

Impact of COVID –19 to Franchising

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Impact to Franchising

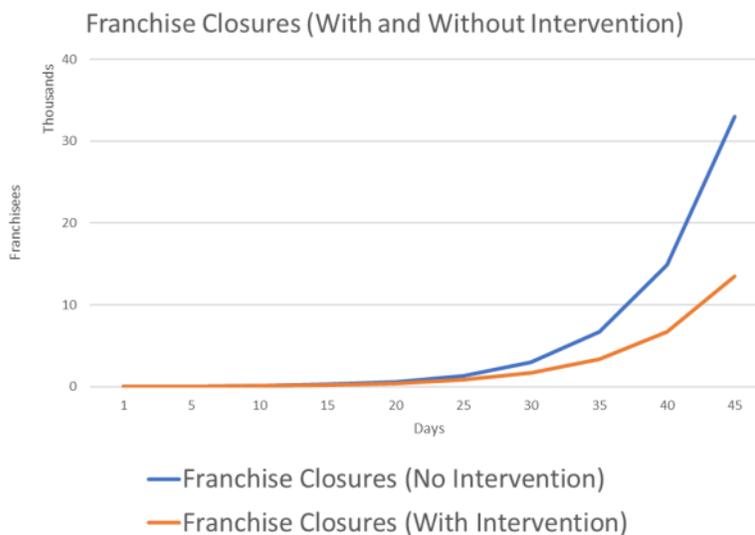
The rapid spread of the COVID-19 pandemic has dramatically and adversely effected nearly every aspect of American life, especially small business. Franchising, which employs hundreds of thousands of people is in danger of collapse as the economy grinds to halt.

As of March 18th

- 21% of franchise systems have 100% of their units in counties with COVID-19 exposure
- Another 70% of franchise systems have at least half of their units in counties with COVID-19 exposure

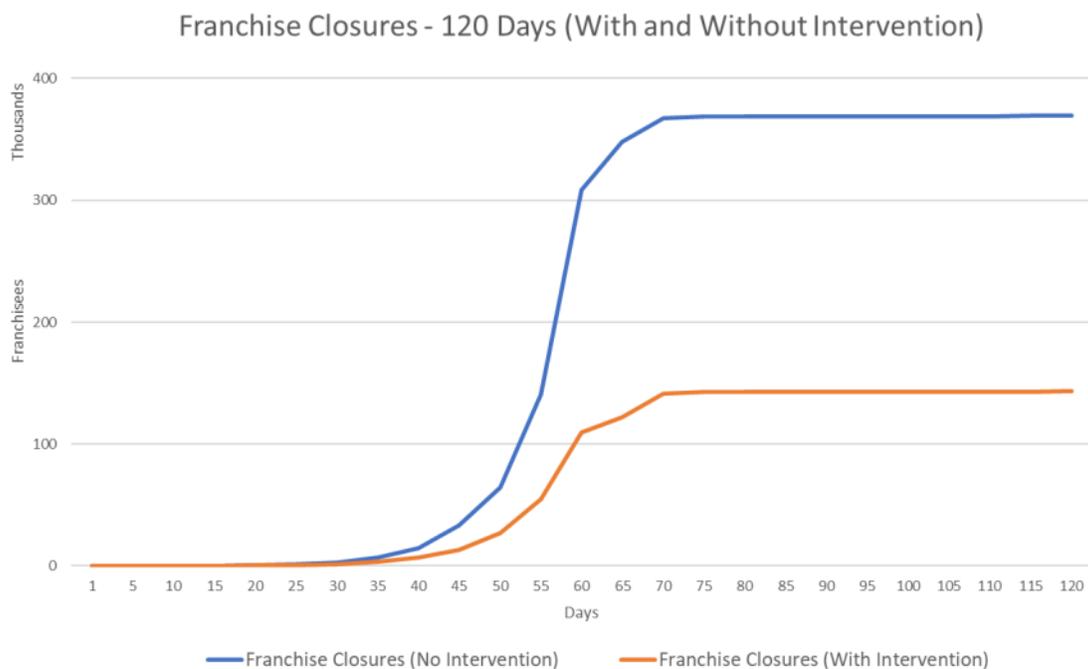
45-day Impact

- Upwards of 30,000 franchisees may permanently close their businesses in the next 45 days without government intervention, causing approximately 330,000 job losses
- With immediate government intervention at least two thirds are likely to survive this crisis, saving over 200,000 jobs or more



120 Day Impact to Franchising

- As COVID-19 exposures increase, exponentially more business are going to see their revenue drop precipitously. If this happens, it could lead to nearly **half of all franchises** (approximately 370,000) at risk of failing, costing over 4 million jobs
- With immediate government help, the vast majority of these businesses and associated employees could be saved



About FRANdata

FRANdata is a leader in the strategic analysis, forecasting and measuring of the franchise industry. As a franchise-focused advisory firm, our deep industry expertise and breadth of historical and predictive capabilities allows us to effectively measure risk while mapping out sector or geographic level franchise growth. For the past 30 years FRANdata has been a strong advocate for the franchise community and is a proud strategic partner to the International Franchise Association. FRANdata harnesses facts and figures into targeted business development strategies and actionable solutions that transform mediocre outcomes into highly successful business results.

FRANdata is headquartered in Arlington, Va., and is often cited as franchise experts in media publications such as The New York Times, The Wall Street Journal, Forbes Magazine, the Franchise Times, and Nation's Restaurant News. For more information go to www.frandata.com.