

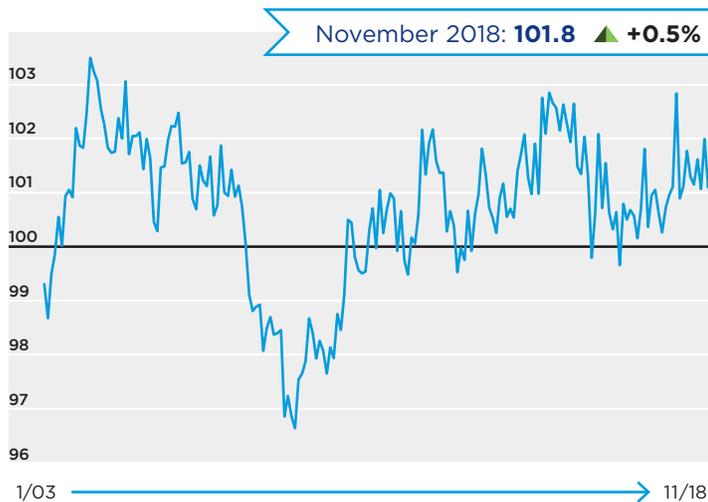


RESTAURANT ECONOMIC SNAPSHOT

All indicators are for November 2018

A monthly summary of key indicators from National Restaurant Association research;
More details at Restaurant.org/EconomistsNotebook

RESTAURANT PERFORMANCE INDEX



Values greater than 100 = Expansion; Values less than 100 = Contraction

Source: National Restaurant Association; see reverse for more on RPI

Current Situation Index: **102.2** ▲ **+1.3%**

- 🇺🇸 **Same-store sales:** **61%** report increase over November 2017
- 👤 **Customer traffic:** **44%** report increase over November 2017
- 🏠 **Capital spending:** **62%** report making expenditure in last 3 months

Expectations Index: **101.4** ▼ **-0.2%**

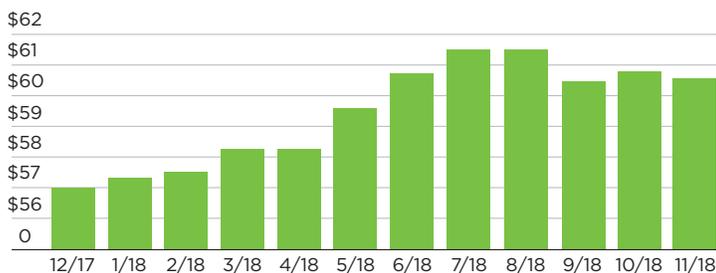
- 🇺🇸 **Sales outlook:** **35%** expect higher sales in 6 months
- 🏠 **Capital spending:** **59%** plan to make expenditure in next 6 months
- 📊 **Economy:** **15%** expect economic conditions to improve in 6 months

KEY TAKEAWAYS: Growth in the RPI was buoyed by the same-store sales and customer traffic indicators, which both improved for the second consecutive month. Looking forward, restaurant operators are generally optimistic about sales growth in the coming months, while their plans for capital expenditures also ticked higher. **However, restaurant operators' outlook for the overall economy slipped to its lowest level in over two years.**

RESTAURANT SALES AND JOBS

Total eating and drinking place sales

(in billions of current dollars)

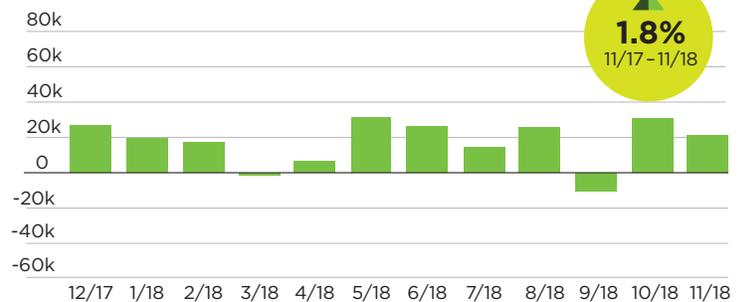


Source: U.S. Census Bureau; figures are seasonally-adjusted

KEY TAKEAWAYS: Eating and drinking place sales totaled \$60.6 billion on a seasonally-adjusted basis in November, down 0.5 percent from October's upward-revised sales volume of \$60.9 billion. **After peaking at \$61.5 billion in July, total eating and drinking place sales declined in three of the last four months.** Although restaurant sales trended lower in recent months, they still stood 5.6 percent above their year-ago level, driven by strong gains in the middle of the year.

Eating and drinking place employment

(change from the previous month)



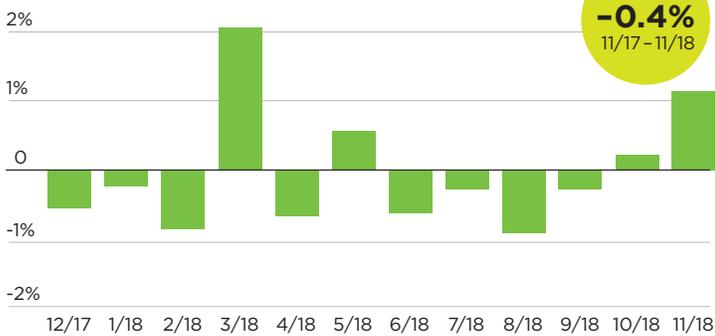
Source: Bureau of Labor Statistics; figures are seasonally-adjusted

KEY TAKEAWAYS: The restaurant industry continued to expand payrolls at a moderate pace in November, according to preliminary figures from the Bureau of Labor Statistics. Eating and drinking places added a net 21,200 jobs in November on a seasonally-adjusted basis, which came on the heels of a healthy gain of 32,800 jobs in October. **Restaurant employment is on pace to increase nearly 2 percent in 2018 - the eighth consecutive year of industry job growth.**

FOOD COSTS & MENU PRICES

Wholesale food prices (PPI - All Foods)

(percent change from previous month)



Source: Bureau of Labor Statistics

KEY TAKEAWAYS: The Producer Price Index for All Foods - which represents the change in average prices paid to domestic producers for their output - increased 1.2 percent in November. The sharp November increase represented the strongest monthly gain since March (2.1 percent). **The two recent gains came on the heels of four consecutive monthly declines in average wholesale food prices - a period during which the price index fell 2.1 percent.** Still, average wholesale food prices remained 0.4 percent below their year-ago level.

Menu prices, grocery store prices & overall U.S. inflation

(percent change from same period in previous year)

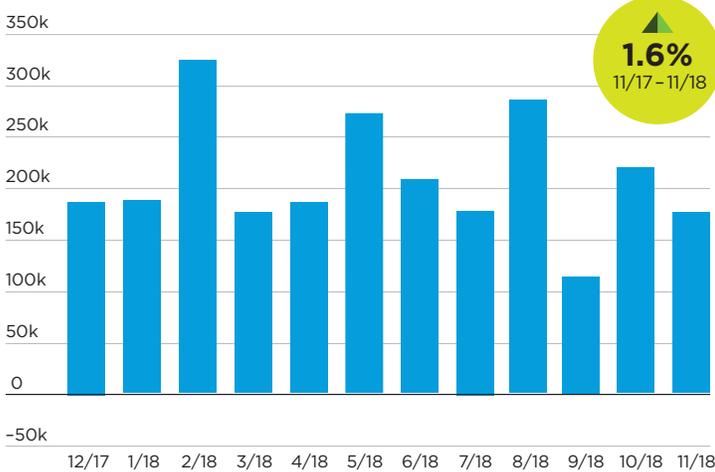


Source: Bureau of Labor Statistics

KEY TAKEAWAYS: Menu price growth continues to outpace grocery store prices by a sizable margin. **Menu prices increased 2.6 percent in the 12 months ending November 2018, which was more than two full percentage points above the modest 0.4 percent gain in grocery store prices.** Menu prices increased at a 3.2 percent rate in the West region in the 12 months ending November 2018, compared to slower growth in the Northeast (2.6 percent), Midwest (2.4 percent) and South (2.3 percent) regions.

THE ECONOMY

Total U.S. employment (change from the previous month)



Source: Bureau of Labor Statistics

Total nonfarm employment	▲ 155,000
Average hourly earnings	▲ 0.2%
Unemployment rate	▼ 3.7%
Real Disposable Personal Income	▲ 0.2%
Real Personal Consumption Expenditures	▲ 0.3%

KEY TAKEAWAYS: Job growth in the national economy slowed somewhat in November, according to preliminary figures from the Bureau of Labor Statistics. The economy added a net 155,000 jobs in November on a seasonally-adjusted basis, down from a solid gain of 237,000 jobs in October. **Even factoring in the November slowdown, monthly job growth averaged 206,000 during the first 11 months of 2018 - the strongest performance since 2015.**

The National Restaurant Association's Restaurant Performance Index (RPI) is a monthly composite index that tracks the health of and the outlook for the U.S. restaurant industry. Launched in 2002, the RPI is released on the last business day of each month. The RPI consists of two components - the Current Situation Index, which measures current trends in four industry indicators (same-store sales, traffic, labor and capital expenditures), and the Expectations Index, which measures restaurant operators' six-month outlook for four industry indicators (same-store sales, employees, capital expenditures and business conditions).

Founded in 1919, the National Restaurant Association is the leading business association for the restaurant industry, which comprises more than 1 million restaurant and foodservice outlets and a workforce of 14.7 million employees. We represent the industry in Washington, D.C., and advocate on its behalf. We operate the industry's largest trade show ([NRA Show](#) May 18-21, 2019, in Chicago); leading food safety training and certification program ([ServSafe](#)); unique career-building high school program (the NRAEF's [ProStart](#)); as well as the [Kids LiveWell](#) program promoting healthful kids' menu options.