

# Ending A Legacy of Slavery

How Biden's COVID Relief Plan Cures  
the Racist Subminimum Wage



*Student demonstrators James Bevel (left) and John Lewis (right), stand inside the Krystal lunch counter at 204 Fifth Ave in downtown Nashville, Tennessee.*

*Photo by Jack Corn (1960), The Tennessean*

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## Executive Summary

In February 1963, a 24-year-old white man named William Deveraux Zantzing, a member of a wealthy tobacco farming family, ordered a drink at a hotel bar in Baltimore. Zantzing had, by his own account, “been smacking — tapping — waitresses on the tail and they didn’t say a thing. I was just playing.” Others report he was using racial epithets and physically assaulting staff. When Hattie Carroll — a 51-year-old Black grandmother who worked as a server — reportedly didn’t bring Zantzing’s drink fast enough, Zantzing beat her with a cane. Hattie Carroll died eight hours later. Zantzing was eventually sentenced to six months in prison, though he was allowed to put off his sentence for two months to supervise the family crop haul.<sup>1</sup>

In 1963, the wage for tipped workers like Hattie was \$0 an hour, making her completely reliant on Zantzing’s tips and therefore giving him enormous power over her.<sup>2</sup> Today, nearly 60 years later, the federal minimum wage for tipped workers is just \$2.13 an hour — a \$2 increase — and a mostly women, disproportionately women of color tipped workforce still faces the highest levels of harassment of any industry because they must tolerate inappropriate customer behavior to earn nearly all of their income in tips. This situation has only worsened during the pandemic.<sup>3,4,5</sup> But the subminimum wage for tipped workers, which caused extreme suffering for Hattie and the tens of millions of women like her over the last 150 years, might finally come to an end if Congress enacts the entirety of the minimum wage policy in Biden’s new \$1.9 trillion COVID relief package.<sup>6,7</sup>

Black workers have experienced unequal economic outcomes throughout U.S. history, in times of both crisis and prosperity. Today, women and people of color, particularly African Americans, are most likely to have lost their jobs due to the pandemic, live in poverty, and know someone who has died from the virus.<sup>8</sup> In the restaurant industry, this inequity is tied to a history of structural racism, particularly the origins of the subminimum wage for tipped workers which is a direct legacy of slavery. While Black workers across industries suffered some of the highest rates in unemployment during the pandemic; outcomes are substantially worse for Black tipped food service workers.

**This report sheds light on the disparities specific to Black tipped restaurant workers during the pandemic and connects them to the long history devaluing Black labor in the restaurant and hospitality industry.**



## KEY FINDINGS

- **Prior to the pandemic, Black tipped service workers earned less, including tips, than their white counterparts.** Prior to the pandemic, Black tipped service workers were far more likely than other racial groups to report that their average hourly wage including tips was less than \$15 (60% v 43%). Black tipped service workers were also more likely to report that their average hourly wage including tips was less than \$10 compared to all other workers surveyed (20% v 13%).
- **With the pandemic, Black tipped workers faced higher rates of community exposure to COVID-19 than other workers - making them more vulnerable to exposure at work.** Black tipped service workers were more likely to report knowing someone that was infected and died from COVID-19 or COVID-related complications compared to food service workers of all races (66% v 59%).<sup>9</sup>
- **Black tipped workers were less able to access unemployment insurance than workers of all races.** In the wake of massive COVID-spurred job losses, two thirds of all tipped workers surveyed reported facing challenges accessing unemployment insurance; 72% of Black workers reported the same.<sup>10</sup>
- **Black tipped service workers who returned to work in restaurants during the pandemic experienced a far greater decline in tips, and more punishment for trying to enforce social distancing and mask rules in the form of lesser tips, than other workers.** With no safety net, millions of workers felt compelled to return to work, but found they were asked to do more work for far less in tips. Since the pandemic, Black tipped workers were far more likely to report their tips had decreased by half or greater compared to workers overall (88% v 78%)<sup>11</sup> — confirming that the racial bias that existed in tipping prior to the pandemic was exacerbated during the pandemic. Black workers were also far more likely to report their tips had decreased due to enforcing COVID-19 safety measures than workers in general — in other words, Black workers were penalized far more than other workers for trying to enforce social distancing and mask rules (73% v 62%) — making it more challenging for them to enforce these rules and thus further exposing themselves and the public to the virus.<sup>12</sup>
- **At least in part as a result of this relatively greater decline in tips and customer hostility toward Black workers attempting to enforce public health protocols, Black food service workers experienced the greatest decline in wages from prior to the pandemic to the pandemic period of all racial groups, while White workers' wages increased.** In particular, while White and Latinx food service workers' median earnings increased slightly from 2019 to 2020, Black and Asian workers' wages declined, with Black men and women experiencing the greatest decreases in wages of all racial groups since before the pandemic — 3.9% and 3.1% respectively.<sup>13</sup>
- **Black workers reported experiencing slightly higher levels of customer hostility for enforcing social distancing and mask rules than the general worker population, though all workers reported a very high level of hostility to enforcing health protocols.** Black workers, like other workers, also reported an increase in sexual harassment during the pandemic, especially #Maskual Harassment —

the widespread phenomenon of male customers asking women to remove their masks to judge their looks and their tips on that basis. More than 8 in 10 workers (84%) reported experiencing customer hostility to enforcing public health protocols, and slightly more — 86% — of Black workers reported an increase in customer hostility. Over 40% of all workers reported an increase in sexual harassment in restaurants during the pandemic, especially #MaskualHarassment, and several Black workers reported increased racial harassment as well.

- **Requiring all workers to be paid a full minimum wage with tips on top, rather than having to rely on tips for a majority of their wage, reduces inequality between Black women and White men tipped workers.** In the seven states that have One Fair Wage for all workers, the race-gender pay gap between Black women and White men tipped workers is 35% less than the race-gender pay gap in the 43 states with a subminimum wage for tipped workers.<sup>14</sup> Wages are higher, poverty rates are lower, and sexual harassment among all tipped workers, including Black tipped workers, is far less in these seven states as well.<sup>15</sup>



Eliminating the subminimum wage for Black tipped workers in particular is not only essential for increasing their economic stability, but also for increasing equity, health, and safety as well.

## I. Introduction

Since the beginning of 2020, COVID-19 has brought unprecedented attention to existing inequalities in the United States, including the paradoxes of being classified as an “essential worker.” Today, women and people of color, particularly African Americans, are most likely to have lost their jobs due to the pandemic, live in poverty, and know someone who has died from the virus.<sup>16</sup>

Black people are disproportionately represented in the tipped service sector, the largest share of which comes from the restaurant industry. Before the pandemic, the restaurant industry was one of the largest and fastest-growing industries, with 13.6 million restaurant workers and 6 million tipped workers nationwide.<sup>17</sup> Even prior to the pandemic, 8 out of 10 of the lowest paying jobs fell within the restaurant industry, 7 of which were tipped positions. Post-pandemic, restaurants claim the highest employment losses compared to all other industries.<sup>18</sup> As COVID-19 forced the closure of thousands of restaurants nationwide, as well as other tipped personal service occupations such as nail salon, car wash, airport, and parking attendants, and tipped gig workers, the tipped workforce plummeted even deeper into poverty and financial insecurity.<sup>19</sup>

These workers’ low pay is a result of the subminimum wage for tipped workers, a legacy of slavery that emerged during the era following Emancipation to exploit recently freed people, particularly Black women.<sup>20</sup> Tipping originated in Europe as an extra or bonus on top of a wage and was passed down through wealthy travelers to America. In the U.S., tipping was initially a controversial practice, but gradually became widespread amongst employers as a means to avoid paying workers a livable wage.<sup>21</sup> This was especially true for the railroad and hospitality industries, which were the largest employers of African Americans at a time when they were restricted from most jobs aside from field labor.<sup>22</sup> This legacy of white supremacy and undervaluing Black workers continues today.

Today, in 43 states across the country, tipped workers are still subject to a subminimum wage by law held at only \$2.13 at the federal level, and \$5 or less in 7 out of 10 states.<sup>23</sup> Even with tips, tipped restaurant workers are twice as likely to live in poverty and rely on food stamps as the general workforce.<sup>24</sup> Tipped workers in these states also suffer from twice the rate of sexual harassment compared to the seven states that offer a full wage with tips on top.<sup>25</sup>

Today, restaurant workers of color experience poverty at more than twice the rate of white restaurant workers, indicating that



the racial inequality at the historical root of the subminimum wage has lasting impacts on inequities faced by tipped workers of color today.<sup>26</sup>

This report is based on secondary sources, government data, and surveys of over 1500 food service workers conducted online and over the telephone from October 20, 2020 to January 21, 2021 in four states — Michigan, New Jersey, New York, and Pennsylvania — plus Washington, DC. We emailed surveys to the over 40,000 applicants to the One Fair Wage Emergency Fund in these states on October 20, 2020 and collected responses until January 2020, by which time 2,621 workers had already responded. Of those who responded, 1575 reported that they were currently employed, and were thus able to answer most of the questions. Another 100 survey responses were collected by telephone in these states.

## II. The Racialized History of Restaurant Workers

*“For a group of freedmen the question of economic survival is the most pressing of all questions; the problem as to how, under the circumstances of modern life, any group of people can earn a decent living, so as to maintain their standard of life, is not always easy to answer.”<sup>27</sup>*

—W.E.B. DuBois



*African American waiters posing  
before their tables, New York (1853)*  
Chicago History Museum/Getty Images.

Prior to Emancipation, free Black restaurant workers in the South earned an actual wage from their employer. The formation of American trade unions increased during this period. Black and white workers shared an interest in trade union organization, but because trade unions organized by white workers generally excluded African Americans, Black workers had to organize on their own.<sup>28</sup> In 1853, Black waiters organized the first national restaurant strike. The strike was led by the Waiters Protective Association (WPA) composed of Black waiters working at hotel restaurants in New York. Thousands of waiters along the east coast walked out that spring demanding a higher wage and dignified treatment in their workplace. The strike had mixed success. Some employers raised their wages, but many others were simply fired, replacing the waiters with women.

At Emancipation, despite the promises of Reconstruction after the Civil War, Black Americans were largely relegated into low wage jobs that maintained the hierarchy of the formerly enslaved workforce.<sup>29</sup> While Black workers were barred from many occupations by racist discrimination, and sometimes by mob violence, there were certain industries such as railroad companies, restaurants, and hotels, where large numbers of Black workers were allowed to work.<sup>30</sup> Companies in the North during this period explicitly targeted recently freed Black workers with labor agents and inducements from the Black press.<sup>31</sup> The Pullman Company became one of the largest employers of Black workers in the early 1900s and is widely credited with solidifying tipping as common practice for employers.<sup>32</sup> Although tipping was widely controversial, with many states calling for it to be banned altogether, the practice spread rapidly after Emancipation as employers in the hospitality sector hired newly freed slaves with an expectation of servility to white patrons who would tip in lieu of wages.<sup>33</sup>



IT MAY NOT BE VERY SAFE FOR MY SAVINGS, BUT IT CREATES MORE INTEREST

*“Postcards mostly dropped the theme of incompetence, but images of sexualized waitresses persisted for decades, as for example on this postcard mailed in 1946.”*

*Jan Whitaker (1946)*

*Restaurant-ing Through History.*

Many employers held the racist belief that Black people were inherently suited for service positions, a remnant of slavery. As one restaurant owner is quoted stating, “Colored men are the best waiters by nature, and are peculiarly adapted to servitude.”<sup>34</sup> This belief also justified suppressing the wages of Black people and women at the time; the vast majority of these restaurant jobs earned only tips from customers; some employers even charged workers a fee to work in their positions.<sup>35</sup> By 1880, 43% of all workers employed in hotels and restaurants were African Americans, primarily men.<sup>36</sup>

Waiters’ labor was demanding and exhausting especially in large houses and restaurants, where they typically worked 13-14 hour days. Their work included polishing silver, washing windows, serving food and dealing with demoralizing white coworkers and customers. There were also strict hierarchies, especially in high-end hotels and restaurants, where most often white head-waiters supervised the Black waiters and “waterboys.”<sup>37</sup>

Over the same period that freed Black workers were entering the workforce, so too were women. Restaurant owners had responded to strikes for higher wages by waiters, who were mostly Black men, by replacing them with women. However, Black women were largely excluded from these positions and still largely provided food service in the home.<sup>38</sup> Black women in food service would work primarily in private homes as domestic servants until the early 20th century.<sup>39</sup> Black women who were able to work in restaurants primarily found work in black-owned restaurants or those catering to an all-Black clientele, earning significantly less than the upscale establishments



*Waitresses standing in front of a bar at the Laicos Club in Montgomery, Alabama. Jim Pepper (1965-68)*



reserved exclusively for whites. The few Black women that managed to retain their jobs in white-owned hotels and restaurants during this era were either relegated to the worst-paying jobs or reduced to the status of “busgirl.” Employers also expected a great deal more “servility” from Black waitresses and waiters than white workers even as they refused to promote them.<sup>40</sup> Sexual harassment was also a common experience for all women in the industry with employers pressuring waitresses for sexual favors and encouraging them to use their sexuality to attract customers.<sup>41</sup>

In response to the depression of wages that occurred after Emancipation, with both freed Blacks and women entering the workforce, waiters and waitresses of all races organized actions in Seattle, Chicago, San Francisco, Detroit, New York and many other cities demanding higher wages and respect.<sup>42</sup> In response, restaurant employers who had been fighting these actions formally established what is now known as the National Restaurant Association (NRA). The NRA came together in 1919 responding to workers throughout the food system demanding higher pay and the possibility of a unionized workforce. The major topic that unified all 43,000 members at the time and every decade after World War I was how to keep the workers’ wages down.<sup>43</sup> By 1926, these industry lobbyists had successfully repealed bans against tipping, leaving tipped workers with effectively no guaranteed wage from their employers.<sup>44</sup>

During the Great Depression, Black workers suffered more job loss than other workers.<sup>45</sup> White workers, now increasingly more willing to take any kind of job, began to replace Black workers for low wage jobs in the service sector.<sup>46</sup> Black workers that managed to find work typically worked long hours under poor conditions for inadequate pay.<sup>47</sup> When President Franklin Delano Roosevelt passed The New Deal, it explicitly excluded millions of Black workers and was derided as the “Negro Repressive Act” by its many opponents.<sup>48</sup> In 1938, when Congress passed the first federal minimum wage law as part of the New Deal, the National Restaurant Association was successful again in suppressing wages for tipped workers. The law allowed states to allow employers to pay as little as \$0 an hour for tipped workers, based on the argument that their minimum wage could be obtained through tips.<sup>49</sup> The minimum wage legislation in the New Deal ensured that Black food service workers received no wage and instead obtained their income entirely through tips. It was not until 1966 that worker advocates were able to win a guaranteed base wage for all tipped workers to be paid by their employers; however, they were guaranteed only 50% of the overall minimum wage.<sup>50</sup>

## **The National Restaurant Association’s History of Racial Segregation – and Change**

Racial segregation in restaurants played a key role in the Civil Rights movement. The first sit-in of the civil rights era was organized on February 1, 1960,<sup>51</sup> when four Black students sat down at a whites-only Woolworth’s lunch counter in downtown Greensboro, North Carolina. Sit-ins continued across the South, often met with violent responses from white restaurant owners, but the nation’s largest restaurant industry conglomerate – the National Restaurant Association – stayed out of it.<sup>52</sup> The association had, by its own admission, not even discussed the

sit-ins nor the larger issue of desegregation at all until June 4, 1963, when President John F. Kennedy invited the head of the National Restaurant Association along with a hundred or so restaurant owners and hospitality industry leaders to the White House to discuss civil rights.<sup>53</sup>

The next day, the head of the National Restaurant Association, J.W. Putsch, wrote a letter to his entire membership – which, then as now, included most every restaurant owner in the nation. “President Kennedy spoke very frankly to us.... He discussed his concern about how deeply the conflicts were cutting into the fabric of American life.” President Kennedy, Putsch wrote, “requested immediate action – within seven days—where integration could be accomplished without serious difficulty.” And, Putsch reported, “not a single business leader present expressed opposition to the President’s statement or proposals.”<sup>54</sup> But to be clear, the National Restaurant Association didn’t lead on civil rights. They had to be pushed.

This is the same Association that, three years later, would use its considerable power and influence to carve out of the 1966 minimum wage law a special subminimum wage for tipped workers, allowing a predominantly Black and brown workforce nationwide to be paid subminimum, subhuman wages.<sup>55</sup> Over the next 50 years, although Congress ensured that the minimum wage for tipped workers rose at a percentage of the overall minimum wage until 1980, it always remained just a fraction of the wage paid to the rest of the workforce. This reality only worsened once the NRA began lobbying Congress in the late 1990s to freeze the subminimum wage for tipped workers at \$2.13 an hour forever. The NRA argued that if tipped workers’ wages rose, they would lose the tips they depended on.<sup>56</sup> This argument was proven false by states that did raise the tipped wage requiring workers to be paid a full minimum wage with tips on top. However, the actions of the NRA succeeded in suppressing the basic wages of tipped workers over the next few decades until today, disproportionately impacting the lives of Black workers, women and workers of color.<sup>57</sup> The NRA’s discordant policy shift from moving to end racial segregation in 1960 to lobbying to maintain the subminimum wage for tipped workers shows not only that the National Restaurant Association does not lead with regard to racial equity, but also that it can be pushed to do so.<sup>58</sup>



*Student demonstrators James Bevel (left) and John Lewis (right), stand inside the Krystal lunch counter at 204 Fifth Ave in downtown Nashville, Tennessee. Photo by Jack Corn (1960), The Tennessean*

### III. Prior to COVID

**A**lthough the Civil Rights Act of 1964 outlawed Jim Crow segregation in public spaces, segregation is still very much at play in the lives of Black Americans. Throughout their employment history, Black people have been deliberately restricted to undervalued occupations and have consistently been relegated to the most onerous and lowest paid positions, creating a crisis for these workers long before the COVID-19 pandemic.<sup>59</sup>

In the restaurant industry, government data reveals that Black food service workers just prior to the pandemic received the lowest hourly wages, earning \$8.87 hourly compared to the \$9.52 all other workers.<sup>60</sup> One Fair Wage survey data corroborates this differential; 20% of Black tipped workers surveyed in 2020 reported that their average hourly wage prior to the pandemic was less than \$10 an hour, compared to 13% of all workers overall.<sup>61</sup>

These pre-pandemic race wage differentials can be largely attributed to the segregation of Black workers into lower-tipping segments of the restaurant industry, such as casual restaurants rather than fine dining. Even Black workers who make it into fine dining sectors get tipped less by customers than their White counterparts.<sup>62</sup>

When restaurant owners and general managers were interviewed on racial and gender-based segregation in the industry, most either viewed it as not a problem or believed that people of color applicants lacked self-esteem or the necessary educational background and work ethic, or that they simply did not apply for higher paying positions.<sup>63</sup>

Nationally, lower wages for Black restaurant workers are a result of not only being overrepresented in lower-tipping industry segments and customer bias in tipping, but also because states with the lowest minimum wage laws have a substantially higher proportion of Black restaurant workers.<sup>64</sup> Subminimum wage states such as Mississippi, Louisiana, and Georgia have the largest share of Black workers; Black workers make up at least 30% of their total workforce. Whereas One Fair Wage states such as Oregon, Alaska, and Washington have a significantly smaller share of Black workers; they only make up 3% or less of all workers.<sup>65</sup> Today, Black workers are significantly overrepresented in states that have not raised their minimum or subminimum wage.

**TABLE 1**  
Prevalence of Black Workers  
in Subminimum Wage States

Black Workers as a Percentage  
of Overall Workforce

**4%** One Fair Wage States<sup>66</sup>

**11%** All states with  
a subminimum wage<sup>67</sup>

**15%** All states that follow the  
lowest possible federal  
subminimum wage of \$2.13<sup>68</sup>

Source: 2018 Adult Civilian Workers in all states by selected demographics from Current Population Survey, accessed 01/29/21, <https://www.census.gov/cps/data/cpstablecreator.html>

## IV. COVID-19's Impacts on Black Restaurant Workers

### RACIALIZED CONSEQUENCES OF THE INITIAL SHUTDOWN

On March 16, 2020, One Fair Wage launched the One Fair Wage Emergency Fund for service workers in order to provide emergency cash relief and resources to service workers across the country. Over 240,000 workers applied to the fund and submitted surveys regarding their access to unemployment insurance and ability to feed their families and pay rent.

**Most restaurant workers (66%) surveyed report either not qualifying or being unsure if they qualified for unemployment insurance; this number increases to 72% for Black workers.** Government data corroborates these findings. The overall US unemployment rate today stands at 6.7%, yet reaches up to 9.9% for African Americans, with overall losses heavily concentrated in the food services industry. Black women have suffered one of the highest job losses since the pandemic; their unemployment rate stands at 8.4%.<sup>69</sup> In the wake of massive job losses, even when Congress greatly expanded the number of workers eligible for unemployment benefits, a smaller percentage of Black workers received these benefits compared to their white counterparts.<sup>70</sup> In the US, African Americans make up 20% of all new unemployment insurance claims and represent one of the highest increases in unemployment claims with an over 300% increase since the virus. These claims were concentrated in the accommodation and food service sector, making up 12% of the total, the second being the healthcare and social assistance sector (11%).<sup>71</sup> Even when Black workers do obtain benefits, they often receive smaller payments than white workers since benefits are determined by salary and are more likely to exhaust the standard pay period because they tend to stay unemployed longer than their white counterparts.<sup>72</sup> Given the prevalence of unemployment claim delays or outright denials, many workers have forgone months of rent, run out of food and are even turning to free school lunches to feed their families.

**The vast majority of restaurant workers (91%) and slightly more Black restaurant workers (95%) surveyed reported that they were either unsure or unable to make rent and mortgage payments.**

TABLE 2

#### Impact of COVID-19 Crisis on Tipped Service Workers

Do not qualify or are unsure if they qualify for unemployment insurance

**66%** All Applicants

**72%** Black Applicants

Unable or are unsure whether they can pay their rent or mortgage

**91%** All Applicants

**95%** Black Applicants

Can only afford groceries for 2 weeks or less

**81%** All Applicants

**85%** Black Applicants

Source: One Fair Wage Tipped Worker Survey Data collected 10/20-1/21

TABLE 3

Restaurant Employee  
Exposure to COVID-19

Has personally contracted COVID-19

21% All Respondents

22% Black Respondents

Knows someone who has contracted  
COVID-19

95% All Respondents

95% Black Respondents

Of those who know someone infected,  
percent who knows someone who has  
died from COVID-19 or COVID-19  
complications

59% All Respondents

66% Black Respondents

Source: One Fair Wage Tipped Worker Survey Data  
collected 10/20-1/21



People of color on average, even prior to the pandemic, were more likely to experience high housing cost burdens and housing instability due to years of structural racism and discriminatory housing and lending practices. Most Black and Latinx workers have not recovered their household wealth from the Great Recession in 2008, when their communities were devastated by foreclosures and steep depreciation in housing prices.<sup>73</sup>

**Black restaurant workers were more likely to report that they personally contracted the virus (22%) and know someone who died from it (66%); compared to 21% and 59%, respectively, for all racial groups.** This finding corroborates CDC reporting that African Americans and Latinx individuals are about twice as likely to contract the virus and over two times as likely to die from COVID-19 or COVID-19 related complications.<sup>74</sup> In the U.S., race and ethnicity remain strong predictors of the overall health of an individual; this is not only due to prevalence of underlying health conditions, but also socioeconomic factors such as being more likely to live in crowded apartments, reliance on public transportation, status as an essential worker and many others.<sup>75</sup> These health and economic disparities faced by Black communities and other communities of color meant that they were more vulnerable to exposure when they returned to work, which they were often compelled to do given their comparatively higher lack of access to unemployment insurance.

## RACIALIZED EXPERIENCES UPON RETURNING TO WORK

After not being able to access unemployment insurance at relatively higher rates than other workers, many Black workers felt compelled to return to work in restaurants before they felt safe doing so. When they returned, they were asked to do more for less. Nearly 90% of Black workers reported that their tips declined during the pandemic by 50% or more, compared to 78% of all respondents, exacerbating the race wage gap that existed prior to the pandemic.

The Center for Disease Control (CDC) reported in September 2020 that adults are twice as likely to contract COVID-19 after eating in a restaurant.<sup>76</sup> In these restaurants, workers have become the de facto public health marshals, enforcing critical mask and social distancing protocols in one the pandemic's most dangerous spreading environments. Black workers were also more likely to be retaliated against with lower tips due to enforcing COVID safety measures; **76% of Black workers report that their tips have decreased due to enforcing COVID-19 safety measures, whereas a little over 60% (62%) of workers report this on average.** In other words, Black tipped workers, who already earned less in wages and tips than

**TABLE 4****Customer Harassment and Impact on Tipping**

Report that tips have decreased since COVID-19

**96%** All Workers

**98%** Black Workers

Report that tips have decreased since COVID-19 by at least 50% or more

**78%** All Workers

**88%** Black Workers

Experienced or witnessed hostile behavior from customers in response to staff enforcing COVID-19 safety protocols

**84%** All Workers

**86%** Black Workers

Felt reluctant to enforce COVID-19 safety protocols upon customers out of concern that customer would tip less

**58%** All Workers

**58%** Black Workers

On a weekly basis has received a decreased tip from a customer in response to enforcing COVID-19 safety protocols

**62%** All Workers

**73%** Black Workers

Source: One Fair Wage Tipped Worker Survey Data collected 10/20-1/21

their white counterparts prior to the pandemic due to customer bias,<sup>77</sup> experienced an overall decline in tips during the pandemic, and then were more likely to be penalized for trying to maintain safety protocols for themselves and the public by earning even less in tips than their counterparts overall. Since Black workers were already more vulnerable to the pandemic given community health disparities, their tip penalty for attempting to enforce safety protocols impacts both their economic outcomes and their health outcomes.

Survey data reporting that Black workers are receiving less in tips when they attempt to enforce social distancing and mask rules reflects a larger phenomenon observed in surveys and interviews of increased customer harassment and hostility during the pandemic. **Over 8 in 10 (84%) of all workers reported that customer hostility in response to enforcing safety protocols increased during the pandemic and slightly more — 86% — of Black workers reported the same.**

Several Black workers reported an overall increase in racialized comments from customers during the pandemic. For example, Jaime Millner is a Black tipped worker in New York who recounted an incident in which a customer refused to wear a mask despite being repeatedly asked by service staff to do so. One worker was forced to de-escalate the situation and the man eventually left. Upon exit he yelled that the servers represented what was wrong with America, and if he wanted to risk his life that was his choice. He expressly stated that he would be voting for Trump come November.

This was not Jaime’s first encounter with coded racism and harassment on the part of customers or management while working in the industry. She reports seeing people fired over racist Yelp reviews left by customers. A few years ago, she was actually referred to as a “mammy” by her southern manager, a racial slur for Black women that harkens back to the era of slavery. She reported the incident but was told that the company would not fire the manager. She was given the choice to continue to work with him or move to another restaurant.<sup>78</sup>

All tipped workers also reported an increase in sexual harassment during the pandemic. Overall, 41% of workers reported an increase in sexual harassment during the pandemic, with hundreds of women providing direct quotes from male customers asking them to remove their masks to judge their looks and therefore their tips on that basis.

**Several Black workers reported the kinds of comments they received from customers:**

“A guy said he would continue to stare at my ass, since he can’t see my face.”

Customers were asking for “sexual favors”

“Customers have told me I’ve gotten thick in the right way throughout quarantine. They also tell me I should take off my mask and to stop hiding my beautiful face.”

“Customers asked me to take off my mask at the table”

“Sometimes if you ask a customer to put on a mask or step away a little, they get angry and go out their way to get closer to you or to touch you just to make you feel uncomfortable.”

A customer “called me a Muslim wife.”

“The statement has been made several times by patrons for me to remove my mask so they can see my face. I do not allow it to affect me nor do I remove my mask.”

Government data regarding Black food service workers’ wage changes due to the pandemic corroborates and describes the impact of their relatively greater decline in tips and increase in customer hostility to attempts to enforce safety protocols. In particular, while White and Latinx food service workers’ median earnings increased slightly from 2019 to 2020, Black and Asian workers’ wages declined, with Black men and women experiencing the greatest decreases in wages of all races since before the pandemic — 3.9% and 3.1% respectively. Black food service workers’ wages did not increase or even stagnate — they declined, reflecting the endurance of the legacy of slavery and historical racism from which wages in the food structure originate.

**TABLE 5**  
Median weekly and hourly wages for Food Service Workers

	2019		2020		12-Month % Change
	Median usual weekly earnings	Median usual hourly wage	Median usual weekly earnings	Median usual hourly wage <sup>79</sup>	
<b>White</b>	<b>533</b>	<b>9.51</b>	<b>542</b>	<b>9.68</b>	<b>1.85</b>
Men	572	10.21	575	10.27	0.5
Women	493	8.80	509	9.09	3.2
<b>Black/African American</b>	<b>508</b>	<b>9.06</b>	<b>490</b>	<b>8.74</b>	<b>-3.5</b>
Men	538	9.61	517	9.23	-3.9
Women	477	8.52	462	8.25	-3.1
<b>Asian</b>	<b>595</b>	<b>10.63</b>	<b>582</b>	<b>10.39</b>	<b>-1.35</b>
Men	624	11.14	614	10.96	-1.6
Women	538	9.61	532	9.5	-1.1
<b>Latinx</b>	<b>525</b>	<b>9.38</b>	<b>552</b>	<b>9.86</b>	<b>5.25</b>
Men	564	10.07	587	10.48	4.1
Women	486	8.68	517	9.23	6.4

Source: U.S. Bureau Labor Statistics, Weekly and hourly earnings data from the Current Population survey in Food preparation and serving related occupations by characteristics, Accessed 01/27/21.

## V. Reducing the Race Wage Gap by Enacting One Fair Wage

**B**lack food service workers, specifically, are facing a clear crisis that has strong echoes of the past treatment of Black labor — lower wages, greater responsibilities, and less protections. Today, Black restaurant workers are unable to protect themselves or enforce safety protocols needed to protect the public without economic retaliation from customers. This report shows that this vulnerability and inability to protect themselves and others is due to their dependence on tips as the majority of their wage and that this pattern has been true since emancipation. This challenge can easily be overcome. Seven states — CA, OR, WA, NV, MT, MN, and AK — all require restaurants to pay a full minimum wage with tips on top.



In January 2021, days before his inauguration, President Biden announced that his \$1.9 trillion COVID relief package would include a \$15 minimum wage and a full phase-out of the subminimum wage for tipped workers. The announcement reflects growing momentum among workers, employers and legislators to end the subminimum wage. Over a dozen other states have already introduced legislation to eliminate the subminimum wage for tipped workers, and several states — NY, DC, MI, ME, MA — have held hearings on the subject or even advanced One Fair Wage legislation. The historic federal proposal would reduce the many of the inequities faced by Black workers over the last 150 years.

In the seven states that require One Fair Wage — a full minimum wage for tipped workers with tips on top — Black restaurant workers earn \$13.90 an hour, compared to \$12.31 in the 43 other states with a subminimum wage. The race-gender wage gap between Black women and White men restaurant workers is \$3.53 in One Fair Wage states and \$4.78 in states with a subminimum wage for tipped workers. This means the Raise the Wage Act, which would require paying workers a full minimum wage with tips on top, can reduce the race-gender wage gap in the restaurant industry by more than one third (35%).<sup>80</sup> Black tipped workers still earn less even in these states compared to all other races; however, they are less likely to live in poverty and rely on food stamps due to the higher, more stable base wage.<sup>81</sup>

Enacting One Fair Wage nationwide has become a COVID-19 crisis concern, both for service workers and for public health. If restaurants are to reopen without significant new increases in the spread of COVID 19 and its variants, we must ensure that these workers are paid the full minimum wage and can thus enforce safety protocols and reject dangerous and demeaning sexual harassment from customers.





**To help advance this policy, the consuming public can take several steps:**

1. Call on your state and federal legislators to enact One Fair Wage legislation now, by going to [www.onefairwage.com/take-action](http://www.onefairwage.com/take-action).
2. Support restaurants that are already moving to pay their workers a full minimum wage with tips on top. These restaurants can be found at [www.highroadrestaurants.org](http://www.highroadrestaurants.org).
3. Encourage any restaurant you dine at or order from to transition to One Fair Wage, by asking to speak with the manager or owner, telling them that you would feel more safe as a customer if the workers were all paid the full minimum wage with tips on top, and asking them if you can connect them with RAISE High Road Restaurants, at [www.highroadrestaurants.org](http://www.highroadrestaurants.org).

After the last Great Depression, the New Deal attempted to stimulate the economy by providing relief to millions, including establishing, for the first time, a federal minimum wage. However, in doing so New Deal legislation codified structural racism, excluding tipped and other Black worker sectors from earning a minimum wage themselves. Now, 81 years later, as we face an economic depression of similar magnitude, Congress — and, by extension, America — has the opportunity to right our wrong and create a New Deal for Racial Equity that would simultaneously stimulate the economy and protect the public health.



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