

2003 EXECUTIVE SUMMARY



STATE  
OF THE  
WORKFORCE  
REPORT

## What is the State of the Workforce Report Supplement?

The State of the Workforce Report Supplement is part of a series of workforce intelligence products being produced by The Workforce Board of Northern Cook County that include the original State of the Workforce Report published August 2002, a State of the Youth Report and on-going primary research through employer interviews, web-based surveying, and regional industry summits. The full supplemental report provides extensive data and storyline interpretation about the area and how it compares to its neighbors in the greater Chicago metropolitan area. This briefing highlights some of the major findings.

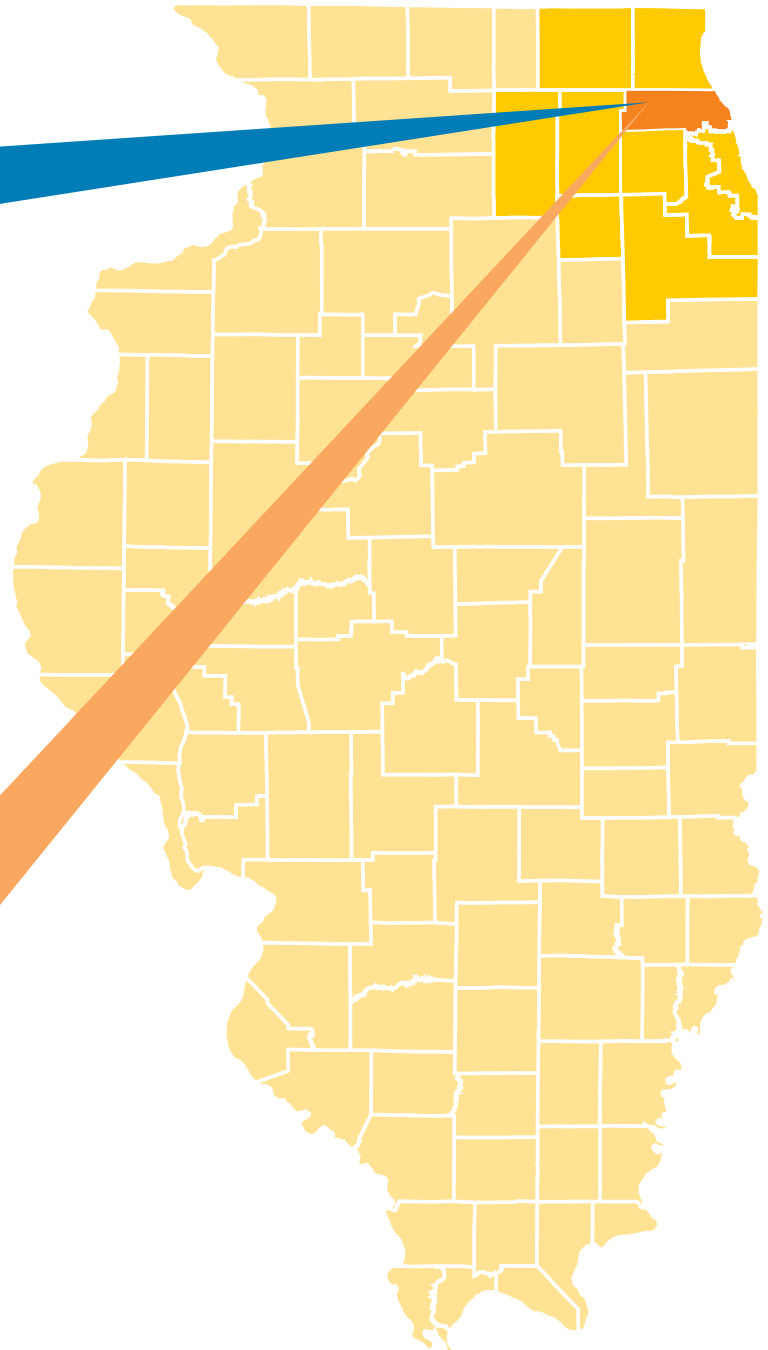
# HOW IS NORTHERN COOK DOING?

## Northern Cook County has many positive features. It has:

- ✓ A diverse industrial mix, with strengths in manufacturing, professional/scientific/technical services, construction, and information;
- ✓ High-wage, high-skill occupations, with 29% of available jobs in management, professional, and related occupations;
- ✓ Attraction to workers from outside the area, with over 165,000 people entering the area to work everyday;
- ✓ High median household incomes; and
- ✓ Vitality from increasing diversity, including the highest percentage of Asian immigrants in the region.

## But Northern Cook also has challenges that must be addressed:

- ✓ Declining manufacturing employment;
- ✓ Large numbers of workers dislocated by the current recession;
- ✓ Lack of alignment between educational demand and educational attainment;
- ✓ A growing dichotomy between “haves” and “have nots;”
- ✓ Relatively unaffordable housing; and
- ✓ Large numbers of people with difficulty communicating in English.



# NORTHERN COOK WORKFORCE DEMAND

Northern Cook's industrial diversity offers a buffer against economic storms that strike a particular sector. Northern Cook does have a slightly greater percentage of its workforce than the metropolitan region as a whole in:

- Manufacturing
- Professional/Scientific/ Technical Services
- Construction
- Information

While the area has 18.9% of the region's total employment, it has 21.9% of the region's professional/scientific/technical services employment, 21% of the manufacturing employment, 20.9% of the information employment, and 19.7% of the construction employment (Figure 1).

However, manufacturing has been declining as a share of the area's total employment, including a substantial drop in real numbers since 1996 (Table 1). In the current economic downturn, manufacturing suffered the most mass layoff numbers numerically and was tied for second place in layoffs as a percentage of industry employment.

Occupational demand in the county favors jobs that require strong basic skills in math and com-

puter literacy, as well as "soft" skills such as interpersonal, managerial, listening, and critical thinking (occupational data is not available at the sub-county level). The top twenty occupations, determined by ranking 410 occupations on the basis of size, projected growth, and average annual wages

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**As the county, region, and nation move from a manufacturing to services economy and the need for a skilled workforce continues to grow, it is important that the current and future workforce master 21st Century skills.**

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include systems analysts; computer engineers; managers of engineers and computer information systems; computer scientists, securities, commodities, and financial services sales; and electricians. As the county, region, and nation move from a manufacturing to services economy and the need for a skilled workforce continues to grow, it is important that the current and future workforce master 21st Century skills.

Private Sector Employment Distribution by Industry, NAICS, 2001 Q1

Source: Illinois Department of Employment Security

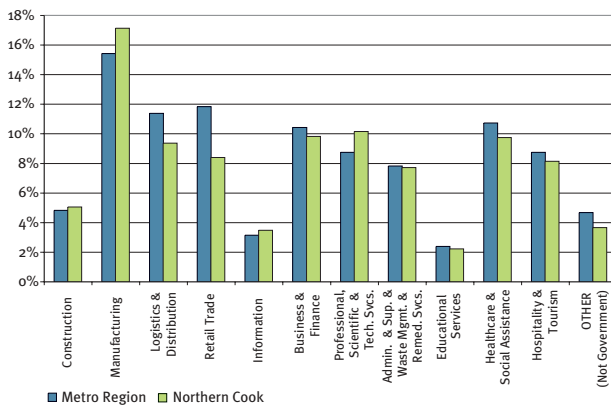


Figure 1

Distribution of Jobs by Education Requirement

Source: Illinois Department of Employment Security, Bureau of Labor Statistics

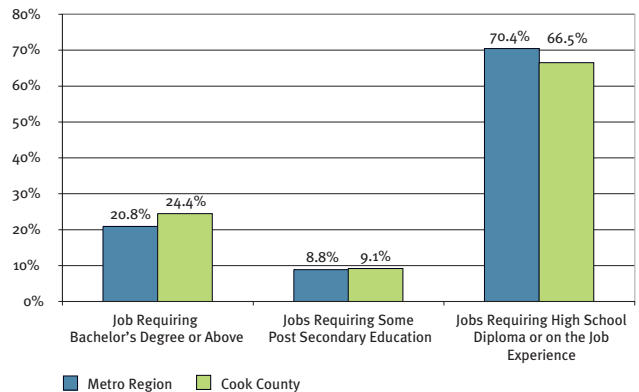


Figure 2

The demand for non-degreed, but technically skilled workers outstrips the supply. There are excellent, high paying job opportunities that require only an associate degree, certificate, or on-the-job training. In fact, most of the jobs available in the region require less than a four-year degree (Table 2).

For 66.5% of the jobs in the county, the educational requirements are a high school diploma or some on-the-job experience. Only 24.7% of jobs in

the county require a bachelor's degree or higher (Figure 2), yet the majority of high school graduates continue to pursue four-year degrees. Career information is vital for a student to understand the labor market ahead and match that understanding with likes and aptitudes. Youth may be more open to alternative paths to success than suggested by their current postsecondary behavior, simply because of their limited knowledge of the labor market.

**Table 1: Northern Cook County Employment by Industry**

Industry	1991	1996	2001
Agriculture	3,213	3,059	4,557
Mining	23	---	26
Construction	25,563	25,858	30,961
Manufacturing	136,008	149,773	137,454
Transportation, Communication, Electric	22,418	27,407	28,971
Wholesale Trade	65,948	60,148	54,208
Retail Trade	97,658	106,547	114,348
Finance, Insurance And Real Estate	38,446	43,113	42,196
Services	152,682	182,182	207,851
Non-classifiable Establishments	481	93	641
<b>Total, All Industries</b>	<b>542,440</b>	<b>598,180</b>	<b>621,213</b>

*Source: Illinois Department of Employment Security*

**Table 2: Top Ten Occupations by Size, Growth & Wage That Do Not Require 4-Year Degree, Cook County**

1. Police Patrol Officers	6. Personal and Home Care Aides
2. Brick Masons and Block Masons	7. Business Services Sales Agents
3. Electricians	8. Dental Hygienists
4. Registered Nurses	9. Engineering Technicians and Technologists
5. Computer Support Specialists	10. Truck Drivers, Heavy

# NORTHERN COOK WORKFORCE SUPPLY

In Northern Cook County, 43% of the resident population reports holding jobs in management, professional and related occupations, but only 29% of the jobs available are in that occupational grouping (Figure 3). When it comes to construction and production jobs, the opposite is true: 26% of jobs in the region are in this field, but only 17% of the population is employed in those types of jobs, leading to in-commuting. The area has a relatively highly educated populace, but many of those with the highest skills go elsewhere to work. The “over-supply” of these individuals in Northern Cook means the area could attract more jobs that require higher-level skills.

Northern Cook’s population is relatively affluent, with one of the lowest poverty rates in the metropolitan region (Figure 4). However, while 2.4% sounds like a very small percentage, it equates to 26,954 people in extreme poverty. Evidence of the “haves” and “have nots” dichotomy is evident in the list of top occupations by size. The largest is chief executives, which also happens to have the highest median wage and low probability of part time employment or unemployment. The second largest occupation is retail salespersons, with a median wage of only \$18,400 and high probability of part-time work and unemployment. The kinds of jobs held by low skill/low wage earners are often those without benefits. “Regional Realities: Chicago Metropolis 2020” pointed out that between 1995 and 1998, the share of residents lacking health insurance in the region

increased from 13.9% to 18.7%, resulting in a rate above the national average.

Northern Cook on the whole is older than the rest of the region, with fewer residents under 18 and more residents over 50, including a larger percentage of residents in the baby boomer group (age 50-64) than the rest of the region (Table 3). The group is so large that their actions are bound to have an impact. Large numbers of retirements will negatively affect labor force availability and participation.

This trend may be offset by the relative youthfulness of the area’s growing immigrant population. Communities with large Hispanic populations, such as Elgin and Hanover Park, have considerably younger residents. While Hispanics comprise only 11% of the total Northern Cook population, they comprise 19.4% of all individuals under age 5.

At 24.7%, Northern Cook has the largest percentage of population of foreign birth of any of the eight workforce areas in the metropolitan region. However, many of these residents have difficulties communicating in English (Figure 5). Communities in which substantial proportions of residents have English speaking challenges include Elgin, Hanover Park, and Palatine. There are more than 5,000 individuals in each community who report they speak Spanish and have difficulties with English, while there are more than 2,000 individuals of Asian descent in each of Hoffman Estates, Schaumburg, and Skokie who report English language barriers.

Table 3: Population by Age, 2000

Age	Chicago	Northern Cook	Rest of Region
9 and under	15.2%	13.3%	15.8%
10-17 years	11.0%	10.8%	12.2%
18-24 years	11.3%	8.0%	8.6%
25-34 years	18.5%	14.1%	14.0%
35-49 years	21.4%	24.1%	24.9%
50-64 years	12.4%	15.9%	14.3%
65+	10.2%	13.8%	10.3%

Source: US Census Bureau 2000

## Jobs Reported by Employers vs. Occupations Reported by Household, Northern Cook County

Source: U.S. Census (2000 Data Set), AGS Demographics (2002 Estimates Data Set)

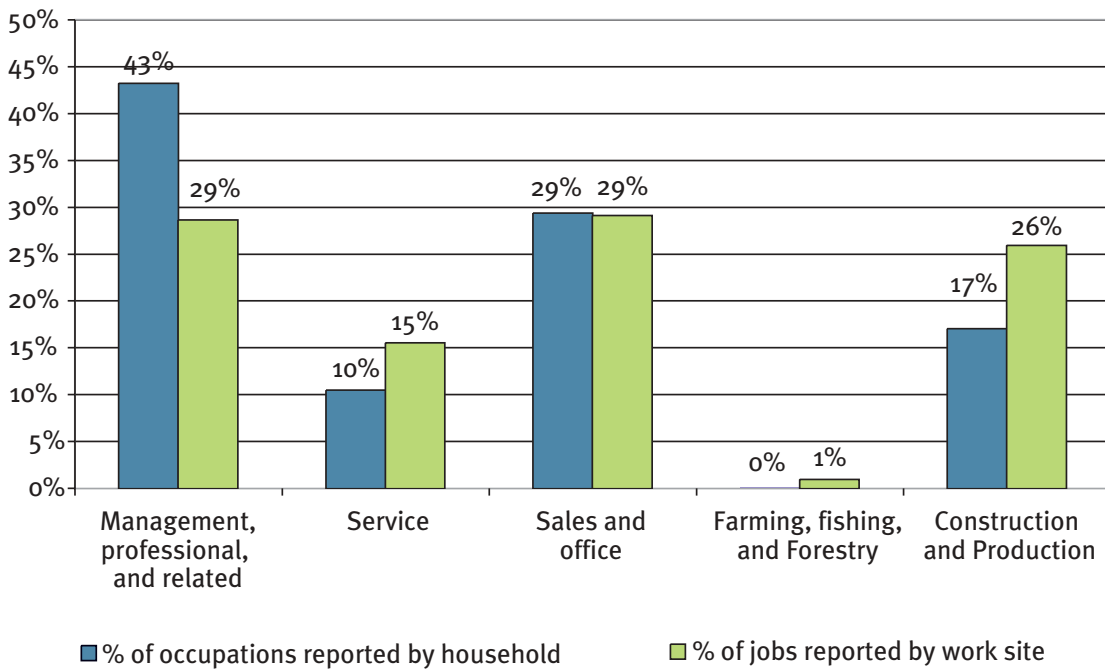


Figure 3

## Percent of Population with Income Less than 50% of Poverty Level, 2000

Source: US Census Bureau 2000

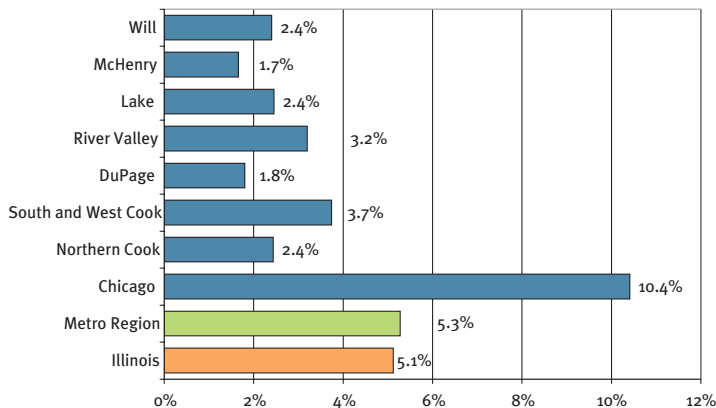


Figure 4

## Percent of Population Who Speak English "Not Well" or "Not At All," 2000

Source: US Census Bureau 2000

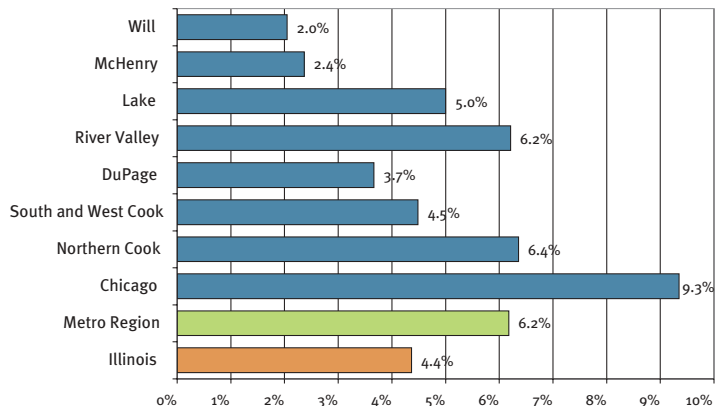


Figure 5

# NORTHERN COOK THE EMERGING WORKFORCE

There are 360,640 youth aged 0-24 years in Northern Cook County. By the year 2012, the area can expect to have 388,517 young people, or an increase of 27,877. However, Northern Cook has the lowest percentage of young adults entering their early career years (18-24) compared to Cook, Chicago PMSA, Illinois, and the U.S. The relative percentage of young adults as a percent of the total population has been declining over time and is projected to continue to decline through 2012. It is more important than ever that the relatively small supply of entry-level young adults be prepared to enter the jobs that sustain and grow the Northern Cook economy.

There is a direct correlation between socio-economics and educational success (Maps 1 and 2). Studies show that low-income youth are less likely to perform well in school. Minority children are much more likely to be in poverty than white children. In addition to cultural and language barriers, minority youth in poverty must also deal with other barriers. Black and Hispanic children suffer a higher incidence of poverty than white or Asian children. While blacks comprise only 5.1% of the total population aged 5-17, they represent 16.3% of children in poverty. Hispanics comprise 16.2% of all individuals aged 5-17, but 29.3% of children in poverty overall.

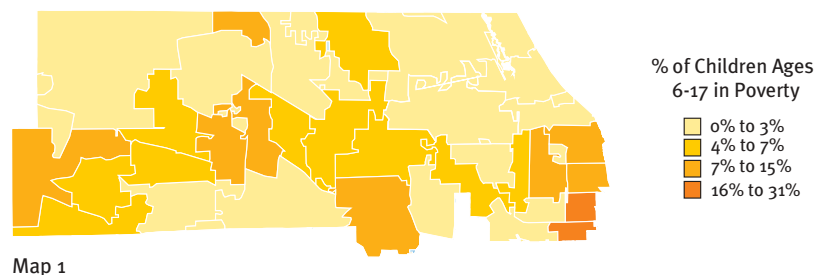
Overall, Northern Cook's schools perform well, although unequally. With the exception of one school examined, Northern Cook County schools score better than the state average across all subjects, particularly in writing, but the lowest scores within Northern Cook are in science.

As the economy continues to become more technical, the need for science knowledge and skill increases in importance. Focusing more attention on science scores will help Northern Cook youth become more competitive as adults.

About 40% of all 16-19 year olds both work and go to school. Overall, Northern Cook youth have higher rates of employment regardless of their school enrollment or secondary completion status than young people in the surrounding areas, state, and nation. But those youth who are aged 16-19 who are not enrolled in school and are not high school graduates are a concern. They have a high rate of unemployment (11.5%) and nearly a third are not in the labor force at all, which represents a great loss to an area that has a lower than average percentage of young adults aged 18-24.

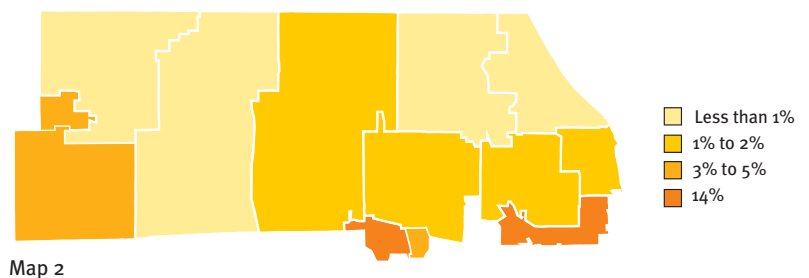
Children in Poverty, 1999

Source: US Census Bureau, 2000



High School Dropout Rate by School District, 2001-2002 School Year

Source: Illinois State Board of Education



# NORTHERN COOK

## QUALITY OF LIFE

The lack of alignment between occupations of residents and employment opportunities in Northern Cook firms contributes to heavy commuting. An underlying contributor to the mismatch is undoubtedly the high cost of living in Northern Cook.

Housing in Northern Cook County is expensive relative to income, with the majority of Zip Code Tabulation Areas (ZCTAs) falling into the “Not Affordable” range. Of particular concern are those areas where median incomes are lower, poverty rates are higher, and housing is not affordable (Map 3).

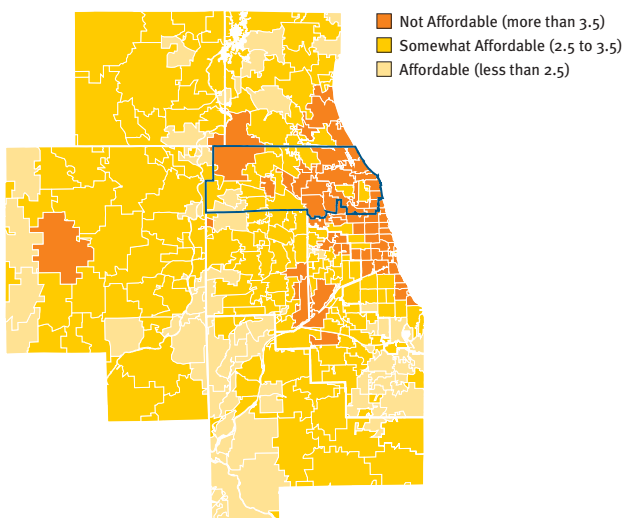
Heavy commuting also contributes to traffic congestion. Of the persons who live in Northern Cook, one-third (33.3%) work elsewhere. Of the people who work in Northern Cook, 43.3% of them live elsewhere (Table 4). And the vast majority of both groups drive to work alone.

Seventy-six percent (76%) of Northern Cook County-resident workers drive alone to work, while another 10% are in car pools. That equates to over 450,000 cars on the road each day. As pointed out in the original State of the Workforce Report, 32% of suburban Cook County residents who currently commute to work using their own vehicle reported that they would prefer to live where they can commute to work by public transit.

If the mismatch between occupations and jobs continues or the gap becomes wider, traffic congestion is also likely to worsen. Options include developing affordable housing for people who work in Northern Cook so they can live and work in the same area; promoting the use of public transportation to lesson traffic; and using technology and flexible workplace policies to enable more people to work from home.

Housing Affordability Index by ZCTA, Metro Region, 1999

Source: US Census Bureau 2000



Map 3

Table 4: Home Origin of Northern Cook Labor Force

Home Origin of Persons Working in Northern Cook County	Total Working in Northern Cook County	% of Northern Cook County Workforce
Chicago	232,856	21.2%
Northern Cook	623,745	56.7%
North Shore	156,696	14.2%
Northwest	467,049	42.4%
North Central	21,968	2.0%
Central	4,392	0.4%
Southwest	717	0.1%
South	868	0.1%
DuPage	40,151	3.6%
Kane	40,056	3.6%
Lake	108,178	9.8%
McHenry	27,779	2.5%
Will	24	0.0%
<b>Total</b>	<b>1,100,734</b>	<b>100.0%</b>



# NORTHERN COOK

## THE BOTTOM LINE



### **Northern Cook's industrial diversity will contribute to recovery from the current recession.**

The region has had significant growth in business services, especially financial, which may be a key to future development. Northern Cook shares the overall labor market of the region, and its own composition closely resembles the total market. Although it has been hit hard by the current recession, its diversity will be an advantage in bouncing back.

**The occupational mix is topped by high-wage, high-skill occupations, but the greatest opportunities are in jobs that require less than a four-year degree.** Individuals aspiring to the top jobs in the 21st Century require 21st Century skills. On the other hand, the percentage of jobs requiring a four-year degree is far lower than the percent of students pursuing such degrees. The result is likely to be a skills mismatch, with some workers being under-prepared and others being over-prepared.

**There is a lack of balance between the occupations of residents and the occupations within Northern Cook firms.** The area “exports” managers and professionals and “imports” workers for jobs in services, construction and production. The lack of alignment contributes to many people commuting back and forth everyday, leading to long commutes. A third of Northern Cook's workforce does not live in Northern Cook.

**Prosperity is uneven, following a national trend toward “haves” and “have nots.”** “Haves” and “have nots” are distinguished not only by income, but also by education, skill level and attainment. Schools do not perform evenly, housing is less affordable in some areas than others; many youth and adults are not attached to the labor force despite the growth of jobs; and the percentage of residents lacking health insurance is rising. Minorities tend to be more heavily impacted by economic downturns than the majority white population. Although the rate of poverty in the area is small, small numbers in a populous area reflect thousands of people. Addressing the needs of the poor is both a social issue and an economic issue.

### **Growing demographic diversity is uneven.**

**There are “pockets” of demographic groups that may need specific services.** Northern Cook as a whole is older than other parts of the region, and there are specific communities within Northern Cook that have even greater concentrations of aging residents. Ethnic diversity is growing dramatically thanks to a high immigration rate, but is particularly focused in a few communities. The more diverse communities are younger, calling for a greater demand for public education capacity and childcare. The more diverse communities also contain higher concentrations of individuals with English communication barriers.

## Next Steps

The Workforce Board of Northern Cook County convened several local planning meetings with community stakeholders to review the data, assist with the analysis, and prioritize strategic planning issues. Four candidate conditions for future action were prioritized, which include a focus on regional collaboration:

### **1. Increasing Immigration and Diversity**

*ACTION GOAL: Improve language skills of workers with limited English language skills.*

### **2. Diverse and Changing Economy**

*ACTION GOAL: Improve transferable skill levels of the current and emerging workforce.*

### **3. Youth Aspirations Inconsistent with Labor Market Realities**

*ACTION GOAL: Increase career awareness among youth, beginning at the elementary level. Provide opportunities for youth to match their aptitudes with career choices.*

### **4. Mobility of Workers: Access to and Cost of Transportation**

*ACTION GOAL: Support efforts to achieve affordable workforce transportation and location of workforce in proximity to work.*

For more information, or to participate on action teams, contact: Fredia Walker-Martin, Director of Policy and Planning, The Workforce Board of Northern Cook County, (847) 699-9195, [fwalker@workforceboard.org](mailto:fwalker@workforceboard.org)