SOUTH DAKOTA’S $1.5 BILLION RESTAURANT ECONOMY IS AT RISK

Over 75% of South 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 SOUTH DAKOTA

- Restaurants and drinking places account for 7.5% of all employment in South Dakota.
- Accommodation and food services projected to contributed 3,592 new South Dakotan jobs from 2016 to 2026.
- The RESTAURANTS Act would galvanize South Dakota’s tourism industry, encouraging travelers to eat in South Dakota’s establishments and spend money on lodging, other tourist attractions, and retail, generating $200 million.

WITHOUT HELP FOR INDEPENDENT RESTAURANTS, SOUTH 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 48,500 SOUTH DAKOTAN JOBS

- Since the beginning of March, the leisure and hospitality industry has accounted for 33% of all jobs lost in South Dakota.
- Keeping many of South Dakota’s 48,500 leisure and hospitality workers employed would save South Dakota $63 million in unemployment benefits and insurance taxes.

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1 South 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; South 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 South Dakota. It excludes dollars attributed to Federal benefit.
5 Ibid, page 3.
7 Ibid, page 22.
10 Ibid; South Dakota Economy at a Glance.
11 Ibid.
12 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{15}

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{16}

**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{17}
- 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{21} 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{22} 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{23}
- 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{24}
- Over half of all restaurant workers are women, and restaurants employ over one million single mothers.\textsuperscript{25}
- Restaurants generate middle class jobs at a rate three times faster than the economy.\textsuperscript{26}

\textsuperscript{15} Bureau of Labor Statistics.
\textsuperscript{16} 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{17} Small Business Administration PPP Report; US Commerce Report Q2.
\textsuperscript{19} One – Third of US Restaurants Face Permanent Closure This Year.
\textsuperscript{20} 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{21} Ibid, 1, 2.
\textsuperscript{22} Ibid, 43.
\textsuperscript{23} Ibid, 45.
\textsuperscript{24} Ibid, 9.
\textsuperscript{25} Ibid, 8.
\textsuperscript{26} Middle-class jobs are growing rapidly in restaurants, National Restaurant Association.