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Northwest Ohio Restaurant Servers and Bartenders Overwhelmingly Oppose Proposed Changes to State's Tipping System According to Latest Survey

Results show over 90% of Northwest Ohio servers and bartenders want the current tipping system

TOLEDO, Ohio – Today, the Ohio Restaurant & Hospitality Alliance (ORHA) released survey results showing Northwest Ohio servers, bartenders and other tipped employees are strongly opposed to a proposed ballot measure that would eliminate Ohio's existing tip credit system. The results are staggering and clear as 98% of Northwest Ohio servers and bartenders responded they want to keep the current tipping system.

The Northwest Ohio results are part of a <u>statewide online survey</u> of nearly 1,000 Ohio tipped full-service restaurant employees, which was conducted in April 2024 by national research and consulting firm CorCom Inc., and led by Dr. Lloyd Corder, a professor at Carnegie Mellon University.

Key findings from the survey of Northwest Ohio servers and bartenders include the following:

- 98% of servers and bartenders say they want to keep the current system with a base wage and tips that provide the ability to earn more than the minimum wage.
- 97% agree the current tipping system works well for them and does not need to be changed.
- 92% of tipped employees say they are earning \$20 per hour or more while 73% of tipped employees say they are earning \$25 to more than \$40 per hour.
- If tipped wages are eliminated, 94% believe tipped employees will earn less money.
- 86% of servers and bartenders believe customers are unlikely to continue tipping on top of higher menu prices or any mandatory service charge.

Under existing law, Ohio's tip credit allows the operator to pay a portion of the tipped employee's hourly minimum wage, with the rest of their income being made up by tips. By law, no worker in an Ohio restaurant ever makes less than the state minimum wage for every hour they work. In the face of a potential ballot measure from an out-of-state special interest group attempting to eliminate the tipped wage and fast-track the state minimum wage, Ohio servers and bartenders are imploring the dining public to protect tips in Ohio.

"I earn well over \$30 an hour and my pay will be cut by more than half if the tipped wage is eliminated," said Brittnee Vermillion, a server at Brewfontaine in Bellefontaine. "Our restaurant would have to raise menu prices up to 28% just to meet the additional payroll costs. I have many regular customers who come back time and time again to enjoy a delicious sandwich, cold drink and good company and they will

suffer the consequences by paying higher prices while I earn less money. I will no longer be able to provide for my family in the same way and would consider leaving this industry that I love so much."

Ohio's restaurant and hospitality industry is the third largest private employer in the state employing 564,000 Ohioans. In Ohio, and nationally, the median income for tipped workers is \$27 an hour, far above the proposed changes.

"After 76 years of operation, I have never been so concerned," said Doug Schmucker, the third-generation owner of Schmucker's in Toledo. "Just coming out of weathering the impact of the last four years of unprecedented food and utility cost increases, the financial impact of eliminating the tipped wage will be devastating. Without the tipped wage, we will add nearly \$125,000 annually to our wage expenses. And we are just a small 55-seat diner. The upward pressure on all staff will surely double that amount. With the small margins that restaurants operate under, this could be the beginning of the end for us and many other restaurants."

"Northwest Ohio servers and bartenders are sending a thunderous message: don't mess with their tips," said John Barker, President & CEO of the Ohio Restaurant & Hospitality Alliance. "Eliminating the tipped wage would negatively impact their earning potential. It will force restaurant operators to raise menu prices to cover higher labor costs, which would drive further inflation. It would also decrease their workforce, as we have seen in Washington, D.C., where the tip credit is being eliminated. There's no question that our industry does not want the tip credit eliminated."

In May 2023, Washington, D.C. eliminated the tip credit. In the following eight months, D.C. cut 3,700 full-service restaurant jobs, a decline of 12.1%, according to the Bureau of Labor Statistics.

"Additionally, we've asked operators and owners about the issue in Ohio, in quarterly polls over the past year, and more than nine out of 10 oppose eliminating the tipped wage," said Barker. "In fact, in our latest poll completed in May, 96% are opposed to changing the current tipping system."

For more information and to view the full statewide report, visit ProtectTipsOhio.com.

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About the Ohio Restaurant & Hospitality Alliance

For more than a century, the Ohio Restaurant & Hospitality Alliance has proudly served Ohio's restaurant, foodservice and hospitality industry. Focused on uniting Ohio's hospitality community and founded on thought leadership, the Alliance provides sound business solutions for members through advocacy, education, events and select products & services. For more information, visit **eatdrinkohio.org**.

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