House Committee on Small Business
Subcommittee on Innovation, Entrepreneurship, and Workforce Development
"Mainstream meets Crypto: What Digital Assets Mean for Small Businesses"

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Chairman Jack, Ranking Member Scholten, and Members of the Committee:

Access to and use of digital assets will prove crucial to the long-term sustainability of small businesses like restaurants, which are built on the grit, determination and dreams of American small business owners.

Background

I have spent my career working alongside the restaurant industry. In 2004 I co-founded Eater.com, a restaurant news website that went on to play a crucial role in how restaurants engage with their customers through social media and digital marketing channels. In 2014 I co-founded Resy, a reservations booking platform, which is now owned by American Express and services more than 25,000 restaurants globally. Resy was part of the restaurant technology revolution of the late 2010s and early 2020s, which continues to bear fruit in terms of competition and innovation benefitting operators.

In 2022 I founded Blackbird, a company that is focused on building a new payments platform designed for the restaurant industry. If we are successful, the cost of collecting payments will decrease for small business owners and we will expand their ability to sustainably grow topline revenue.

Understanding Small Restaurant Businesses Today

We are all familiar with the restaurant experience from a consumer perspective. Everyone loves restaurants. The neighborhood joint where you're a regular and they bring over crayons and Shirley Temples for your children; the big night out place that creates lasting memories; the cafe where you get your morning coffee.

Here is how it looks from the operator's side:

The restaurant industry is projected to generate $1.55T of sales in 2026. The industry is the second-largest employer in the U.S. and in terms of total economic output is responsible for 15.6% of U.S. GDP.[1]

Despite the industry's massive size overall, financial health for individual restaurants — and even restaurant groups operating at scale — remains elusive. This is certainly the case at two of the larger restaurant operators in the U.S., the Cheesecake Factory and Red Robin Restaurants. They are by no means the exception. The Cheesecake Factory, which operates more than 350 restaurants around the U.S., reported $3.8B of total sales at a profit margin of just 4% in 2025.[2] Red Robin, operator of 385 burger joints around the country, reported a -1.9% profit margin on more than $1.2B of sales.[3] If large businesses like Cheesecake Factory and Red Robin struggle to turn a profit, imagine how hard it is for a small business operator.

Indeed, according to the National Restaurant Association's 2026 "State of the Restaurant Industry" report, the average full-service restaurant has a pre-tax profit margin of 2.8%, while limited-service spots reported an average of 4% margin. Food and grocery retail stores saw an average profit margin of 1.32%. If you're hearing these numbers and thinking that this industry sounds hard, you're right: 42% of all restaurants weren't profitable in 2025.

Digital Assets and the Future of Restaurants

The good news is that we know how to fix all this, and it relies on us innovating in three areas:

1) We need to use crypto assets, particularly stablecoins, to make accepting payments cheaper for merchants.
2) Where many, many small businesses contribute to a humongous industry, we need to give small business owners ways to benefit economically from their aggregated scale.
3) We need to use new technologies to make the marketplace for revenue – that is, sourcing customers – fluid and efficient.

Crypto assets and related infrastructure, such as stablecoins and distributed ledger technology (or, blockchains), are crucial. Blackbird is using both to bring down processing costs and make topline revenue growth easier for our partners.

One example of this is at our aforementioned local coffee shop. Using legacy systems, a coffee shop might wind up with an effective processing fee of more than 6% on the $4.20 you pay for your coffee, assuming they pay a very standard $0.15 plus a 2.75% swipe fee. Blackbird's

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[1] National Restaurant Association (February 11, 2026). State of the Restaurant Industry 2026. Retried from Restaurant.org

[2] The Cheesecake Factory (2026, April 10). Form 10-K: Annual report for fiscal year ending December 30, 2025. Retrieved from Cheesecakefactory.com

[3] Red Robin Gourmet Burgers, Inc. (2026, February 25). Form 10-K: Annual report for fiscal year ending December 28. 2025. Retrieved from SEC Filings

payment rails cost them 2.5% all-in, which means they can instantly recapture more than 3.5% of pure profit. We can do this because crypto assets, such as Blackbird's spending points, move more efficiently on the blockchain.

The other important area of innovation for small businesses will be in how tokenization of networks allows even the smallest business to benefit from industry scale. We envision crypto assets will someday empower small restaurants to benefit economically from their contributions to the network. This month the blockchain-powered payments platform we have built, which we call FlyNet, will be made available to developers and restaurants for custom apps. With this release we are also proposing an economic model for it. In short, the more you contribute to the network, the cheaper it should be to use. To ground this conversation in specifics, a small business will be able to bring down its 2.5% processing fee to perhaps as little as 1.5%, a savings previously only available to large-scale operators. Operators will also be able to build custom apps and services on FlyNet, potentially a capability that will revolutionize how restaurants think about finding and retaining their customers. Building the FlyNet platform on the blockchain is uniquely advantaged to allowing operators to realize these benefits.

The economic advances I'm describing may seem too good to be true, but they're not. The fine print, if you will, is that change takes time. In practice, adoption of new technologies in small businesses is incredibly difficult, because they rely upon partners, like Blackbird, to build and deploy these systems on their behalf. We are making progress — more than 2,500 restaurants have signed up to use Blackbird and we expect to process close to $100M in payments this year — but we will be able to go even faster as these technologies become more mainstream and regulatory hurdles are cleared.

Congress can help accelerate our progress by creating clear, durable rules for digital assets and stablecoins that give small businesses and the companies that serve them confidence to invest and innovate in the United States. The goal should be straightforward: protect consumers and businesses while preserving room for responsible innovation that can lower costs, expand competition, and give small businesses access to financial tools that were once available only to the largest companies.

We strongly believe in the power of small businesses as the ultimate economic empowerment machine. And we look forward to helping our partners use digital assets and innovative technologies to realize their dreams. Thank you.

Ben Leventhal
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