END THE SERVICE WAGE GAP
Tipped Workers Fight for Living Wages

BY CAROL JOYNER

In 1990, Victoria, a single mom from Philadelphia, accepted a job as a food server for $2.68 per hour wage. She had no idea that in 18 years, her wage would only increase by 18 cents. Like many food servers across America, her full-time wages fell way below the federal minimum wage, which with two children, made her eligible for food stamps, subsidized day care and medical assistance. “I was never ahead of my bills, barely had any savings, and on occasion had to live with my parents,” she recalls. Victoria knew many servers who sent their children to live with relatives in other states so that they could work the dinner shift when tips are higher. She chose to work full-time days to be home for her children in the evening. So, her tips were minimal to none and her employer never made up the difference.

LEGALLY STRUCTURED WAGE DISPARITIES

The Fair Labor Standards Act (FLSA) of 1938 requires the federal minimum wage to cover non-exempt employees. Unfortunately, tipped workers were carved out of this law. Under the FLSA, employers are able to pay tipped workers, such as servers and bussers, a lower subminimum wage - currently set at $2.13, with no increase since 1991. If a tipped worker does not make enough tips to reach the regular minimum wage, the employer is supposed to make up the difference.

ROC-UNITED

The Restaurant Opportunities Centers United (ROC-United) is a national non-profit organization founded in 2001, to support workers and their families devastated by the World Trade Center disaster. It has become a restaurant workers’ rights organization with over 9,000 members nationwide. Victoria is a member of the ROC-United in Philadelphia.

In 2009, the federal minimum wage was increased to $7.25 per hour, for nonexempt employees - considerably higher than the tipped minimum wage. According to ROC United’s Executive Director, Saru Jayaraman, “While rent, food, and other costs have increased over the past two decades, wages for tipped workers have stayed the same. As a result, restaurant servers use food stamps at twice the rate as the general population and are three times more likely to live in poverty.”

THE SERVICE WAGE GAP

According to ROC-United, servers are 71% female. Due to gender discrimination, female tipped workers are often unable to access higher paying fine dining server positions, which are male dominated. As a result, female servers earn an average of $17,000 a year as compared to a male server’s average earnings of $25,000 a year - the difference between surviving and barely surviving. In reality, the women who serve our food can barely afford to eat.

THE WAGES ACT

The Working for Adequate Gains for Employment in Services (WAGES) Act, sponsored by Representative Donna Edwards (D-MD), aims to amend the FLSA of 1938 by establishing a base minimum wage for tipped employees. The Wages Act requires that tipped minimum wages rise gradually to no less than $5.50 per hour two years after the bill is passed.

Today, Victoria has a higher paying tipped job with gratuities and benefits. She’s working to pass this bill, but she is very clear, “the WAGES Act won’t make servers rich, but it will help pay the bills and allow workers to save something for the future.”

UNIONS REACH OUT TO YOUTH
AFL-CIO Backs Gen Y Organizing

BY JENYA CASSIDY

We look to Generation Y, with their entrepreneurial spirit, to make the workplace family friendly for everyone. New grads and young workers expect flexibility and value work life balance. Young men anticipate doing their share of bonding, child care and even elder care. But young workers find themselves in the position of needing to fight for basic workplace rights as the Great Recession has hit this generation hardest of all.

More than 50% of workers ages 18-29 are now jobless or underemployed. Those who hold jobs are most likely to find them in food service or retail where the pay is low, unions are scarce and health insurance or paid sick days are almost unheard of. And as combined student debt has reached $1 trillion – exceeding overall credit card debt – a high percentage of college graduates start their first jobs with their wages effectively garnished.

YOUNG WORKERS ARE FIGHTING BACK

But there is good news. Through the AFL-CIO, Occupy Wall Street and new worker center organizing, young workers are coming together and fighting back – against bad working conditions, economic inequality and the predatory lending that has so many struggling to start their lives.

STUDENT DEBT HURTS US ALL

Kurston Cook, who runs the Young Worker Project for the AFL-CIO, calls student debt the most debilitating burden for young workers today. “It hurts families,” he says. “One in five young people are living at home because they can’t afford to move out. By not getting out on their own – delaying buying homes, cars and getting married, they further hurt the economy.” Kurston notes that the labor movement, led by the AFL-CIO, took on student debt as an issue because young workers were speaking out about it. “This is not a traditional labor issue but our leadership is taking a stand on it – we need to work on economic issues that affect all workers – present and future.”

Peter, a young worker in New York with student debt, talks about his experience: “I owe $70,000 combined debt,” he said. Like many new grads, Peter has suffered bouts of unemployment and has struggled since finishing school. “My story is typical,” he says. “I worked one tech job that went to India. I worked retail but the pay was so low, I couldn’t make my rent. I was unemployed for awhile and happy to find work at another tech company but one-third of my paycheck goes toward my student debt. Instead of saving for big things, I find myself trying to put together enough money to buy a pizza at the end of the month.”

Like many young workers, Peter has had moments of despair. When asked what gives him hope he says, “Occupy, the resurgence of the labor movement and getting to know other people my age who are going through the same thing.”

FOR MORE INFORMATION ON THE STUDENT DEBT CRISIS, READ:
HIGH DEBT, LOW INFORMATION - A SURVEY OF STUDENT LOAN BORROWERS
BY HEALEY C. WHITSETT, MS, FOR NERA ON BEHALF OF YOUNG INVINCIBLES

AFL-CIO PRIORITIZES YOUNG WORKERS

Less than 5% of young workers (age 18-29) now belong to a union but AFL-CIO leaders prioritize building a solid bridge between the labor movement and new workers – including those not represented by a union. In 2010 and 2011, the AFL-CIO hosted Next Up, youth worker summits that resulted in a loose network of young worker councils across the country. “We have to change the perception of unions,” Liz Shuler, AFL-CIO Secretary-Treasurer says. “We have to figure out how to make them ‘cool’ again and reconnect with people where they live.”

Kurston Cook says the young worker project came about because the AFL-CIO leadership heard what young activists were saying about the labor movement. “I came out of the progressive youth movement and had criticisms of how the AFL-CIO involved us. They hired me to help address some of the issues I raised and to work with young workers in a different way.”
UNBELIEVABLE

■ AS AN INCENTIVE FOR WORKING MOTHERS NOT TO DROP OUT OF THE WORKFORCE, the Insurance Australia Group (IAG) is offering double pay for new moms for their first six weeks back from maternity leave. The double-pay incentive is on top of IAG’s 14 weeks paid maternity leave after giving birth or adopting a child, plus an Australian law that either gives parents up to 18 weeks pay at minimum wage or a $5,800 “baby bonus,” whichever is greater. Jessica Wakeman Australian Company Offers Double Pay to Moms Who Return to Work - April 2012 www.thefrisky.com

NEW REPORTS


DID YOU KNOW?

■ IN THE PAST 40 YEARS, there has been a 45% increase in the amount of women who work up to one month before giving birth. Find out why we need federal legislation that protects the rights of pregnant workers now more than ever. Check out Equal Rights Advocates’ Groundbreaking Pregnancy Accommodation Report: “Expecting a Baby, Not a Lay-Off: Why Federal Law Should Require the Reasonable Accommodation of Pregnant Workers.” www.equalrights.org

FASCINATING FACTS

■ TODAY, HALF OF U.S. RESIDENTS ARE SINGLE, and a third of all households have one occupant - Eric Klinenberg, “Going Solo, the Extraordinary Rise and Surprising Appeal of Living Alone” The Penguin Press, 2012

CREATING NEW STRUCTURES

Sara Kuntzler at the Denver Area Labor Federation (DALF) says the Colorado Young Worker Council has been an important way to involve young workers in their union. “When they go to union meetings they don’t always feel heard or included and no one looks like them – the Young Worker Council is building a community where young workers can feel comfortable,” she said. Kuntzler also points out that they did not want to be a traditional constituency group of the labor movement. “It was important for us to have our own organizational structure – to make something new.”

Kurston Cook agrees that young workers have to create a structure that works for them: “Young workers want something different than the traditional horizontal structure of the labor movement – more community, a young worker meeting is more like an Occupy open mic than a meeting with Robert’s Rules of Order,” he said.

FOCUS ON VALUES

Young activists are changing the labor movement to look more like a social justice movement than a membership organization. In Colorado, they joined with community groups to fight for paid sick days. Young organizers in the AFL-CIO are involved in organizing new sectors of workers who don’t fit in the usual union structure – taxi drivers, car wash workers, home health companions and day laborers. And in San Jose, California, the young worker group helped initiate a campaign to raise the local minimum wage for all workers. “We are not just about pensions or a paycheck,” says Kurston Cook. “We talk about putting forward different values and how, in the labor movement, we take care of each other.”

“It’s exciting,” says Amanda Pacheco, who coordinates national young worker organizing with Liz Shuler of the AFL-CIO, “We are creating a face of labor that is relevant around the economy and social justice.”

Anna Scholtz at the South Bay Labor Council in San Jose sees working on issues like minimum wage as a first step toward building a larger youth movement to address issues of income inequality. “Young workers have family responsibilities too – many are helping their families to survive in this economy. We are struggling and it is not just a function of the recession – it isn’t temporary and it will not change unless we take steps to build power. Working together on campaigns for minimum wage and building our own structures is a way to start that,” she said.

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– Anna Scholtz, Lead Organizer South Bay Labor Council

Building a Competitive Future Right from the Start: A Paid Family Leave Forum

April 2012 • New York City

In April, Labor Project Staff participated in a Paid Family Leave Forum in New York City. The forum, Building a Competitive Future Right from the Start, was sponsored by the National Center for Children in Poverty (NCCP) at Columbia University, A Better Balance and Time to Care NY – the NY Paid Family Leave Coalition. Advocates, policy makers and researchers in early childhood, public health, and family economic security spoke about the importance of paid family leave to the future of young children and families.

The sleep loss new parents experience should not be made worse by concerns about job security or financial well-being. Download a copy of this great report put out by the National Partnership for Women and Families and find out how your state is doing compared to other states. www.nationalpartnership.org