



FULL DEAL FOR FULL RECOVERY

**CONGRESSMEMBERS:
PASS THE AMERICAN RESCUE
PLAN IN ITS ENTIRETY!**

It's essential for workers,
business and the economy!

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**FOOD LABOR
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We represent tens of millions of workers, independent businesses, and consumers and voters nationwide who call on Congress to pass the American Rescue Plan in its entirety, without watering down or reducing any section. We are especially thrilled that the Biden-Harris administration recognized the need to provide hundreds of billions of dollars in relief grants to small businesses nationwide and to incorporate Raise the Wage Act as a whole to raise the minimum wage to \$15 and eliminate the subminimum wage for tipped workers and workers with disability as an essential part of America's rescue and recovery from COVID-19.

WHAT ARE THE KEY ELEMENTS OF BIDEN'S AMERICAN RESCUE PLAN?¹

1. COVID RESPONSE²

Vaccination, Testing and Supplies: Investment of \$20 billion for a national vaccination program, \$50 billion to increase testing capacity and \$40 billion for sufficient supplies.

Public Health Jobs: A public health jobs program for 100,000 public health workers.

2. SMALL BUSINESS SUPPORTS³

Flexible Grants: \$15 billion in flexible grants to more than 1 million of the hardest hit small businesses.

Potential Investment: With a \$35 billion investment in successful state, local, tribal, and non-profit small business financing programs, as much as \$175 billion can be generated in low-interest loans and venture capital.

Community Credit: Support from the Community Credit Corporation at the U.S. Department of Agriculture (USDA) for restaurants, bars, and other businesses that have suffered disproportionately have sufficient support to bridge to the recovery.

Renters: Help for renters and small landlords make ends meet by providing an additional \$30 billion in rental and critical energy and water assistance for hard-hit individuals and families.

FEED Act: Partnership with restaurants to feed American families and keep restaurant workers on the job at the same time. The FEMA Empowering Essential Deliveries (FEED) Act will leverage the resources and expertise of the restaurant industry to help get food to families who need it, and help get laid-off restaurant workers across the country back on the job.

Economic Development Association: Funds of \$3 billion to the Economic Development Administration (EDA) to provide grants directly to state and local government entities, tribal institutions, institutions of higher education, and non-profits to fund initiatives that support bottom's up economic development and enable good-paying jobs.



3. WORKER SUPPORTS

Paid Leave: Emergency paid leave to 106 million more Americans by closing loopholes in the Families First Coronavirus Response Act.

Stimulus checks: \$1,400 per-person checks for individuals and families.

Unemployment Insurance: Financial assistance for workers who have exhausted their regular unemployment compensation benefits (5 million Americans), and to cover new categories (such as self-employed or contract workers) so as to cover approximately 8 million Americans.

Minimum Wage: Phase in of the federal minimum wage to \$15/hr federal minimum wage nationwide and phase out of the subminimum wage for tipped workers and for youth workers and workers with disabilities.

Hazard Pay: President Biden will call on CEOs and other business leaders to meet their obligations of generous back hazard pay to frontline essential workers.

Housing: Eviction extensions and \$5 billion in emergency assistance to help secure housing for people experiencing or at risk of homelessness, approximately 200,000 individuals and families.

4. FAMILY SUPPORTS

School Reopening: \$130 billion in flexible funding to help schools to safely reopen, \$35 billion to ensure colleges have critical resources to implement public health protocols and \$5 billion in funds for governors for the learning needs of students significantly impacted by COVID-19.

Childcare: Expanded childcare assistance to help millions of families with an additional \$15 billion in funding and increased tax credits to help cover the cost of childcare.

Food Support: \$3 billion investment in Special Supplemental Nutrition Program to help women, infants and children get the food they need. 15% Supplemental Nutrition Assistance Program (SNAP) benefit increase extended till September 2021. This change will help keep hunger at bay for around 40 million Americans.⁴



WHY IS THE AMERICAN RESCUE PLAN IN ITS ENTIRETY GOOD FOR BUSINESS?

\$15 billion in Small Business Relief:

The American Rescue Plan includes \$15 billion in small business relief, provided in the form of cash grants to millions of small businesses nationwide. These grants will allow small businesses to survive and also support them as they raise the wages of any minimum wage employees to \$15 an hour. And research shows that individual businesses, and the business climate as a whole, thrive even more in states that have ended the subminimum wage.⁵

Stimulus Checks and Increasing the Minimum Wage Is Necessary to Stimulate Consumption:

A minimum wage increase for all workers in all regions, phased in over several years, will allow businesses to more easily increase their workers wages while also increasing their consumption. Beyond one-time relief payments, small business survival is dependent on small businesses' community members ongoing ability to consume. As small businesses reopen with support from the grants mentioned above, they will hire back workers. The relief these workers receive and even more so the wages these workers are paid will determine whether they are able to consume in a way that stimulates our depressed economy and especially sustains these very same small businesses, allowing them to hire more workers. Eighty percent of restaurant workers who applied to the One Fair Wage Emergency Fund during the pandemic reported that they did not have enough money for two weeks of groceries, and nearly 90% reported that they could not afford to pay the rent — these workers need not only one-time support but also increased wages to sustain their consumption.⁶

Business Fairness:

The current minimum wage system requires most small businesses to pay the full minimum wage while allowing large multi-billion restaurant corporations to pay one third of the federal minimum wage, and also requires businesses to pay a higher minimum wage in some states while allowing corporations in other states to pay much less. The Raise the Wage Act would eliminate this inequity, creating a level playing field for businesses in all sectors and in all geographies.

Providing Vaccines Combined with Increasing the Minimum Wage Facilitates Workers Going Back to Work:

During the pandemic, restaurant industry trade publications reported that thousands of restaurants were experiencing difficulty in getting workers to come back to work. Surveys with thousands of workers indicate that for workers, going back to work is not worth it if one is paid a subminimum wage when tips are down 50-75%, most employers are not complying with safety protocols, and the CDC has named restaurants one of the most dangerous locations for COVID spread.^{7,8} Accelerating vaccination of service workers, combined with paying these workers a full wage when tips are likely to be diminished for several years, will facilitate small businesses being able to bring great employees back to work.

For These Reasons, the Rescue Plan Is EVEN Supported by the US Chamber of Commerce:

“The U.S. Chamber of Commerce welcomes the introduction of President-elect Biden’s American Rescue Plan. Specifically, we applaud the President-elect’s focus on vaccinations and on economic sectors and families that continue to suffer as the pandemic rages on. We must defeat COVID before we can restore our economy and that requires turbocharging our vaccination efforts. We look forward to working with the new administration and Congress on the details and in ensuring that any additional economic assistance is timely, targeted, and temporary.”⁹



WHY IS THE AMERICAN RESCUE PLAN IN ITS ENTIRETY GOOD FOR WORKERS?

Access to Unemployment Insurance, Stimulus Checks, Childcare, Housing and Nutrition Supports:

Millions of low wage workers faced severe challenges in accessing state unemployment insurance, which is why federal unemployment insurance is essential. For example — 1 in 4 workers who lost their job during the pandemic was a restaurant worker, yet surveys show an estimated 60% of restaurant workers were unable to access their state’s unemployment insurance because they were told by multiple states that their subminimum wage plus tips was too low to qualify to meet the minimum threshold to qualify for benefits.¹⁰ Federal unem-

ployment insurance and stimulus checks that are not measured on prior income, coupled with childcare, housing and nutrition supports are essential to allow millions of workers to survive and feed their families; it also allows millions of essential workers to go to work and access childcare.

Public Health:

Ensuring that workers will not lose their benefits if they do not feel safe is critical for their safety and the safety of others. Many low-wage workers felt compelled to return to work even before their employers were able to ensure proper safety protocols, and even if they were at high risk of contracting COVID or had high risk family members. In the case of the restaurant industry, among restaurant workers forced to return to work, nearly 90% report receiving 50-75% less in tips, and 60% report that they fear enforcing safety measures upon the very customers who pay the majority of their wages in tips.¹¹ Thousands of women servers reported returning to work before they felt safe, and being asked by male customers to remove their masks to judge their looks and their tips on that basis.

Increased Wages:

Millions of low wage workers receiving a raise to \$15 an hour reduces poverty rates, public assistance usage, hunger, and home insecurity, and increases workers’ ability to feed their families, pay bills, and consume in a way that stimulates the economy. The subminimum wage for tipped workers is a legacy of slavery that forces a mostly female workforce of tipped workers to live off the instability and inequity of tipping — and thus endure three times the poverty rate of the rest of the US workforce, the highest rates of sexual harassment of any industry, and a \$5 per hour

wage gap between Black women and white men tipped workers.^{12,13} Seven states already require One Fair Wage — a full minimum wage with tips on top (CA, OR, WA, NV, MT, MN, AK); these states have lower poverty rates and one half the rate of sexual harassment as the states with a subminimum wage of \$2.13 an hour, but they also have higher job growth and small business growth rates in the restaurant industry.^{14,15} Ending the subminimum wage for tipped workers would allow the whole country to enjoy the success experienced by restaurants and their workers in those seven states.

WHY IS THE AMERICAN RESCUE PLAN IN ITS ENTIRETY GOOD FOR THE COUNTRY?

Addressing Multiple Crises at Once:

Passing the American Rescue Plan in its Entirety is essential to confront America's multiple interrelated immediate crises: a global pandemic, an economic depression, and rising inequality — by race, gender and class. There are countless ways in which each of the elements of the proposal addresses multiple crises at once. A massive vaccine program, especially targeting high risk communities, simultaneously addresses the pandemic and inequality. Small business assistance, unemployment insurance, stimulus checks, and minimum wage increases are essential to stimulate the economy as described above and also to address race, gender and economic inequality. Applying minimum wage increases equally nationwide reduces race and class inequalities faced

by workers in poorer regions such as the South; raising wages unequally across these geographies would exacerbate these inequities. Providing childcare supports addresses gender inequities and stimulates the economy, allowing millions of women who have lost their jobs to return to work. Finally, ending the subminimum wage for tipped workers would end a legacy of slavery that forces a mostly female workforce to rely on tips, thus ending a source of poverty, sexual harassment and racial income gaps.



We Need to Do ALL of What's Required for Recovery, Not Just Part.

This is a lesson Biden's team and all of us learned in 2009. The compromise version of the Recovery Act that Democrats finally agreed on was far less than what was originally proposed, and didn't actually do what needed to be done for the economy. "It wasn't large enough," Ron Klain, now President Biden's Chief of Staff, said recently. "Our recovery lagged as a result."¹⁶ So while the ultimate package didn't achieve its goals economically, it was also a

flop politically — big enough to be cast as a liability, but not big enough to be seen as a success. Democrats, including many in the Biden Administration, say they've learned their lesson and we need to hold them to it. A full relief package for a full recovery — including a full, fair wage for all Americans.



We Need to Truly Build Back Better:

The pandemic revealed and exacerbated deep inequalities in our country that were not sustainable and reached their breaking point over the last year. For example, in the restaurant industry, millions of restaurant workers and independent restaurant owners realized that the subminimum wage for tipped workers was unsustainable when millions lost their jobs and were not able to qualify for benefits because their wages were too low to qualify. As President Biden has stated repeatedly, we must Build Back Better. If we simply provide vaccines and relief payments without increasing childcare, housing and nutrition supports and raising the minimum wage for all workers, including tipped workers and workers with disabilities, the exacerbated inequities could easily lead to a complete collapse of our nation's ability to consume, and therefore our economy. Relief and recovery must go hand in hand.

ENDNOTES

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- 10 See note 6.
- 11 See note 7.
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