

MEMORANDUM

TO: All Senators

FROM: Senator Christine Tartaglione

DATE: 12/14/2018

SUBJECT: Raise the Tipped Minimum Wage

In the near future, I plan to re-introduce legislation which would incrementally increase Pennsylvania's tipped minimum wage to 70% of the minimum wage by 2020, after which time the tipped wage would be linked to the minimum wage, rising as it rises. This bill was introduced as SB 163 in the 2017-18 session.

From 1966 through 1995, increases in the tipped wage corresponded with increases in the minimum wage. Beginning in 1996, however, the tipped wage was decoupled from the minimum wage for the first time in history. Since that time, Pennsylvania's tipped wage has remained stagnant at \$2.83 per hour. Today, the value of the tipped wage has depreciated to 39% of the minimum wage.

In Pennsylvania alone, there are 158,000 tipped workers, half of which earn less than \$10.00 per hour, including tips. Among its neighboring states, Pennsylvania's tipped wage rate is among the lowest. Even more daunting, consider that three-quarters of tipped workers are female, and 18% of those females live in poverty. Not only are these statistics startling, but they are unacceptable in a society that claims to be economically developed.

In order to restore the buying power of the tipped wage and enable tipped employees to lift themselves out of poverty, the tipped wage must be raised and reattached to the minimum wage. This will allow some of our lowest paid, hardest working employees to earn a fair, decent living. I hope you will join me in these efforts to reinvigorate the tipped wage by increasing its value to its intended level--70% of the minimum wage.