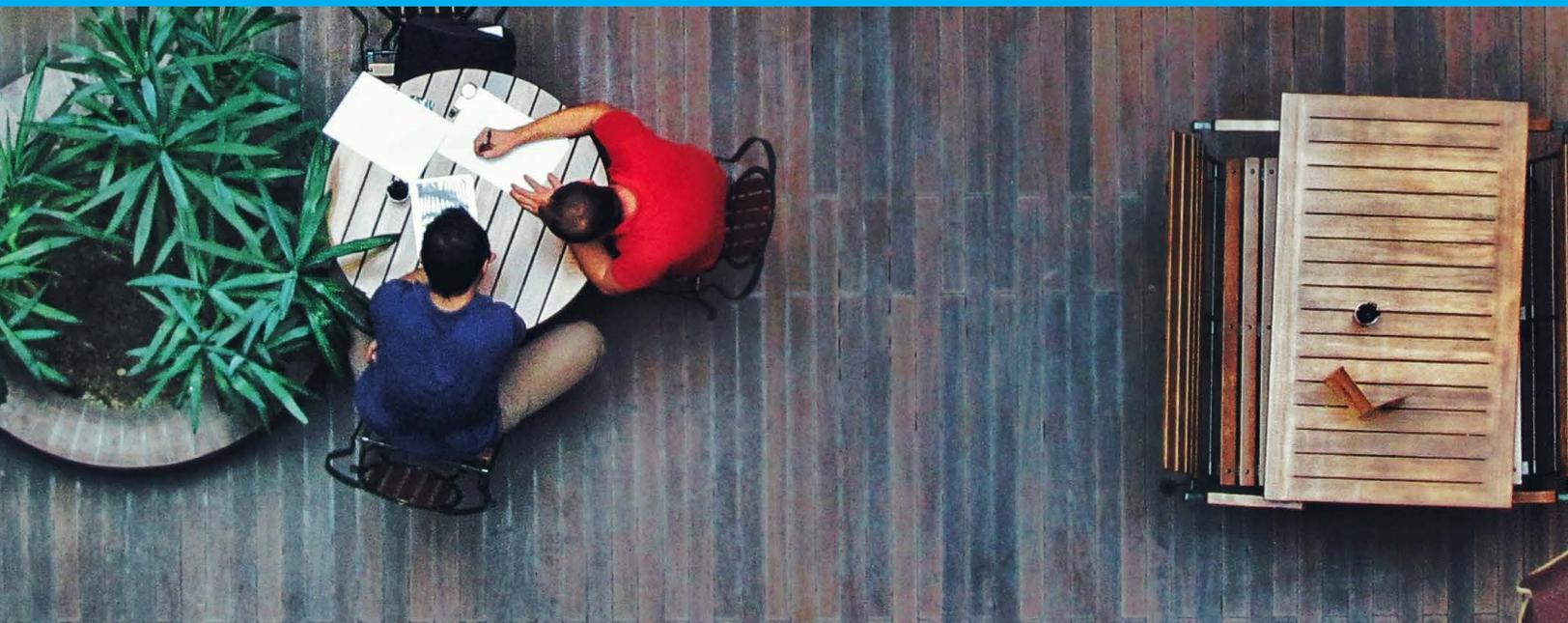




Gather

A Closer Look at the No-Tipping Movement

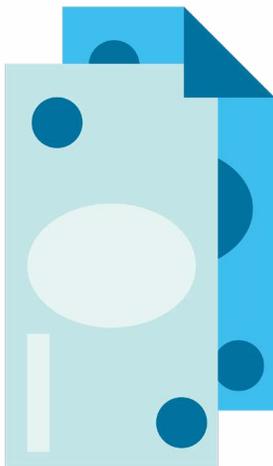
Where this trend started, who's
adopted it, and where it's headed next



Tipping: It's the final step whenever you grab a coffee, order a meal, or buy a drink at a bar.

At least, most people think it should be. But, lately, there's been a growing discussion around the concept of tipping – what it means, what the best way is to go about it, and whether or not it should exist at all.

The practice of tipping has allegedly been around since the Middle Ages. The version we commonly use today, however, “can be traced back to 17th-century England, in which landed gentry would leave small amounts of money for their friends’ servants whenever they stayed with them,” according to [Thrillist](#). Famed restaurateur and CEO of Union Square Hospitality, Danny Meyer, banned tipping at his restaurants in 2015, a decision that was met with plenty of buzz (and pushback).



Here, we unpack this ongoing conversation, break it down with statistics, and chat with other industry professionals who have eliminated tipping in their own establishments.

By the Numbers

According to a poll conducted by the ad-buying firm Horizon Media, **81% of American restaurant-goers aren't interested in getting rid of tipping.** Diners are still attached to the idea of rewarding good service, and are concerned that losing the ability to tip would produce a **rash of inattentive waiters and waitresses.**

– [The Atlantic](#)

29% of respondents between the ages of 18 and 34 **think tipping is outdated**, more than twice as many as in the 50-to-64 age bracket. – [The Atlantic](#)

In [a study](#) focused on 31 independent restaurants from across the U.S. that changed tipping policies, **restaurants that replaced tipping with automatic service charges experienced about a quarter of a point drop in online ratings**, while those that switched to service-inclusive pricing saw a decline of only about a 10th of a point. – [Quartz](#)

Estimations from 2012 show that **approximately 58% of a server's income comes from tips.** – [Payscale](#)

An [analysis](#) of 14 studies on more than 2,645 bills at 21 restaurants published in Cornell HRA Quarterly found that the **average correlation between tip percentages and service ratings was only .11.** – [The Cut](#)

Q&A

What Restaurant Owners are Saying

Gather talked with Amanda Cohen, chef and owner of New York-based cocktail and vegetarian restaurants [Dirt Candy](#), about why she decided to eliminate tipping, what feedback she's received from servers and diners, and more.

What inspired you to eliminate tipping at Dirt Candy?

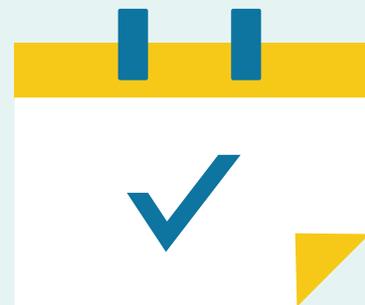
I was opening the new, larger Dirt Candy about three years ago and I needed to pay my staff more. The best way to do that was to eliminate tipping. Besides, it was the right thing to do. This industry has to treat its workers better. That's more important than anything else.

What's the most common refrain you hear from employees about not tipping?

BOH [back of house] is really happy with no tipping and has very low turnover. FOH [front of house] is more of a challenge. It's a matter of finding the right people, but then they tend to stick around for longer. They have to believe in no tipping or else they're just not going to last. So I tend to either get waiters with a lot of experience or ones with almost none.

What's the main rebuttal you use when people question the decision to eliminate tipping?

I want to pay all my employees a better wage, and the only way to do that is to eliminate tipping and raise my prices by 20%. Your meal still costs the same amount of money as it would if we had tipping, only now instead of hiding 20% of the cost of your meal as a "tip" or "admin fee," it's right there in plain sight. This allows me to raise the salaries of all my staff, from my dishwashers to my cooks to my servers. And your bill doesn't change, just the way it's split up.



What would you say to a restaurant that was considering not tipping?

Restaurants that want to survive need to find a way to deal with the rising costs of labor. Paid sick days, a rising minimum wage, all these factors are driving the price of labor up. On top of that, it's getting harder and harder for chefs and servers to live in New York City with the price of living going up and paychecks staying the same size. Something has to change.



In the News

“The basic idea behind tipping, of course, is that service workers are getting rewarded for doing a good job, but the science simply doesn’t back this up,” [The Cut](#) reported in 2015. “There’s decades’ worth of consumer-psychology research demonstrating that **tipping hardly improves service at all.**”

“There’s a growing movement among restaurants to forbid tipping and instead raise wages so that **earnings get spread more evenly among workers**, among other reasons,” [the Wall Street Journal](#) reported in 2018. “But that policy may make the restaurants less appealing to customers, according to new research.”

“Restaurants are banning tipping,” reported [Thrillist](#) in 2017. “Some restaurants, anyway. The issue came to the fore in October of 2015 when Union Square Hospitality Group’s Danny Meyer announced that he was getting rid of tips at his 13 full-service restaurants, but the fact is, Meyer wasn’t the first. **The no-tipping movement had been brewing for years**, inspired by a mix of moral, racial, and gender-related issues, rising labor costs, concerns over discrepancies in pay between servers and cooks, and the increasingly shaky foundations of the restaurant business itself.”

According to a [Cornell study](#), diners judge servers (and therefore adjust their tips) **based on looks and race**, and servers judge diners (and therefore adjust their effort) on **age, race, and ethnicity**.



“Before 2013, only a few of America’s roughly 300,000 full-service restaurants included gratuity in the price of a meal, almost all of them very high-end establishments,” the [New Yorker](#) reported in 2018. However, “**Better service does not seem to beget higher gratuity, which is theoretically the system’s whole point.** A statistical model created by Ofer Azar, at the Ben-Gurion University of the Negev, found only a small correlation between tip size and service quality, leading him to conclude that **servers were motivated mainly by other factors** (such as opportunities for professional advancement or – wild idea – simply the satisfaction of doing a good job).”

Q&A

What Restaurant Owners are Saying

Gather also chatted with Allison Hopelain, co-owner of restaurant [Camino](#) in Oakland, California. They eliminated tipping in 2015, and we asked her about what's happened since.

How did the idea to eliminate tipping at Camino come about?

It initially came about when we were first opening in 2008. We were deciding on the ideals of how we wanted to run our restaurant. At the time, eliminating tipping seemed scary and out-there to do. We didn't have a lot of models, and my husband had worked at Chez Panisse when they went from tips to no tips. We finally switched to no tipping in 2015, after there was a measure passed in Oakland to raise the minimum wage from \$8 to \$9 an hour in 2014. I said, 'now is the time.'

What's the most common refrain you hear from employees about not tipping?

Right now, everybody who's hired here understands that that's how we do business. It's really, if you think about it, normal to pay

your employees. What that means is that there's room for growth. But it is different: It's not the spikes of making New Year's Eve money in one night, but you also don't get the low points either. You have a reliable and consistent paycheck.

What would you say to a restaurant that was considering eliminating tipping?

I think it requires a lot of management. When you have tipped employees, they're self-managing. What you need is managers who are behind it and who are on board.

Where do you see the trend of not tipping headed in the future?

I thought more [restaurants] would have done it! People talked about it when we first discussed it, then didn't do it. Some people are so afraid of losing staff over big changes like that. It's scary to make changes, but I'm surprised more weren't willing to take charge in that way. Now that minimum wage is a discussion nationwide, restaurants have a powerful voice.

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