

Fall Issue  
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# Illinois Insights

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## A FAST-TRACKED \$15 MINIMUM WAGE BY 2021 IN CHICAGO

The minimum wage in the City of Chicago will reach \$15 per hour by 2025 at the earliest, meaning that the rest of Illinois could reach a \$15 minimum wage before the City of Chicago, where the cost of living is higher. As a result, Chicago is considering increasing its minimum wage to \$15 per hour by 2021. A new report by the Illinois Economic Policy Institute (ILEPI) and the Project for Middle Class Renewal (PMCR) at the University of Illinois at Urbana-Champaign, *Raising the Minimum Wage to \$15 in Chicago by 2021: Effects on Income, Employment, and Prices*, reveals that Chicago can grow the economy, reduce worker turnover, and reduce inequality by fast-tracking the \$15 minimum wage.

Recent polling finds that 81% of Chicago residents support raising the minimum wage to \$15 per hour. More than 430,000 workers in Chicago would be directly affected, experiencing an annual earnings boost of \$3,600 on average. Of these workers, 60% are women, 24% are African Americans, 37% are Latinos and Latinas, and 57% are 30 years or older. In total, about 100,000 Chicago residents would be lifted out of poverty.

The Chicago Minimum Wage Ordinance has had little to no effect on consumer prices. From 2015 through 2018, the minimum wage increased from \$8.25 per hour to \$12 per hour (a 45.5% increase), but Chicago's food prices only rose 1.6% faster than the rest of the Midwest.

Additionally, raising the minimum wage has no discernible effect on unemployment. In fact, the three cities with minimum wages of at least \$15 per hour— San Francisco, San Jose, and Seattle— all had lower unemployment rates than Chicago.

Once again, the economic research shows that increasing the minimum wage would lift workers out of poverty and allow working-class families to maintain a decent standard of living in the City of Chicago.

## ILLINOIS ECONOMIC INDICATORS

Jobs added (rank), Aug-18 to Aug-19 = **+65,500 (9)**

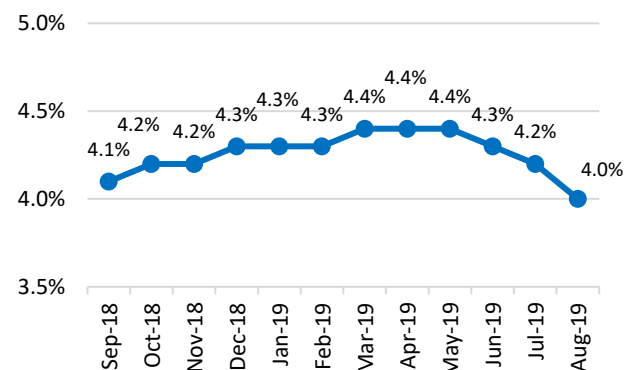
State unemployment rate (rank), Aug-19 = **4.0% (37)**

Average private sector wage (rank), Aug-19 = **\$28.80 (11)**

Private sector wage growth from Aug-18 to Aug-19 (rank) = **+4.0% (15)**

Illinois Flash Index (as of Sep.-19) = **105.5**

Illinois Unemployment Rate, Past Year



## DO NURSE STAFFING STANDARDS WORK? A NATIONAL SURVEY OFFERS STRONG EVIDENCE.

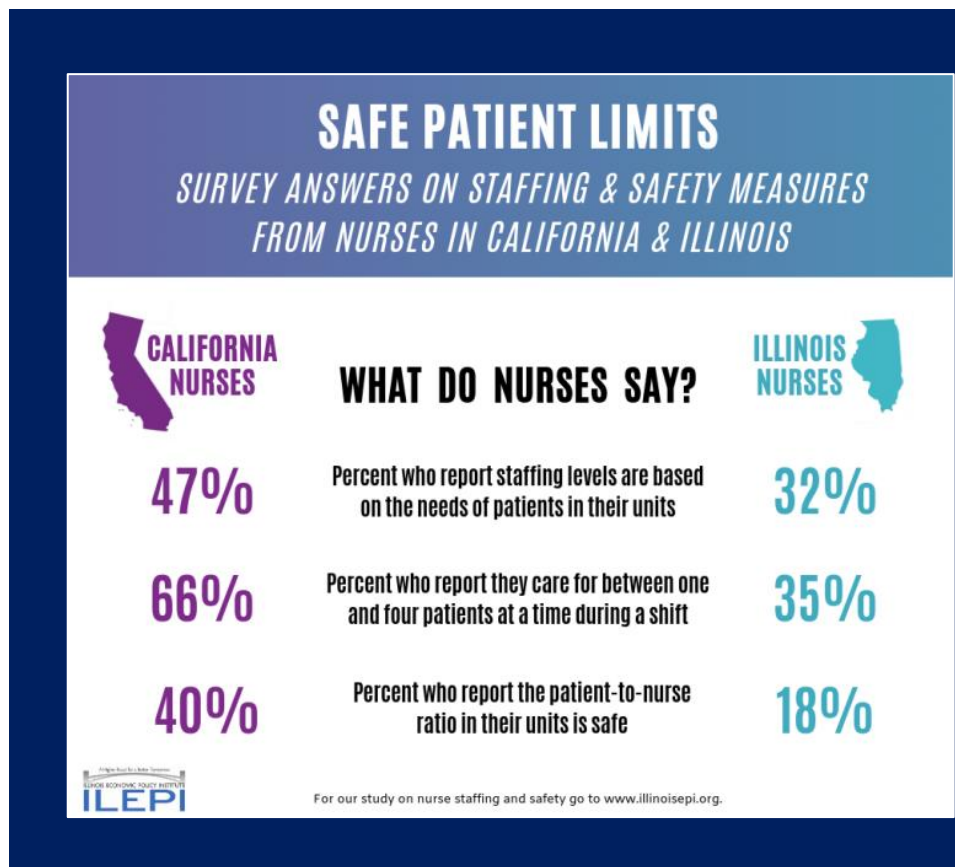
A new report by the Illinois Economic Policy Institute (ILEPI) and the Project for Middle Class Renewal (PMCR) at the University of Illinois at Urbana-Champaign, *Do Nurse Staffing Standards Work? Evidence from a 2018 Survey of Registered Nurses*, evaluates a national survey of registered nurses and their opinions on staffing standards in the workplace.

Illinois is experiencing a shortage of registered nurses. Research shows that insufficient staffing levels can exacerbate occupational hazards, make it difficult to retain nurses, and result in poor patient outcomes, such as higher rates of hospital mortality. Data suggests that current law has not been effective at promoting adequate staffing levels to address the shortage of registered nurses. Illinois lawmakers are considering whether to follow California's lead and adopt safe patient limits, which would establish patient-to-nurse ratios in Illinois' hospitals.

Results from an October 2018 national survey of over 9,000 registered nurses in hospitals across the United States provides important new evidence to inform this debate. Survey responses indicate that workplace outcomes for nurses and patient care outcomes are both better in California—the only state that has enacted safe patient limits for nurses—than in Illinois and other states.

In California, 47% of nurses report that staffing levels are based on the needs of patients in their units compared to just 32% in Illinois. The average nurse in California has 4.3 patients at one time while the average nurse in Illinois has 5.2 patients at one time. In addition, 40% of nurses in California report that the patient-to-nurse ratio in their units is safe compared to just 18% in Illinois.

As the only state with safe patient limits as a standard, California has fostered an environment where more nurses feel that staffing is based on the needs of patients and more nurses feel that the patient-to-nurse ratio is safe. If enacted, safe patient limits could produce similarly positive workplace outcomes for nurses in Illinois, improve nurse retention rates, and promote better health outcomes for patients at little to no net financial cost to hospitals in the state.



## INSIGHTS FROM ILEPI REPORTS

- Minnesota's construction apprenticeship programs have grown 27% since 2014, making it the state's third largest private post-secondary educational institution. Every dollar spent on apprenticeship programs increases Minnesota's GDP by \$21. Fully 93% of the state's active apprentices are enrolled in construction programs that are jointly administered by trade unions and their signatory employers. [[Read More](#)]
- Illinois' unionization declined from 15.0% in 2017 to 13.8% in 2018. Still, labor unions boost worker incomes by lifting hourly wages by an average of 11% in Illinois. In addition, African Americans, military veterans, and rural workers are disproportionately more likely to be union members in Illinois. [[Read More](#)]