Transformation of Chicago's South Cook County

Federal Reserve Bank of Cleveland

Policy Summit 2019

June 20, 2019

The black middle class has trekked to suburbia in the same way previous groups have. But in many cases they have struggled to keep pace economically.

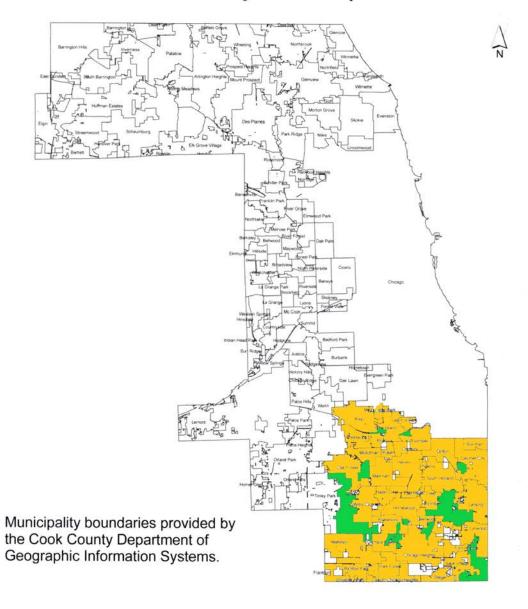


One of the nation's best examples of the promise and peril of the black middle class's prospects exists in Chicago's south suburbs in south Cook County.



Let's establish the context.

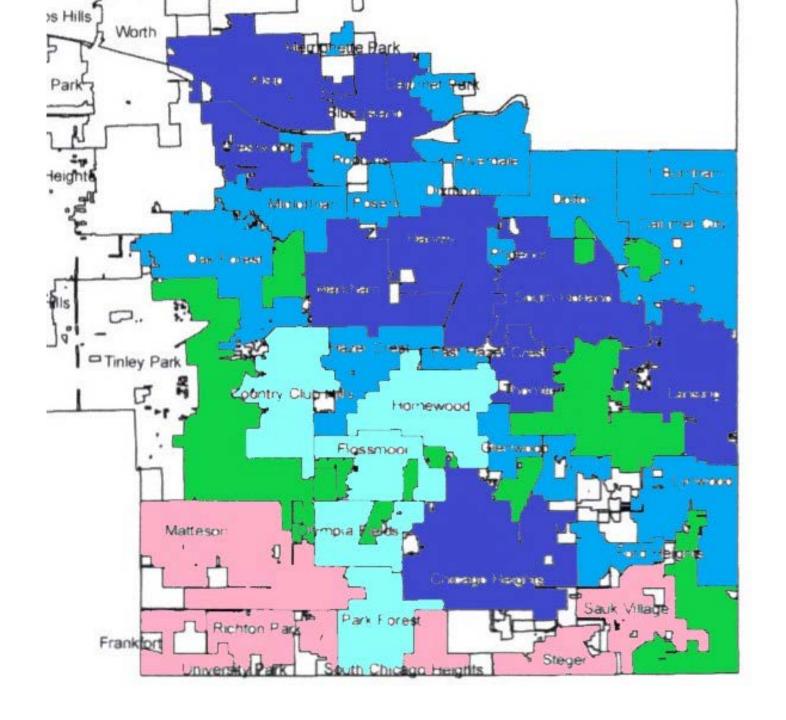
Cook County Municipalities



South Cook's historical origins

- Prior to World War II South Cook County was largely a truck farming area growing local produce for the local Chicago market.
- After World War II the area became a favored affordable bedroom community destination for manufacturing workers.
- South Cook later added its own manufacturing jobs in key job center areas.

South Cook's post-World War II development patterns

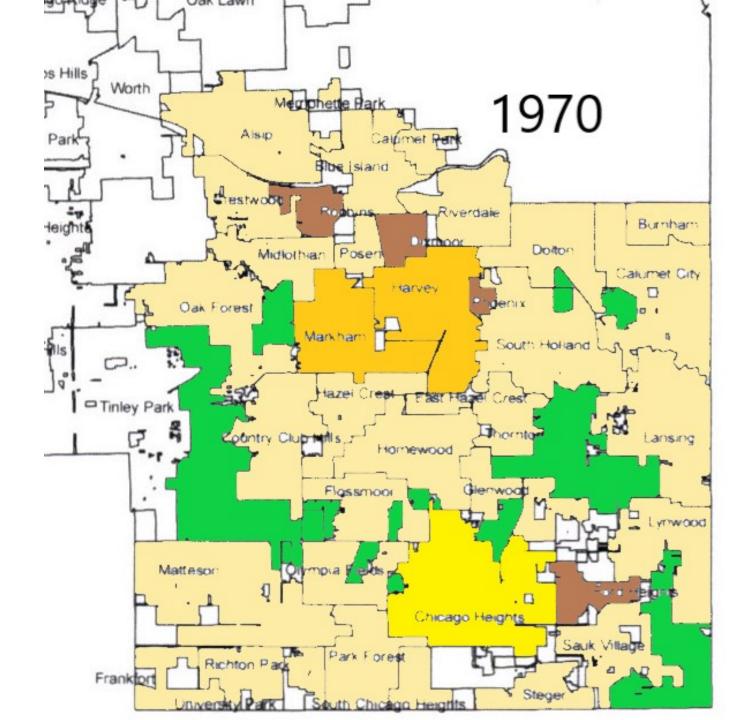


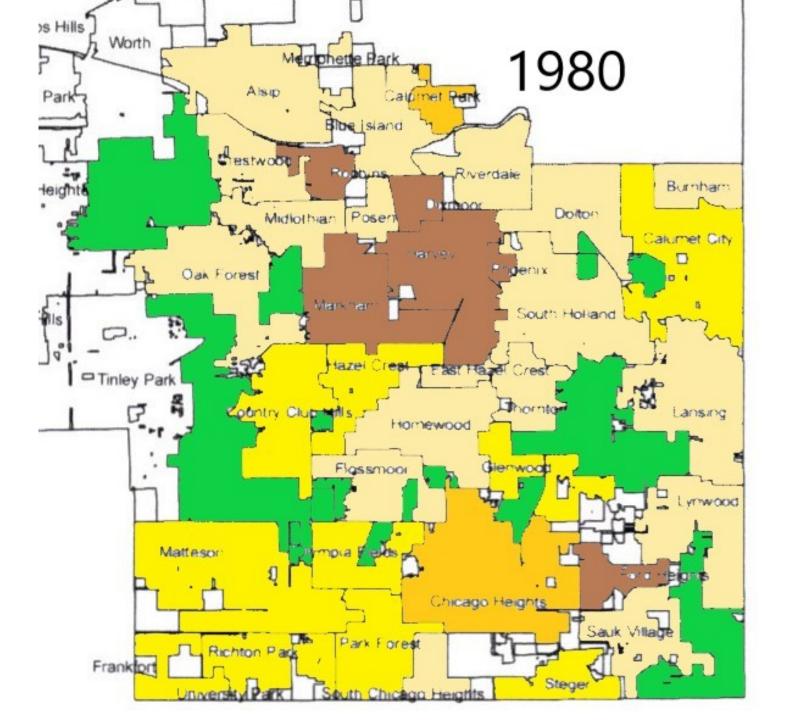
South Cook's key distinction

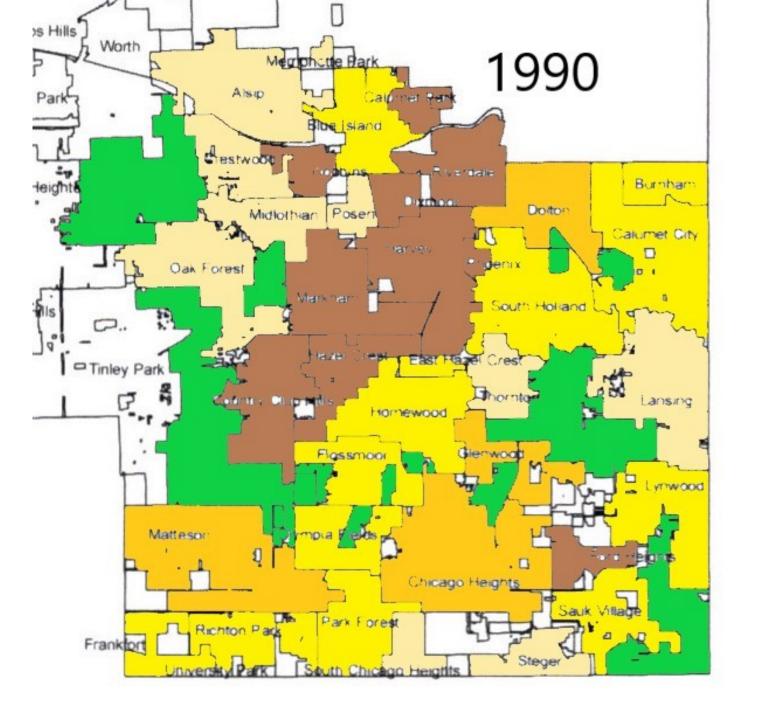
- Four South Cook communities Dixmoor, Ford Heights, Phoenix and Robbins – spurred change in South Cook.
- Each initially developed prior to World War II as semirural, working-class communities designed to serve black manufacturing workers in the very segregated mid-twentieth century.
- After World War II the communities became the entry point for blacks into South Cook.

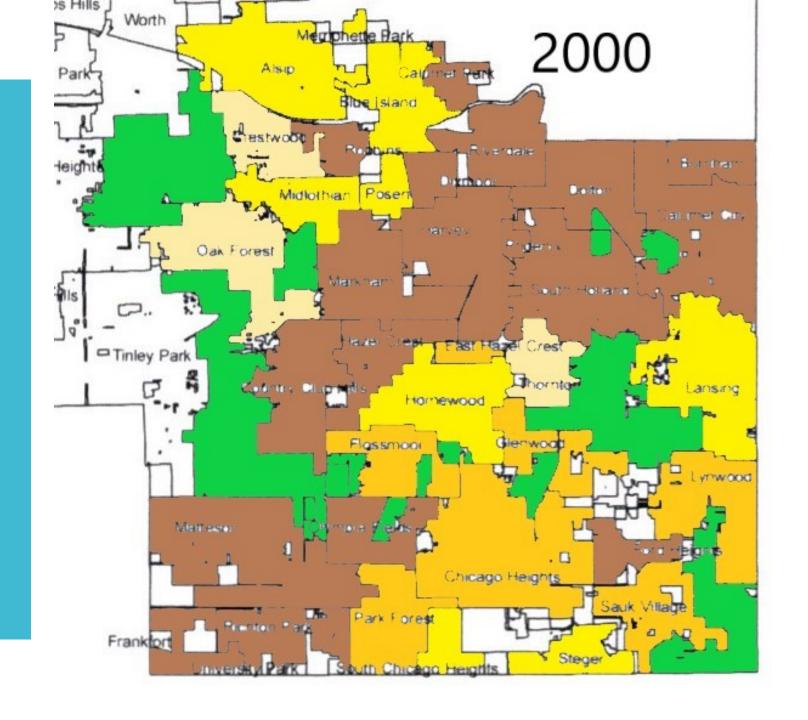
South Cook's demographic patterns since 1970

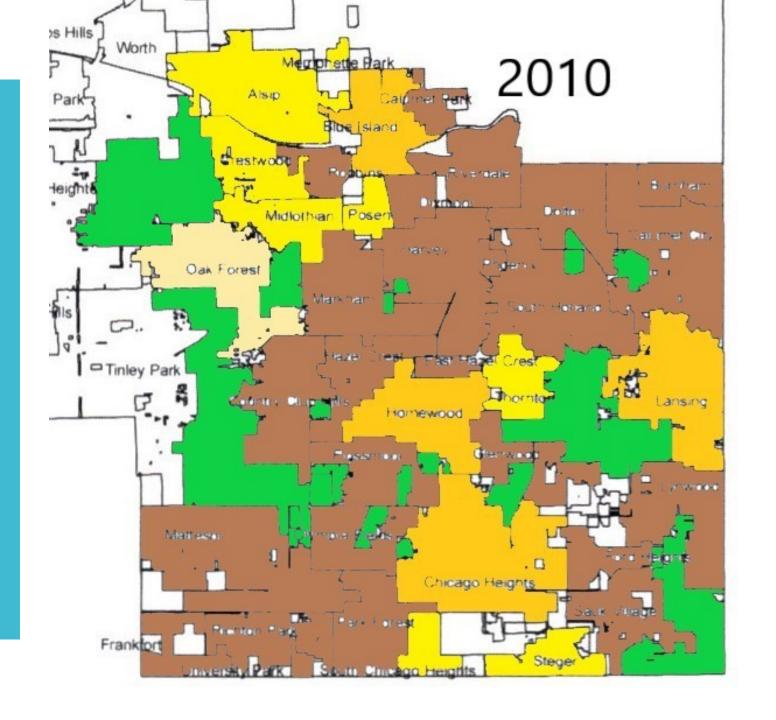
	Total Population						Black Population Percentage					
	1970 Pop.	1980 Pop.	1990 Pop.	2000 Pop.	2010 Pop.	2017 Pop.	1970 Pct.	1980 Pct.	1990 Pct.	2000 Pct.	2010 Pct.	2017 Pct.
Alsip	11,608	17,134	18,227	19,725	19,277	19,134	0.2%	0.6%	4.9%	10.1%	20.9%	14.4%
Blue Island	22,629	21,855	21,203	23,463	23,706	22,990	3.6%	4.9%	14.0%	24.1%	28.6%	30.9%
Burnham	3,634	4,030	3,916	4,170	4,206	4,188	0.0%	0.9%	14.7%	54.2%	59.8%	67.5%
Calumet City	33,107	39,673	37,840	39,071	37,042	36,975	0.1%	5.9%	23.6%	52.9%	76.4%	69.2%
Calumet Park	10,069	8,788	8,413	8,516	7,835	7,932	0.1%	30.0%	71.8%	82.9%	84.2%	82.3%
Chicago Heights	40,900	37,026	33,072	32,776	30,276	30,414	17.4%	28.8%	35.1%	37.9%	42.6%	44.6%
Country Club Hills	6,920	14,676	15,431	16, 169	16,541	16,286	0.1%	11.9%	57.5%	87.1%	87.0%	87.3%
Crestwood	5,770	10,712	10,823	11,251	10,950	10,922	4.4%	2.9%	4.1%	4.5%	7.4%	6.3%
Dixmoor	4,735	4,175	3,647	3,934	3,644	3,663	64.9%	66.2%	60.8%	57.1%	51.0%	51.2%
Dolton	25,937	24,766	23,930	25,614	23,153	23,324	0.2%	2.0%	38.0%	82.4%	90.6%	91.1%
East Hazel Crest	1,885	1,362	1,570	1,607	1,543	1,725	0.6%	1.2%	24.3%	37.3%	55.1%	48.0%
Flossmoor	7,846	8,423	8,651	9,301	9,464	9,218	0.2%	3.5%	10.5%	27.1%	56.7%	44.3%
Ford Heights	5,000	5,347	4,259	3,456	2,763	2,765	97.1%	98.2%	99.2%	95.9%	95.6%	93.9%
Glenwood	7,416	10,538	9,289	9,000	8,969	8,809	0.4%	9.6%	25.4%	44.5%	64.5%	69.0%
Harvey	34,636	35,810	29,771	30,031	25,282	25,685	30.9%	65.6%	80.5%	79.6%	75.3%	68.9%
Hazel Crest	10,329	13,973	13,334	14,816	14,100	13,935	0.0%	11.9%	51.7%	76.3%	83.9%	88.0%
Homewood	18,871	19,724	19,278	19,543	19,323	19,252	0.1%	2.1%	6.3%	17.5%	31.2%	37.0%
Lansing	25,805	29,039	28,086	28,332	28,331	28,308	0.1%	1.1%	3.0%	10.7%	27.2%	39.1%
Lynwood	1,042	4,195	6,535	7,377	9,007	9,357	0.0%	4.0%	15.7%	45.4%	62.7%	72.3%
Markham	15,987	15,172	13,136	12,620	12,508	12,649	49.9%	69.8%	76.5%	78.9%	77.6%	80.6%
Matteson	4,741	10,223	11,378	12,928	19,009	19,277	0.0%	12.4%	44.6%	62.6%	77.8%	82.2%
Merrionette Park	2,303	2,054	2,065	1,999	1,900	1,999	0.0%	0.0%	1.3%	6.6%	6.9%	7.5%
Midlothian	14,422	14,274	14,372	14,315	14,819	14,809	1.3%	0.2%	2.4%	6.1%	11.1%	7.8%
Oak Forest	19,271	26,096	26,203	28,051	27,962	28,027	0.0%	2.0%	0.4%	3.6%	2.2%	5.2%
Olympia Fields	3,478	4,146	4,248	4,732	4,988	21,672	0.4%	5.0%	16.1%	52.1%	63.4%	64.9%
Park Forest	30,638	26,222	24,656	23,462	21,975	4,970	2.3%	12.1%	24.2%	39.4%	56.2%	74.2%
Phoenix	3,596	2,850	2,217	2,157	1,964	2,044	87.6%	93.2%	91.5%	93.8%	85.5%	87.4%
Posen	5,498	4,642	4,226	4,730	5,987	6,371	0.8%	1.8%	1.4%	8.7%	22.3%	12.7%
Richton Park	2,558	9,403	10,523	12,533	13,646	13,661	0.0%	7.3%	22.2%	59.1%	79.8%	84.4%
Riverdale	15,806	13,233	13,671	15,055	13,549	13,025	0.1%	0.3%	97.8%	96.8%	93.9%	94.3%
Robbins	9,641	8,119	7,498	6,635	5,337	5,203	97.9%	98.3%	98.6%	95.3%	91.3%	89.8%
Sauk Village	7,479	10,906	9,926	10,411	10,506	10,572	0.0%	1.4%	18.0%	32.5%	66.5%	67.2%
South Chicago Heights	4,923	3,932	3,597	3,970	4,139	4,139	0.1%	0.2%	1.1%	7.3%	18.9%	14.8%
South Holland	23,931	24,977	22,105	22, 147	22,030	21,991	0.1%	0.5%	11.6%	50.8%	76.0%	78.7%
Steger	8, 104	9,269	8,584	9,682	9,570	9,505	0.2%	11.1%	2.7%	6.3%	17.5%	22.2%
Thornton	3,714	3,022	2,778	2,582	2,338	2,565	0.9%	0.2%	0.2%	0.8%	12.5%	15.4%
TOTAL	454,229	499,786	478,458	496,161	487,639	487,361						
Pct. Black	10.7%	16.7%	30.4%	44.6%	54.2%	55.4%						

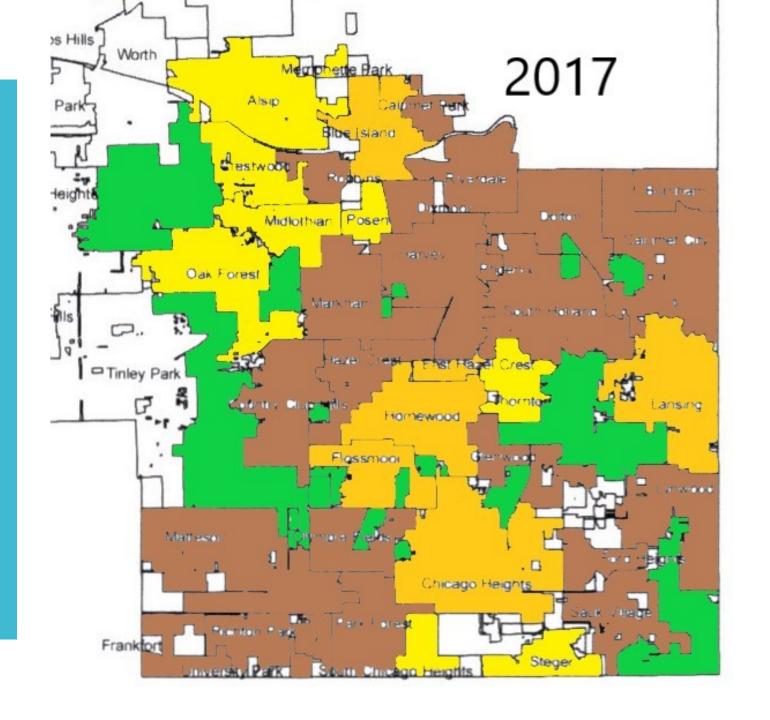












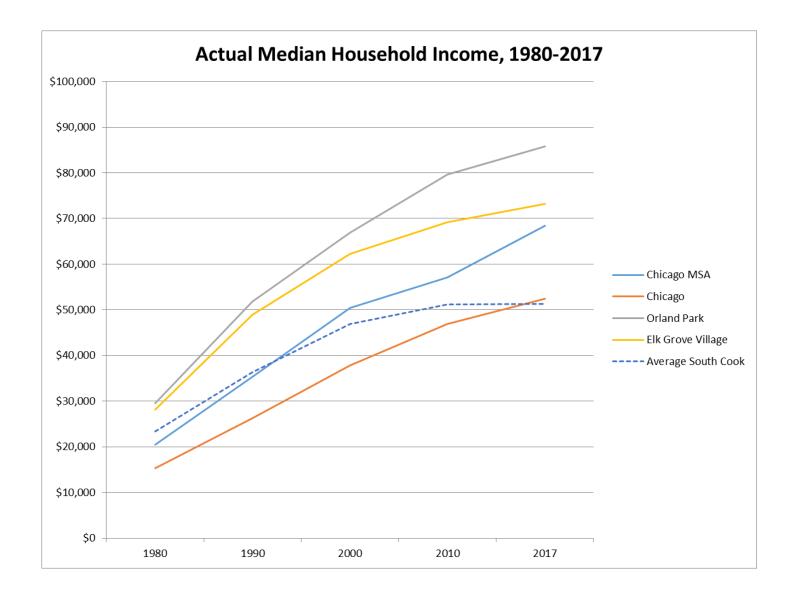
South Cook's demographic transformation

- Moving to the suburbs provided some increased wealth and prosperity for black newcomers, but not all.
- Today South Cook is in a tenuous position as a subregion of the Chicago metro area, and in need of policy action to reverse its decline.

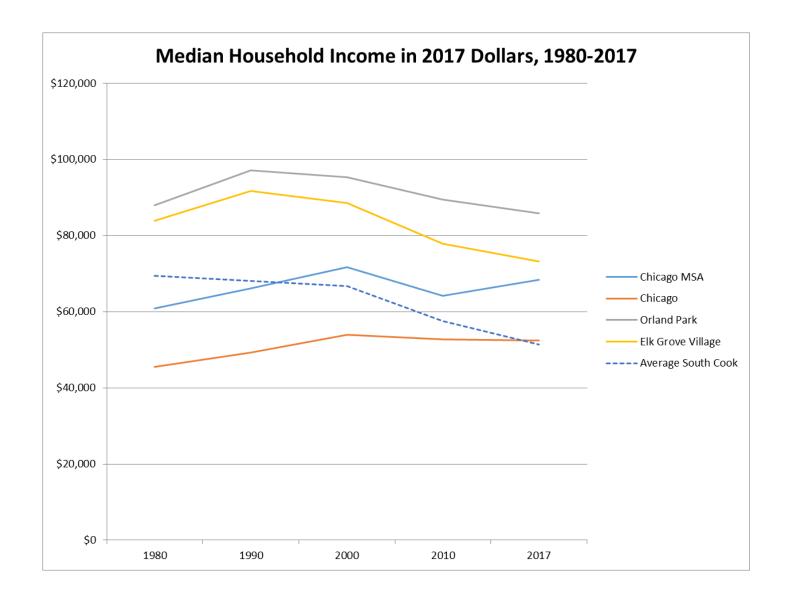
Indicators illustrating South Cook's change

- Comparing South Cook with the metro area, Chicago, and historically adjacent or comparable communities in the following areas:
 - Income
 - Home values
 - Jobs
 - Taxes

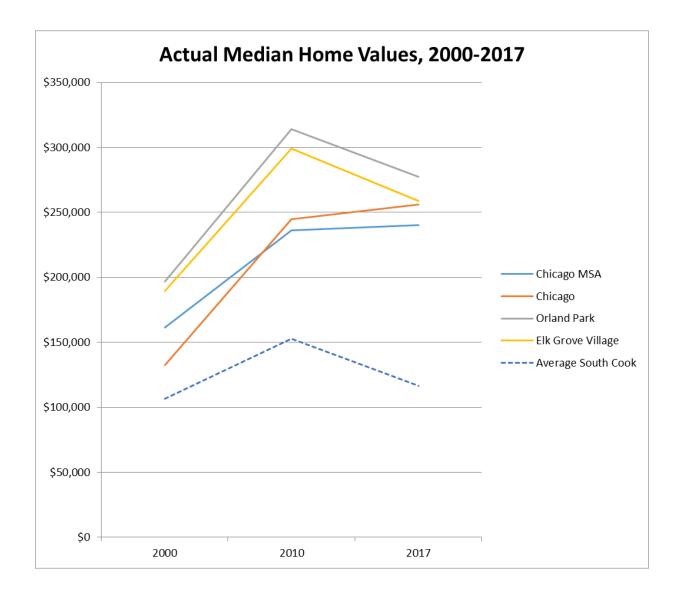
South Cook: Income



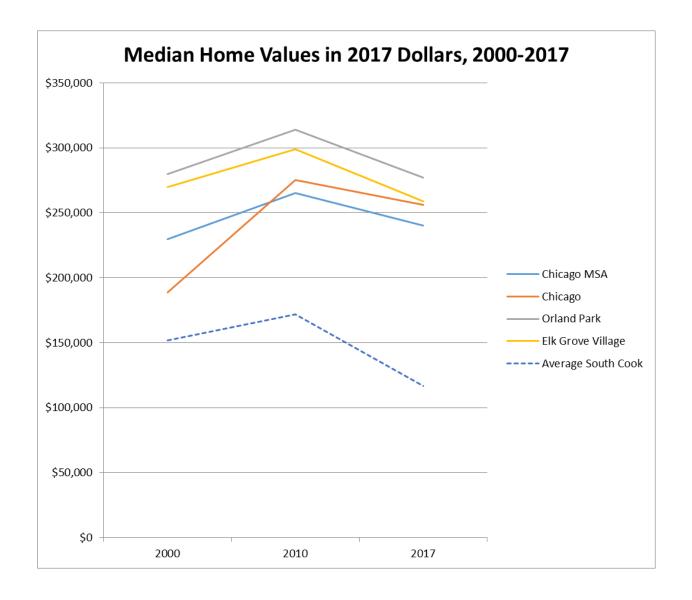
South Cook: Income



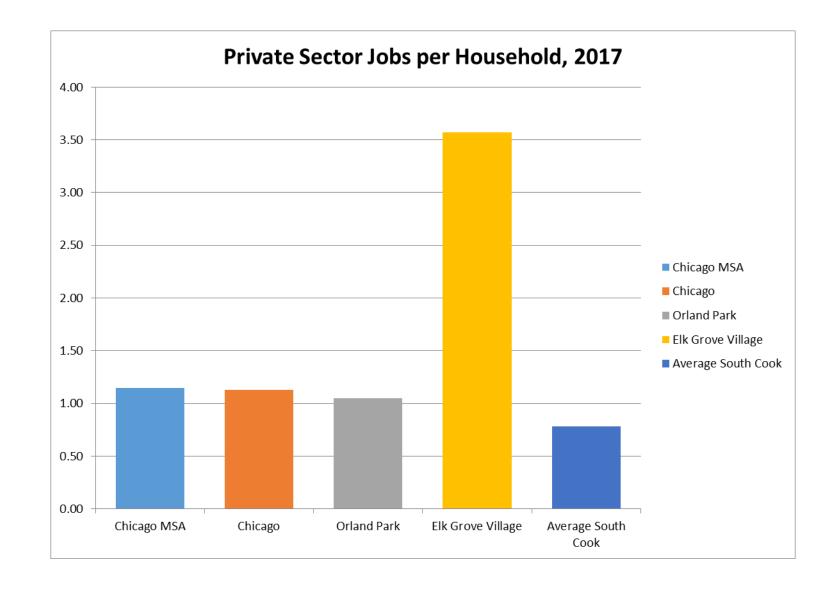
South Cook: Home Values



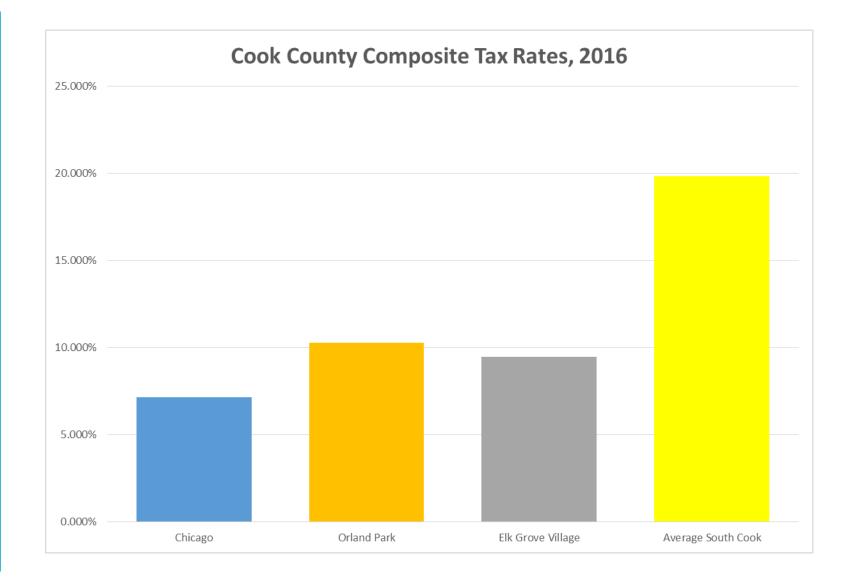
South Cook: Home Values



South Cook: Jobs



South Cook: Taxes



South Cook: Taxes

- South Cook's property tax problems are created by:
 - Cook County's regressive property tax structure
 - Property tax competition from two adjacent low tax areas (suburban Will County, IL, Lake County, IN)

What happened to South Cook?

- Manufacturing job loss
- Lack of contemporary job centers

- Adherence to "bedroom community" mindset
- Affordable location in a regressive tax environment

What happened to South Cook?

- Low tax area competition
- Key subprime mortgage target area prior to the Great Recession

 Subject to the same segregation forces that plagued Chicago's South (and West) Sides

Possible examples of similar suburban areas nationwide

- Prince George's County, MD (suburban Washington, DC)
- DeKalb County, GA (suburban Atlanta)
- North St. Louis County, MO (suburban St. Louis)

- Parts of Cuyahoga County, OH (suburban Cleveland)
- Parts of Wayne County, MI (suburban Detroit)
- Parts of Camden County, NJ/Delaware County, PA (suburban Philadelphia)

Impact: lack of middle class formation, economic/ social inequality



Possible Policy Directions

- Reimaging the physical environment of South Cook
- Consider taxing district consolidation even municipal consolidation
- Push Cook County for property tax reform
- Actively seek and establish networks with other Chicago subregions
- Make racial and economic equity a priority

