

COVID-19 Restaurant Impact Survey – December 2020

United States

Restaurant Business Conditions

- Consumer spending in restaurants remained well below normal levels in October. Seventy-nine percent of restaurant operators say their total dollar sales volume in October was lower than it was in October 2019. Overall, sales were down 29% on average.
- Most restaurant operators do not expect business conditions to improve in the coming months. Seventy-five percent of operators expect their sales to decrease from current levels during the next 3 months. Only 6% of operators expect their sales will increase from current levels during the next 3 months.
- Even though sales were significantly lower for most restaurants, it doesn't mean their costs also fell proportionally. Fifty-nine percent of operators say their restaurant's total labor costs (as a percent of sales) are higher than they were prior to the COVID-19 outbreak. Only 21% of operators say their labor costs are lower, as a percent of sales.
- With costs rising and sales falling, the result is added damage to the bottom line. Eighty-six percent of operators say their restaurant's profit margin is lower than it was prior to the COVID-19 outbreak.
- With business conditions deteriorating, more federal government assistance is critical for the survival of many restaurants. Thirty-seven percent of operators say 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.
- Absent additional government assistance, one option is to close the restaurant until business conditions improve. Thirty-six percent of operators say they are considering temporarily closing their restaurant until the COVID-19 pandemic passes.

Restaurant Jobs

- Although many restaurants added back employees after the initial lockdowns, overall staffing levels remain well below normal. Eighty-one percent of operators say their current staffing level is lower than what it would normally be in the absence of COVID-19. Forty-five percent of restaurants are currently more than 20% below normal staffing levels.
- With business conditions deteriorating, many restaurant operators are anticipating additional layoffs in the coming months. Forty-nine percent of operators expect their staffing levels to decline during the next 3 months. Only 5% of operators expect their staffing levels will rise during the next 3 months.

Source: National Restaurant Association, national survey of 6,000 restaurant operators conducted November 17 – 30, 2020