

St. Paul Should Reject a Lower Minimum Wage for Tipped Workers

Since Becoming a One Fair Wage State More Than 30 Years Ago, Minnesota Has Consistently Rejected a Lower Minimum Wage for Tipped Workers

- Thirty-four years ago, in 1984, Minnesota abolished its subminimum wage for tipped workers, becoming a “one fair wage” state where tipped workers receive the full minimum wage directly from their employers like other workers.¹ Since then, Minnesota has rejected all efforts to return to the unfair subminimum tipped wage system that allows employers to pay tipped workers just a portion of the full minimum wage as long as tipped workers earn enough in gratuities to put them at or above the full minimum wage.
- Since 1984, Minnesota legislators have fought and defeated various efforts to weaken the state’s minimum wage law by establishing a lower minimum wage for tipped workers. For example, in 2008, when Governor Tim Pawlenty² blocked efforts to raise the state’s minimum wage unless legislators also agreed to adopt a subminimum wage for tipped workers, legislators and advocates throughout the state held strong and rejected the governor’s proposal.³
- Last year, **Minneapolis** rejected demands by the Minnesota Restaurant Association to exempt tipped workers from the city’s new \$15 minimum wage ordinance, citing the harm that a two-tier wage system would have on workers.⁴
- **A tip credit in St. Paul would be equally harmful to its tipped workers, placing them at a disadvantage relative to their Minneapolis counterparts.** As the name suggests, the Twin Cities share not only geographic proximity, but also similar economic trajectories and interests.⁵ Since 2011, employment in the region’s leisure and hospitality sector has steadily increased, with jobs growing at an average annual pace of 2.4 percent.⁶ If this trend continues, tipped workers in both cities stand to experience similar benefits in terms of employment. However, if St. Paul were to adopt a tip credit, the base wage and earnings of Minneapolis tipped workers would soon likely surpass those of tipped workers in St. Paul.
- Despite claims to the contrary by powerful business interests, **the restaurant industry in Minnesota and the Twin Cities has thrived under a One Fair Wage system,**⁷ and employers have found the system manageable. In fact, according to the latest estimates by the National Restaurant Association and the Minnesota Restaurant Association, restaurant sales in Minnesota reached \$9.7 billion in 2017, and restaurant employment is expected to grow 8.9 percent by 2028.⁸

One Fair Wage Jurisdictions That Have Adopted a \$15 Minimum Wage Have Also Preserved Their One Fair Wage Policies

- Other states and cities that—like Minnesota—have a One Fair Wage system have rejected the restaurant industry’s attempts to condition a transition to a \$15 minimum wage on lowering the wage for tipped workers.
- For example, last year, **Minneapolis** firmly rejected⁹ a well-organized campaign by the Minnesota Restaurant Association¹⁰ to exempt tipped workers from a \$15 minimum wage in the city. Other local jurisdictions—such as **Los Angeles, San Francisco, and the many other cities and counties in California** that have adopted their own \$15 minimum wage ordinances—are currently transitioning to higher wage floors without rolling back One Fair Wage in the process.¹¹ Similarly, the One Fair Wage states of **California and Oregon**—which adopted \$15 and up-to-\$14.75 minimum wage laws, respectively—are in the process of phasing in their higher minimum wages while also preserving wage parity for tipped and non-tipped workers.
- Contrary to claims by certain business groups, **the restaurant sectors of these One Fair Wage jurisdictions are thriving**. In **California**, for example, restaurants posted an estimated \$82.2 billion in sales in 2017 and restaurant employment is expected to grow by 10 percent by 2028, according to projections by the National Restaurant Association.¹² In **Oregon**, restaurant sales in 2017 are estimated at \$7.8 billion and restaurant employment is projected to increase by 12.9 percent over the next decade.¹³ And in **San Francisco** in 2015, a year after the city began transitioning to a \$15 minimum wage, the Golden Gate Restaurant Association reported that the restaurant industry was thriving,¹⁴ with sales and employment growing faster than in 2014—the year San Francisco adopted a \$15 minimum wage. Today, San Francisco’s economy continues its positive trajectory, with the city’s unemployment rate dropping to 2.6 percent in November 2017¹⁵ (nearly 50 percent lower than its jobless rate three years earlier in 2014),¹⁶ and restaurant employers voluntarily raising wages and benefits above the legal minimum in order to attract and retain talent.¹⁷

Contrary to Restaurant Industry Claims, the Majority of St. Paul’s Tipped Workers Earn Very Low Wages

- Servers and bartenders comprise the majority (52 percent) of the approximately 84,650 tipped workers in the Minneapolis-St. Paul-Bloomington metropolitan area.¹⁸ Of these, only a small share (the top 10 percent) earn total hourly wages (base wage plus tips) close to or more than \$15, while the bottom 90 percent typically earn low wages, roughly in the \$10 to \$13 range (Table 1).
- According to the latest Bureau of Labor Statistics (BLS) data, between November 2014 and May 2017 (when the data was collected¹⁹), **the median hourly wage** for restaurant servers was **\$10.29 including tips**, and the **average wage was \$12.77**, also including tips.²⁰ Bartenders had similar hourly earnings. During this same period, the applicable minimum wage in Minnesota was between \$8.00 and \$9.50 per hour.²¹
- This means that in St. Paul and surrounding areas, **servers typically earn between \$0.79 and \$4.77 per hour in tips**—large enough to lift them above the minimum wage, but far below the types of high tips that the restaurant industry claims to be the norm (Table 2).

Table 1. Hourly wages for select tipped occupations in the St. Paul metropolitan area

Occupation	Average Wage	Median Wage	90 th Percentile
<i>All occupations</i>	\$26.94	\$21.26	\$49.22
Waiters and waitresses	\$12.77	\$10.29	\$20.81
Bartenders	\$11.46	\$10.19	\$14.90
Hosts and hostesses, restaurant, lounge, and coffee shop	\$11.50	\$10.87	\$14.81
Counter attendants, cafeteria, food concession, and coffee shop	\$10.62	\$9.94	\$12.25
Dining room and cafeteria attendants and bartender helpers	\$11.07	\$10.19	\$13.79
Food servers, non-restaurant	\$13.21	\$12.00	\$18.50

Source: Bureau of Labor Statistics, May 2017 Occupational Employment and Wage Estimates.

Table 2. Most restaurant servers in St. Paul earn only slightly above the minimum wage

Effective Minimum Wage	Server Wage	Difference
\$8.00 (November 2014)	\$10.29 (median wage)	\$2.29
	\$12.77 (average wage)	\$4.77
\$9.50 (May 2017)	\$10.29 (median wage)	\$0.79
	\$12.77 (average wage)	\$3.27

Source: Bureau of Labor Statistics, May 2017 Occupational Employment and Wage Estimates; and U.S. Department of Labor, *Changes in Basic Minimum Wages in Non-Farm Employment Under State Law: Selected Years 1968 to 2017*.

- **Alison Diffendal’s story (Box 1) corroborates the BLS estimates.** Alison, who works as a server at Bakers Square in St. Paul, **often earns just \$4 per hour in tips**, which is substantially less than the \$8.50 to \$15.50 in *hourly tips* that the restaurant industry claims to be typical for servers.²² Her experience with tips illustrates the experience of many other servers in St. Paul who work for a restaurant chain.
- **A base hourly wage of \$15, combined with tips, would allow many tipped workers in St. Paul to earn a better wage**, especially those without dependent children. According to the Economic Policy Institute, in the St. Paul metropolitan area, single adults *without* children needed to earn an annual income of \$36,972 in 2017, just to attain a modest standard of living.²³ Assuming full-time, year-round work, this translates to **\$17.78** per hour.²⁴ *For workers like Alison, who are raising one child*, the annual income needed to afford a decent apartment and other basics was \$67,969 in 2017, or **\$32.68** per hour.
- The BLS wage data suggests that **only a small number of servers—likely at high-end restaurants—earn total hourly wages (including tips) that are substantially above**

the minimum wage. As the data shows, the top 10 percent of servers earn total hourly wages over \$20 an hour²⁵ (Table 1).

- The median hourly wage for restaurant servers in St. Paul is already 52 percent lower than the median hourly wage for all workers.²⁶ If St. Paul rolls back its One Fair Wage system, the wage gap between tipped workers and the average worker will widen further.
- Moreover, other tipped workers vulnerable to low pay would see lower wages if St. Paul abandons its One Fair Wage policy. Car wash workers, bellhops, parking lot attendants, and airport workers who assist elderly or disabled passengers earn very low wages²⁷ and average even smaller tips than restaurant workers.

Box 1: Alison Diffendal, tipped worker at Bakers Square in St. Paul

"I have worked as a server at the same chain restaurant for 15 years. I am a mother and I support myself and my eleven-year-old son. Our rent has increased three times over the past five years and the cost of living keeps going up. In fifteen years with the same restaurant, the only raises that I've ever gotten were when the minimum wage went up, meanwhile I have seen the benefits offered get worse and worse.

"I work hard and I like what I do and the people that I work with. I depend on my base wage and my tips and typically earn just around \$14 per hour in total. That is just enough to cover our living expenses, with nothing left to save. My tips can fluctuate from \$2 to \$9 an hour. How much depends on when my coworkers are cut and how many servers are on, the time of day that I am working, the month of the year, and the weather on any given day. It can be a decent night if all of my coworkers are cut and I am the only one on, but if I am the first cut I can walk with few hourly wages and low tips; and the same is true for my coworkers.

"The winter months can be especially hard. When it is really cold outside or there is a lot of snow, my tips will stay low for longer periods of time. Even when the weather is good, it can be very unpredictable.

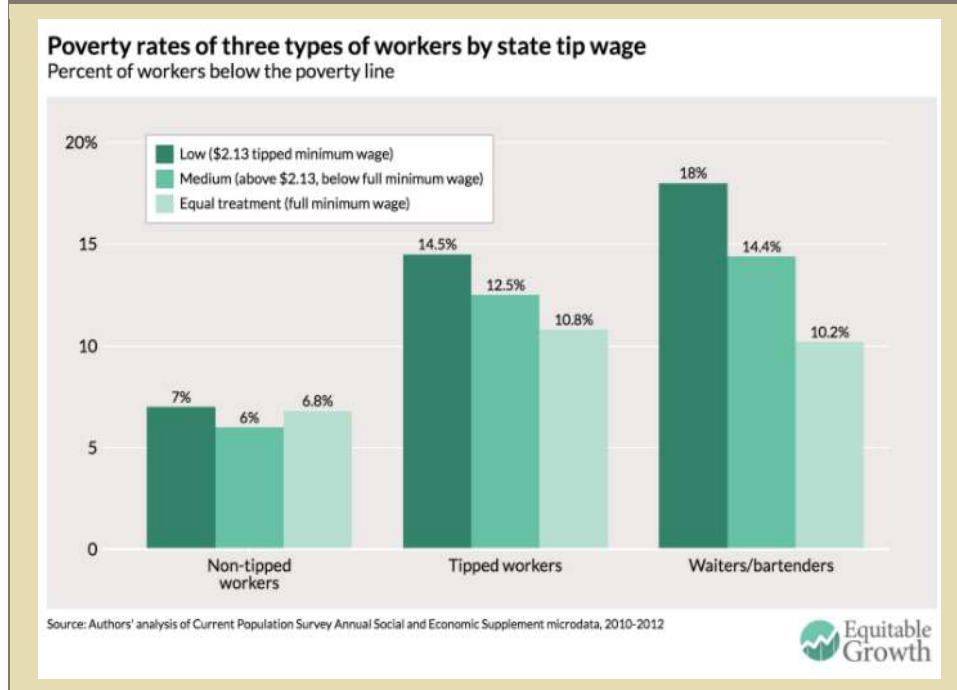
"I am a tipped worker and I deserve a \$15 minimum wage with no tip penalty so that I can save for emergencies, so that I don't have to worry as much about a slow shift because of weather affecting my ability to pay rent, and so that I can support my family."

The Tipped Subminimum Wage and the Precariousness of Tipped Work Are Linked to Higher Rates of Poverty for Tipped Workers

- As a result of low pay and the precariousness of tipped occupations, **tipped workers are twice as likely to live in poverty as other workers.** According to analysis by the University of California and the Economic Policy Institute, while the poverty rate for non-tipped workers in the U.S. was 6.5 percent during the period analyzed (2010–2012), the poverty rate of tipped workers was 12.8 percent.²⁸ Restaurant servers and bartenders, who comprise the largest share of all tipped workers, had an even higher poverty rate of 14.9 percent.²⁹
- **In states with a tip credit system, poverty among tipped workers is more prevalent.** According to data from 2010–2012, while the poverty rate for *non-tipped* workers ranged from 6.0 to 7.0 percent in states with a tipped subminimum wage, for *tipped* workers the

poverty rate jumped to more than twice that rate—between 12.5 and 14.5 percent. Poverty among *servers and bartenders* in those states was even more alarming: 18.0 percent in states that follow the federal tipped rate of \$2.13, and 14.4 percent in states with tipped subminimum wages between the federal tipped floor and the full minimum wage. *This means that in states with a tip credit, tipped workers are more than twice as likely to live in poverty.* In comparison, the poverty rates for tipped and non-tipped workers in One Fair Wage (equal treatment) states, while still in need of improvement, did not diverge as greatly from one another (Figure 1).

Figure 1. Because of low pay and unreliable schedules, tipped workers (especially those in states with a tip credit) have twice the poverty rate of non-tipped workers³⁰



- **Tipped workers are forced to live on unpredictable incomes and schedules.** Their take-home pay fluctuates widely depending on the seasons, the shift they are given, and the generosity of patrons. On average, tipped workers in Minnesota work 29.5 hours per week and restaurant servers work just 26.3 hours per week.³¹ In comparison, the average number of hours worked for all employees in the private sector in Minnesota was nearly full-time (34.1 hours per week) in 2017³²—a significant difference that reflects the precarious nature of tipped occupations, particularly in the restaurant industry.
- **The lack of stable incomes for tipped workers makes it difficult to plan a family budget.** Were St. Paul to adopt a tip credit, the tenuous living standards of many tipped workers would be exacerbated, particularly when compounded by climbing rents³³ and other basics costs³⁴ in the Twin Cities. As discussed above, the Economic Policy Institute estimates that in 2017, single workers in the St. Paul metropolitan area needed \$17.78 per hour to pay for the basics, while single parents raising one child needed \$32.68 per hour. By 2024, they will need to earn an hourly wage of \$20.97 and \$38.54, respectively.³⁵
- Due to the dual pressure of low or precarious pay and high costs of living, **nearly half of all tipped workers in the U.S. are forced to rely on public benefits.** According to research by the University of Berkeley and the Economic Policy Institute, nationwide, around 46 percent of *tipped workers* and their families rely on public programs—a

significantly higher share than the 35.5 percent of *non-tipped* workers and their families who also rely on these programs.³⁶

Preserving a One Fair Wage System in St. Paul Is a Matter of Basic Fairness and Gender Justice; Abandoning It May Exacerbate Sexual Harassment

- **Because the majority of tipped workers are women, rolling back the One Fair Wage system in St. Paul would have a disproportionate impact on the incomes of women and female-headed households.** Nationwide, there are over 4 million workers employed in predominantly tipped occupations, two-thirds of whom are women.³⁷ Among restaurant servers—who represent nearly half (48.9 percent) of tipped workers—women account for 70.3 percent of workers.³⁸ In Minnesota, the latest available detailed census data shows that women make up an overwhelming 80.1 percent of restaurant servers.³⁹
- **Allowing a tip credit in St. Paul would roll back progress on the gender wage gap, and intensify its pernicious effects on women's economic security.** Women in Minnesota earn 17 percent less than men, according to a recent report by the American Association of University Women,⁴⁰ which—compared to the 27 percent gap in 1999—is a slight but important improvement over recent years.⁴¹ The gender pay gap reflects, in part, gendered occupational segregation,⁴² such as the overrepresentation of women in low-pay occupations, including restaurant servers. With the adoption of a subminimum tipped wage in St. Paul, the gender pay gap could widen, as tipped workers would be guaranteed only a minimum wage paid directly by their employer equal to the state's lower wage floor—currently \$9.65 per hour, or 35.7 percent lower than the target rate of \$15. This would, in turn, not only reverse progress on closing the wage gap in the state and the city, but also leave women in tipped occupations dependent on tips for a bigger portion of their income and, as a result, more vulnerable to poverty and economic insecurity.
- **Sexual harassment is rampant in the accommodations and food services industry.** Both research and anecdotal evidence point to higher rates of sexual harassment in service sector industries—particularly in the accommodations and food service industry, which includes full-service restaurants—than in other industries. Analysis of sexual harassment charges filed with the Equal Employment Opportunity Commission (EEOC) between 2005 and 2015 shows that over 14 percent of all sexual harassment filings originated in the accommodations and food service industry—the highest among the 20 industries identified in filings.⁴³ Other research shows a connection between the sexualization of women's bodies and gratuities, with more attractive (and usually white) female servers reporting higher tips, compared to their peers.⁴⁴ In addition, allegations of sexual harassment by celebrities, renowned chefs and other high profile individuals have prompted media investigations of the pervasiveness of similar conduct among ordinary people. For example, the *New York Times* recently published a story on sexual harassment in the restaurant industry, based on interviews with more than 60 servers and bartenders from around the country. While these tipped workers' experience with sexual harassment varied, they nonetheless reported two common reactions: Feeling compelled to tolerate this behavior in order improve their odds of earning a decent tip; and feeling powerless to reject this behavior from customers.⁴⁵

The Lower Subminimum Wage for Tipped Workers is a Unique, Unfair, and Unnecessary Subsidy for Employers in the Restaurant Industry

- The intended purpose of tips is to reward good service rather than to serve as a substitute for the wages directly paid by employers. In states where a tip credit is allowed, however,

tips have become a means for employers to transfer responsibility for paying employees' wages onto the customer. This mainly benefits employers in the restaurant industry and other service industries where the majority of tipped workers are employed. **No other industries are subsidized this way.**

- Employers in the restaurant industry are among the most avid users not only of the tipped subminimum wage, but also of the standard minimum wage, and they are among the least likely to offer workplace benefits—such as health insurance, paid sick leave, and paid holidays—making the industry one of the least generous.⁴⁶
- The restaurant industry is **one of the most profitable** sectors of the economy. According to the National Restaurant Association, nationwide industry sales were expected to reach \$799 billion in 2017—equivalent to 4 percent of the U.S. gross domestic product.⁴⁷ The industry employed 14.7 million workers last year, or roughly 10 percent of the nation's workforce, a number that is expected to increase by nearly 11 percent by 2027.⁴⁸ These figures suggest a healthy and profitable industry that could withstand the gradual elimination of the tipped subminimum wage at the national level.
- In Minnesota, despite equal treatment for tipped workers, the restaurant industry is similarly profitable and thriving (see the first section of this report). The St. Paul City Council should not change its law to adopt an unfair and unnecessary tip credit system.

Minnesota Is One of Seven States Without a Tipped Subminimum Wage; These States Have Fast-Growing Restaurant and Hospitality Sectors

- Seven states, including Minnesota, do not have a tipped subminimum wage. The seven One Fair Wage states are California, Nevada, Washington, Minnesota, Alaska, Oregon, and Montana. And, as noted above, many local jurisdictions—including Minneapolis, Seattle, and various cities and counties in California—that have adopted a \$15 minimum wage have done so without adopting a lower minimum wage for tipped workers.⁴⁹
- Analysis of restaurant data shows that One Fair Wage states represent some of the fastest-growing states for the restaurant and hospitality sectors. See NELP and ROC-United's report, *The Case for Phasing Out Maine's Subminimum Wage for Tipped Workers*, for additional details.⁵⁰

A Growing Movement Is Advocating for—and Winning—One Fair Wage—It Would Be a Mistake for St. Paul to Move in the Opposite Direction

- **A growing national movement for One Fair Wage** has brought to the fore the need to abolish the subminimum tipped wage with increasing success. In November 2016, this movement won its first significant victory in three decades, when voters in Maine and Flagstaff, AZ, approved the gradual elimination of the subminimum wage for tipped workers through ballot initiatives⁵¹—though, in the case of Maine, business groups successfully lobbied the state legislature to roll back One Fair Wage just a few months later.⁵²
- At the federal level, the current bill in Congress that would raise the federal minimum wage to \$15 also includes a gradual phasing out of the lower tipped minimum wage.⁵³ Introduced by **Senator Bernie Sanders** in the Senate and Representative **Bobby C. Scott** in the House, the Raise the Wage Act has the support of 200 members of Congress, including Minnesota Senator **Amy Klobuchar**, and Minnesota Representatives **Keith Ellison** and **Betty McCollum**, all of whom are original cosponsors.⁵⁴

- In June 2017, soon after introducing the Raise the Wage Act in the U.S. House and while Minneapolis debated raising its minimum wage to \$15 without exempting tipped workers, **Rep. Ellison wrote**, “Unlike the federal government, Minnesota has been for more than 30 years one of the few states that does not have a separate, subminimum wage for tipped workers. That is something I am proud of and I know many other Minnesotans are, too.”⁵⁵
- Today, there are nearly a dozen upcoming or future minimum wage campaigns at the state and local level calling for raising the minimum wage to \$12 to \$15 along with the elimination of the tipped subminimum wage.

The Tipped Subminimum Wage System Is Difficult to Monitor and Enforce; It Would Add Undesired Complexity to St. Paul’s Wage Law

- In jurisdictions without One Fair Wage, employers are required by law to make up the difference between tips and the minimum wage if employees’ total hourly earnings do not bring them to the full minimum wage. However, the complexity of the tipped credit system and the scarcity of public and private enforcement of wage laws makes this requirement difficult to monitor and enforce.⁵⁶
- Not surprisingly, the U.S. Department of Labor found an **84 percent noncompliance rate** among the nearly 9,000 full-service restaurants it investigated from 2010–2012. Violations included tip credit infractions and other forms of wage theft, resulting in **\$56.8 million in back pay** for affected workers.⁵⁷
- St. Paul should reject calls to adopt a tipped subminimum wage in the city. Doing otherwise would add undesirable complexity to its wage laws, making compliance more difficult for employers in the city and life more precarious for tipped workers.

Conclusion

Tipped workers in St. Paul need and deserve \$15 as their base wage. Moving to a tip credit system would hurt tipped workers and make it harder for them to make ends meet and to provide for their families. Both data and the experience of workers demonstrate that tipped workers typically earn just a few dollars above the minimum wage, and as a result have significantly higher levels of poverty than the rest of the workforce. A tip credit system would also introduce unnecessary complexity to St. Paul’s wage law, which would make the law harder to enforce and wage theft more likely to occur. Since the overwhelming majority of tipped workers are women, a tip credit system could widen the gender wage gap and exacerbate their experience with sexual harassment—with especially pernicious effects on female-headed households.

Endnotes

1. Richard R. Nelson, “State Labor Legislation Enacted in 1984,” *Monthly Labor Review*, January 1985, <https://www.bls.gov/opub/mlr/1985/01/art3full.pdf>
2. Kevin Duchscherer, “Pawlenty Rejects Minimum Wage Hike,” *Star Tribune*, May 15, 2008, <http://www.startribune.com/pawlenty-rejects-minimum-wage-hike/18991554/>.
3. Workday Minnesota, *Minimum Wage Veto Triggers Response from Worker Advocates*, May 18, 2008, <http://www.workdayminnesota.org/articles/minimum-wage-veto-triggers-response-worker-advocates>.
4. Adam Belz, “3 Minneapolis Council Members Say They Back \$15 Minimum Wage,” *Star Tribune*, April 10, 2017, <http://www.startribune.com/3-minneapolis-council-members-announce-support-for-15-minimum-wage-no-tip-carveout/419066564/>.
5. Minneapolis Regional Chamber, *Greater MSP*, <http://www.mplschamber.com/pages/GreaterMSP>. Accessed April 23, 2018.

-
6. National Employment Law Project analysis of Bureau of Labor Statistics, *State and Area Employment, Hours, and Earnings*, 2011-2017. Series ID SMU2733460700000001, Minneapolis-St. Paul-Bloomington, MN-WI metropolitan area, leisure and hospitality sector employment, 12-month percent change.
 7. National Employment Law Project analysis of Bureau of Labor Statistics, *Quarterly Census of Employment and Wages*, 2001-2016. Series ID ENU27000105722, Minnesota, NAICS 722 Food Services and Drinking Places, annual employment, all establishment sizes, private ownership. The earliest available year in this series is 2001, and the latest available *full* year is 2016. **The data shows that between 2001 and 2016, employment in the industry increased by 20 percent.**
 8. National Restaurant Association and Minnesota Restaurant Association, *Minnesota Restaurant Industry at a Glance*, 2018, <http://www.restaurant.org/Downloads/PDFs/State-Statistics/Minnesota.pdf>. Accessed April 23, 2018.
 9. Adam Belz, op. cit.
 10. Adam Belz, "Restaurant Group: Minneapolis Servers Make \$28.56 Per Hour," *Star Tribune*, March 27, 2017, <http://www.startribune.com/restaurant-group-minneapolis-servers-make-28-56-per-hour/417228773/>.
 11. National Employment Law Project, "Minimum Wage by State," *RaiseTheMinimumWage.com*, <http://raisetheminimumwage.com/wages-by-state/>.
 12. National Restaurant Association and California Restaurant Association, *California Restaurant Industry at a Glance*, 2018, <http://www.restaurant.org/Downloads/PDFs/State-Statistics/California.pdf>. Accessed April 20, 2018.
 13. National Restaurant Association and California Restaurant Association, *Oregon Restaurant Industry at a Glance*, 2018, <http://www.restaurant.org/Downloads/PDFs/State-Statistics/Oregon.pdf>. Accessed April 20, 2018.
 14. Samantha Higgins, Golden Gate Restaurant Association, *The State of the Industry: An Update from GGRA's Executive Director*, April 20, 2016, <http://ggra.org/the-state-of-the-industry-an-update-from-ggras-executive-director/>.
 15. U.S. Department of Labor, Bureau of Labor Statistics, *Metropolitan Area Employment and Unemployment -- November 2017* [released January 4, 2018], https://www.bls.gov/news.release/archives/metro_01042018.htm.
 16. U.S. Department of Labor, Bureau of Labor Statistics, *Metropolitan Area Employment and Unemployment -- November 2014* [released December 30, 2014], https://www.bls.gov/news.release/archives/metro_12302014.htm.
 17. Strategic Economics, *State of the Retail Sector: Challenges and Opportunities for San Francisco's Neighborhood Commercial Districts: Final Report*, [prepared for the San Francisco Office of Workforce and Economic Development], February 15, 2018, <http://oewd.org/sites/default/files/Invest%20In%20Neighborhoods/State%20of%20the%20Retail%20Sector%20-%20Final%20Report.pdf>.
 18. National Employment Law Project (NELP) analysis of Bureau of Labor Statistics, *May 2017 State Occupational Employment and Wage Estimates, Minneapolis-St. Paul-Bloomington, MN-WI*, https://www.bls.gov/oes/current/oes_33460.htm.
 19. The *May 2017 Occupational Employment and Wage Estimates* were calculated using data collected in May 2017, November 2016, May 2016, November 2015, May 2015, and November 2014 semi-annual panels. For more information, see Bureau of Labor Statistics, Occupational Employment Statistics, *Technical Notes for May 2017 OES Estimates*, March 30, 2018, https://www.bls.gov/oes/current/oes_tec.htm.
 20. Bureau of Labor Statistics, *May 2017 State Occupational Employment and Wage Estimates, Minneapolis-St. Paul-Bloomington, MN-WI*, https://www.bls.gov/oes/current/oes_33460.htm.
 21. Department of Labor, Wage and Hour Division, *Changes in Basic Minimum Wages in Non-Farm Employment Under State Law: Selected Years 1968 to 2017*, revised December 2017, <https://www.dol.gov/whd/state/stateMinWageHis.htm>.
 22. The Minnesota Restaurant Association (MRA) claims that, "Tipped employees are by far the highest paid hourly employees in table service restaurants, earning at least \$18 per hour with their wage and tips, and in many cases averaging more than \$25 per hour." *If we are to believe the MRA, this would mean that the typical server in St. Paul earns between \$8.50 and \$15.50 per hour, just in tips. (Calculated by subtracting the 2017 state minimum wage from the hourly earnings that the MRA claims to be typical). But neither the BLS data, nor stories such as Alison's provide corroborating evidence. The MRA, in fact, offers no evidence to back up their claims.* See Minnesota Restaurant Association, *2017 Issue Brief: Minimum Wage Inflation Factor*, http://www.mnrestaurant.org/uploads/2/8/9/5/28957157/mra_2017_issue_brief_minimum_wage_inflation_factor.pdf. Accessed April 23, 2018.
 23. Economic Policy Institute's *Family Budget Calculator*, "Minneapolis/St. Paul/Bloomington Metro Area," <https://www.epi.org/resources/budget/>. Accessed April 19, 2018. Original estimates in 2017 dollars.
 24. National Employment Law Project analysis of Economic Policy Institute's *Family Budget Calculator*, <https://www.epi.org/resources/budget/>. Accessed April 19, 2018. Original estimates in 2017 dollars.
 25. Bureau of Labor Statistics, *May 2017 State Occupational Employment and Wage Estimates*, op. cit.
 26. National Employment Law Project analysis of Bureau of Labor Statistics, op. cit.
 27. For a list of wages, see Bureau of Labor Statistics, *May 2017 State Occupational Employment and Wage Estimates*, op. cit. Relevant occupations include: Cleaners of Vehicles and Equipment, Baggage Porters and Bellhops, Parking Lot Attendants, and Transportation Workers, All Others.
 28. Sylvia Allegretto and David Cooper, *Twenty-Three Years and Still Waiting for Change*, Economic Policy Institute and the Center on Wage and Employment Dynamics, Institute for Research on Labor and Employment, University of California-Berkeley, July 10, 2014, <http://www.epi.org/files/2014/EPI-CWED-BP379.pdf>.
 29. Ibid.
 30. Sylvia Allegretto, *Two and a Half Decades: Still Waiting for Change*, Washington Center for Equitable Growth, October 31, 2016, <http://equitablegrowth.org/labor-markets/two-and-a-half-decades/>.
 31. Restaurant Opportunities Center United analysis of the *American Community Survey*, 2012-2015.

-
32. Refers to the 2017 annual average. Minnesota Department of Employment and Economic Development, *Current Employment Statistics, Nonagricultural Wage & Salary Employment, Hours and Earnings, Minnesota: Total Private*, <https://apps.deed.state.mn.us/lmi/ces/ResultDetails.aspx?ind=05000000&title=Total%20Private>. Accessed April 23, 2018.
 33. Minnesota Housing, *2017 Key Trends for Affordable Housing*, April 2017, <http://www.mnhousing.gov/wcs/Satellite?c=Page&cid=1358904818352&pagename=External/Page/EXTStandardLayout>.
 34. Minnesota Department of Employment and Economic Development, *Cost of Living in Minnesota*, <https://mn.gov/deed/data/data-tools/col/>. Accessed April 23, 2018.
 35. National Employment Law Project analysis of Economic Policy Institute's Family Budget Calculator, op. cit.
 36. Allegretto and Cooper, op. cit.
 37. Allegretto and Cooper, op. cit.
 38. Ibid.
 39. U.S. Census Bureau, *2006-2010 American Community Survey*, Detailed Census Occupation by Sex and Race/Ethnicity for Residence Geography Universe: Civilian Labor Force 16 Year and Over.
 40. American Association of University Women, *The Fight for Pay Equity: A State Road Map for Minnesota*, September 2017, https://www.aauw.org/aauw_check/pdf_download/show_pdf.php?file=Gender_Pay_Gap_Minnesota.
 41. Andi Egbert, Progress on the Pay Gap Between Male and Female Full-Time Workers in Minnesota, *APM Research Lab*, November 29, 2017, <https://www.apmresearchlab.org/stories/2017/11/29/progress-on-the-pay-gap>.
 42. American Association of University Women, *The Simple Truth About the Gender Pay Gap*, Fall 2017, https://www.aauw.org/aauw_check/pdf_download/show_pdf.php?file=The-Simple-Truth.
 43. Jocelyn Frye, *Not Just the Rich and Famous: The Pervasiveness of Sexual Harassment Across Industries Affects All Workers*, Center for American Progress, Nov. 20, 2017, <https://www.americanprogress.org/issues/women/news/2017/11/20/443139/not-just-rich-famous/>. See also Restaurant Opportunities Center United and Forward Together, *The Glass Floor: Sexual Harassment in the Restaurant Industry*, October 7, 2014, http://rocunited.org/wp-content/uploads/2014/10/REPORT_TheGlassFloor_Sexual-Harassment-in-the-Restaurant-Industry.pdf.
 44. Michael Lynn, *Determinant and Consequences of Female Attractiveness and Sexiness: Realistic Tests with Restaurant Waitresses*, Cornell University, School of Hotel Administration, 2009, <https://pdfs.semanticscholar.org/94d6/a6c8020e8a775651e7ad9e27d78cf6b26153.pdf>.
 45. Catrin Einhorn and Rachel Abrams, "The Tipping Equation," *New York Times*, March 12, 2018, <https://www.nytimes.com/interactive/2018/03/11/business/tipping-sexual-harassment.html>.
 46. Allegretto and Cooper, op. cit.
 47. National Restaurant Association, *2017 Restaurant Industry Pocket Fact Book*, http://www.restaurant.org/Downloads/PDFs/News-Research/Pocket_Factbook_FEB_2017-FINAL.pdf. Accessed April 23, 2018.
 48. Ibid.
 49. National Employment Law Project, "Minimum Wage by State, Tipped Minimum Wage," *RaiseTheMinimumWage.com*, <http://raisetheminimumwage.com/wages-by-state/>.
 50. Restaurant Opportunities Center United and National Employment Law Project, *The Case for Phasing Out Maine's Subminimum Wage for Tipped Workers*, October 2016, <http://www.nelp.org/content/uploads/Maine-Sub-Minimum-Wage-Report.pdf>.
 51. National Employment Law Project, *Minimum Wage a Big Winner on Election Day*, November 2016, <http://www.nelp.org/content/uploads/Minimum-Wage-Wins-2016-Elections.pdf>.
 52. Christopher Cousins, "Maine Lawmakers Repeal Part of Minimum Wage Law That Voters Just Passed," *Governing*, June 28, 2017, <http://www.governing.com/topics/mgmt/tns-maine-lepage-voters-ballot-minimum-wage.html>.
 53. Raise the Wage Act, H.R. 15; S. 1242, 115th Congress (2017-2018).
 54. Ibid.
 55. Keith Ellison, "Three Myths About the Minimum Wage," *Star Tribune*, June 14, 2017, <http://www.startribune.com/three-myths-about-the-minimum-wage/428513483/>.
 56. Restaurant Opportunities Center United and National Employment Law Project, op. cit.
 57. Allegretto and Cooper, op. cit.

© 2018 National Employment Law Project. This report is covered by the Creative Commons "Attribution-NonCommercial-NoDerivs" license fee (see <http://creativecommons.org/licenses>). For further inquiries, please contact NELP (nelp@nelp.org).