



Fast Food Workers in Seattle

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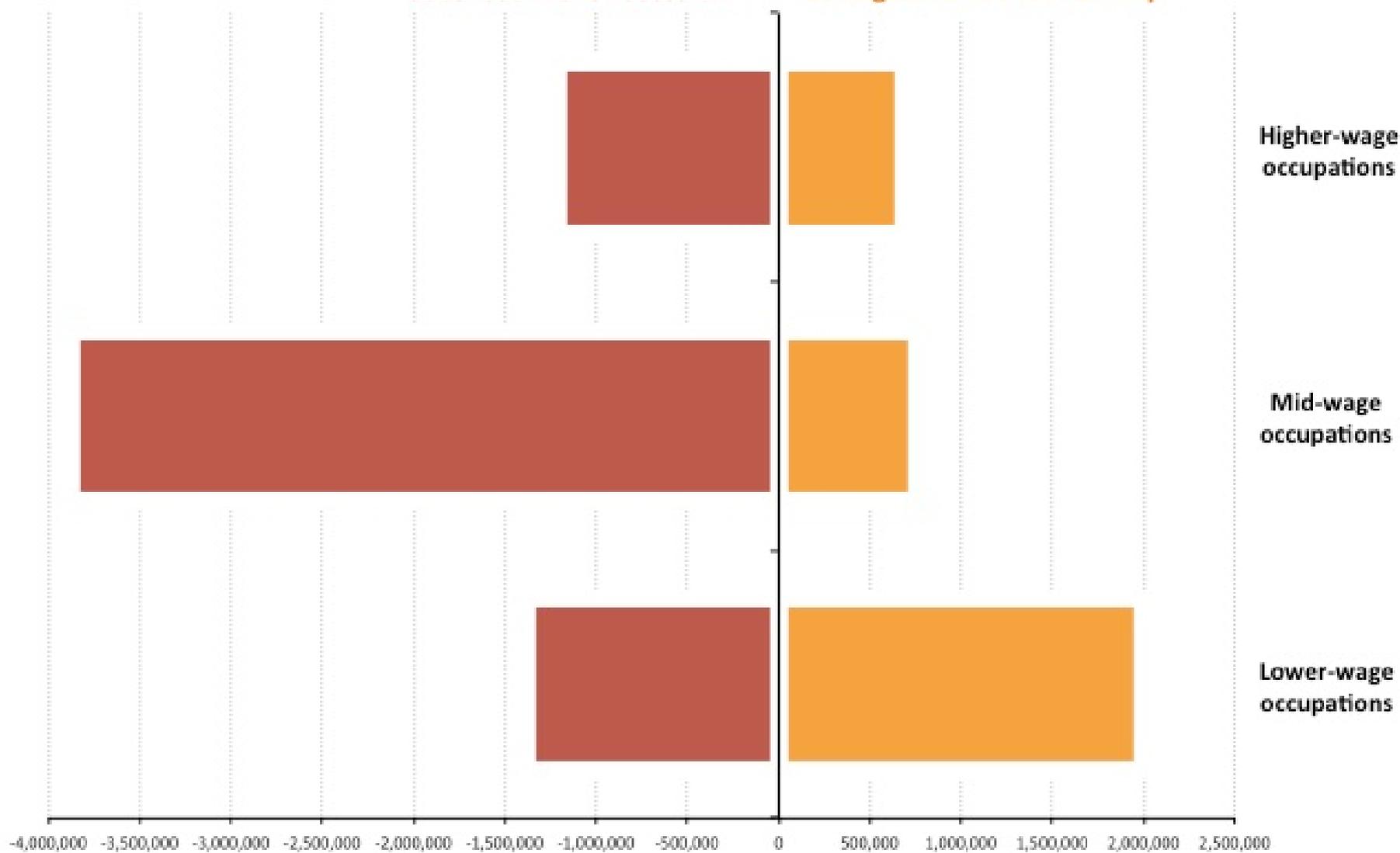
Seattle City Council
July 11, 2013



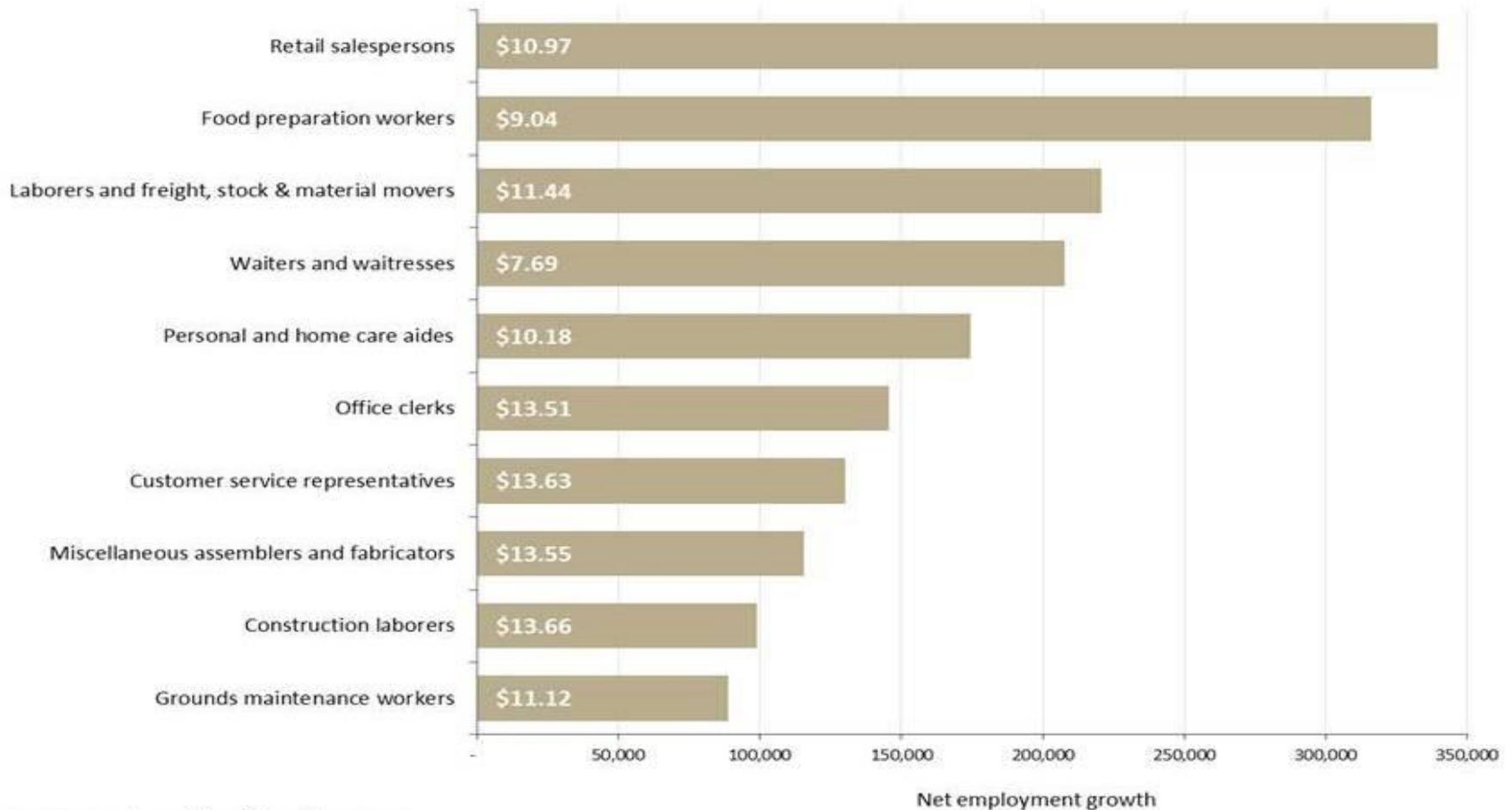
Net change in occupational employment, during and after the Great Recession

Jobs lost in the recession

Jobs gained in the recovery



Lower-wage occupations with the biggest growth during the recovery (with median hourly wage)



Source: www.nelp.org/LowWageRecovery

Jobs Pay Too Little to Sustain Middle Class

All Occupations, Washington State 2020



Who are fast food workers?

Seattle

- Adults: Median age mid-20s
- 33,000 in metro Seattle

Nationally

- Adults: Median age 32
- Women: Two-thirds
- College-educated: 400,000

Working conditions of fast food workers

Nationally

Median hourly wage:
\$8.71

Average hours per week:
24

Average annual wage:
\$18,000

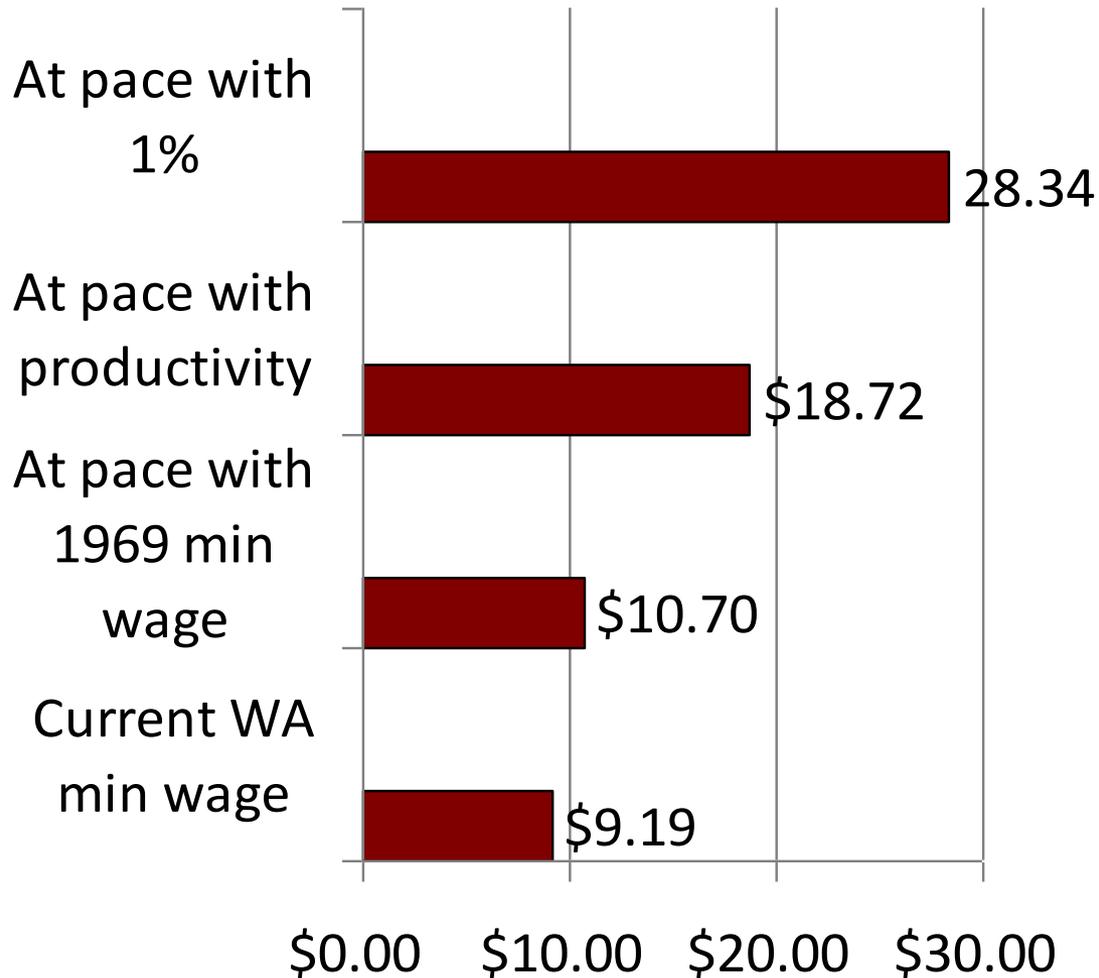
Seattle

Median hourly wage: \$9.50



Average Annual Wage:
\$11,856

Value of the minimum wage



Fast Food Workers' Right to Strike

- right to go on strike under the National Labor Relations Act
- right to engage in concerted activity

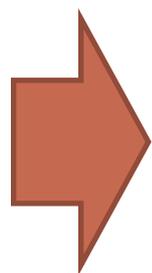


Barriers to Organizing

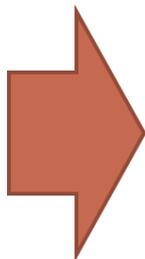
- High turnover
- Franchise system separates employment relationship from center of profits
- Unfriendly labor law
- Perception that it is a transitional job



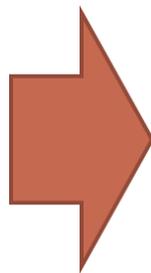
How common are wage violations in fast food?



Late or bounced checks: 30%



Overtime violations: 30 %



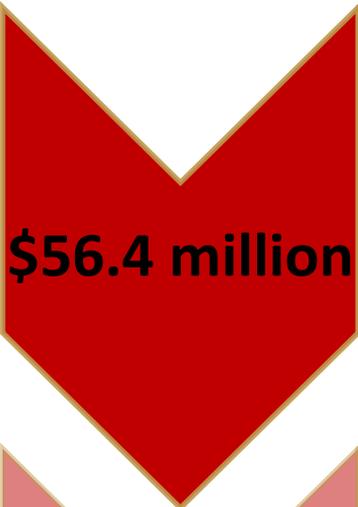
Off the Clock violations: 36 %

What other kinds of violations exist?

National study on health and safety conditions in the restaurant industry found that:

- 95.3% of workers had been either cut or burned on the job.
- 24.5% came into contact with toxic chemicals on the job.
- 87.7% do not get paid sick days.
- 63.6% cooked and served food while sick.

How do violations affect communities?



\$56.4 million

- Annual cost to individual workers and their communities (3 cities)



\$427 million

- Annual cost to taxpayers and local economies in one year (New York State alone)

What can Cities do?

- **City-Wide Minimum Wage Laws**
 - San Francisco (\$10.55); San Jose (\$10.00); Santa Fe (\$10.51); Albuquerque (\$8.50)
 - Rationale: High cost cities should enact higher minimum wage better suited to their local economies
- **City “Living Wage” Laws**
 - Wage standards on jobs created through city contracting and/or public subsidies
 - Over 120 nationwide, as high as \$14-15 in some cities
 - Rationale: Taxpayer money should not be funding poverty jobs

San Francisco

- City minimum wage: \$10.55/hour
- City Office of Labor Standards Enforcement
- Wage Theft Prevention Task Force
- City Wage Theft Prevention Ordinance
 - Accountability
 - Efficiency
 - Worker Protections

Airport minimum standards

	Minimum Compensation	Health Insurance Incentive	Worker Retention	Paid Time Off (PTO)
San Francisco (SFO)	\$12.43 – 14.18	Yes	Yes	12 days PTO, 10 unpaid days off
Los Angeles (LAX)	\$15.37	Yes	Yes	12 days PTO
San José (SJC)	\$14.71	Yes	Yes	No
Oakland (OAK)	\$13.45	Yes	Yes	12 days PTO
Sea-Tac (SEA)	\$9.19	No	No	NO

Source : Puget Sound Sage, *Below the Radar: How Sea-Tac Airport's substandard working conditions hurt our region and how other major airports changed course toward growth and prosperity* (March 2013).

Criminal Prosecutions of Wage Theft

The New York Times

State Said to Be Reviewing Pay for Fast-Food Workers

City Contractor Is Charged With Wage Theft

- **May 2012** – NY Attorney General Eric Schneiderman secures a guilty plea from a restaurant owner for failing to pay 20 workers the minimum wage and retaliating against employees who filed complaints with the New York State Department of Labor.

- **April 2013** – The owner of an El Paso roofing company was indicted for criminal wage theft after failing to pay an employee more than \$2,000 for replacing a roof.



- **May 2013** - Attorney General Eric Schneiderman secures a guilty plea against a car wash owner for failing to pay at least 10 of his workers the minimum wage and overtime. The owner paid workers hourly rates of as little as \$4.



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