Trends around restaurant employment

The U.S. unemployment rate has fallen to its lowest level since 2001 and the economy has added a net total of nearly 15 million jobs since the end of the Great Recession. Yet despite the apparent labor market recovery, inflation shows no sign of acceleration and productivity growth remains low. Perhaps it makes more sense to think about recent changes to the labor market as an evolution rather than a recovery. A shift in the composition of jobs, specifically a shift towards restaurant employment (and away from manufacturing) has direct effects on aggregate trends in wages and productivity.

In 1990, restaurant workers[[1]](#footnote-1) comprised six percent of total private non-farm payrolls. Since 2008, more than a quarter of new jobs added have been in restaurants and bars. Restaurants’ growing share of total jobs is not an entirely new trend; restaurants and bars account for more than 20 percent of the 7.6 million jobs added from 2000 to 2007. As a result of these trends around the composition of new jobs, restaurant workers now make up 8.7% of total private non-farm payrolls.

The shifting composition of jobs affects aggregate wages. Restaurant workers tend to earn both lower hourly wages and work fewer hours per week than employees in the manufacturing sector.

1. Employees in the NAIC Food Services and Drinking Places subcategory (722). [↑](#footnote-ref-1)