NATIONAL RESTAURANT ASSOCIATION

MONTHLY ECONOMIC BRIEFING

August 10, 2026

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

BOTTOM LINE: The outlook remains cautiously optimistic despite mixed fundamentals. Consumer spending is moderating, the labor market is cooling, inflation remains elevated, and the restaurant sector faces headwinds. Still, dining out remains a priority for many consumers, supporting resilience. Risks include renewed Middle East tensions and potential disruptions to oil flows through the Strait of Hormuz.

INDUSTRY HEALTH: ▲SLIGHTLY HIGHER

- **RPI (June): 100.2,** *up from 100.1 in May*
- **Current Situation Index (June): 100.1,** *expanding slightly after contracting in three prior months*
- **Expectations Index (June):** unchanged at **100.4,** *with restaurant operators slightly and cautiously optimistic*
- **Same-store sales (June):** *higher for* **51%** *of operators;* **31%** *saw declining sales*
- **Customer traffic (June):** *higher for* **35%** *of operators;* **43%** *saw declining traffic*
- **Sales expectations (June):** *higher for* **25%** *of operators;* **13%** *expect sales to decrease*
- ***Top challenges:*** *economy (30%), sales (20%), recruiting employees (19%), labor costs (19%), food costs (11%)*

LABOR MARKET: ▼DISAPPOINTING

- **Restaurant jobs added (July): -26,100,** *falling for second month, with just +3,500 YTD and +122,800 YOY*
- **Job openings (June): 684,000**
- **Quits (June): 638,000,** *remaining somewhat elevated relative to expectations in the "Great Stay"*
- **Staffing expectations (June): 61%** *see staffing levels unchanged over next 6 months, with* **25%** *seeing gains*
- **Labor costs (June):** *up* **41.2%** *post-pandemic*

CONSUMER CONFIDENCE: ▲IMPROVING

- **Conference Board Consumer Confidence (June): 90.8**, *remaining subpar, near pandemic-era lows*
- **University of Michigan Consumer Sentiment (July): 55.2,** *rebounding from May's record low but still weak, highly correlated with gas prices*
- **Bright spot: 56%** *of consumers went out to eat at a restaurant during the Q2 reference week, up from 52% in the Q1 reference week, and remained the top discretionary purchase*
- **Red flag: 36%** *of consumers spent less at restaurants in Q2 than in Q1, and* **24%** *spent more*
- **Dipping into savings: 35%** *of consumers say that they outspent their monthly income every month in Q2, with* **49%** *doing so occasionally*

NEXT RELEASES

- CPI (July): August 12
- PPI (July): August 13
- Retail sales (July): August 14

TECHNOMIC INSIGHTS: ▼SOFT, IMPROVING

- **Traffic (July estimate): Flat YOY**
- **Same-store sales (July estimate): +3.2% YOY**
- **Average check (July estimate): +2.1% YOY**

MENU PRICES: ▲RISING MORE SLOWLY

- **Food Away from Home CPI (June): +3.4% YoY**, *the slowest pace since January 2023*
- **Food at Home (Groceries, June): +2.7% YoY**
- **2026 full-year forecast: +3.5% YOY** *for menu prices*

INPUT COSTS: ▼ LOWER ENERGY COSTS

- **Wholesale food prices (June): Unchanged** *following two months of gains, down* **0.1% YOY** *on comparisons to increases in early 2025; up* **35%** *post-pandemic*
- **Select food costs that have risen over past year:** *beef and veal, coffee, fats and oils, fresh vegetables, milk, soft drinks, and unprocessed finfish*
- **Select food costs that have fallen over past year:** *butter, cheese, confectionary materials, eggs, milled rice, pork, processed poultry, and refined sugar*
- **Diesel prices (National avg., week of 8/3/26): $5.35/gallon**, *up* **$1.34/gallon** *since end of February*

MACRO BACKDROP: ▲RESILIENT, CAUTIOUS

- **GDP (Q2): +1.5%** *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): +2.2%**
- **Nonfarm payroll jobs added (July): -23,000,** *first decline since January and well below expectations*
- **Unemployment rate (June): 4.1%,** *lowest since June 2021*
- **Labor force participation rate (May): 61.4%,** *the lowest since February 2021*
- **Overall CPI (June): -0.4%,** *down on lower gasoline prices in June, up* **3.5% YOY**; *expected to rebound in July*
- **Gas prices (National avg., week of 8/3/26): $4.08/gallon**, *up* **$1.14/per gallon** *since end of February*
- **Monetary policy:** *Likely to stay on hold as Fed remains cautious due to inflation outlook, with risks of higher interest rates in price growth remains elevated in incoming data*
- **Key risks:** *Iran war and geopolitical risks, slowing labor market growth and consumer confidence*
- **Upside risks:** *Consumers continue to spend, higher tax refunds, "K-shaped" economy*

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