

Black-White Differences in Tipping of Various Service Providers

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ABSTRACT

Data from a national telephone survey revealed four general patterns in the tipping behaviors of Blacks and Whites. First, Blacks appear more likely than Whites to stiff commonly encountered service providers, but not less commonly encountered ones. Second, Blacks appear more likely than Whites to leave flat tip amounts to service providers who are commonly tipped a percentage of the bill, but not to service providers who are more rarely tipped a percentage of the bill. Third, black percentage tippers leave a smaller average percentage of the bill than white percentage tippers across many service contexts. Finally, black flat tippers leave larger average dollar tips than white flat tippers across many service contexts. The theoretical and practical implications of these findings are briefly discussed.

KEYWORDS: Tipping, ethnic differences

Black-White Differences in Tipping of Various Service Providers

Many service workers in the United States believe that Blacks are poor tippers. The following anonymous quotations from a discussion board at <www.tipping.org> reflect widely held opinions.

“When I worked at T.G.I. Fridays, I noticed that many tips from African American parties were not based upon a percentage of the check, but were typically an arbitrary amount and were usually in the two-to-five-dollar range. This is not to say that all African Americans left small tips, but a significant number did.”

“First of all, without exception, each and every restaurant owner and manager with whom we work has made this observation. Most of them have been in food service all of their lives. You should also know that one owner and another manager in different cities happen to be African-Americans. We have also spoken to quite a few black servers as well. It is unanimous among restaurant workers of all races: most black people either do not tip at all – or give very low tips.”

Upon encountering people who express beliefs like these, it is natural to wonder if those people are accurate observers or (alternatively) racists. This is an important question because the answer affects how managers should deal with tipped employees holding

similar beliefs. If Blacks do not tip less than Whites, then managers should explain this fact to tipped employees and should present employees with the data to back-up their claims. However, if Blacks do tip less than Whites, then managers should try to change their Black customers' tipping behavior and/or should closely monitor their tipped employees' treatment of Black customers. Otherwise, their tipped employees are likely to deliver inferior service to Black customers whom they believe are poor tippers.

Two recent studies suggest that the beliefs expressed above are accurate. Using data from a national telephone survey about restaurant tipping habits, from exit surveys of patrons leaving restaurants, and from restaurant servers' records about their customers, Lynn and Thomas-Haysbert (in press) found that Blacks are less likely to base tips on bill size than are Whites and that Blacks leave smaller average percentage tips than do Whites. These ethnic differences in tipping are not disguised socio-economic differences, because they remained significant after statistically controlling for income, education, and other demographic variables. Furthermore, the ethnic difference in average percentage tips was not attributable to discrimination in service delivery, because this effect remained significant after statistically controlling for the customers' ratings of service.

The study below provides a replication and extension of Lynn and Thomas-Haysbert's (in press) work. The study replicates their work by examining Black-White differences in the tendency to tip restaurant servers a percentage of the bill (versus a flat amount) and in the average size of restaurant tips. The study extends their work in two ways. First, it examines Black-White differences on a new dependent variable – i.e., the tendency to stiff servers (leave no tip). Second, it examines Black-White differences in

tipping outside of restaurants – i.e., tipping of bartenders, barbers, cab drivers, food delivery persons, hotel maids, skycaps/bellhops, masseuses, and ushers.

METHOD

Taylor Nelson Sofres (TNS) Intersearch conducted a national telephone survey for *American Demographics* magazine. This was a multi-customer (or “omnibus”) survey conducted using Genesys random digit-dial sampling (Marketing Systems Group, 2000). Random digit dial sampling means that even people with unlisted numbers have a chance of being sampled. Up to three contact attempts were made per number. Respondents are selected from within households answering the phone by asking for the adult (age 18 and up) male or female (randomly picked) with the most recent birthday. Thus, the data can be safely generalized to all those adults in the U.S. who have a telephone and who are willing to participate in a telephone survey. One thousand twenty four interviews were completed with 811 interviews of white respondents and 83 interviews of black respondents. This survey was featured in an *American Demographics* article by Paul (2001). However, that article did not report any of the ethnic differences that are the subject of this paper. We obtained the survey data from TNS Intersearch and analyzed it for Black-White differences in tipping as described below.

Dependent Variables

Respondents were asked several questions of interest in this study. One question asked: “If you received good service from ____ would you tip them a percent of the total

cost of the service, tip them a flat amount or not give them a tip?” This question was asked nine times with the following service providers filling in the blank in random order: “waiter or waitress,” “bartender,” “barber, hair stylist or cosmetician,” “cab or limousine driver,” “food delivery person,” “hotel maid,” “skycap or bellhop,” “masseur,” and “usher at theatre, sporting events, etc.” Respondents who said they would tip a percent were asked: “What amount?”¹ Answers to this question were recorded in whole percents. Respondents who said they would tip a flat amount were also asked: “What amount?” For bartenders, this question was: “What amount would you leave for one drink?” For hotel maids, this question was: “What amount would you leave for a two night stay?” For skycap/bellhops, this question was: “What amount would you leave for handling two bags?” Answers to this question were recorded in dollars and cents.

Responses to the above questions were used to generate four dependent variables – (1) stiff, or not tip, the server (no = 0, yes = 1), (2) tip type (percent = 0, flat amount = 1; among those with stiff = 0), (3), amount of percent tip (among those with tip type = 0), and (4) amount of dollar tip (among those with tip type = 1). For the last two variables, values of zero were dropped, because zero was inconsistent with the value of “stiff the server.” In addition, values on these two variables that were greater than three standard deviations from the mean were dropped, because these outliers (which were unrealistic and likely to be exaggerations) could adversely affect parametric analyses.

¹ Eighteen percent of respondents said they would tip a percentage of the bill to hotel maids and 12% said they would tip a percentage of the bill to skycaps/bellhops. This is surprising because there are usually no bills specifically associated with these services. However, hotel maids do pick-up and deliver laundry and bellhops do deliver room service, so perhaps these bills are what respondents had in mind.

Independent Variables

The principle independent variable in this study was the respondents' race – White or Black/African American. Respondents from other ethnic groups were dropped from the analyses. In addition, sex (male or female), age (in years), education (in seven ordered categories), income (in 10 ordered categories), household size (in number of people) and metro status (metro = 0, non-metro = 1) were used as control variables. Descriptive statistics for all the variables in this study are presented in Tables 1 and 2.

Insert Tables 1 and 2 About Here

RESULTS

All four of the tipping variables – stiff, tip-type, dollar-tip, and percent-tip -- were analyzed in least-squares regressions with sex, age, education, income, household size and metro status as control variables and with ethnicity as the principle independent variable. Stiff and tip-type are binomial variables, so these variables were also analyzed using binomial-logistic regressions. The logistic and least-squares regressions produced very similar results in terms of the direction and significance of Black-White differences. Since the coefficients from the least-squares regressions, which reflect the difference between the Black and White means, are easier to explain and understand than those from

the logistic regressions, the least-squares results are reported in the text below (and in Table 3).

Insert Table 3 About Here

Stiff

Black respondents were significantly more likely than white respondents to say they would stiff a waiter/waitress ($B = .05$, $t(689) = 2.60$, two-tailed $p < .01$), a barber/hairstylist ($B = .11$, $t(676) = 2.20$, two-tailed $p < .03$), and a cab/limo driver ($B = .11$, $t(633) = 2.20$, two-tailed $p < .03$). Blacks were also marginally more likely to say they would stiff a food delivery person ($B = .08$, $t(649) = 1.85$, two-tailed $p < .07$) and marginally less likely to say they would stiff an usher ($B = -.10$, $T(645) = -1.70$, two-tailed $p < .09$). There were no Black-White differences in the likelihood of stiffing a bartender ($B = .08$, $t(609) = 1.35$, $p = .18$), a hotel maid ($B = -.02$, $t(644) = -0.37$, two-tailed $p = .71$), a skycap/bellhop ($B = .03$, $t(645) = 0.63$, two-tailed $p = .53$), or a masseuse ($B = -.05$, $t(551) = -0.82$, two-tailed $p = .41$). This pattern of findings suggests that Blacks are more likely than Whites to stiff frequently encountered service providers, but not infrequently encountered ones. People are likely to use the services of waiters, barbers, bartenders, cab/limo drivers and food delivery people more frequently than those of hotel maids, skycaps/bellhops, masseuses, and ushers. The mean Black-White difference in

stiffing (mean B coefficient for) the frequently encountered service providers was .09 while that for the infrequently encountered service providers was -.14.²

Tip-Type

Among those who tip, Blacks are significantly more likely than Whites to tip a flat amount to a waiter/waitress ($B = .26$, $t(675) = 5.15$, two-tailed $p < .001$) and a masseuse ($B = .22$, $t(365) = 2.58$, two-tailed $p < .01$). Blacks were also marginally more likely to tip a flat amount to a barber/hair-stylist ($B = .12$, $t(546) = 1.69$, two-tailed $p = .09$). There were no Black-White differences in the likelihood of tipping a flat amount to a bartender ($B = .01$, $t(475) = 0.16$, $p = .88$), a cab/limo driver ($B = .10$, $t(518) = 1.25$, two-tailed $p = .21$), a food delivery person ($B = .04$, $t(560) = 0.59$, two-tailed $p = .56$), a hotel maid ($B = -.04$, $t(644) = -0.63$, two-tailed $p = .53$), a skycap/bellhop ($B = -.01$, $t(581) = -0.17$, two-tailed $p = .87$), or an usher ($B = -.13$, $t(134) = -1.23$, two-tailed $p = .22$). This pattern of findings suggests that Blacks are more likely than Whites to give flat tips only when it is relatively common for Whites to give percentage tips. Of all the service providers in this study, only waiters and masseuses are tipped a percentage of the bill by at least half of White customers. The mean Black-White difference in tip type (mean B coefficient) for waiters and masseuses was .24 as compared to .01 for the other service providers.³

² The effect size r 's for waiters, bartenders, barbers, cab drivers, and food delivery people were .10, .05, .08, .09, and .07 respectively with an average of .08. The effect size r 's for hotel maids, skycaps/bellmen, masseuses, and ushers were -.01, .02, -.03, -.07 respectively with an average of -.02.

³ The effect size r 's for waiters and masseuses were .19 and .13 respectively with an average of .16. The effect size r 's for bartenders, barbers, cab drivers, food delivery persons, hotel maids, skycaps, and ushers were .01, .07, .05, .02, -.03, -.01 and -.11 respectively with an average of .00.

Percent Tip

Among percentage tippers, Blacks reported leaving smaller average tips than Whites for all service providers. However, this Black-White difference was statistically significant only for waiters/waitresses ($B = -3.50$, $t(534) = -4.51$, two-tailed $p < .001$), bartenders ($B = -5.85$, $t(134) = -3.22$, two-tailed $p < .002$), food delivery persons ($B = -5.52$, $t(211) = -4.02$, two-tailed $p < .001$), and skycaps/bellhops ($B = -6.19$, $t(64) = -2.34$, two-tailed $p < .03$). This Black-White difference was not significant for barbers/hair-stylists ($B = -2.04$, $t(170) = -1.20$, two-tailed $p = .23$), cab/limo drivers ($B = -1.99$, $t(213) = -1.50$, two-tailed $p = .14$), hotel maids ($B = -2.73$, $t(69) = -1.30$, two-tailed $p = .20$), masseuses ($B = -1.35$, $t(159) = -0.86$, two-tailed $p = .39$), or ushers ($B = -5.10$, $t(22) = -1.61$, two-tailed $p = .12$). Overall, these findings suggest that black percentage tippers leave a smaller percentage of the bill than white percentage tippers across many service contexts.⁴

Dollar Tip

Among flat tippers, Blacks reported leaving larger average tips than Whites for all service providers. However, this Black-White difference was statistically significant only for bartenders ($B = .82$, $t(306) = 2.68$, two-tailed $p < .008$), barbers ($B = 1.65$, $t(343) = 3.11$, two-tailed $p < .002$), hotel maids ($B = 2.54$, $t(343) = 2.83$, two-tailed $p < .005$), and masseuses ($B = 2.03$, $t(166) = 2.29$, two-tailed $p < .03$). This Black-White difference was not significant for waiters/waitresses ($B = .41$, $t(120) = 0.78$, two-tailed $p = .44$), cab/limo drivers ($B = .11$, $t(258) = 0.13$, two-tailed $p = .90$), food delivery people ($B = .06$, $t(317) =$

⁴ The effect size r 's for waiters, bartenders, cab drivers, food delivery persons, hotel maids, skycaps, masseuses, and ushers were $-.19$, $-.28$, $-.09$, $-.10$, $-.27$, $-.15$, $-.28$, $-.07$, and $-.32$ respectively with an average of $-.20$.

0.20, two-tailed $p = .84$), skycaps/bellhops ($B = .53$, $t(484) = 1.60$, two-tailed $p = .11$), and ushers ($B = 1.51$, $t(93) = 1.46$, two-tailed $p = .15$). Overall, these findings suggest that black flat tippers leave a larger dollar amount than white flat tippers across many service contexts.⁵

DISCUSSION

The results of this study replicated and extended those of Lynn and Thomas-Haysbert (in press). Specifically, this study replicated their findings that: (1) Blacks are less likely to base restaurant tips on bill size than are Whites, (2) black percentage tippers leave smaller average percentage tips in restaurants than do white percentage tippers, and (3) black flat tippers leave essentially the same average dollar tip amount in restaurants as do white flat tippers. This study extended Lynn and Thomas-Haysbert's (in press) work by providing evidence that Blacks are also more likely than Whites to stiff waiters and waitresses.

This study also extended the work of Lynn and Thomas-Haysbert (in press) by examining tipping in service contexts other than restaurants. The results involving these other service contexts revealed four general patterns in the tipping behaviors of Blacks and Whites. First, Blacks appear more likely than Whites to stiff commonly encountered service providers, but not less commonly encountered ones. Second, Blacks appear more likely than Whites to leave flat tip amounts to service providers who are commonly tipped a percentage of the bill, but not to service providers who are more rarely tipped a percentage of the bill. Third, black percentage tippers leave a smaller average percentage

⁵ The effect size r 's for waiters, bartenders, cab drivers, food delivery persons, hotel maids, skycaps, masseuses, and ushers were .07, .15, .17, .01, .01, .15, .07, .17 and .15 respectively with an average of .11.

of the bill than white percentage tippers across many service contexts. Finally, black flat tippers leave larger average dollar tips than white flat tippers across many service contexts. The theoretical and practical implications of these findings are briefly discussed below.

Theoretical Implications

The pattern of findings in this study are complex and do not lend themselves to any simple explanation. This is an important point, because it provides an empirical basis for dismissing one potentially inflammatory explanation for ethnic differences in tipping. Richard Lynn (2002) has theorized that Blacks have more psychopathic (anti-social) personalities than do Whites. This theory suggests that Blacks may tip less than Whites because they are simply less generous than are Whites. However, the finding that Blacks are no more likely than Whites to stiff infrequently encountered service providers and the finding that black flat tippers often leave larger dollar tips than do white flat tippers are inconsistent with a general tendency for Blacks to be less generous than Whites. Thus, these findings indicate that one must look elsewhere for an explanation of Black-White differences in tipping.

One place to look for a more complex explanation of Black-White differences in tipping is in familiarity with and/or acceptance of mainstream tipping norms. Black-White differences in tip type and percent tip could reflect a tendency for Blacks to be less familiar with, or accepting of, percentage tipping norms than are Whites. As explained next, a related tendency could also account for the finding that Blacks are more likely

than Whites to stiff frequently encountered service providers but not infrequently encountered ones.

Knowledge and acceptance of the tipping norm for a particular service should increase with the frequency of use of that service. Furthermore, Black-White differences in use of various service providers should be greater for more frequently encountered service providers (such as barbers, cab drivers, and food delivery persons) because Whites' use of infrequently encountered service providers (such as hotel maids, masseuses, and ushers) is so low that there is little room for Blacks' use of these service providers to be smaller. This reasoning suggests that ethnic differences in knowledge and/or acceptance of tipping norms should be greater for frequently encountered service providers and that this explains the pattern of ethnic differences in stiffing. Unfortunately, this explanation is speculative and the current study does not provide a means of definitively testing it. Testing this and other explanations for ethnic differences in tipping should be a priority of future research in this area.

Practical Implications

The results of this study support the widespread belief among restaurant servers that Blacks leave smaller average tips for waiters and waitresses than do Whites. They also suggest that Blacks leave smaller average tips for at least some other service providers. In particular, large ethnicity effects on stiffing and/or percent tip accompanied by small reversed ethnicity effects on dollar tip for bartenders, cab drivers, bellhops, and food delivery persons suggest that Blacks tip these service providers less on average than do Whites. In order to ensure that their black customers receive good service, managers

of these service providers may need to monitor their staff's interactions with black customers. In addition, managers may want to encourage black (and white) customers to leave larger tips by posting recommended tips on table-tents, wall-signs, menus, and/or checks.

In order to change Blacks' tipping behaviors and combat negative stereotypes about Black tippers, prominent Blacks may want to promote mainstream tipping norms to the Black community. One Black radio celebrity, Travis Smiley, recently discussed this issue on the Tom Joyner Morning Show (Pine, 2001). In addition, the Multi-Cultural Foodservice and Hospitality Alliance recently held a panel discussion of ethnic differences in tipping at their 2002 convention (Hill, Cornell, Jackson, Kornegay and Lynn, 2002). More efforts like this are needed. This is a touchy issue, but pretending that Black-White differences in tipping do not exist and/or refusing to openly discuss this difference does not help anyone. Rather, it perpetuates a status quo that harms black consumers. Specifically, black consumers are harmed by poor service from servers who do not expect them to tip. Black consumers are also harmed by restaurant chains that fail to open outlets in predominately Black communities (even affluent ones), because the chains' executives anticipate tipping related difficulties in staffing outlets at those locations (see Wallace, 2001a and 2001b, for a discussion of this point). Addressing these problems requires more openness and honesty about ethnic differences in tipping. Hopefully, this paper will encourage more research and discussion of this issue.

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TABLE 1

Mean, sample size and standard deviation of control variables in the study by ethnicity.

Variables	Whites			Blacks		
	Mean	n	Std	Mean	n	Std
CONTROLS						
Sex (M=0, F=1) ^a	.49	811	.50	.60	83	.49
Age (Years) ^c	48.50	788	17.12	40.06	80	13.75
Education (1-8) ^c	4.59	807	1.62	4.07	83	1.53
Income (\$Thousands) ^c	45.44	648	27.78	31.49	67	19.35
Household Size (No. people) ^b	2.51	804	1.39	2.92	83	1.59
Metro (No=0, Yes=1) ^a	.73	811	.45	.82	83	.39

^a Black and White means are significantly different at the .10 level.

^b Black and White means are significantly different at the .05 level.

^c Black and White means are significantly different at the .01 level.

TABLE 2

Mean, sample size and standard deviation of the dependent variables for Whites (W) and Blacks (B).

Service Provider	<u>Stiff</u> *		<u>Tip Type</u> **		<u>Percent Tip</u>		<u>Dollar Tip</u>	
	W	B	W	B	W	B	W	B
Waiter	.02 ^a	.06	.17 ^c	.47	16.54 ^c	13.21	3.50	4.09
	802	83	790	78	649	39	126	34
	.12	.24	.37	.50	4.10	6.28	2.47	1.85
Bartender	.22	.28	.67 ^b	.77	15.54 ^c	7.55	1.46 ^c	2.19
	693	72	545	52	167	11	340	40
	.41	.45	.47	.43	5.18	6.14	1.59	1.51
Barber	.18 ^b	.29	.65 ^b	.78	15.46	15.09	3.42 ^c	4.93
	783	82	645	58	218	11	398	41
	.38	.46	.48	.42	4.69	6.86	2.72	3.33
Cab Driver	.16 ^c	.32	.54 ^b	.70	13.95	12.00	4.07	4.83
	722	79	603	54	267	15	295	30
	.37	.47	.50	.46	4.26	7.19	3.99	4.82
Food Delivery	.14	.21	.57	.72	15.13 ^c	10.07	2.64	2.80
	745	81	644	64	264	15	347	45
	.34	.41	.50	.45	4.63	6.36	1.63	1.18
Hotel Maid	.31	.28	.83	.78	12.57 ^b	8.67	6.48 ^c	9.28
	742	81	515	58	83	12	393	40
	.46	.45	.38	.42	5.36	6.39	4.54	6.03

Skycap/Bellhop	.09	.14	.87	.84	13.11 ^b	7.17	3.23 ^a	3.76
	742	77	673	66	79	6	563	56
	.29	.35	.33	.31	5.80	5.42	2.10	2.11
Masseuse	.35	.27	.50 ^c	.69	15.04 ^b	11.80	5.70 ^a	7.44
	618	75	401	55	187	15	175	34
	.48	.45	.50	.47	4.89	6.21	3.87	5.72
Usher	.80 ^b	.67	.78	.69	14.69 ^b	8.50	3.13	4.33
	746	79	152	26	32	8	104	18
	.40	.47	.47	.47	5.81	7.09	3.60	2.66

* No = 0, Yes = 1. ** Percent tip = 0, Flat tip = 1.

^a This White mean significantly differs from the Black mean at the .10 level.

^b This White mean significantly differs from the Black mean at the .05 level.

^c This White mean significantly differs from the Black mean at the .01 level.

TABLE 3

Black-White differences in tipping after controlling for sex, age, education, income, household size, and metro-status.

Service Provider	Stiff (No=0, Yes=1)	Tip Type (Pct.=0, Flat=1)	Percent Tip	Dollar Tip
Waiter	.05***	.26***	-3.50***	.41
Bartender	.08	.01	-5.85***	.82***
Barber	.11**	.12*	-2.04	1.65***
Cab/Limo Driver	.11**	.10	-1.99	.11
Food Delivery	.08*	.04	-5.52***	.06
Hotel Maid	-.02	-.04	-2.73	2.54***
Skycap/Bellhop	.03	-.01	-6.19**	.53
Masseuse	-.05	.22***	-1.35	2.03**
Usher	-.10*	-.13	-5.10	1.51

* two-tailed $p < .10$, ** two-tailed $p < .05$, *** two-tailed $p < .01$