

Steve Butcher (Nutcracker Family Restaurant) in Pataskala  
Testimony in Support of Senate Bill 256

My Name is Steve Butcher and I own the Nutcracker Family Restaurant in Pataskala with my wife Kim. I appreciate the opportunity to be here today in support of Senate Bill 256, most specifically in support of this bill's preservation of the tipped wage.

Kim and I purchased The Nutcracker from our family in 2019 and then proceeded to be closed and limited from COVID. On the heels of that and the rapid inflation of our food and labor costs we are now being faced with another obstacle to the success of our business. We are not opposed to a minimum wage increase, however we do feel that an overly rapid increase in minimum wage and, more importantly, the loss of the tip credit will significantly negatively impact our business. We wrestle with how we will navigate our business if we lose the tip credit, and how it will affect our business model.

The \$15 an hour wage if the tip credit is eliminated will not come close to making our servers whole. Our servers on the low end make around \$22 an hour and that is made up of mostly our part time servers (largely high school students), while our full-time servers make around \$30 an hour. Eliminating the tip credit means some customers would think they no longer need to tip thus causing a rapid reduction in our employees' overall wages. To make sure our servers remain whole we must be prepared to make up for this difference or risk losing our best paid employees and the face of our restaurant. With the elimination of the tip credit and rapid rise in wages we would have to raise menu prices rapidly which we feel would lead to decreased customer visits, especially from those customers on a fixed income which make up about 50% of our business. This would again lead to a reduction in pay, reduced hours or even the elimination of jobs to our tipped employees.

Our servers do not want the loss of the tip credit. While I cannot speak for all servers, mine like leaving with their tip money at the end of the day, and they like controlling their own paycheck by the level of customer service they provide. Many have stated if the way they get paid changes they most likely will not work in the service industry any longer.

We fear whether our business will have enough working capital to figure out what business model will work for us or if we will run out of money and be out of business before we figure it out. We cannot look to other places who have eliminated the tip credit as a model because they have not consistently found a way to make sure everyone is made whole still to this date.

In closing I will just say we are worried for the health of our business and our industry. We also wonder if we will end up in a state where there are less family-owned restaurants.