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At one end of the minimum wage battle, you'll find Marissa Greene in Randallstown, Maryland, for whom an increase would mean not having to eat nearly every meal at the fast-food place where she works, because groceries are a luxury.

And at the other end, you'll find Bob Garner, co-owner of a regional chain of full-service restaurants, who says an increase could cost him as much as \$187,000 a year at just one of his 20 locations.

Whether Maryland should raise its minimum wage above the current federal floor of \$7.25 an hour is an issue that promises to dominate the legislative session that began last week in Annapolis — and have major implications for employers and employees alike.

“I miss the freedom of getting the things I need,” said Greene, 40, who is making the lowest salary of her life — \$8 an hour — at a chain that her boss asked her not to name. “Food is the most necessary thing, and I can't afford that.”

Supporters of a wage increase, from Gov. Martin O'Malley to progressive groups, argue that the current rate leaves many hard-working people living below the poverty line. But opponents, including business and restaurant groups, say an increase could actually end up harming those it seeks to help by forcing employers to cut staff or hours, or even close down.

“Where am I going to get that [money]?” Garner muses as he makes some projections on how much a higher minimum wage would cost him.

He is sitting in a corner booth of Glory Days Grill in Glen Burnie, close to where he

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can be paid half the minimum wage, or \$3.63 an hour. Employers have to make up the difference if tips don't bring their hourly wage up to at least the state minimum, but his staff makes well above that — on average, wait staff make about \$14 an hour and bartenders more than \$16 an hour when salary and tips are combined.

Figuring in tips

If the minimum wage increases to \$10, a commonly cited target figure, those employees would get a higher base pay. Based on the total number of hours tipped employees are paid for at the Glen Burnie restaurant, he calculates such a change would cost him an extra \$76,262 in a year.

But even more worrisome is a proposal that would raise not just the minimum wage, but also boost the percentage that tipped employees are paid to 70 percent, or \$7 an hour. Garner makes another calculation: an extra \$187,594 a year.

That issue isn't being discussed, Garner said, because the debate tends to focus on nontipped employees who make the actual minimum wage. "But that's a huge impact on a restaurant."

In his view, this means workers already making a decent amount of money are the ones who will most benefit from a minimum wage increase. Servers who now make about \$13 an hour in wages and tips, for example, would make more than \$16 an hour.

"Why use valuable resources to pay them even more?" Garner said.

He can live with a \$10 minimum wage; raising the pay of workers such as dishwashers who make about \$9 an hour would cost him an extra \$23,000 a year at the Glen Burnie restaurant. "That's sustainable," he said — unlike a big jump in the tipped employees' base wage.

Garner notes that Maryland's \$3.63 minimum for tipped workers is already higher

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Servers say they would welcome the extra income and see it as just compensation for contributing to a restaurant's success.

“We're the ones making money for them,” said Dustin Groff, 25, a waiter at the Glen Burnie restaurant. “If we're not doing our jobs, people wouldn't come in. If we're not waiting tables, they're not making money.”

Like others on the wait staff, he sees the job as temporary, something to tide him over as he considers focusing more on his other line of work, teaching martial arts and boxing at a gym. He is single, so he doesn't feel as economically strained as some of his co-workers who are supporting spouses or children.

“For me personally, it doesn't affect me much because I make my tips here,” he says of the debate over the minimum wage. “For people that have families, I think it would be good for them.

But Groff and another member of the wait staff, Meagan Myers, 22, both of whom live in their parents' home, say more money in their paychecks might allow them to move into their own apartments. Myers, who attends Anne Arundel Community College, said a raise would help with tuition both now and in the future, when she hopes to go to a four-year college to study marine biology.

She's had minimum-wage jobs before, as a lifeguard and a cashier at a store, and likes that at the restaurant she can make well above it, especially on weekends.

“You want to get the busy times,” she said, remembering a recent Sunday when she worked a long day and made about \$250.

Gauging the impact

Garner said he isn't making any threats about cutting staff, raising prices or closing

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An increase in what his wait staff and other tipped employees are paid can't help but have a big impact on his operations, he said, because about two-thirds of his payroll hours are worked by them.

“We have a big staff. We're more heavily staffed than average,” he said. “We're not trying to drain anyone, or overwork them.”

The Restaurant Association of Maryland has not yet taken an official stance on the minimum-wage increase, although it has opposed it in the past. Melvin Thompson, the association's senior vice president for government affairs and public policy, said members share Garner's concern about the rate tipped employees might have to be paid as a result of increasing the minimum wage.

Thompson said the National Restaurant Association has found that tipped employees make a median hourly wage of between \$16 and \$22 when tips are factored in. Even though most of that comes from customers rather than restaurant owners, employers still have to pay Social Security, Medicare and unemployment taxes on the full amount, and employees pay income and other taxes on their tips as well.

“We're going to be focused in the early days of the session in educating legislators about the minimum wage,” he said, particularly on the effect it would have on what tipped workers make.

But those who support raising the minimum wage for all workers say that tips can be unreliable and fluctuate depending on how many tables workers serve and how generous the customers are. And they often have to share a portion of their tips with other staff, such as those who seat customers or bus tables.

Tipped workers in other businesses, such as parking attendants, car washers and nail salon employees, are similarly beholden to factors beyond their control, from the

weather to the economy.

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Raise Maryland's proposal would gradually increase the minimum wage to \$10.10 an hour by 2016, and would increase the rate for tipped workers to 70 percent of that. The group will hold a rally to launch its legislative battle on Tuesday on Lawyers' Mall in Annapolis.

'It's really difficult'

Those at the bottom of the wage scale say an increase is necessary.

“It's really difficult,” says Sara Fernandez, 41, of Columbia, who supports her two children and herself on an \$8-an-hour fast-food job. “It means sacrificing a lot of things.”

Fernandez, a native of Honduras, doesn't speak much English but was interviewed with a translator who works for Casa de Maryland, a group that helps and advocates for immigrants. Fernandez said she has to budget very carefully and be very disciplined to stretch her paycheck.

She and a cousin help each other out, especially with child care, and if it weren't for groups such as the Salvation Army, her kids wouldn't have gotten many gifts for Christmas. She hopes to help spread the word about why the minimum wage should be increased.

“It's important,” she said, “and necessary.”

For Marissa Greene, the prospect of a raise on her own \$8-an-hour job allows her to dream a bit.

“I can see myself saving some money — maybe I can afford a used car,” says Greene, who takes a cab or walks to her job at a fast-food place about a mile from her apartment. The nearest bus stop, she said, is four blocks away from the space she

rents in her landlord's home, and she worries about walking by herself late at night

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schedule or number of hours.

Now she generally works just under 40 hours, although on a recent day she also took the shift of a co-worker who had a baby. What she makes stretches only so far, with \$135 a week going toward rent. She relies on cabs for transportation since she generally works until 10 p.m. She usually eats at work, although she stocked up on some essentials before a recent snowstorm in case the restaurant didn't open.

Greene hopes for a better future for herself, and to find time to look for a higher-paying job. She has two grown daughters, one of whom is a nurse's assistant and might be able to help her find similar work — especially one connected to a university where she could take classes.

“I don't intend to stay at this level,” Greene says. “I'm not dumb. I believe in myself to do better.

“Maybe I can take a course online. Education is definitely the key to getting out of poverty and moving up in society.”

To do that, a couple more dollars an hour would surely help, she said.

“It's not that much, \$2 or \$3,” Greene said of the proposed increase, “but they'll have a better society.”

A successful formula

That is also how Amanda Rothschild views the effect of better wages as well. She is an owner of Charmington's, a cafe that opened in September 2010 on North Howard Street in Baltimore, and supports the efforts to raise the minimum wage, even though she has always paid above it, even for tipped employees.

The 15-member staff currently makes \$8 an hour, which she is considering raising,

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the cafe monetarily or through work hours.

A happy, invested staff contributes to the kind of restaurant she envisioned, and feels she has achieved — a place filled with regulars, where staff and customers generally know each others' names. That may not be possible, Rothschild said, if employees feel underpaid or have to work other jobs.

The formula is working for Charmington's, she said, which has made enough of a profit that the partners are able to pay themselves a salary.

“It was a journey at first. It was a learning process,” Rothschild said of the way the cafe operates. “It was almost like an experiment: Will this work?

“I can say: It does.”

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