

# Nation's Restaurant News



*Take a closer look at Trump's second term.*

## NEWS

# How the 2024 election results will

# impact the restaurant industry

*A look at what to expect after Trump's victory, as well as the results of other local legislation*

Joanna Fantozzi | Nov 06, 2024

Following Democrat underperformance across the country, Donald Trump has secured a historic win over Vice President Kamala Harris to win the presidential election — becoming only the second president to win two nonconsecutive presidential terms, and the first president to take office after being convicted of multiple felonies.

The morning after Trump secured the presidency, the Dow Jones market jumped by 1,300 points, as U.S. stocks surged to record highs, and bitcoin value also jumped 3% to a record \$75,000 (the latter likely in response to Trump's promise to make America “the crypto capital of the planet”). Post-election stock market surges are usually nonpartisan and happen after both Democrat and Republican presidential wins, but what will the business world — particularly the hospitality industry — look like under a second Trump term?

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As previously reported, Trump's economic policy largely relies on lowering taxes for corporations and for many Americans (in 2017, he lowered the corporate tax rate from 35% to 21%). For his second term, Trump has promised to roll back the current corporate tax rate from 21% to 15%, which would also lower income taxes on the wealthiest Americans, and ostensibly make America more business-friendly.

Additionally, he also supported ending income taxes on gratuities for tipped workers—a policy that was first proposed by Sen. Ted Cruz (R-Texas) this summer through the “No Tax on Tips Act.” Although this policy received bipartisan support from Democrats, including Harris, critics suggested that the policy could greatly impact the nation’s federal deficit and would not actually resolve problems for most tipped workers, many of whom already fall below the taxable income line. Experts are also concerned that the policy would create a loophole for hedge fund managers to receive tax breaks as they could potentially reclassify some of their earnings as gratuities.

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Besides lowering taxes for corporations, a Trump presidency would also try to create a more business-friendly environment through deregulation. During his last term, Trump scaled back much of the Dodd-Frank Act , which was created after the 2008 financial crisis to combat future economic crises. Trump also rolled back many of the climate-related regulations that affected the energy sector. The theory is that by unburdening businesses from regulation, they can thrive more readily on American soil and create jobs.

A cornerstone of Trump’s economic and foreign policy this time around is his proposed 10-20% tariff on foreign goods. Experts have argued, however, that this will likely result in the burden being placed on consumers’ shoulders, rather than foreign adversaries like China. This could, in turn, create an even more cautious spending environment, which spells bad news for businesses. In fact, according to the Kent Clark Center for Global Markets , 95% of economic experts polled suggested that

imposing tariffs results in price increases that are borne by consumers.

A second Trump presidency will likely also mean a more stringent immigration policy, as he has promised large-scale deportations and a less union-friendly business environment.

Americans did not just vote for their future president on Nov. 5, however. Multiple states across the country voted on legislation that affected minimum wage, paid sick leave, and tipped wages. Here's a breakdown of how those votes went:

- **Alaska** voted in favor of gradually raising the minimum wage to \$15 an hour, and also in favor of mandatory accrued sick leave of up to 56 hours for employers that employ 15 or more workers.
- **Arizona** voted overwhelmingly against Proposition 138, which would have allowed employers to pay tipped workers up to 25% less than the minimum wage, assuming that the employer can prove that the employee is paid overall at least \$2 more per hour than the minimum wage.
- **California** is still too close to call on Proposition 32, which would raise the minimum wage to \$18 an hour by 2026. As of the time of publication, 52% of Californians voted against raising the minimum wage, with more than 40% of the vote left to be counted.
- **Florida** did not pass an amendment in favor of marijuana legalization. Although a majority of Floridians voted in favor of the amendment, it failed to get the required 60% voter support in order to become law.
- **Massachusetts** voted against raising the minimum wage for tipped workers. Under the legislation, the tipped minimum wage would have gradually increased until being phased out altogether by 2029.

- **Missouri** voted to increase the minimum wage to \$15 an hour by 2026, and also voted in favor of mandating paid sick leave, with businesses now required to provide one hour of paid sick leave for every 30 hours of work. Missourians also narrowly approved the legalization of sports betting.
- **Nebraska** voted in favor of mandating paid sick leave, with employers now required to provide 56 hours of paid sick leave employees at companies 20 or more workers, and 40 hours for smaller companies.
- **North Dakota** voted against the legalization of recreational marijuana.
- **South Dakota** also rejected legislation that would have legalized recreational marijuana.

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