

5 Restaurant Revitalization Fund Myths

1

RESTAURANTS ARE STUGGLING MORE THAN OTHER INDUSTRIES

- After taking a big hit early in the pandemic, the restaurant industry has seen unprecedented growth throughout 2021, **with restaurant GDP growing an average of 40% per quarter.**
- Restaurant GDP is growing nearly 20 times faster than the average in every industry except arts and entertainment, which received federal subsidies from the Shuttered Venue Operators Grant (SVOG) program.
- Industries like retail were also disproportionately hit, and are recovering at a much slower rate.

2

RRF IS STRUCTURALLY SOUND AND JUST NEEDS MORE FUNDS TO FIX INEQUITIES

- **The discriminatory priority period** gave certain applicants who met specific race, gender, and ethnic requirements special access to funding in the first 21 days of the program.
- **RRF was designed for larger applicants.** The calculation and eligible uses were too generous, allowing larger restaurants to receive the full \$10 million. This effectively limited the number of total restaurants who received grants.
- RRF created competitive disadvantages in local markets. It allowed **RRF recipients to pay for large hiring bonuses with federal funds**, facility enhancements, and to pay off debts that other local businesses could not afford.

3

REFILLING RRF WILL SAVE THE RESTAURANT INDUSTRY

- Instead of closing the application window when the \$28 billion in RRF funds were exhausted, Biden's SBA kept the window open for the first 21 days, aligned with the priority period.
- **The application queue does not represent full demand** of eligible applicants, such as those who chose not to submit an application after hearing that funds were exhausted.
- **Funding remaining applications will just lead to more inequitable outcomes and will lead to yet another request for taxpayer dollars.**

4

RRF FUNDS ARE TARGETED AND EXCLUSIVELY HELP SMALL RESTAURANTS

- **90% of RRF funds went to applicants above the median grant amount**, showing that RRF recipients skewed heavily towards larger applicants.
- These funds were not just reserved for restaurants. Hotels like Marriott & Hilton, large private equity groups that own restaurants, casinos and luxury resorts all received funds.

5

RESTAURANTS NEED GRANTS TO COMBAT INFLATION AND SUPPLY CHAIN ISSUES

- Increasing money supply by issuing grants to restaurants would worsen both inflation and supply chain issues.
- The Fed recently found that the American Rescue Plan stimulus measures were implemented at a time when the economy was already recovering.
- Spending even more taxpayer dollars when the economy is recovering quickly would not only contribute to inflation, it would essentially **redistribute welfare to the restaurant industry at the expense of every other industry.**