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## **The success of this industry sits squarely in the hands of the public - by Dennis Serpone**

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Dennis Serpone

Depending where you're standing in the topsy-turvy world and through this pandemic, that doesn't seem to want to go away, your view will be positive or negative.

On one hand the pastor in my church brought to mind the end of times,

And I looked, and behold a pale horse: and his name that sat on him was Death, and Hell followed with him. And power was given unto them over the fourth part of the earth, to kill with sword, and with hunger, and with death, and with the beasts of the earth.

Then, if you look through another side of the prism we see the light at the end of the tunnel. The food and beverage industry now sets down closer to the light.

In the most recent issue of industry standard, Restaurant Business, the general opinion of those doing research is that without aid, independent restaurateurs are facing bankruptcy.

It said that independent operators are being pushed to the brink and are taking on mounting personal debt, according to survey results released by the Independent Restaurant Coalition, which is pressing Congress for more funding.

A survey released Friday by the Independent Restaurant Coalition found that 42% of businesses that did not receive Restaurant Revitalization Fund (RRF) grants this year are in danger of declaring bankruptcy or have already done so. About one in five of those who did receive the limited RRF money said they might go bankrupt.

The \$28.6 billion RRF quickly disappeared last year, providing aid to only about a third of total applicants.

Further, 41% of independent restaurant owners who didn't receive RRF grants said they had taken out new personal loans to support their businesses and more than 25% said they've had to sell a personal asset to support their restaurant during the pandemic.

The 1,200 restaurants surveyed said the recent omicron surge was having a dire impact on their operations, with 58% saying their sales dropped by more than half last month and 46% saying they had to cut operating hours on more than 10 days in December.

However, these dire experiences are tempered by the type of restaurant...full service, fast food, casual dining, entertainment, breakfast/lunch and the location.

Our concern is how this lingering annoyance will affect 2022. Yes, there has been a slow migration from well-paying restaurant jobs (yes, well-paying) to better-paying nowhere jobs in the general sector.

The food and beverage industry can be likened to a college that does on-the-job training and pays you while you're learning. Hands-on, does it till you get it right...and someday you'll own your own restaurant.

In the nowhere jobs, where you work 8 am to 4 pm, for most people without a college degree, they'll never make more than \$50,000 or \$60,000 per year...minus taxes. They'll never own Kohl's, Amazon, or Staples.

More than 90,000 restaurants and bars across the country have closed since the pandemic began in March 2020, according to data from the National Restaurant Association. However, in New England, in the shadow of a building craze from biotech to apartments and condos, to a seemingly unending appearance of new office buildings, for every food operation that has closed two or three new ones have opened.

The dynamics of our industry are on solid footings, the issues revolve around temporarily adjusting to an increased cost of operations. Whether in our business or just being a family provider, we're getting accustomed to paying more for everything. But that doesn't stop us from socializing with family and friends, that doesn't stop us from treating our kids on the weekends to Papa Gino's or treating Mama to the Kowloon just because...

Restaurant Business reports that currently, a bipartisan Senate group headed by Small Business Chairman Ben Cardin (D-Maryland) is mulling a bill that would offer roughly \$40 billion in aid to restaurants.

Aid from any source is a God-send, but the success of this industry sits squarely in the hands of the public. It's the support of the eating out public that will make or break the industry in New England. It's the ordering-in, pick-up, or delivery that will ensure continuity of personnel to work and profits for the operators.

Play the game...mask on, mask off.

We're proud to say that at the National Restaurant Exchange, we've never been busier with seasoned, financially qualified buyers looking for deals. Many are seeking food and beverage operations with real estate. Whether from equity in held assets or profits on the stock market, there's a ton of money chasing deals.

With landlords realizing that their role in times like these is to help the independent operator/tenant, some of the financial pressure has been siphoned off.

Next summer is going to be huge...get ready.

Dennis Serpone is founder of the National Restaurant Exchange of Wakefield, Mass.

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