



Down the Shore, Everything's (Not) All Right: The Economic Insecurity of Restaurant Workers on the Jersey Shore

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Wider Opportunities for Women (WOW) works nationally and in its home community of Washington, DC to achieve economic independence and equality of opportunity for women and their families at all stages of life. For over 45 years, WOW has been a leader in the areas of nontraditional employment, job training and education, welfare-to-work and workforce development policy. Since 1995, WOW has been devoted to the economic security of women and their families through the national Family Economic Security (FES) Program. Through FES, WOW has reframed the national debate on social policies and programs from one that focuses on poverty to one that focuses on what it takes for families to make ends meet. Building on FES, WOW has expanded to meet its intergenerational mission of economic independence for women at all stages of life with the Elder Economic Security Initiative.



The mission of the Restaurant Opportunities Centers (ROC) United is to improve wages and working conditions for the nation's restaurant workforce. We are 13,000 restaurant workers, 100 high-road employers, and thousands of engaged consumers united for raising restaurant industry standards.

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The Basic Economic Security Tables (BEST) are tabulated by Wider Opportunities for Women (WOW) and the Center for Social Development (CSD) at Washington University in St. Louis as part of the national BEST Initiative led by WOW.

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The restaurant industry is one of the largest sectors in the United States economy. Between 2000 and 2010, while the economy as a whole shed jobs, the restaurant industry grew, and that growth trend is expected to continue. The industry currently employs over ten million workers nationwide and is projected to create over 860,000 new jobs by 2020. Restaurant work includes many of the fastest growing occupations in the country.

Restaurants have enjoyed similar growth in New Jersey. The industry accounts for about 8% of the state's economy and employs over 270,000 workers. Both the sector and its employment are projected to grow over the next eight years.¹ Despite the industry's size and potential for improving the livelihoods of its workers, wages and improvements in working conditions have not kept pace with growth.

This report is the result of a several months-long investigation of the experiences of restaurant workers in

three Jersey Shore counties and their persistent struggle to make ends meet. Workers reported that they earn poverty-level wages, lack access to earned sick days, experience volatile scheduling, have few labor protections and suffer pervasive sexual harassment. These challenges were compounded in the aftermath of Hurricane Sandy, when workers faced lost work time and wages and heightened economic insecurity.

This report reviews findings from our survey research, includes quotes from focus group participants, highlights additional data on workers' economic insecurity, and offers a snapshot of life as a Jersey Shore restaurant worker. It concludes by offering five policy recommendations that local, state, and federal lawmakers should pursue to promote restaurant workers' economic security and ensure this industry plays its necessary role in rebuilding New Jersey's middle class.

KEY FINDINGS

Ninety percent of adult servers in New Jersey had individual earnings that did not afford basic economic security. Seventy-five percent of adult servers who worked in 2011 had total household incomes that did not allow them to pay for all of their families' basic needs.

Eighty-seven percent of surveyed restaurant workers worked in tipped occupations, and of those workers, 82% reported earning a base wage less than the federal minimum wage of \$7.25. The majority of surveyed workers reported earning a base wage of less than \$3.50 per hour, and 39% earned exactly the federal and New Jersey's tipped minimum wage of \$2.13 per hour.

At the height of the summer season, over one-third of surveyed tipped workers reported earning weekly tips of \$450 or less. Sixty percent of tipped workers reported earning \$600 or less. Seventy percent of survey respondents reported that they did not receive due overtime pay.

Ninety-two percent of surveyed workers do not have access to paid sick days. More than half could not afford to miss even one day of work, and one-third feared being fired or punished if they missed a day. More than 80% said they had worked while sick, and nearly half said they had coughed or sneezed on food.

More than one-third of workers reported that their schedule changed either weekly or every other week. Fifty-one percent of workers reported that management sometimes asks for their input on their schedules, and 18% reported management never consults them regarding their schedules.

More than half of surveyed workers have experienced some form of sexual harassment at work. Thirty-one percent felt that they were scheduled for less favorable shifts or tables, passed over for a promotion, and/or paid less than others while doing similar work because of their gender, race, sexual orientation and/or immigrant status.

Nearly 90% of interviewed workers experienced unemployment after Hurricane Sandy. Twenty percent were out of work for two weeks, 10% were out of work for three weeks to one month, and another 21% were out of work for more than two months. And 12% of the workers surveyed were not able to return to the restaurant they worked at before Hurricane Sandy.

Despite high rates of unemployment after Hurricane Sandy, more than half of workers surveyed were not even aware of their eligibility for disaster unemployment insurance. Less than half of those workers who were aware of disaster unemployment actually received it.

Defining Economic Security: The Basic Economic Security Tables for New Jersey

One important measure of how well workers are faring is a comparison of their incomes to the local cost of making ends meet. To properly measure the true cost of making ends meet, it is necessary to construct a budget standard which defines and enumerates basic needs, and to demonstrate how much those basic needs cost at local market prices.

WOW developed the Basic Economic Security Tables™ Index (BEST) to give families, advocates and policy makers a clear understanding of the incomes families require to afford basic expenses. Economic security is the ability to afford housing, utilities, food, transportation, childcare, health care, emergency and retirement savings, and necessary household expenses. Individuals who lack the income needed to meet these basic needs are forced to choose among them. This financial balancing act can lead to worse health outcomes, increased debt and significant financial insecurity. Tables that enumerate the cost of these expenses in Monmouth, Ocean and Atlantic Counties for different family types are included in Appendix B.

Comparing restaurant servers' incomes to the BEST Index illustrates their high levels of economic insecurity. Nationally, 88% of adult servers who worked in the last 12 months had individual earnings below the BEST for their family types. Of these individuals, 83% are women. In New Jersey, 90% of servers who worked as restaurant

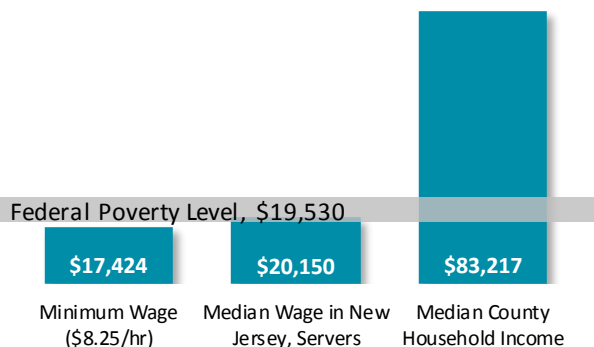
workers in the last 12 months had individual earnings below the BEST. This means that nine out of ten servers were not paid enough to afford basic economic security. Servers' situations are only slightly improved when one considers total household income: 75% of adult servers lived in households with earnings below the BEST for their family types. Seventy-five percent of these individuals were women.

Seventy-five percent of New Jersey households *headed by* an adult server have a total household income below their BEST. Nationally, women head 80% of these households; 51% are headed by single women, and 26% are headed by single moms. The vast majority of women servers are unable to provide economic security for themselves and their families, meaning they must regularly choose what necessities their families will forego as they struggle to make ends meet.

These gaps in economic security for restaurant workers are extremely large. As Figure 1 demonstrates a single worker with two children *and no access to employment-based benefits* would need to earn \$90,432 annually for economic security in Monmouth County. This is significantly more than the median earnings for servers in New Jersey. Even workers who do not have children to support are not economically secure in New Jersey. Their earnings are still half of what they would need in order to afford all of their basic needs. (See Figure 2).

Figure 1: Monmouth County, NJ Basic Economic Security Tables for 1 Worker, 1 Preschooler and 1 Schoolchild vs. Benchmark Incomes, 2013

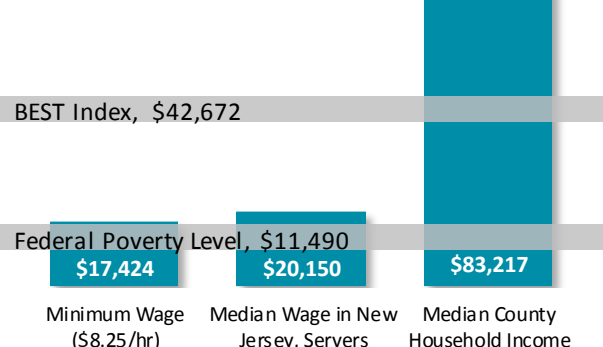
BEST Index, \$90,432



Sources: US Census Bureau 2010-2012 American Community Survey; US Department of Health and Human Services; US Department of Labor. Values inflated using the Consumer Price Index. BEST values are for workers without employment-based benefits.

Figure 2: Monmouth County, NJ Basic Economic Security Tables for 1 Worker vs. Benchmark Incomes, 2013

BEST Index, \$42,672



Sources: US Census Bureau 2010-2012 American Community Survey; US Department of Health and Human Services; US Department of Labor. Values inflated using the Consumer Price Index. BEST values are for workers without employment-based benefits.

Wages and Living on Tips

Eighty-seven percent of the restaurant workers that WOW surveyed along the Jersey Shore worked for tips. Of those tipped workers, 82% earned less than the state minimum wage of \$7.25 per hour in 2013. In fact, the majority of surveyed workers (56%) reported earning a base wage of less than \$3.50 per hour, and 39% earned exactly New Jersey's sub-minimum tipped wage of \$2.13 per hour. The annual take home base pay for these workers amounted to less than \$5,000.

Once state and federal taxes are applied to their pay, workers regularly earn zero dollars in wages. Workers reported receiving zeroed-out paychecks or receiving checks with negative balances, signifying that their wages did not equal owed taxes and that they would owe back taxes at the end of the year.

"By the time taxes are taken out, you don't see any of [your wages]. I'm lucky if I don't have negative paycheck."

Tips rarely provide workers what their families need to afford the basics. Thirty-seven percent reported earning weekly tips of less than \$450, or less than \$23,000 a year. Sixty percent of workers reported earning \$600 or less in tips each week, or less than \$30,000 a year. Only 18% reported earning over \$1,000 in weekly tips. As WOW's BEST illustrates, these incomes are not enough for working families to achieve economic security, especially in a high cost-of-living state like New Jersey.

It should be noted, however, that annualizing these reported weekly earnings can be misleading. WOW's surveys were conducted at the height of the busy summer season. The weekly tips and wages workers reported are likely much higher than what they could command year-round. Opportunities for workers to earn decent tips or even stay employed during the off-season are rare. For example, the Bureau of Labor Statistics' survey of employers finds that the median hourly wage including tips in New Jersey for bartenders is \$10.87 (or \$22,610 annually), for servers is \$9.69 (or \$20,150 annually), and for all restaurant workers is \$9.71 (or \$22,200 annually).² Despite working 50 or 60 hours a week, workers may still live in poverty.

"I hate having to rely on tips. ...I have days where it's completely slow and you can never predict what you're going to make in one week...You can go in one day and make \$20."

Living on tips is economically precarious. Custom may dictate that tips should be between 15 and 20 percent of a bill, but there is no guarantee that workers receive this amount. Instead, workers' economic security depends on customers' whims. Research finds that tips are only weakly related to a worker's attentiveness, effort or skills.³ Tip size is much more likely dependent on the server's gender, race and attractiveness, or smaller gestures disconnected from the work of actually serving meals.⁴ Female workers and workers of color are also less likely to find work in more expensive restaurants, where larger tips are more prevalent.⁵

Table 1: The Percentage of Jersey Shore Restaurant Workers Surveyed Who...

Worked for Tips	87%
Earned a Wage Below the State Minimum Wage	82%
Earned a Wage Below \$3.50/Hr.	56%
Earned the Tipped Minimum Wage	39%
Worked off the Clock Without Pay	40%
Did Not Receive Overtime Pay	70%

Financial insecurity is not just a product of a sub-minimum wage and minimal tips. Seventy percent of our surveyed workers reported they did not receive overtime pay when they worked more than 40 hours a week, 8 hours per day, or 6 days per week. Forty percent reported that they had worked off the clock without being paid their hourly wage in the past year.

And in order to pull down wages needed to support their families, workers must work the hours and days that restaurants are busiest, which tend to be evenings, weekends and holidays. Working these nontraditional hours creates significant challenges in balancing work and family issues, caring for family members, and if needed, arranging for child care.

Scheduling

Erratic schedules and nontraditional hours are important contributors to restaurant workers' economic insecurity. Armed with low wages and without the benefit of guaranteed leave, workers must contend with the industry's fluctuating highs and lows and management's drive to meet consumer demand at the lowest possible labor costs.

Seasonal Cycles. Business at the Shore peaks in the summer, and tourist-filled restaurants mean workers have an opportunity to earn decent wages. But the season lasts only a few months and business depends on good weather. As mentioned above, hiring is often cut back immediately after the Labor Day weekend, and workers at beach restaurants open year-round struggle to make ends meet during the off-season, winter months. Restaurant workers take on multiple jobs simultaneously to compensate for this cycle. Over one-third of surveyed workers worked a second job during the summer to ensure they had employment in the winter. Many workers have learned to juggle their work among restaurants that are busier in different seasons.

Volatile Workplace Scheduling. Restaurant managers often staff shifts based on "just in time" scheduling.⁶ This means that both the number and timing of hours worked can change day-to-day, week-to-week, and season-to-season in immediate response to customer traffic. Restaurant workers have to work without consistency or predictability, guaranteed days off, or knowing when their shifts will end. For instance, some workers are scheduled on "BD" shifts. This means that a worker would not be able to leave until "business declines," which could be at any time and is at the discretion of the

"I'm like a rabbit. I bounce around to every spot. I usually work anywhere from three to four restaurants a year...so I may work at two restaurants at one time to balance it out. For example, this winter, I'll probably keep two shifts a week here so that next summer I have the ability to come back."

management. Restaurants often post schedules on the Thursday or Friday, only a day or so before the schedules takes effect.⁷

"They put so many people, so many bartenders and so many servers based on being busy. And then it's not busy and people get cut or people get sent home and some people don't make money, some people make money."

Thirty-six percent of surveyed workers reported that their schedules change weekly or every other week. And workers reported they have limited input into their schedule. Fifty-one percent of workers reported that management sometimes asks for their input in their schedule, and 18% reported management never consults them on the schedule.

These scheduling practices shift the costs of inconsistent customer demand onto workers, who may be sent home early if the restaurant is not busy or have to stay late if the restaurant is very busy. The former makes it difficult to earn much needed tips, while the latter creates challenges for organizing transportation and managing any care, education or second job responsibilities a worker may have. The costs of this unpredictability are particularly pronounced for workers with family obligations.

Unpredictable shift work also poses a financial challenge for restaurant workers. Workers are often not guaranteed a minimum number of hours, so they cannot plan on having a consistent income each week or month. The challenge of making ends meet on already minimal wages is made worse by this unpredictability.

Covering Shifts. When workers cannot make their shifts due to health reasons or family obligations, they are often responsible for finding workers to cover for them. If workers cannot find someone to cover their shifts, they are at risk of termination or retaliation. By necessity, workers often forgo family responsibilities or report to work while sick. Fifty-five percent of surveyed workers

could not take off work because they could not find someone to cover their shifts.

Child Care. Child care is an especially challenging issue for restaurant workers, because their wages make it nearly unaffordable and nontraditional shifts make it difficult to arrange. As a result, many parents in the restaurant industry rely on informal or family care for their children, which can sometimes be unreliable. Unpredictable scheduling practices create additional burdens. Management may change schedules or require workers to stay late if the restaurant is busy. These changes can lead to parents being late to pick children up

Paid Sick Days

Restaurant workers are unlikely to be guaranteed time off from work in order to care for themselves when they are sick. The lack of paid sick days is a pervasive feature of the restaurant industry and especially challenging for workers who work nontraditional hours and for women with family responsibilities.

Ninety-two percent of the workers we surveyed did not have access to paid sick days. More than half of workers said their families could not afford even one missed day of work and one-third feared termination or retaliation if they did take off. Unsurprisingly, more than 80% of surveyed workers reported going to work while sick. One-fifth reported that their illness lasted longer because they were forced to work while sick. Nearly 40% of surveyed workers reported that they coughed or sneezed while handling food. Thirteen percent believed they transmitted their sickness to other workers in the restaurant.

“You want to make money, you need to be working...I was working like six, seven days a week and I wasn’t seeing my little girl.”

from child care arrangements, which in turn leads to financial penalties or losing precious spots at child care services. For more information on these issues, please refer to *The Third Shift: Child Care Needs and Access for Working Mothers in Restaurants*, a recent paper authored by ROC United and several women’s issues organizations, including WOW.⁸

“I can’t call out of work, especially if it’s a Friday or a Saturday. There is no way that I’m going to give up that kind of money just because I’m sick.”

The lack of paid sick days for these workers should concern all Jersey Shore communities and residents. A recent study conducted by the Centers for Disease Control and Prevention traced 53% of norovirus outbreaks, and possibly up to 82%, to infected and contagious food workers.⁹ And many of our surveyed workers did not have health insurance to cover any doctor’s visits, which means workers are less likely to access the care which could shorten their illness or prevent further infection.

Lack of guaranteed leave and health insurance is also troubling because restaurant work can take a toll on one’s body and induce chronic pain. Seventy-seven percent of the workers we surveyed reported that they experience chronic pain, which might otherwise be alleviated with regular health care or time off.

Sexual Harassment and Discrimination

Sexual harassment is a widespread problem in the restaurant industry. The Equal Employment Opportunity Commission (EEOC), the federal agency responsible for enforcing federal workforce discrimination laws, has targeted the industry as the largest source of sexual harassment claims. For example, 37% of EEOC charges filed by women regarding sexual harassment between January and November 2011 came from the restaurant industry.¹⁰

In WOW's survey, 54% of workers reported that they had been sexually harassed by managers, co-workers and/or customers in their current workplaces. Forty-nine percent experienced some form of verbal abuse in the restaurant. Over thirty percent felt that they were given

less favorable shifts or tables, passed over for promotion, or paid less than others while doing similar work because of their gender, race, sexual orientation and/or immigrant status.

In a ROC-United study of restaurant workers in 2012, many workers were not able to identify sexual harassment policies in their workplaces, and nobody surveyed was able to recall an orientation or training on the policy. When a policy existed, there often was no adherence or enforcement. As one woman put it in the ROC-United study, "They supposedly had a zero-tolerance [policy], but I say they had 100% tolerance because... it [happened] every day."¹¹

Hurricane Sandy and Disaster Unemployment Insurance

In the fall of 2012, Hurricane Sandy brought significant devastation to New Jersey families, businesses, workers and communities. New Jersey — and the Jersey Shore, in particular — saw an increase in unemployment after the storm. New Jersey lost 8,100 private sector jobs.¹²

How businesses in the accommodations and food service sectors in counties affected by Hurricane Sandy fared varied widely. Some counties saw fluctuating employment, and eventually, recovery and employment growth. Other areas, such as the lower Jersey Shore, experienced decreases in employment of 3.4% between July 2012 and June 2013.¹³

Restaurant workers felt the storm's impact. Many were displaced—some from both their work and home—for long periods of time. Of the 100 workers WOW surveyed, 82 were working in restaurants and bars at the Jersey Shore when the hurricane hit. Thirty-two percent of those workers were not only displaced from their work, but from their homes as well, producing significant stress and economic insecurity.

Closed Businesses and Joblessness. Ninety percent of the Jersey Shore restaurant workers interviewed were out of work for four days or more after the storm. Eighteen percent were out of work for at least one week, and another 18% were out of work for eight days to 13

days. Twenty percent were out of work for more than two weeks, and another 21% were out of work for several months. Twelve percent were not able to return to their previous employer at all. Many of these restaurants remain closed even a year after the storm. As hourly wage earners, restaurant workers are only compensated for the time they work and the customers they serve, which makes any hour and day unemployed a source of significant insecurity.

The effects of Sandy and its aftermath were not limited to the few weeks immediately after landfall. The regional economy was depressed and businesses struggled to reopen. Communities are still rebuilding. Even in the summer of 2013 when WOW completed its survey, ten months after the storm, the effects of Sandy were still evident in worker's lives, financial situations, and their employer's traffic flow. Jobless workers and those

"I had post-traumatic stress disorder after the storm. I couldn't sleep or function. I was out for 4 weeks due to depression. All this stress put me over the edge. My mom's, sister's and all immediate family's homes were destroyed due to water damage."

struggling to rebuild could not afford to frequent restaurants. Forty-three percent of the workers interviewed experienced a negative impact on their incomes as a result of Sandy.

“Business improved, but the tips went down. A lot of our customers were displaced from Sandy so could not tip well.”

Table 2: Percentage of Jersey Shore Restaurant Workers Surveyed Who...

Were Unaware of Disaster Unemployment Insurance	55%
Applied for and Received Unemployment Insurance (Among Those Who Were Unemployed)	25%

Table 3: Percentage of Jersey Shore Restaurant Workers Surveyed Who Were out of Work after Hurricane Sandy for...

Less Than 3 Days	10%
One Week	18%
Between 8 and 13 Days	18%
2 Weeks	20%
Between 3 Weeks and 1 Month	10%
Between 1 and 7 Months*	21%
Restaurant Still Closed (10 Months +)	12%

* Includes workers at restaurants that closed.

Disaster Unemployment Insurance. To support the thousands of workers newly-unemployed after Sandy, the New Jersey Department of Labor and Workforce Development made available disaster unemployment insurance (UI), a federal program that relaxes usual UI eligibility requirements. A month after Sandy, New Jersey processed an unprecedented number of first-time jobless benefit claims (138,661).¹⁴

Unemployment insurance is a critical support to unemployed workers and struggling families. Even though the benefits are often minimal (the average weekly UI benefit in New Jersey in the first half of 2013 was about \$400¹⁵), they allow families to pay for basic needs and avoid drawing down retirement savings. Jobless benefits also help to support local businesses, which struggle against reduced consumer demand. Ensuring that families still have just enough money in their pockets to afford the basics means they can shop at local businesses—a win for both these families and their local economies.

And yet, many of the restaurant workers WOW surveyed did not receive disaster unemployment benefits. Only slightly more than half (55%) were even aware of the program. Of those, half learned of it from family and friends; 22% from FEMA; 13% of them from their employer and 7% from their unions.

Only 44% of those workers who were aware of disaster unemployment actually received it. Many restaurant workers reported facing significant bureaucratic hurdles in accessing this support. For instance, the unemployment website and call centers were not adequately prepared or staffed to handle all of the incoming calls and claims. Workers reported having to drive from their homes on the Shore to offices in Trenton in order to file their claims. Even though the deadline to file a claim was extended to February, these obstacles made accessing benefits in a timely way very difficult, and sometimes impossible.

Of the 82 restaurant workers WOW interviewed who lost their job due to the storm and would have been eligible for assistance, only twenty — just one fourth — successfully accessed disaster UI benefits.

Policy Recommendations

Wages and working conditions for restaurant employees are influenced by public policy decisions. Many of the challenges faced by restaurant workers on the Jersey Shore—poverty wages, lack of earned sick days, volatile scheduling, few labor protections and pervasive sexual harassment—are exacerbated by bad public policy decisions. Employers and policy makers at the state and local levels who want to promote economic growth and securer families should work to ensure that an important industry like the restaurant sector provides workers with the wages and benefits needed to support their families, communities and local economies.

Raise the Tipped Minimum Wage. The federal tipped minimum wage of \$2.13 has not changed in over twenty years. While federal law states that employers must ensure that tips make up the difference between \$2.13 and \$7.25, survey data gathered by ROC United indicate that employers frequently ignore this requirement.¹⁶ Nationally, 19% of restaurant workers report earning a wage less than the federal minimum wage.¹⁷

In November 2013, New Jersey voters supported a referendum to increase the state's minimum wage to \$8.25 and tie future increases to a cost of living measure. The increase took effect in January 2014. The raise will benefit many of the state's struggling restaurant workers. A raise of just one dollar per hour can help workers better afford groceries, gas, child care and other basic expenses. Indeed, this raise in the minimum wage is nearly the equivalent of a month's grocery or utility bill for a single person in Atlantic County.¹⁸ Importantly, however, the many restaurant workers working in tipped occupations may benefit only indirectly from this raise, as the tipped minimum wage was not part of the ballot referendum, and remains at \$2.13 per hour.

The restaurant lobby has successfully kept the federal minimum wage for servers and other tipped workers frozen at \$2.13 per hour *for the past 23 years*.¹⁹ State lawmakers should amend the state's minimum wage law to ensure all workers across the state benefit from this long overdue raise. Seven states have eliminated the tipped credit completely, requiring that traditionally tipped workers earn the standard hourly minimum wage. New Jersey lawmakers should follow these states' lead.

At the federal level, Sen. Harkin (D-IA) and Rep. Miller (D-CA) have introduced the Fair Minimum Wage Act which would increase the federal minimum wage to \$10.10, gradually increase the tipped minimum wage to equal 70% of the federal minimum wage, and peg future increases to inflation. This is an important step in the right direction, and Congressional lawmakers from New Jersey should support this legislation.

Scheduling. The restaurant industry's popularity on weekends and evening will not change, but policymakers can respond to the stresses that working these nontraditional shifts inflicts on working families. Several states have enacted 'show-up' pay legislation, which require employers to compensate workers if they show up to work but are sent home because they are no longer needed—a common practice in the restaurant industry. New Jersey does not have 'show-up' pay laws. Implementing them can help improve workers' economic security.

One way to address the challenge of unpredictable schedules is "right to request" laws. In 2012, Vermont and the city of San Francisco passed laws that provide employees with the right to request flexible working arrangements or predictable work schedules.²⁰ They create a formal mechanism for workers and employers to discuss workplace flexibility options, and provide specific procedures to address requests. While these policies do not mandate a right to workplace flexibility, they are an important step in ensuring workers have a right to request flexibility and regain some control over their work schedules.

Policymakers must also play a significant role in expanding access to affordable child care, which is so difficult for restaurant workers to find on weekend evenings and with little advanced notice. State child care assistance policies allow parents to keep their children in a regular child care arrangement even if the parents' work hours vary, rather than only providing assistance to cover those hours the parent works in a particular week, which can make it difficult to retain a child care slot.

Earned Sick Time and Paid Leave. Restaurant workers are highly unlikely to have access to earned sick time or paid sick days. New Jersey, like almost all states, does not guarantee that all workers have access to this basic workplace benefit. Some municipal leaders, however, recognizing that their communities cannot thrive if so many working families face this obstacle to health and security, have recently adopted citywide ordinances to address this issue.

In Jersey City, workers in businesses with 10 or more employees will be able to earn five paid sick days, and workers in businesses with fewer than 10 employees can earn five unpaid, job-protected sick days. The Newark City Council adopted a measure that would require businesses with 10 or more employees to provide their workers five paid sick days. Workers in businesses with fewer than 10 employees can earn three paid sick days. The measure also guarantees all workers in food service, direct care, and child care services, regardless of the size of their employer, are able to earn five paid sick days.

As has been demonstrated elsewhere, including San Francisco and Connecticut, passage of these laws helps workers and does not hinder employment growth.²¹ State lawmakers and municipal leaders should learn from Jersey City and Newark's example and ensure that all families in their communities and across the state do not lose needed income or their jobs for being sick.

Sexual Harassment. Restaurant workers must be aware of their rights related to workplace harassment and able to identify potentially harassing behaviors. State and local policymakers should consider adopting legislation that would provide incentives or mandate employers to

provide regular, ongoing sexual harassment training to all their employees, including managers. In addition, since discrimination in the restaurant industry is often not fully understood, it is critical to initiate and support further study and dialogue among workers, employers, and policymakers alike. More detailed information is needed regarding the public cost of discrimination and the profitability of responsible business practices in the restaurant industry.

Disaster Unemployment Insurance. Thousands of New Jersey families struggled against unemployment after Sandy. Businesses suffered depressed consumer demand. Automatic stabilizers such as unemployment insurance play an important role in responding to these emergencies by allowing working families, struggling through no fault of their own, to continue to afford the basics and supporting local economies by putting money in the hands of those most likely to spend it.

The state's website for administering unemployment insurance faced substantial challenges in handling the significant increase in demand following Sandy, however, and technical issues prevented many workers from filing their applications timely or ever receiving benefits. Outreach efforts did not reach all workers who needed this support. States and local policymakers and government officials must prioritize the improvement of state services around its unemployment insurance system and outreach plans. These investments will ensure that the next time a substantial storm visits New Jersey, workers will be informed of their eligibility to apply for disaster unemployment insurance and the state will be more responsive to families' and its economy's needs.

Methodology Notes

WOW surveyed 100 restaurant workers in 57 different establishments in Monmouth, Ocean, and Atlantic Counties, asking about working conditions, wage adequacy, relationship with management, workplace benefits and income supports, the impact of Hurricane Sandy, and other aspects of their work lives. The survey was fielded in the summer of 2013 by WOW researchers, Mary Gatta, PhD, and Jamie Gray. We purposely sampled

local Jersey Shore restaurants and avoided national restaurant chains. In addition, WOW held a focus group (in collaboration with Foreign Correspondent reporters) in Monmouth County with 10 restaurant workers in order to capture their lived experiences in their own words. The tables below highlight key descriptive data from our survey sample.

Current Position (n=100)	
Bartender	46
Busser	2
Chef/Cook	7
Cocktail Server	2
Hostess	1
Server	38
Other	4

Marital Status (n=100)	
Single	68
Married	17
Divorced	12
Common Law	1
Missing	2

Sex (n=100)	
Male	55
Female	42
Other	1
Missing	2

Union Member (n=100)	
Yes	12
No	85
Missing	3

Race/Ethnicity* (n=100)	
Asian	1
Native Hawaiian/Pacific Islander	1
White, Immigrant	7
White, US Born	76
Latino	11
Arab/Middle Eastern	1
Mixed Race	1
Other	2

Monthly Household Income—Peak Season (n=100)	
\$500 to \$1000	4
\$1001 to \$1,500	10
\$1,501 to \$2,000	21
Over \$2,000	56
Other	9

Employment Status (n=100)	
Full Time (30 hours or more)	68
Part Time (Less than 30 hours)	26
On Call	1
Independent Contractor	1
Missing	4

*Black restaurant workers at the Jersey Shore are underrepresented in bartending and serving occupations. According to data from American Community Survey (2011), black workers represent 8.6% of servers in Atlantic County, 3.3% in Monmouth County and 0.6% in Ocean County. Black workers are only 3.1% of Atlantic county bartenders, 4.2% of Monmouth County bartenders and 2.7% of Ocean County bartenders.

Appendix A

As illustrated in the table below, openings in several restaurant occupations are projected to experience faster than average growth. Specifically, while all occupations in New Jersey are projected to grow at 7.7%, food services occupations are projected to grow at 9.4%, and several restaurant occupations—cooks, food preparation workers, and combined food preparation and serving workers—are projected to grow at a rate of over 9%. Waiter/waitress and bartender openings are also projected to grow rapidly, by 7.8% and 8.9%, respectively.

Estimated and Projected Employment by Detailed Occupation, New Jersey: 2010-2020

Occupational Title	Employment						Annual Average	
	Actual 2010	Projected 2020	Number	Total %	Annual %	Total	Growth	Job Openings Replacement
Total All Occupations	4,155,700	4,476,000	320,300	7.7	0.7	132,940	35,070	97,870
Food Services	270,200	295,700	25,500	9.4	0.9	12,470	2,580	9,890
First-Line Supervisors/ Managers of Food Preparation and Serving Workers	21,300	23,300	2,000	9.4	0.9	650	200	450
Cooks, Restaurant	17,900	19,900	2,000	10.8	1	570	190	380
Cooks, Short Order	4,900	5,200	300	4.4	0.4	130	20	110
Cooks, All Other	400	500	100	14.1	1.3	20	10	10
Food Preparation Workers	19,600	21,400	1,800	9.4	0.9	880	180	700
Bartenders	13,300	14,500	1,200	8.9	0.9	580	120	460
Combined Food Preparation and Serving Workers, including Fast Food	63,300	72,000	8,700	13.7	1.3	2,640	870	1,770
Waiters and Waitresses	58,000	62,500	4,500	7.8	0.8	3,350	450	2,900
Dining room and Cafeteria Attendants and Bartender Helpers	10,000	10,400	400	3.8	0.4	410	40	370
Dishwashers	9,000	9,500	500	6.6	0.6	470	60	410
Hosts and Hostesses	8,600	9,000	400	4.8	0.5	640	40	600

Source: New Jersey Department of Labor and Workforce Development, Industry and Occupational Employment Projections

Appendix B

Basic Economic Security Tables, 2013					
(Workers without Employment-based Benefits)					
Atlantic County, NJ, Selected Family Types					
Monthly Expenses	1 Worker	1 Worker, 1 Infant	1 Worker, 1 Preschooler, 1 Schoolchild	2 Workers	2 Workers, 1 Preschooler, 1 Schoolchild
Housing	\$772	\$959	\$959	\$772	\$959
Utilities	\$171	\$213	\$213	\$171	\$213
Food	\$264	\$379	\$572	\$484	\$765
Transportation	\$161	\$471	\$633	\$316	\$788
Child Care	\$0	\$748	\$1,443	\$0	\$1,443
Personal & Household Items	\$303	\$389	\$437	\$358	\$486
Health Care	\$599	\$1,080	\$1,100	\$1,143	\$2,096
Emergency Savings	\$143	\$256	\$318	\$194	\$400
Retirement Savings	\$187	\$187	\$187	\$215	\$215
Taxes	\$540	\$1,072	\$1,372	\$613	\$1,659
Tax Credits	-\$5	-\$138	-\$267	-\$5	-\$267
Monthly Total (per Worker)	\$3,135	\$5,616	\$6,967	\$2,130	\$4,378
Annual Total	\$37,620	\$67,392	\$83,604	\$51,120	\$105,072
Hourly Wage (per Worker)	\$17.81	\$31.91	\$39.59	\$12.10	\$24.88
Additional Asset Building Savings					
Children's Higher Education	\$0	\$134	\$269	\$0	\$269
Homeownership	\$295	\$220	\$220	\$295	\$220

Note: "Benefits" include unemployment insurance and employment-based health insurance and retirement plans.

Basic Economic Security Tables, 2013					
(Workers without Employment-based Benefits)					
Monmouth County, NJ, Selected Family Types					
Monthly Expenses	1 Worker	1 Worker, 1 Infant	1 Worker, 1 Preschooler, 1 Schoolchild	2 Workers	2 Workers, 1 Preschooler, 1 Schoolchild
Housing	\$950	\$1,180	\$1,180	\$950	\$1,180
Utilities	\$184	\$229	\$229	\$184	\$229
Food	\$286	\$411	\$619	\$525	\$828
Transportation	\$161	\$471	\$633	\$316	\$788
Child Care	\$0	\$748	\$1,443	\$0	\$1,443
Personal & Household Items	\$356	\$457	\$509	\$416	\$561
Health Care	\$599	\$1,080	\$1,100	\$1,143	\$2,096
Emergency Savings	\$162	\$279	\$344	\$213	\$424
Retirement Savings	\$193	\$193	\$193	\$201	\$201
Taxes	\$670	\$1,197	\$1,553	\$715	\$1,794
Tax Credits	-\$5	-\$138	-\$267	-\$5	-\$267
Monthly Total (per Worker)	\$3,556	\$6,107	\$7,536	\$2,329	\$4,638
Annual Total	\$42,672	\$73,284	\$90,432	\$55,896	\$111,312
Hourly Wage (per Worker)	\$20.20	\$34.70	\$42.82	\$13.23	\$26.35
Additional Asset Building Savings					
Children's Higher Education	\$0	\$141	\$282	\$0	\$282
Homeownership	\$476	\$355	\$355	\$476	\$355

Note: "Benefits" include unemployment insurance and employment-based health insurance and retirement plans.

Basic Economic Security Tables, 2013

(Workers without Employment-based Benefits)

Ocean County, NJ, Selected Family Types

Monthly Expenses	1 Worker,		1 Worker,		2 Workers,	
	1 Worker	1 Infant	1 Preschooler,	1 Schoolchild	2 Workers	1 Preschooler,
			1 Schoolchild		1 Schoolchild	
Housing	\$946	\$1,176	\$1,176	\$946	\$1,176	\$1,176
Utilities	\$188	\$233	\$233	\$188	\$233	\$233
Food	\$286	\$411	\$619	\$525	\$828	\$828
Transportation	\$701	\$778	\$778	\$1,299	\$1,391	\$1,391
Child Care	\$0	\$748	\$1,443	\$0	\$1,443	\$1,443
Personal & Household Items	\$356	\$457	\$509	\$416	\$561	\$561
Health Care	\$599	\$1,080	\$1,100	\$1,143	\$2,096	\$2,096
Emergency Savings	\$197	\$299	\$355	\$276	\$464	\$464
Retirement Savings	\$195	\$195	\$195	\$211	\$211	\$211
Taxes	\$856	\$1,303	\$1,631	\$1,047	\$2,009	\$2,009
Tax Credits	-\$5	-\$138	-\$267	-\$5	-\$267	-\$267
Monthly Total (per Worker)	\$4,319	\$6,542	\$7,772	\$3,023	\$5,072	\$5,072
Annual Total	\$51,828	\$78,504	\$93,264	\$72,552	\$121,728	\$121,728
Hourly Wage (per Worker)	\$24.54	\$37.17	\$44.16	\$17.18	\$28.82	\$28.82
Additional Asset Building Savings						
Children's Higher Education	\$0	\$142	\$284	\$0	\$284	\$284
Homeownership	\$319	\$238	\$238	\$319	\$238	\$238

Note: "Benefits" include unemployment insurance and employment-based health insurance and retirement plans.

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- ¹ See Appendix A for data on restaurant occupation projections in New Jersey.
- ² Bureau of Labor Statistics, U.S. Department of Labor, *Occupational Employment Statistics*, 2012. www.bls.gov/oes/. Median annual earnings are \$22,610 for bartenders, \$20,150 for servers, and \$22,200 for all Food Prep and Serving, Cross - Industry in New Jersey.
- ³ For more information on tipping practices see: <http://tippingresearch.com/test.html>
- ⁴ For more information on race and tipping practices, see: <http://tippingresearch.com/test.html>
<http://tippingresearch.com/uploads/ServerAppearance1-3-08.pdf>
http://tippingresearch.com/uploads/customer_racial_discrimination10-30-06.pdf
- ⁵ Bendick, Marc, Rekha Eanni, and Saru Jayaraman. 2009. "Race-Ethnic Employment Discrimination in Upscale Restaurants: Evidence from Paired Comparison Testing." *The Social Science Journal*. Vol. 39, Issue 10: 895-911 (Spring 2009).
<http://bendickegan.com/pdf/SOCSCI821.pdf>
- ⁶ Williams, Joan. 2011. Improving Work-Life fit In Hourly Jobs: An Underutilized Cost-Cutting Strategy in a Globalized World." <http://worklifelaw.org/pubs/ImprovingWork-LifeFit.pdf>
- ⁷ Gatta, Mary, 2009. "Balancing Trays and Smiles: What Restaurant Servers Teach Us About Hard Work in the New Economy," in *Work Matters: Critical Reflections on Contemporary Work*, ed. Bolton, S.C. and Houlihan, M.
- ⁸ ROC United. 2013. "The Third Shift: Child Care Needs and Access for Working Mothers in Restaurant"
<http://rocunited.org/the-third-shift/#sthash.t1mog3Qr.dpuf>
- ⁹ Center for Disease Control and Prevention. 2012. "Epidemiology of Foodborne Norovirus Outbreaks, United States, 2001–2008." http://wwwnc.cdc.gov/eid/article/18/10/12-0833_intro.htm
- ¹⁰ Tahmincioglu, Eve, "Sexual Claims Common in Pressure Cooker Restaurant World," *The Bottom Line Blog on msnbc.com*, November 1, 2011, http://bottomline.msnbc.msn.com/_news/2011/11/01/8565198-sexual-claims-common-in-pressure-cooker-restaurant-world (January 2012). Review of data from Equal Employment Opportunity Commission.
- ¹¹ ROC United. 2012. "Tipped Over the Edge – Gender Inequity in the Restaurant Industry" <http://rocunited.org/tipped-over-the-edge-gender-inequity-in-the-restaurant-industry/#sthash.30R2xE5A.dpuf> Ibid.
- ¹² Turkewitz, Julie. December 27, 2012. "Unemployment Deepens Storm's Loss as Businesses Stay Closed" *New York Times*. http://www.nytimes.com/2012/12/28/nyregion/unemployment-deepens-the-loss-from-hurricane-sandy.html?_r=0
- ¹³ U.S. Department of Commerce, Economics and Statistics Administration. 2013. "Economic Impact of Hurricane Sandy Potential Economic Activity Lost and Gained in New Jersey and New York." <http://www.esa.doc.gov/sites/default/files/reports/documents/sandyfinal101713.pdf>
- ¹⁴ Turkewitz, Julie. December 27, 2012. "Unemployment Deepens Storm's Loss as Businesses Stay Closed" *New York Times*. http://www.nytimes.com/2012/12/28/nyregion/unemployment-deepens-the-loss-from-hurricane-sandy.html?_r
- ¹⁵ Department of Labor. "Monthly Program and Financial Data." *Employment and Training Administration*. 2014. <http://workforcesecurity.doleta.gov/unemploy/claimssum.asp>.
- ¹⁶ ROC United. 2011. Behind the Kitchen Door: A Multi-site Study of the Restaurant Industry. <http://rocunited.org/2011-behind-the-kitchen-door-multi-site-study/#sthash.o2S1BNZV.dpuf>
- ¹⁷ Ibid
- ¹⁸ Ibid.
- ¹⁹ ROC United. 2012. "Tipped Over the Edge – Gender Inequity in the Restaurant Industry." <http://rocunited.org/tipped-over-the-edge-gender-inequity-in-the-restaurant-industry/>
- ²⁰ Shadovitz, David. 2013. "Paving a Way to Greater Flexibility." <http://www.hreonline.com/HRE/view/story.jhtml?id=534356377>
- ²¹ Center for Economic and Policy Research. 2014. Is Paid Sick Leave Good for Business? <http://www.cepr.net/index.php/blogs/cepr-blog/is-paid-sick-leave-good-for-business>, and Reich, Michael, Ken Jacobs, and Miranda Dietz. 2014. *When Mandates Work: Raising Labor Standards at the Local Level*. Berkeley, CA: University of California.