

\$15 Minimum Wage in Illinois: Fact Sheet

By: Frank Manzo IV, Jill Manzo, and Robert Bruno | February 5, 2019



The minimum wage has been at the forefront of state policy action to combat inequality. In January 2019, [19 states](#) raised their minimum wage. Illinois, however, has not increased its minimum wage (\$8.25 per hour) since July 2010.

Studies find that minimum wage hikes boost worker earnings while having little to no negative impacts on jobs.

- [90% of peer-reviewed studies](#) find that a higher minimum wage is associated with higher wages. The Federal Reserve Bank of Chicago [has also found](#) that minimum wage hikes raise the incomes of workers earning slightly above the new minimum wage (between 120% and 300% of the new minimum wage).
- The declining value of the minimum wage— due to inflation— is a [leading cause of inequality](#) for women.
- Recent research finds little to no significant impact of minimum wage laws on [employment](#) or [hours worked](#). A [review of 64 academic studies](#) found that a 10% increase in the minimum wage is associated with a modest 0.2% to 0.6% drop in employment or hours.
- There is evidence that [worker turnover falls](#) following a minimum wage hike, reducing employer costs.
- After Amazon announced plans to raise its hourly minimum wage to \$15, [the company received 850,000 job applications](#) in one month, more than double its previous record.
- The impact of a higher minimum wage on consumer prices is [small](#). A 10% increase in the minimum wage is associated with a small 1.2% increase in [restaurant food prices](#). However, in Seattle, there was no evidence of a change in [supermarket prices](#) both one month and one year following enactment of the local ordinance.

A \$15 minimum wage could mean a \$6,000 raise for more than 1.4 million Illinois workers.

- In Illinois, a \$15 minimum wage would directly affect [more than 1.4 million adult workers](#) paid by the hour. Of these workers, 57% are women, 50% are white, 89% are U.S. citizens, and 56% are age 30 and older.
- A \$15 minimum wage would raise earnings for low-income workers by about [\\$6,000 per year](#), lifting more than 200,000 workers out of poverty and generating \$380 million annually in state income and sales taxes.
- A \$15 minimum wage could [modestly reduce labor demand](#) by 3.7%, but the lost hours would likely be spread out among the affected workers who would potentially [work a little less but earn more](#) overall every year.
- Since Chicago increased its minimum wage, the policy has already produced [higher incomes for at least 330,000 low-wage workers](#) while having no negative impact on the growth of new businesses or overall employment. In fact, *Site Selection* magazine has repeatedly [named Chicago the top city](#) for corporate relocation and investment every year since the ordinance went into effect.
- As of [November 2018](#), the unemployment rate was *lower* in Cook County (3.8%)— where local minimum wages are higher— than the rest of the state (4.4%).

A \$15 minimum wage would have the largest impacts on communities outside of the Chicago area.

- Since the minimum wage is already \$12 per hour in the City of Chicago and \$11 per hour in many surrounding suburbs, a \$15 minimum wage would have [the largest impacts](#) outside of the Chicago area. While a \$15 minimum wage would boost earnings by about \$5,000 for directly-affected workers in the Chicago area, it would raise annual incomes for low-wage workers by more than \$8,000 in the Springfield area, more than \$7,000 in the Rockford area, and more than \$6,000 in the St. Louis area.
- A \$15 minimum wage would decrease the number of [renters who are housing cost burdened](#) by 20% in Chicago, 25% in Springfield, 25% in Rockford, and 28% in St. Louis.
- In a 2014 advisory question, 67% of Illinois voters approved of a higher minimum wage. The measure received majority support in [83 of 102 counties](#) (81%), indicating broad support across all regions of the state.

The minimum wage is intended to ensure that working-class families can maintain a decent standard of living. Illinois' current minimum wage of \$8.25 fails to prevent workers from earning poverty-level wages. By raising the minimum wage to \$15 per hour, Illinois can boost worker incomes, increase consumer demand, and grow the economy.

ILLINOIS WORKERS WHO WOULD HAVE HIGHER EARNINGS FROM A \$15 MINIMUM WAGE



- ✓ **9 in 10** are U.S. citizens
- ✓ **3 in 5** are 30 years or older
- ✓ **1 in 2** have children
- ✓ **38,000** are military veterans



Read more on the minimum wage from the Illinois Economic Policy Institute and the Project for Middle Class Renewal at the University of Illinois at Urbana Champaign

Bruno, Robert & Frank Manzo IV. (2019). *The Regional Impacts of a \$15 Minimum Wage in Illinois: Estimates for Six Regions*. Illinois Economic Policy Institute; University of Illinois at Urbana-Champaign.

Manzo IV, Frank; Robert Bruno; & Robert Habans. (2018). *The Effects of the Chicago Minimum Wage Ordinance: Higher Incomes with Little to No Impact on Employment, Hours, and Businesses in the First Two Years*. Illinois Economic Policy Institute; University of Illinois at Urbana-Champaign.

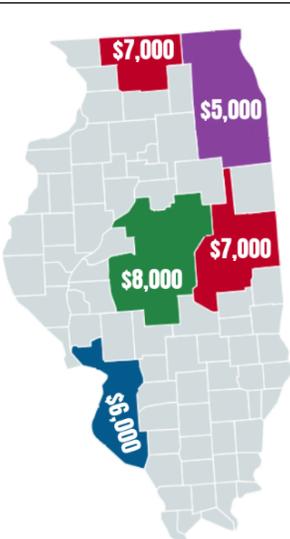
Manzo IV, Frank; Jill Manzo; & Robert Bruno. (2018). *Raising the Minimum Wage: What \$10, \$13, or \$15 Per Hour Would Mean for Illinois*. Illinois Economic Policy Institute; University of Illinois at Urbana-Champaign.

*NOTE: All sources cited on this fact sheet can be found in the three reports listed above.

\$15 MINIMUM WAGE IN ILLINOIS



- 1.4 million** low-income workers impacted
- \$6,300** increase in annual income
- 212,000** fewer workers in poverty



\$15 MINIMUM WAGE

- ✓ **Would boost worker earnings across Illinois**
- ✓ **Largest impacts would occur outside of the Chicago region**

