RESTAURANT ECONOMIC SNAPSHOT

All indicators are for August 2018

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

RESTAURANT PERFORMANCE INDEX

Current Situation Index: 102.3 ▲ 1.6%

- Same-store sales: 58% report increase over August 2017
- Customer traffic: 43% report increase over August 2017
- Capital spending: 66% report making expenditure in last 3 months

Expectations Index: 101.7 ▲ 0.4%

- Sales outlook: 38% expect higher sales in 6 months
- Capital spending: 63% plan to make expenditure in next 6 months
- Economy: 26% expect economic conditions to improve in 6 months

KEY TAKEAWAYS: Driven by stronger same-store sales and customer traffic levels, the National Restaurant Association’s Restaurant Performance Index (RPI) registered a healthy gain in August. Restaurant operators reported a net increase in same-store sales for the 10th consecutive month, with customer traffic also turning positive in August. Although the forward-looking indicators anticipate continued growth in the coming months, their recent trends have been somewhat choppy.

RESTAURANT SALES AND JOBS

Total eating and drinking place sales
(in billions of current dollars)

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<th>August 2018: 102 ▲ 1%</th>
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Eating and drinking place employment
(change from the previous month)

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<th>8/17 - 8/18</th>
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<td>1.8%</td>
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KEY TAKEAWAYS: Restaurant sales continued to trend higher in August, albeit at a much slower pace than the previous three months. Eating and drinking place sales were up 0.2 percent in August on a seasonally-adjusted basis, which followed a three-month period that saw sales jump a total of 6.2 percent. Overall, eating and drinking place sales stood 10.1 percent above their year-ago level — the largest 12-month gain in more than three years.

Eating and drinking place employment
(change from the previous month)

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KEY TAKEAWAYS: While 2018 will be the 8th consecutive year of job growth in the restaurant industry, it will also likely represent the slowest growth during that stretch. This is due in large part to the shallow labor pool in many parts of the country. According to the Bureau of Labor Statistics, there were 909,000 job openings in the hospitality sector on the last business day in July. This was the highest level on record, and was 23 percent above the average monthly job openings during 2017.
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.