

Small Business Facts

RESTAURANTS AND BARS STAGGERED BY PANDEMIC

June 2020 · By Daniel Wilmoth, PhD



Leisure and hospitality employment plunges

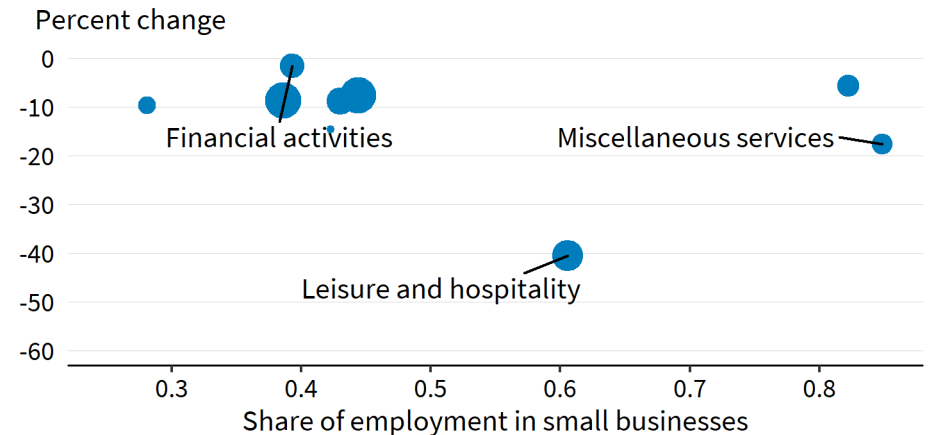
The COVID-19 pandemic caused a decline in employment in leisure and hospitality that was more than twice the decline for any other industry group. The Bureau of Labor Statistics (BLS) measures employment by industry group through the Current Employment Statistics (CES) program. In May 2020, employment in leisure and hospitality was down 41 percent relative to May 2019. Declines for other groups monitored through the CES program ranged from 2 percent for financial activities to 18 percent for miscellaneous services. Before the pandemic, leisure and hospitality accounted for 13 percent of total private employment, and small businesses accounted for 61 percent of employment in leisure and hospitality. As of June 20, 2020, the Small Business Administration had approved [over \\$49 billion in emergency funding for small businesses in leisure and hospitality](#).

Restaurants and bars, a category dominated by small businesses, have suffered disproportionate declines in employment

Restaurants and bars struggle despite partial recovery

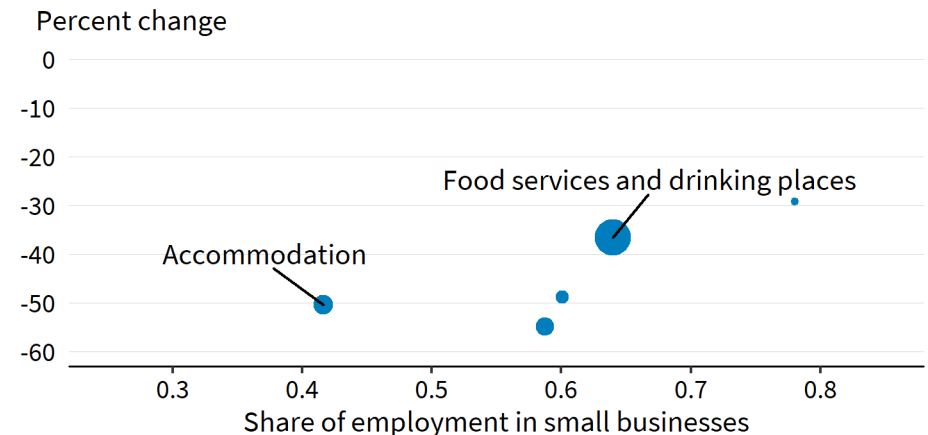
The two largest categories of businesses within the leisure and hospitality group before the pandemic were accommodation, which accounted for 13 percent of group employment, and food services and drinking places, which accounted for 73 percent. Small businesses accounted for 42 percent of employment in accommodation and 64 percent of employment in food services and drinking places. In May 2020, employment in accommodation was 50 percent lower than in May 2019, and employment in food services and drinking places was 37 percent lower. The decline for food services and drinking places was a substantial improvement from April, when employment was down by 48 percent relative to April 2019.

Change in employment by industry group



Change relative to prior year. Symbol size reflects share of total employment. Source: CES (BLS), SUSB 2017 (Census)

Employment changes within leisure and hospitality



Change relative to prior year. Symbol size reflects share of group employment. Source: CES (BLS), SUSB 2017 (Census)