



# COVID-19 Restaurant Impact Survey VI

Key Findings – February 11, 2021

## Key Findings

To assess the ongoing economic impact of the coronavirus pandemic, the National Restaurant Association Research Group conducted a survey of 3,000 restaurant operators February 2-10. The key findings are presented in this report.

### Restaurant Business Conditions

- Consumer spending in restaurants remained well below pre-pandemic levels in January. Overall, 77% of restaurant operators say their total dollar sales volume in January was lower than it was in January 2020. Only 13% of operators reported higher sales in January, while 10% reported sales volume that was about the same as it was in January 2020. Including all restaurants, sales were down 26% between January 2020 and January 2021.
  - In the fullservice segment, sales were sharply lower for both independents and franchisees in January. Including all restaurants, sales were down 36% for independent fullservice operators and 28% for franchisee fullservice operators.
  - In the limited-service segment, independents fared worse than franchisees in January. Including all restaurants, sales were down 25% for independent limited-service operators and 8% for franchisee limited-service operators.

### Restaurant operators' reporting of sales in January 2021 versus January 2020

Restaurant segment	Percent of operators reporting higher sales in January	Percent of operators reporting lower sales in January	Average percent change in sales: January 2020 to January 2021*
<b>All Restaurants</b>	<b>13%</b>	<b>77%</b>	<b>-26%</b>
Fullservice restaurants	6%	88%	-35%
Independent fullservice restaurants	5%	88%	-36%
Franchisee fullservice restaurants	7%	85%	-28%
Limited-service restaurants	21%	65%	-17%
Independent limited-service restaurants	14%	76%	-25%
Franchisee limited-service restaurants	28%	54%	-8%

Source: National Restaurant Association, national survey of 3,000 restaurant operators conducted February 2-10, 2021

Note: Limited-service includes quickservice, fast casual and coffee/snack concepts.

\*Average percent change includes all restaurants: those reporting sales that were higher, lower, or about the same compared to January 2020

- With on-premises capacity limited – and sometimes nonexistent – during the last several months, restaurant operators had no choice but to focus on their off-premises business. While many restaurants saw off-premises sales rise, it wasn't nearly enough to make up for their lost on-premises sales. Among restaurant operators who say their off-premises business increased compared to pre-COVID levels, 65% say their higher off-premises sales have made up less than 30% of their lost on-premises sales.
- The ability to offer alcoholic beverages with off-premises orders represents an important source of revenue for many restaurants during the pandemic. Among restaurant operators that started offering alcoholic beverages for takeout or delivery during the pandemic, 93% say they plan to continue offering customers this option if their jurisdiction continues to allow it after the coronavirus crisis is over.
- Business conditions grew more challenging during the winter months, as outdoor dining became less feasible in many parts of the country. Only 40% of operators say their restaurant currently offers on-premises outdoor dining in a space such as a patio, deck or sidewalk. That's down from 49% in November and 67% in September.
  - 42% of fullservice operators say their restaurant currently offers outdoor dining – down from 52% in November and 74% in September.
  - 37% of limited-service operators say they currently offer outdoor dining – down from 46% in November and 60% in September.
- Most restaurant operators do not expect business conditions to improve during the next several weeks. Only 18% of operators expect their sales in February and March to be higher than it was in January. Forty-one percent of operators think their sales will decline in February and March from January's levels, while 41% expect their sales to remain about the same.
- Looking further down the road, most restaurant operators do not expect a return to normal business conditions any time soon. Thirty-two percent of operators think it will be 7-12 months before business conditions return to normal for their restaurant, while 29% think it will be more than a year. An additional 10% of operators say business conditions will never return to normal for their restaurant.
- For many restaurants, additional actions from the federal government will be critical to their business surviving beyond a few weeks. Fourteen percent of restaurant operators say they will 'probably' or 'definitely' be closed within 3 months if there are no additional relief packages from the federal government.

## Restaurant Jobs

- Deteriorating business conditions led to additional job losses in recent weeks, with 29% of operators saying they laid off or furloughed employees in December or January. Fullservice operators (39%) were more likely than limited-service operators (20%) to cut jobs in December or January.
- Although many restaurants added back employees after the initial lockdowns, overall staffing levels remain well below normal. Eighty percent of operators say their current staffing level is lower than what it would normally be in the absence of COVID-19. Forty-one percent of operators are currently more than 20% below normal staffing levels.
  - 86% of fullservice operators say their current staffing levels are below normal.
  - 73% of limited-service operators say their current staffing levels are below normal.
- With future business conditions remaining uncertain, very few operators are planning to expand payrolls in the near term. Only 14% of operators expect their restaurant's staffing levels to be higher in February and March than it was in January. Twelve percent of operators expect their staffing levels to decline in February and March, while 74% think it will remain unchanged.

## Charitable Activities

- Even in the midst of the most challenging business conditions in history, the philanthropic spirit of the restaurant industry remained intact. Seventy-five percent of operators say their restaurant business made a charitable contribution (such as cash, food, space, in-kind or volunteering) since the COVID-19 outbreak in March 2020.
- Among these operators, the vast majority donated food (81%), while a majority also made cash contributions (51%) or other in-kind contributions (55%). Twenty-two percent of these operators donated space, while 12% let their staff volunteer on company time.
- Ninety-nine percent of these operators made charitable contributions to individuals or organizations on the local level. Ten percent of these operators donated to national organizations, while 1% donated to international organizations.

## Restaurant Closures

- The National Restaurant Association estimates that as of February 1, at least 17 percent of all eating and drinking places – or more than 110,000 establishments – are completely closed and not open for business in any capacity.
  - This means these businesses are closed on either a temporary or permanent basis. It will be some time before it becomes clear how many of the temporary closures become permanent. Many restaurant operators are waiting to see if or when it makes sense to reopen.
- Among survey respondents who classified their restaurant’s operating status as ‘temporarily closed with plans to reopen,’ 67% say their restaurant is closed because of indoor dining restrictions that are currently in place. In addition, 42% say they are closed because of the uncertainty about future lockdowns or restrictions.
  - Fifty percent of these operators say they are closed because they do not have enough customers to justify reopening.
  - Twenty-six percent of these operators say their restaurant is closed because they are waiting on a new relief package from the federal government.

### Reasons given why temporarily closed restaurants are not open for business

Reason	Percent responding
Indoor dining restrictions that are currently in place	67%
Not enough customers to justify reopening	50%
Uncertainty about future lockdowns or restrictions	42%
Waiting on a new relief package from the federal government	26%
Too soon from a public health perspective	22%
Not enough employees to adequately staff the restaurant	19%

Source: National Restaurant Association, national survey of 3,000 restaurant operators conducted February 2-10, 2021  
Note: Multiple responses were allowed.