

# DINE BACK BETTER



**PORTLAND**

Supporting Portland  
Restaurants That Support  
Their Workers Instead of  
the DC-Based Corporate  
Restaurant Trade Lobby

**OFW**  
ONE FAIR WAGE

**RAISE  
HIGH ROAD  
RESTAURANTS**

OCTOBER 2022

# INTRODUCTION



AS THEY EMERGE FROM THE PANDEMIC, over 100 restaurants across Maine have responded to the Great Resignation by raising wages, advancing racial and gender equity, and building an industry where workers and their employers can thrive. They are part of a national trend, with thousands of restaurants across the country raising wages to recruit staff.<sup>1</sup> In contrast, recent campaign finance reports show that the National Restaurant Association (NRA), a DC-based corporate restaurant trade lobby, continues to resist the overall industry trend toward sustainability, spending tens of thousands of dollars to spread misinformation and oppose wage increases for workers, in Portland and nationwide.<sup>2</sup>

## KEY FINDINGS

- 1 | The National Restaurant Association was founded in 1919 to suppress workers' wages and maintain the subminimum wage for tipped workers,** and with a \$50,000 contribution, is the current major funder of the opposition's misinformation campaign against wage increases in Portland. The NRA was joined by Uber and DoorDash; all three corporate entities contributed a total of \$200,000 to the campaign;
- 2 | Millions of workers have left or are leaving the restaurant industry** due to subminimum wages, and in response, thousands of restaurants nationwide are raising wages to recruit staff; and
- 3 | There are dozens of Portland restaurants, listed in the new report, that have already raised wages to the full minimum wage with tips on top** in response to the Great Resignation.



This November, Portland voters have the opportunity to support dozens of great local restaurants and their staff by passing Question D on the November 2022 ballot, which will level the playing field by requiring all establishments to increase their minimum wage over several years to \$18 an hour with tips on top, allowing thousands of workers to come back to work. This policy is highly popular - in a recent poll, nearly 80% of tipped workers in Maine said they support a full minimum wage with tips on top.<sup>3</sup>

For years, One Fair Wage has documented the restaurant industry's multiple challenges, including gender and race inequities, poor health and safety conditions, and most importantly, subminimum wages. Even pre-pandemic, the subminimum wage for tipped workers was a direct legacy of slavery that created economic instability and the highest

rates of sexual harassment of any industry because it forced a workforce that is in majority women to tolerate inappropriate customer behavior to earn tips.<sup>4</sup> With the pandemic, workers reported that their tips significantly decreased while customer hostility, health risks, and harassment increased; when they were asked to enforce COVID protocols on the same customers from whom they had to get tips, millions of workers started leaving the industry en masse.<sup>5</sup>

In response to this Great Resignation, thousands of independent restaurants are raising wages and increasing equity in order to recruit and retain staff. One Fair Wage has documented nearly 4,500 establishments across the country that have raised wages, with over 100 in Maine, and several dozen right here in Portland. Rather than supporting these independent restaurants, the NRA has instead spent millions continuing to resist wage increases.<sup>6</sup>

As we all go back to dining out, we encourage consumers to support the independent local restaurants that have raised their wages to recruit staff, by choosing them for dining out, and by supporting Question D, so that everyone in Portland can Dine Back Better.

## FROM EMANCIPATION TO THE PANDEMIC: THE HISTORY OF THE SUBMINIMUM WAGE FOR TIPPED WORKERS

Maine and 42 other states still allow employers of tipped workers to pay them a subminimum wage – only \$6.38 an hour in Maine – forcing these employees to make up their remaining wages based on tips.<sup>7</sup> In states that allow employers to pay a subminimum wage, workers derive a larger proportion of their income from tips than their counterparts in states that require that all workers make the minimum wage.<sup>8</sup> This system of pay makes it difficult for workers to attain financial stability when paychecks can vary wildly from week to week as customer tips effectively subsidize workers' wages.

The subminimum wage was created at Emancipation, when restaurant owners sought the right to extend slavery by hiring newly-freed slaves, not pay them, and force them to live on tips alone.<sup>9</sup> The National Restaurant Association was formed in 1919 with the express purpose of suppressing Black workers' wages in both the agricultural and restaurant sectors.<sup>10</sup> Today, 160 years later, tipped workers are over two-thirds women who work largely in casual restaurants and must collect a majority of their pay from customers' tips, which results in discrimination and harassment.<sup>11</sup>



Research has shown that even when the exact same level of service is rendered, customers tip Black women less than white men.<sup>12</sup> Additionally, research also shows Black workers are often segregated into more casual restaurants, where tips are less.<sup>13</sup> These two discriminatory practices, in large part, help to fuel the wide pay gaps within the restaurant industry. There is a \$6.19 an hour pay gap between Black women and white men in 'front-of-house' restaurant positions, a difference of \$12,875 annually.<sup>14</sup>

Workers paid a subminimum wage also are forced to tolerate unwanted and inappropriate behavior from customers in order to obtain tips. Even prior to the COVID-19 pandemic, the restaurant industry had the highest rates of sexual harassment reports of any industry.<sup>15,16</sup> In surveys conducted with restaurant workers

throughout the pandemic, workers reported experiencing increased sexual harassment from customers, with hundreds of women reporting that male customers asked female workers to remove their masks so that they could judge their looks and then determine what they would tip accordingly.<sup>17</sup> Through the COVID-19 pandemic, ‘front-of-house’ restaurant workers were also required to enforce public health measures on the same customers from whom they had to obtain tips to make up their base wages. Three-quarters of workers surveyed reported experiencing or witnessing hostile behavior from customers in response to staff enforcing COVID-19 safety protocols.<sup>18</sup> Forced into this impossible position by the subminimum wage, many workers – nearly 60 percent of workers surveyed – felt reluctant to enforce COVID-19 safety protocols because they were concerned that customers would retaliate and tip them less.<sup>19</sup>

Seven states abolished the subminimum wage many decades ago (CA, OR, WA, NV, MN, MT, and AK). The restaurant industry in these seven states experiences the same or better business growth rates, employment growth rates as the 43 states that allow for a subminimum wage for tipped workers.<sup>20</sup> These seven states also have nearly the same or higher tipping averages, with Alaska, which has required a full minimum wage with tips on top for decades, having the highest tipping average of any state in the United States.<sup>21</sup> Workers in these states have experienced higher wages and the same or better tips, and employment rates remain the same or higher as well.<sup>22,23</sup>

## **TIPPED WORKERS, PORTLAND’S QUESTION D, AND OPPOSITION FROM NATIONAL CORPORATIONS**

The subminimum wage for tipped workers affects a Maine restaurant industry of nearly 50,000 workers, 58 percent of whom are women.<sup>24,25</sup> Measure D, on the ballot in November 2022 in Portland, would raise the minimum wage for all workers over several years to \$18 by 2025, and require tipped workers to be paid a full minimum wage with tips on top.<sup>26</sup> The Maine Center for Economic Policy reports that this initiative will raise wages for over 35 percent of the 63,500 workers in Portland.<sup>27</sup> Among the 6,400 Portland workers in restaurant industry occupations, a stagger-



ing eight out of ten workers would benefit from this increase.<sup>28</sup> Not surprisingly, a 2021 poll by Lake Research Associates, 4 out of 5 tipped workers in Maine said they support a full minimum wage with tips on top. Raising the minimum wage to \$18 will also help to close existing pay disparities; women and workers of color in Portland are more likely than men and white workers to be paid wages below \$18 per hour.<sup>29</sup>

Despite this overwhelming support by workers for the increase, the opposition campaign to Question D has claimed, in press, mailers, and social media that the policy would hurt workers and that workers are thus opposed to it.<sup>30</sup> Campaign finance reports in October 2022 show that the largest funder of opposition to Portland's Question D is the National Restaurant Association, a DC-based corporate trade lobby, which provided \$50,000 to the opposition efforts.<sup>31</sup>

This type of intervention of the NRA in Maine is not new. After Maine voters voted overwhelmingly to pass a ballot measure in November 2016 that would raise the minimum wage for tipped workers to \$12 with tips on top, ending the subminimum wage for tipped workers, the National Restaurant Association helped to fund an astroturf PAC in Maine called 'Save Our Tips.'<sup>32</sup> The 'Save Our Tips' PAC launched a campaign to tell workers and voters that the measure would eliminate tips, even though the measure had no impact on tips and even though the states that require employers to pay a full minimum wage have the same or higher tipping averages as Maine.<sup>33</sup> The NRA replicated this campaign in Washington, DC and New York, having Maine-based leader of Save Our Tips, Josh Chaisson, travel to DC and New York to spread this misinformation.<sup>34,35</sup>

The NRA is once again intervening in Portland's minimum wage fight, telling restaurant workers and voters that Question D would eliminate tips.<sup>36</sup> **In fact, Question D includes language that would prohibit employers from eliminating tipping.** In this election cycle, the NRA is being supported by other national corporations, including Uber and DoorDash. These three organizations provided \$200,000 to the opposition campaign, making them the largest donors of the opposition campaign to Question D.<sup>37,38</sup> All of these national entities have a long history of opposing workers' wage increases and rights.<sup>39</sup>

## THE GREAT RESIGNATION AND A CHANGING INDUSTRY

In response to the reduced tips and increased harassment they experienced during the pandemic, over 1 million workers left the restaurant industry in 2021; over 70 percent of workers surveyed reported that low wages and tips were driving them out.<sup>40</sup> Over 80 percent of workers surveyed reported that a full livable wage with tips on top would bring them back to the industry. In contrast to the NRA's continued resistance to wage increases, thousands of restaurants nationwide and dozens of restaurants in Portland have responded to this staffing crisis, by raising wages to recruit and retain talented workers. In fact, One Fair Wage has documented nearly 4,500 restaurants across the country, over 100 in Maine, and dozens in Portland that are advertising higher wages.<sup>41</sup>

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**This Guide allows consumers to know which restaurants are raising wages, per public job postings that indicate that they are offering tipped workers wages that are higher than the subminimum wage for tipped workers.**

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Some of the restaurants listed have been demarcated as leaders in RAISE High Road Restaurants, an association of 2,500 restaurant owners committed to raising wages and improving equity and job quality for their employees. All of these restaurants are in the process of transitioning to or are already paying their workers One Fair Wage – a full minimum wage with tips on top – demonstrating that it is not only possible, but preferable, to run a business without the subminimum wage for tipped workers both in fine dining and quick-casual establishments. Voters agree with these business owners – 60 percent of voters continue to signal to their representatives that they support raising the wages for workers.<sup>42</sup>

**ONE FAIR WAGE** is sharing this guide to celebrate the restaurants that are trying to change the Portland industry by raising wages and moving towards a full minimum wage with tips on top.

RESTAURANT	ADDRESS
Arcadia	504 Congress St, Portland, ME
BaoBao Dumpling House	133 Spring St, Portland, ME 04101-3827
Butcher Burger	7 Union St, Portland, ME 04101
Jing Yan	90 Congress St, Portland, ME 04101
Maine Craft Distilling	123 Washington Ave, Portland, ME 04101
Mi Sen Noodle Bar	630 Congress St, Portland, ME 04101-3304
Old Port Tavern	11 Moulton St, Portland, ME 04101-5012
Petite Jacqueline	46 Market St, Portland, ME 04101
Portland Hunt + Alpine Club	75 Market St, Portland, Maine
Portland Lobster Company	180 Commercial St, Portland, ME 04101-4615
Radici	52 Washington Ave, Portland, ME 04101-2622
Regards	547 Congress St, Portland, ME 04101
Ruby's West End	64 Pine St, Portland, ME 04102-3855
Solo Italiano	100 Commercial St, Portland, ME 04101-4712
Stroudwater Distillery	4 Thompson's Point, Portland, ME 04102
Sur Lie	11 Free St, Portland, ME 04101-3907
Tandem Coffee Roasters	742 Congress St, Portland, ME, 04102
Terlingua	40 Washington Ave, Portland, ME, 04101
Three Dollar Dewey's	241 Commercial St, Portland, ME 04101-4622
Tipo Restaurant	182 Ocean Ave, Portland, ME 04103-5711
TIQA	327 Commercial St, Portland, ME 04101-4625
Urban Farm Fermentory	200 Anderson St, Portland, ME 04101-2562

Restaurants in red are RAISE members (Restaurants Advancing Industry Standards in Employment), including High Road Kitchen restaurants, that advocate for sustainable business models and champion living wages, basic benefits and fair promotion policies. Other restaurants are included based on advertised wages collected from Indeed.com job postings from August, 2021 to September, 2022.



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