NORTH CAROLINA’S $21.4 BILLION RESTAURANT ECONOMY IS AT RISK

Over 75% of North Carolina’s 19,504 eating and drinking locations are in danger of closing permanently without The RESTAURANTS ACT

THE RESTAURANTS ACT WOULD GENERATE $4.7 BILLION ECONOMIC BENEFIT FOR NORTH CAROLINA

- Food services account for 8.7% of all employment in North Carolina and 6% of the state’s tax revenue in 2019.
- Accommodation and food services projected to contribute 45,115 new North Carolinian jobs from 2017 to 2026.
- Restaurants generate a large portion of North Carolina’s revenue. Food services contributed 16% of the state’s sales tax revenue in 2019.
- THE RESTAURANTS ACT would galvanize North Carolina’s tourism industry, encouraging travelers to eat in North Carolina’s establishments and spend money on lodging, other tourist attractions, and retail, generating $2.6 billion, the 8th largest increase in the nation.
- THE RESTAURANTS ACT would provide $481 million in benefits to countless other bakers, fishermen, butchers, and, of course, North Carolina’s 40,450 small farms.

WITHOUT HELP FOR INDEPENDENT RESTAURANTS, NORTH CAROLINA’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 535,800 NORTH CAROLINIAN JOBS

- Since the beginning of March, the leisure and hospitality industry has accounted for 43% of all jobs lost in North Carolina.

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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 Carolina. It excludes dollars attributed to Federal benefit.
6 North Carolina Employment Projections to 2026, page 3.
7 Ibid, page 25.
8 Ibid, page 2.
10 Ibid, page 22.
12 North Carolina Economy at a Glance.
13 Ibid.
• Keeping many of North Carolina’s 535,800 leisure and hospitality workers employed would save North Carolina $845 million in unemployment benefits and insurance taxes.\(^{17}\)

• 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.\(^{18}\)

• 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.\(^{19}\)

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.\(^{20}\)

• 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%.\(^{21}\)

• 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.\(^{22}\)

CONGRESS CAN SAVE 16 MILLION JOBS NATIONWIDE AND GENERATE UP TO $271 BILLION IN TWO YEARS BY PASSING THE RESTAURANTS ACT.\(^{23}\)

• 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.\(^{24}\) 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.\(^{25}\) 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.\(^{26}\)

• 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.\(^{27}\)

• Over half of all restaurant workers are women, and restaurants employ over one million single mothers.\(^{28}\).

• Restaurants generate middle class jobs at a rate three times faster than the economy.\(^{29}\)

\(^{17}\) 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.

\(^{18}\) Bureau of Labor Statistics.

\(^{19}\) Ibid.


\(^{22}\) One – Third of US Restaurants Face Permanent Closure This Year.

\(^{23}\) 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.

\(^{24}\) Ibid, 1, 2.

\(^{25}\) Ibid, 43.

\(^{26}\) Ibid, 45.

\(^{27}\) Ibid, 9.

\(^{28}\) Ibid, 8.

\(^{29}\) Middle-class jobs are growing rapidly in restaurants. National Restaurant Association