NATIONAL EXECUTIVE SUMMARY

Behind the Kitchen Door: A MULTI-SITE STUDY OF THE RESTAURANT INDUSTRY

The Restaurant Opportunities Centers United

Behind the Kitchen Door was conceived of and designed by Restaurant Industry Coalitions in New York, Chicago, Metro Detroit, Los Angeles, Miami, New Orleans, and Washington, DC. Since 2003 until the present, in each location, these coalitions consisted of academics, policy analysts, worker advocates, worker organizers, unions, and others, and included behind the scenes work by Restaurant Opportunities Centers United (RO-Centers). Behind the Kitchen Door’s multi-site study of the restaurant industry was designed to be the most comprehensive research analysis of the restaurant industry conducted in that region’s history. Each of the eight Behind the Kitchen Door reports was based on interviews with restaurant workers, in-depth interviews with restaurant employers, and in-depth interviews with experts in the industry. Thus, this report includes the results of over 4000 surveys, over 400 employer interviews, and over 240 worker interviews. The results of this preliminary research are supplemented by analysis of industry and government data, such as the Census, as well as a review of existing academic literature.

Our Recommendations

The Restaurant Industry Coalitions in each location studied developed a series of recommendations to address the workplace problems documented in our study. The core recommendations for all eight locations were:

1. Level the playing field by providing good sick days and increasing the tipped minimum wage.

2. Enforce employment laws in the restaurant industry. Labor, employment and health and safety standards should be strictly enforced. Kitchen should ensure employees’ compliance with each rule and regulations.

3. Incentives to increase and retain industry employees. Incentives should be considered to incentivize employers to provide livable wages, leave, workplace benefits, and opportunities for advancement to restaurant workers.

4. Promote opportunity, penalizing discrimination. Policymakers must ensure that the initiative meet the highest workplace standards and be best fit to their business. Moreover, many did not implement policies that incentivize employers to provide livable wages, leave, workplace benefits, and opportunities for advancement to restaurant workers.

5. Protect workers’ rights to organize.sanctions from the tip pool system. Approximately 250-300 interviews were conducted with employer, 160-200 interviews were conducted with worker, and 25-30 interviews were conducted with employer in each region. Thus, the results of this preliminary research are supplemented by analysis of industry and government data, such as the Census, as well as a review of existing academic literature.

6. Support further industry research. Further study and dialogue should be undertaken that includes restaurant workers, employers, and academic research. Further studies and dialogue that should be undertaken that includes restaurant workers, employers, and academic research.

7. Support further industry research. Further study and dialogue should be undertaken that includes restaurant workers, employers, and academic research.

The information collected from workers, employers, and industry experts is critical to ensuring that the restaurant industry in each of the eight locations and as a national sector truly shines not only as an important contributor to the nation’s economy, but also as a beacon to the well-being of its workers and communities.
Executive Summary

A Resilient and Growing Industry

Nationwide and in each of the eight regions studied – New York, Chicago, Metro Detroit, Los Angeles, Maine, Miami, New Orleans, and Washington, D.C. – the restaurant industry is vibrant, resilient, and growing. The industry includes approximately 10.3 million workers and 557,520 food service and drinking places nationwide that make significant contributions to the country’s revenue, hospitality and entertainment sectors and to its economy as a whole. Since 2007, the restaurant industry garnered $515 billion in sales revenue.

Perhaps the industry’s most important contribution to the nation’s economy is the millions of job opportunities and career advancement that it provides, and young people just starting out. Since formal credentials are not a requirement for the majority of restaurant jobs, the industry provides employment opportunities to those that prefer flexible wages, access to health benefits, and advancement in the industry. Taking the low road to profitability, however, creates knowing jobs with long hours, low benefits, and exposure to dangerous and unhealthy workplace conditions. Our research indicates that the majority of restaurant employers in each of the eight regions examined appear to be taking the low road, creating a professionally low-wage industry in which violations of employment and health and safety laws are commonplace. According to the Bureau of Labor Statistics, the median hourly wage for food preparation and service workers is only $8.89 including tips, which means that half of all restaurant workers nationwide actually earn less than this.

In eight locations, the social cost of low-wage jobs was revealed. The costs of low-road workplaces include:

1. Loss of earnings: workers earning less than $9.54 in New York City and Chicago and $15.22 in Washington, D.C.

2. Higher poverty rates: 28.0% in Chicago and Los Angeles, 21.8% in Washington, D.C., compared to 19.9% in the U.S. overall.

3. Higher uninsured rates: 16.6% in Chicago, 10.2% in Los Angeles, compared to 6.8% in the U.S. overall.

4. More likely to work without paid sick days: 79.4% in Chicago, 74.0% in Los Angeles, compared to 65.2% in the U.S. overall.

5. More likely to work without paid vacation days: 87.7% in Chicago, 87.1% in Los Angeles, compared to 74.5% in the U.S. overall.

6. More likely to suffer from overtime violations: 46.3% in Chicago, 43.3% in Los Angeles, compared to 35.8% in the U.S. overall.

7. More likely to have vision problems that relate to misuse or overuse of ergonomics: 26.0% in Chicago, 22.8% in Los Angeles, compared to 17.2% in the U.S. overall.

8. More likely to have hearing problems: 34.0% in Chicago, 31.9% in Los Angeles, compared to 26.8% in the U.S. overall.

Many Bad Jobs, A Few Good Ones

In all eight locations, we found that there are two roads to profitability in the restaurant industry: the “high road” and the “low road.” Restaurant employers who take the high road are the source of the best jobs in the industry—jobs that provide livable wages, access to health benefits, and advancement in the industry. Taking the low road to profitability, however, creates knowing jobs with long hours, low benefits, and exposure to dangerous and unhealthy workplace conditions. Our research indicates that the majority of restaurant employers in each of the eight regions examined appear to be taking the low road, creating a professionally low-wage industry in which violations of employment and health and safety laws are commonplace. According to the Bureau of Labor Statistics, the median hourly wage for food preparation and service workers is only $8.89 including tips, which means that half of all restaurant workers nationwide actually earn less than this.

In eight locations, the social cost of low-wage jobs was revealed. The costs of low-road workplaces include:

1. Loss of earnings: workers earning less than $9.54 in New York City and Chicago and $15.22 in Washington, D.C.

2. Higher poverty rates: 28.0% in Chicago and Los Angeles, 21.8% in Washington, D.C., compared to 19.9% in the U.S. overall.

3. Higher uninsured rates: 16.6% in Chicago, 10.2% in Los Angeles, compared to 6.8% in the U.S. overall.

4. More likely to work without paid sick days: 79.4% in Chicago, 74.0% in Los Angeles, compared to 65.2% in the U.S. overall.

5. More likely to work without paid vacation days: 87.7% in Chicago, 87.1% in Los Angeles, compared to 74.5% in the U.S. overall.

6. More likely to suffer from overtime violations: 46.3% in Chicago, 43.3% in Los Angeles, compared to 35.8% in the U.S. overall.

7. More likely to have vision problems that relate to misuse or overuse of ergonomics: 26.0% in Chicago, 22.8% in Los Angeles, compared to 17.2% in the U.S. overall.

8. More likely to have hearing problems: 34.0% in Chicago, 31.9% in Los Angeles, compared to 26.8% in the U.S. overall.

The Social Costs of Low-Wage Jobs

It is possible to create good jobs while maintaining a successful business in the restaurant industry. Our interviews with employers revealed that as long as there is an enduring commitment to do so, it is possible to run a successful restaurant business while paying livable wages, providing workplace benefits, creating adequate levels of staffing, providing necessary training, and creating career advancement opportunities.

In the eight locations between 9% and 22% reported earning a livable wage, with the highest median (LA, NY, Chicago) all reporting that more than 20% of the jobs were livable wage jobs. These findings demonstrate both the existence of “good jobs” and the potential of the industry to serve as a positive factor for job creation. Workers who earn higher wages are also more likely to receive benefits, ongoing training and promotion and less likely to be exposed to poor and illegal workplace practices. For example, workers earning a livable wage, calculated by their locality, were also more likely to have health insurance than workers earning less than the state minimum wage.

The High Road is Possible

It is possible to create good jobs while maintaining a successful business in the restaurant industry. Our interviews with employers revealed that as long as there is an enduring commitment to do so, it is possible to run a successful restaurant business while paying livable wages, providing workplace benefits, creating adequate levels of staffing, providing necessary training, and creating career advancement opportunities.

In the eight locations between 9% and 22% reported earning a livable wage, with the highest median (LA, NY, Chicago) all reporting that more than 20% of the jobs were livable wage jobs. These findings demonstrate both the existence of “good jobs” and the potential of the industry to serve as a positive factor for job creation. Workers who earn higher wages are also more likely to receive benefits, ongoing training and promotion and less likely to be exposed to poor and illegal workplace practices. For example, workers earning a livable wage, calculated by their locality, were also more likely to have health insurance than workers earning less than the state minimum wage.

In the eight locations, we found that there are two roads to profitability in the restaurant industry: the “high road” and the “low road.” Restaurant employers who take the high road are the source of the best jobs in the industry—jobs that provide livable wages, access to health benefits, and advancement in the industry. Taking the low road to profitability, however, creates knowing jobs with long hours, low benefits, and exposure to dangerous and unhealthy workplace conditions. Our research indicates that the majority of restaurant employers in each of the eight regions examined appear to be taking the low road, creating a professionally low-wage industry in which violations of employment and health and safety laws are commonplace. According to the Bureau of Labor Statistics, the median hourly wage for food preparation and service workers is only $8.89 including tips, which means that half of all restaurant workers nationwide actually earn less than this.

In eight locations, the social cost of low-wage jobs was revealed. The costs of low-road workplaces include:

1. Loss of earnings: workers earning less than $9.54 in New York City and Chicago and $15.22 in Washington, D.C.

2. Higher poverty rates: 28.0% in Chicago and Los Angeles, 21.8% in Washington, D.C., compared to 19.9% in the U.S. overall.

3. Higher uninsured rates: 16.6% in Chicago, 10.2% in Los Angeles, compared to 6.8% in the U.S. overall.

4. More likely to work without paid sick days: 79.4% in Chicago, 74.0% in Los Angeles, compared to 65.2% in the U.S. overall.

5. More likely to work without paid vacation days: 87.7% in Chicago, 87.1% in Los Angeles, compared to 74.5% in the U.S. overall.

6. More likely to suffer from overtime violations: 46.3% in Chicago, 43.3% in Los Angeles, compared to 35.8% in the U.S. overall.

7. More likely to have vision problems that relate to misuse or overuse of ergonomics: 26.0% in Chicago, 22.8% in Los Angeles, compared to 17.2% in the U.S. overall.

8. More likely to have hearing problems: 34.0% in Chicago, 31.9% in Los Angeles, compared to 26.8% in the U.S. overall.