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Policy Persuasion Speech

COMM 111-53

July 27<sup>th</sup>, 2019

**Policy:** Restaurant servers and normal wages

**Specific Purpose:** To persuade students that servers in restaurants should be paid normal wages rather relying on tips from customers.

### **Introduction**

**I. Attention Getter:** You either hate tipping or you're a liar.

**II. Thesis:** Rather than relying on tips, servers should be paid normal wages because the hourly wage is too low, tips could be better spent somewhere else, about half of diners want to abolish the tip-reliance system, tipping costs Americans more and more every year, it generates an imbalance of equity among all staff, Americans would most likely spend about the same or less on dining, and the gratuity system is completely arbitrary.

**IV. Credibility Statement:** I worked in the disaster that is the restaurant industry as a greeter and take-out host for 2 years, and I have seen the problems with the style of tip reliance firsthand.

**Transition:** Let's explore the problem with the tipping system and the solution that will benefit both the server and the customer.

### **Body**

**I. The problem:** Most servers must rely on tips because of very low hourly wages, and customers have to unnecessarily pay more out of pocket to make up for it.

- A.** According to the United States Department of Labor, Kentucky abides by the federal standard of wages with regards to servers, which is \$2.13 an hour. Servers are expected to get tips, and for every hour a server does not make \$7.25, the state minimum wage, the employer must compensate the server however much is needed to bring the hourly pay to \$7.25. For example, if a server gets two dollars in tips for one hour, the employer must also pay the server an extra \$3.12, since in that hour, the server did not make the state-enforced minimum wage.
- B.** Herb Scribner at Deseret News reports that Americans tip an average gratuity of 18.1% for an average of \$36.40 per meal. That means that one can reasonably expect to spend between 40 and 50 dollars whenever they go out to eat. These kinds of expenses can add up quickly; expenses paid for by money that should have mostly gone somewhere else.

- C. Scribner also brings up the fact that 43% of American diners want to abolish the current system of tipping in favor of full wages and tipping as a gift.
- D. Tipping has already become a big issue in Canada. Canadian service workers and waiters expect even more in tips, and Canadians feel even more obligated to pay more with each passing year. According to Daniel Tencer at the Huffington Post, the average millennial Canadian will spend over \$76,000 on tips over the course of 30 years, which is nearly two years of wages. The trend continues to worsen, and does not positively correlate with inflation, meaning people will continue to spend more and more on tips with each passing year. From this, we are forced to assume that even the Canadians are too Canadian with their tipping.
- E. Chris Klugman, an editor at TwentyThirty, brings up the interesting point that the tipping system creates an imbalance of equity among the restaurant staff. On average, servers make double the wage of kitchen workers.
- F. Hunter Stuart at Huffington Post points out that in the event that tipping is phased out in favor of normal wages and meal prices hike, you would most likely see relatively no difference in what you pay for your meal, or even lower.
- G. Tipping is an arbitrary culture. If it was ever meant to be nothing more than generosity, it has now become an obligatory wage disbursement. Tipping in restaurants is not the norm in many European and Asian countries, and, in fact, it is considered rude in Japan!

**Transition:** Now, how can we fix this?

**II. The solution:** Eliminate the tipping culture by paying servers a good wage and only encouraging tips as an extra gratitude and not an obligation.

- A. Many people, including many business owners, have called for tip share systems; many restaurants already run this system.
- B. Before I get into the solution, I should note some current federal legislation on the topic of minimum wage and restaurants. The House of Representatives recently passed a bill, House Resolution 582, which would raise the federal minimum wage to \$15 an hour over 6 years and make it required for restaurant owners to pay that minimum wage only. This hike is not the solution: the wage hike is way too extreme, even for 6 years. It puts a lot of workers at risk of unemployment.
- C. The solution is split between two roles: the role of the government, and the role of restaurants.
  - i. The government: The State of Kentucky should remove its policy of going along with the Federal Standard, which is paying \$2.13 provided the server makes sufficient tip money to bring that up to at least the minimum wage of \$7.25. The State of Kentucky should also require restaurants to pay their servers at least the minimum wage of \$7.25. For obvious reasons regarding competition, most restaurants would likely pay more.
  - ii. The restaurants: In turn, restaurants will adjust to a meritocratic system in which servers must make both the employer and the customer happy. Managers will sufficiently evaluate whether a server is doing a good job, either by their own eyes or optional customer surveys. By right to work laws, an employer would not be obligated to keep an employee that does not seem to provide good service, regardless of how many tips that employee is making.

## **Conclusion**

**I. Thesis/Review Statement:** Rather than relying on tips, servers should be paid normal wages because the hourly wage is criminally low, tips could be better spent somewhere else, about half of diners want to abolish the tip-reliance system, tipping costs Americans more and more every year, it generates an imbalance of equity among all staff, Americans would most likely spend about the same or less on dining, and the system was arbitrarily created out of thin air.

**II. Call to Action:** Those who support the idea that servers and other service workers should be paid normal wages should voice their concerns to their friends and family as well as social media. You should also make it a priority to support and visit local restaurants who pay their servers comfortable wages and do not encourage tipping, like Bar Vetti on South Fourth Street, which actually opened its doors with a no-tipping policy.

**III. Clincher:** Now, before I go, eating out and leaving a terrible tip because you think their employer should pay them more is a big no-no.

## Works Cited

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