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## **Congresswoman Donna F. Edwards Continues Commitment to Working People by Introducing the Working for Adequate Gains for Employment in Services (WAGES) Act**

**Rep. Edwards' legislation, H.R. 2570, would increase incrementally the minimum wage for tipped employees over the next three years**

Washington, D.C. - Congresswoman Donna F. Edwards (D-MD) continued her commitment to working people by introducing the Working for Adequate Gains for Employment in Services (WAGES) Act, H.R. 2570.

Congresswoman Edwards was joined by twenty of her colleagues in the U.S. House of Representatives in introducing this landmark bill that rolls back an ill-advised policy that has resulted in 18 years of frozen wages for tipped employees. While the minimum wage for most workers was increased in 2007, tipped employees were left at rates that have not been increased since 1991. In fact, in 1996 Congress took the unprecedented step to freeze the wages of tipped employees. As a result, by July 2009, the wages for tipped workers will be less than half what they would have been had Congress not taken this action.

“Tipped workers, who struggle every day and contribute tremendously to this economy, have been left behind for too long,” said Rep. Edwards. “It is time that we act to ensure that all workers, tipped or otherwise, can make a decent wage through honest and hard work. I am proud to introduce this bill because it reflects a value that I hold dear: that no one should be denied fair wages for their work. This bill takes the steps necessary to restore fairness to our minimum wage and ensure that tipped employees are not subjected to additional years of frozen wages.”

This bill was heralded by the National Employment Law Project (NELP) and Restaurant Opportunities Centers United, both groups that are committed to securing fair wages for tipped employees.

“The National Employment Law Project commends Congresswoman Donna F. Edwards for introducing this important bill,” says Christine L. Owens, NELP’s Executive Director. “With current poverty rates for tipped employees at three-times the national average for all other workers, it is time that Congress addressed this injustice. Tipped workers have had their wages frozen for 18 years and it is high time for them to get a well-deserved raise.”

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"While the restaurant industry's size and profits have grown dramatically over the last twenty years, even fairing better than most other sectors during the current economic crisis, restaurant workers who earn tips have seen their wages stagnate and their tips decline during the same period. Representative Edwards' initiative to raise the tipped minimum wage represents a step in the right direction for all service workers to ensure that they have a steady wage even if it's a slow season or slow shift," said Saru Jayaraman, Co-Director of Restaurant Opportunities Centers United.

The WAGES Act increases the minimum wage from the current rate of \$2.13 per hour to \$3.75 per hour three months after enactment. It then raises the minimum wage of tipped employees to \$5.00 per hour in 2011, and 70% of minimum wage, but no less than \$5.50 per hour, by 2012.

Restaurant workers, including waiters, waitresses, bussers, and other servers, are the largest group of tipped workers, who have been hit hard by the erosion of their minimum wage. For instance, nearly 15% of all waiters and waitresses live below the federal poverty level, while only 5.7% of the workforce as a whole falls beneath this threshold.

Minority populations are particularly hard hit by these low wages. According to the Census Bureau's Current Population Survey (CPS), 22.3% of African-American tipped employees and 18% of Latino tipped employees live in families that are below the federal poverty level.

Statistics from the CPS reveal the demographics most affected by the reduced hourly wage of tipped employees.

According to the surveys conducted from 2005 to 2007 tipped employees are:

- 62% women
- 39.3% minorities
- 33% between 16 and 20 years old
- 18.8% between 21 and 24 years old
- 33.9% between 25 and 44 years old
- 14.5% are 45 years old and older

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