

Insights, News & Events

FP'S TOP 2026 PREDICTIONS FOR HOSPITALITY EMPLOYERS

Insights

Jan 14, 2026

Our Hospitality Industry Team thought leaders have pulled together their top predictions for the new year so that employers can get a head start to 2026. If you want more, [register for our FP Workplace Law Forecast Webinar here](#).

TOP PREDICTIONS FOR HOSPITALITY EMPLOYERS

- ✓ Immigration Enforcement Will Continue to Impact Labor Market
- ✓ Spotlight on Human Trafficking Issues
- ✓ More Clarity on 80/20/30 Tip Credit Rule
- ✓ Wage Hikes Will Impact Operations

2026

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Immigration Enforcement Will Continue to Impact Labor Market

In addition to ongoing staffing shortages, we expect that hospitality employers – and restaurants in particular – will feel the impact of increased immigration enforcement and tighter restrictions on employment-based visas. These changes are likely to affect seasonal hiring and certain categories of temporary foreign workers. Employers should

Related People



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closely monitor changes, ensure I-9 compliance, and review workforce planning strategies.

Spotlight on Human Trafficking Issues

Many employers may not realize that you do not have to be a “trafficker” to be held liable for trafficking. Companies across industries, including hospitality, are facing civil lawsuits and criminal investigations related to sex trafficking activities. One of the most striking developments in the anti-trafficking enforcement is the growing use of corporate criminal liability to hold businesses accountable. This highlights [the importance of implementing comprehensive policies, training, reporting mechanisms, and risk assessments](#).

More Clarity on 80/20/30 Tip Credit Rule

In 2024, the 5th Circuit struck the Biden DOL’s 80/20/30 rule, which applied to employers that take the tip credit toward their minimum wage obligation under the FLSA. For employers in Texas, Louisiana, and Mississippi – which are covered by the 5th Circuit’s ruling – it appears clear that the 80/20/30 rule and the early 80/20 rule are dead. For employers outside the 5th Circuit, though, the picture is less clear. We expect further clarification on this issue in 2026, especially given the compliance challenges the rule has created for hospitality employers.

Wage Hikes Will Impact Operations

At least 18 states are raising the minimum wage this year, as well as many localities, and some states are also raising or scrapping the tipped minimum wage. All of this will put a strain on hospitality employers that already run on low margins. Moreover, we expect the Trump administration to appeal to voters by increasing the federal minimum wage before the midterm elections. So, it’s a good idea to develop a strategic plan to ensure you’re ready for the impact on staffing, operations, and the bottom line.

Want More?

- You can read our entire [FP Forecast 2026 here](#), full of predictions spanning many practice areas and industries.
- [You can register for our FP Workplace Law Forecast 2026 Webinar here](#).

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Conclusion

We will continue to monitor developments impacting employers in the Hospitality Industry. Make sure you are subscribed to [Fisher Phillips' Insight System](#) to get the most up-to-date information. If you have questions, contact your Fisher Phillips attorney, the authors of this Insight, or any member on our [Hospitality Industry Team](#).