

From the Street

According to the National Restaurant Association's April 2021 Restaurant Jobs Report, eating and drinking places are 1.7 million jobs or 14% below pre-pandemic levels. Additionally, the NRA report stated that 84% of operators reported staffing levels below pre-Covid. Only 10% of operators reported being fully staffed. When operators were asked when they expected staffing levels to return to normal, 45% predicted within 6 months, 30% predicted 7-12 months, 15% predicted more than 1-year, and 10% predicted staffing levels will never return to normal.

So where are all of these "past" restaurant employees? We reached out to many of our operator and consumer contacts and here are our findings.

- The lower income, lower middle income and middle-income demographics have been most impacted by the Covid-19 crisis. Restaurant employees come mainly from these demographics. The "missing" restaurant workers fall into 3 basic categories.
 - A. 45% - Receiving unemployment benefits – "too good to pass up." They plan to look for jobs in late August; expecting the job market to be even more generous with higher pay and benefits. Better than pre-Covid world; most of this group plan on returning to the restaurant industry.
 - B. 35% - Disenchanted with the restaurant industry. This includes many restaurant professionals i.e. managers and have pursued employment in other fields (switched career paths) – not planning on returning to the restaurant industry.
 - C. 20% - Those fearful of catching Covid-19 so haven't gone back to work – do not feel safe. (Some of this group have taken part-time jobs in various fields while others have applied for unemployment or have a "significant other" who is able to support them – unsure about future career choices.
- Here is a breakdown of unemployment benefits under the American Rescue Plan that President Biden signed into law on March 11, 2021.
 - A. Unemployment income varies state to state with Washington state paying the highest amount - \$790/week and Louisiana, Mississippi, and South Carolina paying below \$250/week .

		Washington	Mississippi
A	Unemployment income	\$790.	\$235.
	Additional income (A)	300.	300.
	Additional income (B)	100.	100.
	Total weekly income	1,190.	635.
		X 52 weeks	X 52 weeks
		\$61,880.	\$33,020.
B	Employed income Worker making \$15/hr 40 hr. workweek	600. /week	\$600. /week
		X 52 weeks	X 52 weeks
		\$31,200.	\$31,200

So just on dollar income alone it is easy to see the enticement of remaining unemployed. But, under the American Rescue Plan, there are additional federal benefits for the unemployed (equally disbursed among the states).

- Renter's Relief – Housing and Homeless Fund
- Child Day Care Assistance – (expansion of the Child Care and Development Block Grant)
- Reduced Healthcare Benefits – No out-of-pocket expense, reduced premium, ACA Medicaid expanded.
- Increase in Food Stamp eligibility – SNAP and WIC programs
- Unemployment Tax Break – Average \$10,000 per person

These additional benefits net value on average are an additional \$800 per month or \$200/week

	Washington	Mississippi
Total weekly income	\$1,190.	\$635.
Federal benefits	200.	200.
Total unemployment benefits	\$1,390.	\$835.
	X 52 weeks	X 52 weeks
	\$72,280.	\$43,420.

So would you rather make \$1,390/week from now until September 7 or \$600/week?

Also, according to the latest U.S. Bureau of Labor Statistics (released May 7, 2021) total non-farm employment is down 8.2 million since reaching a peak in February 2020.

April’s employment breakdown by industry:

- Leisure and Hospitality rose by 331,000 – growth concentrated in food services and drink places 187,000.
- Government employment grew by 48,000.
- Other Services grew by 44,000.
- Financial Services grew by 19,000.
- Professional and Business Services lost 79,000 jobs.
- Transportation and Warehousing lost 74,000 jobs.
- Manufacturing lost 18,000 jobs.
- Retail Trade lost 15,000 jobs.
- Education and Health Services lost 1,000 jobs.

It’s obvious the workforce shortage isn’t just in the restaurant industry. In fact, the restaurant industry is gaining; just not fast enough to keep up with current needs.

We conducted a small survey of several QSR contacts.

Brand	Starting Hourly Pay	Average Daily Crew Shortage Per Day	Assistant Manager Pay	Management Benefits Varies *	Manager Pay
Chick fil A	\$9-12/Hr.	2	\$36-\$60K	ABCD	\$45-\$80K
McDonald’s	\$8-16/Hr.	5	\$33-\$50K	BCDEFGH	\$45-\$60K
Burger King	\$8-13/Hr.	8	\$28-\$50K	BCEFGI	\$36-\$86K
Taco Bell	\$8-14/Hr.	6	\$35-\$40K	BCEFGJ	\$60-\$90K
Chipotle	\$11-?/Hr.	3	\$32-\$54K	CEGHI	\$55-\$75K

*Management Benefits:

- A. Ownership
- B. 401K
- C. College scholarship/tuition assistance
- D. Sundays off (plus 1 weekday)
- E. Health insurance
- F. Vacation
- G. Bonus
- H. Perks/discounts
- I. Dental/life insurance
- J. Extra paid time off

What stands out in the chart above is Chick fil A offers slightly less hourly pay on average yet has the fewest employee shortages per day. Why is that? What does Chick fil A offer employees the other chains don’t?

Apparently, it is not just about pay . . .