

An aerial photograph of the Chicago skyline, showing a dense cluster of skyscrapers. The city extends to the edge of Lake Michigan, which is visible on the left side of the frame. The sky is filled with soft, white clouds, and the overall lighting is bright and clear.

# Chicago Early Warning Network

Supporting the Retention of Chicago's Manufacturing Sector

# *The Problem*

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- During the 1980's, Chicago lost 3,000 out of 7,000 manufacturing companies and over 150,000 manufacturing jobs permanently.
  - *We believe over 80% of those companies could have been saved with assistance.*
- In 2002 Chicago had ~110,000 manufacturing jobs. Today, Chicago has only 65,000.
- In a recent study, UIC's Great Cities Institute found 60% of manufacturing businesses with an owner over the age of 55 are at risk of closing.
- Since 2002, there have been more than 708,000 mass layoffs in manufacturing in the state of Illinois. The loss of manufacturing jobs ripples through other segments of our economy and results in:
  - *An average loss of 2.5 to three jobs in other employment sectors.*
  - *A loss of disposable income that would have been spent in retail sectors.*
  - *A loss of needed tax revenues.*

# ***The Solution – An Early Warning Network***

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- Establishing an early warning network involves bringing together public and private stakeholders, with an interest in economic development in the manufacturing sector, to address challenges faced by local companies in regional economies.
- The early warning network is a coalition of partners that, if implemented successfully, benefits and sustains the residents, employees, and local businesses.
- In the United States, early warning systems have been instrumental in anticipating shifts in the industry and regional economies, allowing stakeholders to act.
- Strategies like employee ownership provide pathways for community wealth building.

# *Why is this important?*

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- Many companies and jobs could have been saved if there had been timely, well-informed, and creative action taken by unions, local government, the business community, community residents, and others who are real stakeholders in the success of these companies.
- An early warning network equips workers and communities to anticipate problems in individual businesses in enough time to improve the financial health of businesses, pursue opportunities, and ultimately prevent company closings and job losses.
- A well-informed pool of leaders and activists coordinating their efforts through an early warning network can assist companies to adopt a strategy that keeps a business and its jobs in the community.



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# ***Who are our partners?***

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- *Manufacturing Renaissance*
- *Chicago's Nine LIRI organizations*
  - *North Branch Works*
  - *Greater Northwest Chicago Development Corp.*
  - *Industrial Council of Nearwest Chicago*
  - *Greater Ravenswood Chamber of Commerce*
  - *Greater Southwest Development Corp.*
  - *Calumet Area Industrial Commission*
  - *Back of the Yards Neighborhood Council*
  - *Lawndale Business Renaissance Association*
  - *Peterson Pulaski Business & Industrial Council*
- *League of Black Women*
- *Co-op Partners*
- *Revolution Institute*

# ***How does an Early Warning Network support LIRI?***

- Local industrial retention is the primary goal of The Chicago Department of Planning & Developments *LIRI* program.
- The Early Warning Network will identify local manufacturers at risk of closure and connect them to support.
- The CEWN is supported by LIRI's existing goals like industrial business engagements.
- LIRI organizations will join the CEWN and provide dedicated staff to build and sustain the network.
  - *Their organizations will be appropriately funded to carry out these functions.*

# *Early Warning Network* *& GNCDC*

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- GNCDC is focused on identifying early warning signs of business challenges and providing timely support through technical assistance, management consulting, and access to available resources.
- The goal is to intervene before problems escalate, ultimately improving company performance and reducing the risk of layoffs or closure.
- This approach is proactive, helping businesses navigate challenges and prevent closure.

# ***Early Warning Network & North Branch Works***

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- As a delegate agency of the City of Chicago Department of Planning & Development, we serve businesses in the North River, Addison, and Kennedy Industrial Corridors.
- We have worked with hundreds of companies in our area to identify solutions to problems that impact their operations, such as balanced land use and development, and better access to city services and programs.
- Our organization was instrumental in creating Planned Manufacturing Districts (PMDs) to protect affordable industrial spaces and maintain Chicago's employment base.



# ***Early Warning Network*** **& ICNC**

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- As a long-time LIRI delegate agency, the Early Warning Network aligns with ICNC's advocacy and economic development priorities.
- ICNC serves hundreds of small and large manufacturers in the Kinzie Industrial Corridor. Since 1980, ICNC's efforts have led to the creation of over 6,000 manufacturing jobs on Chicago's West Side.
- The Early Warning Network aligns with ICNC's strategic plan to build wealth for West Side residents by providing economic opportunity in the manufacturing / food & beverage sectors through workforce development, entrepreneurship, and other forms of assistance.

# Summary

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- Since the Great Recession, Chicago has lost over 45,000 jobs.
  - *This number has remained stable since 2018.*
  - The State of Illinois lost 30% of its manufacturing jobs over that time.
  - Locally, this has had a devastating impact on communities on Chicago's West and South sides.
  - With the Chicago Early Warning Network [CEWN], companies will receive assistance including financial restructuring guidance, talent attraction and retention, as well as business and entrepreneurial education.
  - CEWN can help identify the company and connect them with community-based purchasers.
  - Through the CEWN, we will be able to retain viable job providers and grow the role of manufacturing as a means for economic development in our communities.