

May 2025

## Restaurant Performance Index Rose 0.4% in May

The National Restaurant Association's Restaurant Performance Index (RPI) rose for the third consecutive month in May, as sales and customer traffic readings rebounded from dampened levels in recent months. The RPI – a monthly composite index that tracks the health of the U.S. restaurant industry – stood at 100.1 in May, up 0.4% from a level of 99.7 in April.

A majority of restaurant operators reported higher same-store sales in May, while customer traffic readings also improved from recent months. However, operators' outlook for sales in the months ahead remains uncertain, while their assessment of the overall economy is considerably less bullish.

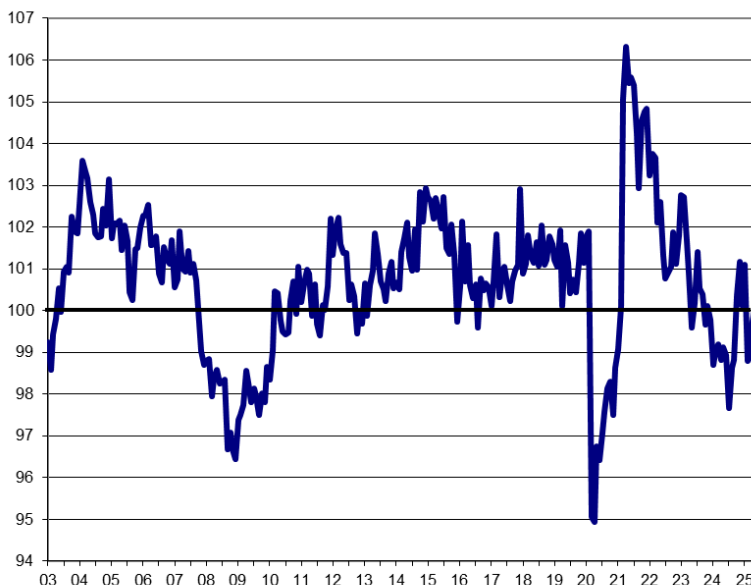
The RPI is constructed so that the health of the restaurant industry is measured in relation to a neutral level of 100. Index values above 100 indicate that key industry indicators are in a period of expansion, while index values below 100 represent a period of contraction. The Restaurant Performance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

## Current Situation Index Rose 0.9% to a Level of 100.4 in May; Expectations Index Edged Down 0.2% to a Level of 99.9

The Current Situation Index, which measures current trends in four industry indicators (same-store sales, traffic, labor and capital expenditures), stood at 100.4 in May – up 0.9% from April and the highest reading since January. May also represented the first time since January that the current situation component stood above 100 in expansion territory.

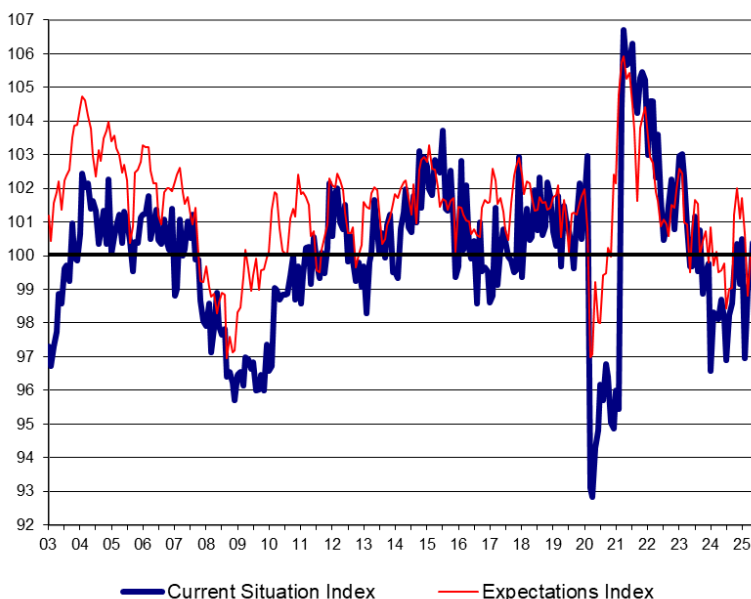
The Expectations Index, which measures restaurant operators' six-month outlook for four industry indicators (same-store sales, employees, capital expenditures and business conditions), stood at 99.9 – down 0.2% from the previous month. Restaurant operators are cautiously optimistic about sales gains in the coming months, though their outlook for the overall economy remains largely pessimistic.

## 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 in May**

For the first time since January, a majority of restaurant operators reported higher same-store sales. Fifty-two percent of restaurant operators said their same-store sales rose between May 2024 and May 2025, up from 45% of operators who reported higher sales in April. Thirty-eight percent of operators said their sales declined in May, down slightly from 41% in April.

Restaurant operators also reported an improvement in customer traffic readings in May, though overall levels remained negative. Forty percent of operators said their customer traffic rose between May 2024 and May 2025, while 42% reported lower traffic. Although May's results were an improvement from softer readings during the last three months, it still represented the fourth consecutive month of net negative customer traffic.

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 five months.

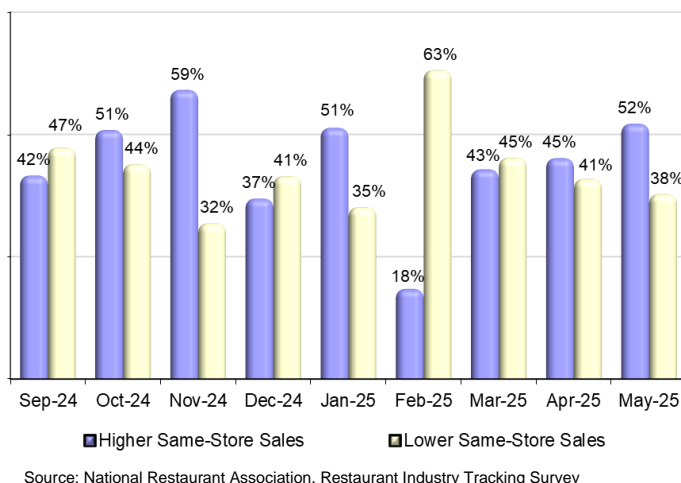
### **Restaurant Operators Remain Uncertain about Sales and the Economy**

Restaurant operators are only marginally positive about sales growth in the months ahead. Thirty-three percent 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 up from the dampened readings of the last two months, but remained well below the optimism expressed during the November 2024 – February 2025 survey periods. Twenty-seven percent of operators think their sales will be lower in six months, while the remaining 40% of operators expect their sales to remain flat.

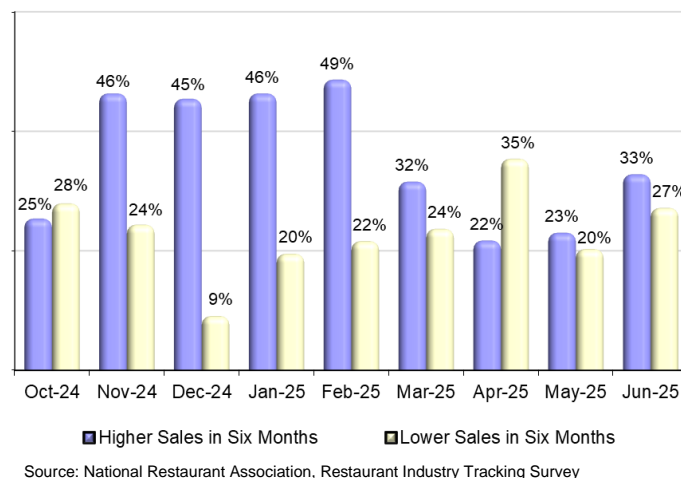
Restaurant operators remain much more concerned about the direction of the overall economy. Only 20% of restaurant operators said they expect economic conditions to improve in six months. That was down from nearly half of operators who reported similarly during the November and December survey periods. Forty percent of restaurant operators think economic conditions will worsen during the next six months, while 40% think conditions will remain about the same as they are now.

Despite the uncertain outlook, restaurant operators continue to plan for capital spending in the coming months. Fifty-three 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 52% last month.

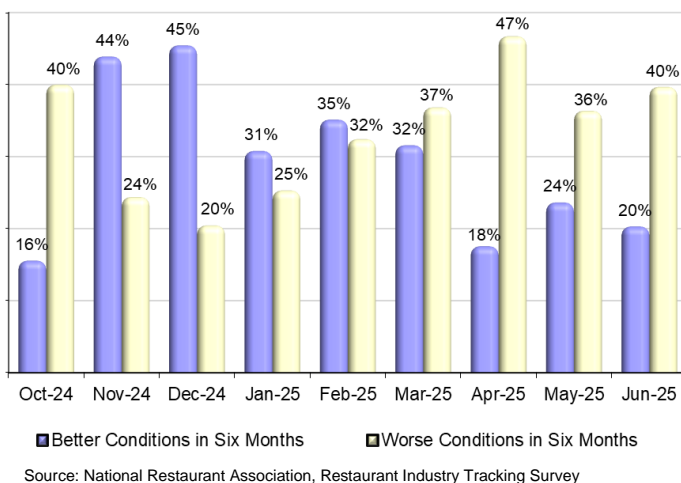
### **Restaurant Operators' Reporting of Same-Store Sales versus Same Month in Previous Year**



### **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

	January 2025	February 2025	March 2025	April 2025	May 2025	Apr-25 to May-25
<b>Restaurant Performance Index</b>	101.1	98.8	98.9	99.7	100.1	0.4%
<b>Current Situation Index</b>	100.5	96.9	98.9	99.4	100.4	0.9%
<i>Current Situation Indicators:</i>						
Same-Store Sales	101.6	95.5	99.8	100.4	101.4	1.0%
Customer Traffic	100.8	94.7	97.2	98.2	99.8	1.6%
Labor	99.9	98.0	98.8	99.2	100.5	1.3%
Capital Expenditures	99.7	99.5	99.9	100.0	99.8	-0.2%
<b>Expectations Index</b>	101.7	100.6	98.8	100.0	99.9	-0.2%
<i>Expectations Indicators:</i>						
Same-Store Sales	102.7	100.8	98.6	100.3	100.6	0.3%
Staffing	102.4	101.6	99.7	100.9	100.4	-0.4%
Capital Expenditures	101.4	100.7	99.9	100.3	100.5	0.2%
Business Conditions	100.3	99.5	97.1	98.7	98.1	-0.7%

*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](http://www.restaurant.org/trendmapper) (subscription required).