The Payment of Gratuities by Customers in the United States: An Historical Analysis

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Contrary to some travel guidebooks which state that the payment of gratuities (tips) in the US is due to low wage levels or the quirks of minimum wage laws, the roots of US tipping are comprised of a number of historical forces present in the hospitality industry between the Civil War and the early 1920s. Up to 1900, hotel proprietors regarded gratuities as a bribe to the server to give away excessive amounts of food to customers. However, a shift in hoteliers' attitudes occurred with the increased popularity of the "European Plan", in which hotel rooms were priced separately from hotel meals. This trend caused owners of dining establishments to regard tips as a supplement to wages rather than as a bribe. In addition, the advent of Prohibition after World War I had the indirect effect of making the European Plan more widespread, and with that trend, the payment of gratuities at meals became even more common. Even though international travel sometimes leads to misunderstandings regarding tipping, the custom is now thoroughly entrenched in US practice.

For many international visitors to the US, an irritating difference in social customs is the American emphasis on tipping. The sense of annoyance is mutual; service employees in the US dread the international visitor who doesn't tip – in the eyes of a service employee, a violation equivalent to walking out without paying the entire bill. How did this difference in customs develop?

Until the US Civil War (1865), tipping was very rare in the US, yet deeply entrenched in Britain (Cocks, 2001). During that era, British visitors to the US commented on the antipathy toward tipping, and American writers argued that tipping was incompatible with American equalitarianism. Despite this history, tipping became the custom in the US in the late 1800s and early 1900s and continues as a deeply rooted custom to this day. This reversal in US customs regarding tipping can be traced to the transition from the American Plan (meals included in the hotel room rate) to the European Plan (hotel meals sold separately from rooms). This transition was by no means smooth or quick, and for a period of approximately fifty years the hotel industry was divided over how hotel meals should be priced, and contemporaneously, norms of behaviour regarding tipping became solidified very slowly in the midst of long-running controversy. During the transition from a non-tipping culture to a tipping culture, appeals to American patriotism and the value of equalitarianism were used both to prevent tipping and to defend tipping. Prohibition (banning of alcoholic beverages), introduced in 1919, was also a significant force in the institutionalization of tipping in the context of dining.

There is enormous misunderstanding about why tipping is so deeply entrenched in the US. Travel guidebooks often explain the entrenched nature of US tipping to international visitors by pointing out that employers are allowed to count tips toward the statutory minimum wage within certain limits. (Yet Britain had a similar rule until 2009, which nullifies this as way of explaining US-British differences in tipping practices.) Such an explanation is an attempt to find some rational basis for the divergence between US and British tipping customs, but in reality, tipping became common in the US in the late 1800s, long before the US created its first statutory minimum wage in 1938 (Sachdev, 2003). Another version of the same explanation is that tips are necessary to supplement low US wages in the service industry, implying that tipping arose in response to low wages. However, it is arguable whether US waitstaff have a lower standard of living than their British counterparts, particularly if one goes back to the 1800s when tipping in the US began. One article in 1893 stated that US serving staff received "good wages", while their European counterparts received no wages and had to subsist on tips alone (Hawkins & Fanning, 1893).

An example of the rationales given to foreign visitors for US tipping customs is provided by the Time Out series of travel guides: "Waiters and bartenders, in particular, often make little more than $2 per hour outside of tips. That's why Americans tip much more than people in other countries…" (Time Out Boston, 2011, p. 259, emphasis added). It's understandable that the author would try to find underlying logic for this custom, but this results in confusion of cause with effect. While it is true that tips can be counted toward the statutory minimum wage, at least in Massachusetts, US tipping customs predate the country's first minimum wage law. [1]

Another way of debunking the belief that the features of minimum wage legislation determine tipping customs is to compare states. As of mid-2011, the US hourly minimum wage was $7.25, and it was $2.13 for employees receiving tips (US Department of Labor, 2011). Individual states can impose legislation that is more favourable to the employee than federal standards but cannot reduce the level of protection provided by federal law. California, New York State, and a few other states have passed legislation mandating that all service employees be paid the full minimum wage, and stating that tips cannot be used to justify paying less than the minimum wage. If tipping was a response to the fact that tipped employees receive only $2.13 per hour (in most states), then it would follow that tipping would be at lower levels in California and New York where tipped and non-tipped employees are entitled to the same minimum wage. Yet tipping appears to be equally entrenched in all of these states. In explaining why tipping is so prominent in the US, it is necessary to examine historic causes rather than look at the vagaries of current employment legislation.

The origins of tipping are in the custom of vails. In medieval Britain, a vail was extra money given by a noble to a servant for extra duties. By the 1500s, the custom of vails had expanded to include visitors to a noble residence, who were expected to give money to their host's servants who had waited on them. By the 1600s – at least in Britain – the custom had evolved into tipping, where a customer gives extra money to the employee of a hotel or dining establishment (Azar, 2004; Segrave, 1998). Yet the custom of tipping did not appear in the United States until the late 1800s.

Contrary to the current pattern of complaints about tipping, American visitors to Europe had long complained about the frequent tips they were expected to distribute to English and other European service employees. In 1884, The New York Times deemed the problem to be worthy of an editorial criticizing English-style tipping: "A man must be a born snob who enjoys the servility and likes to revel in the bought smile of porters and [railway] guards, who sell civility by the pennyworth" (New York Times, 1884).

It is difficult to pinpoint when US tipping practices surpassed British tipping practices. Segrave (1998), in his Tipping: An American Social History of Gratuities, marks 1948 as the year in which American employees' expectation of tips surpassed that of their British counterparts, due to Britain's passage of the Catering Wages Act which established a minimum wage. Segrave argues that this Act made British employees more amenable to service charges in lieu of tips, while in the US, employees' expectation of tips continued unabated. Paradoxically, minimum wage legislation in the US did not have a parallel impact on employees' receptiveness to the concept of a service charge. On the continent, where American visitors also had a litany of complaints about employees aggressively seeking tips, the transition from tipping to service charges had occurred even earlier than in Britain (Seagrave, 1998).

This study examines the origins of tipping in the United States, particularly in dining and lodging contexts, and relies heavily on the trade publication Hotel Monthly from the early 1900s which, as will be seen, was a pivotal period during which tipping became an accepted practice.

Hotel Monthly was a Chicago-based trade magazine for hotel managers, founded in 1892 by John Willy who served as editor (Chicago Daily, 1944). The magazine included sample menus, analyses of portion control procedures for kitchens, floor plans of new hotels, summaries of trade association meetings, advice on accounting procedures, warnings about scams, and the editor's ruminations on whatever he felt to be of interest to readers, often expressed as a string of paragraphs on unrelated topics. The nature of this material is necessarily anecdotal, and assumptions must be made about the extent to which observations in this magazine can be generalized to the industry as a whole. To read back issues is to be immersed in a different era when hotel managers' concerns, such as the tipping controversy and the virtues of American plan versus European plan, were very different than the concerns of American hotel managers today.

The evolution of American dining services

While there have always been places where a person could purchase cooked food, the concept of the restaurant, in a form that would be recognisable today, was slow to develop in the US. Travellers needed a place where they could buy cooked meals, but otherwise it was rare for people to "dine out".

For approximately the first hundred years of the United States' existence, inns and taverns provided the only dining services. While taverns and inns might serve cooked food to a non-lodger, the norm was that the meals were being prepared for overnight customers. Accordingly, this discussion treats dining in hotels as representative of paid dining services. In the 1850s, commentators noted the development of the first American restaurants, that is, eating establishments that were separate from any overnight lodging place (Berger, 2011). As restaurants developed, their customs regarding payment were influenced by what happened in hotel dining rooms, rather than the opposite.

In the early United States, inns and taverns were modeled on the fiction that the customer was a visitor in someone's home (Sandoval-Strausz, 2007), The owner of the inn presided over meals as a father might preside over a family meal, with everyone seated at a single table, eating from shared serving platters as though they were a large family dining under the benevolent gaze of the proprietor/host (Raitz & Jones, 1988). This practice was known as "table d'hôte", and over time, the term's meaning broadened to include any situation where patrons were presented with a predetermined set of dishes. This practice of table d'hôte was coupled with the American Plan, in which meals were included in the cost of lodging. In the United States, it was understood that one would not tip the proprietor of such an inn any more than one would tip a host who had invited a person to dinner. British visitors of the era were surprised that tips were not expected, but were sometimes offended by the equalitarian atmosphere in which those serving regarded themselves as the equal to the customers (King, 1957).

This model was viable as long as overnight lodging places were small and directly managed by the proprietor. As the American inn or tavern developed in the 1850s into larger establishments that resemble the current notion of a "hotel", the custom of seating all customers at a single table ceased to be practical (Berger, 2011, p. 121). The single large dining table was divided into smaller tables of six to twelve patrons, although strangers were still seated together. Also, as large hotels evolved, serving would be handled by paid employees rather than the proprietor or his family members. Yet these changes remained coupled with the American Plan in which meals were included in lodging rates. An employee would serve from large platters and the proprietor would not be sitting at the head of the table as he would in an earlier era. This set the stage for the beginning of tipping in the context of US dining. The practice developed of the customer giving the server a tip for a larger portion or a better cut of meat. The earliest recorded instances of tipping in a US dining context are in the 1870s, although for decades it remained a custom that was practised irregularly and unevenly, and managers frequently sought to forbid it.

From American Plan to European Plan

While the tradition of seating strangers together was quick to fade away in favour of smaller dining tables, the custom of the American Plan showed more staying power, surviving until the mid-1920s and even longer in resort hotels.

The transition from American Plan to European Plan caused hotel managers to reverse their opinion of tipping. As long as meals were included in room prices, servers were tipped to get a larger portion of food; in essence, the employee was being bribed to give away more food than would otherwise be given. In that context, it is understandable that hotel managers would struggle to eliminate tipping. When hotel restaurants converted to European Plan (meals charged separately), managers changed their perspective – the tip was seen as a supplement to the server's wages, thus reducing the manager's payroll costs (Jakle & Sculle, 2009).

The hotel industry's transition from American Plan to European Plan was slow and gradual. The frequency with which the topic was addressed in Hotel Monthly indicates that there was no consensus within the industry until the 1920s. In the first two decades of the 1900s, Hotel Monthly often had articles or shorter items referring to the virtues of the European Plan versus the American Plan.

For example in 1915, the manager of a hotel in Hannibal, Missouri, explained that under the American Plan, room revenue was used to subsidize meal service, and switching to the European Plan allowed him to price meals so that the dining room was now profitable (Hotel Monthly, 1915a). Also, this manager argued that the European Plan allowed him to decrease overhead costs because kitchen expenses could easily be shrunk or expanded to match day-to-day fluctuations in patronage, whilst the American Plan did not allow such flexibility. This reasoning is doubtful, since under the American Plan the number of dining patrons could be accurately calculated once the number of overnight customers was known, while under the European Plan, it would be difficult to predict how many overnight customers would take their meals elsewhere. Nonetheless, Hotel Monthly presented this manager's reasoning to the readers as fact. Lastly, this manager, like many observers, pointed out that the American Plan led to a large amount of waste because people ordered more than they would eat.

Other arguments were made in 1919 by the manager of a hotel in a small Iowa town, who also said that under the American Plan, meal services ran at a loss and were subsidized by room revenues (Hotel Monthly, 1919b). This manager stated that the transition to European Plan allowed the kitchen staff to be cut from fourteen employees to four employees, implying most of his customers took their meals outside the hotel, but apparently the customers who dined in-house resulted in a profitable meal service. This same hotelier also pointed out that under the European Plan, customers tended to take more expensive rooms within the hotel because quoting room rates on a meals-excluded basis made rooms appear to be more affordable.

The American Plan persisted in resort hotels long after it had fallen out of favour elsewhere. A 1915 article trumpeted the features of a new beach resort hotel in Atlantic City, New Jersey, which had not only separate dining rooms for European Plan and American Plan, but separate kitchens as well (Hotel Monthly, 1915b; Thomas & Snyder, 2005).

While many hotels transitioned to the European Plan because it was perceived to be more profitable, there was simultaneously a move afoot to retain the American Plan but tweak it so it would be more profitable. In 1915, a much-discussed innovation was the "American Plan Check System", in which customers wrote their own orders on a paper pad with carbon copies (Hotel Monthly, 1915d, 1915e, 1915f, 1916b). One benefit was that customers would err on the side of underordering if they had to personally handwrite each item, rather than orally reel off a list of desired items that might or might not be eventually eaten. Also, having a written record of each order facilitated stricter inventory control and minimized the problem of staff serving more food than was ordered.

Another effort to tweak the American Plan was to charge an extra fee for those customers who skipped a meal in order to dine outside the hotel. As explained in the article, "if the lodging is, customarily, with meals 75¢, to be $1.00 without meals" (Hotel Monthly, 1915d, p. 84). It is difficult to comprehend the logic behind such a surcharge, because where room rates include meals, it is advantageous to the hotel if a customer forgoes a meal. The magazine stated the desirability of this fee for missed meals was the "consensus of opinion" at a hotel managers' meeting, but does not reveal whether customers revolted when subjected to what was essentially a fine for missing a prepaid meal. In any event, a common theme of these incidents was the trend toward treating the dining room as a profit centre instead of treating food services and other ancillary services as loss leaders.

A 1922 speech by Edward Boss, head of a hotel chain in smaller midwestern cities, revealed his own decision process in adopting the European Plan (Boss, 1922). At a hotel managers' meeting, he pointed out that food costs had doubled over the past six years, which led him to abandon the American Plan in some hotels. Smaller breakfasts had become popular, and he was annoyed that American Plan patrons would order large amounts of breakfast foods which they would leave uneaten. However, when the European Plan was adopted, lodging customers took their meals at independent restaurants, causing plummeting food revenues and steady losses. He switched some hotels back to the American Plan, but this further alienated lodging customers, who took their business to competing hotels because they preferred the freedom to dine where they wished under the European Plan. This chain executive ended up concluding that the best option was to adopt the European Plan and market it heavily to lodging customers, although he kept some of his hotels on the American Plan.

This executive found himself in the dilemma of many managers, because hotels of that era were designed with large kitchens and dining rooms on the assumption that all lodging customers would take all meals in the hotel. Allowing guests to take meals elsewhere led to wasted space in kitchens and dining room, and a food service staff that would be too large for the new circumstances. Changing from American Plan to European Plan necessitated downscaling of kitchen, dining room, and staff. Such changes were painful, at best, and impossible, at worst, because of the physical constraints of the hotel buildings. Yet, as Edward Boss discovered, competitive pressures pushed hotels toward the European Plan because customers avoided hotels that clung to the American Plan.

For the most part, by 1920, the American Plan had nearly vanished from hotels in large cities, and it was only in the smaller centres that it persisted (Hotel Monthly, 1920b). Even where it was retained, as in some of Edward Boss's hotels, the American Plan came under ongoing scrutiny. In the US, the last bastion of the American Plan was resort hotels, where it survived into the post-World War II era. Today the American Plan can be found in many Caribbean and Mexican resorts under the less ambiguous label of "all-inclusive", but the concept has vanished from hotels within the US.

Efforts to eliminate tipping

Hotel Monthly occasionally discussed innovations that minimized or eliminated tipping. If tipping was a way to supplement employees' wages and reduce payroll expenses, it is not clear why hotels would go out of their way to eliminate situations where tips were expected. However, the articles in Hotel Monthly suggest that tipping was so annoying that customers might avoid making certain transactions altogether, or might switch their patronage to a hotel that found ways to minimize occasions when tips would be solicited. One of these anti-tipping innovations was the Servidor, a compartment built into the door of each hotel guestroom (Hotel Monthly, 1918a, 1919a, 1919b, 1921a). The compartment could be accessed from either side, so that an employee could leave cleaned laundry or other items without entering the room or even knocking on the door, thereby eliminating a situation in which a tip would be expected. The Servidor was barely large enough to hold a garment on a coat hanger and small items, causing the guestroom door to bulge about 30 cm at its thickest point. At that time, it was common for hotel guests when shopping to have the store deliver merchandise to the hotel on a cash-on-delivery basis. The hotel would pay for the merchandise, deliver the goods to the guest's room (or Servidor), and then add the charge to the guest's bill to be paid upon checkout (Hotel Monthly, 1920a). Due to this custom of having retail purchases delivered to the hotel, the occasions on which a tip would be expected would be numerous without a Servidor. As well, it was customary for complimentary items such as ice or writing paper to be delivered to a guestroom upon request, and the Servidor allowed these things to be delivered without the awkwardness of face-to-face interaction between the customer and the hotel employee who expected a tip.

In the same vein, Hotel Monthly described experiments with cafeterias in lieu of ordinary table service because tipping of waitstaff could be eliminated, coupled with faster customer turnaround and reduced labour expenses (e.g., Hotel Monthly, 1920c). A sticking point was that customers often felt it demeaning to carry their own dishes to their table (Cowan, 1919). In 1920, one Cincinnati hotel handled this dilemma by making "bus boys" available to carry dishes from the cafeteria line to the customer's table, on an optional basis in exchange for a tip (Hotel Monthly, 1920d), although one would think that introducing a new tipping occasion would defeat the purpose of the cafeteria format. Hotel Monthly's description of this hotel's practice implies that it was quite unusual. Hotel Monthly also describes a separate incident in which a large Chicago restaurant changed to a cafeteria format to break a strike by waiters (Hotel Monthly, 1920f). Despite initial enthusiasm for hotel cafeterias in lieu of dining rooms, the cafeteria format had little staying power.

The idea of a service charge added to a restaurant bill, in lieu of a tip, had been occasionally attempted in the US, but never became accepted practice. As a 1919 issue of Hotel Monthly put it, attempts to add a 10% service charge were "not taken kindly to by caterers [waitstaff] or the public" (Hotel Monthly, 1919c, p. 42).

The evolution of attitudes toward tipping was not a one-way pattern; there were contexts where tipping was successfully squelched. While contemporary Americans are devout tippers in restaurant situations, they would never tip at a banquet, that is, where a large number of people at a meeting are served a set meal. An item in Hotel Monthly (1920e) implies that tipping at banquets was common and described one Philadelphia hotel that had successfully eliminated the practice by distributing printed cards asking patrons not to tip. It is paradoxical that tipping simultaneously became more entrenched in restaurants while being stamped out at banquets, although this does fit the broader pattern of tipping being most likely when the customer could choose what to order. These incidents reflect ambivalence among hotel managers about whether tipping was desirable (supplementing wages) or undesirable (repellent to customers).

Such was the controversy surrounding tipping that between 1909 and 1915, six states – none of them populous northeastern states – passed legislation to prohibit tipping (Segrave, 1998, Appendix 2). While the details varied among the six states, such laws typically placed the legal responsibility upon both customer and employee as well as the employer, and penalties were as high as 30 days in jail plus fines. Much like the effort to forbid consumption of alcohol which came a few years later, efforts to criminalise tipping were futile despite the harsh penalties.

As explained by a clerk at a New York hotel, "The system of giving tips redounds in a great degree to the benefit of management. If it were not for the tips that the employees who are in close touch with the patrons get, we could not secure their services for the same rates that we pay…. The hotels of the country discountenance any laws that are intended to prevent the giving of tips. Some States [other than New York] have passed such laws but that does not stop tipping" (New York Hotel Record, 1912, p. 9).

The futility of anti-tipping laws is also conveyed in a 1915 article describing an incident in a railway dining car. A sign saying "No tipping allowed" was posted when the train was in Iowa because that state had a no-tipping law, but a dining car steward accepted a tip anyway. When asked for an explanation, the steward responded that all he "could do was to put up the sign and leave the observance of the law to the diner" (Hotel Monthly, 1915c p. 68).

In a 1919 report of an hoteliers' trade association, under the heading "Anti-tipping law a failure", the organization's lawyer stated that "the no-tip law [was] a joke" (Hotel Monthly, 1919b, p. 74). The six states with anti-tipping laws eventually repealed them, the last being Mississippi which repealed its law in 1926 (Segrave, 1998, Appendix 2).

Prohibition

Prohibition had wide-ranging effects on American life, but its impact on tipping practices has received little attention. From 1919 to 1933, the US had nationwide Prohibition in which all alcoholic beverages were illegal. By 1919, the US had gone a long way toward embracing tipping as a social norm, but Prohibition hastened and solidified that trend in two ways:

First, in response to the dilemma of what a hotel should do with its old bar, many hotels converted their bars into “lunch rooms” which sold à la carte meals to anyone (Hotel Monthly, 1916a). For a hotel of the era, a typical layout was to have a dining room intended for overnight customers that was accessible only through the lobby, and a bar-turned-lunch room that had street frontage, intended to appeal to the public. Hoteliers were more tolerant of tipping in settings where customers chose from a menu, rather than being served a set meal, because the tip did not seem like a bribe to the server to give away food; hence, these newly created lunch rooms constituted another venue in which tipping was likely.

Second, Prohibition caused severe financial pressure on hotel managers, who could no longer rely on alcoholic beverages to cross-subsidize other hotel operations. Prohibition created a more intense interest in accounting practices among hoteliers, particularly in the separation of costs and revenues for food services as opposed to guestrooms (Hotel Monthly, 1921b). An ongoing discussion in Hotel Monthly was how hotel managers were more critically examining whether each service of a hotel was profitable and making changes accordingly. From the tone of the discussion, it appears that many hotel managers had never calculated which hotel services were profitable and which were not. In many cases, Prohibition caused hotels to switch from American Plan to European Plan to boost the profit of the dining room. While some hotel executives, such as the above-mentioned Edward Boss, had bad experiences with the changeover, the overall trend was toward adopting the European Plan. Apart from the belief by most hoteliers that the European Plan was more profitable, hotels adopting the European Plan could more easily disaggregate room revenues from meal revenues and determine whether meal prices were high enough to produce a profit. In contrast, under the American Plan, it was problematic to calculate what portion of the room rate was actually payment for meals, and thus determine the profitability of food services vis-à-vis lodging. Because managers were more receptive to their staff receiving tips under European Plan, hotel managers’ tendency to respond to Prohibition by switching to the European Plan had the effect of making tipping more common.

The impact of Prohibition on tipping was heightened by the arrival of Scientific Management, a managerial philosophy associated with Frederick Taylor (1911). Coincidentally, Prohibition occurred at approximately the same time as Scientific Management, and in hotels, as in other types of organizations, it became fashionable to construe management as a science (Jakle & Sculle, 2009; Mentzer, 2010). This newfound emphasis on numerical analysis was used to justify the transition from American Plan to European Plan.

Tipping becomes accepted

The hotel industry’s frustration and ambivalence to tipping was expressed with unusual bluntness by the editor of Hotel Monthly:

“The tip is a nuisance. All agree to that. But it is established, and deeply rooted, and very difficult to eradicate. It has been tried time and time again to do away with it – to pay a sufficient wage – but always more or less of a failure; for the public, or a large proportion of the public, will, in the public eating places, try to buy better service than the average diner gets; and there is the trouble" (Hotel Monthly, 1918b).

A turning point in Hotel Monthly's coverage of the tipping controversy occurred in the July 1921 issue when it published an article by Wallace Rice, a Chicago journalist and essayist, that was not only supportive of tipping, but furthermore linked tipping to American patriotism. With the awkward title, "Proving that Tipping Is Good American Today", Rice suggested that the nontipper is a freeloader and that America's anti-tipping tradition was anachronistic:

"When it gets so that a man pays money to another man in order to retain his own self-respect, which he forfeits if he doesn't, it certainly may be said that tipping has entered the national consciousness" (Rice, 1921, p. 70).

Whereas the lack of tipping had once been regarded as an expression of American equalitarianism, now tipping was seen as an expression of healthy American values. Even after 1921, Hotel Monthly would occasionally describe a hotel or restaurant whose strict no-tipping policy was presented to the reader in complimentary terms, but such articles implied that these no-tipping practices, while praiseworthy, were notable because of their rarity (Hotel Monthly, 1922a, 1922b).

Conclusions

The history of tipping for dining in the US can be divided into four periods, with the caveats that specific years are approximate, and that the transitions from period to period were gradual rather than abrupt:

Up to 1850s: The proprietor of a lodging place personally presided over dinner, with all customers dining together at the same table. Room rates included meals (i.e., American Plan), and customers had no choice of food (table d'hôte). Tipping was unthinkable because it would violate the fiction that the customer was akin to a houseguest in a private home.

1850s to 1900: Hotels in large cities grew to the point that customers would be served by employees, not by the proprietor personally. The American Plan and table d'hôte continued to be typical. Under the American Plan, managers opposed tipping because they perceived it as a bribe to give away more food than a customer would otherwise be served.

1900 to 1920s: The European Plan (meals charged separately) supplanted the American Plan. The transition was very gradual, with many urban hotels abandoning the American Plan in the late 1800s, small town hotels clinging to it until the 1920s, and resort hotels making the transition even later. Managers were more amenable to tipping under the European Plan because they regarded it as a supplement to wages rather than as a bribe for giving away food. Yet there was still controversy, even to the point that tipping was illegal in some states.

1920s onward: Opposition to tipping had almost entirely dissipated, and those states having laws against tipping had repealed them. The American Plan had vanished from urban centres and was rapidly losing ground in smaller communities. In 1919, Prohibition caused hotels to scrutinize more closely the profitability of their remaining services, leading them to adopt the European Plan if they hadn't already. An unintended side effect of Prohibition was an increase in tipping, because the European Plan led a greater propensity of customers to tip. The 1921 Hotel Monthly article (Rice, 1921) denigrating non-tippers as un-American is evidence that a turning point had been reached, and tipping at meals has ever since been thoroughly entrenched as a norm of behaviour in the US.

Nonetheless, this norm continues to evolve as the customary percentage of a tip creeps upward from 15% to 20% or even higher. As well, other fine points of the unwritten rules of tipping are in a state of flux, such as whether the tip should be calculated on the pre-tax or after-tax amount, or whether it is necessary to tip in a coffee shop where customers are served while standing at the counter.

As the percentage tip expected becomes ever higher, coupled with growing numbers of international visitors who are resistant to, or unaware of, the US tipping tradition, it remains to be seen if US dining patrons will retain the custom of tipping in its current form over the long term. On the other hand, if tipping could survive being treated as a criminal act, perhaps it can survive anything.

Footnote

1. This study addresses tipping in the US and uses "American" as a synonym for United States. However, it might be noted that Canadian tipping customs are roughly similar to those of the US, although the percentage of the average tip on a meal is slightly lower (Maynard & Mupandawana, 2009). In Canada, minimum wage laws vary across provinces; some provinces specify a lower minimum wage for tipped employees while other provinces do not. The province of Ontario, which includes Toronto and Ottawa, has an hourly minimum wage of C$10.25, and for employees who serve liquor it is C$8.90 (Ontario, 2011).

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