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CHICAGO REGION CLEAN ECONOMY HIGHLIGHTS

Clean economy: *an economic activity that produces goods and services with an environmental benefit or adds value to such products using skills or technologies that are uniquely applied to those products.*¹

- There were **92,567 clean jobs** in the Chicago Region economy in 2015, accounting for approximately 2% of total jobs. A similar proportion of jobs in the U.S. economy is clean.²
- The regional clean economy grew faster than the regional economy as a whole between 2005 and 2015. While **clean economy jobs increased by 38%**, total regional jobs increased by only 2.8%. The region's clean economy outperformed the national clean economy (clean jobs in the U.S. grew by 27% during the same period). Also, it is notable that during the same period, the regional economy as a whole lagged the national growth rate.
- The **Chicago Region's clean economy is performing better than the national clean economy**. The region gained 25,585 clean jobs from 2005 to 2015. However, 5,112 jobs in the region are attributable to its relative competitive position in the clean economy. That is, a gain of more than five thousand clean jobs is attributable to characteristics specific to the local economy.³
- Among clean economy categories, establishments classified in **Energy and Resource Efficient added the most jobs** while those establishments classified in *Renewable Energy* had the largest employment rate increase (60%).
- At the regional level, **most of the clean jobs are concentrated in industries that focus on energy efficiency and greenhouse gas reduction**.
- Overall, **clean economy jobs pay higher wages** than other jobs. In 2015, the average wage for a clean economy job was \$ 63,769 while it was \$ 58,887 for all jobs in the region. A comparable difference is observed for clean jobs in the U.S.
- Although a small proportion of total regional jobs, **clean economy jobs are likely to contribute to higher quality of life**. Average wages in 24 clean economy segments (out of 39) are higher than average regional wages in 2015. Professional energy services, HVAC and building control systems, green architecture and construction services are the largest clean economy segments with considerably higher wages.
- The Chicago Region is **specialized in at least ten clean economy segments**. Employment concentration in professional energy services, lighting, air and water purification technologies is at least twice as high as the national average.⁴ This suggests that regional firms in these segments are specialized in the production and delivery of certain goods and services that are likely sold outside the region.

¹ The Brookings Institution. Based on the type of clean product or service produced, clean economy jobs are classified into 5 different categories and 39 clean economy segments. Five (5) clean economy categories are: Agricultural and Natural Resources Conservation; Education and Compliance; Energy and Resource Efficiency; Greenhouse Gas Reduction, Environmental Management and Recycling; Renewable Energy. Segments are finer-grained classification under these categories. Establishments are assigned to segments based on their NAICS codes.

² The Chicago Region refers to the 14-county Chicago-Naperville-Elgin Metropolitan Statistical Area (MSA), which consists of the following counties: Cook, DeKalb, DuPage, Grundy, Kane, Kendall, Lake, McHenry, Will, Kenosha (WI), Jasper(IN), Lake(IN), Newton(IN), and Porter (IN).

³ Based on shift-share analysis, if the region's clean economy growth rate were identical to that of the national economy, then the number of jobs in the region should have grown by only 18,340 between 2005 and 2015 instead of 23,452.

⁴ The concentration is determined by the Location Quotient (LQ), which compares local employment levels to national levels. An LQ greater than 1 indicates concentration and the higher the number, the greater the concentration. Professional energy services LQ is 3.25 (3.25 times that of the national employment level); Lighting LQ is 2.51; and Water purification LQ is 2.44.

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COOK COUNTY CLEAN ECONOMY HIGHLIGHTS

- There were **56,517 clean jobs in the Cook County economy in 2015** (61% of the regional total), accounting for approximately 2.23% of total jobs. A slightly larger proportion of jobs in Cook County is clean compared to the nation. In 2015, 2.07% of all jobs were classified as clean in the U.S.
- The **local clean economy grew faster than the local economy as a whole between 2005 and 2015**. While clean economy jobs increased by 27%, total local jobs increased by only 1.0%. The county's clean economy grew at almost the same rate as the national clean economy.⁵ Clean jobs in the nation grew by 27.4%. It is worth noting that during the same period, the local economy as a whole lagged the national growth rate by a wide margin (1% vs. 6%).
- From **2005 to 2015, clean jobs in the county increased by 12,097, to 56,517**. Among clean economy categories, Greenhouse Gas Reduction, Environmental Management and Recycling added the largest number of jobs and had the largest employment rate increase (41.5%).
- At the local level, **most of the clean jobs are concentrated in industries that focus on energy efficiency and greenhouse gas reduction categories**. A similar pattern is observed at the national level although to a lesser level. A similar concentration is observed at the clean economy segment level. Three top clean economy segments (Public mass transit; Waste management and treatment; and Recycling and reuse) constitute nearly 60% of total clean jobs in Cook County. The same three segments account for only one third of all clean jobs in the U.S.
- Overall, **clean economy jobs pay higher wages** than other jobs. In 2015, the average wage for clean economy job was \$ 65,446 while it was \$ 61,915 for all jobs in the county. A comparable difference is also observed for clean jobs in the U.S. It is notable, however, that the difference between the average wage for clean economy jobs and average wages for all jobs in the nation is more significant (\$ 62,089 and \$52,942).
- **Cook County specializes in at least nine clean economy segments**. Employment concentration in pollution reduction, professional energy services, lighting, public mass transit, and green architecture and construction services is at least twice as high as the national average.⁶ This suggests that local firms in these segments are specialized in the production and delivery of certain goods and services that are likely sold outside the county.

The Size of the Clean Economy, in the U.S., the Chicago Region and Cook County, 2005-2015.

	Jobs			Establishments		
	2005	2015	Change	2005	2015	Change
U.S.	2,271,733	2,893,743	27.4%	81,688	105,754	29.5%
Chicago Region	66,982	92,567	38.2%	3,605	4,712	30.7%
Cook County	44,420	56,517	27.2%	1,907	2,472	29.7%

⁵ Based on shift-share analysis, if the county's clean economy growth rate were identical to that of the national economy, then the number of jobs in the county should have grown by 12,163 between 2005 and 2015 but instead it grew by only 12,097.

⁶ The concentration is determined by the Location Quotient (LQ), which compares local employment levels to national levels. An LQ greater than 1 indicates concentration and the higher the number, the greater the concentration. Pollution reduction LQ is 3.30 ((3.30 times that of the national employment level); Professional energy services LQ is 3.10; Public mass transit LQ is 2.47; Lighting LQ is 2.62; and green architecture and construction services LQ is 2.43.