

ILLINOIS ECONOMIC POLICY INSTITUTE

1ST ANNUAL FUNDRAISER



ABOUT ILEPI

*The Illinois Economic Policy Institute is a **nonprofit organization** out of La Grange, IL*



RELEASED OVER 160 REPORTS



*Transportation, infrastructure,
education, wages, labor standards,
economic development, and budgets*



ANALYTICS & STATISTICS



*ILEPI uses advanced statistics,
survey techniques, and the latest
forecasting models*



FOCUS ON ILLINOIS & MIDWEST



*Empower individuals,
policymakers, and lawmakers to
make informed policy decisions*

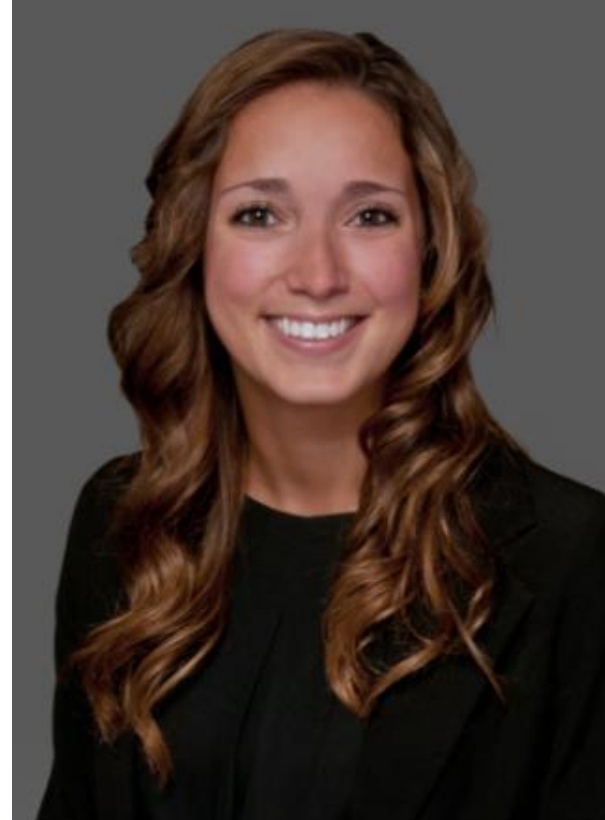
OUR TEAM



FRANK MANZO IV
Policy Director



MARY CRAIGHEAD
Transportation Policy Analyst



ALLISON TAYLOR
Comptroller



JILL MANZO
Midwest Researcher

OUR TEAM



From left to right: Mary Craighead (Transportation Policy Analyst), Frank Manzo IV (Policy Director), Allison Taylor (Comptroller), and Jill Manzo (Midwest Researcher)

OUR GOALS



Advance high-quality jobs and a strong economy



Provide rigorous, objective, and sound analyses



Foster effective and responsible governments



Positively contribute to the policy dialogue

WAGES AND LABOR STANDARDS



“RIGHT-TO-WORK” LAWS HAD NEGATIVE CONSEQUENCES FOR WORKERS IN INDIANA, MICHIGAN, AND WISCONSIN



Reduced unionization rate by 2.1 percentage points



Lowered real hourly wages by 2.6%



Had larger impact on middle-class jobs such as construction and service (including police and firefighters)



Decreased wages of workers with two- and four-year college degrees

"RIGHT-TO-WORK" LAWS REDUCE WORKER WAGES

Insights from the Midwest

WORKER OCCUPATION	HOURLY WAGE REDUCTION
Construction & extraction	-5.9%
Service (i.e., police officers & firefighters)	-3.1%
Office & administrative support	-2.7%
Retail & business sales	-2.4%
Professional, educational, & health	-1.9%

"RIGHT-TO-WORK" IN THE MIDWEST

IN, MI, WI vs. IL, MN, OH

"Right-to-Work"

"Collective Bargaining"

**8 PERCENT
LESS**

per hour earned on
average in "Right-to-
Work" Midwest states



**2.1 PERCENTAGE
POINTS**

reduction in unionization
rate on average in "Right-
to-Work" Midwest states



3 PERCENT DECREASE

"Right-to-Work" impact on
wages of workers with
bachelor's degrees and
associate's degrees in Midwest



\$22.34 vs. \$24.29

"Right-to-
Work"
wage

"Collective
Bargaining"
wage

PUBLIC APPEARANCES



Frank Manzo IV, Policy Director, debating about prevailing wage on Chicago Tonight.



Frank Manzo IV, Policy Director, debating about minimum wage on Chicago Tonight.

EDUCATION AND WORKER TRAINING



THE RECENT BUDGET IMPASSE IN ILLINOIS AND ITS IMPACT ON HIGHER EDUCATION



72,000 fewer students enrolled



7,500 total jobs lost in the state



Tuition and fees rose 7% during the impasse



Cost Illinois' economy \$1 billion each year of impasse

66%

of Illinois students graduate
with college loan debt



72,000 fewer
students enrolled



7,500 total jobs
lost in the state



tuition & fees rose by
7% during two-year
impasse



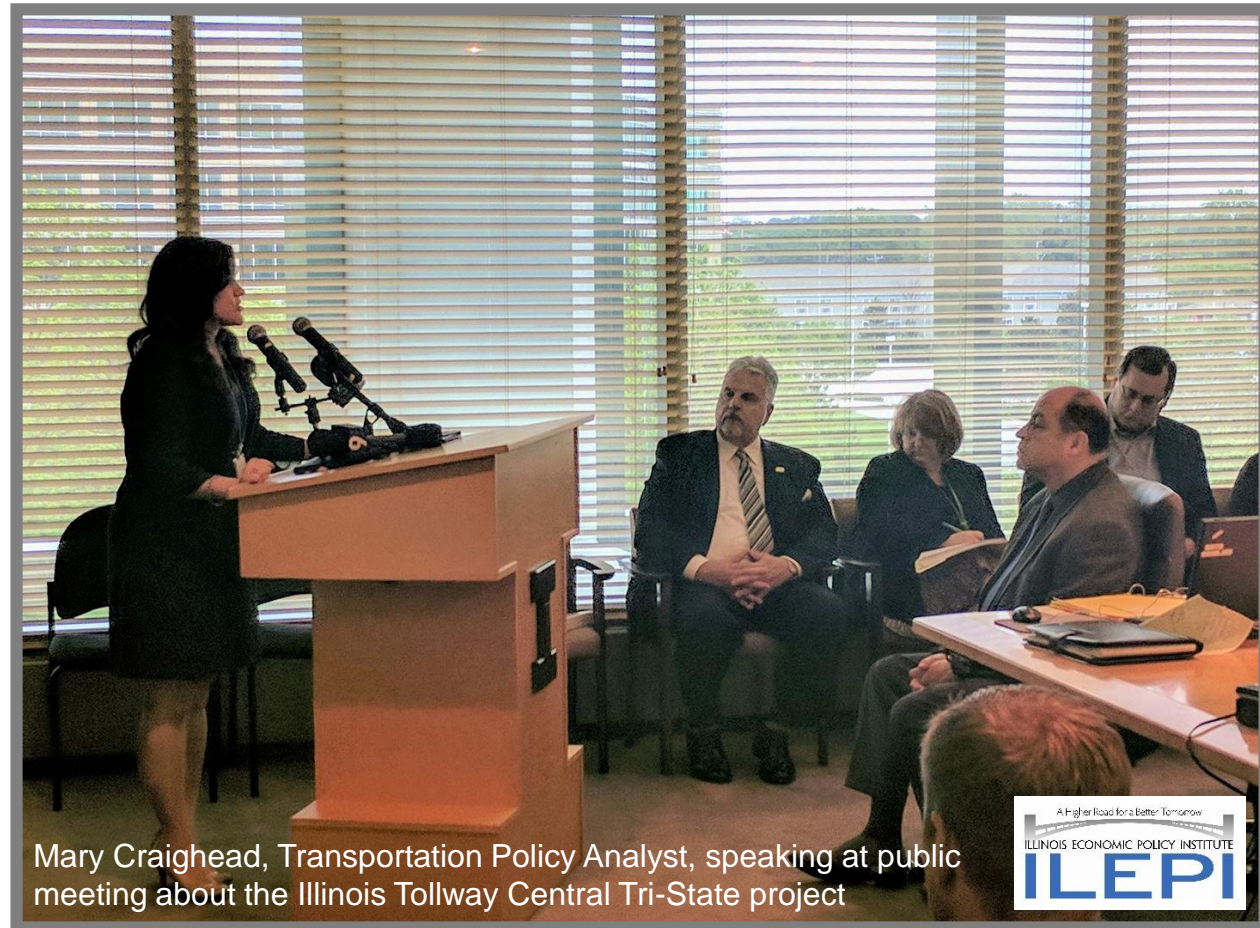
cost Illinois' economy
\$1 billion each year
of impasse



**HIGHER
EDUCATION
CONSEQUENCES
DUE TO
ILLINOIS'
TWO-YEAR
BUDGET
IMPASSE**



PUBLIC APPEARANCES



INFRASTRUCTURE AND TRANSPORTATION



IN SUPPORT OF ROUTE 53/120: THE IMPACT ON LAKE COUNTY AND THE CHICAGO REGION



Add \$1.6 billion to Lake County's GDP during construction



Create 5,000 middle-class jobs



Save a commuter up to \$2,300 annually from shorter commute times



Reduce daily congested vehicle hours traveled by 64,000 by 2040



WHY EXTEND **ROUTE 53/120** INTO LAKE COUNTY?



Extension of Rt. 53 will add **5,000** middle-class jobs and **\$1.6 billion** to Lake County's GDP during the construction phase

A commuter could save more than **\$2,300** in annual benefits from shorter commute times

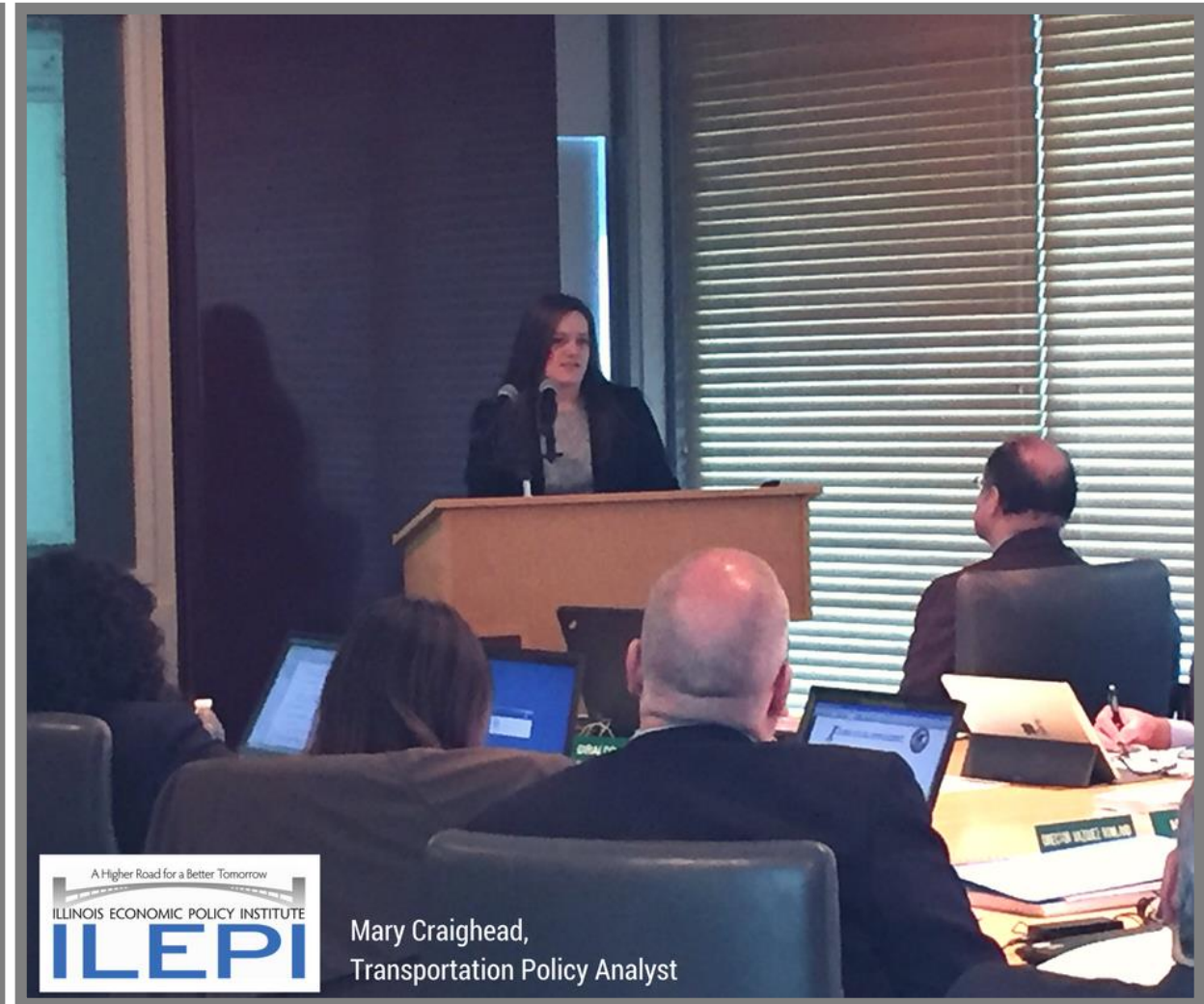
Travel times in area will improve by **21-31%** by 2040

Daily regional congested vehicle hours traveled will be reduced by over **64,000 hours** by 2040

Sick of Sitting in Traffic?

THE **IL-Route 53** EXTENSION
**REDUCE TRAVEL TIMES BY UP TO 31% FOR
SOME TRIPS AROUND LAKE COUNTY.**

PUBLIC APPEARANCES



BUDGETS AND ECONOMIC DEVELOPMENT



BUSINESS SUBSIDIES IN ILLINOIS AND BETTER ALTERNATIVES FOR JOB CREATION



2,100 jobs per year from investments
in public infrastructure



6,100 jobs per year from investments
in public K-12 education



3,400 jobs per year from investments
in higher education



2,500 jobs per year from investments
in working-class tax credits (EITC)

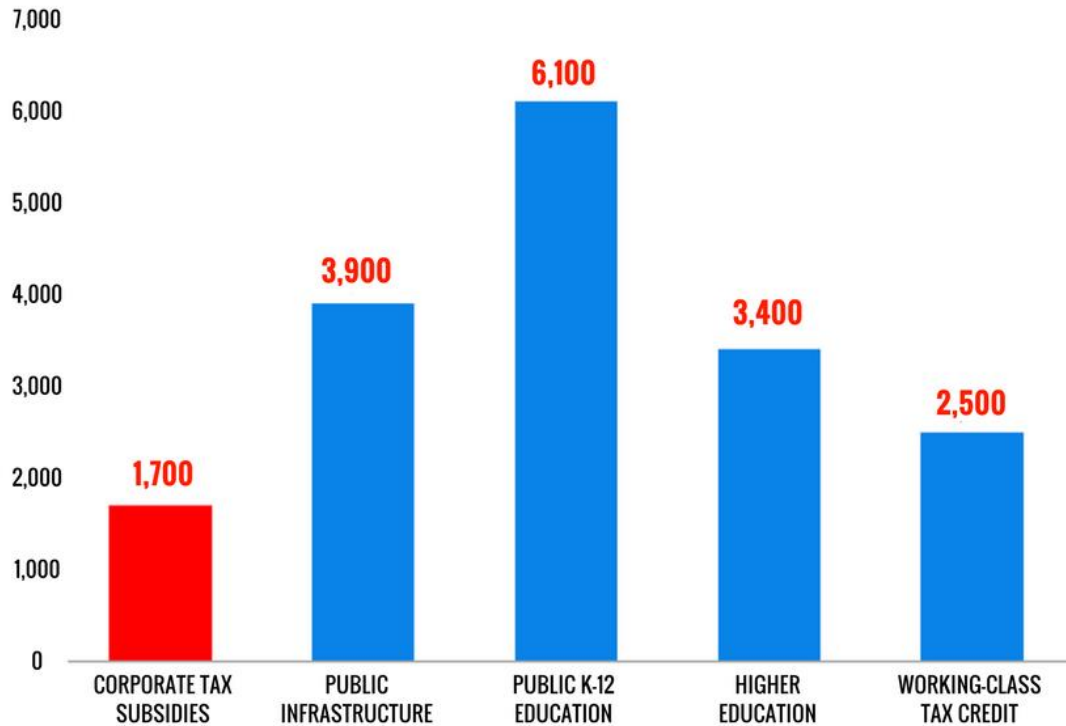


ILLINOIS

\$288.5 MILLION IN BUSINESS SUBSIDIES PER YEAR SINCE 2000



Annual Jobs Created from Subsidies vs. Alternative Investments



WHO DO CORPORATE TAX SUBSIDIES HELP MOST IN ILLINOIS?

Chicago vs Hoffman Estates



Nearly **1 in 5**

Chicago residents live in poverty



Fewer than **1 in 150**

Hoffman Estates residents live in poverty

\$337 million
\$124 per capita



in state subsidies from 1985 - 2016

\$520 million
\$9,954 per capita



in state subsidies from 1985 - 2016



ILEPI IN THE NEWS



IN THE NEWS



Illinois Environmental, Labor Groups Highlight Economic Benefits Of Clean Water Projects

The report, prepared by the Illinois Economic Policy Institute (ILEPI) and the School of Labor and Employment Relations at the University of Illinois at Urbana-Champaign, was formally recognized at Thursday's board meeting of the Metropolitan Water Reclamation District of Greater Chicago (MWRD).

Daily Herald

Columns | updated: 4/24/2017 9:59 AM

Is the tollway getting cold feet on Route 53 extension?

"The public is overwhelmingly supportive of the project," institute policy manager Frank Manzo said.



Battle over Minimum Wage

Opponents claim raising the wage will cause a loss in jobs and a rise in costs of consumer goods and services. However, proponents say raising the wage stems the increase in income inequality that is the largest in the U.S. among advanced nations. We debate the issue with [Ted Dabrowski](#), vice president of policy at the Illinois Policy Institute, and [Frank Manzo](#), policy director at Illinois Economic Policy Institute.



Veterans Urge Walker, GOP To Abandon Prevailing Wage Repeal

Seehafer and his colleagues cited a [2016 Midwest Economic Policy Institute study](#) that contends 2,000 veteran jobs would be lost if the wage repeal becomes law.

CHICAGO MEDIA



There's a better way to create jobs than throwing money at corporations

Frank Manzo IV and Mary Craighead

After a two-year budget impasse that saw credit downgrades, painful cuts to public education, a slowdown of state infrastructure projects and finally a tax hike, a bi-partisan majority of Illinois legislators in July finally came together on a state budget.

But before the ink was even dry, our neighbor to the north agreed to shell out \$3 billion in taxpayer dollars to an electronics manufacturer promising to bring 3,000 jobs to Wisconsin. Despite Illinois having billions in unpaid bills, some have [called for our state to chip in](#) on this "deal." Others have called for our state to consider [reviving lapsed subsidies or creating new ones](#) in order to lure companies here.

Chicago Tribune

Column: Unions will face a tough challenge when the Supreme Court says 'yes!' to freeloaders

What the unions are going to have to do in the post-Janus world is make the case that membership is a good investment. A study of the impact of right-to-freeload laws in the Midwest released in April by researchers at the Illinois Economic Policy Institute and the University of Illinois at Urbana-Champaign, for example, found that the introduction of right-to-freeload laws in Indiana, Michigan and Wisconsin has lowered average wages in those states by 2.6 percent and the unionization rate by 2.1 percent.

Chicago Tribune

Illinois Tollway board approves \$25 million Route 53 study

"It's no secret that traffic congestion is only going to get worse," said Illinois Chamber of Commerce Infrastructure Council Executive Director Ben Brockschmidt, in a statement. "Reducing congestion is not only good for the environment, it's also good for economic development."

Backers for the project include the Illinois Economic Policy Institute, a think tank whose board members include representatives of the construction industry and labor unions. The institute did a poll last month, which found that 66 percent of 400 voters favored the extension.

IN THE NEWS

THE CAP TIMES

Frank Manzo IV: Lawmakers should consider the social cost of construction wage cuts

As someone who has studied this issue for years, I would urge elected officials in Wisconsin to consider both the reams of publicly available, peer-reviewed research on the impact of these laws, as well as the failure of repeal to deliver as promised in other states. They should talk to the Republican assistant majority Leader of the Indiana House of Representatives, who recently [acknowledged that his state “hadn’t saved a penny”](#) after repealing its prevailing wage law in 2015.



Illinois heads backward on income inequality

The study by the **Illinois Economic Policy Institute**, a somewhat left-of-center research group that receives major funding from the construction industry, will surely find more agreement from liberals than conservatives, particularly in its prescriptions. But some of the data and conclusions in the report ought to raise anyone's eyebrows.



Opinion | posted: 5/30/2017 1:00 AM

Union-busting laws hurt all workers

Frank Manzo IV

Essentially, "right-to-work" creates the problem of "free riders." Encouraging free riders reduces the resources that individual unions have available to represent workers. And the research shows that this produces two important results.



The State Journal-Register

Assessing the Damage: How the state budget impasse hurt our public colleges and universities

[In a new study released this week](#) along with the Project for Middle Class Renewal at the University of Illinois at Urbana-Champaign, the Illinois Economic Policy Institute aggregated the impacts. Our findings offer not just an economic damage assessment, but a warning to anyone who might be tempted to take higher education hostage in a future budget fight.

CHICAGO MEDIA



EDITORIAL: Thank you, Wisconsin, for the beautiful gift

The best thing that ever happened to Illinois might be losing Foxconn to you, Wisconsin. Much appreciated.

Truth be told, this whole sad spectacle of Midwestern states fighting each other for economic development, each trying to outdo the other in prostrating itself before some international conglomerate, is foolish, and the Foxconn deal is proof. If Illinois and Wisconsin had joined forces from the beginning to bring this manufacturing plant to the region — maybe even pulling in Indiana as a partner — the final deal with the Taiwan company might have been less of a give-away, and the risks would have been shared.

Chicago Tribune

Looming shutdown threatens projects big and small

With \$2.2 billion in planned road and bridge construction in fiscal 2018, should the shutdown last the entire fiscal year, it would reduce overall economic activity in Illinois by \$1.77 billion, according to an analysis released last week by the nonprofit Illinois Economic Policy Institute.

Chicago Tribune

Commentary: Rauner is no friend to working families

Consider, also, the findings of a recent report from the Illinois Economic Policy Institute.

IEPI found that in 2013 the average Illinois household paid less state income tax than those in Indiana and Wisconsin. Moreover, once the temporary tax rates receded in Illinois, taxes paid as a share of household income fell below Iowa and Kansas as well.

That means that a single, childless worker earning \$50,000 a year pays \$505 more in state income taxes in Iowa than in Illinois.

IN THE NEWS



Wages lag but unemployment falls in right-to-work states

Wages in Michigan, Indiana and Wisconsin lagged those in other Rust Belt states, but the number of jobs increased faster after the three adopted right-to-work laws, according to a study out this month by the Illinois Economic Policy Institute, a liberal nonprofit.



Unions play significant role in boosting income for people of color, new report shows

The report presents an overview of all sectors of unionized employment in the state and analyzes the effect unions have on wages and benefits. It was authored by researchers from [the Midwest Economic Policy Institute](#), the [University of Minnesota Labor Education Service](#), the Illinois Economic Policy Institute and the University of Illinois.



Stand up for vets by rejecting prevailing wage repeal

[Studies are equally unambiguous](#) about the importance of prevailing wage to the overall economy. By spending fewer tax dollars locally and cutting wages, states that repeal prevailing wage laws pull hundreds of millions of dollars out of the economy that would otherwise be creating jobs across all sectors, while boosting poverty among construction workers by as much as 30 percent.

GOVERNING

THE STATES AND LOCALITIES

In Cash-Strapped States, Voters Protect Transportation Funds

"Illinois politicians have wasted millions of tax dollars on bureaucracy and mismanagement," said Frank Manzo of the Illinois Economic Policy Institute, pointing to \$6.8 billion of transportation money lawmakers diverted since 2002. That cost the state 4,700 jobs, he [says](#). "Requiring transportation money to be spent on transportation would improve the Illinois economy."

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CONTACT US



ADDRESS:

P.O. Box 2378
La Grange, Illinois
60525



PHONE:

(708) 375-1002



WEBSITE:

www.illinoisepi.org

