Women in Leisure and Hospitality Need Good Jobs to Return to

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The leisure and hospitality sector—which includes restaurants, hotels, museums, spectator sports, and more—is a major driver of the American economy and a source of millions of jobs; this sector alone accounted for 10.0% of the entire workforce in 2019. Yet many women working in this sector struggled to make ends meet long before the COVID-19 crisis began—working unpredictable and inadequate hours, often coupled with unpredictable and inadequate tips, in restaurants, bars, hotels, theaters, and more.

The economic downturn triggered by the COVID-19 pandemic hit this sector hard, as both public health restrictions and changes in individual behavior to avoid the virus limited travel, dining out, and many other leisure activities. Between February and April 2020, the leisure and hospitality sector shed nearly half of its workforce (48.6%, or more than 8.2 million jobs), with women accounting for the majority (54.2%) of those losses. And women have lost a majority of the net jobs lost (53.8%) between February 2020 and May 2021. As of May 2021, the leisure and hospitality workforce was just 85.0% of its February 2020 size.

A combination of decreased consumer spending and an increase in workers’ long-term unemployment led to many permanent restaurant closures in particular. While some restaurants and other industry employers have recently reported challenges in filling open positions, many workers report low wages, unstable schedules, harassment, and ongoing health risks as reasons for hesitance to return to work in the sector. Overall, over 1 in 10 leisure and hospitality workers (10.1%) remained unemployed in May 2021.

Women Working in Restaurants and Bars Have Been Particularly Hard Hit

Women working in the leisure and hospitality sector hold a broad range of jobs, from public relations specialists and museum curators to bartenders, restaurant servers, maids and housekeeping cleaners, and clerks at hotels and motels. Job losses have been widespread across the sector; between February 2020 and May 2021, women lost a net total of nearly 1.4 million leisure and hospitality jobs, representing about 1 in 3 (32.7%) of the nearly 4.2 million net jobs women have lost since the pandemic started.

Analysis from the Economic Policy Institute shows that between February 2020 and February 2021, Black
women, Latinas, and Asian Americans and Pacific Islanders (both women and men), in particular, bore disproportionate losses—that is, their share of job losses within the leisure and hospitality sector was higher than their share of employment within the sector—because they are more likely to hold the lower-paid service occupations that were decimated by the pandemic.8

The leisure and hospitality sector is made up of five main subsectors: food services and drinking places; accommodation; amusements, gambling, and recreation; performing arts and spectator sports; and museums, historical sites, and similar institutions. Data for women in these subsectors is available on a delayed basis, so the following numbers reflect job losses between February 2020 and April 2021.

### WOMEN IN LEISURE & HOSPITALITY SUBSECTORS

<table>
<thead>
<tr>
<th>Leisure &amp; Hospitality Subsector</th>
<th>Net Job Losses for Women Between February 2020 and April 2021</th>
<th>Share of Women’s Net Job Losses in the Leisure &amp; Hospitality Sector</th>
<th>Women Employed in Subsector in April 2021 as a Share of Their February 2020 Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leisure &amp; Hospitality Total</td>
<td>-1,537,000</td>
<td>100.0%</td>
<td>82.9%</td>
</tr>
<tr>
<td>Food services and drinking places</td>
<td>-851,900</td>
<td>55.4%</td>
<td>86.9%</td>
</tr>
<tr>
<td>Accommodation</td>
<td>-348,700</td>
<td>22.7%</td>
<td>72.3%</td>
</tr>
<tr>
<td>Amusements, gambling, and recreation</td>
<td>-217,200</td>
<td>14.1%</td>
<td>75.4%</td>
</tr>
<tr>
<td>Performing arts and spectator sports</td>
<td>-80,000</td>
<td>5.2%</td>
<td>65.6%</td>
</tr>
<tr>
<td>Museums, historical sites, and similar institutions</td>
<td>-26,700</td>
<td>1.7%</td>
<td>75.5%</td>
</tr>
</tbody>
</table>


- Between February 2020 and April 2021, nearly 852,000 net women’s jobs were lost in the “food services and drinking places” subsector—primarily restaurants and bars.9 These restaurant and bar jobs represent, by far, the largest share of women’s job losses in the leisure and hospitality sector (55.4%) and make up nearly one in five (19.0%) of women’s total net job losses in any sector between February 2020 and April 2021.10

- The food services and drinking places subsector includes restaurant servers and bartenders—two large occupations in which women make up the majority of the workforce and rely on customer tips to supplement low wages from employers. For nearly 30 years, federal law has allowed employers to pay tipped workers just $2.13 an hour, forcing women in these jobs to rely on variable tips for virtually all of their income—and putting them at a particularly high risk of both economic insecurity and sexual harassment.11

- In 2019, 69.5% of restaurant servers were women and about 3 in 10 servers (30.7%) were women of color. Even before the pandemic, more than 1 in 8 women working as servers (12.6%) lived in poverty, and women working full time, year round as servers typically made just $12.02 an hour, including tips.12

- Tipped workers who become unemployed often find that their low and sporadic earnings qualify them for minimal, or no, unemployment benefits.13 And restaurant servers and other tipped workers continue to face risks as mask requirements and other public health restrictions are lifted but many people remain unvaccinated.14
Leisure and Hospitality Workers Were Struggling to Make Ends Meet Before the Pandemic

Women in the leisure and hospitality sector were already underpaid and undervalued for their work before the pandemic. Now, as many have faced financial insecurity from lost jobs, business closures, or reduced hours and tips—and heightened risks to their health and safety if they remained on the job—the future for women in this sector is uncertain.

• In 2019, women working full time, year round in leisure and hospitality were paid 91 cents for every dollar paid to men working in leisure and hospitality. Gender-based pay disparities for women of color and women born outside of the U.S are even larger.

• Black women and Latinas working full time, year round in the leisure and hospitality sector were typically paid 70 cents and 65 cents, respectively, for every dollar paid to white, non-Hispanic men working in leisure and hospitality in 2019. Asian American and Pacific Islander (AAPI) women working full time, year round were paid just 75 cents for every dollar paid to white, non-Hispanic men in 2019.

• Women born outside of the U.S. working full time, year round in leisure and hospitality jobs were typically paid 71 cents for every dollar men born in the U.S. were paid in 2019.

• Typical annual wages for a woman working full time, year round in the leisure and hospitality sector were just $30,000 in 2019, or approximately $14.42 per hour. Black women and Latinas working full time, year round in the sector were typically paid even less: Black women were paid $28,000 per year, or $13.46 per hour, while Latinas were paid $26,000, or $12.50 per hour.

| Poverty Rates Among Leisure and Hospitality Workers by Selected Demographics (2019) |
|-------------------------------------------------|------|
| Women with Disabilities                          | 20.2% |
| Black Women                                     | 18.5% |
| Women Born Outside U.S.                         | 13.4% |
| Latinas                                         | 13.2% |
| All Women                                        | 11.5% |
| White, non-Hispanic Women                       | 9.7%  |
| All Workers                                      | 9.6%  |
| Asian American and Pacific Islander Women       | 6.5%  |

Source: NWLC calculations using 2020 CPS, accessed through Flood et al., IPUMS CPS. In the CPS, respondents self-identify their sex, race, disability status, whether they are Latinx, and whether they were born outside the U.S.
• In 2019, about 1 in 11 leisure and hospitality workers (9.6%) had incomes below the federal poverty line, meaning the poverty rate for leisure and hospitality workers was more than double the poverty rate for workers overall (4.5%). Women working in leisure and hospitality (11.5%) were more likely than men in the sector (7.8%) to be in poverty. Poverty rates among women with disabilities, Black women, women born outside the U.S., and Latinas working in leisure and hospitality were even higher. Moreover, the federal poverty line, which was just $20,598 for a parent with two children in 2019, barely begins to capture what families need to make ends meet.

• Many women in the leisure and hospitality sector were not working full time before the pandemic—even if they wanted to be.
  
  • In 2019, 46.6% of women in the leisure and hospitality workforce were working part time, compared to 36.7% of men.
  
  • During the pandemic, the share of people who are working part time involuntarily has risen and remains elevated. Overall, in May 2021, nearly 1 in 7 women (13.9%) working part time wanted full time work, but were unable to obtain it for economic reasons, such as their employer not giving them full time hours. In February 2020, before the pandemic hit, 10.7% of women working part time were doing so for economic reasons. These figures do not include women working part time for what the Bureau of Labor Statistics calls “noneconomic” reasons—including child care problems or other family or personal obligations.
  
  • While data specific to the leisure and hospitality sector is unavailable, the share of women working part time involuntarily in what the Bureau of Labor Statistics calls “service occupations,” which include many leisure and hospitality jobs such as maids and housekeeping cleaners, bartenders, and restaurant servers, was even higher in May 2021, at 18.2%. And these estimates do not capture people who want to work part time but receive fewer hours than they are seeking from their employer—a scenario that is common in leisure and hospitality jobs.
  
  • Many leisure and hospitality workers lack the benefits they need to keep themselves and their families healthy. For example, only 25.9% of leisure and hospitality workers are policyholders for employer-sponsored health insurance, compared to 50.4% of workers overall. Low-paid jobs also typically provide little, if any, paid sick time or paid family and medical leave.

Leisure and Hospitality Workers Need an Equitable Recovery—Not a Return to the Status Quo

Before the pandemic began, the leisure and hospitality workforce was made up of more than 16.9 million workers. As of May 2021, that number has dropped to about 14.4 million—a net loss of more than 2.5 million jobs as a result of COVID-19. As states and localities lift restrictions, employers are hiring workers in this sector—but with restaurant and other business closures in the pandemic, unemployment rates for these workers are likely to remain elevated through 2021 and beyond. And as in past recessions, those who experienced the greatest job loss—Black women, Latinas, and women with disabilities—are also facing the greatest obstacles to getting new jobs.

The American Rescue Plan enacted in March 2021 extended federal emergency unemployment insurance (UI) benefits through September 6, 2021, at $300 per week, preventing millions of people who lost their jobs in the leisure and hospitality sector from losing critical support. Yet today, governors in 25 states are cutting off this lifeline, claiming that UI benefits are the reason that recent job openings, especially in the leisure and hospitality sector, have not immediately been filled. This claim is both cruel and unfounded: abundant research shows that UI benefits enhance job searching and do not deter job growth, and the sectors that have seen the largest recent employment increases—including leisure and hospitality—are
disproportionately lower-wage sectors, meaning the workers who would get the largest boost from UI as a share of their wages are the ones returning to work.\textsuperscript{32}

Cutting off UI support for job seekers harms workers—especially workers of color—and their families and pulls billions of dollars out of state economies, undermining our nascent recovery from a crisis that has not yet ended.\textsuperscript{33} Many workers are not yet fully vaccinated, or have immunocompromised family members; they still cannot access the child care they need to return to work; or they simply have not found a job that pays enough to sustain themselves and their families—a scenario that is especially likely in the leisure and hospitality sector. All but three of the 25 states that are ending federal UI benefits, for example, allow employers to pay tipped workers less than $6 per hour before tips.\textsuperscript{34}

Rising wages in a sector are the key indicator of a genuine labor shortage, but to date, higher earnings in the leisure and hospitality sector appear to be driven largely by increases in tips paid by customers, not increases in the base wages paid by employers.\textsuperscript{35} Some former leisure and hospitality workers are in fact seeking out more stable, higher-paying jobs with benefits in other industries—but any ensuing shortage of willing workers can have the positive effect of driving up wages and improving job quality in a sector that has historically been a source of low-paid and hazardous jobs, often held by women of color.\textsuperscript{36}

Unemployment insurance benefits that enable workers to take the time they need to match with good jobs support a full and equitable recovery; inadequate supports for caregiving and poor quality jobs hold it back. Instead of rolling back benefits, policymakers should be working to strengthen the UI system before the next crisis hits.\textsuperscript{37} And as we rebuild our economy, a key goal for policymakers must be not to only restore jobs, but improve them—with a $15 minimum wage, equal pay, fair and flexible work schedules, and policies to ensure workers can care for themselves and their families without sacrificing their paychecks, including paid family and medical leave and paid sick days as well as access to high-quality, affordable child care.\textsuperscript{38} Enacting One Fair Wage nationwide—i.e., requiring employers to pay at least the full minimum wage to everyone, before tips—is essential for millions of tipped workers in the leisure and hospitality sector.\textsuperscript{39} And to ensure an equitable recovery for all leisure and hospitality workers—and all working people—in the long term, Congress must strengthen our antidiscrimination, employment, and labor laws so that everyone can work with equality, safety, and dignity.
4 NWLC calculations using BLS, Table B-1 in April 2021 Employment Situation Summary. Similarly, the women’s leisure and hospitality workforce is 84.8% of its pre-pandemic size. NWLC calculations using BLS, Table B-5 in April 2021 Employment Situation Summary.


9 NWLC calculations using Bureau of Labor Statistics (BLS), historical data for Table B-5: Employment of women on nonfarm payrolls by industry sector, seasonally adjusted, available at https://www.bls.gov/webapps/legacy/cesbats5.htm. Change in the number of jobs in leisure and hospitality subsectors and job losses calculations are using February to September 2020 data.


11 NWLC calculations using 2020 CPS, accessed through Flood et al., IPUMS CPS. Women of color are 30.7% of restaurant servers in the leisure and hospitality sector, yet only 18.3% of the overall workforce.


14 NWLC calculations using 2020 CPS, accessed through Flood et al., IPUMS CPS. The gender earnings ratio for women overall (or “what a woman makes for every dollar a man makes”) is calculated by dividing the median annual wages for women working full-time year-round by the median annual wages for men working full-time, year round. Gender earnings ratios for API women, Black women, Latinas, Native American women, and white, non-Hispanic women are calculated by dividing the median annual wages for women working full-time, year-round in each demographic group by the median annual wages for white, non-Hispanic men working full-time, year round.

15 NWLC calculations using 2020 CPS, accessed through Flood et al., IPUMS CPS.

16 NWLC calculations using 2020 CPS, accessed through Flood et al., IPUMS CPS.

17 NWLC calculations using 2020 CPS, accessed through Flood et al., IPUMS CPS.

18 NWLC calculations using 2020 CPS, accessed through Flood et al., IPUMS CPS.


20 NWLC calculations using 2020 CPS, accessed through Flood et al., IPUMS CPS.


25 NWLC calculations using 2020 CPS, accessed through Flood et al., IPUMS CPS.


34 See Zeballos-Roig and Kaplan, “GOP-Led States Are Cutting $300 Weekly Federal Unemployment Benefits,” and “One Fair Wage: Women Fare Better in States with Equal Treatment for Tipped Workers” (National Women’s Law Center, February 2021), https://nwlc.org/resources/one-fair-wage/. In 22 of the 25 states that are prematurely terminating federal UI benefits, the tipped minimum cash wage is less than $6 per hour; in 13 of these states, it is less than $3 per hour. Of the states cutting off UI, only Alaska and Montana require employers to pay the full minimum wage to tipped workers, before tips.


