



Creating a gold-collar future

By B. G. Yovovich

Is Chicago ready for the NBA-ization of the economy? By NBA-ization I am **not** referring to the possibility that Michael Jordan will expand from his Chevy, McDonald's and Nike base and cover the entire endorsement market.

Rather, the term is meant to describe the transformation of the U.S. job market into one with the kind of income polarization so evident in the basketball world. At the top echelon, each of the roughly 300 players in the National Basketball Assn. makes a handsome living, with an average salary of \$650,000. Meanwhile, in the Continental Basketball Assn. at the next level down, the team salary cap of \$80,000 is less than the NBA minimum player salary of \$100,000.

Parallel situations can be seen emerging in most every industry as today's mass markets and modern technologies enable top performers to multiply and leverage their talents in ways never before possible, and to earn salaries that when compared with those even one notch lower are higher than ever before imaginable. For example, technology already has made it possible for automated teller machines to replace bank clerks. And the next wave of computerized artificial intelligence and "expert systems" technologies that can capture and replicate human expertise promises to carry the challenge to higher-level white-collar jobs.

One might call the beneficiaries of these developments "gold-collar" workers: people whose innovation, insight, creativity or other talents are difficult to mechanize, automate or computerize and which can be leveraged via the new technologies. These gold-collar workers include not only top athletes and corporate executives but also the cream of the professionals involved in high-order services, e.g., architects, advertising and media experts, lawyers, members of the financial and investment community, top entertainment figures and, of course, successful entrepreneurs.

The challenge is clear: how to create an environment that will either attract gold-collar workers or help them develop? How to create a social, political and economic infrastructure that will be able to redistribute and recycle the gold-collar incomes throughout the rest of the community?

So far, Chicago has been fairly successful at meeting the first challenge. The city's size and its broad-based manufacturing and service-sector activities provide both the scale and the kind of fertile mix of opportunities gold-collar workers need. Chicago's well-developed cultural and recreational infrastructure plays an incalculable role in the equation. The national and international competition to attract gold-collar workers will be keen, but there are many indications that Chicago is enviably positioned for the battle.

The second challenge is the tougher nut. Direct efforts to redistribute income and the benefits of economic growth are almost certain to fail because the gold-collar workers of the post-industrial era and the business sectors in which they are concentrated

are far more mobile than the large-scale manufacturing operations that characterized the industrial era.

As soon as gold-collar CEOs believe the costs of doing business in a community make it an undesirable location, they can easily transfer their employees and fax machines to a more amenable community, in much the same way that free-agent athletes can abandon a stingy sports franchise.

It is easy to envision, for example, how efforts to tax activity at the Chicago Board of Trade or the Chicago Mercantile Exchange could prompt a shift in those activities to other exchanges either here in the U.S. or in other parts of the world. Similar traps are inherent with virtually any local tax scheme, making it likely that such efforts at direct governmental action will play only a very limited role in the development of the kind of distributional infrastructure needed. Any government intervention will require a delicate touch, and be a complex and difficult undertaking.

In light of this, it seems clear that the long-term solution to the question of redistribution will depend on the development of a complex socio-economic infrastructure that will provide Chicago's residents and especially its high-income, gold-collar workers with ways to voluntarily spend their earnings and recirculate that spending throughout the rest of the city's economy.

The first steps toward the creation of such an infrastructure can be seen in the explosive growth Chicago has experienced in recent years in personal services (e. g. , child care, maid and shopping services); dining, theater and other entertainment and cultural activities, and the re-emergence of myriad artisan-supplied goods and services. Such an economic infrastructure takes time to develop. Recent studies of the boom in Manhattan employment, for example, suggest there may be a lag of three years or longer before the benefits from expansion of gold-collar activity reach a community's poorest sectors. Nonetheless, it appears to hold the best hope for solving their distribution problem, and attention should be focused on programs that facilitate the development of this sector.

You might say that the NBA-ization of the economy and the rising importance of gold-collar workers is forcing Chicago to confront the same kind of challenge that faces sports franchises in this era of free agents and mega-salaries: The need to develop a thoughtful, long-term plan to build a well-balanced team, attract the right kind of superstars and create a team spirit from which all will benefit.

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