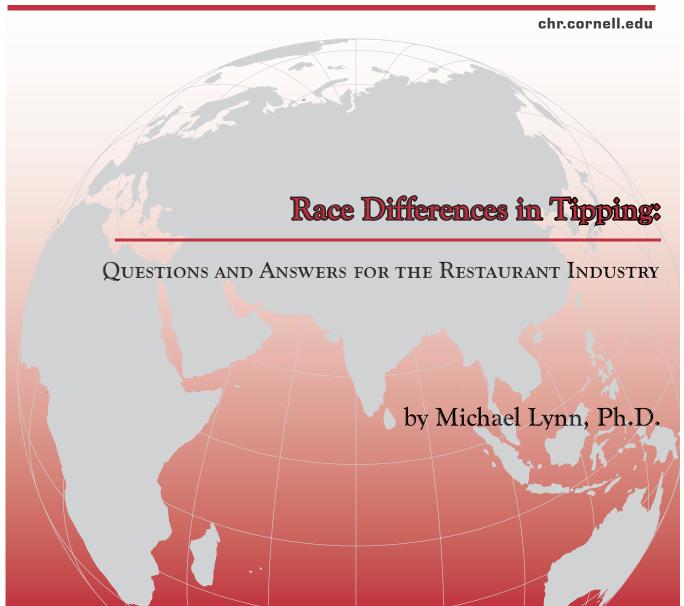


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Race Differences in Tipping: Questions and Answers for the Restaurant Industry

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Executive Summary

Race Differences in Tipping:

QUESTIONS AND ANSWERS FOR THE RESTAURANT INDUSTRY

by Michael Lynn

WIDESPREAD PERCEPTION in the restaurant industry is that Black patrons tip less than do White customers. As a result, many waiters and waitresses dislike waiting on tables of Black parties, resist being assigned to serve Blacks, deliver inferior service to those black customers whom they must wait on, and refuse to work in restaurants with a large Black clientele. In turn, these attitudes and behavior

reduce Blacks' patronage of table-service restaurants, contribute to discrimination lawsuits against restaurants, increase costs and reduce profits of restaurants with large Black clienteles, and deter restaurant chains from opening units in predominately Black communities.

This report draws on the available research to pose and answer questions about race differences in tipping and about what servers, restaurant manag-

ers, industry organizations, and restaurant chains could do about those differences. The available research indicates the following:

- Tips from Blacks are, on average, lower than those from Whites;
- Black-White differences in restaurant tipping are not caused solely by race differences in socio-economic status;

About the Author

ichael Lynn, Ph.D., is an associate professorat the Cornell University School of Hotel Administration (wml3@cornell.edu). In addition to his extensive study of tipping behavior, his research has examined status consumptionand consumer response to product scarcity. He has published over 50 articles in numerous journals, such as Journal of Consumer Research, Journal of Applied Social Psychology, Journal of Personality and Social Psychology, American Psychologist, and Personality and Individual Differences. One of his articles on ethnic differences in tipping recently won the 2004 W. Bradford Wiley Memorial Research Award given by CHRIE, the Council on Hotel, Restaurant, and Institutional Education.



- Black-White differences in restaurant
 tipping are evident among the middleclass as well as the lower-class;
- Black-White differences in restaurant tipping do not disappear when both groups get comparable service;
- Blacks tip less than Whites even when the server is Black;
- Blacks are much less familiar with the 15- to 20-percent restaurant tipping norm than are Whites;
- Blacks tip less than do Whites in many (but not all) other service contexts;
 and

 Asian-White and Hispanic-White differences in tipping are smaller, less robust, and have drawn less attention than Black-White differences in tipping.

The research findings suggest that restaurant managers, executives, and the industry as a whole should try to educate all of their customers about restaurant tipping norms. Such an educational campaign could involve informational brochures in restaurants, as well as an industry-wide effort promoted by trade associations.

Race Differences in Tipping:

Questions and Answers for the Restaurant Industry

by Michael Lynn

any waiters and waitresses in the United States believe that African Americans leave tips smaller than those left by Caucasians. For example, an unpublished survey among 51 servers at a restaurant in Houston found that 94 percent of the servers classified Black customers as poor tippers. As a result, many restaurant servers dislike waiting on Black customers, deliver inferior service to Black guests on whom they must wait, and refuse to work in restaurants with a predominantly Black clientele. ²

The following anecdotal quotations drawn from a discussion board at www.tipping.org illustrate common server reactions.

"... all the servers I work with hate having to wait on minorities, Black people in particular (and over half of our waitstaff is Black!!!).

¹ None of the servers classified Whites as poor tippers. See: Michael Lynn, "Servers' Perceptions of Who Are Good and Poor Tippers," unpublished manuscript, Cornell University, 2005. For similar findings, also see: Donald Caudill, "Restaurant Servers' Viewpoints toward Consumers' Tipping Behavior: An Empirical Analysis," unpublished manuscript, Bluefield State College, 2004; and Emily Noll and Susan Arnold, "Racial Differences in Tipping: Evidence from the Field," Cornell Hotel and Restaurant Administration Quarterly, Vol. 45, No. 1 (February 2004), pp. 23–29.

² See: Suzie Amer, "Minority Report," Restaurant Business, November 15, 2002, pp. 27–38.

"I will not take Black tables unless I have no other option; call me racist, but I also walk out with more money than the people who end up with them."

"...To (most—not all!) [Black tables]: I will wait on you last and spend less time with you. Because, though I've tried giving considerate, friendly, and attentive service, it's been to no avail."

Negative attitudes and behavior toward Black customers such as those expressed in the preceding quotations create several problems for the restaurant industry. Specifically, they contribute to: (1) lower restaurant patronage from Black consumers, (2) lawsuits alleging that restaurants discriminate in service delivery to Blacks, (3) high levels of employee turnover in restaurants with a predominately Black clientele, and (4) a reluctance on the part of restaurant chains to enter communities with predominately Black residents.³ This report seeks to contribute toward the solution of these problems by drawing on the available research evidence to answer questions about race differences in tipping and to propose ways to deal with those differences.

The following questions and answers review the implications of existing studies on racial differences in tipping. This structure helps to isolate, highlight, and address specific issues that the research has raised. The box at right shows the questions that will be answered in this report, along with the page numbers on which the answers can be found.

Question 1: Are Black-White Differences in Restaurant Tipping Fact or Fiction?

Research on race differences in tipping supports the following conclusions:

• Blacks tip flat-dollar amounts (rather than a percentage of the bill) for restaurant servers more than do Whites;

Questions and Answers Regarding Tipping Differences

- Are Black-White differences in tipping fact or fiction? (Page 7)
- 2. Are Black-White differences in restaurant tipping due to race differences in socio-economic status (ses)? (Page 10)
- Are Black-White differences in restaurant tipping limited to lower ses consumers? (Page 10)
- Are Black-White differences in restaurant tipping due to discrimination in service delivery? (Page 11)
- Do tipping disparities occur for Black servers as well as white servers? (Page 12)
- Do Blacks and Whites differ in their knowledge of U.S. tipping norms or expectations? (Page 12)
- Do tipping disparities occur in other services? If so, which ones? (Page 13)
- 8. Do other ethnic or racial groups tip differently than whites too? (Page 15)
- Does this report promote racial discrimination? (Page 15)
- 10. What should restaurant servers do about race differences in tipping? (Page 16)
- What should restaurant managers do about race differences in tipping? (Page 16)
- 12. What should restaurant industry organizations do about race differences in tipping? (Page 18)
- 13. What should restaurant chains do about race differences in tipping? (Page 19)

³ For an elaboration on these points, see Michael Lynn, "Ethnic Differences in Tipping: A Matter of Familiarity with Tipping Norms," Cornell Hotel and Restaurant Administration Quarterly, Vol. 45, No. 1 (February 2004), pp. 12-22.

- Blacks stiff (or fail to tip) restaurant servers more often than do Whites; and
- Blacks leave smaller restaurant tips on average than do Whites.

Each of these points is discussed further below.

Flat versus percentage tips. Black-White differences in restaurant tipping were examined in two national telephone surveys asking respondents about their general tipping habits. Both surveys indicate that Blacks are more likely than Whites to tip flat-dollar amounts rather than a percentage of the check. In one survey, 50.7 percent of Blacks and 19.4 percent of Whites reported tipping flat amounts.⁴ In the other survey, 47 percent

One difference in tipping is that Blacks are more likely to leave a flat tip that Whites are.

of Blacks and 17 percent of Whites reported tipping flat amounts.⁵ Statistical tests indicated that neither effect was likely to be due to chance, so it appears that the two races differ in how they determine tip amounts.⁶

Stiffing restaurant servers. The two national surveys described above also provided data on Black-White differences in the tendency to stiff (or not tip) restaurant servers. In one of those surveys, 7 percent of Blacks and 1 percent of Whites reported that they never tipped restaurant servers.⁷ In the other survey, 6 percent of Blacks and 2 percent of Whites reported stiffing restaurant servers.⁸ Statistical tests indicated that these effects were unlikely to be due to chance, so the data indicate that Blacks leave restaurants without tipping more often than do Whites.

Average restaurant tip size. The national surveys described above provided data on Black-White differences in the size of tips when tips are left. Neither survey produced race differences in tip size among those who reported tipping flat-dollar amounts. However, among those who reported tipping restaurant servers a percentage of the bill, one of these national surveys found that 5.6 percent of Blacks (as compared to 31.1 percent of Whites) claimed to regularly tip more than 15 percent of the bill.9 The other survey found that Black percentage tippers claimed to tip an average of 13.2 percent, while White percentage tippers claimed to tip 16.5 percent of the bill. 10 Both of these findings are statistically significant-meaning that they are unlikely to be due to chance.

Differences in average Black-White tip size have also been assessed in five studies using data from server records and surveys of customers at restaurants. The results of those studies are summarized in Exhibit 1. In all five studies, Blacks tipped less on average than did Whites—with the difference ranging from 3.6 percent of check size to 7.1 percent of check size. Statistical tests indicate that the likelihood of getting combined results like these by chance alone is less than one in one million.

⁴M. Lynn and C. Thomas-Haysbert, "Ethnic Differences in Tipping: Evidence, Explanations, and Implications," *Journal* of Applied Social Psychology, Vol. 33, No. 8, pp. 1747-1772.

⁵ Michael Lynn, "Black-White Differences in Tipping of Various Service Providers," *Journal of Applied Social Psychology*, Vol. 34, No. 11 (2004), pp. 2261-2271.

⁶ Further supporting this claim, Thomas-Haysbert and I found that bill size was a better predictor of tip amounts for Whites than for Blacks. Unreported analyses of studies I conducted with other researchers failed to replicate this effect (bill size x race interaction: B = .002, t(136) = 0.11, p = .91). However, the relationship between tip amount and bill size was unusually weak (R² = .46) among Whites in that study, perhaps because the data were collected at lunch when percentage tips vary widely. See: Lynn and Thomas-Haysbert, op.cit., and Michael Lynn, Christie Ganley, Elizabeth Adams, Mathew Douglas, and Jessica McNeal, "Does Seller Race Affect Consumer Behavior? Evidence for Racial Discrimination among Restaurant Patrons," Cornell University Working paper #3-1-05, 2004; available at www.hotelschool.cornell.edu/chr/research/working/.

⁷ This survey was conducted by Marketfacts and is analyzed in: C. Thomas-Haysbert, "The Effects of Race, Education, and Income on Tipping Behavior, *Journal of Foodservice Business Research*, Vol. 5, No. 2 (2002).

⁸ This survey was conducted by TNS Intersearch and was analyzed in: Lynn, pp. 2261-2271.

⁹ Lynn and Thomas-Haysbert, op.cit.

¹⁰ Lynn, pp. 2261-2271.

I am aware of no other publicly available data on differences in average tips by Blacks and Whites. 11 Thus, the available research data are consistent in finding that Blacks leave smaller restaurant tips on average than do Whites. The studies producing this finding employed three different methodologies (i.e., server records, customer surveys at the restaurant, and national telephone surveys), so their results cannot be attributed to some method-specific bias in data collection. Furthermore, the studies involved local samples from three different regions of the country (i.e., the south, the west, and the midwest), as well as two representative national samples, so the findings can be safely generalized to the population of the United States. In short, the clear findings of these studies are that on average, Blacks tip restaurant servers substantially less than do Whites.

11 Several other studies have found no differences in the restaurant tips left by Whites and other ethnic groups, but they did not specifically examine Black-White differences in tipping. The largest of these other studies involved data from diaries kept by the 1979 NPD consumer panel. See: Kevin McCrohan and Robert Pearl, "Tipping Practices of American Household: Consumer-based Estimates for 1979," 1983 Program and Abstracts of the Joint Statistical Meetings (Toronto, Canada, August 15-18, 1983). However, analyses of 1982 NPD diaries found results consistent with those in the main text of this CHR Report. To wit, non-Whites stiffed more and left smaller percentage tips than did Whites. See: Robert Pearl, "A Survey Approach to Estimating the Tipping Practices of Consumers: Special Report on Regression Analysis to the Internal Revenue Service under Contract TIR-82-21," Survey Research Laboratory, University of Illinois, 1984. It is not clear what to make of these inconsistent results from the NPD consumer diaries. A second study finding no Whitenon-White difference in tipping was found in: Connie Mok and Sebastian Hansen, "A Study of Factors Affecting Tip Size in Restaurants," Journal of Restaurant and Foodservice Marketing, Vol. 3, No. 3-4 (1999), pp. 49-64. Those data were incorporated into the data I analyzed with Thomas-Haysbert, which did show Black-White differences in tipping. A third study finding no White-non-White difference in tipping was an undergraduate honors thesis that did not report any means, sample sizes, or t-test values. See: Amanda Pollom, "Stereotyping in Restaurants," honors thesis, Department of Psychology, University of Kansas, 2001. A fourth study finding no Whitenon-White difference in tipping was conducted in West Texas and had a non-White sample composed mostly of Hispanics rather than Blacks (in fact, there were only four Blacks in that study). See: Alfonso Sanchez, "The Effect of Alcohol Consumption and Patronage Frequency on Restaurant Tipping," Journal of Foodservice Business Research, Vol. 5, No. 3 (2002), pp. 19-36.

Ехнівіт 1

Average tip percentage and sample size in five studies of race differences in tipping

			_	
Study	Locatio	n ·	Source of	Data
	Blacks	V	Vhites	p -value
Lynn & Thoma	as-Haysbert Hous	ston Ser	vers & Cu	stomers
	13.0% ($n = 94$)			
Willis	Los An	geles	Server Re	cords
	10.9% (n = ?)	17.29	% (n = ?)	.001
Noll & Arnold	Duval Co	o., FL	Server Re	cords
	12.0% (n = 25)			
Leodoro & Lyi	nn Lisle,	, IL	Server Re	cords
	12.3% ($n = 128$)	19.4%	(n = 172)	.001
Lynn et al.	Clintor	n, MS (Customer	Surveys
	14.7% (n = 26)	19.3%	(n = 114)	.02

Notes: p-value represents the probability of getting the results shown purely by chance. The studies are as follows: M. Lynn and C. Thomas-Haysbert, "Ethnic Differences in Tipping: Evidence, Explanations, and Implications," Journal of Applied Social Psychology, Vol. 33, No. 8, pp. 1747-1772; Nicole G. Willis, "Discovering Research in a Restaurant: Hamburgers and a Hypothesis," Perspectives on Social Work, Vol. 1, No. 1 (2003), pp. 6-11; Emily Noll and Susan Arnold, "Racial Differences in Tipping: Evidence from the Field," Cornell Hotel and Restaurant Administration Quarterly, Vol. 45, No. 1 (February 2004), pp. 23–29.; Gina Leodoro and Michael Lynn, "The Effects of Server Posture on the Tips of Whites and Blacks," Journal of Applied Social Psychology, forthcoming and Michael Lynn, Christie Ganley, Elizabeth Adams, Mathew Douglas, and Jessica McNeal, "Does Seller Race Affect Consumer Behavior? Evidence for Racial Discrimination among Restaurant Patrons," Cornell University Working paper #3-1-05.

Ехнівіт 2

Differences in tipping between Blacks and Whites after controlling for demographic and economic factors

Black-White Difference in	Before Statistical Controls	After Statistical Controls
Probability of Stiffing Server	.04*	.05**
Probability of Flat Tipping	.30**	.26**
Average Percentage Tip	-3.33**	-3.50**

Notes: The asterisks indicate significance levels. The difference with one asterisk (*) would occur by chance no more than 1 time in 10; the differences with two asterisks (**) would occur by chance no more than 1 time in 100.

Question 2: Are Black-White Differences in Restaurant Tipping Due to Race Differences in Socio-economic Status?

The possibility that Black-White differences in tipping are really just disguised socio-economic differences can be tested using the national telephone surveys described in the answer to Question 1, because those surveys included information about the respondents' education and incomes. This information can be used to assess and control for the effects of education and income before looking at Black-White differences in tipping. When this is done to the national survey data, Black-White differences in stiffing, flat tipping, and tip size persist. The results of comparing Black-White differences in these aspects of tipping before and after statistically controlling for education, income, and some other demographic variables are presented in Exhibit 2.12 For all three outcome measures, the results before and after controlling for education and income are virtually the same, with only slight differences caused by the loss of those subjects for whom control-variable data were missing. These data show that Black-White differences in tipping are largely independent of socio-economic differences between the races.¹³

Question 3: Are Black-White Differences in Restaurant Tipping Limited to Lower Socioeconomic-status Consumers?

The previously described national surveys on tipping habits also provide a means of assessing the idea that Black-White differences in

¹² These data come from the TNS Intersearch national survey reported in: Lynn, *op.cit*. Although not reported here, the results from the Marketfacts survey are similar in finding that Black-White differences in stiffing, flat tipping, and percentage tip size remain sizable and statistically significant after controlling for education and income. See: Lynn and Thomas-Haysbert, *op.cit*.

¹³ Socio-economic variables do contribute to Black-White differences in tipping. However, their effects are small, and Black-White differences in tipping remain sizable and statistically reliable even after controlling for education and income. See: Lynn, pp. 2261-2271; and Lynn and Thomas-Haysbert, *op.cit*.

tipping are limited to a particular economic class. Analysis of these data indicates that Black-White differences in stiffing do decline significantly as education and income increase, but that Black-White differences in flat tipping and size of percentage tip do not (see Exhibit 3). 14 Although the Black-White differences are smaller among the more educated samples for all three aspects of tipping-stiffing, flat tipping, and size of percentage tip-the decrease for the latter two variables is not large enough to rule out chance as a cause. Moreover, the Black-White differences in flat tipping and in size of percentage tip remain statistically significant in the college-educated sample. Thus, it appears that Black-White differences in tipping are not limited to lower SES consumers. Even college-educated, middle-class Blacks tip flat-dollar amounts more than do Whites and leave smaller percentage tips than do Whites.

Question 4: Are Black-White Differences in Restaurant Tipping Due to Discrimination in Service Delivery?

Three of the studies discussed under Question 1 provide information that can be used to assess the possibility that race differences in tipping are caused by service discrimination. First, the national telephone survey conducted by TNS Intersearch asked respondents about whether

Ехнівіт 3

Mean probability and percentage of tipping by race and education

Education Levels	Blacks	Whites	p-value
Probability of	frequently stiffing	restaurant servers	
12 or fewer year 13 or more years		.07 (n = 346) .03 (n = 438)	.004 .111
Probability of	being a flat tippe	r	
No College College	.64 (n = 42) .28 (n = 36)	.30 (n = 309) .08 (n = 478)	.001 .001
Average perc	entage tip		
No College College	10.7% (n = 14) 14.6% (n = 25)	15.1% (n = 211) 17.2% (n = 436)	.002 .001

Notes: p-value represents the probability of getting the values shown purely by chance. College-educated respondents had at least some college education if not a college degree.

¹⁴ Statistical tests were conducted for interactions of race by education and race by income using multi-level, ordinal measures of both education and income. See: Michael Lynn, "Do Education and Income Moderate Black-White Differences in Consumer Behavior? The Case of Tipping, Cornell University working paper, 2005. Results were the same for both sets of interactions. However, only the results for education are presented here. Furthermore, to simplify the discussion for the reader, education is turned into a binomial (two-level) variable in this presentation of the results. The data on stiffing come from the Marketfacts survey, while the data on flat tipping and size of percentage tips come from the TNS Intersearch survey. Different data are presented from different surveys because the two surveys used different wording and response options for questions, and I wanted to present the results from the most sensitive questions. However, both surveys produced similar race by education interactions for flat tipping and for size of percentage tip. The TNS survey did not have enough variability in stiffing to make the test for an interaction on that variable meaningful. Finally, the results for stiffing in Exhibit 3 in this report combine "sometimes tip" and "don't tip" response options to reflect frequent stiffing.

they would tip and (if so) how much they would tip "if you received *good service* from a waiter or waitress" [italics added]. Blacks in that study reported stiffing more and tipping less than Whites, even when the service is good. Second, the study I conducted by with Thomas-Haysbert using data from many different Houston, Texas, restaurants included customers' ratings of the service. Blacks tipped less than Whites in that study despite perceiving the overall service level no differently than did Whites. ¹⁵ Finally, the study I conducted with various collaborators at a restaurant in Clinton, Mississippi, also included customers' ratings of service. Again,

The disparities in tipping between Blacks and Whites remain when service is good.

Blacks tipped less than Whites despite perceiving the overall service level no differently than did Whites. ¹⁶ All three of these studies examined Black-White differences in tipping under conditions of comparable service for Blacks and Whites, and all three studies produced sizable race differences in tipping (as noted in Question 1). These findings do not mean that service discrimination never occurs or that service discrimination never contributes to ethnic differences in tipping. ¹⁷ However, the findings do suggest that service discrimination is not the primary cause of Black-White differences in tipping. The findings also indicate that sim-

ply delivering comparable levels of service to Black and White customers will not result in comparable tips from the two groups.

Question 5: Do Tipping Disparities Occur for Black Servers as well as White Servers?

Two studies have examined the possibility that race differences in tipping vary with the race of the server. 18 In both studies, the interaction of customer and server race was not significant. Black-White differences in tipping were evident for both Black and White servers (see Exhibit 4). These were relatively small studies (with sample sizes of 140 or less) involving only one restaurant each, so it is premature to make broad generalizations about the interaction of customer and server race on tipping. However, these studies are consistent with a larger study of taxicab tipping (sample size of 1,066) that found Blacks tipped less than Whites regardless of whether the cab driver was White or Black. 19 These results are also consistent with a national survey asking people whether they would tip more, less, or the same amount if their server was a racial minority. 20 Well over 80 percent of Black respondents would leave the same tip, while 9 percent said they would tip more, and 4 percent would tip less. 21 More research is needed on this issue, but the available evidence supports the idea that Blacks under-tip both Black and White servers.

Question 6: Do Blacks and Whites Differ in Their Knowledge of U.S. Tipping Norms or Expectations?

One likely explanation for Black-White differences in tipping is that Blacks may be less

¹⁵Mean service ratings on a five-point scale were 4.45 for Blacks and 4.38 for Whites in that study.

 $^{^{16}}$ Mean service ratings on a five-point scale were 4.45 for Blacks and 4.47 for Whites in that study.

The fact that servers at the studied restaurants in Houston, Texas, and Clinton, Mississippi, provided comparable service to Blacks and Whites is heartening. However, all these restaurants served a predominantly White clientele, and the rarity of Black customers may have contributed to these servers' willingness to give those Black customers good service. It still seems likely that servers waiting on many poortipping Blacks would come to discriminate in service delivery to Black customers. Although there is no systematically colected, objective data on this point, the likelihood of service discrimination is supported by anecdotal evidence like the quotations at the beginning of this report and by the many cases of service discrimination documented in lawsuits.

¹⁸ Nicole G. Willis, "Discovering Research in a Restaurant: Hamburgers and a Hypothesis," *Perspectives on Social Work*, Vol. 1, No. 1 (2003), pp. 6-11; and Lynn et al., op.cit.

¹⁹ See: Ian Ayres, Fredrick Vars, and Nasser Zakariya, "To Ensure Prejudice: Racial Disparities in Taxicab Tipping," Yale Law Journal, Vol. 114 (2005), pp. 1613-1674.

 $^{^{\}rm 20}$ This is another question from the same TNS Intersearch survey described previously.

 $^{^{\}rm 21}$ The comparable figures for White respondents were 2.3 percent and 1.1 percent.

familiar with the norm of a 15- to 20-percent tip than are Whites. Indeed, data from two national telephone surveys indicate that Blacks are less familiar than Whites with the 15- to 20-percent tipping norm.²² One of these surveys asked respondents: "Thinking about tipping overall, not your own practices, how much is it customary for people in the United States to tip restaurant waiters and waitresses?" The other survey asked: "Thinking about restaurant tipping norms, how much are people in the United States expected to tip waiters and waitresses?" Responses to these open-ended questions were categorized by the interviewers and later recoded as:

- normative responses (an amount from 15 to 20 percent),
- small-percentage responses (amount less than 15 percent),
- large-percentage responses (amount more than 20 percent),
- dollar responses (amount in dollars rather than percentages), or
- don't know.

Since both surveys produced similar results, I combined their data in Exhibit 5. Whites are roughly twice as likely as Blacks to know the 15- to 20-percent tipping norm. It is important to note that these data do not prove that the differences in tipping are due to familiarity with the restaurant-tipping norm. However, research suggests that the 15- to 20-percent norm powerfully affects people's tipping behavior, and there can be little doubt that awareness of this norm is a necessary precondition for its effect on behavior. Thus, the data do provide support (albeit not definitive) for the norm-familiarity explanation of Black-White differences in tipping.

EXHIBIT **4**

Average tip percentage by race of customer and race of server

Study		
Customer Race	Black Servers' Tip	White Servers' Tip
Willis (2003)		
Black White	10.4% 18.3%	11.3% 16.0%
Lynn et al. (20	005)	
Black White	13.0% (n = 10) 17.5% (n = 34)	16.3% (n = 16) 21.1% (n = 80)

Note: Sample sizes in each cell of the Willis study are not known because they were not reported.

Ехнівіт 5

A comparison of tipping customs among Black and White patrons

Responses to a query about the customary restaurant tip

	Blacks (n = 170)	Whites (n = 1,545)
15% to 20%	35.9%	72.4%
Less than 15%	30.6%	17.3%
More than 20%	3.7%	8.8%
A dollar amount	13.5%	3.7%
"Don't know"	11.2%	3.0%

Note: For each response, the observed difference would occur by chance less than one time in 500.

These are different from the telephone surveys discussed previously. For the original articles reporting on these surveys, see Lynn, pp. 12-22; and Michael Lynn, "Geo-Demographic Differences in Knowledge about the Restaurant Tipping Norm," *Journal of Applied Social Psychology*, forthcoming.

Question 7: Do Tipping Disparities Occur in Other Services? If So, Which Ones?

Most of the research on race differences in tipping has focused on tipping for restaurant table service, but the two national telephone surveys first described under Question 1, along with several other studies involving server records, do provide some insight into Black-White differences in tipping in other areas.

Delivery drivers. Two studies used driver records to examine race differences in tipping of delivery people. Both studies report non-significant race effects. However, one of

Black-White tipping disparities also occur with delivery drivers, taxi drivers, and parking valets.

those studies recorded few minority customers and provided no numerical means for the different racial groups.²³ Thus, this study does not really tell us anything of value about Black-White differences in tipping. The other study combined data from different minority groups to reach its conclusion of no race differences in tipping.²⁴ Isolating and comparing the data from Blacks with those from Whites, a different picture emerges. Blacks tipped the delivery drivers in that study an average of 14.8 percent while Whites tipped the delivery drivers an average of 17.5 percent. This difference is statistically significant at the .05 level, meaning that a difference this large would occur by chance less than one time in 20.25 Consistent with this latter finding are the results of a national telephone survey about tipping practices. After

statistically controlling for income, education, and other demographic variables, Blacks reported stiffing delivery drivers more than did Whites, and among those who did tip, Blacks reported giving delivery drivers smaller tips than did Whites.²⁶ Both of these effects were too large to be readily explained by chance, so the data support those delivery drivers who claim that Blacks tip less than do Whites.

Taxicab drivers. One study has used driver records of over 1,000 cab rides in New Haven, Connecticut, to examine race differences in taxicab tipping.²⁷ That study found Blacks were nearly four times as likely as Whites to stiff cab drivers (39.2 percent instances of stiffing for Blacks compared to 10.6 percent for Whites).²⁸ National telephone surveys of tipping practices have found similar, though smaller, race differences in taxicab stiffing. One survey found that 57 percent of Blacks, and 19 percent of Whites reported sometimes stiffing cab drivers.²⁹ The other survey found that 32 percent of Blacks and 16 percent of Whites reported stiffing cab drivers.³⁰ However, the latter survey indicated that Blacks and Whites reported leaving comparable amounts if they did tip cab drivers. So Black-White differences in taxicab tipping may be limited to differences in stiffing.

Parking attendants. One study used a parking attendant's records to examine race differences in tipping.³¹ In the study, 34 percent of Blacks and 4 percent of Whites stiffed the parking attendant.³² Similar results were obtained in a national telephone survey—48

²³ Peter Kerr, Bruce Domazlicky, Adam Kerr, and Joseph Knittel, "An Objective Measure of Service and its Effect on Tipping," paper presented at the Missouri Valley Economics association, Oct. 15, 2004.

²⁴ Keith Brown, "Factors Affecting Tip Size: An Analysis of Class, Gender, and Race in the Tipping of Delivery Drivers," master's thesis, Department of Sociology, University of Massachusetts-Amherst, 2002.

 $^{^{25}}$ t (260) = 1.82, p < .05

²⁶ Lynn, pp. 2261-2271.

²⁷ Ayres, Vars and Zakariya, op.cit.

²⁸ This study also found that Blacks tipped only half as much on average as did Whites (\$0.60 or 9.2% for Blacks, compared to \$1.82 or 21.6% for Whites). However, this analysis included tips of zero, so the race difference in average tip is confounded by the race difference in propensity to stiff.

²⁹ Thomas-Haysbert, op.cit.

³⁰ Lynn, pp. 2261-2271.

³¹ Steven Baudendistel, "The Perception of Power, Wealth, and Tipping Styles," unpublished student paper, Hanover College, 2000.

³² This study also found that Blacks tipped only 55 percent as much on average as did Whites (\$1.10 for Blacks, compared to \$1.97 for Whites). However, this analysis also included tips of zero, so again the race difference in average tip may be carried by the race difference in propensity to stiff.

percent of Blacks and 20 percent of Whites reported sometimes stiffing parking attendants in the survey. The both studies, the difference was too large to be readily explained by chance, and in the second study the difference remained statistically significant after controlling for income and education. The second study the difference remained statistically significant after controlling for income and education.

Other service providers. One national telephone survey about tipping practices found that Blacks were more likely than Whites to stiff bartenders and luggage handlers, 35 but another national telephone survey failed to replicate these findings. 36 The latter survey also found no significant race difference in the likelihood of stiffing hotel maids, masseuses, or ushers. Furthermore, among flat tippers in that study, Blacks tipped barbers, bartenders, hotel maids, and masseuses significantly more than did Whites. These findings suggest that Black-White differences in tipping do not generalize to all service contexts, so service workers other than waiters, delivery drivers, cab drivers, and parking attendants should not assume that their Black customers will be poor tippers as a group.

Question 8: Do Other Ethnic or Racial Groups Tip Differently than Whites?

Although research on Asian and Hispanic restaurant tipping is extremely limited, one study using data from Houston, Texas, has found the following:

- Asians tip less than Whites, but this difference disappeared after controlling for service, dining party size, and frequency of restaurant patronage.
- Hispanics do not tip less than Whites on average.

- Dollar tip amounts vary less with check size for both Asians and Hispanics than for Whites.
- Tip percentages vary more with service quality for both Asians and Hispanics than for Whites.³⁷

In addition, one national telephone survey of knowledge about restaurant-tipping norms found that about 33 percent of Hispanics were aware of the 15- to 20-percent tipping norm (as compared to 68 percent of Whites). These findings suggest that Asians and Hispanics do not tip identically to Whites. On the other hand, neither Asians' nor Hispanics' tips are sufficiently different from those of Whites to draw the attention of the restaurant industry, as has occurred with Black-White differences in tipping. However, these conclusions are based on limited data and more research on Asian and Hispanic tipping is needed.

Question 9: Does This Report Promote Racial Discrimation?

Although this report supports certain stereotypes about race differences in tipping, it does not promote negative racial attitudes. On the contrary, it promotes harmonious race relations by providing relevant information. Given the study findings that Blacks tip less than Whites, it is naive to believe that the resulting stereotypes, prejudices, and discriminatory behavior will disappear if the industry simply pretends that race differences in tipping do not exist. In fact, failing to acknowledge and address this sensitive issue will only perpetuate a status quo that harms restaurants and customers alike by encouraging restaurant servers to discriminate in service delivery and discouraging restaurant operators from opening restaurants in predominantly Black communities. The information in this report makes denial and inaction more difficult. It also points to a way of resolving racial strife over tipping. The finding that Blacks are less familiar than are Whites with tipping

³³ Thomas-Haysbert, op.cit.

³⁴ This conclusion is based on a multiple regression analysis that I performed on the data (race: B = .30, t (391) = 3.07, p < .002). This method of controlling for education and income is superior to the method used by the author of the original report.

³⁵ Thomas-Haysbert, op.cit.

³⁶ Lynn, pp. 2261-2271.

 $^{^{\}rm 37}$ Lynn and Thomas-Haysbert, $\it op.cit.$

³⁸ Lynn, forthcoming.

norms suggests that the Black-White differences in tipping, along with their attendant problems, can be significantly reduced by making *all* customers aware of tipping norms.

Question 10: What Should Restaurant Servers Do about Race Differences in Tipping?

Servers should always do their best job, no matter who is in the party. Restaurant servers and customers have an implicit social contract with one another—servers to deliver good service and customers to pay for that service (including an appropriate tip). The honorable thing for servers to do is to uphold their end of the contract even when expecting a small tip. Failure to do so means that the server has harmed custom-

One server suggests that a source of the Black-White tipping differential is that Blacks are more sensitive than Whites to delays in food delivery.

ers who have not yet done anything to deserve poor treatment.

Even when a server is faced with a frequent patron known to be a bad tipper, delivering sub-par service remains inappropriate (although perhaps understandable). The bad tipper may not know that he or she is undertipping and thereby violating an implied contract with his or her server. Rather than punish such a customer with bad service, servers should politely inform the customer that tipping 15 to 20 percent is customary and ask whether they have done anything wrong to deserve a substandard tip.

In their efforts to deliver good service, waiters and waitresses should also be sensitive to cultural differences in the expectations and desires of their customers. For example, one study found that sitting down at, or leaning over, the table increased tips from Whites, but decreased tips from Blacks.³⁹ This finding is

consistent with other research noting differences between Blacks and Whites in interpersonal distance in social interactions. ⁴⁰ Servers should respect this difference in nonverbal behavior and should stand erect when serving Black tables.

In addition, one former Denny's server, who claims to have done on-the-job research concerning Black-White differences in tipping, argues that Blacks are more sensitive than Whites to delays in food delivery. Describing his research findings, this former server wrote:

All customers who waited 10 minutes or less for their food paid at least a 15-percent tip. No one who waited more than 20 minutes left a tip. Blacks were less likely to tip than Whites if they had to wait more than 10 minutes and less than 20, and the longer the wait the bigger the tipping gap. ⁴¹

This finding needs to be tested by academic researchers, but it seems reasonable that Blacks and Whites might make different attributions about the cause of service delays—with Blacks but not Whites seeing discrimination as a cause—and, therefore, react differently to those delays. Assuming that these findings are valid, they suggest that servers need to focus on promptness when serving Blacks.

Question 11: What Should Restaurant Managers Do about Race Differences in Tipping?

The high costs of servers' negative attitudes and behavior toward Black customers require restaurant managers to take some corrective action. One possibility is to monitor servers' treatment of Black customers and to let servers know that discriminatory behavior will result in termination of employment. This approach has

³⁹ Gina Leodoro and Michael Lynn, "The Effects of Server Posture on the Tips of Whites and Blacks," *Journal of Applied Social Psychology*, forthcoming; see also: Cornell University Working paper #3-3-05 (2005), available at www. hotelschool.cornell.edu/chr/research/working.

⁴⁰ See: Michael Argyle, Bodily Communication, 2nd edition (Madison, CT: International Universities Presss, 1988), pp. 58-59.

⁴¹ Doug Mann, "Kids Suspended in MPS," at www. mnforum.org/pipermail/mpls/2002-May/013381.html.

been used effectively by Denny's Restaurants.⁴² Unfortunately, such monitoring is costly and cannot be done for every server-customer interaction. Thus, it is at best an imperfect solution to the problem of service discrimination. Furthermore, monitoring does nothing to address turnover (and may exacerbate it).

A second option is to replace tipping with automatic service charges. 43 However, surveys indicate that most U.S. consumers dislike automatic service charges. 44 Furthermore, restaurant chains that impose automatic service charges in predominantly Black communities but do not do so in White communities open themselves up to charges of racial discrimination.

A third option is to pay servers higher wages, so that they will not be so dependent on tips. This may help to reduce turnover caused by low-tipping customers, but it does nothing to ensure that servers treat Black customers the same as their higher tipping White customers. Moreover, paying higher wages results in increased labor costs that are difficult to pass on to consumers.

To find lasting solutions to the problems posed by ethnic differences in tipping, restaurant managers must understand and address the underlying causes of those differences. The data reviewed in this report suggest that Black-White differences in tipping stem primarily from Blacks' relative unfamiliarity with the 15- to 20-percent restaurant-tipping norm. This suggests that restaurant managers can reduce race differences in tipping by informing their customers about that norm. Some restaurants have started doing this by adding "suggested tips" to checks and credit-card slips. 45 Although one research study found that pro-

Managers who are uncomfortable with making tipping suggestions to their customers could regularly update and post a sign listing the five largest tips given in the restaurant in the previous week. This would remind customers that tipping is expected and would put some social pressure on customers to leave larger tips. Alternatively, managers could educate their customers about the 15- to 20-percent tipping norm by including the information in an entertaining and educational handout

Restaurant managers should understand and address the underlying causes of tipping practices that violate industry norms.

or table tent. For example, I have developed a quiz that customers can use to test their knowledge about tipping. Customers taking the quiz and checking their answers will learn about the restaurant-tipping norm, how many people comply with it, and the extent to which servers rely on tips for their income. (Note: A sample quiz is available free of charge as a Tool from TheCenterforHospitalityResearch.org.)

viding tipping guidelines had little effect on average tip size, two executives at one restaurant chain have told me that they found this practice to be helpful. He They observed an increase in tipping at their restaurants with largely Black clienteles when the managers included tipping guidelines and information about server compensation with the bills given to all customers. At minimum, this is an easy and inexpensive solution that restaurant managers should try.

⁴² See: James Adamson, "The Denny's Discrimination Story—And Ways to Avoid It in Your Operation," *Nation's Restaurant News*, October 5, 1998, p. 40.

⁴³ Amer, pp. 27–38.

⁴⁴ For example, see: Susan Mills and Hudson Riehle, "What Customers Think about Tips versus Service Charges," *Restaurants USA*, October 1987, pp. 20-22; Joe Edwards, "NRN Survey: Tips Beat Service Charges 5-to-1," *Nation's Restaurant News*, Vol. 22, No. 27 (July 4, 1988), pp. 1, 84; and Wendy Cole, "Leaving Tips," *Time*, February 27, 1989, p. 54.

⁴⁵ See: Amanda Hesser, "At Tip Time, Restaurants Do the Math," *New York Times*, April 7, 1999, p. F1; and Florence Fabricant, "Tips Past the Tipping Point," *New York Times*, September 25, 2002, p. F1.

⁴⁶ The study found that providing tipping guidelines increased some people's tips but decreased others' tips, so there was no net effect on tip size. See: David Strohmetz and Bruce Rind, "The Impact of Tipping Recommendations on Tip Levels," Cornell Hotel and Restaurant Administration Quarterly, Vol. 42, No. 3 (June 2001), pp. 71–73.

A final approach to educating customers about the 15- to 20-percent tipping norm is to work through local churches and other organizations within minority communities. Restaurant managers can meet with pastors and other community leaders to explain the importance of tips to server income, employee recruitment and retention, and restaurant viability. Then they can ask those leaders for help in educating the community about tipping norms. Those community leaders wanting to promote a vibrant local economy and to create or maintain restaurant dining options in their communities are likely to agree to help. For example, Rita Booker, who is cochair of the Interfaith Action Communities Committee on Development Issues in Prince Georges County (Maryland), has expressed a willingness to foster discussion of appropriate tipping behavior in an effort to bring restaurants into her community.⁴⁷ One restaurant chain that has successfully used this approach

Tipping disparities could be reduced through an industry-wide campaign that educates all diners regarding the 15- to 20-percent tipping norm.

is Outback Steakhouse. Sid Levy and Joseph Jackson at Outback Steakhouse met with community leaders like Booker and were able to foster a community discussion of tipping that resulted in near normative tipping levels at a new Outback Steakhouse restaurant in Prince Georges County. Thus, this is a tested solution that more restaurant managers should try.

Question 12: What Should Restaurant Industry Organizations Do about Race Differences in Tipping?

Race differences in tipping may be reduced by a public-relations campaigns promoting the 15-to 20-percent tipping norm. Such a campaign should make use of what is known about social norms and their effects on behavior. In general, social scientists have found that people comply with social norms more when they are aware of the norm, internalize (or personally subscribe to) the norm, believe that others comply with the norm, and also believe that the approval of significant others depends on norm compliance. Thus, public-relations campaigns to promote compliance with the restaurant-tipping norm should strive to accomplish the following:

- inform customers that a tip amounting to 15 to 20 percent of the bill is customary and expected;
- remind customers of the norm at the time they must make tipping decisions;
- explain why tipping 15 to 20 percent is important;
- convince customers that most other customers tip 15 to 20 percent; and
- increase the social approval (or disapproval) customers feel when leaving good (or bad) tips.

In the process of striving to accomplish these goals, the campaign should avoid labeling any group of people as poor tippers, because that undermines the social pressure which members of that group would feel to comply with tipping norms.

The campaign should address all ethnic groups, because approximately one-third

⁴⁷ Information about Rita Booker is drawn from: Linda Wallace, "The Restaurant Tipping Dilemma: Racial Fears Vs Profits," DiversityInc.com, 2001.

⁴⁸ See: Robert Cialdini and Melanie Trost, "Social Influence: Social Norms, Conformity, and Compliance," in *The Handbook of Social Psychology*, fourth edition, Vol. 2, ed. D. Gilbert, S. Fiske, and G. Lindzey (Boston: McGraw-Hill, 1998), pp. 151–192.

of the Whites are also unfamiliar with the norm. In my opinion, the National Restaurant Association (NRA) should take the lead in developing, soliciting funding for, and running such a campaign because it is the largest, best-known industry organization and because such a campaign is consistent with its stated mission to "represent, educate, and promote" the restaurant industry. Thus far, the NRA has refused to become involved with the issue of race differences in tipping. Given the political sensitivity of the issue, that reluctance is understandable. However, a broad-based campaign promoting the restaurant tipping norm to all customers need not make any reference to race differences in tipping. There is no good reason for the NRA to avoid this service to the industry.

Although a broad campaign promoting the 15- to 20-percent tipping norm to all consumers would be helpful, a separate campaign concentrated in communities with a particularly low knowledge and acceptance of the norm might also prove useful. For example, a campaign specifically targeting Blacks could use appeals, models, and media that would probably be more effective than those used in a campaign geared toward a general audience. In my opinion, the Multicultural Foodservice and Hospitality Alliance (MFHA) should take the lead in developing, soliciting funding, and running such a campaign because it has the necessary sensitivity to minority concerns and because such a campaign is consistent with its vision of being the "number-one industry resource and facilitator for achieving the economic benefits of multiculturalism in the areas of human resources, training, marketing, community relations, and supplier diversity." Fortunately, the MFHA has stepped up to the plate on this issue by devoting a session to discussions of race differences in tipping at each of its last two national conventions. In addition, MFHA President Gerry Fernandez is pursuing funding for more research on the issue and for a public relations campaign to educate minorities about tipping. Those efforts

should be continued by the MFHA and should be applauded and supported by the rest of the industry.

Question 13: What Should Restaurant Chains Do About Race Differences in Tipping?

Restaurant chains can do a number of things about race differences in tipping. First, restaurant chains can encourage their managers to try one or more of the educational efforts described under Question 11. It will be far easier for managers to try these things if they know their efforts are supported by their immediate bosses and other corporate executives.

Second, restaurant chains can hire more Blacks and other racial minorities in front-of-house positions. Currently, the industry tends to put minority employees in the back of the house. ⁴⁹ This undermines efforts to educate minority groups about tipping because many people learn about tipping from working for tips or from friends and family members who work for tips. By hiring more Blacks and other minorities in front-of-house positions, restaurant chains can simultaneously educate many individual members of those groups about tipping and provide those individuals with an incentive to educate their acquaintances, friends, and family members about tipping.

Third, restaurant chains can provide financial support to the NRA and MFHA for the multimedia promotional campaigns described under Question 12. As I indicated above, donations to a campaign run by the NRA targeting the general public need have no reference to race differences in tipping, and donations to a campaign run by the MFHA targeting Blacks can either be made anonymously or be accurately labeled as support for the organization's general activities.

⁴⁹ For some evidence of discrimination (in New York City, at least), see: Remy Kharbana and Andrea Ritchie, Behind the Kitchen Door: Pervasive Inequality in New York City's Thriving Restaurant Industry, January 25, 2005, report by the Restaurant Opportunities Center of New York and the New York City Restaurant Industry Coalition.

Finally, restaurant chains can support more research on race differences. Additional research is clearly needed to:

- study the tipping behavior of Asians and Hispanics,
- learn about race differences in service expectations and desires, and
- test the effectiveness of proposed solutions to Black-White differences in tipping such as those discussed under Question 11.

MFHA president Gerry Fernandez identifies additional issues for study in his commentary at right.

Perhaps the most important support restaurant chains can provide is access to data.

Researchers studying the issues described above need to collect data at restaurants with ethnically diverse employees and customers. Restaurant chain executives can help researchers identify appropriate restaurants and gain the cooperation of those restaurants' management and staff. This support can be provided on the condition that the researchers keep the identity of the restaurants studied confidential.

In addition to helping researchers gain access to data, restaurant chains can provide financial support for research. For example, for those who find this report helpful to the industry and who want to support the Cornell Center for Hospitality Research, more information about corporate sponsorships can be found online at www.hotelschool.cornell.edu/chr/corporate/.**

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The Importance of Drilling Down

by Gerry Fernandez

believe much more research is needed in the area of understanding diverse customer needs and behavior in restaurants. Although Michael Lynn's work has concentrated solely on tipping behavior of Blacks as compared to Whites, the issue could be much broader than tipping. The entire customerservice perspective in full-service restaurants has not been fully explored from a minority patron's point of view. Consider the following issues:

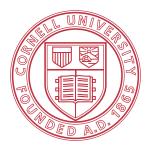
- What constitutes good service for Whites as compared to Blacks?
- How do Blacks learn the norms of tipping as compared to Whites?
- What other factors affect how minorities view customer service in restaurants?
- What role did "Jim Crow" play in how Blacks view service in restaurants? For example, how did not being able to eat at [an integrated] lunch counter until 1963 affect how Blacks feel about restaurants?
- How did the banning of tipping in the early 1900s affect Black tipping behavior long term?
- How much of tipping behavior can be attributed to poor math skills and consumer laziness?
- For a long time the tipping norm was 10 percent of the total bill. In the Black church, members are asked to tithe (give 10 percent of their total income).

How has the tithe as a measure for what people should give back affected Black tipping behavior? One caller on a radio station program in which I participated commented that "If God doesn't ask for more than 10 percent why should I give a waitress 15 percent?"

- How does tipping behavior differ among Blacks when age and geographic locations are factored in? Do Blacks who live in former "Jim Crow" states display different tipping behavior than do Blacks who live in northern states? What effect does growing up Black in the segregated south have on tipping?
- Many Blacks (college educated and not) take issue with the restaurant industry for not paying servers more money. Their view is that companies are shirking their responsibility to pay a living wage by encouraging the tipping among patrons much like what the railroad executives did with the Pullman Porters. How has this affected Black attitudes toward full-service restaurants and tipping behavior?

All of these issues are important to explore for Blacks. More important, if our industry really wants to understand how to better serve Blacks and other minorities, then we must face our past and answer these questions. Race matters in America and I am confident that it matters in America's restaurants.

-Gerry Fernandez is president of Multicultural Foodservice and Hospitality Alliance.



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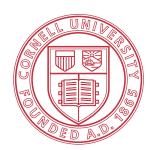
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