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June 18, 2024

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

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

CLEVELAND, Ohio – Today, the Ohio Restaurant & Hospitality Alliance (ORHA) released survey results showing Cleveland 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 91% of Cleveland servers and bartenders responded they want to keep the current tipping system.

The Cleveland 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 Cleveland servers and bartenders include the following:

- 91% 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.
- 88% agree the current tipping system works well for them and does not need to be changed.
- **83% of tipped employees say they are earning \$20 per hour or more** while 67% of tipped employees say they are earning \$25 to more than \$40 per hour.
- If tipped wages are eliminated, 88% believe tipped employees will earn less money.
- 85% 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 love this industry and I love being around people," said Pat Lavecchia, a server at Hail Mary's in Westlake. "On average, I make between \$25 to \$30 an hour. If the tipped wage is eliminated, I will make less money. Our restaurant would be forced to raise menu prices and I don't want my customers to have

to pay more for a meal. Let servers and bartenders make a good living doing what we love under the current system instead of the owner being financially strangled and making the customers pay more."

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.

"Mallorca was a dream come true for my family 28 years ago," said Laurie Torres, owner & operator of Mallorca Restaurant, an independent restaurant in the heart of downtown Cleveland. "Most of my team members have served at Mallorca for 15+ years and make \$40 per hour, on average. I recently shared two menus with customers; one with my current prices and a second where my menu prices would have to rise about 22% to cover the elimination of the tipped wage. It's always shocking to customers to see the true impact. My guests say they would visit less often or tip less dollars. If the tipped wage is eliminated, my guests would pay more, my servers would make less and there is a real chance I would have to close my restaurant and lose my dream."

"Cleveland 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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