



Restaurant Labor Indicators Continue to Deteriorate

Economic Commentary – November 7, 2008



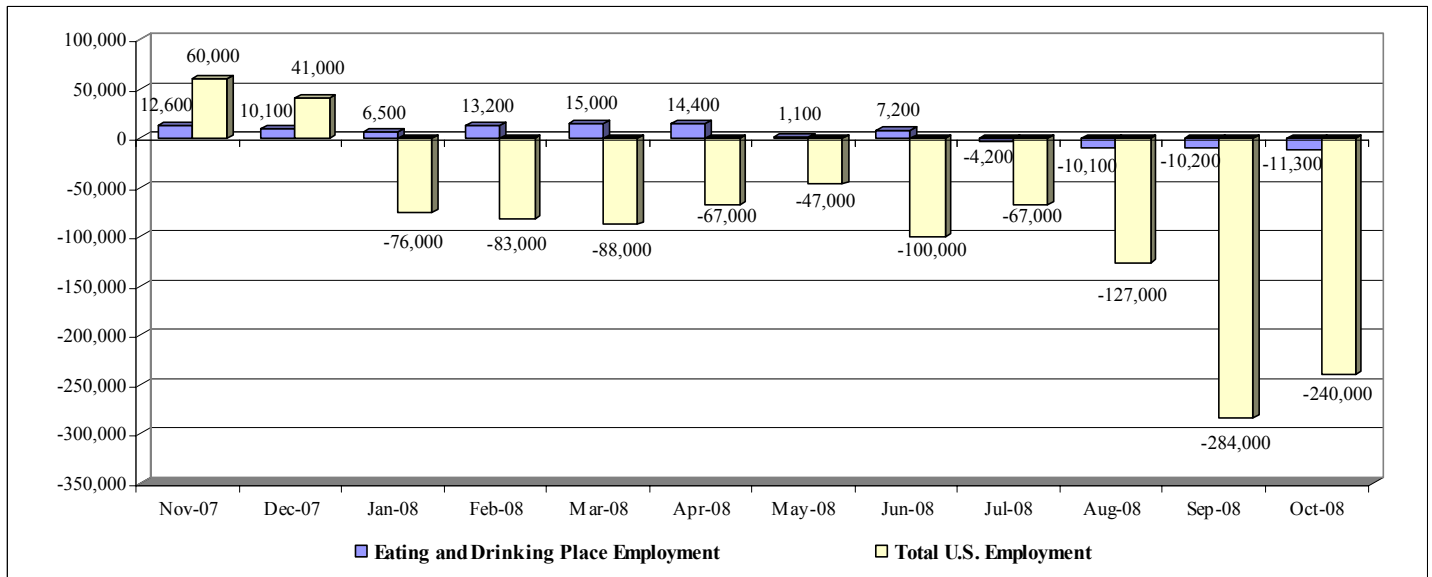
Restaurants Shed Jobs for the Fourth Consecutive Month

- The restaurant industry appears to be caught up in the national economic slide, with industry employment falling for the fourth consecutive month. Eating and drinking places – the primary component of the restaurant industry which accounts for roughly three-fourths of the total restaurant and foodservice workforce – cut 11,300 jobs in October on a seasonally-adjusted basis, which followed losses in excess of 10,000 jobs in both August and September. In total during the last four months, eating and drinking places cut nearly 36,000 jobs.
- The restaurant industry had been a jobs juggernaut for several years, continuing to add jobs even when other industries and the overall economy registered declines. In fact, the current string of job losses marked the first time in 45 years that eating and drinking places cut jobs in four consecutive months.
- Meanwhile, the overall economy lost 240,000 jobs in October on a seasonally-adjusted basis, which came on the heels of an even stronger 284,000 job loss in September. The loss of more than a half million jobs in September and October was the largest two-month drop in seven years. In total during the last 10 months, the national economy shed nearly 1.2 million jobs. In addition, the national unemployment rate stood at 6.5 percent in October, up sharply from 6.1 percent in September and the highest level in 14 years.

Restaurants Cut Back on Employee Hours

- On top of the job losses posted in recent months, restaurants also cut back on the hours of their employees. The average weekly hours worked by non-supervisory employees at eating and drinking places stood at 24.1 in September 2008 – down 2.0 percent from an average of 24.6 hours worked in September 2007.
- The average workweek of non-supervisory employees at fullservice restaurants fell 3.2 percent between September 2007 and September 2008, while limited-service employee hours declined 2.1 percent during the same period.

Monthly Job Growth: Eating and Drinking Places vs. Total National Economy



Source: National Restaurant Association analysis of Bureau of Labor Statistics data; figures are seasonally-adjusted

For additional analysis, log on to Restaurant TrendMapper at www.restaurant.org/trendmapper