

Key Findings

To assess the ongoing economic impact of the coronavirus pandemic, the National Restaurant Association Research Group conducted a survey of 4,200 restaurant operators January 6-18, 2022. This report contains the key findings of the survey.

Omicron variant negatively impacted business conditions

- The omicron variant led to a rapid deterioration in business conditions for restaurants. 88% of restaurants experienced a decline in customer demand for indoor on-premises dining in recent weeks, as a result of the increase in coronavirus cases across the U.S. due to the omicron variant.
- Restaurants took a number of actions in recent weeks, as a result of the increase in coronavirus cases across the U.S. due to the omicron variant:
 - 51% reduced hours of operation on days that it is open
 - 34% closed on days that it would normally be open
 - 26% reduced seating capacity
 - 10% changed to only offering off-premises for a period of time

Actions taken by restaurants in recent weeks, as a result of the increase in coronavirus cases across the U.S. due to the omicron variant

Restaurant segment	Reduce hours of operation on days that it is open	Close on days that it would normally be open	Reduce seating capacity	Change to only offering off-premises for a period of time
All Restaurants	51%	34%	26%	10%
Fullservice segment	49%	38%	30%	7%
Limited-service segment	53%	30%	23%	14%

Notes: Limited-service includes quickservice, fast casual and coffee/snack concepts. Multiple responses were allowed.

- As a result, 76% of operators say business conditions for their restaurant are worse now than they were 3 months ago. Only 3% say business conditions improved during the last 3 months.
- This was on top of the cumulative effects of nearly 2 years of pandemic-induced challenges:
 - 62% of operators say their restaurant accumulated additional debt since the beginning of the COVID-19 outbreak in March 2020.
 - 57% of operators say their restaurant fell behind on expenses since the beginning of the COVID-19 outbreak in March 2020.
 - 74% of operators say their restaurant is less profitable now than it was before the beginning of the COVID-19 outbreak in March 2020.

The restaurant industry's recovery is incomplete

- A majority of restaurants have not experienced a complete sales recovery to pre-pandemic levels. 63% of operators say their sales volume in 2021 was lower than it was in 2019. Only 25% of operators reported a same-store sales increase between 2019 and 2021.
 - Much of the sales growth in 2021 was driven by higher menu prices, as restaurant operators were forced to offset sharply rising costs throughout their restaurant. 83% of operators say their restaurant's total costs (as a percent of sales) were higher in December 2021 than they were in December 2020. Only 9% of operators reported lower costs.
- Customer traffic levels also remained below 2019 levels for most restaurants. 73% of operators say their customer traffic in 2021 was lower than it was in 2019. Only 18% of operators reported an increase in customer traffic between 2019 and 2021.

The Restaurant Revitalization Fund saved many businesses and jobs

- 96% of RRF recipients said the grant made it more likely that they would be able to stay in business during the pandemic.
- 85% of RRF recipients said the grant helped them retain or hire back employees that would otherwise have been temporarily or permanently laid off.
 - The National Restaurant Association estimates that over 900,000 restaurant jobs were saved as a result of the initial round of Restaurant Revitalization Fund grants.
- 92% of RRF recipients said the grant helped them pay expenses or debt that had accumulated since the beginning of the COVID-19 outbreak in March 2020.
- 75% of RRF recipients said the grant was not sufficient to cover all of their lost sales since the beginning of the COVID-19 outbreak in March 2020.

A replenished Restaurant Revitalization Fund would save more businesses and jobs

- 46% of restaurant operators that applied for an RRF grant but did not receive funding said it is unlikely that they will be able to stay in business beyond the pandemic, if they do not receive a grant through the Restaurant Revitalization Fund.
- 94% of restaurant operators that applied for an RRF grant but did not receive funding said a future grant would enable them to retain or hire back employees that would otherwise have been temporarily or permanently laid off.
 - The National Restaurant Association estimates that future grants awarded after a full replenishment of the Restaurant Revitalization Fund will potentially save more than 1.6 million restaurant jobs that are currently at risk.