



THE METROPOLIS HOUSING INDEX:
HOUSING AS OPPORTUNITY

CHICAGO METROPOLIS 2020

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Chicago Metropolis 2020 is a business-backed civic organization created in 1999 by The Commercial Club of Chicago to promote healthy regional growth.

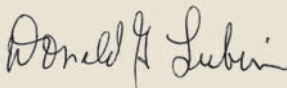
Chicago Metropolis 2020's unifying vision is that the region's 272 municipalities (and some 1,200 units of local government) must make the kinds of informed choices that will make the region attractive and economically competitive 10, 50, and 100 years from now. Our Metropolis Index is an important tool for making those informed choices. The Index enables us to assess our regional health and identify policies that will strengthen our economic competitiveness and quality of life.

The decision to focus the Metropolis Index on housing is significant in two respects. First, it underscores our belief that housing is far more than a place to live. A home is also a gateway to opportunity – the most important connection to jobs, schools, transit, and community. If we are to provide access to economic opportunity for more Chicago area families, then we must provide a broader range of housing choices throughout the region.

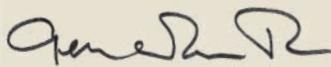
Second, this Metropolis Index reinforces our belief that housing, like so many other issues, must be tackled regionally. It is an economic imperative: Workers must have housing choices reasonably close to job centers if our economy is to remain robust.

A regional housing strategy is also our only hope of avoiding regional gridlock as the six-county area adds some 800,000 new jobs, nearly two million new residents, and a million new cars. Many of our traffic problems are caused by the growing disconnect between where our region is adding jobs and where those workers can afford to live. The best, and cheapest, tool for managing traffic congestion in the long run is creating shorter commutes for more workers.

We are pleased to release the Metropolis Housing Index.



Donald Lubin
Chairman



George A. Ranney, Jr.
President & CEO



T A B L E O F C O N T E N T S

HOUSING AS OPPORTUNITY	3
CHAPTER 1: WHERE WE LIVE	7
CHAPTER 2: HOUSING & WEALTH	17
CHAPTER 3: HOUSING & JOBS	25
CHAPTER 4: HOUSING & EDUCATION	37
CHAPTER 5: HOUSING & REGIONAL DIVERSITY	43
APPENDIX	52

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A home in the Chicago region is a ticket to opportunity, and some tickets are better than others.



HOUSING AS OPPORTUNITY

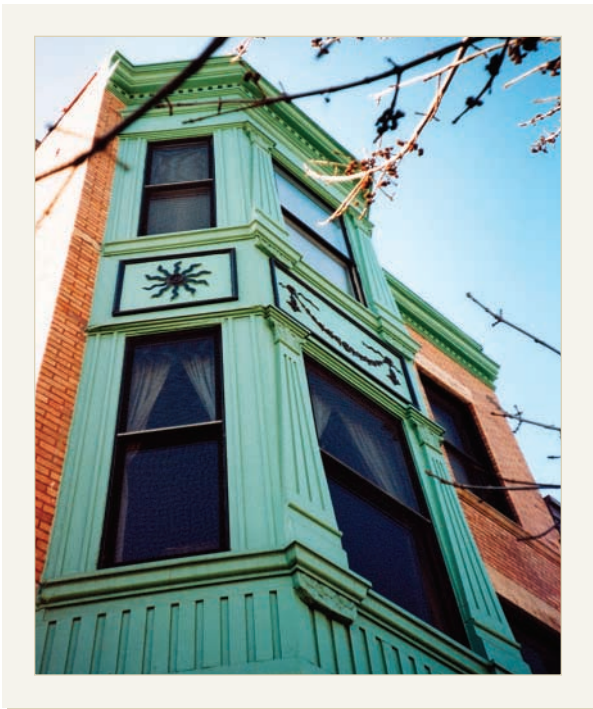
A home is more than four walls and a roof. In the Chicago region, as in most other places in our country, where we live determines how and to what degree we are connected to the rest of society.

Where we live determines where our children attend school – and often the quality of that school.

Where we live determines our range of employment opportunities, or, at a minimum, the length of the commute necessary to find such opportunities.

Where we live determines how much we pay in taxes, the likelihood we will be the victim of a violent crime, and even the race and income of most of our neighbors.

Rapidly rising property values are a double-edged sword: Those who own property watch the value of their investments swell; those who do not own homes find it increasingly expensive to rent or buy into the market.



Housing is inextricably linked with a myriad of public policy issues that transcend simply having a place to live. For example, a home is often a family's single largest investment. Thus, it is both a source of shelter and an important tool for preserving and accumulating wealth.

Choosing a home would appear to be a personal decision shaped largely by market forces. In reality, government exerts a heavy hand in determining where people live or don't live. One of the most significant constraints on the supply of housing is local regulation. In Northeastern Illinois, nearly every community imposes restrictions on what can or cannot be built on private land. Thus, the pattern of housing that we observe – the location, type, and price of new units constructed – might be very different from what would be built if there were no such local zoning regulations.

For example, if a municipality uses its local zoning authority to exclude rental apartments, multi-unit buildings, or even single family homes on small lots, then the effect will be to preclude housing that is affordable for less affluent segments of the region's population. And because race and ethnicity remain highly correlated with income, local land use policies that make no explicit mention of race or income can have a profound effect on the race and income of the people who move in.

Indeed, housing policy can be a tool for shaping the character of a community, for excluding undesirable residents – or for doing both at the same time. While it is no longer legal for a neighborhood or community to explicitly exclude families based on race, ethnicity, or income, it is quite easy to do so with policies that appear more benign but have the same practical effect.

Housing is even related to more prosaic problems like traffic congestion. If much of the affordable housing in our region is located far from where the new jobs are being created, then the resulting long commutes will clog roads and require expensive new investments in transportation infrastructure. Private decisions – where a business chooses to locate and where its workers can afford to live – have enormous public consequences.

Of course, traffic congestion and long commutes are related to air quality. The more we drive and the longer we sit idle in traffic, the more auto emissions we release into the atmosphere. One striking statistic in this year's Index is that while our state's population grew 9% between 1990 and 2000, the number of vehicle miles of travel grew 23%.¹ Many of those trips were between work and home.

A three-bedroom, 1,800 square foot home in Harvey is not the same as a three-bedroom, 1,800 square foot home in Kenilworth. We can paint them the same color and even furnish them identically, but they will never be the same. Indeed, we could physically move a building from Kenilworth to Harvey, at which point it would become a different home – because housing is not just about the structure.

All of which brings us back to the most powerful theme to emerge from this Index: housing is at the core of how our region grows and functions. Housing is about having a place to live – and also about education, taxes, the environment, traffic congestion, government regulation, public safety, and nearly everything else that we care about.

¹Sources: The 2000 U.S. Census and the Illinois Department of Transportation



Photo by Terry Evans

It is important to note that population growth is only one piece of the regional development pattern. The Chicago region is expanding physically because there are more people living in the six-county area, but also because new development has become significantly less dense.

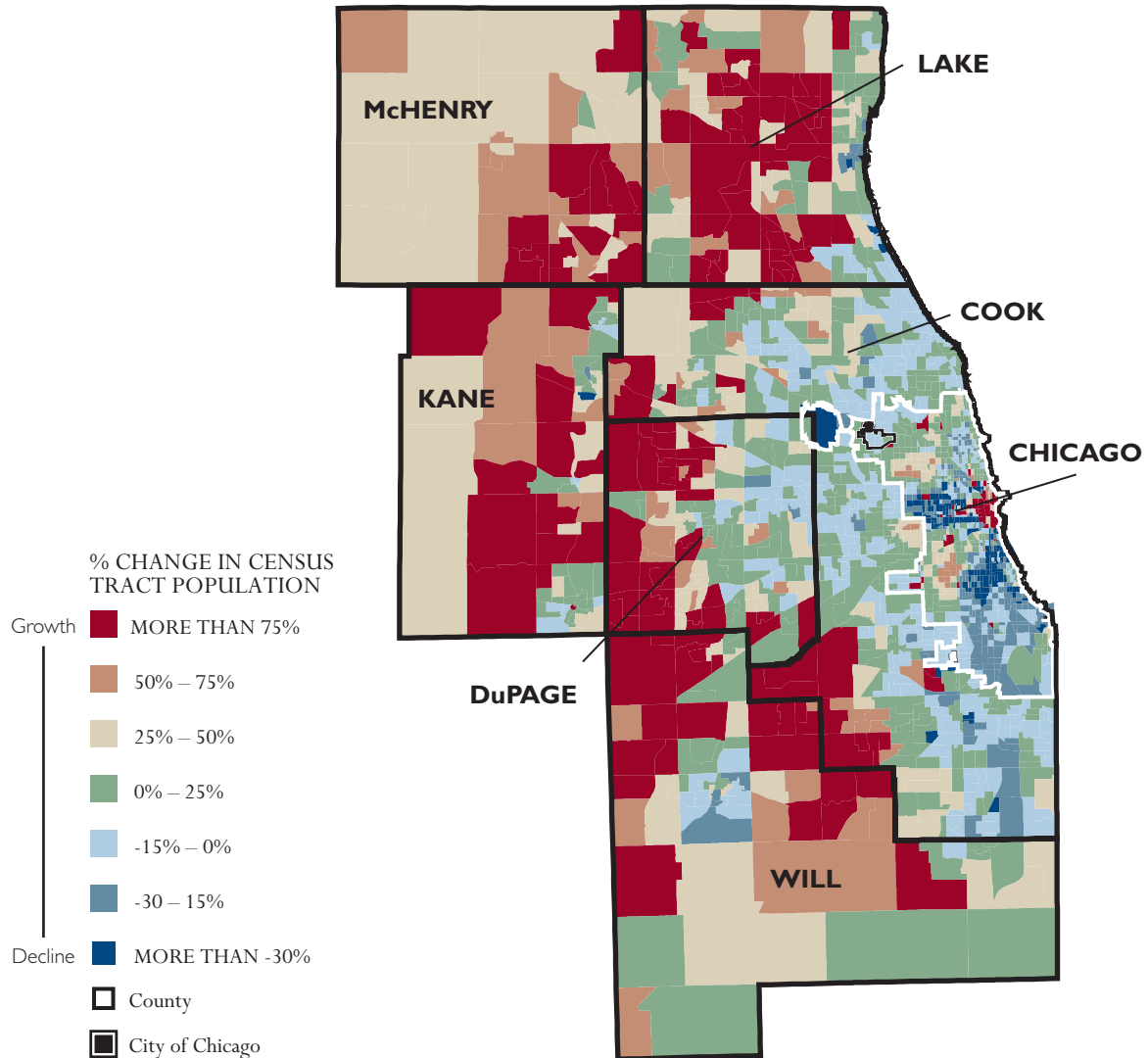


The population of the six-county area – Cook, DuPage, Kane, Lake, McHenry, and Will – grew by 11% in the 1990s, though that growth was by no means uniform. Chicago and Cook County reversed decades of population loss with modest gains while the collar counties experienced far more rapid growth in both population and development.

While Chicago remains the core of the region, robust suburban growth has reduced the City's share of the regional population from 48% in 1970 to 36% in 2000.

1.1 CHANGE IN TOTAL POPULATION BY COUNTY, 1980-2000

Source: U.S. Census, 1980 – 2000



It is important to note that population growth is only one piece of the regional development pattern. The Chicago region is expanding physically because there are more people living in the six-county area, but also because new development has become significantly less dense.

To state the obvious, 10 houses on one-acre lots take up roughly four times as much space as 10 houses on one-quarter acre lots, which in turn have a significantly larger footprint than a 10-unit apartment building.

Between 1990 and 2000, the amount of open space in the Chicago region consumed by residential development grew by 21% – or nearly twice the rate of population growth.

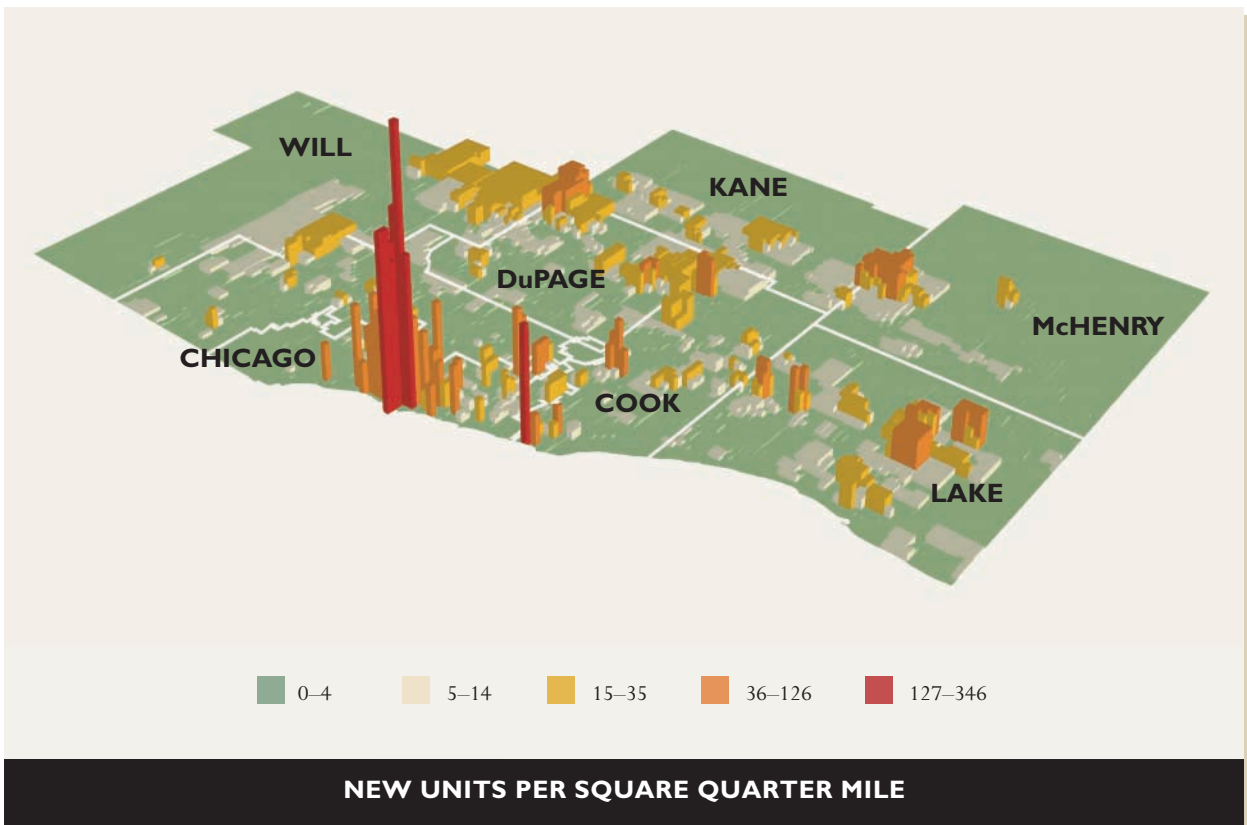
1.2 POPULATION NUMBERS BY COUNTY, 1970–2000

Source: Northeastern Illinois Planning Commission

Population	1970	1980	1990	2000	Percent Change 1970 – 2000
Chicago	3,369,357	3,005,072	2,783,726	2,896,016	-14%
Cook	5,493,529	5,253,655	5,105,067	5,376,741	-2%
DuPage	492,181	658,835	781,666	904,161	84%
Kane	251,005	278,405	317,471	404,119	61%
Lake	382,638	440,372	516,418	644,356	68%
McHenry	111,555	147,897	183,241	260,077	133%
Will	247,825	324,460	357,313	502,266	103%
6 County	6,978,733	7,103,624	7,261,176	8,091,720	16%

1.3 NEW HOUSEHOLD CONSTRUCTION BY COUNTY

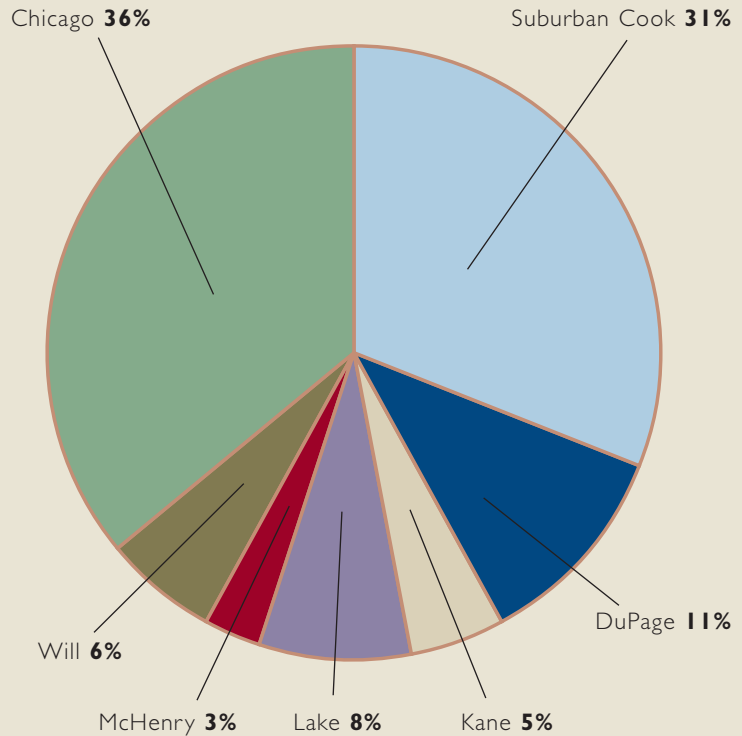
Source: U.S. Census, 1990 – 2000



1.4 CHICAGO REGION POPULATION BY COUNTY, 2000

Source: Northeastern Illinois Planning Commission, 2000

TOTAL POPULATION	
Chicago	2,896,016
Suburban Cook	2,480,725
DuPage	904,161
Kane	404,119
Lake	644,356
McHenry	260,077
Will	502,266
Total	8,091,720



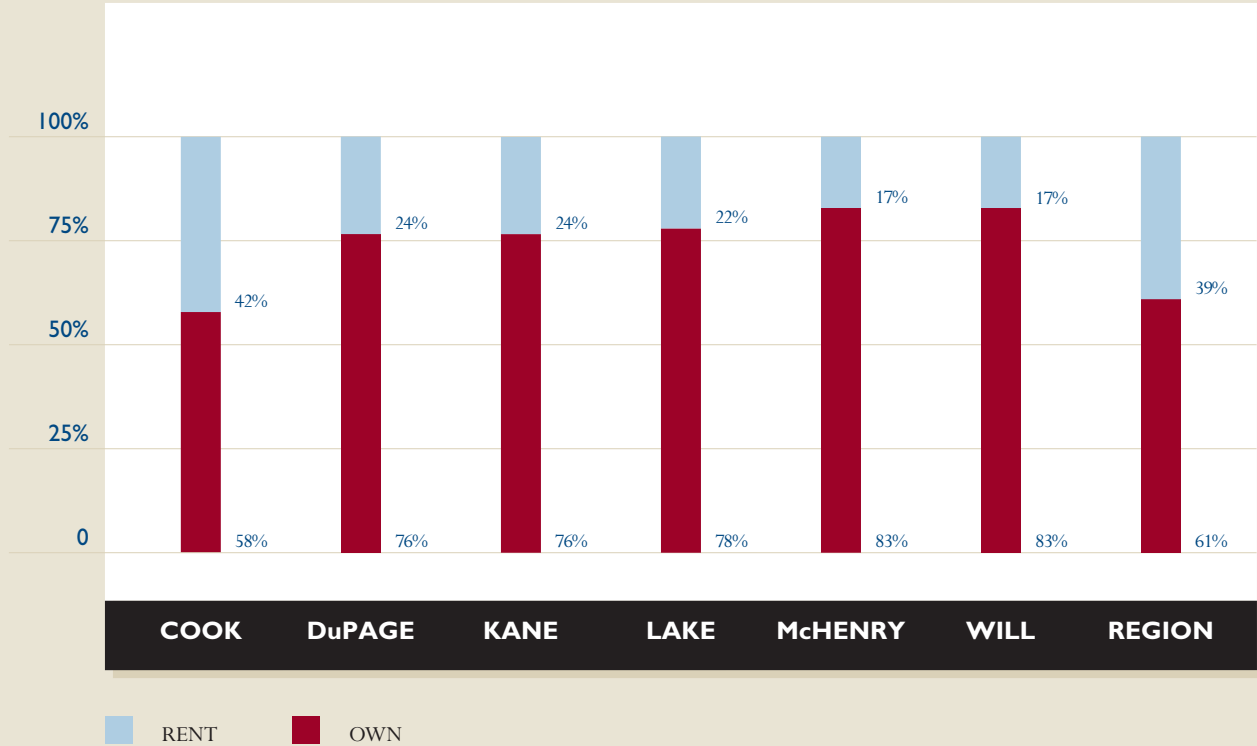
SIGNIFICANT TREND Cook County remains the core of the Chicago region. Cook is home to almost two thirds of the residents in the six-county region and the vast majority of African-Americans and Latinos.

The residents of the Chicago region are more likely to be homeowners than not. However, the rental market is an important component of regional housing. In every county, rental units make up a significant portion of the housing stock, ranging from 17% in McHenry to 42% in Cook.

Overall, Cook County is home to a disproportionate share of rental housing relative to its population; Cook has 81% of all rental units in the region but only 67% of the region's population.

1.5 HOUSING UNITS BY COUNTY, 2000

Source: U.S. Census, 2000



1.6 BREAKDOWN OF POPULATION & RENTAL UNITS BY COUNTY, 2000

Source: U.S. Census, 2000

	% of Total Rentals	% of Total Population
Cook	81%	66%
DuPage	7%	11%
Kane	3%	5%
Lake	5%	8%
McHenry	1%	3%
Will	3%	6%

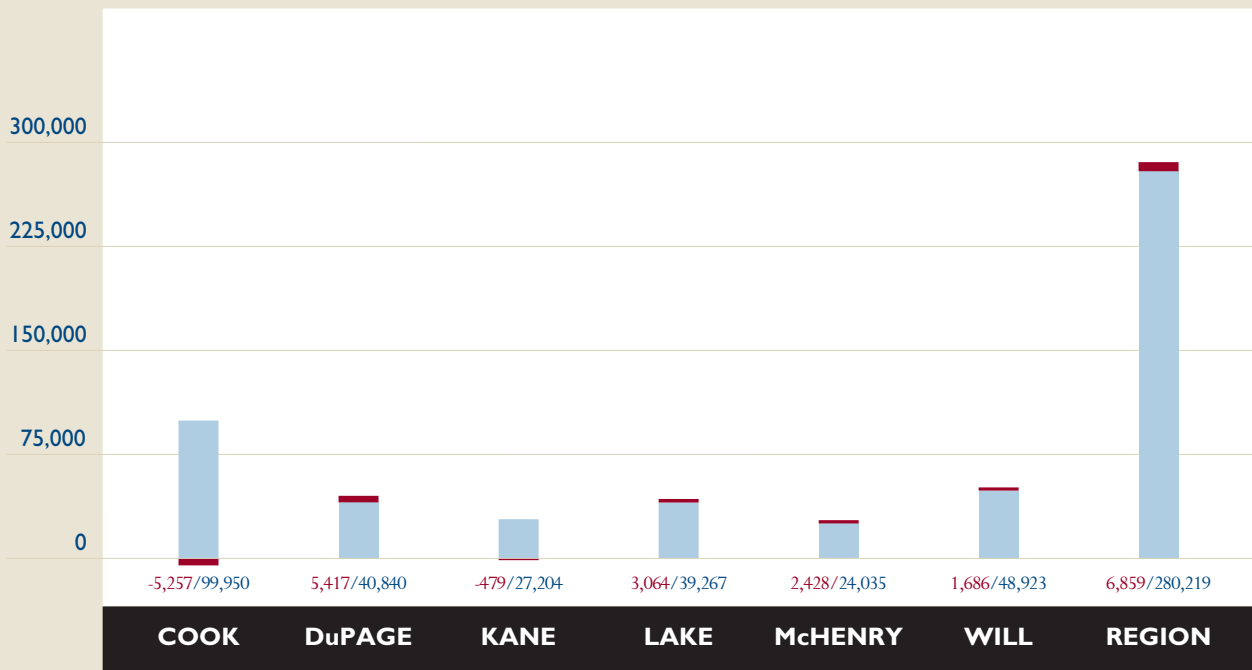
SIGNIFICANT TREND Cook County is home to a disproportionate share of the region's rental housing.

One striking development – or, more accurately, lack of development – between 1990 and 2000 was the dearth of new rental units. Over that decade, the number of rental units in the region grew 0.7% compared to 14.9% growth in the number of owner-occupied units. The lack of new rental units is not de

facto evidence of a rental housing shortage. It could, for example, reflect a change in housing preferences or perhaps even new opportunities for ownership as low interest rates make housing payments appear more manageable.

1.7 CHANGE IN TOTAL HOUSING UNIT COMPOSITION BY COUNTY, 1990–2000

Source: U.S. Census, 1990 & 2000



■ RENT ■ OWN

RENTAL SUPPLY

The Chicago region has added far fewer rental units than other metropolitan areas over the past 30 years.

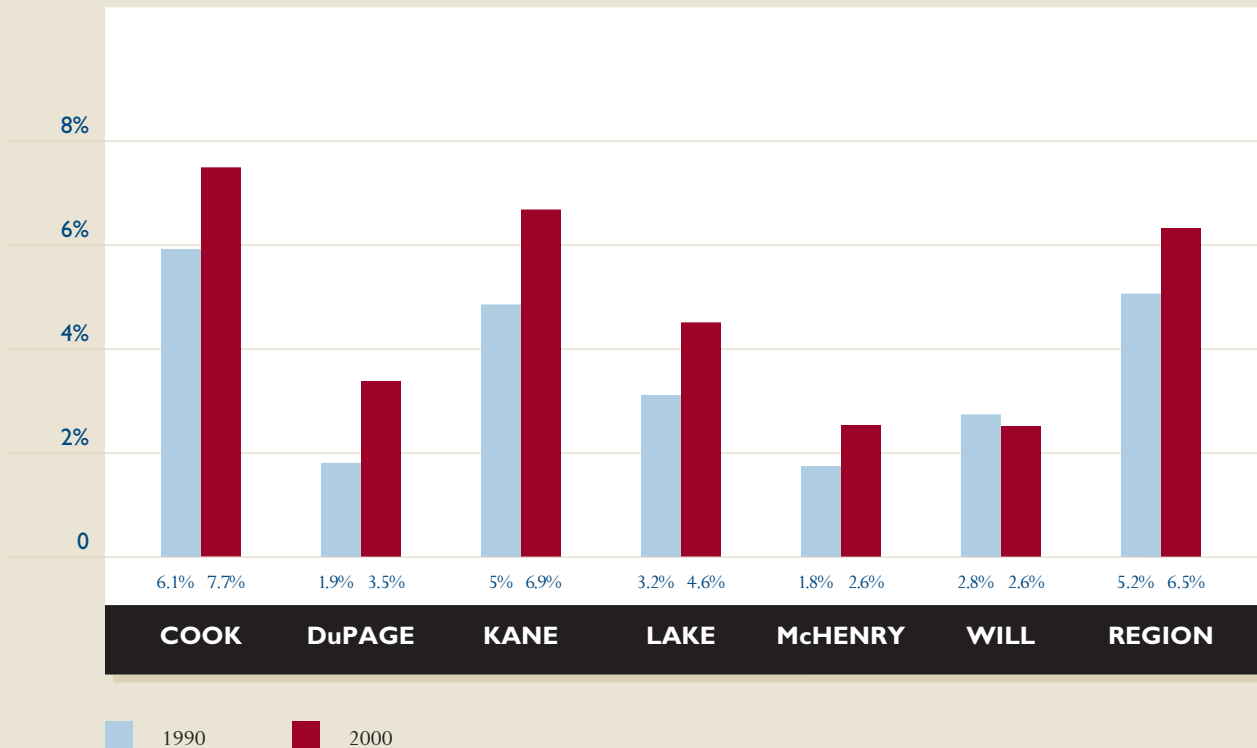


However, a strong case can be made that the region is not meeting the need for rental housing: The Chicago region has added far fewer rental units than other metropolitan areas over the past 30 years; the vacancy rate for the region was 6% in 2000 compared

to 9% in 1990; and overcrowding – defined by the Census as more than one person per room – increased in five out of six counties and for the region as a whole.

1.8 PERCENTAGE OF HOUSING UNITS THAT ARE OVERCROWDED BY COUNTY, 1990 & 2000¹

Source: U.S. Census, 1990 & 2000

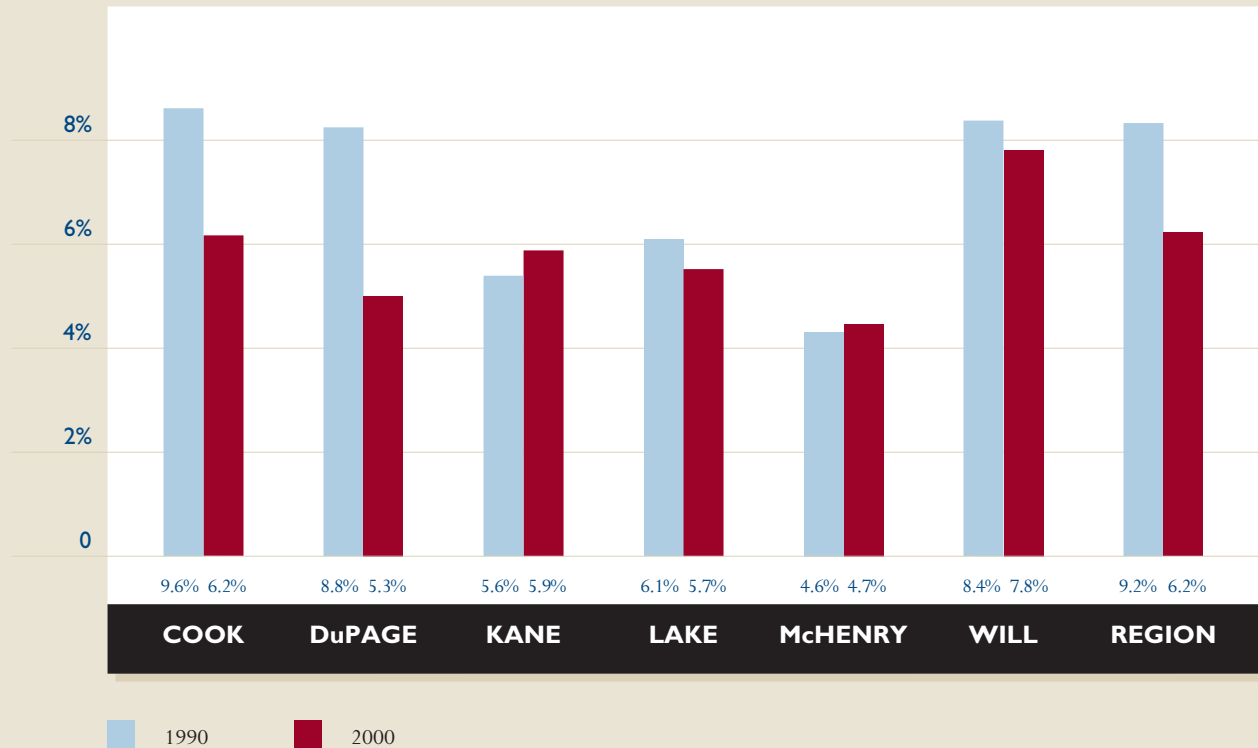


SIGNIFICANT TREND Falling vacancy rates and increased overcrowding over the past decade suggest a tightening of the market for rental units.

¹U.S. Census defines overcrowded as more than one person per room in a dwelling.

1.9 RENTAL UNIT VACANCY RATES BY COUNTY, 1990 & 2000

Source: U.S. Census, 1990 & 2000



Development patterns in the Chicago region are the result of millions and millions of private decisions. When individuals and families choose homes, they seek safety, comfort, community, good schools, proximity to work, and other amenities – all within the constraint of what they can reasonably afford.

But that is only part of the story. Governments – federal, state, and local – have a profound effect on where and how individuals choose to live. Transportation investments – a highway built or not built – often determine the subsequent pattern of land use. Environmental regulations can encourage some kinds of development and discourage others. The most direct government control over how we live, however, is exerted at the local level, where officials have

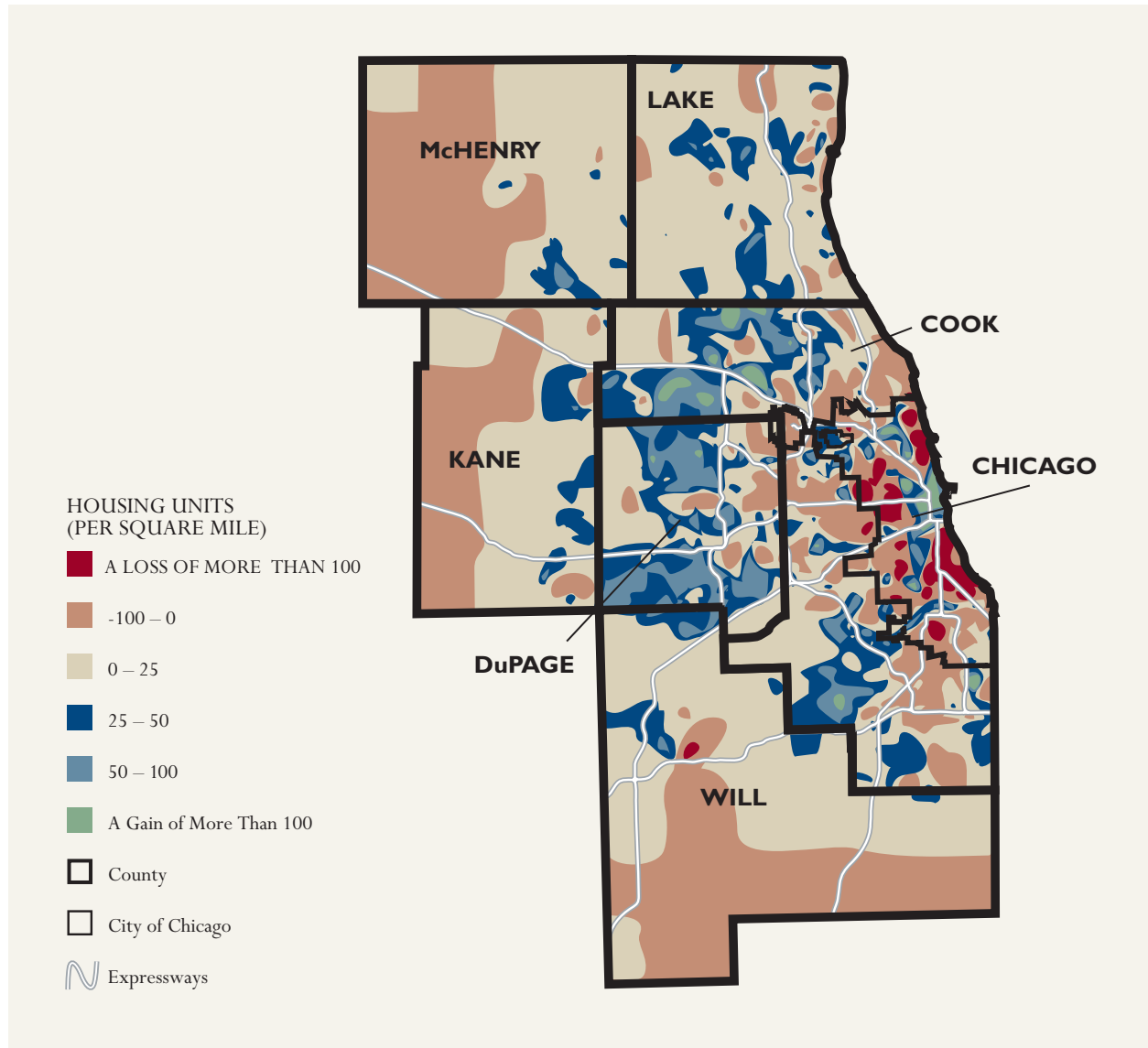
extraordinary power to enact zoning regulations that determine what kinds of homes can or cannot be built in any given community or neighborhood.

The point is that the region's housing patterns do not simply reflect the market at work; they reflect market forces reacting to incentives and disincentives created by policymakers. Different government policies would lead to different regional housing patterns.

All told, a snapshot of where and how we live in 2004 is appreciably different from how the region's residents lived in 1970 or 1990. These trends should inform the debate over how we would like the region to look in 2010 or 2030

1.10 CHANGE IN HOUSING UNIT DENSITY BY COUNTY 1970–2000

Six-County Metropolitan Chicago Area
Source: U.S. Census, 1970 - 2000



SIGNIFICANT TREND The most significant growth in new housing has been on the periphery of the region. The most significant disinvestment – areas in which the net housing stock has actually decreased – has been on Chicago’s South Side and elsewhere in southern Cook County.



The American Dream: Nearly 62% of Chicago area residents own their own homes, on par with the national average of 66% and slightly higher than metropolitan areas like Los Angeles, New York, and Boston.



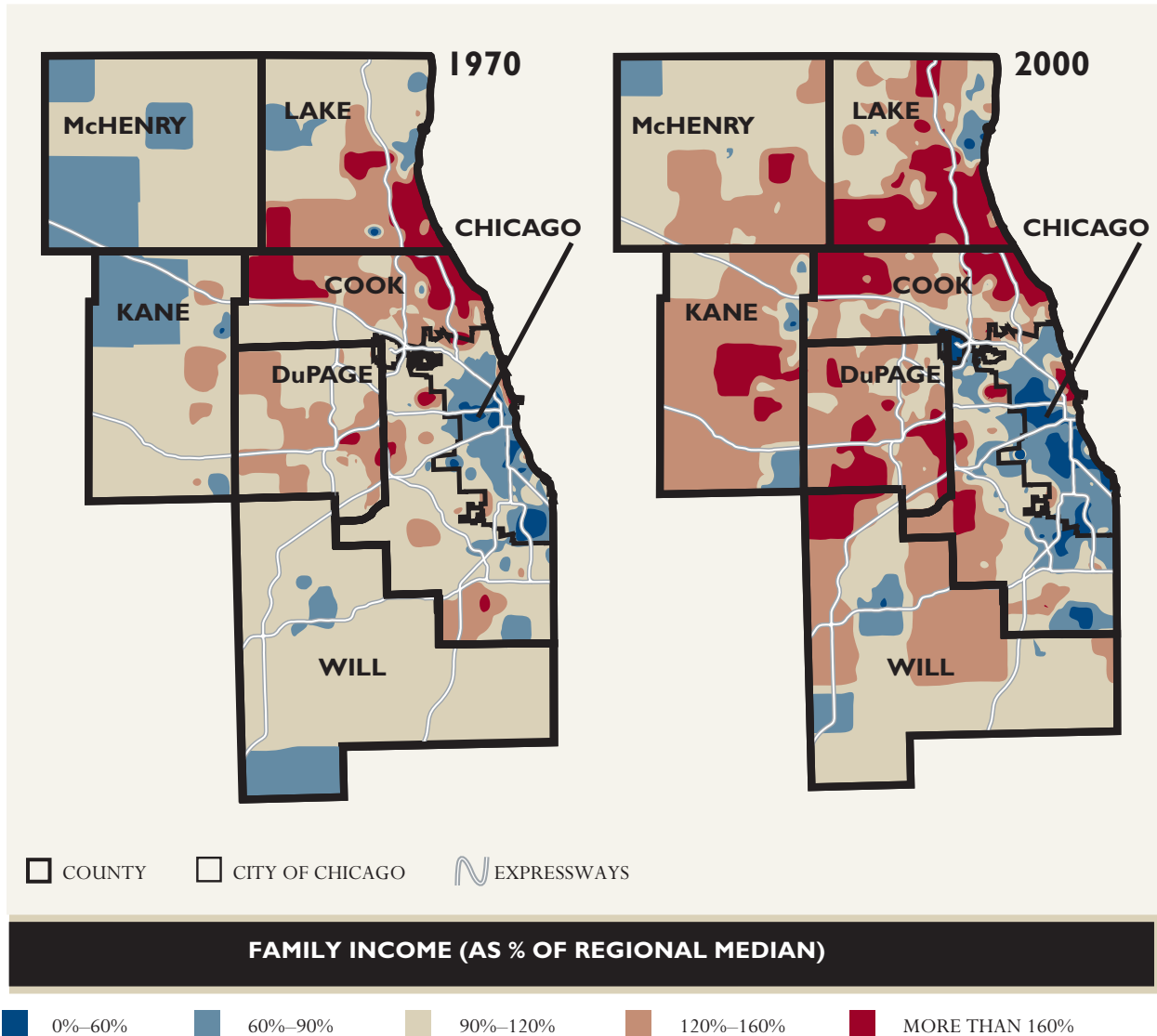
HOUSING AND WEALTH

For most Americans, a home is the most important asset they will ever own. It simultaneously provides shelter and a source of wealth accumulation. At a minimum, a mortgage is a form of forced savings, month after month, year after year.

The accumulated equity in our homes is an important financial buffer that can be borrowed against or cashed out to pay for major life expenses. At the same time, rising property values create additional wealth for some homeowners as the value of their asset grows.

2.1 FAMILY INCOME BY COUNTY, 1970 & 2000

Source: U.S. Census, 1970 & 2000



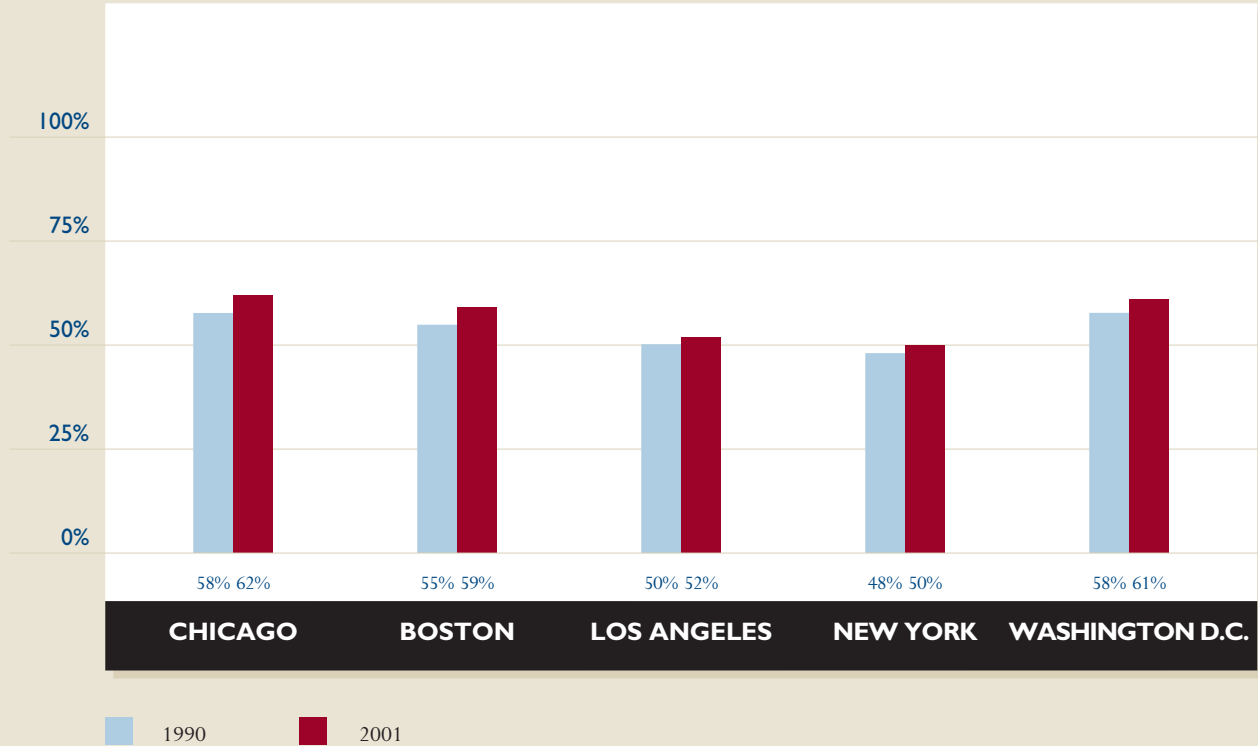
Over the past decade, residents of the Chicago region have shared in this version of the “American dream.”

The Chicago region’s home ownership grew substantially in the 1990s, from 58% to 62%. It should be noted that home ownership rates increased fastest over the course of the decade for Latinos (24.5%) and African-Americans (12%).

SIGNIFICANT TREND Home ownership in the Chicago region is higher than in most other major metropolitan areas and growing.

2.2 CHANGE IN HOME OWNERSHIP RATES FOR SELECTED METRO AREAS, 1990 & 2001

Source: U.S. Census 1990 & U.S. Census 2001 Supplemental Summary



2.3 CHANGE IN HOME OWNERSHIP BY RACE & ETHNICITY FOR SELECTED METRO AREAS, 1990–2000

Source: U.S. Census 1990 & 2000

	Chicago	Boston	Los Angeles	New York	Washington, D.C.
Whites	9%	11%	-6%	2%	10%
African-Americans	25%	42%	9%	29%	48%
Latinos	105%	87%	56%	57%	102%
Asians	77%	97%	42%	81%	73%

SIGNIFICANT TREND Home ownership among African-Americans and Latinos is far lower than for Whites but higher than in most other metropolitan areas and growing at significant rates.

2.4 CHANGE IN MEDIAN HOME VALUES IN SELECTED METRO AREAS, 1990–2001

Source: 1990 U.S. Census & 2001 U.S. Census Supplemental Survey

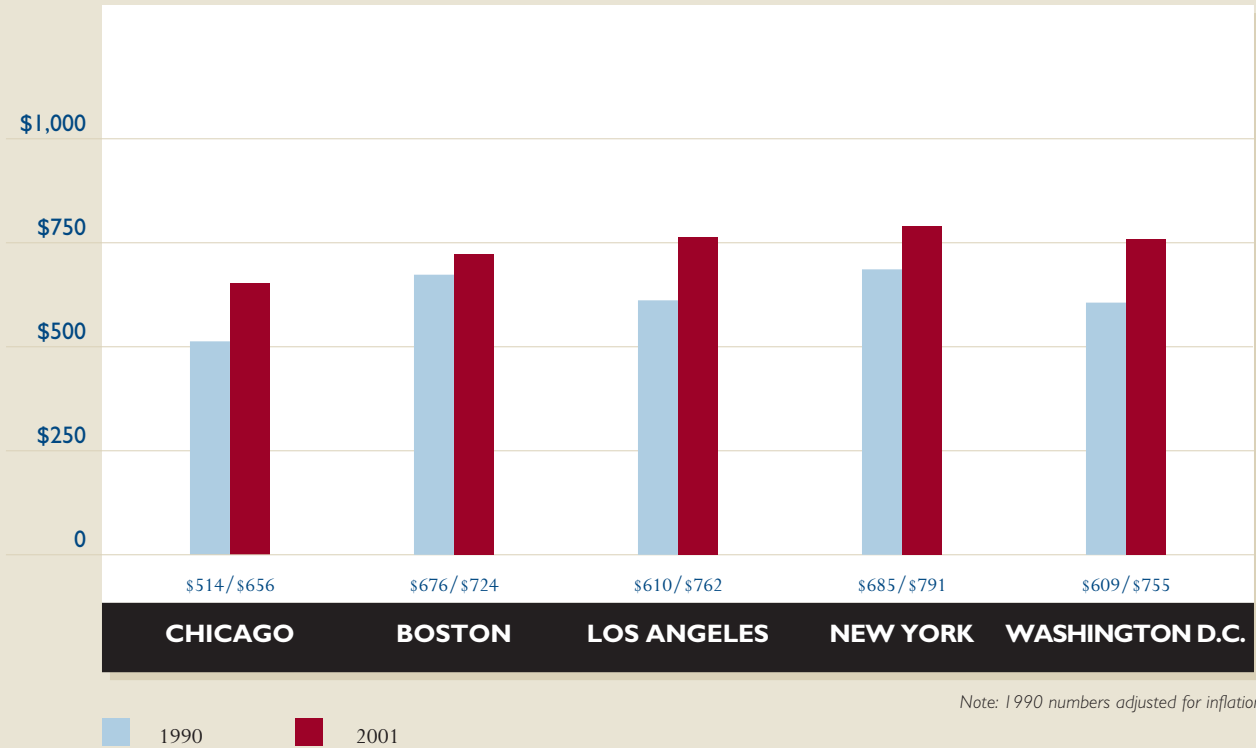


Over the same period, those Chicago residents who owned homes saw their property values increase at a striking rate. Adjusted for inflation, the median home price in the Chicago region grew 37% between 1990 and 2001 – significantly faster than in other metropolitan regions, albeit from a lower base. Rising home values go straight to the bottom line of the families who own them.

SIGNIFICANT TREND Median property values increased faster in the Chicago area than in almost every other major metropolitan area, albeit from a lower base. Similarly, the median rent in the Chicago area increased faster than in most other metropolitan areas.

2.5 MEDIAN RENT IN SELECTED METRO AREAS, 1990 & 2001

Source: U.S. Census 1990 & U.S. Census Supplemental Survey 2001

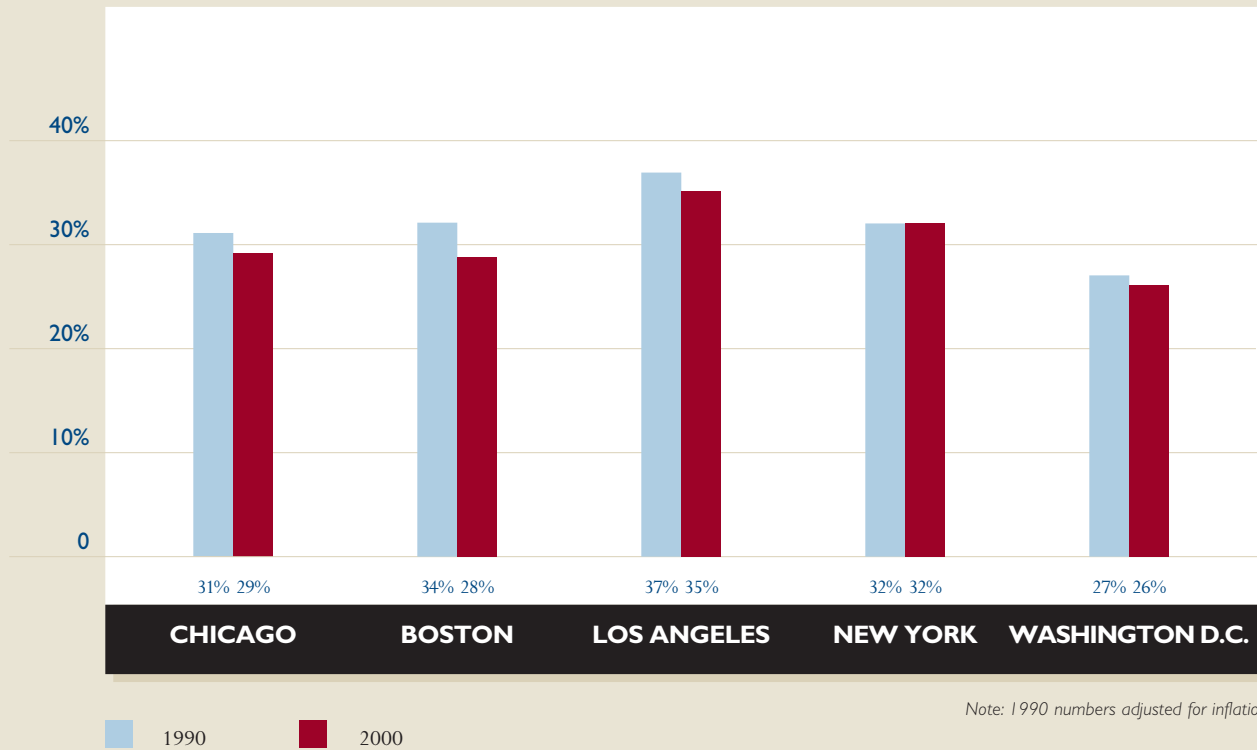


SIGNIFICANT TREND Home prices increased dramatically during the 1990's making a house or condominium an excellent investment for those who had already bought into the market but less affordable for those who have not.

However, individuals and families who do not own property do not share in this growing wealth; indeed, it takes money out of their pockets as rising property values drive up rents. Adjusted for inflation, the median rent in the Chicago metropolitan area increased by 28% between 1990 and 2001, significantly faster than in other metropolitan areas.

2.6 HOUSEHOLDS SPENDING MORE THAN 35% OF INCOME ON RENT IN SELECTED METRO AREAS, 1990 & 2000

Source: U.S. Census, 1990 & 2000



SIGNIFICANT TREND The fraction of households spending 35% or more of their household income on rent did not change significantly, However, the fraction of households spending 35% or more of their household income on mortgage payments increased in all six counties.

Curiously, the fraction of households spending more than 35% of their income on rent did not increase significantly in the 1990s, nor is it out of line with other regions.

For individuals and families who do not own homes, rising property values are no different than rising food or medical costs: Paying rent takes a bigger bite out of the family budget. At the same time – and less obvious – high rents can affect individuals and families

2.7 MEDIAN HOME VALUES & HOUSEHOLD INCOME BY COUNTY, 2001

Source: U.S. Census 2001 Supplemental Survey

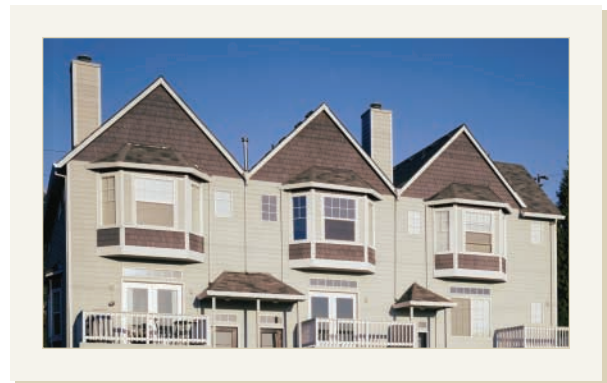
	Cook	DuPage	Kane	Lake	McHenry	Will
Median Home Value	\$166,228	\$210,973	\$171,358	\$212,955	\$177,908	\$163,015
Median Household Income	\$45,000	\$70,916	\$61,054	\$69,230	\$65,936	\$62,508

SIGNIFICANT TREND Median housing prices in the six-county region increased significantly faster than median household income.

by making it more difficult for them to save the money necessary to make a down payment on a house or condominium. Thus, there is a double adverse impact: Families are able to save less towards the purchase of an asset that is getting increasingly expensive. Indeed, home prices in all six counties of the Chicago region increased faster than median income in those counties during the 1990s.

Most Americans no longer stash their savings under the mattress (if they ever did). Instead, the bulk of our savings is likely to consist of the value of the home built around that mattress. For those individuals and families who had bought into this version of the American dream by the early 90s, the subsequent decade likely saw their figurative stash under the mattress swell.

But for those renters who aspire to own a home, the rising property values of the 1990s cut the opposite direction. Their goal of homeownership likely became more elusive.



ELUSIVE AMERICAN DREAM

For individuals and families who do not own homes, rising property values are no different than rising food or medical costs: Paying rent takes a bigger bite out of the family budget.



The interaction between where our region's residents work and where they live – and how easily they can travel between the two – is a crucial determinant of quality of life in the Chicago metropolitan area.

The logo features the word 'HOUSING AND JOBS' in a dark red, all-caps, serif font. To the left of the text is a large, light grey, stylized graphic element that resembles a calligraphic flourish or a large, elegant letter 'H'.

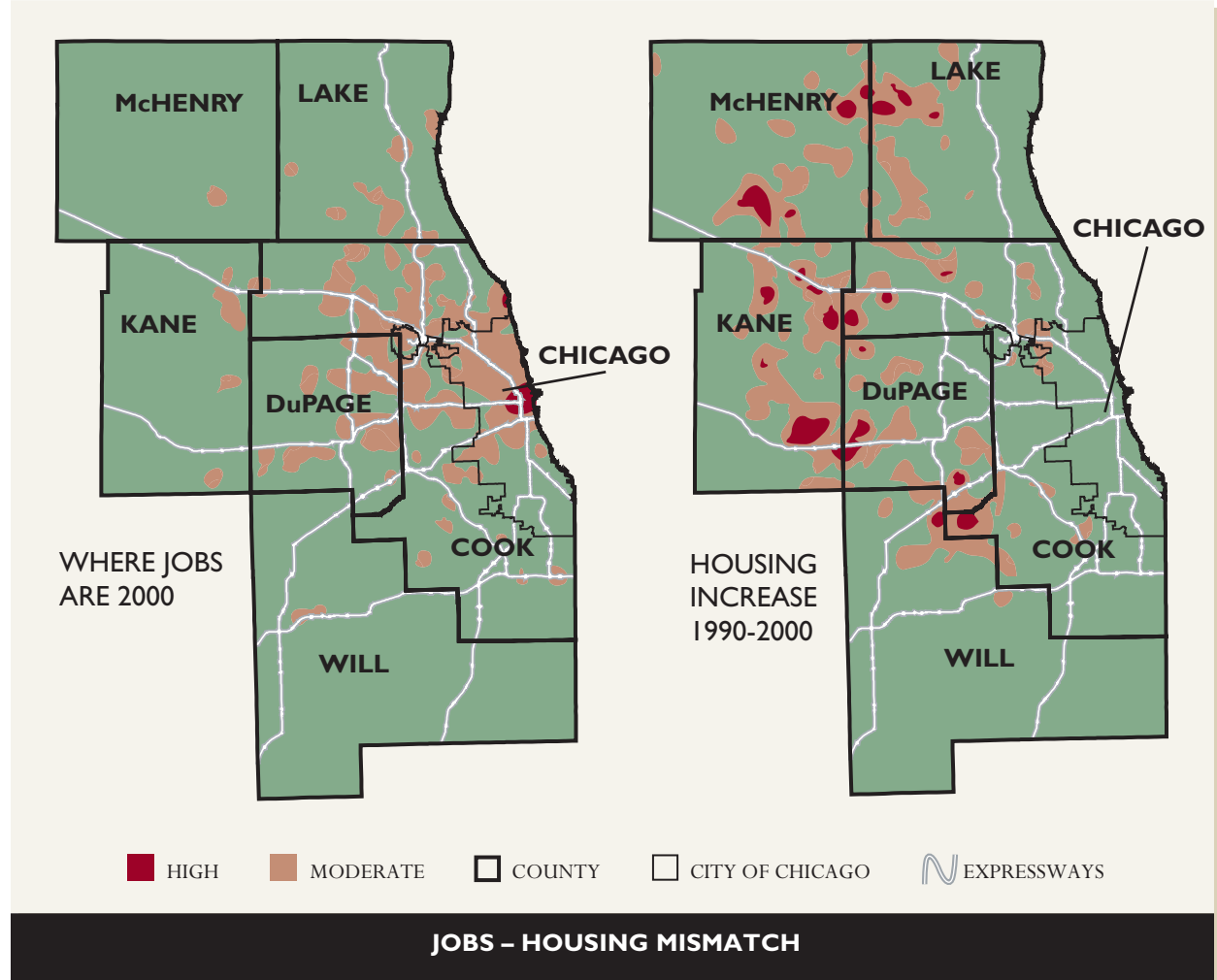
The Chicago region is an economic powerhouse, employing nearly 4.5 million people and producing output comparable to the gross domestic product of Switzerland or Taiwan. Yet the nature of employment in the Chicago area, and the way these jobs are distributed throughout the region, has been evolving for decades. ¹

The interaction between where our region's residents work and where they live – and how easily they can travel between the two – is a crucial determinant of quality of life in the Chicago metropolitan area. During the 1990s, the cost of commuting, both in terms of time and money, increased for residents throughout the region.

¹Source: Northeastern Illinois Planning Commission, 2000 and Info USA, 2002

3.1 JOBS – HOUSING MISMATCH BY COUNTY

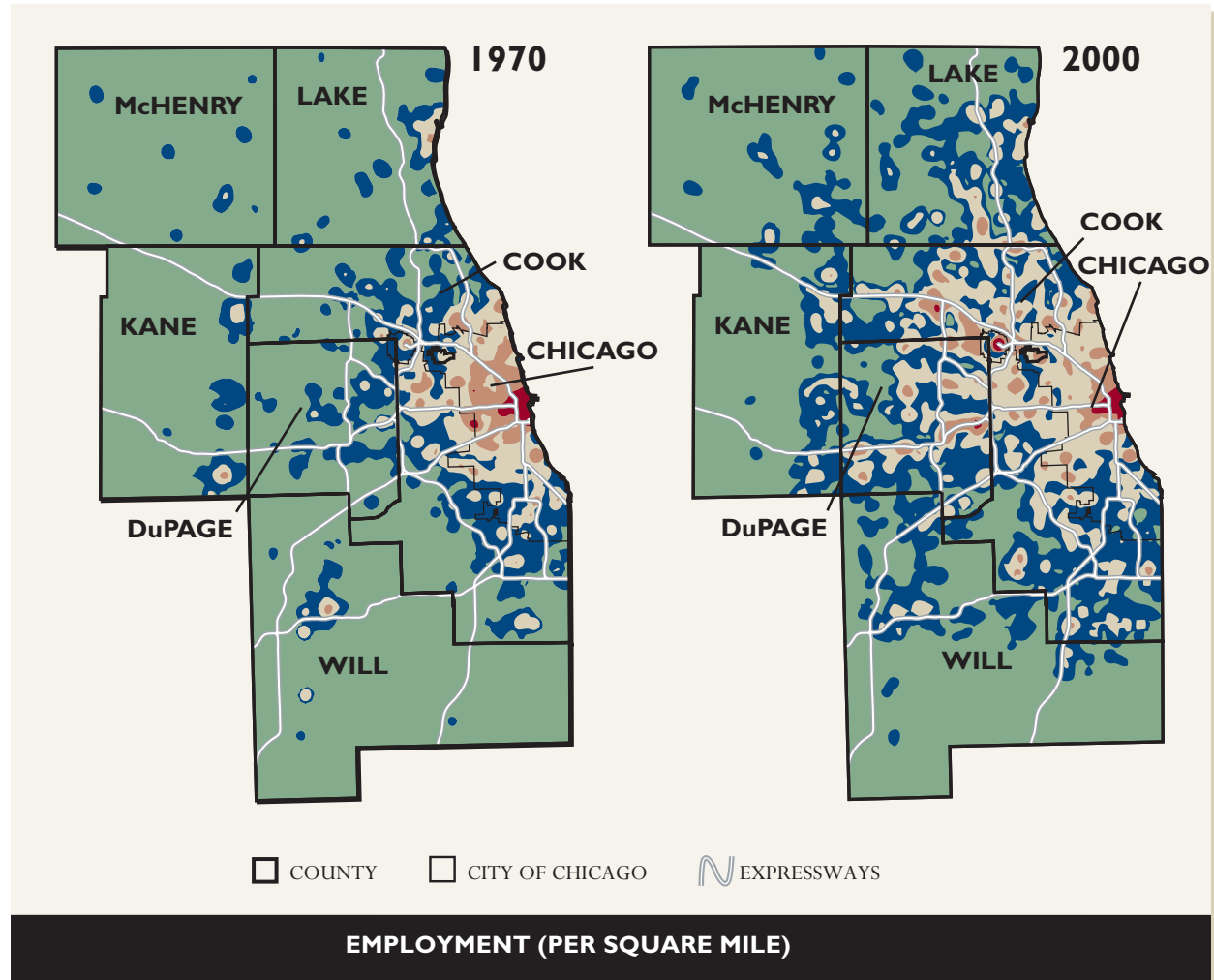
Source: Northeastern Illinois Planning Commission



SIGNIFICANT TREND The region is not adding new housing where it is adding new jobs. The communities that added the most jobs between 1990 and 2000 added only a fraction as much housing.

3.2 EMPLOYMENT BY COUNTY, 1970 & 2000

Source: Northeastern Illinois Planning Commission



In 1970, the vast majority of the region's jobs were in Cook County; more than half were in Chicago. Since then, employment in the region has become far more diffuse.

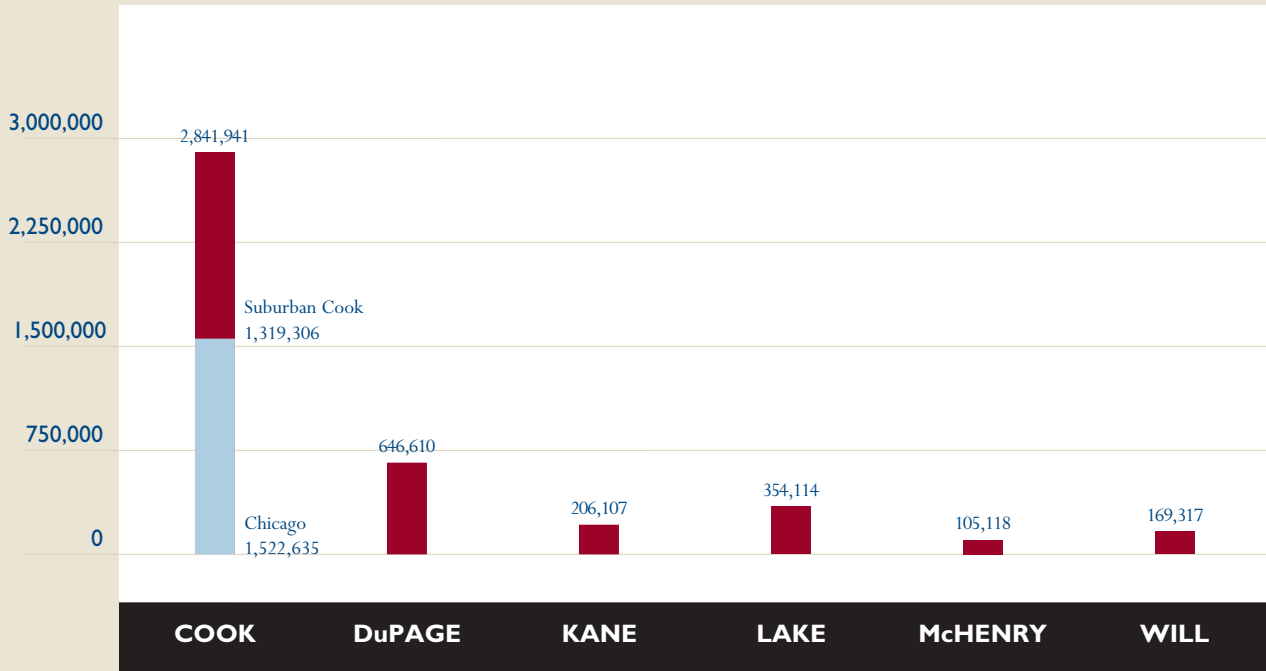
TIME AND MONEY

During the 1990's the cost of commuting, both in terms of time and money, increased for residents throughout the region.



3.3 EMPLOYMENT BY COUNTY, 2000

Source: Northeastern Illinois Planning Commission



Between 1990 and 2000, the most rapid job growth was in the collar counties: DuPage (22%), Kane (42%), Lake (55%), McHenry (60%), and Will (70%). Meanwhile, job growth was two percent in Cook County and three percent in Chicago, albeit from a much higher base.

It is important to remember that Cook County, and Chicago in particular, are still at the heart of the region's economic engine.

SIGNIFICANT TREND Employment throughout the region is more diffuse than it was in 1970. However, the bulk of the region's jobs are still in Cook County. In 2001, Cook had more jobs than the other five counties combined.

3.4 EMPLOYMENT BY COUNTY, 1970–2030

Source: Northeastern Illinois Planning Commission

Employment	1970	1980	1990	2000	2030
Cook	2,700,300	2,510,050	2,776,033	2,841,941	3,318,234
Chicago	1,864,000	1,448,650	1,482,381	1,522,635	1,763,365
Suburban Cook	836,300	1,061,400	1,293,652	1,319,306	1,554,869
DuPage	146,400	276,375	530,322	646,610	830,394
Kane	103,300	117,100	145,205	206,107	342,684
Lake	116,400	151,300	228,606	354,114	461,487
McHenry	36,300	43,850	65,526	105,118	167,765
Will	82,500	85,575	99,393	169,317	443,370
6 County	3,185,200	3,184,250	3,845,085	4,323,207	5,563,934

Roughly two-thirds of the region's jobs are in Cook County and more than a third are in Chicago. Projections by the Northeastern Illinois Planning Commission show that even by 2030, the majority of the region's jobs will be in Cook. Thus, rapid job growth in the collar counties is by no means synonymous with a "hollowing out" of the center.

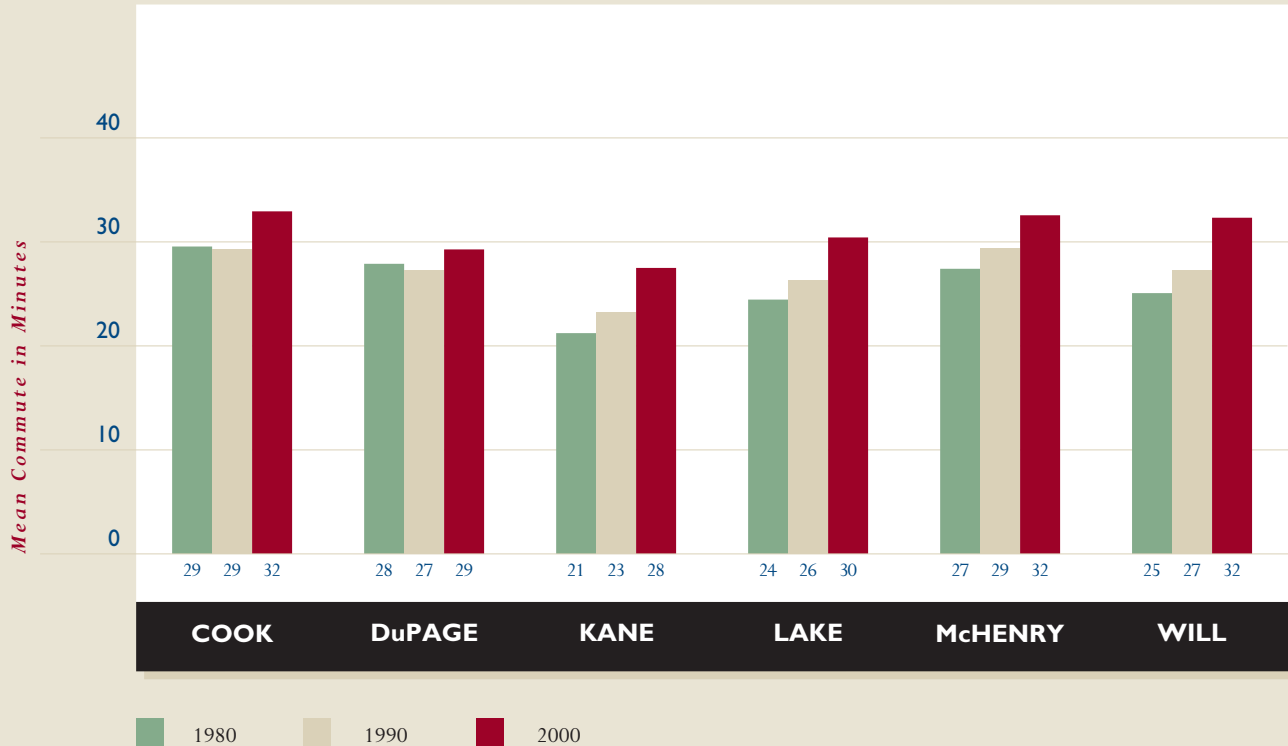
ECONOMIC CORE

Rapid job growth in the collar counties is by no means synonymous with a "hollowing out" of the center.



3.5 JOURNEY TO WORK TIMES BY COUNTY, 1980, 1990 & 2000

Source: U.S. Census, 1980, 1990 & 2000



This crucial connection between local land use patterns and regional traffic congestion argues for a regional planning process that takes both into consideration.

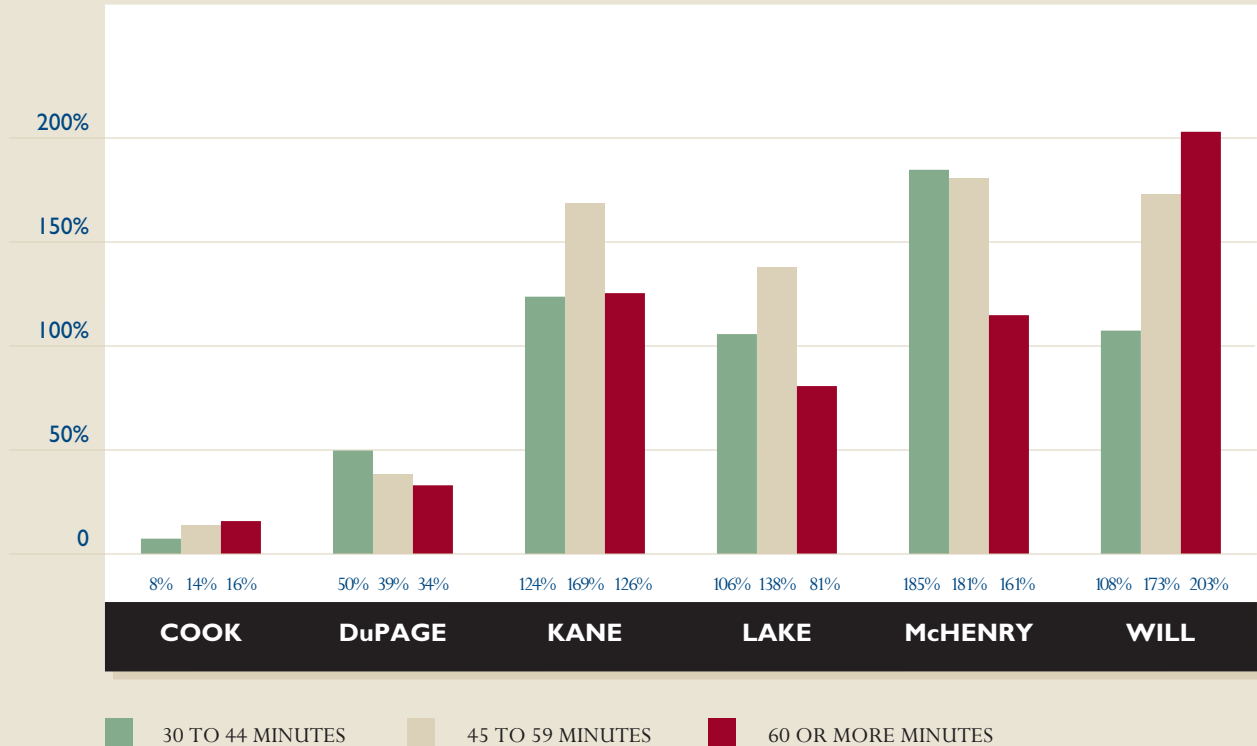
The average resident of the Chicago region spent more time getting to work (and home again) in 2000 than in 1990. Average journey to work times climbed in the 1990s for all six counties. The number of residents making long trips between home and work has grown significantly, particularly in the collar counties.

For example, between 1980 and 2000, the number of commutes over 60 minutes climbed 34% in DuPage, 126% in Kane, 81% in Lake, 161% in McHenry, and 203% in Will. Residents of some suburban Chicago communities now have among the longest average commute times in the country.

Housing trends from 1990 to the present suggest that the region's traffic issues are not merely transportation problems.

3.6 INCREASE IN COMMUTES OVER 30 MINUTES BY COUNTY, 1980–2000

Source: U.S. Census, 1980, 1990 & 2000



Low-density residential developments put several unique strains on our transportation infrastructure.

First, they often lack sufficient density to support any kind of efficient public transit service.

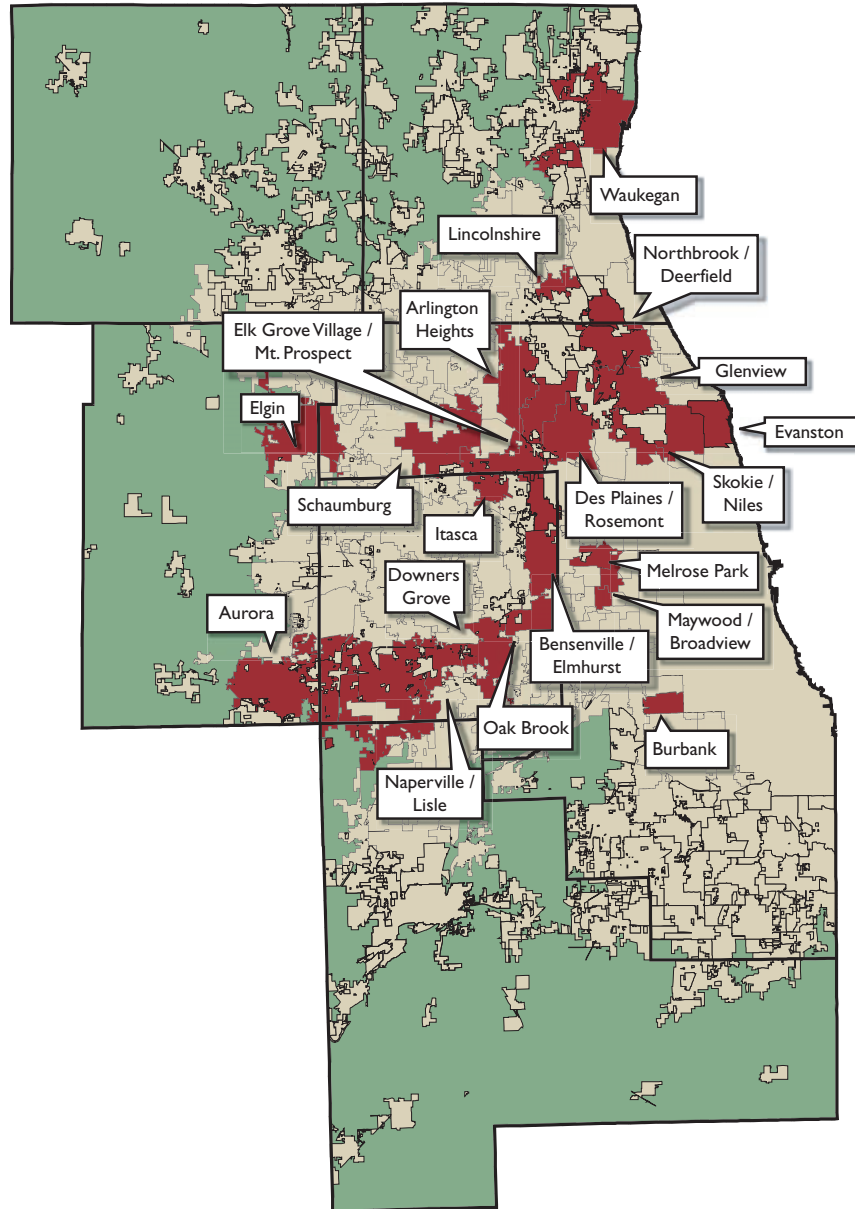
Second, they are often designed in ways – such as separating residential development from retail development – that leave residents dependent on the automobile for even the most basic errands.

And last, since new housing developments are often built just beyond the last new housing developments, low-density land use patterns put new homeowners further and further away from the region's major job centers.

SIGNIFICANT TREND The median commute in all six counties climbed between 1990 and 2000. Similarly, the number of individuals with commutes over 30 minutes has been climbing in all six counties since 1980. The spatial disconnect between where jobs and housing are being created is a logical explanation for longer commutes.

3.7 REGIONAL EMPLOYMENT CENTERS BY COUNTY, 2000

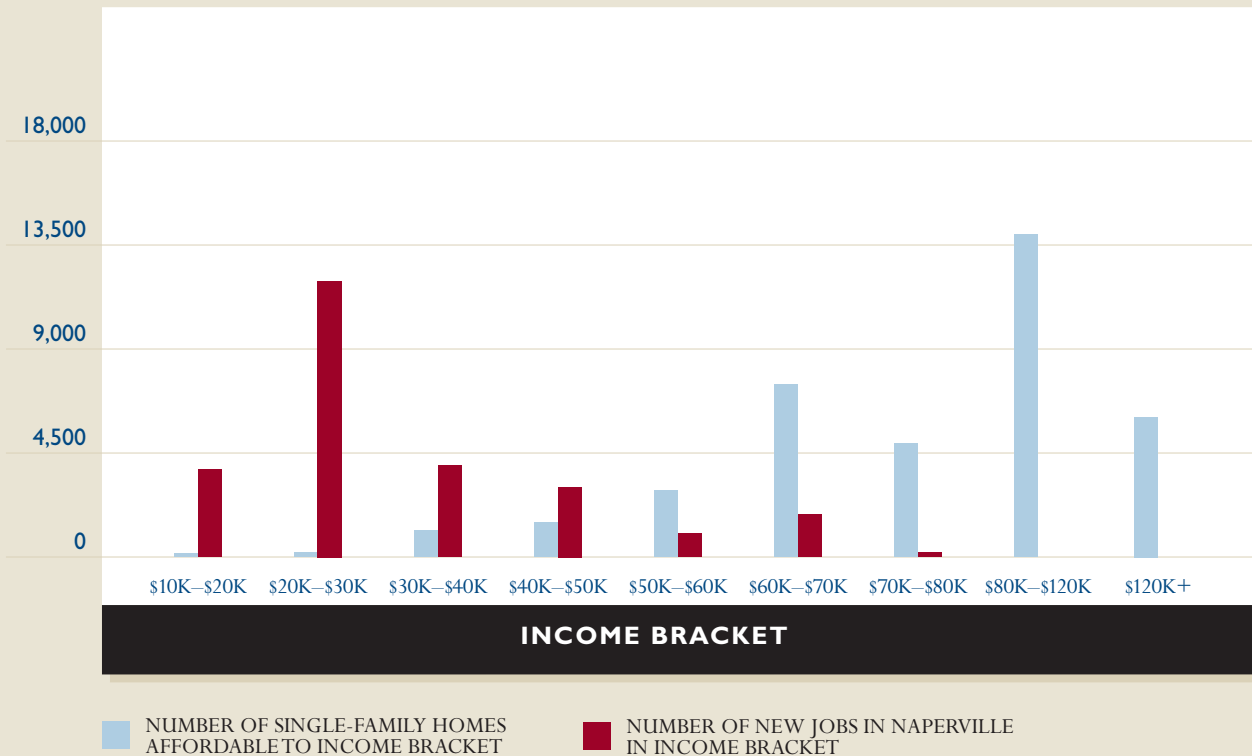
Source: University of Illinois - Chicago, 2003



Many of the region's job centers added thousands of jobs between 1990 and 2000 while adding virtually no new housing.

3.9 AFFORDABILITY OF NEW HOMES FOR NEW WORKERS IN NAPERVILLE

Source: Bureau of Labor Statistics, 2000; U.S. Census, 2000



Four explanations for growing commute times and related congestion:

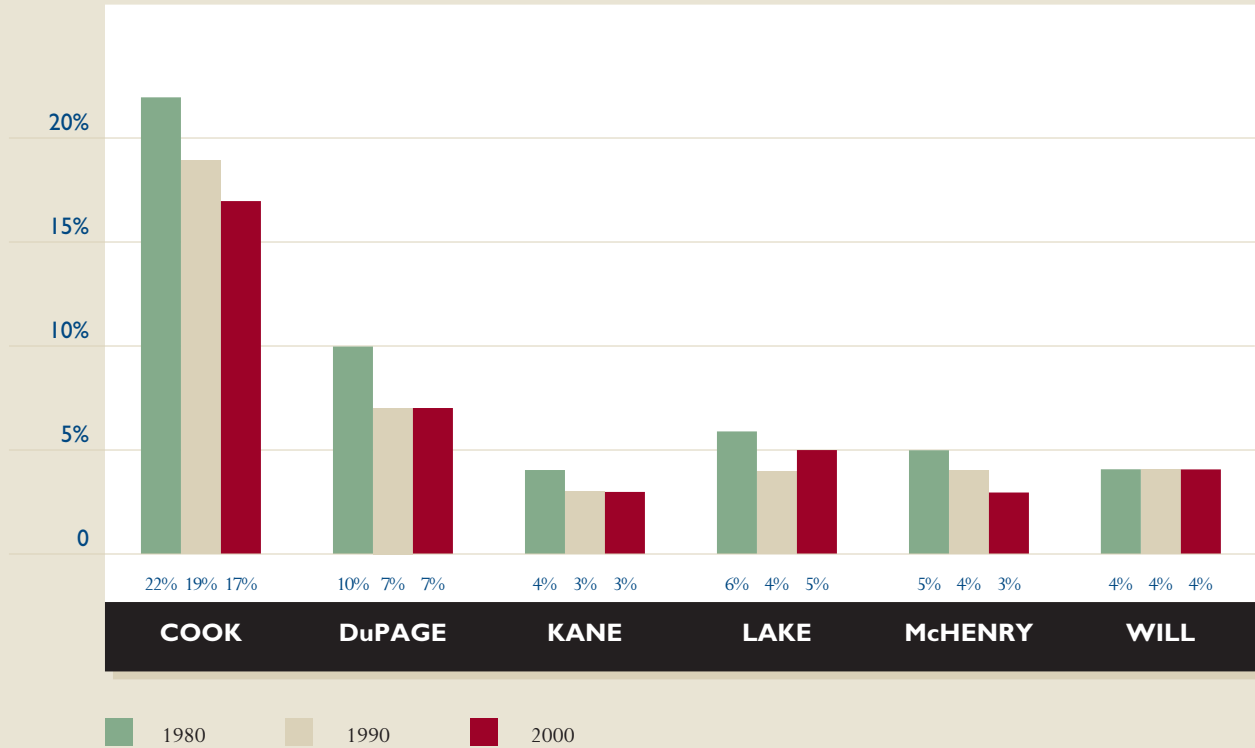
1. New housing is not being constructed near new jobs. Many of the region's job centers added thousands of jobs between 1990 and 2000 while adding virtually no new housing. For example, Schaumburg added more than 40,000 jobs while issuing only 2,339 single family housing permits and 966 multifamily housing permits.

2. Much of the new housing that is being built near job centers is not likely to be affordable to the workers taking those jobs. In Naperville, for example, a high proportion of new single family homes are affordable only to workers with a household income over \$80,000 while a high proportion of jobs created in Naperville in the 1990s paid \$30,000 or less.

SIGNIFICANT TREND The housing that is being built in the region's major employment centers is not affordable for workers taking the jobs that are being created in those areas.

3.10 PUBLIC TRANSIT USE BY COUNTY, 1980, 1990, 2000

Source: Population Reference Bureau



3. The region's transportation infrastructure, especially the commuter rail system, was designed to move residents from the suburbs to the city in the morning and home again at night. It is less well suited for the reverse commute and trips between suburbs, which are the fastest-growing categories of work trips.

4. Transit use as a percentage of all work trips has been flat or falling in all six counties for two decades.

THE MODERN COMMUTE

The region's transportation infrastructure is not well-suited for the reverse commute and trips between suburbs, which are the fastest-growing categories of work trips.





Since Illinois depends more heavily on local property taxes to fund public education than most states, school spending is highly correlated with community wealth.

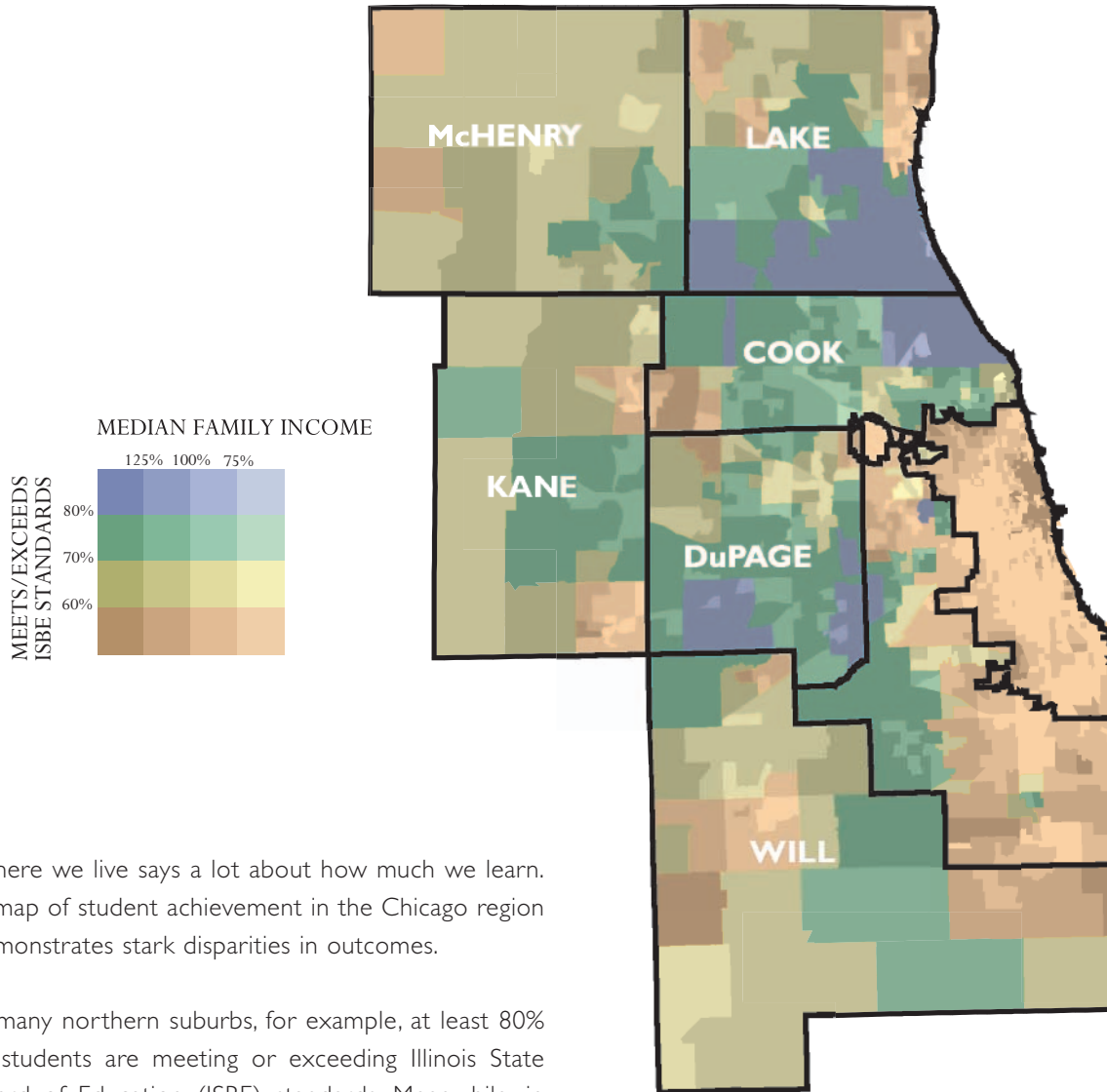


Where we live determines where our children go to school. In Illinois, an address is also a license to attend specific public schools, and, for that reason alone, some addresses are better than others.

Since Illinois depends more heavily on local property taxes to fund public education than most states, school spending is highly correlated with community wealth. Those communities with a high property tax base can afford to spend more on their schools than cities and towns with less property wealth. As a result, the resources available to fund public schools in the Chicago region vary enormously both within and across counties. In Cook County, for example, the range of spending per student at the high school level ranges from \$7,500 to over \$16,000. In Lake County, the range of spending per elementary school student stretches from \$5,800 per student to over \$18,000.

4.1 SCHOOL TEST SCORES & FAMILY INCOME

Source: Illinois State Board of Education, 2000 – 2001; U.S. Census 2000



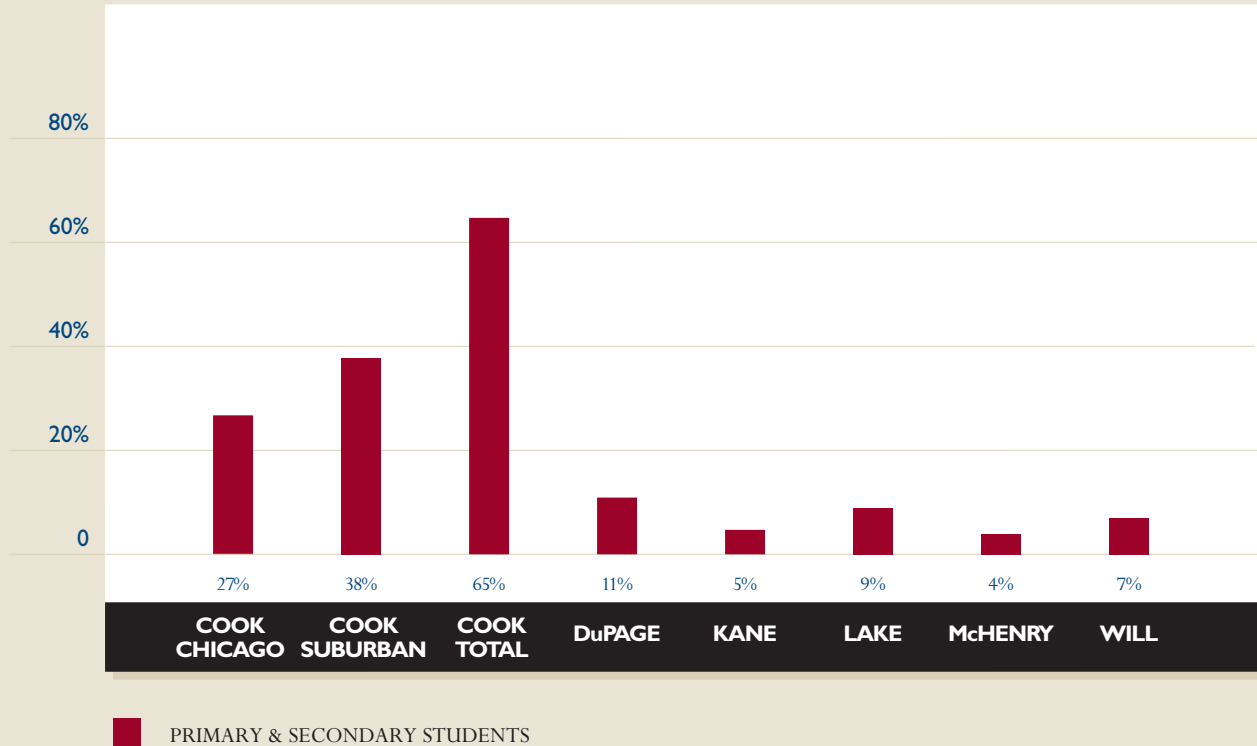
Where we live says a lot about how much we learn. A map of student achievement in the Chicago region demonstrates stark disparities in outcomes.

In many northern suburbs, for example, at least 80% of students are meeting or exceeding Illinois State Board of Education (ISBE) standards. Meanwhile, in Chicago and much of southern Cook County, fewer than 60% of students are meeting ISBE standards. The fate of these “low-performing” students is crucial to the future of the region for the simple reason that they account for such a high proportion of our youth. Chicago has 27% of the region’s students – more than all the students in Kane, Lake, McHenry, and Will Counties combined.

SIGNIFICANT TREND A striking proportion of students, particularly students in Chicago, are not meeting state achievement standards.

4.2 DISTRIBUTION OF STUDENTS BY COUNTY, 2000

Source: Illinois State Board of Education



The relationship between median family income and school achievement is complex. Wealthy communities are likely to spend more on their schools, yet school spending is only one of many inputs that affect school outcomes. The data are clear on one point: the communities with the lowest levels of student achievement are likely to have the least resources to address those deficiencies.

SIGNIFICANT TREND The majority of the region's students attend school in Cook County. Chicago has 27% of the region's students – more than all the students in Kane, Lake, McHenry, and Will Counties combined.

At the same time, there is a significant relationship between housing and education that works in the opposite direction: How much a community spends on education may determine who can live there. The large local cost of education (relative to other states) creates an incentive for local municipalities to use their zoning authority in ways that expand the tax base while putting minimal new fiscal strains on the schools. Thus, commercial development is preferable to residential development and big houses are preferable to smaller houses or apartments (because the latter generate less property tax revenue relative to the schooling costs of the families who live in them).

While it is common knowledge that many residents of the region have chosen a home based on the schools it entitles them to attend, the reality of local zoning is that many communities have effectively chosen the residents who attend their schools. The regional land use implications of these incentives are difficult to quantify but significant nonetheless. The region is not likely to have sufficient affordable housing if each individual municipality has a fiscal incentive to avoid new affordable development.

In general, the racial and ethnic composition of our region's schools does not reflect the racial and ethnic composition of our region's population. For example,

SIGNIFICANT TREND There are enormous disparities in school funding in the Chicago region, both within and across counties.

4.3 DISPARITIES IN EDUCATION FUNDING BY COUNTY PER PUPIL

Source: Illinois State Board of Education, 2002

Elementary	Cook	DuPage	Kane	Lake	McHenry	Will	Region
Maximum	13,431	14,378	8,411	18,225	7,766	11,009	18,225
Minimum	4,881	6,610	6,507	5,835	4,913	4,816	4,816
Range	8,550	7,768	1,904	12,390	2,853	6,193	13,409
Median	7,844	7,612	7,643	7,643	6,272	6,009	7,628
Mean	8,227	8,096	7,459	8,078	6,425	6,086	7,395
% Regional Median	103%	100%	100%	100%	82%	79%	100%
Secondary	Cook	DuPage	Kane	Lake	McHenry	Will	Region
Maximum	16,284	13,681	8,411	17,636	10,025	11,566	17,636
Minimum	7,530	7,137	6,507	6,689	6,227	5,726	5,726
Range	8,754	6,544	1,904	10,947	3,798	5,840	11,910
Median	12,194	10,550	7,662	9,454	7,376	6,903	8,558
Mean	12,198	10,166	7,459	10,206	7,597	7,883	9,252
% Regional Median	142%	123%	90%	110%	86%	81%	100%

4.4 COMPARABLE STATES RANKED BY SHARE OF STATE FUNDING OF EDUCATION, 2000-2001

Source: National Center for Education Statistics, Education Statistics Quarterly

State Rankings	State	State	Local	Federal
1	Hawaii	89.8	1.8	8.4
7	Michigan	64.8	28.3	6.8
12	California	61.5	30.3	8.2
25	Indiana	53.5	40.6	5.1
35	New York	46.2	47.6	5.7
36	Texas	42.2	48.9	8.7
37	Ohio	43.2	50.5	6.1
39	Massachusetts	43.6	51.4	5
43	New Jersey	41.8	54.3	3.9
44	Missouri	37.5	55.1	6.9
45	Pennsylvania	37.8	55.6	6.5
49	Illinois	33.6	58.6	7.8
51	Nevada	28.6	66.3	5.1

the average African-American student in the region attends a school that is 72% African-American while the average White student attends a school that is 6% African-American. A Latino student will, on average, attend a school that is 48% Latino, even though Latinos make up only 22% of the region's students. Racial and ethnic segregation in our schools is obviously a reflection of racial and ethnic segregation in our neighborhoods and communities.

The notion that we can somehow treat education and housing as separate issues is illusionary. As long as where we live determines both where we go to school and the level of resources available to that school, then the two will be inextricably linked.

SIGNIFICANT TREND Illinois ranks 49th out of 50 states and the District of Columbia in the share of state spending on education.



In 1990, 12% of the region's population was Latino; by 2000, the region's Latino population had grown to 17%.

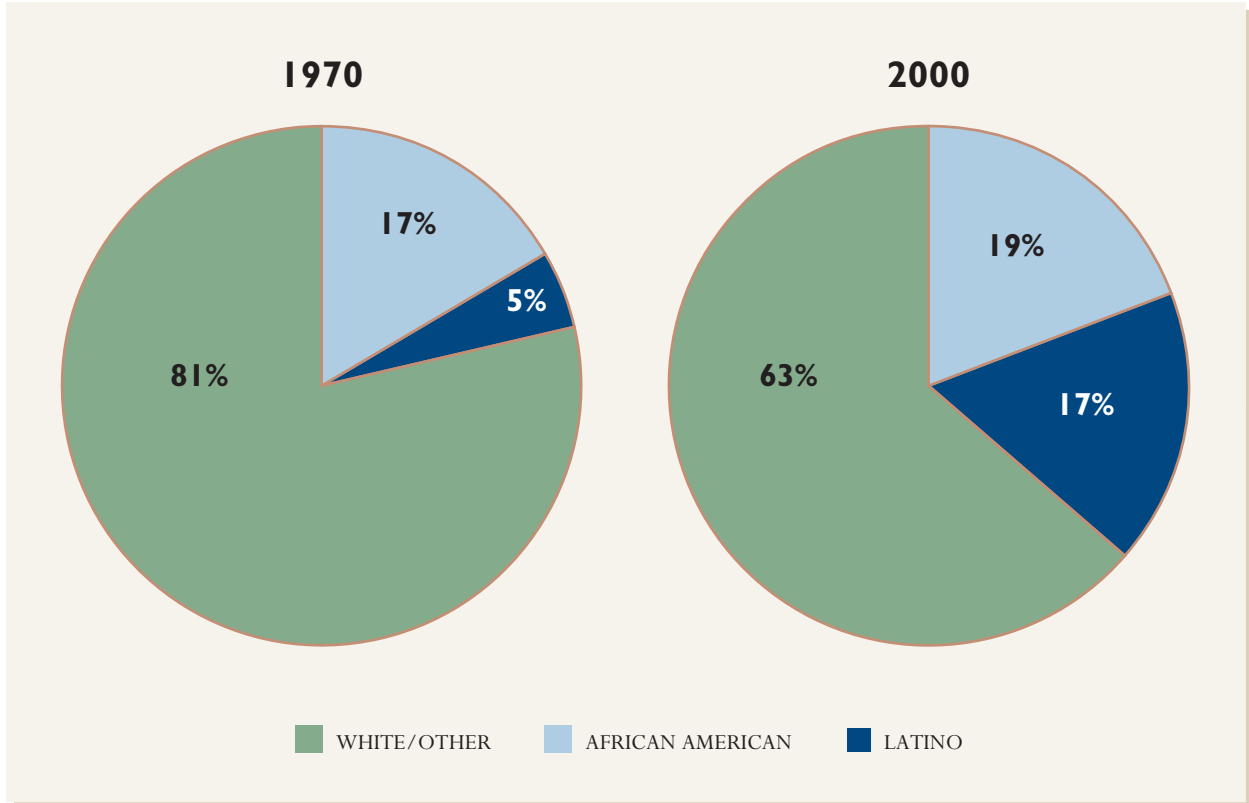


H O U S I N G A N D R E G I O N A L D I V E R S I T Y

The region is changing – not just where and how we live, but who we are. All six counties in the Chicago region have grown more diverse, primarily because of growth in the Latino population. In 1990, 12% of the region’s population was Latino; by 2000, the region’s Latino population had grown to 17%.

5.1 THE CHANGING FACE OF THE REGION: ETHNICITY

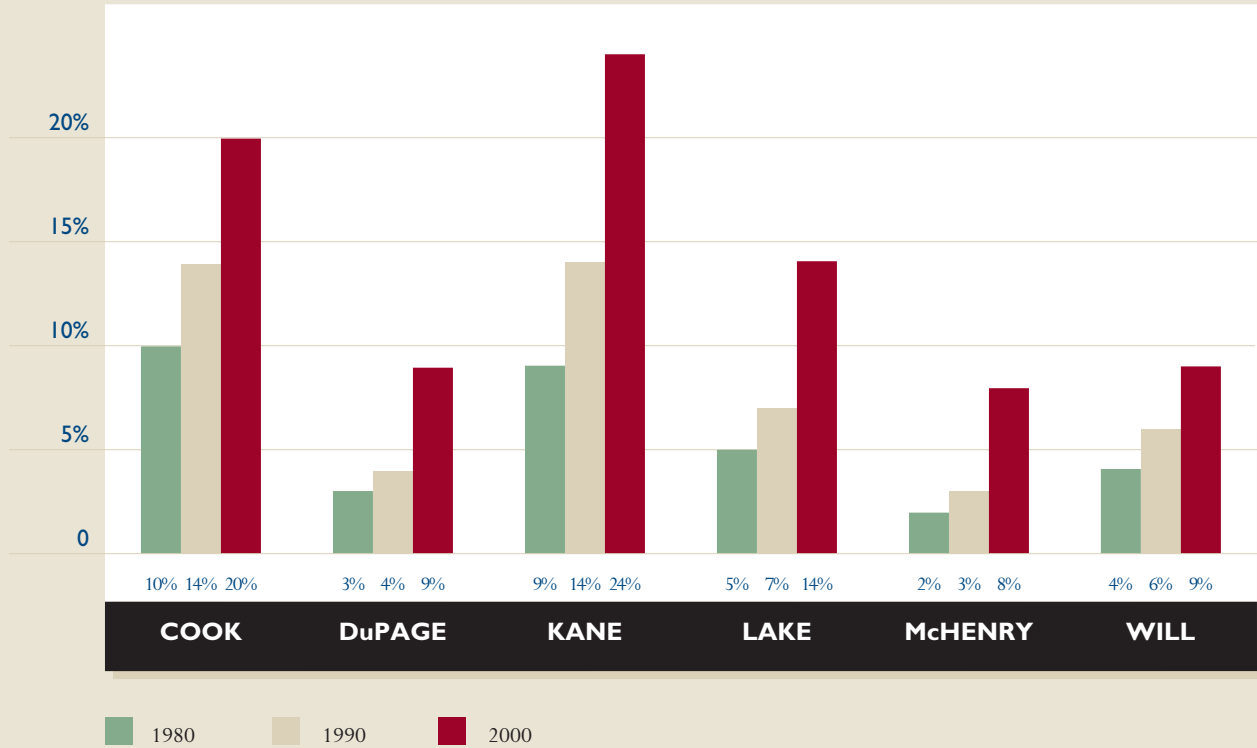
Source: U.S. Census, 1970 & 2000



SIGNIFICANT TREND Latinos represent the bulk of the population growth in the region between 1990 and 2000 as well as the largest share of the projected population growth. Latino population growth is occurring throughout the six-county region. One result is that Spanish is spoken as the primary language in a significant number of households in all six counties.

5.2 LATINO POPULATION BY COUNTY, 1980, 1990 & 2000

Source: U.S. Census, 1980, 1990 & 2000

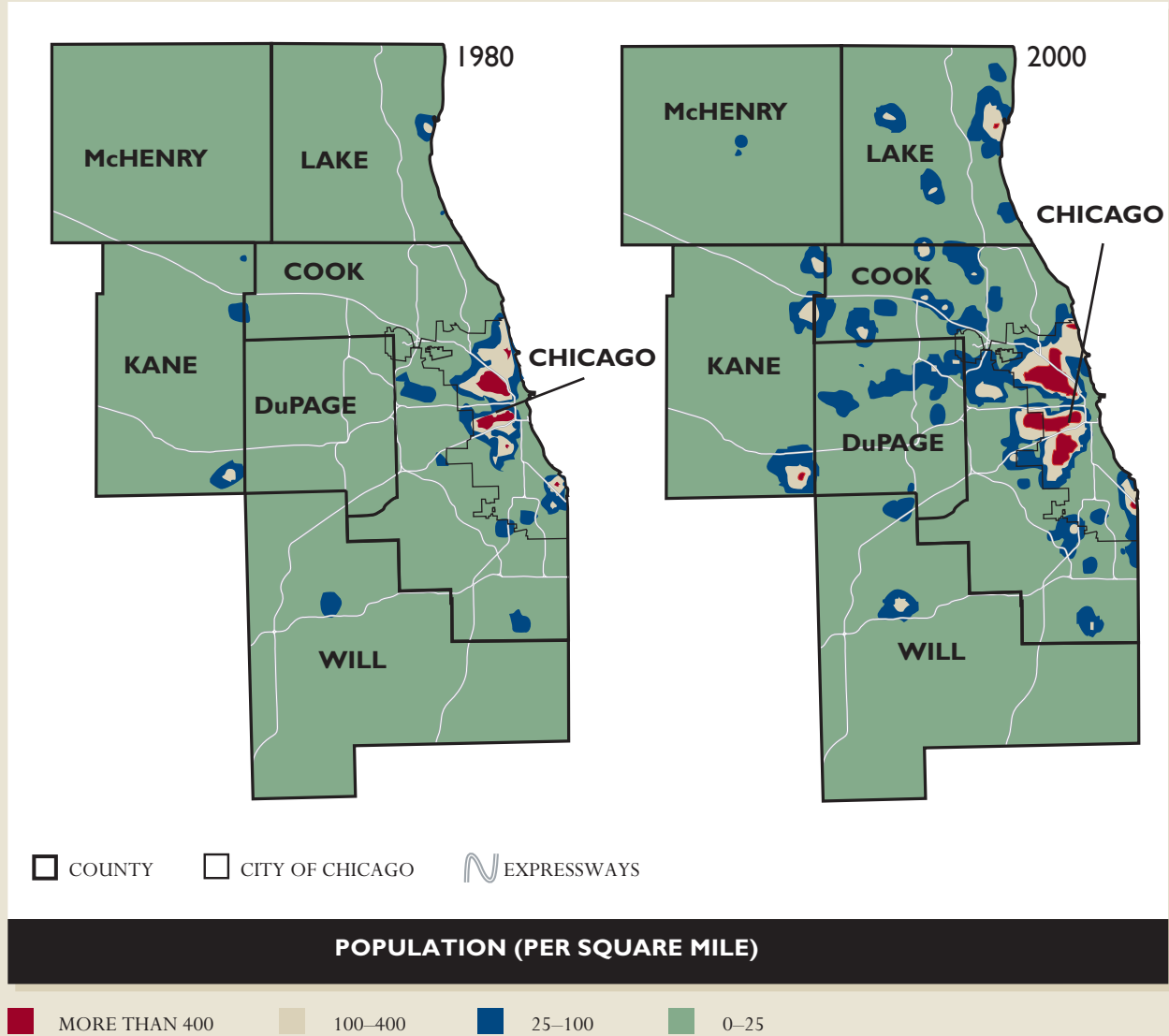


Some of the most significant Latino population growth occurred in the collar counties. Over the last two decades, for example, the Latino population grew from 3% to 9% in DuPage County; from 5% to 14% in Lake County; and from 9% to 24% in Kane County.

By 2000, one in five households in Kane County spoke Spanish as the primary language. For the region as a whole, 13% of households speak primarily Spanish.

5.3 LATINO POPULATION BY COUNTY, 1980 & 2000

Source: U.S. Census, 1980 & 2000

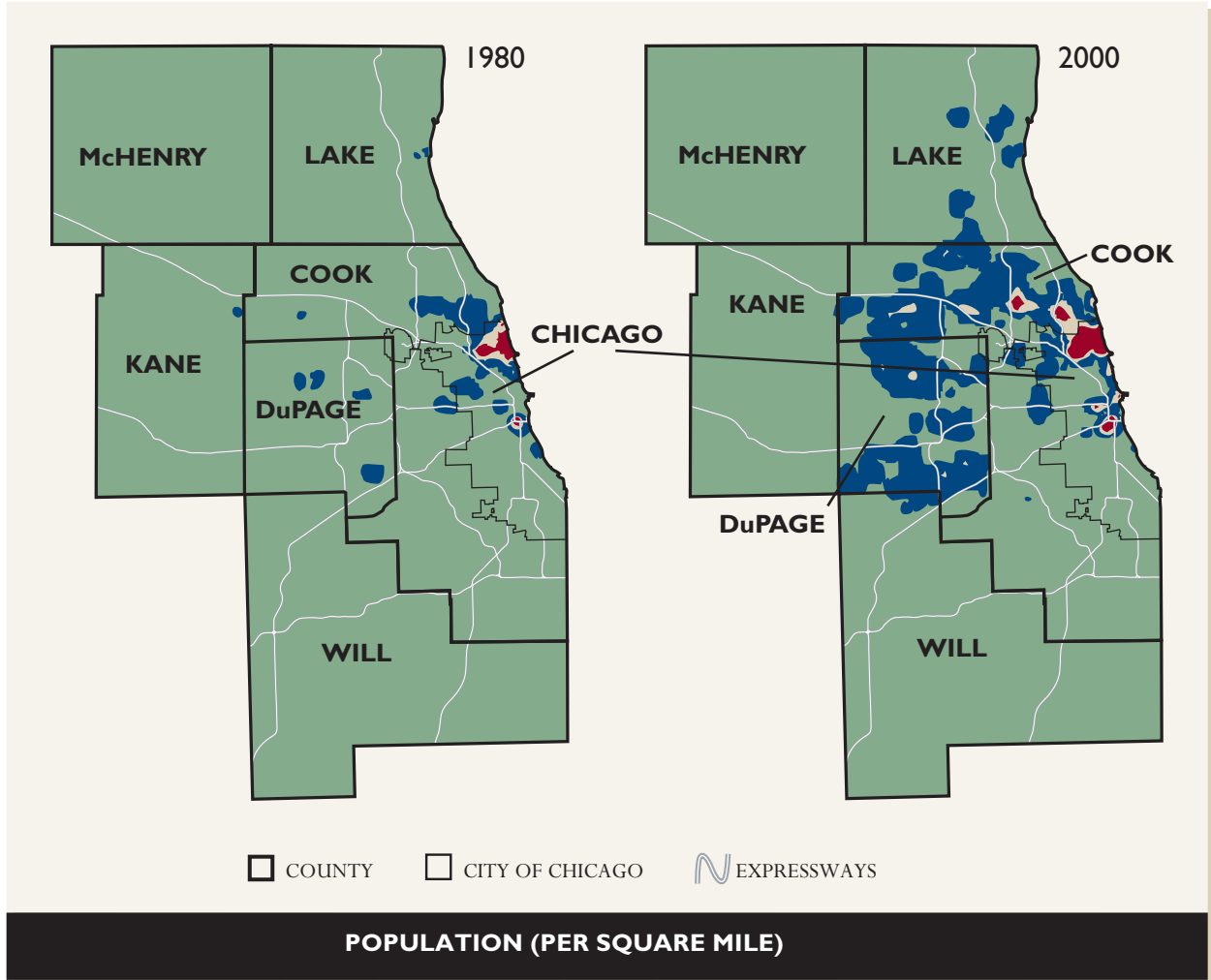


SPEAKING SPANISH
 For the region as a whole, 13% of households
 speak primarily Spanish.



5.4 ASIAN POPULATION BY COUNTY, 1980 & 2000

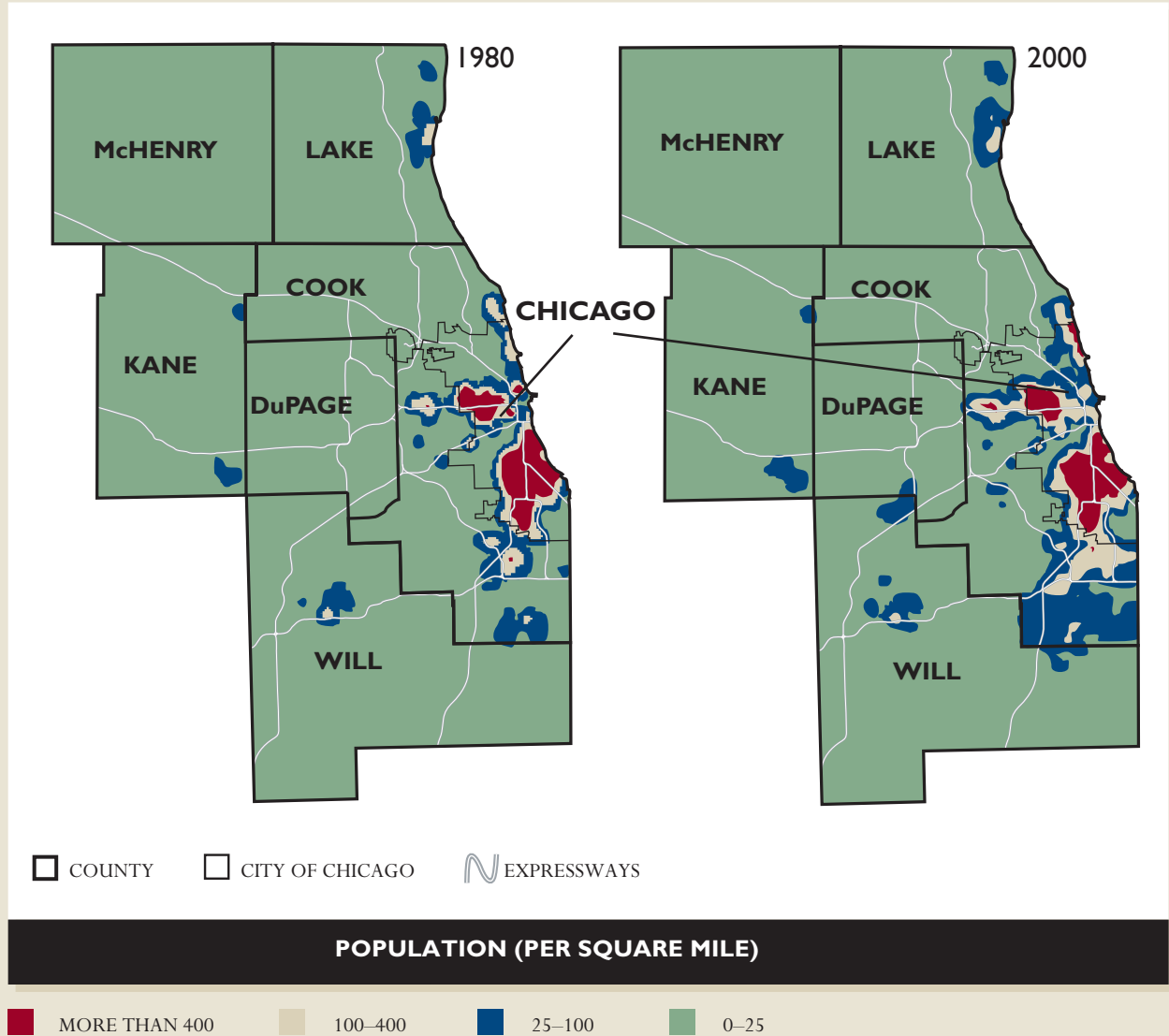
Source: U.S. Census, 1980 & 2000



SIGNIFICANT TREND All six counties are growing more diverse. The region's Asian and Latino populations are diffused more broadly throughout the region than they were in 1980.

5.5 AFRICAN-AMERICAN POPULATION BY COUNTY, 1980 & 2000

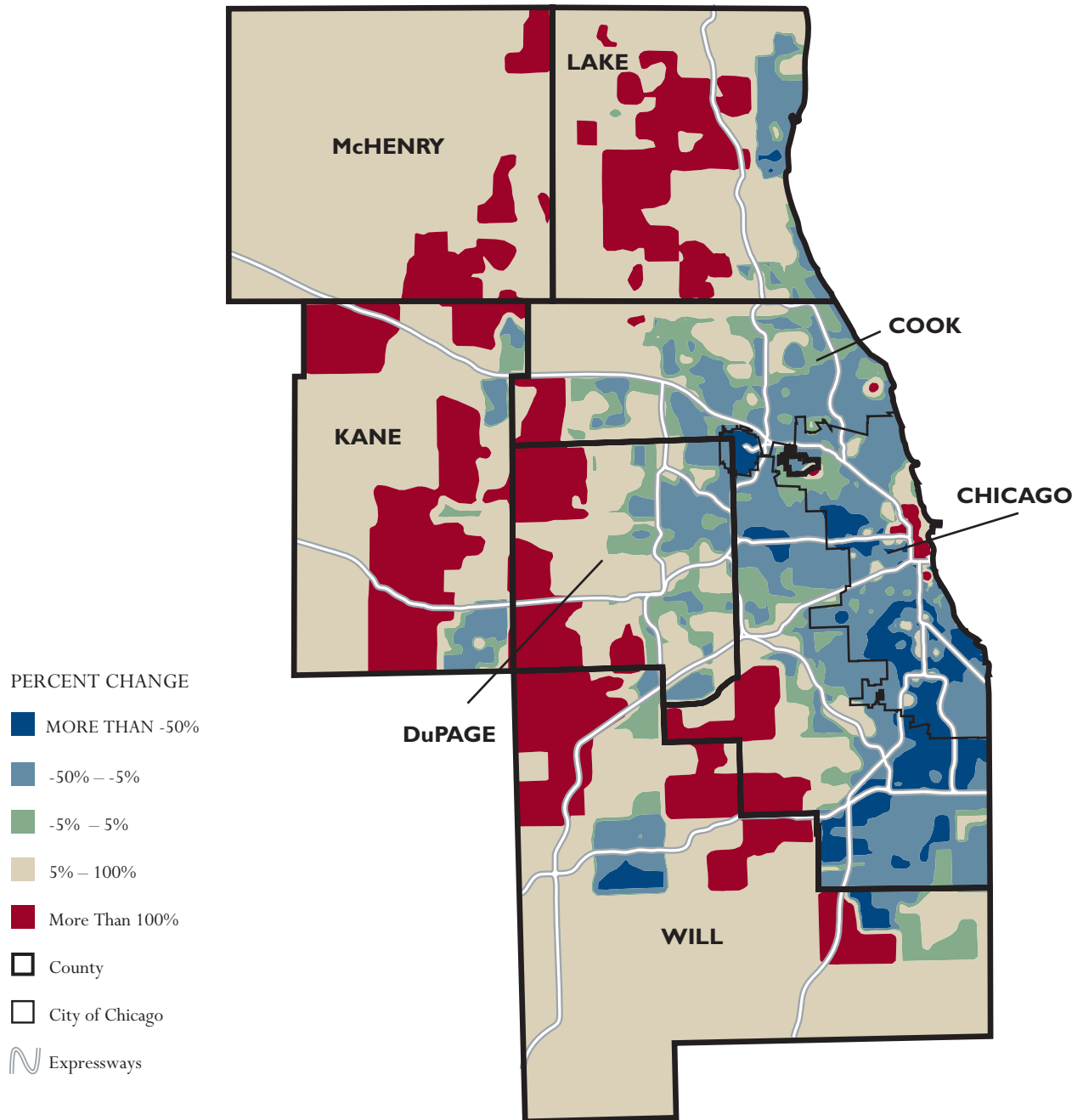
Source: U.S. Census, 1980 & 1990



SIGNIFICANT TREND The region's African-American population remains relatively concentrated in southern Cook County, including the southern suburbs.

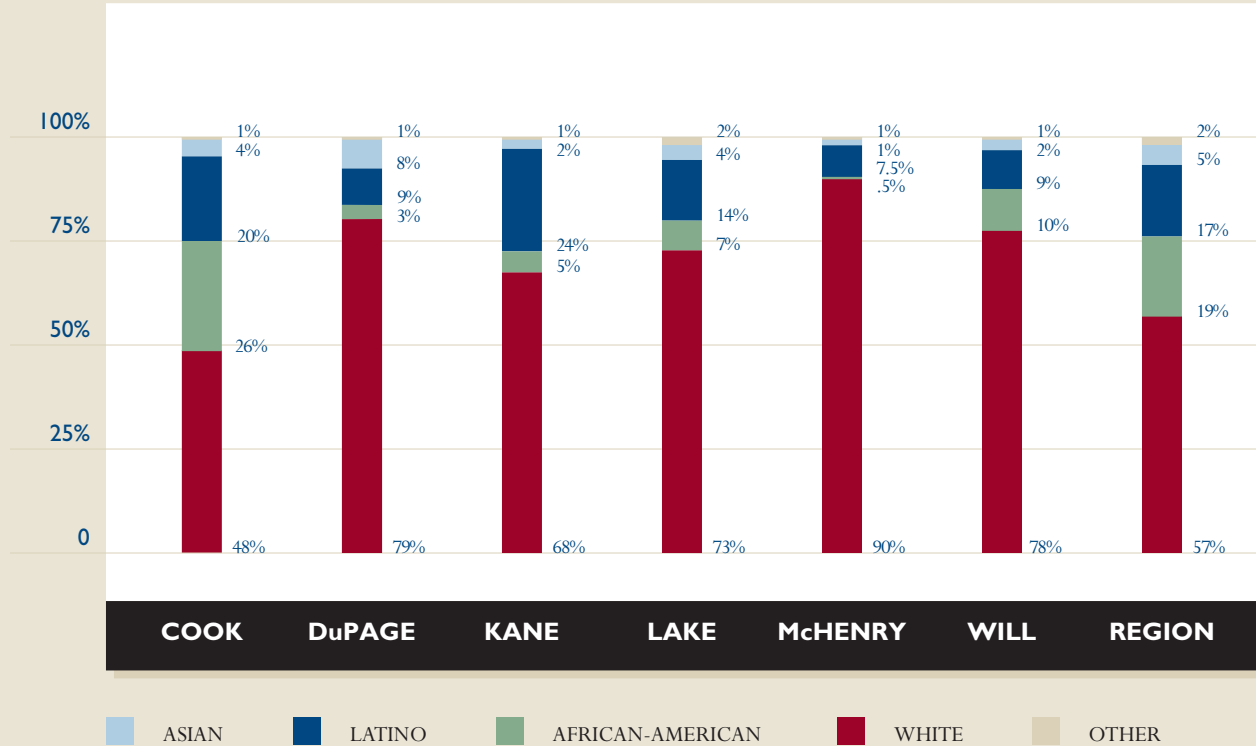
5.6 CHANGE IN WHITE POPULATION 1980-2000

Source: U.S. Census, 1980 & 1990



5.7 POPULATION BY RACE & ETHNICITY BY COUNTY, 2000

Source: Northeastern Illinois Planning Commission

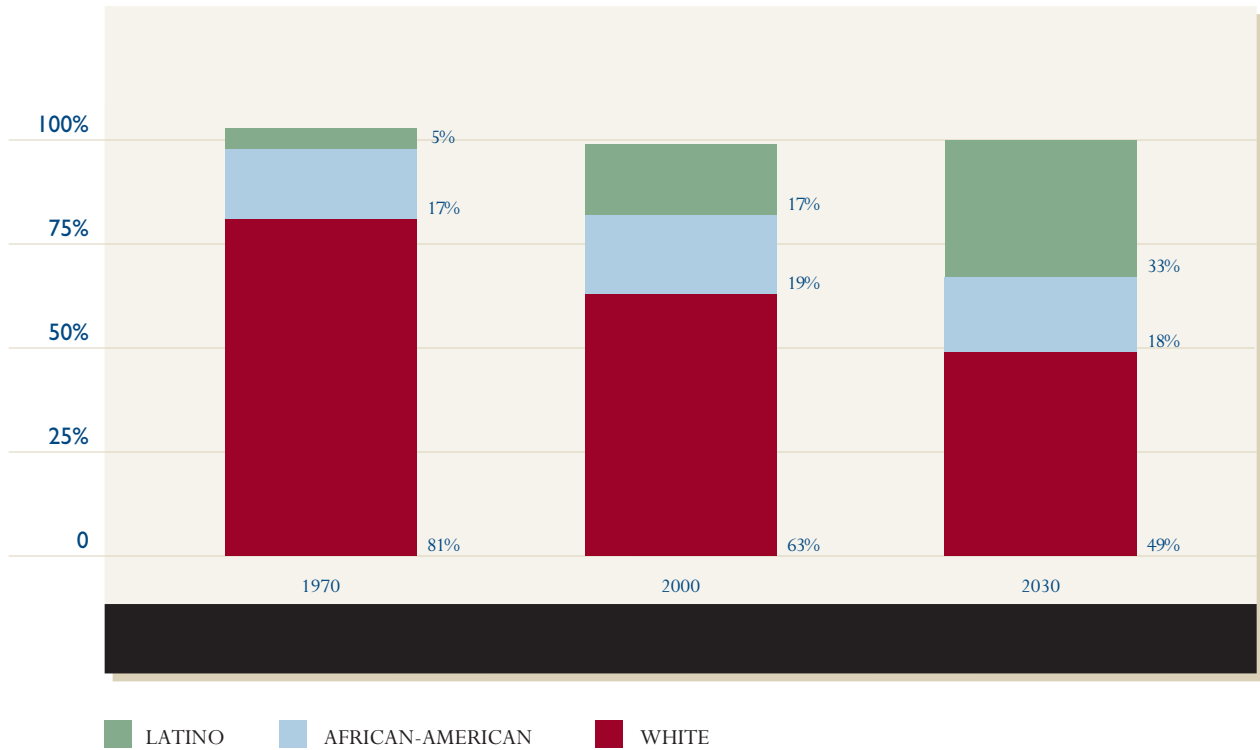


Cook County remains home to a high proportion of the region's people of color. Over three quarters of the region's Latino residents and 90% of the region's African-American residents live in Cook County. Indeed, the region's African-American population remains relatively concentrated in Chicago and the south suburbs.

Looking forward, Latino population growth is the region's most salient population trend. The Northeastern Illinois Planning Commission projects that by 2030 a third of the region's residents will be Latino; the fraction of the region's residents who are African-American will stay roughly constant at 18% while the proportion of residents who are White will fall from 63% to just under half.

5.8 REGIONAL POPULATION BY RACE & ETHNICITY, 1970, 2000 & PROJECTED 2030

Source: Northeastern Illinois Planning Commission



The future health of the Chicago region will depend on our ability to provide housing for a growing and increasingly diverse population. That is not merely a matter of more bricks and mortar; it will require building homes that are a gateway to opportunity for the people who live in them.

APPENDIX



TABLE OF CONTENTS

APPENDIX

1990 Demographic Breakdown by County	54
2000 Demographic Breakdown by County	54
Population Change by Race & Ethnicity by County, 1990 & 2000	55
Occupied Housing Units by County, 1990 & 2000	55
Housing Composition by County, 2001	56
Population & Rental Units by County, 2000	56
Change in Rental Units in Selected Metro Areas, 1970-2000	57
Median Home Values in Selected Metro Areas, 1990 & 2001	57
Median Home Values & Median Household Income in Selected Metro Areas, 1990–2001	58
Median Home Values & Median Household Income by County, 2001	58
Change in Homes Values Relative to Income Growth by County, 1990 to 2001	59
Home Ownership Rates in Selected Metro Areas, 2000	59
Home Ownership Rates Among African-Americans & Latinos in Selected Metro Areas, 2000	60
Percentage Change in Home Ownership by Selected Metro Area 1990–2000	60
Home Ownership Rates by County, 2000	61
Change in Median Rent by Selected Metro Area, 1990–2000	61
Median Rent By County, 1990 & 2001	62
Change in Median Rent by County, 1990–2001	62
Households Spending More Than 35% of Income on Rent by County, 1990 & 2000	63
Households Spending More Than 35% of Income on Mortgage Payments by County, 1990 & 2000	63
Households Spending More Than 35% of Income on Mortgage in Selected Metro Areas, 1990 & 2000	64
Housing Needed to Accommodate Current Employment	64
Affordability of New Homes for New Workers in Oak Brook	65
Affordability of New Homes for New Workers in the Schaumburg	65
School Test Scores by County, 2000–2001	66
Exposure Rates for Regional Public School Students	67
Population Growth & Latino Ethnicity, 1980–2000	68
Percentage of Households in which Spanish is Spoken as the Primary Language by County, 1990 & 2000	68
Change in Latino Density by County 1990–2000	69
Selected Communities with Significant Latino Populations, 2000	70

1990 DEMOGRAPHIC BREAKDOWN BY COUNTY

Source: U.S. Census, 1990

	Cook	DuPage	Kane	Lake	McHenry	Will	Total	
Latino	694,194	34,567	43,535	38,570	6,066	19,973	836,905	12%
White	2,915,634	691,833	250,551	430,566	175,299	294,103	4,757,986	66%
African-American	1,301,196	15,119	18,353	33,736	287	37,752	1,406,443	19.4%
Native American	7,743	844	497	1,009	281	617	10,991	0.2%
Asian	181,285	38,931	4,227	12,135	1,246	4,608	242,432	3%
Other	5,015	372	308	402	62	260	6,419	0.1%
Total Population	5,105,067	781,666	317,471	516,418	183,241	357,313	7,261,176	100%

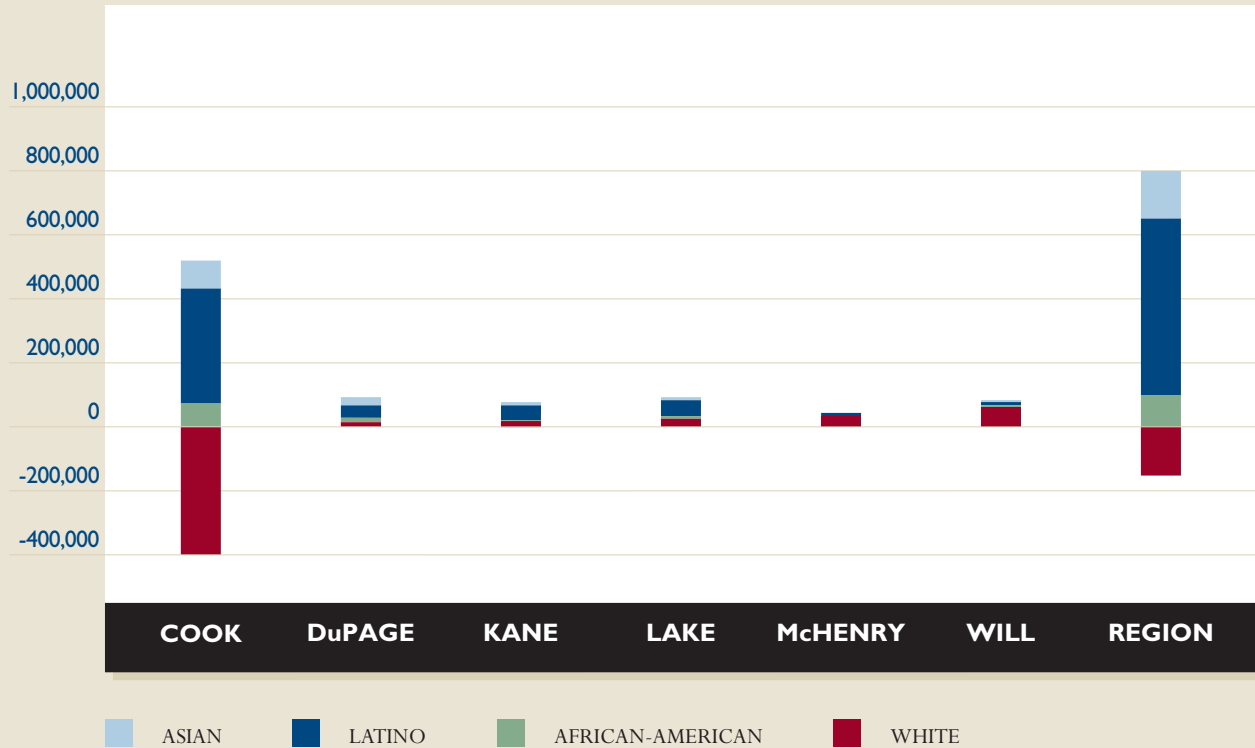
2000 DEMOGRAPHIC BREAKDOWN BY COUNTY

Source: U.S. Census, 2000

	Cook	DuPage	Kane	Lake	McHenry	Will	Total	
Latino	1,071,740	81,366	95,924	92,716	19,602	43,768	1,405,116	17%
White	2,558,709	711,966	273,390	472,968	233,026	388,523	4,638,582	57%
African-American	1,390,448	26,977	22,477	43,580	1,379	51,980	1,536,841	19%
Native American	6,754	912	536	1,048	352	672	10,274	0%
Asian	257,843	70,908	7,142	24,866	3,734	11,021	375,514	5%
Other	91,247	12,032	4,650	9,178	1,984	6,302	125,393	2%
Total Population	5,376,741	904,161	404,119	644,356	260,077	502,266	8,091,720	100%

POPULATION CHANGE BY RACE & ETHNICITY BY COUNTY, 1990 - 2000

Source: U.S. Census, 1990 - 2000



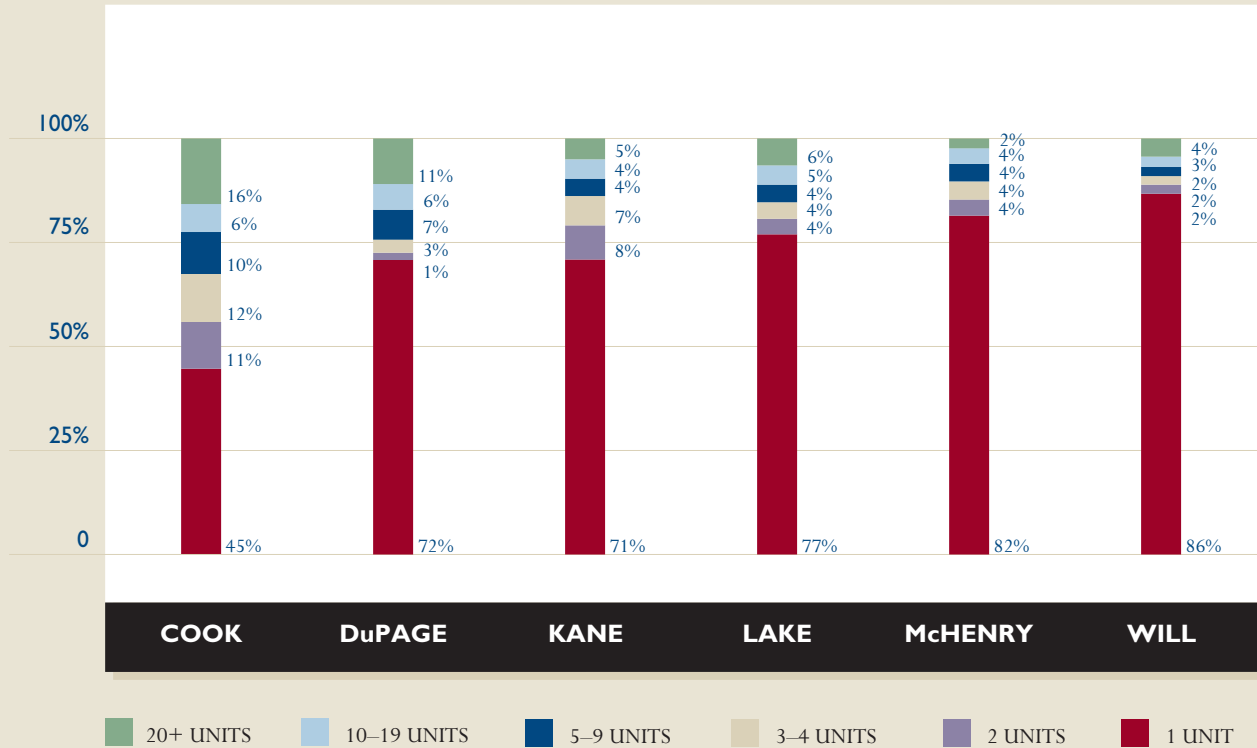
OCCUPIED HOUSING UNITS BY COUNTY, 1990 & 2000

Source: U.S. Census, 1990 & 2000

	Cook	DuPage	Kane	Lake	McHenry	Will	Total
90 Housing Units Owner Occupied	1,042,793	207,931	74,523	129,026	50,289	90,488	1,595,050
90 Housing Units Renter Occupied	836,695	71,413	32,653	44,940	12,651	26,445	1,024,797
90 Housing Units Total Occupied	1,879,488	279,344	107,176	173,966	62,940	116,933	2,619,847
00 Housing Units Owner Occupied	1,142,743	248,771	101,727	168,293	74,324	139,411	1,875,269
00 Housing Units Renter Occupied	831,438	76,830	32,174	48,004	15,079	28,131	1,031,656
00 Housing Units Total Occupied	1,974,181	325,601	133,901	216,297	89,403	167,542	2,906,925
Change in Owner Occupied	99,950	40,840	27,204	39,267	24,035	48,923	280,219
Change in Renter Occupied	-5,257	5,417	-479	3,064	2,428	1,686	6,859
Change in Total Occupied	94,693	46,257	26,725	42,331	26,463	50,609	287,078
% Change Owner Occupied	8.7%	16.4%	26.7%	23.3%	32.3%	35.1%	14.9%
% Change Renter Occupied	-0.6%	7.1%	-1.5%	6.4%	16.1%	6.0%	0.7%
% Change Total Occupied	4.8%	14.2%	20.0%	19.6%	29.6%	30.2%	9.9%

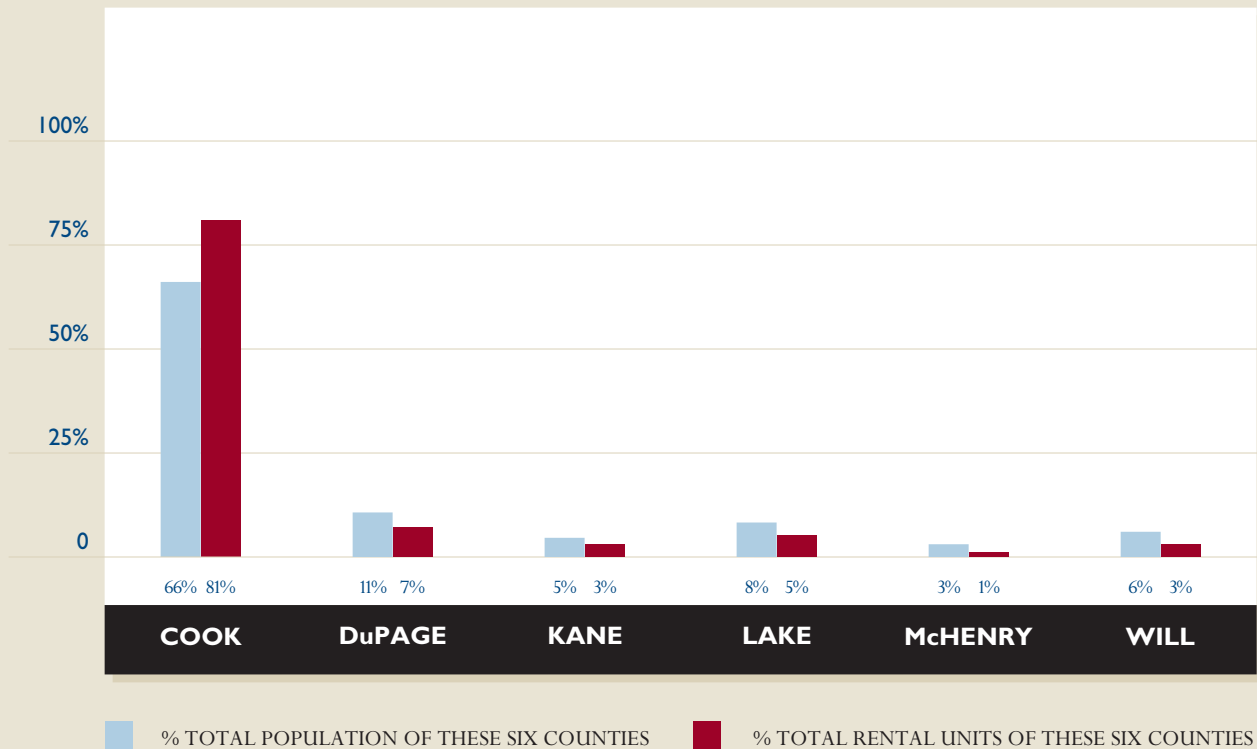
HOUSING COMPOSITION BY COUNTY, 2001

Source: U.S. Census Supplemental Survey, 2001



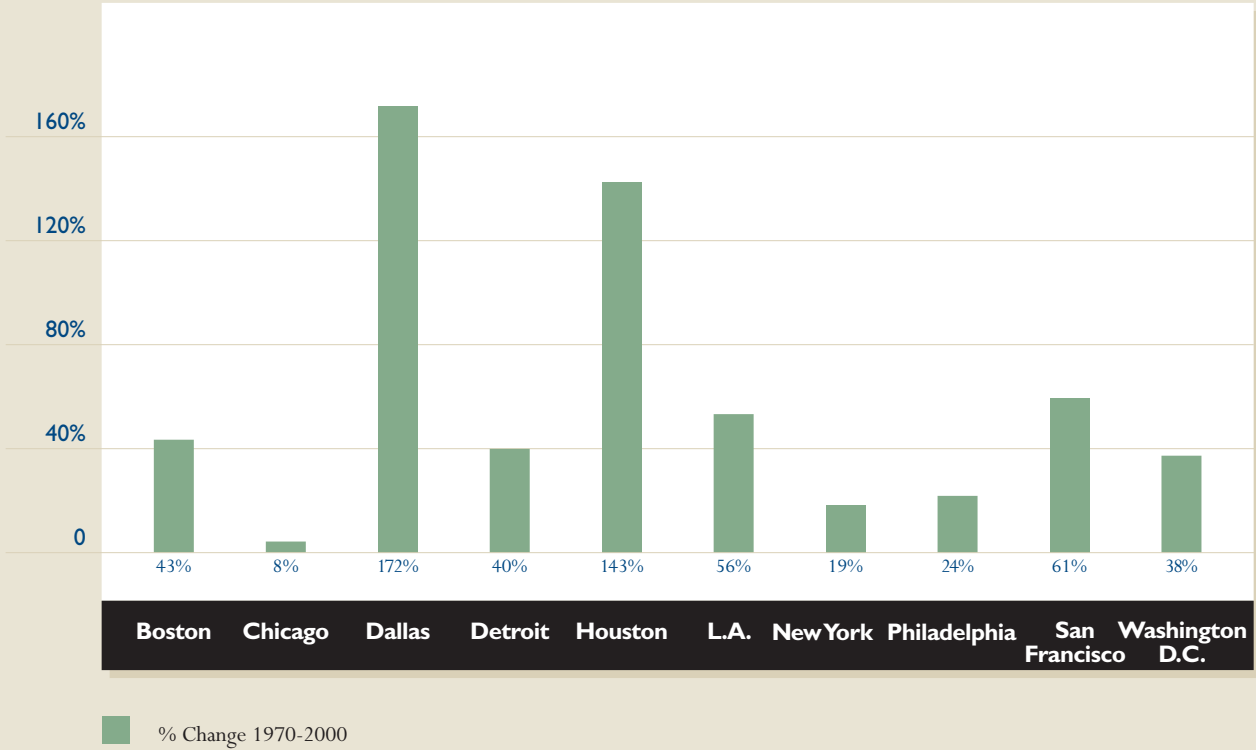
POPULATION & RENTAL UNITS BY COUNTY, 2000

Source: U.S. Census, 2000



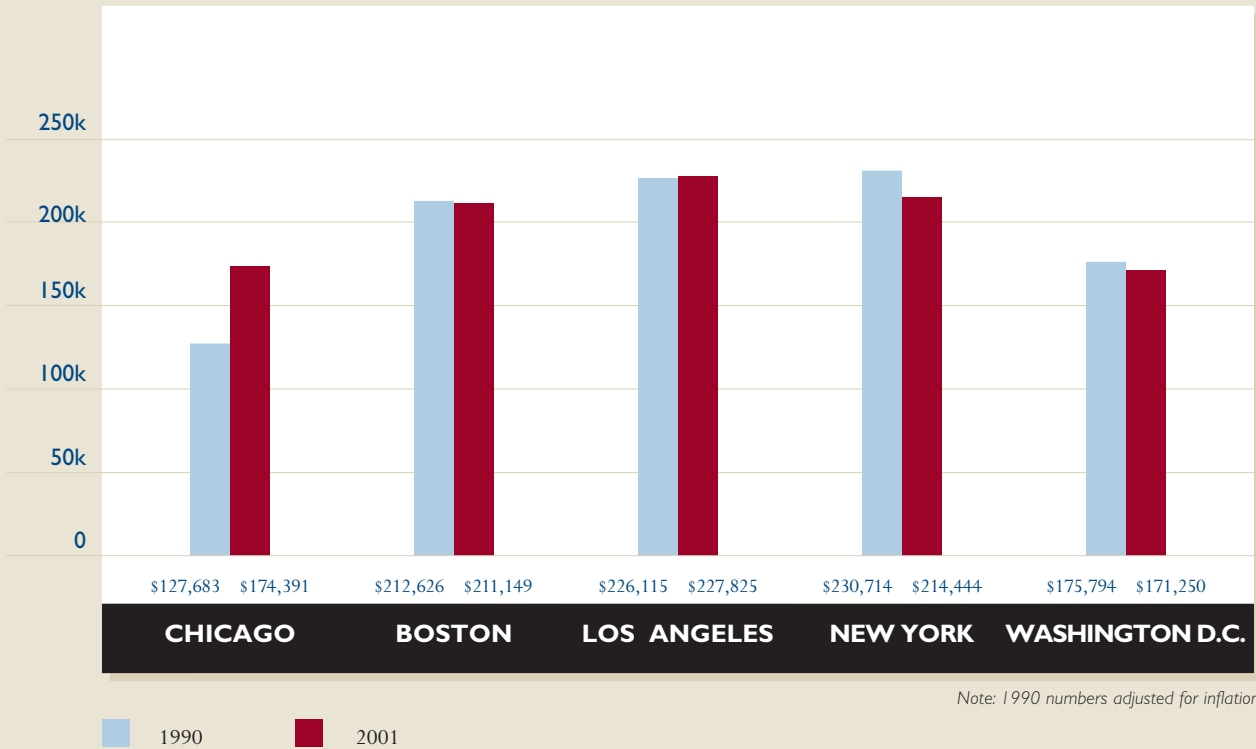
CHANGE IN RENTAL UNITS IN SELECTED METRO AREAS, 1970-2000

Source: U.S. Census 1970-2000



MEDIAN HOME VALUES IN SELECTED METRO AREAS, 1990 & 2001

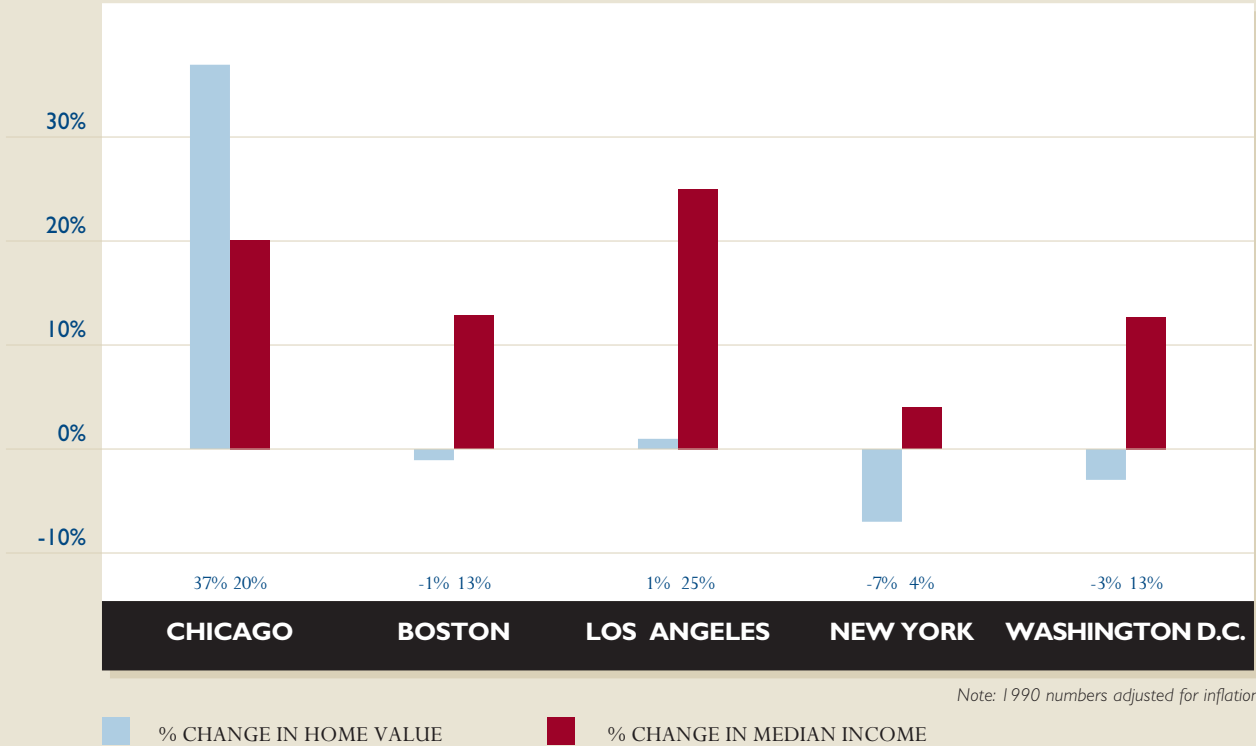
Source: U.S. Census 1990 & 2001 Supplemental Survey



Note: 1990 numbers adjusted for inflation

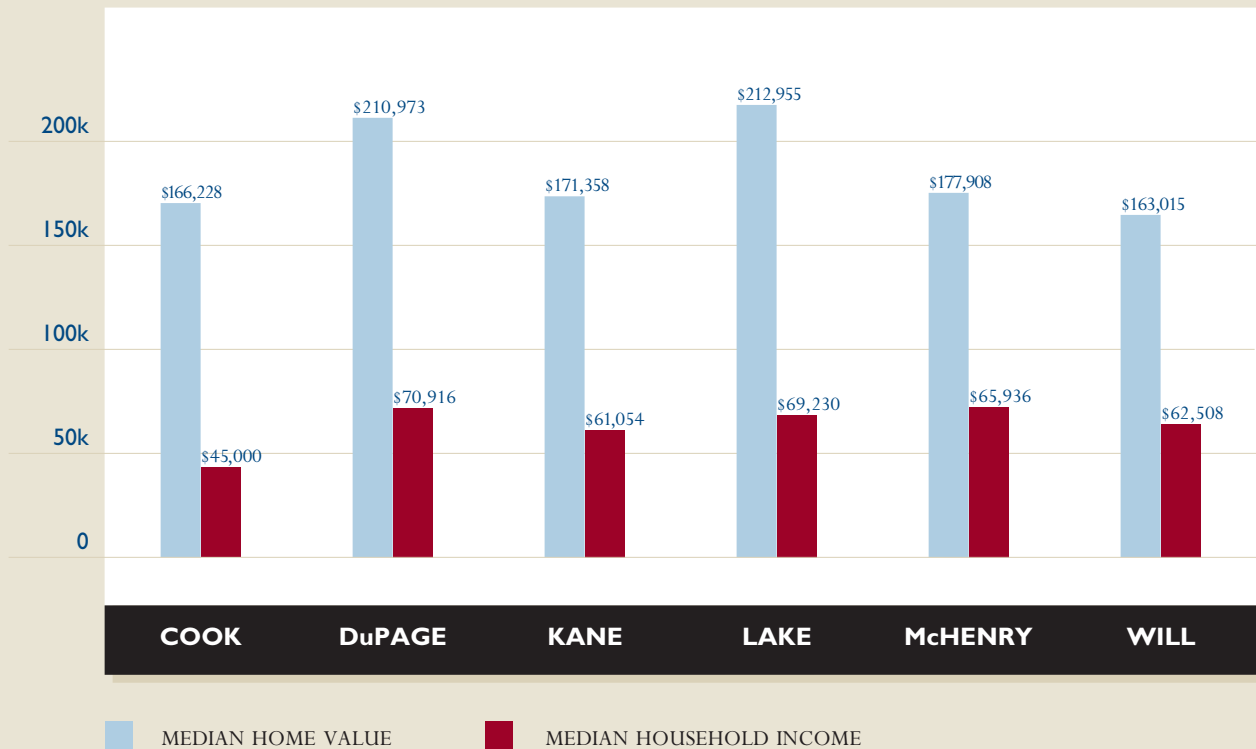
MEDIAN HOME VALUES & MEDIAN HOUSEHOLD INCOME IN SELECTED METRO AREAS, 1990–2000

Source: U.S. Census, 1990 & 2000



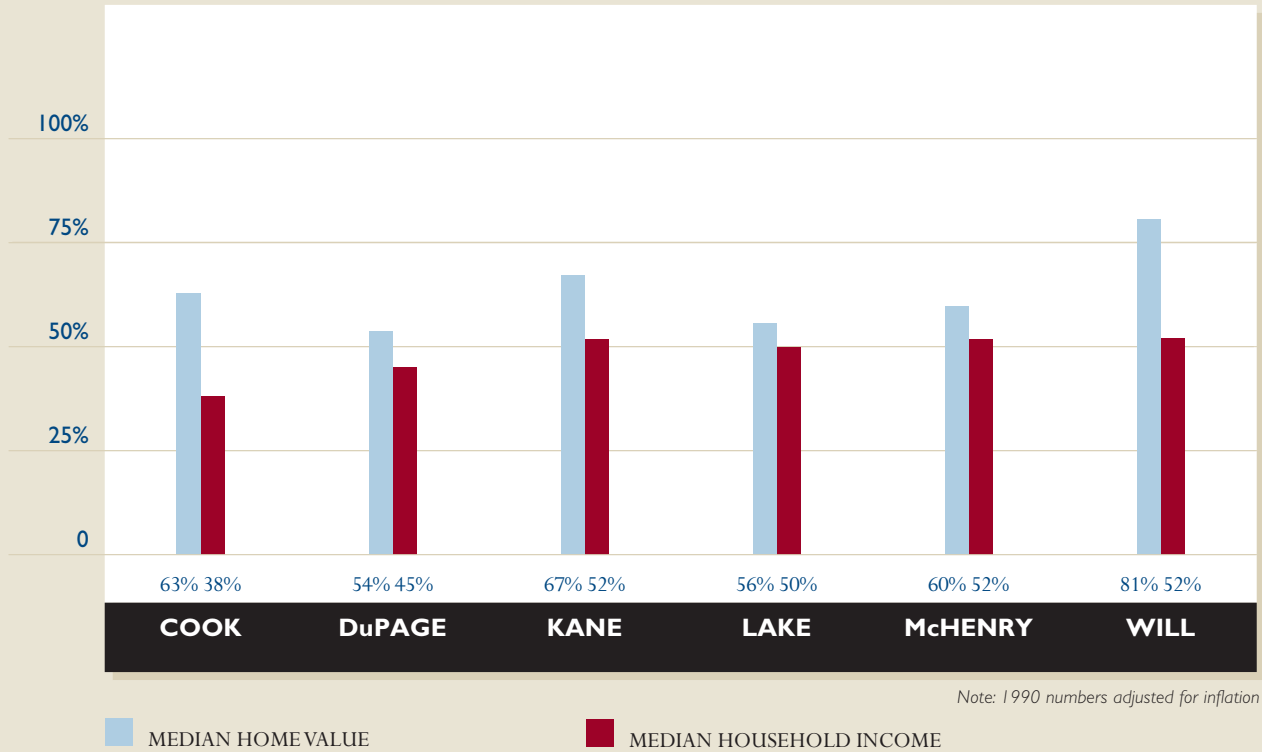
MEDIAN HOME VALUES & MEDIAN HOUSEHOLD INCOME BY COUNTY, 2001

U.S. Census, 2001 Supplemental Survey



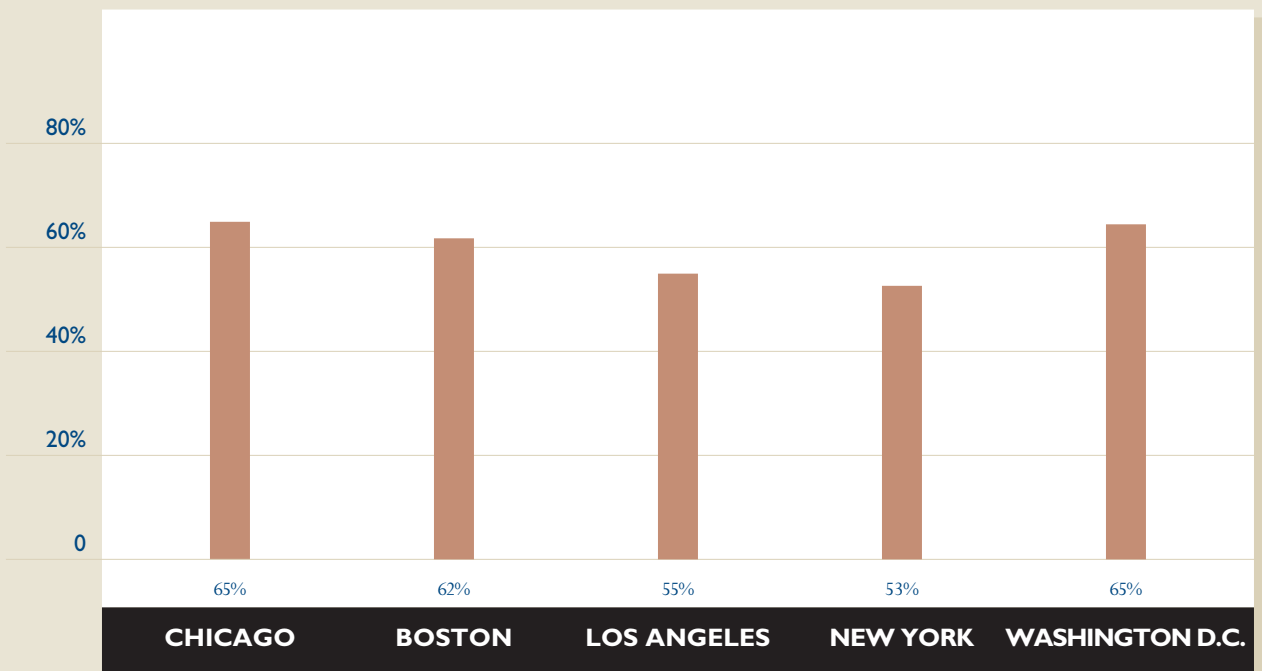
CHANGE IN HOMES VALUES RELATIVE TO INCOME GROWTH BY COUNTY, 1990–2001

Source: U.S. Census, 1990 & 2001 Supplemental Survey



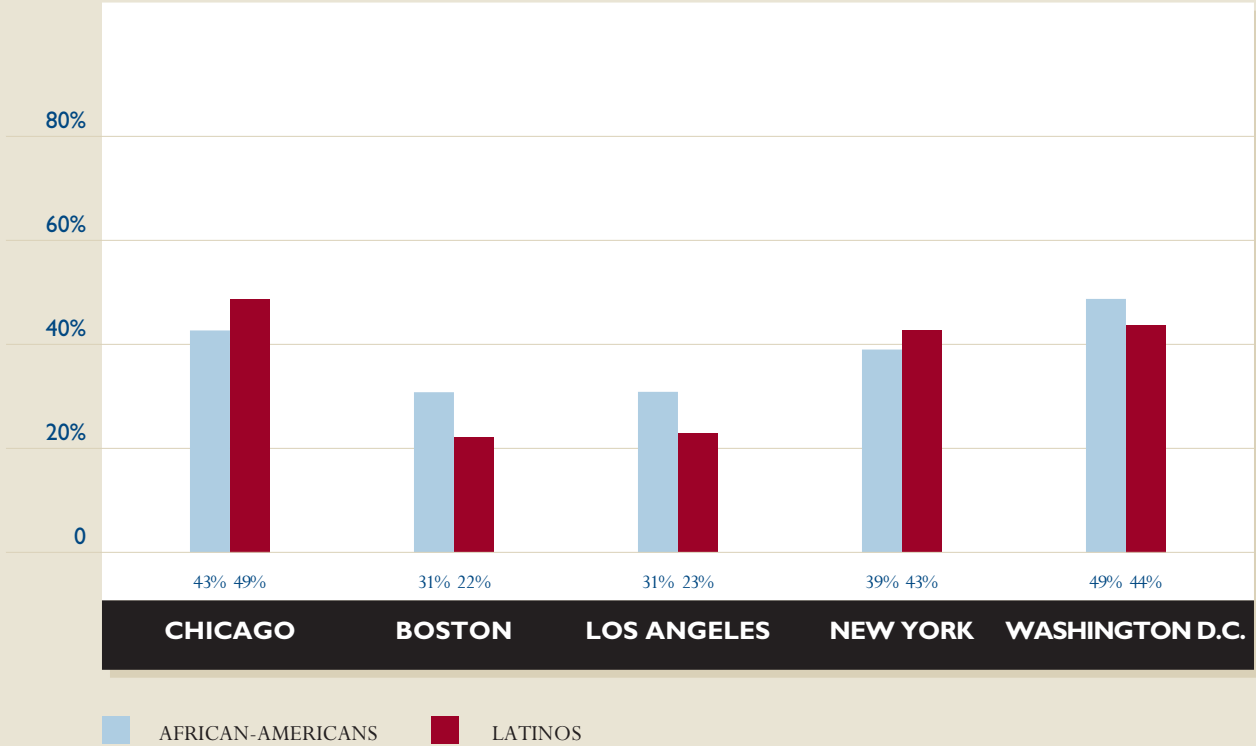
HOME OWNERSHIP RATES IN SELECTED METRO AREAS, 2000

Source: U.S. Census, 2001 Supplemental Survey



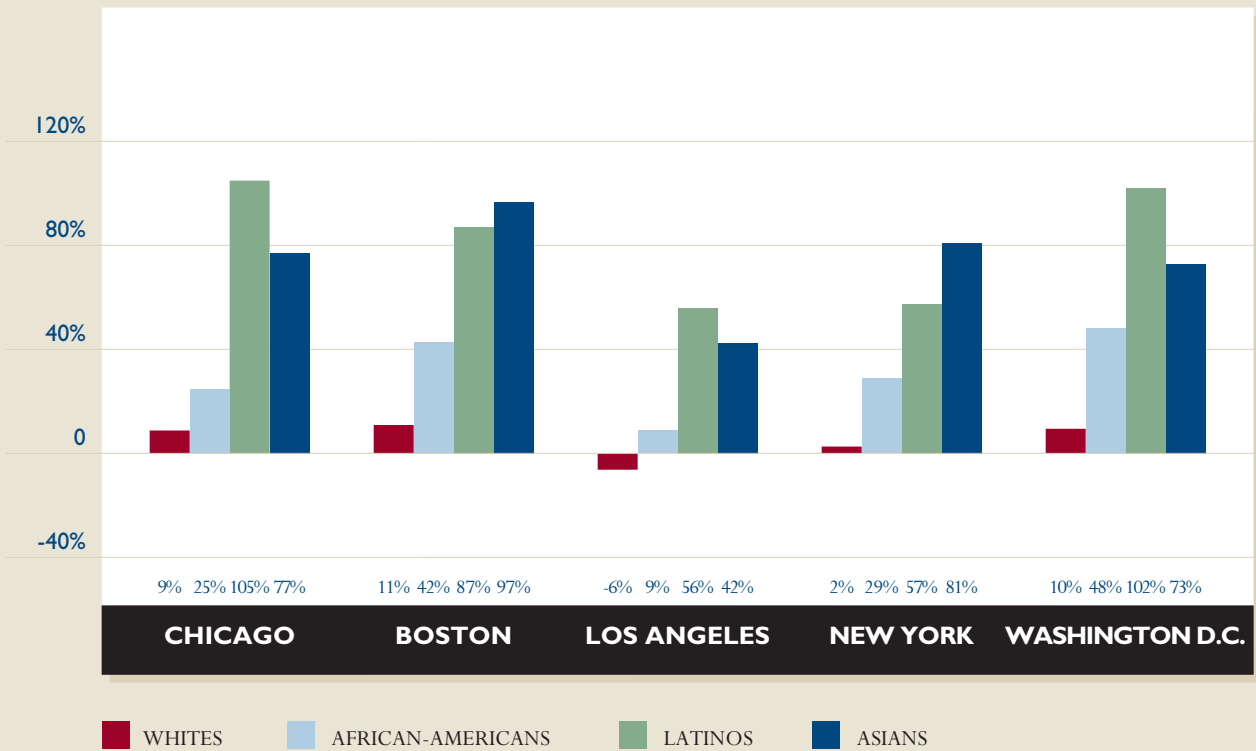
HOME OWNERSHIP RATES AMONG AFRICAN-AMERICANS & LATINOS IN SELECTED METRO AREAS, 2000

Source: U.S. Census, 2000



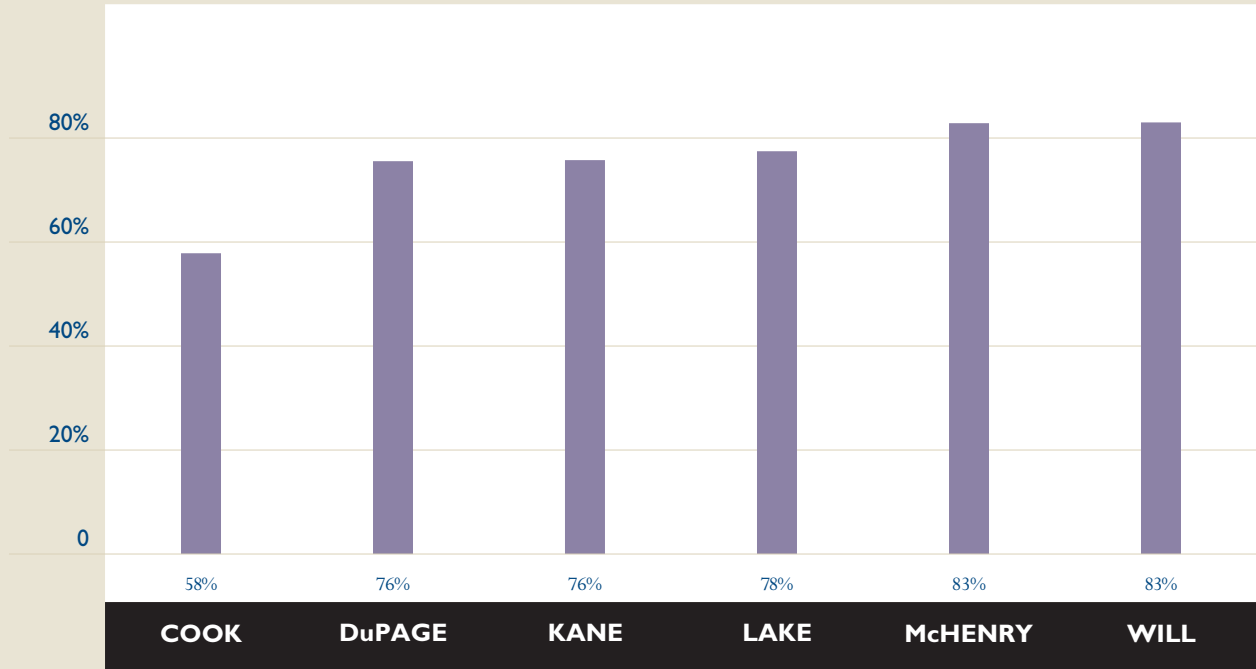
PERCENTAGE CHANGE IN HOME OWNERSHIP BY SELECTED METRO AREA, 1990-2000

Source: U.S. Census, 1990 & 2000



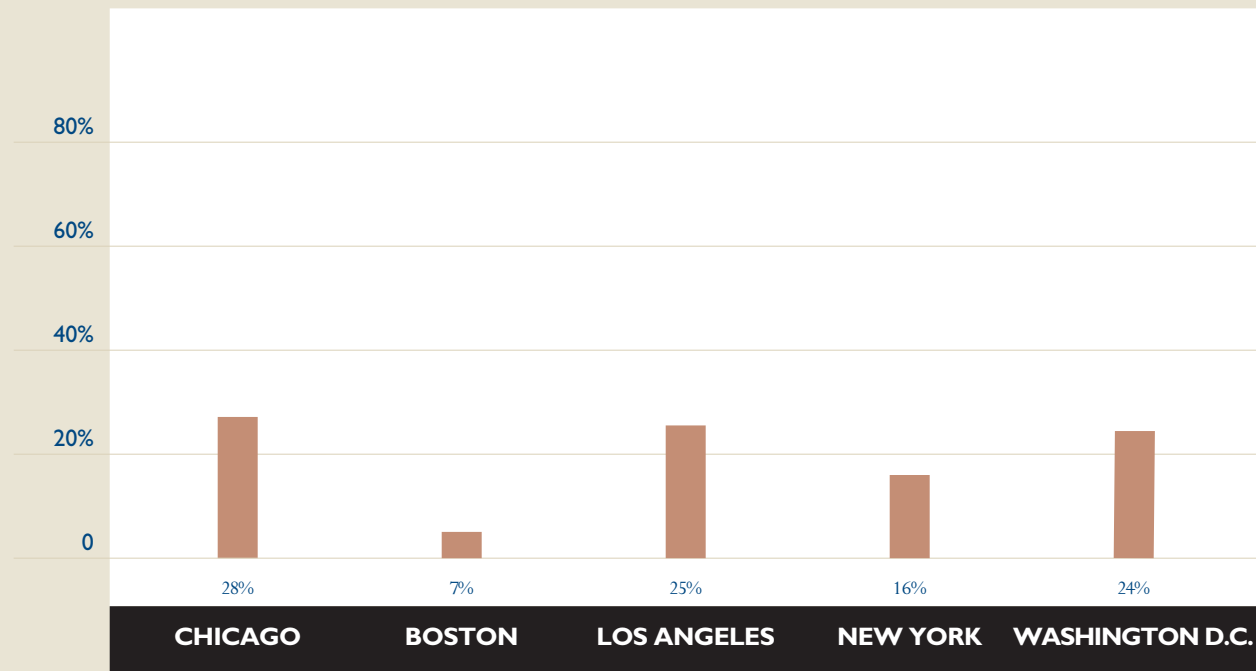
HOME OWNERSHIP RATES BY COUNTY, 2000

Source: U.S. Census, 2000



CHANGE IN MEDIAN RENT BY SELECTED METRO AREA, 1990–2000

Source: U.S. Census, 1990 & 2001 Supplemental Survey

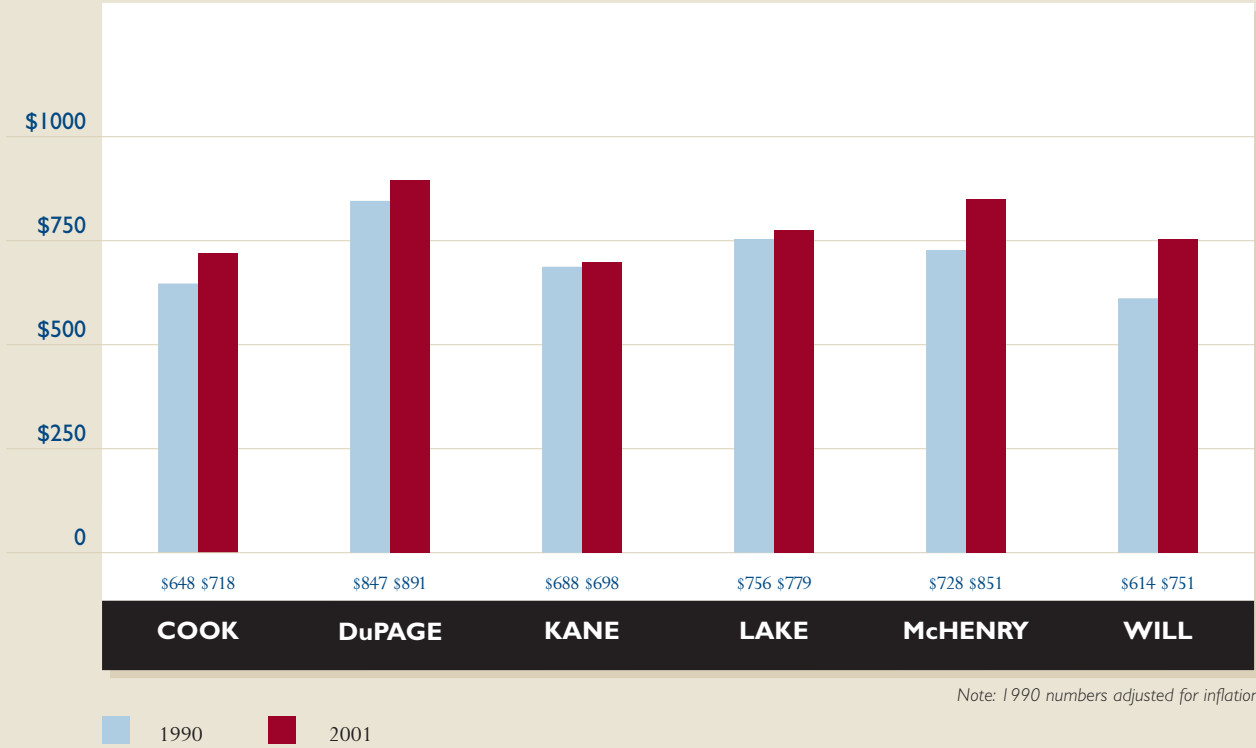


 % CHANGE IN VALUE

Note: 1990 numbers adjusted for inflation

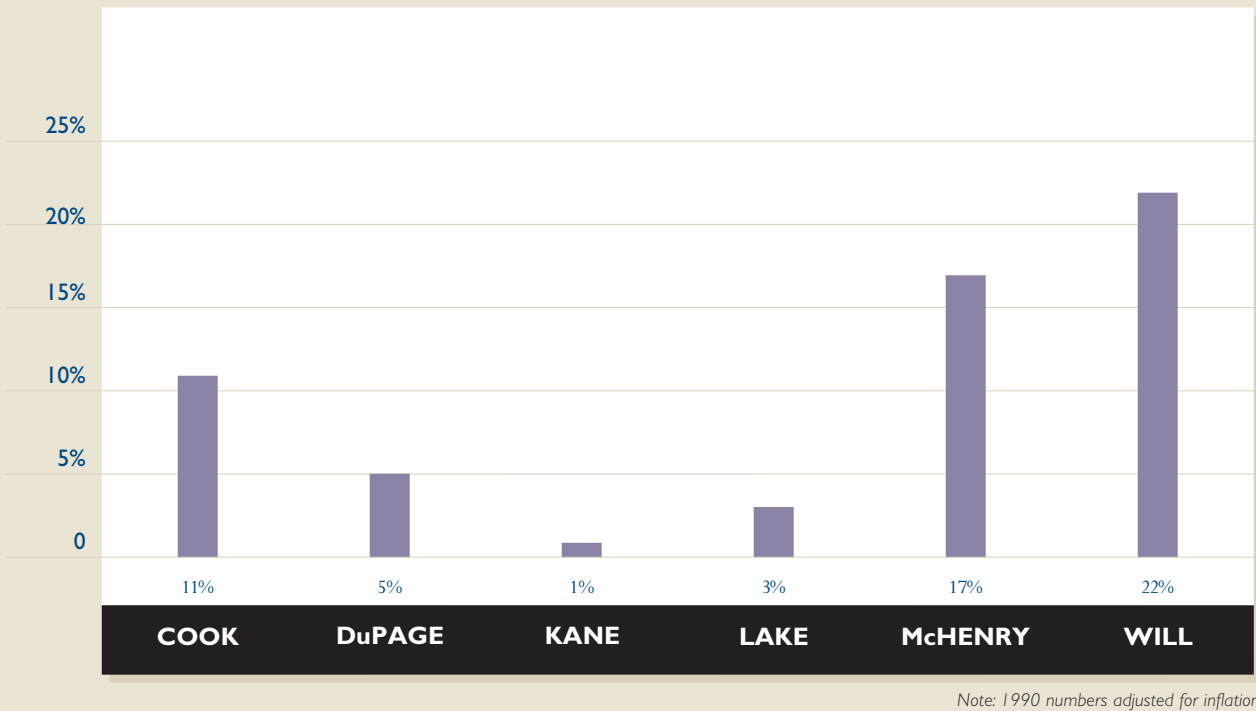
MEDIAN RENT BY COUNTY, 1990 & 2001

Source: U.S. Census, 1990 & 2001 Supplemental Survey



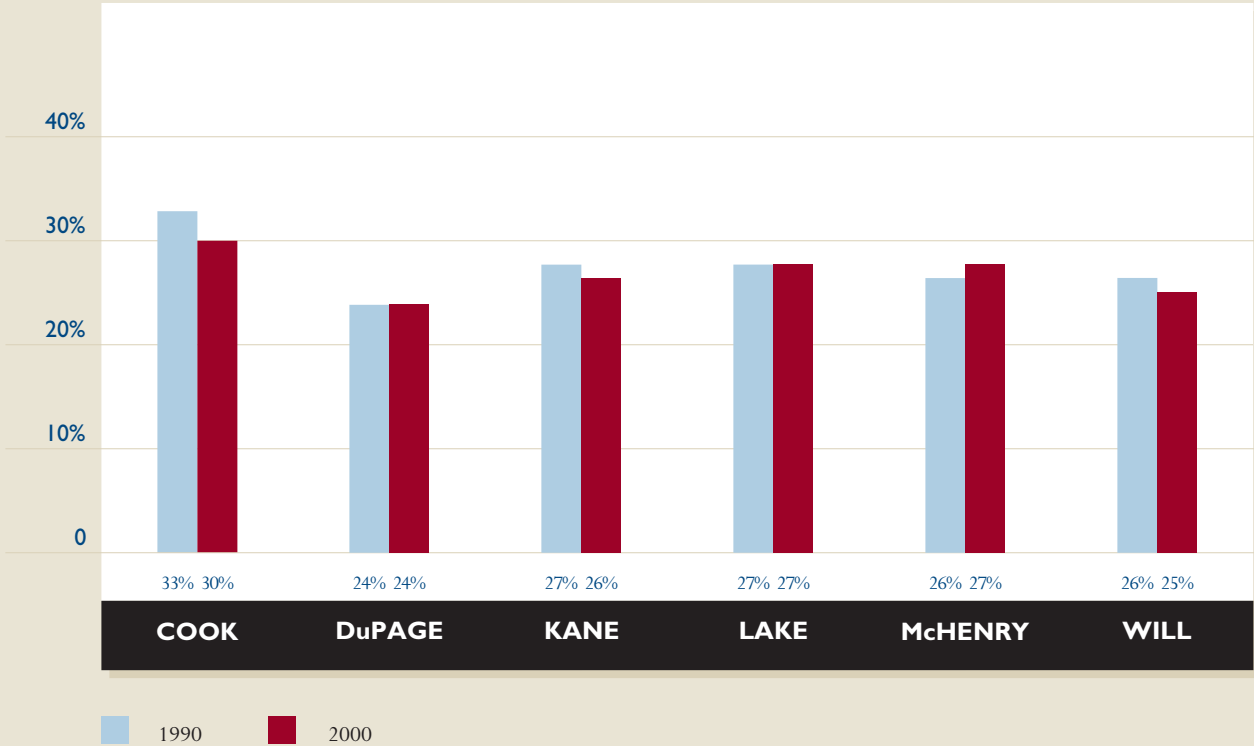
CHANGE IN MEDIAN RENT BY COUNTY, 1990–2001

Source: U.S. Census, 1990 & 2001 Supplemental Survey



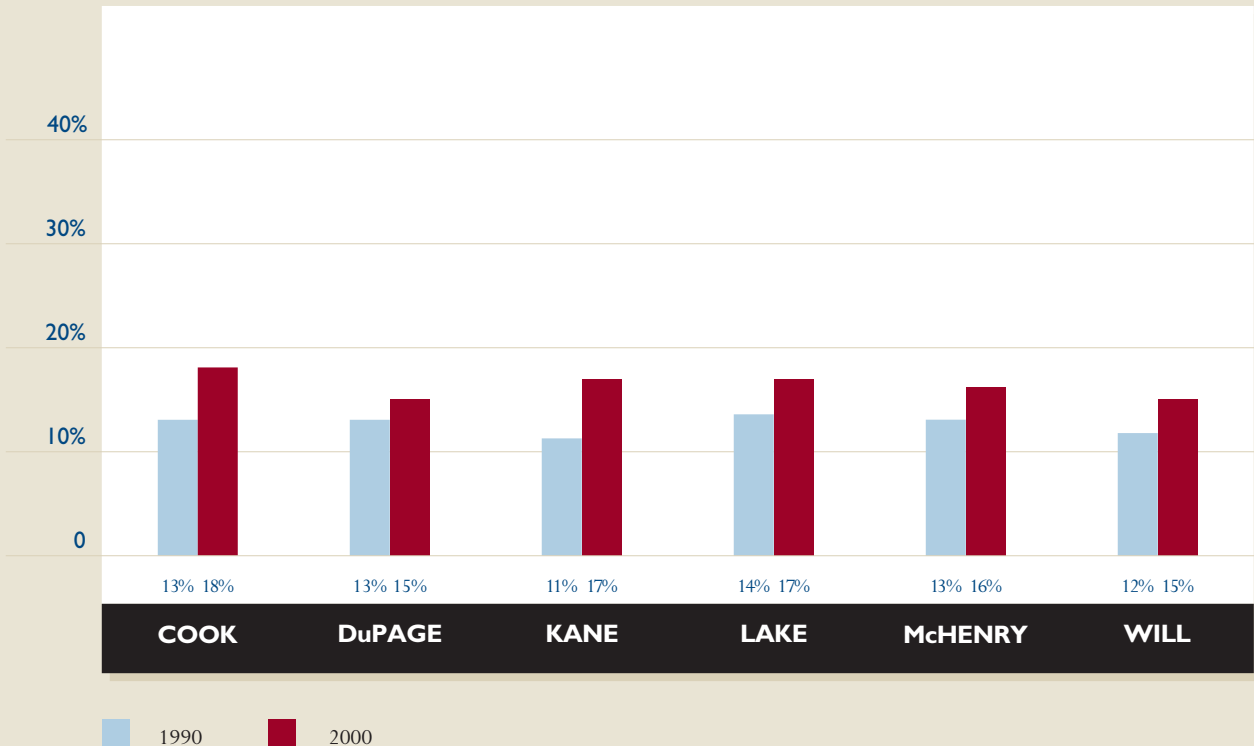
HOUSEHOLDS SPENDING MORE THAN 35% OF INCOME ON RENT BY COUNTY, 1990 & 2000

Source: U.S. Census, 1990 & 2000



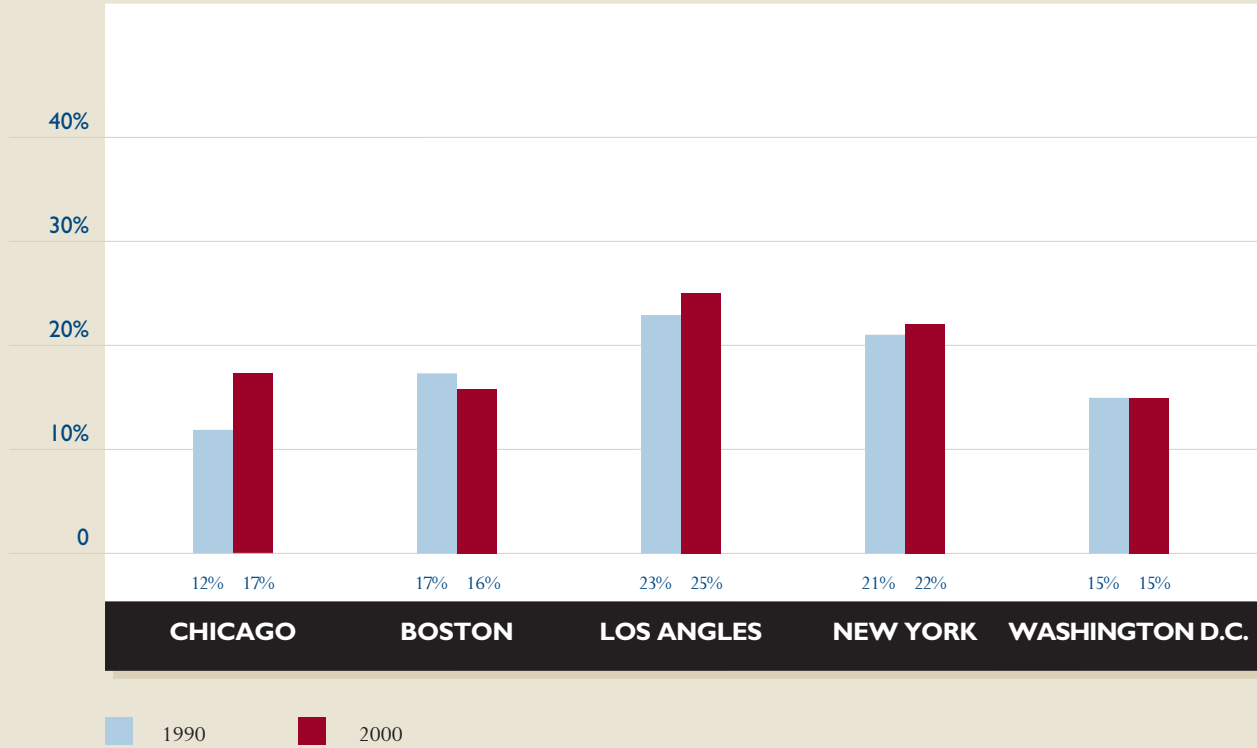
HOUSEHOLDS SPENDING MORE THAN 35% OF INCOME ON MORTGAGE PAYMENTS BY COUNTY, 1990 & 2000

Source: U.S. Census, 1990 & 2000



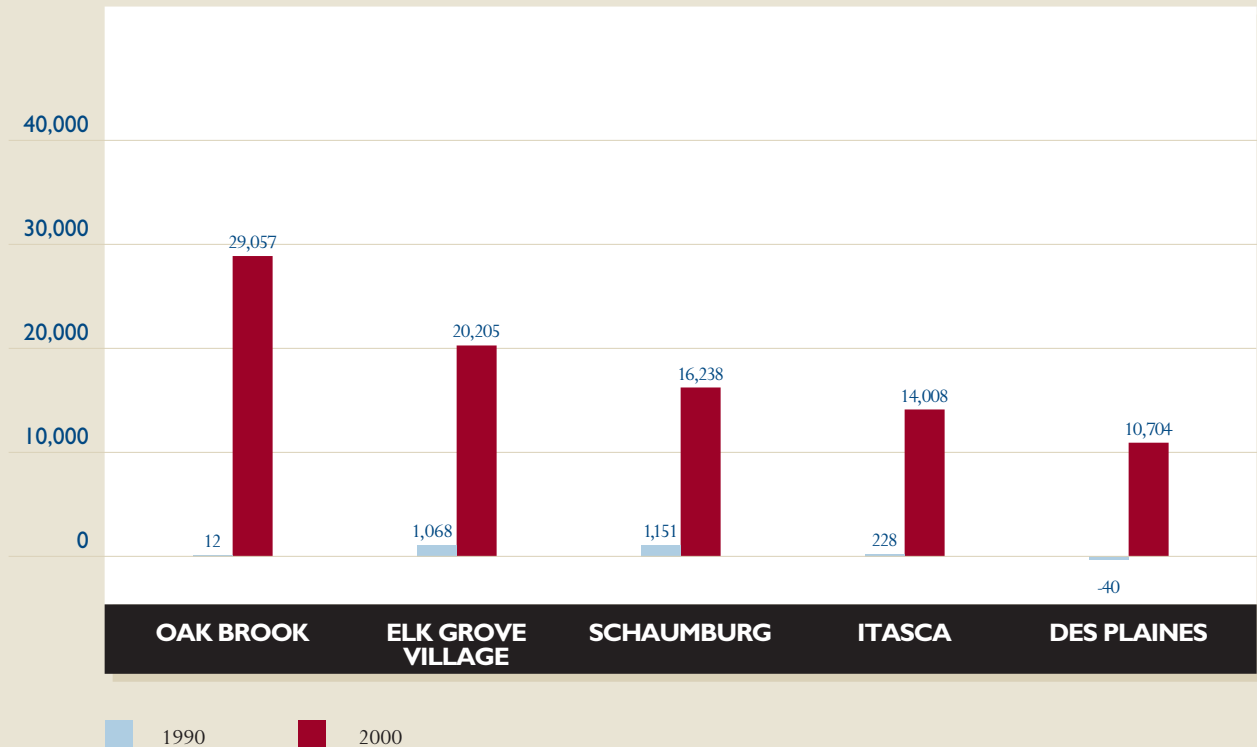
HOUSEHOLDS SPENDING MORE THAN 35% OF INCOME ON MORTGAGE IN SELECTED METRO AREAS, 1990 & 2000

Source: U.S. Census, 1990 & 2000



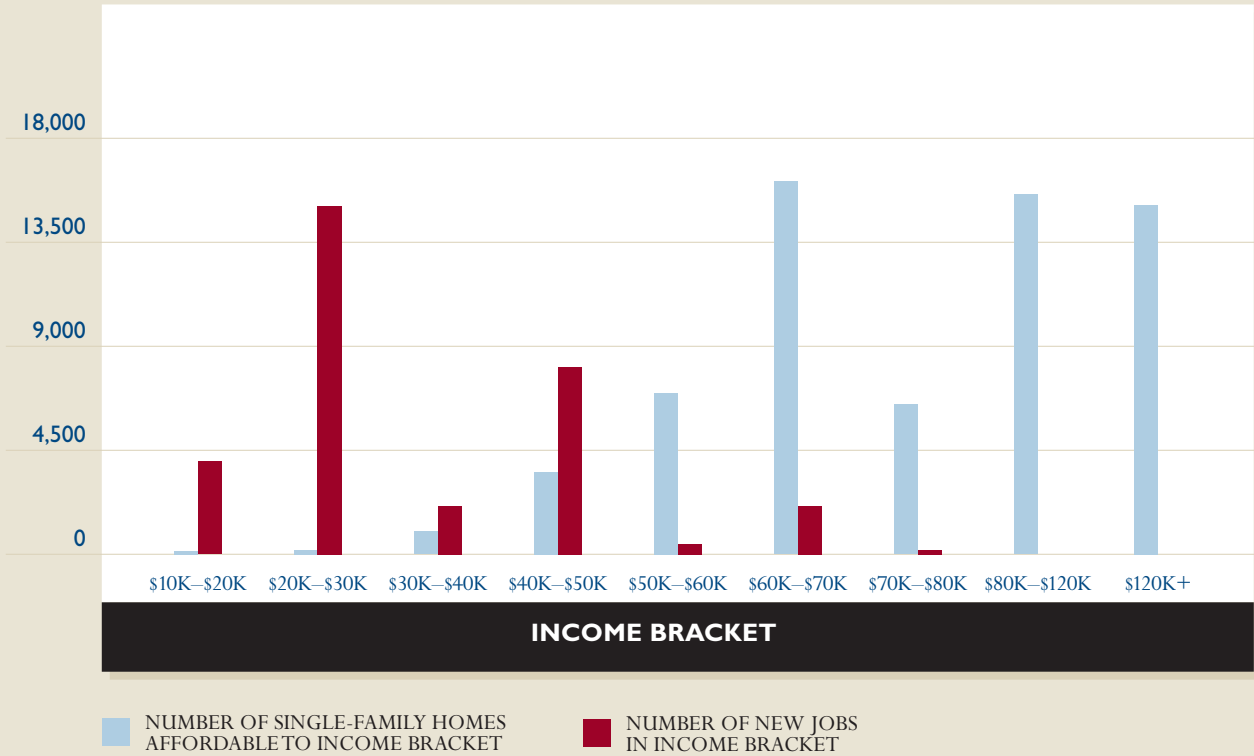
HOUSING NEEDED TO ACCOMMODATE CURRENT EMPLOYMENT

Source: Northeastern Illinois Planning Commission 1990 & 2000



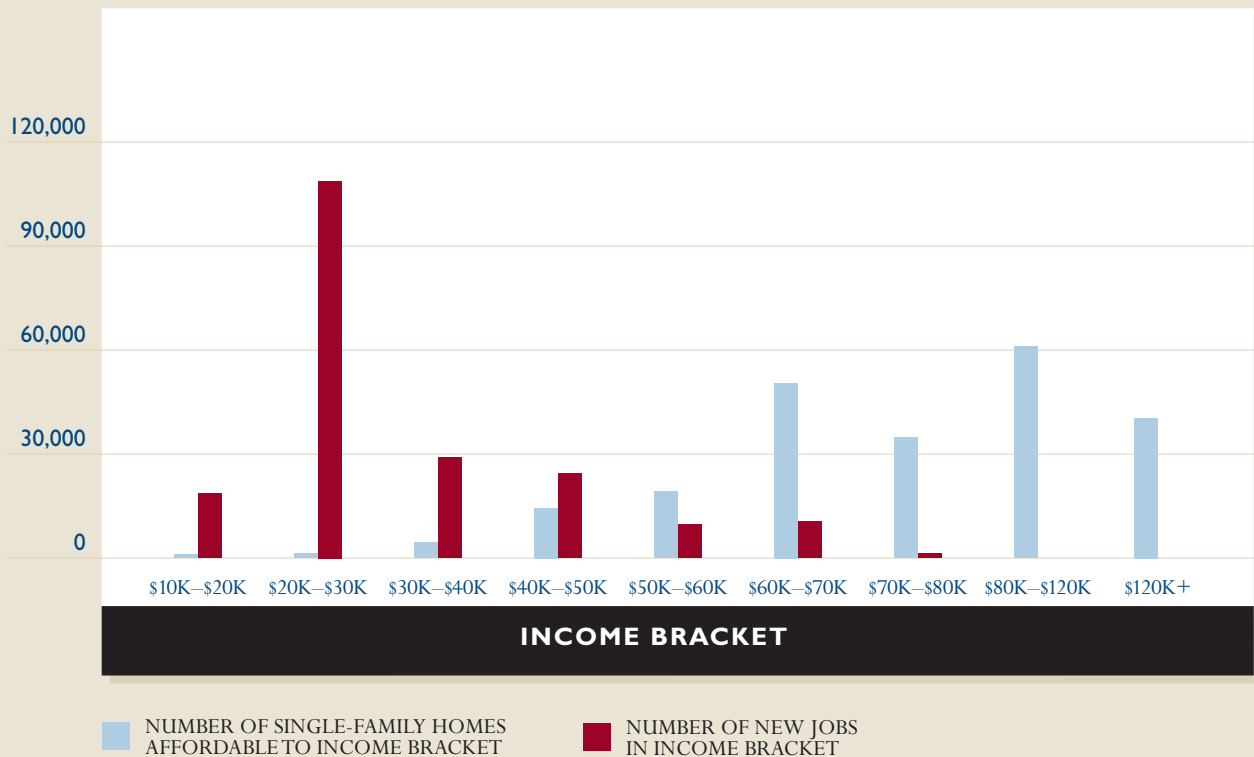
AFFORDABILITY OF NEW HOMES FOR NEW WORKERS IN OAK BROOK

Source: U.S. Census, U.S. Bureau of Labor Statistics



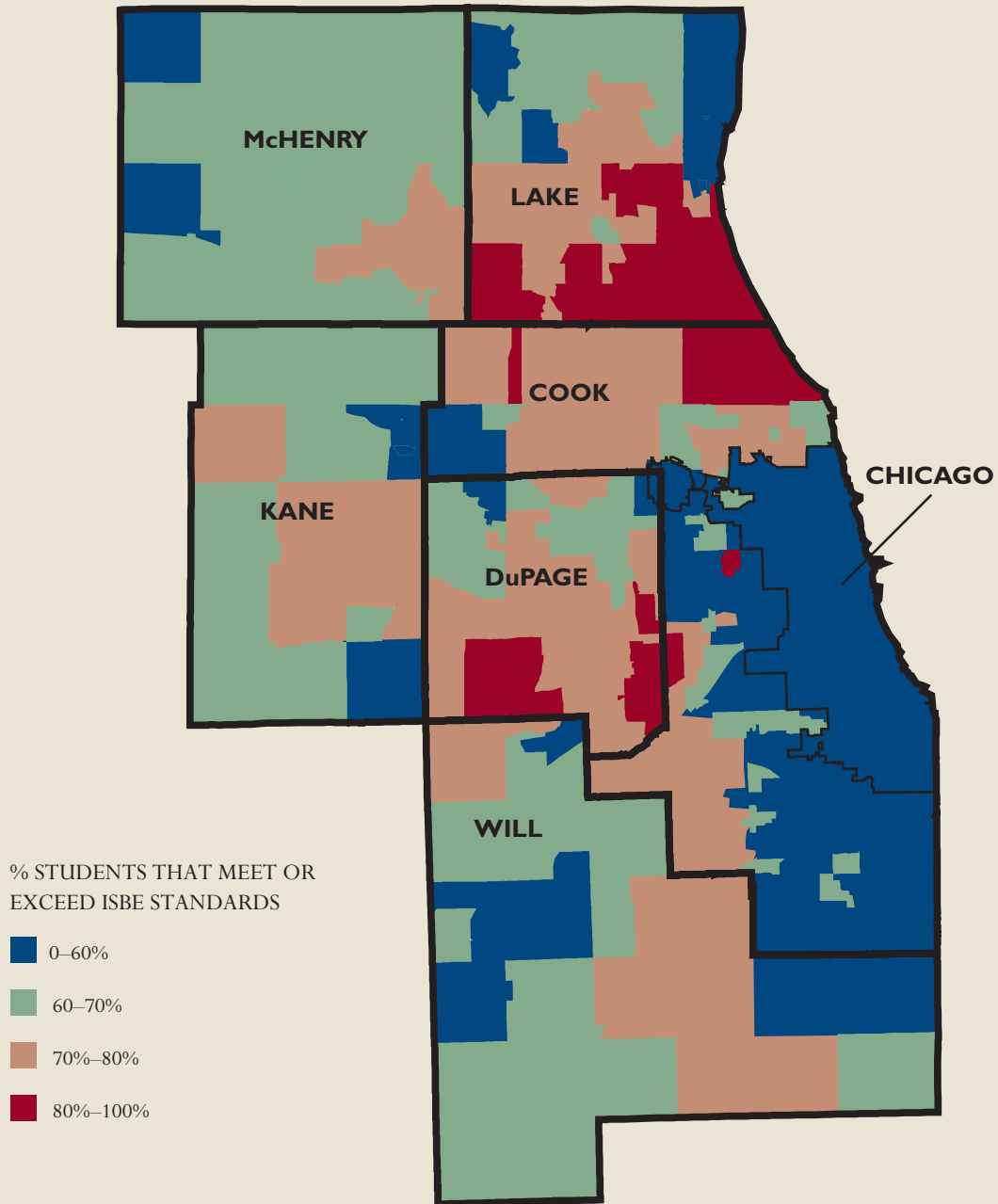
AFFORDABILITY OF NEW HOMES FOR NEW WORKERS IN SCHAUMBURG

Source: U.S. Census, 2000 U.S. Bureau of Labor Statistics



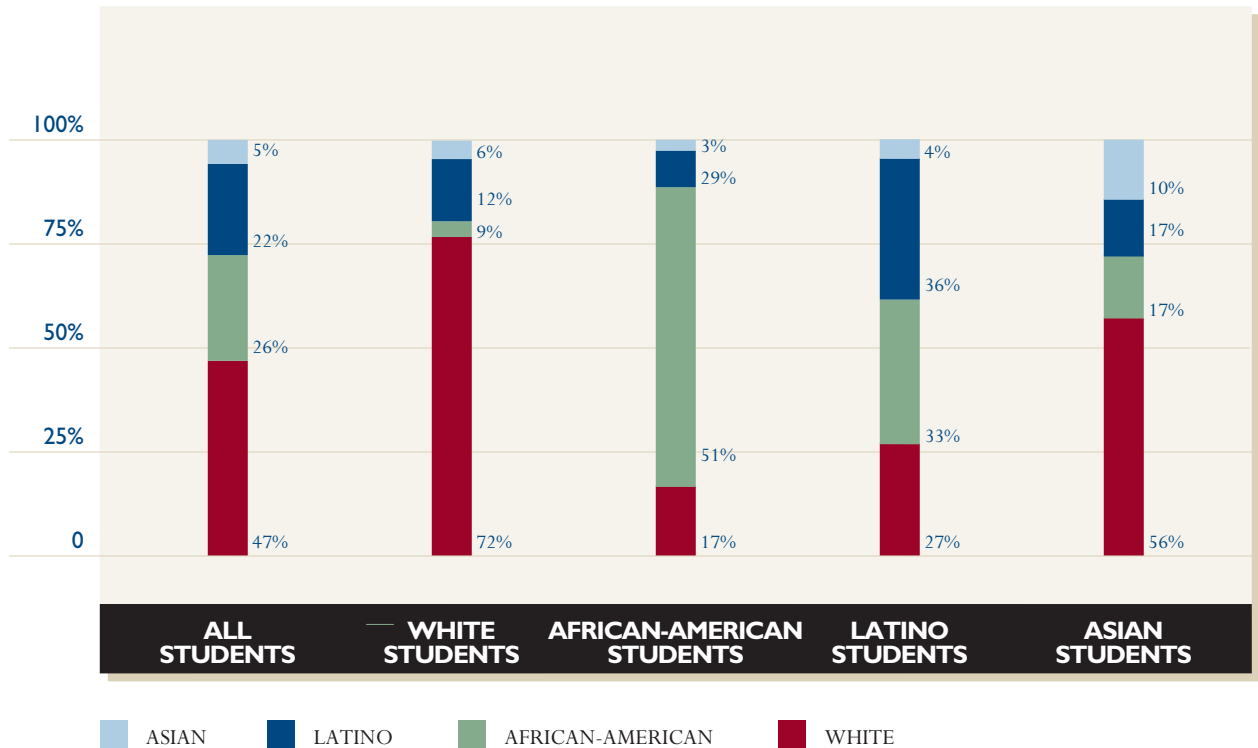
SCHOOL TEST SCORES BY COUNTY, 2000–2001

Source: Illinois State Board of Education, 2000–2001



EXPOSURE RATES FOR REGIONAL PUBLIC SCHOOL STUDENTS

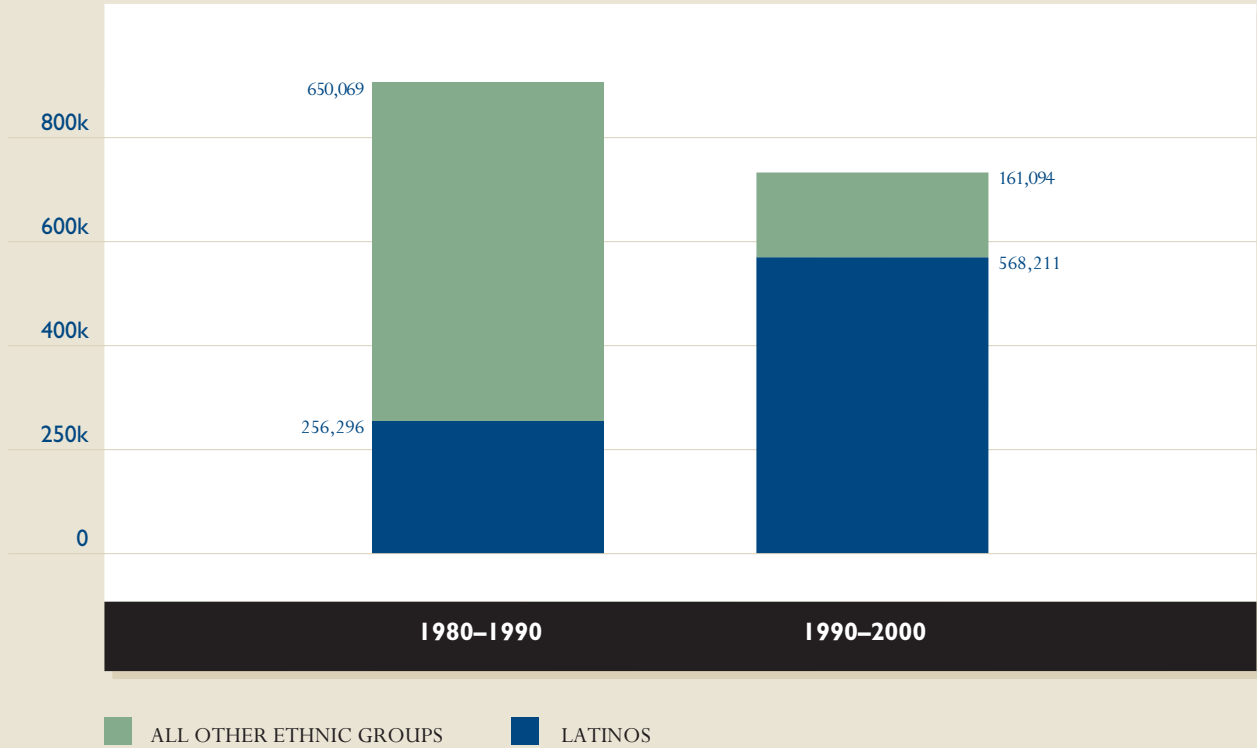
Source: Illinois State Board of Education, 2000-2001; U.S. Census, 2000



Note: An exposure rate is defined as the average racial and ethnic composition of schools attended by members of a given racial or ethnic group. The disparities in exposure rates demonstrate that the racial and ethnic composition of every school does not match the racial and ethnic composition of the region's population as a whole.

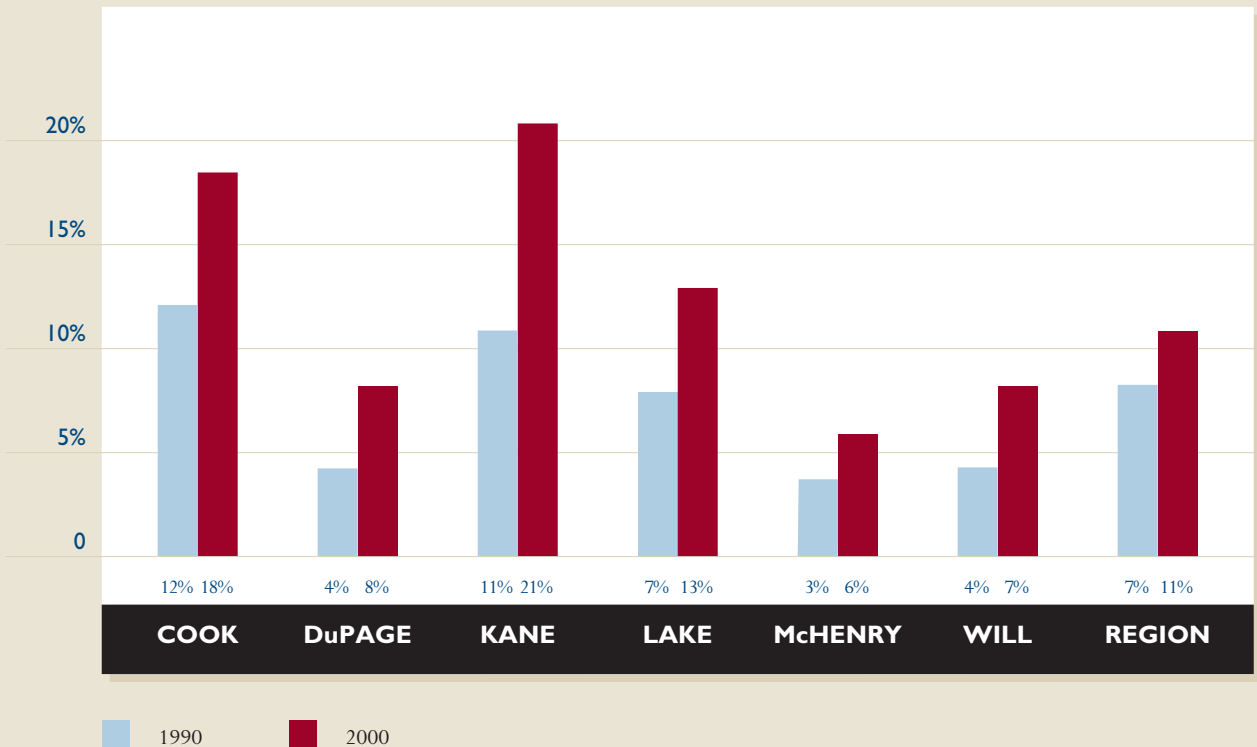
POPULATION GROWTH & LATINO ETHNICITY, 1980–2000

Source: U.S. Census, 1980–2000



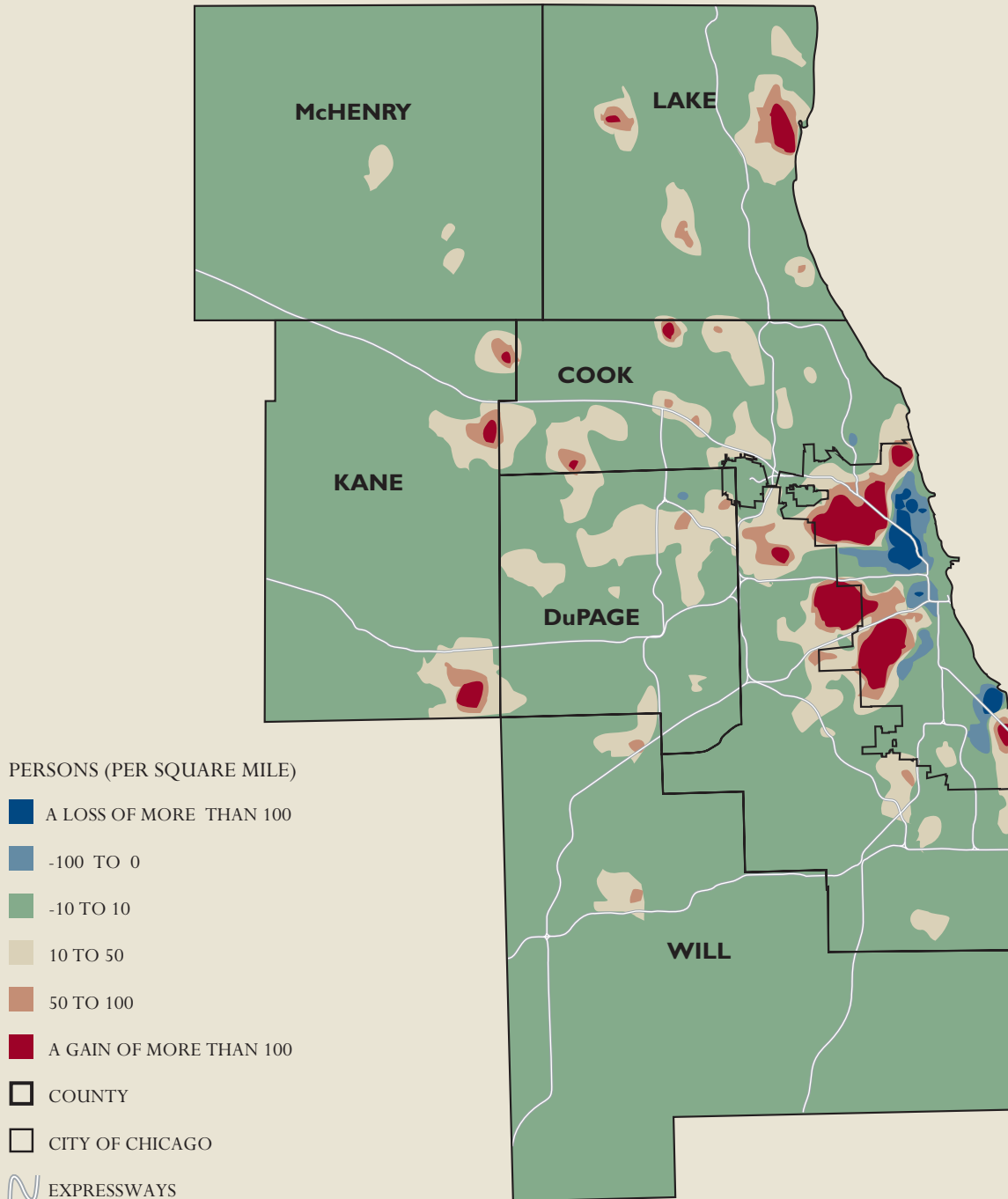
PERCENTAGE OF HOUSEHOLDS IN WHICH SPANISH IS SPOKEN AS THE PRIMARY LANGUAGE BY COUNTY, 1990 & 2000

Source: U.S. Census, 1990 & 2000



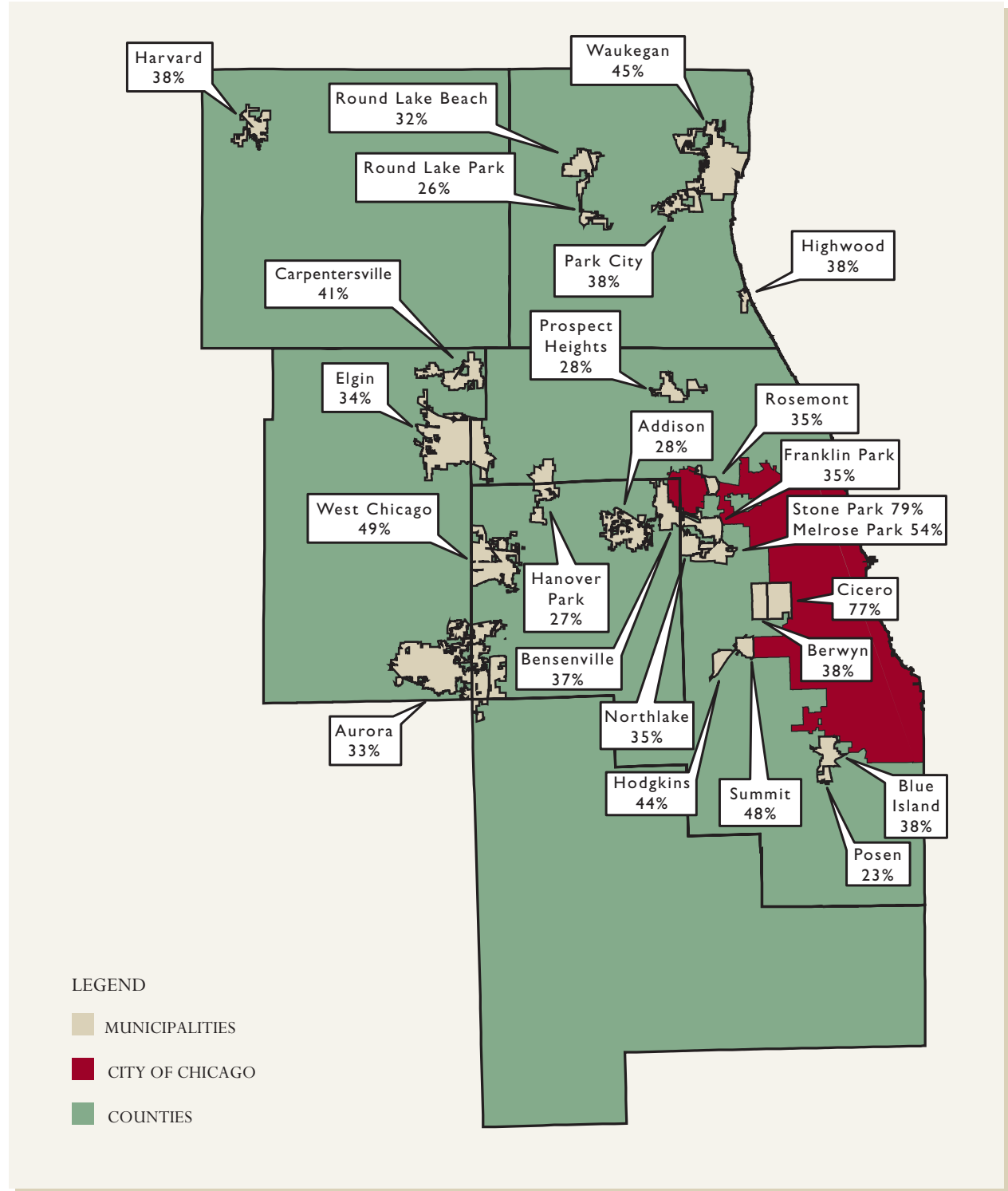
CHANGE IN LATINO DENSITY BY COUNTY, 1990–2000

Source: U.S. Census, 1990 & 2000



SELECTED COMMUNITIES WITH SIGNIFICANT LATINO POPULATIONS, 2000

Source: U.S. Census 2000





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