



October 2008 :: Volume 48

## Chicago by the Numbers

Indicator/MSA	Jan. 07	Dec. 06	Nov. 06	Jan. 06
Total Employment	4446.8	4572.9	4572.0	4401.0
Construction	197.6	214.3	222.3	198.0
Manufacturing	481.1	485.9	487.3	488.7
Transportation	202.9	208.9	207.7	198.8
Wholesale/Retail	713.7	744.6	731.2	712.8
Information	90.3	90.5	90.5	91.3
Finance	333.1	336.4	334.3	327.6
Services	1,872.6	1,922.8	1,923.2	1,824.8
Government	553.2	566.9	572.8	556.2
Mining	2.3	2.6	2.7	2.2
Unemployment Rate	5.1	3.9	3.7	5.6
Midwest Housing Starts	255.0	236.0	236.0	388.0

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## Chicago's Global Position

*City Ranks No.8 on Global Cities Index and Holds Global Business Policy Council CEO Retreat:* Chicago is in the international spotlight with an upcoming presidential election-night rally in Grant Park and its bid for the 2016 Olympics running strong. At the same time, other international initiatives are also highlighting the city's global impact.

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## WBC Welcomes New Board Member

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## Teaching Chicago's Youth Financial Fundamentals

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## Chicago's Global Position

### ***City Ranks No. 8 on Global Cities Index and Holds Global Business Policy Council CEO Retreat***

Chicago is in the international spotlight with an upcoming presidential election-night rally in Grant Park and its bid for the 2016 Olympics running strong. At the same time, other international initiatives are also highlighting the city's global impact.

Chicago was recently named one of the most global cities in the world on the Global Cities Index, a comprehensive ranking of the ways in which cities are interconnected with the rest of the world. The study ranked cities based on business activity, human capital, information exchange, cultural experience, and political engagement.

Chicago ranked 8th out of 60 cities, spread across six continents, based on the criteria above. The city received especially high marks for human capital, which measures the city's diversity of people and talent, including the size of its immigrant population, number of international schools, and percentage of residents with university degrees. The study also recognized Chicago as a top global destination for higher education, 2nd only to London.

The Global Cities Index was assembled by *Foreign Policy* magazine, A.T. Kearney, and The Chicago Council on Global Affairs.

Separately, Chicago welcomed a prestigious group of international CEOs and thought leaders during A.T. Kearney's Global Business Policy Council annual CEO retreat held at the Trump International Hotel and Tower in October. This was the first time the closed-door symposium was held in Chicago.

The retreat brought together a cross-section of the world's business and policy leaders for an off-the-record, intimate discussion on the new players, new rules, new risks and major transformations of the global economy.

During the conference, the organization honored Chicago Mayor Richard M. Daley for his "extraordinary contributions to civic governance and prosperity and his vision in leading Chicago to become a global city of critical importance to the international economy," with the Statesman of Our Time Award.

"I am honored to receive the Global Business Policy Council's award and pleased this distinguished group chose Chicago to host its annual CEO retreat," said Mayor Daley. "Our city has become a major player in the global economy, and the Council validates this by recognizing our strength as a crucial international leader."

The Global Business Policy Council is composed of corporate executives, academics, thought leaders, and policy figures coming together to discuss forward-thinking, critical issues that affect the worldwide business climate. Each year the retreat is held in a different global city; last year's retreat was held in Dubai.

World Business Chicago's Executive Director, Rita Athas, presented "How Cities Go Global" to retreat attendees, along with Marshall Bouton, president of The Chicago Council on Global Affairs; Joel Kotkin, author of *The City: A Global History*; and Paul A. Laudicina, A.T. Kearney managing officer and chairman of the board.

Athas discussed the attributes that have elevated Chicago to a position of global leadership. She elaborated on Chicago's interconnections to other cities and countries, its position as a center of commerce, and its leadership in innovation. She also expanded on how Chicago consistently adapts to the changing global economy.

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## WBC Welcomes New Board Member

World Business Chicago (WBC) recently announced that its co-chair, Chicago Mayor Richard M. Daley, appointed Michel Gourvennec, President and Chief Executive Officer of Veolia Environnement North America, to its Board of Directors.

"We are pleased that Veolia recently selected Chicago for its North American headquarters and know that Mr. Gourvennec will be a valuable addition to World Business Chicago's Board of Directors," said Chicago Mayor Richard M. Daley. "Chicago is often praised for its innovative environmental initiatives, so adding the North American President and CEO of the world's largest environmental services company to World Business Chicago's board makes great sense."

"I am honored by the invitation to join World Business Chicago's Board of Directors, and look forward to working with this impressive group," said Gourvennec. "My aim is to help support our city by endorsing its environmental initiatives, renowned universities and diverse culture. These resources present a tremendous opportunity for national and international companies looking to make Chicago their home, as we recently did."

Veolia signed a 34,500-sq.-ft. lease in the Aon Center (200 East Randolph Street) beginning earlier this month, and occupies one floor overlooking Lake Michigan, downtown, the Gold Coast and Millennium Park. Veolia's new headquarters builds on a base of approximately 1,000 local employees and combined annual revenues of approximately \$240 million in the Greater Chicago area and \$4.5 billion in North America.

Gourvennec joins 18 of the city's business leaders who help direct WBC, fostering economic growth and jobs for the city. The WBC board is co-chaired by Mayor Daley and Michael D. O'Halleran, SEVP and Director, AON Corporation.

"Mr. Gourvennec will be an asset to our Board of Directors," said Rita Athas, executive director of World Business Chicago. "His international environmental experience brings another sector to our diverse board, and his commitment is parallel to our Board's strong engagement in Chicago's business community."

Veolia Environnement (NYSE:VE) and (Paris Euronext:VIE) is the world's largest environmental services company providing tailored solutions in water management, waste services, energy solutions and freight and passenger transportation. With more than 320,000 global employees, Veolia Environnement recorded annual revenues of \$48 billion for the 2007 fiscal year. Visit the company's global Web site at <http://www.veoliaenvironnement.com/> and the North American Web site at <http://www.veolionorthamerica.com/>.

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## Teaching Chicago's Youth Financial Fundamentals

Every day, Chicago parents send their children off to school in hopes that they will receive a good education. While most students graduate with a solid understanding of reading, writing and mathematics, some may argue that a significant number leave school without even a basic understanding of personal finance.

Young adults today face several financial challenges, and record numbers are using -- and abusing -- credit and loans. According to a 2006 study by the Center for Responsible Lending, 18- to 24-year-olds spend nearly 30 percent of their monthly income on debt repayment -- double the percentage spent in 1992. Additionally, the 2008 Jump\$tart Coalition® for Personal Financial Literacy survey funded by the Merrill Lynch Foundation showed that financial literacy among high school seniors continues to decline, and scores of the 2008 high school senior class rank lower than their 2006 peers.

Of course we can't overlook the current economic and financial industry situation, which makes the case for financial education more compelling than ever. Our community's young adults are making personal financial decisions today that can affect them for the rest of their lives. It is important to arm them with the basic knowledge they need to make smart choices about their money and their future.

Some of our Chicago leaders are stepping in and taking this responsibility into their own hands. For example, local Merrill Lynch financial advisors have taught Chicago public high school students about financial responsibility through our Investing Pays Off® curriculum as part of Maggie Daley's After School Matters program.

As a leading proponent of education for Chicago's youth, Mayor Richard M. Daley encourages the Chicago civic and corporate communities to support individual schools as part of the Principal for a Day program. Over the program's 12-year history, many Chicago non-profit organizations and businesses have established long-term partnerships with Chicago Public Schools as a result of this focus on giving back to the community.

This year's Principal for a Day event will take place on Oct. 30. As lead sponsor for the third year in a row, Merrill Lynch employees will visit local schools that day to shadow principals through their daily routine to experience the triumphs and challenges of running a public school, as well as discuss with students the importance of financial literacy.

These volunteer programs and events are just a few examples of how our community can create change for our youth. And they represent the start of something great. But this is the first step, and this subject demands your attention and support. If we all work together, we can make a difference.

I encourage my fellow Chicago business leaders to support financial education in local schools and communities. You can commit a small amount of your time to participate in your local board of education decision-making process and assume leadership roles on community committees and task forces.

Financial literacy and educating today's youth is an important issue. Not only does this affect our

children and our community, this impacts the future of our economy and country. Now is the time for us to take action and invest valuable time in our youth.

-- Bob Graham  
*Regional Managing Director*  
 Merrill Lynch

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## Chicago by the Numbers

Indicator - MSA	Aug. '08	Jul. '08	Jun. '08	Aug. '07
Total Employment	4,585.0	4,593.4	4,612.7	4,593.6
Total Private Sector	4,031.6	4,032.4	4,039.4	4,037.9
Construction	218.4	218.4	217.7	226.5
Manufacturing	477.2	477.8	480.3	483.0
Wholesale Trade	251.7	252.2	252.0	251.4
Retail Trade	480.3	481.5	483.7	476.3
Transportation & Utilities	201.5	201.8	203.8	201.1
Information	90.9	91.2	91.5	91.7
Financial Activities	326.6	326.9	327.1	331.2
Prof. & Business Services	759.5	757.3	758.5	757.8
Education & Health Services	593.3	593.2	597.4	584.4
Leisure & Hospitality	426.0	425.4	424.3	426.2
Other Services	203.7	204.2	200.6	205.2
Government	553.4	561.0	573.3	555.6
Mining & Natural Resources	2.5	2.5	2.5	2.5
Unemployment Rate	7.1	7.3	7.1	5.0
Midwest Housing Starts	126	155	139	248
Office Availability Rate	-	-	10.8	-
Office Net Absorption	-	-	149,659.0	-
Producer's Price Index	182.2	183.9	181.7	166.1
Consumer Price Index -U	218.9	219.2	217.4	207.7
Consumer Confidence	58.5	51.9	51.0	105.6
National Purchasing Managers Index	49.9	50.0	50.2	51.2
Chicago Purchasing Managers Index	57.9	50.8	49.6	53.8
Chicago Midwest Manufacturing Index	103.5	106.2	105.9	105.5
New Automobile Sales	4.5	4.4	4.9	5.2
New Truck Sales	5.9	4.6	5.1	7.5

## Footnotes

The Chicago MSA (metropolitan statistical area) consists of a fourteen-county, tri-state region: Cook, DeKalb, DuPage, Grundy, Kane, Kendall, Lake, McHenry, and Will counties in Illinois; Jasper, Lake, Newton, and Porter counties in Indiana; and Kenosha County in Wisconsin. The employment, housing, and net absorption numbers are listed in thousands. The unemployment rate for August 2008 and the Producer Price Index figures for 2008 are preliminary only. The office absorption and availability rate are 2008 second quarter numbers for the downtown Chicago market. Data is from CB Richard Ellis. Net Absorption is the change in available space in square feet. Availability rate is space that is currently vacant or in the process of being marketed. Consumer confidence, automobile and truck sales are U.S. numbers. The Chicago Midwest Manufacturing Index is a monthly estimate of manufacturing output in the 7th Federal Reserve district (Illinois, Indiana, Iowa, Michigan, and Wisconsin). It is a composite index of sixteen manufacturing industries that use electrical power and hours worked data to measure monthly changes in regional activity.

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