

## Our Recommendations

The Maine Restaurant Industry Coalition recommends the following steps to address the workplace problems documented in our study:

- 1. Level the playing field by providing paid sick days and increasing the tipped minimum wage.** Policymakers should require all employers to provide paid sick days to their employees, and raise the minimum wage for tipped workers to be closer to the minimum wage for all other workers. The lack of paid sick days can result in real public health challenges for the entire state.
- 2. Promote model employer practices.** Model employer practices should be publicized to provide much-needed 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 appear to implement them in practice.
- 3. Provide incentives for high road practices.** Initiatives and incentives should be considered to assist and encourage employers to provide living wages, basic health care benefits, and advancement opportunities to restaurant workers. Such initiatives could include rent and property tax incentives for employers who implement exceptional workplace practices, and subsidies and other measures that will make quality health insurance affordable for those working in this industry.
- 4. Labor, employment and health and safety standards should be strictly enforced.** Employers should also be educated about their legal responsibilities towards their employees and provided necessary support to observe their obligations to their workers and to the public. It is in the interest of both workers and the public at large that existing standards be observed and enforced.
- 5. Promote opportunity, penalize discrimination.** Policy makers should explore initiatives that encourage internal promotion and discourage discrimination on the basis of race, gender, age, sexual orientation, and immigration status in the restaurant industry.
- 6. Allow workers the right to organize.** Barriers to organizing restaurant workers should be addressed. The public benefits of unionization in this and other industries should be publicized as significant benefits to workers and employers.
- 7. Support further industry research.** Further study and dialogue should be undertaken that includes the perspectives of restaurant workers, employers, and decision-makers. Such dialogue can help 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..

The information collected here from workers, employers, and industry experts is critical to ensuring that the Maine restaurant industry truly shines both as an important contributor to the state’s job market and economy, and also as a source of well-being for Maine workers and communities.



By the Restaurant Opportunities Center of Maine, Restaurant Opportunities Centers United, and the Maine Restaurant Industry Coalition

*The Restaurant Opportunities Center of Maine is a joint project of the Restaurant Opportunities Centers United and the Southern Maine Workers’ Center.*

Maine Restaurant Industry Coalition partners include:

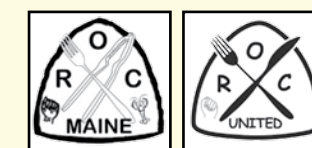
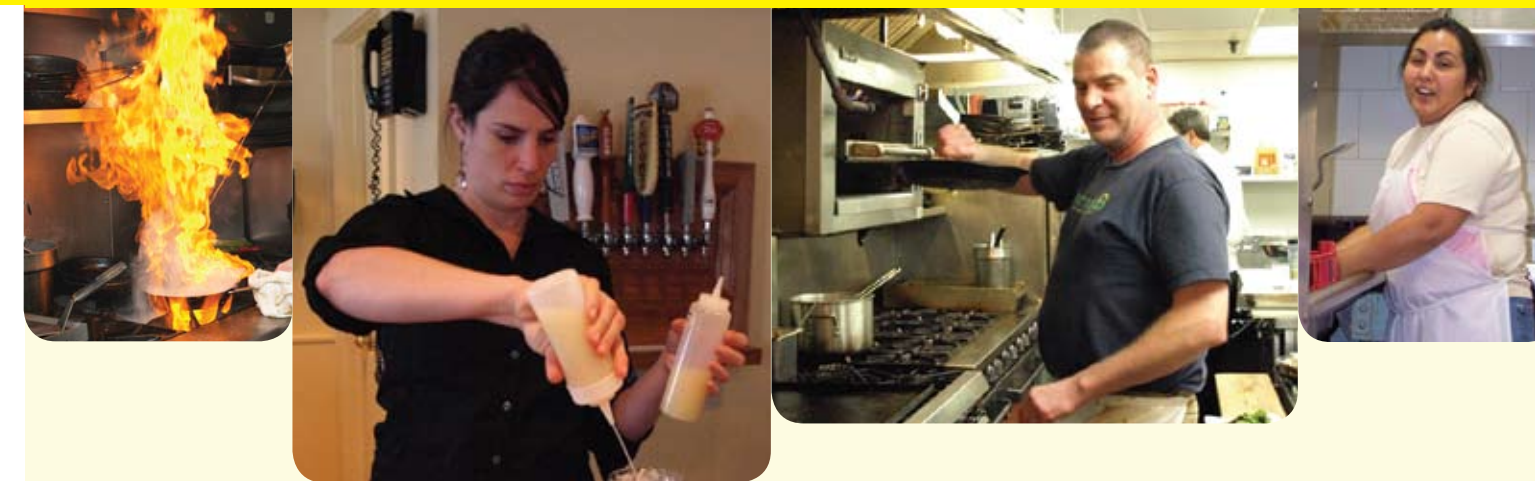
- Luisa S. Deprez, Ph.D., Professor, Department of Sociology and Women & Gender Studies Program, University of Southern Maine
- Immigrant Legal Advocacy Project
- The League of Young Voters
- Maine Equal Justice Partners
- Maine People’s Alliance
- Maine Women’s Policy Center
- Restaurant Opportunities Center of Maine (ROC-MAINE)
- Restaurant Opportunities Centers United (ROC-United)
- The Southern Maine Workers’ Center
- David Vail, Ph.D., Adams-Catlin Professor of Economics, Bowdoin College
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# EXECUTIVE SUMMARY

## Behind the Kitchen Door: Low Road Jobs, High Road Opportunities in Maine’s Growing Restaurant Industry



By the Restaurant Opportunities Center of Maine, Restaurant Opportunities Centers United, and the Maine Restaurant Industry Coalition

*The Restaurant Opportunities Center of Maine is a joint project of the Restaurant Opportunities Centers United and the Southern Maine Workers’ Center.*

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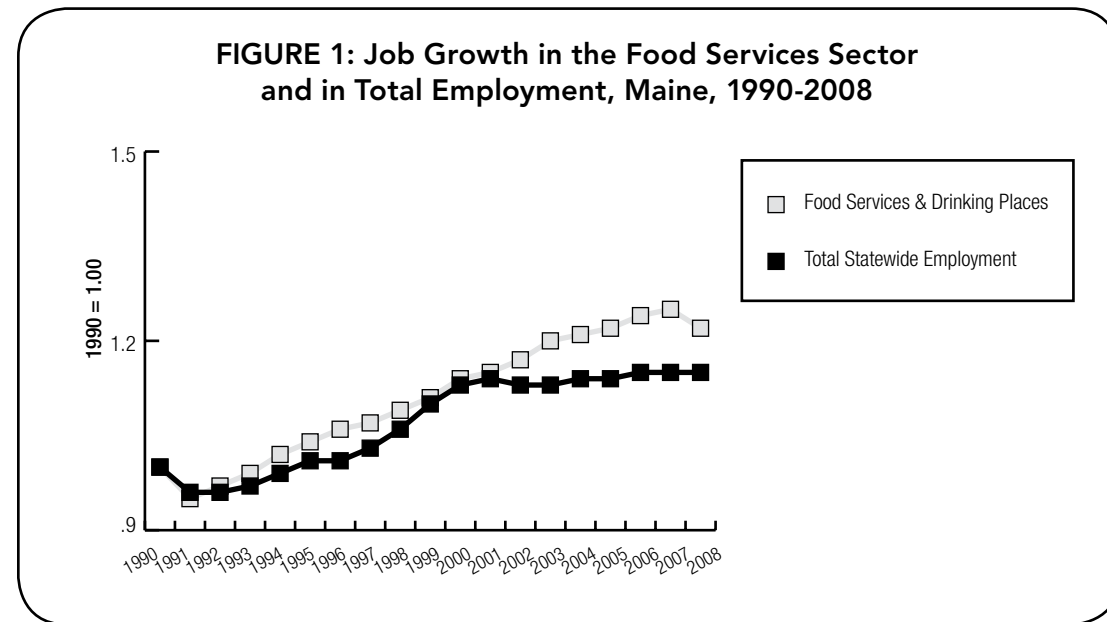
February 9, 2010

# Executive Summary

## A Resilient and Growing Industry

Maine is home to a vibrant, resilient, and growing restaurant industry. The industry includes close to 3,000 food service and drinking places that make significant contributions to the state’s tourism, hospitality and entertainment sectors, and to its economy as a whole.

Perhaps the industry’s most important contribution to the state’s economy is the thousands of job opportunities and career options it provides. In 2009, the industry accounted for over \$1.5 billion in sales. Since 1995, employment growth in the food services sector has outpaced that of the state overall. Restaurants employ more than 46,000 workers in the state – 7.6% of the state’s total employment. Since formal credentials are not a requirement for the majority of restaurant jobs, the industry provides employment opportunities to new immigrants, whose skills and prior experience outside the United States may not be recognized by other employers, workers who have no formal qualifications, young people just starting out in the workforce.



Source: Bureau of Labor Statistics, Current Employment Statistics

Table 1. An Overview of Workplace Conditions Faced by Maine Restaurant Workers

Wages Earned by Restaurant Workers	Percent of Workers	Health and Safety Violations Reported by Restaurant Workers	Percent of Workers
Less Than Minimum Wage (< \$7.25)	3%	Unsafely hot in the kitchen	18.2%
Below Poverty Line (\$7.25 - \$8.45)	20.9%	Fire hazards in the restaurant	13.5%
Low Wage (\$8.46 - \$16.99)	59.7%	Missing mats on the floor to prevent slipping	28.2%
Living Wage (\$17 and higher)	16.3%	Missing guards on cutting machines	86.6%
Job Benefits and Health Reported by Restaurant Workers	Percent of Workers	Workplace Injuries Reported by Restaurant Workers	Percent of Workers
Does not receive health insurance through employer	89.6%	Burned while on the job	58.3%
Do not have any health insurance coverage	38.8%	Cut while on the job	62%
Gone to ER without being able to pay	36.4%	Slipped and injured while on the job	18.6%
Do not get paid sick days	89.2%	Came into contact with toxic chemicals while on the job	37.1%
Do not get paid vacation days	79%	Have chronic pain caused or worsened by the job	24.1%
Have worked when sick	70.8%	Workplace Practices Reported by Restaurant Workers	Percent of Workers
Raises and Promotions Reported by Restaurant Workers	Percent of Workers	Worked when the restaurant was understaffed	85%
Do not receive regular raises	56.9%	Performed several jobs at once	90.2%
Have never been promoted in current job	60.2%	Experienced verbal abuse from supervisors	22.8%
Did not move up in position from last job to the current job	62.9%	Performed a job not trained for	35%
Did not receive on-going job training needed to be promoted from employer	47.6%	Done something due to time pressure that has put own health and safety at risk	26.6%
Employment Law Violations Reported by Restaurant Workers	Percent of Workers	Done something due to time pressure that might have harmed the health and safety of customers	18%
Experienced overtime wage violations	24.9%		
Worked off the clock without pay	27.4%		
Management took share of tips	12%		
Experienced minimum wage violations	3%		

Source: Maine Restaurant Industry Coalition Survey Data

### ABOUT THIS STUDY

**Behind the Kitchen Door: Low Road Jobs, High Road Opportunities in Maine’s Growing Restaurant Industry** was conceived of and designed by the Maine Restaurant Industry Coalition - a broad gathering of academics, policy analysts, worker advocates, worker organizers, unions, restaurant workers, and restaurant industry employers (see complete list on back cover). This report represents one of the most comprehensive research analyses of the restaurant industry in Maine.

The report uses data from 525 worker surveys, focus groups with 30 restaurant workers, and 30 one-hour interviews with restaurant employers in Maine. The results of this 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 was inspired by the need for examination and analysis of the overall health of the restaurant industry, which is fundamental to Maine’s economy and critical to the lives of thousands of restaurant workers and employers. The restaurant industry is an important and growing source of locally based jobs, and provides considerable opportunity for the development of successful businesses. It is therefore essential to make information about the industry from the perspectives of both workers and employers available to all stakeholders to ensure the industry’s sustainable growth.

## Many Bad Jobs, A Few Good Ones

There are two roads to profitability in the Maine 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 restaurant workers with living wages, health benefits, and advancement in the industry. Taking the low road to profitability, on the other hand, creates low-wage jobs with long hours, few benefits and exposure to dangerous and often-unlawful workplace conditions. Many restaurant employers in Maine appear to be taking the low road, creating a predominantly low-wage industry in which violations of employment and health and safety laws are commonplace.

While there are a few “good” restaurant jobs in the restaurant industry, and opportunities to earn a living 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, the median hourly wage for restaurant workers in Maine is only \$8.92 including tips, which means that half of all Maine restaurant workers actually earn less.

In our own survey of restaurant workers, the vast majority (89.6%) reported that they do not have health insurance through their employers. Earnings in the restaurant industry have also lagged behind that of the entire private sector. In terms of annual earnings, Maine restaurant workers on average made only \$14,207 including tips in 2008 compared to \$35,624 for the total private sector.

A majority of 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. Almost one quarter of the workers surveyed in our study (24.9%) experienced overtime violations and 27.4% reported working “off the clock” without being paid.

## 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. Violations of employment and health and safety laws place customers at risk and endanger the public. For example, restaurant employers who violate labor laws are also more likely to violate health and safety standards in the workplace – such as failing to provide health and safety training, or forcing workers to cut corners that harm the health and safety of customers.

The pervasiveness of accidents coupled with the fact that so few restaurant workers have health insurance can lead to escalating uncompensated care costs incurred by Maine hospitals. For example, more than one-third of all workers (36.4%) of surveyed workers reported that they or a family member had visited the emergency room without being able to pay for their treatment. Finally, low wages and 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. A key finding of our research is that whenever restaurant workers and high road employers are hurt by low road practices, so is the rest of society.

## The High Road Is Possible

It is possible to create good jobs while maintaining a successful business in the restaurant industry. Our interviews with employers revealed that as long as there is an enduring commitment to do so, it is possible to run a successful restaurant business while paying living wages, providing standard workplace benefits, ensuring adequate levels of staffing, providing necessary training, and creating career advancement opportunities. In fact, 16.3% of the workers we surveyed reported earning a living 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 positive force for job creation.