

THE EXTRA POINT

BY JERRY ROBERTS



1519 America's Tipping Problem – Part 2

Today, part two of our discussion about the changes in the protocol of tipping employees in restaurants and elsewhere. I'm Jerry Roberts, and that's next, on The Extra Point.

Yesterday, we began to talk about the growing controversy surrounding tipping. It's mostly aimed at eating establishments, but a lot of other kinds of businesses are also pushing customers to leave tips.

I picked up on a story yesterday about a young woman who was buying a wedding dress. She went in and starting trying on various styles, and when she was finished, the clerk took her tip prompting iPad-like device, and turned it around to the customer.

The young woman was startled. The clerk wanted a tip for helping her try on dresses. Wait a minute, isn't that her job? Won't she get a commission if the woman buys a dress from the store?

Customers who go to coffee places are familiar with tip jars, and many leave something for the attendants who prepare their order.

I don't know if Guam's coffee vendors are using ipads for tips, but on the mainland it's common for the server to give the customer the pad, asking for a 16% tip or more.

Before we go further, let's dig into the economics a bit. In 43 states and presumably territories, employers must pay tipped employees at least \$2.13 per hour. The regular minimum wage is currently \$7.25 per hour (in Guam they pay more). The idea is to combine tips with the \$2.13 per hour and you arrive at the minimum wage.

So, it's no wonder that employers are pushing for higher tips, as this is money they don't have to pay their employees.

In Los Angeles, they've passed a law that adds a 4% surcharge to restaurant bills, to provide for the health and welfare of employees.

Most restaurants keep employees at 30 hours a week, so they don't have to offer benefits like health insurance. Employers don't want to add that expense so politicians came up with what is essentially a tax on customers, so more employees can have health benefits.

Critics of this practice know that one surcharge can lead to another, and it's anybody's guess where this goes.

What we know is that whatever happens on the mainland will eventually be introduced in Guam. Stay tuned.

On my recent trip, my family took a four-day ride aboard a Carnival Cruise ship. They have a mandatory tipping policy. We were hit for \$16 per day, per person in the room. This is kids included. If you have two adults and two young children, that's \$64 a day in tips for the room attendant.

He straightened up the room and brought fresh towels. Was that worth \$32 a day for me and my wife? Further, did he get all that? I doubt it. There were maybe 40 rooms in our section that he would work on every day. I'm skeptical that our attendant was making over \$1,000 a day in tips. It's more likely that Carnival was putting most of that to its bottom line.

Still, I'm of the opinion that if you render a service well and a tip is appropriate, I should pay one.

That being said, the restaurant world is seeing things differently. When we exited the ship in Long Beach and drove back to San Diego, we stopped at a small eatery for lunch.

They had tables and chairs, but it wasn't a sit-down place. You stood in line, gave your order, and went back up to get the food when they called your number. You get the picture.

(Con't.)

I gave our order, and it took the young man 30 seconds to enter it, get the total and then request payment. That request was in the form of a tip-prompting pad.

There were a dozen people behind me and I was tired, so I hit the first button, the 18% tip. The tab was about \$65, and I just gave this guy 11 bucks for his 30 seconds of ringing up the order, and then calling my number.

I sat down and started thinking about it, and I realized there was no value being given, and a tip was not justified.

And this was before they made the food. What if I didn't pay it? Would that be a risk factor? Would I have to worry?

Even when you order on the phone or online and drive to get takeout, people are often pushing for a tip.

As I said when we started this, I'm the son of a waitress and we survived on tips. So I get the importance, and I want to do the right thing for people in that business, the owners of companies included.

However, it's also got to be right for the customer, and the direction we're headed in now doesn't feel right. So, I've come to a decision on my future tipping.

I will continue to tip 15-20% as normal, but only in situations where I get legitimate service. Further, I will reject tip-prompting pads, selecting "no tip." Then, I will give the server a tip in cash.

Finally, if there is no real service given and someone puts a tip-prompting pad in my face, I'm again selecting "no tip." I may, however, put something in a tip jar if there is one.

Tipflation, tip fatigue, tip wars if you like that term...whatever words you want to use, this is a huge topic, people are

angry, and they're speaking out about it. How do you feel?

That's the Extra Point. Be responsible and make something good happen today. For 93.3FM, the Ray Gibson Show, and First Hawaiian Bank, I'm Jerry Roberts.

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