

January 2025

Restaurant Performance Index Increased 1.0% in January

The National Restaurant Association’s Restaurant Performance Index (RPI) registered a healthy gain in January, driven by improvements in the same-store sales and customer traffic indicators. The RPI – a monthly composite index that tracks the health of the U.S. restaurant industry – stood at 101.1 in January, up 1.0% from a level of 100.1 in December.

Same-store sales and customer traffic readings rebounded from December’s softer levels, although January’s results were buoyed by dampened year-ago comparisons. Looking forward, restaurant operators remain cautiously optimistic about business conditions in the coming months.

The RPI is constructed so that the health of the restaurant industry is measured in relation to a neutral level of 100. Index values above 100 indicate that key industry indicators are in a period of expansion, while index values below 100 represent a period of contraction. The Restaurant Performance Index consists of two components – the Current Situation Index and the Expectations Index.

Current Situation Index Increased 1.4% to a Level of 100.5 in January; Expectations Index Rose 0.6% to a Level of 101.7

The Current Situation Index, which measures current trends in four industry indicators (same-store sales, traffic, labor and capital expenditures), stood at 100.5 in January – up 1.4% from a level of 99.2 in December. The healthy increase pushed the Current Situation Index back above 100 into expansion territory, with January representing the component’s highest reading since September 2023.

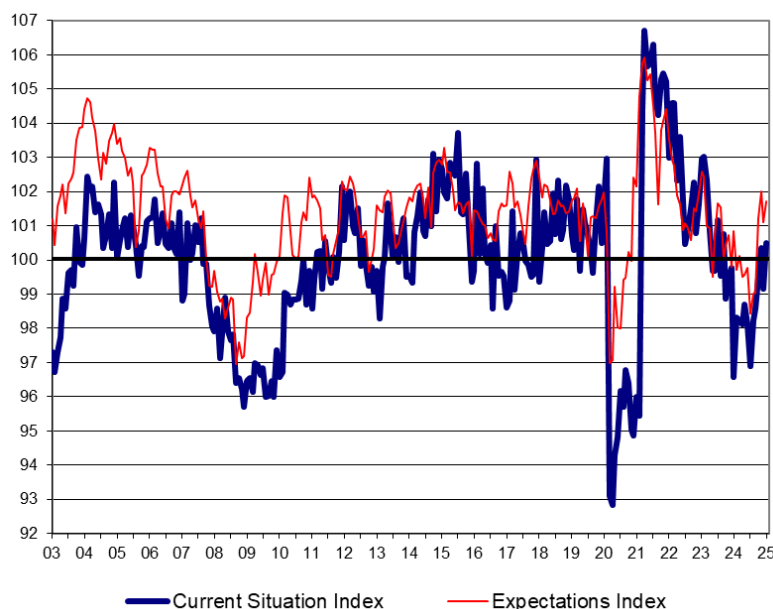
The Expectations Index, which measures restaurant operators’ six-month outlook for four industry indicators (same-store sales, employees, capital expenditures and business conditions), stood at 101.7 – up 0.6% from the previous month. The RPI’s Expectations Index stood above 100 for the fourth consecutive month, which signals a positive outlook for business conditions in the months ahead.

Restaurant Performance Index



Source: NRA; Values Greater than 100 = Expansion; Values Less than 100 = Contraction

Current Situation & Expectations Indices



Source: NRA; Values Greater than 100 = Expansion; Values Less than 100 = Contraction

Restaurant Operators Reported Positive Same-Store Sales and Customer Traffic in January

Restaurant operators reported a net increase in same-store sales in January, although comparisons were bolstered by much softer year-ago levels. Fifty-one percent of restaurant operators said their same-store sales rose between January 2024 and January 2025, up from 37% of operators who reported higher sales in December. Thirty-five percent of operators said their sales declined in January, down from 41% in December.

Restaurant operators also reported a net increase in customer traffic levels in January. Forty-six percent of operators said their customer traffic rose between January 2024 and January 2025, up from just 27% of operators who reported higher traffic in December. Thirty-eight percent of operators said their traffic declined in January, down from 46% in December.

Forty-nine percent of operators said they made a capital expenditure for equipment, expansion or remodeling during the last three months. That was unchanged from last months' reading.

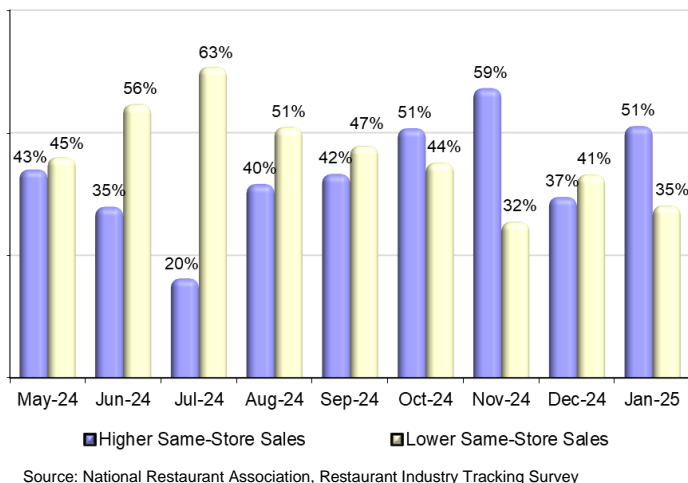
Restaurant Operators Have a Mixed Outlook for Sales and the Economy

Restaurant operators remain cautiously optimistic about sales in the months ahead. Forty-nine percent of restaurant operators expect their sales volume in six months to be higher than it was during the same period in the previous year. That was essentially unchanged from the previous three months. Twenty-two percent of operators think their sales in six months will be lower than it was during the same period in the previous year, while 29% think their sales will remain about the same.

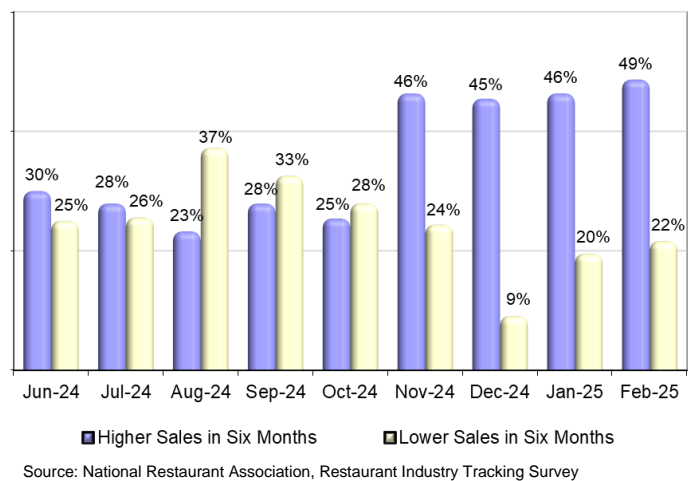
In comparison, restaurant operators are more uncertain about the direction of the overall economy. Thirty-five percent of restaurant operators said they expect economic conditions to improve in six months. That was down from nearly half of operators who reported similarly during the November and December survey periods. Thirty-two percent of restaurant operators think economic conditions will worsen during the next six months, which represented the highest negative reading since the October 2024 survey period.

Restaurant operators' outlook for capital spending continues to rise. Fifty-seven percent of operators said they plan to make a capital expenditure for equipment, expansion or remodeling during the next six months. That was up slightly from 55% last month and represented the highest level since the February 2024 survey period.

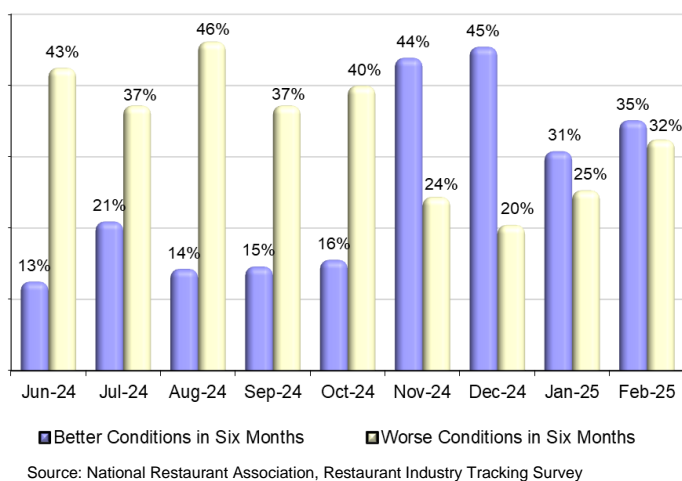
Restaurant Operators' Reporting of Same-Store Sales versus Same Month in Previous Year



Restaurant Operators' Outlook for Sales Volume in Six Months versus Same Period in Previous Year



Restaurant Operators' Outlook for General Economic Conditions in Six Months



National Restaurant Association Restaurant Performance Index and Its Components

	September 2024	October 2024	November 2024	December 2024	January 2025	Jan-25 over Dec-24
Restaurant Performance Index	98.8	100.4	101.2	100.1	101.1	1.0%
Current Situation Index	98.6	99.5	100.3	99.2	100.5	1.4%
<i>Current Situation Indicators:</i>						
Same-Store Sales	99.4	100.7	102.7	99.5	101.6	2.1%
Customer Traffic	98.0	99.8	101.4	98.2	100.8	2.7%
Labor	97.5	98.3	98.2	99.1	99.9	0.7%
Capital Expenditures	99.3	99.2	99.1	99.8	99.7	-0.1%
Expectations Index	99.0	101.2	102.0	101.1	101.7	0.6%
<i>Expectations Indicators:</i>						
Same-Store Sales	99.7	102.2	103.6	102.7	102.7	0.0%
Staffing	99.1	101.2	101.4	100.2	102.4	2.3%
Capital Expenditures	99.8	99.6	100.5	101.0	101.4	0.4%
Business Conditions	97.6	102.0	102.5	100.5	100.3	-0.3%

Note: For each of the Indices and Indicators, a value above 100 signals a period of expansion while a value below 100 signals a period of contraction.

Definitions

The National Restaurant Association's *Restaurant Performance Index* is a statistical barometer that measures the overall health of the U.S. Restaurant Industry. This monthly composite index is based on the responses to the National Restaurant Association's monthly Restaurant Industry Tracking Survey, which is fielded among restaurant operators nationwide on a variety of indicators including sales, traffic, labor and capital expenditures. The *Restaurant Performance Index* is composed of two equally-weighted components: the Current Situation Index and the Expectations Index. For each of the Indices and Indicators, a value above 100 signals a period of expansion while a value below 100 signals a period of contraction. The distance from 100 signifies the magnitude of the expansion or contraction.

The Current Situation Index is a composite index based on four 'recent-period' restaurant industry indicators:

Same-Store Sales: Compares same-store sales volume in the reference month versus the same month in the previous year

Customer Traffic: Compares customer traffic in the reference month versus the same month in the previous year

Labor: Compares the number of employees and the average employee hours in the reference month versus the same month in the previous year

Capital Expenditures: Measures capital expenditure activity during the three most recent months

The Expectations Index is a composite index based on four 'forward-looking' restaurant industry indicators:

Same-Store Sales: Restaurant operators' outlook for same-store sales in six months, compared to the same period in the previous year

Staffing: Restaurant operators' expectations for their number of employees in six months, compared to the same period in the previous year

Capital Expenditures: Restaurant operators' capital expenditure plans during the next six months

Business Conditions: Restaurant operators' outlook for general business conditions during the next six months

For a complete analysis of the National Restaurant Association's Restaurant Industry Tracking Survey including data broken out by industry segment, as well as a host of other economic indicators that impact the restaurant industry, log on to *Restaurant TrendMapper* at www.restaurant.org/trendmapper (subscription required).