

Summary of Research on Unemployment Insurance, Wages, Harassment, and the Impacts of the Covid-19 Pandemic on Restaurant Workers

The Berkeley Food Institute (BFI) seeks to transform food systems to expand access to healthy, affordable food and to promote sustainable and equitable food production. We empower new leaders with capacities to cultivate diverse, just, resilient, and healthy food systems.

The Food Labor Research Center, based out of the UC Berkeley Goldman School of Public Policy, is the first academic institution in the country to focus on the intersection of food and labor issues.

One Fair Wage (OFW) is a nonprofit organization that is led by advocates for restaurant workers seeking to end all subminimum wages and to increase the sustainability of wages and working conditions in the service sector.

Help Wanted - The Impact of Ending Unemployment Insurance on Restaurant Workers' Willingness to Work for Subminimum Wages - July 2021

This brief summarizes findings from a new survey of 287 current and former service workers in five states (Arizona, New Hampshire, West Virginia, Florida, Texas) that have prematurely ended federally-funded unemployment benefits.

Prior to the pandemic, the U.S. restaurant industry was one of the largest and fastest growing sectors in the nation's economy, employing over 13 million workers. The workers in this industry were and still are some of the lowest paid workers in the country.

Cutting unemployment insurance benefits does not result in most workers returning to work in restaurants for the same wages they received prior to the pandemic.

Among unemployed individuals who previously received unemployment benefits that were subsequently cut, nearly 60 percent are not considering returning to the service industry. The most common factor that would make them consider returning to the industry was a full, stable, livable wage (69%), followed by paid sick leave (63%), health benefits (63%), and less hostility and harassment in the workplace (56%).

Regardless of their access to unemployment insurance, workers are consistently reporting that they are leaving the restaurant industry because they can no longer afford to live on the industry's subminimum wages.

"Unemployment has been my life raft of safety. Without it I would have no idea what to do. It has kept me safe from exposure from COVID, allowed me to work on my education and health and opened up time and space to think about what I truly want out of life."

WHAT WOULD MAKE THEM RETURN TO THE SERVICE INDUSTRY?

	STATEMENTS IN THE STATES
A full, stable, livable wage	60%
Increased hours	25%
Paid sick leave	63%
Better COVID-19 safety protocols and enforcement	44%
Health benefits or insurance	63%
An improved working environment with less hostility from customers, coworkers, and/or management	56%
Access to child care services	25%

Summary of Unemployment Benefits Impact Survey from the Help wanted - Impact of Ending Unemployment Insurance policy report.

Raising Wages to Reopen - Restaurants Nationwide Raising Wages to Save Their Businesses After Covid-19 - Sept 2021

The Covid-19 pandemic caused massive upheaval in the US restaurant industry. Over a two-week period, the report documented over 1,600 restaurants across 41 states that have raised wages to pay the full minimum wage with tips on top, with an average wage of about \$13.50. The majority of restaurants in these states were paying a subminimum wage of \$5 or less earlier that year.

By May of 2021, the report found that 53 percent of service workers report that they are considering leaving their jobs and the majority are leaving because their wages and tips are too low. Nearly 8 in 10 of these workers (78%) report that they would only stay in restaurants or return to work in restaurants if they received a full, livable wage with tips on top.

Multiple studies have confirmed that increases in the minimum wage have little effect on employment, business growth, and would lead to only minimal increases in menu prices. Furthermore, ending the subminimum wage would have significant economic impacts on the local economy as well as the workers themselves.

Unlivable - Increased Sexual Harassment and Wage Theft Continue to Drive Women, Women of Color, and Mothers Out of the Service Sector - April 2022

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.

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.

The subminimum wage for tipped workers is still \$2.13 an hour at the federal level and persists in 43 states nationwide. 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.

COVID-19 compounded the crisis of sexual harassment. 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.

