

# STATE of the **RESTAURANT INDUSTRY**

## 2024

SALES & ECONOMIC FORECAST

WORKFORCE TRENDS

OPERATIONAL TRENDS

FOOD & MENU TRENDS



## ABOUT THIS REPORT

Each year the National Restaurant Association prepares a comprehensive overview of the restaurant industry and provides a look ahead.

The Association's research is considered the authoritative source for restaurant industry sales projections and trends. It is based on analysis of the latest economic data and extensive surveys of restaurant operators and consumers. See the next page for methodology and visit [Restaurant.org/Research](#) for the latest industry trends and analysis.

The Association's research and analysis have a long-standing reputation for credibility, neutrality, and accuracy inside and outside the industry.

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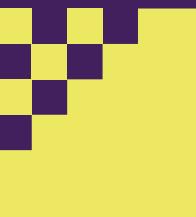
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## METHODOLOGY

The 2024 State of the Restaurant Industry report is based on analysis and forecasts by National Restaurant Association economists as well as ongoing surveys of restaurant operators and consumers.

### **Restaurant segment definitions:**

The survey data in this report categorizes restaurants into 2 broad concepts: tableservice restaurants and limited-service restaurants. Within each segment, there are 3 categories of concepts:

**Tableservice restaurants**  
Family dining, Casual dining and Fine dining

When responding to surveys, restaurant operators were asked to self-classify their operation into one of these 6 categories.

**Definition of Generations in this report:**  
Gen Z Adult (18-27) • Millennial (28-43) • Gen Xer (44-59) • Baby Boomer (60-78)

## WORKFORCE TRENDS

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# GREETING THE YEAR WITH CAUTIOUS OPTIMISM

## ECONOMIC CONDITIONS SHIFT THROUGHOUT THE YEAR

Bookmark [Restaurant.org/Research](https://Restaurant.org/Research) to stay abreast of the Association's latest analysis and projections. Check in each month for an updated Economic Outlook and Consumer Outlook from the Association's Chief Economist.



IMPORTANT  
RESOURCE:  
BOOKMARK

**In 2023, the restaurant industry was, in a word, resilient.** Elevated costs, shallow labor pools and uneven customer traffic levels were the norm for many restaurants – but operators persevered.

The same can be said about the economy last year. The most widely forecasted recession in history never materialized, despite the Fed's efforts to stamp down decades-high inflation by slowing the economy. Most employers kept hiring right through the volatility, with national payrolls expanding by more than 2.6M jobs.

A lot of the resiliency can be attributed to consumers. A healthy labor market, coupled with excess savings accumulated during the pandemic allowed consumers to continue spending at a robust pace.

Consumers hold the key to 2024 as well. On the upside, the expectation of falling interest rates and moderating inflation will offer households some relief. But disinflation is not deflation, and prices will continue to run higher across many of their budget categories, potentially exposing cracks in their household balance sheet, including rising debt and delinquency levels.

While overall restaurant sales are projected to rise in 2024, the higher cost of doing business will continue to constrain margins. Operators expect competition to remain intense, as consumers have an increasing array of foodservice options and a record number of access points at their disposal.

There are many reasons to be optimistic about the restaurant industry, starting with the unwavering loyalty of its customers. 9 in 10 consumers say they enjoy going to restaurants, with a majority also viewing the industry as an essential part of their lifestyle. This will continue to drive sales growth, both in 2024, and beyond.

## FUELING THE ECONOMY, DRIVING OPPORTUNITY

### SALES & ECONOMIC FORECAST

\$1.1T  
Forecast Industry Sales

1M+  
Outlets

15.7M  
Employees

### OPERATIONAL TRENDS

90%  
of restaurant  
operators say their  
customers are more  
value-conscious  
than they used to be.

76%  
of operators  
say technology  
gives them a  
competitive edge.

More than 8 in 10  
adults would take advantage  
of discounts for dining on  
slower days of the week or  
off-peak times of the day.

Among consumers not  
currently enrolled,  
81% say they'd be  
likely to join a loyalty  
program if it was offered.

### WORKFORCE TRENDS

The industry is forecast to add  
**200K** jobs in 2024.

88%  
of operators say they'll  
likely hire in 2024 if they can find  
qualified applicants.

### FOOD & MENU TRENDS

9 in 10  
consumers  
enjoy going to restaurants  
and say that's where they  
experience dishes & drinks  
they haven't tried before.

76%  
of operators say  
their average food costs were  
higher in 2023 than 2022.

7 in 10  
operators plan to keep  
the same number of  
menu items as last year.



STATE  
of the  
**RESTAURANT**  
**INDUSTRY**  
2024



# SALES & ECONOMIC FORECAST

**A**t press time, Association economists are not expecting a significant economic downturn in 2024. They do expect a continuing rise in employment – albeit at a slower pace than 2023. Assuming a stable labor market, consumers will have discretionary funds to spend. The Association expects they'll continue to prioritize restaurants.

Value will continue to motivate consumers in 2024, with loyalty and rewards programs growing in popularity. Restaurant operators will respond to this demand by offering consumers more points of access – many driven by technology.



## SALES & ECONOMIC FORECAST

### RESTAURANT & FOODSERVICE INDUSTRY FOOD & BEVERAGE SALES<sup>1</sup>: 2019 TO 2024

	2019 Sales (billions)	2020 Sales (billions)	2021 Sales (billions)	2022 Sales (billions)	2023 Sales (billions)	2024 Sales (billions)	'23-'24 % change <sup>2</sup>	'23-'24 real % change
Eating & drinking places	\$616	\$509	\$624	\$713	\$776	\$816	5.2%	1.0%
Fullservice segment <sup>3</sup>	\$285	\$199	\$266	\$310	\$334	\$348	4.2%	0.4%
Limited-service segment <sup>4</sup>	\$309	\$297	\$340	\$380	\$417	\$442	6.0%	1.3%
Bars & taverns <sup>5</sup>	\$22	\$13	\$18	\$23	\$25	\$26	4.0%	0.1%
All other foodservice establishments <sup>6</sup>	\$248	\$169	\$200	\$253	\$273	\$290	6.2%	2.2%
<b>TOTAL</b>	<b>\$864</b>	<b>\$678</b>	<b>\$824</b>	<b>\$966</b>	<b>\$1,049</b>	<b>\$1,106</b>	<b>5.4%</b>	<b>1.2%</b>

Source: National Restaurant Association

1. Data are given only for establishments with payroll.

2. Percent change calculations are based on unrounded data, and may not match calculations based on rounded sales data.

3. Includes family dining, casual dining and fine dining fullservice restaurants. Waitstaff provides service and the order is taken while the patron is seated. Patrons pay after they eat.

4. Includes quickservice restaurants; fast casual restaurants; cafeterias, grill-buffets and buffets; snack and non-alcohol beverage bars; social caterers. Patrons generally order at a counter, kiosk, on-line or select items from a food bar and pay before they eat.

5. Includes bars, taverns, nightclubs, or drinking places primarily engaged in preparing and serving alcohol beverages for immediate consumption. These establishments may also provide limited food services.

6. Includes the following categories: managed services (also referred to as onsite food-service and food contractors); lodging places; retail-host restaurants (health-and-personal-care-store restaurants, general-merchandise-store restaurants, variety-store restaurants, food-store restaurants and grocery-store restaurants, gasoline-service-station restaurants and miscellaneous retailers); recreation and sports (includes movies, bowling lanes, recreation and sport centers); mobile catering; vending and non-store retailers (includes sales of hot food, sandwiches, pastries, coffee and other hot beverages); business, educational, governmental or institutional organizations that operate their own restaurant services; military restaurant services (continental United States only).



## BUSINESS CHALLENGES PERSIST

Higher business costs, the need for more staff, supply chain issues and debt repayments are some of the challenges operators face today. According to National Restaurant Association research:

**51%** of operators report a decline in customer traffic between 2022 and 2023.

**45%** say they need more employees to support customer demand.

**70%** say they have job openings that are hard to fill.

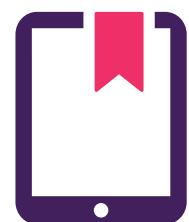
**Average food costs are up more than 20% and average wages are up more than 30% from 2019.**

**38%** of operators say their restaurant was not profitable in 2023.

**43%** say their restaurant is still carrying debt accumulated in the pandemic.

**77%** of operators say their restaurant experienced supply delays or shortages of food or beverage items in 2023.

**54%** reported delays or shortages of equipment or service items.



IMPORTANT RESOURCE:  
BOOKMARK



### KEY DATA UPDATES EVERY MONTH

Check in each month for an updated *Economic Outlook* and *Consumer Outlook* from the Association's Chief Economist. Bookmark [Restaurant.org/Research](#) for the latest jobs numbers, restaurant sales data, customer traffic, food costs, and menu prices, along with in-depth and up-to-date analysis of the state of the restaurant industry.



## BUSINESS CHALLENGES IN 2023

% of operators who say the following items were a 'significant' or 'moderate' challenge for their restaurant

Labor costs	98%
Inflation	98%
Food costs	97%
The economy	93%
Recruiting & retaining employees	88%
Energy or utility costs	87%
Attracting new customers	79%
Bringing back repeat customers	56%
Cost of credit or financing	53%
Food availability	48%

Source: National Restaurant Association  
Note: Survey respondents were asked if each item poses 'a significant' or 'moderate' challenge, 'a little to no challenge' for their restaurant



## SALES & ECONOMIC FORECAST

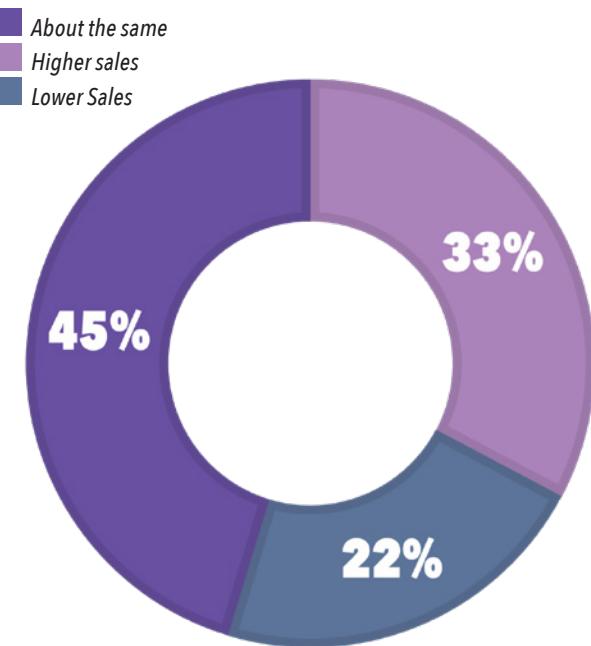
### OUTLOOK FOR 2024

For operators, cautious optimism prevails for the year ahead.

**Nearly 8 in 10** operators expect their 2024 sales will be higher (33%) or hold steady (45%) at 2023 levels.

#### CAUTIOUSLY OPTIMISTIC ABOUT SALES

*Operators' sales volume expectation in 2024 compared with 2023*



Source: National Restaurant Association

In terms of profitability, the outlook is less bullish as costs are still running high in many categories.

**Still,**  
**27%** of operators expect to be more profitable, and 45% expect to be as profitable in 2024 as they were in 2023. 28% expect to be less profitable.



### SURCHARGES

**16%** of restaurant operators currently add fees or surcharges to customer checks.

Separately,  
**54%** of fullservice operators (including 67% of fine dining operators) say their restaurant sometimes adds a service charge or automatic gratuity to customer checks.

Among this group, 12% add the service charge or automatic gratuity to all checks, while 88% only add it to parties that exceed a specific number of people (typically 6+) or to banquets, private events or catering events.

### TOP BUSINESS CHALLENGES

**27%** of operators say recruiting and retaining employees will be their most significant challenge.



**18%** anticipate that higher food costs will be their biggest challenge, while 15% said either the economy or labor costs will be their No.1 concern.

### HIRING IS STILL HIGH PRIORITY

*Operators report the most significant challenge they expect to face in 2024*

Recruiting & retaining employees	<b>27%</b>
Food costs	<b>18%</b>
The economy	<b>15%</b>
Labor costs	<b>15%</b>
Building & maintaining sales volume	<b>8%</b>

Source: National Restaurant Association

### COMPETITION

**2/3** of operators say the number of restaurants in their area is at or above pre-pandemic levels.

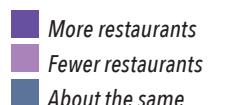
No wonder then that

**45%** of operators expect competition from other restaurants to be more intense in 2024 than it was in 2023.

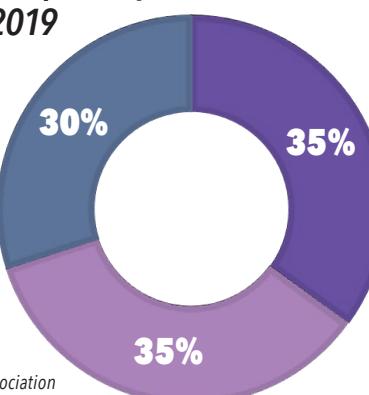
Nearly 50% think competition will be the same and only 7% think competitive pressures will ease this year.

### COMPETITIVE ASSESSMENT

*Operators report the current number of restaurants in their primary market area compared with 2019*

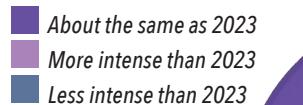


Source: National Restaurant Association



### COMPETITION WILL INTENSIFY IN 2024

*Restaurant operators' outlook for competition from other restaurant and foodservice businesses in 2024 compared with 2023*



Source: National Restaurant Association

## EXPANSION PLANS

The business environment in 2024 will continue to be challenging for restaurants, but some operators plan to use this as an opportunity to expand.

**22%** of operators say they'll likely open new locations in 2024.

Limited-service operators (29%) are somewhat more likely than full-service operators (16%) to report plans to add locations this year.

## CONSUMER OUTLOOK

Employment growth drives income growth, which in turn drives restaurant spending.

Only 33% of adults give the national economy ratings of excellent or good.

**However, 55% of adults describe the current economic situation - including the availability of jobs - in their local area as either excellent or good.**

At 64%, Gen Z adults have the most positive perception of their local economy.

Even though most consumers feel good about their local economy, they're also watching their spending. Only 1 in 5 adults (20%) say they're confident in their personal finances and aren't holding back on spending. Another 48% are taking the wait-and-see approach, holding back somewhat on their spending.

**1 in 3 consumers say they're very concerned about their personal finances and are keeping a tight rein on spending.**

Operators and other businesses are on the hunt for ways to nudge consumers out of this holding pattern and are finding that a well-presented value proposition (e.g., loyalty programs, discounts for dining on off-peak days or hours) can be effective.

## TRAVEL & TOURISM

In a typical year, about **3 in 10 dollars** spent in restaurants come from travelers and visitors.



Fine dining is the most reliant on tourism with an average of 41% of this segment's sales from travelers and visitors. For some, it's a much larger proportion. 1 in 4 fine dining operators say travelers and visitors accounted for at least 60% of their sales before the pandemic.

Roughly

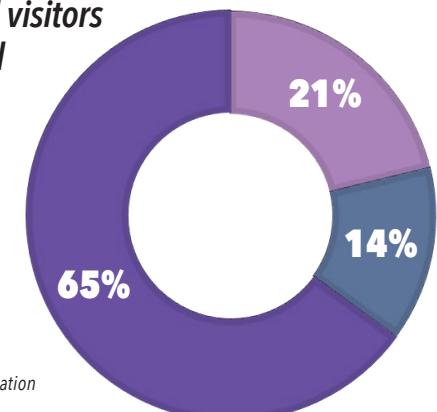
**6 in 10 operators say their sales from travelers and visitors in 2023 were about what they'd be in a typical year.**

14% say their tourism-related sales were higher than normal in 2023; 27% say they were lower than normal. Looking ahead, only 14% of operators expect sales from travelers and visitors in 2024 will be lower than they were in 2023, 21% expect them to be higher. Most (65%) think they will stay about the same.

## OUTLOOK FOR TOURISM IN 2024

*Restaurant operators' outlook for sales from travelers and visitors in 2024 compared with 2023*

- About the same
- Higher than 2023
- Lower than 2023

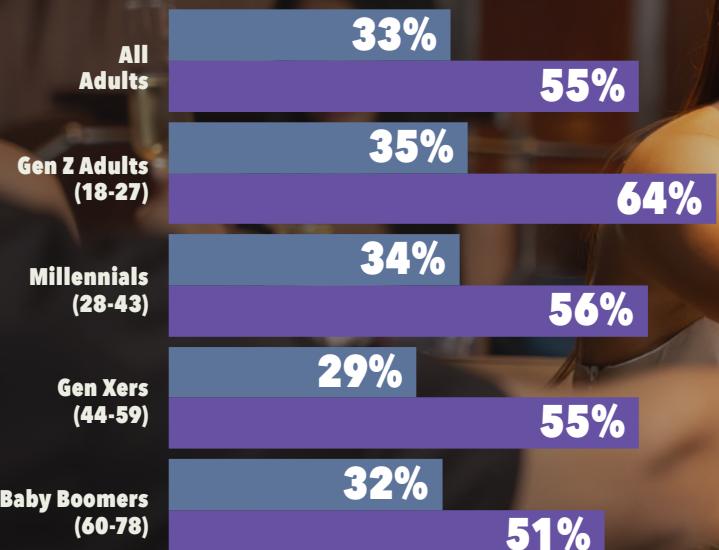


Source: National Restaurant Association

## CONSUMERS CONFIDENT IN LOCAL ECONOMIES

% of consumers who describe the current economic situation (including the availability of jobs) as 'excellent' or 'good'

- National economy
- Local economy



Source: National Restaurant Association



Charley's Prime Foods, the Goodbar Management Group's new casual-dining restaurant in the Washington, D.C. area, has the hallmarks of becoming the flagship of a successful restaurant chain, if economic circumstances permit.

Owner Jackie Greenbaum designed Charley's with scalability in mind, but has had to scale back expansion plans while navigating the operating challenges of today's restaurant industry.

Higher food and labor costs and anti-business legislation, including the vote to eliminate D.C.'s tip credit and the end of alcohol-to-go sales in Maryland's Montgomery County, have operators scrambling. The financial pressures have been intense.

**People tell us they're happy to have something new and interesting to try.**

Charley's, an offshoot of Greenbaum's Bar Charley gastro pub in downtown D.C., opened last year in suburban Gaithersburg, Md., after delays and cost overruns due to supply slowdowns. But, with its steak-centric and

cocktail-laden menu, the restaurant started catching on with neighborhood foodies. She adds that Charley's will attract even more guests to its lakefront patio in warmer months.

"Our patio dining is so different compared with being indoors," she says. "That drove some menu changes. We broadened categories where we thought it made sense, de-emphasized the steaks a bit, and added more casual dishes."



*Jackie Greenbaum*  
Owner  
Goodbar Management Group  
Washington, D.C.

At Charley's, she is also experimenting with off-premises delivery.

If she opens another restaurant, it will be a Charley's Prime, Greenbaum says.

"We've been very well received," she says. "People tell us they're happy to have something new and interesting to try. That drove some menu changes. We broadened categories where we thought it made sense, de-emphasized the steaks a bit, and added more casual dishes."



# OPERATIONAL TRENDS

**V**alue, convenience and technology are driving forces affecting the way both full-service and limited-service restaurants operate, and these elements are resonating more with younger consumers than their older counterparts.

Technology is playing a much larger role in restaurants, enhancing the customer experience, automating operations, maximizing marketing and supplementing labor. Gen Z, the first digital natives, are not only comfortable with blending technology into transactions, but likely expect more.

Operators say their customers are more value-conscious than before and they're more flexible about when and where they dine if there's a discount in the offing. Loyalty programs appear to be working so well that consumers say they'd travel to a restaurant where they can earn loyalty rewards even if another similar restaurant was more convenient.



## OPERATIONAL TRENDS

### TECHNOLOGY TRENDS

Restaurant operators recognize the value tech brings to an operation.

**76%** of operators say using technology gives them a competitive edge, but many believe their restaurants could do more to keep up on the tech front.

Only 13% think their restaurant is on the leading edge in terms of how they're using technology compared with their peers; 23% think their operation is lagging.

As a result, many operators are investing in technology.

**50%** devoted resources to make the dining area more productive and efficient in 2023 and 48% invested to enhance the customer experience.

**4 in 10** used technology to enhance their kitchen's productivity.

Even more operators are planning tech-related investments in these areas in 2024. These investments are making a difference for many restaurants:

**73%** of operators say their restaurant is more efficient and productive than it was before the pandemic.

### MORE TECH ON DECK FOR OPERATORS

*Restaurant operators' investments in these technology-related areas*

	Made investment in 2023	Plan to make investment in 2024
Make the service area more productive or efficient	<b>51%</b>	<b>55%</b>
Enhance the customer experience	<b>48%</b>	<b>60%</b>
Make the kitchen more productive or efficient	<b>41%</b>	<b>52%</b>
Strengthen cyber security	<b>34%</b>	<b>45%</b>

Source: National Restaurant Association

### TECH REPORT COMING IN MARCH

In March 2024, watch for a new report on the latest technology trends in today's restaurants.

Included: the specific tech options that consumers would use at fullservice restaurants, limited-service restaurants and when ordering for delivery, as well as the specific tech-related investments operators say they're planning to make in 2024.



#### IMPORTANT RESOURCE: BOOKMARK

Check in at [Restaurant.org/Research](#) for the report and for restaurant industry research updates.



### TECH IN THE FULLSERVICE SPACE

Consumers' affinity for technology in restaurants varies by occasion as well as age group and the degree to which a restaurant considers incorporating tech into the experience depends on its customer base.

**Fullservice customers are twice as likely overall to say that tech options at fullservice restaurants have a positive impact (46%) on their experience vs. a negative one (23%) but this varies significantly by age group.**

Two-thirds of Gen Z adults say tech options have a positive impact while 19% of baby boomers do.



Fullservice customers are split on whether tableservice restaurants should employ more technology:

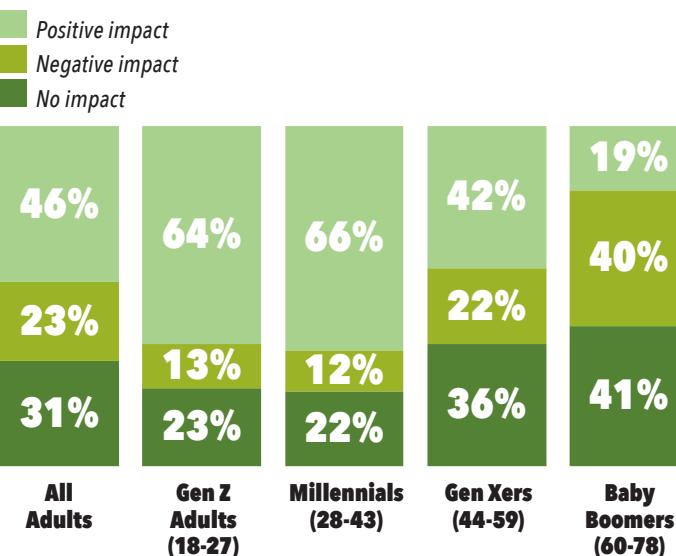
**30%** think there should be more options and **33%** say fewer.

Once again, this differs by age group with younger consumers more likely to say "bring on the tech."

**Only 9% of baby boomers think fullservice restaurants should incorporate more tech options; half think there should be fewer.**

### MILLENNIALS & GEN Z EMBRACE FULLSERVICE TECH

*How tech options impact fullservice customers' experience at tableservice restaurants*

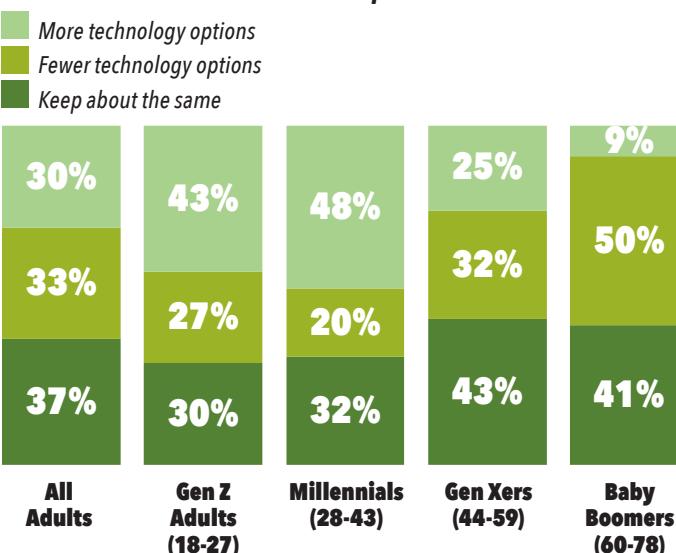


Source: National Restaurant Association

Base: Consumers who went out to eat at a sit-down tableservice restaurant in the past 6 months

### MORE FULLSERVICE TECHNOLOGY? NOT SO FAST

*How fullservice customers would like to see tableservice restaurants incorporate tech in the future*



Source: National Restaurant Association

Base: Consumers who went out to eat at a sit-down tableservice restaurant in the past 6 months



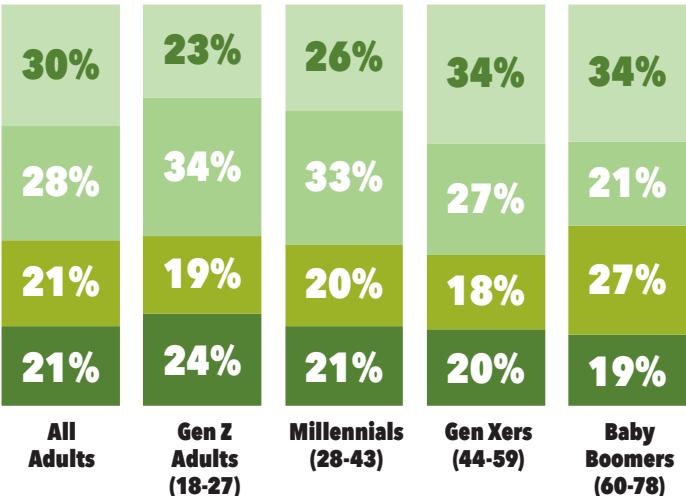
## OPERATIONAL TRENDS

Asked to pick one area where technology would have the most impact on their fullservice dining experience:

**28%** of consumers cited tech that makes ordering easier & faster and that facilitates payment (30%), actions that expedite the beginning and end of the meal.

### WHERE CUSTOMERS THINK FULLSERVICE TECH SHOULD BE APPLIED

One area where technology would impact customers' experience at tableservice restaurants



Source: National Restaurant Association

Base: Consumers who went out to eat at a sit-down tableservice restaurant in the past 6 months

Fullservice customers were asked to choose between two similar restaurants, with the difference being the amount of tech used:

**Restaurant 1** offers traditional service from employees who bring customers a menu, take their order, deliver the food and beverages, and bring them a bill.

**Restaurant 2** incorporates technology into the experience. Customers view the menu and enter orders on a computer tablet at their table or through a smartphone app. An employee brings them their order and the customers pay the bill using the tablet or app.

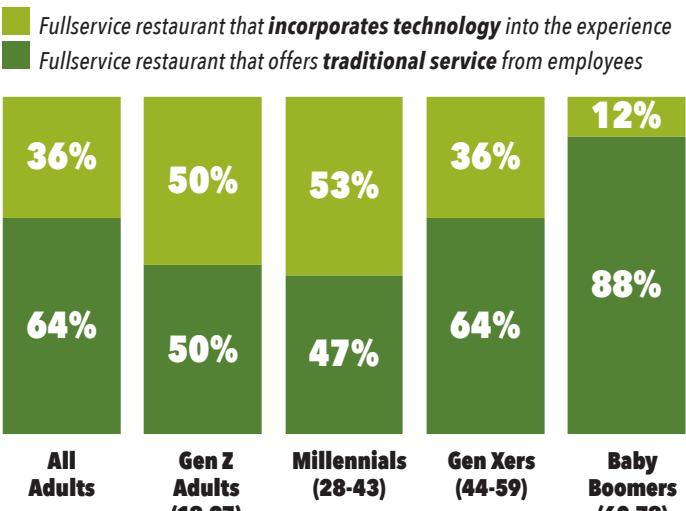
**64%** of fullservice customers say they'd go for the restaurant that offers traditional service.

**36%** say they'd opt for a restaurant that incorporates technology into the experience.

Baby boomers (88%) and Gen Xers (64%) were much more likely to choose the restaurant that offers traditional service. Millennials and Gen Z adults are roughly split between the two options.

### TRADITIONAL SERVICE STILL PREFERRED OVER TECH

How fullservice customers would choose between two similar tableservice restaurants based on technology



Source: National Restaurant Association

Base: Consumers who went out to eat at a sit-down tableservice restaurant in the past 6 months

### YOUNGER CONSUMERS SUPPORTIVE OF QUICKSERVICE TECH

**39%** of limited-service customers say tech options have a positive impact on their experience at quickservice restaurants, delis and coffee shops.

Only **22%** say tech has an adverse effect, but the response differs by age group.

A majority of Gen Z adults and millennials say tech has a positive impact on their experience, while 16% of baby boomers do.



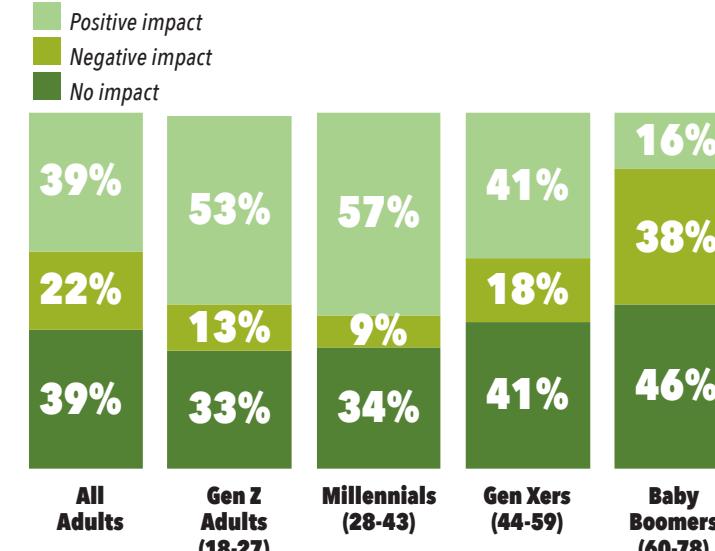
Opinions are mixed when it comes to adding more tech options into quickservice experiences.

**30%** think there should be more options, **27%** vote for fewer.

Baby boomers are likely to prefer fewer tech options (43%) than more (12%).

### THE IMPACT OF LIMITED-SERVICE TECH

How tech options impact limited-service customers' experience at quickservice restaurants, delis and coffee shops

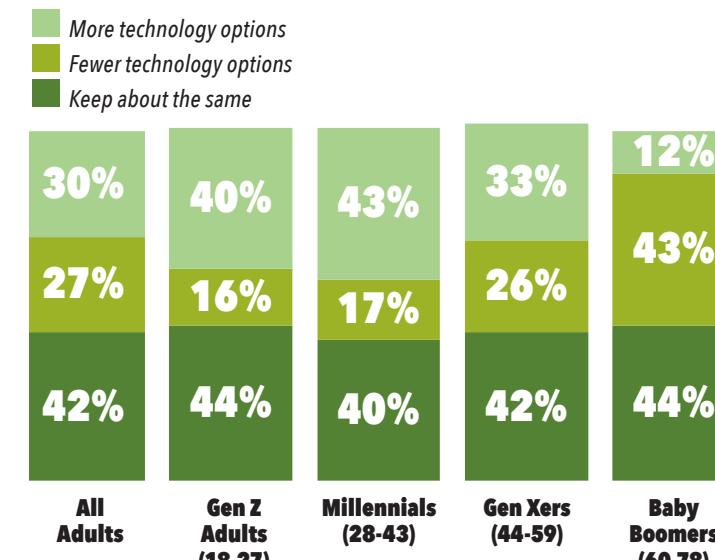


Source: National Restaurant Association

Base: Consumers who went out to eat or picked up food or beverages at a quickservice restaurant, deli or coffee shop in the past 6 months

### OPINIONS VARY WHEN IT COMES TO MORE TECH IN QUICKSERVICE

How customers would like to see quickservice venues incorporate tech



Source: National Restaurant Association

Base: Consumers who went out to eat or picked up food or beverages at a quickservice restaurant, deli or coffee shop in the past 6 months

## OPERATIONAL TRENDS

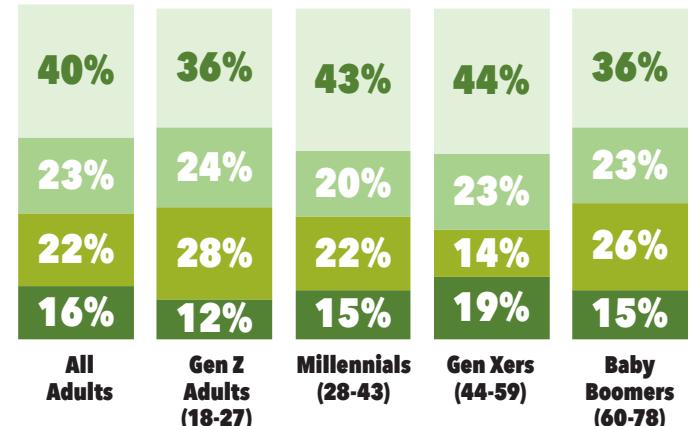
The top area where limited-service customers would like to see quickservice venues incorporate more tech is to make ordering easier and faster and that was true for all age groups.

### FASTER, EASIER ORDERING THROUGH TECH TOPS WISH LIST

*Limited-service customers' choice of the one area where technology would impact their experience at quickservice restaurants*

- Make ordering easier & faster
- Provide more detailed info about food (nutrition, calories, allergens, sourcing)
- Time when takeout orders are ready for pickup
- Make orders arrive faster

Source: National Restaurant Association  
Base: Consumers who went out to eat or picked up food or beverages at a quickservice restaurant, deli or coffee shop in the past 6 months

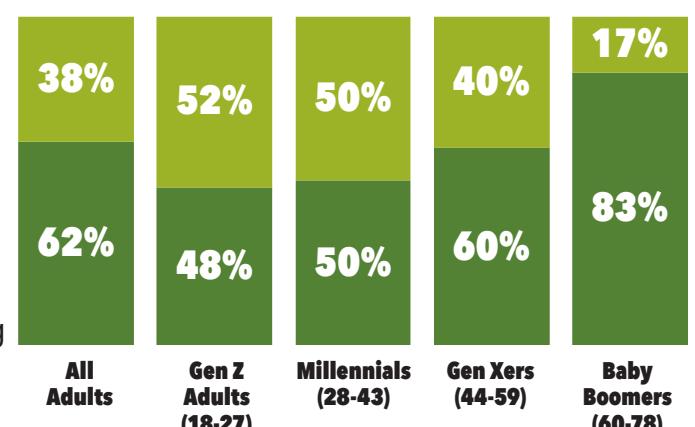


**62% of limited-service customers say they'd go for the quickservice restaurant, deli or coffee shop that offers traditional employee service.**

### LIMITED-SERVICE CUSTOMERS PREFER TRADITIONAL SERVICE

*How customers would choose between two similar limited-service restaurants based on technology*

- Limited-service restaurant that incorporates technology into the experience
- Limited-service restaurant that offers traditional service from employees



**38% say they'd opt for the restaurant that incorporates tech into the experience.**

Baby boomers (83%) and Gen Xers (60%) were much more likely to pick the restaurant that offers traditional service. Millennials and Gen Z adults are roughly split between the two options.

Source: National Restaurant Association  
Base: Consumers who went out to eat or picked up food or beverages at a limited-service restaurant, deli or coffee shop in the past 6 months

## TECH-RELATED OPPORTUNITIES FOR OPERATORS

Understanding consumer desires and expectations, operators have some interesting opportunities to entice customers through tech-enabled features, which can enhance service, customer experience and the bottom line.

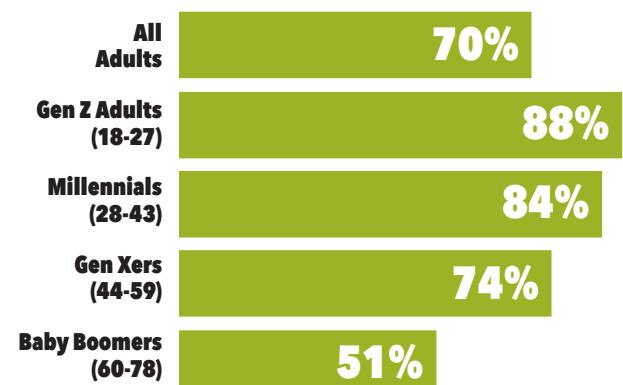
### HAVE A SEAT, YOUR ORDER'S UP

Allowing tableservice customers to place their order in advance online, schedule a time to arrive at the restaurant, and get their food shortly after they're seated.

**70% of consumers – including 88% of Gen Z adults and 84% of millennials – say they'd use this option.**

### SOUNDS LIKE A PLAN

*% consumers who would order ahead at tableservice restaurants*



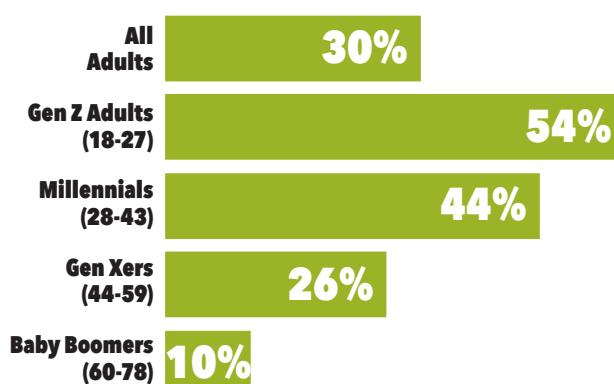
Source: National Restaurant Association

### RESERVING A SPECIFIC TABLE ONLINE

**30% of consumers would pay a fee – such as \$10 – to reserve a specific table from a seating chart on a website. Interest in this option was higher among Gen Z adults (54%) and millennials (44%).**

### PAYING FOR THE PERFECT TABLE

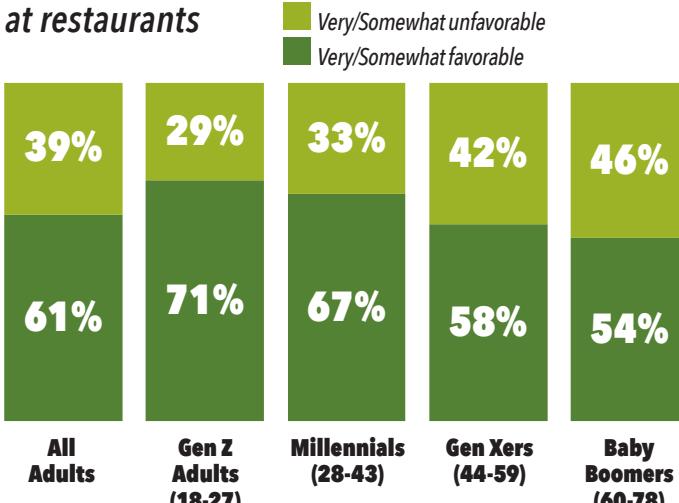
*% of consumers who would pay an extra fee to reserve a specific table*



Source: National Restaurant Association

### VARIABLE PRICING? YOUNGER CONSUMERS SAY YES

*Consumers' reaction to variable pricing at restaurants*



Source: National Restaurant Association



## OPERATIONAL TRENDS

### WHAT CONSUMERS WANT: THE TECH EXPERIENCE WHEN ORDERING DELIVERY

Of the three restaurant experiences (fullservice, limited-service and delivery), technology is *most appreciated* for delivery transactions.

**47%** of customers say tech has a positive impact on their experience.

Only **12%** say it has a negative impact.

Younger consumers are most likely to say tech options are a good thing, while the sentiment among baby boomers is mixed.

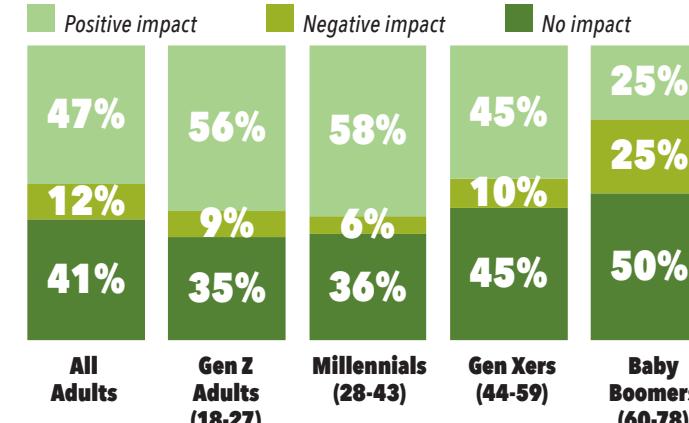
**37%** of consumers are open to expanded tech options in the delivery space.

Only **18%** think restaurants that offer delivery should use less tech.



#### WHERE CUSTOMERS STAND ON DELIVERY TECH

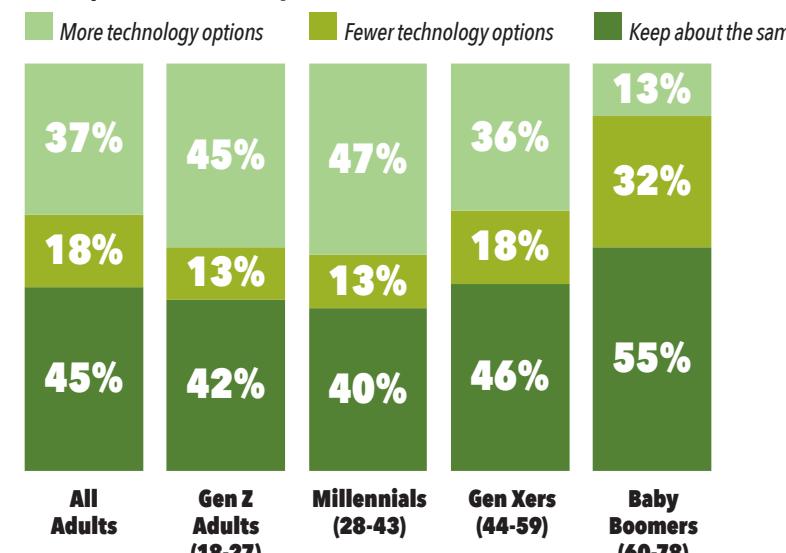
##### How technology options impact customers' personal experience when ordering delivery



Source: National Restaurant Association  
Base: Consumers who ordered food for delivery from a restaurant in the past 6 months

#### WHO WANTS MORE TECH-ENHANCED DELIVERY?

##### How customers would like to see restaurants incorporate delivery tech the future



Source: National Restaurant Association  
Base: Consumers who ordered food for delivery from a restaurant in the past 6 months

**33%** of customers would like to see restaurants that deliver add technology to make ordering easier and faster.

**1 in 4** would like to know accurately when their orders will be delivered.

#### HOW CUSTOMERS WOULD USE DELIVERY TECH

##### Delivery customers cite one area where technology would impact their delivery experience

	All adults	Gen Z adults (18-27)	Millennials (28-43)	Gen Xers (44-59)	Baby Boomers (60-78)
To make ordering easier and faster	<b>33%</b>	<b>32%</b>	<b>34%</b>	<b>31%</b>	<b>33%</b>
To provide an accurate time when orders will be delivered	<b>24%</b>	<b>23%</b>	<b>25%</b>	<b>19%</b>	<b>30%</b>
To make delivery faster	<b>24%</b>	<b>26%</b>	<b>20%</b>	<b>31%</b>	<b>16%</b>
To improve the packaging used for delivery which would allow for a greater variety of food items available	<b>19%</b>	<b>18%</b>	<b>21%</b>	<b>18%</b>	<b>20%</b>

Source: National Restaurant Association • Base: Consumers who ordered food for delivery from a restaurant in the past 6 months

Delivery customers were asked to choose between two similar restaurants for delivery, with the difference being the amount of technology used:

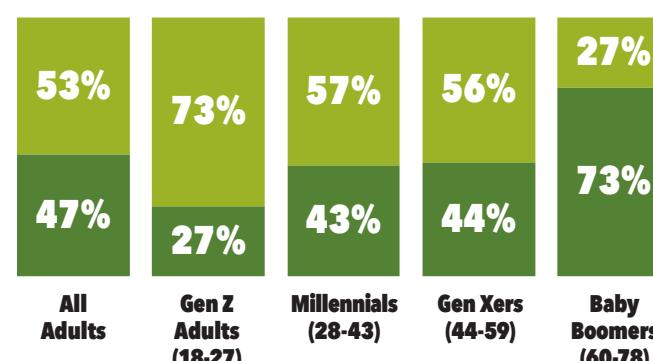
*Restaurant 1* offers traditional service from employees. Customers call the restaurant to place their order with a restaurant employee. When the food is ready, a restaurant employee delivers the food.

*Restaurant 2* incorporates tech into the experience. Customers view the menu, place their order and pay using the restaurant website or smartphone app, or a third-party service such as DoorDash, Grubhub, Uber Eats or Postmates. When the food's ready, either a restaurant employee or a third-party delivery person delivers the food to them.

#### AN APPETITE FOR TECH WHEN GETTING FOOD DELIVERED

##### How customers would choose between two similar delivery restaurants based on technology

■ Restaurant that incorporates technology into the delivery experience  
■ Restaurant that offers traditional delivery service from employees



Source: National Restaurant Association  
Base: Consumers who ordered food for delivery from a restaurant in the past 6 months

**53%** of delivery customers say they would choose the restaurant that incorporates technology into the experience.

**47%** say they would choose the restaurant that offers traditional delivery service from employees.

A majority of Gen Z adults (73%), millennials (57%) and Gen Xers (56%) say they would pick the restaurant that uses tech in the delivery process. At 73%, baby boomers were much more likely to pick a restaurant that offers traditional delivery service from employees.



## OPERATIONAL TRENDS

### VALUE-CRAVING CUSTOMERS LOOK FOR LOYALTY PROGRAMS

**90%** of restaurant operators say their customers are more value-conscious than they used to be.

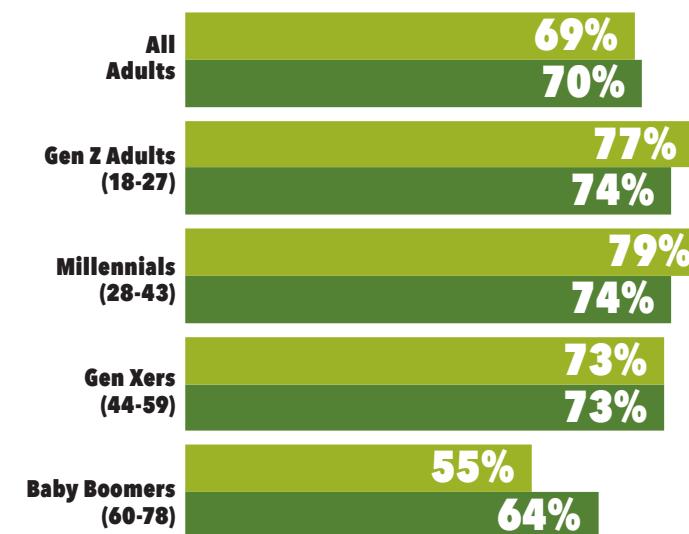
**7 in 10** adults say they often look for a daily special or discount when they visit restaurants, whether dining in or ordering to-go.

Younger adults are more likely than older adults to look for deals.

### ON THE HUNT FOR RESTAURANT DEALS

% of consumers who say they often look for a daily special or discount

When ordering take-out or delivery from a restaurant  
When going out to eat at a restaurant



Source: National Restaurant Association



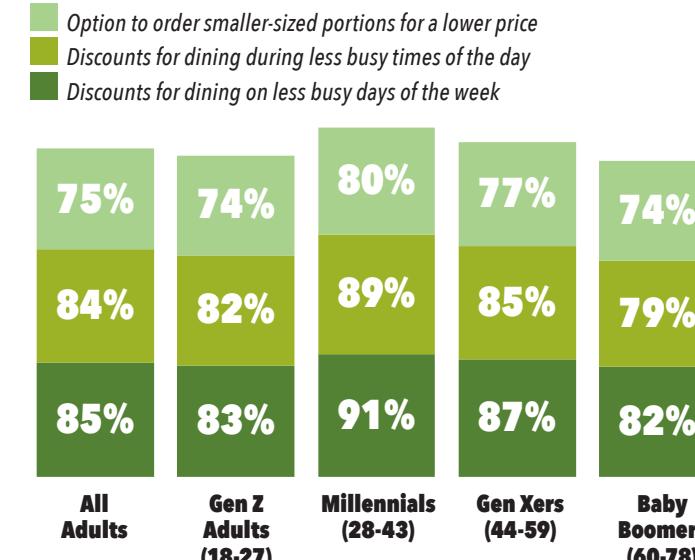
**85%** of adults say they'd likely take advantage of discounts for dining on slower days of the week

**84%** would use discounts offered for dining at off-peak times of the day.

**3 in 4** adults say they'd opt for a smaller-sized portion for a lower price.

### OPPORTUNITIES FOR VALUE

% of consumers who say they'd likely use the following options if they were offered



Source: National Restaurant Association

### GIVE THEM THE LOYAL TREATMENT

It's easier to get customers to return to your restaurant than to attract new ones and operators find that offering a "frequent flyer" program is a great way to generate repeat business.

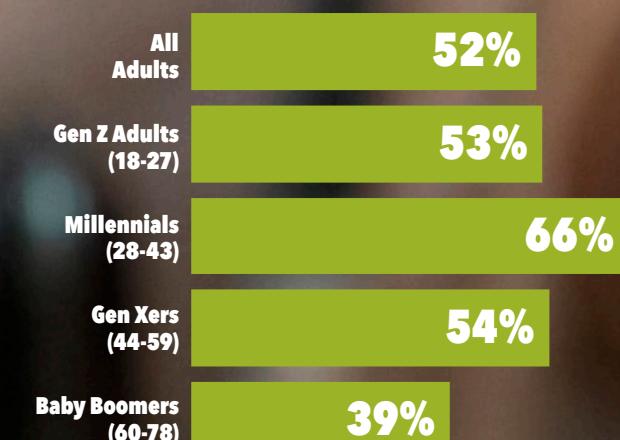
**52%** of adults say they currently participate in a loyalty or reward program at a restaurant, coffee shop, snack place or deli.

At **66%**, millennials are the most likely to say they're loyalty program fans.

And most of these consumers sign up for more than one program – 3.6 on average. Gen Z adults boast the highest rate belonging to an average 4.4 programs (millennials belong to an average 3.6 programs, Gen Xers, 3.9, and boomers, 3).

### REAPING REWARDS

% of consumers who say they currently participate in a restaurant loyalty reward program



Source: National Restaurant Association

**96%** of program participants say it's a good way to get more bang for their buck.



## OPERATIONAL TRENDS

**60%** of current loyalty program members prefer to access the program through a smartphone app vs. a physical card.

**18%** would prefer a card.

**22%** don't have a preference.

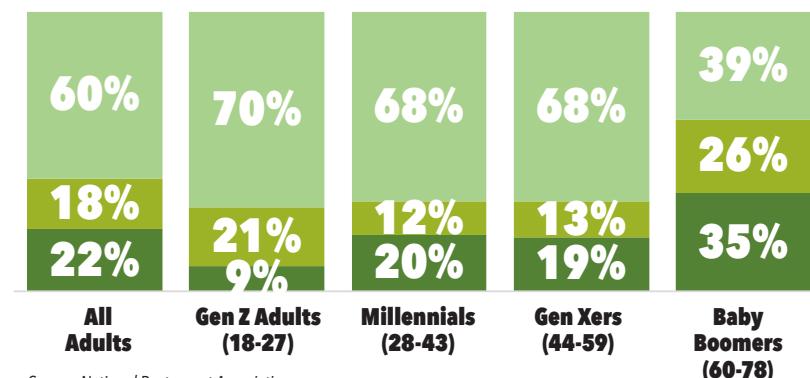
While baby boomers are less likely to say they'd prefer a smartphone app, they're also the most likely to say they don't have a preference.



### MORE TECH, PLEASE

*How loyalty program members say they would prefer to participate in the program*

- A smartphone app
- A physical card they present when ordering
- No preference, they'd use both options



Source: National Restaurant Association  
Base: Consumers who currently participate in a restaurant loyalty or reward program

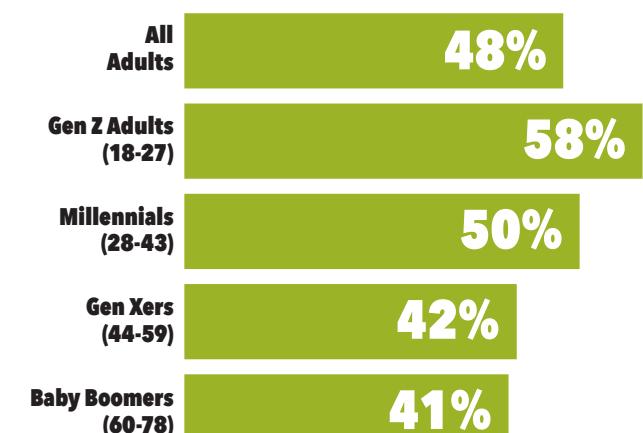
It's important to incentivize new customers to join a restaurant's loyalty program.

**48%** of loyalty program members say they're less likely to try new restaurants because they prefer to go where they can earn loyalty rewards.

In fact, **78%** say they're more likely to visit a restaurant where they can earn points, even if it isn't as convenient as other places.

### SIGN THEM UP RIGHT AWAY

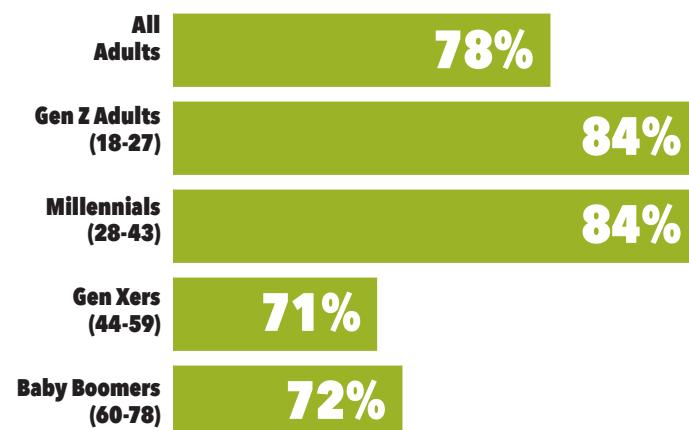
*% of loyalty program members who say they're less likely to try a new place because they prefer to go where they're a member of a loyalty program*



Source: National Restaurant Association  
Base: Consumers who currently participate in a restaurant loyalty or reward program

### GOING THE DISTANCE ... FOR POINTS

*% of loyalty program members who say they're more likely to go where they can earn points even if it isn't as convenient as other places*



Source: National Restaurant Association  
Base: Consumers who currently participate in a restaurant loyalty or reward program

Among consumers who are not currently a member of a loyalty program:

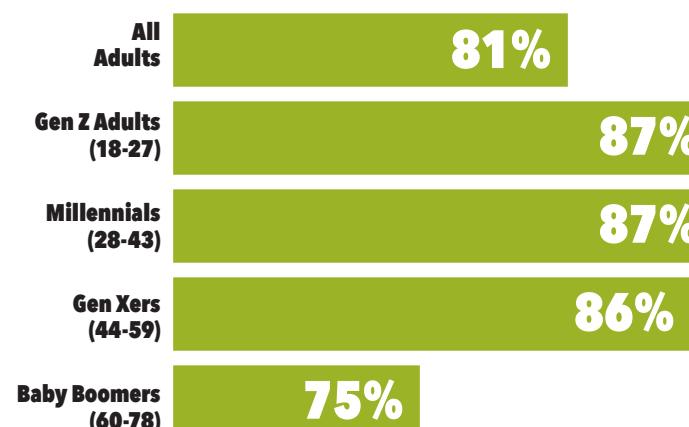
**81%** say they would be likely to participate in one if it was offered by their favorite restaurant, coffee shop, snack place or deli.

This interest is strong across all age groups.

Clearly, loyalty programs need promoting, and that factors into marketing and staff training.

### WAITING TO BE WOOED

*% of customers who say they'd likely participate in a loyalty program if it was offered*



Source: National Restaurant Association  
Base: Consumers who currently do not participate in a restaurant loyalty or reward program but would if one was offered by their favorite restaurant, coffee shop, snack place or deli

For prospective loyalty program members (as compared with current members) technology might be a bit of an issue. Given a choice:

**39%** of prospective members say they would prefer to have a physical card they present when ordering.

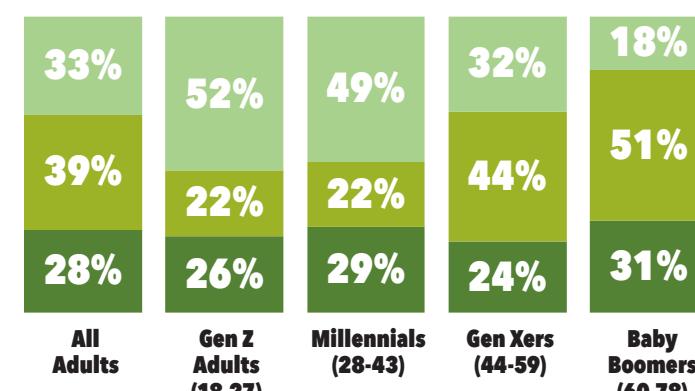
**33%** say they would prefer to use a smartphone app.

**51%** of prospective-member baby boomers prefer cards.

### PARTICIPATION PREFERENCES

*How prospective loyalty program members say they'd prefer to participate*

- A smartphone app
- A physical card they present when ordering
- No preference, they'd use both options



Source: National Restaurant Association  
Base: Consumers who currently do not participate in a restaurant loyalty or reward program but would if one was offered by their favorite restaurant, coffee shop, snack place or deli

With an eye on building repeat business, **61%** of limited-service operators and **52%** of full-service operators say they plan to devote resources to loyalty and rewards systems in 2024.



## OPERATIONAL TRENDS

### OFF-PREMISES TRENDS

**52%** of consumers – including 67% of millennials and 63% of Gen Z adults – say ordering takeout from a restaurant is an essential part of their lifestyle.

A majority of millennials (57%) and Gen Z adults (55%) feel similarly about delivery.

### DELIVERY DELIVERS RESULTS

Operators report delivery sales (as a % of total sales) in 2023 compared with 2019

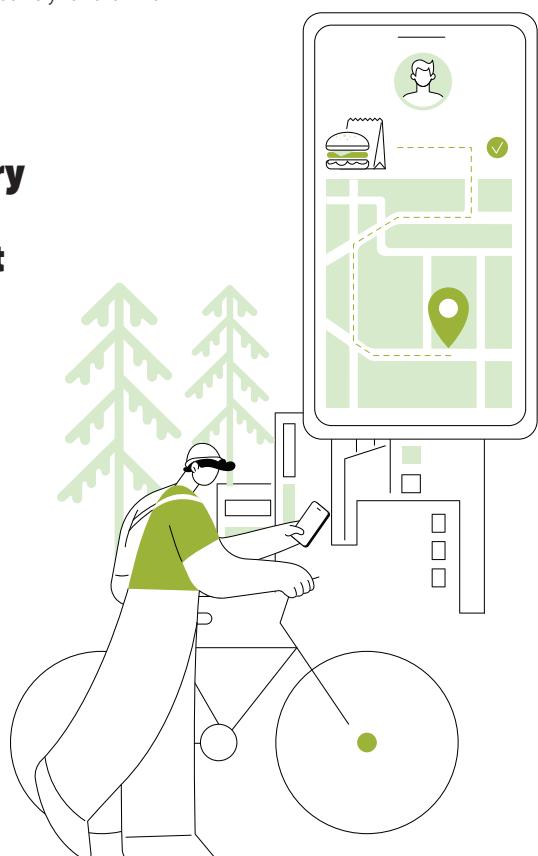
	All restaurants	Fullservice restaurants	Limited-service restaurants
Higher proportion than 2019	<b>65%</b>	<b>58%</b>	<b>72%</b>
Lower proportion than 2019	<b>15%</b>	<b>19%</b>	<b>11%</b>
About the same proportion as 2019	<b>20%</b>	<b>23%</b>	<b>17%</b>

Source: National Restaurant Association • Base: Restaurants that offer delivery now and in 2019

**59%** of delivery customers say they ordered food for delivery through a third-party service in the past 6 months, but this habit varied greatly by age group.

**More than 7 in 10** Gen Z adults used third-party services compared with only 29% of baby boomers.

**70%** of operators only use third-party delivery services; 8% run their own delivery service.



Off-premises business is a critical part of most restaurants' revenue.

**49%** of all restaurants (43% of fullservice and 55% of limited-service) say off-premises business represented a higher proportion of sales in 2023 than it did in 2019.

Only 22% say it made up a smaller portion of total sales.

**31%** of operators expect total off-premises sales in 2024 will be higher than 2023; 55% expect them to hold steady.

Only 14% of operators think their off-premises sales will decline in 2024.

### EXPANDING OFF-PREMISES OPTIONS

Off-premises business continues to grow in importance, many restaurants are looking for ways to increase take-away touchpoints for consumers.

**Curbside takeout is a popular option among both fullservice and limited-service operators – more than 4 in 10 expect it to become more common in their segment in 2024.**

**Roughly 1 in 4 operators think restaurant locations that only offer takeout or drive-thru will become more common in their segment – the sentiment held more weight with limited-service operators.**

**27%** of limited-service operators think the addition of drive-thru lanes will be more common within their segment in 2024, only 12% of fullservice ops think so.

**Only 1 in 5 operators think ghost kitchens will become more common in 2024.**



### OPERATOR PERSPECTIVE

Updating the company's mobile app was no mean feat for the marketing team at Lettuce Entertain You Enterprises, Chicago.

"In the six months since its launch, we've seen an increase across various metrics, including user engagement, interactions, loyalty program participation, and online orders," says Jennifer Bell, Chief Marketing Officer.

The company's new LettuceEats app, launched in 2023, is a comprehensive single platform for guests to find and interact with all the

company's brands and locations. It streamlines processes like delivery and carry-out orders, handles reservations, manages loyalty points, enables gift card purchases and stores them in a digital wallet, and keeps users informed about the latest events and offerings.

"We've integrated online ordering, simplifying the process for earning points and redeeming gift cards with online purchases," she adds.

preferences and interactions – their points, reservations, and favorite brands.

**We've seen an increase across various metrics, including user engagement, interactions, loyalty program participation, and online orders.**

Today, Lettuce is working on rolling out new features and fine-tuning them once they're live and tested. One key focus: Connecting with younger diners and exploring strategies to engage them even more effectively.



*Jennifer Bell*  
Chief Marketing Officer  
Lettuce Entertain You  
Chicago, IL



STATE  
of the  
**RESTAURANT**  
**INDUSTRY**  
2024



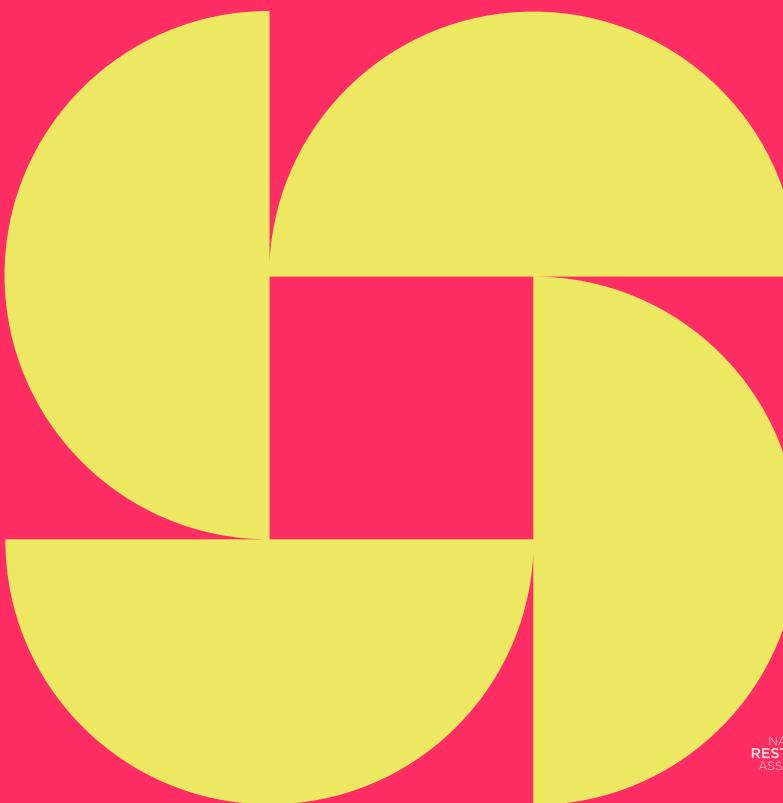
# WORKFORCE TRENDS

By the end of 2023, the size of the industry's workforce returned to pre-pandemic levels. Providing 15.5M jobs – 10% of the total U.S. workforce – the industry regained its place as the nation's 2nd largest private sector employer.

12.4M jobs are in eating and drinking places, while another 3.1M employees work foodservice jobs in other sectors such as health care, accommodations, education, food and beverage stores, entertainment and recreation.

The restaurant and foodservice workforce will grow in 2024, but at a much slower pace than in recent years. The industry is projected to add 200K jobs in 2024, bringing total industry employment to 15.7M.

Over the next several years, job growth will continue to be moderate in the restaurant and foodservice sector. Between 2024 and 2032, the industry is projected to add 150K jobs a year on average, with total staffing levels reaching 16.9M by 2032.

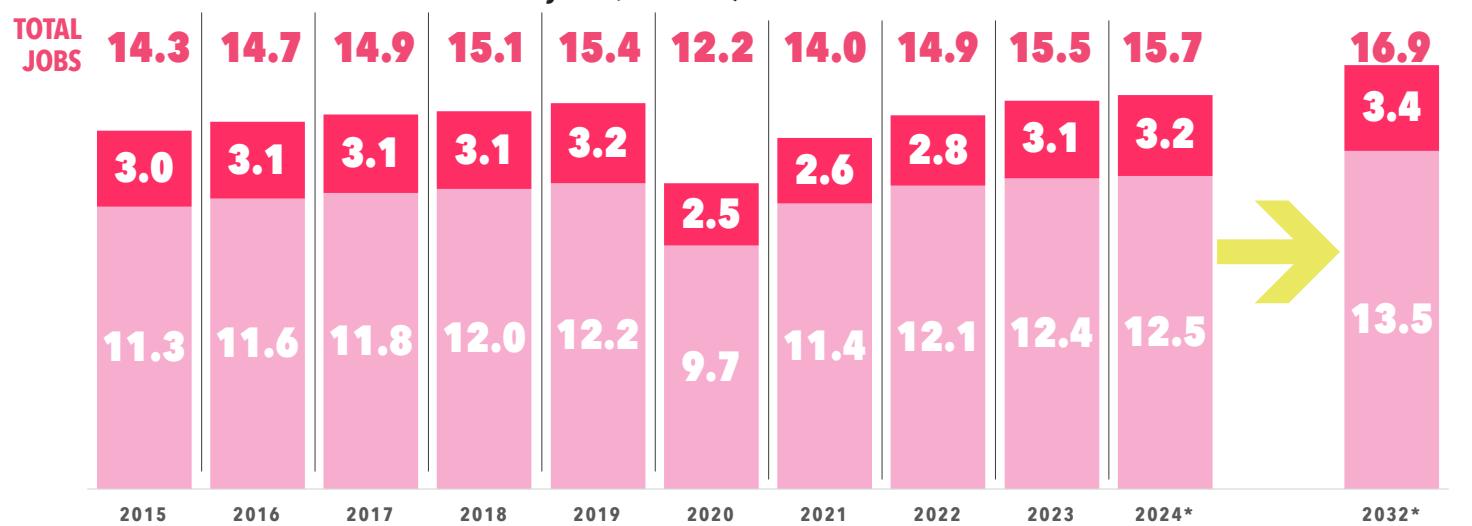




## WORKFORCE TRENDS

### RESTAURANTS WILL SERVE UP MORE JOBS IN 2024

**Number of restaurant and foodservice jobs (millions)**



Source: National Restaurant Association, based on historical data from the Bureau of Labor Statistics (BLS) \*projected • Note: Figures represent year-end employment levels

### COAST TO COAST

The restaurant and foodservice workforce is expected to grow in every state between 2022 and 2032. Setting the pace with projected 20% employment growth rates: Nevada, Utah, North Carolina and Georgia. Texas (255,000), California (241,500) and Florida (186,700) are expected to add the most restaurant jobs in the next decade.

State	2022 Jobs	2032 Jobs	# Change	% Change
Alabama	192,200	217,200	25,000	13.0%
Alaska	28,800	31,400	2,600	9.0%
Arizona	322,200	384,600	62,400	19.4%
Arkansas	122,500	137,500	15,000	12.2%
California	1,782,400	2,023,900	241,500	13.5%
Colorado	296,500	347,800	51,300	17.3%
Connecticut	147,100	158,700	11,600	7.9%
Delaware	45,600	51,800	6,200	13.6%
District of Columbia	61,700	71,900	10,200	16.5%
Florida	1,084,300	1,271,000	186,700	17.2%
Georgia	479,100	573,800	94,700	19.8%
Hawaii	90,400	103,500	13,100	14.5%
Idaho	85,200	98,200	13,000	15.3%
Illinois	565,200	620,000	54,800	9.7%

State	2022 Jobs	2032 Jobs	# Change	% Change
Indiana	306,900	338,600	31,700	10.3%
Iowa	138,100	149,500	11,400	8.3%
Kansas	133,200	143,300	10,100	7.6%
Kentucky	192,800	212,300	19,500	10.1%
Louisiana	199,300	217,900	18,600	9.3%
Maine	55,100	59,000	3,900	7.1%
Maryland	235,500	266,000	30,500	13.0%
Massachusetts	322,600	358,000	35,400	11.0%
Michigan	403,000	439,000	36,000	8.9%
Minnesota	250,500	285,300	34,800	13.9%
Mississippi	126,300	135,600	9,300	7.4%
Missouri	282,000	304,800	22,800	8.1%
Montana	57,400	62,800	5,400	9.4%
Nebraska	95,500	105,700	10,200	10.7%
Nevada	225,300	270,900	45,600	20.2%
New Hampshire	63,600	68,500	4,900	7.7%
New Jersey	339,800	369,900	30,100	8.9%
New Mexico	89,000	102,500	13,500	15.2%
New York	812,300	888,000	75,700	9.3%
North Carolina	484,900	581,300	96,400	19.9%
North Dakota	37,100	40,300	3,200	8.6%
Ohio	536,000	587,200	51,200	9.6%
Oklahoma	183,100	200,600	17,500	9.6%
Oregon	194,000	226,600	32,600	16.8%
Pennsylvania	518,200	562,300	44,100	8.5%
Rhode Island	51,400	55,800	4,400	8.6%
South Carolina	242,800	282,700	39,900	16.4%
South Dakota	46,000	49,500	3,500	7.6%
Tennessee	325,100	372,000	46,900	14.4%
Texas	1,417,000	1,672,000	255,000	18.0%
Utah	147,500	177,000	29,500	20.0%
Vermont	26,800	28,500	1,700	6.3%
Virginia	374,200	425,000	50,800	13.6%
Washington	333,100	389,000	55,900	16.8%
West Virginia	67,000	71,300	4,300	6.4%
Wisconsin	256,100	279,900	23,800	9.3%
Wyoming	28,300	30,100	1,800	6.4%

Includes employment in all eating and drinking place occupations, plus employment in foodservice positions that are not located at eating and drinking places

Source: National Restaurant Association projections, based on historical data from the BLS • Note: Figures represent Q4 employment levels



## WORKFORCE TRENDS

### HELP WANTED

Recruiting challenges are a long-term trend for the industry and many operators say they're understaffed.

**Overall,**  
**45%** say their restaurant doesn't have enough employees to support existing customer demand.

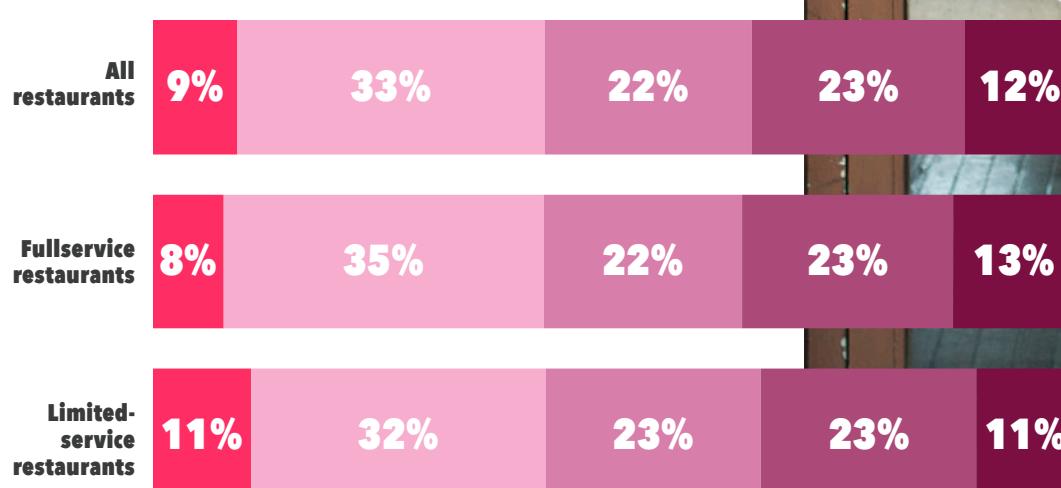
Operators of limited-service restaurants (48%) are more likely to say they are understaffed than their fullservice counterparts (41%).

Among those currently understaffed, **nearly 6 in 10** operators say their staffing level is more than 10% below what they need.

### HUNGRY TO FILL POSITIONS

Restaurant operators share how understaffed they are

■ 1 - 5% ■ 6 - 10% ■ 11 - 15% ■ 16 - 20% ■ More than 20%



Source: National Restaurant Association • Base: Restaurants that currently do not have enough employees to support their existing customer demand



## STAFFING SHORTAGES IMPACT HOSPITALITY

With too few employees, many understaffed restaurant operators adjusted business operations in 2023.

**65%** say they reduced hours of operation.

**52%** say they didn't operate at full capacity.

**43%** (including 51% of fullservice operators) say they closed on days they'd normally be open.

### OPEN LATE OR CLOSE EARLY

Actions taken by restaurants in 2023 due to being understaffed

Actions taken	All restaurants	Fullservice restaurants	Limited-service restaurants
Reduce hours of operation on days that it's open	<b>65%</b>	<b>65%</b>	<b>64%</b>
Not operate at full capacity	<b>52%</b>	<b>56%</b>	<b>49%</b>
Close on days normally open	<b>43%</b>	<b>51%</b>	<b>34%</b>
Reduce number of items on the menu	<b>41%</b>	<b>50%</b>	<b>32%</b>
Postpone plans for expansion	<b>34%</b>	<b>34%</b>	<b>34%</b>
Incorporate more technology or automation	<b>31%</b>	<b>27%</b>	<b>36%</b>

Source: National Restaurant Association • Base: Restaurants that currently do not have enough employees to support their existing customer demand • Note: Multiple responses were allowed.



**9 in 10** operators say being understaffed has a 'significant' or 'moderate' impact on their restaurant's ability to grow and be successful.

### STAFF SHORTAGE CAN LIMIT GROWTH

Operators report impact of understaffing on restaurant's ability to grow/be successful

Impact on ability to grow/be successful	All restaurants	Fullservice restaurants	Limited-service restaurants
Significant	<b>56%</b>	<b>60%</b>	<b>51%</b>
Moderate	<b>34%</b>	<b>30%</b>	<b>38%</b>
Just a little	<b>10%</b>	<b>9%</b>	<b>11%</b>
Not at all	<b>0%</b>	<b>1%</b>	<b>0%</b>

Source: National Restaurant Association • Base: Restaurants that currently do not have enough employees to support their existing customer demand



Really feeling it are understaffed fullservice operators, **60%** of whom say the impact is 'significant.'



## WORKFORCE TRENDS

### APPLY TODAY!

Job openings are listing for longer at most restaurants looking to fill positions.

**70%** of restaurant operators indicate they have job openings that are hard to fill, including 73% of fullservice and 66% of limited-service restaurants.

**67%** of operators with difficult-to-fill job openings report having trouble finding applicants for kitchen positions and a majority say they have unfilled job openings for service positions, as well.



### NOT ENOUGH COOKS IN THE KITCHEN

% of operators who report having difficulties filling open positions

Employee category	All restaurants	Fullservice restaurants	Limited-service restaurants
Service positions	<b>55%</b>	<b>50%</b>	<b>61%</b>
Kitchen positions	<b>67%</b>	<b>80%</b>	<b>53%</b>
Manager positions	<b>44%</b>	<b>43%</b>	<b>45%</b>

Source: National Restaurant Association

Base: Restaurants that currently have job openings that are difficult to fill

### TAPPING INTO THE GIG ECONOMY

If they can't find full-time hires, some operators are turning to the gig economy.

**25%** of operators say using gig workers to fill in staffing will become more common in their segment in 2024.

Limited-service operators (29%) are somewhat more likely than their fullservice counterparts (21%) to see gig work as a viable option.

### STAFFING CHALLENGES STILL ON THE MENU IN 2024

**Nearly 9 in 10** operators say recruiting and retaining employees is a 'significant' or 'moderate' challenge for their restaurants and most don't see it getting much easier in 2024.

In fact,  
**31%** of operators think recruiting and retaining employees will be even tougher in 2024, while 58% expect it to be about the same as last year.

Only 1 in 10 operators think recruiting and retaining employees will be easier in 2024.



### OPERATORS STEP UP STAFFING IN 2024

**88%** say they'll likely hire additional employees in the next 6-12 months if they can find qualified applicants.

The percentage varies slightly between 87% of fullservice and 89% of limited-service operators reporting they intend to hire.

But they'll do it with an eye on the economy.

**54%** of operators say they'd be likely to lay off employees during the next 6-12 months if business conditions deteriorate and the U.S. economy goes into recession.

For fullservice, that likelihood is 58%; for limited-service restaurant operators it's 51%.

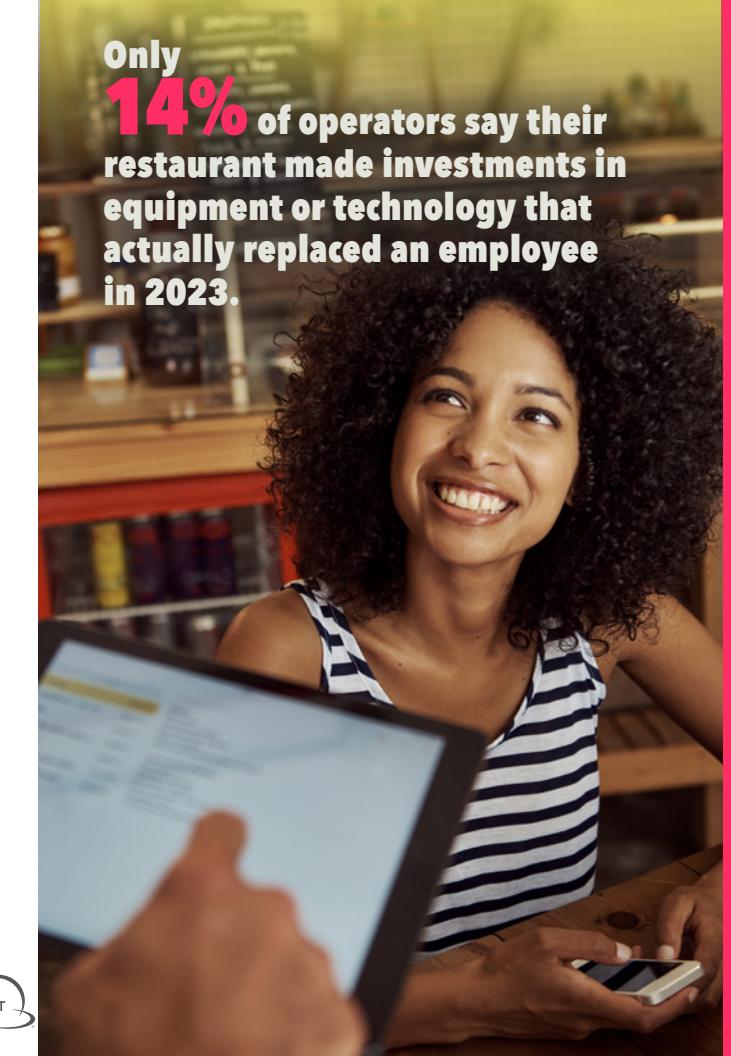
### TECH SOLUTIONS CAN HELP— TO A POINT

Technology can help an operator find efficiencies to free up staff, but it can't solve every need.

**47%** of operators say that in 2024, the use of technology and automation (to help with the current labor shortage) will become more common within their segment (44% fullservice, 49% limited-service say so).

**69%** of operators say that technology integration in restaurants will augment rather than replace human labor (by segment, it's 68% fullservice, 69% limited-service).

Only **14%** of operators say their restaurant made investments in equipment or technology that actually replaced an employee in 2023.





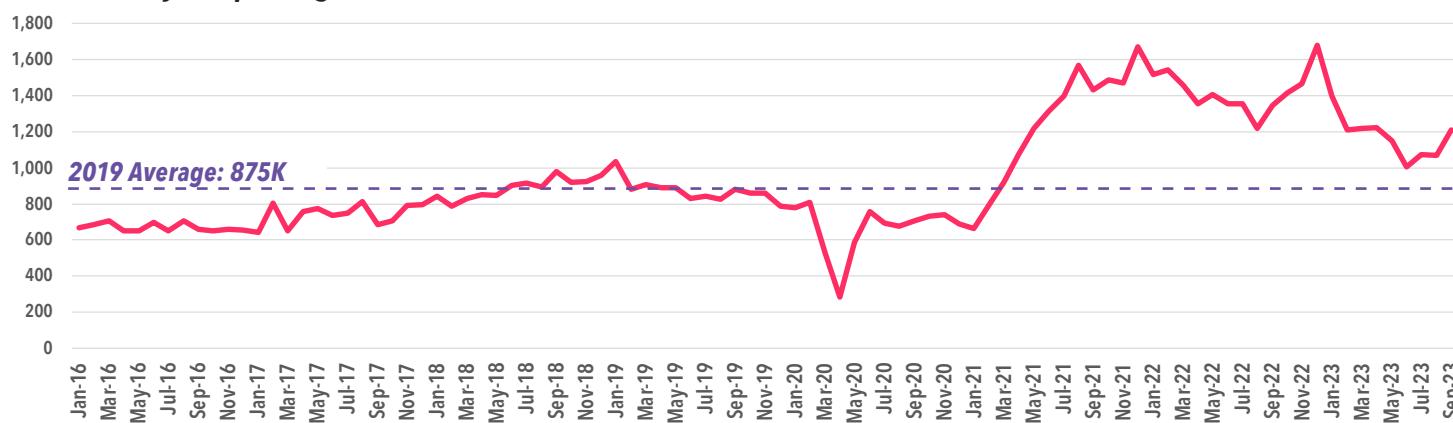
## WORKFORCE TRENDS

### MORE JOBS NEED FILLING

Comparatively high numbers of job openings suggest restaurant workforce expansion has more room to run. September 2023 was the 30th consecutive month in which job openings in the combined restaurants and accommodations sector topped 1M, well above 2019's average of 875K each month.

### HOSPITALITY JOB OPENINGS

**Number of job openings\*** in the restaurants and accommodations sector (thousands)

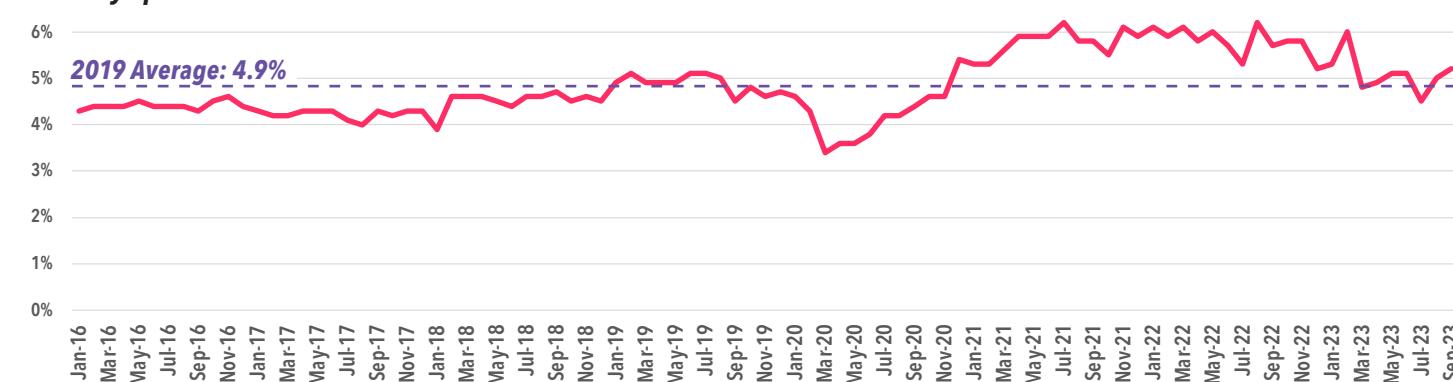


\*Job openings represent vacancies on the last business day of the month • Sources: BLS, National Restaurant Association; figures are seasonally adjusted and preliminary

In the 2nd half of 2023, turnover of restaurant employees slowed. 4.9% of hospitality sector employees quit during Q3 of 2023, according to the BLS, that's nearly a full percentage point below the average monthly quit rate of 5.8% in 2021 and 2022.

### FEWER PEOPLE LEAVING JOBS

**Monthly quit rate** in the restaurants and accommodations sector



Sources: BLS, National Restaurant Association; figures are seasonally adjusted and preliminary • Note: The job openings and quits data presented above are for the broadly defined Accommodations and Food Services sector (NAICS 72), because the BLS does not report data for restaurants alone. Eating and drinking places account for nearly 90% of jobs in the combined sector.

### THE CHANGING FACE OF LABOR FORCE PARTICIPATION

**More than 8M** people dropped out of the labor force between February and April of 2020, and the overall U.S. labor force didn't return to pre-pandemic levels until August 2022.

That sharp decline in the labor force contributed to record-high job openings across the economy.

Importantly for restaurants, the labor force made up of teenagers and young adults – cohorts that together make up 40% of the restaurant industry workforce – grew. Young workers were increasingly likely to enter the labor force in recent years largely due to higher wages driven by the tight labor market.

**In 2023,** **36.9%** of 16-19 year olds were in the general labor force, the highest level since 2009 (37.5%), but well below the record level, 1979's 57.9%.

For 20-24 year olds, participation stood at 71.3% in 2023, up significantly from pandemic lows.

While the population of the 16-24 age cohort is projected to remain relatively steady over the next decade, the U.S. Bureau of Labor Statistics expects its labor force participation to decline steadily. This would result in a sharp reduction in the number of teenagers and young adults in the labor force.

Fortunately, the last few years provide a clear indication that the teenage and young adult workforce should not be written off – in the right circumstances, they'll come off the sidelines.

In a more optimistic scenario, the labor force participation rates of 16-24 year olds could remain flat during the next decade.

This would translate to an additional **1M teens & 700K young adults** in the labor force vs. BLS' declining projections.

If the current participation rate of younger workers holds in the years ahead, it would go a long way to easing some of the restaurant industry's staffing challenges.

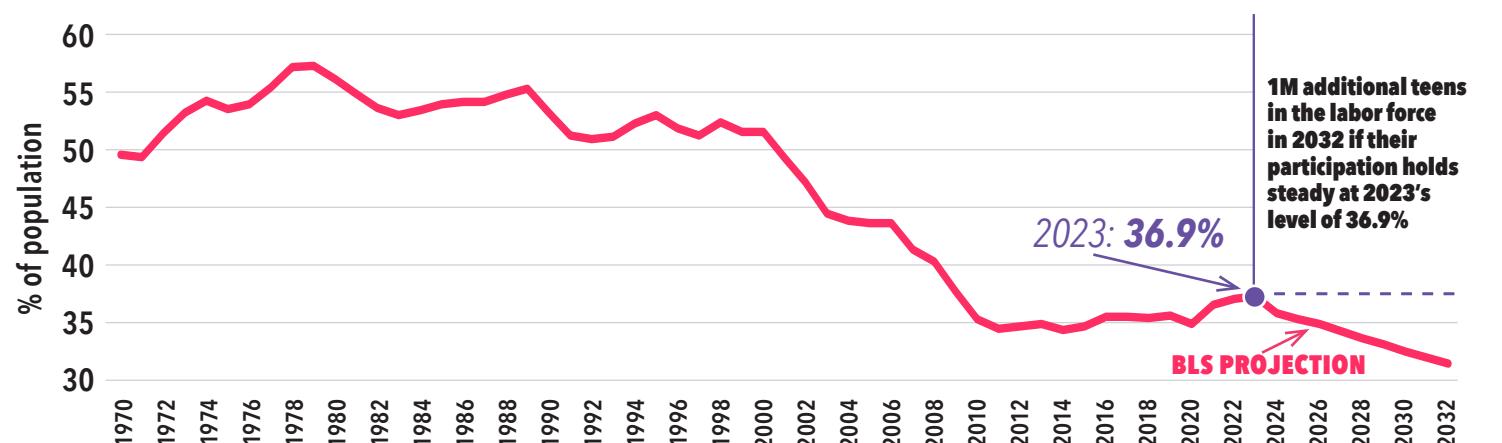




## WORKFORCE TRENDS

### WITH STEADY PARTICIPATION, THE LABOR FORCE WOULD ADD 1M TEENS

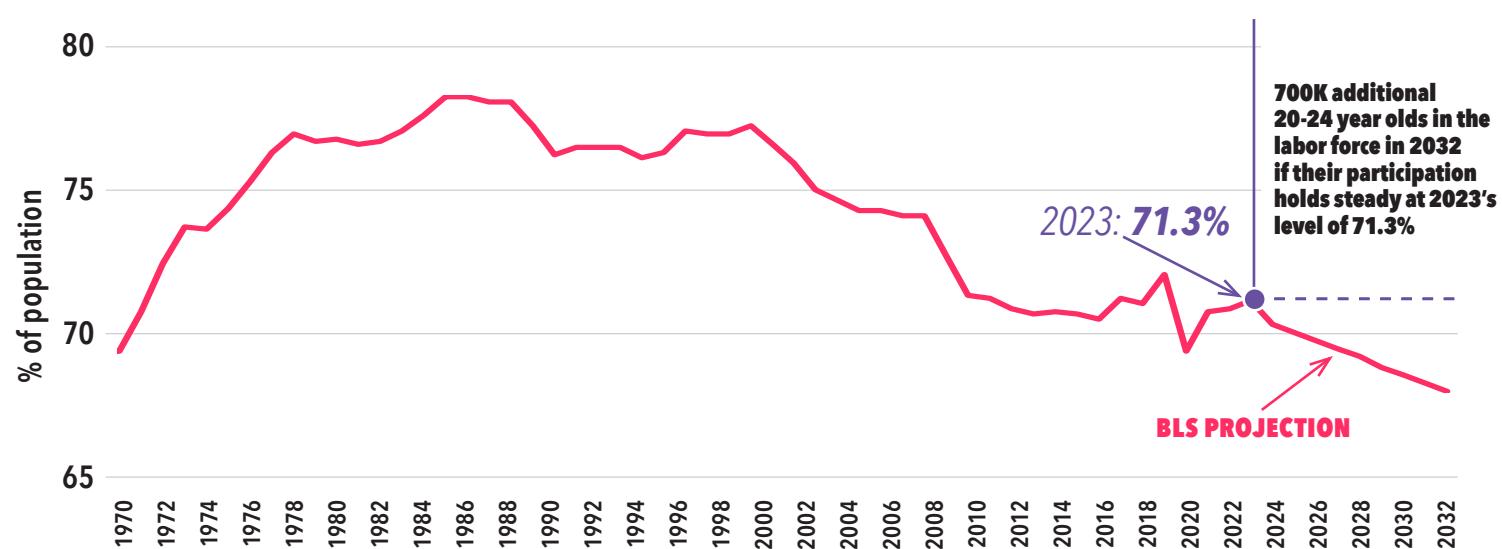
*Labor force participation rate of 16-19 year olds:  
historical and projected*



Sources: BLS, National Restaurant Association

### WITH STEADY PARTICIPATION, THE LABOR FORCE WOULD ADD 700K YOUNG ADULTS

*Labor force participation rate of 20-24 year olds: historical and projected*



Sources: BLS, National Restaurant Association



## RESTAURANTS: FROM FIRST JOB TO CAREER

In the restaurant industry, there's a job for everyone and careers' worth of advancement opportunities.

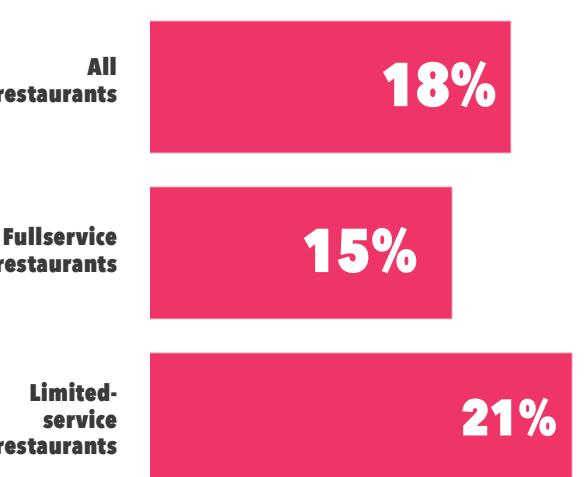
**In 2023,  
restaurant operators reported that  
18% of their jobs were filled by  
people for whom this was the first  
regular job they ever held.**

In addition to providing first job opportunities, many positions are filled by people advancing from other positions within a restaurant. Having received on-the-job training and gaining experience about the operation, they're often ideal candidates for more senior spots.

**In 2023,  
15% of restaurant job openings  
were filled by people who were  
promoted from within.**

### FIRST RUNG ON THE CAREER LADDER

*% of restaurant job openings in 2023 that  
were filled by people for whom it was their  
first-ever regular job*



Source: National Restaurant Association



technology, and properly cleaning and sanitizing tables. They're also required to complete the [ServSafe Food Safety Program](#).

**Working in the restaurant industry is a great way for these individuals to not only feel valued, but also engage with others.**

"When I look at each hire, I believe 100% they can do the job," Griffin says. "It's up to us to help them learn, whether it's by breaking things down step-by-step or with visual demonstration and verbal explanation. It's lots of practice and repetition, but they're doing it. They've surpassed all expectations in contributing to our café's success."

She adds that working in the restaurant industry is a great way for these individuals to not only feel valued, but also engage with others and develop ongoing relationships.

Griffin says she hopes Gerry's will get other business owners to see the potential and give folks with disabilities a chance to contribute and thrive.



*Natalie Griffin*  
Co-Founder & Board President  
Gerry's Café  
Arlington Heights, IL



# FOOD & MENU TRENDS

There's a balance at play for operators in the coming year between tamping down costs and ramping up interest. Food costs, which hit record highs in 2023, are leveling off or coming down but still remain historically elevated.

In response, operators report they're comparison-shopping suppliers and planning to keep the number of items on menus about the same. Streamlined menus – partially borne of the need to fit menus on mobile apps for growing off-premises business – are here to stay, according to operators.

But consumers are signalling they're ready for more menu options, so operators plan to keep things interesting with LTOs and restaurant experiences including private tastings, cooking classes, chef's dinners, and robust bar programs.



## FOOD COSTS, AVAILABILITY STILL IMPACT MENUS

Some commodity food costs leveled off or declined in 2023, but it hasn't made much of a dent in the Cost of Sales line item for most restaurants.

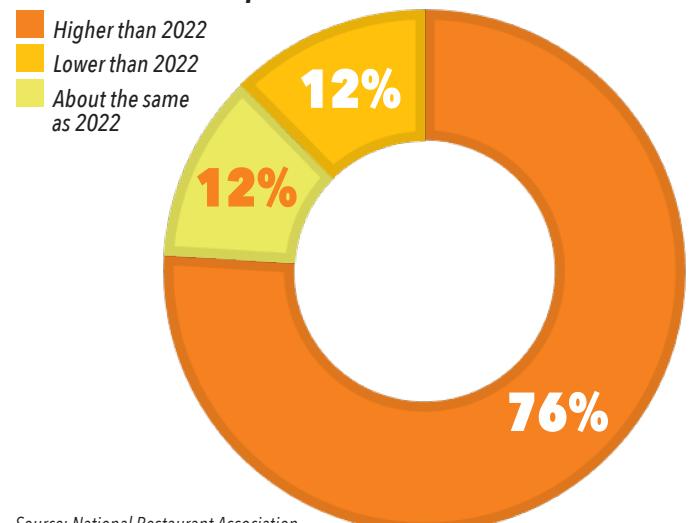
**76%** of operators say their average food costs were higher in 2023 than they were in 2022.

Only **12%** reported a decline.



### FOOD COSTS TRENDED HIGHER

Restaurant operators report their average food costs in 2023 compared with 2022



Faced with higher food costs,  
**60%** of operators shopped around for other suppliers or took items off the menu (53%).

These actions were much more common among fullservice operators than limited-service. Fullservice operators were also more likely than their limited-service counterparts to adjust portion sizes (43%) and substitute lower-cost items on the menu (35%).

### CHANGE REACTION

% of restaurant operators that took the following actions in 2023 due to higher food costs

Actions taken	All restaurants	Fullservice restaurants	Limited-service restaurants
Shopped around for other suppliers	<b>60%</b>	<b>64%</b>	<b>55%</b>
Removed items from the menu	<b>53%</b>	<b>62%</b>	<b>43%</b>
Cut costs in other areas of the operation	<b>45%</b>	<b>46%</b>	<b>43%</b>
Adjusted portion sizes	<b>39%</b>	<b>43%</b>	<b>34%</b>
Increased tracking of food waste	<b>37%</b>	<b>35%</b>	<b>38%</b>
Substituted lower-cost items on the menu	<b>29%</b>	<b>35%</b>	<b>23%</b>
Purchased more items from local sources	<b>19%</b>	<b>23%</b>	<b>15%</b>

Source: National Restaurant Association  
Base: Restaurant operators that said their average food costs were higher in 2023 than in 2022.

The availability of food items impacted menu composition as well.

**77%** of operators say their restaurant experienced supply delays or shortages of key food or beverage items in 2023.

As a result of these supply issues, 58% of restaurant operators say they changed their menu offerings.

## WHY WE ❤ RESTAURANTS

**9 in 10** adults say they enjoy going to restaurants and it's no wonder – the opportunity to relax and connect with friends or family over a good meal is a universal pleasure.

But the restaurant occasion also provides customers the chance to explore something new.

**89%** of adults say restaurants are a good place to learn about food and beverages that they haven't tried before.

For **82%** of consumers, restaurants allow them to enjoy a favorite meal that has flavor and taste sensations they can't easily replicate at home.





## FOOD & MENU TRENDS

### STRIKING THE RIGHT BALANCE WITH CUSTOMERS

**7 in 10** operators don't expect to increase menu offerings in 2024.

Limited-service restaurant operators (15%) were more likely than fullservice (8%) to say they plan to expand menus in the coming year.

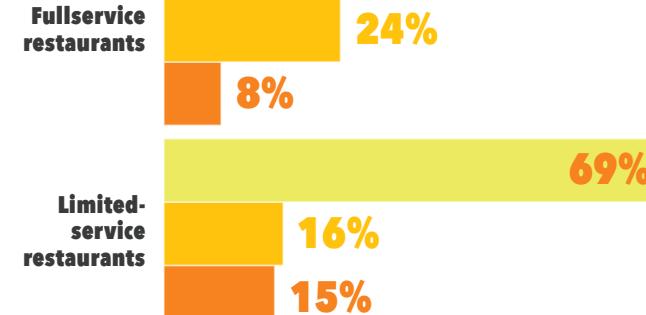
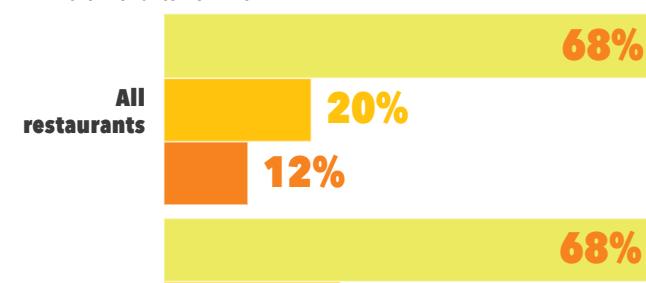
However, with

**86%** of adults saying they like lots of choices on restaurant menus, operators are pressed to find a balance between thoughtfully streamlined, food-cost-effective menus and enough variety to satisfy demand.

### STICK WITH WHAT'S SELLING

Operators report on their menu offerings in 2024, compared with 2023

About the same	68%
Fewer menu items in 2024	20%
More menu items in 2024	12%



Source: National Restaurant Association



### PIQUING CONSUMER INTEREST

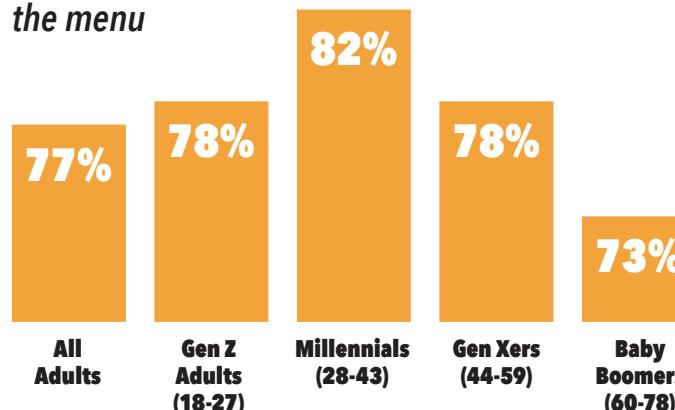
Adding menu items isn't the only option for providing choices to satisfy customer demand. Among the opportunities consumers want to consider:

**exclusive menu items, healthier options, and supporting the local economy.**



#### DAILY SPECIALS

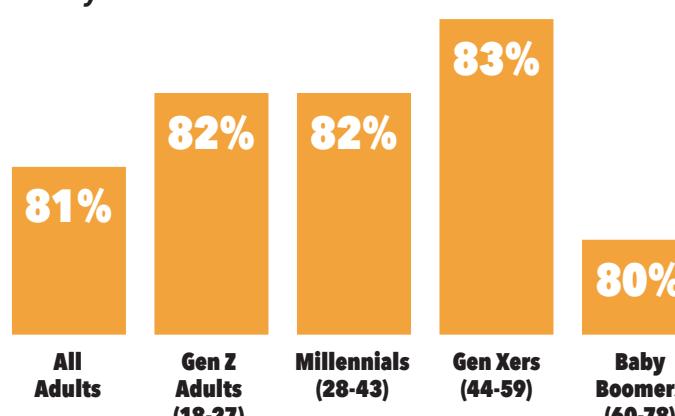
% of consumers who say they want the option to order daily specials that aren't regularly on the menu



Source: National Restaurant Association

#### LOCALLY SOURCED

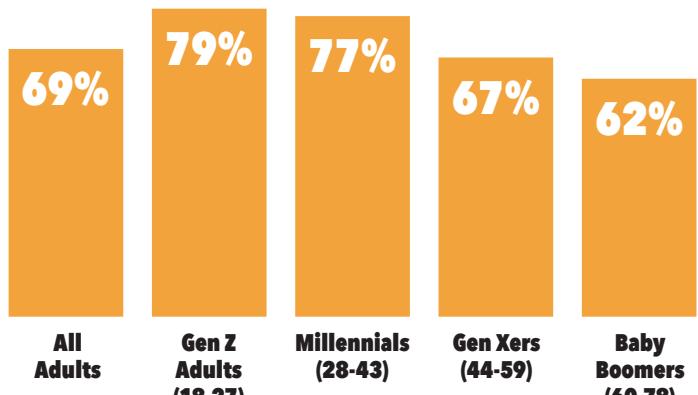
% of consumers who say they'd likely order locally sourced food if it was offered



Source: National Restaurant Association

### SUSTAINABLE CHOICES

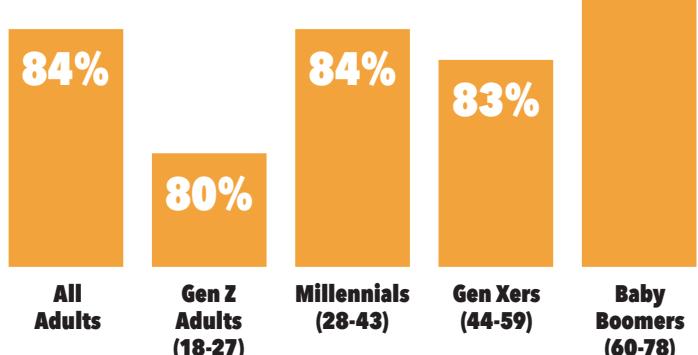
% of consumers who say they'd likely order food that was grown or raised in an organic or environmentally friendly way



Source: National Restaurant Association

#### HEALTHY OPTIONS

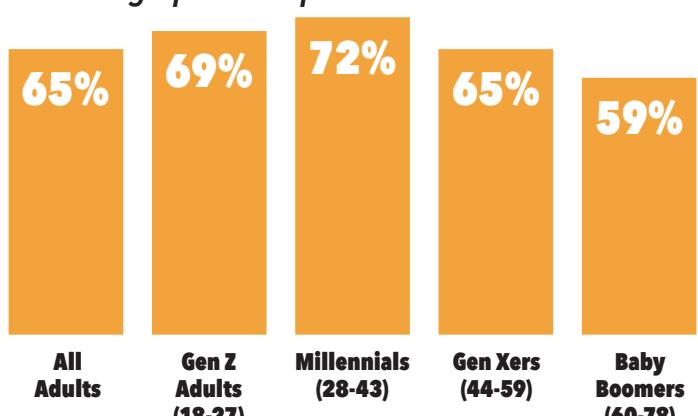
% of consumers who say there are usually menu items available for people who want to eat healthy



Source: National Restaurant Association

#### PORTION SIZE VARIETY

% of consumers who say there are enough portion options



Source: National Restaurant Association



## OFF-PREMISES IN THE SPOTLIGHT

Off-premises traffic is a prime growth opportunity for operators who offer it.

**88%** of off-premises customers say they're satisfied with the variety of local food options available for takeout and delivery.

That said, an equally strong majority would like more choices beyond the traditional off-premises options if the food quality was similar to on-premises dining.

**9 in 10** off-premises customers say they'd likely order a wider variety of food items if the restaurant used packaging that helps the food maintain the same taste, temperature and quality as when it's served in the restaurant.

One key to preserving food quality in transit is upgraded packaging and a majority of consumers say the extra cost would be worth it.

**62%** of off-premises customers (including 7 in 10 millennials) say they'd be willing to pay a little more for to-go orders than they would in the restaurant to cover the cost of upgraded packaging.

## THEY'LL TOAST TO THAT

There is definitely customer demand for alcohol-focused offerings and tasting events, pairing menus, and "clubs." If done right, beverage alcohol can match – or even exceed – food as a restaurant's point of differentiation among consumers. Traditionally, this was rarely the case.

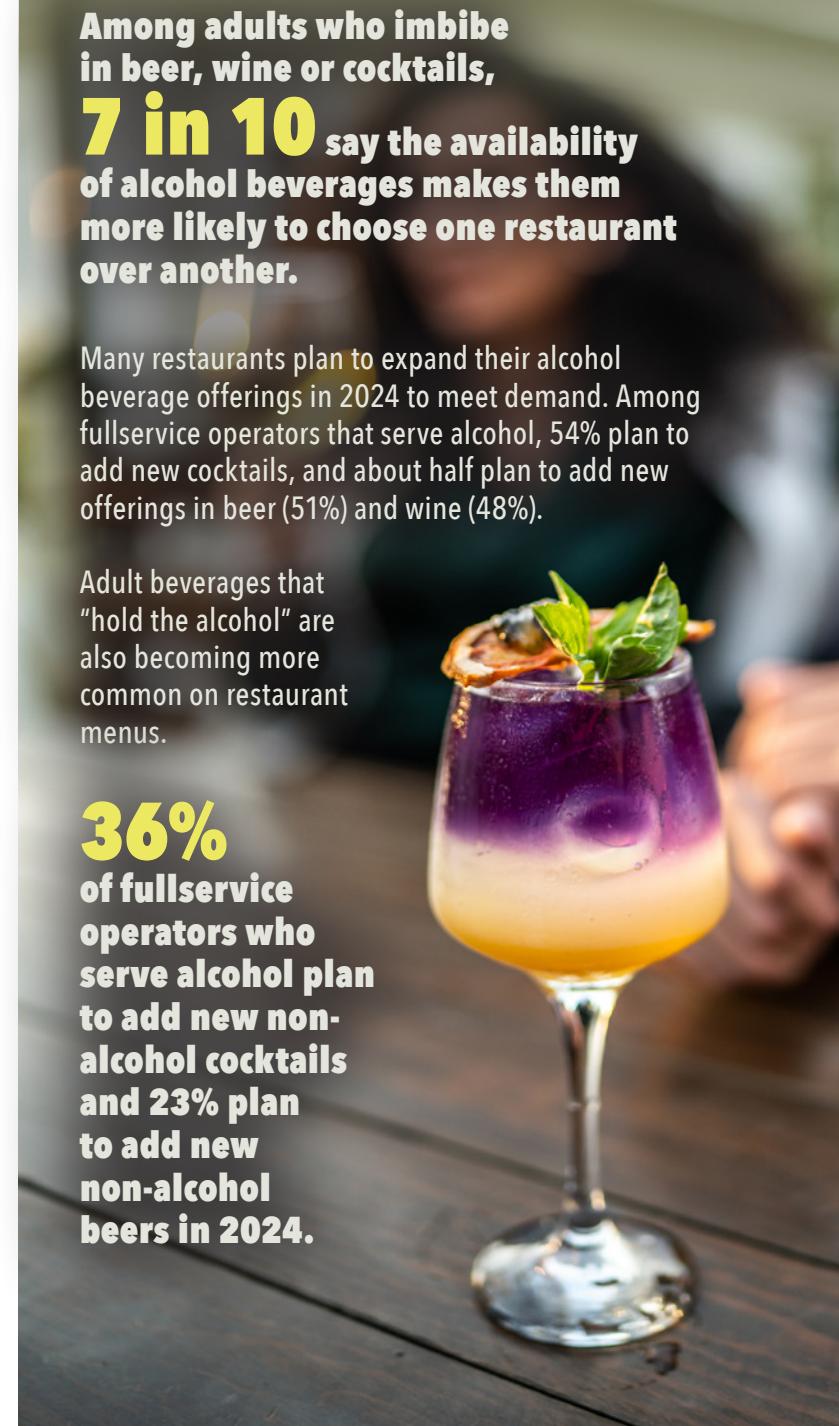
An effective alcohol program can be a reason for customers to come in the door in the first place, rather than just something additional to sell them along with their meal.

**Among adults who imbibe in beer, wine or cocktails, 7 in 10** say the availability of alcohol beverages makes them more likely to choose one restaurant over another.

Many restaurants plan to expand their alcohol beverage offerings in 2024 to meet demand. Among fullservice operators that serve alcohol, 54% plan to add new cocktails, and about half plan to add new offerings in beer (51%) and wine (48%).

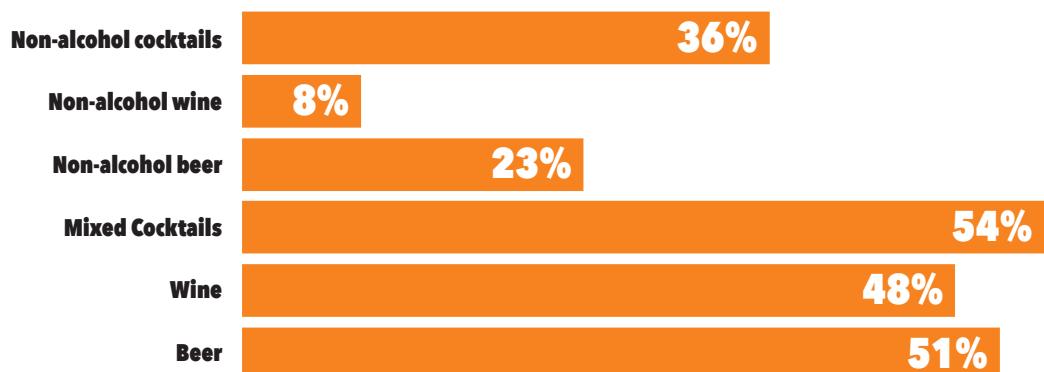
Adult beverages that "hold the alcohol" are also becoming more common on restaurant menus.

**36%** of fullservice operators who serve alcohol plan to add new non-alcohol cocktails and 23% plan to add new non-alcohol beers in 2024.



## RAISING THE BAR ON SELECTION

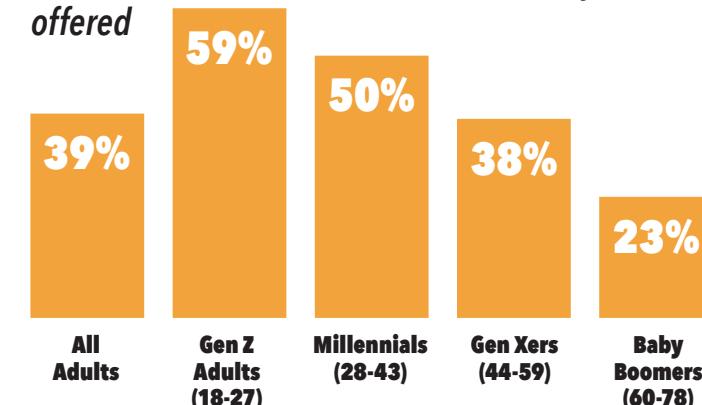
% of fullservice restaurants that plan to add new offerings in the following categories in 2024



Source: National Restaurant Association  
Base: Fullservice restaurants that serve alcohol beverages

## YOUNGER ADULTS THIRSTY FOR NON-ALCOHOL OPTIONS

% of consumers who say they'd be likely to order non-alcohol beer, wine or cocktails if they were offered



Source: National Restaurant Association

**59%** of Gen Z adults and **50%** of millennials say they'd likely order non-alcohol beer, wine or cocktails if they were offered by a restaurant they go to in their area.

Locally sourced beverages are a draw, especially for millennials and Gen Zs.

**53%** of adults aged 21+ say they'd likely order local beer, wine or spirits if they were offered by a restaurant they go to in their area.

That includes:

**66%** of millennials  
**63%** of Gen Z adults  
**51%** of Gen Xers and  
**42%** of baby boomers





## ADULT BEVS TO-GO: SMART BUSINESS

Among fullservice restaurants that serve alcohol beverages, roughly half say they offer the option of including them with takeout or delivery orders.

It's clearly good for business:

**96%** say they'll likely continue doing so if their jurisdiction allows it.

Of those that offer alcohol beverages to-go:

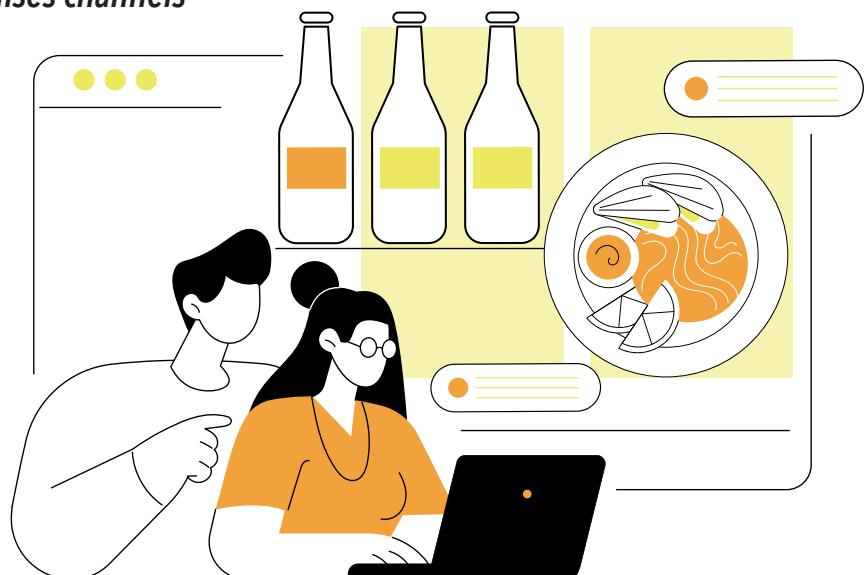
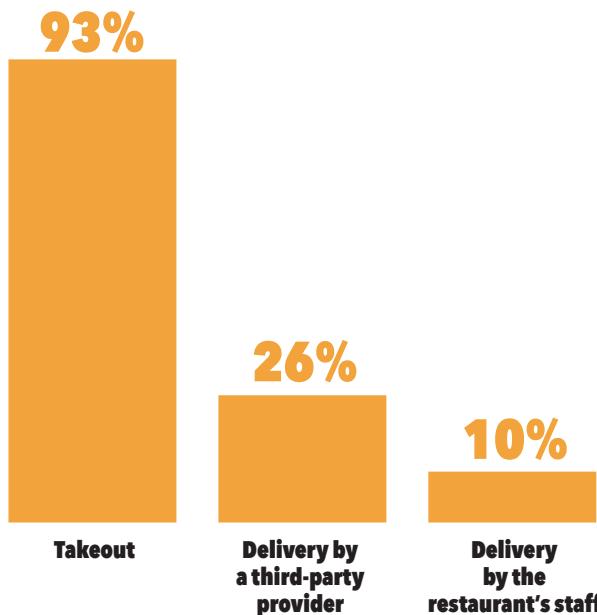
**93%** offer them with orders customers pick up.

**1 in 4** send them via third-party delivery orders.

**1 in 10** arrange for their own staff to deliver them.

## TAKEOUT IS IN FOR ALCOHOL TO-GO

% of fullservice operators who say their restaurant offers alcohol beverages via the following off-premises channels



Source: National Restaurant Association  
Base: Fullservice restaurants that currently offer alcohol beverages with takeout or delivery orders

Of operators who serve alcohol, beer is the most common alcohol beverage offered with takeout or delivery orders.

**83%** of operators offer beer.

**Wine by the bottle is available at**

**65% of fullservice restaurants that offer alcohol beverages with takeout or delivery.**

**Cocktails are available at about**

**6 in 10 fullservice restaurants**

**35% offer wine by the glass to-go.**

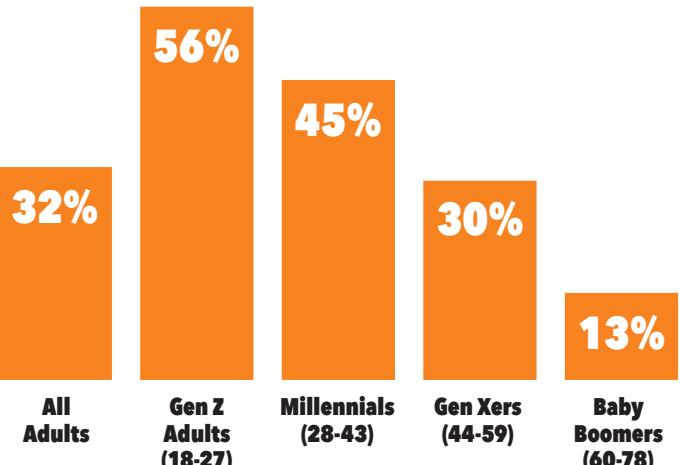
Response to alcohol to-go has been positive – particularly with younger consumers.

**56% of Gen Z adults (age 21+)** and

**45% of millennials say they included an alcohol beverage with a takeout or delivery order from a restaurant, deli or fast food place in the past 6 months.**

## YOUNGER CONSUMERS TAKE TO ALCOHOL TO-GO THE MOST

% of off-premises customers who included an alcohol beverage with a takeout or delivery order

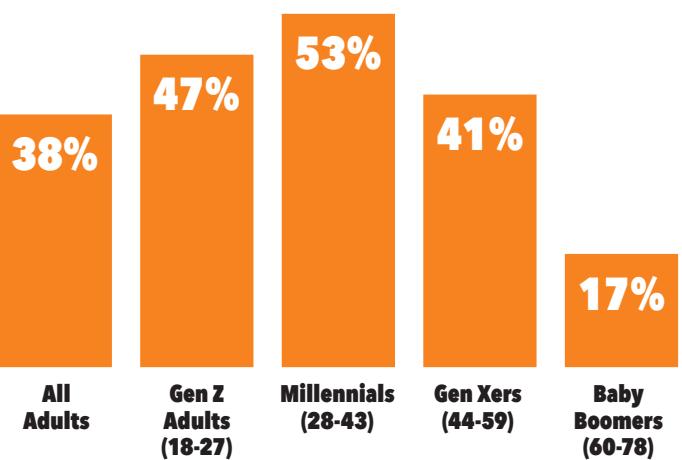


Source: National Restaurant Association  
Base: Adults age 21+ who ordered takeout or delivery food from a restaurant, deli or fast food place in the past 6 months



## GEN Z TO GEN X, ALCOHOL TO-GO IS A SELLING POINT

% of off-premises customers who say the option of including alcohol beverages with a takeout or delivery order would make them more likely to choose one restaurant over another



Source: National Restaurant Association  
Base: Adults age 21+ who ordered takeout or delivery food from a restaurant, deli or fast food place in the past 6 months



This same group of consumers says the ability to include alcohol beverages in off-premises orders is a point of differentiation for them.

**53% of millennials and**

**47% of Gen Z adults (age 21+) say the option would make them more likely to choose one restaurant over another.**



## OPPORTUNITIES BEYOND THE MENU

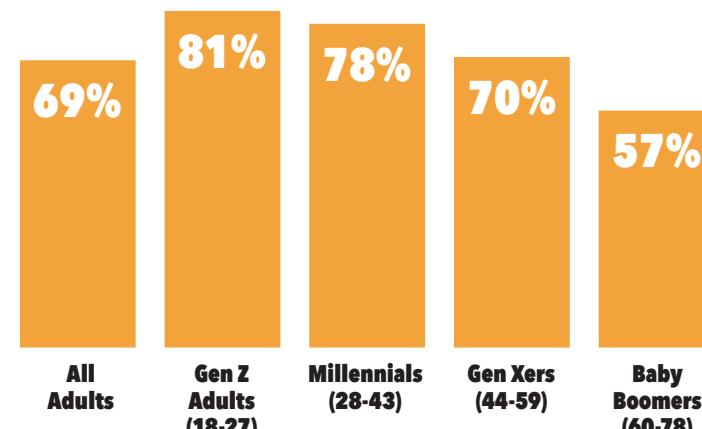
Restaurant operators can also look beyond traditional menu offerings to boost business. On-premises, off-premises and retail opportunities that are popular among many consumers include options covered in the next pages.



## ON-PREMISES OPPORTUNITIES

### TASTING EVENTS, A DELICIOUS IDEA

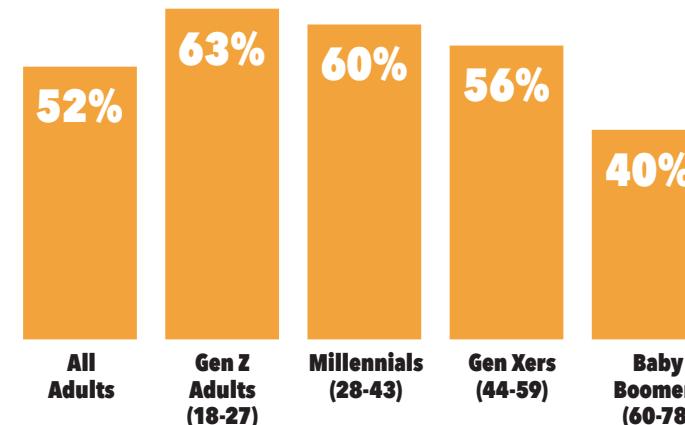
*% of consumers who say they'd likely participate in a restaurant tasting event that offers a selection of food items to sample*



Source: National Restaurant Association

### PRIVATE DINNER WITH THE CHEF

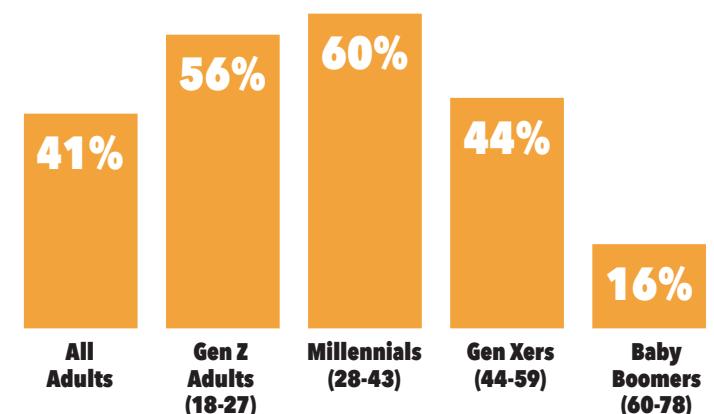
*% of consumers who say they'd likely participate in private dinner events at a restaurant with the chef or an expert on a type of cuisine*



Source: National Restaurant Association

### A FAMILY AFFAIR

*% of consumers who say they'd likely participate in interactive cooking demonstrations for kids if they were offered*



Source: National Restaurant Association



No surprise, this family-friendly offering would be much more popular with parents.

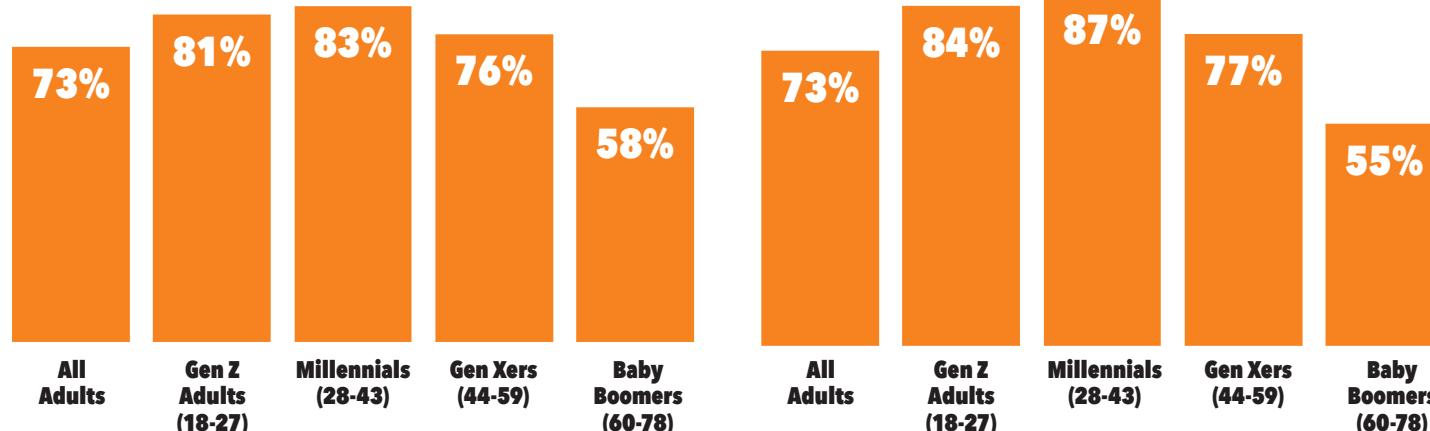
**75% of adults with children at home say they'd likely participate in restaurant-hosted cooking demos for kids vs. 26% of adults with no kids in the house.**



## OFF-PREMISES OPPORTUNITIES

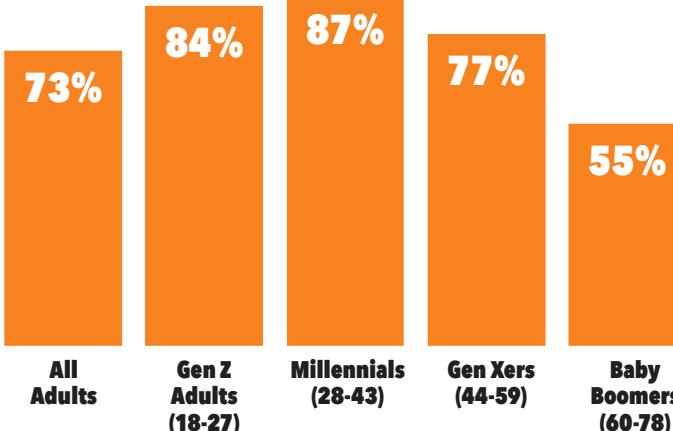
### MULTI-COURSE MEAL BUNDLE

*% of consumers who say they'd likely order multi-course meal bundles (such as an appetizer, entrée and dessert) for takeout or delivery if they were offered*



### MEAL KITS HIT THE SPOT

*% of consumers who say they'd likely purchase a meal kit that contained pre-measured, raw ingredients and instructions to prepare a full meal at home if it was offered by a restaurant*



**Consumers are interested in subscriptions that offer a specified number of meals each month.**

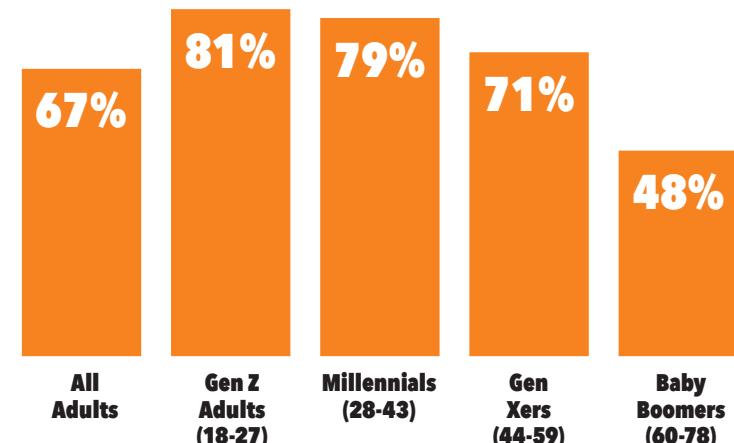
These fully-prepared meals would be available for pickup or delivery on the customer's chosen days, and offered at a discount from the regular menu price.

**More than half**  
**of consumers say they're more likely than they used to be to supplement home cooked meals with restaurant-prepared items – such as a main dish, side, or dessert.**

It's a good incentive for operators to offer some of their popular items in formats customers can easily order or grab and go.

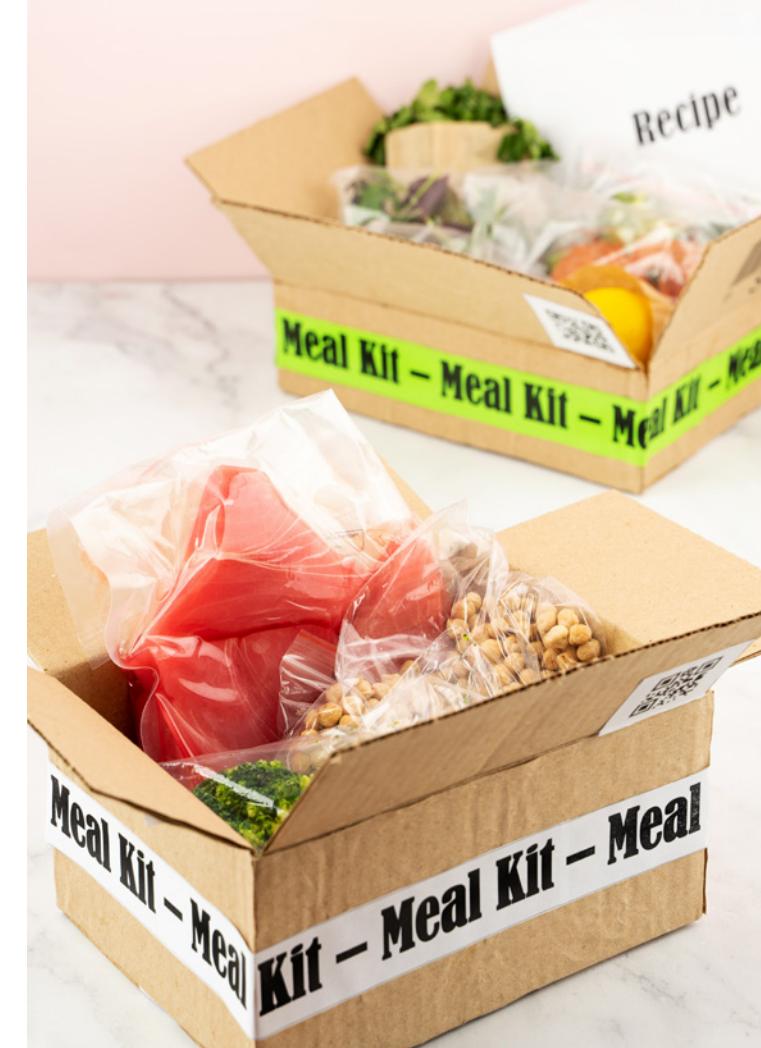
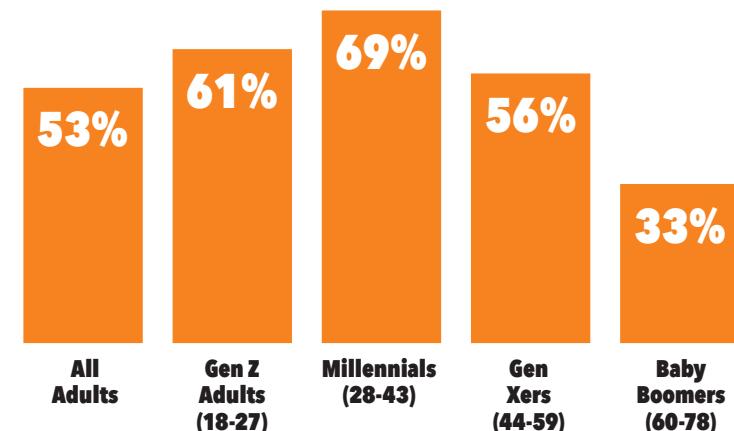
## MEAL SUBSCRIPTIONS

*% of consumers who say they'd likely participate in a meal subscription program if it was offered*



### BLENDING RESTAURANT & HOME-COOKED MEALS

*% of consumers who say they're more likely than they used to be to incorporate restaurant-prepared items into their home-prepared meals*

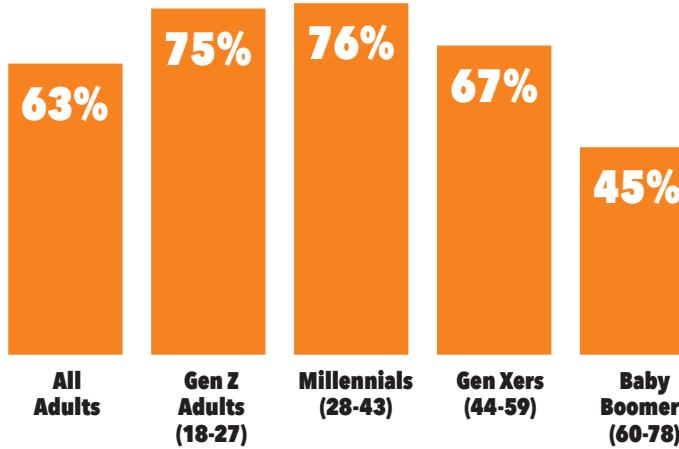




## RETAIL OPPORTUNITIES

### INGREDIENTS FROM THE RESTAURANT KITCHEN

*% of consumers who say they'd likely buy fresh, uncooked food items such as meat, produce, dairy, bread or pasta, if they were offered by one of their favorite restaurants*



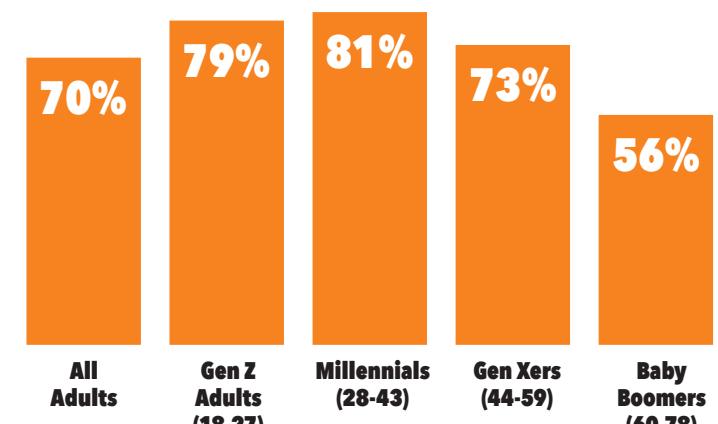
Source: National Restaurant Association

Restaurant operators appear willing to fulfill their customers' demand for SWAG.

**53% of operators (60% of fullservice and 47% of limited-service operators) say offering apparel such as sweatshirts or caps featuring the restaurant's name and logo will become more popular within their segment in 2024.**

### PACKAGED FOR HOME PREP

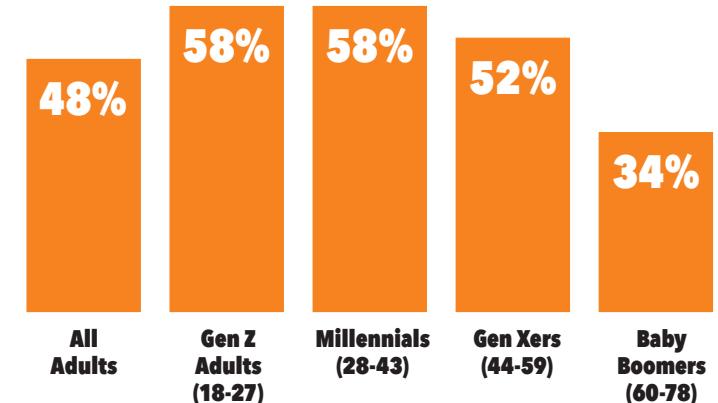
*% of consumers who say they'd likely buy packaged food and beverage items (such as sauces or frozen items) from the menu if they were offered by one of their favorite restaurants*



Source: National Restaurant Association

### IN SEARCH OF MERCH

*% of consumers who say they'd likely buy apparel (such as sweatshirts or caps) with the restaurant's name and logo if it was offered by one of their favorite restaurants*



Source: National Restaurant Association



# WHAT'S HOT 2024

The top "Macro Trend" in the 2024 What's Hot Culinary Forecast is incorporating social media trends into restaurant menus and marketing.

Making use of platforms like TikTok is top of mind for operators and very much a two-way street when it comes to influence. Viewers help restaurant fare go viral and restaurants turn out creative versions of online food fads, parlaying them into innovative menu additions or LTOs.

In the food categories – dishes, ingredients, flavors and condiments – comfort and community dominate. Soups and stews, stuffed vegetables, and grilled cheese dishes are classic comfort foods and are a safe way for

consumers to sample unique ingredients and flavors from other regions, both domestic and international. Social media sharing quickly heightens awareness of regional food discoveries.

## TOP 10 TRENDS

- 1. World Stage Soups & Stews**  
(Birria, Chicken Tom Kha, Laksa, Salmorejo, Upscale Ramen)
- 2. Global Chicken Wings**
- 3. International BBQ**
- 4. Incorporating Social Media Trends**  
(TikTok)
- 5. Grilled/Cooked Cheeses**  
(Provoleta, Queso Fundido, Raclette, Halloumi, Juustoleipa)
- 6. Wagyu Beef**
- 7. Stuffed Vegetables**  
(Chiles en Nogada, Stuffed Peppers, Stuffed Cabbage Rolls)
- 8. Regional Menus**
- 9. Streamlined Menus**
- 10. Hot Honey Breakfast Sandwiches**





## OPERATOR PERSPECTIVE

When Michigan shut down restaurants in 2020, multi-concept Downtown Restaurant Investments pivoted to off-premises and landed on newly permitted alcohol to-go as a way for the restaurants to bring in new revenue.

"Our alcohol to-go program was initially a form of survival," says Dave Dittenber, president. "We had to adjust our business models to keep our employees and provide services to customers because they couldn't dine on-site with us."

### We're all looking for more revenue streams; alcohol to-go is an easy way to do it.

As time went on, the restaurants got more creative, developing experiences around their alcohol to-go programs. "We promoted a virtual happy hour where we would deliver food and drinks to people's homes so they could connect and share a meal online."



*Dave Dittenber*  
**President**  
**Downtown Restaurant Investments**  
**Midland, MI**

Today, DRI continues to evolve its alcohol to-go program developing more ideas for parties, bachelorettes, birthdays and holidays. Craft cocktail kits, unusual cocktail flights, and themed events such as margaritas for Cinco de Mayo all prove popular. The company promotes hard-to-get liquors and limited-edition cocktails for to-go-only specials, as well.

"For packaging, we worked closely with local suppliers who already had the best practices in place, and package prices and reliability have improved over the years. We tamperproof using stickers and cocktails are labeled, dated and sealed per state law. It's very important to be responsible for safety, just as you do with traditional restaurant service," he says.

Dittenber's local insurance provider guided the company through the legalities and liabilities to consider when setting up an alcohol to-go program. While all states are different, he says it's important to check with your provider and local liquor enforcement to make sure you're compliant.



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