

FACTS ABOUT THE ILLINOIS TIP CREDIT TELL LEGISLATORS TO VOTE NO ON H.B. 2982

The elimination of the tipped credit in Washington, D.C., and Chicago has had significant economic repercussions, particularly for the restaurant industry. Originally sold to the public as a step toward pay equity, the changes have instead stalled business growth, led to job losses, and left the full-service restaurant sector grappling with all new complications. [What have you seen since these new laws went into effect?](#)



IN WASHINGTON, D.C.

- In Washington, D.C., between June 2023 and October 2024, full-service restaurants have cut **1,900 jobs**.
- According to a Restaurant Association Metropolitan Washington survey, **full-service workers have lost jobs every month in 2024** compared to last year. Roughly, 70% of restaurants have cut hours, laid off staff or stopped hiring to reduce costs.
- A record **64** restaurants have closed to date in 2024 in D.C.



IN CHICAGO

- Between July 2024 and October 2024, full-service restaurants have cut **700 jobs**.
- October 2024 marked the lowest level of full-service restaurant employment since **February 2023**, a time when the industry was still recovering from pandemic-related losses.
- As of October 2024, Chicago's eating and drinking establishments remain **22,000 jobs (7.3%) below** their pre-pandemic employment levels in February 2020.

WHAT ARE VOTERS IN OTHER STATES SAYING ABOUT TIP CREDIT

During the 2024 General Election, a majority of voters in Massachusetts (**64%**) **rejected** efforts to eliminate the tip credit, signaling strong resistance to a policy change driven largely by outside interests. Leaders emphasized that the tipping system is not broken and that such measures could devastate local economies, burden employers, and harm the very workers they claim to support.

During the 2024 General Election, a majority of voters in California (**>50%**) **rejected** efforts to raise the state's minimum wage.

The experiences of cities like Washington, D.C., and Chicago underscore the serious risks these policies pose, from job instability to increased operational challenges for small businesses. Policymakers should heed the voices of tipped workers, who overwhelmingly value the current system, and resist allowing external agendas to dictate local livelihoods.



I think it's important to vote no on this [Question 5] because I think you run the risk of closing restaurants and putting these workers out of work, actually, because the restaurant owners I speak [to] are not going to be able to afford this and they're going to end up laying off people. In some instances, some have told me they're just going to shut down."

Massachusetts Governor Maura Healey



As former waitresses who know what it's like to rely on tips, we know how hard our servers work and believe they deserve to be well-compensated for all they do. It's why we are joining with servers across the state in opposing Question 5 because we believe it will lower their compensation, not raise it."

Massachusetts Lt. Governor Kim Driscoll

PROTECT ILLINOIS HOSPITALITY — SAY NO TO ELIMINATING THE TIP CREDIT.

DC SOURCES:

Full-service segment: <https://fred.stlouisfed.org/series/SMU11000007072251101sa> | **Limited-service segment:** <https://fred.stlouisfed.org/series/SMU11000007072259001sa>
Restaurant Association Metropolitan Washington

CHICAGO SOURCES:

Data source: <https://fred.stlouisfed.org/series/SMU17169747072251101sa> | **Data source:** <https://fred.stlouisfed.org/series/SMU17169747072200001sa>

Note: Figures are shown for the Chicago-Naperville-Arlington Heights, IL MSA, because monthly data is not available for Chicago City. Full-service restaurant employment in Chicago City makes up the vast majority of total full-service restaurant employment in the Chicago-Naperville-Arlington Heights, IL MSA.