

Office for Financial Success – Financial Tip of the Week  
A service of the Personal Financial Planning Department  
College of Human Environmental Sciences  
University of Missouri-Columbia  
(07/24/2009)

Tip on Tips

I've a friend that carries a tip chart in his pocket, to allow him to visually see what is correct for 15% or 20% of the bill. Then, if there is a group of us, we usually just ignore him and throw in money – more if the service was exceptionally good or the waiter/waitress is a loyal employee of our favorite spot. (These “throw-ins” have been known to greatly exceed standard gratuity practice.) On the other hand, I've been with people that refuse to tip more than 10%, regardless of the service they receive from the, often, lower-than-minimum wage employee. Practices vary and most of us only know what we learned from watching mom and dad.

Since I'm traveling with a bunch of Boy Scouts while you read this, I doubt that there will be much tipping going on. I wondered, however, if others might sometimes wonder what is customary. So I consulted *The Wall Street Journal Guide to Starting Your Financial Life*, by Karen Blumenthal and found a chapter devoted to this very topic. To top it off, I agreed with most of what she said. See what you think.

- Waiters and waitresses – 15% to 20% of the pre-tax charges. More for very good service and, if you don't order a drink but your water glass is well attended to, I'd lean toward the high side.
- Pizza/food delivery people - 10% is customary, more on busy “game days” or if the monsoon is what is keeping you from driving to the restaurant.
- Coffee bars and other quick-stop, face-to-face food places – these people generally get paid minimum wage, so nothing is expected. If, however, you're a regular and you get special service, you might occasionally put a dollar in the cup.
- Coat check – We don't do this much in Columbia, MO, but it is generally acceptable to pay \$1 per item checked.
- Bartenders – Treat the tab, as if it were a waiter or waitress bill in a restaurant. If you pay as you go, \$1 added to the price of the drink will assure that the bartender sees you when you come back for another...which reminds me of taxi cabs...
- Taxi drivers – 15% is generally accepted, \$1 per bag if s/he helps with your bags. Perhaps more (20%) in a megalopolis like New York City or if you just feel like it is the right thing to do.
- Hair stylist or barber – Here, practices vary considerably across the country and by markets. For markets where it is accepted practice, 15% - 20%, unless they own the store. If in doubt, ask the receptionist what is common practice or round-up on their Holiday gift.
- Massage – (Now we're talking! After I backpack for 12 days this just might be the ticket!) Generally, masseuses expect a 15% to 20% tip depending on the quality of their service.
- Hotel doorman - \$1 for hailing a cab, \$1 for helping you find the best local haunt or eatery, \$1 per bag for the bellman, and \$1-\$2 per night for housekeeping, especially in large cities. (Personally give it to the housekeeper, if you see them on the last day and you know they've been responsible. It is great for their confidence.)

That is about it for a Tip on Tips. I hope this gets to you, given my challenges with technology and the fact I've been away from my desk for 8 days. We recently had a day-long session with about 30 Missouri high school personal finance teachers and many of them said they often use the MU Financial Tip in their classroom, as a point to begin discussions. I love that and I encourage you to send it to others, especially those that work to improve the financial literacy of others. At Personal Financial Planning at MIZZOU, we believe that *"Financial literacy is the key to personal freedom and economic development."* If you agree, even if only slightly, please share your financial success by helping to build financial literacy in others.

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