Picking up the NRA’s Tab

The Public Cost of Low Wages in the Full-Service Restaurant Industry
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Executive Summary

The full-service restaurant industry currently employs over 4 million people and employment is expected to grow by nearly 10% by 2022.\textsuperscript{1,2} Despite the industry’s growth, restaurant workers occupy eight of the ten lowest-paid occupations reported by the Bureau of Labor Statistics; at least five of these are in full-service.\textsuperscript{3} Many of these full-service restaurant workers receive wages far below what is needed to provide basic necessities for themselves and their families. As a result, these workers must rely on taxpayer-funded programs in order to meet their basic needs.

Of late there has been much public attention on fast food workers and the way that taxpayers subsidize fast food companies because so many of their workers rely on public assistance.\textsuperscript{4} What has been less publicized is the fact that the fast food segment of the restaurant industry works hand in hand with full-service restaurants through the National Restaurant Association, the trade group and lobby for the entire industry. The full-service restaurant industry, which employs the majority of restaurant workers, receives a double subsidy from the public: through extraordinary levels of full-service restaurant workers being on public assistance; and through the subminimum wage, which requires customers to pay these workers’ wages directly through tips.

This report estimates the public cost of low-wage jobs in the full-service restaurant industry. We focus our analysis on major means-tested public programs that operate as income supplements for working families. These vital public benefit programs include health insurance (Medicaid and Children’s Health Insurance Program, or CHIP, coverage), the federal earned income tax credit (EITC), food stamps (the Supplemental Nutrition Assistance Program, or SNAP), basic household income assistance (Temporary Assistance for Needy Families, or TANF), the national school lunch program, childcare assistance, low income home energy assistance program, section 8 housing, and housing choice vouchers.\textsuperscript{5} We analyze public program utilization and cost data to estimate annual benefit expenditures on the families of full-service restaurant workers for the years 2009-2013.

**MAIN FINDINGS**

- Nearly half of the families of full-service restaurant workers are enrolled in one or more public-assistance programs.\textsuperscript{6}
- The cost of public assistance to families of workers in the full-service restaurant industry is $9,434,067,497 per year.\textsuperscript{7}
- Tipped restaurant workers live in poverty at 2.5 times the rate of the overall workforce.\textsuperscript{8}
- Restaurant workers as a whole experience poverty at a rate over twice that of the overall workforce – 20.9%.\textsuperscript{9}
- Large full-service restaurant companies like Darden and DineEquity pay their workers so little that many of the employees of these companies rely on taxpayer-funded programs.\textsuperscript{10}
- The taxpayer cost of a single Olive Garden is $196,970 annually.\textsuperscript{11}
Every year on tax day, when American taxpayers pay their fair share to sustain crucial public services, they also get stuck with a multi-billion dollar tax bill to cover outsized subsidies and tax breaks that benefit the country’s largest companies. With many high-growth industries paying their employees too little to meet basic needs for their families, a growing number of working families must supplement their income with publicly funded programs. Full-service restaurant workers are at the core of America’s growing low-wage economy; many of these workers’ earnings are far below what’s needed to meet their subsistence needs.

This report estimates the cost to the public as a result of low wages and scarce benefits in the full-service restaurant industry. To measure these costs, we draw upon publicly available administrative and survey data on major means-tested benefit programs. We estimate that the cost of these programs for families of full-service restaurant workers averaged nearly $9.5 billion per year from 2009-2013.

While the full-service restaurant industry thrives, the workers who cook, clean, prepare, and serve food in the nation’s restaurants struggle with poverty wages. Over 21% of tipped restaurant workers live in poverty — that’s 2.5 times the rate of the overall workforce.

Conditions for full-service restaurant workers closely reflect those experienced within the industry as a whole. Nearly half of the families of full-service restaurant workers are enrolled in one or more public programs.

### DATA SOURCES AND METHODS

This section provides an overview of our data sources and methods; for a detailed explanation of our methodology see Appendix.

Our estimate of the public cost of low-wage work for full-service restaurant workers is based on combining data on employment and public program participation with administrative data on participation levels and costs for relevant programs. This estimate draws upon an analysis of major means-tested public benefit programs that function as income supplements for low-income families. Public benefit programs analyzed include: health insurance (Medicaid and Children’s Health Insurance Program, or Chip, coverage), the federal earned income tax credit (EITC), food stamps (the Supplemental Nutrition Assistance Program, or SNAP), basic household income assistance (Temporary Assistance for Needy Families, or TANF), the national school lunch program, childcare assistance, low income home energy assistance program, section 8 housing, and housing choice vouchers. Our analysis of public benefits to employed workers covers benefits directly provided to full-service restaurant workers as well as their family as a whole. This includes restaurant workers with children enrolled in the CHIP program and other benefits provided at the family level such as SNAP and EITC.
To carry out our analysis we combined government administrative data containing enrollment and cost data for major public support programs with information available in the Current Population Survey (CPS). Together, these sources allow us to estimate the total amount of public benefits paid to full-service restaurant workers. In cases where government administrative program data is underrepresented in the CPS, we adjusted the CPS data to match the government data and correct a well-documented undercount of certain program enrollment. In combining the CPS and administrative data, we selected a multiyear period (2009-2013) that minimized the impact of annual fluctuations in program costs and enrollment.

Findings

As a foundation for our estimate of the public cost of low-wage jobs in the full-service restaurant industry we analyzed enrollment and expenditure data for major public programs in order to generate an average cost per family for the benefits analyzed. From 2009 through 2013, total support for major public assistance programs averaged $631.64 billion annually. Medicaid and CHIP account for about 70 percent of the total costs. The Earned Income Tax Credit and Food Stamps are the next most costly benefits, amounting to 20 percent of the remaining expenditures.

After determining the average costs per family for the relevant benefit programs, we then proceeded to estimate the number of people participating in the programs who are full-service restaurant workers. We identified full-service restaurant workers in the Current Population Survey (CPS) dataset by drawing upon Occupational Employment Statistics (OES) from the Bureau of Labor Statistics (BLS). Using OES data, we modeled full-service restaurant workers within the broader food service restaurant occupations defined in the CPS. Combining government administrative data with figures drawn from the CPS allowed us to generate an estimate of the cost-per-worker of major public programs for full-service restaurant employees.

We find that the total cost of public programs for full-service restaurant workers’ families: $9,434,067,497

<table>
<thead>
<tr>
<th>Federal Program</th>
<th>Enrollment</th>
<th>Expenditure</th>
<th>Average Annual Cost per Recipient</th>
</tr>
</thead>
<tbody>
<tr>
<td>EITC</td>
<td>27,680,000</td>
<td>$62,620,000,000</td>
<td>$2,278</td>
</tr>
<tr>
<td>Medicaid and CHIP</td>
<td>59,893,116</td>
<td>$448,120,295,408</td>
<td>$7,482</td>
</tr>
<tr>
<td>Food Stamps</td>
<td>42,549,200</td>
<td>$67,355,383,600</td>
<td>$1,583</td>
</tr>
<tr>
<td>TANF</td>
<td>4,143,722</td>
<td>$10,773,783,605</td>
<td>$2,599</td>
</tr>
<tr>
<td>School Lunch</td>
<td>31,480,248</td>
<td>$14,260,200,000</td>
<td>$454</td>
</tr>
<tr>
<td>Energy Assistance</td>
<td>7,393,204</td>
<td>$4,173,838,690</td>
<td>$563</td>
</tr>
<tr>
<td>Childcare Assistance</td>
<td>934,920</td>
<td>$8,734,616,280</td>
<td>$9,360</td>
</tr>
<tr>
<td>Housing Assistance</td>
<td>2,265,571</td>
<td>$15,598,456,335</td>
<td>$6,885</td>
</tr>
</tbody>
</table>

Sources: 2009-2013 March CPS & ACS, program administrative data.
Darden is the dominant presence in the full-service restaurant sector, with more than 1,500 locations that serve more than 320 million meals per year. Along with its Olive Garden restaurants, which can be found throughout the United States, the company owns six smaller chains: LongHorn Steakhouse, Capital Grille, Bahama Breeze, Seasons 52, Eddie V’s and Yard House. Darden recently sold the Red Lobster chain of seafood restaurants.

Darden, which has more than 150,000 employees, has been embroiled in numerous controversies over its labor practices and is a leading opponent of workplace reforms such as paid sick days. It has paid out several million dollars to settle lawsuits concerning the failure to pay overtime and requiring off-the-clock work, and additional class actions are pending.

Through its leadership in the National Restaurant Association, Darden has fought against improvements in the minimum wage, especially for tipped employees. In states such as Florida, Darden officials are reported to have pressed legislators to pass laws pre-empting local efforts to improve wages and working conditions.

There have also been allegations that Capital Grille has engaged in a pattern of racial discrimination, including the denial of better-paid server and bartender jobs to non-white workers. In 2009, the U.S. Equal Employment Opportunity Commission announced that Darden’s Bahama Breeze chain would pay $1.3 million to settle allegations that managers at its restaurant in Beachwood, Ohio had subjected 37 black workers to repeated overt racial harassment. In addition to the monetary relief, the chain signed a three-year consent decree requiring it to improve its anti-discrimination practices throughout the country.

With its board now controlled by New York-based hedge fund Starboard Value, Darden seems more intent than ever to drive down working standards in order to realize gains for Wall Street.

**CEO Pay**

In fiscal year 2014 then-chief executive Clarence Otis, Jr. received annual compensation totaling $7 million and realized $2.6 million in value on the exercise of previously awarded stock options. In February 2015 Eugene Lee, Jr. took over as CEO.

**Political Influence**

In the last two election cycles (since 2011-2012) the Darden political action committee has made $951,000 in contributions to federal candidates. Darden has also greatly increased its lobbying expenditures in recent years, spending more than $1 million a year to influence federal policy.

Big Five profiles prepared by Good Jobs First.
families of workers in the full-service restaurant industry averaged over $9.4 billion per year between 2009 and 2013. More than 1.3 million families of full-service restaurant workers receive the Earned Income Tax Credit, about double the number enrolled in any other program. 679,062 children of full-service restaurant workers receive a free or subsidized school lunch. 562,274 families of full-service restaurant workers depend on food stamps to meet their basic needs. 509,310 families of full-service restaurant workers receive a form of public healthcare assistance. These programs provide a vital lifeline for poverty-wage full-service restaurant workers and their families. However, through these programs taxpayers also subsidize America’s largest and most successful restaurant employers.

FULL-SERVICE RESTAURANTS

The full-service restaurant industry is defined by large iconic brands whose household names generate billions in earnings each year. However, while industry chief executives enjoy abundant compensation packages and shareholders receive generous rewards through dividends and share buybacks, the workers who make these restaurants successful are among the lowest paid in the workforce. Finding themselves left out from the rewards generated through their labor, millions of full-service restaurant workers must rely on public assistance in order to meet their basic needs.

Low wages and lack of benefits at the five largest full-service restaurant companies in the U.S. cost taxpayers an estimated $1.4 billion per year. These large corporations benefit from paying their workers tax-payer-subsidized low wages, while shifting huge rewards towards chief executives and shareholders. Just last year these companies collectively:

- Earned $704,746,000 in profits;
- Paid $27,173,422 to their chief executives;
- Distributed $750,549,000 in dividends and buybacks.

Payroll data for individual full-service restaurant companies is not publicly available, so we estimate the cost of public assistance attributable to a particular company by applying the average public cost per employee for participation in public benefit programs generated above to the number of employees working under a particular brand.

Who is the NRA?

The National Restaurant Association (NRA) is the trade lobby for the $700 billion restaurant industry. With annual revenues of over $91 million, 750 staff, and nearly 40 congressional lobbyists, the NRA is one of the most powerful business lobbies in Congress and state legislatures.

The NRA’s legislative agenda centers on opposing policies that improve working conditions and public health such as minimum wage increases, paid sick days, nutritional menu labeling, and regulation of sodium, trans fats, and sugars. The NRA has been one of the fiercest and most effective opponents against initiatives to raise the minimum wage around the country. Opposing raises for tipped workers – more than two-thirds of whom are women - through minimum wage increases is a particular priority for the NRA. As the leading force keeping the federal tipped minimum wage at $2.13, the NRA bears special responsibility for the gender inequities produced by maintaining subminimum wages for tipped workers which result in the restaurant industry being the single largest source of sexual harassment claims to the Equal Employment Opportunity Commission.

Taking cues from the American Legislative Exchange Council (ALEC), the NRA has lobbied successfully to pass legislation that prevents localities from getting to vote on paid sick days, strips states of their right to enact nutrition labeling requirements, and obstructs the advancement of women’s equality by opposing the Paycheck Fairness Act, the Pregnancy Discrimination Act, and the Family Medical Leave Act.

The most recognizable members of the NRA include brand-name industry giants like McDonalds, Yum! Brands (the owner of Taco Bell and KFC), Disney, and Darden Restaurants (the owner of Olive Garden, Longhorn Steakhouse, and Capital Grille).
**THE BIG FIVE IN FULL SERVICE**

**DINE EQUITY**

Formerly known as IHOP Corporation, DineEquity is the parent company of the IHOP chain of pancake-focused restaurants that began in 1958, as well as the Applebee’s chain of full-service grill and bar casual dining restaurants. The latter was acquired in 2007, and the DineEquity name was adopted the following year.

DineEquity operates throughout the United States and in more than a dozen foreign countries, with nearly 2,000 Applebee’s and 1,600 IHOP locations employing a total of about 200,000 workers. Nearly all of the restaurants are franchise operations. In 2014 the company had $36 million in profit on revenues of $655 million.

Applebee’s is among the restaurant chains accused of not paying minimum-wage rates for untipped work. In 2014 a group of former employees of one of the chain’s franchise operators received a $2.7 million settlement over the issue. Other class action lawsuits involving Applebee’s workers are pending. Some IHOP franchisees are facing legal actions concerning overtime and minimum wage issues.

Some Applebee’s franchisees have also faced charges of sexual harassment. In 2011 one operator in North Dakota paid $1 million to settle allegations of this kind brought by the U.S. Equal Employment Opportunity Commission.

**CEO Pay**

In 2014 chief executive Julia Stewart received annual compensation totaling $6.6 million as well as realizing more than $6.9 million in value from the exercise of stock options and vesting of stock awards granted in previous years.

**Political Influence**

In the last two election cycles (since 2011-2012) the DineEquity political action committee has contributed $16,000 to federal candidates. During the same period the company spent $930,000 on federal lobbying activities.

**BLOOMIN’ BRANDS**

Bloomin’ Brands is one of the largest full-service restaurant companies, with four chains: Outback Steakhouse, Carraba’s Italian Grill, Bonefish Grill, and Fleming’s Prime Steakhouse and Wine Bar. Its 1,510 locations, which are mostly company-owned, can be found in 48 states and 21 other countries. In 2014 Bloomin’ had net income of $95 million on revenues of $4.4 billion.

Formerly known as OSI Restaurant Partners, the company was acquired in 2007 by a private equity group led by Bain Capital. The owners staged an initial public offering in 2012, and Bain sold the last of its holdings in March 2015.

In 2014 a federal court conditionally certified a class action lawsuit alleging that Outback Steakhouse improperly required unpaid off-the-clock work by employees. The case reportedly covers some 100,000 workers. Other cases are also pending.

In 2009 the company had to pay $19 million to settle a class action lawsuit brought by the U.S. Equal Employment Opportunity Commission alleging sex discrimination against thousands of woman employed at its corporate-owned restaurants nationwide with regard to terms and conditions of employment as well as opportunities for advancement. In 2013 the company had to pay $65,000 to settle a disability discrimination lawsuit filed by the EEOC on behalf of employees of an Outback Steakhouse in Phoenix.

**CEO Pay**

In 2014 chief executive Elizabeth Smith received annual compensation totaling $6.2 million and realized $8.5 million in value upon the exercise of previously awarded stock options.

**Political Influence**

In the last two election cycles (since 2011-2012) the Bloomin’ Brands political action committee contributed more than $1 million to federal candidates. During the same period Bloomin’ spent $570,000 on federal lobbying activities.

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Big Five profiles prepared by Good Jobs First.
DineEquity, the largest full-service restaurant franchiser, accounts for the largest expenditures on public benefits at nearly $450 million annually. Next in line is Darden Restaurants, the largest full-service restaurant company that directly employs its workers, and the largest in terms of revenue. Darden’s workforce collects an estimated $340 million annually. Broken down to the restaurant level, this translates into a taxpayer cost of $196,970 to support employees at an average-sized Olive Garden. The strong financial condition of these full-service restaurant companies, while not reflected in workers’ wages, is evident in the generous executive compensation packages, dividends, and stock buybacks that characterize their operations.

Not only do the largest full-service restaurant companies generously reward executives and shareholders while maintaining tax-payer-subsidized low-wages for their workforce, but they also aggressively lobby to cement this imbalance between those at the top of the restaurant industry and those at the bottom. The legislative priorities of full-service restaurant companies and their industry trade group, the National Restaurant Association, center on protecting an unfair system that allows certain employers to pay workers subminimum wages and targeting other worker-friendly policies such as paid sick leave and fair scheduling laws. The five largest full-service restaurant companies collectively spent $10,954,988 on federal lobbying and contributions since 2011.

As leaders in the nation’s restaurant industry, these companies could pursue a policy agenda of improving restaurant industry standards. Instead, they drive an agenda that diminishes public health and working conditions. While full-service restaurant industry chief executives and stockholders enjoy hundreds of millions in rewards, the workers whose labor is the foundation of this success are forced on the public dole. Taxpayers are left to bridge the gap between poverty wages and subsistence for millions of full-service restaurant workers.

Tipped Sub-Minimum Wage

Since 1991, the federal tipped sub-minimum wage has been set at $2.13 per hour. States may establish a minimum wage that is higher than the federal government’s. This has resulted in a patchwork of state policies in which, effectively, restaurant workers in 22 states receive the federal sub-minimum wage of $2.13 per hour, restaurant workers in 20 states receive a slightly higher state sub-minimum wage of between $2.13 and $5.00 per hour, and restaurant workers in eight states receive the full minimum wage because those states have chosen to pay an equal wage to both tipped and non-tipped workers.

Poverty rates for tipped workers — particularly for women, who make up 66% of all tipped workers, and for people of color, who make up 40% of the total — are higher in states that pay a $2.13 sub-minimum wage than in states that pay one minimum wage for tipped and non-tipped workers. In 2013, Darden Restaurants reported that it pays 20% of its hourly workforce the tipped subminimum wage of $2.13.
Brinker International is the parent company of the Chili’s Grill & Bar casual dining chain (founded in 1975) as well as the smaller Maggiano’s Little Italy chain. A bit over half of the 1,500 Chili’s locations are company-owned, as are all of the four dozen Maggiano’s locations. In fiscal year 2014 the company, which sold its majority interest in Romano’s Macaroni Grill in 2008, had profits of $154 million on revenue of $2.9 billion.

Like other older casual dining chains, Chili’s has been struggling with the tendency of consumers to opt either for cheaper, faster options such as Chipotle or more sophisticated, upscale choices.

In a class action case brought against Brinker, the California Supreme Court ruled in 2012 that employers in the state had to provide uninterrupted meal and rest breaks. The case was later settled for about $44 million. Other overtime suits against the company are pending.

In 2011 a federal appeals court upheld a lower court ruling that Chili’s had unlawfully required its servers to share their tips with expediters.

In 2004 Chili’s was faced with a spate of lawsuits stemming from a salmonella outbreak at one of its suburban Chicago locations.

CEO Pay
In fiscal year 2014 chief executive Wyman Roberts received annual compensation totaling $3.6 million as well as realizing $3.5 million in value from the exercise of stock options and vesting of stock awards granted in previous years.

Political Influence
In the last two election cycles (since 2011-2012) the Brinker political action committee contributed $208,000 to federal candidates. During the same period Brinker spent $320,000 on federal lobbying activities.

Cracker Barrel Old Country Store, Inc. is the parent company of about 630 Cracker Barrel full-service restaurants in 42 states, with the largest concentration in the Southeast. The locations, all company-owned, serve “home-style country food” and sell food, apparel, and houseware items through their gift shops. In fiscal year 2014 the company (also known as CBRL Group) had profits of $132 million on $2.7 billion in revenue.

In the early 1990s the chain was at the center of a controversy over employment policies that were said to discriminate against gay and lesbian workers. The company announced that it would eliminate discriminatory policies but continued to score low in ratings compiled by groups such as the Human Rights Campaign. The company later faced charges of discriminating against African-American customers. In 2004 it settled a lawsuit brought by the U.S. Justice Department by signing a consent decree requiring it to adopt extensive non-discrimination policies.

In recent years Cracker Barrel has also faced lawsuits alleging that it improperly denies overtime pay to employees such as associate managers who perform non-exempt work. Several proposed class action and collective action suits are currently pending.

CEO Pay
In fiscal year 2014 chief executive Sandra Cochran received annual compensation totaling $5.6 million as well as realizing $8.8 million in value from the exercise of stock options granted in previous years.

Political Influence
In the last two election cycles (since 2011-2012) the Cracker Barrel political action committee contributed $106,000 to federal candidates. During the same period Cracker Barrel spent $400,000 on federal lobbying activities.
RECOMMENDATIONS FOR POLICYMAKERS, EMPLOYERS, AND THE PUBLIC

Our analysis of the public cost of low wages in the full-service restaurant industry indicates that both workers and taxpayers would benefit from improved pay and benefits provided to restaurant workers. Retail and fast food industry leaders have slowly begun to raise wages for their lowest paid workers, recognizing the value of retaining skilled workers as well as responding to increasing public concern and worker mobilization around poverty wages. Major full-service restaurant employers like Darden would benefit from taking these lessons on board. Moreover, polling conducted by Americans for Tax Fairness indicates that Americans desire a tax system that requires large corporations and the wealthy to pay their fair share.40

Policymakers should:

• Enact, without delay, One Fair Wage, eliminating the tipped sub-minimum wage and raising the minimum wage.
• Enact a legislative requirement that places special emphasis on raising wages at large companies that place outsized burdens on public spending.
• Ensure robust funding for vital programs that provide a lifeline for working families.
• Publicly support collective organizing among restaurant workers to help them improve conditions in their workplace.

Employers should:

• Invest in their workforces by increasing wages and benefits.
• Respect workers’ rights to organize collectively to improve conditions in their workplace.
• Create career ladders in the restaurant industry that provide opportunity for people of color, immigrants, and women to move into higher paying positions in the industry.

The public should:

• Demand that legislators listen to workers, not a trade lobby like the NRA.
• Speak up every time you eat out by using the ROC National Diners Guide app. Our app gives diners a voice and an opportunity to express to restaurant owners that fair wages, access to paid sick days, and internal advancement opportunities are important to customers: www.rocunited.org/dinersguide.
• Taxpayers should demand that their dollars go where they are needed most, not to subsidize low wages at large corporations.
Appendix

Our estimate of the public cost of low-wage work for full-service restaurant workers is based on combining data on employment and public program participation with administrative data on participation levels and costs for relevant programs.

PUBLIC PROGRAMS ANALYZED
Our estimate of the public cost of low wages in the full-service restaurant industry is based on an analysis of major means-tested public benefit programs that function as income supplements for low-income families. Public benefit programs analyzed include: Health insurance (Medicaid and Children’s Health Insurance Program, or Chip, coverage), the Federal Earned Income Tax Credit (EITC), food stamps (the Supplemental Nutrition Assistance Program, or SNAP), basic household income assistance (Temporary Assistance for Needy Families, or TANF), The National School Lunch Program, Childcare Assistance, Low Income Home Energy Assistance Program, Section 8 Housing and Housing Choice Vouchers. Our analysis of public benefits to employed workers covers benefits directly provided to full-service restaurant workers as well as their family as a whole, including restaurant workers with children enrolled in the CHIP program and other benefits provided at the family level such as SNAP and EITC.

DATA SOURCES
To carry out our analysis we combined government administrative data containing enrollment and cost data for major public support programs with information available in the Current Population Survey (CPS). Together these sources allowed us to estimate the total amount of public benefits paid to full-service restaurant workers. In cases where government administrative program data were underrepresented in the CPS, we adjusted the CPS data to match the government data & correct a well-documented undercount of certain program enrollment.

In combining the CPS and administrative data, we selected a multiyear period (2009-2013) that minimized the impact of annual fluctuations in program costs and enrollment.41
IDENTIFYING FULL-SERVICE RESTAURANT WORKERS IN THE CENSUS DATA

We identified full-service restaurant workers by using 2011 OES data to model full-service restaurant workers in our CPS sample. Using 2011 OES breakdowns we determined the representation of full-service restaurant workers within OCC codes that were used to determine benefit usage in other datasets.\textsuperscript{42}

<table>
<thead>
<tr>
<th>OCC Code</th>
<th>Occupation</th>
<th>2011 OES % Full-Service\textsuperscript{43}</th>
</tr>
</thead>
<tbody>
<tr>
<td>4000</td>
<td>Chefs and head cooks</td>
<td>49%</td>
</tr>
<tr>
<td>4010</td>
<td>First-line supervisors/managers of food preparation and serving workers</td>
<td>26%</td>
</tr>
<tr>
<td>4020</td>
<td>Cooks</td>
<td>47%</td>
</tr>
<tr>
<td>4030</td>
<td>Food preparation workers</td>
<td>27%</td>
</tr>
<tr>
<td>4040</td>
<td>Bartenders</td>
<td>41%</td>
</tr>
<tr>
<td>4110</td>
<td>Waiters and waitresses</td>
<td>77%</td>
</tr>
<tr>
<td>4130</td>
<td>Dining room and cafeteria attendants, bartender helpers, and miscellaneous</td>
<td>59%</td>
</tr>
<tr>
<td></td>
<td>food preparation and serving related worker</td>
<td></td>
</tr>
<tr>
<td>4140</td>
<td>Dishwashers</td>
<td>65%</td>
</tr>
<tr>
<td>4150</td>
<td>Hosts and hostesses, restaurant, lounge, and coffee shop</td>
<td>85%</td>
</tr>
<tr>
<td>4160</td>
<td>Food preparation and serving related workers, all other</td>
<td>28%</td>
</tr>
</tbody>
</table>

ESTIMATING PUBLIC COST OF LOW WAGES BY FULL-SERVICE RESTAURANT COMPANY\textsuperscript{44}

The estimated total U.S. restaurant workforce for each company was calculated by multiplying the estimated average employees per restaurant by the total U.S. restaurant locations for each company. Estimated total U.S. restaurant workforce refers only to restaurant employees, and excludes corporate staff, supply chain employees, and other non-restaurant workers.

Total US restaurants included corporate-owned and franchised locations. Analysis of employees per restaurant was based on analysis of data contained in public filings for each company. Restaurant workforce estimates for franchised brands are based on average employees per restaurant at company-owned stores.

Total public cost for each company was estimated by multiplying the average public cost per employee in the full-service restaurant industry by the number of restaurant workers at each company.
Endnotes


5. We focused on this set of public benefits for our analysis due to the availability of data that links administrative costs and program enrollment.


7. ROC United analysis of 2009-2013 March CPS & ACS, program administrative data.


10. Total cost for each company is estimated by multiplying the average public cost per employee in the full-service restaurant industry by the total number of restaurant workers at each company.

11. Ibid.


13. Total cost for each company is estimated by multiplying the average public cost per employee in the full-service restaurant industry by the total number of restaurant workers at each company.


19. Ibid.


21. Ibid.

22. Ibid.

23. Ibid.

24. Ibid.

25. Ibid.

26. Estimated total U.S. restaurant workforce for each company is calculated by multiplying the average employees per restaurant by the total U.S. restaurant locations for each company. Estimated total U.S. restaurant workforce refers only to restaurant employees, and excludes corporate staff, administrative personnel, supply chain employees, and other non-restaurant workers. Restaurant workforce estimates for franchised brands are based on average employees per restaurant at company-owned stores. Employee number data accessed through Company Annual Reports. Accessed via SEC Edgar on April 4, 2015.

27. Total cost for each company is estimated by multiplying the average public cost per employee in the full-service restaurant industry by the total number of restaurant workers at each company.

28. Ibid.


30. Ibid.

31. Ibid.


33. Effective July 2014, Eugene Lee replaced Clarence Otis as Interim CEO of Darden and took on the role permanently in February 2015. Total compensation refers to the most recent Darden 10-K filing (March 4 2015).


35. Seven states have no subminimum wage. In addition, Hawaii currently pays tipped workers a quarter less than the full minimum wage. However, by January 2018 the tipped minimum wage in Hawaii will increase to $10.10 for all tipped workers who earn less than $17.10/hour including tips.


42. Although OES full service data are not available for 2012 and 2013, the data for 2011 fall squarely in the center of our combined range of 2009-2013. Full Service employees were a combined 54% of all restaurant employees in 2011, and 53% of all restaurant employees in 2014.


PICKING UP THE NRA’S TAB

The Public Cost of Low Wages in the Full-Service Restaurant Industry