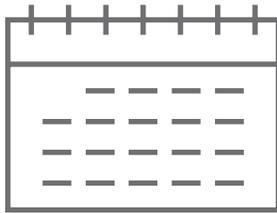


CHEF'SSTORE INDUSTRY REPORT:

How Your Restaurant Can
Navigate the Labor Shortage

COVID-19 disrupted restaurants and the effects are still being felt today, especially in terms of labor shortages. Learn the history of how the labor shortage started and best practices for overcoming hurdles below:

The Early Days of COVID-19 Shutdown in the Restaurant Industry: Workers Suffered Massive Layoffs



Nearly
6 million restaurant jobs¹
were lost in a mere six weeks at the
beginning of the pandemic.



In 2020, over
**110,000 bars
and restaurants**
closed for good.²



Restaurant and
other foodservice-related
sales plummeted by
\$240 billion in 2020.³

The reasons for restaurant workers not returning are complex and reveal some interesting aspects of the foodservice industry, like wage rates, safety, and employee satisfaction.

Labor Shortage: A Look at Current Factors

As workers lost income, the federal government stepped in to relieve the pressure with CARES Act⁴ stimulus checks and changes in unemployment benefits. Part of the relief effort was expanding the amount of money eligible workers could receive in weekly unemployment payments.



Previous unemployment payments typically paid 45% of total wages.⁵ During the beginning of COVID, the CARES Act bumped unemployment to pay closer to 100% of average wages.⁶

A Breakdown of Unemployment Payment Numbers Based on National Averages



Pre-Pandemic Unemployment
Weekly Payments:
\$370 a month⁷



Pre-Pandemic
Weekly Wages:
\$970 a month⁸



\$600 additional unemployment
payment approximates
100% of average wages.⁹

2/3rds of workers¹⁰ found themselves making more income on the CARES Act unemployment augmentation than they did working their restaurant jobs before COVID-19.

Insight Into Restaurant Industry Worker Challenges

Even though the original \$600 weekly benefit bonus was reduced by half to \$300 at the start of 2021, employers are having difficulty rehiring their once robust employee base. Why? The complexities of COVID-19 and its impact on the workforce go beyond some workers' receiving more unemployment payments.

Workers are also concerned with safety and financial stability.



Safety Issues:

An estimated **85% of service workers¹¹ lack health insurance**, putting them at greater financial risk if they contract COVID-19.



Low Tips:

In a survey of nearly 2,700 foodservice workers, **83%¹² said they received fewer tips since COVID-19. 66%¹³ stated their tips were reduced by almost 50%.**



Family Responsibility:

30%¹⁴ of surveyed hourly workers can't return to their original shifts because of new family responsibilities resulting from the pandemic.

Working Through the Labor Shortage

While the labor problems still exist, there are plenty of ways to hire and keep a well-trained staff even during a labor shortage.

Employee Onboarding and Retention

Keeping employees safe and happy is a surefire way to incentivize staff to come back and not leave later down the line. Listen to your crew and work toward ways to keep them on the team.

What Employees Want:



Employees prefer flexible scheduling:

- 75%¹⁵ of hourly workers prefer to have some flexibility in the scheduling
- 70%¹⁶ would appreciate mobile options for scheduling



Employees want a safe work environment:

53%¹⁷ percent of potential workers choose not to apply to new jobs because of fear of COVID-19 exposure. One way restaurants are helping applicants is to conduct virtual interviews. 93%¹⁸ of hiring committees have turned to virtual interviews.



Employees want to feel appreciated:

The pandemic has been hard on everyone in the restaurant industry, and feeling appreciated can go a long way to sticking it out with their employer. Benefits are a great way to reward your staff and increase employee retention:

- Provide "family meal"¹⁹ to staff on shift
- Offer gift cards or vacation days as rewards for stellar service²⁰
- Increase performance bonuses for management

LOOKING FORWARD: Restaurants Can Survive the Labor Shortage

Staffing issues aren't ideal for any business, especially not an industry that's seen a lot of ups and downs in the past year. However, recruiting and securing staff isn't as daunting as it seems.



www.chefstore.com

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