

Unemployment rate for Chicago's black youth improves: report

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A new report on youth unemployment in Illinois offers some good news: The alarmingly high rate of young black men and women in Chicago who are neither working nor in school dropped markedly between 2014 and 2016 as the economy continued its recovery from the Great Recession.

But there is plenty of bad news, as white and Hispanic women in Chicago saw their rates of disconnection from work and school climb. And researchers for the first time examined youth joblessness in mostly white downstate areas, finding pockets of rural Illinois where the crisis is particularly severe.

The report from the Great Cities Institute at the University of Illinois at Chicago is the latest in an annual series on youth unemployment commissioned by the nonprofit Alternative Schools Network.

Its release comes as the nation's low 3.9 percent unemployment rate and record number of job openings leave employers struggling to fill positions.

To Jack Wuest, executive director of the Alternative Schools Network, the data demonstrate an urgent need for more government-subsidized jobs so young people can gain basic work skills and become contributing members of the labor force.

"Getting people on their feet, doing some work, out of the house, gives them a sense of dignity and power that they can spend money on what they like as well as take care of their family," he said.



In Peoria, Kankakee, Tazewell and Sangamon counties, the decline of good-paying manufacturing jobs and the rise of low-wage retail jobs have changed the employment prospects of youths and adults. (David Paul Morris / Bloomberg)

The report measures joblessness beyond official unemployment, which only counts people who are actively looking for work, and captures those youths who enter adulthood disconnected from both work and school. While teen unemployment has been on the decline for decades, in part because more kids are focusing on school or doing internships, the population of disconnected young adults has grabbed the attention of local policymakers in recent years as gun violence has wracked poor, mostly black neighborhoods on Chicago's South and West sides.

The first Great Cities report two years ago found nearly half of 20- to 24-year-old black men in Chicago were neither in school nor working in 2014, more than double the rate for young Latino men and nearly six times the rate for young white men.

That figure for black men has since dropped, to 37 percent in 2016 from

46 percent, while the share of black women in that age group who were neither working nor in school declined to 30 percent from 34 percent, according to the new report. White and Hispanic men also saw improvements.

The trend is encouraging, the researchers said, but they cautioned that black youths are particularly vulnerable to economic downturns so the gains are likely temporary.

Meanwhile, for uncertain reasons, the share of 20- to 24-year-old Hispanic women not working nor in school rose to 23 percent from 16 percent over the two years, and among white women in that age group the share rose to 7.6 percent from 4.4 percent.

"It's puzzling," said report co-author Matt Wilson, economic development planner at Great Cities, which used data from the American Community Survey to produce the report.

Another surprising finding in the new report was how much worse the situation was in parts of southern and central Illinois compared with Cook County, Wilson said.

The rate of 20- to 24-year-olds who were neither working nor in school was highest, at 25 percent, in a 17-county cluster at the southern tip of Illinois, as well as in a region that includes Kankakee, Livingston, Ford, Iroquois and Vermillion counties. By comparison, Cook County's rate was 18 percent.

More than 20 percent of white young people in those downstate communities were out of work and school, compared to 8 percent in Cook County, according to the report, which averaged data from 2012 through 2016 for the regional comparisons to increase sample sizes.

Black youths also fared far worse in some of those rural communities than in Cook County, with 64 percent out of work and school in a 17-county region in central Illinois that includes Marion and Effingham counties.

Great Cities Director Teresa Cordova called the problem of youth joblessness "chronic, concentrated and entrenched" in areas whose economies were upended decades ago by the loss of middle-class manufacturing jobs.

"We do really feel that if policymakers, the corporate sector, really pay attention to what has been the devastating impact of all this industrial restructuring, then we can start really focusing on ways to provide avenues for people into the new economy," she said.

The researchers analyzed four downstate counties — Peoria, Kankakee, Tazewell and Sangamon — where the decline of good-paying manufacturing jobs and rise of low-wage retail jobs have changed the employment prospects of youths and adults. One commonality is that the share of 16- to 19-year-olds working has declined significantly over the past 25 years as

older workers took the kinds of jobs that were traditionally the realm of teens.

Between 1980 and 2012-2016 in Peoria, the share of 20- to 24-year-olds working in manufacturing, which paid median annual earnings of \$60,828 in 2016, declined from 24 percent to 9 percent. Meanwhile, the share working in retail, which paid a median of \$26,359 a year, grew from 23 to 37 percent.

There also has been growth in jobs in professional and related services, but the median pay for that field, at \$40,000 a year, is still less than manufacturing.

Meanwhile, the percentage of the population living under the poverty line in Peoria nearly doubled, to 18 percent, while the share of middle-income households fell.

"When you have transformations in larger areas with dynamic economies, like Chicago, they can weather it, but in these smaller areas with fewer industries they can't," Wilson.

Some downstate communities are investing in their youths in order to keep their local economies viable.

In the River Bend region in southwestern Illinois, local businesses fund a program called Creating Entrepreneurial Opportunities, which gathers select students from three high schools in the morning before school and takes them to local businesses so they can see the kinds of employment opportunities available. They must dress in business casual attire and learn basic skills such as punctuality and eye contact, and by the end they write their own business plans.

"The kids are being exposed to things that they didn't even know are in their communities," said John Keller, head of the RiverBend Growth Association, the local chamber of commerce. "They didn't even know that plastic parts get manufactured around here."

The goal is not only to prepare youths for the working world, but to plug the brain drain that threatens the workforce as talented youths leave their hometowns.

"We need our next generation of business leaders," said Katie McBee, facilitator of the River Bend opportunities program.

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