COVID-19
Economic Impact on the NC Hospitality Industry

Lynn Minges
President & CEO
NC Restaurant and Lodging Association
Businesses Impacted

RESTAURANTS:
18,000 BUSINESSES

HOTELS:
1,800 PROPERTIES
(155,000 ROOMS)
Before COVID-19, restaurant and lodging establishments provided jobs for more than 13% of the state’s workforce and generated more than $23.5 billion in sales annually.

However, the forced shut down of restaurant operations combined with the dramatic decrease in hotel occupancy has left the hospitality industry decimated.
### Job Losses due to COVID-19

<table>
<thead>
<tr>
<th>Industry</th>
<th>Employment</th>
<th>Job Losses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restaurants</td>
<td>500,000</td>
<td>350,000</td>
</tr>
<tr>
<td>Hotels</td>
<td>80,000</td>
<td>23,000</td>
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</tbody>
</table>
Unprecedented Challenges

• Restaurants and hotels are cash-strapped
• These business were abruptly closed by local and state orders
• Business Interruption Insurance is not paying out loss due to COVID-19
• Fixed Overhead Costs are mounting—property rent/lease/loan payments due, equipment lease payments due, utility costs, etc.
• Federal relief programs will take a while to come
• Struggling businesses are reluctant to take on additional loans
• Restart costs will be significant, and some won’t have the cash to restart when given the green light
• Workforce teams have been disbanded and won’t easily and quickly be rebuilt
Hospitality Needs State Support Now

• Dedicated state grant fund for the hospitality industry to help pay fixed costs

• Extension of deadlines for sales tax, income tax, and property tax, with waiver of interest and penalties

• Assistance with employer obligations due to Unemployment Insurance Fund; NCRLA supports committee proposal on UI benefits and payments

• NCRLA has submitted a more detailed list of requests that will help restaurants and hotels survive this crisis
Questions?

Lynn Minges
lminges@ncrla.org
Amber Moshakos
VP of Corporate Affairs
LM Restaurants