



NEW YORK *STILL* NEEDS ONE FAIR WAGE

April 9, 2020

Governor Cuomo did not include restaurant workers when he announced at the end of 2019 that New York State would eliminate the subminimum wage for some of New York's tipped workforce. This majority-female workforce will continue to suffer higher rates of sexual harassment and economic hardship as a result.

The lack of One Fair Wage (OFW) means hundreds of thousands of restaurant workers in New York are now receiving unemployment insurance based on a subminimum wage, plus tips, while their counterparts in California are getting unemployment insurance calculated on a full minimum wage, plus tips.

This moment is highlighting why we have needed One Fair Wage all along.

One Fair Wage in New York will:

- reduce the risk of workers who rely on tips going to work sick¹
- reduce sexual harassment, especially for women servers²
- reduce poverty for workers who earn a subminimum wage³
- avoid locking gig economy delivery and food service workers into a subminimum wage⁴

¹ Letter to Governor Cuomo from Barry Commoner Center for Health and the Environment with additional medical and public health professional signatories, <https://bit.ly/3dGTrxu> (March 10, 2020); see also, *Coronavirus and the Restaurant Industry's Subminimum Wage: How One Fair Wage Can Mitigate the Spread of Coronavirus Infections*, <https://bit.ly/2Jppley> (March 2020)

² Restaurant servers, 61% female, experience the worst rates of sexual harassment of any industry because they must tolerate inappropriate customer behavior to secure tips to feed their families. Sexual harassment is also rampant on the management side of the restaurant industry. ROC United, <https://bit.ly/33Y1nFS> (May, 2018)

³ Restaurant servers experience poverty at more than double the statewide rate. Tipped restaurant workers in New York who work full-time year-round earn a median income of just \$22,000 a year, including tips.

⁴ Until the coronavirus outbreak, NY lawmakers had been in discussions with labor advocates about passing a law similar to California's AB 5 legislation, which gave CA gig economy workers many of the same rights as employees. The problem with this is that New York has a subminimum wage for tipped hospitality workers, and so giving tipped delivery and food service workers the same rights could inadvertently lock them into a subminimum wage. See *Worker Misclassification and One Fair Wage: A White Paper on the Perils of Replicating AB 5 in Two-Tiered Wage States*, University of California, Berkeley Food Labor Research Center and One Fair Wage, <https://bit.ly/2UwBiel> (March 5, 2020)

TWO THINGS WE MUST DO NOW to ensure OFW is in New York's future following containment of this coronavirus...

1) Workers Must Speak Out for One Fair Wage

Workers won't win a fair wage unless they demand it. The Restaurant Association will organize workers against it -- using misinformation and scare tactics. Most importantly, workers must educate themselves and then speak directly with elected officials about the points above, with personal stories.

Educate→

Download the One Fair Wage Fact Sheet

bit.ly/OFWfactsheet

Stay Engaged to Take Action→

Join your colleagues on this Facebook Group:

bit.ly/OFWfbgroup

2) We Must Fight for a Worker-First Approach to Any Restaurant Bailout, Incentivizing "High Road" Employer Behavior

On March 27, 2020, the federal government passed a \$2 trillion stimulus package for workers and businesses -- the biggest fiscal stimulus package in modern American history. According to reports, New York will get roughly \$40 billion⁵, including \$7.5 billion for governments in New York, of which roughly \$5.5 billion will go to the state government.⁶

For More Information:

Everything to Know About How the \$2 Trillion Stimulus Helps (and Fails) Restaurants:

bit.ly/EaterStimulusArticle

It is unclear what the precise parameters will be to receive various forms of funding. In any event, we are demanding that:

- ❖ **Unemployment insurance payments for tipped workers must be measured based on everyone already having One Fair Wage (i.e., \$15/hr plus tips)**
- ❖ **Relief to restaurants -- like rent assistance and tax abatements -- must be tied to commitments to moving to One Fair Wage, as proposed by Restaurants Advancing Industry Standards in Employment (RAISE)⁷**

⁵ Democrat & Chronicle, <https://www.democratandchronicle.com/story/news/politics/albany/2020/03/25/coronavirus-stimulus-what-new-york-gets-and-why-its-not-enough/5077448002/> (March 25, 2020)

⁶ NY Torch, <https://www.empirecenter.org/publications/how-the-stimulus-bill-treats-ny/> (updated March 27, 2020)

⁷ RAISE restaurant owners letter to Governor Cuomo, <https://bit.ly/2wDD44c> (March 20, 2020)