



# CHICAGO'S GROWING LOW-WAGE WORKFORCE

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A PROFILE OF FALLING LABOR MARKET FORTUNES

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## EXECUTIVE SUMMARY

THE CHICAGO METROPOLITAN STATISTICAL AREA LOST MORE THAN 150,000 jobs between 2001 and 2011, despite adding hundreds of thousands of new residents and many new jobseekers over that period. As more job-seekers chase fewer jobs, the number of low-wage workers has grown. Just as significant, the identity of those workers has changed. Compared to a decade ago, the typical low-wage worker in the Chicago region is likely to be older. She is more likely to have a college degree, and to support a family. And a growing number of these low-wage workers contribute their earnings to households that receive all of their income from low-wage jobs:

- 31.2 percent of payroll employees ages 18-64 worked in low-wage jobs (paying \$12 or less per hour) in 2011. This represents a substantial increase from the 23.8 percent of workers employed in low-wage jobs in 2001.
- With few exceptions, low-wage job holders are not teenagers working for disposable income. Fully 94 percent of low-wage job holders in 2011 were 20 years or older, and more than half (57.4 percent) were over the age of 30.
- In 2001, fewer than 10 percent of low-wage job holders had a college degree. Today, more than 16 percent, or approximately 1 in 6, hold college degrees.
- As job opportunities dwindle across the labor market, the low-wage workforce has become marginally more male and marginally whiter. The available evidence suggests that women and African-American workers displaced from low-wage jobs have exited the labor market altogether, rather than moving into higher-wage positions.
- Increasingly, low-wage jobs play a crucial role in supporting households, rather than augmenting core income. More than half of the Chicago area's low-wage workers (56.7 percent) live in households that get all of their income from low-wage jobs. This represents a substantial increase from the 45.7 percent of households fully reliant on low-wage jobs in 2001.
- \$12 per hour represents a modest and conservative measure of low-wage work. At this wage level, a full-time worker living by herself will barely be able to cover life's basic costs without public assistance. When a worker earning \$12 per hour is supporting family or other household members, public assistance programs will likely be indispensable to household subsistence.

## INTRODUCTION

CHICAGO'S BUSINESSES AND REAL ESTATE MARKET CONTINUE to recover from the disastrous effects of the 2007-2009 recession, but the recovery has not improved the situation of low-wage workers. In fact, the low-wage workforce is growing. In 2011, nearly one-third (31.2%) of the employed Chicagoland population ages 18-64 worked in jobs paying too little to support an individual, much less a family, without public assistance or charity. This marks a substantial increase from the one-quarter of the population employed at those low wage levels ten years ago. The fact that a larger portion of the population worked for low wages in the second year of an economic recovery than in the recession year of 2001 underscores the magnitude of the problem. Boom or bust, low-wage work constitutes a growing part of Chicago's economic landscape.

The demographics of the low-wage workforce have shifted as well. The Chicago Metropolitan Statistical Area lost more than 150,000 jobs between 2001 and 2011, even as the region's total population grew by more than 350,000. As more people chase fewer employment opportunities, the workforce accepting low-wage positions has grown—and it has grown older, better educated and more likely to support a family. Understanding the changing composition of the low-wage workforce is crucial to the development of sound solutions to the problem of poor job quality.

The deterioration of job quality adds to the substantial economic distress caused by the recession of 2007-2009. Scholars are just beginning to uncover the depth of the economic losses caused by the recession and its aftermath. A recent report by the Federal Reserve Bank documents a significant decline in household income levels, which fell by 7.7 percent nationally between 2007-2010. This comes on top of the significant loss of household wealth caused by the collapse of the housing bubble and related economic contractions. The most recent data indicate that the net worth of U.S. house-

**In 2011, nearly one-third of the employed Chicagoland population ages 18-64 worked in a job paying too little to support an individual, much less a family, without public assistance or charity.**

holds declined by a staggering 35 percent between 2005 and 2010.<sup>1</sup>

In the political sphere, the problem of diminishing middle-class fortunes has been debated by juxtaposing the “99 percent” with the wealthiest one percent of households and their disproportionately high share of income gains. In this report, we focus on the 33 percent—the lowest-earning third of the Chicago workforce. As the number of available jobs shrinks, the lowest-income third of the Chicago workforce (those earning \$12 per hour or less) increasingly looks like the broader workforce.

The growth of low-wage work raises important and troubling policy challenges, especially in the current climate of fiscal austerity and downward pressure on social spending. Since the beginning of the recession in 2007, Illinois has joined other states in reducing eligibility for Medicaid. In debates about the federal budget, influential House and Senate members have proposed reductions in food stamp programs, despite the fact that one in seven Americans now relies on them. Although

it is often assumed that safety net programs primarily support the unemployed, a significant portion actually goes to workers who cannot meet basic needs on their meager wages. Over the (comparatively prosperous) 2001-2004 period, more than \$2.2 billion in basic social assistance was spent annually on Illinois families with a worker employed year-round. This amounted to 37 percent of total spending on Medicaid, the State Children's Health Insurance Program (S-CHIP), Temporary Assistance for Needy Families, and other key public assistance programs in the state.<sup>2</sup> Unfortunately, the expansion of low-wage work will increase demand for these and other basic social programs, even as elected officials cut their budgets.

There exists no single or easy answer to these problems. The first step toward solving them is to have a full understanding of the low-wage workforce. Accordingly, this report documents clear and important facts about the growing share of Chicagoland workers who are laboring for wages that do not cover basic daily needs.

## DEFINING LOW-WAGE WORK

TO DEFINE LOW-WAGE WORK, WE USE THE ILLINOIS SELF-SUFFICIENCY standard, a straightforward, empirical measure of the hourly income a full-time worker would need to support herself without recourse to public assistance or charity. Widely used by workforce and poverty experts, the self-sufficiency wage corrects for basic problems in the official federal poverty line. The 2011 Census Bureau poverty threshold was just \$11,491 for a single person. That annual income level works out to an hourly wage rate of \$5.45 for a full-time worker, nearly \$2 below the federal minimum wage of \$7.25. Just as problematic, the Census Bureau applies that definition to all regions of the U.S., even though housing, food, healthcare, and virtually all costs of basic life run much higher in urban areas such as Chicago or New York than in small towns and rural areas.

Clearly, minimum-wage jobs – and even jobs paying significantly more – are inadequate to pay for rent, food, clothing, transportation and healthcare, especially for workers with dependents. The Illinois self-sufficiency standard, calculated for Illinois by scholars at the University of Washington, provides a clear measure of the pay needed to meet basic needs. As of 2009, it identifies the hourly wage level needed to support a no-frills family budget in several Illinois regions, including the Chicago metropolitan area.<sup>3</sup> The self-sufficiency wage varies by family type and by which part of the Chicago metropolitan area a worker calls home. For single adults living on the north side of Chicago, the typical self-sufficiency wage (inflation-adjusted to 2011 values) worked out to almost exactly \$12 per hour, or roughly \$24,000 per year.<sup>4</sup> We use that figure as the cut-off for identifying the low-wage workforce in the Chicago area.<sup>5</sup> Because many low-wage workers support families or live in larger households, this is a fundamentally conservative measure of the low-wage workforce. For four-person families with a single wage-earner, for example, the hourly self-sufficiency wage exceeds \$14 per hour.



## IDENTIFYING AND MEASURING THE LOW-WAGE WORKFORCE

OUR DATA ON THE CHICAGO WORKFORCE COME FROM THE U.S. Current Population Survey (CPS), a representative monthly survey of 50,000 households in the U.S. The CPS gathers a broad range of employment and demographic details on workers, including information about wages, hours and household demographics. Following standard practice for employment research, we limited our sample to workers ages 18-64 who were paid wages, rather than self-employed, in the week prior to the survey.

The smallest unit of analysis at which the CPS makes data available is the Chicago Census Statistical Area which includes the Gary Metropolitan Statistical Area; the Appendix to this report provides details on minor changes in the region's boundaries over the period of the study. In addition to determining that the CPS provides consistent geographic boundaries, it was important to confirm that the \$12 per-hour cut-off did not significantly change the boundaries of the workforce scrutinized below. Multiple tests and comparisons of wage distributions revealed that adjustments in the upper wage limit for low wage workers – from \$12 to \$12.25, or \$11.75 – significantly impacted neither the size nor the composition of the low-wage workforce.<sup>6</sup> Overall, 31.2 percent of the Chicago-area workforce earned \$12 per hour or less in 2011, a 7.4 percent increase from 23.8 percent in 2001. Please see the Appendix for details on data and methods.

## THE CHANGING LOW-WAGE WORKFORCE

OVERALL, OLDER WORKERS, BETTER-EDUCATED WORKERS, men, and white workers tend to hold higher-paying jobs. By virtually all available measures, Chicago's low-wage workforce contains a large share – often much larger – of these workers than 10 years ago. The transformation is most striking in the age and educational profiles of low-wage workers (Tables 1 and 2).

TABLE 1

## AGE OF CHICAGO'S LOW WAGE WORKERS

AGE	PERCENTAGE	CHANGE
< 20	<div> <div style="width: 10.9%;"></div> <div style="width: 6.0%;"></div> </div>	-4.9%
20-30	<div> <div style="width: 35.1%;"></div> <div style="width: 36.6%;"></div> </div>	1.5%
30-40	<div> <div style="width: 18.3%;"></div> <div style="width: 21.0%;"></div> </div>	2.7%
40-50	<div> <div style="width: 20.1%;"></div> <div style="width: 16.5%;"></div> </div>	-3.6%
50-60	<div> <div style="width: 12.4%;"></div> <div style="width: 15.5%;"></div> </div>	3.1%
.....		
20+	<div> <div style="width: 89.1%;"></div> <div style="width: 94.0%;"></div> </div>	4.9%
30+	<div> <div style="width: 54.0%;"></div> <div style="width: 57.4%;"></div> </div>	3.4%
	<div> <div style="width: 100%;"></div> </div>	

■ 2001  
■ 2011

Opponents of minimum-wage increases and living-wage legislation often suggest that low-wage workers are primarily teenagers working to obtain non-essential income, rather than adults working to support themselves. Based on this misunderstanding, they argue that wage-raising legislation ineffectively targets low-income households. The figures in Table 1 provide powerful proof that this is not the case. Fully 94 percent of Chicago's low-wage workforce was aged 20 or older as of 2011. And more than half of the low-wage workforce (57.4 percent) was over the age of 30.

These figures have changed significantly since 2001. The share of teenagers working for \$12 per hour or less fell by nearly one half from a decade prior. Twenty- and 30-somethings make up a large portion of the low-wage workforce, as do 50-somethings, a demographic heavily affected by layoffs during and after the 2007-2009 recession. These figures suggest a clear case of the trend called labor-market filtering, in which older jobseekers with favor-

able labor-market credentials increasingly accept low-wage jobs as higher-paying opportunities dry up.

As growing numbers of individuals previously likely to be employed in higher-wage jobs move into the low-wage workforce, the educational profile of low-wage workers reflects greater levels of schooling. Table 2 shows that the portion of low-wage earners with a college diploma nearly doubled, from 9.7 percent in 2001 to 16.2 percent in 2011. Across the spectrum, changes in workers' educational attainment indicate the presence of labor-market filtering – in this case evidenced by highly educated jobseekers accepting progressively lower-wage employment – more strongly than any other factor. While the share of low-wage earners with some college education has grown, the increase (from 30 percent of low-wage earners in 2001 to 34.7 percent in 2011) was significantly smaller. By contrast, the share of low-wage workers with a high-school diploma fell, from 35.7 percent to 30.6 percent, as did the share with less than a high-school education. These changes suggest that the dearth of higher-earning jobs has forced better-educated workers into low-wage occupations, a development which in turn has likely pushed some less-educated workers out of employment altogether.

While education remains an important strategy for advancement, the data here provide a reminder that education alone cannot reverse the problem of low-wage work. When employers stop hiring and a growing number of workers chases a diminishing number of jobs, wage levels fall and the number of 'overqualified' workers employed in positions that do not take advantage of their skills rises.

TABLE 2

## EDUCATIONAL ATTAINMENT OF LOW-WAGE WORKERS

HIGHEST EDUCATIONAL LEVEL ACHIEVED	2001	2011
Less than High School	24.6%	18.5%
High School	35.7%	30.6%
Some College	30.0%	34.7%
College or Higher	9.7%	16.2%

## Women and non-white workers have always been over-represented in low-wage jobs, and they remain a disproportionately large portion of the low-wage workforce today.

Age and education mark the primary changes in the composition of Chicago's low-wage workforce over the past decade. These shifts demonstrate that education and experience confer on workers a less favorable labor-market position than they did at the end of the 1990s business cycle. This is the clearest evidence that the quality of existing jobs, rather than the qualifications of workers, has deteriorated. Other smaller shifts in the composition of the low-wage workforce document a related demographic change. Between 2001 and 2011, the low-wage workforce became slightly more male and slightly whiter. Tables 3

TABLE 3

### SEX OF LOW-WAGE WORKERS

SEX	2001	2011	CHANGE
Male	44.4%	45.6%	1.2%
Female	55.6%	54.4%	-1.2%

and 4 document the changing sex and race of workers earning \$12 or less per hour.

Women and non-white workers have always been over-represented in low-wage jobs, and they remain a disproportionately large portion of the low-wage workforce today. As is the case with the changing age composition of the low-wage workforce, these numbers indicate that demographic groups historically associated with higher-wage employment constitute a growing share of the low-wage workforce. In 2001, men accounted for 44.4 percent of Illinois' low-wage workers; today, they account for 45.6 percent. If this shift were accompanied by growing female representation in higher-paid jobs, it would indicate a positive development for women workers, but this is not the case. Women held 44.4 percent of jobs paying more than \$12 per hour in 2001 and 44.6 percent of those jobs in 2011. In the aggregate, this suggests that the scarcity of jobs post-recession has squeezed previously higher-earning men into lower-wage jobs, and has squeezed some women out of the workforce altogether.

Trends in the racial distribution of jobs suggest a similar pattern of scarce work opportunities going primarily to historically privileged groups. In the ten-year period from 2001 to 2011, the white share of the low-wage workforce grew from 47.7 percent to 49.1 percent, and the share of Asian workers – the highest-earning ethnic group in many regions of the country – grew rapidly, from 3.7 percent to 5.7 percent. The data for Chicago suggest that African-American workers made way for these new low-wage earners. African-Americans accounted for 21.8 percent of low-wage workers in 2001, but just 18 percent in 2011. As is the case with women workers, this declining number of African-Americans employed in low-wage jobs was not offset by an increase in higher-wage employment. The total number of African-Americans employed in higher-wage jobs fell over the 10-year period, and the representation of African-Americans among higher-wage

TABLE 4

### RACE OF CHICAGO'S LOW-WAGE WORKERS

RACE	PERCENTAGE	CHANGE
White	47.7%	1.4%
	49.1%	
Black	21.8%	-3.8%
	18.0%	
Hispanic	26.7%	0.2%
	26.9%	
Asian	3.7%	2.0%
	5.7%	
Other	0.1%	0.2%
	0.3%	

■ 2001

■ 2011



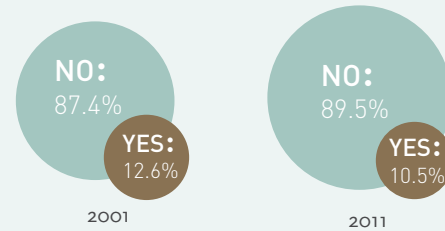
workers dropped from more than 14 percent to just 11 percent.<sup>7</sup> This suggests that African-American workers displaced from lower-wage jobs exited the labor force, rather than moving into higher-paying positions.

The demographic changes described to this point reflect changes in the composition of job holders as the total number of jobs available declines. They also reflect changes in the wage distribution of available employment opportunities. In Chicago, as elsewhere, entry-level positions for a given low-wage industry and occupation pay considerably less today in inflation-adjusted wages than 20 years ago. For example, hourly wage rates for the lowest-paid quarter of Chicago-area were approximately \$1 lower in 2004 than in 1983.<sup>8</sup> Nationally, economists consider falling union density one of the chief factors explaining this decline.<sup>9</sup>

Union density in Illinois remains high in comparison to the U.S. As of 2011, 16.2 percent of the workforce was covered by a collective bargaining agreement. While this represents a decline from the 2001 figure of 18.1 percent, the typical Illinois worker today is about 1.25 times more likely to be a union member than the typical worker nationwide.<sup>10</sup> Because unions raise wage levels, the share of low-wage workers covered by collective bargaining agreements should be lower by definition – after all, workers with union representation are much more likely to earn more than \$12 per hour. In 2001, 12.6 percent of low-wage workers in the Chicago region were union members, a share that slipped to 10.5 percent in 2011 (Table 5). Taken in tandem with the

TABLE 5

### COVERAGE BY COLLECTIVE BARGAINING AGREEMENT



broader decline of unions both nationally and in Illinois, this signals the continued decline of one of the primary institutional supports that puts low-wage workers in a position to secure wage increases. The decline of collective bargaining coverage in the low-wage labor market suggests that low-wage jobs are likely to remain low-wage. This in turn indicates that workers displaced into jobs paying \$12 per hour or less are likely to face increasing difficulty in finding jobs with higher wage levels.

An examination of the occupational distribution of Chicago's growing low-wage workforce shows a high proportion employed in the customer service and food preparation jobs typically cited in studies of the growing service economy. These occupational distribution data also show a large number of low-wage workers employed in healthcare and personal care, educational work, and production and material moving jobs typically seen in the manufacturing industries often hailed as an antidote to the problem of low-wage work (Table 6).

TABLE 6

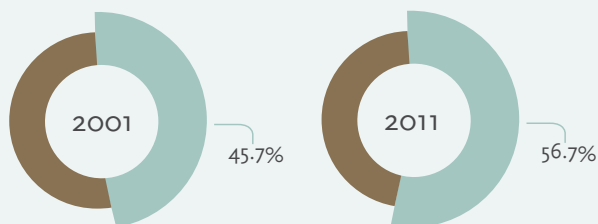
### OCCUPATIONAL DISTRIBUTION OF LOW-WAGE WORKERS

OCCUPATIONAL GROUP NAME	NUMBER	SHARE OF ALL LOW-WAGE WORKERS EMPLOYED IN OCCUPATIONAL GROUP
.....		.....
Sales and Related Occupations	183,539	15.6
Food Preparation and Serving-Related Occupations	165,440	14.0
Office and Administrative Support Occupations	157,971	13.4
Transportation and Material Moving Occupations	123,352	10.5
Production Occupations	97,580	8.3
Building and Grounds Cleaning and Maintenance Occupations	88,270	7.5
Personal Care and Service Occupations	75,311	6.4
Management Occupations	41,849	3.6
Education, Training and Library Occupations	40,352	3.4
Healthcare Support Occupations	32,659	2.8
Protective Service Occupations	32,504	2.8

Cumulatively, shifts in the composition of the low-wage workforce mean that an increased number of households depend on jobs paying \$12 or less per hour to make ends meet. In 2001, a majority of low-wage earners in the Chicago region lived in households with higher-wage earners. This “mixed” household composition helped to shield some low-wage workers from low overall household income. But this trend changed rapidly during the 2001-2007 business cycle, the ensuing recession, and the current slow economic recovery. Today, it is statistically probable that a Chicago-area household drawing some income from a low-wage worker draws all of its income from low-wage workers (Table 7).

TABLE 7

#### SHARE OF HOUSEHOLDS WITH A LOW-WAGE EARNER THAT RECEIVES ALL INCOME FROM LOW-WAGE EARNERS



The growth in households relying solely on low-wage workers is greater than the growth of any other demographic component of the low-wage workforce. This makes clear an unfortunate characteristic of the Chicago labor market: the typical low-wage job is now held by a breadwinner. These findings underscore that low-wage work is not a marginal problem confined to a few unfortunate pockets of the population, but rather a critical issue facing working families of all backgrounds.

#### POLICIES TO ASSIST CHICAGO'S GROWING LOW-WAGE WORKFORCE

EIGHTY YEARS AGO, MOST JOBS IN THE UNITED STATES PAID low wages and asked workers to labor in often unsafe conditions. The movement to upgrade job-quality was supported by vast majorities of voters and implemented through landmark legislation guaranteeing minimum wage rates, the right to organize a union and safe working conditions on the job. The growth of low-wage work has many causes. One critical remedy is enforcement of these basic laws.

The growing problem of low-wage work requires a multi-point response from policymakers and business leaders. It also requires significant political will. No single policy will be sufficient, but one key change will make a significant difference in the lives of low-wage workers immediately—an increase in the minimum wage. For example, a bill has been introduced in Illinois to increase the state's minimum wage, currently at \$8.25 an hour, to over \$10 an hour over time.<sup>11</sup> Once controversial among economists, minimum-wage increases are now widely accepted as well-targeted anti-poverty measures that have no significant impact on overall employment levels. Minimum wage increases save employers money by reducing employee turnover and by improving the productivity levels of employees.<sup>12</sup> Minimum wage increases have also been found to benefit the economy by enhancing consumer demand. In a fairly conservative analysis conducted in January of this year, Mary Gable and Douglas Hall of the Economic Policy Institute estimated that raising the Illinois minimum wage to \$10.65 over the course of four years would result in a \$3.8 billion increase in wage payments to low-income households, and a state GDP increase of between \$2.0 and \$2.8 billion.<sup>13</sup>

Research on past minimum wage increases indicates that employers would respond to this increase by raising wages for workers earning up to \$2 above the new minimum wage as well.<sup>14</sup> In other words, the proposed increase would efficiently raise wages for most workers earning less than \$12 per hour. The minimum wage of the past was a stronger standard, providing significantly more buying power than it does today. After its creation in 1938, the



value of the federal minimum wage rose relatively steadily until it reached a high point in 1968 (when its nominal value was \$1.60 an hour). Thereafter, it suffered dramatic erosion as Congress failed to adequately correct for inflation over time. According to the Bureau of Labor's Consumer Index inflation calculator, the minimum wage of \$1.60 an hour in 1968 would be \$10.55 today when adjusted for inflation.

Low-wage work is creating an economic crisis for families and communities in Chicago and across the country. Millions of hard-working people, many supporting families, simply cannot earn enough to afford the basics of life. Promoting greater understanding of the facts about the low-wage workforce and its growth is an important step. Taking action to raise the minimum wage would make an immediate difference to families and local economies; policymakers should act now. Other steps—including living wage ordinances, legislation that strengthens collective bargaining rights, paid sick time, enforcement of anti-discrimination and fair labor standards laws, and efforts by employers to improve scheduling and promote training and mobility, among others—are also critical. We urge policymakers and business and community leaders to begin a dialogue to address the problem and curb the damage that low wages are inflicting on Chicago's families, economic health, and prospects for the future.

## METHODOLOGICAL APPENDIX

THE DATA AND ANALYSIS IN THIS BRIEF ARE BASED ON THE Current Population Survey (CPS), a representative monthly survey of approximately 50,000 U.S. households. The CPS gathers a wide range of demographic, employment, and wage information on workers, including their age, family structure, hourly pay rate, and industries and occupations of employment. We based our calculations on the CPS Outgoing Rotation Files, which the Economic Policy Institute prepares for the Economic Analysis Research Network (EARN) and generously shared with us. Following established guidelines for working with this data, we built our sample from the civilian

population, ages 18-64. All the survey respondents included in our sample worked for pay in the week prior to the survey, and none was self-employed.

As a result, we focus on a representative section of the workforce slightly smaller in number than the count of total employees in the Chicago Census Statistical Area. In 2011, the U.S. Bureau of Labor Statistics estimates total employment of 4,355,600 in the Chicago Metropolitan Statistical Area. The workers we included accounted for about 3,780,000 of that total, and the population of workers earning \$12 per hour or less totaled 1,180,000. The Chicago Census Statistical Area consists of Cook, DuPage, Lake, Will, McHenry, Kane, DeKalb, Grundy and Kendall Counties, Illinois; Lake, Porter, Jasper and Newton Counties, Indiana; and Kenosha County, Wisconsin. However, the CPS excludes Kenosha County from its sample of the Chicago Census Statistical Area. Additionally, Jasper and Newton Counties, Indiana, were excluded from the 2001 CPS. Given that their combined population in 2010 was less than 50,000, this minor shift in geographical boundaries does not significantly impact the study results.

Our primary methodological concern was to ensure that \$12 created a statistically reliably cut-off for the low-wage workforce. Wages tend to be "lumpy," which is to say that large numbers of workers are paid \$11.75, \$12.00 and \$12.25 per hour, with relatively few workers earning amounts between these round numbers. We found that the size of the low-wage workforce was not sensitive to small changes in the wage cut-off level. We were particularly careful to ensure that the choice of a wage cut-off did not significantly change the calculation of how much the low-wage workforce has grown. Moving the cut-off point for the low-wage workforce to various intervals between \$11.50 and \$12.50 did affect the size that increase, which ranged from 4.8% to 7.6%, depending on the particular wage level. While the \$12 cut-off point results in a relatively high estimate of the growth of low-wage work, we were unable to lower that threshold for the simple reason that 2.5% of the Chicago-area workforce earned precisely \$12 in 2011. Cutting these workers out of the calculation of the low-wage workforce would have arbitrarily lowered the number.

- <sup>1</sup> Board of Governors of the Federal Reserve System. 2012. "Changes in U.S. Family Finances from 2007 to 2010: Evidence from the Survey of Consumer Finances." At: <http://federalreserve.gov/pubs/bulletin/2012/PDF/scf12.pdf>
- <sup>2</sup> Theodore, Nik, and Marc Doussard. 2006. "The Hidden Public Cost of Low-Wage Work in Illinois." With the UC-Berkeley Labor Center. Chicago: University of Illinois at Chicago Center for Urban Economic Development. At: <http://urbaneconomy.org/node/67>
- <sup>3</sup> Pearce, Diana M. 2009. "Methodology Appendix: The Self-Sufficiency Standard for Illinois for 2009." Seattle: University of Washington School of Social Work. At: <http://www.scribd.com/doc/62303109/Methodology-Appendix-The-Self-Sufficiency-Standard-for-Illinois-2009>
- <sup>4</sup> Based on the assumption of 50 work weeks at 40 hours per week.
- <sup>5</sup> Before proceeding, it is important to understand the trade-offs involved in setting the cut-off for low wage levels at \$12. Self-sufficiency levels were higher in Northern Cook County and some suburban areas, and lower in other parts of Cook County. Of course, single wage-earners without dependents are the exception rather than the rule for a workforce in which most people are members of family or non-family households. This makes the \$12-per-hour self-sufficiency estimate quite conservative, since this wage level would fall far short of providing for children and dependents. Please see <http://www.heartlandalliance.org/research/research-illinois-self-sufficiency-standard/for-2009-self-sufficiency-standard-values>
- <sup>6</sup> Adjusted for inflation, a \$12 per-hour wage in 2011 equates to \$9.45 in 2001.
- <sup>7</sup> Source: Author's calculations from Current Population Survey data.
- <sup>8</sup> See Doussard, Marc, Jamie Peck and Nik Theodore. 2009. "After Deindustrialization: Uneven Growth and Economic Inequality in 'Postindustrial' Chicago." *Economic Geography* 85 (2): 183-207.
- <sup>9</sup> See David G. Blanchflower and Alex Bryson, 2004. "What Effect do Unions Have on Wages Now and Would Freeman and Medoff be Surprised?" *Journal of Labor Research* XXV (3): 383-414.
- <sup>10</sup> Source: U.S. Bureau of Labor Statistics, Midwest Information Office. <http://www.bls.gov/ro5/unionil.htm>
- <sup>11</sup> SB 1565 at [www.ilga.gov](http://www.ilga.gov)
- <sup>12</sup> See Card, David and Alan Kruger. 1995. *Myth and Measurement: The New Economics of the Minimum Wage*. Princeton: Princeton University Press.
- <sup>13</sup> Gable, Mary and Douglas Hall. 2012. "The Benefits of Raising Illinois' Minimum Wage." Washington, D.C.: Economic Policy Institute. At: <http://www.epi.org/publication/ib321-illinois-minimum-wage/>
- <sup>14</sup> For a summary of the scope of the impact on "indirectly" affected workers, see Hall, Doug and David Cooper. 2012. "How Raising the Federal Minimum Wage Would Help Working Families and Give the Economy a Boost." Washington, D.C.: Economic Policy Institute. At: <http://www.epi.org/publication/ib341-raising-federal-minimum-wage/>