Tips and Tipping in Halifax’s hospitality industry: the Employers, the Workers, the Unions and the Government

Judy Haiven
Dept. of Management
Saint Mary’s University, Halifax
jhaiven@smu.ca

Nova Scotia's union density is 28.9%, compared with a high of 36.6% in Newfoundland and 22% in Alberta. One reason for Nova Scotia’s status as "middle of the pack" in terms of union density among Canadian provinces could be NS’s preponderance of hospitality, bar and restaurant workers. Tourism is a major economic driver of the Nova Scotia economy with more than 1.8 million visitors in 2008. Yet union density in the hospitality sector is less than 10%. In the city of Halifax, with more than a dozen hotels, only four are unionized. And there is only one restaurant in the city, outside of the hotel restaurants, which is unionized.

The provincial government recently beat back demands from the Atlantic office of the Canadian Restaurant and Food Services Association (CRFA) for a two-tier minimum wage. The CRFA’s proposal was that minimum wage should be lowered for those who work in establishments which serve alcohol and should stay the same in restaurants and snack shops which do not serve alcohol. The tourism industry justified their position by explaining that staff received higher tips in places which served liquor. So the tips would offset the minimum wage most servers are paid. While the government refused to cave to this demand at the time, minimum wage is scheduled to increase twice in 2010, so the pressure for a differentiated minimum wage is again starting to mount.

In a study of tips and tipping in Halifax restaurants and bars, preliminary results showed virtually all establishments paid staff minimum wage, except for unionized hotel bars and restaurants. Results also showed that tips, seldom considered the servers’ property, were often taken by management and doled out as they wished. Often servers were unaware that their tips, or at least a part of them, found their way into managements’ pockets.

This paper will take a more detailed look at the tipping study data, and also discuss whether increased unionization in the sector would make a difference in wages, tips and tipping in this sector.

---

3 Minimum wage in NS is $8.60 per hour, as of October 2009. In April 2010 it is scheduled to rise to $9.20, and in October, 2010 to $9.65.