

# ONE FAIR WAGE

THE KEY TO SAVING THE WASHINGTON, D.C.  
RESTAURANT INDUSTRY POST-COVID 19



## THE SUBMINIMUM WAGE for tipped workers is still just \$5.05 an hour in

**Washington, D.C., the nation's capital.** A direct legacy of slavery, the subminimum raises wages for a workforce of nearly 26,000 tipped workers that is 75% people of color,<sup>1</sup> and positively impacts an overall restaurant workforce of over 41,000 workers in Washington, D.C..<sup>2</sup> In 2018, voters in Washington, D.C. successfully passed One Fair Wage on the ballot, a reflection of the general popularity of the issue nationwide. However, The Washington, D.C. City Council overturned the will of the people due to lobbying from the Restaurant Association.<sup>3</sup>

Now the situation has completely changed. Millions of workers have left or are leaving the restaurant industry due to low wages and tips and high levels of health risks, hostility and harassment during the pandemic. Thousands of restaurants nationwide (and hundreds in Washington, D.C.) have raised their wages to attract and retain staff, greatly reducing the opposition to One Fair Wage. Washington, D.C. restaurant workers are once again collecting signatures for Initiative 82, which would require restaurants to pay a full minimum wage with tips on top.<sup>4</sup>

### 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.<sup>5</sup> 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.<sup>6</sup>
- ◆ Today, Washington, D.C. and 43 other states persist with this legacy of slavery, and has allowed a workforce that is overwhelmingly women and disproportionately women of color to continue to receive a subminimum wage 150 years since Emancipation.<sup>7</sup>

### 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 several thousand tipped workers in Washington, D.C. who are overwhelmingly women working in casual restaurants and bars.<sup>8</sup>
- ◆ 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.<sup>9,10</sup>

### 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.<sup>11</sup>
- ◆ These 7 states have higher restaurant job growth rates, small business growth rates, and tipping averages than Washington, D.C.; they also have one half the rate of sexual harassment in the restaurant industry and lost fewer restaurants during the pandemic than Washington, D.C..<sup>12,13</sup>

### 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.
- ◆ Nearly 18,000 workers in Washington, D.C. who lost their jobs were in the restaurant industry,<sup>14</sup> but 62% of

restaurant workers surveyed reported they were either unable to obtain or uncertain if they were able to apply for unemployment benefits.<sup>15</sup>

- ◆ Hundreds of thousands of tipped workers went back to work last summer; 86% of Washington, D.C. workers report their tips have decreased by at least half because sales were down, a rate 30% higher than the national average (66%).<sup>16</sup>
- ◆ 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.<sup>17</sup>
- ◆ 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 almost 18,000 workers leaving the industry in Washington, D.C..<sup>18</sup>



Thousands of Washington, D.C. tipped workers are leaving the restaurant industry and are not willing to return without One Fair Wage, and many 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.

- ◆ Nearly all workers surveyed in DC (99%) reported that their tips have decreased since the pandemic<sup>19</sup> and more than two thirds (66%) of workers nationwide said that they did not want to work in a restaurant without One Fair Wage — a full livable wage with tips on top.<sup>20</sup>

## 6 Many Washington, D.C. Restaurants Are Now Paying One Fair Wage

- ◆ As a result of this exodus, we've documented 3,000 restaurants nationally and over 130 in Washington, D.C. who are paying One Fair Wage to recruit staff.<sup>21</sup>
- ◆ 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.<sup>22</sup>
- ◆ With thousands of workers leaving the industry, Washington, D.C. restaurants are not able to fully reopen unless we pass One Fair Wage.<sup>23</sup>

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