

# New Mexico Restaurant Association

## The State of the Restaurant Industry in New Mexico 2022



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# Thank You

Thank you for your help

Direct Grant Program in December 2020

Loan Fund

LEA Fund

GRT Holiday Provided \$51 Million to over 1,000  
Restaurants

Money to the Tourism Department and Workforce  
Development



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# Introduction of My Guests



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# Real Stories From Real Restaurants

“In 2020 we shut down for half a year in order to save the planet. In order to survive, we took on \$600,000 in debt because we took on a maximum SBA loan and mortgaged the property when we didn’t get the RRF. Meanwhile, the two restaurants down the road got \$400,00 in RRF. How can I compete with that? It’s just a miserable place to be. Meanwhile, I have employed a great team that has worked for me for 30 years.”



# Pandemic Losses

	2019 Q4	2021 Q4
• Full-Service Restaurants	5776	4683
• All Foodservice	12020	10268
• Bars	660	466
• <b>Loss in number of restaurants reporting CRS data from 2019 to 2022</b>		
• Full-Service Restaurants		<b>Gone 1093</b>
• All Foodservice		<b>Gone 1752</b>
• Bars		<b>Gone 194</b>



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# Post-Pandemic Pressures

- The Average Restaurant is carrying \$160,000 in debt from the pandemic
- Labor Shortages
  - Continue even with high unemployment in NM
  - Increased Labor Costs
- Supply Chain Shortages
- Inflation - 18 Increase in Wholesale Food Prices
  - Restaurant Menu Increases are only up 7.4



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# 1/3

- 1/3 of restaurants were unable to pay their rent in April.
- Pandemic Deferred Rent Payments are coming due.



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# Federal Relief

- Payroll Protection Program (PPP)
  - 8-month program for a 20-month pandemic
  - Only good for those that were open in some capacity
- Employee Retention Tax Credit (ERTC)
  - Only Good for those Businesses with Employees through the Pandemic
- Economic Injury Disaster Loans (EIDL)
  - Must be Paid Back
- Restaurant Revitalization Fund - RRF
  - Half of the applicants received this money



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# Restaurant Revitalization Fund

- Recipients got paid their losses from 2020 minus their Payroll Protection Program
- In NM RRF
  - 1,529 Restaurants Applied for \$356 Million
  - 601 Received \$169 Million
  - 928 Received 0 Nothing



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# What To Do

- Please Consider a State Relief Fund
  - to be paid through a targeted GRT Tax holiday
  - The application for the fund would require that business prove their pandemic losses minus all federal and state relief.
  - The state would forgive the GRT until that pandemic debt is paid back.



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# Save Small Businesses

- 9 in 10 restaurants have fewer than 50 employees
- 7 in 10 restaurants are single-unit operations
- 8 in 10 restaurant owners started their industry careers in entry-level positions
- 9 in 10 restaurant managers started in entry-level positions
- Restaurants employ more minority managers than any other industry



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# Thank You

- For concern for the businesses in your district.
- We know you have many priorities.
- Thank you for your time.



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