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Part I

IMPROVING WORKPLACE STANDARDS
The Minimum Wage

Federal minimum wage, 1938-2016

Shown in nominal (not adjusted for inflation) dollars and 2016 (inflation-adjusted) dollars

Minimum wage (adjusted to 2016 dollars)

Minimum wage (unadjusted)


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Why raise the minimum wage?

- Cost of other goods
- Rising inequality
- Shifting economy
- Risk shifts from employer to employee
The $15 Minimum Wage

- Federal level policy: Raise the Wage Act
- State level policy: California, New York, DC*
- Local level policy: Seattle, Mountain View and Sunnyvale, CA
- Number of state and local level increases but not to $15 per hour
Improving Work Schedules: Principles

- Provide greater employee input into work schedules.
- Provide advance notice of work schedules.
- Discourage last-minute changes to scheduled shifts.
- Expand opportunities for part-time workers.
Improving Work Schedules: Legislation

- Local ordinances – a few examples:
  - San Francisco Retail Workers’ Bill of Rights (2014)
  - Seattle Secure Scheduling (2016)
  - San Jose Opportunity to Work (2016 ballot measure)

- State law: Oregon Fair Work Week Act (2017)

- Federal bill: Schedules That Work Act

- Illinois: Fair Scheduling Act (HB 5046)
Providing Time to Care: Paid Family & Medical Leave

What PFML provides time off for:

- Own sickness
- Self, spouse, family members illness
- Bonding with an infant, adopted or foster child

Five states and DC with PMFL (CA, NJ, NY, RI, WA, DC)*

Why do we need it?
What does PMFL provide?

- Wage replacement during sanctioned leaves
- 4 - 12 weeks of paid leave, depending on state
- Can be coupled with Temporary Disability Insurance (public and private)
- Some state PMFL programs provide job protection
## Differences in PMFL across States

<table>
<thead>
<tr>
<th></th>
<th>California</th>
<th>New Jersey</th>
<th>New York</th>
<th>Rhode Island</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings Requirement</td>
<td>$300</td>
<td>$8,500</td>
<td>hourly</td>
<td>$12,120</td>
</tr>
<tr>
<td>Duration</td>
<td>6</td>
<td>6</td>
<td>8*</td>
<td>4</td>
</tr>
<tr>
<td>Wage Replacement</td>
<td>60-70%</td>
<td>66%</td>
<td>50%</td>
<td>60%</td>
</tr>
<tr>
<td>Minimum Benefit</td>
<td>$50</td>
<td>None</td>
<td>None</td>
<td>$89</td>
</tr>
<tr>
<td>Maximum Benefit</td>
<td>$1,216</td>
<td>$637</td>
<td>$653</td>
<td>$831</td>
</tr>
</tbody>
</table>
Providing Time to Care: Paid Sick Days

- Helps workers balance work and family
- Contributes to employee retention
- 65% of US employees had paid sick days from employer
- Only 20% of workers in bottom 10% of wage earners had paid sick leave
What do paid sick days laws provide?

- No federal law to provide paid sick days
- 9 states (AZ, CA, CT, MD, MA, OR, RI, VT, WA) + DC
- 29 cities and 2 counties also have paid sick leave laws
- Varying requirement to qualify
- 5 to 9 days a year on average
# Paid Sick Days in Illinois

<table>
<thead>
<tr>
<th></th>
<th>CHICAGO PAID SICK LEAVE ORDINANCE</th>
<th>COOK COUNTY EARNED PAID SICK LEAVE ORDINANCE</th>
<th>ILLINOIS EMPLOYEE SICK LEAVE ACT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Date</td>
<td>July 1, 2017</td>
<td>July 1, 2017</td>
<td>January 1, 2017</td>
</tr>
<tr>
<td>Who is Covered</td>
<td>Employees that work 80 hours within a 120-day period</td>
<td>Employees that work 80 hours within a 120-day period</td>
<td>Illinois employees of employers that provide paid sick leave</td>
</tr>
<tr>
<td>When Employee May Begin Using Sick Leave</td>
<td>180 days after start of employment</td>
<td>180 days after start of employment</td>
<td>Employer policy governs</td>
</tr>
<tr>
<td>Required Rate of Accrual</td>
<td>One hour for every 40 hours worked</td>
<td>One hour for every 40 hours worked</td>
<td>Employer policy governs</td>
</tr>
<tr>
<td>Minimum Total Hours Accrued Annually</td>
<td>40 hours</td>
<td>40 hours</td>
<td>Employer policy governs</td>
</tr>
<tr>
<td>Required Carryover</td>
<td>20 hours</td>
<td>20 hours</td>
<td>Employers policy governs</td>
</tr>
<tr>
<td>Additional Carryover for FMLA Purposes</td>
<td>40 hours</td>
<td>40 hours</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Advance Notice Requirement</td>
<td>7 days or as soon as practicable</td>
<td>7 days or as soon as practicable</td>
<td>Employer policy governs</td>
</tr>
</tbody>
</table>
Part II

BOOSTING INCOMES THROUGH THE TAX CODE
Tax credits for working families make a (big!) difference.

**Earned Income Tax Credit and Child Tax Credit Have Powerful Antipoverty Impact**

Millions of persons lifted out of poverty or made less poor (using Supplemental Poverty Measure) by EITC and CTC, 2014.

<table>
<thead>
<tr>
<th>All persons</th>
<th>Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lifted out of poverty</td>
<td>Made less poor</td>
</tr>
<tr>
<td>31.7 million</td>
<td>13.3 million</td>
</tr>
<tr>
<td>10.6</td>
<td>5.6</td>
</tr>
<tr>
<td>21.1</td>
<td>7.7</td>
</tr>
</tbody>
</table>

Note: Unlike the Census Bureau’s official poverty measure, the SPM counts the effect of government benefit programs and tax credits.


**Higher Earned Income Tax Credit or Other Income for Poor Children Expected to Boost Work and Earnings Later in Life**

$3,000 annual increase in income to poor children before age 6 associated with increase in work hours when they become adults.

+$3,000 a year  
+135 working hours a year

For each $3,000 a year in added income that children in a poor family receive before age 6...  
...their working hours rise by 135 hours a year between ages 25 and 37, and their annual earnings rise by 17%.

* Note: The published paper uses a 19% figure, but the authors have indicated that this is a typographical error and 17 percent is correct.


Source: CBPP, Chart Book: The Earned Income Tax Credit & Child Tax Credit (May 2016)
The Child & Dependent Care Tax Credit helps, too (sort of).

- CDCTC allows parents to claim a percentage of care expenses as a credit against tax liability.

- Max credit = 35% of up to $3,000 of care expenses for one child ($6,000 for 2+ children) for families with AGI of $15,000 or less. Rate decreases as AGI increases until it reaches 20% for families with AGI of $43,000+.

  - BUT the credit is not refundable. A single mother of two with AGI of $20,000 and child care expenses of $6,000 is theoretically eligible for a CDCTC of $1,920. But with no federal tax liability, her CDCTC = $0.

  - Plus – low expense limits, no inflation adjustments
Refundability Matters: Exhibit A

California CDCTC credit amount by income level, 2010 (refundable)

Source: California Franchise Tax Board Data Portal

Adjusted Gross Income Class Comparison, All Filing Statuses 2010
Source: FTB Open Data Portal - Annual Report Table B-4A

Source: California Franchise Tax Board Data Portal
Refundability Matters: Exhibit B

California CDCTC credit amount by income level, 2011 (non-refundable)

Adjusted Gross Income Class Comparison, All Filing Statuses 2011

Source: FTB Open Data Portal - Annual Report Table B-4A

Source: California Franchise Tax Board Data Portal
Tax Credits for Illinois Families

- **State EITC**
  - Increased from 10% of federal EITC to 14% in 2017; will rise to 18% in 2018
  - Fully refundable

- **No state CTC**

- **No state CDCTC**
Part III

QUESTIONS?
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spring into action

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