



Blacks in the Restaurant Industry Brief



By **Restaurant Opportunities Centers United**

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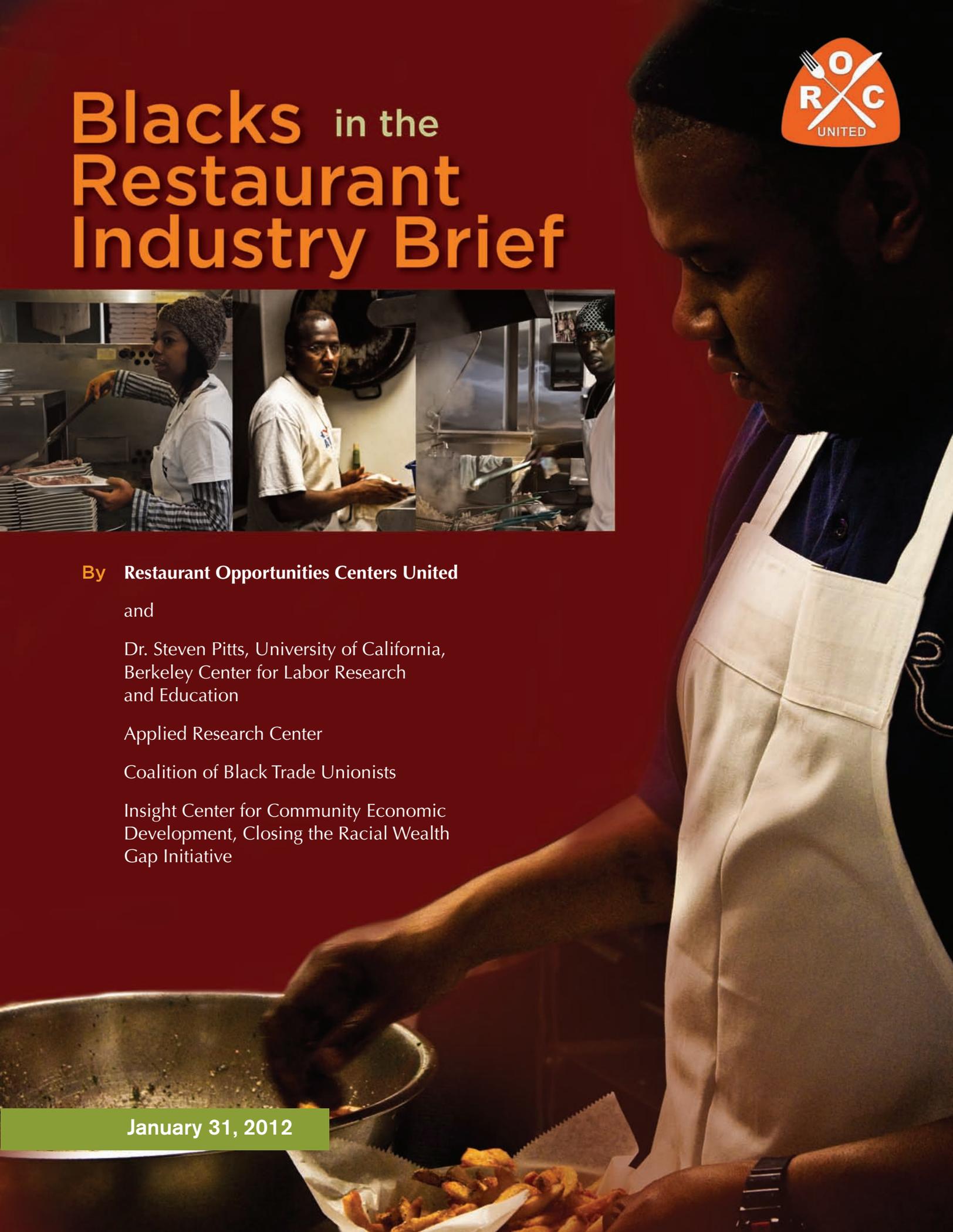
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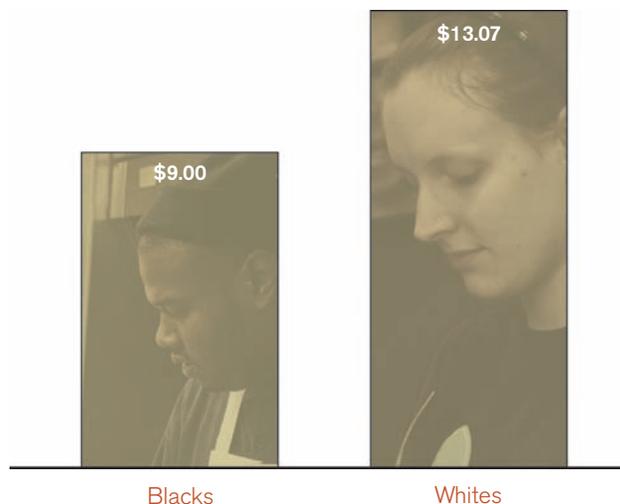
Blacks in the Restaurant Industry Brief

The restaurant industry has been one of the fastest growing industries over the past 30 years and now accounts for 1 in every 12 private sector jobsⁱ and \$277 billion of the U.S. Gross Domestic Productⁱⁱ. Moreover, the industry has proven resilient through most of the current economic recession and has expanded well past pre-recession levels. However, the potential for this massive industry to revive a lifeless job market is limited by both bad jobs and racial segregation. The industry's many poverty-wage jobs are disproportionately held by people of color and the livable-wage jobs, mostly server and bartender positions in fine dining restaurants, are disproportionately held by Whites. The facts and figures laid out below show the severity of the situation for Blacks in the industry and underline the urgent need for action. While restaurants were a major site of the many sit-ins of the Civil Rights Movement that challenged the system of *official* segregation that denied *patrons* of color their human dignity, today we are fighting a system of *de facto* segregation to reclaim dignity for *workers* of color in this immense and growing industry. Black diners, who contributed almost \$25 billion to the restaurant industry in 2010ⁱⁱⁱ, have the opportunity to stand in solidarity with Black restaurant workers.

Pay gap:

As shown in **FIGURE 1**, over 4,300 surveys by ROC-United across 8 U.S cities found a pay gap between Black and White restaurant workers of over \$4.^{iv}

Median Wage by Race



Segregation:

The reason why this pay gap exists is largely due segregation by segment and position. Wages vary greatly between the three broad segments of the industry: quick serve, family style, and fine dining. They also vary within restaurants between positions in the back of the house and front of the house as well as top-tier positions such as servers and bartenders and lower tier-positions such as bussers, runners, and barbacks. Whites disproportionately take up the highest paid positions in the highest paid segments, while Blacks disproportionately work in low-wage positions and in low-wage segments. **FIGURE 2** shows the results of extensive survey research that found that 58% of Black restaurant workers are employed in the lowest paid segment, Quick Serve, while only 26.6% of White restaurant workers work in quick serve.^{vi} **FIGURE 3** shows the difference in median income across segment with a median wage of \$15 for fine dining workers, \$12.13 for family style workers, and \$8.50 for quick serve workers.^{vii} The same research found that Whites outnumber Blacks by more than two to one in the front of the house, while Blacks outnumbered Whites three to two in the back of the house (all segments).^{viii} **FIGURE 4** shows the earning differential between positions in the restaurant: front-of-the-house workers earned a median wage of \$14.31, and back-of-the-house workers who earned a median wage of \$9.50.^{ix}

Segment Distribution by Race

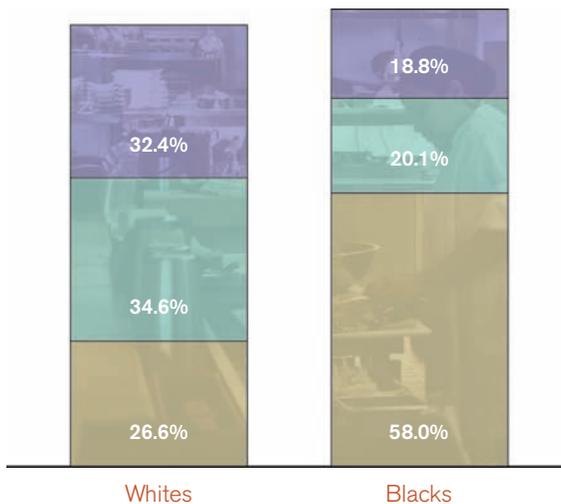


FIGURE 2: Segment Distribution by Race ^x

Median Earnings by Segment

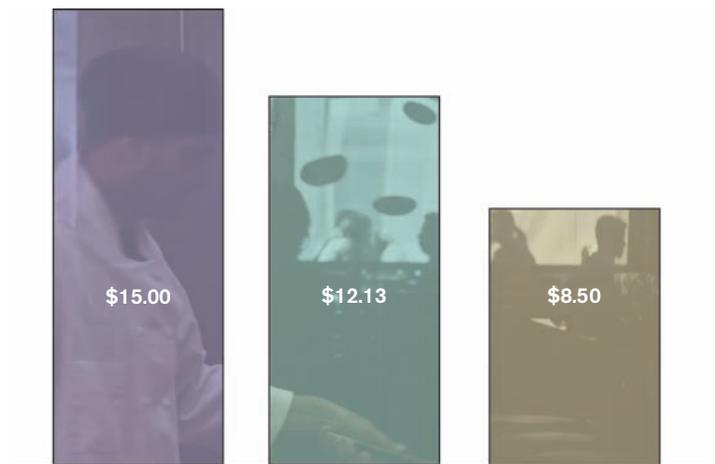


FIGURE 3: Median Earnings by Segment ^{xi}

Fine Dining
 Family Style
 Quick Serve



FIGURE 4: Median Earnings for Workers in the Front and Back of the House ^{xii}

Survey research also found that the highest paid positions, fine dining servers and bartenders, are disproportionately White. Fine dining bartenders were over three times more likely to be White than Black, and fine dining servers were almost four times more likely to be White.^{xiii} Moreover, canvassing 45 randomly-chosen fine dining restaurants in Manhattan found that the highest paid positions were held almost exclusively by White workers, while the lowest paid positions were held almost exclusively by people of color (see **FIGURE 5**).^{xiv}

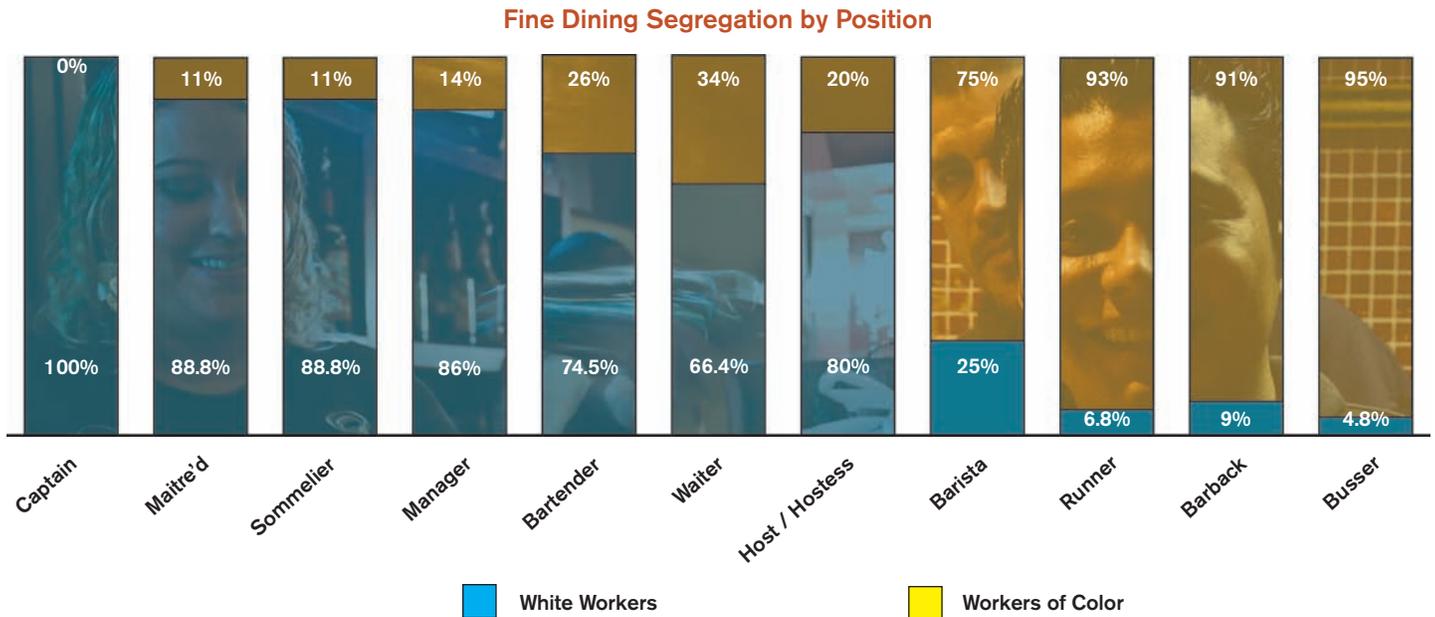


FIGURE 5: Fine Dining Segregation by Position. Positions ordered from highest-paid to lowest-paid.^{xv}

Coincidence or Design?

A large part of the reason that the median wage for Black restaurant workers and for all restaurant workers is so low is because the minimum hourly wage for all workers who receive more than \$30 a month in tips has remained at \$2.13 at the federal level for the last twenty years thanks to an intervention by the restaurant employer lobby. Although tips are supposed to make up the difference between \$2.13 and the regular minimum wage of \$7.25, they are unpredictable and often fall short, leaving millions of restaurant workers with unstable poverty wages.

The wage disparity is also not a coincidence. While employers have often excused segregated restaurants by claiming that applicants have differing levels of education, experience or language ability, there is much evidence that racial discrimination is a significant causal factor. Survey research found that 8.1% of Black restaurant workers said they were passed over for a promotion because of their race, a number that is likely conservative because discrimination is often concealed. The most clear-cut evidence of discrimination is a 2009 study that paired applicants of color with White applicants to apply for fine dining server positions in Manhattan. The pairs were evenly matched except for race/ethnicity and the applicants of color were given a slight advantage in their resume. Despite the slight advantage, the study found that White workers were almost twice as likely (183%) to be hired.^{xvi} This evidence only supports what many restaurant goers observe when they dine and what too many restaurant workers experience. One example of how this discrimination plays out is the case of the Black workers at The Capital Grille in Chevy Chase, Maryland, who were hired during the rush to open the restaurant, and just as quickly fired once the restaurant was established.

Worker Profiles: Keith Jones and Marcus Dijon



KEITH JONES is a waiter with a ten-year career, and a family man with three kids. **MARCUS DIJON**, a native of Memphis, Tennessee, moved to Maryland when he was five years old. His father is a cook who emigrated from Panama, and Marcus followed in his footsteps working for 13 years in the restaurant industry. Keith and Marcus worked at The Capital Grille for close to two years as servers before they were unjustly terminated in the spring of 2011.

The Capital Grille is part of the Darden Restaurant Company, the world's largest full-service restaurant company, which also owns the brands Olive Garden, Red Lobster, and LongHorn Steakhouse, and nets \$5 billion in revenue annually. Although the company has won several diversity awards and the company's CEO is African American, diversity has not meant equal opportunity for Black workers like Keith and Marcus. Reflective of the restaurant industry as a whole, the company's only livable wage positions are to be found in the company's fine dining steakhouse, The Capital Grille, where the vast majority of servers, bartenders, and managers are White. Workers from Olive Garden and Red Lobster are rarely given the opportunity to apply to work at The Capital Grille.

Keith and Marcus joined The Capital Grille shortly after it opened, and that first year the restaurant was hectic and disorganized, with a lot of management turnover. The restaurant was chronically overstaffed. Ten to fifteen servers were always scheduled to work the floor, so management regularly had to "cut down the floor." Keith was cut on multiple occasions.

Because management made it clear that workers were not to punch in early, the four to five hours of pre-shift work that Marcus and others like him did every week went unpaid. At times, he would set up then get sent home before clocking in.

There were no sick days, so servers worked sick since they could not afford to do otherwise. "Nobody got vacation," Keith said, "nobody took days off for family."

Some safety equipment was provided at first, like cutting gloves, but these slowly disappeared and were never replaced. Other equipment, like gloves for polishing glassware, was never provided.

When Keith and Marcus were hired, they were two of three Black servers. At the time, The Capital Grille also employed three Black workers in the kitchen, and two Black cocktail waitresses – a total of eight out of the 40 workers at the restaurant.

"When a restaurant opens up, they just want to hire people and open up," Marcus said. "As a result, it was fairly diverse when the restaurant first opened."

By the time Keith and Marcus were fired, all eight of those workers were gone. Keith saw that The Capital Grille divided servers into "the haves and the have-nots." Certain White servers were always given the most lucrative tables and areas, and management wanted White females to serve groups of businessmen. Some White servers served so many guests that they were assigned three server assistants. In contrast, Keith was rarely assigned a server assistant. This meant both fewer guests and more work.

Six months before Keith and Marcus were fired, several company representatives met with management to discuss concerns about the company's image. "After that meeting there was a lot of heat on the Black servers," Marcus recalled. The Capital Grille's regional manager told the General Manager that he wanted certain servers gone because they "didn't fit the company image," Keith noted. Upper management wanted to remove Black servers, and this served as an excuse.

One after another, Black servers, bartenders, and kitchen staff were let go. One of the cocktail waitresses was fired while another cocktail waitress was granted maternity leave but never rescheduled when she was ready to return. Fired Black workers were replaced with White workers.

A few months before he was terminated, Keith was written-up following a customer complaint about service. The food had taken a long time to come out, and Keith was unfairly blamed. Three months later, Keith was terminated.

After Keith was fired, Marcus was told that it had been "time for [Keith] to go." The general manager was seen as friendly to the White servers, but didn't talk to the Black servers at all. It was a Black supervisor that told Marcus he was also in danger of losing his job. A week later, Marcus was fired.

The restaurant has a written disciplinary policy of three warnings followed by a meeting with the general manager. Marcus had been warned once for using his phone. He came in to work one day and was told to set up and work a party, with no additional information about a discount. Customers later complained that they had not been given their promised discount.

"I didn't get called into the office, I didn't have a meeting, an opportunity to talk about the problem. I just got a text message," exclaimed Marcus. "I was fired by text!" The Black supervisor was also fired.





Policy Recommendations

While employers must be committed to providing equal opportunities to all workers, additional public policy measures are needed to protect workers of color and to help the industry fulfill its potential. The government and regulatory agencies must also commit to leveling the playing field by supporting responsible employers, and setting higher standards for the industry.

1 PROTECT WORKERS FROM VIOLATIONS OF FEDERAL, STATE AND LOCAL EQUAL EMPLOYMENT OPPORTUNITY LAWS.

- Assist advocates engaged in anti-discrimination campaigns through intervention and mediation, encouraging employers to change their discriminatory practices.
- Support penalties against employers who violate anti-discrimination laws.
- Work with advocates to provide educational materials and hold events to educate employers on complying with local, state, and federal anti-discrimination laws.
- Ensure that employers understand their liability with regard to equal employment laws and the consequences of engaging in illegal discriminatory practices.

2 PUBLICLY SUPPORT COLLECTIVE ORGANIZING AMONG RESTAURANT WORKERS.

Governments, employers, and non-governmental social sector organizations should foster and support organizing among restaurant workers to fight discrimination and segregation and improve wages and working conditions in their workplaces and publicize the public benefits of these collective actions.

3 RAISE THE TIPPED MINIMUM WAGE:

Raising the tipped minimum wage would benefit hundreds of thousands of Black restaurant workers, many of whom are in poverty.

4 SUPPORT CAREER LADDERS:

ROC-United has created training programs specifically geared to restaurant workers of color in order to give them access to training that they need to access the living wage jobs in the industry. These programs serve as examples to the restaurant industry and prove that people of color are capable of wielding nuanced knowledge of food and drinks and providing great service as much as anyone else. By supporting these programs, policymakers could help thousands of workers of color to move into better paying positions.

Endnotes

i U.S. Bureau of Economic Analysis, *Full-Time and Part-Time Employees by Industry*, December 14, 2010.

ii U.S. Bureau of Economic Analysis, *Value Added by Industry*, April 26, 2011.

iii U.S. Bureau of Labor Statistics, *Consumer Expenditure Survey, 2010*. Downloaded November 22, 2011. www.bls.gov/cex

iv Restaurant Opportunities Center United, *National Behind the Kitchen Door Survey Database*.

v Ibid.

vi Ibid.

vii Ibid.

viii Ibid.

ix Ibid.

x Ibid.

xi Ibid.

xii Ibid.

xiii Ibid.

xiv Restaurant Opportunities Center of New York, *The Great Service Divide*, 2009.

xv Ibid.

xvi Ibid.