

RESTAURANT REVITALIZATION FUND (RRF) MYTHS VS FACTS

MYTH: THE RRF PROVIDES \$10 MILLION GRANTS TO RESTAURANTS

Fact: The program provided a grant for lost revenue during the beginning of the pandemic up to \$5M for a single location and up to \$10 million if an applicant operated more than one location or business. 94.8% of RRF grants awarded were under \$1M. 0.16% of grants awarded were over \$5M The average grant size was \$283,000

MYTH: THE RRF CONTRIBUTED TO INFLATION.

Fact: RRF grants allowed restaurants to pay better wages, provide benefits, and keep costs down for their customers.

MYTH: RRF FLOWED ONLY TO BLUE STATES OR STATES WITH INCREASED COVID RESTRICTIONS.

Fact: The RRF went to 107,000 restaurants in all 50 states, DC, and the territories. Applications were based on need and were spread across the country in proportion to population and number of small restaurants. In addition, the program had a set aside for businesses with less than \$500,000 in revenue and this truly went to the smallest businesses.

MYTH: RESTAURANTS ARE RECOVERING MORE QUICKLY THAN ANY INDUSTRY.

Fact: Employment in restaurants lags behind most other industries. More than 100,000 restaurants have closed during the pandemic. Nearly every independent restaurant that has survived the pandemic has crushing debt.

MYTH: FUNDING RESTAURANT APPLICATIONS IN THE PORTAL IS UNFAIR, UNJUST, OR DOES NOT REPRESENT DEMAND.

Fact: Restaurants had 21 days to apply and nearly 300,000 restaurants did. The applications in the portal, for restaurants that are still open businesses, represent the best approximation of need and would be the fairest way to provide additional funds.

MYTH: RESTAURANTS ARE GROWING AT 40% PER QUARTER AND SHOULD BE JUST FINE.

Fact: Restaurants were closed or operating at limited seating for three quarters of 2020 and all of 2021 due to COVID. Any growth is making up for unprecedented losses in the industry and has not overcome the debts incurred to keep operating.

MYTH: THE RRF SKEWED TO FINANCIAL HOLDING GROUPS, LARGER ESTABLISHMENTS, AND INELIGIBLE ENTITIES

Fact: Independent restaurants lack the economies of scale of chain enterprises. Combining their operations provides purchasing power as well as the ability to share infrastructure costs. For instance, a small business owner who owns 3 coffee shops might hire a director of operations to oversee all three. Without a holding or management company serving as an umbrella that single person would be receiving three paychecks, one from each entity. Combining operations in this way also creates the opportunity for a restaurant to provide better benefits to employees as small operations are challenged to find things like healthcare.

RESTAURANT REVITALIZATION FUND (RRF) FACTS

PROGRAM STATUS AS OF JUNE 2021

- Restaurants have submitted 278,304 RRF grant applications totaling \$72,233,280,031
- 101,004 RRF grants have been awarded totaling \$28,574,979,472
- The average grant size is \$283,000

DISTRIBUTION BY GRANT SIZE

Grant Size	Count	Dollars	% of Count	% of Dollars
\$50K and Under	24,341	\$625,364,660	24.1%	2.2%
>\$50K - \$100K	18,912	\$1,388,851,149	18.7%	4.9%
>\$100K - \$150K	12,884	\$1,589,226,004	12.8%	5.6%
>\$150K - \$350K	25,954	\$6,064,688,400	25.7%	21.2%
>\$350K - \$1M	13,673	\$7,767,227,918	13.5%	27.2%
>1M - \$2M	3,421	\$4,675,678,780	3.4%	16.4%
>2M - \$5M	1,656	\$5,136,362,779	1.6%	18.0%
>5M - \$10M	163	\$1,327,579,782	0.2%	4.6%

DISTRIBUTION BY BUSINESS TYPE

- 64.1% restaurants
- 5.6% caterers
- 4.2% bars
- 21.9% to entities that identify as a combination of eligible entities for instance a brewery that also serves as a pub, a restaurant that also has a food truck

RESTAURANTS ARE AT RISK WITHOUT THE RRF

- 80% of businesses that did not receive RRF reported they are in danger of permanent closure
- 42% of businesses that did not receive RRF grants are in danger of filing for or have filed for bankruptcy
- 28% of businesses that did not receive RRF grants have received or are anticipating receiving an eviction notice.
- 41% of restaurant and bar owners that did not receive RRF reported taking out new personal loans to support their businesses since February of 2020.

THE PANDEMIC HAS IMPACTED BASIC FUNCTIONS OF RUNNING A RESTAURANT

- 91% of businesses report difficulty hiring during 2021
- 89% of businesses report raising their menu prices.
- 42% of businesses report ceasing seating guests indoors and outdoor dining and pivoting to a different business model during the pandemic.

COSTS NECESSARY FOR RUNNING A RESTAURANT ARE RISING

Over the past year, the prices of beef and veal (28.9%), grains (43.6%), shortening and cooking oil (34.4%), and fish and shellfish (30%) have surged.

RESTAURANTS AROUND THE COUNTRY PROVIDED BETTER BENEFITS FOR THEIR EMPLOYEES IN 2021

- 84% of all restaurants reported raising wages.
- 37% of all businesses reported adding paid sick leave benefits for employees.
- 21% of all employers reported starting to add paid vacation for employees.

RESTAURANT AND BAR EMPLOYMENT IS DOWN OVER 653,000 FROM ITS PRE-PANDEMIC LEVELS, STOPPING A DECADE OF RAPID JOB GROWTH.

Employment for restaurants and bars increased over 33% in the last decade: the third fastest growth of any industry. Restaurants and bars account for one in five jobs lost during the pandemic.