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CHICAGO'S MINIMUM WAGE SET TO INCREASE TO \$12 ON JULY 1, RISE TO \$13 NEXT YEAR

45 percent increase in the minimum wage since 2011, 410,000 Chicagoans getting a raise

Mayor Rahm Emanuel today announced that Chicago's minimum wage will increase to \$12 per hour starting July 1, 2018 – a 45 percent increase in the minimum wage since 2011. The increase is part of Mayor Emanuel's 2014 ordinance that will raise the minimum wage for 410,000 workers annually to \$13 per hour in 2019.

"Next week, Chicago will get a raise," said Mayor Emanuel. "No parents who work full time in the City of Chicago should ever have to raise their children in poverty. Higher wages are good for families, communities and our economy."

Since 2014, during the same time that the minimum wage has increased, the unemployment rate has been cut in half – proving that working families and innovative businesses can thrive in the same economy. Today, Chicago has achieved its lowest unemployment rate on record, since the U.S. Bureau of Labor Statistics started releasing monthly rates in 1990, and 81,000 fewer Chicago residents live in poverty. Thanks to increases to the city's minimum wage, by 2019, \$860 million will be injected into the local economy. Last year, of the ten biggest cities in America, Chicago had the largest percentage drop in unemployment.

"I applaud the Mayor and City Council for recognizing the importance of higher wages and the role that it plays for families, especially those from single parent households," said Emilia DiMenco, President and CEO of Women's Business Development Center. "The increase in minimum wage proves that working families and businesses both can thrive in today's economy."

In December 2014, City Council passed Mayor Emanuel's ordinance to raise the Chicago minimum wage from \$10.50 per hour to \$13 per hour by 2019. The minimum wage is currently \$11 dollars an hour, will increase to \$12 an hour plus \$6.25 for tipped employees on July 1, 2018, and will reach a minimum wage of \$13 an hour on July 1, 2019. Beginning July 1, 2020, the yearly increase in Chicago's minimum wage will be tied to the rate of inflation but not to exceed 2.5 percent.

“Chicago’s minimum wage ordinance not only provides Chicago employees with the compensation they need and deserve, but strengthens our economy,” said Business Affairs and Consumer Protection (BACP) Commissioner Rosa Escareno. “Working together with businesses, residents, local aldermen and other community stakeholders, Chicago is leading the way in creating an environment where a working family can put a roof over their head and groceries on the table without having to work multiple jobs.”

This wage increase builds on Mayor Emanuel’s history of fighting for working families to ensure that everyone has a fair shot at the middle class, including helping to pass the last two federal minimum wage increases. As a member of House Democratic leadership, Mayor Emanuel worked with Democrats to pass the Fair Minimum Wage Act of 2007, increasing the federal minimum wage by 40 percent. This was the first increase in more than a decade, when as a senior advisor to President Clinton, Mayor Emanuel worked to pass a 17 percent increase in 1996.

“We’ve discovered the more money you put into the pockets of employees, results in greater investment in the community,” Jaime di Paulo, Executive Director of Little Village Chamber of Commerce said.

Since Mayor Emanuel’s Minimum Wage ordinance went into effect in 2015, BACP investigators have recovered more than \$300,000 in back pay for nearly 500 minimum wage employees. Violations may also result in fines and penalties ranging from \$500 to \$1,000 for each offense, per employee per paycheck. From July 2017 to July 2018, \$127,500 in fines were assessed against minimum wage violators and more than \$36,000 in back pay has been recovered for 177 employees. These include:

- America Wireless paid \$1,964.94 in restitution to three employees and \$5,000 in fines along with \$160 in court costs.
- TriCorp Wireless, Inc. paid \$3,612.60 in restitution to 15 employees and \$30,000 in fines along with \$640 in court costs.
- Custom Cellular, Inc. paid \$30,818 in restitution to 160 employees and \$92,500 in fines along with \$2,840 court costs.

BACP is reminding city employers that the minimum wage is enforceable, and employees to report any issues receiving their legal minimum wage. The best way to report a problem with wages, paid sick leave, or other issues with workers compensation is to call 3-1-1. The mandatory complaint form has been simplified to make it easier for residents to fill out so a problem can be fully investigated. Failure to return a completed form is the number one reason complaints go unresolved.

BACP continues to host outreach events and provide information to employers and workers about their obligations and rights in the workplace. BACP works with advocates to promote awareness to

employees, educate employers and share information in multiple languages including English, Spanish, Mandarin, Polish, Chinese and Korean. Informational materials and regulations are on BACP's website, www.cityofchicago.org/BACP. A workshop on minimum wage and paid sick leave is scheduled for Friday, July 13 at 9:30 in room 805, City Hall.

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