

Save My Tips For Tipped Employees



Questions to Consider:

1. How much do you earn an hour on average, including tips?
2. Would you prefer a higher base minimum wage \$10 if it meant giving up your tips?
3. Would you still keep this job if you didn't receive tips?
4. Have you experienced sexual harassment from customers because you are a tipped employee?
5. Have you ever had a situation where your tip income is not enough to cover the minimum wage or where your employer did not make up the wage shortage?

The Problem:

On one side there are people who want to get rid of the tip wage. They argue that it is demeaning and encourages sexual harassment. On the other side **restaurant owners and servers want to keep the tipped wage because it's a traditional system that is working.** If the tip credit is eliminated, you'll see a number of consequences: **increased automation in full-service restaurants, and some businesses embracing the harmful no-tipping model. Others will close entirely.**

The Reality:

Activist groups often misleadingly point to the \$2.13 base wage for tipped employees such as restaurant servers, and claim that they earn less than the minimum wage. **This isn't true: Tipped employees are guaranteed to earn at least the minimum wage** and typically earn much more. Census Bureau data show that the average hourly wage for a restaurant employee earning tip income is \$13.08, with top earners bringing in \$24 an hour or more. If the tipped minimum wage is increased, many of these jobs and restaurants will disappear.

A new study* coauthored by professor Michael Luca of Harvard Business School and Dara Lee Luca of Mathematica Policy Research shows that **each \$1 increase in the minimum wage is associated with a 14% increase in the probability that a restaurant with a lower yelp star rating will go out of business.** For every \$1 increase in minimum wage it costs a business \$2000 per employee. For **a restaurant with 25 employees that's \$52,000.** Ask your employer where that money will come from?

The reason you got this flyer...Call to action!

We are all trying to **make the point with legislators that workers who are now well-paid with strong earning potential would move to a system in which they receive an hourly wage provided by their employer.** Because very few restaurants could afford to pay workers \$12 /hour PLUS tips, many would lay off servers or compensate by switching to a flat "service charge" that would be distributed as the employer wishes.

Get involved by going to this website to contact your legislator and sign a petition

<https://www.saveourtipsnm.org/>

The restaurant you work for is concerned that the new legislature is going to consider eliminating the tip credit while raising the minimum wage and they are hoping you will help by signing a petition stating that you are a server in NM and you want to keep your tips.

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