

Restaurant Industry Blueprint for Recovery

Action Plan

Based on devastating revenue losses related to government-ordered closures, economic realities, and projections, the restaurant industry's survival is dependent on a targeted federal government response. An unprecedented crisis of this scale requires a targeted relief plan for the nation's second largest private sector employer.

- Enact the Restaurant and Foodservice Industry Recovery Fund (RFIRF): The \$240 billion RFIRF compensates restaurants for 1) government-ordered closures, 2) reopening "start-up" capital to meet massive challenges of reorienting the restaurant space, restocking inventory, and supplying the workplace with new safety equipment, and 3) rehiring and retraining the workforce. Any restaurant entity that has experienced a reduction in sales revenue of 25% or more due coronavirus can apply to the account, which would be administered by the U.S. Department of the Treasury.
- Replenish funding and fix the structural issues of the Paycheck Protection Program (PPP): Ensure restaurants can select their loan period after government restrictions end, revise loan forgiveness requirements, and restore the 10-year loan term written in the CARES Act.
- A "Healthy Restaurants" Tax Credit or Grant Program: Federal support to help restaurants modify physical facilities to accommodate continued social distancing, enhance sanitization and employee education, and expand use of personal protection equipment and disposable products when employees interact with both customers and each other.
- Provide federal relief for employer's share of unemployment insurance: Temporary tax forbearance for employers should be considered from the Federal Unemployment Tax Act (FUTA).
- Enact legislation to expand the Restaurant Meals Program to serve all SNAP participants during emergency situations and give the U.S. Department of Agriculture ability to temporarily waive requirements for states and restaurants to quickly participate.
- Increase funding for Economic Injury Disaster Loans (EIDLs): Restore \$50 billion in needed appropriations for organizations in economic distress, including those that need to access a second EIDL.

Urgency:

An estimated eight million restaurant employees have been laid off or furloughed since the beginning of the coronavirus-related closures, representing two-thirds of our workforce – without immediate action, these losses may be permanent.

The Association estimates that restaurants will lose more than \$50 billion in sales in April alone, if the existing closures remain in place through the end of the month. This loss is on top of more than \$30 billion in estimated revenue lost in March.

Based on our operator survey, many restaurants have already closed their doors, with no plans to reopen. Looking ahead over the next 30 days, an additional 5% of operators anticipate having to close their restaurant permanently.