Behind the Kitchen Door: Inequality and Opportunity in Los Angeles, the Nation’s Largest Restaurant Industry

By: The Restaurant Opportunities Center of Los Angeles, Restaurant Opportunities Centers United, and the Los Angeles Restaurant Industry Coalition

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Behind the Kitchen Door:
Inequality and Opportunity in Los Angeles, the Nation’s Largest Restaurant Industry
Executive Summary

"Behind the Kitchen Door: Inequality & Opportunity in Los Angeles, the Nation’s Largest Restaurant Industry" represents one of the first and most comprehensive research analyses of the restaurant industry in Los Angeles. The report was conceived of and designed by the Los Angeles Restaurant Industry Coalition - a broad gathering of academics, policy analysts, worker advocates, worker organizers, unions, restaurant workers and restaurant industry employers. The data collected for this paper is original and not previously published.

The report uses data collected from 562 worker surveys, 30 one-hour interviews with restaurant workers, and 33 one-hour interviews with restaurant employers in Los Angeles. Data collected for this study followed standard research protocols; the data have been cleaned and weighted for statistical significance. The results of this primary research are supplemented by analysis of industry and government data, such as the Census, as well as a review of existing academic literature.

Our study is driven by the need to assess the overall health of the restaurant industry, which is fundamental to the Los Angeles economy and critical to the lives of thousands of restaurant workers, their families, and to employers. The restaurant industry in Los Angeles is the largest in the nation and is an important and robust source of locally-based jobs. The restaurant industry provides a regional and state revenue source in the billions, providing considerable opportunity for development of successful affiliated businesses in the food industry and beyond. Accurate data on the industry and its workforce is key for the industry’s sustainable growth and provides a window into the lives of workers who serve the food we consume.

A Resilient and Growing Industry

Los Angeles County is home to a vibrant restaurant industry that continues to grow daily. The restaurant industry in Los Angeles is the largest in the nation and includes more than 276,000 food service and drinking places that make significant contributions to the region’s tourism, hospitality, and entertainment sectors, and to its economy as a whole. For example, in 2007, the restaurant industry in California accounted for an estimated $4.7 billion of the State’s sales tax revenues (see Chapter II).

The restaurant industry also provides thousands of job opportunities and career options to the region’s economy. The restaurant industry has shown massive job growth over the past two decades in an economy that was otherwise largely stagnant, and proved to be much more robust than the rest of the economy during the recession beginning in 2008. Los Angeles-area restaurants employ more than 276,100 workers – almost one in ten of the region’s total employment. Since formal credentials are not a requirement for the majority of restaurant jobs, the industry provides many employment opportunities for new immigrants, workers who have no formal qualifications, and young people just starting out in the workforce, including Hollywood entertainers.

Many Bad Jobs, A Few Good Ones

There are two roads to profitability in the Los Angeles 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 – those that provide livable wages, access to health benefits, and advancement in the industry. Taking the low road to profitability, however, means the creation of low-wage jobs with long hours, few benefits, and exposure to dangerous and often unlawful workplace conditions. Data from our study shows that many restaurant employers in the Los Angeles area appear to be taking the low road, creating a predominantly low-wage industry where employment, and health and safety laws are frequently violated.

While there are a few “good” restaurant jobs in the restaurant industry and opportunities to earn a livable wage, the majority are “bad jobs,” characterized by very low wages, few benefits, and limited opportunities for upward mobility or increased income. According to the U.S. Bureau of Labor Statistics, wages in Los Angeles County have declined in the restaurant industry over the past twenty years. In 2009, the median hourly wage for restaurant workers was only $9.24, which means that one half of all Los Angeles restaurant workers actually earn less than this amount (see chapter II).
In our own survey of restaurant workers, the vast majority (89.8%) reported that their employers do not offer health insurance (see further Chapter III). Earnings in the restaurant industry have also lagged behind that of the entire private sector. In terms of annual earnings, restaurant workers on average made only $17,731 in 2009 compared to $50,213 for the total private sector. Many workers in our study reported overtime and minimum wage violations, lack of health and safety training, and failure to implement other health and safety measures in restaurant workplaces. Many workers surveyed in our study (44.1%) experienced overtime violations and slightly more than a quarter (26.7%) reported working “off the clock” without being paid. These abuses violate employment laws and rob the state of income tax revenue.

The recession has seen an expansion of low-wage jobs, particularly those in the restaurant industry, at the expense of higher-wage jobs (see Chapter II). A greater proportion of low-wage jobs can inhibit economic recovery by undermining workers’ spending power and thereby decreasing their ability to generate sufficient consumer demand to pull the economy back up to full employment. Hence, it is in the public interest to increase livable-wage jobs in the restaurant industry.

**Occupational Segregation and Discrimination**

In Los Angeles, historical discrimination, residential segregation, and poor transportation options are compounded by current structural inequities and discrimination in the restaurant industry. For example, it is largely workers of color who are concentrated in the industry’s “bad jobs,” while White workers tend to disproportionately hold the few “good jobs.” Workers of color are overrepresented in lower-paying positions and segments of the industry where abuses are more frequent. This segregation is further compounded by geographical segregation and discrimination against restaurant workers of color in the Los Angeles area. The industry offers low-wage jobs with little access to benefits in most communities in which workers of color live, and inadequate bus service presents a key challenge for these workers in accessing livable-wage jobs in wealthier parts of the City where more fine dining restaurants are concentrated. These differences in where restaurant workers live and work have a direct impact on earnings and working conditions. Workers also reported discriminatory hiring, promotion and disciplinary practices; one-third (34.7%) of workers experiencing verbal abuse reported that it was based on race.

**The Social Costs of Low-Wage Jobs**

Our research also reveals the hidden costs to customers and taxpayers of low-wage jobs and low-road workplace practices. Restaurant employers who violate labor laws are more likely to violate health and safety standards in the workplace by failing to provide health and safety training or forcing workers to engage in practices that harm the health and safety of customers such as working while sick because they lack paid sick leave (see Chapter VI).

The pervasiveness of accidents coupled with the fact that so few restaurant workers have health insurance can lead to escalating uncompensated care costs. For example, 16.4% of surveyed workers reported that they or a family member had visited the emergency room without being able to pay for their treatment. The state is in effect subsidizing restaurants who do not provide health insurance to their workforce by paying for emergency room medical treatment.

Finally, low wages and the lack of job security among restaurant workers lead to increased reliance on social assistance programs, resulting in an indirect subsidy to employers engaging in low-road practices and fewer such public resources available to all those in need. Whenever restaurant workers and high-road employers are hurt by low-road practices, so is the rest of society.

**The High Road Is Possible**

Our interviews with employers revealed that it is possible to run a successful restaurant business while paying livable wages, providing workplace benefits, ensuring adequate levels of staffing, providing necessary training, and creating career advancement opportunities.

In fact, close to one in five (18%) workers reported earning a livable wage, and similar numbers reported receiving benefits, thereby demonstrating both the existence of “good jobs” and the potential of the industry to serve as a posi-
itive force for job creation. Workers who earn higher wages are also more likely to receive benefits, ongoing training and promotion, and are less likely to be exposed to poor and illegal workplace practices. For example, workers earning wages above the poverty line were almost twice as likely to have health insurance than those earning below the poverty line. Workers earning a livable wage were also more likely to have received training and promotion in their current workplace.

Our Recommendations

Our findings show that the Los Angeles restaurant industry is large and robust, providing multiple opportunities for employment in various jobs. Our study also shows widespread abuse and inequities between workers in good jobs and workers in bad jobs. These inequities largely follow patterns based on race and immigration status. We also find that many restaurants pay livable wages and provide benefits. The Restaurant Industry Coalition recommends the following steps to address the workplace problems documented in our study:

1. **Provide paid sick days and increase the minimum wage.** To protect the health and well-being of workers and consumers and to level the playing field for responsible employers, policymakers should require all employers to provide paid sick days to their employees, and to increase the minimum wage for all workers. Additionally, government agencies charged with enforcing family and medical leave laws, including the federal Family Medical Leave Act (FMLA) and the state California Family Rights Act (CFRA), should increase enforcement efforts to encourage employer compliance and protect the rights of restaurant workers.

2. **Incentivize high-road practices.** Policymakers should consider initiatives and incentives that will assist and encourage employers to pay livable wages and go above and beyond the law. Such initiatives could include streamlining licensing procedures for employers who guarantee exceptional workplace practices. They could also take the form of subsidies to employment-based health insurance or support of collective health insurance programs.

3. **Promote opportunity, penalize discrimination.** Policymakers should explore initiatives that encourage internal promotion and discourage discrimination on the basis of race and immigration status in the restaurant industry. Policymakers should also support efforts to ensure that marginalized workers, such as undocumented workers, women, and non-English speaking individuals, have full access to legal recourse and effective remedies under existing anti-discrimination laws.

4. **Combat sexual harassment.** Employers should implement policies and practices that effectively combat sexual harassment in its various forms, including harassment by customers, coworkers, and managers (more detailed description in Chapter VII). Moreover, policymakers should include penalties for employers who do not provide state-mandated educational programs to address sexual harassment in the industry, and expand this law to include businesses with less than 50 employees.

5. **Labor, employment and health and safety standards should be strictly enforced.** Workers suffering from egregious violations of labor and health and safety codes must be protected. Legislative bodies should consider policies that protect all stakeholders by considering a restaurant’s compliance with basic employment laws when granting government licenses, such as liquor and other business licenses, that are intended by statute for responsible business owners, and when awarding letter grades for restaurants’ health and safety standards. Policymakers should also allow liens on employers for unpaid wages.

6. **Promote model employer practices.** Model employer practices should be publicized to provide guidance to other employers in the industry. The vast majority of employers we interviewed agreed in theory that high-road workplace practices were better. However, many did not implement them in practice. Moreover, consumers should promote model employer practices by choosing restaurants that engage in best practices.

7. **Protect workers’ right to organize.** Governments, employers, and non-governmental social sector organizations should ensure that relevant initiatives foster and protect organizing among restaurant workers and publicize the public benefits of unionization in this and other industries.
8. **Expand and improve bus service.** An expanded bus service would help combat racial segregation within the industry and lighten the burden on restaurant workers that must commute from working class communities of color to wealthy neighborhoods where restaurant jobs are concentrated. While a great deal of public funding is being spent on trains, increasing the frequency of night bus service and putting in place more security precautions at bus stops would allow many more restaurant workers, particularly women, to use the bus safely.

9. **Expand Los Angeles’ Living Wage Ordinance** to include restaurants that contract with the City of Los Angeles or are tenants on public land, since the restaurant industry is one of the largest and fastest-growing sectors of the Los Angeles economy.

10. **Support further industry research.** Further study and dialogue should be undertaken that includes restaurant workers, employers, and decision-makers in order to ensure effective and sustainable solutions to the issues identified in our study – especially race-based discrimination, and the impacts of the industry’s practices on health care and public program costs.
EXECUTIVE SUMMARY

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C H A P T E R  I

Introduction and Methodology

The Los Angeles restaurant industry has enormous potential, both as an employer of hundreds of thousands of Los Angeles residents and as an engine of economic growth. Over the past twenty years, the food and beverage service sector has expanded, and despite the recent economic downturn, it continues to outpace other industries (see Chapter II). Unlike many jobs in the manufacturing and technology sectors, restaurant jobs cannot be outsourced. For this reason, the industry will occupy an increasing share of the nation’s economy in the near future.

Similar to what we have found in other large metropolitan regions, Los Angeles County restaurants are an important source of jobs – particularly for people of color, new immigrants and young people just starting in the workforce. Thousands of Los Angeles restaurant workers earn livable wages and receive healthcare benefits. The industry also offers opportunities for entrepreneurs to fulfill their dream of opening their own restaurants. Most jobs in the industry, however, are characterized by low wages – often below the poverty level – no health insurance, no sick and vacation days, few advancement opportunities, and exposure to poor and illegal workplace conditions.

Our primary research, review of existing literature, and analysis of government and industry data reveal that there are two roads to profitability in the Los Angeles 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 – those that enable restaurant workers to support themselves and their families, remain healthy, and advance in the industry. Taking the low road to profitability, on the other hand, creates low-wage jobs with long hours and few benefits. It ultimately harms workers, other restaurant employers, consumers, public health, and taxpayers.

Our research and existing government and industry statistics indicate that the majority of employers in the Los Angeles restaurant industry, as in other parts of the country, are engaging in low-road workplace practices, contributing to the creation and perpetuation of a predominately low-wage industry in which few workers enjoy basic workplace benefits and safe and healthy working conditions. These practices often lead to violations of workers’ basic rights, including federal and state wage and hour laws and health and safety regulations. While the industry has the potential to allow workers to support their families, it often ends up contributing to the proliferation of “bad” jobs in the current economy – jobs that cannot sustain workers, their families, or communities. Our worker surveys and interviews illustrate the impact such bad jobs have on people’s lives.
Our interviews with employers detail many of the factors that drive them to take the low road to profitability, often against the principles of good business practice they espouse. This report also highlights the strategies employed by some restaurant employers to overcome these factors. It is possible to achieve success in the restaurant business by pursuing the “high road.” However, the pervasive use of low-road workplace practices undermines employers’ ability to do so, creating an unlevel playing field. Our research also demonstrates the importance to public health – and public coffers – of encouraging and supporting the majority of restaurant employers to improve practices.

In our research, we also found a large gap in wages and working conditions between White workers and workers of color in the Los Angeles restaurant industry. Our research suggests at least two key factors contribute to these disparities: (1) racial segregation by occupation or position; and (2) racial segregation by industry segment. High levels of racial segregation by occupation are demonstrated by the divide between the “front-of-the-house” workers, such as servers and bartenders with whom diners interact, and those who remain hidden in the “back of the house,” such as cooks and dishwashers. Restaurant workers in the “front of the house” generally receive higher wages, better working conditions, training, and advancement opportunities than those behind kitchen doors. The majority of White workers in the Los Angeles restaurant industry are employed in front-of-the-house positions. Workers of color are largely concentrated in the back of the house – in the lowest-paid jobs requiring the longest hours, featuring the greatest health and safety hazards, and offering the least advancement opportunities. In addition to these disparities, restaurant workers we spoke with reported high levels of verbal abuse, excessive discipline, and barriers to promotion they believed to be based on race and immigration status. White restaurant workers were significantly more likely to be employed in fine dining establishments, which offer the highest concentration of livable-wage jobs in the industry. By contrast, workers of color were much more likely to be employed in the lower-paying quick-service segment of the industry.

In this report, we have brought together the perspectives of employers on both the “high road” and the “low road,” government and industry data, the experiences of workers, and academic research. We hope that this report provides a unique and rich source of information on the nation’s largest restaurant industry to help guide efforts to end discriminatory workplace practices and to promote the high-road business model to serve as a positive engine of economic growth in Los Angeles County.

TWO ROADS TO PROFITABILITY

Our study reveals that there are two roads to profitability in Los Angeles’ restaurant industry – the “high road” and the “low road” – opposing business strategies for achieving productivity and profitability. Restaurant employers who take the “high road” are the source of the best jobs in the industry – those that enable restaurant workers to support themselves and their families, remain healthy, and advance in the industry. Employers taking the “high road” invest in workers by paying livable wages, providing comprehensive benefits, opportunities for career advancement, and safe workplace conditions as a means to maximize productivity. The results are often reduced turnover as well as better quality food and service. Taking the “low road” to profitability, on the other hand, creates low-wage jobs with long hours and few benefits and includes strategies that involve chronic understaffing, failing to provide benefits, pushing workers to cut corners, and violating labor, employment and health and safety standards. “Low-road” practices are not simply illegal practices – they are employment practices, such as providing low wages and little or no access to benefits, that are not sustainable for workers and their families, and that have a long-term negative impact on both consumers and employers.

TWO SIDES OF THE RESTAURANT

Front of the House” and “Back of the House” refer to restaurant industry terms for the placement and function of workers in a restaurant setting. Front of the house generally represents those interacting with customers in the front of the restaurant including wait staff, bussers and runners. Back-of-the-house workers generally refer to kitchen staff including chefs, cooks, food preparation staff, dishwashers and cleaners.
CHAPTER II
Overview of the Los Angeles Restaurant Industry
Overview of the Los Angeles Restaurant Industry

A. A Key Industry of Ever Growing Importance

Los Angeles County is home to the largest restaurant workforce in the country, with over 276,100 workers. The restaurant has been a major contributor to the local economy. Between 1998 and 2008 the number of restaurant establishments grew almost 25% percent, from 14,689 to 18,280. In 2007 (the last available data from the Economic Census), California’s restaurants garnered over $57 billion in sales, generating an estimated $4.7 billion in state taxes from the work of 1,128,817 employees. In the same year, Los Angeles County restaurants garnered over $16 billion in sales.

Although considerable skills are needed to work in this industry, no formal credentials are generally required, making restaurants a viable avenue of employment for workers who have not had the opportunity to pursue formal training. Restaurant employment also serves as an important entry point into the job market for new immigrants to the United States.

B. How Many Jobs?

<table>
<thead>
<tr>
<th>Industry</th>
<th>Employment (in 1000s)</th>
<th>Share of Total Private Sector Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Trade</td>
<td>386.6</td>
<td>11.97%</td>
</tr>
<tr>
<td>Food Services and Drinking Places</td>
<td>276.1</td>
<td>8.55%</td>
</tr>
<tr>
<td>Professional Scientific and Technical Services</td>
<td>250.3</td>
<td>7.75%</td>
</tr>
<tr>
<td>Administrative and Support and Waste Management and Remediation Services</td>
<td>225.4</td>
<td>6.98%</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>220.2</td>
<td>6.82%</td>
</tr>
<tr>
<td>Manufacturing-Durable Goods</td>
<td>217.1</td>
<td>6.72%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>204.1</td>
<td>6.32%</td>
</tr>
<tr>
<td>Ambulatory health care services</td>
<td>166.1</td>
<td>5.14%</td>
</tr>
<tr>
<td>Transportation and Warehousing</td>
<td>137.9</td>
<td>4.27%</td>
</tr>
<tr>
<td>Construction</td>
<td>116.5</td>
<td>3.61%</td>
</tr>
<tr>
<td>Hospitals</td>
<td>112.6</td>
<td>3.49%</td>
</tr>
</tbody>
</table>

As indicated in Table 1, the “Food Services and Drinking Places” sector (hereafter “the restaurant industry”) provides over 276,100 jobs in Los Angeles County and is the second largest industry in the area behind Retail.\(^9\) The restaurant industry has seen more robust growth than the rest of the economy over the past four decades. Even during the recent recession, the Los Angeles restaurant industry fared much better than the rest of the economy, posting small growth in 2008.\(^{11}\) Figure 1 shows that the restaurant industry has steadily increased as a proportion of total jobs, expanding its share of total private sector jobs from 5.7% in 1990 to 8.6% in 2009.\(^{12}\) Moreover, Figure 1 shows a significant increase during the recent economic crisis of restaurant jobs as a percentage of the total private sector. The restaurant industry currently employs more people than many industries such as Construction and Manufacturing and sectors that experienced more recent growth such as Financial Activities and Professional and Technical Services.\(^{13}\)

\[\text{FIGURE 1: Restaurant Employment Grows as a Percentage of Total Private Sector Jobs from 1990 to 2009, Los Angeles County.}\]

The restaurant industry has potential for providing workers with access to jobs that will allow them to support their families. This is evidenced by the fact that the industry is growing and that there are some livable-wage jobs. From our survey data, 19.6% of Los Angeles restaurant workers earn a livable wage as defined by the Economic Policy Institute as an hourly wage of $19.88 or higher (See Chapter III: Workers’ Perspectives).

Figure 2 depicts total employment growth as well as employment growth in the restaurant industry in Los Angeles
County through 2009 relative to the base year 1990. Growth in the restaurant industry has remained steady since 1990, while private sector employment has been stagnant or in decline. This explains why the restaurant industry has picked up an increasing share of total employment.\textsuperscript{14} Even during the current economic crisis, locally and nationally, the restaurant industry has not suffered nearly the same job losses that the economy as a whole experienced. Nationally, between December 2007 and June 2010, the whole economy experienced a 6.8\% job loss, while the restaurant industry experienced less than half of that loss, or 2.4\%.\textsuperscript{15} In Los Angeles, in the two-year period after the crisis began, the private sector shed 8.4\% of jobs, while the restaurant industry only shed 3.1\%.\textsuperscript{16}

C. What Kind of Restaurant?

The U.S. Census Bureau includes four distinct industries in the food services sector: full-service restaurants, limited-service eating places, special food services, and drinking places.\textsuperscript{18} The restaurant industry is generally understood to include the first two of these categories; namely, full-service and limited-service eating places. Although the Census does not distinguish between different types of full-service restaurants, we consider both ‘fine dining’ restaurants and ‘family-style’ or ‘franchise’ restaurants falling within the full-service restaurant category. Limited service, or ‘quick serve,’ restaurants such as ‘fast food’ establishments or delicatessens, do not offer waiter service.

Within full-service restaurants and limited-service eating places, we have identified three general sub-segments of the restaurant industry which are presently not specified in government data, but are useful for understanding the varying practices and strategies used by individual businesses.

1. Fine dining, or what is commonly referred to as “white tablecloth” restaurants;

2. Family-style restaurants, also described as “casual dining,” including both franchise or chain restaurants such as Olive Garden or Applebee’s, and smaller establishments, frequently neighborhood-based and/or ethnic restaurants;

3. Fast-food or quick-serve restaurants where the customer orders at a counter.
We also found through the interviews with employers that workplace practices are driven by factors such as whether a restaurant is part of a hotel, a larger corporation, chain or group and how many other restaurants the owner has, if any. We found that the majority of the fine dining restaurants are part of restaurant groups or are one of multiple (three or more) restaurants under the same owner. Non-franchise, family-style restaurants are overwhelmingly singly-owned or are one of two restaurants owned by the same party. These trends had profound impacts in terms of employers’ power, or lack thereof, to define standards and policies that affect their business and buying power, which is a key component of their competitiveness and profitability in the industry.

D. Who gets the Jobs?

Most jobs in the restaurant industry do not require formal education, and, with the exception of chefs and sommeliers (wine stewards), employers generally do not require workers to have educational degrees or vocational certification. This is not to say that restaurant workers do not have skills or that restaurant work is not demanding. Back-of-the-house workers, often working in hot, cramped spaces, must be able to complete the tasks required to accurately fill orders in a timely and quality fashion in a high-pressure environment. Front-of-house staff and other employees who interact with customers need strong interpersonal skills, time and task management skills, and a working knowledge of food preparation and presentation.

The Bureau of Labor Statistics reports that the restaurant industry is the single largest employer of immigrants in the nation. In 2008, immigrants represented more than 2 million, or approximately 20%, of the industry’s employees nationwide. In 2009, there were 11.1% more immigrant workers employed in the restaurant industry than in all other industries in Los Angeles County, as shown in Table 5.

E. What are the Characteristics of the Workforce?

As shown in Table 2, the Los Angeles restaurant industry workforce has undergone significant changes in the past decade and differs from the overall Los Angeles population in many important ways:

- Overall, one of the most notable aspects of the Los Angeles restaurant industry is the large percent of foreign-born workers – 55.2% compared to 44.1% for the overall working-age population. Correspondingly, fluency in the English language is less commonly found among Los Angeles restaurant workers than it is among the rest of the working-age population; the number of restaurant workers reporting that they ‘spoke English but not well’ was 8.5 percentage points higher than the number of other Los Angeles working-age adults reporting the same difficulty with the English language.

- The workforce of the restaurant industry is also relatively young. 31.8% of all restaurant workers are between the ages of 16 and 24, compared to 16.6% of the overall working age population. On the other hand, 19.2% of the restaurant industry is between the ages of 45 and 64, compared to 30.2% of the overall working-age population.

- A significant change occurred for restaurant workers over the last nine years in terms of their education levels. While education levels are lower for the restaurant worker population than for the rest of the working-age population, education levels in the industry increased significantly over the past nine years. Those with less than a high school degree decreased from 47.8% of restaurant workers in 2000 to 34.9% of restaurant workers in 2009, while those with some college increased from 23.2% to 30.4%.

- Latinos remained the largest part of the Los Angeles restaurant industry, with a share of almost two-thirds of restaurant workers, expanding by 3.8% since the 2000 census. Whites were the second largest ethnicity, with 19.4%, and Asians were the third largest, with 15.2%. Latinos and Asians were overrepresented in the restaurant industry by 14.7% and 1.1% respectively compared to the overall working-age population. However Whites, while representing 31.3% of the total working-age population of Los Angeles County, represented only 19.4% of the restaurant workforce.
<table>
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<th></th>
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<th>2009 Only</th>
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<th>All LA County Workers</th>
<th>Difference (Restaurant Workers – All Workers)</th>
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<tr>
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<td>0.2</td>
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<td><strong>Age</strong></td>
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<td></td>
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<tr>
<td>16-24</td>
<td>36.7</td>
<td>31.8</td>
<td>-4.9</td>
<td>16.6</td>
<td>15.2</td>
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<td>-0.4</td>
<td>13.7</td>
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<td>Non-Hispanic White</td>
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<td>19.4</td>
<td>-3.9</td>
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<td>4.7</td>
<td>0.2</td>
<td>8.5</td>
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<td>Asian</td>
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<td>Hispanic, any race</td>
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<td>Citizen by Birth</td>
<td>42.0</td>
<td>44.8</td>
<td>2.8</td>
<td>55.9</td>
<td>-11.1</td>
</tr>
<tr>
<td>Foreign Born</td>
<td>58.0</td>
<td>55.2</td>
<td>-2.2</td>
<td>44.1</td>
<td>11.1</td>
</tr>
<tr>
<td><strong>Place of Birth</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>US</td>
<td>42.0</td>
<td>43.9</td>
<td>1.9</td>
<td>55.0</td>
<td>-11.1</td>
</tr>
<tr>
<td>Latin America</td>
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<td>41.0</td>
<td>0.1</td>
<td>26.6</td>
<td>14.4</td>
</tr>
<tr>
<td>Europe</td>
<td>1.9</td>
<td>1.1</td>
<td>-0.8</td>
<td>2.4</td>
<td>-1.4</td>
</tr>
<tr>
<td>Asia</td>
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<td>13.3</td>
<td>-0.8</td>
<td>14.7</td>
<td>-1.4</td>
</tr>
<tr>
<td>Other</td>
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<td>0.6</td>
<td>0.5</td>
<td>1.5</td>
<td>-0.9</td>
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<td>Born in the U.S.</td>
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<td>43.9</td>
<td>1.9</td>
<td>55.0</td>
<td>-11.1</td>
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<tr>
<td>Years in US</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>0-5</td>
<td>11.7</td>
<td>8.9</td>
<td>-2.8</td>
<td>4.9</td>
<td>4.0</td>
</tr>
<tr>
<td>6-10</td>
<td>12.8</td>
<td>11.7</td>
<td>-1.1</td>
<td>5.9</td>
<td>5.8</td>
</tr>
<tr>
<td>11-15</td>
<td>12.7</td>
<td>8.6</td>
<td>-4.1</td>
<td>5.0</td>
<td>3.6</td>
</tr>
<tr>
<td>16-20</td>
<td>9.4</td>
<td>10.3</td>
<td>0.9</td>
<td>7.3</td>
<td>3.0</td>
</tr>
<tr>
<td>21 or more</td>
<td>11.3</td>
<td>16.7</td>
<td>5.4</td>
<td>22.0</td>
<td>-5.3</td>
</tr>
<tr>
<td><strong>Ability to Speak English</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Speaks only English</td>
<td>33.5</td>
<td>30.3</td>
<td>3.2</td>
<td>43.2</td>
<td>-12.9</td>
</tr>
<tr>
<td>Speaks very well</td>
<td>23.2</td>
<td>26.0</td>
<td>-2.8</td>
<td>27.0</td>
<td>-1.0</td>
</tr>
<tr>
<td>Speaks well</td>
<td>17.5</td>
<td>15.4</td>
<td>2.1</td>
<td>11.5</td>
<td>3.9</td>
</tr>
<tr>
<td>Speaks, but not well</td>
<td>18.1</td>
<td>20.3</td>
<td>-2.2</td>
<td>11.8</td>
<td>8.5</td>
</tr>
<tr>
<td>Does not speak English</td>
<td>7.8</td>
<td>8.0</td>
<td>-0.2</td>
<td>6.5</td>
<td>1.5</td>
</tr>
<tr>
<td><strong>Education</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than High School</td>
<td>47.8</td>
<td>34.9</td>
<td>-12.9</td>
<td>26.0</td>
<td>8.9</td>
</tr>
<tr>
<td>High School Degree</td>
<td>20.7</td>
<td>24.3</td>
<td>3.6</td>
<td>19.4</td>
<td>4.9</td>
</tr>
<tr>
<td>Some College</td>
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<td>30.4</td>
<td>7.2</td>
<td>29.5</td>
<td>1.9</td>
</tr>
<tr>
<td>Bachelors Degree and Higher</td>
<td>8.3</td>
<td>10.4</td>
<td>2.1</td>
<td>25.1</td>
<td>-14.7</td>
</tr>
</tbody>
</table>

F. What do the Jobs look like?

Jobs in the restaurant industry generally fall into one of three categories, each corresponding to different levels of compensation, potential for mobility, access to training, workplace conditions, and other important indicators of job quality:

1. Managers and supervisors, including chefs, which are the managers of the kitchen.

2. Front-of-the-house positions, including all staff who have direct contact with customers, such as servers, bartenders, and bussers.

3. Back-of-the-house positions, or those that do not regularly involve direct contact with customers, but are essential to a restaurant’s functions, such as dishwashers and cooks.20

G. What do the Jobs Pay?

The data in Table 3 shows that the restaurant industry offers predominantly low-wage jobs. The Bureau of Labor Statistics reports that the median wage for all restaurant occupations in Los Angeles County is only $9.24 an hour, which is 53% of the median wage for all workers in the county.21 Eighty percent (81.04%) of workers in the industry are employed in positions for which the hourly median wage is below $10.00. Moreover, people of color hold the majority of the lowest-paid jobs in the restaurant industry, which is discussed in detail in Chapters III: Workers’ Perspectives and Chapter V: Segregation & Discrimination.

<table>
<thead>
<tr>
<th>Occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Preparation and Serving Related Occupations</td>
</tr>
<tr>
<td>Chefs and Head Cooks</td>
</tr>
<tr>
<td>First-Line Supervisors/Managers of Food Preparation and Serving Workers</td>
</tr>
<tr>
<td>Cooks, Fast Food</td>
</tr>
<tr>
<td>Cooks, Institution and Cafeteria</td>
</tr>
<tr>
<td>Cooks, Restaurant</td>
</tr>
<tr>
<td>Cooks, Short Order</td>
</tr>
<tr>
<td>Cooks, All Other</td>
</tr>
<tr>
<td>Food Preparation Workers</td>
</tr>
<tr>
<td>Bartenders</td>
</tr>
<tr>
<td>Combined Food Preparation and Serving Workers, Including Fast Food</td>
</tr>
<tr>
<td>Counter Attendants, Cafeteria, Food Concession, and Coffee Shop</td>
</tr>
<tr>
<td>Waiters and Waitresses</td>
</tr>
<tr>
<td>Food Servers, Nonrestaurant</td>
</tr>
<tr>
<td>Dining Room and Cafeteria Attendants and Bartender Helpers</td>
</tr>
<tr>
<td>Dishwashers</td>
</tr>
<tr>
<td>Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop</td>
</tr>
<tr>
<td>Food Preparation and Serving Related Workers, All Other</td>
</tr>
<tr>
<td>Industry workers that work in a position with a median wage below $10 per hour</td>
</tr>
</tbody>
</table>

While the number of jobs in the Los Angeles restaurant industry has grown, wages in the industry have declined. As Figure 3 illustrates, the overall private sector has maintained an average wage gap of $32,509 over wages in the restaurant industry. While average annual earnings in the private sector have declined at an average rate of 0.11% per year, average restaurant wages have declined at an average of 0.13% per year. This decrease in earnings occurred over a period during which the education levels of restaurant workers significantly increased (see Table 2). Restaurant wages continued to be severely lower than other economic sectors, despite the job growth and education level increases in the industry during the same period.

FIGURE 3: Average Annual Earnings Total Private Sector and Restaurant Industry (2009 dollars), Los Angeles County, 2001-2009


One other aspect to consider is the role of the restaurant industry in the recovery from the recent economic crisis. According to National Employment Law Project (NELP) analysis of Bureau of Labor Statistics (BLS) data, the economic crisis has shown signs of a restructuring of the labor market. While job loss was skewed towards higher wage occupations, job recovery thus far has been skewed toward traditionally low wage jobs in the retail trade and restaurant industries. This bottom-heavy distribution of job opportunities “challenges workers’ ability to support their families, but also the broader goal of restoring robust consumer demand,” according to NELP. Thus, at this point in time the restaurant industry provides both an opportunity and a threat to the economy. On the one hand, this industry can provide jobs – including livable-wage jobs – to millions that greatly need them. On the other hand, if many of the wages for these jobs remain below poverty levels, the economic recovery could be greatly prolonged by undermining worker spending power and thereby decreasing their ability to generate sufficient consumer demand to pull the economy back up to full employment.
CHAPTER III
Workers’ Perspectives

The information summarized in this chapter represents a compilation of the results of 562 surveys with restaurant workers conducted between October 2009 and July 2010 and 30 in-depth worker interviews conducted between July and October 2010. By speaking directly with Los Angeles restaurant workers, we gained more insight into the daily experiences of working in the area’s eateries. We were also able to collect new data regarding the overall quality of their workplace experiences. The following are some of our key findings:

- Almost a third earn poverty wages and only a small portion earn a livable wage.
- Most restaurant workers do not receive workplace benefits such as employer-provided health coverage, paid sick days, or vacation days.
- Most restaurant workers we spoke with do not receive regular raises, promotions, or ongoing job training.
- Five percent (5.1%) of restaurant workers surveyed have unlawfully been paid less than minimum wage.
- Almost half of restaurant workers (44.1%) in Los Angeles are not paid 1.5 times the normal wage for when they work over 8 hours in a day or 40 hours in a week, which is in violation of state and federal laws. In fact, some workers reported that they were not being paid at all for any hours they worked beyond 40.
- Several workers reported health and safety hazards at their workplace, compounded by a pervasive lack of health and safety training. In addition, many workers reported on-the-job injuries.
- Several interviewed workers who asserted their rights reported that their complaints were met with verbal abuse and threats of retaliation.
- Workers surveyed earning wages below the poverty line were less likely to receive benefits, more likely to be exposed to poor health and safety conditions, more likely to and less likely to benefit from opportunities for advancement. Moreover, they were more likely to have done something due to time pressure that might have harmed the health and safety of the customer.
A. Introduction and Methodology

While a majority of jobs in the restaurant industry are low-wage, low-road jobs, our survey research shows that the low road is not the necessary path in this industry. Almost a fifth of workers earned livable wages, and similar numbers reported enjoying comprehensive benefits, opportunities for career advancement, and better workplace conditions. These jobs were found in restaurants of all sizes and industry segments. While these workers are in the minority, their experiences reflect the reality that some restaurant employers are pursuing the high road to profitability. The employer perspectives summarized in the next chapter offer important insights for addressing the conditions described in this chapter.

This study was motivated in part by the current dearth of quantitative or qualitative data documenting the experiences of restaurant workers in Los Angeles County. In an effort to pick up where official and industry statistics leave off, the Los Angeles Restaurant Industry Coalition designed a survey to capture detailed information regarding individual workers’ experiences beyond hourly wage data. The survey instrument explored the availability of benefits, working conditions, hiring and promotion practices, the existence of job-specific training opportunities, employer discrimination, and the nature of working conditions in the industry. Stratified sampling methods were chosen to provide an accurate proportional representation of restaurant workers in the Los Angeles metropolitan area. To add to the rigor of the survey design and administration, we weighted the data according to front-of-the-house and back-of-the-house positions in full-service and limited-service restaurants to appropriately reflect the actual distribution of positions. All resulting statistics from this survey will refer to the weighted figures unless otherwise stated.

The survey was administered from October 2009 to July 2010 by staff, members, and volunteers from the Restaurant Opportunities Center of Los Angeles and the UCLA Center for the Study of Urban Poverty—one community-based and one academic organization, each with significant contacts among restaurant workers and access to workplaces in the industry. A total of 562 surveys were conducted face-to-face with workers in Los Angeles County after workers’ shifts were completed or during breaks. We sought to effectively capture experiences in all types of restaurants and we surveyed workers in each of the three main segments of the industry. Furthermore, our sampling frame, or set of participants from which the sample was drawn, consisted only of workers employed in the industry. Additionally, in order to obtain a holistic picture of the daily lives of individual restaurant workers, qualitative interviews and focus groups were conducted with a total of 30 workers to gain in-depth information about the nature of working conditions. A general interview guide approach was used to conduct the one-on-one in person interviews. The guide, developed by Dr. Manny Ness of Brooklyn College, contained standardized open-ended questions to ensure that the same general areas of information were collected from each interviewee. Interviewers were trained how to use the guide to conduct semi-structured, conversational interviews.

B. Earnings

“I got about $350 a week, and I was working 50 or 60 hours a week.” - Male, 8 years in the industry, Cook

“The lowest is the runner; they make like $30 or $25 [a night]. The busser[s] make like $20 or $15 [a night].” - Male, 3 years in the industry, Busser

“The baristas make nine. The cooks probably make more than eight. The dishwashers probably make the lowest amount, probably minimum wage.” - Female, 12 years in the industry, Server

Our survey data are consistent with government and industry statistics demonstrating that restaurant work is primarily low-wage work. The workers interviewed in this study repeatedly spoke about their inadequate wages.
As shown in Table 4, our survey research indicates that 82% percent of Los Angeles County restaurant workers earn less than the livable wage of $19.88 an hour. Just over four percent (4.1%) of this group does not even make the minimum wage—even when tips were accounted for—and almost a third (30.0%) make below a poverty wage of $8.80 an hour. Only 18.0% of workers make a livable wage. A livable wage “affords the earner and her or his family the most basic costs of living without need for government support or poverty programs”\(^{30}\) and was calculated based on the Economic Policy Institute’s Basic Family Budget Calculator (see side box for wage group definitions).”

### TABLE 4: Wages Earned by Restaurant Workers

<table>
<thead>
<tr>
<th>Wage Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less Than Minimum Wage (&lt; $8.00)</td>
<td>4.1%</td>
</tr>
<tr>
<td>Below Poverty Line ($8.00 – $8.80)</td>
<td>25.9%</td>
</tr>
<tr>
<td>Low Wage ($8.81 – $19.87)</td>
<td>52%</td>
</tr>
<tr>
<td>Livable Wage ($19.88 and higher)</td>
<td>18%</td>
</tr>
</tbody>
</table>

Source: Los Angeles Restaurant Industry Coalition survey data

The results of our worker surveys and interviews demonstrate a large discrepancy between workers of color and White workers in wages and position. The impact of occupational segregation (to be discussed further in Chapter V: Segregation & Discrimination) is substantial: we found the median wage of the survey sample to be $10.00 an hour, but when workers of color were taken out of our sample, the median wage rose to $16.33 an hour.

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**Methodology for Definition of Wage Groups for Survey Data Analysis**

Real wages were determined by either calculating workers’ average weekly earnings including tips and dividing by the average number of hours worked per week or, for un-tipped workers, using their hourly wage. Wage groups were then created using the California State minimum wage at the time the survey was conducted of $8.00 ($16,640 annually at 40 hours per week), the Department of Health and Human Services (HHS) 2008 federal poverty line earnings for a family of three of $18,310 per year (meaning $8.80 per week at 40 hours per week), and the Economic Policy Institute’s (EPI) Basic Family Budget Calculator for the livable wage for a family of three. The following six factors were chosen to calculate a livable wage: a) Housing, b) Food, c) Transportation, d) Healthcare, e) Taxes and f) Other basic necessities. The livable wage was calculated to be $19.88 an hour ($41,350 annually at 40 hours per week). Definition of wage groups and distribution of the sample can be seen in Table 6.
Wage Laws in California

California employers are obliged to follow the state minimum wage law to pay workers a minimum of $8.00 per hour whether the worker is tipped or not. California is one of seven states that have eliminated the tipped credit. In other states, employers are allowed to pay their tipped workers less than the standard minimum wage as long as tips from customers make up the difference between the low minimum wage and the standard minimum wage. In 18 states employers must follow the federal minimum wage of 2.13, the lowest legal minimum wage. In fact, the federal tipped minimum wage has remained at $2.13 since 1991. In every federal minimum wage law that passed between 1966 and 1991, the tipped minimum wage was indexed to the standard minimum wage, increasing from 50% to 60% in 1980. However, in 1996, restaurant industry lobbying decoupled the tipped minimum wage from the standard minimum wage. In every federal minimum wage increase since 1996, the tipped minimum wage has remained at the 1991 level of $2.13. Over this time period, the real value of the tipped minimum wage has decreased by 36% due to inflation.

It is important to note that the Los Angeles restaurant industry has thrived while being mandated to pay their tipped workers the full State minimum wage (see Chapter II). The fact that the Los Angeles restaurant industry has been so successful sheds a dubious light on the claims of the restaurant industry lobbyists, which argue that an increase in the tipped minimum wage would have the effect of closing down businesses. While more study is needed, anecdotally, restaurant workers are also restaurant consumers at a higher than average rate and if they earn more they can also spend more in restaurants, which helps business. Sonn and Nayak of the National Employment Law Project argue that this economic principle is a familiar one in the U.S. as it is “the same principle that Henry Ford vindicated almost a century ago: Workers who are paid decently will become consumers. They bought cars from Henry Ford. Today, they might go out to dinner too.” While California has made progress on wage legislation compared to federal legislation, this chapter documents the long road ahead to reach dignified working conditions for all California restaurant workers. Nevertheless, the effect of restaurant worker wages on restaurant worker consumption and the overall health of economy and the restaurant industry requires further study.

LA Restaurant Worker Poverty Within Growing State Poverty

The working poor in the Los Angeles restaurant industry are contributing to a severe and growing poverty epidemic in California. California as a whole was one of the states hardest hit by the economic crisis. In Los Angeles County, the poverty rate increased from 15.2% in 2008 to 16.1% in 2009. Poverty rates differ significantly based on race: 9.3% for Whites, 10.5% for Asians, 19.7% for Blacks, and high of 21.9% for Latinos. 18.5% of Los Angeles County residents live under the poverty line and 5% of the residents use food stamps. In addition, the percent of individuals without any health insurance has increased from 21.7% in 2008 to 22.6% (2.2 million people) in 2009. Our research indicates that restaurant workers comprise a disproportionately high percentage of Californians living under the poverty line as well as those lacking health insurance. 25.9% of survey respondents earned wages below the poverty line and 70.9% of survey respondents lacked any sort of health insurance.

What Does it Mean to Live on a Restaurant Worker’s Earnings?

According to the National Low Income Housing Coalition (NLIHC), while the Fair Market Rent for a two-bedroom unit in Los Angeles County is $1,420, an extremely low-income household (earning $18,900 or 30% of the area median income of $63,000) can afford monthly rent of no more than $473. On average, a restaurant worker earning the Los Angeles median wage of $9.24 per hour can afford monthly housing costs of no more than $481. For these restaurant workers to afford rent and utilities for a two-bedroom at fair market rent, paying no more than 30% of their income on housing, their household must earn $4,733 monthly or $56,800 annually. At $9.24 per hour, the typical restaurant worker would have to work approximately 118 hours per week in order to afford a two-bedroom unit at the Los Angeles County Fair Market rent. NLIHC determined that the “housing wage” – the amount a full-time worker must earn per hour in order to afford a two-bedroom unit at the area’s fair market rent in Los Angeles County is $27.31. Our survey data indicates that 91.8% of Los Angeles restaurant workers earn less than this amount.
C. Benefits

“No. No health insurance, no sick time, no nothing.” - Female, 7 months in the industry, Server

“It made me a lot more cautious in what I do. I have to be careful if I’m biking, or something, so that I don’t injure myself in an expensive way. Also it makes it so that I know that I can’t be in that job for very long, ‘cause eventually I’ll need healthcare.” - Male, Less than a year in the industry, Cashier

“Basically we would work off the clock; not just me, but cocktail waitresses, bartenders. That left a bad taste in my mouth because at the time I needed health insurance, and to have health insurance you have to average 32 hours a week, and when it came time to figure out my average I think I had to be 31 hours a week. So I wasn’t able to get health insurance even though I probably put in about 2 ½ hours a week off the clock.” - Male, 20 years in the industry, Waiter/Bartender

In addition to being paid low wages, oftentimes below the poverty level, and working long hours, the majority of restaurant workers surveyed reported that they do not receive basic workplace benefits. The data in Table 5 reveals that the vast majority of workers surveyed do not have health insurance through their employers (89.8%), and almost three quarters (70.9%) reported not having any type of health insurance coverage at all. An overwhelming majority reported that they do not get paid sick days (89.4%) or paid vacation days (83.3%). Not surprisingly, almost two thirds of the survey sample (58.3%) reported that they had worked when sick.

| Employer does not provide health insurance | 89.8% |
| Do not have any health insurance coverage | 70.9% |
| Gone to the emergency room without being able to pay | 16.4% |
| Do not get paid sick days | 89.4% |
| Do not get paid vacation days | 83.3% |
| Have worked when sick | 58.3% |

Source: Los Angeles Restaurant Industry Coalition survey data

The lack of job benefits and health care available for restaurant workers presents a real problem for workers, their families, the industry, and the taxpayer. Even among those restaurant workers who do have health care, they are dependent on other family members or on the state for benefits. 14.7% of workers surveyed with health insurance reported being covered through a member of their family and 6.1% percent reported receiving health insurance coverage from a state or federal source.

As the restaurant industry’s share of the Los Angeles economy increases, the restaurant industry’s lack of health benefits means that a growing portion of LA County’s workforce will not have access to health benefits through an employer. Even among the workers who reported receiving health insurance through their employer, though they had a median household size of four, more than two thirds (64.9%) were not able to extend coverage to their families. One server and bartender with 20 years of industry experience insinuated that even the establishments that offer health insurance to their full-time employees avoid paying by hiring part-time workers. He told us, “Well, I’m like everybody else. I’d like to have health insurance and it would be nice if I could get it from my work. But in restaurants and hotels... I don’t know... that’s why they have so many part-time workers.”

The fact that so few restaurant employers provide health insurance further contributes to racial stratification of health care access because only those with health insurance access through a family member or through a government-sponsored program can obtain it. Historically-excluded communities of color and immigrants inherently have fewer avenues of this sort. Thus, only 27.7% of workers of color in our survey had health insurance while 35.6% of White workers did. Even with the recently-passed health reform, large numbers of restaurant workers, including many immigrants and young, healthy workers, will not benefit.
In addition to reporting that they “never received benefits,” the majority of the workers we interviewed reported that they were unable to get even unpaid time off when they needed it, particularly when they were sick. A cocktail waitress working in the industry for four years told us, “Usually when I get sick, I go to work. I mean I just absolutely cannot take it off. I don’t have paid sick days. If I don’t go to work I don’t get paid.” A cook with eight years experience in the industry echoed this frustration of not having health insurance to see a doctor and not being able to recover at home when sick. He told us, “I don’t even remember the last time I went to a doctor. That has been my experience with healthcare over the last 10 years because I haven’t had it. I mean I don’t get sick, or I don’t let myself get sick because I can’t. And when I do, I just work through it.” Despite the public health risks associated with working while sick, almost two thirds of our survey sample reported having worked while sick (58.3%). The public health consequences of this startling statistic are further discussed in Chapter VI: Public Cost.

D. Opportunities for Advancement

“And then I was telling him, …’I want to do the bar, I want to be a bartender,’ because I felt like there were more hours there. And he said, ‘Okay, yeah. But he would never schedule you until after you got trained; he just liked to hire people from outside instead of training the people he already had to do multiple tasks in the restaurant.’” – Female, 7 months in the industry, Server

“I would quit then just find a job, and that’s how it went for me. I was a barback one time for about a year and you know barback is basically the busboy of the bar, washing glasses and thing[s] like that and … I thought I learned enough to get that position but they ended up hiring somebody else. So eventually I just quit.” – Male, 20 years in the industry, Waiter/Bartender

“They usually just say they’re hiring, but it’s really hard to get a promotion once you’re in.” – Female, 5 years in the industry, Server

In addition to poor wages and benefits, restaurant workers have few opportunities to move up in the industry (see Table 6). Regardless of occupation, restaurant type, or length of service at a restaurant, workers reported that opportunities to increase their earnings through seniority or by working their way up the industry ladder are few and far between. Eighty percent (80.2%) of our survey sample reported that they do not receive regular raises, and over three fourths (75.4%) responded that they had never been promoted. These trends held true whether a worker remained in the same place of employment or sought other opportunities – 71.7% of workers had not moved up from their last job when they took their current one. Moreover, 54.0% of workers do not receive the necessary on-the-job training to be promoted.

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**Immigrants in the Restaurant Industry**

Over half (51.2%) of our survey sample were born in another country. 33.2% of these immigrant workers reported that they did not have legal status to work in the United States. Their actual proportion in the restaurant workforce is likely even higher given the possible reluctance of workers to report their immigration status or “off the books” employment. Despite the legal implications of the 1986 Immigration Reform and Control Act (IRCA), which made it illegal for employers to knowingly hire or recruit immigrants who do not possess lawful work authorization and required employers to attest to their employees’ immigration status, many employers with whom we spoke told us that undocumented immigrants are widely employed in the industry. Various reports and news stories confirm that the restaurant industry provides an entry-point for undocumented workers, particularly because of the opportunities to earn cash by the hour – even when earnings are below federal and state mandated minimum wages. Census data is unlikely to capture the earnings of these workers.
TABLE 6: Raises and Promotions Reported by Restaurant Workers

<table>
<thead>
<tr>
<th>Do not receive regular raises</th>
<th>80.2%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have never received a promotion</td>
<td>75.4%</td>
</tr>
<tr>
<td>Did not move up in position from last job to the current job</td>
<td>71.7%</td>
</tr>
<tr>
<td>Did not receive on-going job training needed to be promoted by employer</td>
<td>54%</td>
</tr>
</tbody>
</table>

Source: Los Angeles Restaurant Industry Coalition survey data

A recurring theme from the interviews was a lack of mobility in the industry, particularly in terms of movement between the front and back of the house. A dishwasher with seven years experience explained that he would be given some cooking and front-of-the-house duties when they needed him but never the promotion. He told us, “I came to work here to be a dishwasher, not to be a food prep, and busser. I think if they hire you as a dishwasher then that is what you should do. But if they ask you to start doing other things as well then they should compensate you for that. But they never do. To me it’s like you’re a lemon - they squeeze everything out of you and when you run out then they get rid of you.” Workers expressed their frustrations that management often hires from outside of the restaurant instead of promoting from within. One server and bartender with 20 years industry experience told us, “They [management] usually hire people from outside of the company as opposed to an employee and usually, whoever has the position to do the hiring; it’s usually their friend.”

A hostess in the industry for one year observed the frustrations of workers that want a promotion but find out a position is hired out: “They keep [the job opening] to themselves, post it on craigslist and everyone one’s mad when they get hired. Like ‘Why did you do that?’” She went on to tell us that she quit her job for this reason. “At [restaurant name] I’ve done everything for them, but I never got promoted. That’s the reason I quit, ‘cause they weren’t promoting me.”

Workers with whom we spoke reported having no choice but to leave their current employment in search of better jobs at other restaurants. Even workers who stay working in one restaurant for more than one year ultimately end up leaving for another restaurant job due to lack of opportunities for advancement. One worker we interviewed with seven years experience who is currently a cocktail waitress and bartender told us plainly that she left her restaurant because she did not have the opportunity for promotion: “My very first restaurant, [restaurant name], I was a busser and I wanted to be a server. They wouldn’t let me do it so I left.”

Another server and bartender with 20 years industry experience expressed his frustration: “I don’t know if you really want to get in a higher position in this business. You just need to go to a different place.” Similarly, a server with a decade of industry experience told us that she had to think of the long term when deciding whether or not to stay at her current place of employment: “And we don’t get any raises at all. And there’s no paid sick time, obviously. And there’s no job security, just because. I’m sure that anything can happen but, the good thing is that I’ve been working there for as long as I’ve been working there and I’m pretty sure that I can keep working there, but I don’t really know how much that would benefit me in the long run because I feel like that’s not a place that I can really count on forever.”

Not only does the constant search for a better job deny workers job stability and economic security for themselves and their families, but it also ends up costing employers in turnover-related costs. These two factors lead to a no-win scenario and threaten what could be a shared economic prosperity, as discussed in greater detail in Chapter III: Employers’ Perspectives.

E. Employment and Labor Violations

“He wouldn’t pay you… you don’t get a paycheck stub or none of that, so I would never have known. He just gives you an envelope with cash saying this date to this date whenever he feels like it. And then literally people will go in there and say, ‘You know what? My rent is coming up. And I need some money. And he would say, ‘Well, what, you think that the restaurant doesn’t have rent to pay?’ He always just put the restaurant business first, then the workers’ business. Everybody was always quitting, leaving. I’m like oh, my gosh, well of course they’re going to leave if they’re not getting paid and they’re always getting yelled at.” – Female, 7 months in the industry, Server
“You had to kind of pray for your paycheck.” – Female, 25 years in the industry, Bartender

“He doesn’t pay us on time. He pays us when he wants to. It’s all under the table. It’s all cash. There’s no payroll. He’s very corrupt and just really rude… it’s very hostile as soon as he walks in and he has that macho attitude and he doesn’t appreciate us and he doesn’t understand how hard it is to run the place because basically that’s what we do when he’s not there. It’s not a smooth environment but it’s what’s paying the bills right now.” – Female, 6 years in the industry, front-of-the-house worker

<table>
<thead>
<tr>
<th>TABLE 7: Employment Law Violations Reported by Restaurant Workers</th>
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</thead>
<tbody>
<tr>
<td>Experienced overtime wage violations</td>
</tr>
<tr>
<td>i) Worked more than 8 hours in a day without being paid time-and-a-half</td>
</tr>
<tr>
<td>ii) Worked more than 40 hours in a week without being paid time-and-a-half</td>
</tr>
<tr>
<td>Experienced minimum wage violations</td>
</tr>
<tr>
<td>Worked off the clock without pay</td>
</tr>
<tr>
<td>Management took share of tips</td>
</tr>
<tr>
<td>Worked more than 4 hours straight without a paid break</td>
</tr>
</tbody>
</table>

Source: Los Angeles Restaurant Industry Coalition survey data

As illustrated by Table 7, many workers reported being paid less than minimum wage and receiving no overtime pay when they work more than 40 hours per week or 8 hours per day, in violation of federal or California state wage and hour laws. 44% of all workers surveyed reported some kind of overtime violation; over a quarter (27.1%) of the survey sample told us they were not paid overtime for hours worked beyond the standard 40-hour workweek and 41.5% told us that they have not been paid overtime for hours they have worked beyond the 8 hour workday. As one female server with ten years in the industry told us, “Yeah, [overtime pay] just doesn’t exist I don’t think in the industry cause it’s never happened anywhere. And I know I’ve worked overtime and I know there are some people that I work with right now, and I know he doesn’t get paid time and a half for going overtime, and I know that he does go overtime.”

These experiences illustrate the importance of further study in industries such as the restaurant industry, which are not closely regulated and rely heavily on informal employment arrangements. Many such workplace practices are not reported to government agencies or industry associations.

More than one out of every four workers (26.7%) worked “off the clock” without pay. A front-of-the-house worker with 6 years industry experience told us how not getting paid for a number of hours one month led to leaving her job. “I had worked my whole entire month and I had covered for somebody else so I had extra hours and he shortchanged me big time and that was my final breaking point.” A server with 7 years in the industry told us that she had not been paid for the previous two months of work at her restaurant: “I haven’t been paid for two months for my labor.”

Five percent (5.1%) of the worker sample earned wages less than $8.00 per hour not including tips, in violation of the law. This figure is slightly higher than the percentage of workers earning below $8.00 per hour because some tipped workers earn more than $8.00 including tips although their wage portion is in violation of the minimum wage law. However, it is important to note that with such a high rate of workers who have worked “off the clock” without pay workers that receive minimum wage or slightly higher, may in fact be earning below minimum wage when dividing their total pay by the amount of hours they have actually worked, even if they are nominally paid above minimum wage. For this reason, the rate of minimum wage violations that we found by asking for wages is likely conservative. A cook with eight years industry experience told us of his experience with minimum wage violations. “[Restaurant Name] was a nightmare. It was really bad. It was really long hours and it was under the table so it was below minimum wage. It was during the economic downturn so there weren’t many jobs so I took it. It was definitely one of the worst jobs I had.”
Only 64.2% of the survey sample responded correctly when asked the legal minimum wage and only 42.8% responded correctly when asked for the legal tipped minimum wage even though it is the same $8.00. This is despite the fact that employers are legally mandated to post a sign at the workplace in English and Spanish that states the correct minimum wages and the employees’ options of recourse if employers do not follow the law. More public education on laws governing the restaurant industry is needed, for workers and employers alike.

Finally, 21.0% of tipped workers reported that management was unlawfully taking a share of their daily tips. A server with 7 months industry experience explained how easy it is for employers to steal tips given the pooling of tips and the lax accounting: “In terms of tips I never really calculated them or kept track of how much I was making, at least in tips.”

53.9% of survey respondents said that they had worked more than 4 hours without a paid break, in violation of California state law. Many workers we interviewed also told us about a lack of breaks at work. A hostess with one year industry experience was aware of her rights to a break but did not receive one. “For the waitresses they give breaks, but for the hostesses… not really… Say I work from 11 to 4, that’s 5 hours so you would get at least 10 minute break, but we don’t get any. … Servers don’t get break times. The dining room service don’t get breaks, ever. I’ve never seen a server on break.”

A recent report by the Institute for Research on Labor and Employment highlights the prevalence and impact of wage theft among low income workers across the Los Angeles County. The study interviewed 1,815 workers across the county shedding light on the number of different violations that workers currently face. Close to 30% of workers were paid below minimum wage. In addition, 21.3% of workers worked more than 40 hours a week and 79.2% of them were not paid the legally mandated overtime rate. A significant portion, 17.6% of workers, also worked extended shifts and 71.2% of those that worked extended shifts were not paid at all for the additional work they did. Cases like these consistently occur throughout Los Angeles and across the United States. Low-wage workers in Los Angeles, Chicago and New York individually lose an average of $2,634 per year to wage theft.47 This is an issue that demands our attention and our efforts.

F. Health and Safety Violations

“I cut my finger. Like really, really bad. It’s just now healing. But it was really beat. Just preparing garnishment. [We didn't have a first aid kit so] I wrapped a napkin and I found some tape.” – Female, 10 years in the industry, Server/Bartender

“I had to take two days off because of my back. I couldn't carry anything or walk, basically. I mean you can work while sick if your body is functioning, but if you can't stand up straight there's nothing you can really do.” – Female, 12 years in the industry, Server

Our survey data also revealed that restaurant workplaces commonly do not employ or enforce regulations designed to ensure the health and safety of workers, in violation of the federal Occupational Safety and Health Act (OSHA).48

<table>
<thead>
<tr>
<th>Table 8: Health and Safety Violations Reported by Restaurant Workers</th>
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<tbody>
<tr>
<td>Un Safely hot in the kitchen</td>
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<tr>
<td>Fire hazards in the restaurant</td>
</tr>
<tr>
<td>Missing mats on the floor to prevent slipping</td>
</tr>
<tr>
<td>Missing guards on cutting machines</td>
</tr>
<tr>
<td>Done something that put own safety at risk</td>
</tr>
<tr>
<td>Did not receive instruction or training about workplace safety</td>
</tr>
<tr>
<td>Did not agree with the letter rating the restaurant received</td>
</tr>
</tbody>
</table>

Source: Los Angeles Restaurant Industry Coalition survey data
As shown in Table 8, 40.2% of the survey sample reported that it gets unsafely hot in the kitchen where they work. Significant numbers of workers reported fire hazards such as blocked doors or non-functioning fire extinguishers in the restaurant where they worked (24.3%), as well as absence of guards on the cutting machines (18.2%) and mats on the floor to prevent slippage (13%). 28.0% reported having done something at work that put their own safety at risk. Despite the prevalence of health and safety hazards in restaurant workplaces, over a quarter of workers (28%) told us they did not receive health and safety training from their employers.

Many workers we interviewed told us stories of unsafe working conditions. A bartender with 25 years industry experience told us that workers in her restaurant had a confrontation with management to keep the slip-resistant mats: “That’s probably the biggest accident waiting to happen, is wet surfaces on the floor. I’ve been lucky, I’ve never taken a hard spill or anything but I’ve come close. I’ve slid about 5 ft like ‘weee’ … We had a new manager come in and… he took away the mats because I don’t think he wanted to pay for somebody to spray them down at night… It’s slippery without the mats and your back will hurt a lot more after ten hours on your feet.” A front-of-the-house worker with 6 years in the industry told us about the constant water hazards in her restaurant. “Actually, we have a lot of plumbing problems and they only seem to get fixed when the health inspector comes through but it’ll be flooded for weeks on end.”

<table>
<thead>
<tr>
<th>Workplace Injuries Reported by Restaurant Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burned while on the job</td>
</tr>
<tr>
<td>Cut while on the job</td>
</tr>
<tr>
<td>Slipped and injured while on the job</td>
</tr>
<tr>
<td>Came into contact with toxic chemicals while on the job</td>
</tr>
<tr>
<td>Have chronic pain caused or worsened by the job</td>
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</tbody>
</table>

Table 9 demonstrates that on-the-job injuries are pervasive in Los Angeles restaurants. 42.4% of the survey sample had suffered work-related cuts on at least one occasion, 42.9% had been burned on the job, and 31.9% had come into contact with toxic chemicals. 17.2% reported that they had slipped and injured themselves while at work. Additionally, 23.6% reported chronic pain that was caused or worsened by their job.

Consistent with the survey research, workers we interviewed had many stories to tell about on-the-job injuries. A lead server with 3 years industry experience told us about her co-worker who took a bad slip due to negligence on the owners’ part: “We had a busser slip there and fall on his back. He was out a month. It’s not the managers’ fault because they want to fix it but corporate doesn’t want to spend money on it.” A server with five years industry experience told us that she believes her recently-developed asthma was due to her work at the restaurant: “I was recently diagnosed with asthma and they said it could have been caused by frequent contact with chemicals and in the restaurant I do have frequent contact with chemicals.” A hostess with one year industry experience told us that she suffered severe sunburns because she was obligated to stand out in the sun on the patio for the full day: “Oh, no it’s horrible… the other restaurant I worked, like 8 hours in the sun, so I started to get burned, yes, but the manager [said], it’s not my problem, it’s your problem, so bad, no insurance, no overtime, I worked more than 9 hours in the same restaurant and pay me nothing, no give me a doctor, nothing, yeah. I quit for that reason.”

A server with 12 years in the industry told us that when she was a barista she would regularly get burned because of the precarious placement of an oven: “In the beginning, like when I was a barista there was a hot oven there, so I would get burned and I definitely feel like that’s on them for not training their employees or for not taking it seriously enough. I’m sure it was probably illegal. … So I still have scars on my arm, so it irks me, until they go away.” A bartender with 8 years industry experience told us about the cuts that restaurant workers often suffer: “The knives are terrible. A guy cut his finger recently and he’s been out 3 weeks.”

Another health-related aspect of restaurant work that workers reported was stress. A hostess with a year in the industry told us, “Even looking back on it, the managers would put so much stress on the servers, and not care. It’s a stressful job.” A server with 7 months’ industry experience also told us about the job-related stress she goes through.
“First of all, in terms of health, I seriously feel that that place traumatizes you. Mentally, it’s a very big hazard to your mind. I mean, seriously, every time you’re going to show up to the restaurant you’re already stressed by walking to that place and you can’t even see yourself opening the door of the actual restaurant. But you still do, and you still go in there. And then, like I said, the bad management that’s there, obviously everyone’s always crowded, spilling stuff, burning themselves.”

<table>
<thead>
<tr>
<th>Workplace Practices Reported by Restaurant Workers</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worked when the restaurant was understaffed</td>
<td>77%</td>
</tr>
<tr>
<td>Performed several jobs at once</td>
<td>71.7%</td>
</tr>
<tr>
<td>Experienced verbal abuse from supervisors</td>
<td>19.6%</td>
</tr>
<tr>
<td>Performed a job not trained for</td>
<td>40.3%</td>
</tr>
<tr>
<td>Done something that put own health and safety at risk</td>
<td>29.3%</td>
</tr>
<tr>
<td>Done something due to time pressure that might have harmed the health and safety of customers</td>
<td>27.8%</td>
</tr>
</tbody>
</table>

Source: Los Angeles Restaurant Industry Coalition survey data

Table 10 reveals that understaffing, defined as not having enough staff to run the restaurant safely without excessive strain and stress on workers, is a common industry practice. An overwhelming majority of respondents reported working when their restaurant was understaffed (77.0%), and a similar number said they have performed several jobs at once (71.7%). Two out of five workers responded that they have been required to perform jobs for which they had not been trained (40.3 %), and almost a third of workers did something that put their own safety at risk (29.3%). And, as previously discussed, almost two-thirds of workers worked while sick (58.3%). Such low-road workplace practices not only affect workers, but can also have serious consequences for consumers. Almost a third of workers reported doing something that might have put the health and safety of the customer at risk as a result of time pressure (27.8%).

The federal Occupational Safety and Health Act (OSHA) imposes standards for health and safety in the workplace, requiring employers to provide protection for workers in hazardous environments and to keep records of all workplace injuries and accidents. OSHA covers toxic chemical use – the statute requires gloves, for example, for dishwashers and kitchen cleaners who use very heavy toxic chemicals – and temperature of work environments, including excessively hot kitchens. While there is no mandatory requirement that employees be provided with specific health and safety training, such training is effectively necessary to ensure compliance with OSHA and workers’ compensation law.

Employers in the State of California must secure workers’ compensation insurance for every employee. California’s Workers’ Compensation law also stipulates that, provided the employer is informed of any workplace injury or illness within a given period, workers’ related medical expenses will be fully covered. Workers may also receive permanent disability benefits if deemed eligible by a physician and reviewer.

G. Many “bad jobs,” a few “good jobs”

“Yeah, most of the time I’m thinking of leaving that place [because I can’t get promoted], that’s why I’m looking for another one right now. Yes.” – Male, 9 years in the industry, Busser

“I quit on the day of my one year. I just had enough of them. I didn’t walk out in anger. I just walked out. I know it was irresponsible but I’ve just been through so much. It’s not fair that new people are getting promotions and I know people that are working this much, this hard.” – Female, 1 year in the industry, Hostess

Analysis of our data revealed the existence of not only the low-road practices described above, but also of significant associations between workers’ earnings, benefits and workplace conditions. Since so many of the jobs in the restaurant industry are long-term, with the median length of time spent in the survey respondent’s current restaurant
equaling 1.7 years (3.2 years average), and 23.7% of the survey sample working in their current restaurant for over six years, we cannot dismiss poor working conditions as a temporary situation for these workers. For many workers, especially workers of color and immigrant workers, restaurant jobs are long-term. Almost three out of four workers (72.4%) that reported working in their current restaurant for six or more years were immigrants. Immigrant workers averaged having worked in their current restaurant for 1.77 years longer than U.S.-born workers. Additionally, our data revealed that workers who received a promotion stayed longer in their restaurant than workers who did not. Workers who had received a promotion had a median time in their current restaurant of 2.16 years while workers who had not received a promotion had a median time at their current restaurant of only 1.49 years. The perspectives offered by workers during their interviews indicate that workers stay longer when they are promoted instead of quitting their jobs in search of better opportunities and higher wages.

The workers we interviewed repeatedly told us that they were either currently trying to move on from a restaurant because of bad conditions and lack of mobility or they had done so in the past. A female server with ten years industry experience told us, “I would definitely go, if I had the opportunity, to go work across the street from my work. It seems to be a lot more structurally intact. But who knows, maybe they have their own issues too.” A busser in the industry for three years said that workers leave because wages are so low: “Usually they don’t get paid well so they come and go.”

The inability to climb a career ladder within a restaurant was one major reason why workers left their restaurant. A male server and bartender with 20 years industry experience told us, “Yes, when I first started off but I wasn’t getting any where I would quit then just find a job and that’s how it went for me. I was a barback one time for about a year and you know barback is basically the busboy of the bar, washing glasses and thing like that and I thought I learned enough to get that position but they ended up hiring somebody else. So eventually I just quit. … I don’t know if you really want to get in a higher position in this business you just need to go to a different place.”

Our research shows that when workers receive low wages and experience a lack of promotions and benefits, they frequently encounter a large number of additional poor workplace practices, creating an industry of many “bad jobs” and few “good jobs.” As seen in Table 11, our data demonstrates that workers surveyed earning wages below the poverty line were:

- Less likely to receive important workplace benefits, such as employer provided health insurance, or paid sick and vacation days. For example, workers earning wages above the poverty line were almost twice as likely as workers making less than minimum wage to have health insurance (34.5% compared to 18%).

- Less likely to receive regular raises and promotions.

- More likely to be exposed to unhealthy and unsafe workplaces, more likely to have to work longer hours in order to make a sustainable living in the industry and more likely to suffer employment law violations. For example, almost nine out of ten (87.2%) workers earning hourly wages below the poverty line and working over forty hours in a week or 8 hours in a day, were not paid overtime whereas 41.5% of workers earning wages over the poverty line reported overtime violations when they worked over the legally mandated thresholds.

- More likely to have been forced to do something that put their own safety at risk.

- More likely to have done something under time pressure that might have harmed the health and safety of the consumer.
TABLE 11: Conditions Reported by Restaurant Workers, by Wage Group

<table>
<thead>
<tr>
<th>Conditions Reported by Restaurant Workers</th>
<th>Below poverty line ($8.80)</th>
<th>Above poverty line ($8.80)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do not get regular raises</td>
<td>83.2%</td>
<td>80.1%</td>
</tr>
<tr>
<td>Do not receive paid vacation days</td>
<td>91.7%</td>
<td>80.9%</td>
</tr>
<tr>
<td>Do not receive paid sick days</td>
<td>92.7%</td>
<td>89.0%</td>
</tr>
<tr>
<td>Do not have health insurance through employer</td>
<td>92.5%</td>
<td>88.9%</td>
</tr>
<tr>
<td>Do not have health insurance</td>
<td>82.0%</td>
<td>65.5%</td>
</tr>
<tr>
<td>Have not been promoted</td>
<td>82.4%</td>
<td>72.1%</td>
</tr>
<tr>
<td>Have not moved up in position from last place of employment to current</td>
<td>81.9%</td>
<td>66.8%</td>
</tr>
<tr>
<td>Have done something that put own safety at risk</td>
<td>30.9%</td>
<td>27.7%</td>
</tr>
<tr>
<td>Have done something due to time pressure that might have harmed the health and safety of the customer</td>
<td>28.8%</td>
<td>23.6%</td>
</tr>
<tr>
<td>Have experienced overtime violations of the 8 hour day or 40 hour workweek.</td>
<td>87.2%</td>
<td>41.5%</td>
</tr>
</tbody>
</table>

Source: Los Angeles Restaurant Industry Coalition survey data

While the number of jobs available in the restaurant industry is growing, our survey data and interviews with workers demonstrate that the industry is plagued by a number of serious problems. Presently, most of the jobs being generated by the industry are “bad jobs”. According to workers’ testimonies and the results from our survey data, “good jobs,” are few and far between. Our interviews and surveys show that such jobs do exist in restaurants of all sizes and industry segments, thereby demonstrating that it is possible to pay workers a livable wage and remain in business. As will be further outlined in Chapter V: Segregation & Discrimination, workers of color and immigrants largely work in “bad jobs,” while White Americans disproportionately benefit from the few good ones. Our interviews with employers, discussed in the following chapter, identify some of the factors impacting workplace conditions and practices, and provide guidance for addressing these impediments to the industry’s ability to provide more good jobs to Los Angeles County’s workforce.
Oakland Bautista, 34 years old, 8 years in industry, cook

At 34 years old Oakland Bautista is a Los Angeles native and an 8 year veteran of the restaurant industry. Bautista is triracial, with his father from Hawaii of Filipino and Indigenous Hawaiian descent and his mother from Los Angeles of Irish descent. His first experience in the kitchen was at the age of 23 working for the California Conservation Corps in Vallejo, California. After moving back to Los Angeles to go back to school and study music, Bautista returned to restaurant work via Hollywood. “I worked in the kitchen for a show where 14 contestants competed for the chance to run a large expensive restaurant. That show really rekindled my interest in restaurants.”

As a cook for bandages and keep it clean. Which is difficult cooking and sweating and working in the kitchen all of the time.”

“And that’s when I reconsidered whether I should be there and if that was really the right situation for me. … There was scarring for a while. It took a good month to heal and that became a big expense too just needing to buy new bandages and burn spray, some cream, and everything that I needed to take care of it. So I wasn’t happy about that and I talked to them and they just didn’t really care.”

I didn’t get any benefits. I just did my best to avoid getting injured. I don’t get sick very often but I was always worried of getting physically injured, like breaking a leg or something. I don’t know what I would’ve done. I wear glasses and contacts and I didn’t have any coverage to help pay for those, so that was a big expense also.”

Besides the low wages and lack of benefits, Bautista struggled with the manner in which the restaurant was run. In one instance he was severely burned. “It was run really poorly. They weren’t belligerent, they were all really friendly. But there were problems with everything from the way they purchased, to the menu, to the way they interacted with the employees. … There was really no policies at all around health and safety. There was one instance pulling a sheet tray of bacon, with all of this 400 degree grease at the bottom. This owner was calling me from behind and I’m saying ‘hold on, hold on’ and he’s urging me saying ‘hey give me your attention, Oakland, Oakland’. So I half turned around and tipped the pan and the grease just spilled all over my forearm. My whole left forearm was just streaks of burns with oil dripping off. It was a huge burn. That wasn’t fun. That hurt and on top of that they didn’t have any kind of first aid kit, not even a basic burn spray or any bandages, [not] anything. I actually had to walk a few blocks up to the local [drug store name] and go pay for bandages, burn spray, some cream, and everything that I needed to take care of it. So I wasn’t happy about that and I talked to them and they just didn’t really care.”

Like many restaurant workers that get fed up with working conditions in a restaurant, Bautista decided to move on. “And that’s when I reconsidered whether I should be there and if that was really the right situation for me. … There was scarring for a while. It took a good month to heal and that became a big expense too just needing to buy new bandages and keep it clean. Which is difficult cooking and sweating and working in the kitchen all of the time.”

Now I just have part-time work. I work [as a cook] with a guy that does private catering for events. It’s mostly private parties at homes, upscale wealthier clients. He gives me ten bucks an hour and we usually get tips. Even with [wages that are higher than the last restaurant] I still struggle with money. I’m broke as hell. It’s always kind of depressing going to these beautiful homes and families and I can’t even get enough cash to get a car or have a stable living situation. It’s unpleasant at best. [We serve at] some gorgeous places, some that are along Malibu coastline; multimillion dollar homes; bigshots in the film industry. So that’s always glaringly obvious: the way that they’re living and the way that I’m living.”
CHAPTER IV

Employers’ Perspectives
CHAPTER IV

Employers’ Perspectives

Our interviews with employers in the Los Angeles restaurant industry proved to be a rich source of information regarding the constraints under which they operate, which in many cases lead them to engage in the practices described by workers in Chapter III: Workers’ Perspectives - often despite their best intentions and their expressed belief that restaurant workers are critical to their success. Our interviews with employers highlighted the principles and approaches adopted by employers pursuing the high road – those who manage to maintain successful businesses while ensuring that their workers earn a livable wage and are guaranteed workplace benefits and safe work environments. As such, the perspectives summarized in this chapter can serve to guide further study of the industry, and, perhaps most importantly, lay the groundwork for initiatives developed in partnership by restaurant workers and employers.

Our interviews with employers revealed that:

- Market volatility brought about by factors beyond employers’ control such as economic downturns and changing tastes require significant flexibility on the part of restaurant employers.

- Worker productivity and low employee turnover are both important to profitability. Workplace practices intended to increase productivity, such as understaffing and unpredictable hours, can have the effect of increasing employee turnover, creating a dilemma for many employers.

- The majority of Los Angeles restaurant employers elect to take the low road to profitability. While employers recognized the importance of employee satisfaction for productivity and decreased turnover, they also reported that wage theft is prevalent in the restaurant industry.

- Many employers stated that they would like to offer their workers health insurance but maintain that it is almost impossible to do so due to prohibitive costs.

- It is possible to achieve profitability by taking the high road and paying livable wages, providing necessary workplace benefits, and maintaining a safe working environment when there is a non-negotiable commitment to doing so. Restaurants of all sizes and industry segments have demonstrated their ability to use this model. However, employers taking the low road undermine restaurants following the high-road approach.
A. Introduction and Methodology

In order to obtain a better understanding of factors that drive workplace practices, the Los Angeles Restaurant Industry Coalition interviewed restaurant employers in Los Angeles County. We conducted in-depth interviews with 33 restaurant employers, including owners and managers, from July 2009 to October 2010. Employers were selected for interviews in a manner designed to gather data from the different segments—fine dining, casual/family style, fast food/quick serve—of Los Angeles County’s restaurants. Table 12 shows the profile of employers that we interviewed. Interviews included questions regarding trends in the industry, over time, factors affecting business practices, strategies for running a profitable business, workplace practices, and the role of the informal economy in the region’s restaurant industry.

<table>
<thead>
<tr>
<th>TABLE 12: Employer Interview Survey Sample by Attributes</th>
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<tbody>
<tr>
<td>Industry Segment</td>
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<tr>
<td>Fine-Dining</td>
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<tr>
<td>Family Style/Casual Dining</td>
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<tr>
<td>Quick Serve</td>
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<tr>
<td>Total</td>
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<tr>
<td>Position</td>
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<tr>
<td>Owner</td>
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<td>Manager/General Manager</td>
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<tr>
<td>Total</td>
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<tr>
<td>Gender</td>
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<td>Male</td>
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<tr>
<td>Female</td>
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<tr>
<td>Total</td>
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<tr>
<td>Length of time in industry</td>
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<tr>
<td>Less than 1 year</td>
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<tr>
<td>1-3 years</td>
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<tr>
<td>3-6 years</td>
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<td>More than 10 years</td>
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<td>Total</td>
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</table>

Source: Los Angeles Restaurant Industry Coalition interview data

Overwhelmingly, restaurant employers we interviewed recognized the important role that workers play in the vitality of the industry and the success of their businesses. The vast majority of employers described their workplace policies as supportive of workers and their development. However, when employer and worker responses to our surveys are juxtaposed, a more complex picture emerges.

Both worker surveys and employer interviews confirm that some employers are paying livable wages, providing comprehensive benefits, and ensuring healthy work conditions while successfully running a profitable business. Indeed, 18% of our survey sample is paid a livable wage by their employers, and a similar number reported receiving workplace benefits.

These employers, however, are the exception, rather than the rule. Employers also recognized that the low road to profitability—paying low wages, engaging in wage and hour violations, and cutting corners on health and safety—is the path more often followed in the Los Angeles restaurant industry. While there are surely some “bad” employers who operate only for their own profit, at the expense of their workers, what appears to be more common is that
employers espouse supportive workplace policies in theory but do not implement them in practice. This disconnect can be largely attributed to lack of good management, absence of industry incentives and supports rewarding good employment practices in the industry, and ineffective employment law enforcement mechanisms. Additionally, employers would clearly benefit from better guidance from the industry as a whole, including more education regarding their legal obligations, and enforcement of these laws. Although the workers are the ones who lose out in the short term as a result of low-road workplace practices, interviews with employers suggest that the industry as a whole loses out in the long run.

B. External Factors Affecting Workplace Practices

In order to better understand the tensions and contradictions in the restaurant industry affecting employers and workers alike, it is important to consider some of the most salient external pressures on restaurant businesses in the local context. Employers we interviewed referred to a number of factors that impact their business, workplace, and employment practices, such as customer demand for healthy food, stiff competition, and the effect of the economic crisis on business.

Employers generally expressed concern for the effects of the economic crisis on their business. One General Manager in the Fine Dining segment with 38 years experience told us that his “restaurant has had some financial issues because of the economy’s downturn”. However, as mentioned earlier, government data has indicated that the industry is rebounding rapidly, and employers themselves described a number of ways to survive and even thrive during the crisis, including lowering prices and creating deals to accommodate strained budgets, downgrading the formality of restaurants to create a more casual setting, and following the trend toward healthier, locally-sourced, and sustainable fare. One Assistant Manager with 7 years of experience in the industry, currently in a quick serve bakery told us that: “The trends have gone to where people want to get the most value for their dollar. And, a lot of the trends in the past have been where, these new restaurants opening up, the hundred dollar head, hundred fifty dollar head restaurants and now there’s been a gigantic shift to less expensive people getting more money for the dollar expend and getting more food for the dollar expend and that’s why we’ve been successful, because the change of value.”

“People have less dispensable income, so it’s important to get the casual dinner back.” - General Manager, 27 years in the industry, fine dining

“Well, the current general trends that I saw important are giving quality food an affordable price. Looking at the down economy, people are really trying to budget themselves. So I give people food at a decent price. So this is really the trend that I see, that is considered very popular at the food industry.”
- Manager, 31 years in the industry, family style restaurant

Employers told us that the crisis had not affected all segments of the restaurant industry evenly. One family style cafeteria manager with 20 years experience explained that certain high-end restaurants had not been affected at all: “On the Higher end, places really haven’t done anything simply because they are what they are. It’s a different component of the dining spectra in my opinion. That clientele, I would say, is not a recession proof-group. But they are going to eat what they eat regardless of the economy. There are incredible prices. Don’t get me wrong. They haven’t really seen any drop in their business at all.” On the other side of the restaurant spectrum a manager of a quick serve restaurant with 26 years industry experience told us that the quick serve segment is actually thriving during the crisis. He said, “[The] quick service [segment] is getting more people because it’s cheaper, and people can afford to go.”

One fine dining segment restaurant general manager with 27 years experience expressed confidence that the restaurant employers would ride out the crisis in the same way they usually handle economic fits and starts: by staying ahead of trends and not being passive. He asserted, “As a restaurant industry, we act proactive when it comes to business trends. And that’s one thing, being through those ups and downs of the economy, I think we are able to weather the storm because we are getting out in the front and not waiting to see what happens.”

Employers also remarked on recent changes in the labor pool. Many employers observed a glut in labor supply, with many applicants having much higher education credentials than normal. However, one general manager of a large casual fine dining restaurant with 12 years industry experience argued that despite the spike in job applicants, there
is a dearth of job applicants with the requisite skills for fine dining service. He explained, “In regards to the labor pool, it’s a tough labor pool that’s out there. This skill set that we require in our restaurant is incredibly hard to find. We do a lot of training here every single day. So we’ll take [those] whose skill set is not fully developed and work them and mold them into our program, but for the most part, the service in LA is somewhat challenging to find.” This fact indicates a need for more job training for lower-level workers currently in the industry.

One response to the crisis has been for restaurants to respond to customer demand for healthier, environmentally sustainable food. A manager of a family style restaurant with 15 years in the industry told us, “Right now, the trend in restaurant industry is economy. Economy means many people lose their jobs. So, restaurants have to be changed. They started catering a lot more and delivering a lot more. So they have to reinvent menus. Right now on the whole, every restaurant is doing catering, changing menus, being [a] little more healthy. The economy has made restaurant[s] changed [sic].” Another assistant manager of a quick serve bakery with 7 years experience was also quick to assert that there is a growing trend in local and sustainable food, “In the restaurant industry, I think that some of the trends are eating locally and sustainably. People are being more conscious of where their food is coming from.” One owner of a family style restaurant with 26 years experience was working to push the envelope in sustainable dining taking into account not just where the food is sourced from but also the sustainability of how the food is processed in the restaurant: “I think the most important trends are that people are trying to envision how restaurants are going to be laid out in the future. There are other trends out there but the ones that I’m interested in and ones that I’m trying to be involved with and push are the ones that have to do with sustainability, have to do with the model of what a future restaurant will be capable of. So conservation in every form, like gas, where your garbage is going, being conscious of where all that stuff ends up and what it costs – what a real plate of food costs.”

These observations of Los Angeles restaurant employers reflect national trends that show that despite the crisis, the restaurant industry has not been hit as hard as other sectors and has shown a long-term trend of robust growth. While the restaurant industry is generally perceived to be declining, the restaurant industry actually lost only 3.1% of jobs while the total private sector lost 8.4% of jobs. And, while most other sectors continue to decline or lag in employment recovery, the restaurant industry has seen a clear trend of job recovery in 2010. Certain parts of the industry, such as fast food and liquor sales, proved very resilient throughout the crisis. Moreover, as shown in Figure 1 (chapter II), the long-term trend for the restaurant industry has been one of steep growth, with the size of the restaurant workforce increasing from 5.7% of private sector employment in 1972 to 8.6% in 2009. Figure 4 shows that in the decade between 1998 and 2008 the number of restaurant establishments grew from 14,689 to 18,280.


![Figure 4](image_url)
Overall, despite the challenges that the economic crisis presented to Los Angeles restaurants, the industry continues to progress. There is little reason to believe that the economic crisis is a viable reason to avoid addressing the challenges restaurant workers face in the industry. Employers themselves repeatedly expressed their concerns regarding low wages and poor working conditions in the industry, and the ways in which these conditions hurt the business in the long run. In the next sections, employers’ perspectives will be discussed regarding two contradicting pressures: 1) the need to increase worker productivity and decrease turnover in the long run by treating and paying workers well; and 2) the imperatives to decrease employee wages and benefits to protect the bottom line in the short run.

C. Strategies for Profit
To deal with many of the external pressures outlined above, employers generally agree that one of the most important elements of maintaining a profit is human capital. In fact, most employers in our sample agreed that reducing employee turnover and increasing employee productivity were both critical to maintaining long-term profitability and a sustainable business model.

MINIMIZING TURNOVER

“I think a lot of our staff, like 50% have been with us for a few years. They understand that there is a mentality in ownership that trickles through management that we take care of staff.” - Bar Manager, 12 years in the industry, fine dining

“[Employees] will be more absent, be late to work. If you don’t care about [them], they won’t care about you. They will steal and break something. If you deal with [employees] properly, they may change your life.” - General Manager, 25 years in the industry, fine dining

“It makes it hard, because you’re always having to rebuild and you have to retrain, and get up to a good speed... All those things[turnover] kind of set you back, especially when you lose a really good person there’s a setback in morale, staff. Maturity level of the staff may [also] change when a mature person leaves the staff, that sort of was a leader or somebody to kind of hold the fort down, it affects our profitability.” - General Manager, 38 years in the industry, fine dining

Establishment of a loyal customer base and personable service was cited by employers as critical to promoting businesses and ensuring consistency in profit. It is therefore not surprising that consistency and quality of staffing is of great importance to the employers with whom we spoke, who told us that keeping staff turnover low was critical to the success of their business. Most employers agreed that turnover is expensive and destabilizing to a restaurant workplace. One family-style restaurant manager with 17 years industry experience told us that he would “rather pay people properly and maybe even have less employees but have people who do a better job. And then you won’t have such a high turnover.” He went on to recognize the tendency to cut labor costs to save money and increase profit, but argues that employers cannot save money in this fashion and it will likely end up costing the employers more in the long run. He explained, “If you own a business you are obviously going to say ‘I want to save every penny I can’, which is totally understandable. It’s a business, you know? It’s not a club. But at the same time, going back to a major point: the less you pay people the less you are going to get out of them, depending, but inevitably it ends up costing you the money anyways. If not more, because of theft, because of turnover, because of just not doing your job properly, or being not safe, or not aware, or not cutting costs. Because you have people saying this is my job, this is what they are paying me, this is what I’m going to do. That’s it. Because you are not even giving them room to feel like they can grow.”

In the same approach to long-term profit, an owner of a family-style restaurant with three years industry experience has begun to change practices in his restaurant to emphasize keeping employees for the long term because of the costs of turnover and the benefits of long-term employees: “I have made the change to hire people that are more looking for careers in the restaurant industry and I’m trying to create the career environment.”
Employee turnover rates in the restaurant industry often exceed 90% per year. Such high levels of turnover impose both direct and indirect costs on businesses. Direct costs include the time and money required to find, hire, and train replacement workers. Indirect costs include decreases in productivity and quality of service caused by understaffing during the time it takes to find replacement workers, and by the inexperience of new workers. Research suggests that dissatisfaction with compensation is a major cause of restaurant employee turnover.

Employers recognized the importance of keeping employees happy in order to decrease employee turnover, thereby fostering a satisfied and loyal customer base. Some of the strategies mentioned by employers as important to promoting good conditions for workers included training, promoting from within, paying sustainable wages, and providing other “perks” ranging from workplace benefits to staff outings. In addition, many employers cited the overall importance of creating a good work environment and a sense of family. One family style restaurant owner with three years in the industry told us of the measures his restaurant takes to keep turnover low: “Oh man. Paying people well, communicating with them. Encouraging them. We have a quarterly barbecue. Starting pizza parties on Fridays in between our shifts. We have bingo balls that we give out at work that you can turn in for a beer when you do something out of the ordinary. Each manager has a super bingo ball that he can use for buying everybody on the shift a beer – you get one of those a month. All employees get 50% off of anything they want. They get a free meal every day. Their friends get 25% off. We rented out a Dodger box twice and had most of the staff come and big old catered fun box at Dodger’s Stadium.” An Assistant Manager at a quick serve bakery with seven years industry experience told us that their efforts to keep their employees were paying dividends: “Our company takes care of our employees. I think that that’s just what our owner wanted to do. That’s why we have kitchen managers and kitchen associates that have been there for 5 years.”

**WORKER PRODUCTIVITY**

“I think it’s really important to not only provide the basics for your employees but also make them want to work with you. A person is always motivated more by an employer that takes care of them.” - General Manager, 27 years in the industry, fine dining

“Fear is never a good motivator. And when you need help, they would probably not help you out because they don’t feel like they are valued or being compensated fairly.” - General Manager, 27 years in the industry, fine dining

“I mean, our company really takes pride in our workers. We try and offer them health insurance when they get paid salary and we start at a pretty high starting wage. I feel like when you take care of your employees, they’ll take care of your customers. When you have happy workers, you have happy customers.” - Assistant, 7 years in the industry, quick serve bakery

Employers reported that worker productivity is critical to running an effective and profitable business. There are differing theories regarding how to best maximize productivity. Some employers believe that training and investing in workers is best. On the other hand, some think that hiring fewer workers to perform several tasks is the most efficient way to move production. Many of the Los Angeles employers we interviewed, however, echoed the belief that investing in workers – in terms of wages, working conditions, training, opportunities for advancement, and more – is the most effective way to keep workers happy and productive. One manager of a family-style restaurant with three years industry experience explained that there is a very simple connection between employee satisfaction and the ability to give proper customer service: “Yes. It is important because [employees] must be happy here to feel you know how to bring good service to the people. If they are not happy, they cannot bring service or good work.” Another fine-dining general manager with 30 years experience in the industry argued that there is a correlation between the length of time that he can keep the employee and the productivity of that worker: “The longer that I can keep somebody here, the more seasoned that they can get, the better.”
Local Restaurant

Jason Michaud, Owner and Chef, 26 years in the industry, family style

Jason Michaud is the chef and proprietor of Local, a Los Angeles restaurant that specializes in organic, locally-grown ingredients and a socially-conscious approach towards working conditions in the restaurant. Outside of his professional life, Michaud is also an avid record collector and a drummer.

Michaud’s restaurant experience is impressive, working in the industry for 26 years at the age of only 38. “When I was twelve I wanted money [so] I went to my friend who was washing dishes. He said ‘come by’ and brought the manager to the screen door, the manager goes: ‘you wash dishes?’ I said ‘yea, sure.’ He said ‘ok, start tomorrow.’ I got a job. That was the interview.” He was promoted from dishwasher after 2 months to making pizzas while he badgered the kitchen manager about all of his duties. “And then I started to noodle [ask questions to] the guy that was making the sauté dishes. I said ‘Hey, can you show me all these things?’ because it seemed like a lot of fun. There was a dance to it, a rhythm. And so he showed me and then he decided to go on vacation about two months later and he never came back from Mexico. So I basically took his job, I was a kitchen manager after four months. I was doing the ordering and closing and cleaning and all of that stuff five days a week.” Literally growing up in restaurants, Michaud acquired management savvy and empathy for restaurant employees that suffer unjust working conditions.

Michaud explained how his experience as a restaurant worker influenced his approach to doing business at Local. “When you work in a restaurant, you see all of these things that are wrong and as a manager of people, you’re trained to really care when you see these things going wrong. If you see it and you don’t do anything about it, then you’re not a manager. You’re just somebody watching. I would watch all the problems going on in the restaurant; see the waste, the massive amount of garbage; see how the employees were treated. I worked in a place that did a thousand covers [customers] a day and the guy told me to tell the prep cook that he didn’t deserve the other 8 hours he was asking for in his paycheck [that he worked but didn’t get paid for]. So I said [to the owner], “duke he only makes eight dollars an hour and he’s the only prep cook for a restaurant that does a thousand covers a day. Just give him the eight hours, it’s not a big deal. But [the owner] just wouldn’t budge. So I quit right then. It just doesn’t make sense to me how people are treated in the restaurant. So I was really really trying to think about from the beginning, about how we could make this [Local] a better situation.”

Michaud further explained his motivation for conducting business in the way he does, pointing out that it is common sense to have feelings for the conditions of other people. “I do business this way because I like people. I like to be able to sleep at night. I remember the first time I fired someone when I was 14. [The worker I fired] was 40 and had kids, but he was drunk on the job. I almost cried and couldn’t sleep for a week.”

Michaud offers his employees wages that are well above average for similar restaurants. “The base starting salary is $10 an hour for almost everyone in the restaurant. I have two cooks. One of them who’s been with me a while earns $16 an hour and the other who is the chef at night earns $42,000 a year. … Our dishwashers make $10 an hour and then they’re tipped. So I’ve got a pretty good pay structure across the board. I have 13 employees. It’s a pretty reasonable way to make money. We’re not super crazy busy all the time, so nobody’s getting rich, including me, but it’s still a steady job and people seem to like it.” Local demonstrates that even small restaurants with medium levels of customers can strive to pay decent wages.

Financial difficulties have been the main challenge Michaud has encountered in paying his employees fairly. However, he overcomes this obstacle by rigorously cutting costs in other areas. His methods for keeping costs down include switching between workers’ compensation insurance companies, constantly haggling with suppliers, and negotiating for a reasonable rental agreement. Michaud told us that he lives modestly, prioritizing paying his employees well over short-term profitability gains. However, upon deeper analysis, Michaud reported that due to his rigorous management of non-labor expenses, he has already paid back half of the $310,000 of loans that he took out to open the restaurant in just two years while maintaining wages. Now he is even opening up another restaurant. Continuing with his approach to fair restaurant business, the chef that is helping him open the new restaurant will eventually earn 25 percent ownership. “It’s an opportunity that no one ever gave me in all the times that I opened up restaurants.”

Conducting business in this way also allows Michaud to build a close and trusting relationship with his workers, which in turn supports the restaurant’s profitability. This is demonstrated in the fact employee turnover is extremely low. “I don’t have any turnover; almost never. I had one waiter leave in the day time and I’ve had nobody leave in..."
One fine-dining general manager with 38 years experience in the industry emphasized internal promotions for keeping up morale and thus holding turnover down and increasing productivity. He argued that, “if your employees are not fulfilled and don’t feel like they are absolutely integral to the success of the business, you are screwed. And so you build from within. It’s a family, and you’ve got to honor the family, and if you don’t you will pay for it dearly, because that has to deal with everything. From trying to keep your breakage down to trying to keep your theft down, to trying to boost sales in certain areas through more dessert sales, wine sales, education of the employee, and customer experience, everything is really holeed through that employee. Everyone from waiter, busser, runner, everybody, bartender, it’s the whole experience that’s most important.”

D. Contradictions in Theory and Practice

"Litigation is a big issue for the restaurant industry. It’s one that the National Restaurant Association has worked on for years and always will.” John Gay, senior vice president of government affairs and public policy for the National Restaurant Association

“I also know that especially in the kitchen there are ton of people who have gotten money in lawsuits. [Restaurant Name] is a big offender, [with workers] who are working overtime and [Restaurant Name is] adjusting hours." - Bar Manager, 12 years in the industry, fine dining

Many employers face a dilemma between implementing strategies for long-term profit by keeping turnover low and productivity high, and making unsustainable profits through reduced labor costs that result from offering poor and often illegal working conditions. While there are some employers who are committed to pursuing the high road to long-term profitability – providing workers with decent wages, benefits, and training – these employers are unfairly undercut by those who choose to take the low road to short-term and unsustainable gain. In some cases, this approach is related to management and business skills; in others, it comes down to a lack of enforcement, support, and rewards promoting good workplace practices. What becomes clear, however, is that low-road practices are counter-productive, ultimately having negative impacts on worker productivity, employee turnover, and restaurant profitability.

WAGES AND OVERTIME

“My boyfriend is a chef and he’s experienced that. He's been asked by management to adjust hours and be told the chief he didn't agree.” - Bar Manager, 12 years in the industry, fine dining

“I think it’s obvious, it’s unfair and I’ve experienced this myself too… I’ve been in positions where I wasn’t paid, or it wasn’t on time. Even as a server, I’ve had to buy my own things that I’ve needed during my shift. It was like pulling teeth sometimes getting overtime. So yeah, I know exactly how it
Although many employers expressed understanding of the importance of paying good wages to keep staff happy and productive, the majority of workers in Los Angeles County struggle under low wages, and our research indicates that almost a third suffer from non-payment of overtime wages. Several Los Angeles restaurant owners we interviewed recognized that low wages are prevalent in the industry. One manager of a casual family style restaurant with 3.5 years experience in the industry was saddened by the working conditions in the restaurant industry. He described his observations on the industry: “Well, it’s something [bad working conditions] that’s very cruel, something that shouldn’t be done, but it’s something that is very commonly seen. Personally I know many restaurants, that view their employees as just one more number, somebody who is dispensable, and if somebody isn’t meeting their quotas, they just let them go. They take advantage of people’s situation, immigration status, etc, and they exploit them for their own benefit. I know many restaurants, including some here, in this area, they try to maximize profit while abusing labor a lot. So it’s something very common in the restaurant industry I know for sure.”

Several managers sympathized with workers’ issues because they had been workers for many years before they became management. One owner of a quick serve coffee house with five years of industry experience told us in no uncertain terms what he thinks of many unscrupulous employers in the restaurant industry: “A lot of people are not committed. There’s a lot of corrupt business owners, there’s a lot of people who are just wrong. You work for them and they spend their money on other stuff. They don’t have organizational skills, they’re not set up as far as having their payroll or their budget, and they don’t budget, they over extend themselves. They’re mean to their employees, they treat them like animals, like worse than animals. They are disrespectful. I was an employee, I know how that feels. And you know what? I’m not going to have that attitude, I’m not going to work like that with people, I’m not going to act like that with people, and I’m going to try to be the best I could be. Sometimes we struggle hard, but we make sure we have that payroll, even if at the end of the month you don’t pay yourself, but you paid everyone off. I’d rather have everyone happy. But yeah, there’s places that do that. And if they do that whole under the table deal, that’s a great opportunity to exploit people. There’s a lot of it. But you know what, I’m sure people who you interviewed do that s**t, and they act like hypocrites, but whatever.”

Another manager of a family style restaurant with 17 years experience could also relate to workers because he had been a worker. He also believes that wages and productivity are related: “But as a bigger point, if you are paying them a little you are going to have turn over you are going to have theft whatever you are not giving your employees they are inevitably going get it on their own and that’s the way I feel about it because I’ve been an employee, I am an employee.”

Most employers we interviewed reported that their restaurants were in compliance with employment laws. However, they also recognized that wage theft is widespread in the restaurant industry. Many employers we interviewed even sympathized with restaurant workers suffering wage theft as they had been in the same position having been restaurant workers themselves. Many employers we interviewed told us that in many restaurants management illegally takes a portion of the tip pool, fails to pay time and a half for overtime, or even fails to pay the workers for all of the hours they worked. Restaurant employers we interviewed emphasized the importance of treating their workers well as a necessary first step to reaching profitability following the high road, but the prevalence of wage theft shows that good intentions are not enough. Many employers not only need more education regarding employment law, but they also need education regarding proper restaurant employment practices that lead to long-term profitability.

A manager of a bakery with 10 years industry experience said that bad employers have an impact beyond the restaurant industry: “[Employers violating employment laws] should just be shut down, because if those are the ethics leading the production, leading the business, and the management or ownership, that’s not really something you want to have perpetuating in society. There’s too much negativity, too much abuse of power to let that keep perpetuating”. An owner of a family style restaurant with 26 years of experience in the restaurant industry expressed personal anger towards bad employers: “I think even the thought of that’s terrible but I realize that each restaurant is different. The ownership has different morals. I can’t control any of that stuff so I try not to ever let it bother me, or keep it up at night but I know it’s happening. I was offered a consulting job with this place in Hollywood and I asked to see the payroll. There were people that were working 7 days and they would basically come in, work six
hours and go home for a little while and come back and finish. So they were working upwards of 80 hours a week for basically $7 or $8 dollars an hour, if you average it out. And it's not cool, there's no way around it. It's not cool. But I know it's happening out there, I try not to let it hurt me in any way. But I would really be upset if I ran into those owners. Of course, I didn't take that job." Another owner of a family style restaurant with three years industry experience also told us about hearing of terrible working conditions in the restaurant industry: “I hear some pretty wild stories as I'm doing interviews of previous jobs people have held at restaurants: everything from not getting overtime to checks not cashing to all sorts of wild things. Doors being locked when they show up for work one day, nobody knows why. All sorts of things.”

Many employers felt that providing livable wages is possible, but that doing so has to be an explicit goal and the restaurant needs to be managed well. Unfortunately, many employers interviewed reported that labor costs, or workers' wages, are the first to be cut when business and profits are low because other costs, such as rent, may be non-negotiable. Such a practice undermines the security and longevity that is gained through a consistent investment in their workforce. However, employers dedicated to following high-road practices discussed various management strategies to avoid labor cuts, including negotiating for a reasonable rent with the landlord, meticulously monitoring supplier prices or striving to reduce other small costs that become significant in the long run such as breakage of dishes and glassware. One family-style restaurant owner with 26 years experience told us how he strives to hold down the fixed costs in his restaurant in order to pay his workers wages that are far above the industry average. He told us, "I was really savvy with my lease, with my rent. My rent is really low, it's maybe 4% [of total costs]." He went on to tell us that the employer must be “controlling your fixed costs… that's how you save money, that's how you make money, it's calling each company and asking why this certain item is $20 a case when it should be $17.”

**BENEFITS**

“I would like everybody to have health care. I believe that anybody who is working and paying tax should be provided with health insurance." - Owner, 3 years in the industry, family style

“Right now I think they do a 401k and I think that if you work forty hours you get health insurance. But really at the end of the day anywhere you go it's pretty much still crappy health insurance. No matter what it is you are paying money and you can't really afford it anyway, so thank you for the opportunity that you should be giving everybody.” - Manager, 17 years in the industry, family style

While acknowledging the importance of providing employee benefits, restaurant employers, with the exception of chain/franchise establishments, also overwhelmingly reported that they were unable to provide health insurance benefits to their employees. Many employers cited prohibitive costs and lack of administrative capability as the most significant obstacles to offering benefit packages. When asked if they would be interested in providing health insurance to their employees if it were more affordable, every employer we interviewed responded positively. An owner of a family-style restaurant with three years industry experience was trying to offer more benefits but told us unreasonable cost and administrative capacity were the biggest obstacles to offering health insurance. “We could not afford [health insurance]. Healthcare is something we're looking in to. The other [benefits] just aren't something that we have the ability to administer, [that] would be the biggest problem.”

Multiple-restaurant owners and restaurant chains are better situated to provide worker health benefits because they are able to negotiate good rates based on volume, while small, single-location businesses simply do not have the institutional bargaining power to suppress costs sufficiently when negotiating rates. Chains and franchises had the most standardized policies and practices with regards to benefits, including sick and vacation days. Few other employers reported offering these benefits.

**TRAINING AND PROMOTION**

“We really don't promote. I mean everyone is pretty much at their position and [laughs]. … I mean if a waiter leaves I just have to hire another waiter.” - Manager, 18 years in the industry, fine dining
Our research indicates a pervasive lack of mobility in restaurants, partly due to workers’ lack of access to training and opportunities for advancement. While some employers that we interviewed did not place any particular importance on training, other employers were very explicit that training, and particularly cross-training between positions, was an important part of their restaurants’ success. Employers argued that training workers in multiple positions is well-worth the investment because it allows for greater morale and a more efficient and robust staff. Moreover, training restaurant workers is important not only for health and safety reasons but also for enhancing worker productivity. Training is also an investment in workers as a means to promote mobility and longevity in the workforce. The benefits of making such an investment include a well-trained staff, low turnover rates, and ultimately lower costs over the long run. One family-style cafeteria general manager with 28 years experience explained that failure to provide training has a clear downside. “If you are not training your staff in a right way, then it works into not very good servers, not very good cooks, or say, busboys. They take a longer time to place tables and do not follow procedures. So that works into a domino effect. It slows everything down and harms your customer services in the restaurant.”

E. Conclusion: The High Road is Possible

“[Employees receive] Healthcare and 401K if you’re over 30 hours a week. Under 30 hours a week, you can get a healthcare program after you’ve been here six months. They pay for it. It’s just they get to pay into the system.” - General Manager, 8.5 years in the industry, family style

“I am sorry that I don’t have colorful answers, I just do it the right way, you know. I just find that square dealing is always better.” - Manager, 20 years in the industry, family style

“The only thing we don’t pay is housing. 401K for anyone who’s been with the company for more than a year we match, even hourly employees, if you just work two hours a week you’re still eligible. Healthcare, dental, the whole deal.” - General Manager, 8.5 years in the industry, family style

Both workers and employers in our research recognized that low-road practices are prevalent in the restaurant industry. However, we also observed high-road examples from small to large restaurants as well as franchise to mom and pop restaurants. These examples prove that the high road is possible. While employers generally recognize the importance of providing decent pay, benefits, raises, and training to their workers, many restaurant employers pursue low-road workplace practices. Such practices ultimately have cost implications for businesses as a result of constant turnover as workers leave to find better paying jobs with better workplace conditions. Turnover has been shown to negatively impact productivity and profitability, thereby resulting in realities contrary to employers stated goals. Some employers reported that low-road practices implemented by their competitors, such as minimum wage and overtime violations, had the effect of undercutting them. High-road employers lose business to those pursuing the low road as the latter benefit from unfair competition by violating the rights of workers. This ultimately damages the industry as a whole and the public at large by pushing industry wages down even further, harming the very workers on whom their profitability depends, and spawning the proliferation of low-road practices across the industry. The end result, as further explored in Chapter VI: The Social Cost of Low Wage Jobs, is an increase in “hidden costs” to the public.

Clearly, employers would benefit from greater awareness of their obligations towards their workers and of the value of implementing “pro-worker” practices, as well as more guidance in employing better business strategies. Further study in this area is also needed, particularly regarding the impact of low-road practices on the proliferation of low-wage jobs and on employers pursuing the high road. Further empirical investigations could provide insights towards solutions to these problems and could help the Los Angeles restaurant industry realize its full potential as a source of revenue and much needed employment in Los Angeles County.

“On the high road, companies compete not by paying the lowest wages but by offering the highest quality and value and innovation.” – John J. Sweeney, Former President AFL-CIO and President of the AFL-CIO Working for America Institute’s Board of Directors
Despite the prevalence of bad employers, consistent with our research that shows that some restaurant workers earn a livable wage and receive benefits (see chapter III), we found examples of restaurant employers following the high road amongst the employers we interviewed. A general manager of family style restaurant with 38 years industry experience told us he understands how to treat his workers well because of his experience being mistreated as a worker in his time: “It’s what you said, employee satisfaction, it’s treating people fair, it’s paying the fair wage, it’s a respect issue. I treat all my employees with the utmost respect and admiration for their work. I was one of them, I treat them the way I wanted to be treated when I was a waiter, a busser, a dishwasher, and when I was a fry cook. I treat them the way I wanted to be treated. I learned how to treat my employees by the way that I was mistreated in my other jobs.

Another general manager of a fine dining restaurant with 27 years experience in the industry told us about his practice doing cross training to improve moral and create opportunities for advancement: “It’s such a small staff, and I always tell everybody they all have the same opportunities. If you’re doing dishes in the kitchen but would rather be out being a server, then let me know. You can make that happen, you know. Or sometimes I try to encourage them if it’s a slow day, I say, ‘come to the front of the house, let’s teach you how to do stuff.’ I’m always trying to teach them that they have the potential to do anything.” A fine dining restaurant general manager with thirty years of industry experience employer proudly gave us examples of his employees of color that had the opportunity to work their way up a career ladder in his restaurant: “I guess several people started as dishwashers are now cooking. I have actually trained people to bartend. They were bartenders [after] they were runners. Those are pretty much all Hispanic.”

One family-style cafeteria manager with 20 years experience told us he conducts business properly for the common sense reason of self-interest: “Business operators operate with different standards. For me, as a professional as I am, and as a person as I am, I take lots of pride to do things right in a proper way that you avoid problems, like confusions, misrepresenting yourself, legal problems.” A general manager of family style with 38 years industry experience also emphasized that he does cross-training for the good of the restaurant: “No, I train [the employees] to do everything, so once you’re out of the nest I can put you wherever I want.” Another family style owner with 3 years in the industry also conducts cross-training: “We have open beer trainings. Everybody gets trained on the food, everybody gets trained on food safety, and everybody gets trained on safety in the restaurant.” Other employers we interviewed emphasized the benefits and wages that they offer.

“Our employees are provided health insurance. We just changed it this year. The more people you get in, the lower price our insurance is. So anybody who works here is insured. And 401K is offered to salary employees and anybody who works in our corporate office.” - Owner, 3 years in the industry, family style

“I think for the most part, people get paid as little as the restaurant will let them. Everywhere I’ve been a chef, I push and push the owners to pay a living wage, you know. But for the most part… everybody’s struggling to make minimum wage. And often times, the owners will be even lying to the point where they’re lying about how many hours people have. It’s terrible.” - Owner, over 10 years in the industry, casual family style

While employers clearly have the potential to make a great impact on improving working conditions in the industry, one owner of a casual family style restaurant with over 10 years experience argued that this change will likely come if the workers lead the way: “You know, I think it starts with the workers. I think the workers need to tell the bosses that it’s not cool. It’s a really big challenge because there’re so many poor people that need work. It’s hard to say what the best avenue for them is. They can step forward and lose their job and have absolutely nothing to fall back on. Most of them are just waiting for that next check to clear things that are weeks old. So I really don’t know what to say. It’s up to the workers to stand up, hopefully, in a group. I think it’d be great if there was a union of some sort even if it was not so structured. There’s no way to control restaurant owners, just like everything else in the world.”

The profile of The Pantry, a ‘high-road’ restaurant, demonstrates the working conditions that can be achieved when restaurant workers are unionized.
The Original Pantry Cafe

David Wall, General Manager, 35 years in the industry, family style

The Original Pantry Café is an iconic restaurant in downtown Los Angeles. The Pantry has served locals since 1924 through almost a century of Los Angeles history. Ex-Mayor Richard Riordan took over the restaurant in 2004. One very important aspect of The Pantry, is its workers’ long time status as proud union members of UNITE HERE Local 11.

David Wall has been General Manager of The Pantry for over six years now, but has been in the restaurant industry for 35 years. He started working as a dishwasher in a coffee shop and bakery at the age of sixteen and has worked just about every position the restaurant industry has to offer. His long experience as a restaurant worker helps him to relate to his employees and better understand their needs.

When asked why he enjoys working at Pantry, Wall told us, “Well honestly I have better benefits here than I’ve had anywhere else as a general manager, and they’re the same benefits that all of my employees have. … All my employees have union scale [wages], which is per their contract. All of my employees have paid vacation. They have paid medical. They have paid dental. Although it’s not a very good retirement plan they do have retirement benefits. They have personal days. They have paid holidays; they have eight paid holidays, which, I have to tell you, is really unusual. As a general manager in other restaurants I didn’t even get that. I paid for my own insurance and got no holidays.

Due to the agreement between Pantry management and the union, UNITE HERE, the pay structure, promotion process, and low employee turnover are highly unusual for the restaurant industry. “The turnover of the employees: there isn’t any. My employees are [staying for] 20-40 years. We have six positions that kind of just keep changing, the bottom end dishwashers. They normally work nights. They also have a higher pay rate because they have [union negotiated] night differential [pay]. But those positions turnover when they move up. If someone retires at the top that’s a lead server then the next one moves up and so on. We do a lot of internal promotions. We don’t really go outside…. [Promoting from within] gives everybody a chance to do something and move up if they want to. Not everybody has a desire to move up. I have dishwashers who have been dishwashers for 40 years and that’s what they want. So you can’t assume everybody wants the same things. But those who want it, it gives them a place to look and they go up. And all of us who want someplace to go to next appreciate that.” These employment practices stand in stark contrast to the norm that workers and employers have described to us in which income inequality and lack of mobility have resulted in abnormally-high turnover rates.

Part of The Pantry’s success can be attributed to a great working relationship between labor and management. Wall says that if they have a concept or approach, it is “Just treat people right. … The main thing is that we’re all sort of family. We watch each other’s backs. We like coming to work. We like working with each other. And other than a few people out of 85, 90 employees, it’s really that way.” Wall explained that while The Pantry has a history of this kind of family work environment, initially the union was skeptical about whether workers would be taken care of. “The union didn’t really expect anyone to take care of the employees. They looked at us, they looked at me and the HR companies we’ve hired, and I think they finally said, ‘they’re really here to take care of them!’ … Unions are out there to protect employees from bad companies or bad bosses. And that’s probably pretty prevalent. But that’s not really the way that this place functions.” With The Pantry management focusing on the workers’ needs, the relationship between the union and the management remains extremely healthy.

When asked how these benefits could be offered on a wider scale, Wall mentioned that there needs to be a change in the perception of restaurant workers. The perception that restaurant workers are somehow undeserving of benefits and decent pay must change. "It would have to be a mentality shift in the general population. Because we sort of have [the mentality] in this country that certain jobs are entitled certain perks and other people are sort of kept down.” Although Wall did not have any answers as to how to change this mentality he pointed out that this perception is an obstacle to change in the industry. As a closing bit of advice, he offered a basic approach to other restaurants striving to pursue high-road practices, “You take care of things that are valuable to you. [The employees] are valuable to us."
CHAPTER V
Segregation & Discrimination
CHAPTER V

Segregation & Discrimination

Our interviews with both workers and employers show that the experiences of restaurant workers across the industry are not uniform. Further analysis of our data reveals that this is not simply a result of working at different types of restaurants, or for different employers with different workplace practices. There is a stark division between the treatment and experiences of the workers with front-of-the-house positions and those who work in the back of the house. Additionally, factors such as gender, race, ethnicity, national origin, housing costs and immigration status have a significant impact on the nature and quality of the experiences of restaurant workers.

Our research indicates that:

- Jobs in the restaurant industry are divided between those in the front of the house and those in the back of the house. Earnings, benefits and workplace conditions differ considerably between the two.

- White and U.S.-born workers are employed primarily in front-of-the-house positions, while the vast majority of immigrant and workers of color are found in the back of the house. As a result, the impacts of poor working conditions in the back of the house fall disproportionately on workers of color.

- Race appears to be correlated with wages in the restaurant industry.

- Many employers discriminate in hiring and promotion.

- Many workers reported experiencing verbal abuse based on race, gender, language, or sexual orientation. Many workers also reported being disciplined more often or more severely based on their race, gender, or sexual orientation.

- Undocumented workers are important to the restaurant industry. According to employers, undocumented workers are prolific in the industry because they are more likely to work for lower wages and under worse conditions.

- A deficient Los Angeles Metropolitan Transportation Authority (MTA) bus system propagates racial inequities in the restaurant industry by limiting the access of working class communities of color to the concentration of restaurants found in wealthy, White neighborhoods where there is the greatest earning potential. Moreover, restaurant employment options can be limited for women because of the insecurity of waiting at bus stops at night after their shifts for infrequent service.
A. Introduction
The nature and quality of restaurant work in Los Angeles County depends on a number of factors, including the type of restaurant, its location, and the employer. It also depends on the type of job and the value the employer places on the work performed. Our worker and employer data indicate that wages and working conditions also depend on a worker’s race, gender, national origin, and immigration status.

Our research suggests that occupational segregation and discrimination, both direct and indirect, is prevalent in the Los Angeles restaurant industry. Historical discrimination as well as migration inflows, both old and new, from Latin America and Asia are compounded by current structural inequity and discrimination in the industry. These factors result in the fact that those with livable-wage jobs in the industry are disproportionately White, and those with low-wage jobs are disproportionately immigrants and people of color. Discrimination based on race means that some groups of workers have “good” jobs while the overwhelming majority has “bad” jobs. While the public at large is generally most familiar with direct forms of discrimination, indirect discrimination – which occurs when seemingly neutral policies have a disproportionate impact on a particular group – is more widespread, insidious, and difficult to remedy.

We realize that, even in the absence of racial segregation and discrimination, not all workers of color would be able to move into the 18% of Los Angeles restaurant industry jobs that provide livable wages. Thus, any examination of discrimination and segregation that prevents workers of color from obtaining the few, coveted livable-wage jobs must be coupled with an exploration of how to make all of the industry’s jobs good jobs. Thus, in this report and in our policy recommendations, we present them as dual industry challenges – lifting all boats while ensuring that they have equal opportunity to sail.

Because workers’ experiences of discrimination were not the primary focus of this study, our surveys and interviews provide only a glimpse into these issues. The Los Angeles Restaurant Industry Coalition plans to conduct additional research in this area and strongly encourages both industry and worker analysts and advocates to pay greater attention to these issues.

B. Segregation by Occupational Structure, Industry Segment & Geography in District of Columbia Restaurants

“Most of the servers are White, bussers and runners are Hispanics. Same as the cooks except the chef who's White. Bartenders are mixed Hispanic and White. Hosts are White. Management is all White. They do have preference because one of the backup servers wanted to do the serving on the main floor even though he knows the restaurant so well and they just ignore him and a White person came in and they instantly offered them the job.” - Female, Latina, 5 years in the industry, Server

“Back of the house is all Hispanic. Ages 16 all the way to 40 but mostly 18 to 25. Front of the house… used to have a lot more Hispanics. The new manager has just hired old White people. She says she wants top notch people … [Now] there's six Hispanics in the front of the house, ten White and one African American. “ - Female, Latina, 3.5 years in the industry, Server

“The cocktail waitresses, we're all White and female. The bartenders are half and half. It used to be mostly male but it's recently kind of switched and taken turn. And they're all White except for one named Pilar and he's Hispanic.” - Female, White, 7 years in the industry, Cocktail Waitress/Bartender

Jobs in the restaurant industry essentially fall into one of three categories: front-of-house workers, back-of-house workers, and managerial and supervisory positions. Our research indicates that workers’ positions within these hierarchical categories determine their earnings, benefits, opportunities for training and advancement, and working conditions (see Table 17). Despite the fact that front-of-house positions do not require additional higher education or credentials than back-of-house positions, workers in the front of the house generally earn higher wages and have greater opportunities
to increase their earnings through tips. One stark indicator of this disparity is the likelihood of earning a livable wage. While 31.5% of front-of-the-house workers reported a livable wage (at least $19.88 per hour), only 2.1% of back-of-the-house workers did. Conversely, we found a much larger percentage of back-of-the-house workers to be amongst the working poor. While 17.2% of front-of-the-house workers earned wages below the poverty line, 41.1% of back-of-the-house workers fell into this category. Moreover, as Table 16 shows, back-of-the-house workers are less likely to have health insurance, yet they experience a significantly greater percentage of unsafe working conditions and workplace injuries, such as exposure to toxic chemicals (36.0%), cuts (46.3%) and burns (54.7%).

There are, of course, some differences in wages and work quality among positions within each side of the house (see Table 13). For example, although both occupations would be classified as front-of-the-house positions, compensation and working conditions differ considerably between bussers and waiters. However, our analysis found the starkest disparities between front and back-of-the-house positions. The median hourly wage reported by front-of-the-house workers was $13.71, while median wages in the back of the house were $9.00 per hour.

**TABLE 13: Differences in Job Quality by Restaurant Job Type**

<table>
<thead>
<tr>
<th></th>
<th>Front of the House jobs</th>
<th>Back of the House jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below Minimum wage</td>
<td>2.5%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Minimum wage to poverty line</td>
<td>14.7%</td>
<td>36.6%</td>
</tr>
<tr>
<td>Low wage</td>
<td>51.3%</td>
<td>56.0%</td>
</tr>
<tr>
<td>Livable wage</td>
<td>31.5%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Workplace Conditions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does not have health insurance</td>
<td>63.2%</td>
<td>75.8%</td>
</tr>
<tr>
<td>Experienced overtime violations</td>
<td>42.5%</td>
<td>46.4%</td>
</tr>
<tr>
<td>Unsafely hot in the kitchen</td>
<td>33.3%</td>
<td>45.3%</td>
</tr>
<tr>
<td>Have done something that put own safety at risk</td>
<td>23.1%</td>
<td>33.7%</td>
</tr>
<tr>
<td>Have done something due to time pressure that might have harmed the health and safety of customers</td>
<td>21.9%</td>
<td>32.0%</td>
</tr>
<tr>
<td>Workplace Injuries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Have been burned while on the job</td>
<td>27.7%</td>
<td>54.7%</td>
</tr>
<tr>
<td>Have been cut while on the job</td>
<td>31.7%</td>
<td>46.3%</td>
</tr>
<tr>
<td>Have come into contact with toxic chemicals</td>
<td>24.5%</td>
<td>36%</td>
</tr>
<tr>
<td>Have chronic pain caused or worsened by the job</td>
<td>22.7%</td>
<td>23.7%</td>
</tr>
</tbody>
</table>

Source: Los Angeles Restaurant Industry Coalition survey data

Our survey data also shows high concentrations of White workers in front-of-house positions, and high concentrations of workers of color in back-of-house positions. Table 14 shows that in LA County almost three quarters (74.2%) of all White workers surveyed worked in the front of the house, while only a third (33.1%) of workers of color worked in the front of the house.

**TABLE 14. Distribution of Job type by White Worker/Person of Color**

<table>
<thead>
<tr>
<th></th>
<th>White</th>
<th>Person of Color</th>
</tr>
</thead>
<tbody>
<tr>
<td>Front of the House Workers</td>
<td>74.2%</td>
<td>33.1%</td>
</tr>
<tr>
<td>Back of the House Workers</td>
<td>25.8%</td>
<td>66.9%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Los Angeles Restaurant Industry Coalition survey data
The workers we interviewed echoed these observations of unequal working conditions in the front of the house and disproportional representation across race in these positions. A White bartender in the industry for 25 years told us of her restaurant, “I would say [restaurant name], it’s totally mixed, actually it’s pretty mixed. So you can’t say, ‘Oh, it’s all just White people in the front at all.’ I wouldn’t... not necessarily, predominantly. It’s pretty Latin. But the back of the house, definitely, almost exclusively Latin.” Meanwhile an owner of a family-style restaurant with three years industry experience recognized “our management staff is not that diverse. It’s White.”

Our findings of discrimination in the restaurant industry are consistent with research in cities across the country that has demonstrated much higher levels of discrimination in service industry occupations that involve high levels of face-to-face interaction with customers. This face-to-face interaction is at the heart of the work that front-of-the-house restaurant workers perform.

SEGREGATION BY SEGMENT

“For the most part where I work they have Koreans in the front of the restaurant, the waiters and waitresses are Korean. Sometimes you will have a Mexican busser. Mainly you will find a Latino as a busser. You won’t find an American in the restaurant because they would want to get paid more.”

- Male, Latino, 7 years in the industry, Dishwasher

The restaurant industry has the potential to provide livable-wage jobs, particularly in the fine-dining segment of the industry (see Chapter II, part C for segment definitions). From our survey data, the most significant difference between the segments was wages paid to hourly workers. The median wage differential reported by workers was almost four dollars per segment. Fine-dining workers averaged $16.29 per hour, while the median for workers in family-style and quick serve establishments was only $11.32 and $8.73 per hour respectively. Fine-dining restaurant workers surveyed in Los Angeles reported earnings as high as $103,000 annually.

Our data indicates that race is a mediating factor in gaining employment in particular segments. For instance, the likelihood of working in the quick serve segment varies greatly between Whites and people of color. 13.6% of our White restaurant worker sample works in quick serve, while 41.8% of workers of color worked in quick serve. The proportions are inverted in the fine dining segment where the potential earnings are greater. 50.5% of White respondents were working in fine dining restaurants, while only 19.7% of respondents of color worked in fine dining. Moreover, the best-paid positions - bartenders and servers in fine dining restaurants - were disproportionately White. Despite the fact that Whites only make up 19.4% of Los Angeles restaurant workers (see table 5, Chapter II), 46.9% of bartenders and servers in fine dining restaurants were White. Workers of color in fine dining restaurants are predominately located in the back of the house. Eighty-two percent (81.8%) of workers of color surveyed in fine dining worked in back-of-the-house positions.

Limitations on Measuring Segregation:

Neither government data such as the U.S. Census nor our survey data can completely represent the reality of occupational segregation for restaurant workers by race, for a variety of reasons. One reason that Census data has limitations with regard to immigrant populations is that immigrants are less likely to speak to government surveyors for reasons of language barriers and fear. However, Census data is also limited with regard to non-immigrant low-income populations, which are generally undercounted for a plethora of reasons, including lack of access to telephone and other means of communication, lack of stability of address, and more. Further research into how discrimination based on race, ethnicity, and immigration status affects Latino and African American workers is clearly needed – particularly given that segregation is not obvious to the single worker, and discrimination can be subtle.
C. Racial Disparities in Wages & Working Conditions

“The lowest would probably be our dishwashers that make minimum wage. And our highest are the servers and bartenders and we make anywhere from $250 to $450 a night.” - Female, White, 7 years in the industry, Cocktail waitress, and Bartender

The Los Angeles County restaurant industry is segregated by position and segment, as described above, as well as by geography, as described later in this chapter. All of this segregation occurs mainly along racial lines. Not surprisingly, workers of color reported lower median wages and higher rates of employment law violations and lack of access to benefits than White workers. Whites in our survey reported a median wage of $16.33, while the median wage was $9.66 for workers of color.

Figure 5 shows the racial makeup of four wage categories. Whites are overrepresented in livable-wage jobs while people of color are overrepresented in jobs that provide wages below the poverty line.

FIGURE 5: Racial Makeup of Wage Categories

<table>
<thead>
<tr>
<th>Wage Category</th>
<th>White Workers</th>
<th>Workers of Color</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less Than Minimum Wage</td>
<td>4.5%</td>
<td>95.5%</td>
</tr>
<tr>
<td>Below Poverty Line</td>
<td>10.2%</td>
<td>89.8%</td>
</tr>
<tr>
<td>Low Wage</td>
<td>15.7%</td>
<td>84.3%</td>
</tr>
<tr>
<td>Livable wage</td>
<td>43.5%</td>
<td>56.5%</td>
</tr>
</tbody>
</table>
Racial Disparities in Health Insurance Coverage and Access to Medical Care:

The findings of the Los Angeles County Health Survey show that the racial disparities described in the restaurant industry are reflective of the uneven distribution of the uninsured throughout the population. While a relatively small number of non-Hispanic Whites in Los Angeles are uninsured (6.0%), significant portions of the Asian (16.5%) and African-American (15.8%) populations go without health insurance. Latinos are the least insured demographic in the county, with 31.6% uninsured or nearly a million people. The survey also shows health insurance discrepancies by location within Los Angeles. While only 11.2% of the residents of West LA are uninsured, 29.0% are uninsured in South LA, 31.5% in Southwest LA, and 28.3% in Southeast LA. Given Los Angeles’s highly segmented real estate market (see Commute section), low-wage workers of color come predominantly from these areas with poor rates of health insurance coverage. Regardless of insurance status, the survey finds that access to health care is also uneven. The table below describes the percentage of adults by race/ethnicity who were unable to see a doctor for a health problem in the past year because they could not afford it.

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Could not afford to see doctor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latino</td>
<td>14.9%</td>
</tr>
<tr>
<td>White</td>
<td>7.0%</td>
</tr>
<tr>
<td>African American</td>
<td>18.7%</td>
</tr>
<tr>
<td>Asian/Pacific Islander</td>
<td>9.2%</td>
</tr>
<tr>
<td>American Indian &amp; White/American Indian</td>
<td>15.2%</td>
</tr>
<tr>
<td>Health District</td>
<td></td>
</tr>
<tr>
<td>South</td>
<td>19.2%</td>
</tr>
<tr>
<td>Southeast</td>
<td>24.0%</td>
</tr>
<tr>
<td>Southwest</td>
<td>19.3%</td>
</tr>
<tr>
<td>West</td>
<td>8.6%</td>
</tr>
</tbody>
</table>

2007 Los Angeles County Health Survey; Office of Health Assessment and Epidemiology, Los Angeles County Department of

D. Discrimination in Hiring and Promotion

“In LA there is always this sort of appearance factor. Restaurants always want to hire people that are actors or models. Restaurants always ask for headshots.” - Male, Asian-Pacific Islander/White, 8 years in the industry, Head Cook

“I know a couple of hostesses that became managers after sleeping with the boss, that’s really not unheard of.” - Male, White, 20 years in the industry, Waiter/Bartender

Many employers with whom we spoke told us that “personality” and ability to interface well with clientele were priorities when hiring for better-paying, better-quality front-of-house restaurant jobs, but did not deny that attractiveness was also a factor. However, our interviews with workers indicated that “attractiveness” was also one of the most important factors in hiring, if not the most important. A runner of Asian descent with 7 years industry experience told us who he has observed getting the high paying front-of-the-house jobs: “You always see attractive young actor and actress wannabes, because they can cover their expenses while they go out to auditions. Younger and attractive people get those jobs.” A White bartender with 20 years in the industry echoed this observation: “You know when people make hiring decisions a lot of time it’s on looks. They might not say that but you look on Craigslist of all these advertisements posted and everyone wants a picture. It really leaves a bad taste in my mouth.” Indeed, a search for server and bartender positions on craigslist, a well-used internet site for job postings, reveals a myriad of advertisements asking for photos submitted with resumes (see examples below).
A rigorous qualitative research study of discrimination in New York City’s restaurant industry indicated that measures of “attractiveness” include race, height, and weight, which, when utilized as a pretext for gender or race, are legally prohibited forms of employment discrimination under state law in California. As a result, appearance-based discrimination in hiring for front-of-house positions, however unconscious, likely contributes to the racial disparities between those employed in the front of the house and those working in back-of-the-house positions. One Latina server in the industry for seven months told us how her manager would openly mock interviewed candidates based on attractiveness. She told us “[The manager] was always insulting people, making fun of people, but he never really cursed. He would sit there, of course with the people he liked at the restaurant, sit there and laugh at other people. There’s a character on Spongebob [the television cartoon] that has a big nose and [the manager] would sit there and say, ‘That guy looks like Squidward from Spongebob’ and everybody would just laugh.”

When asked about the demographic breakdown of employees in front- and back-of-house positions, several employers responded that they hired those “who applied.” While they were aware that Whites are overrepresented in front-of-the-house workers and back-of-the-house staff are overwhelmingly people of color, they maintained that any disparities were a result of the fact that Blacks and other people of color apply primarily for back-of-the-house positions. For instance, a general manager with 28 years industry experience told us that “some groups don’t like working in the kitchen versus outside serving. That would be African Americans and White people. They tend to do serving more than back [of the] house. All back houses are Hispanics.” Another employer, a manager of 18 years industry experience, told us that back-of-the-house workers do not move to the front of the house because they prefer the kitchen: “Yeah, the cooks, they all have their general positions. I mean they aren’t that interested in moving to the front of the house. They are back there, they enjoy it.” In interviews with workers, however, we found that back-of-the-house workers generally do not apply for front-of-house positions because, in their experience, they would never be hired for such a position.

This manager’s generalizations about which racial groups work in the front and back of the house hide larger challenges workers face with regard to skin color and mobility. An African American cocktail waitress with 3 years experience in the Los Angeles restaurant industry told us that even when African Americans are hired in the front of the house, there may be a preference for lighter-skinned workers, “We get complaints or I’ve heard even my customers [say] like, ‘Oh, he only hires light-skinned girls’, or ‘He only hires women.’ The only guys that work there is the security and the cooks and the bus boys, but as far as the waitresses, it’s all women. And I’ve heard customers say in the bathroom say she felt offended, because she was a darker-skinned African American woman… I don’t know, some people say that he has, like, a color issue. I mean honestly, I believe he does... I do get favored I don’t think I’m favored totally because of the way I look but I think it does have a factor.” She went on to explain that such discrimination has real consequences for who gets hired in the restaurant’s highest paid position – the bartender. “I’ve heard stuff like, ‘everybody behind the bar has to pass the brown paper bag test’. The ‘brown paper bag test’ goes back maybe to slavery days. A brown paper bag is tan, and if you’re darker than the paper bag, basically you don’t pass. You have to be lighter, or... you know, it’s just crazy. It’s just ignorant, really, it’s very ignorant.”

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**JOB ADS FOUND ON LOS ANGELES INTERNET BULLETIN BOARD CRAIGSLIST**

High volume Hollywood Boulevard Nightclub and Sports Bar/restaurant now hiring for host/ hostess. Please send resume and headshots!!!!!

2 Wine Host/Hospitality Servers wanted for charter boat business. We are a 5 star service establishment that requires our private wine hosts to go through unpaid training to become a CA Certified Wine Host.

We offer 30-60 Cruises per week, pay is $35 per cruise (1.5hours). Entertaining and charismatic personality is a must. Email resume and photo.

Female Bartender

Seeking a fashionable, friendly and enthusiastic female bartender for a brand new night club in Hollywood. *EXPERIENCE REQUIRED*

Please Submit your resume (in body of email) and a recent photo.
Our data indicate that the stark differences in job quality between front-of-house and back-of-house positions are compounded by a general lack of mobility between the two types of positions. In fact, many workers described what was effectively a glass ceiling between the back-of-house and front-of-house positions that was extremely difficult to break through. As a result, once hired in back-of-the-house positions, workers are essentially trapped in low-wage jobs. In vague terms, a bakery manager with ten year's industry experience told us that moving workers between back-of-the-house and front-of-the-house positions did not play out for him well so he no longer tries it: “It just hasn’t worked for us in the past when we tried to bring a back-of-the-house person to the front and vice versa, I don’t know why.”

Our survey research shows that many workers feel that discrimination exists in promotion practices in the Los Angeles restaurant industry. Table 15 shows that 10.1% of survey respondents felt that they or a coworker had been unfairly passed over for a promotion. Of these respondents, race was the factor most cited for being passed over for promotion.

### TABLE 15: Barriers to Promotions Reported by Restaurant Workers

<table>
<thead>
<tr>
<th>responded that in the past 12 months they or a co-worker had been passed over for a promotion</th>
<th>10.1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Of those who reported being passed over for a promotion…</td>
<td></td>
</tr>
<tr>
<td>Reported that race was a factor</td>
<td>22%</td>
</tr>
<tr>
<td>Reported that language was a factor</td>
<td>12.4%</td>
</tr>
<tr>
<td>Reported that immigration status was a factor</td>
<td>12.4%</td>
</tr>
<tr>
<td>Reported that was gender a factor</td>
<td>11.5%</td>
</tr>
</tbody>
</table>

Source: Los Angeles Restaurant Industry Coalition survey data

E. Verbal Abuse and Discipline Based on Race, Gender, and Sexual Orientation

“Yea, I’ve seen English-only policies. If you talk in Spanish they’ll tell you to speak in English. Definitely [there have been] insults and derogatory comments from co-workers. Yelling and cursing, yeah. All the managers curse. Racist stuff, yeah. They do it in a joking way but it’s not funny to some people. [Man’s name] at the [hotel name] would make comments about Mexicans and Middle Eastern people…. There are people who will say I’m not gonna do that, that’s Mexican work.” - Male, Asian-Pacific Islander/Latino, 8.5 years in the industry, Bartender

“I remember one time when my bosses did yell at me over the phone, not just like speaking extra loud but it was an actual angry yell and he made me cry. And just recently, maybe a couple months ago, he did the same. He yelled at my co-worker while we were working.” - Female, Latina, 10 years in the industry, Server

“Working in the back is a little different than working in the front because a manager can’t yell at you in the front because there are customers.” - Male, Latino, 18 years in the industry, Prep Cook

Verbal abuse was frequently reported by workers we surveyed (see Table 16). Over a third (34.7%) of workers that suffered verbal abuse believed that the abuse to which they or a co-worker had been subjected was motivated by race, and almost one-third reported that sexual orientation was a factor. Language, nativity and gender were other major motivations that workers attributed to their being targeted for verbal abuse. An Asian hostess with a year industry experience told us of the abuse that she would receive from her manager, “He would tell me to do things and would blame [me for] things I didn’t do. Other hostesses would do something wrong and he would blame it on me. This was the vice president. He was racist and he favored shy girls that never said anything.” She went on to talk about the verbal abuse given to women: “they definitely insult people in their own say it in a joking way so they won’t in trouble for it, but they’re really not. They make comments, they told one of the girls she can’t work nights cause she has a big nose, stuff
like that. It’s all about image to them.” A Latina hostess with a year in the industry complained of racist treatment as well: “The lady, she’s horrible with me, she’s so racist with me. You can’t touch the computer, you can’t put the radio, you just sit people.”

TABLE 16: Barriers to Promotions Reported by Restaurant Workers

| Reported that in the past 12 months they or a co-worker had been experienced verbal abuse | 19.6% |
| Of those who reported experiencing verbal abuse… | |
| Reported that race was a factor | 34.7% |
| Reported that immigration status was a factor | 16.6% |
| Reported that language was a factor | 20.2% |
| Reported that was gender a factor | 16.8% |

Source: Los Angeles Restaurant Industry Coalition

Table 17 shows that among restaurant employees who believed they or a co-worker had been disciplined more often or more severely than other workers within the past year, the most-cited motivating factor was race (23.5%), followed by gender (15.2%), documentation status (14.7%) and language (7.5%)

TABLE 17

| Responded that in the past 12 months they or a co-worker had been disciplined more often or severely than others | 12.6% |
| Of those who reported frequent or more severe discipline… | |
| Reported that race was a factor | 23.5% |
| Reported that gender was a factor | 15.2% |
| Reported that immigration status was a factor | 14.7% |
| Reported that language was a factor | 7.5% |

Source: Los Angeles Restaurant Industry Coalition

F. Gender Discrimination & Sexual Harassment

“And in restaurants there is always some sexual harassment. Maybe I’m biased but in restaurants there is always that sort of macho environment so you have a little of that.” - Male, Asian-Pacific Islander/White, 8 years in the industry, Head Cook

“I went down to the dry storage room to get something and like I literally just started this job and he like came down there and he was telling me like he was going to help me find something that’s down there and then… he kind of like pushed up against me and I was like whoa you are like way too close right now. And he was like oh come on you should – and he got, it freaked me out so I like ran back up the stairs and then he came back in and was like oh you, don’t worry about it, I was just kidding around… he got in my personal space and it, it was scary.” - Female, White, 6 years in the industry, Server

“Recently a manager placed a claim of sexual harassment towards our regional director. Nothing seemed to happen out of that. Our manager transferred to another [franchise branch] because nothing happened.” - Female, Latina, 8 years in the industry, Server

As shown in Table 18, 8.4% of survey respondents reported experiencing or witnessing sexual harassment at their workplace directly from management. It should be noted that this figure does not speak to other forms of harassment that management may have allowed to continue in the restaurant (e.g. harassment from customers or coworkers) due to negligence and inadequate preventive policies. Both employer and worker interviews indicate that sexual harassment is a severe problem in the restaurant industry. One female server in the industry for six years told us that
sexual harassment was common fare in the restaurant industry and that she had experienced it personally: “Well it’s happened to me specifically. I had a manager when I was underage who just kept making comments about [how] he couldn’t wait for me to turn eighteen and [it was] creepy… and then you have customers that do it. You have your coworkers who will do it. It’s pretty much [the same] with other female employees, its mostly sexual references. Like there’s a lot a lot of sexual references associated with working in that kind of environment I think.” A part-owner of a family style restaurant with 13 years industry experience told us about the problems with female restaurant workers becoming targets of sexual harassment from customers. He told us that he prefers not to deal with the situation by not presenting the servers as sexual objects as many restaurants do: “In fact in my industry, it’s more [difficult] for a female to work, because you know tits and a*s and all that stuff and… I don’t want some dumba*s Dodger and Laker guys coming in here and looking at some girl’s tits and possibly grab their a*s, when I could have a guy serving the same food and they might not spend as much time.”

**TABLE 18: Sexual Harassment From Management reported by Restaurant Workers.**

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responded that in the past 12 months they or a co-worker had experienced sexual harassment from management</td>
<td>8.4%</td>
</tr>
<tr>
<td>Of those who reported sexual harassment...</td>
<td></td>
</tr>
<tr>
<td>Reported that gender was a factor</td>
<td>54.6%</td>
</tr>
<tr>
<td>Reported that sexual orientation was a factor</td>
<td>20.7%</td>
</tr>
</tbody>
</table>

Source: Los Angeles Restaurant Industry Coalition

Many workers talked about the “macho” environment in the restaurant that promotes sexual harassment from coworkers and management. Without appropriate policy and education, sexual harassment goes unchecked. One female server in the industry for 7 months said “There’s a lot of sexual harassment there. I feel like the guys there are just so… I don’t even know how to describe them, but they’re always talking sexual and checking people out as if they have no other business but to check people out. And they’re always trying to touch you or put their hands somewhere. They’re always talking about the good night they had the night before and you don’t want to hear this.” Another female server with 5 years industry experience told us how sexual harassment not only comes from coworkers and customers, but also from management: “I was in the dry storage and my kitchen manager came in and tried to kiss me. It made me uncomfortable. I didn’t want to be near him or work his shift. Then he became manager and I had to work with him sometimes. He wanted to fire me and I said that I would tell them what he did. So we just kept our distance and eventually he got transferred.”

In fact, workers commented on expectations to respond to sexual advancements to be promoted or to avoid retaliation. One male server and bartender with 20 years industry experience told us “I’ve worked all these years at the [restaurant name], for all these different corporations, off and on over the years. I know a couple of hostesses that became managers after sleeping with the boss, that’s really not unheard of.” A female cocktail waitress told us that not responding to her employer’s advances incurred cold treatment: “There has been times that he hasn’t spoken to me or talked to me for a long time because I know that he was angry that I wouldn’t do certain things with him.” The pressures to respond to sexual advances are increased by the barriers due to gender discrimination. Workers commonly observed that there were far more male managers than female. As a female bartender in the restaurant industry for 25 years told us, “At [restaurant name], I did notice that the general managers tend to be male. That just seems subconsciously normal to people. We just accept that and make room for it.”

Female workers also expressed frustrations at the pressures to dress provocatively which can lead to health issues such as back pain from standing in high heels for long shifts. A hostess with one year industry experience told us “I work about 35 hours on a good week... They did tell me I had to wear heels when I first got hired. But I was like ‘No, I am not standing in the same place for 8 hours with heels on, that hurts.’ I wear a dress. One thing I do complain about is: I’m right in the front and when it gets super cold, one of the managers won’t let me close the door. I came in with tights one day, ‘cause it’s cold. I get cold. So he made me take them off. I see other girls with tights and they don’t say nothing to them; why do I have to take it off?... They want you to wear sky-high heels, not just any heels” She went on to tell us about the callous attitude managers held towards the hostesses who were mandated to dress provocatively despite their well-being: “One of the girls got pneumonia working there because, I’ve told you, we
stand in the front with this dress then we’re not allowed to wear tights. So it gets really cold and she got pneumonia for two weeks and he still didn’t care. He even said it as a joke [when] I closed [the door]. He was like ‘Why did you close the door?’ I said I'm cold.’ He was like, ‘I don’t care if you get pneumonia,’ and he opened the door. Of course he said it in a jokingly way, but still… it’s the fact that you know someone got pneumonia.”

Workers reported that sexual harassment was prevalent in the industry. However, there were also many clear examples of restaurants where policies were successfully put in place to minimize sexual harassment. Having clear and severe repercussions was one policy to decrease sexual harassment in restaurants. A general manager of a family style restaurant with eight years industry experience told us “if it’s sexual harassment, it’s obviously one [violation and you’re] done… you don’t give a warning, you terminate them. Violence, terminate right off the bat, so the major violations you terminate right on the spot.” Another general manager of a casual fine dining restaurant told us that training on sexual harassment was standard practice: “We will provide harassment training. … I would encourage anybody to do that.” Another policy that was beneficial to female restaurant workers was not having to quietly accept harassment from customers. A cocktail waitress and bartender with 7 years industry experience told us, “[The restaurant is] a classy place. And I really like that a really cool part of my job is being able to kick out patrons. In most bars, you’re not allowed to do that… the customer’s always right. In this establishment, because it’s a ‘members only’ club, they’re held to a higher standard. And so if they touch me or grab me or do anything like that and especially if they’re not a member, they are not welcome to come back.” One cook in the industry for 8 years we interviewed actually took the initiative to set up proper harassment policies himself for the restaurant: “I drafted policy and said what shouldn’t happen… The managers were good in that way that once I did the actual work [to draft sexual harassment policies], they were willing to enforce it. But it took a lot of personal work.”

Women of color, who confront the dual challenges of race and gender bias, experience gender discrimination more severely. Female restaurant workers of color reported a median wage of $9.32 per hour, while men of color reported a median wage of $9.97 per hour, and White women reported a median wage of $17.86—92% higher than the median wage for women of color. This inequity is directly related to the fact that women of color, particularly Black women, are concentrated in the quick serve segment of the industry, where the median wage is $8.74. While 7.8% of White women worked in quick serve restaurants, 45% of women of color worked in quick serve. Conversely, while 60.9% of White women worked in fine dining restaurants, only 25.5% of women of color worked in fine dining. While we should always consider issues such as sexual harassment that all women in the restaurant industry face, it is paramount that we pay special attention to issues that are specific to women of color.

Additional quantitative and qualitative analysis of women’s experiences in the industry, and particularly those of women of color and immigrant women, is clearly needed. The Restaurant Industry Coalition plans to further examine the role of gender in another study of discrimination in the Los Angeles restaurant industry.

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**California Sexual Harassment Training Law Leaves Out Many Restaurants**

California Assembly Bill 1825 was signed into law in September 2004. It mandates that employers with more than 50 employees must provide sexual harassment prevention training every two years to their supervisors. However, the law is not valid in restaurants because most restaurants have a staff of less than 50. Hence, this law leaves out one of the State’s biggest industries.
Tanya Jones, 3 years in the industry, Head Cocktail Waitress

Tanya Jones was born and raised in Los Angeles. Now at 27, she is currently head cocktail waitress at a restaurant where she has worked for three years. She started restaurant work when she was laid off from the post office. She left her first job after only six months to handle family business in Texas regarding her parents’ death. When she returned, she started her current job and worked her way from hostess to head cocktail waitress. In her spare time Jones works out and would eventually like to become a personal trainer. She has also aspired to do “some acting and modeling;” however, making a living has had to come first. “You know in LA you got to grind it out. Rent is high. So, I’ve put my dreams on hold for a bit.”

In her current job as well as in previous places of employment, Jones has faced the very complex issue of sexual harassment. Of her current employer, she told us “sometimes he’ll say things about my body parts. In the beginning he would say things like ‘you know I always knew you were a special girl’ and this and that and ‘you know I’ll take care of you’. Some of his comments are very vulgar. It’s kind of sickening in a way because I’m so immune to it. It’s like it doesn’t bother me. And I can see he’s to a point like he knows I’m getting older and I’m not playing into what he’s trying to do.”

Jones told us that she also has to deal with retaliation at her work for not giving in to her boss’s pressures. “He’ll make excuses to snap at me. I could be working and if I don’t get to a certain table or customer ahead of time he’ll get up out of his seat or try to yell and say ‘Oh did you see that customer!’ But I know what it’s really about. I know you’re really angry because you have to sit and see me and I’m not doing what you want me to do.

Jones is careful though not to paint a simple picture. She recognizes that sexual harassment cannot be separated from socioeconomic circumstances. “If you think about it, if you look on TV, usually all these [wealthy or powerful] men when the get caught [in a scandal], the women are usually vulnerable servers or waitresses, you know; young women who really don’t have that much money. They’re basically just trying to get ahead so it’s kind of like a psychological thing. If you give me something I’ll give you something. Not like prostitution, but this is something that’s been going on for a very, very long time.”

Jones related this dynamic to her own story: “I can admit that I would accept things from him at the time because when I first came back out here I didn’t have anything. Like I said, I just lost my Dad, I lost my Mom, I was out here on my own. So it’s just like… I accepted help. You know, I did what I had to do. … I do believe that in certain situations it takes two people. Like if I wasn’t involved in, letting him [sexually harass at the beginning], it wouldn’t have escalated to this higher level. But at the same time, he should not say anything like that at all! You shouldn’t even say it!” She said that this tension between income and sexual harassment is also present in how she dresses at work. “At my job, like I said, it’s an older crowd. Most men come in there, and we’re able to wear sexy attire. We’re not told to wear that [attire] but sometimes I wear a skirt and stockings and it helps with your tips. But as a woman you have to draw the line somewhere!”

Jones knows that there are many more women, particularly women of color, that suffer sexual harassment on a consistent basis while facing difficult socioeconomic circumstances that. She contends that one way to begin making change is for more women to talk about it. “Women have to lay it out on the table. … People need to know that it does exist. I feel like sexual harassment, it happens everywhere and it’s kind of just on the hush. Some people are afraid but there are just certain things that have happened to me and people should talk about it more.”
G. Disparities in Wages & Working Conditions Based on Nativity

“You look at those people who work as poor and cheap labor, you look at those undocumented workers, they should really be getting paid minimum wages. They are doing the same job as any other person. I believe that some people take advantage of that, and to try to get cheaper labor, but also to fork in more money.” - Manager, 31 years in the industry, Family Style

“Honestly, I think, I would have to say, a massive amount of restaurants around the nation do hire undocumented workers because for them it’s cheap labor, it’s easy. There’s certain things that are required by the job that some people consider degrading, consider that they just don’t want to do, especially for the amount of pay that they are going to get” - Manager, 3.5 years in the industry, Family Style-Casual

Immigrant workers are more vulnerable to exploitation due to language barriers, lack of information about their rights, and fear of detention or deportation. Immigrant restaurant workers in our sample reported higher rates of employment law violations than U.S.-born workers. 6.6% of immigrant workers in our sample reported pay that violated State minimum wage laws, a percentage that was higher than the comparable rate for U.S.-born workers (3.0%). Both workers and employers recognized the prevalence of wage law violations amongst immigrant workers and expressed their frustration about the situation. A family-style cafe owner with 13 years of industry experience told us, “Before we started this restaurant my husband worked as a waiter or busser, and he’s from Peru, and I would see so many injustices all the time. He worked and didn’t get paid. And that was okay if you were gonna be late, but then he would leave and get another job and never get a check in the mail.”

Moreover, median wages were significantly different for U.S.-born workers and immigrant workers. U.S.-born workers reported a median wage of $12.91 per hour, while immigrant workers earned a median wage of $9.50. Workers and employers that we interviewed explained that many employers pay unfair wages to immigrant workers by taking advantage of the surplus of job-seekers in the immigrant community and exploiting the tenuous position of undocumented workers. A manager of a family style restaurant with 17 years industry experience explained the approach of many employers use the labor surplus to pay the lowest wages possible: “They feel like they can hire [Hispanics] for this [low] amount of wages and ask them to do whatever… there is also the sense of well, even if this person doesn’t want to do this job I have twenty more that will for the same pay.” Many employers we interviewed recognized the prevalence of exploitative practices towards immigrants and expressed their frustration. A manager of a family-style restaurant with 3 years experience in the industry told us in no uncertain terms that profiting from the desperation of a community is wrong: “Well, it’s something that’s very cruel, something that shouldn’t be done, but it’s something that is very commonly seen… they [employers] take advantage of people’s situation, immigration status, etc, and they exploit them for their own benefit.” Moreover, one employer, a bar manager of a fine dining restaurant with 12 years industry experience, told us that she is saddened by how accepted the inequities between immigrants and U.S.-born workers have become. She told us, “One of my [immigrant] bussers came up to me [suggesting to hire a friend of his] and said ‘you are looking for servers… don’t worry, she’s American’ and that kinda hurts.” The manager was disheartened that the segregation was severe enough that the immigrant worker simply assumed that only a U.S.-born candidate would be hired for the better-paid server position.

We found that immigrant workers were more likely to work for lower wages and under worse conditions. Table 19 shows that immigrant workers are more likely to suffer health and safety violations at work than U.S.-born workers. Table 20 shows that these disparities become even more pronounced when differentiating by workers’ documentation status. Under these conditions it should be no surprise that undocumented immigrants were more likely to have been burned (44.7% of undocumented workers vs. 42.4% of citizen and documented workers) or cut (43.1% vs. 42.2%), come into contact with toxic chemicals (43.4% vs. 28.5%) or to have chronic pain caused or worsened by the job (35.7% vs. 20.4%). Evidence of offensive wages and working conditions for undocumented immigrants was also present in the worker and employer interviews. For example, an Asian runner with 7 years industry experience told us, “I see at these places that there are a lot of illegal immigrants and they’re getting paid s**t. … The employers are happy because they can always get new blood and don’t need to pay much.” A Latina Hostess who has been in the industry for a year told us that the difficulty that undocumented workers go through to get a job leads to accepting wages that are far less than they deserve: “If you’re undocumented, it’s hard to get a job. [So] they’re gonna be fine with whatever they get. Even though they know they deserve so much more, they’re not gonna ask.”
TABLE 19: Immigrant Workers and Health and Safety Violations

<table>
<thead>
<tr>
<th></th>
<th>Born in the U.S.</th>
<th>Not born in the U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsafely hot in the kitchen</td>
<td>31%</td>
<td>46.6%</td>
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<tr>
<td>Fire hazards in the restaurant</td>
<td>14.8%</td>
<td>32%</td>
</tr>
<tr>
<td>Missing mats on the floor to prevent slipping</td>
<td>10.5%</td>
<td>15%</td>
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<tr>
<td>Missing guards on cutting machines</td>
<td>15.4%</td>
<td>19.8%</td>
</tr>
<tr>
<td>Done something that put own safety at risk</td>
<td>29.7%</td>
<td>28.7%</td>
</tr>
<tr>
<td>Did not receive instruction or training about workplace safety</td>
<td>24.1%</td>
<td>31.1%</td>
</tr>
</tbody>
</table>

Source: Los Angeles Restaurant Industry Coalition

TABLE 20: Undocumented Immigrant Workers and Health and Safety Violations

<table>
<thead>
<tr>
<th></th>
<th>Non-undocumented</th>
<th>Undocumented</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsafely hot in the kitchen</td>
<td>33%</td>
<td>60.1%</td>
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<tr>
<td>Fire hazards in the restaurant</td>
<td>21.2%</td>
<td>38.8%</td>
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<td>Missing mats on the floor to prevent slipping</td>
<td>9.6%</td>
<td>17.9%</td>
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<td>Missing guards on cutting machines</td>
<td>16.6%</td>
<td>16.9%</td>
</tr>
<tr>
<td>Done something that put own safety at risk</td>
<td>24.8%</td>
<td>39.3%</td>
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<tr>
<td>Did not receive instruction or training about workplace safety</td>
<td>26%</td>
<td>31.9%</td>
</tr>
</tbody>
</table>

Source: Los Angeles Restaurant Industry Coalition

More than one in five (20.8%) of workers reported not having legal documents to work in the United States. While our survey statistics reveal disproportionately harsh conditions for undocumented workers, it should be understood that these numbers are likely conservative because undocumented workers suffering the worse conditions are likely to underreport their true legal status and any conditions of exploitation due to fear. The worker and employer interviews supplement this data by illustrating that undocumented restaurant workers’ experience in the industry includes conditions of workplace exploitation and constant fear of deportation.

The large majority of employers interviewed explicitly supported full amnesty for undocumented immigrants or a more open immigration system where immigrant workers have more rights. A family-style restaurant manager with 31 years industry experience told us, “I believe that’s a very important issue to give amnesty to those who have worked so many years in our restaurants. The whole issue of immigration is really big. And a lot of people do come to US to work. And I think that people shouldn’t be turned away because of that. I mean, people are not into the country to do any harm.” For other employers the question of immigrant rights was a personal issue. One general manager of a quick serve restaurant with 28 years industry experience said, “Well I am an immigrant with amnesty. So [amnesty is] good.” Meanwhile, an owner of a family-style restaurant with 26 years experience expressed frustration about the immigration system because of the situation of his own wife: “I don’t know why anyone who’s here shouldn’t be able to work. My wife is Danish, she’s sitting at home right now because she can’t get a job until whatever form gets filed or whatever. It’s just completely stupid.” It is evident that immigration reform is an issue that both workers and many employers agree is important.
Chapter V

Jose Enriquez, 18 years in the industry, Prep Cook, Line Cook, Dishwasher

Jose Enriquez is an undocumented immigrant in the Los Angeles restaurant industry for almost twenty years working as a dishwasher, line cook and prep cook. Outside of the kitchen he reads many books, listens to music, and watches movies. He has four children between the ages of 17 and 5. Enriquez came to California from Mexico City at the age of 17 when “some friends told me they were thinking of coming out here and they invited me so I said ‘sure why not.’ The hard thing for me was that I don’t have any family here, so I did miss that.” As an undocumented immigrant, Enriquez has seen discrimination and verbal abuse, as well as various forms of wage theft and exploitation.

Enriquez recalls his first experience with wage theft in the industry. “So my first job here I had a manager that used to hold on to my money because he said ‘if I give it to you you’ll go spend it and that’s not a good thing.’ So he was holding on to it for me as some sort of savings account for more than a year but when he returned it to me he only gave me back about one third of what he owed me.”

At another restaurant, management scheduled Enriquez to work but would only pay him for part of the time. “It was always my manager who punched me in and out [of the time clock]. So in that case there were a lot of times when I would arrive and they wouldn’t punch me in for a half hour or I would go to leave and I would find out that someone had already punched me out. That happened to a lot of people we found out. They fired the manager but we never recovered the wages.”

Enriquez has also experienced wage discrimination, “I had some coworkers that were working side-by-side with me who knew less than me and had less experience than me but were earning over a dollar more per hour than me. … I had to teach them and they would ask me questions. … I saw that there’s a preference for them because they’re born here in the US.”

Enriquez also told us that the restaurant is often a verbally abusive environment, particularly for undocumented workers. On one occasion he fired and threatened for responding to his managers racist insult. “So at one point I had to do the mopping in the kitchen and it was a new style mop that self–wrings. And when I didn’t know how to use it my boss said ‘You’re a stupid Mexican.’ And you know me, I never stay quiet, and that’s probably a bad thing. But I said, ’you know what? F***k you!’ And my boss said, ‘You know what? You’re fired!’ And as I was walking out he said, ‘You better leave before I call ICE [Immigration and Customs Enforcement] on you.’ So by that time they had called security so I had to leave.” Enriquez told us that the racist overtone of an insult makes it cut much deeper than it might otherwise. “If they tell me I’m stupid, okay. But if they tell me I’m a stupid Mexican, I take it personally and it really affects me. … I’ve had to learn to tolerate it or at least to carry on despite the racism against me. I know that this is how the industry is.”

Enriquez has also observed the tension between Blacks and Latinos and asserts that both communities need to be more tolerant of each other. “So I see a lot that there’s this sort of competition or tension because African Americans feel that there’s competition with Latinos for jobs, for housing, and so on.” However, he also noted the common struggle, “I’ve seen in these restaurants that whenever there’s a job that no one else wants to do, like take out the trash, it’s always a Latino or Black to do it. … We need to treat each other with more respect. And it shouldn’t matter what skin color, what nationality.”

Enriquez expressed his frustration at how employers often view their relationship to labor. Instead of appreciating labor as a source that creates wealth, employers see themselves as primarily benevolent job-givers that should not be held accountable. When Enriquez was asking his boss to let the immigrant workers off to attend a political rally, the divergent views became apparent. “So around the first immigrant rights marches here in L.A. we asked the boss about taking that day off to participate in the march. They said they would not give us the day off but we all took a moment to talk to the boss to say why it was important. And of course he took it the wrong way and he said that I was taking money from him rather than he was making money because of his employees. I tried to explain it and he was really upset. I wanted him to understand that he doesn’t have to pay us a lot of money and he’s making a lot of money especially because we’re immigrants. I wanted him to understand that it’s only people that are born here that are working here and are earning better money that have the opportunity to get services and resources that are doing well but the rest of us are not. And immigrants don’t have the same rights. When we’re sick we can’t take time off, we can’t even ask for time off and we’re always at the verge of losing our jobs as immigrants.”

This exclusion and insecurity that Enriquez talked about to his employer discourages undocumented immigrants from fighting back. In fact, Enriquez could have been a part of three different lawsuits that coworkers brought
H. Geographic Segregation, Housing Costs and Commute Time

In the last thirty years in Los Angeles, working-class communities have needed to travel progressively further for work as low-wage service jobs that are concentrated in wealthy neighborhoods have replaced unionized factory jobs. In Los Angeles, the best-paid restaurant jobs are concentrated in White, upper-class neighborhoods that necessitate a substantial commute for many restaurant workers. The long commutes that low-wage workers face are particularly difficult in Los Angeles because of the wide geographic spread of neighborhoods and the inadequate Los Angeles Metropolitan Transportation Authority (MTA) bus system. Restaurant workers must also deal with unsafe bus stops and inordinately long night service wait times after their shifts end late at night, which affects women particularly severely.

The efficient bus system propagates race and gender inequities in the restaurant industry and in the Los Angeles cityscape in general. As Michael Manville of the UCLA Institute of Transportation Studies puts it, “The question isn’t whether transit is accessible per se—almost anyone can get a bus—the question is how accessible are destinations. It is still very hard and takes a very long time to get from Watts to the job-rich areas of the Westside.”

As Table 21 shows, transportation issues have created economic challenges for many restaurant workers. 10.2% of our survey sample had to reduce their total hours because of lack of adequate transportation and 8.4% have had to turn down job offers because of lack of adequate transportation.

<table>
<thead>
<tr>
<th>Question</th>
<th>Percentage of survey:</th>
</tr>
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<tbody>
<tr>
<td>Have you ever had your total work hours reduced because of lack of transport to your job?</td>
<td>10.2%</td>
</tr>
<tr>
<td>Have you ever had to turn down a job offer because of lack of transportation to the job?</td>
<td>8.4%</td>
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Source: Los Angeles Restaurant Industry Coalition

Using regression analysis on our survey data, we found that segment, position, restaurant neighborhood median income, and race were all statistically significant factors in predicting the time that restaurant workers must commute to work. We found that restaurant workers have to commute further to make more money and that people of color have the longest commutes. The average daily commute time reported by workers in our survey sample was 53 minutes. Some workers lived very close to work, particularly those who worked in quick serve restaurants. Out of the 102 cases that we found workers living in the same zip code as their restaurant, 45.5% were quick serve. On the other hand, out of 43 surveyed workers that worked in Beverly Hills restaurants, only one actually lived in Beverly Hills. Of the workers we surveyed in Beverly Hills and West Hollywood restaurants many commuted from Koreatown, while others commuted from as far as the San Fernando Valley or Long Beach.

Controlling for segment, position type and median income of the neighborhood (as a proxy for housing costs), we found that fine-dining restaurant workers averaged 14.9 minutes extra commute time per day, back-of-the-house workers averaged another 15.2 minutes commute time and there was an average increase of almost a minute (0.92) commute time per $10,000 increase in neighborhood median income where the restaurant is located—which is significant in neighborhoods such as Beverly Crest with a median income of $169,282. The data also showed there is a 10.7-minute average commute time penalty for people of color.
We found that one important factor affecting restaurant workers’ commute was Los Angeles’s deficient bus system. 44.1% of all survey respondents reported driving their car to work, while 34% reported riding the bus, and 14.2% reported walking. The bus was the most used form of public transport for restaurant workers, as the MTA rail was used by only 3% of restaurant workers surveyed. In light of this fact, it is important to note that the path of the Los Angeles MTA rail service primarily serves the wealthy and receives disproportionately more funding than the MTA bus service, which primarily serves the working class. Because Los Angeles is far more spread out, i.e., with dispersed land use and trip patterns, compared to dense urban environments such as New York, it is more cost-effective to use buses to create a network that has stops that are walking distance from Los Angeles working class communities. For reasons such as this, advocacy groups such as The Bus Riders Union have long argued that buses are more appropriate than cost-intensive rail systems in Los Angeles.

For restaurant workers that do not use public transportation, reasons given for not wanting to use public transport ranged from preferring to use their car to being close enough to their work to walk. However, the leading response by far was that it takes too long, implying that a better bus system could lead to bus transit becoming the preferred mode of transportation for restaurant workers. Bus riders in our survey sample averaged 18 minutes longer daily commute time than non-bus riders. This finding is consistent with research conducted by the Labor Community Strategy Center that surveyed 2690 passengers in English, Spanish and Korean to grade Los Angeles MTA bus service. Survey respondents graded the categories of “On Schedule,” “Overcrowding,” “Fares,” “Frequency of Service,” “Night Service” and “Accessibility,” all of which received a median grade of D except for “Night Service” which received an F. Inner city bus lines are often prohibitively crowded and frequently pass by waiting passengers. This burden of an inadequate public transportation falls disproportionately on people of color. 81.4% of restaurant worker bus riders in our survey sample were people of color.

It is also important to consider that restaurant workers often must commute home late at night after their shifts are over. Restaurant workers who ride the bus often have to wait for long periods for the night service to arrive in an insecure environment. This is a particular problem for female restaurant workers. 62.9% of workers who had to turn down an offer because of lack of adequate transportation were women.

Cesar Gonzalez, Latino, 3 years in the industry, Busserr

Cesar Gonzalez, born in Durango, Mexico, immigrated to Bell Gardens California, in 1994 at the age of 9. Now at 25, he has been a bussier in a family-style restaurant for three years. Gonzalez enjoys studying politics in his leisure time to better understand how changes at the government level affect citizens.

Like many workers in the service industry, Gonzalez and his family have to commute from the neighborhood where they can afford to live to the areas where they can find employment. A year ago, Gonzalez was finally able to buy a car. Before that he rode the bus.

Gonzalez does not miss the long hours spent on Los Angeles MTA buses. He vividly remembers his daily frustrations: “I just really don’t like the public transportation. It was mostly frustrating because I was doing the same hours on the bus as I was working. It was like an hour and half to go to work and then an hour and half, two hours coming home. It was kind of like ‘ohh.’ It was really long, especially at night because there was very few buses. … It used to affect me, having to wait for the bus to come by. Sometimes they wouldn’t come on time or sometimes the bus would come but it would say ‘NOT IN SERVICE’ so you had to wait for the next one. Or you would come into the station and you see the bus coming in and you would rush to the bus and then the bus wouldn’t stop and instead it would just keep going. And then you would just go ‘oh man’.

Commuting on the bus also caused employment problems for Gonzalez: “I got in trouble sometimes because I got in a little late because the bus didn’t come on time or the bus would go really really slow.”

Gonzalez’s father is also affected by the inadequate bus system: “Well my dad [is affected] because he works in Pacoima and he doesn’t have a car so he has to go [to work] really early, like three hours earlier than he’s supposed to. He works at night and when he comes home there’s no bus to take him all the way to the house. So I have to pick him up around midnight.”

The changes that Gonzalez would like to see would benefit many of the I wish they would put more buses and lower the fare because the fare right now is at the same price as you know what you pay for what you pay weekly for your little Honda or something like that. So it’s kinda like, ‘oh that’s ridiculous!’ So I wish there were more buses and they would come more in a timely schedule as opposed to like ‘oh I have to wait!’.”
CHAPTER VI
The Social Cost of Low-Wage Jobs
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There is a cost to consumers and taxpayers of subsidizing low-wage jobs with few benefits and poor working conditions. These costs are significant, ranging from increased public health risks to public subsidies for social safety net programs. A key finding of our research is that when restaurant workers suffer, so do consumers and taxpayers:

- Low-road workplace practices ultimately harm not only workers but also restaurant consumers, and the public at large.
- Restaurant employers who violate labor and employment laws are also more likely to violate health and safety standards in the workplace.
- Violations of employment and health and safety laws place consumers at risk and endanger the public health.
- Failure to provide health insurance and paid sick days to restaurant workers can lead many workers to delay seeking primary or preventative medical care, ultimately increasing health care risks to workers and consumers, and contributing to increased health care costs.
- Poor health and safety conditions in restaurant workplaces, combined with low wages and lack of employer-provided health insurance, increase costs of providing emergency care to uninsured individuals at public hospitals, thereby ultimately decreasing the availability of free health care services for those in need.
- Low wages and lack of job security among restaurant workers lead to increased reliance on unemployment insurance and social assistance programs such as welfare and housing and child care subsidies.
A. Introduction

“The proliferation of low-wage jobs has an impact on public budgets and the availability of public services. Those earning minimum wage would qualify for and would need to rely on a number of government programs in order to make ends meet.” – Center on Policy Initiatives

The low-road workplace practices described in this report have impacts beyond those affecting members of our communities who are employed in the Los Angeles restaurant industry. Predictably, they affect the quality of the food we eat when we dine out at an eating establishment in the region. In some cases, they can lead to increased risks to public health. They also have more far-ranging – and more hidden – effects on the local economy, social safety net, and ultimately, the local taxpayer, when unscrupulous employers shift the social costs of low-wage and low-road employment practices to the general public.

Restaurant employers who violate labor and employment laws are also more likely to violate health and safety standards in the workplace. These low-road employers put the safety of the public at risk by overworking their employees, pushing them to cut corners, requiring them to do jobs they have not been trained for, failing to provide basic health and safety training, and creating conditions leading employees to work when they are sick or injured. These pressures on employees all contribute to greater likelihood of food preparation and handling that is substandard and unhygienic. The health and safety of both workers and consumers is compromised as a result.

A further finding of this report is that restaurant workers who are paid lower wages are also less likely to receive workplace benefits such as paid sick leave and employer provided health insurance. Workers who do not have employment-based health coverage and cannot otherwise afford insurance delay accessing medical treatment. This often leads to the development of more serious medical conditions which require more costly medical care. Due to restaurant workers’ low wages, they are generally unable to pay for the cost of that medical care, increasing uncompensated costs incurred by public hospitals. Furthermore, when workers are unable to earn enough to support themselves and their families through their jobs, they are forced to rely on public safety net programs to make ends meet. The result is a “hidden cost” of the restaurant industry in the form of indirect public subsidies to employers who insist on paying poverty-level wages to their workers, thus shifting the burden of their low-road business practices to the tax-paying public. These employers, meanwhile, enjoy the illegitimate gain of short-term profits that result from poor working conditions and exploitative employment practices.

B. Endangering Public Health

“Once I was at work and so sick that I actually broke down crying at work. You have to bring in a doctor’s note and that’s $80 dollars [otherwise] they make you go to work.” – Female, 5 years in the industry, general front-of-the-house worker

“I did have a restaurant once where every Valentine’s Day for three years, I had the flu. And they thought that I was just joking, [They would say] ‘You just want it off for your boyfriend,’ but I’d be so out of it and dazed and they’d always cut me early because I’d be all medicated.” – Female, 7 years in the industry, Cocktail Waitress/Bartender

“A lot. I don’t even remember the last time I went to a doctor. That has been my experience with health-care over the last 8 years because I haven’t had it. I mean I don’t get sick, or I don’t let myself get sick because I can’t. And when I do, I just work through it.” – Male, 8 years in the industry, Cook
Our research findings indicate that the low-road workplace practices prevalent in the Los Angeles County restaurant industry can increase public health risks to consumers. For instance, nearly two-thirds of workers (65.2%) with whom we spoke in the course of our study reported preparing, cooking, and serving food while sick. In interviews, several workers reported needing to work while sick because they could not afford to take the day off. A hostess with a year industry experience told us that when sick, “I still go to work. I can’t afford [if] I have to miss a day. One time, I had a really bad stomach ache and it was getting worse throughout my shift but I just suck it up. I just drank some ginger and I have to work. I’ve seen people who are sick, coughing and around food, but they don’t want to miss because they got bills to pay.” Eighty-nine percent (89.4%) of workers surveyed reported that they did not receive paid sick days.

During the outbreak of the H1N1 “Swine Flu” epidemic in early 2009, the President and Surgeon General both urged people to stay home as the best way of minimizing the spread of the flu. However, since nearly all food service workers lack paid sick days and earn low wages, staying home when sick is not feasible for most food service workers, who instead report to work, handle and serve food, and come into close contact with the public. Thus, a lack of paid sick days and preventative health care contribute to the risk of the widespread illness among both restaurant workers and the public they serve.

Our interviews revealed that restaurant workers go to work sick and put other workers and the public at risk because of a combination of employer pressure as well as lack of paid sick days when many workers are receiving low wages to begin with in a city with a high cost of living. One lead server with three years industry experience told us that at her restaurant, “If you miss work for being sick, you’ll get written up and if you’re written up three times you can lose your job.” A dishwasher with 7 years industry experience told us that working sick is more than a personal choice. Without paid sick days he has to work because his family depends on his wages as well: “Well I think being a Latino we just force ourselves to go to work even though we are sick. Being that this is what we live off and they way we support our family.” A Bartender with 25 years industry experience does not even consider the possibility of having to stay home sick because it is not an option for her: “I just don’t get sick, not allowed.”

Workers told us of their struggles not only working sick but also having to cover up the fact that they are sick by buying over-the-counter medicine and doing their best to put up a façade at work. A restaurant worker with 30 years industry experience that covers positions all over the restaurant told us, “I’ll come in and try to hide that I’m sick and try not to get anything that could be contagious on customers’ food or I deal with the repercussions.” A server with 6 years industry experience told us, “When I am sick I buy as much over-the-counter stuff as I can. You know, do my best to get through my days and go to work if I can.” A server in the industry for 7 months told us that it is often impossible to cover up the fact that she is sick. She said, “I had this really bad runny nose and I was serving the table with the runny nose and literally the customers were seeing there watching my nose run while I was taking their order. And I didn’t even have a napkin on me, I was just wiping it with my hand and my sleeve... so then, obviously I’m sick and if I don’t get rest I’m going to get even more sick... but of course I’m not going to stay home because obviously, I want to make the money... and then when I come home I’m pretty much a dead soul, somewhere in the realms.”

Employers who force restaurant workers to work while sick are contributing to a public health challenge. The U.S. Centers for Disease Control and Prevention (CDC) in Atlanta estimates that noroviruses, a family of pathogens associated with outbreaks of food borne illnesses, are common in restaurants. In 2006, the most recent year for which data are available, there were 1,270 reported outbreaks of food borne disease outbreaks across the country involving 27,634 cases and 11 deaths. Among the 624 outbreaks that have confirmed etiologies, norovirus was the most common cause. The CDC also found restaurants to be the third highest outbreak setting behind cruise ships and long-term care facilities.

“If an employee stays home sick, it’s not only the best thing for that employee’s health, but also his co-workers and the productivity of the company.” - Commerce Secretary Gary Locke
C. WORKPLACE PRACTICES AND CONSUMER RISK

“The conditions towards the employees are very difficult. There is a lot of pressure on you as an employee. Someone’s always asking you if you’re done or how much longer until you are done. It’s like this in [restaurant name] I have been and at some it’s even worse… Some places time you on what you are doing and it’s frustrating.” – Male, 18 years in the industry, Prep Cook

“Yeah, someone got burned, and of course they had to have access to the first aid kit, had to go scout out a manager to open one. It’s definitely unsanitary. When they close, they do a quick cleaning they don’t sanitize there… I’ve heard that they do bribe the health inspector. And I notice because we don’t have hot water. That’s kind of weird, because I know that’s a health inspection law, you’re supposed to have hot water.” – Female, 1 year in the industry, Hostess

More than a fourth (27.8%) of workers surveyed had done something as a result of time pressure that might have put the health and safety of a customer at risk. Employers pursuing a low-road business strategy place enormous pressure on workers, and often cut corners on health and safety training. A prep cook with 18 years industry experience talked about the degree of time pressure that is often put on restaurant workers: “As an example at [restaurant name] which is a big company, a bad thing about them is that they have their employees like slaves. When they where training a dishwasher, there was a man watching over them treating them very bad and pressuring them a lot. I think at franchises they treat you bad. I know [because] I use to work at a few like [restaurant name], which was my first.”

These low-road strategies lead to workplace practices that endanger employee and food safety, and consequently the public health. As demonstrated by Figure 6, workers who reported employment law violations at their place of work were also much more likely to report workplace practices that might ultimately harm consumer health and safety, such as failure to provide health and safety training, being required to work when the restaurant is understaffed or perform several jobs at once, and being asked to perform a job for which they are not trained. In fact, workers who experienced any employment law violation were 57% more likely than workers who experienced no employment law violations to be forced to do something under time pressure that put the consumers’ safety at risk. A cook with 8 years industry experience told us of one restaurant that he worked at for “effectively less than minimum wage” and “never any overtime pay”, also told us about the sanitary conditions in the restaurant: “Yeah, I mean the place wasn’t really clean. After 16 hours of cooking you’re just [too] tired to really clean. The place had a beautiful kitchen. So when I started I really gave it my best to try to make change and try to make things better. I started making a cleaning schedule. But it was just too much work and too few employees. So it was just too much work for the amount of people there. It was funny because we had a health inspection because we had a health inspector show up. I think they bribed him. Because we shouldn’t have passed.”

This combination of unsafe workplace conditions could have harmful effects on the health and safety of customers. Workers who reported experiencing employment law violations were more likely to have had to cut corners due to time pressure that put consumers’ health at risk. Whereas 27.8% of the whole survey sample reported having to cut corners due to time pressure in ways that endangered the consumer, 33.6% of those who experienced any employment law violation reported these conditions. In fact, 46.8% of those who had not been paid for all of their hours worked, 32% for those who experienced overtime violations, and 41.1% of those who had experienced minimum wage violations reported having to cut corners due to time pressure in ways that might harm consumer health and safety. In this instance, there is an inextricable link between healthy and safe working conditions for restaurant workers, and restaurant workers’ ability to carefully prepare and serve food to the public in a manner that ensures consumer food safety.
D. Hidden Costs of Low Wage Jobs

Our research indicates that paying workers wages below the federal poverty line hurts not only workers and their families, but everyone – from the high-road employers who pay higher unemployment insurance premiums to the taxpayers who end up subsidizing poverty-level wages and unsafe working conditions. When workers have trouble making ends meet despite working long hours, they have no choice but to use food banks, housing and child care subsidies, tax rebates for low-income people, and other social benefits. As a result, more public resources must be devoted to these programs – or, more likely in the current economic climate, there are fewer public resources available to all of those in need due to low-wage, low-road jobs.

According to the authors of Wages, Health Benefits, and Workers’ Health, higher-wage workers are more likely than their lower-paid counterparts to have health insurance and health-related benefits, such as paid sick leave, and to use preventative care. Low-wage workers, meanwhile, are much more likely to forego needed health care because of cost and to report problems paying medical bills.

Disease Risk and Restaurant Practices:

A 2008 study published in the Journal of American Medical Association investigated the source and agent of infection to determine the scope of illness among patrons and employees at a national chain restaurant. The BEDHD environmental assessment of the restaurant identified deficiencies with employee hand-washing practices, cleaning and sanitizing of food and nonfood contact surfaces, temperature monitoring and maintenance of potentially hazardous food, and maintenance of hand-sink stations for easy accessibility and proper use. As a result of a lack of health and safety training in cleaning up the incident (the restaurant had used an ammonium-based sanitizer that was ineffective against norovirus), a total of 95 people had gotten sick (an attack rate of 33.7%) and 64 people experienced a norovirus transmission (an attack rate of 13.5%). Unfortunately, transmission continued through the next day. BEDHD intervened and mandated that (1) all food prepared during the dates of attack be discarded; (2) all ill employees were excluded from working for at least 72 hours after their symptoms had subsided; and (3) the facility was cleaned extensively with disinfect according to set standards for environmental cleaning and disinfection of norovirus.
HEALTH CARE COSTS

“Yes, you get health insurance. But really at the end of the day, anywhere you go, it’s pretty much still crappy health insurance no matter what it is you are paying money and you can’t really afford it anyway, so thank you for the opportunity that you should be giving everybody anyways.” - Male, 17 years in the industry, Manager

“I don’t have a family. But it affects me a lot. I don’t have really big health issues. But I do have really bad mental and anxiety attacks. I mean, when I go to hospitals I get shots [but] my credit was probably messed up because I don’t have a job security. How can I pay for it? Since I have been working there [at the restaurant], I have been to the emergency room for 3 or 4 times just for different reasons. When I first worked there, I guess my body just didn’t get used to work at night, and work long hours. I had bronchitis. And I was sick. I cannot take off, there is no way. I work sick for a long time. I just though I got a cold. It just wasn’t getting better.” - Female, 4 years in the industry, Cocktail Waitress

“I don’t have health insurance. So when it does come to me being sick, I do a lot of times kind of draw it out until I feel like I have to go to the doctor when a lot of times I feel I probably should go to the doctor. Other than that, I just feel like I haven’t taken care of myself as much as I would if I was covered.” - Female, 6 years in the industry, Server

Our survey data indicates that fewer restaurant workers earning wages below the poverty level receive health insurance at least partly through their employer than those that earn above the poverty level (7.5% vs. 11.1%). Moreover, the lowest-paid workers in the restaurant industry are even less likely to receive health insurance at all. 82% of workers with wages below the poverty line did not have health insurance, compared to 65.5% of those earning livable wages. As a result, low-wage workers are less likely to be able to access primary or preventative care for themselves or their families. Data from other studies such as Serving While Sick: High Risks and Low Benefits for the Nation’s Restaurant Workforce suggests that low-wage workers are much more likely to forego needed health care because of the costs involved, and to report problems paying medical bills.

Workers consistently reported personal stress from fear of getting sick or hurt as well as difficulties of paying out-of-pocket medical costs. A server with ten years industry experience told us that she prolonged a diagnosis on an ovarian cyst because she didn’t have access to a doctor. She only diagnosed it by informally approaching the father of her boyfriend who was a doctor: “I had a cyst on my ovary and I was in pain and I didn’t know what it was and I was walking around for days at work… And I didn’t have any medical benefits at the time either so I didn’t know what to do. But I had a boyfriend at the time and his dad’s a doctor and he gave me a free ultrasound and that’s how I discovered my pain, and I was walking around at work and some of my customers noticed. Just a very large cyst on one of my ovaries and I took care of it and it went away. … Luckily I don’t get sick a lot but that was one instance where I was like, I don’t know what to do!” Another server with three years experience expressed her frustration at having to pay high medical costs. She simply told us, “You pay out of pocket and it sucks.” A cashier with less than a year in the industry told us that living without health insurance gives him a constant fear of getting injured: “It made me a lot more cautious in what I do. I have to be careful if I’m biking or something so that I don’t injure myself in an expensive way. Also it makes it so that I know that I can’t be in that job for very long, I’ll need healthcare.”

Additionally, workplace injuries among restaurant workers are endemic. Data from this and other studies suggests that restaurant workers are often forced to use expensive hospital emergency room services for a range of work-related injuries such as burns, scalds, and cuts.

When medical care is required, restaurant workers without health insurance are forced to seek treatment in emergency rooms at public hospitals, and are often subjected to the indignities of being unable to pay for the medical services they need. 16.4% of the workers in our survey reported that either they or a family member had gone to the emergency room without being able to pay. Eighty-six percent (85.8%) of workers going to the emergency room without being able to pay did not have health insurance. When these realities are compounded by the fact that low-
wage workers are also less likely to receive paid sick days, it is clear why restaurant workers often feel compelled to work while sick, increasing the risk of worsening restaurant workers’ health and of putting the public and consumers’ health at risk. One server with 5 years industry experience told us that not having health insurance means having to use public hospitals which are inaccessible: “[Not having health insurance] has taken a toll on us ‘cause if you have something you have to go to the county hospital where the waiting is 18 to 24 hours to be seen by a nurse, not even doctor. So you lose a whole day.”

Gloria Brown, 28 years in the industry, Cook/Chef

Gloria Brown is a 47 year old single mother of four children and experienced cook currently living and working in Los Angeles. She was raised in a military family moving from base to base in North Carolina, Seattle, and Baltimore and even briefly lived in China. Brown’s father was the executive chef of a catering company, which was also her first restaurant job. Following in her father’s footsteps, she has spent the past 28 years living in various cities across the country and working as a cook. Continuing the family tradition, her son is currently employed as a chef. In her free time, Brown helps the elderly with daily living and companionship and also volunteers at the Downtown Women’s Center.

Our survey research shows that 89.8% percent of restaurant workers in Los Angeles do not receive health insurance coverage through their employer. Brown was amongst the many uninsured restaurant workers when her third child was born. She had recently left her job at a catering company without health insurance coverage for a position in a hotel that provided health insurance coverage after the first 90 days. Unfortunately, before Brown met the 90-day time requirement to be eligible for the health insurance, her newborn daughter suffered a severe heart attack. Her daughter was diagnosed with Wolff-Parkinson-White syndrome, a heart condition that resulted in many heart attacks, and later developed respiratory problems as well.

Brown continued to work and struggled to find assistance in covering her daughter’s growing medical expenses. The insurance from the hotel did not cover her newborn daughter immediately due to her age and pre-existing heart condition. The state insurance she had offered some coverage, but not the total expenses. She also learned that her and her husband at the time narrowly missed the combined income requirements for state welfare benefits. After years of searching for assistance and accumulating over $10,000 in medical bills, she eventually had to file for bankruptcy.

Through this emotionally devastating experience, Brown felt hopeless, frustrated and unfairly treated. “I was angry and mad at society, I felt like I was being robbed from working all that time.” She had worked hard her life, yet she did not meet the requirements, she was caught in the middle and felt left behind. “The system will not pick you up.”

Brown told us that being uninsured is compounded by the issues of low income and discrimination. “Everybody should be able to get paid the same wages, no matter what. If everybody has the same skills, everybody needs and deserves to be treated the same, with the same respect. no matter who they are in life.” Women get paid less than what the men get paid—in the front of the house and in the back of the house. Each ethnic background gets paid according to that background and it’s not fair.

Brown asserts that we need to challenge racial discrimination and reform health insurance in the restaurant industry, particularly in light of the economic crisis. “A lot needs to change right now, can’t nobody afford too much. The way the economy is now, even the rich aren’t spending the money the way they used to. And the poor are losing their homes.” Moreover, “everybody should be able to get paid the same wages, no matter what. If everybody has the same skills, everybody needs and deserves to be treated the same, with the same respect. No matter who they are in life.” And critically important, Brown feels that people deserve health insurance. “You’ve got be able to give people their health insurance.”
Previous studies have noted that where health care financing relies on employer-provided health insurance, the public suffers a heavy subsidy for sectors – such as the restaurant industry – that largely do not provide health insurance to employees, and pass the costs of workers’ health onto the public. Ultimately, it is other employers, workers, and the public at large who pay for these low-road practices.

SOCIAL PROGRAMS

“I recently had to go get on Medi-Cal because things changed in my personal life… I have a daughter and she’s 13. I used to share custody with her dad, so it was a little bit easier, like [for] medical, we would share expenses. Or he would have insurance for him and the kids, for his kids and I would just take care of myself so it was easier that way. But in the last year things have changed and so I have my daughter whole time now so I went and got Medi-Cal for her.” - Female, 10 years in the industry, Server

Our survey data also revealed that low-wage restaurant workers are, at times, forced to access social programs such as welfare benefits and housing and childcare subsidies in order to supplement low wages. Eight percent (8.1%) of all workers surveyed reported accessing social programs at some point to supplement their wages. A hostess in the industry for a year told us that her daughter is on public health insurance and the only access to a doctor she effectively has for her as a publicly subsidized clinic for sexually transmitted diseases, which of course is inappropriate for most instances when medical treatment is necessary. She told us, “I can’t go to the doctor’s or dentist. I have to be on Medicare, free. And it’s hard to find now. I usually go to my same doctor but it’s [a sexually transmitted disease doctor]. My stomach is upset about something. It has nothing to do with [sexually transmitted disease], it always has to be something sexual. .. I think [lacking proper health insurance] only affect[s] me because I’m always taking care of myself and my daughter but, she has benefits, I get her health covered. So it only affects me. If something is wrong I just suck it up and go about my day, hope that I get better. If not, then I still suck it up.”

Of the respondents who reported receiving public assistance of some kind, 24.9% of these workers accessed food stamps through the federally-funded Supplemental Nutrition Assistance Program (SNAP). At the peak of the recession, the number of Americans receiving food stamps reached 35 million in June 2009, the highest number since the program began in 1962, with an average monthly benefit of $133.12 per person. Restaurant workers were no exception; ironically, workers who prepare and serve the LA County’s food cannot afford to buy food themselves.

Numerous studies have suggested that employers paying low or poverty-level wages force their employees to rely on social programs to supplement low earnings, and thus force the public to subsidize these low-wage jobs. By creating conditions that force workers to participate in social programs rather than providing essential benefits, employers are, in effect, receiving an indirect public subsidy for engaging in poor, and sometimes illegal, workplace practices. Such practices also have the effect of undermining other employers who do provide benefits, thereby creating disincentives to those who might otherwise take the high road to profitability. Existing literature concludes that this can lead to a downward cycle for wages and benefits across the industry, ultimately resulting in worsening conditions for workers, consumers, and the public.

Clearly, further study is needed to determine the full impact of the prevalence of low-wage jobs in the restaurant industry on social programs in Los Angeles County. What is clear from existing data is that failure to address low wages and the lack of health coverage for thousands of workers in the restaurant industry leads to increased costs to workers, employers pursuing the high road, and the public.
CHAPTER VII
Conclusions & Public Policy Recommendations
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Conclusions & Public Policy Recommendations

By weaving together industry and government data, existing academic literature on the restaurant industry, and the voices of restaurant workers and employers, we are able to obtain a clearer and more comprehensive picture of the Los Angeles County restaurant industry. The restaurant industry holds enormous promise as a source of income and jobs to the region. Its particular importance as a locally tied, sustainable industry providing employment to workers without formal training, those seeking entry-level positions, and immigrant workers whose experience is not recognized by other employers is clear.

However, our research confirms that, in practice, the majority of restaurant employers are unable or unwilling to take the high road to profitable and sustainable businesses, creating an industry of predominantly “bad” low-wage, long-hour, dangerous and dead-end jobs for most of the industry’s workers. Additionally, the persistence of low-road practices has the effect of compromising the health and safety of both workers and customers alike and forcing the county’s taxpayers to subsidize restaurant employers through social programs.

Nevertheless, one of the major findings of our research is that it is possible to run a successful restaurant business of any size or segment – including family style and quick serve restaurants - while paying workers livable wages, affording standard workplace benefits such as health care and paid sick and vacation days, ensuring adequate levels of staffing, providing necessary training, and creating career advancement opportunities. While commitment to doing so on the part of employers is a necessary ingredient to achieve this goal, additional public policy measures are also needed to help restaurant employers fulfill the potential of the industry to providing good, local jobs. Government and regulatory agencies should find ways to support and reward employers who take the high road, in order to facilitate a truly successful Los Angeles restaurant industry.

Based on the results of our research, The Restaurant Industry Coalition makes the following specific recommendations:

1. **Provide paid sick days and increase the minimum wage.** For the benefit of not only workers but also consumers, and to level the playing field for responsible employers, policymakers should require all employers to provide paid sick days to their employees and increase the minimum wage for all workers. As described in our report, the lack of paid sick days among food service workers can result in public health problems for the entire region. Low wages prevent workers from being able to support themselves and their families and support their own industry through consumption. The lack of a level playing field on these issues ultimately hurts workers, consumers, and responsible employers.

2. **Incentivize high-road practices.** Policymakers should consider initiatives and incentives that will assist and encourage employers to pay livable wages and go above and beyond the law. Such initiatives could include rent and property tax incentives for employers who guarantee exceptional workplace practices, thereby enabling them to reduce fixed costs and invest more in workers. They could also take the form of subsidies to employment-based health insurance or support of collective health insurance programs, such as the one that Restaurant Opportunities Centers United has developed nationally, across the industry. Given the high health care and public assistance costs associated with workers without benefits being forced to rely on the public health care system, limited public expenditures for public subsidies for employers who guarantee such benefits could result in substantial savings to the taxpayer overall. We urge decision-makers to explore and implement such initiatives for the benefit of all residents in Los Angeles County.

3. **Promote opportunity, penalize discrimination.** Policy options ensuring greater career mobility for workers of color should be explored and racial discrimination in the industry addressed. Our research illustrates the impacts of the occupational segregation within the restaurant industry. It is clear from our findings that discrimination based on race, immigration status, and gender act in concert with occupational segregation to keep immigrants, workers of color, and women from higher-paying and more sustainable positions in the restaurant industry. It is especially important for employees who are
vulnerable to exploitation because of their gender, race, and/or immigration status to be fully informed of their employment rights. It is equally important for employers to ensure that they do not contribute to unlawful employment discrimination, harassment or retaliation. Policy makers should explore initiatives that encourage internal promotion and discourage discrimination on the basis of race and immigration status in the restaurant industry. These could include subsidizing customized training programs on job skills to increase mobility amongst immigrants, workers of color, and women to advance to livable-wage positions. And, as mentioned in Chapter V, policies that address discrimination and lack of access to the industry’s few livable-wage jobs must go hand-in-hand with policies that help lift standards industry-wide so that all jobs are livable-wage jobs.

4. **Combat sexual harassment.** Employers should implement policies and practices that effectively combat sexual harassment in its various forms. Specifically, employers should provide regular sexual harassment prevention and training for management and workers, including training and/or educational materials for workers who do not speak English fluently. Employers should implement strict no-tolerance sexual harassment policies that establish mandatory penalties for harassers and provide a “chain of command” reporting system that allows employees to report harassment to various managers. Employers should train managers how to properly handle sexual harassment by customers, and should refuse to serve any customers who harass employees. Employers should conduct thorough investigations of complaints and take remedial steps to prevent future harassment. Even if an investigation is inconclusive, employers should take precautionary measures, such as making sure the accused harasser and the complainant always work different shifts, along with other steps to protect the complainant’s safety. Employers should also make sure managers do not engage in harassing behavior and should be wary of managers who retaliate against workers who report sexual harassment by disciplining or discharging the worker under the guise of “performance problems.” Finally, policymakers could also include penalties for employers who do not provide state-mandated educational programs to address sexual harassment in the industry and expand this law to include businesses with less than 50 employees.

5. **Labor, employment, and health and safety standards should be strictly enforced.** Workers suffering from egregious violations of labor and health and safety codes must be protected. Laws regarding wages, tips, breaks, and more should be respected by all employers. Our research shows that violations of these laws hurt workers and their families and also put consumers’ health and safety at risk. Not only do federal, state, and municipal agencies have a responsibility to ensure that these laws are respected, they also have a responsibility to individual workers whose lives are often threatened by illegal workplace practices. They also have a responsibility to protect the public from the unsanitary conditions and public health risks associated with illegal workplace practices and to protect law-abiding employers from unfair competition from those that do not comply. Local legislative bodies should consider policies that protect all stakeholders by considering a restaurant’s compliance with basic employment laws when granting government licenses, such as liquor and other business licenses, that are intended by statute for responsible business owners, and when awarding letter grades for restaurants’ health and safety standards. Policymakers should also allow liens on employers for unpaid wages. Additionally, public resources need to be spent in order to enable government agencies to effectively carry out this mission. Elected officials should provide sufficient resources to these agencies, and thoroughly oversee their activities.

6. **Promote model employer practices.** Model employers’ practices should be publicized. The vast majority of employers we interviewed agreed in theory that high-road workplace practices were better for both their workers and their businesses, decreasing turnover and improving customer service. However, they appeared unable to implement them in practice, citing external pressures and factors impacting their bottom line. Dissemination of model business practices such as those cited in this report could go a long way toward helping the vast majority of well-intentioned restaurant employers to not only do the right thing, but also increase their profitability and therefore tax revenues from the industry. For example, in New York, the New York City Restaurant Industry Roundtable developed a Code of Conduct based on exceptional workplace practices and worked with City Council members to promote employers who publicly adopted the Code to conscientious consumers through responsible restaurant guides. The Roundtable is now offering training and technical assistance for other employers on how to emulate these exceptional practices.
7. **Protect workers’ right to organize.** Governments, employers, and non-governmental social sector organizations should ensure that relevant initiatives foster and protect organizing among restaurant workers and publicize the public benefits of unionization in this and other industries. Additionally, creative collective organizing efforts among restaurant workers which foster better wages and working conditions, enable restaurant workers to access health care insurance and other benefits, and facilitate advancement, investment, and ownership in the industry should be supported through research, funding, and policy initiatives. Finally, development and dissemination of “know your rights” training for restaurant workers is clearly necessary.

8. **Expand bus service, particularly night service, and lower fares.** There are 276,100 restaurant workers in Los Angeles County, many of whom have to commute from working class communities of color to wealthier areas where restaurant jobs are concentrated. An expanded bus service would help combat racial segregation within the industry and lighten the commuting burden on restaurant workers. While a great deal of public funding is being spent on trains, this cannot be at the expense of investing in the bus system, which people of color in working-class Los Angeles communities rely heavily upon. The bus system should receive increased funding. Very importantly for restaurant workers and particularly women, the frequency of night bus service should be increased. These measures will not only greatly help Los Angeles restaurant workers, but they will also decrease traffic as well as greenhouse gas emissions. Bus fares should be decreased to accommodate the low wages of restaurant workers and rapid and local bus lines should compliment each other rather than be at the expense of one another.

9. **Expand Los Angeles’ Living Wage Ordinance to include restaurants that contract with the City of Los Angeles, are tenants on public land, or receive any types of public monies or community redevelopment funds.** Moreover, the Living Wage Ordinance needs to be enforced and loopholes that allow for circumnavigation of the ordinance must be eliminated. As mentioned above, low wages prevent workers from being able to support themselves and their families and support their own industry through consumption. Los Angeles’ Living Wage Ordinance compels some businesses, such as hotels, that contract with the City or are tenants on public land to provide living wages to their employees. This Ordinance should be expanded to include similarly-situated restaurants, since the restaurant industry is one of the largest and fastest-growing sectors of the Los Angeles economy. By not extending this Ordinance to restaurant workers, we allow the proliferation of low-wage jobs in the region as this industry grows rapidly.

10. **Support further industry research.** Further study and dialogue is essential. While the results of our research shed much needed light on the realities underlying existing statistical data, they also identify significant gaps in information currently available. In particular, there is a need for more detailed information regarding occupational segregation and discrimination and effective remedies to occupational segregation. Additional potential areas for further study identified by our research include: the factors influencing employers’ workplace practices and the needs that must be addressed in order to improve them, and the impacts on health care and public assistance costs occasioned by industry practices. Data and policy initiatives in these areas should be explored with the full participation of restaurant workers, employers, and decision-makers in order to ensure effective and sustainable solutions.
APPENDIX
Survey Demographics

The survey was administered by staff, members, and volunteers from the Restaurant Opportunities Center of Los Angeles (ROC-LA), the UCLA Center for the Study of Urban Poverty, and the Koreatown Immigrant Workers’ Alliance – all academic or community based organizations with significant contacts among restaurant workers and access to workplaces in the industry. A total of 562 surveys were conducted face-to-face with workers in the vicinity of restaurants during breaks or at the end of shifts, and inside restaurants.

TABLE 23: Characteristics of Restaurant Industry Coalition Survey Sample

<table>
<thead>
<tr>
<th>Percent of Sample</th>
<th>Percent of Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Race</td>
<td>Position</td>
</tr>
<tr>
<td>White</td>
<td>23.4%</td>
</tr>
<tr>
<td>Black</td>
<td>5.2%</td>
</tr>
<tr>
<td>Hispanic/Latino</td>
<td>50.6%</td>
</tr>
<tr>
<td>Middle Eastern</td>
<td>1.4%</td>
</tr>
<tr>
<td>Asian</td>
<td>14.3%</td>
</tr>
<tr>
<td>Mixed</td>
<td>3.6%</td>
</tr>
<tr>
<td>Native Hawaiian or Other Pacific Islander</td>
<td>1.1%</td>
</tr>
<tr>
<td>Native American</td>
<td>.5%</td>
</tr>
<tr>
<td>Sex</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>56.2%</td>
</tr>
<tr>
<td>Female</td>
<td>43.8%</td>
</tr>
<tr>
<td>Age</td>
<td></td>
</tr>
<tr>
<td>Under 25</td>
<td>46.0%</td>
</tr>
<tr>
<td>26 to 35</td>
<td>34.6%</td>
</tr>
<tr>
<td>36 to 45</td>
<td>13.1%</td>
</tr>
<tr>
<td>46 to 55</td>
<td>4.4%</td>
</tr>
<tr>
<td>Over 55</td>
<td>1.8%</td>
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<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Place of Birth</td>
<td>Other</td>
</tr>
<tr>
<td>U.S. Born</td>
<td>48.4%</td>
</tr>
<tr>
<td>Foreign Born</td>
<td>51.6%</td>
</tr>
</tbody>
</table>

Source: Los Angeles Restaurant Industry Coalition survey data
NOTES ON SAMPLE:

Because there is no government data source listing individual restaurant workers, it would have been impossible to conduct a strictly random sample of this industry. Thus, we conducted a convenience sample survey, but used stratification to ensure that our sample was as representative as possible of the Los Angeles County restaurant industry. We used Bureau of Labor Statistics industry data to identify the size of key restaurant industry segments, and Census data to identify the size of key demographic groups (race, gender, and age), in order to develop sampling goals in each city. Over a period of 11 months, interviewers then contacted restaurant workers as they left restaurants, or in restaurant uniforms, or simply by asking individuals if they worked in a restaurant. Like all methods, our sampling methodology has strengths and limitations. While ours were not strictly random surveys, the strength of our outreach methodology is that it allowed us to include populations of workers typically underrepresented in the Census. In addition, in-person surveys lead to high question-specific response rates. After fielding the surveys, we weighted the data as a final step to ensure representativeness. Specifically, using data from the Bureau of Labor Statistics, we weighted our sample to match the distribution of “back-of-the-house” and “front-of-the-house” staff in “full-service” establishments and “limited-service” eating places in the nation’s restaurant industry.
Endnotes

1. This refers to real wages, which accounts for inflation.


7. This figure is arrived at by multiplying the state sales tax of 8.25% by the total restaurant revenues.


9. U.S. Census Bureau. 2007 Economic Census. Sales for 722-Food Services and Drinking Places in Los Angeles County were $16,060,929,000.


11. Ibid

12. Ibid.

13. Ibid

14. Ibid.


16. Monthly not seasonally adjusted figures were used to compare employment between December 2007 and December 2009. Because seasonally adjusted figures are unavailable for the Los Angeles metropolitan area, the latest data was not used in order to examine job loss in comparable months. Data taken from Bureau of Labor Statistics, Current Employment Statistics. Accessed 16 September 2010. Available at: www.bls.gov/ces.

17. Job growth is shown relative to the 1990 base year.

18. This report is focused on the first two of these sectors. Within these sectors, we have identified three general sub-segments of the restaurant industry which are presently untracked by government data and which were important in guiding our study and understanding the varying practices and strategies used by individual businesses. They are further outlined in Chapter III: Workers’ Perspectives.


20. The Bureau of Labor Statistics also has an occupational category for the fast food position that involves both back-of-the-house food preparation duties and front-of-the-house serving tasks, i.e., bringing food to the customer. On the BLS list of occupations with the highest predictions of growth, this position occupies fourth place with a projection to increase by almost 15% to over 3,096,000 by 2018. In the ROC worker survey analysis this position
was placed in the back-of-the-house category because it more closely resembles back-of-the-house positions in terms of compensation, workplace conditions and other factors mentioned earlier.


22 Estimates for detailed occupations do not sum to the totals because the totals include occupations not shown separately. Estimates do not include self-employed workers. Wages for the OES survey include base rate, cost-of-living allowances, guaranteed pay, hazardous-duty pay, incentive pay including commissions and production bonuses, tips, and on-call pay.

23 Earnings from the Bureau of Labor Statistics, Quarterly Census of Employment and Wages are computed from NAICS 722, “Food Services and Drinking Places.” Earnings are deflated using the CPI-U for the Los Angeles Metropolitan Area.


26 After the data were weighted, the percentage of the sample in each segment was as follows: fine dining 23.8%, family style 32.2%, and quick service 44.0%. See Appendix for other characteristics of the survey sample.

27 The survey sample included workers already employed in the industry, not trainees or workers from other industries who wished to work in the industry. Furthermore, all workers surveyed were employed at the time the survey was conducted.


35 Ibid.


This figure is calculated multiplying the median wage of restaurant workers by 40 hours a week and 4.34 weeks per month.

Unweighted figure.

Unweighted figure.


Ibid.

The exception to this rule is the State of California and certain large employers who must obtain a letter of consent from the State to be self-insured.


Statistically significant within 95% confidence. Regression: (time worked at current restaurant)=Constant + Beta * (Dummy Variable for immigrants).

BLS—restaurant industry lost only one quarter of the jobs that most industries did during recession.


63 2007 Los Angeles County Health Survey; Office of Health Assessment and Epidemiology, Los Angeles County Department of Public Health.

64 Restaurant Opportunities Center of New York, 2009. “The Great Service Divide.”.


70

<table>
<thead>
<tr>
<th>Total Commute Time Regression</th>
<th>Betas</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>35.168</td>
<td>.000</td>
</tr>
<tr>
<td>BOH Dummy Variable</td>
<td>15.166</td>
<td>.000</td>
</tr>
<tr>
<td>Fine Dining Dummy Variable</td>
<td>14.885</td>
<td>.000</td>
</tr>
<tr>
<td>Area Median Income of restaurant (in 10,000s)</td>
<td>.927</td>
<td>.047</td>
</tr>
</tbody>
</table>


74 Blumenberg, Evelyn and Ong, Paul. 13.


77 Official statements issued by White House and Surgeon General.


85 Waddoups, C. Jeffrey, July 2001. Employer Sponsored Health Insurance and Uncompensated Care: An Updated Study of the University Medical Center in Clark County, Center for Community and Labor Research.


88 Ibid. The impact of such practices on other industries has been well-documented. See Arindajit Dube and Ken Jacobs, Hidden Cost of Wal-Mart Jobs, Use of Safety Net Programs by Wal-Mart Workers in California, Briefing Paper Series, Berkeley, CA: Center for Labor Research and Education, University of California, 2 August 2004; Hidden Costs: The Public Cost of Low-Wage Jobs in San Diego, Center on Policy Initiatives; Carol Zabin, Arindrajid Dube, Ph.D., Ken Jacobs, The Hidden Public Cost of Low-Wage Jobs in California. See also Annete Bernhardt and Heather Boushey, Confronting the Gloves Off Economy: America's Broken Labor Standards and How to Fix them, July 2009. Available at http://nelp.3cdn.net/0f16d12cb9c05e6aa4_bvm6i2w2o.pdf.

89 Ibid.
Los Angeles Restaurant Industry Coalition partners include:

Esperanza Martinez, Bus Riders Union
Catherine Suitor, United Way of Greater Los Angeles*
Carl Bergquist, Coalition for Humane Immigrant Rights of Los Angeles
Nicole Marquez, Equal Rights Advocates
Joann Lo, Food Chain Workers Alliance
Eileen Ma, Koreatown Immigrant Workers Alliance
Roxana Tynan, Los Angeles Alliance for a New Economy
Lilia Garcia, Maintenance Cooperation Trust Fund
Manuel Pastor, USC Center for the Study of Immigrant Immigration*
Restaurant Opportunities Center of Los Angeles
Restaurant Opportunities Centers United
Restaurant Employers
Restaurant Workers.
Eddie Iny, SEIU-USWW
Abel Valenzuela Jr., UCLA Center for the Study of Urban Poverty
Victor Narro, UCLA Downtown Labor Center
Goetz Wolff, UCLA School of Public Affairs
Matthew Sirolly, The Wage Justice Center

*Organization given for identification purposes only.

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