Saving America’s Restaurants

By Cameron Mitchell

Restaurants are struggling. Really struggling. In my 40 years in the restaurant business, I have never operated in such a perpetually difficult and challenging environment. The COVID-19 pandemic has created the “perfect storm” of almost insurmountable challenges, resulting in what will be a major financial disaster for the restaurant industry, unless there is immediate financial assistance.

The ongoing effects of the pandemic have created an impossible situation for the restaurant industry. Full-service restaurants that successfully reopened across the United States are down anywhere from 20%-60% of their 2019 revenue, and with social distancing requirements in place, rolling closures, and costs going up exponentially, this likely will not change and only will deteriorate further.

The struggle is widespread and very real for all restaurants, including the large companies, medium companies, and small “mom and pop” operators. It is time to save America’s restaurants.

The restaurant industry represents over 10% of the U.S. workforce. It is an $863 billion powerhouse that employs more than 15.6 million people. Beyond that, our restaurants support farmers, food distributors, linen companies, truckers, cleaning services and many other sectors – our economic benefits are diverse and widespread.

As drivers of local economies, investing in the survival of restaurants just makes sense. The overall health of the U.S. restaurant industry is vital to the overall health of the U.S. economy and its recovery from the COVID pandemic.

And restaurants are so much more than just a financial contributor to our people, our cities and our towns. Restaurants are the kitchen table for 50% of U.S. residents, and they are a gathering place for people to celebrate, live, enjoy life with family and friends, conduct business and more. As part of the fabric of communities, the “restaurant effect” on our country cannot be underestimated.

As restaurant industry sales continue to decline, we also see guests increasingly wary of going to dine-in restaurants, and employees afraid to work for their health and safety. But having open restaurants and caring for employee health and guest well-being are not mutually exclusive. We can have them both when we do it right.

Restaurants committed to this principle can keep their employees healthy and protected, as well as their guests, while also continuing to provide a living for their associates and to drive our local economies. As an example, in our restaurant company, that meant putting mask requirements for our guests in place before local governments made it a mandate and collaborating with Cleveland Clinic to establish industry-leading safety and sanitation protocols.

I can speak for many restaurant companies, and certainly for my company, that we would have never made it this far without the PPP funds from earlier this year or the changes in the loan forgiveness policy. Even so, those funds have largely been exhausted, and still we struggle.

Following months of no or low sales, America’s restaurants today are experiencing sustained losses caused by temporary shutdowns, unanticipated PPE expenses, now paying full rent plus deferred rent payments, and a challenging labor environment. This all adds up to a sea of “red ink” for the restaurant
industry, which certainly will result in systemic closures of independent restaurants and bankruptcies of restaurant companies around the country in the coming months.

Government leaders must seriously consider a package of options that should include approving a second round of PPP funding (which could be partially funded with the PPP funds that went undistributed) and providing payroll tax forgiveness for the rest of 2020. Additional PPP funding now is critical to the survival of the restaurant industry.

The initial round of PPP funding served its purpose and allowed us to re-open. Last spring, when the initial PPP funding was introduced, I advocated the need for these funds, not simply to re-open, but to stay open. However, without another round of PPP funding, the restaurant industry will be in peril, and millions of Americans will be without a job.

Swift action must be taken by our national leaders in Congress to enact new PPP funding, otherwise, I truly believe even previously strong companies like ours, and many independent operators, will not survive this pandemic. This is a stark reality for restaurant operators both large and small – we are in the fight of our lives – and livelihoods - together.

We will continue to fight this uphill battle, but our costs are real and significant. We need financial relief now to save America’s restaurants. I urge Congress to consider additional help for our industry, our employees and our nation.

# # #

_Cameron Mitchell is the Founder and CEO of Cameron Mitchell Restaurants (CMR), an independent, privately held restaurant group known for developing compelling dining concepts, offering outstanding cuisine complemented by genuine hospitality. Mitchell founded the company in 1993 on the powerful guest philosophy, “Yes is the answer. What is the question?” CMR owns and operates 37 award-winning restaurants under 15 different concepts across the country, including Ocean Prime. In addition, CMR supports and operates its sister company, Rusty Bucket Restaurant and Tavern with 22 restaurants in 5 states. For more information, visit cameronmitchell.com._

About 740 words