



CHICAGO'S RACIAL ECONOMY

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Race and the Economy

Chicago is a city of precarious economic circumstances. Although the city has one of the largest metropolitan economies in the United States,⁹⁷ it also has high, outstanding long-term debt,⁹⁸ the highest per-person pension debt among the nation's largest cities,⁹⁹ and high outflows of high-income taxpayers leaving the city.¹⁰⁰ While Chicago's many economic opportunities and amenities are attracting a migration of young adults to the city,¹⁰¹

this debt and loss of income tax requires Chicagoans to pay more fees and taxes than any other city in the United States.¹⁰² Young adults are impacted differently by this paradox of economic opportunity and debt in the city.

For many, this impact is dependent on the availability of jobs, which constantly changes in Chicago based on the capitalistic economic structure of the city often controlled by private, for-profit industries. Over the last few decades,

FIGURE 1: PERCENT OF 20-24 YEAR OLDS WHO WERE OUT OF SCHOOL AND OUT OF WORK IN COOK COUNTY BY RACE/ETHNICITY, 1960-2015 ^F

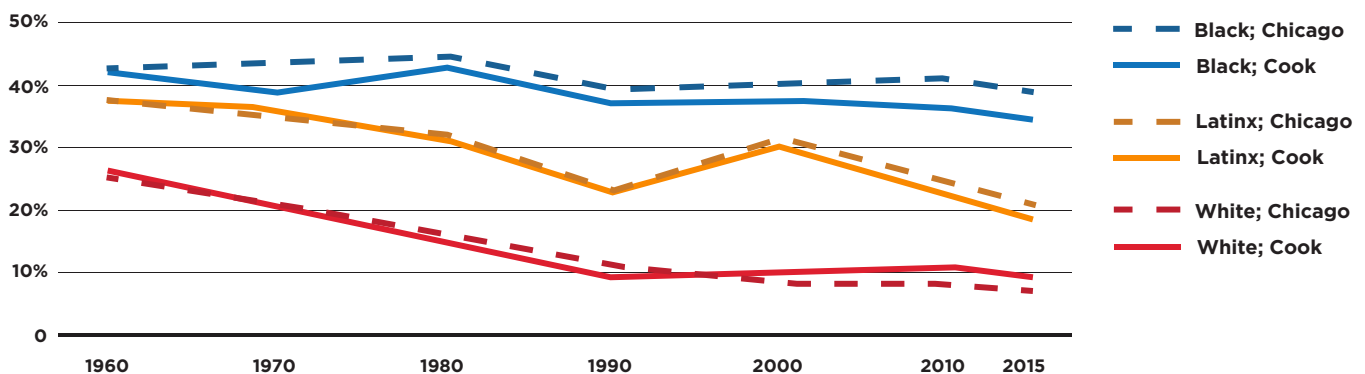
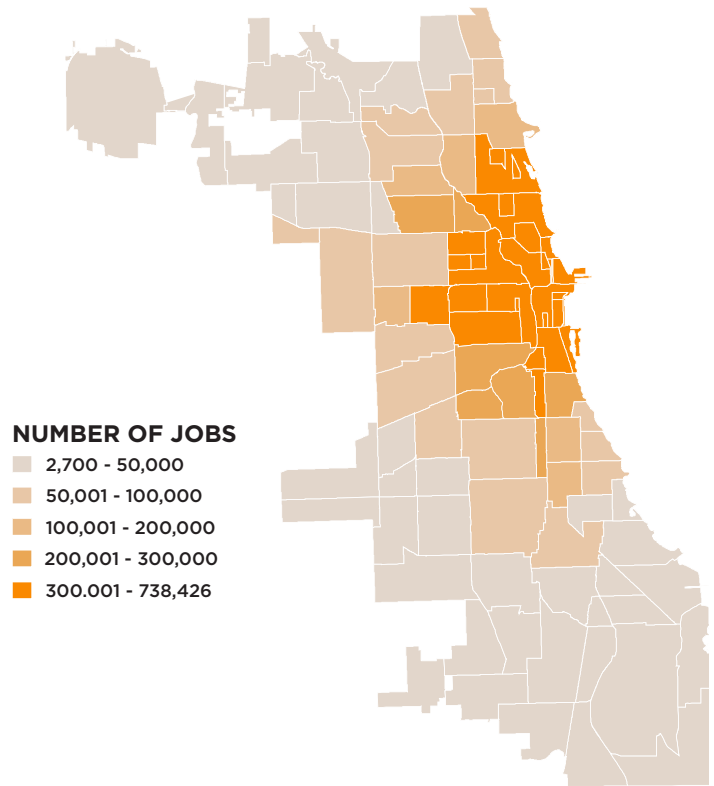


FIGURE 2: NUMBER OF JOBS ACCESSIBLE VIA 30 MINUTES ON PUBLIC TRANSIT IN CHICAGO BY CHICAGO COMMUNITY AREAS, 2014 ^G



young adults have been impacted very differently by these changes. From 1960 to 2015, the out of college and out of work rate for white adults ages 20-24 in Chicago has steadily decreased from 28% to 9%. Over this same time period, this rate has also decreased for Latinx young adults, though not as consistently and not at the same rate as for white youth: for example, the out of college and work rate for Latinx young adults in 2015 was 20%. Black adults in this age range experienced the smallest decrease in out of college and unemployment rates over time: in 1960 it was 42%, and by 2015 it had only dropped to 40% (see Figure 1).

Unemployment rates for young adults in Chicago also vary by geographic region. The highest concentration of young adult unemployment occurs in the neighborhoods on the city's South and West Sides, especially Fuller Park, Englewood, East Garfield Park, and North Lawndale, all which are more than 90% African American. The neighborhood areas with the lowest unemployment rates are located on the northern and northwestern neighborhoods, such as the Gold Coast, Lakeview, and Lincoln Park, where predominantly white residents live.¹⁰³ Job availability corresponds to these unemployment rates—with jobs being heavily concentrated in the Loop, and northwestern areas of Chicago (see Figure 3). Although Chicago residents can access different areas of the city using

public transportation, for those who lived in the western and southern regions of the city in 2014, only 50,001 to 100,000 job were accessible within 30 minutes via public transit. Meanwhile, for those who lived on the northern and northwestern parts of the city, 300,001 to 738,426 jobs were accessible within 30 minutes via public transit (see Figure 2).¹⁰⁴

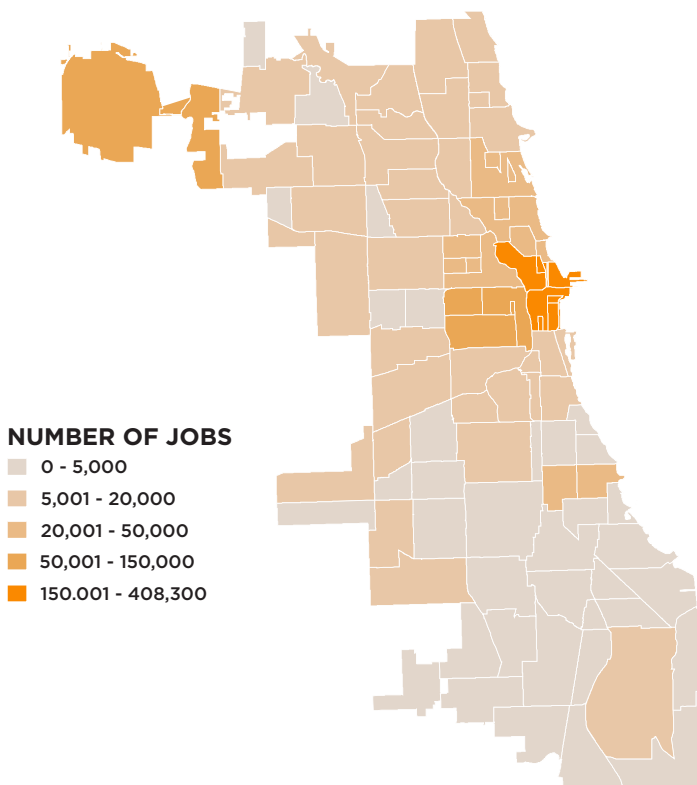
Geography, age, race, and ethnicity are important differences to take into account when trying to understand the economic circumstances of young adults in Chicago. Our interviews with 200 young adults across different neighborhoods

illustrate how the Chicago economy and employment opportunities all shape the economic positioning of young people differently in the city. Their stories provide much-needed context for understanding how young adults are navigating these citywide trends in joblessness, unemployment, and job availability as they attempt to survive and thrive in an unequal city.

Economic Systems of Opportunities and Disadvantages

Our conversations with young adults in Chicago suggested that they were experiencing the economy very differently from one another. For many, these experiences varied considerably

FIGURE 3: NUMBER OF JOBS IN CHICAGO COMMUNITY AREA, 2014 ⁶



by neighborhood, race, ethnicity, and class. Most of the white young adults we spoke to who live in Albany Park or the North Side, discussed entering the workforce with educational credentials, financial and emotional support, and expectations that jobs would be both accessible and available. They often mentioned that the economic system is built to accommodate them, and they are equipped with the resources to move throughout the workplace as it aligns with their personal goals. They also referred to how their family's income and their own individual income impacted their financial goals and economic circumstances. For example, many of the white young adults living on the North Side explained in their interviews that they had financial resources and support from their families to pursue professions and interests for personal happiness and fulfillment. Travis, a white Chicagoan, age 24, described his financial trajectory as "standard." *"I kind of feel like I've followed a very safe, standard path so far. Completed high school, went to a four-year university, got a job, studied, reasonably well-paying job, able to save enough, put enough away for the time and all that kind of stuff and also have a little bit of spending money on the side to pursue things that are interesting to me, as well, that make me happy."*

Travis's expectations for college completion and white-collar employment were reflected in many of the other

TABLE 1. MILLENNIALS WITH BACHELOR DEGREES POPULATION GROWTH LARGEST RATES BY U.S. METRO AREA, 2010-15 ^H

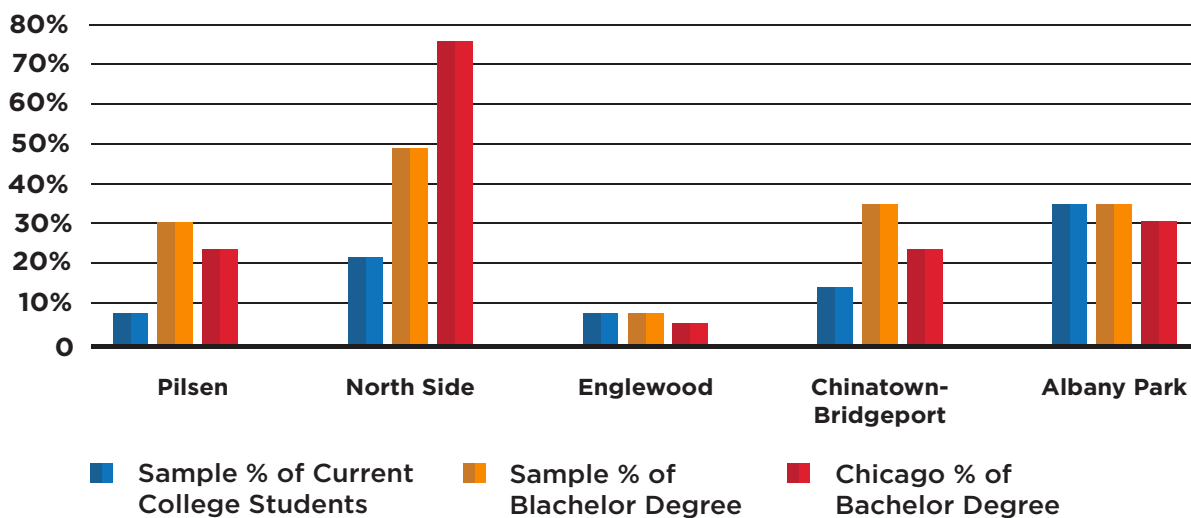
	Millennials with a B.A. Core City Population Percentage Growth, 2010-15	Millennials with a B.A. Metro Area (excl. core city) Percentage Growth, 2010-15	Ratio of Core City Growth to Metro Area Growth, 2010-15
Chicago	15.27%	0.98%	15.62
Austin	50.33%	5.59%	9.01
St. Louis	33.69%	3.97%	8.49
Detroit	78.29%	10.88%	7.19
Riverside/San Bernardino	31.68%	4.42%	7.16

interviews with white North Siders. Many of the white young adults we spoke with, like Travis, view their work lives within an economic system that serves their individual goals and ambitions. Many of them received financial and personal support early from their parents, teachers, and social networks. They explained they entered the workforce with credentials, support systems, and previous experiences that provided them with the luxury of selecting careers and affording hobbies that allowed them to prioritize individual goals such as personal growth. These experiences were mentioned both by white Chicagoans who grew up in the city and those who migrated there as adults. It is not surprising that the white transplants we spoke with were highly educated; in the last decade, Chicago has experienced a large increase in millennials with a college degree entering and settling into the city (see Table 1). In their interviews, white transplants explained that despite lacking many of the networks long-time

Chicagoans had, they felt they could easily integrate into the economic market, in part because their educational credentials made the transition possible. Most of the white young adults we interviewed were college educated: 71% had a bachelor’s degree or were currently enrolled in college (See Figure 4). These percentages align with the broader adult population living on the North Side of which 76% of whom have a bachelor’s degree.

Not all of the white young adults we spoke with had these resources or educational degrees. Yet even those who lacked these assets similarly believed Chicago’s economic system worked for them. For instance, those without a college degree said they were able to move into new careers and move up quickly without previous experience. Sydney, a 21-year-old white woman who was still completing her degree, explained her ease finding a more fulfilling summer job. She shared, “when I decided to

FIGURE 4: BACHELOR DEGREE OBTAINMENT BY NEIGHBORHOOD IN CHICAGO AND INTERVIEW SAMPLE ¹



drop from the education department, I frantically looked for a bunch of summer jobs that weren't in food service—things that could further my career. I found [a business]. They were looking for a development intern, which is fundraising, administrative services—the whole lot of that. I applied, and I got accepted with very little fundraising experience.”

Similar to Sydney, many other white young adults across educational and income levels shared stories of professional mobility, describing it as a fluid process in which they could transition in and out of careers with ease. They talked about these experiences using phrases such as “it was the right time for me” or “I expected opportunities.” Leah, a white woman, age 28, used these types of phrases in her interview to explain her decision to move up in her career. She said that after receiving lots of other opportunities, “Something presented itself and I was like actually, I'm actually interested in

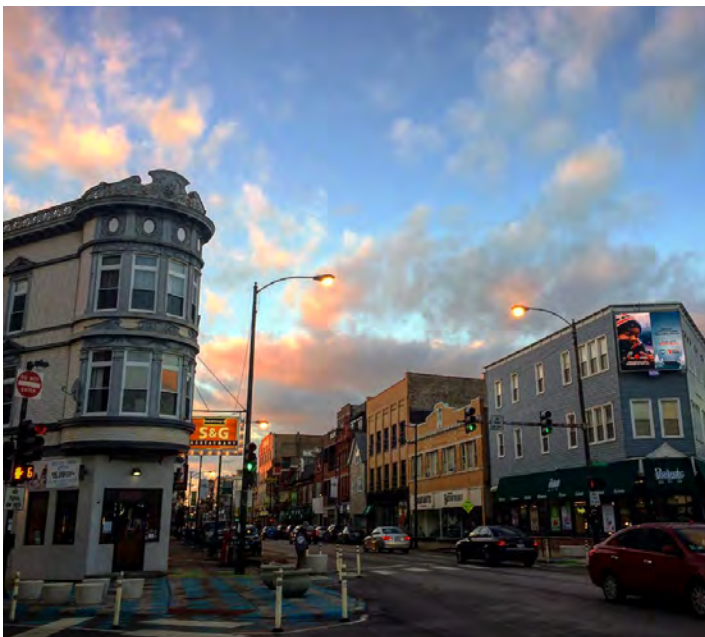
moving and switching things up. Yeah, I don't know. Just right time, right place. I went and met this new team that I'm working with now, and I thought they were really cool and had a good opportunity for me, so I switched over.” Jack, also a white young adult, age 28, explained that he often expected to “[take] advantage of opportunity, not necessarily being entitled and expecting opportunity, but the drive to have opportunity has been something that I follow. I think that stems

“[take] advantage of opportunity, not necessarily being entitled and expecting opportunity, but the drive to have opportunity has been something that I follow.”

from my experience when I was young which was instilled in us, no matter what part of the city you came from.”

Leah is a Chicago transplant and Jack is a longtime Chicago resident. While we might expect young adults in Chicago to have different levels of ease navigating the job market based on their time in Chicago—because they have networks of different strengths, for example—based on our interviews with white young adults there does not seem to be a qualitative difference between the two. Indeed, Leah’s and Jack’s experiences illustrate a general pattern we found while talking to white young adults: regardless of their length of time in Chicago, they voiced very similar expectations of securing a job and had opportunities to change their professional status to match their goals and needs.

White young adults we interviewed who were not working in the white-collar sector voiced similar expectations in their interviews. Vanessa, age 22, explained her ability to navigate the job market with



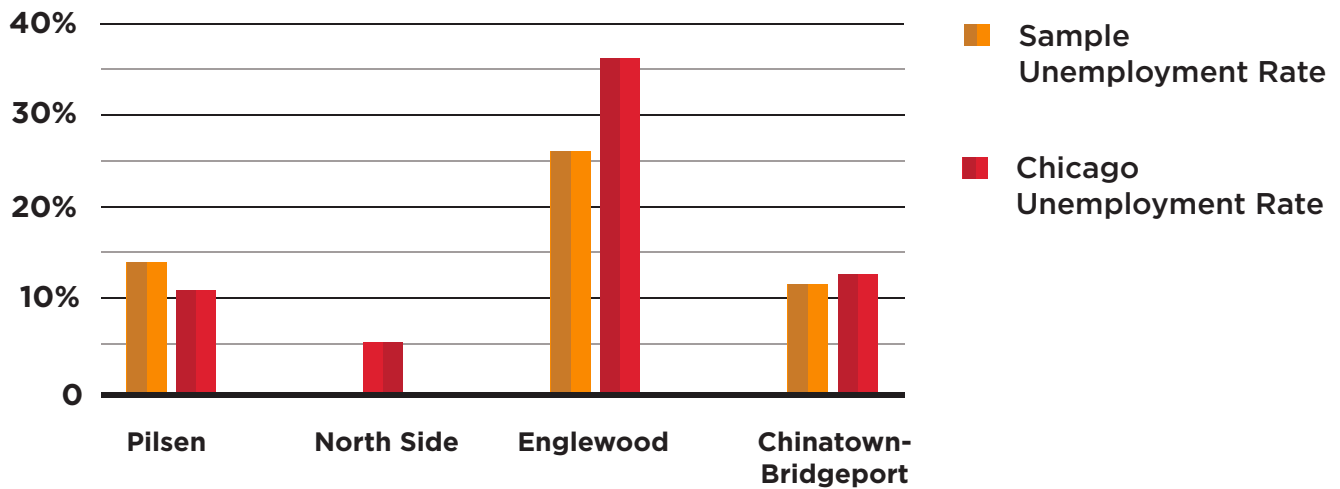
ease. In her interview, she explained, *“It’s just all about the money for me right now. If I want to live on my own I have to be able to afford it. ... It’s not hard to find the*

“I can count on one hand the people in the service staff that are not white... I know that when I started there were more servers of color and they ended up getting fired.”

jobs, you just have to go on Craigslist or call places or just walk into restaurants. If you have a good personality, it’s not hard.” Although we did not speak to many white young adults who worked in service jobs, those we did interview explained their economic situations using similar phrasing as Vanessa to express their ability to navigate the workforce.

Of course, not all young adults in the city described securing employment with such ease. For some, maintaining a job is almost as hard as acquiring one in the first place. Vanessa continues sharing her experience of working at a bar in Wicker Park: ***“I can count on one hand the people in the service staff that are not white. ...I know that when I started there were more servers of color and they ended up getting fired.”*** Like Vanessa, other white young adults working in the service industry similarly noted that workers are

FIGURE 5: UNEMPLOYMENT RATES BY NEIGHBORHOOD IN CHICAGO AND INTERVIEW SAMPLE ¹



treated differently based on their race and ethnicity. Craig, a 25-year-old white man working in the service industry on the North Side explained: *“I can say working in a restaurant in the neighborhood, race is almost [defining] are you front-of-house, kind of middle-of-the-house, or back-of-house. And I noticed this almost immediately: if you are white, you are almost exclusive with front-of-house ... generally speaking, they’re people who very clearly present as having grown up middle class, or having a college education, or some professional. Middle-of-the-house, runners, it’s a little bit more mixed, but I would say it’s very dominated [by] Latino, and the back-of-house is almost exclusively African American and black. If you’re a customer, you don’t see back-of-house, you interact with front-of-house, and then middle-of-house is just floating in between.”* White young adults such as Craig and Vanessa notice how the service economy is racially structured—providing better protections and job

opportunities to some, while denying them to others.

When we spoke to African American young adults in Englewood, many of them confirmed that they had difficulty securing and maintaining employment. Unlike the white young adults we spoke to in Albany Park and the North Side neighborhoods, African Americans in Englewood explained to us that they were experiencing a very different economic system, which was neither accessible nor malleable. Instead, many of the young African American adults we spoke to referred to a system that was closed, rigid, and unreliable. Their experiences interacting with this type of an economic system resulted in very different financial outlooks than those of the white young adults we interviewed.

African American young adults from Englewood reported far fewer economic and educational resources. Of those we

interviewed, 36% were unemployed, and 6% had received a bachelor's degree. This group of African American young adults had an unemployment rate almost 10 percentage points below the average unemployment rate for all adults in Englewood (see **Figure 5**), yet many of them referenced the difficulty they and many others in Englewood encounter as they try to secure employment. Englewood is approximately nine miles south of the loop where most of the jobs in Chicago are located.¹⁰⁵ Although, young adults in Englewood can access the loop via the Red Line train, many discussed the difficulty of having to move around the city to apply for jobs they did not believe they would get. For some, this belief had been reinforced by having gone through a daunting process of applying for jobs throughout the city that ultimately resulted in rejection. Gabriel, an African American, who at 23 years old is about the same age as Vanessa, the white woman referenced earlier, grew up in Englewood and also wanted to live alone and provide for himself. Yet Gabriel had a very different experience seeking employment opportunities in Chicago. He shared: *"Honestly, to keep it real with you, I've been looking for work for the last two years. I've been filling out so many applications, I've been on so many interviews, and nothing ever fell [came] through. It's kind of hard. **I feel like if I go outside of Chicago, I will be able to find better opportunities than in Chicago.**"*

And it's kind of crazy, but I guess that's how it is." Many of the young adults we interviewed in Englewood shared similar experiences of rejection as they sought employment in Chicago.

Moreover, this rejection was experienced by those with different levels of education in Englewood; young adults often reported that, regardless of their educational credentials and human capital, the city's economic system felt as if it was built against them. Indeed, Kevin, who is an African American 22-year-old,

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shared that even his peers in Englewood who completed their college degrees also had a hard time finding work in Chicago. *"Honestly, it's like they— I don't want to seem like the person that wants to tie everything to race, but that's really, really what it seems like. Not just me, but a lot of my friends trying to find jobs and it's really hard. Not even just people that I know from the streets, I know people that went to college, came back to find jobs, and it's just hard. I want to say it's just in the city of Chicago, period, it's hard to find a job. Because if you leave and go somewhere*

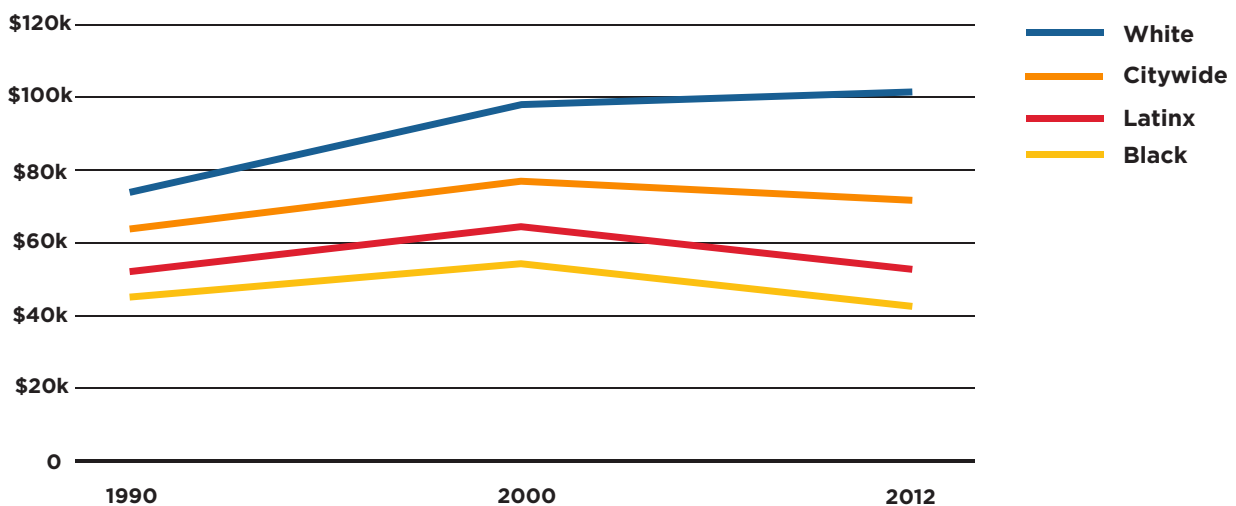
else you could do it. My brother and his girlfriend left and went to Alabama; found a job that same week. I think it's just like you got to deal with the city of Chicago."

For the African American young adults we interviewed in Englewood, Chicago was a nearly impossible place to find employment, and many mentioned that they needed to leave the city in order to find a job. Kevin's and Gabriel's experiences are consistent with other Chicago-based data: African American youth ages 20-24 are out of school and work at higher rates compared to other metropolitan areas where there are more economic opportunities.¹⁰⁶ Moreover, higher levels of education do not eliminate racial and ethnic disparities in joblessness for African Americans in Chicago. Research indicates that African Americans in Chicago with advanced degrees have higher rates of unemployment than whites in the city with only a bachelor's degree.¹⁰⁷ These disparities are reflected in many of the stories young adults shared in their

interviews. Unlike white young adults on the North Side who mentioned that their educational credentials allowed them to access opportunities in an open and inviting economic system, many African Americans in Englewood with similar educational credentials reported that they did not experience the same treatment.

The young African American adults we spoke with in Englewood believed they are experiencing an economic system that is unfairly closed to them, and they shared suggestions for how to work around this system. Many of them advocated for work assistance programs that would provide Englewood residents with more skills, opportunities, and resources to navigate an economy that feels as if it is leaving them behind. They suggested that nonprofits in their neighborhood could be important spaces for facilitating the dissemination of these resources. For example, Jasmine, a 24-year-old African American, explained how a local nonprofit currently supports her and others: "You

FIGURE 6: CHICAGO'S GROWING RACE GAP IN HOUSEHOLD INCOME ^G



got people there that helps you. They let you come in, make your resume, make a purchase. You got the people that are going to help you. It's up to you whether you want to get the help or not. Some people are going to give up on it. But you got a lot of sources and a lot of places

“I really want to own something. I don't want to work for somebody, I want to be my own boss.”

that will help you get a job.” Jasmine was one of the few young adults in Englewood who expressed some hopefulness about the job market, and for her, nonprofits in Englewood are one institution that can change access to jobs. There is a consensus among the African American young adults we spoke to in Englewood that, to improve their current positioning in the economy, they require more institutional support and resources.

Other African American young adults we interviewed in Englewood mentioned a need for opportunities to learn more about entrepreneurship. As Kayla, age 25 explained, *“there ain't really no black owned stores in our communities;”* and as Gabrielle insisted, ***“I really want to own something. I don't want to work for somebody, I want to be my own boss.”*** Others also mentioned their frustration that businesses in their community are

rarely owned by African Americans. Some young adults, such as Gabrielle, believe that African Americans cannot improve their economic circumstances without opportunities for capital, collateral, employment networks, and educational credentials. Although some young African American adults in Englewood have ideas about how to change their access to jobs and their economic prosperity, many explain that unless the system itself changes, no matter how many resources they have or how persistent they are, they will continue to be discriminated against on the basis of their race.

Constrained Economic Choices & Resource Pathways

Latinxs and African Americans in Chicago experienced a decrease in their household income between 2000 and 2012 (**see Figure 6**), and these income levels have not risen in the last five years.¹⁰⁸ These economic realities were often described in interviews by young Latinx adults who mentioned their family income was a constant constraint for them. Douglas, a Latino from Pilsen, age 23, shared how his family's economic status was a persistent source of anxiety for him as he tried to balance paying for school and taking care of his mom. He said, *“I haven't had like the best financial backing or even family backing, so that's made school a lot harder. And now I'm at the point where I'm like paying for school and looking for*

scholarships after I transfer out. So that's the biggest worry on my mind ... and I'm kind of anxious about it. Yeah, I've had to [do it all on my own]. And that's because my mother can't really work, and my father's not really in the picture. So, I've kind of had [to] be the person that dives in and figures things out."

Other Latinx young adults like Douglas, with limited resources and college funding, explained that they cannot plan their economic future without considering these types of family obligations. Many of them mentioned not being able to go to college full time because they needed to work part-time jobs to pay their family's utility bills, rent, and groceries. Some Latinx young adults we spoke to said they lived at home with their parents in order to pool financial resources among the family. Others shared sacrifices they had to make to take care of their families, such as not attending or dropping out of college. For example, Sofía, a Latina, age 26 dropped out of college to help her sick father with his restaurant. She said, "*[left] school when my father got sick; so, I'm helping them out with his restaurant business. So, that is my plan, right now. I work every single day; I do whatever is needed, what he would do."* She gave up the opportunity to pursue a college degree and a career she was interested in to take over the family business.

Sofía's situation is not unique. These are the types of sacrifices and limited choices Latinx young adults often shared they needed to make; many explained in their interviews that they needed to take care of their family over their own personal goals for fulfillment. The economic hardship their family experienced was often an

"[My parents] help me out with whatever I need. I'm starting college in [the] spring and they told me they're going to help me [in] whatever way I need with school."

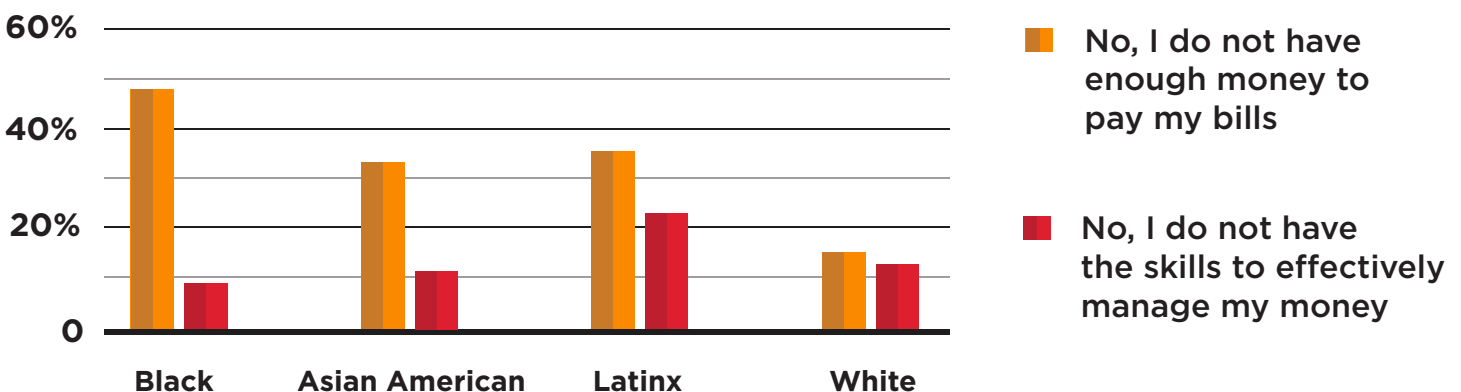
impediment to their personal opportunities for wealth and job mobility. For example, many Latinx young adults did not believe they could take risks that could often result in job mobility, such as enrolling full time in college, being unemployed for a period of time to secure a job in a white-collar industry, or accepting unpaid internships to develop professional skills. For most Latinx young adults from low-income households, it was difficult to take advantage of professional and educational opportunities they needed in order to improve their economic circumstances. Instead, many Latinx young adults expressed needing to choose between completing higher education or working more shifts in service jobs to temporarily take care of their families.

In addition to their difficulties making ends meet, young adults in Pilsen we spoke to also expressed concerns about having the skills to manage their income. Among all young adults we interviewed, Latinxs in Pilsen felt the least able to manage their finances effectively: 22% believed they did not have these skills and 36% felt they did not have enough money to pay their bills (see Figure 7). The constrained economic choices that many Latinx adults in Pilsen faced as a result of their socioeconomic status, their lack of financial resources and money management skills, and their obligations to their family, all limited their capacity to afford college, save income, or accumulate assets.

Interestingly, in their interviews, Latinx young adults in Albany Park mentioned their families as a source of economic anxiety far less than Latinx young adults in Pilsen. It seems that many of the Latinx young adults in Albany Park had more resources to complete their higher

education and pursue jobs outside of the service sector. These resources were evident when Latinx young adults from Albany Park explained their ability to enroll in college full-time, work in white-collar professions, and save their income. For example, Carla, age 24, a Latina from Albany Park, explained her parents can afford to help her through college: *“[My parents] help me out with whatever I need. I’m starting college in [the] spring and they told me they’re going to help me [in] whatever way I need with school.”* In contrast, many Latinx young adults in Pilsen, who are in a different economic position, felt they have a binary choice: to either work long hours in service industries or complete their education at their family’s expense. This set of financial circumstances imposed onto them as a consequence of their socioeconomic status created a particular type of economic anxiety for Latinx young adults that limited their capacity to prosper in the economic market.

FIGURE 7: REPORTED FINANCIAL RESOURCES AND SKILLS BY RACE AND ETHNICITY FOR THE INTERVIEW SAMPLE



We should note that taking care of one's family is an economic anxiety that African American and Asian American young adults also mentioned in their interviews, but not to the same extent nor in the same ways as Latinxs in Pilsen. Young Asian American adults we spoke with in Chinatown-Bridgeport also shared the goal of taking care of their families financially but, unlike Latinx young adults, they felt they had more resources and support to do so. One reason for this difference is that several Asian American young adults reported having financial literacy—the skills, knowledge, and experience of learning

“I’ve been working throughout high school. And in college, I got through college through a financial aid because I had enough need where they pretty much paid all my tuition.”

how to manage their personal finances. In discussing financial literacy, across different economic backgrounds, Asian Americans often mentioned that their parents provided them with some of these resources and skills. For example, Zoe, a 19-year-old Chinese American, shared that her parents taught her at a young age the habit of saving her money and the concept of compound interest—that her investments in a college account would increase in value over time. She

shared: “When I was younger, I entered a lot of competitions, and I won scholarship money from that as well. So my parents took that money and put it in a college savings [account], for it to accumulate and gain interest. ... [Later on] I offered my parents my first paycheck; they’re like, ‘No. You should keep the money for whatever you need.’ My parents have this mentality of, ‘We are your parents; we are here to provide for you ... our job is to teach you how to be a better person, because you have the capability of making money and going out there on your own. So, you keep your own money, and be wise with it.’”

Neither of Zoe’s parents finished high school and both are first-generation immigrants; her father is a chef at a restaurant and her mother stays at home taking care of the family. Zoe, from Chinatown-Bridgeport and Sofia, from Pilsen, are very similar in terms of their economic backgrounds: their parents are immigrants and their fathers work in the service industry as single-income providers—but they face a different set of economic choices. Zoe entered college with a savings account that had accumulated value over the course of high school, and her parents were able to manage the family business without her help.

Knowledge about scholarships can also change college affordability for those in low-income households. More often than

Latinx young adults, Asian American young adults from Chinatown-Bridgeport mentioned taking advantage of financial

“Every month I have to pay gas bills and then have to pay Internet, pay my phone, and then pay my tuition fee. It’s a lot; that’s why I need two jobs.”

aid and receiving full scholarships for college. Many of these resources are restricted to full-time enrollment, an enrollment status few Latinx young adults reported because many were enrolled part-time. For example, Brendan, a 26-year-old Asian American from Chinatown-Bridgeport, shared how a full-time university scholarship allowed him to complete his degree and still take care of his family, *“For at least half of my life it’s been a single-parent household. I’ve been working throughout high school. And in college, I got through college through a financial aid because I had enough need where they pretty much paid all my tuition. And then I was still working full-time while doing school, but that was to help pay for my sister’s tuition. To make it work, we eat a lot of food at home so we’re not going out and spending money. I’m the most frugal of the family. So, I make things work just by being really low maintenance pretty much.”*

Many Asian American young adults shared similar background characteristics to the young Latinx adults we interviewed in Pilsen: parents who did not complete college and were foreign-born, single-parent-income households, and families that worked low-wage jobs in the service industry. These are not ideal economic conditions and each of these families are burdened by them; however, for some Asian American young adults, financial literacy and college affordability reduced some of this financial burden for them and their families. However, it is important to note that financial literacy alone did not transform the economic circumstances of all Asian American young adults in Chinatown-Bridgeport. Caitlyn, a 21-year-old first-generation immigrant from China, explained in her interview that despite all of her meticulous budgeting, saving, and financial planning, these skills are not enough to change an economic position determined by her immigrant and socioeconomic status. She explained, *“I have a car. Every month I have to pay gas bills and then have to pay Internet, pay my phone, and then pay my tuition fee. It’s a lot; that’s why I need two jobs. My first job, the retail store, they gave me \$10 [per hour], and I have to pay tax. So after tax I only have maybe an \$8 or \$9 for each hour. And then every day I only work five or six hours, so it’s not enough for me.”* While financial literacy and college resources can help mitigate some of the

difficulties Asian Americans experience as a result of their overall positioning in the Chicago economy, these opportunities are not enough for young adults like Caitlyn and others living paycheck to paycheck.

Both Asian American and Latinx young adults we interviewed, in Chinatown-Bridgeport and Pilsen, respectively, often mentioned higher education in their interviews as a resource that has the potential to change their positioning in the current economic system. For those who worried about their household income, access to higher education is seen as an opportunity for some upward economic mobility. However, it is important to recognize that many Latinx and Asian American young adults are pursuing these opportunities while also being limited by the socioeconomic constraints that structure their decisions in the Chicago economy.

With African American young adults that we spoke to in Englewood, it is even more evident that higher education alone will not change their relationship to Chicago's economy or transform their economic status. As noted previously, African Americans with advanced degrees have higher unemployment rates than whites with bachelor's degrees. For many African American young adults from Englewood, the economic system they encounter is perceived as closed and inaccessible, regardless of their educational credentials. For many Latinx young adults from Pilsen, the economic system is accessible, but only insofar as it allows them to survive; for many of them, to thrive in this economic system involves sacrifices that most are not willing to make. For some Asian American young adults from Chinatown-Bridgeport, they can improve their economic circumstances with financial skills and educational resources, but not ultimately change a system in

FIGURE 8: CHICAGO'S GROWING RACE GAP IN PER CAPITA INCOME ^G

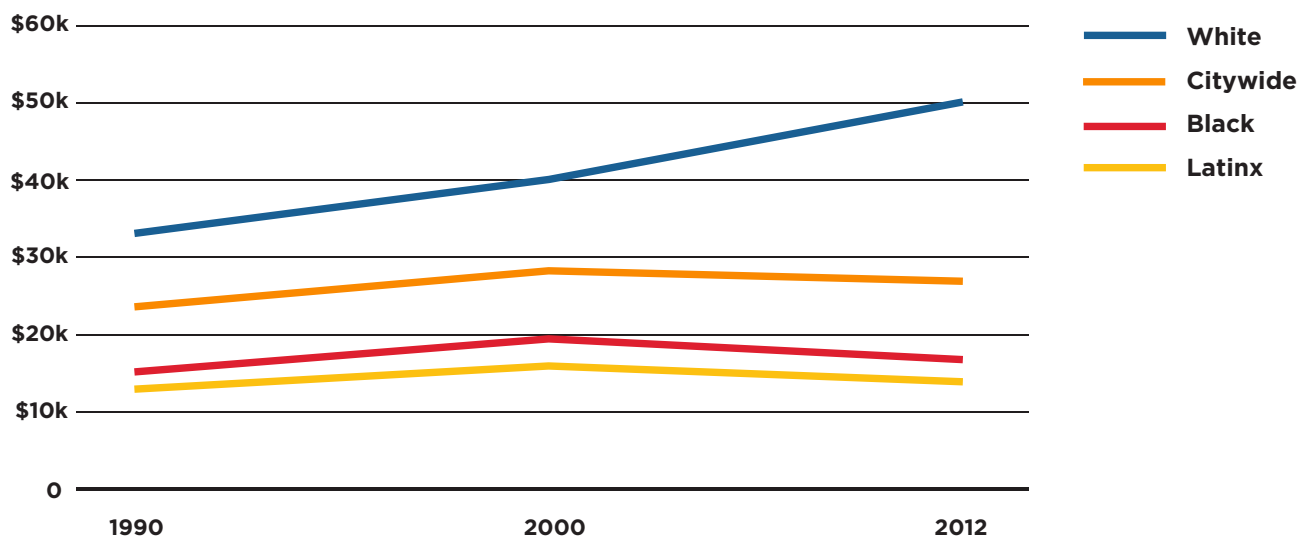


TABLE 2. TOP 3 EMPLOYMENT INDUSTRIES IN 2015 BY NEIGHBORHOOD ^J

	Albany Park	Pilsen	Chinatown	Englewood	Northside
#1	Accommodation & Food Services 18.2%	Accommodation & Food Services 17.8%	Accommodation & Food Services 19.3%	Retail Trade 22.7%	Professional, Scientific, & Technical Services 19.9%
#2	Retail Trade 18.1%	Retail Trade 16.1%	Retail Trade 15%	Accommodation & Food Services 18.3%	Accommodation & Food Services 13.14%
#3	Health Care & Social Assistance 12.9%	Administration & Support, Waste Management & Remediation 10.1%	Health Care & Social Assistance 9.6%	Administration & Support, Waste Management & Remediation 14.6%	Finance & Insurance 8.89%

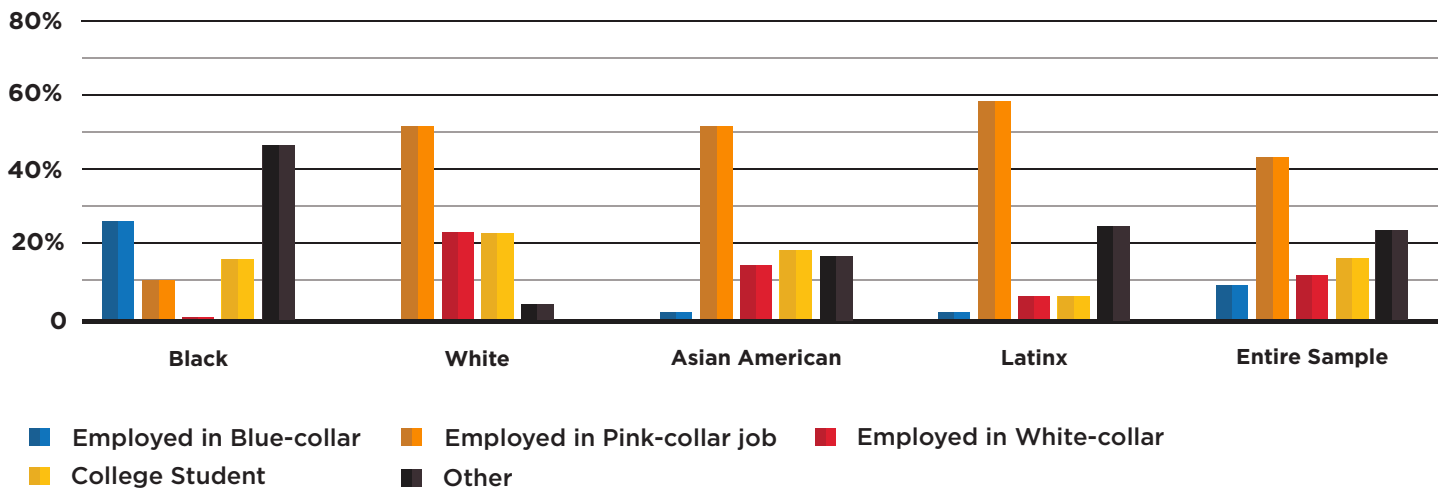
which immigrants and young adults from low-income households are systematically disadvantaged. In contrast, many white young adults we interviewed from the North Side described the economic system they interact with as open and supportive of their financial goals; most feel they have easy access to resources, like a higher education, that will only improve their experiences within this economy. This is the economic system we would like to imagine is available for all young adults regardless of their race, ethnicity, and location in the city. Why is this economic system not a reality for young adults of color, and especially the African Americans in Englewood that we interviewed? The racialized experiences of young adults navigating the Chicago economy help us answer this question.

Racism & Economic Outcomes

Like other cities, Chicago has a long history of economic and racial inequality.

One measure of this inequality is that the wage gap between black and white Chicago residents has consistently increased since the 1960s and compared to other cities this gap is largest in the country.¹⁰⁹ Today, the average white family earns 2.2 times more in income than black families, and 1.7 times more income than Latinx families in Chicago. Moreover, between 1990 and 2012, white adults in Chicago have experienced a steady increase in per capita income (the average income earned per person), while Blacks and Latinxs have had their per capita income remain mostly stagnant since 1990 **(see Figure 8)**. Even when controlling for education, work experiences, and area of residence, Chicago’s racial wage gap persists, suggesting a fundamental racial component to income inequality.¹¹⁰ The young adults we interviewed had different experiences with racial economic inequality in Chicago. Some of these experiences can be attributed to racial

FIGURE 9: EMPLOYMENT INDUSTRY BY RACE AND ETHNICITY FOR THE INTERVIEW SAMPLE



discrimination, while others are more related to the types of jobs available in individual neighborhoods.

During our interviews with Latinxs in Pilsen, and with Asian Americans in Chinatown-Bridgeport, young adults from both of these neighborhoods mentioned similar experiences and understandings of how race shaped their economic opportunities. They explained that most of the businesses in their neighborhood were owned by people of their ethnic background. Among the young adults we interviewed, those with a high school diploma or less educational attainment tended to be employed by these neighborhood businesses and explained they did not experience racism in the workplace because they were surrounded by people who were from a similar ethnic background. When we consider the industries that are concentrated in each of the neighborhoods where

interview participants were from, in both Pilsen and Chinatown-Bridgeport the number one industry for employment is accommodations and food services, and the second most common industry is retail trade (see Table 2). In comparison, on the North Side the number one industry for employment is professional and technical services.

Like young adults in Chinatown-Bridgeport and Pilsen who indicated that they did not experience high levels of racial discrimination in service industry employment, Asian American and Latinx young adults who worked in service jobs in Albany Park expressed similar experiences in their interviews. Hadi, an 18-year-old Asian American in Albany Park, explained how his ethnic identity made it easier for him to get a job in the service industry: *“I literally walked into the store and I asked for a job and they said no. But then I heard them speaking*

my language, I asked him again in my language and he said 'come back in an hour,' and I got the job. I started working that night." Albany Park has the same three top employment industries in as Pilsen and Chinatown-Bridgeport. Young adults working in service jobs in each of these neighborhoods explained in their interviews that they did not experience racial barriers to employment, though they admitted it was more difficult to get white-collar jobs outside of their neighborhoods.

In contrast, Latinxs and Asian Americans with a college education who predominantly had jobs outside their neighborhoods reported experiences with racism in the workplace more often. Amy, a 25-year-old Asian American, shared how choosing a white-collar job in the city meant accepting racism and sexism as a regular part of her life. She shared, *"I'm stuck in this cubicle job that I hate, and I'm dealing with a lot of [racial] microaggressions and sexism, but I'm also making money, and [so] I can also order a soda when I go out to eat. It's kind of like, choose one or the other."* These young adults with access to higher education also noted the ways they perceived racism as just part of the city. Ricardo, a 23-year-old Latino, explained, *"Capitalism is made to benefit white supremacy, because capitalism, racism, and white supremacy go hand in hand. There's no racism without capitalism and there's*

no capitalism without racism. And only a certain group of people are meant to benefit from these systems. Some people are going to suffer, which is my friends, and my people. That's just the way it is now. It doesn't have to be." Generally, the Latinx and Asian American young adults we interviewed with jobs in the white-collar sector were more likely than those working in neighborhood businesses to report experiencing racial discrimination, microaggressions, and a broader institutional system of inequality.

African Americans we spoke to in Englewood had a different experience when it came to racism and jobs. African American young adults, in their interviews, often referenced racial discrimination as a frequent and unavoidable barrier when seeking and applying for a job. They also perceived there to be economic competition with Latinxs, specifically Mexicans. About a quarter of African American young adults from Englewood referenced Mexicans as taking job opportunities away from African Americans, and employers' tendency to hire Latinxs over African Americans. Kennedy, a 20-year-old African American, shared his experience of competing with Mexicans in Chicago and being discriminated against in comparison. *"They look at you, you try to get a job now at Chipotle or McDonald's, you'll see Mexicans there and you'll ask them,*

“Can I fill out an application?’ They’ll tell you ‘Give me your number, write it down, we’ll call you back.’ You know, a week has passed and they still haven’t called you.

That means they feel some type of way about the color of your skin, or they feel that you might hurt them or anything like that. So yeah, racism is a big, big issue.”

These feelings and perceptions captured in our interviews are consistent with other studies on intergroup competition in urban spaces. Specifically, when Latinx young adults appear to be more

“That means they feel some type of way about the color of your skin, or they feel that you might hurt them or anything like that. So yeah, racism is a big, big issue.”

economically advantaged relative to their black neighbors, blacks are more likely to hold negative perceptions of Latinxs.¹¹¹

Those we spoke with who expressed these feelings of competition were often the same interview participants like Kennedy, who described an economic system that they believed was more open to Latinx than to African American young adults. A few of the Latinx young adults that we spoke with in Pilsen also witnessed these unequal outcomes and detailed experiences in which their African American peers were unfairly

discriminated against by employers.

Fernando, a Latino, age 25, shared a story about a manager that he knew explicitly discriminated against black job applicants. He explained, “[There] was a manager from a restaurant ... there would be people that would come to the job and ask for applications and by law you can’t deny people applications because of sex, race, color, or whatsoever. So [the manager] would have black people come to the restaurant and ask for an application ... they’d fill it out, they’d sit there, they’d talk to [him] as a manager, but obviously knowing that we’re in a Mexican neighborhood, one of the requirements is speaking Spanish, and these people have a problem with black people. Once they would leave [the manager said he] would just set their application aside and forget about it. I was like wow, cold. Not even give them an opportunity? He said ‘you have to know at least some Spanish.’ I said ‘that’s your excuse for not giving them a job is because they don’t speak Spanish.’ That’s what I thought in my head. I thought at least put them in the back in prep, or dishwasher, or something.” Thus, the experiences of racial discrimination detailed by young African American adults are corroborated by both white and Latinx young adults, who mentioned in their interviews that they witnessed moments when African Americans were racially discriminated against in the workplace.

Of course, African American young adults are not a monolithic group in Chicago, and our interviews with African Americans in Albany Park illustrate how a difference in geographic region of the city, and in access to higher education, can result in different experiences with racial discrimination. African Americans living in Albany Park spoke about racism differently in their interviews; they mentioned racial discrimination during the job application process as subtler and more difficult to detect. Some of them described how they believed their names were racial indicators that have prevented them from getting a job interview. Laquisha, a 19-year-old African American woman, explained that her name prevents her from getting jobs. She said, *“When I have applied to other jobs, which I feel like I have a decent resume, I feel like it’s because of my name. I feel like that is 100% why I don’t get called back. My brother, [with his non-sounding black name] they call him back but he has no experience. I have experience in things like that and they don’t call me back.”* Laquisha is not alone; a study conducted in Chicago determined that job candidates with “African American names” were less likely to get a job interview compared to candidates with “Anglo-Saxon names.”¹¹²

Young African Americans we interviewed also mentioned that they experience racial microaggressions—a form of indirect, subtle, or unintentional discrimination

against members of a marginalized group—and tokenism—the experience of being expected to represent an entire population as a minority in the workplace. Julie, an African American, age 23, explained: *“I’m like the only black person that works at the entire company,*

“You would think that people would focus on you a lot, but it’s kind of like, ‘Oh, you’re not like those other black people,’ kind of thing that makes me very uncomfortable.”

and there’s like one other Latino person, so basically it’s all white. I feel like I’m definitely a token person there, and like also sometimes I feel like my ... it’s weird. You would think that people would focus on you a lot, but it’s kind of like, ‘Oh, you’re not like those other black people,’ kind of thing that makes me very uncomfortable. So, yeah, it’s kind of a toxic place to be sometimes.” African Americans we interviewed who were college students or working in white-collar jobs often referred to racism as an experience of racial microaggressions and tokenism.

Our interviews across neighborhoods with young adults with different educational and job experiences illustrate how racism in the workplace can vary considerably

depending on a person's economic status and job industry. In interviews with white young adults who had different economic backgrounds and educational levels, many explained racism in the workplace similarly: as a systematic structure that results in unequal and unfair racial outcomes. Many of these interviewees also agreed in their belief that, despite racism being wrong, there was nothing they could do individually to change these circumstances. They often referenced this outcome as "an unfortunate event" that they cannot control. Jack, white and age 28, explained that he is aware of racial inequality and admitted that this was an outcome he understood by comparing his experiences with those of his sports teammates. He said, "*Yeah, the white people; they have degrees in computer science, or engineering, or whatever, and a lot of the black kids that I'm playing with are younger; most of them are teenagers. Yeah, a lot of them aren't going to college still; a lot of them, the ones that I'm interacting with, are particularly geared toward sports, so they're looking at playing college basketball, at Malcolm X College,*

or community college-type setting, and they work at Starbucks or whatever." In their interviews, Jack and other white young adults were able to describe racial inequalities as outcomes they noticed, but they did not believe they had the ability to change these circumstances. They instead viewed these circumstances as part of a larger system of inequality operating outside of themselves.

How Place and Race Shape Economic Futures

Young adults we spoke with throughout the city were able to clearly articulate how race, economic status, and racism shaped their economic opportunities. Latinx and Asian Americans in Pilsen and Chinatown-Bridgeport with less educational attainment were sometimes isolated from many experiences with racism because they worked for employers from their neighborhood. However, it is important to note that while they were not experiencing direct forms of racism, in many ways they were experiencing structural inequality, since many of the service jobs available to them do not provide benefits such as health insurance, sick leave, stable work schedules, or long-term job security. Meanwhile others working in white-collar professions outside of their neighborhoods did have many of these benefits, but in those jobs they reported having more direct experiences of racism, particularly through tokenism



and microaggressions. African Americans in Englewood with less education and economic resources experienced racism differently than Latinx and Asian American young adults. Without a significant number of community-owned businesses in their neighborhoods, most were forced to go outside their neighborhood to look for work. In both searching for and obtaining employment, most African American young adults from Englewood we interviewed believed they had been racially discriminated against, unfairly monitored by employees, or unjustly fired from their jobs. All of these experiences made finding and maintaining employment that much more difficult.

Many of the African American young adults we interviewed commented that these consistent experiences navigating a racialized economy made it difficult to live in the city. Nearly all who had had these types of experiences stated that they wanted to leave Chicago one day. In contrast, African Americans in Albany Park, who had more physical mobility, greater access to higher education, and had experienced fairer treatment by their employers, expressed a desire to stay in the city. These Albany Park respondents experienced far fewer barriers seeking a job and did not report similar issues of competing with other racial and ethnic groups. Therefore, we should not underestimate the ways in which resources and mobility can change experiences in

the workplace for African Americans, nor the impact of these experiences on their decisions to stay or leave Chicago.

As young adults from diverse backgrounds enter an economy that has fewer entry-level, living-wage jobs, their success in this economy is increasingly dependent on their socioeconomic status, physical location in the city, and their racial/ethnic identity. That said, we have also learned that resources such financial literacy, access to full financial aid at colleges and universities, and job availability in neighborhoods can intervene in changing some of these outcomes. However, it is also important to note that resources alone will not change the racial positionality of young adults in the Chicago economy—especially that of African Americans. A more structural intervention is necessary to fully open up the economy to all young adults in the city. We hope the stories shared by these youth will encourage all of us to reimagine and work to build new opportunity structures that will transform the Chicago economy to be accessible, just, and equitable for all young adults, regardless of their social and economic positions and racial and ethnic identities.

RECOMMENDED CITATION

Brower, Margaret Teresa. "Chicago's Racial Economy" in *Race & Place: Young Adults and the Future of Chicago* (Genforward at the University of Chicago, 2019), p36-57.