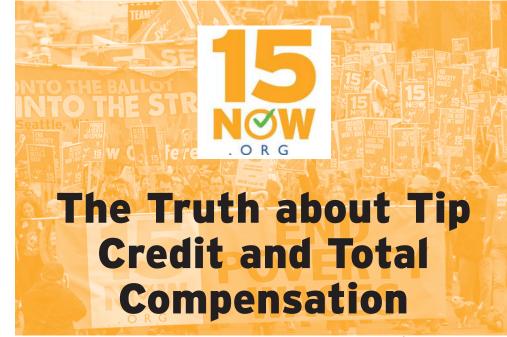


The Truth about Tip Credit and Total Compensation

15 now supports tipped workers

- 1. **Tip credit is bad for tipped workers.** Tipped workers are twice as likely to live in poverty (even in Seattle). Not all tipped workers are servers in high-end Tom Douglas restaurants, making \$40/hour. Tipped workers include baristas, hotel maids, doormen, hair stylists, and stylists at nail salons.
- 2. **15 Now wants \$15 plus tips.** Tips should go to those who provide the service. \$15 minus tips means that tips will not go to workers; they will be used to subsidize the wages that employers pay.
- 3. **Tipped workers need a stable income.** Washington state does not currently exempt tipped workers from the minimum wage. This important law provides financial stability that tipped workers in states with a tip penalty do not have. Don't let them take this away!
- 4. **Tipping will not decline.** There's zero evidence that tipping will end with an increase in the minimum wage. Tipping is a cultural norm, and that won't change with a higher minimum wage. In 1988 we raised the minimum wage for tipped workers 85% over two years. Tipping did not decline.



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- 5. **\$15** is good for small businesses, especially restaurants. The data shows that restaurants experience greater growth than other sectors when you increase the minimum wage.
- 6. **Total compensation will increase wage theft.** Wage theft is already running rampant. The Washington State Department of Labor and Industries investigated 3,908 wage complaints from workers in 2013. A national poll revealed 89% of workers experience wage theft. Increasing the complexity in calculating wages increases the likelihood that employers will take advantage of total compensation to cut labor costs and lower wages.
- 7. **Total Compensation = \$15 minus benefits, \$15 minus tips.** Giving employers credits for offering benefits like health care, bus passes, or meals on the job won't increase the take-home pay of workers, meaning that some workers won't see a raise at all. Furthermore, as healthcare costs rapidly inflate, the percentage of real take-home wages would fall, putting low-wage workers further and further behind, and increasing the income gap.
- 8. **Benefits are NOT wages.** You can't pay your rent with your health insurance card. Wages are your hourly pay in dollars, benefits are something you receive in addition to wages. "Total compensation" changes the definition of a wage. We need benefits, but we also need our take-home pay to increase.

JOIN US AT THE 15 NOW CONFERENCE - MORE INFO AND ONLINE BOOKING VISIT WWW.15NOW.ORG



Mobilize for May Day! 15 Now supports the fight for immigrants rights

The May 1st Action Coalition and El Comite Pro-Reforma Migratoria y Justicia Social



Rally starts at Judkins Park / behind St Marys Church

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