



THIS MOMENT IS HIGHLIGHTING WHY WE'VE NEEDED ONE FAIR WAGE ALL ALONG

April 7, 2020

Forty-three states in the United States allow restaurants and other employers to pay tipped workers a subminimum wage, forcing them to live off customer tips for a majority of their income; in most states this wage is under \$5 an hour.¹

Seven states -- California, Oregon, Washington, Nevada, Minnesota, Montana, and Alaska -- require employers to pay One Fair Wage (OFW), a full minimum wage with tips on top. These seven states have had higher restaurant industry job growth rates, higher small business restaurant growth rates, and the same or higher rates of tipping as the 43 states that allow employers to pay a subminimum wage to their workers.² These seven states also have had one half the rate of sexual harassment in the restaurant industry, because in those states women do not need to tolerate harassment to get income; they can count on a wage from their employer, and the tips are an additional bonus.³

Without OFW, the majority-female restaurant and food service workforce will continue to suffer higher rates of sexual harassment and economic hardship. The lack of OFW means hundreds of thousands of restaurant workers around the country are now receiving unemployment insurance based on a subminimum wage, plus tips, while their counterparts in California, for example, are getting unemployment insurance calculated on a full minimum wage, plus tips.

This moment is highlighting why we have needed OFW all along. OFW will:

¹ "Better Wages, Better Tips: Restaurants Flourish with One Fair Wage." Restaurant Opportunities Centers United, February 13, 2018.

² National Restaurant Association (2017). 2017 National Restaurant Association Restaurant Industry Outlook [Online]. Available at: https://www.restaurant.org/Downloads/PDFs/News-Research/2017_Restaurant_outlook_summary-FINAL.pdf. Accessed 2/5/2018.

³ Restaurant Opportunities Centers United, Forward Together, (Oct. 2014). The Glass Floor: Sexual Harassment in the Restaurant Industry. New York.

- reduce the risk of workers who rely on tips going to work sick⁴
- reduce sexual harassment, especially for women servers⁵
- reduce poverty for workers who earn a subminimum wage⁶

TWO THINGS WE MUST DO NOW to ensure OFW is implemented nationally following containment of this coronavirus...

1) Workers Must Speak Out for One Fair Wage

Workers won't win a fair wage unless they demand it. The National Restaurant Association will organize workers against it -- using misinformation and scare tactics. Most importantly, workers must educate themselves and then speak directly with elected officials about the points above, with personal stories.

Educate→

Download the One Fair Wage Fact Sheet

bit.ly/OFWfactsheet

Stay Engaged to Take Action→

Join your colleagues on this Facebook Group:

<https://www.facebook.com/serviceworkersunited/>

2) We Must Fight for a Worker-First Approach to Any Restaurant Bailout, Incentivizing “High Road” Employer Behavior

On March 27, 2020, the federal government passed a \$2 trillion stimulus package for workers and businesses -- the biggest fiscal stimulus package in modern American history.

For More Information:

Everything to Know About How the \$2 Trillion Stimulus Helps (and Fails) Restaurants:

bit.ly/EaterStimulusArticle

It is unclear what the precise parameters will be to receive various forms of funding. In any event, we are demanding that:

⁴ *Coronavirus and the Restaurant Industry's Subminimum Wage: How One Fair Wage Can Mitigate the Spread of Coronavirus Infections*, <https://bit.ly/2Jppley> (March 2020)

⁵ Workers in states with a \$2.13 subminimum wage experience twice the rate of sexual harassment as workers in One Fair Wage states. *The Glass Floor: Sexual Harassment in the Restaurant Industry*, ROC United, Forward Together (2014).

⁶ Tipped workers live in poverty at more than twice the rate of the overall workforce, and tipped restaurant workers at two-and-a-half times the rate. Raising the tipped minimum wage to the full minimum wage has reduced poverty rates: 1) among women working as tipped restaurant workers from 18.3 percent in states with a subminimum wage to 12.3 percent in the states with one wage; 2) among tipped restaurant workers of color, 16.7 percent in subminimum wage states compared to 11.2 percent in states with one wage. [ROC United](http://ROCUnited.org) analysis of American Community Survey (2017); more in OFW Fact Sheet.

- ❖ **Unemployment insurance payments for tipped workers must be measured based on everyone already having One Fair Wage (i.e., \$15/hr plus tips)**
- ❖ **Relief to restaurants -- like rent assistance and tax abatements -- must be tied to commitments to moving to One Fair Wage, as proposed by Restaurants Advancing Industry Standards in Employment (RAISE)⁷**

⁷ RAISE restaurant owners letter to New York Governor Cuomo, <https://bit.ly/2wDD44c> (March 20, 2020)