

OFFICE OF THE MAYOR CITY OF CHICAGO

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## MAYOR EMANUEL, ALDERMAN BURNS AND 23 OTHER ALDERMEN INTRODUCE ORDINANCE TO RAISE CHICAGO MINIMUM WAGE TO \$13 MINIMUM WAGE BY 2018

Higher Minimum Wage Will Benefit Approximately 410,000 Workers and Inject an Additional \$800 Million into Chicago's Economy over Four Years

Mayor Rahm Emanuel, Alderman Will Burns, Alderman Carrie Austin, Alderman Walter Burnett, Alderman Emma Mitts, Alderman Joe Moore, Alderman Ameya Pawar, Alderman Ariel Reboyras and Alderman JoAnn Thompson, together with 16 other aldermen, today introduced an ordinance to City Council codifying the recommendation of the Minimum Wage Working Group that the City establish a minimum wage of \$13 by 2018, a 45 percent increase over the current local minimum wage. This increase would raise wages for approximately 410,000 workers, nearly 31 percent of the Chicago workforce, and add \$800 million to the local Chicago economy over four years.

"Every Chicago worker deserves a shot at the middle class and today we have taken a major step towards creating better opportunities and better lives for thousands of working families in Chicago," Mayor Emanuel said. "I want to thank the members of the Minimum Wage Working Group who provided us with the foundation for this introduction, and the hundreds of community members who provided commentary on this important issue."

The ordinance would raise the City of Chicago to a minimum wage of \$13, phased in over four years, and indexed to inflation. For non-tipped employees, as of June 1, 2015 the minimum wage would increase to \$9.50 per hour from the current \$8.25 per hour; to \$10.75 per hour as of June 1, 2016; to \$12.00 per hour as of June 1, 2017; and to \$13 per hour as of June 1, 2018. In 2019 and in each subsequent year on June 1, the wage would be indexed to rise with inflation.

"More than 400,000 Chicago workers would benefit from this increase in the local minimum wage," Alderman Will Burns (4<sup>th</sup> Ward) said. "Raising the wage to \$13 will help lift Chicago workers out of poverty, and that will have a positive impact on the entire City."

"Increasing Chicago's minimum wage will result in hundreds of thousands of hard-working people being able to keep their families out of poverty. And having more income means that they will be able to buy goods and services in Chicago's stores and restaurants and help propel the local economy," John Bouman, President, Sargent Shriver National Center on Poverty Law said. "A higher wage in Chicago gives all workers in the city a better chance for upward mobility."

Under Illinois law, employers are allowed to pay tipped employees a minimum wage equivalent to 60 percent of the state minimum with the current tipped minimum wage at \$4.95 an hour. The ordinance proposes that the tipped minimum wage increase by \$1 over two years from the current state minimum \$4.95 to \$5.45 as of June 1, 2015 and \$5.95 as of June 1, 2016, and be indexed to inflation every June 1 going forward.

"All employees should be paid a decent wage and I support the Mayor's efforts to increase the minimum wage," Deborah Sawyer, President & CEO, Environmental Design International said. "Not only does it create loyalty, but especially for a small business, having employees be more productive because they aren't required to go to multiple jobs is important to success."

On May 20, 2014, Mayor Emanuel appointed a diverse group of community, labor, and business leaders and tasked them with developing a balanced proposal to raise the minimum wage for Chicago's workers. The Minimum Wage Working Group held a series of meetings to hear evidence from and discuss the issue with a wide array of experts and stakeholders, convened five community meetings attended by hundreds of City residents, and received more than 200 public comments via the City's website.

On July 8, 2014, the Minimum Wage Working Group released its report, finding, among other things, that rising inflation has outpaced the growth in the minimum wage, leaving the true value of Illinois's current minimum wage of \$8.25 per hour 32% below the 1968 level of \$10.71 per hour (in 2013 dollars).

The Minimum Wage Working Group was chaired by John Bouman, President, Sargent Shriver Center on Poverty Law, and Will Burns, Alderman of the 4<sup>th</sup> Ward. Members included:

- Deborah Bennett, Senior Program Officer, Polk Bros. Foundation
- Matt Brandon, SEIU Local 73
- Carrie Austin, Alderman of the 34<sup>th</sup> Ward and Chairman of the City Council Committee on the Budget and Government Operations
- Walter Burnett, Alderman of the 27<sup>th</sup> Ward and Chairman of the City Council Committee on Pedestrian and Traffic Safety
- Sol Flores, Executive Director, La Casa Norte
- Theresa Mintle, CEO, Chicagoland Chamber of Commerce
- Emma Mitts, Alderman of the 37<sup>th</sup> Ward and Chairman of the City Council Committee on License and Consumer Protection
- Joe Moore, Alderman of the 49<sup>th</sup> Ward and Chairman of the City Council Committee on Special Events, Cultural Affairs and Recreation
- Ameya Pawar, Alderman of the 47<sup>th</sup> Ward

- Maria Pesqueira, Mujeres Latinas en Accion
- Ariel Reboyras, Alderman of the 30<sup>th</sup> Ward and Chairman of the City Council Committee on Human Relations
- JoAnn Thompson, Alderman of the 16<sup>th</sup> Ward
- Sam Toia, President, Illinois Restaurant Association
- Tanya Triche, Vice President and General Council, Illinois Retail Merchants Association
- Andrea Zopp, President and CEO, Chicago Urban League

As chairman of the Democratic Congressional Campaign Committee during the 2006 elections, then-Congressman Emanuel made a federal minimum wage increase part of the Democrats' "100-hour Plan" of legislation to be enacted within the first 100 hours of a Democratic Congress. As Democratic Caucus Chairman in the 110th Congress, Mayor Emanuel worked with Speaker Nancy Pelosi to pass the Fair Minimum Wage Act of 2007 out of the House within the first week of the new Democratic majority. This bill increased the minimum wage by 40 percent, from \$5.15 to \$7.25 an hour, the first increase in more than a decade.

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