

Matthew Hanson

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Opposed to "Tipped Wage Workers Fairness Amendment Act of 2018" (B22-0913)

Monday, September 17, 2018 Hearing

Committee of the Whole

Chaired by Chairman Phil Mendelson

### Introduction

Thank you Chairman Mendelson and members of the DC Council for the opportunity to testify. My name is Matthew Hanson, I am a ward seven resident, a former tipped worker, and the Director of DC Working Families. I am here today to testify in support of the One Fair Minimum Wage ballot initiative that was approved by votes in June and against the proposed legislation to repeal it ("Tipped Wage Workers Fairness Amendment Act of 2018").

### Respect the vote

Initiative 77 will gradually raise the tipped minimum wage, which is currently just \$3.89 per hour, to the regular minimum wage of \$15 per hour, plus tips. It's good for workers and good for the economy, but no matter how you voted, something much more fundamental is at stake.

When voters go to the polls, we expect our decisions at the ballot box be respected. We're usually united on this in DC. When Republicans in Congress have attempted to interfere in our local decisions, we have stood up against their efforts, regardless of where we stood on the issue because we understand it's important to respect the democratic process.

We should not have to come here today to say #HandsOffDC.

For many of us, this isn't just about defending a fair and equitable raise for tipped workers, it's about defending our decision at the ballot box. One, that voters took very seriously

### Broad support for One Fair Wage

As a city, we've spent years debating this issue. In 2015/2016, we almost placed a similar initiative on the ballot but withdrew it when the Council passed a \$15 minimum wage, but only a \$5 tipped minimum wage.

Not satisfied to be left behind, the DC chapter of the Restaurant Opportunities Center, and their allies, bravely decided to continue the fight and give residents and voters the opportunity to decide this important issue. After two years of campaigning, it was finally approved by voters by a 10-point margin -- 47,230 to 37,504 votes or 55.74% to 44.26%.

More so, residents have expressed their support for One Fair Wage time and time again. You don't have to take my word for it, we've polled on this issue multiple times and each time it comes out on top. Ahead of the June primary this year, we polled voters and 70% said they supported "raising [tipped workers'] base minimum wage so that they earn the same minimum wage as every other minimum wage worker."

When the initiative was finally placed on the ballot, it was one of the most talked about, and hotly debated issues on the campaign trail.

Supporters literally had tens of thousands of conversations with voters across the District about the benefits, and need for One Fair Wage, and despite being outspent by opponents 3:10, it still passed.<sup>1</sup>

Through petitions, polls and at the ballot box, residents and voters have made their position on the issue clear.

### Raise the floor

Now, some tipped workers do well under the current system, and that's great, we want good jobs. Unfortunately, many do not and they struggle to make ends meet.

The average wage for tipped workers is less than that of non-tipped workers, there are huge racial and gender disparities in wages and tips for tipped workers and their poverty rate is dramatically higher than it is for others.

On top of that, while many of us think of bartenders and servers at fancy restaurants when we think of tipped workers, we should keep in mind that the about one third of tipped workers (5,600) do not work in restaurants. they work in nail salon and as hairstylists, bussers, and barbacks.

### Customers and workers

You will hear from opponents today, even some tipped workers, who claim that initiative 77 is a bad idea, that it will raise prices, hurt workers and cost jobs, or that it will end tipping.

As long as we have a reasonable phase-in, nothing could be further from the truth. One Fair Wage is a tested system that works in cities and states across the country.

For instance, while the tipped minimum wage in DC is just \$3.89, it's already \$15 in San Francisco.

With a difference like that, you'd expect there to be a whopping price difference at similar restaurants and bars, but there isn't.

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<sup>1</sup> The One Fair Wage Committee spent \$124,141. The No2DC77 and Save our Tips spent a combined \$370,044.

Two quick examples. At the Ruth's Chris Steak House in DC, the Live Maine Lobster costs \$29<sup>2</sup> and just one dollar more, \$30<sup>3</sup>, in San Francisco. At Rosa Mexicano in DC, the chile poblano costs \$20<sup>4</sup> and only fifty cents more, \$20.50<sup>5</sup> in San Francisco.

I think most customers would be happy to pay a little bit more, less than a cup of coffee, to raise the wages for workers.

On top of it all, restaurant workers in places like San Francisco do better in wages and tips than they do here in DC. There is less inequality between tipped and non-tipped workers too.

### Reasonable compromise

With a reasonable phase-in, give voters what they want, provide restaurants time to adjust, maintain prices and raise the floor for all workers. This is not just a win-win, it's a win-win-win.

The tipped minimum wage is already increasing by about fifty five cents a year until it gets to \$5.00, so it clear that increasing the base wage is not a job killer. There is no reason that we could not raise the increase and extend the timeline until we reach our goal of One Fair Wage.

In fact, I would encourage you to ask opponents here today why this isn't an acceptable compromise?

So, instead of devoting valuable time again to debating the repeal of another popular policy, let's focus on how best to implement One Fair Wage. If not, and the Council repeals it, I suspect we will be back here in a couple years after voters have had the opportunity to put the issue back on the ballot.

In closing, I urge you to respect the will of voters and to work with us so we get to One Fair Wage. It's good for the economy, restaurants, tipped workers and it's what the people want.

Thank you for the opportunity to testify today.

### Contact information

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<sup>2</sup> [https://www.yelp.com/biz\\_photos/ruths-chris-steak-house-washington?select=RHNwNx\\_-8yzH2CzJUPpwaQ](https://www.yelp.com/biz_photos/ruths-chris-steak-house-washington?select=RHNwNx_-8yzH2CzJUPpwaQ)

<sup>3</sup> [https://www.yelp.com/biz\\_photos/ruths-chris-steak-house-san-francisco?select=RrN\\_-g8M-qJDI28uep1glg](https://www.yelp.com/biz_photos/ruths-chris-steak-house-san-francisco?select=RrN_-g8M-qJDI28uep1glg)

<sup>4</sup> <https://rosamexicano.com/pennquarter/menus/dinner>

<sup>5</sup> <https://rosamexicano.com/sanfrancisco/menus/dinner>