

# DATA MATTERS

Oct 2014

## WHO'D GET THE RAISE TO \$10 IN IL?

By Amy Terpstra

Graphics by Zane Scheuerlein

### RESOURCES ON THIS TOPIC

[Voices For Illinois Children's report](#) about who would be impacted if the minimum wage increased to \$10.10 an hour, the proposed federal increase.

[Center for Economic and Policy Research's review](#) of minimum wage studies, which explores why the minimum wage has no discernible effect on employment.

[Economic Policy Institute's first report](#) on the impact of raising the minimum wage on the state economy and families in Illinois.

### DATA SOURCES

Economic Policy Institute's analysis of the Current Population Survey, Outgoing Rotation Group public use microdata, 2013. On file with author.

**SOCIAL IMPACT  
RESEARCH CENTER**  
A HEARTLAND ALLIANCE PROGRAM

Elections are coming in November, and one hot election issue is raising the minimum wage. Illinois voters will see a ballot initiative that asks about increasing the minimum wage from Illinois's current \$8.25 an hour to \$10 an hour. We got to wondering, if Illinois raised the minimum wage to \$10 an hour starting January 1, 2015, who exactly would get a raise? We turned to the Economic Policy Institute for help crunching the numbers, and here's what we learned about who would become a "raised worker."

**One fifth of the Illinois workforce, over 1.1 million workers, will get a raise if the minimum wage increases to \$10 an hour.**

- Two thirds of raised workers (737,000) will be directly impacted because they currently make less than \$10 an hour.
- The other one third (374,000) will be indirectly impacted because they make a bit more than \$10 an hour, and their wages will be bumped up slightly when their lower-paid colleagues get a boost.

**Workers from all walks of life will see their wages increase if the minimum wage changes to \$10 an hour. A majority of raised workers in Illinois are female, white, over age 20, don't have kids, and have a high school diploma or some college education.**

- As a group, 16% of raised workers are the sole providers for their families.
- Raised workers on average are responsible for contributing 45% of their families' total incomes.

**The majority of workers who will get a raise if Illinois's minimum wage increases to \$10 an hour work full time and work in the for-profit sector.**

- Over one third of raised workers have service occupations.
- 3 out of 5 raised workers are employed in just three industries: retail, leisure and hospitality, and education and healthcare.

**All told, raising the minimum wage to \$10 an hour would mean Illinois workers together take home almost \$1.5 billion more in a year, translating into an average annual income increase of \$1,300 for raised workers.**

- For a full-time minimum wage worker who makes \$17,160 a year now, this is quite a boost in income—an increase of 7.6%.
- This could be a security deposit on an apartment, a few months' worth of groceries, needed car repairs, back to school supplies and clothes for the kids, or other important necessities.

*Check out the following pages for some visualizations of who will get a raise if Illinois's minimum wage is changed to \$10 an hour. If you're really digging in, turn to the last page for info on how the Economic Policy Institute arrived at these estimates.*

## THE NUMBERS

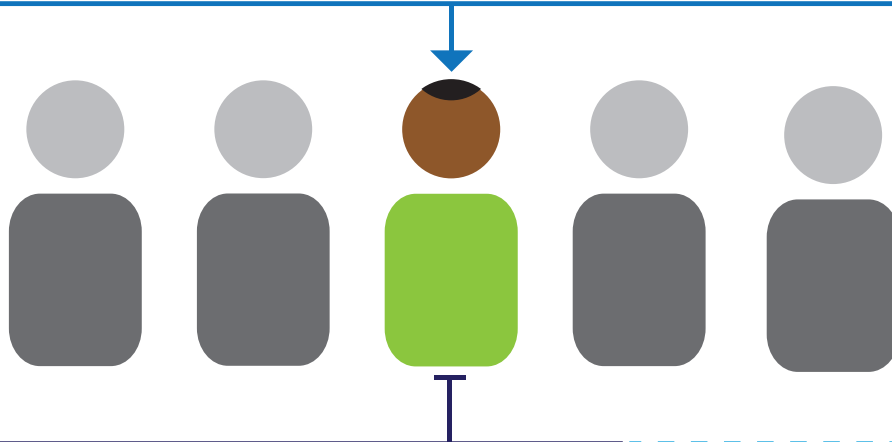
One fifth of the Illinois workforce, over 1.1 million workers, will get a raise if Illinois's minimum wage increases to \$10 an hour. Two thirds of raised workers (737,000) will be directly impacted because they currently make less than \$10 an hour. The other one third (374,000) will be indirectly impacted because they make a bit more than \$10 an hour, and their wages will be bumped up slightly when their lower-paid colleagues get a boost.



# 1,110,000

Illinois workers will see their pay **RISE** as a result of a minimum wage increase to \$10 an hour

That's 1 in every 5 Illinois workers



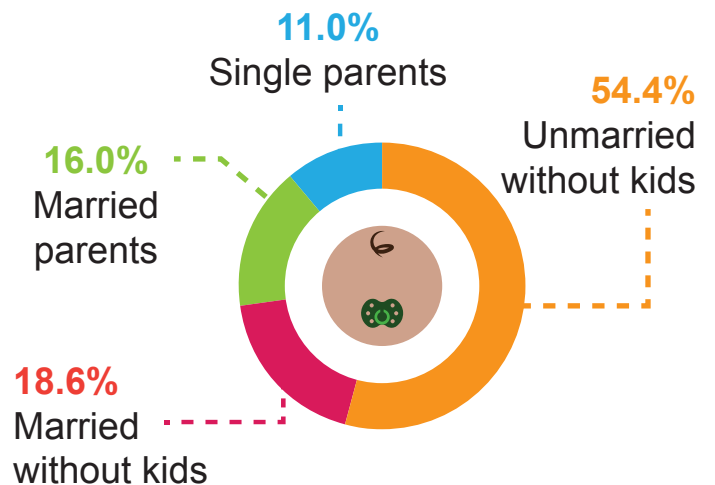
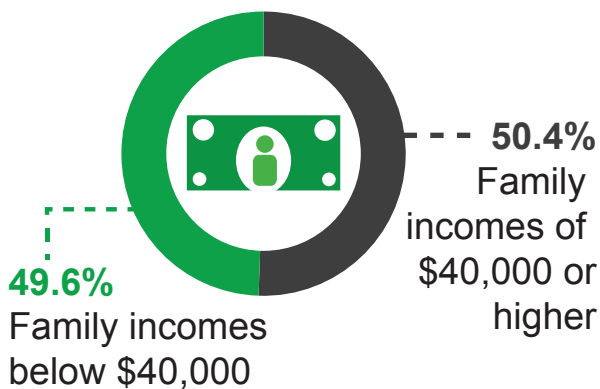
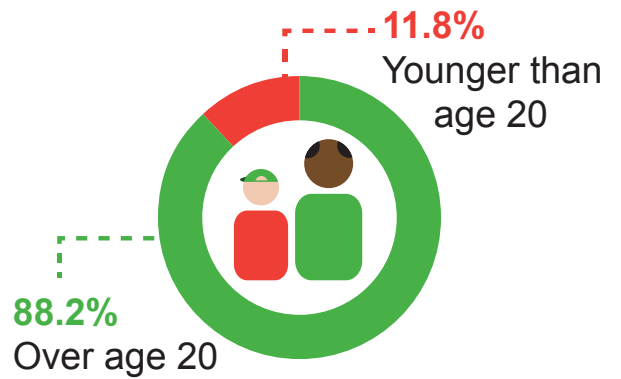
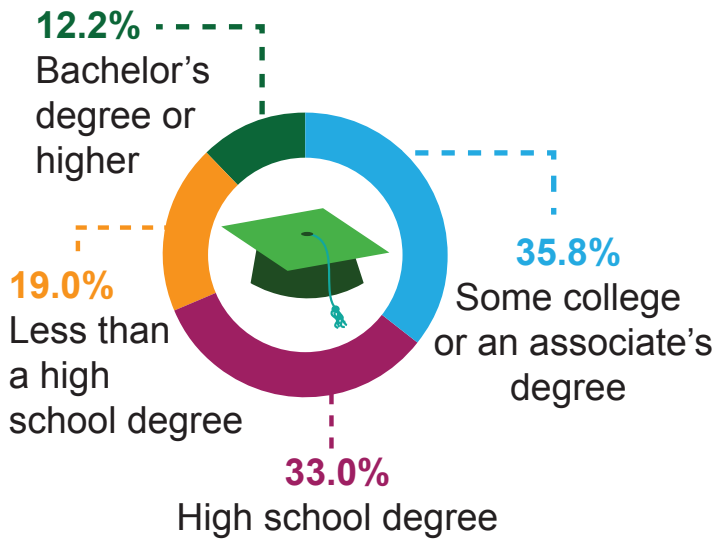
Two thirds of those getting a raise will be directly impacted

One third will be indirectly impacted

**Notes:** Directly impacted workers are people who currently make under \$10 an hour so their wages will rise with a minimum wage increase to \$10 an hour. Indirectly impacted workers currently make a bit more than \$10 an hour, and their wages will be bumped up slightly when their lower-paid colleagues get a boost.

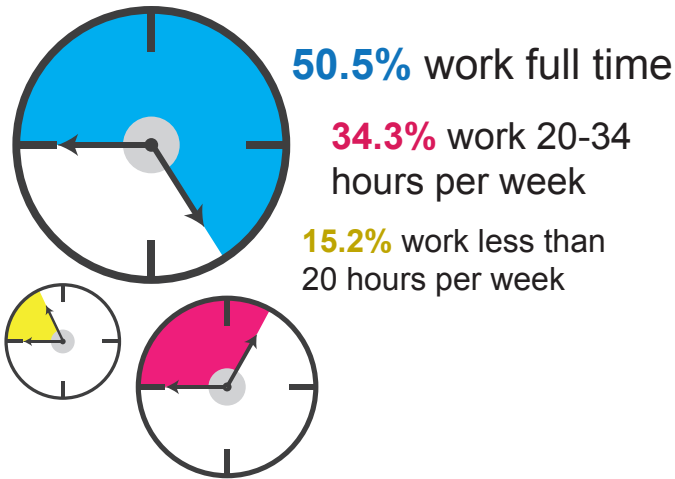
# THE CHARACTERISTICS

Workers from all walks of life will see their wages increase if the minimum wage changes to \$10 an hour. A majority of raised workers in Illinois are female, white, over age 20, don't have kids, and have a high school diploma or some college education. As a group, 16% of raised workers are the sole providers for their families, and raised workers on average are responsible for contributing 45% of their families' total incomes.

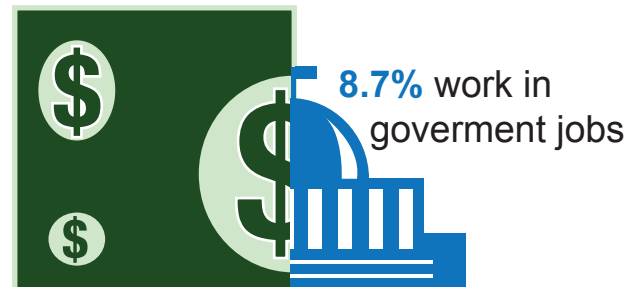


# THE JOBS

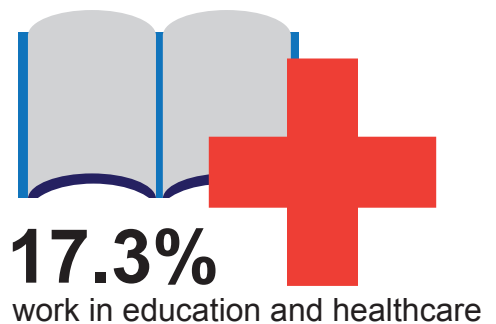
The majority of workers who will get a raise if Illinois's minimum wage increases to \$10 an hour work full time and work in the for-profit sector. Over a third of raised workers have service occupations, and 3 out of 5 raised workers are employed in just three industries: retail, leisure and hospitality, and education and healthcare.



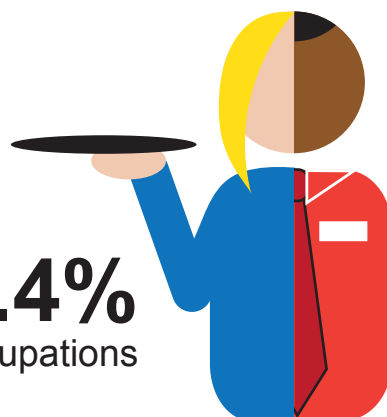
**86.4%** work in the for-profit sector



**4.9%** work for nonprofits



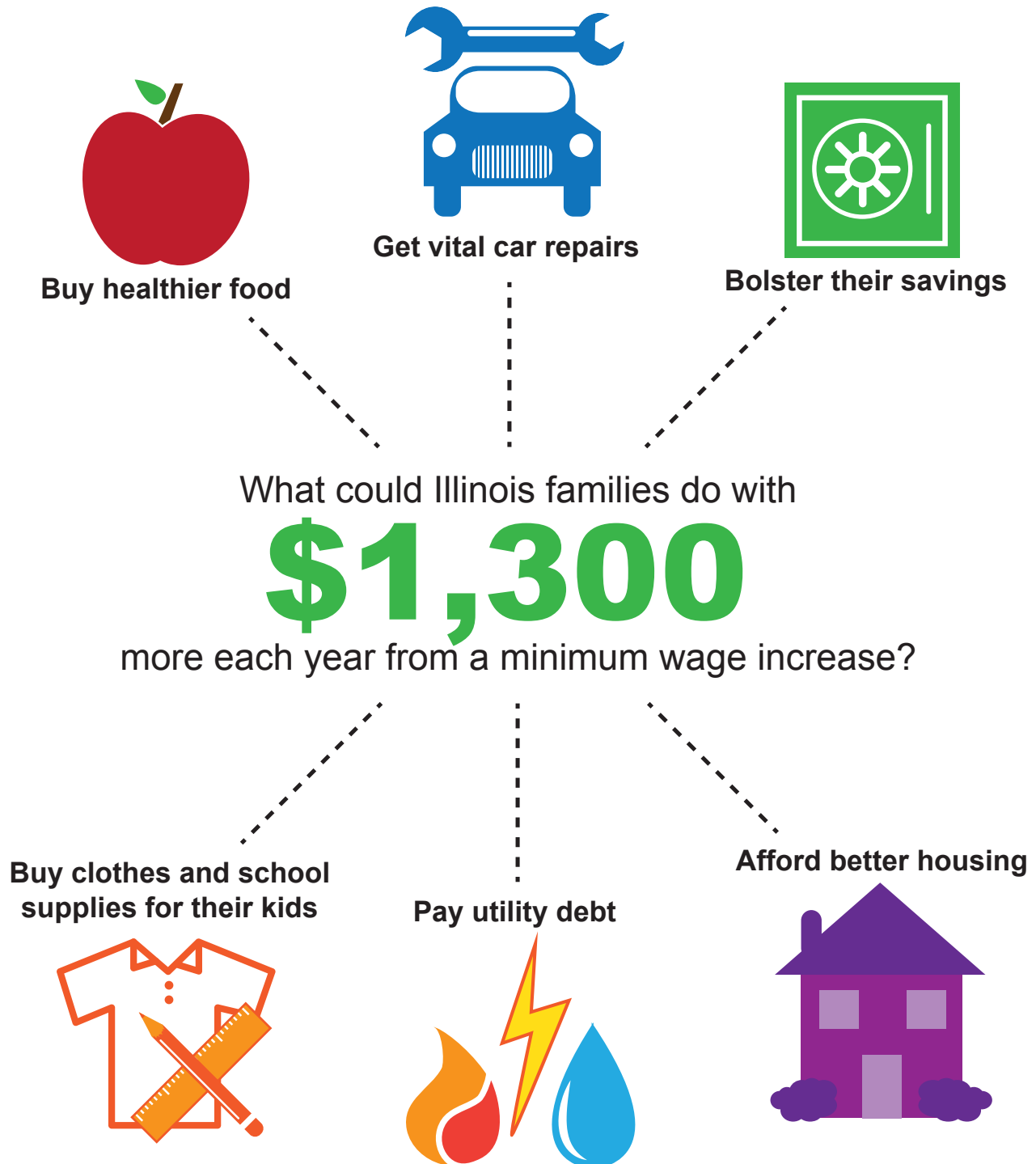
**36.4%** have service occupations



**17.8%** work in sales

## THE INCREASE

All told, raising the minimum wage to \$10 an hour would mean Illinois workers together take home almost \$1.5 billion more in a year, translating into an average annual income increase of \$1,300 for raised workers. For a full-time minimum wage worker who makes \$17,160 a year now, this is quite a boost in income—an increase of 7.6%. This could be a security deposit on an apartment, a few months' worth of groceries, needed car repairs, back to school supplies and clothes for the kids, or other important necessities.



## DATA NOTES

The Economic Policy Institute (EPI) conducted this analysis of workers who would get a raise if Illinois's current minimum wage of \$8.25 is increased to \$10 an hour. EPI used the U.S. Census Bureau's Current Population Survey (CPS), Outgoing Rotation Group public use microdata, 2013, to conduct the analysis. Here are some details that help us understand the data:

- The model EPI used to create these estimates assumes that the \$10 minimum wage increase would take effect January 1, 2015.
- Total estimated workers is determined from the CPS respondents who were 16 years old or older, employed, but not self-employed and for whom either a valid hourly wage is reported or one can be imputed from weekly earnings and average weekly hours. Consequently, this estimate represents the identifiable wage-earning workforce and tends to understate the size of the full workforce.
- Directly affected workers will see their wages rise as the new minimum wage rate will exceed their current hourly pay.
- Indirectly affected workers have a wage rate just above the new minimum wage. They will receive a raise as employer pay scales are adjusted upward to reflect the new minimum wage.

Much more detail on EPI's job impact estimation methods can be found in several other EPI reports:

- Hall, D., & Cooper, D. (2012). *How raising the federal minimum wage would help working families and give the economy a boost*. Washington, DC: Economic Policy Institute.
- Bivens, J. L. (2011). *Method memo on estimating the jobs impact of various policy changes*. Washington, DC: Economic Policy Institute.

The Social IMPACT Research Center (IMPACT), a Heartland Alliance program, conducts applied research in the form of evaluations, data services, and studies for decision makers in nonprofits, advocacy groups, foundations, governments, coalitions, and the media to help them inform and improve their work. Visit [www.socialimpactresearchcenter.org](http://www.socialimpactresearchcenter.org) to learn more.

Heartland Alliance for Human Needs & Human Rights—the leading anti-poverty organization in the Midwest—believes that all of us deserve the opportunity to improve our lives. Each year, we help ensure this opportunity for nearly one million people around the world who are homeless, living in poverty, or seeking safety. Visit [www.heartlandalliance.org](http://www.heartlandalliance.org) to learn more.

---

***The Social IMPACT Research Center's economic security work is generously supported The Chicago Community Trust, Grand Victoria Foundation, and The Libra Foundation.***

33 West Grand Avenue, Suite 500, Chicago, Illinois 60654  
312.870.4949  
[research@heartlandalliance.org](mailto:research@heartlandalliance.org)



**SOCIAL IMPACT  
RESEARCH CENTER**  
A HEARTLAND ALLIANCE PROGRAM