



Ensure 2nd Round of
**PPP LOANS ARE
 AVAILABLE TO
 MORE THAN
 JUST 45%
 OF RESTAURANTS**



**CRITICAL
 CHANGE
 NEEDED**
 to PPP
 Eligibility
 Rules



Republicans and Democrats are calling for a 2nd round of PPP to offer continued support. While this solution falls short of the unique needs our industry faces, **WE URGE CONGRESS TO SECURE BIPARTISAN SUPPORT AND IMPLEMENT THIS 2ND ROUND.**

The current proposal would require a business to demonstrate a 50% reduction in quarterly gross receipts compared to the previous year. **55% OF RESTAURANTS WOULD NOT BE ELIGIBLE** to participate, despite the fact that restaurants have lost more jobs and revenue than any other industry.

Congress should **LOWER THE ELIGIBILITY THRESHOLD FOR PPP FUNDING TO A 20% REDUCTION IN QUARTERLY GROSS RECEIPTS,** allowing restaurants to keep their doors open and business alive.

Based on overall restaurant year-on-year gross receipts comparing Q2 2020 with Q2 2019, **at a 20% eligibility threshold, 430,000 restaurants would qualify for a 2nd draw PPP loan.**

Data Source: Black Box Intelligence

The restaurant industry operates on **razor thin pre-tax profit margins of 4%-6%**, meaning **EVEN A SMALL DROP IN REVENUE SIGNIFICANTLY HURTS THE BOTTOM LINE – UNLIKE OTHER SECTORS.** Magnified by the impacts of the COVID-19 crisis, restaurant sales and employment have been shattered.

The industry is **on track to lose an estimated \$240 billion in sales and 8+ million employees by year-end.** According to the National Restaurant Association's July operator tracking survey, **THE MAJORITY OF FULL-SERVICE RESTAURANT OPERATORS DO NOT EXPECT SALES TO RETURN TO PRE-CORONAVIRUS LEVELS before the end of 2020.**

**WHY
 Now?**



If the industry is unable to access the lifeline provided by a 2nd round, it will **LOSE MORE JOBS, CLOSE MORE RESTAURANTS & FAIL TO SUPPORT COMMUNITIES.**

The restaurant & foodservice industry – the nation's 2nd largest private-sector employer – is navigating a difficult path to economic recovery.

Until a restaurant recovery plan is implemented, CONGRESS MUST ENSURE THAT PROGRAMS LIKE PPP CAN BENEFIT ALL RESTAURANTS.

For more information, visit www.RestaurantsAct.com