

# Gov. J.B. Pritzker signs law raising Illinois' minimum wage to \$15 an hour by 2025

Dan Petrella Contact Reporter Chicago Tribune, Feb. 9, 2019

Low-wage workers across Illinois will ring in 2020 with a \$1-per-hour raise after Gov. J.B. Pritzker on Tuesday signed a bill that sets the state's minimum wage on a path to reach \$15 per hour by 2025.

Pritzker signed the bill into law Tuesday morning during a ceremony at the Governor's Mansion in Springfield, making Illinois among the first states to approve a minimum wage of \$15 per hour, a goal set by the labor-backed Fight for \$15 movement. California will hit that level in 2022, Massachusetts in 2023 and New Jersey in 2024. New York's minimum wage eventually will reach \$15 per hour statewide through a series of increases tied to inflation.

Illinois last increased its minimum wage, to \$8.25 per hour, in 2010.

"For nine long years, there were many forces that were arrayed against giving a raise to the people who work so hard to provide home care for seniors, child care for toddlers, who wash dishes at the diner, and who farm our fields," Pritzker said before signing the measure. "Today is a victory for the cause of economic justice."

By signing the minimum wage increase into law before delivering his first budget proposal to lawmakers on Wednesday, Pritzker scored a major victory in the opening weeks of his term, fulfilling a campaign promise and demonstrating the power Democrats now wield in Springfield with control of the governor's office and the legislature. But Pritzker's first legislative victory came without a single Republican vote, highlighting the challenge he'll face making good on his promise to work with the minority party.

An estimated 1.4 million Illinois residents currently make less than \$15 an hour. Under

the law, on Jan. 1 the statewide minimum wage increases from \$8.25 to \$9.25 per hour. The minimum wage again will increase to \$10 per hour on July 1, 2020, and will then go up \$1 per hour each year on Jan. 1 until hitting \$15 per hour in 2025.

Since Illinois last raised its minimum wage, Chicago has increased its minimum wage to \$12 per hour, and Cook County's is now \$11. The city and county minimums each will increase by \$1 per hour July 1. The federal minimum wage remains \$7.25 per hour.

"It's been a long, long, long time coming," said Senate Majority Leader Kimberly Lightford, a Maywood Democrat who has sponsored numerous minimum wage bills, including the one signed Tuesday and another then-Gov. Bruce Rauner vetoed in 2017. "And so many people deserve the opportunity just to feel hope, to feel like they can go to work and come home and have dignity and pride and respect in what they do. This is our first step in giving them that opportunity."

While Democrats and their supporters in organized labor were celebrating the minimum wage victory, Republicans and business interests continued sounding warnings that rising wages will lead employers to cut workers' hours, eliminate jobs, invest in automation or close their doors. GOP lawmakers and business groups called for lower minimum wages in the collar counties outside Chicago and downstate to account for the lower cost of living in those areas.

Businesses already are evaluating how a higher minimum wage will affect the bottom line and beginning to plan accordingly, said Rob Karr, president and CEO of the Illinois Retail Merchants Association, which led the push for a minimum wage that varies by region.

"They have a limited ability to raise prices, so ... everything's going to be on the table," Karr said, including cutting employee benefits and jobs.

In an attempt to ease the burden on employers, the law creates a tax credit to help businesses with 50 or fewer employees offset some of the cost of wage increases. Employers will be able to claim a tax credit for 25 percent of the cost in 2020, and the credit will scale back annually, then eventually phase out.

The law also preserves the way restaurants and other employers with tipped workers count gratuities toward employees' wages, and it 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 — currently \$7.75 per hour — would increase to \$8 on Jan. 1 and peak at \$13 per hour in 2025.

Like most issues in Springfield, the state's troubled finances entered the minimum wage debate. State agencies and universities employ workers who earn minimum wage, and the state reimburses social service providers who care for the elderly and people with disabilities, among other services. So an increase in the minimum wage means higher costs for the state each year it goes up. Pritzker has promised his budget proposal will account for those costs.