Twitter Thread by nome



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Lemme do some quick back of the envelope math about wages.

On a busy day at the pizza place, we'd have the following crew:

Drivers: $2/hr Tip Wage - 44 man-hours
Insiders: $8/hr - 20 man-hours
Managers: $12/hr - 22 man-hours

For a total of ~$512. Aiming for ~15-20% of sales. /

That works out to ~17% on a ~$3000 night, so that's bang-on target.

Let's say we raised everybody there to a $15/hr wage.

We'd end up adding $778 to labor for the day.

More than doubling! That sure sounds like a lot!

But hang on a second.

Let's assume for easy math that what we're selling is $10 one-topping large pizzas.

For 3k, we're selling 300. We've got to divide up that 778 between the pizzas.

That raises the price of each pizza from $10 to $12.59.

"That's... well, not huge, but it's still more money!"

Definitely! But, here's something important.

The price of a pizza has actually gone down.

Remember, money isn't real! It's a representation of the time worked.

The vast majority of the people we had been selling that pizza to weren't making $15 an hour before. We were in a college town, that manager wage of $12/hour was a /good/ wage. WE were buying that pizza.

So, in terms of value:

The cost of the pizza is lower for a driver.

The driver was probably, with tips, making 10-15/hour, but that depends on how good the night is - some nights, it might not be minimum wage.

So, $7-15/hour. The pizza costs probably more than an hour of work.

Now, if they're making 15, it costs 50 minutes of work. Reliably.

Likewise, for the manager, 50 minutes of labor. It's a few seconds more expensive now, but it's still right about ~83% of an hour.

For the insider, the cost of that pizza went from 75 minutes worth of labor, to 50 minutes of labor. It's 33% cheaper.

There are some externalities - the price of the things we use to make the pizza will go up a bit, but not by much; farms are efficient as fuck, and farm workers process a truly staggering amount of ingredients per hour. It's ameliorated.

The workers are making substantially more money. Their lives are better. They're happier.

And all for an extra $2.59 per pizza, if the only place we're shunting this cost is direct to the customer.

If we get rid of tips? 20% was pretty standard. So now, it's only .59 more.

And now, those workers with more money - they're not putting it into savings accounts. They're buying the things they've just been making do without. Repairing their cars. Buying shit for their leisure time. Hell, FOOD - I /never/ went out to eat when I was working restaurants.

I couldn't justify it! I couldn't afford to!

Hey look at that. More sales.