

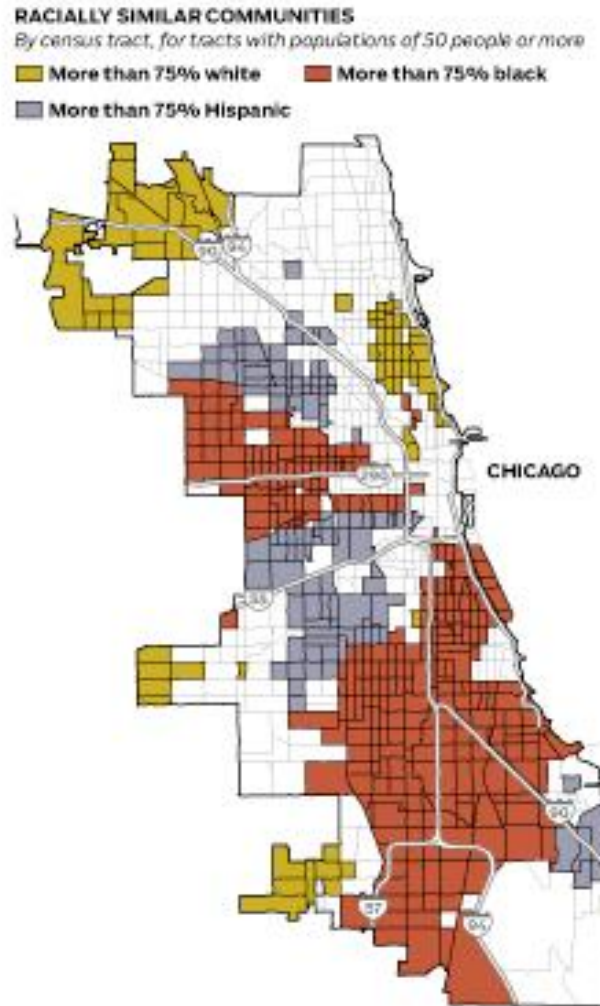


Chicago: City that Works?

Nik Theodore

University of Illinois at Chicago

Racial segregation in Chicago

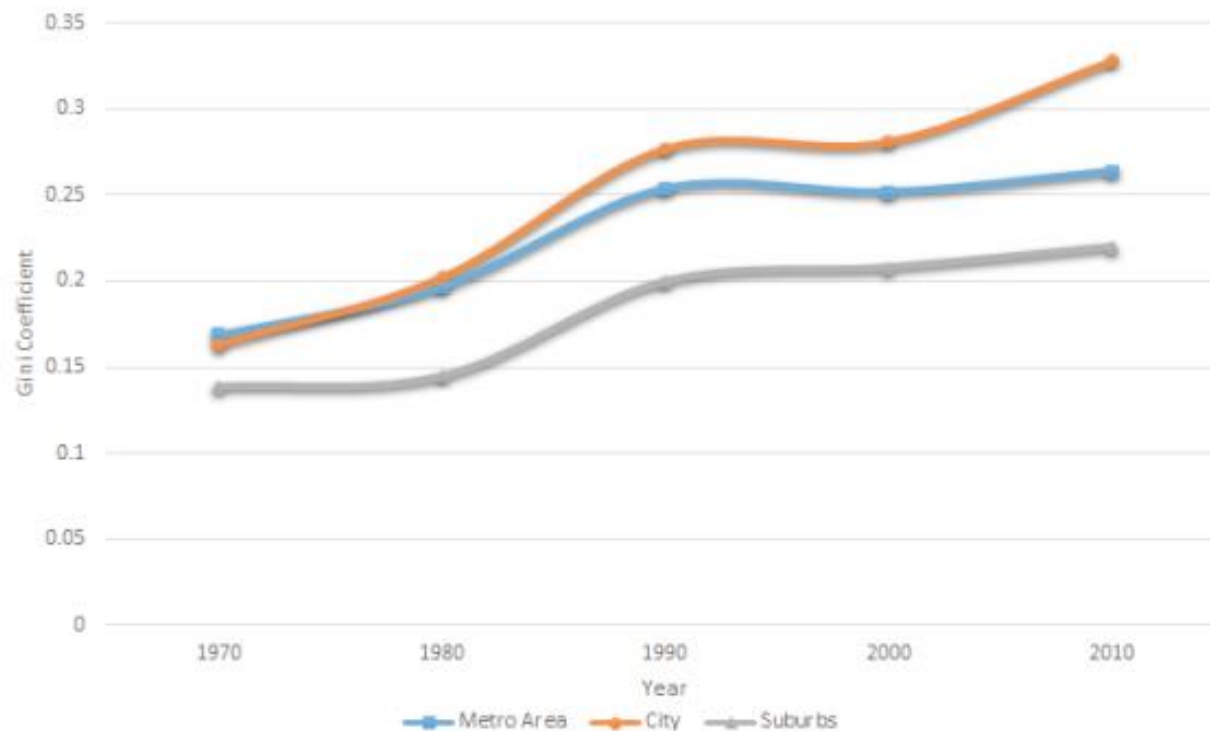


SOURCE: Center for Governmental Studies, Northern Illinois University

Source: Chicago Tribune

Income inequality in Chicago

Chicago Gini Coefficient, 1970 -2010



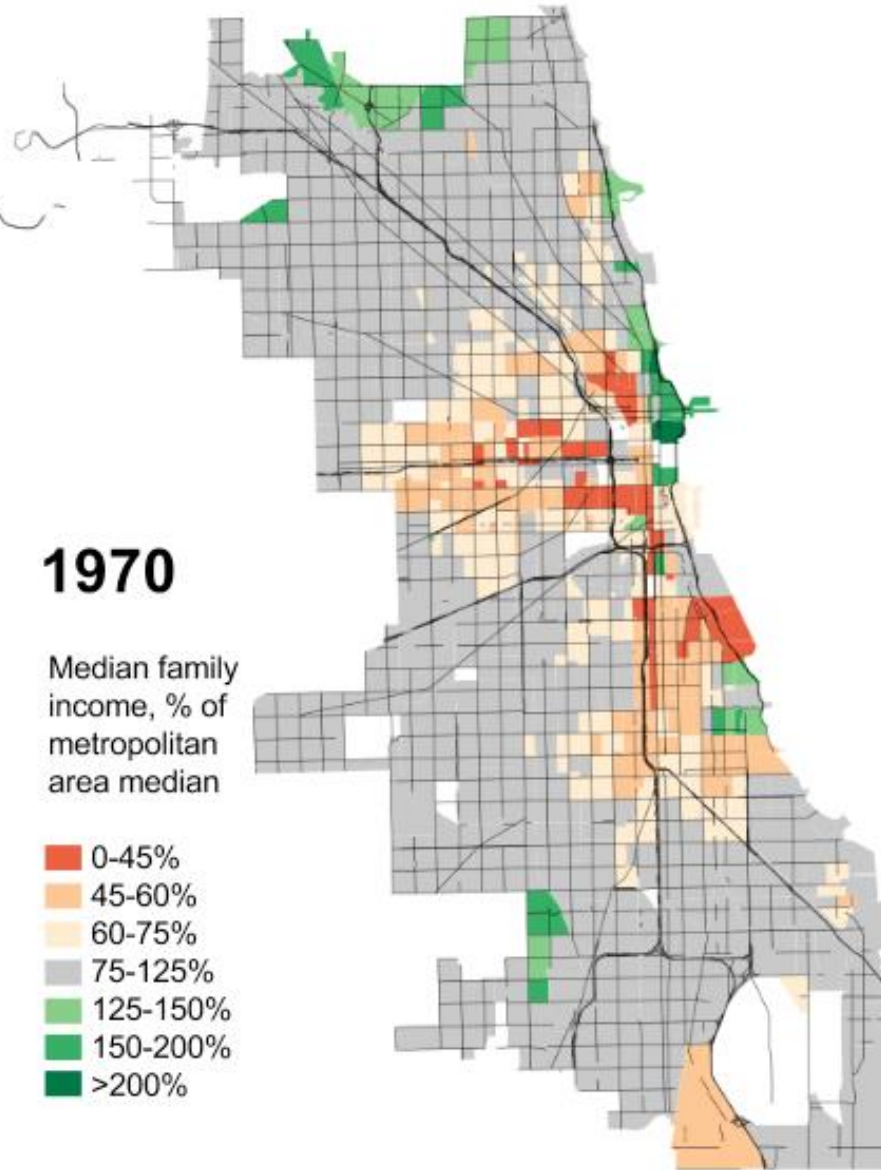
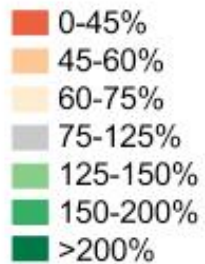
Calculations provided by Cities Centre, University of Toronto

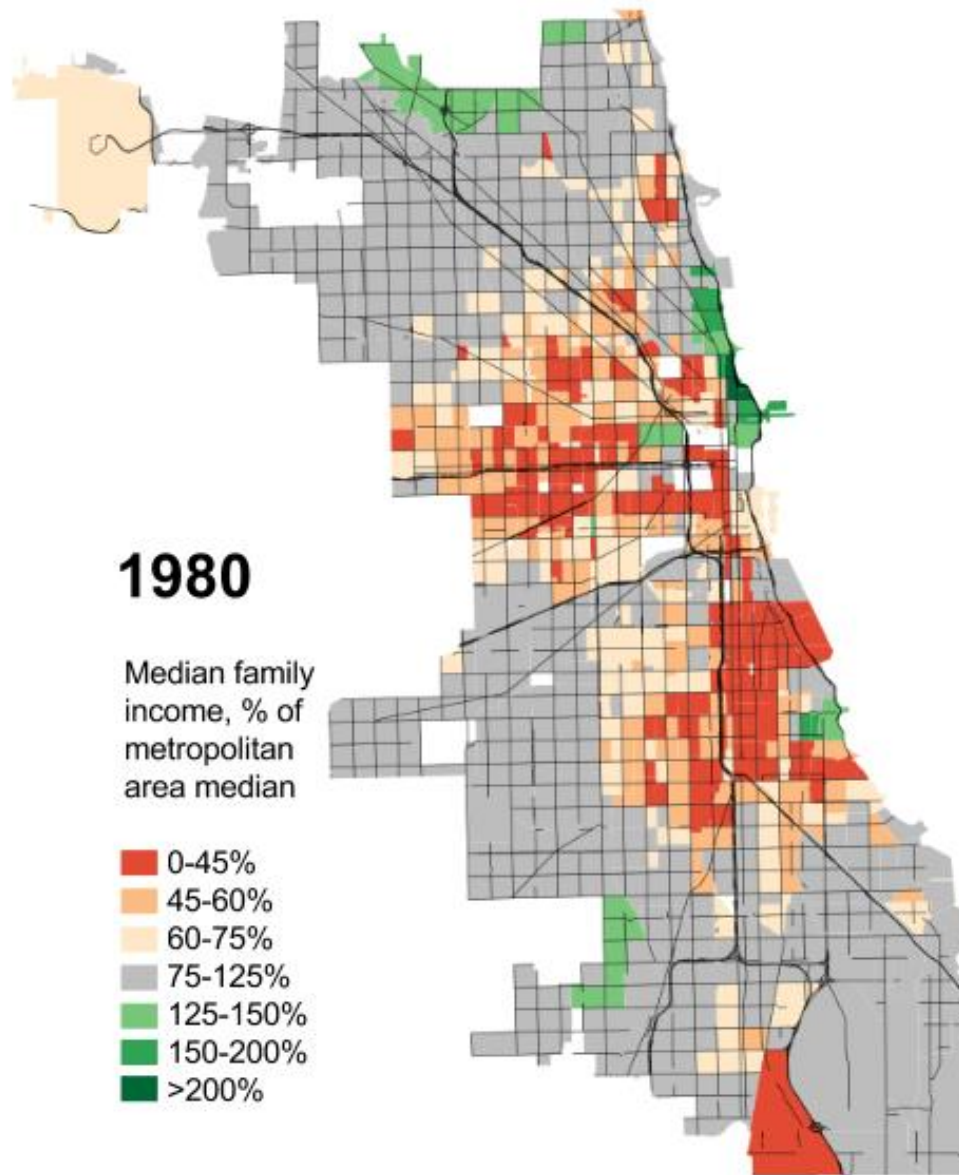
Source: UIC Voorhees Center (2015) *A Deepening Divide: Income Inequality Grows Spatially in Chicago*

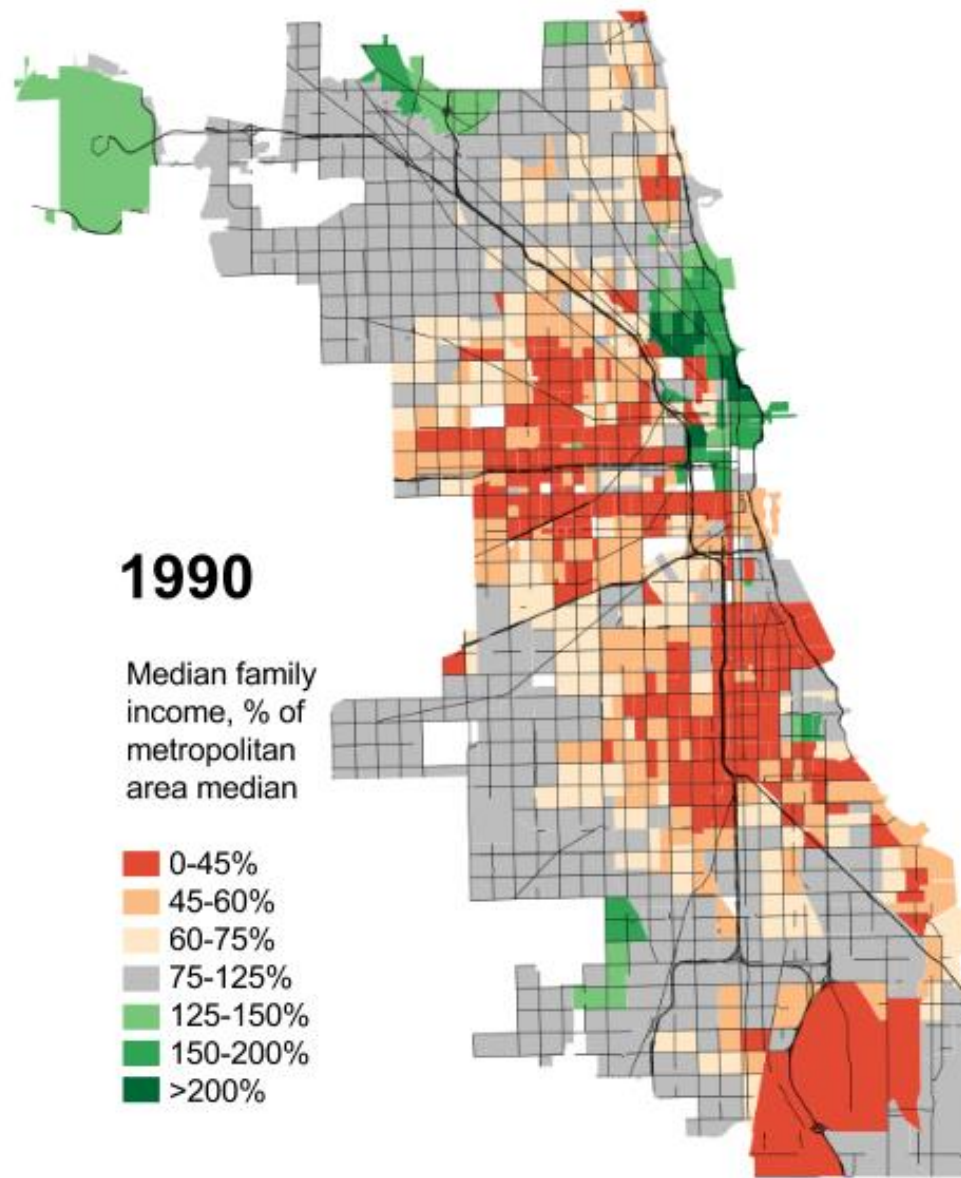
Income inequality in Chicago

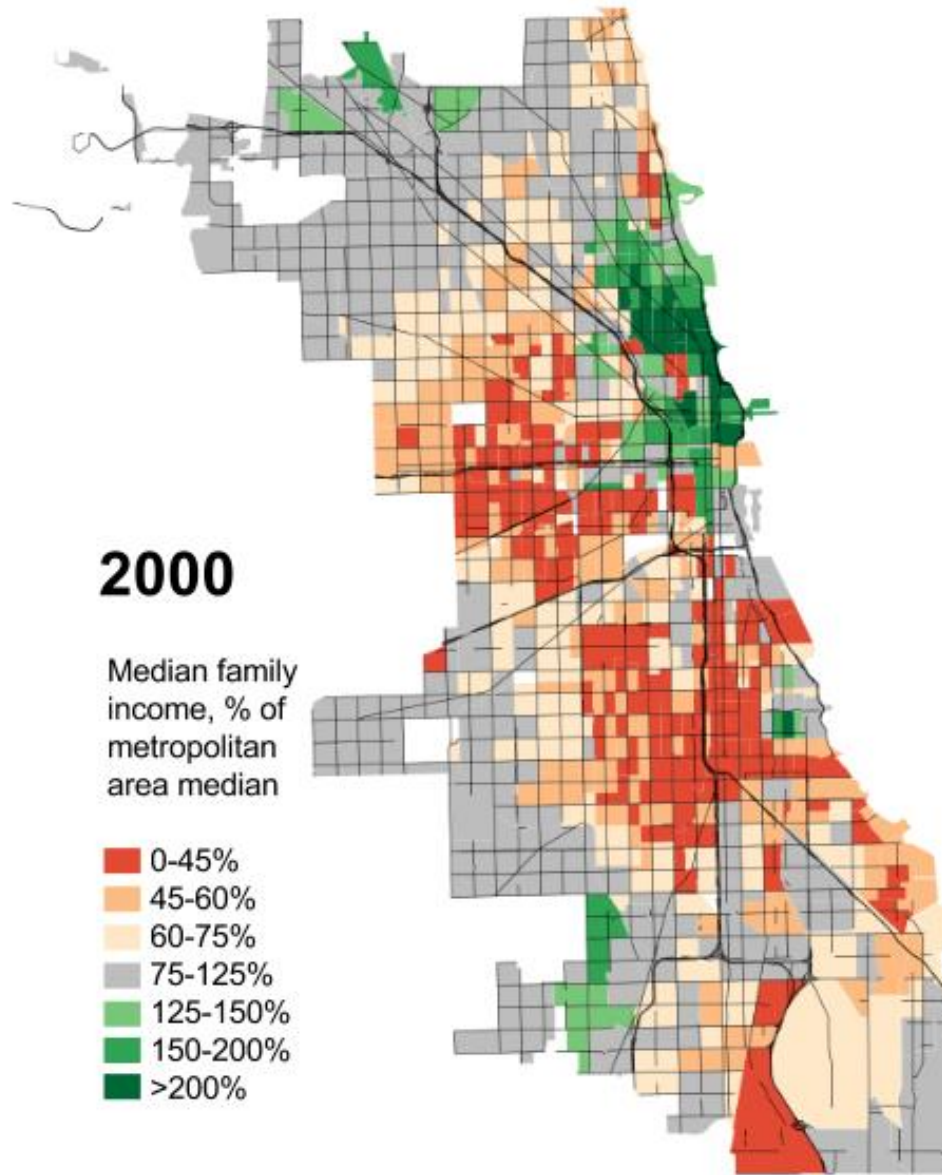
1970

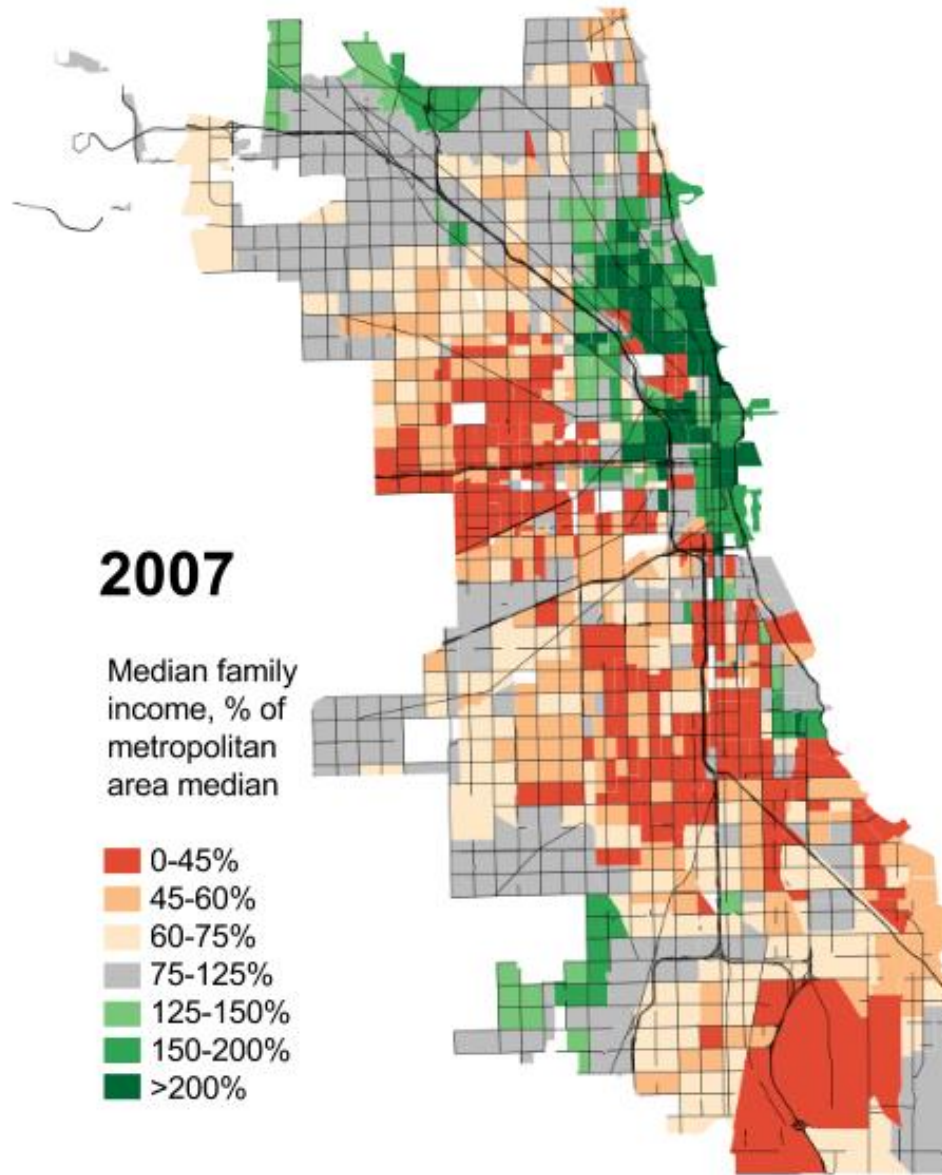
Median family income, % of metropolitan area median

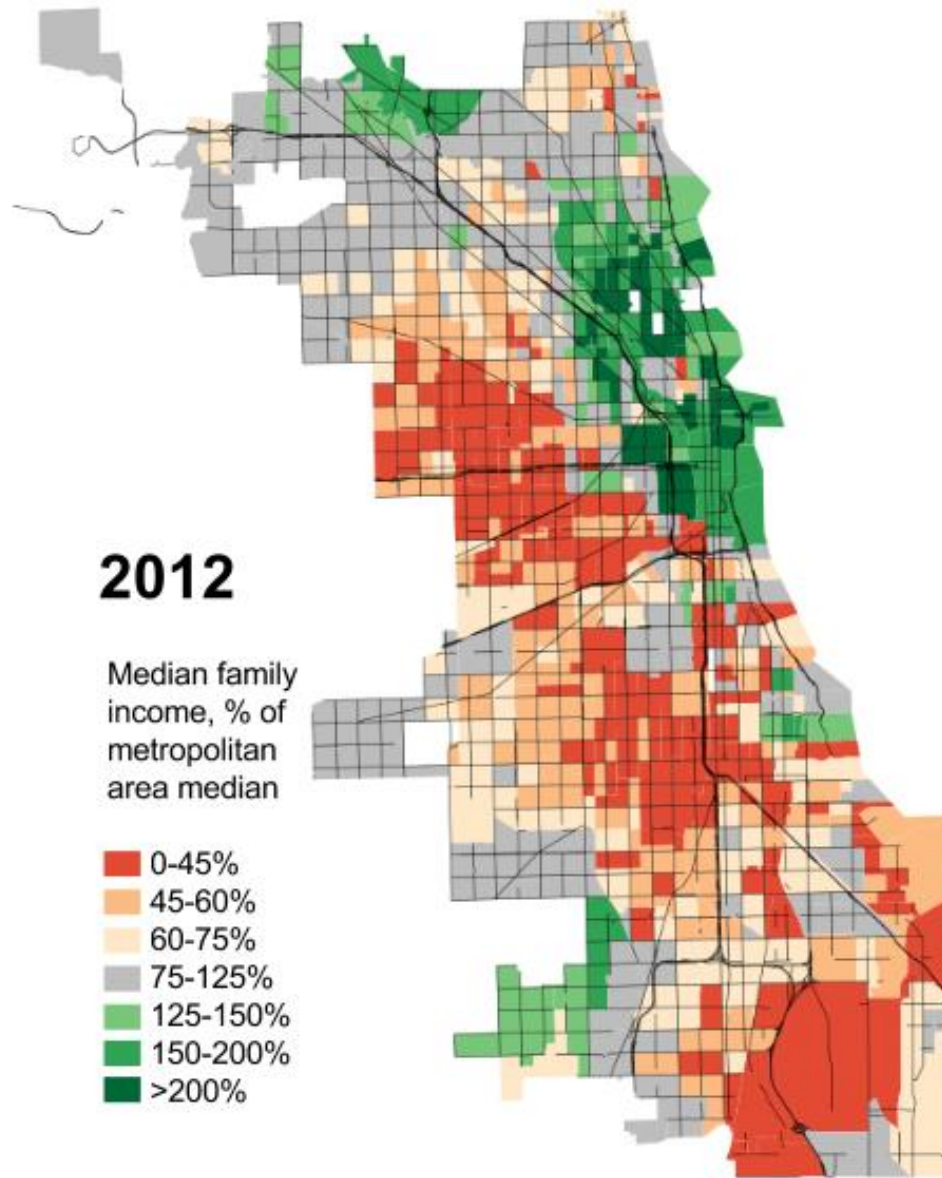








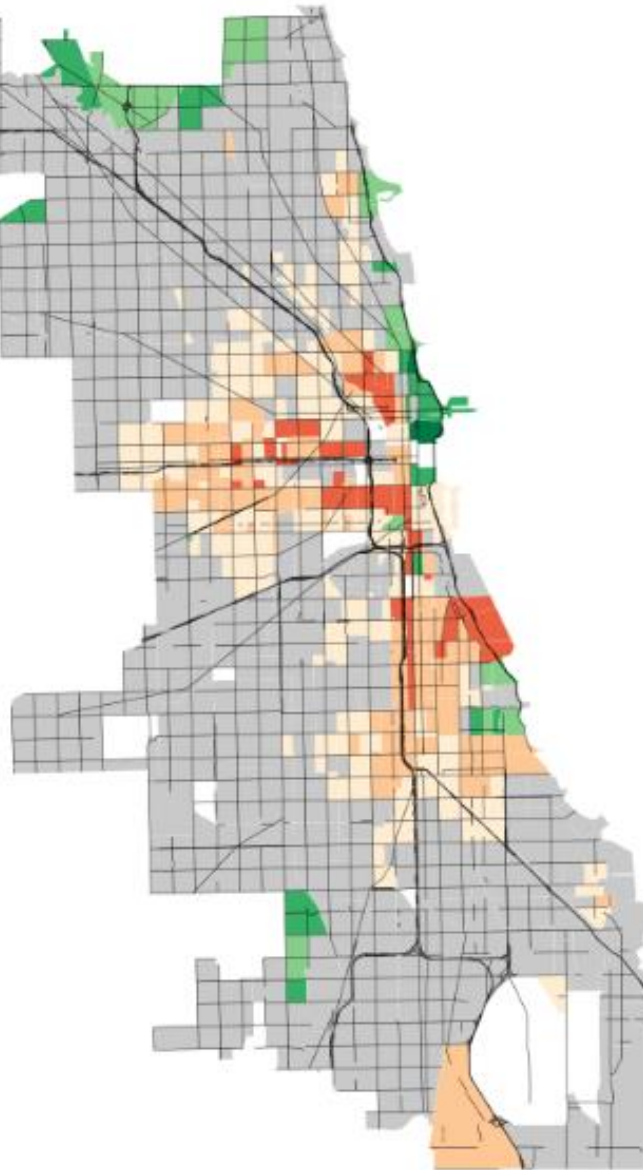




1970

Median family income, % of metropolitan area median

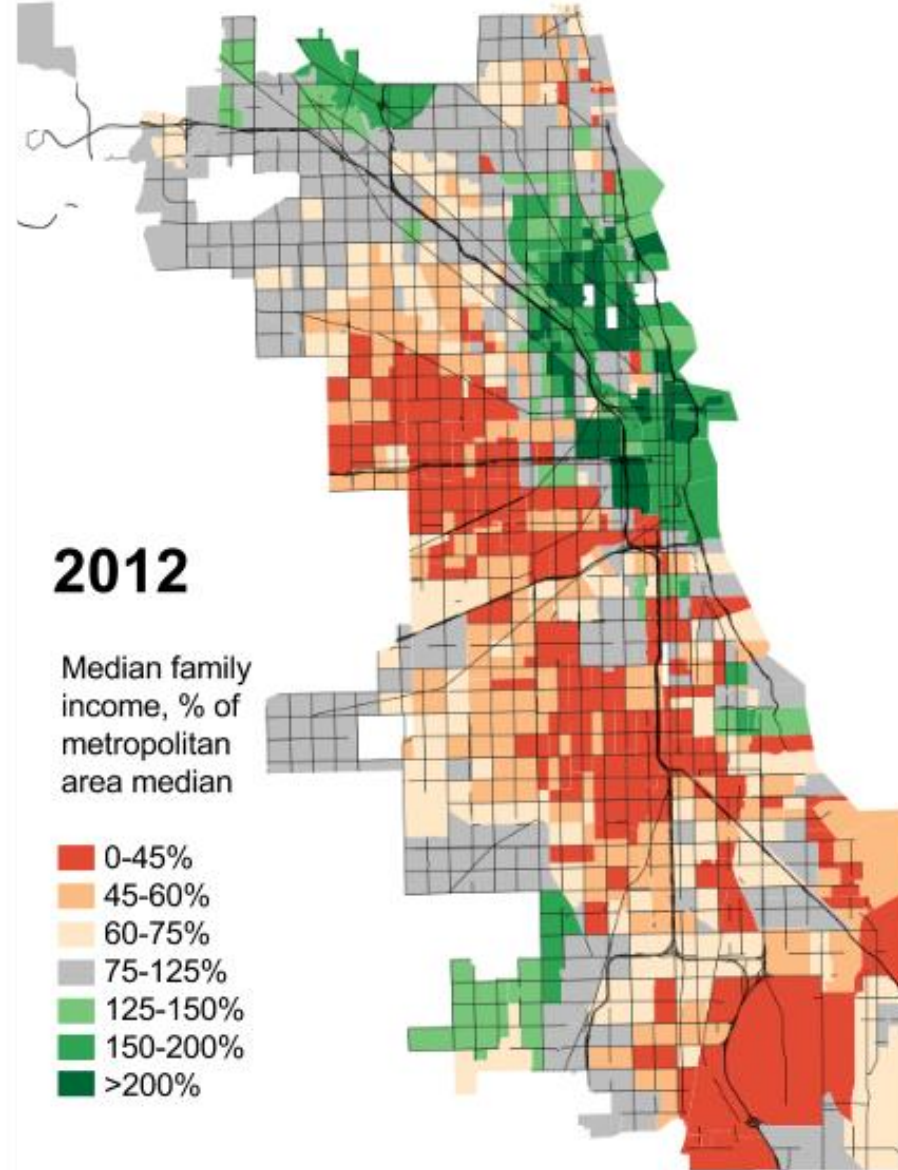
- 0-45%
- 45-60%
- 60-75%
- 75-125%
- 125-150%
- 150-200%
- >200%



2012

Median family income, % of metropolitan area median

- 0-45%
- 45-60%
- 60-75%
- 75-125%
- 125-150%
- 150-200%
- >200%



Polarized growth, Chicago style

- 2000s: polarized growth
 - Rising inequality: the benefits of growth were flowing to an increasingly narrow segment of the income spectrum.
 - Middle-income earners: stagnation, the median full-time worker in 2004 earned 3 percent less than in 1983.
 - Lower-income earners: decline, workers at the 25th percentile in 2004 earned 7 percent less than in 1983; workers at the 10th percentile in 2004 earned 12 percent less than in 1983.

2008 Unregulated Work Survey

Purpose: to examine the state of worker protections in the low-wage labor market:

How common are workplace violations?

Which jobs have the highest violation rates?

Who are the workers most affected?

Survey of 4,387 workers in low-wage industries in Chicago, Los Angeles, and New York City

Source: Bernhardt, Milkman, Theodore, and Heckathorn, et al. (2009)

Broken Laws, Unprotected Workers: Violations of Employment and Labor Laws in America's Cities

Widespread violations

26% of employees were paid less than the legally required minimum wage.

60% of these workers were underpaid by more than \$1 per hour.

76% of employees who worked overtime were not paid the legally required overtime rate.

Employees with a violation worked an average of 11 hours of overtime that were either underpaid or not paid at all.

Off-the-clock work, meal break violations, illegal deductions, and tip stealing.

Source: Bernhardt, Milkman, Theodore, and Heckathorn, et al. (2009)

Broken Laws, Unprotected Workers: Violations of Employment and Labor Laws in America's Cities

Workers at risk

Women were more likely than men to experience a minimum wage violation.

Foreign-born workers were more likely than U.S.-born workers to have a minimum wage violation.

Among U.S.-born workers, African-Americans were more likely than white and Latino workers to have a minimum wage violation.

Unauthorized immigrant women had especially high minimum wage violation rates.

Source: Bernhardt, Milkman, Theodore, and Heckathorn, et al. (2009)

Broken Laws, Unprotected Workers: Violations of Employment and Labor Laws in America's Cities

Wage theft

68% of workers had at least one pay violation in the previous week.

Workers with a violation lost an average of \$2,634 annually, out of total earnings of \$17,616.

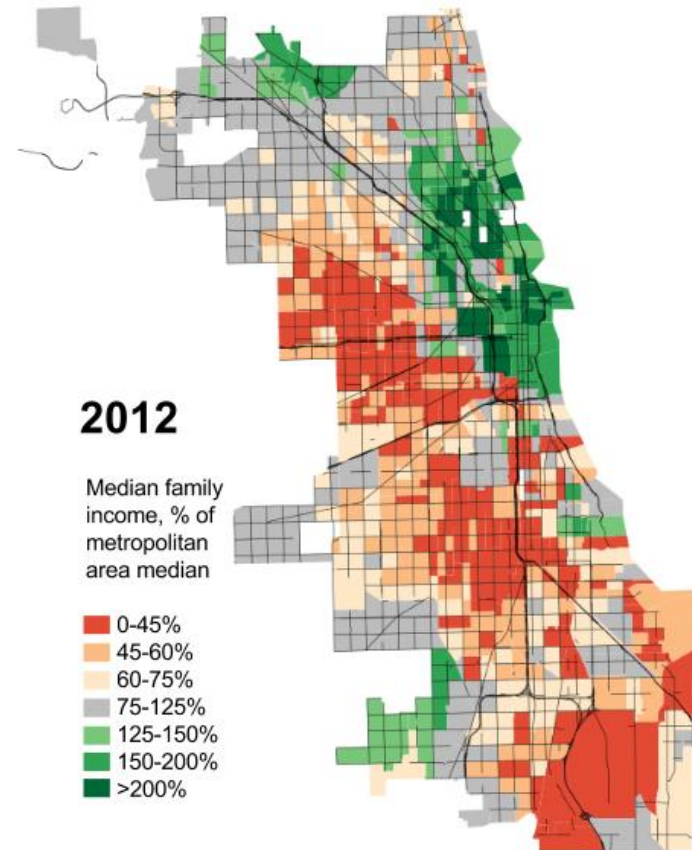
In a given week about 1.1 million workers in the three cities have at least one pay-based violation, amounting to \$56.4 million *per week* in wage theft.

Source: Bernhardt, Milkman, Theodore, and Heckathorn, et al. (2009)

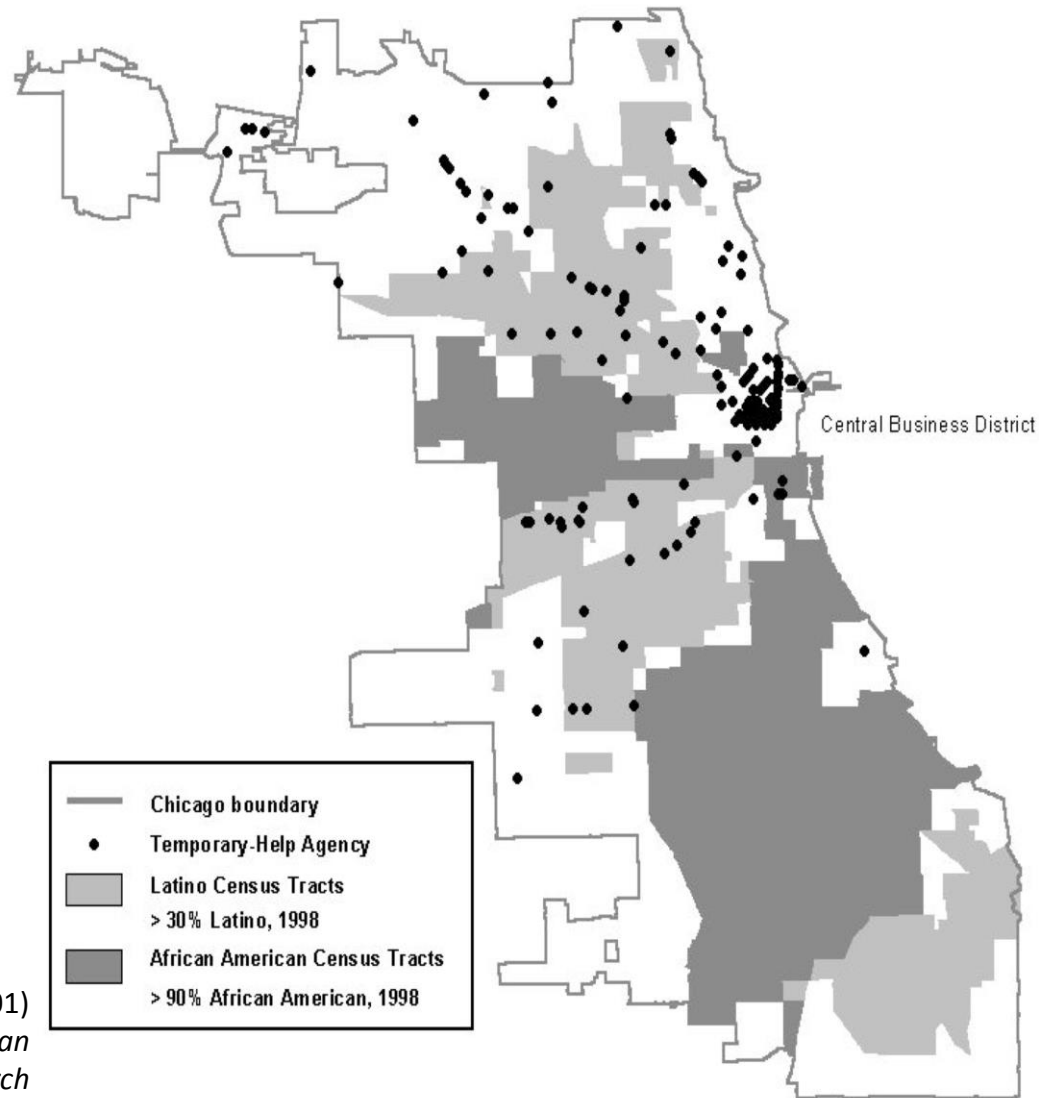
Broken Laws, Unprotected Workers: Violations of Employment and Labor Laws in America's Cities

Uneven geography of wage theft

The double burden
of wage theft in
low-income
neighborhoods



The geography of temping, Chicago, 1998

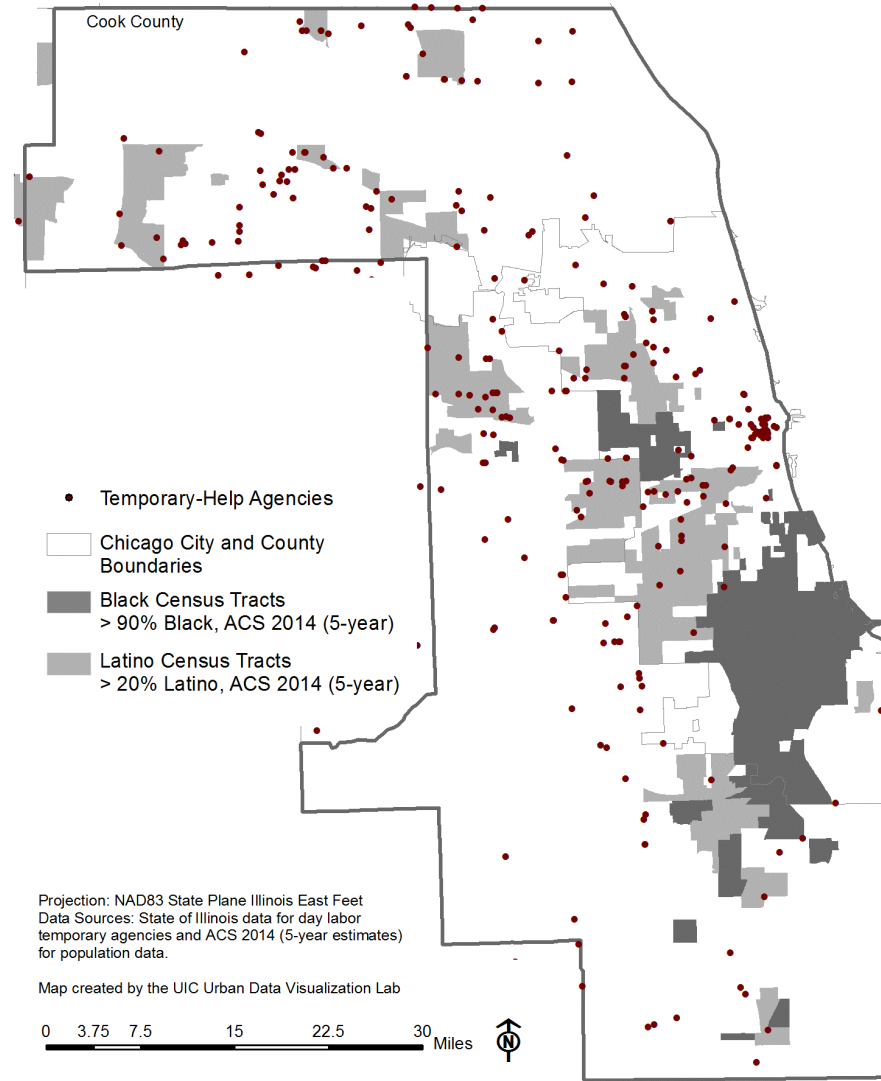


Source: Peck and Theodore (2001)
*International Journal of Urban
and Regional Research*

Racialized sorting of job opportunities

- I would say 75% of the people out of this office are Hispanic. Why? Because people for some reason think they are better workers... We have some clients that prefer Hispanics, request Hispanic people, and if you send people from other nationalities to work there, sometimes you run into problems... (Manager, multi-site temp staffing agency).
- [Agency X] is actually three blocks from us, but they won't recruit anybody that lives north of the viaduct. In other words, you will not see an African American in their shop... They cater to the undocumented community (Manager, small temp staffing agency).

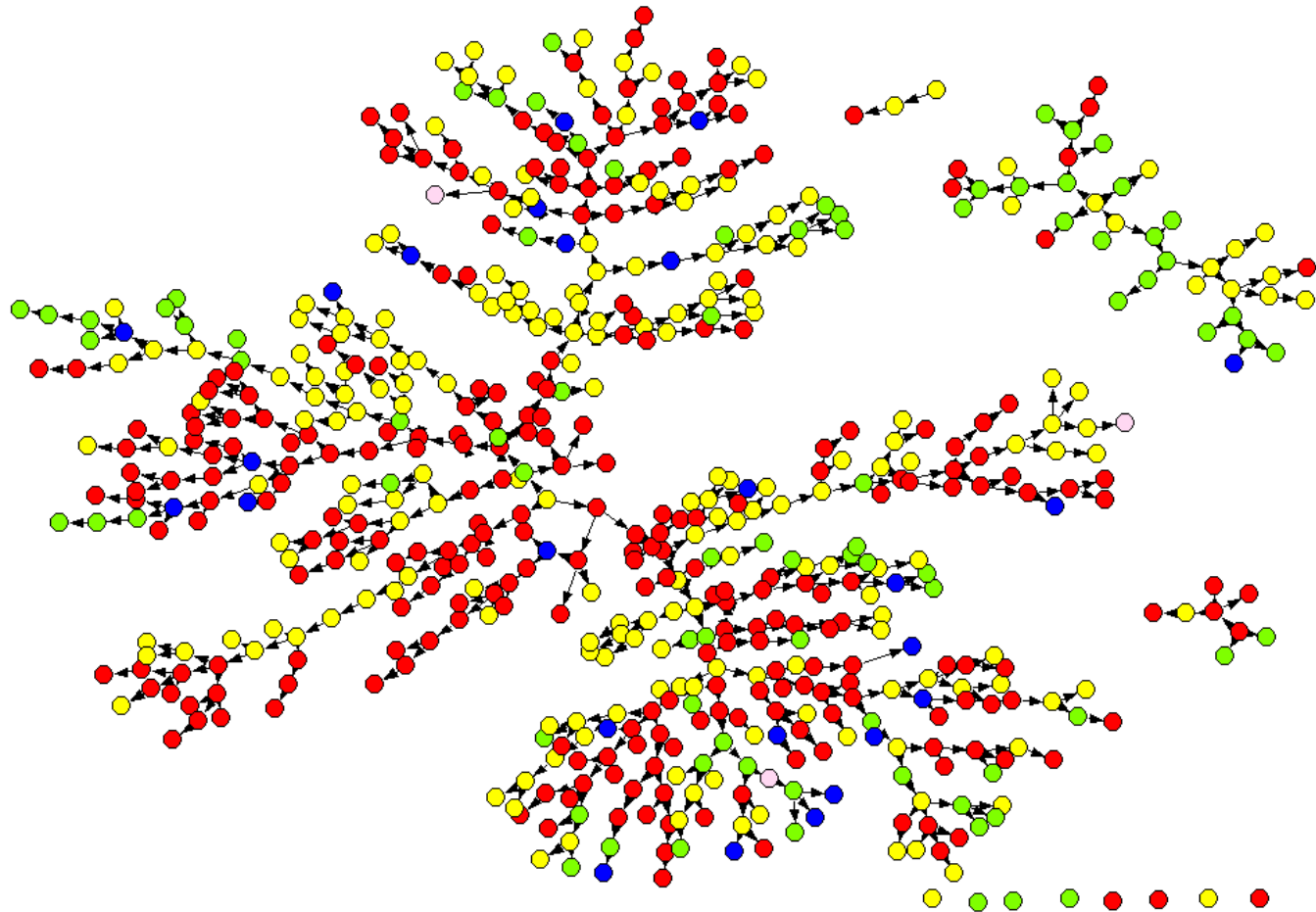
The geography of temping, Cook County, 2017

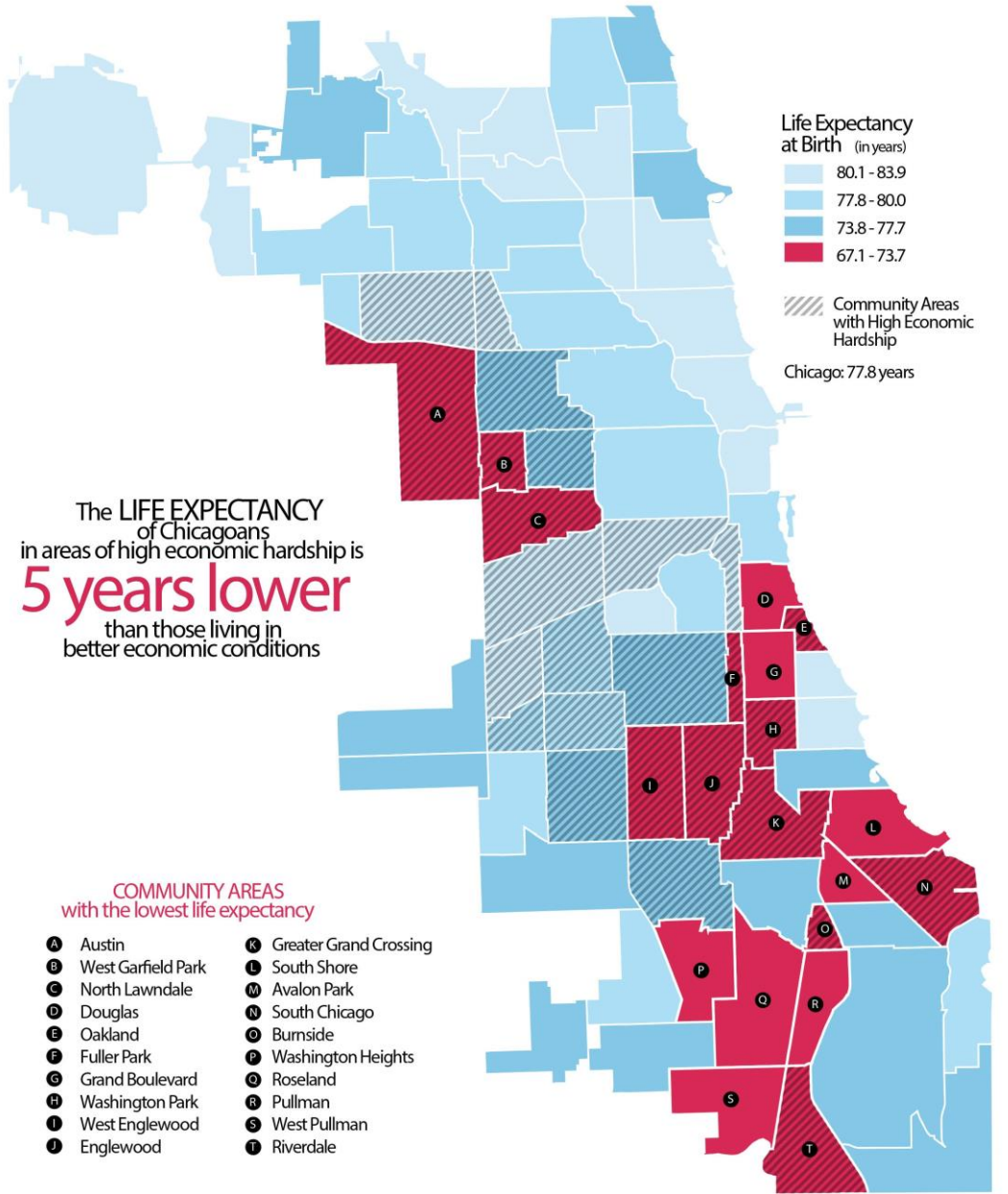


Conclusions

- Income inequality is increasing and polarization is following historic patterns of racial segregation.
- Wage theft is widespread in low-wage industries, undermining the incomes of the lowest-paid workers.
- Temporary work is growing and it mirrors the racial stratification of employment opportunities that exists in Chicago.

RDS recruitment chains





Life Expectancy at Birth (in years)

- 80.1 - 83.9
- 77.8 - 80.0
- 73.8 - 77.7
- 67.1 - 73.7

Community Areas with High Economic Hardship

Chicago: 77.8 years

The LIFE EXPECTANCY of Chicagoans in areas of high economic hardship is **5 years lower** than those living in better economic conditions

COMMUNITY AREAS with the lowest life expectancy

- | | |
|----------------------|--------------------------|
| Ⓐ Austin | Ⓚ Greater Grand Crossing |
| Ⓑ West Garfield Park | Ⓛ South Shore |
| Ⓒ North Lawndale | Ⓜ Avalon Park |
| Ⓓ Douglas | Ⓝ South Chicago |
| Ⓔ Oakland | Ⓓ Burnside |
| Ⓕ Fuller Park | Ⓟ Washington Heights |
| Ⓖ Grand Boulevard | Ⓡ Roseland |
| Ⓗ Washington Park | Ⓢ Pullman |
| Ⓙ West Englewood | Ⓣ West Pullman |
| Ⓝ Englewood | Ⓤ Riverdale |