

“MURDER CAPITAL USA” DEBUNKED: CHICAGO CEOS PLEDGE THEIR ALLEGIANCE TO THEIR CITY

By Dale Buss - August 28, 2017

Fairly or unfairly, Chicago has become known as the modern-day “Murder Capital USA.” And the perception puts CEOs of Chicago-based companies on the spot in more ways than one.

First, they and their employees must do business in a city smattered with violent crime. Second, they must cope with the very real consequences of many outsiders’ view of Chicago as a scary place for business.

And, third, the depth of the Windy City’s violent-crime problem – plus other challenges such as the cratering fiscal situation in Illinois – is compelling many business leaders to step forward in unprecedented ways to try to shore up the city’s crumbling social foundations.

“I was in London and Paris earlier this year, and people there view the violence in Chicago like Belfast used to be,” said Greg Mutz, Chairman and CEO of AMLI Residential, a Chicago-based real-estate investment trust. “They ask you if you go around wearing an armored vest. People think we live in Beirut or Damascus.”

Barbara Moran-Goodrich, CEO of the Moran Family of Brands, an aftermarket-automotive franchise operation based in Midlothian, Ill., a near southwestern suburb of Chicago, said that business associates from elsewhere often ask her, “Is it really that bad there?”

In dealing with people outside of Chicago, agreed Alan Reed, “There are concerns because of the amount we’re in the press.”

But in a comment typical of Chicago-area CEOs, the executive director of the Chicagoland Food & Beverage Network noted, “It’s almost a tale of two cities—which is to say that some of the violence feels very separate from the city that we all know and love and the city that is great to do business in.”

Chicago’s current struggles with the murder-capital moniker are strongly reminiscent of what ailed Detroit for decades. Chicago more recently has faced the kind of extreme population loss—especially on its toothsome south side—that sapped the Motor City for a half-century, the primary factor in long-term economic degradation that proved fertile territory for desperation and violent crime.

Rightly, Chicago-area CEOs rightly pointed out that many other major cities cope with high and rising murder rates and are battling pockets of depravation. In fact, Chicago is only in the middle of the pack among U.S. cities when it comes to murder rates. Last year, and through the first half of 2017, St. Louis, Baltimore and Detroit recorded the highest per capita homicide rates of major American cities.

Perceptually, one significant problem for Chicago is that it’s so big that the raw number of murders occurring on a regular basis produce stunning news reports that have the impact on the nation of the ceaseless tally of gun violence in New York City in the 1970s.

And some CEOs squarely blame President Donald Trump for making Chicago’s murder problem a partisan rhetorical whipping boy.

“The president likes to over-criticize Chicago, but violence exists in every single corner of the universe,” said Julie Smolyansky, CEO of Lifeway, maker of cultured dairy products called kefir, which has production, marketing and headquarters operations in the city and in suburban Morton Grove, Ill.

But while noting along with her peers that most of Chicago continues to thrive as a business location despite the violence, Smolyansky is one Chicago-area CEO who is trying to reverse the flood of crime and economic desperation that grips so much of the city.

So, for instance, Smolyansky was a major ally in last week’s passage of rape-kit tracking and survivor-notification legislation by the Illinois legislature. She believes that domestic violence is a huge and under-recognized contributor to the overall plague of brutality in Chicago. Lifeway also works closely with a variety of community organizations that use nutritious meals as a way to battle poverty.

For his part, AMLI Residential’s Mutz is a key player with the All Stars Project, a privately funded, not-for-profit organization that runs after-school programs, job internships and other programs that aim to give economic opportunity to Chicago’s troubled youth.

“There’s no silver bullet or quick fix,” he said. “The business community has to get involved, in part to make government work more efficiently. Long-term, this is a serious problem for business too, with a huge impact in lost revenues, lower local tax revenues and declining infrastructure.”

Many CEOs believe that Chicago needs to rebuild sectors of its economy that helped build it into the City of Broad Shoulders. The Chicagoland Food & Beverage Network, for instance, represents the effort of many major consumer packaged-goods companies to nurture startups and provide employment training in the food business that was foundational to the growth of the city.

“We have some very exciting businesses and terrific companies that aren’t startups anymore—they’re getting traction, and we’re starting to see them show up with much broader distribution,” Reed said. “And if you can make it in Chicago, it’s not just a trend—it’s a great business.”

Sure enough: Method, the startup that has become a popular brand with American consumers for its natural cleaning products, pushed back against a grim economic backdrop by opening a factory in Chicago’s South Side Pullman Park neighborhood in 2015. A handful more of such CPG factories would go a long way toward helping the city solve the jobs—and crime—problems that have made Chicago the object of national fear and sympathy.