

March 15, 2024

Representative Alice Peisch, Chair
Special Joint Committee on Initiative Petitions
State House, Room 234
Boston, MA 02133

Senator Cindy Friedman, Chair
Special Joint Committee on Initiative Petitions
State House, Room 313
Boston, MA 02133

Dear Chair Peisch and Chair Friedman,

On behalf of the Greater Boston Chamber of Commerce and our 1,200 members, I write to offer testimony in opposition to the initiative petition H.4254, *An Act to require the full minimum wage for tipped workers with tips on top*. Tipped workers in Massachusetts, by law, must already earn the state's minimum wage of \$15 per hour over the course of a shift.¹ Employers must pay tipped employees any difference between earnings through the tipped wage and actual tips received and the minimum wage, and those that do not are in violation of the current law. The petition, therefore, only adds significant costs to the restaurant and hospitality industry without necessarily increasing real wages for employees. We urge the committee to oppose H.4254.

Supported by our current wage laws, Massachusetts is home to the eighth highest median hourly wage in the country for tipped servers, according to the most recent data compiled by the U.S. Bureau of Labor Statistics.² The petition puts those wages at risk by imposing added costs directly onto employers, raising prices, and directing tipped servers to pool tips with back of the house restaurant employees. Restaurants will struggle to absorb the costs of the petition, while also disincentivizing potential customers by necessarily increasing prices. The result, predictably, is that restaurants will hire fewer people or, worse, close as razor thin profit margins disappear due to higher costs and fewer patrons.

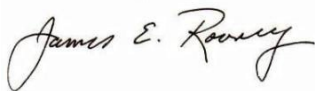
The timing for the initiative petition couldn't be worse – restaurants of all sizes are still reeling from changing commuter habits as downtowns struggle to attract foot traffic and rebound from the pandemic. As the hospitality industry evolves to meet new behavior patterns of workers and diners, the petition introduces more uncertainty about staffing and costs that only complicates their job.

In addition, the initiative petition circumvents the deliberative legislative process that led to the “Grand Bargain” in 2018 that increased the minimum *and* tipped wage, created a functional paid family and medical leave program, and established a permanent sales tax holiday among other policies that provided benefits to both workers and employers. In fact, the minimum wage increased annually over a 5-year period, and January 1, 2024, was the first year without an increase since the Grand Bargain passed in 2018. The petition instead undermines that carefully crafted legislation that retained the tipped wage without substantively involving the very stakeholders that are impacted.

We urge the committee to take no action on H.4254.

Thank you for your consideration.

Sincerely,



James E. Rooney
President and CEO

¹ [Section 7 of Chapter 151 of the Massachusetts General Laws.](#)

² https://www.bls.gov/oes/current/oes_research_estimates.htm Median Hourly Wage for Food Services and Drinking Places, 2022.