

# Tip Creep: Why We Are Tipping Ever More Nowadays and How to Stop Doing It

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NEW YORK (MainStreet (<http://www.mainstreet.com>)) — You hear it louder and louder. Today 25% is the new 15% when it comes to tipping in tablecloth restaurants, and perhaps an even bigger difference is that tipping is starting to become more common in places like coffee shops and fast food outlets where it was rare a few years ago. Just why - suddenly - are we parting with more of our money in circumstances that, by definition, are supposed to be volitional? And if it is our choice, why are more of us grumbling?

Blame technology for starters, said the experts who pointed to the proliferation of iPad point of sale technology. Consulting firm Software Advice recently looked into the impacts, and they are shocking. But, first, picture the scene. You have ordered a tuna sandwich on rye with a pickle and a coffee. The counterperson totals it up on an iPad, and you are handed the slate to sign. What do you see? A blank space where it says TIP. Or maybe you see a pre-entered tip amount, often 20%, although in that case there probably also are buttons for 15%, 25% and also no tip.

What do you do? According to Software Advice, the logistics of that setup shape your behavior. Before, you might have tossed the loose change from your transaction into a jar and patted yourself on the back for generosity. Now, said Justin Guinn, a market researcher at Software Advice, 41% of us say the close proximity of the counter person, or a server, means we will tip and probably tip well. Some 29% of us also told Software Advice that if not tipping required pressing a “No Tip” button on the screen, we would tip rather than press that button.

Many of those point of sale systems build in pre-set tipping options for purchases under \$10, added Guinn, and typically the customer sees three choices: \$1, \$2, and \$3. \$3 on a purchase of a couple coffees to go? Guinn explained what is going on. "These systems encourage tips," he said. "Business operators are seeing more tips. One deli business operator said they are getting 20% tips, where before they got change."

But it can't all be blamed on technology. Personally I can think of only one place I frequent where paying is via an iPad slate. Most still are old-fashioned cash and/or credit card swipes, and there too, said the experts, we seem to be digging deeper into our pockets.

And then there is what Ray Advani, who runs the personal finance blog Squirrelers, said is a proliferation of low tech jip jars.

"Tip jars are creeping up everywhere," he said. "I've seen tip jars even in some quick-serve restaurants. I saw them at a car wash. I don't think these are necessary, and my approach is to simply not be swayed by the need to avoid any 'awkward' interactions if I don't add to the tip jar."

Re-read Advani's advice. Tossing money into tip jars is volitional. It is entirely your call.

Then, too, "suggested" tip amounts appear to be soaring. Etiquette expert Jodi Smith related that she recently was at a spa where "there was a sign for 20%, 30% and 40% tips." She added: "Any massage that warrants a 40% tip should be investigated by law enforcement."

Other experts said they are seeing suggested tips on restaurant credit card receipts as high as 30%. Those "suggestions" are another reason tips are creeping up, but, again, it's your choice.

Another reason why tips may be climbing is as simple as our deficient national education system.

"Simply put, nobody gives you the math portion of the SAT test when they grant you a credit card, and many people simply cannot do the math to calculate 15 or 18%," said relationship expert April Masini, who blogs at AskApril. "So they do bad math and end up with a bigger tip than they might have."

Word of advice: a 10% tip is easy to calculate. If the restaurant bill is \$112.47, what's 10%? Right: \$11.25. What's half of that, approximately? \$5.65. Add them together for 15%: \$16.90. Want simpler still? Install a (free) calculator app on your smartphone, you will see the right tip is \$16.87.

Will servers grumble at a 15% tip? In Manhattan and San Francisco, they will not give you a standing ovation, but even in those towns, agreed the experts, you won't be booed out the door. Ditto if you only throw silver into the coffee shop tip jar. In most of the rest of the country, 15% is perfect, thank you very much, and as for the silver, they are not tossing it back at you in Phoenix, Albuquerque, or Dallas.

Bottomline: the best tipping strategy is to know what you are comfortable with and stick with it. Don't be bullied by technology, or server proximity. Know what is right for you and know that is the exact right amount.

— *Written by Robert McGarvey for MainStreet*

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