

SAVE OUR TIPS

HERE'S WHAT'S HAPPENING...

The City of Chicago is considering eliminating the tip credit as part of a plan to raise the minimum wage. Higher wages are great but getting rid of the tip credit is not. The current system is a system that works. If the tip credit is eliminated, you may see several consequences including fewer shifts, smaller staff sizes, and implementation of service charges which take money out of server's hands and leave restaurant owners having to decide how to distribute it among the staff. You will also see lower tips by customers.

WHY SHOULD WE CARE?

Because tipping helps us all earn a lot more than minimum wage. Laws already guarantee we never earn less than minimum wage and typically we earn much more. A recent National Restaurant Association survey showed median hourly wages of \$19 to \$25 for tipped employees.

WILL WE EARN MORE?

Not likely. Customers tip less when they know servers are making more without them. Some restaurants will eliminate tips in place of a service charge. Other restaurants will also cut hours and the number of workers per shift to save costs.

WHAT CAN WE DO?

In other places, including New York, Maryland, Michigan and New Mexico, those who want to eliminate tipping have gone after the tip credit, and servers have consistently rallied together to save it. We need your voice to make the point to Mayor Lightfoot and City Council Members that eliminating the tip credit will leave workers who earn their living through tips earning a lot less. Consider these questions and advocate with us to **#savechicagotips**.

1. How much do you earn an hour on average, including tips?
2. Would you prefer a higher base minimum wage of \$15 if it meant giving up your tips?
3. Would you keep this job if you didn't receive tips?
4. Have you ever been in situation where your tip income is not enough to cover the minimum wage, or where your employer did not make up the wage shortage?

Visit **SAVEOURTIPSCHICAGO.COM** to contact your alderman and Mayor Lightfoot.
Tell them to raise minimum wage responsibly without cutting the tip credit.

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BACKGROUND

- We support an increase in the minimum wage and think it's good for Chicago, but we shouldn't remove the tip credit because it will hurt thousands of Chicago restaurant workers.
- Servers already make minimum wage – it's required by law – and usually much more. But we also rely on tips. According to the National Restaurant Association, tipped workers make an average of \$19 - \$25 per hour.
- A city council ordinance threatens the viability of Chicago restaurants and puts the livelihood of Chicago's tipped worker at risk.
- In other cities and states where similar laws have been passed, restaurants have moved to a "service included" model, either raising menu prices or adding a service charge to the bill. Service charges are shared with the restaurant staff as the employer wishes.
- Restaurants are also likely to cut hours and shifts, resort to smaller staffs or increase automation. The trickledown effect will impact bussers, hosts, dishwashers and other restaurant employees.
- When Danny Meyer moved to "no tipping" in his restaurants, 40 percent of his long-time front-of-house staff left because their wages were cut by as much as 50 percent.
- Restaurant Opportunities Center (ROC) are behind this proposal and claims to represent restaurant workers - the very people they will be hurting. They have waged this campaign in cities across America and they are using the same playbook here. They are relying on large big-box chains to tell their story. The Chicago restaurant scene is vibrant because it is not dominated by large, big-box chains.
- The majority of restaurants in Chicago are independently owned and small businesses. They rely on sharing labor costs with customers through the tipping system. Some of Chicago's greatest dining gems, in emerging neighborhoods and beyond, will face the threat of closing.

Check out [SAVEOURTIPSchicago.com](https://www.saveourtipschicago.com) for more information.

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