

Our Recommendations

The Restaurant Industry Coalition recommends the following steps to address the workplace problems documented in our study:

- 1. Level the playing field by providing paid sick days and increasing the tipped minimum wage.** Policymakers should level the playing field by requiring all employers to provide paid sick days to their employees. The lack of paid sick days can result in public health challenges for the entire region. Policymakers should also raise the minimum wage for tipped workers to be closer to the minimum wage for all other workers.
- 2. Incentivize high-road practices.** Initiatives and incentives should be considered to assist and encourage employers to provide livable wages, basic workplace benefits, and opportunities for advancement to restaurant workers. Such initiatives could include rent and property tax incentives for employers who implement exceptional workplace practices, subsidies to employment-based health insurance, or support of collective health insurance provisions across the industry, such as the one that ROC has developed nationally.
- 3. Promote opportunity, penalize discrimination.** Policymakers must explore initiatives that encourage internal promotion and discourage discrimination on the basis of race and immigration status in the restaurant industry.
- 4. Enforce employment laws in the restaurant industry.** Labor, employment and health and safety standards should be strictly enforced. Legislators should consider an employer's compliance with these standards in granting government licenses. Employers must also be educated about their legal responsibilities towards their employees and provided necessary support to meet their obligations to their workers and to the public. It is in the interest of both workers and the public at large that existing standards be observed and enforced.
- 5. Promote model employer practices.** Model employer practices should be publicized to provide much-needed guidance to other employers in the industry. The vast majority of employers we interviewed agreed in theory that high-road workplace practices were better. However, many appeared unaware of how to successfully implement them in practice.
- 6. Respect workers' right to organize.** Barriers to organizing restaurant workers should be addressed and the public benefits of unionization in this and other industries should be publicized in light of the significant benefits to workers and employers alike which can arise when workers unionize.
- 7. Support further industry research.** Further study and dialogue should be undertaken that includes restaurant workers, employers, and decision-makers in order to ensure effective and sustainable solutions to the issues identified in our study—especially race-based discrimination, and the impacts of the industry's practices on health care and public program costs.

The information collected here from workers, employers, and industry experts is critical to ensuring that Miami-Dade County's restaurant industry truly shines not only as an important contributor to the region's job market and economy, but also as a beacon to the well-being of its workers and communities.



RESTAURANT OPPORTUNITIES CENTER OF MIAMI
(ROC-MIAMI)

RESTAURANT OPPORTUNITIES CENTERS UNITED
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South Florida Jobs With Justice
Take Back the Land-Miami

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EXECUTIVE SUMMARY

Behind the Kitchen Door: The Social Impact of Inequality in Miami's Growing Restaurant Industry



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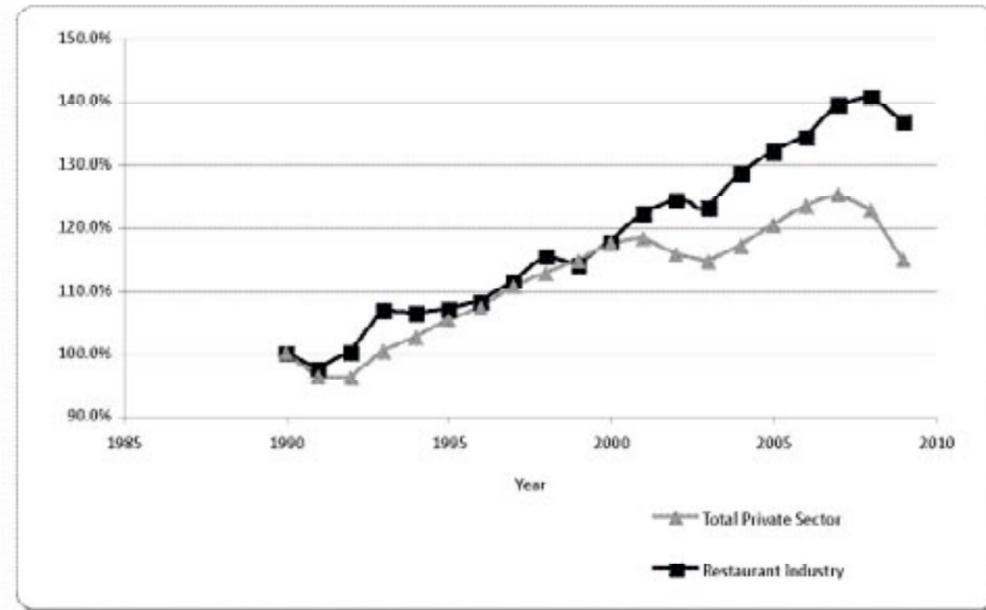


A Resilient and Growing Industry

Miami-Dade County is home to a vibrant, resilient, and growing restaurant industry. The industry includes 3,998 food service and drinking places that contribute to the region's tourism, hospitality and entertainment sectors and to its economy as a whole. In 2007, the Florida restaurant industry accounted for an estimated \$1.68 billion of the state's revenues from sales tax.

Perhaps the industry's most important contribution to the region's economy is the thousands of job opportunities and career options it provides. Despite the current economic recession, the Miami-Dade restaurant industry continues to grow. Employment growth in the Miami-Dade food services sector has outpaced that of the Miami-Dade economy overall since 2000 and the restaurant industry proved much more resilient than the rest of the economy during the recent recession (see Figure 1). Miami-Dade County restaurants employ 65,900 workers, or 7.91% of the county's total private sector employment. Since formal credentials are not a requirement for the majority of restaurant jobs, the industry provides employment opportunities for new immigrants, workers who have no formal qualifications, and young people just starting out in the workforce

Figure 1: Job Growth in Restaurant Industry & Total Private Sector Employment, Miami, 1990-2009.



Source: Bureau of Labor Statistics Current Employment Statistics.

Many Bad Jobs, A Few Good Ones

There are two roads to profitability in the Miami-Dade County restaurant industry – the “high road” and the “low road.” Restaurant employers who take the high road are the source of the best jobs in the industry—those that provide livable wages, access to health benefits, and advancement in the industry. Taking the low road to profitability, however, creates low-wage jobs with long hours, few benefits, and exposure to dangerous and often-unlawful workplace conditions. Many restaurant employers in the Miami-Dade County area appear to be taking the low road, creating a predominantly low-wage industry in which violations of employment and health and safety laws are commonplace.

TABLE 1: An Overview of Workplace Conditions Faced by Miami-Dade Restaurant Workers

Wages Earned by Restaurant Workers	Percent of Workers
Less Than Minimum Wage (<\$7.25)	7.2%
Below Poverty Line (\$7.25 - \$8.79)	32.7%
Less than Living Wage (\$8.80 - \$17.63)	51.0%
Living Wage (\$17.64 and higher)	9%
Job Benefits and Health Reported by Restaurant Workers	Percent of Workers
Employer does not provide health insurance	89.6%
Do not have any health insurance coverage	74.6%
Gone to the emergency room without being able to pay	24.4%
Do not get paid sick days	91.1%
Do not get paid vacation days	83.1%
Have worked when sick	65.2%
Raise and Promotions Reported by Restaurant Workers	Percent of Workers
Do not receive regular raises	82%
Have never received a promotion	77.6%
Did not move up in position from last job to the current job	74.9%
Did not receive on-going job training needed to be promoted from employer	59.8%
Employment Law Violations Reported by Restaurant Workers	Percent of Workers
Experienced overtime wage violations	45.5%
Experienced minimum wage violations	21.8%
Worked off the clock without pay	27.1%
Management took share of tips	15.5%

Source: Miami-Dade Restaurant Industry Coalition survey data

Health and Safety Violations Reported by Restaurant Workers	Percent of Workers
Unsafely hot in the kitchen	34.5%
Fire hazards in the restaurant	18.1%
Missing mats on the floor to prevent slipping	18.3%
Missing guards on cutting machines	25.7%
Done something that put own safety at risk	41.7%
Did not receive instruction or training about workplace safety	31.7%
Workplace Injuries Reported by Restaurant Workers	Percent of Workers
Burned while on the job	43.7%
Cut while on the job	42.6%
Slipped and injured while on the job	17.9%
Came into contact with toxic chemicals while on the job	21.7%
Have chronic pain cause or worsened by the job	17.7%
Workplace Practices Reported by Restaurant Workers	Percent of Workers
Worked when the restaurant was understaffed	78.7%
Performed several jobs at once	81.3%
Experienced verbal abuse from supervisors	22%
Performed a job not trained for	45.5%
Done something that has put own health and safety at risk	41.7%
Done something due to time pressure that might have harmed the health and safety of customers	33.9%

While there are a few “good” restaurant jobs in the industry, and opportunities to earn a livable wage, the majority are “bad jobs,” characterized by very low wages, few benefits, and limited opportunities for career advancement or increased income. According to the U.S. Bureau of Labor Statistics, the median hourly wage for restaurant workers is only \$8.88, which means that half of all Miami-Dade restaurant workers actually earn less.

In our own survey of restaurant workers, the vast majority (89.6%) reported that their employers do not offer them health insurance. Earnings in the restaurant industry have also lagged behind those in the entire private sector. In terms of annual earnings, restaurant workers on average made only \$18,912 in 2009 compared to \$43,395 for the total private sector, according to the Quarterly Census of Employment and Wages, Bureau of Labor Statistics.

Several workers in our study reported overtime and minimum wage law violations, lack of health and safety training, and failure to implement health and safety measures in restaurant workplaces. Close to half of all workers surveyed (45.5%) experienced overtime violations and 27.1% reported working “off the clock” without being paid.

Occupational Segregation and Discrimination

Structural inequality and discrimination in the industry compound historical patterns of employment discrimination, residential segregation, and discriminatory transportation effects. Workers of color are largely concentrated in the industry's “bad jobs,” while White workers tend to disproportionately hold the few “good jobs.” Workers of color are overrepresented in lower-paying positions and in lower-paying segments of the industry, resulting in a significant wage differential between White workers and workers of color. Whites in our survey reported a median wage of \$11.29 while the median wage was \$10.00 for Latinos, \$9.00 for non-Haitian Blacks and \$8.21 for Haitians. Workers also reported discriminatory hiring, promotion and disciplinary practices; 40.3% of workers experiencing verbal abuse reported that it was on the basis of race.

The Social Costs of Low-Wage Jobs

Our research also reveals the hidden costs to customers and taxpayers of low-wage jobs and low-road workplace practices. Violations of employment and health and safety laws place customers at risk and endanger the public. For example, restaurant employers who violate labor laws are also more likely to violate health and safety standards in the workplace—such as failing to provide health and safety training, or forcing workers to engage in practices that harm the health and safety of customers.

The pervasiveness of accidents coupled with the fact that so few restaurant workers have health insurance can lead to escalating uncompensated care costs incurred by public hospitals. For example, 24.4% of surveyed workers reported that they or a family member had visited the emergency room without being able to pay for their treatment.

Finally, low wages and lack of job security among restaurant workers lead to increased reliance on social assistance programs resulting in an indirect subsidy to employers engaging in low-road practices and fewer such public resources available for expenditures such as education, public safety, transportation, and social wellbeing. Hence, whenever restaurant workers and high-road employers are hurt by low-road practices, so is the rest of society.

The High Road Is Possible

It is possible to create good jobs while maintaining a successful business in the restaurant industry. Our interviews with employers revealed that it is possible to run a successful restaurant business while paying livable wages, providing workplace benefits, ensuring adequate levels of staffing, providing necessary training, and creating career advancement opportunities.

In fact, close to 9% of the workers we surveyed reported earning a livable wage, and similar numbers reported receiving benefits, thereby demonstrating both the existence of “good jobs” and the potential of the industry to serve as a positive force for job creation. Workers who earn higher wages are also more likely to receive benefits, ongoing training and promotion, and less likely to be exposed to poor and illegal workplace practices. For example, workers in livable-wage jobs were almost twice as likely as workers making less than minimum wage to have health insurance. Workers earning a living-wage were also more likely to have received training or to have been promoted in their current workplace. Some employers have shown that it is possible to run a profitable business and pay their workers well; all employers can do the same, particularly if the playing field is leveled by correcting the practices of low-road employers.

ABOUT THIS STUDY

Behind the Kitchen Door: Inequality & Opportunity in Miami-Dade County's Growing Restaurant Industry was conceived of and designed by the Miami-Dade Restaurant Industry Coalition—a broad gathering of academics, policy analysts, worker advocates, worker organizers, unions, restaurant workers and restaurant industry employers. This paper represents one of the most comprehensive research analyses of the restaurant industry in Miami.

The report uses data from 580 worker surveys, 30 one-hour interviews with restaurant workers, and 30 one-hour interviews with restaurant employers in Miami-Dade County. The results of this primary research are supplemented by analysis of industry and government data, such as the Census, and a review of existing academic literature.

Our study was inspired by the need for examination and analysis of the overall health of the restaurant industry, which is fundamental to Miami-Dade County's economy and critical to the lives of thousands of restaurant workers and employers. The restaurant industry is an important and growing source of locally based jobs, and provides considerable opportunity for development of successful businesses. It is therefore essential to make information about the industry from the perspectives of both workers and employers available to all stakeholders to ensure the industry's sustainable growth.