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February 18, 2025

Subject: On the Matter of S.B. 8 and Other Attempts to Lower the Wage of Tipped Workers

Dear Governor Whitmer,

As an organization dedicated to building a just and inclusive economy where all workers have expansive rights and thrive in good jobs, the National Employment Law Project writes to strongly urge you to veto Senate Bill 8—and any other bill that would dilute the Michigan Supreme Court’s minimum wage and tipped wage order.

Signing S.B. 8 into law would be a betrayal of tipped workers, many of whom are women and people of color. The bill would effectively cut the wages of the nearly 139,000 tipped workers in Michigan¹ by over \$3,500 this year.² Additionally, it would contravene the will of more than 370,000 Michigan voters who supported sending the question of phasing out the tipped wage to the November 2018 ballot.³ This initiative would very likely have passed, had a Republican legislature and a Republican governor not interfered with the democratic process.

Governor Whitmer, you can choose differently by vetoing S.B. 8. You can choose to side with Michigan workers, not with a powerful and well-resourced restaurant industry that for too long has derived profit from paying a subminimum wage to tipped staff—a practice with origins in the racist violence of the Jim Crow South.⁴

At a time when the Trump administration and others are promoting phony gestures—like “no tax on tips”—respecting the Michigan Supreme Court’s wage order is the most important act that you can do to truly make a difference for tipped workers. These workers face higher rates of poverty than other underpaid workers,⁵ double the rate of sexual harassment,⁶ and high rates of wage theft and other labor violations that affect their earnings and workplace safety.⁷

The claim that raising the tipped wage hurts tipped workers or is not manageable for businesses has no basis and has been disproven in the seven states that have long

¹ NELP analysis of Bureau of Labor Statistics, *May 2023 State Occupational Employment and Wage Estimates*, accessed February 15, 2025.

² NELP analysis of Michigan’s 2025 tipped wage under the Michigan Supreme Court’s [wage order](#) and [S.B. 8](#). Estimated loss in base wage assumes full-time year-round work.

³ “Michigan Minimum Wage Increase Initiative (2018),” Ballotpedia, accessed February 15, 2025, [https://ballotpedia.org/Michigan_Minimum_Wage_Increase_Initiative_\(2018\)](https://ballotpedia.org/Michigan_Minimum_Wage_Increase_Initiative_(2018)).

⁴ Rebecca Dixon, “From Excluded to Essential: Tracing the Racist Exclusion of Farmworkers, Domestic Workers, and Tipped Workers from the Fair Labor Standards Act” [testimony before the U.S. House of Representatives Education and Labor Committee, Workforce Protections Subcommittee], National Employment Law Project, May 3, 2021, 16-17, <https://www.nelp.org/app/uploads/2021/05/NELP-Testimony-FLSA-May-2021.pdf>.

⁵ Teófilo Reyes, “One Fair Wage: Supporting Restaurant Workers and Industry Growth,” in Stuart Andreason, Todd Greene, Heath Prince, and Carl E. Van Horn (editors), *Investing in America’s Workforce: Improving Outcomes for Workers and Employers*, Volume 2 (Kalamazoo, MI: W.E. Upjohn Institute for Employment Research, 2018), 32-34.

⁶ Teófilo Reyes, 35.

⁷ Sylvia Allegretto and David Cooper, “Twenty-Three Years and Still Waiting for Change,” Economic Policy Institute and Center on Wage and Employment Dynamics at the University of California, Berkeley, July 10, 2014, <https://www.epi.org/publication/waiting-for-change-tipped-minimum-wage/>.

guaranteed tipped workers the full minimum wage. Minnesota, for example, has had this policy for nearly 40 years⁸—and the result has been higher, more stable pay for restaurant workers with no evidence that it has hurt restaurant jobs.⁹ A study of 20 years of tipped wage data shows that tipped wage increases raised the pay of underpaid workers in full-service restaurants without meaningfully affecting their employment.¹⁰

After an election where the question of who really stands with the interests of working-class people was a central issue, delivering real raises for tipped workers like waitstaff at your local chain restaurant is more important than ever. We urge you, a rising national leader, to make the right decision and veto this misplaced effort to keep tipped restaurant workers' pay low.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rebecca Dixon', with a horizontal line extending from the end of the signature.

Rebecca Dixon
President and CEO
National Employment Law Project

⁸ Laws of Minnesota 1984, chapter 636, S.F. no. 433, <https://www.revisor.mn.gov/laws/1984/0/636/>.

⁹ Teófilo Reyes, 32.

¹⁰ Sylvia Allegretto and Carl Nadler, "Tipped Wage Effects on Earnings and Employment in Full-Service Restaurants," *Industrial Relations: A Journal of Economy and Society*, 54(4): 622-647 (October 2015), <https://irle.berkeley.edu/wp-content/uploads/2015/10/Tipped-Wage-Effects-on-Earnings-and-Employment-in-Full-Service-Restaurants.pdf>.