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Workers who rely on gratuities are seeing fewer customers and lower tips

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The pint glass that doubles as a tip jar at Jesse Del Pozo's barber station used to be stuffed with cash, even a few fives and tens peeking out by day's end.

But that was months ago, before gas prices got high and the stock market went low and people started cutting back on everything from restaurant visits to haircuts.

"Before the summer, I was getting 20 people a day in my chair, making \$100, \$120 in tips," Del Pozo said this week at Carrs Barbershop in Miami Beach. "Now, maybe I'll get eight people, and I'm lucky if I take home \$50."

In difficult economic times, it's often workers who rely on tips -- restaurant servers, delivery drivers, hairstylists, cabbies, valet attendants -- who struggle the most. They say they've been struck by a double whammy from the financial fallout: They have fewer customers, and the ones they do have are tipping less.

"It used to be everyone would tip \$5, but not for a while," said Del Pozo, who has worked with scissors since 1972. Carrs charges \$25 for a men's haircut; the barbers make a minimal salary plus tips.

"Sometimes people will say, 'Oh, I have to go to an ATM. I'll be right back,'" Del Pozo said. "And we never see them again."

LOWER WAGES

Florida requires that employers pay workers at least \$6.79 an hour (an increase to \$7.21 an hour will take effect in January), but tipped employees' minimum wage is lower -- \$3.77 now, and going up to \$4.19 next year.

So while fast-food employees making minimum wage will earn about \$54 a day whether they sell one burger or 1,000, a waitress with no customers and no tips is looking at a \$30 workday, before taxes.

The economic squeeze is evident at Jimmy's Eastside Diner on Biscayne Boulevard in Miami.

Customers still line up outside and pack the place on weekends, but most of the booths were empty around lunchtime Wednesday. Waitress Emmy Lopez said she figures the office workers who used to be regulars are now packing brown-bag lunches.

The customers who do come have shaved a dollar or two off their usual tips, Lopez said.

"If we used to get \$3, now it's more like \$1 or \$1.25," she said. "Thank goodness for weekend shifts, and for the customers we have who are always generous."

People tend to be more generous when they are happy, said Michal Ann Strahilevitz, who researches consumer behavior.

"As a nation, we are currently very worried and very unhappy," said Strahilevitz, a marketing professor at Golden Gate University in San Francisco.

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THE RATIONALE

"The more we are worried about our own futures, the less generous we are. So generous tipping will be reduced," she said.

In some situations, Strahilevitz said, outstanding service can milk a hefty tip out of even an otherwise frugal tipper.

And while she expects tipping to rebound when the economy does, "the good old days of 15 percent even for mediocre service are probably gone for now," Strahilevitz said.

LONGS FOR 15%

Delivery driver Dagoberto Hernandez said he wishes he'd get 15 percent tips on his runs for La Provence French bakery in Coral Gables. Instead, he's seeing a lot of \$1 tips and quickly closed doors.

Business is down, too, Hernandez said. Up until a few weeks ago he was making about 50 deliveries a day. At noon on Wednesday, he was in downtown Miami dropping off only his second order.

"It's been slow, and the tips have been down, and on top of everything, the gas is still expensive," said Hernandez, 23, a part-time Miami Dade College student. "I've had to cut back on a lot of things."



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