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NATIONAL RESTAURANT ASSOCIATION

STATE OF THE RESTAURANT INDUSTRY 2026

February 12, 2026

U.S. ECONOMIC OVERVIEW

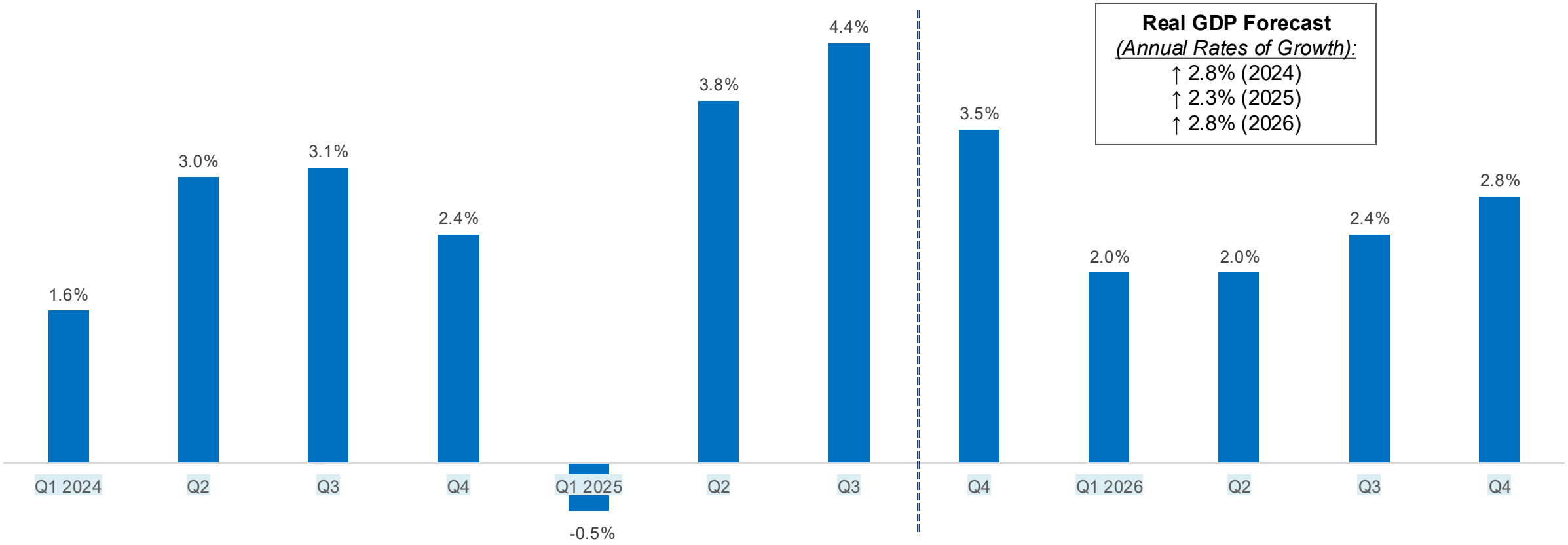
U.S. Economic Outlook

INDICATOR	2023	2024	2025	2026
Real Gross Domestic Product	2.9%	2.8%	2.3%	2.8%
Real Disposable Personal Income	5.7%	2.9%	1.6%	1.2%
Consumer Price Index	4.1%	3.0%	3.0%	2.5%
Total U.S. Nonfarm Payroll Employment	2.3%	1.3%	0.1%	0.5%

Source: National Restaurant Association projections, February 2026

Percentage Change in Real Gross Domestic Product

Chained 2017 Dollars, Annual Rate of Growth, Seasonally Adjusted



Sources: Bureau of Economic Analysis, National Restaurant Association projections

Upside Risks

Wage growth remains solid, but moderating
Spending is cautious but has been resilient despite challenges amid solid wage growth
Federal Reserve is poised to lower interest rates

Other elements to watch (e.g., federal tax and regulatory policy, technology integration)

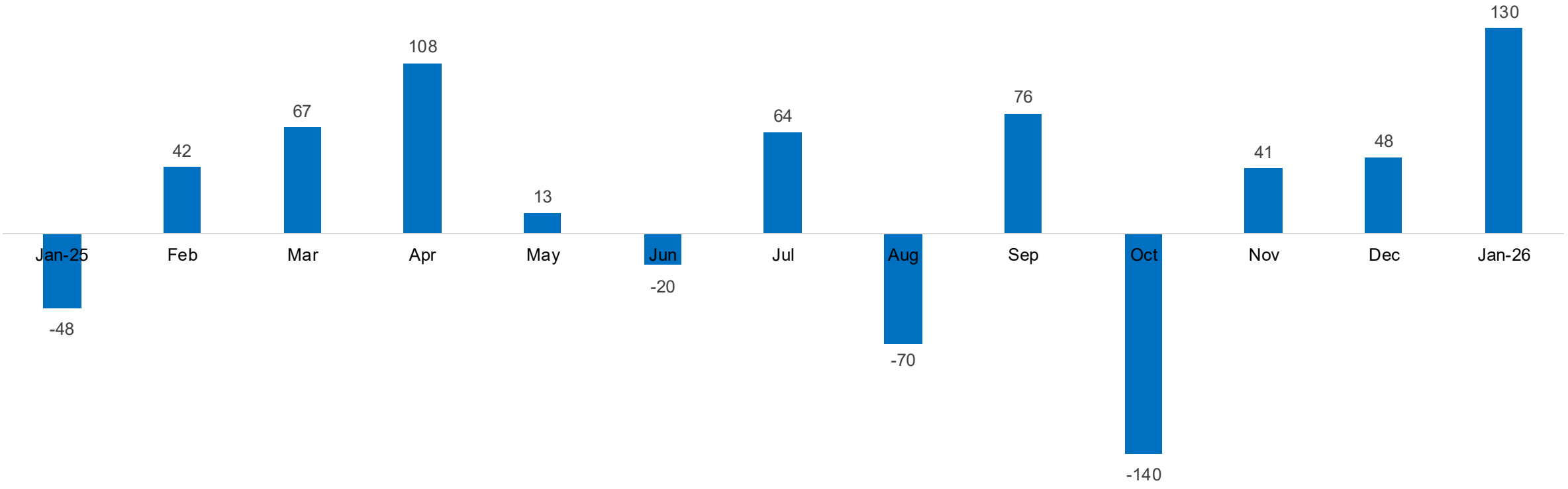
Downside Risks

Labor market has softened materially in recent months
Political uncertainties (e.g., government shutdown, tariffs, immigration policies, etc.)
Geopolitical risks (Ukraine, Middle East, Taiwan, etc.)
Lingering inflationary/cost pressures, despite some moderation

Other red flags to watch (e.g., labor issues, federal debt, regional restaurant laws & regulations)

Monthly Change in Nonfarm Payroll Employment

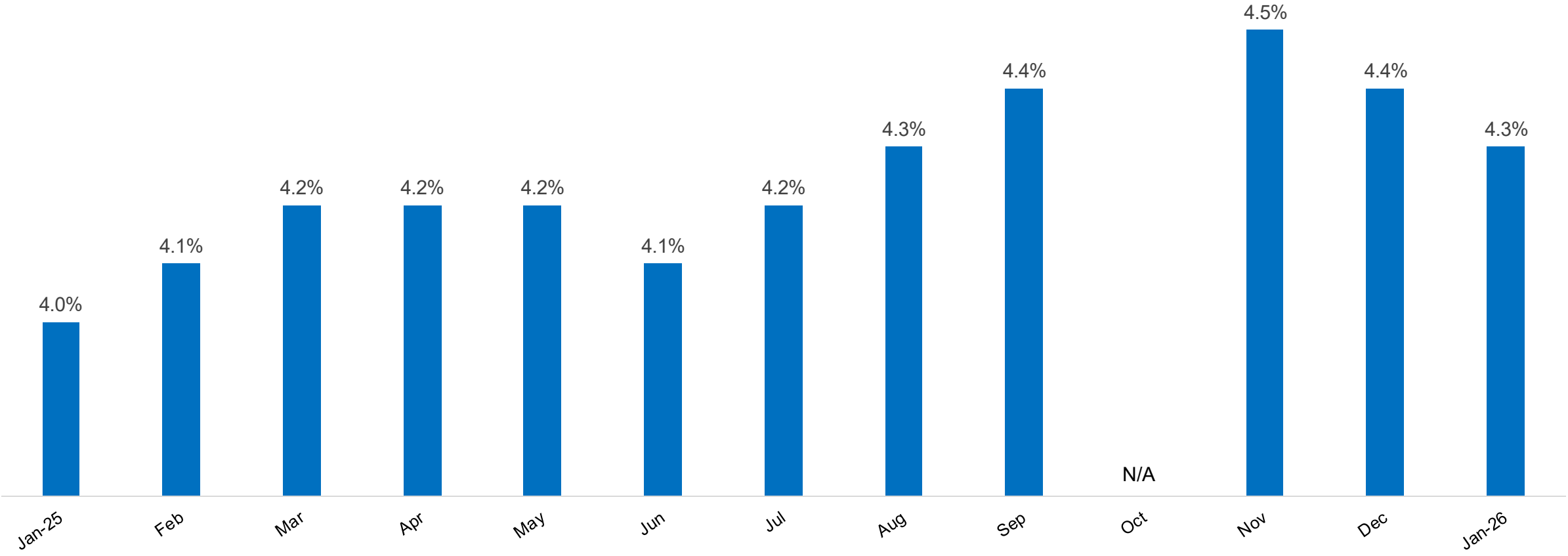
January 2025 to January 2026, in Thousands of Workers, Seasonally Adjusted



Sources: Bureau of Labor Statistics

U.S. Employment Rate

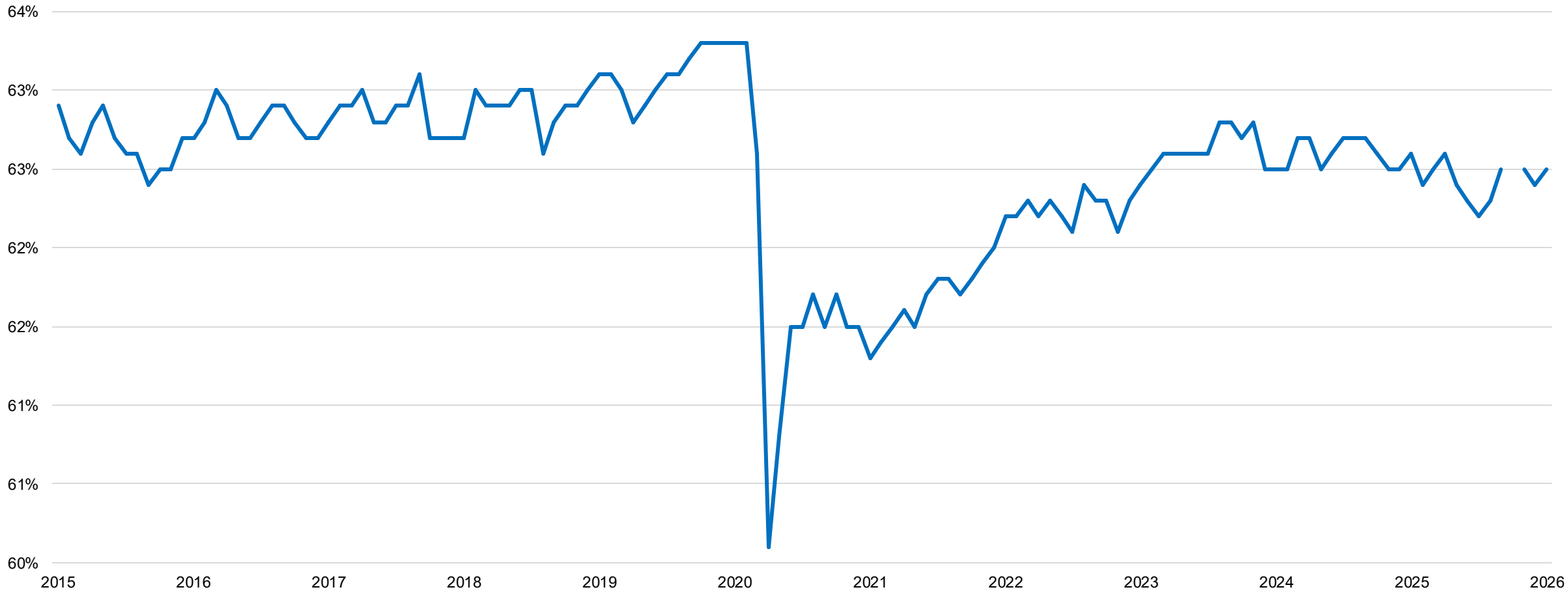
January 2025 to January 2026, Seasonally Adjusted



Sources: Bureau of Labor Statistics

Labor Force Participation Rate

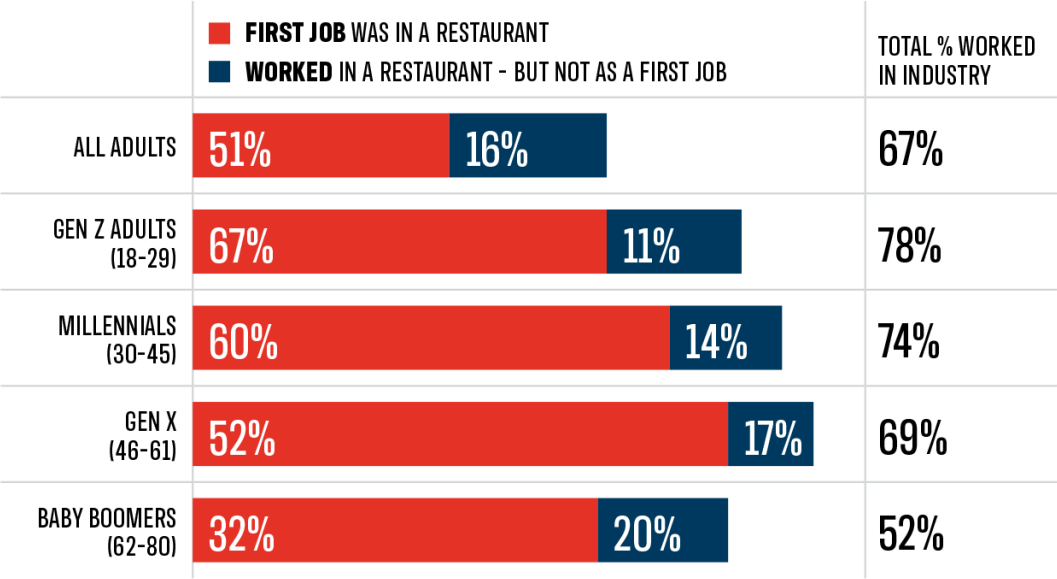
January 2015 to January 2026, Seasonally Adjusted



Sources: Bureau of Labor Statistics

HALF OF ADULTS GOT THEIR **FIRST JOBS** IN A RESTAURANT

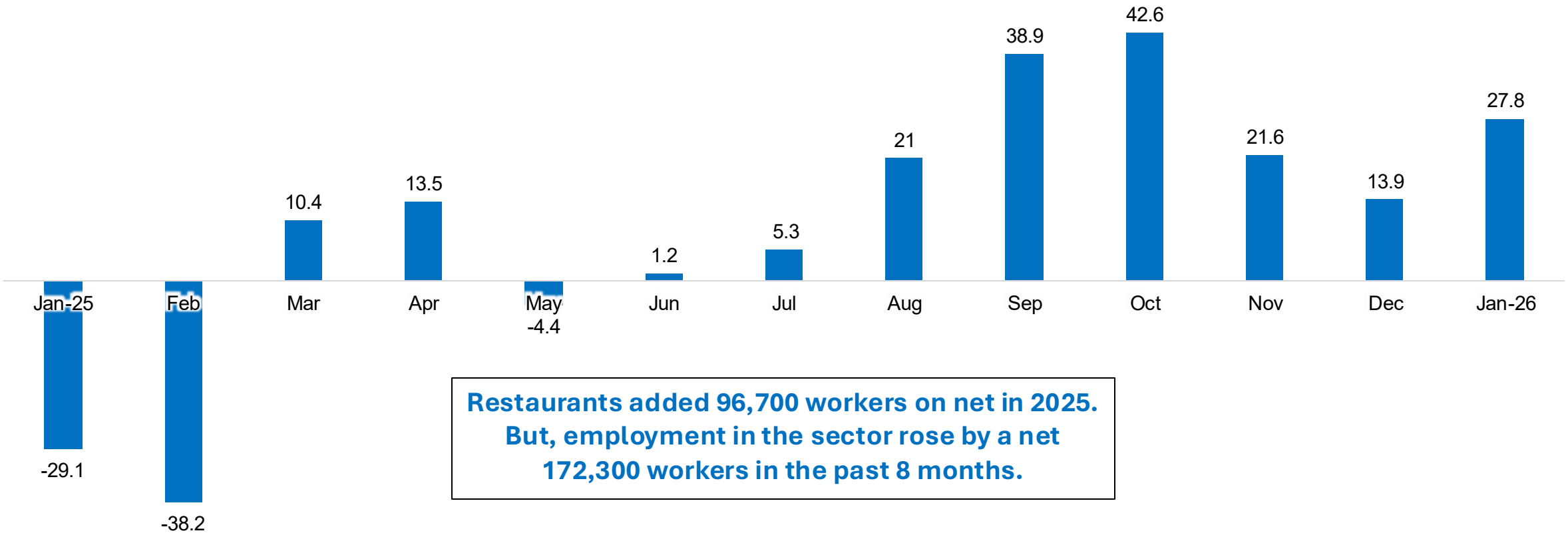
% OF ADULTS WHO HAVE WORKED IN THE RESTAURANT AND FOODSERVICE INDUSTRY, EITHER AS THEIR FIRST JOB OR AT SOME POINT IN THEIR LIVES



Source: National Restaurant Association

Monthly Change in Eating and Drinking Place Employment

January 2025 to January 2026, in Thousands of Workers, Seasonally Adjusted

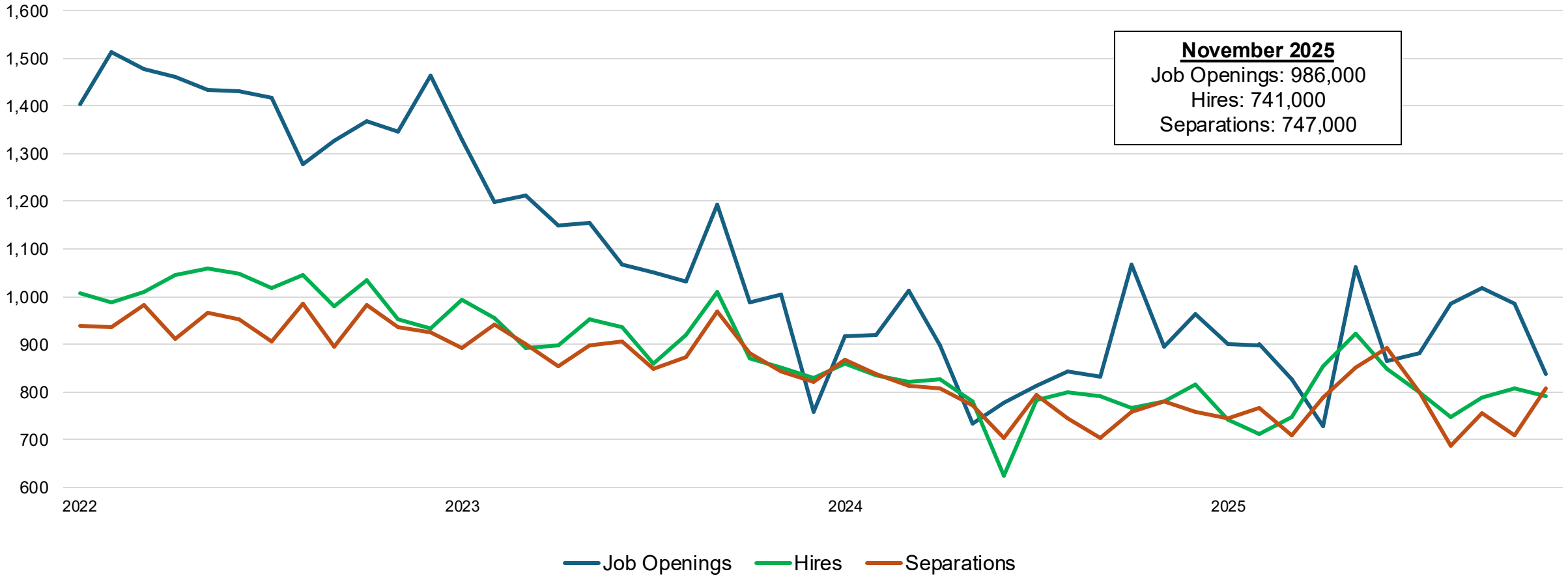


Restaurants added 96,700 workers on net in 2025. But, employment in the sector rose by a net 172,300 workers in the past 8 months.

Sources: Bureau of Labor Statistics

Job Openings for Restaurants & Accommodations Remain Solid

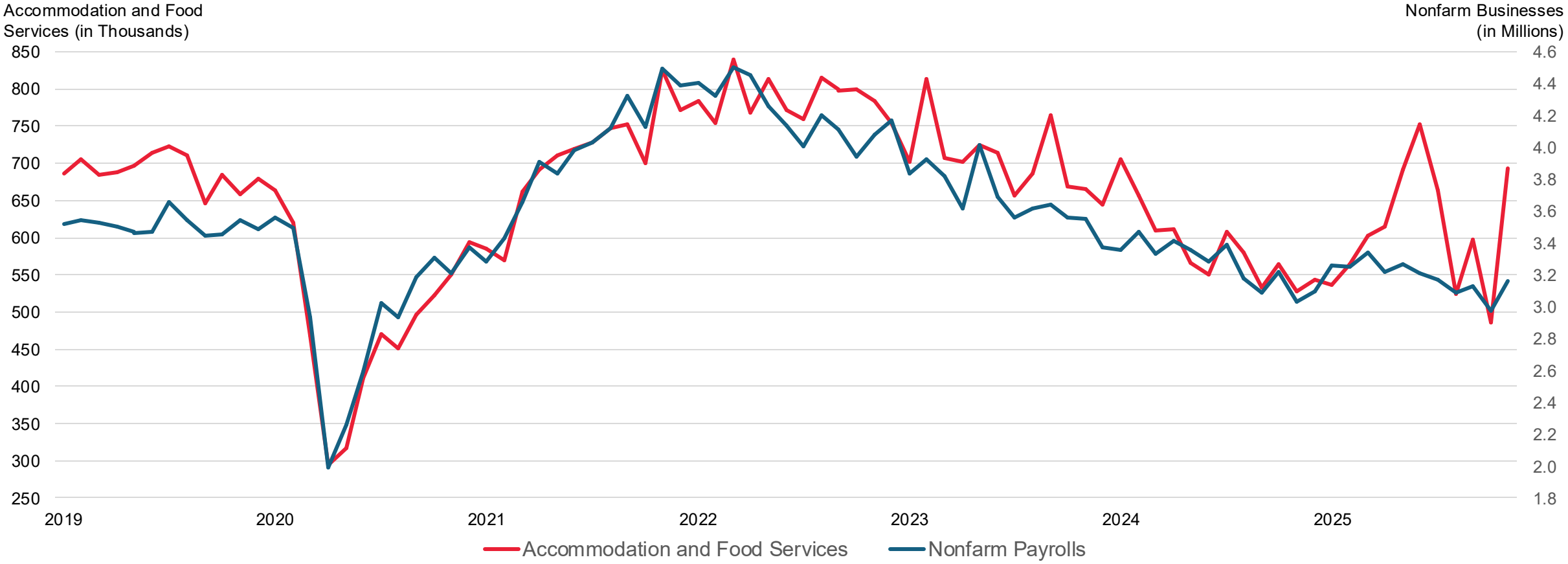
January 2022 – November 2025, in Thousands of Workers



Sources: Bureau of Labor Statistics; figures are seasonally adjusted

Employee Quit Rate Has Normalized From Elevated Pandemic Levels

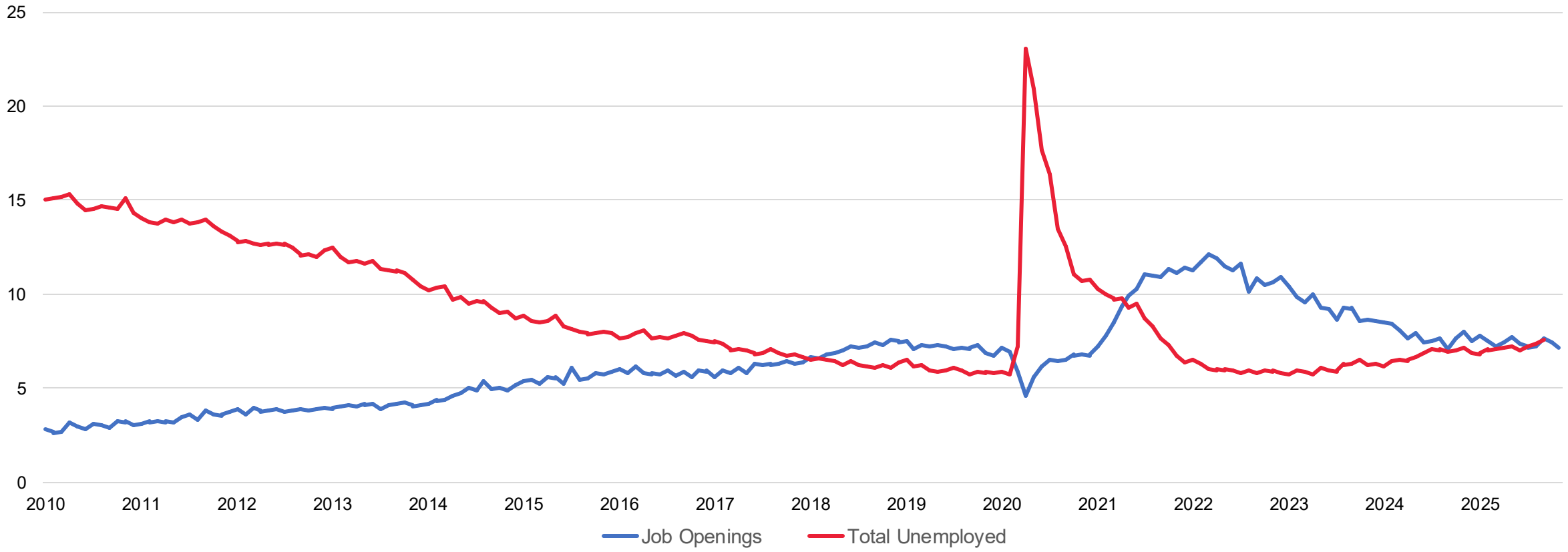
Quit Rate in the Restaurants & Accommodations Sector, January 2019 – November 2025



Sources: Bureau of Labor Statistics; figures are seasonally adjusted

There Continues to be More Job Openings Than the Unemployed

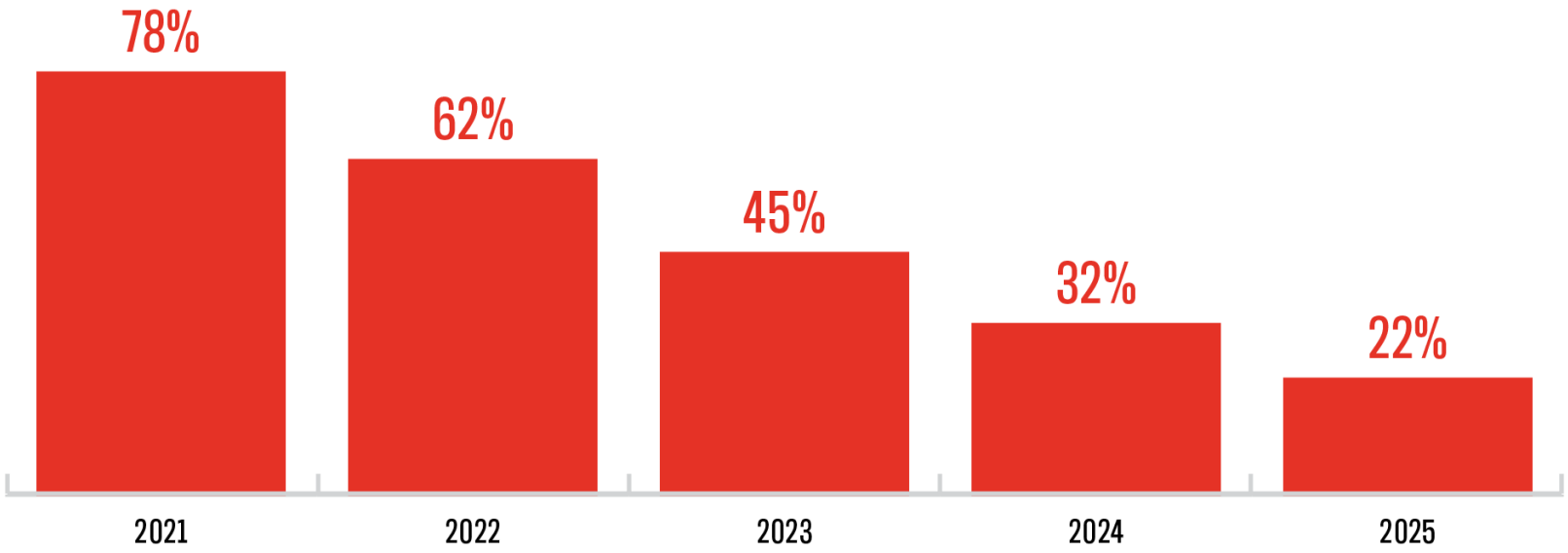
January 2015 – November 2025, in Thousands of Workers



Sources: Bureau of Labor Statistics; figures are seasonally adjusted

1 IN 5 RESTAURANTS WERE **UNDERSTAFFED** IN 2025

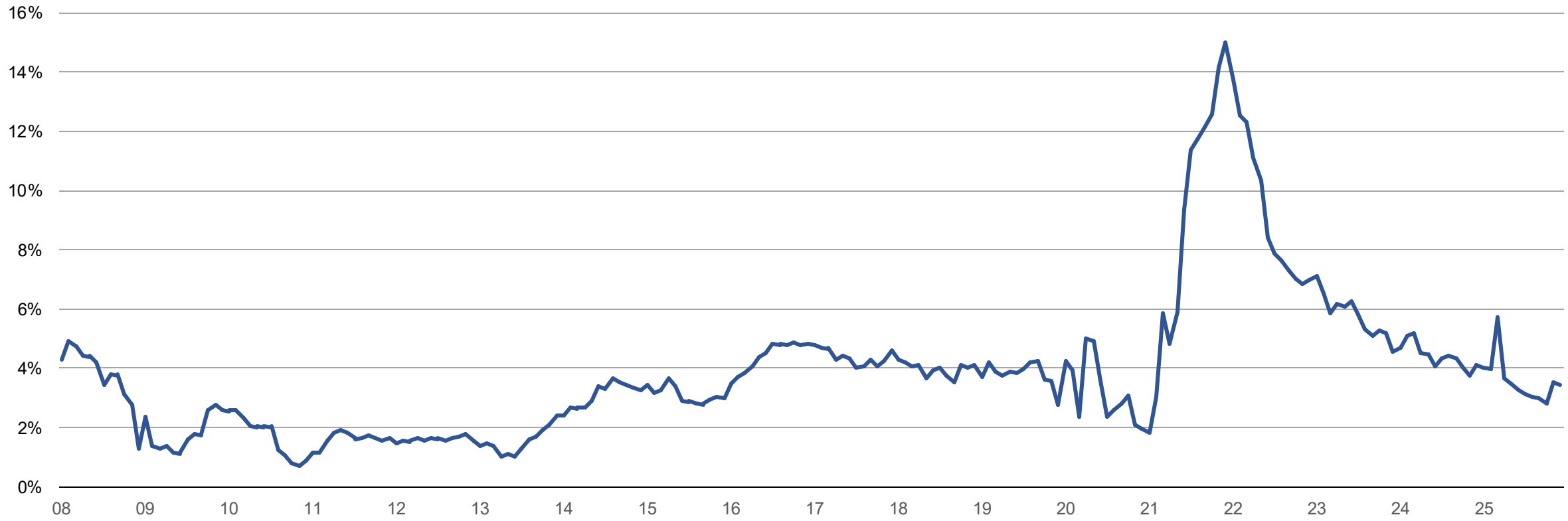
% OF RESTAURANT OPERATORS WHO SAID THEY DON'T HAVE ENOUGH EMPLOYEES TO SUPPORT EXISTING CUSTOMER DEMAND



Source: National Restaurant Association
Note: Surveys were fielded during Q4 of each year

Average Hourly Earnings of Eating and Drinking Place Employees

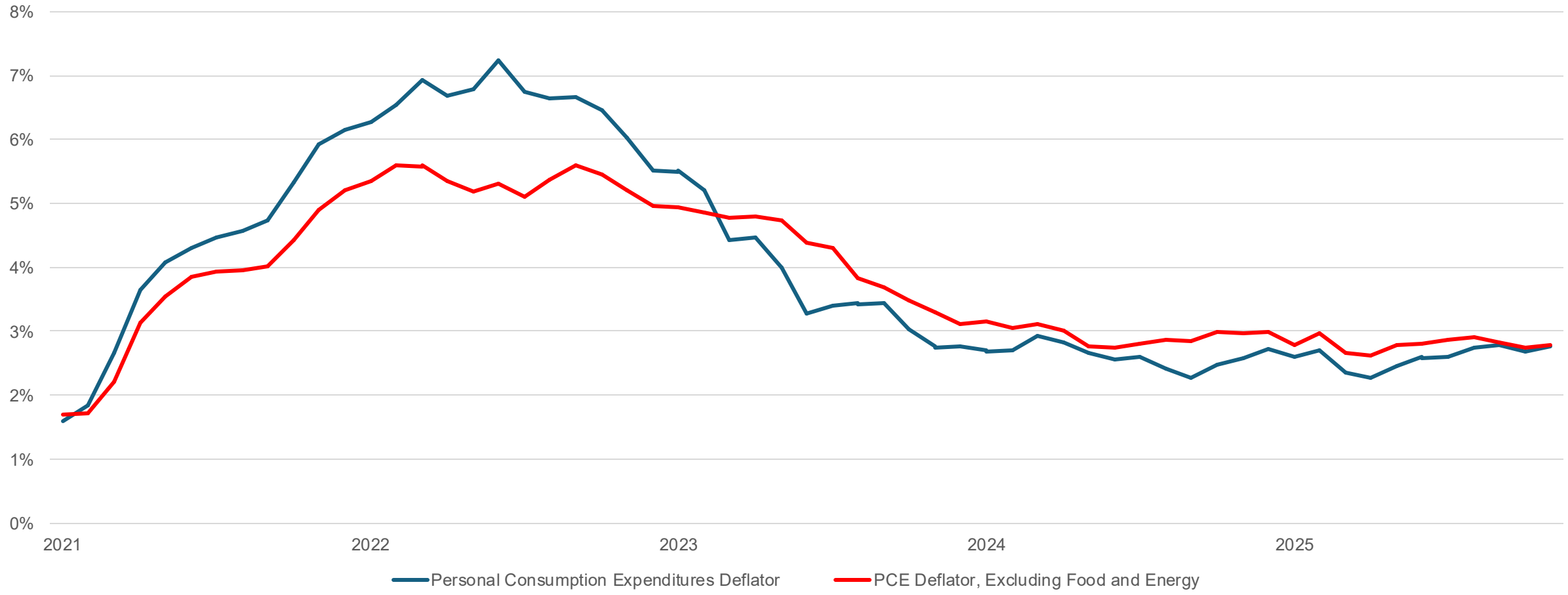
January 2008 to December 2025, Year-Over-Year Percentage Change, Seasonally Adjusted



Sources: Bureau of Labor Statistics

Year-Over-Year Percentage Change in the PCE Deflator

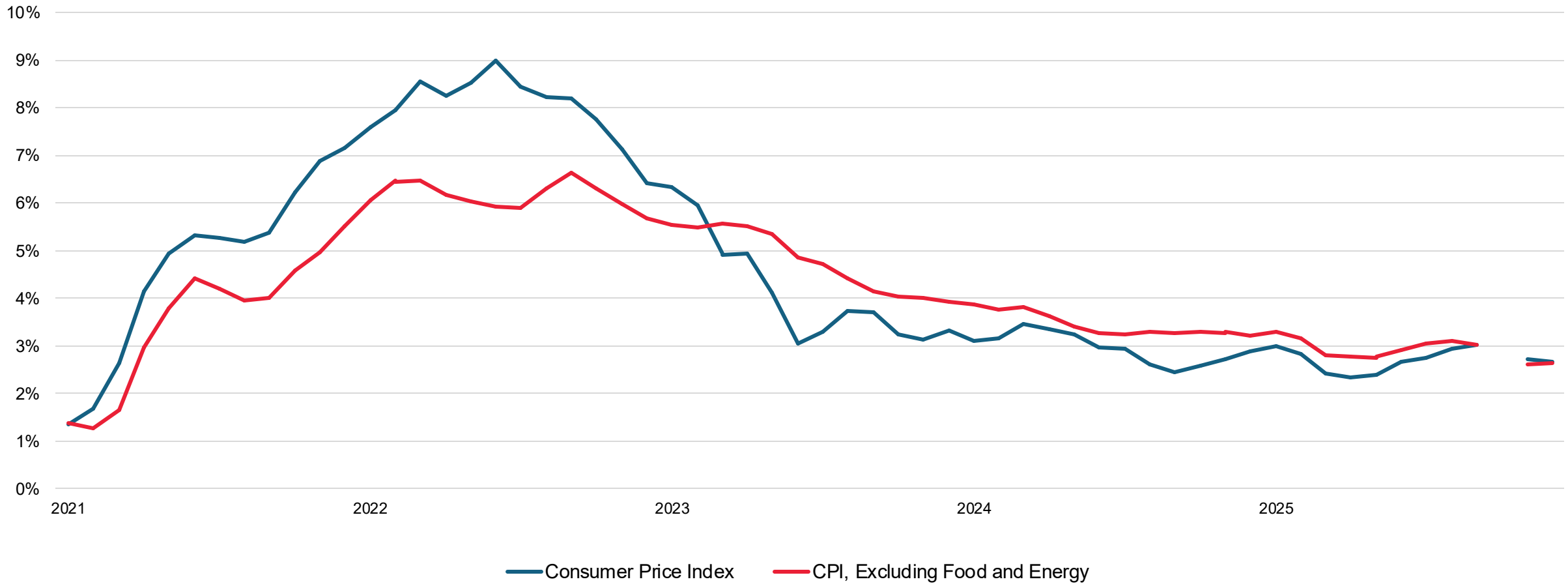
January 2021 to November 2025



Sources: Bureau of Labor Statistics; figures are seasonally adjusted

Year-Over-Year Percentage Change in Consumer Prices

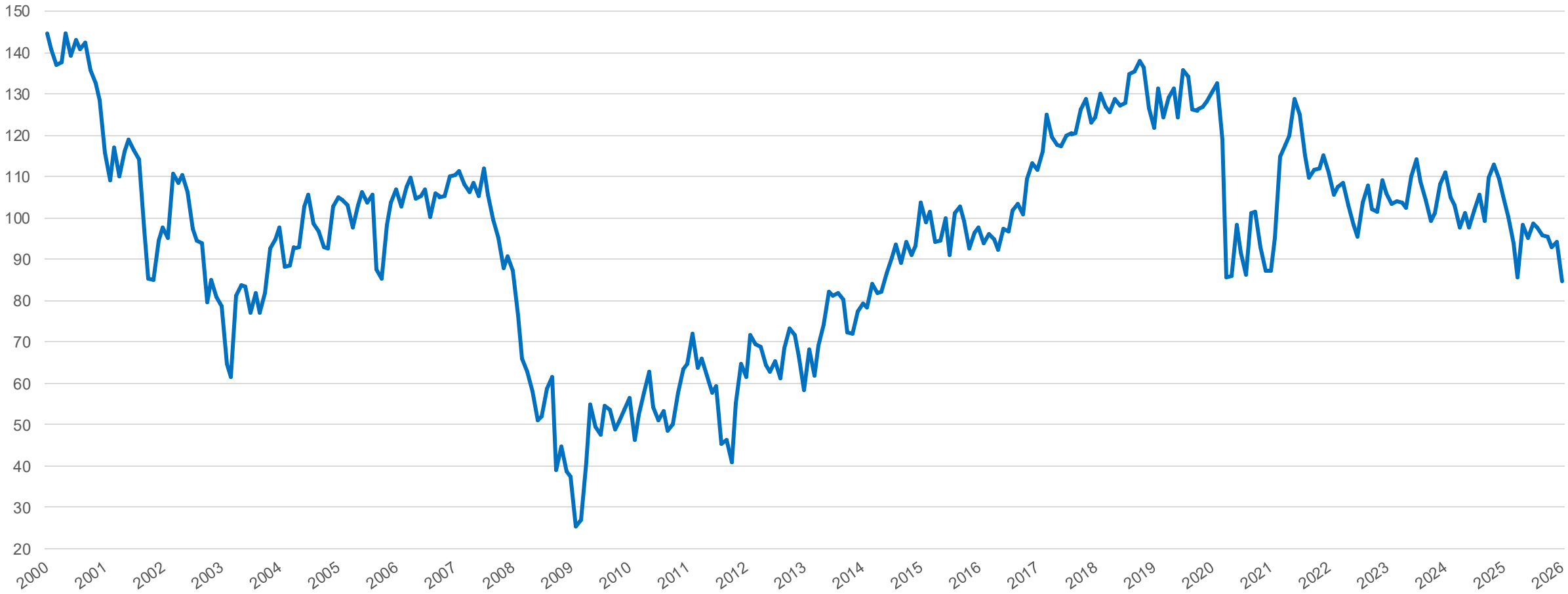
January 2021 to December 2025, 1982-1984=100



Sources: Bureau of Labor Statistics; figures are seasonally adjusted

Consumers Remain Anxious About the Economy

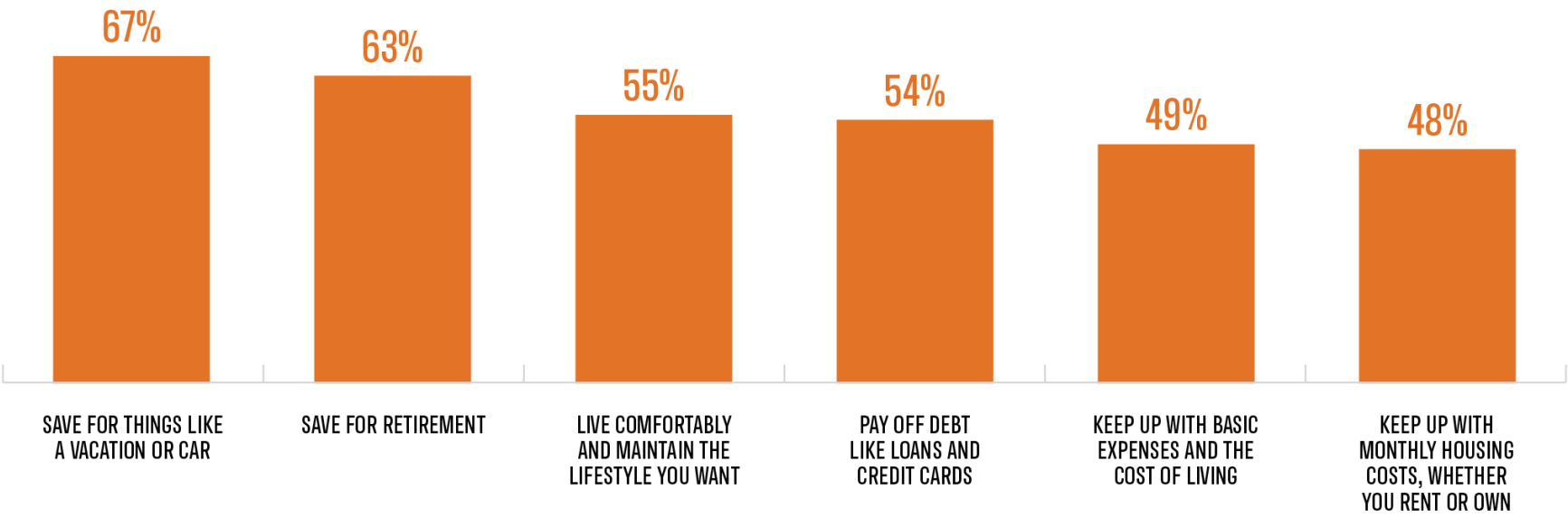
U.S. Consumer Confidence Index, January 2000 – January 2026



Sources: The Conference Board

CONSUMERS ARE **FEELING STRAINED** ECONOMICALLY

% OF CONSUMERS WHO SUGGEST THAT DOING THE FOLLOWING THINGS ARE 'VERY' OR 'SOMEWHAT DIFFICULT' TO DO

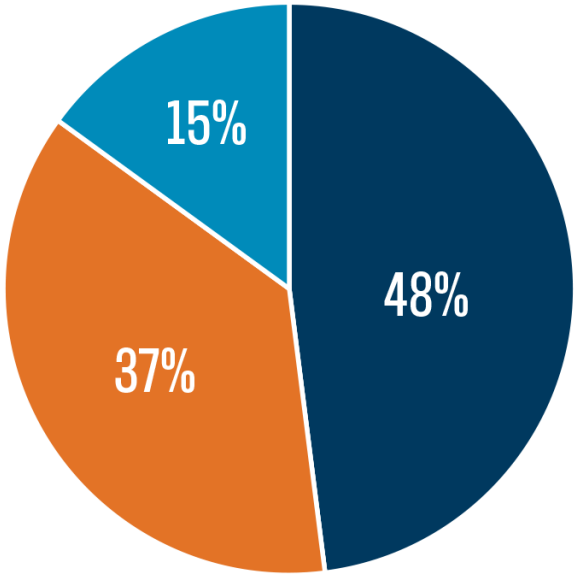


Source: National Restaurant Association

CONSUMERS ARE **VERY CAUTIOUS**

CONSUMERS' DESCRIPTION OF THEIR PERSONAL SPENDING BEHAVIOR

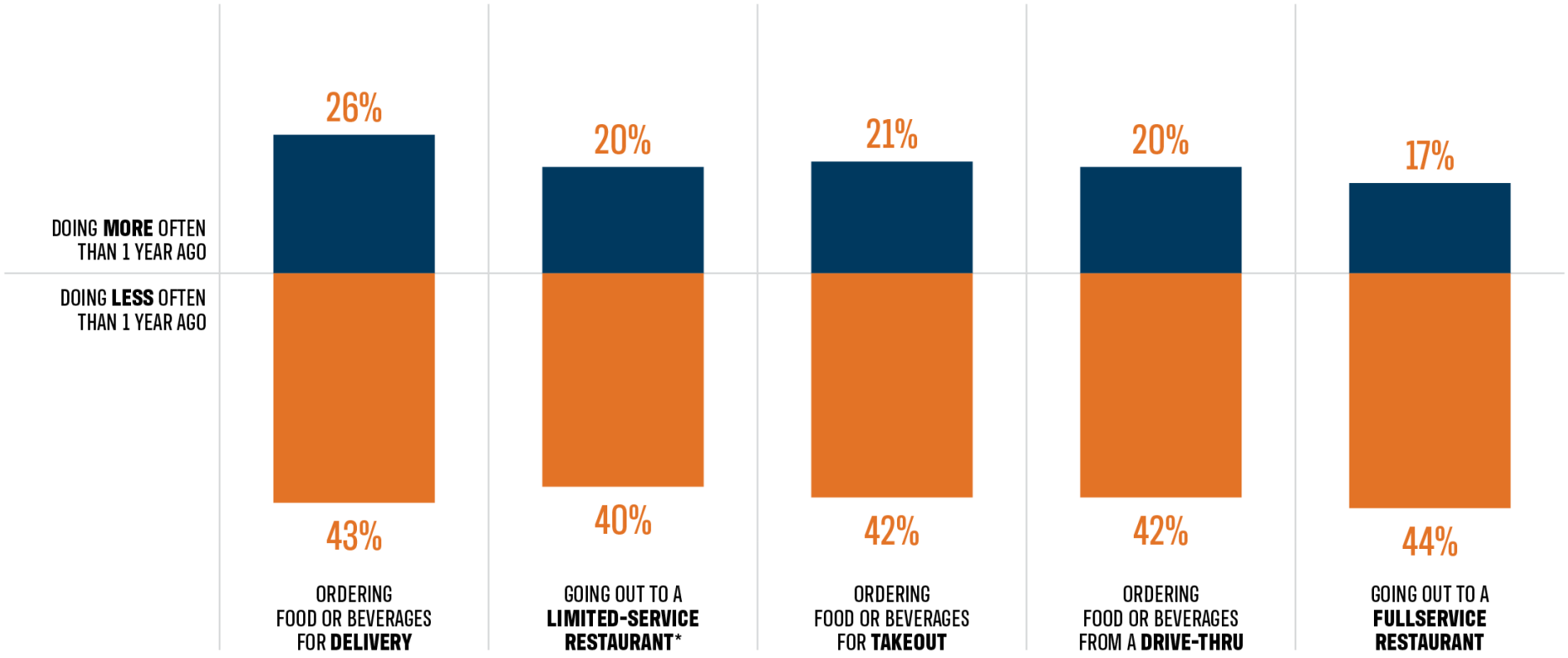
- TAKING THE **WAIT AND SEE APPROACH**, AND ARE HOLDING BACK SOMEWHAT ON SPENDING
- **VERY CONCERNED** ABOUT PERSONAL FINANCES AND ARE HOLDING BACK SIGNIFICANTLY ON SPENDING
- **CONFIDENT** IN PERSONAL FINANCES AND ARE NOT HOLDING BACK ON SPENDING



Source: National Restaurant Association

4 IN 10 CONSUMERS SAY THEY CUT THEIR RESTAURANT FREQUENCY IN 2025

RESTAURANT CUSTOMERS' REPORTING OF THEIR RESTAURANT USAGE COMPARED WITH 1 YEAR AGO



Source: National Restaurant Association
Base: Consumers who used restaurants for those individual activities during the past 6 months
*Includes going out for food or beverages at coffee shops, snack places, delis, quickservice restaurants, and fast casual restaurants

CONSUMERS **PRIORITIZE RESTAURANTS** IN THEIR DISCRETIONARY SPENDING

% OF CONSUMERS WHO SAID THEY STILL DO THE FOLLOWING ACTIVITIES, DESPITE HAVING A DIFFICULT TIME KEEPING UP WITH BASIC EXPENSES

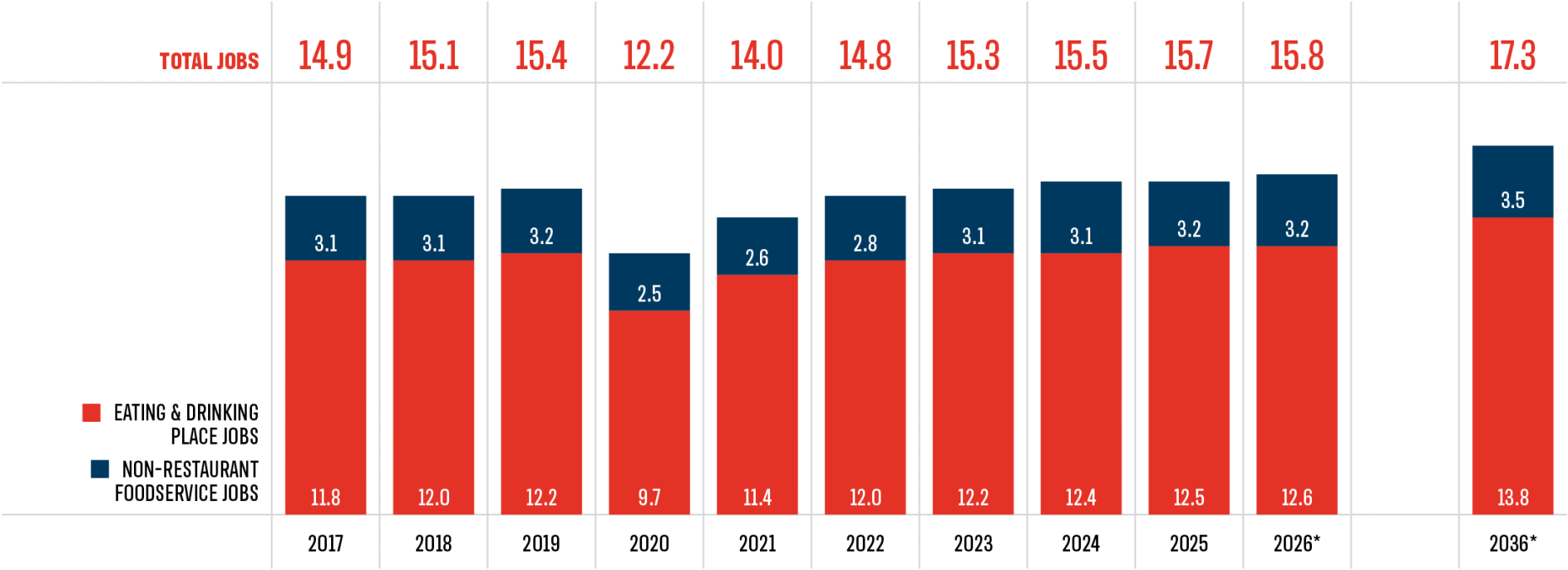
ACTIVITY	ALL ADULTS	GEN Z ADULTS (18-29)	MILLENNIALS (30-45)	GEN X (46-61)	BABY BOOMERS (62-80)
ORDER TAKEOUT OR DELIVERY FROM A RESTAURANT	54%	56%	58%	51%	53%
GO OUT TO EAT AT A RESTAURANT	53%	52%	56%	49%	53%
BUY CLOTHING, APPAREL, OR ACCESSORIES	49%	49%	49%	49%	48%
PICK UP A COFFEE OR TREAT FROM A COFFEE SHOP OR SNACK PLACE	37%	38%	46%	35%	28%
GO OUT FOR ENTERTAINMENT, SUCH AS A MOVIE, CONCERT, OR SPORTING EVENT	25%	39%	28%	19%	17%
BUY ELECTRONICS LIKE A SMARTPHONE, TELEVISION, OR GAMING DEVICE	22%	22%	23%	23%	19%

Source: National Restaurant Association
Base: Consumers who said they were having a difficult time keeping up with basic expenses and the cost of living

INDUSTRY OUTLOOK

RESTAURANTS WILL **CONTINUE TO ADD JOBS** IN 2026

NUMBER OF RESTAURANT AND FOODSERVICE JOBS (MILLIONS)



Source: National Restaurant Association, based on historical data from the Bureau of Labor Statistics.
Note: Figures represent year-end employment levels.

Restaurants Will Continue to Add Jobs in 2026

Number of restaurant and foodservice jobs (millions)

RESTAURANT AND FOODSERVICE INDUSTRY
FOOD AND BEVERAGE SALES ($BILLIONS)

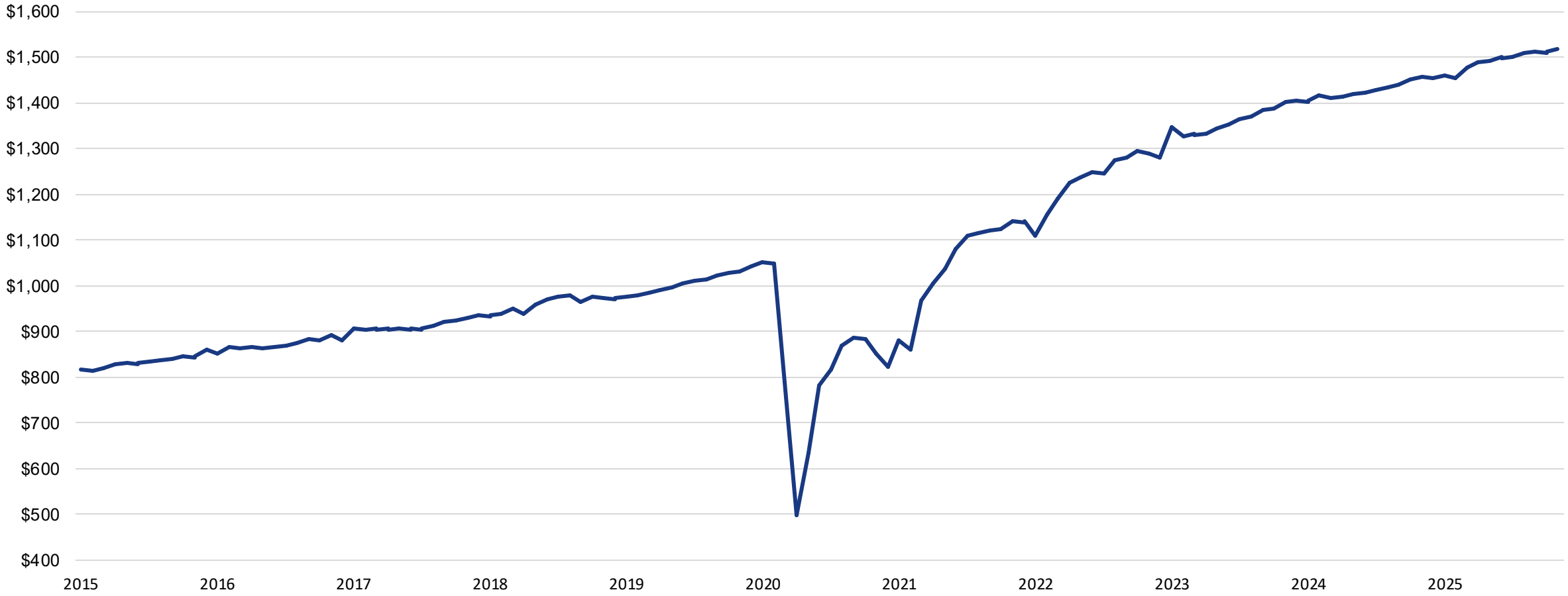
	2020	2021	2022	2023	2024	2025	2026	2025-2026 % CHANGE	2025-2026 REAL % CHANGE
EATING AND DRINKING PLACES	$606	$795	$915	$1,015	$1,071	$1,123	$1,176	4.8%	1.3%
FULLSERVICE RESTAURANTS	$259	$375	$440	$489	$519	$549	$576	4.9%	1.2%
LIMITED-SERVICE RESTAURANTS	$328	$391	$441	$488	$513	$532	$557	4.7%	1.4%
BARS AND TAVERNS	$19	$28	$34	$38	$40	$42	$44	4.4%	0.8%
LODGING PLACES	$22	$31	$39	$48	$50	$52	$54	3.8%	0.3%
RETAIL HOSTS	$116	$121	$129	$130	$131	$138	$144	5.0%	1.5%
RECREATION AND SPORTS	$25	$32	$39	$46	$50	$53	$55	5.0%	1.5%
SCHOOLS AND COLLEGES	$66	$64	$79	$79	$81	$84	$88	4.0%	0.5%
ALL OTHER FOODSERVICE ESTABLISHMENTS	$17	$17	$22	$26	$27	$28	$30	5.2%	1.7%
TOTAL	**$851**	**$1,060**	**$1,224**	**$1,343**	**$1,412**	**$1,477**	**$1,547**	**4.8%**	**1.3%**

Source: National Restaurant Association · Notes: Columns may not add up precisely due to rounding. Percent change calculations are based on unrounded data and may not match calculations based on rounded sales data

Sources: National Restaurant Association

Personal Consumption Expenditures, Foodservices and Accommodations

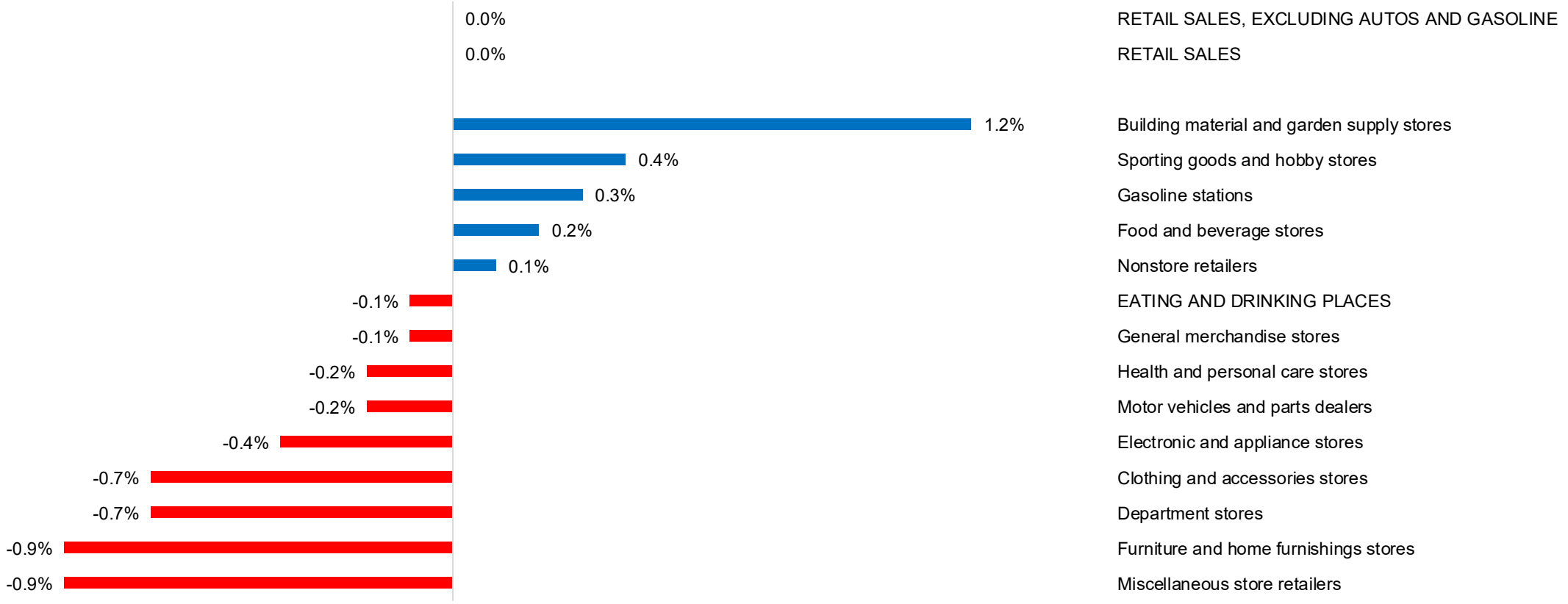
January 2015 – November 2025, in Billions of Dollars, Seasonally Adjusted



Sources: Bureau of Economic Analysis

Retail Sales Over the Past Month by Category, December 2025

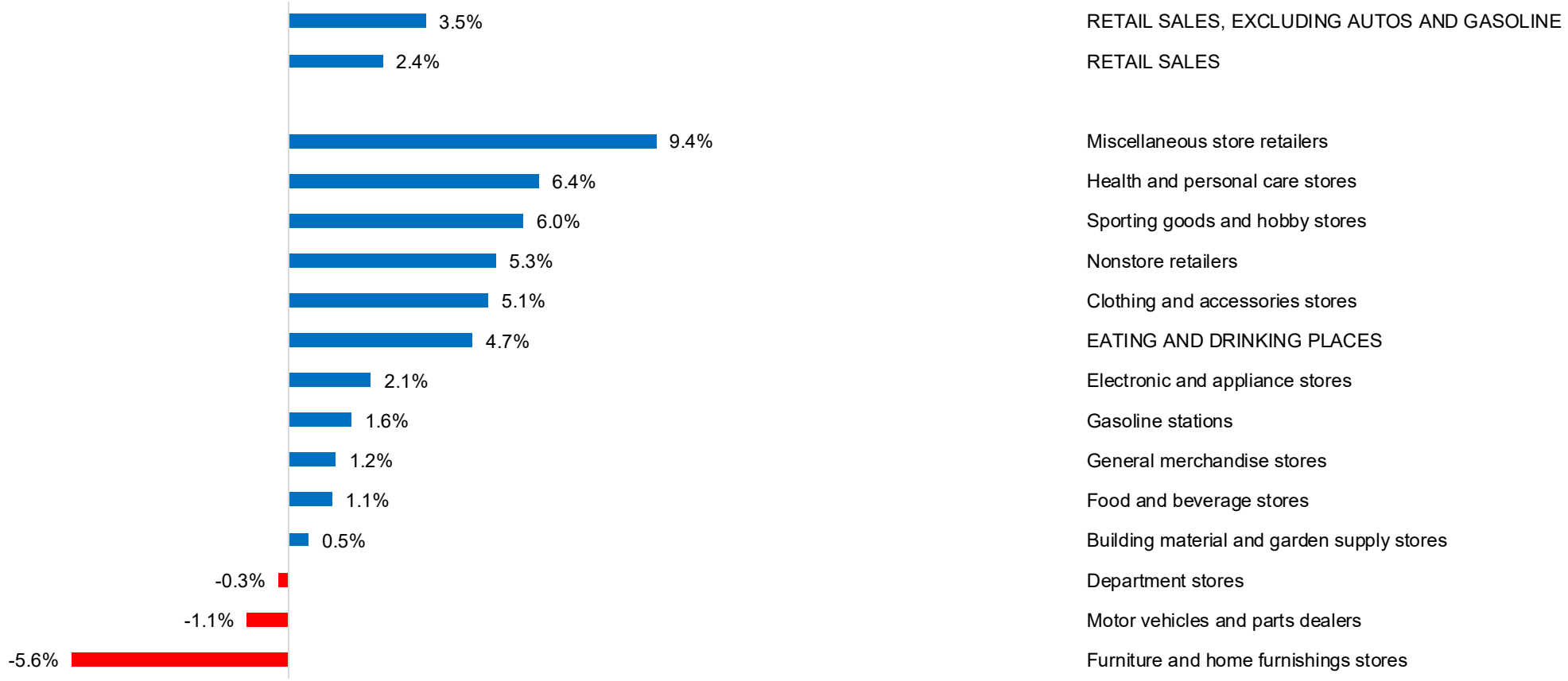
Seasonally-Adjusted Monthly Percentage Growth in Retail and Foodservice Spending



Sources: U.S. Census Bureau

Retail Sales Over the Past 12 Months by Category, December 2025

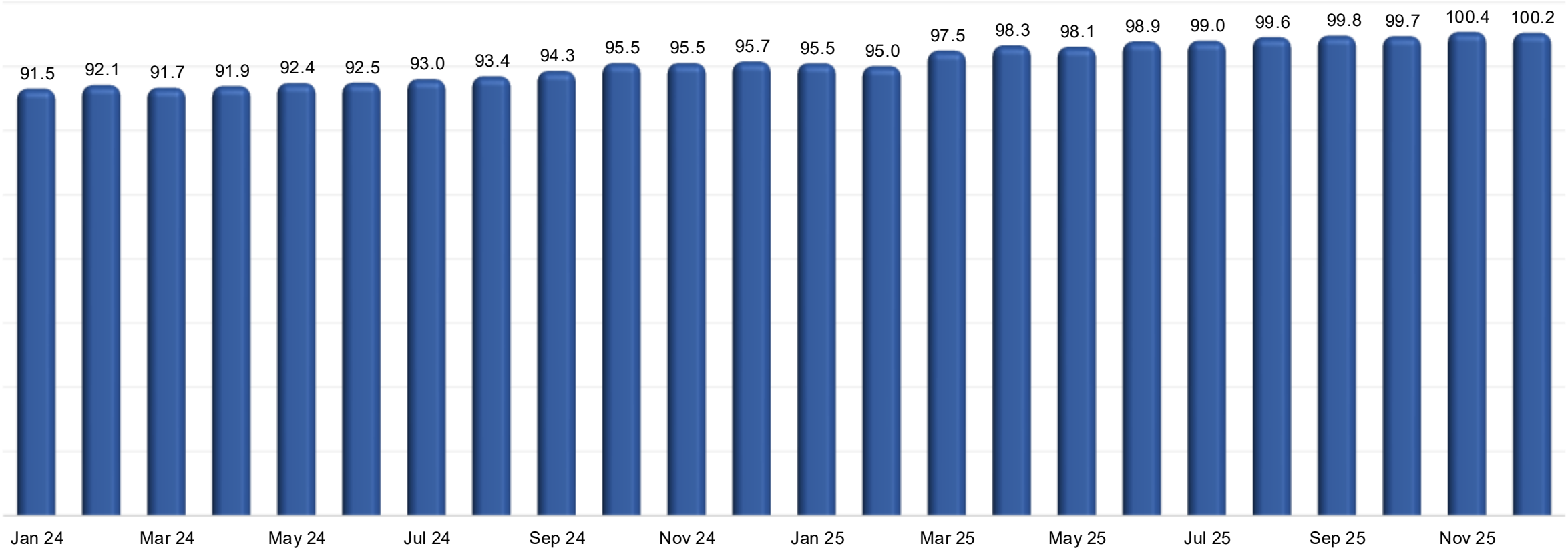
Seasonally-Adjusted Year-Over-Year Percentage Growth in Retail and Foodservice Spending



Sources: U.S. Census Bureau

Restaurant Sales Up 4.7% YOY, but Edged Lower in December

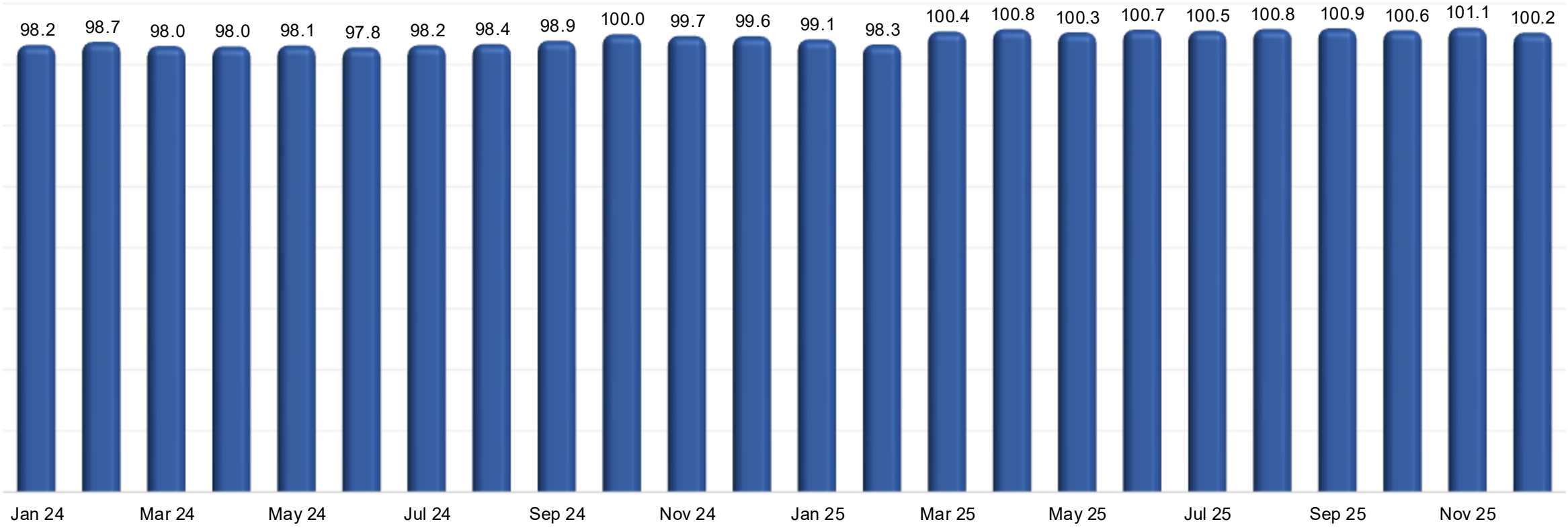
Seasonally-adjusted Monthly Sales at Eating and Drinking Places (in billions)



Sources: U.S. Census Bureau

Real Restaurant Sales Rose 0.6% YOY in December

Inflation-adjusted Monthly Sales at Eating and Drinking Places (in billions of December 2025 dollars)



Source: U.S. Census Bureau

Restaurant Operators Said the Economy Was the Top Challenge Facing Their Business in January

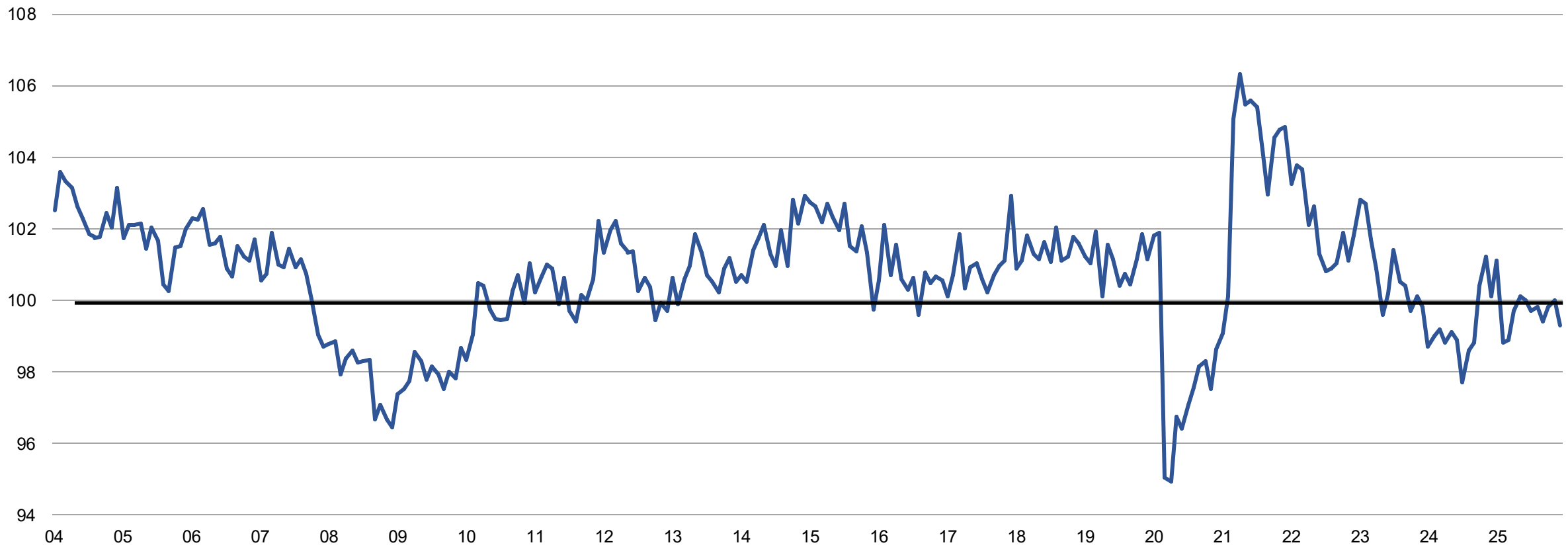
Top challenges facing restaurant operators

January 2024		January 2025		January 2026	
Recruiting Employees	33%	The Economy	23%	The Economy	27%
Sales Volume	17	Recruiting Employees	22	Recruiting Employees	20
The Economy	14	Labor Costs	16	Sales Volume	18
Labor Costs	8	Sales Volume	15	Food Costs/Availability	14
Food Costs/Availability	8	Food Costs/Availability	14	Labor Costs	12

Source: National Restaurant Association

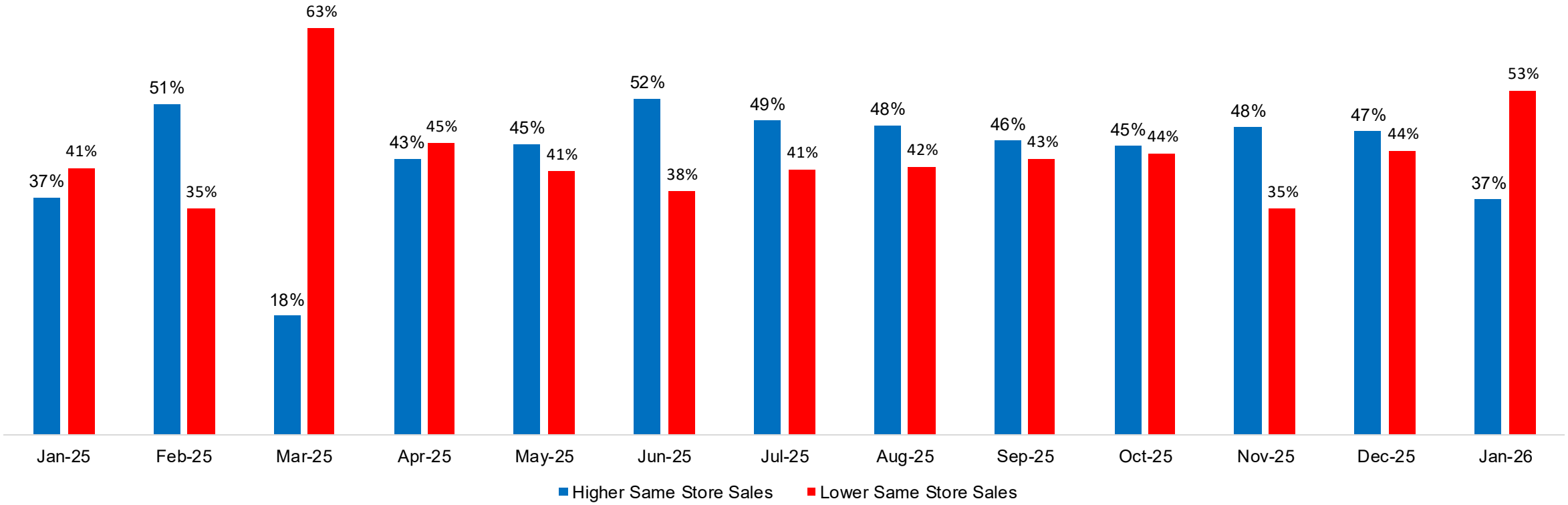
Restaurant Performance Index

Values Above 100 = Expansion, Values Below 100 = Contraction



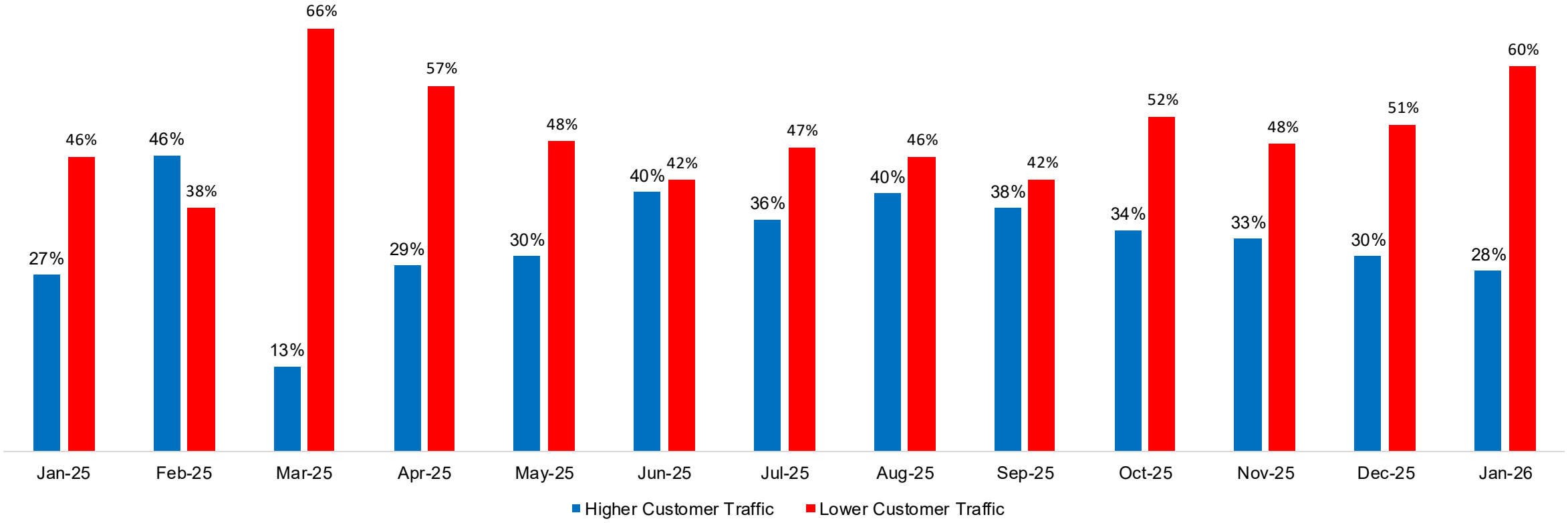
Source: National Restaurant Association

Restaurant Operators' Same Store Sales from the Previous Month



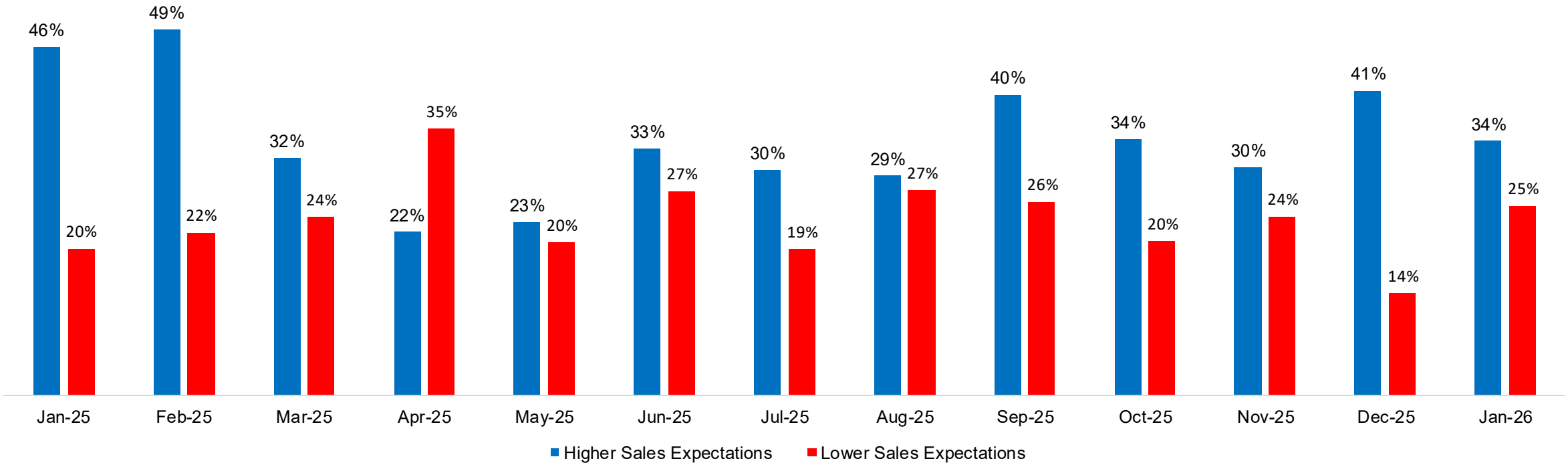
Source: National Restaurant Association

Restaurant Operators' Customer Traffic from the Previous Month



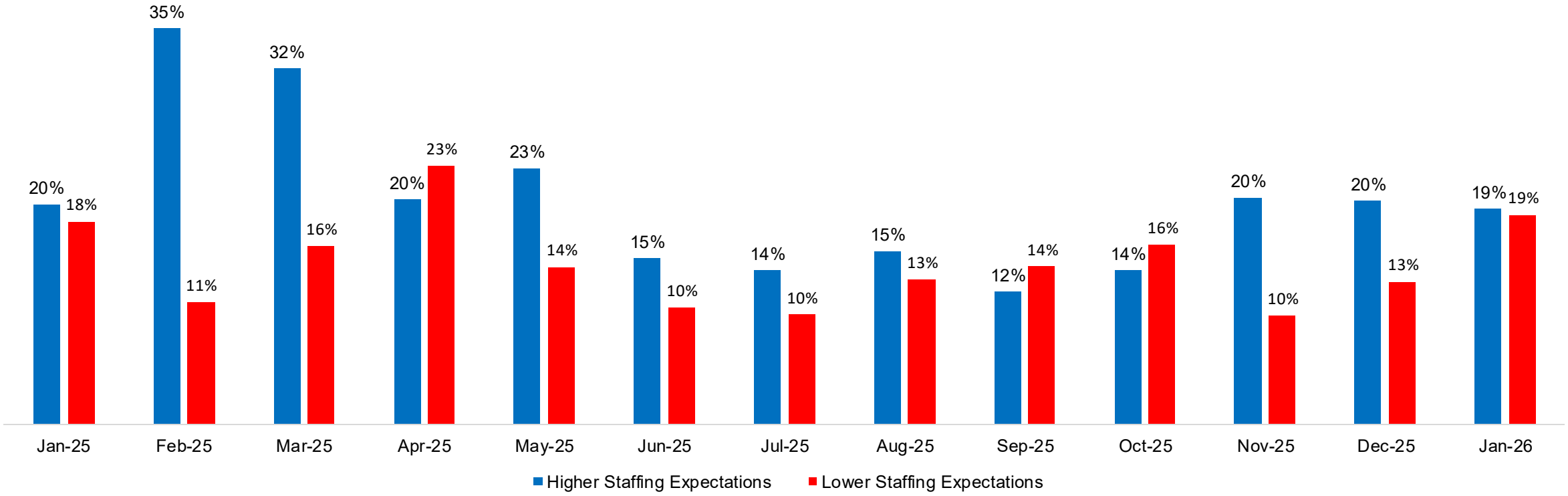
Source: National Restaurant Association

Restaurant Operators' Outlook for Sales in the Next Six Months



Source: National Restaurant Association

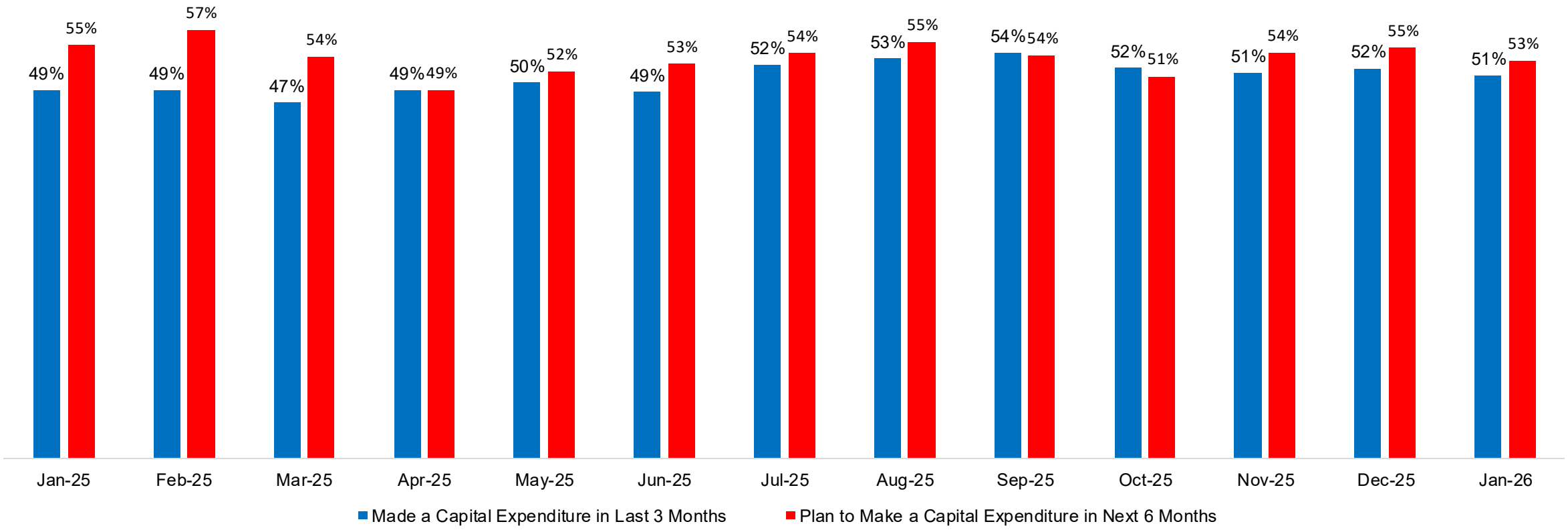
Restaurant Operators' Outlook for Staffing in the Next Six Months



Source: National Restaurant Association

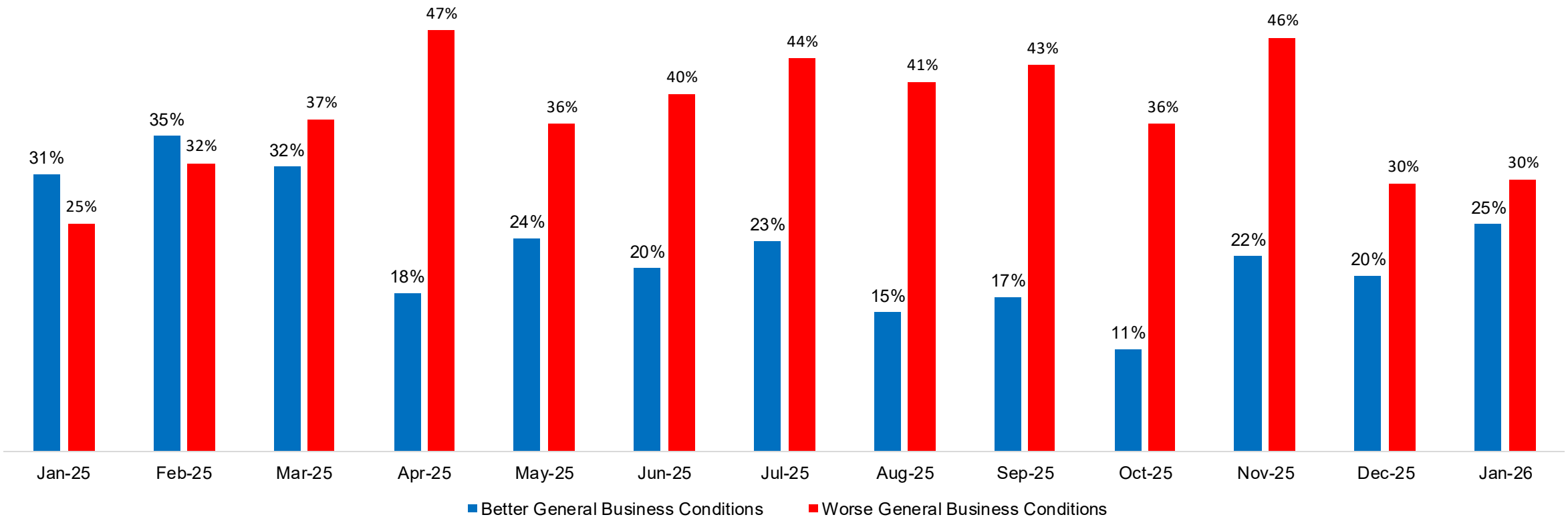
Restaurant Operators' Capital Expenditures Activity

Made in Last 3 Months & Planned for Next 6 Months



Source: National Restaurant Association

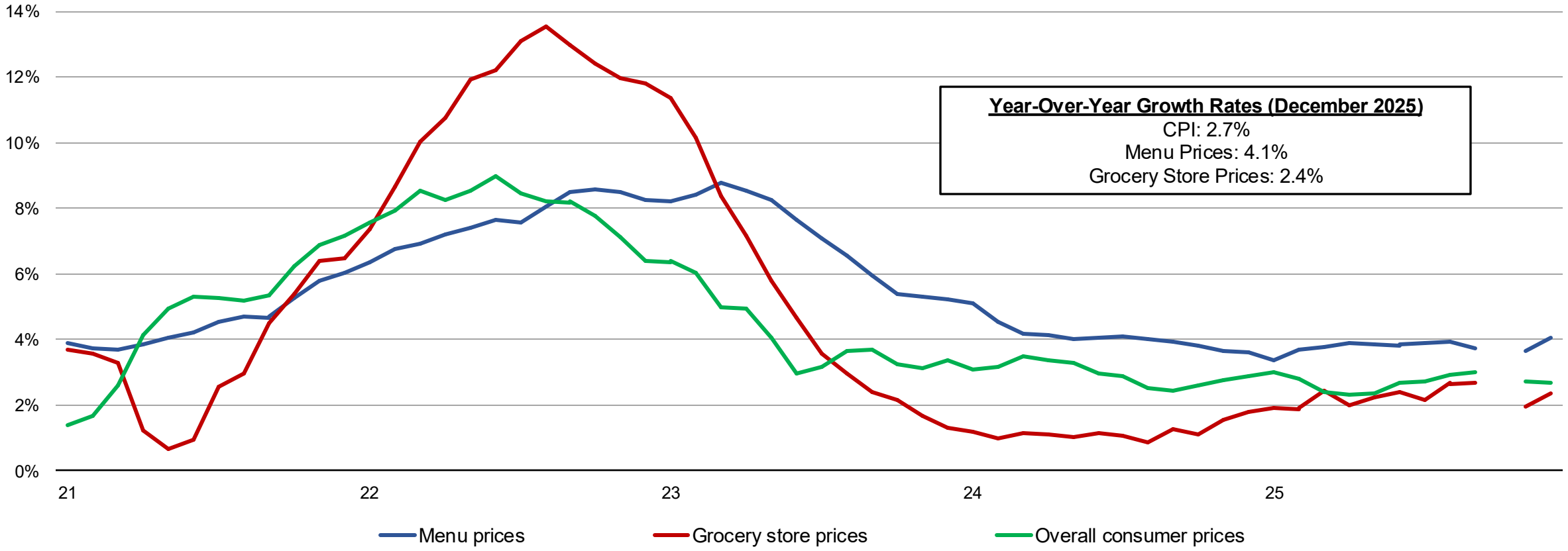
Restaurant Operators' Outlook for General Business Conditions in the Next Six Months



Source: National Restaurant Association

Growth in Menu Versus Grocery Prices

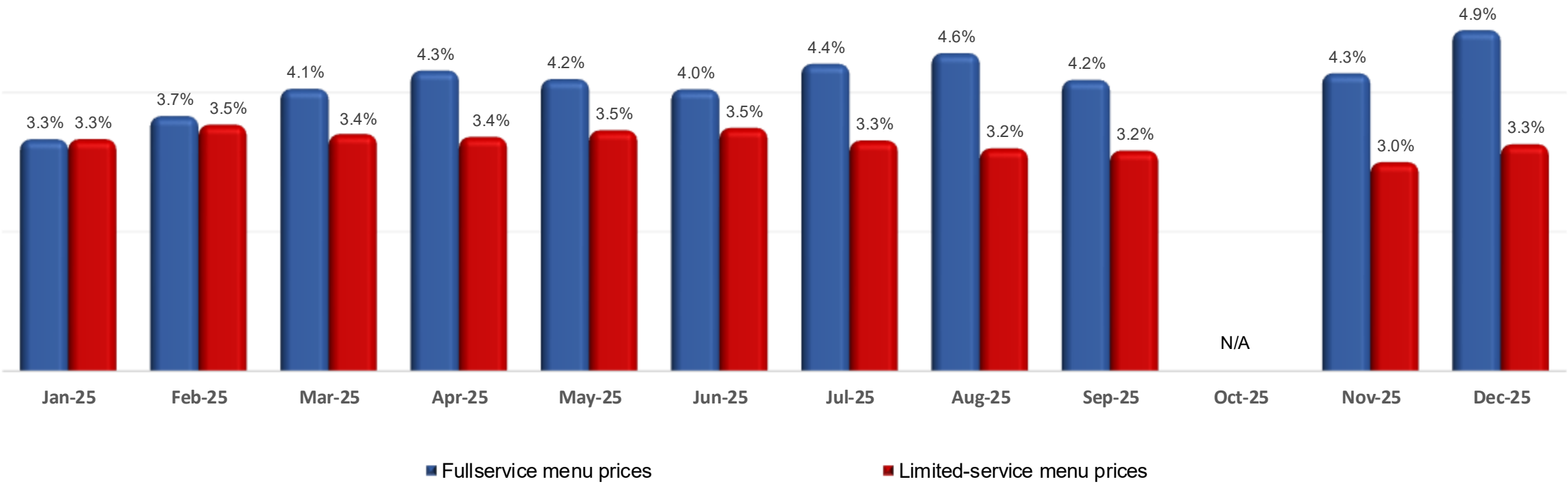
Annual Growth in Consumer Price Index – Food Away From Home vs. Food At Home



Sources: Bureau of Labor Statistics

Fullservice and Limited-Service Menu Prices

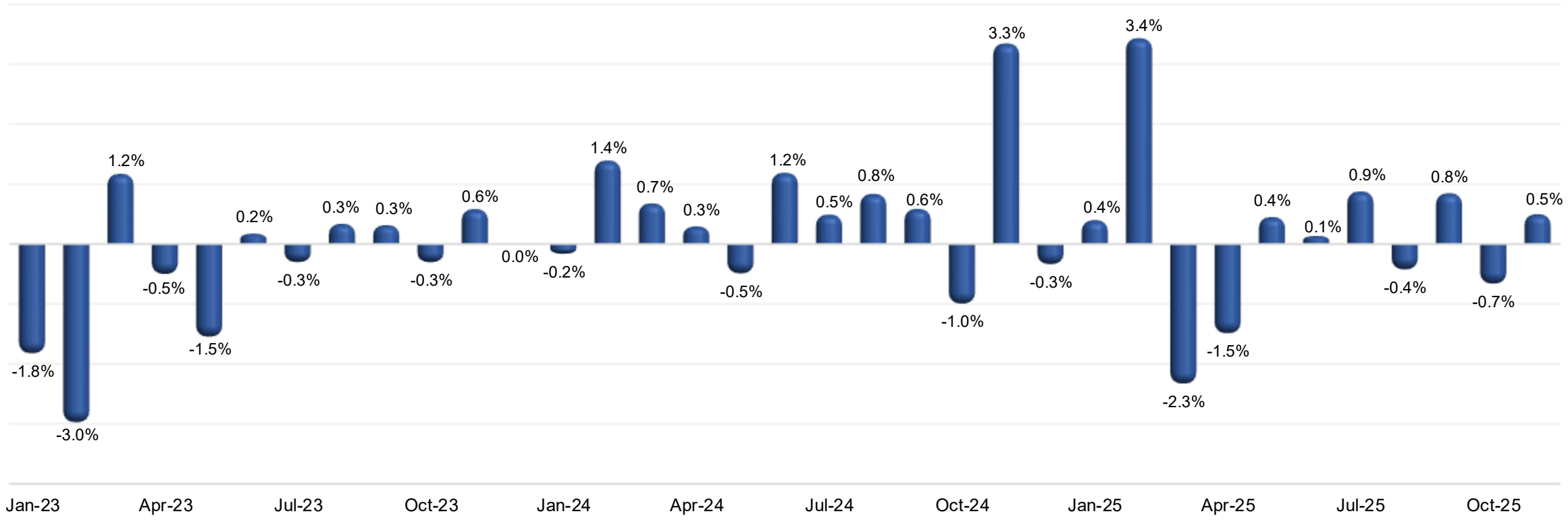
Percent change versus same month in previous year



Sources: Bureau of Labor Statistics

Wholesale Food Prices Have Seesawed from Month-to-Month Recently

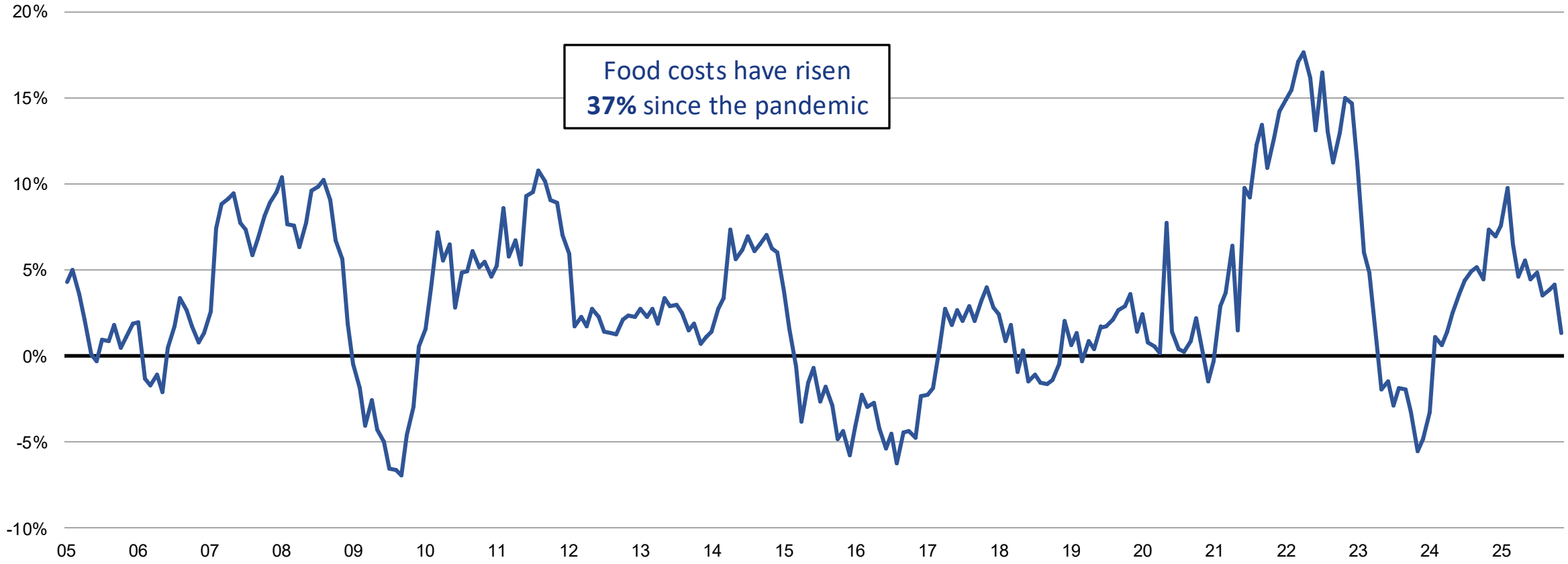
Monthly Change in Producer Price Index – All Foods



Sources: Bureau of Labor Statistics

Wholesale Food Price Pressures Moderated in Recent Months

12-Month % Change in Producer Price Index – All Foods



Sources: Bureau of Labor Statistics

Commodity Price Changes

COMMODITY	November 2025*
Unprocessed finfish	+32%
Coffee	+26%
Beef and veal	+15%
Fresh vegetables	+9%
Pork	+6%
Unprocessed shellfish	+3%
Eggs	-45%
Butter	-40%
Milled rice	-9%
Milk	-8%

Sources: Bureau of Labor Statistics

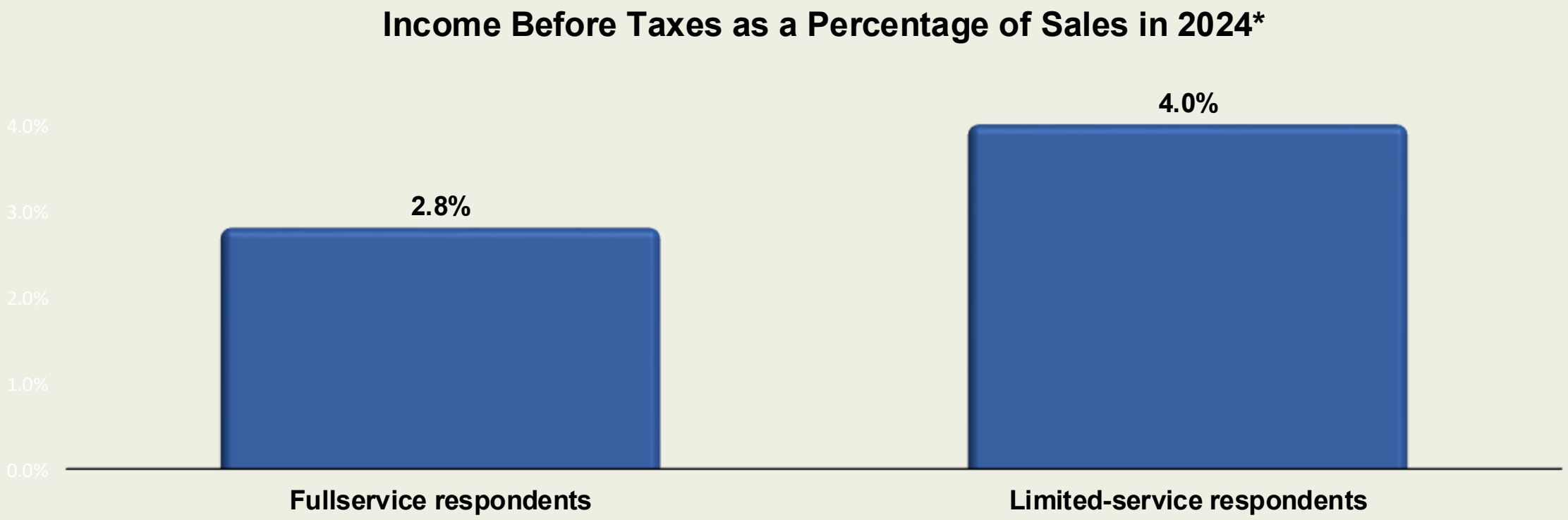
COMMODITY PRICE OUTLOOK:
2026 ANNUAL PRICES VS. 2025 ANNUAL PRICES

AES Advanced Economic Solutions

BEEF: DOMESTIC 50S	13%
BEEF: CUTOUT	11%
BEEF: DOMESTIC 90S	7%
SOY OIL	4%
PORK: CUTOUT	1%
KC WHEAT (HRW)	0%
MPLS WHEAT (HRS)	0%
BLOCK CHEESE: SPOT	0%
CHICKEN: TENDERS, SMALL	-2%
PORK: BELLIES, SQ CUT	-3%
TURKEY: BREAST MEAT	-3%
AES MEDIAN CHANGE	-4%
PORK: 72S	-4%
PORK: HAMS, 23-27	-4%
CORN	-5%
COFFEE FUTURES	-6%
BUTTER	-10%
CHICKEN: WINGS, SMALL	-11%
BEET SUGAR	-13%
CHICKEN: BREAST, JUMBO B/S	-15%
EGGS: LIQUID WHOLE, PASTEURIZED, STANDARD	-22%
EGGS: LARGE TABLE	-35%
COCOA FUTURES	-35%

Source: Advanced Economic Solutions

Profit Margin



*All amounts are medians

STEPS TAKEN
TO MITIGATE RISING FOOD COSTS

% OF RESTAURANT OPERATORS WHO TOOK THE FOLLOWING ACTIONS IN 2025 DUE TO HIGHER FOOD COSTS

	FULLSERVICE RESTAURANTS	LIMITED-SERVICE RESTAURANTS
INCREASED MENU PRICES	90%	85%
SHOPPED AROUND FOR OTHER SUPPLIERS	63%	51%
REMOVED ITEMS FROM THE MENU	60%	43%
NEGOTIATED WITH EXISTING SUPPLIERS	55%	41%
CUT COSTS IN OTHER AREAS OF THE OPERATION	47%	46%
INCREASED TRACKING OF FOOD WASTE	37%	37%
ADJUSTED PORTION SIZES	43%	24%
SUBSTITUTED LOWER-COST ITEMS ON THE MENU	31%	25%
PURCHASED MORE ITEMS FROM LOCAL SOURCES	19%	13%

Source: National Restaurant Association
Base: Restaurant operators who said their average food costs were higher in 2025 than in 2024

Questions?

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