

Illinois' new minimum wage law paves the way for human service professionals, who provide a foundation for community well-being to earn a living wage. The law must be accompanied by commensurate increases to reimbursement rates to ensure the sustainability of the human services sector.

Illinois Partners for Human Service, in collaboration with human service trade associations, conducted a survey of over 180 organizations throughout the state on the impact of this new law.

RESULTS:

Based on survey results* and employment data from the US Census 2016 County Business Patterns, the estimated impact on the sector is the following:

\$1.3 Billion: Mandated Wage Increases - Costs associated with ONLY the incremental increase for each calendar year.

\$4.6 Billion: Wage Increases, Including Cost to Offset Wage Compression - Costs associated with shifting the entire wage structure to accommodate the new minimum wage.



The data shows that all regions will be impacted regardless of current minimum wage status. Additionally, **downstate will incur the majority of the total increase in wages.**

*For the 182 survey participants, mandated increase in wages \$270M, increase in wages, including costs to offset wage compression: \$932M

To offset the increase in the minimum wage, Illinois policymakers must increase reimbursement rate levels to cover the true cost of services.

REIMBURSEMENT RATE INCREASES ARE IMPERATIVE.