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BIDEN TESTS THE ADAGE 'THE CUSTOMER IS ALWAYS RIGHT'

I support him, my restaurant has served him, but his minimum-wage proposal would put me out of business.

By Betsy LeRoy
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Greenville, Del.

I am a staunch supporter of Joe Biden and voted for him to save this country. Now I ask him to save my restaurant from the good intentions of progressive policy makers.

I own Pizza By Elizabeths, just outside Wilmington. The restaurant is named after the two Elizabeths – me and my former business partner, Betty – who founded it in 1993. It features an upscale-casual menu with vintage wines. Our guests dine under French chandeliers, alongside wall decor featuring other well-known Elizabeths, from the queen to Betty Boop.

We pride ourselves on serving all Delawareans, including the president. Mr. Biden, who at times has frequented our establishment two to three times a week, has been a great and gracious customer.

Yet friends can have disagreements. The president and his team may understand Delaware politics, but I'm not sure they understand the difficulties of Delaware restaurants. How else to explain his proposal to raise the minimum wage for our servers and bartenders from \$2.23 an hour to \$15 – an increase of more than 400 percent – which would be a death knell for our industry?

The Covid pandemic has devastated restaurants, including ours. The Paycheck Protection Program helped us keep many employees on the payroll, but guests are not yet comfortable coming into restaurants, even with our enhanced safety protocols. I expect this will be true through at least the end of 2021.

It would be difficult to absorb any increase in labor costs now, much less the steep increase Mr. Biden has proposed. Even in good times, our profit margins were low. Today our profits are nonexistent, as is our ability to increase prices.

Most confusing about the president's proposal is why it is necessary. Tipped workers in Delaware and most states may be paid a lower cash wage, but if they don't earn at least the \$9.25-an-hour minimum wage with tips included, the employer has to make up the difference. Before the pandemic, my tipped workers earned \$20 to \$30 an hour on average.

Were the tipped wage to rise more than 400 percent, our restaurant would have two options: We either close, or we could adopt a "service charge" that would leave our tipped workers with less take-home pay.

I urge Mr. Biden to consider Delaware's moderate approach to the minimum wage. Our state's minimum wage is \$2 above the federal level, while our tipped minimum is consistent with the federal standard. I believe this to be a reasonable bargain that guarantees a fair

hourly wage for tipped and nontipped workers alike, while remaining sensitive to the harsh economics of the restaurant industry.

Ms. LeRoy is owner of Pizza by Elizabeths.