

State Sen. Larson, State Rep. Hong: Unveil legislation to end tipped minimum wage in WI

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As the federal government moves toward an increase of the minimum wage to \$15 per hour, Wisconsin remains at a paltry \$7.25. Tipped workers, on the other hand, must make do with \$2.13 or \$2.33 per hour, depending on age and length of employment. Today, Sen. Chris Larson and Rep. Francesca Hong unveiled legislation that would end this discrepancy, ensuring that tipped employees are subject to the same minimum wage as the rest of the workforce.

Sen. Larson, whose district includes a large number of tipped service establishments, released the following statement about the bill:

“Anyone who’s ever worked in the service industry knows that it can be one of the most stressful and demanding jobs out there. By allowing employers to pay \$2.33 per hour for this work, we’re sending a message that their labor doesn’t matter. Forced to rely on tips to make a living wage, they are often subjected to harassment and abuse that no worker should have to endure. By bringing tipped wages in line with the rest of the workforce, we pave the way for a future where service work can be a career, not just a job.”

Rep. Hong, herself a restaurant owner:

“Every Wisconsinite deserves a high standard of living. Even before Covid-19, many in our community struggled to access basic necessities and found themselves living

from meager paycheck to paycheck. The pandemic has only laid bare the holes in our economic and social fabric that have been perpetuated by a lack of humane and progressive policy.

“A livable wage is non-negotiable in our state. It is our moral duty to ensure that our neighbors can provide for themselves and their loved ones. A good first step in ensuring dignity for working-class Wisconsinites is to eliminate the tipped minimum wage. I am proud to work alongside Senator Larson toward that end. Economic justice should be the standard our Wisconsin State Legislature measures its work by.”

At a virtual press event this morning, Sen. Larson and Rep. Hong were joined by Becky Cooper, owner of *Bounce Milwaukee*, and Larissa Joanna, founder of Madison's *Restaurant Workers Coalition*.

Background on our tipped workforce:

Tipped workers live in constant uncertainty with their wages, the patrons they serve, and the nature of their jobs. It is important to note that 1 in 3 Americans have worked in [foodservice](#) at some point during their career. They rarely receive benefits like vacation or paid sick leave. Up to 60% of tipped workers report that their wages are too low to meet unemployment benefits thresholds. According to the Economic Policy Institute ([EPI](#)), tipped workers have a poverty rate of 12.8%, and 46% of tipped workers rely on public benefits. On the other hand, waiters and bartenders are less likely to be in [poverty](#) when receiving the standard minimum wage as opposed to a sub-minimum rate like Wisconsin.

Adding to the stress of economic uncertainty, tipped workers are [twice as likely to experience harassment](#), and most of these workers are [women](#), who often must tolerate this harassment in order to provide for themselves and their families. Sixty percent of women in the restaurant industry have been targets of sexual harassment, and over 50% of those who experience it say it occurs *weekly*. Moreover, [one out of every seven](#) sexual harassment charges is from a tipped worker. However, the seven states that got rid of the tipped wage have seen half the rates of sexual harassment as those that have retained it.

The COVID-19 pandemic has exacerbated the uncertainty tipped workers face.

Anxious about losing tips, workers struggle with appeasing customers despite health concerns. Nearly half of surveyed service workers were at risk of contracting COVID-19. Overall, tips have declined significantly, alongside other gendered and racial [implications](#). According to [One Fair Wage](#), nearly all Black restaurant employees have experienced at least a 50% decline in tips since the start of the pandemic, compared to 78% of all restaurant employees.

Now is the time to provide stability, certainty, and support to our tipped workforce.