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Majority of Illinois Restaurant Employees Oppose Eliminating the Tip Credit: Survey

Legislation would eliminate the tip credit, leading to less take-home pay for workers and increased costs for both restaurants and consumers

SPRINGFIELD – A recent survey of tipped restaurant employees in Illinois found that a strong majority agree that the current tipping system works well for them and should not be changed. The survey of 281 Illinois servers, bartenders and other tipped staff was conducted in February 2024 after state lawmakers introduced [HB 5345](#), which would eliminate the tip credit.

Currently, most restaurant operators in Illinois use the tip credit to pay employees. Under this system, restaurant owners pay a portion of the tipped employee’s hourly minimum wage, with the rest being made up by tips to equal at least the full state-mandated minimum wage. Under current Illinois law, the base wage for tipped employees is \$8.40 per hour, and minimum wage is \$14 per hour. If employees do not make at least \$14 per hour with combined base wage and tips, restaurants are required by law to pay the difference to ensure that every tipped restaurant worker makes at least minimum wage.

Most surveyed employees oppose the effort to eliminate the tip credit and believe it will lead to customers tipping less and overall lower take-home pay. In fact, tipped workers have higher earning potential in the current system than they would if the tip credit were eliminated. According to National Restaurant Association Research, the median tipped restaurant worker in Illinois currently earns \$28.48 per hour.

“No restaurant employee earns less than the full minimum wage under the current law. The proposal to eliminate the tip credit is a solution to a problem that doesn’t exist,” **said Kelli Klein, server, Alexander’s Steakhouse.** “It would disrupt our entire industry. Taking away our tips is also taking away what we love most about our jobs: our ability to maximize our hourly wages through great customer service and see an immediate return on our hard work.”

Key findings of the survey include:

- A strong majority of tipped employees (87%) agree that the current tipping system works well for them and does not need to be changed.
- Many tipped employees like that they can maximize tips through excellent customer service (77%), can earn more than minimum wage (69%), can earn more money than a job in other sectors (67%) and have schedule flexibility (58%).
- A majority (84%) of tipped employees are currently earning \$20 an hour or higher. Many (43%) tipped employees say they are earning \$20.00-\$29.99 per hour, while others are earning \$30.00-\$39.99 per hour (27%) or \$40.00 per hour or more (14%).
- If tipped wages are eliminated, most tipped employees believe that they will earn less (86%). Fewer say they will earn more (6%) or earn the same (8%).

"Restaurants already operate on very slim profit margins, and if the tip credit is eliminated, local restaurants will be forced to make up for this through surcharges, added fees and price increases, or risk having to close their business," **said Rosa Salas, owner, Taqueria Casa Grande.** "Employees will take home less money, customers will be hit with extra charges and restaurant owners will be scrambling to make ends meet. Eliminating the tip credit is a lose-lose situation."

The Survey of Tipped Restaurant Employees in Illinois was conducted by CorCom Inc.