

COVID-19 Colorado Restaurant Impact Survey – January 2022

Source: National Restaurant Association survey of 4,200 restaurant operators conducted January 6-18, 2022

The omicron variant has a significant negative impact on business conditions in Colorado.

- 85% of Colorado restaurants experienced a **decline in customer demand** for indoor on-premises dining in recent weeks, as a result of the increase in coronavirus cases due to the omicron variant.
 - Colorado restaurants took a number of actions as a result:
 - 45% reduced hours of operation
 - 43% closed on days when they would normally be open
 - 30% reduced seating capacity
 - 6% offered off-premise sales only (takeout, delivery) for a period of time
- 78% of Colorado operators say **business conditions are worse** now than they were 3 months ago. Only 1% say business conditions improved during the last 3 months.

Nearly two years of pandemic-induced operational challenges have taken a steep financial toll on local operators.

- 59% of operators say their restaurant has **accumulated additional debt** since the beginning of the COVID-19 outbreak in March 2020.
- 48% of operators say their restaurant **has fallen behind on expenses** since March 2020.
- 69% of operators say their restaurant is **less profitable** now than it was before March 2020.

The Colorado restaurant industry's pandemic recovery is incomplete, with most operators not yet back to pre-pandemic sales or customer traffic levels.

- 68% of operators say their **sales volume in 2021 was lower** than it was in 2019. Only 29% of operators reported a same-store sales increase between 2019 and 2021.
 - Much of the sales growth in 2021 was driven by **higher menu prices**, as operators were forced to offset sharply rising costs throughout their restaurant.
 - 89% of operators say their restaurant's total costs (as a percent of sales) were higher in December 2021 than they were in December 2020. Only 8% of operators reported lower costs.
- 75% of operators say their customer traffic in 2021 was lower than it was in 2019. Only 17% of operators reported an increase in customer traffic between 2019 and 2021.

Restaurant Revitalization Fund (RRF) grants saved many businesses -- and jobs -- in Colorado in 2021.

- 96% of RRF grant recipients said the grant made it more likely that they would be able to **stay in business** during the pandemic.
- 81% of RRF recipients said the grant helped them **retain or hire back employees** that would otherwise have been temporarily or permanently laid off.
 - The National Restaurant Association estimates that over **15,000 restaurant jobs in Colorado were saved** as a result of the initial round of Restaurant Revitalization Fund grants.
- 96% of RRF recipients said the grant helped them pay expenses or debt that had accumulated since March 2020.
- 85% of RRF recipients said the grant was **not sufficient to cover all of their lost sales** since March 2020.

A replenished Restaurant Revitalization Fund would save thousands of restaurant jobs in Colorado.

- 56% of Colorado restaurant operators that applied for an RRF grant but did not receive funding said it is **unlikely that they will be able to stay in business** beyond the pandemic if they do not receive a grant through the Restaurant Revitalization Fund.
- 80% of restaurant operators that applied for an RRF grant but did not receive funding said a future grant would enable them to retain or hire back employees that would otherwise have been temporarily or permanently laid off.
 - The National Restaurant Association estimates that future grants awarded after a full replenishment of the Restaurant Revitalization Fund could potentially **save more than 25,000 restaurant jobs in Colorado** that are currently at risk.