

US retail and food service industry complains of lack of workers

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The US retail and food service industry is dealing with a severe labor shortage. According to Landed, a restaurant hiring app, the industry faces a deficit of 3.4 million jobs, a number which is expected to grow. One poll found more than 31 percent of restaurant company leaders have been forced to close stores because of a lack of workers. An additional 44 percent of respondents stated they were still considering whether to close.

Retail CEOs and Republican politicians have argued that the \$300 weekly federal unemployment benefits supplement incentivizes workers to stay at home instead of returning to work. Earlier this month, Representative David Rouzer tweeted a picture of a Hardee's drive thru with a sign that read "Closed due to NO STAFF."

"This is what happens when you extend unemployment benefits for too long and add a \$1,400 stimulus payment to it. Right when employers need workers to fully open back up, few can be found," Rouzer tweeted.

Some McDonald's franchisees said the additional \$300 per week unemployment payments were driving the shortage. The National Owners Association, an independent group of McDonald's franchisees, sent a letter to its members on Sunday that suggested the industry worker shortage was due to the "perverse effects of the current unemployment benefits."

"What's going on here? When people can make more staying at home than going to work, they will stay at home," the letter said.

In a bid to force workers back to work, multiple Republican governors announced they will stop participating in the federal government's supplemental unemployment benefits program in June. Iowa Governor Kim Reynolds (R) announced Tuesday that

residents will no longer receive the extra \$300 a week after June 12. North Dakota, Mississippi, Alabama, Arkansas, South Carolina, and Montana have also announced an end to their participation.

Others have called for an early termination of unemployment benefits, currently set to continue until September. After the publication of the April jobs report, which reported only 266,000 new jobs compared to the 1.3 million predicted by economists, the Chamber of Commerce urged Congress to end the weekly \$300 in federal unemployment benefits.

"The disappointing jobs report makes it clear that paying people not to work is dampening what should be a stronger jobs market," the Chamber's chief policy officer, Neil Bradley, said in a statement.

In reality, rather than a worker shortage, the retail and food service industry faces a wage shortage. Workers are not willing to return to work and risk their lives for poverty wages. Workers in the industry have complained of burnout and toxic workplaces after a year of working during the pandemic.

A recent report from the Food Labor Research Center at the University of California Berkeley and the non-profit group One Fair Wage found that service workers were deeply concerned with wages. A survey targeting food and restaurant workers indicated 78 percent of respondents said they would stay in their jobs if they could be assured of a "full, stable, livable wage." Now, approximately 30 percent of restaurant workers are seeking jobs in other industries, according to a Joblist survey.

The pandemic has devastated retail workers. Millions of retail and food service jobs were among the first to go when corporations began mass layoffs early last year. Workers who kept their jobs were forced to endure longer hours and understaffing, while being

patronized as “essential workers.” Many were fearful of catching COVID-19 because some customers who refuse to wear masks take out their frustration on employees.

Additionally, those on Wall Street and in the major corporations who lament the federal unemployment supplement ignore the fact that the small stipend exposes the abysmal conditions workers face. A 2020 study from the University of Chicago found more than two-thirds of workers earned more from unemployment benefits than they did while working. At the time, the federal government provided the jobless with \$600 a week. Even today’s \$300 benefits exceed or match what many retail workers take home on average.

A Dollar General store made headlines this week after workers at a store in Eliot, Maine quit in protest of low pay and overwork. Workers walked off their jobs and taped signs to the store windows denouncing Dollar General and capitalism.

“Closed indefinitely because Dollar General doesn’t pay a living wage or treat their employees with respect,” one sign said.

Another read, “Capitalism will destroy this country. If you don’t pay people enough to live their lives, why should they slave away for you?”



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