

New Illinois Minimum Wage

Introduction to the Issue

The current regular minimum wage in Illinois is \$8.25. The Lifting Up Illinois Working Families Act ([Public Act 101-0001](#)) was signed into law on February 19, 2019. Under the act, Illinois minimum wage rates will increase in a series of seven adjustments beginning on January 1, 2020 (see table below).

The new law sets a lower minimum wage for workers younger than 18 who work fewer than 650 hours in a year. (The minimum wage for younger employees in Illinois is currently \$7.75 per hour.)

Effective Date	Regular Minimum Wage	Young Worker Minimum Wage
January 1, 2020	\$9.25	\$8.00
July 1, 2020	\$10.00	\$8.00
January 1, 2021	\$11.00	\$8.50
January 1, 2022	\$12.00	\$9.25
January 1, 2023	\$13.00	\$10.50
January 1, 2024	\$14.00	\$12.00
January 1, 2025	\$15.00	\$13.00

Frequently Asked Questions

The increase in the minimum wage is an unfunded mandate and will place a burden on already-stretched library budgets. What can libraries do about this?

This is a challenge that can be used as an opportunity for libraries. Tell funders, officials, users, and other stakeholders what effect the minimum wage will have on the programs and services we are able to offer.

Data is a great weapon when talking with funders and other decision-makers. Make your case with data and stories when trying to get budget increases. Develop proposals to increase funding that use data and stories from users about how important library services are to them. Tell your stories concisely, effectively, and powerfully. (Practice ahead of time if necessary.) Don't use this as an excuse to not fight back and don't let funders use it as an excuse to not provide appropriate financial support.

The increase in the minimum wage, as an unfunded mandate, can also be a weapon against property tax freezes. Tell your local officials and funders that freezing property taxes will impact your ability to meet the requirement. Be creative and agile in making changes to your budget.

Point out the small portion of the current property tax bill (5% or less) in your community that is going to the library. Demonstrate the impact of your offerings on library users. Show how you already stretch dollars as far as you possibly can to offer the highest quality service possible. Remind funders that libraries serve everyone.

RAILS' [My Library Is... campaign](#) is designed to help libraries develop talking points to use in situations like these and to learn other ways to prove their value to various stakeholders.

The new minimum wage increase puts pressure on higher grades of pay in libraries, resulting in additional increases in pay to keep appropriate separation of pay ranges. How can libraries deal with this issue?

Salary compression occurs when the difference in pay regardless of experience, skills, level, or seniority is slight. As the minimum wage increases, those with salaries above but close to the \$15 threshold will also expect their pay to be adjusted accordingly.

This means that libraries will need to upgrade their pay grade schedules so that compression is minimized and different grades are compensated appropriately for their different levels of responsibility.

RAILS has already offered a webinar from HR Source with advice on updating a pay grade schedule and we will continue to provide continuing education and consulting assistance to help libraries to deal with this expected salary compression.

How does the minimum wage increase coincide with cost of living increases?

Illinois last increased its minimum wage in 2010. The first mandated increase under the new legislation to \$9.25 on January 1, 2020, represents a 12% increase over the current \$8.25 minimum wage (one dollar is 12% of \$8.25). The 2018 cost of living increase is only 2.8%. However, the compiled cost of living increase from the last time the minimum wage was raised in 2010 is 14%.

Therefore, the first level of the minimum wage increase is actually less than the cost of living increase over the same period of time. The second level, (\$10 per hour taking effect July 1, 2020) represents a real raise, as the \$1.75 increase from \$8.25 is nearly 20%, at least until the 2019 cost of living increase is announced in October 2019.

Who will benefit most from the minimum wage increase?

Contrary to popular misconception, teenage part-time workers will not be the group to benefit the most from the increase. Rather, it will be adults struggling in full-time jobs to support their families.

How does the tax credit for organizations with 50 or fewer employees affect libraries?

Public libraries cannot take advantage of the tax credit.

What RAILS Is Doing

RAILS has already taken many steps to help our members meet the new minimum wage requirements, including:

- From April – July 2019, RAILS offered a series of workshops to help libraries get the most from their library data, including understanding what data to collect, how to work with the data gathered, and how to use that data effectively to communicate a message to library stakeholders. Some of these sessions are available in the [RAILS CE Archives](#). (Use the search term "data" in the search box on the archives page.)
- There was a discussion of the minimum wage legislation at the April 11, 2019 RAILS Member Update. Diane Foote, Executive Director of the Illinois Library Association, participated in that discussion. A [recording is available](#) on the RAILS website.
- In June 2019, RAILS offered a webinar with the legal and compensation experts from HR Source on short and long-term strategies for minimum wage compliance.
- RAILS will offer targeted consulting to help our members deal with the minimum wage increase in FY 2020. Watch for further details coming soon.

In addition, RAILS' [My Library Is... campaign](#) offers tools, continuing education, and other resources to help libraries tell their stories and promote their value more effectively, including:

- How to develop talking points and an "elevator speech" to use when talking to legislators and other officials
- How to advocate for more funding and suggestions for alternate sources of funding, such as grants
- Advice and a tool libraries can use to collect testimonials from users to use when seeking additional funding
- Suggestions for building relationships with legislators, funders, and other important stakeholders

RAILS will also coordinate efforts with the Illinois Library Association (ILA) and other stakeholders to stay on top of future developments and to find ways to help our members navigate this challenging issue. We will update this page as new information becomes available. We will also update members on new developments via the [RAILS E-News](#).

What Can You Do?

Library directors and others have asked how they can talk to their board/administration/other decision-makers to garner support for the new minimum wage and to explain how it will benefit libraries and the state of Illinois.

Here are some possible talking points to use with library decision-makers:

- The increase is gradual and gives libraries time to plan. It is important for our library to start planning now on how to implement the minimum wage increases that will take effect over the

next seven years. RAILS and the Illinois Library Association are providing many helpful resources that can help us with our planning efforts.

- The exception for minors under 18 who work fewer than 650 hours during any calendar year is designed to help those who will have difficulty meeting the new minimum wage. This will help us to retain many of our pages, clerks, and other younger workers.
- The increase in the minimum wage will help our library to attract and retain excellent staff. It will also help improve employee morale. Our staff is likely to stay longer (instead of seeking better-paying work) if they are paid well. This will reduce turnover and hiring and training costs.
- Library workers have been traditionally underpaid for a long period of time. A wage increase will help all library workers and especially lower-paid library workers.

An estimated 1.4 million Illinois residents currently make less than \$15 an hour, and this includes many library directors.

Knowing the value of libraries and library workers, it is very important that we support the minimum wage increase.

- The minimum wage is good for the state of Illinois in a number of ways.
 - Illinois has not increased its minimum wage since 2010. Over time, the law would give Illinois one of the highest minimum wages in the country. This would be a boon to a state where people have been leaving because of poor economic conditions.
 - According to the Illinois Policy website, Illinois is losing 313 residents per day to other states, and 2018 was Illinois' fifth straight year of worsening population decline. Among all 50 states, only West Virginia has seen more consecutive years of population decline.
 - According to the Illinois Department of Revenue, increasing the minimum wage to \$15 per hour over six years increases state revenues. This is good for Illinois and for any employer in Illinois. Lower unemployment and higher wages increase tax revenues.

Overall, the net impact of this proposed legislation is an increase in state revenues of nearly \$390 million by fiscal year 2027. The positive effect on tax revenue is produced by the additional income tax collection and sales tax collection from higher wages and personal consumption expenditure in the state economy.

- An increase in the Illinois minimum wage would help working families hardest hit by the recession and provide a boost to the economy. Raising the minimum wage on a regular basis helps families keep up with price inflation. Putting more money in the hands of people who will readily spend it helps the economy. Increased wages and spending raise demand and create more jobs.

Other Resources

- ["It's not just paychecks: The surprising society-wide benefits of raising the minimum wage." *The Washington Post* \(online version\), July 8, 2019.](#)
- Illinois Library Association – [Illinois Minimum Wage Resources](#)