



The Chicago Metropolitan Area

The Region

The Chicago metropolitan area is one of the largest in the nation with over nine million people. It has suffered in recent years from industrial competition to the south and abroad, but a diversified economy has helped it avoid the lows other regions have seen. Chicago got its start in fur-trading, meat-processing and railroads and has grown into a sprawling center of industry, manufacturing, transportation, commerce, finance, education and the arts. It is also America's largest center for conventions and conferences. Manufacturing accounts for about one quarter of the region's employment. Steel, chemicals, petroleum refining, electronics, machinery, metal products, medical and scientific equipment are important components of the region's manufacturing base.

Printing is another important industry, thanks to Chicago's proximity to the paper-producing areas of Canada. Food processing is prominent, and several Fortune 1000 companies have their headquarters here, including McDonald's, Sara Lee, Boeing, Motorola and Wrigley.

The Chicago region is a major transportation hub for North America. O'Hare, the region's airport, is the world's busiest international airport, while Midway Airport, due for a new terminal this year, is the fastest growing in North America. The Chicago region is the main terminal of inland and international shipping routes, the Great Lakes-St. Lawrence Seaway and a center of rail and road freight. Chicago boasts the third largest container port in the world, trailing only Hong Kong and Singapore.

The region's sprawling growth has led to several problems. A mismatch has developed between where jobs are created and where housing is affordable for the people who work those jobs. Rising housing costs have meant that many people can only afford homes in outlying areas of the region — far from jobs, cultural attractions and public transit.

The region's growth has led to increasing traffic that frustrates motorists, saps worker productivity and raises pressure to build in open spaces. Metropolitan Chicago has the third most traffic congestion in the country. The business-civic organization Chicago Metropolis 2020 estimated that if current policies continue, the average Chicago resident would spend 80 more hours per year in his car than he does now.

The Chicago region also has ways to go in bridging the gap between city and suburbs, and among racial and ethnic groups. The region's African-American and Latino populations are among the nation's most segregated when compared to the 10 largest metropolitan areas, according to Chicago Metropolis 2020.

Overall, the major regional issues in the Chicago region are transportation, “smart” growth, balancing the needs of the city and suburbs and the jobs-housing mismatch.

The Business-Led Organizations

The Chicago metropolitan area is rich in regional business-civic infrastructure. There are four prominent regional business-civic organizations. One of the oldest is the Civic Committee of the Commercial Club of Chicago. The Civic Committee was formed in 1983 as an outgrowth of The Commercial Club of Chicago’s study of the economic well-being of the Chicago metropolitan area. The Commercial Club formed its Civic Committee to examine the problems affecting the metropolitan area and to devise a long-term plan to address those problems. Today the Civic Committee meets four times per year and has 75 CEO members, 40 to 50 who are active. The larger Commercial Club has 325 CEO members.

The Civic Committee focuses its efforts in the following areas: reform of the Chicago public school system and public school financing; airports; inner-city economic development; promoting the region to high-tech businesses; and good governance through a fiscal advisory committee that consults with the City of Chicago.

Chicago Metropolis 2020, the area’s newest regional business-led civic organization, stemmed from an effort by the Commercial Club with support from the Civic Committee. In 1996, 200 Commercial Club members launched the Metropolis Project, a two-year effort to help the Chicago metro area maintain prosperity in the 21st century. The Commercial Club made 200 recommendations and published them in a book titled *Chicago 2020*. One of the recommendations was to create a nonprofit to carry out those recommendations — that nonprofit is Chicago Metropolis. Today, Chicago Metropolis 2020 is one of the most influential business-led organizations in the region. Its regional priorities include transportation, workforce housing, early childhood education, juvenile justice and regional learning, or educating citizens about the region. The Metropolis project also issued a set of recommendations to address regional issues that affect business performance and quality of life. A recurring theme was that current regional growth patterns are inefficient for business and inequitable for residents.

The Metropolitan Planning Council (MPC) is a nonprofit group of business and civic leaders who promote and implement planning and development policies. The Council has evolved in the last three to four years to become more “business-led.” Its Board is now comprised mostly of business leaders, with other private-sector leaders from labor and the universities. Most of its private-sector leaders hold “second tier” positions, such as managing partners, executives from small- to mid-sized businesses, regional managers and executive vice presidents. The Metropolitan Planning Council’s regional priorities are transportation, affordable housing, equitable school funding and regional development/smart growth.

The Chicagoland Chamber of Commerce is a member-based services organization for the region’s businesses. It has 2,600 members, and its goal is to make the Chicago area

more business-friendly. Its major regional priority is transportation. The Chamber was instrumental in the formation of the Business Leaders for Transportation, a coalition of 10,000 employers, transportation providers and associations representing business interests. The coalition advocates for the region's surface transportation needs. It works to add aviation capacity in the region, addresses freight and inter-modal congestion, and seeks additional funding for rapid transit systems. The Chicagoland Chamber's other organizational priorities are taxation, K-12 school reform, career readiness, and small business development.

The Regional Business-Civic Landscape

The Civic Committee, still a program of the Commercial Club, keeps its strict CEO connection. Metropolis, on the other hand, has more multi-sector participation. It includes labor and other sectors of leadership. This more diverse approach to membership has its advantages, according to Cordelia Meyer, Vice President of the Civic Committee. Chicago Metropolis 2020's inclusion of other leaders besides business executives "quells the notion that the fat cats come down and tell everyone else what to do," she said.

The Civic Committee and Metropolis had an upfront agreement that divided responsibilities between the two groups. Metropolis 2020 would be responsible for transportation (except airports), early childhood education and broad regional issues such as affordable housing. The Civic Committee would focus on the Chicago public schools, airports, city revitalization, high-tech business recruitment and good governance.

According to the agreement, Metropolis 2020 gives the Commercial Club an annual update and briefings. The Commercial Club still oversees Metropolis, even though it is a separate nonprofit. Metropolis' policy agenda must stay within the parameters of the report, according to the agreement. According to Frank Beal, Executive Director of Metropolis 2020, the organization's job is to "rock the boat, just don't tip it over".

The Metropolitan Planning Council and Chicago Metropolis 2020 work well together. The Boards and staff have a good working relationship. There are few conflicts between the two as they each have a different role to play in the regional agenda. First, MPC is made up of "second tier" business leaders. Chicago Metropolis 2020 has the backing of the region's largest, most powerful employers through its connection with the Commercial Club. Second, MPC focuses more on longer-term coalition-building than Chicago Metropolis 2020 does. Part of this stems from MPC's 70-year existence. "A natural consequence of working over time with partners is that the message becomes softer," said Scott Goldstein. Chicago Metropolis 2020, because it is new, can be more direct without the fear of upsetting long-held allegiances. "Metropolis 2020 is beholden to no one," said Goldstein. "It doesn't owe anything to anybody and, therefore, can be out there."

In fact, by following Metropolis's example, MPC has made an effort to include a business voice in its structure. The Council has re-made itself in the last three to four years to become more "business-led." Its Board is now comprised mostly of business leaders.

The Boards of MPC and Chicago Metropolis 2020 also overlap. Three Chicago Metropolis 2020 leaders — George A. Ranney, Jr., Paula Wolff and King Harris — are on MPC’s Board, while MPC Executive Director Mary Sue Barrett is on Chicago Metropolis 2020’s Executive Committee.

Metropolis 2020 President and Chief Executive George A. Ranney, Jr. is MPC’s Vice Chairman and serves as a strong link between the two organizations. Ranney was one of the founders of Chicago Metropolis 2020, and his key role with both organizations allowed the two to co-exist without major problems. As the older organization, MPC was able to accept Chicago Metropolis 2020’s position within the business-civic leadership without being threatened. In the end, MPC came to view the creation of Chicago Metropolis 2020 as a way to bring business muscle to the table and expand the pie by bringing more money to issues.

MPC and Chicago Metropolis 2020 staff members have worked closely on affordable housing issues. MPC has good relationships with affordable housing advocates, partly because of its historical position as a planning and research-based organization and the interest of its Board members in affordable housing. MPC has worked through its longstanding coalitions with affordable housing advocates. Chicago Metropolis 2020 is newer to the affordable housing community. It approaches the issue from a business perspective, recognizing that employee productivity suffers when a lack of affordable housing near work means long commuting distances. The two organizations have worked together to convince city-based affordable housing advocates that the issue is suburban as well. The two groups have convinced the advocates that treating the issue as regional will not dilute their agenda but instead will strengthen it in the long run.

In the area of transportation, the Metropolitan Planning Council leads the coalition, Business Leaders for Transportation, along with Chicago Metropolis 2020 and the Chicagoland Chamber of Commerce. The coalition was created in 1997 as a collective voice for Chicago-area employers on surface transportation issues in the region. MPC tends to be the group’s coalition-builder, prodding the regional transportation authorities and governing bodies on reform. Chicago Metropolis 2020, on the other hand, has been more direct in its criticism of the system’s inefficiencies.

“The dual roles are effective,” said Scott Goldstein of MPC. He said Chicago Metropolis 2020’s CEO-level backing allows it to come out strongly on transportation issues. “They are more willing to be the bad guy when no one else can come out and say what needs to be said,” Goldstein said. “MPC’s role is to preserve the coalition and maintain communication,” he said.

Business Leadership

Business leadership is strong in the Chicago region, and there is no shortage of business-civic forums in which to participate. The participation of many CEO-level leaders in Chicago Metropolis 2020 is an example of high-level business leadership.

Despite the consolidation of companies across the country and the loss in some regions

of corporate headquarters, the Chicago region still has many Fortune 500 companies. The region is home to McDonald's, Boeing, Bank One Corp., Abbott Laboratories, Sara Lee and R.R. Donnelley & Sons. The region is fortunate to draw on the chief executives of these large companies.