

Fact Sheet

Chicago Retail Living Wage Law



Goals of the law:

- Like many urban areas, Chicago is experiencing a wave of large retail development. Leading chains including Wal-Mart, Target and Home Depot are opening new stores to serve the largely untapped urban consumer market. The jobs generated will be a major source of employment in future decades for urban residents without college degrees. But while the retail industry is led by some of our largest and most successful companies, it is also one of the greatest sources of low-wage jobs in our economy. Like other communities, Chicago is looking for ways to ensure that this new retail development meets community needs by providing not just access to low-cost goods, but also jobs with family-sustaining wages.

How it would work:

- Chicago's retail living wage law requires large retailers to: (a) pay a minimum wage of \$9.25 an hour in 2007, phasing up to \$10.00 by 2010; and (b) contribute an additional amount in the form of employee benefits or supplemental wages. The supplement would begin at \$1.50 an hour, and phase up to \$3.00 by 2010. Employers would begin paying employees the supplement after a waiting period of 90 days for full-time employees, and 180 days for part-time.
- The law would cover retailers with sales of \$1 billion or more operating "big box" stores of 90,000 square feet or more. Stores such as Wal-Mart, Target, Home Depot, Lowe's, Costco, Toys R Us and others would be covered.
- A University of Illinois analysis of an earlier version of the law estimated that it would cover about 35 Chicago stores and approximately 16,250 employees.

Current status:

- On July 26, 2006, the Chicago city council passed the ordinance by a 35-to-14 margin. A June poll by a national public opinion firm found that 84% of Chicago voters support the proposal.

For more information:

- The Brennan Center is advising local lawmakers and advocates in Chicago in developing and analyzing the proposal. For more information, contact Paul Sonn at (917) 566-0680 or Annette Bernhardt at (917) 445-0410.
- The Chicago campaign is backed by a broad coalition of anti-poverty, faith-based, labor and community groups. For more information, contact Madeline Talbott at Illinois ACORN at (312) 235-5467 or Ken Snyder at the Grassroots Collaborative at (312) 427-0510.