

ONE FAIR WAGE

THE KEY TO SAVING THE CONNECTICUT RESTAURANT INDUSTRY POST-COVID 19



THE SUBMINIMUM WAGE for tipped workers is still just \$6.38 an hour in the state of Connecticut.¹

A direct legacy of slavery, the subminimum wage affects for a workforce of nearly 70,000 tipped workers that is 70 percent women and 36 percent people of color.² Ending this low-wage carve out positively impacts an overall restaurant industry of over 110,000 workers in Connecticut.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, Connecticut remains one of 43 states that permits this business model built on 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.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 thousands of tipped workers in Connecticut 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 Connecticut; they also have one half the rate of sexual harassment in the restaurant industry and lost fewer restaurants during the pandemic than Connecticut.^{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.
- ◆ Six million restaurant workers lost their jobs with the pandemic shutdown in March 2020, including nearly 70,000 restaurant workers in Connecticut. Of workers who lost their jobs at the start of the pandemic, 44 percent reported they couldn't access unemployment benefits because they were told their subminimum wage was too low to qualify for benefits.^{13,14}
- ◆ Hundreds of thousands of tipped workers have since gone back to work, but nearly 70 percent of workers report their tips have decreased by at least half because sales were down.¹⁵

- ◆ 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.¹⁶
- ◆ 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 over 6,000 workers leaving the industry in Connecticut.¹⁷
- ◆ In a recent survey, 54 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.¹⁸



Thousands of tipped workers in Connecticut are leaving the restaurant industry and are not willing to return without One Fair Wage, and many Connecticut 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 Hundreds of Connecticut Restaurants Are Now Paying One Fair Wage

- ◆ As a result of this exodus, we've documented nearly 4,500 restaurants nationally and over 100 in Connecticut who are paying One Fair Wage to recruit staff.¹⁹
- ◆ 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.²⁰
- ◆ With 53 percent of workers nationwide saying they're leaving, Connecticut restaurants are not able to fully reopen unless we pass One Fair Wage.²¹

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11 *Ibid.*

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13 U.S. Bureau of Labor Statistics and Federal Reserve Bank of St. Louis. (May, 2022). All Employees: Leisure and Hospitality: Food Services and Drinking Places in Connecticut. <https://fred.stlouisfed.org/series/SMU0900000707220000ISA>.

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Health Survey Data, Collected 10/20-4/21.

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