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## **A Tipped Minimum Wage for DC Waiters Is Opposed by DC Waiters--For Good Reason**

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Paternalistic governments all too often discover that the citizens they are saving often do not want to be saved.

The City Council of my adopted hometown, Washington DC, witnessed this phenomenon recently when a planned ballot initiative that would end the lower, \$5 tipped minimum wage for restaurant workers was met with fierce objections from a large group of waiters and food service staff whom the change would supposedly protect.

Their objections were easy to understand: Most waiters make the lion's share of their income from tips, and good waiters in expensive restaurants can pull down an income that's sufficient to support a family. The fact that a sizable portion of tips at most places invariably go untaxed helps them stretch their incomes even further.

Going from the status quo to a guaranteed \$15 or \$20 an hour--100% of which would be taxed--would likely entail restaurants imposing a service charge on a check that most diners would understand to be a replacement for a tip, and a world without tips would assuredly result in a pay cut for most waiters. Even waiters currently making less than \$15 an hour would object if they aspire to remain in the profession and move up to a higher-priced locale someday, and those who are waiting tables before moving on to another career probably do not need that much occupational protection anyway.

The *Wall Street Journal's* Greg Ip recently noted that financial regulation seems to be counter-cyclical: we loosen it when things are going well and then tighten it after a disaster, a pattern that makes little sense.

In a similar vein the DC government has found a new enthusiasm to protect the ostensibly exploited workers just as the unemployment rate has begun to approach historic lows and the ability of workers to move around and find higher-paid jobs has never been stronger.

The best thing we can do to help workers in Washington DC and anywhere in the country is to make it easy for companies to hire--and fire--workers. The more the government interferes in the basic contract, the costlier it is for a firm to hire, and the less of it they do

This is especially true for workers with little education or experience: the last thing we want to do is pull up the ladder of success before they can get a foot on the first rung.

Fortunately, DC's City Council appears to understand that this change would not help workers, and all but one of them has declared his or her opposition to it. That might not be enough to sway the voters come June, but it is a good sign that politicians are at least paying attention--and comprehending that helping workers can be complicated.

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