

FOR IMMEDIATE RELEASE:

June 18, 2024

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

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

Northeast, Ohio – Today, the <u>Ohio Restaurant & Hospitality Alliance</u> (ORHA) released survey results showing Northeast 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 95% of Northeast Ohio servers and bartenders responded they want to keep the current tipping system.

The Northeast 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 Northeast Ohio servers and bartenders include the following:

- 95% 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.
- 94% 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 76% of tipped employees say they are earning \$25 to more than \$40 per hour.
- If tipped wages are eliminated, 92% believe tipped employees will earn less money.
- 87% 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.

"Our family-run business is 68 years old, and during that time, our tipped employees have made a nice living for themselves," said Michael A. Sylvester, the third-generation owner of the Hide-A-Way Buffalo Grill in Canton. "But here's the thing people overlook: the day-to-day economy is going to take a hit if the tipped wage is eliminated. Menu prices will go up for my guests while my employees make less money. My customers will visit less often and hospitality industry employees across Ohio will have fewer dollars to spend on groceries, gas and school lunches for their children. I mean, the list is endless. Our current tipping system works, and I've witnessed it my whole career. I don't understand why outside forces have to meddle with something that's tried and true. Ohio servers, bartenders and operators don't want this. It's bad for all of us and our customers."

"Northeast 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.

###

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**.

MEDIA CONTACT

Jennifer Bushby Communications Manager <u>jbushby@ohiorestaurant.org</u> 614.315.0572