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Urban League
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**THE CHICAGO 2016 OLYMPIC GAMES AND
MINORITY INCLUSION:
ECONOMIC IMPACTS AND OPPORTUNITIES**

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Introduction

In April the United States Olympic Committee selected Chicago to be the U.S. applicant to compete for the 2016 Summer Olympic Games. Chicago will compete against Rio De Janeiro, Madrid, Tokyo and other cities.

Although the host city will not be selected until October 2009, the prospect of bringing the Games to Chicago has engaged the attention of the city's political and business establishments for over a year. The Games have also become a focus of intense discussions among neighborhood groups, civic associations, academia and the media. The Games are widely viewed as an exceptionally lucrative opportunity for the city, with projected direct spending in excess of \$5 billion. The possibility of the Chicago Games has also caused significant concern.

Authority to prepare and submit the bid was given to Chicago 2016, a private non-profit group working closely with the Office of Mayor Richard Daley. Quite early in the process, Chicago 2016 stated that the city should engage in the long and expensive courting of the Olympics only if the Games would bring material benefits to the entire city. Mayor Daley himself enunciated those intentions quite clearly when he said: "There must be new investments for people in our neighborhoods, starting with improved infrastructure and more affordable housing. Our neighborhoods and the people who live in them must benefit." That welcomed forecast has raised hopes in marginal and economically-depressed neighborhoods across Chicago and has played no small part in blunting some of the political opposition that might be generated by an event that casts such a large footprint.

The Games have been heavily promoted by the Mayor and Chicago 2016 as an opportunity for urban transformation. In support of the bid and the Mayor's position, Chicago 2016 organizers wrote that they view the Games as a "catalyst for widespread urban revitalization." The three largest construction projects associated with the Games – the Aquatic Center, the Olympic Village and the Olympic Stadium – are planned to be built in predominantly African American neighborhoods. The Aquatic Center will be constructed in the Douglas Park community, the Olympic Village will be developed south of McCormick Place, and the Olympic Stadium will be developed in the Washington Park community. "Situating the temporary stadium in Washington Park will help revitalize a beautiful part of the City," said 2016 organizers. "The construction of new venues and infrastructure improvements means new jobs." The Olympics would generate substantial economic benefits before, during and after the Games.

But promises are nothing without clear plans and fair processes to make them real. Although the final selection of the host city is, at this writing, 28 months away, and the success of Chicago's bid is far from assured, Chicago 2016 is moving forward in its planning process. If Chicago is selected as the host city, the International Olympic Committee (IOC) will expect a well-developed plan primed for execution by October 2009. Chicago 2016 has partnered with Bovis Lend Lease, Jones Lang LaSalle, Turner Construction and Skidmore, Owings & Merrill to develop designs and cost estimates for various Olympic venues. The city of Chicago has conducted preliminary research on potential development strategies. As part of Chicago 2016's

planning effort, various grassroots community groups have weighed in with demands and requests for participation.

Minority-owned businesses can benefit from procurement opportunities. The Olympics can serve as an economic development catalyst for Chicago's underutilized and underemployed African-American owned businesses and residents alike. Understanding the inner workings of the process will assist minorities in positioning themselves to capture some of the billions of dollars in spending an Olympic Games in Chicago would trigger.

If Chicago is chosen as the host city, the stakes will be higher than any mega-event held in the city's history. Olympic Games carry expectations that transcend sports. For 16 days, the eyes of the world will be on our lakefront, our athletic facilities, our neighborhoods and our people. The Games present a host city with an opportunity to brand itself before a worldwide audience of billions. That image can provide the basis for tourism and investment for years to come. Selection as host of the Games sends a message to the world that a city is ready for the world stage. When the glare of the world's lights shines upon us, will we be revealed as a city of inclusion? Or will we be seen as a divided city of haves and have-nots? Will we be seen as a city that fertilizes its neglected areas with the seeds of opportunity, or one that covers up its blighted communities? Which will it be?

In the interest of ensuring participation and economic benefit by minorities, minority-owned businesses and minority neighborhoods hosting the Olympic venues, the Chicago Urban League and Northwestern University's Kellogg School of Business have undertaken this joint study of potential economic impacts and business opportunities presented by a Chicago Games. This study analyzes Chicago 2016's budget assumptions, assesses job creation, draws lessons from host city experiences during previous Games, and examines neighborhood impacts and opportunities. This study will link the lessons drawn from the experiences of previous host cities to opportunities for Chicago's African-American businesses and residents who seek to play a role in the 2016 Olympics.

Based on our analysis and findings we conclude with fifteen recommendations to ensure economic inclusion for African-American businesses and employment opportunities for African-American residents. The recommendations presented are a guide on how Chicago 2016, the city of Chicago, and Chicago's African-American business community can fulfill their commitment to neighborhood revitalization and participation.

This study is the first in a series the Chicago Urban League will produce, in examining activities connected to the Olympic Games.

Section 1: Businesses

Overview of the State of Minority Businesses

Minority-owned businesses have made strides over the last decade. According to the U.S. Census the number of African-American-owned businesses grew by 45% between 1997 and 2002, more than four times the national rate for all businesses.

However, the breadth and impact of these businesses do not reflect the growing size and importance of minority communities nationally. In 1997, minorities comprised 27% of the U.S. population but only 15% of businesses were minority-owned. Experts predict the U.S. minority population will exceed 40% by 2050. Several reasons account for this potential disconnect between African-American-owned businesses and their contribution to the overall economy relative to their mainstream counterparts.¹ Minority-owned businesses typically lack the size, scale and capabilities of their mainstream counterparts. Minority-owned companies account for only 8.9% of U.S. companies with \$500,000 or more in revenues.² Minority-owned enterprises are disproportionately represented in low-growth and no-growth sectors.³ Obstacles to acquiring institutional capital increase minority reliance on personal debt and family financing.⁴

African American-owned businesses in Chicago have faced similar challenges. as other minority businesses. The rapid growth of minority-owned businesses nationwide is reflected in Chicago and its surrounding areas. (See Tables 1, 2 and 3 in the Appendices).

While there have been substantial improvements in creating opportunities for African-American businesses in recent years, work remains to be done. To leverage this need and apply it to the impact of the 2016 Games, we must recognize the problems plaguing African American-owned businesses and create solutions to reverse negative trends. Various factors account for why minority-owned businesses do not benefit from large-scale events, including:

1. Insufficient understanding/access to the bidding process
2. Unproven track record of successful large projects
3. Lack of minority representation on Olympic organizing committees

Potential Economic Impact on Chicago from 2016 Olympics

The Chicago 2016 Olympic committee estimates spending \$3 billion to operate the Games. Approximate expenditures include: \$380 million for information systems and telecommunications; \$160 million for transportation; and \$60 million for advertising and promotion. Another \$1.5 billion would be spent for construction of Olympic venues and upgrades.

Spending sources for the Olympic Games include the Olympic Organizing Committee (also referred to as Chicago 2016) budget and non-Olympic sources. Non-Olympic sources are comprised of private and public sector dollars. While these two budgets are complementary, they are also separate and distinct. As a rule, the Olympic Games do not in and of themselves create or finance urban transformation. Under rules established by the IOC, revenue from ticket sales,

broadcasting rights and sponsorships can only be appropriated to support the functioning of the Games themselves. All profits from the Games flow back to the Olympic committees, which then may use a portion of the surplus to fund the creation of a foundation to promote sports programs and Olympic values in the host city.

Tax Revenues

Host cities do not directly profit from the Games. Their gains come from increases in volumes related to sales taxes, airport landing fees, hotel taxes and a universal higher demand for services that accompany any tourism influx. Infrastructure projects outlasting the Games that will continue to serve the community afterwards are referred to as “legacy projects” and are outside the purview of Olympic Committee spending. To that end, Olympic money cannot be allocated to activities unrelated to the Games themselves. This includes job training, constructing or expanding elevated train lines and roads, tearing down blighted housing, or rebuilding neighborhoods. For these types of public works, the host city is on its own. Chicago officials have stated that no public funds would be expended to finance the Games.

Visitors Spending

To accurately assess the projected impact of visitor spending from the 2016 Olympic Games, it is helpful to look at other host cities and how visitors shaped their economies. Barcelona was the host city for the 1992 Olympic Games. In 1990, Barcelona received 1.7 million visitors, making it the 13th most-visited European city. By 2005, the number of visitors had jumped to 5.5 million, making it the 4th most visited European city. Estimates from Atlanta gauged Olympic visitor spending at approximately \$1.3 billion. In 2000, Sydney saw an 11% increase in visitor numbers (\$1.6 million), with spending totaling \$3.5 billion.

Visitor spending for Chicago is estimated to be \$2 billion. Chicago’s business community stands to experience tremendous growth in revenues during this time. The city’s extensive network of African-American business owners should certainly expect to profit from an influx of tourists.

Employment

A published forecast by the Regional Economics Applications Lab at the University of Illinois at Champaign-Urbana used results of previous Olympics to show that approximately 81,490 full-time jobs are projected as a direct result of the Games. More than half – 43,650 – would be in the service sector. Transportation, communication and utilities are expected to generate 20,570 jobs. Construction is estimated to create 13,400 jobs, and manufacturing will generate 4,000 jobs.

Industry sectors with the largest revenue will be Services, Transportation, Communications and Utilities (See Appendix III). This breakout provides an early indication of areas from which the Olympic Committee will seek requests for proposals. The emphasis on service sector employment should fit well with African-American business and labor patterns. In Chicago, 73% of African-American-owned businesses are in the Service, Retail and Construction sectors; 21% are in the Professional Service and Transportation sectors.

Big Ticket Projects

The largest portion of spending will be construction-related, approximately \$1.5 billion. The City of Chicago has conducted preliminary research on potential development strategies to build a temporary, 95,000-seat stadium in Washington Park at an estimated cost of \$316 million. At the conclusion of the Games, \$50 million in legacy financing will be used to develop the stadium into a 7,500-seat amphitheater for sporting and other events. The city also has discussed infrastructure, transportation, and wetland enhancements around Washington Park. There are plans to develop a \$78 million Aquatic Center in Douglas Park. Ownership of the center would be conveyed to the Chicago Park District following the Games. The city is proposing a \$1.1 billion Olympic Village located south of McCormick Place. Following the Games, the Olympic Village will be converted into mixed-income housing.

Since Chicago has yet to be awarded the 2016 Olympics, it has not yet established a committee to handle procurement logistics of the Games. However, an examination of the 1996 Atlanta Games and the upcoming 2012 London Games is useful. Atlanta, due to its large minority population, and London, due to its technologically-based procurement model, provide applicable templates for Chicago.

Bidding Process: the 2012 London Games

The procedure to contract with both of London's organizing committees--the Olympic Delivery Authority (ODA) and the London 2012 Organizing Committee (LOCOG)--is fair and transparent. ODA, which will administer the majority of the contracts for the infrastructure, transport and construction of the Olympic Stadium, employs a user-friendly online interface. LOCOG will administer most of the contracts for services to deliver and stage the Games. Interested companies register on London's Olympic website (www.london2012.org). Companies have the opportunity to review all available contract opportunities and submit an online proposal. Registering on the website allows a business to receive alerts when new opportunities are posted. Although no specific criteria are listed for competing businesses, it is stated that a company's entire profile and economic status is taken into consideration. Also, both committees stress that businesses of all sizes are eligible.

The selection process will include an in-depth financial appraisal of candidates to determine their economic standing. The minimum economic standing will depend on the scale of the contract and the risk involved. It is important to note that London is making concentrated efforts to embrace small and minority-owned companies. The ODA has stated it will not solely award contracts to the lowest bidder. London will take into account its broader objectives and values. To that end, the ODA has developed what it calls a "balanced scorecard" when assessing a company's worthiness to become a contract recipient. The scorecard measures five categories:

- Safety and security (health and safety, design and security of operations)
- Equalities and inclusion (promoting equality and diversity, community engagement)
- Environment (environmental responsibility, waste management and energy use)

- Quality and functionality (design impact, promoting excellence and innovation)
- Legacy (financial viability and whole life cost, ownership and management structure)

Sub-Contracting Process

Historically, when developers bid on large projects, they rarely present a complete list of their subcontractors. Large contractors typically present several key partners, with an understanding that the remaining subcontractors will be selected later. Once a company wins a bid, developers generally enlist a trusted cadre of subcontractors. If an African-American-owned firm is not already a part of this trusted cadre, by the time the Olympics arrive, it is unlikely they will be asked to join the team.

Getting on the list of preferred subcontractors is challenging for African-American business owners. Many African-American business owners don't have relationships with larger companies. Many lack access to networks that develop these relationships. The City of Chicago's minority participation program was created to close the gap. This program has experienced tremendous scrutiny in recent years. A restructuring of the program mandates that a certain percentage of city contracts go to minority and women-owned enterprises. Changes to the program included:

- Establishing a five-year sunset provision
- Setting an economic cap on the size of companies eligible for the program amounting to a personal net worth of \$750,000 (later raised to \$2 million)
- Providing for a slight dip in the set-aside requirements from 25% to 24% for minorities and from 5% to 4% for women.

These changes demonstrate the city's commitment to re-evaluate criteria and highlight their importance to the success of minority business development. These changes also expose the vulnerability of Chicago minority businesses in that the participation provisions are due to sunset in 2009.

Historical Analysis of Olympics: Trends, Successes and Challenges

Previous Olympic Games were studied to understand their impact on local economies and specifically, on African-American businesses and communities. This yields a basis for comparisons. The 1996 Atlanta Games can provide benchmarks for Chicago on effective procurement practices, diversity targets in hiring, and general methods of minority inclusion.

1996 Atlanta Games: General Economic Impact

ACOG was established as a non-profit organization designed to use private funds to finance and operate the Games, manage the Olympic budget and indemnify the Atlanta government from all financial obligations. Before the Atlanta Games, forecasters indicated the Olympics would have a \$5.1 billion impact on the Georgia economy. This total is based on a projection that the Atlanta Committee for the Olympic Games (ACOG) would spend approximately \$1.6 billion (See Appendices IV-VI).⁵

Diversity Tools

ACOG adopted an Equal Economic Opportunity Plan (EEO) to ensure fair and equal participation for minorities and women. These guidelines were based on standard government practice and fell in line with the City of Atlanta's Equal Business Opportunity (EBO) legislation. The EBO established annual business opportunity goals of 30% for African American-owned businesses, 3% for women-owned businesses and 1% for Hispanic, Asian, and Native-American businesses.⁶

However, unlike the City of Atlanta's EBO, ACOG's EEO did not specify percentage participation goals. ACOG raised \$2.2 billion to operate the Games. Expenditures included an estimated \$650 million on Olympic venues, including the Olympic Stadium and the Olympic Village. An estimated \$385 million in contracts went to minority-owned firms, with about \$300 million spent, specifically, with black-owned companies.

“We told (the IOC) Atlanta had the capacity to do 30 to 40 percent of contracts in all areas. That was the norm. We expected no less. We let the market tell us what we could achieve.”

– Girard Geeter, director of the EEO program for ACOG

Minority-owned businesses ensured they had a voice in the EEO by getting a member of the Consortium for Minority Business Development appointed to the ACOG board and providing ACOG with a database of all qualified minority companies. This database was used to award contracts and monitor minority participation.⁷

Procurement

Many African-American firms were able to take advantage of the significant economic opportunity associated with the Atlanta Games. H.J. Russell & Co., the nation's largest African-American contractor, positioned itself as a partner in joint ventures with other majority-owned construction firms. Together they were able to secure 29% of the \$207 million Olympic stadium contract in addition to smaller joint ventures in other contracts such as the Centennial Olympic Park and the Coca-Cola Olympic City Theme Park. Another African-American construction firm, C.D. Moody Construction Co., took advantage of partnerships to secure contracts for the Olympic Stadium.⁸ African-American construction firms in Chicago can employ a duplicate strategy.

African American businesses in the Manufacturing and Retail sectors benefited as well. Terry Manufacturing, an apparel company, became the first African American-owned company to obtain a licensing agreement to produce clothing with the Olympic logo.⁹ Jones-Worley, a design firm partnership, was the only African-American female-owned graphics firm on the design team.¹⁰

These success stories clearly illustrate an opportunity for African-American businesses to obtain economic inclusion. Atlanta's success in channeling Olympic funding to African-American businesses can be used as a benchmark for Chicago. Because of ACOG's policy of inclusion, minority-owned businesses represented approximately 18% of the Olympic bids. Approximately 25% of African American-owned bidding businesses actually won contracts (336 out of the

1,461 registered African-American businesses). However, the success rate of African-American businesses trailed the majority-owned firms who won nearly 50% of their bids (or 3008 out of 6796 bids).

1996 Atlanta Olympic Games: Bidding Process

The Procurement and Contract Administration Division of ACOG managed the bidding procedures for Olympic contracts. This group was divided into functional areas (Corporate Services, Operations and Creative Services). It was reported that 6,000 contracts passed through the department's office in approximately three years. Securing a contract for Olympic services required businesses to submit a proposal and a bid with ACOG just as any contractor would with any other company or organization. Preparing a bid was a costly process that could run as high as \$25,000 and take months to negotiate. ACOG sought the following criteria when looking for prospective vendors:

- A strong track record in the respective industry
- Exceptional references
- Solid financial footing

ACOG required all interested businesses to be listed in the ACOG database, which contained over 8,000 business listings (1,800 of which were minority or female) as of June 1994. Companies submitted information packets that included: a letter of qualifications stating the company's track record in the industry, the nature of the business, years of operation, and goods and services provided. Documentation was also submitted regarding financial strength, organized labor history, and litigation records.¹¹

There were additional bid requirements for certain sectors. Construction firms had to prove bonding capacity of at least \$1 million to be considered a prime or joint-venture contractor. There was also a Minority and Female Business Opportunity Plan for Construction and Non-Construction Contractors requiring all companies seeking Olympic contracts to have substantial involvement with a minority-business partner. In addition, selection criteria were based on the number of minority-owned businesses with which a major contractor was willing to work.

Because of the financial resources and requirements involved, newer and minority companies encountered difficulty traversing the bidding process. Mike Ajhar, who served as ACOG's director of procurement and contract administration, recommended that smaller companies align themselves with larger companies that had been awarded an ACOG contract.

1996 Atlanta Games: Mistakes

Atlanta Mayor Bill Campbell hired a friend to sell licenses to street vendors along historically black Auburn Avenue. This raised the ire of the IOC, which was concerned the street vendors would cut into ACOG's profits from licensed vendors. As it turned out, the African-American owned businesses that purchased street vending licenses suffered. Pedestrian traffic was diverted from Auburn Avenue where vendors set up shop. For security reasons, ACOG did not release maps of pedestrian routes until several weeks before the Games. With arteries into Atlanta's

downtown cut off, the street vendors—many of them “ma and pa” businesses— shut down after two days. Many vendors went bankrupt due to the overstock of goods they were unable to sell.

“Hotels steered people away from Auburn Avenue. Auburn was vacant. There were all black vendors there. The city awarded too many vending licenses. People couldn’t access the stores downtown. ACOG put up kiosks to block out blight. There was no temptation for people to go deeper into the neighborhood.”

-- *Hattie Dorsey, Olympic volunteer and former president of the Atlanta Neighborhood Development Partnership, an advocacy, lending, building, policy research and community organization*

The city lost more money settling lawsuits over the street vending fiasco than it made selling the licenses themselves. African American-owned companies that became licensed or sub-licensed with ACOG during Atlanta’s Centennial Olympic Games profited.

1984 Los Angeles Olympic Games: General Economic Impact

Total impact was estimated at \$3.29 billion, spread out across the calendar year. The Los Angeles Olympic Organizing Committee (LAOOC) raised \$651 million. 37,500 jobs were created and another 37,500 existing jobs were augmented. Primary impact on state and local government was \$96.9 million. New construction was modest; an estimated \$28 million in new facilities remained after the Games.

1984 Los Angeles Olympic Games: Bidding Process

The LAOOC enacted a seemingly aggressive policy to grant product licensing, contracting and employment opportunities to minorities. The LAOOC focused on providing licensing opportunities, as that was perceived as having the most long-term benefits. LAOOC allowed licensees to bid for rights to manufacture Olympic-sponsored goods. 8000 requests for licenses were received in 300 categories. 65 licenses were granted. 40% went to minority vendors. However, 17 failed to meet the minimum financial guarantee required by the LAOOC. Many small businesses – including African-American firms—over-invested in licenses, resulting in severe financial loss when products failed to sell at break-even volumes. Approximately four African American firms later reported insolvency because the LAOOC did not encourage corporate sponsors to purchase Olympic products from them. They were thus devoid of a major revenue source. And, more importantly, unlike Atlanta, the LAOOC did not see fit to dole its most lucrative Olympic contracts to African-American businesses.

Chicago can avoid some of the mistakes made during the Los Angeles Olympic Games by:

- Ensuring that African-American businesses invest at levels commensurate with the opportunity presented by the Olympics. Both underinvestment and overinvestment are serious risks.
- Ensuring that smaller African-American businesses have a fair chance at contract acquisition
- Ensuring that a priority is placed on the inclusion of African-American firms by the Mayor and the Chicago Olympic Organizing Committee.

African American Business SWOT Analysis

We found the selection criteria of the Olympic Organizing Committee to be more of an art and less of a science. The selection criterion depends on commercial factors, technical factors and an in-depth financial appraisal of candidates to determine their economic standing. Chicago has a host of companies able to bid and win lucrative contracts in various sectors based on their size and relevant experience. The minimum economic requirements needed to win top-tier contracts will depend upon the scale of the contract and the risk involved.

However, based on companies that have won Olympic contracts in the past, there are several minimum standards a firm must possess before being considered. To further analyze the opportunities presented by the Olympics, a SWOT analysis (Strength, Weaknesses, Opportunities, Threats) was conducted on three industry sectors (Construction, Service, and Finance/Insurance/Real Estate).

SWOT Analysis: Finance, Insurance, and Real Estate Industry

Finance, insurance and real estate sector firms have the best chance at either securing the most lucrative contracts or securing contracts by partnering with majority firms.

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> • Strong Financial service industry • Several multi-million dollar Financial service companies; well-capitalized • Leading African-American Investment Banking firms; well-capitalized • Strong ties to the community 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> • Majority of smaller firms lack the track record and capital to solicit and win large bids • Low numbers of small and mid-size firms • Few firms possess size to win top tier contracts
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> • Joint ventures with other African-American financial services firms • Increased visibility • African-American firms can lead this sector 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> • Minority participation rules may not apply • Smaller financial services firms may be left out • Limited spending in this sector

SWOT Analysis: Construction Industry

In the construction sector, large firms have the best chance at either independently securing lucrative contracts or jointly securing contracts by partnering with majority-owned firms.

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> • Multi-million dollar construction companies • Wide range of contracts available • Minority participation requirements 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> • Lack of experience as primary developer for large scale projects • Smaller African-American firms may lack experience and capacity • African-American firms may lack capital to compete for major contracts •
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Opportunities	Threats
<ul style="list-style-type: none"> • Legacy structures to be built in predominately African-American neighborhoods • African-American firms can rely on African-American financing firms • African-American firms can partner with developers to win subcontracts • Civic Leadership can encourage and enforce participation programs, tap vast amounts of capital • African-American lead developers can promise to include majority firms in subcontracting 	<ul style="list-style-type: none"> • Smaller African-American firms that form consortia may not qualify to bid • \$2 million annual gross MBE ceiling too low, inhibits growth • Smaller firms can be ignored • Union regulations and discriminatory practices keep African-Americans out of trade jobs

SWOT Analysis: Services Industry

Because the services industry is so broad, we decided to categorize it according to: Food Services, Legal Services, Accounting Services, Advertising and Communications Services and Transportation Services. African-American firms have the best chance of either independently securing contracts or securing contracts by partnering with majority-owned firms. Chicago has a number of firms in each of these service industry sub-categories that meet these requirements.

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> • Strong presence in professional service industry • Multi-million dollar service companies • Wide range of contracts available 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> • There are few large African-American firms in the tourism industry (lodging, transportation, logistics management). Yet much of the projected Olympic revenue will go to tourism. • The vast majority of smaller firms lack the track record and capital to solicit and win large bids on their own.
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> • Invest in commercial real estate, hotels, restaurants, ground-floor retail near Olympic venues • Expand African-American presence in tourism • Build out South Side Chicago as tourist destination (especially with marquee Olympic structures) 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> • Participation goals have more typically been applied to the construction/food supply industries. • Specific service firms may be left out (e.g. accounting) • African-American firms may not capture tourism spending

SWOT Analysis: Overall African American Businesses

Because Chicago is home to many of the nation's leading African-American businesses, the Olympic impact on the African-American business community in Chicago should be greater than any other city. However, many of the African-American businesses in Chicago are small. Only 6% have more than one employee.

If Chicago is generating over \$3 billion in sales through the strong performance of 6% of African-American businesses, imagine the potential if the city could leverage the Olympic Games to channel more funds to these other businesses to help facilitate their growth.

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> • 54,000 African-American businesses across a broad range of industries • African-American companies with a track record on multi-million dollar projects • Industry- leading African-American owned companies; professional services well-positioned to go to scale • Vigorous African-American civic and business leadership 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> • Smaller African-American companies lack the networking capabilities to acquire subcontracts • Many smaller African-American companies lack significant experience on marquee projects • Limited access to capital for smaller African-American companies
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> • Establish guidelines with Chicago planning committee • Leverage 2016 Olympics to grow African-American businesses • Smaller African-American companies can pool resources • Civic and Business Leadership to work together on common goal 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> • City minority participation programs will sunset in 2009 • Top tier contracts may quickly be awarded • Lack of network and track record • Smaller African-American firms may be ignored

Barriers and Recommendations

Previously listed were several obstacles African American-owned businesses could potentially face in their attempts to benefit from the Olympics. This section examines those factors and provides recommendations to support Chicago’s African-American business community.

1. African-American-owned businesses typically lack the size, scale and capabilities of their mainstream counterparts.

Recommendations

African-American firms should form a consortium with larger African-American firms. In addition, Chicago’s African-American elected leadership should encourage the winners of major contracts to include smaller African American-owned firms within their supply chain.

It is also important for African-American businesses to understand the financing resources available for potential business development and expansion. The Illinois Department of Commerce and Economic Opportunity (DCEO) provides a myriad of options for minority-owned businesses to grow financially (Appendix VIII). These options could help to better position firms seeking Olympic contracts.

Chicago’s Olympic Committee should make a concerted effort to involve small businesses in the Olympic bidding. Without appropriate intervention, multinational corporations will continue to dominate Olympic contracting to the detriment and exclusion of all other businesses. It is essential that African-American businesses, many of which are small in size, be able to compete and obtain contracts. Otherwise, African-American neighborhoods are unlikely to see any significant benefits from the Games.

2. Insufficient understanding and access to the bidding process

Recommendations

African-American civic and business leadership should request the Mayor and Games organizers create an open bidding notification system through the establishment of a dedicated website providing a ‘one stop shop’ for Olympic contract information and application procedure.

Furthermore a detailed master schedule of Chicago 2016 contract particulars should be published as soon as possible. African-American civic and business leadership should encourage elected officials and Chicago 2016 organizers to employ a transparent, user-friendly process.

3. Participation

Recommendations

Publish targets by the end of 2007 for the inclusion of minority and women-owned firms within supply chains. These targets should be aggressive and regularly monitored by an independent specialist. Quarterly reports should be made available to the public.

The Chicago Olympic committee should create a database of minority and female-owned businesses. Knowledge of the business particulars will give procurement personnel the necessary capacity insight.

A specific Chicago 2016 participation initiative for African-American businesses should include a specific sunset provision and a relatively low ceiling on revenue participation requirements.

The Chicago Olympic committee should adopt a formal policy of inclusion.

4. Lack of African-American representation on the Olympic organizing committee

Recommendation

African-American representation on the 2016 Committee should be commensurate with the African-American business community of Chicago (a goal of 38% African-American representation).

5. African-American businesses grow at a slower rate and bring in less revenue than firms owned by whites and other ethnic minorities

Recommendation

The Chicago Urban League's Entrepreneurship Center was created to support the growth and sustainability of minority-owned businesses, particularly those owned by African-Americans. The Entrepreneurship Center is a resource for minority businesses seeking to grow their capacity, expand into new markets and increase profits. With increased capacity, Chicago's minority-owned businesses cannot be denied a fair share of economic inclusion.

Section 2: Neighborhoods and Communities

Washington Park and Vicinity: Neighborhood Profile

Chicago's Washington Park neighborhood has been shackled by decades of private and public disinvestment leaving unemployment, run-down businesses, liquor stores, dilapidated housing, vacant lots and crime.

According to the 2000 U.S. Census, the Washington Park community had one of the highest rates of poverty in Chicago, nearly 52%, while also having a homeownership rate of 10%, one of the lowest citywide. Approximately 78% of Washington Park households had annual incomes below \$35,000 while 25% of residential units in Washington Park were vacant. With a median income of \$15,160, 25% of Washington Park's households received some type of public assistance. Washington Park's rate of unemployment is 21.1%

Washington Park's location is its saving grace. Its close proximity to the world-renowned University of Chicago campus, its immediate connection to one of the city's largest open space areas (the park itself), and its nestled accessibility to several of the city's major transportation arteries, including the Dan Ryan Expressway and the Chicago Transit Authority's Red and Green commuter train lines make Washington Park a primary candidate for urban revitalization. Developer and retail interest, spurred by public incentive, have aided and abetted the city's candidacy. The demolition of the Robert Taylor public housing development has helped to reduce crime.

Building the Olympic Stadium in Washington Park should not, by itself, be seen as a growth catalyst. But real estate prices traditionally rise in the areas closest to Olympic venues. In Washington Park infrastructure and transit improvements are necessary pre-conditions for growth. Real estate remains cheap in comparison to much of the city. While detached single family home prices rose 200% or more in nearby Hyde Park, Kenwood, Oakland and Woodlawn (between 1994 and 2004), Washington Park prices fell 49%.

As the revitalization of Washington Park advances there are several obstacles. For every dollar spent in Washington Park, \$5.18 is spent outside of it. Washington Park's retail leakage underscores the need for development. Put simply, the neighborhood is a virtual desert for supermarkets, services, restaurants and small businesses. And its residents are disconnected from employment opportunities.

A 2002 survey conducted by the International Council of Shopping Centers (ICSC) and Business for Social Responsibility (BSR) identified common barriers to development in underserved markets similar to Washington Park. Public safety is one of the primary obstacles. However, in the case of Washington Park, the community's high-crime past plays a more prominent role in blocking redevelopment than the actual crime statistics being used. The building of an Olympic Stadium in Washington Park may be the catalyst that private development requires to launch investment.

As development moves south in the city, two of the most important factors steering it are location and whether residents have the buying power to support commercial development. The private sector conducts market data analyses using traditional models that inaccurately represent the economic potential and purchasing power of residents in underserved markets. Inaccurate market data has served as a barrier to development in Washington Park.¹⁴

For example, while traditional market analyses look at household income as a strong determinant of purchasing power, this analysis fails to capture the true spending power of Washington Park, which functions largely on a cash economy. While Washington Park's household income may be comparatively lower than other parts of the city, its purchasing power may be comparable to many economically vibrant areas when an aggregate lens is applied. Many traditional market analysis models also fail to consider household income generated from non-traditional sources.

Employing new market analysis approaches by utilizing information about spending patterns and concentrated buying power can assist developers and government officials with cultivating the untapped revitalization potential of the Washington Park community. The city of Chicago can also assist developers with identifying and acquiring sites for development.¹⁵

The barriers revolving around development and construction are based on cost, time and money.¹⁶ Without some type of government intervention, these obstacles hinder underserved communities. In many cases site preparation may increase costs due to necessary demolition, design standards, environmental clean up, and compensatory restraints related to organized labor. The administrative cobwebs of bureaucratic red tape, code adjustment requests and zoning approvals may take away from the developer's bottom line. Streamlining the administrative process and offering public sector financing incentives like tax increment financing, new market tax credits, and tax abatement will encourage the private sector to play a strategic role in revitalizing Washington Park while acquiring a sufficient financial return in the process.

Fear of operating in urban markets often lead to lost opportunities to increased revenue and workforce development. Higher operating costs in underserved markets play a discouraging role in attracting private investment. However, according to the ICSC and BSR, "operating costs tend to be higher in urban markets, but...potential sales could far exceed higher operating costs because of higher concentrations of population, reduced competition, and greater sales potential." Recruitment and retaining of a qualified local workforce is a challenge in underserved communities. Recommendations to alleviate the operational pressures of private investment in Washington Park include¹⁷:

- Connecting the private sector to pools of qualified employees through faith-based organizations, community based organizations and other non-traditional hiring sources.

- Applying government workforce development programs, resources and initiatives that emphasize training to employment opportunities in underserved markets.
- Creating business incubators for potential and already-existing businesses to enhance the viability of private investment efforts.
- Providing financing opportunities for franchisee entrepreneurs who have the business acumen but encounter roadblocks to acquiring capital.

Impact on Atlanta Neighborhoods

Atlanta committed significant resources to redeveloping some of the city's most distressed areas. The City created a separate entity known as the Corporation for Olympic Development in Atlanta (CODA) to oversee revitalization in 13 neighborhoods inside the "Olympic ring." CODA oversaw design and construction of pedestrian corridors and parks and the installation of 37 works of public art. Some of Atlanta's poorest neighborhoods received infrastructure improvements such as repaved streets, improved lighting and increased signage.

"The driver was Maynard Jackson, who said if we're going to have this party, we need to have a permanent legacy for this city. He caught hell when it started. The neighborhoods were up in arms about them putting up another stadium in neighborhoods that already suffered from parking issues and late-night games. The neighborhoods were saying, 'What's in it for us?' We finally got people to the point where they believed in it."

--Clara Axam, former president and CEO of CODA

Atlanta's experience shows that preserving affordable housing in neighborhoods in proximity to the Games should be a priority. Demolition of low-income housing to build Olympic venues, and the desire of city and state officials to ensure that Atlanta would be camera-ready when the spectators arrived led to the displacement of thousands of Atlanta's poorest citizens, most of them African American. Large-scale demolitions and land acquisitions had a severe effect on the poor citizens of Atlanta in the run-up to the Games.

According to *Fair Play for Housing Rights: Mega-Events, Olympic Games and Housing Rights*, a study authored by the Centre on Housing Rights and Evictions: 2,077 units of public housing were destroyed in Atlanta, while displacing 5,813 residents. This made way for the Olympic Village and Olympic Stadium. Another 10,000 units were lost to increases in rents, code enforcements and demolitions, displacing an estimated 25,000 people.

Among the low-income housing casualties in Atlanta was the Techwood/Clark Howell public housing community, which once held a spot on the list of historic places. The Summer Hill neighborhood underwent large-scale redevelopment, including town home and condominium complexes unaffordable to the residents who once resided there. Some of the low-income housing torn down was replaced with mixed-income units due to the insistence of community-based groups overseeing Olympic redevelopment projects. But with annual incomes in some poor Atlanta communities averaging about \$15,000 in 1996

and with poverty rates as high as 30 percent, the majority of displaced residents could scant afford the new housing units.

Some displaced residents received Section 8 vouchers, but many more were forced to relocate to nearby suburbs, move out of state or join the ranks of Atlanta's already-burgeoning homeless. Ordinances were passed in advance of the Games making panhandling illegal. Scores of homeless were arrested, jailed, and effectively kept off the streets.

“The intention may not be to harm low-income folks, but most mayors and public officials say, ‘What can we do about gentrification?’ All major African-American neighborhoods in Atlanta have undergone race and class changes.”

-- *Harvey Newman, professor of urban policy at the Andrew Young School of Policy Studies, Georgia State University*

The Atlanta suburb of DeKalb saw a 20% increase in its African-American population, from 36 percent in 1990 to 56 percent in 2000. The community of Clayton has changed from majority white to majority black as whites have returned to gentrified communities in the city of Atlanta. Hattie Dorsey, former President of the Atlanta Neighborhood Development Partnership, said the displacement of low-income residents in Atlanta continues today. Another 3,000 units of public housing have been slated for demolition, potentially displacing another 5,000 residents.

Summary of Key Recommendations

To the Chicago Olympic Organizing Committee:

Recommendation 1

Publish a detailed master procurement schedule noting contract availability for the Games, including requirements and application procedures. The schedule should include contracts for the Olympic Bid process as well as the Games. This schedule should be published no less than three months prior to the RFP deadline.

Recommendation 2

Immediately create an open and transparent bid process and notification system with the establishment of a website providing a ‘one stop shop’ with Olympic contract information.

Recommendation 3

Establish participation targets for African American owned and other minority owned firms. These targets should be regularly monitored by an independent specialist with quarterly results published. Participation targets should be set immediately.

Recommendation 4

Make diversity a procurement principle for all contracts and sponsorships (with respect to business enterprises and employees).

Recommendation 5

Institute a policy of priority hiring for residents of the communities in close proximity to the Olympic Stadium and other Olympic venues.

Recommendation 6

The decision-making body within the Olympic Committee overseeing contracts, investments and budget should have African-American membership proportionate to the city population.

To the City of Chicago:

Recommendation 7

Invest in public transit infrastructure serving and in proximity to the Olympic Stadium and other venues in the area.

Recommendation 8

Initiate strategies to increase commercial and retail investment and decrease retail leakage in communities surrounding the Olympic Stadium and other venues in the area.

Recommendation 9

Employ workforce development programs with the objective of increasing employment opportunities before, during, and after the Games with a particular emphasis on skill-based jobs.

Recommendation 10

Establish a commission attached to the Mayor's Office to oversee revitalization inside the Olympic "ring" (within a one mile radius) of the aforementioned Olympic venues.

Recommendation 11

Enact affordable housing plans to ensure development does not lead to resident displacement.

To the African-American business community:

Recommendation 12

We recommend African-American firms lacking size, scale and capabilities form consortiums and joint ventures with other African-American firms.

Recommendation 13

The African American community should invest in and seek to increase their participation in tourism and hospitality industries with respect to business enterprise and employees.

Recommendation 14

Advocate for increased African American employment in the construction industry by promoting education and career paths within Chicago Public Schools and Chicago Community Colleges and by requiring Unions to provide an increased number of apprenticeships to reflect construction spending in the impacted communities.

Recommendation 15

African American businesses should build capacity and align growth around expanding markets that will be accelerated in the event of the Chicago 2016 Olympics. They should start now in investing in their businesses by tapping resources such as the Chicago Urban League's Entrepreneurship Center and other local and state resources.

Appendix I: List of 15 Largest African American Companies in Chicago

Firm Name	Web address	Top executive	04 Sales	Year Est.	Employees
Johnson Publishing Co.	www.ebonyjet.com	Linda Johnson Rice	\$ 498	1942	1699
Harpo Inc.	www.oprah.com	Oprah G. Winfrey	275	1986	284
Sayers 40 Inc.	www.sayers.com	Gale E. Sayers	112	2003	75
Ariel Capital Management	www.arielmotualfunds.com	John Rogers Jr.	107	1983	90
Sutton Ford Inc	www.suttonford.com	Nathaniel Sutton	100	1989	NA
Baldwin Richardson Foods Co.	www.brfoods.com	Eric G. Johnson	90	1997	185
Capsonic Group	www.capsonic.com	Gregory Liautaud	65	1968	NA
Advantage Chevrolet Inc.	www.advantagechev.com	Desmond Roberts	62	1999	NA
Blackwell Consulting Services	www.bcsinc.com	Robert Blackwell Sr.	35	1992	NA
Loop Capital Markets	www.loopcap.com	James Reynolds	30	1997	NA
Highland Park Ford Lincoln Mercury	www.highlandparkford.com	Alan Frisch	28	1998	NA
Seaway National Bank Chicago	www.seawaybank.us	Walter E. Grady	24	1965	NA
Burrell Communications Group	www.burrell.com	Fay Ferguson	22	1971	NA

Appendix II: Breakdown by Sector of the 14 Largest African American Firms in Chicago

TYPE	REVENUES (in millions)	EMPLOYEES
Media	773	1,983
Auto Dealerships	216	281
Manufacturing	155	835
Investments	137	170
Technology	112	75
Consulting	35	300
Banking	25	240
Marketing	22	131
Totals	1,475	4,015

Appendix III: Estimated Olympics Economic Impact on Chicago by Sector

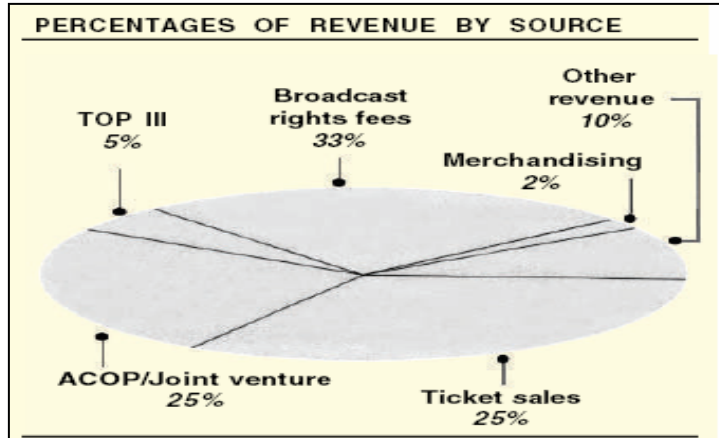
Breakdown of Economic Impact			
<i>Industry Sector</i>	<i>Expenditures</i>		<i>Jobs</i>
	millions	%	
Service Industry	2400	47%	43650
Transportation, Communications, Utilities	675	13%	20570
Nondurable Manufacturing	564	11%	2260
Wholesale and retail trade	473	9%	8400
Finance, insurance, real estate	394	8%	2670
Durable manufacturing	382	8%	1740
Construction	128	3%	1340
Government	26	1%	460
Other	13	0.3%	460
Total	5055		81550
<i>Sources: University of Illinois at Urbana-Champaign, Economics Research Associates, Selig Center for Economic Growth, University of Georgia, John Madden, Monash University</i>			

Appendix IV: Atlanta Olympic Games Budget

REVENUE	US\$
Broadcast rights	555,500,000
Joint venture	513,390,000
Ticket sales	261,230,000
ACOG share of TOPIII (sponsorship)	114,380,000
Merchandising	28,700,000
Other income	107,471,000
Total revenue	1,580,671,000
EXPENDITURE	
Executive Administration:	
Administration & human resources	38,118,000
Executive Operations	24,523,000
Financial & Management Services	120,277,000
Sub-total	182,219,000
Construction:	
Venues	469,628,000
Sub-total	516,628,000
Functional Operations:	
Communications & Government Relations	13,719,000
Corporate Services	44,778,000
Host Broadcasting	106,329,000
Merchandising	16,647,000
Sports & International Organisations	147,625,000
Olympic Ceremonies	24,180,000
Olympic Programs & Physical Legacy	52,481,000
Operations	405,350,000
Senior Policy Advisor & External Relations	10,015,000
Sub-total	821,125,000
Contingency/Net Funds Flow	60,000,000
Total Expenditure	1,580,671,000
NET RESULT	Break-even

Source: PressGuide Atlanta Games 1994 p. 38.

Appendix V: Percentages of ACOG Revenue by Source¹²



Appendix VI: Atlanta Investments for New and Renovated Sports Facilities

Development of New Sports Facilities ¹³	
Facility	Investment (millions)
Turner Field (former Olympic Stadium)	189
Georgia International Horse Park	90
Wolf Creek Shooting Complex	17
Stone Mountain Tennis Center	18
Lake Lanier Rowing Center	10
Georgia Institute of Technology (Aquatics Center and Alexander Memorial Coliseum Renovations)	25.5
Atlanta University Center (stadiums, basketball arena, and tennis facility)	89
Georgia State University	2
Clayton County International	3

Appendix VII: Employment Data for Washington Park and Vicinity

Community Area	Population 16+	Labor Force	Jobless	Unemployed	Unemployment Rate
Grand Boulevard	17,799	8,257	9,542	1,675	20.3%
Hyde Park	26,114	17,304	8,810	1,006	5.8%
Douglas	19,006	10,797	8,209	3,019	28.0%
Oakland	3,648	1,719	1,929	363	21.1%
Kenwood	15,286	9,441	5,845	1,039	11.0%
Woodlawn	18,613	8,858	9,755	1,454	16.4%
Washington Park	8,435	4,093	4,342	862	21.1%

Source: 2006 Easy Analytical Software, Inc.

Appendix VIII: Income Data: for Washington Park

Washington Park	Total	%	Chicago %
Less than \$15K	1,989	47.1%	20.0%
\$15K - \$24,999	756	17.9%	12.5%
\$25K - \$34,999	447	10.6%	12.5%
\$35K - \$49,999	351	8.3%	15.9%
\$50K - \$74,999	367	8.7%	17.6%
\$75K - \$99,999	145	3.4%	9.2%
\$100K - \$124,999	71	1.7%	4.9%
\$125K - \$149,999	20	0.5%	2.5%
\$150K - \$199,999	20	0.5%	2.2%
\$200,000K +	55	1.3%	2.7%
Households	4,221	100.0%	100.0%

Chicago

Oakland	Total	%	Chicago %
Less than \$15K	1,190	56.7%	20.0%
\$15K - \$24,999	267	12.7%	12.5%
\$25K - \$34,999	188	9.0%	12.5%
\$35K - \$49,999	194	9.2%	15.9%
\$50K - \$74,999	127	6.1%	17.6%
\$75K - \$99,999	53	2.5%	9.2%
\$100K - \$124,999	17	0.8%	4.9%
\$125K - \$149,999	16	0.8%	2.5%
\$150K - \$199,999	39	1.9%	2.2%
\$200,000K +	7	0.3%	2.7%
Households	2,098	100.0%	100.0%

Woodlawn	Total	%	Chicago %
Less than \$15K	4,208	43.2%	20.0%
\$15K - \$24,999	1,421	14.6%	12.5%
\$25K - \$34,999	1,269	13.0%	12.5%
\$35K - \$49,999	1,092	11.2%	15.9%
\$50K - \$74,999	1,003	10.3%	17.6%
\$75K - \$99,999	393	4.0%	9.2%
\$100K - \$124,999	202	2.1%	4.9%
\$125K - \$149,999	47	0.5%	2.5%
\$150K - \$199,999	42	0.4%	2.2%
\$200,000K +	59	0.6%	2.7%
Households	9,736	100.0%	100.0%

Douglas	Total	%	Chicago %
Less than \$15K	3,684	36.6%	20.0%
\$15K - \$24,999	1,178	11.7%	12.5%
\$25K - \$34,999	1,094	10.9%	12.5%
\$35K - \$49,999	1,443	14.3%	15.9%
\$50K - \$74,999	1,458	14.5%	17.6%
\$75K - \$99,999	561	5.6%	9.2%
\$100K - \$124,999	304	3.0%	4.9%
\$125K - \$149,999	155	1.5%	2.5%
\$150K - \$199,999	90	0.9%	2.2%
\$200,000K +	111	1.1%	2.7%
Households	10,078	100.0%	100.0%

Kenwood	Total	%	Chicago %
Less than \$15K	2,525	27.0%	20.0%
\$15K - \$24,999	958	10.2%	12.5%
\$25K - \$34,999	949	10.1%	12.5%
\$35K - \$49,999	1,329	14.2%	15.9%
\$50K - \$74,999	1,631	17.4%	17.6%
\$75K - \$99,999	760	8.1%	9.2%
\$100K - \$124,999	448	4.8%	4.9%
\$125K - \$149,999	213	2.3%	2.5%
\$150K - \$199,999	185	2.0%	2.2%
\$200,000K +	359	3.8%	2.7%
Households	9,357	100.0%	100.0%

Hyde Park	Total	%	Chicago %
Less than \$15K	2,954	20.5%	20.0%
\$15K - \$24,999	2,020	14.0%	12.5%
\$25K - \$34,999	1,913	13.3%	12.5%
\$35K - \$49,999	2,077	14.4%	15.9%
\$50K - \$74,999	2,289	15.9%	17.6%
\$75K - \$99,999	1,009	7.0%	9.2%
\$100K - \$124,999	658	4.6%	4.9%
\$125K - \$149,999	434	3.0%	2.5%
\$150K - \$199,999	503	3.5%	2.2%
\$200,000K +	528	3.7%	2.7%
Households	14,385	100.0%	100.0%

Grand Boulevard	Total	%	Chicago %
Less than \$15K	4,585	49.1%	20.0%
\$15K - \$24,999	1,341	14.4%	12.5%
\$25K - \$34,999	863	9.2%	12.5%
\$35K - \$49,999	892	9.5%	15.9%
\$50K - \$74,999	759	8.1%	17.6%
\$75K - \$99,999	432	4.6%	9.2%

\$100K - \$124,999	225	2.4%	4.9%
\$125K - \$149,999	70	0.7%	2.5%
\$150K - \$199,999	77	0.8%	2.2%
\$200,000K +	99	1.1%	2.7%
Households	9,343	100.0%	100.0%

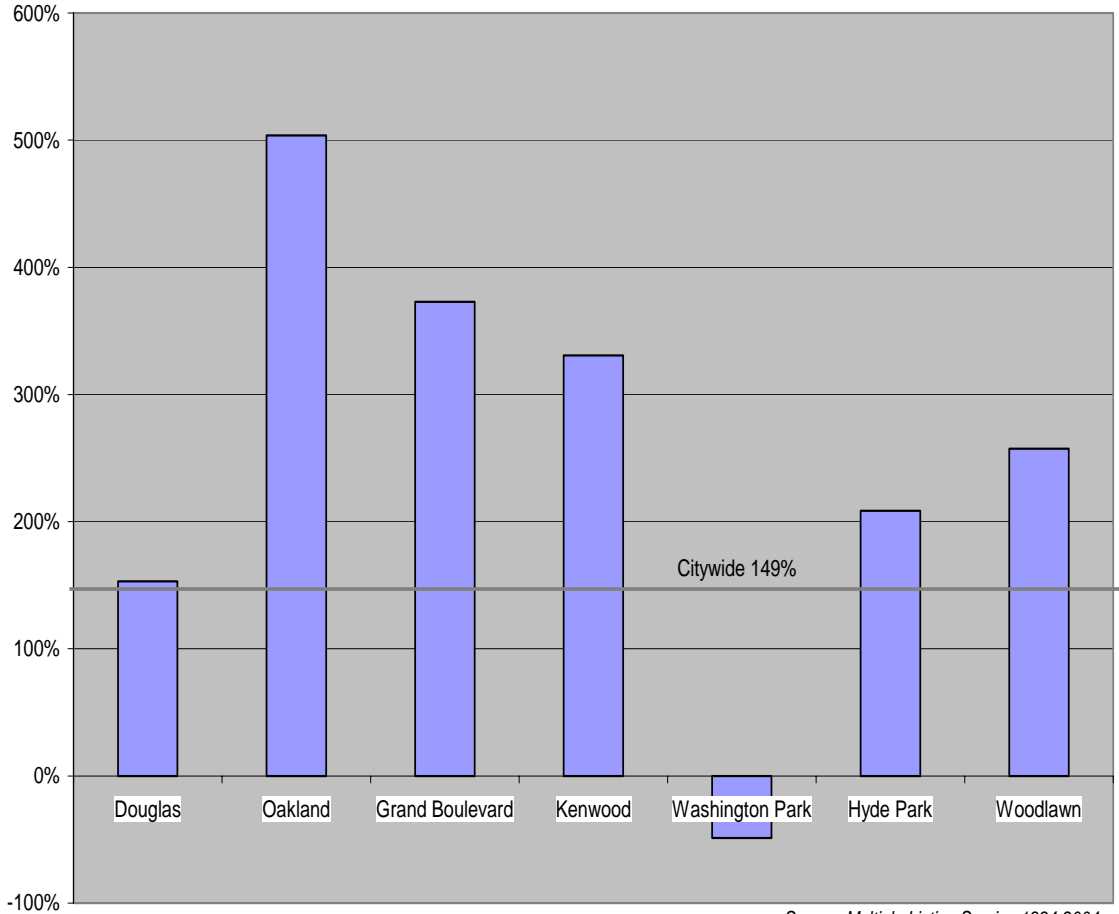
Source: 2006 Easy Analytical Software, Inc.

Appendix IX: Retail Leakage: Washington Park and Vicinity

	Washington Park	Oakland	Douglas	Hyde Park	Woodlawn	Kenwood	Grand Boulevard	Chicago
Resident Purchasing Power	\$30.5M	\$14.2M	\$71.9M	\$107.4M	\$65M	\$66M	\$63M	\$8.6B
Retail Sales Leakage	\$25.5M	\$13.6M	\$36.8M	\$53.5M	\$54.2M	\$54.5M	\$43.8M	\$1.8B
Retail Sales Surplus	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Capture to Leakage Ratio	\$5.18	\$24.94	\$1.05	\$0.99	\$5.00	\$4.71	\$2.29	\$0.28

Source: 2005 ETI Urban Markets Retail Sales Leakage/Surplus Drill Downs based on 2000 census and 2002 BLS Consumer Expenditure Survey

**Percent Change in Average Sales Price:
Single Family Detached (1994-2004)**



Source: Multiple Listing Service 1994-2004

Table 1: Change in Minority-Owned Businesses in Illinois, 1997 - 2002

Group	Year	Number of Firms	% Change	Gross Receipts (\$1,000)	% Change	Number of Employees	% Change
All Illinois Firms	2002	958,120	8.6%	\$1,469,671,984	4.7%	5,090,721	1.2%
	1997	882,053		\$993,116,732		4,994,344	
African American	2002	68,699	66.5%	\$4,980,181	27.2%	38,457	9.7%
	1997	41,244		\$3,913,240		35,034	
Asian	2002	44,477	20.6%	\$14,544,716	-1.2%	98,305	21.9%
	1997	36,857		\$14,727,553		80,589	
Hispanic	2002	39,539	27.5%	\$7,389,214	53.4%	60,576	-15.5%
	1997	31,010		\$4,814,853		71,692	
American Indian & Alaska Native	2002	3,379	-6.9%	\$440,748	-33.6%	4,054	-16.9%
	1997	3,945		\$664,108		4,879	

Source: U.S. Census Bureau. American Factfinder. 2002 Survey of Business Owners. Survey of Business Owners: Company Statistics Series: Statistics for Black, Asian, Hispanic, and American Indian & Alaska Native Owned Firms by State and Kind of Business.

Table 2: Change in Minority-Owned Businesses in Cook County Illinois, 1997 - 2002

Group	Year	Number of Firms	% Change	Gross Receipts (\$1,000)	% Change	Number of Employees	% Change
African American	2002	54,753	69.1%	\$3,911,948	31.2%	30,555	3.3%
	1997	32,377		\$3,913,240		29,586	
Asian	2002	27,776	18.9%	\$8,527,371	-1.8%	59,911	38.9%
	1997	23,354		\$8,372,458		43,108	
Hispanic	2002	27,030	33.5%	\$4,488,728	42.7%	37,407	-3.2%
	1997	20,245		\$3,144,268		38,648	
American Indian & Alaska Native	2002	1,498	14%	\$167,963	-29.0%	1,075	-39%
	1997	1,313		\$236,638		1,763	

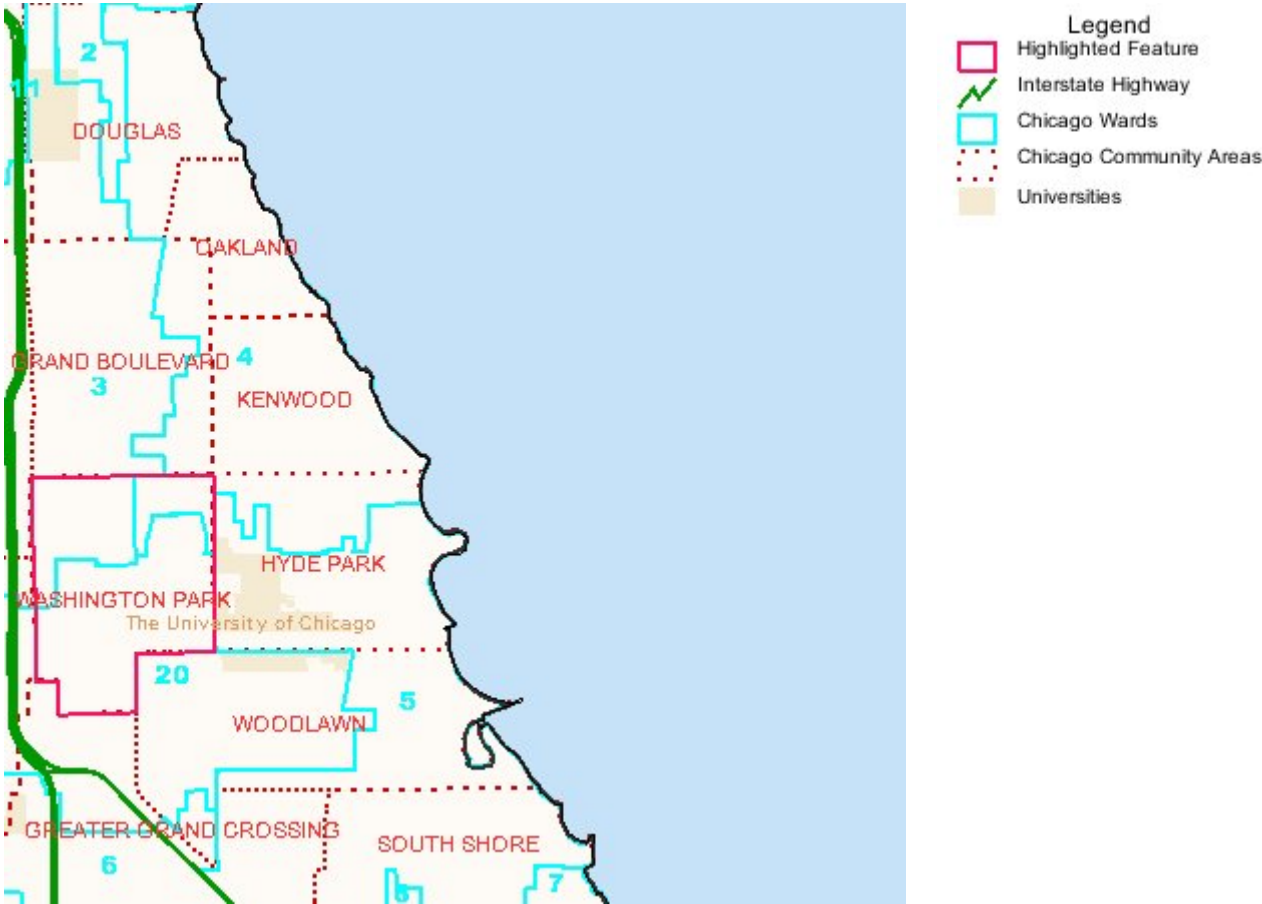
Source: U.S. Census Bureau. American Factfinder. 2002 Survey of Business Owners. Survey of Business Owners: Company Statistics Series: Statistics for Black, Asian, Hispanic, and American Indian & Alaska Native Owned Firms by State and Kind of Business.

Table 3: Change in Minority-Owned Businesses in Chicago Illinois, 1997 - 2002

Group	Year	Number of Firms	% Change	Gross Receipts (\$1,000)	% Change	Number of Employees	% Change
African American	2002	39,419	67.2%	\$2,870,901	17.0%	22,035	-11.2%
	1997	23,576		\$2,452,633		24,815	
Asian	2002	13,650	17.9%	\$3,270,567	-10.9%	29,091	18%
	1997	11,576		\$3,672,272		24,476	
Hispanic	2002	17,803	41.2%	\$2,979,436	63.8%	23,967	23.2%
	1997	12,602		\$1,818,658		19,450	
American Indian & Alaska Native	2002	1,010	88%	\$114,532	133%	S	
	1997	537		\$48,973		227	

Source: U.S. Census Bureau. American Factfinder. 2002 Survey of Business Owners. Survey of Business Owners: Company Statistics Series: Statistics for Black, Asian, Hispanic, and American Indian & Alaska Native Owned Firms by State and Kind of Business.

MAP A: COMMUNITY AREAS MAP WITH WARD OVERLAY



Map generated on 6/25/2007 by MCIC(C) MCFOL (Metro Chicago Facts Online) mapping application. For more information, please visit www.mcic.org or call (312)580-2878. MCIC, 17 N. State Street, Suite 1600, Chicago, IL 60202



Metropolitan Chicago Information Center

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- ¹⁶ Development in Under-Served Retail Markets. International Council of Shopping Centers and Business for Social Responsibility July 2002
- ¹⁷ Development in Under-Served Retail Markets. International Council of Shopping Centers and Business for Social Responsibility July 2002

Data generated by Metropolitan Chicago Information Center

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