Increased Sexual Harassment and Wage Theft Continue to Drive Women, Women of Color, and Single Mothers Out of the Service Sector
INTRODUCTION

EVEN PRIOR TO THE PANDEMIC, the restaurant industry had the highest rates of sexual harassment, largely due to the subminimum wage for tipped workers. The subminimum wage has long forced a workforce that is overwhelmingly women to tolerate inappropriate customer and supervisor behavior because their income is so dependent on customer tips.¹ In December 2020, One Fair Wage released survey data in which restaurant workers reported that the situation worsened during pandemic, with sexual harassment both increasing in quantity and severity — becoming life-threatening.² In 2021, Bureau of Labor Statistics data revealed that nearly one million workers left the industry,³ and further One Fair Wage surveys revealed that a majority of workers who remain working in restaurants are leaving, citing low wages, lessened tips, and increased hostility and harassment as the primary reasons for their departure.

To understand how these conditions have changed over the last 1.5 years of the pandemic, One Fair Wage conducted a survey of workers who remain in the industry at the second anniversary of the pandemic, over a three-week period in March 2022. We surveyed workers who remain in the industry on their experiences of harassment from both customers and supervisors and also about their wages, tips, and consideration of leaving the industry as well. The results of this survey are shared in this report.

KEY FINDINGS

1. Women and particularly women of color are more likely than men to report that during the pandemic their tips are too low to allow them to earn the full minimum wage as required by law, and that they are not paid for overtime hours worked.

   › Half (50 percent) of all women and nearly 6 in 10 women of color (58 percent) reported that they are currently not earning enough in tips to even bring them to the full minimum wage, compared to 32 percent of men.

   › More than one third (36 percent) of women and 46 percent of women of color reported they are not being paid overtime properly, compared to 24 percent of men.
2. At the two-year anniversary of the pandemic, women and particularly women of color report that sexual harassment continues to increase during the pandemic.

- Nearly half of all women and exactly half of all women of color said they have experienced increased customer and/or supervisor harassment during the pandemic, compared to 33 percent of men.

- Worst of all, at the two-year mark of the pandemic, nearly three quarters of all women (73 percent) and nearly 8 in 10 women of color (78 percent) say they regularly experience or witness sexual behaviors from customers that make them uncomfortable, compared to 61 percent of men.

- With 813,205 single mothers, the restaurant industry has the highest concentration of single mothers in any industry (9 percent). As sole breadwinners in their household, these women are even more vulnerable to harassment in restaurants than other workers because tips are the only income for their entire household.

3. Given reduced tips, ongoing violation of their rights, and the increased harassment relative to men, women and women of color are more likely to say they are leaving the industry due to the subminimum wage for tipped workers, refusing to come back without One Fair Wage.

- Over 57 percent of women and 63 percent of women of color, and 51 percent of men, said they are considering leaving their job due to increased sexual harassment that has come with subminimum wages and lessened tips.

- Of workers surveyed, 96 percent support One Fair Wage — a full minimum wage with tips on top — and 89 percent have pledged that they are unwilling to return to work without One Fair Wage.

   **WOMEN: 97 percent support One Fair Wage** — a full minimum wage with tips on top — and 89 percent have pledged that they are unwilling to return to work without One Fair Wage.

   **WOMEN OF COLOR: 99 percent support One Fair Wage** — a full minimum wage with tips on top — and 89 percent have pledged that they are unwilling to return to work without One Fair Wage.
UNLIVABLE: TIPS ARE TOO LOW AND WAGE THEFT TOO HIGH

A direct legacy of slavery, the subminimum wage for tipped workers is still $2.13 an hour at the federal level and persists in 43 states nationwide. The subminimum wage forces a population of tipped workers that is overwhelmingly women and disproportionately women of color to rely on customer tips for the majority of their income, making them more vulnerable than other workers to the race and gender inequities of tipping.

Race and gender play a critical role in the earning potential of subminimum wage workers, given their dependence on tips. In 2021, women composed 60 percent of front-of-house positions and nearly one-third of front-of-house employees were women of color. However, women, people of color and women of color in particular are often segregated into casual restaurants where tips are much less rather than fine dining establishments. In addition, years of research indicate that women and people of color are tipped less than white men due to customer bias in tipping. As a result of these inequities, the 2021 pay gap between women and men in front-of-house positions was $3.37, which is equivalent to an annual pay gap of about $7,000, or an 18.56 percent difference. In the past four years, the race and gender wage gap between black women and white men in tipped industries increased by more than one-third (36 percent).

It is not surprising, then, that while all restaurant workers have reported a general decline in tips, the decline in tips for women and in particular women of color has been so severe, it has resulted in a majority of women of color not even earning the minimum wage with tips, which is a violation of their legal right to obtain the minimum wage from their employer regardless of how much they are tipped. In Fall 2020, 83 percent of restaurant workers surveyed reported that tips decreased during the pandemic — largely due to a decline in sales. However, we did not understand the extent of the decrease in tips or its impact until this most recent survey.

In our March 2022 survey, only 41 percent of all workers said that their tips brought them up to their state’s full minimum wage, which is a violation of minimum wage laws. While even that percentage is much higher than pre-pandemic levels, the rate at which workers are not earning enough tips to make up a base minimum wage is even higher for women of color; shockingly, exactly half (50 percent) of all women and nearly 6 in 10 women of color (58 percent) reported that they are currently not earning enough in tips to even bring them to the full minimum wage, compared to 32 percent of men. In other words, nearly twice as many women of color are not receiving enough tips to earn the minimum wage as men.

A startling number of women and women of color also reported that they are not being paid the required 1.5 times their wage when working overtime (more than 40 hours per week). This data is especially troubling given the staffing crises in the industry — the smaller number of workers who
remain in the industry are being asked to work much longer hours because they are doing the work of many, and too many are not being paid properly for working these longer hours. As with wages and tips, this violation of these workers’ rights is being felt far more acutely by women, and particularly women of color. More than one third (36 percent) of women and nearly 46 percent of women of color are not being paid overtime properly, compared to 24 percent of men. Again, women of color report not receiving overtime pay at nearly double the rate of men.

SEXUAL HARASSMENT IN THE RESTAURANT INDUSTRY WAS ALREADY A CRISIS; NOW IT’S UNLIVABLE

A nationally representative survey by the Social Science Research Solutions (SRSS) conducted in January 2021 found that 71 percent of women in the restaurant industry reported they had been sexually harassed at work at least once during their time in the restaurant industry.15 This survey also found that tipped workers experience sexual harassment at a rate far higher than their non-tipped counterparts. Women, however, hesitate to report instances of sexual harassment because it often leads to retaliation. In this study, workers who reported harassment to their employers said that they had been the “target of significantly and substantially more retaliatory responses than those who did not report.”16 Tipped workers in particular experienced significantly more retaliation than non-tipped workers who took similar actions. Of workers surveyed, 98 percent of those who were sexually harassed experienced at least one incident of retaliation.17 Among the most common forms of retaliation reported was economic retribution.

COVID-19 compounded the crisis of sexual harassment. The reduction in customers and tips gave individual customers more power over individual women workers, and also gave more power to supervisors who control which shifts these workers work; since tips vary with shifts, supervisors control workers’ tip income by giving them better or worse shifts. The reduction in tips was further exacerbated by forcing workers to enforce public health guidelines on customers who are often unwilling to cooperate, which workers reported resulted in them receiving less tips.18 According to a One Fair Wage survey conducted in February 2021, Black workers reported receiving even lower tips (73 percent) when they enforced COVID-19 protocols versus their White counterparts (62 percent).19

Given these conditions, it is not surprising that in One Fair Wage’s Fall 2020 survey, 45 percent of all workers and 50 percent of women cited a noticeable increase in harassment during the pandemic.20 They also reported a change in the intensity and quality of the harassment — thousands of women reported being regularly asked to remove their masks so that men could judge their looks and their tips on that basis, changing the nature of the harassment to becoming life-threatening.21
Now, two years into the pandemic, women, and women of color in particular, report that harassment has gotten even worse. Nearly half of all women (46 percent) and exactly half of all women of color (50 percent) said they have experienced increased customer and/or supervisor harassment during the pandemic, compared to 33 percent of men. Worst of all, at the two-year anniversary of the pandemic, nearly three quarters of all women (73 percent) and nearly 8 in 10 women of color (78 percent) report that they regularly experience sexual behaviors from customers that make them uncomfortable, compared to 61 percent of men.

The fact that tipped workers who earn the subminimum wage are two-thirds women and disproportionately single mothers makes them uniquely vulnerable to harassment. As sole breadwinners in their household, these women are even more vulnerable to harassment in restaurants than other workers because tips are the only income for their entire household.

There are over 800,000 (813,205) single mothers working in the restaurant industry, with 425,000 single mothers in front-of-house, largely tipped positions. This makes the restaurant industry the sector with the highest concentration of single mothers in any industry (9 percent). The next highest concentration is in the general medicine/specialty hospital industry.

Subminimum wage work greatly impacts the economic prospects of single mothers. Single mothers in the restaurant industry are particularly burdened as they are less likely to secure night and weekend shifts which offer better tips because of a lack of childcare options. In some part, this can help explain the wage gap between single mothers and men in the restaurant industry. In all restaurant positions, single mothers receive lower wages than men. In 2021, single mothers working in restaurants received an average wage that was $1.54 less than the average man. Front-of-house positions witnessed a larger gap. The average hourly wage for a single mother was $16.62 ($17.81 in front-of-house positions). In front-of-house positions in particular, single mothers received an average of $2.01 lower than the average man. Already earning less than men pre-pandemic, and now earning even less in tips during the pandemic, women, women of color, and single mothers in the industry are facing the greatest vulnerability to harassment because of the increased power customers and supervisors have over them — when tips are so low, these women must tolerate more in order to obtain the meager tips they are now receiving.

**UNLIVABLE:**

*NOT SURPRISINGLY, WOMEN AND WOMEN OF COLOR ARE LEAVING THE INDUSTRY AT HIGHER RATES THAN MEN, DUE TO LOW WAGES, LESSENED TIPS, AND INCREASED HARASSMENT.*

Nearly 1 million restaurant workers have left the industry since the start of the pandemic. Many were driven out by low wages, reduced tips, and an increase in sexual harassment. In May 2021, One Fair Wage reported that 54 percent of all workers say they are leaving the industry,
70 percent reported they are leaving due to low wages and tips, and 80 percent say the primary motivation that would bring them back to working in restaurants is a full, livable wage with tips on top.

At the second anniversary of the pandemic, the exodus of workers continues, and is particularly pronounced for women and women of color — especially due to increased harassment that is accompanied with a lessening in tips. In our March 2022 survey, over 57 percent of women and 63 percent of women of color, versus 51 percent of men, reported that they have considered leaving their current jobs because they witnessed instances of sexual harassment or were victims of harassment.

These workers are tremendously clear about what would make them return to work in restaurants. Of workers surveyed, 96 percent support One Fair Wage — a full minimum wage with tips on top — and 89 percent have pledged that they are unwilling to return to work without One Fair Wage.29 And among women of color, 99 percent support One Fair Wage.

CONCLUSION

While the exodus of all workers from the restaurant industry is hindering both the restaurant industry’s and the entire economy’s ability to recover from the pandemic, the exodus of women and women of color in particular should be especially troubling. Women have made up the majority of tipped restaurant workers since the 1850’s in our country, and have contributed greatly to the professional service that the hospitality industry is known for.30 The fact that harassment and tip and wage disparities have impacted women, women of color and single mothers in the restaurant industry disproportionately — and that they are subsequently leaving the industry in higher numbers than other workers — is a severe crisis that will impact the industry and our economy for generations if not addressed immediately.

Nearly 100 percent of workers in the restaurant industry — both those leaving and those who remain — have been very clear that the primary change the industry can make that would make them return to working in restaurants is making One Fair Wage — a full minimum wage with tips on top — a permanent policy guaranteed by law. Thousands of employers who are raising wages to recruit staff at this moment report that they also need One Fair Wage as policy, both to create a level playing field for them and to signal to millions of workers that wage increases will be permanent and it is worth coming back to work in restaurants.31 Passing One Fair Wage policy will enable workers to depend less on tips from customers, giving them the ability to reject unwanted sexual behaviors or comments in the workplace, and providing them with the dignity and respect they are demanding to return to the industry.
To measure employment and wage statistics of workers in the restaurant industry across a five-year period (2017 to 2021) One Fair Wage used Current Population Survey data, hosted by IPUMS, and included the following occupation codes:

- **310** Food Service Managers
- **4000** Chefs and head cooks
- **4010** First-line supervisors/managers of food preparation and serving workers
- **4020** Cooks
- **4030** Food preparation workers
- **4040** Bartenders
- **4050** Combined food preparation and serving workers, including fast food
- **4060** Counter attendants, cafeteria, food concession, and coffee shop
- **4110** Waiters and waitresses
- **4120** Food servers, nonrestaurant
- **4130** Dining room and cafeteria attendants and bartender helpers
- **4140** Dishwashers
- **4150** Hosts and hostesses, restaurant, lounge, and coffee shop
- **4160** Food preparation and serving related workers, all other

The distinction between front of house and back of house workers was delineated as such:

**Front of house:**
- **310** Food Service Managers
- **4010** First-line supervisors/managers of food preparation and serving workers
- **4040** Bartenders
- **4050** Combined food preparation and serving workers, including fast food
- **4060** Counter attendants, cafeteria, food concession, and coffee shop
- **4110** Waiters and waitresses
- **4120** Food servers, nonrestaurant
- **4130** Dining room and cafeteria attendants and bartender helpers
- **4150** Hosts and hostesses, restaurant, lounge, and coffee shop

**Back of house:**
- **4000** Chefs and head cooks
- **4020** Cooks
- **4030** Food preparation workers
- **4140** Dishwashers
- **4160** Food preparation and serving related workers, all other
To measure employment statistics between 2017 to 2021, One Fair Wage used 1-year Current Population Survey samples, hosted by IPUMS organized by occupation, sex, and a combination of race/ethnicity to accurately measure employment statistics. To estimate the average wages of restaurant workers along demographic lines, One Fair Wage based their analysis on Economic Policy Institute microdata samples of CPS Outgoing Rotation Group data from the same time period. The wage data - adjusted for top-coding and imputations, and trimmed of extreme values, is inclusive of workers’ base wages plus any overtime pay, tips and commissions - was then converted from the sample year dollar amount to 2020 dollars in order to make accurate comparisons of wages over time.

In order to identify employment statistics and wages for single mothers working in the restaurant industry (as defined above) One Fair Wage followed an analysis done by the Bureau of Labor Statistics, selecting for women who are currently employed with one or more of their own children in their household.

Data about worker experiences comes from a survey of 369 respondents who reported that they are current restaurant workers who work in a position that receives tips. The survey asked workers primarily about sexual harassment in the restaurant industry since the pandemic. The survey was sent to a non-representative sample from the One Fair Wage COVID-19 Tipped and Service Workers’ Emergency Relief Fund applicant pool of tipped service workers in various states, collected between March 7, 2022 until March 28. This data is not exhaustive.


5 Statistics provided are based on a non-representative sample from the One Fair Wage COVID-19 Tipped and Service Workers’ Emergency Relief Fund applicant pool of tipped service workers in various states, collected between March 7, 2022 until March 28. This data is not exhaustive.


7 Ibid.


9 Ibid.


17 Ibid.


21 Ibid.


23 Ibid.

24 Ibid.


28 Statistics provided are based on a non-representative sample from the One Fair Wage COVID-19 Tipped and Service Workers’ Emergency Relief Fund applicant pool of tipped service workers in various states, collected between March 7, 2022 until March 28. This data is not exhaustive.

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