



## Holiday Tipping in a Nutshell

[The Motley Fool]

[By Elizabeth Brokamp]

It seems that tipping for Christmas isn't just a New York phenomenon - some exotic ritual performed by big spenders in the land of doormen, taxis, and Broadway. Tipping is a show of appreciation for the people who make your life easier in big and small ways. Those people are not your friends exactly, but they're more intimate than mere acquaintances (they've folded your underwear or massaged your scalp, for example). Yes, you can resort to gift cards or the ever-dreaded fruitcake, but they're often expecting a tip instead.

Behavioral economists would have you know that they consider tipping an odd, somewhat irrational behavior, considering that a tip is usually given *after* a service has been provided so it doesn't "get" the tipper anything immediate. Etiquette experts stress (right before they list the multitude of people whose palms you should consider greasing) that tipping for the Christmas season is always optional.

Here are some things to consider when you're making up your own mind about tipping during the season of giving:

**How much can you afford?** The No. 1 consideration in doling out tips is how much you can spend. If your budget is pinched, a show of consideration (like a batch of cookies, a lovely note of thanks, or a kind deed) is a perfectly acceptable alternative.

**For what professions is tipping factored into pay?** This is a very important factor to consider since an issue of livelihood is at stake. For folks whose jobs pay less than standard, tipping doesn't mean luxury; it means subsistence. Examples of these jobs include wait staff, guides, drivers, and others in the hospitality industry.

**How long have you maintained a business relationship with this person?** Long-standing relationships are valuable. Think of all that get-to-know you chatter you can skip right over with Amy, your regular hair stylist, and instead move right into the good stuff.

**How important to you are the services they provide?** This is a bit subjective, of course, but you may, for example, want to give more to the person who cares for your child than to the person who cares for your lawn.

**Does this person go above and beyond for you?** If this person offers to stay late for you, work on short notice, squeeze you into an already-packed schedule, or in some way does exceptional work on your behalf, you need to communicate your appreciation.

**Are there any rules of their profession that dictate how much of a gift they can receive or if they can accept one at all?** For example, postal employees may not accept cash and can only accept a gift up to a \$20 value.

### General rules of thumb for holiday tips:

Bear in mind that these are general guidelines; you will always find someone who disagrees.

But there are a few things that don't broker disagreement. Tips are taxable, so your gift may well end up with Uncle Sam's bite marks on it. If you want to avoid a moral dilemma on the part of your recipient, give a gift card. Always include a personal note of thanks with a holiday tip. Last, but not least, be discreet.

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