NEW YORK’S $51.6 BILLION RESTAURANT ECONOMY IS AT RISK

Over 75% of New York’s 50,153 eating and drinking locations are in danger of closing permanently without The RESTAURANTS Act

THE RESTAURANTS ACT WOULD GENERATE $12.5 BILLION ECONOMIC BENEFIT FOR NEW YORK

- Restaurants and drinking places account for 7.2% of all employment in New York and roughly 5% of the state’s tax revenue in 2018.

- Restaurants generate a large portion of New York’s revenue. Restaurants and drinking places contributed 22.9% of the state’s sales tax revenue in 2018.

- The RESTAURANTS Act would galvanize New York’s tourism industry, encouraging travelers to eat in New York’s establishments and spend money on lodging, other tourist attractions, and retail, generating $7.1 billion, the 3rd largest increase in the nation.

- The RESTAURANTS Act would provide $1.2 billion in benefits to countless other bakers, fishermen, butchers, and, of course, New York’s 29,800 small farms.

WITHOUT HELP FOR INDEPENDENT RESTAURANTS, NEW YORK’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 967,400 NEW YORKER JOBS

- Since the beginning of March, the leisure and hospitality industry has accounted for 32% of all jobs lost in New York.
• Keeping many of New York’s 967,400 leisure and hospitality workers employed would save New York $2.2 billion in unemployment benefits and insurance taxes.¹⁶

• 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.¹⁷

• 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.¹⁸

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.¹⁹

• 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%.²⁰

• 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.²¹

CONGRESS CAN SAVE 16 MILLION JOBS NATIONWIDE AND GENERATE UP TO $271 BILLION IN TWO YEARS BY PASSING THE RESTAURANTS ACT²²

• 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.²³ 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.²⁴ 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.²⁵

• 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.²⁶

• Over half of all restaurant workers are women, and restaurants employ over one million single mothers.²⁷

• Restaurants generate middle class jobs at a rate three times faster than the economy.²⁸

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¹⁶ 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.
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 Ibid.
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.