

# "What will happen to me if I get sick or hurt?"

The Story of Food and Beverage Workers at Northwestern Memorial HealthCare's Hyatt Centric Chicago Magnificent Mile



February 2024



The Hyatt Centric Chicago Magnificent Mile is a 419-room hotel located in the Streeterville neighborhood.<sup>1</sup> The hotel was purchased by Northwestern Memorial HealthCare, the corporate parent of Northwestern Memorial Hospital, in February 2022 for \$67 million.<sup>2</sup> Davidson Hospitality Group, an Atlanta-based hotel management company, manages the hotel on behalf of Northwestern Memorial HealthCare.<sup>3</sup>

In October 2023, workers at the Hyatt Centric's food and beverage department (which includes cooks, restaurant servers, bartenders, room service servers, banquet servers, and other workers) voted to join UNITE HERE Local 1, Chicago's hospitality workers' union.<sup>4</sup> UNITE HERE Local 1 received survey responses from 33 of the hotel's 49 food and beverage workers in November and December 2023.

#### Who are Hyatt Centric Chicago Magnificent Mile food and beverage workers?

- The mean age of workers who reported their age was 46.6 years old.
- The mean years of service at the Hyatt Centric of workers who reported this was 8.7 years.
- 85% of the 33 surveyed workers were people of color, with 73% Hispanic or Latino.
- 67% of surveyed workers immigrated or moved to the mainland United States from Mexico, Ecuador, Puerto Rico, the Dominican Republic, Nepal, Ethiopia, Albania, Jamaica or Argentina.
- 79% of surveyed workers are parents, with 64% having at least two kids.





"I have health insurance with my company but even with insurance it's still too expensive for me to go to Northwestern for healthcare. In the past years, I have had to take my kids off my health insurance and put them on Medicaid due to high costs."

- Ole Hernandez, Hyatt Centric Magnificent Mile cook, husband, and father of two

#### Hyatt Centric Chicago Magnificent Mile workers face barriers to healthcare

- Barely half (55%) of surveyed workers reported that they use the health insurance offered by the company.
- 21% of surveyed workers reported that they do not have health insurance.
- 15% of respondents reported that they have medical debt.
- 24% of respondents reported that they or a member of their household have skipped some kind of medical services because they couldn't afford it.

21% of surveyed workers reported that they do **not** have health insurance

## Hyatt Centric Chicago Magnificent Mile Food and Beverage workers have difficulty affording basic necessities

- 45% of surveyed workers reported lacking money to cover expenses such as rent/mortgage, credit card, utilities, car loans, car stickers/repairs, or college/university in the last six months.
- 27% of surveyed workers reported lacking money to cover rent or mortgage payments in the last six months.
- 18% of surveyed workers reported lacking money to cover utility bills in the last six months.



"I take pride in serving our guests, but since I started working at the Hyatt, the health care has been too expensive for me to afford. What will happen to me if I get sick or hurt? I want to be healthy and able for my two young boys."

- Ben Tianen, Hyatt Centric Magnificent Mile server and father of two

### Hyatt Centric Chicago Magnificent Mile Food and Beverage workers have difficulty affording basic necessities (cont.)

- 33% of surveyed workers reported that they or a member of their household currently use Medicaid, WIC, SNAP, Food Stamps, LINK, or TANF.
- 21% of surveyed workers reported that they have kept the heat off in the winter because it's too expensive.
- 36% of surveyed workers reported that they work a second job, and 9% reported that they work a third job.

33% of surveyed workers reported that they or a member of their household currently use Medicaid, WIC, SNAP, Food Stamps, LINK, or TANF.

# Too many Hyatt Centric Chicago Magnificent Mile Food and Beverage workers reported struggling with food insecurity

- 12% of surveyed workers reported that they or their families have gone to a food pantry in the last six months.
- 18% of surveyed workers reported that cannot afford to buy healthy food for their families.
- 9% of surveyed workers reported that they or someone in their household have skipped a meal in the last six months because there wasn't enough money for food.

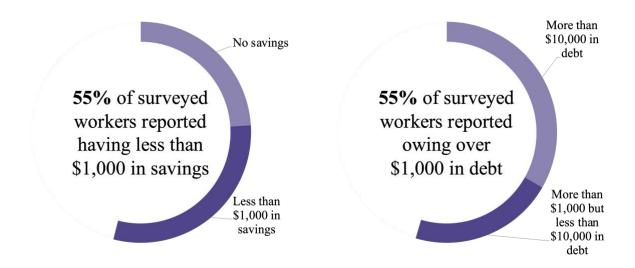


"My first child was born in 2023. I pay \$308 per month for health insurance for my family. I would like to spend more time at home with my son and wife but I have to drive rideshare to cover our healthcare costs."

Andri Mile, Hyatt Centric Magnificent Mile bartender, husband, and new father

### Hyatt Centric Chicago Magnificent Mile Food and Beverage workers have little savings and lots of debt

- 55% of surveyed workers reported having less than \$1,000 in savings.
- 24% of surveyed workers reported they have no savings.
- 55% of surveyed workers reported that they owe over \$1,000 in debt (not including mortgage) and 33% reported owing over \$10,000 in debt (not including mortgage).



#### Hyatt Centric Chicago Magnificent Mile workers report experiencing pain at work

- 60% of surveyed workers reported experiencing pain at work, with foot and back pain the most commonly reported.
- 24% of surveyed workers reported having trouble sleeping because of this pain.
- 39% of surveyed workers reported that they take over-the-counter medicines because of their work.
- 15% of surveyed workers reported that they have taken prescription medicine because of work.

60% of surveyed workers reported experiencing pain at work

#### Who is Northwestern Memorial HealthCare?

Northwestern Memorial HealthCare is the owner of the Hyatt Centric Chicago Magnificent Mile, and the corporate parent of Northwestern Memorial Hospital, Northwestern Memorial Foundation, the other Northwestern Medicine Hospitals, and the sixth largest employer on Crain's Chicago's 2023 Largest Employers List.<sup>5</sup> Northwestern Memorial HealthCare and subsidiaries reported total revenue of \$8,721,937,000 in the year ending August 31, 2023, and endowment net assets of \$338,411,000 at the end of the year ending August 31, 2023.<sup>6</sup>

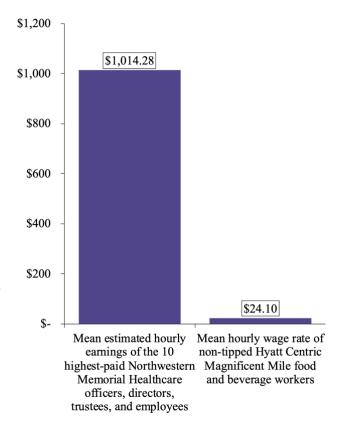
In the tax year ending August 31, 2022, the ten highest paid officers, directors, trustees and employees at Northwestern Memorial HealthCare all earned over \$1 million in base compensation, bonus & incentive compensation, and other reportable compensation, according to Northwestern Memorial HealthCare's federal Form 990 group return filed that year. These ten officers, directors, trustees, and employees earned on average over \$2.1 million, or an estimated \$1,014 per hour based on a full-time schedule of 2,080 hours per year.<sup>7</sup>

In the most recent Lown Institute Hospital Index pay equity rankings released in July 2023, which measure the difference in compensation of hospital executives compared to healthcare workers without advanced degrees, Northwestern Memorial HealthCare/Northwestern Medicine ranked 273<sup>rd</sup> out of 296 healthcare systems nationally, earning a "D" grade.<sup>8</sup>

Meanwhile, Hyatt Centric Chicago Magnificent Mile non-tipped food and beverage workers earn an average wage rate of \$24.10 per hour, according to figures provided by Davidson Hospitality Group as of November 2023.<sup>9</sup>

According to figures provided by Davidson Hospitality Group in January 2024, Hyatt Centric Chicago Magnificent Mile non-tipped food and beverage workers earned an average of \$47,531.42 in gross pay in 2023.<sup>10</sup>

According to the most recent update to the MIT Living Wage Calculator as of February 2024, a single adult with one child would have to earn \$86,782 per year (or \$41.72 per hour based on a 40-hour workweek) to support their family in the Chicago Metropolitan Statistical Area.<sup>11</sup>



#### **About UNITE HERE Local 1**

UNITE HERE Local 1 is a labor union representing hospitality workers in the Chicago area that work in hotels, restaurants, casinos, universities, stadiums, sports arenas, convention centers and airports.

Please direct any inquiries to Duncan Nakajima at dnakajima@unitehere1.org.

<sup>&</sup>lt;sup>1</sup> Hyatt, accessed February 23, 2024.

<sup>&</sup>lt;sup>2</sup> About Us. Northwestern Medicine, accessed February 23, 2024; Assignment for PIN 17-10-203-001-0000, Cook County Clerk, February 3, 2022.

<sup>&</sup>lt;sup>3</sup> Davidson Hospitality, accessed February 23, 2024.

<sup>&</sup>lt;sup>4</sup> Case 13-RC-326017, National Labor Relations Board, October 23, 2023. Accessed February 23, 2024

<sup>&</sup>lt;sup>5</sup> Assignment for PIN 17-10-203-001-0000, Cook County Clerk, February 3, 2022.; About Us, Northwestern Medicine, accessed February 23, 2024; "Largest Employers (2023)", Crain's, February 27, 2023. Accessed January 8, 2024.

<sup>&</sup>lt;sup>6</sup> Northwestern Memorial HealthCare Consolidated Financial Report, Years Ended August 31, 2023 and 2022.

<sup>&</sup>lt;sup>7</sup> Northwestern Memorial HealthCare Group Form 990, IRS, Fiscal Year 2021.

<sup>&</sup>lt;sup>8</sup> The Lown Institute. Northwestern Memorial HealthCare/Northwestern Medicine, Pay Equity. Lown Institute Hospitals Index. July 18, 2023. Accessed February 23, 2024

<sup>&</sup>lt;sup>9</sup> Wage table provided by Hyatt Centric Magnificent Mile, December 2023.

<sup>&</sup>lt;sup>10</sup> 2023 earnings data provided by Hyatt Centric Magnificent Mile, January 2024.

<sup>&</sup>lt;sup>11</sup> <u>Glasmeier, Amy K. Living Wage Calculator. 2024. Massachusetts Institute of Technology. Accessed February 23, 2024</u>