

Tipping Point: Canadians tired of 'tip-flation'; most would scrap gratuity-based system for higher service wages

More than three-in-five feel they're being asked to tip more, and more often

February 16, 2023 – Canadians have reached a tipping point when it comes to gratuities.

New data from the non-profit Angus Reid Institute finds so-called "[tip-flation](#)" a key pain point. Most Canadians report being asked to tip more (62%) and more often (64%), and in several cases, they are obliging.

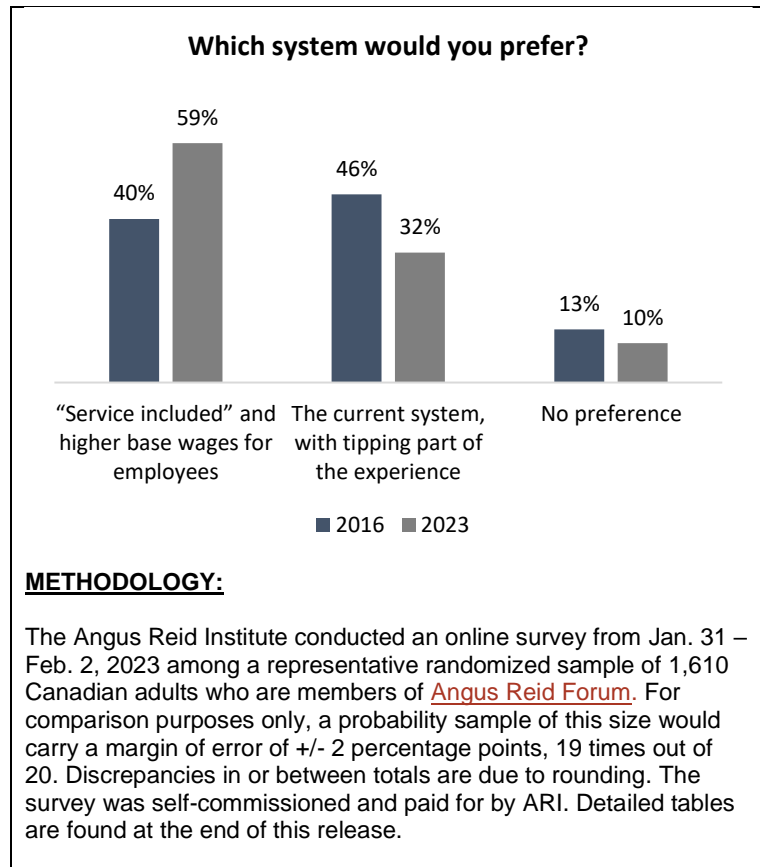
In 2016, 43 per cent of Canadians said they left a tip of less than 15 per cent when they last ate at a restaurant. Now approximately half as many (23%) say the same. Meanwhile, one-in-five (21%) say they left a tip of 20 per cent or more when they last dined out, more than double the rate (8%) of those who said so in 2016.

Canadians also report "[tip creep](#)" – where locations that previously may not have prompted for a tip [have added](#) the request to digital payment machines – as a source of fatigue. Four-in-five (83%) say too many places are asking for tips these days, including at least three-quarters across all regions and demographics. Meanwhile, few (13%) believe customer service has improved as tips have increased.

The result: a significant increase in the number of Canadians who say they prefer (59%) a "service included" model, which would see an end of tipping and higher base wages for employees. ARI polling from 2016 found respondents were more likely to prefer tipping (46% to 40%).

More Key Findings:

- Those who previously worked a job that received tips (58%) are as likely as those who have not (59%) to support a move to a "service included" model.
- Past CPC and Bloc Québécois voters are divided as to whether they prefer the current system or to move away from tipping. Three-quarters of those who voted Liberal (73%) and NDP (76%) in 2021 would like to see the end of tipping.
- Those in British Columbia are the most likely to report "tip creep" (74%) and "tip-flation" (73%). Atlantic Canadians are the least likely to say they're being prompted for an increased tip (42%).



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- More than four-in-five (86%) Canadians who want to do away with tipping believe the current system allows employers to underpay their employees. Half (53%) of those who want gratuities to stay agree.

About ARI

*The **Angus Reid Institute (ARI)** was founded in October 2014 by pollster and sociologist, Dr. Angus Reid. ARI is a national, not-for-profit, non-partisan public opinion research foundation established to advance education by commissioning, conducting and disseminating to the public accessible and impartial statistical data, research and policy analysis on economics, political science, philanthropy, public administration, domestic and international affairs and other socio-economic issues of importance to Canada and its world.*

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Part One: Perceptions on tipping

Inflation is a spectre haunting all aspects of Canadian life as the country emerges from the expansionary monetary policy of the early days of the COVID-19 pandemic. It has touched food, housing, and even common customary practices like tipping. Gone are the days of the 15 per cent standard tip, as so-called "tip-flation" has ballooned tip suggestions from point-of-sales machines to as high as 30 per cent.

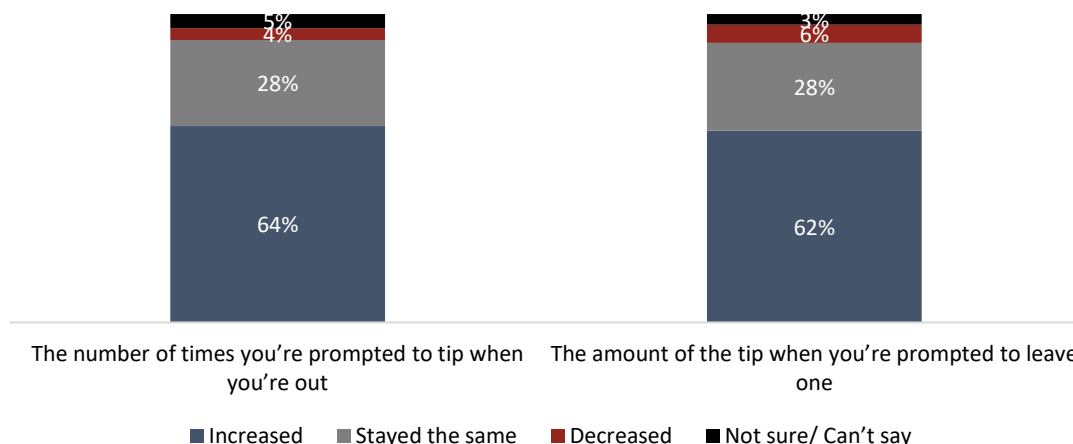
Three-in-five feel they are being asked to tip more, and more often

A majority (64%) of Canadians say they are being asked tip more often and a majority (62%) feel they are being prompted to leave bigger tips in recent years. There are three-in-ten (28%) who feel the frequency and amount of tips have stayed the same, while one-in-20 say they are seeing decreasing asks in both cases:

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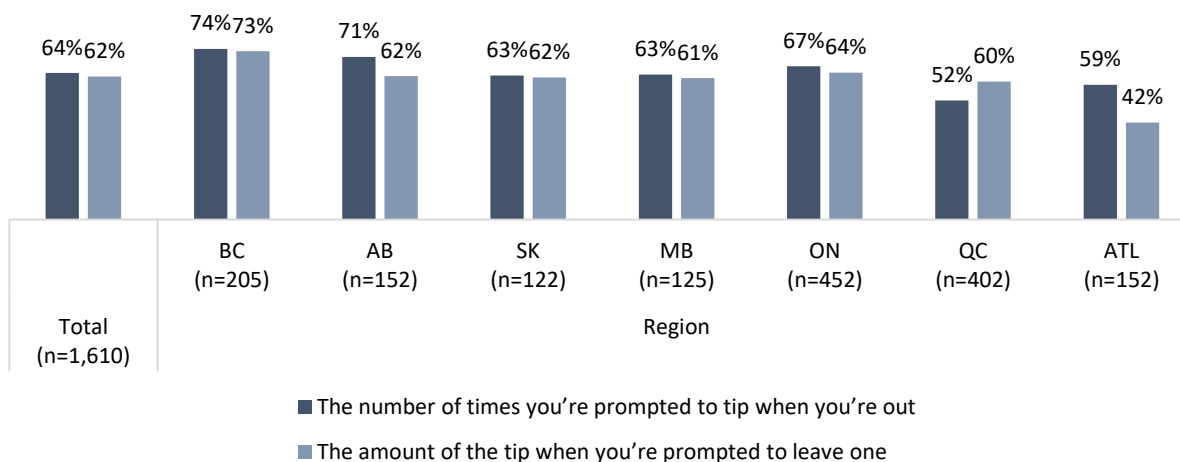
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**Based on your own experiences, what changes, if any, have you noticed in the amount and frequency of tipping over the last few years?
(All respondents, n=1,610)**



This phenomenon is not seen evenly across the country. In British Columbia, a province with one of the [highest costs of living in the country](#), approaching three-quarters say they are being asked to tip more (73%) and more often (74%). Meanwhile, there are fewer reports of “tip creep” in Quebec (52%) and “tip-flation” in Atlantic Canada (42%) than elsewhere in the country:

Percentage who have noticed the following has increased over the last few years



Four-in-five (83%) say too many places are asking for tips these days – at least three-quarters across all demographics agree ([see detailed tables](#)). As well, there is a significant sentiment that customer service has gone down hill. One-in-eight (13%) disagree in that case; however, that is the minority opinion across all all ages, genders and regions ([see detailed tables](#)).

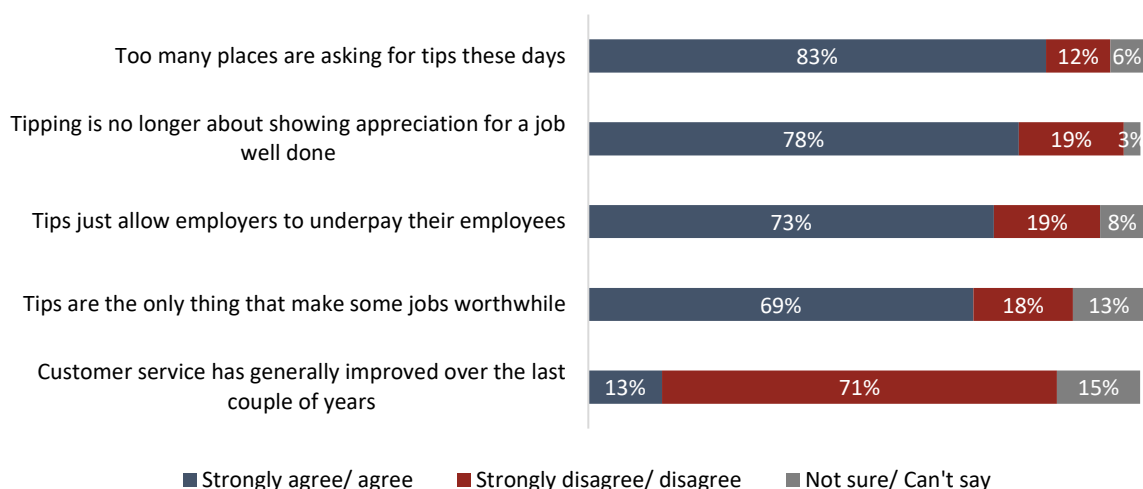
Among Canadians, a strong majority (78%) believe tipping no longer functions as [originally intended](#) – showing appreciation for a job well done. Instead, three-quarters (73%) believe it is a way for employers

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to underpay their employees. Perhaps relatedly, seven-in-ten (69%) say tips are the only thing that make some jobs worthwhile:

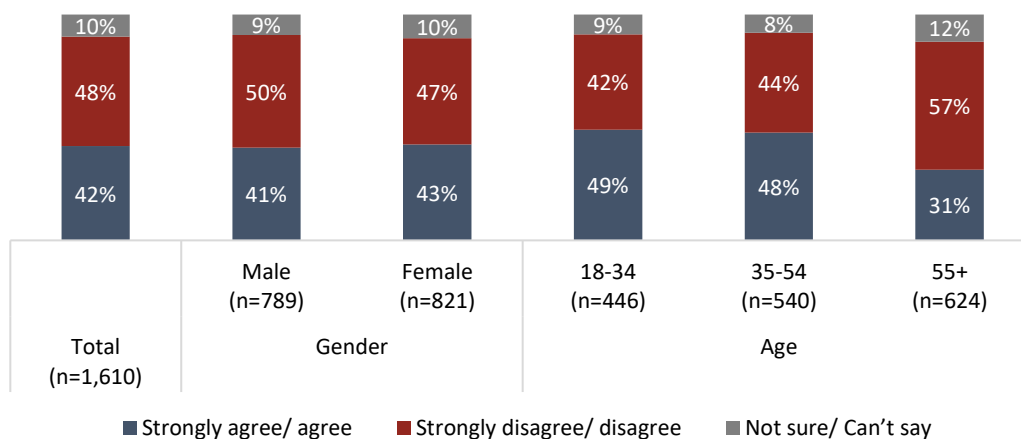
**Agree vs. disagree
(All respondents, n=1,610)**



Canadians have tried to weather the inflationary storm by lightening their budget. Discretionary spending, such as dining at restaurants, has often been a casualty of budget cuts. Restaurants Canada reported lower foodservice sales in almost every month in 2022 when compared to the same period in 2019, even after nearly all COVID-19 public health restrictions were lifted in March 2022.

With this in the background, two-in-five (42%) say the extra cost of tipping is keeping them from going out. This sentiment is more common among Canadians under the age of 55:

**Agree vs. disagree -
"I go out less now because of the extra cost of tipping"**



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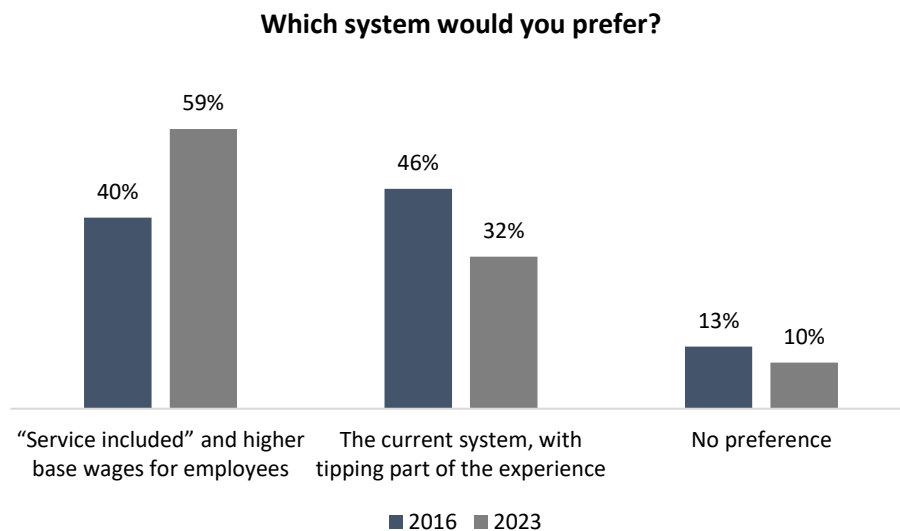
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Majority support move to a ‘service included’ model

There has been much discussion about eliminating the practice of tipping. Research has shown that racial bias can affect the amount diners leave for tips. When Toronto restaurant Richmond Station banned tipping after the lifting of COVID-19 public health restrictions in July 2020, one of the restaurant’s owners described tipping as “predatory: It’s racist, it’s sexist and it’s not fair.”

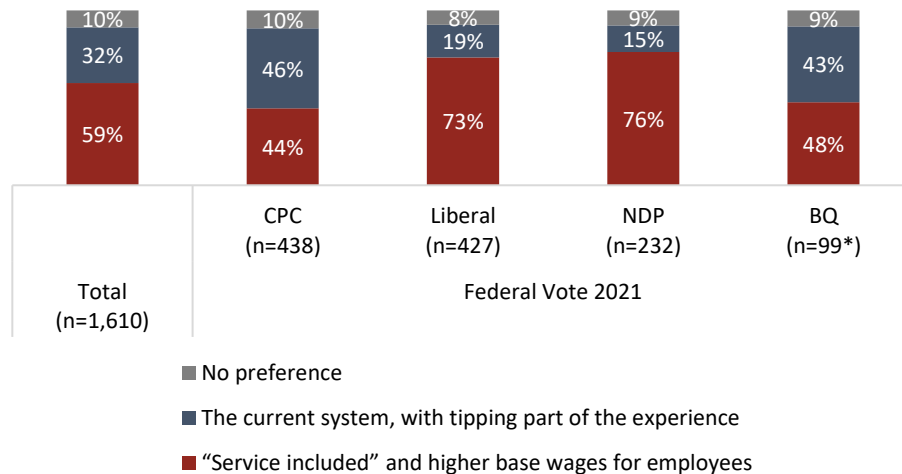
Richmond Station moved instead to a “hospitality included” or “service included” model, which sees restaurant staff with higher wages, priced into the menu. This is the standard practice in some countries where historically there has not been a culture of tipping.

Three-in-five (59%) Canadians would prefer the country move towards a “service included” model, eliminating tipping in favour of higher base wages for employees. One-third (32%) prefer the current system of tipping. This represents a significant shift in public opinion on tipping since Angus Reid Institute last surveyed on the topic in 2016. Then the current tipping system was preferred by a narrow six-point margin:



The preference for tipping is more common among Canadians who voted Conservative and Bloc Québécois in the 2021 federal election. Both groups of voters are split between preferring the current system of tipping and moving towards a model where tipping is eliminated because employees are paid higher. Three-quarters of past Liberal (73%) and NDP (76%) voters would like to see the end of tips:

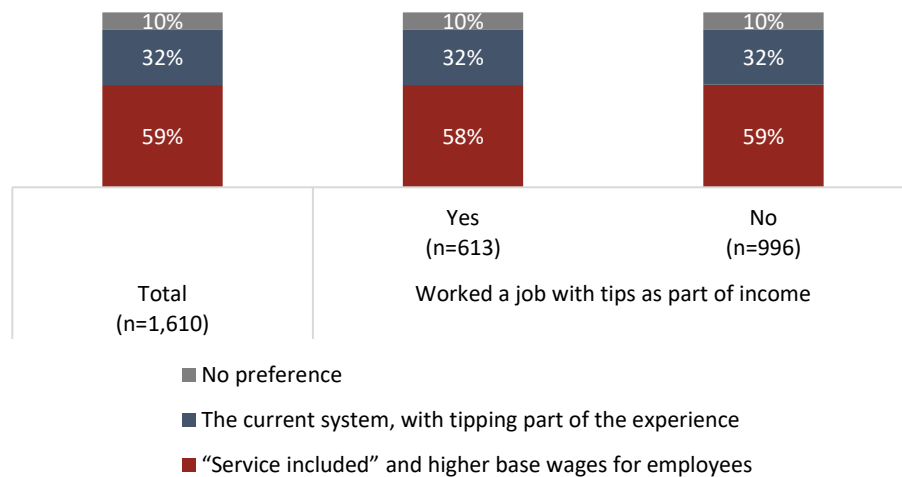
Which system would you prefer?



**Smaller sample size, interpret with caution*

While there appears to be a political divide on the matter, there is no experiential divide. Three-in-five (58%) Canadians who previously worked a job that earned tips as part of its compensation prefer to move towards a service included model. Three-in-five (59%) Canadians who have never received a tip in their life say the same:

Which system would you prefer?



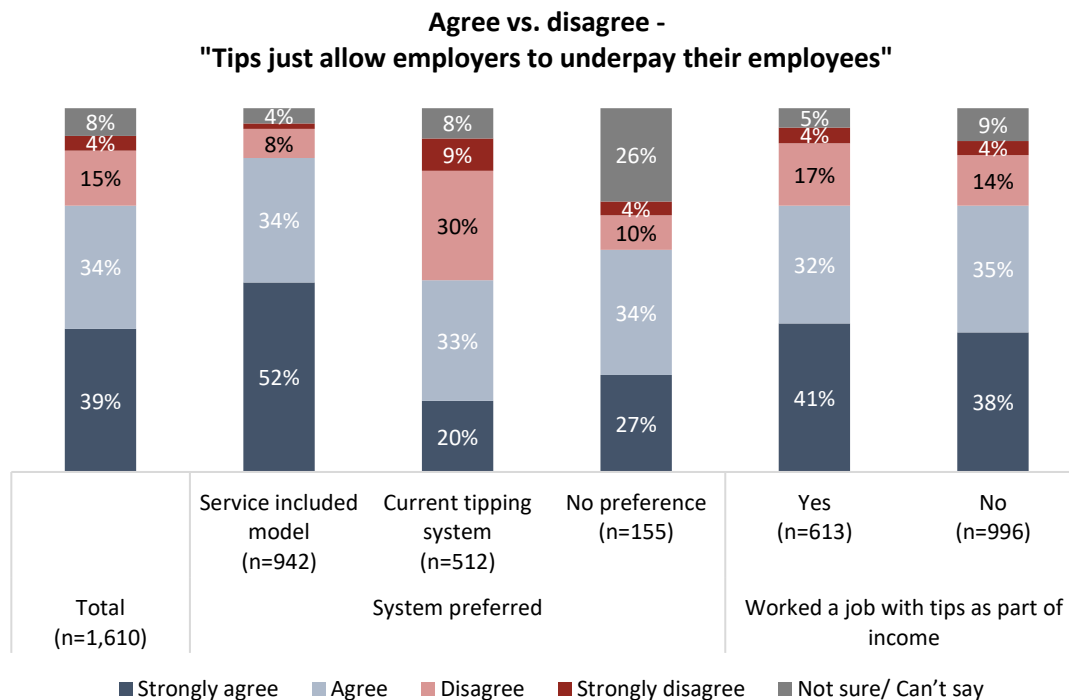
As inflation has increased the cost of everything, some experts believe business owners already feeling the pressure from suppliers are wary of passing any more cost increases onto customers. Instead of raising the wages of employees, and then incorporating that into their prices, owners instead use sales machine prompts to encourage higher tips and "maintain the illusion of lower menu prices," argued food reporter Corey Mintz. However, for restauranteurs, there's another issue: if they were to raise prices by 20 per cent to increase their employees' wages, they would be taxed on that additional revenue.

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Approaching three-quarters of Canadians (73%) believe tips allow employers to underpay their employees, including more than four-in-five (86%) of those who want tipping to be eliminated. Two-in-five (39%) of those who prefer the current tipping system disagree, but even among those who want to see tipping continue, more people (53%) believe tips allow employers to pinch wages.

Notably, in Canada, there is a two-tiered minimum wage system only in Quebec which allows businesses to pay those earning tips at their jobs lower than others. Other provinces have eliminated such minimum wage differences in recent years.



Part Two: Who do Canadians tip and how much?

Tips are an ingrained part of dining out but are a less common occurrence in other sectors of the Canadian economy. Three-quarters (76%) of Canadians who visit barbers and hairdressers say they almost always tip them after their hair is cut. Canadians also say they usually tip bartenders at a similar rate (74%) if they imbibe. Canadians are also likely to tip food delivery drivers (71%), salon workers (68%) and taxi drivers (60%), but less likely to do so for hotel housekeepers (34%), at coffee shops (29%), for massage therapists (17%) and delivery drivers (3%).

There is some variance in tipping behaviour depending on age and gender:

For which of the following services, if any, do you usually tip? (Among those who use the service, percentage who 'almost always tip' shown)						
	Total	Gender		Age		
		Male	Female	18-34	35-54	55+
Hairdresser/barber	76%	72%	80%	65%	80%	81%
Bartender	74%	75%	73%	64%	78%	79%
Food delivery driver	71%	69%	73%	61%	74%	79%
Beauty salon/personal service	68%	60%	74%	56%	70%	76%
Taxi/Uber driver	60%	58%	62%	49%	60%	70%
Hotel housekeeper	34%	30%	37%	26%	30%	42%
At the coffee shop	29%	27%	30%	21%	25%	38%
Massage/ chiropractor/ acupuncture etc.	17%	17%	18%	15%	19%	18%
UPS/ Fed Ex delivery	3%	3%	3%	4%	2%	2%

Who do Canadians believe should be tipped?

Whether or not Canadians tip a profession and whether they believe they *should* tip them are two separate matters. Majorities believe bartenders (64%), barbers (60%) and food delivery drivers (58%) should be tipped. Approaching half say the same for workers at beauty salons (47%) and taxi drivers (47%). There is lower belief that hotel housekeepers (42%) and baristas (37%) should receive gratuities. Few believe acupuncturists (13%) and package delivery people (4%) should be tipped.

Canadians over the age of 54 support more professions receiving tips at majority levels than other age groups. The youngest Canadian adults believe only bartenders (58%) and food delivery drivers (55%) should be tipped at majority levels:

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And whether you have in the past or not, for which of the following do you think people SHOULD tip?						
	Total (n=1,610)	Gender		Age		
		Male (n=789)	Female (n=821)	18-34 (n=446)	35-54 (n=540)	55+ (n=624)
Bartender	64%	66%	62%	58%	64%	67%
Hairdresser/barber	60%	57%	62%	49%	57%	70%
Food delivery driver	58%	57%	59%	55%	57%	61%
Beauty salon/ personal service	47%	38%	57%	39%	43%	57%
Taxi/Uber driver	47%	47%	47%	41%	44%	54%
Hotel housekeeper	42%	39%	46%	33%	35%	56%
At the coffee shop	37%	37%	38%	29%	30%	49%
Massage/ chiropractor/ acupuncture/ etc.	13%	12%	15%	12%	14%	13%
UPS/Fed Ex delivery	4%	3%	4%	5%	3%	4%
None of them	18%	20%	17%	22%	22%	12%

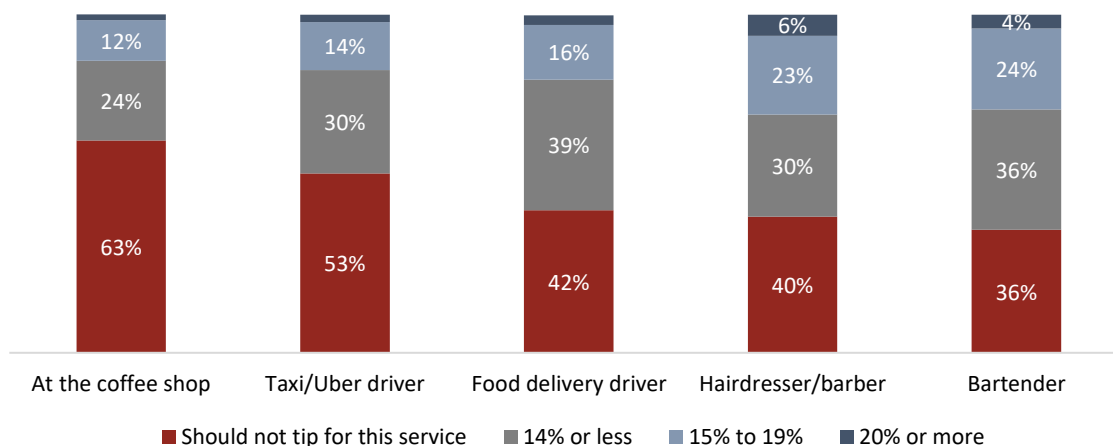
How much is enough?

For most examples, Canadians are most likely to believe a tip of less than 15 per cent of the cost of the bill is sufficient, if they support tipping the work at all. This is the case for those who believe baristas, taxi drivers, food delivery people, and bartenders should be tipped. For hairdressers and barbers, Canadians who believe that profession should be tipped are split between believing less than 15 per cent is enough (30%) and saying the tip should be higher than that (29%):

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**In your opinion, what is the standard amount customers should tip for each of these options
(All respondents, n=1,610)**

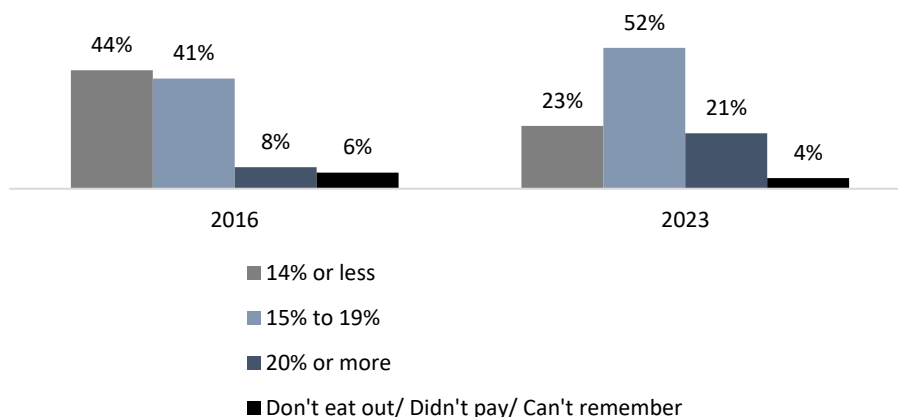


Canadians report tipping more at restaurants now than 2016

Before the pandemic, payment services company [Square reported](#) the average tip on its platform was 16 per cent. In the summer of 2020 and 2021, that average rose to 17 per cent. In January of this year, the average was now 20 per cent.

Indeed, Canadians themselves are reporting tipping more than they were in 2016, the last time ARI surveyed on this subject. Then, 44 per cent said they tipped less than 14 per cent the last time they ate at a full-service restaurant. Now, half as many (23%) say the same, while the proportion who say they left a tip of 20 per cent or more has more than doubled (8% to 21%):

Thinking about the last time you ate at a full-service restaurant (i.e. one where you are waited on at your table) roughly how much did you tip?

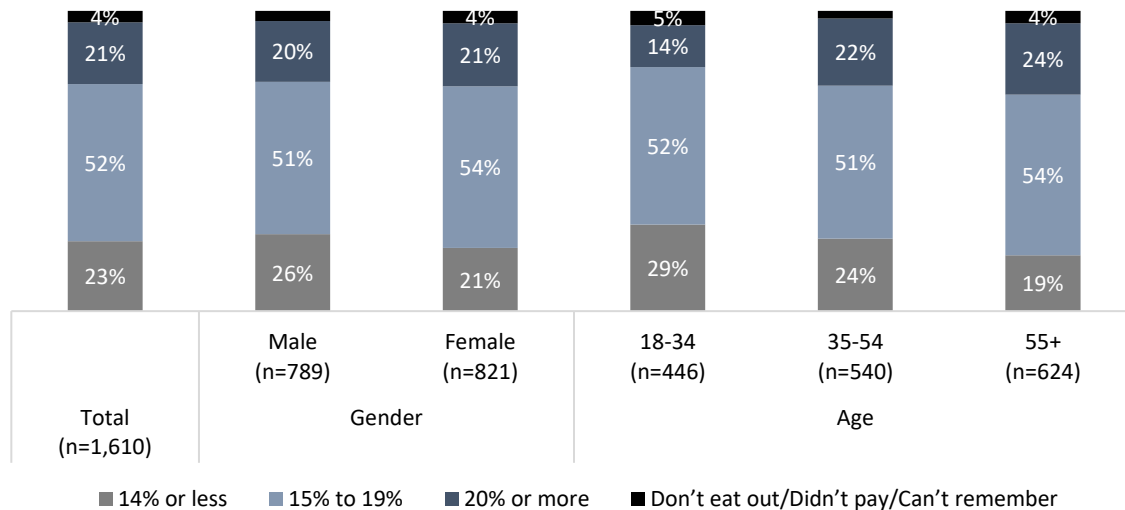


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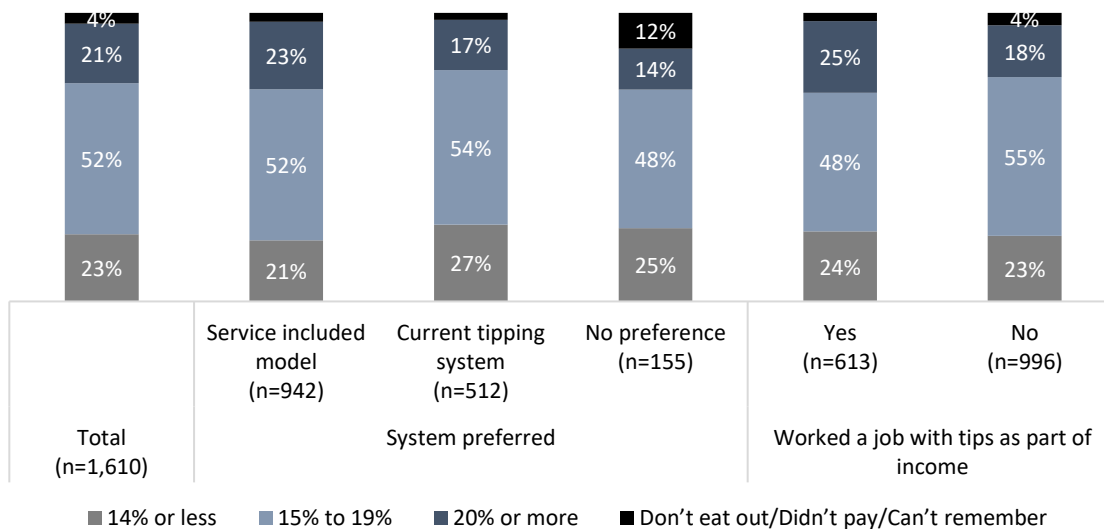
Canadians aged 35 and older are more likely to report leaving a larger tip than those aged 18 to 34. Women (21%) are less likely than men (26%) to say they left a tip of under 15 per cent at the last restaurant they ate at:

Thinking about the last time you ate at a full-service restaurant (i.e. one where you are waited on at your table) roughly how much did you tip?



Those who previously worked in jobs that received tips are more likely to say they left tips of 20 per cent or more (25%) than those who have not (18%):

Thinking about the last time you ate at a full-service restaurant (i.e. one where you are waited on at your table) roughly how much did you tip?



For detailed results by age, gender, region, education, and other demographics, [click here](#).

For detailed results by which system the respondent preferred, and whether they had worked a job with tips as part of the income in the past, [click here](#).

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