

## COVID-19 Restaurant Impact Survey – September 2020

### Michigan

#### Restaurant Business Conditions

- Consumer spending in restaurants remained well below normal levels in August. Eighty-two percent of Michigan restaurant operators say their total dollar sales volume in August was lower than it was in August 2019. Overall, sales were down 32 percent on average.
- Even though sales were significantly lower for most restaurants, it doesn't mean their costs also fell proportionally. Sixty-two percent of Michigan operators say their restaurant's total operational costs (as a percent of sales) are higher than they were prior to the COVID-19 outbreak. Only 24 percent of operators say their costs are lower, as a percent of sales.
- With on-premises dining capacity limited, off-premises is increasingly important for restaurants. Seventy-three percent of operators say off-premises sales currently represents a higher proportion of their total business than it did prior to the COVID-19 outbreak.
- Fifteen percent of Michigan operators say business conditions in August were worse than they were in July, while 31 percent say business conditions improved in August.
- Seventy-four percent of Michigan operators say they don't expect their restaurant's sales to return to pre-coronavirus levels within the next six months.
- Twenty-three percent of Michigan operators say it is unlikely their restaurant will still be in business six months from now, if business conditions continue at current levels.
- Twenty-seven percent of operators say it is unlikely their restaurant will still be in business six months from now, if there are no additional relief packages from the federal government.

#### Restaurant Jobs

- Although many restaurants added back employees as restrictions were partially lifted in recent months, overall staffing levels remain well below normal. On average, Michigan restaurant operators say their current staffing levels are only 67 percent of what they would typically be in the absence of COVID-19.
- In the weeks following the initial rehiring surge that occurred in May and June, restaurant staffing trends were mixed. Forty-six percent of restaurant operators say they added employees in July and August, while 18 percent say they laid off or furloughed employees in July and August.
- Forty-nine percent of Michigan restaurant operators say they plan to add more employees during the next 30 days, while 15 percent say they anticipate laying off or furloughing more employees during the next 30 days.

- Overall, 44 percent of Michigan restaurant operators do not expect their staffing levels to return to pre-coronavirus levels within the next six months.

Source: National Restaurant Association, national survey of 3,500 restaurant operators conducted August 26 – September 1, 2020