Kristine Hillmer, President & CEO of the Wisconsin Restaurant Association
Testimony on Back to Business Plan in Front of Assembly Committee on 4/30/20

From the beginning, the Wisconsin Restaurant Association has been an active part of the discussions to design the Back to Business Plan. We strongly feel that a common sense, data driven, analytical approach to slowly re-open the state makes sense to ensure the safety of our operators, their employees and the customers who they serve.

To understand why this plan is critical, let me begin by setting the table - by sharing the status of the restaurant and food service industry pre-crisis, then give you data on the effects that we’ve seen, and, finally, share what we are doing to help our operators plan for the inevitable time when they can reopen their doors.

Restaurant Industry Pre-Crisis
First let me refer you to the document titled Wisconsin Restaurant Industry at a Glance. Prior to the crisis:

- There were 12,796 eating and drinking establishments.
- Restaurants employed 284,600 restaurant and foodservice people, representing 9% of employment in our state.
- Restaurants represented $10.1 billion in estimated sales in Wisconsin.
- Every dollar spent in the table service segment contributed $1.89 to the state’s economy. An almost 1:2 return ratio.
- Every dollar spent in the limited-service segment contributed $1.65 to the state’s economy, a more than 1:1.5 return ratio.

Restaurants have truly been a critical and large piece of the Wisconsin culture, identity and economy.

Survey Data on Crisis Impact
Next, I’d like to call attention to the document titled The Restaurant Industry Impact Survey. These are the results of a survey conducted between April 10 – April 16 this year and illustrates the devastating impact of the crisis on our industry:

- 136,000 + restaurant employees have been laid off or furloughed since the beginning of the outbreak. Remember that this does not count those who have been added to the unemployment rolls since that time.
- Wisconsin will lose $630 Million in sales by the end of April.
- On average, restaurant operators have reported a 70% decline in sales. I’ve personally talked to some people who have lost 95% of sales, And, of course, those that have decided to close at this time have lost 100% of sales.
- 44% of Wisconsin operators have already temporarily closed and another 40% anticipate temporarily closing in the next 30 days.
- And for those who think the federal dollars will help, 61% of operators say that existing federal relief programs will not prevent more restaurant layoffs.

Anecdotally, I can tell you that as dire as these statistics are, the longer restaurants are closed to most business - the more at risk restaurants businesses are. We are predicting that if the closures continue, half of our restaurants are at risk of closing for good. Many of these businesses are independent, small or family operations that are at the heart of main street
Wisconsin. The ripple effect will be severe not only to our economy, but to small towns, countless families, tourism and the cultural heritage of our state.

So, as you can see, the comparison pre-crisis to now, shows the dire circumstances restaurants currently face. We are at an extinction level event for small businesses and restaurants and it is urgent that we use this time to figure out how these businesses can reopen safely.

Also, as was indicated by the testimonies of Joanne Palzkill from Dragaentti’s and Za51 in Eau Claire and Robert Prosser from Ishnala in the Wisconsin Dells, there is a true need to look at various parts of the state differently. Joanne’s restaurants in Eau Claire and Bob’s in the Dells should not be shuttered because of the different situation in other parts of the state, like Milwaukee. These areas of the state are simply not comparable and they should be treated differently based on the circumstances they face in their county and local community.

Wisconsin Restaurant Promise

In anticipation of the eventual reopening of restaurants, the Wisconsin Restaurant Association has worked on two projects. The first, the Back to Business Plan and the specific activities that are allowed in each of the risk categories. These have been reviewed by food safety and public health experts, in addition to leaders from our organization.

Next, we developed the Wisconsin Restaurant Promise. This is a document that provides guidance on reopening, but more importantly, helps to build confidence in the safety of eating out when customers are able to do so. This plan uses not only mitigation strategies, but also is in tandem with the Reopen Guidance developed by the National Restaurant Association which was developed with experts from the Food and Drug Administration, Conference for Food Protection, and other safety experts. This plan shows that once restaurants can slowly re-open, there are plans in place to ensure the safety of restaurant employees and the guests they will serve.

We strongly encourage you to pass the Back to Business Plan so that we can slowly, but surely, open up our state’s economy. The Wisconsin Restaurant Association and our 7,000 members are readying their businesses and staff for when this can occur. We strongly feel that this common sense, data driven, analytical approach to slowly re-open the state, makes sense to ensure the safety of our operators, their employees and their customers.