CHICAGO WORKFORCE INVESTMENT COUNCIL

CWIC*stats* Dashboard Report 4th Quarter 2011

Highlights in this issue

Featured *stats*: Chicago MSA residential location and commuting patterns (Page 2)

- The shares of the employed and highly educated populations of the Chicago MSA living in Chicago increased somewhat between 2005 and 2010 (page 3).
- Average one-way commute times for workers decreased between 2005 and 2010, particularly among Chicago residents, whose average commute times dropped by nearly 2 minutes (page 4).
- In the same time period, modes of transportation to work were relatively unchanged among MSA residents living outside of Chicago while Chicago residents were less likely to drive to work in 2010 and more likely to take public transportation, walk or bike to work, or work from home. (Page 5)
- Not all groups of workers reported shorter commute times in 2010. Some groups of workers who were likely hardest hit by the recession experienced increases in average commute times.
    - Average commute times for high school dropouts living in the city rose by 1 minute (page 6).
    - Average commute times for Chicago residents working in Manufacturing rose by 2.3 minutes (page 7).

Labor force measures

	Current time period	How current compares to prior time period: Immediately prior		One year prior	
Chicago labor force measures (IDES: For trends, see page 7.)	**November 2011**		**October 2011**		**November 2010**
Total in labor force	1,323,090	↑	1,318,204	↓	1,325,821
Total employment	1,175,370	↑	1,169,920	↓	1,191,888
Total unemployment	147,720	↓	148,284	↑	133,933
Unemployment rates (IDES: For trends, see page 6.)	**November 2011**		**October 2011**		**November 2010**
Chicago	11.2%	↔	11.2%	↑	10.1%
Illinois	9.4%	↓	9.5%	↑	9.1%
U.S.	8.7%	↓	8.9%	↓	9.8%
Cook County unemployment insurance claims (IDES: For trends, see page 7.)	**November 2011**		**October 2011**		**November 2010**
Initial unemployment claims	21,532	↑	19,315	↓	25,359

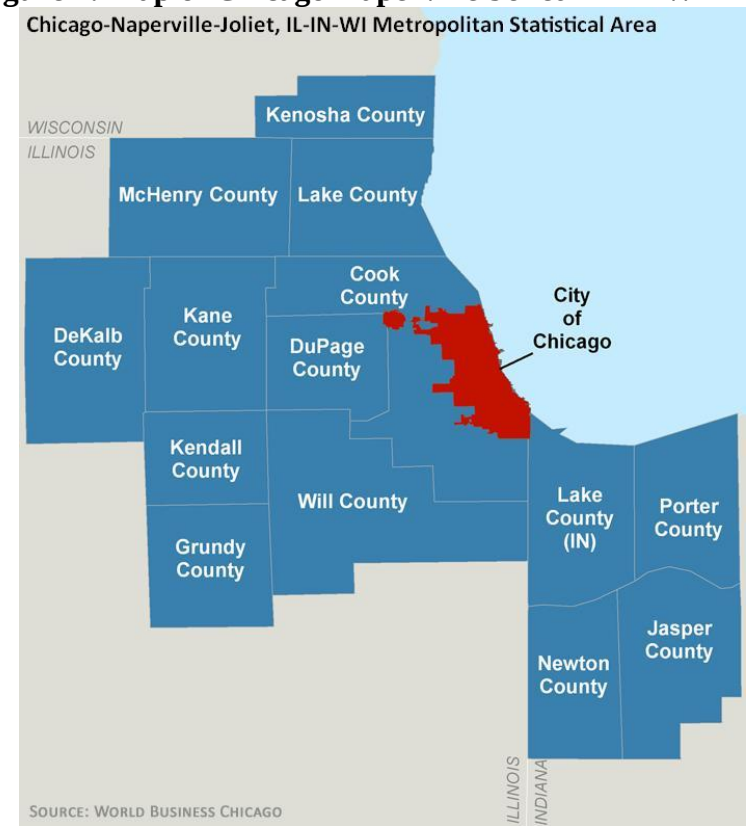
Interpreting the arrows

Green solid arrows represent an indicator that has improved compared to prior time period. For example, a *drop* in unemployment would be represented by (↓), while an *increase* in total employment would be represented by (↑). Red outlined arrows represent an indicator that has worsened compared to prior time period. A drop in the total labor force would be represented by (⇩), while an *increase* in unemployment would be represented by (⇧). ↔ refers to no change.

Featured *stats*: Living and Working in the Chicago-Joliet-Naperville IL-IN-WI MSA—Changes in residential location and commuting over the past 5 years inside and outside Chicago

The American Community Survey (ACS) is published each year by the U.S. Census Bureau. It provides accurate data for relatively small geographic areas (such as a Metropolitan Statistical Area, or MSA) because of its large sample size.[1] In this section, the 2005 and 2010 ACS are used to describe characteristics of the population in the Chicago-Joliet-Naperville MSA living inside and outside Chicago with an emphasis on employment, education, and transportation to work. The MSA (outlined by the red boundary in the map below) encompasses portions of three states (Illinois, Indiana, and Wisconsin), includes one major city, Chicago, and other smaller cities and suburbs.

Figure 1: Map of Chicago-Naperville-Joliet IL-IN-WI MSA

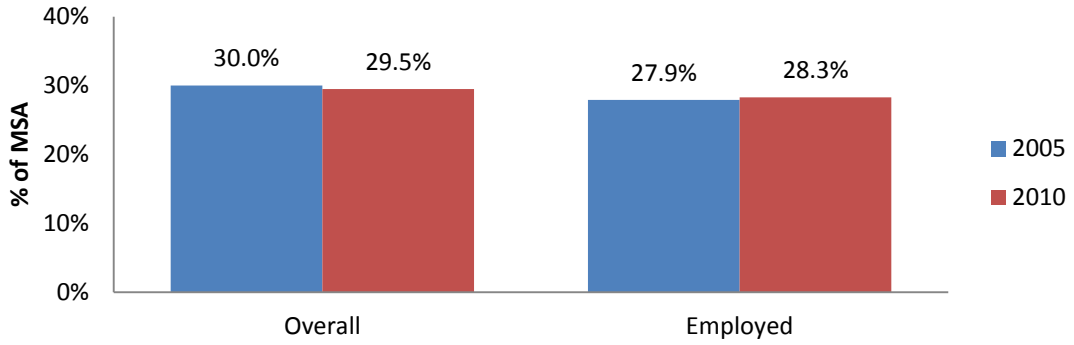


Source: World Business Chicago, http://www.worldbusinesschicago.com/files/data/Chicago%20MSA%20Map.jpeg

[1] Official labor force statistics may differ from those reported in the ACS due to differences in data collection methods. In particular, estimates of unemployment rates using ACS data tend to be higher.

While the proportion of people in the Chicago MSA that live in the city has dropped in the last 5 years (Figure 2), the percentage of employed workers living in Chicago has risen somewhat.[2]

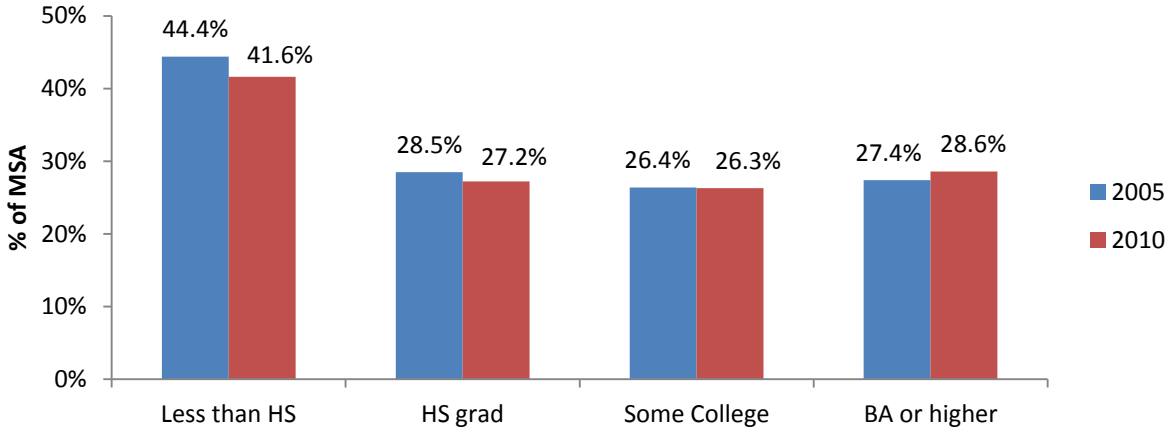
Figure 2: Proportion of overall MSA population and employed MSA population residing in Chicago



Source: American Community Survey. Steven Ruggles, J. Trent Alexander, Katie Genadek, Ronald Goeken, Matthew B. Schroeder, and Matthew Sobek. Integrated Public Use Microdata Series: Version 5.0 [Machine-readable database]. Minneapolis, MN: Minnesota Population Center [producer and distributor], 2010.

When we consider residential location in the MSA by educational attainment, Figure 3 shows that on average a larger share of MSA residents who didn't graduate high school (42 percent) are living in the city. However, relative to 2005, Chicago has seen a decline in the share of MSA residents who are high school dropouts and an increase in the share of the MSA residents with high levels of education (at least a bachelor's degree). Relating this to Figure 2, it appears that the city is gaining in the employed, highly educated population of the MSA.

Figure 3: Proportion of MSA population residing in Chicago, by educational attainment

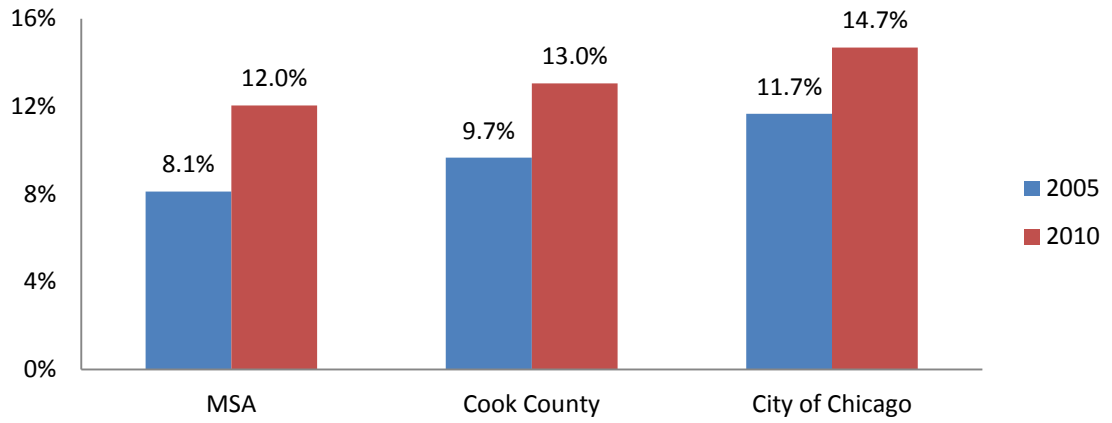


Source: American Community Survey. Steven Ruggles, J. Trent Alexander, Katie Genadek, Ronald Goeken, Matthew B. Schroeder, and Matthew Sobek. Integrated Public Use Microdata Series: Version 5.0 [Machine-readable database]. Minneapolis, MN: Minnesota Population Center [producer and distributor], 2010.

[2] Throughout we refer to the U.S. Census defined Chicago-Joliet-Naperville IL-IN-WI Metropolitan Statistical Area as the Chicago MSA or MSA.

Figure 4 shows that over this same period, the unemployment rate has gone up by nearly 50 percent for residents in the MSA as a whole. The unemployment rates in Cook County and Chicago rose somewhat less sharply, although these locations have higher unemployment rates in general.

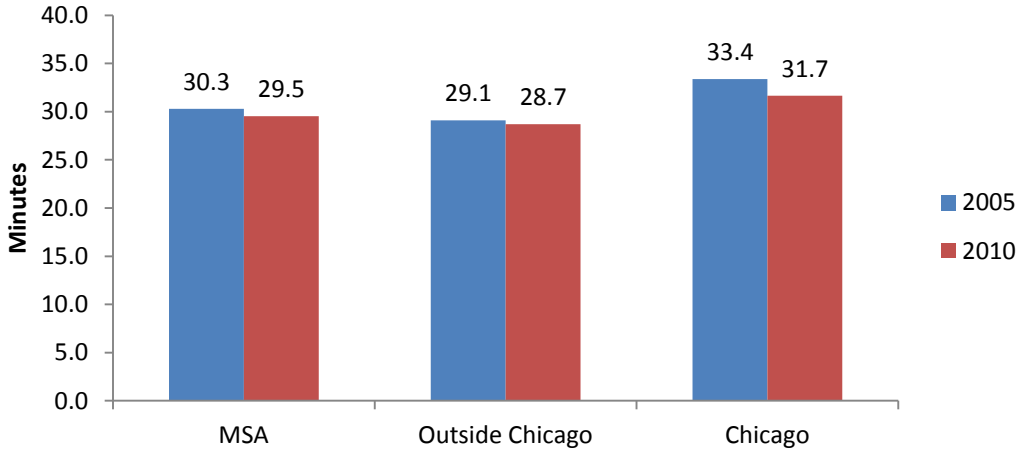
Figure 4: Unemployment rate



Source: American Community Survey. Steven Ruggles, J. Trent Alexander, Katie Genadek, Ronald Goeken, Matthew B. Schroeder, and Matthew Sobek. Integrated Public Use Microdata Series: Version 5.0 [Machine-readable database]. Minneapolis, MN: Minnesota Population Center [producer and distributor], 2010.

Figure 5 shows that commute times for workers in Chicago are longer than commute times for workers outside Chicago. As the labor market weakened between 2005 and 2010 (as exemplified in Figure 4), we might have expected that workers would be willing to commute farther for jobs leading to an increase in average commute times. In fact, Figure 5 indicates that average commute times in 2010 have declined relative to 2005. The decline in commute times in the MSA as a whole is driven mostly by those living in Chicago, as commute times dropped by almost 2 minutes in the city, but less than half a minute in areas not within the city.

Figure 5: Average commute time for employed workers

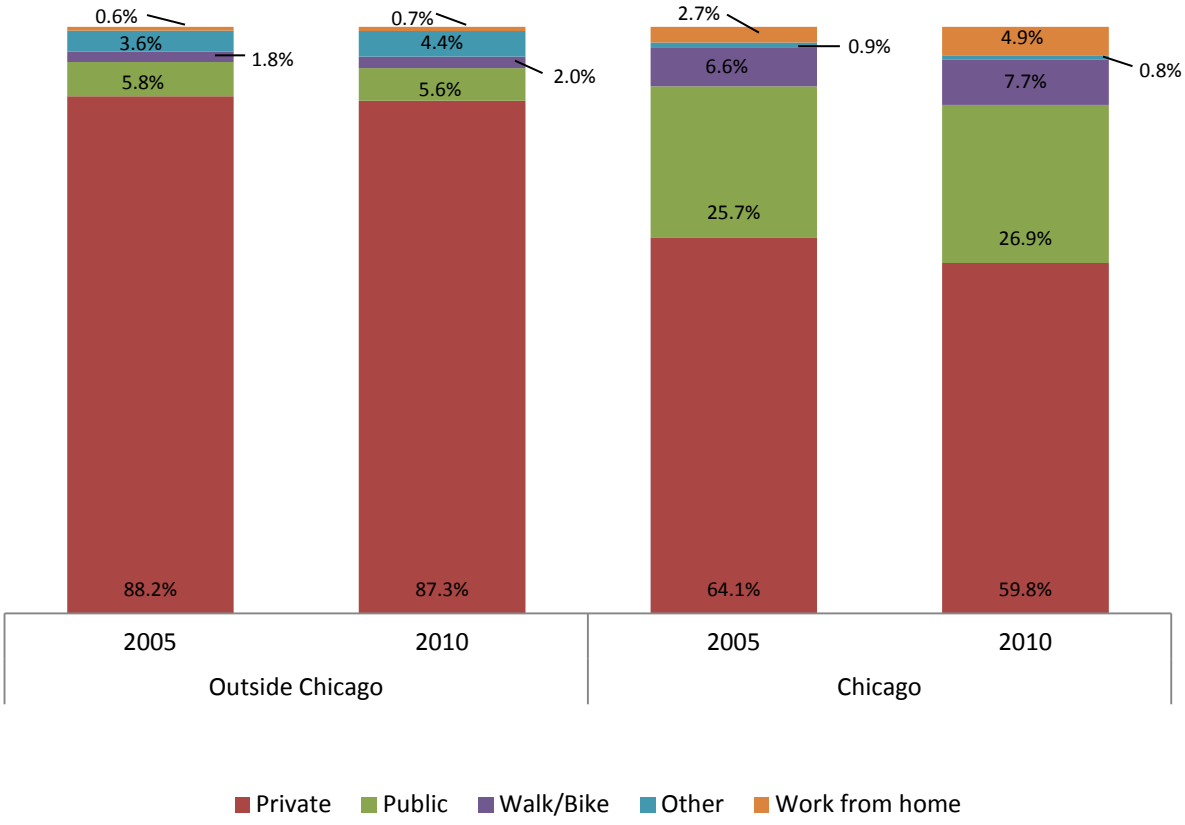


Source: American Community Survey. Steven Ruggles, J. Trent Alexander, Katie Genadek, Ronald Goeken, Matthew B. Schroeder, and Matthew Sobek. Integrated Public Use Microdata Series: Version 5.0 [Machine-readable database]. Minneapolis, MN: Minnesota Population Center [producer and distributor], 2010.

Commute times may be affected by changes in modes of transporation to work as well as changes in the location of jobs and people and road congestion more generally. In Figure 6 we present the percentage of employed workers using different modes of transportation—private (automobiles and motorcycles), public (bus, subway, train, taxicab, or ferryboat), walking or biking, working at home, and other—by residential location and over time. As is true generally in the U.S., most employed workers drive to work, although a much smaller share of city residents (59.8 percent) use private transportation than those residing outside of Chicago (87.3 percent).

Modes of transporation to work were largely unchanged among MSA residents living outside of Chicago. Within the city, however, the percent of workers driving to work declined by 4 percentage points between 2005 and 2010. This decline is accounted for by an increase in the percentages of workers using public transportation, walking or biking, and working at home. While average commute times are generally longer among workers using public transportation (data not shown), those who work at home have no commute, and those who walk or bike to work have shorter average commute times, thus helping decrease overall average commute times.

Figure 6: Proportion of each type of mode of transportation for outside and inside of Chicago (within MSA)



Source: American Community Survey. Steven Ruggles, J. Trent Alexander, Katie Genadek, Ronald Goeken, Matthew B. Schroeder, and Matthew Sobek. Integrated Public Use Microdata Series: Version 5.0 [Machine-readable database]. Minneapolis, MN: Minnesota Population Center [producer and distributor], 2010.

Figure 7a shows that average commute times outside of Chicago (but within the MSA) increase with educational attainment, but the story changes when looking at workers living inside Chicago (Figure 7b). In the city, average commute times are shortest for the most highly educated workers and actually decreased with education levels in 2010. Both inside and outside Chicago, commute times for the most highly educated (Bachelor's degree or higher) remained largely unchanged. For the least educated workers (high school dropouts), who also experienced the largest percentage point increases in the unemployment rate, average commute times rose by one minute in the city while average commute times fell for high school dropout workers living outside the city.

Figure 7a: Average commute for residents outside Chicago, by educational attainment

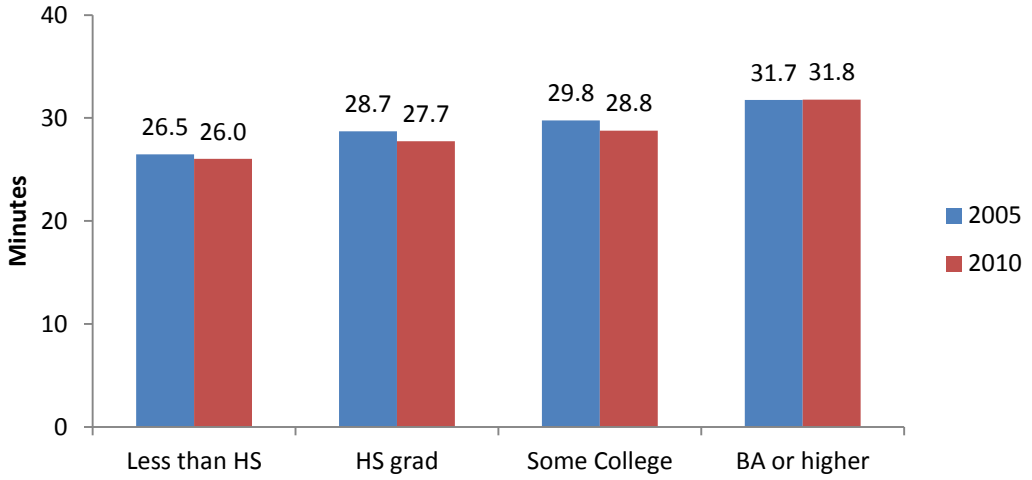
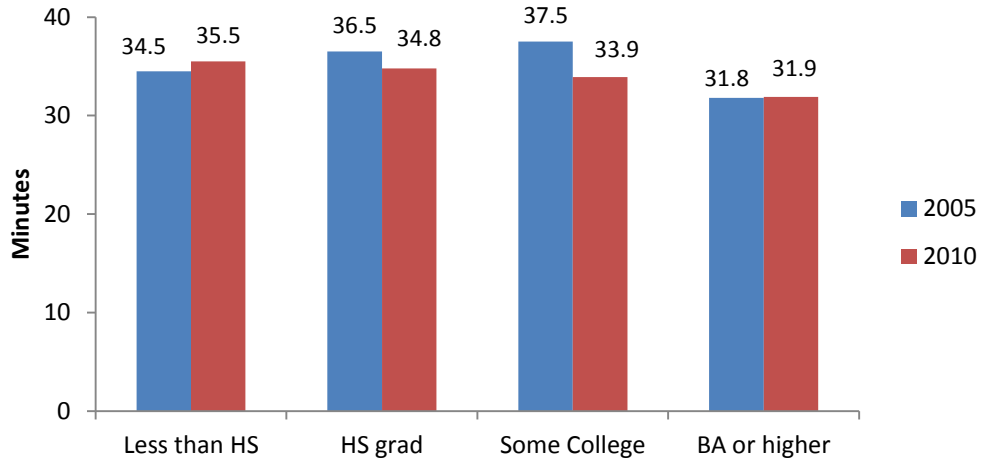


Figure 7b: Average commute for residents of Chicago, by educational attainment



Source: American Community Survey. Steven Ruggles, J. Trent Alexander, Katie Genadek, Ronald Goeken, Matthew B. Schroeder, and Matthew Sobek. Integrated Public Use Microdata Series: Version 5.0 [Machine-readable database]. Minneapolis, MN: Minnesota Population Center [producer and distributor], 2010.

Table 1 portrays average commute times by industry of employment for MSA residents. City residents have longer commute times than residents outside of the city across nearly all industries. Two exceptions are Financial Services, Insurance, and Real Estate (FIRE) and Professional Services for which city residents employed in these industries have shorter average commute times.

Relative to employment at the business cycle peak in December 2007, the Construction and Manufacturing industries experienced the largest employment declines and employment levels continue to remain well below December 2007 levels (See CWIC*stats* Dashboard Report 3rd Quarter 2011). Thus, we might expect to see average commute times rise for workers in these industries in particular. Indeed, average commute time for Manufacturing workers living in the city rose by 2.3 mintues, although it was mostly unchanged for workers living outside Chicago. In contrast, commute times for Construction workers were largely unchanged in the MSA outside Chicago and fell by 1.3 minutes for workers residing in the city.

Between 2005 and 2010 among city residents, workers in Professional Services, Education and Health Services, and Other Services experienced the largest declines in commute times, ranging from a 2.8 minute decline for Professional Services to a 4.1 minute decline for Other Services.

Table 1: Average commute time (in minutes), by industry

	Outside of Chicago		City of Chicago	
Industry	**2005**	**2010**	**2005**	**2010**
Construction	34.7	34.5	36.5	35.2
Manufacturing	30.0	29.7	33.2	35.4
Wholesale/Retail Trade	26.6	26.0	31.5	32.8
Transportation	33.0	31.9	37.7	36.2
Information	33.7	31.0	33.0	31.3
FIRE	34.0	34.4	32.4	30.9
Professional Services	32.9	32.3	34.3	31.4
Education and Health Services	26.3	26.2	32.2	29.3
Other Services, Including Public	27.5	28.6	34.8	30.7

Source: American Community Survey. Steven Ruggles, J. Trent Alexander, Katie Genadek, Ronald Goeken, Matthew B. Schroeder, and Matthew Sobek. Integrated Public Use Microdata Series: Version 5.0 [Machine-readable database]. Minneapolis, MN: Minnesota Population Center [producer and distributor], 2010.

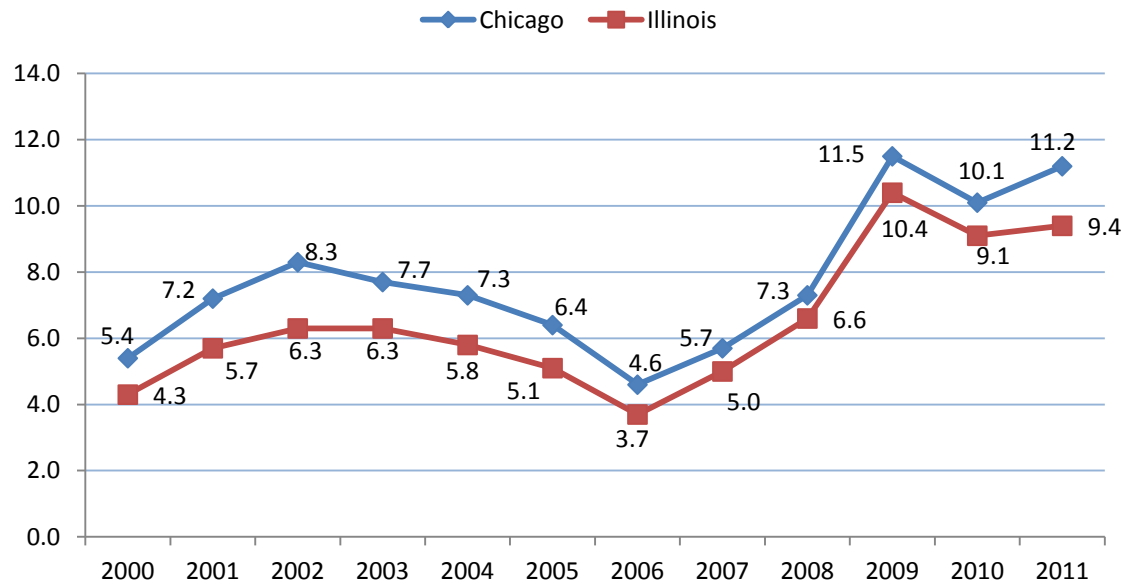
We find evidence that some city residents facing the most difficult job market—high school dropouts and manufacturing workers—experienced increases in average commute time. In contrast, we find decreased average commute time for city residents working in construction, and little to no change in commute times for high school dropouts and manufacturing workers living in the MSA but outside Chicago.

The overall decrease in commute times is hopefully part of a larger trend that will continue through the recovery. However, the fact that commute times have increased for some categories of the workers may be due to the weak labor market and the fact that many workers are willing to commute longer for a job.

Job *stats*

The unemployment rate during November of 2011 was higher than the same period in 2010 in both Chicago and Illinois. In addition, the gap between Illinois and Chicago unemployment has increased in 2011.

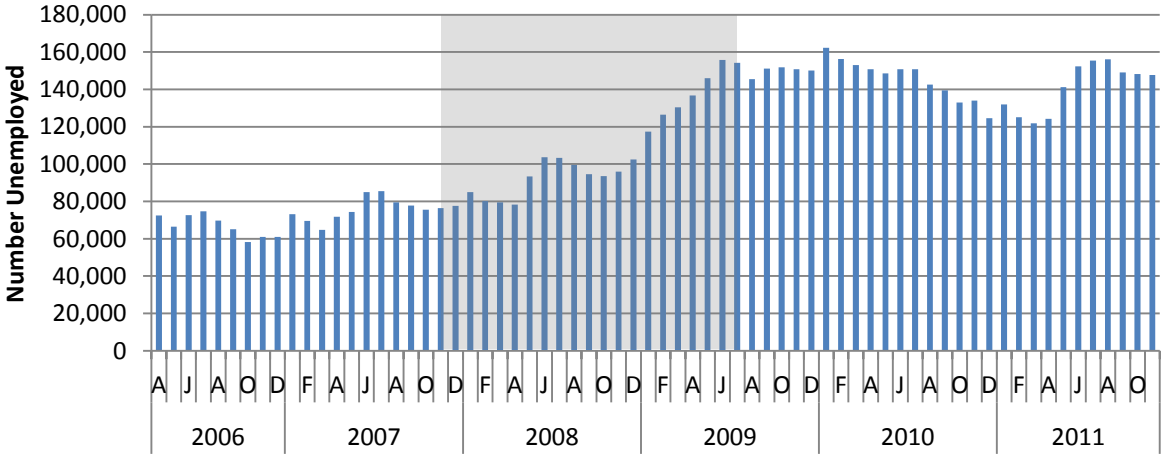
Chicago and Illinois unemployment rates <u>for the month of November</u> from 2000-2011



Source: IDES, not seasonally adjusted

The total number of unemployed labor force participants in Chicago has been above 140,000 from May until November 2011. In contrast, unemployment was below this number for the last 4 months of 2010.

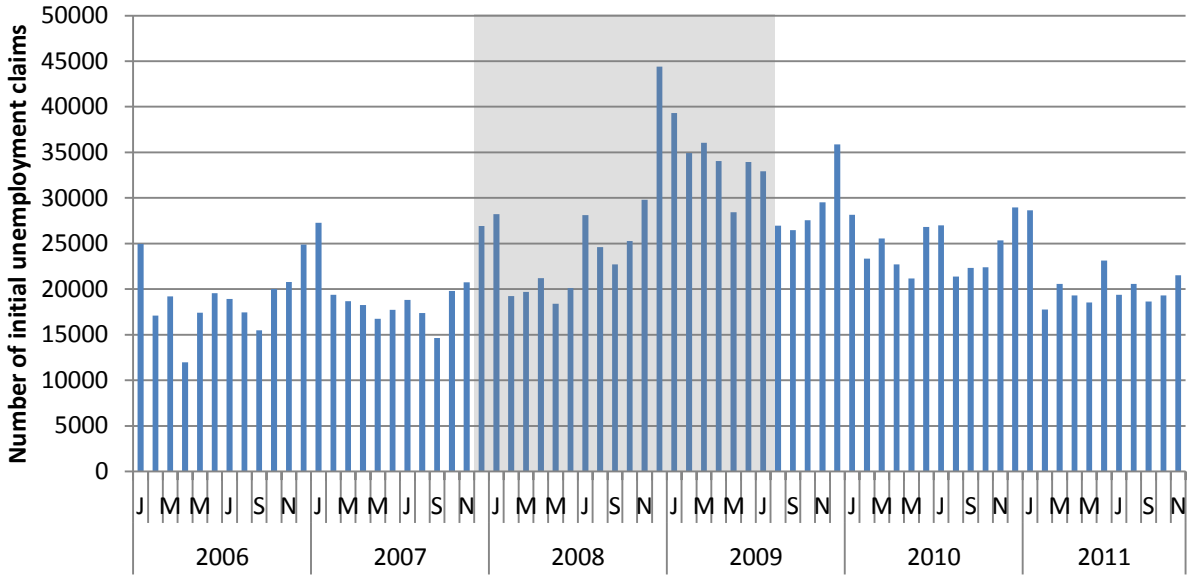
Number of unemployed in Chicago 2006-2011



Source: IDES, not seasonally adjusted. The NBER-dated recession from December 2007 to June 2009 is shaded in gray.

The number of initial unemployment insurance claims in Cook County climbed to 21,532 claims in November. However, the number of claims in September, October, and November of 2011 was lower than those months in 2010.

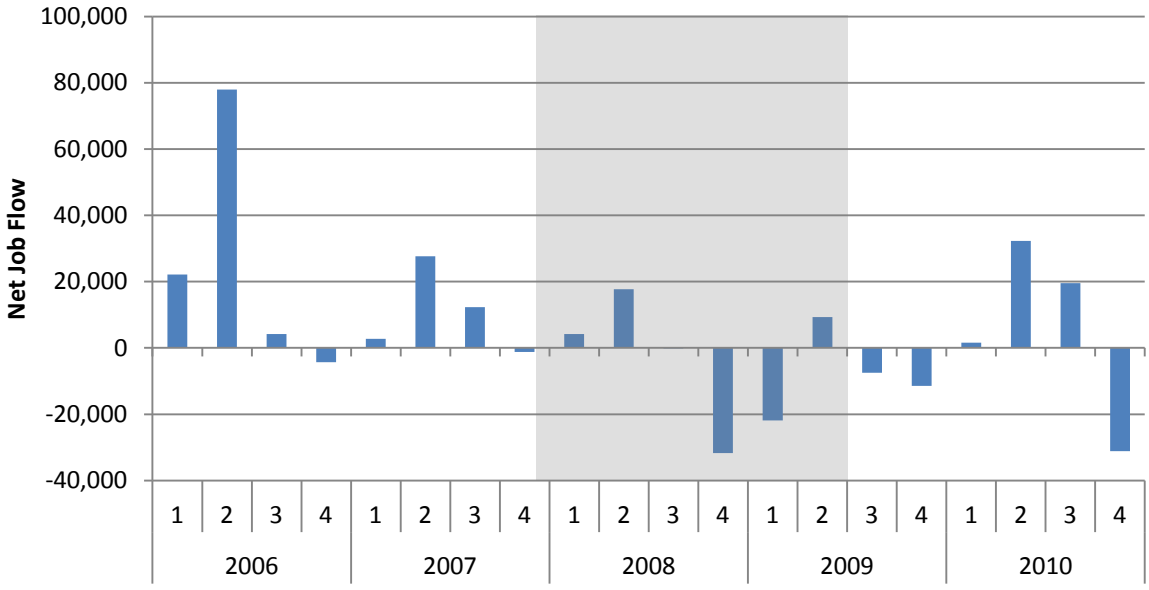
Initial unemployment insurance claims in Cook County by month 2006-2011



Source: IDES, not seasonally adjusted. The NBER-dated recession from December 2007 to June 2009 is shaded in gray.

Chicago lost 31,105 jobs in the 4th quarter of 2010, which is more than were lost in the same quarter in 2009, and almost as many as were lost during the recession-plagued 4th quarter of 2008.

Chicago job flow by quarter 2006-2010
(the change in the absolute number of employees at businesses from one period to the next)

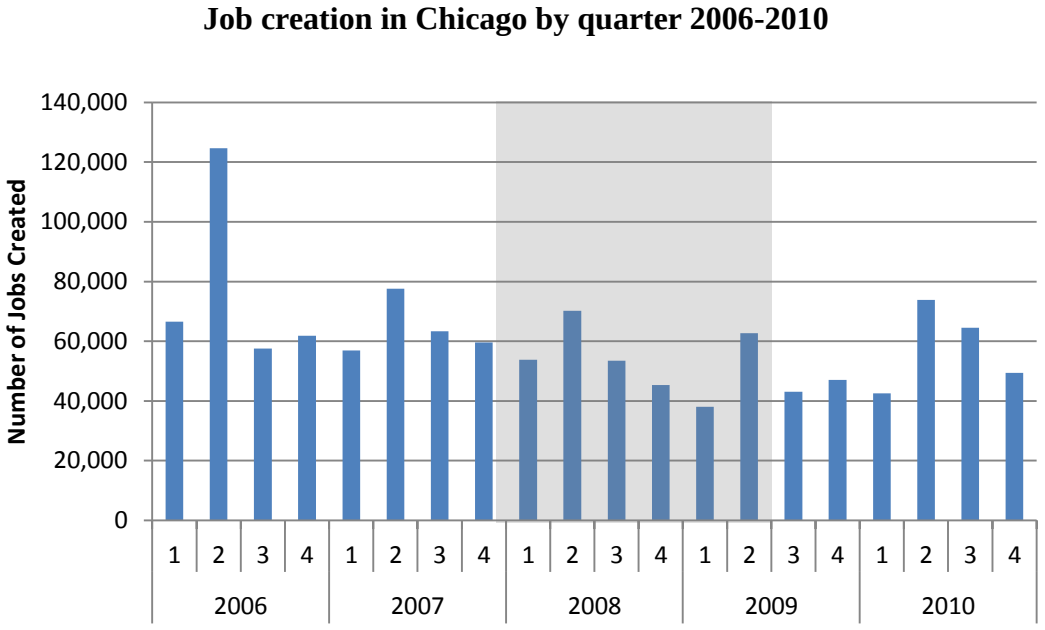


Source: IDES, not seasonally adjusted. Note: There is a one-year lag in the data for job flow. The NBER-dated recession from December 2007 to June 2009 is shaded in gray.

The total number of new hires dropped to below 150,000 in the 1st quarter of 2011. Nevertheless, this was the highest level of new hires during the 1st quarter of a year since 2008, which was the first full quarter of the recession.

Source: IDES not seasonally adjusted. Note: There is a one-year lag in the data for new hires. The NBER-dated recession from December 2007 to June 2009 is shaded in gray.

Fewer than 60,000 jobs were created in Chicago during the 4th quarter of 2010. This is a similar level to that of the 4th quarter of 2008 and 2009, when the country was in a recession and just getting out of a recession, respectively.

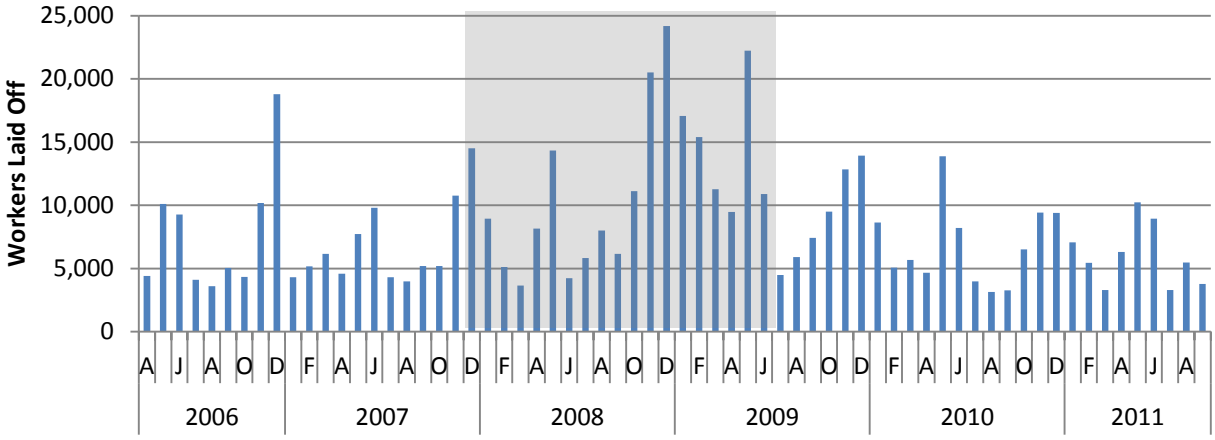


Source: IDES not seasonally adjusted. Note: there is a one-year lag in the data for job creation. The NBER-dated recession from December 2007 to June 2009 is shaded in gray.

Business *stats*

Mass layoffs were less than 4,000 during July and September, and almost 5,500 in August.

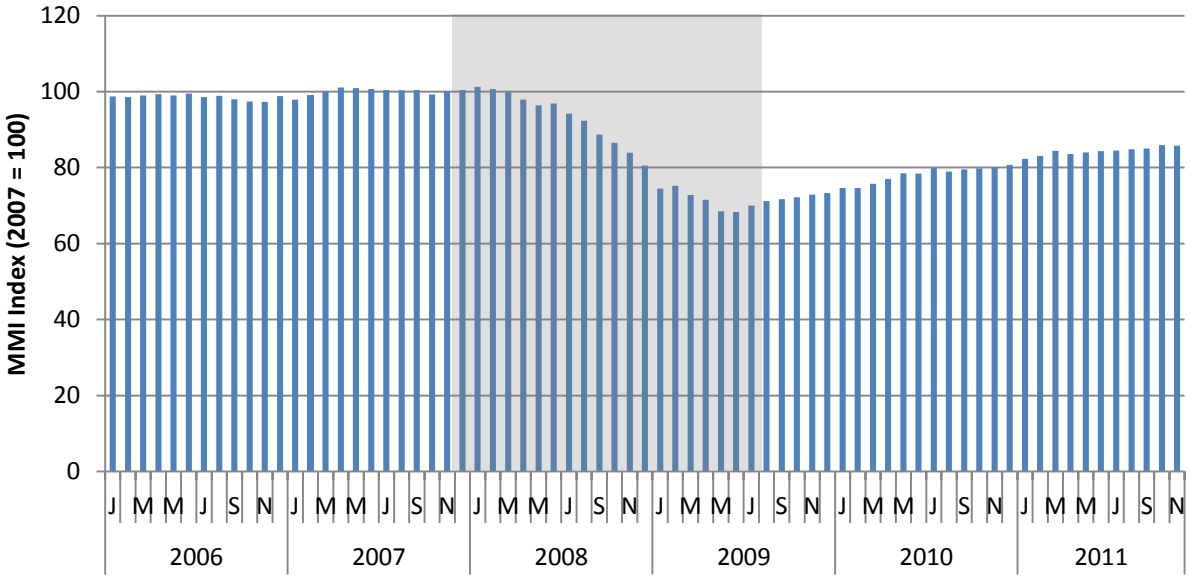
Workers separated in extended mass layoffs in Illinois 2006-2011 (layoffs that included at least 50 separations and lasted more than 30 days, excluding government and agriculture)



Source: IDES, not seasonally adjusted. The NBER-dated recession from December 2007 to June 2009 is shaded in gray.

The Midwest Manufacturing Index, which measures industrial activity, has been on a steady rise since May 2009. Midwest manufacturing activity in October and November reached its highest level since October 2008.

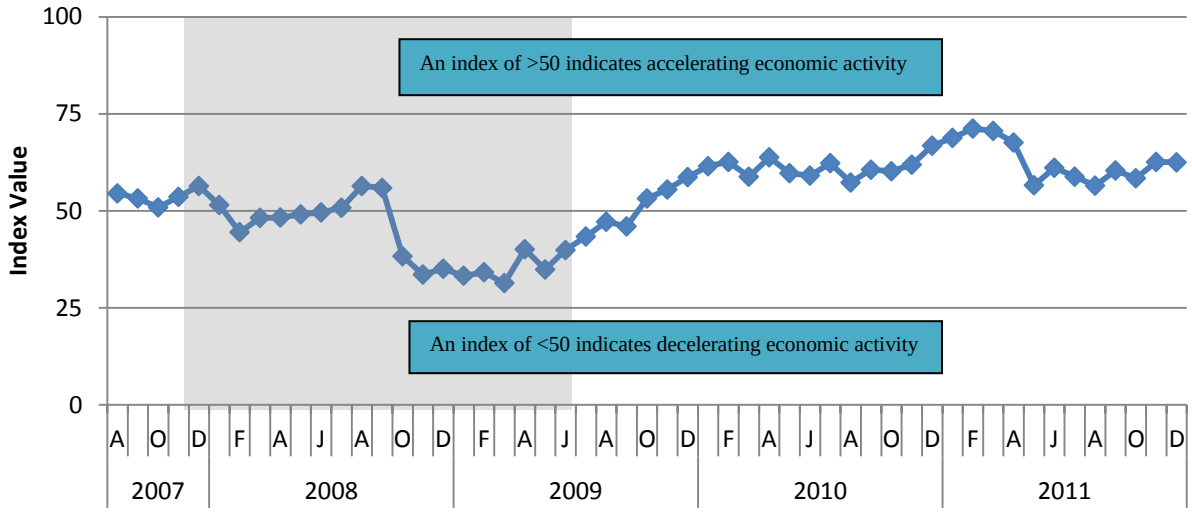
Midwest Manufacturing Index 2006-2011 (2007=100)



Source: Federal Reserve Bank of Chicago, seasonally adjusted. The NBER-dated recession from December 2007 to June 2009 is shaded in gray.

The survey of Chicago area purchasing managers continues to indicate accelerating business activity.

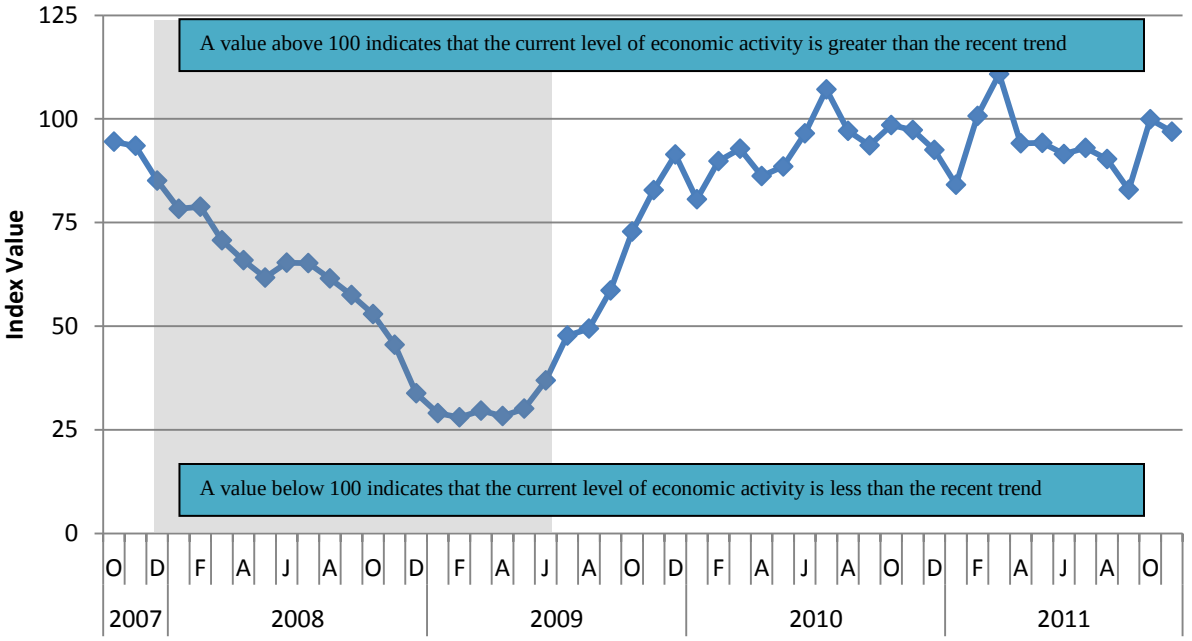
Chicago Business Barometer 2007-2011



Source: Institute of Supply Management-Chicago, seasonally adjusted. The NBER-dated recession from December 2007 to June 2009 is shaded in gray.

The University of Illinois' business activity index remained below 100 in October and November of 2011, indicating that the local economy will continue to operate somewhat below trend activity levels over the next few months.

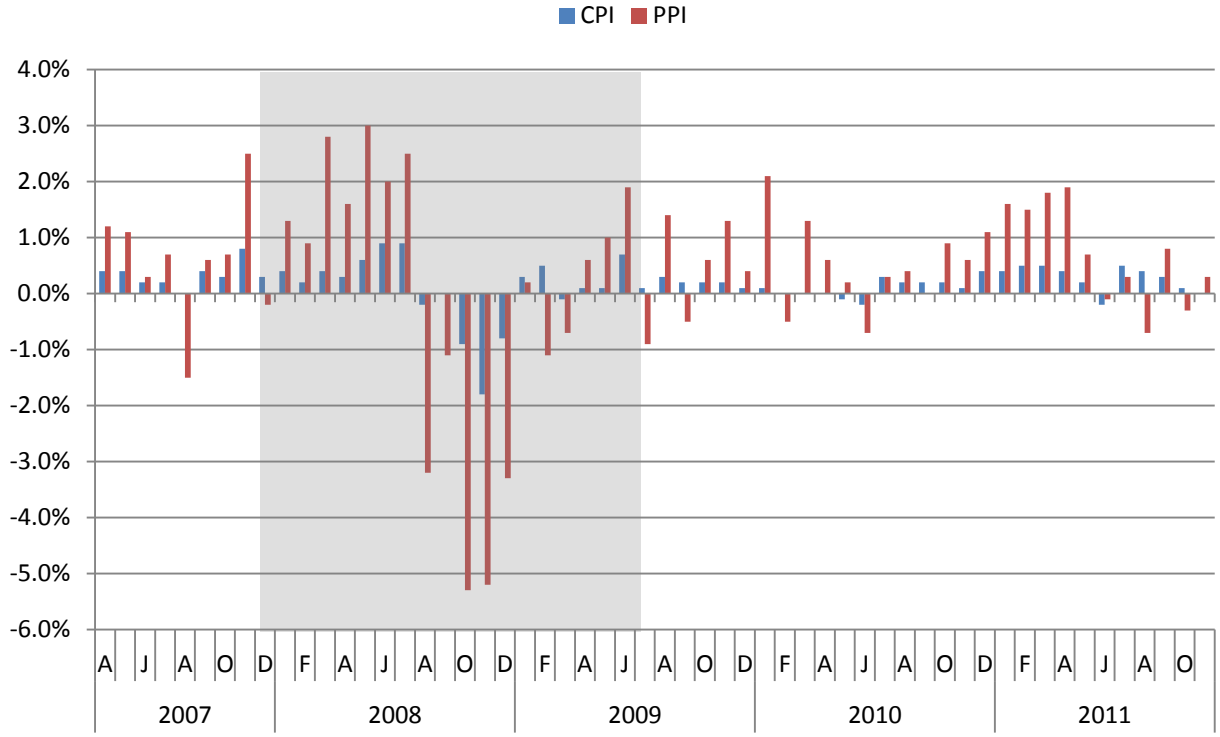
Chicago Business Activity Index 2007-2011



Source: University of Illinois Regional Economic Analysis Laboratory (REAL), seasonally adjusted. The NBER-dated recession from December 2007 to June 2009 is shaded in gray.

The one-month percent changes in the CPI were -0.1 and 0.0 percent, respectively, for the first two months of the 4th quarter of 2011, down from one-month changes of 0.5, 0.4, and 0.3 percent in July, August, and September. One-month percent changes in the more volatile PPI were also relatively low for the first two months of the 4th quarter of 2011, at -0.3 and 0.3 percent.

Consumer Price Index and Producer Price Index Monthly Inflation, 2006-2011



Source: Bureau of Labor Statistics, seasonally adjusted. The NBER-dated recession from December 2007 to June 2009 is shaded in gray.

Definitions, Sources, and Notes

Front page

IDES develops unemployment rates for metropolitan areas, counties and cities through a complex, multi-step process that includes a variety of data inputs, such as total non-farm employment estimates, unemployment insurance claims, population and employment data from the Census Bureau and employment and unemployment controls used to adjust for groups not covered by the Unemployment Insurance system.

- **Total in labor force** Included are all persons in the civilian non-institutional population classified as either employed or unemployed.
- **Total employed** includes those who, during the reference week (the week including the twelfth day of the month), (a) did any work as paid employees, worked in their own business or profession or on their own farm, or worked 15 hours or more as unpaid workers in an enterprise operated by a member of their family, or (b) were not working but who had jobs from which they were temporarily absent. Each employed person is counted only once, even if he or she holds more than one job.
- **Unemployed** as measured by IDES are those individuals who had no employment during the reference week, were available for work (except for temporary illness) and had made specific efforts to find employment some time during the 4 week-period ending with the reference week. Persons who were waiting to be recalled to a job from which they had been laid off need not have been looking for work to be classified as unemployed.
- **Unemployment rate** is the total unemployed as a percent of the civilian labor force. The rates are not seasonally adjusted.
- **Initial unemployment claim**s come from the **Illinois Department of Employment Security (IDES)** administrative data. They are requests for determination of insured status (new claim) or notices filed when a break in job attachment has occurred (additional claim). Insured status refers to qualifying base period wages with an insured employer and the determination of the individual's weekly benefit amount.

Featured *stats*

All data are from the 2005 and 2010 American Community Survey, which is conducted by the Census Bureau each year. In order to access the data, we used the Integrated Public Use Microdata Series, which is run by the Minnesota Population Center at the University of Minnesota.

- **Metropolitan Statistical Area** is a boundary of counties or combinations of counties centering on a substantial urban area, in our case Chicago.
- **American Community Survey** is an ongoing survey produced by the Census Bureau that provides data every year for a representative sample of the country and local areas.
- **Commute time** is a variable that is presented in the ACS and measures the average minutes it takes the respondent to get from his/her house to work on a given day.
- **Educational Attainment** is the highest level of education achieved by the respondent. We collapsed the categories to include Less than a High School diploma, Graduated High School, At Least Some College (including Associates' degrees), and At Least a Bachelor's Dedgree.
- **Mode of Transportation** is a variable presented in the ACS that reflects respondent's primary means of transportation to work over the course of the previous week.
- **Industry** is type of industry in which the respondent in the ACS claimed to have performed an occupation.

Job *stats*

The **job change** statistics below come from Local Employment Dynamics (LED), a partnership between IDES and the U.S. Census Bureau to develop information about local workforce and labor market conditions. This information is built from sources that cover more than 90% of total wage and salary civilian jobs, primarily state and federal administrative records. Exclusions to this coverage include federal government workers, agricultural workers, domestic workers, and the self-employed.

- **Net job flow** is the total difference in employment at businesses from one period to the next.
- **New hires** is the number of current employees who were not employed by their current employer in the previous quarter.
- **Job creation** is the number of new jobs created by expansion of existing firms or establishment of new firms within the area.

Business *stats*

- **Mass layoffs** are all layoffs reported to **IDES** in which 50 or more employees were separated for 30 or more days. It excludes government and agriculture.
- The **Midwest Manufacturing Index** is produced by the **Federal Reserve Bank of Chicago**. It is the composite measure of hours worked in manufacturing companies in 15 industries in Illinois, Michigan, Wisconsin, Iowa, and Indiana, seasonally adjusted.
- The **Chicago Business Barometer** is a seasonally adjusted index produced by the **Institute for Supply Management – Chicago**. It is based on a survey of Chicago area purchasing managers working for local, national, or multinational firms.

- The **Chicago Business Activity Index** is produced by the **University of Illinois Regional Economics Application Laboratory**. It measures the business cycle status of the six-county Chicago area. It tends to lead the local business cycle by two-to-three months. For more information, see: http://www.real.illinois.edu/
- The **Consumer Price Index** measures the seasonally adjusted average change in prices paid for a market basket of goods and services by urban consumers as calculated by BLS.
- The **Producer Price Index** measures the seasonally adjusted average change over time in the selling prices received by domestic producers for their commodities produced as calculated by BLS.

This report was prepared by the CWICstats team from Chapin Hall at the University of Chicago.

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The Chicago Workforce Investment Council (CWIC) is a non-profit organization created in 2009 to ensure that Chicago has a skilled and educated workforce to keep our businesses, economy, communities, and families healthy and productive. CWIC monitors over $300 million of public investment in education and workforce training, and coordinates resources to ensure these investments support the overall health of our economy.

For more information contact CWIC at:
60 West Randolph, Suite 200
Chicago, IL 60601
Tel 312-553-4430

CHICAGO WORKFORCE INVESTMENT COUNCIL