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In Chicago, New Pay Law Is Considered for Big Stores

By [GRETCHEN RUETHLING](#)

CHICAGO, May 27 — Chicago may become the first city in the nation to require "big box" retailers like Wal-Mart or Home Depot to pay employees a "living wage" of at least \$10 an hour plus \$3 an hour in benefits.

So far, 33 of 50 City Council members have signed on to the proposed ordinance — more than enough to pass it, perhaps as soon as next month.

The bill would affect only stores that have at least 75,000 square feet and are operated by companies with at least \$1 billion in annual sales, allowing smaller retailers to continue with the state minimum wage of \$6.50 an hour.

"This is an effort to try to preserve the middle class," said Joe Moore, an alderman from the North Side who sponsored the measure. Mr. Moore called the notion that it would drive retailers out of the city "hogwash."

But others say the measure will scare off employers.

"Don't let me be the experiment," said Emma Mitts, the alderwoman in the poor and mainly African-American neighborhood of Austin on the West Side, where the city's first Wal-Mart is scheduled to open this year. "Not at a time when my community needs these jobs so badly."

Whether the city has the power to make such demands of certain retailers while exempting others is an open question. The proposal has yet to be reviewed by lawyers, a spokeswoman for the city said.

David Vite, president and chief executive of the Illinois Retail Merchants Association, said that he thought the state would block such an ordinance and that it seemed unconstitutional because it would discriminate against some businesses. "To suggest that someone who is a janitor in a retail store should get paid more than a janitor at a bank doesn't make any sense," Mr. Vite said.

But Jennifer Sung, a lawyer with the Brennan Center for Justice at [New York University](#) School of Law, which helped draft the proposal, said the measure would withstand challenges.

Ms. Sung said courts had ruled that distinctions could be made among industries if there was a rational basis for doing so. She also said that Illinois had granted local governments broad powers to pass regulations to promote a city's health and welfare.

Similar legislation has been introduced in Washington, D.C., and discussed in New Jersey. Lawmakers in Maryland; Suffolk County, N.Y.; and New York City have passed laws requiring certain large employers to provide health care benefits for workers, but none of those laws have a wage component.

If the proposal in Chicago passes, it could mean wage increases for more than 9,000 of the 16,000 or so workers at

about 35 big-box stores, according to a study released last year by the Center for Urban Economic Development of the University of Illinois at Chicago.

The proposal in Chicago comes as such stores have opened in poor neighborhoods.

"This ordinance targets the larger retailers who have, over the last probably five years, begun to make some inroads to the inner cities," said the Rev. Dwight Gunn, a pastor at Heritage International Christian Church. "It would continue to push business and development away from the city."

Mr. Gunn said the ordinance would hinder development in needy neighborhoods on the South and West Sides. The North Side's mostly white neighborhoods, meanwhile, would be less affected, Mr. Gunn said, because they have many major retailers.

"The aldermen, I think, have a very difficult choice in the sense that none of them want to be seen as anticomunity, antiworker," Mr. Gunn said.

Over the next two years, Wal-Mart plans to build more than 50 stores nationwide in city neighborhoods in need of development; the Chicago store scheduled to open in September is the first. "We have made a pledge to come to urban areas where communities have been ignored and underserved," said John Bisio, a spokesman for Wal-Mart. He said such a wage law would not affect plans for the Austin store.

Some 9,000 people have applied for about 400 jobs at the store in the Austin neighborhood, Mr. Bisio said, even though the opening is more than three months away.

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