



Increase the Tipped Minimum Wage

The Economic Progress Institute supports the provisions in House Bill 5595 and 5315 increasing the minimum wage for tipped workers.

The case for raising the tipped minimum wage is essentially the same as for the normal minimum wage. After decades of stagnant wage growth, lower income Rhode Islanders can best contribute to a vibrant Ocean State economy if their wages are sufficient to allow them to spend their income on goods and services, supporting local businesses in every Rhode Island community.

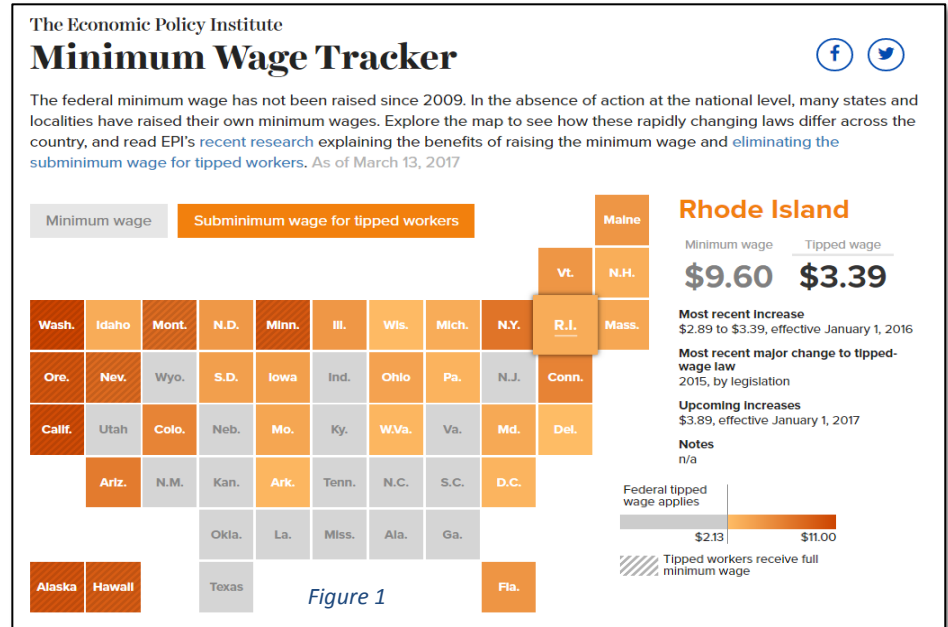


Figure 1

In Figure 2 below, we see that nationally, waiters and bartenders face poverty rates that are significantly higher than poverty rates for non-tipped workers. Strikingly evident, however, is that in states where tipped workers get the regular minimum wage, their poverty rates are dramatically lower than are those in states where the paltry, 26-year old federal tipped minimum applies. In states like Rhode Island with tipped minimum wages higher than the federal, but lower than the regular minimum wage, poverty rates also fall in between, at 14.4 percent.

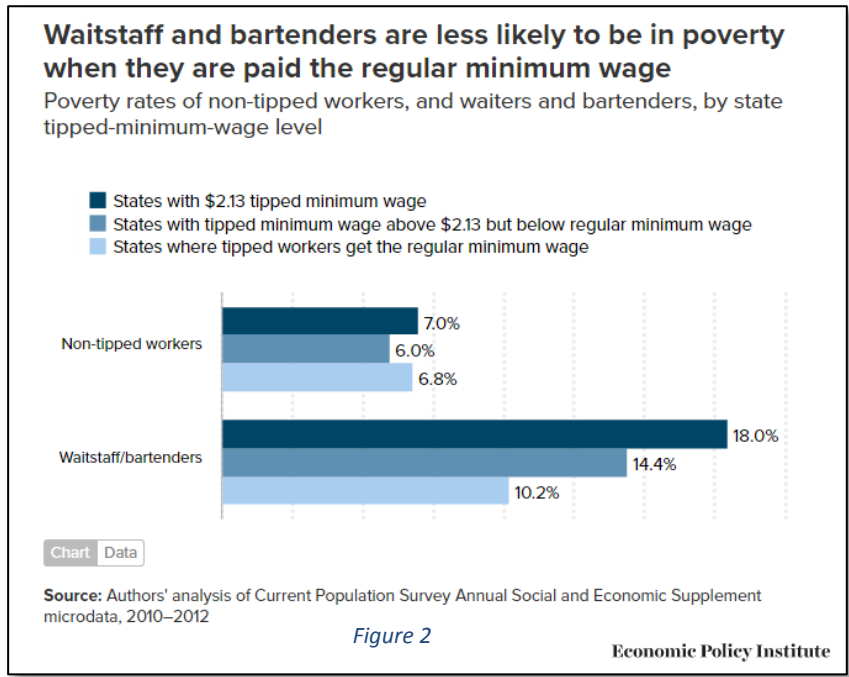


Figure 2

Economic Policy Institute