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# Illinois Insights

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## THREE NEW ILEPI REPORTS SHOW POLICIES THAT ILLINOIS COULD ENACT TO COMBAT THE CORONAVIRUS (COVID-19) RECESSION

The novel coronavirus disease (COVID-19) has caused policymakers to revisit several proposals that have been sidelined for far too long. While Congress passed a \$2 trillion coronavirus relief package and has extended limited paid sick leave to affected workers, three new ILEPI reports focus on state-level policies that could support employers, protect workers, and stabilize Illinois' labor market and economy during the current recession.

Paid parental leave would boost incomes for more than 220,000 working parents in Illinois. Their incomes would rise by a total of \$1.4 billion per year and labor force participation would increase— particularly among women. The ILEPI report, [The Impact of Paid Parental Leave in Illinois: A Labor Market Perspective](#), shows that the policy would have no negative effect on job growth due to increased levels of consumer spending by those who would continue to earn income while on maternity leave and paternity leave. In addition, paid parental leave would reduce the burdens of employee turnover, absenteeism, and lost productivity that cumulatively cost U.S. employers an estimated \$57 billion per year. And those benefits are *only* for paid parental leave following the birth or adoption of a child.

Enacting paid sick leave in Illinois would also have large impacts. About 24% of Illinois' workforce currently lacks access to paid sick leave. Workers in lower-wage occupations where the financial need to work through an illness is often highest— such as restaurant workers and health-care aides— are significantly less likely to have paid sick leave protections. A new ILEPI report finds that guaranteeing at least one week of paid sick leave to all Illinois workers would save jobs and boost incomes for more than 1.5 million Illinois workers by an average of \$1,040 per year. While the City of Chicago enacted a paid sick leave ordinance in 2017 that extended coverage to 385,000 (**CONT'D ON NEXT PAGE**)

## ILLINOIS ECONOMIC INDICATORS (\*PRIOR TO COVID-19)

Jobs added (rank), Feb-19 to Feb-20 = **+18,300 jobs (22)**

State unemployment rate (rank), Feb-20 = **3.4% (26)**

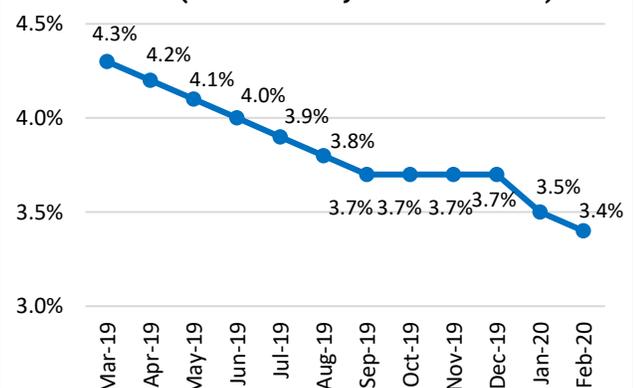
Average private sector wage (rank), Feb-20 = **\$29.75 (11)**

Private sector wage growth from Feb-19 to Feb-20 (rank) = **+3.6% (24)**

Illinois Flash Index (as of Feb-20) = **105.7\***

\*The Flash Index is temporarily halted due to COVID-19

Illinois Unemployment Rate, Past 12 Months (\*Prior to Stay-at-Home Order)



## THREE NEW ILEPI REPORTS SHOW POLICIES IMPACTS DURING CORONAVIRUS SPREAD

workers, a statewide paid leave policy would further expand access to more than 1.5 million Illinois workers— 90% of whom are downstate and in the Chicago suburbs. The study, [Enacting Paid Sick Leave in Illinois: COVID-19 and the Impact of Workplace Standards on Public Health](#), also finds that the law would improve workforce productivity, decrease the risk of spreading infections at workplaces by up to 39%, and deliver substantial public health benefits— all without hindering job growth. This conclusion is also supported by the recent experience of Chicago, where job growth has far exceeded the rest of Illinois in the 30 months since the city enacted its paid sick leave ordinance.

Finally, implementing a work-share program in Illinois would protect jobs, boost worker incomes, save businesses money on turnover costs, and reduce unemployment insurance costs for the State of Illinois during the COVID-19 recession. In work-share programs, employers can reduce workers' hours as an alternative to layoffs, while continuing to provide health and retirement benefits. Workers then collect prorated unemployment benefits to partially compensate for their lost earnings. This enables employers to retain skilled workers and allows employees to earn more than they would if they were otherwise unemployed. Currently, 29 states and the District of Columbia have work-share programs, including Illinois. However, while Illinois enacted its law under Governor Pat Quinn, it was never fully implemented under Governor Bruce Rauner.

A new ILEPI report, [Implementing a Work-Share Program in Illinois: Protecting Jobs, Boosting Incomes, and Saving Taxpayer Dollars](#), finds that that full implementation of Illinois' work-share program could between 43,000 jobs and 124,000 jobs, boost worker income by up to \$1.3 billion, reduce worker turnover costs by up to \$1.2 billion, and reduce Illinois' unemployment insurance costs by as much as \$1.1 billion in 2020. By reducing the number of workers who lose their jobs or are furloughed, these programs are far more economical for businesses, workers, and taxpayers. Additionally, under the \$2 trillion coronavirus relief package, the federal government is fully reimbursing states for their work-share programs through December 31, 2020. The State of Illinois has a golden opportunity to take advantage of these free federal dollars and save money for taxpayers.

Polling consistently shows that these proposals are broadly supported by majorities of Republicans and Democrats, and workers and businesses. COVID-19 reminds us that when workers are forced to choose between earning paychecks and protecting their health, it makes it harder for communities and states to contain infectious diseases. Beyond just washing our hands, wearing masks in public, and staying six feet apart during the pandemic— as we all should— there is much more that can be done at the state level. The research shows that policies that ensure people don't have to work when sick, parents can stay home to care for their children, and businesses can retain their skilled employees instead of laying them off during periods of economic downturns are all practical solutions that promote both the public's health and the health of our economy.

## PICTURES FROM ILEPI'S THIRD ANNUAL FUNDRAISER

### OTHER ILEPI NEWS

- A new report finds prevailing wage laws extend homeownership to more than 61,000 blue-collar construction workers, boost the value of the homes they own by more than \$42 billion, and increase annual property tax revenues for their local communities by over \$500 million [\[READ HERE\]](#).
- Thank you to everyone who attended our Third Annual Fundraiser in February!
- Please stay safe, stay home, and stay healthy during this time! We are thinking of all of you and hope that you and your family are well. Keep calm and carry on.



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