



100,000 Restaurants Closed Six Months into Pandemic

Without government investment, thousands more could close in next six months

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FOR IMMEDIATE RELEASE

Washington, D.C. (Sept. 14, 2020) – Six months following the first shutdown of restaurants for the coronavirus pandemic, the restaurant industry is in limbo. According to a new survey released today by the National Restaurant Association, nearly 1 in 6 restaurants (representing nearly 100,000 restaurants) is closed either permanently or long-term; [nearly 3 million employees](#) are still out of work; and the industry is on track to lose \$240 billion in sales by the end of the year.

The survey, which asked restaurant operators about the six-month impact of the pandemic on their businesses, found that overwhelmingly, most restaurants are still struggling to survive and don't expect their position to improve over the next six months. The findings include:

- Consumer spending in restaurants remained well below normal levels in August. Overall, sales were **down 34%** on average.
- Association analysis shows that the foodservice industry has lost \$165 billion in revenue March–July and is on track to **lose \$240 billion** this year.
- Our research estimates that for 2020, at least **100,000 restaurants will close**, but the initial scope of closures won't be known until government statistics are released in the months ahead.
- **60%** of operators say their restaurant's total operational costs (as a percent of sales) are higher than they were prior to the COVID-19 outbreak.
- On average, restaurant operators say their current **staffing levels are only 71%** of what they would typically be in the absence of COVID-19.
- In a [recent consumer survey](#), **56% of adults** said they are aware of a restaurant in their community that permanently closed during the pandemic.

“For an industry built on service and hospitality, the last six months have challenged the core understanding of our business,” said Tom Bené, President & CEO of the National Restaurant Association. “Our survival for this comes down to the creativity and entrepreneurship of owners, operators, and employees. Across the board, from independent owners to multi-unit franchise operators, restaurants are losing money every month, and they continue to struggle to serve their communities and support their employees.”

The survey also found that 40% of operators think it is unlikely their restaurant will still be in business six months from now if there are no additional relief packages from the federal government. The Association highlighted this for Congress and the Trump Administration in a letter sent today, asking them to use bipartisan support to pass small business programs in stand-alone bills.

“This survey reminds us that independent owners and small franchisees don’t have time on their side,” said Sean Kennedy, executive vice president of Public Affairs for the Association. “The ongoing disruptions and uncertainty make it impossible for these owners to plan for next week, much less next year. Congress is about to leave Washington for the elections – we need them to focus on the short-term, basic solutions that have secured bipartisan support and passed one or both chambers. We urge immediate passage of these while we work with lawmakers on the comprehensive elements of our ‘Blueprint for Restaurant Revival.’

“The foodservice industry was the nation’s second largest private sector employer and pumped more than \$2 trillion into the economy right up until our sudden shutdown,” Kennedy continued. “Making an investment in an industry that consumers love and that powers the economy is a good business and economic move for Congress as they search for the biggest bang for their recovery buck.”

Learn more about the Association’s recovery proposals in the [Blueprint for Restaurant Revival](#).

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About the National Restaurant Association

Founded in 1919, the National Restaurant Association is the leading business association for the restaurant industry, which comprises 1 million restaurant and foodservice outlets and a workforce of 15.6 million employees. We represent the industry in Washington, D.C., and advocate on its behalf. We sponsor the industry's largest trade show ([National Restaurant Association Show](#)); leading food safety training and certification program (ServSafe); unique career-building high school program (the NRAEF's ProStart). For more information, visit [Restaurant.org](#) and find us on Twitter [@WeRRestaurants](#), [Facebook](#) and [YouTube](#).