

D.C. Restaurant Scene Adapting to Labor Challenges, Slow Post-Pandemic Recovery

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The planned location for Her Diner (2004 18th St NW) is the former location for Duplex Diner.

Washington D.C. restaurant owners are reinventing their business models this year, as part of a growing effort to mitigate new labor challenges and appeal to a post-pandemic audience.

D.C. restaurant experts and owners agreed the District restaurant scene functions primarily during the day, as many establishments do not stay open through the late night and early morning. However, the influence of the post-pandemic world has strained businesses that typically rely on a daytime customer base.

Liang Yu, a professor of tourism at The George Washington University, said D.C. is a “government town,” which the District’s restaurant business relies upon.

“When the sun sets, the town is pretty much empty. And so, it is very hard for you to attract those visitors,” Yu said. “(The) government is the number one employer ... (but) most of the offices haven’t come back full-time yet.”

Yu said the pandemic generally reduced the amount of people coming into D.C. for work daily, which has impacted the D.C. restaurant customer pool.

“The pandemic hit everybody ... kind of equally hard. But then, in the reopening phase of the pandemic, I will say D.C. was slow to really get back to the norm before the pandemic,” Yu said.

“Even for our university ... the pandemic changed everything. We used to have a room full of colleagues before the pandemic ... (and) now people just come in for the classes. And I think that’s still part of the pandemic kind of influence,” he said.

Dan Simons, co-founder and co-owner of the Farmer’s Restaurant Group — a group that owns Founding Farmers DC and several other establishments across the D.C. area and Pennsylvania — said he noticed how the post-pandemic environment influenced changes in D.C. visitation.

“Tourism feels very different ... the streets of D.C. are substantially empty compared to pre-COVID. (Regarding) return to office numbers, I think D.C. has got to be one of the lowest in the country. Looks to me like maybe 40 or 50 percent,” Simons said. “The business is always changing. And if you spend too much time thinking about how newly difficult (it is) or it’s so much harder, you just get wrapped up in making excuses for yourself.”



The front of Founding Farmers DC, Foggy Bottom location (1924 Pennsylvania Avenue NW).

Despite challenges, Simons said there’s always an opportunity to recover, reimagine and innovate for the customer.

“There’s always potential customers for us. People got to eat. So, it’s about finding those

customers where they are, meeting people where they are (and) getting them to experience our brands,” he said.

Kelly Laczko, D.C. entrepreneur and former manager at the recently closed [Duplex Diner](#), plans to open a new restaurant, Her Diner, in the same location as her former employer.

Laczko shared a different perspective on the “pandemic influence” than Yu and Simons. She said she believed the pandemic would encourage people to come and enjoy in-person interactions.

“I think COVID ... (made) people realize after that long alone that they crave human interaction. So, I think it makes restaurants a unique place and a business that, in my opinion, should never, never go out because we do need human interaction and not just online and Zoom,” Laczko said.

Shawn Townsend, CEO and president of the Restaurant Association Metropolitan Washington — which advocates for and represents [about 700 restaurants and vendors](#) in the D.C. metropolitan area — held a completely different perspective on the impact of COVID on the District, drawing from his work in the D.C. government and Mayor Muriel Bowser administration.

“I think we (the Bowser Administration) handled the pandemic better than any other jurisdiction in the country,” Townsend said. “We provided grant funding to businesses sooner than any other

jurisdiction in the country ... Anyone from cab drivers to brick and mortar businesses, owners were able to receive funding in the first couple of weeks of the pandemic to just help them get through.”

However, the [Washington Examiner reported](#) an increase in the number of D.C. restaurant closures from 2022 to 2023, the years that followed the start of the pandemic in 2020 for the United States.

Townsend said to remember restaurants face many challenges already from starting and maintaining a business, and the pandemic added to these challenges.

“You have to understand ... the variety of variables that the industry has been faced with since the pandemic: There’s been supply chain issues. There’s been inflation issues. There's been workforce development issues,” Townsend said. “There’s labor issues that our industry is faced with, (such as) ... paying tip workers more and having to adjust business models in order to make those changes as a result of laws changing around what is required to pay tip workers.”

Townsend said District restaurants face all these challenges and you “cannot expect all businesses to stay open” and not face the possibility of closure.

When discussing the labor issues District restaurants face, Townsend referred to Initiative 82, a

referendum [passed by District voters](#) in 2022.

In May 2023, D.C. [implemented Initiative 82](#). The initiative eliminates the tipped wage for tipped workers in replacement for a universal minimum wage and requires each business to pay a worker if they did not reach enough tips to meet the new minimum wage.

In July, the D.C. government [announced a minimum wage hike](#) from \$17 an hour to \$17.50 for all workers in the District “regardless of the size of the employer.”

Simons said the Initiative and other D.C. government changes regarding tipping are “turning the service business model on its head.”

“Even if well-intentioned, it doesn’t actually help the employees. (It) hurts the business and hurts the customer,” he said. “So, after the pandemic ... I think it’s sort of the nail in the coffin. Not every restaurant has resources or the ability to do the analytics or to get the guidance on how they pivot, change and adapt.”

Yu said the District put the restaurant businesses in a difficult spot because restaurants now must balance the risk of alienating their customers with paying their employees to the D.C. standard.

“The DC government just increased the minimum wage last year. Owners have to pass that on to

their customers, but cannot do too much," Yu said. "(They) do not want to alienate customers."

Simons also said political polarization is driving the lack of customer base in the District.

"You know, the lobbyists who worked on Capitol Hill and politicians who worked across the aisle would go out to dinner with people from the other party. That's gone," he said. "So, if you're a Monday or Friday lunch spot, you're dead. If you are known as a bipartisan meeting place, you're dead."

Despite all the labor challenges and post-COVID navigation, Simons remains hopeful that the D.C. restaurant scene will pull through.

"You know it can seem like a bit of a forest fire, a lot of closures, a lot of difficulty (and) a lot of damage. And remember these closures, they're not just statistics." Simons said. "They're someone's life savings ... They're people losing their jobs. So, it matters ... (but) after the forest fire, new things grow back and some things survive."