

UNITE HERE

Minnesota State Council of UNITE HERE Unions

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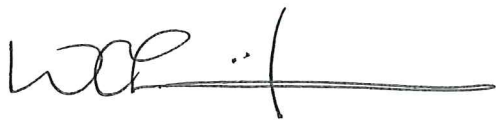
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Please see the enclosed report related to pending hospitality worker rehire and retention legislation (HF 2 / HF 39).

We thank Majority Leader Ryan Winkler, Chief Author Andrew Carlson and Representatives Tou Xiong, Dave Pinto, Emma Greenman, Liz Reyer and Liz Olson for their early leadership, and Senator Bobby Joe Champion, who looks forward to carrying the legislation in the Minnesota Senate shortly.

This issue is critical to thousands of workers and the speed of our economic recovery.



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Minnesota hospitality workers face a jobs crisis. Women of color are particularly impacted.

Executive Summary

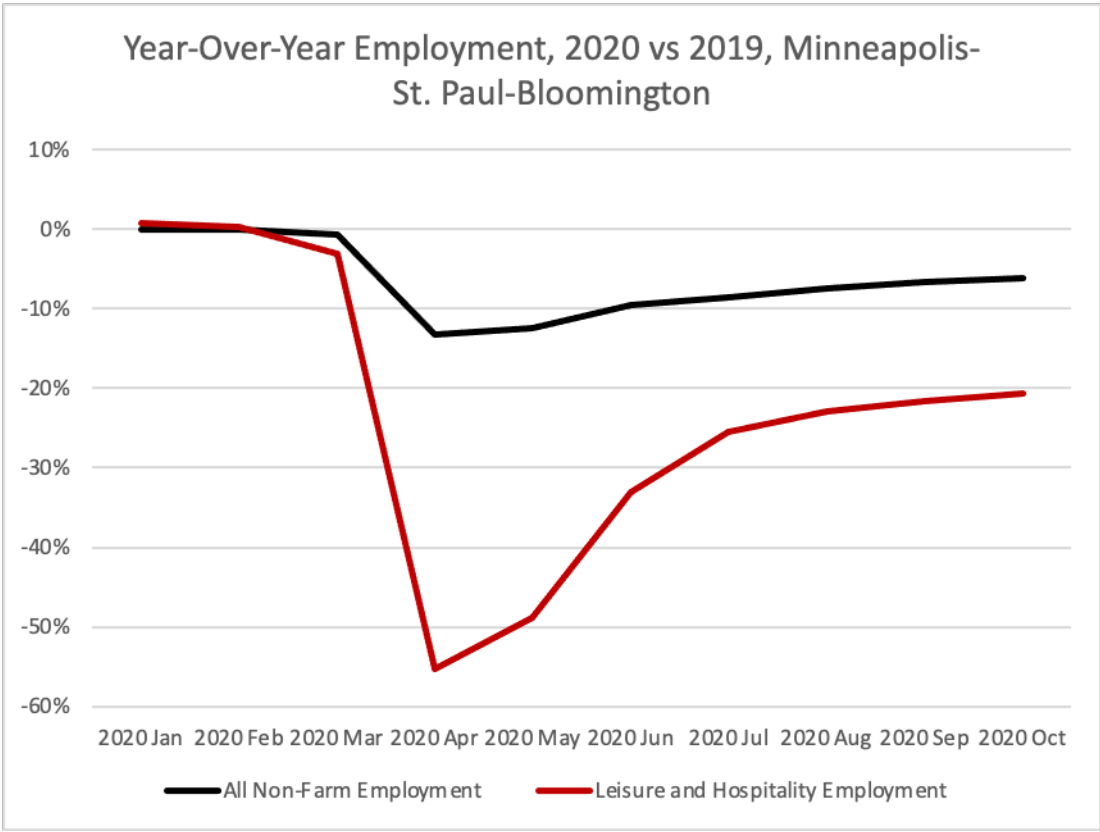
- Hospitality workers in Minnesota are facing an unprecedented jobs crisis. In April, employment in the leisure and hospitality sector in the Twin Cities was down 55% compared to last year, potentially displacing over 100,000 workers in the metro area alone.
- This fall, over 30% of the year-over-year drop in employment in the Twin Cities was in the leisure and hospitality sector alone - even prior to the worsening of the local COVID-19 crisis and the traditionally slow winter season.
- Hotel and airport workers faced mass layoffs due to the pandemic at especially high rates. Based on UNITE HERE Local 17 membership data, many hotels have job losses between 40% and 90% of pre-pandemic employment, and it is even worse in airport concessions.
- At the largest hotel in Minnesota, 69% of regular, full-time workers who were furloughed in 2020 are people of color. At the largest airport concessions operator at MSP, 71% of those who lost their job since March 2020 are Black or African American and two-thirds are women.
- Without policy action, workers who lost their jobs through no fault of their own could be left to face a challenging labor market already rife with racial disparities.
- Lawmakers across the United States are adopting policies to protect hospitality workers' right to return to their pre-pandemic jobs as business recovers. Cities that have passed similar legislation include Baltimore, Los Angeles, New Haven, Oakland, Philadelphia, Providence and Washington DC.
- Research shows maintaining established employer-employee relationships is critical to the speed of overall economic recovery.

Hospitality workers in Minnesota are facing an unprecedented jobs crisis

In the Twin Cities metro area, overall employment has dropped by approximately 6% compared to 2019 levels since the COVID-19 pandemic began, and at its worst was down 13% based on data from the Bureau of Labor Statistics (BLS).¹

The impact on the area’s hospitality industry has been even more extreme. At the worst point of the crisis, employment in the leisure and hospitality industry was down by 55%, from approximately 187,000 employees in April 2019 to less than 84,000 in April 2020 based on BLS data.² According to the Minnesota Department of Employment and Economic Development, the average leisure and hospitality employment in the second quarter dropped 49% from the same quarter 2019 in the 7-county metro area.³

In the months since, the brunt of the employment losses continues to be borne by hospitality workers. Preliminary BLS data from October showed over 30% of the Twin Cities overall employment drop year-over-year was in the Leisure and Hospitality sector, where recovery continues to lag far behind the economy as a whole.



Source: U.S. Bureau of Labor Statistics

Widespread Job Loss in Hotels and Travel

Market-wide numbers obscure the unique impact on the employees of workplaces dependent on travel. UNITE HERE Local 17 represents employees at hotels and event centers across the Twin Cities and also at the airport. The union's membership records detail the devastating toll.

Minneapolis Hotels	Pre- Pandemic Workers	Currently Working	Loss of Workers
Minneapolis Hilton ¹	314	66	-79%
Radisson Blu Minneapolis ¹	202	63	-69%
Loews Minneapolis Hotel	97	58	-40%
Delta Hotel by Marriott ¹	100	0	-100%
Millennium Hotel ¹	75	41	-45%
The Marquette Hotel ¹	108	35	-68%
Crowne Plaza Northstar ¹	69	0	-100%
Sheraton Mpls. Midtown Hotel	49	0	-100%
Courtyard Mpls. Downtown ¹	71	7	-90%
Hotel Ivy	42	19	-55%
Best Western Normandy Inn & Suites	21	8	-70%
Holiday Inn Express Hotel & Suites	15	0	-100%
Residence Inn ¹	11	3	-73%

Saint Paul Hotels	Pre- Pandemic Workers	Currently Working	Loss of Workers
The Saint Paul Hotel ¹	174	27	-84%
Intercontinental St. Paul Riverfront	119	73	-39%
Double Tree St. Paul Downtown ¹	58	31	-47%

Bloomington Hotels	Pre- Pandemic Workers	Currently Working	Loss of Workers
Double Tree Bloomington ¹	184	10	-95%
JW Marriott	78	20	-74%
Radisson Blu MOA ¹	215	97	-55%
Renaissance Bloomington Hotel	34	9	-74%

MSP Airport Concessions	Pre-Pandemic Workers	Currently working	Loss of Workers
HMS Host ¹	432	85	-81%
OTG ¹	256	18	-93%
Delaware North ¹	112	29	-74%
SSP	102	15	-85%
Midfield	66	22	-67%

Source: 1) Data provided by employers to UNITE HERE Local 17 as of December 2020, if available, or 2) UNITE HERE Local 17 Membership Records as of November 23, 2020.

Impact on Women and People of Color

The Hilton Minneapolis is the largest hotel in Minnesota. According to records provided to UNITE HERE Local 17, 69% of regular, full-time workers who were furloughed in 2020 were people of color. Of those workers, the largest single group by job classification were room attendants – all women, 96% of whom were women of color and 78% of whom were Black or African American.

The story is similar in other hotels. For example, at the Radisson Blu Minneapolis, furloughed members of the housekeeping department were 92% women and 82% women of color. Their average age is 45 years old with an average length of service over 8 years and as long as 32 years.

Meanwhile, at Minneapolis-St. Paul International Airport, the largest food and beverage operator HMS Host has laid off over 340 workers since March. Of those workers, 71% are Black or African American and two-thirds are women.

Additionally, there are hundreds of workers who work in banquets at multiple hotels and event centers across the region. While they are less likely to be full-time employees at any one location, banquet staff are a diverse group that has also faced mass layoffs.

Ensuring the right of these workers to return to the jobs they held pre-pandemic, as business allows, is a critical issue for racial justice as our economy recovers from COVID-19. Without these rights, workers who lost their jobs through no fault of their own will be left to face a challenging labor market already rife with racial disparities.

As detailed in a November 2020 report by the Federal Reserve Bank of Minneapolis, “people of color face systemic disparities in Minnesota’s labor market.” The report cited research showing that, “Black Minnesotan workers in particular have been shown to receive dramatically fewer callbacks from employers even when their job applications are identical to those of White counterparts.” It also found large gaps in unemployment rates in good and bad economic times.⁴

Hospitality Worker Right to Recall

Lawmakers across the United States are adopting policies to protect hospitality workers’ right to return to their pre-pandemic jobs as business recovers. Cities that have passed similar legislation include

The layoff has been really tough. I have a partner and she is finishing up school and trying to look for a job. We have three kids – one in elementary school, one in middle school and one in high school – and I’ve been the head of household. I am super stressed out right now. There are times when I’m worried. Is my company going to call me back? Or am I going to have to downgrade my job after I’ve put in 6 years of hard work to get to where I’m at? If you find a job that you like, where you can see yourself retiring, where you can see yourself being part of making a place better, where you can see yourself moving up, it means everything to know that you will be able to work there after again after COVID.



—LEONNA WILLIAMS, 37,
Doubletree Downtown St. Paul,
laid off since March 16th, 2020

Baltimore, Los Angeles, New Haven, Oakland, Philadelphia, Providence and Washington DC.

In a statement from the Philadelphia City Council upon its passage of recall legislation, Councilmember Helen Gym stated,

“Today City Council sent a message that we will not only support the tourism industry—we will protect the jobs of the workers who built it and will rebuild it as the economy reopens. The bill protects our City’s public health by ensuring the industry is staffed by the most experienced workers. For too long, studies have found Black workers are the first to be laid-off and the last to be rehired after an economic downturn. We will not stand for that in our city. Instead, we are building a recovery led by workers, prioritizing the needs of their families and communities.”

Working at the hotel is my livelihood, my survival. Rain, sleet, snow — nothing stopped me from this job. I miss the place, I’m not going to lie. Sometimes driving home from doing errands now, I go out of my way to drive by the hotel just to see what is going on. I see the curtains closed and just shake my head, like man, 17 years! It is no one’s fault that COVID-19 happened. It would feel like a knife in the back if the company gave my job to someone else. We’re just asking to be sure, for politicians to help make sure, that we can go back to our jobs eventually.



—JIMELL THOMAS, 52, Marquette Hotel since 2004, laid off since March 17th, 2020

Recall and the Speed of Economic Recovery

In addition to protecting specific workers, recall legislation helps achieve a key ingredient for the speed of our overall economic recovery: maintaining established employer-employee relationships.

Writing on the importance of these relationships to the economic recovery, a November Economic Letter from the Federal Reserve Bank of San Francisco concluded,

“A key factor that will determine the shape and speed of the recovery is whether the pandemic permanently destroys relationships between firms and workers, as typically happens in recessions. Creating new firm-worker relationships takes time, which is one reason the level of unemployment typically takes a long time to recover (Hall and Kudlyak 2020). Thus, the pandemic’s impact on firm-worker relations could have a substantive influence on the labor market’s recovery.”⁵

I’m going to be 60 years old in April. I’ve applied for probably 20 other jobs, and I had only three interviews and I haven’t gotten any of them. It was kind of a wake-up call. If we don’t go back to work, what am I going to do? It gets scary. I don’t think we should be punished for something that was out of our control. COVID-19 took a lot from a lot of people. If we loved our job before COVID-19, there is no reason we shouldn’t be able to know we can go back to it.



—TAMRA HUSTON, 59, Delta Hotel by Marriott, laid off since March 15th, 2020

Raphael Bostic, President and Chief Executive Officer of the Federal Reserve Bank of Atlanta, highlighted the importance of preventing permanent employment separations as it relates to racial and gender disparities, stating,

“Widespread permanent job loss could become a material risk to the recovery. The data on this are clear: permanently laid off workers find it far more difficult to rejoin the labor force. This would make recovery more difficult to sustain. ... As policymakers, our goal should be to ensure that their suffering does not become permanent lest the recovery take far longer. Indeed, an unnecessarily slow labor market rebound could just drive historic wedges deeper, continuing to exacerbate the geographic, racial, gender, and income disparities in our economy.”⁶

Endnotes

- 1 Nonfarm employment for the Minneapolis-St. Paul-Bloomington metropolitan statistical area. Not seasonally adjusted. Data extracted on Nov 30, 2020.
- 2 Leisure and Hospitality employment for the Minneapolis-St. Paul-Bloomington metropolitan statistical area. Not seasonally adjusted. Data extracted on Nov 30, 2020.
- 3 Minnesota Department of Employment and Economic Development Quarterly Census of Employment and Wages, Seven County Mpls-St. Paul MN, Private, Leisure and Hospitality Employment. Data extracted on Nov 30, 2020.
- 4 <https://www.minneapolisfed.org/article/2020/people-of-color-face-systemic-disparities-in-minnesotas-labor-market>
- 5 <https://www.frbsf.org/economic-research/publications/economic-letter/2020/november/temporary-layoffs-unemployment-pandemic/>
- 6 <https://www.frbatlanta.org/news/speeches/2020/10/19/bostic-benefits-of-a-diverse-and-inclusive-recovery.aspx>