

NEW YORK CITY

This Mothers' Day, the Mothers Who Serve Us Deserve a Raise

There are over 14,000 mothers who are tipped restaurant workers in New York City who are 50% more likely to live in poverty than other tipped workers. Tipped worker mothers – like all tipped workers in Baltimore – earn a subminimum wage of just \$11.00 per hour.¹ This number has not changed even as the state has raised the minimum wage for all other workers to \$17 an hour.² New York City tipped workers have a median income of just \$23,598 a year, including wages and tips, resulting in 14 percent of the tipped restaurant workforce living below the poverty line.³

Mothers deserve better than a legacy of slavery wages.

- › A direct legacy of slavery, the subminimum wage impacts a county workforce of 97,000 tipped restaurant workers, nearly half (47 percent) of whom are women and 65 percent of whom are people of color. Nearly one third (30 percent) of tipped workers in New York City are women of color.
- › New York tipped workers struggle with twice the poverty rate of other workers and the highest rates of sexual harassment of any industry because they must tolerate inappropriate customer behavior to feed their families in tips.^{4,5}

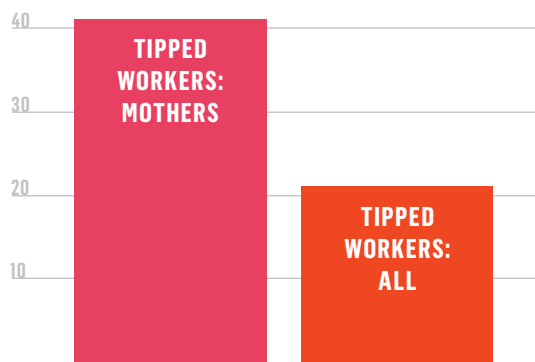
In New York City, thousands of mothers work in tipped industries.

- › Approximately 14,000 tipped restaurant workers in New York City have children, 11,700 of whom are women.⁶
- › Approximately 5,700 single mothers are working in subminimum wage positions in New York City's restaurant industry and are thus reliant on customer tips to survive.⁷
- › Nearly one in five (17 percent) of restaurant workers in New York City receive SNAP benefits.⁸
- › Nearly one in 7 (14 percent) of all tipped workers in New York City's restaurant industry live below the poverty line, while nearly one in four (24.3) percent of mothers in tipped positions in NYC's restaurant industry live below the poverty line.⁹

Tipped worker mothers in New York City are thus 50% more likely to live below the poverty line, even when taking both wages and tips into account.

TABLE 1

Tipped Workers Living Under the Poverty Line



Source: OFW analysis of American Community Survey data, 2019- 2023 5-Year Sample

Seven States are Faring Better with ONE FAIR WAGE

For decades, seven states did it differently: CA, OR, WA, NV, MT, AK, and MN all require a full minimum wage with tips on top.¹⁰

These seven states have higher restaurant job growth rates, small business growth rates, and tipping averages than Baltimore; they also have one-half the rate of sexual harassment in the restaurant industry and lost fewer restaurants during the pandemic than New York.^{11,12}

- 1 New York State Department of Labor. Minimum Wage Overview. (Date Accessed 5/8/24) <https://dol.ny.gov/minimum-wage-0>
- 2 Minimum Wages For Tipped Employees. (Jan 20252). U.S. Department of Labor. <https://www.dol.gov/agencies/whd/state/minimum-wage/tipped>
- 3 OFW analysis of American Community Survey data to determine median wage, 2019- 2023 5-Year Sample. Steven Ruggles, Sarah Flood, Ronald Goeken, Megan Schouweiler and Matthew Sobek. IPUMS USA: Version 12.0 [dataset]. Minneapolis, MN: IPUMS, 2022. <https://doi.org/10.18128/D010.V12.0>
- 4 Allegretto, S. et al. (July 2014). Twenty-Three Years and Still Waiting for Change: Why It's Time to Give Tipped Workers the Regular Minimum Wage. Economic Policy Institute. <https://www.epi.org/publication/waiting-for-change-tipped-minimum-wage/>.
- 5 One Fair Wage. (March 2021). The Tipping Point: How the Subminimum Wage Keeps Income Low and Harassment High. https://static1.squarespace.com/static/6374f6bf33b7675afa750d48/t/6478bd83b18a89504f4bdaf0/1685634436858/OFW_TheTippingPoint_3-1.pdf.
- 6 OFW analysis of American Community Survey data to determine median wage, 2019- 2023 5-Year Sample. Steven Ruggles, Sarah Flood, Ronald Goeken, Megan Schouweiler and Matthew Sobek. IPUMS USA: Version 12.0 [dataset]. Minneapolis, MN: IPUMS, 2022. <https://doi.org/10.18128/D010.V12.0>
- 7 OFW analysis of American Community Survey data to determine median wage, 2019- 2023 5-Year Sample. Steven Ruggles, Sarah Flood, Ronald Goeken, Megan Schouweiler and Matthew Sobek. IPUMS USA: Version 12.0 [dataset]. Minneapolis, MN: IPUMS, 2022. <https://doi.org/10.18128/D010.V12.0>
- 8 OFW analysis of American Community Survey data, 2019- 2023 5-Year Sample. Steven Ruggles, Sarah Flood, Ronald Goeken, Megan Schouweiler and Matthew Sobek. IPUMS USA: Version 12.0 [dataset]. Minneapolis, MN: IPUMS, 2022. <https://doi.org/10.18128/D010.V12.0>
- 9 OFW analysis of American Community Survey data, 2019 - 2023 5-Year Sample. Steven Ruggles, Sarah Flood, Ronald Goeken, Megan Schouweiler and Matthew Sobek. IPUMS USA: Version 12.0 [dataset]. Minneapolis, MN: IPUMS, 2022. <https://doi.org/10.18128/D010.V12.0>
- 10 ROC United, (2018). Better Wages, Better Tips: Restaurants Flourish with One Fair Wage. <https://eofnetwork.org/wp-content/uploads/2019/10/Better-Wages-Better-Tips.pdf>.
- 11 Ibid.
- 12 ROC United. (2014). The Great Service Divide: Occupational Segregation & Inequality in the US Restaurant Industry. https://chapters.rocunited.org/wp-content/uploads/2014/10/REPORT_The-Great-Service-Divide2.pdf