Undergraduate Review

Volume 3 | Issue 1 Article 7

1989

Learning Lessons the Hard Way: An analysis of the economic plight of the City of Kankakee

Steve Benscoter '89
Illinois Wesleyan University

"Learning Lessons the Hard Way: An analysis of the economic plight of the City of Kankakee"

Steve Benscoter

View of A. O. Smith factory, 1989.
Photo by Steve Benscoter.

At the close of 1978, the people of Kankakee were unaware that their town stood at the edge of an economic precipice. Roper Corporation, a Fortune 500 firm headquartered in Kankakee, had come off its best year ever. Earnings in fiscal 1978 had soared 53% to a record $14.4 million. Sales also were up to $433 million, the highest ever.[1] The maker of kitchen stoves and outdoor power equipment employed some 2,700 area residents. Kankakee's second-largest employer, A.O. Smith Corporation's water heater plant, also was rebounding from the mid-1970's recession.[2] Although unemployment was worrisome at 9%, the number of manufacturing jobs in the county had slipped only a little, to just under 10,000.[3] With Kankakee's main industry—producing appliances—appearing robust, few doubted that the future would bring anything other than continued economic prosperity.

Today, ten years later, the economic outlook is bleak. Roper Corporation's two manufacturing facilities in Kankakee and Bradley were permanently closed on June 17, 1982. Meanwhile, its corporate headquarters in Kankakee just recently announced that the jobs of the seventy remaining corporate staff would be phased out over the next few months.[4] A.O. Smith, employing 1,350 at its peak in the late 1970s, closed its doors for good in February, 1988. The March 1988 unemployment rate of 11.7%, although a significant improvement over 1983's grisly nation-leading rate of 20.8%, is the highest among the state's metropolitan areas.[5] The number of manufacturing jobs, which help create other jobs, has shriveled by half over the past decade.[6] The current number, 5,300, is even down from the 6,500 that existed at the height of the city's unemployment.[7] Per capita income, once higher than the U.S. average, today stands well below it.[8] Finally, according to the latest Census reports, 17.1% of the population lives in poverty.[9]

A county seat that just ten years ago had sprouted the twin symbols of 20th century prosperity, smokestacks and grain elevators, Kankakee appears to have lost its future. How did it happen? More importantly, what is being done to revive the crumbling economy? In the following paper, I will attempt to answer these questions. After critically examining the manner in which the "Rust Belt-Sun Belt" phenomenon devastated the Kankakee economy, I will turn to the more paramount issue of discussing those actions which have been taken in an attempt to ensure future growth and development. Finally, I will turn to the future, speculating on the likelihood of future recovery for the Kankakee economy.

Following World War II, there was a great expansion of the industrial base when several key industries located in Kankakee. "With an established population of motivated, farm ethic workers, those industries thrived" and the economy boomed.[10] By 1948 Kankakee County was the nation's largest producer of water heaters and kitchen stoves, and home to firms making products from breakfast food to women's hose to office equipment. In recent years, however, conditions affecting industry have caused key companies to close plants and relocate elsewhere. As markets changed, competition for mid-western industries and tax bases grew intense. Aging facilities and the high cost of doing business in the "Rust Belt" were significant factors in the decision of both Roper and A.O. Smith to leave Kankakee. Other factors, especially the departure of Kroehler Furniture in the early 1980s, were also responsible for Kankakee's economic decline.[11] However, I believe the departure of A.O. Smith and Roper proved to be the most devastating and, for this reason, should be most critically examined.

By the end of the 1960s, Roper had evolved from a single-plant gas-range manufacturer with sales of $30 million to a multi-plant maker of durable consumer goods with sales of more than $200 million. Employment stood at 2,300, the highest in town.[12] By 1967, however, Max Hoover, chief executive of Roper Corporation, recognized the company's rangeline was growing increasingly out of date. Much of the problem rested in the fact that ". . . the company's range plants in Kankakee were big (too big at about 1 million square feet) and old (turn-of-the-century vintage). And unionized."[13]

Though sales in the late 1960s were rising, a 1969 strike put the squeeze on earnings as they fell to barely 2% of sales.[14] Matters were made worse by the fact that Roper's stove-making competition was concentrated in a 100-mile radius of Chattanooga, Tennessee, where non-union labor costs were only one-half those of Kankakee. Whereas workers in Kankakee were being paid an average of $5.94/hour, competition in Southern plants were paying $2.97/hour.[15] As a result of this discrepancy, Roper had bid to supply ranges to a housing project in Kankakee and lost out to a lower bid from a Southern producer. Such events prompted Hoover to claim in a January 1970 edition of the *Kankakee Daily Journal* that "the Kankakee division faces the 1970s in a somewhat less favorable economic position than other Roper operating units due to severe and mounting competition problems created by Southern range manufacturers who are able to produce ranges at much lower costs and market the product at much lower prices."[16]

Hoping to become competitive with Southern range manufacturers, Hoover acquired a plant in LaFayette, Georgia. Since the geographic center of Roper's market was in Kentucky, a plant in Northern Georgia proved just as advantageous as one in Kankakee. Additionally, the new plant would be much more efficient since it would allow for easier material handling and better designs in production lines. Also, the LaFayette work force would cost Roper much less in wages, insurance premiums, and other benefits than the Kankakee work force, which had an average age of forty-seven years. The cards were stacked against the Kankakee plant.

Although city officials cannot be blamed for factors which were beyond their control (e.g., shift markets), they can be faulted for their failure to support the plant. According to Mike Monahan, Director of Illinois Job Service in Kankakee, "the community suffered from terminal complacency."[17] *Crain's Chicago Business* echoes Monahan, reporting that the "company received very little support from civic leaders. The city had yet to issue its first industrial revenue bond—a sharp contrast with the open-handed largess of Southern officials."[18] Indeed, LaFayette officials had offered $12 million in industrial revenue bond financing to install a ten-inch water main around the plant. Had they not offered anything, the fact that the LaFayette plant was non-union might have alone provided enough inducement. At any rate, it is clear that neither labor leaders nor public officials were taking Hoover seriously. Kankakee business and civic leaders and the mayor did make a half-hearted effort to meet with Roper management to ask what could be done to keep the company in Kankakee, but labor leaders refused to cooperate without guarantees the plant would not close. A strike in 1972 reinforced the difficulties posed by labor, as did legislation passed by the General Assembly in 1975. This legislation resulted in a 73% rise in the company's unemployment insurance costs over the next three years and a 164% jump in its workers compensation costs.[19]

As its market share in appliances began dwindling again, Roper was forced to cut the number of production jobs by one-third in 1979. Perhaps the final nail in the coffin came when the City Council reinstituted a 5% utility tax in 1981. Although the $100,000 to $150,000 increase was not much compared to the $5 million being lost annually by the local plants, Hoover felt the tax was "an added irritant. It's an attitude."[20] In September of 1981, Roper announced it would shut its appliance factory for a month, idling about 500 workers. When the shutdown was extended, city officials suddenly began mobilizing to keep the plants. It was too late. On June 17, 1982, Roper announced that plant closings were permanent.

A.O. Smith began operating in Kankakee in 1946. Like Roper, it prospered in the post World War II era. As new homes sprouted in the Midwest, the Kankakee location was ideal. However, as the focus of housing construction began shifting South and West, Kankakee lost its advantage since the transportation costs of water heaters were critical—up to 10% of final purchase price.[21] The rise of tract housing placed A.O. Smith at a further disadvantage. With tract housing, plumbing supply contractors began ordering in quantities of 100 or more. The increasing concern with cost, not quality (highlighted by Smith's pioneering of a ten year warranty), gave Smith's competitors an edge.

After a 1974 recession attacked home sales (thus further shrinking the market), layoffs reduced the Kankakee work force to 1,200 and in November all water heater production was halted for a week. The following year, A.O. Smith suffered an $8.8 million deficit and corporate pressure increased on the Kankakee division. Like Roper, A.O. Smith then responded to the rise of low-cost Southern competition by acquiring a Southern plant. As a result of a strike in 1978, workers gained pay raises and expanded medical benefits. This further widened the gap between the company and Southern competitors, as did the money which A.O. Smith, like Roper, began to lose. The water heater division, headquartered in Kankakee, lost more than $10 million in

1981.[22]

In April 1982, as Roper workers and Kankakee leaders pleaded to save that company's two local plants, Smith asked for concessions from the International Assn. of Machinists Local 2059. Even with Roper as an example of what could happen, however, Smith's work force would not listen. The workers insisted that concessions be accompanied by promises that jobs would be retained and pay cuts restored when sales recovered. Smith, like Roper, could not overcome years of hostility between management and workers. Since A.O. Smith's labor costs in Kankakee were nearly twice those at its Southern plant in McBee, South Carolina, it began cutting back production in Kankakee.[23] By 1983, Kankakee production had dropped to about 30% of capacity; McBee's production increased to 75% of capacity. Because the city again failed to take action until it was too late, in January 1984 A.O. Smith made another move that paralleled Roper's. It announced it would halt production of residential water heaters in Kankakee.

As a direct result of the closings of Roper and A.O. Smith, manufacturing jobs dropped from 10,975 in March 1978 to 5,000 in January 1988.[24] Clearly one result of this decrease was an increase in the city's unemployment rate from 8.5% in 1978 to 20.8% in January 1983.[25] Additionally, families receiving Salvation Army assistance in Kankakee tripled between 1980 and 1982 and jumped another 30%, to 1,324, in 1983.[26] The greatest impact of the departure of A.O. Smith and Roper, however, was the change it forced on society. According to Kenneth W. Cote, executive director of the United Way of Kankakee, "we used to be what we call an industrial society here."[27] Clearly, the fundamental difference between the Kankakee of the past and future is that the high-paying factory jobs have been replaced by those which are low-paying and, for the most part, require little skill. For example, in October 1983, 8,000 residents applied for about 200 job openings at four new supermarkets. The $12-an-hour pay once offered by Roper is gone. Today, wages average $6/hour. Although the current unemployment rate of 11.7% is well below the 20.8% rate of 1983, the vast majority of those accounting for the seemingly improved rate have, according to Monahan, either taken low-paying jobs or moved out of the community. Regardless of which may be the case, the result, Monahan claims, is the same—the amount of money available for the local economy is drastically reduced.[28]

Looked at in this way, it is clear that the departure of Roper and A.O. Smith from the "Rust Belt" had an effect upon more than just those individuals whose employment was terminated. Admittedly, some local businesses, such as Carson Pirie Scott and Meadowview Bank have continued to prosper.[29] Overall, however, the economy has been devastated as many businesses have been driven from town in the wake of the A.O. Smith and Roper closings. After eighty-five years in Kankakee, Alexander Lumber Company is closing its doors. According to vice-president and general manager, Lloyd Agee, "the economic conditions, especially in the Kankakee area, lack of building progress, lack of population and agricultural downturn" all contributed to the closing. "We just didn't see any better times coming."[30]

A Montgomery Ward & Company store near City Hall faced a similar fate. Vacant buildings are also a frequent sight in the central business district of downtown Kankakee.

As a result of such closures, the city, which receives 1% of the business sales tax, loses valuable tax revenue. For example, when Bergeron Pontiac left town in 1986, the city lost $120,000 in sales tax revenue. $80,000 was lost when another car dealer, Don Meriles Chevrolet, followed the lead of Bergeron Pontiac.[31] Losing such revenue, the ability of the city to provide basic services is diminished. For example, current revenue shortages in Kankakee have led to the establishment of user-fees for garbage pick-up.

In addition to affecting the community at large through service delivery, the economic impact of the A.O. Smith and Roper departures could also be felt by the educational system. When the dust began to settle following the mass exodus of factories and jobs from the Kankakee area "...in the late '70's and early '80's, area business and education leaders figured out something that was just being discovered throughout the recession-plagued U.S.: Education and the economy are linked like Siamese twins—'mutually dependent.'"[32] Good schools lead to a prosperous economy. Strong economies provide tax dollars which allow schools to reduce class size, offer more programs, and—in the end—deliver a better prepared workforce into the local economy. "Leaders fear the results if either of the two fail, and the cycle turns sour."[33] Regardless of whether or not it is a result of "the cycle turning sour," the educational level in both Kankakee City and County is among the lowest in the state. Of persons twenty-five years and over, 60.5% of whites in Kankakee are "high school graduates and over," while 68.7% of whites can be categorized as such statewide. Meanwhile, 40.3% of Kankakee blacks, who compose about 27% of the city's population, have completed high school or gone beyond as compared to 54.6% at the state level.[34]

The low educational level is clearly detrimental to economic development. According to Monahan, an inverse relationship exists between educational level and unionization. Thus, given its low educational level, it should not be surprising that Kankakee is highly unionized. Nor should it be surprising that, since the largest cost of doing business is labor, unionization is a deterrent to industries eyeing the area. Reflecting this view, a study of the Kankakee area by the Fantus Company released in November 1987 labelled labor-management relations as a liability for the area as it attempts to attract further investment.[35]

The same Fantus study was the latest harsh reminder that poor performance by schools is also a likely deterrent to industries considering locating in the area. The report directed a task force to do the following:

1) investigate public/private programs to raise graduation achievement at the public schools; 2) address the quality of education available at the public schools, especially in the city of Kankakee; 3) investigate, along with the school district, efforts to increase graduation achievement, raise core curriculum requirements for all students, and boost retention rates at the Kankakee High School.[36]

Yet another obstacle to future economic development which the Fantus Company indicated must be overcome is what *Crain's Chicago Business* referred to as "long-standing rivalries among civic leaders in Kankakee and neighboring Bradley and Bourbonnais."[37] In this instance, the report noted the lack of county wide unity for economic development. Years earlier, *Crain's Chicago Business* reported how "competition between the Chamber [of Commerce] and jobs association contributed to the state's decision not to designate Kankakee County as an enterprise zone, which would have produced incentives for new industry."[38] The obstacles which the Fantus report revealed were certainly nothing to which city officials had not been previously alerted. Clearly, what was needed was a program to overcome those obstacles and revive the economy.

In the past few years, efforts to revive the Kankakee economy have surfaced at all levels of government. Recognizing that growth and development are the result of sound, directed activities that promote a strong economy, the Kankakee County Economic Development Council (KCEDC) has constructed the "New Horizons United" program.[39] The goal of the four year program "will be to create up to 3,000 new jobs with the location of at least 30 new Business/Industries to the County."[40] The KCEDC reports that 3,000 jobs in the county would mean an annual increase of $59.1 million in total income and $25.4 million in retail sales.

The two greatest efforts at economic development in the Kankakee area itself are Area Jobs Development Association (AJDA) and the Kankakee River Valley Enterprise Zone (KRVEZ). "The overall mission of AJDA is to create jobs in the Kankakee area. AJDA's target audiences are business and industries interested in expansion, relocation or start-up. Its primary role; to identify prospective companies and bring them into the area to fill vacant space." [41] When AJDA was first established in 1983, its responsibility was to see to the rehab and leasing of the Roper plant in Bradley which had been given to AJDA by the Roper Corporation. The site was to serve as an incubator facility and was renamed Bradley Industrial Park. Because the 850,000 square foot facility was virtually unfit for occupancy, AJDA undertook to rehab the facility and simultaneously obtain grants and low interest loans to bring in companies to occupy the space. Approximately 550,000 square feet of space in the building has been filled and nearly 400 new jobs created. [42] Much of this success can be attributed to the intergovernmental cooperation AJDA has created between various levels of government. "Governor Thompson has taken a personal interest in helping the area revitalize . . . Lt. Governor George Ryan, a Kankakee resident, has maintained a close, personal relationship with the area and has taken the lead in helping get programs, incentive packages and services for companies coming into or remaining in the area . . . State Representative

Charles Pangle and State Senator Jerome Joyce also provided tremendous support in the State Assembly."[43]

Like the AJDA, the KRVEZ has resulted in increased intergovernmental cooperation.[44] Its Board of Directors represents the interests of four political units as the Mayors of the three communities involved and the County Board Chairman sit on the Board. Certified in 1984, the KRVEZ is "an active marketeer, aggressively seeking business to fill the land and buildings within its eight square mile reach."[45] It encompasses portions of Bradley, Bourbonnais, and Kankakee, as well as some unincorporated land within Kankakee County. Funding for the KRVEZ is based on each of the three communities contributing $8,333 each for a total of $25,000. The County is funding on a "contributed services" basis.

Although on a smaller scale, the federal and state governments have also been supportive of economic development efforts at the municipal level. According to Carol Glenowski of the Kankakee Economic Development Council, the city receives $100,000 each year from the federal government to use for Economic Development Grants. In 1988, Glenowski reported that ten companies have applied for such grants, bringing sixty new jobs to the city.[46] Meanwhile, the state government has provided support to the area through the sale of a former state mental hospital north of Kankakee to a partnership called Illinois Diversatech Inc. Similar to the incubator facility in Bradley, "Illinois Diversatech Inc. has managed to attract 17 firms employing about 750."[47]

While it is true that determined efforts are being made at all levels of government to solve Kankakee's economic problems, the success of these efforts and the prospects for a revival of Kankakee's once prosperous economy continue to be a subject of much debate.

Optimists like Tim Schmidt, business editor of *The Daily Journal*, point to the Chicago-based Quaker Oats and other top Fortune 500 companies that have "committed millions of dollars in Kankakee in the last two years."[48] Schmidt also points to the intergovernmental partnership for the $40 million Metro Sewer Project as "an effort not to fumble our future, but plan for it." Another positive sign is the 1983 decision of union employees at CBI Industries Inc. to save more than one hundred jobs by agreeing to wage-and-benefit cuts totalling nearly $2 an hour. Perhaps the Kankakee labor force is finally learning from the example of A. O. Smith and Roper.

Carol Glenowski echoes the optimism of Schmidt, claiming that "little by little, things are getting better."[49] In addition to the influx of small employers into the area, Glenowski pointed to the rise in home sales. According to Vivian Bowser, President of the Kankakee Board of Realtors, the increase can be attributed to improved interest rates, the attraction of less expensive Kankakee homes to those living outside the area and the excitement being generated by the current campaign to locate a "Third Major" airport in Kankakee County.[50] Bowser claimed that "when the number of housing starts are up and the number of existing houses on the market are down...This means the economy and the market is [sic] more stable.[51]

Although recognizing that great strides have already been made, I cannot share the optimism of those who have stated that Kankakee is already on the road to recovery. While the KRVEZ and the Metro Sewer Project are essential to establishing a foundation for intergovernmental cooperation, the city's current squabble with neighboring Bradley over the location of a shopping mall development which both are trying to entice provides conclusive evidence that such cooperation is still lacking. The concessions made by union employees of CBI Industries, although seemingly indicating that organized labor may have finally learned from the Roper and A.O. Smith examples, are simply not enough to overshadow the poor labor-management relations which have traditionally characterized Kankakee. "While the county regained some 2,200 jobs out of the 4,000 it lost this decade, the new positions can't compare with the old."[52] As was noted earlier, the new positions simply do not provide anywhere near the wages that the former Roper and A.O. Smith workers once received. Consequentially, less money is available for the local economy. The effect of this was best summed up by Monahan who pointed out that "the economy cannot prosper when we are selling Big Macs to each other."[53] While he thinks that workers will continue to "get by," Monahan foresees continued economic hardship for the area "unless something big comes up."[54] Even in this regard, he viewed the city's prospects for development as limited. While it may have been qualified up to the mid-1970's, Monahan thinks the Kankakee labor force (composed largely of the assembly line workers once employed by Roper and A.O. Smith) is inadequately trained for the more technically advanced modern factories.

Perhaps recognizing the difficulty of attracting modern factories, a select group of city business leaders has recently begun directing its efforts toward attracting a "Third Major" airport to Northern Kankakee County. The Federal Aviation Administration projects airline passenger enplanements to increase over 63% between 1987-1988. This will result in an increase of nearly 300 million total annual enplaned passengers in the United States over 1987 levels.[55] This increase in nationwide demand will have a considerable impact on the Greater Chicago Metropolitan Area, where airline transportation facilities are already approaching capacity. Reacting to this need to provide adequate airport facilities, the Illinois Department of Transportation is currently studying alternative solutions. This study has now progressed to Stage II, or the investigation of a new airport site. In December 1986, the Kankakee County Board expressed a desire and willingness to have such a facility located in Kankakee County.

The desire to have such a facility in Kankakee County appears very real. U.S. Congressman Ed Madigan has thrown his support behind northwest Kankakee County as the "best site for a third major airport for the Chicagoland area."[56] This is especially significant because three other sites in consideration for the airport are in Madigan's district. Additionally, as of March 1988, thirty-eight units of government, six school districts, five chambers of commerce, and five service clubs have adopted resolutions in support of the northwest Kankakee County site as the possible location of a "Third Major" airport. Perhaps the intergovernmental cooperation which has been missing for so long in Kankakee is finally beginning to emerge with the realization that there simply are not many other ways to revive the economy. According to Robert B. Glade, chairman of the Airport 2000 Committee, which is promoting the location of an airport in Kankakee County, "Kankakee County has gone through a severe recession . . . we are coming back, but high interest rates . . . a general lack of follow through could destroy our fragile economy. We need something solid to stand on. The economic benefits [of an airport] would be real and long lasting!"[57]

Billing a "Third Major" airport as "our flight plan for the future," the Kankakee County Economic Development Council echoes Glade's enthusiasm. According to this organization, the benefits of an airport would be three-fold. First of all, a major airport would mean more jobs. In addition to the estimated 10,000 construction jobs, 3,000 to 17,000 jobs would be generated to provide support services directly related to the operation of an airport and the needs of travelers.[58]

Because history has shown that airports are economic magnets, it seems safe to conclude that as many, if not more, indirect jobs would be created at businesses that locate here because an airport exists.

The Kankakee County Economic Development Council also claims that a major airport in the Kankakee area would increase local tax revenues. Not only would this improve the quality of the everyday services provided by taxing bodies, but it would also insure the stability of local public schools. Kankakee County would enter the 21st century with a strong economic base.

An improved quality of life is a final benefit which could potentially be derived from a major airport in the Kankakee area. Cultural activities, the number of large retailers, and the selection of housing would all increase. Additionally, the area could benefit from easier access to Chicago and other areas through the development of new connector highways and an extension of existing rapid transit systems.

Despite the positive benefits resulting from the development of a major airport, some opposition has arisen. The Rockville Township Board of Trustees, which oversees the area where the airport would be located in Kankakee County, has voted against the siting of the airport. Furthermore, a group called Kankakee Area Research and Education (KARE) has spoken out in opposition to the airport. Gloria Weidner, Chairman of KARE, claims that "...most of us are very happy listening to the corn grow—not jet engines. Economically speaking, we are doing at least as well as those growth communities in DuPage County where taxes and the cost of living are soaring higher than the jets."[59]

As the debate over the desirability of a "Third Major" airport in Kankakee County continues, both sides await the results of a study by Peat, Marwick, and Main, a San Francisco-based consulting firm hired by the state. The study should narrow down the number of recommended sites. In the meantime, the prospects for economic recovery remain dismal. The recent influx of low-paying jobs and the creation of incubator facilities is simply not enough to account for the loss of key factories which were previously the area's largest employers and the backbone of its industrial base. If recovery is not in sight, what then can be concluded from this ambitious effort to analyze the economic plight of Kankakee? One clear lesson that can be learned is the important role played by compromise, concessions, and cooperation at the municipal level. The devastating and far-reaching impact of the "Rust Belt-Sun Belt" phenomenon should also be apparent, as should the importance of recognizing problems (e.g., changing markets) and confronting them before they reach crisis proportions. The enthusiasm being generated by the proposed airport may be premature; however, if this or a related project is to revive Kankakee's economy, it is essential that future municipal leaders recognize the mistakes that were made in the past. Two empty factories, an unemployment rate which is consistently one of the highest among the state's metropolitan areas, and a crumbling economy serve as striking reminders of the need to learn from those mistakes if the economic plight of Kankakee is to be reversed.

NOTES

[1] Greg David and Steven R. Strahler. "Kankake's saga: Workers survive, but Southern towns grab its fortune," *Crain's Chicago Business*, vol. 7, no. 16, 16 April 1984, 17.

[2] Sales in 1978 approached $800 million, a considerable increase over the 1975 sales of $450 million. Greg David and Steven R. Strahler, "Kankake's saga: Workers survive, but Southern towns grab its future," *Crain's Chicago Business*, vol. 7, no. 15, 9 April 1984, 25.

[3] David and Strahler, "Kankakee's saga," vol. 7, no. 16, 17.

[4] The closing of the support offices in Kankakee was blamed on the recent buyout of Roper by General Electric and Whirlpool in Marx Gibson's "Roper tells 70 workers here: 'Thanks, by'," *The Daily Journal*, 14 April 1988, pp. 1-2.

[5] Figures taken from the "Labor Force and Employment Summary" for the Kankakee MSA in February 1983 and March 1988. The data was compiled in cooperation with the Bureau of Labor Statistics and Employment and Training Administration.

[6] For planning purposes indirect jobs account for approximately twice the number of direct jobs. *Why an Airport? Why Kankakee County?*, a publication of the Kankakee Chamber of Commerce.

[7] Steven R. Strahler, "Far from the Roper battle, Kankakee loses its own war," *Crain's Chicago Business*, 14 March 1988, 78.

[8] David and Strahler report in *Crain's Chicago Business*, vol. 7, no. 16 (20), that the average Kankakee per capita income is 14% below the U.S. average.

[9] Figure taken from the 1980 Census Report.

[10] *New Horizons United Case Statement*, a publication of the Kankakee County Economic Development Council, 7.

[11] David and Strahler discuss the departure of Kroehler Furniture in *Crain's Chicago Business*, vol. 7, no. 16 (17-18). Employing 800 in 1976, Kroehle's long-term debt ballooned in 1977, making the company vulnerable when interest rates skyrocketed in 1979.

[12] David and Strahler, "Kankakee's saga," vol. 7, no. 15, 15.

[13] Most of the plants in Kankakee remained unorganized until after the 1936 Wagner Act established a right to collective bargaining, Ibid.

[14] *Ibid.*

[15] *Ibid.*, 22.

[16] *Ibid.*, 21.

[17] Mr. Michael Monahan, interview by author.

[18] David and Strahler, "Kankakee's saga," vol. 7, no. 15, 22.

[19] *Ibid.*, 25.

[20] David and Strahler. "Kankakee's saga," vol. 7, no. 16, 18.

[21] David and Strahler. "Kankakee's saga," vol. 7, no. 15, 26.

[22] David and Strahler. "Kankakee's saga," vol. 7, no. 16, 19.

[23] David and Strahler report in *Crain's Chicago Business*, vol. 7, no. 16 (19) that A.O. Smit's labor costs in Kankakee were nearly twice those in McBee—an average of $14 an hour in wages and benefits, versus $7.50.

[24] Figures taken from the "Labor Force and Employment Summary" for the Kankakee MSA.

[25] *Ibid.*

[26] David and Strahler, "Kankakee's saga," vol.7, no. 16, 20.

[27] *Ibid.*

[28] Michael Monahan, interview by author.

[29] Carson Pirie Scot's sales in downtown Kankakee have continually grown, as reported by Tim Schmidt, "Kankakee gets bashed again in Crain's," *The Daily Journal*, 30 March 1988, pp. 15-16; Meadowview Bank continues to have "record performances in earnings and capital—the two key measurements of quality in a bank." *Meadowview Bank 1987 Annual Report*, 1.

[30] Tim Schmidt, "After 85 years, Alexander Lumber closing," *The Daily Journal*, 6 April 1988, pp. 1-2.

[31] Michael Monahan, interview by author.

[32] Scott Wade, "Education and the Economy: Mutually Dependent," *The Sunday Journal*, 21 February 1988, p. 15.

[33] *Ibid.*

[34] U.S. Census-Table P-5, *General Social and Economic Characteristics 1980.*

[35] The Fantus Plan supports a long-term financial relationship between the city and county, the Economic Development council, the Chamber and the Community College on economic development issues, and gives publicly supported economic development marketing a long-term focus. The Fantus Company, *Kankakee County Assessment* (Chicago: The Fantus Company, 1987), 40.

[36] *Ibid.*, 8.

[37] Strahler, "Far from the Roper battle," 78.

[38] David and Strahler, "Kankakee's saga," vol. 7, no. 16, 24-25.

[39] "The Kankakee County Economic Development Council was formed to consolidate and coordinate economic development efforts in the County of Kankakee . . . . The thirty member council is representative of key economic development organizations and political subdivisions from throughout the county. It is able to address critical issues affecting economic development through a unified voice." Kankakee County Economic Development Council, *New Horizons*, 4.

[40] *Ibid.*

[41] Area Jobs Development Association, *Economic Development in the Kankakee Area: 1986 Report*, 3.

[42] Kankakee Area Chamber of Commerce, *A World Apart; Kankakee County Illinois* (Crystal Lake, IL: Profile Publications, Inc., 1986), 38.

[43] Area Jobs Development Association, *Economic Development*, 4.

[44] "An Enterprise Zone is an area designated by the State as eligible for the relaxation of certain local and State regulations for the purpose of inducing businesses to settle, remain and expand in the area." Ibid., 19.

[45] *Ibid.*, 21.

[46] Carol Glenowski, interview by author.

[47] Strahler, "Far from the Roper battle," 78.

[48] Schmidt, "Kankakee gets bashed, : 16; Other Fortune 500 companies operating in Kankakee County include Armour Pharmaceutical Co., Armstrong World Industries, CBI Industries, Crown Industries, Crown Cork and Seal, Gaines Foods, Valspar Corp., Sun Chemical, and Texize. Kankakee Area Chamber of Commerce, *A World Apart*, 37.

[49] Carol Glenowski, interview by author.

[50] Vivian Bowser, interview by author.

[51] Tim Schmidt, "Housing market here close to boiling," *The Sunday Journal*, 27 March 1988, p. 17.

[52] Strahler, "Far from the Roper battle," 78.

[53] Mike Monahan, interview by author.

[54] *Ibid*.

[55] Kankakee Chamber of Commerce, *Why An Airport?*

[56] Ed Bierschenk, "Madigan backs airport here at huge rally," *The Daily Journal*, 15 March 1988, pp. 1-2.

[57] Robert Glade advocating airport in publicity pamphlet.

[58] Kankakee County Economic Development Council, *Airport 2000*, 1.

[59] Gloria Weidner to the editor of the *Chicago Tribune*, 9 April 1988, *Chicago Tribune*, 10.

BIBLIOGRAPHY

Area Jobs Development Association. Economic Development in the KankakeeArea: 1986 Report.

Bierschenk, Ed. "Madigan backs airport here at huge rally." The Daily Journal. 15 March 1988, 1-2.

Bowser, Vivian, President of the Kankakee Board of Realtors. Interview by author, 30 March 1988, Kankakee.

Bureau of Labor Statistics. Labor Force and Employment Summary for the Kankakee MSA.

David, Greg and Steven R. Strahler. "Kankakee's saga: Workers survive, but Southern towns grab its future." *Crain's Chicago Business*. Vol. 7, no. 15., 9 April 1984, 11-26.

David, Greg, and Steven R. Strahler. "Kankakee's saga: Workers survive, but Southern towns grab its future." *Crain's Chicago Business*. Vol. 7, no. 16., 16 April 1984, 17-28.

Gibson, Marx. "Roper tells 70 workers here: 'Thanks, bye'." *The Daily Journal*, 14 April 1988, 1-2.

Glade, Robert. *Airport 2000 publicity letter*.

Glenowski, Carol, Member of the Kankakee Economic Development Council. Interview by author, 29 March 1988, Kankakee.

Kankakee Area Chamber of Commerce. *A World Apart; Kankakee County Illinois*. Crystal Lake, IL: Profile Publications, Inc., 1986.

Kankakee Area Chamber of Commerce. *Why an Airport? Why Kankakee County?*.

Kankakee County Economic Development Council. *New Horizons United Case Statement*.

Meadowview Bank 1987 Annual Report.

Monahan, Mike, Director of Illinois Job Service. Interview by author, 30 March 1988, Kankakee.

Schmidt, Tim. "After 85 years, Alexander Lumber closing." *The Daily Journal*, 6 April 1988, 1-2

Schmidt, Tim "Housing market here close to boiling." *The Sunday Journal*, 27 March 1988, 17.

Schmidt, Tim. "Kankakee gets bashed again in Crain's." *The Daily Journal*, 20 March 1988, 15-16.

Stahler, Steven R. "Far from the Roper battle, Kankakee loses its own war." *Crain's Chicago Business*, 14 March 1988, 77-78.

The Fantus Company. *Kankakee County Assessment*. Chicago: The Fantus Company, 1987.

Weidner, Gloria. Letter to the editor. *Chicago Tribune*, 9 April 1988, 10.

1980 Census Report.