

**Neighborhood Residents,
Neighborhood Jobs I:**

**A Labor Market Analysis of
the Nobel Project Area**

A Working Paper

by

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Introduction

As community development organizations, local government and others struggle with the changing job prospects of residents of modest-income urban neighborhoods, they first need to assess the existing working patterns of residents, including not only the occupational, wage and industrial nature of employment, but also the geography of employment, i.e., where residents work. At the same time, these actors need to know more about job opportunities in and near neighborhoods and the degree to which residents have access to these jobs. While labor markets are increasingly metropolitan in nature, neighborhood residents might improve their employment prospects by gaining better access to local jobs. This may be especially true for lower-skilled, part-time and young workers, for whom substantial commute times and long distances can create barriers to both finding and keeping jobs. At the same time, if neighborhood jobs are very scarce or do not suit the occupational needs of residents, then community leadership and planners might better spend their time looking for opportunities outside of the neighborhood.

This report provides an initial case study of how neighborhood-level labor market data can add to the understanding of employment prospects and barriers for residents of one urban neighborhood. Such analysis can be used as a planning tool to develop neighborhood-level strategies to increase employment among residents of a neighborhood, improve the quality of jobs held by residents, and boost household wages and earnings. It can also inform public policy aimed at the employment problems of similar neighborhoods. With continuing refinement and enhancement, including the development of mapping tools, this approach should provide valuable information to those concerned with the employment prospects of low- and moderate-income urban neighborhoods.

Unfortunately, traditional census and employment data do not provide small area information on jobs in and around neighborhoods. Information on jobs has traditionally been obtained from unemployment insurance data, which are available only down to the zip code level. In most cities, including Chicago, zip codes are quite large and so are of limited use. These data also do not contain information on where job-holders live or on the race or ethnicity of job-holders.

Working with a little-used data set derived from the 1990 census, I lay out the characteristics of the labor market faced by one modest-income Chicago neighborhood on the city's Northwest Side. I look at the similarities and differences between the residents of the neighborhood and jobs in and around the neighborhood. I also attempt to identify any obvious barriers to resident employment and better jobs due to spatial, racial or skill-based factors.

Job Loss, Industrial Change, and Employment Problems

Central-city job loss, industrial restructuring, and the shift by firms to temporary and part-time employment continue to take their toll on residents of many urban neighborhoods. In the city of Chicago, the number of private nonfarm jobs fell by 9 percent from 1988 to 1993, even though the number of jobs in the metropolitan area increased by 4 percent. While the city lost more than 2,100 jobs per month over this period, the greater suburban area gained almost 4,700 jobs per month.¹ In industries concentrated in neighborhoods -- rather than in the central business district -- rates of job loss were especially high. Wholesaling jobs declined by over 25 percent, and retail, fabricated metals, and printing all declined by more than 20 percent. At the same time, there are some mitigating trends, such as substantial growth in medical services jobs, which grew by more than 10 percent over the 1988-1993 period in the city. The overall regional growth rate, however was still almost twice as high.

As jobs spread away from the city, and sectors that had provided well paying jobs to modest-skilled workers contract, those dependent on such jobs suffer. Longer commute times and stagnant or declining real wages are increasingly common. Networks between local residents and nearby employers are weakened, and youth and others looking for nearby part-time work find such opportunities increasingly scarce.

Compounding the problem of the geographic deconcentration of employment are the continuing problems of race and skills. Employment discrimination and poor access to job networks are still seen to be major, and often the largest, barriers to employment facing inner-city residents. A prominent researcher on the effects of industrial restructuring and the shifting of jobs to distant suburbs, John Kasarda argues that race is still a dominant cause of the employment problems of urban African-Americans:

there is no question that race, including outright discrimination, plays a potent -- and probably the most powerful -- role in the relatively poor performance of blacks...²

Potential public policy and community-initiated remedies to inner-city employment problems include place-based economic development in and around targeted neighborhoods, job training, commuting assistance and metropolitan job search strategies, employment antidiscrimination

¹ Data come from Regional Economic Models, Inc. - Chicago Data Set, March, 1996. Based on ES-202 data.

² John D. Kasarda, "Urban Industrial Transition And The Underclass." In: *The Ghetto Underclass: Social Science Perspectives*, ed. W. J. Wilson, pp. 43-64. Newbury Park, Sage Publications, 1993.

enforcement, and residential desegregation efforts. While the detailed evidence regarding the effects of space, race, and skills on employment remains mixed, it seems clear that all three types of effects are important to the labor market prospects of inner-city residents.³ Defining desired employment outcomes can be a complex task itself. Some community stakeholders may aim at reducing unemployment, which is concentrated among younger and less-skilled residents, while others might seek to help employed as well as unemployed residents find living-wage and career-building jobs. Such differing objectives may require multiple strategies.

Despite the problems of job loss in the central city, many neighborhoods are still located in job-rich areas. The city still accounts for 33 percent of the jobs in the tristate metropolitan region -- a very large percentage given the very small land area of the city vis-à-vis the entire region. And, in many parts of the city, a substantial portion of residents work in or near the neighborhood, especially in job-dense areas. Neighborhood employment strategists should understand not only the regional labor market, including trends and forecasts, but also the *microgeography* of the labor market that residents face. How dependent are residents on nearby jobs? Where do residents tend to work? Are their current jobs at risk of being pushed farther out, making them less accessible? If nearby jobs are seen as an important community asset, it is important to know more about these jobs and who holds them, and to understand where residents work.

Neighborhood-Level Labor Market Analysis

As a part of the 1990 census, data sets were prepared for urban areas that provided substantial detail on jobs and commute patterns. These data sets, known as the Census Transportation Planning Package (CTPP) Urban Elements and made available in late 1994, contain information on census respondents organized by place of work as well as by place of residence. The CTPP data are organized by traffic analysis zones, small neighborhood units that are either census tracts or some other planning unit. In Chicago's case, traffic analysis zones are quartersections -- half-mile-by-half-mile square neighborhoods that follow the city's half-mile street grid. For example, the area from Fullerton Avenue (2400 N.) to Diversey (2800 N.) and from Damen Avenue (2000 N.) to Western Avenue (2400 N.) in the Bucktown neighborhood area is a quartersection.

By combining one or more of these quartersections to form a neighborhood, we can examine local job and labor force relationships to answer such questions as:

³ See, for example, Keith Ihlanfeldt, *Job Accessibility and the School Enrollment of Teenagers*, Kalamazoo, Upjohn Institute, 1992.

- ◆ How many residents work *in* or *near* the neighborhood?
- ◆ Where do residents work? In what parts of the metropolitan area?
- ◆ Does the racial make-up of employees at neighborhood firms match the racial make-up of residents?
- ◆ How well do the occupations of residents match the occupations of neighborhood jobs?
- ◆ Where do job-holders in the neighborhood live? What parts of the metropolitan area do they come from?

While there are limitations to the CTPP data, they permit a level of geographic analysis that has not been generally utilized.

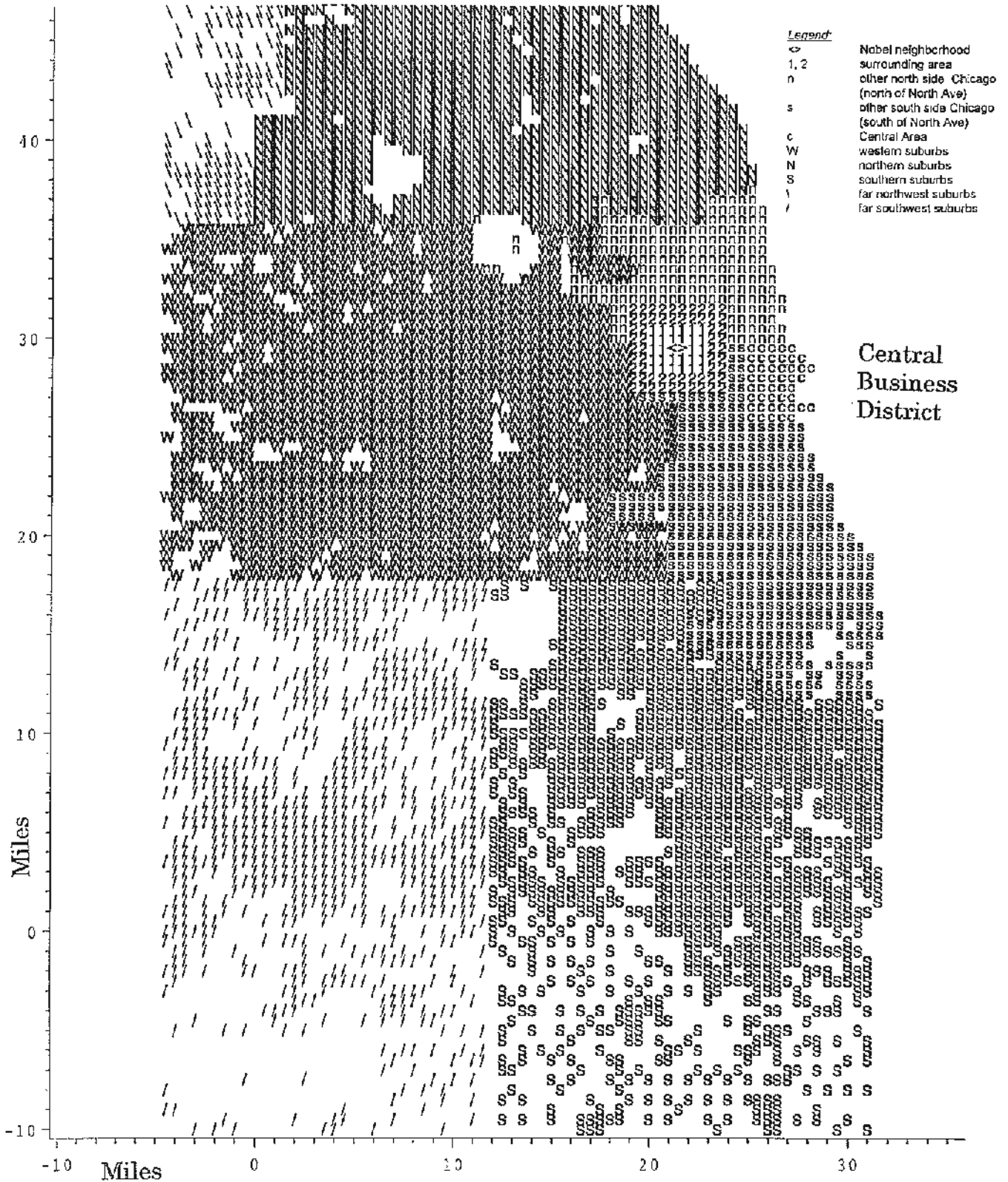
The Nobel Project and the Nobel Neighborhood

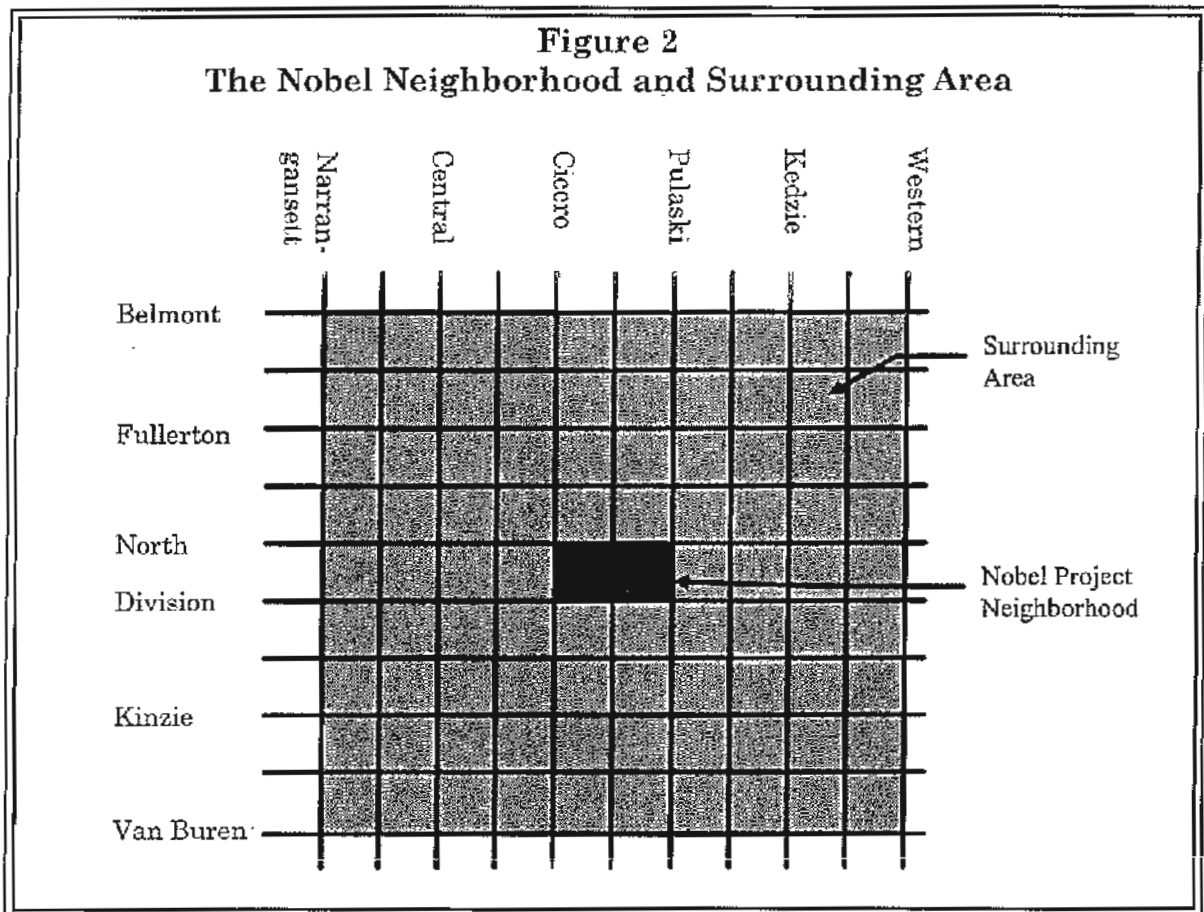
The Nobel Project is an affiliate of Uptown Habitat for Humanity that has been working on community development projects in the West Humboldt Park community over the last few years. They have acquired and rehabilitated apartment buildings in the vicinity of the Nobel Elementary School. They have also conducted a variety of community planning efforts. One important set of information they sought concerned the employment status of neighborhood residents and information on local jobs. Nobel Project staff defined a one-half-by-one-mile area from Division (1200 N.) to North Avenue (1600 N.) and from Pulaski (4000 W.) to Cicero (4800 W.) as the neighborhood of interest.

The Nobel neighborhood is shown in Figures 1 and 2. It is equivalent to two quartersections. The neighborhood has a 1990 population of about 8,300 persons, of whom about 50 percent are Latino, 40 percent are African-American and 10 percent are white.

In order to analyze neighborhood labor market patterns, the Woodstock Institute developed a concentric rectangular border of 2 miles surrounding the neighborhood, shown as the *surrounding area* in Figure 2. The remaining parts of the metropolitan area were divided into 8 sections, listed here and indicated on Figure 1:

Figure 1 Location of the Nobel Project Neighborhood and Surrounding Area





- Central Area (expanded central business district: Cermak to North Avenue; Lake Michigan to Ashland)
- Other Chicago North (central city; north of North Avenue)
- Other Chicago South (central city; south of North Avenue, excluding Central Area)
- North Suburbs (suburbs north of Devon; east of Barrington Road)
- Northwest Suburbs (suburbs north of Devon; west of Barrington Road)
- West Suburbs (suburbs north of 87th St.; south of Devon)
- Southwest Suburbs (suburbs south of 87th St.; west of Countyline Rd.)
- South Suburbs (suburbs south of 87th St.; east of Countyline Rd.)

Residents of the Nobel Neighborhood

Table 1 describes the basic characteristics of residents in the Nobel neighborhood, including population, race, ethnicity, employment status and income. There are approximately 3,800 residents aged 16 or older in the labor force, and about 3,200 employed in civilian jobs. Unemployment in March, 1990 was 15 percent, more than 2.2 times the metropolitan unemployment rate at the same time, and 1.3 times the city rate. Thirty

Table 1
Characteristics of Nobel Neighborhood Residents

	Nobel Neighborhood		Eastern Portion		Western Portion	
RACE/ORIGIN: ALL PERSONS						
TOTAL NUMBER OF PERSONS	8,342	100%	8,213	100%	124	100%
White	816	10%	742	9%	74	60%
African American	3,226	39%	3,189	39%	37	30%
Latino	4,175	50%	4,162	51%	13	10%
Other	125	1%	125	2%	0	0%
MEAN HOUSEHOLD INCOME (1989):	26,784		26,966		20,260	
HOUSEHOLDS BY INCOME:						
TOTAL NUMBER OF HOUSEHOLDS	2,246	100%	2,185	100%	61	100%
Number under \$14,999	732	33%	706	32%	26	43%
Number \$15,000-24,999	378	17%	354	16%	24	39%
Number \$25,000-34,999	469	21%	469	21%	0	0%
Number \$35,000-49,999	442	20%	431	20%	11	18%
Number \$50,000 and up	225	10%	225	10%	0	0%
EMPLOYMENT STATUS:						
NUMBER OF PERSONS 16 AND OVER	5,484		5,374		110	
Unemployment Rate	15%		15%		0%	
Percent Not in Labor Force	30%		30%		36%	
Male Unemployment Rate	12%		12%		0%	
Female Unemployment Rate	18%		18%		n/a	

percent of persons 16 or older were not in the labor force. The male unemployment rate was 12 percent, and the female rate was 18.4 percent. This difference is very striking given that the female unemployment rate for the metropolitan area is slightly lower than the male rate (6.5 percent versus 6.9 percent).

Table 2 describes the occupations and industries of employed Nobel residents.⁴ Figure 3 illustrates the occupations of employed residents, and Figure 4 provides a similar breakdown for the overall regional labor market. Comparing these figures shows that neighborhood residents are relatively more concentrated in manufacturing-based and lower-skilled service occupations, and less in executive, professional and technical jobs as well as administrative support. The substantially higher concentration in machine operators, assemblers and inspectors is particularly noteworthy.

Approximately 34 percent of the employed residents work in the manufacturing industry, a relatively high portion compared to the regional figure of 19 percent. On the other hand, neighborhood residents are

⁴ Occupations describe the type of work workers are engaged in, and are skill-based, while industries describe the nature of the product or service the firm produces. Occupations are of primary importance in determining appropriate job opportunities. Changes in industrial mix will result in changes in occupational mix.

Table 2
Occupations and Industries of Employed Residents
of Nobel Neighborhood

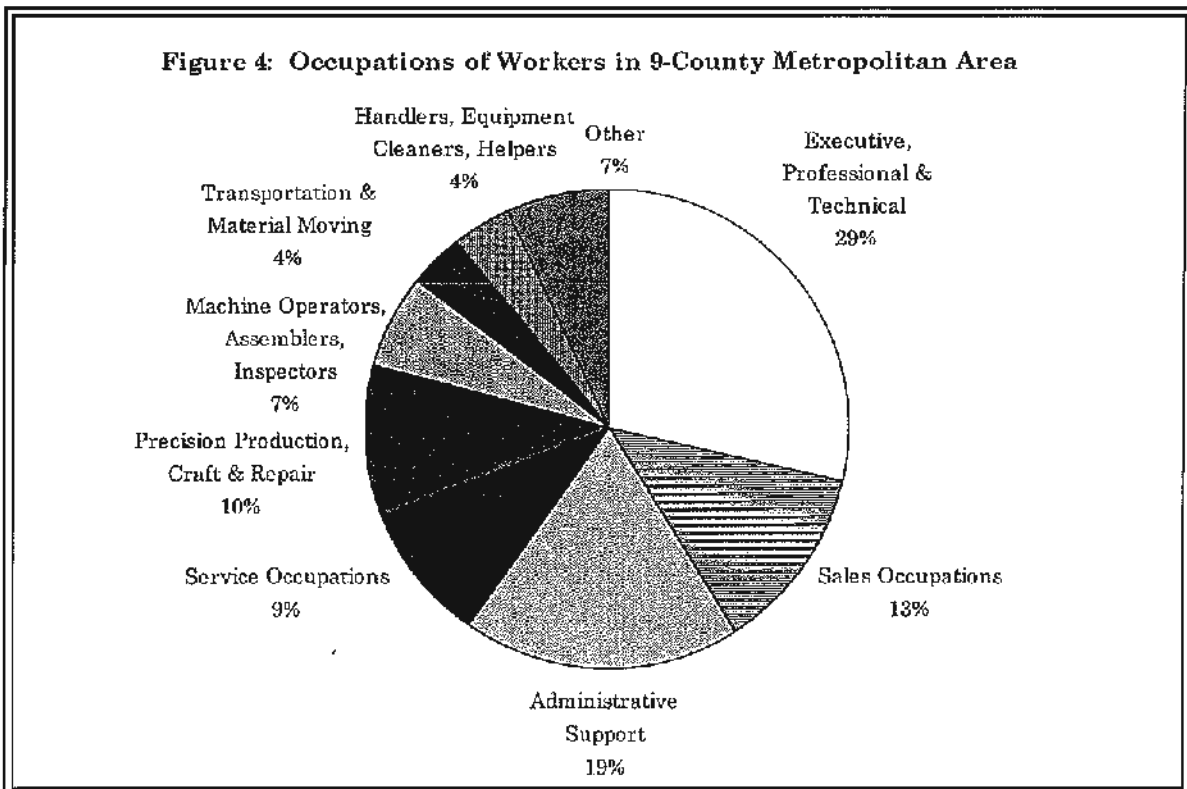
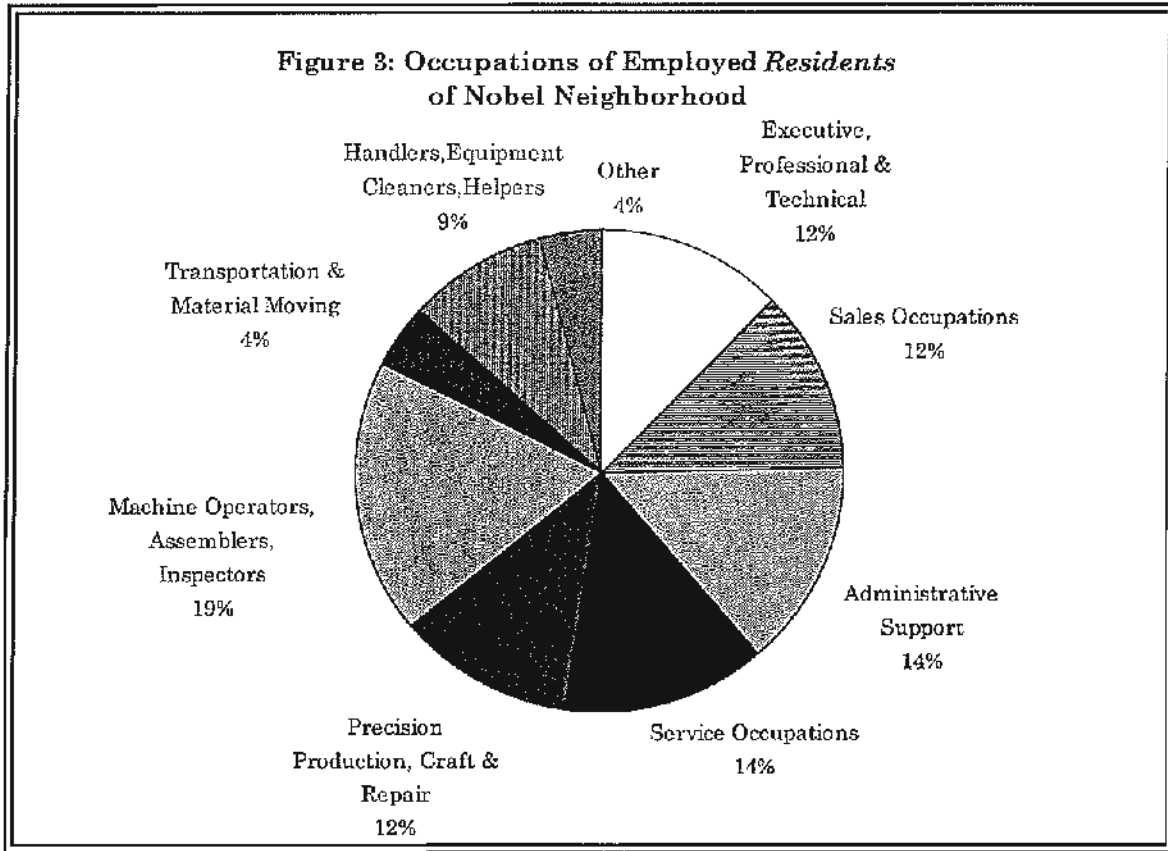
OCCUPATION			INDUSTRY		
TOTAL NUMBER OF WORKERS	3,199	100%	TOTAL NUMBER OF WORKERS	3,199	100%
Executive, admin, and management	174	5%	Agriculture, forestry and fisheries	11	0%
Professional specialty	189	6%	Mining	19	1%
Technicians and related support	35	1%	Construction	82	3%
Sales occupations	392	12%	Manufacturing, nondurable	414	13%
Administrative support	443	14%	Manufacturing, durable	680	21%
Private household	0	0%	Transportation	210	7%
Protective service	92	3%	Communications and utilities	19	1%
Service occupations	442	14%	Wholesale trade	201	6%
Farming, forestry, fishing	90	1%	Retail trade	479	15%
Precision production, craft, repair	371	12%	Finance, insurance, real estate	131	4%
Machine operators, assemblers	590	18%	Business and repair services	185	6%
Transportation and moving	133	4%	Personal services	42	1%
Handlers, equip cleaners, laborers	297	9%	Entertainment and recreation	30	1%
Armed Forces	11	0%	Health services	226	7%
			Education services	200	6%
			Other professional services	129	4%
			Public administration	130	4%
			Armed Forces	11	0%

underrepresented in finance, insurance and real estate, with only 4 percent of employed residents in this sector (compared to a regional share of 9 percent).

Nearby Jobs and Neighborhood Residents: Skills, Race and Ethnicity

Jobs in and near a neighborhood can be an important source of actual or potential employment for residents of a neighborhood. This is especially true for low- and moderate-skilled residents who tend to work closer to home and for whom the cost of long commutes constitute a relatively greater share of their earnings. In this case, I examined jobs in the Nobel neighborhood as well as those within two miles of the neighborhood's border. Understanding the occupational "match" between nearby jobs and neighborhood residents can indicate whether these jobs are likely to provide opportunities for local residents and/or whether residents may need training to upgrade their skills to access these jobs.

I also examined the racial and ethnic composition of both neighborhood residents and nearby job-holders to identify potential racial or ethnic barriers to employment. In addition to overt discrimination, informal employment networks that are the norm in lower-skilled occupations can be race- or ethnicity-based, locking out some from nearby job opportunities. Youth, in



particular, rely on family and friends to find job opportunities.⁵ In minority neighborhoods, residents will have better access race- and ethnicity-based networks. Moreover, employers may utilize networks to screen out "undesireable" applicants. By relying on the referrals of preferred employees to their friends and relatives, employers may believe they are identifying a reliable applicant pool.

Because labor-markets are substantially, but not entirely, regional in nature, we should not expect the racial and ethnic makeup of job-holders in an area to mirror the residential makeup of an area. On the other hand, if an area is predominantly African-American or Latino we should expect, on average, local firms to hire significantly more African-Americans or Latinos than the average firm across the metropolitan area.

Table 3 describes the characteristics of jobs in the Nobel neighborhood, as well as in the surrounding area, including race and ethnicity of job-holders, earnings distribution, and full- versus part-time status. Table 4 describes the occupations and industries of job-holders in these areas. The Nobel neighborhood contains 4,529 jobs compared to a resident labor force of 3,824. However, the two quartersections comprising the neighborhood contain quite different mixes of jobs. The quartersection from Central Park west to Cicero is very industrial, with a population of just over 120 persons and with 72 percent of the almost 2,300 jobs in the quartersection being manufacturing jobs. The jobs in the east quartersection, while totaling over 2,200, are not as industrial, with 27 percent in manufacturing, still substantially higher than the metropolitan level of 19 percent.

The jobs in the western half of the neighborhood are generally higher-skilled. Only 19 percent of western-half job-holders earned less than \$15,000 in 1990, while 39 percent of the job-holders in the eastern half of the area earned less than \$15,000. At the same time, given the occupations of neighborhood residents, more of the jobs in the western half of the neighborhood are likely to be beyond the skill level of many neighborhood residents, as evidenced by the 25 percent of jobs paying more than \$35,000. (Only 13 percent of the jobs in the eastern part of the Nobel neighborhood paid this much.) The western section of the neighborhood also has more full-time jobs, with 92 percent of job-holders working 35 or more hours. Only 80 percent of job-holders in the eastern section work 35 or more hours. In the two mile wide surrounding area, there are another 85,706 jobs, bringing the total number of jobs within

⁵ See K.M. O'Regan and J.M. Quigley, "Family Networks and Youth Access to Jobs," *Journal of Urban Economics* 34: 230-248, 1993; and Holzer, H.J., "Black Employment Problems: New Evidence, Old Questions," *Journal of Policy Analysis and Management* 12: 699-722, 1994.

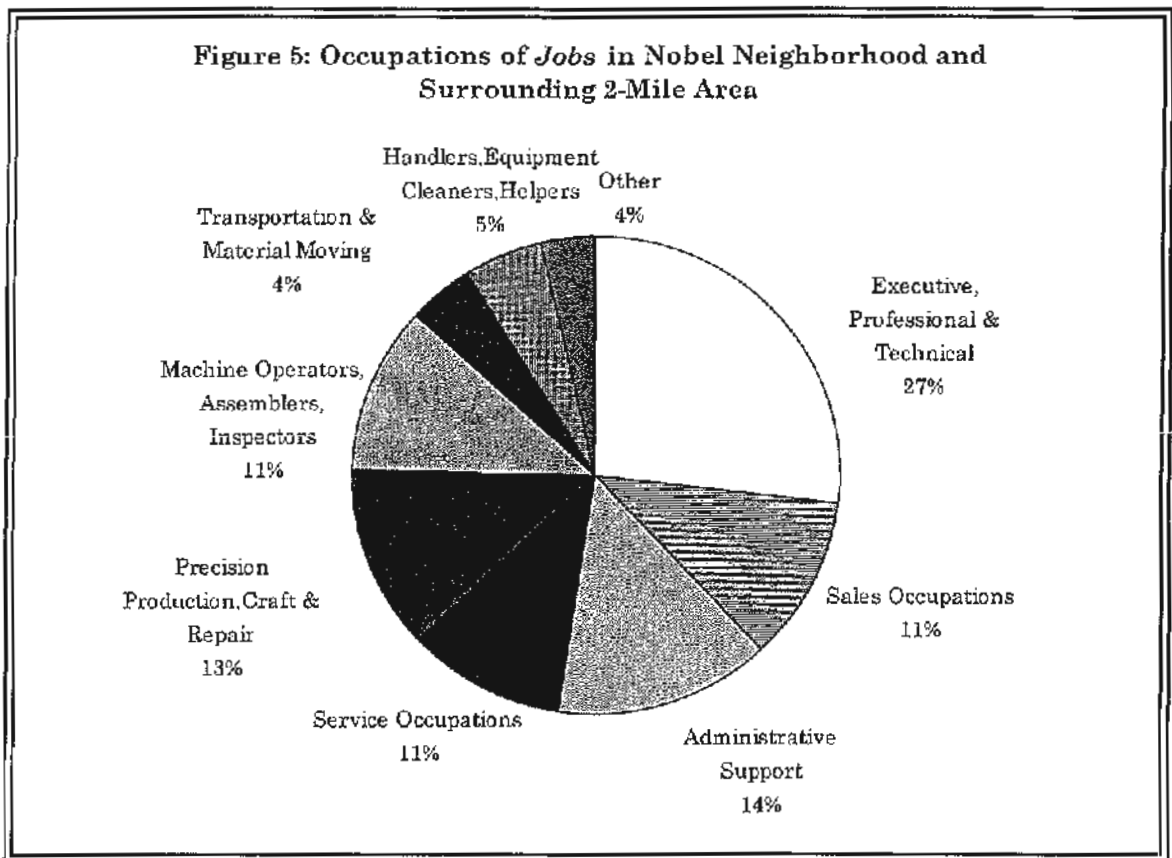
Table 3: Characteristics of Jobs and Job-Holders in and Surrounding the Nobel Neighborhood

	Nobel Neighborhood		Eastern Section		Western Section		Surrounding 2-Mile Area	
NUMBER OF JOBS	4,529	100%	2,256	100%	2,273	100%	85,706	100%
RACE/ORIGIN OF JOB-HOLDERS								
White	2,307	51%	1,189	53%	1,118	49%	42,875	50%
African American	873	19%	406	18%	457	21%	21,342	25%
Latino	1,036	23%	546	24%	490	22%	18,187	21%
Other	313	7%	115	5%	198	9%	3,302	4%
GENDER of JOB-HOLDERS								
Males	2,815	62%	1,332	59%	1,483	65%	49,789	58%
Females	1,714	38%	924	41%	790	35%	35,917	42%
EARNINGS OF JOB-HOLDERS								
<\$5,000	519	11%	351	16%	168	7%	11,225	13%
\$5,000-9,999	371	8%	237	11%	134	6%	9,761	11%
\$10,000-14,999	593	13%	393	17%	210	9%	13,496	16%
\$15,000-19,999	616	14%	322	14%	294	13%	11,823	14%
\$20,000-24,999	817	18%	354	16%	463	20%	9,293	11%
\$25,000-29,999	401	9%	100	4%	241	11%	7,398	9%
\$30,000-34,999	358	8%	169	7%	189	8%	7,215	8%
\$35,000-49,999	567	13%	170	8%	397	17%	10,794	13%
\$50,000-74,999	209	5%	71	3%	138	6%	3,046	4%
\$75,000 and up	78	2%	39	2%	39	2%	2,055	2%
HOURS WORKED IN WEEK								
Less than 15 hours	183	4%	145	6%	38	2%	2,632	3%
15 to 20 hours	148	3%	104	5%	44	2%	4,443	5%
21 to 33 hours	380	7%	217	10%	113	5%	8,301	10%
35 to 40 hours	2,727	60%	1,258	56%	1,469	65%	46,827	55%
Over 40 hours	1,141	25%	532	24%	609	27%	23,303	27%

Table 4: Occupations and Industries of Nobel and Surrounding Area Jobs

	Nobel Neighborhood		Eastern Section		Western Section		Surrounding 2-Mile Area	
ALL JOBS	4,529	100%	2,256	100%	2,273	100%	85,706	100%
OCCUPATIONS								
Executive, admin. mgmt	431	10%	215	10%	216	10%	9,589	11%
Professional specialty	510	11%	234	10%	276	12%	11,737	14%
Technicians, related support	163	4%	40	2%	123	5%	1,961	2%
Sales occupations	423	9%	351	16%	72	3%	9,413	11%
Administrative support	695	15%	376	17%	320	14%	12,189	14%
Private household	21	0%	8	0%	13	1%	223	0%
Protective service	105	2%	59	3%	46	2%	2,440	3%
Service occupations	275	6%	214	9%	61	3%	9,225	11%
Farming, forestry, fishing	18	0%	14	1%	4	0%	342	0%
Precision production, craft, etc	728	16%	314	14%	415	18%	10,855	13%
Machine operators, assemblers	674	15%	225	10%	449	20%	9,464	11%
Transportation, moving	194	4%	88	4%	106	5%	3,780	4%
Handlers, helpers, laborers	285	6%	121	5%	164	7%	4,602	5%
Armed Forces	6	0%	0	0%	6	0%	87	0%
INDUSTRY								
Agriculture, forestry, fisheries	18	0%	14	1%	4	0%	306	0%
Mining	0	0%	0	0%	0	0%	39	0%
Construction	200	4%	147	7%	53	2%	4,635	5%
Manufacturing, nondurable	1,167	26%	156	7%	1,001	44%	8,257	10%
Manufacturing, durable	1,082	24%	443	20%	639	28%	13,740	16%
Transportation	179	4%	90	4%	89	4%	4,849	6%
Communications, utilities	18	0%	18	1%	0	0%	1,871	2%
Wholesale trade	197	4%	149	7%	48	2%	4,856	6%
Retail trade	526	12%	432	19%	96	4%	13,803	16%
Fire, insurance and real estate	197	4%	131	6%	66	3%	4,499	5%
Business and repair services	294	6%	167	7%	127	6%	4,108	5%
Personal services	113	2%	34	2%	29	1%	2,275	3%
Entertainment, recreation	18	0%	6	0%	12	1%	859	1%
Health services	154	3%	103	5%	51	2%	5,922	7%
Education services	134	3%	113	5%	21	1%	6,566	8%
Other professional services	139	3%	119	5%	10	0%	5,258	6%
Public administration	95	2%	74	3%	21	1%	3,886	5%
Armed forces	6	0%	0	0%	6	0%	87	0%

neighborhood to 90,235. The occupational mix of these jobs is illustrated in Figure 5. The jobs in and near the neighborhood, like the residents of the Nobel neighborhood, tend to be relatively concentrated in blue collar occupations when compared to the region as a whole. When compared to the metropolitan area, relatively high concentrations exist in machine operators, assemblers, and inspectors occupations as well as in production, craft and repair. A below-average portion of the jobs are in administrative support and professional, technical and executive positions.



On the other hand, comparing Figure 5 to Figure 3 shows that the residents of the area are even more concentrated in lower-skilled occupations than are local jobs. Even when looking at only those in blue collar occupations, Nobel residents are more concentrated in the lower-skilled positions such as machine operators and assemblers and less in the higher-skilled precision production and craft occupations than are the jobs within two miles of the neighborhood.

Thus, in considering nearby industrial job opportunities, residents may be in need of training and education to improve their prospects of accessing the better jobs near their neighborhood.

Figures 6 and 7 show the racial and ethnic composition of Nobel neighborhood residents and of job-holders within two miles of the neighborhood. Fifty percent of residents are Latinos, 39 percent are African-American, ten percent are white, and one percent are of other races. Of job-holders in and around the neighborhood, 50 percent are white, 25 percent are African-American and 21 percent are Latino. Again, we should not expect the racial composition of job-holders to mirror that of residents. However, assuming some significant local hiring, we should expect job holders to partially reflect the racial composition of the neighborhood. The 1990 Chicago area population is 66 percent white, 19 percent African-American and 11 percent Latino. Chicagoland job-holders, however, are 72 percent white, 14 percent African-American and 10 percent Latino. Thus, local job-holders are 2.1 times as likely to be Latino and 1.8 times as likely to be African-American as metropolitan workers overall. These numbers suggest that local job-holders reflect, to some degree, the characteristics of local residents.

Where Do Residents Work? Who Works in the Neighborhood?

Figure 8 illustrates where employed Nobel residents (who work outside of home) work. Nine percent of residents work in the neighborhood itself, a relatively large portion given the small size of the neighborhood. Another 13 percent work in the two-mile-wide surrounding area, bringing the total portion of employed residents working within two miles of the neighborhood to 22 percent. (This same area accounts for only 2.5 percent of all jobs in the metropolitan area.) The relatively large portion of residents working within the Nobel neighborhood itself is due primarily to the number of residents working in the eastern part of the neighborhood. Jobs in the western half of the neighborhood employ fewer local residents, in part due to the fact that the area is so manufacturing-oriented, with some large, higher-end firms, which tend to draw workers from a larger radius.

Seventeen percent of the employed residents work in the northern section of the city (north of North Avenue); 18 percent work in southern section of the city (excluding the Central Area and the surrounding area); and 16 percent work in the Central Area. In total, 73 percent of resident workers work in the city. Fifteen percent work in the job-rich western suburbs, and 9 percent work in the northern suburbs.

Figure 9 indicates where job-holders working in the Nobel neighborhood live. Approximately 6 percent of the job-holders live in the neighborhood with

Figure 6: Race and Ethnicity of Nobel Neighborhood Residents

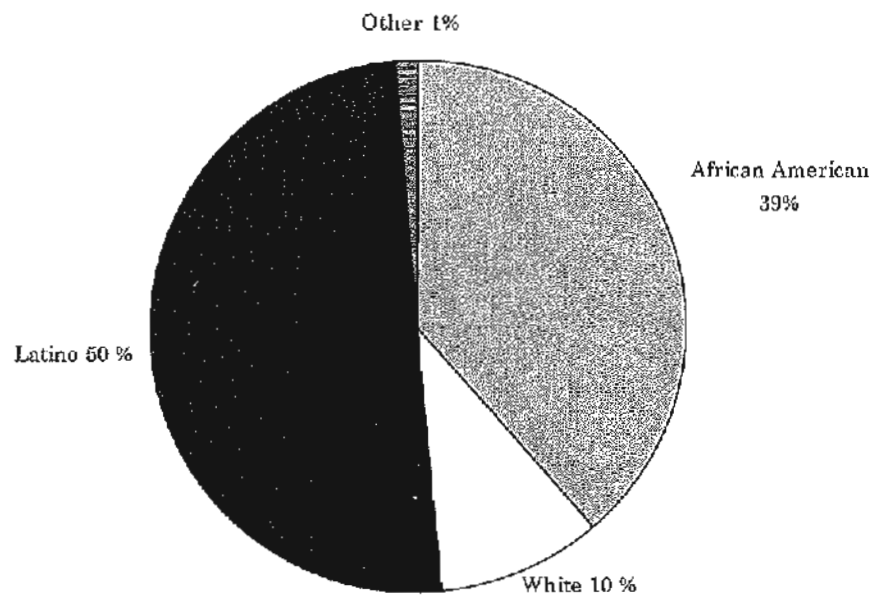
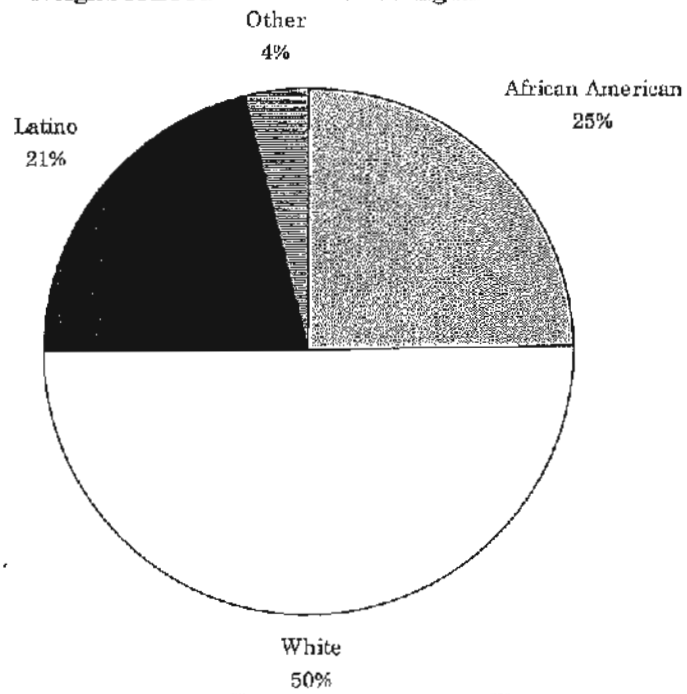


Figure 7: Race and Ethnicity of Job-holders in Nobel Neighborhood and Surrounding Areas



**Figure 8: *Workplaces* of Residents of Nobel Neighborhood
(Employed Outside of Home)**

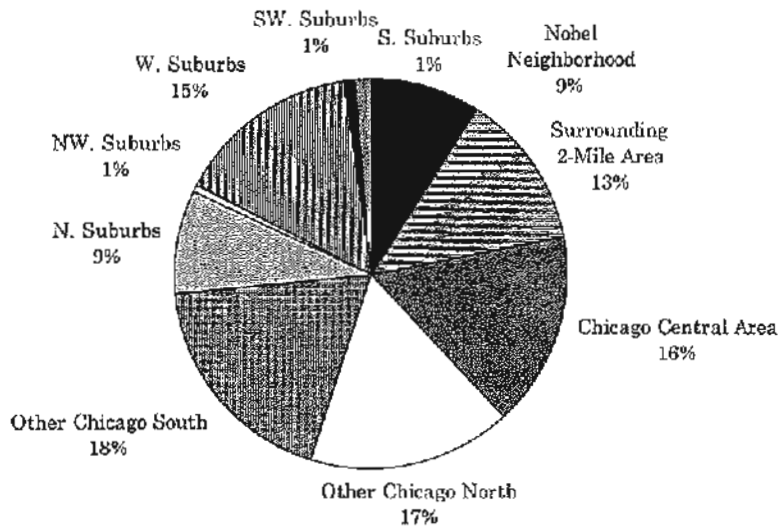
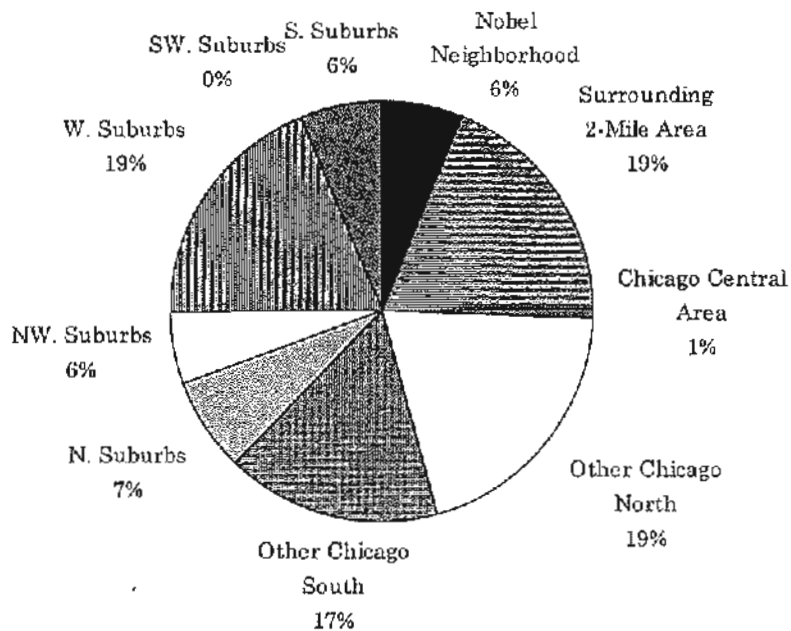


Figure 9: *Residence* Places of Job-Holders in Nobel Neighborhood



another 19 percent living in the surrounding two mile area, so that 25 percent of the jobs in the neighborhood are held by residents from the nearby area. (Of the 6 percent living and working in the area, most work in the eastern section of the neighborhood.) This is a somewhat typical figure for city neighborhoods, although the percentage varies significantly by population density.

Nineteen percent of job-holders live in neighborhoods in the northern section of the city, 17 percent live in southern city neighborhoods and 1 percent live in the Central Area. A substantial portion of job-holders come from the western suburbs (19 percent) with smaller portions coming from other suburban areas. In total, 62 percent of job-holders are city residents.

Figure 10 shows that 56 percent of Nobel residents employed outside of home commute 30 or more minutes to work, and 24 percent commute 45 minutes or more. This can be compared to Figure 11 which shows that only 46 percent of Chicagoland commuters travel 30 minutes or more to their jobs. Thus, even though residents have relatively modest incomes (considerably below the metropolitan average) they suffer from longer commute times. Some of this is no doubt due to reliance on inferior public transportation and the use of congested arterial streets.

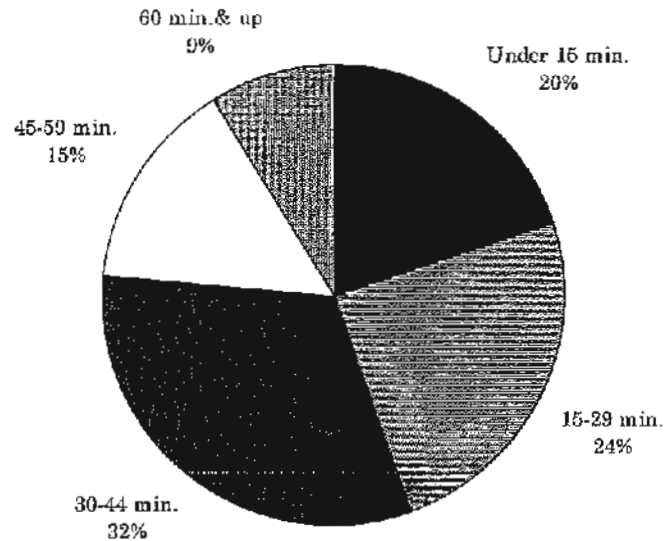
Conclusions

The data set utilized here is, like any multipurpose data set, limited in its potential for informing neighborhood employment planning and policy. Technical constraints of the data are only one part of the problem, of course. Qualitative knowledge of how local and regional labor markets operate, including the nature of job networks and employer recruitment, are essential to address the issues at hand. Notwithstanding the limitations of the data analysis, there are at least four key findings from the analysis above that are relevant for community-based employment strategists and public policy makers. These include:

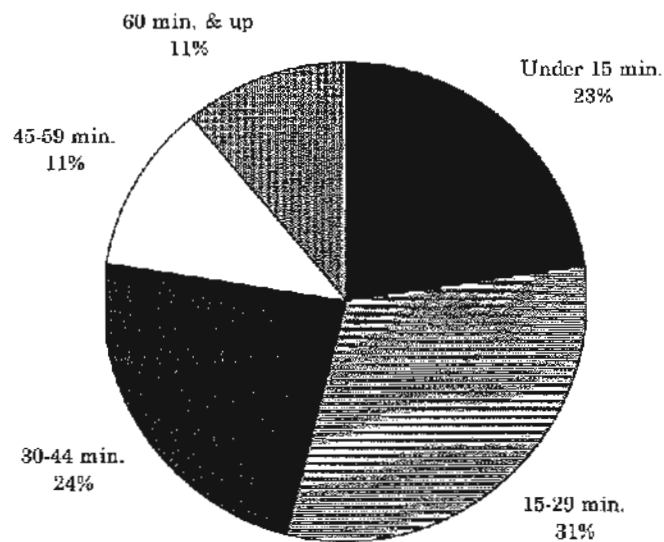
I. City neighborhoods are still the major source of jobs for residents of the Nobel neighborhood

Seventy-three (73) percent of employed neighborhood residents (not working at home) work in the city, with 57 percent working in neighborhoods outside of the greater Central Area. Almost as many residents work within two miles of the neighborhood (22 percent) than work in all of the 9-county suburbs combined (27 percent). Any notion that "everyone now works in the suburbs" is clearly misplaced in the case of this neighborhood. Clearly, the

**Figure 10: Travel Times for Employed Residents
(Not Working at Home) of Nobel Neighborhood**



**Figure 11: Travel Times for Employed Residents
(Not Working at Home) of 9-County Metropolitan Area**



amount and nature of economic development near the neighborhood and in the city overall have a real impact on Nobel residents.

This does not mean that access to suburban jobs is not desirable. Job losses in the city continue and, in some cases, higher wages might be obtained in suburban job centers, even for similar work. Efforts to improve transportation to suburban job areas should focus on the western and then the northern suburbs.

II. Low skill levels appear to be a major barrier to employment and better quality jobs for neighborhood residents

The fact that a smaller percentage of the higher-paying, higher-skilled jobs in the western half of the immediate neighborhood are held by Nobel residents than is true for the lower-skilled, lower-paying jobs in the eastern portion of the neighborhood suggests both a problem and an opportunity. Residents appear to have poor access to relatively high quality nearby jobs. If, however, resident skills can be increased, this neighborhood asset can be "tapped" for the benefit of residents.

Thirty-one percent of the jobs in the western part of the neighborhood paid between \$20,000 and \$30,000 per year in 1990. This compares favorably to the jobs in the surrounding area where only about 19 percent of the jobs fall into this category. These are the jobs that those earning poverty-level wages might be able to attain with training and placement assistance.

At least two other barriers could be keeping residents from accessing higher quality nearby jobs. The first is employment discrimination based on race or ethnicity. The racially mixed nature of this neighborhood and the limitations of the data make discrimination difficult to detect at the neighborhood level. While the job-holders in the area are substantially more African-American and Latino than the overall regional labor market, this analysis, by itself, does not corroborate or discount discrimination as a source of employment problems. (Analysis of 1990 CTPP data for the entire metropolitan area, however, strongly suggests that African-Americans suffer major barriers to employment, even after accounting for skill and physical proximity to jobs.⁶)

The hiring networks that firms use can also be barriers to employment. Firms tend to use informal, especially word-of-mouth networks to hire

⁶ See Daniel Immergluck, "Job Proximity and the Urban Unemployment Problem: Do Suitable Nearby Jobs Reduce Neighborhood Unemployment?" April, 1996, unpublished manuscript.

workers⁷. This lowers their search costs and, by using referrals from reliable employees, reduces their uncertainty about the quality of job applicants. For the moderate-skilled, better paying jobs that may be of substantial interest to local residents, firms invest more in training workers, so they may be more cautious in their hiring methods and outreach. At the same time, if existing employees (who perhaps once lived in the neighborhood) tend not to live in the neighborhood, the use of these networks can close off employment opportunities to neighborhood residents. Again, we cannot determine the importance of employment networks to employment prospects of Nobel residents with the analysis above, but poor access to them may be a problem. In order to determine this, one would have to identify how local firms currently search for and hire workers, the degree to which they use intermediary organizations, such as temporary employment agencies or job training organizations, and how they advertise for open positions.

III. The female unemployment rate in the area is particularly high

The female unemployment rate of 18 percent for the Nobel neighborhood is approximately 50 percent higher than the male unemployment rate of 12 percent. This is despite the fact that, across the metropolitan area, female unemployment is actually slightly less than male unemployment. This may be due, in substantial part, to the fact that many modest-income families are faced with the burden of child care if both parents work. Thus, many unemployed women may be seeking jobs that pay well enough to cover child care and still provide substantial additional income. Also women tend to work closer to home, so they may be seeking such jobs near the neighborhood. Given that many of the better paying local jobs are in traditionally male-dominated skilled trades, they may find these jobs difficult to access. The nearby area is relatively lacking in administrative support jobs, which have often provided somewhat better paying part-time and full-time opportunities for moderately-skilled female workers.

IV. Nobel neighborhood residents commute longer to their jobs than do residents of the metropolitan area as a whole

Despite the fact that most Nobel residents work in the city, their commute times are relatively long. This is particularly problematic given the modest incomes of most residents. Long commute times can serve to discourage labor force participation and make maintaining employment difficult. These long travel times may have as much to do with the method and mode of transportation as with the distance traveled. The area is not close to an

⁷ See Susan Hanson and Geraldine Pratt, "Dynamic Dependencies: A Geographic Investigation of Local Labor Markets," *Economic Geography* 68: 373-405, 1992.

elevated train, and bus service is generally slow compared to either commuter train, elevated train or car travel.

The analysis above is intended to complement local knowledge of neighborhood labor markets and provide a first step toward utilizing neighborhood-level data to inform community-based employment strategies. With dissemination and continued improvements, this type of research can provide an important tool for those working to improve the employment prospects of modest-income neighborhood residents.

Woodstock Institute

The Woodstock Institute is a not-for-profit organization based in Chicago. For the past 23 years, the Institute has carried out applied research and developed and implemented programs which increase private sector investment and promote economic development in modest-income and minority communities for the benefit of those who live there. It designs programs which bridge the gap between the needs of communities and the resources of banks, savings and loan associations, foundations and others. The Institute also analyses and disseminates information about best practices in reinvestment and community development.

The Institute provides a variety of services to community-based organizations, financial institutions, foundations, and government agencies, including applied research, policy analysis, program design, and evaluation.

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