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## State's Minimum Wage Rises to \$8.25 an Hour

### *Wage Increase Will Help More Than 409,000 Hard-Working Residents and Provide Economic Stimulus to Illinois*

CHICAGO – July 1, 2010. The Illinois Department of Labor (IDOL) is reminding thousands of Illinois workers that the state's minimum wage increased to \$8.25 an hour today.

According to an Economic Policy Institute (EPI) study, the increase in the minimum wage will help over 409,000 workers confront the rising cost of living and better afford basic necessities like groceries, gas, rent, childcare and medicine.

"The Illinois Department of Labor has worked diligently to ensure workers receive fair wages, so they can meet their basic needs and have the ability to spend more, which in turn helps stimulate the economy," said IDOL Director Catherine Shannon. "Employees and employers should be aware that as of July 1, the Department will be enforcing a higher minimum wage of \$8.25 an hour."

Illinois' minimum wage rose to \$7.50 an hour in July 2007, with automatic increases of 25 cents per year built in over the next three following years to \$7.75 on July 1, 2008; \$8.00 on July 1, 2009; and \$8.25 on July 1, 2010. A higher minimum wage helps families earn above the national poverty level. This increase is the last automatic increase provided for by state law.

Raising the minimum wage to \$8.25 an hour will generate an additional \$520 in annual wages for a full-time minimum wage worker, up to \$17,160 per year. Additionally, full time minimum wage workers in Illinois will earn \$2,080 more in annual wages than workers receiving the federal minimum wage of \$7.25 an hour.

The Department conducts investigations of businesses to help ensure compliance with the Minimum Wage Law. In 2009, it conducted over 1,500 investigations of alleged violations and collected over \$1.4 million in underpaid wages to Illinois workers.

Workers under 18 may be paid 50 cents less per hour less than the adult minimum wage. Tip credits may be up to but not exceed 40 percent of the minimum wage. Workers who are not receiving at least the minimum wage should call the IDOL hotline at **1-800-478-3998** to file a complaint.

Research completed in 2009 by the EPI found that a wage increase helps families gain financial security and boosts consumer spending and the broader economy. Workers who receive higher wages have an increased ability to purchase goods and services, thus creating more jobs, according to the study.

In another study, EPI and Voices for Illinois Children found that more than 80 percent of minimum wage workers in Illinois are working adults, not teenagers, and one-third of minimum wage earners are sole breadwinners for their families. Additionally, approximately 144,000 of the workers who would benefit directly from the minimum wage increase are working parents and nearly 60 percent of them are women.

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