

July 2025

Restaurant Performance Index Declined 0.3% in July

The National Restaurant Association's Restaurant Performance Index (RPI) registered a modest decline in July, as restaurant operators remain uncertain about business conditions in the months ahead. The RPI – a monthly composite index that tracks the health of the U.S. restaurant industry – stood at 99.7 in July, down 0.3% from a level of 100.0 in June.

July marked the continuation of a recent trend in consumer activity, with restaurant operators reporting higher same-store sales but lower foot traffic. Looking forward, restaurant operators' sentiment remains cautious amid continued policy and economic uncertainties.

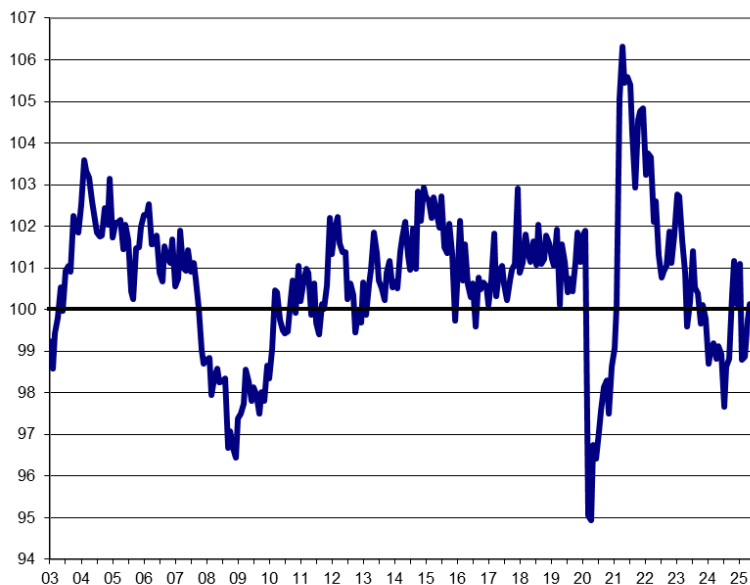
The RPI is constructed so that the health of the restaurant industry is measured in relation to a neutral level of 100. Index values above 100 indicate that key industry indicators are in a period of expansion, while index values below 100 represent a period of contraction. The Restaurant Performance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

Current Situation Index Dipped 0.2% to a Level of 99.7 in July; Expectations Index Declined 0.3% to a Level of 99.7

The Current Situation Index, which measures current trends in four industry indicators (same-store sales, traffic, labor and capital expenditures), stood at 99.7 in July – down 0.2% from a level of 100.0 in June. Restaurant operators reported a net increase in same-store sales for the fourth consecutive month in July, but customer traffic readings remained negative for the sixth straight month.

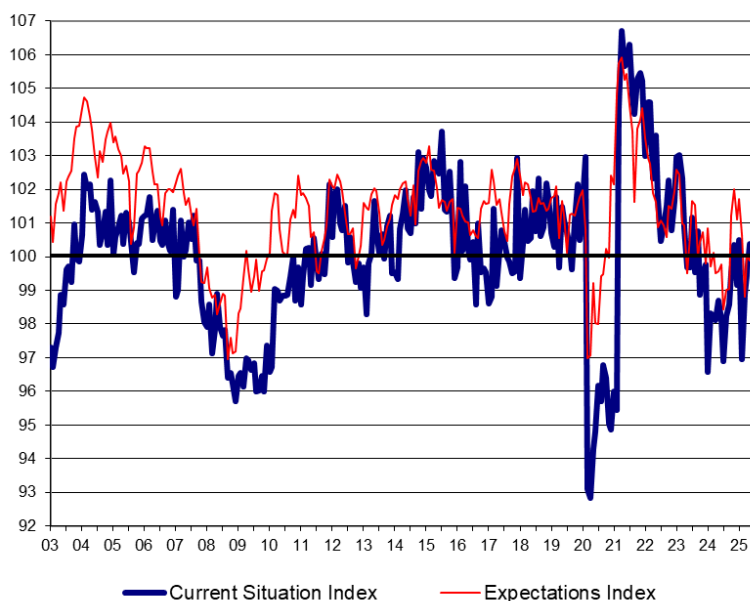
The Expectations Index, which measures restaurant operators' six-month outlook for four industry indicators (same-store sales, employees, capital expenditures and business conditions), stood at 99.7 – down 0.3% from the previous month. Restaurant operators have a mixed outlook for sales in the coming months, while their expectations for the overall economy remain decidedly negative.

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 Mixed Sales and Traffic Results in July

Restaurant operators reported a net increase in same-store sales in July, with results almost identical to June's readings. Forty-eight percent of restaurant operators said their same-store sales rose between July 2024 and July 2025, compared to 49% of operators who reported higher sales in June. Forty-two percent of operators said their sales declined in July, compared to 41% in June.

In contrast to the net increase in same-store sales, restaurant operators continued to report dampened customer traffic readings. Forty percent of operators said their customer traffic rose between July 2024 and July 2025, up slightly from 36% in June. Forty-six percent of restaurant operators reported lower traffic in July, compared to 47% in June. July represented the sixth consecutive month in which operators reported a net decline in customer traffic.

Fifty-three percent of operators said they made a capital expenditure for equipment, expansion or remodeling during the last three months. That represented the highest reading in 13 months.

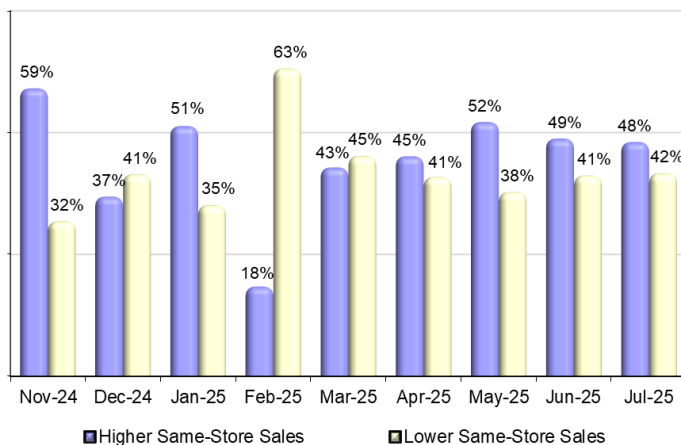
Restaurant Operators' Outlook for Sales and the Economy Remains Uncertain

Restaurant operators have a mixed outlook sales growth in the months ahead. Twenty-nine percent of operators expect their sales volume in six months to be higher than it was during the same period in the previous year, while 27% think their sales will be lower in six months. The remaining 44% of operators expect their sales to remain flat. The recent readings were a significant departure from the optimistic outlook that restaurant operators had at the beginning of the year.

Restaurant operators are much less optimistic about the direction of the overall economy. Only 15% of restaurant operators said they expect economic conditions to improve in six months. That was the lowest reading since the September 2024 survey period. Forty-one percent of restaurant operators think economic conditions will worsen during the next six months, while 44% think conditions will remain about the same as they are now.

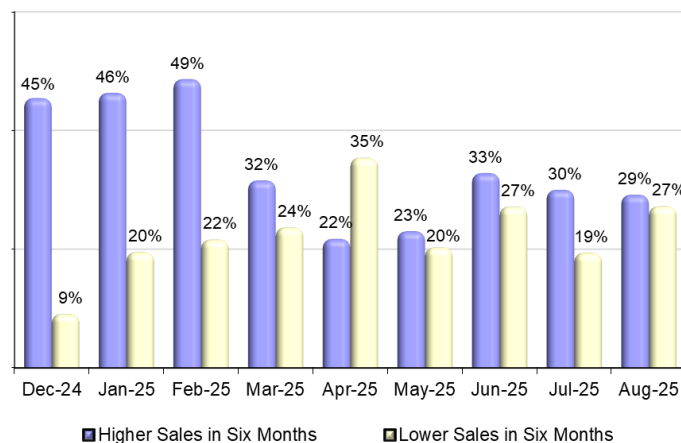
Despite the uncertain outlook, a majority of restaurant operators are planning for capital spending in the coming months. Fifty-five percent of operators said they plan to make a capital expenditure for equipment, expansion or remodeling during the next six months. That was up slightly from 54% last month and represented the highest reading since the February 2025 survey period.

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



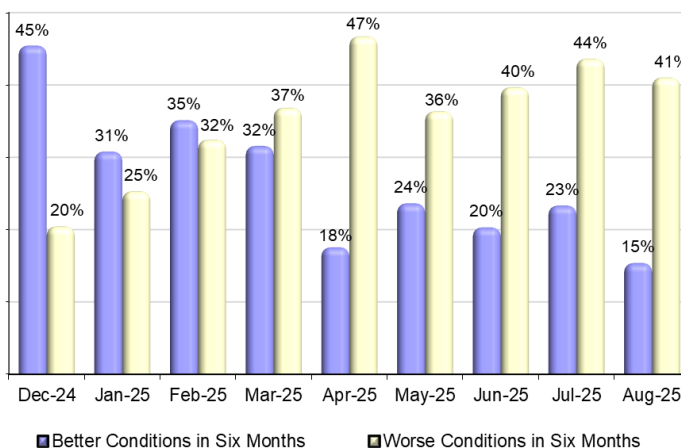
Source: National Restaurant Association, Restaurant Industry Tracking Survey

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



Source: National Restaurant Association, Restaurant Industry Tracking Survey

Restaurant Operators' Outlook for General Economic Conditions in Six Months



Source: National Restaurant Association, Restaurant Industry Tracking Survey

National Restaurant Association Restaurant Performance Index and Its Components

| | March 2025 | April 2025 | May 2025 | June 2025 | July 2025 | June-25 to July-25 |
|--------------------------------------|---------------|---------------|-------------|--------------|--------------|--------------------------|
| Restaurant Performance Index | 98.9 | 99.7 | 100.1 | 100.0 | 99.7 | -0.3% |
| Current Situation Index | 98.9 | 99.4 | 100.4 | 100.0 | 99.7 | -0.2% |
| <i>Current Situation Indicators:</i> | | | | | | |
| Same-Store Sales | 99.8 | 100.4 | 101.4 | 100.8 | 100.6 | -0.1% |
| Customer Traffic | 97.2 | 98.2 | 99.8 | 98.9 | 99.4 | 0.6% |
| Labor | 98.8 | 99.2 | 100.5 | 99.8 | 98.2 | -1.6% |
| Capital Expenditures | 99.9 | 100.0 | 99.8 | 100.5 | 100.6 | 0.2% |
| Expectations Index | 98.8 | 100.0 | 99.9 | 100.1 | 99.7 | -0.3% |
| <i>Expectations Indicators:</i> | | | | | | |
| Same-Store Sales | 98.6 | 100.3 | 100.6 | 101.1 | 100.2 | -0.9% |
| Staffing | 99.7 | 100.9 | 100.4 | 100.4 | 100.3 | -0.1% |
| Capital Expenditures | 99.9 | 100.3 | 100.5 | 100.8 | 101.1 | 0.3% |
| Business Conditions | 97.1 | 98.7 | 98.1 | 98.0 | 97.4 | -0.5% |

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