



The Ohio Restaurant Association is Building a Campaign to Protect Ohio's Hospitality Industry and Servers

October 10, 2023

Have you heard about the campaign to significantly raise the starting entry level wage rate and eliminate the tipped wage here in Ohio? The "Raise the Wage Ohio Coalition" is actively gathering signatures to pass a constitutional amendment in November 2024 which would raise the minimum wage for tipped and non-tipped employees in Ohio to \$15 per hour.

These outside special interest groups are attempting to eliminate the tipped wage that is so important to servers, Ohio's restaurant and hospitality industry, our customers and Ohio communities.

Eliminating the tipped wage would be especially harmful to small and independent Ohio restaurants and those who serve in these communities.

WHAT: THREAT TO HOSPITALITY BUSINESSES & EMPLOYEES

The Service Employees International Union (SEIU) and the “One Fair Wage” activist group are driving the “Raise the Wage Ohio Coalition” plan to bring an amendment to voters in November 2024 to raise the state’s starting entry level wage rate from \$10.10 to \$15 per hour, and soon thereafter would push for \$22, as we are seeing in other cities and states.

The 2024 amendment, which still requires proper signature gathering across 44 of Ohio’s 88 counties, would also eliminate the tipped wage, which is critical to our industry, and raise the minimum tipped wage from \$5.05 to \$15 per hour (servers are already, and always, guaranteed the full minimum, and most earn much more).

IMPACT FOR BUSINESS: RESTAURANT & HOSPITALITY BUSINESS PROFITABILITY UNDER ATTACK

These significant changes would be crippling to the restaurant, foodservice and hospitality industry, which is already struggling with nearly three years of historically high inflation driven by the pandemic – for food, labor, energy, credit card fees, supplies, rent and services. The USA already lost 100,000+ restaurant locations during the pandemic and many operators continue to struggle to regain profitability and maintain positive cash flow, especially small and independent operators.

IMPACT FOR WORKERS: SERVERS LIKELY TO SEE EARNINGS DECLINE

Eliminating the tipped wage in Ohio would force restaurants to implement service charges, like we are seeing in Washington, D.C., where voters agreed to this change. Operators in D.C. are now struggling with higher fixed wages and angry customers.

Further, servers who now average \$27 per hour, would no longer receive the same tips from customers, who are forced to pay 10-30% for service fees to help operators cover higher labor costs.

ACTION: AGGRESSIVE ORA PLAN TO PROTECT OUR INDUSTRY

We are focused on many strategies to alert the public, restaurant and hospitality businesses, employees (especially servers), elected officials and community leaders to this possible change to the Ohio constitution.

The ORA is building a coalition to fight these out-of-state, anti-business groups that are attempting to fast-track increases to our state's already indexed-to-inflation entry-level wage rate. The ORA will battle to preserve the tipped wage, which is critical to the hospitality industry and servers in

restaurants who overwhelmingly want their tipped wages to continue.

As our industry operates on extremely thin margins, these two issues are very important. With historic inflation over the past two years, soaring food costs and wage rates, rising credit card fees and supply chain issues, many restaurants are struggling to survive after the pandemic. This amendment by special interest groups would be crippling for Ohio's restaurant, foodservice and hospitality industry, especially small and independent operators.

STAY UP TO DATE: PROTECT TIPS IN OHIO

The ORA has created a web page with the most up-to-date information from Ohio and across the country.

Visit the website at ohiorestaurant.org/protect-tips-in-ohio to learn more and get involved.

DONATE NOW: ORA ADVOCACY FUND

If you want to financially contribute to preserving the tip credit in Ohio, visit the ORA Government Affairs web page at ohiorestaurant.org/gov-affairs and click “Donate to the Advocacy Fund”.

You can also give to the [ORA's Advocacy Fund by clicking here](#).