SOUTH CAROLINA’S $10.7 BILLION RESTAURANT ECONOMY IS AT RISK

Over 75% of South Carolina’s 9,669 eating and drinking locations are in danger of closing permanently without The RESTAURANTS Act

THE RESTAURANTS ACT WOULD GENERATE $2.4 BILLION ECONOMIC BENEFIT FOR SOUTH CAROLINA

- Eating and drinking establishments account for 9.6% of all employment in South Carolina. Accommodation and food services supply 7% of the state’s tax revenue.
- Food and accommodations service projected to contribute 45,296 new South Carolina jobs from 2016 to 2026.
- Restaurants generate a large portion of South Carolina’s revenue. Accommodation and food services contributed 15% of the state’s sales tax in 2019.
- THE RESTAURANTS ACT would galvanize the South Carolina tourism industry, encouraging travelers to eat in South Carolina’s establishments and spend money on lodging, other tourist attractions, and retail, generating $1.3 billion.
- THE RESTAURANTS ACT would provide $255 million in benefits to countless other bakers, fishermen, butchers, and, of course, South Carolina’s 23,030 small farms.

WITHOUT HELP FOR INDEPENDENT RESTAURANTS, SOUTH 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 281,700 SOUTH CAROLINAN JOBS

- Since the beginning of March, the leisure and hospitality industry has accounted for 53% of all jobs lost in South Carolina.

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1 South Carolina Restaurant Industry at a Glance, National Restaurant Association.
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 Carolina Restaurant Industry at a Glance, National Restaurant Association.
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 Carolina. It excludes dollars attributed to Federal benefit.
5 South Carolina 2018-2019 Department of Revenue Annual Report, page 26; St. Louis Federal Reserve Annual Tax Collections South Carolina.
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.
8 Ibid, 57 and 11.
12 Ibid, page 22.
14 Ibid.
15 South Carolina Economy at a Glance.
16 Ibid.
• Keeping many of South Carolina’s 281,700 leisure and hospitality workers employed would save South Carolina $427 million in unemployment benefits and insurance taxes.\(^\text{17}\)

• 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.\(^\text{18}\)

• 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.\(^\text{19}\)

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.\(^\text{20}\)

• 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%.\(^\text{21}\)

• 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.\(^\text{22}\)

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

• 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.\(^\text{24}\) 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.\(^\text{25}\) 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.\(^\text{26}\)

• 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.\(^\text{27}\)

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

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

\(^\text{17}\) 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.


\(^\text{21}\) Ibid, One – Third of US Restaurants Face Permanent Closure This Year.

\(^\text{22}\) 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.

\(^\text{23}\) Ibid, 1, 2.

\(^\text{24}\) Ibid, 43.

\(^\text{25}\) Ibid, 45.

\(^\text{26}\) Ibid, 9.

\(^\text{27}\) Ibid, 8.

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

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