

WORKING CONDITIONS IN THE NORTHAMPTON RESTAURANT INDUSTRY

WHITE PAPER
draft

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INTRODUCTION

The city of Northampton is home to one of the most vibrant culinary scenes in the region, boasting an impressive array of ethnic restaurants, award winning bakeries and bustling coffee shops. In fact, in 2015 Huffington Post named the city of Northampton one of the, “16 U.S. Cities To Visit If All You Want To Do Is Eat.”ⁱ Taken together, the more than 100 restaurants that fill the downtown community employ over 1,600 workers and generate over \$7,675,500 in annual sales.ⁱⁱ

Despite the importance of the restaurant industry to the community, there has been little attention paid to working conditions in the industry. Existing scholarship on the restaurant industry nationally has highlighted the poor conditions faced by immigrant and native workers alike, focusing in particular on discrimination, wage violations, and unsafe working conditions.ⁱⁱⁱ In this report we use primary research, a review of existing literature, and an analysis of government data to reveal that many restaurants in Northampton, similar to those across the nation, are creating and sustaining a low-wage industry where workers enjoy few benefits and rights on the job. Our survey reveals that many of the jobs created by the restaurant industry fail to support workers, their families and our communities at large.

This report is based on an analysis of public data sources, as well as survey of over 200 restaurant workers in the Northampton community. This data was supplemented with in-depth interviews with 22 Northampton restaurant workers. We begin with a review of this report’s methodology, before providing an in-depth examination of employment trends in the Pioneer Valley. We then move on to provide a detailed examination of conditions faced by workers specifically in Northampton - a hub of the restaurant industry in the Pioneer Valley. While the vast majority of workers in the restaurant industry continue to earn less than a living wage, and many face regular wage and hour violations, there are some promising best practices that have emerged and that offer possibilities of how restaurant employers and local municipalities can join together to improve practices in this important industry. This report concludes with a discussion of some policy suggestions.

METHODOLOGY

Data for this report comes from a variety of primary and secondary sources. This section reviews the methodology.

Survey

A face-to-face survey was conducted of Northampton restaurant workers between March 2014-March 2016. The survey was administered by staff, members and volunteers from the Pioneer Valley Workers Center (PVWC). The PVWC is a community organization based in Northampton that seeks to organize and develop conscious leadership among working class communities in Western Massachusetts. Northampton was selected as the focus of the data collection because it has an unusually high number of restaurants per capita and is a restaurant hub for the Pioneer Valley region.

According to the 2010 census, the population of Northampton is just over 28,000. The labor force is approximately 15,800 with just under 10% employed in food and drink establishments.^{iv}

(MA Labor and Workforce Development 2013). A total of 235 face-to-face surveys were conducted with workers in 85 unique restaurants. See Appendix A for complete demographics of survey respondents. The survey included about 100 questions and took approximately 20 minutes to complete. The sample was stratified to insure that the workers interviewed were representative in terms of gender, race, age and occupation within the restaurant. The resulting statistics were analyzed using Stata statistical data analysis software.

Interview

Data from the survey was supplemented with in-depth interviews conducted by Adam Reid in 2015-2016. These interviews lasted roughly an hour and included a range of questions about working conditions and the experience of restaurant work. The interviews were transcribed. Selective quotes are used throughout this report to help illustrate many of the challenges faced by workers in the restaurant industry in Northampton.

American Community Survey

Demographic data collected on workers in the Pioneer Valley comes from the American Community Survey Public Use Microsample (ACS PUMS). The ACS is a representative household survey conducted by the US Census Bureau. It is worth keeping in mind that since the ACS is a sample rather than a full census count it is prone to greater error. As a result a five-year American Community Survey sample (2010-4) was used to capture accurate sample size for the small geographic area. The five-year sample is representative of the demographic and employment characteristics of the region over a 60-month period.

Additionally, it is important to note that the ACS does not use standard geographic areas such as towns and counties. Instead, it uses its own jurisdictions know as PUMAs (Public Use Microsample Areas). The PUMA boundaries do not map on exactly to the standard Pioneer Valley regional boundaries. In the PUMS boundaries, two areas from the Berkshires are added, as is one community from the Central region. Since none of these areas include any major employment centers, they remain roughly equivalent.

Bureau of Labor Statistics

Wage data on workers comes from the Bureau of Labor Statistics Employment Survey. The geographic areas covered in this survey are incongruous with the areas covered by the ACS. As a result data on wages and hours for the region focus on the Springfield Metropolitan area. While this is a smaller geographic area than is covered by the PUMAs, the high population concentration makes it suitable for comparison.

OVERVIEW OF RESTAURANT INDUSTRY IN THE PIONEER VALLEY

The restaurant industry in Massachusetts is key economic driver for the state. There are over 15,000 restaurants around the Commonwealth generating over \$13.8 billion in sales and making an important contribution to the state tax base. Over the next decade the size of the restaurant industry is expected to grow making the industry increasingly important to the state's overall economy.

The size of the restaurant industry means that it is a critical employer, generating over 330,600 jobs in restaurants. These jobs provide important entry points to the labor market, particularly for young workers and for immigrants. In fact, the restaurant industry is the nation's largest employer of workers born outside the United States.

The Pioneer Valley in Western Massachusetts is comprised of three counties (Hampshire, Hampden and Franklin) that run alongside the Connecticut River. The restaurant industry in the Pioneer Valley is thriving, and these restaurants contribute to the region's reputation as a bucolic tourist destination, and to the region's economy as a whole. The area includes about 1,400 restaurants and bars across Hampshire, Hampden and Franklin counties. These establishments employ over 20,000 workers, or 8.4% of the region's workforce.

The number of establishments in the restaurant industry in the Pioneer Valley is roughly what it was 10 years ago. Following a pattern that is similar to the rest of the US, the number of restaurant establishments declined following the recession in 2008, and has now rebounded to roughly what it was in the pre-recession period. While the number of establishments in the Pioneer Valley as a whole has remained roughly the same over the last ten years, it is worth noting that there have been significant variations among the counties. For example, the number of restaurants in Hampshire County increased 11.6% from 2002 to 2011, while the number of establishments in Hampden county increased by only 1.6% in that same period.^v

CHARACTERISTICS OF THE WORKFORCE

Many of the jobs in the restaurant industry require little formal training. As a result, the industry is an important point of entry to the labor market, particularly for younger and immigrant workers. Census data presented in Table 1 reveals that the restaurant industry in the Pioneer Valley is younger and has a greater proportion of women and people of color when compared to all other industries in the Pioneer Valley.

TABLE 1 : DEMOGRAPHIC PROFILE OF SPRINGFIELD, MA RESTAURANT WORKERS 2010-2015

	Restaurant Workers	All Other		Restaurant Workers	All Other
GENDER			PLACE OF BIRTH		
Male	42.4%	48.7%	U.S.	89.6%	86.7%
Female	57.1%	51.3%	Latin America	3.2%	4.0%
			Europe	3.2%	3.0%
SERVERS			Asia	2.9%	5.4%
Male	17.0%		Africa	0.6%	0.5%
Female	83.0%		Other	0.4%	0.3%
AGE			YEARS IN THE U.S.		
16-24	44.9%	16.2%	Born in the US	83.50%	85.20%
25-44	36.6%	36.5%	0-5 years	2.70%	2.20%
45-64	16.7%	41.9%	6-10 years	3.90%	2.00%
65 and older	1.8%	5.4%	11-15 years	3.00%	1.60%
			16-20 years	2.20%	1.90%
			21 or more	4.70%	6.40%
RACE/ETHNICITY			ABILITY TO SPEAK ENGLISH		
White	75.6%	79.1%	Speaks only English	79.9%	84.5%
Black	4.3%	5.7%	Speaks very well	10.9%	10.3%
Asian	4.6%	2.7%	Speaks well	5.0%	2.8%
Latino	13.1%	10.9%	Speaks, but not well	3.3%	1.9%
Other	2.4%	1.4%	Does not speak English	0.9%	0.5%
NATIVITY			EDUCATION		
Citizen	92.6%	95.2%	Less than a high school degree	17.8%	8.2%
Not a Citizen	7.4%	4.8%	High School Degree	31.0%	24.3%
			Some college	38.7%	34.5%
			Bachelor's degree and higher	12.5%	33.0%

Source: American Community Survey (2010-2015). Ruggles, Steven, Alexander J. Trent, Genadek Katie, Goeken Ronald, Schroeder Matthew B., and Soebek Matthew, Integrated Public Use Microdata Series: Version 5.0 (Machine-readable database), (Minneapolis: Minnesota Population Center, 2010).

GENDER

Women make up 57.1% of the restaurant industry's overall workforce as compared to 51.3% of the employed workforce in the Pioneer Valley as a whole. Among servers, the number of women is significantly higher, with 83% of all serving positions held by women.

AGE

The overall age of workers in the Pioneer Valley restaurant industry is younger than workers in the region as a whole. This is consistent with findings about restaurant workers around the country. Almost 45% of workers employed in the Pioneer Valley restaurant industry are between the ages of 16-24. This is more than twice the number of all other employed workers in the Pioneer Valley in that same age category. Among employed restaurant workers, only 16.7% are between the ages of 45 and 64 as compared to 41.9% of all other types of employed workers in the Pioneer Valley.

RACE/ETHNICITY

The racial and ethnic composition of workers in the Pioneer Valley restaurant industry is similar to the composition of workers in all other industries. Among restaurant workers, 75.6% are white. When we look at workers employed in all other industries in the Pioneer Valley, 79.1% are white. Approximately 24.4% of restaurant workers are Black, Asian, Latino or other workers of color, this compares to 20.8% among all other workers. The number of Latino workers is slightly higher in the restaurant industry with 13.1% of restaurant workers identifying as Latino, as compared to 10.9% among workers in other industries.

CITIZENSHIP

Among restaurant workers in the Pioneer Valley 13.3% are foreign born as compared to 10.4% in all other industries.

EDUCATION

The restaurant industry in the Pioneer Valley, similar to the rest of the nation, is an important source of jobs for workers with little formal education. Among workers in the restaurant industry 17.8% have less than a high school education, as compared to 8.2% among employed workers in all other industries. Fifty one percent of workers have some college compared 67.5% among all other workers in the Pioneer Valley.

WAGES

Data from the Bureau of Labor Statistics reveals that the vast majority of food preparation or serving jobs provide poverty level wages. Looking at the Springfield metropolitan area we find that the average hourly wage for food preparation and serving occupations in 2014 was \$10.95 as compared to \$22.96 for all occupations. The average annual salary for food occupations was \$22,789, just about half the average annual salary for all occupations in Springfield metro area. The highest paying occupations in the food sector are chefs and head cooks who have an average hourly salary of \$29.21. Looking at all other job categories however, we find that many of them are at the minimum wage level.

TABLE:2 AVERAGE AND MEDIAN WAGES FOR RESTAURANT OCCUPATIONS IN THE SPRINGFIELD METROPOLITAN AREA, 2014

Occupation(Code)	Hourly Mean Wage	Annual Mean Wage	Hourly Median Wage	Annual Median Wage
All Occupations (000000)	\$22.96	\$47,760	\$18.42	\$38,320
Food Preparation and Serving Occupations (350000)	\$10.95	\$22,780	\$9.41	\$19,570
Chefs and Head Cooks(351011)	\$29.21	\$60,750	\$23.42	\$48,710
First-Line Supervisors of Food Preparation and Serving Workers(351012)	\$15.84	\$32,940	\$14.98	\$31,150
Cooks, Fast Food(352011)	\$10.80	\$22,460	\$9.47	\$19,700
Cooks, Institution and Cafeteria(352012)	\$14.86	\$30,920	\$14.14	\$29,410
Cooks, Restaurant(352014)	\$12.26	\$25,510	\$11.77	\$24,470
Cooks, Short Order(352015)	\$13.14	\$27,330	\$12.62	\$26,250
Food Preparation Workers(352021)	\$10.59	\$22,020	\$9.88	\$20,550
Bartenders(353011)	\$9.85	\$20,480	\$9.13	\$18,990
Combined Food Preparation and Serving Workers, Including Fast Food(353021)	\$9.49	\$19,740	\$9.06	\$18,840
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop(353022)	\$10.19	\$21,190	\$9.55	\$19,870
Waiters and Waitresses(353031)	\$10.21	\$21,230	\$9.15	\$19,020
Food Servers, Nonrestaurant(353041)	\$10.81	\$22,490	\$10.05	\$20,900
Dining Room and Cafeteria Attendants and Bartender Helpers(359011)	\$10.33	\$21,490	\$9.54	\$19,840
Dishwashers(359021)	\$9.63	\$20,020	\$9.31	\$19,370
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop(359031)	\$10.06	\$20,920	\$9.39	\$19,540
Food Preparation and Serving Related Workers, All Other(359099)	\$11.28	\$23,470	\$10.21	\$21,240

Source: Bureau of Labor Statistics, Occupational Employment Statistics, 2014

EXPERIENCE OF NORTHAMPTON RESTAURANT WORKERS

The following section reviews the data from a survey conducted of workers in the Northampton restaurant industry. The survey included questions about wages, hours and benefits, as well as questions about workplace conditions and experiences of discrimination and harassment. These workers were employed in a range of occupations in the restaurant industry from servers and baristas, to prep cooks and dishwashers. Appendix A provides demographic data for all of the survey respondents. Data from the survey is supplement with interviews conducted of restaurant workers that serve to illustrate the human impact of many of the survey's findings. Table 3 provides the occupational breakdown of workers surveyed in the Northampton restaurant workers survey. The job breakdown is similar to the breakdown found across the industry.

11%	Bartenders
34%	Food prep
20%	Counter persons
35%	Servers

WAGES AND BENEFITS

Wages and Hours

"I would wish that employers pay their workers a consistent living wage instead of having a tip jar out in front and expecting customers to subsidize their worker's wages for them." Jack, 25

Similar to findings about the restaurant industry around the nation, many of the workers surveyed in the Northampton reported earning at or below the poverty line. Across all job categories, workers we talked to reported working 32 hours per week and bringing home an average of \$380. In total we found that 78% of the workers surveyed did not make a living hourly wage (\$13.18).^{vi} One reason for the low pay across the industry is that Massachusetts, like many other states, allows employers to pay tipped workers a lower wage of \$3.35 per hour. While employers are required to pay the difference if a worker's tips do bring them to the minimum wage, that rarely occurs in practice. One consequence of these low wages is that 35% of the respondents in the survey report that they also work at another job.

Benefits

"We don't have medical, we don't have 401K, we don't have a pension, we don't have anything that takes care of us or a safety net. We have to make sure that there's a nest egg somehow. Or that we take care of ourselves. And a lot of people in the service industry live paycheck to paycheck, so its scary. If I get sick I still have to work. If I get hurt I still have to work. I can't afford to take time off in order to...you know? And that's just not fair to people." Derrick, 34

Restaurant work in Northampton is associated with few benefits. The vast majority of survey respondents did not receive employer sponsored health insurance. While many (45%) reported

that they received health insurance through a family member, about 20% respondents relied on the state funded MassHealth plan.

In addition, as shown in Table 4, few of the respondents had access to paid sick and vacation time. It is worth noting here that in 2014, Massachusetts passed earned sick time legislation making it possible for workers to accrue up to 40 hours of paid sick leave in each year. In Northampton’s smallest restaurants (fewer than 11 employees) however, workers are exempt from this requirement. While the legislation does impact workers in larger establishments, the lack of resources for employers surrounding the implementation of the law means that there are significant issues with compliance.

94%	Do not receive health insurance from employer
95%	Do not get paid sick days
95%	Do not get paid vacation days
80%	Have worked when sick

WORKING CONDITION VIOLATIONS

WAGE THEFT

Wage theft occurs when employers violate laws surrounding minimum wage and overtime regulations and as a result workers receive less money than they are owed. In the restaurant industry this can be seen when workers do not receive overtime pay, or are asked to work off-the-clock. Twenty-two percent of the respondents in the survey reported that they at least occasionally worked off-the-clock without being paid. In addition, our survey findings revealed that in fact very few workers in the Northampton restaurant industry (30%) who work in excess of 40 hours a week receive overtime pay.

Based on the interviews with workers, we also found that some employees are paid a flat weekly wage rate and then frequently asked to work in excess of 60 or 70 hours a week, leaving them with an hourly rate well below the minimum wage.

Wage theft is also particularly rampant among tipped workers who are asked to complete substantial amounts of side work while only receiving the tipped minimum wage. According to wage and hour laws, a tipped worker who spends a substantial (20%) amount of time performing work that does not generate tips is required to be paid minimum wage for that time. This rarely occurs in practice and is another way in which workers fail to be fully compensated for their work.

65%	Never received overtime pay
22%	Worked off the clock without pay Past 12 months

SCHEDULING

“The restaurant industry fluctuates and changes, especially in Northampton and the Pioneer Valley where so much of the population is seasonal but clear and many restaurants only schedule a week out and you might be working Sunday night and only then know you’ll be coming in Monday. It’s difficult and it takes a toll on the quality of life for restaurant workers and that should change.” Katherine, 23

Scheduling can be a major issue for workers in the restaurant industry. More than 40% of the workers surveyed reported that their schedule changed frequently. This can have significant impacts on workers’ lives, particularly when it comes to meeting the responsibilities of children and families.

HEALTH AND SAFETY

“When I worked there we used ovens to make steak using carbon, that’s how we cooked the break, the temperature of the oven could burn you very easily. The heat can also fatigue you. I got burned three times working there, in a restaurant you need to forget you got burned, it relatively easy since your body is so hot. Restaurant work isn’t easy.” John, 22

Working conditions in the restaurant industry often put the health and safety of workers at risk. Only about a third of the respondents reported receiving health and safety training from their employer. Approximately 55% of workers reported that they had been burned on the job. Thirty-two percent of respondents had been cut while at work.

94%	Did not receive health and safety training from employer
55%	Been burned at work
32%	Been cut at work

One of the major causes of health and safety issues in the workplace is understaffing. Table 7 reveals some of the ways in which this understaffing impacts workers. More than three quarters of respondents reported that they often performed multiple jobs at once. More than half claimed that they were forced to perform tasks without proper training, and about a quarter claimed that at some point they did something that put their safety or the safety of customers at risk.

78%	Performed multiple jobs at once
55%	Forced to perform tasks without proper training
27%	Forced to take actions that put their own safety at risk
24%	Forced to take actions that put the safety of customers at risk

DISCRIMINATION AND LACK OF JOB MOBILITY

Our survey and interview research reveals that workers have very different experiences and earning potentials depending on the worker’s occupation and the type of restaurant. Not

surprisingly, white workers who were more likely to be servers in fine dining establishments, had the highest wages, while workers of color who were more likely to be clustered in back-of-the-house jobs had among the lowest.

Sexual harassment was named as an issue on the job by almost a quarter of survey respondents. Workers reported that this harassment came not just from managers, but also from co-workers and customers.

Approximately 30% of workers we surveyed reported receiving some kind of verbal harassment on the job. Of those who reported harassment, 35% said that it was because of gender and another 30% claimed that it was because of race or immigration status. In addition, approximately 20% of workers described being more severely disciplined than others. Similar to the incidence of verbal harassment, 30% claimed that this was because of race or immigration status.

30%	Experienced some sort of verbal harassment in the job
24%	Experienced sexual harassment in the job
20%	Disciplined more severely than others

Discrimination is only cause of limited mobility in the industry. More than half of the respondents did not receive any ongoing training from their employer. In addition, as described in Table 9, few workers received an opportunity to apply for a better job or to receive a promotion.

51%	No ongoing job training by employer
72%	Never had an opportunity to apply for a better job
75%	Never received a promotion

Taken together the experience of discrimination and the lack of opportunities for promotion leave many workers stuck in low paying jobs.

CONCLUSION AND POLICY RECOMMENDATIONS

This research has documented widespread incidence of wage theft, discrimination and health and safety violations in the restaurant industry. Currently there does not exist an adequate regulatory structure in place monitor workplace violations. As a result, employers who follow the law and provide better wages and benefits to their workers are put at a competitive disadvantage. In order to support real change across the industry it is important to consider how to make some systemic changes. There exist a number of key policy measures that could really make a difference in improving conditions throughout this industry.

1. Strengthen enforcement of employment laws in the restaurant industry and make sure that violators are are penalized.
2. Enact policies that would help workers navigate the erratic scheduling at their jobs
3. Support collective organizing for restaurant workers.
4. Use opportunities to create public awareness and to enhance recognition for responsible employers.
5. Implement a system for flagging those business to which the City issues permits that are “wage theft violators”-that is businesses that have been shown to be in violation of state or federal labor or employment laws in the last three years.

APPENDIX A

SURVEY RESPONDANT DEMOGRAPHICS (SAMPLE SIZE 235)

AGE

25 and under	95
26-35	85
36-45	45
46-55	8
Over 55	2

RESTAURANT SEGMENT

Fine Dining	32
Family Style	80
Quick Service	108
Other	15

NATIVITY

Born in the US	205
Foreign Born	30

GENDER

Male	95
Female	140

RACE/ETHNICITY

White	185
Black	5
Latino	35
Asian	8
Other	

POSITION

Front of the House	155
Back of the House	80

Source: Northampton Restaurant Worker Survey

NOTES:

ⁱ “ Parks, Chanel. “16 U.S. Cities To Visit If All You Want To Do Is Eat” December 2015.
<http://www.huffingtonpost.com/entry/cities-to-visit-for-food-eat-all-day-all-night-us-56687cc2e4b009377b2368b3>

ⁱⁱ 2012 U.S. Census Bureau, Economic Census www.census.gov

ⁱⁱⁱ ROC United. *Behind the Kitchen Door: A Multi-site Study of the Restaurant Industry*. New York: ROC United, 2011.

^{iv} MA Labor and Workforce Development 2013

^v 2012 U.S. Census Bureau, Economic Census www.census.gov

^{vi} Living Wage of Western Massachusetts. <http://www.livingwagewesternmass.net/about-living-wage/>