



January 2022 Restaurant Survey: Closures and Financial Ruin Imminent for Independent Restaurants Nationwide Without Restaurant Revitalization Fund Replenishment

The Independent Restaurant Coalition (IRC) collected data from nearly 1,200 members of the independent restaurant and bar community in all 50 states demonstrating the dire situation the pandemic has created for businesses, including those that did not receive Restaurant Revitalization Fund (RRF) grants. Collected in January of 2022, the responses show the precarious situation facing local restaurants and bars as well as the impact of the Omicron variant in recent weeks, historically one of the most robust and profitable times for restaurants. It also demonstrates the role the RRF played in helping businesses withstand lost sales due to the Omicron surge and keep their doors open.

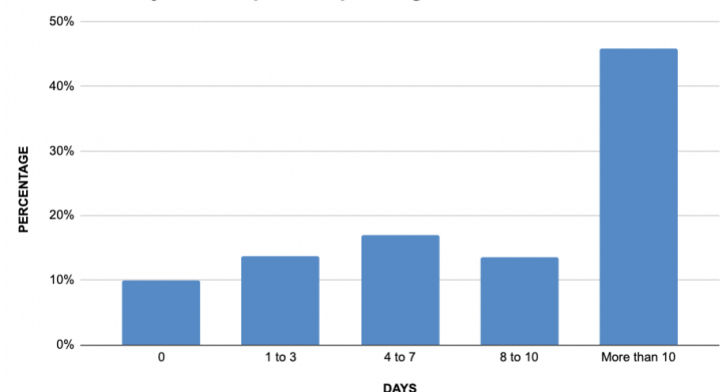
80% of businesses that did not receive RRF reported they are in danger of permanent closure if Congress does not provide them with the relief they need.

Restaurants reported they...	DID NOT RECEIVE RRF (%)	RECEIVED RRF (%)
Are in danger of filing for or filed for bankruptcy.	42	20
Received an eviction notice or anticipating receiving one.	28	10
Were forced to lay off staff because of the Omicron surge	49	33
Have taken on personal loans to support their business since February 2020,	41	19
Sold a personal asset to support their business during the pandemic	26	10
Took on new investors to help support their restaurant during the pandemic	11	5
Decreased their staff by the following amount on average during the pandemic	30	21

THE OMICRON VARIANT DECIMATED RESTAURANTS AROUND THE COUNTRY

- 46% of businesses reported that their operating hours were impacted for more than 10 days in December 2021.

Number of days with impacted operating hours in December 2021

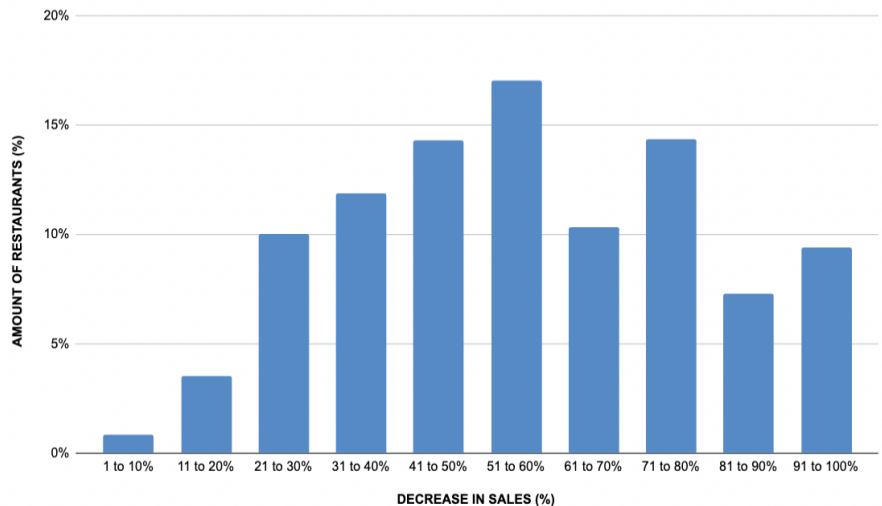


- 58% of businesses reported that their sales decreased by more than half in December 2021.

- The Omicron variant forced businesses around the country to change their hours of operation in December. 80% of businesses reported altering their operating hours of operation during the recent surge.

- Nearly two-thirds of restaurants report needing to purchase COVID tests, and nearly 65% report trouble finding COVID tests, 38% report pricing of COVID tests increasing during December 2021.

Percentage Restaurants' Sales Decreased in December 2021



- 49% report that the cost and availability of COVID tests have impacted their ability to do business.

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.
- 6% of businesses report only offering outdoor dining.

IN SPITE OF THESE DIFFICULTIES, RESTAURANTS AROUND THE COUNTRY PROVIDED BETTER BENEFITS FOR THEIR EMPLOYEES DURING THE PANDEMIC

- 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.

METHODOLOGY

Members of the IRC community circulated a survey to nearly 1,200 businesses from all 50 states. Approximately 22% of respondents came from the Northeast, 18% from the Midwest, 27% from the South, and 33% from the West. Businesses from California, New York, Illinois, Massachusetts, and Texas contributed the largest share of responses, respectively.