



Ensure 2<sup>nd</sup> Round of PPP LOANS ARE AVAILABLE TO MORE THAN JUST 45% OF RESTAURANTS

CRITICAL CHANGE NEEDED to PPP Eligibility Rules



Republicans and Democrats are calling for a 2<sup>nd</sup> round of PPP to offer continued support.

While this solution falls short of the unique needs our industry faces,

WE URGE CONGRESS TO SECURE BIPARTISAN SUPPORT AND IMPLEMENT THIS 2<sup>ND</sup> ROUND.

The current proposal would require a business to demonstrate a 50% reduction in quarterly gross receipts compared to the previous year.

55% OF RESTAURANTS WOULD NOT BE ELIGIBLE

to participate, despite the fact that restaurants have lost more jobs and revenue than any other industry.

Congress should LOWER THE ELIGIBILITY THRESHOLD FOR PPP FUNDING TO A 20% REDUCTION IN QUARTERLY GROSS RECEIPTS, allowing restaurants to keep their doors open and business alive.

Based on overall restaurant year-on-year gross receipts comparing Q2 2020 with Q2 2019, at a 20% eligibility threshold, 430,000 restaurants would qualify for a 2<sup>nd</sup> draw PPP loan.

Data Source: Black Box Intelligence

The restaurant industry operates on razor thin pre-tax profit margins of 4%-6%, meaning EVEN A SMALL DROP IN REVENUE SIGNIFICANTLY HURTS THE BOTTOM LINE - UNLIKE OTHER SECTORS. Magnified by the impacts of the COVID-19 crisis, restaurant sales and employment have been shattered.

The industry is on track to lose an estimated \$240 billion in sales and 8+ million employees by year-end. According to the National Restaurant Association's July operator tracking survey, THE MAJORITY OF FULL-SERVICE RESTAURANT OPERATORS DO NOT EXPECT SALES TO RETURN TO PRE-CORONAVIRUS LEVELS before the end of 2020.

WHY Now?



If the industry is unable to access the lifeline provided by a 2<sup>nd</sup> round, it will LOSE MORE JOBS, CLOSE MORE RESTAURANTS & FAIL TO SUPPORT COMMUNITIES.

The restaurant & foodservice industry - the nation's 2<sup>nd</sup> largest private-sector employer - is navigating a difficult path to economic recovery.

Until a restaurant recovery plan is implemented, CONGRESS MUST ENSURE THAT PROGRAMS LIKE PPP CAN BENEFIT ALL RESTAURANTS.

Click here and tell Congress to take action today!