

Testimony of Yannet Lathrop

National Employment Law Project

In Opposition to HB25-1208, Which Cuts the Wage for Tipped Workers in Colorado Localities

Hearing before the Colorado General Assembly

House Committee on Business Affairs and Labor

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Thank you for the opportunity to testify today. My name is Yannet Lathrop, and I am a senior researcher and policy analyst for the National Employment Law Project (NELP). NELP is a national nonprofit advocacy organization that for more than 50 years has sought to build a just and inclusive economy where all workers have expansive rights and thrive in good jobs. We partner with federal, state, and local lawmakers and local community-based groups on a wide range of workforce issues, including the minimum wage.

NELP testifies in strong opposition to HB25-1208, which would slash the base wage of thousands of tipped workers in Denver, Edgewater, Boulder County and the city of Boulder, all of which have enacted ordinances raising their wage floors above the state minimum wage.

HB25-1208 could cut the wages of tipped workers by as much as \$8,300 in the 12 months beginning October 2025 for workers in Denver, assuming full-time, year-round work. (Table 1). That means that Denver tipped workers would need to earn over \$8,000 more in tips to make up the difference, if this bill becomes law. In the city of Boulder, Boulder County and Edgewater, the loss in base pay could range from \$1,580 to \$3,660.

At a time when wages and the cost of living are top of mind for workers in Colorado and across the nation,¹ this bill is the wrong policy.

Local Jurisdiction	Hourly Wage Cut	Annual Loss (Part-Time)	Annual Loss (Full-Time)
Denver	\$4.00	\$4,160	\$8,320
Edgewater	\$1.71	\$1,778	\$3,557
Boulder County	\$1.76	\$1,830	\$3,661
Boulder	\$0.76	\$790	\$1,581

Restaurant owners and other employers of tipped workers already count on a \$3.02 tip credit under current law. There is no need to subsidize their labor costs further—not at the expense of workers who have been struggling with high inflation for the past three years, many of whom cannot afford a \$400 emergency.² A majority of tipped workers are women and people of color,³ who are twice as likely as other workers to live in poverty, and who face double the rates of sexual harassment as their non-tipped peers.⁴

HB25-1208 is an affront to local power, as it prohibits localities from improving upon the state tipped wage baseline by mandating an expansion on the tip credit. Local governments are closest to their constituents and understand local needs best. That was the basis for adopting a repeal of wage preemption in Colorado in 2019. Colorado would be ill-advised to reverse that gain by adopting HB25-1208.

Conclusion and Recommendations

For the reasons discussed above, NELP urges an unfavorable report on House Bill 25-1208.

Endnotes

1. Aimee Picchi, "Americans Say the Economy is a Top Election Issue. Here's How Economists are Grading It," CBS News, October 18, 2024, <https://www.cbsnews.com/news/trump-kamala-harris-policies-how-strong-is-the-economy-election/>.
2. "37% of Americans Can't Afford an Emergency Expense Over \$400, According to Empower Research," Empower, July 2, 2024, <https://www.empower.com/press-center/37-americans-cant-afford-emergency-expense-over-400-according-empower-research>.
3. Nina Mast, "Tipping is a Racist Relic and a Modern Tool of Economic Oppression in the South," Economic Policy Institute, June 18, 2024, <https://www.epi.org/publication/rooted-racism-tipping/>.
4. 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.

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