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**INDUSTRY SURVEY FINDS BALLOT PROPOSALS WOULD SIGNIFICANTLY
DAMAGE RESTAURANTS, KILL JOBS**

Michigan Restaurant Association Q2 Trends Report demonstrates market is elevating wages naturally

LANSING, Mich., AUGUST 9, 2018 – The Michigan Restaurant Association (MRA) today released its second quarter research report tracking economic and demographic trends within the restaurant industry on a statewide basis. The survey also asked how proposals seeking to raise the minimum wage, eliminate the tip credit and mandate paid leave time would affect restaurant operators across the state.

Highlights from the Q2-2018 Trends Report include the following:

- A staggering 87% of restaurant operators claim that a proposal seeking to raise the minimum wage to \$12 per hour and eliminate the tipped minimum wage would negatively impact their business. 80% of respondents believe the proposal will significantly harm their business.
- An overwhelming 89% of restaurant operators claim that a proposal seeking to mandate up to 72 hours of paid employee leave time would negatively impact their business, with 77% claiming it would harm their business significantly.
- Nearly two-thirds of restaurant operators would respond to either ballot proposal by reducing employment through layoffs.
- Over 80% of restaurants would increase menu prices if the minimum wage proposal passed and 76% would do the same if the mandated leave time proposal passed.
- 13% of respondents would respond to an increase in the minimum wage and elimination of the tipped minimum wage by shuttering their business entirely. Extrapolating that percentage statewide, over 2,000 restaurant closures would occur in Michigan.
- Wage inflation in the industry is expected to reach 6.7% in 2018, a dramatic increase from the previous two years (5.0%, 3.8% respectively). The shortage of available labor in the industry is naturally increasing wages, impacting future growth in the industry and tamping down already low profit margins.

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“Market forces are naturally driving up wages in the restaurant industry in 2018,” said Justin Winslow, President & CEO of the Michigan Restaurant Association. “Labor shortage and wage inflation are already driving lower profit margins in the industry, and we are starting to see evidence of slower growth as a result. To compound these challenges with rigid wage and benefit mandates – especially through the elimination of the tipped minimum wage – will have a disastrous effect on this industry, including significant job loss and restaurant closures.”

Participation in the Q2-2018 Trends Report was significant, with more than 1,400 MRA member locations and \$552 million in annual revenue represented in the survey.

The **Michigan Restaurant Association Industry Trends Report** represents the first and only independent statewide research report tracking the state’s second-largest private-sector employer.

About the Michigan Restaurant Association

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 more than 440,600 people and creating more than \$16 billion in annual sales.

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