

Internet furor prompts restaurant owner to rethink position

A year and a half after she called for a sub-minimum wage for workers who get tips, a non-union Portland restaurant owner has publicly disavowed her po-

sition. Past exposure by the Oregon AFL-CIO — and recent heat from local bloggers — may have been a factor in her change of heart.

Lisa Schroeder, owner of Mother's Bistro and Mama Mia Trattoria in downtown Portland, was one of several pro-Democrat restaurant owners who

argued in favor of a "tip credit" bill at a closed-door March 21, 2005 forum organized by Democratic members of the Oregon Legislature.

The term "tip credit" comes from federal minimum wage law, which allows states to decide whether employers can credit customer tips for up to half of the minimum wage employers are required to pay. Oregon is one of the seven states that don't allow this "tip credit" — in other words, they require employers to pay at least the full minimum wage to all workers. But every time the Oregon Legislature meets, the Oregon Restaurant Association (ORA) pushes for tip credit.

Schroeder, a longtime supporter of the Democratic Party, now says she was duped by the ORA, which had earlier recruited her to serve on its board of directors.

"The ORA used me to further their cause," she told the NW Labor Press.

"I wouldn't say she was a pawn," said Tim Nesbitt, who was at that time president of the Oregon AFL-CIO, "but I have no doubt her involvement was the result of an explicit strategy to get Democratic votes."

The minimum wage is a defining issue for Democratic legislators, who nearly always vote to defend and increase it, while Republicans tend to vote against it. Nesbitt thinks the ORA tried to organize restaurant owners who were Democratic donors or who'd hosted fundraisers for Democrats, and use them to persuade Democratic legislators to vote for the tip credit bill.

Rep. Dave Hunt (D-Milwaukie) and Rep. Brad Avakian (D-Beaverton) played into that strategy, hosting the forum on HB 2409 at which Schroeder testified. For the estimated 32,000 Oregon workers who get more than \$30 a month in tips, HB 2409 would have cut the employer-paid minimum wage in half, over time, by eliminating their annual cost-of-living increase, a feature Oregon voters approved by ballot measure in 2002.

Schroeder told legislators that having to pay servers those increases prevented her from giving raises to cooks and other "back of the house" workers.

That argument doesn't hold up, Nesbitt says: In states where servers are paid more, cooks are paid more, too.

For the most part, minimum wage workers, including those who get tips, have no organization to defend themselves. So it fell to the Oregon AFL-CIO, which sponsored and won the 2002 minimum wage increase ballot measure, to defend it. The Oregon AFL-CIO hired a temporary part-time organizer to get the word out to bartenders and restaurant servers, who also turned out at the forum. And the state federation decided to "out" Schroeder in its e-mail newsletter, along with restaurant owners Rod Brackenbury and Terry Hughes, owners of the Cadillac Cafe in Portland and Joe Benetti, owner of Benetti's restaurant in Coos Bay, who also testified in favor of tip credit.

There was never any organized boycott of Schroeder's restaurants, but a

Last year, Lisa Schroeder was one of several Democrat-leaning restaurateurs advocating lower pay for servers.

group of restaurant servers showed up with picket signs outside Mother's on Easter Sunday, drawing attention of at least one TV news station. And some people made it a point to remember.

So it was that Schroeder's past support of tip credit came up again this year in early September after a group of Democratic Party leaders announced a women's voter-turnout strategy luncheon would take place Sept. 14 at Mama Mia Trattoria.

The choice of venue came in for criticism on the blog *loadedorygun.blogspot.com*. Event organizers began getting e-mails and calls asking that they change the location.

Pro-union political consultant Kari Chisholm heard Schroeder had changed her views, and invited her to set the record straight on his widely-read blog *BlueOregon.com*; in a Sept. 5 guest column, Schroeder pled innocent, saying she'd become "a sacrificial lamb for the ORA and a scapegoat for the AFL-CIO," which had "falsely portrayed [her] as a greedy restaurant owner."

"I never cared about more money for me," she wrote, "I was trying to get more money to pay my cooks!"

Schroeder now says she supported tip credit in concept, but hadn't read the bill before she testified. Bad press prompted her to read it, and she decided she couldn't support it — it was poorly worded, she said. She says she felt used by the ORA. She continued to serve on the ORA board, however — a two-year term which expires this week.

The blog entries continued to prompt a torrent of e-mail responses, and AFSCME lobbyist Mary Botkin, one of the organizers of the Mama Mia event, asked Oregon AFL-CIO President Tom Chamberlain to call Schroeder. Chamberlain met Schroeder for coffee Sept. 7 and posted a hatchet-burying assessment on the blogs: "I have truly come to believe that Ms. Schroeder is sincere in having seen the light on the damaging impacts of the tip penalty. Ms. Schroeder assured me that she will not support any initiative or legislation or anything else that would weaken or overturn Oregon's voter-passed minimum wage. This is great news for Oregon's workers. It's also a relief for Portland's restaurant lovers, who can once again patronize Mother's and Mama Mia's without choosing between honoring their progressive values and indulging their love of good food."

Organizers went ahead with the Sept. 14 event.

Nesbitt said regardless of what led her to the change, minimum wage defenders are delighted to have one less adversary.

"It's like the Bible says: 'There's more joy in heaven over one sinner who repents ...' "

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