

ONE FAIR WAGE

THE KEY TO SAVING THE RESTAURANT INDUSTRY POST-COVID 19



THE SUBMINIMUM WAGE for tipped workers is still just \$2.13 an hour at the federal level.¹

A direct legacy of slavery, the subminimum wage affects a workforce of nearly 5 million tipped workers that is 70 percent women and 43 percent people of color. Ending this low-wage carve-out positively impacts an overall restaurant industry that is currently 11.5 million workers but is slowly climbing back to its original peak of 12.3 million workers.³

1 The Subminimum Wage Is a Legacy of Slavery

- ◆ After Emancipation, the restaurant industry sought to hire newly freed Black people without paying them, forcing them to live on tips.⁴ This concept was made law, excluding a workforce of mostly Black women from the full minimum wage, even when other workers received the federal minimum wage as part of the New Deal in 1938.⁵
- ◆ Today, 43 states still permit this business model built on slavery, and they have allowed a workforce that is overwhelmingly women and disproportionately women of color to continue to receive a subminimum wage 150 years since Emancipation.⁶

2 The Subminimum Wage Was Always a Source of Economic, Race and Gender Injustice

- ◆ The subminimum wage for tipped workers was a problem long before the pandemic for a workforce of millions of workers who are overwhelmingly women working in casual restaurants and bars.⁷
- ◆ These workers have struggled with twice the poverty rate of other workers and the highest rates of sexual harassment of any industry because they must tolerate inappropriate customer behavior to feed their families in tips.^{8,9}

3 Seven States Are Faring Better With One Fair Wage

- ◆ For decades, 7 states did it differently: CA, OR, WA, NV, MT, AK and MN — all require a full minimum wage with tips on top.¹⁰
- ◆ These 7 states have higher restaurant job growth rates, small business growth rates, and tipping averages than states that offer a subminimum wage. They also have one half the rate of sexual harassment in the restaurant industry.^{11,12}

4 The Pandemic Made the Subminimum Wage a Matter of Life and Death

- ◆ With the pandemic, the subminimum wage for tipped workers changed from an economic, race and gender injustice to one of life and death.
- ◆ 6 million restaurant workers who lost their jobs nationwide at the start of the pandemic, 56 percent of these workers reported they couldn't access unemployment benefits because they were told their subminimum wage was too low to qualify for benefits.^{13,14}
- ◆ As restaurants began reopening through the summer of 2020 and into early 2021, over 4 million workers returned to the restaurant industry.¹⁵ However, when asked about their experiences returning to work, nearly 69 percent of workers reported their tips decreased by at least half because sales were down.¹⁶

- ◆ Meanwhile, customer hostility, health risks and harassment increased, with women tipped workers being asked to remove their masks so men could judge their looks and their tips on that basis.¹⁷
- ◆ Tipped workers were put in the impossible situation of having to enforce COVID protocols on the same restaurants from whom they had to get tips to survive.

5 The Wage Shortage: Workers Are Refusing To Work Without One Fair Wage

- ◆ With the pandemic driving tips down and harassment up, this life-threatening situation for service workers resulted in nearly 1 million workers leaving the restaurant industry.¹⁸
- ◆ In May 2021, 53 percent of those who remain in the restaurant industry reported that they are considering leaving; 78 percent say the only thing that will make them stay or return to working in restaurants is a full livable wage with tips on top.¹⁹



Nearly one million workers have left the restaurant industry and are not willing to return without One Fair Wage and thousands of employers are now paying One Fair Wage to recruit staff and seek a level playing field — the time to pass One Fair Wage is now.

6 Thousands of Restaurants Are Now Paying One Fair Wage

- ◆ As a result of this exodus, we've documented over 3,500 restaurants who are paying One Fair Wage to recruit staff.²⁰
- ◆ Many of these independent restaurants have joined forces with workers to call for One Fair Wage policy for two reasons:
 - 1) they say they need a level playing field, and
 - 2) they say they need policy to send a signal to millions of workers that these are permanent wage increases and it's worth coming back to work in restaurants.²¹
- ◆ Now, with 96 percent of workers surveyed supporting One Fair Wage, we must ensure that workers receive a full wage with tips on top so they can return to work.²²

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