

# Employment Quality in Illinois

## Fact Sheet Series of the Project for Middle Class Renewal

### Workers need adequate pay and hours to provide for themselves and their families

Researchers with the **Project for Middle-Class Renewal** conducted a survey of more than 3,500 workers across the state of Illinois in the fall of 2021 to collect data on aspects of employment quality, including pay and scheduling.

This research shows that **pay is critical for employment quality, but wages are only part of the equation.**

Workers also need adequate work hours and a stable schedule to be able to maintain a decent income and balance work and family responsibilities. Policies that promote more stable hours and earnings at the bottom of the labor market—such as Fair Workweek and **One Fair Wage legislation (HB5139)**—would reduce gender and racial inequality while improving employment quality.



### A living wage is still out of reach for many workers in Illinois

In recent years, minimum wages have gone up across Illinois and more so in Chicago. But many workers still earn less than \$15/hour, below what a full-time worker needs to cover basic expenses in the state according to the MIT Living Wage Calculator. The industries with larger shares of low-wage jobs are also industries in which women and workers of color are overrepresented.

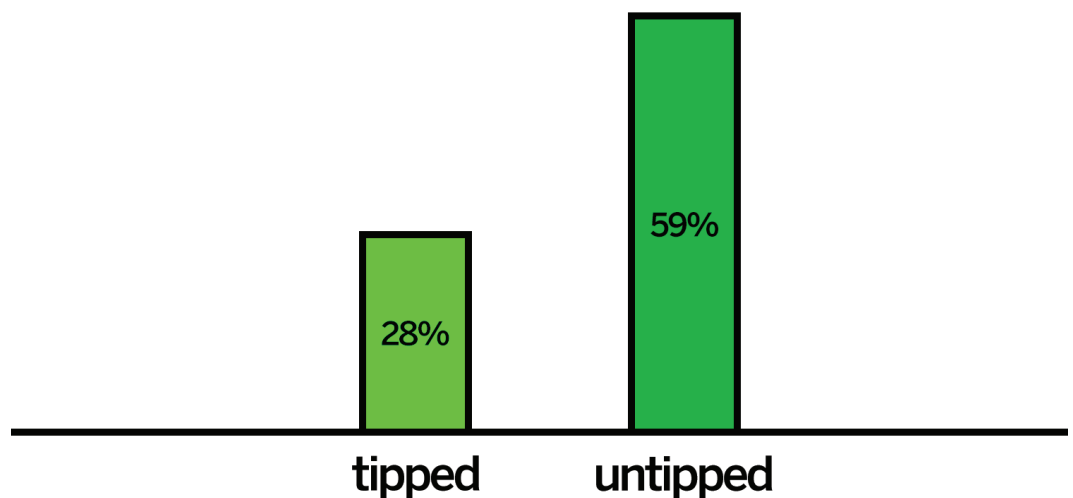
**29% of Illinois workers paid by the hour were earning less than \$15 per hour, consisting of 35% of women and 23% of men on hourly wages.**

- In Illinois as in other states, employers are allowed to pay tipped workers a subminimum wage below the minimum wage for other workers. 48% of workers who earn tips are paid less than \$15/hour.

- Workers making less than \$15/hour are most concentrated in the restaurant (63%), entertainment (55%), and retail (45%) industries.

- On average, union workers report 16% higher monthly pay than non-union workers.

### Wages are lower for tipped workers, but tips don't make up the difference



Only **28% of tipped workers** earn \$2,400 or more per month (the monthly equivalent of \$15 per hour for a full-time worker), compared with **59% of workers who aren't paid tips.**



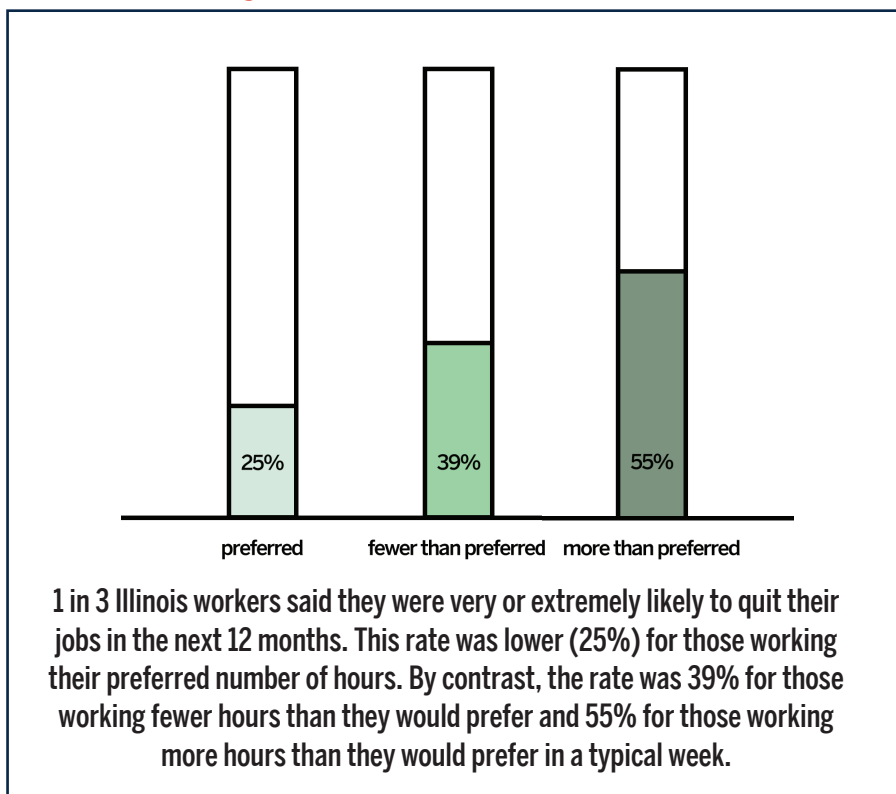
## Too few hours means not enough pay for hourly workers

**About 60% of part-time workers are underemployed, with 24% reporting extreme underemployment, preferring 10+ more weekly hours of work.**

Inadequate work hours also contribute to low monthly pay, earning less than \$2,000 per month. Underemployment, or working fewer hours than the worker would prefer, is an important indicator of economic hardship, correlating with low monthly pay as well as use of SNAP or food stamps.

- Nearly a third (31%) of part-time workers experiencing extreme underemployment receive SNAP, compared to 12% of those working their preferred number of hours.

- 62% of workers who report low monthly pay (< \$2,000) would prefer to work more hours, compared to 42% of workers who earn more than \$4,000 a month.

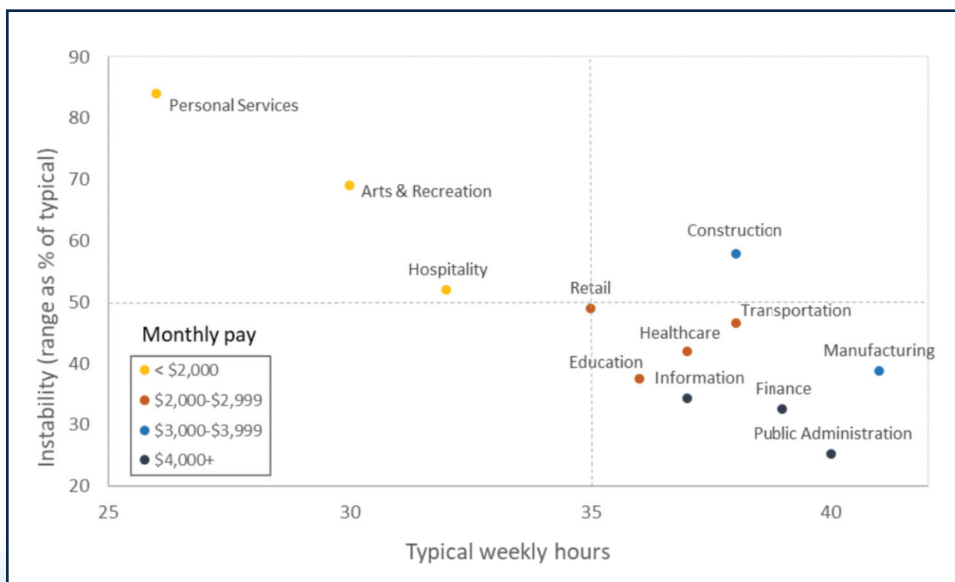


## Unstable schedules worsen problems with low pay and hours

38% of Illinois workers have no input into their work schedule. 9% also have extremely unstable hours that vary by 50% or more in the past four weeks. Workers with extremely unstable hours are more likely to say the demands of their job interfere with their life outside of work, compared with workers who either have some input into their schedule or relatively stable hours that vary by less than 25% in the past four weeks.

- 42% of working parents with extreme instability say it is very or extremely difficult to coordinate their work schedule with childcare or other caregiving arrangements.

- Parents living with children under 18 are more likely to experience unstable hours and related hardships. Extremely unstable hours increase the risk of underemployment, low monthly pay, and relying on safety net programs like SNAP to make ends meet.



This figure shows the average hours and instability for select industries in Illinois. **Industries with lower typical weekly hours, i.e. more part-time work, also have more instability from week to week.** This combination of underemployment and instability is most acute in arts and recreation and personal services such as house cleaning and hair salons. By contrast, higher-paying industries such as finance and public administration have more weekly hours and less instability on average.