

Money Etiquette

# Money Manners: Tipping

Jan 3, 2017 / By Farnoosh Torabi



A few weeks ago two service repairmen visited our home to fix our HVAC units. My husband tipped them each \$20 on their way out because they'd been extra helpful. One man happily accepted, while the other kindly declined. Can you guess why?

It's tricky. It's not always clear how much we should tip – or *if* we should tip – depending on the circumstance. Sometimes the amount of a tip is based on long-standing norms. In other cases, tipping expectations change as industries evolve.

Here's a primer on what modern etiquette says we tip for a range of services — from dining experiences to rideshares to hair appointments. And keep reading to learn why the repairman refused our tip.

## Dining (In and Out)

When some out-of-town friends visit New York City, they don't always remember to “tip up” as I call it. In the Big Apple and other expensive cities, it's customary to place a 20% tip (maybe even a little more) on the total bill (pre-tax), assuming the service was satisfactory.

While it may be common to tip around 15% outside of the priciest city in the country, a 20% tip helps the wait staff better afford their cost of living. And according to the [latest Zagat survey](#), the national average tip at restaurants is close to 19%.

The city with the highest reported gratuity? Boston (20%). The smallest? San Antonio, TX (17.1%).

Meanwhile, a growing number of restaurants are transitioning away from accepting customer tips to paying their staff a higher wage (and increasing menu prices to pay for it). About one in five restaurant professionals surveyed in the 2016 [American Express Restaurant Trade Survey](#) say they've taken on a no-tip system, while another 29% plan to adopt a no-tip policy in the future. You can usually discover an establishment's policy by visiting their website or looking for a disclosure on menus. Some have even made the news. Well-known restaurateur [Danny Meyer](#), for example, has famously ditched tipping at all his restaurants.

Another thing to keep an eye out for is automatic gratuities. Some eateries will factor in an 18% or higher tip if you're dining with 6 or more individuals. No need to add an additional tip unless the service was above expectations. You could also just add an extra 2% to make it an even 20% tip.

Now, how much to tip the delivery person who brings your meal to your door? Or what about when you order take-out and drive to the restaurant to pick up your meal from the front desk?

The etiquette experts at the [Emily Post Institute](#) break down the specifics of restaurant tipping, including how much to tip valet:

- Wait service (sit down): 15-20%, pre-tax
- Wait service (buffet): 10%, pre-tax
- Host or Maitre d': No obligation for greeting you and showing you to your table. \$10-\$20 for going above and beyond to find you a table on a busy night or on occasion, if you are a regular patron.
- Take Out: No obligation; 10% for extra service (curb delivery) or a large, complicated order
- Home Delivery: 10-15% of the bill, \$2-5 for pizza delivery depending on the size of the order and difficulty of delivery
- Bartender: \$1-2 per drink or 15-20% of the tab
- Tipping jars: No obligation; tip occasionally if your server or barista provides a little something extra or if you are a regular customer.
- Restroom Attendant: \$0.50-\$3, depending on the level of service
- Valet: \$2-\$5. Tip when the car is returned to you.

## **Cabs and Ride Share Services**

It's routine to tip your cabbie anywhere from 15 to 20%. As with servers, your cab driver's tip should reflect the relative cost of living in that city (and the quality of the service). If I'm traveling with bags and the driver helps to place them in the trunk or offers to open the door for me, that constitutes a better-than-average tip in my book.

One time a New York City taxi driver offered me a bottle of water and mints and asked if the music was OK and if the temperature was comfortable. That was first-rate service and earned the driver a 25% tip.

But what about rideshare services like Uber and Lyft? The tipping protocol is not as straightforward or consistent, I've discovered.

A friend in New York recently told me that she tips her Uber drivers in cash. I was surprised and felt bad since I assumed tips were included in every fare. Upon some research, I realized I was wrong.

[Per the company](#): "Tipping is voluntary. Tips are not included in the fare, nor are they expected or required. As a rider, you are not obligated to offer your driver a gratuity in cash. If you decide you would like to tip, your driver is welcome to accept."

One exception: uberTAXI. When riding in a licensed yellow cab there is an option to set a gratuity percentage added to your fare.

Have I been unknowingly stiffing Uber drivers all this time?

It seems there's some confusion from passengers over Uber's tipping policy, as well as outrage by some drivers, which has led to them to file a [class action lawsuit against the company](#).

For the proper etiquette, I tapped Harry Campbell, founder of the [TheRideShareGuy](#), a popular blog and podcast for rideshare drivers. At one time he was a part-time Uber and Lyft driver, himself.

"I wouldn't say that drivers depend on tips with Uber, but it's always a nice bonus to receive a tip," Campbell says. "Tips make a big difference on short rides or minimum fares where a driver might only earn a few dollars after Uber's booking fee and 25% commission. So, while a \$1 or \$2 tip might seem insignificant, on a \$3 or \$4 payout, it actually is a nice percentage of the fare."

Meanwhile, Uber competitor Lyft lets passengers know that tips are welcome. Per its [website](#), the company describes how to tip your driver. "Since Lyft is a cashless platform, all tips are processed through the app, ride receipt, or a member of our team. Tips are charged to the card on file and cannot come from any promo credits... You'll be able to add a tip 72 hours after the ride is complete."

## The Salon

My hair appointments take hours. After the shampoo, cut, color and styling is said and done, I've spent a minimum of 2.5 hours at the salon. During this time, I typically encounter three different

people who deserve tips. There's the stylist's assistant who shampooed my hair, my colorist and hair stylist. And tips can only be in cash, per my salon's policy.

The assistant receives \$5 (because it's a higher end salon, but \$2 to \$3 in most places is fine). My colorist and stylist each receive 20% in personally labeled envelopes. In general, a 15 to 20% tip for the professional staff is the norm for both male and female customers to give. And same goes for nail salons and spas where you had a massage or facial.

The salon owner is one exception. A tip may not be necessary. The [Emily Post Institute](#) states, "If the owner of the salon charges more for his or her services than other stylists in the salon charge, you do not tip. If he or she charges the same, then you do tip. If you aren't sure, call and ask the booker if there is a difference in rates depending on who your stylist is."

[And as a general rule of thumb, it's not customary for business owners to accept tips. The service repair team that came to our home included the company owner...and he was the one who kindly refused our tip!]

## When to Withhold

At the end of the day it's important to remember that a tip is largely based on the quality of the service you received. The word "tip" is actually an acronym for "To Insure Promptness" or "To Insure Performance." And the standards vary depending on the country. While tipping up to 20% is commonplace in the United States, it's not as high or even expected when traveling overseas.

Sometimes bad service happens at restaurants and in those instances it's important to first bring it to the attention of the person in charge before stiffing your server.

"If the service was bad, you still don't skip a tip as it often affects many people that were not involved," says etiquette expert [Diane Gottsman](#). "Leave 10 to 15% and request a conversation with the general manager. Allow him or her to make it right."

*[Farnoosh Torabi](#) is America's leading personal finance authority hooked on helping Americans live their richest, happiest lives. From her early days reporting for Money Magazine to now hosting a primetime series on CNBC and writing monthly for O, The Oprah Magazine, she's become our favorite go-to money expert and friend.*