



STATE OF THE WORKFORCE





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I want to commend the Lake County Workforce Investment Board for undertaking this State of the Workforce Report for Lake County. For many years the county has enjoyed a stable economy, industrial diversity and a highly educated population.

This report also outlines some very real challenges and opportunities that face Lake County in this new century. Some of the challenges in the State of the Workforce Report are the same challenges contained in the Lake County Board's recently adopted Strategic Plan – development and expansion of an efficient transportation system and greater availability of affordable housing.

I am confident the factors that have helped Lake County to prosper – active leadership, pivotal geographic location, and excellent schools – will continue to build Lake County for future generations.

The Lake County State of the Workforce Report is a call to action for all of us. I am confident we will rise to meet the challenge with your help and commitment.

Sincerely,

A handwritten signature in black ink that reads "Suzi Schmidt".

Suzi Schmidt
Chairman
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EXECUTIVE SUMMARY

Currently the third most populous county in the Metropolitan Chicago region, Lake County is dynamic and growing. The county is characterized by four geographic “quadrants” with distinct needs and challenges: the northwest bedroom communities bordering Wisconsin; the outlying, rural southwest known as “horse country;” the older, northeast manufacturing cities; and the older, but more affluent residential and white collar cities bordering Chicago’s North Shore.

The State of the Workforce Report provides a snapshot of Lake County’s successes. It also outlines some important issues facing the county and frames key opportunities for action that are designed to answer the questions: *What if we don’t do anything?* and, *What if we don’t do anything differently?* As county leaders plan for future growth in the population, the workforce, and in diverse economic activities, the greatest challenge is also the greatest opportunity: to effectively invest and coordinate resources so that Lake County is a place of long-term economic, cultural, and natural prosperity for all who live and work here.

2003 State of the Workforce Storylines

Lake County Economy Shows Steady Growth

Lake County as a whole benefits from a highly diversified mix of industries that has insulated many segments from major dips in the economy. Manufacturing and Retail Trade, in particular, have been affected by recent slow-downs. Yet, over the past decade, twice as many employers and jobs have moved into the county than have left. This steady growth has resulted in an overall standard of living that is among the highest in Illinois. At the same time, economic disparity is growing among the county’s quadrants, with a lack of affordable housing options topping the list of challenges to the county’s continued economic growth.

County Can’t Employ All Residents

Lake County’s workforce has grown along with the economy. However, that growth has been uneven due to a surplus of workers with four-year college degrees and a deficit in workers with two-year degrees and technical or production skills. The results include a rising unemployment rate (6.2% in December 2002) and a high rate of commuting out of the county: one-third of Lake County’s working age residents commute to the City of Chicago, the North Shore and Northwest Cook County for work.

Workforce Wellness Good Overall But Many Not Insured

Lake County fares better than many other counties in the Metropolitan Chicago area with regard to the health and wellness of its residents and workforce. Yet there are still portions of the county’s workforce with significant needs that affect not only the individuals, but their families, employers and communities. Access to affordable and adequate health insurance is one of the most pressing needs: approximately 67,600 Lake County individuals are uninsured and another estimated 70,000 to 90,000 are under-insured. Most troubling is that the vast majority of uninsured and under-insured individuals are employed.

More Growth Projected, Age and Diversity Big Factors

Population projections indicate that by the year 2020, 802,000 people will live in Lake County and 610,000 will work here. The County will continue to attract a steady and more diverse influx of new residents and workers, including Asians, Latinos and African-Americans. Age will also play a factor in future growth; although the County may, in fact, be 'growing older', nearly 40% of the residents are currently below the age of 24 and this segment of the population is also projected to continue growing.

INTRODUCTION

Introduction

Project Background

The eight workforce investment boards of the Chicago metropolitan workforce region contracted with the Corporation for a Skilled Workforce to develop workforce intelligence products that would allow for each of the local workforce areas and the entire region to:

- Differentiate each area from neighboring workforce areas, the region as a whole, and the state
- Identify critical workforce issues
- Build a credible foundation for planning
- Engage stakeholders
- Raise career awareness for youth
- Identify priorities for employment and training;
- Identify data gaps
- Provide a baseline against which to measure progress in the future, and
- Provide a solid foundation for identifying shared goals, planning strategies, and prioritizing action.

Parallel to the development of these products a series of local and regional meetings were held with key stakeholders to identify strategic issues. Those issues will be more clearly formulated and prioritized into strategic initiative briefs, one for each local area as well as for the entire region.

Defining the Metropolitan Chicago Workforce Region

The metropolitan Chicago workforce region consists of eight different workforce investment areas covering eight different counties. Those areas are:

Workforce Board	Workforce Area Covered
Chicago Workforce Board	City of Chicago
DuPage County Workforce Board	County of DuPage
Lake County Workforce Investment Board	County of Lake
McHenry County Workforce Investment Board	County of McHenry
The Workforce Board of Northern Cook County	North and Northwest suburbs of Cook County
River Valley Workforce Investment Board	Counties of DeKalb, Kane, and Kendall
Cook County Workforce Board	South and West suburbs of Cook County
Workforce Investment Board of Will County	County of Will

The metropolitan Chicago workforce region differs slightly from the Chicago Primary Metropolitan Statistical Area. The latter also includes Grundy County. Some charts use the term “rest of region” along with Lake County and Chicago. “Rest of region” refers to Northern Cook, South and West Cook, DuPage, River Valley, Will, and McHenry counties.

How to Read the Report

The report is built around major “storylines” for the county. Supporting data is provided for each storyline, followed by implications at the end of each section that describe what the conditions and trends mean for Lake County. This is not an exhaustive recitation of all data that exists, and more timely data is being produced every day. Gathering workforce intelligence and creating action plans are on-going activities. The State of the Workforce report is a “freeze frame” along the data gathering and planning continuum that asks readers to pause and consider what needs to be altered to impact the trends and change the county’s story over time.

Use of Data

Prior to the release of the full set of eight State of the Workforce Reports, the Corporation for a Skilled Workforce provided data files to each local steering committee. These files included detailed graphics, tables, and hundreds of key bullet points. Yet, many of these did not make it into the narrative reports because they did not significantly contribute to the area’s major storylines.

The more detailed data files are also included on the CD as preliminary data D15. Please contact the Lake County Workforce Investment Board for more information.

LAKE COUNTY ECONOMY SHOWS STEADY GROWTH

Strong Employment Growth, Diversified Industry Bolster Economy

Lake County enjoys a diversified industrial base marked by significant employment growth. Services, Manufacturing, and Retail Trade are the top three industries in terms of the number of people employed, although Manufacturing and Retail Trade decreased as a total percentage of private sector employment in Lake County between 1991 and 2001 (see Figure 2, next page). Still, all Lake County industries including Manufacturing and Retail Trade demonstrated strong employment growth between 1991 and 2001, ranging from 15% in Manufacturing to 109% in Wholesale Trade. Lake County's neighboring labor market to the north, Kenosha County, Wisconsin, also has large percentages of employment in Manufacturing as well as in Retail Trade.

Table 1: Lake County Employment by Industry

Industry	1991	1996	2001	% Change 1991-2001
Agriculture, Forestry, Fisheries	2,049	2,880	4,289	+ 52%
Mining	190	147	*	*
Construction	9,430	12,584	15,013	+ 59%
Manufacturing	50,183	55,399	57,508	+ 15%
Transportation, Communication, and Public Utilities	7,362	8,924	8,667	+ 18%
Wholesale Trade	13,626	19,059	28,497	+ 109%
Retail Trade	43,310	49,047	54,829	+ 27%
Finance, Insurance, and Real Estate	13,999	15,962	20,039	+ 43%
Services	46,963	61,254	84,571	+ 80%
Non-classifiable Establishments	102	71	215	+ 110%
Total, All Industries	187,214	225,327	273,628	+ 46%

Source: Illinois Department of Employment Security
* Suppressed to avoid potential disclosure of individual employers.

Between 1991 and 2001, Lake County was second only to DuPage County in its increase in the share of the metropolitan region's private sector employment, with an increase of 1.6% (see Figure 1). From 2000 to 2001, Lake County had the highest employment gain of any county in the region: 3.6%, or 9,421 jobs. The next highest gain was in DuPage County, which increased 1.6%, or 8,498 jobs (Illinois Department of Employment Security).

Percent Change in Share of Total Regional Private Sector Employment by Local Area

Source: Illinois Department of Employment Security

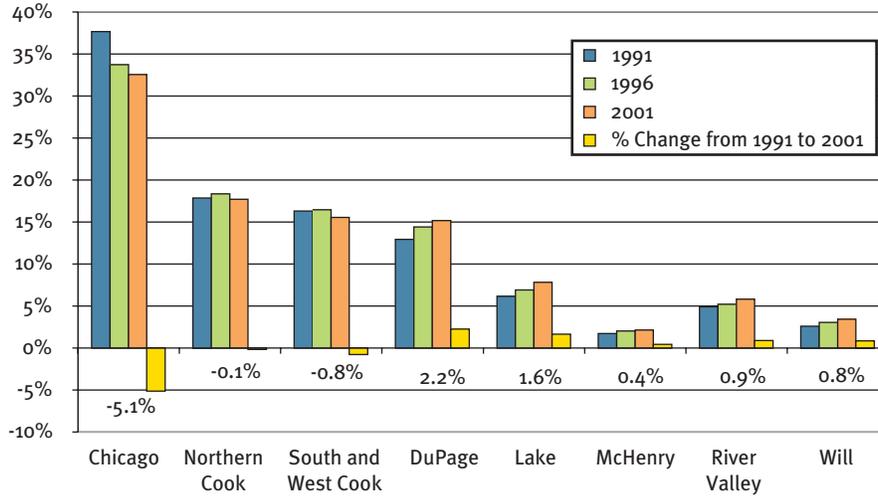


Figure 1

Lake County Private Sector Employment by Industry (SIC), 1991 - 2001

Source: Illinois Department of Employment Security

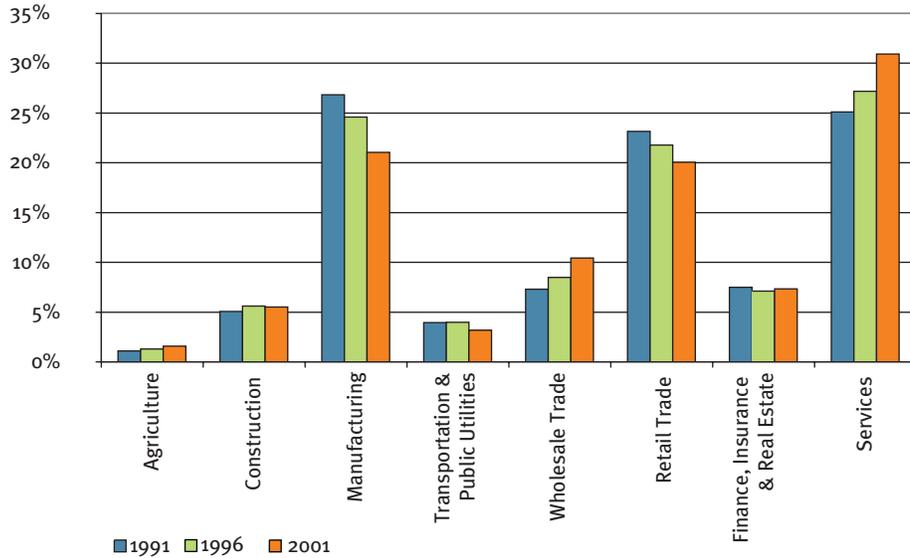


Figure 2

Private Sector Employment Distribution by Industry 2001 Quarter 1, NAICS¹

Source: Illinois Department of Employment Security

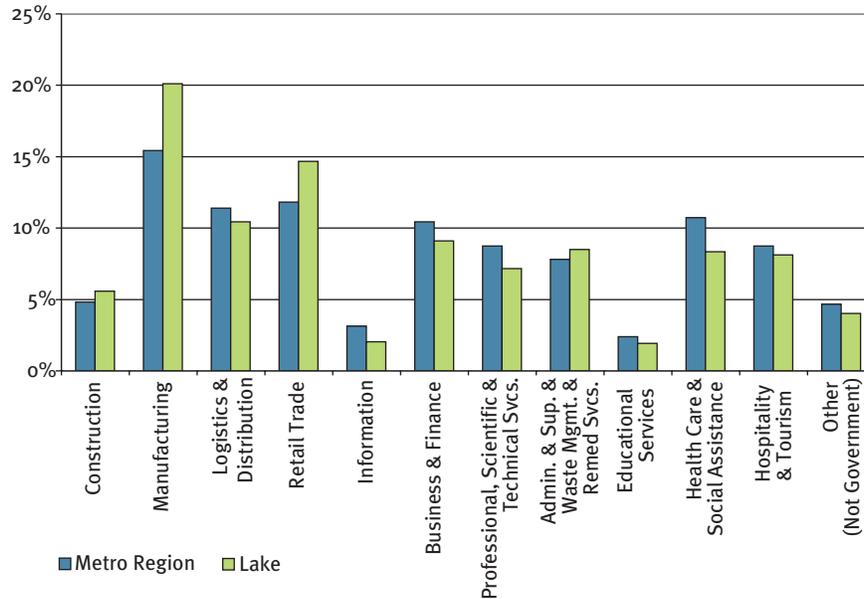


Figure 3

During the 1991-2001 period, more firms and employees moved into the county than moved out, as illustrated in Table 2, below. New firms moving into the county totaled 1,714, offsetting the 1,076 firms that left. More significantly, while the 1,076 firms that left represented 54,193 jobs, the 1,714 firms that located in Lake County brought 114,113 jobs, a net gain of 59,920 jobs (Dun & Bradstreet, 2002, from www.illinoisdata.com).

Table 2: Firms Moving Into and Out of Lake County, 1991-2001

Industry	Firms Moving into County		Firms Moving out of County	
	# of Firms	# of Employees	# of Firms	# of Employees
Agriculture, Forestry, Fisheries	23	308	17	160
Mining	1	5	2	15
Construction	172	2,206	108	1,083
Manufacturing	317	25,990	191	7,596
Transportation, Communication, and Public Utilities	60	61,065	49	33,811
Wholesale Trade	326	6,542	176	2,693
Retail Trade	166	2,486	103	1,304
Finance, Insurance and Real Estate	154	6,695	90	1,575
Services	495	8,816	340	5,956
Public Administration	0	0	0	0
Total, All Industries	1,714	114,113	1,076	54,193

Source: Dun & Bradstreet, Incorporated, 2002, retrieved from www.illinoisdata.com

An alternative perspective on the relative strength of the Lake County economy, as well as that of the region, can be found by looking at the New Economy Index produced by the Progressive Policy Institute. The New Economy Index is a new set of economic indicators, gathered from existing public and private data, that is intended to illustrate fundamental structural changes in the U.S. economy, to show what those changes mean in the lives of working Americans, and to measure the nation's progress in several key areas for future economic growth. In 1998, the New Economy Index began ranking states and select metropolitan areas on several sets of indicators that are designed to give community leaders a gauge for thinking about economic transformation in cities, counties, regions, and states.

Although there is no data for Lake County specifically, the metro Chicago area has been tracked according to the New Economy Index. In 2002, Chicago ranked 19th overall among major metropolitan areas. However, by looking at just a handful of the specific indicators, the range of how Metropolitan Chicago ranks with other metro areas varies widely. Some examples are included in Table 3.

Additional research to supplement the New Economy Index data would be helpful in determining the impact of the Lake County economy on Metropolitan Chicago's rankings in the overall score, as well as many of the individual indicators.

Table 3: New Economy Index Rankings

New Economy Index: Select Indicators	Metropolitan Chicago Ranking Among 50 Metro Areas
Overall Score	19th
Aggregated Knowledge Jobs	35th
Workforce Education (a weighted measure of the educational attainment of the workforce)	36th
“Gazelle” Jobs (jobs in companies with annual sales revenue growth 20 percent or more for four straight years, as a share of total employment)	28th
Job Churning (a score based on the number of new start-ups and business failures within each metro)	17th
Broadband Telecommunications Capacity (the number of broadband competitors per zip code area)	6th
Computer Use In Schools (percentage of children using computers in the classroom)	26th
High Tech Jobs (in electronics and high-tech electronics manufacturing, software and computer-related services, telecommunications, data processing and information services, biomedical and electromedical services as a percentage of total employment)	15th
Academic R&D (a combined measure of industry investment in R&D at academic institutions and total academic R&D)	32nd
Venture Capital (invested as a share of gross metropolitan product)	21st

In addition to the New Economy Index, the Missouri Economic Research and Information Center (MERIC) has created an Index of Economic Momentum for states and counties in the 12-state Midwestern region that includes Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin. According to MERIC, Lake County is one of only three Illinois counties among the top 15 counties with the largest economic share in the 12-state Midwestern region. Lake County is 13th and accounts for 1.16% of the Midwest's economic activity; DuPage County is 8th and accounts for 1.71%; and Cook is 1st and accounts for 8.61%. Combined, Lake, DuPage, and Cook Counties account for 11.5% of the Midwest's economy. Perhaps more important, Lake County and Will County are the top two counties in the 12-state region in terms of their economic influence on the Midwest's economy. (MERIC, 2002, from www.ded.state.mo.us)

The recent economic development analyses produced by Deloitte & Touche (and the Prager Company) for the Lake County Partners provide yet another lens for looking at Lake County's economic profile. One analysis presented by Deloitte & Touche concerns business and industry attraction in Lake County. Deloitte & Touche mapped 56 industries based upon their projected 2010 national employment growth against the relative concentration of those industries in Lake County. The industries were then segmented into four categories designed to help Lake County economic developers with prioritizing their efforts. The four categories are (1) Attract: High Growth, Low Presence; (2) Nurture: High Growth, High Presence; (3) Retain: Low Growth, High Presence; and (4) React: Low Growth, Low Presence. The industries Deloitte & Touche targeted as the top priorities in each segment are listed in Table 4.

Table 4: Top Priority Industries ¹

Attract: High Growth, Low Presence	2010 Proj. US Empl. Growth	Est. 2000 Lake County Empl.	Nurture: High Growth, High Presence	2010 Proj. US Empl. Growth	Est. 2000 Lake County Empl.
Wood Buildings and Mobile Homes	38.9%	5	Electronic Components and Accessories	17.1%	3,043
Misc. Transportation Equip.	18.6%	7	Medical Instruments and Supplies	17.5%	18,350
Health Services	55.3%	1,600	Drugs	23.8%	14,658
Research and Testing Services	35.1%	1,422	Rubber and Plastic Products	15.3%	5,196
Trucking and Warehousing	22.1%	2,858	Communications	17.0%	8,496
Transportation by Air	24.5%	103	Non-Depository, Holding, Investment	15.3%	8,389
Transportation Services	23.7%	1,251	Security and Commodity Brokers	23.3%	4,553
Business Services	49.0%	18,694	Engineering, Management Services	32.8%	13,777
Auto Repair, Services and Garages	16.2%	4,317			
Legal Services	27.0%	1,858			
Retain: Low Growth, High Presence	2010 Proj. US Empl. Growth	Est. 2000 Lake County Empl.	React: Low Growth, Low Presence	2010 Proj. US Empl. Growth	Est. 2000 Lake County Empl.
Cutlery Handtools and Hardware	-9.2%	847	"React" industries are eliminated from further consideration for the purposes of targeting.		
Screw Machine Products, Bolts, Etc	0.0%	1,217			
Metalworking Machinery	10.0%	350			
Electric Lighting and Wiring Equip	6.0%	405			
Household Audio and Video Equip	-3.3%	1,341			
Measuring and Controlling Devices	-0.8%	5,405			
Video Tape Rental	0.6%	364			
Fabricated Metal Products	7.5%	5,250			
Machinery, Not Electrical	4.8%	7,535			
Instruments and Related Products	2.0%	24,069			
Misc. Manufacturing	-0.4%	2,224			
Paper and Allied Products	-4.4%	2,663			
Chemical Products	4.0%	16,717			
Wholesale Trade	10.1%	42,151			
Insurance Carriers	2.7%	1,496			
Insurance Agents and Brokers	10.2%	6,684			

Source: Deloitte & Touche, 2002

Manufacturing, Retail Trade Most Affected by Recent Slow-Down

The nationwide economic recession that began in 2001 has not been as severe in Lake County as in other areas of the region. However, it did have an effect, particularly in Manufacturing and Retail Trade.

The accompanying Mass Layoff Statistics (MLS) reflect Extended Mass Layoffs, which include layoffs with at least 50 separations that lasted more than 30 days and include seasonal, economic cutbacks, and layoffs with and without recalls. Note also that these data reflect layoffs at establishments located within the county, not necessarily workers who live in the county.

Between September 2001 and September 2002, the industries with the highest number of reportable layoffs in Lake County were Retail Trade and Agriculture (Table 5), which includes farming, landscape and horticulture services, veterinary and animal services, and forestry. Table 6 illustrates that the 27 layoff events in 2002 is the highest number in many years, even though in previous years fewer layoff events have resulted in higher numbers of affected workers. Mass Layoff Statistics for the region (Figure 4) indicate that the entire Metropolitan Chicago Region, including all of the “collar” counties, experienced layoffs between September 2001 and September 2002.

Table 5: Mass Layoff Statistics September 2001- September 2002 for Lake County

Industry	Number of Layoff Events	Number of Workers Separated
Agriculture, Forestry, Fisheries	6	875
Construction	*	*
Manufacturing	4	559
Transportation, Communications, and Public Utilities	*	*
Wholesale Trade	4	451
Retail Trade	3	816
Finance, Insurance and Real Estate	3	492
Services	4	455
Total	27	3,901

* Suppressed to avoid potential disclosure of individual employers.
 Source: Illinois Department of Employment Security

Table 6: Layoffs in Lake County, 1997-2001

Year	# Layoff Events	# Workers Separated
Sept. 2002	27	3,901
2001	19	3,284
2000	19	4,446
1999	16	3,419
1998	22	5,248
1997	14	1,745

Local Area Percent of Metro Region Mass Layoffs and Separations September 2001 - September 2002

Source: Illinois Department of Employment Security

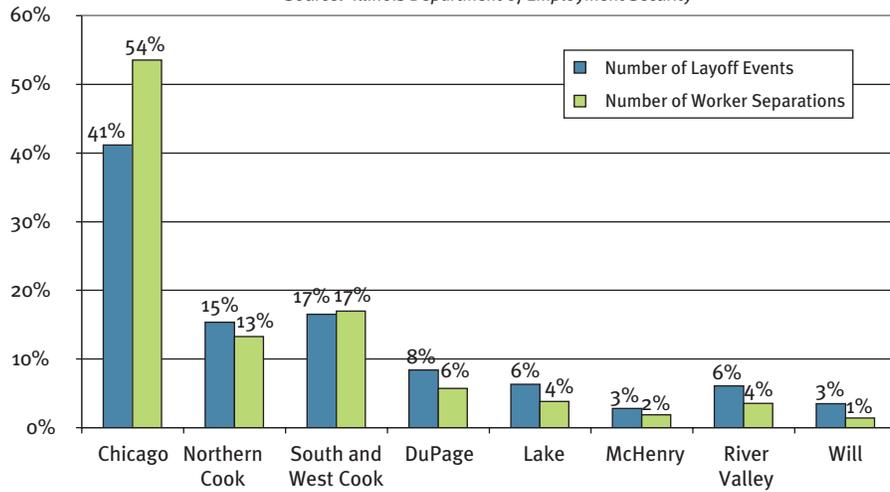


Figure 4

While data are not available for each of Lake County's four quadrants, members of the Lake County Workforce Investment Board have suggested that a downturn in Manufacturing has hit the northeast quadrant of the county harder than in other areas. Between September 2001 and September 2002, Lake County lost 559 manufacturing jobs in layoff events. While this is a lower number of jobs lost than in other industries, such as agriculture and retail trade, manufacturing jobs tend to be higher paying than jobs in agriculture or retail trade so that the economic impact on families and communities is perceived to be greater. There is also some concern that growth in manufacturing firms in Kenosha County, Wisconsin may mean that workers being laid off in northern Lake County are leaving the county to go work and live in Kenosha County, which has a very high concentration of manufacturing firms (see Figure 5, below). Additional research will be needed to better determine the scope of this concern.

Private Sector Industrial Distribution (SIC), 2000

Source: Bureau of Labor Statistics

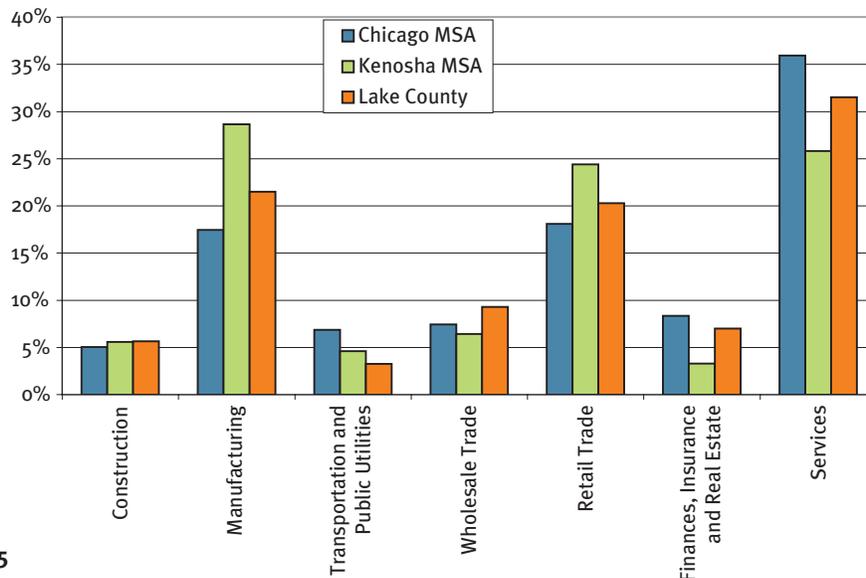


Figure 5

Manufacturing is very sensitive to general economic conditions. During times of expansion, manufacturing grows more rapidly than the U.S. Gross Domestic Product (GDP); during recessions, it contracts more rapidly. Layoffs lower business and consumer confidence and spending, further contributing to greater slow-down as money trades hands less and less frequently.

Despite the setbacks of 2001-2002, Lake County demonstrates many characteristics contributing to a strong economy, making a quick recovery very plausible. As described previously, all industries except Mining experienced significant positive growth in employment through 2001. The number of firms and jobs added to the Lake County economy between 2001 and 2002, the same period for which layoff data is provided in Table 5, is not yet available. This information will be needed before an accurate analysis of the impact of layoffs in the 2001-2002 can be conducted.

Economic Benefits Not Shared by All

Compared with other workforce areas in the Metropolitan Chicago area, Lake County's overall rate of poverty is low (2.4%); the vast majority of the county's residents enjoy a good standard of living and quality of life. However, despite a generally robust economy, there are sizeable portions of the county's population that have been unable to reap the benefits of the county's recent economic growth.

The U.S. Census classifies families and persons as below the poverty level if their total family income or unrelated individual income was less than the poverty threshold specified for the applicable family size, age of householder, and number of related children under 18 present. For example, in 2002, the poverty threshold for a family of four (two adults, two children under 18 years old) was \$18,244.

Lake County has a lower percentage of families in poverty (6.1%) than the region as a whole (12.1%), but a higher percentage than all other collar counties except River Valley. The percentage of the total population with income less than 50% of the poverty level is 2.4%, which is the same rate as Will and Northern Cook Counties. This is lower than River Valley, but higher than the poverty rate in McHenry and DuPage Counties. The poverty rate for neighboring Kenosha County is 8% for individuals with income less than 50% of the poverty level.

Percent of Families in Poverty, 2000

Source: US Census Bureau 2000

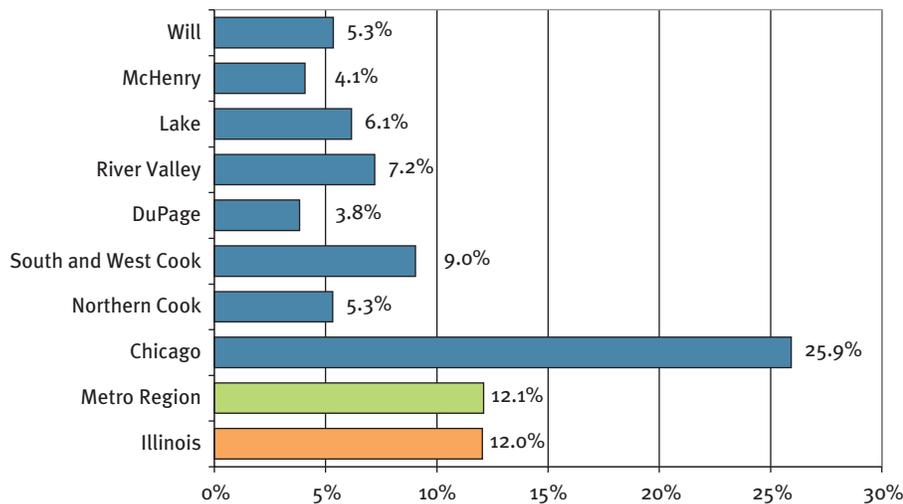


Figure 6

Percent of Population with Income Less than 50% of Poverty Level, 2000

Source: US Census Bureau 2000

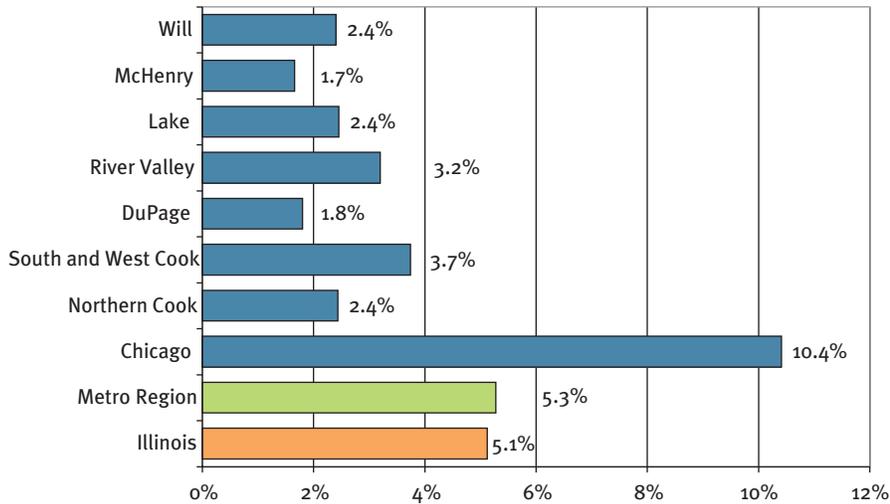


Figure 7

While poverty is not a severe problem for Lake County as a whole, Lake County’s poverty rate translates into 14,496 very impoverished people in a high-income county. The income map in Figure 8 indicates that what poverty exists may be clustered in the county. Median incomes vary widely throughout a given workforce area, with clusters of high and low income. Figure 8 shows the median income by zip code throughout the region. Lake County has the largest diversity of median income of any of the eight workforce areas, including several ZCTAs³ with median incomes in the very highest brackets, and a few in the next to lowest bracket. Affluence varies widely across the region.

³ ZCTA= zip code tabulation area.

Median Household Income by ZCTA, Metro Region, 1999

Source: US Census Bureau 2000

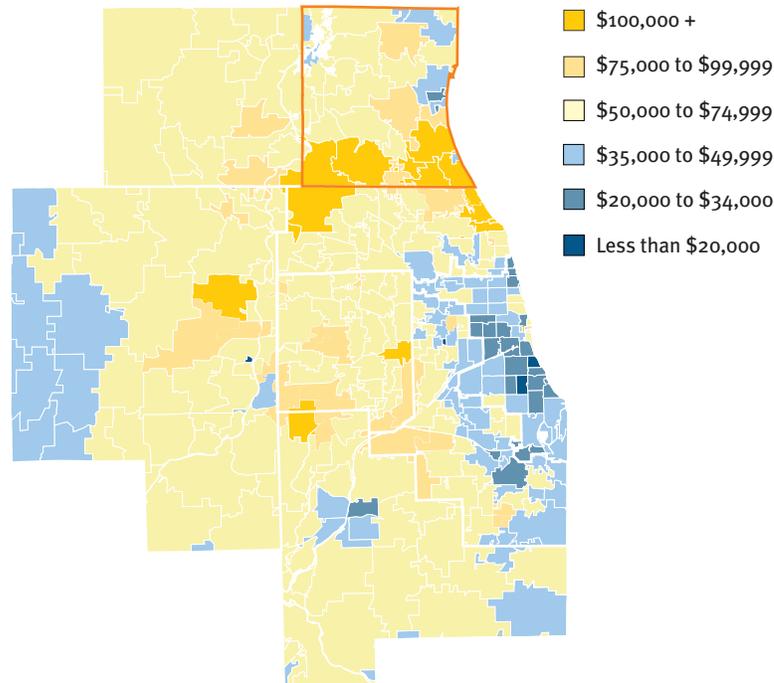


Figure 8

In most parts of the county, the median income likely provides for most people's needs. However, those with lower incomes have greater difficulty affording the critical necessities, such as housing, transportation, health care, and child or elder care. Of these, affordable housing – either through rental or ownership – is the biggest stumbling block to achieving economic security for those in lower income brackets.

The federal government assumes that housing which costs more than one-third of a family's income causes a financial burden on the household. As is illustrated in Figure 9, the majority of housing within Lake County falls into the "somewhat affordable" category. This includes the largest areas in Figure 8 that indicate significant clusters of low median household income. In other words, the lowest income households are not located in areas that are "affordable," but only "somewhat affordable" at best.

The median cost for a home in Lake County in 2000 was \$198,200, with median monthly mortgage costs at \$1,564. The median income for Lake County falls around \$66,000. An affordable home would cost \$150,000 with a conventional loan or \$133,300 (FHA) to a family of four making 80% of the median income in Lake County (\$52,800), assuming no debt and a 5% down payment. Clearly, those at the bottom end of the median income range or lower would find it very difficult to own their own home in Lake County. Meanwhile, some Lake County workers might find neighboring labor markets – such as Kenosha County, where the median cost of a home is \$120,900 – more affordable.

Housing Affordability Index⁴ by ZCTA, Metro Region, 1999

Source: US Census Bureau 2000

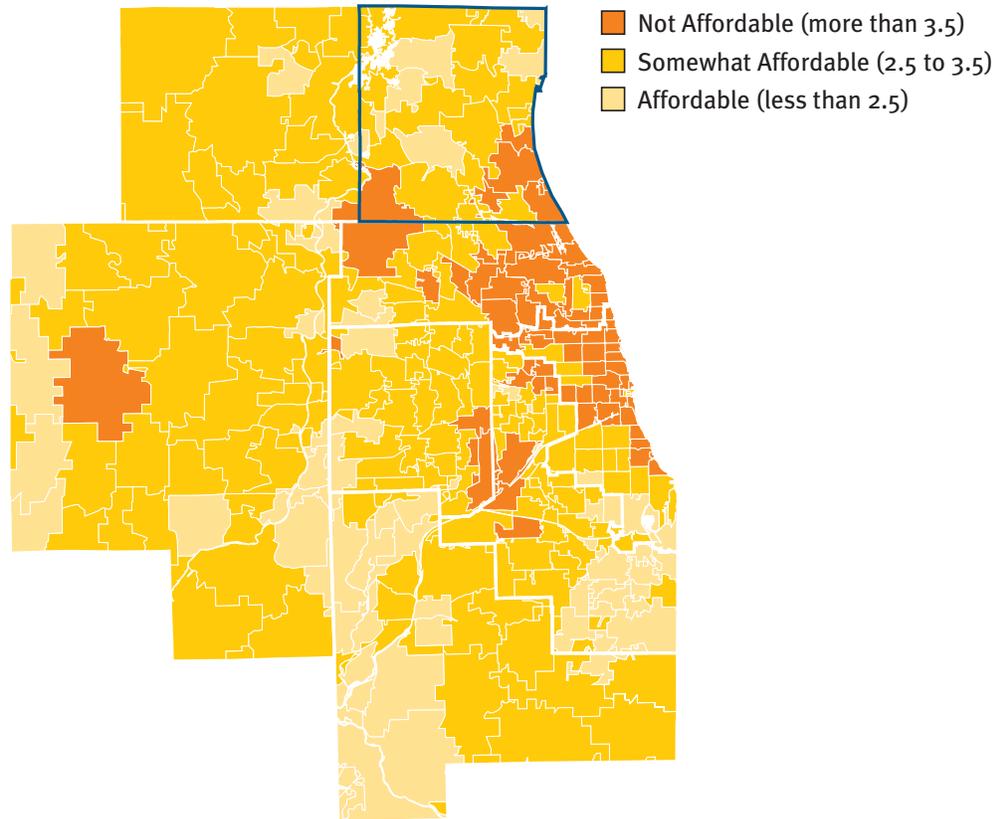


Figure 9

When owning a home is not desired or feasible, renting is the remaining option in order to live in Lake County. However, rental units have not kept up with the increase in jobs in the county. With a median rent of \$742 per month (U.S. Census Bureau, 2000), those units that are available are unaffordable for many individuals and families. In fact, in 2000, approximately 35% of renters in Lake County had housing costs exceeding 30% of their income. Research by Deloitte & Touche indicates that housing affordability may in fact affect junior to mid-level employees of office-based employers that are largely concentrated in the more affluent, southeast quadrant of the county. Their research further suggests that companies seeking employees for low- to mid-level positions should consider locating in northern Lake County. (Deloitte & Touche, 2002)

The Bottom Line

The data presented in this section point to a generally strong and diverse economy. In particular, Services, Wholesale Trade, and Construction all continue to add significant numbers of jobs and show signs of continued growth. Manufacturing and Retail Trade, while declining slightly in share of total employment, still comprise large portions of the industry and workforce mix.

⁴ To determine housing affordability, the median housing cost of each zipcode tabulation area was divided by the median household income of the residents of that ZCTA. The resulting ratio determines whether housing is affordable for the residents in that area, based on their median income levels. A result of less than 2.5 is considered "affordable," 2.5-3.5 is "somewhat affordable," and more than 3.5 is "not affordable."

With a projected 23 percent growth in total population by 2020, there could also be a correlated increase in the number of individuals and families living in poverty. If so, affordable housing must become a priority. Otherwise, those who work in occupations paying less than the median income will continue to find it difficult, if not impossible, to live in Lake County. Further, the county will feel stress on its infrastructure, from road distress due to commuting to stress on government resources for families struggling to become self-sufficient.

Unemployment Rate Rising

Despite the overall employment gains described in the previous section, the county has not been able to provide employment for all its residents. This has resulted in a rising unemployment rate. Lake County's unemployment rate is still lower than the region as a whole. However, after hitting a low of 3.4% in 1999, it climbed to 4.6% in 2001, to 5.8% in July 2002 (compared with 7.0% for the region) and then to 6.2% in December 2002. This is the highest rate in a decade.

The actual number of unemployed workers is also growing as the size of the workforce has grown over the past decade. That means the 5.8% unemployment rate in July 2002, for example, represents a much larger number of unemployed workers than the 5.8% rate did in 1992. In 1992, 5.8% unemployment represented 16,547 people. In July 2002, with a labor force of more than 367,000, 5.8% unemployment means that more than 21,000 people were unemployed.

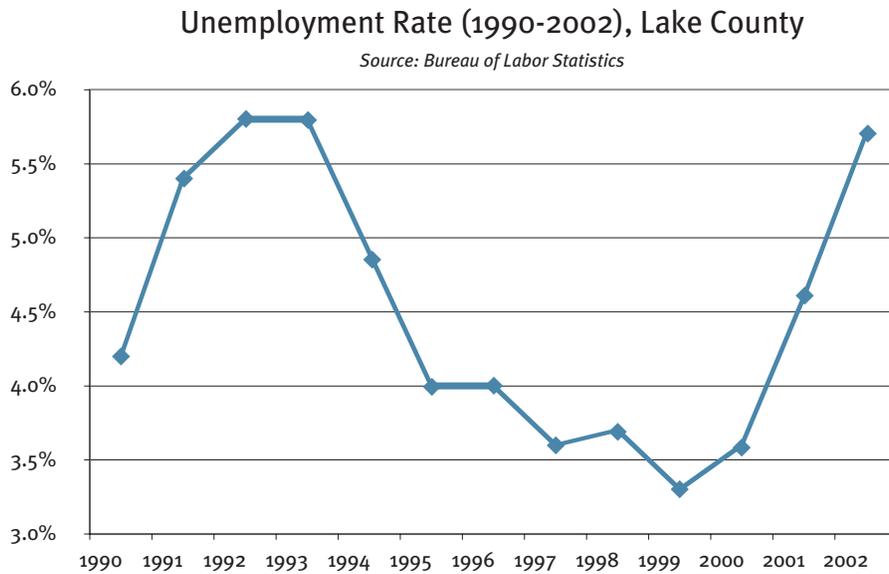


Figure 10

Table 7: Lake County Unemployment, 1990-2002

Year	Labor force	Number employed	Number unemployed	Rate
1990	277,847	266,087	11,760	4.2%
1991	280,000	264,928	15,072	5.4%
1992	286,616	270,069	16,547	5.8%
1993	289,938	273,024	16,914	5.8%
1994	295,930	281,567	14,363	4.9%
1995	303,717	291,634	12,083	4.0%
1996	312,160	299,810	12,350	4.0%
1997	319,450	308,129	11,321	3.5%
1998	323,674	311,790	11,884	3.7%
1999	329,923	318,827	11,096	3.4%
2000	334,994	322,972	12,022	3.6%
2001	331,791	316,535	15,264	4.6%
2002	342,595	323,126	19,469	5.7%

Source: Illinois Department of Employment Security

Lake County’s unemployment rate has remained lower than the rate for the Chicago region as a whole. Interestingly, however, Kenosha County, Wisconsin has enjoyed a much lower rate than the Chicago region with unemployment rates over time that have been much closer to those of Lake County’s. This is somewhat surprising given the Kenosha county’s heavy dependence on manufacturing, a sector susceptible to recessions.

Unemployment Rate at Select Intervals, 1991-2001

Source: Bureau of Labor Statistics

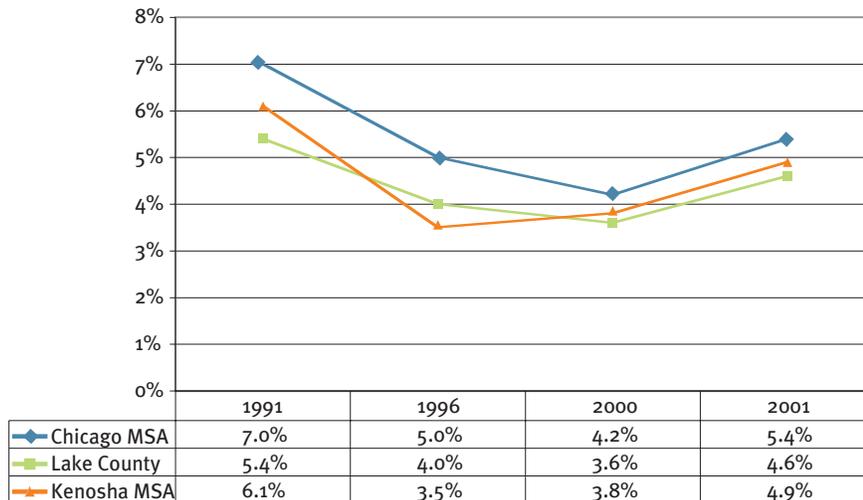


Figure 11

County Education, Skill Levels and Jobs Don't Align

Employers locate in Lake County to take advantage of the generally high skill levels and educational achievements of its residents. At the same time, a surplus in residents with high skill levels means that the county, in effect, has to export much of its workforce to other areas of the region and the nation, while at the same time having to import lower skilled workers into Lake County.

One reason for this is that the number and types of occupations reported by household and the number and types of jobs reported by worksite in Lake County do not align, as illustrated in Figure 12.

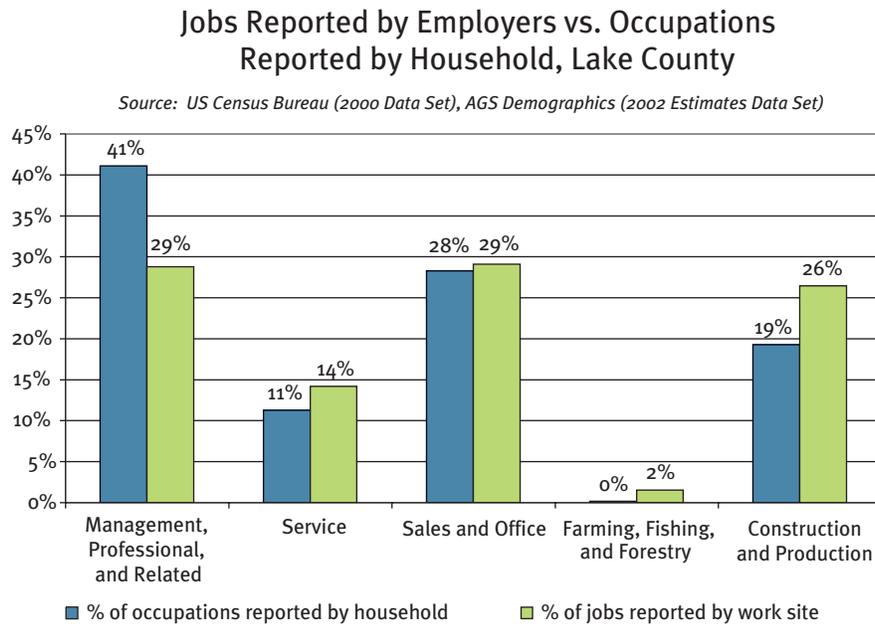


Figure 12

In Lake County, 41% of individuals hold jobs in management, professional and related occupations, but only 29% of jobs available in Lake County are in those occupations.⁵ Therefore, at least 12% of the population must commute out of the county to work in these occupations. When it comes to construction and production jobs, the opposite is true: 26% of jobs in the region are in this field, but only 19% of the population holds those types of jobs, indicating that the remaining 7% of jobs are filled by workers commuting into Lake County. A similar picture holds true for service and agricultural (farming, fishing and forestry) jobs, which tend to include the lowest paying jobs among all industries. Fourteen percent (14%) of jobs in the county are in services, but only 11% of county residents report holding these jobs. Two percent (2%) of jobs are in agriculture, but less than 1% of residents report holding these jobs.

⁵ Four percent of Lake County residents report working at home. These individuals are represented in the data in Figure 11. It should be noted, however, that the dot-com bust which occurred in the late 1990s and early 2000s may have contributed to a significant number of former dot-com employees forming small consulting practices or engaging in telecommuting professions within Lake County. More data is needed to confirm if this trend is valid and, if so, what impact if any these individuals are having on the misalignment of jobs and skill levels.

Distribution of Jobs by Educational Requirement

Source: Bureau of Labor Statistics, Illinois Department of Labor

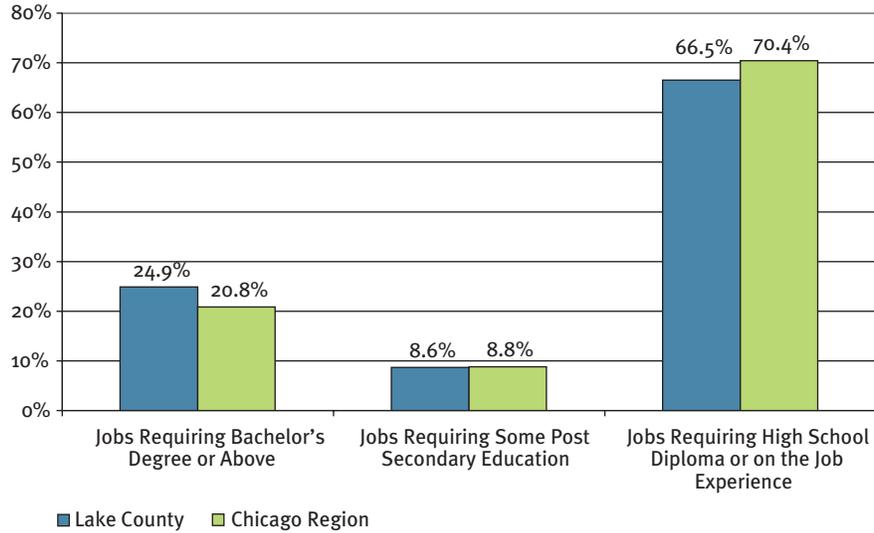


Figure 13

Educational Attainment of Population 25 Years and Older, 2000

Source: US Census Bureau 2000

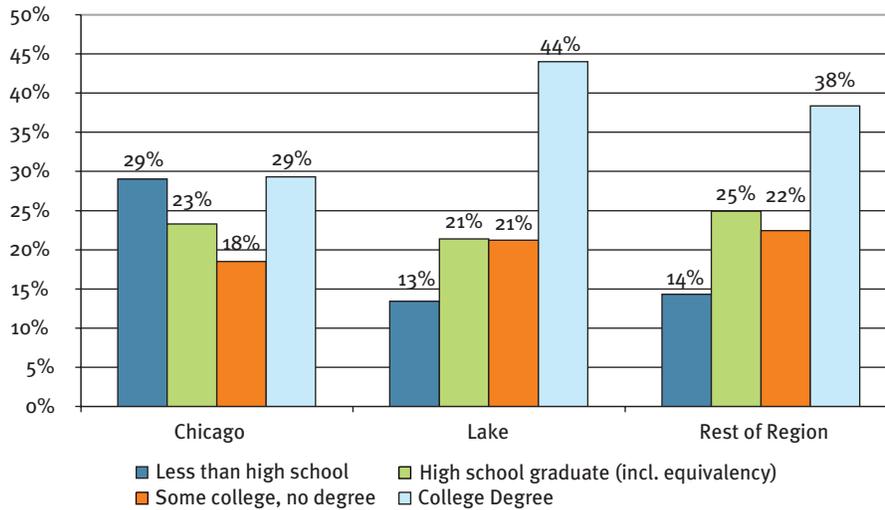


Figure 14

25% of the jobs in Lake County require a Bachelor's Degree or higher; 9% requires some form of post-secondary education less than a degree and 66% require only a high school diploma or some work experience. Yet, 44% of the 25 and older population possess a Bachelor's Degree or higher, compared with 40% in the rest of the region and only 27% in Kenosha County. With 91,852 jobs requiring a Bachelor's Degree or higher and 161,659 people possessing a Bachelor's degree or higher, there are approximately 1.75 times more people with Bachelor's degrees or higher than there are jobs requiring that level of education in Lake County (actually, the number would be even higher if recent college graduates between the ages of 22 and 25 are included). Most college graduates are not likely to take jobs that do not require a Bachelor's Degree except as a last resort.

The upshot is that a surplus of educated residents compared to jobs requiring such education results in considerable out-commuting. It also results in underemployment, which is a national trend, not just in Lake County. The deficit of residents who can and/or are willing to fill positions that require only a high school diploma or some college results in some in-commuting.

In summary, the data indicate Lake County ‘exports’ higher and mid-range wage managers and professionals, and ‘imports’ a mix of higher and mid-range wage workers for production and construction jobs, as well as for lower mid-wage service and agriculture jobs.

The up side to the skills import/export picture is that Lake County is, indeed, a highly educated county — educational achievement is a widely accepted indicator by which to measure community progress. However, the tri-fold combination of (1) highly educated workers and their families already living in the county, (2) highly educated workers and their families moving from the city into the county seeking a more suburban lifestyle (as well as good jobs and careers), and (3) the higher educational achievements of children of both existing and incoming families is creating a surplus of highly educated individuals that does not match the actual job and skill needs of the county, the region, or the nation.

For Lake County, as well as the rest of the region and country, a surplus of educated residents means that employers with jobs that require at least a Bachelor’s Degree have no problem finding qualified workers, but those with jobs that require little or no post-secondary training have a smaller workforce to draw from. It also means that there are not enough employers in Lake County to provide jobs for Lake County residents who have at least a Bachelor’s Degree. In addition to issues related to the match between education and jobs in Lake County, this has important implications for what type of culture and infrastructure exists to support entrepreneurship, especially job creation and economic development for small businesses in future growth industries and sectors.

Top Occupations in Lake County

Working under an assumption that the best occupations are those with high employment, high growth, and high wages, a simple model was developed by Corporation for a Skilled Workforce that ranked 510 jobs in the Lake County workforce area against one another based on size (occupations with most employment), wages (occupations with highest average annual wage) and growth (fastest growing occupations). Scores were aggregated across the three criteria for each occupation. The lower the aggregate score, the higher the occupation is ranked for high employment, high growth and high wages.

Table 8, on the following page, shows the top 10 occupations for Lake County taking into consideration their size, growth and wages. It also shows which of three education and training requirement categories apply to those occupations. The three categories are:

Education & Training Category 1 -- First professional degree; doctor's degree; Master's degree; degree plus work experience; Bachelor's degree.

Education & Training Category 2 -- Associate's degree; postsecondary vocational award.

Education & Training Category 3 -- Work experience in a related occupation; long-term on-the-job training; moderate-term on-the-job training; short-term on-the-job training.

Table 8 is revealing in that five of the top 10 occupations are information technology-related. The rest of the top 10 are a mixture of varying occupations: Physicians and Surgeons, Biomedical Engineers, Advertising and Promotions Managers; Securities, Commodities and Financial Services Sales Agents; and Social Science Researchers.

What is most notable, however, is that all of the top 10 occupations are Category 1 jobs; i.e., jobs that require at least a Bachelor’s Degree. This is good news for a county that has a surplus of residents with at least a Bachelor’s Degree.

Table 8: Lake County's Top 10 Occupations Based on Current Employment, Projected Growth and Annual Wage

Occupational Title	1998 Employ. ⁷	Rank by Employ.	Projected 10 Year Growth	Ranking of Occupational Growth Over 10 Years	Average Annual Wage	Rank by Wage	Education & Training Code	Overall Ranking
1. Computer Systems Analysts	18,443	31	95.2%	4	\$62,788	35	1	70
2. Computer Software Engineer	10,408	56	96.2%	3	\$66,772	26	1	85
3. Computer and Information Scientists, Research	8,395	76	39.6%	17	\$79,724	9	1	102
4. Physicians and Surgeons	14,754	37	24.8%	63	\$84,171	7	1	107
5. Biomedical Engineers	12,097	48	32.5%	36	\$60,775	45	1	129
6. Advertising and Promotions Managers	13,800	41	21.5%	79	\$67,681	25	1	145
7. Securities, Commodities, and Financial Services Sales Agents	12,320	46	25.7%	56	\$60,224	47	1	149
8. Computer and Information Systems Managers	3,615	163	112.8%	1	\$78,146	11	1	175
9. Computer Programmers	12,310	47	23.0%	70	\$53,605	74	1	191
10. Social Science Researchers	21,933	26	26.4%	51	\$47,599	122	1	199

Source: Illinois Department of Employment Security, Bureau of Labor Statistics

⁷ 1998 is the most recent year for which employment projections are available.

Large Numbers of Low-Skilled Entry Level Jobs

When only the demand for occupations is examined, a different picture emerges. Table 9, which lists occupations based on demand alone, shows several lower wage, higher turnover occupations. Workers in seven of the top ten occupations are highly likely to be employed part-time (i.e. Retail Sales, Office Clerks, etc.). Five of the top ten occupations are very prone to unemployment (i.e. Retail Sales, Cashiers, Janitors and Cleaners, etc.). Furthermore, only three of the top ten occupations require more than short or moderate-term-on-the-job training, and only three occupations pay more than \$30,000 per year (Chief Executives, All Other Managers and Marketing Managers).

While these data reinforce the need to look at a combination of factors to identify “good jobs” (as in the previous table, which ranks employment, growth, and wages) they also indicate that the highest demand jobs are entry-level, offer low wages and require few skills. This may be good news for those who are looking to enter the workforce for the first time or after a period of unemployment.

It will always be important to know “where the jobs are” for low-skilled populations. What is not helpful for families and communities, however, is for individuals seeking higher skill, higher wage employment to become trapped in entry-level type jobs. These workers need access to information about career development and occupational options. They need assistance in improving their skills to allow them to move up the career and economic ladder, vacating their jobs for more advanced positions and leaving openings for new labor force entrants. This movement between initial and likely low-paying entry level jobs in demand and more skilled work with higher growth and wages (but generally lower employment numbers) is a natural progression of labor movement that must be fostered and maximized. Local workforce policy makers must work with individuals who come into entry-level positions to prepare them for a career track that allows them some upward mobility.

Table 9: Lake County's Top 10 Occupations by Demand

SOC Title	1998 Employ.	2008 Employ.	% Change 1998-2008	Median Wage	Likelihood of Part-Time Employment	Likelihood of Unemployment	Education or Training Category
1. Retail salespersons	10,052	12,091	20.3%	\$17,764	Very High	Very High	Short-term on-the-job training
2. Chief executives	9,824	11,666	18.8%	\$107,476	Low	Very Low	Degree plus work experience
3. Secretaries, except legal, medical, and executive	7,468	7,447	-0.3%	\$29,758	High	Low	Moderate-term on-the-job training
4. Cashiers, except gaming	7,131	8,573	20.2%	\$15,907	Very High	Very High	Short-term on-the-job training
5. Office clerks, general	6,808	7,836	15.1%	\$18,706	High	High	Short-term on-the-job training
6. All other managers	5,416	5,622	3.8%	\$66,671	Very Low	Very Low	Work experience in a related occupation
7. Janitors and cleaners, except maids and housekeeping cleaners	5,122	5,733	11.9%	\$17,996	High	Very High	Short-term on-the-job training
8. Marketing managers	4,586	5,555	21.1%	\$69,899	Very Low	Low	Degree plus work experience
9. Landscaping and groundskeeping workers	4,573	5,434	18.8%	\$17,746	High	Very High	Short-term on-the-job training
10. Bookkeeping, accounting, and auditing clerks	4,050	3,977	-1.8%	\$29,838	Very High	Low	Moderate-term on-the-job training

Source: Illinois Department of Employment Security, Bureau of Labor Statistics

A Deloitte & Touche assessment of the Lake County labor market in 2002 may further illustrate the skills/jobs mismatch. The assessment, presented from an economic development standpoint, is framed in terms of the marketable advantages or strengths of the Lake County labor market, i.e., availability and cost of labor, and, where appropriate, is analyzed in terms of geographic segments of the county (mainly ‘north’ and ‘south’). Table 10 is an excerpt of the Deloitte & Touche assessment.

Table 10: Deloitte & Touche Labor Market Assessment (Excerpt)

FACTOR	AVAILABILITY & COST (Advantage/Disadvantage)	COMMENTS
Clerical/Administrative	Availability: slight disadvantage in south; advantage in north Cost: no differentiation	Generally available, though more difficult to attract in Southeast Lake County due to commuting constraints.
Unskilled/Semi-Skilled	Availability: slight disadvantage in south; advantage in north. Cost: high advantage	Abundant in northern half of Lake County Generally require ESL training. Surprisingly competitive cost.
Skilled/Technical	Availability: slight disadvantage Cost: slight disadvantage	Tight market for 2-year degree level personnel. Limited movement in market. Companies often recruit from technical schools outside of the area. Mid-level office personnel must commute far distances.
Pharmaceutical R&D/IT	Availability: slight advantage Cost: no differentiation	Junior to mid-level pharmaceutical R&D personnel are readily available. IT labor pool is a positive since economic down turn. Clinical and RNs are a premium.
Recent College Grads	Availability: slight disadvantage Cost: no differentiation	Outside of R&D positions, young talent is difficult to attract to Lake County due to the desirability of Chicago and the difficulty of the commute.
Management	Availability: high advantage Cost: slight disadvantage	Management talent is generally an area strength. Specific pharmaceutical R&D management is tight and recruited nationally.
Executive	Availability: high advantage Cost: slight disadvantage	Strong location for executive level talent.
State & Local Training Programs	---	Existing manufacturing industry wants stronger technical focus in secondary schools. College of Lake County is being under-utilized by local businesses.
University/Tech. College	---	Generally focused on college prep. Inadequate communication with local industry.
Secondary Education	---	With few exceptions, some of the best in the country as noted by the number of Blue Ribbon winners.

Source: Deloitte & Touche, 2002

Dropout Rates for Public Schools by School District

Source: US Census Bureau 2000

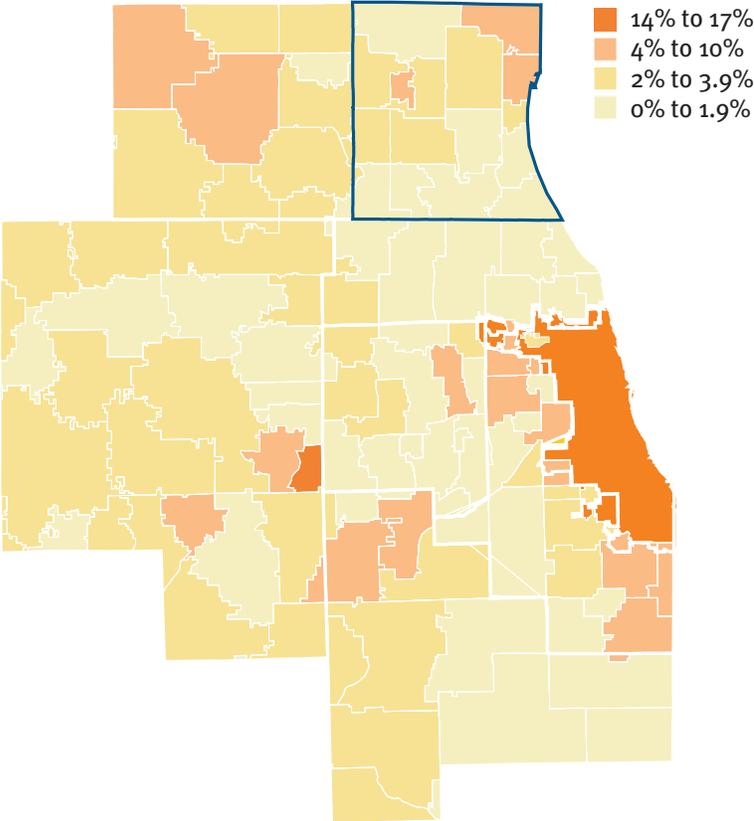


Figure 15

The connections between employer skill needs, educational achievement and other important issues facing the county, such as affordable housing, are all the more evident when looking at the clustering of high school dropout rates (shown in Figure 15). As with many other indicators, Lake County fares considerably better than the remainder of the region. Still, the dropout rate for students from low-income families or households is significant, particularly in the central and northeastern parts of the county, where drop-out rates are between two and ten percent compared with rates of less than two percent in the southern and northwestern parts of the county.

While a high school diploma is no guarantee that a person possesses the minimum level of skills required for certain entry-level jobs, it is still commonly used by employers as a measure of a person’s skill level. And that means that the high low-income student dropout rate represents a potential deepening into poverty for these students and their families.

Commuting, Transportation Issues Result from Mismatch

One result of the mismatch between educational levels of county residents and those required by county employers is that more workers commute out of Lake County than commute in on a daily basis. This is a trend experienced by all of the “collar” counties except DuPage. Figures 14 through 16 include the most recent commuting data, from 1999.⁶ Together, they indicate that nearly 30% of the Lake County workforce commutes to other counties to work, and that approximately 15% of people who work in Lake County commutes into Lake County for work.

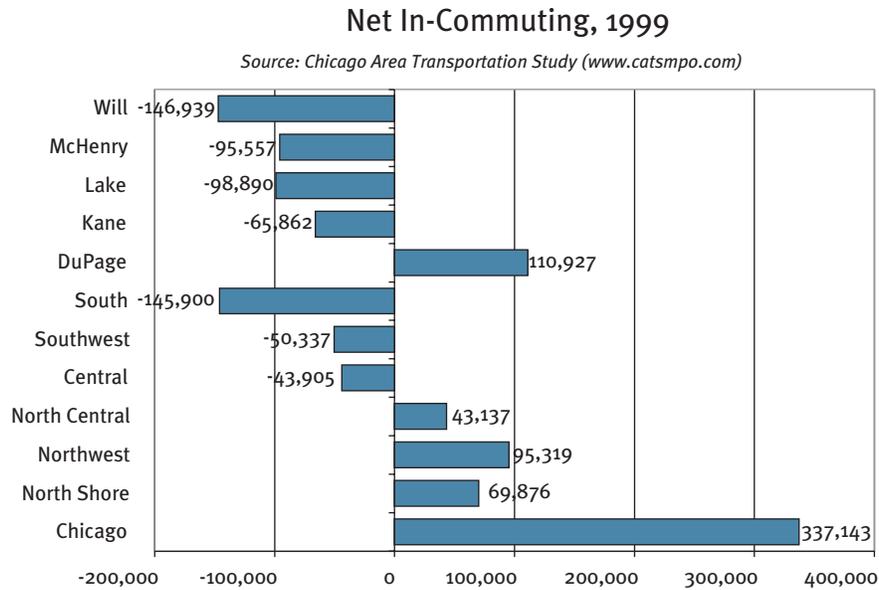


Figure 16

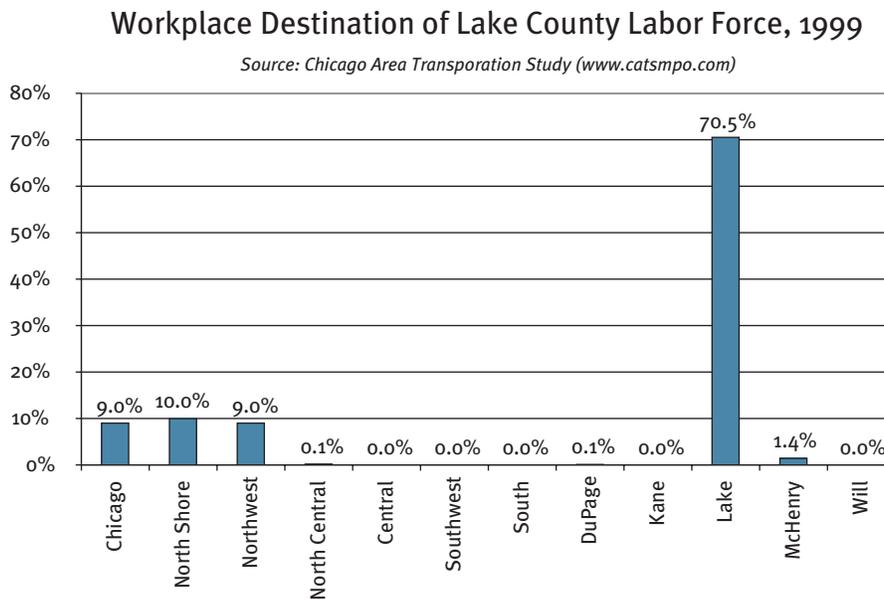


Figure 17

⁶ Chicago Area Transportation Study. Commuting regions were identified by CATS, and do not directly map to all the workforce areas. See Appendix A for a map depicting the commuting regions.

Home Origin of Persons Working in Lake County, 1999

Source: Chicago Area Transportation Study (www.catsmpo.com)

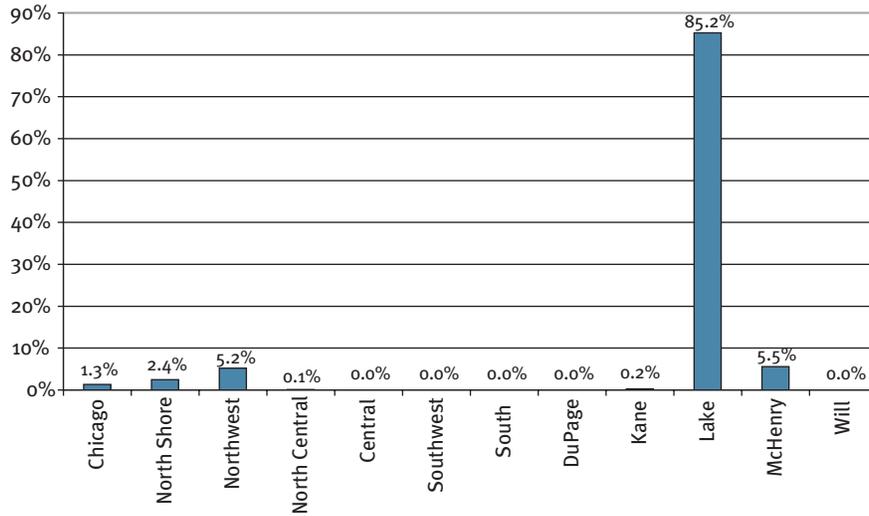


Figure 18

The transportation mode of choice for the vast majority of the region’s workers is the automobile —driven solo. There is relatively little car pooling, except in Chicago, where 15% of the workforce reports participating in carpooling.

In a fast growing county, the impact of these data is staggering: 76% of Lake County residents drive alone to work, while another 10% are in car pools, equating to more than 250,000 cars on the road each day.

Workers by Transportation Method, 2000

Source: US Census Bureau

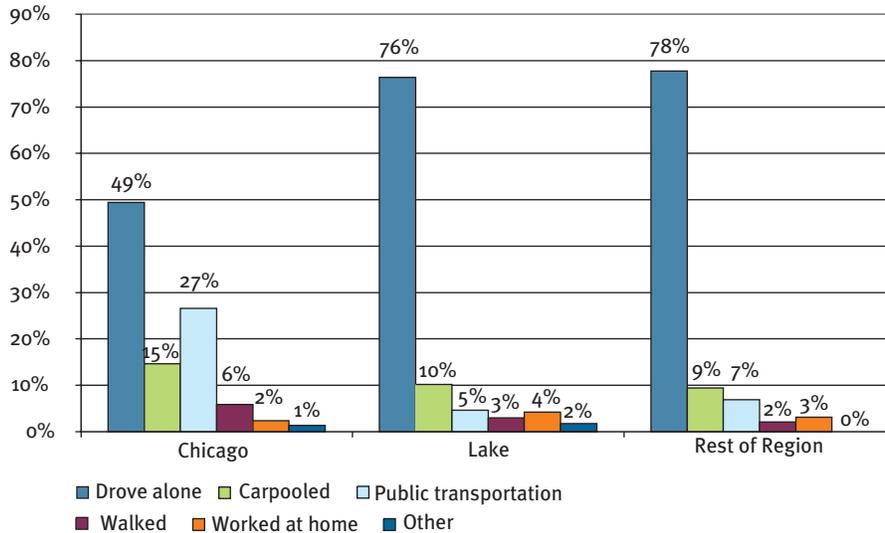


Figure 19

The Northeastern Illinois Planning Commission adopted a guideline in 1990 that used an average auto-commute distance of 8 miles as desirable for people in moderate to low-income households. The Center for Neighborhood Technology noted in its September 2002 report, “Changing Direction: Transportation Choices for 2030,” that there is a jobs-housing imbalance, particularly from the communities with the least household resources. Low-income households

are unable to find affordable housing near the new job centers, or to find jobs near moderately priced housing. Transportation is the second highest expenditure for families behind housing, consuming about 19% of the average household budget. And, whereas an investment in home ownership creates wealth, expenditures for transportation create debt.

Improving travel times and easing congestion can make it easier for workers and individuals conducting business (e.g., distribution, delivery, sales and other business meetings, etc.) to move in and out of Lake County. Expanded transportation options, such as through coordinated public transportation, can provide better access to job centers for thousands of individuals, especially those who do not own cars or who have mobility problems, such as individuals with disabilities.

However, as illustrated by the following charts, public transportation cannot currently compete with other modes of transportation in terms of travel time. Therefore, any transportation strategy for Lake County, and for the region as a whole, must find ways to improve public transportation travel times in order to succeed at easing traffic congestion.

Travel Time for Workers Not Using Public Transportation, 2000

Source: US Census Bureau 2000

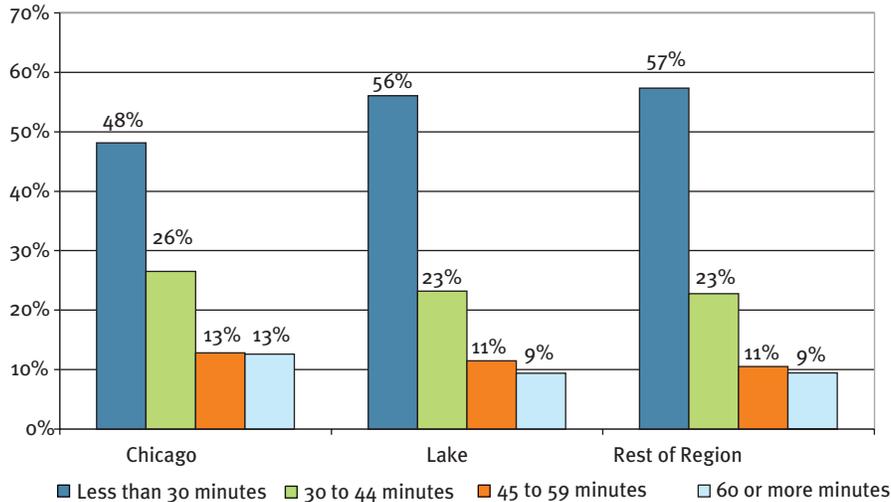


Figure 20

Travel Time for Workers Using Public Transportation, 2000

Source: US Census Bureau 2000

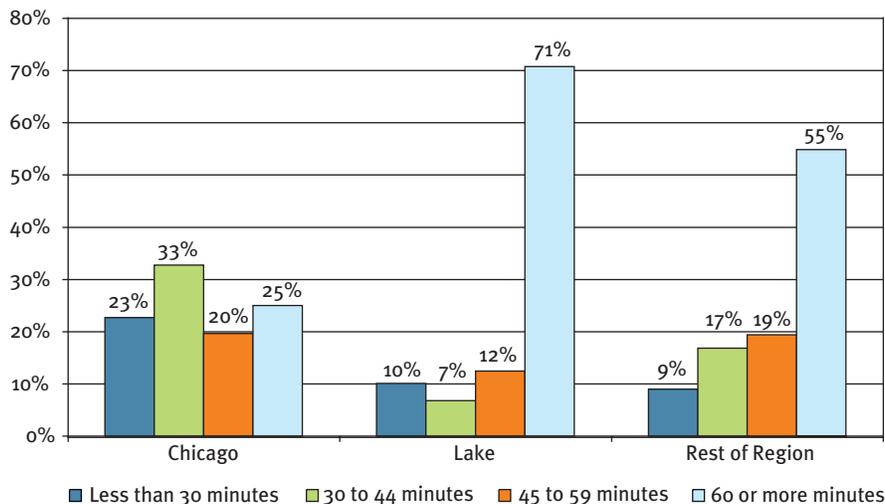


Figure 21

The key issue is that transportation challenges, particularly traffic congestion and travel times across the region, have emerged as a top priority. This is true for the entire Metropolitan Region, not just for Lake County. In fact, Deloitte & Touche identified traffic conditions as “the most significant barrier to Lake County growth.” Some of Deloitte & Touche’s observations include:

- Congestion is the major constraint cited by the majority of businesses, community leaders and residents. This has become a critical concern for companies in making expansion and location decisions in Lake County.
- Generally, employment opportunities and affordable housing are not proximate to each other, increasing the traffic congestion during peak commuting periods.
- Public transportation is designed as a “feeder” system into Chicago; it is not designed, or currently capable, of moving people within the county (i.e., buses).
- Surveys indicate that residents and elected officials support road improvements, but limited funding and lack of cooperation within the county delays necessary improvements.

The Bottom Line

Lake County is not lacking in economic opportunities. But a rising unemployment rate and a high out-commuting rate indicates that the county is challenged to do a better job of matching people within the county to jobs within the county. Lake County must figure out how to bring in higher paying jobs that will keep the county’s highly educated residents in the county or pursue other strategies, such as telecommuting and more flexible work arrangements that would enable more people to work from home. Likewise, efforts to make Lake County students, schools, and families aware of the full range of job and career path options in the county and region may help to build a stronger base of skilled technical labor for Lake County employers and employers throughout Metropolitan Chicago. Strengthening access to GED, ESL and other training options for the adult population without a high school diploma should also be a priority, as should opportunities for transitioning unemployed workers into growth industries. Additionally, the regional transportation infrastructure must be improved to ease congestion and allow for easier, quicker, and smoother commuting and business transactions.

WORKFORCE WELLNESS GOOD OVERALL BUT MANY NOT INSURED

Twelve Percent of the County Population Lacks Health Insurance

Overall, Lake County is a healthy community and performs well in many key health and wellness indicators (see Table 12). Yet, there are still portions of the county’s workforce with significant needs that affect not only the individuals, but their families, employers and communities. The most pressing of these needs (along with lack of affordable housing, discussed earlier) is the lack of health insurance.

According to the Lake County Health Department and Community Health Center (LCHDCHC), 67,600 individuals in Lake County lack access to adequate health care because they are uninsured. This is 11.4% of the total Lake County population and is larger than the total population in 80 other Illinois counties. The Department further estimates that between 70,000 and 90,000 more individuals may be under-insured. Of those uninsured in 1997, 38% were 0-17 years of age; 62% were 18 years of age or older; 63% were men, and twice as many men were uninsured as women. Lack of insurance affected racial groups differently as well. In 1997, 29% of Lake County Hispanics were without health insurance compared with 13% of Blacks and 7% of Whites.

Table 11: Primary Reasons For Being Uninsured or Underinsured

Uninsured	Underinsured
<ul style="list-style-type: none"> ■ High cost of coverage/premiums. ■ Employee cost for family coverage is higher in businesses that employ mainly low-wage workers. ■ Access to employer sponsored health care declining as low-wage employment shifts into sectors less likely to offer coverage. 	<ul style="list-style-type: none"> ■ As premiums increase, purchasers of insurance—especially low-wage workers—shop by price not by quality and comprehensiveness of coverage. ■ Medicaid enrollees lack access to market-based health insurance. ■ Complex delivery system for Medicaid results in inadequate supply and/or distribution of health care providers serving low-income communities.

Perhaps most troubling, according to the Access Project, the fastest growing group of uninsured individuals both in Illinois and nationwide are working people with moderate incomes (between \$25,000 and \$50,000 per year). This group has experienced a 70 percent increase in the number of people uninsured since 1995. The Access Project also reports that adults employed by small businesses have also experienced a marked increase (36%) in the number of individuals without health insurance. (Reducing the Number of Uninsured People in Illinois: Models for Action, 2000, Access Project, www.accessproject.org)

More research is needed to pinpoint the number of moderate income individuals and those working for small businesses in Lake County who do not have health insurance. Data on the contingent workforce in Lake County will also help to inform the health insurance debate, as many temporary and contingent workers are uninsured. However, given what is known about other key trends in Lake County, such as affordable housing and rising poverty rates — and the fact that in the county, due to the cost of living, \$50,000 per year is actually considered lower income rather than moderate income — it is crucial to determine if moderate income households in the County

are also experiencing adverse economic circumstances in order to capture a more accurate picture of the state of the Lake County workforce. It is also important to examine the growth trends of small businesses in the county to see what, if any, impact business size actually has on the rate of uninsured individuals.

Other Health and Wellness Indicators

Details about the county's performance on other health and wellness indicators have been amply documented. For more information, the following resources may be useful:

- **Voices for Illinois Children** — www.voices4kids.org — state and county level data (KidsCount 2002) on safety, family, economic security, education, and health indicators as they relate to children.
- **Chicago Metropolitan 2020** — www.chicagometropolis2020.org — regional indicators including health.
- **Day Care Action Council of Illinois** — www.daycareaction.org — information on child care in Illinois.
- **Northeastern Illinois Planning Commission** — www.nipc.cog.il.us — maps and data tables on Illinois counties including health data.

The Bottom Line

The bottom line is plain and simple. As Lake County grows, the number of individuals without access to important health and wellness resources is also likely to grow. Add lack of health insurance to a lack of affordable housing and viable alternative transportation options, and the result is a triple threat to the county's long-term prosperity.

Table 12: Health and Wellness Indicators

Children (17 and Under)	Illinois	City of Chicago	Cook County	DuPage	Kane	Kendall	DeKalb	Lake	McHenry	Will
Child Population 2000	3,245,451	1,215,315	1,280,045	241,411	122,488	16,090	20,552	189,441	78,543	150,680
Percent Living in a Married Couple Family (own child)	67.0	47.4	58.9	82.8	73.8	81.9	74.6	78.2	83.0	78.1
Children in Foster/ Substitute Care (per 1,000) in 2001 and Change, 1998-2001	8.3 -41.5%	22.1 -48.2%	13.3 -47.6%	0.9 -30.8%	2.8 -31.7%	1.5 7.1%	3.3 -41.5%	2.6 -35.0%	1.0 -9.1%	1.9 -23.1%
Percent of all Births to Teens, 1995-1999	12.5	18.1	14.2	4.2	11.2	7.2	9.6	8.2	5.3	8.2
Infant Mortality – Deaths per 1,000, 1995-1999	8.5	11.3	10.0	6.2	7.5	6.0	5.5	5.7	5.2	7.7
Child Abuse and Neglect per 1,000 in 2000	8.3	9.1	6.7	1.7	6.6	5.5	8.4	5.1	6.1	4.5
Self-Sufficiency Standard, Two-Parent, Two Child Family	N/A	\$40,189	\$40,189	\$45,146	\$43,984	\$37,629	\$32,933	\$42,904	\$45,642	\$41,465
Percent Change, 1997-2001 Children on TANF	-64.6	-58.5	-59.4	-74.8	-79.3	-79.2	-85.0	-76.2	-82.7	-76.5
Percent of Students Eligible for Free and Reduced Lunch, 2000	41.5	78.0	60.7	11.9	27.6	6.5	12.3	23.7	8.5	22.1

Source: Illinois Kids Count 2002, Voices for Illinois Children

MORE GROWTH PROJECTED, AGE & DIVERSITY BIG FACTORS

Population Expected to Increase

All parts of metropolitan Chicago, as well as Illinois, experienced increases in population between 1990 and 2000 (Table 13). Overall population growth in Lake County was 24.8%, representing an increase from 516,418 to 644,356. This is a considerably higher rate of growth than the region as a whole, but still considerably lower than the population increases in neighboring McHenry and Will counties, which experienced surges in population of more than 40 percent. Lake County remains the second most populous collar county. In general, growth in the Metropolitan Chicago region reflects a trend for growth in the suburbs at the expense of the city. The city (Chicago and all of Cook County) is growing, but much more slowly than the collar counties.

Lake County's neighbor to the north, Kenosha, also experienced considerable growth between 1990 and 2000. During that period, Kenosha grew by 14% to a population of just under 150,000.

Table 13: Total Population, 1990 & 2000

	1990	2000	% Growth
Illinois	11,430,602	12,419,293	8.6%
Metro Region ⁸	7,378,521	8,235,233	11.6%
Cook ⁹	5,105,067	5,376,741	5.3%
Chicago	2,644,280	2,754,500	4.2%
Northern Cook	1,085,902	1,123,089	3.4%
South and West Cook	1,373,876	1,473,479	7.2%
DuPage	781,666	904,161	15.7%
River Valley	434,816	547,632	25.9%
Lake	516,418	644,356	24.8%
McHenry	183,241	260,077	41.9%
Will	357,313	502,266	40.6%

Source: US Census Bureau 2000

Population projections indicate that by the year 2020 more than 800,000 people will live in Lake County and more than 600,000 will work within the county, including residents and commuters (U.S. Census, 2000). These are gains of approximately 23 percent in total population and 33 percent in the size of the workforce.

⁸ Total of the following counties: Cook, DuPage, Kane, Kendall, DeKalb, Lake, McHenry and Will.

⁹ Cook County is composed of three workforce areas – Chicago, Northern Cook and South and West Cook. Due to Census tabulation areas, the workforce areas are an aggregation of data and the total of these three regions does not exactly equal the total for Cook County. The discrepancy ranges from –0.1% in 1990 to –0.3% in 2000, and is not significant for the level of data analysis contained in this report.

County Becoming Older, Younger and More Diverse

Impact of Age Groups

Like the nation and region, Lake County's population appears to be aging. Table 14 shows that one out of every five individuals in Lake County is over the age of 50. The 35-49 age group, which increased more than any other group, accounts for one in every four residents. Figure 22 shows that from 1990 to 2000, people between the ages of 50 and 64 increased as a share of the county's population by 1.8%.

While the increase in share of 35-49 year olds is fairly consistent with the rest of the region, the increases in share of Lake County's total population for those in the 50-64 year old range and those over the age of 65 are higher than the rest of the region.

Table 14: Population by Age, 2000

Age	Chicago	Lake	Rest of Region
9 and under	15.2%	17.0%	15.1%
10-17 years	11.0%	12.4%	11.8%
18-24 years	11.3%	8.8%	8.5%
25-34 years	18.5%	13.5%	14.1%
35-49 years	21.4%	26.0%	24.6%
50-64 years	12.4%	13.8%	14.7%
65+	10.2%	8.5%	11.3%

Source: US Census Bureau 2000

Change in Age Distribution, 1990-2000

Source: US Census Bureau 2000

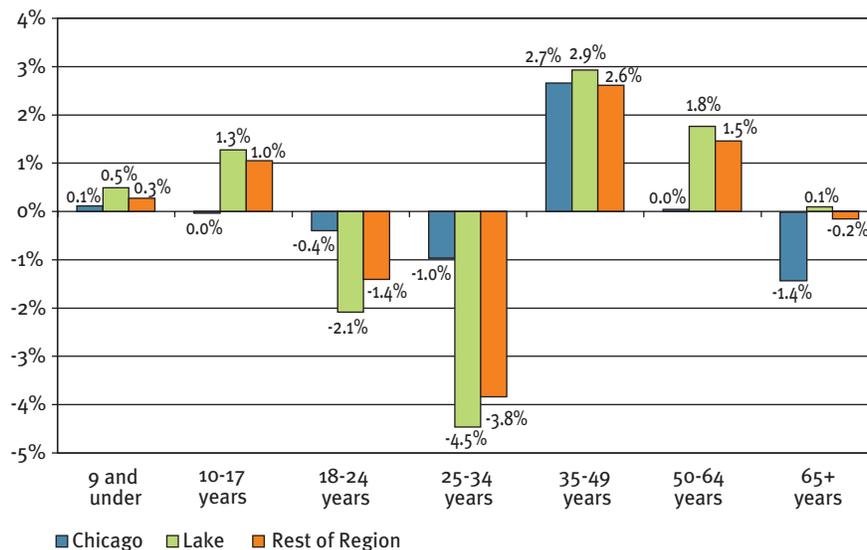


Figure 22

Table 14 and Figure 22 show that the county appears to be getting younger, too. Despite a 2.1% decrease in the share of 18-24 year olds, the population of children and youth up to the age of 24 comprise almost 40 percent of the county's entire population.

The most visible declines and gains in relative share occurred for the population over the age of 25, where the share of the total population for 25-34 year olds declined by 4.5% in Lake County, and gains of nearly 3% were seen in the 35-49 year olds. This means that, although trends are beginning to point toward an “aging” of the population, the trend is gradual, not abrupt. The youth of Lake County continue to be a vital force in the community.

Impact of Diversity

The Lake County workforce and population are changing and becoming more diverse, at least in terms of racial and ethnic characteristics. One interesting aspect of the changing nature of Lake County is that the percentages of Hispanic and Black students in the Lake County public schools (18% Hispanic, 8.6% Black) are higher than the percentages of Hispanics and Blacks among the general population (14% Hispanic, 7% Black). Asian students comprise a smaller percentage of the school population (4.7%) than the general population (9%). U.S. Census data treat “Hispanic” as a category of race and not one of ethnicity, so comparing Census general population data with diversity data from the Lake County public schools may not be an apples-for-apples comparison. However, with 40 percent of the county already under the age of 24, the data still indicate that diversity may be having a greater impact on Lake County youth and schools than on Lake County as a whole.

Table 15: Student Diversity in Public Schools

	White	Black	Hispanic	Asian	Native American	Total Non-White	Total Enrollment
Illinois	59.3%	20.8%	16.2%	3.5%	0.0%	40.5%	2,029,821
Lake	68.6%	8.6%	18.0%	4.7%	0.2%	31.5%	128,809
McHenry	88.6%	0.8%	9.0%	1.5%	0.2%	11.5%	46,086
Dekalb	86.6%	4.3%	7.6%	1.3%	0.3%	13.5%	15,709
Kane	61.3%	7.1%	27.7%	3.7%	0.2%	38.7%	103,821
Kendal	83.0%	3.1%	11.6%	1.9%	0.4%	17.0%	12,050
DuPage	75.1%	4.6%	10.8%	9.3%	0.2%	24.9%	157,244
Cook	55.8%	20.6%	17.5%	5.9%	0.2%	44.2%	374,37
Will	71.2%	15.2%	11.5%	2.0%	0.2%	28.9%	86,109

General Diversity Characteristics

Among Lake County's 20% non-White residents, 7% are African-American, 4% are Asian and 9% are “other.” The 14% Hispanic share of the total population (Hispanics can be of any race) is underscored by the incredible 141% increase in the Hispanic population between 1990 and 2000.

Population by Race, 2000

Source: US Census Bureau 2000

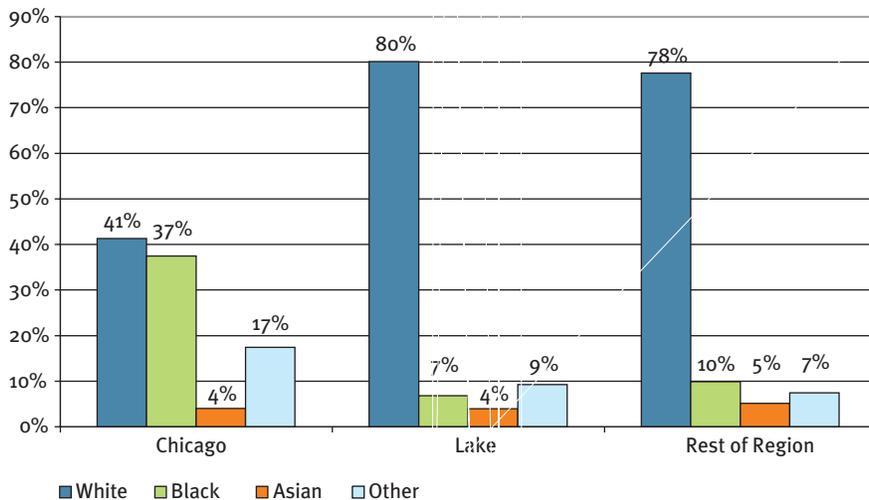


Figure 23

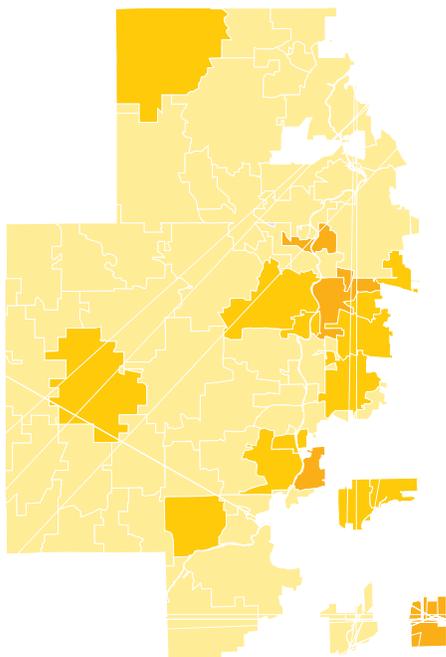


Figure 24

An interesting aspect of the impact of diversity in Lake County is that while minorities represent 31% of the student body in the county's public schools, they represent just 5.8% of the teaching staff. A trend found in all counties, except in Cook County, is that Hispanics represent the largest percentage of minority teachers, which makes sense given that Hispanics comprise the largest minority group in the county. Promoting teacher diversity in the schools can provide role models for minority youth and help them adjust better in a largely white/non-Hispanic community. Increasing the ratio of minority teachers — of all ethnicities — can be a positive force for changing the lower success rates of immigrant and minority children.

% of Population of Hispanic Origin, 1990-2000

Source: US Census Bureau 2000

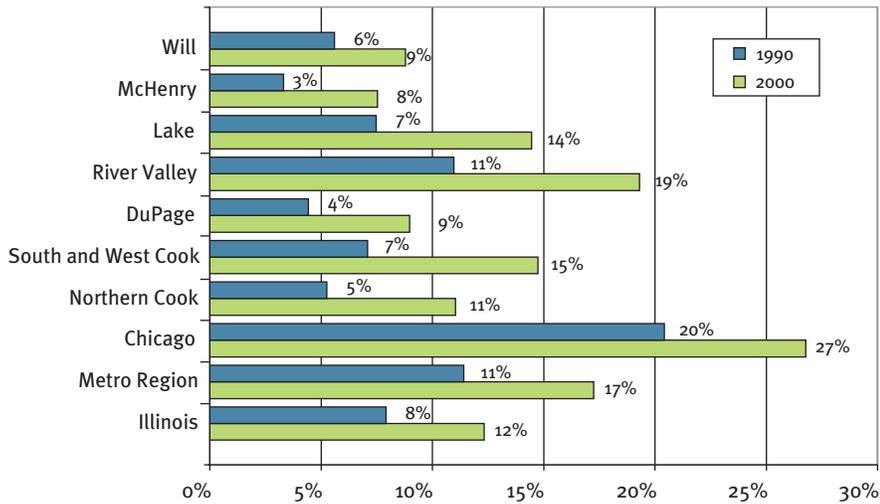


Figure 25

Another dimension of diversity beyond ethnicity and race is the impact of immigrants on the workforce and economy. One way to measure this is to identify changes in the number or percentage of foreign-born persons.

In 2000, 14.8% of the Lake County population was born outside of the United States (fourth highest in the region). Additional data is needed to determine if Asian and Hispanic individuals who move into Lake County are native-born, or if they are recent immigrants. The social and cultural expressions of each group will be different, as will their workforce related needs.

As was described earlier, Deloitte & Touche's assessment of the Lake County labor market indicates that the northern half of the county has a larger proportion of the workforce that is both low skilled and in need of ESL services than the southern half. This is due to a concentration of manufacturing firms and other businesses with jobs that require lower level and general labor skills. Figure 24 shows the deeper concentration of minorities in the northeast quadrant of the county. As the county's Hispanic and other minority populations continue to grow, that growth appears to be clustering in specific parts of the county. Further, as the gap between jobs and skills widens and becomes further exacerbated by transportation and housing issues, it will be critical to better connect the growing labor force to Lake County employers throughout the county. Among Deloitte & Touche's recommendations are to increase the availability of on-the-job ESL training and supervisor language training. Augmenting on-the-job ESL with enhanced community-based ESL is also important to connect unemployed and under-employed individuals with good jobs, and to opportunities to enroll in technical/vocational training and two-year and four-year degree programs that can lead to improved economic security.

Immigrants may also be contributing to the increase of youth in an otherwise “aging” county. This is both good and challenging news for Lake County, since younger workers will be needed to offset projected skill shortages. National data reveals that nearly one in four immigrants hold a technical, managerial, or professional job. With birth rates falling in the U.S., immigrants accounted for all the growth among workers under age 35. Ensuring that these new entrants find employment and develop their skills is important for all communities, including Lake County.

The fertility rate among the foreign-born population in the United States is more than a third higher than that of the native born population. Further, that fertility rate is due almost entirely to Hispanic women. The birth rate of foreign-born Hispanic women is half again as much on the average as it is for native-born (www.fairus.org, 01/03). These rates may be of benefit to Lake County, where the population aged 35 and older is growing fast. Additionally, minority rates in the school population exceed that of the general population, further evidence of the higher birthrate. However, according to the Aspen Institute (“Grow Faster Together or Grow Slowly Apart,” page 21), there is an unexpected negative relationship between the length of time immigrant children are in the U.S. and how well they fare. “The worsening of outcomes seems particularly acute for low education families and for people of color.” Better integrating these young people into the American culture may ameliorate this negative relationship.

The Bottom Line

An aging, increasingly diverse population has implications for the skills and knowledge that will be available to employers in Lake County and the Metropolitan Chicago Region. Data indicate that the youth of the county are more diverse than the older age groups. If county leaders can make stronger connections between students, families, schools and employers — strengthening links between cultural and ethnic groups as well — there may be ways to curb the skills gap that presently characterizes the labor market.

Additionally, diversity trends will also have an impact on workforce issues through the increased demand for ESL classes, assistance with immigration processing, and other social support by employers, employees and job-seeking residents. Employers and residents alike will need tools for effectively working together to turn differences in culture into community assets.

Just as the industry mix in Lake County highlights the differences between the four quadrants of the county, trends in age and diversity do as well. It is critical that county leaders work with in the four quadrant context as strategies and solutions to the county’s broader issues are developed.

RECOMMENDATIONS

As county leaders plan for future growth in the population, the workforce, and in diverse economic activities, the greatest challenge is also the greatest opportunity: to effectively invest and coordinate resources so that Lake County is a place of long-term economic, cultural and natural prosperity for all who live and work here.

The overriding theme of this report is that the growth and change that has characterized Lake County over the past few decades may be either positive or negative, depending on how the community plans for and accommodates change, or develops strategies to reverse negative trends. Imagine that more and more businesses locate here; that more and more people come here to work and live; that more and more cars and trucks fill the roads and highways; that more and more buildings are built. If growth continues at a similar pace to what it has in the past, the ability of the county's vast resources — public, private, human, natural — to flourish may become jeopardized.

This is not intended as a doomsday scenario. Rather, it is a realistic assessment of the major trends affecting Lake County and serves as a very likely answer to the paired questions: *What if we don't do anything?* and, *What if we don't do anything differently?*

As such, the opportunities for action framed below are intended to provide a starting point for discussion among the Lake County Workforce Investment Board and other local and regional leaders. They should be considered within the context of the efforts of all eight Workforce Boards of Metropolitan Chicago to establish more succinct priorities for the local boards and for the region as a whole.

The recommendations are presented in two broad categories: those that will ensure the continuation of coordinated planning for future growth, and those that will provide all Lake County residents and workers with quality of life tools that can lead to economic security and career success.

It should be noted that there is no significance to the order of the recommendations, nor are they meant to be prescriptive or exhaustive. In many cases, initiatives are already underway to address some parts of specific recommendations. The logical next steps, in these cases, are to build on the existing efforts and to expand them to encompass the broader issues covered in the recommendations.

Ensure That Coordinated Planning for Future Growth Continues

- *Expand the region-wide efforts of the eight Workforce Boards of Metropolitan Chicago to ensure alignment of Workforce Board strategies with those of leading regional community and economic development organizations.*

Lake County has done a good job to date at coordinating its vast resources, both internally and with the rest of the region, to manage the incredible growth of the past decade. It is vital that these efforts are sustained and that they are stepped-up to ensure that future growth continues to be addressed on both a local and regional basis. Many of the issues affecting the county are regional in nature due to the shared regional labor market. Likewise, many socio-economic issues

that have an impact on workforce or labor market issues are beyond the direct control of workforce boards.

For example, the type of employers that an economic development organization is courting to bring into the county, and where those employers locate, can have a significant impact on the entire county. Will the employer bring its own workforce? Are they highly paid workers who will pay top dollar for homes in elite neighborhoods? Will the company hire locally? How many positions? What types of skills are needed? Is the company locating near high-, mid- or low-income neighborhoods?

Partnering with economic and community development organizations to align short- and long-term strategies for the county is essential. These can include organizations such as the Lake County Partners, Northeastern Illinois Planning Commission, the Metropolitan Planning Council, Chambers of Commerce and other business or industry associations, community based organizations and others that are leading the way in various aspects of the county's development. Through such partnerships, leading planning agencies can create a shared vision for future growth in Lake County that enables the county to achieve a balanced and sustainable rate of growth.

■ *Utilize the recommendations and frameworks for economic development outlined by Deloitte & Touche for the Lake County Partners, the Northeastern Illinois Planning Commission's Common Ground project, and the New Economy Index of the Progressive Policy Institute, to align the county's community, economic and workforce development efforts.*

Lake County has its own unique characteristics. While growth planning should be undertaken from a regional perspective, strategies and action plans that would have a direct impact need to be realistically achievable in Lake County. Several frameworks for future growth planning exist. The recommendations for targeted economic development outlined by Deloitte & Touche for the Lake County Partners is a logical starting point because of the strategic role that workforce skills play in the range of business attraction and retention recommendations they have put forth.

One sector that does not play a prominent role in the Deloitte & Touche recommendations is the governmental sector and the range of "spin-off" businesses and jobs that support governmental employers such as the Great Lakes Naval Training Center.

The Common Ground project of the Northeastern Illinois Planning Commission is another important partnership in which Lake County leaders have been participating. The proposed regional goals of Common Ground, and the time line for implementing action steps to achieve those goals, are ones that should continue to be supported. For example, the goals for Jobs and Economic Development include:

- **Business Attraction and Retention:** The region's economic base will be continually strengthened and diversified through the attraction and creation of new businesses and the retention and expansion of existing businesses.
- **Jobs:** The region will retain and create jobs in sufficient numbers and at a variety of levels through which individuals can achieve financial independence.
- **Economic Development:** The region, with businesses in many economic sectors and strong clusters in strategic industries, will maintain its dominant position in the Midwestern and national economies.

- **Global Competitiveness:** Business, labor, and government will work through partnerships and strategic alliances to position northeastern Illinois as one of the world's top ten exporting regions.
- **Workforce Education:** Opportunities and resources for basic and advanced education, skills development, and lifelong learning will be available to expand and diversify the region's labor populations through a variety of institutions and learning technologies.

It is important that the Workforce Investment Board and other workforce leaders in the County provide input to ensure that these goals are sound and that specific strategies proposed for achieving them are, in fact, realistic for Lake County.

The New Economy Index put forth by the Progressive Policy Institute could be used as the basis for the creation of a set of aligned indicators that all county leaders, across all sectors, can use as a common reference point for defining and measuring progress toward achieving goals related to future growth.

Other guidelines and indices exist as well, such as the Northern Illinois Economic Indicators produced by the Northern Illinois Business and Industry Data Center of the Center for Governmental Studies at Northern Illinois University.

■ *Conduct “Resource Mapping” of the four Lake County quadrants.*

Resource mapping can be an effective process for identifying workforce development resources and gaps across the county. The process can identify the sources and objectives of workforce funding, the amounts and outcomes of that funding, and the distribution of those amounts and outcomes across the four quadrants. It can also help to identify the full breadth of programs, initiatives, services, and products being delivered to the workforce via employers, private sector vendors, education and training providers, public sector agencies, and community based organizations. Initially, resource maps can function as important strategic planning and decision-making tools in support of efforts to ensure equitable distribution of and access to workforce and economic development resources across all four quadrants in the county. Ultimately, however, the Workforce Investment Board may wish to partner in the development of on-line, interactive systems that provide various users within the county with the ability to query resources and even map routes to and from various resource providers. Organizations such as the Corporation for a Skilled Workforce or university research centers are examples of the type of partner that could assist in the resource mapping process.

■ *Promote upcoming industry summits and engage in efforts that sustain the momentum and expectations raised.*

Workforce summits planned for the Metropolitan Chicago region include: Healthcare, Manufacturing, Technology, Finance/Insurance/Real Estate, Transportation, and Hospitality. These summits are being coordinated along parallel tracks by the metropolitan region as well as the City of Chicago (through two separate grants). Efforts to align the two tracks have proven very successful and are indicative of the city's desire to both collaborate with regional partners as well as help be a leading agent for change. Those efforts should continue and the Lake County Workforce Investment Board must make a concerted effort to engage in the planning of summits, participate at the summits, including helping to populate them with relevant and engaged employers, and understand and connect to the outcomes of the summits. A new grant application

has been submitted to the State of Illinois to hire business liaisons that will help ensure proper summit follow-up for each of the six key industries (in addition to other business related activities).

- *Work with groups such as Business Leaders for Transportation of the Metropolitan Planning Council (representing more than 10,000 metro area employers) to ensure that Metropolitan Chicago's share of reauthorized TEA-21 funds supports the community, economic and workforce development plans of the region.*

According to the Metropolitan Planning Council, metropolitan Chicago has been the third worst congested region in the nation for the past five years. Transportation issues have been identified by the Lake County Workforce Investment Board and Lake County Partners, as well as by the Lake County Board of Commissioners, as a top planning priority. Transportation issues are also among those with which all counties in the region can find common ground. Traffic congestion, access to public transportation, access to truck and rail freight corridors, airport proximity, and the mapping out of new roads and highways all have a direct impact on the decisions employers, workers and families make regarding location, employment and commuting across the entire region.

On September 30, 2003, the Transportation Equity Act for the 21st Century (TEA-21) — the major federal transportation legislation — will expire and, presumably, be reauthorized. Business Leaders for Transportation is a coalition of 100 member organizations representing more than 10,000 area employers. This group, in conjunction with the Metropolitan Planning Council, is the primary voice advocating for the transportation needs of the metropolitan Chicago region at the federal level.

Given the approaching reauthorization date for TEA-21, Lake County workforce leaders, and regional leaders as well, have a timely opportunity to ensure that a clear, coordinated strategy is developed for the TEA-21 funds; a strategy which ensures that TEA-21 funds are utilized in ways that simultaneously benefit the employers, workers and families, and assist in the improvement of transportation flows across metropolitan Chicago.

Provide All Workers/Residents with Quality of Life Tools

- *Explore the use of employer-assisted housing programs and other innovative approaches to increase affordable housing options — both rental and ownership — in Lake County, particularly for lower income residents.*

While this report identifies many barriers to economic security for lower income workers and families, access to affordable housing in Lake County is among the most pressing. Several innovative approaches are being tried regionally and nationally to address this issue. Among those worth exploring for Lake County are:

- Employer-assisted housing programs, in which employers partner with community based organizations to provide workers with home-buying counseling services and financial assistance (often in the form of forgivable loans) for home down payments.
- Partnerships among banks, community development corporations, housing commissions and developers to change the financing mechanisms of affordable housing in ways that create more effective incentives for both developers and low income families to participate.

Regardless of strategic approach, the Workforce Investment Board should work with the Affordable Housing Commission of Lake County to ensure that efforts are coordinated with the county-wide marketing plan produced by Deloitte & Touche and adopted by the Lake County Partners. Particular attention should be made to business attraction efforts of Lake County Partners that aim to locate in-coming businesses in or near communities with pools of skilled labor that match the needs of those businesses.

■ *Establish incentives that support skills enhancements and career path networks for low-income workers and residents.*

Opportunities do exist in low-skilled, low wage entry-level occupations in the county. This is good news for those people who are primarily seeking entry into work and attachment to the labor force. What is not acceptable, however, is to make life-long careers out of entry-level type jobs. People in these positions need to be assisted in improving their skills to move up the economic ladder, freeing their jobs for new labor force entrants. The challenges job seekers face in this environment are essentially ones of transparency: First, the skill needs of employers are not always transparent, and second, the steps for advancing beyond low-wage, entry-level jobs — either internally with one employer or externally across multiple employers — is also not always transparent.

The leadership of Lake County has an opportunity to work with employers, schools, colleges, and other training providers to build effective career path networks that make it easier for everyone to see the steps that are necessary to achieve upward economic mobility. Effective career path networks provide job seekers with support services to obtain the required level of skills, knowledge, experience, and good performance for advancing along a career path, for example, from an entry-level Certified Nursing Assistant to a Registered Nurse or Specialized Care Giver.

■ *Ensure that strategic workforce planning for the county accounts for the diversity of each of the four county quadrants.*

The need for ESL training for non-native English speakers has already been established and supported by Lake County employers and community groups. However, ESL may not be in as much demand, for example, in the southwestern quadrant as it is in the northeastern quadrant. Other service and coordination approaches are likely needed as well to respond to the varying needs of each part of the county. For example, members of the Workforce Investment Board have recently expressed astonishment at news that two corporate headquarters had relocated to the City of Chicago to hire some of the “creative, youthful, more diverse segment of the population that cannot afford or choose not to live in the suburbs.” However, as the data in this report indicate, Lake County’s youth population is very diverse. It is true that some companies may decide to relocate to capture a portion of the youth segment that is both more diverse and more highly educated. Yet, still others may choose to locate or stay in Lake County to capture the diversity of the county’s youth, especially those who can fill positions that do not require a four-year degree. Efforts to simultaneously encourage students to pursue two-year technical degrees and to attract firms in need of those skills is just one approach that can be customized according to the demographic and industrial mix of each of the four quadrants.

- *Create health insurance solutions that meet the needs of the County’s work force; invite area employers, business associations, health care providers, and community-based organizations to participate in creating solutions.*

Access to health insurance for low income workers and families is a pressing issue in Lake County. Efforts to create solutions at a county wide level should be sought, although realistically, progress may have to be measured on a firm-by-firm, sector-by-sector, and individual-by-individual basis. The Workforce Investment Board can coordinate with lead agencies such as the Lake County Health Department and Community Health Center to forge viable solutions. However solutions are crafted, they must be done so through a participative process involving employers (both large and small), business associations, health care providers, and the community-based organizations that most often serve the uninsured in Lake County.

To enhance the support network for the county’s workforce, employers participating in health plans and Employee Assistance Programs (EAPs) can be encouraged to review their plans and to provide access to extra assistance for workers who are experiencing physical or mental health duress. Chambers of Commerce and other associations that broker insurance and EAP plans can step-up efforts to enroll businesses of all sizes in these and other worker support programs.

- *Strengthen connections with K-12 schools, colleges and universities within Lake County to increase student, teacher and parent awareness of the full range of jobs and careers available in the County.*

Students, teachers and parents in Lake County must be made aware that there are a range of jobs available. Similar to the need for a career path network describing the career advancement opportunities for low income workers within the county, an important action step for the county leadership is to sponsor and/or strengthen career awareness activities and programs at K-12 schools, colleges and universities. In particular, teachers, administrators, students and parents of Lake County’s public schools should be engaged in ongoing dialogue about the range of jobs in Lake County, to build awareness of the skills-jobs mismatch described in Section Two of this report, and to encourage student exploration of jobs that do not require a Bachelor’s Degree as an initial career building step, such as jobs with good starting salaries that require a two-year technical degree.

Efforts should focus on strengthening student academic and technical skill foundations; expanding student internships and job shadowing experiences; and actively recruiting high school and college students for critical skill and job shortages. A coordinated, yet customized response to the needs of each industry and sector will be needed. Likewise, efforts to work with Lake County employers in this area should dovetail with efforts to work with schools and colleges.

The impact of a strategically planned campaign of public awareness and sponsored programs may not be felt for several years. However, if left uncurbed, the mismatch between the skills and educational achievements of the county’s younger residents and the mix of available jobs, combined with future growth projections of older populations, could play a major factor in whether or not the county’s economic future is one of continued prosperity or decline.

APPENDIX A: NOTES AND DEFINITIONS

Geographic Definitions

Metropolitan Region – Refers to the eight workforce investment areas involved in this project: Chicago, Northern Cook, South and West Cook, DuPage, River Valley, Lake, McHenry and Will.

River Valley – The name of the state-recognized workforce investment area made up of Kane, Kendall and DeKalb counties.

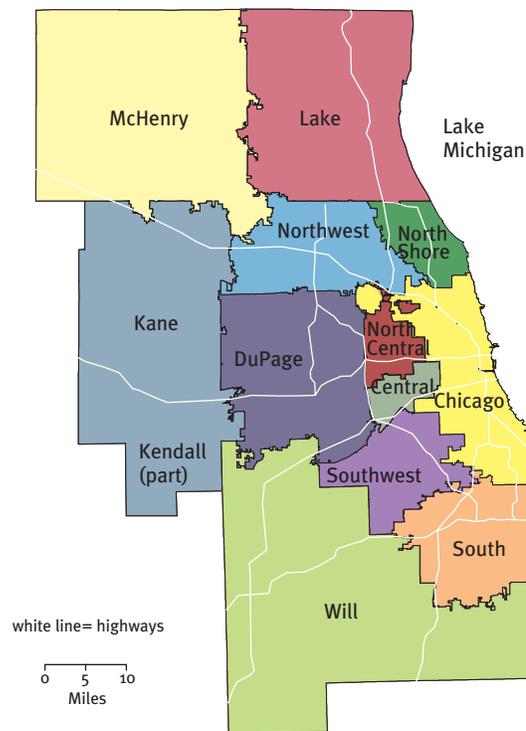
Kenosha- Kenosha County, Wisconsin

Rest of Region – In some charts, data is given for Chicago, Lake County, and “rest of region.” This includes the Northern Cook, South and West Cook, DuPage, River Valley, McHenry and Will workforce investment areas.

ZCTA – Zip Code Tabulation Area. A geographic area used for Census tabulations that approximates the delivery area for a five-digit or a three-digit ZIP Code. ZCTAs do not precisely depict the area within which mail deliveries associated with that ZIP Code occur.

Commuting Regions – Data regarding commuting was taken from the Chicago Area Transportation Study. The study used its own set of predefined areas as shown below:

Chicago Area Transportation Study Commuting Areas
January 2001



Industry Definitions

The North American Industrial Classification System (NAICS) is replacing the old Standard Industrial Classification (SIC) system for national, state, and local data. The Illinois Department of Employment Security is publishing both series for the 1st Quarter of 2001, but only SIC data is available prior to 2001. We have chosen to use both series, NAICS because we believe it provides a more comprehensive, accurate view of the labor market, and SIC because it is the only means by which to show historical growth patterns.

Due to the newness of NAICS, we are providing a sample of the types of sectors contained within each major industry:

Note: Italics are Major Industries combined in order to provide more descriptive industries.

Industry Definitions	
INDUSTRY	SAMPLE SECTORS
Construction	Contracting including building, developing, general; heavy construction of roads and bridges; special trade (plumbers, electricians, etc.)
Manufacturing	Apparel; computers and electronics; food; machinery; etc.
Logistics and Distribution	<i>Wholesale Trade</i> (major industry) <i>Transportation and Warehousing</i> (including air, rail, water, truck, and transit transportation; postal service; couriers; warehousing and storage)
Retail Trade	Auto furniture; electronics; building materials and garden; food and beverage; health and personal care; gasoline; clothing; sporting goods; hobby; book; music; general merchandise; etc.
Information	Publishing; motion picture and sound recording; broadcasting and telecommunications (cable, cellular, etc.); information services and data processing (on-line information services, data processing, news syndicates, libraries, etc).
Business and Finance	<i>Management Of Companies And Enterprises; Real Estate And Rental And Leasing; Business and Finance</i> (commercial banking; credit union; consumer lending; real estate financing; securities; investment advice; and insurance carriers.
Professional, Scientific and Technical Services	Legal; accounting; architectural; engineering; interior design; graphical design; custom computer programming; computer systems design; management consulting; executive search; marketing consultation; environmental consulting; scientific research; advertising and public relations; photographic services; veterinary services, etc.
Administrative and Support and Technical Services	Office and administrative; facilities support; employment placement agencies, temporary help services; telephone call services; collection agencies; credit bureaus; court reporting; travel agencies; investigation and security services; armored car services; janitorial services; landscaping service; convention and trade show organizers; waste collection; waste treatment and disposal, etc.
Educational Services	Private Elementary and secondary schools; junior colleges; colleges, universities, and professional schools; business schools; computer training; professional and management development; technical and trade schools; apprenticeship training; fine arts; language; exam preparation and tutoring; automobile driving, etc.

Industry Definitions Continued

Health Care and Social Assistance

Ambulatory; offices of physicians and other practitioners (optometrists, dentists, etc.); outpatient care; medical and diagnostic laboratories; hospitals; nursing and residential care; social assistance including child and youth services; services for the elderly and persons with disabilities; community food and housing; child care day services, etc.

Hospitality and Tourism

Arts, Entertainment, and Recreation (performing arts; spectator sports; museums; zoos; historical sites; amusement; gambling; skiing; marinas, etc.); combined with Accommodations (hotels; casino hotels; RV parks; restaurants; cafeterias; drinking places, etc.)

Other (not Government)

Major industries without significant employment including Agriculture, Forestry, and Fishing; Mining; Utilities; Other Services; and Non-Classified.

Government

Public Education; Executive and Legislative; Justice, Public Order and Safety; Administration of Human Resources; Administration of Environmental Quality; and Administration of Housing, Urban Planning, and Community Development; National Security, etc.

APPENDIX B: SUMMARY OF SOURCES

The Access Project

Health insurance,
rates of uninsured information
www.accessproject.org

Bureau of the Census, United States

Department of Commerce

U.S. Census 2000
www.census.gov

Chicago Area Transportation Study

Commuting patterns
www.catsmpo.com

Deloitte & Touche

Economic and workforce
development information

*Lake County, Illinois: Economic Development
Marketing Planning.* Power Point
presentation, December 12, 2002

*Lake County, Illinois: Target Industry Analysis
and Competitive Assessment.* Power Point
presentation, November 20, 2002

Illinois Department of Employment Security

State and local labor market information
<http://lmi.ides.state.il.us/>

Illinois Kids Count

Kids Count 2002
www.voices4kids.org

Illinois State Board of Education

K-12 education data
<http://www.isbe.state.il.us/>

Lake County Health Department and Community Health Center

County health insurance data
<http://www.co.lake.il.us/health>

Missouri Economic Research and Information Center

Index of Midwestern States Economic
Momentum
<http://www.ded.state.mo/>

Northeastern Illinois Planning Commission

Common Ground regional planning goals
and initiatives
<http://www.nipc.cog.il.us>

Northern Illinois University Center for Governmental Studies

Northern Illinois Business and Industry Data
Center, plus demographics data
<http://www.illinoisdata.com>

Progressive Policy Institute

Metropolitan New Economy Index
www.ppionline.org