NEW YORK
STATE
RESTAURANT
ASSOCIATION

Verbal Testimony – Wage Board Hearing on October 20, 2014
Jay Holland, Government Affairs Coordinator for the New York State Restaurant Association

---

Good morning, my name is Jay Holland, and I am here today representing over 2,000 businesses, thousand more restaurants, and the New York State Restaurant Association. While I represent those businesses, industries, and people today, I want to tell you about my personal story of working in the restaurant industry for nearly a decade.

In my written testimony you will find what you would probably expect from a business organization – facts, numbers on costs, prediction models, and arguments. But, right now, I want to use my time to make a case for the industry that has served me well.

I started working in the restaurant industry when I was 14. My first job was working in the waffle cone booth at an Upstate New York Renaissance Fair over the summer. I worked in kitchens, restaurants, and cafeterias until I was 23. I was able to work flexible hours so I could attend both high school and college while making enough money to provide me basic living expenses without having to take out more student loans.

Not only did I get experience in the kitchen, I also learned sales and service through customer interactions. I also learned how to build a resume, how to interview, and how to handle work disputes, among countless other invaluable lessons on being successful.

The restaurant industry is an industry of opportunity. It is the only industry no barrier for entrance and no ceiling to what can be accomplished.

I started out making minimum wage, which at that point it was only $5.15. But, I was able to work my way up through nearly every position in a restaurant, dishwasher, bus boy, line cook, and server. When I left the kitchen I was making well over the minimum wage.

I primarily worked back of the house jobs, my favorite being cook. In most kitchens cooks are paid above the minimum wage, and depending on the restaurant sometimes well above it. One of the things that enable a restaurant owner to offer higher than minimum wages to the back of the house people is that they get a break on tipped workers through the tip credit.

It's no secret in the restaurant industry that front of the house staff brings home the most money, sometimes servers are making more than management. From the prospective of someone who spent the majority of his time working back of the house jobs, giving the people who are taking home the most money a raise in base pay makes little sense.

My main concern is that increasing the cost of labor on owners for front of the house staff will leave less money for the back of the house people. In a restaurant or any business, there is only so much money for labor. If it costs owners more money to pay wait staff, they will have less money to spend on providing good wages and hiring back of the house employees.

Verbal Testimony – Wage Board Hearing on October 20, 2014
Jay Holland, Government Affairs Coordinator for the New York State Restaurant Association

---

A restaurant is a risky business, and most fail. Running a successful restaurant takes a lot of balance. The current system of balance for labor costs is working for most employers and employees in New York. Business owners are afforded a tip credit to help front of the house labor costs, and are able to hire and pay back of the house employees. Waiters, waitresses, and bartenders routinely take home the most money out of anyone at the restaurant, despite their base wages being lower.

Some people claim the restaurant industry is an abusive one, but that was not my experience. I was always treated well, made good money, and was afforded great opportunities. Regardless, respectable business owners who uphold the law should not be punished because a few don't. Wage theft is illegal and deplorable. The NYS Restaurant Association backed legislation last session to give New York the toughest wage theft prevention laws in the country. The bottom line is the law already affords tipped workers a guarantee to earn at least minimum wage, so any increase to the cash wage just represents money business owners can't use to pay another worker.

It's also a common misconception that restaurant owners are money grubbing CEOs out to screw workers at every turn, but in most cases restaurant owners are neighbors and friends. They are people who live and work in our communities. They are people who care about their employees but face certain realities of running a low profit margin business. And, one of those realities is that increasing labor cost for tipped workers will force them to look to save money through some other means.

The idea that increasing the cost to employ the people making the most money in a restaurant, all while putting hard working peoples' jobs and wages in jeopardy is what motivated me to tell my story today. Having worked in every position in a restaurant and speaking with restaurant owners every day in my job, I know what an increase to the cash wage will do to the employees in New York State restaurants; lower wages and hours for non-tipped workers.