

Chicago United



INSIDE INCLUSION

Featuring the Corporate Diversity Profile

Research Partners:



ABOUT CHICAGO UNITED

Chicago United is the premier thought leader in advancing inclusion. Our nearly 100 member companies include Fortune 500, large, mid- and small-sized businesses, minority-owned businesses, as well as civic and nonprofit institutions.

Our Mission

To achieve parity in economic opportunity for people of color by advancing multiracial leadership in corporate governance, expanding the talent pipeline for executive-level management, and growing minority businesses.

Our Vision

A Chicago region that is the most inclusive business ecosystem in the nation.

Our Values

Excellence; Transparency; Integrity; Collaborative; Inclusion; Innovative

Chicago United





FROM THE PRESIDENT AND CEO

I present the 2022 edition of *Inside Inclusion featuring the Corporate Diversity Profile*—the most comprehensive study of the status of diversity, equity, and inclusion at the highest levels in Chicago’s top corporations.

This edition of *Inside Inclusion* is the first full assessment of The New Normal – the business environment following the COVID-19 pandemic, social injustices, and society’s redefinition of what’s deemed important. Here, we examine the challenges as well as the opportunities brought on by The New Normal.

Enhancing the presentation of this data, we’ve restructured *Inside Inclusion* to provide a more user-friendly format. You will find three main sections, each with a list of key points and significant data presented within. You will also note an enhanced feature – Get Engaged, with information about existing Chicago United programs and initiatives.

Corporations are making progress at implementing diversity and inclusion within their ranks. In the last two years, as the data reveals, there have been both surges and declines. Overall it has netted out more positively. However, we know that there is still a lot more work to be done so that the gains are sustainable, and that representation continues to trend upward.

I sincerely thank our research partners for their invaluable support—the Federal Reserve Bank of Chicago and the Great Cities Institute at the University of Illinois at Chicago—and the instrumental contributions of Charmon Parker Williams, PhD, Principal Consultant and President of Parker Williams Consulting.

Let’s continue to make sure we are part of the solution in creating inclusive workplaces and transforming the Chicago region into the most inclusive business ecosystem in the nation.

Best,

Tiffany Hamel Johnson
President & CEO



IN THIS PUBLICATION

The structure of the publication provides you with a user-friendly format. Each of the three main sections begins with “Bottom Line on Top” – a list of the key points and significant data to be revealed in the section. The three research sections of this document cover:

THE LANDSCAPE

The Landscape section of this report serves as a benchmark for Chicago corporations to measure their progress. As with previous editions of *Inside Inclusion*, we again focus on the top 50 companies headquartered in Chicago as listed in the *Crain's Chicago Business 2022 Book of Lists*. We look across six biennial editions (2012 to 2022) to highlight noticeable changes or trends in the racial composition of boards of directors and senior leadership positions.

THE GREAT REASSESSMENT, RESIGNATION, AND RESHUFFLE

In the midst of the pandemic, several labor force patterns and trends emerged. This section takes a look at the impact that The Great Reassessment, Resignation, and Reshuffle has had within the labor market and how it plays out differently for employees of color. We also address the relationship between “The Great Resignation” and the growth of minority businesses.

THE LABOR MARKET RECOVERY

In this section of *Inside Inclusion*, we leverage insights from economists at The Federal Reserve Bank of Chicago to provide an overview and analysis of the labor market recovery from the pandemic. It builds on The Great Resignation, Reassessment, and Reshuffle, taking a deeper dive into employment trends, looking at employment to population ratios and compares Chicago to the rest of the nation.

GET ENGAGED

In addition to the research sections, you will see the following highlighted feature throughout the publication:

What can your organization do to move the needle on the development of a diverse talent pipeline, advancement in the middle management, executive ranks, on Boards, and in support of minority businesses? This feature offers information about existing Chicago United programs and initiatives that assist organizations in achieving their DEI goals and strategies. Through thoughtfully and strategically conceived programs, we help our members create their own blueprints for bold action and impactful results.

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LANDSCAPE

Overview

Our first overview section looks at the trends that have occurred in the corporate sector, focusing on the Top 50 Revenue-generating companies in Chicago.

Bottom Line on Top

- Chicago United member companies in the Top 50 lead non-member companies when looking at overall minority representation in both the C-Suite and the Executive ranks (26% vs. 18% and 23% vs. 18% respectively).
- Chicago United members make up 40% of the Top 50 companies and are well represented in the Top 10 companies ranked on CU's diversity index.
- Within the Top 50 Chicago companies, changes from 2012 to 2020 have been incremental, with a marked incline occurring between 2020 and 2022.
- This surge in the last 2 years has resulted in notable gains in minority representation at the board, C-Suite and executive levels:
 - Increases in minority representation were most notable in the C-Suite, growing by 14% points over the last ten years.
 - The most significant increases were found for Asian Americans.
- When looking at overall minority representation in 2022 across the Top 50 revenue generating-companies in Chicago, the percentages hover similarly for Boards, the C-Suite and All Executives at 22.5%, 20.5% and 20.6% respectively.
- Chicago Top 50 companies are either leading or on par with the nation for minority representation on boards, in the C-Suite and in executive positions.
- Chicago lags the nation for Hispanic representation in the C-Suite.

In this edition of *Inside Inclusion*, we focus on the Top 50 companies headquartered in Chicago. We look across six biennial editions (2012 to 2022) to provide an update on noticeable changes or trends in the racial composition of boards of directors and senior leadership positions.

The Landscape section of this report serves as a benchmark for Chicago corporations to measure their progress. The statistics are an important barometer of inclusive practices as they speak to an organization's capability to attract, engage, develop, and retain diverse talent. They also align with the degree to which other talent-management practices, such as performance management and succession management, are effectively executed and connect to the organization's culture.

Methodology

Our local sample consisted of the Top 50 Chicago-based "Public Companies" ranked by 2021 revenues as reported in *Crain's Chicago Business, 2022 Book of Lists (Table 1)*.

We sought the answers to five basic questions:

1. What is the racial composition of these companies' boards of directors?
2. What is the racial composition within the executive ranks? (We looked at representation at both the C-Suite level and across senior leadership positions.)
3. Which companies are leading across both directors and executives?
4. How do Chicago United member companies that are part of the Top 50 compare to non-member companies?
5. How do Chicago statistics compare to national statistics?

When comparing the Chicago Top 50 to national trends, we referenced multiple sources for national information including companies in the Russell 3000, the S&P 500, and statistical tables from the EEOC.

The number of incumbents and their ethnicity was determined by reviewing a company’s website leadership team page between July 2022 and September 2022. When necessary, the most recent proxy statement or 10-K was consulted. If ethnicity could not be determined through these initial sources, we researched additional publicly available information to determine ethnicity and ensured that there was confirmation for an individual’s ethnicity among at least two reputed web sources.

Ethnicity is defined as African American, Asian, Caucasian and Hispanic. In the charts in this document, African

American, Asian and Hispanic collectively represent “minority” representation.

It is important to note that, working with Greater Cities Institute of the University of Illinois/Chicago, we have been able to improve the accuracy of the data collection process. In both the 2020 and 2022 issues of *Inside Inclusion*, there were a minimal number of cases in which we categorized the incumbent as “Unable to Verify Ethnicity.” Consequently, we are confident that the percentages captured in the ethnic minority categories are a practical and meaningful reflection of their representation.

Table 1: The Top 50 Chicago-based “Public Companies” ranked by 2021 revenues

1	Walgreens Boots Alliance, Inc.*	26	CNA Financial Corporation
2	BP America Inc.*	27	Conagra Brands, Inc.
3	Archer-Daniels-Midland Company	28	Molson Coors Beverage Company
4	Abbvie Inc.	29	BP Company North America Inc.*
5	Caterpillar Inc.	30	Univar Solutions Inc.
6	The Allstate Corporation	31	Ulta Beauty, Inc.
7	Abbott Laboratories*	32	Arthur J. Gallagher & Co.
8	Exelon Corporation*	33	Motorola Solutions, Inc.
9	Commonspirit Health	34	Dover Corporation
10	US Foods Holding Corp.	35	Medline Industries, LP
11	Mondelez International, Inc.	36	Packaging Corporation of America
12	United Airlines, Inc.**	37	Redbox Automated Retail, LLC
13	United Airlines Holdings, Inc.**	38	Fortune Brands Home & Security, Inc.
14	McDonald’s Corporation*	39	Navistar International Corporation
15	Catamaran Corporation	40	Old Republic International Corporation
16	CDW Corporation*	41	Marmon Holdings, Inc.
17	Jones Lang Lasalle Incorporated	42	Camping World Holdings, Inc.
18	Tenneco Inc.	43	Ingredion Incorporated
19	Illinois Tool Works Inc.	44	HSBC Investments (North America) Inc.
20	Tru-Spec Metals, Inc.	45	Exelon Energy Delivery Company, LLC*
21	Discover Financial Services	46	CF Industries Holdings, Inc.
22	LKQ Corporation	47	Northern Trust Corporation*
23	W.W. Grainger, Inc.	48	Commonwealth Edison Company*
24	Advocate Aurora Health Inc.*	49	BMO Financial Corp.*
25	Baxter International Inc.*	50	Brunswick Corporation

*Denotes a Chicago United Member Company

**Denotes a Chicago United Member Company through 2021

GET ENGAGED

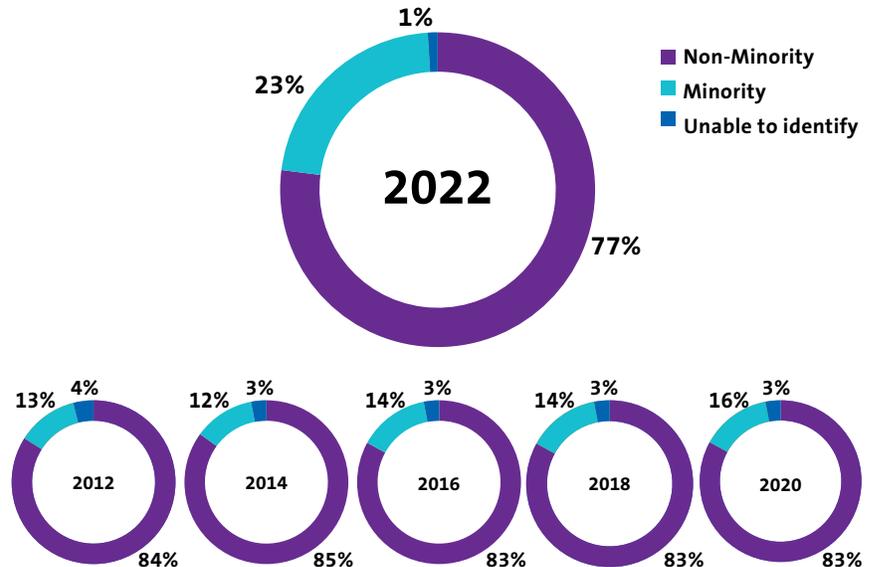
Chicago United's **Business Leaders of Color** distinction has proven that identifying and highlighting talented executives of color has a positive impact on board diversity. Biannually since 2003, Chicago United has identified 470 Board-ready candidates who have served in over 300 corporate directorships.

Every other year, 50 inspiring individuals join a network of the most influential, diverse, and inclusive leaders in the Chicago business community, after a highly competitive selection process. They are outstanding examples of what it means to overcome obstacles and biases to navigate the corporate landscape and ascend to leadership with boldness and confidence. They dispel the myth that there are few qualified, dynamic, visionary and talented executives of color to step into corporate directorships in Chicago and beyond.

Board Diversity

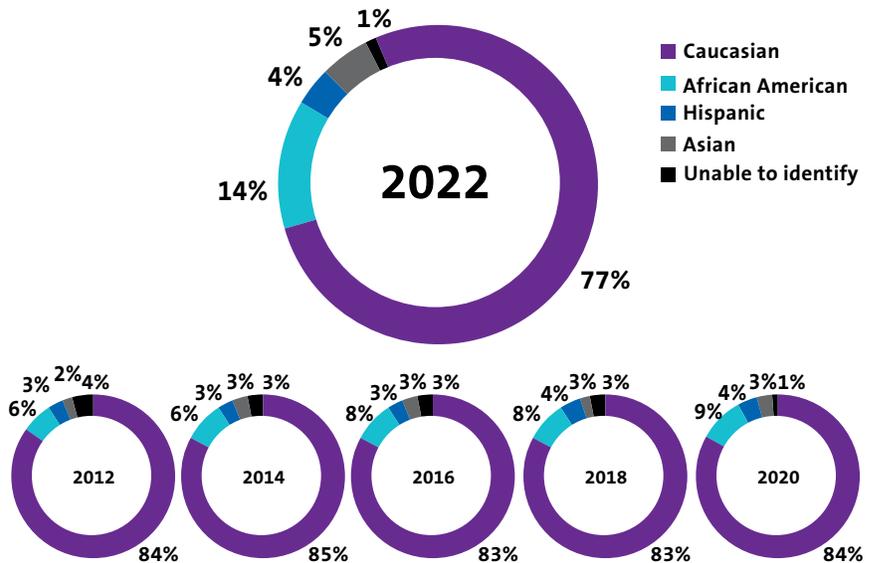
There were 489 individuals on the boards of the Top 50 Chicago companies for 2022. Continual increments in minority representation on boards have occurred over the last 10 years. Over this span of time from 2012 to 2022, there has been a 10.8% increase. In general, there has been a 1-to-2%-point increase in each consecutive year that we have published this data. Most notable increments occurred within the last two years where minority representation on boards surged over 6.4 percentage points between 2020 and 2022 (from 16.1% to 22.5%). (Figure 1 and Table 2)

Figure 1: Minority Status of Board of Directors in the Chicago Top 50 Companies



African Americans maintain the largest representation of this ethnic composition in 2022 at 13.7%, followed by Asian Americans at 4.7% and Hispanics at 4.1% (Figure 2 and Table 3).

Figure 2: Ethnicity of Board of Directors in the Chicago Top 50 Companies



*Totals may be more than 100% due to rounding

Tables 2 and 3 show the actual numbers alongside the percentages. For all ethnic groups there were some fluctuations of 1 to 1.5 percentage points between 2012 and 2020. Between 2020 and 2022 the increases surged almost 5 percentage points for African Americans (from 9.0% to 13.7%) and close to 2 percentage points for Asian Americans (from 2.9% to 4.7%).

Table 2: Minority Representation on Boards of Directors in the Chicago Top 50 Companies

	2012		2014		2016		2018		2020		2022		2012-2022
	n	%	n	%	n	%	n	%	n	%	n	%	Percentage Difference
Non-Minority	540	84.2%	466	84.6%	463	83.1%	461	83.1%	461	83.4%	375	76.7%	-7.6%
Minority	75	11.7%	69	12.5%	77	13.8%	78	14.1%	89	16.1%	110	22.5%	10.8%
Unable to Verify Ethnicity	26	4.1%	16	2.9%	17	3.1%	16	2.9%	3	0.5%	4	0.8%	-3.2%
Total	641	100.0%	551	100.0%	557	100.0%	555	100.0%	553	100.0%	489	100.0%	0.0%

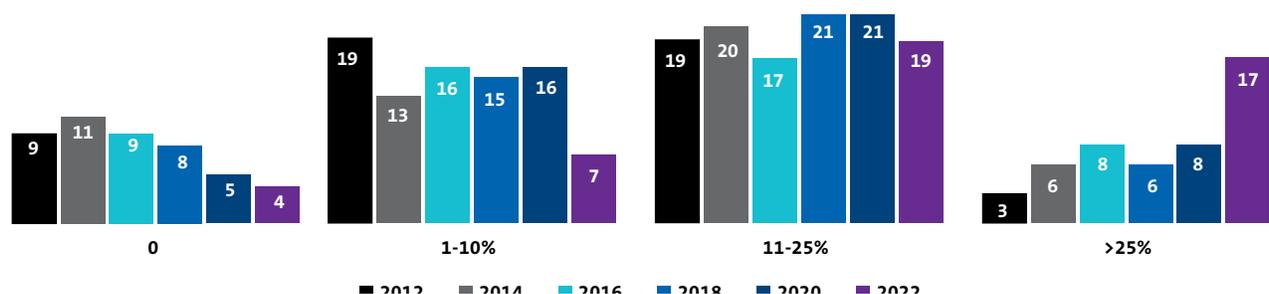
Table 3: Ethnicity of Board of Directors in the Chicago Top 50 Companies

	2012		2014		2016		2018		2020		2022		2012-2022
	n	%	n	%	n	%	n	%	n	%	n	%	Percentage Difference
Caucasian	540	84.2%	466	84.6%	463	83.1%	461	83.1%	461	83.4%	375	76.7%	-7.6%
African American	41	6.4%	34	6.2%	44	7.9%	42	7.6%	50	9.0%	67	13.7%	7.3%
Hispanic	19	3.0%	19	3.4%	19	3.4%	22	4.0%	23	4.2%	20	4.1%	1.1%
Asian	15	2.3%	16	2.9%	14	2.5%	14	2.5%	16	2.9%	23	4.7%	2.4%
Unable to Verify Ethnicity	26	4.1%	16	2.9%	17	3.1%	16	2.9%	3	0.5%	4	0.8%	-3.2%
Total	641	100.0%	551	100.0%	557	100.0%	555	100.0%	553	100.0%	489	100.0%	0.0%

Distribution Across Top 50 Companies – Board of Directors

When looking at the percentage of minority representation on boards across the Top 50 companies, the distribution is similar in years 2012 to 2020. It is a bi-modal distribution with peaks in two ranges (1 – 10% and 11 – 25%). In looking at 2022, we again see a bi-modal distribution; however, the peaks are both at the higher ends (11 – 25% and >25%). (Figure 3) This is an encouraging trend. For example, there were just 8 companies in 2020 that had more than 25% minorities on their boards. This spiked to 17 companies, at the time of analysis in 2022, with more than 25% minority representation on their boards.

Figure 3: Number of Top 50 Companies by % of Minority Board Members (2012 - 2022)



How Chicago United Member Companies Compare to Non-member Companies

In 2018, we began to look at how Chicago United Member Companies that are in the top 50 compare to non-member companies in the Top 50. This configuration of companies changes from year to year. In 2022, Chicago United member companies (and their parent companies) represent about 30% of the Top 50 Chicago companies (n=15). This is more substantive than their representation in 2020 which was just 14% of the Top 50.

In 2022 Chicago United Member Companies had a comparable level of overall minority representation on Boards as did non-member companies (23% each). When looking at the break-out by ethnic group, Chicago United member companies lead by 1 or 2% points for Hispanic and African American Board members. Non-member companies lead by a few percentage points for Asian American Board members. (Table 4)

Table 4: Comparison of Chicago United Member and Non-Member Companies for Board Representation

Minority Status of Directors for Top 50 Companies in Chicago, 2012-2022	Member		Non-Member	
	n	%	n	%
Non-Minority	127	77%	259	76%
Minority	37	23%	75	23%
Unable to Verify Ethnicity	0	0.0%	4	1%
Total	164	100.0%	325	100.0%

Ethnicity of Directors of Top 50 Companies in Chicago by Chicago United Membership Status, 2022	Member		Non-Member	
	n	%	n	%
Caucasian	127	77%	248	76%
African American	24	15%	43	13%
Hispanic	8	5%	12	4%
Asian	5	3%	18	6%
Unable to Verify Ethnicity	0	0.0%	4	1%
Total	164	100.0%	325	100.0%

Comparison of Chicago Top 50 to National Statistics

Our analysis for 2022 was made between the Chicago Top 50 companies and top companies across the U.S. referencing both the Russell 3000 and the S&P 500 (Table 5).

Minority Board representation is more comparable when looking at Chicago Top 50 companies and the S&P 500.

Chicago leads in overall minority representation when looking at companies that are part of the Russell 3000. Most notable in this comparison are the percentage of African Americans on Boards in Chicago (13.7% vs. 6%). The Russell 3000 companies have a higher percentage of Asian American representation on boards than Chicago (7% vs. 4.7%).

Table 5: Comparison of Directors of Top 50 Chicago Companies to National

	Chicago Top 50	National (Russell 3000)*	National (S&P 500)*
Caucasian	76.7%	84%	77%
African American	13.7%	6%	12%
Hispanic	4.1%	3%	5%
Asian	4.7%	7%	6%
Unable to Identify	0.8%	-	

*The S&P 500 and Russell 3000 are both large-cap stock indices. The S&P 500 includes only large-cap stocks, while the Russell 3000 contains some companies in the mid-cap range and perceived by investors as fluctuating more than the S&P 500.

C-Suite Diversity

There were 278 incumbents in our 2022 data set for C-Suite level positions. Similar to Board representation, increases have been observed for minorities in the C-Suite over the last 10 years, almost 14 percentage points, moving from 6.8% in 2012 to 20.5% in 2022. (Figure 4 and Table 6)

Figure 4: Minority Status of C-Suite Executives in the Chicago Top 50 Companies

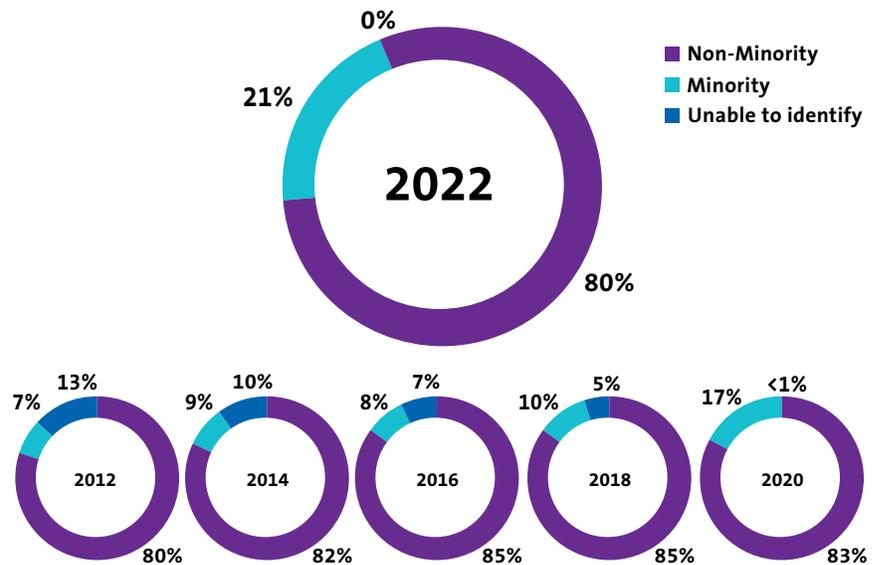


Table 6: Representation across all minority groups of C-Suite Executives for Top 50 Companies in Chicago, 2012-2022

	2012		2014		2016		2018		2020		2022		2012-2022
	n	%	n	%	n	%	n	%	n	%	n	%	Percentage Difference
Non-Minority	166	80.2%	163	81.5%	174	85.3%	184	85.2%	210	82.7%	221	79.5%	-0.7%
Minority	14	6.8%	17	8.5%	17	8.3%	22	10.2%	43	16.9%	57	20.5%	13.7%
Unable to Verify Ethnicity	27	13.0%	20	10.0%	13	6.4%	10	4.6%	1	0.4%	0	0.0%	-13.0%
Total	207	100.0%	200	100.0%	204	100.0%	216	100.0%	254	100.0%	278	100.0%	0.0%

For the first time since the publication of *Inside Inclusion*, Asian Americans exhibit the largest ethnic group representation in the C-Suite of the Top 50 followed by African Americans and Hispanics at 9.7%, 8.3% and 2.5%, respectively. (Figure 5 and Table 7).

Tables 6 and 7 show the actual numbers alongside the percentages. This increase in C-Suite representation between 2020 and 2022 was most noticeable for Asian Americans moving from 5.9% to 9.7%. In this same time period, African Americans saw an increase of 2% while there was a decline for Hispanics, moving from 4.7% in 2020 to 2.5% in 2022.

Figure 5: Ethnicity of C-Suite Executives in the Chicago Top 50 Companies

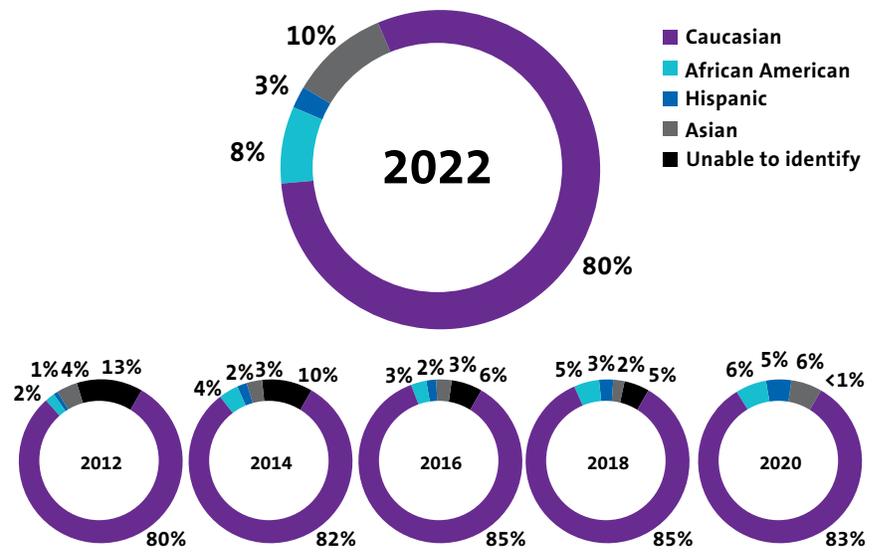


Table 7: Ethnicity of C-Suite Executives for Top 50 Companies in Chicago, 2012-2022

	2012		2014		2016		2018		2020		2022		2012-2022
	n	%	n	%	n	%	n	%	n	%	n	%	Percentage Difference
Caucasian	166	80.2%	163	81.5%	174	85.3%	184	85.2%	210	82.7%	221	79.5%	-0.7%
African American	4	1.9%	8	4.0%	7	3.4%	11	5.1%	16	6.3%	23	8.3%	6.3%
Hispanic	2	1.0%	3	1.5%	4	2.0%	6	2.8%	12	4.7%	7	2.5%	1.6%
Asian	8	3.9%	6	3.0%	6	2.9%	5	2.3%	15	5.9%	27	9.7%	5.8%
Unable to Verify Ethnicity	27	13.0%	20	10.0%	13	6.4%	10	4.6%	1	0.4%	0	0.0%	-13.0%
Total	207	100.0%	200	100.0%	204	100.0%	216	100.0%	254	100.0%	278	100.0%	0.0%

Table 8: Comparison of Chicago United Member and Non-Member Companies for C-Suite Representation

Minority Status of C-Suite Executives of Top 50 Companies in Chicago by Chicago United Membership Status, 2022	Member		Non-Member	
	n	%	n	%
Non-Minority	67	74%	154	82%
Minority	23	26%	34	18%
Unable to Verify Ethnicity	0	0.0%	0	0%
Total	90	100.0%	188	100.0%

How Chicago United Member Companies Compare to Non-member Companies

When looking at the C-Suite, there is a much higher representation rate of minorities overall for Chicago United Member Companies compared to non-member companies (26% and 18 %, respectively). Chicago United Member Companies lead non-member companies for African Americans (16% vs. 5%). Non-member companies in the top 50 lead for Asian Americans (10.5% vs. 8%) and both are closely aligned with respect to Hispanic representation in the C-Suite (2.5% vs. 2%). (Table 8)

Comparison of Chicago Top 50 to National Statistics

Chicago Top 50 companies lead national statistics for minority representation in the C-Suite for all but one ethnic category. Most notable in this comparison are the percentage of African Americans (8.3% vs. 3.2%) and Asian Americans (9.7% vs. 6.8%). Chicago lags the nation for Hispanic representation in the C-Suite (2.5% compared to 7.0%). (Table 9)

Ethnicity of C-Suite Executives of Top 50 Companies in Chicago by Chicago United Membership Status, 2022	Member		Non-Member	
	n	%	n	%
Caucasian	67	74%	154	82%
African American	14	16%	9	5%
Hispanic	2	2%	5	2.5%
Asian	7	8%	20	10.5%
Unable to Verify Ethnicity	0	0%	0	0%
Total	90	100.0%	188	100.0%

Table 9: Comparison of Chief Executives in Top 50 Chicago Companies to National

	Chicago Top 50	National*
Caucasian	79.5%	81.2%
African American	8.3%	3.2%
Hispanic	2.5%	7.0%
Asian	9.7%	6.8%
Unable to Identify	0.0%	

*Source: EEOC Statistical Tables

All Executives - Diversity

The total number of executives in our 2022 data set was 798. This total includes the 278 C-Suite executives described on pages 11-13 along with several other titles such as Director, Vice President, Senior Vice President, General Manager, and others. For all executives in the Top 50 companies, representation is trending upwards when looking at overall minority representation over the last 10 years. The needle has moved 11.4 % points from 9.1% in 2012 to 20.6% in 2022. The most notable increases were between 2016 and 2018 and between 2020 and 2022. (Figure 6 and Table 10)

Figure 6: Minority Status of All Executives in the Chicago Top 50 Companies

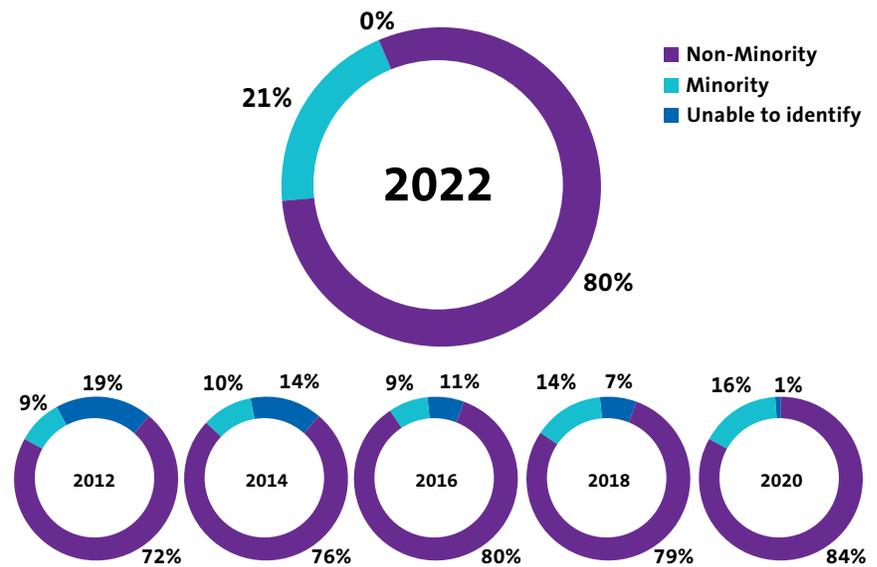


Table 10: Minority Status of All Executives for Top 50 Companies in Chicago, 2012-2022

	2012		2014		2016		2018		2020		2022		2012-2022
	n	%	n	%	n	%	n	%	n	%	n	%	Percentage Difference
Non-Minority	435	72.0%	504	76.4%	486	79.9%	535	79.4%	500	83.5%	634	79.4%	7.4%
Minority	55	9.1%	64	9.7%	57	9.4%	92	13.6%	94	15.7%	164	20.6%	11.4%
Unable to Verify Ethnicity	114	18.9%	92	13.9%	65	10.7%	47	7.0%	5	0.8%	0	0.0%	-18.9%
Total	604	100.0%	660	100.0%	608	100.0%	674	100.0%	599	100.0%	798	100.0%	0.0%

Similar to 2022 C-Suite findings, Asian Americans, again, assume the largest representation in the Executive ranks amongst the ethnic groups presented (at 9.1%), followed by African Americans and Hispanics (at 7.3% and 4.1% respectively). (Figure 7 and Table 11)

Figure 7: Ethnicity of All Executives for Top 50 Companies in Chicago

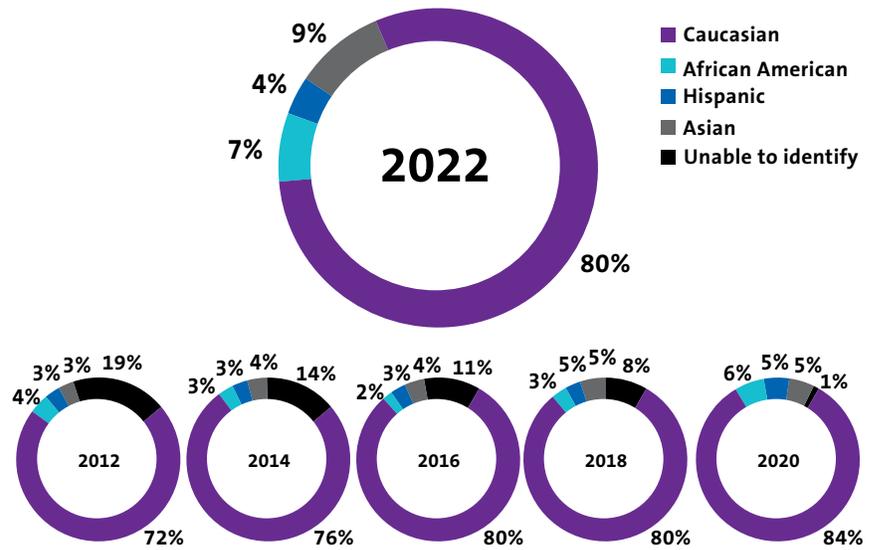


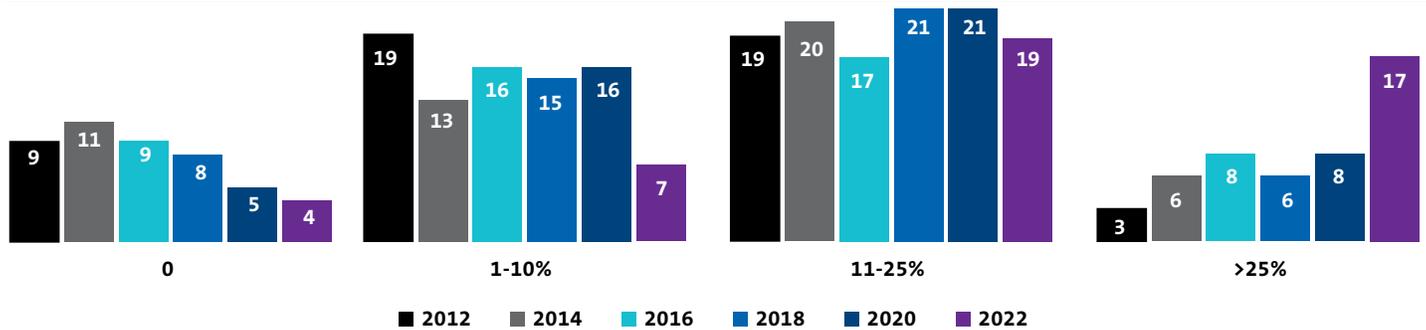
Table 11: Ethnicity of All Executives for Top 50 Companies in Chicago

	2012		2014		2016		2018		2020		2022		2012-2022
	n	%	n	%	n	%	n	%	n	%	n	%	Percentage Difference
Caucasian	435	72.0%	504	76.4%	486	79.9%	535	79.4%	500	83.5%	634	79.4%	7.4%
African American	23	3.8%	19	2.9%	14	2.3%	23	3.4%	33	5.5%	58	7.3%	3.5%
Hispanic	16	2.6%	20	3.0%	17	2.8%	31	4.6%	30	5.0%	33	4.1%	1.5%
Asian	16	2.6%	24	3.6%	26	4.3%	33	4.9%	31	5.2%	73	9.1%	6.5%
Unable to Verify Ethnicity	114	18.9%	93	14.1%	65	10.7%	52	7.7%	5	0.8%	0	0.0%	-18.9%
Total	604	100.0%	660	100.0%	608	100.0%	674	100.0%	599	100.0%	798	100.0%	0.0%

Distribution Across Top 50 Companies – All Executives

Results for all executives mirror those at the Board level: trending positively. When looking at the percentage of minority representation across all executive positions within the Top 50 companies, the distribution is similar in years 2012 to 2020. It is a bi-modal distribution with peaks in two ranges (1 – 10% and 11 – 25%). In looking at 2022, we again see a bi-modal distribution; however, the peaks are both at the higher ends (11 – 25% and >25%). There are also fewer companies with no minority representation in 2022 (e.g., 4 companies versus 5 in 2020). (Figure 8)

Figure 8: Number of Top 50 Companies by % of Minority Executives (2012 - 2022)



How Chicago United Member Companies Compare to Non-member Companies

Chicago United member companies in the top 50 lead non-member companies when looking at overall minority representation in the executive ranks (23% vs. 18%). When looking at each ethnic group, African Americans are more represented in CU member companies in executive roles than in non-member companies (11.5% vs. 7.5%). Hispanic and Asian American representation is a closer match (3.5% to 4% and 8% to 9% respectively) across CU member and non-member companies. (Table 12)

Table 12: Comparison of Chicago United Member and Non-Member Companies for All Executive Representation

Minority Status of All Executives of Top 50 Companies in Chicago by Chicago United Membership Status, 2022	Member		Non-Member	
	n	%	n	%
Non-Minority	211	77%	423	81%
Minority	62	23%	102	18%
Unable to Verify Ethnicity	0	0.0%	0	0%
Total	273	100.0%	525	100.0%

Ethnicity of All Executives of Top 50 Companies in Chicago by Chicago United Membership Status, 2022	Member		Non-Member	
	n	%	n	%
Caucasian	211	77%	423	79.5%
African American	31	11.5%	27	7.5%
Hispanic	9	3.5%	24	4%
Asian	22	8%	51	9%
Unable to Verify Ethnicity	0	0%	0	0%
Total	273	100.0%	525	100.0%

Comparison of Chicago Top 50 to National Statistics

The Chicago Top 50 leads national statistics when looking at overall minority representation in the executive ranks. A breakdown by ethnic category shows that Chicago leads the nation for both African Americans and Asian Americans, but lags for Hispanic representation. (Table 13)

Table 13: Comparison of All Executives in Top 50 Chicago Companies to National

	Chicago Top 50	National (EEOC)
Caucasian	79.4%	85.7%
African American	7.3%	5.9%
Hispanic	4.1%	7.4%
Asian	9.1%	6.8%
Unable to Identify	0.0%	

The Top Ten Companies for Diversity

In this section, we highlight the top ten companies that stand out as leaders among the Top 50 publicly traded Chicago companies with respect to ethnic diversity on both their boards and in their leadership ranks.

The companies are presented in rank order according to the combined percentages of the director and executive categories. (This is a sum of the percentages vs. total and so could exceed 100%). Their revenue rankings also are represented, as determined by *Crain's Chicago Business* (Table 14).

- Four out of the top ten companies (40%) in 2022 for ethnic diversity in leadership are Chicago United members*.
- Commonwealth Edison ranks #1 in 2022 for board and executive diversity.

Table 14 also shows the changing ranks (relative to diverse leadership representation) among those companies in the Top 10 between 2014 and 2022 and Top 5 in 2012. The combined percentages of minority directors and executives can fluctuate from year to year for any given company based on the total spots for directors and officers, the number of minorities in these positions and as a result of restructurings.

GET ENGAGED

Chicago United's programming initiatives ensure that leaders of color are prepared to take their place on Corporate Boards, in the C-Suite and within the executive ranks.

The **CEO Roundtable Series** provides C-Suite executives the opportunity to engage in exclusive, confidential, and peer-to-peer facilitated forums. Facilitated by industry leaders who are also C-Suite executives, the Roundtables serve as open platforms for honest discussions of the issues and challenges critical to implementing bold actions that develop, advance and sustain an inclusive culture throughout the enterprise.

The **Diversity Officer Roundtable Series**, which was enhanced in 2022 as part of Chicago United's 3-Year Strategic Plan, provides Diversity Officers and Human Resources Executives an opportunity to participate in peer-to-peer sessions where they share current trends and leading practices for less common challenges. Participants in the Roundtables establish a network of learning partners in the field of diversity, equity and inclusion.

Table 14: Rank Order Trends for the Top Companies for Diversity Amongst the Chicago Top 50

2022 Top 10 Companies by Combined Percent of Minority Executives and Directors										
Rank	Company	Total directors	Minority directors	% Minority directors	Total executive officers	Minority executive officers	Percentage minority executive officers	Combined count of minority directors and executive	Combined Percentage Points	Revenue rank
		n	%	n	%	n	%	n	%	
1	Commonwealth Edison Company*	6	5	83.3%	12	6	50.0%	18	133.3%	48
2	Archer-Daniels-Midland Company	12	5	41.7%	30	10	33.3%	42	75.0%	3
3	Commonspirit Health	9	3	33.3%	28	10	35.7%	37	69.0%	9
4	Catamaran Corporation	7	2	28.6%	14	5	35.7%	21	64.3%	15
T-5	Exelon Corporation*	9	3	33.3%	23	7	30.4%	32	63.8%	15
T-5	Exelon Energy Delivery Company, LLC*	9	3	33.3%	23	7	30.4%	32	63.8%	45
7	CDW Corporation*	10	3	30.0%	22	7	31.8%	32	61.8%	16
8	Jones Lang Lasalle Incorporated	12	6	50.0%	10	1	10.0%	22	60.0%	17
9	Discover Financial Services	13	3	23.1%	17	6	35.3%	30	58.4%	21
10	Ulta Beauty, Inc.	10	4	40.0%	11	2	18.2%	21	58.2%	31

2020 Top 10 Companies by Combined Percent of Minority Executives and Directors										
Rank	Company	Total directors	Minority directors	% Minority directors	Total executive officers	Minority executive officers	Percentage minority executive officers	Combined count of minority directors and executive	Combined Percentage Points	Revenue rank
		n	%	n	%	n	%	n	%	
1	Kraft Heinz Co	11	3	27.3%	11	9	81.8%	12	109.1%	11
2	Archer Daniels Midland Co	11	5	45.5%	23	7	30.4%	12	75.9%	3
3	NiSource Inc	12	4	33.3%	18	4	22.2%	8	55.6%	42
4	Deere & Co	11	3	27.3%	8	2	25.0%	5	52.3%	8
5	Tenneco Inc	11	2	18.2%	12	4	33.3%	6	51.5%	23
6	Northern Trust Corp	14	5	35.7%	13	2	15.4%	7	51.1%	38
7	Baxter International Inc	12	3	25.0%	23	6	26.1%	9	51.1%	19
8	Ingredion, Inc	11	3	27.3%	14	3	21.4%	6	48.7%	35
9	Discover Financial Services Inc	11	2	18.2%	10	3	30.0%	5	48.2%	18
10	Anixter International Inc	14	2	14.3%	9	3	33.3%	5	47.6%	27

Table 14: Rank Order Trends for the Top Companies for Diversity Amongst the Chicago Top 50 (continued)

2018 Top 10 Companies by Combined Percent of Minority Executives and Directors										
Rank	Company	Total directors	Minority directors	% Minority directors	Total executive officers	Minority executive officers	Percentage minority executive officers	Combined count of minority directors and executive	Combined Percentage Points	Revenue rank
		n	%	n	%	n	%	n	%	
1	Kraft Heinz Co	11	3	27%	19	9	47%	12	75%	9
2	Archer Daniels Midland Co	11	5	45%	22	6	27%	11	73%	3
3	Ingredion, Inc	11	3	27%	11	4	36%	7	64%	33
4	W.W. Grainger Inc	11	3	27%	7	2	29%	5	56%	21
5	AbbVie Inc	10	2	20%	10	3	30%	5	50%	11
6	Anixter International Inc	11	2	18%	11	3	27%	5	40%	27
7	Tenneco Inc	10	1	10%	30	10	33%	11	40%	23
8	Jones Lang LaSalle Inc	10	3	30%	16	2	13%	5	39%	29
9	Deere & Co	12	3	25%	21	3	14%	6	38%	8
10	Baxter International Inc	13	3	23%	26	4	15%	7	36%	20

2016 Top 10 Companies by Combined Percent of Minority Executives and Directors										
Rank	Company	Total directors	Minority directors	% Minority directors	Total executive officers	Minority executive officers	Percentage minority executive officers	Combined count of minority directors and executive	Combined Percentage Points	Revenue rank
		n	%	n	%	n	%	n	%	
1	Archer Daniels Midland Co	12	5	42%	19	4	21%	9	63%	2
2	Baxter International Inc	12	4	33%	12	2	17%	6	50%	16
3	AbbVie Inc.	9	2	22%	10	2	20%	4	42%	14
4	Northern Trust Corp	12	5	42%	14	0	0%	5	42%	38
5	Deere & Co	11	3	27%	24	2	8%	5	36%	6
6	McDonald's Corp	14	4	29%	15	1	7%	5	35%	10
7	Illinois Tool Works Inc	11	2	18%	12	2	17%	4	35%	17
8	Allstate Corp	11	2	18%	18	3	17%	5	35%	7
9	Tenneco Inc	9	1	11%	26	6	23%	7	34%	24
10	Jones Lang LaSalle Inc	11	3	27%	15	1	7%	4	34%	33

Table 14: Rank Order Trends for the Top Companies for Diversity Amongst the Chicago Top 50 (continued)

2014 Top 10 Companies by Combined Percent of Minority Executives and Directors										
Rank	Company	Total directors	Minority directors	% Minority directors	Total executive officers	Minority executive officers	Percentage minority executive officers	Combined count of minority directors and executive	Combined Percentage Points	Revenue rank
		n	%	n	%	n	%	n	%	
1	McDonald's Corp.	13	4	31%	18	5	28%	9	59%	11
2	Tenneco Inc.	8	2	25%	28	6	21%	8	46%	25
3	Walgreen Co	13	2	15%	11	3	27%	5	43%	3
4	Exelon Corp.	15	4	27%	19	3	16%	7	42%	12
5	Mondelez International Inc.	12	3	25%	13	2	15%	5	40%	9
6	Archer Daniels Midland Co	11	3	27%	25	3	12%	6	39%	1
7	Illinois Tool Works Inc.	13	2	15%	13	3	23%	5	38%	15
8	Jones Lang LaSalle Inc	10	3	30%	14	1	7%	4	37%	40
9	Mead Johnson Nutrition Co	12	2	17%	11	2	18%	4	35%	41
10	AbbVie Inc.	9	2	22%	9	1	11%	3	33%	13

2012 Top 5 Companies by Combined Percent of Minority Executives and Directors										
Rank	Company	Total directors	Minority directors	% Minority directors	Total executive officers	Minority executive officers	Percentage minority executive officers	Combined count of minority directors and executive	Combined Percentage Points	Revenue rank
		n	%	n	%	n	%	n	%	
1	McDonald's Corp.	14	4	29%	12	4	33%	8	62%	10
2	Office Max Inc.	8	3	38%	8	1	13%	4	50%	24
3	Tenneco Inc.	8	3	38%	11	1	9%	4	47%	29
4	Exelon Corp.	18	4	22%	30	7	23%	11	46%	13
5	Molex Inc.	3	3	23%	9	2	22%	5	45%	44

Summary

The landscape in 2022 provides a brighter outlook for representation in the leadership ranks. The overall percentage of leaders of color on Boards, in the C-Suite, and amongst all executives catapulted between 2020 and 2022. We speculate that societal factors created a push environment for corporations to take action. An unprecedented number of ethnic minorities were appointed or promoted to Board positions and senior leadership roles.

In the next section of *Inside Inclusion*, we highlight some of the general labor force patterns and trends that have emerged since the last edition in 2020. Specifically, the following section takes a look at the impact The Great Reassessment, Resignation, and Reshuffle has had within the labor market and how it has played out differently for employees of color.

THE GREAT REASSESSMENT, RESIGNATION, AND RESHUFFLE

Overview

The Aftermath of the Pandemic and The Great Reassessment, Resignation, and Reshuffle on Employees of Color and Minority-Owned Businesses.

Bottom Line on Top

- In 2021 alone, 47 million Americans resigned from their jobs or 23.5% of the total U.S. workforce. This is the highest number and rate in two decades. The average per month was 3.98 million. This number peaked in November 2021 at 4.5 million. In March 2022 this number peaked again at 4.51 million.
- The Great Reassessment, Resignation, and Reshuffle was not a universal experience. For many employees of color, primarily Blacks and Hispanics, the option of voluntarily leaving a position was not realistic or the reasons for leaving were somewhat different than their White and Asian colleagues.
- Illinois ranks among the 10 lowest quit rates in the country as of September 2022.
- In both 2021 and 2022 (through September), the highest resignation rates occurred in the Accommodation and Food Services industry, the Leisure and Hospitality industry, and the Retail Trade industry.
- The high quit rates associated with The Great Resignation coincide with a dramatic surge in applications for new businesses, mostly for sole-proprietor ventures. Among all ethnic groups, Black business ownership is growing the most.

The COVID-19 Pandemic significantly impacted the way we lived, worked, and connected. It was a force, unlike any other, most have experienced in our lifetimes. It impacted our economy, our health, our communications, our mobility, as well as the way we thought about and defined our lives. This era of reflection led to what has been called “The Great Resignation.” The term was introduced by Anthony Klotz, associate professor of management at the London-based UCL School of Management, who defined it as the mass voluntary exit of employees from their employment obligations.

Other similar terminology has surfaced on social media as alternative ways to discuss this, ostensibly, global phenomenon.

The “Great Reassessment” builds on The Great Resignation implying that the pandemic provided a calamitous

environment, leading employees to reflect on their life priorities. This inward assessment, which most likely started prior to the pandemic, resulted in many employees redefining their careers, or at minimum how, when, and where they wanted to work.

Another descriptor, “The Great Reshuffle,” focuses on the interchange of talent across industries, career paths, and roles. It is occurring, in part, due to organizational factors like job suspensions and layoffs in some sectors (e.g., food industry, retail, tourism, etc.) along with increased opportunities in others (e.g., high tech). The companion driver to this talent reshuffle is an employee’s reevaluation of their interests and priorities. Subsequently, many individuals have decided to switch into different disciplines of work, rather than leave the workforce altogether.

Driving Factors

Several influencers and research organizations have identified the primary reasons for this reassessment leading to resignations. Collectively, those most prominently mentioned include:



Burnout

Broadly speaking, employees were feeling the strain of excessive hours, in part, due to massive layoffs and furloughs occurring during the pandemic, or not enough resources to properly conduct their jobs or service to their clients and customers. This was especially noted in the healthcare industry.



Low Pay and Lack of Opportunities for Advancement

Other employees quit due to limited opportunities for advancement, low wages, perceived or known pay inequities, and/or inadequate benefits.



Childcare issues

Remote schooling occurred during the pandemic and many parents found they were playing double-duty at home, trying to balance their work with home schooling and monitoring younger children in the household. As a result, many employees decided to leave their employers to focus on family. This option was more likely to be accessible in households with dual income earners.



Seeking entrepreneurship

The bliss for many, and in particular African American women, was to start their own businesses. This was the realization of a life-long ambition for some and a way to make ends meet for others.



Lack of Flexibility

Seeking work-life balance around work hours and location was another reason for employees leaving their current jobs. This became more evident in the latter stages of the pandemic as organizations began to transition from remote work to requesting that employees return to the office. Where and how work gets done has taken on a dynamic and iterative life as companies are experiencing with hybrid options for where work is conducted.



Priority Reevaluation

Going through lockdowns, adjusting to remote work and observing life-threatening occurrences globally, caused many in the labor force to reflect and reassess what was most important in their lives. Many employees decided it was not the type of work they were doing and so left their employers to pursue their bliss.



Job Openings

Industries that had to eliminate jobs during the pandemic (e.g., restaurants, leisure, hospitality) because of lessened consumer demand experienced a resurfacing of these jobs in 2021. This provided openings and in many cases labor shortages, which many employees took advantage of by leaving their current employers. This pattern reinforces the premise behind The Great Reshuffle.

Overall Trends

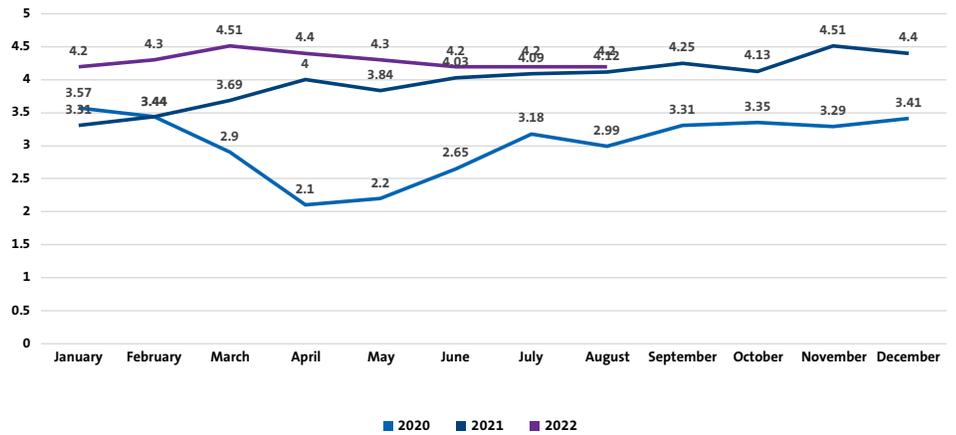
The Pandemic created the perfect storm for The Great Reassessment, Resignation, and Reshuffle. Employment trends in 2021 and 2022 have been dramatic.

Data captured by the U.S. Department of Labor indicate that in 2021 alone, 47 million Americans resigned from their jobs, or 23.5% of the total U.S. workforce. This is the highest number and rate in two decades. The average per month in 2021 was 3.98 million. This number peaked in November 2021 at 4.5 million. In March 2022 this number peaked again at 4.51 million.

Figure 9 shows the “quit rates” per month in 2020, 2021 and through September 2022 as collected by the Job Openings and Labor Turnover Survey (JOLTS) released by the U.S. Department of Labor’s Bureau of Labor Statistics. The JOLTS defines “Quits” as voluntary separations initiated by the employee during a month, while the “Quits Rate” is the number of quits during a month as a percent of total employment and can serve as a measure of the willingness or ability of workers to leave their jobs.

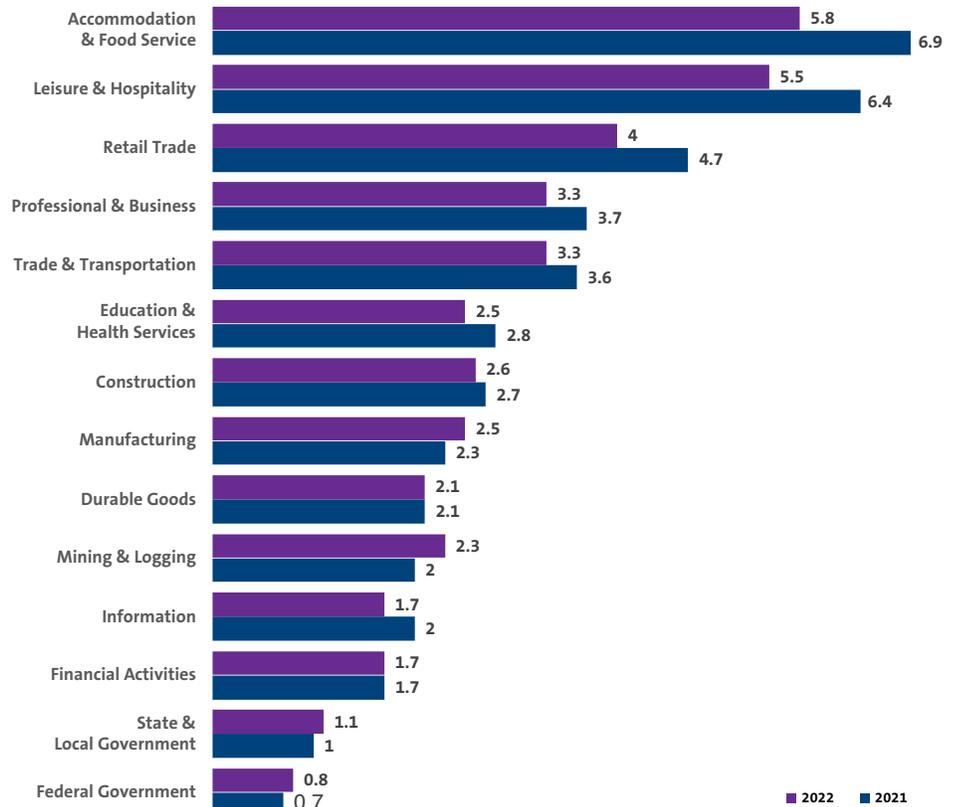
As shown in Figure 10, “quit rates” differed by industry. In both 2021 and 2022 (through September), the highest resignation rates occurred in the Accommodation and Food Services industry (6.9% and 5.8%), the Leisure and Hospitality industry (6.4% and 5.5%), and the Retail Trade industry (4.7% and 4%). The lowest resignation rates occurred in state, local and federal government.

Figure 9: Monthly Number of Resignations: 2020-August 2022



Source: BLS – Job Openings and Labor Turnover Survey (JOLTS)

Figure 10: Quit Rates by Industry: 2021 and Jan.- Sept. of 2022



Source: <https://data.bls.gov/pdq/SurveyOutputServlet>

GET ENGAGED

In 2022, Chicago United reemphasized its work to provide minority-owned businesses with opportunity and greater access to our Member organizations. Through the **Minority Business Partnership Program, which includes the Five Forward Initiative™**, Chicago United serves as a convener, connecting Minority Business Enterprises (MBEs) to business development resources. Five Forward™ Committed Corporations and MBEs are supported through the development of a customized plan to support their business diversity goals. This relationship results in long-term strategic partnerships aligned with Committed Corporations' aspirations; job growth and a stronger local economy; and accelerated success for Chicagoland's MBEs. In 2021, the Minority Business Partnership Program, which includes the Five Forward™ Initiative, led to over \$84 million in total spend.

There are also geographical differences in the rates in which employees are quitting their jobs. Illinois ranks among the 10 lowest quit rates in the country as of September 2022. This could be an indicator of several things. Employees may not be quitting because they see opportunities within their current organizations. They may not have the skill sets necessary to move into a different role or organization. Inflation may cause individuals to take less risks and stay where they are. Additionally, the job market within their industry might not be open and competitive enough to prompt movement.

The Great Resignation is expected to endure through the remainder of 2022; however, given that inflation also soared to a four decade high in 2022 (impacting high-use consumables like gas, groceries and prescription meds), it will be of interest to see how this impacts voluntary resignations into the first quarter of 2023.

Impact on Communities of Color

Whether we view The Great Reassessment, Resignation, and Reshuffle as synergistic or simply alternate ways to describe a labor force experience, the published opinion and research suggests that the impact on employees was not ubiquitous.

Optionality

For many employees of color, primarily Blacks and Hispanics, the option of voluntarily leaving a position was not realistic. Proportionately, this group does not have the means, networks, or resources available from family or other sources to tide them over to the next job as their White colleagues.

Driving Forces

For employees of color who did decide to leave, the impetus to do so may have been augmented by factors like a toxic organizational culture, feeling disrespected, a sense of not belonging, along with low wages. Black and Hispanic employees, in particular, may be pursuing new roles out of necessity versus choice to counteract stagnant career prospects or to make ends meet due to another household member being laid off.

Data Gaps

While there is monthly data collected on the overall "quit rates" by the U.S. Bureau of Labor Statistics and delineated by industry sector and geographic regions, the findings are not reported by ethnicity. This poses a challenge to understanding and comparing the voluntary quit rates within communities of colors. The data that is available is often based on surveys of smaller samples from private research organizations.

Industry

Many of the industries that were hardest hit by the pandemic were ones in which people of color were prevalent. This led to unemployment rates being high for people of color, however this lack of employment was not voluntary.

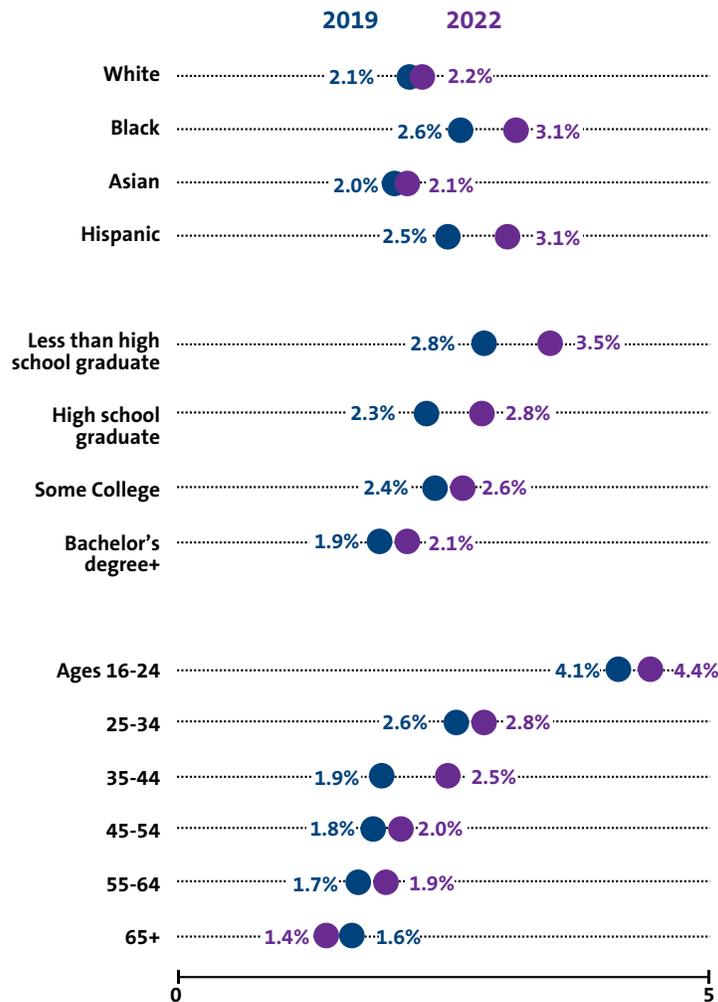
There is also data, however, that in 2021 and 2022, people of color were voluntarily leaving their jobs, particularly those who worked in retail trade, health care and social assistance, and accommodation and food services industries. Per the U.S. Bureau of Labor Statistics, these industries, in which people of color are over-represented, are currently experiencing the highest levels of employee turnover. Because of staffing shortages, there's more competition across companies, so workers are feeling they have more leverage to negotiate pay and benefits with their current employer or move on.

Observable Trends

Where data has been captured, some of the separation trends noted by race and ethnicity are as follows:

- Among the major racial and ethnic groups, Hispanic and Black workers are more likely to switch employers than White and Asian workers. In 2019, 2.6% of Black workers and 2.5% of Hispanic workers moved from one employer to another on average each month, compared with 2.1% of White workers and 2.0% of Asian workers. (Figure 11)
- This rate increased in 2022 to 3.1% for both Blacks and Hispanics. It edges 1/10 of a percentage point for Whites and Asians. Figure 11 from the Pew Research Center also indicates that those with lower levels of education and younger employees are leaving at higher rates.

Figure 11: Percent of U.S. Workers Who Changed Employers



Note: Estimates for 2019 are based on the annual average of monthly counts of workers who changed employers estimates for 2022 are averages over January to March, nonseasonally adjusted. "Some college" includes those with an associate degree and those who attended college but did not obtain a degree. White, Black and Asian workers include only single-race non-Hispanics. Hispanics are of any race.

Source: Pew Research Center

A 2022 survey from The American Staffing Association, working with The Harris Poll aligns with these findings described above for Blacks and Hispanics. It recently surveyed over 2,000 US adults of working age. With respect to intentions for the upcoming year, they found the differences by race/ethnicity noted in Table 17 below.

Table 17: Resignation Intentions by Race/Ethnicity

	Those likely to look for a new job	Those likely to make a career change
Hispanics/Latinos	64%	50%
Blacks/African-Americans	49%	46%
Whites/Caucasians	34%	29%

Better data delineation needs to occur to track race and ethnic group differences regarding resignations. The minimal information available provides just enough to speculate on the root causes leading to resignations. What we can see so far is that Blacks and Hispanics are leaving or thinking of leaving at higher rates. However, they may be doing so for different reasons than those examined in the available commentary on The Great Resignation.

Unemployment statistics by race/ethnicity (provided in our Forecast Section) provide some additional data and insights on those that are not in the workforce.

Entrepreneurship

The high quit rates associated with the Great Resignation coincide with a dramatic increase in applications for new businesses, mostly for sole-proprietor ventures. The Census Bureau’s Business Formation Statistics dataset shows a surge in the number of people filing tax paperwork to start new businesses.

- From January through November 2021, just under 5 million new business applications were submitted, an increase of 55% over the same period in 2019.
- A significant number of these applications were “high-propensity applications,” meaning they are likely to create new jobs.

In our 2020 edition of *Inside Inclusion*, we reported that minority-owned businesses were disproportionately impacted during the pandemic. In spite of this, minority entrepreneurs surveyed in a McKinsey poll of more than 1,000 businesses nationwide indicated that they were more optimistic about recovery than white business owners. This aligns to some extent with our data in 2022 that shows an increase in entrepreneurship amongst minority entrepreneurs, particularly Black entrepreneurs.

Research from The University of California Santa Cruz shows that among all ethnic groups, Black business ownership is growing the most. The number of Black-owned businesses in Fall 2021 was 1.5 million, more than 30% above pre-pandemic levels, and being driven largely by Black women. Comments within this report provide additional context. For example:

- Some 40% of Black-owned firms closed in the immediate aftermath of the COVID-19 outbreak versus 20% of all active U.S. business.
- Consequently, the startup numbers most likely include businesses that were reopening after closing during the early part of the pandemic.
- Additionally, many of the Black-owned businesses that formed in the last couple of years were “necessity” startups (firms started to survive a layoff, or a cut in income) vs. “opportunity” startups (more common during good economic periods).

While the trends for entrepreneurship are encouraging, the story is still unfolding as to what business success rates will be for these new or renewed ventures.

Reports suggest that the recovery from the pandemic for minority-owned businesses lags behind the U.S. average. Twenty six (26)% of the minority-led businesses surveyed by Facebook-parent Meta in January 2022 reported being closed, compared to 19% of non-minority-owned businesses. Black-owned businesses hit record levels of lower sales, with more than half (51%) reporting lower sales than in the previous year.

Grant Relief - In Illinois, a response to these challenges included the Illinois Department of Commerce and Economic Opportunity (DCEO) granting \$250 million in relief funds through the Back to Business (B2B) program. This program provided 6,500 grants to small businesses in over 475 cities and more than 90 counties across the state, with 96% of awards delivered to businesses in disproportionately impacted communities or in the hardest-hit industries.

Some highlights from the breakdown of grants include:

- Businesses received a median grant amount of \$20,000, with an average of \$37,512.
- 64% of awards were given to businesses located in disproportionately impacted areas (DIAs), or low-income zip codes that experienced high rates of COVID-19.
- 61% of awards were granted to hard-hit industries, including restaurants and taverns, hotels, arts organizations, and salons.

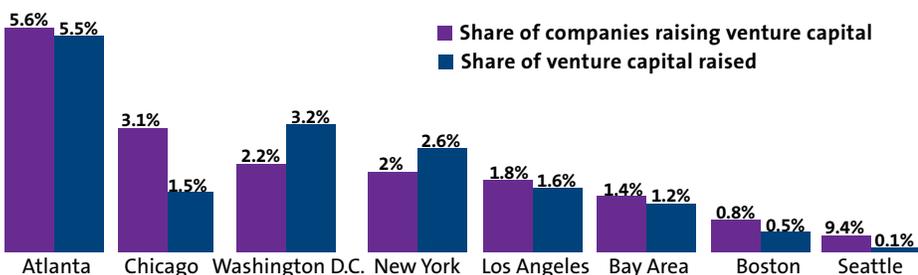
- Over half (53%) of B2B grants have gone to businesses owned by people of color. This includes 22% of grants to Asian American or Pacific Islander-owned businesses, 15% to Black-owned businesses, and 12% to Latinx-owned businesses.

Venture Capital Investments - Additional evidence demonstrating the willingness to invest in minority-owned businesses in the past two years comes from a 2022 report published by World Business Chicago. (Figures 12 and 13). This report illustrates that there was an increase in venture capital funds to start-ups for underrepresented founders between 2019 and 2022. Highlights from this report include:

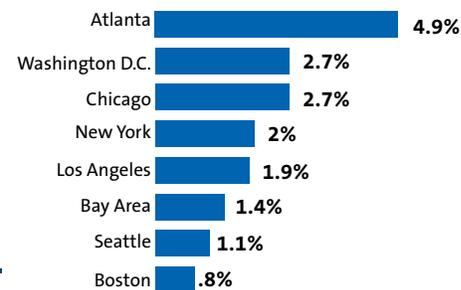
- The nearly 70 Black and Hispanic or Latino-founded startups in Chicago have captured 2.7% of all venture capital raised in 2021 (excluding 1 mega outlier deal of \$5.2B) and 13.3% raised as of the date of publication in 2022.
- Since 2019, 32.6% of all investors involved in venture capital deals in Chicago invested in Black, Hispanic or Latino or women-founded start-ups.
- Chicago ranks second across major metropolitan areas in terms of the share of Black and Hispanic or Latino-founded startups receiving any amount of venture capital funding.

Figure 12: Share of Venture Capital Raised for Black-Founded Companies

Share of venture capital raised by companies with a Black founder, 2019- Q2 2022



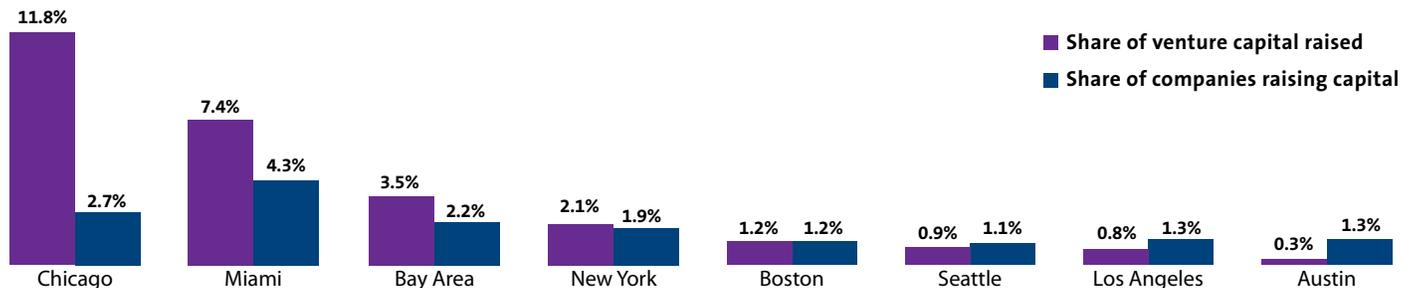
Share of companies raising any amount of venture capital with a Black founder, Q1 & Q2 2022



Source: World Business Chicago

Figure 13: Share of Venture Capital Raised for Hispanic-Founded Companies

Share of venture capital raised by companies with Hispanic or Latino founders, Q1 & Q2 2022



Source: World Business Chicago

Summary

In summary, The Great Reassessment, Resignation, and Reshuffle sparked a flame setting off behavioral patterns that were most likely latent aspirations for some and strategies to cope and survive for others. This movement was not felt or experienced universally across ethnic groups. The good news is around the evidence of increased mobility within some industries and the accompanying bargaining power for employees of color.

In the next section we take a deeper dive into employment trends during the past two years and provide an overview of how the labor market recovery from the Pandemic has impacted different racial and ethnic groups.

THE LABOR MARKET RECOVERY

OVERVIEW

The Labor Market Impact of COVID-19 in Chicago and the Nation (The Federal Reserve Bank of Chicago¹)

Bottom Line on Top

- Both for Chicago and the nation, the labor market experience and recovery from the Pandemic for Black, Asian and Hispanic Americans has differed in significant ways from those of White Americans.
- Chicago's Black employment-to-population rate lags significantly behind other large cities, just as it had before the pandemic.
- However, there have been clear improvements for several non-White populations in Chicago's labor force, especially in pipeline groups like young college graduates and managers.
- Black and Hispanic workers continue to be overrepresented in jobs most at risk of automation and underrepresented in those least at risk of automation. The opposite pattern holds for White and Asian American workers.

Introduction

The COVID-19 pandemic was a cataclysmic event for the U.S. labor market. By April 2020, the national unemployment rate

had risen by over 11 percentage points to 14.7%¹ and payroll employment had fallen by 14% or 22 million jobs. However, strong fiscal, monetary and public health policy responses, the ramp up of work-from-home arrangements, and creative safety measures in the workplace delivered a historically rapid rebound. In just over two years, the unemployment rate fell to 3.5%, matching the low, pre-pandemic level, and payroll employment is now above its pre-pandemic peak.

This section of *Inside Inclusion* reviews some of the basic differences across racial and ethnic groups during the labor market recovery from the Pandemic, both for the nation and the Chicago region. This analysis comes from Daniel Aaronson, Kristen Broady, Taylor Griffin and Daniel Sullivan of The Federal Reserve Bank of Chicago. They indicate that the labor market news in Chicago over the pandemic recovery is a mixed bag. Some groups have fared better than others, but there have been clear improvements for several non-White populations, especially in pipeline groups like young college graduates and managers.

Data Source

The results reported are derived from the Current Population Survey (CPS), which is a monthly survey of about 60,000 U.S. households conducted by the U.S. Census Bureau on behalf of the Bureau of Labor Statistics (BLS). In addition to many aggregate statistics, such as the national unemployment rate and the employment-to-population rate that are published by the BLS, the Census makes available the individual anonymized responses, what is known as the micro data. That data enables calculation of additional labor force statistics, such as the employment-to-population rate for specific demographic or geographic groups. In addition, data is utilized on the risk of automation from a study by Carl Benedikt Frey and Michael Osborne² that combined expert assessments with artificial intelligence techniques to assess how readily occupations could be computerized.

National Employment Trends

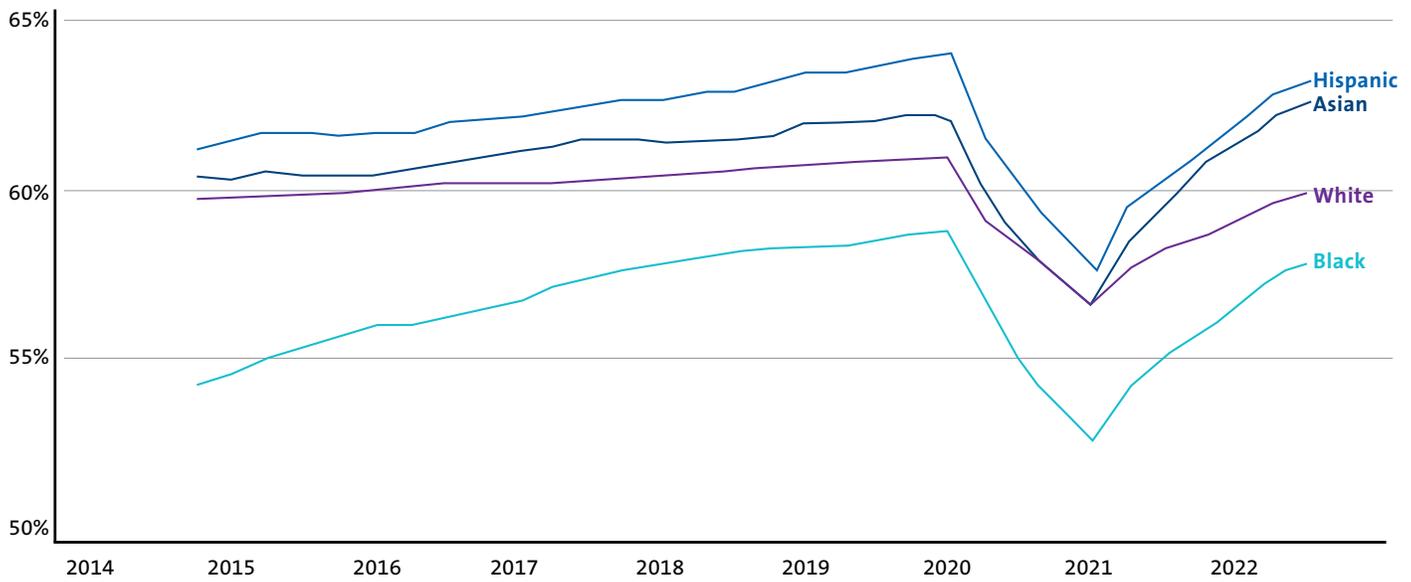
Overall Recovery Trends by Race and Ethnicity

We begin by discussing national aggregate differences in employment by race and ethnicity and show that Black and Hispanic Americans experienced the largest declines in rates of employment, what is called the employment-to-population rate, during the initial weeks of the COVID outbreak. The recovery of Black and Hispanic groups remains below that of White and especially Asian Americans through the third quarter of 2022. This recovery has been particularly disappointing relative to the strongly positive trend in the employment-to-population rate for Black Americans prior to the pandemic. Had that trend continued, there would have been significant further reductions in racial employment gaps. However, this progress has been at least temporarily derailed by the pandemic.

This finding is consistent with research presented in the 2020 edition of *Inside Inclusion* where Chicago United anticipated that economic contractions such as those brought on by the pandemic would most likely increase the black/white employment gap and further push back any forecasted time frames for reaching parity in higher-skilled positions.

Figure 14 displays quarterly employment-to-population rates starting five years before the pandemic for those who report their race as Asian, Black, or White and those who report their ethnicity as Hispanic.³ As the figure shows, the Black employment-to-population rate was significantly below that for other racial or ethnic groups over the whole period. Indeed, this gap has existed for as long as data has been collected. For example, from 1972-2011, the Black-White gap for everyone over age 16 averaged 6 percentage points and was typically highest during economic downturns and lowest at the end of long expansions. The gap is notably worse among those in their peak working years (25-54), averaging nearly 15 percentage points between 1994 and 2011.

Figure 14: Employment to Population Rates, by Race/Ethnicity - Percentage of Population



Source: Authors' tabulations of Current Population Survey microdata

Note: The variables White, Black and Asian represent persons who are non-Hispanic White, non-Hispanic Black, and non-Hispanic Asian.

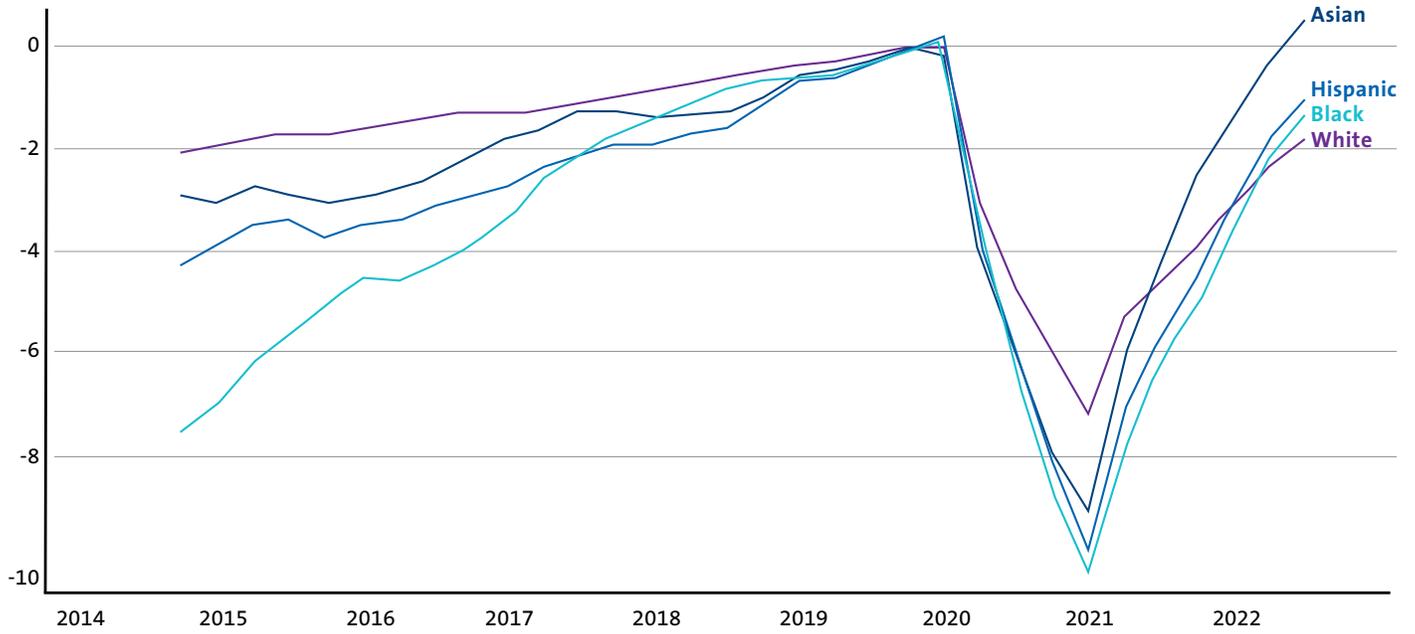
The long expansion of the 2010s lowered the Black-White employment-to-population rate gap to 2 percentage points by the fourth quarter of 2019. But the emergence of COVID-19 in the first half of 2020 caused employment rates to drop sharply, especially for people of color. Figure 15, which plots race- and ethnicity-specific rates relative to their levels in the fourth quarter of 2019, shows that while the drop in employment-to-population rate reached 7.2 percentage points for White American workers, it was 9.0 percentage points for Asian Americans, 9.8 percentage points for Hispanic Americans and 10.3 percentage points for Black Americans. Since the second quarter of 2020, employment rates have risen sharply. Figure 15 (page 31) shows that by the third quarter of 2022, rates for Asian Americans were 1.1 percentage points above their pre-pandemic levels. However, despite rapid increases, rates for White, Black, and Hispanic Americans were still 1.4, 0.7, and 0.4 percentage points, respectively, below their recent peaks.

Figure 15 highlights the somewhat stronger recovery in employment rates for people of color than for White people. However, the figure also shows that in the five

years before the pandemic, Hispanic and especially Black American workers, had experienced more rapid growth in employment-to-population rates.

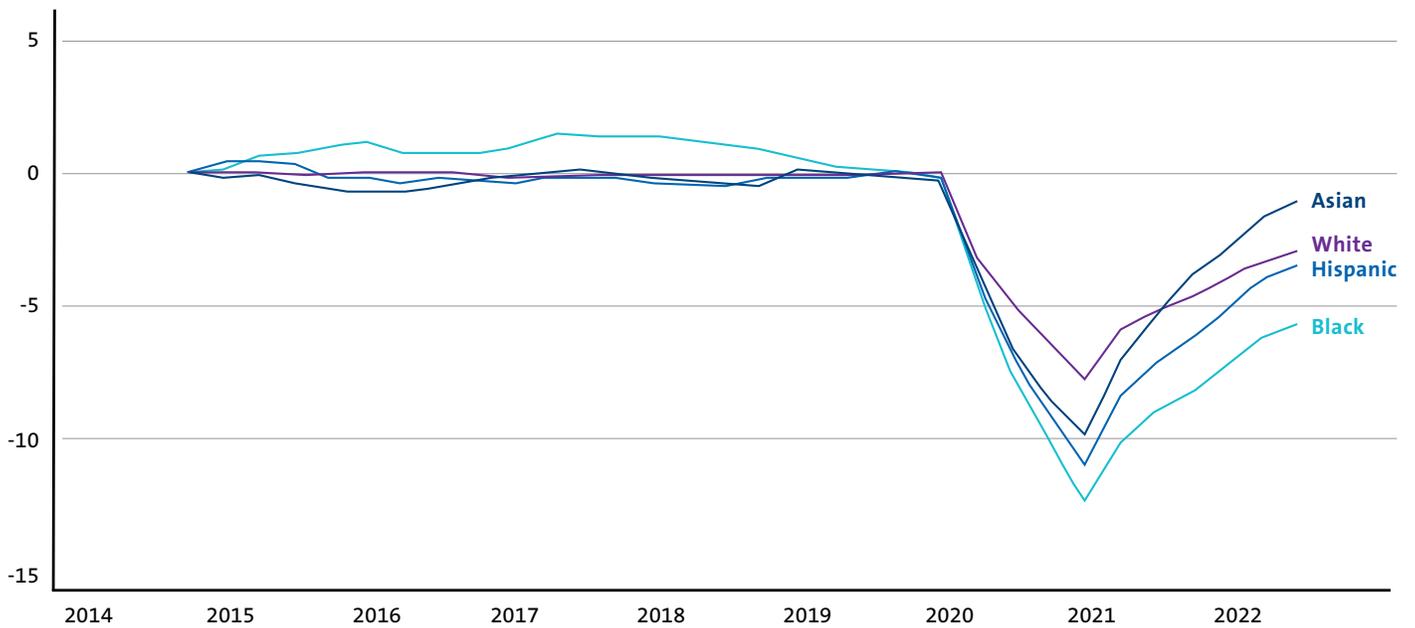
For example, the employment-to-population rate for Black Americans grew by roughly 7 percentage points between 2014 and 2019. If that growth had continued, this group's employment rate would be substantially higher today. This is illustrated in Figure 16 (page 31), which plots the employment-to-population rate relative to each race/ethnicity group's smooth trend from 2014 to 2019. As the figure shows, only the Asian American population rate is above, and by merely 0.4 percentage points, the employment-to-population level that would have been predicted by their pre-pandemic trend. The employment-to-population rate for White Americans is 2.6 percentage points below trend; for Hispanic Americans, it is 3.2 percentage points below trend; and for Black Americans, it is a quite substantial 5.8 percentage points below trend. Thus, from this perspective, the effects of COVID have been notably worst for Black American workers.

Figure 15: Employment to Population Rates, by Race/Ethnicity - Percentage Point Difference from 2019-Q4



Source: Authors' tabulations of Current Population Survey microdata
 Note: The variables White, Black and Asian represent persons who are non-Hispanic White, non-Hispanic Black, and non-Hispanic Asian.

Figure 16: Employment to Population Rates, by Race/Ethnicity - Percentage Point Difference from 2014-2019 Trend



Source: Authors' tabulations of Current Population Survey microdata
 Note: The variables White, Black and Asian represent person who are non-Hispanic White, non-Hispanic Black, and non-Hispanic Asian.

GET ENGAGED

Chicago United Programming emboldens young professionals of color as Chicago area businesses emerge from the COVID-19 pandemic and navigate its aftermath.

Chicago United's **Mid-Level Manager Series**, also launched in 2022 as part of Chicago United's 3-Year Strategic Plan, was designed to equip mid-level managers with the leadership skills to build collaborative and effective teams, and further impact an organization's diversity, equity, and inclusion practices.

Additionally, the **Emerging Leader Series**, established in 2022 as part of Chicago United's 3-Year Strategic Plan, is a series of programming that empowers young, diverse professionals. Through exposure to Chicago United's Business Leaders of Color, young professionals of color gain insight into assessing and navigating corporate culture toward career advancement.

National Recovery Trends for Young College Graduates by Race and Ethnicity

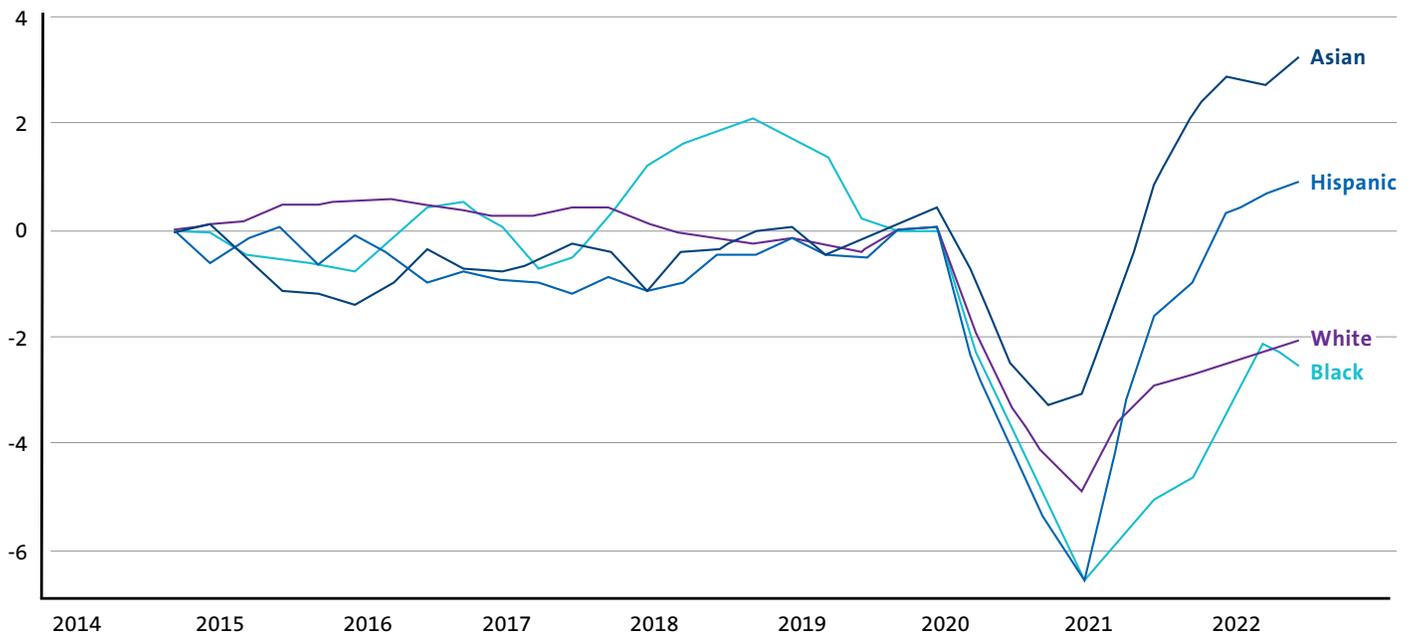
Chicago United's mission places especially great emphasis on promoting progress in racial and ethnic diversity in business leadership positions. Using the CPS microdata, we can look at what is likely the pipeline into such positions, through the employment of college graduates between the ages of 25 and 39. Here, the results are somewhat more encouraging than in the aggregate. As Figure 17 (page 33) shows, among younger college graduates, the employment-to-population rates for Hispanic and especially Asian Americans are above pre-pandemic trends. Employment rates for younger Black college graduates have taken the longest to recover and are still 1.6 percentage points below pre-pandemic trends. However, that gap is roughly a quarter the size of the gap seen in Figure 16 for the whole Black population and, by mid-2022, is roughly the same gap as for younger White college graduates.

National Recovery Trends for Managers by Race and Ethnicity

The CPS microdata also allows us to identify people who might already be considered business leaders, namely those that are employed in management occupations. Figure 18 (page 33) shows the shares of all managers who are Asian, Black, or Hispanic American have all grown since the fourth quarter of 2019 (highlighted by the vertical dashed line). For managers who are Asian American, the increase has been from 4.9% to 5.6%; for managers who are Black, it has been from 5.5% to 6.3%, and for managers who are Hispanic American, it has been from 8.2% to 8.9%.

Some of the increase in the share of managers who are people of color is simply because the presence of non-White workers in the labor force has risen along with these groups' population shares. A natural measure of the success of people of color in attaining management positions that adjusts for this increase on overall employment is the ratio of management share to employment share. If all workers had the same chance of being a manager, employment and management shares would be equal. However, in the second quarter of 2022, Black managers represent 6.3% of all managers, which is only 68.8% of their 9.2% share of total employment. In this sense, Black workers are significantly underrepresented in management occupations.

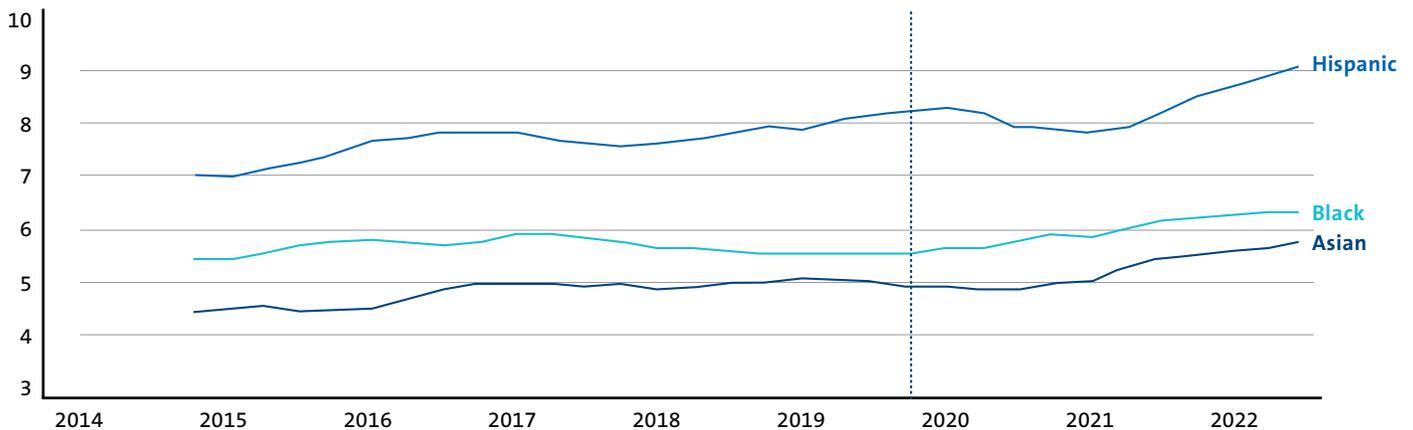
Figure 17: Employment to Population Rates among 25-39 Year Old College Graduates, by Race/Ethnicity - Percentage Point Difference from 2014-2019 Trend



Source: Authors' tabulations of Current Population Survey microdata

Note: The variables White, Black and Asian represent person who are non-Hispanic White, non-Hispanic Black, and non-Hispanic Asian..

Figure 18: Share of Managers, by Race/Ethnicity



Source: Authors' tabulations of Current Population Survey microdata

Note: The variables White, Black and Asian represent persons who are non-Hispanic White, non-Hispanic Black, and non-Hispanic Asian. Persons whose ethnicity is identified as Hispanic or Latino may be of any race. The vertical dashed line marks the 4th quarter of 2019, just prior to the start of the COVID pandemic.

Figure 19 shows this measure of representation in management occupations over time for Black, Asian, and Hispanic Americans. Asian workers' representation in the management occupations was most recently 92.2% of their employment share, while Hispanic workers' representation in management was only 60.1% of their employment share. While all three groups are below a benchmark 100% rate where manager share is equal to employment share, they have at least risen since the fourth quarter of 2019. For Asian and Hispanic Americans, the increases were a relatively modest 1.4 and 0.7 percentage points. Black workers, however, have seen a 7.2 percentage point increase in their relative representation in the management occupations since the end of 2019.

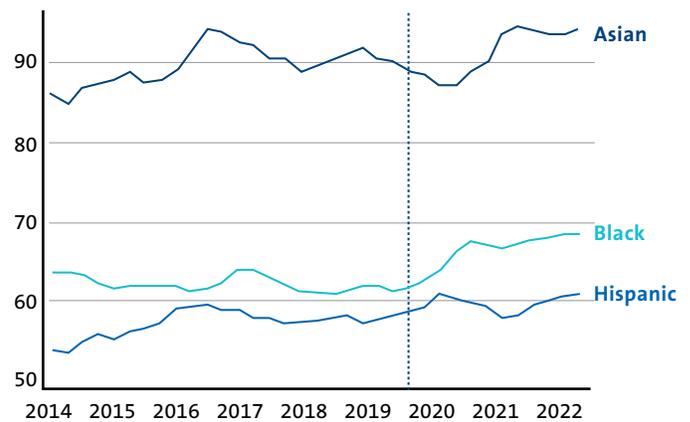
The Impact of Automation on Different Racial and Ethnic Groups

Black and Hispanic workers continue to be overrepresented in jobs most at risk of automation and underrepresented in those least at risk of automation. For example, Black workers were overrepresented in 17 of the 30 occupations and represent 13.7% of the employment in the 30 highly automatable occupations, compared to 12.3% of the total labor force. Hispanic Americans are overrepresented in 22 of the occupations, accounting for 25% of the top 30 automatable occupations, compared to 18% of the total labor force. The opposite pattern holds for White and Asian American workers. Moreover, consistent with the pandemic having accelerated the pace of automation, employment in high automation risk occupations has fallen, while employment in low automation risk jobs has risen, which disadvantages Black and Hispanic Americans and helps White and Asian Americans. (see Table 18)

By contrast, Table 19 lists the 30 occupations at the least risk of being automated, again according to Frey and Osborne. In 2019, these 30 occupations employed 22.1 million workers.

By 2021, their employment had fallen to 19 million. Similar to occupations at high risk of automation, the share of Asian, Black, White and Hispanic Americans employed in low-risk occupations fell by between 1 and 1.5 percentage points each between 2019 and 2021. White and Asian Americans were overrepresented in occupations at low risk of being automated, while Black and Hispanic Americans were underrepresented. Moreover, of the occupations least likely to be automated, White Americans were overrepresented in 21, while Asian and Black Americans were overrepresented in 12 and 11, respectively, and Hispanic Americans were overrepresented in none.

Figure 19: Share of Managers Relative to Share of Employees, by Race/Ethnicity - 100 percent: Management Representation = Employment Representation



Source: Authors' tabulations of Current Population Survey microdata
 Note: The variables White, Black and Asian represent persons who are non-Hispanic White, non-Hispanic Black, and non-Hispanic Asian. Persons whose ethnicity is identified as Hispanic or Latino may be of any race. The vertical dashed line marks the 4th quarter of 2019, just prior to the start of the COVID pandemic.

Table 18: The Subset of 30 Occupations with the Highest Automation Risk Scores - Sorted by Number of U.S. Workers, 2021

Occupation	Total Employed	Automation Risk Score	Average Hourly Wage	Total % Employed	% of Female Workforce	% of White Workforce	% of Black Workforce	% of Asian Workforce	% of Hispanic Workforce	% Female	% White	% Black	% Asian	% Hispanic
1 Retail salespersons	2,750,000	92.00	\$18.61	1.80	1.86	1.82	1.90	1.31	2.08	48.5	78.3	13.0	4.8	20.8
2 Cashiers	2,601,000	97.00	\$13.38	1.70	2.63	1.56	2.36	1.78	2.17	72.5	71.1	17.0	6.9	22.9
3 Construction laborers	2,165,000	88.00	\$20.99	1.42	0.14	1.55	0.93	0.56	3.85	4.5	84.8	8.1	2.6	48.9
4 Laborers and freight, stock, and material movers	2,161,000	85.00	\$16.67	1.42	0.69	1.30	2.31	0.75	1.90	22.9	71.4	20.1	3.5	24.1
5 Secretaries and administrative assistants	2,009,000	96.00	\$20.08	1.32	2.59	1.42	1.04	0.64	1.02	92.5	83.8	9.7	3.2	14.0
6 Cooks	1,905,000	81.00	\$14.73	1.25	1.07	1.17	1.60	1.14	2.49	40.2	72.9	15.8	6.0	35.9
7 Waiters and waitresses	1,631,000	94.00	\$13.89	1.07	1.55	1.08	0.77	1.07	1.47	68.2	78.4	8.9	6.6	24.7
8 Accountants and auditors	1,630,000	94.00	\$39.24	1.07	1.41	1.05	0.85	1.91	0.58	62.0	76.3	9.8	11.8	9.8
9 Office clerks, general	1,249,000	96.00	\$19.39	0.82	1.46	0.80	0.95	0.79	0.86	83.6	75.7	14.3	6.4	19.0
10 Sales, wholesale and manufacturing	1,216,000	85.00	\$48.32	0.80	0.51	0.91	0.40	0.40	0.53	30.1	88.1	6.2	3.3	12.0
11 Receptionists and information clerks	1,215,000	96.00	\$16.30	0.80	1.52	0.78	0.98	0.54	0.93	90.0	75.8	15.2	4.5	21.0
12 Landscaping and groundskeeping workers	1,211,000	95.00	\$16.79	0.79	0.10	0.87	0.59	0.22	2.08	6.2	84.9	9.2	1.8	47.1
13 Bookkeeping, accounting, and auditing clerks	1,097,000	98.00	\$21.99	0.72	1.30	0.79	0.39	0.59	0.52	84.7	85.3	6.6	5.4	13.1
14 Food preparation workers	872,000	87.00	\$14.98	0.57	0.71	0.55	0.65	0.48	0.93	58.3	74.2	14.0	5.6	29.3
15 Couriers and messengers	837,000	94.00	\$16.50	0.55	0.29	0.51	0.87	0.23	0.71	24.9	72.1	19.4	2.8	23.3
16 Miscellaneous agricultural workers	835,000	87.00	\$14.27	0.55	0.27	0.63	0.17	0.17	1.42	23.3	89.3	3.8	2.0	46.7
17 Inspectors, testers, sorters, samplers, and weighers	829,000	98.00	\$21.47	0.54	0.45	0.55	0.51	0.58	0.66	39.3	78.6	11.6	7.1	21.7
18 Property, real estate, community association managers	780,000	81.00	\$36.61	0.51	0.55	0.55	0.43	0.31	0.32	50.7	83.2	10.3	4.0	11.4
19 Industrial truck and tractor operators	623,000	93.00	\$18.88	0.41	0.08	0.36	0.83	0.09	0.76	9.1	69.2	24.9	1.5	33.3
20 Billing and posting clerks	483,000	96.00	\$20.30	0.32	0.58	0.31	0.43	0.18	0.31	86.7	76.7	16.9	3.8	17.6
21 Paralegals and legal assistants	431,000	94.00	\$27.55	0.28	0.51	0.28	0.26	0.22	0.32	84.8	78.1	11.2	5.1	20.6
22 Construction equipment operators	360,000	95.00	\$26.51	0.24	0.02	0.27	0.15	0.00	0.29	3.0	89.0	8.0	0.1	21.8
23 First-line housekeeping supervisors, janitorial workers	338,000	94.00	\$22.20	0.22	0.18	0.23	0.24	0.11	0.37	38.9	81.2	13.1	3.4	30.0
24 Claims adjusters, appraisers, examiners, investigators	330,000	98.00	\$33.24	0.22	0.27	0.21	0.29	0.14	0.18	58.2	74.4	16.7	4.3	14.6
25 Hosts and hostesses, restaurant, lounge, and coffee shop	282,000	97.00	\$15.39	0.18	0.33	0.18	0.15	0.16	0.23	84.3	77.1	9.7	5.8	22.4
26 Bus drivers, school	276,000	89.00	\$18.63	0.18	0.21	0.17	0.34	0.08	0.10	55.3	72.4	23.2	3.0	10.0
27 Insurance claims and policy processing clerks	257,000	98.00	\$21.23	0.17	0.28	0.15	0.35	0.05	0.18	78.2	69.1	25.3	1.9	19.5
28 Packaging and filling machine operators and tenders	253,000	98.00	\$17.09	0.17	0.18	0.15	0.28	0.18	0.40	51.5	67.8	21.0	7.3	43.9
29 Butchers and other meat, poultry, fish processing workers	246,000	93.00	\$17.33	0.16	0.07	0.16	0.20	0.11	0.36	19.4	75.3	15.4	4.6	39.7
30 Dining room & cafeteria attendants & bartender helpers	243,000	91.00	\$13.75	0.16	0.16	0.16	0.18	0.10	0.29	46.8	76.6	14.0	4.1	33.0
Total/Average	31,115,000	92.67	\$21.21	20.39	21.97	20.54	21.42	14.91	28.31	50.6	77.7	13.7	4.4	25.1

Note: This table reflects data for a subset of the 220 occupations for which the BLS provides gender and race statistics and for which Frey and Osborne (2017) provide an automation risk score
Source: U.S. Bureau of Labor Statistics (BLS), 2022 authors' calculations; Frey and Osborne (2017)

Table 19: The Subset of 30 Occupations with the Lowest Automation Risk Scores - Sorted by Number of U.S. Workers, 2021

Occupation	Total Employed	Automation Risk Score	Average Hourly Wage	Total % Employed	% of Female Workforce	% of White Workforce	% of Black Workforce	% of Asian Workforce	% of Hispanic Workforce	% Female	% White	% Black	% Asian	% Hispanic
1 Elementary and middle school teachers*	3,260,000	0.44	\$29.48	2.14	3.60	2.31	1.74	1.10	1.27	79.2	83.8	10.0	3.4	10.7
2 Registered nurses	3,201,000	0.90	\$37.24	2.10	3.87	2.03	2.27	2.73	1.03	86.7	74.9	13.3	8.6	8.8
3 Chief executives	1,664,000	1.50	\$98.14	1.09	0.68	1.21	0.52	1.12	0.45	29.1	85.7	5.9	6.8	7.4
4 Education and childcare administrators	956,000	1.32	\$27.31	0.63	0.87	0.65	0.71	0.31	0.34	65.5	79.8	14.0	3.3	9.7
5 Secondary school teachers*	940,000	0.78	\$29.72	0.62	0.78	0.69	0.36	0.34	0.28	59.5	86.4	7.2	3.6	8.3
6 Other physicians	921,000	0.42	\$101.60	0.60	0.51	0.51	0.40	2.09	0.19	39.7	66.1	8.1	22.9	5.8
7 Medical and health services managers	791,000	0.73	\$57.01	0.52	0.83	0.51	0.59	0.55	0.30	75.0	76.1	14.1	7.0	10.5
8 First-line production & operating supervisors	767,000	1.60	\$32.13	0.50	0.21	0.52	0.52	0.24	0.49	19.5	80.7	12.8	3.2	17.6
9 Other teachers and instructors	737,000	0.95	\$29.90	0.48	0.67	0.49	0.52	0.31	0.30	65.3	79.1	13.3	4.3	11.0
10 Engineers, all other	666,000	1.40	\$50.23	0.44	0.15	0.40	0.18	1.32	0.23	16.3	71.9	5.1	19.9	9.6
11 Preschool and kindergarten teachers	613,000	0.74	\$18.02	0.40	0.83	0.42	0.41	0.22	0.30	96.8	81.0	12.7	3.6	13.4
12 Marketing managers	576,000	1.30	\$74.49	0.38	0.49	0.41	0.19	0.42	0.17	61.4	83.5	6.2	7.3	8.3
13 Computer systems analysts	464,000	0.65	\$47.94	0.30	0.24	0.27	0.28	0.74	0.19	37.5	70.0	11.3	16.0	11.0
14 Clergy	404,000	0.81	\$28.14	0.26	0.09	0.29	0.19	0.19	0.12	16.2	84.4	8.7	4.7	8.0
15 Social and community service managers	391,000	0.67	\$36.72	0.26	0.37	0.25	0.37	0.16	0.20	68.6	74.6	17.9	4.0	13.7
16 Mechanical engineers	354,000	1.10	\$45.90	0.23	0.05	0.23	0.09	0.48	0.11	9.4	78.0	4.6	13.7	8.9
17 Pharmacists	352,000	1.20	\$60.86	0.23	0.28	0.21	0.15	0.69	0.08	57.8	70.3	7.9	19.8	6.0
18 Human resources managers	273,000	0.55	\$65.01	0.18	0.31	0.18	0.18	0.17	0.12	80.8	78.9	12.3	6.4	12.5
19 Securities, commodities, & financial services sales agents	243,000	1.60	\$30.25	0.16	0.10	0.16	0.09	0.28	0.09	29.3	79.9	6.6	11.7	10.2
20 Coaches and Scouts*	235,000	1.30	\$18.73	0.15	0.15	0.17	0.14	0.08	0.10	44.3	84.4	10.9	3.5	11.7
21 First-line supervisors of mechanics, installers, and repairers	222,000	0.30	\$35.07	0.15	0.02	0.17	0.07	0.02	0.10	6.0	89.1	5.8	0.7	12.3
22 Speech-language pathologists	187,000	0.64	\$39.53	0.12	0.25	0.15	0.04	0.02	0.03	95.1	93.7	4.3	1.3	5.1
23 Training and development specialists	166,000	1.40	\$33.03	0.11	0.12	0.11	0.12	0.07	0.07	52.9	77.4	14.1	4.2	10.9
24 Occupational therapists	135,000	0.35	\$40.77	0.09	0.16	0.10	0.03	0.09	0.02	84.9	87.9	4.1	6.8	4.2
25 Logisticians	132,000	1.20	\$37.78	0.09	0.07	0.09	0.09	0.06	0.05	39.3	80.3	13.4	4.9	10.2
26 Dietitians and nutritionists	117,000	0.39	\$30.88	0.08	0.15	0.08	0.08	0.04	0.06	89.6	83.0	13.3	3.1	14.1
27 Lodging managers	116,000	0.39	\$32.58	0.08	0.08	0.07	0.06	0.14	0.06	47.6	75.1	10.3	12.5	14.1
28 Public relations and fundraising managers	100,000	1.50	\$65.16	0.07	0.09	0.08	0.02	0.04	0.03	68.0	89.3	3.5	4.4	7.2
29 First-line supervisors of police and detectives	92,000	0.44	\$45.88	0.06	0.02	0.06	0.07	0.01	0.03	15.8	82.1	13.4	0.7	8.9
30 Surgeons	59,000	0.42	\$123.20	0.04	0.02	0.04	0.01	0.03	0.02	27.7	89.4	4.6	5.6	8.6
Total/Average	19,134,000	0.90	\$46.76	12.54	16.06	12.87	10.51	14.08	6.82	52.2	80.6	9.7	7.3	10.0

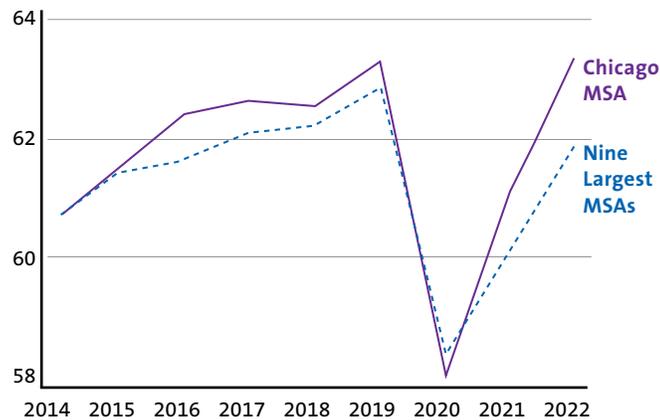
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Chicago Employment Trends

Overall Recovery Trends by Race and Ethnicity

In this section we consider trends in the Chicago metropolitan area and compare them to those for the rest of the ten largest metro areas.⁴ Because sample sizes in the CPS micro data become relatively small for single metropolitan areas, we focus on annual, rather than quarterly data. Beginning with overall employment rates, which are shown in Figure 20, we see that, since 2015, the employment-to-population rate was mostly higher in the Chicago area than the average for the other nine large metro areas. Moreover, while Chicago saw a larger drop during the beginning of the pandemic, its labor market has bounced back faster than other large cities' and is now about 2 percentage points higher than the rest of the top ten areas.

Figure 20: Employment to Population Rates, Chicago and Other Nine Largest Metro Areas

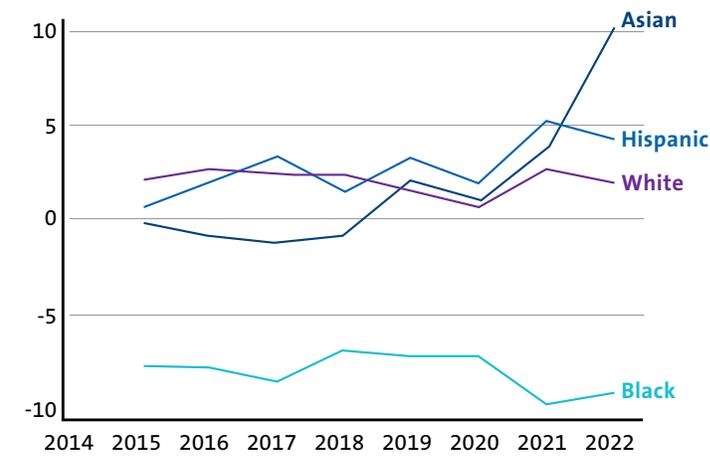


Source: Authors' tabulations of Current Population Survey microdata
 Note: Chicago is defined as Chicago-Naperville-Elgin, (IL-IN-WI MSA). The Nine Largest MSAs are defined as New York-Newark-Jersey City, NY-NJ-PA; Los Angeles-Long Beach-Anaheim, CA ; Dallas-Fort Worth-Arlington, TX; Houston-The Woodlands-Sugar Land, TX; Washington-Arlington-Alexandria, DC-VA-MD-WV; Miami-Fort Lauderdale-Pompano Beach, FL; Philadelphia-Camden-Wilmington, PA-NJ-DE-MD; Atlanta-Sandy Springs-Alpharetta, GA; and Phoenix-Mesa-Chandler, AZ.

Unfortunately, not all racial and ethnic populations within the Chicago area have seen such a strong performance. This can be seen in Figure 8, which plots the Chicago employment-to-population rate minus the employment-to-population rate for the other nine large areas (i.e., the difference between the solid and dashed line in Figure 7 means Chicago is the same as the other large cities), separately by race and ethnicity. For the first three quarters of this year, the rate in Chicago for workers who are White has been 2 percentage points higher than in the other big cities. This is slightly higher than in 2019 before the pandemic. Since the pandemic, the employment-to-

population rate for workers who are Asian American has risen greatly in Chicago relative to the other nine big metro areas, with the gap over 10.1 percentage points for the first three quarters of this year. Employment rates for workers who are Hispanic American are also higher in Chicago than in the other cities. However, the current difference of 4.2 percentage points is little changed since before the pandemic. Figure 21 also shows that for workers who are Black, Chicago's employment-to-population rate has lagged significantly behind that of the other large metro areas. The most recent gap is 9.1 percentage points, which is somewhat greater than before the pandemic.

Figure 21: Employment to Population Rates, Chicago Relative to Other Nine Largest Metro Areas, by Race/Ethnicity - Percentage Point Difference, Chicago Minus Nine Other Largest Metro Areas



Source: Authors' tabulations of Current Population Survey microdata
 Note: Chicago is defined as Chicago-Naperville-Elgin, (IL-IN-WI MSA). The Nine Largest MSAs are defined as New York-Newark-Jersey City, NY-NJ-PA; Los Angeles-Long Beach-Anaheim, CA ; Dallas-Fort Worth-Arlington, TX; Houston-The Woodlands-Sugar Land, TX; Washington-Arlington-Alexandria, DC-VA-MD-WV; Miami-Fort Lauderdale-Pompano Beach, FL; Philadelphia-Camden-Wilmington, PA-NJ-DE-MD; Atlanta-Sandy Springs-Alpharetta, GA; and Phoenix-Mesa-Chandler, AZ.

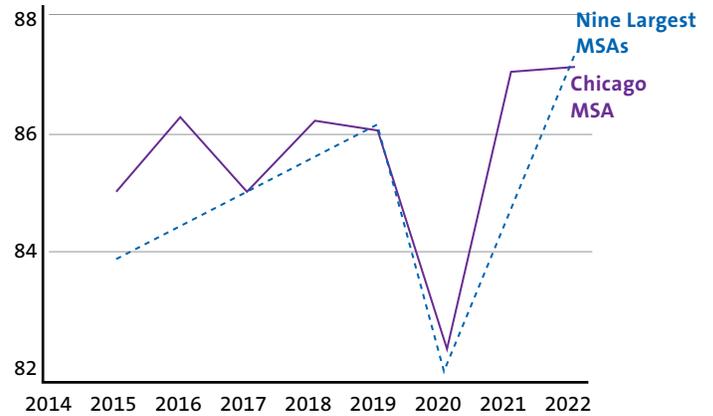
Chicago Recovery Trends for Young College Graduates by Race and Ethnicity

Among younger college graduates, the initial bounce back from the pandemic was stronger in Chicago than other large cities, but Chicago's progress has been slower in 2022. Similar to the full population, the employment-to-population rates of the younger Asian and Hispanic American populations with a college degree have improved in Chicago relative to other large cities but that has not been the case for the comparable Black population.

Figure 22 shows that in 2019, before the pandemic, young college graduates in Chicago had essentially the same employment-to-population rate as in the other nine areas. The 2020 drop for Chicago was slightly smaller than for the average large metro area, and the 2021 bounce back was stronger. But progress in Chicago has been slower in 2022, leaving the younger college grad employment rate for the first three quarters of the year essentially the same as the average of the other large cities.

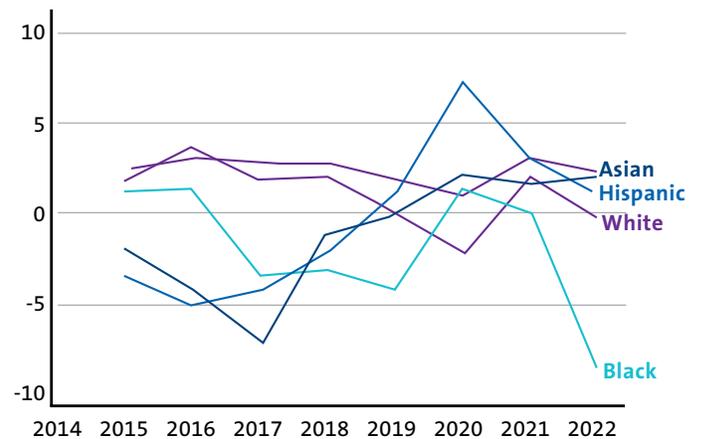
Figure 23 shows the Chicago-other large city employment-to-population rate gap (the difference between the two lines in Figure 9) but among younger college graduates, and again separately by race/ethnicity. There are two points and one caveat to emphasize. First, relative to the pre-pandemic period, the younger college graduate employment rate of Asian Americans has improved in Chicago relative to other large cities. Second, in the first three quarters of 2022, the employment-to-population rate of younger Black college graduates was a substantial 8.6 percentage points lower in Chicago than in other large metro areas. This is a bigger gap than existed before the pandemic. However, in 2021 there was little difference. Whether this is a transitory outlier in the data or turns into a persistent gap will be important to watch going forward.

Figure 22: Employment to Population Rates Among 25-39 College Graduates, Chicago and Other Nine Largest Metro Areas - Percentage Point Difference, Chicago Minus Nine Other Largest Metro Areas



Source: Authors' tabulations of Current Population Survey microdata
 Note: Chicago is defined as Chicago-Naperville-Elgin, (IL-IN-WI MSA). The Nine Largest MSAs are defined as New York-Newark-Jersey City, NY-NJ-PA; Los Angeles-Long Beach-Anaheim, CA ; Dallas-Fort Worth-Arlington, TX; Houston-The Woodlands-Sugar Land, TX; Washington-Arlington-Alexandria, DC-VA-MD-WV; Miami-Fort Lauderdale-Pompano Beach, FL; Philadelphia-Camden-Wilmington, PA-NJ-DE-MD; Atlanta-Sandy Springs-Alpharetta, GA; and Phoenix-Mesa-Chandler, AZ. Persons whose ethnicity is identified as Hispanic or Latino may be of any race. The variables White, Black, and Asian represent persons who are non-Hispanic White, non-Hispanic Black, and non-Hispanic Asian.

Figure 23: Employment to Population Rates, 25-39 College Graduates, Chicago Relative to Other Nine Largest Metro Areas, by Race/Ethnicity - Percentage Point Difference, Chicago Minus Nine Other Largest Metro Areas



Source: Authors' tabulations of Current Population Survey microdata
 Note: Chicago is defined as Chicago-Naperville-Elgin, (IL-IN-WI MSA). The Nine Largest MSAs are defined as New York-Newark-Jersey City, NY-NJ-PA; Los Angeles-Long Beach-Anaheim, CA ; Dallas-Fort Worth-Arlington, TX; Houston-The Woodlands-Sugar Land, TX; Washington-Arlington-Alexandria, DC-VA-MD-WV; Miami-Fort Lauderdale-Pompano Beach, FL; Philadelphia-Camden-Wilmington, PA-NJ-DE-MD; Atlanta-Sandy Springs-Alpharetta, GA; and Phoenix-Mesa-Chandler, AZ. Persons whose ethnicity is identified as Hispanic or Latino may be of any race. The variables White, Black, and Asian represent persons who are non-Hispanic White, non-Hispanic Black, and non-Hispanic Asian.

Chicago Recovery Trends For Managers by Race and Ethnicity

Figure 24 shows that Chicago also lags behind in the share of non-White managers, at 32.4% of the management occupations versus an average of 39.6% in the other nine cities. Although the gap has been about 5 percentage points in recent years, it was nearly 10 percentage points for much of the mid-2010s.

Chicago's performance looks considerably better when we measure management representation relative to employment shares. Figure 25 shows that by this metric, Chicago has improved since 2015 when its share of non-White managers was only 58.7% of its share of non-White employment to this year when that share had risen to 75.0%. The latter figure is higher than the 73.1% figure for the other nine large cities. That said, there is still a way to go before management is fully representative of racial and ethnic groups' share of total employment in Chicago and elsewhere.

Figure 26 shows how these managerial representation figures have evolved for Black, Asian and Hispanic Americans. In the most recent data, Chicago (solid lines) has seen Asian Americans' representation rise to 20% above their employment share, which is considerably higher than in the other large cities average (dashed lines). The representation of African Americans in Chicago in management ranks is about 80% of their employment share, which is the same as in the other large city average. So far in 2022, the Hispanic representation in management is only about 50% of their employment share, which lags other large cities.

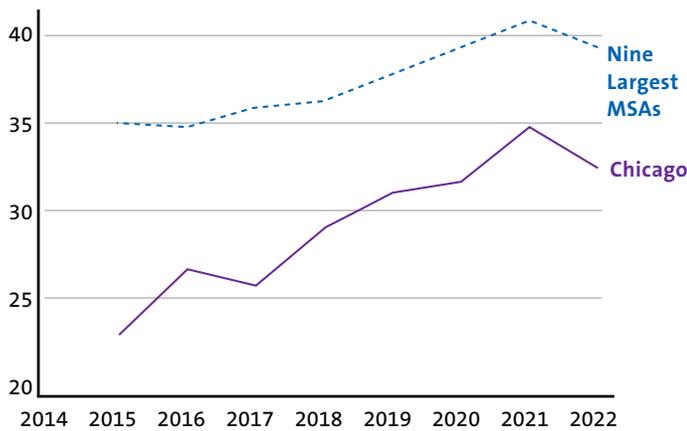
Summary

Nationally, Black and Hispanic Americans experienced the largest declines in employment-to-population rates during the initial weeks of the COVID outbreak and their recovery remains below that of White and especially Asian Americans through the third quarter of 2022. This recovery has been particularly dismal relative to the strongly positive trend in the employment-to-population rate for Black workers prior to the pandemic. Had that trend continued, there would have been significant further reduction in racial employment gaps. Progress has been temporarily derailed by the pandemic.

More optimistically, for younger college graduates, the employment-to-population rates for Asian and Hispanic Americans are above what would have been expected even if a strong 2014-19 trend had continued into 2022. The rate for Black individuals, while still below trend, is actually a little less below trend than for White individuals.

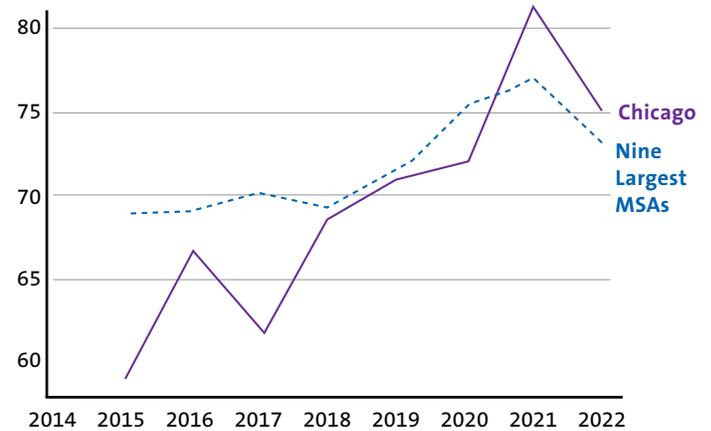
Finally, Chicago has recovered faster than other large cities, specifically among Asian and Hispanic Americans. Those trends also appear among young college graduates and managers. Chicago's performance looks considerably better when we measure management representation relative to employment shares.

Figure 24: Share of Non-White Managers, Chicago and Other Nine Largest Metro Areas



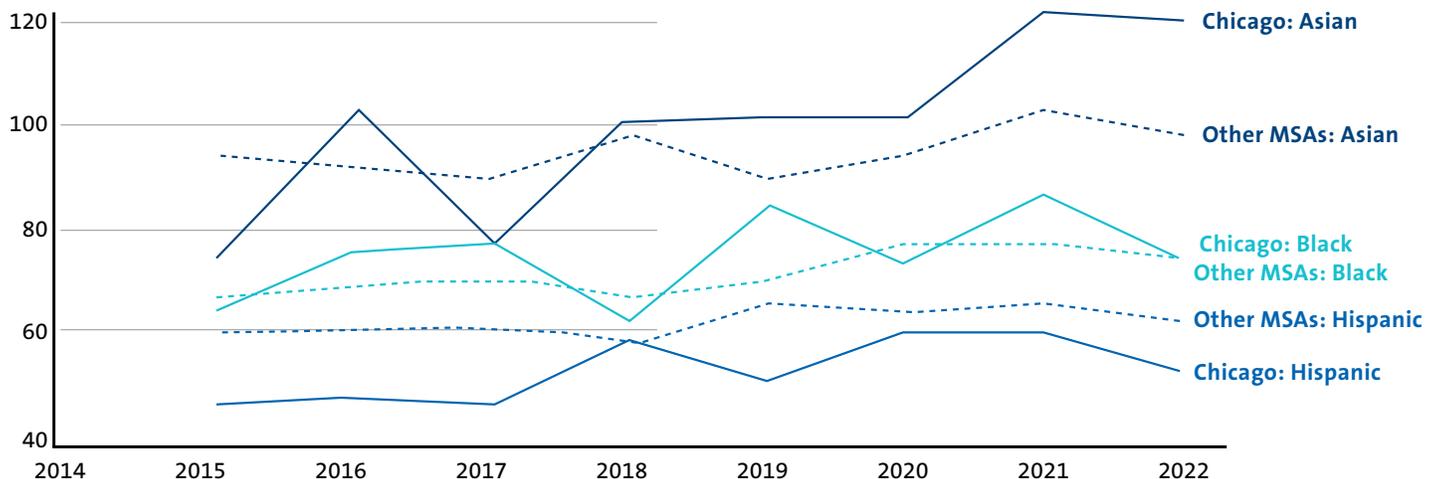
Source: Authors' tabulations of Current Population Survey microdata
 Note: Chicago is defined as Chicago-Naperville-Elgin, (IL-IN-WI MSA). The Nine Largest MSAs are defined as New York-Newark-Jersey City, NY-NJ-PA; Los Angeles-Long Beach-Anaheim, CA ; Dallas-Fort Worth-Arlington, TX; Houston-The Woodlands-Sugar Land, TX; Washington-Arlington-Alexandria, DC-VA-MD-WV; Miami-Fort Lauderdale-Pompano Beach, FL; Philadelphia-Camden-Wilmington, PA-NJ-DE-MD; Atlanta-Sandy Springs-Alpharetta, GA; and Phoenix-Mesa-Chandler, AZ. Persons whose ethnicity is identified as Hispanic or Latino may be of any race. The share of non-White business leaders (managers) represents persons who are Hispanic, non-Hispanic Black, and non-Hispanic Asian.

Figure 25: Share of Non-White Managers Relative to Share of Non-White Employees, Chicago and Other Nine Largest Metro Areas - 100 percent: Management Representation = Employment Representation



Source: Authors' tabulations of Current Population Survey microdata
 Note: Chicago is defined as Chicago-Naperville-Elgin, (IL-IN-WI MSA). The Nine Largest MSAs are defined as New York-Newark-Jersey City, NY-NJ-PA; Los Angeles-Long Beach-Anaheim, CA ; Dallas-Fort Worth-Arlington, TX; Houston-The Woodlands-Sugar Land, TX; Washington-Arlington-Alexandria, DC-VA-MD-WV; Miami-Fort Lauderdale-Pompano Beach, FL; Philadelphia-Camden-Wilmington, PA-NJ-DE-MD; Atlanta-Sandy Springs-Alpharetta, GA; and Phoenix-Mesa-Chandler, AZ. Persons whose ethnicity is identified as Hispanic or Latino may be of any race. The share of non-White business leaders (managers) represents persons who are Hispanic, non-Hispanic Black, and non-Hispanic Asian.

Figure 26: Share of Managers Relative to Share of Employees, Chicago and Other Nine Largest Metro Areas, by Race/Ethnicity - 100 percent: Management Representation = Employment Representation



Source: Authors' tabulations of Current Population Survey microdata
 Note: Chicago is defined as Chicago-Naperville-Elgin, (IL-IN-WI MSA). The Nine Largest MSAs are defined as New York-Newark-Jersey City, NY-NJ-PA; Los Angeles-Long Beach-Anaheim, CA ; Dallas-Fort Worth-Arlington, TX; Houston-The Woodlands-Sugar Land, TX; Washington-Arlington-Alexandria, DC-VA-MD-WV; Miami-Fort Lauderdale-Pompano Beach, FL; Philadelphia-Camden-Wilmington, PA-NJ-DE-MD; Atlanta-Sandy Springs-Alpharetta, GA; and Phoenix-Mesa-Chandler, AZ. Persons whose ethnicity is identified as Hispanic or Latino may be of any race. The variables White, Black, and Asian represent persons who are non-Hispanic White, non-Hispanic Black, and non-Hispanic Asian.

IN CLOSING

The COVID-19 Pandemic has had a substantial impact on the workforce and labor market during the past two years. In the aftermath of the Pandemic, we have seen several notable occurrences. In the upper echelons of corporations, we have observed marked increases in minority representation on boards and in the executive ranks. This outcome has most likely surfaced due to the heightened social consciousness around racial injustices and the visible re-commitment from corporations to take action in roles where the impact would be most noted. The Chicago Top 50 Companies, and in particular, Chicago United Member Companies fare well compared to the rest of the nation.

At other levels of the organization, we witnessed resignation spikes brought on by employees reevaluating priorities during the pandemic. For employees of color, this great reassessment fueled a transition into other organizations and occupations, as well as entrepreneurship. We see some examples of resources and infrastructure in place to support the sustainability of these new and renewed ventures as evidenced by grant and venture capital funding of minority-owned businesses.

When focusing on the recovery from the upheaval and displacement of labor during the pandemic, we see that not all Americans have bounced back at the same clip. When looking at employment relative to population rates, Chicago has recovered faster than other large metropolitan areas, especially among Asian and Hispanic Americans. However, the Black population lags behind. These racial/ethnic trends also appear among young college graduates and managers.

Chicago United will continue to be the advocate and driver of change for practices and policies that bolster diversity, equity and inclusion. To learn more about the work of Chicago United and our Member Companies, please visit our website, www.chicago-united.org.

ENDNOTES

1. Even this figure understates how bad the situation was in April 2020 because of several reporting issues that arose. See, for example, the discussion of “misclassification error” here: [Effects of COVID-19 Pandemic on the Employment Situation News Release and Data : U.S. Bureau of Labor Statistics \(bls.gov\)](#).
2. See Frey, Carl Benedikt, and Michael A. Osborne, 2017, “The future of employment: How susceptible are jobs to computerisation?” *Technological forecasting and social change*, 114, 254-280. There is substantial literature discussing the effect of automation on employment.
3. Ethnicity and race are separate questions in the CPS, so people of Hispanic ethnicity can report any race. In addition, for White, Black and Asian, the racial categories include Hawaiian/Pacific Islander, American Indian/Aleut/Eskimo, and two or more races.
4. The ten metropolitan areas with the largest population are New York City, Los Angeles, Chicago, Dallas, Houston, the District of Columbia, Philadelphia, Atlanta, Miami, and Phoenix. We compare Chicago to the average of the nine other metropolitan areas.

ACKNOWLEDGMENTS

Chicago United would like to thank the following organizations that provided research expertise and support for the 2022 edition of *Inside Inclusion: The Federal Reserve Bank of Chicago, Great Cities Institute of the University of Illinois at Chicago, and Parker Williams Consulting.*

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