



January 24, 2022

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
Washington, D.C. 20515

The Honorable Chuck Schumer
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Kevin McCarthy
Republican Leader
United States House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Republican Leader
United States Senate
Washington, D.C. 20510

Dear Speaker Pelosi and Leaders Schumer, McCarthy, and McConnell:

The restaurant industry is at an inflection point and we need your leadership now more than ever.

Two years into the pandemic, restaurants are still struggling to keep their doors open amid a surge in coronavirus cases, inflation, a labor shortage, and supply chain delays. Alarming, the industry still hasn't recreated the more than 650,000 jobs lost early in the pandemic, a loss 45% more than the next closest industry. While the restaurant industry appreciates the support it received from Congress in the Restaurant Revitalization Fund (RRF) at the pandemic's onset, new data from our 10th COVID-19 Operators Survey show that restaurant recovery is paralyzed and nowhere near complete. Congress must act now to replenish the RRF in the upcoming legislative package to fund the government.

According to the survey:

- 88% of restaurants experienced a decline in customer demand for indoor on-premises dining because of the omicron variant.
- 76% of operators report that business conditions are worse now than three months ago.
- 74% say their restaurant is less profitable now than it was before the pandemic.

Forced to adapt to deteriorating consumer confidence, restaurants reduced hours/days of operation, cut seating capacity, and shut down, pivoting to off-premises dining with the result being lower sales volumes in 2021 than in 2019.

Hit especially hard were the 177,000 eligible restaurants that applied for RRF grants but did not receive them. In fact, the survey results show that:

- Nearly 50% of restaurant operators that did not receive RRF grants feel it's unlikely that they will stay in business beyond the pandemic without a grant.
- 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.

Speaker Pelosi
Leader Schumer
Leader McCarthy
Leader McConnell

We know that the RRF worked as intended for restaurants that received grants. According to our survey:

- 96% of RRF recipients said the grant made it more likely that they would be able to stay in business.
- 92% of RRF recipients said the grant helped them pay expenses or debt that had accumulated since the beginning of the pandemic.
- The National Restaurant Association estimates that over 900,000 restaurant jobs were saved by the initial round of RRF grants.

This highlights how impactful RRF replenishment would be. Our own estimates indicate that full replenishment of the RRF will save more than 1.6 million restaurant jobs.

After two years of closures, COVID-19 variants, worker shortages, and inflationary pressure, a dangerous number of restaurants are at the end of the line. The RRF was a critical lifeline to many, but far more remain on the sidelines, desperately looking for support amid continued economic uncertainty. The decisions you make in the coming weeks will be critical to the future of the nation's restaurant industry.

Thank you for your consideration and support so that restaurants in your towns and across the country can continue to serve their communities.

Sincerely,



Sean Kennedy
Executive Vice President, Public Affairs