

## **Living Wage for Retail Workers Passes in Chicago**

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## **Living Wage for Retail Workers Passes in Chicago New Law Would Be First in the Nation**

Chicago, IL -- Today the Chicago city council voted 35-to-14 to approve a new ordinance requiring large retailers in the city pay their employees a living wage. If signed into law by Mayor Richard Daley, it would become the first of its type in the nation, and would raise pay for tens of thousands of workers at large retailers such as Wal-Mart, Target, Toys R Us, Lowe's and Home Depot.

The Brennan Center for Justice at NYU School of Law advised the Chicago City Council in designing the proposed law and served as the lead counsel to the grassroots campaign in support of the legislation.

"With this vote, Chicago is joining cities and states

across the country in doing what Washington has failed to do: raise the wage floor for working families," said Annette Bernhardt, deputy director of the Poverty Program at the Brennan Center. "What Chicago is adding to the mix is a clear message to big retailers that if they want to come into urban areas, they need to bring good jobs with benefits."

"Big retail is one of the fastest growing industries in Chicago, and it's also one of the lowest paying. This law is a way for cities to make sure that economic development delivers good jobs for their residents," continued Bernhardt. Inner-city Chicago represents more than \$5 billion in annual buying power, a significant chunk of which is currently untapped by retailers.

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 ask 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 in 2007, and phase up to \$10.00 by 2010. The supplement would start at \$1.50 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 is now seeking to build a new supercenter. In San Francisco, the Home Depot recently agreed to adopt a starting wage of \$10.75 an hour in return for 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](#).

A legal analysis of the law published by an expert on Illinois municipal law, Professor Laurie Reynolds of the University of Illinois College of Law, found that the ordinance was legal and likely to be upheld if challenged in court. "The recent ruling that a Maryland health benefits law violated ERISA (the federal Employee Retirement Income Security Act) has no bearing on the Chicago law," explains Paul Sonn, deputy director of the Poverty Program at the Brennan Center. "Every federal court of appeals that has reviewed a wage law like the Chicago ordinance has upheld the law under ERISA.