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**MAYOR LIGHTFOOT UNVEILS PLAN TO RAISE CHICAGO'S MINIMUM WAGE TO
\$15 PER HOUR BY 2021**

Landmark legislation accelerates minimum wage increase and removes exemptions to create economic stability and vitality for hundreds of thousands of Chicago workers

CHICAGO—Mayor Lori E. Lightfoot today introduced a plan to raise the minimum wage in Chicago to \$15 per hour by 2021. This ordinance, introduced today as part of Mayor Lightfoot's 2020 budget, will increase the minimum wage for many Chicago workers who are already receiving \$13, and help tens of thousands more by responsibly eliminating many of the exemptions that exist in the current law. Together, these changes will bring much-needed economic relief to hundreds of thousands of workers and help to reduce poverty in the city.

"Today, we are taking an important step to address poverty in our city and bring economic relief to more residents. Increasing Chicago's minimum wage to \$15 an hour by 2021 was a promise I made to residents during the campaign because it is fundamental to our mission of ensuring every Chicagoan has the chance to earn a fair and competitive wage," said Mayor Lightfoot. "The proposal we've put forward will not only address wage stagnation affecting hundreds of thousands of workers in our city, but it will also eliminate exemptions for disabled workers, youth and other key populations. While we have much more to do to eradicate poverty in our city, this measure was developed with input from elected officials, labor, business and other key stakeholders to help ensure more Chicagoans are able to provide for their families."

The Mayor's proposal expands Chicago's minimum wage to include a significant number of workers who are not currently covered. This proposal provides a pathway to bring youth, disabled workers, and sister agencies to a shared minimum wage by 2025 and advances the \$15 minimum wage for most currently covered employees in Chicago to 2021, four years before the State of Illinois' requirements take hold. This reform, which will increase wages and take-home pay for working class Chicagoans, is the product of input and collaboration by elected officials, businesses, workers and organized labor.



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The Mayor's proposal lays out a responsible path to implementation, allowing flexibility for small businesses to come into compliance. Beginning on July 1, 2020, the minimum wage will increase from the current rate of \$13/hour to \$14/hour for large businesses. It will again increase to \$15/hour for current employees and those at the City's sister agencies in July 2021. Thereafter, minimum wage will increase annually at a rate commensurate with the consumer price index capped at 2.5 percent annually. Small businesses with 20 or fewer employees, will have an extended timeline to reach the requirements – minimum wage for employees at these enterprises will increase by 50 cents per year, starting in 2020, to reach \$15/hour by 2023. Micro-businesses, with fewer than 4 employees, will not be subject to the Minimum Wage Ordinance.

"Chicago's plan is a win for economic prosperity," said Ben Harris, Executive Director of the Kellogg School of Management's Public-Private Interface and former chief economist to Vice President Joe Biden. "Getting to a \$15 minimum wage faster is going to lift up the economy of the whole region by putting in place the policies that will lead not only to a better life for the city's lower-wage workers, but also savings for taxpayers and a more stable labor market."

The revised minimum wage ordinance will also support important reforms for our disabled residents. Starting in 2024, employers will no longer be able to pay sub-minimum wage for these workers. This is part of an important national movement to move away from an outdated mindset that disabled workers should be sheltered and institutionalized. Mayor Lightfoot knows that people with disabilities are incredibly loyal and dedicated workers and can be critical to fill high vacancy areas.

"We commend Mayor Lightfoot for introducing a proposal to accelerate the minimum wage that won't overlook people with disabilities working in the community," said Rebecca Clark, President and CEO of Anixter Center, an agency that serves people with disabilities. "As an agency that values fair compensation for all people, we know firsthand that people who had been segregated are have been able to find jobs in the community, and businesses, too, have benefited from hiring people with disabilities."

A growing number of youth under the age of 18 are bringing in much needed income to their families. Under Mayor Lightfoot's proposal youth will also see a gradual increase, starting at \$10/hour in 2020 and reaching \$15/hour by 2024. By 2025 there will no longer be a minimum wage exemption for youth.

Thousands of tipped workers will also receive a raise in 2020 under the Mayor's proposal, from \$6.40 to \$8.40 an hour. Tips can be counted towards the remaining



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balance for the employee to reach the minimum wage. If the employee does not earn enough in tips to reach the full minimum wage, the employer is required to provide additional pay to make the employer whole. This policy gives restaurant owners and workers the flexibility to meet the demands of their industry while raising the minimum wage.

“We must have balance between the needs of hard-working Chicagoans and the neighborhood businesses that drive our economy,” said Sam Toia, President & CEO, Illinois Restaurant Association. “This ordinance takes a pragmatic approach to a \$15 minimum wage that will protect jobs while keeping costs reasonable for both restaurants and diners.”

To ensure tipped workers are not left behind, the City’s Department of Business Affairs and Consumer Protection (BACP) will conduct a study of the economic impact of tipped wages and the effectiveness of current enforcement in 2020. Chicago’s Minimum Wage Ordinance, along with other landmark labor legislation such as Paid Sick Leave and Fair Workweek, is administered and enforced by the Office of Labor Standards within BACP. In the first three quarters of 2019, BACP has received 214 minimum wage and paid sick leave complaints, issuing fines of \$96,200 against 85 employers and earning restitution totaling \$29,614 for workers.

“All of Chicago’s workers should know that the City has their back,” said Rosa Escareno, BACP Commissioner. “Under Mayor Lightfoot’s leadership, we are working hard to make sure that all employees are paid a living wage, given full paid sick time benefits and are free from unfair scheduling practices.”

Along with the increased minimum wage, the City of Chicago will implement the Fair Workweek Ordinance on July 1, 2020. This signature legislation from Mayor Lightfoot, passed by City Council in July, created the nation’s most expansive scheduling requirements for workers, ensuring fair working conditions and schedule stability for hundreds of thousands of Chicago’s workers.

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