NORTH DAKOTA’S $1.4 BILLION RESTAURANT ECONOMY IS AT RISK

Over 75% of North Dakota’s 1,878 eating and drinking locations are in danger of closing permanently without The RESTAURANTS Act

THE RESTAURANTS ACT WOULD GENERATE $346 MILLION ECONOMIC BENEFIT FOR NORTH DAKOTA

- Restaurants and drinking places account for 6.7% of all employment in North Dakota. Sales attributed to food and accommodation services represent over 8.5% of North Dakota’s taxable sales, the fourth largest contributor in the state.

- Accommodation and food services projected to contribute 5,664 new North Dakotan jobs from 2016 to 2026.

- The RESTAURANTS Act would galvanize North Dakota’s tourism industry, encouraging travelers to eat in North Dakota’s establishments and spend money on lodging, other tourist attractions, and retail, generating $193 million.

WITHOUT HELP FOR INDEPENDENT RESTAURANTS, NORTH DAKOTA’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 41,100 NORTH DAKOTAN JOBS

- Since the beginning of March, the leisure and hospitality industry has accounted for 19% of all jobs lost in North Dakota.

- Keeping many of North Dakota’s 41,100 leisure and hospitality workers employed would save North Dakota $62 million in unemployment benefits and insurance taxes.

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1 North Dakota Restaurant Industry at a Glance.
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; North Dakota Restaurant Industry at a Glance.
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 North Dakota. It excludes dollars attributed to Federal benefit.
6 Industry Projections (Long-term) for Multiple Occupations in North Dakota in 2016-2026.
7 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.
8 Ibid, page 2.
11 Ibid, page 22.
13 North Dakota 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, 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.\(^{16}\)

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.\(^{17}\)

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.\(^{18}\)
- 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\%.\(^ {19}\)
- 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.\(^{20}\)

CONGRESS CAN SAVE 16 MILLION JOBS NATIONWIDE AND GENERATE UP TO $271 BILLION IN TWO YEARS BY PASSING THE RESTAURANTS ACT\(^ {21}\)

- 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.\(^{22}\) 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.\(^{23}\) 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.\(^ {24}\)
- 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.\(^ {25}\)
- Over half of all restaurant workers are women, and restaurants employ over one million single mothers.\(^ {26}\)
- Restaurants generate middle class jobs at a rate three times faster than the economy.\(^ {27}\)

\(^{16}\) Bureau of Labor Statistics.
\(^{17}\) 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.
\(^{25}\) Ibid, 9.
\(^{26}\) Ibid, 8.
\(^{27}\) Middle-class jobs are growing rapidly in restaurants, National Restaurant Association.