



News that Caterpillar plans to [relocate its corporate headquarters](#) to Chicago was devastating to Peoria, where the company two years ago had announced plans for a brand new building for its top executives.

From a statewide perspective, though, Caterpillar's announcement should be good news. Roughly 12,000 jobs will remain in Peoria as the company joins a growing movement of corporations from within Illinois and across the nation in choosing Chicago as their new base of operations. If Caterpillar achieves the goals it laid out in announcing the move — mainly growth in international markets — the results should be good for Illinois.

That's little consolation to Peoria, which will lose its historic title as headquarters to the **world's biggest heavy equipment manufacturer.**

But it also illustrates a dichotomy in Illinois' economy and job picture at the moment that finds Chicago a red-hot destination for corporate relocations while Illinois outside Chicagoland struggles to find its post-Great Recession economic footing, especially where rapidly disappearing manufacturing jobs are concerned.

He didn't know it at the time, but Gov. Bruce Rauner was prescient last Friday in his comments about the state's two economies — the one close to O'Hare International

Airport that's a major corporate draw and the one beyond 90 minutes of O'Hare that's struggling.

"Here's the challenge we've got. Cities that have an airport like O'Hare and the cultural amenities like Chicago has are doing OK.... Chicago metro should be doing better than it is, but it's doing OK," Rauner said at the Illinois Chamber of Commerce's [Economic Growth Summit 2017](#) in Chicago. "But if you're more than an hour, an hour-and-a-half from O'Hare, in Illinois, you're not doing OK."

"And it really frosts me when (Chicago Mayor Rahm Emanuel) and others say, 'Well, I'm not hearing anybody talk about workers' comp and we just got a corporate office to move here,'" Rauner continued. "Well, it's good that we get some corporate offices to move to be close to O'Hare. We've had a few. (But) we're not going to move the needle for the people of Illinois if we think that's all we're going to do."



Actually, Chicago has had more than a few.

Archer Daniels Midland moved its corporate headquarters from Decatur to Chicago in **2014. McDonald's will leave its longtime corporate** home in Oak Brook in 2018 for Chicago. United Airlines moved downtown from suburban Elk Grove Village in 2007. Boeing left its native Seattle for Chicago in 2001. And those are just the biggest examples.

“Such moves are expected to make these old-line companies more attractive to an increasingly urban-based and culturally diverse workforce that’s digitally adroit and eager to do business on a worldwide scale,” Chicago Tribune business columnist Robert Reed wrote in an [article published Tuesday](#). **“With all due respect to Peoria, it’s going to be easier to lure corporate talent to the Chicago area. Yes, the area has its problems but it is also home to many world-class cultural amenities and social attractions that help make people want to work and play here.”**

The economic impact for Peoria probably won’t measure up to the wounded pride of seeing the brains of a company that was founded there in 1925 leave for the Windy City. About 300 executives will work in the new corporate headquarters while some 12,000 employees will remain in Peoria. **Their well-being is dependent on the company’s success** in the new outlook it says it is seeking in making the move.

Peoria Journal-Star columnist Nick Vlahos may have summed up the feelings of many Peorians [in an article](#) the day after **Cat’s announcement**.

“Perhaps Caterpillar’s seventh floor is leaving Peoria for a more simple, personal reason, at least in part: (Caterpillar CEO) Jim Umpleby and other executives want to live somewhere else,” Vlahos wrote. **“Granted, we are speculating.** But after talks with plenty of well-connected people the past few days, we believe this theory deserves at least some **consideration.”**

Rauner, who has fought with Emanuel politically ever since his early days as governor, has been quiet about the Caterpillar move, which apparently caught him off guard. He had been [part of the festivities](#) in 2015 when then-Cat CEO Doug Oberhelman announced the now-canceled plan to build a new corporate center in Peoria.

In theory, Caterpillar's move should benefit his state overall by making an Illinois-based company stronger. In practice, though, it draws an even bolder line along the Chicago/downstate economic divide.

At this point, any comment from Rauner is superfluous. He made the most appropriate **statements four days before Caterpillar's announcement.**

"We have got to get economic growth to be competitive everywhere and not just run around like we're heroes because we got a few corporate offices that wanted to be near O'Hare. That doesn't cut it. That's a good thing. I'm all in for it. But it's far from sufficient."

<https://rebootillinois.com/2017/02/01/rauner-an-unintentional-prophet-on-caterpillar-hq-move/>