

Restaurant Realities: Raising Our Voice in Alberta

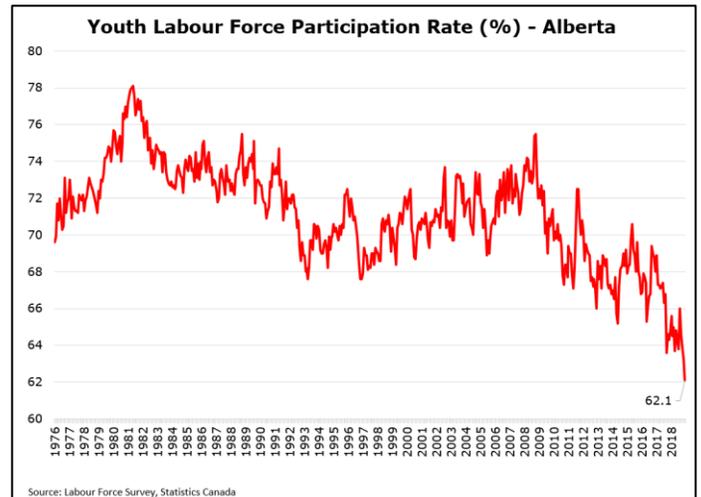
WHEN FOODSERVICE THRIVES, SO DO OUR COMMUNITIES

A thriving foodservice sector is critical to the wellbeing of communities across Alberta, contributing jobs, investment, innovation, tourism and spaces for people to come together. Unfortunately, many of Alberta's restaurants are struggling to survive due to a number of recent legislative and regulatory changes that have dramatically increased the cost of doing business in the province. Working together with Restaurants Canada, Alberta's next government has an opportunity to improve conditions for foodservice businesses so that they can continue contributing to healthy, vibrant communities.

KEY ISSUE

Minimum Wage: Alberta's minimum wage increase to \$15 per hour on Oct. 1, 2018 represented an escalation of nearly 50 per cent (63 per cent for liquor servers) over the past four years. This sharp rise in labour costs has been placing overwhelming pressure on foodservice operators in the province. The average restaurateur in Alberta has a profit margin of only about 5 per cent. Offsetting labour cost increases typically means cutting staff or raising menu prices — neither being viable solutions for most small businesses.

The elimination of the liquor server wage also had a notably negative impact on licensed business operators, as a liquor server wage allows restaurateurs to allocate more towards higher wages for non-gratuity earning career-oriented kitchen staff, who are typically harder to attract and retain. The \$15 per hour minimum wage has also made it difficult for small businesses to provide first-time jobs, locking thousands of young Albertans out of valuable work experience. As a result, this has contributed to the troubling, ongoing dramatic decline in workplace participation among Alberta's youth, as they are growing increasingly discouraged to enter the marketplace.



Restaurants Canada recommends:

- **Freezing the minimum wage in Alberta until the minimum wage in other provinces reaches \$15 per hour, then re-implementing the annual minimum wage formula used prior to 2015 for increases going forward.**
- **Permitting lower differential rates for the following types of wages (as in other provinces):**
 1. **A youth/training wage, recognizing the significant cost of hiring inexperienced employees**
 2. **A liquor-serving wage, recognizing the significant gratuities earned by servers**

ALBERTA'S FOODSERVICE SECTOR AT A GLANCE

- Our industry includes 11,260 small businesses and generates \$11 billion in annual sales.
- For every dollar spent in a restaurant, \$1.85 is spent in the rest of Alberta's economy.
- With roughly 150,000 foodservice workers, our sector is the third largest employer in the province.



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