

THE STATE OF TIPPED WORKERS IN RHODE ISLAND



As of 2015, there are more than 22,000 tipped workers in Rhode Island, 68% of whom work in the restaurant industry. While the state minimum wage is \$9.00/hour, these employees are paid a **subminimum wage of just \$2.89/hour**. To compensate, they must rely on **tips that fluctuate** based on season, shift, and scheduling practices. As a result, tipped workers in Rhode Island earn of **median income of just \$14,087 a year**.

TIPPED RESTAURANT WORKERS
LIVE IN POVERTY AT
1.6X RATE OF RI WORKFORCE

TIPPED RESTAURANT WORKERS
USE FOOD STAMPS AT
2X THE RATE OF RI WORKFORCE

\$638,235/MONTH

COST TO TAXPAYERS OF
TIPPED WORKERS USING
MORE FOOD STAMPS

\$2.89/hr
MINIMUM WAGE FOR TIPPED WORKERS IN RI

\$14,087/year
MEDIAN INCOME FOR FOR TIPPED WORKERS



**44% OF TIPPED WORKER
PARENTS HAVE CHILDREN WHO
QUALIFY FOR FREE LUNCHES**

A significant portion of tipped workers in Rhode Island are **adults who are supporting families**. Half of these employees are over the age of 28 – and almost a quarter are 45 or older. About a third are parents and – of those workers – **almost half have children who qualify for free lunch programs**.

**AGE BREAKDOWN FOR
TIPPED WORKERS IN RI**

40%	≤ 24
23%	25-34
14%	35-44
23%	45+

32% OF TIPPED WORKERS IN RI ARE PARENTS



**44% TIPPED WORKER PARENTS WHOSE
CHILDREN QUALIFY FOR FREE LUNCHES**

THE STATE OF TIPPED WORKERS IN RHODE ISLAND



Ending the subminimum wage would result in an **economic stimulus of more than \$133 million for Rhode Island in 2015**. Higher wages reduce turnover among restaurant staff and pour millions of dollars back into the local economy. The seven states that have already eliminated the subminimum wage have higher per capita sales and higher job growth in the restaurant industry.

PER CAPITA RESTAURANT SALES

\$174,766 IN 1FW STATES

\$128,593 IN RI

RESTAURANT SECTOR JOB GROWTH

11% IN 1FW STATES

6% IN RI

(PROJECTED FOR 2015)

\$133,740,305
ECONOMIC STIMULUS FOR RI



The vast majority of tipped workers in Rhode Island are women, many of whom are mothers providing for their families. Paying these women a subminimum wage is in effect **legislated pay inequity** for a predominately female workforce, perpetuating the gender wage gap.

GENDER WAGE GAP FOR TIPPED WORKERS IN RI

74%

69% TIPPED WORKERS WHO ARE WOMEN IN RI

35% TIPPED WOMEN WORKERS WHO ARE MOMS IN RI

The subminimum wage requires tipped workers to depend heavily on gratuities, forcing them to tolerate harassment to safeguard their income. As a result, tipped workers are significantly more likely to experience sexual harassment. Unsurprisingly, **the restaurant industry is the single largest source of harassment complaints in the US.**



**FOR MORE INFORMATION OR TO GET INVOLVED,
PLEASE VISIT LIVINGOFFTIPS.COM**