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Holiday Tipflation: Americans Plan to Increase Annual Holiday Tip Amounts This Year Compared to 2022

Nearly one-third seek advice about how much to tip around the holidays, with younger generations more likely to do so

NEW YORK - December 4, 2023 - Americans are expected to be more generous tippers this holiday season, according to a new survey from Bankrate. While Americans reduced median tip amounts during an inflation-riddled 2022 holiday season, this year, median tip amounts are likely to bounce back to, or even exceed, 2021 levels for all six types of service providers that Bankrate asked about. These providers include housekeepers, teachers, childcare providers, landscapers, mail carriers, and trash/recycling collectors. Click here for more information:

https://www.bankrate.com/finance/credit-cards/holiday-tipping-survey/

| Service Provider | 2021: Median reported tip amount (among tippers) | 2022: Median reported tip amount (among tippers) | 2023: Median reported tip amount (among tippers) |
|-------------------------------------|--|--|--|
| Housekeeper | \$50 | \$40 | \$50 |
| Childcare Provider | \$50 | \$50 \$25 | |
| Landscaper/Gardener/Snow Remover | \$30 | \$25 | \$37 |
| Teacher | \$25 | \$20 | \$25 |
| Mail Carrier | \$20 | \$20 | \$20 |
| Trash/Recycling Collector | \$20 | \$20 | \$25 |

Overall, Americans are expecting to tip the service providers they use at a similar frequency as last year, up significantly from 2021.

| Service Provider | 2021: Planned to tip | 2022: Planned to tip | 2023: Plan to tip |
|------------------|----------------------|----------------------|-------------------|
| | (among users of | (among users of | (among users of |
| | each service) | each service) | each service) |

| Housekeeper | 47% | 56% | 54% |
|--------------------------------------|-----|-----|-----|
| Teacher | 41% | 51% | 50% |
| Childcare Provider | 41% | 49% | 51% |
| Landscaper/Gardener/Sn ow Remover | 36% | 41% | 42% |
| Mail Carrier | 27% | 31% | 31% |
| Trash/Recycling Collector | 19% | 22% | 24% |

"While many Americans are experiencing tip fatigue, this data indicates the mood is brightening, at least around the holidays," says Bankrate Senior Industry Analyst Ted Rossman. "Lower inflation is probably a big contributor to the more generous tipping climate this holiday season. The projected frequency of holiday tipping is up from the past two years and the median tip amounts match or exceed 2021 levels, depending on the category. That's a rebound from last year's lower amounts."

(https://www.bankrate.com/personal-finance/tipping-survey/)

In general, 15% of Americans plan to tip more for services this holiday season, 13% will tip less, and 5% don't know yet if they will tip more, less, or about the same this holiday season compared with last year. That leaves 44% who plan to tip about the same amount this year as last year and 23% who didn't tip last holiday season and don't plan to this year.

"I also think it's notable that the professions we asked about generally involve a good amount of personal interaction," Rossman adds. "While many Americans complain that tipping has gotten out of control, I think it's easier to complain about tip creep when you're being prompted by an app or a checkout kiosk during a quick counter service transaction. Most people seem more likely to tip generously when they have a relationship with a service provider who they encounter regularly."

Younger generations are most likely to tip and also most likely to increase the amount they tip this year. Some 23% of millennials (ages 27-42) and 21% of Gen Zers (ages 18-26) plan to increase their tip amounts, compared to 12% of Gen Xers (ages 43-58) and 9% of baby boomers (ages 59-77).

However, more than 1 in 10 Americans (14%) say they are confused about who and how much to tip around the holidays. With nearly 1 in 3 (32%) planning to seek holiday tipping advice, the most common method is to ask friends, family members, or neighbors how much they tip service providers around the holidays (19%). Additionally,

14% of Americans say they use internet searches to help determine how much to tip service providers around the holidays, while 9% use social media.

Younger generations are much more likely to seek holiday tipping advice, with more than half of Gen Zers (51%) and 47% of millennials planning to do so. A major contrast from the 24% of Gen Xers and 18% of baby boomers who plan to do so.

"Tipping is a confusing topic," Rossman concludes. "I think it's nice to tip generously if you can, although I certainly recognize that money is tight for a lot of people. There are some ways to show appreciation without spending a ton of money. These include pooling resources with friends and neighbors or leaving a basket of snacks and drinks for delivery drivers who may be discouraged from accepting cash tips anyway."

Methodology:

Bankrate commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,413 U.S. adults. Fieldwork was undertaken on November 3-7, 2023. The survey was carried out online and meets rigorous quality standards. It employed a non-probability-based sample using both quotas upfront during collection and then a weighting scheme on the back end designed and proven to provide nationally representative results.

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