

ILLUSTRATION BY MATTHIEU BOUREL

CONSUMER COVER

Restaurants Want More Teen Labor. Critics Say They're Putting Kids at Risk of Sexual Harassment.

With restaurants hurting for staff, teenagers are making up a greater share of their workforce. But some say the industry isn't doing enough to protect its youngest employees.

By Catherine Dunn (Follow

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ith parts of the economy still in the grip of the postpandemic labor shortage, the U.S. is in the midst of a large-scale rethinking of child labor laws. Moves to roll back restrictions around underage workers have coalesced in more than a dozen states since 2021, resulting in at least 20 bills intended to make it easier or less expensive for companies to hire teenagers, and to enable teens to work more hours, in more types of jobs. Among the employers that would most benefit from the new rules: restaurants, which employ more teens than any other industry.

But while the bills' critics have raised concerns about potential injuries or damage to kids' educational prospects, there is another risk that has largely flown under the radar —sexual harassment. A 2021 survey published by the labor advocacy group One Fair Wage found that more than 70% of adult female food-service workers report that they have been harassed at work at least once.

Statistics specific to teen restaurant employees are harder to come by, but an April <u>academic study</u> of young workers in the American Journal of Industrial Medicine found that among 14- to 17-year-old workers across industries, 19% reported being harassed; 6% said they had been sexually assaulted.

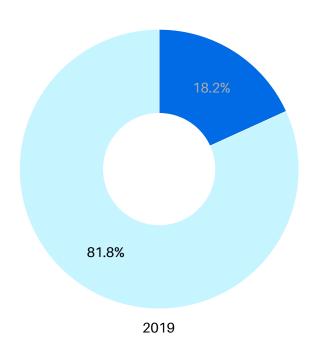
In the past year, officials at the U.S. Equal Employment Opportunity Commission, or EEOC, the federal agency that enforces civil-rights protections against workplace discrimination, have raised repeated warnings about sexual harassment in the restaurant industry, calling it "a persistent and serious problem." The commission's chair has said teen workers are particularly vulnerable.

That puts the flood of young workers flipping burgers, taking orders, and bussing tables this summer in a fraught position. On one hand, in places where those new bills have become law, they will have new opportunities to work—which record numbers of them seem ready to do: In April, a National Restaurant Association analysis found six million 16- to 19-year-olds in the labor pool, the month's highest reading since 2009. On the other, they're entering a field where industry critics say little has been done to end sexual harassment, particularly when it comes to the youngest workers.

Teen Labor Boom

Teenagers now account for a larger share of restaurant workers than in 2019.

16- to 19-year-olds working in food services Remainder of workforce



Harassment is uniquely pernicious for teens, many of whom lack the experience to know what is appropriate or whom to turn to if something isn't right. In the worst scenarios, abuse they face in their first jobs, where they have little authority or control, can create lasting scars.

Kimmie Andresen-Reed, now 33, still thinks about her high school job working at the drive-through of national fast-food chain in Davenport, Iowa. She says one male manager often made sexual jokes. A customer once insisted she give him her phone number, a line of cars backing up behind him; she begged him to leave, and he finally gave up. A group of men asked her to film pornography with them in a nearby hotel. They returned a second time; she had to find a manager to send them away.

Andresen-Reed remembers feeling trapped and stressed in those moments, but it wasn't until she was an adult, working as an advocate for survivors of sexual violence, that she understood the gravity of the experiences.

"It takes time to understand what happened to you and to name it as violence, especially when in so many ways we see how survivors aren't believed," she says. "So I think it's really normal to blame yourself, or to write it off as just a weird experience, or a story I'll tell one time—instead of something that was sexual violence."



Kimmie Andresen-Reed, assistant director at the Rape Victim Advocacy Program at the University of Iowa. PHOTOGRAPH BY DANNY WILCOX FRAZIER

Only one of the 13 state bills and laws reviewed by *Barron's* that could impact teens working in food and drink services included any specific safeguards against sexual harassment of teenagers. (There are federal and state laws barring workplace sexual harassment, which apply to minors.) That proposal, which was <u>signed into law in May</u>, is an Iowa statute that lowers the age to serve alcohol in restaurants from 18 to 16.

The original bill, introduced by Republican legislators and backed by the state's Iowa Restaurant Association, didn't include any reference to harassment prevention and response. Ultimately, it was amended to mandate antiharassment training and the reporting of incidents to the Iowa Civil Rights Commission. The Iowa Restaurant Association has said it supports the guardrails in the passed legislation. "Sexual harassment of teens in the workplace is a huge and widespread problem that is rarely talked about," says Jennifer Sherer, director of the State Worker Power Initiative at the Economic Policy Institute, which has cataloged recent child-labor bills. The debate over the Iowa bill, she says, "did serve as a wake-up call and a reminder that the safeguards we have in place, as it is, aren't preventive, and that many teens and many adults who look back on their teen work have experienced harassment."

In the past 17 months, the EEOC has filed or settled nine lawsuits alleging sexual harassment of underage workers in restaurants; its ongoing suits include cases against Chipotle Mexican Grill (ticker: CMG) and Chili's Grill & Bar, owned by Brinker International (EAT), and it has settled two cases with McDonald's (MCD) franchise operators. Chipotle and Chili's deny the allegations.

In May, as the agency brought another suit alleging sexual harassment of teen workers, this one against a regional restaurant chain in Southern California, it issued a reminder of why such cases can be so devastating: "We are seeing more cases involving younger workers who may not be aware of their rights, or may be hesitant to report harassment because this is their first time in the workforce."

America's First Job

The restaurant sector employs more teenagers than any other industry.

16- to 19-year-old workers in 2022

Restaurants and other food services	1.9M
Retail	1.3M
Arts, entertainment, and recreation	350K
Healthcare and social assistance	326K
Manufacturing	231K

Courses Durseu of Labor Statistics

The interdependence between restaurants and teenage workers goes back a long way: About one out of three Americans had their first job in a restaurant, according to the National Restaurant Association, the industry's main lobbying group.

The teens that cook, serve, clean, and otherwise keep America's eateries humming have become all the more critical to the industry since the pandemic decimated its larger workforce. Employment plummeted nearly 50% in food services and drinking places between February and April 2020. While sectors like transportation and manufacturing

lost fewer jobs and staffed up more quickly, restaurants and bars have struggled to return to prepandemic levels. The June jobs report showed the industry had 12.26 million employees—almost 80,000 fewer than in February 2020. In 2022 and 2023 National Restaurant Association surveys, 79% of restaurant operators said they were having difficulty hiring, and 62% said they were understaffed.

That labor crunch has prompted restaurants to raise wages; average hourly pay for workers who aren't supervisors climbed 26% between January 2021 and April of this year, from \$13.96 to \$17.63. But some say pay still hasn't gone up enough to entice workers back to a low-wage industry that had difficult work conditions even before the pandemic. Restaurants are "facing right now an existential crisis—they just don't have enough adults willing to work for these jobs," says Saru Jayaraman, president of One Fair Wage.

The teen workforce, meanwhile, has had something of a renaissance. Last year, workers ages 16 to 19 accounted for 22% of the restaurant workforce, up from 18% in 2019, according to the Bureau of Labor Statistics. Pay is a factor: Younger workers, too, are benefiting from rising wages. But even so, teens remain cheaper to hire than older workers. In May, teenagers in the service sector were commanding \$14.89 an hour, compared to \$27 hourly for older workers, according to payroll platform Gusto.



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Continuing to grow that pool—and broadening how and when teens can work—has been a priority for the industry. Last year, the National Restaurant Association endorsed a congressional proposal to expand the number of hours 14- and 15-year-olds could work during a school week, and raise the cap on how late they could work on a school night from 7 p.m. to 9 p.m. The trade group also lobbied on draft legislation of the bill—called the Teenagers Earning Everyday Necessary Skills Act—during the first half of 2023, its lobbying disclosures show. (The National Restaurant Association did not respond to requests to comment for this article.)

Over the past two years, restaurant and bar trade groups in at least six states have supported legislation to relax child labor restrictions. A Wisconsin bill was vetoed last year, and an Ohio bill is currently pending. A bill was also introduced in Idaho last year to lower the age to serve alcohol to 17. In three states, the bills became law: New Hampshire extended work hours for 16- and 17-year-olds and lowered the age to bus tables where alcohol is served to 14; Michigan lowered the age to serve alcohol in restaurants to 17; and the Iowa bill dropping the age to serve alcohol was signed in May.

"We really need this, and it has helped," says Scott Ellis, executive director of the Michigan Licensed Beverage Association, a trade group for restaurants, taverns, and bars that pushed for the change on alcohol service. He points out that the new statute includes safeguards, including that it applies only to establishments that get more than half of their revenue from food—so, some bars and nightclubs don't qualify. "These kids want to work," Ellis says. "They like the money they make. And it's in a good setting."

Restaurant jobs can, of course, help teens save money, learn a new set of skills, or lead to a longer career in hospitality. "Allowing teenagers to make decisions or allowing them to work is important," says Jennifer Drobac, a law professor at Indiana University who focuses on sexual harassment and exploitation of teenagers. "They learn responsibility, they are socialized, they develop a work ethic." But, she says, "all of that needs to be age-appropriate and with supervision by adults who have not just the corporate bottom line in mind, but the welfare and the well-being of those children."

The restaurant industry has often failed to strike that balance, say critics, who point to the sector's record on issues like sexual harassment. In EEOC claims that identified an industry, accommodations and food services had the highest number of sexual harassment charges between 2005 and 2015, according to the Center for American Progress, a left-leaning think tank.

A Changing Workforce

Restaurant staffs are now made up of more teens and employees 55 and older.

Number of workers								
	Age 16-19	20-24	25-34	35-44	45-54	55+		
2019	1.7M	2M	2.2M	1.4M	1.2M	1M		
2022	1.9M	1.7M	1.8M	1.4M	1M	1.1M		

Source: Bureau of Labor Statistics

"Sexual harassment is an occupational hazard in the restaurant industry," says Susan Fiorentino, a professor of management at West Chester University of Pennsylvania. In fast-food settings, where many teens start out, "you've got employers who don't necessarily want to spend money on training," she says, and young managers who might not be much older than the workers they supervise. In tipped restaurants, she says, a server's compensation is tied to their interactions with customers. Waitstaff are also incentivized to have a good relationship with managers, who have the power to assign the best shifts and sections, and with cooks and others who control the flow of orders. "There really is a lot of pressure in the tipped restaurant industry, too, to conform."

Teenagers can be especially susceptible to harassment because of their low-seniority status at work, and because they may be too scared to speak up or to challenge an adult. In practical terms, teens working seasonally might not get an annual harassment training, or they could be on evening or weekend shifts when the main manager isn't on site. Another "big risk factor" for teens is simply the lack of awareness about what behavior is inappropriate and illegal on the job, says Susan Stewart, who studies workplace aggression at Western Illinois University. That's one of the reasons why she is working with Fiorentino and a colleague, professor Vipanchi Mishra, to develop harassment training for young workers that could be accessed independently online, outside of work.

For employers, it's important to train young workers on how to file a complaint internally, and who they can speak to about concerns, says Lisa Schnall, senior attorney adviser in the EEOC's Office of Legal Counsel.

"Once the company is formally on notice that harassment may be occurring, it has a duty to act—to investigate, to determine whether harassment is occurring—and if it is, to stop it, to correct the effects of it, and to prevent it from happening again," Schnall says. "But that is not happening in the lawsuits that we've filed."

The nine EEOC recent lawsuits reviewed by *Barron's* describe sexualized comments directed at minors, unwanted touching, receiving explicit text messages, and physical attacks carried out inside a walk-in refrigerator or during a closing shift. Some of the complaints allege that a manager was the harasser. Others claim a manager was told of, or witnessed, inappropriate behavior and failed to address it.

Chili's has faced two suits filed by the EEOC in September that allege teen workers were sexually harassed in Texas and Arkansas restaurants.

According to the Texas lawsuit, a cook assaulted a 16-year-old food runner in May 2019 after she had "repeatedly rejected" his advances. She told a manager, who allegedly responded by saying that he had known the cook for over 10 years and the cook "would not have behaved" that way. The company's Team Member Relations department closed the case after interviewing three people over the phone, according to the lawsuit, and a manager allegedly told other employees that the teen worker was "fired for lying about a co-worker assaulting her." The EEOC said such comments create a "chilling effect" that likely deter other complaints.

The EEOC and Brinker agreed to settle in July. The terms of the proposed consent decree would require the company to pay a total of \$75,000 to two former employees, give a written disciplinary warning to the cook referenced in the lawsuit, provide paper copies of its harassment policy to any employee who files a complaint, review its sexual harassment training module, and test employees to make sure they're completing the training. Brinker denies claims of a hostile work environment under the settlement.

In the Arkansas case, involving a 16-year-old employee, the agency alleges that a cook sexually assaulted the girl three times in March 2021 and threatened her not to tell anyone. She later confided in a co-worker, also 16, who reported the harassment to a shift leader, but the harassment didn't stop, and the cook assaulted her again, the lawsuit says.

When the two 16-year-olds then went to report the harassment to the restaurant's general manager, he allegedly responded that "he already knew and had waited for them to report the allegations themselves," the suit says. The general manager then removed the cook from work, but brought him back days later and "continued to schedule [the cook] to work the same time as" the teenager he allegedly assaulted and other female teens, according to the suit. The girl's parents reported the cook to the police, the EEOC says, who told the girl "not to return to work."

A Chili's spokesperson said the company could not comment on pending litigation.

"We value every ChiliHead on our team and take the responsibility of fostering a safe and inclusive workplace for all very seriously," the spokesperson said in a statement to

Barron's. The company says it has mandatory training programs for employees, makes a hotline available 24/7 "to support an open and honest atmosphere and resolve complaints or concerns," and encourages workers to use a whistle-blower portal to report harassment or other misconduct anonymously.

Brinker-owned Chili's isn't alone among the large chain restaurants in being pursued by the EEOC over allegations of sexual harassment of teens. Chipotle has been sued by the EEOC four times since 2017 for alleged sexual harassment in restaurants around the country. (Two of those suits settled, two are ongoing.) Teen workers in its Sammamish, Wash., restaurant are at the center of one ongoing case filed last year; Chipotle denies wrongdoing. Workers, including teens, have filed more than 100 claims of sexual harassment at McDonald's restaurants since 2016, according to labor campaign Fight for \$15. In the past year, two franchise operators settled with the EEOC over claims that teen workers were sexually harassed on the job. (McDonald's corporate wasn't named in either case.)

Laurie Schalow, Chipotle's chief corporate affairs officer, said in a statement: "We are committed to ensuring that our restaurants are in full compliance with applicable laws and regulations and we believe that in hiring workers beginning at age 16, we can provide younger employees with valuable experiences and an opportunity for advancement. It is our policy that all employees take anti-harassment training, and we are continually improving our training programs to ensure their effectiveness. We also have scheduling standards for minors in our restaurants that are more stringent than state laws."

"These allegations are deeply disturbing to me and our entire McDonald's community. It's critical that all restaurants create an environment where employees feel safe and respected at work—anything short of that is unacceptable," said Tiffanie Boyd, chief people officer, McDonald's USA, in a statement. "Last year, McDonald's implemented its Global Brand Standards, where all restaurants worldwide are held accountable to a set of standards addressing topics like harassment prevention and workplace safety. That was a critical step in the right direction, and we're committed to continuing this important work in partnership with our franchisees."

Both McDonald's franchisees denied wrongdoing in court filings. McDonald's corporate, in response to questions about the two EEOC settlements, provided a statement from one of the defendants, Vermont franchise operator Charles Coughlin, saying: "We remain deeply committed to running a values-led organization, where harassment of any kind is not tolerated. This commitment is critically important to us, which is why we have established strict policies and mandatory sexual harassment training for all employees upon their hiring." An attorney for Arizona-based AMTCR,

the other franchisee that settled with the agency, didn't respond to requests for comment.

The Iowa law is the only one of the new set of child labor laws and bills reviewed by *Barron's* to make a reference to prevention of sexual harassment and assault. Those protections weren't a part of its early iterations, which drew <u>national attention</u> for their attempts to open restricted fields like working in meat coolers to teens as young as 14.

The Iowa Restaurant Association previously told *Barron's* that it was part of a coalition that made recommendations to legislators on the bill; the restaurant trade group specifically backed measures to extend work hours for 14- and 15-year-olds, and to allow teens as young as 16 to serve alcohol with parent permission. Jessica Dunker, the association's president, said that "the passed legislation includes a tremendous number of guardrails, and we support all of them."

Only a handful of states permit minors to serve alcohol: Maine, West Virginia, and Michigan. The move to add Iowa to that list was one of the proposed changes that alarmed Iowa Democrats. "We didn't feel when we saw the bill there were enough—as in any—protections for those teens working in these environments," says Iowa House Minority Leader Jennifer Konfrst.

Konfrst says she and her colleagues recognized the practicality of, say, allowing a 16year-old in a small-town restaurant to drop off a beer at a customer's table. But, she says, "when you mix alcohol and teenagers, and adults using alcohol and potentially overusing alcohol, teenagers are put in a uniquely difficult position." Ultimately, a bipartisan group worked together to build in some safeguards: Minors serving alcohol will be required to take harassment training; incidents of harassment must be reported to the teen's parents and the Iowa Civil Rights Commission; two adults must be present; and minors can't serve alcohol after the kitchen closes.

When Konfrst spoke about those changes on the House floor in early May, she thanked her Republican colleagues for working across the aisle on the compromise. Still, her party didn't support the broader bill; no Democrats voted for its final passage.

With few state legislatures tackling the issue of harassment of teen workers, the real power to make change lies with restaurants. Beyond basic procedures, like having a written policy about harassment and conducting annual trainings, Andrew Scroggins, a partner at employment law firm Seyfarth Shaw, advises clients to talk regularly with staff about the issue. "Find ways to just make it part of the normal conversation, and to

emphasize, when you have the opportunity, the importance of treating each other with respect and raising problems when they come up," he says.

Gillian Thomas, an attorney with the ACLU, has litigated sexual harassment claims against McDonald's franchises and the company. In settling one recent case involving a teen, the franchise operator agreed the business would start making harassment prevention part of how supervisors are evaluated, a measure she says more restaurants should adopt. Thomas said she could not name the operator, citing a confidentiality agreement.

"It doesn't take millions of dollars to put standards and accountability measures in place," she says. "It might take some dollars, but mostly it takes commitment."

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