



**Chicago Business Bulletin**

# Year in Review

A look at Chicago's business landscape in 2021

February 2022



PRESENTED BY

**The World Business Chicago Research Center**

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# Executive Summary

## DOING BUSINESS



### 173 pro-Chicago decisions

One hundred and seventy-three businesses made the decision to invest in Chicago in 2021. **Seventy-three** opened new locations and **one hundred** expanded existing operations. **Thirty-eight** businesses chose to invest in the South or West sides of the city.



### 81.1% business license renewal rate

More businesses renewed their licenses in 2021 than pre-pandemic: 81.1%, up from 76.4% in 2019.

## TECH



### \$9.7 billion in growth capital

including nearly \$7 billion in venture capital, double from 2020. Growth capital includes VC, private equity for growth, and corporate VC funding.



### 12 unicorns minted

in Chicago in 2021, when companies achieved \$1 billion valuations. This brings Chicago's total unicorn count to 23.

## EMPLOYMENT



### 369,685 jobs posted monthly

on average in the Chicago metropolitan area, totaling over **1 million jobs** posted in 2021. There were an average of **240,709 monthly hires**, meaning for every two jobs posted, there was only one hire.



### 4.3% unemployment rate

for the Chicago metropolitan area in December 2021, the lowest among the top four compared metropolitan areas.



# Executive Summary

## TRANSPORTATION & LOGISTICS



**\$273 billion**

in trade through O'Hare through November 2021, a **25.2% increase** over all of 2020. O'Hare became the nation's #1 port by trade value in Q4 2021.



**3.5% industrial vacancy rate**

as of Q4 2021 - at twenty-year lows - with 20.8 million square feet delivered in 2021.

## DOWNTOWN ACTIVITY



**94.5% downtown apartment occupancy**

More people are choosing to live downtown: at the end of 2021, nearly 13,000 apartments are under construction or currently proposed.



**#1 "Best Big City"**

lauded for the 5th consecutive year. In 2021, Chicago's vibrant city life was bolstered by events like Sundays on State, which saw over 70,000 visitors to the Chicago Loop.

## LOCAL INVESTMENT



**\$11.3 billion**

in investments from 86 planned projects heard by the Chicago Plan Commission, up from 63 in 2019.



**\$1.4 billion**

in investments across INVEST South/West neighborhoods over the past two years.



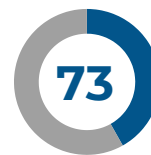
# Chicago continues to be the city of choice for businesses



## 173 companies made a pro-Chicago decision in 2021.

A pro-Chicago decision is defined as a business relocation, expansion or new market entrant within city limits. This past year, World Business Chicago developed an original methodology to track these KPIs, including corporate offices and headquarters, growth-stage start-ups, and other companies in target industries, such as manufacturing and logistics.

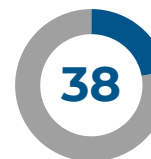
Pro-Chicago decisions drive job growth and economic prosperity for Chicago. Case in point: the 173 pro-Chicago decisions in 2021 created over 11,000 initial jobs and nearly 30,000 jobs in supporting industries, and will generate over \$3 billion in total employee earnings throughout the region. Pro-Chicago decisions on the city's South and West sides created over 20,000 initial and supporting jobs.



Businesses **opened new locations** in Chicago



Businesses **expanded** within Chicago



Businesses located or expanded on the **South or West sides** of Chicago

## Notable pro-Chicago decisions



### Cisco

In August, Cisco announced a 135K square foot lease in the Old Post Office, relocating 1,200 jobs to Chicago from the suburbs.



### Regal Mile Studios

In July, the City Council approved plans and passed a zoning change for a 220K square foot media studio, bringing 1,200 jobs to Chicago's South Shore community.

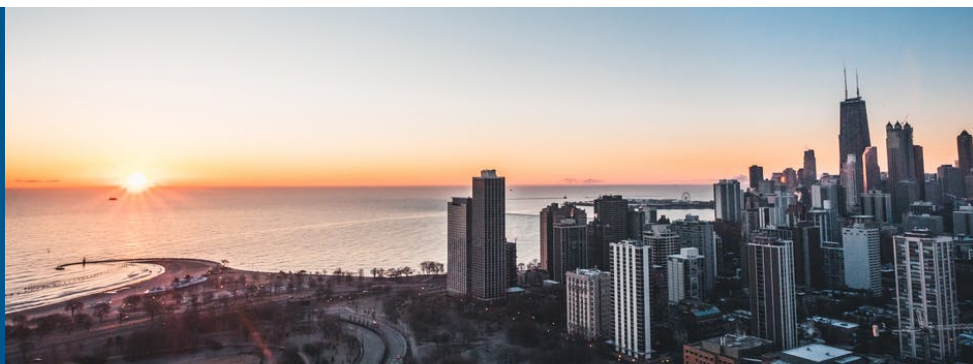
## Economic impact of pro-Chicago decisions

	Jobs	Earnings
Initial	11,563	\$1.14B
Direct & Indirect	10,459	\$668M
Induced	18,918	\$1.23B
Total	40,940	\$3.03B

Source: EMSI Burning Glass, as of January 21, 2022



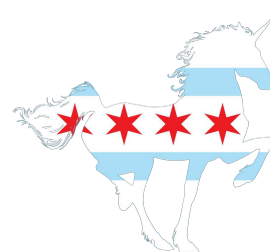
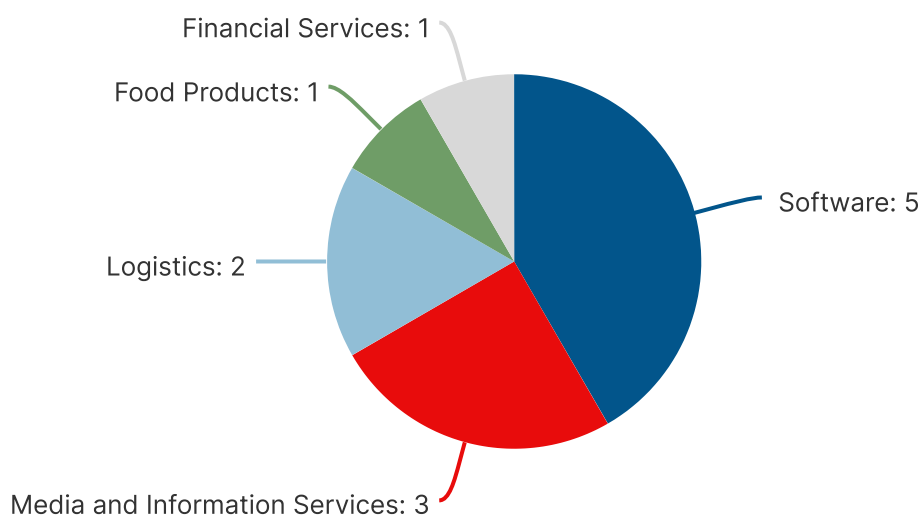
# Celebrating Chicago's newly minted unicorns



## Chicago minted a record twelve new unicorns in 2021.

Chicago is emerging as a global capital for unicorns – companies that achieve a \$1 billion valuation. Currently home to twenty-three unicorns, up from eight in 2016, Chicago has out-produced cities such as Berlin and London. Of the aforementioned twenty-three unicorn start-ups, over half reached unicorn status in 2021 alone, a testament to the city's increasing momentum as a unicorn start-up hub. The year 2022 is off to a great start, with the first unicorn announced on February 1st: logistics company Loadsmart.

### 2021 unicorns by industry



### 2021 unicorns

ActiveCampaign > AMOUNT

BRINGG CAMEO COPADO

enfusion G2

M project44 Fynd

Relativity ShipBob

Source: Pitchbook, as of January 21, 2022



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# Chicago's record-setting year for VC investment



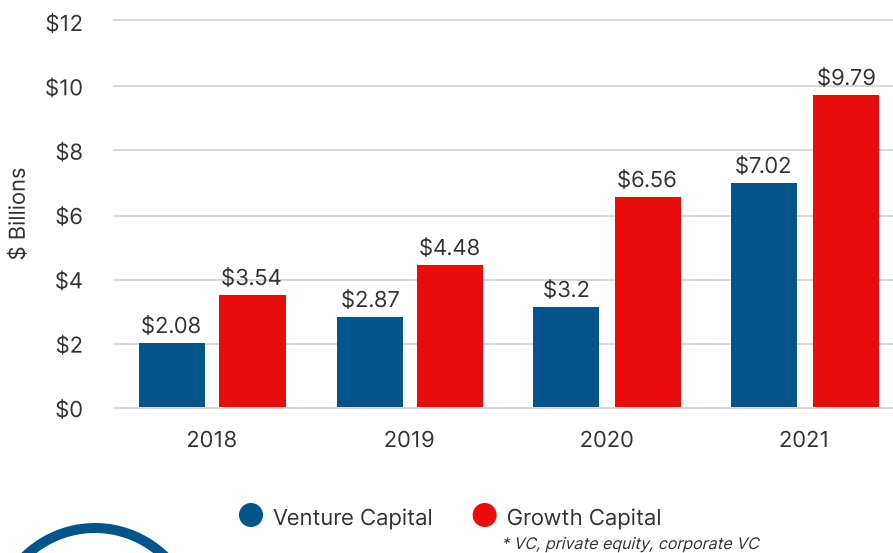
## VC investment doubled in 2021, while total growth capital investment soared to \$9.7 billion.

In 2021, Chicago's tech ecosystem saw unprecedented investment: tech companies raised over \$7 billion in venture capital, over double of what was raised in 2020. Looking at an expanded definition of "growth capital" for companies – including VC, private equity for growth, and corporate VC – Chicago start-ups raised just over \$9.7 billion in 2021.

Not only were there more investment deals in 2021, deals grew larger. The median post-deal valuation increased 88% to \$30 million in 2021, a trend complemented by a record-breaking twelve unicorns (\$1 billion valuation). There were fifteen VC rounds involving \$100 million or more, up from six in 2020.

Tech companies led by underrepresented founders raised over \$470 million through thirty-four deals, while women-founded start-ups raised \$480 million through one hundred and three deals. Together, they represented just 8.6% of all growth capital raised in 2021.

### VC investment increased 119%, while growth capital investment increased 49% between 2020 and 2021.



**511**

Number of growth capital deals made through **439** companies in 2021, up **10%** from 2020

**856**

Number of investors in 2021 deals, of which **17%** are located in the Chicago area

**\$30 million**

Median post-deal valuation, up **88%** from 2020

### Top industries by growth capital invested

Software	\$3.98B
Health Care Services	\$1.12B
Commercial Services	\$1.03B

### Highest growth verticals (with 10+ deals, 2020 - 2021)

Life Sciences	+553%
Cryptocurrency/Blockchain	+266%
HR Tech	+217%





# Chicago responds to the global supply chain crisis



## O'Hare International Airport becomes the nation's #1 port by value in Q4 2021.

Over the past year, the global supply chain crisis shifted the national trade landscape. While seaports experienced record congestion, many firms opted to ship goods by airplane instead.

Chicago's advantages, including:

- the nation's second largest trucking workforce,
- its extensive rail network, where six of seven Class I railroads run through the region, and
- the fact that a third of U.S. consumers are within a one day drive,

allowed O'Hare - the nation's most globally connected airport - to overtake the Port of Los Angeles as the nation's #1 port by trade value.

**\$273 billion**

Trade by value through O'Hare as of November 30, 2021

**6.6%**

Share of total U.S. trade by value

**25.2%**

Increase in trade by value from 2020

## Monthly trade by value, 2021



### Top airport exports by value

- 1 Civilian Aircraft Parts
- 2 Computer Chips
- 3 Plasma, Vaccines, Blood

### Top airport imports by value

- 1 Cell Phones
- 2 Computers
- 3 Plasma, Vaccines, Blood



Trade data have a delayed release; check the WBC Research Center's [Economic Dashboard](#) after February 10, 2022 for year-end totals.

#### Sources:

- U.S. Census, as of November 30, 2021
- EMSI Burning Glass, as of January 21, 2022
- ESRI



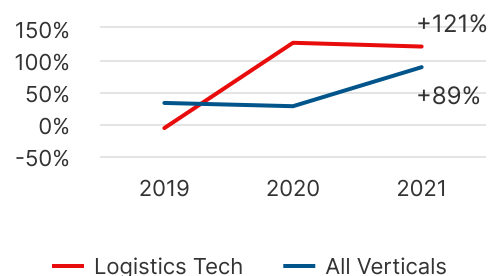
# Chicago responds to the global supply chain crisis



## Logistics Tech becomes one of Chicago's highest growth tech verticals.

Chicago companies are leading the future of the transportation & logistics industry, including innovative solutions for supply chain issues. Between 2019 and 2021, Logistics Tech companies saw a 401% increase in growth capital investment. The year 2021 ended with \$865 million raised through sixteen deals, two of which produced companies with unicorn status (\$1 billion post-deal valuation).

Change in investment over prior year



## The industrial real estate market experienced unprecedented activity.

**3.5%**

Industrial vacancy rate, Q4 2021

**20.8 million**

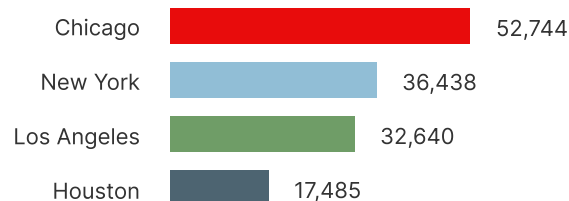
square feet of industrial space delivered in 2021

With increased demand throughout 2021, the Chicago metropolitan area's industrial market was on fire. Already the nation's largest industrial market, with 1.2 billion square feet - over a third more than the next largest market - the past year saw twenty-year lows in vacancy rates and record leasing activity. Demand for industrial space in 2021 was nearly 46 million square feet, as much demand as 2019 and 2020 combined.

## Chicago saw the highest demand in the nation for truck drivers.

The Chicago metropolitan area led the nation in labor demand for truck drivers. In 2021, there were nearly 53,000 job postings for truck drivers, more than any other metropolitan area. This represents a 21% increase in job postings from 2020. Truck drivers were the 2nd most posted job in Chicago in 2021, just behind registered nurses.

Truck Driver Job Postings in 2021



**Sources:**

- EMSI Burning Glass, as of January 21, 2022
- Pitchbook, as of January 21, 2022
- JLL Industrial Insight, Q4 2021



# Chicago ends 2021 with strong employment gains



## Chicago's unemployment drops to 4.3% in December 2021.

Since the start of 2021, the Chicago metropolitan area's unemployment rate dropped almost four percentage points to reach a low of 4.3% in December 2021. Chicago also experienced employment gains throughout the past year.

**4,625,714**

Employment in the Chicago metropolitan area  
December 2021

## Chicago's employment grew by 389,912 in 2021.

Among the top four U.S. cities that World Business Chicago tracks - New York, Los Angeles, Chicago, and Houston - Chicago currently has the lowest unemployment rate. While Chicago trails only New York in total employment growth for 2021, Chicago did not experience fluctuations in monthly employment totals as drastic as in other compared cities. In Q4 2021, Chicago's employment grew by more than 170,000, the highest among the four compared cities. Chicago ended 2021 with an increase in the labor force, which grew by 216,456 to reach a total of 4,832,390.

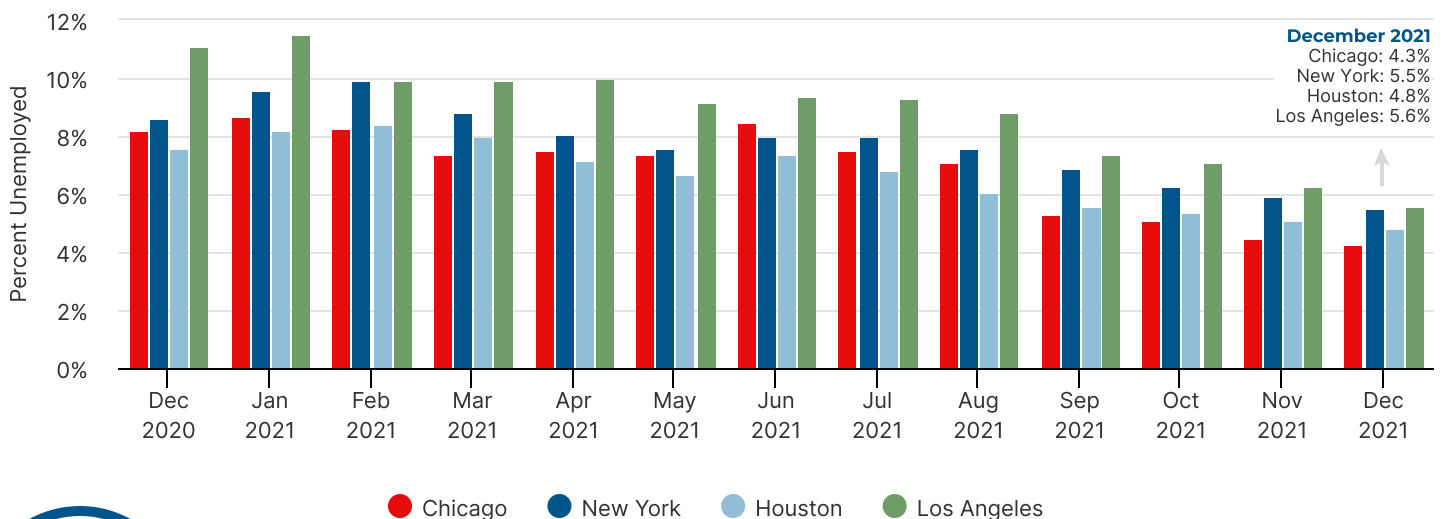
**4.3%**

Unemployment rate in the Chicago metropolitan area  
December 2021

**389,912**

Increase in employment in 2021

## Unemployment rates throughout 2021



Source: U.S. Bureau of Labor Statistics, through December 2021



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# Chicago employers struggle to fill record number of job openings



## Over 1,000,000 job openings were posted in Chicago throughout 2021.

Last year, a record number of people quit their jobs across the U.S., making 2021 the year of the 'Great Resignation.' Record resignations and new job creation in Chicago resulted in an all-time monthly record for job postings in November 2021: 417,197 unique job postings, nearly 100,000 more than the previous record set in October 2018. Put another way, **average monthly job postings in 2021 are 40,000 higher than the previous all-time record for a single month.**

**369,685**

Average number of jobs posted monthly in 2021

**240,709**

Average monthly hires in 2021

## Employers were only able to fill one out of every two jobs posted.

**417,197**

Job postings in November 2021, an all-time high

2021 may have produced record numbers of job postings, but hires in the Chicago metro area remained flat, with an average of 240,709 hires each month for all occupations.

## Top hiring industries in 2021

Industry	Job Postings
Administrative and Support Services	182,864
Health Care and Social Assistance	152,698
Professional, Scientific & Tech Services	152,339
Retail Trade	148,790
Manufacturing	102,361

## Top hiring occupations in 2021

Occupation	Job Postings
Management	189,769
Sales	165,667
Transportation and Material Moving	164,479
Computer and Mathematical	151,950
Office and Administrative Support	147,179



# The Loop defies "Urban Flight"



## Chicagoans chose the Loop as both a place to live and visit in 2021.

Amidst a wave of obituaries for the American downtown, the Loop held its own as a premier place to live, work, and play. The one hundred and forty companies which opened or expanded facilities downtown in 2021 had no shortage of new neighbors, with downtown apartment occupancy hitting 94.5% in the third quarter. Demand for apartments in 2021 was twice the annual average compared to the past decade.

Visitors from across the world couldn't let locals have all the fun. Classic events like Lollapalooza saw a strong return, with 385,000 attendees enjoying two hundred acts, while the holiday Christkindlmarket returned in full force for its 25th anniversary. Newcomers like Sundays on State, named "Best New Event of the Year" by Time Out Chicago, drew nearly 70,000 visitors weekly, with residents attending from every neighborhood across Chicago and over twenty states.

**94.5%**

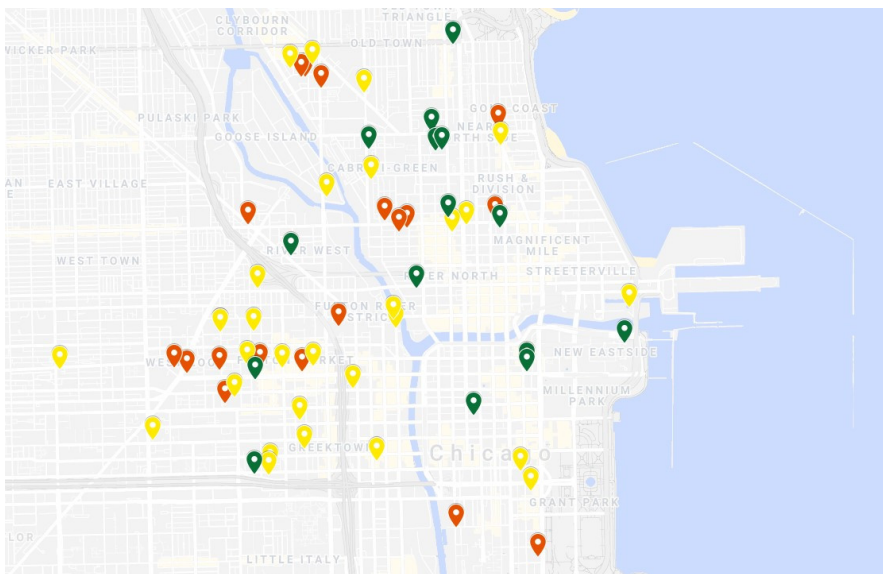
Downtown apartment occupancy, Q3 2021

**\$2.7 billion**

Downtown construction projects permitted in 2021

**13K**

Downtown apartments under construction or proposed



## Downtown apartment development activity

- Proposed (29)
- Under Construction (18)
- Delivered in 2021 (15)

### Sources:

- Crain's
- Chicago Loop Alliance
- CoStar



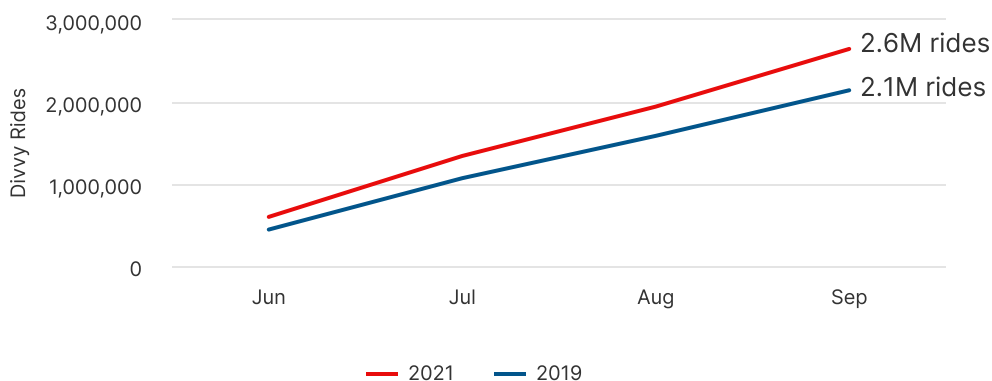
# Chicagoans take to the neighborhoods

## Chicago continues to be lauded as a great place to live.

Holding the designation of "Best Big City" for the 5th year in a row, Chicago's charm is driven by its neighborhoods. Residents and visitors alike took to the city with new zeal, marking a record year for Divvy ridership. Chicago consistently outperformed New York and Los Angeles in time spent away from home over the past year (as compared to pre-COVID patterns).

From the opening of the Pullman National Monument to the Obama Presidential Center groundbreaking, momentum for spaces uplifting the legacy of Chicagoans accelerated. Public, private, and philanthropic partners continued to support the celebration of communities' power, deploying \$1.4 billion in investments across INVEST South/West neighborhoods over the past two years. These investments will drive projects like the Englewood Connect, a community "living room," and the Blues Museum redevelopment anchoring the "Soul City" corridor in Austin.

### Chicagoans set a Divvy record in 2021



Chicago saw record Divvy ridership throughout all of 2021, driven by a strong summer of ridership. The chart above displays cumulative summer ridership, reflecting peak months.

## #1 Coolest Neighborhood in the U.S.

**Andersonville**

*2021 Time Out Index Survey*

## #1 Best Big City for the 5th consecutive year

*Condé Nast Traveler, 2021*

## #1 Garden in North America Garfield Park Conservatory

*Yelp, 2021*

## #1 Most Beautiful City in North America

*2021 Time Out Index Survey*

#### Sources:

- CDOT
- Divvy Bikes
- Google Community Mobility
- Opportunity Insights



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## About

World Business Chicago is Chicago's public-private economic development agency. Our mission is to drive inclusive economic growth and job creation, support business, and promote Chicago as a leading global city. Our vision is to ensure that all Chicagoans prosper.

Follow us on [LinkedIn](#), [Twitter](#), or our [website](#).

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