

JamesBeard Foundation

TO: Interested Parties
FR: James Beard Foundation
DT: April 21, 2020
RE: America's Restaurant Industry & PPP

Since the start of the COVID-19 pandemic, the James Beard Foundation has been polling chefs and restaurant owners about the impacts on the food and beverage industry. Our most recent snap survey ran from April 17-April 21, 2020 and focused on owner-operators and the Paycheck Protection Program.

Just over 1,800 owners, from predominantly small and independent restaurants, responded to the survey on Survey Monkey.

PPP Falls Short in Helping Independent Restaurants

Funds for the \$349 billion Paycheck Protection Program (PPP), to keep workers on payrolls have been exhausted, as of April 16, 2020. And money also has lapsed for the Economic Injury Disaster Loan program (EIDL) offering government loans and emergency grants of as much as \$10,000.

As Congress debates the next round of stimulus, with final votes expected by Thursday, it is clear that the PPP and related programs aren't doing enough to help small businesses, in particular independent restaurants, through the COVID-19 crisis.

- **While 88% of respondents applied for loans through the PPP only 41% were approved in the first round** and 18% still haven't heard back about their application.
- Of those that were approved, 45% have not yet received funding from their financial institution.
- **The majority of loan and grant requests were for \$50,000 or less (44%) with 25% applying for between \$150,000 to \$1 million. 95% of JBF survey respondents have fewer than 200 employees.**

Relatively Small Sums Needed to Help America's Restaurants

- The majority of respondents had applied to one or more loan programs, including small business loans through the Paycheck Protection Program.
 - 80% applied for a new SBA loan
 - 58% applied for an EIDL loan or grant

- 34% applied for a community-based loan or grant programs in their city or state

Community-based small businesses

- About 76% of restaurants surveyed have been in business for an average of 10 years.
- Nearly 60% of restaurants surveyed made \$1.5 million or less in revenue in the last fiscal year– about a quarter had \$500,000 or less in revenue.
 - 65% of women owners operated a business with a revenue of \$1.5 million or less.
 - 67% of owners of color operated a business with a revenue of \$1.5 million or less.
- Over 71% of restaurants had a profit margin of under 10% in the last year.
- About 76% of restaurants normally employ 50 employees or fewer and about 83% of respondents had no more than two units in their operations.