

**COVID-19 Restaurant Impact Survey – January 2022**  
New Jersey

**Omicron variant negatively impacted business conditions in New Jersey**

- The omicron variant led to a rapid deterioration in business conditions for restaurants in New Jersey. 93% of 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.
- New Jersey restaurants took a number of actions in recent weeks, as a result of the increase in coronavirus cases due to the omicron variant:
  - 50% reduced hours of operation on days that it is open
  - 30% closed on days that it would normally be open
  - 23% reduced seating capacity
  - 3% changed to only offering off-premises for a period of time
- As a result, 80% of operators say business conditions for their restaurant are worse now than they were 3 months ago. Only 2% say business conditions improved during the last 3 months.
- This was on top of the cumulative effects of nearly 2 years of pandemic-induced challenges:
  - 68% of operators say their restaurant accumulated additional debt since the beginning of the COVID-19 outbreak in March 2020.
  - 79% of operators say their restaurant fell behind on expenses since the beginning of the COVID-19 outbreak in March 2020.
  - 70% of operators say their restaurant is less profitable now than it was before the beginning of the COVID-19 outbreak in March 2020.

**The New Jersey restaurant industry's recovery is incomplete**

- A majority of restaurants have not experienced a complete sales recovery to pre-pandemic levels. 68% of operators say their sales volume in 2021 was lower than it was in 2019. Only 18% 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 restaurant operators were forced to offset sharply rising costs throughout their restaurant. 87% 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 3% of operators reported lower costs.
- Customer traffic levels also remained below 2019 levels for most restaurants. 88% of operators say their customer traffic in 2021 was lower than it was in 2019. Only 5% of operators reported an increase in customer traffic between 2019 and 2021.

### **The Restaurant Revitalization Fund saved many businesses and jobs in New Jersey**

- 100% of RRF recipients said the grant made it more likely that they would be able to stay in business during the pandemic.
- 92% 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 30,000 restaurant jobs in New Jersey were saved as a result of the initial round of Restaurant Revitalization Fund grants.
- 100% of RRF recipients said the grant helped them pay expenses or debt that had accumulated since the beginning of the COVID-19 outbreak in March 2020.
- 85% of RRF recipients said the grant was not sufficient to cover all of their lost sales since the beginning of the COVID-19 outbreak in March 2020.

### **A replenished Restaurant Revitalization Fund would save more businesses and jobs in New Jersey**

- 60% of 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.
- 100% 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 will potentially save more than 45,000 restaurant jobs in New Jersey that are currently at risk.

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