

**ABUNDANT LIFE
FOR ALL**
A LIVING WAGE SERIES

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BUILDING POWER THROUGH CRISIS

By Saru Jayaraman, President, *One Fair Wage*

Tipped Workers Deserve a Living Wage

COVID-19 has both revealed the deep structural inequities of the service sector and created a tremendous opportunity to organize both workers and employers for the change that has always been needed. There is no going back – we can only go forward together and reimagine an industry in which all thrive.

Prior to the pandemic, there were more than 13 million restaurant workers and nearly 6 million tipped workers across the United States struggling with a federal subminimum wage of just \$2.13 an hour.¹ Seventy percent of tipped workers are women, disproportionately women of color, who work in nail and hair salons and casual restaurants such as IHOP and Denny’s, live in poverty at three times the rate of the rest of the U.S. workforce, and suffer from the worst sexual harassment of any industry because they are forced to tolerate inappropriate customer behavior in order to feed their families through tips.²

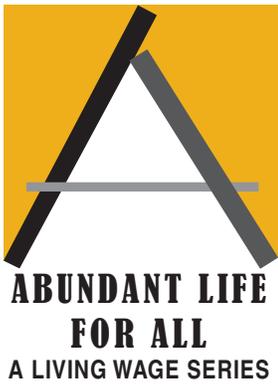
The Current Situation

Seven states – California, Oregon, Washington, Alaska, Minnesota, Nevada and Montana – have rejected this legacy of slavery and pay one fair wage, a full minimum wage with tips on top. These states have comparable or higher restaurant sales per capita, job growth among tipped workers and the restaurant industry overall, higher tipping averages than the 43 states with lower wages for tipped workers and half the rate of sexual harassment in the restaurant industry.³ One Fair Wage (OFW), the organization I lead, is a national coalition fighting to ensure that the nation follows the leadership of these seven states in requiring a full minimum wage with tips on top.

The subminimum wage for tipped workers resulted in a horrific experience for millions of tipped workers because of the COVID-19 economic shutdown. According to an April 2020 survey by the National Restaurant Association, nearly 9 million restaurant professionals lost their jobs during the shutdown.⁴ Hundreds of tipped workers reported to us that they were denied unemployment insurance because their subminimum wage plus tips is so low it does not meet the minimum threshold to obtain unemployment insurance. These workers were penalized because their employers paid them too little. Sarah May, a bartender in Michigan with an ill child, was told by the State of Michigan that her subminimum hourly wage of \$3.67 plus tips was too little to meet the minimum threshold to qualify for benefits.

Solutions

OFW responded to the COVID-19 pandemic by launching the One Fair Wage Emergency Fund to provide over \$21 million in cash relief to thousands of low-wage service workers. Volunteers called each applicant to assess need to provide individual counseling to workers regarding their unemployment benefits and finances.



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More importantly, OFW has been organizing these workers into large national and state tele-town halls and virtual rallies with Congress members, governors and other state legislators to allow them to raise their voices and make demands. The pandemic has offered a new and unique moment in organizing – thousands of workers have attended these virtual events demanding change with a fervor we have rarely seen. Beyond organizing workers, several restaurant owners who previously were opposed to or hesitant about One Fair Wage are now willing to commit to One Fair Wage and increased race and gender equity in hiring, promotion and training. Some have recognized the unsustainability of the system. Some are now able to break free from an old business model that they could not see how to change. Some are considering selling their business to their workers; and some are even working with us to design model restaurants of the future.

The pandemic has been the gravest crisis in the service sector’s history in the United States and also the greatest moment for transformation – for building power among workers and change among employers toward a sustainable future of collective prosperity.

What can United Methodist Women members do?

- Go to onefairwage.com/ to learn about active state campaigns and current opportunities for action.
- Contact federal and state officials to let them know that tipped wage workers need to be fully included in emergency relief and they need to earn a \$15/ hour minimum wage plus tips.
- Read *Behind the Kitchen Door*, a United Methodist Women Reading Program Book. See other resources at unitedmethodistwomen.org/behind-the-kitchen-door.
- Search for One Fair Wage on YouTube to check out videos.

About the Author:

Saru Jayaraman is the president of One Fair Wage, co-founder of the Restaurant Opportunities Centers United (ROC United) and director of the Food Labor Research Center at the University of California, Berkeley. Author of *Behind the Kitchen Door*, in 2019 she was named the *San Francisco Chronicle* Visionary of the Year.

1. Restaurant Opportunities Centers United (ROC), “Tipped Over the Edge: Gender Inequity in the Restaurant Industry,” (Feb. 2012). iwpr.org/publications/tipped-over-the-edge-gender-inequity-in-the-restaurant-industry/. Accessed May 20, 2020
2. ROC, Ibid, and Tahmincioglu, E. “Sexual claims common in pressure-cooker restaurant world,” (Nov. 2011). business.nbcnews.com/_news/2011/11/01/8565198-sexual-claims-common-in-pressure-cooker-restaurant-world. Accessed May 11, 2020
3. Restaurant Opportunities Centers United, Better Wages, Better Tips: Restaurants Flourish with One Fair Wage, (Feb. 2018). chapters.rocunited.org/wp-content/uploads/2018/02/OneFairWage_W.pdf. Accessed May 29, 2020
4. One Fair Wage estimates that between 45%-70% of tipped restaurant workers have lost their jobs based on a national survey of restaurant owners and operators: “Covid-19 Update” National Restaurant Association, (April 2020). restaurant.org/Manage-My-Restaurant/Business:Operators/Covid19/ResearchIndustry-Research. Accessed May 25, 2020

Abundant Life for All is a series addressing aspects of the United Methodist Women Living Wage for All Campaign for use by members in programs for education and action. Edited by elmira Nazombe.



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