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RESTAURANT SALES

1.1 Overview

The U.S. Census Bureau (www.census.gov) publishes estimates of monthly restaurant sales (www.census.gov/retail/index.html). Sales estimates are presented for all food services and drinking places (NAICS Code 722) and three sub categories, as follows: full-service restaurants (NAICS Code 722511), limited-service restaurants (NAICS Code 722513-15), and drinking places (NAICS Code 7224).

1.2 Total Sales

Sales for all food services and drinking places have been as follows:

- 2006: $ 422.8 billion
- 2007: $ 444.6 billion
- 2008: $ 456.4 billion
- 2009: $ 452.4 billion
- 2010: $ 467.5 billion
- 2011: $ 495.8 billion
- 2012: $ 524.9 billion
- 2013: $ 542.2 billion
- 2014: $ 577.1 billion
- 2015: $ 624.9 billion
- 2016: $ 657.8 billion
- 2017: $ 692.6 billion
- 2018: $ 731.5 billion
- 2019: $ 772.5 billion
- 2020: $ 651.3 billion
- 2021: $ 843.6 billion
- 2022: $ 975.9 billion
- 2023: $1.086 trillion

1.3 Full-Service Restaurant Sales

Sales for full-service restaurants have been as follows:

- 2006: $186.1 billion
- 2007: $195.5 billion
- 2008: $197.1 billion
- 2009: $194.0 billion
- 2010: $198.9 billion
- 2011: $214.1 billion
- 2012: $227.6 billion
- 2013: $234.6 billion
- 2014: $255.9 billion
- 2015: $277.4 billion
- 2016: $287.8 billion
- 2017: $301.7 billion
- 2018: $317.3 billion
- 2019: $333.1 billion
- 2020: $254.4 billion
- 2021: $368.9 billion
- 2022: $430.6 billion
- 2023: $475.9 billion

1.4 Limited-Service Restaurant Sales

Sales for limited-service restaurants have been as follows:

- 2006: $178.2 billion
- 2007: $186.0 billion
- 2008: $194.1 billion
- 2009: $195.0 billion
- 2010: $203.5 billion
- 2011: $214.3 billion
- 2012: $226.1 billion
- 2013: $235.7 billion
- 2014: $247.1 billion
- 2015: $268.8 billion
- 2016: $285.5 billion
- 2017: $302.4 billion
- 2018: $321.3 billion
- 2019: $341.0 billion
- 2020: $331.0 billion
- 2021: $393.4 billion
- 2022: $442.3 billion
- 2023: $489.4 billion

1.5 Sales By Month

The U.S. Census Bureau reported unadjusted sales by month at full-service and limited-service restaurants in 2023 as follows:

	Full-Service	Limited-Service	Total
• January:	$37.06 billion	$36.71 billion	$73.77 billion
• February:	$35.84 billion	$35.80 billion	$71.64 billion
• March:	$40.30 billion	$41.45 billion	$81.75 billion
• April:	$38.38 billion	$40.92 billion	$79.30 billion
• May:	$40.86 billion	$42.73 billion	$83.59 billion
• June:	$40.65 billion	$42.52 billion	$83.17 billion
• July:	$41.28 billion	$43.30 billion	$84.58 billion
• August:	$40.44 billion	$42.48 billion	$82.92 billion
• September:	$39.11 billion	$40.91 billion	$80.02 billion
• October:	$39.67 billion	$41.43 billion	$81.10 billion
• November:	$38.36 billion	$39.36 billion	$77.72 billion
• December:	$44.00 billion	$41.84 billion	$85.84 billion

1.6 Market Resources

Estimates Of Monthly Retail and Food Services Sales By Kind Of Business, U.S. Department of Commerce. (www.census.gov/retail/marts/www/marts_current.pdf)

Monthly and Annual Retail Trade, U.S. Department of Commerce. (www.census.gov/retail)

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MARKET SUMMARY

2.1 Overview

The restaurant and foodservice industry employed 15.5 million people in 2023, according to the National Restaurant Association (www.restaurant.org). Employment was 12.4 million for eating and drinking places and 3.1 million for non-restaurant foodservice locations.

2.2 Industry Sales

The National Restaurant Association assesses total restaurant industry sales as follows (change from prior year in parenthesis):

Full-Service Restaurants

- 2019: $285 billion (3.8%)
- 2020: $199 billion (-30.0%)
- 2021: $266 billion (36.7%)
- 2022: $310 billion (16.5%)
- 2023: $334 billion (7.7%)
- 2024 $349 billion (4.2%)

Limited-Service Restaurants

- 2019: $309 billion (3.5%)
- 2020: $297 billion (-3.8%)
- 2021: $340 billion (14.5%)
- 2022: $380 billion (11.8%)
- 2023: $417 billion (9.7%)
- 2024 $442 billion (6.0%)

Bars and Taverns

- 2019: $ 22 billion (3.7%)
- 2020: $ 13 billion (-40.9%)
- 2021: $ 18 billion (38.5%)
- 2022: $ 23 billion (27.8%)
- 2023: $ 25 billion (6.7%)
- 2024 $ 26 billion (4.0%)

Foodservice*
- 2019: $248 billion (3.7%)
- 2020: $169 billion (-31.8%)
- 2021: $200 billion (18.3%)
- 2022: $250 billion (25.0%)
- 2023: $273 billion (9.2%)
- 2024 $290 billion (6.2%)

* Includes the following categories: managed services (i.e., on-site food-service and food contractors), lodging places, retail host restaurants, recreation and sports concessions, mobile catering, vending, institutional foodservice, and military restaurant services (continental United States only).

Total
- 2019: $ 864 billion (3.6%)
- 2020: $ 678 billion (-21.5%)
- 2021: $ 824 billion (21.5%)
- 2022: $ 966 billion (17.2%)
- 2023: $1.05 trillion (8.7%)
- 2024 $1.11 trillion (5.4%)

2.3 Revenue & Expenses Distribution

According to the National Restaurant Association, revenue distribution for restaurant segments is as follows:

Full-Service
- Food sales: 79%
- Beverage sales: 21%

Limited-Service
- Food sales: 86%
- Beverage sales: 4%
- Other: 10%

2.4 Restaurant Expenses

According to the National Restaurant Association, the distribution of expenses for a typical restaurant with annual sales of $900,000 is as follows:
- Food costs: 36%
- Labor costs: 35%
- Occupancy costs: 7%
- Utility costs: 4%
- Other (including direct operating expenses, marketing, utility services, maintenance, depreciation, administrative, interest, and corporate overhead): 19%

2.5 Market Resources

National Restaurant Association, 2055 L Street NW, Suite 700, Washington, DC 20036. (202) 331-5900. (www.restaurant.org)

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DAYPARTS

29.1 Daypart Traffic

According to Datassential (www.datassential.com), restaurant sales are distributed by daypart as follows:

- Breakfast: 20%
- a.m. snack: 5%
- Lunch: 38%
- p.m. snack: 7%
- Dinner: 27%
- Late night: 3%

Circana (www.circana.com) assessed the distribution of total restaurant traffic as follows:

- Breakfast: 22%
- Lunch: 32%
- Dinner: 29%
- Snacks: 17%

Various assessments of restaurant patrons recognize that few eat the traditional three meals each day. Consumers increasingly eat one or two formal meals and snack throughout the day.

29.2 Breakfast

Most people eat breakfast almost everyday. According to Circana, the average annual number of breakfast occasions per person is 361, an increase from 350 a decade prior.

Circana assessed that the breakfast category is a $50 billion market, with more than 12.5 billion visits to restaurants at breakfast time. Overall, 17% of all restaurant visits are for breakfast.

> **"Breakfast accounts for 22% of all restaurant visits in the United States and it's the only daypart enjoying consistent growth, with the number of visits increasing by 1% annually."**
>
> *Nation's Restaurant News*

Sixty-three percent (63%) of all restaurants serve breakfast, according to Datassential. By segment, the percentages that do so are as follows:

- Quick-service: 74%
- Fast-casual: 59%
- Casual-dining: 52%
- Fine-dining: 4%

Quick-service restaurants (QSRs) garner 80% of all morning meal visits, according to Circana.

Technomic's (www.technomic.com) *Breakfast Consumer Trend Report* found the following trends for breakfast day-part patronage:

- Limited-service breakfast customers place high importance on value menus, breakfast sandwiches, and portability. Full-service customers are most interested in variety, all-day breakfast options, and signature meal offerings.
- Coffee is key: 64% of consumers drink coffee at breakfast; 54% of these consumers prefer a restaurant that offers free coffee refills; and 30% say that they are loyal to concepts that serve their preferred brand of java.
- Consumers link breakfast with health: 63% of consumers feel it is unhealthy to skip breakfast; open-ended data shows that many consumers want more healthful breakfast options.

When people eat their morning meal away from home, 48% order a breakfast sandwich, according to Datassential. Also popular are breakfast bowls, which are viewed as among the healthiest morning meal options. Datassential's *MenuTrends* reported that breakfast bowls appear on 7% of breakfast menus.

The top items consumed at breakfast are as follows (source: Datassential):

	Pct. Who Have Eaten In Past 2 Weeks	At Home	Away From Home
• Cold cereal:	23%	94%	6%
• Eggs:	23%	77%	23%
• Breakfast sandwich:	11%	52%	48%
• Bacon:	11%	73%	27%
• Sausage:	10%	66%	34%
• Yogurt:	10%	86%	14%
• Oatmeal:	10%	90%	10%
• Fruit/fruit cup:	9%	85%	15%
• Pancakes:	9%	65%	35%
• Bagel:	9%	81%	19%
• Breakfast potatoes:	7%	53%	47%
• Omelet:	6%	67%	33%
• French toast:	6%	77%	23%
• Waffles:	6%	75%	25%
• Muffin:	5%	73%	27%

29.3 Lunch

Lunch accounts for 32% of restaurant visits, according to Circana, a figure which has been on a slight decline for several years.

The increase in snacking is, in part, the reason for recent declines in lunch traffic at restaurants.

> **"Lunch takes a hit as consumers embrace heartier and more frequent afternoon snacks."**
>
> *Nation's Restaurant News*

The decline is also attributed, in part, to workers having less time for lunch during the workday; 81% of workers say they have less time for lunch because of their work schedule or recent increases in their workload. And there are several other reasons for the decline in lunch traffic at restaurants.

> **"Circana attributes part of the blame for lackluster lunch traffic on the increase in home-based employees and the nonstop growth of online shopping. More telecommuters and fewer shoppers out at the malls translate to less traffic at lunch. Potential lunch customers also suffer just a little from sticker shock. Menu prices have increased past the point where some consumers feel comfortable paying them."**
>
> *Restaurant Hospitality*

Circana reports that 60% of all lunches are prepared at home. Another 32% of lunch meals are eaten at school or work, as takeout, eaten on-the-run, or skipped altogether. Only 8% of lunch meals are eaten at a restaurant.

When adults were asked in a survey where they usually had lunch, responses were as follows (source: *USA Today*):

- Home: 48%
- Desk at work: 32%
- Restaurant: 6%
- Car: 5%
- Other: 9%

By restaurant category, lunch traffic at restaurants is distributed as follows (source: Circana):

- Hamburger: 28%
- Other sandwich: 10%
- QSR pizza: 7%
- QSR Mexican: 5%
- Mid-scale varied menu: 4%
- QSR varied menu: 4%
- Casual-dining bar and grill: 3%
- Chicken: 3%
- Convenience store items: 3%
- Deli: 3%
- QSR Asian: 3%
- Casual-dining varied menu: 2%
- Family style: 2%
- All other: 22%

Lunch menu preferences are found to vary significantly in major cities across the United States.

"The most popular lunches in major cities might surprise you: In Boston, Mediterranean lunches are tops; New Yorkers go for the Cuban sandwich; Philly lunches aren't cheesesteak, but sushi, Caribbean or Mediterranean instead; Atlanta and Nashville both go for barbecue; and in Los Angeles, Chinese food is the lunch of choice."

Nation's Restaurant News

29.4 Dinner

Second only to lunchtime restaurant visits, dinner accounts for 29% of patronage at restaurants. Year-over-year visits, however, have been on the decline for several years.

National Eating Trend, by Circana, found the dinner daypart suffered a per capita drop of 15 fewer restaurant dinners compared to in-home suppers over the past decade.

Dinner accounts for 27% of restaurant sales. But the percentage varies by sector. The daypart accounts for slightly over one-half of casual-dining sales and 64% of fine-dining sales, according to Datassential.

The distribution of restaurant traffic for the dinner daypart, by customer age, is as follows (source: Circana):

	Supper Meal Occasions	Share of Traffic
• 18-to-31:	66	28%
• 32-to-43:	63	19%
• 44-to-51:	60	20%
• 52-to-61:	56	16%
• 62 and older:	49	17%

According to Circana, the demographic most responsible for the decline at dinner is adults ages 35-to-54. Though older consumers have increased their restaurant dinner occasions, they haven't offset the loses from the cutbacks by their younger counterparts.

Technomic found that 71% of consumers skip dinner at least sometimes, primarily because of the lack of hunger or eating a late lunch instead of dinner.

29.5 Late-Night

Some family-dining chains such as Denny's, IHOP, Steak 'n Shake, and Waffle House have long had late-night service. Several years ago, many quick-service restaurants began operating with extended hours. More than 95% of McDonald's restaurants now have extended hours; several thousand are open 24 hours. More recently, casual-dining chains have been extending operating hours.

According to Technomic, late-night hours appeal to patrons of various age demographics as follows:

• 18-to-24:	66%
• 25-to-34:	56%
• 35-to-44:	50%
• 45-to-54:	48%
• 55 and older:	43%

At under 5% of restaurant visits, the late-hour daypart presents opportunities for innovative operators.

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MEALPARTS

30.1 Overview

Restaurant meals are generally assessed as six mealparts, plus beverages.

According to Datassential (www.datassential.com), costs as a percentage of mealpart price are as follows:

- Entrees: 41%
- Appetizers: 29%
- Desserts: 29%
- Beverages: 28%
- Salads: 27%
- Sides: 27%
- Soups: 27%

“Food costs are the highest for entrees, at 41%, which is not surprising considering these are often protein heavy dishes. Desserts and appetizers follow, with their food costs accounting for 31% and 29% of revenue, respectively, which means operators may be looking for ways to turn over these menu categories more quickly in order to move inventory and minimize costly waste. Menu categories with lower food costs, such as sides, soups, and salads, meanwhile, could be profit boosters for operators.”

Datassential

This chapter assesses the six primary mealparts.

30.2 Appetizers

In a survey by Technomic (www.technomic.com), 39% of adults said they order appetizers on all or most of their restaurant visits. Fifty-nine percent (59%) say they tend to eat items labeled as "appetizers" as starters to their meals.

Eighty-five percent (85%) of all restaurants serve appetizers, according to Datassential. By segment, the percentages that do so are as follows:

- Casual-dining: 97%
- Fine-dining: 97%
- Quick-service: 70%
- Fast-casual: 60%

The most popular appetizers are as follows (source: Datassential):

	Pct. Who Have Eaten In Past 2 Weeks	At Home	Away From Home
• Fries, potato skins:	10%	31%	69%
• Chips & salsa:	9%	20%	80%
• Wings:	8%	33%	67%
• Onion rings:	7%	21%	79%
• Fried cheese sticks:	6%	31%	69%
• Nachos:	6%	39%	61%
• Dip (spinach, taco, etc.):	5%	43%	57%
• Shrimp cocktail:	5%	12%	88%
• Spring/egg rolls:	4%	13%	87%
• Quesadilla:	4%	59%	41%
• Chicken strips:	4%	35%	65%
• Hummus:	3%	56%	44%
• Calamari:	3%	13%	88%
• Cheese ball/cubes/slices:	3%	73%	27%
• Guacamole:	3%	64%	36%

When restaurant patrons were asked in a survey by Datassential the most important attributes in choosing a restaurant appetizer, responses were as follows:

- Great taste: 84%
- Best value: 72%
- Quality of appetizer options: 72%
- Cost: 72%
- Visually appealing: 69%
- Unique appetizers not generally prepared at home: 61%
- Speed of service: 59%
- Shareable with a group: 55%
- Healthier options: 53%
- Non-fried, non-greasy options: 52%
- Large appetizer portions: 49%
- Meal combo special: 47%
- Signage or menu photos of appetizers: 47%
- Small appetizer portions to avoid filling up: 46%
- More upscale/gourmet appetizers: 44%

- All natural or organic ingredients: 44%
- Nutritional labeling, calorie counts, fat, etc.: 40%
- Limited-time offers: 34%
- Rewards or loyalty program: 33%
- Gluten-free options: 26%

30.3 Dessert

Ninety-one percent (91%) of all restaurants serve dessert, according to Datassential. By segment, the percentages that do so are as follows:

- Fine-dining: 99%
- Casual-dining: 96%
- Quick-service: 84%
- Fast-casual: 87%

The average number of dessert items on menus is as follows (source: Datassential):

- Quick-service: 11.3
- Fast-casual: 10.4
- Fine-dining: 9.3
- Casual-dining: 8.3

The *Dessert Consumer Trend Report*, by Technomic, reported the most preferred desserts at restaurants as follows (percentage of adults who would order):

- Brownies: 67%
- Apple pie: 65%
- Chocolate cake: 59%

Technomic provides the following characteristics of restaurant dessert sales:

- Seventy percent (70%) of consumers eat dessert after a meal at least once a week.
- At full-service restaurants, 44% of desserts are shared; at limited-service restaurants that figure is 29%.
- Thirty-four percent (34%) of adults say they are more likely to order dessert if a miniature option is available.
- Seventy-eight percent (78%) of people say they are more likely to eat dessert when they want to reward or treat themselves.
- Fifty-eight percent (58%) of desserts are purchased on impulse.

According to Circana (www.circana.com), 10% of meals ordered at restaurants include dessert.

30.4 Entrees

The entree, or center-of-the-plate, typically presents a restaurant's signature cuisine. The following are the most ordered dishes at some chain restaurants:

- Applebee's Neighborhood Grill & Bar: House Sirloin
- Boston Market: Rotisserie Chicken
- California Pizza Kitchen: Original BBQ Chicken Pizza

- Carl's Jr.: Western Bacon Cheeseburger
- Denny's: Grand Slam
- Friendly's: Honey BBQ Supermelt
- Olive Garden: Chicken Alfredo
- Red Lobster: Ultimate Feast
- Red Robin Gourmet Burgers: Red's Tavern Double

Small plates are increasing in popularity at restaurants. In a survey by Technomic, 30% of adults said they order small plates at most of their restaurant visits. Groups often share several small plates to sample various items from a restaurant's menu. Small plates are also a way diners can practice portion-control.

The popularity of bowl meals is also on the rise. Datassential reported bowl meals have increased 5.6% on quick-service restaurant menus in the past four years. Chipotle Mexican Grill now sells more bowls than burritos.

"Sales of entrees served in bowls are up significantly over the past five years. Chefs like how they mix flavors while diners view them as healthy."

Time

30.5 Salads

Salad Consumption in the United States, published by the USDA's Food Surveys Research Group (www.nal.usda.gov/fnic/usda-food-surveys-research-group), reported that on an average day, 20% of Americans aged 1 or older eat salad. Females (23%) are more likely than males (16%) to eat salad on an average day. Among adults ages 20-to-39, 18% eat salad on an average day; 26% of those ages 40 and older do so. Salad consumption also rises with income. Only 13% of people from households with the lowest incomes eat salad on an average day compared with 26% of those from households with the highest incomes.

In a survey by Technomic, 76% of adults say they order salad at restaurants at least some of the time. Forty-nine percent (49%) of women and 36% of men say they visit certain restaurants because they enjoy their salad offerings. Twenty-one percent

(21%) of restaurant patrons say they purchase salads because they want to try something different. This is particularly true for main-course salads.

> **"Salad is no longer just a side dish or obligatory menu item for dieters, but a main-meal experience. As consumer interest in salad has grown in recent years, restaurants are revamping or adding new offerings with more intense flavors, contrasting textures and innovative ingredient combinations to create salads that satisfy – and sell."**
>
> *Nation's Restaurant News*

The following are the primary reasons customers purchase salads at restaurants (percentage of respondents; up to three selections allowed):

- Healthful option: 53%
- Just in the mood to order it: 46%
- Good overall value: 27%
- Affordable: 24%
- Want to try new/unique varieties: 21%

30.6 Sides

In a survey by Technomic, 53% of adults said they order sides on all or most of their restaurant visits.

Fifty-nine percent (59%) of adults said they often choose entrees based on the sides that come with a meal; 46% said they are less likely to order an entree if it comes with a side they don't like.

Technomic reported that the fastest-growing sides at limited-service restaurants are non-breaded vegetables, deli salads, fruit, and beans. Pasta/noodles, potato dishes (au gratin, hash browns, home fries, tater tots, etc.), fruit, and rice are rising in popularity at full-service restaurants.

“The once-humble side dish is stepping up, grabbing attention and raising check averages as chefs rev up parts of the meal that used to be afterthoughts.”

Nation’s Restaurant News

30.7 Soups

In a survey by Technomic, 55% of adults say they order soup at restaurants at least some of the time. Fifty percent (50%) of women and 41% of men say they visit certain restaurants because they enjoy their soup offerings. Fifty-eight percent (58%) of restaurant patrons say they are more likely to order soup as a combo-meal item than as a single item.

The following are the primary reasons customers purchase soup at restaurants (percentage of respondents; up to three selections allowed):

- Just in the mood to order it: 51%
- Good overall value: 35%
- Want to try new/unique varieties: 35%
- Healthful option: 31%
- Affordable: 27%

Datassential reported soup offerings on full-service restaurant menus as follows:

- Tortilla: 11.9%
- Bisque: 6.7%
- Tomato soup: 5.5%
- Lentil: 5.3%
- Miso: 5.3%
- Gumbo: 4.2%
- Italian wedding: 2.5%
- Tofu: 2.5%
- Pea: 2.4%
- Tom Kha Gai: 2.3%
- Broccoli cheese: 1.8%
- Mushroom: 1.7%

"There's a lot to be said for the universality of soups. Every culture has them and, despite their reputation as cold-weather food, consumers eat them all year long, according to many restaurateurs. As with many traditional foods, however, chefs are finding ways to tweak traditional soups to make them their own and to appeal to guests who are looking for more vibrant flavors."

Nation's Restaurant News