement in reading, compared to improvements of 10 and 6 percent, respectively, in a comparison group of 220 Chicago public schools with similar family incomes. SLI recorded similar results in

three schools in Pilsen and even more dramatic improvement in the Willa Cather School on the west side.

All are steps in the right direction. But this process needs to be accelerated and implemented across the system. Chicago students still spend relatively few hours in class—only 1,001 hours per year, compared with the national average of 1,161 hours and the 1,271 hours required by the New York City schools.

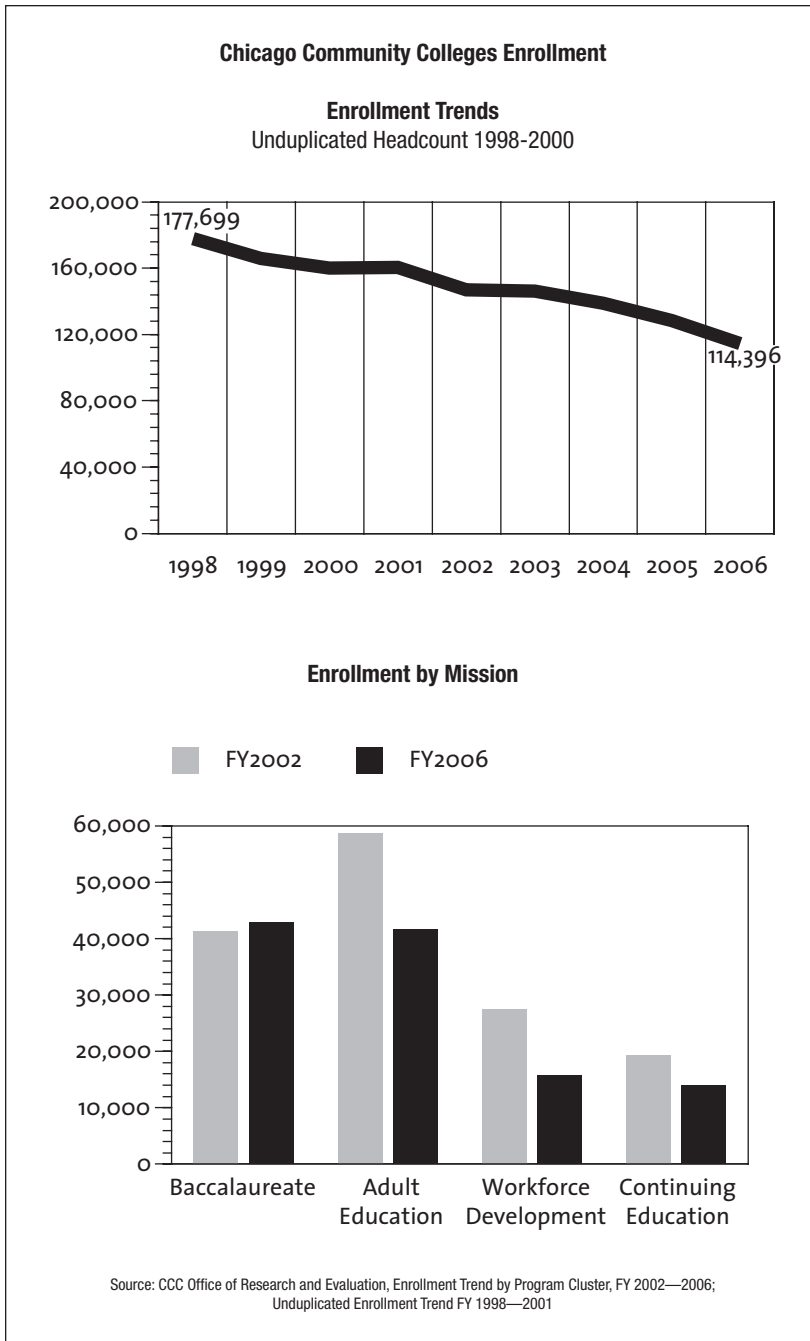
The same study that showed a sharp gain in reading achievement in 183 of Chicago's elementary schools also showed a lower gain—from 18 percent of the national average to only 29 percent—in an almost equal number of other schools with an equal number of students over the same period. Of these 183 schools, 94 percent were in low-income neighborhoods. In other words, improvement is real, but it is reaching only about half the city's elementary school students.

A global city needs people who speak multiple languages. The city is stressing the teaching of Mandarin in schools. The program, now nearly a decade old, embraces 6,000 students and should be expanded. But Chicago can do more to take advantage of the children of immigrants who already speak a second language at home but need formal instruction in grammar and writing before they can become fully proficient in their native language.

In addition, the state of Illinois is short-changing its students. The state provides only 37 percent of school funding, making Illinois forty-ninth out of fifty states. The foundation level per pupil is \$5,334, which is \$1,071 less than the level recommended by a state commission and less than half the \$11,900 provided for the New York City schools.

Recommendation:

Improving Chicago's public schools is an urgent priority, both to prepare all Chicago students to compete in the global economy and to persuade educated, middle-class parents to live in the city. Many dedicated Chicagoans—not only the region's mayors and educational experts, but teachers and administrators—are working hard and effectively on aspects of this problem. Rather than second-guess or duplicate their work, this report applauds their efforts and urges the city to maintain this sense of urgency. In particular, successful pilot programs need to be expanded to the entire system. The work needs the focused support of all citizens, including the business community.



Early childhood education in particular has been shown to confer long-term benefits and must be available to all children. Several well-designed and controlled program evaluations have produced estimates that every dollar spent on early childhood education returns \$7 to \$17 to the economy later on, a clear benefit to society.

The City Colleges of Chicago present a particular problem and a particular opportunity. These are seven separate colleges mandated to provide affordable education to Chicagoans who, for the most part, cannot afford the higher costs at other schools or who have family or job responsibilities that make other options impractical. The City Colleges have several purposes—vocational training, remedial education, adult and continuing education, developmental education (including English as a Second Language), and the preparation of students to transfer to full four-year colleges. Data showing how well the City Colleges of Chicago are fulfilling these functions are scant.

Enrollment in the City Colleges has dropped by one-third in the last decade, from nearly 180,000 students in 1998 to less than 115,000 in 2006. The majority of students attend part-time: Few have the freedom from family or job responsibilities to be full-time students. Despite this plunging enrollment, the colleges’ operating revenue has risen by 26 percent since 2003 and continues to rise slightly.

Graduation statistics are the most obvious measure of success, but they can be elusive or even misleading. For instance, in 2006 a total of 1,120 of the 42,840 students enrolled in baccalaureate transfer programs received associate’s degrees. This represents only about 3 percent of the full-time-equivalent enrollment. But not all students intend to earn degrees. The experience of other community college systems shows that students can improve their economic status significantly by completing only a handful of courses or gaining a certificate rather than going for a degree.

What is clear, though, is that the city has not focused on this City College system in any meaningful way as a gateway to good jobs—including entry-level jobs with a future—for its students. The opportunity is great. As one expert put it, “If the city has been successful so far without the colleges being a significant player, imagine what we could do if the colleges were firing on all cylinders.”

Why is this important? First, the City Colleges should be the institution educating the workforce of a global Chicago, the human capital that turns ideas into products, exports, and services. A study by Northern Illinois University showed that a minority of jobs but a

A Demand for a Middle Class

Globalization offers opportunity for Chicago's middle class, but only through workforce skills development. As trade rises, employment opportunities for moving goods also rise. But already, metro Chicago has nowhere near enough commercial truck drivers to meet demand. Freight railroads offer tens of thousands of jobs. Chicagoland is North America's distribution capital, with explosive growth in warehouse construction, plus needs for forklift operators, logistics personnel, supply chain workers, intermodal crane operators—solid, middle-class jobs all.

Our community colleges are the key to opportunity for underskilled people. The City Colleges of Chicago offer many programs, but the problem is one of scale. The system is not producing enough skilled workers. The same goes for other areas—health care, culinary arts, hospitality, advanced manufacturing. No City College program meets market demand. The possible result: Chicago cannot sustain economic growth and Chicagoans with third-world skills will be left behind.

Will we capture or fumble this opportunity of globalization?

majority of good jobs will go to workers with an associate's degree or higher. Most future jobs, it said, will require only on-the-job training, but these same jobs will pay \$35,000 per year or less. Of the good jobs, paying \$40,000 to \$80,000, no less than 71 percent will require an associate's degree or higher. City Colleges, in other words, are the gateway to the middle class.

But beyond this middle-class focus, the City Colleges play a critical role as the largest provider of workforce development programs, or pathways to employment for Chicagoans wanting to earn a living wage. These programs—workforce development, certificate programs, and remediation—are important steps toward this goal. This stress on workforce development and certificate programs cannot be overstated. First-level jobs, even those paying \$35,000 or less, can put people on a career path that leads later to more education and income.

The global economy is producing extremely well-paying jobs at the top and, as the Northern Illinois study showed, a large number of poorly paying jobs at the bottom. Chicago has plenty of both because it has plenty of people willing and qualified to take them. This economy also promises to create tens of thousands of solid jobs in the middle. Nursing is an example. There is great demand for nurses and other health-care workers, but City Colleges programs fall far short of meeting demand across the full spectrum of health-care jobs. These jobs will be in Chicago only if there are trained and skilled people able to fill them. Some of these people will be trained by more expensive private schools like DeVry Institute. But employers everywhere look to community colleges to educate these work-

ers. If they can't find them here, they will go to other communities or other states.

The demand for education is there. By definition, City Colleges' students are motivated—almost all must get to school before or after work because they want better lives, not because the state tells them to be there. For the 115,000 students, the City Colleges are possibly the last chance for economic stability. Many of these students are Hispanic or African American. Many—80 percent or more of those who test—need remedial education. The average student is thirty years old and trying to balance school, a family, and possibly a job. But with enrollment down by one-third in a decade, many of these potential students—and potential middle-class workers—are opting out or are opting for other, probably more expensive and less convenient options. Chicago employers would hire City Colleges' students if they were convinced that the colleges were turning out the workers they need. Some successful pilot programs exist, but they are too small so far to affect the overall picture.

Recommendation:

Chicago's City College system needs thoughtful reform in both practices and mission. The city has made its public schools a priority, and is seeing progress. Now, the City Colleges need the same priority attention. The city, both its government and its private employers, must keep a clear goal in mind—to prepare Chicagoans who are ready for work and further education and to help businesses have access to well-prepared workers.

No city can be a global city without the educational resources and research provided by great universities. Chicago is blessed with such universities, but these schools and the city do not make maximum use of each other. Two universities—Northwestern and the University of Chicago—are globally renowned. But others—the Illinois Institute of Technology, DePaul, Loyola, the University of Illinois at Chicago, Roosevelt, Columbia, Northeastern Illinois, and other schools—are just as important to the life of the city and the region. All boast intellectual resources that are an asset to the city and its businesses, which do not always use them.

This intellectual leadership is endangered, as it is in all American cities, by the enforcement of immigration laws that bar foreign students, scholars, and entrepreneurs from the United States or makes it difficult for them to work or study here. Chicago relies on immi-

grants in its health-care services, its education, its trading floors, its electronic and pharmaceutical companies, and in many other areas of intellectual and commercial life. In such areas as science and engineering, immigrants literally drive the local economy. Immigration policies that keep them away hurt the city.

Recommendation:

The City of Chicago and its businesses must work with Congress and the administration to support immigration policies that welcome highly qualified immigrants—workers and students—including those who stay and those who visit.

Chicago's Universities are International Intellectual Resources

- The University of Chicago boasts twenty Nobel Prize laureates who won the prize while on the faculty or for work done at the university. These include Milton Friedman (Economic Sciences, 1986) and Saul Bellow (Literature, 1976). Six laureates are currently members of the faculty.
- Two of Chicago's business schools—the Kellogg School of Management at Northwestern and the Graduate School of Business at the University of Chicago—are consistently ranked among the best in the nation.
- DePaul University's reach extends worldwide, with faculty teaching in Bahrain, Poland, Thailand, and the Czech Republic.
- Loyola University has been consistently ranked by U.S. News and World Report among the “top national universities” for its excellence in education.
- The Illinois Institute of Technology's College of Architecture is among the best architecture and design schools in the United States.
- The University of Illinois at Chicago's College of Urban Planning and Public Affairs is a nationally recognized innovator in research of the nation's cities and metropolitan areas.

The United States Loses International Students to Great Britain and Canada

The United States' visa policy is to “welcome citizens from around the world who genuinely want to visit, study, and do business here,” but following the terrorist attacks of September 11, 2001, some changes in the laws governing visitor entry and exit were made. In addition to submitting applications and fees, students now need to undergo rigorous interviews that prove without any doubt that they intend to return home after their studies. The average wait time to get an interview ranges from thirty days (China) to seventy-two days (Brazil). This does not include the time required for special clearances and administrative processing. The number of students applying to American university programs has dropped significantly, and countries like Great Britain and Canada, where applying for student visas is easier, are receiving a wealth of international talent.

Quality of Life

Quality of life is an all-encompassing term that should be less controversial than it is. One school of urban studies holds that the future lies with “creative cities,” the sort of places, rich in amenities, that draw the “creative classes” who hold the future of the global economy in their hands. According to this school of thought, these people settle wherever they choose and, once there, look for a job or, more likely, make their own jobs and create their own companies. These people prize recreation, vibrant entertainment, diversity, other creative people, a free-wheeling atmosphere in which their city becomes one great urban bistro where ideas and innovations leverage each other to build an economy. Cities like Boston, Austin, San Diego, Madison, and Raleigh-Durham fit this description. Indeed, all are doing well in the new economy.

Others say that this emphasis on amenities amounts to little more than counting bicycle racks and coffeehouses. What counts, they say, is what has always counted—good jobs that pay well but, more important, that enable skilled and educated people to use their skills and education to the utmost. Such people are usually comfortable with ethnic and social diversity, but what they really want is the more down-to-earth amenities like safe neighborhoods, good schools, and efficient transit systems.

For Chicago this may be an academic argument. The fact is that to be a global city, Chicago needs both good jobs and good amenities. Despite its beauty, Chicago lacks the mountains of Colorado or the beaches and balmy weather of California. It has always been a place where people came to make money, and it remains that today. But in this global age, there is something to the argument that creative and innovative people want more than just a good paycheck. They do want a “quality of life” and all that it means.

This quality of life embraces everything from safe streets to great theater, opera, blues, and rock music. It includes clean air, good restaurants, youth-related activities, nice parks, affordable housing, buses and trains that run on time, professional sports, the excitement of ethnic diversity, good stores, and places to play. Chicago needs to stress all these amenities, but in truth, it has come a long, long way from its grim Rust Bowl days of twenty or thirty years ago.

Chicago has cultural strengths and cultural gaps. It is strong in classical music, jazz and blues, dance and theater, for instance. It has world-class museums, and its ten “Museums in the Park” are a unique public-private partnership, the best in the nation. But Chicago is

Chicago's Cultural Institutions Connect the World

Chicago is famed for its major cultural institutions such as the Art Institute of Chicago, with its collection of over 300,000 works from around the world; the Chicago Symphony Orchestra, with its internationally renowned conductors; the Lyric Opera, with its world-class productions; the Field Museum of Natural History, with its research in Mexico's Oaxaca Valleys and China's ancient sites; and the Joffrey Ballet, the first American company to tour the former Soviet Union.

Many other institutions link the city to the world. The Hubbard Street Dance Company has been considered one of the original forces in contemporary dance. The DuSable Museum of African American Art is the oldest museum of its type in the country. The National Museum of Mexican Art, the nation's largest Latino arts institution and the only Latino museum accredited by the American Association of Museums, provides exhibits such as "The African Presence in Mexico." Last, the South Shore Drill Team, a prevention program fighting against gangs, drugs, high drop-out rates, and teen pregnancy, has won countless awards at special events and has even performed in Casablanca, Morocco.

outshined by other cities in filmmaking and in other realms of musical life. Chicago has a community of "indie" musicians—musicians who record and perform regularly but who do not enjoy national or international audiences. The music embraces rock, folk music, avant-garde music, and a wide variety of musical instruments. It is important for Chicago to nurture its musicians and to make them more visible. A recent University of Chicago study called Chicago "a music city in hiding" and said it trails smaller cities in profiting from its local music community. To remain a global city, Chicago needs its musical talent to stay in Chicago, and it needs musicians from elsewhere to come here.

Chicago also has the potential to be a major filmmaking center. Many films are made here, but they underutilize Chicago's stock of good actors trained in Chicago's live theaters and in its unsurpassed improv programs. Little postproduction work is done here. Chicago should focus on developing a critical mass of filmmaking talent and infrastructure, including matchmaking between the region's financial investors and film producers who seek nontraditional financing.

The city government understands the importance of amenities, and has responded with everything from flowers to Millennium Park to the championing of ethnic festivals and the Gay Pride Parade. Chicago is strong in theater, architecture, art, and music of all sorts. Once a meat-and-potatoes town, it has become one of the nation's culinary capitals. Many important areas of life—mass transit, education, the environment—are priority needs and are discussed in other

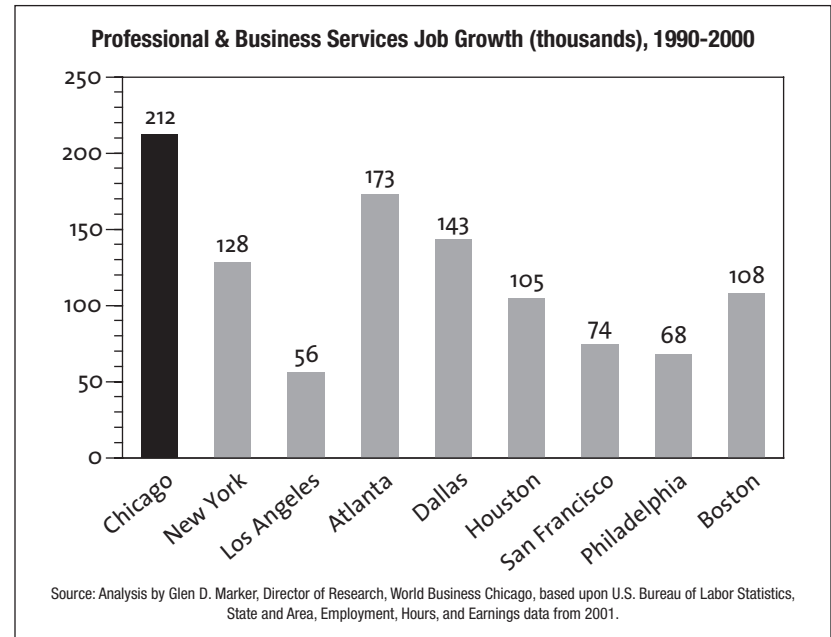
sections of this report. But Chicago is on the right track in developing the amenities that make it a lively, exciting, and enjoyable place to live and work.

When high-quality workers want to be in Chicago, so will firms that need these talents.

Jobs

Skilled and educated people go to cities that offer rewarding, challenging jobs. In the future, many of these jobs will be in global industries. Just as Chicago must educate its own young people to take their place in the global economy, it must continue to attract high-performing people from elsewhere in the United States and the world and encourage them to stay here. Many of them will work in global industries—business services, knowledge industries, high-tech, and management. The city has a vested interest in encouraging such industries.

There are two ways to do this. One is the direct recruitment of companies from other cities and states, offering tax breaks and other incentives to get such firms to relocate. This is a global version of smokestack-chasing and is seen by virtually all urban experts as a

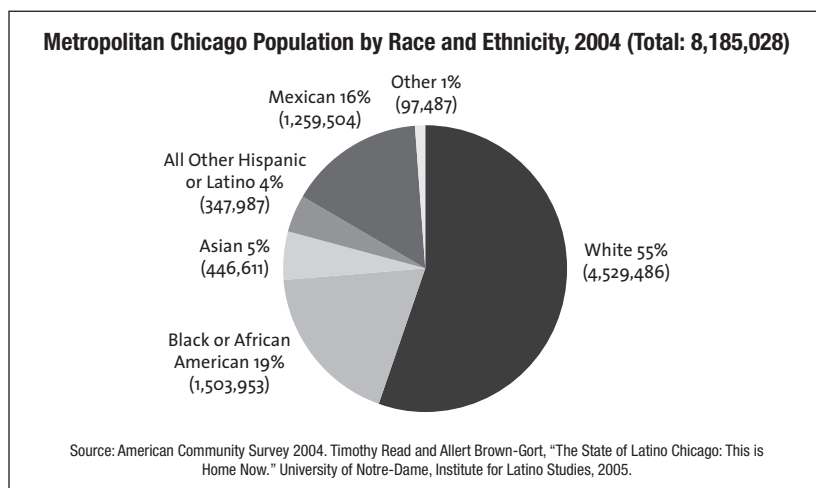


vain and losing strategy. It would amount to government picking and choosing individual companies as the employers of the future. Almost no one thinks government has the ability to do this successfully.

This report recommends the second way. City government, in collaboration with the private sector and other players, should create the overall conditions, the framework, that creates, draws, and sustains these global enterprises. As mentioned throughout this report, this is done partly through attention to quality-of-life issues, from good schools to civic beauty. It is also done through probusiness tax and regulatory policies, a top-flight communications infrastructure, public transit reforms, a transparent bureaucracy, and lifelong education. In the global era, public services—safety, schools, clean air—are keys to economic development and economic vitality. A city that has these services need not bribe global industries to come. They will come because they see Chicago as a good place to work and live.

Diversity

Diversity is the key to Chicago's current economic rebirth and future vitality. Diversity, of course, has many meanings. It means a mixture of young and old. It means a city shared by rich and poor and, especially, by a thriving middle class. It means artistic diversity: lots of Bach and blues, folk, rock, and rap; fine dining and Chicago pizza; arts fairs and music festivals; the Humanities Festival and poetry slams. It means diversity of lifestyles. The city's support for the Gay Pride Parade and the new Center on Halsted for gays and lesbians



sends a message that Chicago welcomes diversity. It means tight-knit ethnic neighborhoods and also a place, like Millennium Park, where all nationalities can come together to celebrate the city.

A diverse population, by definition, has diverse needs. In policymaking, no one size fits all. Chicago's many communities differ, between themselves and within themselves, in their demands for education, housing, job opportunities, health care, and other services.

No global city like Chicago can pretend to succeed unless and until it addresses the needs of its African American population. In Chicago, many African Americans are part of the cadre of skilled, educated, innovative citizens who not only participate in the global economy, but help power it. The contributions of African Americans to the Chicago region's business, business services, health care, government, media, education, entertainment and cultural life are both obvious and irreplaceable. Many more African Americans in Chicago hold working-class jobs but lead middle-class lives.

But other African Americans remain locked in inner-city neighborhoods or near-in suburbs, trapped without education or skills in a global era that demands both. The result is gangs, drugs, crime, teenage pregnancy—all inevitable when hope dies.

The worsening condition of these underclass African Americans is both a human tragedy and a needless drag on the city's economy. More fortunate Chicagoans often do not realize just how deeply entrenched are the problems of this poverty, unemployment, and undereducation, or the gap that exists between this underclass and the promises of globalization.

Even those African Americans who make it through the educational system still find their lives limited by the exclusionary cultures of corporations or the exclusionary practices of labor unions. These problems are real, and they keep many African American Chicagoans from exercising their full talent, while depriving the city of the contribution they could make.

Sheer statistics tell a grim story, especially for African American men. In Chicago, only eighteen percent of African American men have a college degree. Nearly six in ten African American boys who enter ninth grade do not graduate with a regular high school degree within four years. Illinois is 15 percent black, but 64 percent of its prison inmates are African American. Indeed, there are nearly 20,000 more African American men in the state prison system than in its higher education system. If childhood poverty blights future lives, the outlook is bleak: African American children account for 29 percent of the state's children living at or below the poverty line.

African American Males in Crisis

In Chicago

Only 18 percent of African American men have earned a college degree. Nearly six in ten African American ninth graders do not graduate with a regular high school degree within four years. African American children account for 29 percent of the state's children living at or below the poverty line.

In Illinois

The state is 15 percent African American, but 64 percent of its prison inmates are African American. There are nearly 20,000 more African American males in the state prison system than the number of African American males enrolled in the state's public universities. Seventy percent of the state's prisoners come from the Chicago metropolitan area, which is home to 83 percent of the state's African Americans.

In the Nation

Among African American men aged twenty-five to thirty-four years, more than 11 percent are incarcerated in prison or jail. More than half of the nation's 5.6 million African American boys live in fatherless households.

Source: Department of Policy and Research, Chicago Urban League

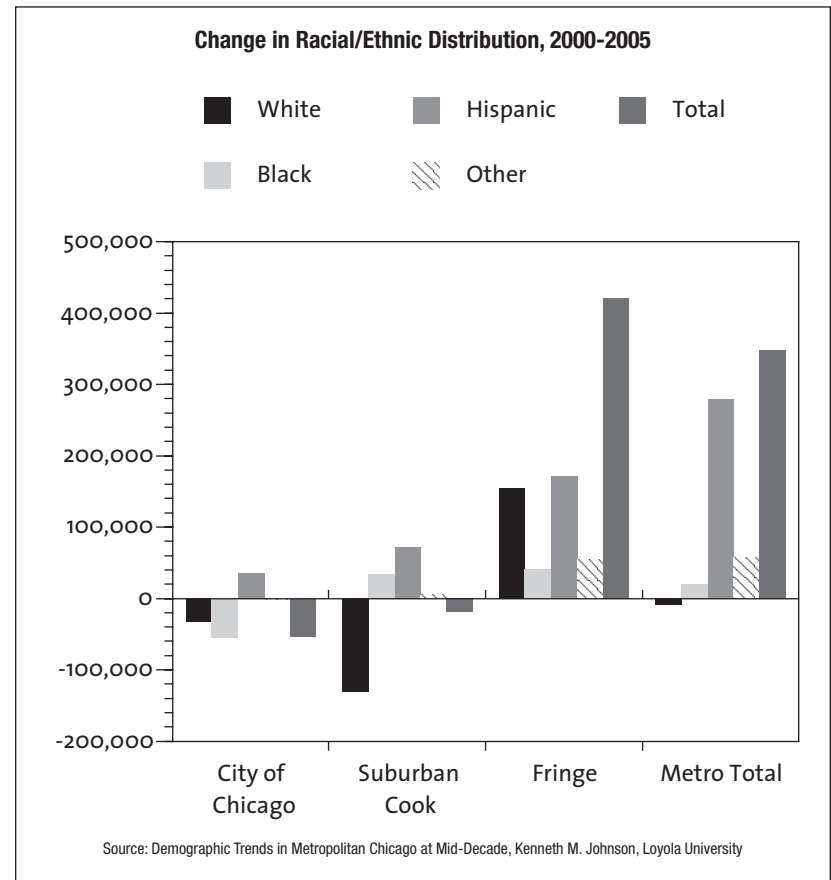
This may be reality, but it is not inevitable. A goal of any educational reform must be to keep young African Americans in school. A goal of any infrastructural reform must be to ensure that both transit and digital communications serve all neighborhoods to promote equality of opportunity for all citizens. The socioeconomic prospects for Chicago's African American community needs further investigation.

Diversity also means global ethnic diversity. Workers from around the world built Chicago and the other great industrial cities of the Midwest. By 1850, half of Chicago's population was foreign-born. By 1890, 77.9 percent of Chicagoans were either immigrants or the children of immigrants. By 1924, the year that the federal government imposed new limits on immigrants, about 27 percent of Chicagoans were foreign-born, mostly European. Before and after World War II, millions of African Americans made the Great Migration from the South to the industrial cities of the North, especially Chicago. But then, this flood of humanity from Dixie and from abroad largely died out. By 1970 only 10 percent of the city's residents were foreign-born. Once, immigrants came for jobs. In the Rust Belt years, Chicago had no jobs to offer, so why come?

Today, no fewer than 23 percent of the citizens of this globalizing city are foreign-born, and the percentage for the closer suburbs is

not far behind. But it's different this time. Of the city's foreign-born immigrants, only 23 percent come from Europe. Seventy-four percent were born in Latin America or Asia, and there is a small but growing segment from Africa. Hispanics now make up 26 percent of Chicago. Of these, 80 percent are from Mexico. African Americans now are 36 percent of all Chicagoans. Chicago is truly multiethnic, and becoming more so each year.

Cities are used to this, suburbs less so. But the Chicago region, like the city, is becoming a destination point for immigrants. No less than half of the region's Hispanics live in the suburbs. Some suburbs, like Aurora, Waukegan, and Elgin all have large Hispanic communities. Other immigrants, especially Asians who speak English as a first language, are forsaking the traditional urban catch basins like



Pilsen and are moving directly to the suburbs—Arabs in Oak Lawn, for instance, or Indians in Oakbrook Terrace.

This sudden wave of foreigners, many not speaking English, presents obvious challenges. But these are the challenges of success. Successful cities draw immigrants. Unsuccessful cities don't. Cleveland, once 50 percent foreign-born, now is only 4 percent foreign-born and is properly concerned. People go where the jobs and the money are.

The Chicago Council on Global Affairs has sponsored three major task forces on immigration and immigrant communities: one offering national immigration proposals based on the Midwest experience, one on the integration of Chicago's Mexican community into the region's economic, social, and political life; and one on the civic and political integration of Muslim Americans into American life. These task forces made several recommendations that this report endorses. On immigration in general, they include:

- Comprehensive national legislation to rationalize immigration policy with national needs, including both respect for law and economic competitiveness
- More flexible employment-based categories to adjust to new economic needs
- Smoother pathways to citizenship for those who qualify, a properly structured temporary worker program, and removal of unnecessary obstacles faced by businesses and workers

Regarding the Mexican community, recommendations include:

- Opening greater job opportunities by promoting job advancement, creating employment in new job sectors, and supporting Mexican entrepreneurship
- Promoting both home ownership by Mexicans and access to financial services, including banks
- Developing plans to help Mexicans succeed in school by raising expectations for achievement among Mexican students, parents, teachers, and principals and by strengthening parent and community involvement in city and suburban schools

- Expanding the pool of bilingual and bicultural teachers and administrators, including those for early childhood education
- Encouraging Mexicans and other Latinos to become civic leaders, increase political participation, become citizens, register to vote, and vote in all elections
- Promoting knowledge and understanding of the Mexican community through cultural institutions, media, and other avenues
- Increasing access by Mexicans to affordable and accessible health-care services and expanding disease prevention and wellness programs in Mexican communities
- Providing financial and professional expertise to create a stronger social services infrastructure in the suburbs

Regarding Muslim Americans, recommendations include:

- Expanding and recognizing Muslim American contributions to national security
- Increasing civic engagement among Muslim Americans
- Cultivating the next generation of Muslim American leaders

Chicago needs to continue to draw from a global talent pool if it is to remain a global city. This means active programs by Chicago business to recruit and retain the best international students studying at local universities. This also means doing a better job of welcoming and integrating the expatriate community. Services to help non-Americans settle into the city, find good schools for their children, locate places of worship, help set up banking and other financial services, introduce them to compatriots, and ease such processes as acquiring Illinois driver's licenses—all this would give the city a reputation as a place that truly welcomes the global citizen.

But integration is a two-way street. Certainly, the city needs to reach out to its new residents to make maximum use of their talents. But these residents also must reach out to their new compatriots. Ethnic enclaves, no matter how big, are self-limiting. Only by engaging in the broader communities can immigrants take full advantage of the Chicago region and all it has to offer them.

GlobalChicago.org: Chicago's Database of Global Connections

The Global Chicago Center of The Chicago Council on Global Affairs was created in 2001 following a 1999 report by the John D. and Catherine T. MacArthur Foundation on Chicago's need to raise awareness and link institutions and individuals conducting local activities with an international component in the region. Its Web site, www.globalchicago.org, contains a database available to the public of hundreds of regionally based ethnic groups, the consular corps, foundations, government offices, educational departments, and other institutions of a global nature.

The Web site also offers a database on experts on global issues based in the Midwest, a detailed calendar of global events occurring in Chicago, news articles that highlight Chicago as a global city, and published reports of the region's global activity.

Chapter V Increasing Global Engagement

Chicago has emerged from its dowdy Rust Belt days into a new dazzling reality, a knockout of a city that hums with vitality, entertainment, culture, and global reach. Among urban experts, Mayor Daley is acknowledged as one of the world's most effective civic leaders. Journalists who come here punctuate their stories with admiring superlatives. Visitors from America and abroad invariably gasp at the beauty of the lakefront and the grandeur of Millennium Park and say, "What a surprise!"

This isn't good enough. It is time that Chicago stopped being a surprise—to investors, businesses, journalists, tourists. It is time that the global perception of Chicago match its global reality. The city has become one of the urban powers of the global era despite an outdated and curiously anonymous reputation. This means that Chicago constantly has to introduce itself, explain itself, sell itself in a way that other global cities do not.

Chicago must engage with the world at all levels. City hall, which has done so much to create the new Chicago, needs to significantly strengthen its ability to deal with the outside world. Tourism is perhaps the city's leading industry, but the people involved in selling

Millennium Park: Chicago's Gem

Since the Commercial Club's Burnham Plan, "public-private partnership" has been more than a cliché in Chicago. The latest example is Millennium Park, which ran four years over deadline and 300 percent (\$325 million) over budget yet still is considered a roaring success.

Millennium Park realizes an uncompleted corner of Daniel Burnham's Plan nearly a century later. Originally planned as a lawn and garage over old railway tracks, the park was to cost \$150 million, with \$30 million from private donors. In the end it cost \$475 million, with no less than \$205 million from private donors, thanks to fundraising led by former Sara Lee chairman John Bryan.

The big donors' names are etched onto the park itself—Crown Fountain, Jay Pritzker Pavilion, the Lurie Gardens, BP Bridge, Chase Promenade, Boeing Galleries, Exelon Pavilions, Harris Theater, McCormick Tribune Plaza, AT&T Plaza, McDonald's Cycle Center, Wrigley Square.

Millennium Park drew inevitable criticism from Chicagoans who wanted the huge sums spent elsewhere. But the park draws four million visitors every year, sparked a housing and entertainment boom on South Michigan Avenue, and most important, created a Tuilleries, a meeting place for Chicagoans of all races, ages, and classes.

Chicago as a tourist destination could do so much more with a budget that matched that of other major cities. Chicago lives now by global trade and investment, yet the city has only one office abroad: in Shanghai. Even that office, established in 2007, has only two employees and is mostly financed by corporations, not by the city. Elsewhere, the city's commercial message is submerged in Illinois state offices at a time when the city's economy is naturally disengaging from that of the rest of the state. Chicago gets good press from journalists who come here—this is priceless free advertising—but the city makes virtually no attempt to draw in global journalists and show them around. Mayor Daley is the city's best salesman, but neither he nor his aides have a budget for foreign travel.

In short, this brash and proud city is strangely shy when it comes to selling itself globally. It owns a powerful message but mutes it on the global stage. In a competitive world, Chicago has imposed a handicap on itself that it can no longer afford. It is a particularly heavy handicap now when Chicago is trying to persuade the world to award it the 2016 Olympic Games.

The Study Group recommends six dramatic steps that Chicago must take now to sell itself to the world.

1. **Develop a Mayor's Office of International Affairs.** We support the mayor's plan to establish such an office to handle protocol, including the reception of visiting delegations and relations with the consular corps; oversee the Sister Cities program; and set priorities for and arrange overseas travel by the mayor and other officials. This office should liaise with internationally oriented Chicago institutions such as World Business Chicago, the World Trade Center, and The Chicago Council on Global Affairs.
2. **Increase the city's efforts to attract global trade and investment and promote economic development.** World Business Chicago (WBC) is already a strong platform for this purpose, and its resources and mandate should be increased. An integrated trade, investment, and economic development agency should coordinate the city's global message; promote foreign trade and investment; provide one-stop information services; manage city offices in other countries; develop the city's Web resources for potential business partners; and coordinate activities with state and federal agencies charged with attracting trade and investment. This mandate for WBC, a public-private institution, would ensure that the city will be directly engaged with the promotion of trade and investment and that the city's role in the global economy will be considered when civic decisions are made.
3. **Dramatically increase Chicago's tourism promotion budget, including promotion overseas, to enable the city to compete with comparable destinations. Bring all tourism and branding activity into one agency, with a centralized budget.** City officials should actively seek financing from local corporations, especially those involved in the tourism industry. Tourism promotion should be linked to promotion of the city's convention industry. Chicago has long dominated the national convention industry. That dominance is threatened by Las Vegas and other cities, which are advertising heavily to draw conventions and the dollars they earn. Chicago's convention industry deserves maximum support from both the public and private sector, with heavy promotion in the United States and abroad.
4. **Provide the Mayor's Office with access to funds to support travel for top city officials, especially the mayor.** Too often, foreign travel is seen by the media and the public as a boondoggle at the taxpayers' expense. Both the mayor and civic leaders should stress the fact that travel is crucial to making Chicago competitive in a global economy.
5. **Sponsor trips to Chicago by journalists, especially foreign correspondents based in Washington and New York.** Many non-American publications permit their correspondents to accept government-sponsored trips, and Chicago should pay for such trips or should arrange for local corporations such as airlines, hotels, and restaurants to pay for them. At the least, an active foreign press office, perhaps embedded in the new Mayor's Office of International Affairs, could help open doors, arrange interviews, and provide background data to visiting journalists.
6. **Set up Chicago offices, separate from State of Illinois offices but coordinated with them, in key global cities around the world to represent the specific interests of the Chicago region.**

City Hall

The place to start is city hall. Unlike many American and foreign cities, Chicago has not, until now, had a single civic office to oversee and coordinate its global ties. The proposed new office to manage the mayor’s international contacts, overseas travel by the mayor and other officials, and the Sister Cities program will be an important step toward filling that gap. The mayor and other senior city officials also need support in assessing the implications of global trends for the city, particularly relating to trade, investment, and economic developments; designing strategies for the mayor’s consideration; and helping coordinate the responses across different city agencies.

The Foreign Affairs Office of the Shanghai Municipal People’s Government

Major duties include:

- To be responsible for the reception of important foreign guests and for the arrangement of the government leadership’s participation in non-economic-and-trade-related external public functions
- To be responsible for organizing and promoting exchange activities with overseas sister cities
- To be responsible for the direct administration of the government’s personnel to go abroad on official business
- To direct the work of foreign affairs-related organizations

New York City, Office of the Mayor, Commission for the United Nations, Consular Corps, and Protocol

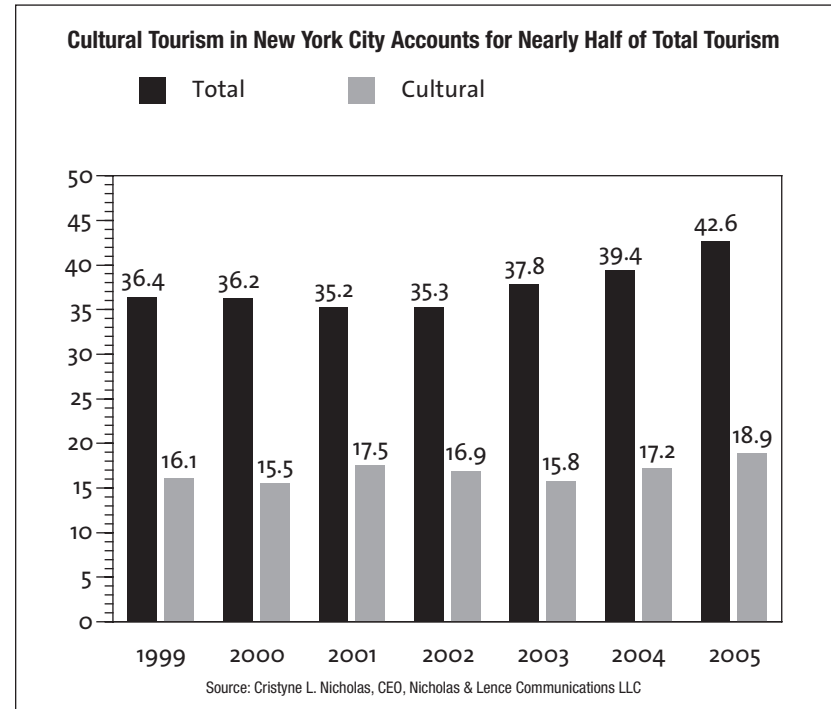
Major duties include:

- To serve as the city’s primary liaison between the offices of the mayor and the United Nations, 192 permanent missions, and 108 consulates
- To facilitate positive relations among members of the international community; local, state, and federal governments; and New Yorkers
- To advise city agencies on diplomatic and consular matters
- To coordinate meetings for heads of state/government, ministers, diplomats, consular officers, and other foreign government officials/delegations
- To assist with scheduling and briefings for courtesy visits at city hall and representation at special events
- To work with the consular corps and the international business community to enhance the city’s role as “Capital of the World”—a center for diplomacy, culture, and commerce

Tourism

Tourism is an export industry as much as the steel and meatpacking industries that once supported the city. Tourism, like any export, brings in money from outside. Taxes on entertainment, hotels, and restaurants ensure that this money benefits not only the tourism industry, but the city finances. New York tourism officials estimate that the city earns \$7 for every dollar spent on tourism promotion.

Tourism already is Chicago’s number one industry—but the city spends one-tenth as much as Orlando, one-twentieth as much as Las Vegas, and virtually nothing outside the Midwest. The city’s total tourism budget is \$5 million per year. Orlando spends \$68 million, Las Vegas \$148 million. New York City spends \$15 million—three times the Chicago total—on international tourist promotion alone. Talented and committed officials are working hard to frame Chicago’s tourism message, to broadcast it to the world, and to bring in tourists from around the country and around the globe. But they are doing this with a totally inadequate budget.



Travel and Tourism Industry Vital to the Economy

The Study Group asked Cristyne L. Nicholas of Nicholas & Lence Communications and former president of NYC & Company to research the power of cultural tourism.

She highlighted New York's use of cultural events to draw in domestic and foreign tourists to revitalize the economy after tourism declined due to 9/11. Cultural tourism, she said, draws in tourists who are likely to "go more, do more, spend more," and are apt to become repeat visitors. Total tourism in New York is a \$24 billion industry, generating \$5 billion in taxes and creating 330,000 jobs. Cultural tourism accounts for 38 percent of domestic and 74 percent of foreign tourists to New York and generates more than \$13 billion in direct spending. "Chicago, with its many cultural attractions, is well placed to promote cultural tourism," she said.

Nicholas also mentioned the Discovering America Partnership, which is aimed at keeping the borders of the United States open. Overseas travel to the United States is down 17 percent and business travel is down 10 percent due to the growing visa crisis. The United States is seen to have the worst entry process in the world. "There's probably nothing more important to you right now to focus on than keeping the United States open. Chicago will grow so much more if you do that," she said.

In addition, Chicago's branding and tourism programs have been fragmented among several agencies, local and state, operating with their own budgets and their own priorities. Each works hard, but the result is an uncoordinated image that is much less than the sum of its parts.

Branding

Chicago has a story worth telling, but the world too seldom hears it. A gap exists between the reality of Chicago and the perception of that reality. Especially outside the United States, Chicago too often remains an unknown quantity, more famous for what it used to be than what it is.

It is often said that Chicago needs to work on "branding" itself. To many people, "branding" means a slogan or a bumper sticker. Chicago has had many slogans over the years, from "that toddlin' town" to "the city that works," and one or two more wouldn't make much difference. But a slogan is not the same thing as a description or a narrative. Chicago has much to brag about, and its challenge is to decide how to boast and where.

A study by World Business Chicago and the Kellogg School of Management at Northwestern University concluded that "Chicago's image is not in line with reality." Chicago has great strengths, it said,

and it listed them: culture, location, diversity, infrastructure, natural beauty, a sense of community, quality of life, and good business climate. It also has weaknesses, it said: weather, a lack of an entrepreneurial spirit, high labor costs, a lack of identity, an insular outlook, traffic congestion, a reputation for crime, the low overall quality of its public schools, and government bureaucracy. Some are two sides of the same coin: Its central location and midcontinental insularity go hand in hand. Chicago can do nothing about its weather. But it can correct its weaknesses while promoting its strengths. The study concluded that Chicago "is the only major metropolitan area that offers the unique combination of abundant business resources, incomparable quality of life, and great people." This, it said, is what Chicago should be selling—not a slogan, but a broad picture of a city that "truly lets you have it all."

A later Kellogg study polled business leaders in China on their perceptions of Chicago, especially vis-à-vis other cities. The survey found that Chicago has high name recognition in China, was seen as the second-best American city (after New York) to do business, and scored well on its central location, tax incentives, distribution system, local government support, technology, and presence of good business schools. It was seen as weak, rightly or wrongly, in its attitude toward China and in its cultural resources and quality of life. Only 29 percent knew that Chicago has the busiest airport in North America. The study's conclusion was that the Chinese think well of Chicago, especially in areas that govern investment decisions, but that information in China about Chicago was thin and sometimes incorrect. In short, Chicago needs both to tell and sell.

Mayor Daley's global travels are an enormous plus for the city, both in the visibility he gives Chicago abroad and the ideas for civic improvements that he brings back. Yet he has no budget for foreign travel and must raise funds to support overseas trips.

Above all, Chicago's message should be consistent and coordinated, with the city telling one persuasive story to the world.

Foreign Press

Chicago's message abroad often is best conveyed in the articles written by journalists who come here. *The Economist's* eighteen-page special survey on Chicago, titled "A Success Story," is a spectacular example. Similar articles in such newspapers as *The Guardian* and the *International Herald Tribune* have trumpeted the city's beauty and vitality. Such stories are invaluable, but they are too few. A city

confident of its allure should make every attempt to show itself off. Chicago makes no effort to promote itself in the world media. Chicago has few resident foreign correspondents, so must rely on visiting journalists. But few journalists come. The city is not a center of government, like Washington, or an entertainment capital, like Los Angeles, or the site of a continuing international story, like the United Nations. Lacking this built-in journalistic draw, Chicago must court international journalists in the confidence that once they come, they will stay to write about the city and its allure.

Foreign Offices

The global economy links Chicago's future to global cities around the world. But Chicago has no unique presence in these cities apart from the recently opened Chicago China Economic Development Corporation office in Shanghai. Rather, its promotion internationally is the job of offices sponsored and funded by the state of Illinois. These offices properly promote the economy of the entire state, not of Chicago or the Chicago region. Yet the economic interests of the Chicago region and of the state no longer necessarily coincide. Illinois is a collection of disparate economies—some old industrial cities still locked in the Rust Belt era, some rural areas coping with

the globalization of agriculture, a far southern region that is closer to the South than it is to Chicago, some cities along the Mississippi River that truly belong to the economies of St. Louis or the Quad Cities. None shares the economic recovery that has propelled the Chicago region into the global era. In many ways, Chicago's interests are more closely linked to other global American cities like New York or to cities abroad like Shanghai than they are to its own hinterland.

Chicago Opens Office in Shanghai

Chicago has long been recognized in China as a center of international commerce, but it needed to do a better job of communicating with Chinese business leaders. In 2007 Mayor Richard M. Daley opened the Chicago China Economic Development Corporation (CCEDC) office in Shanghai to help Chinese companies expand into the United States and to assist Chicago companies in China.

The CCEDC is a public-private, not-for-profit corporation that is chaired by Mayor Daley and overseen by a board of directors comprising Chicago business leaders appointed by the mayor. The new office encourages Chinese investment in Chicago and seeks new markets in China for the products and services produced by Chicago-area companies. The office serves as a resource for Chicago's small- and medium-sized companies entering the China market as well as large corporations that already have Chinese operations. It is argued that "investments by Chinese companies will create jobs for the people of Chicago and will strengthen Chicago's reputation as a global city."

The idea of a Shanghai office arose during discussions between Mayor Daley and Mayor Han Zheng of Shanghai during Daley's first trip to China in 2004 and during Han's first trip to Chicago in 2005. These meetings were part of a series called the Chicago-Shanghai Dialogue, organized by The Chicago Council on Global Affairs in collaboration with the City of Chicago and the Chicago Sister Cities International Program.

Chapter VI A Call to Action

The global arena is Chicago's future. Always an international city, Chicago is now a global one, helping to run global business, deeply invested in the world beyond America's borders, recognized as one of the few global cities in the United States and one of only ten in the entire world.

This changes everything. Once Chicago could be content to be the capital of the Midwest. Now Chicago's future depends on its ability to compete in the global economy. So far it is doing many things right. Unlike most midwestern cities, it has made the transition from industrial center to global city. It has world-class assets, from a major airport to great universities, from a city government that understands the challenge to a private sector that has proven itself ready to bear civic responsibilities.

Chicago's proper attitude toward globalization and global change, then, is not panic but determination. The city is pointed in the right direction. It has the tools and resources. It has taken the first steps toward a thriving global future. But it has much, much more to do.

This report has set the agenda for this global future. It has framed both the new challenges of this era and listed Chicago's priorities—in economic development, education, quality of life, infrastructure, communications, global engagement—to meet these challenges.

This Study Group, made up of concerned Chicagoans, calls now on the city to take the next steps.

All Chicagoans need to understand the global changes that have transformed their city and turned it into one of the new, true global cities. They also must understand that pressing challenges remain. Through their votes and their voices, they must demand that both elected officials and business leaders build a city that competes globally while meeting the dream of all citizens—in the city and region alike—for the conditions that permit a life of broad economic, political, and social decency.

The mayor and other government leaders bear part of this burden. We have called on city government to reorganize itself to open Chicago to the world. Mostly, we call on city officials, including those preparing for the 2016 Olympics, to focus government spending and programs on the priorities presented here and to frame all future action on the need to increase the city's economic vitality.

Officials of Chicago and other towns and cities within the region must work together. The region's common future is too important to be complacent about its fragmented politics. In so many areas, especially transit and other infrastructure, only a regional approach will succeed.

Business leaders are part of the public-private partnership that energizes Chicago and its region. Chicago is a business town. Chicago business leaders must continue to lead the way, investing for the future, playing a role in public education, supporting the city's arts, and demanding the city services that a global city needs.

Educators at all levels carry the responsibility to do their part in producing the skilled and innovative workforce that a global city requires. Chicago's public schools must be improved, its city colleges must be reformed, and its universities must play a more active role in the life of the city.

Study Group Sponsors

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DePaul University

Study Group Cochairs

Michael H. Moskow

*Senior Fellow for the Global Economy
The Chicago Council on Global Affairs*

Michael H. Moskow was named senior fellow for the global economy at The Chicago Council on Global Affairs in September 2007. For the prior thirteen years, he was the eighth president and chief executive officer of the Federal Reserve Bank of Chicago. Dr. Moskow's career includes service in the public and private sectors as well as academia. In 1991 President George H. W. Bush appointed Dr. Moskow deputy United States trade representative with the rank of ambassador. Dr. Moskow joined the faculty of the Kellogg Graduate School of Management at Northwestern University in 1993, where he was professor of strategy and international management. He is the former chairman of the Economic Club of Chicago and former chairman of the National Bureau of Economic Research, where he currently serves as a director. He also serves as a director of the Council on Foreign Relations, New York; The Chicago Council on Global Affairs; the Northwestern Memorial Foundation; World Business Chicago; and the Chicagoland Chamber of Commerce. He received a B.A. in economics from Lafayette College in Easton, Pennsylvania, where he is a trustee, and a Ph.D. in business and applied economics from the University of Pennsylvania.

Henry H. Perritt, Jr.

*Professor
Chicago-Kent College of Law*

Professor Henry H. Perritt, Jr., directs Chicago-Kent's Program in Financial Services Law. He served as Chicago-Kent's dean from 1997 to 2002 and was the Democratic candidate for the U.S. House of Representatives in the Tenth District of Illinois in 2002. Professor Perritt is the author of more than seventy law review articles and fifteen books on international relations and law, technology and law, employment law, and entertainment law. His book on the Kosovo Liberation Army is scheduled to be published in English by the University of Illinois Press and in Albanian by Koha Ditore Press in 2008. During the Ford administration, he served on the White House staff and as deputy under secretary of labor. He was a member of President Clinton's transition team. Professor Perritt served on the National Research Council's Computer Science and Telecommunications Board and on its committee on "Global

Networks and Local Values.” He is a member of the bars of Virginia, Pennsylvania, the District of Columbia, Maryland, Illinois, and the United States Supreme Court. He is a member of the Council of Foreign Relations, New York, and is on the board of directors of The Chicago Council on Global Affairs. He has also served as secretary of the Section on Labor and Employment Law of the American Bar Association. Professor Perritt earned his B.S. in engineering from MIT in 1966, a master’s degree in management from MIT’s Sloan School in 1970, and a J.D. from Georgetown University Law Center in 1975. He is a private pilot, a sailor, and a songwriter.

Adele Simmons

*Vice Chair and Senior Executive
Chicago Metropolis 2020*

Adele Simmons is currently vice chair of Chicago Metropolis 2020, where she focuses on early childhood education, and president of the Global Philanthropy Partnership. She is chairing a task force that is developing a Climate Action Plan for the City of Chicago. Mrs. Simmons was president of the John D. and Catherine T. MacArthur Foundation between 1989 and 1999. Mrs. Simmons is currently on the board of a number of nonprofit organizations, including The Chicago Council on Global Affairs, Synergos Institute, Environmental Defense, the Union of Concerned Scientists, American Prospect, Winning Workplaces, and the Field Museum. She is on the advisory committee to the World Bank Institute. She is a founder of Global Chicago and the Chicago Global Donors Network. She served on President Carter’s Commission on World Hunger and President George H. W. Bush’s Commission on Sustainable Development and was a member of the Commission on Global Governance as well as the UN High Level Advisory Board on Sustainable Development. Before coming to the MacArthur Foundation, she served as president of Hampshire College. She has a doctor of philosophy from Oxford in African politics and history.

Study Group Members

Ellen S. Alberding

*President
The Joyce Foundation*

When Ellen S. Alberding first joined the Joyce Foundation, she managed the foundation’s investments, directed its culture program, and worked on the education program. In 2004 she served as a coconvenor of the governance committee for the National Panel on the Nonprofit Sector. She is currently a member of the Commercial Club of Chicago, serving on its program committee; the Economic Club of Chicago; and the Chicago Network. She serves on the advisory boards of several nonprofit organizations.

William J. Best

*Vice President and Partner
A.T. Kearney*

William J. Best has held several senior management positions with A.T. Kearney, including twelve years of residence in Asia working with Asian and North American clients on marketing and distribution strategies, globalization of business, and organizational design. He serves on the board of directors of The Chicago Council on Global Affairs, the Chicago Consulting Alliance of the Commercial Club, and Children’s Memorial Hospital.

Allert Brown-Gort

*Associate Director
Institute for Latino Studies, University of Notre Dame*

Allert Brown-Gort is responsible for day-to-day operations of the Institute for Latino Studies and is a frequent writer and speaker on immigration issues. A citizen of both the United States and Mexico, he has worked at the Autonomous Technological Institute of Mexico (ITAM) in Mexico City, the University of Texas at Austin, and Columbia University.

Philip Enquist, FAIA

*Partner
Skidmore, Owings & Merrill, LLP*

As urban design and planning partner at SOM’s Chicago office since 1996, Philip Enquist has led a team responsible for sustainable and creative solutions to this era’s most complex and intricate design problems. Recent projects include Shanghai’s Chongming Island,

Chicago's Lakeside District and Olympic Village, and the Kingdom of Bahrain's National Planning Development Strategy.

D. Cameron Findlay

*Executive Vice President and General Counsel
Aon Corporation*

D. Cameron Findlay was the U.S. deputy secretary of labor from 2001 to 2003 and served at the White House as deputy assistant to President George H.W. Bush. He has also been a partner at Sidley Austin LLP. He serves on the boards of Northwestern University, The Chicago Council on Global Affairs, the Chicago Shakespeare Theater, and the Children's Home and Aid Society.

Jamie Firth

*Senior Vice President, Corporate Communications
Exelon Corporation*

Prior to his current position, Jamie Firth was president of Firth Associates, Inc., a consulting firm he founded in 1993. The firm provided strategic communications and public policy issue management services to numerous corporate clients and industry organizations on a national level.

Dennis H. Holtschneider, C.M.

*President
DePaul University*

The Reverend Dennis H. Holtschneider, C.M., became DePaul University's eleventh president on July 1, 2004. He is the author of one book and numerous articles on U.S. higher education and Catholic higher education. He is a member of the advisory board of the American Council on Education, the Chicago History Museum, and Chicago's 2016 Olympic Exploratory Committee.

Cheryle Jackson

*President and Chief Executive Officer
Chicago Urban League*

Cheryle Jackson is the first woman to lead the social and civil justice organization in its ninety-year history. Previously, she was the deputy chief of staff for communications for Illinois Governor Rod R. Blagojevich. She also served in the administration as communications director and chief press secretary, making her both the first woman and first African American to hold the position in Illinois' history.

Gary T. Johnson

*President
Chicago History Museum*

Gary T. Johnson is the eighth president of the Chicago History Museum. Previously, he was a partner in the Chicago offices of two global law firms, where his focus was international work. He also qualified as an English solicitor. He has served as cochair of the national Lawyers' Committee for Civil Rights Under Law and as president of the Legal Assistance Foundation of Metropolitan Chicago.

Robert W. Karr, Jr.

*Chair
Chicago Sister Cities International Program*

Robert W. Karr, Jr., is an attorney in the Chicago office of Jones Day with experience representing and advising multinational companies in the aviation, transportation, manufacturing, construction, and technology industries. He is a member of the 2016 Chicago Olympic Committee, an executive board member of the Japan America Society of Chicago, and an advisor for the Osaka City Revitalization Committee.

S. Raja Krishnamoorthi

*Deputy Treasurer for Policy and Programs
State of Illinois*

S. Raja Krishnamoorthi was formerly a partner at Kirkland & Ellis LLP. He has served as the policy director for Senator Barack Obama's U.S. Senate primary campaign, on the board of directors of the Illinois Housing Development Authority, and as special assistant attorney general in the state's Public Integrity Unit. He is also on the board of the Just the Beginning Foundation and the Mikva Challenge Grant Foundation.

Charles A. Lewis

*Chairman
Lewis-Sebring Family Foundation*

Charles A. Lewis is retired vice chairman of investment banking at Merrill Lynch & Co. He is on the board of trustees for the University of Chicago and is a member of the policy board of the University of Chicago's Urban Education Initiative, its Charter School governing board, and the visiting committee to the University's Division of the Social Sciences. He is a life trustee of Amherst and the Chicago

Symphony Orchestra and a life director of the Juvenile Diabetes Research Foundation–Illinois Chapter.

John Livingston

*Managing Partner, Chicago Office
McKinsey & Company*

John Livingston joined McKinsey in 1993 and has helped the firm open offices in South Africa and Southeast Asia. He is the founder of Partners of Misericordia, Friends of Evanston Northwestern Healthcare, and a board member of The Chicago Council on Global Affairs and the Civic Consulting Alliance, which supports city departments with strategic and operational issues.

Ernest Mahaffey

Ernest Mahaffey is involved in a number of community initiatives, including international and domestic programs to encourage innovation and growth within multicultural communities. He founded and managed an international distribution company, Distributors International, and was with Chase Manhattan Bank. Since retiring he has pursued leadership and philanthropic activities with the theme of “embracing the world in urban communities.” Current projects also include productively engaging older adults in communities.

Lewis Manilow

Lewis Manilow serves on the board and executive committee of The Chicago Council on Global Affairs. He served on the visiting committee of the University of Chicago’s Harris School of Public Policy, the executive committee of the Chicago Community Trust, the Metropolitan Planning Council, and the Northeastern Planning Commission. He also moderated a radio show on WBEC titled *Tomorrow’s Chicago*.

Terry Mazany

*President and Chief Executive Officer
The Chicago Community Trust*

Terry Mazany became just the fifth executive in The Chicago Community Trust’s ninety-year history in 2004, the largest funder of the nonprofit sector in metropolitan Chicago and the fourth largest community foundation in the nation. His work at the Trust began in 2001, when he led the Trust’s Education Initiative, a five-year, \$50 million commitment to improving student achievement in Chicago. Prior to joining the Trust he led a distinguished career in public

school administration with a commitment to equity and opportunity for all students.

John McCarron

*Urban Affairs Writer and Adjunct Professor of Journalism
Northwestern University, Medill School of Journalism*

Following twenty-seven years at the *Chicago Tribune*, the last eight as a member of the Tribune’s editorial board, John McCarron now writes and consults on urban affairs. His urban coverage has garnered several national awards, including the Heywood Broun Memorial, and local honors such as the Peter Lisagor Award.

Andrew J. McKenna, Jr.

*President
Schwarz*

Andrew J. McKenna, Jr., has been a prominent business and civic leader in Illinois for more than twenty years. He serves on the board of The Chicago Council on Global Affairs, the Chicagoland Chamber of Commerce, the Chicagoland Entrepreneurial Center, the Chicago Workforce Board, the Field Museum, and the Rehabilitation Institute of Chicago.

Sid Mohn

*President
Heartland Alliance for Human Needs and Human Rights*

Reverend Dr. Sid Mohn joined Heartland Alliance in 1980. He is a United Church of Christ clergyperson and a member of the Order of Ecumenical Franciscans. He is past chair of the board of directors of the National Immigration Forum and is a member of the board of directors of International Social Services U.S. Committee for Refugees, Chicago Commission on Human Relations, and the Global Chicago Center of The Chicago Council on Global Affairs.

Nora Moreno Cargie

*Chicago Director, Global Corporate Citizenship
The Boeing Company*

Nora Moreno Cargie previously served as vice president of communications and development for Illinois Action for Children. She also worked as the deputy communications director for the Barack Obama U.S. Senate campaign in 2004 and as deputy commissioner for the Mayor’s Office of Workforce Development. She worked for the Chicago Park District, the Chicago Department of Human Services, and Chicago Public Schools.

Paul O'Connor

*Founding Executive Director
World Business Chicago*

Paul O'Connor was a journalist in Chicago and Seattle before government service as press secretary to the governor of Washington and later in the Illinois Department of Commerce as head of international and economic development. At Mayor Richard M. Daley's request in 1999, he left national and international corporate marketing to create World Business Chicago and has served on the board of the Global Chicago Center since its inception.

Eboo Patel

*Founder and Executive Director
Interfaith Youth Core*

Eboo Patel serves on the boards of the Aga Khan Foundation USA, the Chicago History Museum, and Duke University's Islamic Studies Center. He is a member of the Council on Foreign Relations' Religious Advisory Committee and the EastWest Institute's Task Force on American Muslims. He also writes a featured blog for the *Washington Post/Newsweek* "On Faith" Web site. He is an Ashoka Fellow, part of a select network of social entrepreneurs with ideas that have the potential to change the world.

David C. Perry

*Director, Great Cities Institute
University of Illinois at Chicago*

David C. Perry, a professor of urban planning and policy, also serves as associate chancellor for Great Cities at UIC. He has written extensively in the areas of urban policy, political economy, and public infrastructure, and has been a member of several local and national public boards and commissions, including the Mayor's Zoning Reform Commission and the Urban Land Institute's National Committee on Public Infrastructure.

George Ranney

*President and Chief Executive Officer
Chicago Metropolis 2020*

George Ranney also serves as chair and chief executive of Prairie Holdings Corporation. He has also been a member of the law firm of Mayer Brown and a senior executive of Inland Steel Company. Previously, he was deputy budget director for the State of Illinois under Governor Richard Ogilvie. He led the successful campaign to

create the RTA. He serves as a trustee of many civic and nonprofit organizations, including the University of Chicago and Chicago Public Television.

Anna Eleanor Roosevelt

*Vice President of Global Corporate Citizenship
The Boeing Company*

Anna Eleanor Roosevelt previously served as the executive director of the Brain Research Foundation, an affiliate of the University of Chicago. She has more than twenty years of community relations experience in Chicago, including the Museums in the Park and the Mayor's Office.

Robert Rosenberg

*Associate Vice President, Partnerships and Technology
The University of Chicago*

Robert Rosenberg works to expand research and teaching by exploring opportunities for collaboration across disciplines, such as with scientists at Argonne National Laboratory. He works to promote entrepreneurship and technology transfer on campus and to promote economic development in the city and state.

Juan Salgado

*Executive Director
Instituto del Progreso Latino*

Juan Salgado has led the Instituto through a period of historic organizational growth spurred by a focus on creating partnerships, enhancing core competencies, leading innovation, providing quality services, and participating in targeted advocacy. He currently also holds the office of president of the board of directors of the Illinois Coalition of Immigrant and Refugee Rights.

Daniel Seals

Candidate for Congress

Daniel Seals is a business consultant and candidate to represent Illinois' Tenth District in the U.S. House of Representatives. Previously, he was a presidential management fellow during the Clinton administration, a fellow in the office of Senator Joe Lieberman, and director of marketing at GE Commercial Finance.

John Sirek

*Citizenship Program Director
McCormick Tribune Foundation*

John Sirek funds initiatives that engage individuals in community affairs, promote the naturalization of immigrants, honor military service, and facilitate civic dialogue. He serves on the boards of Philanthropy for Active Civic Engagement, City Year Chicago, Campus Compact, and TimeLine Theatre Company, and on the advisory committee of the Alfred Friendly Press Fellowships.

William A. Spence

*Senior Counsel
Freeborn & Peters LLP*

William A. Spence has been traveling to China since 1987 and heads Freeborn & Peters China practice group. In 1997 he was appointed by Mayor Richard M. Daley as cochairman of the Chicago Sister Cities China Committee. He serves as cochair of The Chicago Council on Global Affairs' China Roundtable, as a board member of the Legal Assistance Foundation of Chicago, and as cochairman of the Freeborn & Peters' Pro Bono Committee. He is a member of the Chicago Bar Association and American Bar Association.

Julia Stasch

*Vice President, Program on Human and Community Development
The John D. and Catherine T. MacArthur Foundation*

Julia Stasch previously worked for the city of Chicago, first as commissioner of the city's Department of Housing and most recently as chief of staff to Mayor Richard M. Daley. She also served as president and COO of real estate developer Stein & Company, president of Shorebank Chicago Companies, and the number two official at the U.S General Services Administration in Washington.

William Testa

*Vice President
The Federal Reserve Bank of Chicago*

William Testa has written widely in the area of economic development programs, the Midwest economy, and state-local public finance. He directed a comprehensive, long-term study and forecast of the Midwest economy, *Assessing the Midwest Economy: Looking Back for the Future*, and has fashioned a series of conferences on school reform.

David Vitale

*Senior Advisor to the Chief Executive Officer
Chicago Public Schools*

David Vitale was the chief administrative officer of Chicago Public Schools since 2003. Previously, he was a private investor and president and chief executive officer of the Chicago Board of Trade. He serves as a member of the board of directors of The Chicago Council on Global Affairs and is a director of DNP Select Income Fund Inc., DTF Tax-Free Income Fund, and the Duff & Phelps Utility and Corporate Bond Trust.

Charlie Wheelan

*Lecturer, Harris Graduate School of Public Policy Studies
The University of Chicago*

Charles Wheelan has served as the Midwest correspondent for *The Economist*, as an economics and finance correspondent for WBEZ radio, as an adjunct lecturer at Northwestern University's Medill School of Journalism, and most recently as director of policy and communications for Chicago Metropolis 2020. In addition, Wheelan previously served as the speechwriter for Maine Governor John R. McKernan, Jr.

Eric E. Whitaker, M.D., M.P.H.

*Director
Illinois Department of Public Health*

Eric E. Whitaker oversees an agency with responsibility for improving the health of the 12.4 million citizens of Illinois. He previously served as senior attending physician at Cook County Hospital in Chicago. His research interests included HIV/AIDS prevention and minority health, particularly for black males. He is also an assistant professor at the University of Illinois-Chicago School of Public Health and at Rush Medical College's Department of Medicine and Preventive Medicine.

J. Randall White

*Senior Vice President, Corporate Affairs
Sara Lee Corporation*

J. Randall White is a director of the board and former chairman of Hubbard Street Dance Chicago, a trustee of the Goodman Theatre, a board member of the Chicago Central Area Committee and a member of the board of advisors of Catalyst. He also serves as president of the Sara Lee Foundation.

Linda Wolf

*Retired Chairman and Chief Executive Officer
Leo Burnett Worldwide*

Linda Wolf retired in April 2005 after a twenty-seven-year career with the global advertising agency. She is a director of Wal-Mart Stores Inc. and InnerWorkings, Inc. as well as a trustee of Janus Funds. She is also a member of the board of trustees of the Field Museum, Children's Memorial Hospital, Off the Street Club, The Chicago Council on Global Affairs, and the Partnership for New Communities.

Study Group Session Speakers

*Task Force member

Session I: Economic Vitality

Edward Glaeser

Professor, Harvard University

William Testa*

Vice President, Federal Reserve Bank of Chicago

Session II: Infrastructure

Frank Beal

Executive Director, Chicago Metropolis 2020

Joel Mambretti

*Director, International Center for Advanced Internet Research,
Northwestern University*

Sadhu Johnston

Commissioner, City of Chicago Department of the Environment

Session III: Human Capital: Education and Diversity

William Wulf

President, National Academy of Engineering

Dennis Holtschneider*

President, DePaul University

Allert Brown-Gort*

*Associate Director, Institute for Latino Studies, University of Notre
Dame*

Session IV: Chicago: Perception and Reality

Cristyne L. Nicholas

Former president, NYC & Company

Michael Segobiano

Director of Marketing, City of Chicago

Tim Calkins

Clinical Professor of Marketing, Northwestern University Kellogg School of Management

Session V: Government and the Role of Institutions

Ester Fuchs

Professor, Columbia University

Paul O'Connor*

Executive Director, World Business Chicago

Resources

List of readings, handouts, and briefing materials

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**The Chicago Council
on Global Affairs**, founded in 1922
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committed to influencing the discourse on global
issues through contributions to opinion and policy
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**THE CHICAGO COUNCIL
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332 South Michigan Avenue
Suite 1100
Chicago, Illinois 60604
thechicagocouncil.org



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