

# **The Chicago Urban League**

## **Blueprint for an Equitable Chicago: A 10-Year Plan**

**August 2016**

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Chicago. There is much to admire about this city - from its lakefront to its diverse neighborhoods, its thriving arts scene and cultural events, its world class institutions, its food, its games and sports, its downtown, and to the people that make this metropolis hum with life. This is a city rich with history.

The Chicago Urban League commemorates its Centennial in 2016 and we are proud to be a part of this rich Chicago history, though in reality not all of it is glowing. And as we began to prepare for our Centennial two years ago, we held numerous conversations within the organization and with our partners about our history - both the history of our organization and the history of African Americans in Chicago. We took time to honor the struggle, as well as the achievements of those that have come before us. But we kept finding ourselves coming back to talking about the unwavering struggles. That's what you do when you are turning 100 years old and reflecting back on your life. And like other 100 year olds, we also realized that such nostalgia came with a price - a bit of exhaustion that runs deep into your bones. We were tired. Tired of hearing the same narratives about African Americans and the communities in which they live. Tired of some people denying that race was an issue at all in the United States, while others agreed that race probably once was an issue, but is no longer. Tired of hearing about all the ways in which things could be fixed or would be fixed, but when asking to see how that was actually being implemented in ways that were meaningful for our community, finding that promises were fleeting and change was elusive.

The great thing about being 100 years old is that you have the long reach of history behind you. You have earned your memory and your wisdom. And even though some might write you off because of your age, you know that you have a vantage point that must compel others to listen and act. This was the impetus for our ten year plan, **Blueprint for an Equitable Chicago.**

As you read through these pages, you will see the vision we have laid out for the work to come over the next decade. We believe it is not good enough to simply agree that racism is a barrier for African Americans in the United States. That's an important start, but this belief must be coupled with intentional, strategic action to overcome decades of laws, policies and practices that have created inequitable communities. We can't do this alone, and look to many partners to help build up opportunities in education, employment and economic development.

We hope that you will join us in this work.

Yours in the movement,

Shari Runner

CEO and President of the Chicago Urban League

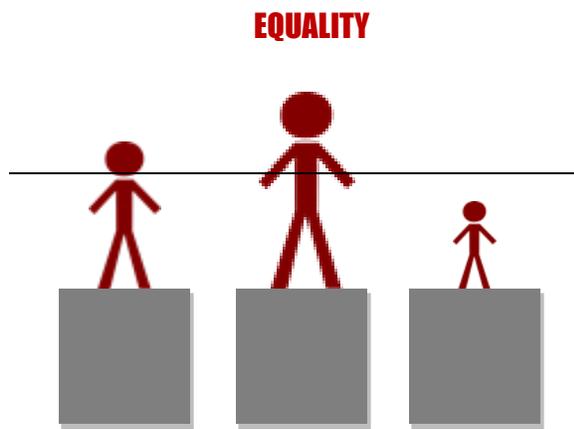
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## DISMANTLING STRUCTURAL RACISM: THE PATH TO RACIAL EQUITY



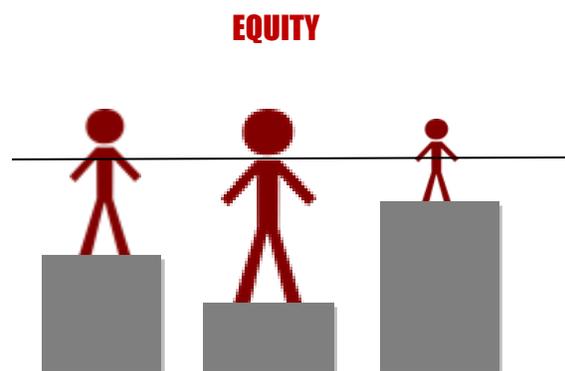
The United States is not truly a land of equal opportunity. While each person is equal in their hopes to live healthy, fulfilling lives in safe and vibrant communities, realizing this dream is not the reality for all people. For African Americans, structural racism has long been the barrier standing in the way of equitable opportunity. To promote a just and fair society, we must actively work to undo structural racism and remove the obstacles to opportunity put in place through our inequitable system.

Structural racism is how we define the system that creates and maintains racial inequality. It is a system that has developed over the course of hundreds of years of policies and laws, fueled by a vast range of historical, cultural, political, institutional, and personal practices, attitudes and beliefs. In the U.S., these factors work together to create a system that significantly disadvantages African Americans, while privileging the treatment and power of white Americans. The end result is significant and lasting racial differences in poverty rates, wealth, educational attainment, occupational attainment, individual and community health and exposure to violence. Laws that disproportionately impact African Americans - such as those falling under the longstanding War on Drugs - lead to increased interactions with law enforcement and the criminal justice system, resulting in the mass incarceration of African Americans.

The key defining factor of structural racism is the accumulation of power and social and political influence in the hands of the few, so that the many struggle to overturn the systemic obstacles placed in the way of needed resources. **At the Chicago Urban League, we work from the core belief that education, employment and economic development are crucial to both individual wellbeing and the creation of strong, stable communities.** But we know that structural racism has led to conditions in which African Americans have less equitable access to high quality education, thriving employment markets and financial products and services. We believe that structural racism helps to produce poor outcomes for African Americans by putting in place obstacles that significantly limit access to opportunities. This becomes a frustrating and harmful circle of inequality, in which African Americans cannot collectively access the opportunities needed to get ahead, making it harder for the next generation to build up their resources to get ahead. And so on.

Our challenge, then, is to dismantle - brick by brick - the structural racism that cumulatively and negatively impacts African Americans, leading to long-standing disparate outcomes for individuals and communities.

For that reason, the League is developing this 10-year plan to dismantle structural racism and create more equitable educational, employment and economic systems for African Americans.



# Blueprint for an Equitable Chicago

## OUR COMMITMENT

In the nearly 50 years since the Civil Rights Act was enacted, African Americans still struggle with the same core issues: employment, education, economic stability and growth. We must change the way the African American community is positioned and understood, both within the community and in the city and nation at large. Over the past 100 years, the Chicago Urban League has consistently demonstrated that we are a movement that incites change. As we enter our second century, we will position ourselves to connect advocates, community members and decision-makers across the city, holding people and institutions accountable to their promises to the African American community and serving as a catalyst for permanent change.

## OUR PLAN

The enduring segregation of a number of predominantly African American community areas in the city of Chicago has resulted in racially concentrated areas of poverty. These emerge from the intersection of residential segregation and income inequality, where over 40 percent of the residents live below the federal poverty level.

For 19 of the 77 Chicago community areas that meet the criteria for a racially concentrated area of poverty, the challenges are greater and burdens more significant than other areas in Chicago. Over the next 10 years, Chicago Urban League will shine a light on the significant challenges faced by these communities since the Great Migration nearly 100 years ago, highlighting the ways in which the myriad policies and practices developed under a system of structural racism have resulted in decades-long disinvestment in neighborhoods and the residents living therein. The League will lead a coordinated and sustained effort to 1) change the narrative regarding why these systemic structural inequities exist; 2) shift the focus from addressing the symptoms – poverty, violence, and family dysfunction – to addressing the root causes of inequality; and 3) encourage meaningful and sustainable reinvestment in the impacted areas to reduce violence, create more livable communities, and build a pipeline of talent to grow the Chicagoland economy.

The Chicago Urban League will take great care in conducting a careful review of these areas to better understand the transformative work currently underway in the community. The League's goal is to support and expand these efforts through partnerships with government, corporate, nonprofit and community stakeholders. We can use our platform and access to key decision makers

*It is crucial for the wellbeing and prosperity of African Americans, and the city of Chicago, that we take decisive action to undo a century of policies and practices that have disadvantaged African Americans and created an inequitable city. We must do better, as a city and as a nation.*

to help move processes forward. We can provide assistance in convening and connecting needed stakeholders to lay the foundation for advocacy and action within the community. Together, we will all seek out solutions that are as intentional as the efforts to deny opportunity to these communities over the past century.

## **OUR FOCUS**

The Chicago Urban League is committed to advancing racial equity in the city of Chicago. To do so, we believe it is important to address the root causes of inequality by removing the obstacles that stand as barriers to educational, employment and economic opportunities for African Americans. We will focus on building knowledge and awareness of racial inequalities in these areas, while strengthening the capacity of residents, community leaders and community organizations to advocate for policies and practices that reduce disparities.

Working from the core belief that **education, employment** and **economic development** are crucial to both individual wellbeing and the creation of strong, stable communities, the Chicago Urban League is committed to improving these 19 communities, and lives of its residents, through the following focus areas:



While this plan focuses primarily on the causes of inequity, and not the symptoms, we cannot afford to ignore a particular symptom that has been taking an increasing toll on African American communities in Chicago: **guns and violence**. Gun violence is one of the most pressing public health issues facing some of our communities in Chicago, predominantly in African American neighborhoods on the south and west sides. The consequences of gun violence have a profound and lasting effect on the safety, health and wellbeing of our neighborhoods and the people living there. In parallel to our work on removing obstacles to education, employment and economic equity, we will also partner with others to tackle gun trafficking and gun violence in the city.

# 1 Education as the foundation for future success.

## Goal

**Increase African American youth high school graduation rates by 15%.**

## Overview

A high school diploma is the foundation on which an economically stable adulthood is built. The high school diploma is the stepping stone to college, vocational programming and/or entry-level jobs that lead to lifelong career development. The majority of the 30 fastest growing occupations in the United States require a minimum of an associate's or bachelor's degree.<sup>1</sup> For this reason, high school graduation is a key predictor of lifetime earnings. Nationally, high school graduation rates differ by race - 73% of African American students receive their high school diploma, compared to 87% for White students. Chicago, however, has experienced a consistently larger graduation gap among African American students living in some of our most disadvantaged neighborhoods.<sup>2,3,4</sup> Approximately half of African American youth attending predominantly African American Chicago Public Schools will not graduate from high school.<sup>5</sup> Although there has been progress made over the past decade, and although student outcomes have improved over time at most schools, there is still much work to be done to achieve graduation parity in the city of Chicago. If we can keep the at-risk group on track for graduation in Illinois, we would increase their individual lifetime earnings by \$376 million, their consumer spending by \$279 million and the annual Illinois tax base by \$35 million.<sup>6</sup>

## Key Needs

There are many factors that impact successful high school graduation in an at-risk population. We know that there are student-specific and school-specific barriers that increase the likelihood of drop-out and decrease the likelihood that a student will graduate from high school with a diploma in hand.<sup>7</sup> The funding of schools plays a major role, as inequitably funded schools cannot provide the same resources and services that are needed to not only achieve graduation, but prepare students for college and careers. For this reason, policies and reforms must target multiple things: the student, their family and the environment in which they receive their education. The most pressing barriers for young people that must be addressed if we are to increase high school graduation rates include:

### Student

- Programs and services to address cognitive and emotional disabilities
- Programs and services to address mental health needs and behavioral problems
- Programs and services to address high risk behaviors (substance use, sexual activity)
- Tutoring to reduce reading and math literacy gaps

### Family

- Programs and services to address family economic and housing instability
- Parent education programming to address adverse parenting practices and improve parent/child relationship
- Programs and services to reduce caregiver disengagement and get families more involved in schools

### School

- Policies and programs to address harassment, bullying and violence at school
- Development or expansion of specialized student services
- Development or expansion of teacher training, professional development and local decision-making power

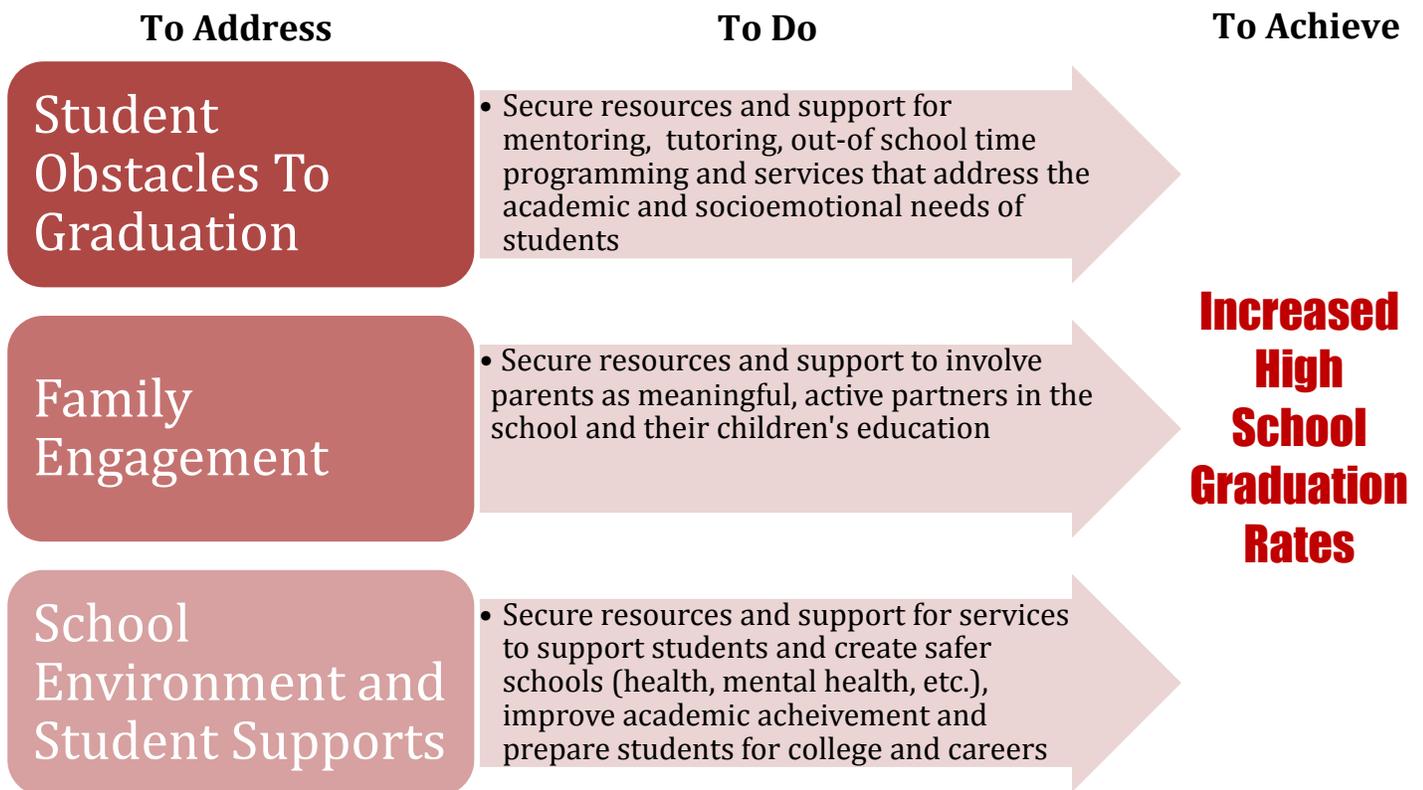
### Key Objectives

The Chicago Urban League has identified three key objectives to increase the African American high school graduation rate in Chicago. These objectives address the needs faced by students, their families and the schools tasked with providing their education.

- Students must have access to the resources and services they need to address a comprehensive academic and socioemotional issues and needs.
- Parents and guardians must have access to the resources and services they need to support their children's' academic achievements and socioemotional needs.
- Schools must have access to the funding, and resources they need to create a safe and quality learning environment, as well as provide supports and services to meet the comprehensive needs of students.

### Key Strategies

To make sure that young people are achieving their first important life milestone – high school graduation – the Chicago Urban League is committed to supporting strategies that will address the issues that make it difficult for young people to succeed in high school.



# **2 Employment as the foundation for financial security and poverty reduction.**

## **Goals**

**Increase African American youth employment rates by 30%.**

**Increase African American adult employment rates by 20%.**

## **Overview**

The income earned and skills gained from a good job - one with adequate pay and the potential to develop into a career path over time - has a lifelong stabilizing effect on families and communities. Yet there are many barriers facing African American youth and adults in the job market. African American workers are more likely to experience an unpredictable employment market, leading to longer spells of unemployment.<sup>8, 9</sup> They are also more likely to be crowded into lower paying occupations.<sup>10</sup> Spatial mismatch, which occurs when people live far from where job opportunities exist, can be a significant problem for African Americans living in segregated communities. For these reasons and more, the percentage of unemployed African Americans of working age (16 to 64) in Chicago is approximately 30%, compared to 14% for White Chicagoans.<sup>11</sup> Further, a recent report found that upwards of 90% of African American youth aged 16-24 is unemployed.<sup>12</sup> Entering one's earliest working years without a job can result in a "scarring" effect, which increases a young person's odds of lower pay and future unemployment spells for the next 20 years of their working life.<sup>13</sup> Every year of unacceptably high unemployment for African Americans means millions in lost earnings, lower tax revenues, higher government safety net expenditures and the loss of income that can be recirculated throughout the community.<sup>14</sup>

## **Key Needs**

Youth and adults have different needs on the job market. For young people, the lack of learning opportunities and access to early work-related experiences are the biggest issues to overcome. For adults, long spells of unemployment, a mismatch between skills and employment opportunities and a reduction in positions historically held by African American adults (manufacturing, public-sector employment, and government employment) are key issues. As part of the workforce development landscape, employers also play a strong role in addressing African American employment. They can help address longstanding unemployment through public/private partnerships and employer incentives that target employment among the young, minimally skilled or long-term unemployed.

### **Youth**

- Career exploration programs to help youth identify interests, career options and educational requirements
- Vocational training, apprenticeships and internships across a variety of career fields
- Access to year-round job opportunities

### **Adult**

- Sector-based training and job placement in local, high growth fields
- Job creation within the community to overcome segregated job markets
- Policies and supports that make it easier for workers to retain employment (child care, paid leave)
- Policies to address employment barriers faced by people with criminal records

### **Employers**

- Guidelines and technical assistance for hiring policy and practice, training and retention of young, minimally skilled or long-term unemployed workers
- Wage subsidies, tax benefits or other financial incentives to offset the costs of training young, minimally skilled or long-term unemployed workers

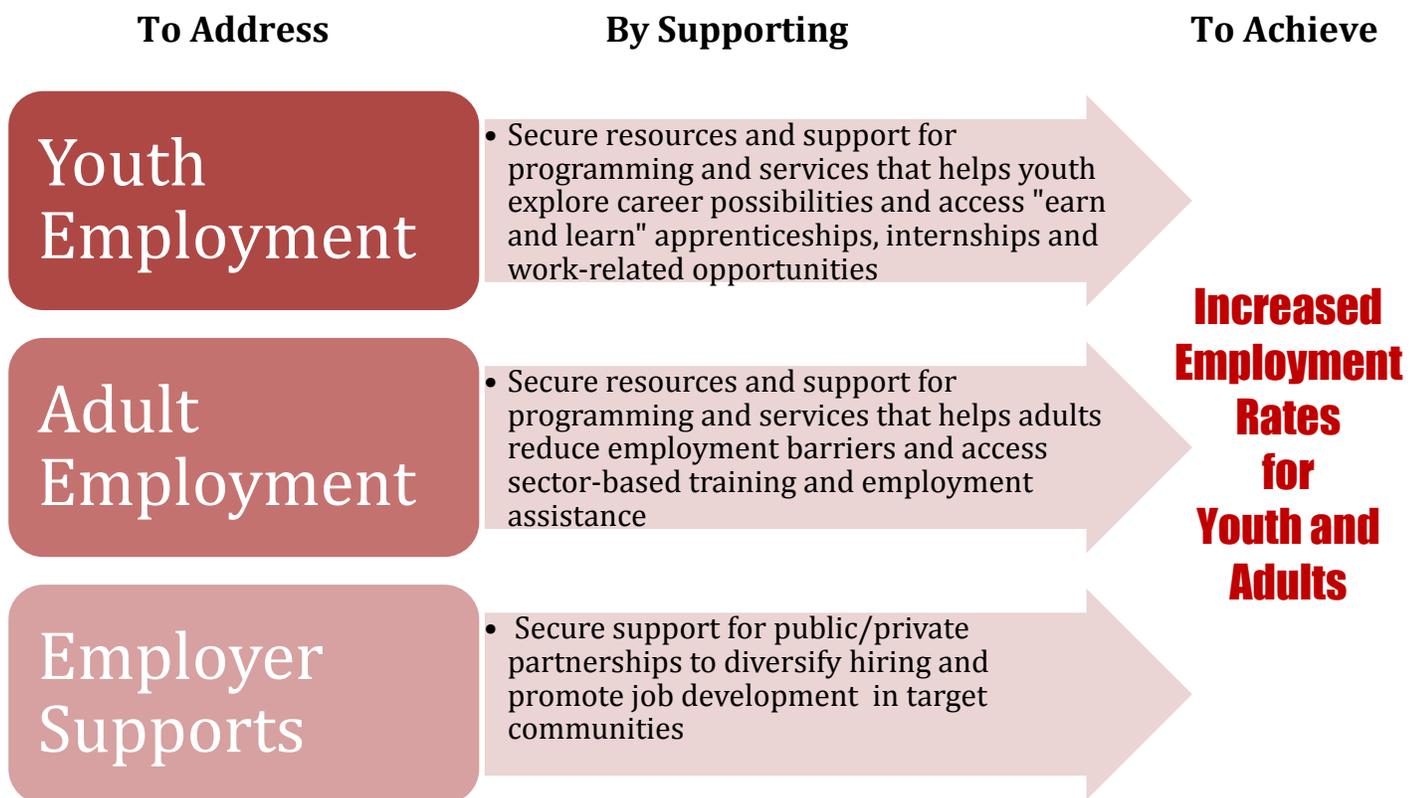
### Key Objectives

The Chicago Urban League has identified three key objectives to increase African American youth and adult employment in Chicago. These objectives address the needs faced by younger and older workers, as well as the employers providing job opportunities.

- Youth must have access to the resources and services they need to identify career options and gain early work-related experience.
- Adults must have access to the resources and services they need to secure and retain employment in both high growth sectors and historically stable occupational fields.
- Employers must have access to the resources they need to assume greater responsibility in hiring and retaining young, minimally skilled and long-term unemployed workers.

### Key Strategies

To make sure that Chicago is on the path to full employment for African Americans, the Chicago Urban League is committed to supporting strategies that will address the issues that make it difficult for youth and adults to gain good employment opportunities.



# **3 Economic development as the foundation for financial asset building and wealth gap reduction.**

## **Goals**

**Increase African American business ownership rates by 5%.**

**Increase African American home ownership rates by 10%.**

## **Overview**

Ownership is the key building block of wealth building for the average American family, and is also important for stabilizing the economic base of a community. For many lower to moderate income families, owning a home or their own small business can feel like the most attainable financial asset they can hope to acquire. However, barriers to ownership have led to a significant asset gap between African Americans and other groups. Compared to Whites, African Americans in the United States are considerably less likely to own a home (43% to 69% for White households).<sup>15</sup> They are also more likely to lose their homes and revert back to renting during financial crises. And although they are a growing segment of business owners, African Americans are also less likely to own a business, and when they do, it is less likely to employ others.<sup>16,17,18</sup> These differences have resulted in large racial wealth inequities in the United States - \$141,900 in median wealth for White households compared to \$11,000 for African American households.<sup>19</sup> Home and business ownership rates also differ for African Americans in Chicago, mirroring national trends. 33% of African American households in Chicago own a home, compared to 50% of White households.<sup>20</sup> African Americans comprise 27% of the business owners in Chicago, but only 4% of these businesses have paid employees and have total gross sales/receipts of \$2.35 million.<sup>21</sup> This compared to all businesses, 17% of which have paid employees and total gross sales/receipts of \$387 million.<sup>22</sup>

## **Key Needs**

Overwhelmingly, the most frequently reported issues facing African Americans looking to own a home or business are financial barriers, including income and savings, personal credit and access to financial products. As a whole, African Americans looking to own a home or business - or expand their existing business to hire others - are less likely to have the savings and credit scores necessary to be competitive in the financial lending marketplace, reducing their access to loan products. Although major financial institutions are required to meet the credit needs of low-to-moderate income communities served through the Community Reinvestment Act, many lenders cite household financial inadequacy as a primary reason for loan denial. Lenders play a key role in this process and must also commit to increasing ownership among African Americans.

### **Potential Home Owners**

- Financial counseling programs to build savings and credit
- Pre and post purchase homebuyer counseling programs
- Access to reputable, responsible mortgage products
- Access to small loans/bundled loans to make repairs to desired property

### **Potential Business Owners**

- Financial counseling programs to build start-up capital
- Access to services and technology that improve efficiency/ reduce cost of business development
- Incentives/supports to develop businesses in the community

### **Financial Institutions**

- Develop or strengthen policies for responsible lending to low-income homebuyers or low-equity entrepreneurs
- Expand the acceptable terms and underwriting criteria for home or business loan approval among lower income applicants

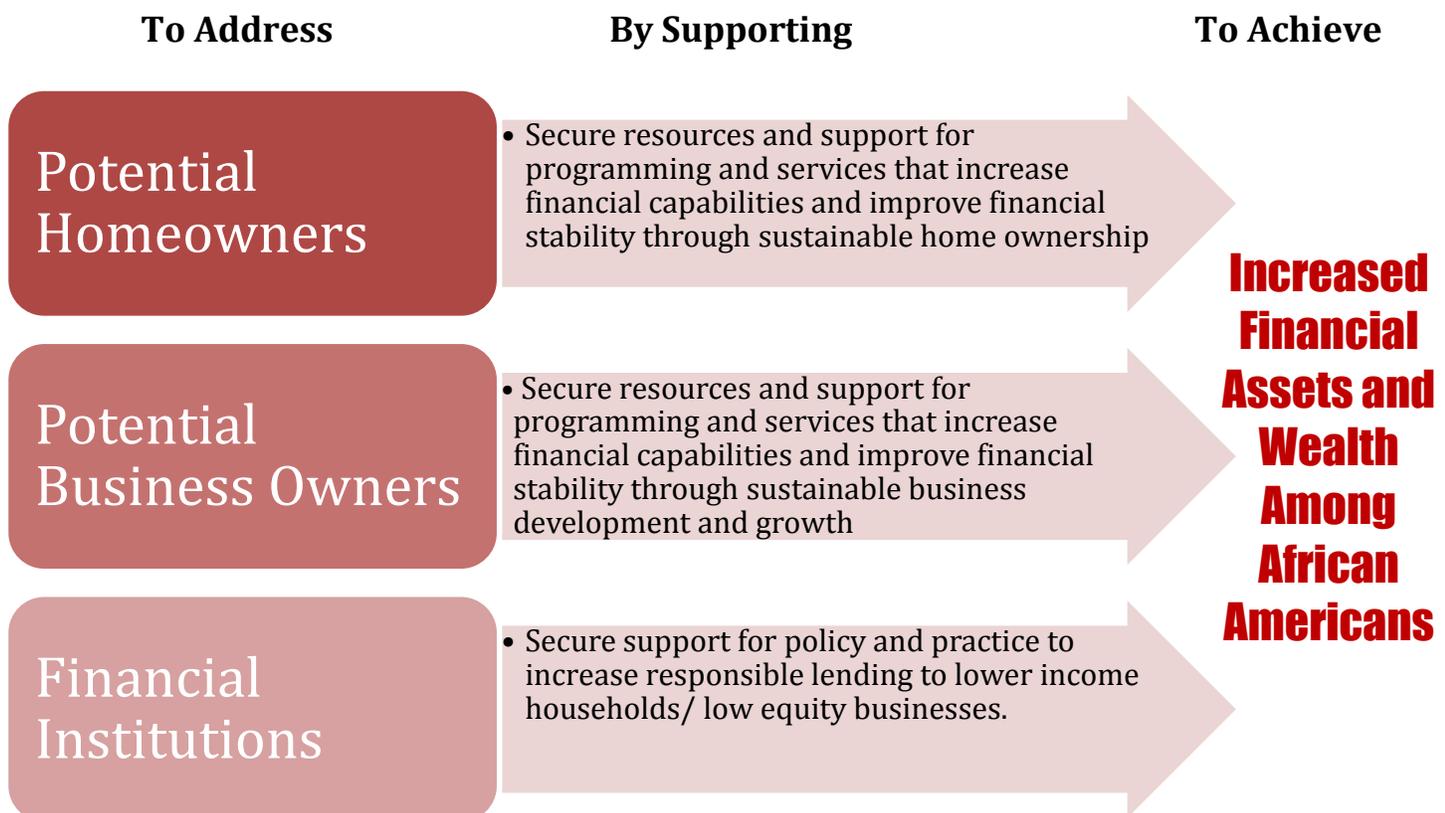
### Key Objectives

The Chicago Urban League has identified three key objectives to increase home and business ownership among African Americans in Chicago. These objectives address the needs of prospective owners, as well as the financial institutions providing access to home and business loan products.

- Potential homeowners must have access to the resources and services they need to strengthen their finances and make responsible, sustainable home purchasing decisions.
- Potential business owners must have access to the resources and services they need to build start-up capital and make responsible, sustainable business development decisions.
- Financial institutions must have access to the information and resources they need to more equitably provide loan products to low-to-moderate income prospective owners.

### Key Strategies

To make sure that Chicago is on the path to ownership for African Americans, the Chicago Urban League is committed to supporting strategies that will address the issues that make it difficult for African Americans to access the funding and services needed to build their financial assets.



## OUR TIMELINE

Action Item	July 2016-17	July 2017-18	July 2018-19	July 2019-20	July 2020-21	July 2021-22	July 2022-23	July 2023-24	July 2024-25	July 2025-26
Announcement and outreach on League's 10-Year plan										
Conduct community landscape analyses in 19 community areas										
Develop broad network of issue and community partners										
Identify community entry points and community champions										
Build advocacy strategy and agenda (12-18 months)										
Release annual State of Black Chicago Report										
Implement advocacy strategies										
Review progress and scale or modify strategies										
Provide advocacy updates to internal/external partners										
Conduct review of 10-year effort										
Final Report on 10-year plan and Next Steps										

## CITATIONS

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<sup>1</sup> Source: [http://www.bls.gov/emp/ep\\_table\\_103.htm](http://www.bls.gov/emp/ep_table_103.htm)

<sup>2</sup> Source: <http://www.cps.edu/Spotlight/Documents/AchievementGapCPSTrends.pdf>

<sup>3</sup> Source: <http://www.blackboysreport.org/bbreport.pdf>

<sup>4</sup> Source:

<http://news.uchicago.edu/sites/all/files/attachments/Trends%20in%20Chicago's%20Schools%20Across%20Three%20Eras>

<sup>5</sup> Source: <http://www.cps.edu/Spotlight/Documents/AchievementGapCPSTrends.pdf>

<sup>6</sup> Source: <http://impact.all4ed.org/#potential/income/illinois/all-students/>

<sup>7</sup> Source: [http://www.ets.org/Media/Research/pdf/RD\\_Connections18.pdf](http://www.ets.org/Media/Research/pdf/RD_Connections18.pdf)

<sup>8</sup> Source: <http://www.epi.org/publication/the-impact-of-full-employment-on-african-american-employment-and-wages/>

<sup>9</sup> Source: <http://www.epi.org/publication/black-unemployment-educational-attainment/>

<sup>10</sup> Source: <http://stateofworkingamerica.org/fact-sheets/african-americans/>

<sup>11</sup> Source: American Community Survey, 2014 5-Year Estimates

<sup>12</sup> Source: <https://greatcities.uic.edu/2016/02/01/lost-the-crisis-of-jobless-and-out-of-school-teens-and-young-adults-in-chicago-illinois-and-the-u-s/>

<sup>13</sup> Source: [https://www.brookings.edu/wp-content/uploads/2016/06/Brookings\\_JacobsUnemployment\\_To-Print.pdf](https://www.brookings.edu/wp-content/uploads/2016/06/Brookings_JacobsUnemployment_To-Print.pdf)

<sup>14</sup> Source: <http://www.urban.org/sites/default/files/alfresco/publication-pdfs/412887-Consequences-of-Long-Term-Unemployment.PDF>

<sup>15</sup> Source: <http://www.pewsocialtrends.org/2016/06/27/on-views-of-race-and-inequality-blacks-and-whites-are-worlds-apart/>

<sup>16</sup> Source: <http://scorecard.assetsandopportunity.org/latest/measure/business-ownership-by-race>

<sup>17</sup> Source:

<https://www.sba.gov/sites/default/files/Issue%20Brief%202,%20Business%20Owner%20Demographics.pdf>

<sup>18</sup> Source: [https://mitpress.mit.edu/sites/default/files/titles/content/9780262514941\\_sch\\_0001.pdf](https://mitpress.mit.edu/sites/default/files/titles/content/9780262514941_sch_0001.pdf)

<sup>19</sup> Source: <http://www.pewsocialtrends.org/2016/06/27/on-views-of-race-and-inequality-blacks-and-whites-are-worlds-apart/>

<sup>20</sup> Source: American Community Survey, 2014 5-Year Estimates

<sup>21</sup> Source: 2012 Survey of Small Business Owners

<sup>22</sup> Source: Ibid.