

San Diego[®] MAGAZINE

What Really Happened in 2018: Minimum Wage

Chefs, bartenders, and owners talk openly about this year's restaurant world

BY TROY JOHNSON

Published: 2018.12.24 10:00 AM



Want to know what *really happened* in San Diego food and drink in 2018? Don't ask me. Ask the chefs, the owners, the bartenders. Ask the people who made it happen. So that's what I did.

Minimum wage was the number-one concern for small-restaurant owners. No one argued that employees shouldn't make a living wage. They take issue with California's refusal to let them count tips as wages. As a result, server jobs are being cut across the board. But not all owner-operators are complaining. In fact, some of them are telling the others to buck up.

What was the biggest change or trend in the industry in 2018?

"Minimum wage increases will continue to force us to figure out a way to do more with less people. Automation is inevitable. We can only raise prices so high."—Frank Vizcarra, owner, [Lola 55](#)

"Minimum wage and food cost increase have certainly made a huge impact, especially on family-owned restaurants like [Civico 1845](#). At the end of the day this will result in an increase of the menu prices, which (in what I personally hate) will result in higher prices for the consumer."—Dario Gallo, owner, [Civico 1845](#)

"Right now, we're at the beginning of what I think will be the biggest change to hit restaurants ever. The cost of labor is rising at such a rapid rate that it is getting really hard to keep up. Eventually, it will stomp out the mom-and-pop shop."—Brian Gruber, chef-owner, [Notorious Burgers](#)

"I find it amusing that the current increase in minimum wage has most restaurant owners up in arms. My grandfather loves to tell my sister and me his experience 30 years ago when the minimum wage was raised and there was some city council meeting that every restaurant owner showed up to to protest how unfair the increase was. He said they all drove angrily to the meeting in their BMWs and Lexuses. Every owner I've heard or read quip about 'how hard it's becoming' are all, in my humble opinion, 'loaded.' Success is relative, financially speaking and otherwise. If the day comes that I own a multimillion-dollar house, own a luxury car, and have a Rolex on my wrist and am claiming California's fight for a livable wage is impeding my small-business dreams, you will know I've lost touch with why I got into this business in the first place. When that day comes, Troy, I give you permission to punch me in the face."—Jacqueline Coulon, co-owner, [Little Lion](#)

"Minimum wage going up again really hits smaller restaurants. Lower wages can lead to poor service and overworked staff. It's a tough situation, and chefs and owners will have to make tough choices on how to be more efficient across the board. There are only so many times we can raise the price of food and drink to help compensate for the increase in labor dollars."—Kevin Templeton, chef, [Barleymash/The Smoking Gun/Spill the Beans](#)

“Lack of good entry-level help. I suppose this has something to do with minimum wage increases. Example: Work your ass off while getting yelled at by temperamental chef, or stand around a parking lot with a security guard badge for the same money.”—Andy Harris, owner, [Grand Ole BBQ Y Asada](#)

When that day comes, Troy, I give you permission to punch me in the face.
- Jacqueline Coulon, co-owner, Little Lion

“The answer never really changes. We are constantly needing to adjust our pricing in accordance to rising costs and keeping it at a level that our guests will still want to dine. This is timely, since the public voted for minimum-wage increases. Minimum wage is increasing from \$11 to \$12. When the cost rises 10 percent, that’s huge when you consider that 40 percent of restaurant costs are labor. You have to wonder whether the public will support that much of a price increase. In some parts of the city, such as downtown and Little Italy, it’s less burdensome. But you get to the outskirts of the city, that makes a large difference for mom-and-pop operations where there’s an uproar if coffee increases from \$1 to \$1.25. And the farther you go from the city, the more conservative the population gets, and they’re not supportive of the minimum wage increase, but they have to pay for it.”—Ken Irvine, chef-owner, [Bleu Bohème](#)

“Restaurants are caught between a rock and a hard place with rising labor costs and operating expenses and forced to raise prices. Guests are not accustomed to paying so much. So they tend to order less and try to stay within their budgets. However, restaurants should not cut portions or sacrifice food quality. Restaurants need to be more creative and keep trying new things and updating their ambience. Fast-casual, or ordering from the counter, is definitely a trend in order to cut labor. We chose not to do this because we are in the hospitality business and believe that our guests want to be catered to and have an experience.”—Sami Ladeki, owner, [Sammy’s Woodfired Pizza & Grill/Pisco Rotisserie & Cevecheria](#)

“Labor cost is, and will continue to be, the biggest threat to small restaurants. Minimum wage is going up to \$12 an hour. We pay more than that for our back-of-house labor (we are committed to paying these folks a living wage), but the front-of-house makes three times what the back-of-house makes because they get tips on top of their (increasing) minimum wage salaries. Large restaurant companies with multiple units in multiple states don’t feel this pinch in the same way. We will see a big cultural shift in business models for service in the next five years in California.” —Steven McGlynn, general manager, [Viewpoint Brewing Co.](#)

“A scary change is, for sure, increasing wages. The tipping situation completely unbalances final wages between our employees in the front and back of house. Finding quality labor for the back of house has become increasingly complicated. We are trying to even out the situation as much as possible according to current laws. The restaurant industry’s future will require the back of the house to be more involved in the chain of service—more counter service and more ‘chef to customer’ experiences.”—Marco Maestoso, chef-owner, [Maestoso](#)

“The rise in cost of goods and therefore increase in menu prices is parallel to the minimum wage increases. Restaurants will decrease staff, which in turn will lead to more people losing jobs.”—Saransh Oberoi, chef-owner, [Masala Street](#)

“Operators attempting to charge a ‘surcharge’ pointing to labor cost, et cetera—hey, high labor costs are the nature of our business. And San Diego is expensive, and getting more expensive every year. Make adjustments to your menu, reprint the menus, and be transparent with your customers (the price on the menu for that item is the price you pay). The practice is unconscionable and needs to be stopped.”—Richard Walker Jr., owner, [Richard Walker’s Pancake House](#)