



Profiles of the Restaurant Workforce and the Restaurant Opportunities Centers United

“Given that there are livable wage jobs, given that there’s tremendous revenue and given that this is one of the largest industries...We cannot ignore or overlook the sector as one where we don’t focus workforce opportunities because there is tremendous potential and frankly it’s where most low-wage workers are going to work.”

- Saru Jayaraman, Co-Founder of Restaurant Opportunities Centers United

Quick Facts

- In 2011, 9.5 million people worked in restaurants. Out this figure, 8.6 million worked in non-supervisory positions.¹
 - Despite faring relatively well during in the economic recession and recovery, the restaurant industry continues to offer many jobs that are poor quality, with millions of workers lacking health benefits, earning low wages and having few opportunities for economic mobility.
 - The Restaurant Opportunities Centers United (ROC-United) works to improve job quality for all workers in the restaurant industry by advocating for cooperative engagement between employers, consumers and workers.
-

Introduction

The restaurant industry has been one of the most resilient industries during the United States’ economic recovery. Growth in this industry has expanded past pre-recession levels. One in every 12 private sector jobs in the United States is estimated to be a job in the restaurant industry.² Although these jobs constitute an enormous component of the U.S. labor market and economy, many remain low-wage with few benefits or pathways for advancement toward livable wages.

¹ ROC-United calculations based on Bureau of Labor and Statistics, *Occupational Employment Statistics (OES)*, 2010. Food Prep and Serving (350000) NAICS 722 employees, plus 35-0000 occupations in industries such as amusement parks, spectator sports, and gambling. This method excludes Food Prep and Serving Related Occupations in institutions such as prisons and schools.

² U.S. Bureau of Economic Analysis, U.S. Department of Commerce, “Full-Time and Part-Time Employees by Industry,” December 14, 2010, <http://www.bea.gov> (accessed 13 February 2012)

In 2012, The Aspen Institute's Workforce Strategies Initiative hosted a roundtable discussion titled *From Fast-Food to Fine Dining: A Discussion on Work in the Restaurant Industry* as part of a discussion series titled *Reinventing Low-Wage Work: Ideas That Can Work for Employees, Employers and the Economy*. The series brought together academics, workforce development leaders, employers, advocates and philanthropic leaders to explore the challenges of low-wage work as well as strategies for improving low-wage employment.

In this brief, we provide an overview of work in the restaurant industry and profile Restaurant Opportunities Centers United (ROC-United), an organization striving to empower low-wage restaurant workers, employers and consumers to improve job quality in the industry. Our goal is to offer information to those involved in workforce development about the challenges of work in the restaurant industry and highlight the strategies ROC-United uses to promote job quality improvements.

Overview of the Low-Wage Restaurant Workforce in the United States

The restaurant industry is one of the largest and fastest-growing sectors of the U.S. economy. Consumers today spend 49 percent of their food budgets in restaurants on average, compared with only 25 percent in 1955, according to the National Restaurant Association. The resulting economic impact is tremendous. Sales from restaurants in 2011 were projected to top a record \$600 billion, an average of \$1.7 billion a day.³ Behind these sales are a substantial number of jobs, with one in 12 private-sector workers in the United States employed in the restaurant industry.⁴ Over 9.5 million people worked in restaurants and bars in August of 2011, with 8.6 million working in non-supervisory positions.⁵

Demographics of Restaurant Workers

Over 58 percent of all workers in the industry are 25 and older. Twelve percent of these are 55 and older.⁶ In 2010, 52 percent of these workers were women, 11 percent were African-American, six percent were Asian and 22 percent were Hispanic or Latino.⁷

Education Levels of Restaurant Workers

Though the restaurant industry does not typically require formal educational credentials for entry-level employment, many workers in the industry have higher levels of education. Of workers who were over age 25, 20 percent have less than a high school education, 38 percent are high school graduates, 27 percent have some college or an Associate's Degree and 15 percent have a Bachelor's Degree or higher.⁸

³ National Restaurant Association, *Pocket Factbook*, 2011, http://restaurant.org/pdfs/research/2011forecast_pfb.pdf (accessed 12 January 2012).

⁴ Bureau of Labor and Statistics, U.S. Department of Labor, *May 2010 National Occupational Employment and Wage Estimates*, http://www.bls.gov/oes/2010/may/oes_nat.htm (accessed 2 February 2012)

⁵ ROC-United calculations based on Bureau of Labor and Statistics, U.S. Department of Labor, *Occupational Employment Statistics*.

⁶ *Ibid.*

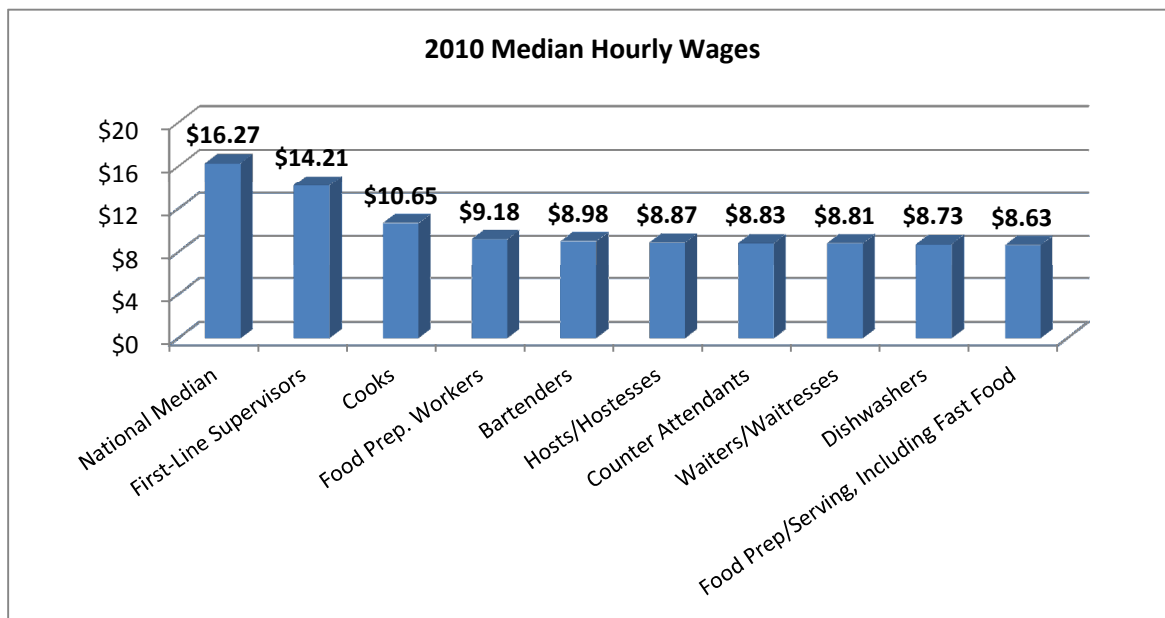
⁷ Bureau of Labor and Statistics, U.S. Department of Labor, *Current Population Survey*, "Employed Persons by Detailed Industry, Sex, Race, and Hispanic or Latino Ethnicity," (Table 11), 2010, <http://www.bls.gov/cps/cpsaat11.htm> (accessed 13 February 2012).

⁸ Bureau of Labor and Statistics, U.S. Department of Labor, *Current Population Survey*, 2011, <http://www.bls.gov/cps/> (accessed 25 January 2012)

Restaurant Sector Wages

The restaurant industry has one of the highest proportion of workers earning at or below the minimum wage, at a rate of 39 percent of the industry's workforce.⁹ Further, wages in the restaurant and food services industry are far below the national average. Workers in food preparation and serving-related occupations earned a median of \$9.02 per hour (including tips) in 2010, which falls below the poverty wage for a family of four for a full-time worker.¹⁰

The federal minimum wage for tipped workers has been frozen at \$2.13 since 1991. Employers are allowed by law to pay \$2.13 per hour to tipped employees as long as tips make up the difference between the tipped wage of \$2.13 an hour and the minimum wage of \$7.25.¹¹ Research has shown that waiters and waitresses are almost three times more likely than other workers to fall under the federal poverty line.¹²



Source: Bureau of Labor and Statistics, U.S. Department of Labor, *Occupational Employment Statistics*, 2010.

Restaurant Worker Hours

Many restaurant workers are employed part-time. According to the U.S. Department of Labor's Bureau of Labor Statistics, about 40 percent of employees in restaurants and bars work part-time, more than twice the proportion for all other industries.¹³ Restaurant workers often work a different number of hours from week to week, which makes weekly earnings unpredictable.

⁹ Bureau of Labor and Statistics, U.S. Department of Labor, "Characteristics of Minimum Wage Workers," 2010, (Table 4, Employed wage and salary workers paid hourly rates with earnings at or below the prevailing Federal minimum wage by major occupation group, 2010 annual averages, Food preparation and serving related occupations), <http://www.bls.gov/cps/minwage2010.htm> (accessed 1 February 2012).

¹⁰ Bureau of Labor and Statistics, U.S. Department of Labor, *Occupational Employment Statistics*, 2010, <http://www.bls.gov/oes/> (accessed 2 February 2012)

¹¹ ROC-United, et al, "Tipped Over the Edge," 2012, <http://rocunited.org/tipped-over-the-edge-gender-inequity-in-the-restaurant-industry/> (accessed 20 February 2012).

¹² Allegretto, Sylvia, and Kay Fillion, "Waiting for Change: The \$2.13 Federal Subminimum Wage," 2011. Economic Policy Institute & Center on Wage and Employment Dynamics Briefing Paper #297.

http://www.epi.org/publication/waiting_for_change_the_213_federal_subminimum_wage/ (accessed 20 February 2012)

¹³ Bureau of Labor and Statistics, U.S. Department of Labor, *Career Guide to Industries*, 2010, <http://www.bls.gov/ooh/about/career-guide-to-industries.htm> (accessed 10 February 2012)

Work schedules may change, creating challenges in scheduling child care or participation in higher education.

Advancement Opportunities in the Restaurant Industry

Advancement and promotion opportunities within restaurants are often limited because many establishments are relatively small. In larger restaurant chains, some workers may qualify and advance to formal management training. However, post-secondary education is increasingly a requirement for management positions in the restaurant industry. In other instances, entry-level workers who start as dishwashers, cooks or in food preparation may spend several years working these low-wage jobs and develop additional skills through on-the-job training.¹⁴

Restaurant Employment Projections

In the years to come, jobs in the restaurant industry are expected to grow quickly. Food preparation and serving workers, including those in fast food and waiters and waitresses, are among the fastest growing occupations in the United States,¹⁵ Employment in restaurants and bars is projected to grow by 9 percent from 2010 to 2020.¹⁶

Profile of the Restaurant Opportunities Centers United (ROC-United)

ROC-United is a national non-profit organization dedicated to improving working conditions and wages for the nation's low-wage restaurant workforce. ROC seeks to voice the collective concerns of low-wage restaurant workers, responsible employers and restaurant consumers. ROC operates as a membership-based, nonprofit, in which restaurant workers are members of ROC affiliates in cities across the country. ROC-United currently has member-led operations in 19 cities, including New York, New Orleans, Miami, Detroit, Chicago, Philadelphia, Los Angeles, Houston and Washington, D.C. Members take leadership roles in the direction of ROC efforts by serving local and nationally- focused leadership boards. The majority of ROC's National Organizing Committee is comprised of current and former restaurant workers, who began as ROC members.

ROC-United was born out of the smaller-scale project, ROC-New York (ROC-NY), which has advocated on behalf of restaurant workers in New York City since 2001. ROC-NY was formed in 2001, shortly after the September 11 attacks on the World Trade Center with the initial goal of helping the displaced restaurant employees who had worked in the restaurant atop one of the twin towers. It quickly grew to support restaurant workers throughout the city. From 2001 to 2007, ROC was limited to New York City, until it hosted a national convening of restaurant workers to launch the organization nationally. ROC has broadened its operations through word of mouth and through convenings of advocates, employers and workers held in various cities. Participants in the city gatherings approached ROC to establish local affiliates. Since 2001, the organization has expanded to include approximately 10,000 low-wage restaurant workers nationally. ROC also has affiliate groups called ROC-STARS (Supporting the Transformation of America's Restaurants), which work in 20 cities to influence local officials to support their policy campaigns.

¹⁴ Ibid.

¹⁵ Bureau of Labor and Statistics, U.S. Department of Labor, "The 30 Occupations with the Largest Projected Employment Growth, 2010-20," <http://www.bls.gov/news.release/ecopro.t06.htm> (accessed 20 February 2012).

¹⁶ Bureau of Labor and Statistics, U.S. Department of Labor, "The 20 Industries with the Largest Projected Wage and Salary Employment Growth, 2010-20," <http://www.bls.gov/news.release/ecopro.t03.htm> (accessed 20 February 2012)

ROC seeks to support and mobilize low-wage workers in one of the country's largest and least unionized private sectors and to strengthen workers' voices through collective and strategic action. ROC does this through advocacy and engagement with restaurant industry stakeholders, including employers, consumers and workers. The organization is also engaged in workforce development, as well as research and evaluation. ROC engages employers, workers, policymakers and consumers in order to change industry norms that disadvantage those at the bottom of the industry's labor market. ROC uses a strategic model that incorporates the interests of workers, consumers and employers. This model also informs each of these parties about the feasibility of better quality jobs through cooperation, maintaining the interests of all parties simultaneously and promoting high-road business practices.

ROC refers to its work as a "tri-prong approach." The first prong is the promotion of high-road business principles. Next, ROC conducts research to support its policy campaigns. The third prong involves, it organizing low-wage workers across the country to join initiatives to improve working conditions in the industry. ROC also provides educational resources and legal support to its members to strengthen organizing efforts. Elements of ROC's strategy are described below.

High Road Industry and Employer Engagement

A fundamental component of ROC's work is to drive change from within the industry. ROC creates dialogue with employers to facilitate the creation of better jobs and high-road business practices. Principles of high-road businesses may include a livable wage, paid sick days, opportunities for career advancement and promotion, vacation time, health insurance, and a hospitable workplace. In contrast, low-road employers may violate workers' rights, create unhealthy or hostile workplaces and offer their employees few opportunities for mobility. Middle-road employers have some high-road business practices, but also some low-road qualities.

To facilitate dialogue on high-road business practices, ROC holds roundtables for employers in the industry—locally and nationally—to discuss best business practices and industry-specific issues. ROC not only engages high-road employers, but recruits middle-road employers so they can learn about feasible pathways to the high-road.

ROC promotes high-road businesses through research and publications. For example, ROC authored a research report titled *Taking the High-Road: A How-To Guide for Successful Restaurant Employers* based on a qualitative and quantitative study. Aimed at restaurant employers, the guide illustrates how high-road practices can lead to reduced employee turnover. The business models presented in the guide suggest that the short-term costs of high-road practices are outweighed by the benefits of lower employee turnover and more productive, long-term employees.

ROC also promotes high-road businesses by connecting employers with unions, hospitals and other large non-profits, which can help the businesses win catering contracts. It also assists these businesses by promoting them in social media and news media.

ROC works with large restaurant groups as well as small restaurant owners to recruit other restaurants to join the roundtable discussions. Restaurant employers also provide input on which issues will be discussed. Restaurant leaders and employers share also take part in ROC-led policy campaigns to influence policy reform.

Cooperative, worker-owned restaurants offer another mechanism for promoting the high road. COLORS, founded by ROC, is a chain of worker-owned and operated restaurants in New York and Detroit, with plans to expand to other cities. COLORS models high-road business practices by offering its workers training and advancement opportunities, living wages and benefits, and a share in the profits.

Workforce Development and the High Road

Education and training to support food workers is an essential component of ROC's efforts to improve job quality in the restaurant industry, which frequently leaves the lowest wage employees stuck in poor quality jobs because it has no formal pathways for career advancement.

Members have access to job training and placement services as well as to leadership development. ROC created a multi-tiered advanced restaurant worker training and placement program called the COLORS Hospitality and Opportunities for Workers (CHOW) Institute. The Institute offers introductory and advanced professional training at no cost to members or employers. The organization has trained over 3,500 workers with industry-specific skills to help them advance in the restaurant sector and placed hundreds in living-wage jobs.

CHOW offers English classes, focused on useful restaurant vocabulary, for restaurant workers whose primary language is not English. The Institute also offers introductory and advanced training classes on how to work in fine dining, from the front or the back of the house. The first course provides basic knowledge of hosting, greeting, seating and serving alcohol. The follow-up class focuses on more advanced aspects, such as wine-pairing and up-selling (or how to convince a customer to purchase pricier items). Participants also learn about local foods and wines. CHOW's training programs are designed to help workers move into better restaurant jobs, such as fine dining wait staff, bartending and management positions.

COLORS also offers training programs with an emphasis on career pathways. In some ROC locations, members also have access to a low-cost primary health care plan through the ROC M.D. National Health Care Cooperative.

ROC also partners with community colleges in its affiliate cities to support CHOW students who want to pursue degrees in hospitality and culinary management. Graduates of CHOW's fine dining courses earn three college credits to use towards a degree from a community college partner. Graduates also receive help finding better quality jobs from CHOW's placement services.

Research and Policy Efforts

ROC's comprehensive research on the restaurant industry is vital to its policy influence and promotion of high-road principles. ROC and its local affiliates conduct surveys of restaurant

workers' needs and challenges in each region of the country. This research brings public attention to high-road business practices and the persistent issues in low-road businesses.

The organization shares its research through publications highlighting overlooked persistent obstacles for low-wage restaurant workers such as racial and gender-based discrimination. For instance, ROC's brief on racial discrimination in the restaurant industry titled "*Blacks in the Industry*," highlights the vast wage disparities between black and white restaurant workers. The study examined the wages of 4,300 workers across eight cities and found that, on average, white workers earned four dollars more than their black colleagues. In addition, the study found that blacks disproportionately work in low-wage positions compared to their white colleagues, who hold more of the industry's livable wage jobs.¹⁷

ROC's *Behind the Kitchen Door* study found that women tend to be concentrated in lower-paying jobs in the restaurant industry compared to males.¹⁸ In addition, it found that many female and minority workers reported discriminatory hiring, promotion and disciplinary practices. Survey and interview data gathered by ROC indicate that employers frequently ignore the requirement to make up the difference between the \$2.13 an hour tipped wage and the \$7.25 an hour minimum wage. ROC also found that restaurant workers rely on food stamps at nearly double the rate of the general population.¹⁹ ROC incorporates this research into advocacy efforts targeting policymakers, employers and consumers. ROC's research has brought policy attention to the tipped wage and to racial discriminatory practices in the industry.

In addition, ROC and its affiliates launch worker-led policy campaigns on the national and local levels to advocate for improvements. These campaigns educate members about the law-making processes and advise policymakers on industry issues. The campaigns have promoted wage increases, paid sick days and other health benefits, rigorous enforcement of labor and employment laws, and the establishment of pathways for mobility. At the local policy level, most of ROC's affiliates are working on paid sick days initiatives.

Based on its restaurant industry surveys, ROC determined that the low amount of the tipped minimum wage is the most pertinent issue facing low-wage restaurant employees. The \$2.13 an hour tipped wage has been frozen for nearly 30 years. ROC devotes most of its federal-level policy efforts to this issue. ROC argues that at just 30 percent of the federal minimum wage, the tipped minimum wage leaves many restaurant workers with real wages that are not livable wages. ROC also advocates for passing The Fair Minimum Wage Act of 2012, (H.R. 6211), which would increase the minimum wage in three 85-cent increments over three years, from \$7.25 to \$9.80 per hour. The rate would then be indexed to inflation each year after the first three years. The tipped minimum wage would increase annually in 85-cent increments, from today's \$2.13 per hour until the tip wage reaches 70% of the regular minimum wage.

A key component of ROC's advocacy campaigns is to engage consumers. Similar to its employer manuals that support advocacy for high-road business principles, ROC publishes an

¹⁷ Restaurant Opportunities Centers United and Steven Pitts, *Blacks in the Restaurant Industry, Brief*, January 31, 2012, <http://rocunited.org/roc-releases-blacks-in-the-industry/> (accessed December 18, 2012).

¹⁸ ROC-United, "Behind the Kitchen Door: A Multi-site Study of the Restaurant Industry, 2011," <http://rocunited.org/2011-behind-the-kitchen-door-multi-site-study/> (accessed 10 February 2012)

¹⁹ ROC-United calculations of Current Population Survey (CPS), 2010. "Food Stamps" refers to Supplemental Nutrition Assistance Program.

annual resource for consumers called the *ROC National Diners Guide*,²⁰ available online and as a mobile phone application. The guide informs consumers about the wages, benefits and internal promotion practices of various restaurants. By providing this information, ROC hopes to encourage consumers to eat at restaurants that have high-road employment practices and not patronize those with low-road practices. The organization's consumer engagement effort also includes a book by ROC Co-Director and Co-Founder, Saru Jayaraman titled *Behind the Kitchen Door*. Also, ROC supports short films and an upcoming feature film on restaurant industry conditions. To expand consumer engagement, ROC is creating a national food reform nonprofit dedicated to organizing the voices of consumers on the restaurant industry's issues.

Worker Organizing and Legal Action

ROC also has launched efforts against specific low-road restaurant groups in what it refers to as "workplace justice campaigns." Nationally, it has organized thousands of workers, launched 13 large-scale campaigns and won more than \$7 million in financial settlements for workers who were owed wages. Other victories have included improvements in workplace policies in areas such as sexual harassment, employer compensation, grievances procedures, job security, sick days and anti-discrimination. Another notable victory occurred in 2005 with a \$164,000 settlement paid by the fine dining Manhattan restaurant group, Smith & Wollensky. In this case, ROC supported 23 workers at two of the group's restaurants, arguing that they suffered wage theft and systemic racial discrimination. The workers, most Mexican immigrants, reported being routinely denied payment for working overtime, exposed to racist remarks and denied promotions.²¹

Another victory occurred in 2008 against another fine dining Manhattan restaurant group, Fireman Hospitality Group. In this case, 250 workers organized to win a \$4 million settlement, making it one of the most costly New York wage-and-hour settlements in history. Workers argued that management routinely violated wage and hour laws by not paying for the entirety of workers' shifts, overtime or meeting the minimum wage requirement. The workers claimed that the group's managers took part of workers' tips and reduced employees' paychecks if patrons left without paying. Also, the case included a handful of sexual harassment and racial discrimination accusations. Notably, the case brought about policy changes for the restaurant group's roughly two thousand employees.²²

To strengthen worker organizing, ROC provides legal resources for low-wage workers to come together and leverage their work to campaign for improved job quality. Legal resources also are available, on an individual basis, for members to take legal action against their employers. ROC believes that legal resources are crucial for its campaigns because many low-wage restaurant workers do not stand up to workplace injustice for fear of losing their jobs or facing immigration-related retaliation. Mobilizing and supporting low-wage workers is done in order to place pressure on the restaurant industry's employers and show the weighty consequences of violating workers' rights laws. This counteracts what ROC sees as the industry's general ability

²⁰ The guide is available at <http://rocunited.org/dinersguide/>

²¹ Steven Greenhouse, "Two Restaurants to Pay Workers \$164,000," *The New York Times*, January 12, 2005, <http://www.nytimes.com/2005/01/12/nyregion/12wage.html?scp=2&sq=restaurant%20opportunities%20center%20new%20york%20smith%20wollensky&st=cse> (accessed December 18, 2012).

²² Steven Greenhouse, "Judge Approves Deal to Settle Suit Over Wage Violations," *The New York Times*, June 19, 2008, <http://www.nytimes.com/2008/06/19/nyregion/19wage.html?scp=1&sq=fireman+hospitality+&st=nyt> (accessed December 18, 2012).

to avoid the consequences of violating workplace laws because their low-wage workforce is vulnerable, often lacking legal representation and fearing immigration-related retaliation, and the associated threat of losing employment.

In addition to legal services, members also may access low-cost health insurance through ROC M.D. National Health Care Cooperative.

Final Thoughts on Improving Work in the Restaurant Industry

The restaurant industry is a large and growing part of the U.S. economy. Millions of workers wait tables, prepare and cook food, and perform other tasks that enable consumers to enjoy meals out. While high-quality jobs are available in the industry, many workers struggle in jobs offering low-wages, few or no health benefits, little or no paid sick time and limited career advancement. By highlighting ROC-United’s strategies to build career pathways and improve the quality of all restaurant jobs, we hope this brief offers workforce development leaders useful ideas about how they can play a role in improving restaurant jobs in their communities.