From Subminimum Wage to Competitive Integrated Employment for Illinoisans with Disabilities

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Illinois Future of Work Conference
October 2022
Overview

01  Current Employment Data for PWD

02  Overview of Subminimum Wage/Sheltered Workshops

03  Intervention to promote CIE
Current Disability Employment Data

Labor Force Participation
Percentage of Individuals Employed
Earnings
Poverty Rate
Labor Force Participation Rate

September 2022, Working Age (16-64)

Persons with Disabilities
38.0%

Persons without Disability
77.1%

(U.S. Department of Labor, 2022)
Percentage of Individuals Employed

- **PWD**: People with Disabilities
- **PWOD**: People without Disabilities

Note: Information above provided by the United States Bureau of Labor Statistics 2020 data
Earnings

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• **PWD**: People with Disabilities
• **PWOD**: People without Disabilities
Subminimum Wage

- Nationwide call to increase wages
- Subminimum Wage
- Reach of Subminimum Wage
- Impact of Subminimum Wage
January 1, 2022, Illinois raised the minimum wage across the state to $12 per hour, $4.75 above the federal minimum wage (*Public Act 101-0001*).

29 States plus the District of Columbia, Guam, and Virgin Islands have increased their respective minimum wages to exceed the federal minimum wage of $7.25 per hour.

Despite the increase in minimum wage, it is still legal to pay people with disabilities (PWD) below the federal minimum wage in Illinois (*Subminimum Wage*).

**Nationwide Call to Increase in Wages**

- Nationwide call to increase wages to provide a livable wage

- January 1, 2022, Illinois raised the minimum wage across the state to $12 per hour, $4.75 above the federal minimum wage (*Public Act 101-0001*).

- 29 States plus the District of Columbia, Guam, and Virgin Islands have increased their respective minimum wages to exceed the federal minimum wage of $7.25 per hour.

- Despite the increase in minimum wage, it is still legal to pay people with disabilities (PWD) below the federal minimum wage in Illinois (*Subminimum Wage*).
Subminimum Wage (SMW)

- Section 14(c) of the Fair Standards Labor Act of 1938 provides the legal foundation for subminimum wage

- 46 States *(including Illinois)* plus the District of Columbia use 14(c) waivers

- Certificate holders represent a broad group of industries including but not limited to: Hospitals/Residential Care Facilities; for profit businesses, educational programs, non-governmental community providers
Reach of Subminimum Wage

In Illinois, 63 current certificate holders and 36 pending (Total-99 employers)

- 4,246 people employed by the 63 certificate holders
- An additional 2,426 people anticipated to be employed by the 36 pending certificates

An anticipated total employed people in subminimum wage

321,131 ~ 420,000
An estimated number of subminimum wage employers nationwide
1. Unable to recognize the economic and health benefits of Competitive Integrated Employment (CIE)
   - People with disabilities live in poverty
   - Decreased quality and satisfaction of life
   - Unable to fulfill customary social roles derived from CIE

2. Research has consistently found that PWD in SMW do not differ from PWD employed in CIE within the community

3. Research has also consistently found that families of PWD overwhelmingly prefer CIE over SMW
Promoting CIE and Eliminating SWM


- Resistance to change: Employers, Families, Sheltered Workshop lobbying organizations

2. Evidence based practices including Supported Employment, Customized Employment, On-the-Job Training, Work Based Learning, Benefits Counseling, support CIE for individuals with all levels of support needs.
The purpose of this project is to reduce the use of subminimum wage in Illinois.

Funded by United States Department of Education- Rehabilitation Services Administration (RSA).

Targets adults currently working in Sheltered Workshops and youth transitioning from high school to

The overall goal is to increase quality of life, economic well-being, and community integration for PWD across Illinois.

Illinois Subminimum Wage to Competitive Integrated Employment Project (SWTCIE-Illinois)
SWTCIE-Illinois: Project Components & Organizational Participation

- 6 geographically diverse sites across the state will serve as intervention sites that will employ and evidence-based program to promote CIE (SWTCIE Illinois).
- Over 250 people will be served across the state.
- Employers will be provided with transformative business model to transition away from SMW.
- Develop an integrated evidence-based service model that can be employed across the state to promote CIE.

**Participating Organizations**
- Illinois Divisions of Rehabilitation
- Mental Health
- Health Care and Family Services
- Developmental Disabilities
- The Illinois State Board of Education
Outcomes Beyond PWD

- Create a manualized evidence-based program that can be implemented statewide
- Identify and address challenges to eliminate SMW statewide
- Establish stakeholder partnerships that will work together to eliminate SMW across the state
-通过减少和消除SMW，促进一个强大而多元化的劳动力来应对未来劳动力就业需求，覆盖全州
- Promote economic development
Any Questions and Comments?
Thank you!

Contact Information

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