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Report says youth unemployment chronic, concentrated and deeply rooted

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Chicago is making scant progress in its ongoing battle against rampant youth joblessness, new statistics show, though there is a modicum of good news.

The share of 20- to 24-year-old black men who were neither working nor in school declined modestly between 2014 and 2015, from a dismal 47 percent to a still-dismal 43 percent, according to a report set to be presented Monday at the Chicago Urban League's annual forum on the youth unemployment crisis.

But even more sobering are long-term data showing how Chicago came to be a national leader in joblessness among young people, particularly young black people living in the highly segregated neighborhoods wracked by violence.

The steep decline of well-paying manufacturing jobs, the rise of low-paying retail jobs and the "emptying out of jobs" from the neighborhoods as commerce centralized downtown changed the economic structure of the city to the detriment of black and, to a lesser extent, Latino youth, the study found.



Darron Gunnings, 18
Community Christian Alternative Academy

Darron Gunnings, 18, lives in Altgeld Gardens and goes to high school at CCA Academy. After a short time in jail and on house arrest after he was caught with a gun at school, that experience, plus several mentors that were important to him, help set him straight and obtain a summer job.

Teresa Cordova, director of the Great Cities Institute at the University of Illinois at Chicago and co-author of the report, said it's easy to blame individual weaknesses for employment struggles, but the trends suggest a far more complex challenge that demands a comprehensive response.

"The solutions have to address some of these structural dynamics," Cordova said.

"More than ever it makes the case about why this is everybody's problem."

The forum, in its sixth year, comes as Chicago draws national headlines — and President Donald Trump's attention — for soaring violence that won't seem to quit. Chicago experienced its worst violence in two decades last year, with more than 4,300 people shot and 762 killed, according to Police Department statistics. The violence has continued at comparable levels so far in January.

Trump tweeted on Tuesday that he would "send in the Feds!" if Chicago doesn't fix the "carnage," though it wasn't clear if he meant troops or another kind of intervention.

Cordova had a suggestion.

"If he wants to involve the federal government in helping to address our problem of violence, then send us federal dollars for summer employment, jobs programs and dollars to revitalize our neighborhoods," she said.

Joblessness is among multiple factors contributing to Chicago's violence, the report said. Of the city's 77 community areas, just five accounted for a third of the homicides



Toni Ross works at Food and Paper Supply Co. on Jan. 27, 2017, in Chicago's Grand Crossing neighborhood. Ross has worked at the food service distributor for 27 years; she was hired through a youth program and is now store manager. The business' co-owner is slated to speak at a forum on youth unemployment Jan. 30, 2017. (Phil Velasquez / Chicago Tribune)

last year, and those same five had jobless rates ranging from 79 to 92 percent for teens and 49 to 70 percent for young adults.

Joblessness, which in this context describes anyone who is not working, is not the same as unemployment, which describes those who are not working but are actively looking for work.

Youth have said at past forums that jobs offer income and exposure to opportunities that demonstrate an alternative to the illegal activities happening outside their doorsteps. They also have said jobs are difficult to land.

Darron Gunnings, 18, who is one of six young people scheduled to speak at Monday's forum, feels lucky that his mom was on him to study and find a summer job, because many of his peers don't have that influence.

"They don't come from that kind of family," said Gunnings, who worked summers as a youth leader in agriculture at UCan, a social services organization in North Lawndale where his mom works.

Gunnings, who lives in the Altgeld Gardens public housing project on the city's southern edge, had his own struggles. He got into fights, and was placed on 24-hour house arrest for a summer after a gun was found in his backpack at school. He said he had taken it off of a friend who brought it to ward off bullies who tried to rob students heading home from school.

The experience changed him. He got his grades up and committed to being a leader.

Gunnings, who belongs to several youth groups, also credits several mentors — his stepfather taught work ethic and humility, his basketball coach taught him how to look people in the eye — for setting him on a solid path and exposing him to a broader world. Gunnings, who is on track to graduate from CCA Academy this June, speaks eagerly of visiting the green landscapes of Ireland, the cherry blossoms in Japan and the Hawaiian reefs.

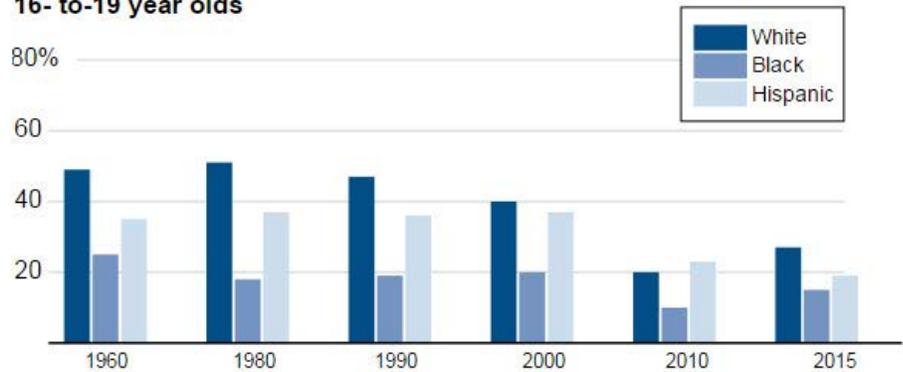
Jack Wuest, executive director of the Alternative Schools Network, which commissioned the Great Cities report, worries not enough kids are having that experience.

A lack of federal funding for summer jobs has left kids without early work experience and the elemental skills, such as how to take direction or show up on time, that make them good employees, he said.

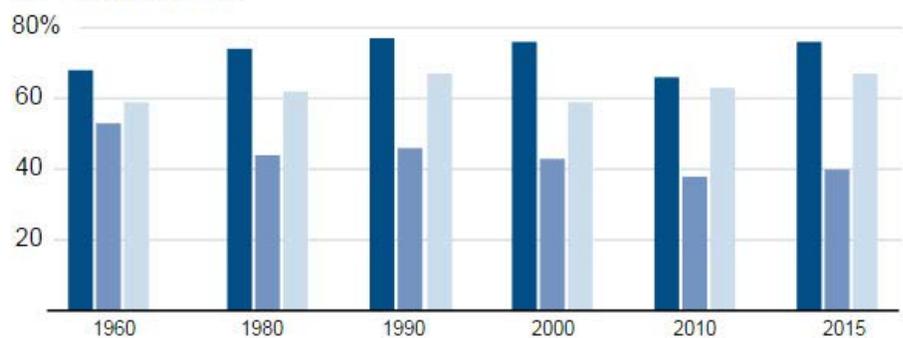
"There has just been this huge gap, and I think it's going to affect the economy

Chicago employment by race, ethnicity

16- to-19 year olds



20- to-24 year olds



NOTE: Black and white categories do not include Hispanic or Latino respondents

SOURCE: Analysis of Census and American Community Survey data by University of Illinois at Chicago's Great Cities Institute

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because of the labor shortages businesses already are talking about," Wuest said.

Chicago's problems with youth unemployment have stood out because of severe racial disparities that are starker than in cities like New York City and Los Angeles, especially among 20- to 24-year-olds. On most measures, blacks do far worse and whites do significantly better in Chicago than in those cities and compared with national averages. Chicago's Latino youth employment rate, meanwhile, largely mirrors the nation's.

Take the statistics on early 20-somethings who were both out of school and out of work, a population that worries policymakers. In Chicago in 2015, 40 percent of young blacks fell into that category, compared with 7 percent of whites and 21 percent of Hispanics, according to Great Cities. Nationally, the rate was 25 percent of young blacks, 13 percent of whites and 19 percent of Hispanics.

The racial disparities were not so great among 16- to 19-year-olds who were not working or in school. Thirteen percent of black Chicago teens and 6.3 percent of white Chicago teens fell into that category, both a notch above the national averages, and 8

percent of Hispanic teens, a notch below.

It isn't clear why the racial gap widens so drastically after the teen years. But it appears that it has gotten worse over the decades.

The economic forces driving some of those trends can be traced to Chicago's heavy reliance on manufacturing jobs and their steep decline, according to the Great Cities report.

The city's youth were more likely than youth nationally to work in manufacturing, so the industry's fall hit them harder, particularly Hispanics.

The jobs that filled the void tell the other part of the story.

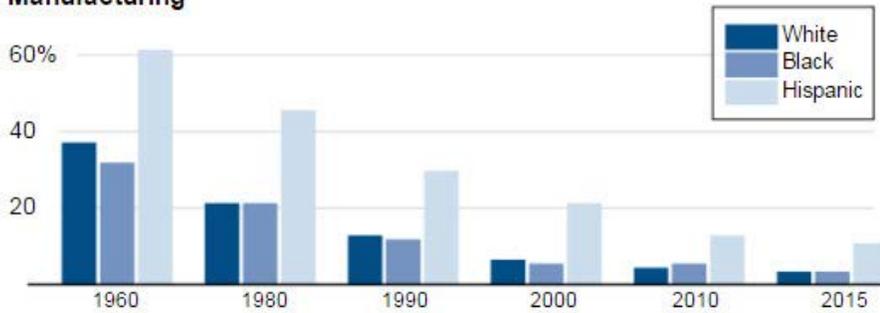
By 2015, nearly half of employed black 20- to 24-year-olds and 40 percent of Hispanics in that age group were working in retail, compared with 30 percent of whites. Whites were more likely to work in professional and related services jobs, a diverse category that includes hospitals and legal services.

Those differences were felt in people's paychecks. More than 70 percent of retail jobs held by early 20-somethings in 2015 paid less than \$20,000. That compares with 61

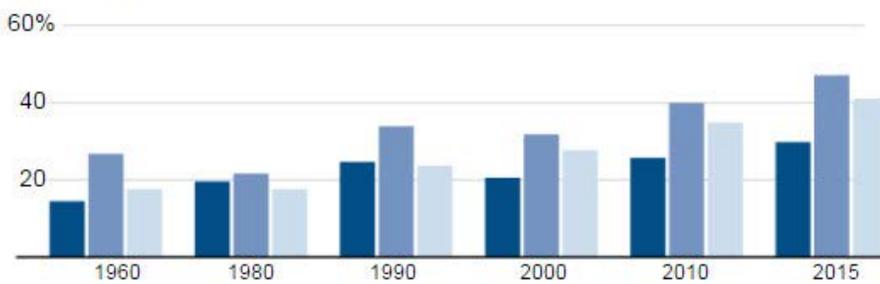
Employment type by race, ethnicity

For 20- to-24 year olds in Chicago

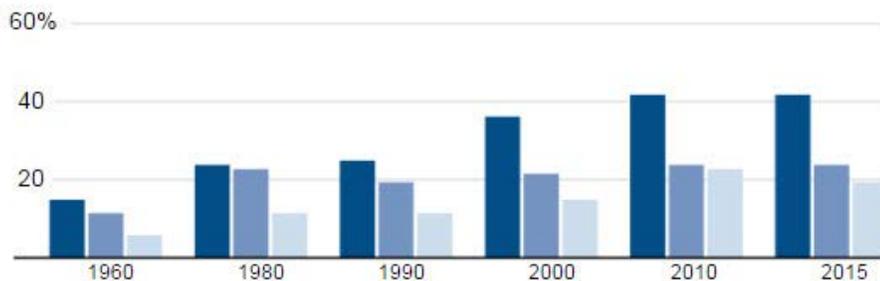
Manufacturing



Retail trade



Professional Services



NOTE: Black and white categories do not include Hispanic or Latino respondents

SOURCE: Analysis of Census and American Community Survey data by University of Illinois at Chicago's Great Cities Institute

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percent of professional and related services jobs in 2015 and just 36 percent of manufacturing jobs in 1960.

The earnings of youth have greatly suffered with the industry shifts, the report said. No longer can an early job pay for a home, bills or college tuition.

At the same time, jobs left the neighborhoods, which leads to population and business flight that compounds community hardships, according to Great Cities, which crunched data from the Illinois Department of Employment Security.

Manufacturing jobs, which in 1970 were present in all Chicago ZIP codes, are nearly wiped off the map in 2015. Retail jobs, which in 1970 had big hubs in certain South

and West side neighborhoods, by 2015 were concentrated downtown and on the North Side.

To be sure, youth of all races have struggled with employment, particularly teens, who have seen employment rates plunge over the past 15 years. The employment rates among white and black teens have recovered some since the recession but have not returned to pre-recession levels, while rates for Latino teens have continued to fall even during the economic recovery.

But black youth in Chicago are consistently at the back of the hiring line. Among 20- to 24-year-olds, only blacks had lower employment rates in 2015 than they did in 1960.

Among the broad recommendations in the

report are to revive economically abandoned neighborhoods, prepare young people from those neighborhoods for available jobs, reduce employment barriers for youth with criminal records and create new opportunities, such as apprenticeships.

Wuest says he hopes Trump will consider these youth if he moves forward with a big infrastructure project.

The issue is getting some resources, including \$36 million that the city will invest in mentorship programs.

Cook County Board President Toni Preckwinkle, who will join Sen. Dick Durbin, D-Ill., and two dozen other public officials at the forum, said the county since 2013 has put \$11.5 million toward addressing community dysfunction on the front end, before youth get into the criminal justice system. Most of that is for violence prevention, anti-recidivism and restorative justice, but \$1 million of it is for a pilot employment program, expected to start in June, to help 200 "opportunity youth" (16- to 24-year-olds who are not working or in school or at risk of getting involved in the justice system) in select communities get training .

Still, Shari Runner, president and CEO of the Chicago Urban League, feels frustrated by the lack of progress.

Though last year's widely-read Great Cities report highlighting the racial disparities drew outrage, "there wasn't much movement" taken to combat it in the aftermath, Runner said. In part that's because the state's budget standoff is not encouraging businesses to invest in neighborhoods that need an infusion, but there are also deep-seated challenges with schools not preparing students for jobs that are available, she said.

The next step, she said, is for the business community to invest in the city youth who need it most, training those who are out of school already as well as kids who are in school now.

Danny Friedman, vice president and co-owner of Food and Paper Supply Co. in the Grand Crossing neighborhood on the South Side, said businesses will be better for it.

Friedman, one of two business owners scheduled to speak at the forum, hires youth from the community as well as from a job prep program for kids who are wards of the state. Many are long-term employees and two are now managers.

The interview process is eye-opening, he said. Some kids come in a suit and tie; others are far underdressed. But he looks past initial

perceptions to see if they have the right personality and ability to lift things. The company, founded in 1976, delivers paper and food products to restaurants and operates a wholesale store.

Friedman said he would hire more youth if the government would subsidize an internship program, reducing his risk. There are sometimes challenges, such as having to re-emphasize the dress code, but he says that's true for most teens without job experience.

“These are kids who are ready to learn and our government should be involved for a greater self-interest,” he said. “A good citizen is not a burden on society, but is a benefit.”

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