

Edition 1.0



# A Mise-en-Place Field Guide

The Living Wage

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Based on Mise-en-Place  
Season 2 Episode 2



THE MISE EN PLACE  
PODCAST

COOKSCAMP

season II



## The Chefs' Table Society of British Columbia (CTS)

A province-wide collaborative that fosters essential dialogue between culinary professionals.

We support innovative, sustainable programs that inspire, educate and nurture cooks, producers and regional food industries.

We promote standards of excellence that strengthen our regional cuisines.

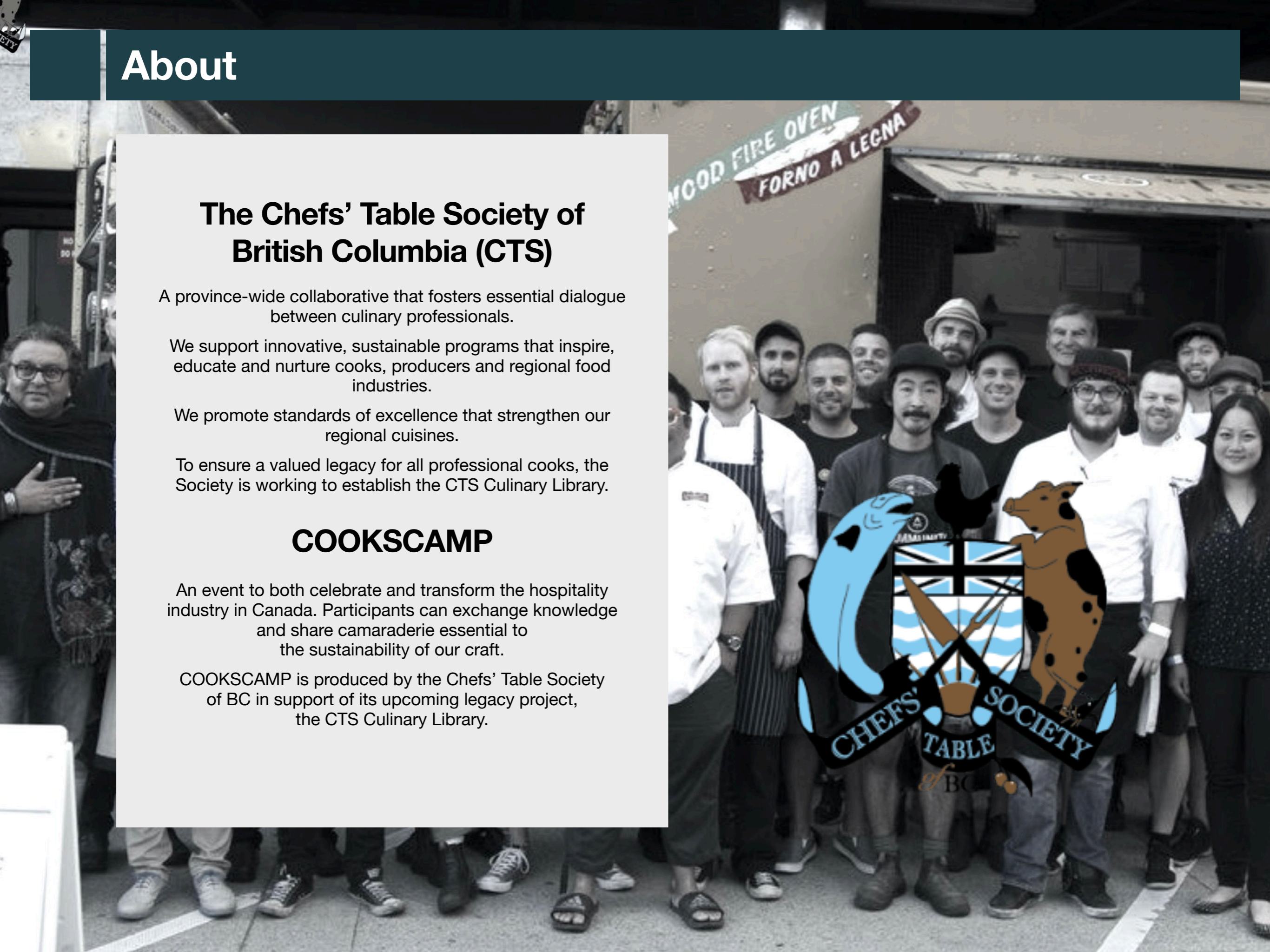
To ensure a valued legacy for all professional cooks, the Society is working to establish the CTS Culinary Library.

### COOKSCAMP

An event to both celebrate and transform the hospitality industry in Canada. Participants can exchange knowledge and share camaraderie essential to the sustainability of our craft.

COOKSCAMP is produced by the Chefs' Table Society of BC in support of its upcoming legacy project, the CTS Culinary Library.

WOOD FIRE OVEN  
FORNO A LEGNA





# Introduction



**Hello.** Welcome to the **Mise-en-Place Field Guide**, produced alongside Season 2 of the **Mise-en-Place podcast** by the Chefs' Table Society of British Columbia.

We've created this e-book to **help everyone in the industry implement the kind of change we've been only talking about for too long.** And here's **another topic that deserves widespread consideration.**

There's no question that **being adequately compensated for the long hours and necessary skills this business demands** is part of that change. That's especially true because, **unlike many other trades and professional career options,** our industry has **no standard or common pay scales tied to experience and achievement.**

But, as mentioned last time out, if and when you **implement a service-included or no-tipping business model,** the key result is a **'levelling out' of wages** for hourly staff, both front- and back-of-house.

That's also a **perfect time to gauge** what those wages ought to be to allow everybody on our team to enjoy **a decent and fair standard of living.**

With that goal, **a living wage** can also be called a **'lifting wage,'** because very often it can lift people **up and over the poverty line** in their region.

And, just like the service-included model, there are essentially **two implementation strategies,** with room for assorted variations and hybrids. The **operators sharing their experience** in this Field Guide **exemplify each of those two primary approaches.**

The **business case for paying a living wage** has been thoroughly **studied and tested,** and the core **benefits to employers** include the following:

- **Decreased employee turnover; cost savings for staff hiring and training**
  - Studies have shown that staff turnover rates at firms covered by living wage polices averaged 17 per cent lower than at firms that were not;
- **Improved job quality, productivity and service delivery; lower absenteeism**
  - More than 80 per cent of employers involved in the London Living Wage Program (LLW) believed the program had enhanced the quality of the work of their staff. Almost 75 per cent of employees reported increases in work quality;
- **Benefits the broader economy by stimulating consumer spending**
  - A 2009 Goldman Sachs report confirms that increasing the income of people with lower wages has a proportionately larger stimulating effect on the economy than increasing the income of those on high incomes; and
- **Greater corporate social responsibility and firm reputation**
  - Being able to advertise that you pay a living wage satisfies the growing consumer demand for ethical consumption.

We hope you'll **be inspired** to offer **a living wage in your operation.**

We'll do our best to help.

**Robert Belcham, Host/Co-producer**

Past President, Chefs' Table Society of British Columbia

Chef/Co-owner, Popina Canteen/Popina Cantina/Monarch Burger, Vancouver

**Section 1**

# **Calculations**

## Calculations

**Like the service-included model we covered in our first Field Guide, the living wage doesn't have any provincial government or Canada Revenue guidelines. However, it's far from being an arbitrary number.**

**In fact, there's a well-established national network of agencies that determine the living wage in their region, and then help employers make it a reality in their workplace.**

**Doing that work in BC is Anastasia French, the Campaigns and Operations Organizer for the Living Wage for Families Campaign.**

### How is the living wage calculated, and what's included in that calculation?

There's a framework we start with at a provincial level. It includes things like food, transportation, childcare... the essentials for a family of four with two working parents.

In detail, for example, transportation can include the cost of a transit pass, if that's available in the region, and then the cost of a second hand car. There are no luxury purchases here. However, the calculation doesn't include repaying debt or other kind of things that often families in poverty have to incur. It's just really the basics that a family needs to be able to make ends meet in this province.

We opted for two parents working full-time, even though we actually know that's not always in the best interest of the child. But many employers wanted it to be two parents working full time. For families with children, we've seen over the past couple of years, and will be looking at it when we do the calculation this year, is that there have been quite a few government interventions to help families with children, like the recently announced national childcare plan.

What we also know is that the cost of living can sometimes be more expensive for a single person than for family. On average, surprisingly, it works out pretty much the same.



### How much of a challenge is the localized approach?

There are pros and cons but, most often, to make it real and sustainable the calculation needs to be in partnership with local communities.

A local community agent can take the calculation and show it to local small businesses within their area and say, "can you please make sure that you pay your staff a living wage?" We've managed to engage over 200 employers across BC with that approach, but we also know there are challenges for large employers operating in multiple regions across the province.

Rather than deal with 13 different regional rates, we will often recommend simply paying the living wage for, say, Metro Vancouver, because then everyone is going to be covered.

For national employers, we partner with our counterpart living wage agencies across the country to make sure that we're using a similar framework. So we're talking about the same calculation methodology across the board. There are some minor differences between provinces, as with Ontario and BC, in terms of data sourcing for a base reference, but the framework of a family of four with two working parents is the same.

In the coming years, we'll be moving towards the true Living Wage Canada approach where, hopefully, we can represent a coordinated national initiative rather than just certain provinces having their own living wage calculations.

## **How can an employer determine what makes the most sense for their business and their employee, a basic minimum wage or the living wage?**

At minimum, an employer needs to be paying their staff the minimum wage set by the provincial government. For example in BC, in June 2021, our minimum wage will reach \$15.20 per hour. Another positive change is that liquor servers (collecting gratuities) will no longer be earning a subpar minimum wage. We can hope for the day when minimum wage equals a living wage. Currently, that gap is substantial (*the Metro Vancouver living wage is \$19.50*).

Our campaigns tell employers to look beyond the bottom-line to the proven, documented benefits of a living wage in supporting employees so that they're not stressed and distracted, because they don't know how they're going to be able to afford rent this month, or because they're hungry because they couldn't afford breakfast.

Studies have shown time and time again that employers that pay a living wage, beyond the relatively small 'start-up cost, reap the benefits of low staff turnover and higher quality work from secure, engaged employees with increased company loyalty.

## **For many young people, their first job is often in the In the hospitality industry. Does the living wage account for a teenager with no experience, living at home, being paid the same as someone with experience and a family of four?**

Well, our argument is that, more and more, you can't simply assume a 'regular situation' for that teenager living at home; their parents might be disabled or out of work, and so they're required to contribute to the family income.

It's unfair to have two different rates depending on any specific family scenario. Instead, what we advocate is for the minimum that any family needs to be able to make ends meet.

## **Implementation of a service-included/no-tipping model would seem to be the ideal time to also calculate and implement a living wage. Do you agree?**

I do think that NOW is the ideal time. COVID has had fundamental impacts and brought change to the entire Canadian economy.

More importantly, what society has found is that those people who are the lowest paid are very often the ones putting themselves most at risk to keep us safe. This is certainly true in the hospitality industry, with people doing extra work to enforce COVID protocols on staying socially distanced, doing extra cleaning, etc. So, at the very least, for putting their own health on the line, they should be earning a living wage.

On the other hand, it's also truly a tough time for the hospitality industry, so NOW is a relative term. But for those organizations and businesses able to make a fresh three-year plan, a labour strategy that invests in raising \$15/hr employees up to \$20/hr is more realistic, and we understand that.

Our current 'ask' is that, for the hospitality industry, the living wage starts before tips are included. Any individual turning up for work, whether in the kitchen or as a server, should be able to earn at least \$19.50 an hour here in Vancouver without having to rely on tips to survive. They can focus on the job.

## **What are the first key steps an employer can take to implement a living wage in their business model?**

Our agency speaks to employers all the time. Some have pay scales close to the living wage, others say it's something they want to do but don't know how to get there.

One important consideration. The living wage isn't only the base wage; it factors in any additional benefits provided by the employer that can lower the cost of living for a family. This includes health and dental insurance, paid sick days, vacation above the statutory minimum, transportation, childcare, etc.

We'll use our spreadsheets to help an employer calculate the market or replacement value of benefits and what it can deduct from the base living wage amount. Wherever they are, this process will help work the steps they can take and when best to take them.

All the living wage agencies across Canada are ready with this kind of help.

**Section 2**

# **Shock + Opportunity**



## 02 Shock + Opportunity

**As Anastasia mentioned, there are approximately 200 certified living wage employers in British Columbia, with only a handful in the hospitality sector.**

**That's no real surprise, but neither was discovering that Victoria's Spinnakers, Canada's oldest brew pub, is among them. Paul Hadfield, its owner and proud publican, has always at the forefront of innovation with diverse business options and retail offerings under his one roof.**

**However, his decision to offer a living wage to his entire team was sparked by an unexpected and profound shock to his operations (three guesses... and yes, they all start with C).**

### The shock

My background is as an architect, and Spinnakers started as a project for my firm. Once we'd developed the first purpose-built brewpub in Canada, my partners and I bought the place and I started running it in early 1986. Because I hadn't come from the restaurant industry, I hadn't been initiated into all of the hierarchies and conventions that characterized the restaurant industry at the time. And I didn't really understand why things got to be the way they were.

One of the things that always discouraged me was the disparity of wages within the restaurant sector. And I was simply shocked at the amount of money that flowed through the place in the form of gratuities, along with the fact that they were not equitably distributed amongst all people that do all the work to set the table, so that the server can come in and claim the gratuity for themselves.

Then the pandemic struck, and we were forced to shut the operation down. On top of that, we had a fire a week later. So we turned the place over to the restoration company and the insurance adjusters, and I retreated to my home on the Sooke river, and keep busy pruning the orchard.

About a week into this isolation, I just had this eureka moment that there was an opportunity to change things. It's you know, as Naomi Klein talks about in (her book) The Shock Doctrine. This shock to our system was a shock we could use to say to everybody 'we need to change how we do what we do.' And we need to become more inclusive and come back better.



As well, when we did invite staff to come back, doing better was also motivated by the kitchen, who have their suppliers, their farmers and growers. And if we're not buying from them, then they're growing stuff that's likely going to compost. And so we need to come back, we need to be here, we need to support the supply chains that support us.

### Some calculations

And looking at the kitchen as the epicentre of what drives the place, it soon became a question of 'how do we make this more fair?' So, as people came back in, we sat everybody down for a conversation and I just suggested to everybody that we adopt a living wage for everybody, which in Victoria was calculated as \$19.35/hr. And we're gonna go one better and start at \$20 an hour. And so since last spring a year ago, that's what we do

So we just said to everybody that came in, and particularly front-of-house staff, that it's really important that we take this money that's coming in as gratuities and we respect the fact that everybody that works here contributes, in one way or another, to its success.

And we set up a tip pool that included everybody...servers, housekeepers, janitors, bakers, people that work the front desk and in the kitchen or in the brewery. We're truly all in this together.

# 02 Shock + Opportunity

## Some calculations (cont'd)

And if we took a regular level of gratuities, break it down by positions and put it on top of a base living wage, we calculated that, if our servers were prepared to work more than a few hours here and there, we could turn what they do into a living wage job with a potential to be regularly making in the range of \$32/hr.

We told them to take a look around, see what kind of education and qualifications one has to have to be guaranteed that kind of an income. And to look at what we do like the European model, where being in the hospitality industry is an honourable thing to do. And offers longevity for people committed to being team players and working together.

## Rounding off

And so we lost a bunch of people, because it became evident that those at the top of the hierarchy were the Thursday/Friday/Saturday evening servers, when they'd work four or five hours and walk away with \$50 an hour for what they do. By diluting that down, some of them said 'I can do better elsewhere.' So we thanked them and wished them well. Since then, we've had an extraordinary number of people applying to work here!

Right now, all gratuities are pooled and put on the pay checks, with income tax, CPP and EI deductions. And at the end of the day, there's no liability. Want to buy a car or a condo? It's now a bankable deal.

We're much more of a collective now, with everybody appreciated for what they do and how they contribute. Yes, we do have fewer people doing more work, but which also means that we spend less time trying to communicate with each other about what we're trying to do. We have a small group of people who are working together to support each other.. And understanding that at the end of the day, we need to make our patrons happy.. That's what it's all about.

## Diversification

When we came back to life, we talked a lot about the structure of how we work. We needed to get rid of the 'silos' and appreciate more of what's being done around us,

We changed some terminology and got rid of the word 'manager' in favour of team leader. And we talked about the fact that we all needed to be prepared to do dishes when need be.

We all need to appreciate what's being done around us or what's being done for us. Staff are most appreciative of the fact that they are much more equal now. And valued. And that appreciation gets into what they produce, even turning what might have been kitchen scraps into valuable items. There's a sense of pride that is coming out of it all. And I think, in many ways, it comes from that sense of security and appreciation,

## Experience = value

As a result of this living wage based model, wage disparities are much less. People at the top in terms of experience and leadership essentially stayed there, staff in the middle were bumped up and the entry level went from \$15 to \$20-plus. For hourly staff, \$20 to \$30 an hour is our pay scale, with secure benefits on top of that.

The key to making it work is having staff be more productive. From time to time, we have had to walk through and say, 'I think we're slipping back.' We need to talk about productivity, we need to talk about things that we can be producing.

If we're not busy in the dining room, retail is becoming a more and more important component of what a commercial kitchen can do. So it's important to keep that collaboration going, keep it top-of-mind to keep the products moving and keep it fresh. It's a much more stimulating process, and I think it's more fun.

## Takeaways

Making a living wage model work requires a clear, concise communication plan with all the staff. And it requires that they buy in to what you're trying to do. The biggest challenge, absolutely, is that for good servers, it will cost them real money to be part of this kind of a program. At first. But with time and diligence, our team is thriving...even in a pandemic.

That's where I come back to this 'shock' event. In the fall of 2019, I struggled with the thought that the system was broken, and I didn't know how to fix it. But the pandemic created an opportunity for me to just say to everybody this isn't working for us.

And when I think about all the small places that have struggled so much with inside dining shut down again and again. Coming back from that is an opportunity. So, let's all think about how we do what we do, and see if we can do it better.

**Section 3**

# **Hybrids**



## 03 Hybrids

**As we've mentioned, a living wage is tied to its location or region. And sometimes certain regions are quicker to embrace its principles.**

**Take Guelph (Ontario) for example; it's home to about 10 per cent of living wage employers in Ontario. Among them is Court Desautels of the Neighbourhood Group of Companies which operates five restaurants and pubs, including the Park Grocery, which in 2019 became the first foodservice operation in the region to get certified.**

**Unlike the pandemic-induced shock at Spinnakers, Court and his team took the long road to the living wage, with had its smooth stretches and its bumps.**

### **Choose your model**

It started much earlier than Park Grocery. We always acknowledged the big wage disparity between the heart-of-house, front and back. I start working in kitchens, and then to service and wondered why go cook again when I can make this kind of money up front? So it's always been on my mind and of concern to people on our team. We really started looking at it further in 2015.

One of the first things we implemented with the restaurants was health benefits. Becoming a certified B Corp in 2016, we wanted to get more sustainability for our people, because it wasn't a sustainable operation. It was a revolving door and how do we change that? So one of the first steps was to introduce benefits. If you're with us for two years, after your first year, we pay 50 per cent of health benefits; after Year Two, we're essentially paying 100% of your health benefits. And in Year Three, if you have family, we're covering all your family benefits and everything else. We grandfathered everybody in 2015 and it really worked. We had some more mature people wanting to join the group to be with us for the long haul, both on the service side and the kitchen side.

After that, we started looking at different wage models and service-included models, but nobody, not even Danny Meyer in New York could make it work. So we started looking at a different way to incorporate gratuities and everything into the system, and that's where our current model at Park Grocery started to take shape.



in 2018, I did presentations at each of the restaurants (before we opened Park Grocery) and said "Hey, here's the wage disparity, here's what our average cook is making (around \$15/hr) and our average server making \$34/hr. And I added that, obviously, there's a big problem here. I just put all the numbers to all of our staff in each of the restaurants. it was probably the most nerve wracking thing I've ever done.

And we just we said, 'this is what it is' And we have to we have to acknowledge it. Even though our benefits and other programs had reduced our attrition rate (15 to 30 percent below industry average) we still have a revolving door. This is the only industry I know where someone earning their Red Seal or a college degree starts at make a minimum wage, and often stays at that wage for years.

### **Trade up**

At the end of my presentations, once the cooks and chefs were off doing menu development. I told the service staff that it was 'up to you to make the change.'

## Trade up (cont'd)

I put it in their hands, I said we have an opportunity here. We're always looking people to work in the kitchen, because we can't keep people around. And we have other ideas for the company, like paid bus passes and a health and wellness program. But for all these positive changes to happen you've got to give something back so we can supplement wages with a better tip sharing pool. We already knew we didn't want to take gratuities out of the mix and increase prices, and throw the burden on our guests. And so there's got to be a hybrid model.

So, we set a goal of a 2 per cent tip increase to everyone in the pool, and that was going to push everybody up above the regional living wage at the time (\$16.50/hr) but we wanted to get to \$17/hr. And we could lower our living wage threshold to \$15 because we offered health benefits. But health care should be a bonus of working not supplementary income.

We made it an anonymous vote. We knew this was going to go one of two ways; either the service staff voted it down, and we've just created a bigger divide, or it works. Well, essentially 90 per cent of staff voted in favour of increasing the tip-out and we were blown away. And so we did it.

That put everybody up to minimum \$17/hr. And then we went to work on a tiered system for tipping that's run by the kitchen with a first cook/second cook/third cook. So if you're entry level, you work your way up on a point system. For the most part, it's worked, but there's still some disparity.

## A new model

When time came to open Park Grocery in 2019, a fast-casual, mostly counter-service concept, we started everyone at \$17/hr, though the living wage was \$16.50 at the time. It's a hybrid model as well; except for the lead cook and a supervisor (at \$18-\$22/hr), most everybody on staff makes the same wage with benefits, but with no tipping. Our customers were really pissed off. I got lit up on social media by people saying I essentially took their right to tip away, which proves that it's never a guaranteed success.

We knew \$17/hr was going to work as long as we hit X amount of sales. Now, of course we didn't hit those targets sales and so we lost money in our first year. But we stuck to it.

There are still customers that are upset and confused. Even though we smiled and described our commitment to living wages and paid benefits. We're talking about decades of behaviour we're trying to change overnight overnight. Just as we considered what to do, the pandemic hit.

We beefed up our online ordering system, and it unexpectedly offered an option to add a tip. Next thing, we know, people are tipping like crazy. We split them evenly among all positions based on hours worked. Now, staff are getting an extra five to \$7/hr. We're kind of stuck. I'm not going to take it away, because they've begun relying on it. People still want to tip even though, or maybe because, we're a living wage employer.

We varied our models at the other restaurants during the pandemic, too. What a reality check for everybody, as in who's the most essential in the restaurants? We didn't need any servers. We have a whole team of people in the kitchen, cooking. And they're all sharing in the tip pool, and they're making great money. For now, we're just adapting our models to what the market allows.

## Step on it

Based on our experience, any change to a living wage model should be a series of steps with lots of communication along the way. It's also easier when you're a member of a small regional group, because the model doesn't seem to work when there's just one lone restaurant going against the grain, which is unfortunate.

First step... it starts with a belief in this kind of positive change, even though it's nowhere near the standard restaurant business model. Secondly, start a conversation with your team, because it's got to be a group decision. It has to be led by the people who are going to be impacted the most. It's not their fault they chose a job in the tipping world, so taking it away is just going to result in one thing.

So, there needs to be a hybrid model that you have to gradually implement. You have to make sure your business model and your employment model are sustainable for everyone on your team.

A complete win-win may take three years, or maybe five. In the restaurant industry, we typically don't think too far ahead. Now, we're used to operating day by day. But you can say, 'Hey, here's where we can be' because I think the biggest mistake anyone can make is jumping right into it, and then pulling back.



# 03 Hybrids

## Pull over.

The thing that people aren't talking about is that the restaurant industry screamed the loudest for help from government. And when this is all done, the CRA is gonna be, well, we got to pay for that help now. And there's billions of dollars on the table.

Here's a crazy story. We have a pub server who goes across the street to buy a scratch-and-win ticket, and wins a quarter of a million dollars. He's a very smart guy, who isn't going to up and leave his secure job, but wants to buy a house. Well, guess what, he has no credit. He had a quarter million dollars sitting in the bank and his parents had to co-sign a loan. That kind of madness shouldn't happen in a modern business sector.

## The big rigs

I just got nominated to the board for Restaurants Canada. There's talk of increasing minimum wage. and sick days across the country. And Restaurants Canada, our industry advocate, is solidly against either of those things.

There are efforts there to change the the old boys club,, but there's our national voice lobbying against restaurant employees who've been affected more than anybody in the entire country. The driving forces behind those decisions are our biggest national chain operators. And that's a problem when change is on the agenda.

So, what's the silver bullet? Government intervention. If they crack down on the gratuity system.

But it still would take a big player to make that wholesale change. Maybe it's a bunch of players, or maybe it's a community like Guelph. Actually, if it's just government mandated, then we've got to do it, and everyone just sucks it up.

And we move forward.





# Resources

**The best news on the living wage, beyond how well it can work for your business and your team, is that there's one comprehensive go-to source for most everything you need to know and where to find helpful people in your region.**

**Living Wage Canada is a central depository of information and guide to regional resources.**

**You'll find them at <http://www.livingwagecanada.ca/>**



**If you have any suggestions, drop us a line at [podcast@chefstablesociety.com](mailto:podcast@chefstablesociety.com) and we'll add them to Edition 2.0 of the Field Guide.**