

## **A Business Tip: Keep Hands Off Gratuities**

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When restaurant diners leave a tip for their waiters, they intend to recognize good service, not bolster a company's bottom line.

Yet LongHorn Steakhouse is now requiring waiters to turn over tips worth 2.25 percent of their sales receipts - up from 1 percent - to help pay the salaries of other employees. Without the move, the restaurant says it would have to raise menu prices.

Talk about robbing Peter to pay Paul.

LongHorn's move is not unique, though recent court rulings could limit this distasteful trend.

Earlier this year Starbucks stores in California had to cough up \$100 million to compensate servers whose tips were seized and redistributed. It turns out that supervisors were taking an illegal share.

And at Boston's Logan Airport, American Airlines was ordered to pay \$325,000 to skycaps whose incomes plummeted after the airline imposed a \$2-a-bag handling fee. American retaliated by banning skycaps from taking tips at all, though it later relented. Still, with more airlines imposing fees to check bags at the curbside, travelers have become stingier with their tips.

It's an unseemly business practice to nickel-and-dime workers at the low end of the pay scale.

Times are tough, but they're probably toughest on the minimum-wage workers who wait tables, serve coffee or shuffle luggage at the airport.

Companies should raise the price of air travel or coffee, if they must.

But they should stop balancing their books by reaching into the tip jar.