



March 23, 2024

The Honorable Arthur J. Corvese
Chairman, House Committee on Labor
Rhode Island State House
82 Smith Street
Providence, RI 02903

Re: Opposition to H 7531

As a owner of Sin Bakery located in Providence I write to express my opposition to H 5731, which would eliminate the tipped minimum wage.

There is a reason people choose tipped restaurant jobs – they know the economics are in their favor. Tipped workers take these jobs for the earning potential.

The median full-service restaurant tipped worker makes nearly \$29.00/hour in Rhode Island.

My retail business has still not recovered from covid. Only one month in the last year, did I see my retail sales equal what they were in 2019. It takes time for habits to change back, so my wages are high, but my income still is lower than before.

No tipped worker ever makes less than the prevailing minimum wage for any hour they work. Historically, when tip credit has been eliminated, the level of consumer tipping has dropped because of menu price increases or imposition of house service fees. See this report on what has happened in Washington DC. <https://epionline.org/release/dc-restaurants-lost-hundreds-of-jobs-since-initiative-82-began/>

Rhode Island restaurants are the 2nd largest employer in the state, to impose these changes will lead to job loss and closure of businesses.

You may think by eliminating the tip credit you will be helping employees, but it will drastically change their earnings. The elimination of the tip credit will drastically change one of the fundamental business models in the industry, and forcing us to find ways to bear the cost of \$10.11 more per hour for each tipped employee.

The elimination of tip credit could be a catastrophe for our industry. I respectfully ask that you oppose H 7531. Thank you for your consideration.

Sincerely,
Jennifer Luxmoore
Pawtucket RI