


May I Have a Raise with Those Fries? Implications of Record-Breaking Workers Quitting in the Hospitality Industry



If you've gone out to a restaurant recently, you've probably seen signs posted which read, "Now hiring," or "Please be patient with us as we're currently understaffed." Though many companies are having trouble filling empty positions, the hospitality sector is one of the industries that has been hit the hardest.

The numbers speak for themselves. In November 2021, a record breaking [4.5 million Americans quit their jobs](#), and 1 million of them were restaurant and hotel workers. Three percent of the total workforce quit, but for hospitality, the rate was 6.4 percent of the industry's workforce.

As a response to workers leaving their jobs, hospitality employers are raising wages in an attempt to retain talent. However, according to the [Bureau of Labor Statistics](#), the hospitality industry remains the lowest paid industry, with average hourly earnings of \$19.20 per hour. Though this is a jump of about 13% from a \$16.90 per hour average right before the pandemic, this might not be enough to keep workers.



WITH INCREASED WAGES, WHY ARE WORKERS LEAVING THE HOSPITALITY INDUSTRY IN DROVES?

Some people thought that federally enhanced unemployment benefits were to blame for the labor crisis in the hospitality industry. However, those programs have long ended and there's still a labor crisis, which indicates that the underlying causes are likely longstanding and deep-seated.

Simply put, the pandemic put many things into perspective for hospitality workers. As frontline workers, they felt the effects of the pandemic more than workers in many other industries by either getting let go unexpectedly or having to keep establishments up and running with smaller headcount. Essential workers want to be treated as such and feel that they deserve **better pay and benefits** for having to perform strenuous jobs in stressful environments.

Many people reevaluated their lives and sought out improved work-life balance, predictability in schedule, and better benefits, perks which are traditionally hard to find in hospitality jobs. For others burdened with childcare, it's made more financial sense to continue to care for their children rather than return to work at a low-paying job where most of the paycheck would end up covering costly childcare expenses.

An unexpected surge in retirements in the hospitality industry has also contributed to the limited availability of workers for hire. In November 2021, 1.5 million more people retired than what was expected based on pre-pandemic trends. With more experienced workers at or approaching retirement, this also creates a skills gap within the hospitality industry.



SO WHAT CAN THE HOSPITALITY INDUSTRY DO TO ATTRACT AND RETAIN TALENT?

Unfortunately, there is no silver bullet solution to this problem. The difficulty of hiring employees, despite increased average hourly rates, is testing the hospitality industry's ability to find a balance between their bottom line and the wages and benefits they offer to employees.



Employers will have to continue to compete for workers by offering better working conditions, pay, training, and benefits to remain competitive.

To best navigate how you can implement employee benefits offerings that can attract and retain top talent while managing your financial risk, [connect with us today to explore your available options.](#)



This material has been prepared for informational purposes only. BRP Group, Inc. and its affiliates, do not provide tax, legal or accounting advice. Please consult with your own tax, legal or accounting professionals before engaging in any transaction.