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## 4 Ways Restaurants Can Use Their Pandemic Relief Funds

The restaurant industry is among those hit hardest by the COVID-19 pandemic. In 2020, stay-at-home orders in many parts of the country dealt a devastating blow to countless restaurants, and the problems did not stop there. Several variants of the coronavirus have caused surges in COVID-19 cases over the past two years. The omicron variant reportedly caused an [88 percent drop](#) in demand for on-site dining from consumers in late 2021 and early 2022.

The federal government made several [relief programs](#) available to restaurants since the pandemic started in early 2020, including the [Paycheck Protection Program](#), the [Restaurant Revitalization Fund](#) and others. Some restaurants might now find themselves with more cash on hand than usual thanks to these programs. The following are a few ideas for what your restaurant can do with extra relief funds.

### Invest in the Restaurant

The main purposes of the relief programs were to enable restaurants to continue operating and to make up for their lost revenue during periods when they could not operate at full capacity—or at all. As the country has emerged from the pandemic and dealt with its many economic effects, many restaurants have experienced difficulty returning to their regular operations.

Investing excess funds in the restaurant itself carries some risk since we do not know if or when new surges in COVID-19 cases might cause another economic slowdown. New capital expenditures, such as improving or expanding a restaurant's dining space, could attract more customers. Consumers across the country, however, have observed that the dining experience has changed because of a [lack of restaurant employees](#). Investing in the workforce could be a better use of excess relief funds.

This type of investment includes both hiring new employees and keeping current ones. Employee turnover is an enormous problem for restaurants as workers leave for jobs with more competitive wages, better working conditions, increased benefits or all of the above. Paying employees more is only part of the process of recruiting and retaining staff. Bonuses, opportunities for raises and benefits like retirement plans and health insurance can lower turnover by making employees feel invested in their workplace.

If your employees feel like they are valued members of a team, they are less likely to keep an eye out for other opportunities. Experienced and dedicated staff will provide your customers with a better dining experience, which will be better for the restaurant.

### Put It into Savings

Some restaurants might not have enough excess cash to make substantial investments in the restaurant itself, but they can make better use of that money than just leaving it in a bank account. A variety of savings options are available that can provide interest income. [Series I bonds](#), for example, offer a low-risk way to earn interest for up to 30 years. The minimum

holding period for this kind of bond is one year, and the earliest one can redeem it without paying a penalty is five years.

Time may be of the essence for the current interest rates on Series I bonds. As of early October, the bonds were paying interest at [nearly 10 percent](#), but [that rate could drop](#) by the end of the month. Now might be an ideal time for you to make this type of investment, according to some experts.

### **Make New Investments**

Businesses, including restaurants, can hold investment accounts just like individuals. An investment portfolio can provide a safeguard for restaurants in the event of new COVID-19 surges or other downturns in the economy. A financial advisor can work with you to create an investment strategy that fits your business goals.

### **Apply It to Debt**

For many restaurants, debt is a looming concern that influences every business decision that they make. As interest rates are now dropping, this could be a good time to consider using relief funds to restructure debt or pay it off entirely.

Contact [Frankel Zacharia](#) today if you have any questions or would like additional information. Please contact us at 402-496-9100 or [www.fzacpa.com](http://www.fzacpa.com).