

Living Wage For Retail Workers Narrowly Defeated in Chicago

For Immediate Release

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Chicago, IL – Today Mayor Richard Daley, in his first veto in his seventeen years as Mayor of the City of Chicago, rejected a new ordinance requiring large retailers in the city to pay their employees a living wage. The proposal would have been the first of its type in the nation, and would have raised pay for tens of thousands of workers at large retailers such as Wal-Mart, Target, Toys R Us, Lowe's and Home Depot. The City Council voted 31-to-18 to over-ride his veto, coming 3 votes shy of the necessary two-thirds needed to override.

The Brennan Center for Justice at NYU School of Law advised the Chicago City Council in drafting the proposed law and provided economic research to help policymakers assess its impact.

“Working families in Chicago understand that this law is about bringing living wage jobs to their communities,” said Paul Sonn, deputy director of the Poverty Program at the Brennan Center. “It’s unfortunate that politics

trumped the needs of the city in this first round, especially when 71% of residents support the measure," continued Sonn.

"Cities across the country are facing growing numbers of working poor in their communities, and a key part of the problem is low-wage retail jobs," said Annette Bernhardt, deputy director of the Poverty Program at the Brennan Center. "There is no question that Chicago and other cities will continue to pursue strategies like this one in order to ensure that economic development delivers good jobs for their residents."

The grassroots campaign for the law was led by Chicago's Grassroots Collaborative and ACORN, and includes a broad coalition of labor, anti-poverty and faith community groups.

The living wage law would have asked large retailers with sales of \$1 billion or more operating stores larger than 90,000 square feet in Chicago to pay a living wage and contribute an additional amount for benefits or supplemental wages. The living wage would start at \$9.25 an hour in 2007, and phase up to \$10.00 by 2010. The supplement would start at \$1.50 an hour in 2007, and phase up to \$3.00 by 2010.

In assessing the likely impact of the law on the local economy, advocates took their cue from the experience

of other cities. In Santa Fe, Wal-Mart, Target and Sam's Club quickly adapted to paying the city's living wage of \$9.50, and Wal-Mart, Lowe's and Kohl's are all opening new stores in the city. In San Francisco, the Home Depot recently agreed to adopt a starting wage of \$10.75 an hour in opening its first store in the city. Leading retailer Costco already pays all of its employees nationwide a living wage of \$10 per hour plus health benefits. For more information on economic impacts click [here](#).

"Local wage laws have generally been upheld when challenged in court," explained Sonn. "In 2005, the Brennan Center successfully defended Santa Fe's wage ordinance in court. Just last month a federal court in California upheld a local wage law similar to the Chicago proposal." A legal analysis of the Chicago proposal prepared by the Brennan Center and an expert on Illinois municipal law found that the ordinance was legal and would be upheld if challenged in court.