

FOR IMMEDIATE RELEASE:

June 18, 2024

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

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

DAYTON, Ohio – Today, the Ohio Restaurant & Hospitality Alliance (ORHA) released survey results showing Southwest 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 93% of Southwest Ohio servers and bartenders responded they want to keep the current tipping system.

The Southwest 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 Southwest Ohio servers and bartenders include the following:

- 93% 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.
- 91% agree the current tipping system works well for them and does not need to be changed.
- 72% of tipped employees say they are earning \$20 per hour or more while 56% of tipped employees say they are earning \$25 to more than \$40 per hour.
- If tipped wages are eliminated, 93% believe tipped employees will earn less money.
- 89% 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've been in the industry 20 years and love it because of the people, especially my regulars," said Lindsay O'Dell, a bartender at Submarine House in Huber Heights. "I make good money – well above

\$30 an hour – working at Submarine House where we serve wings, pizza, burgers, and of course, subs. I am the breadwinner in my family because of the restaurant industry. My husband is an engineer and I make more money than he does. The proposed change is said to help me, but to be very clear, I will make less money while my regulars pay more for a cheesesteak and a beer."

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.

"While we have long been committed to paying all of our employees a living wage, we feel that eliminating the tipped wage would drastically diminish our servers' and bartenders' ability to earn," said Liz Valenti, owner of Meadowlark Restaurant and Wheat Penny Oven and Bar. "Most of our service team makes over \$38 per hour, allowing them to pay their bills and raise their children. If the tipped wage is eliminated, our servers and bartenders would see more than \$20 per hour in lost wages. As small business owners, we would have no choice but to raise menu prices since we'd have to pay our staff a higher hourly wage to ensure they maintain their quality of life. Never before have we been faced with artificially raising what we charge our customers; this is simply not good business. It is important the public understands that small businesses in Dayton are fully committed to both their incredible staff and loyal customers. Eliminating the tipped wage would benefit no one."

"Southwest 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 <u>ProtectTipsOhio.com</u>.

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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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