

Higher wages buys loyalty from fast food workers



Shake Shack pays employees well above minimum wage.

Photo/LTN

By Steven Greenhouse and Stephanie Strom, New York Times

CONCORD, N.H. – Ben Nawn, a sophomore at the University of New Hampshire, says his friends who work at McDonald's are envious of what he earns working for the Boloco burrito restaurant here.

While they make \$7.25 an hour, the federal minimum wage, Nawn receives \$9 an hour, which Boloco sets as the floor at its chain of 22 restaurants, most of them in New England.

Nawn works at one of the handful of restaurant chains that deliberately pay well above the federal minimum wage. In-N-Out Burger-based in California pays all its employees at least \$10.50 an hour, while Shake Shack, the trendy, lines-out-the-door burger emporium, has minimum pay of \$9.50. Moo Cluck Moo, a fledgling company with two hamburger joints in Michigan, starts everyone at \$15.

These companies' founders were intent on paying their workers more than the going rate partly because they wanted to do the right thing, they said, and partly because they thought this

would help their companies thrive long term.

“The No. 1 reason we pay our team well above the minimum wage is because we believe that if we take care of the team, they will take care of our customers,” said Randy Garutti, the chief executive of Shake Shack.

The nation’s fast-food restaurants, which employ many of the country’s low-wage workers, are at the center of the debate over low pay and raising the federal minimum wage – fueled by protests demanding that fast-food chains establish a \$15 wage floor. McDonald’s was pilloried last year for a hotline that advised employees how to seek food stamps and public assistance for heating and medical expenses.

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