

THE CHICAGO REGION: A DESCRIPTION

The Chicago Tri-State Metro-Region (officially, the Chicago-Naperville Joliet Metropolitan Statistical Area) is a 14-county region. The region is home to approximately 9.8 million people, of whom over 90% live in Illinois, less than 2% in Wisconsin and the remainder in Indiana. It is the third most populous metropolitan area in the country and one of the largest in the developed world. Only Los Angeles and New York have larger populations within the U.S. The 14 county Chicago Tri-State Metro Region is arrayed as follows;

Illinois, Nine- Cook, DuPage, Lake, McHenry, DeKalb, Kane, Kendall, Grundy, Will

Indiana, Four- Jasper, Lake, Newton, Porter

Wisconsin, One- Kenosha

The City of Chicago, predominantly located in Cook County but extending into parts of DuPage County near O'Hare International Airport, has a population of 2.7 million (28% of the total metro population). Beyond the Chicago Tri-State Metro-Region, the "extended" 21-county Tri-State Region, referred to as the Gary-Chicago-Milwaukee corridor, is increasingly regarded by civic, business and political leaders as a related economic area. It provides nascent and growing commuting flows from seven "extended" counties into the Chicago Tri-State Region.

An economic snapshot of the Chicago Tri-State Metro-Region shows that it constitutes one of the largest metropolitan economies in the developed world. It contributed 3.9 % to U.S. GDP in 2008 and represented 3.1% of the national population in 2010. Similarly, the Tri-State Region's nominal GDP, at \$610 billion in 2014, is third in the U.S. behind Los Angeles and New York. **In terms of *per capita* GDP, the Tri-State Region ranks lower than San Francisco, Boston, Houston, as well as Los Angeles and New York. Nevertheless, the Tri-State Region's *per capita* GDP is higher than those of several European metropolitan areas that are thought of as wealthy, such as London, Paris, Stockholm, Milan and Amsterdam.**

Key elements of success of the Tri-State Metro-Region are that its economy is broadly based and responsive to changing demands. **Its geographic position ensures that it will continue to be a major and growing transportation hub for both domestic and international traffic. The Chicago Tri-State Region is a major player in the fields of air passenger and freight, trucking and railways, and the efficiency of its transport services, including warehousing and intermodal facilities.** Fifty percent of all U.S. rail freight passes through the Chicago Metro-Region. This affects not only the regional economy, but the *entire* North American economy. Transportation and logistics generate considerable employment and value-added jobs across the region, with a significant impact on a variety of economic sectors. Important indirect effects (backward and forward linkages) of transportation on other sectors of the economy, along with Chicago's position as a main airline hub, have had an impact on headquarter functions and high value-added jobs in the region. It's strong position in railway transport has also translated into innovative activities, such as high patent shares in railways. Chicago is also noted as a major interstate U.S. trucking hub because of its central location in the country. One in six vehicles on the Chicago interstate highways is a truck – and trucks carry about one half of freight by weight and three quarters by value. O'Hare International Airport is the second largest in the U.S. for passenger traffic, and fourth in the world, with nearly 70 million passengers transiting through each year. **The Tri-State Region's airports perform important hub functions, and have North America's largest diversity**

of direct international passenger destinations after New York. The Tri-State Region's position in air cargo transport is less central in terms of volume, but still scores highly in terms of diversity of international destinations.

Nonetheless, Chicago's strengths encompass many different economic sectors. Traditionally, Chicago has been a leader in the manufacturing industry. Although recently it has declined in importance, specialization in this area remains respectable in comparison to other U.S. Metro-Regions as well as the national average (which represents 11.4% of employment). The new sectors of information and communication technology, nanotech, biotech, and green engineering are becoming increasingly important, as evidenced by Chicago's high level of patent applications in these domains (it ranks 12th among the 90 Metro-Regions for total patent applications and fifth for nanotechnology). Furthermore, innovation in the financial sector has also helped maintain Chicago's position as a **world-class financial center** and a leader in derivatives trading.

Such innovative activities are aided by both the high proportion of highly educated people in the population and by the presence of **world-class academic and research institutions**. In Chicago, approximately 34% of the population is 25 years old and over and holds at least a Bachelor's degree. A quarter of the population holds some college or associate degree. The working-age population is comparatively well-educated and Chicago has a higher proportion of well-educated individuals than the national average of 28% (estimates for the period 2005-09), ranking fourth among U.S. metropolitan areas in educational achievement. Institutes of higher education abound in the region, with over 200 post-secondary education and training institutions, graduating 140,000 students annually. Northwestern University and the University of Chicago are ranked in the top 30 of the world's universities for science, and in the top 12 for business, economics and engineering. Chicago's Booth business school was recently ranked first in the world in the *Economist's* survey of 115 schools. **These institutions attract students from all over the world.**

Along with its **two world-class universities (Northwestern and the University of Chicago)**, the Chicago Tri-State Region has strong research assets that contribute to the innovation process including the federally-funded Argonne National Laboratory and the Fermi National Accelerator Laboratory. The excellence of the work conducted in the region's research facilities shows up in their ability to attract significant research funding from the federal government, as well as from other states. These institutions actively contribute to the economic innovation process via licensing, funding start-ups, and working directly with firms. **This talent and experience lacks international recognition.** The Illinois Science and Technology Coalition (ISTC), a venture development organization, aims to redress this by fostering public-private R&D projects, advocate for funding for R&D initiatives, and collaborating with public and private partners to attract and retain research resources in the region. **The Tri-State Region's stakeholders need to develop and implement tailored international branding strategies** aimed at both attracting in-bound foreign direct investment and talent as well as maximizing foreign-market penetration by region-wide firms.

Finally, both the public and the private sectors have worked together in the past to make Chicago an attractive location for corporate headquarters and an attractive place to live, with its parks, theatres, museums, music centers, world-famous architecture, and lakeside setting. The City of Chicago regularly **ranks globally near the top in city attractiveness.**