

The implementation of wage increases and paid sick leave will destroy Michigan's already faltering economy. The tipped server wage is proposed to go up \$2 an hour next month. Minimum wage is also supposed to go up \$2 an hour. Servers and bartenders are not going to be motivated to stay in this industry if their hourly is increased to match minimum wage. The general population may see this as a favor being done on their part, but it is quite the opposite. My servers and bartenders already have patrons saying to them- "Oh, aren't you glad you're going to make more an hour? You'll be making minimum wage in a couple of months." Which is incorrect. First of all, servers and bartenders are only going to be bumped up to \$6 an hour with this proposed legislation come February. The general public is completely misinformed about this legislation. The minimum wage match is supposed to be implemented incrementally over the next five years. Much of the population believes that a full increase is being made next month. This is going to result in a steep decrease in tips across the industry, which will ultimately lead to a decrease in the income of hospitality workers. Many of my front-of-house employees do not receive pay checks at the current rate of \$4 an hour due to having to pay taxes on that hourly wage as well as any credit card tips received. A \$2 an hour increase is not going to change that. Most of them will still not receive a paycheck, due to that additional \$2 an hour going toward taxes. How is this helpful for my employees? On top of having a wage increase that they won't benefit from, there is the resulting misconception that people won't have to tip or tip "as much" when they go out. To think that a wage increase would make up for that is completely insane. Even at \$15 an hour, an employee who works a 38-hour work week will only bring home an estimated \$410 a week after taxes. That's not even \$1700/month. That's not even \$22,000 a year. How is that going to help anyone battle the rising costs of everyday life? Groceries, gas, utilities, childcare, health coverage, etc. have all sky-rocketed in recent years. Servers and bartenders can make up to \$50/hour in tips. This industry is their livelihood. To pass a legislation that will ultimately take away their tipped income and replace it with minimum wage is outrageous.

From a business standpoint, raising the minimum wage is going to cause prices to go up across the board. Suppliers will increase prices. Produce will be more expensive for us to purchase, and more expensive for us to prepare. Maintenance and overhead costs will increase. This will directly affect every facet of the economy. We are a family-owned restaurant with less than 25 staff members. To increase wages for 25 individuals in a small business, we will have to make up for that by raising menu prices. If we raise menu prices, people are going to eat and drink at our establishment less. If people eat and drink at our establishment less, we are going to have less income. But we are expected to pay our employees more money. How does that make any sense? We will have to run with less employees per shift, which will result in employee burn-out as well as a less than satisfactory experience for anyone who is still going out. We have owned and operated our restaurant in our community for over 20 years. We are well-known for our quality of service, wonderful staff, and great food. We hold ourselves to a high standard. If these changes are implemented, we won't be able to continue meeting that standard. This doesn't just go for us. The same thing will happen at other bars and restaurants across the state. Going out to eat or going out for drinks is not going to be

the same. This legislation will kill this industry along with the favorite American pastime of going out to eat or drink.

On top of a wage increase, this legislation will implement paid sick leave for all full-time and part-time employees. If you are a business who employs even just ONE individual, that individual is now going to be entitled to 1 hour of PSL for every 30 hours worked, up to 72 hours a year. Small businesses are not going to be able to afford this in addition to a wage increase and the increasing costs of operation. Business owners like myself are going to have to cut back on staffing and/or lay people off indefinitely. A large percentage of businesses are going to have to close permanently. Small businesses, especially bars and restaurants, have barely overcome the hardships of COVID- and that was five years ago. Look how many bars and restaurants closed as a result of the pandemic. Look how many employees left this industry. We have fought so hard to stay in business since 2020. Inflation continues to rise along with overhead costs, rent, and maintenance. Food and liquor prices have sky-rocketed due to industry-wide shortages. These are everyday issues that we deal with.

Allowing this legislation to pass into law will completely uproot everything we and so many others have worked so hard for. We are tired of fighting. Please hear us. This legislation will absolutely devastate our industry and our business. We barely overcame COVID. We will not be able to overcome this.