



# FAST FACTS

Multiculturalism in the Food and Hospitality Industry.



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Sources: Census 2000, National Restaurant Association's Operations Report 2003, National Restaurant Association's Restaurant Industry Workforce 2004, The Selig Center for Economic Growth, U.S. Bureau of Labor Statistics, 2004-05 Career Guide to Industries, Minority Purchasing Power: 2000-2045, U.S. Department of Commerce, Minority Business Development Agency Office of Advocacy, U.S. Small Business Administration, NMSDC Annual Report

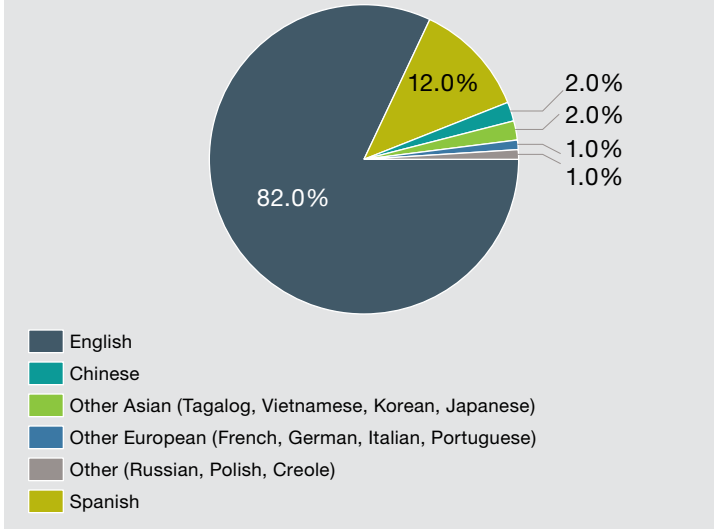
# WORKFORCE

Ethnic minorities currently make up 29 percent of the U.S. population. Between 1999 and 2009, they will account for half the growth in the working-age population.





## U.S. Population – Primary Language at Home



### LANGUAGE IN THE HOSPITALITY INDUSTRY

Non-English speakers, particularly Spanish speakers, are important in both restaurant and lodging industries. The prevalence of foreign-language speakers offers both challenges and opportunities for the industry.



### **THE HISPANIC/LATINO-AMERICAN POPULATION – LANGUAGE PREFERENCE**

- 62 percent of Hispanics in the U.S. prefer Spanish
- 25 percent speak both English and Spanish, with no particular preference
- 15 percent speak English only
- 75 percent of Hispanics speak a language other than Spanish at home

### **THE ASIAN-AMERICAN POPULATION – LANGUAGE PREFERENCE**

- Of the 9.5 million Asians aged 5 and over, 79% speak a language other than English at home and about 40% speak English less than “very well”

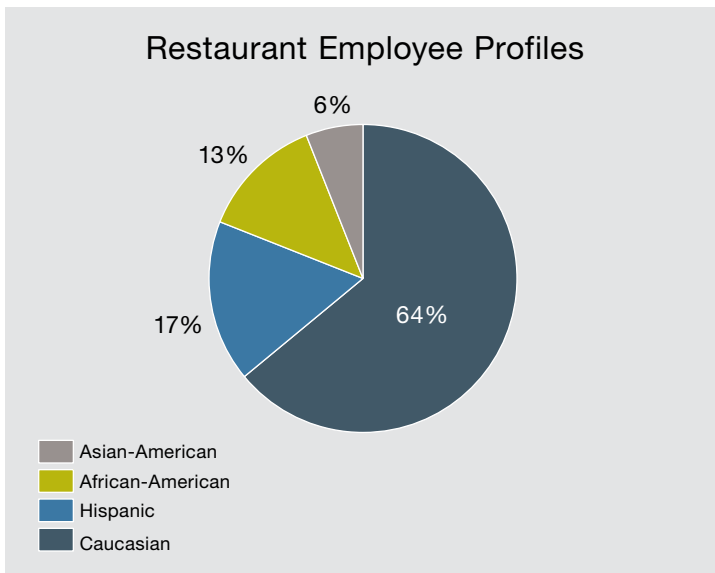
### **LODGING INDUSTRY FAST FACTS**

- 1.8 million wage and salary jobs in 2002
- 37,000 self-employed
- Small businesses dominate
- 75 percent of establishments employ fewer than 20 people
- 21 percent of workers are younger than 25
- 66 percent of jobs are service-related (housekeeping, building services)
- Earnings are significantly lower than the average for all industries



## RESTAURANT INDUSTRY FAST FACTS

- The largest employer outside of the government
- Dominated by small businesses
- A labor-intensive industry
- A dominant employer of minority managers



- Female (54%)
- Male (46%)
- Under 35 years of age (51.5%)
- At least a high school education (64%)
- Employed in the private sector (75.5%)
- Employed in the accommodation and foodservices industry (90%)



## RESTAURANT WORKFORCE TRENDS AND PROJECTIONS

- Employment will rise from 12.2 million in 2004 to 13.8 million by 2014
- Most categories will grow, with the strongest growth in food preparation and waitstaff
- Teenagers have traditionally accounted for a large portion of the restaurant industry workforce
- The labor force participation rate for 16 to 19-year-olds was 53.7 percent in 2003
- Recruiting and retention challenges have led operators to tap non-traditional sources such as older workers
- 40 percent of operators reported an increase in number of foreign-born workers
- Employee tenure is increasing with both hourly and salaried workers
- Median turnover rates range from 45 to 63 percent



## **AMERICA'S WORKFORCE: A MULTICULTURAL FUTURE**

Culturally diverse talent plays a key role in the development and growth of the hospitality industry.

- There were 141 million people in the labor force in 1999
- The U.S. labor force will increase 1.1 percent annually from 2002 to 2012
- Total employment is expected to grow by 17.4 million jobs
- Minority groups represent over 29 percent of the population
- The minority population will grow 37 percent by 2020 and 47 percent by 2050
- 97.6 % of Americans claim a racial identity
- The largest minority groups are African-American, Hispanic, and Asian-American/ Pacific Islanders

The rapidly growing multicultural workforce has led to the increased need for training. From workforce language training to management training, the hospitality industry is responding in order to attract and retain multicultural talent.

# SUPPLIERS

Diversity of suppliers in the restaurant, lodging and manufacturing industries is critical to opportunities for minority small businesses.





## **Minority Businesses in America**

Diversity of suppliers is vital to emerging minority businesses and to the urban communities minority businesses support.

## **DEFINITIONS**

### **Prime:**

A corporation that provides products and services to the customer, the end user.

### **First and Second Tier:**

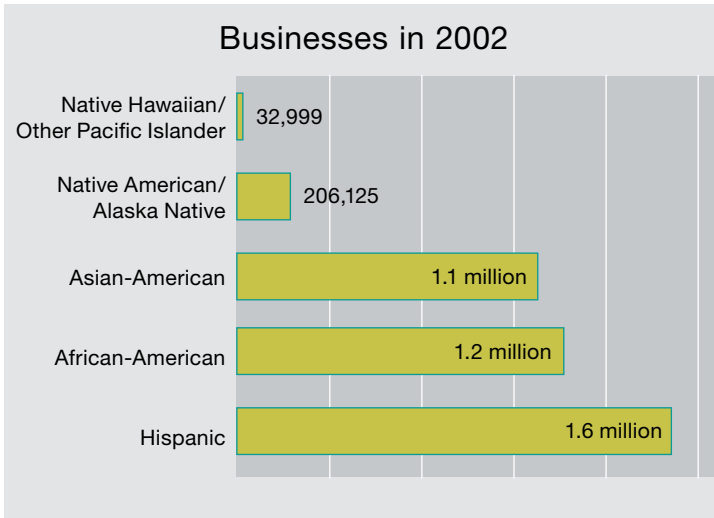
A first tier supplier is one that provides products and services; the prime customer is then invoiced for goods and services rendered directly by the supplier. A second tier supplier is one that provides products and services and then invoices to the first tier supplier for goods and services rendered.

### **Qualified MBE (Minority Business Entrepreneur):**

A minority-owned business that meets the certification and performance requirements of a Prime.

### **Certified MBE:**

A minority-owned firm whose minority ownership, control and operation of the firm have been verified by one of National Minority Supplier Diversity Council (NMSDC's) regional councils.



### ETHNIC BREAKDOWN OF MINORITY BUSINESSES

- 40 percent of MBEs are Hispanic, generating 31 percent of revenue
- 30 percent are Asian-American, with 52 percent of revenue
- 27 percent are African-American, with 12 percent of revenue
- 7 percent are Native Americans and Alaskan natives, with 7 percent of revenue
- Asian-American-owned firms have the highest receipts
- African-American-owned firms are most likely to be owned by women



### SOME BENEFITS OF SECOND TIER SOURCING

- Builds positive brand and corporate image
- Enhances customer and brand loyalty
- Achieves superior cost economics from increased competition in the supply chain
- Helps gain access to a rapidly growing market of minority consumers

Industry Benchmarks	% Spent with Diverse Suppliers
Aerospace/Defense	16.7 percent
Chemical	1.3 percent
Computer Hardware	3.2 percent
Computer Software	6.2 percent
Diversified Beverages & Foods	not reported
DOE/NNSA Contractors	33.1 percent
Engineering / Construction	9.3 percent
Financial Services	4.0 percent
Industrial Manufacturing	2.6 percent
Media	not reported
Metals & Mining	not reported
Petroleum	15.2 percent
Pharmaceuticals	9.0 percent
Semiconductor	6.3 percent
Utilities	8.3 percent



## **GROWTH & CHARACTERISTICS OF MINORITY BUSINESSES**

- MBEs increased 4 times faster than the number of all business between 1992 and 1997
- Receipts from MBEs rose 60 percent, compared with a 40 percent increase for all U.S. firms
- California, Texas, New York, Florida and Illinois accounted for 59 percent of MBEs
- 44 percent of MBEs are in the service industry, 14 percent in retail trade, 11 percent in construction and 10 percent are in finance

# CUSTOMERS

Multicultural Buying Power is increasing and has implications for media consumption, packaging and advertising.

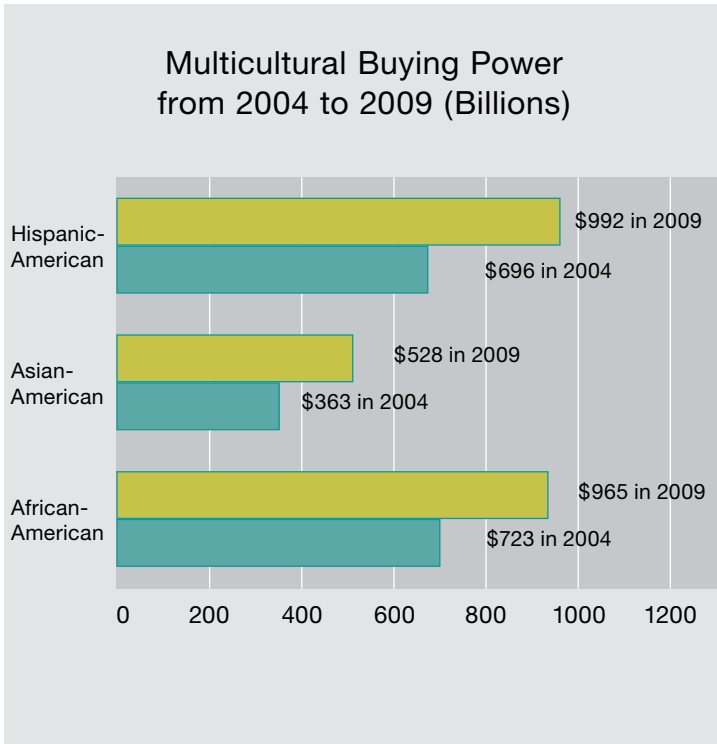




## **BUYING POWER OF MULTICULTURAL CUSTOMERS IN THE U.S.**

Multicultural Buying Power is increasing and has implications for media consumption, packaging and advertising.

- Hispanics, African-Americans, Asians and Native Americans account for almost 30 percent of the U.S. population
- This market accounts for 20 percent of the total spending power in America
- The nation's buying power will rise from \$4.3 trillion in 1990 to \$11.1 trillion in 2009
- By 2008, the combined buying power of minority groups will exceed \$1.5 trillion, more than triple the 1990 level of \$456 billion: a gain of \$1.1 trillion, or 231 percent
- The combined buying power of minority groups is projected to account for 14.3 percent of total U.S. buying power by 2008
- Total buying power will expand by 29 percent from 2004 to 2009



Awareness of increased minority buying power has led to more spending in ethnic media and targeted multicultural marketing campaigns. According to AdAge.com, about 31 percent of marketers said they plan to increase spending on campaigns for specific ethnic groups.

Many of the food and hospitality industry's largest organizations have highly targeted campaigns, products and promotions for the various ethnic markets.



## EMERGING ISSUES FOR MULTICULTURAL MARKETS

### Foreign Languages

- The industry is making a concerted effort toward those customers whose native language is not English. Guests need to be served equitably and graciously regardless of any language barriers.

### Guests' Service Expectations

- Operators need to understand the unique eating rituals of different cultures and take them into consideration when providing quality customer service.

### Menu and Diet

- Greater menu choice and product variety with items such as condiments and side dishes are necessary. More healthy food choices need to be offered in minority markets.

### Education and Visible Support of Diversity

- Both staff and guests require more education on the industry's commitment to diversity. Operators and their staffs need to learn the socialization norms of different ethnic groups.



## PEPSI & THE HISPANIC MARKET

In 2005, The Pepsi Bottling Group and Verizon Wireless announced a joint promotion for the sale of Pepsi 24-packs to reach Latino consumers in Southern California. The Pepsi-Verizon Wireless “Cube Promotion” was supported through Spanish-language television and radio advertising, and merchandising in participating stores.



## MC DONALD'S & AFRICAN-AMERICAN MARKETING

Ebony Magazine recently honored McDonald's Director of Women's Initiatives, Vicky L. Free, at the magazine's "Outstanding Women in Marketing & Communications" luncheon. Among her accomplishments as Director of African-American consumer marketing for the U.S., Free led the development of McDonald's 365 Black (TM) Initiative, which recognizes and honors African-American achievement and has been one of McDonald's most successful programs to date.



# COMMUNITY

As ethnic communities are rapidly growing in the U.S., the industry needs to be prepared to thrive and exist in this increasingly diverse community. Multicultural Associations and organizations can help in this process.





## **MULTICULTURAL ASSOCIATIONS**

### **Joint Center for Political and Economic Studies**

[www.jointcenter.org](http://www.jointcenter.org)

The Joint Center for Political and Economic Studies informs the nation's major public policy debates to: improve the socioeconomic status of African-Americans and other minorities; expand their effective participation in the political and public policy arenas; and promote communications and relationships across racial and ethnic lines to strengthen the nation's pluralistic society.

### **The National Association of Investment Companies (NAIC)**

[www.naicvc.com](http://www.naicvc.com)

NAIC is the industry association for investment companies dedicating financial resources in an ethnically diverse marketplace. NAIC member companies invest in privately held businesses that have a high probability of growth and the ability to generate significant returns for investors and shareholders.

## **THE ASIAN-AMERICAN COMMUNITY**

### **The U.S. Pan-Asian American Chamber of Commerce (USPAACC)**

[www.uspaacc.com](http://www.uspaacc.com)

USPAACC promotes, nurtures and propels economic growth by opening doors of contract, education and professional opportunities for Asian-Americans and their business partners in corporate America and government agencies.



## **THE AFRICAN-AMERICAN COMMUNITY**

### **The National Association for the Advancement of Colored People (NAACP)**

[www.naacp.org](http://www.naacp.org)

The mission of the National Association for the Advancement of Colored People is to ensure the political, educational, social and economic equality of rights of all persons and to eliminate racial hatred and racial discrimination.

### **The National Black Chamber of Commerce**

[www.NationalBCC.org](http://www.NationalBCC.org)

The National Black Chamber of Commerce is dedicated to economically empowering and sustaining African-American communities through entrepreneurship and capitalistic activity within the United States.

### **The National Urban League**

[www.nul.org](http://www.nul.org)

The mission of the Urban League movement is to enable African-Americans to secure economic self-reliance, parity, power and civil rights.

### **Rainbow Push**

[www.rainbowpush.org](http://www.rainbowpush.org)

The National Rainbow/PUSH Coalition (RPC) is a multi-racial, multi-issue, international membership organization working to move the nation and the world toward social, racial and economic justice.



## **THE HISPANIC/LATINO-AMERICAN COMMUNITY**

### **The National Council of La Raza**

[www.nclr.org](http://www.nclr.org)

The National Council of La Raza – the largest national constituency-based Hispanic organization and the leading voice in Washington, D.C. for the Hispanic community – is a private, non-profit, non-partisan, tax-exempt organization established to reduce poverty and discrimination and improve life opportunities for Hispanic-Americans.

### **U.S. Hispanic Chamber of Commerce**

[www.usfcc.com](http://www.usfcc.com)

Mission: To advocate, promote and facilitate the success of Hispanic businesses by implementing and strengthening national programs that assist the economic development of Hispanic firms and increasing business relationships and partnerships between the corporate sector and Hispanic-owned businesses. USHCC also promotes international trade between Hispanic businesses in the U.S. and Latin America.

### **Hispanic Association on Corporate Responsibility**

[www.hacr.org](http://www.hacr.org)

HACR strives to ensure that there is an equitable participation of the Hispanic community in corporate America commensurate with Hispanic purchasing power.



## **THE NATIVE AMERICAN-INDIAN COMMUNITY**

### **First Nations Development Institute**

[www.firstnations.org](http://www.firstnations.org)

Through a three-pronged strategy of education, advocacy and capitalization, First Nations Development Institute is working to restore Native control and to establish new assets for ensuring the long-term vitality of Native communities.

### **The Native American Business Alliance**

[www.native-american-bus.org](http://www.native-american-bus.org)

NABA facilitates mutually beneficial relationships between private and public businesses with Native American-owned companies and educates communities on Native American culture, paving the way for future generations.

### **Native American Procurement and Technical Assistance UIDA Business Services**

[www.uida.org](http://www.uida.org)

UIDA Business Services (UBS) is solely dedicated to developing Native American economic self-sufficiency through business ownership.

## **MINORITY-OWNED BUSINESS ASSOCIATIONS**

### **Minority Business Development Agency**

[www.mbda.gov](http://www.mbda.gov)

### **National Minority Supplier Diversity Council**

[www.nmsdc.com](http://www.nmsdc.com)

## MFHA's PRODUCTS AND SERVICES

### QuickVue Translation Guides

Multilingual pocket guides for managers/employees developed specifically for hospitality. All guides can be customized by brand and content.

Guides are available in Spanish, Gujarati, Chinese, French and Portuguese.



### **Spanish Survival Seminars**

Intensive, grammar-free seminars customized for your needs.

### **Sed de Saber**

MFHA's partner, Retention Education, LLC, produces this innovative LeapPad™ designed to help Spanish-speaking employees learn English.

### **MFHA'S VISION FOR CULTURAL DIVERSITY IN THE HOSPITALITY INDUSTRY**

The aim is to ensure that minority groups do not face barriers to achievement in the industry.

Progress will be measured by increased employment rates and earnings, advancements in the career profiles of minorities, improved national economic performance, greater minority business ownership and enhanced cross-cultural communication.

An industry call to action falls into three categories:

1. Action for corporate collaborations in creating a compelling business case for minorities to pursue careers in the food, lodging and manufacturing industries.
2. Action to promote equal opportunities in the workplace through better training tools and outreach to the workforce.
3. Action to develop meaningful connections with leaders in minority communities that will help with workforce, business, and franchisee development.

For a more comprehensive report, log onto [www.mfha.net](http://www.mfha.net)

## PREMIER



## PLATINUM



### DIAMOND

Ecolab  
Johnson & Wales University  
McDonald's Corporation  
People Report  
Yum! Brands

### GOLD

Burger King  
Carlson Restaurants Worldwide  
Cracker Barrel  
Dunkin' Brands  
Hyatt Hotels Worldwide  
Outback Steakhouse  
RARE Hospitality  
Sara Lee  
Ste. Michelle Wine Estates  
Sysco Corporation  
The Elliot Group  
Tyson Foodservice  
Unilever  
US Foodservice  
Wendy's

### SILVER

Accor North America  
Avado Brands  
Brinker International  
Chick-fil-A  
Clipper Corporation  
Denny's  
The Walt Disney Company

Georgia Pacific  
Golden Corral  
IHOP Corporation  
Carino's Italian Grill  
Kellogg Co.  
Kimpton Hotels & Restaurants  
Kraft Foodservice  
MGM/Mirage  
Quiznos  
The Palm Restaurant

### BRONZE

Baldwin Richardson Foods  
Buffets, Inc.  
Choice Hotels  
Famous Dave's of America  
Famiglia-DeBartolo  
Nestle  
National Restaurant Association (NRA)  
NRA Educational Foundation  
Pollo Campero  
Ruth's Chris Steak House  
Wyndham Worldwide

### PARTNERS

AZAR Nut Company  
Buca, Inc.  
Carlisle Foodservice Products  
Donatos Pizza  
FOCUS Brands, Inc.  
Marriott Hotels