RHODE ISLAND’S $2.7 BILLION RESTAURANT ECONOMY IS AT RISK

Over 75% of Rhode Island’s 2,926 eating and drinking locations are in danger of closing permanently without The RESTAURANTS Act

THE RESTAURANTS ACT WOULD GENERATE $852 MILLION ECONOMIC BENEFIT FOR RHODE ISLAND

- Food services account for 9.5% of all employment in Rhode Island.
- Accommodation and food services projected to contribute 4,557 new Rhode Islander jobs from 2016 to 2026.
- The RESTAURANTS Act would galvanize Rhode Island’s tourism industry, encouraging travelers to eat in Rhode Island’s establishments and spend money on lodging, other tourist attractions, and retail, generating $359 million.

WITHOUT HELP FOR INDEPENDENT RESTAURANTS, RHODE ISLAND’S ECONOMY WILL SUFFER

- An estimated 76% of eateries are independently owned.
- Independent restaurants rely far less on pickup and drive through service. Fine and casual dining have declined 85% and 65% respectively, while fast-food has only decreased 21%. National chains like Domino’s, Pizza Hut, Papa John’s, Raising Cane’s, and Taco Bell have hired during this time.
- Nearly 65% of the revenue from local independent restaurants recirculates in the local economy compared to about 30% for chain restaurants.

THE RESTAURANTS ACT WOULD HELP PROTECT 61,200 RHODE ISLANDER JOBS

- Since the beginning of March, the leisure and hospitality industry has accounted for 34% of all jobs lost in Rhode Island.
- Keeping many of Rhode Island’s 61,200 leisure and hospitality workers employed would save Rhode Island $115 million in unemployment benefits and insurance taxes.

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1 Rhode Island Restaurant Industry at a Glance, National Restaurant Association.
2 Independent Restaurants Are a Nexus of Small Businesses in the United States and Drive Billions of Dollars of Economic Activity That Is at Risk of Being Lost Due to the COVID-19 Pandemic, page 2; Rhode Island Restaurant Industry at a Glance, National Restaurant Association.
3 Independent Restaurants Are a Nexus of Small Businesses in the United States and Drive Billions of Dollars of Economic Activity That Is at Risk of Being Lost Due to the COVID-19 Pandemic, page 2; Rhode Island Industry Outlook 2026.
5 Ibid, page 2.
6 Ibid, page 3.
7 Ibid, page 25.
8 Ibid, page 22.
10 Ibid.
11 Ibid.
12 Rhode Island Economy at a Glance.
13 Ibid.
14 Ibid; Independent Restaurants Are a Nexus of Small Businesses in the United States and Drive Billions of Dollars of Economic Activity That Is at Risk of Being Lost Due to the COVID-19 Pandemic, page 2.
• Nationwide, over 2.7 million leisure and hospitality workers are unemployed right now, more than any other industry. Unemployment in leisure and hospitality is over 277% higher than it was at the same time last year.\(^{15}\)

• The RESTAURANTS Act would reduce the national unemployment rate by an estimated 2.4%, a result of saving the industry that has been hit hardest by job losses from the outset of this pandemic.\(^{16}\)

THE PAYCHECK PROTECTION PROGRAM DID NOT PROVIDE THE RELIEF NECESSARY FOR RESTAURANTS TO RECOVER

• Restaurants and accommodations received less than $43 billion from the Paycheck Protection Program, despite contributing over five times that in losses to our GDP.\(^{17}\)

• Food services and drinking places reported a 18.8% unemployment rate in August – more than double the nation’s aggregate unemployment rate of 8.5%.\(^{18}\)

• An estimated 1 in 3 American restaurants will close by year end without Congressional support. An estimated 8,000 restaurants have already shuttered so far this year.\(^{19}\)

CONGRESS CAN SAVE 16 MILLION JOBS NATIONWIDE AND GENERATE UP TO $271 BILLION IN TWO YEARS BY PASSING THE RESTAURANTS ACT.\(^{20}\)

• Independent restaurants and bars directly employ 11 million workers nationwide. Additionally, 5 million more work in the industry’s vast supply chains and rely on eating and drinking places to sustain their livelihoods.\(^{21}\) Without direct aid, all of these jobs are in danger of vanishing permanently.

• Restaurants have become tourist destinations domestically and internationally. One study found that 72% of all travelers choose their destination based on food and drink offering.\(^{22}\) Tourists also spend money on travel, housing, and retail.

• The loss of economic activity due to culinary travelers is estimated to be up to $141 billion.\(^{23}\)

• Restaurants are hubs of minority employment and advancement. Sixty percent of all chefs nationwide are minorities. Minorities also make up 53% of bussers, runners, baristas, prep-cooks, dishwashers and kitchen porters. Restaurants also employ more minority employee-managers than any other industry.\(^{24}\)

• Over half of all restaurant workers are women, and restaurants employ over one million single mothers.\(^{25}\)

• Restaurants generate middle class jobs at a rate three times faster than the economy.\(^{26}\)

\(^{15}\) Bureau of Labor Statistics.
\(^{16}\) Independent Restaurants Are a Nexus of Small Businesses in the United States and Drive Billions of Dollars of Economic Activity That Is at Risk of Being Lost Due to the COVID-19 Pandemic, 1.
\(^{17}\) Small Business Administration PPP Report; US Commerce Report Q2.
\(^{19}\) One – Third of US Restaurants Face Permanent Closure This Year.
\(^{20}\) Independent Restaurants Are a Nexus of Small Businesses in the United States and Drive Billions of Dollars of Economic Activity That Is at Risk of Being Lost Due to the COVID-19 Pandemic.
\(^{21}\) Ibid. 1, 2.
\(^{22}\) Ibid, 43.
\(^{23}\) Ibid, 45.
\(^{24}\) Ibid, 9.
\(^{25}\) Ibid, 8.
\(^{26}\) Middle-class jobs are growing rapidly in restaurants, National Restaurant Association