NATIONAL RESTAURANT ASSOCIATION

MONTHLY ECONOMIC BRIEFING

October 19, 2026

For additional insights and analysis, visit the Research section at www.restaurant.org.

BOTTOM LINE: The outlook remains cautiously optimistic. Consumer spending has stayed resilient despite elevated inflation and uncertainty, and dining out remains a priority for many households. Restaurant sales are forecast to rise 4.3% in 2026, or 0.8% in real terms, though risks include renewed Middle East tensions and potential disruptions to oil flows through the Strait of Hormuz.

INDUSTRY HEALTH: ▲SLIGHTLY HIGHER

- **RPI (August): 100.6** *up from 100.3 in July*
- **Current Situation Index (August):** up from 100.1 to **100.6**, *expanding for third straight month*
- **Expectations Index (August): 100.6,** up from 100.5, *with restaurant operators slightly and cautiously optimistic*
- **Same-store sales (August):** *higher for* **51%** *of operators;* **31%** *saw declining sales*
- **Customer traffic (August):** *higher for* **43%** *of operators;* **46%** *saw declining traffic*
- **Sales expectations (August):** *higher for* **44%** *of operators;* **24%** *expect sales to decrease*
- ***Top challenges:*** *economy (28%), sales (20%), labor costs (16%), recruiting employees (15%), food costs (8%)*

LABOR MARKET: ▲MODEST GROWTH

- **Restaurant jobs added (September): 20,800,** *with just +49,700 YTD and +109,100 YOY*
- **Restaurant labor costs (Sept):** *up* **42%** *post-pandemic*
- **Job openings (August): 713,000**
- **Quits (August): 507,000**
- **Staffing expectations (August): 80%** *see staffing levels unchanged over next 6 months, with* **12%** *seeing gains*

CONSUMER CONFIDENCE: ▼ ANXIOUS

- **Conference Board Consumer Confidence (Sept.): 81.9**, *lowest since April 2014*
- **University of Michigan Consumer Sentiment (Oct. preliminary): 47.3,** *up from 46.3 in Sept., still weak and highly correlated with gas prices*
- **Bright spot:** *Restaurants remain a priority;* **53%** *of consumers went out to eat at a restaurant during the Q3 reference week, down from* **56%** *in the Q2*
- **Red flag: 39%** *of consumers spent less at restaurants in Q3 than in Q2, and* **23%** *spent more*
- **Affordability:** *Half of consumers say that it is more difficult to cover expenses than one year ago.*
- **Dipping into savings: 34%** *of consumers say that they outspent their monthly income every month in Q3, with* **50%** *doing so occasionally*

NEXT RELEASES

- FOMC Monetary Policy Statement: October 28
- GDP (First Estimate for Q3): October 29
- PCE Deflator and Personal Income & Spending: Oct. 29

TECHNOMIC INSIGHTS: ▼SOFT, IMPROVING

- **Traffic (October estimate): +0.3% YOY**
- **Same-store sales (October estimate): +3.4% YOY**

MENU PRICES: ▲RISING SOLIDLY

- **Food Away from Home CPI (September): +0.2%** *for the month and* **+3.5% YoY**
- **Food at Home (Groceries, September): +1.8% YoY**
- **2026 full-year forecast: +3.5% YOY** *for menu prices*

INPUT COSTS: ▼ FOOD COSTS IN PAST YEAR

- **Wholesale food prices (September): +0.6%,** *following declines in July and August;* **-2.6% YOY** *but* **+34%** *since February 2020*
- **Select food costs that have risen over past year (Sept.):** *fats and oils, fresh fruit, fresh vegetables, prepared seafood, processed fruits and vegetables, soft drinks, tea, unprocessed finfish, and wheat flour*
- **Select food costs that have fallen over past year (Sept.):** *beef and veal, butter, cheese, confectionary materials, eggs, pork, processed poultry, refined sugar, and unprocessed shellfish*

MACRO BACKDROP: ▲RESILIENT, CAUTIOUS

- **GDP (Q2): +2.2%** *at annual rate, boosted by strong AI business investment and decent consumer spending, but pulled lower by net exports, inventories, government spending*
- **GDP (NRA 2026 forecast): +2.4%**
- **Nonfarm payroll jobs added (Sept.): 29,000,** *up in 6 of the past 7 months, averaging 81,000 in past two months*
- **Unemployment rate (Sept.): 4.2%,** *up from 4.1% in August*
- **Labor force participation rate (Sept.): 61.8%,** *up for second straight month but down notably year-to-date*
- **Overall CPI (Sept.): 0.6%,** *buoyed by gasoline prices, up* **3.7% YOY;** *expected to remain elevated in coming months*
- **Gas prices (National avg., week of 10/12/26): $4.33/gallon**, *up* **$1.39/per gallon** *since end of February*
- **Diesel prices (National avg., week of 10/12/26): $6.18/gallon**, *up* **$2.37/gallon** *since end of February*
- **Monetary policy:** *Likely to increase rates again in December after hiking in September amid elevated pricing pressures*
- **Key risks:** *Iran war and geopolitical risks, higher gas prices and interest rates, consumer confidence*
- **Upside risks:** *Resilient spending, "K-shaped" economy, solid wage growth and employment, prioritization of restaurants*

Sources: National Restaurant Association (Restaurant Performance Index and Quarterly Consumer Insights), Bureau of Labor Statistics, Conference Board, Energy Information Administration, University of Michigan