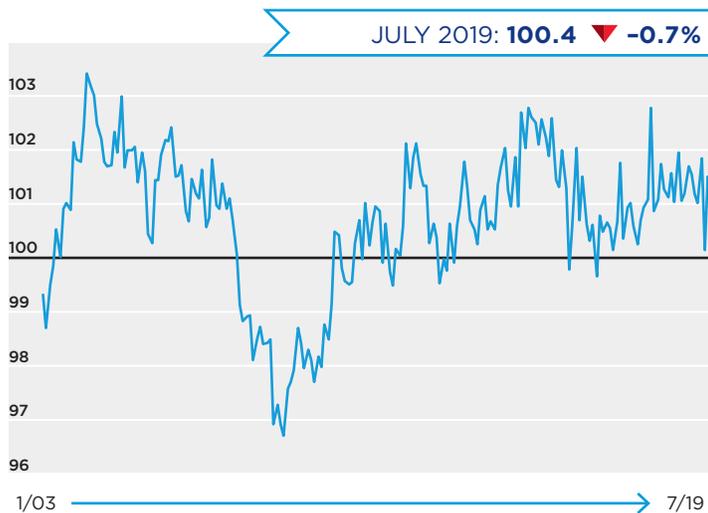# RESTAURANT ECONOMIC SNAPSHOT

All indicators are for July 2019

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

RESTAURANT PERFORMANCE INDEX

JULY 2019: **100.4** ▼ **−0.7%**

103
102
101
100
99
98
97
96

1/03   7/19

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

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

Current Situation Index: **100.7** ▼ **−0.3%**

$ **Same-store sales:**   **52%** report increase over July 2018

👥   **Customer traffic:**   **44%** report increase over July 2018

🏠   **Capital spending:**   **50%** report making expenditure in last 3 months

Expectations Index: **100.1** ▼ **−1.1%**

$ **Sales outlook:**   **38%** expect higher sales in 6 months

🏠   **Capital spending:**   **48%** plan to make expenditure in next 6 months

📊   **Economy:**   **12%** expect economic conditions to improve in 6 months

KEY TAKEAWAYS: The National Restaurant Association's Restaurant Performance Index (RPI) declined for the second consecutive month, due primarily to a deterioration in restaurant operators' outlook for future business conditions. Only 12 percent of operators think economic conditions will improve in six months, while 26 percent expect conditions will worsen. **This was the highest proportion of operators with a negative outlook since October 2016.** Restaurant operators are somewhat more optimistic about sales growth in the coming months.

RESTAURANT SALES AND JOBS

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

$66
$65
$64
$63
$62
$61
$60
0

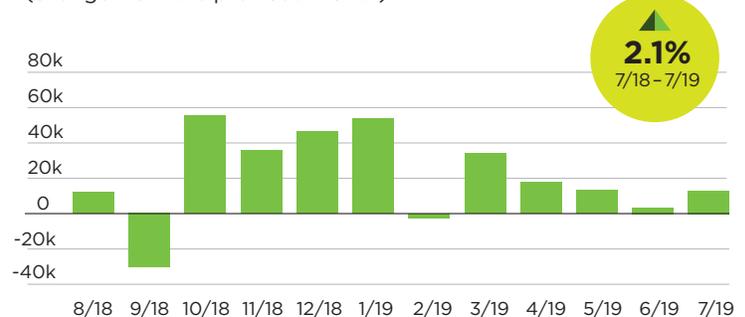8/18 9/18 10/18 11/18 12/18 1/19 2/19 3/19 4/19 5/19 6/19 7/19
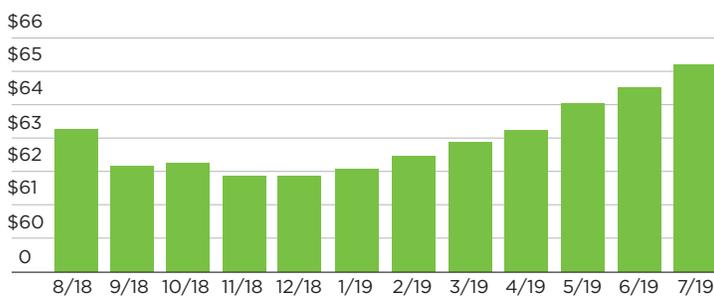
Source: U.S. Census Bureau; figures are seasonally-adjusted

KEY TAKEAWAYS: In a sign that the U.S. consumer remains alive and well, restaurant sales continued to trend higher in July. Eating and drinking places rung up $65.2 billion in total sales on a seasonally-adjusted basis in July, which was up 1.1 percent from June's volume of $64.5 billion. **July's healthy gain marked the seventh consecutive monthly increase in restaurant sales.** Driven by the recent gains, eating and drinking place sales were up 4.1 percent on a year-to-date basis through July.

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

▲ **2.1%**
7/18–7/19

80k
60k
40k
20k
0
-20k
-40k

8/18 9/18 10/18 11/18 12/18 1/19 2/19 3/19 4/19 5/19 6/19 7/19

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

KEY TAKEAWAYS: Job growth in the restaurant industry was uneven in recent months. Eating and drinking places added a net 15,400 jobs on a seasonally-adjusted basis in July, which was up from a gain of just 2,600 jobs in June. **Despite the recent choppiness, restaurant employment is currently on pace to increase 2.5 percent in 2019.** This is nearly a full percentage point above the 1.6 percent year-to-date growth in total U.S. employment.

Wholesale food prices (PPI – All Foods)
(percent change from previous month)

+1.6%
7/18 – 7/19
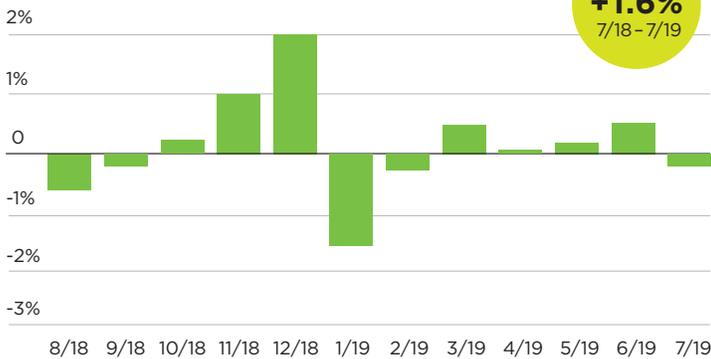
Source: Bureau of Labor Statistics

KEY TAKEAWAYS: Wholesale food prices declined for the first time in five months, according to preliminary data from the Bureau of Labor Statistics. The Producer Price Index for All Foods – which represents the change in average prices paid to domestic producers for their output – edged down 0.2 percent in July. July's decline came on the heels of four consecutive monthly increases in wholesale food prices. **As a result of those recent gains, average wholesale food prices stood 1.6 percent above 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: Growth in menu prices gradually accelerated in recent months. **Menu prices rose 3.2 percent in the 12 months ending July 2019, which represented their strongest 12-month gain in 10 years.** In contrast, grocery store prices rose just 0.6 percent in the 12 months ending July 2019. Meanwhile, overall U.S. inflation is firming somewhat. The overall Consumer Price Index (CPI) was up 1.8 percent during the last 12 months, while core CPI (excluding food and energy) rose 2.2 percent.

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

+1.5%
7/18 – 7/19
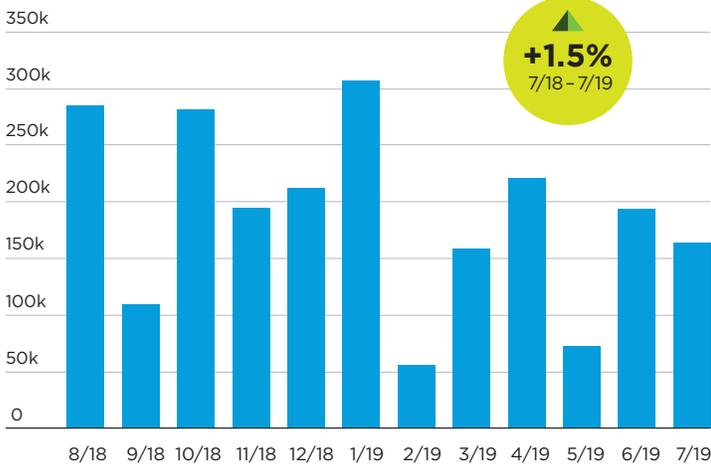
Source: Bureau of Labor Statistics

Total nonfarm employment	▲	**+164,000**
Average hourly earnings	▲	**+0.3%**
Unemployment rate		**3.7%**
Real Disposable Personal Income	▲	**+0.3%***
Real Personal Consumption Expenditures	▲	**+0.2%***

KEY TAKEAWAYS: The economy added a net 164,000 jobs in July on a seasonally-adjusted basis, which followed gains of 62,000 jobs in May and 193,000 jobs in June. The average increase of fewer than 140,000 jobs during the last three months represented the lowest three-month moving average in nearly two years. **Still, the recent job growth remains sufficient to absorb new entrants to the labor force at this stage of the economic expansion.** As a result, the jobless rate was unchanged at 3.7 percent in July.

* June data

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 15.3 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, 2020, 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.