

Arguments “For” Proposition 138

Hello, my name is Ana Belle Rayzian and I have been a server/bartender in the service industry for 7 years now. The Tipped Workers Protection Act (TWPA) is crucial for all workers in this industry, specifically financial aspects. By warranting an additional \$2 per hour than the current law in place, this will secure financial stability amongst industry workers through the duration of time where there is a decreased volume in restaurants. The tip credit system actuates exceptional service due to household incomes being executed by the level of service given. If there were to be an elimination of tip credit, this would result in an overall decrease of performance levels at various workplaces and an immense financial burden on not only the staff, but the overall industry as well. This would result in loss of employment for numerous workers, while burdening service levels at restaurants due to staff shortages. The TWPA secures our potential to succeed in quality service along with having freedom from financial burdens upon us.

Ana Belle Rayzian, Phoenix
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Becoming a single mom at 32 with two children and no work experience in the field of my degree, I was terrified. I was a stay home Mom for the last six years and now had to make a plan. I waitressed through college and really enjoyed it, so back to waitressing I go! Through the tip system I was able to support my children, keep our home and thrive. If I was making minimum wage I would have lost it all and my children would have suffered. Twenty years later I am still doing what I love and still thriving financially. Once again I'm terrified. Terrified that what I have grown to rely on will be taken away and what do I do now.? I have no work experience so who would hire an inexperienced not young woman. Please don't take away my livelihood. Please don't punish my family who depends on me. Please don't change what isn't broken. It will harm servers and the restaurant owners will suffer greatly. And, ultimately, the public who will no longer be able to afford a night out. Keep things the way they are and pass this please.

Lori Craig, Phoenix
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I've been in the restaurant industry since I was 15 and a half, balancing school with long shifts. This hard work has been rewarding, thanks to the financial cushion provided by tips. In my Iraqi culture, hospitality is paramount, and being able to share that with patrons through excellent service is reflected in the tips I receive. I see the same dedication in the restaurants I frequent in our district. Tips are more than just extra income; they are a recognition of our hard work and a major motivator for us to excel. The tip credit system directly ties our compensation to our performance, encouraging us to provide the best service possible. Eliminating this system in favor of a service charge model would undermine this incentive. It would lead to higher costs for customers and a decline in service quality, as the direct relationship between service and earnings would be lost. The Tipped Workers Protection Act is crucial for maintaining high standards in our industry. It ensures that restaurant workers can keep their tips and that patrons continue to receive excellent service. Thank you for considering this important matter.

Fawaz Stipho, Tucson

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As a friend of many employees in the restaurant industry I have seen first hand the positive impact that tips have on these individuals lives. Seeing the excitement and joy they showcase after a successful day at work is almost always due to a day full of generous tips. In addition being able to reward those who provide restaurant goers with a positive experience has always been something I have prided myself on. Prop. 138, the Tipped Workers Protection Act is extremely important in the continued success of the restaurant industry. Food service tips motivates restaurant employees to provide the best experience they possibly can provide and allows them to be fairly compensated for doing so.

Yazin Hindosh, Tucson

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As a young adult employed as a server in the restaurant industry, tipping culture has provided me with a sustainable income while also allowing for an avenue of opportunity and flexibility that has only been possible under the protection of the tip credit. I have used this structure of income as a “stepping-stone” as I work on accomplishing my future goals. It has allowed me to further my education, pay for my living expenses, and maintain a healthy physical and mental quality of life. Gratuity-based income is an incentive to provide the best possible service for my guests because I am paid based on my work ethic and the impact that I, as a server, have instilled in their dining experience. In addition to potentially negatively affecting the quality of service that consumers appreciate, eradicating the tip credit will also cause an increase in labor costs. This will force employers to take repercussions such as decreasing hours, or even worse, termination of employment. I fear for the progression of my future and the ability to financially provide for myself if we are no longer under the protection of the Tipped Workers Protection Act.

Brooke Lander, Phoenix

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As an individual who has become a part of the service industry, I have been accustomed to the importance of Tip Credit. I made my entire living based on my daily tips. The art of service has played a crucial role in the progression of my life. Taking away the tip credit is not just removing the value of service but the value of traditional dining experience. Servers, such as myself, make their entire wage based on customers tips. Many who are in this industry are Mothers, Fathers, College Students, Teachers, etc. The consequences of eliminating the tip credit potentially leave all these individuals, including myself, without a job or with hours not sufficient enough to provide. It’s a relationship building commitment and most importantly it impacts the definition of creating an atmosphere in restaurants. Servers are trained to go beyond for the purpose of receiving a tip. Removing this will only cause a pause in proactive action in dining restaurants. Serving is the one job you can always come back to because of its benefits in tips no matter where you are at in life! The tip credit is a crucial factor in the success of my life and the lives of many others.

Añdres Alfoño, El Mirage

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As a server, I rely solely on tips for my income. The tip credit creates a balance where my employer can maintain its practical business model while my wages come through the tips I receive. If this were to be taken away, it would destroy the future of the restaurant industry. Labor costs would skyrocket, hours would be reduced, and restaurants would be forced to lay off workers to accommodate increasing costs. Servers would be unmotivated to give exceptional service because there would be no reason, being forced to find other sources of income, leaving altogether. Every day, I look forward to the art that comes from working in the restaurant industry. Exceptional service, dynamic conversation, flexibility, job security, and just pure camaraderie through social interactions and flow with guests and coworkers. I believe if tips were to be taken away, there would be no more magic—just an unmotivated order-taker—or if we're really "lucky", an electronic tablet.

Daryn Viser, Tempe

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I have been in the restaurant industry for over 20 years. It has put me through college, allowed me to support my family and pick up the slack when my husband's business is not doing great. All of us in the business understand that our income is not an hourly wage. Our income is providing amazing service and building relationships with our guests. Our income is our tips.

The tip credit allows my restaurant owner to maintain expenses while I can continue to run my business under his roof. He has provided the venue and fantastic products and I get to sell them. This business model is amazing and needs to be preserved.

The Tipped Workers Protection Act does this. The balance of business expenses and the employees making phenomenal money is covered in this act. We don't need to fix something that's not broken.

Without the tip credit, our income and jobs are no longer secure and customer service may no longer be a priority.

I love this business. I chose it over my degree that it paid for. Changing this could be a potential hardship to my family and especially to the restaurant business as a whole.

Suzanne Pingree, Phoenix

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Ever since I can remember my mother has been a waitress. And ever since I can remember she has always given her children the world. Everything she made went towards supporting our family. There was never a sport that I wanted to play that I couldn't, or a birthday party I couldn't attend because we couldn't afford a gift. We never went without. If tips were not a part of the equation we most likely would have been on food stamps and dependent on the charity of others to get by. Not only was the hard work of a waitress how I was supported as a child but as I grew to become a part of the workforce myself I too found myself waiting tables. As someone who battles with mental illness and has been in and out of hospitals during my young adult

years waitressing was always my safe haven. If it weren't for the restaurant industry and the way it's wages are set up I would have fallen flat on my face and been at the mercy of a minimum wage job. Unfortunately in this economy minimum wage just isn't enough when you have doctors bills, medication, and therapy to keep up with. Waitressing afforded me the privilege of getting out exactly what I put in and it also allows its patrons to choose what they feel their server has earned. As a waitress I rely on the kindness of others, and so I beg you for your kindness and understanding. Please don't take away our tips and in doing so please don't take away our livelihood.

Megan McCosh, Phoenix
Sponsored by Save Our Tips AZ

My name is Sarah Dutchover, and I am a single mother working as a server to support my child. Prop. 138, the Tipped Workers Protection Act (TWPA) is essential for our survival. It guarantees an additional \$2 per hour above the minimum wage, offering a crucial financial cushion. The flexibility of my job allows me to be there for my child while earning enough to support us. If the tip credit is eliminated, my income would drop significantly, forcing me to find multiple jobs and spend less time with my child. The TWPA protects my ability to provide for my family without sacrificing the time I can spend with them, ensuring our financial and emotional well-being.

Sarah Dutchover, Phoenix
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Hello, my name is Brevyn, and I have several people I know who work as servers in the restaurant industry. For many servers, tips amount to well over half their income. Therefore, passing a bill to get rid of TWPA is detrimental towards the restaurant industry. As this bill proposes servers make \$13/hr while not having the opportunity to receive tips, this will completely hinder the server's motivation to provide optimal service. On top of this, an increase in servers hourly rate would directly cut into a restaurant's profit, ultimately leading to increased menu prices. I am in full support of maintaining the current system under TWPA's standards that ensures financial stability for servers and restaurants as well.

Brevyn Fisch, Tucson
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I have been in the restaurant industry for over 20 years. It has put me through college, allowed me to support my family and pick up the slack when my husband's business is not doing great. All of us in the business understand that our income is not an hourly wage. Our income is providing amazing service and building relationships with our guests. Our income is our tips. The tip credit allows my restaurant owner to maintain expenses while I can continue to run my business under his roof. He has provided the venue and fantastic products and I get to sell them. This business model is amazing and needs to be preserved.

The Tipped Workers Protection Act does this. The balance of business expenses and the employees making phenomenal money is covered in this act. We don't need to fix something that's not broken.

Without the tip credit, our income and jobs are no longer secure and customer service may no longer be a priority.

I love this business. I chose it over my degree that it paid for. Changing this could be a potential hardship to my family and especially to the restaurant business as a whole.

Suzanne Pingree, Phoenix

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Hi, my name is Tikhon and I work for the White Chocolate Grill. If I'm being blunt, it is simply and only because of the TWPA that I continue to work 6, if not 7 days a week in this industry. This tip credit allows the customers to supplement my income, which I've only seen as a benefit in my restaurant. Servers are able to earn considerably more than if their income was being provided from a flat service charge, resulting in the restaurant only being required to supplement a fraction of this income. This results in ownership being able to pay the cooks, food runners, hostesses, and managers much more fairly. It also induces an incentive for us to provide great service, as we are almost commission-based employees. Should the TWPA be removed, menu prices would go up, service standards would fall off, and everyone would make less money. The TWPA results in consistent, reliable income for everybody, and just as equally incentivizes everyone to go above and beyond for their customers. I frankly believe that the removal of the TWPA would be a detriment to the industry as a whole, and more specifically the hundreds of thousands here in the valley that use this industry to provide for our families. Please take into consideration the impact this would have on not just employees, but the patrons dining experience.

Tikhon Smalley, Scottsdale

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My name's Ethan Johnson, and I am a server in Camelback. The TWPA is essential for someone like me to continue following my passion of taking care of others. This act ensures that tipping remains in the hands of customers, enabling them to reward us for our efforts directly without the additional cost of sales tax, which consumers must pay on their bill. I work hard to provide an exceptional experience for my guests and it is only right I am compensated accordingly. Without the protections provided by the TWPA, increased labor costs could result in higher menu prices for patrons (and higher taxes) and fewer tips for us, jeopardizing our financial security. The TWPA not only preserves the tipping system but also guarantees an extra \$2 per hour above the current minimum wage. This boost helps ensure a reliable income, even on slower nights. Supporting the TWPA ensures I can continue to provide you with excellent service. Without the TWPA, everyone involved will suffer for a multitude of reasons. 1. Customers will get a worse experience since servers will not be incentivized to go above and beyond. 2. Customers will pay more for their worse experience. 3. Current servers will be forced to find new jobs to make the money they once were. 4. Restaurants will be strained by all of the above plus the extra costs they will be forced to deal with. There are many more reasons but it should be clear by now that

how things work currently in the restaurant industry should be the best for everyone involved. Please do the right thing and keep the TWPA.

Ethan Johnson, Tempe
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As a current college student, working as a server allows me to pay my tuition and living expenses without accumulating excessive debt. The tip credit plays a crucial role in this, allowing my employer to hire me at a lower base wage while I make the difference through tips. This system rewards my hard work and time spent, which helps provide a significant income boost. If the tip credit is eliminated, the increased labor costs might force my employer to cut back on staff or hours, which can lead to my job and financial stability being jeopardized. The Tipped Workers Protection Act is essential for preserving this opportunity, allowing me to continue funding my education through honest work.

Samantha Saenz, Phoenix
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Hi, I'm Anthony Vo, and I have family and friends who work as servers across the industry. The TWPA is crucial for them because it safeguards the tipping system, allowing customers to directly recognize their hard work without having to pay additional sales tax on top of their bills. Without the TWPA's protections, increased labor costs could force restaurants to raise menu prices and increase taxes, while reducing the tips that servers rely on, potentially jeopardizing their financial stability. Moreover, the TWPA guarantees servers an additional \$2 per hour above the minimum wage, providing much-needed stability even during slower shifts. Supporting the TWPA ensures that my loved ones can continue to provide excellent service without worrying about their livelihoods.

Anthony Vo, Tucson
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Hi I'm David Pimlott, as someone with family and friends in the service industry, the TWPA is incredibly important. It protects the tipping system, letting customers reward good service directly without extra sales tax. Without these safeguards, restaurants might:

- Raise menu prices: This hurts both diners and servers, as higher prices could deter customers.
- Increase taxes: This puts a bigger burden on everyone.
- Reduce tips: Servers rely on tips to make ends meet. Lower tips could threaten their financial security.

Thankfully, the TWPA guarantees servers an extra \$2 per hour on top of minimum wage. This provides crucial stability, especially during slow periods. By supporting the TWPA, we ensure servers like my loved ones can continue providing excellent service without constant worry about their well-being.

David Pimlott, Phoenix

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My wife has been in the restaurant industry longer than I've known her. I've never worked in the business, but I frequent many restaurants and have obviously benefited financially from my wife's income.

I understand they are proposing to take away the tip credit. I do understand this as a business owner. Businesses need to keep expenses down so they can offer the best product to their client. If expenses suddenly rise, they need to decide what to cut or if they can even stay in business. From my understanding, per my wife, servers are like commission sales.

They are given a set hourly wage and if they don't achieve it, tip credit fills in the gap. No one is losing anything. If this changes, the losing will begin. Restaurants will go to a cheaper model, if they can even stay open, and service is bound to decline. It sounds like a big mess.

Personally, we have depended on my wife's income and it would be an enormous hardship if it was no longer there. We have two beautiful boys with two enormous tuition fees. Let's be smart and protect The Tipped Workers Protection Act.

David Baker, Phoenix

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Hello, my name is David, and I have dedicated the early years of my working career to serving in the hospitality industry. The Tipped Workers Protection Act (TWPA) stands as a vital lifeline for us all. By guaranteeing an additional \$2 per hour above current wage laws, it provides essential stability to our income, particularly during slower shifts when tips may be less predictable. This financial certainty not only supports our livelihoods but also allows us to focus on delivering exceptional service without the stress of financial instability.

The TWPA's implementation of the tip credit system is equally crucial. This system not only motivates us to provide top-notch service but also ensures that our earnings reflect our performance and effort. It fosters a direct link between our service quality and our financial compensation, which ultimately benefits both workers and customers alike.

However, the prospect of eliminating the tip credit system poses significant challenges. Without it, restaurants could face increased financial strain, potentially leading to job cuts and reduced hours for workers like us who rely on tips as a substantial part of our income. The TWPA safeguards against these risks by maintaining the integrity of the tip credit system, thereby preserving jobs and ensuring that we can continue to earn a sustainable income.

In essence, the TWPA is not just beneficial; it is essential for the well-being of workers in the service industry. It provides the stability and incentive needed to deliver outstanding service consistently while protecting against the economic uncertainties that could otherwise jeopardize our livelihoods. As someone who has experienced firsthand the positive impact of this legislation, I wholeheartedly support its continuation and urge others to recognize its importance in maintaining a fair and thriving hospitality sector.

David Monero, Phoenix
Sponsored by Save Our Tips AZ

Hi, I'm Reyn Patton, and I have family and friends who work as servers across the industry. The TWPA is crucial for them because it safeguards the tipping system, allowing customers to directly recognize their hard work without having to pay additional sales tax on top of their bills. Without the TWPA's protections, increased labor costs could force restaurants to raise menu prices and increase taxes, while reducing the tips that servers rely on, potentially jeopardizing their financial stability. Moreover, the TWPA guarantees servers an additional \$2 per hour above the minimum wage, providing much-needed stability even during slower shifts. Supporting the TWPA ensures that my loved ones can continue to provide excellent service without worrying about their livelihoods.

Reyn Patton, Phoenix
Sponsored by Save Our Tips AZ

I am a server who has been working in the restaurant industry for 3 years now. The tips that I make from serving have helped me pay for my education as well as my rent. I am so grateful for the amount of people I have met through serving that have been gracious enough to spend their extra few dollars on my future. This is at risk to be limited because employers will be forced to reduce hours due to increased labor costs. I have plans to finish my education in Michigan, but if this bill (Prop. 138) isn't implemented, I won't be able to accomplish that, let alone continue to have a shelter over my head. I always adored going out to eat with my family growing up because having a friendly server made it such a memorable and fun time with my family and I know that is the energy I try to give every single person that sits in my section. I fear quality of service will reduce if this tip credit gets removed. Not only will I lose motivation to provide my best service but I will be constantly stressed about affording to just properly take care of myself. The only hope I have of reaching my dreams for my future and maintaining such a beautiful relationship with customers lies within the protection of my tips.

Bridgette Smith, Flagstaff
Sponsored by Save Our Tips AZ

Hi, I'm Henri, a server at North Italia in Arizona. Prop. 138, the Tipped Workers Protection Act (TWPA) is vital for maintaining the conditions that allow servers like me to excel. This act ensures that tipping remains in the hands of customers, enabling them to reward us for our efforts directly without the additional cost of sales tax, which consumers must pay on their bill. Without the protections provided by the TWPA, increased labor costs could result in higher menu prices for patrons (and higher taxes) and fewer tips for us, jeopardizing our financial security. The TWPA not only preserves the tipping system but also guarantees an extra \$2 per hour above the current minimum wage. This boost helps ensure a reliable income, even on slower nights. Supporting the TWPA ensures I can continue to provide you with excellent service.

Henri Doku, Phoenix
Sponsored by Save Our Tips AZ

Hi, my name is Daaiim and I've been serving for over 10 years. The Tipped Workers Protection Act (TWPA) is a lifeline for almost all of us in the service and hospitality industry. By guaranteeing \$2 more per hour than the current law, it makes sure that we have a more stable income, even during slower shifts. The tip credit system motivates us to provide excellent and memorable service since our earnings are directly linked to our performance. If the tip credit is eliminated, the financial strain on restaurants could lead to loss of employment and reduced hours for many of us. The TWPA ensures we maintain our ability to earn a sustainable income, allowing us to continue delivering excellent service without fear of financial instability, hardship or jeopardizing our livelihoods.

Daaiim Brown, Phoenix
Sponsored by Save Our Tips AZ

My name is Kyler Hurlock, a server in Tempe, AZ. Like many people, the service industry work has gotten me through college, solely due to the many generous tips I received along the way. For this reason, I am very in favor of Prop. 138, the Tipped Workers Protection Act (TWPA).

The TWPA would act as a lifeline for those of us serving as a profession. By guaranteeing just \$2 more per hour than what is required by state law, we would be provided more stable income in a highly unpredictable job. The tip credit system incentivizes me to provide exemplary service to my guests since my performance is directly correlated with my income. Without it, I would be deprived of my entire incentive to work to give my guests the night out they deserve.

The result would not only be harmful to me and my job security, but it would also negatively affect the customer. To compensate for higher hourly wages, restaurants would inevitably increase prices of menu items. At the same time, service staff would have little incentive to go out of their way to provide a top-tier experience. The outcome for you, the customer, would be a more expensive meal with low quality of service.

Kyler Hurlock, Tempe
Sponsored by Save Our Tips AZ

Hi, I'm Omar. I have family and friends who work as servers in the industry, and Prop. 138, the Tipped Workers Protection Act (TWPA) is essential for them. It safeguards the tipping system, allowing customers to acknowledge their hard work without additional sales tax on their bills. Without TWPA protections, higher labor costs could push restaurants to increase menu prices and taxes, while reducing the tips servers depend on, threatening their financial stability. Additionally, the TWPA guarantees servers an extra \$2 per hour above the minimum wage, providing stability even during slow shifts. Supporting the TWPA ensures that my loved ones can continue delivering excellent service without worrying about their livelihoods.

Omar Hindosh, Paradise Valley
Sponsored by Save Our Tips AZ

Prop 138, the Tipped Workers Protection Act (TWPA) is essential for protecting the livelihood of servers like me. The current tipping system rewards hard work and excellent service, allowing us to earn more than the minimum wage. The TWPA not only maintains the tip credit but also increases our guaranteed wage by \$2 per hour. This higher base wage provides additional security on slower shifts. Eliminating the tip credit would lead to increased labor costs, resulting in higher menu prices and reduced tips. The TWPA ensures that we can continue to thrive in this industry, providing financial stability and job security while maintaining high-quality service for our customers.

Alana Jimena, Mesa

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My name is Gaozhongxia Aleiya Vue, and I am currently a student at Grand Canyon University. I am currently employed as a server to fund my tuition and living expenses. The enactment of Prop. 138, the Tipped Workers Protection Act (TWPA) is indispensable for students like myself. By guaranteeing an additional \$2 per hour above the current minimum wage, it provides a reliable income, particularly during periods when tips are insufficient. The inherent flexibility of my position allows me to balance my work schedule with my academic commitments, ensuring I can attend lectures and study effectively while maintaining a sustainable income.

The elimination of the tip credit would precipitate a substantial increase in labor costs, likely resulting in higher menu prices or the imposition of service charges, both of which would diminish my tip income. The TWPA upholds my educational objectives and ensures I can continue to pursue a promising future.

Gaozhongxia Vue, Phoenix

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I am reaching out to express how important the Tipped Workers Protection Act is to myself and to my fellow colleagues. Tipping allows us to make competitive wages to support ourselves, and without it, our income would be negatively impacted for several reasons.

Firstly, in many service industries, the base pay is often lower than the standard minimum wage because it is assumed that tips will make up the difference. Without tips, we would be earning significantly less, making it difficult to cover basic living expenses.

Secondly, tips act as an incentive for providing excellent service. They reward employees who go above and beyond in their roles, creating a direct link between the quality of service and compensation. This not only benefits workers but also enhances the overall customer experience.

Thirdly, the nature of service industry jobs often means that hours and shifts can vary greatly from week to week. Tips provide a crucial financial buffer that helps smooth out these fluctuations, offering a more stable and reliable income. Tipping also generates demand for more employees, thereby creating additional job opportunities.

Without tipping, many of us would struggle to earn a livable wage, maintain our motivation for high-quality service, and would increase the cost of dining out for customers due to having to match labor costs. Therefore, tipping is not just a bonus—it's a vital component of our livelihood.

Lisa Vo, Phoenix

Sponsored by Save Our Tips AZ

Hi, my name is Stephanie, and I am a single mother who relies on tips to support my Family. I've Been Serving For 20+Years and this has provided the income I've needed to take care of us. Prop. 138, the Tipped Workers Protection Act (TWPA) is crucial for our well-being. This act guarantees an additional \$2 per hour above the minimum wage, providing a vital financial safety net. The flexibility of my job allows me to work around my Daughters schedules, ensuring I can be there for Her. If the tip credit is removed, my income would significantly decrease, forcing me to find additional jobs and reducing the time I can spend with my Family. The TWPA ensures that I can continue to provide for my family without sacrificing our quality of life.

Stephanie McQuaid, Phoenix

Sponsored by Save Our Tips AZ

On behalf of the Tempe Chamber of Commerce, our 700+ restaurants, and over 80,000 employees, I am writing to express our strong support for Prop. 138, the Tipped Workers Protection Act. The City of Tempe enjoys a vibrant tourism ecosystem encompassing various stakeholders from the tech, manufacturing, education, hospitality, lodging, dining, and entertainment industries. The preservation of the current tipping model is vital to our continued success in Tempe, which is home to a significant dining population between the over 100,000 people who work here, 189,000 who live here, and roughly 63,000 who go to school here.

The City of Tempe attracts scholars, employees, local travelers, and tourists due to our proximity in the East Valley, abundant amenities, and slew of activities. The one commonality amongst all of them is the desire to patronize our culinary scene. It is significantly enhanced by the exceptional service provided by our dedicated restaurant and hospitality workers. These individuals are the backbone of our tourism industry, creating memorable experiences that encourage repeat visits and positive word-of-mouth recommendations. This is made possible by the unlimited earning potential the tipping system gives workers. Having this potential go away, would yield a significant blow to an industry with small margins that already fights others for consistent labor.

We urge you to support the Tipped Workers Protection Act and save tipping for both workers, employers, and customers. Together, we can ensure that Arizona's tourism industry continues to thrive.

Colin Diaz, President & CEO, Tempe Chamber of Commerce, Tempe

Sponsored by Save Our Tips AZ

The Arizona Restaurant Association stands firmly behind the Tipped Workers Protection Act (TWPA). Our mission is to empower our members to become community leaders by building customer loyalty, promoting food safety, supporting a thriving industry, and ensuring financial success. The TWPA is crucial for achieving these goals.

The restaurant industry is a cornerstone of Arizona's economy. With over 260,000 Arizonians employed and more than \$21 million paid out daily in payroll, our restaurants are not just places to eat but vital community hubs. The average restaurant operates on a slim 5% profit margin, making it essential to keep operational costs manageable.

The TWPA preserves the tip credit and increases the base pay an additional \$2 per hour for tipped employees, helping keep costs under control while increasing the guaranteed pay for our workers. Without the tip credit, restaurants would be forced to raise prices or add service charges, which would fuel inflation and discourage dining out. This scenario would hurt our local economy and jeopardize the livelihoods of thousands of hardworking Arizonians.

Moreover, the TWPA incentivizes restaurants to create environments that maximize tip potential for employees. When customers directly reward service staff, it fosters a culture of excellence and motivates our workforce. Happy, motivated employees deliver better service, leading to increased customer satisfaction and loyalty.

Supporting the TWPA means supporting a vibrant, growing restaurant industry in Arizona. It ensures that our restaurants can continue to provide good jobs, contribute to the local economy, and offer excellent dining experiences without the burden of inflated costs. By voting for the TWPA, you are voting for a stable and prosperous future for Arizona's restaurant community.

Thank you for your support.

Steve Chucri, President & CEO, Arizona Restaurant Association, Paradise Valley
Sponsored by Arizona Restaurant Association

Inflation has wreaked havoc on businesses across Arizona. This is particularly true of the restaurant industry, which has seen substantial layoffs and closures over the past few years. The Tipped Workers Protection Act helps alleviate this problem by lowering costs for Arizona restaurants, while ensuring that restaurant servers still make more than the state's minimum wage. This will help make dining more affordable for families and promote job creation in the restaurant industry.

Vote YES on Prop 138.

Victor Riches, President & CEO, Goldwater Institute, Phoenix

On behalf of Visit Mesa, I am writing to express our strong support for Prop 138, the Tipped Workers Protection Act. Mesa's vibrant tourism ecosystem encompasses various stakeholders from the hospitality, lodging, dining, and entertainment industries. The preservation of the tipping model is vital to our success. Mesa's allure as a top travel destination is not solely the

product of our stunning landscapes, great weather and world class sporting experiences. It is significantly enhanced by the exceptional service provided by our dedicated restaurant and hospitality workers. These individuals are the backbone of our tourism industry, creating memorable experiences that encourage repeat visits and positive word-of-mouth recommendations. This is made possible by the unlimited earning potential the tipping system gives workers.

This Act preserves the tipping system by setting the tip credit to 25% of the minimum wage to solidify its benefits for decades to come, while also guaranteeing tipped employees a higher base wage of \$2 over the minimum wage. This recognizes the need for fair employee compensation with the economic constraints faced by employers, particularly in the tourism and service sectors. Contrary to the concerns raised by some, this is a pro-worker and pro-business measure. It offers a pragmatic approach that protects workers' tips and helps businesses manage labor costs effectively. Without such a measure, the alternative—increased labor costs and lower tips for workers—will force businesses to make tough decisions that negatively impact service quality and employment levels. A reduction in the service quality our residents and visitors have come to crave, coupled with the significant increase in costs associated with the elimination of the tip credit will significantly impact our ability to attract and retain visitors and residents.

We urge you to support and save tipping for both workers, employers and customers.

Marc Garcia, President & CEO, Visit Mesa, Mesa
Sponsored by Save Our Tips AZ

The Arizona Chamber of Commerce & Industry strongly supports Proposition 138, Tipped Workers Protection Act. This measure provides a balanced approach to wage management that protects tipped workers income, ensures fair compensation for employees while supporting the economic health of our local businesses.

Prop. 138 ensures that employees who regularly receive tips are guaranteed to earn at least the minimum wage plus an additional \$2 per hour, while holding onto the tips they've earned. This measure provides a clear framework for fair compensation, giving tipped workers financial stability and recognizing the significant role that tips play in their earnings.

The proposal is good for our small businesses, too. By allowing employers to count tips as part of the wage calculation, Prop. 138 helps businesses manage labor costs effectively, promoting job retention and growth. The hospitality and service industries, which heavily rely on tipped employees, can better sustain their operations and continue providing jobs that are vital to our local economy.

This measure strikes the right balance between fair wages for employees and economic viability for businesses. Voting YES on this measure will ensure that tipped workers receive fair compensation while supporting the continued growth and success of our local economy.

In testimony before a legislative committee earlier this year, a local server, Sultan Stipho, said earning tips is his profession's "upside," allowing service workers to earn a significant paycheck

in a short period of time. “I urge you all to think about the people here who are actually working in the industry,” he told lawmakers.

By approving Prop. 138, we can protect the tip earnings of Mr. Stipho and other employees who rely on this important source of income. Join us in voting YES to support tipped workers, promote fair wages, protect jobs, and sustain our vital service industry.

Danny Seiden, President & CEO, Arizona Chamber of Commerce and Industry, Phoenix

My name is Grant Krueger and I’ve been working in the restaurant business my entire life. I have worked every position in the industry from dishwasher, server, manager and finally owner. In 2011, I was able to realize my dream and opened Union Public House. I’ve seen the highs and lows of this industry, from bustling nights to the lean days during the pandemic. The Tipped Workers Protection Act (TWPA) is essential for keeping our heads above water and for protecting our employees’ incomes. By preserving the tip credit and adding an extra \$2 per hour in guarantees for tipped employees, the TWPA helps us manage costs effectively and provide great customer service. Without this, we’d be forced to raise prices or add service charges, which not only affects customer turnout but also drives inflation.

In the unlikely event that our employees don’t earn enough in tips, we must make up the difference to meet the new higher guarantee. This incentivizes us to create a welcoming atmosphere that attracts customers and generates tips. This is great for business— providing better service, great food, and a fun atmosphere, not only what customers want, but it is what allows our employees to earn significant tips. Ultimately, TWPA helps businesses like mine grow by fostering a stable, motivated workforce and keeping prices fair for everyone.

Grant Krueger, Tucson

My name is George Vasquez and my family and I have been the proud owner of Poncho's Mexican Food since 1972. Our restaurant is located in the South Phoenix community where I grew up and where we employ a large number of tipped employees who mostly live in the area and rely heavily on tipping to increase their income to provide for their families.

Tipping is generally a reflection of the quality of service given to the customer and is an important motivational tool for tipped employees to give the best service possible. Besides quality of food and reasonable prices, excellent service results in return customers to keep our restaurant in operation. Therefore TWPA is a huge asset in assisting a restaurant to keep our already slim margins manageable without having to raise prices, reduce the quality of our product or reduce staffing. At a time of many economic challenges, elimination of the TWPA would have a devastating effect on restaurants such as ours with a large number of tipped employees. This would result in a huge increase in payroll expenses due to the loss of the tip credit.

Our mission as a restaurant employer is to create and maintain the very best working environment possible in order for our staff to provide the most efficient and pleasant dining experience to ensure many return visits from our customers. These return visits are what allow

restaurant owners to grow our business, hire more staff and on a bigger scale, benefit the Arizona economy.

George Vasquez, President and CEO, Poncho's Mexican Food, Chandler

I have owned and operated Harold's Corral in Cave Creek, Arizona, for the past 30 years. In that time, I have experienced many ups and downs, from COVID-19 mandates shutting my business down and putting my employees out of work. I love the hospitality business, but it comes with its challenges, and maintaining profitability is a constant struggle. That is why the Tipped Workers Protection ACT (TWPA) is so critical for the health of the restaurant industry. We have seen over the last few years a great number of restaurants close due to higher inflation created by higher costs of goods and labor. By preserving the tip credit and guaranteeing an additional \$2 per hour for tipped employees, the TWPA keeps our operational costs manageable. Without the tip credit, we'd be forced to increase prices or add service charges to stay in business, fueling inflation and discouraging customers from dining out.

TWPA system incentivizes restaurant owners to create an environment that maximizes tip potential for our employees. We focus on great service, an enjoyable dining experiences, to ensure our staff earns generous tips. Our employees earn a much higher income than minimum wage through tips, and they are motivated and provide better service. That is good business! The TWPA will help Arizona's restaurant businesses keep jobs and provide a higher income for those in the industry. It will help us to continue to support our local charities and community while reinvesting money into our business and employees. Restaurants are a big part of communities providing jobs and tax revenue. The TWPA strikes a balance that benefits everyone, employees earn more, customers enjoy fair prices, and businesses have the stability to grow and succeed. Supporting the TWPA means supporting a robust restaurant industry in Arizona.

Daniel Piacquadio, Phoenix

My name is John Conley and I have owned and operated Salsa Brava since 1988. In that time, I have seen many ups and downs, from COVID-19 mandates shutting my business down and putting my employees out of work, to seeing someone propose to their future wife or celebrate graduation. I love the hospitality business, but it is not easy, and the margins are razor thin (4% on average). That is why the Tipped Workers Protection ACT (TWPA) is so critical for the health and growth of the restaurant industry. By preserving the tip credit and guaranteeing an additional \$2 per hour for tipped employees, the TWPA keeps our operational costs manageable. Without the tip credit, we'd be forced to increase prices or add service charges to stay in business, fueling inflation and discouraging customers from dining out.

The TWPA protects the current tipping system, which allows customers to directly reward our hardworking staff without the added burden of sales tax. This system incentivizes us restaurant owners, to create an environment that maximizes tip potential for our employees. We focus on excellent service, dining experiences, and efficient operations to ensure our staff earn generous tips. Happy employees who earn well through tips are more motivated and provide better service. That is good business!

The TWPA will foster growth among Arizona's businesses. We can invest more in expanding our operations, hiring more staff, and improving our services without the constant fear of unpredictable costs. Thriving restaurants boosts local economies through job creation and

increased economic activity. The TWPA strikes a balance that benefits everyone—employees earn more, customers enjoy fair prices, and businesses have the stability to grow and succeed. Supporting the TWPA means supporting a robust and dynamic restaurant industry in Arizona, paving the way for future growth.

John Conley, owner, Salsa Brava, Flagstaff

Being a server is so much more than ringing in orders and bringing food to the table. Many of the skills it takes are learned and allow us to earn more in tips. Tips are a major incentive to do a great job. They are a direct indicator of how well I am meeting and exceeding guest expectations. When guests leave generous tips, it shows appreciation for exceptional service—from attentiveness to knowledge of the menu and genuine hospitality.

I have been a server for many years now and one of the most rewarding aspects of that is of course the tips. For many of us servers, tips constitute a significant portion of our income. Ensuring consistent, fair, and generous tipping practices helps us maintain financial stability and supports our livelihood. My wife and I as servers have been able to save up and purchase our home, our cars, and support our family.

As we continue to uphold our standards of excellence in service, let's remember the impact that tips have on servers and guests. By consistently delivering outstanding service, we not only enhance our guests' dining experience but also ensure that servers are rewarded for their hard work and dedication.

By supporting Prop. 138, the Tipped Workers Protection Act, we can ensure stories like mine won't be the anomaly, and more of the majority for others in the service industry.

Cody Kloppenburg, Cave Creek
Sponsored by Save Our Tips AZ

My name is Lorrie Glaeser, and I've been running Streets of New York Pizza since 1976. Over the years, I've seen my staff become like family. Many of my employees have been with me for over a decade, and I care deeply about their well-being and success. Prop. 138, the Tipped Workers Protection ACT (TWPA) is crucial because it directly impacts their livelihoods. By preserving the tip credit and adding an extra \$2 per hour for tipped workers, the TWPA helps ensure they earn a stable income.

Without the tip credit, I'd be forced to raise prices and add service charges just to keep the doors open, which would make it harder for my staff to earn tips. Prop. 138 keeps tipping in the hands of customers, allowing them to directly reward my hardworking team without the burden of sales tax. This system motivates us to create a positive, tip-generating environment, which in turn benefits everyone.

I want my employees to succeed and feel secure in their jobs. They've stuck with me through thick and thin and Prop. 138 helps provide the financial stability they deserve. Supporting this act means supporting my staff, our customers, and the future of our business in Arizona.

Lorrie Glaeser, Owner, Streets of New York Pizza, Phoenix
Sponsored by Save Our Tips AZ

As a bartender, my income depends heavily on tips. The tip 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.

Meaghan Coffield, Bartender, Union Hospitality Group, Tucson