

Jan. 28, 2021

STATE OF OPERATIONS

Canada's restaurant sector comprised of roughly 98,000 establishments before the COVID-19 pandemic struck. **An estimated 10% of all foodservice operations (roughly 10,000 locations) have since permanently shut down due to the ongoing economic and public health crisis.**

According to the latest Restaurants Canada survey conducted between Nov. 26 and Dec. 4, 2020:

- **Eight out of 10 restaurants are either losing money or barely scraping by and could take a year to return to profitability.**
 - 65% of survey respondents said they are continuing to operate at a loss.
 - 19% of survey respondents said they are just breaking even.
 - 63% of all respondents whose operations are losing money said they expect to take at least a year to return to profitability.
- **About half of all respondents said they are at risk of closing at least one of their locations within six months.**
 - 48% of single-unit operators said they expect to permanently close their establishment within six months if conditions don't improve.
 - 56% of multi-unit operators said they expect to close at least one of their locations within six months if conditions don't improve.

JOB LOSSES

Before the COVID-19 crisis, restaurants and other foodservice businesses were the fourth-largest source of private sector jobs in Canada, typically employing 1.2 million people. Between March and April 2020, more than 800,000 foodservice workers lost their jobs or had their hours of work reduced to zero. **The restaurant sector lost more jobs in the first six weeks of the pandemic than the entire Canadian economy during the 2008-2009 recession.**

According to the [December Labour Force Survey](#) from Statistics Canada:

- **There are still more than 316,000 fewer jobs in the foodservice sector than there were in February 2020.** More than 400,000 restaurant jobs were recovered between May and September 2020, but then the industry began to lose ground again in October, as heightened restrictions during the second wave have resulted in further job losses.
- **No other sector is still experiencing such a shortfall.** While all other industries have recovered about 90% or more of their pandemic job losses, at least 25% of the foodservice workforce has still not returned to work in the restaurant sector.

SALES LOSSES

Before the start of the COVID-19 pandemic, Canada's restaurant sector was a \$95 billion industry, expected to grow to a record \$99 billion in 2020 and surpass the \$100-billion mark in 2021.

The Canadian foodservice sector has since lost billions in sales due to the ongoing economic and public health crisis.

According to the latest commercial foodservice sales estimates from Restaurants Canada and Statistics Canada:

- **Canada's economy could miss out on as much as \$44 billion in lost foodservice sales due to the impacts of COVID-19.**
 - Annual foodservice sales growth for 2020 is projected to be nearly 30% below what it was in 2019, representing a loss of roughly \$27 billion.
 - Annual foodservice sales growth for 2021 is forecast to be nearly 20% below what it was in 2019, representing a further loss of roughly \$17 billion.

WHAT'S AT STAKE

Restaurants are a critical, load-bearing pillar of our culture and economy. **Literally and figuratively, Canada's tens of thousands of small and medium-sized foodservice businesses are key to feeding our country's COVID-19 recovery.**

Here's why:

- **Annual revenue for a single Canadian restaurant ranges between \$30,000 - \$5,000,000, with more than 95% typically going back into the economy.**
 - Restaurants bring a lot to the table, and when they thrive, so do the communities they call home. Even during the best of times, the average foodservice establishment keeps only about 50 cents of every \$10 spent on a restaurant meal. The rest goes back into the economy, in the form of jobs, food and beverage purchases, contributions to charity and more.
 - The restaurant sector typically makes up 4% of Canada's GDP — foodservice operators run businesses in every rural and urban Canadian community, and that adds up!
 - Restaurants love to give back, collectively contributing \$460 million per year to charity.
- **The foodservice sector is a critical component of Canada's food supply chain.**
 - Restaurants are vital to the livelihoods of Canadian farmers, food producers and distributors, truckers and more, typically sustaining more than 290,000 indirect jobs.
 - Restaurateurs work closely with Canadian farmers to bring local food to the table, typically spending \$31 billion per year on food & beverage purchases.
- **The restaurant sector is a reflection of Canada's enviable diversity.**
 - Women make up 58% of the foodservice workforce.
 - 31% of restaurant owners, operators and staff belong to a visible minority.
 - Half of all Canadian restaurants are run by talented, hardworking, entrepreneurs who came here as immigrants.
- **Restaurants are the number 1 source of first jobs for young Canadians,** providing a launch pad for fulfilling and rewarding careers.