

NCRLA

NC Restaurant
& Lodging Association

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)**

A Major Industry in Peril

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

Restaurants: 500,000 were employed
350,000 jobs lost

Hotels: 80,000 were employed
23,000 jobs lost

Unprecedented Challenges

- Restaurants and hotels are cash-strapped
- These businesses 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



Vinay Patel
President
SREE Hotels