

Fall Issue

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# Illinois Insights

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## NEW STUDIES SHOW THAT STRONGER UNIONS PRODUCE FASTER WAGE GROWTH

New studies produced by the Midwest Economic Policy Institute (MEPI) with researchers from the University of Illinois at Urbana-Champaign, University of Minnesota, University of Wisconsin-Madison, and University of California-Irvine highlight unionization across the Midwest. The annual *State of the Unions* series profiles unionization rates and hourly wages in [Illinois](#), [Minnesota](#), and [Wisconsin](#).

Unionization has declined across the nation. Declining union membership has primarily been due to the political environment. For instance, the Supreme Court ruling on *Janus v. AFSCME* is expected to impact public sector unionization, with an [estimated drop of 726,000 union members](#) across the nation. At the state level, legislation such as 2011 Wisconsin Act 10 and “right-to-work” laws have curtailed the bargaining power of thousands of public sector workers.

In 2010, 14% of Wisconsin’s workers were unionized. By 2017, that number had dropped to 8%, significantly lower than the national average. Moreover, public sector unionization plummeted from 50% in 2011 to 19% in 2017. On the other hand, Minnesota strengthened labor standards and boosted investments in public infrastructure and public education. As a result, unionization in Minnesota has increased to 15%. Illinois has largely maintained a status quo, augmented by the City of Chicago’s decision to raise its minimum wage.

In exploring the demographic trends of the labor movement, the studies highlight construction and extraction occupations as the region’s most heavily unionized. The findings show that people of color and military veterans, in particular, have been disproportionately affected by changes to collective bargaining laws in Wisconsin. Wisconsin is the only one of the three states surveyed where union representation of these groups of workers lags the

## ILLINOIS ECONOMIC INDICATORS

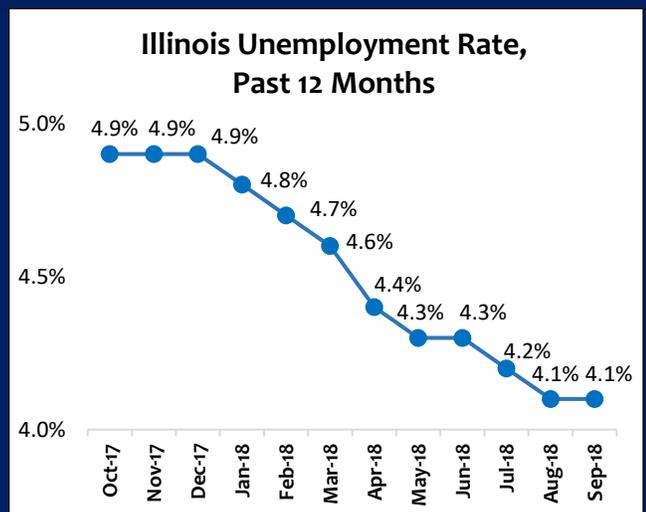
Jobs added (rank), Sept-17 to Sept-18 = **+50,300 jobs (18)**

Unemployment rate (rank),  
Sept-18 = **4.1% (36)**

Average private sector wage (rank) =  
**\$28.21 (12)**

Private sector wage growth (rank),  
Sept-17 to Sept-18 = **+4.8% (11)**

Philadelphia Federal Reserve “state  
coincident index” rank  
(as of Aug-18) = **34**



## NEW STUDIES SHOW THAT STRONGER UNIONS PRODUCE FASTER WAGE GROWTH (CONT'D)

national average.

Strong unions provide a ladder into the middle class for workers from historically disadvantaged populations. While public policy and Court decisions appear to be moving towards the stagnant wage and lower unionization model of Wisconsin, the comparative experience of Minnesota and Illinois proves that there are steps that state policymakers can take to minimize the damage. With the favorability of unions polling at their highest levels in years, these sound economic policy steps are supported by the public.

## SHOULD ILLINOIS LEGALIZE MARIJUANA?

In the wake of Michigan becoming the tenth U.S. state to legalize marijuana last Tuesday, [new research](#) finds that legalizing marijuana in Illinois could create nearly 24,000 new jobs, boost the state's economy by \$1 billion per year, generate over \$500 million in new state and local tax revenue, and reduce annual law enforcement expenditures. Since 2014, Illinois has decriminalized possession of small amounts of marijuana and enacted a pilot medicinal cannabis program, but recent polling has found that two-thirds of Illinois voters— including majorities of both Republicans and Democrats— would support the taxation and regulation of recreational marijuana. Illinois taxpayers could save \$18.4 million per year in law enforcement costs, legal costs, and incarceration costs.

Legalizing, regulating, and taxing recreational marijuana would reduce costs to taxpayers, spur economic activity, create jobs, and shrink the black market. While new tax revenues would be modest and would not solve Illinois' fiscal issues, they would improve the state's budget situation and credit rating outlook, fund investments in critical infrastructure and public education, and reduce criminal justice costs. Illinois should legalize, regulate, and tax recreational marijuana.

This new research was highlighted in the [Chicago Tribune](#) and in [Crain's Chicago Business](#)!

## ORGANIZATION NEWS

The Illinois Economic Policy Institute (ILEPI) is pleased to announce the newest member to our Board of Directors, Alice Johnson. Alice is the Executive Director of the Illinois

Nurses Association and joins ILEPI with her immense knowledge on the healthcare industry, occupational safety, and workforce development initiatives and programs. Please join us in welcoming Alice to ILEPI!



ILEPI's 2nd Annual Fundraiser will be held on Monday, February 11, 2019 at Capri Banquets in Countryside, IL. For more information, visit [www.illinoisepi.org/fundraiser](http://www.illinoisepi.org/fundraiser)

## INSIGHTS FROM ILEPI REPORTS & POSTS

- Raising the minimum wage in Illinois would grow the state's economy and boost the paychecks of as many as 1.4 million workers by up to \$6,000 each year. Increased consumer spending associated with wage increases of \$10, \$13, and \$15 would grow the economy by \$5 billion to \$19 billion per year with no negative impacts on employment. [\[Read More\]](#)
- Prior to the Walker administration, 14% of Wisconsin workers were union members. By last year, it was just 8%. Public sector unionization plummeted from 50% in 2011 to 19% in 2017. [\[Read More\]](#)
- A so-called "right-to-work" law allows workers to receive all the services, benefits, and representation that unions provide for free— without paying any dues. In August, voters in Missouri overwhelmingly rejected this policy. In fact, 86% of Republican-majority counties in Missouri rejected "right-to-work." [\[Read More\]](#)
- Which occupations in Illinois pay over \$100,000? Look to management, medicine, and STEM. Surgeons, financial managers, physicists, and lawyers are a few of the highest-paying occupations in Illinois, based on median annual wages calculated by the U.S. Department of Labor' Bureau of Labor Statistics from May 2017. [\[Read More\]](#)

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