



National Restaurant Association Statement on the Introduction of the Raise the Wage Act of 2021

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FOR IMMEDIATE RELEASE

Washington, D.C. (Jan. 26, 2021) – Today, Sean Kennedy, executive vice president of Public Affairs for the [National Restaurant Association](http://NationalRestaurantAssociation.org) released the following statement on the formal introduction of the “Raise the Wage Act,” legislation that would increase the federal minimum wage from the current \$7.25 per hour to \$15 per hour over five years and eliminate the tip credit for servers.

“The Raise the Wage Act imposes an impossible challenge for the restaurant industry. While other businesses on Main Street are starting to see a recovery, restaurants across the country are struggling to stay open amidst indoor dining bans or limits that have been in place for ten months. The industry has laid off 2.5 million workers as a result of the pandemic, and 1 in 6 restaurants have shuttered.

“Our industry runs on a 3-5% pre-tax profit margin in a good year – during a pandemic is not the time to impose a triple-digit increase in labor costs. Far too many restaurants will respond by laying off even more workers or closing their doors for good. As the pandemic has highlighted, the economic realities of each state are very different. A nationwide increase in the minimum wage will create insurmountable costs for many operators in states where restaurant jobs are most needed for recovery.

“The elimination of the tip credit will cut the take-home wages of thousands of tipped employees who make far above the proposed minimum hourly wage. These skilled hospitality professionals generally earn between \$19-25 dollars per hour and have made clear many times before that they support a tipped minimum wage.

“The restaurant industry needs time to recover, but at the same time, the National Restaurant Association and our members are ready to have a conversation about a balanced way to address wage levels in the foodservice industry. We hope that Congress and the Administration will appreciate the unique impact any change would have on the economic recovery of both our workers and restaurant operators.”

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About the National Restaurant Association

Founded in 1919, the National Restaurant Association is the leading business association for the restaurant industry, which comprises 1 million restaurant and foodservice outlets and a workforce of 15.6 million employees. We represent the industry in Washington, D.C., and advocate on its behalf. We sponsor the industry's largest trade show ([National Restaurant Association Show](http://NationalRestaurantAssociationShow.com)); leading food safety training and certification program (ServSafe); unique career-building high school program (the NRAEF's ProStart). For more information, visit Restaurant.org and find us on Twitter [@WeRRestaurants](https://twitter.com/WeRRestaurants), [Facebook](https://www.facebook.com/wearestaurants) and [YouTube](https://www.youtube.com/wearestaurants).