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The post-pandemic restaurant employee: Who wants to work and why

August 2021

The restaurant industry has been on an **unpredictable ride** over the past year and a half—and we've been adjusting to every high and low **in real-time**.

We're now facing the biggest challenge to date—a labor shortage and retention crisis.

To put it simply, it's a job candidate's market and many are rethinking when, how and where they work.

The Bureau of Labor Statistics (BLS) reported that job openings had increased to a series high of 10.1 million by July with the accommodations and food services sector accounting for a large portion of the increases. According to Black Box Workforce Intelligence™, the current staffing challenges have full service restaurants operating with 6.2 less employees in the back of the house and 2.8 employees less in the front of the house than they did in 2019.

Some experts point to enhanced unemployment benefits as a deterrent for employees returning to work (although recent evidence shows that cutting those benefits doesn't significantly reduce the labor shortage). A recent study conducted by Black Box Intelligence™ revealed that 71% of operators believe higher pay through unemployment or even higher pay in another industry is the main driver behind the industry's labor shortage.

There are approximately 70% more job vacancies than pre-pandemic levels across all industries and 10% fewer people looking for work—that's the greatest gap in recorded history.

Adding to the issue, turnover rates have spiked and voluntary quits are at an all-time high—leaving restaurants scrambling to retain the staff they have.

Hourly turnover in restaurants is high—surpassing pre-pandemic levels

Limited Service

2019
135%

June 2021
144%

Full-Service

2019
102%

June 2021
106%

There are **4 driving factors** contributing to the restaurant staffing shortage.



① Wages and benefits.

For the first time in decades, the American hourly worker has the upper hand in compensation conversations. In response, restaurants are offering higher wages and unique incentives to attract employees. Black Box Workforce Intelligence data reported that **in Q2 2021, limited-service hourly wage increased by 10% year over year**, the highest increase the industry has seen in years.

② Childcare.

In the second half of April a US census survey found that **nearly 1 million households had at least one adult who could not look for work** because they needed to look after their children. Restaurant workers with children often rely on affordable childcare options like daycares, which are limited due to the pandemic.

③ Opportunities in other industries.

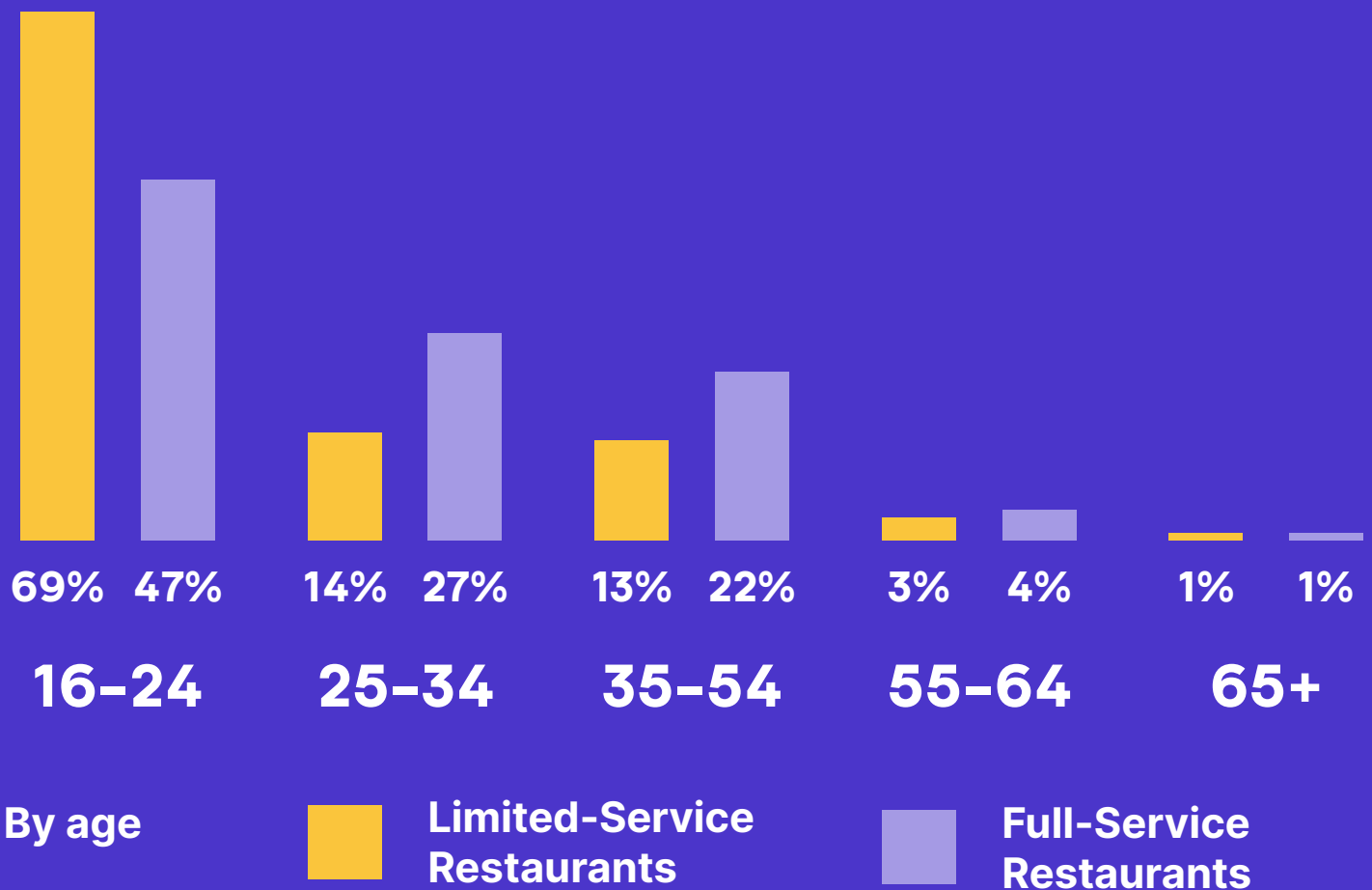
When restaurants closed early in the pandemic, **51% of workers cited higher pay or the need for consistent schedules and income** as their top reasons for switching industries.

④ Concerns about mental and physical health.

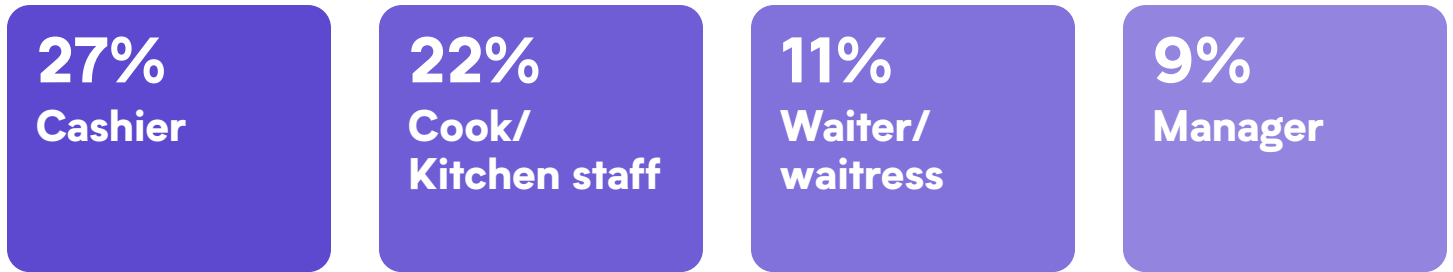
The nature of restaurants creates an environment ripe for physical transmission of illness and emotionally taxing social interactions—on top of already challenging work. In May **78% of workers said their mental health had been negatively impacted** in the past 12 months.

To further understand these labor shortage factors, we surveyed 4,700 former, current and hopeful restaurant workers.

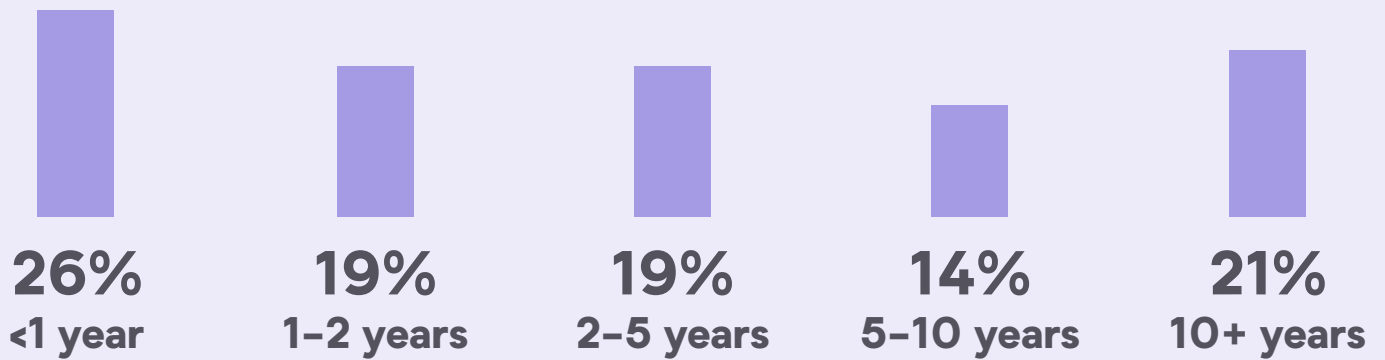
Here's who's working in restaurants.



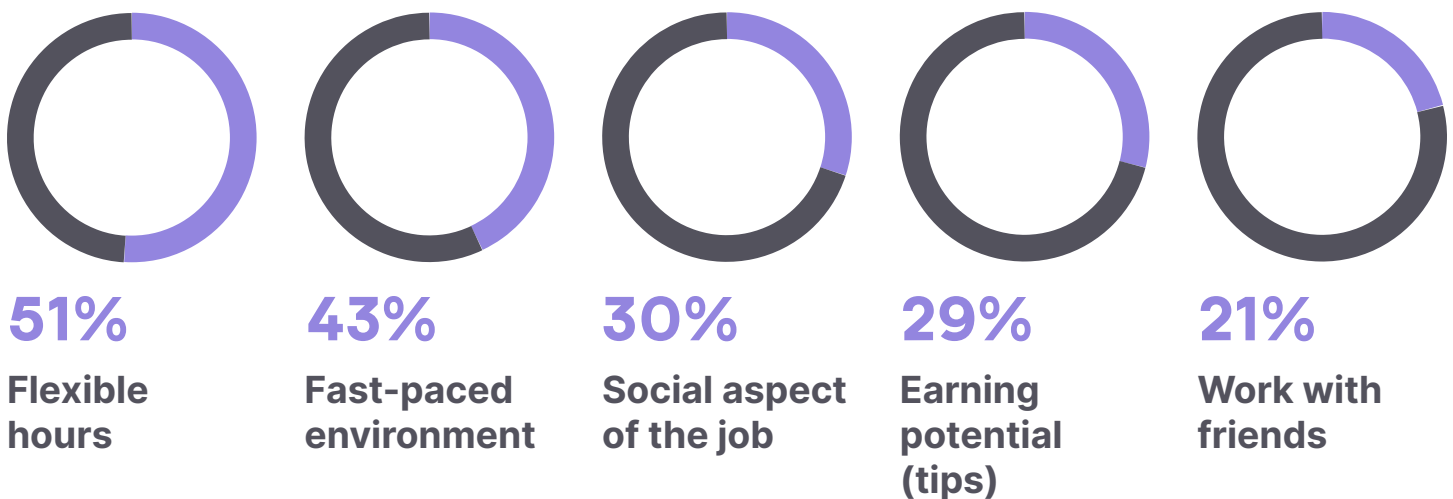
Current or recent position:



Time working in restaurants:



Why restaurants?



Here's who is looking to work in restaurants:

17%
first-time
job seekers

39%
employed
but looking
for a new job

Here's where they're searching for jobs:

36% Online job search

33% Restaurants located close to their home

16% Restaurants they enjoy dining at

9% Places their friends work

6% Social media



Wages and Benefits

One of the primary sticking points for restaurant workers is wages and benefits, including benefits.

5 most important things restaurant workers look for in a new job

- 1 Starting hourly wage
- 2 Promotion opportunities
- 3 Flexible schedules
- 4 Health benefits and paid time off policies
- 5 Company culture/ work environment

Incentives that are most attractive to workers applying for restaurant jobs right now

- 1 Cash bonus if hired
- 2 Cash bonus for interviewing
- 3 Retention bonus (if they're still with the company after a certain period of time)
- 4 Free meal at the interview

**87% of respondents
would rather have a set
livable wage than tips**



Wages and Benefits

Actions *you* can take:

1

Ensure you advertise any of the benefits or perks your business offers in the job posting. Whether it's financial, cultural or even free food—workers appreciate the recognition.

2

If you're offering hiring incentives, make them clear to applicants.

Childcare

According to the McDonald's EVP and Chief Global Impact Officer,

“This is the most difficult hiring environment in their 66 year history, and the lack of care is the top reason our employees are citing.”

McDonald's already offered paid parental leave, and recently reported adding emergency child care and other benefits to attract more workers.

The COVID-19 has created even bigger childcare shortages and problems for hourly workers. With schools and daycares closed or operating at limited capacity, many workers have been forced to take matters into their own hands.

According to Snagajob data,

35%
of current hourly workers and job seekers are parents

18%
of unemployed hourly workers had to leave their job to take care of family or children



One third of all U.S. employees have left a job during their career in order to manage caregiving responsibilities.

In 2020 alone, women globally lost more than **64 million jobs**, which equals 5% of the total jobs held by women. A majority left the workforce to stay home and provide child care.

Childcare

Actions **you** can take:

1

Highlight any flexibility that you offer that would be helpful to working parents in your job description.

2

Talk to your staff, find ways to support them if they are struggling to juggle childcare responsibilities and work. It may be as simple as adjusting their hours.

Opportunities in other industries

Many hourly restaurant workers have not left the workforce, just the industry, in the past 18 months. Voluntary turnover is higher than ever.

Top 5 reasons workers have left the industry:

28%

Higher pay in other industries

16%

Work hours
(late nights, weekends, holidays)

23%

**Needed consistent
schedule/income**

15%

**Work environment/
company culture**

17%

**Lack of professional
development & promotion
opportunities**

Of surveyed employed hourly workers, 15% have changed industries in the last year and another 33% want to.

When restaurants closed early in the pandemic, many workers turned to other thriving sectors, those with a high demand for labor created by shifting consumer behaviors.

According to Snagajob data:

→ **Warehouse and logistics jobs are up 278%**
compared to
pre-pandemic norms

→ **On demand jobs are up 183%**
compared to
pre-pandemic norms

Opportunities in other industries

Actions *you* can take:

1

Focus on retention.
Build a culture that workers want to be part of and meet their needs so that they will stay.

2

Talk to your staff before it's too late. If there are things being offered by other employers that have them looking, maybe you can offer that to your team too.

Concerns about mental and physical health

It's no secret that restaurant workers juggle a lot of responsibilities in their day-to-day work; adding the stress of personal responsibilities and working through a pandemic has only compounded the issue. Many hourly workers are picking up extra hours or responsibilities and it's taking a toll on their mental health.

66% of workers would return to the restaurant industry if the right conditions were met



Restaurant workers put up with a lot.

62%
emotional abuse/
disrespect from customers

49%
emotional abuse
from managers

15%
sexual harassment
from customers

15%
sexual harassment from
managers/co-workers

The nature of the restaurant environment makes it easy to transmit illness. Despite many governments and businesses implementing mask and vaccine mandates, the reality is that diners can't wear masks while they eat, and many workers simply don't feel safe coming to work.

→ **65%**
of hourly workers want
businesses to keep mask
mandates for customers

→ **83%**
plan to wear a mask while
working to keep themselves
safe regardless of business/
state requirements.

Mental and physical health

Actions **you** can take:

1

If you are asking workers to enforce mask or vaccine mandates, provide support and ensure they are comfortable with taking on this, sometimes uncomfortable, responsibility at work.

2

Create an open dialogue between staff and managers to get ahead of any potential issues that could hurt retention.

Conclusion

The restaurant industry isn't for everyone, but that's ok! 17% of restaurant workers chose the industry because it was a career choice; they want to be in the industry long-term.

Recently, restaurants have been hit with higher than usual turnover and this is a moment for restaurant owners and managers to take a look at how they do things and what their staff is up against. By creating a positive work environment and meeting workers' needs, restaurants can reduce turnover and hire top talent in the tightest labor market we've ever seen.



About us

Black Box Intelligence

Black Box Intelligence™ is the leading data and insights provider of workforce, guest, consumer and financial performance benchmarks for the restaurant industry. With the recent acquisition of MillerPulse, Black Box Intelligence is home to the largest and most reliable set of real restaurant data in the marketplace. Black Box Intelligence is also the producer of The Best Practices Conference held annually in Dallas, Texas.

Snagajob

Snagajob, the country's largest marketplace for hourly jobs and shifts, connects more than 47 million hourly job seekers with employment opportunities at 470,000 employer locations in the US. Snagajob's mission is to put people in the right-fit positions so they can maximize their potential and live more fulfilling lives. Through Snagajob, workers gain the flexibility of working when and where they choose while employers are assured every shift stays filled. For more information, visit www.snagajob.com or connect with us on LinkedIn, Instagram, Facebook and Twitter.