Data Matters  
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Who’d Get the Raise to $10 in IL?

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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.

55.7% Women
44.3% Men

15.5% Black
25.1% Latino

54.5% White
4.9% Asian

12.2% Bachelor’s degree or higher
19.0% Less than a high school degree
35.8% Some college or an associate’s degree
33.0% High school degree

11.8% Younger than age 20
88.2% Over age 20

11.0% Single parents
18.6% Married without kids
16.0% Married parents

49.6% Family incomes below $40,000
50.4% Family incomes of $40,000 or higher

54.4% Unmarried without kids
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.

- 50.5% work full time
- 34.3% work 20-34 hours per week
- 15.2% work less than 20 hours per week

- 86.4% work in the for-profit sector
- 8.7% work in government jobs
- 4.9% work for nonprofits
- 22.0% are employed in the leisure and hospitality industry
- 17.3% work in education and healthcare
- 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.

What could Illinois families do with $1,300 more each year from a minimum wage increase?

- Buy healthier food
- Get vital car repairs
- Bolster their savings
- Buy clothes and school supplies for their kids
- Pay utility debt
- Afford better housing
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:


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