



## **A New Normal Takes Hold; Restaurants Focused on Paths to Continued Growth in 2023**

*2023 State of the Restaurant Industry Report highlights industry successes and challenges; forecasts sales of \$997 billion*

**Washington, D.C.** (Feb. 28, 2023) – Today, the [National Restaurant Association](#) released its 2023 State of the Restaurant Industry report, which examines key factors impacting the industry including the current state of the economy, operations, workforce, and food and menu trends to forecast sales and market trends for the year ahead. The report is an authoritative look at the industry and its opportunities based on a range of national surveys of restaurant owners, operators, chefs, and consumers.

Key findings illustrating the industry's economic conditions include:

- **Growth will continue:** The foodservice industry is forecast to reach \$997 billion in sales in 2023, driven in part by higher menu prices.
- **Industry help wanted:** The foodservice industry workforce is projected to grow by 500,000 jobs, for total industry employment of 15.5 million by the end of 2023.
- **Building on a Solid Foundation:** For 70% of operators, business conditions have settled into or are on the path to their new version of normal.
- **Consumers want restaurant experiences:** 84% of consumers say going out to a restaurant with family and friends is a better use of their leisure time than cooking and cleaning up.
- **Rising costs create challenges:** 92% of operators say the cost of food is a significant issue for their restaurant.
- **Competition is heating up:** In 2023, 47% of operators expect competition to be more intense than last year.

"The restaurant and foodservice industry is fueling the American economy. Our hiring rate and wage increases are outpacing the overall private sector, and this year our industry will contribute nearly \$1 trillion to the economy," said Michelle Korsmo, president & CEO of the National Restaurant Association. "The 2023 State of the Restaurant Industry report offers an in-depth analysis of what's driving this growth and the tremendous opportunities for restaurant owners, operators, and team members who want to grow their businesses and expand their careers."

### **Pandemic Pivots become Permanent**

The temporary "pivots" developed during the pandemic — expanded delivery services, outdoor dining options, to-go alcohol offerings, and investments in technology — are the foundation of the industry's "new normal." At least 4 in 10 operators in each of the three limited-service segments — quickservice, fast casual, and coffee and snack — believe the addition of drive-thru lanes will become more common in 2023. For others, outdoor dining and alcohol-to-go are becoming table stakes. Across all six major

segments, more than 9 in 10 operators plan to continue offering outdoor seating and the same number of operators are also likely to continue offering alcohol-to-go, if their jurisdiction allows it.

Despite widespread investment in technology in the last few years, the restaurant industry is still far from becoming a tech-centric sector. Most operators still consider their use of technology as mainstream rather than leading edge.

In 2023, many operators want to keep moving toward the edge, with more than 4 in 10 planning investments in equipment or technology to increase front- and back-of-the-house productivity. These investments are anticipated mostly in the order and payment space, rather than automated systems or robots that prepare and serve food. Other operational takeaways include:

- Among fine-dining restaurants that offered delivery during the pandemic, 79% added it for the first time; 8 in 10 of those plan to continue.
- Two-thirds of adults say they're more likely to order takeout food from a restaurant than they were before the pandemic.
- Off-premises-only locations are expected to grow in popularity; more than 4 in 10 limited-service operators think they will be more common this year.
- 69% of adults say they like the option to dine outside.

### **An Industry of Opportunity**

The restaurant and foodservice industry added 2.8 million jobs over the past 24 months, bringing the industry total to 15 million at the end of 2022; however, the foodservice industry remains 400,000 jobs below pre-pandemic levels.

Most restaurant operators will be actively looking to boost staffing levels in 2023, while carefully balancing staffing needs with business conditions. Eighty-seven percent of operators say they'll likely hire additional employees during the next 6–12 months if qualified applicants are available. Key figures on the restaurant workforce include:

- Between 2023 and 2030, the foodservice industry is projected to add an average of roughly 150,000 jobs a year, with total staffing levels projected to reach 16.5 million by 2030.
- Only 1 in 10 operators think recruiting and retaining employees will be easier in 2023 than it was in 2022.
- The restaurant industry has long been the primary training ground for new entrants to the workforce and in 2022, nearly a quarter of jobs were filled by first-time employees.
- 58% of operators say using tech and automation to alleviate labor shortages will become more common in their segment in 2023; however, technology is generally complementary to human labor and primarily intended to enhance rather than replace workers in the restaurant industry.

### **Flexibility to Accommodate Rising Food Costs and All-Hours Dining**

Demand for restaurant experiences remains strong among consumers who are hungry to connect over shared meals. Operators are taking creative cost-saving approaches to temper elevated expenses, including food, labor, occupancy, and utilities, by streamlining their menus. With the rise of remote work blurring traditional meal times, operators are focusing on new opportunities to entice customers at all hours with engaging offerings, including off-hours or slow-day value deals, flexible pricing, multi-course meal bundles, meal kits and subscriptions, apparel, and more. Meanwhile, many operators plan

to add to their menus more healthier and nutritious meal options, eco-friendly items, and dishes tailored to takeout in 2023. Key data points on food and beverage trends include:

- 93% of operators say their restaurant's total food costs are higher than they were in 2019.
- A majority of operators across all segments expect to keep their menus in 2023 similar in size to last year.
- 69% of adults say they are likely to purchase a meal kit (measured ingredients with cooking instructions), including more than 8 in 10 Gen Z adults and millennials.
- Eco-friendly business practices continue to draw consumers, especially millennials.

"As the restaurant industry adapts to a new normal, operators' ability to be flexible and diversify their operations is essential to thriving," said Hudson Riehle, senior vice president of Research for the National Restaurant Association. "With profitability under pressure, operators are launching new business models within the industry, re-engineering current concepts, and allocating more space to off-premises business in order to satisfy customers in 2023."

Click [here](#) to download the 2023 State of the Restaurant Industry Report, supported by SpotOn and Sage.

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#### **About the National Restaurant Association**

*Founded in 1919, the National Restaurant Association is the leading business association for the restaurant industry, which comprises nearly 1 million restaurant and foodservice outlets and a workforce of 15 million employees. Together with 52 State Associations, we are a network of professional organizations dedicated to serving every restaurant through advocacy, education, and food safety. We sponsor the industry's largest trade show ([National Restaurant Association Show](#)); leading food safety training and certification program ([ServSafe](#)); unique career-building high school program ([the NRAEF's ProStart](#)). For more information, visit [Restaurant.org](#) and find @WeRRestaurants on [Twitter](#), [Facebook](#) and [YouTube](#).*

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