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April 1, 2014

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STATEMENT REGARDING PRESIDENT OBAMA'S ANN ARBOR VISIT AND SPEECH IN SUPPORT OF INCREASING MINIMUM WAGE AND ELIMINATING THE TIPPED MINIMUM WAGE IN MICHIGAN

While it may be well-intentioned, the Michigan Restaurant Association opposes the proposal in Michigan to increase the minimum wage to \$10.10 that also seeks to completely eliminate the tipped minimum wage. It is the wrong plan at the wrong time for Michigan's still fragile economy.

As small businesses in Michigan are still reeling from the red tape nightmare of complying with the Affordable Care Act (a.k.a. Obamacare), the President comes to Ann Arbor tomorrow to endorse a 37 percent increase to the minimum wage that is even more radical than his own proposal and particularly crippling to the restaurant industry.

In light of these compiling pressures on the restaurant industry, the Michigan Restaurant Association is not sure if the President has all of the requisite facts:

- Is the President aware that the Raise Michigan proposal is the only ballot proposal in the nation seeking to completely eliminate the tipped minimum wage? Even his plan maintains a lower tipped minimum wage than the full minimum wage.
- Does he know that if the proposal is enacted, Michigan would be the only state east of the Mississippi River without a separate tipped minimum wage, putting it at a distinct disadvantage to those looking to invest and grow jobs in Michigan?
- Does the President know that the restaurant industry survives on a razor-thin 4 percent profit margin? A nearly 400 percent increase to the cost of doing business to full-service restaurants will inevitably lead to restaurant closings and significant job loss.

Make no mistake that the radical Raise Michigan proposal to increase the minimum wage and completely eliminate the tipped minimum wage will not only increase menu prices and cost Michigan jobs, it will put many restaurants out of business.

– Michigan Restaurant Association President & CEO Brian DeBano

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The Michigan Restaurant Association (MRA) is the recognized leader of Michigan's hospitality industry, providing essential services to the foodservice community. Founded in 1921, the MRA represents nearly 4,500 Michigan foodservice establishments. The industry plays an integral role in Michigan's economy, employing almost 400,000 people and creating more than \$13.4 billion in annual sales.