



## “I Was Stunned And Disgusted” – Kansas Applebee’s Forced To Close As Workers Revolt Over Wage-Cut Plans

### Description

As American workers and businesses struggle with the fallout from the most vicious bout of inflation in 40 years, workers across the US are struggling as wage growth lags behind inflation. For example, federal jobs data released last month showed that wage growth was disappointingly slow, as the YoY growth rate actually declined from January, [coming in at just 5.1%](#) (and missing the Wall Street consensus forecast of 5.8%).



Since the start of the pandemic, most economists expected near-record numbers of open jobs would force employers to hike wages significantly. And while wages did indeed climb for public-facing workers during the pandemic, that once-torrid growth has since leveled off.

While businesses with large numbers of white-collar workers have the option of saving on office rents

by shifting to a permanent all-remote or hybrid model, restaurants, brick-and-mortar retail businesses, restaurants and other businesses that rely on a permanent in-person workforce simply don't have that luxury.

**This has created new tensions between management and labor that is, in some cases, leading to conflict.** And one particularly interesting example of this tension played out at an Applebees in Lawrence, Kansas, when workers quit en masse in protest of a suggestion by management to try and hire new workers at a lower wage, based on the notion that higher gas prices would force more of the millions of Americans currently on the sidelines of the labor market to seek employment.

**Here's what happened, according to a report in [the Lawrence Journal-World](#).**

The restaurant on south Iowa Street was closed for large parts of Tuesday because of high gasoline prices, but perhaps not for the reasons you would think. Multiple employees of the chain quit after seeing an email from a regional manager urging the restaurant to begin hiring employees at lower wages, under the theory that people are becoming more desperate to take a job as fuel prices increase.

**"Everyone has heard that gas prices continue to rise,"** read an email that came from the account of Wayne Pankratz, executive director of operations for Applebee's franchisee Apple Central LLC. "The advantage this has for us is that it will increase application flow and has the potential to lower our average wage. How you ask?

**"Most of our employee base and potential employee base live paycheck to paycheck. Any increase in gas price cuts into their disposable income.** As inflation continues to climb and gas prices continue to go up, that means more hours employees will need to work to maintain their current level of living."

The workers' revolt started when one of the managers at the restaurant saw the email, and was so enraged, he made copies and distributed them to other employees. By the time the restaurant was set to open on Tuesday, the staff refused to work, and a walkout began.

When Jake Holcomb, one of several managers at the Lawrence restaurant, ended up seeing the email on Monday, it upset him enough that he made copies of the email and distributed them to several employees of the restaurant.

When opening time arrived on Tuesday, the manager who was scheduled to open the restaurant at 2520 Iowa St. declined to open the restaurant after reading the emails. She has since quit over the email. Holcomb has too. In total, Holcomb said three of the six managers at the restaurant quit in protest of the email.

**"I was just stunned and disgusted,"** said Holcomb, who had worked at Applebee's in Lawrence and elsewhere since 2020.

By Wednesday, the Lawrence restaurant had reopened. A spokesman for Apple Central LLC confirmed the Lawrence location was closed for a time on Tuesday, but he couldn't confirm how many employees had quit or what role a lack of employees played in

Tuesday's closing.

The restaurant reopened on Wednesday, but word was out, and now Applebee's corporate has stepped in to do damage control.

But the spokesman said he agreed that the email was stunning.

**"It is embarrassing. It really is,"** said Scott Fischer, director of communications for Apple Central, which is based in Kansas City and has 47 Applebee's restaurants in the Midwest.

As the cost of everything from housing to gas to food continues to surge, America's hourly workers are indeed feeling the pinch far worse than their white collar peers. Let this be a warning to any other businesses looking for savings by lowering wages: **America's wage laborers are officially stretched to the breaking point.**

by Tyler Durden

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