

COVID-19

Nothing in modern times has so abruptly impacted the world economies and societies; disrupting fundamental business models and setting in motion a series of modifications and transformations within the consumer who also is the worker.

QUARTER 1:

- The year began with a continuation of the world's economies at a virtual standstill (set in motion during 2020 as governments issued mandates and regulations restricting/limiting exposure to other humans in efforts to contain the spread of the Covid-19 virus).
- January saw an increase of 20 million new Covid cases in the USA; unemployment was at 6.3%.
- For the Quarter restaurants began rehiring; adding 477,000 jobs but was still 2.4 million short of pre-Covid employment levels.
- Restaurant SSS for the Quarter were:
 - QSR 5.4%
 - Fast Casual 5.8%
 - Family Dining 15.3%
 - Casual Dining 12.8%
 - Fine Dining (15.2%)
- 2 Stimulus Checks were issued during the Quarter (January and again in March).
- By late Spring, several states began easing up on Covid restrictions, allowing businesses to reopen and consumers, releasing their pent up desires to freely move about and being flushed with cash, began spending. Consumers had become increasingly weary of everything "pandemic."

QUARTER 2:

- By May new daily Covid cases were 33 million.
- Then the "Great Resignation" began. In April, a record 4 million people quit their jobs and in June approximately 3.9 million additional workers quit their jobs. As operators were just beginning to get store staffing levels up, this event dealt new and more difficult challenges.
- Restaurant SSS for Quarter 2 soared:
 - QSR 21.5%
 - Fast Casual 32.2%
 - Family Dining 96.9%
 - Casual Dining 75.9%
 - Fine Dining 166.7%
- The restaurant industry hired 620,000 new employees but had nearly 1.7 million job openings for the Quarter unfilled.
- The Supply Chains began to reveal their weaknesses.
- Consumers flex their demand for better dining experiences. Shifting expectations and spending more of their cash hoard.
- Stimulus Checks continue to be a factor in sales.

QUARTER 3:

- The Delta Variant of Covid-19 emerged in July causing many municipalities to reinstate Covid closure protocols as the Variant spreads. By end of Quarter 3 some consumers became more cautious; altering spending plans.
- New Covid cases – up to 43 million.
- Costs are steadily increasing (inflation). Consumers begin getting concerned (Quarter 3 inflation rate was 5.4%).
- Rumors and actual shortages of some food and household goods commence. (Costco was limiting purchases of toilet paper while Sam's had run out.) Grocery stores began having shelf gaps – some products were not available. Restaurants were shorted some items (Chick-fil-A couldn't get favorite sauce, etc.).
- For the Quarter-3, restaurants added 327,000 jobs; there remained nearly 1.7 million short of pre-Covid employment levels.
- Supply Chains began collapsing.

* To accompany Quarterly Summary Report sent on 12/12/21.

- Restaurant SSS for Quarter 3 were:

○ QSR	6.8%
○ Fast Casual	10.9%
○ Family Dining	69.8%
○ Casual Dining	37.0%
○ Fine Dining	68.7%