

Arguments “Against” Proposition 138

Tips are optional; a salary is not, which is why some restaurant owners continue to try to avoid paying a living wage to their employees. This measure is yet another attempt by the Arizona Restaurant Association to undermine the Fair Wages and Healthy Families Initiative passed by nearly 60% of voters in 2016. It asks voters to amend the Arizona Constitution to create an even lower sub-minimum hourly wage for tipped employees that is up to 25% lower than statutory minimum wage.

By law, tipped workers can already be paid \$3 less than the minimum wage, but this measure would increase that gap significantly. Similar measures have been pushed by Trump-affiliated or conservative groups in other states and appear to be driven by “astroturf” organizations such as “Save Our Tips AZ,” which is entirely funded by the Arizona Restaurant Association. An investigation conducted by journalists at the AZ Mirror revealed that “workers” who testified in support of the measure were actually high-level employees of restaurants owned by members of the ARA Board. This type of pretense during the lawmaking process is inappropriate and reprehensible.

Reducing the already sub-minimum wage for tipped employees would further diminish their ability to afford rent or support a family in a state with skyrocketing cost of living. Restaurant workers struggle to afford basic health care and often work multiple jobs to make ends meet. They deserve a living wage in order to afford to put food on their own tables as well as ours.

We strongly urge a “No” vote on this insidious measure.

Catherine Sigmon, Co-Founder, Civic Engagement Beyond Voting, Tempe and Melinda Iyer, Co-Founder and Policy Director, Civic Engagement Beyond Voting, Phoenix

I am an Independent-minded young man of 26, who has worked in many different blue-collar workplaces ranging from Aviation Maintenance, to Machining, and Veterinary Technologies. I stand firmly against this measure and urge you to VOTE NO. I have worked on multi-million dollar projects before and after COVID-19 and see how little certified workers like myself are paid, and recognize that tipped workers and minimum wage workers work just as hard as myself and struggle more to make ends meet. In our great state of Arizona prices have been rising astronomically in all departments and are squeezing working class people trying to survive. All employers and companies should want their loyal workers to be able to afford basic necessities, such as housing, healthcare, healthy groceries, or even an annual vacation. Mega Corporations continue to report earth-shattering profits across all boards, and are not showing their gratitude and loyalty to the employee-shareholders putting their minds and bodies on the line every day to help make a difference and serve their companies and communities. The Massachusetts Institute of Technology (MIT) has calculated that a living wage in Arizona equals out to \$23.40 per hour, or \$48,672 salary. Under this bill, tipped workers would receive 25% less pay than their untipped counterparts, totaling out to a whopping \$11.25 per hour, or \$23,400.00 per year. This confusing bill is anything but a “Tipped Workers Protection Act” It does nothing to help tipped workers provide for their families, nor keep full time workers from slipping into homelessness. This is a

way for corporations to raise their profits by avoiding paying people enough to be comfortable, and is being used as a red herring to say higher minimum wage = bad for businesses. For these reasons I urge you to VOTE NO.

Eric Stafford, State Senate Candidate Legislative District 29, Stafford4AZ, Goodyear

Vote NO on Prop 138! In the House of Representatives Commerce Committee hearing at our State Capitol where this legislation was debated, some of our legislators said that they want to help the guy at the bottom; “the small business owner”-- but isn't the guy at the bottom the worker who has three jobs to stay get by instead? We, the people of Arizona, passed Prop. 206 the Fair Wages and Healthy Families Act in 2016 by nearly 60% of the vote. It was so all Arizonans could receive a living wage and grow our economy, and it's been effective at doing that. Data shows that when communities increase worker's wages the economy of the surrounding area improves. When workers at the bottom get an increase in wages they spend it in their local communities, the small businesses, experience an uptick in volume, and the area as a whole; benefits. Removing any amount of their pay is counterproductive. Our economy works, not from the top-down, but from the bottom-up. Please join me and vote NO on Prop 138 to protect hardworking Arizona workers!

Kerry Jackson, Phoenix

The Restaurant Association is at it again. For decades, hardworking Arizonans in the service industry, the hospitality industry, the 21st-century alternate delivery, and personal services industries have labored under sub-living wages and reliance on the graciousness of those they serve. Gratuity, commonly referred to as tipping is not a uniquely American cultural phenomenon, and it is a generally accepted form of recognizing the quality of a service performed by the one receiving it. Whether a valet returns your car in the same condition they received it, or a delivery was made with the proper product or the deliverer went beyond leaving the package on the stoop because they felt the recipient deserved an extra effort. No matter the quality of the service, the gratuity itself is the accepted form of acknowledgment, good, bad, or indifferent.

The government has seen fit to increase the minimum wage to an almost living wage level. Those who have the added benefit of gratuity should not be punished for this benefit. The Restaurant Association and their cohorts have seen fit to demand that Arizona do exactly that. Reduce the minimum wage to allegedly offset gratuities by a pre-determined 25%. Where that percentage came from is anyone's guess. The Bureau of Labor Statistics has no such determinate. this is without foundation and takes away from an already unstable economic sector.

Proposition 138, sponsored by the Restaurant Association and their cohorts, aptly numbered to reflect the economic burden we all face, is unfair on its face and an effort to undermine the very livelihoods of the people they desperately need to show up every day and make their business profitable. Vote no on Proposition 138.

Ruthee Goldkorn, Peoria

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While tipping culture is common in the world, the United States is the most severe. Because of this, it is normalized to pay people in the service industry less wages, with the assumption that they will receive at least a 10-15% tip per customer interaction. The onus is left to the individual server to rely on the customer's honoring of this expectation, regardless of any other extenuating circumstances. Prop 138 would make this "honor system" a state constitutionally protected right and void any future attempts to raise wages for all workers, including servers or "tipped workers." Setting aside issues like racism, classism, and rudeness, servers must also contend with the challenges presented from falling ill, getting injured, childcare availability, and schooling. When someone makes the subminimum wage, a missed shift means losing half a day's wages, even with paid time off (PTO). This is negated by lobbying groups who represent employers of this system, and have a vested interest in keeping the status quo to not ensure their employees have a livable wage. In areas where tipped workers' wages were raised to be in line with other minimum wage earners, job availability and location flexibility have not had a significant change. In fact, job tenures have been strengthened and employees are experiencing more safety on and off the job site. Prop 138 would make these types of improvements impossible and would relegate servers to even more unfair and unequal working conditions. It may even lessen positive customer service outcomes because of the duress that this mandate will put on people in the service industry. Every worker deserves a livable wage and Prop 138 will actively prevent that for tens of thousands of hardworking Arizonans.

Jolie Amaya, Mesa

VOTE NO on Proposition 1040 to stop corporations and their lobbyists from reducing the wages of tipped workers even more. Currently, the minimum wage for tipped workers is 79% of the state minimum wage, or \$11.35/hr vs. \$14.35/hr. Prop 1040 will add a provision to our State Constitution that will allow employers to reduce the hourly pay of tip-earning workers to 75% of the state minimum wage, or \$10.76/hr. This is a direct attack on low-income workers during a time in which inflation, prices, and the cost of living in Arizona are at record highs. Legislators in the pockets of big corporations actually have the audacity to call this the "Tipped Workers Protection Act," but what it should really be called is the "Corporate Earnings Protection Act." Unless you want to see the poverty rate in Arizona go up even more, VOTE NO on Proposition 1040 to protect hardworking tipped workers and their families.

Chester Bokich, Phoenix

SCR1040

1. Please vote NO on this proposition that will cut wages for tipped workers, because decreasing the minimum wage for tipped workers by 25% harms their quality of life and only benefits greedy business corporations looking to pocket more profits. Tipped workers, and actually, all workers, have a right to a living wage in our advanced society, a society that now supports more billionaires than ever, while many struggle daily just to make ends meet. Tips are just that, a bonus for services rendered, and should not be an excuse for businesses not to provide a base

living wage to our workers, regardless of tips that may or may not be earned by the workers. This measure is being pushed by self-interested restaurant lobbyists who work against efforts to pay fair wages to tipped workers. Tipped workers already get paid less than the state's minimum wage and this measure will further decrease their earnings by another 25% less. It's shameful that our laws would align with corporate greed that could force tipped workers to earn less than a fair, livable wage. So please vote NO against this Proposition 138, as it clearly values profit over a living wage, which only continues to oppress the working class.

J. Marshall Newbern, DO

James Newbern, D.O., Phoenix

Proposition 138 reduces the minimum wage for tipped workers to even lower than it currently is, and this time by 25%! Arizona law already allows corporations to pay tipped workers less than the minimum wage. If Prop 138 were to pass today, they could pay workers \$3.58 less than the current minimum wage, and that amount would continue to grow!

The audacity of corrupt politicians working with restaurant mega-corporations and their lobbyists to reduce tipped worker's wages while trying to dub this as the "Tipped Worker Protection Act" is appalling! As if Arizonans aren't already struggling enough just to get by, our elected representatives aren't making the job any easier by stabbing us in the back. Vote NO on Prop 138 to actually protect tipped workers!

Denise Previte, Scottsdale

VOTE NO on Prop 138. This ballot referral is disguised as "protecting" tipped workers when in reality it would allow companies to pay 25% less than minimum wage to their tipped workers. These predatory corporations want you to foot the bill for their labor costs while their corporate executives continue to have record-breaking profits year after year— and during a time when many are having to work two to three jobs just to make ends meet! All hardworking Arizonans deserve a basic living wage, and if these companies had their way, they would pay us pennies on the dollar. This proposition is inhumane, and it shows how arrogant these corporations have gotten that they think they deserve to take from their hardworking staff. Instead, they would have you do their work for them, all so they can fill their own pockets. This proposition would also disproportionately harm both women and people of color, as they are frequently tipped far less than average, and make up the majority of tipped workers. Employment laws should not be protective of employers and harmful to workers. This toxic culture of forcing the customer to ensure that the employee has enough money to survive is a drain on everyone. Not only do tipped workers make less, but you have to give more of your hard-earned money away to make up for their lack of pay. Corporations are directly stealing money out of your pockets to keep their shareholders happy. VOTE NO on Prop138 and send a message to greedy corporations that you won't do their job for them; and that you won't tolerate their inhumanity.

Nicholas Mink, Scottsdale

Vote no on Proposition 138 because if passed, it will take MORE money out of the pockets of tipped workers in Arizona. This proposal would pay tipped workers, who are already paid \$3 less than minimum wage, even LESS money. Everyone who works should be paid equitably for the jobs they are performing, including tipped workers. Support workers and workers' rights by voting no on Prop 138.

Karlyn Bradley, Phoenix

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Vote NO!

Proposition 138 exists because of corrupt lobbying from corporate interests. It was created by the National Restaurant Association, also called "The Other NRA," which is a restaurant lobbyist group that influences labor laws to keep wages low and restrict worker protections. Their priorities lie in serving the interests of businesses, maximizing shareholder profits, and prioritizing the CEO, Dan Bogert's pay, over ensuring fair compensation and rights for restaurant workers. Vote NO!

The National Restaurant Association's claim that restaurants cannot afford to pay livable wages indicates a flawed and unsustainable business model. Relying on worker exploitation as a solution only perpetuates the problem and shifts the burden onto customers and taxpayers. Holding companies accountable and promoting fair treatment of employees is essential for a just and equitable society. We must prioritize the rights and needs of workers, ensuring that they receive the compensation and respect they deserve.

Tipped workers are often exploited and underpaid, just like my younger self. It's common for us to work off the clock to increase our workable hours and potential earnings. The low wages in the restaurant industry allow them to overstaff because they can underpay.

Still relying on exploiting employees is a clear indication that something is wrong with our economic system. They are proving that it's not the fault of individual workers that they can't make ends meet but rather the result of policies and practices that prioritize corporate profits over the well-being of workers. Communities must address this problem we need to acknowledge the role that corporations play in perpetuating economic inequality and work toward policies that support fair wages benefits and working conditions only then can we create an economy that works for everyone. Vote no on Proposition 138 to stop corporate greed and protect tipped workers from being exploited.

**Jessica Stagers, Community Engagement Strategist, Maricopa County Young Democrats
Event Director, Surprise**

Credit allows my employer to maintain a viable business model; while I earn a substantial portion of my wages through the tips I receive. Without the tip credit, the increased labor costs could lead to layoffs or reduced hours, significantly impacting my livelihood. The Tipped Workers Protection Act is vital for preserving this balance. It allows bartenders like me to continue thriving in our roles, motivated by the potential to earn more through exceptional service. This act ensures that we can maintain our income levels and job security, which are both threatened by the proposed elimination of the tip credit. The hardship of losing the tip credit would not only affect the vast diversity of people that work in restaurants, but also locally owned

businesses. Please consider the ramifications on the hard working employees this ballot measure could have.

Alexis Reinacher, Tucson

Vote NO on Prop 138. Prop 138 proposes to enshrine in the Arizona Constitution employers' right to pay tipped workers a lower minimum wage than they do today. Tipped workers already experience a high rate of wage theft, increased sexual harassment directly tied to their dependence on tips, and racial and gender discrimination that disproportionately impacts women, people of color, and immigrants.

In Flagstaff, voters passed a local minimum wage law, eliminating the exploitative subminimum tipped wage. Prop 138 would repeal those local tipped wage provisions and cut the wages of working families by many thousands of dollars each year. I urge all to VOTE NO on Prop 138.

Arizona workers deserve a living wage and protection of their earnings. Instead, Prop 138 is a proposal by big corporations and their allies designed to increase their profits at the expense of restaurant workers. Say NO to corporate greed; vote NO on Prop 138.

Eva Putzova, Former Flagstaff City Councilmember, Flagstaff

The practice of paying tipped employees less than the standard minimum wage is outdated and exploitative, yet our lawmakers want to enshrine it in the Arizona Constitution. Vote NO on Prop 138.

This constitutional amendment would lower the current tipped wage, exacerbating the precarious economic conditions of essential workers and their families. Tipped workers are already some of the most vulnerable, facing significant income instability. Their earnings depend heavily on customer tips, which fluctuate based on numerous factors, including seasonality, economic conditions, and customer generosity. This unpredictability makes it challenging for workers to budget and plan for their financial future.

Flagstaff voters took action in 2016 and passed a law that phases out the exploitative subminimum tipped wage. The constitutional amendment Prop 138 would undo the will of the voters, leading to permanent pay cuts for thousands of Flagstaff workers. I urge you to vote NO on Prop 138.

Outside Flagstaff, tipped workers would also see a wage decline—growing over time—as Prop 138 would allow employers to pay tipped employees a sub-minimum wage of 25% less than the state minimum wage. Vote NO on Prop 138.

Eric Descheenie, Former Arizona State Representative, Catch Fire Movement, Flagstaff

Vote NO on Prop 138. Prop 138. If passed Prop 138 will permanently continue the exploitation of tipped workers through a drastic cut in their base minimum wage. The minimum wage is not a

livable wage and not all tips are guaranteed or equal depending on the venue of employment. Reducing the minimum wage by 25% for tipped workers will exacerbate the financial insecurity of these workers and contribute to the existing racial and gender discrimination that tipped service jobs come with.

Do not believe that a lower minimum wage is a benefit for the employees of the service industry that is promoting this constitutional change. This is another attempt to mislabel a trickle-down economics theory that is designed to lower costs for employers at the economic and social expense of employees.

Already, minimum wage workers at \$14.45 are subject to the difficulties of poverty in a state where an average living wage is over \$23/hour according to the MIT Living Wage Calculator. Imagine working in an inexpensive chain restaurant at \$10.83/hour and hoping your tips for the day on \$15-\$20 meals add up to a substantial part of your hourly wage. Could you live on that? Could you feed your children, manage your healthcare, reliably get yourself to your job, and prepare for any financial emergencies that come up? If your answer is no, vote NO.

Eric Souders, Flagstaff

Proposition 138 is a slap in the face to hardworking Arizonans. While disguised as “protecting” tipped workers, it is reducing their minimum wage. Vote No on Proposition 138! Tipped workers already don’t make minimum wage, and while tips are supposed to make up the shortfall, those of us who’ve worked in the restaurant industry know that the reliability of customers tipping is non-existent. If passed, Proposition 138 will harm tipped workers by allowing employers to pay tipped employees a sub-minimum wage of 25% less than the state minimum wage. From the Valley, to Tucson, to Flagstaff, individuals and families are often forced to work two or three jobs to make ends meet. The cost of living in Arizona is approximately \$44,875 per year and in some communities, such as Flagstaff where I live, it can be substantially higher. Since I moved to Flagstaff in summer 2010, my rent has increased approximately 190 percent. There was even a time, about eight years ago, that I (a college professor) drove for Uber on the side to help make ends meet. Imagine if this wasn’t me, but a single mother, or a first-generation college student having to live and pay for rent, food, and college on their own. At a time of rising costs, Proposition 138 is lowering Arizonans’ income. All workers deserve a living wage and tipped employees are not an exception to this rule.

Since the minimum wage increase was approved by voters in 2016, restaurant industry lobbyists and politicians at the State Capitol have worked hard to undermine the will of the voters. At a time when the cost of living continues to go up, the will of the voters should be respected, and I respectfully urge you to Vote No on Proposition 138.

Paul Lenze Jr., Flagstaff

Employment laws should protect workers from exploitation by corporations, not harm them. Opportunity Arizona urges all Arizonans to VOTE NO on Proposition 138 which will decrease the minimum wage for tipped workers to 25% below the current state minimum wage. Hard work should earn a living wage and tipped workers are no exception. Allowing employers to pay tipped workers a subminimum wage perpetuates economic inequality and makes it difficult for workers to meet basic living standards. The pay structure for tipped workers already maximizes

discretion as their income is determined by many different potentially biased individuals, and proposition 138 makes that worse by decreasing their pay as the cost of living continues to skyrocket.

As women and people of color are overrepresented among tipped workers, this proposition worsens existing income inequality and systemic poverty by targeting these groups. This proposition does not represent the interest of hardworking Arizonans. It is a handout from corrupt politicians to the same greedy and powerful restaurant industry lobbyists who crusaded against fair pay and healthcare for tipped workers and led the opposition to the minimum wage increase passed by voters in 2016. This attack on tipped workers is an attack on all workers. VOTE NO on Proposition 138 and protect fair pay for tipped workers.

Ben Scheel, Executive Director, Opportunity Arizona, Phoenix
Sponsored by Opportunity Arizona

My name is Tamar, and I am a Northern Arizona University student who relies on a tipped wage. SCR 1040 is a measure that will negatively impact tipped workers by allowing employers to pay them 25% less than the state minimum wage. Tips are optional and reflect the quality of service provided, but they are not guaranteed. All workers, including those who rely on tips, deserve a living wage.

Tipped jobs often attract individuals seeking flexible part-time work. Even with tips, these positions are often still under livable wage standards. Tipped wages are not guaranteed, and these workers are rarely offered full-time employment or access to healthcare and other benefits. With rising housing costs, many tipped workers live paycheck-to-paycheck and face housing insecurity.

This measure is backed by the Arizona Restaurant Association and the lobbyists who oppose fair pay and healthcare for restaurant workers. They led the opposition to the minimum wage increase passed by voters in 2016. Employment laws should protect workers, not harm them. SCR 1040 will reduce tipped employees' income while increasing employers' profits.

Vote NO on SCR 1040 to ensure tipped workers receive fair compensation.

Tamar Stern, Arizona Students' Association, Flagstaff
Sponsored by Arizona Students' Association

The giant restaurant chains lobbied our lawmakers to refer to the voters constitutional amendment, Prop 138, that would lower the wages paid to tipped workers by 25%.

VOTE NO ON Prop 138!

Like all workers, tipped workers have suffered from the inflation of the past few years. Their rent has gone up, their food and transportation costs have increased, as have the cost of child care and health care out of pocket expenses. Their wages should be increasing, not decreasing!

Arizona voters support raising the tipped wage to the full minimum wage. In Flagstaff, we enacted a minimum wage ordinance that not only increased the minimum wage but eliminated the tipped wage, guaranteeing tipped workers the full minimum wage. They will now see a 25% pay cut if Prop 138 prevails.

This unconscionable attack on the livelihood of Arizona workers must stop. Corporate profits should never take precedence over the needs of the very workers who do the work that earns them those profits. Enough is enough. I urge you to vote NO on Prop 138.

Marilyn Weissman, Community Organizer, Flagstaff

Arizonans should vote NO on Proposition 138 to protect tipped workers and their hard-earned wages. Decreasing the minimum wage for tipped workers by 25% harms their quality of life and only benefits greedy business corporations looking to pocket more profits. I know this nearly as well as anyone, considering I have spent the majority of my career as and continue to be a tipped worker. This proposition is being pushed by greedy restaurant lobbyists who work against efforts to pay fair wages to tipped workers. Tipped workers already get paid less than the state's minimum wage and this measure will further decrease their earnings by 25%. It is shameful that corporate greed would allow tipped workers to earn less than a fair, livable wage. Please vote NO against Proposition 138, which will only hurt tipped workers by paying them less than they deserve.

Mike Johnston, Phoenix

Sponsored by Opportunity Arizona

Please vote NO on this proposition that will cut wages for tipped workers. This measure does the opposite of protecting tipped workers by decreasing their minimum wage earnings by 25%. The cost of living is so expensive for many and this measure only harms tipped workers, many who are living paycheck to paycheck. Cutting the minimum wage for tipped workers by 25% would make managing daily expenses much more difficult. Tipped workers have a right to a living wage and this measure will get us much further from accomplishing that. Please protect tipped workers and their earnings by voting NO on this measure.

Julie Coburn, Phoenix

More Arizonans than ever are struggling because of inflation and the rising prices of food and housing. Wages have not kept up with the skyrocketing cost of living. All the while corporations and billionaires are seeing record profits. The Arizona Restaurant Association, who has projected \$23 billion in sales by the end of 2024 is seeking to line their pockets further with Prop 138, which amends the Arizona Constitution to decrease the minimum wage for tipped workers.

Prop 138 would allow for employers to pay tipped employees up to 25 percent less than the minimum wage, lowering the current tipped minimum wage from \$11.35 to \$10.77. This would

significantly reduce the take-home pay for the majority of tipped workers, making it harder for our fellow Arizonans who work in the service industry to make ends meet in our economy.

Under Prop 138, greedy corporations also shift more cost to the consumer to pay worker's salaries to compensate for the prioritization of their billions in profits over paying employees fair wages. Additionally, under this proposed constitutional amendment, employers can suspend worker protection laws, which could potentially expose workers to unsafe or unfair working conditions.

Prop 138 is a shameful attack on workers and insulting to the countless Arizonans who are struggling to afford a roof over their heads and food on the table. Every year, bought-and-paid-for politicians in Arizona attempt to cut wages to bolster the profits of their corporate donors. We, the People, can fight back against corporate greed by voting 'No' on Prop 138.

Alejandra Gomez, Executive Director, Living United for Change in Arizona (LUCHA), Phoenix

Sponsored by Living United for Change in Arizona (LUCHA)

Prop 138 is an anti-employee proposal, supported by organizations that have kept wages low for decades. The Chamber of Council supports it. So does the Arizona Restaurant Association. Why? Because they care more about their profits than about their employees.

Vote No on Prop 138. It is part of the ongoing effort by corporations to keep wages low—and to keep the public on the hook for making up for those low wages. We must not allow Prop 138 to further erode the current wage for tipped workers.

It is time to ensure that tipped workers are paid the full minimum wage. No worker should have to depend for their income on hand-outs from customers. Prop 138 continues the pernicious practice of shifting responsibility for wages from business owners to customers. It is a practice that most negatively affects women and people of color and it makes all tipped workers lives precarious.

Vote No on Prop 138 to protect tipped employees from pay cuts.

Sandra Lubarsky, Flagstaff

Please vote NO on Proposition 138, which will cut wages for tipped workers. This measure does nothing to protect tipped workers and will decrease their subminimum wage earnings to 25% less than the minimum wage. With the cost of living being so expensive, this measure would harm tipped workers, many of who are living paycheck to paycheck. Cutting the minimum wage for tipped workers even further would make managing daily expenses much more difficult. Tipped workers have a right to a living wage and this measure will get us much further from accomplishing that. Please protect tipped workers and their earnings by voting NO on Proposition 138.

John Stahl, Phoenix

Prop 138 seeks to allow employers to pay tipped employees a sub-minimum wage 25% less than the state minimum wage, directly harming hardworking Arizonans who rely on tips as a significant part of their income. All workers deserve a living wage to sustain themselves and their families, especially given the substantial increase in the cost of living. If Prop 138 passes, it will exacerbate financial instability among tipped workers, pushing them further to the edge. Prop 138 is supported by restaurant industry lobbyists who have a history of opposing fair pay and healthcare benefits for restaurant workers, as evidenced by their opposition to the minimum wage increase approved by voters in 2016. This measure not only perpetuates a system that disadvantages tipped employees but also exacerbates racial and gender inequities inherent in the tipping system. Women and people of color are disproportionately represented among tipped workers, with over two-thirds being women, exacerbating vulnerabilities and marginalization. Prop 138 would further entrench these inequities by leaving workers' pay at the mercy of potentially biased customer discretion rather than ensuring fair and equitable compensation mandated by law.

Employment laws should protect workers' rights and ensure fair treatment, not bolster employer profits at the expense of vulnerable employees. Prop 138 fundamentally undermines efforts towards economic justice and perpetuates systemic inequalities. As such, I urge legislators and voters to reject Prop 138 to uphold fairness, dignity, and financial security for all workers in Arizona. Our state must strive for policies that promote equality and protect the rights of every worker, regardless of industry or occupation.

Vote NO.

Bridget Sharpe, Director of Human Rights Campaign AZ

Bridget Sharpe, Phoenix

This ballot measure if passed will lower wages for tipped workers. This legislation is being pushed by the Arizona Restaurant Association to pay workers less money. Multiple times this year, the Arizona Restaurant Association has been in the Arizona House Commerce Committee trying to pass legislation that would lower working people's wages. In a time when people barely make enough to get by, they continue to try to lower hard-working Arizonan's pay. In Arizona today we currently have over 51,000 waiters and waitresses, according to the Bureau of Labor Statistics. In Arizona, the Median pay for a waiter is \$18.52/Hr and the average is \$21.86/Hr which makes the Yearly Average pay \$46,000/Year including tips. Tips for waiters are not making them rich. \$46,000 is not considered middle class in Arizona. Most Tipped workers do not have healthcare, live paycheck to paycheck, and are most likely experiencing housing insecurity. Please Vote NO on HCR1040. This is a direct attack on hardworking Arizonans. All workers deserve a livable wage, and tipped employees are no exception.

Cesar Aguilar, Arizona House of Representatives- Ranking Democrat of Commerce, Self, Phoenix

Many Arizona workers are currently struggling to make a living wage, and this is especially true for tipped workers. This measure would significantly worsen the economic well-being of tipped workers and their families by further reducing their wages under a convoluted tiered system.

Arizona has a two-tiered minimum wage system: one wage for nontipped workers and one for tipped workers. The minimum wage for tipped workers is \$3 less than minimum wage for nontipped workers. Proposition 138 will lower this tipped minimum wage and over time increase the gap between these two minimum wages. This will require workers to rely more on tips for their income.

Data tells us that when there is a gap between these two systems, poverty rates for tipped workers are higher than nontipped workers. Increasing this gap contributes to even higher poverty rates for tipped workers. In fact, tipped workers in states with larger wage gaps experience poverty at double the rate of nontipped workers with waitstaff and bartenders at triple the rate.

Under current law, tipped workers have a 9.8 percent poverty rate compared to 5.5 percent for nontipped workers in Arizona. Tipped workers who are women experience even more poverty at 10.8 percent. Proposition 138 will significantly contribute to increasing an already high poverty rate for tipped workers. This will especially impact women who make up almost 70 percent of tipped workers.

Joseph Palomino, Director, Arizona Center for Economic Progress, Tempe
Sponsored by Arizona Center for Economic Progress

Prop 138 is inaccurately named the “Tipped Worker Protection Act”. It does NOTHING to help tipped workers. Rather, research indicates that it will HARM tipped workers.

This referred amendment is backed by restaurant industry lobbyists whose interests lie in lowering the minimum amount employers must pay their tipped workers.

Prop 138 proposes to set Arizona’s tipped worker wage penalty (the difference between tipped and non-tipped minimum wage rates) at 25% of the minimum wage, versus the current flat rate. From the outset, this would cause a reduction in the minimum amount an employer can pay a tipped worker, from \$11.35/hr to only \$10.76/hr.

The tipped minimum wage is currently set, by law, as a flat \$3.00 less than the non-tipped minimum wage. Currently, that means the tipped minimum wage is at \$11.35 per hour, but since the non-tipped minimum wage is indexed to inflation, this number goes up every year. The difference between tipped and non-tipped minimum rates remains the same even as the overall minimum wage goes up.

Prop 138, in tying the tipped worker wage penalty to a percentage of the minimum wage, would cause the wage gap between tipped and non-tipped employees to widen each time the minimum wage increases.

If this measure passes, it will lower the income of many hardworking Arizonans, putting them on the edge of financial instability. Research from the Center for American Progress shows that states with a large gap between tipped and non-tipped minimum wages have higher poverty rates than states with more moderate tipped worker wage penalties like Arizona.

Prop 138 is a direct attack on hardworking Arizonans. All workers deserve to make a living wage, and tipped employees are no exception.

We urge you to VOTE NO on Prop 138. This amendment will HURT tipped workers.

Brendan Walsh, Executive Director, Worker Power, Phoenix
Sponsored by Worker Power

I am a soon-to-be retiring teacher with 37 years in a classroom. I have not worked at a “tipped job” since I was 16. However, this proposition is another of those “let’s sneak this in and see if we can get people to vote for it” situations presented to us by our AZ Legislature. I am paying \$75 to submit each of these AGAINST statements because I feel voters in Arizona MUST know what is going on!

I am certain that however they choose to “word” the proposition is going to make it seem like they are doing us a favor and we should approve it.

Currently, the law in Arizona is that minimum wage is \$14.35 per hour. According to the Dept of Labor, Arizona pays \$3 per hour less to tipped employees. The Proposition that is being put forward by the Legislature is to reduce this \$11.35 by an additional 25%. (That would make the minimum tipped wage \$8.51 per hour.)

I guess they believe that customers should be making up that difference?

Why should an employer pay an employee their full wage? If they can cut wages by 25%, it then becomes the customer’s responsibility to pay the workers.

It would be very interesting to know what special interest groups “encouraged” legislators to put this initiative on the ballot? Or maybe we should ask how many Legislators own businesses that employ workers who earn tips?

Please join me in VOTING NO on PROP 138. We are all having a tough enough time financially right now without making it even harder on those who earn the least.

Bonnie Hickman, Concerned Arizona Educator, MESA