



THE IMPACT OF COVID-19 ON ISRAELI-OWNED RESTAURANTS IN NEW YORK STATE

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OVERVIEW

Restaurants are indispensable to New York State's economy. Every year, they create hundreds of thousands of local jobs, generate billions of dollars in tax revenue for cities and the state, and attract millions of tourists from all over the world. They also anchor New York City's nightlife and bring people together.

These two elements – the economic and the social – usually work together to help make New York State one of the world's most robust economies and vibrant social settings. Covid-19, however, has frayed this symbiosis. The new socially distant reality has impelled restaurant owners to take dramatic action in order to survive and has forced policymakers to make weighty decisions.

The New York – Israel Business Alliance, an organization dedicated to creating economic opportunities between New York State and Israel, conducted a study to learn more about the different ways that Israeli restaurant owners in New York are dealing with the challenges of Covid-19 and how they view the future of their respective establishments.

METHODOLOGY

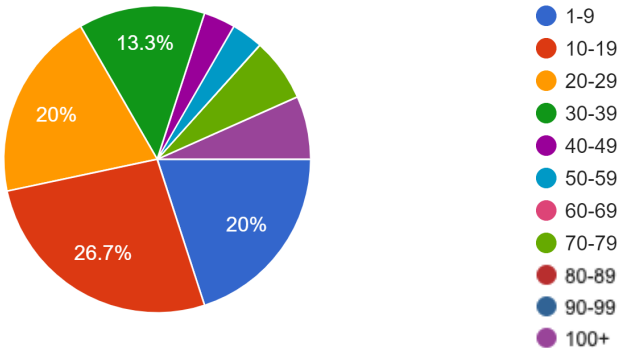
The study is based on a questionnaire distributed to 100 Israeli restaurant owners in New York State. The data presented is a composition of the responses submitted from 30 owners. NYIBA interviewed each owner, or a senior member of the owner's staff, by telephone or in person, between October 19 and December 9, 2020. NYIBA used publicly available information and individual outreach to identify and verify that there are 173 Israeli-owned restaurants in the state as of the publication of these findings. The answers have been provided by the restaurant owners with an assurance that attribution would remain anonymous.

KEY FINDINGS

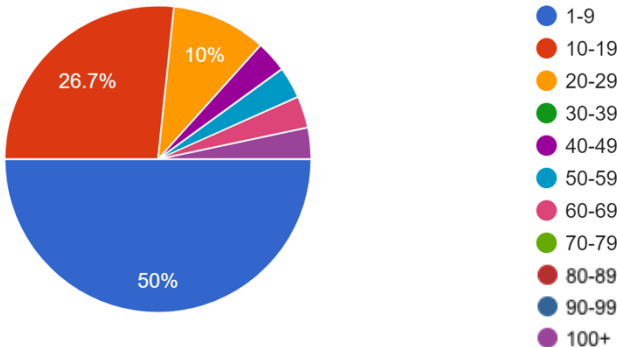
- NYIBA identified 173 Israeli-owned restaurants across New York State.
- Although 93% of respondents received Paycheck Protection Program loans, at least 70% of them still needed to downsize staff.
- 62% of respondents feel the government has been helpful.
- 77% of respondents believe that their restaurants cannot succeed without indoor dining.
- 38% of respondents speculate that there are better opportunities for their restaurants in other states.
- 50% of respondents think that additional government stimulus would contribute most to their commercial success.

LOCAL JOBS

How many local workers did you employ before Covid-19?

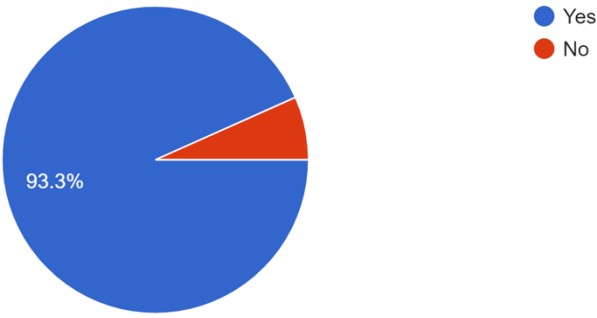


How many local workers do you currently employ?

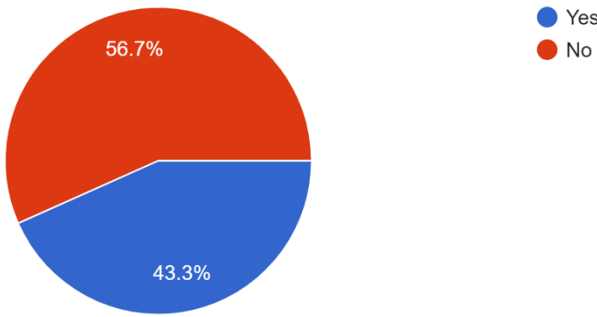


GOVERNMENT ASSISTANCE

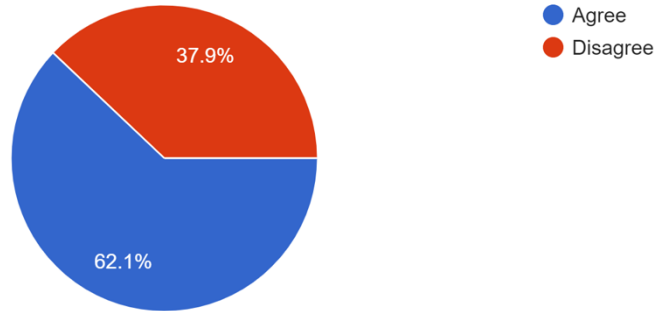
Have you taken a Paycheck Protection Program (PPP) loan?



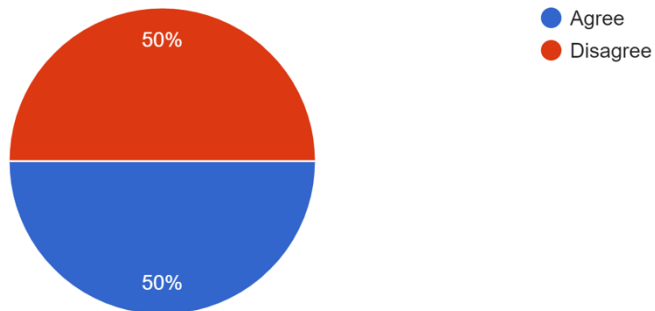
Have you taken an Economic Injury Disaster Loan (EIDL)?



The government has been helpful.

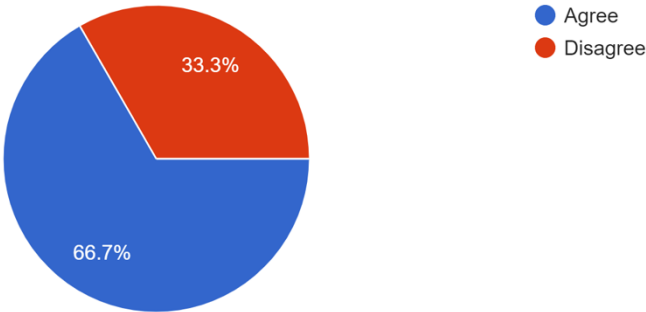


The government has communicated Covid-19 standards and regulations clearly to me.

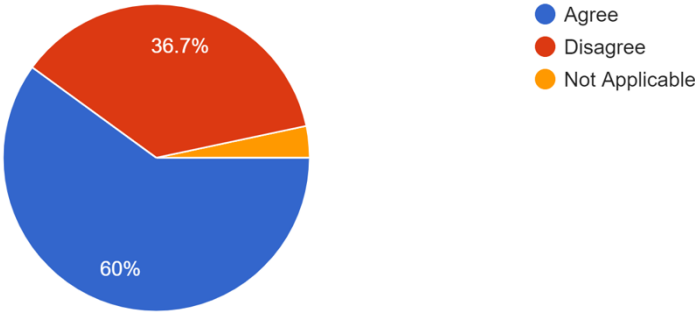


COMMUNITY SUPPORT

The local community has been helpful over the past nine months.

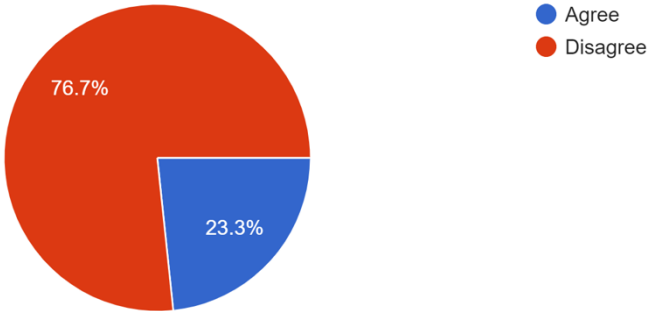


My landlord has been accommodating.

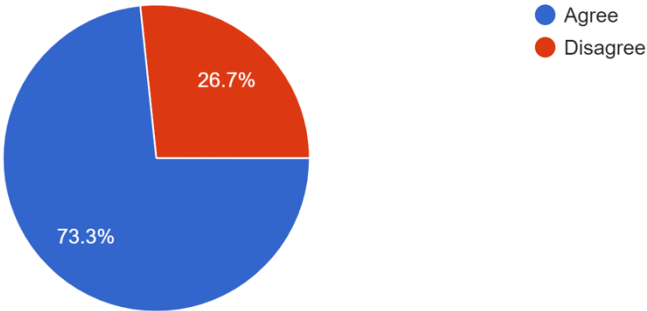


IMMEDIATE ISSUES

My restaurant can succeed without indoor dining.

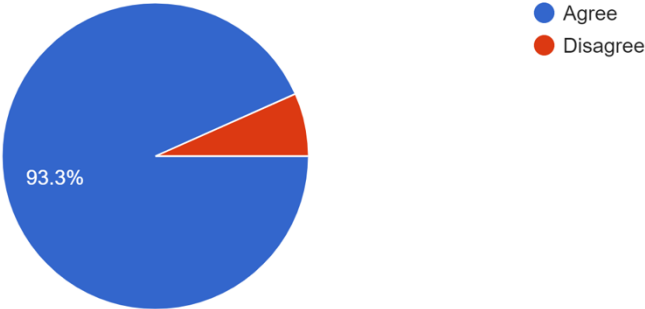


Technology has been helpful in finding business solutions to Covid-19.

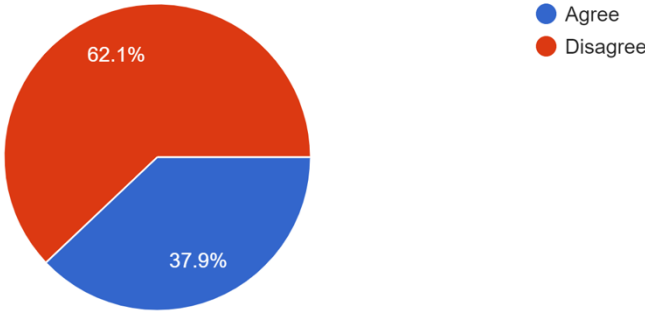


LOOKING AHEAD

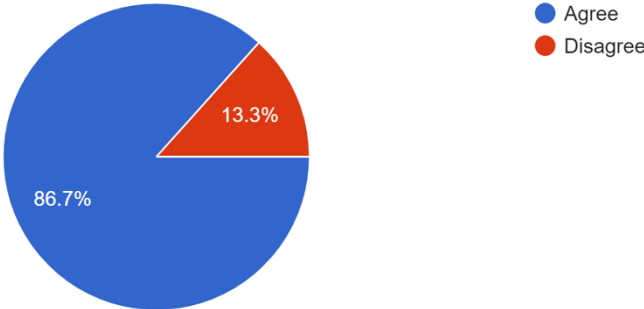
My restaurant will survive Covid-19.



I think there are better opportunities for my restaurant in other states.

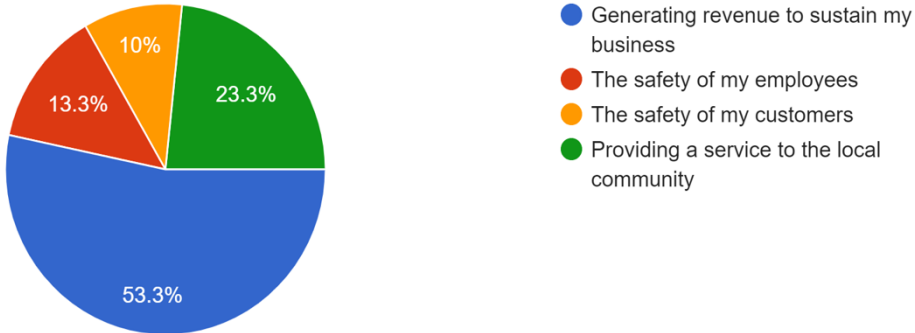


My restaurant's future is in New York.

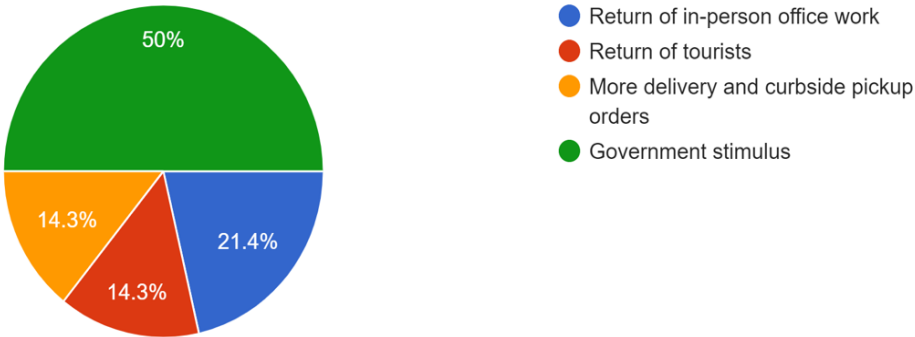


PRIORITIES

Recognizing that each of these factors is critical, please select the option that most closely reflects your restaurant's top priority during Covid-19.



Recognizing that each of these factors can contribute to the success of a restaurant, please select the option that most closely reflects the factor that would help your restaurant the most.



OPEN-ENDED RESPONSES

What was your biggest business challenge prior to Covid-19?

"Finding dependable and talented staff members."

"Paying off debt."

"Kosher meat procurement."

"Following NYC rules."

"Maintaining quality food and service."

"Hiring staff."

"Target marketing."

"Paying rent and New York's minimum wage."

What has been your biggest business challenge during Covid-19?

“Employee safety and weather effects on daily sales.”

“Pivoting the business model to takeout.”

“Loss of business, the permanent shutdown of one of our locations and reduction of opportunities for our food truck.”

“The city restrictions on the number of guests we can seat at our already small space has made it very hard to bring in revenue.”

“Foot traffic and attracting new customers.”

“People in fear of being out.”

“Hiring.”

“Capacity.”

“Developing the ability to respond quickly to changes without complaining.”

“Being profitable while adhering to smaller capacity regulations.”

What key changes have you made to your business in response to Covid?

“Upgrade online ordering setup, control labor costs.”

“Added takeout menu. Offer delivery to non-local Jewish communities.”

“Reduced workforce, offering family-friendly menu options, selling more retail items in store.”

“We permanently shut down one restaurant due to its location in a food hall.”

“Ramped up delivery and takeout service.”

“One of our main changes is that we identified that many of our guests are cooking at home, so we are selling the fresh products we make to implement into the home dining experiences.”

“Lowered prices, smaller menu, limited hours being open, more to-go friendly food, skeletal staffing, sanitation practices.”

“Minimized our menu, limited hours of operation.”

“Investing in indoor seating precautions.”

“Better systems for delivery/takeout, upgrading online systems and services.”

“Reduced workforce by more than half.”

“We decreased prices.”

What would be most helpful right now to help your restaurant succeed?

“Office workers.”

“More catering orders.”

“Customers coming in from out of town.”

“Good weather.”

“Easing of restrictions.”

“Additional PPP funding.”

“Money.”

“More government support.”

“Catching up with online ordering systems and massive advertising.”

“Financial grants to help us keep up with higher than usual operational costs.”

How has your business model adapted to Covid-19?

“The focus has shifted from expansion to sustainability.”

“Our business model has steered toward contact-free, curbside takeout, family specials, and community engagement and involvement in order to support our long-term customers who have been impacted by the pandemic.”

“Shifted completely to takeout and delivery service.”

“A larger focus on delivery and takeout, including alcohol to go.”

“Keep the place sanitized and clean all the time.”

“Stay the course: good food at the right price.”

“We go with the flow.”

“We are taking advantage of government support and using the funds wisely.”

“Use the Covid-19 unique situation and new outdoor street dining as an opportunity to connect with the local community.”