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After a Devastating Supreme Court Ruling, Michigan's Tipped Workers Turn to Governor Whitmer and the Legislature for Help

**Servers and bartenders will lose income and jobs after
"Adopt & Amend" ruling wipes out the tip credit, nearly
doubling labor costs on fragile industry just 205 days
from now**

LANSING, Mich. — After a devastating Michigan Supreme Court ruling that will wipe out the tip credit on the minimum wage, servers and bartenders across Michigan today turned to

Governor Whitmer and the legislature for help in a last ditch effort to save their income and their jobs by amending state law to restore the tip credit.

"Servers and bartenders take these jobs because through their own efforts they can make far more than minimum wage," said Save MI Tips spokesperson John Sellek. "In their own words, they are now sure to suffer from lost income and lost jobs as the hospitality industry is thrown into economic turmoil because of this secretive, dark money-funded out-of-state group."

"Governor Whitmer and the legislature must now step in to help restore the tip credit and protect the income these workers depend on, before thousands of people lose their jobs and income," Sellek continued.

Background

Going back to 2018, a single issue, out-of-state activist group calling itself One Fair Wage began spending millions of dollars in dark money to pursue a policy eliminating the tip credit on the minimum wage, claiming that tipped workers like restaurant servers and bartenders would benefit from making minimum wage and still earn the full tips they earn today.

However, servers and bartenders everywhere say that ending the tipping system as we know it will slash their income, leading to them leaving the industry or losing their jobs as the financial pressures on restaurants cause them to eliminate full service or shut down.

One Fair Wage used undisclosed dark money to fund a six-year law suit that has now resulted in the tip credit being eliminated in this ruling by the Michigan Supreme Court, an effort servers did not ask for and do not want.

In fact, One Fair Wage has held repeated press conferences featuring paid political operatives that are devoid of any evidence of support by Michigan workers, the most recent example being a June 2024 "rally" on the Capitol Building steps that did not have a single tipped worker in the audience.

OFW Under Investigation

One Fair Wage's attempts to avoid disclosing who is funding its never-ending legal and

political battles against tipped workers have landed it in hot water.

Following a Michigan Campaign Finance Act investigation of OFW's 2022/2024 ballot initiative by the Secretary of State's office that found credible evidence of legal violations, Secretary of State Jocelyn Benson officially referred the case to Michigan Attorney General Dana Nessel for criminal investigation in early 2023.

DC Destruction

After Washington D.C. eliminated the tip credit in 2023, approximately 2,900 jobs at full service restaurants were eliminated as the financial crunch hit local restaurants. If Washington, D.C.'s job losses were extrapolated to a state the size of Michigan, which is 15 times larger, Michigan could lose 45,000 jobs under a similar scenario.

A survey of hundreds of Michigan tipped workers showed:

- 94% of tipped workers believe customers will tip less knowing they earn a higher minimum wage.
- 79% of tipped workers fear losing their job after a 250% labor cost increase hits restaurants still recovering from the pandemic.
- 99% of tipped workers reported earning far more than minimum wage under the current system.
- 83% of tipped workers want to keep the tip credit, in opposition to One Fair Wage.



BELIEVE CUSTOMERS WILL TIP LESS

ONCE THEY UNDERSTAND SERVERS MAKE THE FULL MINIMUM WAGE



FEAR LOSING THEIR JOBS IF TIP CREDIT CUT

THEY KNOW A 250% LABOR COST INCREASE MEANS FEWER RESTAURANT JOBS



EARN MORE THAN MINIMUM WAGE NOW

MANY EARN \$30-\$40/HOUR UNDER THE CURRENT TIP CREDIT SYSTEM



CURRENT TIP SYSTEM WORKS FOR THEM

THEY COUNT ON TIPS TO MAKE FAR MORE THAN MINIMUM WAGE



KEEP THE TIP CREDIT

SERVERS DO NOT WANT OFW TO ELIMINATE THE TIP CREDIT

LOOK AT DECIMATED DC!

WASHINGTON DC CUT THE TIP CREDIT AND LOST 2,900 JOBS



DC JOBS LOST IN FIRST YEAR

DC ELIMINATED THE TIP CREDIT IN 2023 & LOST ALREADY 2,900 RESTAURANT JOBS



MI JOB LOSSES IF SAME AS DC

MICHIGAN IS 15X LARGER THAN DC; STANDS TO LOOSE AS MANY AS 45,000 JOBS

"Michigan servers and bartenders did not ask for One Fair Wage to eliminate the tip credit, for the multiple ballot initiatives or this destructive lawsuit," Sellek said.

"One Fair Wage still refuses to reveal the source of the millions in dark money they used against tipped workers in its failed ballot initiative and as a result is under investigation by the Michigan Secretary of State and Michigan Attorney General."

"The governor and legislature can listen to tipped workers and act now to change state law, saving the tip credit and these workers' way of life."

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