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The Crisis of Unemployment Among Chicago Youth

A new report teases out the causes and costs of joblessness among the city's young people without high-school diplomas.

By Mimi Kirk

According to the Bureau of Labor Statistics's most recent numbers, the unemployment rate in Illinois is 4.6 percent. But if you look at certain segments of the state's population, the numbers tell a different story. Illinois's youth are experiencing joblessness at a rate of nearly 70 percent—almost 16 times the statewide average. Chicago's Cook County is home to the largest share of this demographic, with the situation particularly difficult for the 21,500 16- to 24-year-olds without a high-school diploma who are both out of school and out of work.*

When the figures are broken down by race, it's clear the hardest hit are African Americans. For instance, 85 percent of 16- to 19-year-old black residents of Chicago are out of work, versus 73.4 percent of whites and 81.5 percent of Latinos. For 20- to 24-year-olds, the comparison between blacks and whites is particularly stark: Sixty percent of blacks are out of work, while only 23.7 percent of whites are. Latinos in this age range fare somewhere in between, with 33 percent unemployed.

A [new report](#) commissioned by the Alternative Schools Network and published by the Great Cities Institute at the University of Illinois at Chicago details these statistics and highlights the lost tax revenue that occurs as a result. The report's authors found that federal and state coffers lose an estimated \$197,055 over the working life of a young person without a high-school diploma. Multiplying this figure by the thousands of such young people in Illinois reveals that the country and state lose out on nearly \$9.5 billion in potential taxes.

What is driving such high percentages of unemployed urban youth? The report's authors find that jobs are heavily concentrated in Chicago's central financial district—dubbed



A young man fills out an application at a Chicago job fair. (Peter Wynn Thompson/AP)

“the Loop”—and its wealthy suburbs just to the north and west. In contrast, the south side and the southern suburbs, known for their concentrated poverty and racial segregation, have fewer opportunities. For instance, communities in the city's north have between 10,362 and 31,427 jobs, while no area below the south side neighborhood of Hyde Park has more than 6,692 jobs. Thirteen of the 25 community areas in the south have less than 3,000 jobs each.

Compounding this problem is the fact that the southern areas are geographically far from where the jobs are. Matt Wilson, a co-author of the report, says the distance makes it difficult, if not impossible, for young people from the south to work near the Loop.

Moreover, the jobs in the city's southern areas aren't well-served by public transit, making it hard to get to a job that may even be relatively close by. Wilson and his co-author, Teresa L. Córdova, determined

that the Loop and its surroundings have the greatest number of jobs that a worker can commute to by bus or ‘L’ train, whereas the number of similarly accessible jobs decreases the farther south one goes. “When youth from the far south side see a job listing that's in the Loop, they're not even going to fill out the application,” Wilson says. “The time and cost to get there is prohibitive.”

Decades ago, the southern areas of Chicago were more economically viable. Factories that made a variety of goods, from candy to construction equipment, were located in close proximity and provided employment for thousands. Jobs were also available in the retail outfits that sprouted to serve industrial workers. A black middle class thrived.

But as in other Rust Belt cities, industry moved to cheaper locales and people lost their jobs. Once racial barriers loosened somewhat, much of the black middle class moved to more affluent suburbs. Wilson says

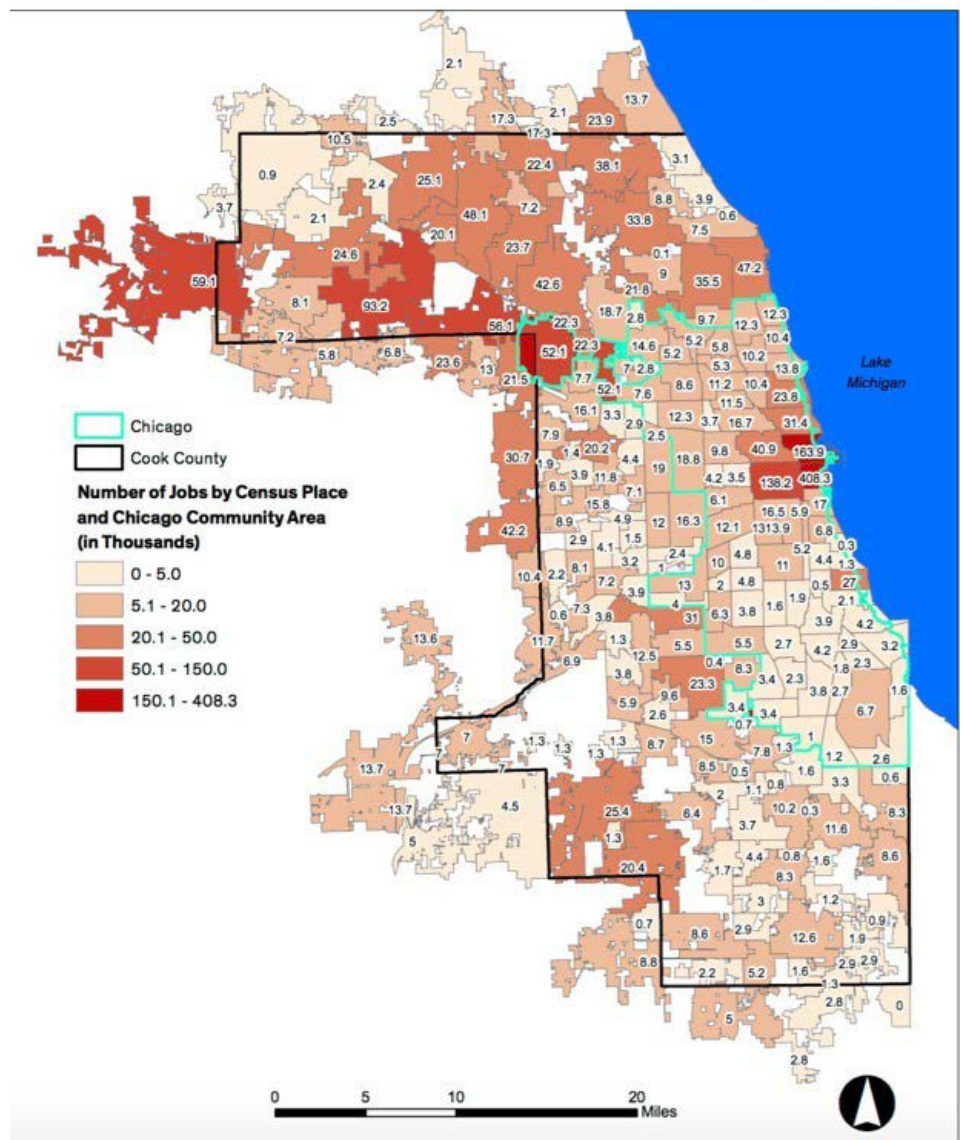
that Englewood, a neighborhood southwest of Hyde Park, had 100,000 residents in the 1960s, most of them African American. Today, it has lost around 70,000 people. “These neighborhoods are shells of their former selves,” he says. “They were once bustling middle class areas with vibrant commercial districts, but they now lack economic activity and display decades of physical decay.”

The potential loss of \$9.5 billion in tax revenue may draw more attention and support to initiatives aimed at raising employment rates among young and jobless Chicagoans. Illinois Senator Dick Durbin and Representative Robin Kelly recently introduced federal legislation that would offer tax breaks to encourage businesses to hire at-risk youth, as well as provide grants to local communities to create employment opportunities for young people.

Wilson and Córdova also call for education and training programs that help make young people more competitive in the job market, as well as for developing solutions to address the geographic mismatch between the location of jobs and where the most chronically unemployed populations live.

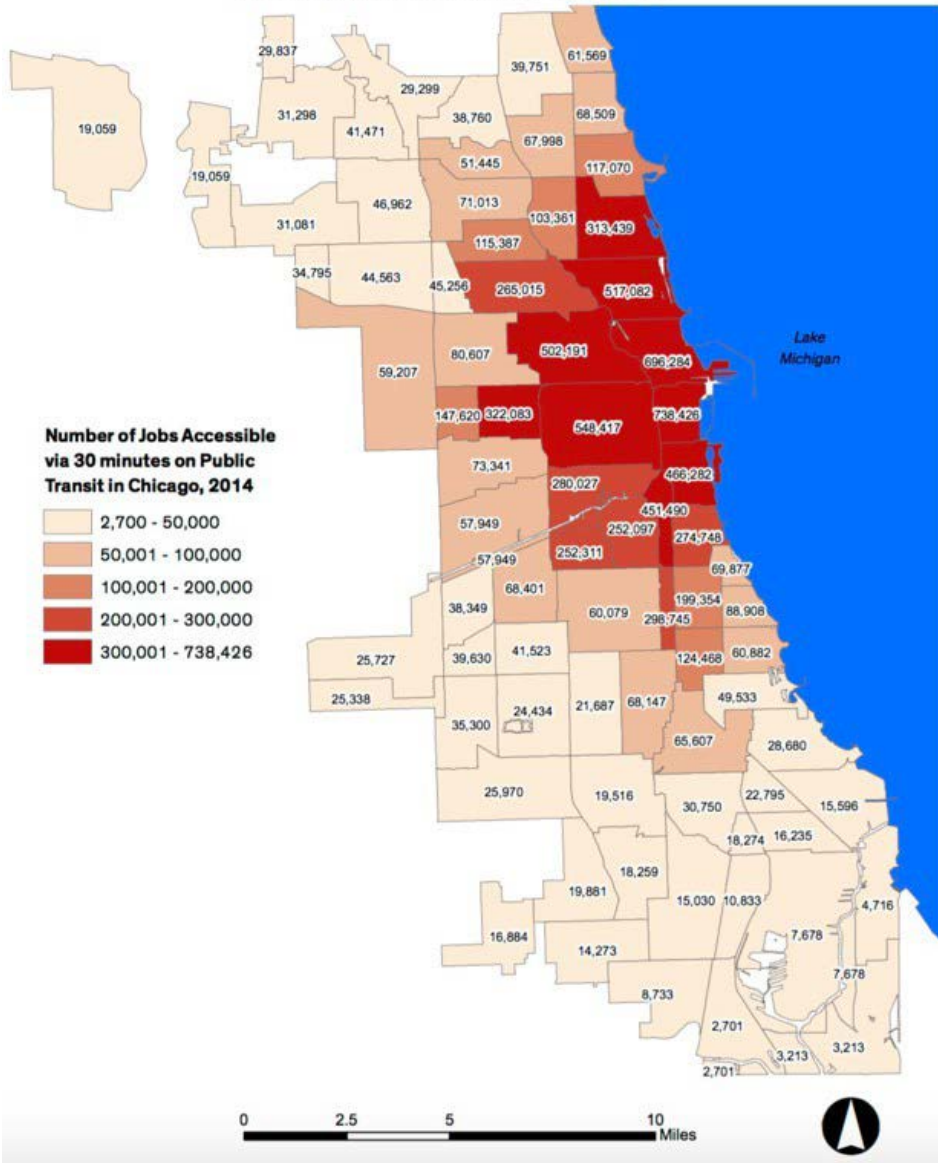
“The proposed legislation is an important beginning step,” says Wilson, “but it is not a holistic solution.”

Map 10: Number of Jobs in Cook County by Census Place and Chicago Community Area, 2014



(Courtesy of the Great Cities Institute)

Map 11: Number of Jobs Accessible via 30 minutes on Public Transit in Chicago by Chicago Community Areas, 2014



(Courtesy of the Great Cities Institute)