



MAYOR LORI E. LIGHTFOOT, CHAIR
MELLODY HOBSON, VICE CHAIR
MICHAEL FASSNACHT, PRESIDENT & CEO

September 20, 2022

To my fellow Economic Club of Chicago members,

After hearing and reading last week's remarks by Chris Kempczinski, President and Chief Executive Officer at McDonald's Corporation and a featured guest speaker of the Economic Club of Chicago, I felt compelled to write. It's always great to hear the views of business leaders who share their honest perspective, passion, and commitment for our beloved city. I do appreciate the candor Chris presented on the Economic Club of Chicago's stage last week and consider it a call to action. I do, however, contend that the perspective shared was incomplete. Please allow me to share a fuller picture and analysis of where we are today as a city. Concurrently I also invite you to join us in considering how best to answer Chris' call for collective partnership, since government entities, nor private enterprises or philanthropic institutions, can build a better Chicago alone.

To begin, let's start with a more holistic view of Chicago today relative to economic health, resiliency, vitality, and long-term growth.

Chicago presents a complex story that requires the ability to see both the positive and promising things occurring in our city as well as the tremendous challenges that we face, both as business leaders and residents. A headline like "Chicago is in Crisis" makes for good media copy, but it doesn't capture the complexity of the City's situation or help to create any true collaborative solutions:

- In 2021, we had 173 Pro-Chicago decisions, meaning 173 companies made the decision to significantly expand in, or move their operations to Chicago. With these strong numbers, 2021 was a record-breaking year in our history. So far in 2022, we've had 121 Pro-Chicago decisions and are on a similar trajectory. For this reason and more, Chicago has been ranked Top Metro by *Site Selection* magazine for nine consecutive years. Please review the weekly updated economic numbers [here](#) for more information.
- While the departures of Citadel and Boeing are disappointing and not to be ignored, I encourage us to consider the 112 companies who have moved or opened their doors in Chicago over the last 18 months. These 112 company relocations or new market entrants created over 19,000 direct and indirect jobs. Additionally, the BLS business establishment data shows there are 7,400 more businesses today in the Chicago metro area than pre-COVID.

- The perception that Chicago today hosts fewer large companies than a few years ago is myth. Consider Kellogg's decision to move its headquarters to Chicago, Abbott's expansion into Willis Tower, and Google's announcement that it will reimagine the Thompson Center as a home to over 5,000 employees. This is the single largest corporate expansion in Chicago in over 20 years. That is why the number of corporations with headquarters in Chicago that have over 10,000 employees globally is still at 100. Additionally, our pipeline of new real estate developments is strong, with over \$20 billion in approved projects.
- Our VC and PE investment numbers have been similarly robust. In the first half of 2022, we've already seen \$9.4B of PE and VC investments after a record 2021 in attracting capital investments into Chicago's economy.
- Our focus on five key sectors in the City includes Food & Agriculture, Manufacturing, Transportation, Distribution and Logistics, Healthcare and Life Sciences, and FinTech. These efforts are showing dividends, too. The number of business establishments have increased since pre-Covid:
 - Food & Agriculture up by 7.7%
 - Manufacturing up by 0.9%
 - Transportation & Logistics up by 12.2%
 - Life Science up by 9.8%
 - FinTech up by 1.3%
- Employment in nearly all the above industries is up and above pre-Covid levels. Workforce in Chicagoland is almost up to pre-Covid levels with 4.76 million employed residents and a 4.8% unemployment number as of July, while our GDP grew to its highest level ever at \$782B.
- Travel and hospitality are also seeing marked improvement. O'Hare's passenger volume through July 2022 is just over 38 million, up 45% from the same time period last year. The City's hotel occupancy rate for July 2022 is at 77%—on par with New York City, and higher than Los Angeles and Houston.

As you consider Chicago's competitive advantage and business climate, we must also acknowledge the significant headwinds we face, which cannot be overcome without our individual and collective involvement. Unemployment estimates in some of our neighborhoods on the South and West Sides continue to be at an unacceptable level (ex. Englewood at 22.1%, West Englewood at 21.7%, and



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Pullman and Roseland at 16.8%). And we still aren't seeing enough employees physically returning to offices, at least for a few days per week, which challenges our commercial real estate market. Google Mobility indicates that Chicagoans' time spent at workplace locations throughout 2022 remains 20 to 30% lower when compared to January 2020, which hurts downtown businesses and momentum.

Last, and by no means, least, safety in all of our neighborhoods—not only the city's downtown business district—needs much improvement, and frankly, our collective engagement and support. We must accept the fact that many of today's challenges are a result of decades-long neglect and underinvestment in our neighborhoods, especially on the City's South and West Sides.

At World Business Chicago, when we are asked how to address this highly complex topic, we refer to a three-pillar solution which needs to work in conjunction:

- A holistic law enforcement approach to provide safety for all residents and to build trust in our communities;
- Social support and intervention programs to provide critical support for many of our residents who need them most; and
- Economic development that creates jobs with true career opportunities while creating hope for our residents—especially our Black and brown youth—so that they may build safe and prosperous lives.

While World Business Chicago focuses exclusively on the latter bullet, we take pride in knowing you join us in recognizing and appreciating the hard and challenging work that our police officers perform every single day across the 77 neighborhoods of Chicago. Words can't adequately convey how vital they are to our beloved city.

In considering violence and crime, I encourage you to take a few minutes to read more about Chicago's approach to violence prevention. Recently, the City's plan was ranked to be among the top cities in the nation by the [Community Justice Action Fund](#). The Community Justice Action Fund ranked Chicago high because it achieved the broadest range of violence prevention programs, services, and policies.

Whenever Police Superintendent David Brown and the Chicago Police Department (CPD) leadership speak publicly or in smaller private sessions with business and civic leaders regarding how to best address our current challenges, he and his team refer to six core pillars:

1. Ensure public safety through pro-active, tech enabled, and community-oriented policing;
2. Create deep community engagement to create trust between police officers and Chicago residents;
3. Strengthen the investigations capacity and ability to increase clearance rates across all crime areas;
4. Continue to execute the reform policies and strategies to build a modern, and well-trained police force;
5. Sustain officer wellness to have a healthy, and motivated police force with an enhanced quality of life; and
6. Deploy aggressive and engaging recruitment efforts to ensure a sufficiently staffed police force.

The critically important work of the CPD can only be part of a holistic approach addressing the root causes of violence. We know we can't only use law enforcement to solve this challenge. While we are mitigating levels of violence in our city, we have seen a significant improvement in 2022 over 2021 in regard to homicides and shootings (homicides -15.4% and shootings -20.3%). At the same time, we are experiencing rising carjacking and robbery numbers as well as higher crime numbers in the downtown area. When speaking with business leaders, I recommend reviewing the actual and most accurate numbers at the public [violence reduction dashboard](#), where one can get a more objective view of what is occurring, where we are making progress, and where we have even more work to do.

The call to action for businesses and business leaders to play a critical role in helping us address the challenges around safety is more important today than ever before in our city's history. Please allow me to call out three potential areas where businesses can make a critical difference:

1. Mayor Lightfoot's signature program "INVEST South/West" drives neighborhood investment and continues to yield growing dividends. This is done all in partnership with strongly engaged companies like Blue Cross Blue Shield, Northwestern Medicine, and Discover Financial Services. In fact, Discover's CEO Roger Hochschild would be happy to speak with anyone who wants to learn from his company's experience in building its best performing customer care center on the South Side in the Chatham community, with soon to be close to 1,000 employees who will enjoy working closer to home and having their company invested in their community. You can also join companies like Accenture, Microsoft, and Eli's Cheesecake, who are very intentionally investing in diverse talent programs in their communities.



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2. I strongly recommend you and your fellow senior leaders and colleagues build closer relationships with police leadership in your company's Chicago locations. This is an opportunity to better understand CPD's approach and challenges. Our police district commanders welcome dialogue with all businesses throughout the City and you can find your district commander [here](#). They need our help and support, both with a simple "thank you for your service" message, but also with an open and constructive dialogue.
3. Businesses should be very mindful of supporting politicians who are blocking any progress to achieve reasonable gun safety policies. The flood of guns on our streets are not only a driver in escalating previously contained conflicts, but are also a dangerous element in domestic violence incidents and suicide.

Chicago has never had one simple story. We have complex and sometimes contradictory realities. But we can only address and solve the challenges when we are honest about where we are, what got us to where we are, and how we can work together across all the different constituents in our city—from businesses and government to civic and philanthropic organizations—to get to where we want to be. We must do this together because our city needs each and every one of us to create the very best Chicago, not just in words, but more importantly, in actions. And as we know all too well, oftentimes the media will select headlines that simplify our city without covering its complex nature. I would encourage everyone who has and uses their platforms to share complete information with this in mind.

Chicago's best days are ahead of us. And it needs all of us to make it happen.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Fassnacht".

Michael Fassnacht