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To: LABTestimony
Subject: Testimony in SUPPORT of HB 858

March 5, 2015

To the Co-Chairs and members of the Labor and Public Employees Committee:

Testimony in SUPPORT of HB 858 An Act Concerning Employees Who Customarily And Regularly Receive Gratuities And The Minimum Fair Wage

Submitted by Saru Jayaraman – Co-Founder/Co-Director Restaurant Opportunities Centers United

Read by Danielle Donnelly- Policy Organizer of Restaurant Opportunities Center Connecticut

Thank you to Senator Gomes, Representative Tercyak and the members of the Committee for the opportunity to speak to you today about raising wages for tipped works. We are very supportive of the concept but Bill HB 858, but believe it needs to go further.

Tipped workers in Connecticut need a raise, and the state has the chance to lead on this issue. Tipped workers must not be excluded from earning a fair minimum wage. They deserve One Fair Wage- the same wage for tipped and non-tipped workers.

I co-founded the Restaurant Opportunities Centers (ROC) United 13 years ago in New York City after 9-11 as a relief center for the surviving workers of Windows on the World, the restaurant on top of the World Trade Center. It has since rapidly grown into a national movement of restaurant workers, highroad employers, and consumers united around the mission of improving wages and working conditions in the restaurant industry. We have locations in 20 cities and states including Harford, Connecticut.

The restaurant industry is 2nd largest private sector employer and fastest-growing segment of US economy. 1 in 12 Americans works in the restaurant industry. Here in Connecticut that's nearly 100,00 people. The restaurant industry has steadily grown even throughout the economic crisis. However, despite the growth and profitability

of the industry, restaurant jobs are some of the absolute lowest paying. 5 of out of the 10 top lowest paying jobs in Connecticut are restaurant jobs, 4 of which are lowest are tipped restaurant jobs.

Our research shows that the reason the largest and fastest growing industry in America proliferates the absolute lowest paying jobs, is the lobbying power of the Restaurant Association. Across the country, tipped workers have generally been excluded from meaningful minimum wage increases, either entirely shut out of any proposal or removed in last minute negotiations.

The restaurant industry has convinced elected officials and the public that they should be the only industry that does not pay a large portion of their workers' wages, but rather passes those costs directly on to customers- other working people. They've painted a picture of the average tipped worker as either a teenager who is working a serving job for a little extra spending money or a fine dining server, who works at high-end restaurant earning \$18-20 an hour or \$70K a year.

To be sure there are some people in the fine dining jobs who make a substantial amount of money, but the fact is that the majority of tipped workers are women -66% in Connecticut- who largely work in casual full service restaurants like the Olive Garden, IHOP, and Denny's. These tipped workers suffer from nearly 3 times the poverty rate of the rest of the Connecticut workforce. They earn less than \$10/hour including tips. The median age is 30 years old and 35% of female servers are mothers, many of them primary household earners.

With an hourly wages of \$5.78 an hour, these women's earnings from their employer are so low that they go almost entirely to taxes, forcing them to live largely off their tips. This creates incredible economic instability as tipped workers often do not know how much they will earn from hour to hour, week to week, month to month.

Until recently, we thought just increasing the amount tipped workers earn would be enough. We thought it was great when Donna Edwards introduced legislation in Congress to raise tipped min wage to 70% of the regular, and then when Representative George Miller & Senator Harkin adopted that proposal into their Min wage Fairness Act of 2014.

A few things happened to make us realize that just fighting for an increase was not enough. We needed to eliminate the sub minimum wage for tipped workers. First, Nancy Pelosi came out with her women's economic agenda, and asked us to join her in town hall meetings in which she'd be calling to end the fact that women earn 77 cents on the man's dollar, and we'd be demanding that we needed to legislate the tipped minimum wage for a predominately female workforce at 70% of the overall min wage. It made no sense.

Second, after my book was published last year highlighting this issue, women approached us from all over the country to say 'this is not just an economic issue.' Forcing women to live off tips for any portion of their base wage exacerbates the worst sexual harassment of any industry in the U.S. When you rely on tips in order to support yourself and your family you are dependent on the generosity of their customers rather than your employer for their income and must curry favor from their customers in order to make a living. This puts women in the vulnerable position of having to tolerate inappropriate comments or touches from customers because the choice is to stand up for yourself or to make a living. And in fact, managers even often encourage women servers to dress sexy and flirt so they can sell more and they do it because selling more mean making more tips. That becomes your identity in your workplace, your role as a female server.

This year we surveyed nearly 900 tipped workers across the US and we found that in states where tipped workers earn a sub minimum wage were twice as likely to experience sexual harassment in the workplace and three times as likely to be asked by their managers to "sexualize" themselves- or to dress sexier, show more cleavage.

This affects not only the thousands of current tipped workers but also thousands more young women for whom this is their first job in high school, college, or graduate school; this is how we are training young women in America about what is acceptable and tolerable in the workplace.

Finally, we did research on the seven states with the same wage for tipped and non tipped workers, and found that they were faring better on every measure than the 43 states with subminimum wages for tipped workers: higher per capita sales, higher job growth in the restaurant industry and within the classification of servers.

So we realized that **no woman, no worker, should have to rely on tips for any portion of their base wage. The goal should be One Fair Wage- the elimination of the lower minimum wage for tipped workers not just an increase.**

It is time to give Connecticut's tipped workers and women the wage they deserve. Thank you.