



MINIMUM WAGE COST ME MY JOB

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Like the fair-minded “progressive” that I was, I thought a \$15 minimum wage was an absolute good. Then I had a head-on collision with reality. It’s a funny thing about reality: it just is; you can’t wish it away. So here is my cautionary tale. For over three decades, I had a good job working as a server. I have worked in some amazing, award-winning restaurants in Seattle. I enjoyed the work, met wonderful people, and I was making really good money.

I wasn’t making much per hour—that’s true, but in my business, the magic is in tips. On a typical night, I would make, on average, \$25 to \$50 an hour. Believe me, I earned it. I took pride in my work. I wanted every dining experience to be a memorable one for my guests. I also loved my job for this reason: I had flexibility. I could plan my work schedule. That was very important to me because I had a growing son. It was a good life.

Then, in 2015, the Seattle City Council raised the minimum wage from \$9.47 to \$15 an hour—a 58% hike! Great for the working stiff, right? Well, hang on, because here comes Mr. Reality.

The business owner, the person who signs the checks, has to find a way to pay for this massive new expense. For Walmart or Microsoft or a large restaurant chain, this might not be a problem. For a local restaurant owner, it’s a nightmare.

Contrary to popular opinion, most restaurants don’t have big profit margins. In fact, most are razor-thin. Seattle restaurant owners, faced with this shock to their bottom line, raised prices, reworked their menus, and created new compensation models.

Some did away with tips altogether, substituting a flat service charge as a way of navigating the climbing wage. That change in the tipping model caused a dent in my pocketbook. The rise in the wage did not cover the loss of tips. And, of course, they cut back on employee hours and support staff, too.

But for many establishments, none of these cost-saving measures worked. Restaurants, some that had been in business for decades, many family-owned, closed—including the ones I worked for.

Good servers don’t grow on trees, and I was able to score an interview at another amazing restaurant. Then, before I could even confirm the interview, that one closed, too. Same reason—the \$15 minimum wage cut their profits down to nothing.

So let me add this up for you: I make a lot less money now than I did before Seattle decided

to do what was supposedly in my best interest.

I used to be able to pay my bills as they came due. Now it's a juggling act. I used to have enough money to support my son's extra-curricular activities. Now I often just say no. Before the minimum-wage increase, I had one job and worked four days a week. After the wage hike, I had two jobs and worked six.

With my skills and a tipping culture, I used to average 18 to 20% or more on any check. Now, instead of tips, I get a flat 14%, part of the 20% service charge the restaurant owner tacks on the bill. I still pride myself in providing good service, but the incentive to go the extra mile is gone. There is no way to maximize my income.

And what's Seattle's answer to my problem? To raise the minimum wage *again*!

The "progressive" idea is that you should be able to make a "fair wage." But if you have no job or are working more for less, how is that fair? How is it fair to my friend, who worked his way up from busboy to sommelier (the fancy name for the person who manages a restaurant's wine list)? He lost his job when his restaurant closed due to the minimum-wage increase. Or my former boss, who went from a cook to an owner, and couldn't survive the double blow of the minimum-wage law and the coronavirus?

And it's not just a "Seattle problem."

In New York City, raising the minimum wage to \$15 an hour pushed the restaurant industry into a recession. To stay afloat, 75% of owners reduced employee hours, and 47% eliminated jobs. San Francisco is in the same boat.

Mandating minimum-wage laws might be a winner for progressive politicians and ivory-tower economists, but it's a loser for those of us who have to live with the consequences.

Unless fair-minded people speak out, those consequences only figure to get worse as more states, and maybe even the federal government, succumb to the false promise of raising the minimum wage.

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