

WHERE HAVE ALL THE WAITERS GONE?

BY PAUL ROBERTS & TAN VINH
The Seattle Times

When Ba Bar restaurant in South Lake Union was preparing to reopen in May, owners Eric Banh and Teresa Nguyen had so much trouble hiring staff they had to host and bus tables themselves. When a cook went home sick, the kitchen was so short-staffed they had to shut the whole restaurant for the night.

It's a similar story across town at Bar del Corso in Beacon Hill. On a recent Saturday, owner Jerry Corso was so short-staffed he had to multitask as pizzaiolo, prep cook, host and server, dessert-plater and takeout order taker.

Labor is so tight Corso won't be able to fully open by June 30, when the last pandemic restrictions on restaurants are lifted. If he loses a single cook in meantime, "it really is panic mode," Corso said.

"Panic mode" describes much of the state's restaurant sector.

After almost 15 months of pandemic restrictions, layoffs and losses, many restaurants, bars and other food service businesses face a new crisis: With just weeks to go before restrictions lift, a deep labor shortage is derailing hopes for a quick recovery — and renewing questions about the role of pandemic unemployment benefits.

The numbers are striking. Demand for cooks, waiters and other food service workers is scorchingly high: As of May 28, job postings in Washington's leisure and hospitality sector, of which food service is the biggest component, were up 39% from January 2020, before the pandemic, compared to just 19.8% for all sectors combined, according to data from Harvard University's Opportunity Insights website.

Yet the size of the state's food service workforce is still far below pre-pandemic levels.

As of April, Washington was still down by 43,000 restaurant and bar workers, or around 17%, compared to the last "normal" April, in 2019, according to state Employment Security Department (ESD) data. That compares to a deficit of just 3.4% for the state workforce as a whole.

And those 43,000 missing restaurant and bar workers don't include openings for food service workers at non-restaurant locations, such as stadiums, theme parks, hospitals, museums and hotels. Nor do they reflect the labor shortage that the industry was feeling before the pandemic — or the hiring that typically happens after April, as the food service sector ramps up for the summer.

All told, Washington may need as many as 70,000 food and beverage workers to be ready for post-pandemic demand, according to estimates by the Washington Hospitality Association (WHA).

That shortage has been good for many would-be workers, of course. Many report a plethora of opportunities, of job offers



Ken Lambert/The Seattle Times

Jerry Corso, co-owner of Bar del Corso holds a margherita pizza May 26 in Seattle's Beacon Hill neighborhood.

made in the first interview, even hiring bonuses of up to \$1,000.

For restaurant owners and managers, however, the shortage is nerve wracking. After months of losses and rising debt, many were banking on being able to quickly hire up in time for the summer season. Unless things turn around quickly, the labor shortage "will definitely drag on the recovery," warns WHA president Anthony Anton.

The threat is most acute in dense urban areas. King County alone still needs 34,000 restaurant and bar workers simply to reach the levels it had in the last pre-pandemic summer, in 2019.

"Where we used to get 20 applicants [for a job opening] we might get five now," says restaurateur Ethan Stowell, who is struggling to staff most of his 15 Seattle-area locations. As a result, he says, "at many of our locations, we can't even consider reopening at seven days a week."

But rural restaurants and bars are also pinched. In White Salmon, a Columbia Gorge community that would normally be ramping up for summer, many establishments are instead operating at the equivalent of winter hours due to scarce labor.

Everybody's Brewing, a White Salmon brewpub, recently started to shut down its taproom every Wednesday because it's down two line cooks in its high-volume kitchen. The nearby White Salmon Baking Co. is open just five days instead of six days and has a limited menu.

Overly generous benefits?

What's driving the shortage? Some restaurant owners and managers blame federal pandemic unemployment benefits, which currently add \$300 a week on top of regular state

benefits.

All told, the average food service worker on unemployment in Washington is getting \$595 in weekly benefits (\$640 in King County), according to ESD data for the week ending May 29. A well-tipped waiter or an experienced chef could see benefits of \$800 or more. (The current maximum weekly benefit is \$1,144.)

At the same time, the state law requiring workers on unemployment to search for a job was suspended last spring by Gov. Jay Inslee and hasn't been reactivated.

By comparison, the average weekly salary for a full-time food service worker in 2020 in Washington was around \$653, and around \$695 in the greater Seattle area, according to ESD data, or about \$34,000 and \$36,000, respectively, a year.

Those extra federal benefits "are encouraging people not to come to work," says John Schmidt, co-owner of the Seattle-based Neighborhood Grills chain. "Why would you work? You can take the summer off. I don't blame them [but] it's frustrating for me."

But it's more complicated than that, many industry insiders say.

True, there are a lot of food service workers on regular or extended federal pandemic unemployment benefits — 27,516 as of May 29, according to ESD data, which could explain some, though not all, of the sector's labor shortage. (Extended benefits kick in after the 26 weeks of regular state benefits run out.)

What's more, food service workers do represent a disproportionately large share of Washingtonians on unemployment. Although food service normally accounts for around 7.4% of the state's jobs, it accounts for the roughly 14% of all those getting regular and extended benefits, according to



Ellen M. Banner/The Seattle Times

Teresa Nguyen, co-owner with husband Eric Banh of Ba Bar in Seattle's South Lake Union neighborhood, carries food to customers on June 1.

ESD data.

But those high claims numbers aren't surprising, given how many food service workers were laid off in the pandemic. At the peak of last spring's closures, the leisure and hospitality sector shed nearly 40% of its workforce, or more than twice what any other sector lost, ESD data shows.

And since then, food service workers have left unemployment — presumably because they've found jobs — at roughly the same rate as claimants in other sectors, according to ESD data.

Put another way, the food service industry is digging itself out of a deeper hole, says Anneliese Vance-Sherman, an ESD economist who covers the Seattle area.

But the sector faces another, more fundamental problem: many former food service workers are taking other types of jobs.

That's not a new problem, by any means. For years, restaurants have faced high turnover due to concerns about pay and working conditions. But the pandemic appears to have accelerated that process.

Looking elsewhere

Data on this collective career change is incomplete. But anecdotal accounts from employers, workers, industry officials

and government analysts point to a host of reasons why food service is struggling to attract new or former workers.

One is lingering concerns about workplace safety. Some former restaurant workers say they're no longer comfortable in a job that requires close proximity to customers whose vaccination is unverifiable.

"I can't afford to go back and put my health and well-being in that kind of jeopardy," says Nikki Schultz, 38, who left the industry after 20 years for a remote job with a Los Angeles-based funeral arranger.

Other former restaurant workers say they no longer trust restaurants and bars as stable employers, given the possibility of future shutdowns if cases surge.

That was the story for Nick Bottomley, a 15-year food service veteran from Seattle who was laid off twice last year. After the first time, in March, Bottomley began training as a solar energy technician and earlier this year took a job with Seattle-based Puget Sound Solar. Although the new job pays less than high-end culinary gigs, "the long-term outlook felt better to me," Bottomley says.

Competition from other sectors is always a problem for restaurants, especially for the many entry-level positions that

typically see lots of turnover and don't require a lot of training, says ESD's Vance-Sherman.

During the pandemic, a lot of that competition came from grocery stores, delivery firms and warehouses, all of which have boomed.

"You name it, we're competing with everyone," says Chris Tonkin, co-president of Taco Time Northwest, which runs dozens of Puget Sound locations.

Another factor: Some former wait staff fear that post-pandemic restaurants won't be as lucrative. Seattle resident and former wait staffer Carolyn Terranova says servers may not be able to make a living wage because in-person dining won't reach full capacity again for the foreseeable future due to COVID concerns. Plus more restaurants are moving to tip pooling when restaurants reopen.

"The money will never be there again unless I work four part-time jobs," said Terranova, who plans to work instead as a cannabis processor.

Bad timing

Restaurants, bars and other food service companies are fighting back with higher wages and other incentives. Tonkin's front-line workers, for example, now make up to \$18 an hour, up from \$17.50 in 2019, while his shift leaders make up to \$23, up from \$20.87. He also offers managers annual performance bonuses of up to between \$2,500 and \$20,000.

Many pubs and bistros now offer signing bonuses. In May, the bistro in Salish Lodge & Spa and Local 360 in Belltown each offered \$500 bonuses to new line cooks, according to Poached Jobs, an online classifieds website. McMenamins offers \$1,000 bonuses to chefs at its pub in Queen Anne.

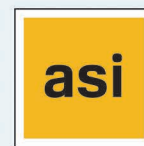
But in some ways, restaurants face obstacles too large to be solved by a hiring bonus.

Imagine the possibilities.

Upon reflection, if there's something this past year has taught us, it's to fear a little less and live a little more. To take the time to look closely for opportunities that make strategic sense, but also just feel right. To take actions that enhance our lives.

At the start of this year, we welcomed Valentine Ventures, one of Central Oregon's leading wealth management firms, to our ASI team. This merger was based on exploring the possibilities and realizing that our shared values and commitment to amazing customer services make us even stronger together.

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