

THE WEATHER IN THE WINDY CITY

As the Midwest's primary manufacturing, transportation and financial hub, Chicago's economy is about location, location, location

WHAT DO THE WORLD'S FIRST FERRIS WHEEL, OPRAH

Winfrey, and Historic Route 66 have in common? They all launched in Chicago. And they are all talked about. But then, hot air is one of Chicago's strengths. It is not known as the Windy City for nothing. Many suggest the moniker springs from the winds that sweep through the city from Lake Michigan, but Chicago is really not significantly windier than any other US city. The preferred rumour says the nickname for Chicago was coined by Charles Dana, editor of the *New York Sun*, during intense rivalry between Chicago and New York over the 1890 World's Fair. Dana accused Chicagoans of shameless boasting. Tired of Chicago's bluster, he wrote: "Don't pay any attention to the nonsensical claims of that windy city. Its people could not build a World's Fair even if they won it."

Dana was wrong. The Windy City won the bid and succeeded in building a World's Fair on a grand scale, proving that the metropolis had risen from the ashes of the Great Chicago Fire of 1871. And rise it did. In 1885, the first steel-framed high-rise building, the Home Insurance Building, was constructed in Chicago, ushering in the skyscraper era. Even today, Chicago's skyline remains among the world's tallest and most dense. The city housed the tallest building in the Western Hemisphere up until a few weeks ago when the spire of the One World Trade Center in New York was set in place, snatching the honours. The rivalry continues.

While New York City and Los Angeles edge out Chicago in terms of both population and gross metropolitan product (GMP) – which sat at approximately US\$546.8 billion for Chicago in 2012 – the city has been rated as having the most balanced economy in the US due to its high level of diversification. Even coming out of a recession, Chicago's economy is bigger than the GDP of many countries, including Austria, Norway and Taiwan. *The Atlantic* ranked Chicago at number six in a list of the most economically powerful cities in the world based on a survey on global metro powerhouses in 2012. There is no denying that Chicago's metropolitan economy is a force to be reckoned with in terms of domestic production.

As the business and tourism centre of the Midwest, Chicago has a high per capita income and a well-educated workforce. Economic growth has been slow to return, but the unemployment rate is inching down. A recent series from *Crain's Chicago Business* on "Where the jobs are in 2013" reports hiring of operations, finance, marketing, information technology, and pharmaceutical sales at healthcare-related companies, strong



demand for accountants, and opportunities for data analytics and market researchers, digital strategists, web designers, and account managers as the city attracts established technology companies, such as CareerBuilder, Groupon, Orbitz, Motorola, and RedBox, among others. Twenty Chicago-based technology companies have committed to create more than 2,000 jobs by 2015 and a total of 92 companies expanded or announced plans to expand in the latter half of 2012. Job gains have been seen across a wide array of industries as to be expected from an economy so diverse. It is precisely this industrial diversity that has kept the labour force growing consistently since mid-2011.

The start of the year saw increases in manufacturing growth and a moderate rise in residential construction. Credit conditions continued to gradually improve and overall economic activity expanded, albeit at a slow pace. Many expected growth to be weak in the first half of 2013, partly due to uncertainty over federal fiscal policy, but those in the know are anticipating activity to rebound in the second half of the year.

It seems Chicago remains in waiting for US business expansion to take hold, allowing the city's national and international economic linkages to leap into action. Manufacturing expansions result in transportation activity in the Windy City. Technology and productivity advances yield professional services upswings, and mergers, business expansions and start-ups spark financial services growth. Chicago's economic gains are closely linked to national trends due to its size and interconnectedness. This should serve the city well as the year progresses and the national economy attempts to accelerate and hold pace through 2013.

Chicago remains central North America's undisputed economic powerhouse. Its economy and population are diverse, productive and affluent. The city retains a broad industrial base, which will continue to attract investment and a highly-qualified workforce. The wind may blow hot and cold in the short term, but Chicago will weather any storm. 🌀

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