MINNESOTA'S $10.7 BILLION RESTAURANT ECONOMY IS AT RISK

Over 75% of Minnesota’s 10,681 eating and drinking locations are in danger of closing permanently without The RESTAURANTS Act

THE RESTAURANTS ACT WOULD GENERATE $3.5 BILLION ECONOMIC BENEFIT FOR MINNESOTA

- Food services account for 6.9% of all employment in Minnesota.
- Food services projected to contribute 11,678 new Minnesotan jobs from 2016 to 2026.
- The RESTAURANTS Act would galvanize Minnesota’s tourism industry, encouraging travelers to eat in Minnesota’s establishments and spend money on lodging, other tourist attractions, and retail, generating $1.4 billion.
- The RESTAURANTS Act would provide $267 million in benefits to countless other bakers, fishermen, butchers, and, of course, Minnesota’s 53,500 small farms.

WITHOUT HELP FOR INDEPENDENT RESTAURANTS, MINNESOTA’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 280,400 MINNESOTAN JOBS

- Since the beginning of March, the leisure and hospitality industry has accounted for 37% of all jobs lost in Minnesota.
- Keeping many of Minnesota’s 280,400 leisure and hospitality workers employed would save Minnesota $473 million in unemployment benefits and insurance taxes.

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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; Minnesota 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, 57. This number represents the total benefits generated by the RESTAURANTS ACT for the state of Minnesota. It excludes dollars attributed to Federal benefit.
5 Minnesota Job Outlook to 2026.
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, 57.
7 Ibid, page 57 and 11.
8 Ibid, page 2.
11 Ibid, page 22.
13 Ibid.
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, 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.\textsuperscript{16}

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.\textsuperscript{17}

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.\textsuperscript{16}
- 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%.\textsuperscript{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.\textsuperscript{19}

CONGRESS CAN SAVE 16 MILLION JOBS NATIONWIDE AND GENERATE UP TO $271 BILLION IN TWO YEARS BY PASSING THE RESTAURANTS ACT.\textsuperscript{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.\textsuperscript{22} 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.\textsuperscript{23} 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.\textsuperscript{24}
- 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.\textsuperscript{25}
- Over half of all restaurant workers are women, and restaurants employ over one million single mothers.\textsuperscript{26}
- Restaurants generate middle class jobs at a rate three times faster than the economy.\textsuperscript{27}

\textsuperscript{16} Bureau of Labor Statistics.
\textsuperscript{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.
\textsuperscript{18} Small Business Administration PPP Report; US Commerce Report Q2.
\textsuperscript{20} One – Third of US Restaurants Face Permanent Closure This Year.
\textsuperscript{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.
\textsuperscript{22} Ibid, 1, 2.
\textsuperscript{23} Ibid, 43.
\textsuperscript{24} Ibid, 45.
\textsuperscript{25} Ibid, 9.
\textsuperscript{26} Ibid, 8.
\textsuperscript{27} Middle-class jobs are growing rapidly in restaurants, National Restaurant Association.