



The American Rescue Plan Act Will Help Restore the Restaurant Industry and Save Jobs

March 11, 2021

Today, President Joseph R. Biden, Jr. signed the American Rescue Plan Act into law creating the \$28.6 billion Restaurant Revitalization Fund (RRF), the most important recovery tool for the industry to date. Final passage of the bill comes almost exactly one year after the first restaurants were ordered to close and the National Restaurant Association [sent a plan to Congress](#) urging the creation of an industry-specific relief program. Since then, foodservice sales have fallen \$255 billion and 110,000 restaurants have closed.

“The creation of the Restaurant Revitalization Fund will be a catalyst to reviving restaurants and saving jobs across the country,” said Tom Bené, President & CEO of the National Restaurant Association. “Our focus from the beginning of this crisis has been on ensuring that our favorite local restaurants could access the assistance they would need to survive. This fund is a win for the smallest and hardest hit restaurants that have sacrificed and innovated to continue to serve their communities.”

The RRF will create a new federal program for restaurant owners with 20 or fewer locations. Operators can apply for tax-free grants of up to \$5 million per location, or up to \$10 million for multi-location operations. The grant amount is determined by subtracting 2020 sales from 2019 revenues.

Funds from the grants can be spent on a wider range of expenses than previous relief programs, including mortgages or rent, utilities, supplies, food and beverage inventory, payroll, and operational expenses. Five billion dollars of the fund will be set aside for restaurants with gross receipts under \$500,000 and, for the first three weeks of the application period, the Small Business Administration

will prioritize awarding grants for women-, veteran-, or socially and economically disadvantaged-owned businesses.

“These grants will inject a much needed stimulus along the supply chain to begin to balance the economic damage done while restaurants have been struggling,” said Bené. “We are still a long way from full recovery and it’s likely more grant money will be needed to get us there, but today the industry has hope for the future.”

The National Restaurant Association has led the industry’s response to the pandemic. Working with Congress and both the Trump and Biden Administrations, the Association has ensured that restaurants would have as many tools and supports as possible to survive. That included securing special treatment in the creation, and subsequent improvements to the Paycheck Protection Program, which has provided more than \$70 billion in support for restaurants to date; the expansion of the Employee Retention Tax Credit; the extension of the Work Opportunity Tax Credit; and inclusion in the Economic Injury Disaster Loans program.

“From the beginning, we knew that the pandemic would be the worst disaster to ever hit to the restaurant industry,” said Sean Kennedy, Executive Vice President of Public Affairs for the National Restaurant Association. “We created a roadmap for Congress and the Administration to tools that already existed but could work better for restaurants, and the plan for creating crucial new support programs like the RRF. These tools created a framework for restaurants of all types and sizes to survive, and now with the RRF in place, they will be the foundation on which we begin to rebuild.”

Get an overview of the Restaurant Revitalization Fund [here](#).



On Monday, March 15, at 12:00 pm CT, we will host a webinar addressing the RRF and next steps. Please join us to learn what type of RRF grants will be available and next steps for interested restaurants.

[Register here](#)