CALIFORNIA’S $97 BILLION RESTAURANT ECONOMY IS AT RISK

Over 75% of California’s 76,201 eating and drinking locations are in danger of closing permanently without The RESTAURANTS Act

THE RESTAURANTS ACT WOULD GENERATE $24 BILLION ECONOMIC BENEFIT FOR CALIFORNIA

- Food services account for 8.3% of all employment in California, and 12% of California’s sales tax revenue in 2017.
- Food services projected to contribute 202,200 new Californian jobs from 2019 to 2027.
- THE RESTAURANTS Act would galvanize California’s tourism industry, encouraging travelers to eat in California’s establishments and spend money on lodging, other tourist attractions, and retail, generating $13.5 billion, the most profound impact in the country.
- THE RESTAURANTS Act would provide $2.4 billion in benefits to countless other bakers, fishermen, butchers, and, of course, California’s 55,350 small farms.

WITHOUT HELP FOR INDEPENDENT RESTAURANTS, CALIFORNIA’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 2,055,300 CALIFORNIAN JOBS

- Since the beginning of March, the leisure and hospitality industry has accounted for 38% of all jobs lost in California.
- Keeping many of California’s 2,055,300 leisure and hospitality workers employed would save California $4.3 billion in unemployment benefits and insurance taxes.

---

1 California 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; California 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. This number represents the total benefits generated by the RESTAURANTS ACT for the state of California. It excludes dollars attributed to Federal benefit.
5 California Long-Term Occupational Projections.
6 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 57.
7 Ibid, page 22.
8 Ibid, page 2.
11 Ibid, page 22.
13 California Economy at a Glance.
14 Ibid.
15 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 57.
• 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.  

• 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. 

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.  

• 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%.  

• 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.  

CONGRESS CAN SAVE 16 MILLION JOBS NATIONWIDE AND GENERATE UP TO $271 BILLION IN TWO YEARS BY PASSING THE RESTAURANTS ACT.  

• 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. 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. 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.  

• 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.  

• Over half of all restaurant workers are women, and restaurants employ over one million single mothers.  

• Restaurants generate middle class jobs at a rate three times faster than the economy.  

---

17 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.
20 One – Third of US Restaurants Face Permanent Closure This Year.
21 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.
22 Ibid, 1, 2.
23 Ibid, 43.
24 Ibid, 45.
26 Ibid, 8.
27 Middle-class jobs are growing rapidly in restaurants, National Restaurant Association.