

## FOR IMMEDIATE RELEASE:

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

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

**COLUMBUS, Ohio** – Today, the Ohio Restaurant & Hospitality Alliance (ORHA) released survey results showing Columbus 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 Columbus servers and bartenders responded they want to keep the current tipping system.

The Columbus 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 is led by Dr. Lloyd Corder, a professor at Carnegie Mellon University.

Key findings from the survey of Columbus 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.
- 91% of tipped employees say they are earning \$20 per hour or more while 70% of tipped employees say they are earning \$25 to more than \$40 per hour.
- If tipped wages are eliminated, 89% 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.

"Eliminating the tipped wage would severely impact my livelihood," said Danny Lawver, a server and bartender at The Rail in Dublin. "Not only will it cut my wages in half, but it will force restaurants to raise menu prices again after they've gone up significantly since the pandemic. People are already going out to eat less often and I'm not sure they will tip the same on higher menu prices. Making the tipped

wage \$15 per hour when servers and bartenders can make upward of \$30 per hour in the current system would eradicate the service industry workforce since it completely changes the ability to sustain a good quality of life."

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.

"I am a 5<sup>th</sup> generation leader for Schmidt's Sausage Haus, and I am fearful of how eliminating the tipped wage would impact my family's 57-year-old restaurant," said Matt Schmidt, co-owner of Schmidt's Sausage Haus in German Village. "On average, Schmidt's servers currently make \$35.91 per hour in tips, far more than the proposed \$15 an hour. We've run the numbers and Schmidt's will see a 96% increase in labor dollars for tipped associates, which represents \$250,000 in increased costs. Our servers would potentially lose over \$20 per hour in pay, Schmidt's could be forced to increase menu prices and our loyal customers and guests traveling to visit our restaurant would have to pay more for a meal. Eliminating the tipped wage is bad for all of us."

"Columbus 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**.

## **MEDIA CONTACT**

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