



Issue: Minimum wage

Wage Equity - Why Wait?

Question: Who works 8-10-hour days and earns \$2.13/hour, without overtime or benefits?

Answer: 1 of 11 of your neighbors. You typically patronize their establishments every week.

One of our societal myths is that restaurant workers are lucky stiffs who get to pocket undeclared income and pay no taxes. Why should they get a minimum wage, when their undeclared tips equal or even exceed what other wage earners make?

The reality is quite different.

Virginia Wait Staff Realities

- In **Virginia**, the mandatory wage for a waiter or waitress is **\$2.13/hour** — so low that the net check an employee gets can actually be *zero* after employers withhold taxes based on assessed tips. Seven other states have eliminated this loophole. Their employers pay full minimum wage. Tips are earned for *service*. In Virginia, tips are the *wage*.
- In Virginia, **4.3%** of workers paid on an hourly basis earned *at or below* the federal minimum wage of \$7.25 per hour. That is **nearly twice the national average** — the national figure is 2.7% of underpaid workers.
- This workforce in **Virginia totals 367,800 restaurant and foodservice jobs** in 2017 — 9% of the state's employment. By 2027, that number is projected to grow to 405,700. **Nearly half a million people would be relying on sub-subsistence wages.**
- Far from being a 'fun' job, restaurant workers--the majority of whom are women — are forced to rely on customers for their income, and must often tolerate inappropriate behavior from customers, co-workers and managers. **The restaurant industry is the single largest source of sexual harassment claims in the U.S.**

Democrats Get This Unfairness

In addition to allowing the dismal \$2.13 hourly wage for restaurant workers, Virginia is still among the states keeping the minimum wage rate at \$7.25 per hour. Despite repeated Democratic efforts to establish an equitable minimum wage, their efforts have been consistently rejected by the House Republicans. The minimum wage has been the same since 2009. How can that be when such a large population relies upon these jobs to pay basic bills?

The Republicans' False Narrative: Fair Pay Would Put Companies Out Of Business

Republicans argue that raising the minimum wage, particularly in the food business, could bankrupt companies. Those fears have proven groundless in states that *have* minimum-wage pay in restaurants. The businesses thrive; workers' poverty rates are dramatically lower.

But, they say, we simply cannot afford to raise the minimum wage, which has a real cost —nothing is free. So where does that "real cost" hit when workers make \$2.13 per hour? That cost is *not* being borne by the food service industry, not even by full-service restaurants with high yields. It is borne by taxpayers.



Hidden Cost of Sub-subsistence Wages in Restaurant Industry

FIGURE 1 Participation in public programs



TABLE 1 Estimated annual cost of public assistance at the five largest full-service restaurant companies

Company	Estimated Annual Average Cost of Public Assistance Provided to Employees
DineEquity	\$449,569,135
Darden	\$339,772,942
Brinker International	\$237,432,503
Bloomin' Brands	\$233,711,874
Cracker Barrel	\$166,870,371

A recent study of the full-service restaurant industry, which employs 5 million people (with steep growth expected) shows these workers hold 8 of the 10 lowest-paid occupations in the U.S.

- Nearly half of the families of full-service restaurant workers are enrolled in one or more public-assistance programs.
- The cost of public assistance to families of workers in the full-service restaurant industry is \$9,434,067,497 per year.
- Restaurant workers experience poverty at a rate 2 times that of the overall workforce.

You, not the restaurateurs, pay the price for the public subsistence programs required.

Republicans Hide Their Votes

11 minimum wage-related bills have been introduced over 4 years. 11 have been **killed**.

TABLE 2 VA House Wage-related Bills - Repeatedly Proposed and Killed

Bill#	Sponsoring Delegate	Purpose	Date	Disposition by Labor & Commerce	Disposing Majority
HB1445	Del. Ward Democrat	Prevent employers from paying staff by prepaid card without their consent	1/24/2017	<i>Died in Committee</i>	Republican
HB1444	Del. Rasoul Democrat	Increase min. wage from \$7.25 to \$10.00	2/8/2017	<i>Died in Committee</i>	Republican
HB2309	Del. Simon Democrat	Increase min. wage from \$7.25 to \$11.00	2/8/2017	<i>Died in Committee</i>	Republican
HB1771	Del. Plum Democrat	Increase min. wage from \$7.25 to \$10.10	2/8/2017	<i>Died in Committee</i>	Republican



HB623	Del. Krizek Democrat	Increase min. wage from \$7.25 to \$10.10	2/16/2016	<i>Died in Committee</i>	Republican
HB597	Del. Plum Democrat	Increase min. wage from \$7.25 to \$10.00	2/16/2016	<i>Died in Committee</i>	Republican
HB1258	Del. Rasoul Democrat	Increase min. wage from \$7.25 to \$8.50	2/16/2016	<i>Died in Committee</i>	Republican
HB1512	Del. Simon Democrat	Increase min. wage from \$7.25 to \$15.15	1/27/2015	<i>Died in Committee</i>	Republican
HB1654	Del. Plum Democrat	Increase min. wage from \$7.25 to \$8.00	1/27/2015	<i>Died in Committee</i>	Republican
HB995	Del. Levine Democrat	Allow local cities to set minimum wage	1/27/2015	<i>Died in Committee</i>	Republican
HB32	Del Joe Morrisey(I)	Increase min. wage from \$7.25 to \$8.50	2/4/2014	<i>Died in Committee</i>	Republican
HB536	Del. Plum (Dem)	Increase min. wage from \$7.25 to \$8.25	2/4/2014	<i>Died in Committee</i>	Republican

VA House of Delegates Commerce and Labor Committee – Members by Party

REPUBLICAN MEMBERS

- [Del. Terry Kilgore \(R-Gate City\) Chair](#)
- [Del. Rob Bell \(R-Charlottesville\)](#)
- [Del. Kathy Byron \(R-Lynchburg\)](#)
- [Del. Ben Cline \(R-Amherst\)](#)
- [Del. Peter Farrell \(R-Henrico\)](#)
- [Del. Greg Habeeb \(R-Salem\)](#)
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- [Del. Danny Marshall \(R-Danville\)](#)
- [Del. Jackson Miller \(R-Manassas\)](#)
- [Del. Israel O'Quinn \(R-Bristol\)](#)
- [Del. Margaret Ransone \(R-Kinsale\)](#)
- [Del. Ron Villanueva \(R-Virginia Beach\)](#)
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- [Del. David Yancey \(R-Newport News\)](#)

DEMOCRAT MEMBERS

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- [Del. Mark Keam \(D-Vienna\)](#)
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- [Del. Joe Lindsey \(D-Norfolk\)](#)
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- [Del. Jeion Ward \(D-Hampton\)](#)



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