The House in April passed the “Relief for Restaurants and Other Hard Hit Small Businesses Act of 2022” (H.R. 3807), legislation that would inject $42 billion into the Restaurant Revitalization Fund (RRF). The Senate needs to do its part and pass similar legislation to finally fulfill the mission of the RRF.

The RRF worked as intended for small business restaurants that received grants from the initial $28.6B appropriation, particularly the independent restaurants that received $25.95B and franchisee restaurants that received $2.65B. According to National Restaurant Association research, 92% of recipients said the funds helped them pay expenses or debt that accumulated since the pandemic’s onset, and 96% said the money helped them stay in business.

But the underfunded program left more than 177,000 restaurants without support and created unfair disadvantages as they compete with restaurants that were lucky enough to secure a grant. An alarming 50% of restaurant operators that applied for, but did not receive RRF grants, feel it’s unlikely they will stay in business without RRF replenishment.

The Accommodations and Food Services sector suffered a staggering -27.8% decline in GDP in 2020, while the GDP loss among all private industries was -3.8%. The restaurant industry lost $300B in sales during the first 12 months of the COVID-19 pandemic alone and still has not recovered more than 820,000 lost jobs. Add to that the growing economic challenges of inflation, rising food costs, a labor shortage, and supply chain disruptions, and countless restaurants are still struggling to survive.

Employee recruitment and retention have been major concerns for restaurants even before the pandemic. Association research shows that 94% of restaurant operators that applied for an RRF grant but did not receive funding said a future grant would enable them to retain or hire back employees. And our own economic analysis indicates that RRF replenishment will save more than 1.6M jobs.

The restaurant industry urges the Senate to approve RRF replenishment as soon as possible.