

Question 5: A Well-Intentioned Measure with Unintended Consequences

As the President and CEO of the North Central Massachusetts Chamber of Commerce, I feel compelled to address the potential impacts of [Massachusetts Ballot Question 5](#) on our local economy and communities. While the intention behind this measure—to ensure fair wages for all workers—is laudable, the reality is that its passage could have severe unintended consequences for our region's restaurants and hospitality businesses, their employees, and the broader economic ecosystem they support.

Question 5 proposes to gradually increase the minimum wage for tipped workers until it matches the standard minimum wage by 2029, effectively eliminating the tipped minimum wage system that has long been a cornerstone of the restaurant industry. Under the proposed ballot question, tipping would still be allowed, but for the first time, restaurants would also be permitted to pool and share those tips with cooks, bookkeepers, and other back-of-the-house workers who aren't currently allowed to share in the tips from waitstaff and bartenders. On the surface, this might seem like a straightforward way to improve workers' lives; however, the situation is far more complex.

Our independent restaurants are woven into the fabric of North Central Massachusetts. They are more than just places to eat; they are economic engines, social hubs, and integral parts of the identity for many of our communities. These establishments breathe life into our downtowns and commercial districts, draw visitors to our region, provide first jobs to our youth, and create sustainable careers for many. They support a network of local suppliers, farms and other small businesses. The meal and property taxes generated also contribute substantially to funding essential municipal services and schools in our communities.

The current tipped wage system, when implemented correctly, allows for a delicate balance. It keeps menu prices affordable while enabling servers to earn well above minimum wage through a combination of base pay and tips.

If Question 5 passes, restaurant owners will face some stark choices: significantly raise prices, reduce staff, or both. This isn't mere speculation. We've heard directly from local restaurant owners who are deeply concerned about their ability to keep their doors open if this measure passes. This measure would come at a time when their industry, which has always operated on thin margins, is still rebounding from the pandemic, coping with inflation and high credit card fees, wrestling with soaring energy and insurance costs, and adapting to changes in dining habits in a work-from-home economy. Their alarm signals a threat not just to our beloved establishments, but to our broader economic ecosystem.

Higher menu prices could lead to reduced customer traffic, especially in a time when many households are already feeling the pinch of inflation. Reduced staffing would mean fewer job opportunities, particularly for young people and those seeking flexible work arrangements. And if restaurants close, we lose not just those jobs, but the spillover economic benefits restaurants provide to neighboring businesses and suppliers.

Moreover, the elimination of the tipped wage system could paradoxically lead to lower take-home pay for many servers. If restaurants raise prices to cover higher base wages, customers may tip less, believing that gratuities are no longer necessary. Potentially introducing tip pooling to back-of-the-

house workers could also further erode server earnings, resulting in servers earning less overall than they do under the current system.

It's also worth noting that Massachusetts already has strong protections in place for tipped workers. If a server's tips plus their base wage don't reach the standard minimum wage, employers are required to make up the difference. This ensures that no tipped employee ever earns less than the standard minimum wage.

As we consider our vote on Question 5, let's remember the full picture of what's at stake: this isn't just about a number on a paycheck. It's about the vitality of our downtowns, the opportunities for our youth, the diversity of our culinary scene, and the overall economic health of our region.

I urge voters to carefully consider these broader implications and vote “No” on Question 5. Let's instead work together to find solutions that support good wages and thriving local businesses—goals that are not mutually exclusive when approached thoughtfully.

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