

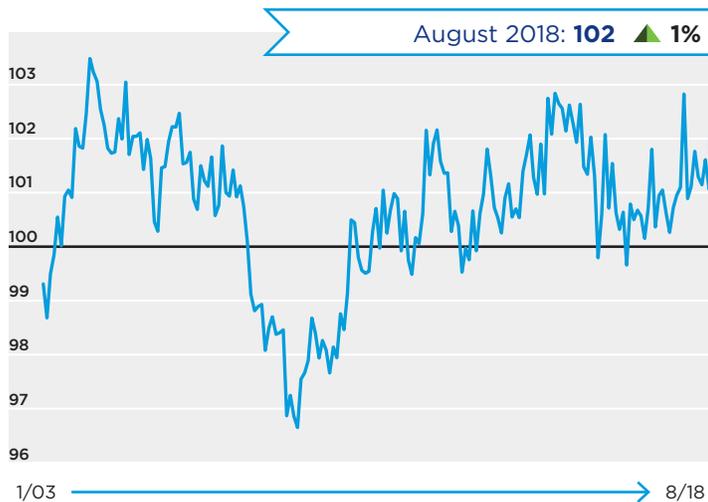


# RESTAURANT ECONOMIC SNAPSHOT

All indicators are for August 2018

A monthly summary of key indicators from National Restaurant Association research;  
More details at [Restaurant.org/EconomistsNotebook](http://Restaurant.org/EconomistsNotebook)

## RESTAURANT PERFORMANCE INDEX



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

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

Current Situation Index: **102.3** ▲ **1.6%**

- 🇺🇸 Same-store sales: **58%** report increase over August 2017
- 👤 Customer traffic: **43%** report increase over August 2017
- 🏠 Capital spending: **66%** report making expenditure in last 3 months

Expectations Index: **101.7** ▲ **0.4%**

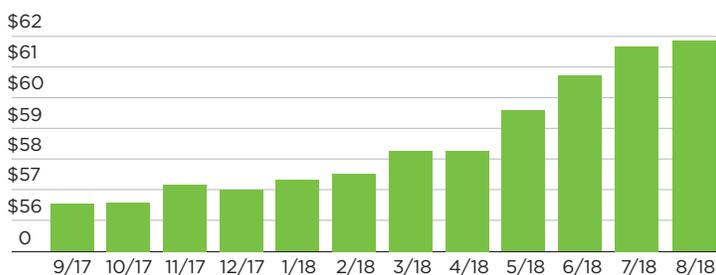
- 🇺🇸 Sales outlook: **38%** expect higher sales in 6 months
- 🏠 Capital spending: **63%** plan to make expenditure in next 6 months
- 📊 Economy: **26%** expect economic conditions to improve in 6 months

**KEY TAKEAWAYS:** Driven by stronger same-store sales and customer traffic levels, the National Restaurant Association's Restaurant Performance Index (RPI) registered a healthy gain in August. Restaurant operators reported a net increase in same-store sales for the 10th consecutive month, with customer traffic also turning positive in August. **Although the forward-looking indicators anticipate continued growth in the coming months, their recent trends have been somewhat choppy.**

## RESTAURANT SALES AND JOBS

### Total eating and drinking place sales

(in billions of current dollars)

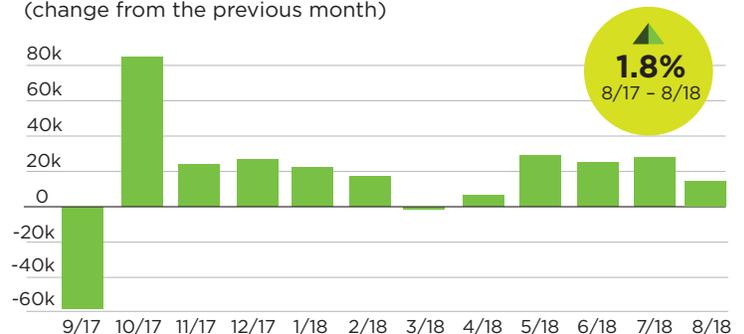


Source: U.S. Census Bureau; figures are seasonally-adjusted

**KEY TAKEAWAYS:** Restaurant sales continued to trend higher in August, albeit at a much slower pace than the previous three months. **Eating and drinking place sales were up 0.2 percent in August on a seasonally-adjusted basis, which followed a three-month period that saw sales jump a total of 6.2 percent.** Overall, eating and drinking place sales stood 10.1 percent above their year-ago level — the largest 12-month gain in more than three years.

### Eating and drinking place employment

(change from the previous month)



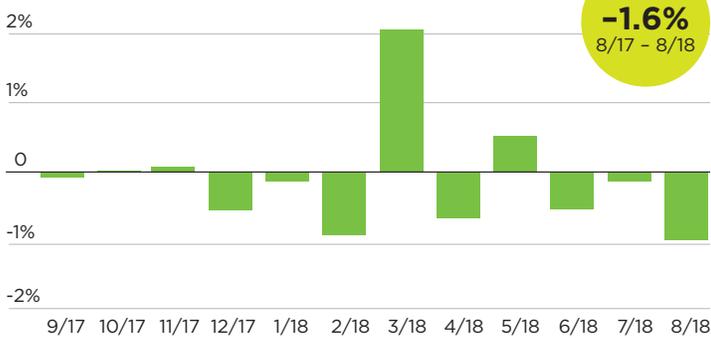
Source: Bureau of Labor Statistics; figures are seasonally-adjusted

**KEY TAKEAWAYS:** While 2018 will be the 8th consecutive year of job growth in the restaurant industry, it will also likely represent the slowest growth during that stretch. This is due in large part to the shallow labor pool in many parts of the country. According to the Bureau of Labor Statistics, there were 909,000 job openings in the hospitality sector on the last business day in July. **This was the highest level on record, and was 23 percent above the average monthly job openings during 2017.**

## FOOD COSTS & MENU PRICES

### Wholesale food prices (PPI - All Foods)

(percent change from previous month)



Source: Bureau of Labor Statistics

**KEY TAKEAWAYS:** Wholesale food prices declined for the third consecutive month, 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 – fell 0.9 percent in August. **As a result of the recent declines, average wholesale food prices were down 1.6 percent from year-ago levels. This represented the largest 12-month decline in more than a year.**

### Menu prices, grocery store prices & overall U.S. inflation

(percent change from same period in previous year)

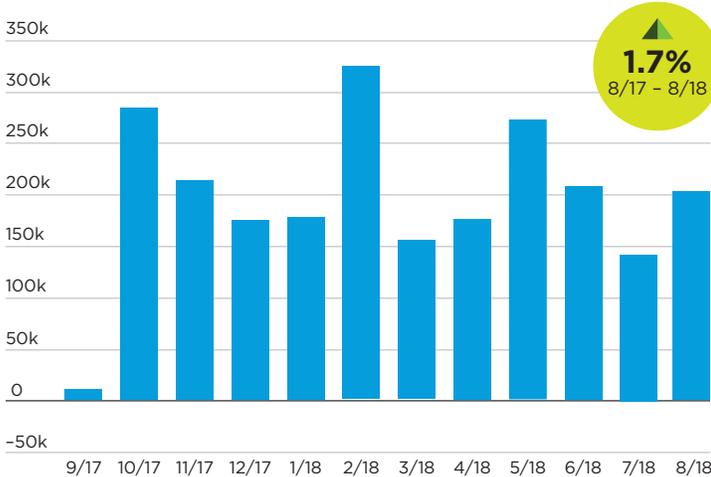


Source: Bureau of Labor Statistics

**KEY TAKEAWAYS:** Menu-price growth slowed somewhat in August. **Menu prices were up 2.6 percent in the 12 months ending August 2018, which followed two consecutive months with gains of 2.8 percent.** Menu prices increased at a 3.5 percent rate in the West region during the last 12 months, while the Northeast region saw menu-price growth of 2.9 percent. In the Midwest and South regions, menu prices rose at rates of 2.2 percent and 2.1 percent, respectively.

## THE ECONOMY

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



Source: Bureau of Labor Statistics

Total nonfarm employment	▲ 201,000
Average hourly earnings	▲ 0.4%
Unemployment rate	3.9%
Real Disposable Personal Income	▲ 0.2%
Real Personal Consumption Expenditures	▲ 0.2%

**KEY TAKEAWAYS:** Job growth in the national economy remained on trend in August. The economy added a net 201,000 jobs in August on a seasonally-adjusted basis, which followed gains of 208,000 and 147,000 jobs in June and July, respectively. On average during the first eight months of 2018, the economy added a net 207,000 jobs a month. **This matched the average pace of growth during the previous six years, which illustrates how consistent the current economic expansion has been.**

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 14.7 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, 2019, 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.