

INDEPENDENT RESTAURANTS ARE A NEXUS OF SMALL BUSINESSES IN THE UNITED STATES AND DRIVE BILLIONS OF DOLLARS OF ECONOMIC ACTIVITY THAT IS AT RISK OF BEING LOST DUE TO THE COVID-19 PANDEMIC

The Restaurant Stabilization Fund Will Yield at Least an Estimated \$183 Billion in Primary Benefits to the U.S. Economy, Plus an Additional Estimated \$65 Billion in Secondary GDP Benefits by Enabling Independent Restaurants to Help the U.S. Economy Rebound, and Will Single-Handedly Reduce the U.S. Unemployment Rate by an Estimated 2.4 Percentage Points

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1. Executive Summary

Independent restaurants are integral to the economic, social, and cultural fabric of local communities.³ These small businesses invigorate streets, help set the rhythm of local life, provide unique venues for social and business interaction, and embrace and share tradition. They help to revitalize neighborhoods, stimulate economic activity in other local businesses, contribute to public programs through generation of large sales taxes, and foster civic pride. Independent restaurants are also a conduit for community members to achieve their American Dream: the restaurant industry is home to many who had their first (and last) job experience in a restaurant, have found opportunity and/or stability in the industry, and have overcome personal or professional barriers to capitalize on dreams of becoming a chef or owning and managing their own restaurants.

Independent restaurants are vital to the U.S. economy. In addition to contributing significantly to the more than \$760 billion in annual sales in the broader restaurant economy, these restaurants directly employ 11 million people across the country. Nearly three million of these jobs were

¹ See last page for author biographies.

² This paper was completed on May 29, 2020 and is based on data available at that time.

³ Independent restaurants—formally defined by the Independent Restaurant Coalition as privately owned restaurants that have fewer than 20 establishments and whose primary source of revenue comes from food and beverage—are a broad cross-section of dining options that include, for example, award-winning fine dining establishments, neighborhood restaurants and other familiar haunts (local bars, cafes and bistros), corner pizza parlors, and mobile food trucks, and collectively offer a spectrum of dining experiences, including but not limited to haute cuisine, comfort food, traditional and ethnic fare, farm-to-table cooking, and trendy or experimental fusion.

created in just the last decade.⁴ They also indirectly support over five million jobs throughout their supply chains, which are largely comprised of various small businesses, such as farms, dairies, fisheries, and vineyards, amongst others. Further, as mainstays of regional, local, and ethnic cuisine, independent restaurants also drive domestic and international travel and tourism to all parts of the country, from big cities (*e.g.*, Miami) to smaller locales (*e.g.*, Portland, Maine). Food culture and food tourism have become engrained in the American economy and underpin the travel, leisure and hospitality sector. Foreign and domestic travelers spend hundreds of billions annually in U.S. restaurants (\$279 billion in 2019).

Independent restaurants are confronting an existential crisis. The novel coronavirus has turned the industry on its head: fear of contagion combined with stay-at-home orders, bans on large gatherings, and pleas by public health officials and State leaders for social distancing shut down independent restaurants' primary form of business (dine-in) within a few short days in March. As a result, independent restaurants' revenues plummeted by over 70% year over year in the last two weeks of March and still remain 60% lower on average than last year's levels, with many remaining closed at a 100% reduction in revenue.⁵ In turn, a staggering 5.9 million restaurant jobs (at least 4.5 million of which are from independent restaurants) have vanished within a matter of weeks—the highest of all industries by far, nearly doubling the figure from the next most affected industry. In fact, job losses in the restaurant industry account for more than a quarter of the increase to the U.S. unemployment figures since February, figures that have not been seen since the Great Depression.

Independent restaurants are struggling to survive the seismic decline in on-premise dining. Because independent restaurants operate with thin profit margins even in the best of times, restaurateurs are simply not in a position to take on additional debt—for example, by participating in the Federal Reserve's Main Street Lending Program. This is especially true now given the uncertainty around when restaurants will be able to operate at full capacity. By the same token, despite the federal

⁴ The 2.7 million in jobs gains from independent restaurants is estimated using the 33.3% growth rate in food services and drinking places employment between February 2010 and February 2020 (from the U.S. BLS CES). As discussed in Section 2.a), independent restaurants account for approximately 76% of total restaurants in the United States.

⁵ See "How COVID-19 is Affecting Restaurants," analyzing Toast Platform data (<https://rallyforrestaurants.com/impact-COVID-19-restaurant-insights.html>), accessed on May 21, 2020. Toast provides technology to help restaurants process payments and handle orders, and largely focuses on independently owned restaurants.

Paycheck Protection Program's (PPP) purpose and intent to temporarily buttress small businesses, fear of contagion coupled with government-mandated capacity restrictions pose significant challenges for restaurateurs to meet the requirements that would convert the loan into a grant. But even if the federal government relaxed those requirements, PPP was designed as immediate and temporary relief for small businesses to bridge approximately two months. Independent restaurants, on the other hand, are in the precarious position of facing longer-term, compulsory capacity limitations in state-led economic re-openings and need bridge assistance through the end of the year. Furthermore, without more support, the patchwork of interim solutions (*e.g.*, pivoting to curbside pick-up and selling take-home "family meals" and groceries) will not enable survival for many restaurants through the end of the year. To illustrate, demand for takeout or delivery is well below typical on-premise demand, and restaurants are often unable to charge the same prices without table service. In fact, consumer spending across *all restaurants* (including fast-food chains, which have fared relatively better throughout the pandemic because they rely far less on dine-in service) has declined by 50% from February to April, whereas grocery store spending, in contrast, has increased by 10%. Simply put, independent restaurants need additional financial assistance to bridge the battle to contain the virus—and they need it now, or ***this country risks permanently losing as many as 85% of independent restaurants by the end of the year.*** With millions of jobs at stake, the collapse of independent restaurants would ignite a downward economic spiral with ripple effects in other already hard-hit industries in the travel, hospitality and leisure sector that would be felt for years. Mass failure may also destabilize the commercial real estate market if these restaurants cannot pay rent, which could also incite a spillover effect in the larger economy.

In order to ensure viability through the end of 2020, independent restaurants need financial assistance from the federal government in the form of grants. Swift intervention with an infusion of \$120 billion through the Restaurant Stabilization Fund (the "Stabilization Fund" or the "Fund") would give independent restaurants the ability, confidence, and incentive to re-hire employees and stay open (or re-open)—*even at reduced capacity, when they would otherwise find it to be in their best interest to remain closed or only offer takeout.* Independent restaurants would use the money to pay employees, cover ongoing shortfalls during phased re-openings while demand remains below operating costs (*e.g.*, rent and utilities), and purchase and install protective measures (*e.g.*, improved ventilation systems). In return, use of the Stabilization Fund would not only help reduce unemployment, but would also jumpstart the economy by instilling confidence in consumers to re-

engage in other economic activity after they resume eating at restaurants. Importantly, as detailed in Section 4 of this white paper, the Stabilization Fund’s primary quantifiable economic benefits include:⁶ (i) decreased unemployment insurance payments; (ii) increased federal payroll tax receipts; (iii) increased sales taxes; (iv) additional supply chain benefits; (v) additional spending flowing from the additional wages paid to restaurant and supplier employees; and (vi) additional tourism. In addition to these primary impacts, the Stabilization Fund will generate significant secondary (or “spillover”) benefits by helping the economy rebound. ***In whole, the Stabilization Fund will generate at least \$183 billion in primary benefits and \$65 billion in secondary benefits—more than double the amount of the proposed grants.*** Figure 1 below summarizes both the primary and secondary economic benefits of the Stabilization Fund.

⁶ In addition to benefits quantified in this whitepaper, ensuring that independent restaurants survive provides a host of other non-quantified benefits to the United States economy, including ensuring the viability of small farms and purveyors, sustaining vibrant community restaurants that anchor neighborhoods, and increasing local economic activity. For example, 64.9% of revenue from independent restaurants in a community recirculates in the local economy, compared with 30.4% for chain restaurants. See “Indie Impact Study Series,” *Civic Economics*, <http://www.civiceconomics.com/indie-impact.html> (accessed May 26, 2020).

Figure 1: Summary of Quantified Benefits to U.S. Treasury, State Treasuries and Broader U.S. Economy from the \$120 Billion Stabilization Fund for Independent Restaurants

Economic Benefit		Assumed Stabilization Fund Spent on Payroll Support (\$ billions)		
		\$40 Billion	\$60 Billion	
Primary Impacts	Taxes and Avoided Costs to Fed/State Treasuries	Saved State Unemployment Benefits	\$20.5	\$30.7
		Saved Federal Pandemic Unemployment Compensation	\$17.6	\$26.3
		Additional Federal Payroll Taxes	\$6.1	\$9.2
		Additional State Unemployment Insurance Taxes	\$0.2	\$0.3
		Additional State Sales Taxes	\$2.4	\$2.4
	<i>Subtotal Direct Benefits to U.S. and State Treasuries</i>		\$46.7	\$68.9
	Short-Term Incremental Benefits	Additional Restaurant Supply Chain Benefits*	\$17.0	\$17.0
		Additional Consumer Spending in U.S. Economy Due to Higher Restaurant Employee Disposable Income and Supply Chain Spending	\$5.9	\$6.2
	<i>Sub-total of Short-Term Benefits (June 1 - December 31, 2020)</i>		\$22.9	\$23.2
	Trailing Effects	Additional Restaurant Supply Chain Benefits (Including Induced Spending)*	\$17.8	\$17.8
Additional State Sales Taxes		\$1.9	\$1.9	
Additional Spending by Tourists (and Related Indirect/Induced Effects)**		\$94.1	\$94.1	
<i>Sub-total Trailing Effects (After 2020)</i>		\$113.8	\$113.8	
<i>Primary Impacts Total</i>		\$183.4	\$205.9	
<i>Secondary Impacts on U.S. GDP (2021-2022)***</i>		\$65.2	\$65.2	
<u>Grand Total</u>		<u>\$248.6</u>	<u>\$271.1</u>	

*Short-term supply chain benefits assume that the Stabilization Fund would result in \$45 billion in incremental consumer spending at restaurants from June 1-December 31, 2020 (with \$10 billion in June and July, and \$5 billion for the remaining five months). Both short-term and trailing supply chain benefits conservatively exclude food and beverage, food service, and agricultural product intermediate inputs due to increased spending at grocery stores. Trailing effects of additional supply chain benefits (including induced spending) and additional state sales taxes assume an additional \$36 billion in consumer spending that otherwise would not have occurred for 24 months following the Fund (\$2 billion per month in 2021 and \$1 billion per month in 2022). **Additional spending by tourists (domestic and international) is contingent on the Fund preventing a wave of permanent closures and is estimated for 36 months following the removal of international and domestic travel restrictions assuming that 50% of independent restaurants would permanently close in the absence of the Fund. ***Secondary impacts on U.S. GDP assume an additional fifth of a percentage point contribution to U.S. GDP in 2021 and an additional tenth of a percentage point in 2022.

2. Independent Restaurants Are Crucial to the Economic, Cultural, and Social Fabric of the United States

As discussed in this section, independent restaurants directly employ 11 million people and indirectly support over five million additional jobs in their supply chains, the majority of which are also in small businesses. These restaurants anchor neighborhoods and provide innumerable direct and indirect benefits to the communities they serve, not the least of which includes acting as tourist magnets driving travel and food tourism and stimulating economic activity across a broad array of other industries.

a) As a Vital Employers in the Small Business Ecosystem, Independent Restaurants Directly Support 11 Million Jobs

Independent restaurants, as small business employers, embody entrepreneurial spirit. With comparatively low barriers to entry and substantial appetite for divergent backgrounds, restaurants are an exceptionally accessible platform for entrepreneurship. A culturally diverse population of chefs and restaurateurs own independent restaurants, including many women, minorities, and immigrants.⁷ Against the backdrop of the industry's open arms, these chefs' and restaurateurs' pathways to small business ownership have been paved by the great equalizer of hard work—the central tenet of achieving the American Dream.

Independent restaurants provide essential employment opportunities within the United States labor market. There are approximately 500,000 independent restaurants in the United States,⁸ which account for approximately 76% of the 658,000 total restaurants and bars in the United States

⁷ Female restaurateurs own or co-own nearly half of all restaurant businesses. Thirty-three percent of restaurant businesses are majority-owned by women and fifteen percent are equally owned by women and men. See “Women-Owned Restaurants Driving Growth in 48 States, D.C.,” *NRA*, March 9, 2016, <https://restaurant.org/Articles/News/Women-owned-restaurants-driving-growth-in-48-state>. Moreover, minorities own one-third of all restaurants. See U.S. Census Annual Business Survey, 2017. National food services and drinking places (NAICS 722) owned by minorities (defined in census data as race group 90 “Minority”) as a share of all food services and drinking places. The number of African American- and Hispanic-owned restaurants increased by 49% and 51% respectively between 2007 and 2012. See “Diversity,” *NRA*, <https://www.restaurant.org/Restaurant-Careers/Diversity> (accessed May 26, 2020). Moreover, immigrant restaurateurs currently make up 38% of restaurant owners. See “Bringing Vitality to Main Street: How Immigrant Small Businesses Help Local Economies Grow,” *Americas Society/Council of Americas and Fiscal Policy Institute*, January 2015, <https://www.as-coa.org/sites/default/files/ImmigrantBusinessReport.pdf>.

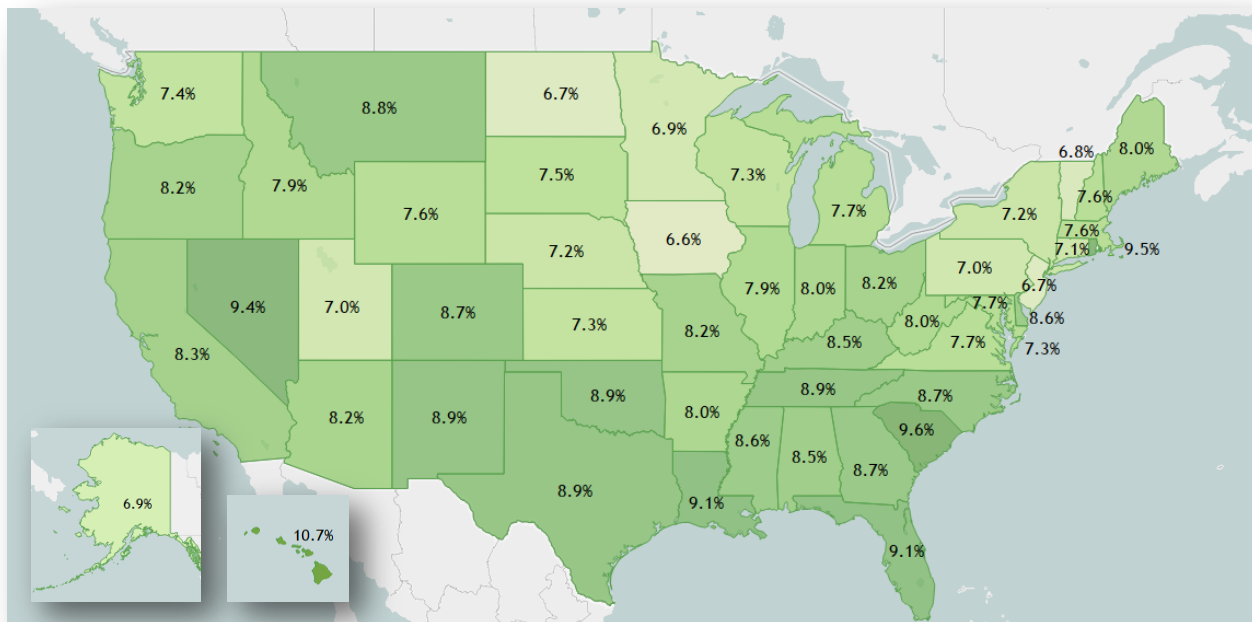
⁸ See “White Space Opportunities in the U.S. Restaurant Landscape: CHD Expert Evaluates the Independent Restaurant Market,” *CHD Expert*, https://www.chd-expert.com/blog/press_release/independent-restaurant-market/ (accessed May 26, 2020); see also footnote 3 above.

(tracked as “food service and drinking places”).⁹ Government and industry statistics on restaurants provide employment data on a broader cross-section of restaurants than just independent restaurants, the latter of which can be roughly estimated by using a 76% pro-ration. The restaurant industry employs approximately 15 million workers in the United States,¹⁰ corresponding to between 7% and 11% of each State’s workforce (shown in Figure 2 below). Thus, independent restaurants employ roughly 11 million workers.

⁹ Source: U.S. BLS Quarterly Census of Employment and Wages, 2019-Q3. In standard U.S. government statistical tabulations, food services and drinking places (NAICS 722) is an industry subsector that includes full-service restaurants, limited-service eating places, special food services (such as food service contractors, caterers, and mobile food services), and drinking places. See “Food Services and Drinking Places: NAICS 722,” *U.S. BLS*, <https://www.bls.gov/iag/tgs/iag722.htm> (accessed May 26, 2020), (“Industries in the Food Services and Drinking Places subsector prepare meals, snacks, and beverages to customer order for immediate on-premises and off-premises consumption. There is a wide range of establishments in these industries. Some provide food and drink only; while others provide various combinations of seating space, waiter/waitress services and incidental amenities, such as limited entertainment.”).

¹⁰ See “Restaurant Industry: 2020 Facts,” *NRA*, <https://restaurant.org/downloads/pdfs/research/soi/2020-state-of-the-industry-factbook.pdf> (accessed May 26, 2020). The U.S. BLS Current Employment Statistics (CES) program estimated that there were 12.3 million employees at food services and drinking places (NAICS 722) in February 2020, prior to the pandemic, accounting for 8.1% of total U.S. nonfarm employment and 9.5% of private, nonfarm employment. These government statistics exclude workers providing food and beverage services at hotels, motels, amusement parks, theatres, casinos, and other facilities not “primarily engaged in providing food and beverage services,” whereas the National Restaurant Association (NRA) statistics include workers at such establishments (*i.e.*, “managed services, lodging, retail, recreation, mobile and vending services”). See “2017 NAICS Definition: Sector 72 – Accommodation and Food Services, 722 Food Services and Drinking Places,” *U.S. Census Bureau*, <https://www.census.gov/cgi-bin/sssd/naics/naicsrch?code=722&search=2017%20NAICS%20Search> (accessed May 26, 2020).

Figure 2: Restaurant and Drinking Places Employment as Proportion of All Employment, by State (September 2019)



Source: U.S. BLS Quarterly Census of Employment and Wages, 2019-Q3.

Note: Food services and drinking places (NAICS 722) as a share of all industry employment (NAICS 10) by state in September 2019.

The broader restaurant industry provides key employment for women, minorities, and other notable demographics.¹¹ For example:

- Over one half of all restaurant workers are women.¹² Many women who work in restaurants heavily rely on tips for income, and many amongst them are single mothers. In fact, the restaurant industry employs over one million single mothers.¹³

¹¹ Data regarding national employment statistics in the restaurant industry are largely inclusive and are not limited to independent restaurants.

¹² Fifty-two percent of restaurant workers are women (2019 annual average for food services and drinking places). See “Employed persons by detailed industry, sex, race, and Hispanic or Latino ethnicity,” *Bureau of Labor Statistics*, <https://www.bls.gov/cps/cpsaat18.pdf>. Sixty-one percent of women have worked in a restaurant at some point and thirty-seven percent got their first jobs in a restaurant. See “Diversity,” *NRA*, <https://www.restaurant.org/Restaurant-Careers/Diversity> (accessed May 26, 2020).

¹³ See “Who’s Watching the Kids?” *Eater*, January 8, 2020, <https://www.eater.com/2020/1/8/21047333/childcare-for-restaurant-workers-westbourne-tipping-point>.

- Sixty percent of all chefs nationwide are minorities.¹⁴ Minorities also make up 53% of bussers, runners, baristas, prep-cooks, dishwashers and kitchen porters.¹⁵ Restaurants also employ more minority employee-managers than any other industry.¹⁶
- Restaurants also play an important role in the community by employing many individuals returning from institutions or incarceration.¹⁷ Some returning citizens commit to the industry so wholly that they build up to a career as a chef and/or eventually own their own restaurants.¹⁸ Acknowledging the industry’s pivotal role in combating recidivism, in 2019 the Department of Labor awarded the National Restaurant Association (“NRA”) a \$4.5 million grant to develop training programs for incarcerated young adults and to help find them jobs.¹⁹
- The lion’s share of restaurant workers are the country’s youngest employees—nearly 40% are between the age of 16 and 24, as shown in Figure 3 below. Restaurants not only provide individuals joining the workforce for the first time with invaluable job experience, they help young workers gain financial independence and, in many circumstances, save and pay for college or help support their families.²⁰

¹⁴ See “Diversity,” *NRA*, <https://www.restaurant.org/Restaurant-Careers/Diversity> (accessed May 26, 2020).

¹⁵ See “Data USA: Waiters and Waitresses,” *Data USA*, <https://datausa.io/profile/soc/waiters-waitresses>; see also “Ending Jim Crow in America’s Restaurants: Racial and Gender Occupational Segregation in the Restaurant Industry,” *Restaurant Opportunities Centers United*, 2015, <https://src.bna.com/E9>.

¹⁶ Restaurants employ more minority managers than any other industry and more women managers than any other industry. See “Restaurant Industry: 2020 Facts,” *NRA*, <https://www.restaurant.org/Downloads/PDFs/Research/SOI/2020-State-Of-The-Industry-Factbook.pdf> (accessed May 26, 2020). And approximately 40% of restaurant managers and supervisors are minorities. See “Diversity,” *NRA*, <https://www.restaurant.org/Restaurant-Careers/Diversity> (accessed May 26, 2020).

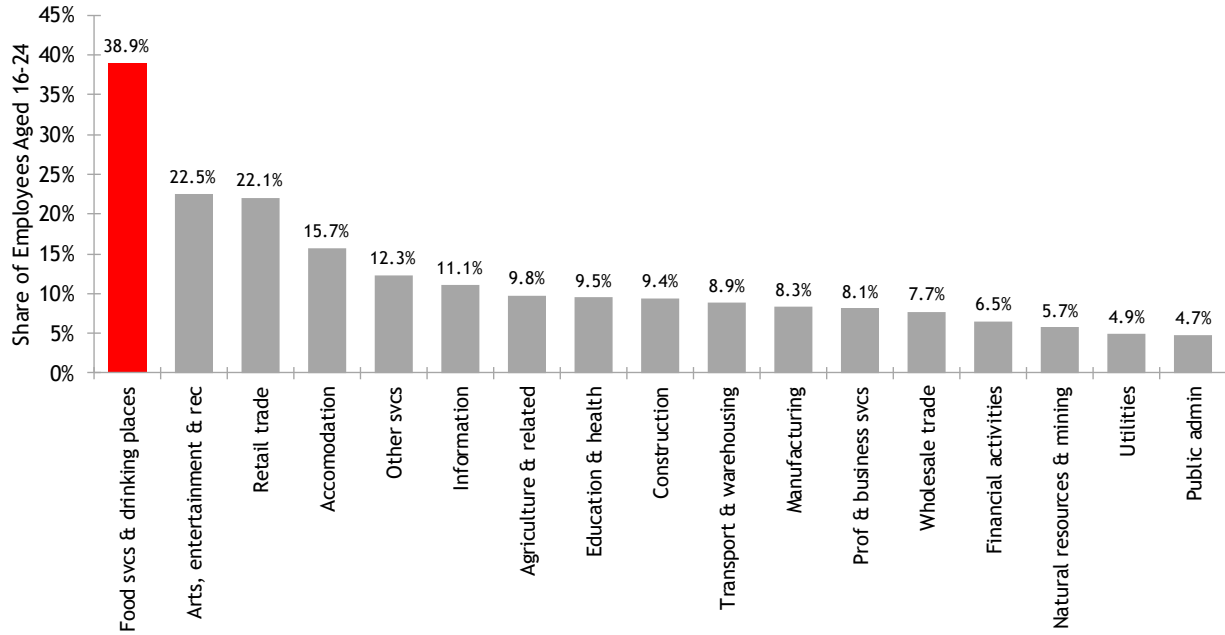
¹⁷ Restaurant-based organizations across the country are working to combat recidivism and unemployment by helping formerly incarcerated individuals start careers in the restaurant industry, including Getting Out and Staying Out (GOSO) in New York City and Kitchens for Good in San Diego. According to Aviva Paley, the executive director of Kitchens for Good, the restaurant industry is particularly well suited to helping ex-offenders rebuild their lives: “I think [felons are] able to really thrive in an environment where all it takes to succeed is a lot of hard work and dedication. It doesn’t take three degrees or years of training.” See “Restaurants Can Be a Lifeline for the Formerly Incarcerated — and Vice Versa,” *Eater*, June 23, 2017, <https://www.eater.com/2017/6/23/15771762/recidivism-restaurants-hiring-practices>.

¹⁸ See, e.g., “A Chef opens a restaurant. His training? Decades in a prison kitchen,” *New York Times*, December 21, 2017, <https://www.nytimes.com/2017/12/21/nyregion/a-chef-opens-a-restaurant-his-training-decades-in-a-prison-kitchen.html>.

¹⁹ See “The Restaurant Industry is Turning to Prisons to Find Workers,” *The Counter*, July 16, 2019, <https://thecounter.org/national-restaurant-association-formerly-incarcerated-labor-shortage-nra/>.

²⁰ Nearly one half of all adults get their first job experience in a restaurant. See “Restaurant Industry: 2020 Facts,” *NRA*, <https://www.restaurant.org/Downloads/PDFs/Research/SOI/2020-State-Of-The-Industry-Factbook.pdf> (accessed May 26, 2020).

Figure 3: Share of Employees Aged 16-24 by Industry (2019)



Source: U.S. BLS Current Population Survey, 2019 annual averages.

Note: Employed persons aged 16 to 24 as a share of all employed persons aged 16+ by industry (CPS major and detailed industry classifications).

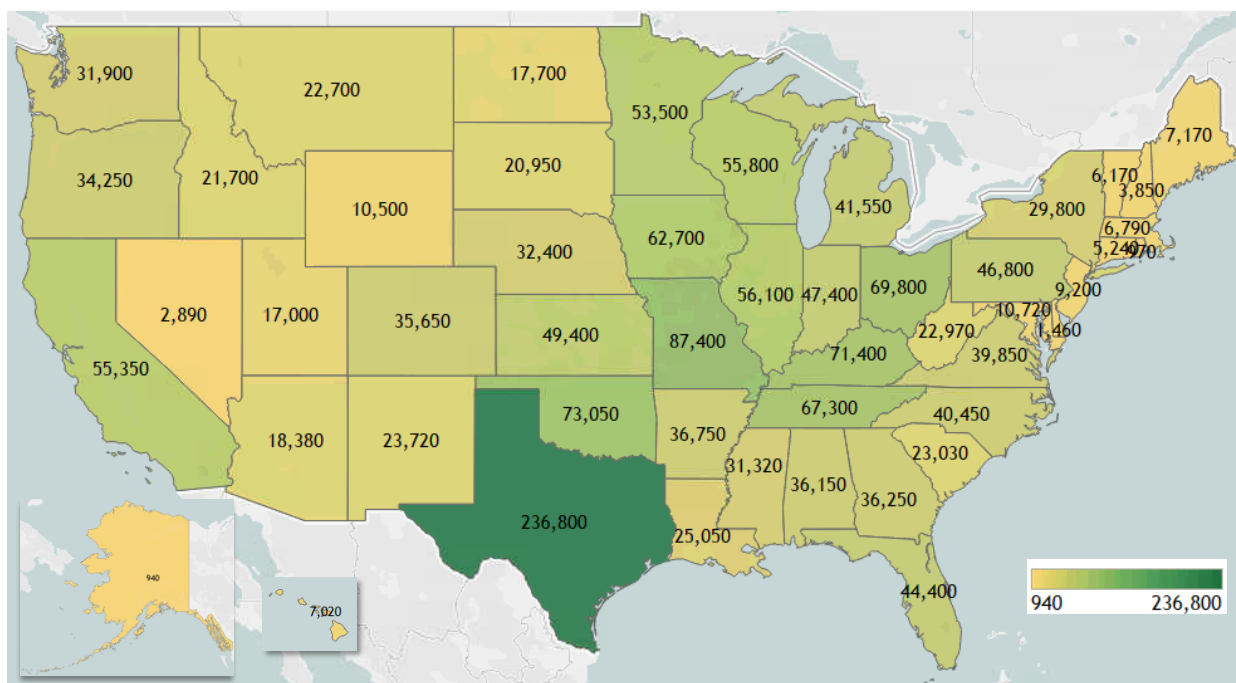
Independent restaurants—a subset of all restaurants described above—employ more than *11 million people* directly.²¹ Independent restaurants also support over five million jobs throughout their supply chains of jobs indirectly through supply chain purveyors—including, for example, farmers, ranchers, fisherman, distillers, vintners, truckers, florists, linen suppliers, event planners, designers, and printers.²² Most of the businesses that provide these inputs are small businesses: within the

²¹ The 500,000 independent restaurants and bars in the United States (CHD Expert) account for approximately 76% of the 658,000 total restaurants and bars in the United States (U.S. BLS Quarterly Census of Employment and Wages in 2019-Q3). Thus, approximately 76% (or 11 million) of the 15 million total restaurant employees in the United States (National Restaurant Association) are employed by independent restaurants. See “White Space Opportunities in the U.S. Restaurant Landscape: CHD Expert Evaluates the Independent Restaurant Market,” *CHD Expert*, https://www.chd-expert.com/blog/press_release/independent-restaurant-market/ (accessed May 26, 2020); U.S. BLS Quarterly Census of Employment and Wages; and “Restaurant Industry: 2020 Facts,” *NRA*, <https://restaurant.org/research/restaurant-statistics/restaurant-industry-facts-at-a-glance> (accessed May 26, 2020).

²² As discussed in Section 4.a), loss of independent restaurants would create a ripple effect that would also be devastating for small businesses within restaurant supply chains, including small and medium-sized farms, ranches, fishermen, vintners, distillers, florists, and linen suppliers—many of which would be crippled by a collapse of the restaurant industry. Indeed, each restaurant job supports an estimated additional 0.50 jobs throughout restaurants’ supply chain, thus the 11 million independent restaurant jobs support more than five million supply chain jobs. For example, 70% of seafood goes through restaurants, as does 60% of chicken. See “Americans Are Cooking More Seafood, but Fishermen Are Struggling,” *The Wall Street Journal*, May 21, 2020, <https://www.wsj.com/articles/americans-are-cooking-more-seafood-but-fishermen-are-struggling-11590062400>.

agriculture, forestry, fishing and hunting sector, small businesses employ 83% of the workforce.²³ In addition, independent restaurants support local farms and ranches in all 50 States. Figure 4 below shows the number of small farms across the country, many of which populate independent restaurants’ supply chains.²⁴

Figure 4: Number of Small Farms by State (2018)



Source: U.S. Department of Agriculture, National Agricultural Statistics Service.
 Note: Number of small farms (defined by the USDA as having sales less than \$250,000) by state in 2018.

In fact, independent restaurants are completely responsible for the existence of many of these kinds of purveyors. For example, Sacramento Sprouting Company grows microgreens at a scale too small for supermarkets and sells more than 90% of its produce to local restaurants, with the remainder

²³ Analysis of 2017 U.S. Census Statistics of U.S. Businesses. Employees in agriculture, forestry, fishing and hunting businesses (NAICS 11) with less than 500 employees as a share of the all employees in the agriculture, forestry, fishing and hunting sector. More generally, small businesses, such as independent restaurants, play a crucial role in the broader U.S. economy, accounting for 44% of U.S. economic activity, 47.3% of all U.S. employees, and 65% of net new jobs created between 2000 and 2018. See Small Business GDP 1998–2014, U.S. Small Business Administration Office of Advocacy; see also “What’s New With Small Business?,” U.S. Small Business Administration Office of Advocacy, September 2019.

²⁴ Small farms are defined as those with annual sales of less than \$250,000. See “Small Farms, Big Differences,” U.S. Department of Agriculture, February 21, 2017, <https://www.usda.gov/media/blog/2010/05/18/small-farms-big-differences>, (“USDA defines a small farm as an operation with gross cash farm income under \$250,000.”).

sold at farmers' markets.²⁵ Across the country in upstate New York, Norwich Meadows Farm depends on restaurants for 60-75% of its business.²⁶ Likewise, chef Dan Barber, who runs Blue Hill in New York City and Blue Hill at Stone Barns in Pocantico, New York, works with a pheasant farmer who sells exclusively to his restaurants.²⁷ Animal Farm, a dairy and farmstead creamery located in Vermont sends the majority of its butter to Thomas Keller's restaurants, with the rest going to a few other independent restaurants.²⁸ And Abundant Seafood, a one boat husband-and-wife owned and operated fishing company in South Carolina, relies on independent restaurants for the majority of its sales.²⁹ These types of relationships and the broader nexus between independent restaurants and small business has been reinforced over the last two decades with the explosion of healthy and sustainable eating habits (e.g., organic, farm-to-table).³⁰ In fact, by 2019 the farm-to-table and other direct-to-consumer markets had generated over \$12 billion in income for small-

²⁵ See "Sacramento Valley farms struggling as coronavirus closes restaurants, chokes supply chain," *Sacramento Bee*, April 21, 2020, <https://www.sacbee.com/food-drink/article242068651.html>, ("Matt and Stephanie Weber's microgreen farm, Sacramento Sprouting Co., was thriving. Revenue was growing steadily by about 5 percent per month, and leafy greens like frills mustard and mitsuba topped dishes at downtown Sacramento's fine dining restaurants. The farm, which is the couple's sole source of income, now makes \$200 worth of sales per week. Shutdowns and health concerns have sunk Sacramento Sprouting Co.'s revenue to just 10 percent of what it was before the coronavirus pandemic. ...The Webers were selling anywhere from 40 to 70 pounds of microgreens wholesale per week plus another five pounds at the Midtown Farmers Market, Matt Weber said. ...Small-scale farmers often can't sell directly to supermarkets because their outputs fall short of what stores need and prices can't compete with larger, streamlined agricultural producers.").

²⁶ See "Small Farms Also Struggle as Restaurants Shut Down Due to Coronavirus," *Civil Eats*, March 17, 2020, <https://civileats.com/2020/03/17/small-farms-also-struggle-as-restaurants-shut-down-due-to-coronavirus/>, ("It's unprecedented. I've never seen anything like this," Kurdieh said, estimating that about 60 percent of his business depends on restaurants, and at this time of year, that number is closer to 75 percent. "We are figuring everything out day by day.").

²⁷ See "Coronavirus Is Hurting the Restaurant Industry. Here's How It Could Change the Future of Food," *TIME*, April 14, 2020, <https://time.com/5820618/coronavirus-future-of-food/>, ("We got into relationships with some farmers where we were sort of building the business with them, through Blue Hill as an exclusive. The farmer—I'm thinking of one in particular who raises pheasants for us—looks at you and says, "What do I do now?").

²⁸ See "About," *Animal Farm*, <http://www.animalfarmvt.com/about/> (accessed May 26, 2020), ("The majority of our butter is sent to Chef Thomas Keller's restaurants, The French Laundry and Per Se. In addition, our butter goes to Chef Barbara Lynch's Boston restaurants, Menton and No. 9 Park, as well as to Chef Patrick O'Connell's, The Inn at Little Washington, in Virginia.").

²⁹ See "Restaurant Closings Inflict Collateral Damage on Other Businesses," *New York Times*, March 24, 2020, <https://www.nytimes.com/2020/03/24/dining/restaurant-suppliers-coronavirus.html>, ("[T]he pain is also radiating out to the thousands of small companies across the country that, like Abundant Seafood, rely on restaurants for most or all of their sales. The size of this indirect economy is unknown, but independent restaurants can spend anywhere from just under 20 percent to more than 30 percent of their revenue on food, alcohol and other goods.").

³⁰ A recent Pew Research Center survey indicated that over 50% of Americans pay more attention to eating healthy foods than they did twenty years ago. See "The New Food Fights: U.S. Public Divides Over Food Science," *Pew Research Center*, December 1, 2016, <https://www.pewresearch.org/science/2016/12/01/public-views-about-americans-eating-habits/>.

scale producers.³¹ But with independent restaurants across the country shuttered or operating in reduced capacities, these ecosystems are on the verge of collapse. With bankruptcy looming for many purveyors, restaurateurs recognize the urgency of preserving outlets for small farm products.³² As put by one Wisconsin dairy farmer who spills 50% of her farm's daily milk production for lack of demand: ***“it’s a very scary time, very frightening from the business standpoint and from the emotional standpoint for our families and our employees and for our employees’ families.”***³³

b) Independent Restaurants Anchor Neighborhoods and Drive Travel/Tourism

In addition to directly supporting 11 million jobs, independent restaurants animate street life, structure social interaction, and contribute to local culture. Independent restaurants help residential and commercial revitalization and create community identity.³⁴ Many State and local governments adopt economic development programs that centrally feature independent restaurants. Examples include:

- Rhode Island launched a statewide Food Strategy initiative in 2016 that, amongst other things, seeks to promote local restaurants and food business as a conduit to sustain and grow markets for Rhode Island products.³⁵
- The Michigan Economic Development Corporation awarded the overwhelming majority of its 2019 Match on Main grant funding to independent restaurants, bakeries, breweries and coffee shops, benefitting nine small cities around Michigan and “further strengthening the

³¹ See “Actions for Congress and USDA to Support Local and Regional Food Systems During COVID-19,” *Center for Health Law and Policy Innovation at Harvard Law School*, March 17, 2020, <https://www.chlpi.org/actions-for-congress-and-usda-to-support-local-and-regional-food-systems-during-covid-19/>. Renowned chef and farm-to-table expert Dan Barber as stated, “The train has left the station for farmers ... Where it goes is a big question. We need to hurry and preserve the outlets for these products. Otherwise, a lot of farmers will go bankrupt quickly.” See “The Farm-to-Table Connection Comes Undone,” *New York Times*, April 9, 2020, <https://www.nytimes.com/2020/04/09/dining/farm-to-table-coronavirus.html>.

³² See “The Farm-to-Table Connection Comes Undone,” *New York Times*, April 9, 2020, <https://www.nytimes.com/2020/04/09/dining/farm-to-table-coronavirus.html>.

³³ See “Dairy farmers forced to dump milk as schools and restaurants close,” *CBS News*, April 10, 2020, <https://www.cbsnews.com/news/dairy-farmers-hit-hard-by-coronavirus-are-spilling-a-lot-of-milk/>.

³⁴ For example, restaurants were a vital element of the revitalization and rebuilding of New Orleans after hurricane Katrina. See “After disaster, restaurants can be heroic or pragmatic, but they need to re-open,” *NOLA.com*, September 11, 2017, https://www.nola.com/entertainment_life/eat-drink/article_e12b5031-6888-5406-b665-6e6faf0bbed4.html, (“New Orleans is famous for its restaurants, of course, and to the outside world they served as the barometer for rebuilding [after Katrina]...when official recovery seemed aimless, when adversity felt endless, they provided anchors, respites, and inspiration that was as tangible as the meal on the table.”).

³⁵ See “Relish Rhody: Rhode Island Food Strategy,” *Rhode Island Department of Environmental Management*, January 2017, <http://dem.ri.gov/relishrhody/pdf/RIFS-prelim.pdf>.

downtowns and commercial districts in these communities, while building unique places that are attractive to residents and visitors.”³⁶

- The Washington, D.C. Office of the Deputy Mayor for Planning and Economic Development launched a commercial revitalization grant program in 2006 called “Great Streets Small Business Grants,” many recipients of which have been independent restaurants that have been instrumental in developing the district’s commercial corridors over the last 14 years.³⁷
- The city of Carrollton, Texas, has an ongoing specialty retail and restaurant economic development program to recruit and retain unique “destination” restaurants to differentiate the Carrollton dining and entertainment experience from surrounding areas in the Dallas metroplex, which also served to help enhance the quality of life for Carrollton residents.³⁸

Moreover, restaurants are critically important to State and local governments because they pay some of the highest sales taxes in the country, which help fund public programs that further benefit the communities they serve.³⁹ For example, in California, the restaurant industry was responsible for 12.2% of the value of taxable transactions in 2019.⁴⁰ Figure 5 below shows total taxable restaurant sales in all 50 states in 2018; the state and local taxes generated by restaurants help fund

³⁶ See “Nine Michigan Main Street communities receiving more than \$260,000 in grants for local businesses,” *Michigan Economic Development Corporation*, October 7, 2019, [https://www.michiganbusiness.org/press-releases/2019/10/nine-michigan-main-street-communities-receiving-more-than-\\$260000-in-grants-for-local-businesses/](https://www.michiganbusiness.org/press-releases/2019/10/nine-michigan-main-street-communities-receiving-more-than-$260000-in-grants-for-local-businesses/).

³⁷ See “Great Streets: About,” *DC.Gov*, <https://greatstreets.dc.gov/page/about-great-streets> (accessed May 26, 2020).

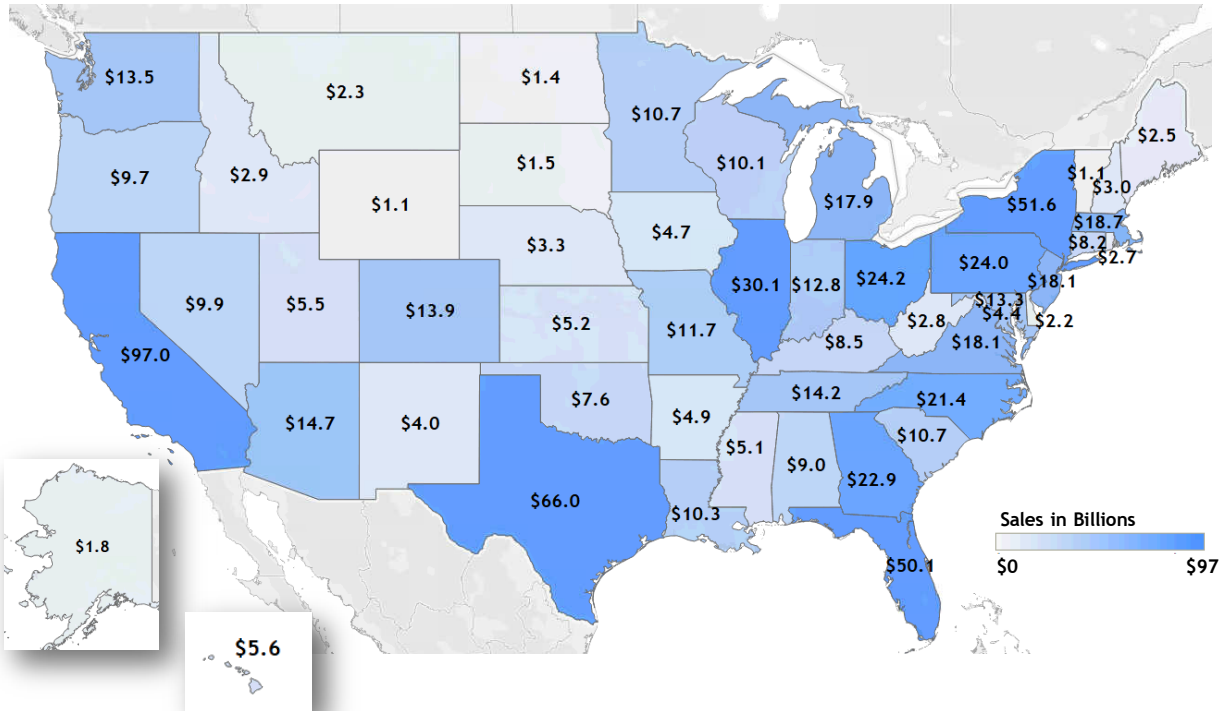
³⁸ See “Retail Incentive Programs: Specialty Retail & Restaurant,” *City of Carrollton*, <https://www.cityofcarrollton.com/departments/departments-a-f/community-development/grants-incentives-neighborhood-improvement-in-action-impact/mycarrollton/retail-rehab> (accessed May 26, 2020).

³⁹ Restaurant food is often taxed at a higher rate than other retail consumption and groceries are exempt from state sales taxes in 37 states and Washington, D.C. See “State Sales Tax Rates and Food & Drug Exemptions,” *Federation of Tax Administrators*, January 2020, <https://www.taxadmin.org/assets/docs/Research/Rates/sales.pdf>. By way of further examples, the Meals and Rooms Tax (paid on restaurant meals) in Vermont is 9%, 1.5 times larger than the Sales and Use Tax (paid on retail sales) of 6%, and Charleston, South Carolina, imposes a hospitality tax on prepared meals of 2% (above the state and county sales taxes). See “Getting Started with Meals and Rooms Tax,” *Vermont Department of Taxes*, <https://tax.vermont.gov/business-and-corp/meals-and-rooms-tax/getting-started> (accessed May 26, 2020); “Sales and Use Tax,” *Vermont Department of Taxes*, <https://tax.vermont.gov/business-and-corp/sales-and-use-tax> (accessed May 26, 2020); “Hospitality Tax,” *City of Charleston*, <https://www.charleston-sc.gov/145/Hospitality-Tax> (accessed May 26, 2020). Moreover, many cities and counties impose additional taxes on restaurants resulting in *even higher* total tax rates (including both state, city, and county sales taxes), including (i) Washington D.C., which has a general sales tax of 6% but a 10% tax on restaurant meals; (ii) Minneapolis, which has a sales tax rate of 8.025%, but a 11.025% tax on restaurant meals in the downtown tax zone; and (iii) Chicago, which has a general sales tax rate of 10.25%, but a 11.75% composite tax on restaurant meals in the downtown and surrounding area. See “Tax Rates and Revenues, Sales and Use Taxes, Alcoholic Beverage Taxes and Tobacco Taxes,” *D.C. Office of the Chief Financial Officer*, <https://cfo.dc.gov/page/tax-rates-and-revenues-sales-and-use-taxes-alcoholic-beverage-taxes-and-tobacco-taxes> (accessed May 26, 2020); “Minneapolis Special Local Taxes,” *Minneapolis Department of Revenue*, 2019, https://www.revenue.state.mn.us/sites/default/files/2019-09/FS164M_0.pdf; and “Increases and Changes to Consumer Taxes in Chicago for 2020,” *The Civic Federation*, January 10, 2020, <https://www.civicfed.org/civic-federation/blog/increases-and-changes-consumer-taxes-chicago-2020>.

⁴⁰ See “Taxable Sales, by Type of Business (Taxable Table 1),” *California Department of Tax and Fee Administration*, <https://www.cdtfa.ca.gov/dataportal/dataset.htm?url=TaxSalesStatewide> (accessed May 26, 2020).

countless local programs, police and fire departments, and a host of other local amenities that are critical to improving the quality of life for residents in every community.

Figure 5: Restaurant Sales by State 2018 (\$ Billions)



Source: National Restaurant Association State statistics, <https://restaurant.org/research/state>.

Independent restaurants are the mainstay of regional, local, and ethnic foodscapes and transform neighborhoods, towns, and cities into travel destinations. Within states and larger metropolises, they inspire intrastate tourism and attract residents to towns and neighborhoods that they would not otherwise frequent, promoting urban and suburban harmony and stimulating neighborhood economies. Independent restaurants are also part-and-parcel to an ecosystem including the travel, hospitality, and leisure industries—the largest segment of the United States economy⁴¹—all of which drive interstate and international tourism to every State. Many U.S. citizens and foreigners

⁴¹ See “Remarks by President Trump, Vice President Pence, and Members of the Coronavirus Task Force in Press Briefing,” *The White House*, March 27, 2020, <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-vice-president-pence-members-coronavirus-task-force-press-briefing-13/>, statement of President Trump on March 27, 2020 (“...I also want to preserve airlines, because that’s preserving lots of other jobs. That’s preserving the travel and leisure industry, which is perhaps the largest industry in our country, if you add it all up. You add up all the hotels and all of the traveling and all the planes and everything else — probably, by far, the largest industry in our country.”)

travel to a destination in the United States to experience its food culture and restaurants (known as “culinary tourism” or “gastro-tourism”), including to large urban destinations (*e.g.*, New York, Chicago, San Francisco), medium-sized cities (*e.g.*, New Orleans, Charleston, Minneapolis) and smaller locations (*e.g.*, Portland (ME), Yountville (CA)).⁴² Simply put, dining out has become one of America’s favorite pastimes and, in turn, one of the country’s main economic engines.

Further, in 2019 total spending by domestic and international travelers on food services in the United States was **\$279 billion**—more than double the amount spent on either recreation or retail.⁴³ Foreign travel accounts for a significant portion of restaurant revenue: for example, in 2019, foreign visitors to the United States spent a total of \$36 billion on food and beverages alone—which, added to money spent on travel, hospitality, retail and recreation, amongst other business and leisure

⁴² For example, one survey found that for 53% of leisure travelers food was an important part of their traveling, and that of those travelers, 72% choose a destination by its food and drink and approximately 25% of travelers’ budget is spent on food and drink. See “What is Food Tourism?” *World Food Travel Association*, <https://worldfoodtravel.org/what-is-food-tourism-definition-food-tourism/> (accessed May 26, 2020). Another survey found that 42% of recent travelers have taken a vacation where a food or drink related experience was the main purpose of travel. See “The New Era of Food Tourism: Trends and Best Practices for Stakeholders,” *Skift Research*, February 2019. A survey of OpenTable diners found that 25% of respondents had traveled internationally with the main aim of dining at a specific restaurant. See “Global Dining: How OpenTable Diners Choose & Spend While Traveling Abroad,” *OpenTable*, October 18, 2016, <https://restaurant.opentable.com/news/insider-information/global-dining-how-opentable-diners-choose-spend-while-traveling/>. Similarly, TripAdvisor cites as one of its four traveler trends for 2020: “Travelers are booking with their stomachs, as food becomes the driving force in which destinations they visit and activities they choose—especially Millennials and Gen Z.” See “2020 Traveler Trends: 4 Areas Shaping the Future of Experiences & How Operators Can Take Advantage,” *TripAdvisor*, <https://www.tripadvisor.com/ExperiencesInsights/e37635> (accessed May 26, 2020). 90% of experts interviewed by the World Food Travel Association predicted an increase in leisure trips focused solely on food and beverage experiences, with almost half of them predicting a moderate or large increase. See “2020 State of the Food Travel Industry Report,” *World Food Travel Association*, January 31, 2020. The culinary experience trend has been growing rapidly over the last few years as U.S. leisure travelers who travel for unique dining experiences grew from 40% to 51% between 2006 and 2013. See “The Rise of Food Tourism,” *Ontario Culinary Tourism Alliance and Skift*, 2015, <https://www.visitmarin.org/site/assets/files/3798/octa-skift-the-rise-of-culinary-tourism-2.pdf>. See also, “U.S. Travel Answer Sheet,” *U.S. Travel Association*, March 2020, https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_US-Travel-Answer-Sheet.pdf, (“Top leisure travel activities for overseas visitors: (1) shopping; (2) sightseeing; (3) fine dining; (4) national parks/monuments; and (5) amusement/theme parks.” “Top leisure travel activities for U.S. domestic travelers (1) visiting relatives; (2) shopping; (3) visiting friends; (4) fine dining; and (5) rural sightseeing.”).

⁴³ See “U.S. Travel Answer Sheet,” *U.S. Travel Association*, March 2020, https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_US-Travel-Answer-Sheet.pdf.

spending, amounted to an average of \$1,952 per international visitor.⁴⁴ One quarter of these overseas visitors, moreover, spent money on a fine dining experience during their visits.⁴⁵

As these figures suggest, the United States has emerged as a culinary travel destination. This is due in part to the proliferation of social media platforms (such as Instagram, Trip Advisor, and Yelp!), which have helped stimulate substantial amounts of inbound visitors to the United States as well as domestic tourism.⁴⁶ Accordingly, independent restaurants are, in effect, tourist attractions: improving tourists' experiences while educating them about local foods and traditions increases the likelihood of a return visit and inspires travel recommendations for new visitors.⁴⁷

3. The COVID-19 Pandemic Has Had an Unprecedented and Devasting Impact on the Restaurant Industry, with Independent Restaurants Being Particularly Hard Hit

As detailed below, prior to the pandemic, the restaurant industry had experienced years of growth and expanded employment. The coronavirus quickly and dramatically reversed the years-long growth trend, forcing restaurants to close on a few days' notice and decimating millions of jobs within weeks. In fact, the acute retraction in the restaurant job market has been the *single largest contributor* to the increase in the U.S. unemployment figures since February. Independent restaurateurs are struggling to survive the seismic decline in on-premise dining; many interim solutions—such as the Federal Reserve's Main Street Lending, the Paycheck Protection Program, and shifting business models to takeout/delivery—do not provide a path forward for long-term

⁴⁴ See "U.S. Travel Answer Sheet," *U.S. Travel Association*, March 2020, https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_US-Travel-Answer-Sheet.pdf and "Domestic Travel Fact Sheet," *U.S. Travel Association*, March 2020, https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_Domestic-Travel.pdf.

⁴⁵ See "Market Profile of Overseas Visitors," *U.S. Department of Commerce, International Trade Administration, National Travel & Tourism Office*, 2019.

⁴⁶ One survey found that over 40% of destination marketing organizations and like groups use Instagram to target tourists interested in food. See "Destinations Concede Their Food Tourism Marketing Efforts Fall Short," *Skift*, May 19, 2017. Further, Brand USA has sought to capitalize on these trends with culinary tourism campaigns (e.g., "Flavors of the USA"), which seek to market the United States as a "premier travel destination. See "Flavors of the USA' Culinary Tourism Campaign Launches," *Brand USA*, June 18, 2015, <http://thebrandusa.info/federalpartnernews/flavors-of-the-usa-culinary-tourism-campaign-launches/>. Brand USA is an organization with a Board of Directors appointed by the U.S. Secretary of Commerce. See "About," *Brand USA*, <https://www.thebrandusa.com/about> (accessed May 26, 2020).

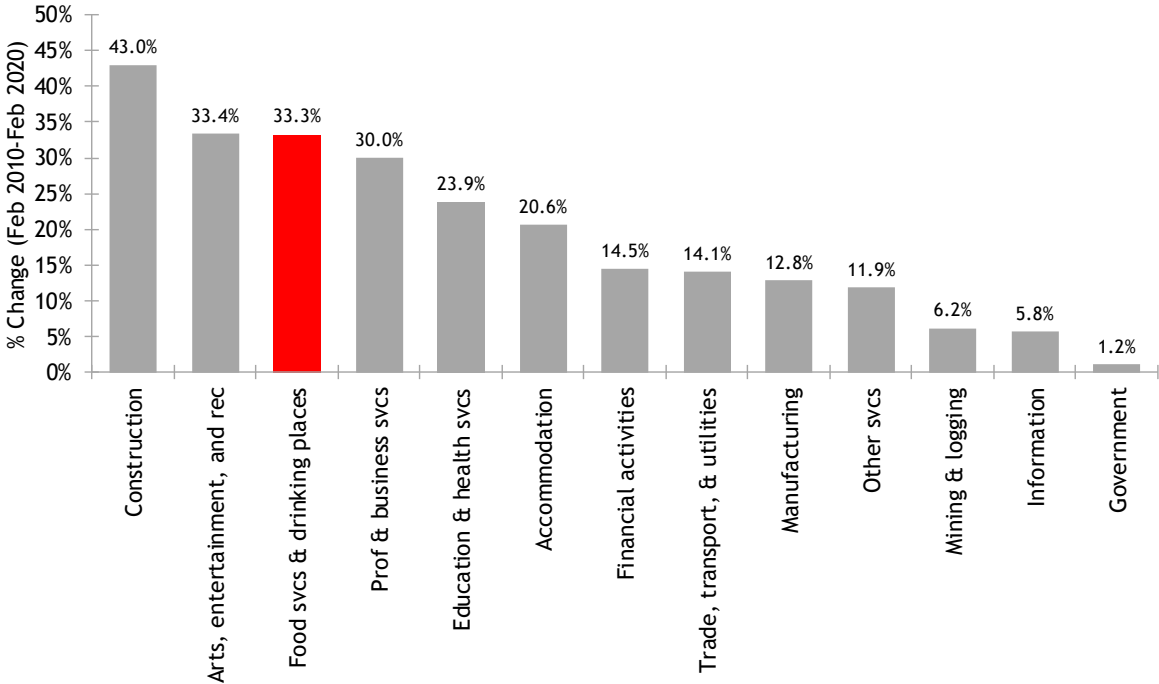
⁴⁷ According to a survey by OpenTable, "two-thirds (66 percent) of Americans would select a travel destination based solely on its culinary offerings." See "OpenTable Survey Reveals Two-Thirds of Americans 'Will Fly for Food,'" *OpenTable*, June 21, 2017, <https://press.opentable.com/news-releases/news-release-details/opentable-survey-reveals-two-thirds-americans-will-fly-food>.

rehiring (which risks making job losses permanent) and will not enable survival until the end of the year.

a) *U.S. Restaurants Had Enjoyed Years of Growth Prior to the Pandemic*

Before the novel coronavirus arrived in the United States, the U.S. restaurant industry had enjoyed a years-long growth trend in the number of restaurants, employment, and revenue. The number of unique establishments has grown by more than 40% over the last two decades.⁴⁸ And over just the last decade, opportunity for employment in the industry expanded by 30%—a growth rate exceeded by only two sectors, as shown in Figure 6 below.⁴⁹

Figure 6: Percent Change in Employment by Industry (February 2010-February 2020)



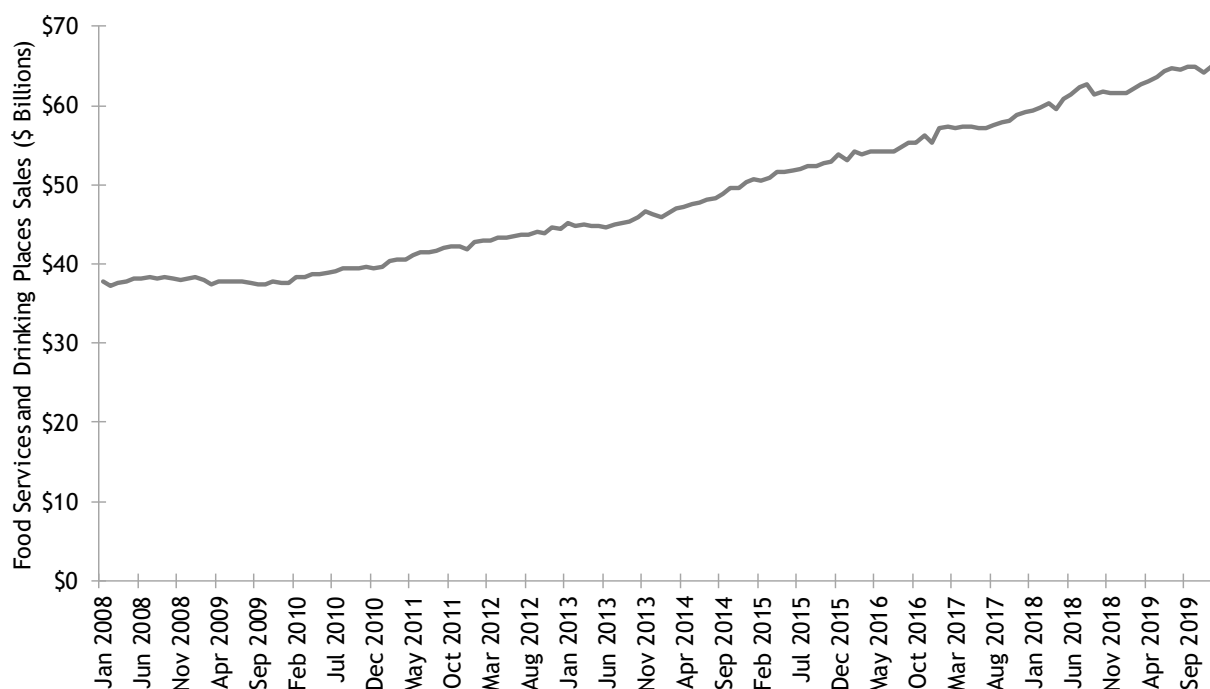
Source: U.S. BLS Current Employment Statistics.
 Note: Percent change in number of employees from February 2010 to February 2020, not seasonally adjusted. CES major industry sectors are shown except for leisure and hospitality, which is broken into “arts, entertainment, and recreation,” “accommodation,” and “food services and drinking places.”

⁴⁸ Source: Analysis of U.S. BLS Quarterly Census of Employment and Wages. Growth of privately owned food services and drinking places (NAICS 722) establishments from 2001-Q1 to 2019-Q3.

⁴⁹ Comparison of employment growth for food services and drinking places relative to the CES major industry sectors outside leisure and hospitality and to other industry groups within leisure and hospitality.

In addition, total revenue for the industry grew from nearly \$40 billion per month in 2008 to \$66 billion in January 2020—equating to a total revenue increase of over a 70% in a just over a decade.⁵⁰ Figure 7 indicates that the restaurant industry was on a trajectory in 2020 to generate **\$800 billion** in revenues, with contributions to the broader economy far in excess of that amount.⁵¹

Figure 7: Growth in Monthly Restaurant Sales (January 2008- January 2020)



Source: U.S. Census Bureau Advance Monthly Sales for Retail and Food Services.
 Note: Seasonally adjusted dollar value of sales, January 2008 to January 2020.

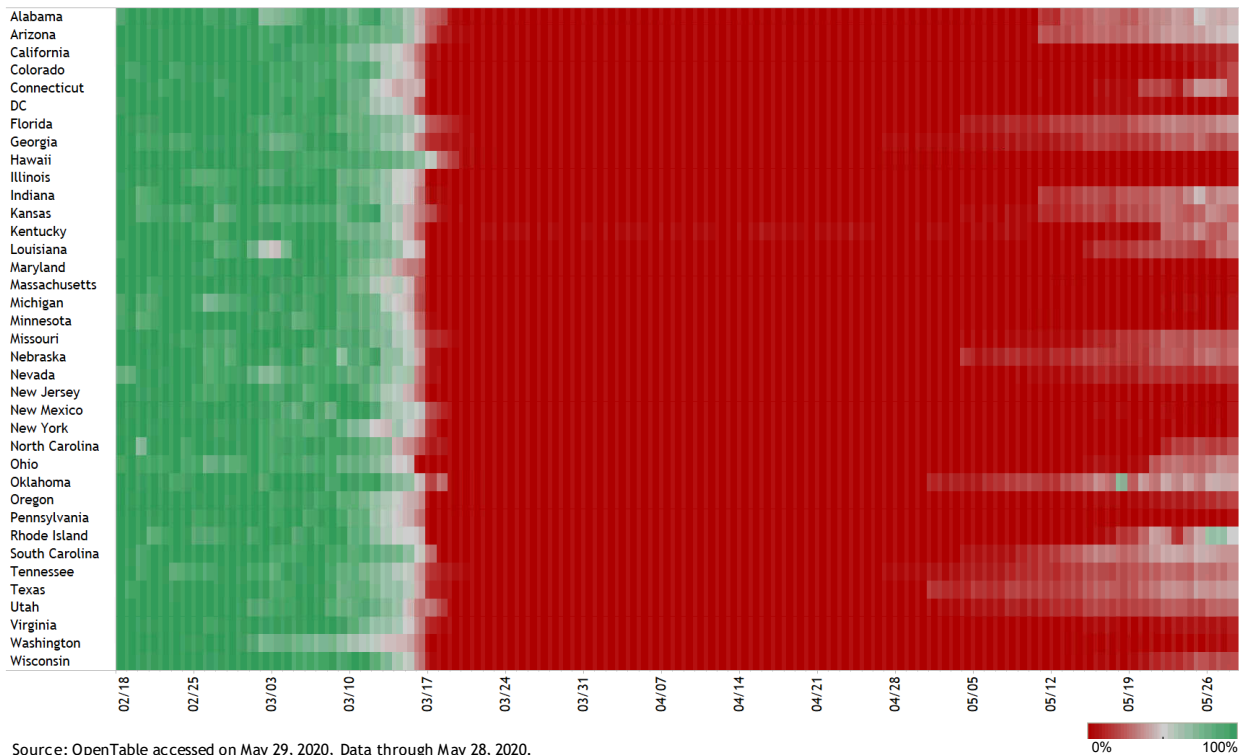
⁵⁰ By way of comparison consumer retail spending on clothing and in grocery and liquor stores has increased by only 21% and 37% respectively from January 2008 to January 2020. *Source:* Analysis of U.S. Census Bureau Advance Monthly Sales for Retail and Food Services Data; seasonally adjusted dollar value of food service and drinking places sales.

⁵¹ This estimate applies the 5.7% year-over-year growth in food services and drinking places (NAICS 722) sales from February and January 2020 to the entire year (*i.e.*, assumes 5.7% growth from the \$766 billion in sales in 2019, as tracked by the U.S. Census Bureau Monthly Retail Trade Report). The U.S. Census Bureau statistics exclude food and beverage sales at hotels, motels, amusement parks, theatres, casinos, and other facilities not “primarily engaged in providing food and beverage services.” *See* “2017 NAICS Definition: Sector 72 – Accommodation and Food Services, 722 Food Services and Drinking Places,” *U.S. Census Bureau*, <https://www.census.gov/cgi-bin/sssd/naics/naicsreh?code=722&search=2017%20NAICS%20Search> (accessed May 26, 2020). The National Restaurant Association projects that the restaurant industry (including food and beverage sales at facilities not primarily engaged in providing food and beverages, such as hotels) was on track to generate \$899 billion in sales in 2020. *See* “Restaurant Industry: 2020 Facts,” *NRA*, <https://restaurant.org/downloads/pdfs/research/soi/2020-state-of-the-industry-factbook.pdf> (accessed May 26, 2020).

b) COVID-19 Public Health Shutdowns Have Devastated Independent Restaurants' Revenue

As the novel coronavirus began to spread in March, states, counties, and cities swiftly began to issue stay-at-home orders, ban large gatherings, and advocate for social distancing in the interest of public health and safety.⁵² These actions shut down independent restaurants' primary form of business (dine-in) within a few short days in mid-March, shortly after which in-restaurant dining plummeted by 100% relative to last year. An examination of in-restaurant dining statistics demonstrates this trend, illustrated in Figure 8 below.⁵³

Figure 8: In-Restaurant Dining (Percent of Same Day Previous Year)



Source: OpenTable accessed on May 29, 2020. Data through May 28, 2020.

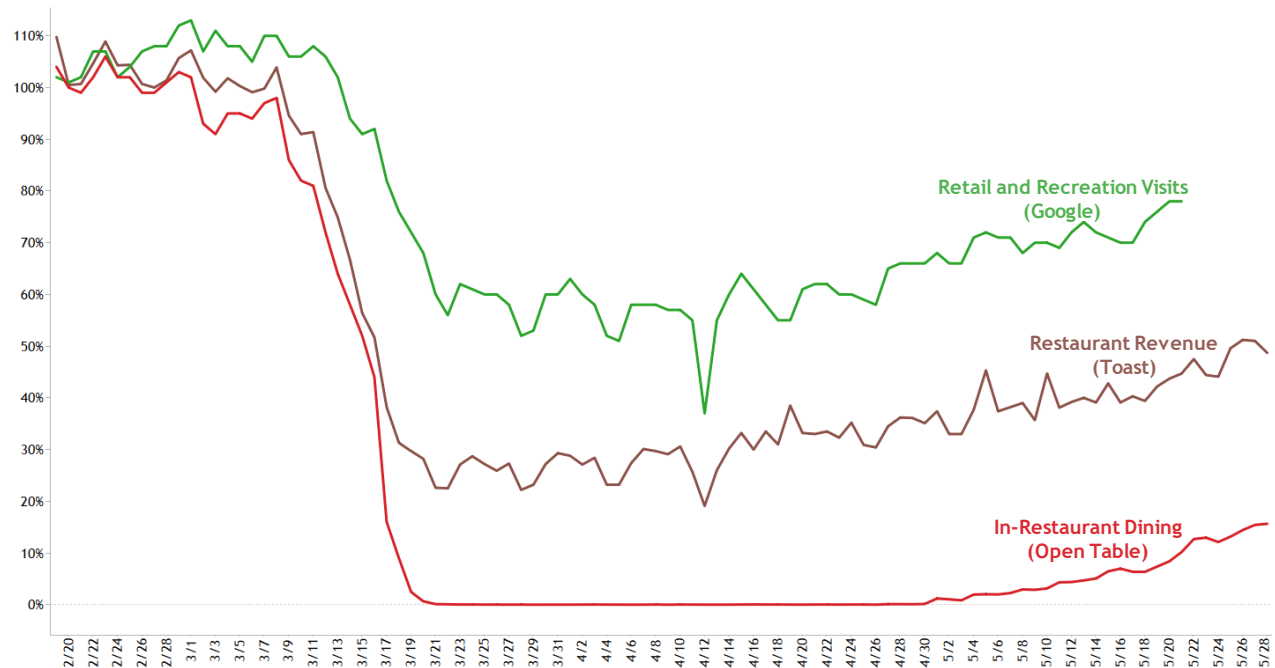
Note: Year-over-year seated diners at restaurants on the OpenTable network across all channels: online reservations, phone reservations, and walk-ins. Data adjusted for day of week effects.

⁵² By March 19, 2020, 25 states had imposed restrictions on restaurants and bars with an emphasis on completely eliminating (or severely limiting) dine-in options. And by April 1, 2020, 44 states had closed restaurants except for takeout/delivery services. See “Restaurants and Bars Shuttered Across the U.S. in Light of Coronavirus Pandemic,” *Eater*, March 19, 2020, <https://www.eater.com/2020/3/15/21180761/coronavirus-restaurants-bars-closed-new-york-la-chicago> and “State Data and Policy Actions to Address Coronavirus,” *Kaiser Family Foundation*, <https://www.kff.org/health-costs/issue-brief/state-data-and-policy-actions-to-address-coronavirus/>.

⁵³ OpenTable, State of the Industry data as of May 21, 2020.

As a result, independent restaurants’ revenue plummeted by over 70% year over year in the last two weeks of March and still remains 51% lower than last year’s levels.⁵⁴ Plunging revenues correspond directly to the inability (or unwillingness) of consumers to dine-in at restaurants. As shown in Figure 9, the downward trends for the restaurant industry have been particularly sharp when compared with other consumer activity trends such as retail and recreation visits.⁵⁵

Figure 9: Daily Mobility/In-Restaurant Dining/Revenue Trends



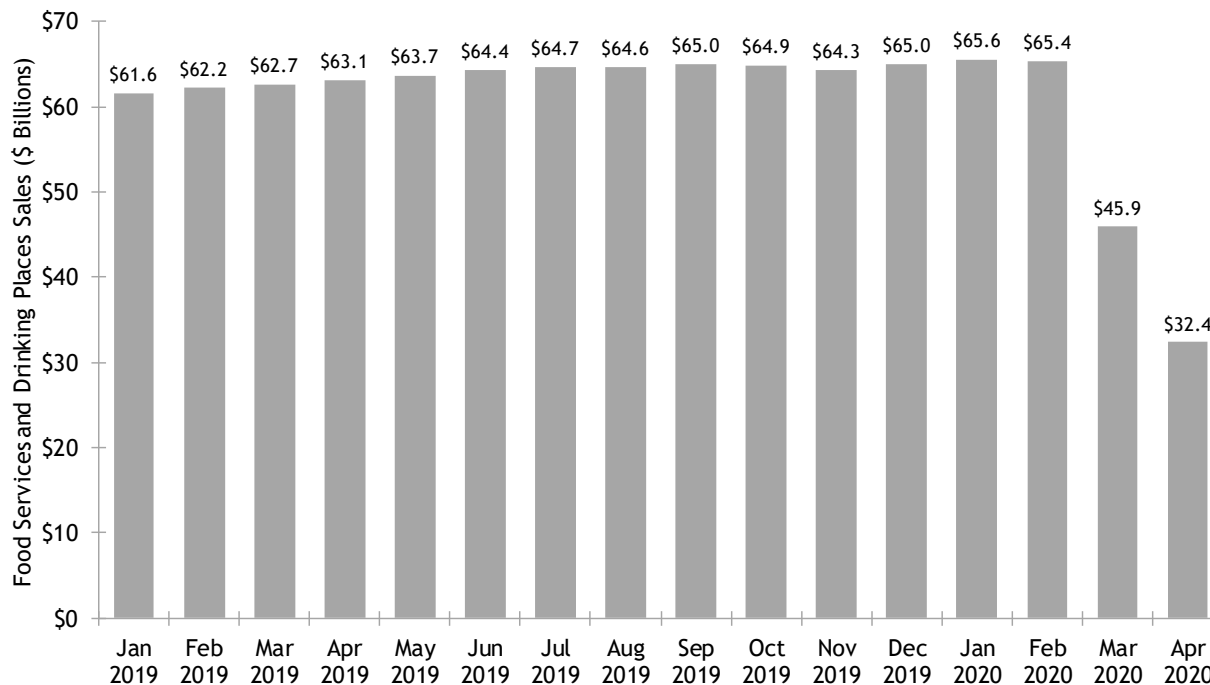
Source: OpenTable; Toast Insights; Google COVID-19 Community Mobility Reports.
 Note: The baseline for google mobility data is the median value, for the corresponding day of the week, during the 5-week period Jan 3-Feb 6, 2020. Data through May 21, 2020 accessed on May 29, 2020. Year-over-year seated diners at restaurants on the OpenTable network across all channels: online reservations, phone reservations, and walk-ins. Year-over-year revenue for restaurants using the Toast platform. Data adjusted for day of week effects and through May 28 for OpenTable and Toast.

Independent restaurants are in a worse position than fast food and other similar restaurants that are premised in large part on drive-through/takeout/delivery. To illustrate, Figure 10 below includes data on all restaurants (including fast food) and displays a drop in revenue of 50%, which is more optimistic than the 60-70% revenue decline specific to independent restaurants.

⁵⁴ See “How COVID-19 is Affecting Restaurants,” analyzing Toast Platform data (<https://rallyforrestaurants.com/impact-COVID-19-restaurant-insights.html>), accessed on May 29, 2020.

⁵⁵ “Retail and Recreation” as measured by Google mobility trends includes “restaurants, cafes, shopping centers, theme parks, museums, libraries, and movie theaters.”

Figure 10: Monthly Restaurant Revenue (\$ Billions) (January 2019-April 2020)



Source: U.S. Census Bureau Advance Monthly Sales for Retail and Food Services.
 Note: Seasonally adjusted dollar value of sales, January 2019 to April 2020.

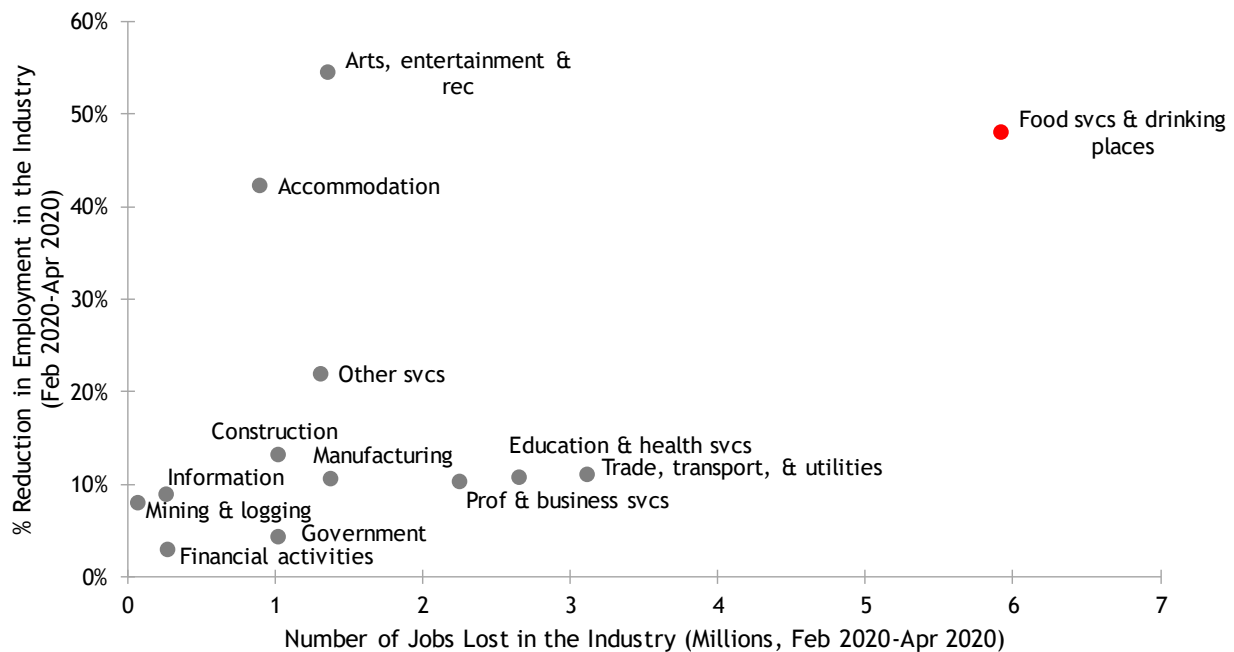
c) COVID-19 Has Decimated Jobs in the Restaurant Industry, Particularly for Independent Restaurants

As a result of the sharp and sudden decline in revenue, the restaurant industry has shed nearly 50% of its jobs between February and April of this year (5.9 million jobs), at least 4.5 million of which are from independent restaurants.⁵⁶ As shown in Figure 11 below, the restaurant industry had the

⁵⁶ The loss of 5.9 million restaurant industry jobs since February is more than the total number restaurant industry jobs that were created in the last 30 years, taking restaurant employment back to its level in May 1989 (source: U.S. BLS CES employment in food services and drinking places (NAICS 722) and eating and drinking places (SIC 58)). Independent restaurant job losses are estimated based on the proportion of restaurants that are independent. This figure likely understates the amount of job losses at independent restaurants because it assumes that the independent restaurant share of overall restaurant industry job losses is proportional to their share of restaurant establishments prior to the pandemic (i.e., 76%). However, independent restaurants—without the same access to capital or pre-existing delivery systems as large restaurant chains—face a much harder time staying open and preserving jobs than other restaurants. In fact, several large restaurant chains with sales models premised primarily on delivery and take-out have hired new workers since restrictions began in March. For example, Domino’s, Pizza Hut and Papa John’s have announced plans to hire 10,000, 30,000 and 20,000 people, respectively. See “The Big Four Pizza Chains Are Hiring Over 60,000 Employees to Handle Delivery Demand During COVID-19,” *Food & Wine*, May 22, 2020, <https://www.foodandwine.com/news/pizza-delivery-restaurants-hiring-thousands-of-workers-coronavirus>. Similarly, Taco Bell and its franchises intend to hire 30,000 workers over the summer while Raising Cane’s is looking to hire 5,000 employees. See “Taco Bell Will Hire 30,000 Workers this Summer,” *Restaurant Business*, May 21, 2020, <https://www.restaurantbusinessonline.com/operations/taco-bell-will-hire-30000-workers-summer> and “Raising Cane’s

largest number of job losses and had a larger proportion of job losses than any other industry with the exception of arts, entertainment and recreation.⁵⁷

Figure 11: Job Losses In Restaurant Industry Compared with Other Industries During the Pandemic (February-April 2020)



Source: U.S. BLS Current Employment Statistics.
 Note: Number and percent change in nonfarm employees from February 2020 to April 2020, seasonally adjusted. CES major industry sectors are shown except for leisure and hospitality, which is broken into “arts, entertainment, and recreation,” “accommodation,” and “food services and drinking places.”

Not surprisingly, the industry’s staggering job losses have contributed significantly to the unemployment figures in the United States, which have reached levels not seen since the Great Depression.⁵⁸ Figure 12 shows that more than a quarter of the unemployment increase since February (3.1 percentage points) can be attributed to individuals who lost a job in the restaurant

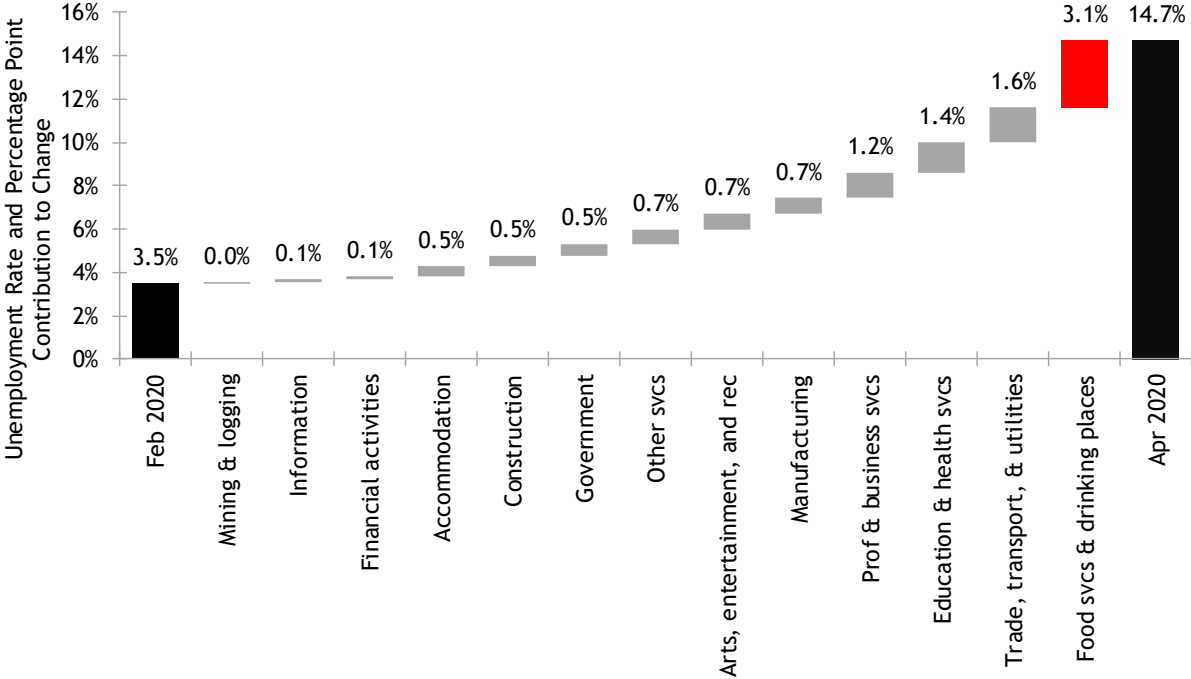
Restaurants Looking To Hire 5,000 Employees Nationwide,” *CBS Los Angeles*, May 19, 2020, <https://losangeles.cbslocal.com/2020/05/19/coronavirus-whos-hiring-job-listing-raising-canes/>.

⁵⁷ Comparison of job losses in food services and drinking places relative to the CES major industry sectors outside leisure and hospitality and to other industry groups within leisure and hospitality.

⁵⁸ See “Fed’s Rosengren says U.S. unemployment rate could remain at double-digit levels by end of year,” *Reuters*, May 19, 2020, <https://www.reuters.com/article/us-usa-fed-rosengren/feds-rosengren-says-u-s-unemployment-rate-could-remain-at-double-digit-levels-by-end-of-year-idUSKBN22V2QM> (“The unemployment rate could peak at close to 20% as more Americans lose jobs in shutdowns to limit the spread of the coronavirus, and job losses could linger, [Boston Federal Reserve Chairman] Rosengren said [...] ‘Unfortunately, even by the end of the year, I expect the unemployment rate to remain at double-digit levels’”).

industry—more than any other industry and almost double the next most affected industry.⁵⁹ Independent restaurant workers who lost their jobs thus account for at least 2.4 percentage points of unemployment.⁶⁰ *Helping independent restaurants keep their employees on payroll would reduce the country’s unemployment rate from 14.7% to 12.3% and help reduce the burden on public assistance programs.*

Figure 12: Percent of Increased Unemployment Figures Between February and April 2020 Stemming from Restaurant vs. Other Industries



Source: U.S. BLS CPS and CES.
 Note: Contribution to the change in the unemployment rate is calculated by applying the industry share of job losses from February to April 2020 to the change in the unemployment rate over the same period.

d) Independent Restaurants Have Been the Hardest Hit Segment of the Restaurant Industry

Restaurants typically operate on notoriously thin profit margins due largely to the high costs of food, labor, and real estate and intense competition (both with other restaurants as well as home-

⁵⁹ The industry contribution to the increase in unemployment from February to April is calculated based on the industry share of job losses over the same period (the reduction in total nonfarm payroll from the U.S. BLS CES).

⁶⁰ Independent restaurant job losses are estimated based on the proportion of restaurants that are independent. As discussed in footnote 56, this estimate is conservative because it assumes that independent restaurants and large chain restaurants have shed jobs at the same rate, but independent restaurants have been the hardest hit segment of the restaurant industry and thus likely account for a larger share of job losses.

cooked meals).⁶¹ Unlike many larger chain restaurants, however, the vast majority of independent restaurants have a business model based on dine-in seating capacity and require high utilization of in-restaurant seating capacity to be profitable. This model is wholly incompatible with stay-at-home orders and public gathering restrictions and is not easily adaptable to social distancing guidelines. As shown in Figure 13, while all restaurants have been impacted by public health precautions, consumer spending on fine and casual dining (which together make up the bulk of independent restaurants) has declined 85% and 65% respectively, compared with a 21% decline in fast-food dining.⁶² In addition, these restaurants lack the same access to capital markets (e.g., secondary offerings or private equity) as publicly traded or other large restaurant groups that could help bridge the crisis until demand meaningfully rebounds.⁶³ In the same vein, women, minorities and others who own proportionately more independent restaurants often face greater challenges accessing capital.⁶⁴ Independent restaurants are thus far more at risk of *permanently* going out of business due to the pandemic—both because consumer spending at these establishments has been

⁶¹ These Darwinian margins efficiently shed restaurants that would not survive under normal circumstances. In 2019, an average single location full-service restaurant had a profit margin of 5.2%. See “Single Location Full-Service Restaurants in the US Industry Report,” *IBISWorld*, October 2019, at p. 23.

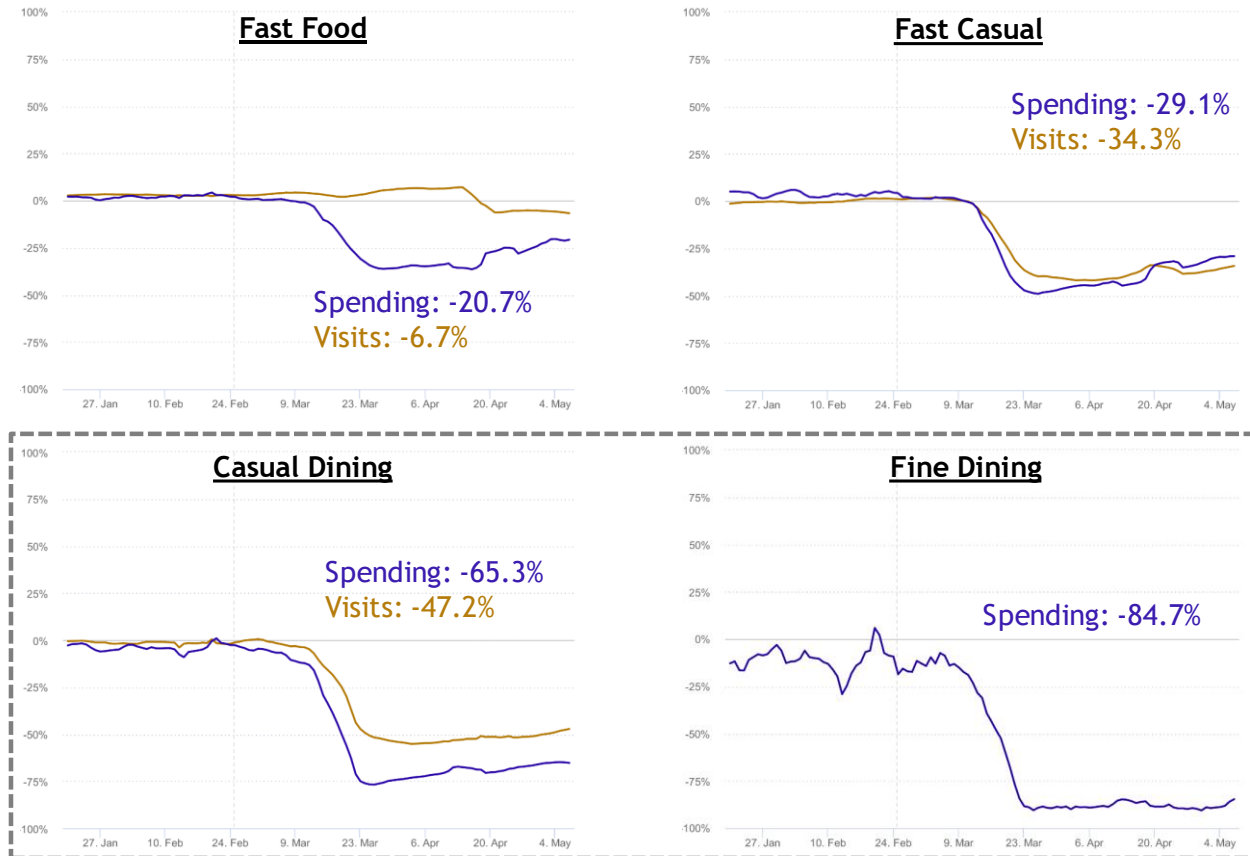
⁶² COVID-19 impact on US spending, 1010data, <https://1010data.exabel.com/covid-19/>. 1010data is a member of the Nielsen Connected Partner Program and provides data on consumer demand through its Insights Platform. See also footnote 56, which discusses plans by Pizza Hut and other fast food chains to hire new workers to deal with expanded demand for delivery.

⁶³ Many publicly traded restaurant groups have successfully raised capital since the start of the pandemic. For instance, Cheesecake Factory received a \$200 million investment from Roark Capital on April 20 (“Cheesecake Factory stock climbs after Roark Capital invests \$200 million,” *CNBC*, April 20, 2020, <https://www.cnbc.com/2020/04/20/cheesecake-factory-stock-climbs-after-roark-capital-invests-200-million.html>); Shake Shack raised \$150 million in equity offering on April 17 (“Shake Shack Announces Aggregate \$150 Million in Equity Offering,” *Shake Shack*, April 17, 2020, <https://investor.shakeshack.com/investors-overview/news/press-release-details/2020/Shake-Shack-Announces-Aggregate-150-Million-Equity-Offering/default.aspx>); Bloomin’ Brands, Inc. announced a price of \$200 million in a private offering on May 6 (“Bloomin’ Brands, Inc. Announces Pricing of \$200 Million Private Offering of Convertible Senior Notes Due 2025,” *Bloomin’ Brands*, May 6, 2020, <https://investors.bloominbrands.com/news-releases/news-release-details/bloomin-brands-inc-announces-pricing-200-million-private>); Cannae Holdings, Inc. sold over \$115 million in shares of common stock (“Cannae Holdings, Inc. Announces Sale of Shares of Ceridian Common Stock,” *Business Wire*, May 8, 2020, <https://www.businesswire.com/news/home/20200508005504/en/Cannae-Holdings-Announces-Sale-Shares-Ceridian-Common>); Darden Restaurants, Inc. began an underwritten public offering of \$400 million in shares of common stock on May 20 (“Darden Restaurants Announces Public Offering of Common Stock,” *Yahoo Finance*, April 20, 2020 <https://finance.yahoo.com/news/darden-restaurants-announces-public-offering-202500243.html>); Wendy’s Company drew down \$120 million in late March (“Wendy’s withdraws outlook and draws down revolver as same-store sales plunge 20%,” *CNBC*, March 26, 2020, <https://www.cnbc.com/2020/03/26/wendys-withdraws-outlook-and-draws-down-revolver-as-same-store-sales-plunge-20percent.html>); and BJ’s Restaurants, Inc. announced a \$70 million investment from Act III Holdings and T. Rowe Price on May 1, 2020 (“BJ’s Restaurants, Inc. Announces \$70 Million Investment from Act III Holdings and T. Rowe Price,” *Yahoo Finance*, May 1, 2020, <https://finance.yahoo.com/news/BJ-restaurants-inc-announces-70-195843003.html>).

⁶⁴ See, e.g., “Women, venture capital and bias,” *Marketplace*, August 7, 2015, <https://www.marketplace.org/2015/08/07/women-venture-capital-and-bias/>.

disproportionately affected and because independent restaurants lack the same access to capital markets.

Figure 13: Restaurant Spending and Visits by Service Type



Source: 1010data COVID-19 impact on US spending <https://1010data.exabel.com/covid-19/>, accessed on May 21, 2020.
 Note: Data in text boxes correspond to May 7, 2020 change from equivalent day last year.

e) Available Interim Financial Assistance Programs Do Not Provide Sufficient Relief

Given the industry’s thin profit margins and the high degree of uncertainty regarding when they may be able to restore dine-in service at full capacity (and when patrons will feel safe about dining in bustling indoor venues), most independent restaurateurs are not in a position to take-on and service significant loan debt, which makes it prohibitive to take advantage of the Federal Reserve’s

Main Street Lending Program.⁶⁵ By the same token, despite the federal Paycheck Protection Program's (PPP) purpose and intent to buttress temporarily small businesses,⁶⁶ many independent restaurateurs have either been unable to obtain PPP loans or find the terms to be challenging as applied to the industry, as discussed at a White House roundtable event on March 18.⁶⁷ For example, while the requirement to rehire employees immediately would temporarily reduce unemployment, it would also result in restaurants being staffed at full capacity well *before* restaurants are able to have a full-capacity operation by State and local public health regulation. Moreover, government-imposed capacity restrictions pose significant challenges for restaurateurs to meet requirements that would convert the loan into a grant—*e.g.*, using 75% of the funds *within eight weeks*, despite ongoing and open-ended State and local restrictions (though the Trump Administration appears open to alleviating some of these requirements in practice, such as extending use to 24 weeks).⁶⁸

In any event, PPP funding is designed as an immediate and temporary relief valve for most small businesses. However, unlike other small businesses, independent restaurants are in the precarious position of facing longer-term, compulsory capacity limitations in state-led economic re-openings. As explained above, independent restaurants operate on thin profit margins fundamentally relying on high utilization of seating capacity to create the turnover necessary to remain economically

⁶⁵ See “Unforgivable? Restaurants Fear Big COVID-19 Loan Bills,” *New York Times*, May 13, 2020, <https://www.nytimes.com/aponline/2020/05/13/business/bc-virus-outbreak-small-business-relief-restaurants.html>. Moreover, because of the highly uncertain revenue environment independent restaurants face until the pandemic recedes, there is no guarantee that participating lenders would even be willing to make loans to restaurants under the Main Street Lending program. See, *e.g.*, “Main Street Lending Program Frequently Asked Questions,” <https://www.federalreserve.gov/monetarypolicy/files/main-street-lending-faqs.pdf>, (“Eligible Lenders are expected to conduct an assessment of each potential borrower’s financial condition at the time of the potential borrower’s application. Eligible Lenders will apply their own underwriting standards in evaluating the financial condition and creditworthiness of a potential borrower.”).

⁶⁶ See “SBA’s Paycheck Protection Program for Small Businesses Affected by the Coronavirus Pandemic Launches,” *U.S. Small Business Administration*, April 3, 2020 (“The program provides forgivable loans up to \$10 million to small businesses left financially distressed by the Coronavirus (COVID-19) pandemic. The loans, which will be administered at the local level by a national network of banks and credit unions, are designed to maintain the viability of millions of small businesses struggling to meet payroll and day-to-day operating expenses.”).

⁶⁷ See “Remarks by President Trump in a Roundtable with Restaurant Executives and Industry Leaders,” *White House Briefings*, May 18, 2020, <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-roundtable-restaurant-executives-industry-leaders/>; see *e.g.*, Independent Restaurant Coalition Town Hall Video recording, April 29, 2020, <https://www.saverestaurants.com/video-recording-of-4-29-town-hall> (“DC’s most famous landmark restaurant, Ben’s Chili Bowl, only just got the PPP as a result of a PR campaign”).

⁶⁸ See “Trump Says Should Be Possible to Allow PPP Borrowers More Time to Use Loans,” *Reuters*, May 18, 2020, <https://www.reuters.com/article/us-health-coronavirus-usa-ppp/trump-says-should-be-possible-to-allow-ppp-borrowers-more-time-to-use-loans-idUSKBN22U2ST>.

viable. In particular, because many restaurants critically depend on using 100% of their capacity at peak times, operating at reduced capacity—even with the numerous adaptive measures described above—will endanger independent restaurants that under normal circumstances would be able to thrive. In fact, a recent working paper surveying small businesses, found that, on average, only 30% of restaurateurs believed they could remain in business if the pandemic lasted four months (even with PPP assistance)—the lowest prospective outlook of all industries surveyed.⁶⁹ And even if some independent restaurants could survive for the next several months without additional assistance, epidemiological models and recognized U.S. government public health officials support that there will be some continuation in the fall and winter, with the possibility of a second wave of new infections.⁷⁰ Most of the state plans to re-open their economies include regressive benchmarks (*e.g.*, spikes in new infections) that would require reimplementing of public gathering restrictions and social distancing. In such case, the same study found that ***only 15% of restaurateurs believed they could even make it to six months without bridge assistance.***⁷¹

Even if state and local governments allow restaurants to open at full capacity irrespective of any resurgence in infections, a recent poll conducted by ABC News/IPSOS indicated that over 50% of people would be unlikely to dine at a restaurant if restrictions were lifted imminently.⁷² And a McKinsey poll found that 27% of people likely would not dine at a restaurant until there is a

⁶⁹ Bartik, Alexander W., Marianne Bertrand, Zoë B. Cullen, Edward L. Glaeser, Michael Luca, Christopher T. Stanton, “How Are Small Businesses Adjusting To Covid-19? Early Evidence From A Survey,” National Bureau of Economic Research (NBER) Working Paper 26989, April 2020.

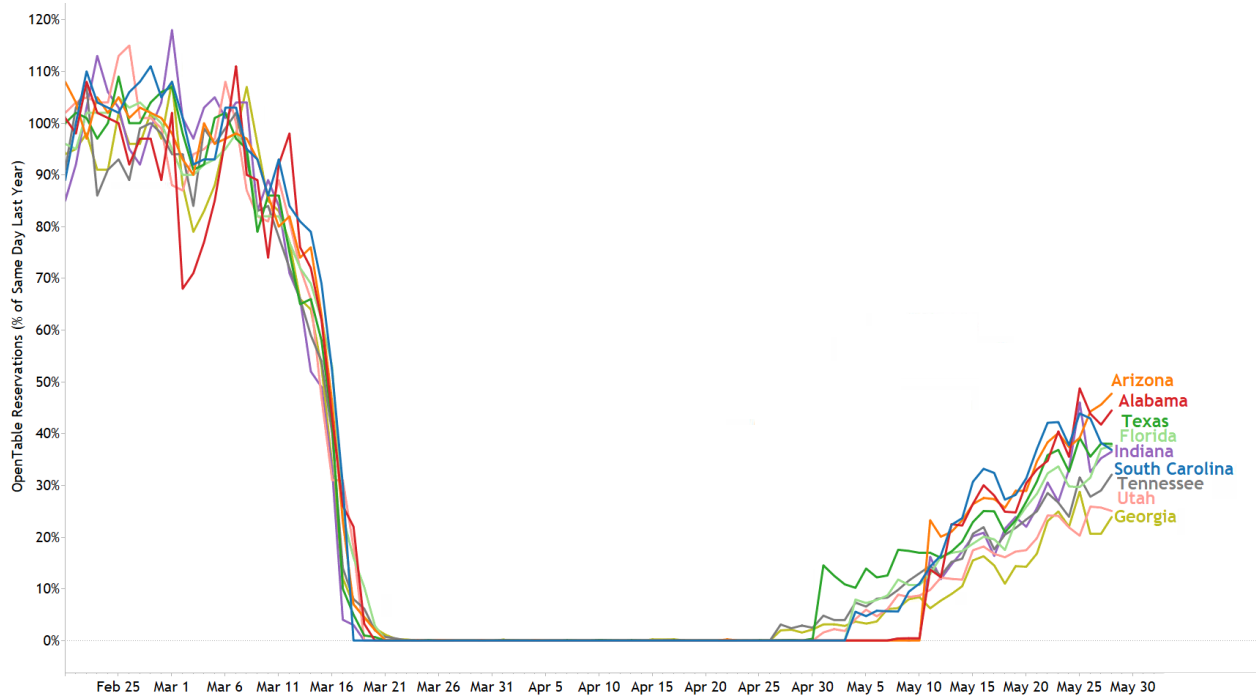
⁷⁰ See “COVID-19: The CIDRAP Viewpoint,” *Center for Infectious Disease Research and Policy*, April 30, 2020. CIDRAP of the University of Minnesota outlines three possible scenarios for the future of the COVID-19 pandemic: a first wave in spring 2020 followed by (1) a series of repetitive smaller waves, (2) a larger wave in the fall or winter of 2020 (similar to the 1918-1919 flu pandemic), and (3) ongoing transmission and case occurrence without a clear wave pattern. See also, “Dr. Anthony Fauci says a second wave of coronavirus is ‘not inevitable,’” *CNBC*, May 27, 2020, <https://www.cnn.com/2020/05/27/dr-anthony-fauci-says-a-second-wave-of-coronavirus-is-not-inevitable.html>, (“A second wave of the coronavirus outbreak in the United States “could happen” but is “not inevitable,” White House health advisor Dr. Anthony Fauci said”).

⁷¹ Bartik, Alexander W., Marianne Bertrand, Zoë B. Cullen, Edward L. Glaeser, Michael Luca, Christopher T. Stanton, “How Are Small Businesses Adjusting To Covid-19? Early Evidence From A Survey,” National Bureau of Economic Research (NBER) Working Paper 26989, April 2020.

⁷² See ABC News/Ipsos COVID Survey (April 29-30) (surveying 518 adults).

vaccine⁷³ (which under optimistic projections could come at the end of the year⁷⁴). As shown in Figure 14, even in states that have already begun to re-open, in-restaurant dining remains below permitted capacity.⁷⁵ Similarly, restaurant revenue in counties that have re-opened has remained on average 45% below prior year levels with 66% of restaurants in those counties reporting that sales remain at least 25% lower than the same week in 2019.⁷⁶

Figure 14: In-Restaurant Seated Dining in States That Have Begun to Re-Open



Source: OpenTable.
 Note: Year-over-year seated diners at restaurants on the OpenTable network across all channels: online reservations, phone reservations, and walk-ins. Data adjusted for day of week effects. Data through May 28, 2020.

Thus, PPP funds are not enough to enable survival. Without meaningful financial bridge assistance in the form of grants, the coronavirus poses an insurmountable challenge for many independent

⁷³ McKinsey & Company, “Survey: US consumer sentiment during the coronavirus crisis,” May 15, 2020, <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/survey-us-consumer-sentiment-during-the-coronavirus-crisis> (surveying over 1,000 people sampled to match the US adult population.)

⁷⁴ See, e.g., “Fauci says it’s still possible that a coronavirus vaccine will be available in the U.S. by December,” *CNBC*, May 22, 2020, <https://www.cnn.com/2020/05/22/dr-fauci-is-still-confident-us-could-have-a-coronavirus-vaccine-by-december.html>.

⁷⁵ Figure shows states that began re-opening towards the end of April.

⁷⁶ Source: “The State of the Restaurant Industry” dataset, powered by Toast, which captures approximately 13,000 restaurants with same-store year-over-year revenue data.

restaurants,⁷⁷ with many notable and successful restaurants already shutting down permanently due to the pandemic.⁷⁸ Accordingly, independent restaurants uniquely require financial assistance now more than ever to prevent permanently shuttering en masse, which would—in turn—send shockwaves through their supply chains.⁷⁹

f) Independent Restaurants' Adaptive Measures Are Not Sufficient to Replace its Primary Dine-In Business Model

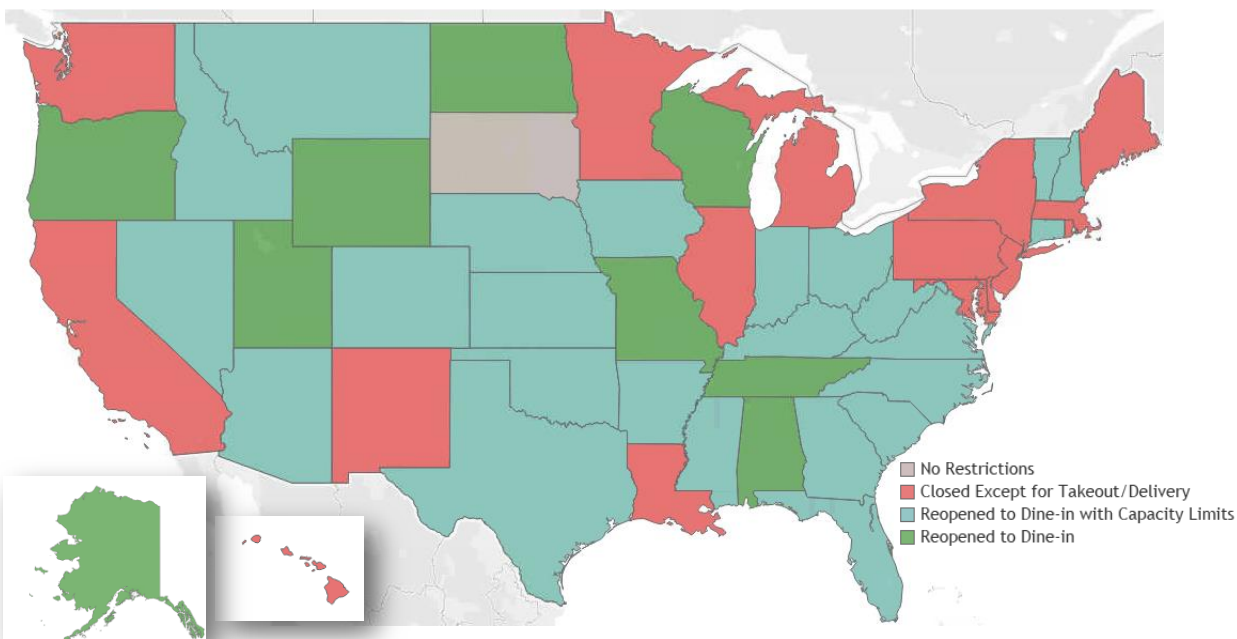
Although some states have begun to re-open, restaurants in nearly every state are continuing to operate with significant restrictions on service and capacity as shown in Figure 15.

⁷⁷ Business interruption insurance provides no respite for restaurateurs affected by the pandemic. While the vast majority of independent restaurants either remain shuttered or are operating with mandated reduced capacity for dine-in eating, business interruption insurance policies typically require *physical damage* of restaurant in order to file a claim and typically have coverage exclusions for public health epidemics and pandemics. See “Insurers don’t need to pay coronavirus business interruption claims: Treasury,” *FOX Business*, May 11, 2020, <https://www.foxbusiness.com/features/insurers-coronavirus-related-business-interruption-claims-treasury>; “Does business insurance cover coronavirus-related losses?” and *FOX Business*, March 29, 2020, <https://www.foxbusiness.com/money/business-insurance-cover-coronavirus-losses>.

⁷⁸ For example, The Bachelor Farmer, located in Minneapolis, MN, closed on April 30, 2020 due to COVID-19. According to Eater, the restaurant “shaped the North Loop neighborhood, hosted international dignitaries, and forever changed the way people considered Minnesotan cuisine...” See “Minneapolis’ The Bachelor Farmer Restaurant, Café, and Marvel Bar Have Closed,” *Eater*, April 30, 2020, <https://twincities.eater.com/2020/4/30/21243443/bachelor-farmer-restaurant-cafe-marvel-bar-closed-forever-minneapolis/>. Another notable restaurant, Gotham Bar and Grill in New York City, closed its doors on March 14, 2020 after 36 years of service. The Michelin-star eatery is “a fine dining legend; its menu shaped what American fine dining looks like in New York.” See “Gotham Bar and Grill is Closing Permanently After 36 Years,” *Eater*, March 13, 2020, <https://ny.eater.com/2020/3/13/21179313/gotham-bar-and-grill-closing-nyc>. Moreover, according to estimates by the National Restaurant Association, 30,000 restaurants had closed permanently by the end of March with over 100,000 expected to shutter by the end of April. See “Restaurant Apocalypse: More than 110,000 restaurants expect to close up forever in the coming weeks, with millions out of work and the industry’s future uncertain,” *Business Insider*, March 31, 2020, <https://www.businessinsider.com/coronavirus-restaurant-industry-faces-down-apocalypse-2020-3>. Refer to Appendix A for a sampling of additional independent restaurants that have shuttered due to COVID-19.

⁷⁹ President Trump has also proposed restoring the tax deductibility of business meals and entertainment that was largely removed in the 2017 tax bill. While this would clearly be a large benefit to restaurants once business customers started dining out again, and would help restaurants recover, it would not serve the specific purpose of providing bridge assistance to keep restaurants in business while shuttered or operating at reduced capacity. See “Trump calls on Congress to restore tax deductions for business meals, entertainment,” *The Hill*, April 1, 2020, <https://thehill.com/homenews/administration/490619-trump-calls-on-congress-to-restore-tax-deductions-for-business-meals>.

Figure 15: Restaurant Restrictions by State, as of May 28, 2020



Source: Kaiser Family Foundation, <https://www.kff.org/health-costs/issue-brief/state-data-and-policy-actions-to-address-coronavirus/> accessed on May 29, 2020.

Note: “No Restrictions” refers to instances where the state imposed no restaurant related restrictions at any point. Kansas has distancing requirements for re-opening restaurants as opposed to a capacity reduction requirement.

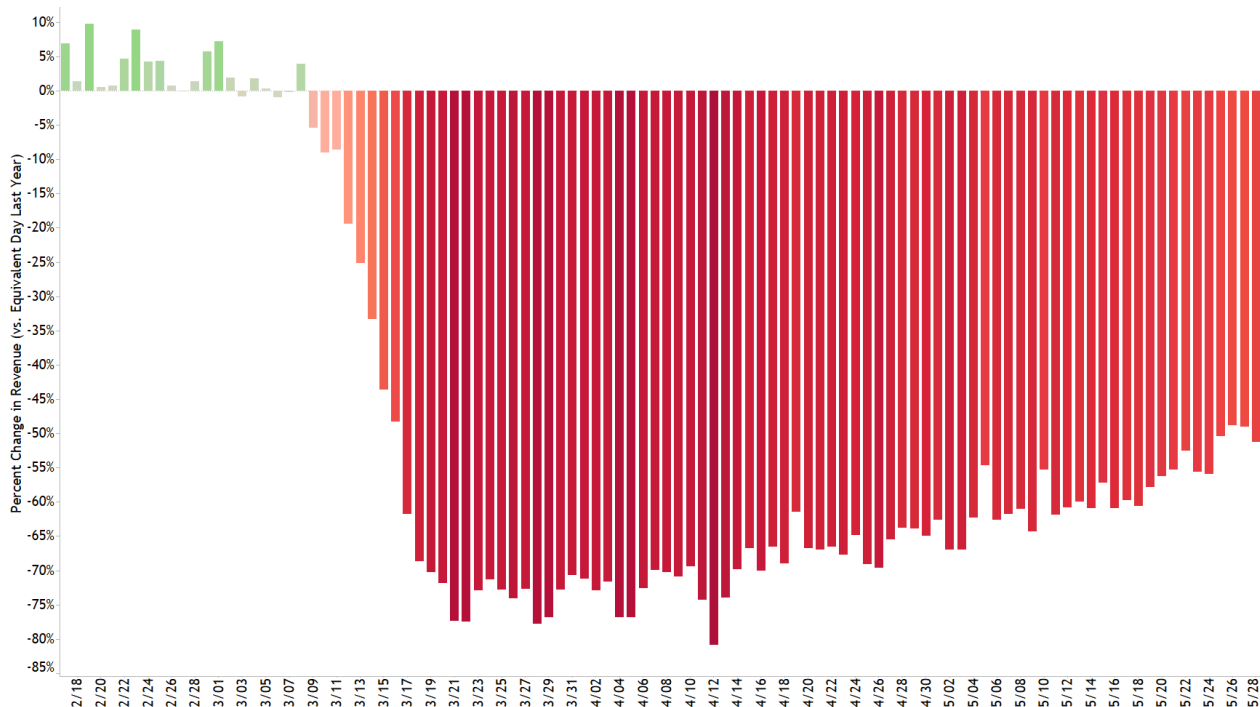
In order to be viable, independent restaurants need to be at or near capacity at peak times and also need to generate additional revenue from products that come only with in-restaurant dining service (*i.e.*, alcohol). An independent restaurant’s aim is to generate enough revenue per available seat hour to cover operating costs and make a modest profit (albeit typically small).⁸⁰ Capacity restrictions are antithetical to reaching this goal. In order to earn back some of the lost revenue—albeit far from enough to cover even their rent in many cases⁸¹—many independent restaurants have expanded (or added for the first time) takeout or delivery options. For most independent restaurants, however, demand for takeout or delivery remains well below typical on-premise demand, and

⁸⁰ See, *e.g.*, Kimes, S. E. (2004), Restaurant revenue management [*Electronic article*], *Cornell Hospitality Report*, 4 (2), 5-34.

⁸¹ Even the Cheesecake Factory, with \$694 million in revenues in 2019-Q4 and an existing takeout operation, announced that it was unable to pay April rent due to the coronavirus crisis. Independent restaurants, with less access to capital, are in a far worse position to be able to pay rent—and many, such as the Bellwether in Studio City, California, cannot cover rent costs with takeout alone. See “For Restaurants Fighting to Stay Open, Landlords Prove a Major Hurdle,” *Eater*, 2020, <https://www.eater.com/2020/4/21/21228316/restaurants-cant-pay-rent-fighting-landlords-lease-coronavirus-covid-19>, (“The Bellwether has stayed open for delivery and take-out but is operating at 10 to 15 percent of its normal business. ‘If we want to keep serving food, we have to make sure [our suppliers] sell us food,’ Hopson says. The little bit of income coming in is going to pay food suppliers and the few remaining employees.”).

restaurants are often unable to charge the same prices without table service.⁸² While takeout and delivery revenue has gone up by at least 59% compared with the same day last year in every week since March 19 (with some weeks up to 72%), this has not been enough to offset the declines in on-premise dining. Indeed, as shown in Figure 16, overall restaurant revenues have declined 64% in April and May.

Figure 16: Year-Over-Year Daily Restaurant Revenue (February 17, 2020 - May 28, 2020)



Source: Toast Insights via <https://rallyforrestaurants.com/impact-COVID-19-restaurant-insights.html> accessed on May 29, 2020.
 Note: Includes restaurants that have been open for over one year and have been on the Toast platform for at least one year.

⁸² A recent survey of 216 restaurants in San Francisco found that of the 123 restaurants that had adapted to a takeout/delivery business, 60% were losing money by doing so and 25% were breaking even. See “San Francisco Restaurants Questionnaire Results: Survey Distributed on May 5th (216 Respondents),” *Golden Gate Restaurant Association*, https://cdn.vox-cdn.com/uploads/chorus_asset/file/19984755/Shared_San_Francisco_Restaurants_Questionnaire_Results_Analysis.pdf. As an illustrative example for takeout versus dine-in pricing, a three Michelin star restaurant in Chicago (Alinea) started to use its reservation system to allow customers to reserve meals for curbside pick-up. While a multi-course meal at Alinea typically costs \$210 or more, the restaurant now offers a curbside special for \$34.95. See “Alinea sells out to-go meals of beef Wellington and mashed potatoes in 5 hours,” *Chicago Tribune*, March 19, 2020, <https://www.chicagotribune.com/coronavirus/ct-alinea-to-go-meals-sell-out-coronavirus-chicago-20200319-zfkxajyubncbhophn4zjbjkva-story.html>.

Moreover, the inability to sell (or diminished demand for) higher margin products (*e.g.*, dessert, alcoholic and non-alcoholic beverages⁸³) through takeout has further contributed to the decrease in the average customer bill at restaurants, which has declined by 12% for casual dining and 25% for fine dining restaurants for week ending April 5, 2020, compared with January and February 2020.⁸⁴ In the same vein, delivery commissions charged by third-party delivery services can be cost prohibitive, in some cases charging a commission fee as high as 30%.⁸⁵ Some restaurants have even begun selling grocery and pantry items directly to consumers (despite differing tax ramifications and FDA reporting requirements), but have had difficulty competing for sales with grocery stores.⁸⁶ To illustrate the revenue problem restaurants are facing notwithstanding adaptive measures, Figure 17 depicts how consumers have shifted spending from restaurants to grocery and liquor stores. While restaurant spending declined by 50% from February to April, grocery store spending increased by 10%.

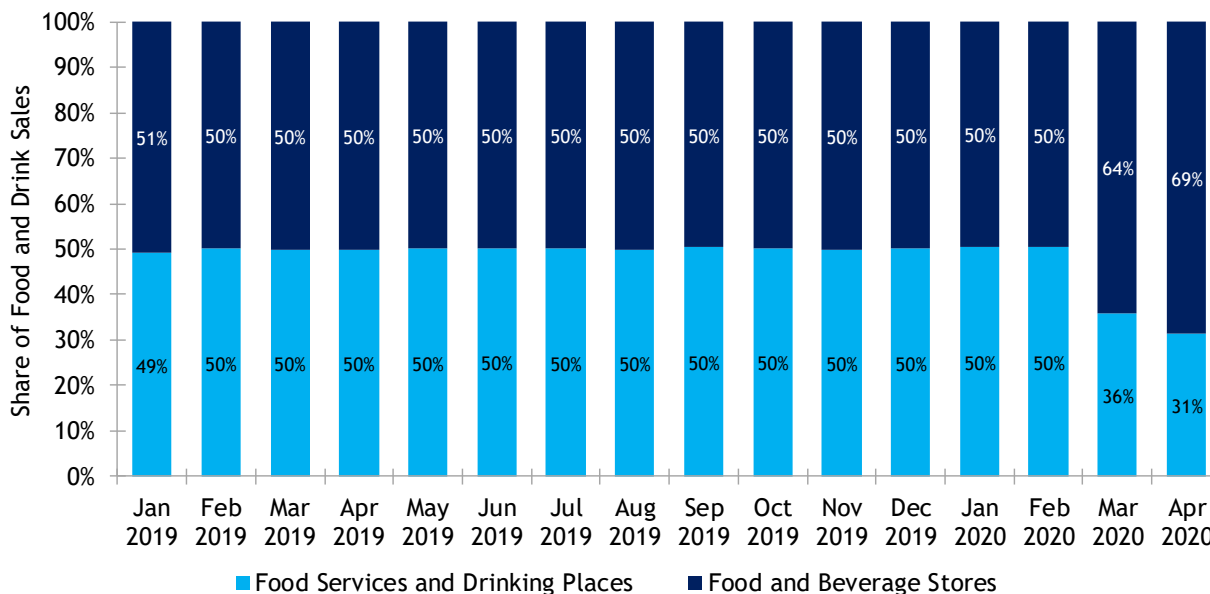
⁸³ While certain States have allowed restaurants to temporarily sell alcohol (*e.g.*, Massachusetts), they cannot generate nearly as much revenue per serving as they can for table service. Moreover, restaurants are effectively competing with grocery stores and other wine/liquor stores for these sales.

⁸⁴ COVID-19 Food Industry Impact: Food industry spending analysis in the face of a pandemic, 1010 Data April 23, 2020.

⁸⁵ *See e.g.*, “Grubhub comes under fire for high fees, bad drivers — and some Chicago restaurants are dropping it,” *Chicago Tribune*, April 13, 2020, <https://www.chicagotribune.com/coronavirus/ct-food-coronavirus-grubhub-uber-eats-20200413-h57oq4yno5etfen6zktcunwvfa-story.html>, (“While the amount differs slightly for each restaurant, it’s common for a food delivery app to have a commission fee of 20 to 30% of each order.”).

⁸⁶ *See* “Want to sell groceries from your restaurant? We’ve got tips,” *NRA*, April 24, 2020, <https://restaurant.org/Articles/News/Sell-groceries-from-restaurants-We-have-tips>. Importantly, because grocery stores were essential services that have remained open throughout the pandemic, restaurants that have sold grocery items have done so largely at cost.

Figure 17: Consumer Spending at Restaurants and Bars Versus Grocery and Liquor Stores



Source: U.S. Census Bureau Advance Monthly Sales for Retail and Food Services.

Note: Seasonally adjusted dollar value of sales, January 2006 to April 2020. Food and beverage stores include grocery stores and wine, beer and liquor stores. Food services and drinking places include special food services, drinking places (alcoholic beverages), full-service restaurants and limited-service eating places.

4. The Proposed \$120 Billion Stabilization Fund Will Generate Significant Economic Benefits to the U.S. Treasury and the U.S. Economy

a) Without the Stabilization Fund, Hundreds of Thousands of Independent Restaurants Will Likely Close to the Lasting Detriment of Local Communities, Small Supply Chain Businesses, as well as the Broader U.S. Economy

The failure en masse of independent restaurants would negatively impact local communities in myriad ways, including endangering community identity and heterogeneity, stripping social interaction, frustrating (or unraveling) urban renewal projects, jeopardizing tourism and other business opportunity, and raising potential for increased crime and homelessness.

Independent restaurant job losses will depress local economies and disproportionately affect individuals who are least able to adapt and find new employment (e.g., unskilled or low-skilled workers, reformed returning citizens). Moreover, sweeping restaurant closures will strain local and State governments by decreasing revenue from sales and use tax, increasing need for and pressure

on public assistance programs they fund, and causing greater unemployment insurance payments, burdening already stretched (and in some cases insolvent) state unemployment trust funds.⁸⁷

Loss of independent restaurants would create a ripple effect that would also be devastating for small businesses within restaurant supply chains, including small and medium-sized farms, ranches, fishermen, vintners, distillers, florists, and linen suppliers—many of which would be crippled by a collapse of the restaurant industry. Indeed, each restaurant job lost will cause an estimated additional 0.50 jobs to be lost throughout restaurants' supply chain.⁸⁸

Moreover, because higher unemployment results in less wage income from being spent and circulating throughout the economy (a process known as “induced” economic activity), the loss of each restaurant job or supply chain job leads to an estimated additional 0.31 job losses (known as the “induced” impact),⁸⁹ giving a total multiplier impact of 0.96 jobs lost for each restaurant job lost.⁹⁰ Similarly, the failure of restaurants and the loss of rent also has the potential to destabilize the commercial real estate market in many communities that could spill over into the larger economy. Indeed, there are already reports of commercial real estate tenants failing to pay rents, which in turn has the potential to reduce the valuation of commercial real estate as vacancy rates

⁸⁷ See, e.g., “Unemployment Surge Pushing State Funds Towards Insolvency,” *AP News*, April 29, 2020, <https://apnews.com/a1b3e8410799583e20772575f14f3617>.

⁸⁸ An indirect multiplier can also be interpreted as the additional dollars of supply chain activity from each dollar of direct industry output. See Bivens, Josh, “Updated employment multipliers for the U.S. economy,” *Economic Policy Institute*, January 23, 2019, <https://www.epi.org/publication/updated-employment-multipliers-for-the-u-s-economy/>. Multipliers for “Food services and drinking places,” Table A1.

⁸⁹ An alternative and equivalent formulation is that the loss of the original jobs leads to a loss of an additional 0.47 jobs due to the decreased spending by both the direct and the indirect employees that have lost jobs. See Bivens, Josh, “Updated employment multipliers for the U.S. economy,” *Economic Policy Institute*, January 23, 2019, <https://www.epi.org/publication/updated-employment-multipliers-for-the-u-s-economy/>. Multipliers for “Food services and drinking places,” Table A1. An induced multiplier can also be interpreted as the additional dollars of induced economic activity from each dollar of direct or indirect industry output.

⁹⁰ The total multiplier effect is calculated by multiplying the induced effect of 0.31 by the sum of the direct and indirect jobs attributable to restaurants (i.e., $0.31 \times (1.0 + .50) = .965$).

increase as well as decrease property tax collections if building owners are unable to collect sufficient rents.⁹¹

This downward spiral of economic activity cannot be diverted by hopes that existing or new restaurants will open quickly after the pandemic ends. Many restaurateurs will not be able to quickly re-enter the market when demand returns—and new aspiring restaurateurs save for years before launching a new restaurant.

b) Independent Restaurants Require \$120 Billion in Grants to Ensure Stability Through the End of 2020

Absent additional support from the Restaurant Stabilization Fund, a tidal wave of independent restaurants will fail facing unconquerable headwinds,⁹² including continued social distancing and temporary reduced demand while States work through phased re-opening. At a high level, the Fund would allow independent restaurants to re-open and would, in return, help jumpstart the economy and reduce unemployment—even while state-mandated social distancing and capacity restrictions remain in place. Restaurants would use the money to rehire and pay employees,⁹³ as well as cover ongoing shortfalls during phased re-openings through the end of the year as demand slowly returns but revenues remain below operating costs (including, for example, rent and utilities).⁹⁴ The Fund is intended to simply cover the gap between costs and revenues as demand begins to recover, enabling restaurants to re-open earlier than they otherwise would. The Fund will also enable restaurants to purchase partitions, temperature check stations, improve ventilation systems, or

⁹¹ See, e.g., “New Threat to New York City: Commercial Rent Payments Plummet,” *New York Times*, May 21, 2020, <https://www.nytimes.com/2020/05/21/nyregion/commercial-rent-NYC-coronavirus.html>, (“About 80 percent of [Vornado Realty Trust’s] retail tenants did not pay rent at the beginning of April and May, its chief executive, Steven Roth, said during an earnings call this month. But by the end of April, Vornado had collected 53 percent of its retail rent.”). And in California, pending legislation may allow restaurants (and other commercial tenants) to break lease terms without penalty if negotiations to modify terms are unsuccessful. See “Bill Allowing Commercial Tenants to Renegotiate, Break Lease Deals Advances in Calif.,” *Commercial Observer*, May 25, 2020, <https://commercialobserver.com/2020/05/california-senate-sb939-commercial-tenants-renegotiate-break-lease-coronavirus/>.

⁹² For a partial list of restaurants that have already announced they will close permanently see Appendix A.

⁹³ Wages are the largest single cost for the restaurant industry, on average accounting for 34.8% of costs. See IBISWorld, *Single Location Full-Service Restaurants in the US Industry Report*, October 2019, at p. 23.

⁹⁴ Although indoor dining has been prohibited in most states, restaurants were still responsible for rent payments during state-mandated closures. Similarly, once restaurants are allowed to re-open, they will continue to owe full rent payments despite only being able to use their indoor space for a limited number of customers as social distancing regulations remain in place. See, e.g., “Over 50 SF Restaurant Owners Explain What They Need to Stay in Business,” *Eater*, May 13, 2020, <https://sf.eater.com/2020/5/13/21257567/architects-coronavirus-seth-boor-tartine-dear-inga-delfina>.

otherwise reconfigure their restaurant space in order to comply with social distancing directives and CDC re-opening guidelines.⁹⁵ Access to the funds for these expenditures will enable independent restaurants to more quickly make the recommended upgrades and to safely re-open for dine-in services.

As detailed in the remainder of this section, when one accounts for all of the quantifiable economic benefits that the Restaurant Stabilization Fund yields back to the U.S. Treasury, various state and local governments, and the broader U.S. economy in the form of reduced unemployment insurance payouts, increases in payroll tax receipts, supply chain spending and the increase in consumer confidence that will jumpstart the U.S. economy, the Restaurant Stabilization Fund is “fully funded” from an economic standpoint. As detailed below, the proposed \$120 billion in stabilization funds (which represents only approximately 15% of annual restaurant industry revenue)⁹⁶ will generate at least \$183 billion in primary benefits and \$65 billion in secondary benefits.

c) The Restaurant Stabilization Fund’s Quantified Direct Benefits to the U.S. Treasury and State and Local Governments Through the End of the Year Will Range from \$47 to \$69 Billion

By covering independent restaurants’ revenue shortfall through the end of the year, independent restaurants will be incentivized to operate at state-mandated reduced capacity, even if they would otherwise find it to be in their best interest to remain closed (or only offer take-out) until allowed to operate at full capacity and as a result, restaurants will be able to rehire workers earlier. The ability to immediately rehire millions⁹⁷ of independent restaurant workers will have direct

⁹⁵ See “CDC Activities and Initiatives Supporting the COVID-19 Response and the President’s Plan for Opening America Up Again,” CDC, May 2020, <https://www.cdc.gov/coronavirus/2019-ncov/downloads/php/CDC-Activities-Initiatives-for-COVID-19-Response.pdf>.

⁹⁶ As discussed in Section 3.a) above, the restaurant industry was on a trajectory in 2020 to have upwards of \$800 billion in sales in 2020.

⁹⁷ As noted in Section 3.c) above, 5.9 million restaurant employees have lost their jobs since February.

quantifiable benefits to the U.S. Treasury and state governments while meaningfully lowering the unemployment rate.⁹⁸

- **Reduced State Unemployment Insurance Claims of \$21-\$31 billion:** Assuming that between \$40-\$60 billion of the Restaurant Stabilization Fund is spent on re-hiring workers earlier than they otherwise would be re-hired (enough to rehire 3.4-5.1 million employees from June 1 through the end of the year at average wages),⁹⁹ state unemployment insurance claims will be reduced by \$21-\$31 billion between June 1, 2020 and December 31, 2020.¹⁰⁰
- **Reduced Federal Pandemic Unemployment Compensation of \$18-\$26 billion:** Unemployed workers are also eligible for the Federal Pandemic Unemployment Compensation contained in the CARES Act of \$600 per week through July 31, 2020. Assuming that between \$40-\$60 billion of the Restaurant Stabilization Fund is spent on re-hiring workers earlier than they otherwise would be re-hired and that the hiring begins on June 1, 2020, the reduction in eligibility for the Federal Pandemic Unemployment Compensation will save the federal government of \$18-\$26 billion.¹⁰¹
- **Increased Social Security and Medicare Tax Contributions of \$6-\$9 billion:** The incomes paid by the Stabilization Fund would also be subject to the employee and employer paid Social Security and Medicare taxes and re-hiring these employees will result

⁹⁸ The quantified benefits of reduced unemployment insurance payments and increased taxes are based on analysis of the *average* earnings of restaurant employees by county in the Quarterly Census of Employment and Wages for the full year ending 2019-Q3 which is used to compute the additional taxes or reduced unemployment claims as a proportion of the wages for those employees for the seven month period from June 1, 2020-December 31, 2020. These proportions are then applied to the portion of the Stabilization Fund that is assumed to be spent on re-hiring employees to obtain an estimated dollar amount of additional taxes (or reduced unemployment claims). Applying assumptions about the wage distribution of restaurant employees results in similar aggregate estimates of benefits. For example, assuming 25% of employees in a county earn 50% less than the average wage and 25% earn 50% more than the average wage, the estimated direct quantifiable benefits to the U.S. Treasury and state governments is \$46.1-\$68.0 billion.

⁹⁹ Source: Analysis of Quarterly Census of Employment and Wages. This is equivalent to less than half of the 11 million workers employed by independent restaurants in the United States and will enable restaurants to expand payrolls even while operating at reduced capacity.

¹⁰⁰ This calculation assumes that all re-hired employees would have received unemployment compensation for the period between June 1, 2020 and December 31, 2020, in the absence of the Stabilization Fund, and assumes that states that have not already done so extend unemployment benefits to allow coverage through the end of year. These estimates are not dependent on when during the remainder of 2020 the employees are rehired but relies on the assumption of the amount of the Stabilization Fund that is used to re-hire workers earlier than they otherwise would be re-hired. Although some states provide increased unemployment benefits for unemployed works with dependents, these estimates conservatively do not contain increased payments for dependents. Additionally, these estimates do not account for the effect on unemployment insurance payments for workers that may have multiple jobs. If workers with two jobs are unemployed from both, they would potentially receive additional benefits, but once re-hired from one job may lose all benefits. Source: Analysis of Quarterly Census of Employment and Wages and unemployment benefit criteria; U.S. Department of Labor, Employment and Training Administration, "Significant Provisions of State Unemployment Insurance Laws, Effective January 2020."

¹⁰¹ This assumes that rehired workers who are eligible for state unemployment benefits would have been eligible for Federal Pandemic Unemployment Compensation from June 1, 2020-July 31, 2020. Source: Analysis of Quarterly Census of Employment and Wages.

in an estimated \$6-\$9 billion of additional Social Security and Medicare tax contributions.¹⁰²

- **Increased State Unemployment Insurance Tax Contributions of \$0.2-\$0.3 billion:** Independent restaurants are also required to pay state unemployment insurance taxes and the wages paid by the Stabilization Fund would result in an estimated \$0.2-\$0.3 billion in additional contributions.¹⁰³
- **Increased State Sales Tax Collections of \$2.4 billion:** As discussed in section 2.b) many states collect higher sales taxes on restaurant purchases than on grocery store purchases and 37 states and Washington D.C. exempt groceries from sales taxes. By enabling restaurants to open earlier than they otherwise would, and giving consumers the confidence to return to restaurants, the Stabilization Fund will drive incremental business to restaurants resulting in additional sales tax receipts. Assuming that the Stabilization Fund enables \$10 billion in incremental sales in June and July, and \$5 billion in incremental monthly sales for the rest of the year—a small fraction of the monthly sales that have been lost to grocery stores during the pandemic¹⁰⁴—the total incremental sales of \$45 billion in 2020 will result in \$2.4 billion in additional sales tax revenues.¹⁰⁵

When combined, the direct benefits to the U.S. Treasury and State and local governments discussed above equal \$47-\$69 billion and are highly conservative estimates, as they exclude other avoided

¹⁰² Estimated Social Security and Medicare tax contributions include both employer and employee paid portions, as applicable, for wages estimated to be paid for work between June 1, 2020 and December 31, 2020 that would not have been paid absent the Restaurant Stabilization Fund. Although other federal laws in response to the pandemic, including the CARES Act, have provisions which may allow the deferral of the employer portion of Social Security Taxes, these taxes will continue to accrue as a liability that will need to be paid once the deferral period ends. While some states—including California, Massachusetts, Nevada, and New York—have additional payroll tax deductions, these additional taxes that would be paid to the states are conservatively not included in the estimates. Source: Analysis of Quarterly Census of Employment and Wages and federal payroll tax rates.

¹⁰³ Estimated contributions based on the average state contribution rates applied to the wages paid by the Stabilization Fund. Source: Analysis of Quarterly Census of Employment and Wages and unemployment insurance contribution rates; U.S. Department of Labor, Employment and Training Administration, “Average Employer Contribution Rates by State.”

¹⁰⁴ By way of comparison, and as shown in Figure 10, total restaurant revenue has declined from approximately \$65 billion in February 2020 to \$32 billion in April 2020. The additional sales tax receipts are thus based on the assumption that earlier openings and increased confidence enabled by the Stabilization Fund restores approximately an incremental one-third of the lost revenue in each of the first two months and one-sixth of the lost revenue in each of the following five months. Additional restaurant sales are allocated to counties and states in proportion to restaurant industry wages.

¹⁰⁵ The estimate of incremental sales tax is relative to an equivalent amount of consumer spending at grocery stores. Source: Analysis of state sales tax rates. This estimate is conservative because (1) it does not include additional city or county sales taxes and (2) it does not include additional incremental taxes on alcohol imposed in some locations for on-premise consumption. For example, Minneapolis, MN charges an additional liquor tax of 3% for on-premise consumption in its downtown tax zone that does not apply to sales for off-premise consumption. See “Minneapolis Special Local Taxes,” *Minneapolis Department of Revenue*, 2019, https://www.revenue.state.mn.us/sites/default/files/2019-09/FS164M_0.pdf. Unlike the estimated savings from reduced unemployment compensation and additional payroll-based taxes, the additional sales taxes are not dependent on the portion of the stabilization fund that is used to re-hire workers earlier than they otherwise would be re-hired and instead is contingent on the stabilization of independent restaurants and preventing a tidal wave of permanent closures as described in Section 4.a).

federal and state-level costs such as Medicaid and SNAP,¹⁰⁶ increased federal, state, and local personal and corporate income taxes,¹⁰⁷ the additional consumer spending due to increased restaurant employee income and supply chain benefits during the remainder of the year as well as the trailing effects of additional sales tax revenues, supply chain stimulation, culinary-tourism, and GDP benefits over the next two years as a result of jumpstarting the U.S. economy (as discussed in the below).

d) Additional Supply Chain Benefits and Higher Spending by Restaurant and Supply Chain Employees Will Generate Benefits Exceeding \$20 Billion Through the End of the Year

By enabling restaurants to open earlier than they otherwise would and the concomitant restoration of consumer confidence as people carefully start to emerge from isolation,¹⁰⁸ the Stabilization Fund will result in incremental restaurant sales that would not have otherwise occurred, which will in turn create additional economic activity throughout the restaurant supply chain. The additional economic activity in the supply chain is captured by the *indirect multiplier* which measures the downstream economic activity that is generated when firms in an upstream industry (e.g., restaurants) purchase the goods and services they need to perform their operations (e.g., fish, honey, butter, wine, flowers) and is expressed as a ratio of the upstream firms' direct spending. As discussed above, each dollar of restaurant spending results in an additional \$0.50 in economic

¹⁰⁶ See, e.g., "Booming Economy Helps Flatten Medicaid Enrollment and Limit Costs, States Report," *Kaiser Health News*, October 25, 2018, reporting that "Medicaid spending and enrollment typically rise during economic downturns as more people lose jobs and health benefits. When the economy is humming, Medicaid enrollment flattens as more people get back to work and can get coverage at work or can afford to buy it on their own. The national unemployment rate was 3.7 percent in September, the lowest since 1969" and that "Overall, the federal government pays about 62 percent of Medicaid costs with state's picking up the rest." Moreover, the costs of additional Medicaid enrollees vary significantly by state and health status, ranging from an average of just under \$3,000 per year in some states to an average of over \$7,000 per year in others according to Medicaid program estimates. See "How Much Do States Spend Per Medicaid Enrollee?," *Centers for Medicare and Medicaid Services*, <https://www.medicaid.gov/state-overviews/scorecard/how-much-states-spend-per-medicaid-enrollee/index.html> (accessed May 27, 2020).

¹⁰⁷ While rehired employees will be responsible for federal, state, and local income taxes on their wages, their income tax liability will only increase for income in excess of state and federal unemployment insurance payments, which are also taxable. Because much of restaurant employees' wages were replaced by state and federal unemployment benefits, the income tax increases would be expected to be small relative to the savings to the federal and state governments due to reduced unemployment compensation claims. To the extent it is determined that Stabilization Fund grants are taxable corporate income, independent restaurants will face an increased federal and state corporate tax liability (now or in the future depending on its net operating loss carryforwards).

¹⁰⁸ According to an April survey of 2,200 U.S. adults, going out to eat at a restaurant or café is the first "normal" activity that consumers will feel comfortable resuming. Forty percent of consumers surveyed felt comfortable resuming going out to eat within the next three months—more than any other activity of a list of 14 activities that included going to a shopping mall, to the movies, to a religious meeting, and to a concert. See "When Consumers Say They'll Feel OK About Dining Out and Other Activities," *Morning Consult*, April 10, 2020, <https://morningconsult.com/2020/04/10/consumer-expectations-normal-activities-comfortable/>.

activity in the restaurant supply chain.¹⁰⁹ Because parts of this supply chain activity would have taken place anyways—particularly some food production activity that has currently shifted to supplying grocery stores—we conservatively reduce the indirect multiplier by the portion of the restaurant supply chain that is direct food production.¹¹⁰ Thus, as discussed above, assuming that the Stabilization Fund enables \$10 billion in incremental sales in June and July, and \$5 billion in incremental monthly sales for the rest of the year, the total incremental sales of \$45 billion, through the end of 2020, as sales shift back from grocery stores to restaurants¹¹¹ will be expected to drive an additional ***\$17 billion in economic activity throughout the restaurant supply chain***, benefiting the many small businesses and purveyors supported by independent restaurants and supporting their continued viability.¹¹²

In addition to the benefits that flow directly back to federal and state treasuries and the supply chain spending, each dollar of incremental income received by independent restaurant employees rehired as a result of the Stabilization Fund (i.e., the difference between the wages they will receive through payroll continuation and what they would have received if unemployed in the form of state and federal unemployment benefits) and each dollar of incremental supply chain spending generates approximately \$0.31 in additional economic activity in the U.S economy, an economic effect known as the “induced multiplier.”¹¹³ This well-understood economic impact—attributable to the extra income of restaurant and supply chain employees being spent in their local communities (and beyond), which then continues to recirculate throughout the economy—is conservative and likely understated because the Stabilization Fund will create job security for employees improving

¹⁰⁹ See footnote 88 above for a discussion of the indirect multiplier of \$0.50 per dollar.

¹¹⁰ Analysis of the U.S. BEA Input-Output tables indicates that 24% of intermediate inputs to food services and drinking places (NAICS 722) are food and beverage, food service, or agricultural products. Reducing the indirect multiplier by 24% results in a multiplier for incremental supply chain economic activity of 0.38. Source: Analysis of U.S. BEA Industry Economic Accounts, Use Table, 2012.

¹¹¹ As discussed above and in footnote 104, in the context of additional sales tax revenue, this reflects a monthly incremental restoration of only a fraction of the lost monthly restaurant sales in April 2020 when purchases shifted to grocery stores. Additional restaurant sales are allocated to counties and states in proportion to restaurant industry wages.

¹¹² See Section 2.a) above for a discussion of the many small businesses and purveyors supported by independent restaurants. The incremental supply chain benefits are conservative because they do not include the additional capital expenditures on PPE and restaurant reconfiguration that will likely be required to re-open dining rooms, as discussed in section 4.b) above. Unlike the estimated savings from reduced unemployment compensation and additional payroll-based taxes, the additional supply chain benefits are not dependent on the portion of the stabilization fund that is used to re-hire workers earlier than they otherwise would be re-hired and instead is contingent on the stabilization of independent restaurants and preventing a tidal wave of permanent closures as described in Section 4.a).

¹¹³ See footnote 89 above for a discussion of the induced multiplier of \$0.31 per dollar of incremental wages.

confidence in the future and increasing spending further. Based on this multiplier effect, the Stabilization Fund results in an additional **\$5.9-\$6.2 billion of induced economic activity**.

- e) *The Stabilization Fund Will Result in a Faster and More Robust Economic Recovery, Creating an Estimated \$114 Billion Primary Benefits between 2021 and 2023, Through Additional Supply Chain Benefits, Additional Sales Tax Revenue, and Additional Tourism*

The benefits of the Stabilization Fund will not run out at the end of the year, but rather the Fund will have a lasting effect by ensuring a faster, more robust economic recovery led by the restaurant industry. The recovery will then proliferate through the restaurant supply chain, as well as to other sectors of the travel, tourism, and leisure industries because of culinary tourism, while generating additional sales tax revenues for state and local governments.

The Stabilization Fund's Supply Chain and Sales Tax Benefits Will Persist Through At Least 2022

The Stabilization Fund will continue to result in incremental economic activity beyond the coming months by enabling restaurants to remain in business, and preventing a tidal wave of permanent closures as described in Section 4.a). By enabling more restaurants to open earlier—when significant capacity restrictions remain in place—the Stabilization Fund will enable the industry to meet consumer demand for dining-out, which might otherwise exceed the available capacity-restricted supply. Similarly, because the Fund will enable a significant number of independent restaurants to remain in business, the resulting culinary diversity and economic vitality of main-streets across the country will result in continued incremental restaurant spending for at least the next two years. Assuming that the trailing effects of the benefits of the Stabilization Fund result in an incremental \$2 billion in monthly restaurant spending in 2021 and an incremental \$1 billion in monthly restaurant spending in 2022¹¹⁴—a small fraction of the monthly sales that have been lost to grocery stores during the pandemic—there will be an additional \$17.8 billion in supply chain benefits (including induced spending) and an additional \$1.9 billion in incremental state sales tax revenues from 2021-2022.¹¹⁵

¹¹⁴ Each \$1 billion in monthly restaurant spending represents only 3% of the decline in restaurant spending observed in April 2020, and only 1.5% of the total restaurant spending in February 2020, before the pandemic.

¹¹⁵ As discussed in footnote 105, the estimate of incremental sales tax is relative to an equivalent amount of consumer spending at grocery stores and this estimate is conservative because (1) it does not include additional city or county taxes and (2) it does not include additional incremental taxes on alcohol imposed in some locations for on-premise consumption.

The Stabilization Fund Will Ensure that Culinary Tourism in The United States Will Continue to Grow, For Domestic and International Travelers Alike

For many travelers, both overseas and domestic, cuisine is an integral part of determining where to travel. Indeed, with the proliferation of social media platforms such as Instagram, the creation of dozens of streaming television series devoted to food tourism and restaurants, and the elevation of chefs of all types of cuisine (and budget ranges) to celebrity status, “culinary tourism” has become an important source of visitors (both domestic and foreign) for large and small cities alike. For this growing segment of travelers, the ability to dine at establishments they have only experienced “virtually” drives their decision of where to travel. For example, one survey of culinary travelers found that 72% chose their destination based on its food and drink offerings.¹¹⁶ If a significant number of independent restaurants in the United States permanently close, then many of these travelers would likely change their travel plans, and some would choose to simply cancel or defer their travel plans entirely. And for culinary travelers from abroad, mass closings of independent restaurants in the United States would result in many of them choosing to visit other countries, depriving multiple sectors of the U.S. economy from important visitor spending dollars. The decrease of the spending from these travelers will work its way through the economy, delaying the U.S. economic recovery.

We estimate the loss in economic activity from reduced culinary-inspired travel and tourism under three potential scenarios regarding the percentage of independent restaurants that will have permanently closed—25%, 50%, or 75%¹¹⁷—absent the Stabilization Fund.¹¹⁸ We assume that as demand returns, new restaurants will eventually open to replace some of the closed restaurants, but as it takes time to secure funding, renovate space, and hire and train staff, we assume that it will

¹¹⁶ “2020 Food Travel Trends,” *World Food Travel Association*, <https://worldfoodtravel.org/what-is-food-tourism-definition-food-tourism/> (accessed May 26, 2020). See also footnotes 42 and 46 above.

¹¹⁷ As noted above, a recent working paper found that if the closure lasts one month, 28% of restaurants expect to close while if it lasts six months that increases to 78%. See Bartik, Alexander W., Marianne Bertrand, Zoë B. Cullen, Edward L. Glaeser, Michael Luca, Christopher T. Stanton, “How Are Small Businesses Adjusting To Covid-19? Early Evidence From A Survey,” National Bureau of Economic Research (NBER) Working Paper 26989, April 2020.

¹¹⁸ Unlike the estimated savings from reduced unemployment compensation and additional payroll-based taxes, the tourism benefits are not dependent on the portion of the stabilization fund that is used to re-hire workers earlier than they otherwise would be re-hired and instead is contingent on the stabilization of independent restaurants and preventing a tidal wave of permanent closures as described in Section 4.a). We do not make an assumption as to exactly which month travel will open up as it depends on factors, such as vaccine availability, that are currently unknown. The assumption is that from whichever month that is, the increase in demand it causes for restaurants will allow a slow recovery, which we assume will take three years.

take three years for the process of replacement to finish, at which point the culinary-motivated travelers will revert back to their pre-pandemic travel patterns. During this three-year period, however, the U.S. economy will suffer from lower levels of tourism spending due to shuttered restaurants.

In addition to the direct tourism spending on airfares, hotels, restaurants, etc., the supply chains of these industries generate additional “indirect” economic activity throughout countless sectors of the economy. On top of this, the increased incomes of the employees of the direct and indirect providers of these goods and services will themselves spend more on other goods and services (known as the “induced” economic impact). Combined, these indirect and induced multiplier effects results in \$1.31 of additional economic impact in the U.S. economy for every \$1 of tourism spending by culinary-motivated travelers.¹¹⁹

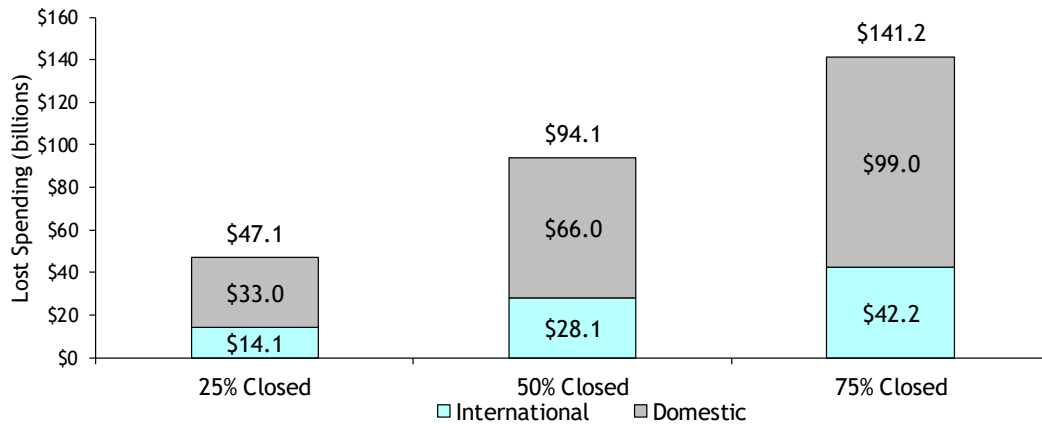
For international visitors, we estimate a direct loss of spending over the three-year period of reduced independent restaurants of between \$6.1 billion and \$18.3 billion, increasing to between \$14.1 billion and \$42.2 billion after accounting for the indirect and induced multiplier impact (see Figure 18).¹²⁰ For domestic travelers we estimate the direct loss of spending at between \$14.3 billion and \$42.9 billion increasing to between \$33.0 billion and \$99.0 billion after including the indirect and

¹¹⁹ Source: “U.S. Travel and Tourism Overview (2019),” *U.S. Travel Association*, March 2020, https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_US-Travel-and-Tourism-Overview.pdf.

¹²⁰ Reduced international visitors are based on 79.2 million international person-trips that traveled to the United States in 2019 (defined as one person on a trip away from home overnight in paid accommodations, or on a day or overnight trip to places 50 miles or more, one-way, away from home). Limiting to leisure travelers (68%) and removing those visiting friends and family (21.6%) yields 42.5 million person-trips. Based on survey data it is assumed that 53% of these visitors are highly food motivated, and of those, 72% choose travel destinations based on food and drink offerings. To be conservative, we further assume that only half of these 16.2 million highly culinary-motivated visitors would consider substituting another country for their tourism in lieu of the United States and the percentage of these visitors that would change their travel plans in any month is proportional to the percentage of independent restaurants that are closed in that month, such that, for example, if 25% of independent restaurants are closed in a given month (net of any new restaurants that may have replaced them), then 25% will change their travel plans. The three scenarios assume that absent the Stabilization Fund in the initial month of travel return either 25%, 50%, or 75% of independent restaurants would be permanently closed, and for all three scenarios it is assumed that it will take 36 months for new restaurants to fully replace the closed restaurants. Over the three years a total of 3.1 million, 6.2 million and 9.4 million person-trips will be foregone in the three scenarios, respectively. It is important to note that the 6.2 million visitors in the middle scenario averages to 2.1 million incremental fewer person-trips a year, or only 2.6% of the 79.2 million international person-trips in 2019. Finally, the lost spending is based on an average spend of \$1,952 by international tourists to the United States (including travelers from Canada and Mexico). Sources: “U.S. Travel and Tourism Overview (2019),” *U.S. Travel Association*, March 2020, https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_US-Travel-and-Tourism-Overview.pdf; “2019 Profile of Overseas Travelers,” *U.S. Department of Commerce, National Travel and Tourism Office* (accessed May, 26, 2020); “2020 Food Travel Trends,” *World Food Travel Association*, <https://worldfoodtravel.org/what-is-food-tourism-definition-food-tourism/> (accessed May 26, 2020).

induced multiplier impact.¹²¹ In total, the loss of economic activity due to diminished culinary-motivated travelers¹²² is between \$47.1 billion and \$141.2 billion over the three year period.¹²³

Figure 18: Spending and Indirect Economic Activity Loss from Culinary-Motivated Travelers Over Assumed Three Year Restaurant Recovery Period



Notes: Loss of spending is over 36 months. Based on 2019 estimated monthly culinary travelers (person trips) at risk of 10.4 million domestic and 0.8 million international. Assumes the percentage of independent restaurants closed is for the first month of travel return, with new restaurants replacing these over the following 35 months. Assumes an average spend of \$1,952 per international visitor and \$420 per domestic traveler. Assumes a 1.31 spending (indirect and induced) multiplier. Sources: "U.S. Travel and Tourism Overview (2019)," "U.S. Travel Answer Sheet," U.S. Travel Association, March 2020. "2019 Profile of Overseas Travelers," "Market Profile: U.S. Travelers for Leisure and VFR," U.S. Department of Commerce, National Travel and Tourism Office (accessed May 26, 2020). "2020 Food Travel Trends," World Food Travel Association (accessed May 26, 2020).

¹²¹ Reduced domestic travelers are based on 2.3 billion person-trips within the United States in 2019 (defined as one person on a trip away from home overnight in paid accommodations, or on a day or overnight trip to places 50 miles or more, one-way, away from home). Limiting to leisure travelers (80%) and removing those visiting friends and family (50%) gives 926.8 million domestic leisure person trips. The assumption that 50% of domestic person-trips are to visit friends and relatives is conservative, since, by way of comparison, the U.S. Department of Commerce data on U.S. travelers going overseas shows that 30% of these travelers are visiting friends and relatives. Based on survey data, is assumed that 53% of these visitors are highly food motivated and that 72% of these choose travel destinations based on food and drink offerings. We further assume that if these travelers did change their destination plans due to restaurant closures, a quarter would choose not to travel within the United States. As with the international travelers, we assume that if 25% of independent restaurants were closed in a given month, 25% of these travelers would choose not to travel. The three scenarios assume that absent the Stabilization Fund in the initial month of travel return either 25%, 50%, or 75% of independent restaurants would be permanently closed, and for all three scenarios it is assumed that it will take 36 months for new restaurants to fully replace the closed restaurants. Over the three years a total of 34.1 million, 68.2 million and 102.2 million person trips will be foregone in the three scenarios, respectively. It is important to note that the 68.2 million person-trips in the middle scenario averages to 22.7 million person-trips a year, or only 1.0% of the 2.3 billion domestic person-trips taken in 2019. Finally, the lost spending is based on an average spend of \$420 on each trip. Sources: "U.S. Travel and Tourism Overview (2019)," U.S. Travel Association, March 2020, https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_US-Travel-and-Tourism-Overview.pdf; "U.S. Travel Answer Sheet," U.S. Travel Association, March 2020, https://www.ustravel.org/system/files/media_root/document/Research_Fact-Sheet_US-Travel-Answer-Sheet.pdf; "Market Profile: U.S. Travelers for Leisure and VFR," U.S. Department of Commerce, National Travel and Tourism Office (accessed May 26, 2020); "2020 Food Travel Trends," World Food Travel Association, <https://worldfoodtravel.org/what-is-food-tourism-definition-food-tourism/> (accessed May 26, 2020).

¹²² The decrease in person-trips over the three years in the three scenarios are 37.2 million, 74.4 million, and 111.6 million people, respectively, or an annual average of 12.4 million, 24.8 million and 37.2 million person-trips which is equivalent to 0.5%, 1.0%, and 1.6% of 2019 person trips.

¹²³ If the recovery takes five years, the total loss of spending increases to \$77.6 billion, \$155.2 billion, and \$232.8 billion, for the 25%, 50%, and 75% scenarios, respectively.

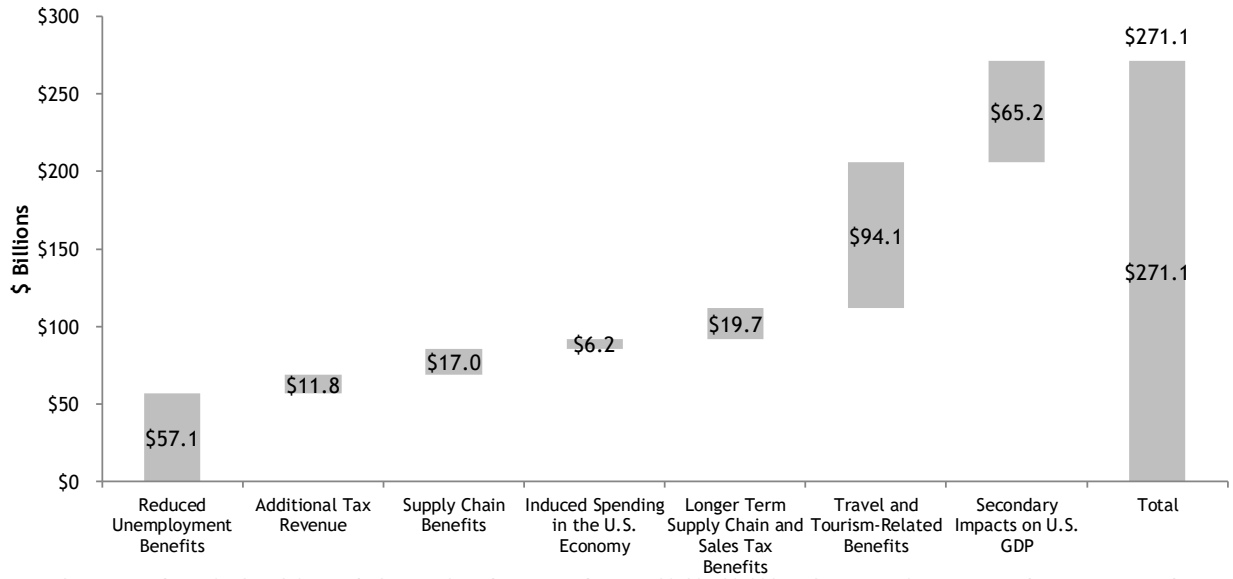
f) In Addition to the Primary Economic Benefits, The Restaurant Stabilization Fund Will Jumpstart the Economy and Result In Secondary GDP Spillovers of over \$65 billion in 2021 and 2022

The primary quantifiable benefits of the Restaurant Stabilization Fund, namely (1) the direct quantifiable benefits to the U.S. Treasury and state treasuries (in the form of additional taxes and reduced unemployment claims), (2) the short-term supply chain benefits and additional consumer spending, and (3) the trailing effect through additional supply chain benefits, additional sales tax revenue, and additional tourism arising from the stabilization of the industry, range from \$183 billion (under the assumption that \$40 billion of the Fund is used to rehire workers earlier than they otherwise would be rehired) to \$206 billion (under the assumption that \$60 billion of the Fund is used to rehire workers earlier than they otherwise would be rehired).

Even though these primary economic impacts are substantial, they still dramatically *understate* the true and full economic benefit of the Stabilization Fund the U.S. economy. This is because the primary economic impacts quantified above do not capture the secondary spillover benefits that a healthy independent restaurant industry brings to the economy. By avoiding the vicious downward economic cycle that could result in the absence of the Stabilization Fund, as described in Section 4.a) above and instead instilling confidence in consumers in the health of the economy, the stabilization fund has the potential to create secondary GDP spillovers as the economy embarks on a more robust recovery—filled with face-to-face meetings over meals, vibrant communities, culinary and cultural experiences, social and family gatherings, wedding, anniversary, birthday, and graduation celebrations, and robust supply chains of small businesses—creating substantial economic benefits. If the Stabilization Fund speeds up the path to economic recovery by as little as two tenths of one percentage point of GDP in 2021 and by one tenth of one point of GDP in 2022,¹²⁴ the Fund will pay additional economic dividends equal to \$43 billion in 2021 and \$22 billion in 2022. The primary quantifiable benefits and the secondary GDP impact are summarized in Figure 19 (under the assumption that \$60 billion of the Fund is used to rehire workers earlier than they otherwise would be rehired) and Figure 20 (under the assumption that \$40 billion of the Fund is used to rehire workers earlier than they otherwise would be rehired) below.

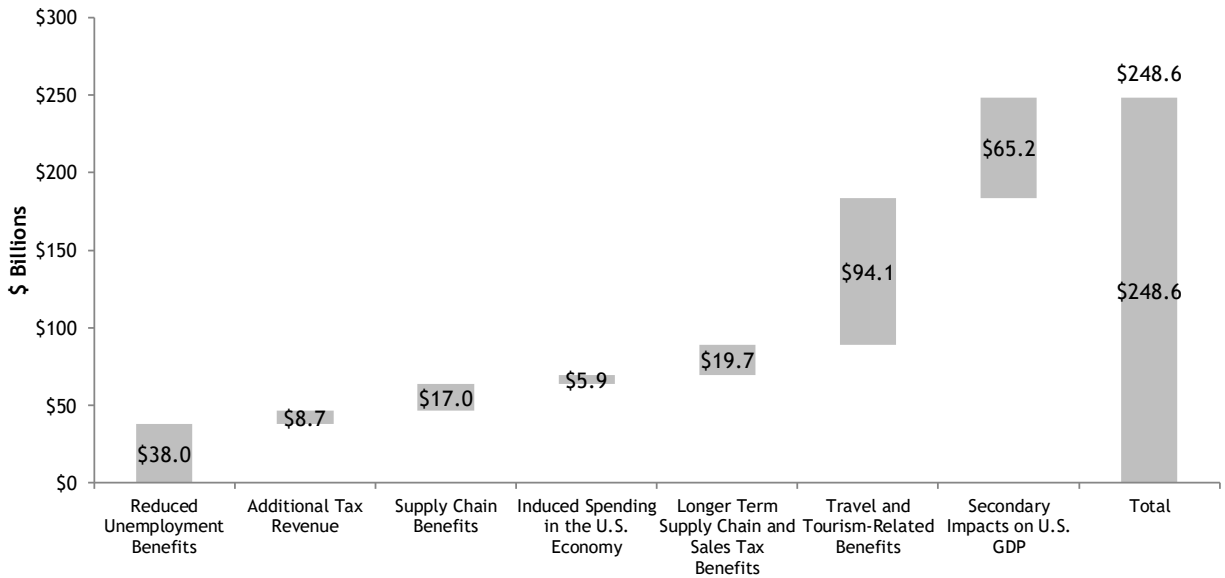
¹²⁴ To put this in context, real GDP contracted 4.8% in Q1 and, based on information available about the economy through May 12, the CBO projects a 37.7% contraction in Q2 (quarter-over-quarter annual rate). See “Interim Economic Projections for 2020 and 2021,” CBO, May 2020, <https://www.cbo.gov/system/files/2020-05/56351-CBO-interim-projections.pdf>.

Figure 19: Summary of Primary and Secondary Quantifiable Benefits to U.S. Treasury, State Treasuries, and the U.S. Economy from the \$120 Billion Restaurant Stabilization Fund (Assuming \$60 Billion of Fund Used to Rehire Workers)



Sources: Analysis of U.S. BLS Quarterly Census of Employment and Wages, 2018Q4-2019Q3, U.S. Bureau of Economic Analysis, Economic Policy Institute, analysis of state-level tax rates.
 Notes: Assumes \$60 billion of the Restaurant Stabilization Fund is spent on re-hiring workers earlier than they otherwise would be re-hired. See Figure 1 for other assumptions regarding consumer spending, restaurant closures, and contribution to U.S. GDP.

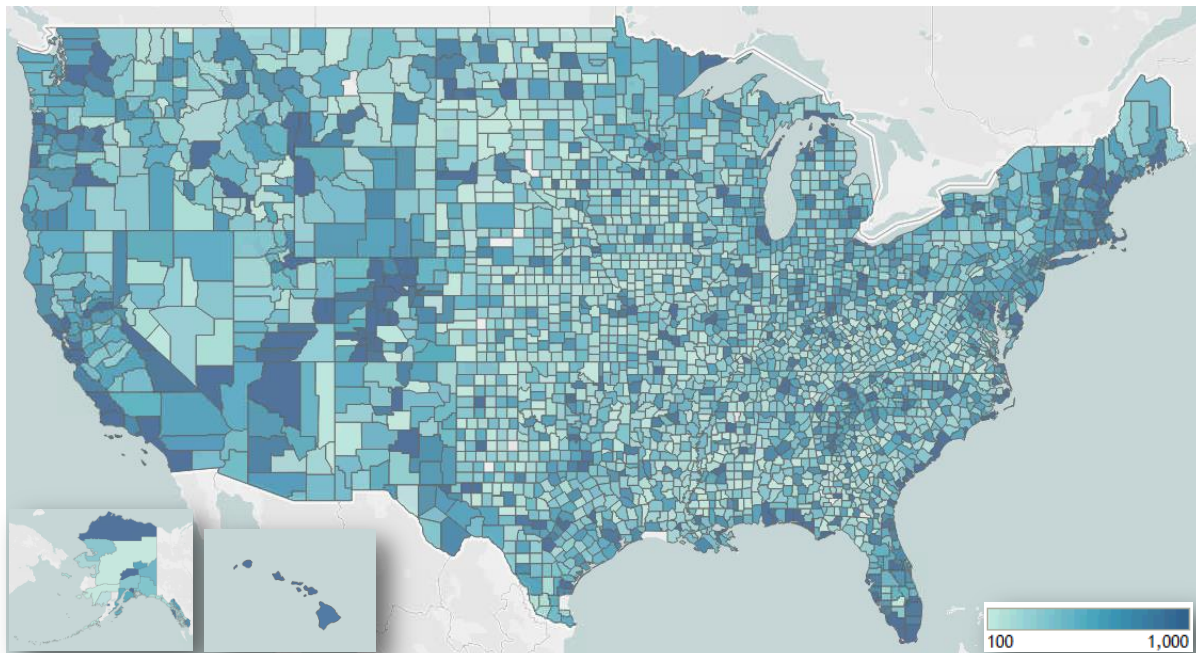
Figure 20: Summary of Primary and Secondary Quantifiable Benefits to U.S. Treasury, State Treasuries, and the U.S. Economy from the \$120 Billion Restaurant Stabilization Fund (Assuming \$40 Billion of Fund Used to Rehire Workers)



Sources: Analysis of U.S. BLS Quarterly Census of Employment and Wages, 2018Q4-2019Q3, U.S. Bureau of Economic Analysis, Economic Policy Institute, analysis of state-level tax rates.
 Notes: Assumes \$40 billion of the Restaurant Stabilization Fund is spent on re-hiring workers earlier than they otherwise would be re-hired. See Figure 1 for other assumptions regarding consumer spending, restaurant closures, and contribution to U.S. GDP.

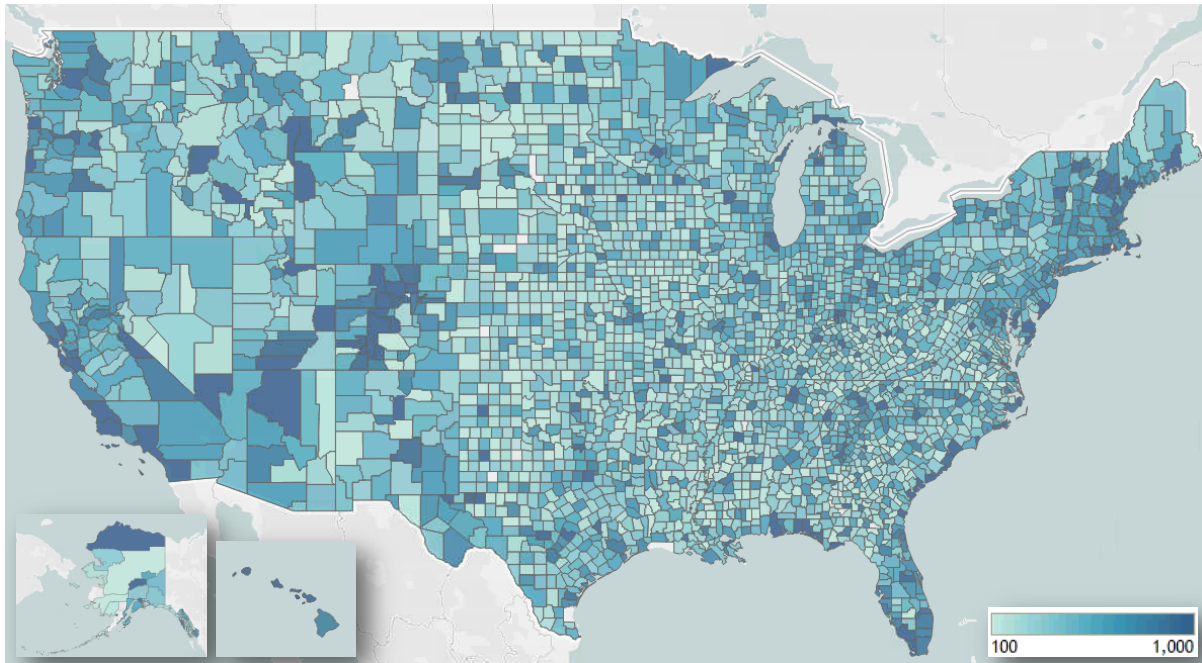
The quantified benefits, including direct supply chain, induced spending, and secondary GDP benefits will accrue in every State and county. Indeed, the economic benefits accrue throughout the country in both big cities and small communities as shown in Figure 21, (under the assumption that \$60 billion of the Fund is used to rehire workers earlier than they otherwise would be rehired) and Figure 22, (under the assumption that \$40 billion of the Fund is used to rehire workers earlier than they otherwise would be rehired).

**Figure 21: Primary and Secondary Benefits per Capita by County
(Assuming \$60 Billion of Fund Used to Rehire Workers)**



Sources: Analysis of U.S. BLS Quarterly Census of Employment and Wages, 2018Q4-2019Q3, U.S. Bureau of Economic Analysis, Economic Policy Institute, analysis of state-level tax rates, U.S. Census County Population Estimates.
Notes: Assumes \$60 billion of the Restaurant Stabilization Fund is spent on re-hiring workers earlier than they otherwise would be re-hired. See Figure 1 for other assumptions regarding consumer spending, restaurant closures, and contribution to U.S. GDP.

**Figure 22: Primary and Secondary Benefits per Capita by County
(Assuming \$40 Billion of Fund Used to Rehire Workers)**



Sources: Analysis of U.S. BLS Quarterly Census of Employment and Wages, 2018Q4-2019Q3, U.S. Bureau of Economic Analysis, Economic Policy Institute, analysis of state-level tax rates, U.S. Census County Population Estimates.
Notes: Assumes \$40 billion of the Restaurant Stabilization Fund is spent on re-hiring workers earlier than they otherwise would be re-hired. See Figure 1 for other assumptions regarding consumer spending, restaurant closures, and contribution to U.S. GDP.

5. Conclusions

Ensuring the viability of this country's independent restaurants with an infusion of \$120 billion of desperately needed back-stop grants through the Stabilization Fund is a clear-cut way to address a substantial amount of the damage the virus has rapidly inflicted on the U.S. economy. At a high level, the Fund would:

- Cement employment opportunity for up to 11 million people directly and over 5 million more indirectly through supply chains;
- Reduce single-handedly the unemployment rate by 2.4 percentage points;
- Underwrite the nexus between independent restaurants and supply chain purveyors, thereby helping to avoid countless small business bankruptcies;
- Support small businesses that contribute heavily to more than \$760 billion in annual sales in the broader restaurant economy, and are part and parcel to the travel, leisure and hospitality industries—the largest segment of the U.S. economy;
- Stabilize the commercial real estate market by ensuring restaurants can pay rent; and

- Jumpstart further economic recovery by repairing consumer confidence.

In turn, the Stabilization Fund is “fully funded” and would (i) create an estimated \$47 to \$69 billion in direct quantifiable benefits to the U.S. Treasury and state and local governments by yearend via reduced state unemployment insurance claims, reduced federal pandemic unemployment compensation, increase social security and Medicare tax contributions, increased state unemployment insurance tax contributions, and increase state sales tax collections; (ii) generate over \$20 billion in additional consumer spending in the U.S economy by yearend due to supply chain benefits and higher restaurant and supply chain employee disposable income; (iii) cause an estimated \$114 billion primary benefits after 2020 through additional trailing supply chain benefits, sales tax revenue and tourism; and (iv) result in secondary GDP spillovers of more than \$65 billion in 2021 and 2022—in all upwards of \$248 billion in estimated primary benefits and secondary GDP benefits, more than double the amount of the proposed grant.

The United States is at a crossroads in terms of how its citizens consume food. If a substantial portion of independent restaurants fail by yearend, consumption will largely be limited to homecooked meals, chain restaurants, or fast food. In addition to shrinking palates, cities and neighborhoods will suffer identity crises and lose much of the magnetism that attracts in-state and out-of-state visitors. What is Philadelphia without its cheesesteak spots, Memphis without its barbecue joints, or Austin without its food trucks? How will food tourism to Asheville, Traverse City, or Savannah decline without their award winning and/or perennially popular restaurants or microbreweries? What will become of the hospitality and leisure industries if there are few independent restaurant and bar options in and around Florida resorts, Charleston plantations, or New England bed-and-breakfasts? How will music festivals in New Orleans and Nashville change without the accompanying unique dining or drinking experiences? Moreover, without unique dining-out options, how will it detract from celebrating life’s milestones, such as birthdays, graduations, promotions, engagements, or weddings? What will the social landscape be without opportunity to get together with friends, go on a date, observe holidays, watch sports games, or convene recreation teams at local independent restaurants? And would we, in general, find adequate substitutes for experiencing and learning about other cultures? These are few of many questions the country will be forced to confront if independent restaurants do not receive additional financial assistance to help bridge the battle with the novel coronavirus.

At its fundamental core, the Fund would not only be good for broader economic recovery and play a significant role in preserving the way we experienced and shared life before the virus, the allocation of its grants would also be an investment in the millions of Americans for whom the industry is a platform for opportunity, stability, creativity, tradition, leadership, or entrepreneurship, and in the many who in their embrace of the industry have found the American Dream.

Appendix A: Sample of Independent Restaurants That Have Already Permanently Closed as of May 29, 2020

1. Last Frontier Bar, Anchorage, AK
2. Momma O's Seafood Restaurant, Anchorage, AK
3. Babalu, Birmingham, AL
4. Brio, Birmingham, AL
5. Mile End Deli, Birmingham, AL
6. Z's Restaurant, Birmingham, AL
7. Mirko Pasta, Mobile, AL
8. 301 Bistro, Tuscaloosa, AL
9. The Downtown Pub, Tuscaloosa, AL
10. The Levee Bar & Grill, Tuscaloosa, AL
11. Wilhagan's Grille & Tap Room, Tuscaloosa, AL
12. Brown's Country Store & Restaurant,, Benton, AR
13. RedBeards BurgerBarN, Jonesboro, AR
14. Loca Luna, Little Rock, AR
15. Shogun Steakhouse, Little Rock, AR
16. Soul Fish, Little Rock, AR
17. Teakwoods Tavern and Grill, Chandler, AZ
18. Ella's Cuisine, Mesa, AZ
19. Bri, Phoenix, AZ
20. Caveman Burgers, Phoenix, AZ
21. Delux Grill + Sushi, Phoenix, AZ
22. Lilac Bakery, Phoenix, AZ
23. Mark's Cafe, Tempe, AZ
24. Henry's Cuisine, Alhambra, CA
25. Top Island, Alhambra, CA
26. The Van's, Belmont, CA
27. Lalime's, Berkeley, CA
28. Tartine, Berkeley, CA
29. Paradise Beach Grille, Capitola, CA
30. Primavera Ristorante, Coronado, CA
31. Blackhawk Grille, Danville, CA
32. Saddle Rack, Fremont, CA
33. Watermarc, Laguna Beach, CA
34. Auburn, Los Angeles, CA
35. Bon Temps, Los Angeles, CA
36. Stan's Donuts, Los Angeles, CA
37. Swingers, Los Angeles, CA
38. The Pikey, Los Angeles, CA
39. Nick's Next Door, Los Gatos, CA
40. Seafood Palace, Monterey Park, CA
41. Clarke's Charcoal Broiler, Mountain View, CA
42. Benchmark, Oakland, CA
43. La Guerrera's Kitchen, Oakland, CA
44. Momo & Curry, Oakland, CA
45. Reem's, Oakland, CA
46. The Lede, Oakland, CA
47. The Stork Club, Oakland, CA
48. Sushi Ichi, Pasadena, CA
49. Station House Cafe, Point Reyes Station, CA
50. Biba Restaurant, Sacramento, CA
51. Casa Sol Y Mar, San Diego, CA
52. Donovan's Steakhouse, San Diego, CA
53. Ebisu Sushi, San Diego, CA
54. Iron Fist Brewing Company, San Diego, CA
55. Mother's Saloon, San Diego, CA
56. Tamarindo Latin Kitchen & Bar, San Diego, CA
57. Toronado, San Diego, CA
58. Troy's Family Restaurant, San Diego, CA
59. Whisknadle, San Diego, CA
60. Archive Bar and Kitchen, San Francisco, CA
61. Blind Cat, San Francisco, CA
62. Hillside Supper Club, San Francisco, CA
63. Janchay's Bistro, San Francisco, CA
64. Locanda, San Francisco, CA
65. Ristorante Franchino, San Francisco, CA
66. The Grove, San Francisco, CA
67. Thieves Tavern, San Francisco, CA
68. Emperor Norton's, San Jose, CA
69. Cleophus Quealy Beer Company, San Leandro, CA
70. Viognier, San Mateo, CA
71. Bamboo Sushi, San Ramon, CA
72. Chuck's of Hawaii, Santa Barbara, CA
73. Endless Summer, Santa Barbara, CA
74. The Whole Pie, Santa Rosa, CA
75. Sunrise café, Vista, CA
76. Kline's Beer Hall, Arvada, CO
77. Iron Bird, Colorado Springs, CO
78. Western Omelette, Colorado Springs, CO
79. 12@Madison, Denver, CO
80. 20th Street Cafe, Denver, CO
81. Biju's Little Curry Shop, Denver, CO
82. Euclid Hall, Denver, CO
83. La Cour Denver's Art Bar, Denver, CO
84. Maddie's Biergarten, Denver, CO
85. Next Stop Brewing, Denver, CO
86. Racines, Denver, CO
87. Scratch Burrito, Denver, CO
88. The Market, Denver, CO
89. Tom's Diner, Denver, CO
90. Sugar House, Eaton, CO
91. Nomad Micro Pizzeria, Fort Collins, CO
92. Gorilla Alchemy Brewing, Fort Lupton, CO
93. Veteran Brothers Brewing Co., Johnstown, CO
94. Walrus + Carpenter, Bridgeport, CT
95. 121 Restaurant, Oxford, CT
96. Geno's Grill, Storrs, CT
97. Campono, Washington, DC
98. Mokomandy, Washington, DC
99. Momofuku CCDC, Washington, DC
100. Montmartre , Washington, DC

101. Seventh Hill Pizza, Washington, DC
102. Sushi Taro, Washington, DC
103. The Source, Washington, DC
104. De La Coeur, Talleyville, DE
105. De La Coeur, Wilmington, DE
106. Sugarfoot, Wilmington, DE
107. V-Trap, Wilmington, DE
108. JJ's Cafe and Deli, Boca Raton, FL
109. D'Apple Cafe, Coral Springs, FL
110. Howie's Top Dog, Davie, FL
111. Etaru, Fort Lauderdale, FL
112. Jackson's Prime, Fort Lauderdale, FL
113. Truluck's, Fort Lauderdale, FL
114. Green Cup Cafe, Fort Myers, FL
115. Leopardi's Italian Restaurant, Fort Myers, FL
116. Rusty's Raw Bar, Fort Myers, FL
117. 212 Coffeehouse, Fort Pierce, FL
118. Harvest Table, Jensen Beach, FL
119. Agave, Naples, FL
120. Citrus Seafood, Naples, FL
121. Brooklyn's Best, Parkland, FL
122. The Prawnbroker, Stuart, FL
123. Gator's Dockside, Tampa, FL
124. Prima Pizza and Pasta, Vero Beach, FL
125. Tasa Roti, Alpharetta, GA
126. TJ's Sports Bar and Grill, Alpharetta, GA
127. Anne and Bill's, Atlanta, GA
128. Corner Tavern, Atlanta, GA
129. Duke's Bar & Grill, Atlanta, GA
130. Ebrik Coffee, Atlanta, GA
131. Georgia Grille, Atlanta, GA
132. Jack's New Yorker Deli, Atlanta, GA
133. Krog Bar and Rathbun's, Atlanta, GA
134. Lucky's Burger and Brew, Atlanta, GA
135. Panahar Bangladeshi Cuisine, Atlanta, GA
136. Public School 404, Atlanta, GA
137. Ri Ra Irish Pub, Atlanta, GA
138. Simon's, Atlanta, GA
139. The Canteen, Atlanta, GA
140. The Georgian Club, Atlanta, GA
141. Tin Lizzy's Cantina, Atlanta, GA
142. US Cafe, Atlanta, GA
143. Vincent's Italian Restaurant, Atlanta, GA
144. Beni's Cubano, Marietta, GA
145. Duke's Bar and Grill, Milton, GA
146. Blaxican, Peachtree Corners, GA
147. Big Ketch Saltwater Grill, Roswell, GA
148. Big Pie in the Sky, Roswell, GA
149. C&S Seafood and Oyster Bar, Roswell, GA
150. Cafe Sunflower, Sandy Springs, GA
151. Arizona's, Stonecrest, GA
152. Greater Good BBQ, Tucker, GA
153. Like Like Drive Inn, Honolulu, HI
154. Della Viti, Cedar Rapids, IA
155. Gumption, Cedar Rapids, IA
156. Trostel's Dish, Clive, IA
157. Galleria De Paco, Waterloo, IA
158. Clairvoyant Brewing, Boise, ID
159. Destihl Brewery, Champaign, IL
160. Zorbias, Champaign, IL
161. Baobab BBQ, Chicago, IL
162. C.C.Ferns, Chicago, IL
163. California Clipper, Chicago, IL
164. Ditka's, Chicago, IL
165. Habana Libre, Chicago, IL
166. Jeri's Grill, Chicago, IL
167. Little Bucharest, Chicago, IL
168. Luella's Gospel Bird, Chicago, IL
169. Mable's Table, Chicago, IL
170. Monty Gael's Tavern and Grill, Chicago, IL
171. Nacional 27, Chicago, IL
172. Simply It, Chicago, IL
173. The Delta, Chicago, IL
174. Toast, Chicago, IL
175. Di's Track Inn, Chillocothe, IL
176. Grumpy Goat Tavern, Elgin, IL
177. Wildwood, Geneva, IL
178. La Buona Vita, La Grange, IL
179. Midici, Naperville, IL
180. La Bella, Oak Park, IL
181. Station One Smokehouse, Plainfield, IL
182. American Harvest, Springfield, IL
183. Bakers Square, Springfield, IL
184. Donnie B's, Springfield, IL
185. Clayton Cafe, Clayton, IN
186. Angel Bakery and Cafe, Decatur, IN
187. Lucchese's Italian Restaurant, Elkhart, IN
188. Caliente Cuban Restaurant, Fort Wayne, IN
189. Don Hall's Guesthouse, Fort Wayne, IN
190. Roscoe's Tacos, Franklin, IN
191. Roscoe's Tacos, Greenwood, IN
192. Books & Brews - Mass Ave, Indianapolis, IN
193. Brugge Brassier, Indianapolis, IN
194. Burgerhaus, Indianapolis, IN
195. DiBella's Subs, Indianapolis, IN
196. Next Door Eatery, Indianapolis, IN
197. Northend BBQ, Indianapolis, IN
198. Old Pro's Table, Indianapolis, IN
199. Redemption Alewerks, Indianapolis, IN
200. Roscoe's Tacos, Indianapolis, IN

201. Sinking Ship, Indianapolis, IN
202. Slimm's Pizza and Salads, Indianapolis, IN
203. Stacked Pickle, Indianapolis, IN
204. The Mug, Indianapolis, IN
205. Kobe Japanese Steakhouse, Jeffersonville, IN
206. MCL Bakery and Restaurant, West Lafayette, IN
207. Sente, Wichita, KS
208. Bliss Artisan, Henderson, KY
209. Athenian Grill, Lexington, KY
210. Atomic Ramen, Lexington, KY
211. Barn at the Summit, Lexington, KY
212. China Inn, Louisville, KY
213. Ostra, Louisville, KY
214. Senor Iguanas, Louisville, KY
215. Steak and Bourbon, Louisville, KY
216. Verbena Cafe, Louisville, KY
217. Rama, Baton Rouge, LA
218. The Rum House, Baton Rouge, LA
219. White Star, Baton Rouge, LA
220. Copeland's Cheesecake Bistro, Bossier City, LA
221. Gullo's Market, Bossier City, LA
222. Satterfield's, New Roads, LA
223. Glenwood Tea Room, Shreveport, LA
224. Habaneros, Shreveport, LA
225. Artu, Boston, MA
226. Coda Bar & Kitchen, Boston, MA
227. Stella Restaurant and Bar, Boston, MA
228. Cuchi Cuchi, Cambridge, MA
229. Restaurant Dante, Cambridge, MA
230. The Automatic, Cambridge, MA
231. The Table at Season to Taste, Cambridge, MA
232. Veggie Galaxy, Cambridge, MA
233. Morano Gelato, Chestnut Hill, MA
234. Hattapon's Thai Kitchen, Greenfield, MA
235. White Hut, West Springfield, MA
236. Wexford House, Worcester, MA
237. Alexander Brown Restaurant, Baltimore, MD
238. City Cafe, Baltimore, MD
239. George's Chophouse, Bethesda, MD
240. Doner Bistro, Frederick, MD
241. Benchwarmers Sports Pub, Brunswick, ME
242. Arabica Coffee, Portland, ME
243. LB Kitchen, Portland, ME
244. Uncle Andy's Diner, Portland, ME
245. The Tilted Kilt Pub, South Portland, ME
246. Wilma's, Ann Arbor, MI
247. Fireside Grill, Dimondale, MI
248. For Crepe's Sake, Lansing, MI
249. Frandor's Deli, Lansing, MI
250. Mijo's Diner, Lansing, MI
251. The Brunch House, Lansing, MI
252. Blue Grill, Milford, MI
253. Hopcat, Royal Oak, MI
254. Town Tavern, Royal Oak, MI
255. Vivo Kitchen, Apple Valley, MN
256. Bonfire, Blaine, MN
257. Bonfire, Eagan, MN
258. Bonfire, Mankato, MN
259. 4 Bells, Minneapolis, MN
260. A Cupcake Social, Minneapolis, MN
261. Bar Luchador, Minneapolis, MN
262. Burger Jones, Minneapolis, MN
263. Egg & I Diner, Minneapolis, MN
264. El Burrito, Minneapolis, MN
265. fig + farro, Minneapolis, MN
266. Marvel Bar, Minneapolis, MN
267. Moose & Sadie's, Minneapolis, MN
268. Muddy Waters, Minneapolis, MN
269. NE Arcade, Minneapolis, MN
270. Sleepy V's, Minneapolis, MN
271. The Bachelor Farmer, Minneapolis, MN
272. Bonfire, Savage, MN
273. Cleveland Wok, St. Paul, MN
274. Izzy's Ice Cream, St. Paul, MN
275. Pazzaluna, St. Paul, MN
276. Bonfire, Woodbury, MN
277. Twin Peaks, Chesterfield, MO
278. Five Star Burgers, Clayton, MO
279. Cork wine bar, Ferguson, MO
280. Saint Louis Pizza and Wings, Florissant, MO
281. Angelo's Chicago Taste, Hazelwood, MO
282. Hogshead, Kansas City, MO
283. Nick and Jake's, Kansas City, MO
284. Plaza, Kansas City, MO
285. Webster House, Kansas City, MO
286. The Dubliner, Maplewood, MO
287. Bobo Noodle House, St. Louis, MO
288. Gamlin Whiskey House, St. Louis, MO
289. Ready room, St. Louis, MO
290. Ryder's Tavern, St. Louis, MO
291. STL Sunrise Cafe, St. Louis, MO
292. Sub Zero Vodka Bar, St. Louis, MO
293. Tavolo, St. Louis, MO
294. Barley & Vine, Bozeman, MT
295. Saffron Table, Bozeman, MT
296. Starky's Authentic Americana, Bozeman, MT
297. Kipos, Chapel Hill, NC
298. Summit Room, Charlotte, NC
299. The Boiler Room, Kinston, NC
300. Trail Irish Pub, Morrison, NC

301. Cameron Bar and Grill, Raleigh, NC
302. Chuck's Burgers, Raleigh, NC
303. Gateway Restaurant, Raleigh, NC
304. Linus & Pepper's, Raleigh, NC
305. Liquid State, Raleigh, NC
306. Oakwood Cafe, Raleigh, NC
307. Pharaoh's, Raleigh, NC
308. Trophy Tap & Table, Raleigh, NC
309. Virgil's Original Taqueria, Raleigh, NC
310. Native Kitchen and Social Pub, Swannanoa, NC
311. Twin City Hive, Winston-Salem, NC
312. Humpback Sallys, Bismarck, ND
313. Flatiron Cafe, Omaha, NE
314. Morano Gelato, Hanover, NH
315. The Joinery, Newmarket, NH
316. Lure Bar, Portsmouth, NH
317. Shoodac's, Warner, NH
318. Jake's, Flemington, NJ
319. Cooperage, Albuquerque, NM
320. Henderson's Served, Henderson, NV
321. Ricardo's, Las Vegas, NV
322. 4th St. Bistro, Reno, NV
323. The Chef and the Cook, Baldwinsville, NY
324. Blue Ribbon Fried Chicken, Brooklyn, NY
325. Cherry Point, Brooklyn, NY
326. Green Grape Annex, Brooklyn, NY
327. Wolf and Lamb Steakhouse, Brooklyn, NY
328. The Irish Cottage, Forest Hills, NY
329. Beyoglu, New York, NY
330. Bistro Cassis, New York, NY
331. Coogan's, New York, NY
332. Daddy-O, New York, NY
333. Effy's, New York, NY
334. Gem Spa, New York, NY
335. Gimme Coffee, New York, NY
336. Gotham Bar & Grill, New York, NY
337. Jewel Bako, New York, NY
338. Lucky Strike, New York, NY
339. Momofuku Nishi, New York, NY
340. Pegu Club, New York, NY
341. Randall's, New York, NY
342. Takashi, New York, NY
343. The Irish Cottage, New York, NY
344. The Paris Cafe, New York, NY
345. Toro, New York, NY
346. Woodhaven House, Rego Park, NY
347. Illium Cafe & Bistro, Troy, NY
348. The Rail, Canton, OH
349. Parker's Blue Ash, Cincinnati, OH
350. Spice Kitchen & Bar, Cleveland, OH
351. Tastebuds, Cleveland, OH
352. Cosecha Cocina, Columbus, OH
353. The Sycamore, Columbus, OH
354. Longhitano's Gallery Pub and Grille, Kent, OH
355. Firefly Bistro, New Albany, OH
356. The Rail, North Olmsted, OH
357. Sushi Nara, Oxford, OH
358. Pilot Butte Drive In, Bend, OR
359. Mason Jar Cafe, Estacada, OR
360. Coleman's 9N Shady Rest, Gales Creek, OR
361. Pacific Way Cafe, Gearhart, OR
362. Altabira City Tavern, Portland, OR
363. Arleta Library Cafe, Portland, OR
364. Blackheart, Portland, OR
365. Citizen Baker, Portland, OR
366. Clyde Common, Portland, OR
367. Helser's, Portland, OR
368. Ichidai, Portland, OR
369. Ladd Taphouse, Portland, OR
370. Liberty Glass, Portland, OR
371. Nel Centro, Portland, OR
372. Noraneko, Portland, OR
373. Off the Waffle, Portland, OR
374. Prosperity Pie Shoppe, Portland, OR
375. Pullman Winebar & Merchant, Portland, OR
376. River Parkway Bistro, Portland, OR
377. Sparrows Coffeeshouse, Portland, OR
378. Tanker Bar, Portland, OR
379. Tanner Creek Tavern, Portland, OR
380. The Nerd Out, Portland, OR
381. Verde Cocina en la Perla, Portland, OR
382. Wong's King Seafood, Portland, OR
383. Tokyo Teriyaki, Seaside, OR
384. Well & Good Coffee House, Tigard, OR
385. Hickory Kitchen, Doylestown, PA
386. Meat Hook BBQ, Laceyville, PA
387. Anita's On Walnut Bakery & Café, Lancaster, PA
388. Heart Cafe, Marietta, PA
389. Farmicia, Philadelphia, PA
390. Mad River, Philadelphia, PA
391. Vitarelli, Philadelphia, PA
392. Alexander's Italian Bistro, Pittsburgh, PA
393. The Original Hot Dog Shop, Pittsburgh, PA
394. Blue Bee Bistro, Scranton, PA
395. Brothers Pizza, State College, PA
396. Sadie's Waffles, State College, PA
397. Purkey's Pink Apple, Tunkhannock, PA
398. Red Stripe, East Greenwich, RI
399. Bravo Bistro, Providence, RI
400. Eleven Forty Nine, Warwick, RI

401. Cane Rhum Bar & Caribbean Kitchen, Charleston, SC
402. McCrady's, Charleston, SC
403. Miner, Charleston, SC
404. Nana's Seafood and Soul, Charleston, SC
405. Old Town, Charleston, SC
406. Parcel 32, Charleston, SC
407. Copper River Grill, Columbia, SC
408. Uncle Louie's, Columbia, SC
409. Crepe du Jour, Greenville, SC
410. Rudy M. Navarette's Tex-Mexican Restaurant, Sioux Falls, SD
411. RJ's Courtyard, Alcoa, TN
412. Babalu Tacos & Tapas, Knoxville, TN
413. Green's Tavern, Knoxville, TN
414. Sanctuary Vegan Café, Knoxville, TN
415. Rendezvous, Loudon, TN
416. Avenue Coffee, Memphis, TN
417. Farm & Fries, Memphis, TN
418. Grove Grill, Memphis, TN
419. Sear Shack, Memphis, TN
420. Strano, Memphis, TN
421. Aladdin's Hookah Bar & Lounge, Nashville, TN
422. Antonios' of Nashville, Nashville, TN
423. Café Coco, Nashville, TN
424. Rudie's Seafood & Sausage, Nashville, TN
425. The Garden Brunch Cafe, Nashville, TN
426. Poynor's Pommes Frites, Pigeon Forge, TN
427. Courthouse Donuts, Sevierville, TN
428. Village Cafe and Grill, South Knoxville, TN
429. The Ranch Steak and Seafood, Atlanta, TX
430. Blue Dahlia, Austin, TX
431. Bout Time 2, Austin, TX
432. Buzz Mill Shady, Austin, TX
433. Chocolaterie Tessa, Austin, TX
434. Enchiladas Y Mas, Austin, TX
435. Fricano's Deli, Austin, TX
436. Lucy's Fried Chicken, Austin, TX
437. Magnolia Cafe, Austin, TX
438. North by Northwest Brewing Co., Austin, TX
439. NXNW Restaurant and Brewery, Austin, TX
440. Shady Grove, Austin, TX
441. Threadgill's, Austin, TX
442. Veracruz, Austin, TX
443. Yuyo, Austin, TX
444. Bernie's Burger Bus, Bellaire, TX
445. Chicken Scratch, Dallas, TX
446. Dakota's Steakhouse, Dallas, TX
447. Eastside Social, Dallas, TX
448. Five Sixty, Dallas, TX
449. Highland Park Cafeteria, Dallas, TX
450. Jake's Burgers, Dallas, TX
451. Lizard Lounge, Dallas, TX
452. Mercy Wine Bar, Dallas, TX
453. Ross & Hall Beer Garten, Dallas, TX
454. Start, Dallas, TX
455. Sushi Bayashi, Dallas, TX
456. The Lot, Dallas, TX
457. YaYa Best Tex-Mex Yogurt, Dallas, TX
458. Bird Cafe, Fort Worth, TX
459. Da Mario, Frisco, TX
460. Barry's Pizza, Houston, TX
461. Ragin Cajun, Houston, TX
462. Treebeards, Houston, TX
463. Hamburger Bar, Palestine, TX
464. Wa Kubota, Plano, TX
465. Big Cheese Pizza, Texarkana, TX
466. Cattleman's Steakhouse, Texarkana, TX
467. Serving Time Cafe, Draper, UT
468. Elevo, Salt Lake City, UT
469. Five Sushi Brothers, Salt Lake City, UT
470. Pourhouse, Norfolk, VA
471. Saint Germain, Norfolk, VA
472. Citizen, Richmond, VA
473. Tijuana Flats, Richmond, VA
474. Wall Street Tavern, Roanoke, VA
475. Good Day Cafe, Vergennes, VT
476. Il Corvo, Seattle, WA
477. Adana, Seattle, WA
478. Arriba Cantina, Seattle, WA
479. Bisato, Seattle, WA
480. Branchwater, Seattle, WA
481. Burgundian, Seattle, WA
482. Cursed Oak, Seattle, WA
483. Hecho, Seattle, WA
484. Local 360, Seattle, WA
485. Pinxto, Seattle, WA
486. Pyramid Brewing, Seattle, WA
487. The Brooklyn, Seattle, WA
488. River Rock Taphouse, Spokane, WA
489. Sapphire Lounge, Spokane, WA
490. Tomato Street, Spokane, WA
491. Low Bar, Vancouver, WA
492. Jack-Sons Sports Bar and ClubHouse Lounge, Yakima, WA
493. Schreiner's, Fond du Lac, WI
494. The Cannery, Green Bay, WI
495. Tabby's Catfe, Menomonie, WI
496. Johnny V's Classic Café, Milwaukee, WI
497. Between the Lakes, Okauchee, WI
498. Blue's Egg, Shorewood, WI
499. Rollin Smoke BBQ, Charleston, WV
500. Mouthful, Casper, WY

Appendix B: Table of Economic Impact of Stabilization Fund by State (Assuming \$60 Billion of Fund Used to Rehire Workers)

	Saved State Unemployment Benefits (\$ millions)	Saved Federal Pandemic Unemployment Compensation (\$ millions)	Additional Federal Payroll Taxes (\$ millions)	Additional State Unemployment Insurance Taxes (\$ millions)	Additional State Taxes (\$ millions)	Additional Sales Taxes (\$ millions)	Additional Restaurant Supply Chain Benefits (\$ millions)	Additional Induced Spending (\$ millions)	Additional Supply Chain Benefits (Including Induced Spending) (\$ millions)	Additional Trailing State Sales Taxes (\$ millions)	Additional Spending by Tourists (\$ millions)	Secondary Impacts on U.S. GDP (\$ millions)	Grand Total (\$ millions)	Benefits per Capita
Alabama	\$39.5	\$70.5	\$108.2	\$1.8	\$0.0	\$0.0	\$194.3	\$53.7	\$204.0	\$0.0	\$1,078.4	\$746.9	\$3,094.3	\$631.1
Alaska	\$60.4	\$46.2	\$18.9	\$0.8	\$0.0	\$0.0	\$34.9	\$15.5	\$36.6	\$0.0	\$193.5	\$134.0	\$1,340.0	\$792.1
Arizona	\$635.3	\$520.3	\$190.0	\$3.6	\$2.2	\$52.2	\$310.8	\$136.8	\$368.6	\$41.7	\$1,948.3	\$1,349.4	\$5,597.3	\$760.0
Arkansas	\$191.5	\$213.2	\$59.3	\$1.6	\$14.5	\$109.4	\$28.8	\$28.8	\$114.9	\$11.6	\$607.5	\$420.8	\$1,773.2	\$87.6
California	\$4,282.3	\$3,213.9	\$1,324.9	\$47.6	\$470.9	\$2,447.1	\$1,129.5	\$1,129.5	\$2,570.1	\$76.7	\$13,584.9	\$9,408.8	\$38,856.7	\$983.4
Colorado	\$783.3	\$519.2	\$202.0	\$5.3	\$28.7	\$373.2	\$122.4	\$122.4	\$391.9	\$23.0	\$2,071.6	\$1,434.8	\$5,955.4	\$1,034.1
Connecticut	\$317.7	\$298.5	\$98.3	\$5.3	\$35.4	\$35.4	\$181.5	\$77.5	\$190.7	\$28.3	\$1,007.8	\$608.0	\$2,899.2	\$813.2
Delaware	\$100.8	\$83.1	\$27.6	\$0.8	\$0.0	\$0.0	\$50.9	\$14.8	\$53.5	\$0.0	\$282.8	\$195.9	\$810.2	\$832.1
District of Columbia	\$2,095.7	\$1,796.0	\$449.7	\$1.3	\$4.2	\$30.7	\$115.6	\$62.9	\$121.4	\$24.5	\$641.7	\$444.4	\$1,828.9	\$2,591.4
Florida	\$1,078.3	\$860.2	\$270.0	\$3.9	\$53.0	\$191.1	\$1,199.9	\$486.2	\$1,260.2	\$152.9	\$6,661.1	\$4,613.4	\$19,110.3	\$889.8
Georgia	\$264.9	\$153.2	\$66.2	\$3.4	\$0.0	\$0.0	\$498.8	\$101.8	\$523.8	\$42.4	\$2,768.9	\$1,917.7	\$8,118.6	\$765.6
Hawaii	\$153.2	\$129.0	\$35.5	\$1.4	\$0.0	\$0.0	\$122.3	\$42.8	\$128.4	\$0.0	\$678.8	\$470.2	\$1,363.3	\$1,363.3
Idaho	\$114.8	\$129.0	\$35.5	\$1.4	\$0.0	\$0.0	\$65.6	\$16.9	\$68.9	\$0.0	\$364.3	\$232.3	\$877.9	\$1,048.9
Illinois	\$1,114.0	\$1,039.3	\$366.7	\$2.9	\$94.4	\$94.4	\$677.2	\$288.0	\$711.3	\$73.5	\$3,759.7	\$2,603.9	\$10,742.9	\$847.8
Indiana	\$465.0	\$543.1	\$153.1	\$3.9	\$52.5	\$282.7	\$86.0	\$86.0	\$296.9	\$42.0	\$1,569.4	\$1,087.0	\$4,581.7	\$680.6
Iowa	\$215.4	\$224.5	\$58.9	\$2.6	\$17.3	\$17.3	\$108.9	\$17.0	\$114.3	\$13.9	\$694.4	\$448.6	\$1,795.9	\$566.2
Kansas	\$222.7	\$224.1	\$62.3	\$2.0	\$0.0	\$0.0	\$115.1	\$23.7	\$120.9	\$0.0	\$442.7	\$442.7	\$1,858.8	\$536.3
Kentucky	\$410.2	\$353.9	\$102.3	\$2.7	\$30.1	\$30.1	\$189.0	\$29.4	\$198.5	\$24.1	\$1,009.4	\$726.8	\$3,116.5	\$649.9
Louisiana	\$448.1	\$383.3	\$115.2	\$2.3	\$25.1	\$25.1	\$212.7	\$41.9	\$223.4	\$20.1	\$1,180.9	\$817.9	\$3,471.0	\$747.8
Maine	\$143.2	\$103.4	\$37.5	\$1.4	\$14.7	\$14.7	\$69.3	\$21.2	\$72.7	\$11.8	\$384.4	\$266.3	\$1,125.9	\$837.6
Maryland	\$581.2	\$454.8	\$166.0	\$3.5	\$48.8	\$48.8	\$306.6	\$111.2	\$322.0	\$39.1	\$1,702.0	\$1,178.8	\$4,913.9	\$812.8
Massachusetts	\$814.5	\$603.0	\$252.0	\$14.2	\$77.2	\$77.2	\$465.4	\$217.4	\$488.8	\$61.8	\$2,583.8	\$1,789.5	\$7,367.5	\$1,068.9
Michigan	\$763.1	\$710.2	\$228.4	\$9.3	\$67.2	\$67.2	\$421.8	\$138.1	\$443.0	\$53.7	\$2,341.8	\$1,621.9	\$6,798.4	\$880.7
Minnesota	\$468.7	\$436.7	\$145.0	\$5.2	\$48.9	\$48.9	\$267.8	\$97.0	\$281.3	\$39.1	\$1,486.8	\$1,029.8	\$4,306.3	\$763.6
Mississippi	\$176.8	\$212.7	\$54.7	\$0.6	\$0.0	\$0.0	\$101.0	\$21.6	\$106.1	\$0.0	\$560.8	\$388.4	\$1,622.7	\$346.8
Missouri	\$511.5	\$505.2	\$152.3	\$1.0	\$22.4	\$22.4	\$281.3	\$81.3	\$295.4	\$17.9	\$1,561.5	\$1,081.5	\$4,453.2	\$735.4
Montana	\$89.1	\$90.1	\$26.5	\$0.5	\$13.4	\$13.4	\$48.9	\$13.4	\$51.4	\$0.0	\$271.6	\$188.1	\$730.5	\$730.5
Nebraska	\$138.0	\$153.3	\$42.7	\$0.5	\$11.5	\$11.5	\$78.9	\$20.9	\$82.9	\$9.2	\$438.0	\$303.3	\$1,279.2	\$661.9
Nevada	\$383.2	\$288.5	\$114.0	\$7.8	\$38.3	\$38.3	\$210.5	\$88.8	\$221.1	\$30.6	\$1,168.8	\$809.5	\$3,361.1	\$1,091.2
New Hampshire	\$141.6	\$111.5	\$41.2	\$0.5	\$0.0	\$0.0	\$76.0	\$28.8	\$79.9	\$0.0	\$422.1	\$292.4	\$1,194.1	\$732.5
New Jersey	\$840.2	\$590.6	\$216.6	\$9.5	\$70.4	\$70.4	\$400.1	\$120.5	\$420.2	\$56.3	\$2,221.2	\$1,538.4	\$6,484.2	\$730.0
New Mexico	\$770.5	\$161.0	\$49.3	\$1.7	\$12.4	\$12.4	\$91.0	\$25.6	\$95.6	\$9.9	\$505.4	\$350.0	\$1,471.5	\$702.2
New York	\$2,241.8	\$1,486.6	\$693.6	\$17.2	\$136.0	\$136.0	\$1,281.5	\$652.6	\$1,345.4	\$108.8	\$7,111.6	\$4,925.5	\$20,000.1	\$1,028.1
North Carolina	\$841.9	\$861.4	\$260.7	\$3.9	\$60.7	\$60.7	\$481.5	\$150.9	\$505.7	\$48.6	\$2,673.2	\$1,851.5	\$7,740.0	\$738.0
North Dakota	\$61.1	\$62.2	\$18.9	\$0.9	\$4.6	\$4.6	\$34.9	\$11.0	\$36.7	\$3.7	\$193.8	\$134.2	\$562.0	\$737.5
Ohio	\$920.3	\$984.7	\$284.7	\$9.7	\$80.3	\$80.3	\$525.9	\$150.8	\$552.3	\$64.2	\$2,919.5	\$2,022.0	\$8,514.4	\$728.4
Oklahoma	\$319.8	\$310.4	\$87.5	\$2.4	\$0.0	\$0.0	\$161.7	\$32.4	\$169.8	\$0.0	\$897.5	\$621.6	\$2,603.1	\$657.8
Oregon	\$548.0	\$349.4	\$130.4	\$10.7	\$0.0	\$0.0	\$240.9	\$61.3	\$253.0	\$0.0	\$1,337.3	\$914.5	\$3,957.2	\$914.5
Pennsylvania	\$937.2	\$913.0	\$281.4	\$20.2	\$82.8	\$82.8	\$519.7	\$159.1	\$545.8	\$66.2	\$2,885.2	\$1,998.3	\$8,409.0	\$656.8
Puerto Rico	\$94.0	\$138.1	\$29.1	\$1.5	\$0.0	\$0.0	\$53.7	\$3.7	\$56.4	\$0.0	\$298.2	\$206.5	\$881.1	\$275.9
Rhode Island	\$113.4	\$98.7	\$35.0	\$2.4	\$12.0	\$12.0	\$64.7	\$25.6	\$68.0	\$9.6	\$359.4	\$248.9	\$1,033.8	\$979.6
South Carolina	\$423.5	\$445.7	\$131.4	\$4.0	\$38.7	\$38.7	\$242.7	\$72.8	\$254.9	\$30.9	\$1,347.5	\$933.3	\$3,925.4	\$762.4
South Dakota	\$62.9	\$69.4	\$19.5	\$0.3	\$0.0	\$0.0	\$36.0	\$9.7	\$37.8	\$0.0	\$199.7	\$138.3	\$573.5	\$650.7
Tennessee	\$600.5	\$581.8	\$185.8	\$1.9	\$27.3	\$27.3	\$343.2	\$117.4	\$360.4	\$21.9	\$1,905.1	\$1,319.5	\$5,464.8	\$800.9
Texas	\$2,672.0	\$2,428.5	\$826.7	\$20.0	\$23.3	\$23.3	\$1,526.9	\$572.4	\$1,603.6	\$202.6	\$8,476.5	\$4,870.8	\$24,453.3	\$834.4
Utah	\$230.5	\$230.5	\$68.1	\$1.1	\$14.5	\$14.5	\$125.7	\$37.6	\$132.1	\$11.6	\$698.1	\$483.5	\$2,022.9	\$631.0
Vermont	\$60.3	\$45.7	\$16.1	\$1.4	\$7.1	\$7.1	\$29.8	\$9.2	\$31.3	\$0.0	\$165.5	\$114.6	\$486.9	\$780.2
Virginia	\$7.0	\$6.0	\$2.2	\$0.2	\$0.0	\$0.0	\$4.0	\$1.6	\$4.2	\$4.2	\$22.2	\$15.4	\$62.8	\$600.0
Virginia Islands	\$7.0	\$6.0	\$2.2	\$0.2	\$0.0	\$0.0	\$4.0	\$1.6	\$4.2	\$4.2	\$22.2	\$15.4	\$62.8	\$600.0
Washington	\$736.1	\$688.7	\$219.0	\$2.9	\$30.1	\$30.1	\$404.5	\$134.8	\$424.8	\$24.0	\$2,245.4	\$1,555.2	\$6,445.5	\$755.1
West Virginia	\$722.4	\$550.9	\$224.8	\$8.4	\$71.6	\$71.6	\$415.2	\$189.7	\$436.1	\$57.3	\$2,303.6	\$1,596.5	\$6,583.1	\$864.5
West Virginia	\$119.2	\$120.3	\$33.5	\$1.9	\$9.9	\$9.9	\$61.9	\$13.0	\$65.0	\$7.9	\$343.6	\$238.0	\$1,014.1	\$656.9
Wisconsin	\$411.1	\$459.8	\$122.3	\$3.9	\$30.0	\$30.0	\$225.9	\$48.3	\$237.3	\$24.0	\$1,254.1	\$868.6	\$3,683.0	\$723.3
Wyoming	\$47.4	\$45.8	\$14.1	\$0.7	\$2.8	\$2.8	\$26.1	\$7.8	\$27.4	\$2.4	\$144.7	\$100.2	\$419.2	\$500.0
Total	\$30,728.8	\$26,333.7	\$9,180.0	\$281.8	\$2,369.1	\$16,934.8	\$6,223.0	\$17,807.0	\$1,895.3	\$94,124.0	\$65,190.0	\$271,087.5	\$817.8	

Table of Economic Impact of Stabilization Fund by State (Assuming \$40 Billion of Fund Used to Rehire Workers)

State	Saved State		Saved Federal		Additional		Additional State		Additional		Additional		Additional		Secondary		Grand Total	Benefits per Capita
	Unemployment Benefits (\$ millions)	Compensation (\$ millions)	Pandemic Compensation (\$ millions)	Federal Payroll Taxes (\$ millions)	Unemployment Insurance (\$ millions)	Taxes (\$ millions)	Sales Taxes (\$ millions)	Supply Chain Benefits (\$ millions)	Induced Spending (\$ millions)	Supply Chain (Including Induced Spending) (\$ millions)	Trailing State Sales Taxes (\$ millions)	Spending by Tourists (\$ millions)	Impacts on GDP (\$ millions)	Spending by Tourists (\$ millions)				
Alabama	\$276.4	\$247.0	\$70.1	\$12.6	\$12.6	\$12.6	\$0.0	\$194.3	\$56.1	\$36.6	\$0.0	\$1,078.4	\$746.9	\$2,824.3	\$576.0			
Alaska	\$40.3	\$32.1	\$7.2	\$2.4	\$2.4	\$2.4	\$0.0	\$34.9	\$14.0	\$8.6	\$0.0	\$193.5	\$149.0	\$498.5	\$90.7			
Arizona	\$423.5	\$346.9	\$126.7	\$24.4	\$24.4	\$24.4	\$351.0	\$172.8	\$118.0	\$41.7	\$1,948.3	\$1,948.3	\$5,138.5	\$706.0				
Arkansas	\$127.7	\$142.1	\$14.5	\$3.9	\$3.9	\$3.9	\$109.4	\$30.6	\$114.9	\$11.6	\$607.5	\$420.8	\$1,619.8	\$536.7				
California	\$2,854.9	\$2,142.6	\$883.3	\$31.8	\$470.9	\$28.7	\$2,142.6	\$1,008.2	\$2,570.1	\$376.7	\$13,584.9	\$9,408.8	\$35,779.1	\$9,905.5				
Colorado	\$522.2	\$346.1	\$134.7	\$3.5	\$34.7	\$2.5	\$373.2	\$120.5	\$391.9	\$23.0	\$2,071.6	\$1,434.8	\$5,450.2	\$946.4				
Connecticut	\$211.8	\$172.3	\$65.5	\$3.5	\$35.4	\$2.5	\$181.5	\$70.6	\$190.7	\$28.3	\$1,007.8	\$698.0	\$2,665.6	\$747.7				
Delaware	\$67.2	\$55.4	\$18.4	\$0.6	\$0.6	\$0.6	\$50.9	\$15.2	\$53.5	\$0.0	\$282.8	\$195.9	\$2,665.6	\$747.7				
District of Columbia	\$134.9	\$80.9	\$41.7	\$0.9	\$0.9	\$0.9	\$15.6	\$4.0	\$12.4	\$24.5	\$641.7	\$444.4	\$1,690.8	\$2,595.7				
Florida	\$1,197.1	\$1,197.3	\$433.1	\$2.8	\$449.3	\$449.3	\$1,199.9	\$449.3	\$1,260.2	\$152.9	\$6,661.1	\$4,613.4	\$17,558.2	\$817.5				
Georgia	\$718.8	\$573.5	\$180.0	\$2.6	\$498.8	\$523.8	\$498.8	\$119.9	\$523.8	\$42.4	\$2,768.9	\$1,917.7	\$7,399.3	\$697.7				
Hawaii	\$176.6	\$102.1	\$44.1	\$0.0	\$44.1	\$12.3	\$122.3	\$41.3	\$128.4	\$0.0	\$678.8	\$470.2	\$1,766.1	\$1,247.4				
Idaho	\$76.6	\$86.0	\$23.7	\$1.0	\$23.7	\$0.0	\$56.6	\$18.1	\$68.9	\$0.0	\$364.3	\$252.3	\$956.5	\$535.2				
Illinois	\$742.7	\$692.9	\$244.5	\$8.6	\$94.4	\$0.0	\$677.2	\$262.6	\$711.3	\$75.5	\$3,759.7	\$2,603.9	\$9,873.3	\$799.2				
Indiana	\$310.0	\$362.1	\$102.0	\$2.6	\$82.5	\$2.5	\$282.7	\$86.8	\$296.9	\$20.0	\$1,569.4	\$1,087.0	\$4,194.2	\$623.0				
Iowa	\$143.6	\$149.7	\$41.6	\$1.7	\$39.3	\$1.3	\$108.9	\$27.8	\$114.3	\$13.9	\$604.4	\$418.6	\$1,634.4	\$518.0				
Kansas	\$148.4	\$149.4	\$41.6	\$0.0	\$41.6	\$2.8	\$115.1	\$27.8	\$120.9	\$0.0	\$639.2	\$442.7	\$1,686.6	\$579.2				
Kentucky	\$273.5	\$235.9	\$68.2	\$1.8	\$30.1	\$3.9	\$189.0	\$39.3	\$198.5	\$24.1	\$1,049.4	\$726.8	\$2,836.7	\$635.2				
Louisiana	\$298.8	\$255.6	\$76.8	\$2.5	\$25.1	\$2.5	\$212.7	\$50.1	\$223.4	\$20.1	\$1,180.9	\$817.9	\$3,162.8	\$681.4				
Maine	\$95.5	\$68.9	\$25.0	\$1.0	\$14.7	\$1.3	\$69.3	\$21.3	\$72.7	\$11.8	\$384.4	\$266.3	\$1,030.9	\$766.9				
Maryland	\$387.5	\$303.2	\$110.7	\$2.3	\$48.8	\$0.0	\$306.6	\$106.1	\$322.0	\$39.1	\$1,702.0	\$1,178.8	\$4,507.0	\$745.5				
Massachusetts	\$943.0	\$402.0	\$168.0	\$9.4	\$77.2	\$193.5	\$465.4	\$193.5	\$488.8	\$61.8	\$2,583.8	\$1,789.5	\$6,782.4	\$984.0				
Michigan	\$508.7	\$473.5	\$152.3	\$6.2	\$67.2	\$136.0	\$421.8	\$136.0	\$443.0	\$53.7	\$2,341.8	\$1,621.9	\$6,226.1	\$623.4				
Minnesota	\$312.5	\$291.1	\$98.7	\$3.5	\$48.9	\$267.8	\$267.8	\$92.6	\$1,029.8	\$39.1	\$1,486.8	\$1,029.8	\$3,950.0	\$700.4				
Mississippi	\$117.9	\$141.8	\$36.5	\$0.4	\$101.0	\$0.0	\$101.0	\$101.0	\$106.1	\$0.0	\$560.8	\$388.4	\$1,477.8	\$497.9				
Missouri	\$341.0	\$336.8	\$101.5	\$2.0	\$22.4	\$22.4	\$281.3	\$83.5	\$359.6	\$17.9	\$1,561.5	\$1,081.5	\$4,124.8	\$627.1				
Montana	\$59.4	\$60.1	\$17.7	\$0.8	\$4.8	\$14.1	\$8.9	\$14.1	\$51.4	\$0.0	\$271.6	\$271.6	\$712.1	\$666.5				
Nebraska	\$92.0	\$102.2	\$28.5	\$0.4	\$11.5	\$11.5	\$78.9	\$22.2	\$82.9	\$9.2	\$458.0	\$303.3	\$1,169.0	\$604.8				
Nevada	\$255.4	\$192.4	\$76.0	\$5.2	\$38.3	\$81.2	\$210.5	\$81.2	\$221.1	\$9.6	\$1,168.8	\$809.5	\$3,088.9	\$1,002.9				
New Hampshire	\$94.4	\$74.3	\$27.4	\$0.0	\$27.4	\$27.1	\$76.0	\$27.1	\$79.9	\$0.0	\$422.1	\$292.4	\$1,094.1	\$804.7				
New Jersey	\$560.2	\$393.8	\$144.4	\$6.3	\$70.4	\$400.1	\$400.1	\$122.1	\$420.2	\$96.3	\$1,538.4	\$1,538.4	\$5,933.4	\$668.0				
New Mexico	\$113.6	\$107.4	\$11.2	\$1.2	\$12.4	\$2.4	\$91.0	\$26.5	\$95.6	\$9.9	\$505.4	\$350.0	\$1,345.9	\$641.9				
North Carolina	\$1,494.5	\$991.1	\$462.4	\$11.5	\$22.4	\$22.4	\$1,281.0	\$568.6	\$1,346.4	\$108.8	\$7,111.6	\$4,925.5	\$18,436.4	\$947.7				
North Dakota	\$561.3	\$574.3	\$173.8	\$2.6	\$60.7	\$80.7	\$481.5	\$150.8	\$305.7	\$48.6	\$2,673.2	\$1,851.5	\$7,084.0	\$675.4				
Ohio	\$40.7	\$41.5	\$12.6	\$0.6	\$4.6	\$11.0	\$34.9	\$11.0	\$36.7	\$3.7	\$193.8	\$134.2	\$574.9	\$674.9				
Oklahoma	\$613.5	\$656.5	\$189.8	\$6.5	\$80.3	\$90.3	\$525.9	\$155.3	\$552.3	\$64.2	\$2,919.5	\$2,022.0	\$7,785.8	\$666.1				
Oregon	\$213.2	\$207.0	\$58.4	\$1.6	\$16.7	\$38.4	\$161.7	\$38.4	\$169.8	\$0.0	\$897.5	\$621.6	\$2,369.1	\$598.7				
Pennsylvania	\$365.3	\$233.0	\$87.0	\$7.1	\$40.9	\$66.0	\$240.9	\$66.0	\$253.0	\$0.0	\$1,337.3	\$926.2	\$3,515.7	\$833.6				
Rhode Island	\$62.7	\$92.0	\$18.7	\$1.0	\$8.8	\$8.8	\$51.9	\$16.0	\$54.8	\$0.0	\$2,885.2	\$1,998.3	\$7,692.8	\$600.9				
South Carolina	\$75.6	\$65.8	\$23.4	\$1.6	\$12.0	\$0.0	\$64.7	\$23.8	\$66.0	\$9.6	\$359.4	\$248.9	\$892.8	\$899.4				
South Dakota	\$282.3	\$297.2	\$89.6	\$2.6	\$38.7	\$24.7	\$242.7	\$73.8	\$254.9	\$30.9	\$1,347.5	\$933.3	\$3,591.6	\$697.6				
Tennessee	\$400.4	\$42.0	\$13.0	\$0.0	\$3.0	\$0.0	\$36.0	\$10.2	\$37.8	\$0.0	\$199.7	\$138.3	\$523.3	\$593.8				
Texas	\$1,781.3	\$387.9	\$123.9	\$1.3	\$27.3	\$343.2	\$343.2	\$114.0	\$360.4	\$21.9	\$1,905.1	\$1,905.1	\$5,004.8	\$733.5				
Utah	\$166.7	\$153.7	\$45.4	\$0.7	\$14.5	\$25.3	\$1,526.9	\$540.8	\$1,603.6	\$202.6	\$8,476.5	\$5,870.8	\$22,439.3	\$773.9				
Vermont	\$40.2	\$30.5	\$10.8	\$0.9	\$7.1	\$7.1	\$29.8	\$7.1	\$31.3	\$1.6	\$69.1	\$144.6	\$483.5	\$577.1				
Virgin Islands	\$4.7	\$4.0	\$1.4	\$0.1	\$0.0	\$0.0	\$4.0	\$1.5	\$4.2	\$0.0	\$22.2	\$15.4	\$74.3	\$74.3				
Virginia	\$490.8	\$445.8	\$146.0	\$1.9	\$30.1	\$404.5	\$404.5	\$132.1	\$424.8	\$24.0	\$2,245.4	\$1,595.2	\$6,990.5	\$950.0				
Washington	\$484.9	\$367.2	\$149.9	\$5.6	\$71.6	\$415.2	\$415.2	\$169.8	\$573.0	\$5.6	\$2,205.1	\$1,596.5	\$6,059.3	\$795.7				
West Virginia	\$79.4	\$80.2	\$22.3	\$1.3	\$9.9	\$61.9	\$61.9	\$15.1	\$65.0	\$7.9	\$343.6	\$238.0	\$924.6	\$515.9				
Wisconsin	\$274.1	\$306.5	\$81.5	\$2.6	\$30.0	\$30.0	\$225.9	\$55.8	\$227.3	\$24.0	\$1,254.1	\$868.6	\$3,360.4	\$577.1				
Wyoming	\$31.6	\$30.5	\$9.4	\$0.4	\$2.8	\$2.8	\$26.1	\$7.9	\$27.4	\$2.2	\$144.7	\$100.2	\$383.3	\$66.2				
Total	\$20,483.9	\$17,555.8	\$6,120.0	\$187.9	\$2,369.1	\$16,954.8	\$5,916.7	\$17,807.0	\$1,895.3	\$94,124.0	\$65,190.0	\$248,606.5	\$750.0					

Author Biographies

Eric Amel is a Vice President with Compass Lexecon. He has worked on numerous aviation cases including conducting extensive analysis for regulatory clearance in airline mergers, alliance antitrust immunity filings, analysis for independent expert reports in numerous labor disputes for U.S. airlines, analysis of government slot proposals, and analysis for expert reports in numerous airline bankruptcies. Prior to his current position, Dr. Amel was the Chief Economist at Delta Air Lines and prior to that he was the Chief Economist at Continental Airlines. He also held a position at Federal Express. Dr. Amel was also an Assistant Professor of Finance at Arizona State University College of Business and has also been a Lecturer in Business Economics (MBA) at Boston University School of Management. Dr. Amel received his Ph.D. in Economics from Washington University where he specialized in Finance, Industrial Organization, and Public Finance. He also holds an M.A. in Economics from Washington University and a B.A. in Economics and Government from Oberlin College.

Darin Lee is an Executive Vice President at Compass Lexecon and has published numerous articles on various aspects of airline economics in journals such as *The Journal of Law & Economics*, the *Journal of Labor Economics*, *Economics of Transportation* and the *Journal of Competition Law & Economics*. Dr. Lee is also the editor of volumes I and II of the *Advances in Airline Economics* book series published by Elsevier. Dr. Lee has over 20 years of experience in the airline industry analyzing issues such as alleged anti-competitive behavior, bankruptcy reorganization, codesharing, joint ventures and antitrust immunity, labor disputes and business interruption. Dr. Lee has frequently testified as an expert on the airline industry in U.S. Federal Court and before numerous arbitration panels, and has also presented empirical analyses of airline competition issues before the U.S. Departments of Justice, State, and Transportation, as well as the World Trade Organization and numerous foreign competition bureaus. Dr. Lee holds a Ph.D. in Economics from Brown University, an M.A. in Economics from Queen's University and a B.Sc. in Economics from the University of Victoria.

Erin Secatore is a Senior Vice President at Compass Lexecon based in Boston. Ms. Secatore came to Compass Lexecon from a large international law firm where she specialized in labor and employment law, spending the majority of her time representing clients in the airline industry on a variety of matters. Ms. Secatore holds a JD from New York Law School where she graduated summa cum laude with the Otto L. Walter Award for Distinguished Writing and the Joseph A. Solomon Award for Excellent Character and Fitness. Her publications include: *The Spread of Zika Virus: What U.S. Employers Should Know*, *New York Law Journal*, co-authored with Sloane Ackerman (2016); *Violence In The Workplace: What Is An Employer's Liability?*, *New York Law Journal*, co-authored with Sloane Ackerman (2015); *Avoiding the Technical Knock Out: Tackling the Inadequacies of Youth Concussion Legislation*, 58 *N.Y.L. Sch. L. Rev.* 417 (2013) (paper considered in session by Uniform Law Commission, December 2012).

Ethan Singer is a Senior Vice President at Compass Lexecon. He has over ten years of consulting experience in the airline industry as a consultant to the aviation practice at Compass Lexecon, and previously, as a Senior Associate at LECG. Dr. Singer holds a Ph.D. in Economics from the University of Minnesota, an M.A. in Economics from the University of Minnesota and a B.A. in Economics with Distinction from Carleton College. Dr. Singer specializes in the analysis of airline economics and has worked extensively on a broad range of engagements including mergers, joint ventures and antitrust immunity, labor arbitrations, bankruptcy restructuring and financial damages. His research focuses on airline competition and the cost structure of international trade and he has published articles on airline economics in *Economics of Transportation*, the *Journal of Competition Law & Economics*, *Review of Industrial Organization*, and the *Journal of Economic and Management & Strategy*.