



AN ESCAPED opportunity

How the BWI Airport concessions program fails
Baltimore's African-American community

**UNITE
HERE!**

introduction



The NAACP has been at the forefront of the struggle against race-based discrimination since its inception over 100 years ago. The struggle for political, educational, social and economic equality of minority group citizens of the United States has come a long way since 1909, but there's still a long way to go. For instance, equal job opportunity for people of color in the United States remains an unrealized goal.

One would hope that the Baltimore-Washington International Thurgood Marshall Airport would be an exception to this undesirable reality of unequal opportunity. 1.) It's a state-owned facility and 2.) It is named after civil rights hero Thurgood Marshall. As the following report by UNITE HERE demonstrates, this has not been the case.

UNITE HERE's report, "A Missed Opportunity," details a stark difference in the type of jobs worked by surveyed African-American and surveyed white workers at BWI's concessions program. The study found that African-American workers were far more likely to work in fast food jobs and in restaurants as cooks and dishwashers while white workers were far more likely to work bartender/servers in the restaurants. If these survey results are indicative of a larger societal pattern—and there is no reason to believe that they are not—it is not just in prestigious professions where African-Americans are underrepresented. Even within the narrow range of entry level food service jobs, there are racial discrepancies in job outcome.

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This is an unacceptable outcome wherever it occurs. The fact that it is taking place at an airport named after civil rights leader and NAACP Legal Defense Fund founder Thurgood Marshall makes it the more egregious still. Thurgood Marshall spent his life fighting for civil rights and equal opportunity: from risking his life defending falsely accused African-Americans in the Jim Crow South, to arguing *Brown vs. Board of Education*, to defending civil rights as the Supreme Court's first African-American justice, Marshall committed his life to battling inequality wherever he saw it.

The following report is important in diagnosing the problem of racial differences in job outcomes at BWI's concessions program, and in reminding us that racial inequality in service sector jobs remains a societal problem. Even more important is taking action to fix it. The State of Maryland contracts the development and management of the concessions program to a company called AIRMALL. Unless direct and immediate steps are taken to promote equal opportunity at the airport's concessions program, the State of Maryland's relationship with AIRMALL needs to be reevaluated. With over 30% of African-American residents of Baltimore living in poverty, the time to act is now.

Sincerely,

GERALD STANSBURY
President, Maryland State Conference NAACP

poverty and its devastating consequences are an epidemic afflicting many African-American communities in the City of Baltimore. In 2012, over 30% of African-American or black residents of Baltimore lived in poverty, creating untold social costs for the African-American community and the city as a whole. Unemployment, which has yet to fully recover from pre-recession levels, is a large factor in this situation, but not the only one. Another factor is job quality: low-wage jobs result in not only outright poverty, but a persistent lower class of the working poor who live just above the poverty line.

U.S. Census data shows that poor quality jobs disproportionately affect African-Americans. Nation-wide, the median income of African-American or black households was just 62% of that of white households in 2012. In Baltimore the difference is even starker: the median African-

“Working in fast food is one of the hardest and lowest-paying jobs in the whole airport. And, looking around, it’s obvious to see that almost all of us working in fast food restaurants are African-American.”

-NATALIE HICKMAN, Baltimore City resident
& BWI McDonald’s employee

American household made just 53% that of the median white household.

As a state-owned entity that employs a large number African-Americans, many of whom reside in Baltimore, BWI Airport has

the potential to be a catalyst in reducing this inequality in Baltimore and the surrounding region.

Though most airports maintain direct control over concessions leasing decisions, the State of Maryland largely cedes control over BWI’s concessions program. BWI contracts concessions management to a private company, AIRMALL USA, which is responsible for selecting concessionaires to operate at BWI and managing the program. Unfortunately, this program has not proven a catalyst in achieving racial income equality. Analysis of a demographic survey of BWI concessions workers compiled by UNITE HERE Local 7 reveals several realities:

AFRICAN-AMERICANS IN LOW-WAGE JOBS: A separate survey of 180 hourly concessions workers conducted by UNITE HERE in 2013/2014 found that surveyed non-tipped food and retail workers at BWI earned a median wage of \$8.50 per hour.¹ Of the 437 workers in the demographic dataset (out of an estimated 830 total hourly food and retail workers at BWI) the majority—59%—were African-American. The burden of these low-wage airport jobs fell largely on African-American workers.

RACIAL DISPARITY IN JOB CLASSIFICATION: Surveyed African-American workers at BWI were over six times more likely to work in fast food jobs and over three times more likely to work in back of the house restaurant jobs, such as dishwasher and cook, than

1. Based on the results of a survey conducted by UNITE HERE Local 7: One-hundred eighty BWI concessions workers were surveyed between December 10, 2013 and January 29, 2014.

their white counterparts. Conversely, surveyed white workers at BWI were over six times more likely to work server or bartender jobs than their African-American counterparts.

These findings are problematic, particularly in a region that has even higher income inequality between African-American and white households than the national average. Moreover, as this report details, AIRMALL's concessions program includes a low proportion of African-American-owned small businesses. Baltimore is a majority African-American city, yet only 30% of "disadvantaged business enterprise" (DBE) concessions leases at the airport are with African-American-owned businesses; and only 7.5% of the total concessions leases have been extended to African-American-owned DBEs.

racial differences in job classification

The findings from the demographic survey point to a disparity between the job classifications of the BWI concessionaires' white workers and those of the concessionaires' African-American workers.

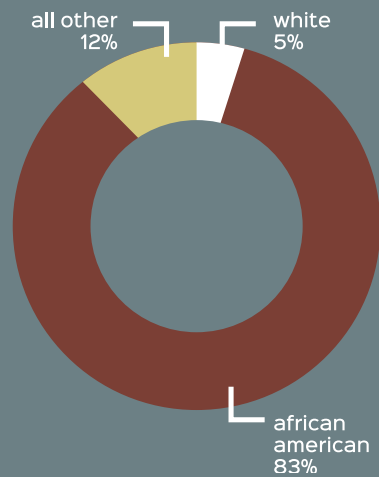
DEMOGRAPHIC ANALYSIS OF JOB CLASSIFICATIONS OF BWI CONCESSIONS WORKERS*

	WHITE	AFRICAN-AMERICAN	ALL OTHER	TOTAL	% WHITE	% AFRICAN-AMERICAN	% ALL OTHER
ALL JOBS	98	260	79	437	22%	59%	18%
FAST FOOD	9	153	23	185	5%	83%	12%
FULL SERVICE (FS) RESTAURANT	88	106	54	248	35%	43%	22%
FS RESTAURANT (FRONT OF HOUSE)	81	44	23	148	55%	30%	16%
FS RESTAURANT (BACK OF HOUSE)	7	62	31	100	7%	62%	31%

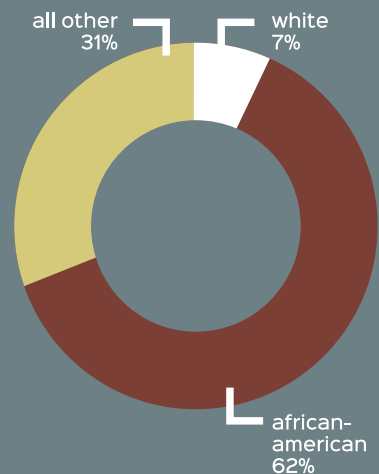
*findings are based on an analysis of demographic data collected by UNITE HERE Local 7 as of March 2014

Fast food jobs were disproportionately held by the surveyed African-American workers. African-Americans staffed 83% of the surveyed fast food jobs at the airport, while working just 59% of the total surveyed concessions jobs. Surveyed white workers, on the other hand, staffed only 5% of the surveyed fast food jobs while working 22% of the total surveyed jobs.

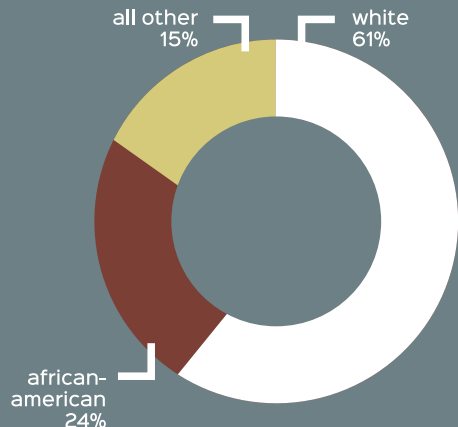
surveyed fast food workers*



surveyed full service restaurant workers: back of the house*



surveyed full service restaurant workers: server/bartenders*



*Source: Demographic data of 437 BWI workers, compiled by UNITE HERE Local 7

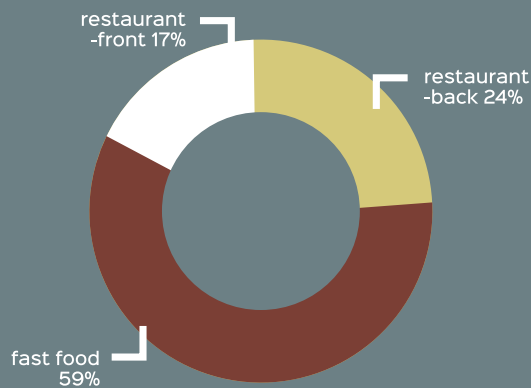
Conversely, among surveyed workers, server and bartender jobs were disproportionately staffed by white workers, who worked 61% of these classifications despite only making up 22% of the total workers in the dataset. African-Americans staffed only 24% of the surveyed server/bartender jobs in spite of holding 59% of the total surveyed jobs. Surveyed “back of the house” jobs (e.g. cooks, dishwashers) at full service restaurants, on the other hand, were disproportionately staffed by African-Americans who filled 62% of such jobs, while white workers filled only 7%.

The consequence of this disparity is that surveyed white concessions workers at BWI were far more likely to work a front of the house restaurant job and surveyed African-American concessions workers at BWI were far more likely to work a back of the house restaurant job or fast food job. A surveyed white worker in BWI's concessions program had an 84% chance of working a front of the house full service restaurant job. A surveyed African-American worker, on the other hand, had an 83% chance of working in a fast food or back of the house restaurant job.

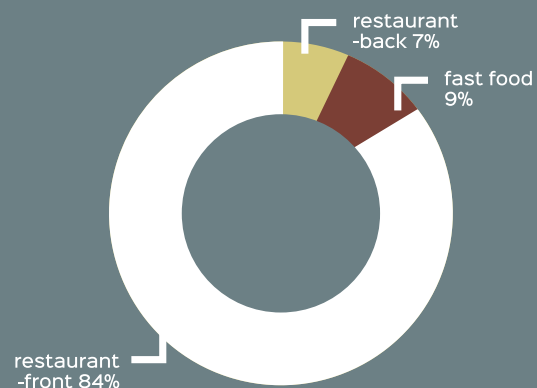
What is the impact of this disparity in outcome for African-Americans and white workers in AIRMALL's BWI concessions program?

According to the Bureau of Labor Statistics Current Population Survey, bartenders and restaurant servers made a higher median wage than back of the house occupations such as cooks and dishwashers in 2013. Bartenders, for example, made a median yearly wage of \$26,676 while dishwashers made just \$18,512. Moreover, bartender and waitstaff are tipped positions, so workers in these job classifications have a higher income ceiling than non-tipped workers. In short, a racial disparity in job classifications, even within the narrow range of non-management level food service jobs, can have a real impact on racial income inequality.

surveyed african-american workers*



surveyed white workers*



*Source: Demographic data of 437 BWI workers, compiled by UNITE HERE Local 7

Viewed in terms of customer experience, this racial job disparity is even more troubling. Surveyed African-Americans were far more likely to work in the back of the house jobs where they do not come into direct contact with the restaurant's customers. Surveyed white workers, on the other hand, were far more likely to work front of the house jobs where interaction with the customer is part of the job, thus serving as the face of the establishment.

baltimore disproportionately affected

'african-American or black people' constitute the largest ethnic group in the City of Baltimore, accounting for 63.6% of the population according to 2012 US Census data. The income disparity between African-American and white households in Baltimore is staggering. In 2012 white households made a median income over \$57,386, while African-American households made just \$30,311—a 47% difference.

"My hourly wage is \$6 per hour, but as a server I have the opportunity to earn tips, which average out to an additional \$20 per hour. In the year and a half since I've worked here we've hired seven new servers, but none of the workers in my restaurant are African-American."

-JEREMY POLLARD, BWI Vino Volo employee

city and help strengthen Baltimore's African-American middle class.

Of the surveyed workers who provided their place of residence, 83% of African-American BWI concessions workers live in Baltimore. With so many airport workers living in Baltimore, the BWI concessions program presents an opportunity to combat racial income inequality in the

However, this has not occurred under the AIRMALL-managed BWI concessions program. The median hourly wage is \$8.50 for surveyed non-tipped workers at BWI—jobs which were disproportionately staffed by African-American workers in the demographic survey. An \$8.50

wage rate is significantly below the living wage for Baltimore, which is calculated as \$11.24 for a single adult by the 'Living Wage Calculator.'² Additionally, this median wage also falls below the federal poverty line for a family of three.

Jobs that pay this type of wage *perpetuate* rather than *alleviate* poverty in Baltimore. With many members who work at BWI, Baltimore's African-American community bears the biggest burden of low quality jobs at BWI.

shortage of opportunity for african-american small business

airport concessions are a great opportunity for small businesses to grow and expand their customer base. With this in mind, the Federal Aviation Administration (FAA) requires airports to provide business opportunities to “socially and economically disadvantaged” companies (known as ‘disadvantaged business enterprises’ or DBEs). African-American-owned businesses are one type of small business that can qualify for DBE status.

In its role as BWI's concessions manager, AIRMALL is responsible for developing the concessions DBE program. African-Americans are Baltimore's largest demographic. If the BWI concessions program were to reflect the local population it would provide a proportional percentage of opportunities for African-American owned businesses. This has not been the case under AIRMALL's management.

Though African-Americans make up 64% of Baltimore's population, African-American-owned DBEs comprise only 7.5% of the total concessionaires leased by AIRMALL. Out of 10 total DBEs and 40 total concessionaires, only three African-American-owned DBE concessionaires operate at BWI. Like the low-wage jobs and job classification disparity for African-Americans in the UNITE HERE survey, the small number of African-American-owned businesses at BWI is a missed opportunity.

a missed opportunity

baltimore-Washington International Thurgood Marshall Airport aspires to be an economic engine for the State of Maryland and the City of Baltimore. In many ways it has fulfilled this objective. BWI's passenger traffic increased by 19% from 2002 to 2012, bringing more visitors and tourist

2. The Living Wage Calculator, a tool created by Dr. Amy Glasmeier, is a part of the Living Wage Project.

dollars to the region. The airport also injects money into local communities by providing decent jobs to many airport workers. The concessions jobs in the AIRMALL-managed program are a glaring exception.

The AIRMALL-managed concessions program has failed to live up to BWI's standard as an economic engine. By providing low-wage jobs and presiding over a racial disparity in job outcome among surveyed workers, the BWI concessions program has fallen short in its obligation to the region's African-American community and the City of Baltimore. The opportunity to alleviate poverty and build the solid foundation for a middle class in Baltimore's African-American community remains unrealized.