

March 2025

Restaurant Performance Index Remained Relatively Steady in March

The National Restaurant Association’s Restaurant Performance Index (RPI) was essentially unchanged in March, as improvements in the current situation indicators were offset by a deterioration in restaurant operators’ outlook for business conditions. The RPI – a monthly composite index that tracks the health of the U.S. restaurant industry – stood at 98.9 in March, up 0.1% from a level of 98.8 in February.

Restaurant operators reported mixed same-store sales results in March, which was a significant improvement from February’s dampened readings. However, operators’ outlook for both sales and the economy became decidedly more pessimistic compared to recent 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 2.0% to a Level of 98.9 in March; Expectations Index Fell 1.8% to a Level of 98.8

The Current Situation Index, which measures current trends in four industry indicators (same-store sales, traffic, labor and capital expenditures), stood at 98.9 in March – up 2.0% from a level of 96.9 in February. Restaurant operators’ reporting of their same-store sales and customer traffic levels improved between February and March, though both indicators remained in contraction territory.

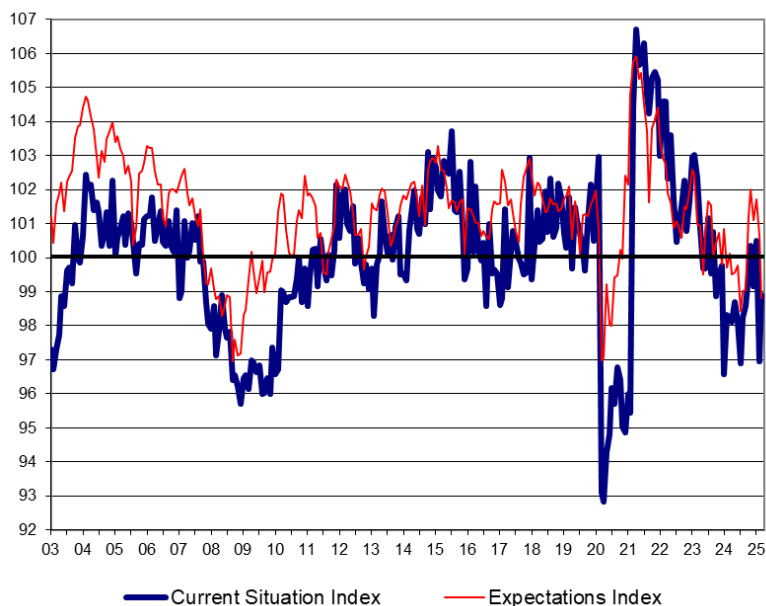
The Expectations Index, which measures restaurant operators’ six-month outlook for four industry indicators (same-store sales, employees, capital expenditures and business conditions), stood at 98.8 – down 1.8% from the previous month. That represented the second consecutive sharp decline in the RPI’s forward-looking component, which illustrates the rising degree of uncertainty about business conditions.

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 Same-Store Sales Results in March

Restaurant operators reported mixed same-store sales readings in March, which represented a sharp improvement from February's dampened levels. Forty-three percent of restaurant operators said their same-store sales rose between March 2024 and March 2025, up from just 18% of operators who reported higher sales in February. Forty-five percent of operators said their sales declined in March, down from 63% in February.

Restaurant operators also reported somewhat better traffic results in March, but volume remained negative overall. Twenty-nine percent of operators said their customer traffic rose between March 2024 and March 2025, up from 13% of operators who reported higher traffic in February. Fifty-seven percent of operators said their traffic declined in March, down from 66% in February.

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

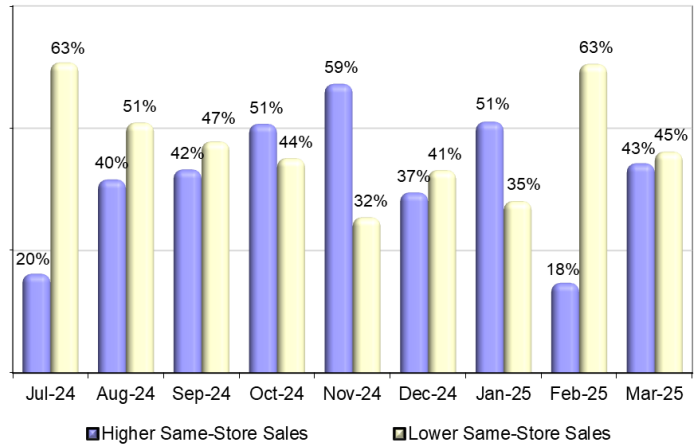
Restaurant Operators Are Less Optimistic about Sales and the Economy

Restaurant operators' previously bullish sales outlook largely evaporated during the last two months. Only 22% of operators expect their sales volume in six months to be higher than it was during the same period in the previous year. That was well below the November 2024 – February 2025 survey periods, when nearly half of operators were expecting sales growth. Thirty-five percent of operators think their sales in six months will be lower than it was during the same period in the previous year.

Restaurant operators are also generally pessimistic about the direction of the overall economy. Only 18% 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. Forty-seven percent of restaurant operators think economic conditions will worsen during the next six months, which represented the highest negative reading in nearly two years.

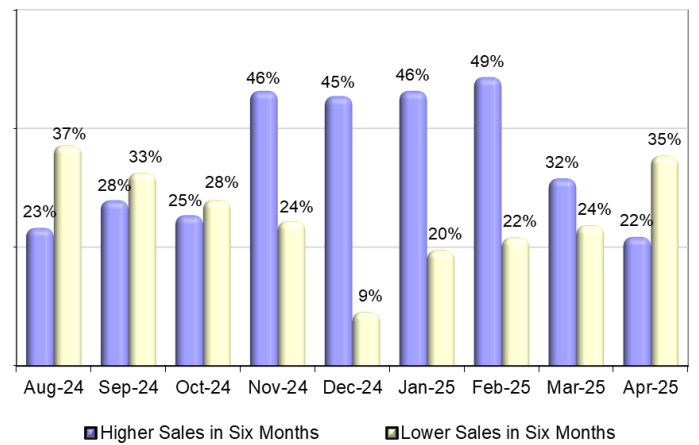
Along with an uncertain outlook, a smaller proportion of restaurant operators are planning for capital spending in the months ahead. Forty-nine percent of operators said they plan to make a capital expenditure for equipment, expansion or remodeling during the next six months. That was down from 54% last month and represented the lowest reading since the November 2024 survey period.

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



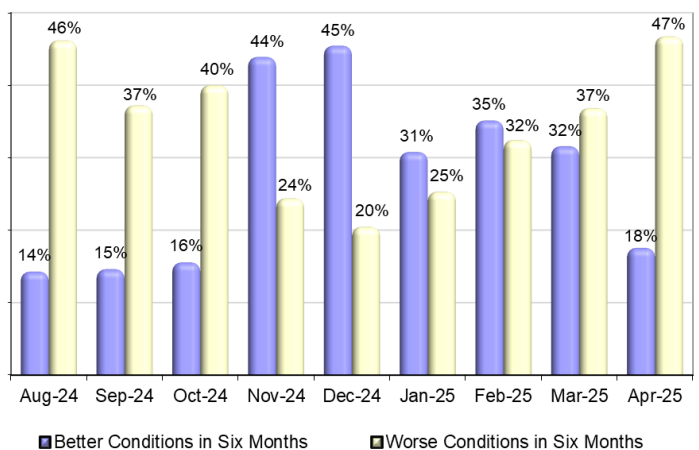
Source: National Restaurant Association, Restaurant Industry Tracking Survey

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

| | November 2024 | December 2024 | January 2025 | February 2025 | March 2025 | Mar-25 over Feb-25 |
|--------------------------------------|------------------|------------------|-----------------|------------------|---------------|--------------------------|
| Restaurant Performance Index | 101.2 | 100.1 | 101.1 | 98.8 | 98.9 | 0.1% |
| Current Situation Index | 100.3 | 99.2 | 100.5 | 96.9 | 98.9 | 2.0% |
| <i>Current Situation Indicators:</i> | | | | | | |
| Same-Store Sales | 102.7 | 99.5 | 101.6 | 95.5 | 99.8 | 4.4% |
| Customer Traffic | 101.4 | 98.2 | 100.8 | 94.7 | 97.2 | 2.6% |
| Labor | 98.2 | 99.1 | 99.9 | 98.0 | 98.8 | 0.8% |
| Capital Expenditures | 99.1 | 99.8 | 99.7 | 99.5 | 99.9 | 0.4% |
| Expectations Index | 102.0 | 101.1 | 101.7 | 100.6 | 98.8 | -1.8% |
| <i>Expectations Indicators:</i> | | | | | | |
| Same-Store Sales | 103.6 | 102.7 | 102.7 | 100.8 | 98.6 | -2.1% |
| Staffing | 101.4 | 100.2 | 102.4 | 101.6 | 99.7 | -1.8% |
| Capital Expenditures | 100.5 | 101.0 | 101.4 | 100.7 | 99.9 | -0.8% |
| Business Conditions | 102.5 | 100.5 | 100.3 | 99.5 | 97.1 | -2.4% |

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).