

REPORT



The Hourly Workforce of 2022



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INSIGHTS ON THE CURRENT STATE AND TRENDS OF HOURLY EMPLOYEES IN THE QSR INDUSTRY.

Hourly workers in the United States are at an inflection point. The COVID-19 pandemic has been shining a light on the growing challenges hourly employees—and their employers—are facing. With the industry seeing a turnover rate of 150%, up 68% from 2017, the friction continues to increase.

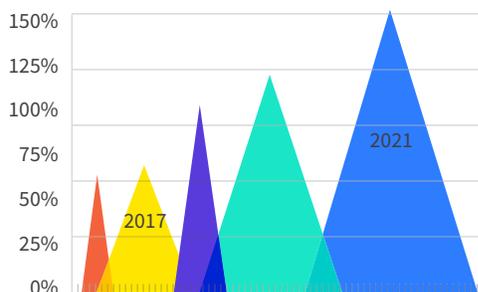
These numbers may cause restaurant owners and managers to feel discouraged. But the good news is that you—as an employer and leader—can shape the trajectory and trends of the hourly workforce. This report breaks down the current hourly workforce demographics, industry trends, wages and earnings, and other pertinent information so you have the insight to retain your current workforce and recruit new talent as you head into 2022.

Hire the best

Building a strong team, especially in a competitive job market, is no small task. Here are a few articles to help you get started:

- [10 overlooked \(and effective\) ways to find employees](#)
- [8 creative tips to make your job posting stand out](#)
- [How fair \(and competitive\) wages grow your bottom line](#)
- [4 tried and true ways to create a supportive team culture](#)

Employee turnover rate has increased to **150%**



a staggering 68% increase from 2017.

Demographics

California, Florida and Texas have the most fast food workers in the country, and the average American fast food worker profile looks different depending on where you live. However, nationally, more women (51%) work in QSRs than men (44%). And as a whole, fast food workers skew younger, with the average age of hourly employees in the United States landing at 24 years old. The younger generation is challenging the status quo and demanding equitable benefits to their salaried colleagues.

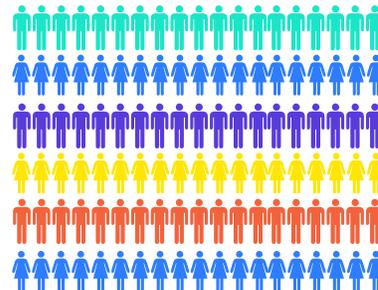
The most common ethnicity for QSR workers is White (62.5%), followed by Hispanic or Latino (18.9%) and Asian (7.6%). That being said, Spanish is the most common foreign language used among workers at nearly 65%.

Wages and earnings

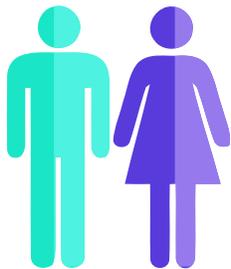
More than 3.4 million people are employed in quick service restaurants in the United States. Even though this industry employs millions of workers, they're still among the lowest earners in the nation. The mean hourly wage for QSR workers is \$11.80 with an average annual wage of \$24,500. This is not a starting salary, and because turnover is so high, many workers fall below these averages. A starting salary for fast food workers is \$18,000 annually. This equates to roughly \$8.65 per hour.

The top 10% of QSR workers earn \$35,000+ per year. Workers with a bachelor's degree or above tend to earn more than those without a secondary degree.

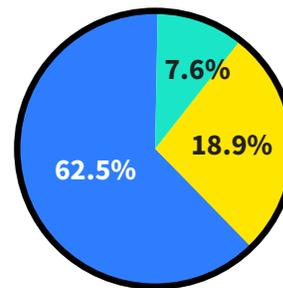
Fast food workers make up the largest number of restaurant workers, nationally, yet they earn **less than \$6 per hour** over other hospitality workers.



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Industry trends

Many quick service restaurants bolster big brands and employ thousands of people. Yet, even with their broad recognition and reputation, they continue to face steep labor competition not only from each other but also from the gig economy and unskilled tech sector jobs.

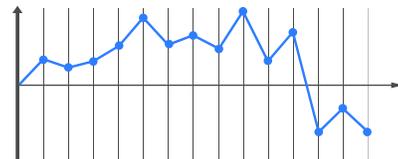
The COVID-19 pandemic shuttered many restaurants around the world. It created a moment in time for workers to rethink their priorities. Families have decided that a one-income household is enough and that family time is more important. Others have refocused their budgets and are living on less. Many employees chose not to return to their restaurant post once work was available again. Whatever the reason for workers leaving the industry, the fact remains that the number of workers has decreased. In fact, in October 2021, there were 800,000 fewer fast food workers than there were in February of 2020.

Because of this, now more than ever before, quick service restaurant employers need to stay competitive to attract and retain the necessary talent to stay in business.

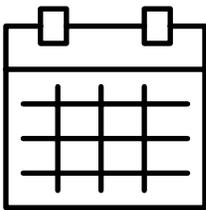
Provide flexibility to reduce churn

Nearly half of fast food workers quit before their first year of employment. While only 2% of employees stay for 10+ years, the younger generations want more flexibility in the workplace. Gen Z's and Millennials (55%) say flexibility is more important than Gen X and Baby Boomers (44%).

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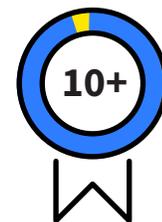


QSRs are facing rising competition from tech companies



(like Amazon) and gig economy jobs like ride-sharing apps (Uber Eats).

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Barriers to recruiting hourly employees

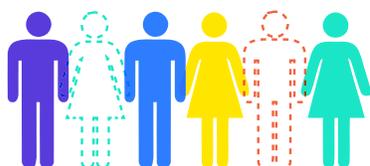
The Great Resignation has seen an unprecedented number of workers leave their jobs for different opportunities. The QSR industry, unfortunately, has not been an exception. However, 2020 ushered in a new era for workers, and employers who are responding and adapting to the new realities are seeing much more success than their peers who are stuck in 2019 strategies.

The impact of The Great Resignation

The Great Resignation has impacted hourly employees at a disproportionate rate. Hourly workers were more than twice as likely to have been laid off compared to salaried workers, and nearly 1 in 3 hourly workers have started a new job since the pandemic began in 2020. This is 9% higher than the national average.

QSR workers aren't quick to come back to their jobs, either. Despite the rise in job openings, many hourly workers don't believe the economy—or pandemic—will recover quickly enough to provide stability.

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Mental health in the workplace

Employee happiness impacts more than the individual. When employees are happy, they tend to perform better—translating to higher revenue and better company culture. Food service, and especially quick service restaurants, unfortunately, are notoriously known for lacking proper mental health support.

Many workers today report feeling very worried about making ends meet. Although the anxiety about making ends meet decreased 3% in 2021, there is still a prevalent concern among current workers.

The biggest concerns for workers in quick service restaurants are basic living expenses, health and safety in the workplace, and slow economic recovery. But even before the pandemic, the food service industry had some of the highest numbers of employees with mental health issues.

Increase support

Fast food workers often feel that their managers or leadership aren't supportive. In fact, 44% of food service workers believe that coworkers were "rarely or never" held accountable for their work. When folks aren't held accountable, morale and performance decline.

The future of hourly work

It's a job-seekers market. With admirable opportunities like seasonal work at tech companies, like Amazon and Tesla, and the flexibility of gig economy jobs, W2 employers need to adapt their strategies and practices to remain competitive in today's hourly employee landscape.

Out-hire the gig economy

It's no secret that the gig economy is attractive because of the flexibility it provides workers. Check out these additional tips on [how to compete with gig jobs](#).

PROVIDE FLEXIBILITY

Exactly 79% of hourly employees say flexibility at work has helped them support their lifestyle by reducing stress and anxiety. And many restaurants are listening and implementing change. Almost all employers (97%) say that flexibility is at least slightly important to their overall HR strategy, and 69% say it's important or very important. In fact, 46% of QSRs believe that flexibility for hourly employees is even more beneficial than retirement benefits and wellness programs. Employers who offer flexibility have a competitive advantage when hiring hourly workers—and the ones that offer it will benefit from a more loyal and satisfied workforce.

GIVE HIRING BONUSES

Increased pay alone is not enough to recruit and retain employees anymore—if it ever was. But many employers are including hiring bonuses for their hourly employees. Sometimes these bonuses are given in incremental amounts over time to encourage the employee to stay and earn the full amount. Another rising trend is for employees to receive bonuses for their referrals. These bonuses are also spread over time to encourage the existing employee to help the new employee integrate more quickly.

DESIGN CREATIVE BENEFITS

Today's hourly workforce wants (and needs) employment that helps them live a more well-rounded life. Employers are responding to this call by introducing new benefits—backup childcare, time off on national holidays and employee appreciation programs. These programs are designed to pique the interest of candidates, and they also signal support to existing employees and serve as a retention tool.

Focus on what matters

Competing on the grounds of benefits and perks, especially when you're on a tight budget, can feel like a big task. Here's a list of the most [meaningful \(and affordable\) perks](#) you can implement to attract and retain talent.

Final thoughts

The needs and realities of the hourly workforce were changing even before the pandemic—but the pandemic certainly expedited the timeline. Employees are demanding more from their employers. They want to work for companies that listen to their concerns, empower them to earn a living wage, and minimize additional stress and anxiety. The QSRs that are faring well through the ups and downs of the last couple of years—especially when it comes to hiring and retaining their team members—are the ones who realized they can't keep doing things the way they always have. Instead, they are actively exploring and implementing new methodologies that help their employees feel supported and validated through today's global challenges.

Want to hire hourly employees faster and smarter?

Contact us to schedule a demo.
(415) 767-1006 | info@workstream.is

About Workstream

Workstream is a hiring platform and mobile app that streamlines how local businesses source, screen and onboard hourly workers. By automating the process and using text to engage applicants, we make it possible for you to hire faster and smarter—reducing your hiring time by 70%.

