

# Three Restaurant Revitalization Fund Myths

## MYTH #1: RESTAURANTS ARE UNDERFUNDED AND NEED MORE GOVERNMENT STIMULUS TO RECOVER.

Accommodation and Food Services (NAICS 72) along with the Arts, Entertainment, and Recreation (NAICS 71) were the **two most subsidized sectors by SBA COVID-Stimulus** relative to the size of the respective industry.

Restaurants and live venues have enjoyed the fruits of preferential government treatment. In 2021, Restaurant GDP grew an average of **40% per quarter**. Arts and Entertainment grew an average of **32% per quarter**. For perspective, other sectors averaged **2% growth** per quarter throughout 2021. Many sectors shrank, such as Retail Trade, which averaged **-4.0% per quarter**.

Percent of Industry Revenue Funded by SBA COVID Programs

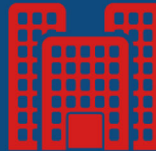


## MYTH #2: RRF GRANTS ARE EXCLUSIVELY RESERVED FOR SMALL RESTAURANTS



### 67 financial holding groups

received the maximum \$10 million grant.



### 90% of all RRF grants

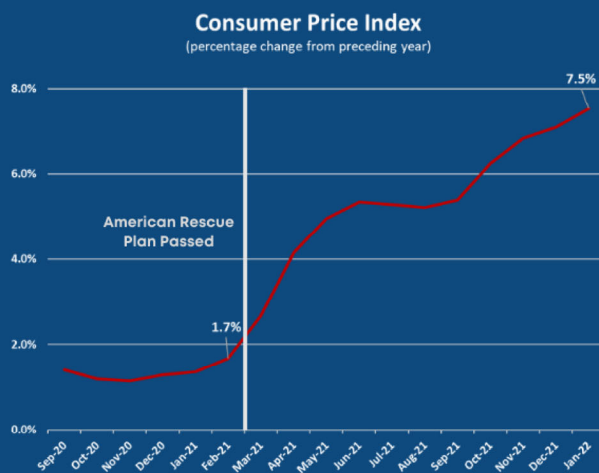
were issued to above-median applicants, indicating that the RRF heavily skewed towards larger establishments



### Hotels, Vineyards, Casinos, and Luxury Resorts all qualified.

Many of these establishments received millions in RRF grants simply because they offer food in some capacity

## MYTH #3: RRF GRANTS WILL NOT CONTRIBUTE TO INFLATION



Since February 2021, prices have been rising at historic rates with CPI **hitting 7.5%** in January 2022. A recent Federal Reserve study found that the passage of The American Rescue Plan, which established the RRF accelerated inflation trends due to its passage after the economy was already recovering.

Rising prices disproportionately harms restaurants. **Food prices have been one of the largest contributors to inflation**. A recent Moody's Analytics study also found that the **average household is losing roughly \$276 per month** due to inflation. This is particularly concerning for restaurants considering "eating-in" is the number one way households cut expenses.

**THE ANSWER TO STOPPING INFLATION IS NOT SUBSIDATION**