

To whom it may concern,

I would like to express my deep concern regarding the proposal to eliminate the tip credit given to employers in the restaurant industry. As a restaurant owner, I can tell you this would cripple my establishment, not to mention the industry. Labor is by far my biggest expense as an employer.

I employ 32 tipped employees and the majority of them being part-time employees and college students. If you ask any of them why they work as a server their answer would be because the money is good. There is no where else they can go and work 5 or 6 hour shifts and leave with \$100.00. Granted there are days they leave with only \$50.00, but there are days they also leave with \$150.00. That does not seem like an underpaid position to me. Yet you are proposing to increase their wage by almost 60% from \$4.60 and hour to \$7.25 an hour. All the while supermarkets and retailers can continue to pay their non-tipped employees the same \$7.25 and hour. Where is the rationale in this thinking?

Changing these regulations will cause many more restaurants to close their doors in an industry that is already going through very trying times. New York is already among the most aggressive states in terms of minimum wage. I have friends in other states that have made this change and sadly many of them are simply not going to make it. They are closing their doors. They tried to increase their prices, as many here will try to do, but at the end of the day the margins in this industry are just too thin.

As an entrepreneur I regularly have thoughts of expanding my business but not in New York State. I am looking to open locations in other states that are business friendly and allow business owners an opportunity to succeed. I implore you to reconsider changing these regulations. Take a moment to apply this idea to another industry. I for one believe teachers are underpaid but I am not foolish enough to believe schools could survive if we imposed a 60% increase in teacher wages. Why would anyone think this would work in the restaurant industry???

Sincerely,

James Materese

Proprietor

The Melting Pot Restaurant