



CITY OF NEW ORLEANS MEAL ASSISTANCE PROGRAM

The Financial Impact on the New Orleans Restaurant Industry

Abstract

Data and analysis conducted and prepared for Chef's Brigade in October of 2020 to quantify the economic effects of the MAP on the New Orleans restaurant industry.

**CHEF'S
BRIGADE**
NEW ORLEANS

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CHEF'S BRIGADE

NEW ORLEANS

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The Meal Assistance Program (MAP) envisioned by the City of New Orleans and FEMA was a request for an unprecedented solution to a desperate problem during an unprecedented crisis. Four months after the rollout of this unique program and with the successful production of the 1,000,000th restaurant produced meal, the impact of this one-of-a-kind program built out in New Orleans by the partnership between Chef's Brigade, Revolution Foods and NOCHI is now quantifiable.

With the groundswell of food insecure residents and those at great risk from COVID-19 across Orleans Parish enrolled into the program and receiving home delivered, nutritious restaurant-produced meals, the simultaneous goal of stabilizing the culturally important and vital economic driver of the New Orleans restaurant industry is demonstrable. While the economic success of the program is greater and more rapid than at first envisioned, the MAP is still simply a tourniquet for our beloved restaurant industry that remains in financial tatters.

Over the course of these four months, over 80 New Orleans independent restaurants have partnered with our coalition and Chef's Brigade onboarded an average of eight new restaurant partners each week until program enrollment for meal recipients flattened in late August. Ranging from small neighborhood po-boy shops and delis, to independent mom & pops, food trucks and historic legacy restaurants, approximately ten once closed Orleans Parish restaurants have reopened specifically due to the Meal Assistance Program. The program has staved off the closure and mass firings from at least thirty other restaurants and every single restaurant partner has documentable evidence that the program has allowed them to not only retain their existing staff, but has afforded them the ability to re-hire kitchen staff at a time when most in the industry were laying workers off.

The smell of cooking rose again from shuttered kitchens throughout the city of New Orleans in early July as the economic crisis raged into the summer. Our interviews reveal that many of our immensely talented chefs who were about to throw in the towel and walk away from their life's work are now full of pride as they cook alongside their staff for their neighbors and fellow New Orleanians who are also in great and desperate need.

This Meal Assistance Program is an absolute lifeline to these economically crucial and culturally important neighborhood restaurants. It is a financial bridge to the other side of this pandemic and it is not hyperbole to state that this program has forestalled a collapse of the restaurant industry in Orleans Parish – a result that would cause enormous economic losses from which the industry and city could take a decade or more to recover.

This survey and analysis provides a glimpse of the current state of a broad swath of the New Orleans restaurant industry as of October 2020 and the impact the Orleans Parish Meal Assistance Program has had on these food industry participants.

The massive coalition and restaurant partners behind the day-to-day operations for this program is so broad and touches so many lives within every neighborhood in the city of New Orleans, it is safe to say that this Meal Assistance Program will go down in New Orleans' long and storied history as one of the most collaborative, smart and economical solutions to stave off an absolute and monumental cultural and economic disaster.

The New Orleans restaurant industry touches every single aspect of the daily lives of our residents, whether tangible or not. This program is proof. One single meal home delivered to a food insecure resident economically impacts the delivery drivers with d'Livery NOLA, the culinary staff at NOCHI, the line workers at Revolution Foods, the restaurant purveyors, our local farmers and shrimpers and fishermen and women, and of course, the chefs, sous chefs, line cooks, servers, front of house staff and dishwashers at every single restaurant partner across the city – the financial impact is very real and widespread.

The Chef's Brigade model – using the capabilities and expertise of local restaurants and chefs as distributed kitchens and organized into brigades to provide meals to their neighbors – is an elegant and economical method to provide food to people in need while also financially supporting small businesses during a time of economic uncertainty or disaster.

Chefs and their kitchen staff are always among the first who stand up during any disaster – their first impulse is to cook for their neighbors and fellow citizens, something all New Orleanians understand and experienced personally in the aftermath of Hurricane Katrina. They are first responders and this is the first crisis in our history where they are financially incapable of acting on their natural drive to serve, comfort and nourish people with their food. This program envisioned by the City of New Orleans and FEMA affords them the ability to stand up and help their neighbors through their love of cooking. This program is important, effective and a natural good, it is a bright spot during a nearly inconceivable and ongoing national nightmare.



Troy Gilbert
Executive Director & Founder
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SURVEY FINDINGS:

THE IMPACT OF THE ORLEANS PARISH MEAL ASSISTANCE PROGRAM ON THE NEW ORLEANS RESTAURANT INDUSTRY

OVERVIEW & METHODOLOGY

The ongoing Meal Assistance Program in New Orleans initiated on July 7, 2020 and involving the City of New Orleans, FEMA, Chef's Brigade, Revolution Foods, the New Orleans Culinary & Hospitality Institute (NOCHI), d'Livery NOLA, My House Events, the Healthy School Food Collaborative and over 80 independent restaurant partners has in four months produced and home delivered over one million meals to thousands and thousands of food insecure New Orleanians and those at greater risk from COVID-19. The impact of this unique, never before attempted program has been enormous on multiple levels and has met the outlined goal of reducing food insecurity throughout the city while acting as a financial tourniquet to the economically crucial and beloved New Orleans independent restaurant industry.

Food insecurity in New Orleans is a long-standing problem and one that was exacerbated more than 10-fold by the pandemic and the ensuing economic crisis. Not only does this program provide nutritious meals to New Orleanians in need, but it also helps shore up confidence that those being fed would safely get these meals via delivery to their homes during a pandemic, thereby reducing points of contact and potential exposure to COVID-19. In turn, the program relieved pressure off the already scarce financial resources of recipients and served as relief for the many heroic grassroots volunteer organizations that formed or pivoted to feeding during the quarantine to tackle this burgeoning food insecurity within the city. It also reduced the risk of contagion for those residents with pre-existing conditions or over the age of 65 that made COVID-19 especially dangerous – the psychological toll of fear and food scarcity should not be under-estimated. Further, it allowed many newly unemployed residents to focus their now limited resources on other critical needs, such as housing, utilities, and transportation while also significantly keeping many people in the restaurant industry on the employment rolls.



**"WORKING WITH CHEF'S BRIGADE AND THE
ORLEANS PARISH MEAL ASSISTANCE
PROGRAM IS THE DIFFERENCE BETWEEN
SURVIVING AND NOT SURVIVING."**

Melissa Montero – Executive Chef, Streetcar Restaurant

As of 2016, according to feedingamerica.org, at least 87,710 residents were food insecure in the City of New Orleans and this problem has grown exponentially since the beginning of the pandemic in March 2020. For a city built around our love of food, we have multiple food deserts throughout the city. According to a May 19, 2020 article on Tennessean.com entitled, *"Food insecurity during COVID-19 stirs memories of Katrina for New Orleans,"* the 9th Ward is just such a food desert. On top of that, 20% of the 9th Ward's residents are employed in food services and hospitality industries – this is just one glimpse of a community that can be seen mirrored across the city. In addition to directly employing large numbers of people in food service establishments, these neighborhoods and establishments are intricately tied economically to the local music and art scene as well.

Musicians, artists, and other gig workers are taking the economic hit alongside the restaurant, bar, and hotel industries.

With such dramatic impacts to those industries, many of New Orleans' neighborhoods took multiple blows to food security. Additionally, many residents of New Orleans are limited by a lack of access to transportation, further increasing their financial and food insecurity. The need is not shrinking. According to urbanfootprint.com, as of May 2020, New Orleans was at a 52% unemployment rate compared to 9% pre-pandemic. Residents of the city now living in low food-security areas has exploded to 65%, taking the city from a pre-pandemic ranking of #5 to #2 in the state of Louisiana for percentage of population without clear food security.

Many grassroots and established organizations in the city have heroically fed those in need since the onset of the pandemic: seniors, people with pre-existing health conditions, the homeless, and others who are food insecure. Many of those organizations are running out of money, but their reduction in meals served is not due to a lack of need. Even well-funded national organizations such as World Central Kitchen have decreased their meal production and distribution in New Orleans, some by 50% or more – that does not mean that their client list has shrunk by 50%. There are more people in need than are currently being reached by the myriad of programs tackling food insecurity, and that need is proportional to the dire financial straits the New Orleans restaurant industry finds itself in.

That brings us to the impact on the food service establishments participating in the program. To say that restaurants are a huge part of the local economy would be a vast understatement. According to nola.com, in 2018 there were 1,216 food service establishments, including 605 full-service, 476 counter-based or fast-food establishments, and 135 bars serving food. As of 2017, according to datacenterresearch.org, the industry employed 14,804 in its full-service establishments.

In order to assess the impact of the mass feeding program on the 79 restaurants currently participating, Chef's Brigade commissioned a phone survey, and 73 of those 79 restaurants responded at the time this report was prepared in October 2020. The interviews were lengthy and detailed, and as we gathered responses the questions changed to reflect the vastly different challenges faced by each of the restaurants, caterers, food trucks, and food stalls involved.

The survey included questions about:

- Neighborhood
- Type of Clientele (local/neighborhood, visitors, business diners, business travelers)
- Seating Capacity, as impacted by capacity allowance in different phases of re-opening, social distancing rules for tables, and outdoor seating
- Employees, as impacted by participation in the mass feeding program
- Shifts/Open Hours, as compared to pre-pandemic conditions
- General Experience with the Program

Findings show firstly that there is not a single sector of the food service industry in New Orleans that has not lost business and significant revenues. Virtually all the restaurants are operating with fewer employees, lower capacity, shorter hours, fewer open days, and far fewer customers. Only a couple of establishments with whom we spoke are near pre-pandemic revenues, but that includes income from the Meal Assistance Program and other temporary food assistance programs. Without the MAP, many of these restaurants would shutter permanently,

thereby forcing more employees into the pool of people in need of just such a mass feeding program. These mass restaurant closures would also prevent currently furloughed employees the opportunity to return to their previous job or certainly to find a new one in a similar establishment with a glut of employees suddenly seeking similar work. This snowball effect could also have the added consequence of depressing wages in an increasingly contracting work environment.

As a city, our love language is food and feeding people, and the backbone of this city is the hospitality industry. There is no part of New Orleans culture, society, and business that is untouched by the industry that serves locals and millions of visitors a year. All of the food service participants involved in the MAP know this, and they realize the domino effect that will be caused by further loss of business to their establishments and to the industry overall.

The feeling in the service industry is that if the restaurants shutter their doors and die off in large numbers, the city goes down with the industry. The MAP is the perfect way to provide service to communities in need and simultaneously support our restaurant industry. This program is providing them a way to bridge the financial gap until the pandemic abates and the economy and tourism rebounds.

In addition to having a sense of pride and well-being in serving those in need, the funds from participating in this program go to covering the cost of some employees, helping cover rent, and other bills just to stay afloat. At least half of the participants noted that this program has helped them stop the financial bleeding and a small number of restaurants were able to give raises to their core employees and keep people on the payroll even without the customers or revenue from outside of the MAP to justify that – simply to try and help their employees survive. Most restaurants were not in a financial position to go that far, but the ones that could do it did so. In addition to the MAP and PPP loans, many paid for these costs out of their own savings.

In summary, at least 1,400 shift hours per week have been lost within the participating 79 restaurant partners. The MAP has lessened the loss of these shift hours and directly contributed to re-hiring, retaining, or adding hours for nearly 400 positions, both part and full time. Depending on the neighborhood and type of patron an establishment traditionally serves, most restaurants are down at least 30% in revenue with many more down to losses of 80-95% of revenue including the hardest hit catering sector and tourist and business diner dependent restaurants, making this program that much more critical for income to keep doors open and people employed.

Many brick-and-mortar restaurants also noted that they have not been able to add any additional seating indoors past the 25% (or 50%) capacity phases. This is due to the necessary distancing guidelines for indoor seating and tables. Many restaurant properties have very small interior spaces, requiring a significant reduction in seating capacity for most under the current spacing guidelines. Additionally, while many have some outdoor seating, others have not added any outdoor tables due to lack of space to do so. They do not, in most cases, fault the city or its leadership for the problems with these guidelines and requirements. They and their staff understand the necessity and worry about the safety of themselves, their families, and their guests in an indoor setting. The

situation is more dire economically than it might seem when one looks at phases and percent capacity guidelines alone and on paper.

Finally, even with capacities where they are, most restaurants are simply not seeing enough patrons return. Beautiful, fall-weather weekends have helped business pick up almost entirely from locals after the notoriously slow summer months for restaurants in New Orleans. Still, weekday business across the board is atrociously bad and this is why so many have shortened hours and days of operations. Restaurants simply cannot afford to stay open on certain days during the week. It costs far more to stay open those days or when they may have no customers or one customer or table during that time – it is simply not feasible.

In addition to the income generated by the MAP for restaurants and other food related establishments, there are also qualitative impacts that are important not to discount.

- There is some level of built-in food security when you work at a restaurant; generally, employees receive a free to heavily discounted meal, while at work. This means that restaurant employees have had at least some increase in their food security because they're able to keep their job at a restaurant due to the MAP.
- Camaraderie and community, critical for mental health in crisis times, both grew. The program helped develop bonds and lifelines inside the industry, bringing out the best in sharing, communication, and offers to help.

SURVEY FINDINGS

The food service industry in New Orleans has been decimated and needs the Meal Assistance Program to continue for as long as possible, at least through the end of 2020. However, with the convention and visitor side of the economy not expected to recover well into 2021 and with locals not dining out or incapable of spending in the same way, most restaurant partners stated that they will be pressed to continue to operate once the funding for this program comes to its inevitable end. These establishments are operating with:

- Significantly less revenue – 30% to 90% down, depending on location, business type, and type of clientele
- Less shifts and fewer hours during open shifts.
- Lower seating capacity overall
- Fewer diners, both local and visitors alike

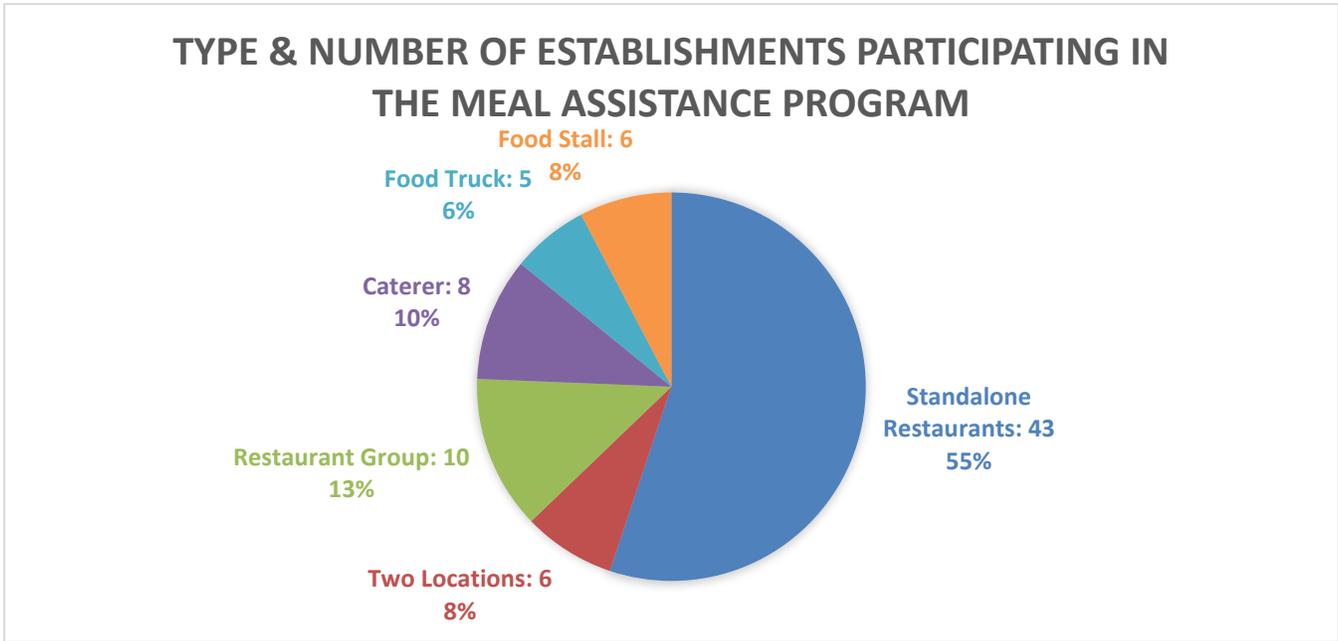
Even as the economy begins to re-open, the food service industry establishments are nowhere near where they need to be to continue to survive without income from this Orleans Parish mass feeding program. Many of them are participating in more than one public feeding program and are just seeking income from anywhere they can, while also striving to help provide their community and neighbors in need with nutritious meals.



WE MOVED INTO THE ST. ROCH MARKET FROM THE CBD BETWEEN THE TIME THE CHEF'S BRIGADE FIRST RESPONDER PROGRAM ENDED AND THE MEAL ASSISTANCE PROGRAM WITH THE CITY STARTED. WITHOUT THE CHEF'S BRIGADE PROGRAM, I WOULD'VE CLOSED. MY BUSINESS STILL ISN'T BACK AT ST. ROCH AND CHEF'S BRIGADE IS KEEPING US ALIVE.

Yvonne Molina – Owner & Chef, Dona's

The businesses involved in the program break down roughly like the following:



The impact has been great on small and large businesses alike up and down the restaurant industry food chain and each establishment is doing their best to find ways to stay afloat. The restaurant industry is inherently a creative one, and the response to this economic crisis will create winners and losers. The question is how much are we willing to sacrifice, perhaps unnecessarily.

Every restaurant partner, whether a neighborhood po-boy shop or Grand Dame of the French Quarter dining scene has been financially pummeled in different ways and from different directions – and the problem is ongoing.

Caterers, food trucks, and those that relied on business diners or visitors have been especially hard hit. Without events, most of the revenue for these types of businesses have been completely wiped out. In some cases, caterers who usually do enormous numbers of events a month with 300-500+ guests in attendance may now have an event or two with 10-25 people in attendance a month – if that. For the most part, there are VERY few public or private events in the city to bring income to these businesses. All of them have lost private events such as weddings or reunions that were booked through this year and well into 2021 and beyond and don't know when they'll get another event booking.

Some restaurant groups have been able to employ people in various locations and try to spread the revenue from the MAP throughout their group to take care of their most critical needs. Those with more traditional brick and mortar presences, such as standalone mom & pop restaurants, restaurant groups, and food stalls in food halls (such as Pythian Market, St. Roch Market, and Auction House Market) have also been deeply impacted by revenue loss and massive hours/shifts reductions. This can be seen when analyzing the impacts of the pandemic guidelines on establishments by neighborhood and type of clientele.

While a few restaurants have not re-opened to the public since March or re-opened only to shutter again, the vast majority have re-opened in some capacity out of financial necessity. However, many are waiting to add on more staff and more hours or shifts until they see demand from diners or tourism numbers increasing. Some are seeing a 1 to 2% per week incremental revenue increase, but they aren't relying on that to continue.

All establishments are moving forward cautiously and the fear and uncertainty of losing the mass feeding program has left them waiting with bated breath each month until an extension is granted by FEMA. Many are in fear of losing their establishments completely without the continuation of the MAP as a financial bridge and the monthly extension waiting game is incredibly stressful. Almost none have any cash reserves left including money from the PPP after using what they had to keep doors open or keep people employed as best they could. No one expected or planned for this crisis to continue for seven months and beyond, and many are worried about another wave or being the source of a super-spreader event.

Some restaurant employers who re-opened and added employees early, or didn't ever close, have simply been trying to keep from bleeding out while paying as many people as they can afford. Through the stress of it all, they have also had to manage the abuse and demands of some in the public. One respondent recounted a woman swinging her purse at him because she didn't like that part of his restaurant's seating area was closed due to capacity restrictions. More often than not though, New Orleans restaurant patrons have been kind and understanding, and while that behavior has improved as people get used to masks and the guidelines, it is certainly not perfect. Word travels in the industry, and there are enough horror stories of abusive patrons to make restaurants wary of re-opening and doing too much too soon.

Those establishments poised at the onset of the pandemic and subsequent quarantine for to-go business and/or had room for easy curbside or drive-through pick up seemed to do the best at first. Most of these were more casual establishments, as opposed to the high-end service establishments. Additionally, when restaurants were again allowed to have people pick up their orders and sit in their outdoor seating, those locations with outdoor seating did better than those without.

Outdoor seating has been and is now one of the biggest drivers of restaurant patronage. However, many did not have the space or were not in a location where they could add outdoor seating, and, if they could, it was a very limited number of seats. In the majority of cases, the quick addition of outdoor seating did not make up for the loss in indoor seating, but it certainly helped offset losses and this expanded outdoor seating and sidewalk dining should be continued on the other side of the pandemic.

As an aside, it was somewhat surprising to see the dramatic impact of the crisis on food trucks. Naturally geared for outdoor seating, social distancing, and limited contact, they seemed particularly well suited to survive this economic crisis. This did not happen. Food trucks are reliant on large public events and lunch diners employed in business districts or hospital districts and on hungry late-night bar patrons – this business has dried up with the continuing dearth of employees returning to work in other fields, those continuing to work from home and the closure of bars and music venues without food service.

Allowing indoor seating did not help drive business to restaurants throughout the phases of reopening. Confidence by consumers has not yet returned to bring enough locals back to restaurants – indoor or outdoor. The ones who do are not frequent enough to drive revenue to survive or maintain their current employment levels if they were to lose the mass feeding program income.

All that said, it is impossible to discuss restaurant industry impacts in the city, without also assessing those impacts by neighborhood, and, in turn, type of clientele.

Establishments participating in MAP by neighborhood and percentage revenue drop:

Neighborhood	Establishments in MAP	Percentage Revenue drop between July – September 2019 vs. Same Period 2020
Downtown	26	-74%
- CBD	12	-70%
- Warehouse District	6	-72%
- French Quarter	6	-72%
- Marigny	2	-75%
Bywater/Holy Cross/St. Roch	4	-63%
Central City	4	-64%
Lakeview/West End	6	-42%
Mid-City/Bayou St. John	10	-50%
New Orleans East	2	-50%
Uptown	17	-63%
- Gert Town	2	-72%
- Lower Garden District	2	-85%
- Riverbend/Carrollton	3	-58%
- Audubon	6	-45%
- Freret	4	-57%
Total (Parish-wide)	69*	-58%

**Note: Does not include non-brick & mortar establishments such as food trucks and some caterers.*

Those who depend primarily on visitors to the city, for tourism, conventions, events, festivals, and the like, have been hit especially hard. This is for the simple reason that there are virtually no visitors to the city and certainly no large-scale events underway or scheduled, nor are any expected anytime soon.

Establishments in the Warehouse District, French Quarter, the Marigny, and Central Business District (CBD) are down 70-80% in revenues. In many cases, the remaining revenue is partially due to their income from the MAP. Additionally, those who have a large percentage of their customer base as business diners have also been hit exceptionally hard and this has impacted the restaurants located in the French Quarter, CBD and Warehouse District with a second body blow after the loss of tourism.

For many in the downtown area, the pandemic hit them in their best months. Early in the year, they lost French Quarter Festival and Jazz Festival. Essence Festival, a critical summer revenue generator, didn't happen. Now, as the weather cools down, there are none of the usual tourists and no one downtown for Saints games or concerts or theater events. Right now, many of the French Quarter, CBD and Warehouse District restaurants feel that the deck is completely stacked against them and they are desperately trying to keep their heads just enough above water so as not to drown and for most, the MAP is the bridge they need to get to the other side.

For instance, Cam Boudreaux, the owner at Killer Po-boys, is bringing in about 25% of what his po-boy shop did in revenue last year in the July to September timeframe. Pre-pandemic, he operated the po-boy shop in the French Quarter as well as a counter in a bar at another location. While he finds his business, pre-pandemic was a 50/50 mix of locals to tourists (a higher number of locals than many in that neighborhood see), his revenue is still down 75%. Additionally, he used to run ten-hour shifts, 6 days a week at the po-boy shop and 14-hour shifts, 6 days a week at the counter in the now closed bar. Today he runs the café with 7-hour shifts, 6 days a week – the

employment hours lost is huge. He has opted to rent a small culinary space at NOCHI, and now his employees at the po-boy shop work on prep and he and his employees then finish the work at the NOCHI culinary space. He's been able to bring back 5-6 people specifically due to the MAP, in addition to his cooking for World Central Kitchen.

For those establishments with a primarily local following and patronage, the outlook is still not great, but it is slightly more stable than those who rely heavily on visitors. Small, casual places set up for takeout seem to come out the best. Again though, the picture is not rosy, and employment and operating hours have not been completely replenished. However, a look at the numbers show that they are in a better state than their counterparts downtown. For instance, the Lakeview area restaurants are down about 42% in revenue, while Uptown averages out at about a 63% loss of revenue. However, in this average are Audubon Park area establishments (45% down) and the Riverbend and Freret area restaurants (down 57-58%). These all rely more heavily on locals and students, who have returned to Tulane and Loyola nearby.

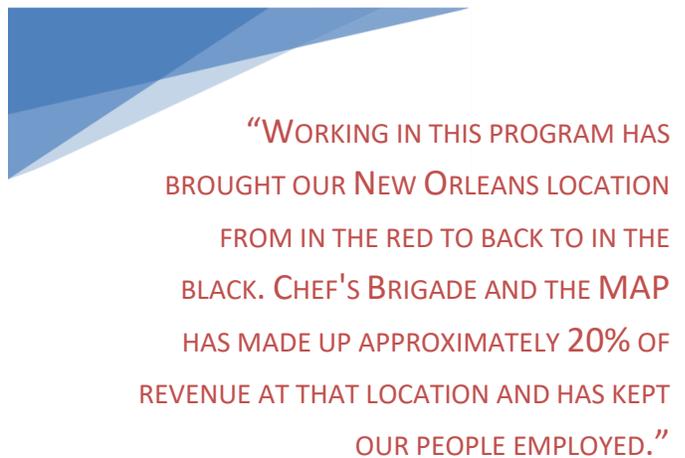
The share of revenue from participating in the MAP covers a vast range, from 10% to nearly 100%, depending on several factors, including type of business, clientele, and neighborhood/location. There are some additional factors, like availability of a fair amount of outdoor seating, indoor seating availability, and whether an establishment that was well poised for takeout, especially pre-pandemic, have some mild influence on those revenue breakdowns as well.

Those whose income streams are 90-100% comprised of revenue from the MAP fall most often into the catering and food truck categories. With few to no events currently occurring in the city, and with many events canceled for the rest of 2020 and well into 2021, these businesses are hanging on with the income from the program almost exclusively. Additionally, those businesses whose primary pre-pandemic clientele skewed significantly older are also in this category, gaining 80-90% plus of their current revenue from the program.

While one would expect food trucks to do better during the current climate due to natural outdoor / to-go models with easy social distancing for patrons, this category did not do well and is still not doing well. Many of the food trucks in the program set up in the hospital district and business districts downtown, but business diners are still hard to come by these days, which brings us to the impacts on the French Quarter, CBD and Warehouse District establishments.

For those who relied heavily on business diners for lunch and possibly convention and visitor business for dinner, their revenues have fallen just as one would expect. As one deli owner in the CBD put it, "the people just aren't there."

Downtown office workers are hesitantly returning and don't expect to return until sometime in late 2021 and even into 2022. Many who do still go downtown to offices are also doing so less often and working from home



Greg Reggio – Zea's

some days. The restaurants who fall into this category catering to these regular local business lunch and dinner patrons are generally seeing anywhere from 40-80% of their revenue coming from the MAP.

In the group making roughly 50-70% of their revenues from the program many are those in the French Quarter, Marigny, and Central City areas. Many of these businesses relied heavily on visitor traffic from tourists to convention visitors with expense accounts.

The CBD is especially hard hit. Even with the future return of conventioners, general events, and tourism, the restaurants of the CBD will likely be the last to return to previous levels of revenue. Downtown businesses utilizing office workers are realizing they can do more with flexible work schedules and space. They can lower their overhead by having less brick and mortar space for which to pay every month. Even with the return of home games for the Saints, the CBD will likely be the last restaurant sector to recover, given that there is even less surety of when people will return to work in downtown office buildings and at what percent they will do so.

Prior to the city-wide mass feeding program, Chef’s Brigade was working with the New Orleans Police and Justice Foundation to crowdsource funding to pay restaurants to bring family-style meals to first responders, healthcare workers, and nursing home staff during the pandemic and quarantine. 40 independent restaurants, food truck/stalls, caterers and numerous purveyors were part of this initial operation to prove the concept of the brigade system which lasted for 42-days and nearly all are currently participating in the MAP. Chef’s Brigade conducted two series of surveys for these partners in April and May and this gives this report data points over time. While this is not an apples-to-apples comparison to this comprehensive survey of the establishments participating in the MAP, it still provides an interesting look back and comparison.

Data from April 2020 survey of the Chef’s Brigade Restaurant, Purveyor & Catering Partners feeding first responders:

	Employees Pre-COVID	Employees April 2020	Decrease	%Loss Employees	Revenue Loss	%Operating Takeout	%Applied PPP/SBA
Purveyors	100	65	-35	-35%	-73%	50%	100%
Catering	9	4	-5	-75%	-61%	50%	50%
Restaurants	1556	212	-1344	-84%	-84%	70%	25%
Total/Averages:	1665	281	-1384	-79%	-81%	67%	33%

Restaurants in April of 2020 were down roughly 79% in labor, losing 1,384 jobs and 81% in loss in revenue versus April 2019. There are still many establishments who are down that far in revenue and would have been shuttered had they not been able to partner in the Orleans Parish MAP. The early numbers had catering still at 61% of the previous year’s revenue in April 2020. However, that was about to vastly shift to caterers currently having virtually no revenue stream without the MAP.

EMPLOYMENT

The impact of the mass feeding program on employment in the participating restaurants is significant. For many of the businesses, the program is literally helping keep the lights on, while in other cases, it’s helping them rehire, retain, or give extra hours to employees. Each owner and employee that is getting paid for work is another that won’t need to rely as heavily on public programs to feed themselves and their own families. Additionally, employment and revenues have also been significantly impacted negatively for local purveyors, NOCHI and at

Revolution Foods, who just had to lay off 30 employees. The employment and revenue impacts to these organizations is not included in the following, though we know the employment impacts to be great for both.

Business Type	Number	Positive Job Impact Directly Attributable to the MAP Within Establishments	Average Percentage Sales Decrease from July – September 2019 vs. Same Period 2020
Standalone Restaurant	43	234	-64%
Two Locations	6	48	-70%
Restaurant Group	8	56	-67%
Caterer	10	24	-81%
Food Truck/Stall	11	27	-76%
Total	78	389	

The following is believed to be quite conservative, but there are at least 389 jobs retained or regained across the establishments in the program – this equates to nearly 5 jobs per participating food service establishment. This number does include those employees who’ve been able to get more work hours, and therefore paid hours, due to the MAP. It does not include employment numbers for d’livery NOLA who has had significant hiring.

Many employers are doing all they can to hire back as many employees as they can, and, in a few cases have given them raises. Restaurants like Clesi’s and Brown Butter did everything in their power to maintain their employees throughout. So many of the employers expressed deep sadness and concern for the jobs they hadn’t been able to maintain. So many of them tried, and certainly, none of them expected to still be in this situation seven months after it began.

New Orleans food service industry employers are clearly trying to do whatever they can to help their employees stay afloat. For instance, Cam Boudreaux at Killer Po-Boys, whose employees average in their 30’s and 40’s in age, also offers health insurance and paid sick time. While this specific circumstance is somewhat unusual, the financial creativity is common enough to warrant mention that employers are and have been searching for ways such as this to help their employees during a time when they absolutely cannot withstand any new financial burdens.

The perseverance of the food and beverage community in this city is incomparable, and their place in this city and its recovery is not lost on any of them. Making the situation even more difficult is that most of them have had to shorten hours or cut shifts or days of operation. A conservative calculation is that approximately 1,417 shift hours weekly have been lost due to the pandemic across just the establishments surveyed. Even with the conservative average estimate of \$10 per hour pay, that is \$14,170 weekly in lost income or \$736,840 annually.

Many have opted to close earlier in the evenings than they had previously because they’re finding that diners are just not coming out later. With no bars, live music, concerts or other public/private events to frequent before or after a meal, and without meeting groups of friends for later dinners, people are coming out and going home earlier. Many restaurants have closed for lunch shifts, certain weekday shifts or previously profitable and growing brunch shifts.

Many establishments will close if the income from the program disappears in the next few months. They are hoping for an extension to the program each month just so they can exhale for a moment. On multiple calls, the terror and tears in the voice of the owner or manager were obvious. Stability in this program and their expected

weekly meal production numbers is critical to these establishments and their employees. It's the make or break in deciding if they can order food from purveyors to keep their doors open to patrons or keep an employee working or add another one.

SEATING CAPACITY

This survey was conducted during the Orleans Parish Phase 3.1 and into phase 3.2 reopening guidelines. However, even with increased capacity allowances, most establishments in the program have not been able to increase their capacity since the 50% mark. Some haven't been able to change their capacity since Phase 1 and 25% capacity allowances. While restaurants understand the need and very much support safety regulations to protect themselves, their staff, and their customers, the spacing guidelines for tables have limited the ability to add to the capacity in their establishments.

Additionally, while a few participants had applied for, and a few have received the city's patio dining grant, for many, they did not qualify. They either already had limited outdoor seating, or there simply isn't the space to add outdoor dining tables. For those that already had significant outdoor seating, business has done slightly better than those with only limited indoor and outdoor seating. Even in the heat of summer, many customers preferred the outdoor dining options.

Additionally, New Orleans is a town with a lot of diners who sit at the bar. This doesn't just include single diners, but many couples and groups sit at the bar and enjoy their meal there. This is especially true in locations with a destination bar, such as Sala on the Lakefront. The limited capacity or closure of the bar at many restaurants further impacted their ability to hire additional front-of-house staff members and to gain revenue from those seats currently unavailable for use.

In general, the limited seating capacity is another contributor to a limit on staff needed to handle the shift. In only one case was it necessary to increase staff due to space requirements. This was because, in order to meet spacing requirements and match a higher capacity, service was split between upstairs and downstairs at the restaurant requiring more servers and an extra bartender to manage it. In that case, the MAP helped cover that extra staffing.

As the maximum unemployment benefits dwindle and SNAP benefits are possibly reduced nationwide, staff who had opted out of working due to fears of the pandemic, are trying to find work again. While some restaurants in the program are hiring, most are cautious as they move forward because the demand just isn't there yet, in addition to the reduced capacity. Those previous employees now unable to find work are also furthered into food insecurity.

DEMAND ISSUES



"I WAS IMPRESSED WITH THE WHOLE OPERATION AND THE TENACITY IT TOOK TO COME UP WITH THIS MODEL AND GET EVERYONE ON BOARD AND GOING IN THE SAME DIRECTION. THE PROGRAM HAS ABSOLUTELY HELPED US."

David McKelvey – Owner
Frankie & Johnny's

Prior to the pandemic, New Orleans saw roughly 20 million visitors per year. Now, that demand has been virtually wiped off the map for an uncertain amount of time to come and businesses reliant on that tourism face a completely uncertain future. From Tyler Bridges August 13, 2020 article on nola.com, *“We are in serious peril: New Orleans Hotels & Restaurants Brace for difficult months ahead,”* Stan Harris, the president and CEO of the Louisiana Restaurant Association stated, “We don’t have a lot of demand generators.” This includes “cruises, festivals, corporate travel, and other events.”

There are very few restaurants recovering or even approaching pre-pandemic revenues, even with the expanded capacity allowances and takeout options. As Melvin Rodrigue, President and CEO of Galatoire’s and Chair of the National Restaurant Association stated in The Advocate on August 7, 2020, “The key for the restaurant industry is consumer confidence.”

Confidence levels for restaurant owners and managers and their future is directly pinned on concerns about patron and employee safety due to the virus – this is a serious point of worry for many establishments. They are aware that local customers are still very cautious regarding dining and they are not coming back in the numbers needed to fill even the current limited capacity across all shifts. This uncertainty regarding the pandemic and its length, whether or not another wave is building and when or if tourists and conventions will return to the city is common across the board.

For now, it feels like shaky ground with a sinking foundation for the New Orleans restaurant industry with the Orleans Parish Meal Assistance Program as one of the few bright spots.

OVERALL RESTAURANT FEEDBACK

Nearly all of the establishments that participated in this survey expressed a great deal of gratitude for the program without even being asked. While there are things that could be changed or tweaked, most have been impressed with how fast this program came together and got rolling. To get this big of a ship loaded and with everyone steering in the same direction is no small feat. It speaks volumes about the professionalism of the restaurants, chefs and caterers in the program and those running and organizing the program.

The income from the MAP has impacted these establishments in multiple ways, including:

- Adding and retaining staff, as well as increasing their hours
- Providing meaningful work to the business and its staff; many suggested that they and their employees who work on the program really have a sense of pride in the work, knowing it will go to someone in need.
- Paying of basic bills, even including back rent, insurance, and utilities, while still covering some labor costs, hoping to keep the doors open so furloughed employees have a job to which they can return.

The tenacity and creativity displayed by the restaurant partners in the program has been remarkable, with each trying to find as many ways as possible to bring in revenue to stay alive. Everyone involved is working harder than ever and trying to find new ways to survive in their new normal, including new ways to market, new customer bases to which to appeal, new services to offer, and the like.

All of those who participated in the survey spoke very highly of the NOCHI team. They found them easy to work with, knowledgeable, hardworking, and kind. The culinary professionals at NOCHI made the deliveries smooth,

and most commented that from arrival to departure was 10 minutes or less for them to arrive, get their food checked in, weighed and temperature checked, and be on their way back out the door.

Revolution Foods took on the monumental task of picking up the bulk packed food from NOCHI, bringing it to their facility, and getting up to 12,000 meals per day packaged in individual servings. In addition to handling the packing of the meals to be distributed, they pay the near daily invoices from the restaurants swiftly (within 7-days or sometimes less) and communication with the restaurant partners was excellent. The establishments participating do not have the cash flow to wait on payment, and Revolution Foods made sure to turn those around quickly, even while struggling for funds on their end.

Most of the respondents positively remarked on the communication across Chef's Brigade and with all of the coalition partners working on the program in some capacity. This proved to be critical to the participants, as everyone was creating something from nothing at a rapid clip. Communication was full and quick, and when kinks were identified, they were responded to and handled swiftly. When there were quality issues early on or confusion about restaurant meal drop-off's at NOCHI, for instance, they were identified and responded to quickly.

The use of the Chef's Brigade Slack channel certainly seemed to forge new and stronger bonds inside the participating establishments in the restaurant industry, creating an air of support and camaraderie that was seemingly lacking before. Whether through this communication tool or when they'd see one another at food drop-off's at NOCHI, those bonds grew tighter as they shared information and resources with one another. The need for morale boosters, as well as those bonds and that sense of community should not be underestimated, especially in times of trauma and crisis.

The restaurants would like to figure out how to include more variety in what they serve those in the program, while still managing a predictable cost structure. As several put it, people in need still deserve to eat with dignity, and the potential for repetition of meals could be problematic over time. *(At the time of the release of this report, restaurant meals produced for the program are currently undergoing a menu change and expansion specifically due to the extension of the program well past its original estimated duration.)*

Moving forward, all of the establishments interviewed said they would do this again with Chef's Brigade should it be needed in the future. What came out through the various conversations was that the brigade system developed in the early days of the pandemic and quarantine is a repeatable model that can be used for other disaster relief and food insecurity issues post-pandemic.

SUMMARY

To reiterate and emphasize the success of this program, it is important to remember that all participants in this program have a benefit from being involved. The restaurants know they are feeding people in need. Most wish they could do more meals and serve more people. Of course, the revenue helps in their quest for survival, but it is more than that – they are aware of the need. They want to help their community and industry survive this. They need to keep the tourniquet in place until the economy starts to recover, until people come back to visit the city for business and pleasure, and until locals are in a place where they feel safer both from the pandemic and the economic ramifications of it on their own wallets. Restaurants want to ensure their industry's survival, as they are part of the spine of the city, and what impacts them impacts the central nervous system of the entire City of New Orleans.

It is unquestionable that the leadership in the City of New Orleans, from the Mayor's office on down, and FEMA had the foresight and out-of-the-box thinking to envision a pilot program such as this, especially as the New Orleans restaurants approached the notorious slow dining summer months and the exhaustion of their PPP funding. The bigger question that continually comes forth is why hasn't this program been expanded nationally by the Federal Government.

All of the New Orleans restaurants involved see a critical need for this program to continue and allow them to survive until things begin to return to some kind of normal and the gradual return of tourism. They are aware that not all the restaurants will survive and many have already lost the battle. However, those within the program are working and fighting to stay alive and keep the city's heart beating. All involved see the need for this program to continue, both for the participants and recipients alike.

CHEF'S BRIGADE – WHO WE ARE:

In response to the pandemic and quarantine of 2020, Chef's Brigade was formed as a Louisiana non-profit corporation to serve two primary goals: to provide nutritious, culturally relevant and delicious meals to our neighbors and first responders on a massive scale while simultaneously providing a new financial stream to local restaurants, chefs, caterers, purveyors, farmers, fishermen and their employees in order to assist them in weathering the massive economic downturn that left our local restaurant industry in tatters.

Our unique model and system built out to achieve our mission was proven successful during the quarantine using only crowdsourced funding, and in July of 2020 our system was brought to scale by FEMA and the City of New Orleans.

Chef's Brigade, Revolution Foods and our coalition of over 80 independent restaurants in Orleans Parish is producing and distributing thousands of meals daily and has done so successfully for over four months. As you read this document, Chef's Brigade and our coalition will have produced and delivered our 1,000,000th restaurant produced meal to food insecure residents of Orleans Parish and to those at greater risk from COVID-19.

Chef's Brigade and our coalition partners have developed and deployed a now proven system that is rewriting disaster food response in the United States. We are demonstrating our ability to efficiently and cost-effectively provide thousands upon thousands of outstanding meals on a daily basis while simultaneously supporting local restaurants and businesses that are an essential part of every community's economy.

More information: chefsbrigadenola.org