



BRIEFING

Trends, innovations and events shaping foodservice in the Americas region

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Rights and wrongs

With many workers in the food industry struggling to survive, Amelia Levin reports on the campaign to increase the minimum wage and protect rights

\$15 an hour

Minimum wage level workers' organisations are calling for in the US

58%

Proportion of industry jobs created since 2010 that pay \$12 an hour or less



Fast food workers have been taking the US by storm. Earlier this spring strikes swept through six cities, Detroit, Milwaukee, St. Louis, Washington DC, Chicago and Seattle. The battle is between businesses arguing a need to remain financially sustainable and their employees fighting for a living wage to meet the demands of rent, food and fuel, along with benefits to help them stay safe, healthy and treated fairly.

The protests come on the heels of a strike in New York City late last year by workers at several fast-food giants and big box retailers. Several organising groups and campaigns have rallied around a “Fight for 15” – demanding \$15 an hour minimum wage, significantly

higher than most state minimum wages, which range from \$5.15 in Georgia to close to \$9 in other states; the federal minimum wage is \$7.25 an hour. A study last year by the National Employment Law Project found most of the jobs gained since early 2010 – 58% – paid \$12 an hour or less.

“Fast-food jobs are among the fastest-growing in the US, but they are also among the lowest paid,” says Jonathan Westin, director of Fast Food Forward, a community labour and clergy coalition active in the Fight for 15 effort to improve wages and conditions for the fast-food industry. “Workers earn about \$18,000 a year, less

than half what it costs to support a family in New York City. Fast food and retail workers are not paid enough to afford basic needs such as food, clothing, and rent.”

Also at issue is the right to form unions, without retaliation, as a protection for other workers’ rights such as paid sick days, benefits and fair treatment. “The first step for these workers has been creating a union and building campaigns and organising committees around that cause,” says Jennifer Epps-Addison, an attorney and economic justice director for Citizen Action of Wisconsin, a coalition-based organisation working on a variety of issues, including worker rights and a campaign to raise the state minimum wage. Unions require a 51% vote by a firm’s employees to earn recognition and legal protection.

“Our mission is to make Wisconsin a better place to work and live, so this support work with restaurant and retail workers was because we believe when workers have the ability to organise, it creates a stronger workplace and better consumer culture for everyone,” Epps-Addison adds.

The coalition – in conjunction with the Milwaukee Worker Organising Committee and other organisations – has helped facilitate strikes, attend restaurant company shareholder meetings, form unions and write and sign petitions to local governments in support of these issues. Citizen Action of Wisconsin has also developed consumer call-out cards

about the campaign for worker rights and higher wages with information on how to get involved. So far, more than 1,500 of these cards have been handed out by consumers at Milwaukee restaurant, retail and other service companies.

The organisation’s efforts extend beyond the minimum wage debate



4-6%

Average pre-tax margin
made by restaurants

(Wisconsin's minimum wages stands at \$7.25 an hour). "While wages are a big issue in their lives there are other problems facing restaurant workers that a simple increase in wages isn't going to solve," says Epps-Addison. "Many fast food workers we spoke to showed up for their shifts but were not allowed to clock in if the restaurant wasn't busy, so they ended up waiting in the lobby unpaid." Epps-Addison cited other cases of restaurant workers who said they had to use their own vehicles and make unpaid, non-compensated deliveries if regular drivers called in sick or didn't show up.

"We work on facilitating conversations between businesses who still want to make those record profits, but pay their employees enough to support their families," she says. "Ultimately, it will be the consumers who make the demand for better wages in the industry."



Encouraging fair practice

Humane treatment of low-wage earners first garnered national attention after protests by farm workers in Florida.

The Coalition of Immokalee

Workers, which advocates the safe, humane treatment of tomato farmers, has recently focused on encouraging restaurants and grocery stores to purchase produce only from farms engaged in fair practices.

"Though we're not working directly with the restaurant industry, we have a similar initiative where we are trying to improve wages and work conditions by calling on major fast food companies and retailers to change the way they do business by entering into a fair food agreement," coalition member Guadalupe Gonzalo said. "We are asking them only to buy from farms respecting human rights."

Restaurant owners say the minimum wage issue isn't as simple as it looks.

"Current proposals aimed at increasing the minimum wage... would restrict the ability of the industry to create jobs"

Scott DeFife, National Restaurant Association

"Restaurants operate on razor-thin pre-tax profit margins," says Scott DeFife, executive vice president, policy and government affairs for the National Restaurant Association. "With average pre-tax margins of 4% to 6%, any additional labour cost can negatively impact a restaurant's ability to hire or maintain jobs. Current proposals aimed at increasing the minimum wage to a so-called living wage, in addition to complying with new regulations like the Affordable Care Act, would have a cumulative effect of significantly increasing the cost of doing business and restrict the ability of the industry to create jobs."

According to the Bureau of Labor Statistics, 77% of those earning the starting or minimum wage in the restaurant industry are part-time employees, 71% are under the age of 25, and 47% are teenagers.

More than seven out of 10 eating and drinking establishments are single-unit operations considered small businesses, so only a small minority would be able to handle a 39% minimum wage increase without taking financial or labour-cutting actions, he added.



According to DeFife, this burden extends beyond small restaurants to include franchisees of even the large restaurant corporations. In fact, several small restaurant owners and franchisees have publicly opposed proposed minimum wage hikes by state governments, many testifying before congressional committees.

Global to local

"We really need to focus on the viability of that franchise operator who's running that one fast-food restaurant in his area – and this cuts across all brands," says DeFife. "Fast-food companies are global corporations with revenue coming in from variety of places – it has nothing to do with the foodservice operator in a particular city or town who needs to remain viable to be successful. While some franchisees have some supply chain management or other cost control advantages, the store in Iowa still has to survive as the store in Iowa."

While fast-food giants have been quiet in response to the worker strikes, they have responded overwhelmingly

positively to the Coalition of Immokalee Workers' efforts, says Gonzalo.

As the complex minimum wage union debate continues, Epps-Addison says workers in Wisconsin have been most focused on building union votes. New

York City recently passed a bill that will raise the state minimum wage to \$9 by 2015.

In the meantime, she says: "I wouldn't be surprised if we continue to see more strikes." ■

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Jennifer Epps-Addison,
Citizen Action of Wisconsin