

Restaurants Industry

Monthly restaurant spending: spend down across segments on industry headwinds

Industry Overview

Aggregate restaurant spend declines y/y in January

According to BAC aggregated credit and debit card data, on a one-year basis, aggregate restaurant spending growth declined -3.2% y/y in January, down from +3.6% y/y growth in December. The sharp deceleration reflects adverse weather conditions in January as well as difficult comparisons (last year benefited from lapping Omicron). Spending growth at restaurant chains decelerated from +1.0% y/y in December to -3.2% y/y in January while spending at independent restaurants declined -3.2% y/y vs +4.6% y/y in December. See [BofA on USA](#) for methodology, limitations, and disclaimers for BAC card data and commentary on broader retail trends from the Economics team.

QSR, Pizza spend decline

QSR ex-pizza y/y spend growth slowed from 0.8% in December to -1.8% in January. Pizza spending growth further slowed, from -2.0% y/y in December to -5.9% y/y.

Fast Casual flat y/y, CDR down sharply

On a one-year basis, Fast Casual spending growth decelerated from +4.7% y/y in December to +0.4% y/y in January, while Casual Dining spend reversed direction, from +1.5% y/y growth in December to -8.9% y/y in January.

B&M turns negative, Online decelerates m/m

On a one-year basis, brick and mortar spending growth decelerated m/m from 3.2% y/y in December to -4.8%. Online spending also decelerated m/m but remained positive y/y, from 5.4% to 2.8% in January.

Y/Y spend declines across income cohorts

In December, high income consumer (>\$125k) spend declined -4.0% y/y, vs declines of -3.5% for \$50-125k and -2.6% y/y for <\$50k. All cohort spend slowed m/m (December at +4.0% y/y for >\$125k vs +5.0% for \$50-125k and +5.8% for <\$50k). Both B&M and online y/y spending growth decelerated m/m across income cohorts. Spend growth in the >\$125K cohort saw a larger decline than that of other income cohorts.

By MSA Las Vegas, San Fran strongest, Portland weakest

In January, Las Vegas and San Francisco had the highest y/y growth of 0.3% (Portland was highest at 9.5% in December) while Portland had the biggest decline of -11.8% (Miami was lowest in December at 1.1%).

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Definitions

QSR: Quickservice restaurants. These restaurants offer fast, pre-prepared foods at low price points with minimal front of house service. We break out Pizza restaurants from this category in order to provide more detailed comparison.

CDR: Casual dining restaurants. These are full-service restaurants with affordable prices and informal atmospheres.

FCR: Fast casual restaurants serve high quality, made-to-order food at higher price points than traditional fast-food restaurants but with a similar limited service model.

B&M: Brick and mortar. Refers to purchases made at the physical store.

Online (card not present): Card not present is largely online but could include purchases made over the phone.

m/m: month over month

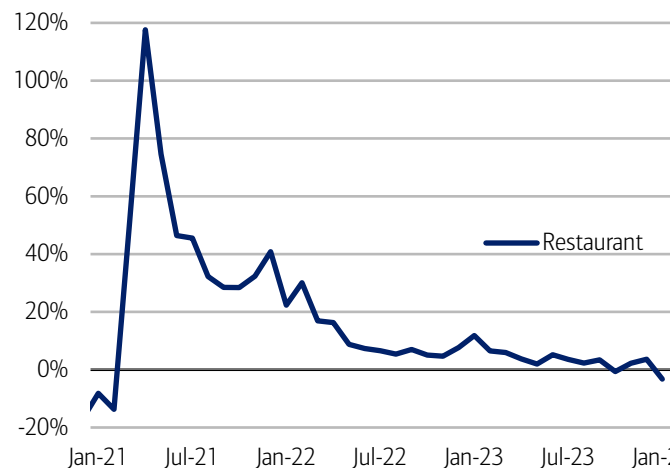
MSA: metropolitan statistical area

Aggregate restaurant spend declines y/y in January

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Exhibit 1: All restaurant spending: y/y growth according to BAC aggregated credit and debit card data (Monthly)

Restaurant y/y spend growth decelerated m/m from 3.6% in December to -3.2% in January



Source: BAC internal data

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Exhibit 2: All restaurant spending: y/y growth according to BAC aggregated credit and debit card data (Weekly)

Aggregated BAC credit and debit card data through the week ended Feb 3rd show a -1.6% y/y decline in restaurant sales

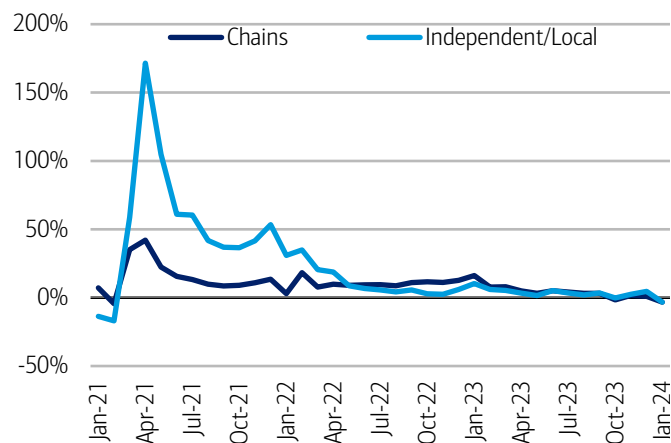


Source: BAC internal data

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Exhibit 3: Spending on chain vs local/independent restaurants according to BAC aggregated credit and debit card data (Monthly)

Spending at chains decelerated m/m from 1.0% in December to -3.2% in January. Independent/local spend also decelerated from 4.6% to -3.2%



Source: BAC internal data

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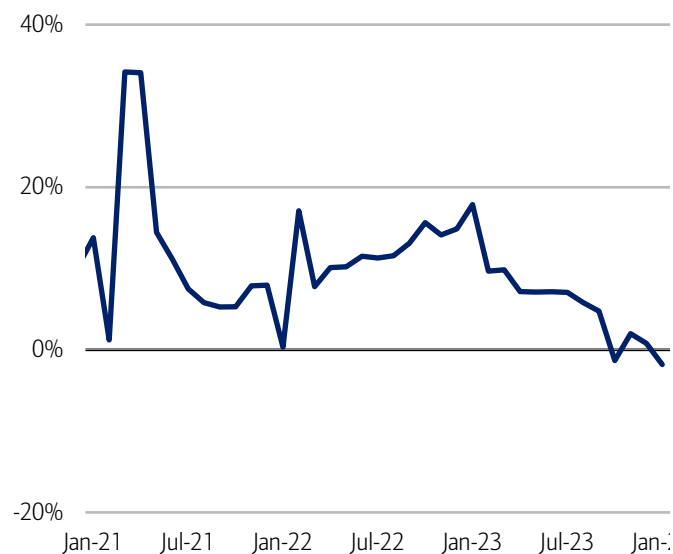
QSR, Pizza spend decline

QSR ex-pizza y/y spend growth declined from 0.8% in December to -1.8% in January.

Pizza spend growth further declined, from -2.0% in December to -5.9%.

Exhibit 4: Quickservice restaurant spending: y/y growth according to BAC aggregated credit and debit card data (Monthly)

QSR y/y spend growth decelerated m/m from 0.8% in December to -1.8% in January

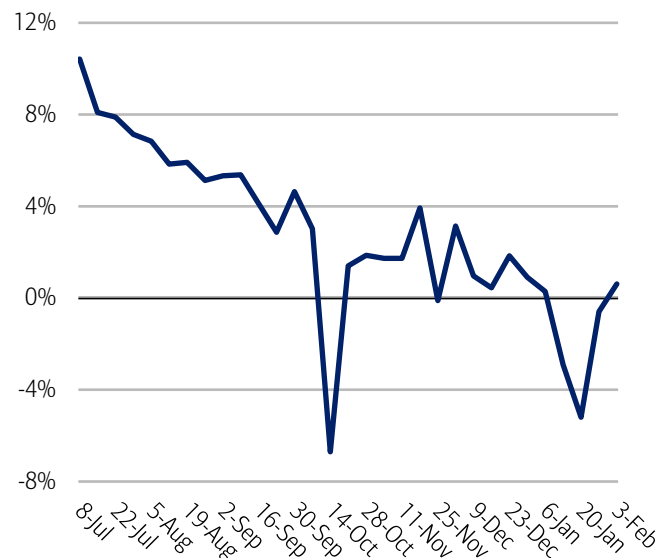


Source: BAC internal data

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Exhibit 6: Quickservice restaurant (QSR) spending: y/y growth according to BAC aggregated credit and debit card data (Weekly)

Aggregated BAC credit and debit card data through the week ended Feb 3rd show a 0.6% y/y increase in QSR sales

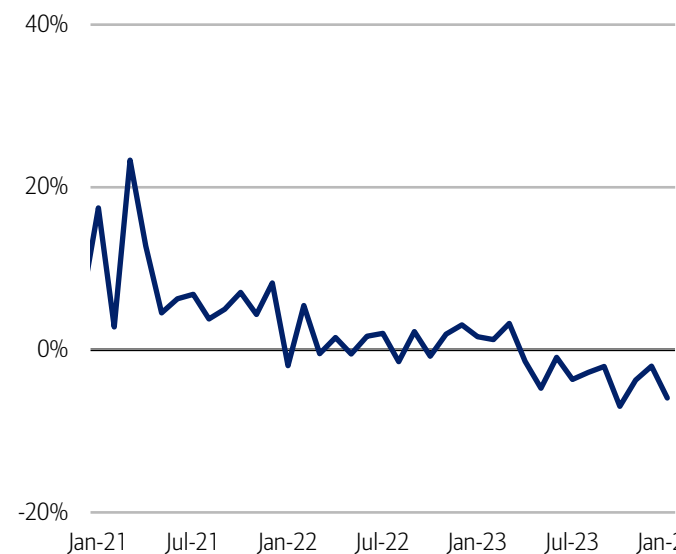


Source: BAC internal data

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Exhibit 5: Pizza restaurant spending: y/y growth according to BAC aggregated credit and debit card data (Monthly)

Pizza y/y spend growth decelerated from -2.0% in December to -5.9% in January

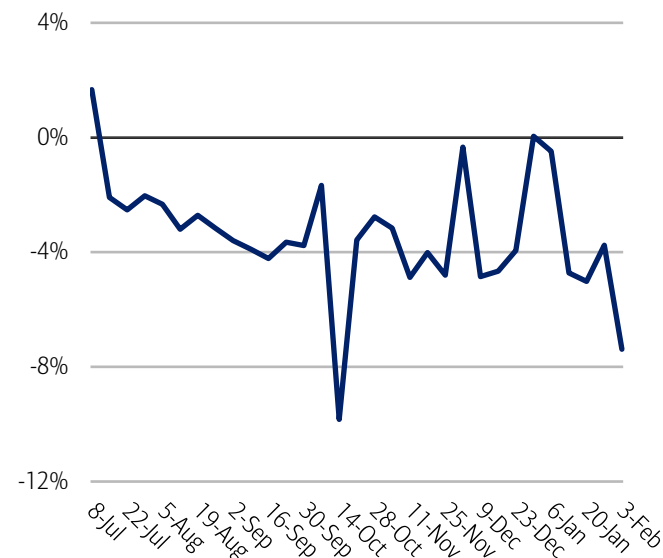


Source: BAC internal data

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Exhibit 7: Pizza restaurants spending: y/y growth according to BAC aggregated credit and debit card data (Weekly)

Aggregated BAC credit and debit card data through the week ended Feb 3rd show a -7.4% y/y decline in Pizza sales



Source: BAC internal data

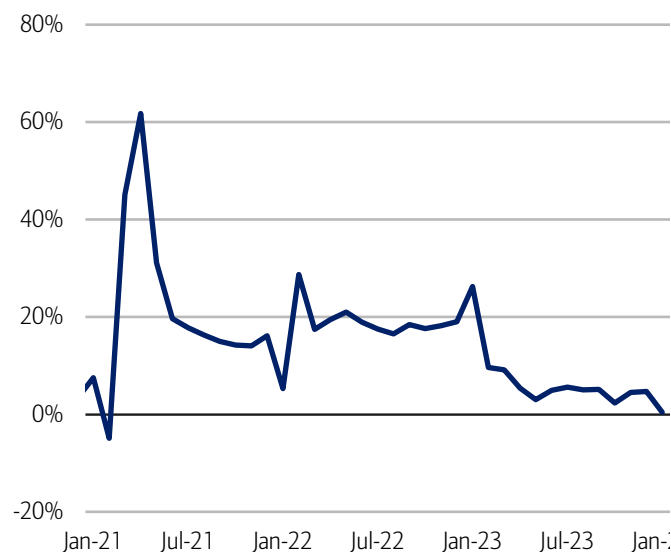
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Fast Casual flat y/y, CDR down sharply

On a one-year basis, Fast Casual spend growth decelerated from 4.7% y/y in December to 0.4% y/y in January, while Casual Dining spend declined, from 1.5% y/y in December to -8.9% y/y in January.

Exhibit 8: Fast Casual restaurant spending: y/y growth according to BAC aggregated credit and debit card data (Monthly)

Fast Casual y/y spend growth decelerated m/m from 4.7% in December to 0.4% in January

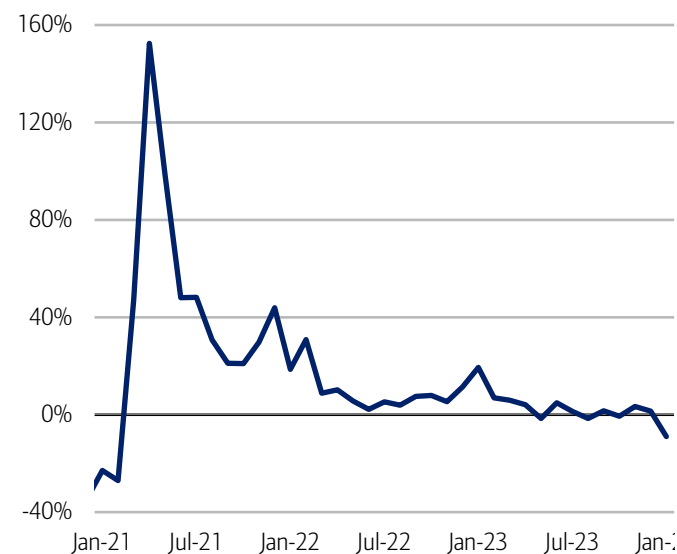


Source: BAC internal data

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Exhibit 9: Casual Dining restaurant spending: y/y growth according to BAC aggregated credit and debit card data (Monthly)

CDR spend decelerated from 1.5% in December to -8.9% in January

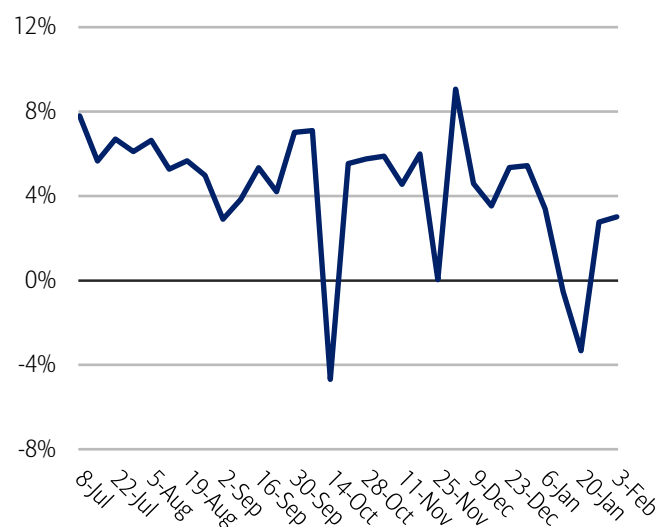


Source: BAC internal data

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Exhibit 10: Fast Casual restaurant spending: y/y growth according to BAC aggregated credit and debit card data (Weekly)

Aggregated BAC credit and debit card data through the week ended Feb 3rd show a 3.0% y/y increase in FCR sales



Source: BAC internal data

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Exhibit 11: Casual dining restaurant (CDR) spending: y/y growth according to BAC aggregated credit and debit card data (Weekly)

Aggregated BAC credit and debit card data through the week ended Feb 3rd show a -6.7% y/y decline in CDR sales



Source: BAC internal data

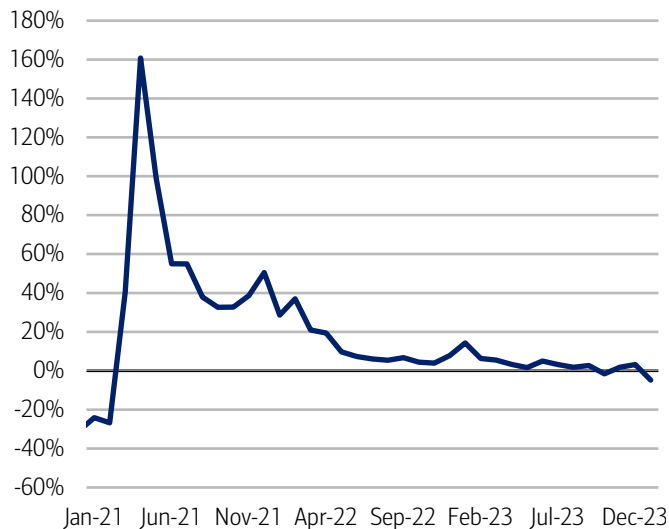
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B&M turns negative, Online decelerates m/m

On a one-year basis, brick and mortar spending growth decelerated m/m from 3.2% y/y in December to -4.8% y/y. Online spending also decelerated m/m but remained positive y/y, from 5.4% in December to 2.8% in January.

Exhibit 12: Brick and mortar restaurant spending: y/y growth according to BAC aggregated credit and debit card data (Monthly)

B&M y/y spend growth decelerated from 3.2% in December to -4.8% in January

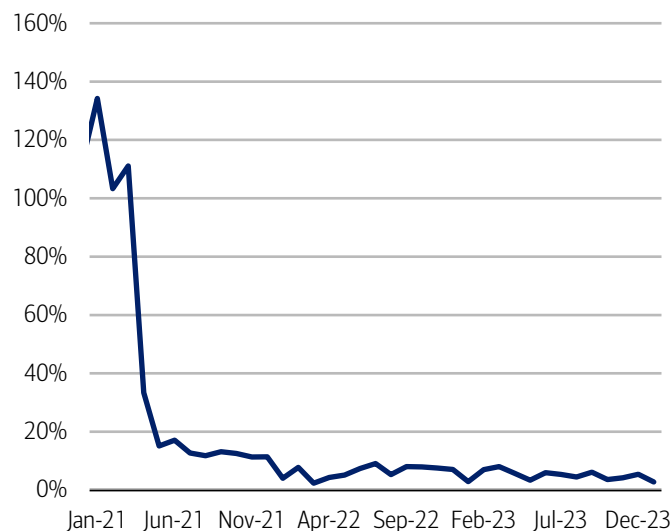


Source: BAC internal data

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Exhibit 13: Online (card not present) restaurant spending: y/y growth according to BAC aggregated credit and debit card data (Monthly)

Online y/y spend growth decelerated m/m from 5.4% in December to 2.8% in January



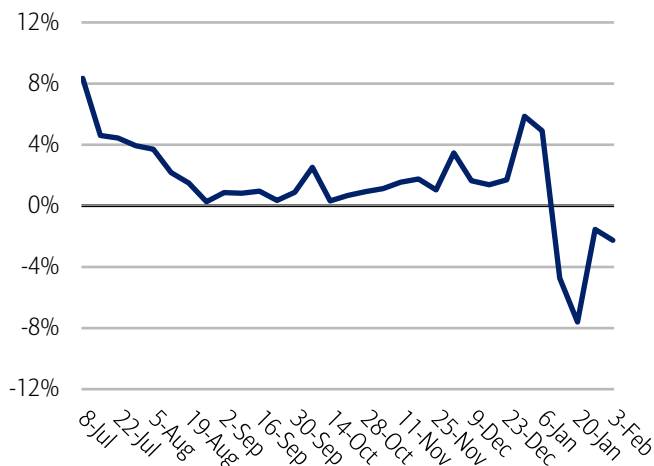
Source: BAC internal data.

Card not present is largely online but could include purchases made over the phone.

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Exhibit 14: Brick and mortar restaurant (B&M) spending: y/y growth according to BAC aggregated credit and debit card data (Weekly)

Aggregated BAC credit and debit card data through the week ended Feb 3rd show a -2.3% y/y decline in B&M sales

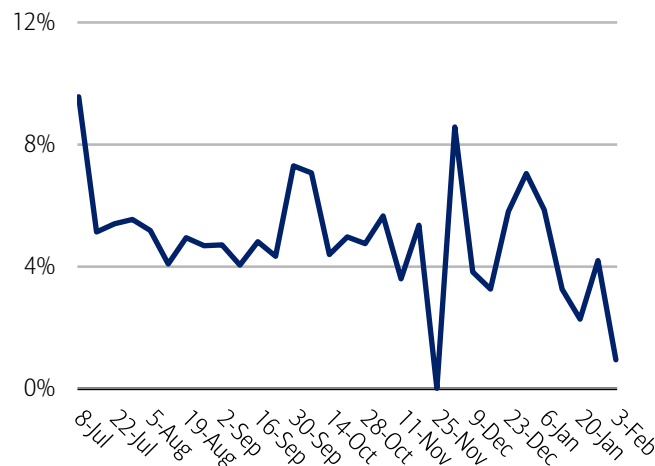


Source: BAC internal data B&M
(Brick & Mortar) means purchases at the store

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Exhibit 15: Online (card not present) restaurant spending: y/y growth according to BAC aggregated credit and debit card data (Weekly)

Aggregated BAC credit and debit card data through the week ended Feb 3rd show a 0.9% y/y decline in online sales



Source: BAC internal data
Card not present is largely online but could include purchases made over the phone.

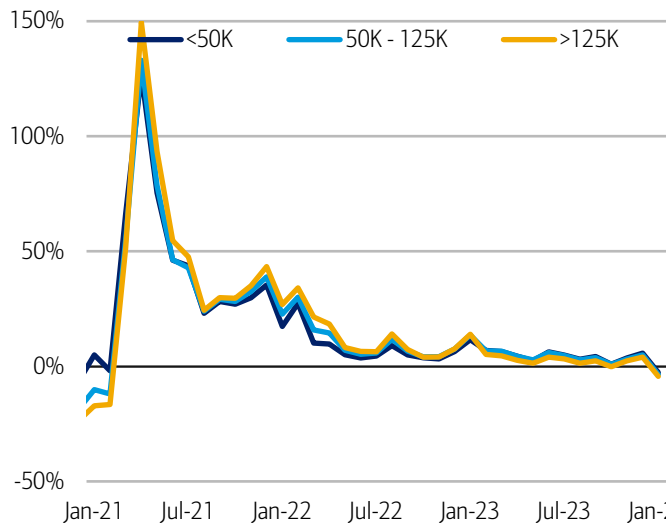
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Y/Y spend declines across incomes

In December, high income consumer (>\$125k) spend declined -4.0% y/y, vs growth of -3.5% y/y for \$50-125k and -2.6% y/y for <\$50k, with all cohort spend down m/m (December at +4.0% y/y for >\$125k vs +5.0% for \$50-125k and +5.8% for <\$50k). Both B&M and online y/y spending growth decelerated m/m across income cohorts. Spend growth in the >\$125K cohort saw a larger decline than that of other income cohorts.

Exhibit 16: Restaurant spending y/y change by income cohort (Monthly)

In January, restaurant spend growth was -4.4% y/y for the >125k cohort vs -3.5% and -2.6% for the 50-125k and <50k cohorts respectively

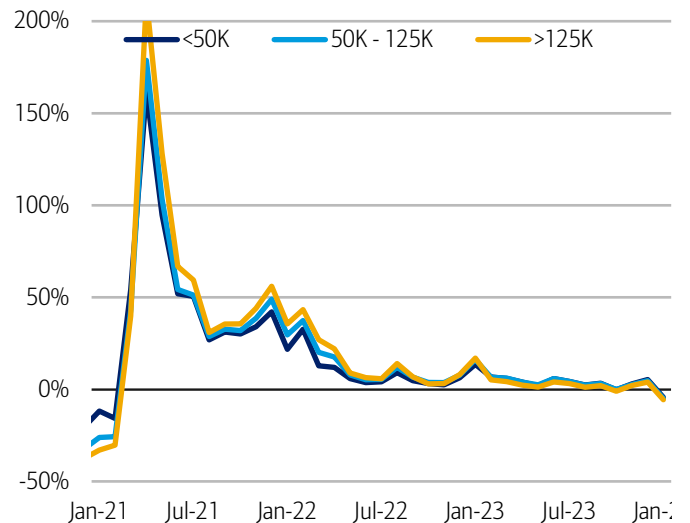


Source: BAC internal data

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Exhibit 17: B&M Restaurant spending y/y change by income cohort (Monthly)

In January, B&M spend growth was -5.6% y/y for the >125k cohort vs -5.0% and -4.3% for the 50-125k and <50k cohorts respectively

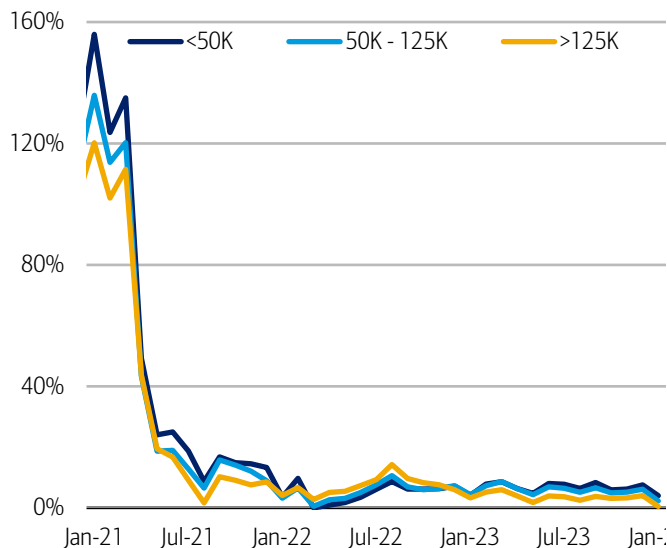


Source: BAC internal data

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Exhibit 18: Online (card not present) restaurant spending y/y change by income cohort (Monthly)

In January, Online spend growth was 0.5% y/y for the >125k cohort vs 2.3% and 4.0% for the 50-125k and <50k cohorts respectively



Source: BAC internal data

Card not present is largely online but could include purchases made over the phone.

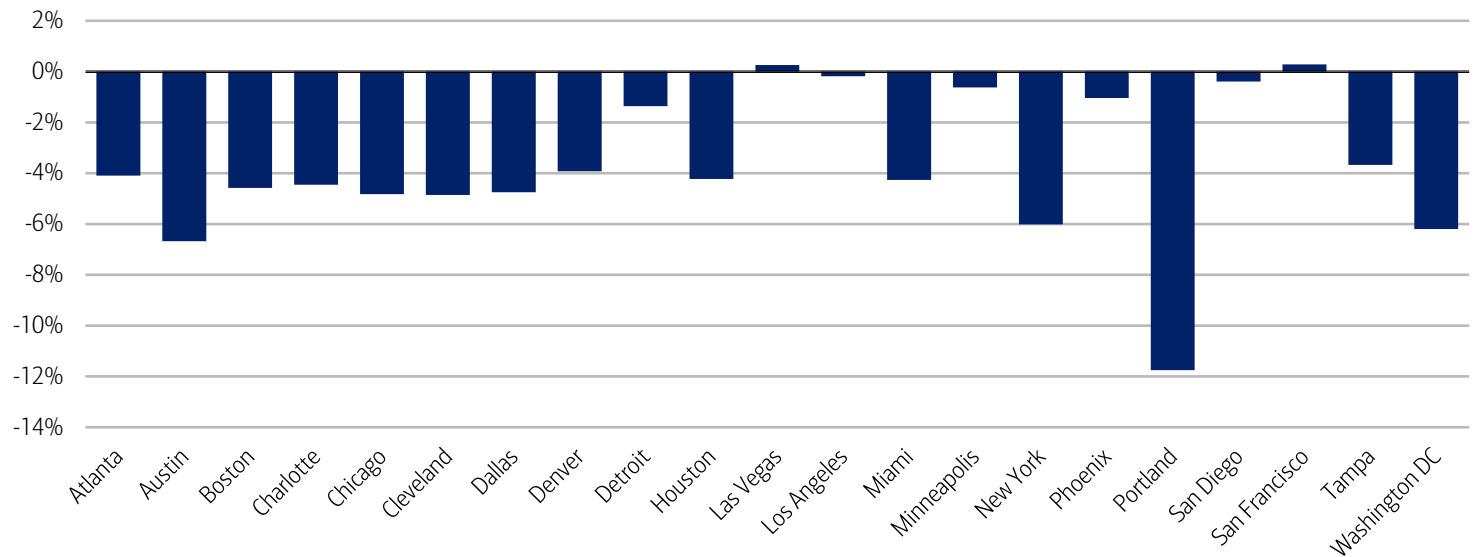
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By MSA Las Vegas, San Fran strongest, Portland weakest y/y

In January, Las Vegas and San Francisco had the highest y/y growth of 0.3% (Portland was highest at 9.5% in December) while Portland had the biggest decline of -11.8% (Miami was lowest in December at 1.1%).

Exhibit 19: Aggregate restaurant spend by MSA: 1-yr growth according to BAC aggregated credit and debit card data (Monthly)

In January, Las Vegas and San Francisco had the highest y/y growth of 0.3% while Portland had the lowest at -11.8%



Source: BAC internal data

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Our methodology for calculating the growth rates for daily data: we calculate the % yoy growth and the 4-yr % change by matching calendar days (Jan 1 ‘22 matched to Jan 1 ‘21 and Jan1, 2019) instead of matching the day of the week, which we used previously

(i.e., the first Monday in '22 matched to first Monday in each of '21 and '20, respectively).

Additional information about the methodology used to aggregate the data is available upon request.

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