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**

<table>
<thead>
<tr>
<th>WORKER OCCUPATION</th>
<th>HOURLY WAGE REDUCTION</th>
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<tbody>
<tr>
<td>Construction &amp; extraction</td>
<td>-5.9%</td>
</tr>
<tr>
<td>Service (i.e., police officers &amp; firefighters)</td>
<td>-3.1%</td>
</tr>
<tr>
<td>Office &amp; administrative support</td>
<td>-2.7%</td>
</tr>
<tr>
<td>Retail &amp; business sales</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Professional, educational, &amp; health</td>
<td>-1.9%</td>
</tr>
</tbody>
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"RIGHT-TO-WORK" IN THE MIDWEST

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

- **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

Mary Craighead, Transportation Policy Analyst, speaking at public meeting about the Illinois Tollway Central Tri-State project.

Frank Manzo IV, Policy Director, leading a panel at the National Alliance for Fair Contracting (NAFC) conference in Nashville.

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
Mary Craighead, Transportation Policy Analyst, speaking at public meeting about the Illinois Tollway Central Tri-State project.
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.
- 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

Mary Craighead, Transportation Policy Analyst, speaking at public meeting

Mary Craighead, Transportation Policy Analyst
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

- Corporate Tax Subsidies: 1,700
- Public Infrastructure: 3,900
- Public K-12 Education: 6,100
- Higher Education: 3,400
- Working-Class Tax Credit: 2,500

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 in state subsidies from 1985-2016
- $124 per capita

- $520 million in state subsidies from 1985-2016
- $9,954 per capita
**IN THE NEWS**

**Progress Illinois**
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**
Is the tollway getting cold feet on Route 53 extension?

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

**WTTW Chicago Tonight**
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.

**Wisconsin Public Radio**
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.
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.

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.

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.

**Daily Herald**

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.

**SJR**

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.

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.
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 giveaway, and the risks would have been shared.
IN THE NEWS

WASHINGTON EXAMINER

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.

SPRINGFIELD NEWS-LEADER

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.

WORKDAY MINNESOTA

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.

GOVERNING

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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