

Testimony in Support of LD 831, “An Act To Establish the Restaurant and Restaurant Worker Recovery Grant Program”

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Good Morning, Senator Daughtry, Representative Sylvester, and members of the Joint Standing Committee Labor and Housing. My name is James Myall; I am an Economic Policy Analyst at the Maine Center for Economic Policy. I’m here today to testify in support of LD 831, “An Act To Establish the Restaurant and Restaurant Worker Recovery Grant Program.”

This bill offers support to small restauranteurs who have been hit hard by the pandemic and who are nonetheless doing right by their employees by paying them well and treating them equitably.

In addition to rewarding employers who engage in ethical business practices, LD 831 ensures that small restauranteurs will see the biggest proportional benefit by capping the maximum grant at \$15,000 per employer. These truly small businesses were hardest hit by the COVID-19 pandemic, and are most in need of financial assistance during the recovery.

Including equity training as a requirement of the grant is an important recognition that discrimination and harassment is a significant problem in the restaurant industry. Surveys have found that 70 percent of women working in the restaurant industry have experienced some form of sexual harassment, far higher than in other industries.¹ Racial discrimination within the industry means that while people of color make up a disproportionate share of the restaurant workforce, they are more likely to be working “back of house” in less visible and lower-wage jobs.²

The reliance of workers on tips for a livable income is at the root of much of the gender and racial discrimination as well. Firstly, tipping allows customers to discriminate in ways that would be illegal for an employer – for example, based on someone’s attractiveness, or their race. This leads to some workers getting less money through no fault of theirs and based solely on appearance. What’s more, studies have shown that workers’ reliance on tips is at the root of restaurants’ sexual harassment problem. When customers hold so much power over a worker’s livelihood, it becomes easier for them to use this power to harass and exploit workers.³ By requiring grantees to pay workers the full minimum wage plus tips, LD 831 will undo this power disparity and ensure that workers get a livable wage with tips as a bonus, instead of depending on their tips for their livelihoods.

LD 831 encourages practices that the restaurant industry urgently needs to adopt – not only for the sake of its employees, but also for the long-term future of the industry. Restaurants in Maine are struggling to hire or rehire workers in the wake of the COVID-19 pandemic precisely because working conditions and wages are not good enough. LD 831 will help support restaurants to make changes which will ultimately pay off for those employers.

To support restaurants and their workers during this recovery, and to help chart a better future for the restaurant industry, I urge you to vote ought to pass on LD 831.

Thank you. I’ll be happy to take any questions.

Notes

¹ Catherine Mackinnon, Louise Fitzgerald, "The Tipping Point: How the Subminimum Wage Keeps Incomes Low and Harassment High," March 2021. https://onefairwage.site/wp-content/uploads/2021/03/OFW_TheTippingPoint_3-1.pdf

² "The Great Service Divide: Occupational Segregation, Inequality, and the Promise of a Living Wage in the Seattle Restaurant Industry." July 2020. https://rocunited.org/wp-content/uploads/sites/7/2020/07/GreatServiceDivide_Seattle_Report_W.pdf

³ Timothy Kundro et al., "A perfect storm: Customer sexual harassment as a joint function of financial dependence and emotional labor," Journal of Applied Psychology, 2021. <https://psycnet.apa.org/doi/10.1037/apl0000895>