

FOR IMMEDIATE RELEASE

Press Contact: Alexis Grenell, 917-327-1180, alexis@pythiapublic.com

Chloe Chik, 650-483-9713, chloe@pythiapublic.com

Friday, April 13, 2018

KICK-OFF: One Fair Wage NY Campaign for Better Wages, Better Tips

Advocates + Workers fight to bring tipped workers in line with NY's general minimum wage

A next step in the Fight for 15 struggle for economic justice for all

NEW YORK, NY - Today, tipped wage workers, advocates, and labor leaders held a kick-off event with elected officials to call for One Fair Wage in New York. The One Fair Wage (OFW) campaign is fighting for better wages, better tips and represents a next step in the Fight For 15 to cover tipped workers left behind, as part of the ongoing movement forward. Seven states already pay tipped workers a basic minimum wage in addition to their tips: New York could be next.

In New York, tipped workers— restaurant servers, nail salon technicians, and car wash workers— make a subminimum wage ranging from \$7.50 - \$8.65, relying on tips to bring them up to the state's general minimum wage, which ranges from \$10.40 - \$13.00, depending on the region.

States with One Fair Wage have increased sales, more robust wages and tips, and stronger employment growth than states with a subminimum wage. One Fair Wage is also proven to help stem the rampant exploitation in majority female and immigrant workforces, from sexual harassment to other forms of worker abuse, without sacrificing profits.

In his January State of the State address, New York Governor Andrew Cuomo announced that the NYS Department of Labor will hold hearings to examine establishing One Fair Wage. Hearings have been [scheduled](#) for April – June.

“The current broken two-tiered wage structure in New York uniquely punishes women, people of color, and immigrant workers who dominate tipped industries,” said **Saru Jayaraman, President and Co-Founder of Restaurant Opportunities Center United**, and author of *Behind the Kitchen Door: The People Who Make and Serve Your Food*. “With just a small change in policy, Governor Cuomo can uplift these vulnerable workforces, without sacrificing economic growth. One Fair Wage is good for restaurant, nail salon, and car wash workers and it's good for business.”

“When I was a server, I was sexually harassed repeatedly, like when a male customer once said to me, ‘hey big titty black girl, got enough milk in those jugs for my coffee?’ I kept reporting the harassment to my manager, but instead he punitively gave me fewer shifts and eventually forced me out. Servers are not on the menu, and that’s why I support One Fair Wage,” said **Shanita Thomas, former restaurant server and member leader at Restaurant Opportunities Center United.**

“Estoy aquí para pedir que se respeten nuestros derechos y nuestra dignidad como empleadas, parar acabar con el abuso laboral y acoso sexual y recibir un trato y salario justo.

I’m here today to ask that our rights and dignity as employees be respected, to end labor abuse and sexual harassment, fight for fair treatment, and one fair wage,” said **Anely San Juan, member of SEPA Mujer and former restaurant server.**

“Lamentablemente no alcanzamos a pagar nuestros gastos comprar lo necesario para nuestras familias, pagar gasolina, renta, recibos de agua , luz, etc. Con un salario sub minimo y depender en solo propinas, Yo tenia tres trabajos y nunca me di cuenta que lo que yo ganaba en el restaurante no era justo para lo que yo trabajaba. Muchas chicas que trabajaban aveces querian salir pronto del trabajo por que eran ACOSADAS SEXUALMENTE y nadie las escuchaba. Nadie merece un pago sub minimo,” said **Victoria Hernandez, member of SEPA Mujer and former restaurant server.**

“No worker anywhere in New York should have to rely on tips to earn the minimum wage,” said **Stuart Appelbaum, president of the Retail, Wholesale and Department Store Union.**

“There is no good reason carwasheros, restaurant servers and nail technicians should be paid a subminimum wage. It is time to bring all workers up to one fair wage.”

"I have worked in the car wash industry for the past 15 years," said **Ernesto Salazar, a carwashero at the Cross Bronx Car wash on Webster Ave.** "My co-workers and I joined the RWDSU to fight against bad working conditions and because management was stealing workers' tips. That is why car wash workers are joining nail salon and restaurant workers to fight for one fair wage."

“Nail salon workers, predominantly Asian and Latina women, must rely on tips to make ends meet—creating a work environment in which they are routinely exploited. Raising the wage for tipped workers would ensure long-awaited respect and security—not only for the more than 40,000 nail salon workers across New York State, but for car wash and restaurant workers who are similarly made to depend on unguaranteed tips," said **the NY Healthy Nail Salons Coalition.**

"I have worked in the nail salon industry for 15 years, and I support the campaign for One Fair Wage because my family depends on me. Establishing a fair and stable wage would give me economic stability and help me to provide a better future for my children," said **Maria Hernandez, a Queens nail salon worker.**

"Fast food workers launched a movement to raise wages to \$15 an hour. By the end of 2018, minimum wage workers in NYC will be making \$15/hour, and this needs to include tipped workers. I'm proud of what we've accomplished, but it's time to raise the subminimum wage," said **Shantel Walker, Fast Food Justice Member, Papa Johns worker.**

"This is a fight for fairness -- and our movement won't stop until we have one fair wage that will lift every working New Yorker out of poverty," said **Michael Kink, Executive Director of the Strong Economy For All Coalition.** "The Fight for \$15 started in New York, we have won big victories in New York and we are standing with tipped workers to win basic dignity and fairness for all."

"As an organization representing thousands of immigrant workers in tipped industries such as car washes and restaurants, we have seen how exploitative practices burden our members and their families. We need to end the two tiered wage system and have one fair wage for all workers," said **Jonathan Westin, Executive Director of New York Communities for Change.**

"Every worker deserves the dignity of a fair day's pay, but that does not come easy for many of New York's tipped workers. When workers don't earn enough tips from customers, they shoulder the burden of understanding and enforcing their right to the minimum wage. This opens the door to widespread wage theft and exploitation, especially in industries where workers, many of whom are immigrants and women, are too intimidated to assert their rights, and where enforcement is lax. New York can and must continue the fight for \$15 and stand up for workers' rights by guaranteeing one fair wage for all workers," said **Hector Figueroa, President of 32BJ SEIU.**

"It's time to fix New York's two-tiered wage system and raise the subminimum wage for tipped workers," said **Dina Bakst, Co-Founder and Co-President of A Better Balance.** "It's time to fight for One Fair Wage so that restaurant workers, nail salon workers, car washers, and others no longer need to routinely endure discrimination and harassment in order to provide for their families. We have a chance to end the culture of sexism and abuse within these industries and to ensure that all workers in the State are making a fair, living wage, and work in an environment of dignity and fairness."

"The sub-minimum wage is a left over policy from a sexist and racist past that we need to acknowledge and let go. Every person who works deserves to earn at least the minimum wage, and the ability to earn that wage should not depend on the shape of your body, the color of your skin, the time of year or the customer's mood. There is enough national experience to demonstrate that the restaurant industry's threats of calamity are baseless, and that the only real difference we can expect from paying one fair wage is that thousands of tipped workers may finally receive the level of respect and economic stability they deserve," said **Blue Carreker, Statewide Campaign Manager at Citizen Action of New York.**

“Governor Cuomo’s successful push to gradually raise the minimum wage to \$15 in New York state was a major step to improving the economic mobility of low-wage workers,” said **David R. Jones, President and CEO of the Community Service Society of New York (CSS)**. “But, a critical part of the workforce was left out: restaurant servers, car wash attendants, nail salon workers and others who work for tips. We urge Governor Cuomo to end the two-tiered wage system in New York. It’s time for New York to join the seven other states where workers receive the full minimum wage before tips.”

“New York led the nation by passing a \$15 an hour minimum wage, however 400,000 tipped workers were left out of this victory. The so-called tip credit allows restaurant, carwash, and nail salon owners to dock workers wages when they receive voluntary tips from customers. The result is increased poverty, wage theft and exploitation for many of New York’s most vulnerable workers. Enough is enough. It’s time for New York to fulfill the promise of the Fight for \$15 by ensuring that all workers are guaranteed the full minimum under the law,” said **Deb Axt, Co-Executive Director of Make the Road New York**.

“Our current outmoded system – where tipped workers are reliant on customers for a substantial portion of their income, rather than a strong wage directly from their employer – promotes poverty wages and unstable incomes for these workers across the state. States that have raised the subminimum wage for tipped workers continue to see their industries grow, belying opponents claims that raising the minimum wage for tipped workers would harm jobs,” said **Tsedeye Gebreselassie, Director of Work Quality Program at National Employment Law Project**.

“New Economy Project fights for economic justice for all New Yorkers and strongly supports one fair wage for tipped workers,” said **Juleon Robinson, Program Associate at New Economy Project**. “We’ve seen how low wages drive people into predatory debt traps and perpetuate racial and economic inequality. While the Fight for \$15 was a landmark victory for workers in New York, tipped workers were left behind. It’s time to raise the wages of tipped workers and ensure dignity in the workplace, for all New Yorkers.”

“You can’t budget for your future when you can’t count on a stable paycheck. Without a guaranteed living wage, every week is a gamble and too many workers are left vulnerable to abuse, especially women and marginalized New Yorkers. It’s time to change this game of chance in favor of the stability and safety that employees and their families deserve,” said **Robin Chappelle Golston, President & CEO of Planned Parenthood Empire State Acts**.

“Raising the subminimum wage to the general minimum wage for New York’s tipped workers will be a step towards the end to modern-day slavery. For too long minorities, and in particular immigrants have endured hard labor with little to no compensation under an old and outdated broken system. A subminimum wage increases gender pay inequity. It also forces countless women to endure sexual harassment, labor abuse, wage and tip theft and on seasonal work to get by. 61% are women and girls experience poverty at more than double the statewide rate and experience the worst rates of sexual harassment of any industry because they must tolerate

inappropriate customer behavior to feed their families in tips. This is unacceptable and SEPA Mujer is stepping forward to be heard once and for all. For all Latina immigrant women and girls in the past who never had a chance to say NO MORE. No one deserves a subminimum pay!" said **Martha Maffei, Executive Director at SEPA Mujer.**

"All workers have the right to work in a safe, harassment-free workplace while earning a decent, fair, livable wage," explained **Nita Chaudhary, co-founder of UltraViolet.** "That's why UltraViolet members support Governor Cuomo's plan to raise the subminimum wage for New York's tipped workers— 70% of whom are women— and give all New Yorkers one fair wage. This plan is bigger than just a livable wage too: Women who work in the restaurant industry and nail industry, particularly women of color, are reported to suffer instances of sexual harassment at a higher rate than other industries— and studies suggest that increasing wages will help cut sexual harassment in these industries in half. UltraViolet stands with the One Fair Wage campaign, supporting dignity for all people in the workplace."

"The restaurant, nail salon, and car wash industries do not have to pay a real minimum wage, meaning workers are forced to rely on tips as their wage. This makes the 400,000 tipped workers in New York State, the majority of whom are women and immigrants, extremely vulnerable to sexual harassment, tip theft, and unfair working conditions. Implementing One Fair Wage and ensuring that all New Yorkers are paid a fair minimum wage is about economic justice and doing the right thing. To permanently help these hardworking new Yorkers, we need to ensure legislative passage of One Fair Wage and I am proud to lead this fight in the State Senate," said **Senate Democratic Leader Andrea Stewart-Cousins.**

"The food service industry employs the largest number of women workers earning below the minimum wage; workers who must rely on the whim of consumers rather than their own employers to be paid a living wage and support their families. What's worse, research shows these workers earn tips based on race and gender, not the quality of service, fostering an environment that encourages racism, sexual harassment, and high poverty rates. The seven states that already require tipped workers be paid the full minimum wage have flourishing restaurant industries and lower poverty rates. It's time for New York to get on board and eliminate this shameful economic injustice for tipped workers, not only working in restaurants, but also in nail salons, car washes, and hotels," said **Assemblymember Ellen Jaffee.**

"Ending the tipped wage will help tip the balance of power back in favor of hardworking New Yorkers, who are too often the targets of sexual harassment. Especially in this #MeToo moment, we must make real change for some of the most vulnerable," said **Assemblymember Linda B. Rosenthal.** "Every New Yorker is entitled to a job that offers financial stability and a workplace environment that is free from unmitigated sexual harassment."

Facts and Stats

- **New York versus States with One Fair Wage.** Alaska, California, Washington, Oregon, Minnesota, Montana, and Nevada— states with One Fair Wage (hereby referred to as OFW

states)— have seen economic growth in businesses and sectors that used to have a subminimum wage.

- Poverty rates in OFW states are 10% lower than in New York.
- In OFW states, full service restaurants opened and operated at a rate nearly double that of New York, which only had an increase of 4.88%.
- Tipped-wage workers in OFW states report making as much, or more, in tips than tipped-wage workers in New York.
- Restaurant employment rates are equal or higher in OFW states. From 2011-2016, full service restaurant employment (FSRE) grew by 20.4%, compared to 20.13% in New York.
- **Low Pay, Long Hours, Few Benefits.** Tipped workers are among the poorest workers in New York. Tips are so irregular that a worker cannot rely on them for steady income, relying on their subpar, subminimum wages. These wages are so low that many tipped workers must access food stamps, housing support, and Medicaid just to make ends meet.
 - Restaurant servers, of which nearly 70% are women, experience poverty at more than double the statewide rate. Tipped restaurant workers who work full time year-round earn a median income of just \$22,000 a year in New York.
 - Nail salon workers earn as little as \$60 - \$65 per day as base pay, and in some cases earn as little as \$35 per day. In some extreme cases, workers are expected to work 84 hours a week, earning an average of \$10.19 per hour, including tips. The median yearly income is \$21,200. 81% of New York City nail salon workers are mothers, and of those, 29% are single mothers struggling to earn a living wage and take care of their families.
 - Car wash workers reported taking home as little as \$125 a week, with small or non-existent breaks, and are frequently sent home without pay depending on the weather. Car wash workers routinely work 12 to 14-hour days, six or seven days a week, just to make ends meet.
- **Sexual harassment.** Relying on tips forces workers to tolerate harassment from customers and co-workers to make a basic wage.
 - Restaurant servers, of which nearly 70% are women, experience the worst rates of sexual harassment of any industry because they must tolerate inappropriate customer behavior to ensure they earn enough tips to feed their families. 82% report being harassed on the job.
 - The restaurant industry is the single-largest source of sexual harassment charges filed by women with the Equal Employment Opportunity Commission (EEOC), with a rate twice that of the general female workforce. According to the EEOC since 2010 (and as of June 2016), employees have filed 162,872 charges alleging harassment with employers paying out \$698.7 million in penalties.

- **Wage Theft.** Unlike a single general minimum wage, the subminimum wage depends on the business's size, its locale, the industry, and the average tips received by each worker in a given week. Since many restaurants, carwashes and nail salons operate primarily in cash with poor and complicated bookkeeping practices, the system creates many opportunities for wage theft and exploitation. One Fair Wage would limit such opportunities by creating a standard wage floor for all workers.
 - The New York State Department of Labor found that in New York City alone, four out of every five carwashes were stealing their workers' wages. Specifically, 79% of employers did not pay minimum wage and overtime, nearly 40% of employers had managers illegally sharing in tips, and 86% of employers committed recordkeeping violations. Tips can be withheld for alleged damage to customer cars and inflated to cover the subminimum wage.
 - U.S. Department of Labor reported that 83.8 percent of restaurants had some type of wage and hour violation, including 1,170 tip credit violations, which resulted in nearly \$5.5 million in back wages, due to complicated tip credit and subminimum wage rules.
 - In nail salons, few clients know that they need to tip to ensure workers earn a minimum wage. During the winter, when work is quiet and tips don't bring a worker up to the minimum wage, the employer often will not make up the difference.
- **Exploitation of Immigrant Communities.** The subminimum wage also increases exploitation of immigrant workers, as they are less likely to call the authorities when an employer steals wages or puts workers in dangerous work conditions.
 - 97% of nail technicians are immigrant woman— primarily Asian and Latina— and have limited English proficiency.
 - Car wash workers are primarily immigrants, hailing largely from Latin American and African countries.
- **Dangerous Work Conditions.** Workers that earn a subminimum wage rarely speak up about dangerous work conditions because their pay is so low and their work so precarious that losing a job can mean losing a home and the ability to put food on the table.
 - In nail salons, workers regularly work 10-hour shifts in a toxic environment without proper protective equipment. Workers also are often denied lunch breaks, or ergonomic equipment. Workers must choose between their health and paying the bills.
 - Car wash workers are exposed to offensive cleaning and degreasing substances, and they work around high-pressure hoses, unguarded machinery, and poorly protected electrical sources that are close to wet surfaces. Few workers are provided with protective equipment or with information on the hazardous chemicals they work with. When gloves are provided, they are often of poor quality, allowing soap and chemicals to contact their skin.

Background

In his January State of the State address, New York Governor Andrew Cuomo announced that the NYS Department of Labor will hold hearings to examine raising the subminimum wage and establishing One Fair Wage in New York, [saying](#):

"New York continues to be a national leader in fighting for justice for working men and women, and by providing a platform for New Yorkers' concerns to be heard, we are furthering our efforts to deliver fair wages for all. I am urging those impacted by this proposal to register, attend a hearing, and help us move this state one step closer toward a better, more just New York."

The ONE FAIR WAGE Coalition includes: Adhikaar for Human Rights and Social Justice, A Better Balance, AlignNY, Citizen Action of New York, Community Service Society, Enlace, Food Chain Workers Alliance, Judson Memorial Church, Make the Road New York, Metro Justice, National Employment Law Project, National Organization for Women, New York Latina Advocacy Network, New Economy Project, NY Communities for Change, NY Healthy Nail Salons Coalition, NYS Coalition Against Sexual Assault, Planned Parenthood Empire State Acts, Planned Parenthood of NYC, PowHerNY, Restaurant Opportunities Centers United, ROC-NY, RWDSU, SEPA Mujer, Tompkins County Workers Center, UltraViolet, Women's Equality Party, Women's Organizing Network, Workers United NY NJ, 32BJ SEIU.