

Restaurant Business Conditions Survey – August 2022

United States

Restaurant operators expect business conditions to remain challenging

- Business conditions deteriorated in recent months, according to many restaurant operators. 46% of operators say business conditions for their restaurant are worse now than they were three months ago. Only 16% say business conditions improved during the last three months.
- Looking forward, most restaurant operators do not expect a return to normal business conditions any time soon. 12% of operators think it will be 7-12 months before business conditions return to normal for their restaurant, while 41% think it will be more than a year. An additional 29% of operators say business conditions will never return to normal for their restaurant.

Soaring costs across all parts of the business are creating challenges for restaurant operators

- A strong majority of operators say their costs are higher now than they were before the pandemic:
 - 88% of operators say their total food and beverages costs are higher than 2019
 - 86% of operators say their total labor costs are higher than 2019
 - 65% of operators say their total occupancy costs are higher than 2019
 - 80% of operators say their total utility costs are higher than 2019
 - 94% of operators say their other operating costs (supplies, G&A, etc.) are higher than 2019
- Restaurants took a number of actions in recent months as a result of higher costs:
 - 91% of restaurants increased menu prices, while 65% changed the food and beverage items that it offered on the menu
 - 60% of restaurants reduced hours of operation on days that it is open, while 38% closed on days that it would normally be open
 - 44% of operators say they postponed plans for expansion
 - 40% of operators say they stopped operating at full capacity
 - 40% of restaurants cut staffing levels, while 29% postponed plans for new hiring
 - 24% of operators say they incorporated more technology into their restaurant
 - 16% of operators say they eliminated third-party delivery

Profitability is down from pre-pandemic levels

- Despite the wide variety of mitigating actions taken to address higher costs, the vast majority of restaurants are less profitable now than they were before the pandemic.

- 85% of operators say their restaurant is less profitable now than it was in 2019 before the pandemic. Only 6% of operators say their restaurant is more profitable, while 9% say their profitability has remained about the same.

Majority of U.S. restaurants are understaffed and actively seeking to fill positions

- Although the industry added back many of the jobs lost during the pandemic, a majority of restaurants remain understaffed. 65% of operators say their restaurant currently does not have enough employees to support its existing customer demand.
- For most restaurants, staffing is significantly below necessary levels. Among restaurants that are currently understaffed, 62% of operators say their restaurant is more than 10% below necessary staffing levels. 20% of operators are currently more than 20% below necessary staffing levels.
- 81% of operators say their restaurant currently has job openings that are difficult to fill.
- 84% of restaurant operators say they will likely hire additional employees during the next 6 months if there are qualified applicants available.

Source: National Restaurant Association, national survey of 4,200 restaurant operators conducted between July 14 and August 5, 2022