NATIONAL RESTAURANT ASSOCIATION

STATE OF THE RESTAURANT INDUSTRY 2026

LETTER FROM THE CEO

As we enter 2026, the state of America's restaurant industry is cautiously strong.

The demand for restaurants remains resilient, but profitability is being tested in ways that require sharper decisions, not just stronger sales.

Restaurants remain deeply woven into our lives—61% of adults consider dining out essential to their lifestyles—and consumers tell us they want to keep spending their hard-earned income at our tables. Operators share this cautious optimism, and the National Restaurant Association's sales forecast reflects that outlook, while recognizing risks on both the upside and downside.

2025 proved to be a challenging year for operators. Uncertainty weighed heavily on restaurant operators and diners alike. Food costs fluctuated, at times drastically—early in the year from bird flu and later from tariffs—ending the year up 38% since 2019. Labor costs also continued to rise, increasing 35% since 2019, amid a tightening labor market and ongoing immigration enforcement.

As the year progressed, the consumer resilience that fueled recent economic growth began to soften. Slower job and wage growth, combined with elevated household prices, constrained consumer spending. For 6 in 10 operators, this translated into traffic declines, and for 45% of operators, it meant they were not profitable in 2025, underscoring the growing gap between sustained demand and operational profitability.

Despite these pressures, there were wins to celebrate. In July, permanent pro-growth tax reforms became law, along with the No Tax on Tips and No Tax on Overtime deductions that will help the industry's workforce keep more of their earnings. For tax year 2025, these tax changes will free up $5.1B for operator investment and put up to $6.4B back in the pockets of the industry workforce. And while the sales growth was slow and uneven, the industry, once again, reached a new milestone, generating $1.4T in annual sales.

Looking ahead to 2026, the business environment remains challenging. Persistent cost pressures and uneven traffic continue to strain profitability, with elevated expenses expected to persist. At the same time, consumer budgets remain tight, particularly among low- and middle-income households. This uneven landscape underscores the importance of adapting strategies to meet evolving consumer expectations, while continuing to manage cost pressures.

In this environment, workforce development and technology will remain critical to the industry's success. Restaurants are investing in training and tools to support evolving roles, blending hospitality with technology-driven efficiency. Advances in digital ordering, automation, and data analytics are helping operators streamline operations, manage costs, and enhance customer experience.

The insights in this year's *State of the Restaurant Industry* report are designed to help operators and stakeholders navigate this moment, where resilience remains strong, but the path forward demands clarity, discipline, and informed decision making. I hope you find it valuable in evaluating the industry and your business position in the year ahead. Thank you for your continued commitment to an industry that remains vital to communities throughout the country.

Michelle Korsmo
President & CEO
National Restaurant Association

THIS REPORT

Each year, the National Restaurant Association prepares a comprehensive overview of the restaurant industry and provides a look ahead. The Association's research is considered the authoritative source for restaurant industry sales projections and trends. The report is based on analysis of the latest economic data and extensive surveys of restaurant operators and consumers.

Visit Restaurant.org/research for the latest industry trends and analysis. The Association's research and analysis have a long-standing reputation for credibility, neutrality, and accuracy, inside and outside the industry.

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METHODOLOGY
The 2026 State of the Restaurant Industry report is based on analysis and forecasts by National Restaurant Association economists as well as ongoing surveys of restaurant operators and consumers.

Restaurant segment definitions:
The survey data in this report categorizes restaurants in 2 broad segments: fullservice restaurants and limited-service restaurants.

Within each segment, there are 3 categories of concepts:

- fullservice restaurants: family dining, casual dining and fine dining
- limited-service restaurants: quickservice, fast casual and coffee-and-snack

When responding to surveys, restaurant operators were asked to self-classify their operation into one of these 6 categories.

Definition of Generations in this report:

- Gen Z Adult (18-29)
- Millennial (30-45)
- Gen X (46-61)
- Baby Boomer (62-80)

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SETTING THE TABLE FOR 2026

2025 brought significant uncertainty to the restaurant industry. Rising costs, evolving immigration policies, and shifting consumer behavior created a complex operating environment. Yet, the industry demonstrated resilience through innovation and adaptability.

Those pressures will persist in 2026, requiring operators to manage restrained consumer spending and elevated costs. Still, the outlook remains cautiously optimistic, fueled by consumers' enduring appetite for flavor, convenience, and the social experiences restaurants provide.

THE BUSINESS ENVIRONMENT REMAINS CHALLENGING

- **Persistent cost pressures:** Uneven traffic and rising costs continue to strain revenue and profitability. Elevated expenses are expected to persist, reinforcing the need for operational efficiency and innovation.
- **Profitability at risk:** With limited ability to raise menu prices, 42% of operators reported their restaurants were not profitable in 2025. Margin pressures will remain a concern in 2026.
- **Resilience amid headwinds:** Operators are responding with creativity and technology—delivering value and experiences customers seek while improving productivity.

CONSUMER RESILIENCE IS BEING TESTED

- **Consumers under pressure:** Lingering inflation and a cooling labor market are tightening household budgets, particularly among low- and middle-income consumers, leading to more cautious spending.
- **Reasons for optimism:** Economic fundamentals point to continued growth in 2026, which should bolster confidence and support discretionary spending.
- **Integral part of life:** 61% of adults consider restaurants essential to their lifestyles and plan to continue prioritizing dining out.

WORKFORCE DEVELOPMENT AND TECHNOLOGY REMAIN CRITICAL

- **Developing a future-ready workforce:** Restaurants are investing in training and tools that equip employees for evolving roles, blending hospitality with technology-driven efficiency.
- **Breakthrough efficiencies through technology:** Digital ordering, automation, and data analytics are enabling operators to streamline operations, reduce costs, and enhance the customer's experience.
- **Cultivating talent for tomorrow:** Operators are committed to developing a skilled, adaptable workforce that delivers exceptional service while embracing innovations that drive long-term competitiveness.

REASONS FOR OPTIMISM IN 2026 AND BEYOND

% OF RESTAURANT CUSTOMERS WHO AGREE WITH THE FOLLOWING STATEMENTS

STATEMENT	ALL ADULTS	GEN Z ADULTS (18-29)	MILLENNIALS (30-45)	GEN X (46-61)	BABY BOOMERS (62-80)
YOU ENJOY GOING TO RESTAURANTS	87%	82%	85%	91%	91%
GOING OUT TO A RESTAURANT WITH FAMILY OR FRIENDS GIVES YOU AN OPPORTUNITY TO SOCIALIZE AND IS A BETTER WAY FOR YOU TO MAKE USE OF YOUR LEISURE TIME RATHER THAN COOKING AND CLEANING UP	84%	85%	85%	82%	85%
RESTAURANTS ARE AN ESSENTIAL PART OF YOUR LIFESTYLE	61%	62%	66%	62%	56%

Source: National Restaurant Association

STATE OF THE
RESTAURANT INDUSTRY
2026

PART 1: SALES & ECONOMIC FORECAST

2026 TOP FINDINGS

Restaurant sales are poised for growth
Consumer spending at restaurants is projected to rise at a moderate pace, though real (inflation-adjusted) sales growth is expected to remain relatively modest at 1.3%.

Operating conditions remain difficult
Elevated costs and softer traffic continue to pressure margins, with 42% of operators reporting their restaurants were not profitable in 2025.

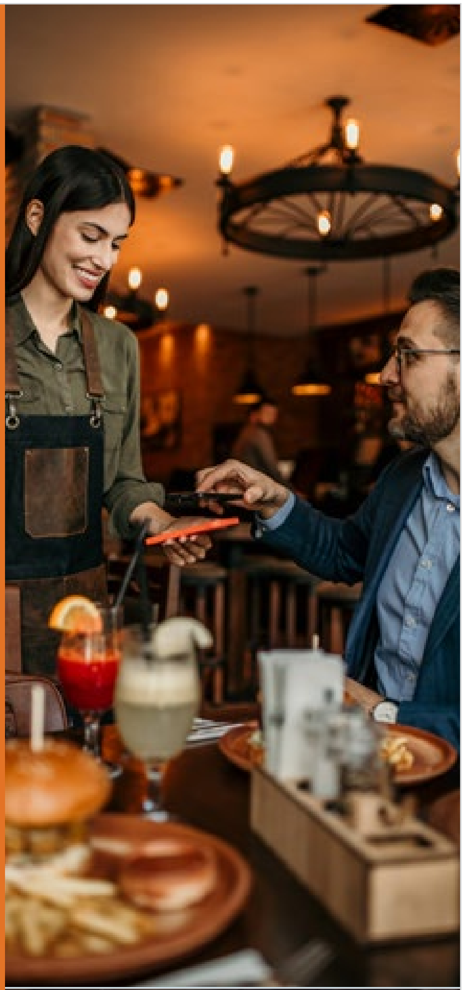
The K-shaped economy continues to shape spending patterns
Economic expansion and job growth are expected, but higher-income households and consumers with investments will continue to drive much of the growth in spending.

Restaurants retain their place in consumers' lives
Despite financial pressures, consumers still view restaurants as essential. Even among those struggling to keep up with monthly expenses, a majority say they continue to dine out or use takeout and delivery.

Value and loyalty drive consumer decisions
Most customers say value offerings and loyalty programs influence their restaurant choices, on- and off-premises.

1.1 KEY RESTAURANT INDICATORS: THE NUMBERS BEHIND THE NARRATIVE

Total forecast restaurant & foodservice **sales:** $1.55T



Total forecast restaurant & foodservice **jobs:** 15.8M

Restaurant **share** of the household food dollar*: 53%

*Excludes spending by businesses and government agencies

1.2 STATE OF THE DINER: NAVIGATING UNCERTAINTY

The consumer resilience that fueled recent economic growth began to fade in 2025. Slower job and wage growth, combined with elevated prices across household budgets, weighed on consumer sentiment.

Higher-income consumers largely remained confident, and their spending continued to support the broader economy. In contrast, households in lower-income brackets pulled back, with noticeable impacts on discretionary categories, like restaurants. **Depending on a restaurant's customer mix, this divergence meaningfully impacted sales and traffic.**

For many operators, the result was fewer visits. **More than 6 in 10 reported customer traffic declined in 2025 compared with 2024,** while only about 15% saw an increase.

Consumers confirm what operators are saying about dampened traffic levels. More than **4 in 10 customers say they're using on- and off-premises less often** than they did a year earlier. Only about 2 in 10 customers say they're doing these restaurant activities more often.

RESTAURANT OPERATORS REPORTED SOFTER TRAFFIC IN 2025

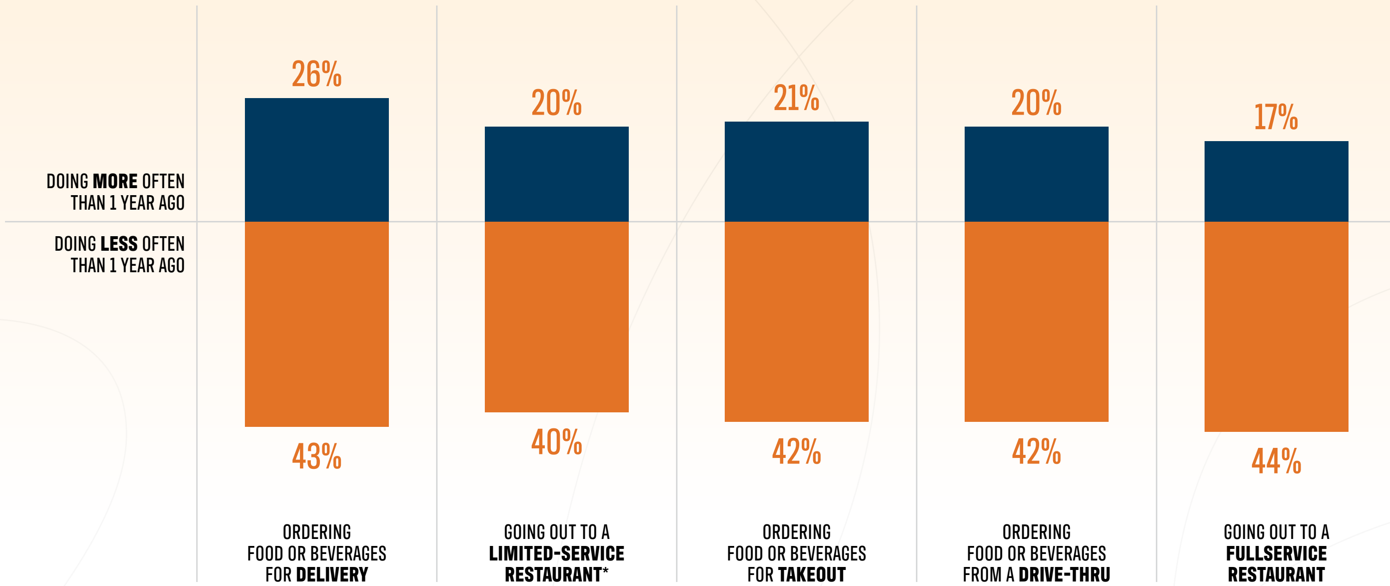
RESTAURANT OPERATORS' REPORTING OF CUSTOMER TRAFFIC IN 2025 COMPARED WITH 2024

	FULLSERVICE RESTAURANTS	LIMITED-SERVICE RESTAURANTS
HIGHER THAN 2024	16%	14%
LOWER THAN 2024	61%	64%
ABOUT THE SAME AS 2024	23%	22%

Source: National Restaurant Association

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

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

REASON FOR OPTIMISM: CONSUMERS STILL PRIORITIZE RESTAURANTS

While caution shaped consumer spending in 2025, and it's likely to persist in 2026, restaurants remain deeply woven into everyday life. **Nearly 6 in 10 consumers say dining at limited-service and fullservice restaurants is essential to their lifestyles.** Just over half say the same about using delivery, takeout, and drive-thrus.

RESTAURANTS ARE ESSENTIAL, EVEN WHEN MONEY'S TIGHT

% OF RESTAURANT CUSTOMERS WHO SAY THE FOLLOWING ACTIVITIES ARE A VITAL PART OF THEIR LIFESTYLES

RESTAURANT ACTIVITY	ALL ADULTS	GEN Z ADULTS (18-29)	MILLENNIALS (30-45)	GEN X (46-61)	BABY BOOMERS (62-80)
GOING OUT TO A LIMITED-SERVICE RESTAURANT*	59%	64%	67%	63%	47%
GOING OUT TO A FULLSERVICE RESTAURANT	56%	61%	63%	56%	48%
ORDERING FOOD OR BEVERAGES FROM A DRIVE-THRU	53%	67%	57%	49%	43%
ORDERING FOOD OR BEVERAGES FOR DELIVERY	52%	57%	58%	46%	40%
ORDERING FOOD OR BEVERAGES FOR TAKEOUT	51%	64%	60%	51%	35%

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

RESTAURANTS ARE AN IMPORTANT PART OF EVERYDAY LIFE, EVEN AMONG FINANCIALLY STRAINED CONSUMERS

In a November 2025 Association survey, 49% of adults said they were struggling to keep up with basic expenses. Yet, when asked about discretionary spending, 54% said they still ordered takeout or delivery, and 53% said they still went out to eat. In addition, 37% said they were still purchasing coffee or treats from cafés or snack shops.

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

CONSUMERS WOULD EAT OUT MORE IF THEY COULD

Against this backdrop, it's not surprising that a solid majority of consumers said they're eager to use restaurants more frequently. **More than 7 in 10 consumers said they would use restaurants more often if they had the money.** This sentiment was strongest among Gen Z adults and millennials, but even a majority of baby boomers said they would increase their restaurant use if their budgets allowed.

>70%

More than 7 in 10 consumers said they would **use restaurants more** often if they had the money

PENT-UP DEMAND IS STILL ON THE TABLE

% OF RESTAURANT CUSTOMERS WHO SAY THEY'D DO THE FOLLOWING ACTIVITIES MORE OFTEN IF THEY HAD THE MONEY

RESTAURANT ACTIVITY	ALL ADULTS	GEN Z ADULTS (18-29)	MILLENNIALS (30-45)	GEN X (46-61)	BABY BOOMERS (62-80)
ORDER FOOD OR BEVERAGES FOR DELIVERY	78%	88%	84%	71%	65%
GO OUT TO A FULLSERVICE RESTAURANT	75%	88%	83%	77%	60%
ORDER FOOD OR BEVERAGES FOR TAKEOUT	74%	89%	83%	73%	57%
GO OUT TO A LIMITED-SERVICE RESTAURANT*	73%	88%	85%	71%	54%
ORDER FOOD OR BEVERAGES FROM A DRIVE-THRU	71%	82%	79%	70%	53%

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

OPERATOR TAKEAWAY:
Value and loyalty are still key ingredients

Value remains a powerful motivator in consumer decision-making. **More than 8 in 10 diners say access to daily specials, discounts, or value promotions matter when choosing a restaurant for delivery**. Roughly 3 in 4 say the same for takeout, drive-thru, and on-premises visits at limited-service restaurants.

As in recent years, younger consumers have been especially tuned into value, paying closer attention to deals and promotions than their older counterparts.

Consumers also remain loyal to their rewards programs. A solid majority of consumers say being a member of a loyalty and rewards program is important to them when choosing restaurants for both on- and off-premises occasions.

81%

More than 8 in 10 diners say **access to daily specials, discounts, or value promotions** matter when choosing a restaurant for delivery

VALUE IS A TOP CONSIDERATION FOR RESTAURANT CHOICES

% OF RESTAURANT CUSTOMERS WHO SAY GETTING A DISCOUNT OR VALUE PROMOTION IS IMPORTANT WHEN CHOOSING A RESTAURANT FOR THE FOLLOWING ACTIVITIES

RESTAURANT ACTIVITY	ALL ADULTS	GEN Z ADULTS (18-29)	MILLENNIALS (30-45)	GEN X (46-61)	BABY BOOMERS (62-80)
ORDERING FOOD OR BEVERAGES FOR DELIVERY	81%	85%	86%	76%	75%
ORDERING FOOD OR BEVERAGES FOR TAKEOUT	76%	81%	86%	74%	63%
GOING OUT TO A LIMITED-SERVICE RESTAURANT*	75%	82%	81%	75%	66%
ORDERING FOOD OR BEVERAGES FROM A DRIVE-THRU	74%	78%	83%	70%	66%
GOING OUT TO A FULLSERVICE RESTAURANT	70%	75%	81%	71%	58%

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 ARE LOYAL TO THEIR LOYALTY PROGRAMS

% OF RESTAURANT CUSTOMERS WHO SAY BEING A MEMBER OF A LOYALTY AND REWARDS PROGRAM IS IMPORTANT TO THEM WHEN CHOOSING A RESTAURANT FOR THE FOLLOWING ACTIVITIES

RESTAURANT ACTIVITY	ALL ADULTS	GEN Z ADULTS (18-29)	MILLENNIALS (30-45)	GEN X (46-61)	BABY BOOMERS (62-80)
ORDERING FOOD OR BEVERAGES FOR DELIVERY	70%	71%	77%	66%	61%
ORDERING FOOD OR BEVERAGES FOR TAKEOUT	65%	70%	74%	64%	53%
ORDERING FOOD OR BEVERAGES FROM A DRIVE-THRU	64%	72%	73%	61%	53%
GOING OUT TO A LIMITED-SERVICE RESTAURANT*	63%	70%	69%	66%	51%
GOING OUT TO A FULLSERVICE RESTAURANT	56%	66%	69%	56%	39%

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

1.3 STATE OF THE OPERATOR: RESILIENCE UNDER PRESSURE

The business environment in 2025 proved challenging and unpredictable for restaurant operators. Despite overall economic growth, uncertainty surrounding government policies and the labor market led to a decline in both consumer and business confidence.

While off-premises dining has become a permanent part of the sales mix, relatively few operators said it was the stronger side of their businesses in 2025. Not surprisingly, 93% of fullservice operators said on-premises was more important to them. More unexpectedly, 73% of limited-service operators also indicated that on-premises was the more successful part of their businesses.

Among limited-service operators who said off-premises was the more successful part of their businesses in 2025, a majority (54%) said delivery was their most important channel. One-quarter said takeout was their top off-premises channel, while 21% said it was drive-thru.

Fullservice operators who said off-premises drove business in 2025 were evenly split between takeout (50%) and delivery (48%) as their top off-premises channel.

In 2026, getting customers into the restaurant will remain the focus for most operators. 85% of fullservice operators and 65% of limited-service operators say building on-premises business will be more important for their restaurants' success in 2026.

RESTAURANT OPERATORS HAD **MORE SUCCESS WITH ON-PREMISES** BUSINESS IN 2025

WHAT OPERATORS SAY WAS **THE MORE SUCCESSFUL PART** OF THEIR BUSINESSES IN 2025: ON-PREMISES OR OFF-PREMISES	FULLSERVICE RESTAURANTS	LIMITED-SERVICE RESTAURANTS
ON-PREMISES BUSINESS	93%	73%
OFF-PREMISES BUSINESS	7%	27%

Source: National Restaurant Association

TAKEOUT AND DELIVERY WERE THE TOP OFF-PREMISES CHANNELS IN 2025

WHAT OPERATORS SAY WAS THEIR **MOST IMPORTANT OFF-PREMISES CHANNEL** IN 2025	FULLSERVICE RESTAURANTS	LIMITED-SERVICE RESTAURANTS
DELIVERY	48%	54%
TAKEOUT	50%	25%
DRIVE-THRU	2%	21%

Source: National Restaurant Association
Base: Restaurants for which off-premises was the more successful part of the business in 2025

THE COST OF DOING BUSINESS REMAINS HIGH

With customer traffic already under pressure, operators are still grappling with rising costs across nearly every line item. More than 9 in 10 say food, labor, insurance, and overall inflation continue to be significant challenges. **More than 8 in 10 report the same strain from credit and debit card processing fees, as well as energy and utility costs.**

Adding another layer of uncertainty, tariffs on imported food and beverage items further squeezed margins, with two-thirds of operators saying they posed a significant challenge in 2025.

The combination of elevated costs and dampened customer traffic had a significant impact on restaurants, with **42% of operators reporting that their businesses weren't profitable in 2025.**

Add it all up, and it's not surprising that **60% of operators said overall business conditions for restaurants deteriorated in 2025**. Only 15% said business conditions were better in 2025 than they were in 2024.

ELEVATED COSTS CONTINUE TO BE A CONCERN FOR RESTAURANT OPERATORS

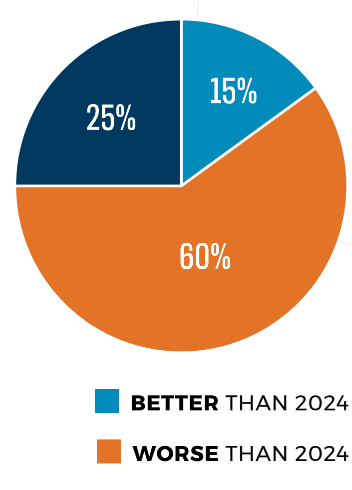
% OF RESTAURANT OPERATORS WHO SAID THE FOLLOWING ITEMS WERE A SIGNIFICANT CHALLENGE FOR THEIR RESTAURANTS IN 2025

	FULLSERVICE RESTAURANTS	LIMITED-SERVICE RESTAURANTS
FOOD COSTS	95%	94%
LABOR COSTS	96%	94%
INFLATION	92%	91%
INSURANCE COSTS	91%	89%
THE ECONOMY	89%	87%
CREDIT/DEBIT CARD PROCESSING COSTS	81%	82%
ENERGY OR UTILITY COSTS	82%	79%
ATTRACTING NEW CUSTOMERS	72%	78%
TARIFFS ON IMPORTED FOOD AND BEVERAGE ITEMS	65%	61%
RECRUITING AND RETAINING EMPLOYEES	61%	63%
BRINGING BACK REPEAT CUSTOMERS	39%	51%

Source: National Restaurant Association

6 IN 10 OPERATORS SAY BUSINESS CONDITIONS DETERIORATED IN 2025

RESTAURANT OPERATORS' REPORTING OF OVERALL BUSINESS CONDITIONS FOR 2025



Source: National Restaurant Association

ELEVATED FOOD COSTS CONTINUE TO CHALLENGE OPERATORS

One of the most significant developments for restaurants in recent years has been the sharp rise in food and beverage costs. Average food costs are now more than 35% above pre-pandemic levels, as measured by the U.S. Bureau of Labor Statistics' Producer Price Index for All Foods. While growth cooled from spikes seen in 2022 and 2023, food costs continued to climb for most operators. In 2025, 82% reported higher average food costs than in 2024, and just 6% saw a decline.

New tariffs on imported goods added further pressure. More than two-thirds of operators (68%) said tariffs drove higher food or beverage costs in 2025. Even after some reciprocal tariffs were lifted in November, many operators were already absorbing the increased expenses.

Menu price adjustments helped offset some costs, but pricing flexibility remained limited. Fullservice operators had the greatest ability to adapt, with many shopping for alternative suppliers (63%), removing select items from the menu (60%), and negotiating with existing vendors (55%). Limited-service operators pursued similar strategies, though fewer reported being able to do so.

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

82%

82% of operators reported **higher average food costs**

OPERATOR TAKEAWAY:
Food prices and other costs paint a complicated picture

Advanced Economic Solutions, a leading forecaster of restaurant commodities, points to another challenging year ahead for food prices, saying protein markets are expected to be the main driver of price pressures in 2026.

Protein enters the year with tight supplies, elevated disease risk across species, and historically low cold-storage levels—all of which support a firm price environment. Protein demand remains exceptional, keeping cold-storage inventories from building significantly. While feed costs remain far below 2022 peaks, improving producer margins, the signals for meaningful expansion, are fragmented and species-specific. Disease uncertainty (e.g., Highly Pathogenic Avian Influenza) and ongoing trade friction may limit how quickly production will respond.

Cattle

- The cattle inventory remains at a multi-decade low, but 2026 likely marks the herd bottom.
- The Mexican feeder cattle gap is likely to continue into mid-2026. Combined with a cyclical decline in U.S. inventories, this will constrain fed cattle supplies well beyond that point.
- Herd expansion remains slow and regional, with supply tightness persisting through at least 2027.
- On the demand side, despite record retail prices, demand remains resilient. Beef supplies will remain historically tight throughout all of 2026, keeping prices elevated for most cuts.

Pork

- Tight supplies will remain in the pork market, with the contracting breeding herd ensuring limited supplies in early 2026, despite record productivity.
- By mid- to late-2026, improved producer margins should slow herd contraction, but a meaningful supply increase won't materialize until 2027.
- Disease remains the wildcard for this market, ultimately dictating whether productivity gains will translate into usable supply.
- Prices will remain supported through the first half of 2026, with modest relief possible later in the year if herd stabilization begins.

Poultry

- Broilers have the greatest potential to expand, but supply upside may be limited by capacity and disease risk.
- Broiler production is expected to increase ~1.5% in 2026, driven by favorable feed costs and heavy bird weights.
- While broilers have avoided the worst of HPAI, winter 2025–26 will be a key test; any spillover could materially alter availability.
- The widening beef-chicken price spread is expected to improve chicken demand in retail and foodservice, especially from lower income consumers, aiding possible inventory declines.
- Slight production increases are expected in the turkey industry in 2026, compared with the deep lows of 2025, but remain heavily dependent on disease conditions.
- Overall, the turkey market remains tight, with elevated price levels and avian influenza remaining a risk.

Eggs

- The layer flock continues to recover from the more than 144M birds lost since early 2022, but supplies remain roughly 14% below the level needed for true market balance.
- Inventories have begun to be rebuilt, yet the outlook remains highly dependent on the path of avian influenza.
- Any renewed HPAI activity, especially during seasonal migration windows, could quickly erase recent gains and push prices sharply higher.

Dairy

- Dairy markets will be shaped by large domestic supply and the ability of exports to keep inventories in check.
- For cheese/Class III, new processing capacity and high components will continue adding volume.
- For butter/Class IV, production will stay elevated, yet stocks remain below year-ago levels due to exceptional export strength.
- If exports hold, butter markets may tighten into 2026; if not, inventories could be rebuilt. Class IV pricing carries more upside risk than other dairy categories.
- In summary, Class III leans softer while Class IV leans firmer. For dairy markets, it's a risk that producer margins could erode with lower pricing, which would have producers looking to contract the herd and, thus, the milk supply.

Grain

- Record yields and growing supplies are expected to shape grain markets next year.
- In 2025, corn saw record yields and the largest acreage since 1936, which will drive ample-to-excessive supplies in 2025/26.
- As a result, corn prices are expected to stay historically low during 2026.
- For wheat, U.S. and international supplies are rising due to record yields and a global supply recovery.
- This should cap price upside through at least the first half of 2026.
- Soy oil prices are expected to be elevated and remain volatile, largely due to U.S. biofuel policy.

Soft commodities

- Prices for 2026 are expected to decline to varying degrees.
- Cocoa is expected to see the most significant decline, after extremely tight supplies and record high prices in 2024 and most of 2025.
- Improving production and softer demand are leading to a growing supply surplus and declining prices. This trend is expected to continue through 2026.
- Similarly, beet sugar prices are expected to decline due to ample supplies and declining demand.
- Coffee prices are expected to decline slightly in 2026, but will likely remain volatile, especially for the first half of 2026.
- Tight arabica supplies will persist through the beginning of 2026 and likely keep prices elevated. Early estimates expect Brazil's 2026 arabica production to increase significantly. If this materializes, prices could see some relief later in 2026.

Trade and tariffs

- Country-specific tariffs, including reciprocal tariffs (which impact all countries to varying degrees), are impacting the agriculture and food industries.
- Recent exemptions from the reciprocal tariffs for some agricultural products will provide some relief from tariff-driven price inflation, most notably for beef and coffee.
- However, tariffs are still in effect for many food items.
- Tariffs on products, like steel and aluminum, could have impacts on packaging, equipment, and other adjacent areas.
- Potential additional trade agreements and the review of USMCA, which is scheduled for July 2026, will also require monitoring over the next year.

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

AES AdvancedEconomicSolutions

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

SOFTER TOURISM SPENDING IMPACTED BUSINESS CONDITIONS IN 2025

In a typical year, $3 out of every $10 spent in U.S. restaurants comes from travelers and visitors. While this varies significantly by segment and region, nearly all restaurants pull in revenue from out-of-towners.

Tourism plays a significant role in fine dining, accounting for an average of 41% of sales in this segment. For some operators, the reliance is even greater—1 in 4 report that tourists generate at least 60% of their annual sales.

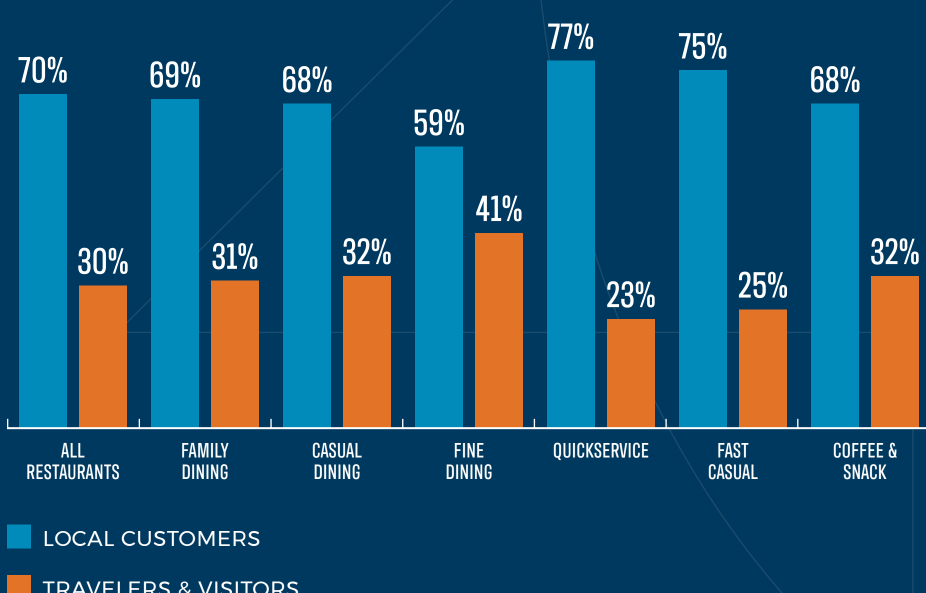
In the family dining, casual dining, and coffee-and-snack segments, about one-third of sales come from tourists. In the quickservice and fast casual segments, locals play a bigger role, with travelers making up $1 in every $4 spent.

A decline in travel and tourism sales exacerbated the challenging environment in 2025. **Sales from travelers and visitors were lower than they would be in a typical year, 47% of operators** indicated**.** Only 8% said their tourism-related sales were higher, while 45% said they were about the same as normal.

A rebound in spending by travelers and visitors would provide a much-needed boost for restaurants in 2026.

TOURISM IS A KEY DRIVER OF RESTAURANT SALES

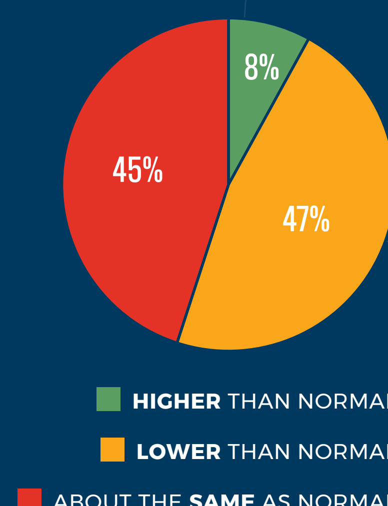
DISTRIBUTION OF RESTAURANT SALES IN A TYPICAL YEAR



Source: National Restaurant Association

TOURISM SALES WERE DAMPENED FOR NEARLY HALF OF OPERATORS IN 2025

RESTAURANT OPERATORS' REPORTING OF SALES FROM TRAVELERS IN 2025 COMPARED WITH A TYPICAL YEAR



Source: National Restaurant Association

OPERATOR TAKEAWAY:
Report helps gauge restaurant performance

In today's unpredictable operating environment, keeping an eye on costs is essential. Margins are thin, and even a small misstep can quickly turn profits into losses.

One tool designed to help is the National Restaurant Association's *2025 Restaurant Operations Data Abstract*. Built on surveys from more than 900 restaurant owners nationwide, the report allows operators to compare their performances to other, similar restaurants.

The report covers a broad range of expenses, led by the prime cost drivers of food and labor. It also shines a light on critical line items, such as occupancy, utilities, and marketing.

By comparing their costs, operators can spot red flags, identify areas where performance varies by concept, and make informed decisions to manage expenses and improve efficiency.

This comprehensive data set includes financial information for both fullservice and limited-service restaurants. Results are also segmented by key attributes, including average check size, annual sales volume, community size, and restaurant location.

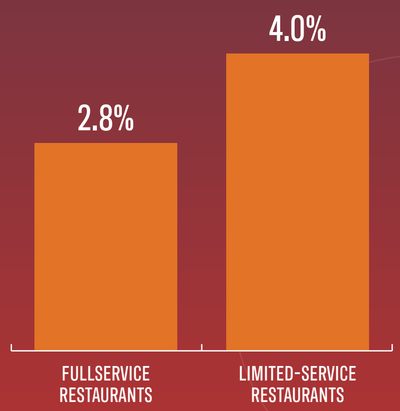
THE BOTTOM LINE

The restaurant industry has long operated on razor-thin margins, and 2024 was no exception. Softer customer traffic, combined with persistently high costs, continued to weigh on profitability. This resulted in modest margins, even by industry standards.

Among fullservice respondents, income before taxes represented a median of 2.8% of sales in 2024. Limited-service respondents reported a median pre-tax income of 4% of sales.

RESTAURANT **PROFIT MARGINS** REMAIN DAMPENED

MEDIAN INCOME BEFORE TAXES AS A PERCENTAGE OF SALES IN 2024



Source: National Restaurant Association *2025 Restaurant Operations Data Abstract*

→ Purchase the *Restaurant Operations Data Abstract* on the Association's website.

1.4 RESTAURANT INDUSTRY OUTLOOK FOR 2026

Restaurant sales continued to grow in 2025, largely due to higher menu prices. For many operators, uneven traffic combined with elevated costs made profitability elusive, leading to reports that overall business conditions deteriorated – a setback from the post-pandemic recovery.

While bifurcated consumer spending will likely persist in 2026, the expectation is that the U.S. economy will continue to grow. (See page 25 for the Association's 2026 economic outlook.)

A healthy and expanding labor market is a key driver of restaurant sales, providing households with the financial capacity to sustain spending. High employment rates also reinforce demand for the convenience that restaurants deliver daily.

Against that backdrop, **the National Restaurant Association expects total restaurant and foodservice sales to reach $1.55T in 2026,** a 4.8% increase from 2025. As in recent years, much of that growth is expected to come from menu pricing, rather than increased traffic. **After adjusting for inflation, real sales growth is projected at 1.3%.**

CORE CHALLENGES FOR OPERATORS IN 2026

While there is always a degree of variability in forecasts, the 2026 sales outlook has considerable risks on both the upside and downside – due to uncertainties around consumers and the economy. Restaurant operators are aware of the potential economic pitfalls in the year ahead. **Both fullservice and limited-service operators expect the economy to be the No. 1 challenge their restaurants face in 2026.**

Price pressures will also remain at the forefront, with food and labor costs ranking high on the list of challenges.

THE ECONOMY WILL CONTINUE TO TOP THE LIST OF CHALLENGES

Restaurant operators' reporting of the **most significant challenges they expect to face in 2026**

	FULLSERVICE RESTAURANTS	LIMITED-SERVICE RESTAURANTS
THE ECONOMY	27%	25%
FOOD COSTS	15%	17%
LABOR COSTS	16%	16%
BUILDING & MAINTAINING SALES VOLUME	13%	13%
RECRUITING & RETAINING EMPLOYEES	9%	9%

Source: National Restaurant Association

32%

32% of fullservice operators expect their sales to be higher in 2026

While 2025's challenges are expected to continue in 2026, **fullservice** operators are modestly optimistic that business conditions will improve. 32% of fullservice operators expect their sales to be higher in 2026 than they were in 2025. 21% think their sales will decline in 2026, while 47% expect business to be similar to 2025.

The outlook among limited-service operators is more tempered. **29% of limited-service operators think their sales will be higher in 2026, while 27% expect a sales decline.**

CAUTIOUS OPTIMISM FOR 2026

Restaurant operators' outlook for their sales volume in 2026 compared to 2025

OUTLOOK FOR SALES IN 2026	FULLSERVICE RESTAURANTS	LIMITED-SERVICE RESTAURANTS
HIGHER THAN 2025	32%	29%
LOWER THAN 2025	21%	27%
ABOUT THE SAME AS 2025	47%	44%

Source: National Restaurant Association

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

*Projected

METHODOLOGY & DEFINITIONS:

The National Restaurant Association's food and beverage sales estimates are based on historical data from the U.S. Department of Agriculture's Food Expenditure Series. This approach provides a more extensive scope of food and beverage purchases by households, businesses, nonprofit organizations and government agencies. One way in which this differs from the previous estimates is that it captures sales at establishments with and without payroll employees. In addition, the new methodology includes broader coverage of sales in non-restaurant categories, such as lodging places, retail hosts, recreation and sports, and schools and colleges. Note that the sales estimates are preliminary and subject to revision with the release of the U.S. Census Bureau's Economic Census data.

Fullservice segment: Includes family, casual, and fine dining fullservice restaurants; caterers. Waiter/waitress service is provided, and the order is taken while the patron is seated. Patrons pay after they eat.

Limited-service segment: Includes quickservice and fast casual restaurants; cafeterias, grill-buffets and buffets; snack and nonalcohol beverage bars; mobile food vendors. Patrons generally order at a counter, kiosk, online, or select items from a food bar and pay before they eat.

Bars and taverns: Includes bars, taverns, nightclubs, or drinking places primarily engaged in preparing and serving alcohol-based beverages for immediate consumption. They may also provide limited food service.

Lodging places: Includes hotels, motels, and bed-and-breakfast inns.

Retail hosts: Includes grocery, convenience, and other food stores; gas stations; department stores; warehouse clubs and supercenters; health and personal care stores; other retailers; vending machine operators.

Recreation and sports: Includes movie theaters, performing arts companies, spectator sports, museums, galleries, and zoos; amusement and theme parks; casinos; RV parks and recreational camps; concessions at sports and recreation places; food contractors at sports and recreational places.

Schools and colleges: Includes public elementary and secondary schools; food contractors at elementary and secondary schools; private elementary and secondary schools; higher-education institutions.

All other foodservice establishments: Includes hospital cafeterias; nursing home and residential care facility cafeterias; rooming and boarding houses; religious, grant-making, civic, professional, and similar organizations; trains; Patriot Café, Express, and Brew; contract feeders at offices, government, manufacturing and industrial plants, and transit facilities. Sales estimates exclude food furnished and donated: airline passengers (in-house); military and civilian employees; hospital inpatients; nursing home residents; child daycare centers; federal food programs; adult correctional facilities; youth correctional facilities; other institutional and non-institutional group quarters.

OPERATOR TAKEAWAY:
The restaurant industry's economic impact is significant

The Association has updated its economic impact analysis of eating and drinking establishments using IMPLAN data, broken out by state, metro area, and congressional district. The data captures how fullservice, limited-service, and other food and beverage businesses contribute to the economy.

The takeaway is simple. Restaurants do far more than serve meals. They create strong ripple effects across local and regional economies, supporting jobs, generating tax revenue, and keeping supply chains moving. Those insights help operators spot growth opportunities, align with economic trends, and strengthen relationships with suppliers, communities, and policymakers.

6%

Eating and drinking places were projected to **generate 6% of real GDP** in 2025

Key Findings:

- In 2025, IMPLAN projected eating and drinking establishments would generate $1.5T in sales, about 6% of U.S. real GDP.
- As of 2023, the industry employed 14.7M people and delivered $508.9B in labor income, including wages, salaries, proprietors' income, and benefits.
- These contributions fuel additional spending across the economy, pushing the sector's total economic impact to $3.7T (roughly 16% of real GDP) and supporting 23M jobs and $1.2T in labor income.

The sector also plays a vital role in public finances:

- In 2024, restaurants were expected to pay $238.6B in taxes to federal, state, and local governments.
- Including spillover effects, the total tax impact rose to $503.9B, underscoring the industry's importance to economic growth and public services.

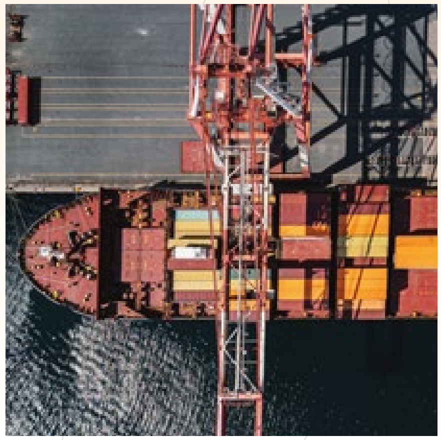
Since the publication of this report, IMPLAN released 2024 data, allowing us to project that eating and drinking establishments should have output (sales) of $1.6T in 2026. Note that this includes all revenue from a restaurant, including food and beverage, but also other items, like merchandise.

The total impact of the industry will be $3.9T, with 23.5M employees, $1.2T in labor income, and $522B in tax revenues. For every $1 in output in the eating and drinking sector, another $2.43 is generated in the entire economy. Moreover, there are 1.58 workers added to the U.S. economy for every 1 worker in the restaurant and foodservice sector.

→ Download the latest data now.

1.5 POLICY FOR GROWTH IN 2026

Supportive policy and regulation remain essential ingredients for industry growth. Building on major wins at every level of government in 2025, the National Restaurant Association has identified 3 federal policy priorities aimed at strengthening operations and supporting long-term success across the industry.



COMPREHENSIVE IMMIGRATION REFORM

The challenge: Immigration is essential to a resilient, economically viable restaurant industry. Comprehensive immigration reform will provide a foundation for restaurant operators to support their current workforce and hire the staff needed to grow a people-first industry—one that fuels local economies, supports communities, and enhances the dining experience.

Why it's a priority: 22% of restaurant employees were born outside the United States, and operators are expected to create more than 100K new jobs in 2026.

The solution: Legal immigration supports workforce stability and economic growth. The Association is advocating for comprehensive reform built on three core principles: protecting the industry's current workforce, fixing the work visa system, and modernizing immigration for the future.

PREVENT TARIFFS AND HIGHER FOOD COSTS IN TRADE WITH MEXICO AND CANADA

The challenge: Mexico and Canada are the top sources of imported food and beverages for restaurants, and the U.S.-Mexico-Canada Agreement (USMCA) currently exempts those imports from new U.S. tariffs.

Why it's a priority: Food prices have soared by 40% since 2020, and the Association's *2025 Operations Data Abstract* shows that in 2024, the median profit margin for a fullservice restaurant fell to 2.8% – down from 4% in 2019 – and 4% for limited-service restaurants – down from 6% in 2019.

The solution: With the USMCA up for review in 2026, the Association supports maintaining tariff exemptions for qualifying food and beverage products and will advocate to protect food and beverage products from additional tariffs.

THE CREDIT CARD COMPETITION ACT

The challenge: U.S. swipe fees are the highest among industrialized nations, driven by a market where two companies control 80% of credit card processing. For many operators, processing fees are the third largest expense after food and labor.

Why it's a priority: Unchecked by competition, U.S. swipe fees have more than doubled over the past decade, while those two companies have made more than 50% annual profit margins. The fees are squeezing restaurant owners and driving up prices for the average family by more than $1.2K a year.

The solution: The Association supports the bipartisan *Credit Card Competition Act*, which would help reduce the fees restaurants pay on every transaction by opening the credit card processing market to competition.

1.6 THE ECONOMY IN 2026

The U.S. economy continues to send mixed signals. Growth has been stronger than expected, even as the labor market cools. When jobs are plentiful and wages are rising, consumers tend to keep spending, including on dining out. The recent slowdown in hiring, however, is the biggest risk on the menu, not just for restaurants, but the broader economy.

Still, there are reasons for cautious optimism. Unemployment remains low and wage growth, while slowing, continues to provide households with purchasing power. Consumer activity has held up better than expected, helping the economy avoid a downturn despite uncertainty and uneven growth patterns tied in part to the tariff-related timing shifts in early 2025.

Looking ahead, the National Restaurant Association projects real GDP growth of 2.7% in 2026, up from 2.3% in 2025. Consumer spending is expected to remain divided, with higher-income households spending more freely while others stay focused on value. Encouragingly for operators, even budget-conscious consumers continue to prioritize eating out, helping support restaurant sales despite softer traffic.

This dynamic explains the K-shaped economy facing restaurants. Sales remain solid, but the number of diners is lagging. That balance carries risk, since a pullback by higher-income diners would remove a key support for growth.

On the monetary policy front, the Federal Reserve is expected to continue easing interest rates as it responds to labor market softness. Lower rates should help reduce borrowing costs for operators and support consumer spending.

Inflation remains a lingering challenge. Since the pandemic, food and labor costs have climbed by at least 35%, while expenses, such as rent, supplies, swipe fees, and insurance, have also risen. As a result, margins remain thin. In 2024, median profit margins were 2.8% for fullservice restaurants and 4% for limited-service restaurants, well below pre-pandemic levels, even as menu prices have increased 32%.

Inflation is expected to cool gradually, with consumer prices in 2026 projected to ease 2.5% after rising 3% in 2025. Upside risks to growth include steady wages, lower interest rates, and supportive fiscal policy, while downside risks center on slower job growth, economic uncertainty, and rising debt.

For operators, the focus remains clear. Driving traffic, both on- and off-premises, will be essential. **Success in 2026 will depend on a healthier labor market and easing economic uncertainty that encourages consumers to spend more freely.**

ECONOMY EXPECTED TO REMAIN **RESILIENT IN 2026**

U.S. ECONOMIC OUTLOOK

INDICATOR	2023	2024	2025	2026
REAL GROSS DOMESTIC PRODUCT	2.9%	2.8%	2.3%	2.7%
REAL DISPOSABLE PERSONAL INCOME	5.1%	3.0%	1.4%	1.2%
CONSUMER PRICE INDEX	4.1%	3.0%	3.0%	2.5%
TOTAL U.S. EMPLOYMENT	2.3%	1.3%	0.9%	0.8%

Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, National Restaurant Association projections • The Association updates its outlook for the economy throughout the year.

➔ **Check the Association's website for the latest analysis and projections.**

1.7 THE CONSUMER IN 2026

As restaurant operators work to boost traffic, they face conflicting signals regarding the state of the consumer. On the surface, spending has held up, with restaurant sales posting solid growth over the past year despite ongoing economic uncertainty.

Beneath that resilience, sentiment tells a tougher story. Consumers generally view both the local and national economies unfavorably, and attitudes continue to be split along income lines. Higher-income households are still spending freely, supported by gains in home values and investments. Lower- and middle-income consumers are feeling the pinch, becoming more selective as inflation erodes purchasing power and forces tougher trade-offs.

Once again, the K-shaped economy helps explain the disconnect operators are seeing. **Survey results show consumers are more downbeat than a year ago, a shift that aligns with softer-than-expected traffic and rising concern among operators.**

Just over 4 in 10 adults rated their local economies as excellent or good, while only one-third said the same about the national economy. Both measures are down from last year. In contrast, a majority described economic conditions as fair or poor, signaling growing unease at both the local and national levels.

CONSUMER ATTITUDES TOWARD THE ECONOMY ARE HIGHLY SEGMENTED

% OF CONSUMERS WHO DESCRIBE THE CURRENT ECONOMIC SITUATION, INCLUDING THE AVAILABILITY OF JOBS, IN THEIR LOCAL AREA AS 'EXCELLENT' OR 'GOOD'	ASSESSMENT OF LOCAL ECONOMY	ASSESSMENT OF NATIONAL ECONOMY
ALL ADULTS	42%	33%
GENDER		
MALE	48%	40%
FEMALE	36%	26%
GENERATION		
GEN Z ADULTS (18-29)	54%	43%
MILLENNIALS (30-45)	44%	37%
GEN X (46-61)	30%	27%
BABY BOOMERS (62-80)	42%	25%
HOUSEHOLD INCOME		
LESS THAN $50K	39%	29%
$50K TO $99.9K	40%	33%
$100K OR MORE	51%	40%
INVESTMENTS		
HAVE INCREASED	60%	52%
HAVE INCREASED/STAYED THE SAME	52%	43%
DON'T HAVE ANY INVESTMENTS	28%	37%
KEEPING UP WITH EXPENSES		
EASY	56%	45%
DIFFICULT	27%	19%
EDUCATION		
HIGH SCHOOL GRADUATE OR LESS	42%	33%
COLLEGE INCOMPLETE	34%	26%
COLLEGE GRADUATE	48%	36%
TYPE OF COMMUNITY		
URBAN	41%	33%
SUBURBAN	46%	34%
RURAL	35%	30%
HOME OWNERSHIP		
OWN	44%	35%
RENT	41%	29%
MARITAL STATUS		
MARRIED	46%	34%
NOT MARRIED	39%	31%

Source: National Restaurant Association

Views also varied by demographic group. Consumers with higher education levels, suburban residents, married individuals, and homeowners tended to be more optimistic. Men and younger consumers, especially Gen Zs, expressed more confidence than older age groups. Gen X was the least positive about local conditions, while baby boomers were more pessimistic about the national outlook.

Income and financial security played an outsized role. More than half of consumers earning over $100K viewed their local economies positively, compared with fewer than 4 in 10 among those earning under $50K. Optimism was also much higher among consumers whose investments had grown. Among those struggling to cover expenses, only about one-quarter had a positive economic outlook.

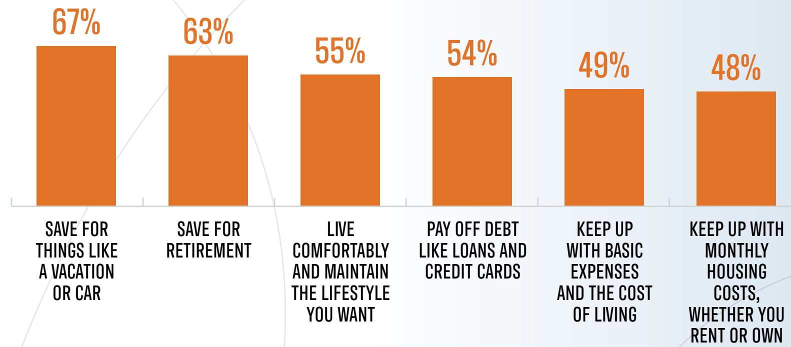
Financial stress remains widespread. Two-thirds of consumers reported difficulty saving for major purchases, like vacations or vehicles, and nearly as many struggled to save for retirement. Roughly half said it was hard to maintain their lifestyles, pay down debt, or keep up with basic expenses.

As a result, many consumers are tightening their belts. More than one-third said they're very worried about their finances and have cut back on spending, while nearly half are taking a wait-and-see approach. Only a small share feel comfortable spending more freely.

Still, there is cautious optimism simmering. About three-quarters of consumers expect their personal finances to improve or hold steady over the next year, suggesting that **while diners may be cautious today, many believe better days are ahead.**

CONSUMERS ARE **FEELING STRAINED** ECONOMICALLY

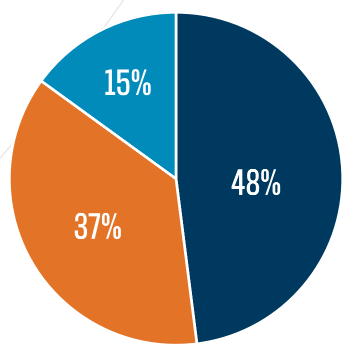
% OF CONSUMERS WHO SUGGEST THAT DOING THE FOLLOWING THINGS ARE 'VERY' OR 'SOMEWHAT DIFFICULT' TO DO



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

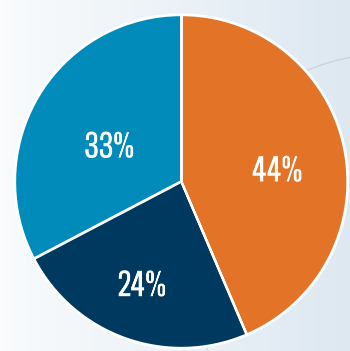
VERY CONCERNED ABOUT PERSONAL FINANCES AND ARE HOLDING BACK SIGNIFICANTLY ON SPENDING

CONFIDENT IN PERSONAL FINANCES AND ARE NOT HOLDING BACK ON SPENDING

Source: National Restaurant Association

DESPITE CHALLENGES, CONSUMERS ARE **CAUTIOUSLY UPBEAT** ABOUT THE NEXT 12 MONTHS

CONSUMERS' EXPECTATIONS OF THEIR PERSONAL FINANCES IN THE NEXT YEAR



GET **BETTER**

GET **WORSE**

STAY ABOUT THE **SAME**

Source: National Restaurant Association

➔ The Association updates its outlook for consumers throughout the year. Click here for the latest analysis and projections.

STATE OF THE RESTAURANT INDUSTRY **2026**

PART 2: OPERATIONAL TRENDS

2026 TOP FINDINGS

Tech integration continues in restaurant operations
Operators say technology is having the biggest impact on ordering and payment, marketing and advertising, customer feedback, and back-office functions.

Reaction to tech's impact on hospitality is mixed
Nearly two-thirds of operators say technology improves the level of hospitality their restaurant delivers, but only 41% of consumers agree, highlighting a gap between operational efficiency and the guest experience.

Delivery creates both opportunities and challenges for operators
Delivery remains popular with consumers, but operator sentiment is mixed. About 69% say offering delivery creates opportunities for their restaurants, while 31% say it's more likely to introduce challenges.

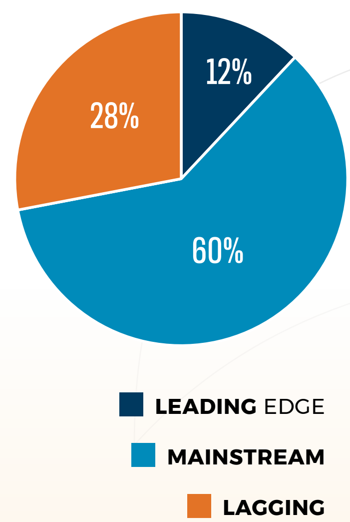
2.1 TECHNOLOGY IS A STRATEGIC IMPERATIVE

Technology has evolved into an essential asset for restaurant operators striving to enhance efficiency and control costs. Its strategic application is transforming the industry—making operations faster, smarter, and more agile than ever before. In an economy where food and labor costs are rising steadily, breakthrough efficiencies could make the difference between struggling and staying profitable.

Despite its growing importance, adoption levels vary significantly across the industry. Only about 1 in 10 operators consider their establishments to be at the forefront of technological innovation compared with their peers. The majority (60%) consider their operations to be mainstream in terms of technology usage, while nearly 3 in 10 acknowledge they're lagging.

FROM A TECH PERSPECTIVE, MOST OPERATORS CONSIDER THEIR RESTAURANTS TO BE **MAINSTREAM**

RESTAURANT OPERATORS' ASSESSMENT OF TECHNOLOGY USAGE IN THEIR RESTAURANTS, COMPARED WITH THEIR PEERS



Source: National Restaurant Association

6%

6% of **technology investments** resulted in permanent job eliminations

A majority of operators say their restaurants benefitted from the use of technology in recent years. Topping the list of areas impacted by technology for both limited-service operators (67%) and fullservice operators (58%) is on-premises ordering and payment.

A majority of operators also say technology has significantly impacted marketing/advertising, customer feedback, off-premises ordering/payment, and back-office functions at their restaurants.

Limited-service operators (60%) are nearly twice as likely as fullservice operators (33%) to say technology had a significant impact on their loyalty programs.

Despite the widespread benefits that restaurants are getting from technology, the impact on the size of the industry workforce has been small. **Only 6% of operators said their investments in technology have led to the permanent elimination of jobs.**

TECH IS HAVING THE GREATEST IMPACT ON ON-PREMISES **ORDERING AND PAYMENT**

WHERE OPERATORS SAY TECHNOLOGY HAD A SIGNIFICANT IMPACT ON THEIR RESTAURANTS DURING THE PAST 2-3 YEARS

	FULLSERVICE RESTAURANTS	LIMITED-SERVICE RESTAURANTS
ON-PREMISES ORDERING/PAYMENT	58%	67%
MARKETING/ADVERTISING	56%	64%
CUSTOMER FEEDBACK	51%	62%
OFF-PREMISES ORDERING/PAYMENT	46%	65%
BACK-OFFICE FUNCTIONS	56%	53%
EMPLOYEE SCHEDULING	48%	50%
COLLECTION OF CUSTOMER DATA	45%	51%
LOYALTY PROGRAMS	33%	60%
INVENTORY MANAGEMENT/FOOD WASTE	40%	42%
MENU DESIGN/FLEXIBILITY	38%	40%
EMPLOYEE RECRUITMENT/HIRING	36%	35%
EMPLOYEE TRAINING	28%	40%
SECURITY	31%	36%
FOOD SAFETY	26%	36%
RESERVATIONS AND INQUIRIES	43%	8%
FOOD PREPARATION	14%	23%

Source: National Restaurant Association

AI IS COMING TO A RESTAURANT NEAR YOU

It's still in the early stages, but the use of Artificial Intelligence (AI) is starting to make inroads in the restaurant industry. In all, **26% of operators say their restaurants use AI-related tools.** Indeed, it's likely that many of the technological tools that restaurants regularly use (and plan to invest in more) will include increased data and AI integration. This includes point-of-sale systems, human resources tools, customer-facing technologies, and order processing systems, among others.

Marketing is the top area in which operators say AI is having an impact: 19% of fullservice operators and 15% of limited-service operators say they use AI-driven tools or technology as part of their marketing efforts.

Administrative tasks are also being aided by AI tools, according to 10% of restaurant operators.

26%

26% of operators use tools or technologies that **incorporate AI**

RESTAURANT OPERATORS ARE STARTING TO USE **AI FOR MARKETING**

WHERE OPERATORS SAY TOOLS OR TECHNOLOGIES THAT USE AI ARE IMPACTING THEIR RESTAURANTS

	ALL RESTAURANTS	FULLSERVICE RESTAURANTS	LIMITED-SERVICE RESTAURANTS
MARKETING	17%	19%	15%
ADMINISTRATIVE TASKS	10%	12%	8%
MENU OPTIMIZATION	7%	8%	6%
EMPLOYEE SCHEDULING	7%	6%	7%
CUSTOMER ORDERING	6%	7%	6%
EMPLOYEE RECRUITMENT/HIRING	6%	5%	6%
INVENTORY MANAGEMENT	6%	5%	6%
RESERVATIONS AND INQUIRIES	5%	9%	1%

Source: National Restaurant Association

TECH INVESTMENTS ARE ON THE RISE

8 in 10 operators say the use of technology in restaurants provides a competitive advantage. That's why, despite challenging business conditions, most operators plan to continue incorporating more technology into their restaurants in 2026.

6 in 10 operators are planning tech investments that will enhance the customer's experience, while 54% say they plan to invest in equipment or technology that will improve the productivity and efficiency of the front of the house.

Just under half of operators say they will invest in back-of-the-house tech as well as ways to strengthen their cybersecurity in 2026.

60%

6 in 10 operators are planning **tech investments** that will enhance the customer's experience

RESTAURANTS WILL EMPLOY MORE **CUSTOMER-FOCUSED TECH** IN 2026

% OF OPERATORS WHO PLAN TO MAKE INVESTMENTS IN THOSE TECHNOLOGY-RELATED AREAS IN 2026

	ALL RESTAURANTS	FULLSERVICE RESTAURANTS	LIMITED-SERVICE RESTAURANTS
EQUIPMENT OR TECHNOLOGY TO ENHANCE THE CUSTOMER EXPERIENCE	60%	57%	62%
EQUIPMENT OR TECHNOLOGY TO MAKE THE FRONT OF THE HOUSE MORE PRODUCTIVE OR EFFICIENT	54%	59%	49%
EQUIPMENT OR TECHNOLOGY TO MAKE THE BACK OF THE HOUSE MORE PRODUCTIVE OR EFFICIENT	48%	52%	43%
EQUIPMENT OR TECHNOLOGY TO STRENGTHEN CYBERSECURITY	44%	44%	43%

Source: National Restaurant Association

CONSUMERS WELCOME TECH IN RESTAURANTS

Most diners are all-in on tech that makes the experience faster and easier, especially when it comes to ordering and paying.

Particularly among younger consumers, those tools play a meaningful role when choosing where to eat. Overall, 3 in 4 delivery customers and about 2 in 3 takeout and drive-thru customers say the availability of tech options for ordering and payment is important to their restaurant choices.

On-premises, tech has a slightly smaller role, but still makes a difference. Younger diners value it more than older ones, no matter where they eat.

A solid majority of consumers say they would be comfortable ordering and paying through smartphones, websites, kiosks, or tablets at the table.

That said, some technologies still feel like a stretch for part of the customer base. While 62% of consumers would place an order by speaking with a live person on a video screen, only 39% say they'd do the same with an AI-generated persona.

Nearly half of consumers say they'd order on a website or mobile app while interacting with an AI-powered chatbot, including 6 in 10 millennials and Gen Z adults.

When it comes to food delivery by robots or drones, a majority of Gen Z adults are open to that idea, compared with only about 1 in 5 baby boomers.

60%

6 in 10 millennials and Gen Z adults would place an order with an **AI-generated chatbot**

TECH OPTIONS ARE A MUST FOR MOST OFF-PREMISES CUSTOMERS

% OF RESTAURANT CUSTOMERS WHO SAY THE AVAILABILITY OF TECHNOLOGY OPTIONS FOR THINGS LIKE ORDERING AND PAYING IS IMPORTANT TO THEM WHEN CHOOSING A RESTAURANT FOR THE FOLLOWING ACTIVITIES

RESTAURANT ACTIVITY	ALL ADULTS	GEN Z ADULTS (18-29)	MILLENNIALS (30-45)	GEN X (46-61)	BABY BOOMERS (62-80)
ORDERING FOOD OR BEVERAGES FOR DELIVERY	77%	77%	82%	79%	68%
ORDERING FOOD OR BEVERAGES FOR TAKEOUT	66%	77%	79%	66%	45%
ORDERING FOOD OR BEVERAGES FROM A DRIVE-THRU	65%	75%	76%	64%	46%
GOING OUT TO A LIMITED-SERVICE RESTAURANT*	59%	70%	74%	63%	36%
GOING OUT TO A FULLSERVICE RESTAURANT	54%	66%	69%	58%	33%

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 ARE MOST COMFORTABLE USING TECH FOR ORDERING AND PAYMENT

% OF CONSUMERS WHO WOULD USE THE FOLLOWING OPTIONS IF THEY WERE OFFERED BY A RESTAURANT, COFFEE SHOP, SNACK SHOP, DELI OR FAST FOOD RESTAURANT IN THEIR AREA

TECHNOLOGY	ALL ADULTS	GEN Z ADULTS (18-29)	MILLENNIALS (30-45)	GEN X (46-61)	BABY BOOMERS (62-80)
ORDER AND PAY USING AN APP ON YOUR SMARTPHONE	74%	80%	89%	80%	54%
ORDER AND PAY USING A RESTAURANT'S WEBSITE	70%	75%	75%	76%	60%
ORDER AND PAY USING A SELF-SERVICE ELECTRONIC KIOSK	68%	81%	78%	69%	53%
ORDER AND PAY USING A COMPUTER TABLET AT THE TABLE	67%	74%	77%	72%	53%
ORDER BY TALKING TO A LIVE PERSON ON A VIDEO SCREEN	62%	58%	65%	64%	64%
ORDER ON A WEBSITE OR APP WHILE INTERACTING WITH AN ARTIFICIAL INTELLIGENCE (AI) GENERATED CHATBOT	46%	57%	58%	44%	32%
ORDER FOOD OR DRINKS THAT GET PREPARED ON AN AUTOMATED ASSEMBLY LINE	45%	60%	57%	42%	28%
ORDER BY TALKING TO AN ARTIFICIAL INTELLIGENCE (AI) GENERATED PERSONA ON A VIDEO SCREEN	39%	49%	43%	38%	33%
ORDER FOOD OR DRINKS THAT GET DELIVERED FROM A RESTAURANT BY A ROBOT	38%	53%	48%	36%	21%
ORDER FOOD OR DRINKS THAT GET DELIVERED FROM A RESTAURANT BY A DRONE	35%	53%	45%	33%	17%

Source: National Restaurant Association

IMPACT OF TECH ON HOSPITALITY: IT'S ALL ABOUT THE AUDIENCE

When deciding whether to roll out new customer technology, operators need to know their audience. Views on how technology affects hospitality vary widely by age, making customer mix an important part of the equation.

Overall, sentiment is split. About 41% of consumers say technology improves hospitality, while 38% believe it detracts from the experience. Another 21% say it makes no difference either way.

Younger diners are generally receptive to new technologies. Just over half of Gen Z adults and millennials say technology enhances hospitality. Only 23% of baby boomers agree.

50%

Over half of Gen Z adults and millennials say **technology has a positive impact** on restaurant hospitality

CONSUMERS HAVE MIXED OPINIONS ON WHETHER **TECH IMPROVES HOSPITALITY**

HOW CONSUMERS SAY THE USE OF TECHNOLOGY IMPACTS THE LEVEL OF HOSPITALITY RESTAURANTS PROVIDE

IMPACT OF TECHNOLOGY ON HOSPITALITY	ALL ADULTS	GEN Z ADULTS (18-29)	MILLENNIALS (30-45)	GEN X (46-61)	BABY BOOMERS (62-80)
POSITIVE IMPACT ON THE LEVEL OF HOSPITALITY	41%	52%	53%	42%	23%
NEGATIVE IMPACT ON THE LEVEL OF HOSPITALITY	38%	28%	33%	38%	48%
NO IMPACT ON THE LEVEL OF HOSPITALITY	21%	20%	14%	20%	29%

Source: National Restaurant Association

For operators, the challenge is **striking the right balance between efficiency and the human touch their guests expect.**

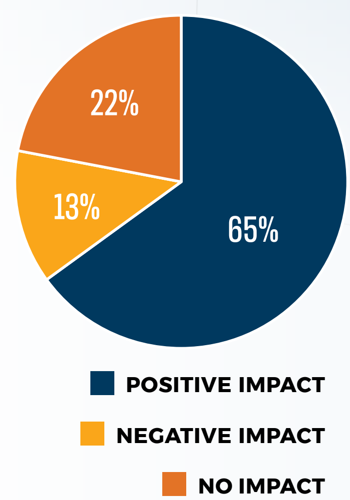
Operators, when asked the same question, offered a different perspective. Nearly two-thirds said technology has a positive impact on the hospitality their restaurants deliver, while just 13% believe it has a negative effect.

This gap likely reflects how operators see technology working on the floor. Many view it as a way to take pressure off of staff and give employees more time to focus on guests.

Some consumers, however, may see technology as replacing people rather than supporting them. For operators, **the opportunity is finding the right mix, using technology to improve efficiency while still serving the inviting experience guests crave.**

RESTAURANT OPERATORS THINK **TECH IMPROVES** THE CUSTOMER'S EXPERIENCE

HOW OPERATORS SAY THE USE OF TECHNOLOGY IMPACTS THE LEVEL OF HOSPITALITY RESTAURANTS PROVIDE



Source: National Restaurant Association

2.2 OFF-PREMISES MOMENTUM: ADAPTING TO CHANGING CONSUMER HABITS

The COVID-19 pandemic sped up the shift toward off-premises dining that was already taking shape. Operators have continued to lean into takeout, delivery, and drive-thru, often using technology to meet guests where they are.

At fullservice restaurants, off-premises accounted for more than 35% of customer traffic in 2025, up from 12.1% in 2019, according to research marketing firm Technomic Inc. Takeout, delivery, and drive-thru all play a larger role today than they did before the pandemic.

Off-premises sales are also a larger proportion of customer traffic in limited-service restaurants. In 2025, it represented nearly 90% of customer traffic, up from 74.1% in 2019, with delivery and takeout continuing to gain share.

35%

35% of **customer traffic** in the fullservice segment is **off-premises**

To support this evolving business model, in the past few years, 40% of limited-service and 30% of fullservice restaurant operators made changes to their inside space and/or parking lots to accommodate off-premises orders.

Consumer desire for convenience continues to be reflected in sales numbers. 58% of limited-service and 45% of fullservice operators say off-premises represents a larger proportion of their total sales than it did in 2019. Only 1 in 4 operators say off-premises makes up a smaller share of their sales than it did in 2019.

Takeout, delivery, and drive-thrus have become part of everyday life for many consumers. The Association's *2025 Off-Premises Restaurant Trends* report shows those options are more than an occasional convenience, especially for younger adults. Many consumers use off-premises daily, and some multiple times a day, making it a core lifestyle habit.

Overall, takeout and drive-thru outpace delivery. Nearly half of all adults say they pick up takeout at least once a week, while just over 4 in 10 report the same for drive-thru. About one-third say they order delivery weekly.

CONSUMERS ARE USING **MORE OFF-PREMISES** ACROSS BOTH SEGMENTS

OFF-PREMISES SHARE OF TOTAL CUSTOMER TRAFFIC

	FULLSERVICE SEGMENT		LIMITED-SERVICE SEGMENT	
	2019	**2025**	**2019**	**2025**
TOTAL OFF-PREMISES	12.1%	35.4%	74.1%	89.9%
TAKEOUT	6.0%	25.2%	32.4%	43.6%
DRIVE-THRU	0.1%	0.7%	36.7%	33.9%
DELIVERY	5.8%	9.6%	5.0%	12.4%

Source: Technomic Inc.
Note: Columns may not sum precisely due to rounding.

OFF-PREMISES SALES ARE MORE IMPORTANT TO RESTAURANTS

RESTAURANT OPERATORS' REPORTING OF THEIR TOTAL OFF-PREMISES SALES (AS A % OF TOTAL SALES) IN 2025 COMPARED TO 2019	FULLSERVICE RESTAURANTS	LIMITED-SERVICE RESTAURANTS
HIGHER THAN 2019	45%	58%
LOWER THAN 2019	23%	24%
ABOUT THE SAME AS 2019	31%	18%

Source: National Restaurant Association • Base: Restaurants that were open and offered off-premises in 2019

OFF-PREMISES USE VARIES SHARPLY BY AGE

Younger adults are the most frequent off-premises users, with a majority ordering takeout, drive-thru, or delivery at least once a week. The following 3 charts give a breakout of takeout, drive-thru, and delivery frequency by age group.

47% of adults say they pick up takeout food or beverages from a restaurant, coffee shop, snack shop or deli at least once a week. Nearly 6 in 10 millennials (59%) and Gen Z adults (57%) order takeout on a weekly basis, compared with 44% of Gen X and 33% of baby boomers.

Younger adults are the most frequent users of takeout: 12% of Gen Z adults and 10% of millennials say they use takeout at least once a day.

47%

Takeout frequency:

47% of adults order takeout at least once a week

TAKEOUT USAGE

CONSUMERS' FREQUENCY OF PICKING UP TAKEOUT FOOD OR BEVERAGES FROM A RESTAURANT, COFFEE SHOP, SNACK SHOP OR DELI

FREQUENCY	ALL ADULTS	GEN Z ADULTS (18-29)	MILLENNIALS (30-45)	GEN X (46-61)	BABY BOOMERS (62-80)
MULTIPLE TIMES PER DAY	2%	3%	3%	1%	*
DAILY	5%	9%	7%	3%	2%
SEVERAL TIMES PER WEEK	22%	27%	29%	21%	14%
ONCE PER WEEK	18%	17%	20%	19%	18%
AT LEAST ONCE PER WEEK	**47%**	**57%**	**59%**	**44%**	**33%**
SEVERAL TIMES PER MONTH	20%	20%	19%	22%	19%
ONCE PER MONTH	11%	10%	8%	12%	15%
ONCE EVERY FEW MONTHS	10%	8%	7%	12%	14%
ONCE OR TWICE PER YEAR	5%	3%	4%	4%	7%
NEVER	7%	4%	4%	7%	12%

Source: National Restaurant Association • Base: All adults
Note: Columns may not sum precisely due to rounding. • *Less than 0.5%

42% of adults say they order food or beverages from a drive-thru at least once a week, led by a majority of millennials (55%) and Gen Z adults (54%). Gen X (41%) and baby boomers (26%) are somewhat less likely to say they use drive-thrus on a weekly basis.

Younger adults are the most frequent drive-thru users, with 13% of millennials and 12% of Gen Z adults saying they use it at least once a day.

DRIVE-THRU USAGE

CONSUMERS' FREQUENCY OF ORDERING FOOD OR BEVERAGES FROM A DRIVE-THRU AT A RESTAURANT, COFFEE SHOP, SNACK SHOP OR DELI

FREQUENCY	ALL ADULTS	GEN Z ADULTS (18-29)	MILLENNIALS (30-45)	GEN X (46-61)	BABY BOOMERS (62-80)
MULTIPLE TIMES PER DAY	2%	4%	4%	1%	*
DAILY	5%	8%	9%	4%	2%
SEVERAL TIMES PER WEEK	18%	25%	22%	20%	8%
ONCE PER WEEK	17%	17%	19%	16%	16%
AT LEAST ONCE PER WEEK	**42%**	**54%**	**55%**	**41%**	**26%**
SEVERAL TIMES PER MONTH	19%	21%	19%	19%	18%
ONCE PER MONTH	11%	11%	8%	13%	13%
ONCE EVERY FEW MONTHS	11%	7%	9%	11%	16%
ONCE OR TWICE PER YEAR	7%	3%	4%	6%	12%
NEVER	9%	4%	5%	10%	15%

Source: National Restaurant Association • Base: All adults
Note: Columns may not sum precisely due to rounding. • *Less than 0.5%

42%

Drive-thru frequency:
42% of adults use drive-thru at least once a week

Younger adults are by far the most frequent users of delivery. 60% of Gen Z adults and 50% of millennials say they use delivery at least once per week. Only 35% of Gen X and 14% of baby boomers say the same.

Delivery is an integral part of daily life for many young consumers: **13% of both Gen Z adults and millennials say they use delivery at least once a day.** Roughly 5% say they use it multiple times per day.

DELIVERY USAGE

CONSUMERS' FREQUENCY OF ORDERING FOOD OR BEVERAGES FOR DELIVERY FROM A RESTAURANT, COFFEE SHOP, SNACK SHOP OR DELI

FREQUENCY	ALL ADULTS	GEN Z ADULTS (18-29)	MILLENNIALS (30-45)	GEN X (46-61)	BABY BOOMERS (62-80)
MULTIPLE TIMES PER DAY	2%	5%	4%	2%	*
DAILY	5%	8%	9%	3%	1%
SEVERAL TIMES PER WEEK	17%	28%	24%	17%	5%
ONCE PER WEEK	13%	21%	14%	14%	8%
AT LEAST ONCE PER WEEK	**37%**	**60%**	**50%**	**35%**	**14%**
SEVERAL TIMES PER MONTH	14%	15%	16%	14%	11%
ONCE PER MONTH	10%	9%	9%	11%	11%
ONCE EVERY FEW MONTHS	10%	8%	9%	11%	10%
ONCE OR TWICE PER YEAR	8%	4%	6%	8%	11%
NEVER	22%	5%	10%	21%	43%

Source: National Restaurant Association • Base: All adults
Note: Columns may not sum precisely due to rounding. • *Less than 0.5%

37%

Delivery frequency:

37% of adults order delivery at least once per week

THE STATE OF DELIVERY: THE OPERATOR'S PERSPECTIVE

Delivery has surged in popularity in recent years, though it's still much more common in the limited-service segment. 62% of limited-service operators and 40% of fullservice operators say their restaurants offer delivery.

Customers can order using a third-party delivery service at 53% of limited-service restaurants and 34% of fullservice restaurants.

HOW RESTAURANTS **CURRENTLY OFFER DELIVERY**

	FULLSERVICE RESTAURANTS	LIMITED-SERVICE RESTAURANTS
OFFERS DELIVERY	40%	62%
CUSTOMERS CAN ORDER USING BOTH A THIRD-PARTY DELIVERY SERVICE AND DIRECTLY THROUGH THE RESTAURANT	21%	38%
CUSTOMERS CAN ONLY ORDER THROUGH A THIRD-PARTY DELIVERY SERVICE	13%	15%
CUSTOMERS CAN ONLY ORDER DIRECTLY THROUGH THE RESTAURANT AND IT GETS DELIVERED BY A THIRD-PARTY PROVIDER	4%	5%
CUSTOMERS CAN ONLY ORDER DIRECTLY THROUGH THE RESTAURANT AND IT GETS DELIVERED BY IN-HOUSE STAFF	2%	4%
DOES NOT OFFER DELIVERY	60%	38%

Source: National Restaurant Association

While delivery has continued to grow in popularity with consumers, operators remain split on its value. Among restaurant operators who offer delivery, 69% say it creates opportunities, while 31% say it's more likely to create challenges.

Fullservice operators are more likely than limited-service operators to feel the downside. About 37% of fullservice operators say delivery creates challenges, compared with 26% of limited-service operators.

Operators who see delivery as an opportunity point to its ability to reach new customers, build loyalty, boost sales during slower periods, and help offset fixed costs. Those who view delivery as a challenge, cite high fees, chargebacks, limited control over timing, and concerns about profitability as reasons.

MOST OPERATORS THINK **DELIVERY IS GOOD** FOR BUSINESS

DO OPERATORS THINK OFFERING DELIVERY CREATES MORE OPPORTUNITIES OR MORE CHALLENGES FOR THEIR RESTAURANTS?	ALL RESTAURANTS	FULLSERVICE RESTAURANTS	LIMITED-SERVICE RESTAURANTS
MORE OPPORTUNITIES	69%	63%	74%
MORE CHALLENGES	31%	37%	26%

Source: National Restaurant Association
Base: Restaurants that offer delivery

DO OPERATORS SEE **DELIVERY** AS A SOURCE OF **OPPORTUNITIES** OR **CHALLENGES** FOR THEIR RESTAURANTS?

OPPORTUNITIES

"The third-party app is also our marketing arm. Instead of paying for everyone to see us, we pay the third-party apps that people see when they want to eat."
—Independent quickservice operator from New York

"Must meet consumers where they want to be met."
—Fast casual franchisee from Arizona

"Those customers are not going out to eat, so either my food gets to them or someone else's food gets to them. I would prefer it to be my food."
—Fast casual franchisee from Georgia

"Our on-premises sales are restricted by occupancy and space, but off-premises is only restricted by operating hours."
—Independent casual dining operator from Colorado

"It's a way to reach late night, millennial, and Gen Z customers."
—Independent casual dining operator from Florida

CHALLENGES

"Third-party services are very hard to communicate with, and if we have any problems it takes forever to try and get them solved."
—Casual dining franchisee from South Carolina

"Drivers are unreliable and do not represent my business standards."
—Quickservice franchisee from Kansas

"We can't market to those customers because we don't own the data."
—Fast casual franchisee from Virginia

"Third-party delivery is costly, and we have no control over the delivery driver or the process once the order leaves our kitchen."
—Independent quickservice operator from New Mexico

"Third-party delivery drivers get the tips instead of my staff."
—Independent fine dining operator from California

THE STATE OF DELIVERY: THE CONSUMER'S PERSPECTIVE

Third-party platforms remain widely used for delivery service. In the past 6 months, 75% of delivery customers ordered through a third-party service, with usage highest among Gen Z adults and millennials, and much lower among baby boomers.

However, when asked how they would *prefer* to order, the picture shifts. More than half of delivery customers (56%) say they'd rather order directly through the restaurant. That preference is especially strong among baby boomers (80%), while younger consumers are more divided. 56% of Gen Z adults say they prefer using a third-party service.

When it comes to who delivers the food, preferences also are mixed. 44% of delivery customers would rather have their orders delivered by a restaurant employee, while 26% prefer a third-party driver. 3 in 10 say they have no preference.

56%

56% of delivery customers prefer to **order directly** through the restaurant

CONSUMERS' **DELIVERY PREFERENCES** VARY SIGNIFICANTLY BY AGE

	ALL ADULTS	GEN Z ADULTS (18-29)	MILLENNIALS (30-45)	GEN X (46-61)	BABY BOOMERS (62-80)
ORDERED FROM A THIRD-PARTY DELIVERY SERVICE IN THE PAST 6 MONTHS	75%	87%	80%	73%	51%
HOW DO CUSTOMERS PREFER TO ORDER DELIVERY?					
DIRECTLY THROUGH THE RESTAURANT	56%	44%	51%	57%	80%
USING A THIRD-PARTY SERVICE	44%	56%	49%	43%	20%
WHO DO CUSTOMERS PREFER TO DELIVER THE FOOD AND BEVERAGES TO THEM?					
AN EMPLOYEE OF THE RESTAURANT	44%	40%	38%	48%	57%
A THIRD-PARTY DELIVERY PERSON	26%	37%	30%	18%	19%
NO PREFERENCE	30%	23%	32%	34%	24%

Source: National Restaurant Association
Base: Consumers who ordered food for delivery from a restaurant, coffee shop, snack place or deli during the past 6 months

STATE OF THE RESTAURANT INDUSTRY 2026

PART 3: WORKFORCE TRENDS

2026 TOP FINDINGS

Restaurant employment will reach 15.8M in 2026
At the end of 2025, the restaurant and foodservice industry remained the nation's second largest private-sector employer with 15.7M jobs, which is 10% of the total U.S. workforce. Employment is projected to climb to 15.8M by the end of 2026, with total industry employment expected to reach 17.3M by 2036.

Restaurants play a defining role in many careers
67% of adults say they've worked in the restaurant and foodservice industry at some point in their lives. That's higher than any other sector, meaning more people have learned skills, earned paychecks, and built careers in restaurants than anywhere else.

The restaurant workforce will continue to grow in 2026
The desire to boost staffing levels remains elevated, with 76% of operators saying they are likely to add employees in 2026, if there are qualified candidates available. At the same time, the labor pool remains tight, with nearly half of operators reporting difficulty filling open positions.

3.1 THE NATION'S TRAINING GROUND

To future-proof their businesses, operators are building teams that can grow, adapt, and lead. It all starts with investing in the people who keep guests coming back.

With millions of employment opportunities available in communities across the country, it's not surprising that the restaurant industry has played a role in the career paths of most adults.

67% of adults say they have worked in the U.S. restaurant and foodservice industry at some point in their lives. That's higher than any other sector, which means more people have worked in restaurants than in any other industry.

That influence spans generations. 78% of Gen Z, 74% of millennials, and 69% of Gen X have restaurant experience. Even 52% of baby boomers have worked in the industry.

Restaurants are also where many careers begin. **More than half of all adults got their first regular jobs in foodservice.** That number jumps to 67% for Gen Z and 60% for millennials. For Gen X, it's 52%. For boomers, 32%.

It's definitely safe to say that restaurants remain the training ground for America's workforce.

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

	FIRST JOB WAS IN A RESTAURANT	**WORKED** IN A RESTAURANT - BUT NOT AS A FIRST JOB	TOTAL % WORKED IN INDUSTRY
ALL ADULTS	51%	16%	67%
GEN Z ADULTS (18-29)	67%	11%	78%
MILLENNIALS (30-45)	60%	14%	74%
GEN X (46-61)	52%	17%	69%
BABY BOOMERS (62-80)	32%	20%	52%

Source: National Restaurant Association

>50%

More than half of all adults got their **first regular jobs in foodservice**

➔ For ongoing analysis of key labor indicators, visit the Association's **website**.

3.2 RESTAURANT AND FOODSERVICE EMPLOYMENT FORECAST

The number of restaurant and foodservice jobs kept growing in 2025, though not as fast as during the post-pandemic surge. By year-end, the industry held tight to its spot as the second-largest private sector employer, providing 15.7M jobs, which is 10% of the total U.S. workforce.

That includes 12.5M jobs at restaurants and bars, plus an estimated 3.2M foodservice jobs in health care, lodging, education, food retail, and entertainment. Recent benchmark revisions from the Bureau of Labor Statistics adjusted employment levels lower for 2023 and 2024, which reduced previously reported totals.

Looking ahead, the industry is expected to keep adding jobs. **Total employment is projected to reach 15.8M by the end of 2026.**

Hiring demand remains healthy. About 76% of operators say they're likely to add staff in 2026, if qualified applicants are available. At the same time, staffing decisions remain closely tied to sales. More than half of operators (55%) say they'd reduce head count if business conditions continue to soften.

While job growth is expected across segments, gaps remain. By the end of 2026, fullservice employment is still projected to be more than 100K jobs below pre-pandemic levels.

Looking ahead over the next several years, restaurant and foodservice employment will continue to grow at a moderate rate. The industry is projected to add an average of 150K jobs annually through 2036, reaching a total of 17.3M jobs.

WORKFORCE STAFFING: NEW PAPER COMING SOON

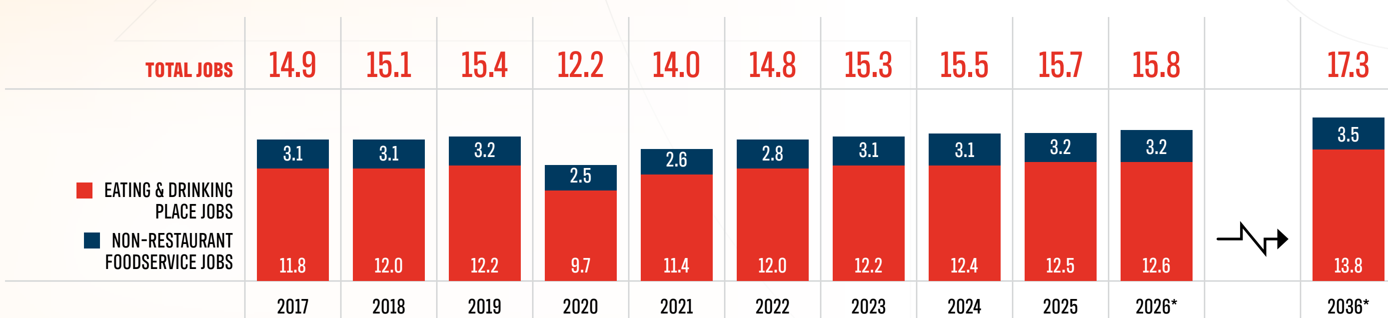
This spring, the National Restaurant Association unveils a new *Research Insights* paper, ***Effective Restaurant Strategies: Leveraging Technology in a Shifting Workforce Landscape***.

Produced in partnership with HR tech firm Paradox, the report will illustrate how operators are using technology to boost recruitment, retention, and engagement—while improving ROI and breakeven for new hires. Backed by surveys and restaurant leadership interviews, the paper, the second in a series, will deliver practical, data-driven staffing strategies that can be put to work immediately.

→ Learn more at restaurant.org/research

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. • *Projected

3.3 STAFFING LEVELS: UNEVEN AND HIGHLY VARIED

While overall restaurant employment in 2025 continued to rise, staffing levels were uneven from restaurant to restaurant. Only 16% of operators said their average staffing was higher than in 2024. By contrast, 35% reported lower staffing, while 49% said levels were largely unchanged.

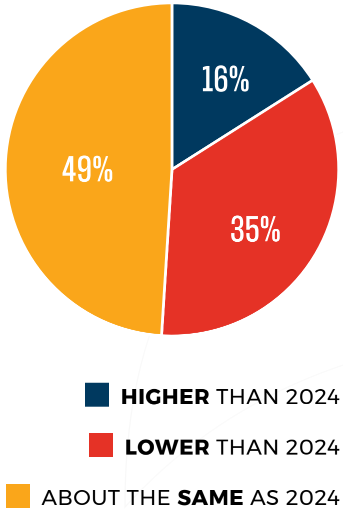
Staffing levels were lower for a variety of reasons and varied from restaurant to restaurant. As noted in the Sales and Economic Forecast section, more than 6 in 10 operators said customer traffic declined in 2025. For many restaurants, fewer guests meant smaller teams.

Labor availability has also varied widely by region. In some markets, the applicant pool remains thin, leaving operators with open positions that are difficult to fill, limiting their ability to staff up.

At the same time, staffing levels are being shaped by productivity gains. 3 in 4 operators say their restaurants are more efficient than they were before the pandemic. With better technology and streamlined processes, many are able to keep service moving smoothly with fewer employees than needed just a few years ago.

RESTAURANT STAFFING LEVELS WERE MIXED IN 2025

RESTAURANT OPERATORS' REPORTING OF THEIR STAFFING LEVELS IN 2025 COMPARED TO 2024



Source: National Restaurant Association

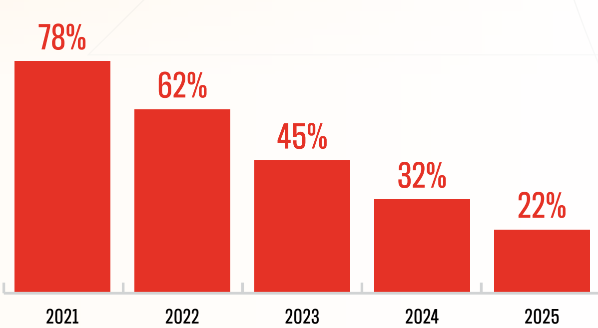
22%

22% of operators said their restaurants **lacked enough staff** to meet customer demand

Staffing levels were flat to lower for many operators in 2025, but they were better aligned with demand than at any point since the pandemic. **Only 22% of operators said their restaurants lacked enough staff to meet customer demand**, down from 32% in 2024 and well below the 78% who reported the same challenge in 2021. **In many cases, staffing and sales were finally back in sync, allowing operators to run tighter, more balanced operations.**

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

However, being understaffed still comes at a cost. 79% of operators who were short-staffed say it significantly impacted their restaurants' ability to grow and succeed.

Among restaurants that lacked enough employees to meet customer demand in 2025, about half said they couldn't operate at full capacity. In addition, many were forced to make trade-offs, like adjusting their menus and delaying expansion plans.

Other responses included reducing hours, closing on certain days, and leaning more heavily on technology or automation to keep service moving with fewer hands on deck.

HALF OF UNDERSTAFFED RESTAURANTS **SCALED BACK OPERATIONS**

ACTIONS TAKEN BY RESTAURANT OPERATORS IN 2025, BECAUSE OF BEING UNDERSTAFFED	FULLSERVICE RESTAURANTS	LIMITED-SERVICE RESTAURANTS
NOT OPERATING AT FULL CAPACITY	49%	46%
POSTPONING PLANS FOR EXPANSION	33%	54%
MAKING CHANGES TO THE MENU	48%	37%
REDUCING HOURS OF OPERATION ON DAYS IT'S OPEN	28%	39%
CLOSING ON DAYS IT WOULD NORMALLY BE OPEN	18%	24%
INCORPORATING MORE TECHNOLOGY OR AUTOMATION	20%	20%

Source: National Restaurant Association
Base: Restaurants that don't have enough employees to support existing customer demand

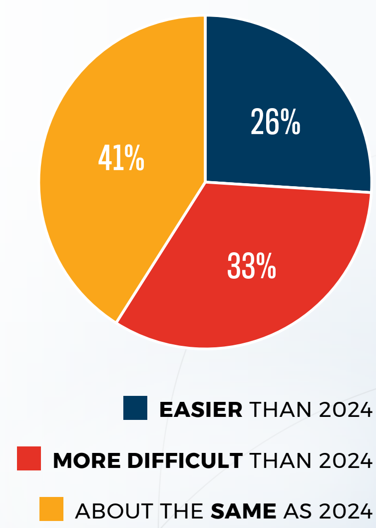
3.4 RECRUITMENT: HELP WANTED

Despite some restaurants remaining understaffed, the labor market stayed active in 2025. Nearly 9 in 10 operators say they filled at least one job opening during the year, keeping hiring moving even as challenges persisted.

That said, filling open positions was not equally as easy for everyone. About one-quarter of operators said it was easier to hire in 2025 than in 2024, while one-third said it became more difficult. For many restaurants, recruiting remained a day-by-day effort, shaped by local labor conditions and competition for talent.

FINDING EMPLOYEES DIDN'T GET EASIER IN 2025

RESTAURANT OPERATORS' REPORTING OF FILLING A JOB OPENING IN 2025 COMPARED TO 2024



Source: National Restaurant Association
Base: Restaurants that filled a job opening in 2025

Even amid a challenging operating environment, many restaurants remain in hiring mode. About half of operators say they're actively recruiting for front-of-house and customer-facing roles, while 45% are looking to fill kitchen support positions.

Demand is especially strong in the back of the house. 54% of fullservice operators say they're seeking chefs or cooks, underscoring how critical those roles are in keeping kitchens running smoothly.

HELP WANTED SIGNS STILL POPPING UP

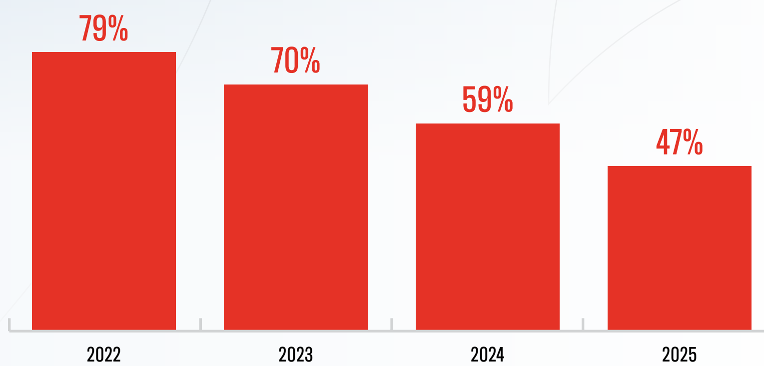
% OF RESTAURANT OPERATORS WHO ARE CURRENTLY RECRUITING FOR THE FOLLOWING POSITIONS	FULLSERVICE RESTAURANTS	LIMITED-SERVICE RESTAURANTS
FRONT-OF-THE-HOUSE OR CUSTOMER SERVICE POSITIONS	49%	54%
KITCHEN SUPPORT POSITIONS	45%	46%
CHEF/COOK POSITIONS	54%	32%
MANAGER POSITIONS	30%	38%

Source: National Restaurant Association
Base: Restaurants that filled a job opening in 2025

Many operators aren't finding this process easy. 47% of restaurant operators say they have job openings that are difficult to fill (51% of fullservice operators and 43% of limited-service operators). That's down from 59% in 2024 and well below the peak of 79% in 2022.

NEARLY HALF OF OPERATORS HAVE **DIFFICULT-TO-FILL JOB OPENINGS**

% OF RESTAURANT OPERATORS WHO SAID THEY HAVE JOB OPENINGS THAT ARE DIFFICULT TO FILL



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

47%

47% of restaurant operators say they have **job openings** that are **difficult to fill**

The difficulty of filling open roles varies by position, with the tightest labor markets in the kitchen and management ranks.

About 6 in 10 operators say they're seeing fewer-than-average applicants for manager and chef or cook positions, and roughly half report the same challenge when hiring for kitchen support roles.

The picture is somewhat brighter in the dining room. About half of operators say front-of-house and customer service positions are drawing an average number of applicants, making them easier to staff than the back-of-the-house roles.

APPLICANTS ARE DOWN FOR MANAGER AND KITCHEN POSITIONS

% OF RESTAURANT OPERATORS' REPORTING AVAILABILITY OF LABOR FOR THE FOLLOWING POSITIONS

	FULLSERVICE RESTAURANTS	LIMITED-SERVICE RESTAURANTS
FRONT-OF-THE-HOUSE OR CUSTOMER SERVICE POSITIONS		
HIGHER THAN AVERAGE NUMBER OF APPLICANTS	23%	18%
AVERAGE NUMBER OF APPLICANTS	50%	52%
LOWER THAN AVERAGE NUMBER OF APPLICANTS	27%	30%
CHEF/COOK POSITIONS		
HIGHER THAN AVERAGE NUMBER OF APPLICANTS	7%	5%
AVERAGE NUMBER OF APPLICANTS	31%	41%
LOWER THAN AVERAGE NUMBER OF APPLICANTS	61%	54%
KITCHEN SUPPORT POSITIONS		
HIGHER THAN AVERAGE NUMBER OF APPLICANTS	7%	10%
AVERAGE NUMBER OF APPLICANTS	39%	47%
LOWER THAN AVERAGE NUMBER OF APPLICANTS	54%	43%
MANAGER POSITIONS		
HIGHER THAN AVERAGE NUMBER OF APPLICANTS	9%	8%
AVERAGE NUMBER OF APPLICANTS	33%	27%
LOWER THAN AVERAGE NUMBER OF APPLICANTS	58%	65%

Source: National Restaurant Association

60%

About 6 in 10 operators say they're seeing **fewer-than-average applicants** for manager and chef or cook positions

LONG-TERM DEMOGRAPHIC TRENDS DO NOT FAVOR RESTAURANTS

According to the Bureau of Labor Statistics, the number of 16- to 24-year-olds in the labor force is expected to decline by more than 2.1M over the next decade.

This age group currently makes up more than 40% of the restaurant workforce, and the decline reflects both a smaller population and lower labor force participation. The population of 16- to 24-year-olds is projected to fall from 39M in 2024 to 36.6M in 2034, a trend that's largely locked in unless net migration rises significantly.

Participation rates add another layer of pressure. Although rates have improved in recent years, BLS expects them to resume a downward trend. By 2034, labor force participation is projected to drop to 34.6% for 16- to 19-year-olds and 69.1% for 20- to 24-year-olds. For restaurants, **this shrinking pipeline underscores the need to compete harder for talent and rethink how jobs are filled and retained.**

THE PRIME RESTAURANT **LABOR POOL** IS PROJECTED TO DECLINE

BLS PROJECTIONS OF THE U.S. LABOR FORCE: 2024 TO 2034

AGE GROUP	2024	2034	2024 TO 2034 CHANGE
TOTAL, 16 YEARS OR OLDER			
TOTAL IN THE LABOR FORCE (THOUSANDS)	168,104	173,454	+5,350
TOTAL POPULATION (THOUSANDS)	268,571	283,863	+15,292
LABOR FORCE PARTICIPATION RATE (%)	62.6%	61.1%	-1.5%
16 TO 19			
TOTAL IN THE LABOR FORCE (THOUSANDS)	6,484	5,687	-797
TOTAL POPULATION (THOUSANDS)	17,585	16,438	-1,147
LABOR FORCE PARTICIPATION RATE (%)	36.9%	34.6%	-2.3%
20 TO 24			
TOTAL IN THE LABOR FORCE (THOUSANDS)	15,293	13,962	-1,331
TOTAL POPULATION (THOUSANDS)	21,387	20,202	-1,185
LABOR FORCE PARTICIPATION RATE (%)	71.5%	69.1%	-2.4%
25 TO 54			
TOTAL IN THE LABOR FORCE (THOUSANDS)	107,521	112,929	+5,408
TOTAL POPULATION (THOUSANDS)	128,642	136,364	+7,722
LABOR FORCE PARTICIPATION RATE (%)	83.6%	82.8%	-0.8%
55 AND OLDER			
TOTAL IN THE LABOR FORCE (THOUSANDS)	38,806	40,876	+2,070
TOTAL POPULATION (THOUSANDS)	100,957	110,859	+9,902
LABOR FORCE PARTICIPATION RATE (%)	38.4%	36.9%	-1.5%

Source: Bureau of Labor Statistics

Even with projected population declines over the next decade, the restaurant labor pool might remain stronger if participation rates among younger workers hold steady at current levels.

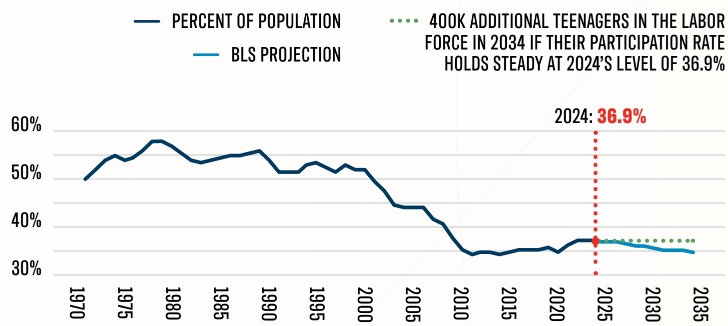
In 2024, 36.9% of 16- to 19-year-olds were in the labor force, tying 2023 for the highest level since 2009. Participation among 20- to 24-year-olds reached 71.5%, marking the fourth straight annual increase and the highest rate since 2019.

Looking ahead, the Bureau of Labor Statistics expects participation among teens and young adults to trend lower again, which would shrink their presence in the workforce. That decline would further challenge an already tough hiring environment for restaurants.

There is, however, a reason for optimism. In recent years, when the right jobs have been available, younger workers have shown a willingness to step back into the workforce. If participation rates for those age groups remain flat instead of falling, the labor force could include roughly 400K additional teenagers and 500K more young adults compared with current BLS projections.

A STEADY PARTICIPATION RATE WOULD PRODUCE AN **ADDITIONAL 400K TEENS** IN THE LABOR FORCE

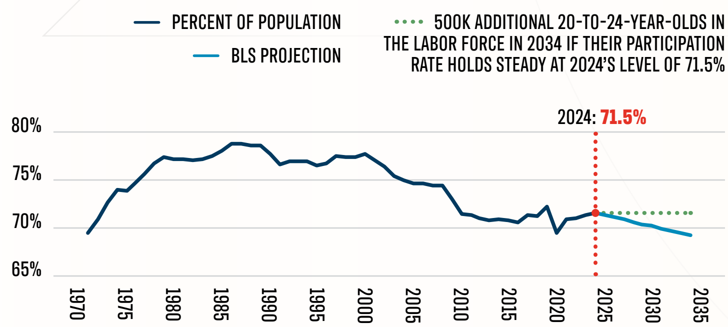
LABOR FORCE PARTICIPATION RATE OF 16- TO 19-YEAR-OLDS: HISTORICAL AND PROJECTED



Sources: Bureau of Labor Statistics, National Restaurant Association

A STEADY PARTICIPATION RATE COULD ADD **500K MORE YOUNG ADULTS** TO THE LABOR FORCE

LABOR FORCE PARTICIPATION RATE OF 20- TO 24-YEAR-OLDS: HISTORICAL AND PROJECTED



Sources: Bureau of Labor Statistics, National Restaurant Association

37%

In 2024, 36.9% of 16- to 19-year-olds were in the **labor force,** tying 2023 for the highest level since 2009

STATE OF THE RESTAURANT INDUSTRY 2026

PART 4: FOOD & MENU TRENDS

2026 TOP FINDINGS

Diners want to try something new
Most consumers say restaurants are the best place to discover foods and beverages they've never tried before. Operators can lean into that curiosity with tasting events, classes, and special dinners led by culinary experts.

Hot foods on the menu
From smashed burgers and Caribbean curry bowls to protein-forward meals and lower-alcohol drinks, the *2026 What's Hot Culinary Forecast* shows diners gravitating toward familiar favorites with a fresh, modern twist.

New beverages whet appetites
New drinks are creating a buzz. 83% of operators say beverages can be a meaningful driver of customer traffic, turning menus into opportunities to sip, sample, and share.

4.1 NEW FLAVORS AND EXPERIENCES

Just as restaurants serve as a training ground for workers, they also teach consumers about food. 85% of consumers agree that restaurants are a great place to learn about foods they haven't experienced before; 61% say the same about beverages. This sentiment transcends age groups.

Beyond learning, consumers come for experiences that deliver flavors and sensations that can't be cooked up at home.

Restaurants are also where diners feel free to explore. 66% of adults say they like to be adventurous with food choices when dining out, while 54% say the same about beverages. That explains why a majority across age groups report sampling a greater variety of global cuisines, from Asian and South American to European and African.

66%

66% of consumers like to be **adventurous** when they make food choices at restaurants

CONSUMERS **EXPAND THEIR PALATES** AT RESTAURANTS

% OF CONSUMERS WHO AGREE WITH THE FOLLOWING STATEMENTS

STATEMENT	ALL ADULTS	GEN Z ADULTS (18-29)	MILLENNIALS (30-45)	GEN X (46-61)	BABY BOOMERS (62-80)
RESTAURANTS ARE A GOOD PLACE TO LEARN ABOUT FOODS YOU HAVEN'T TRIED BEFORE	85%	87%	86%	84%	85%
YOUR FAVORITE RESTAURANT FOODS PROVIDE FLAVOR AND TASTE SENSATIONS THAT CAN'T EASILY BE DUPLICATED AT HOME	78%	76%	77%	78%	80%
RESTAURANTS ARE A GOOD PLACE TO LEARN ABOUT BEVERAGES YOU HAVEN'T TRIED BEFORE	72%	73%	80%	69%	67%
YOU LIKE TO BE ADVENTUROUS WHEN YOU MAKE FOOD CHOICES AT RESTAURANTS	66%	75%	71%	63%	59%
YOUR FAVORITE RESTAURANT BEVERAGES PROVIDE FLAVOR AND TASTE SENSATIONS THAT CAN'T EASILY BE DUPLICATED AT HOME	61%	71%	71%	60%	50%
YOU EAT A WIDER VARIETY OF GLOBAL CUISINES NOW THAN YOU USED TO, SUCH AS ASIAN, SOUTH AMERICAN, EUROPEAN OR AFRICAN	64%	69%	68%	65%	58%
YOU LIKE TO BE ADVENTUROUS WHEN MAKING BEVERAGE CHOICES AT RESTAURANTS	54%	66%	68%	56%	33%

Source: National Restaurant Association

Adventurous consumers want more choices on menus. Two-thirds of adults say they wish there were more food options on restaurant menus, with a majority across all age groups agreeing with that statement.

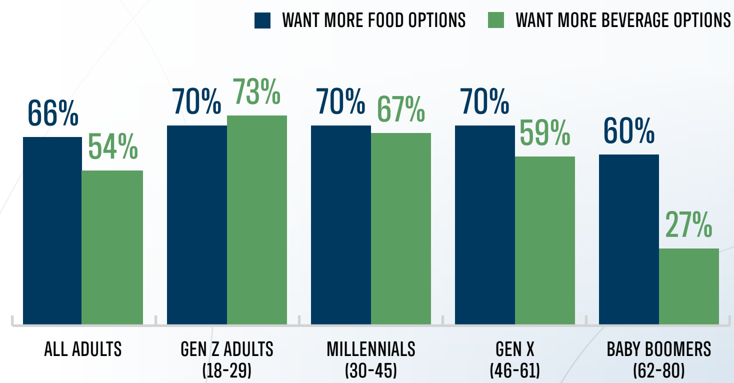
54% of consumers say they want more beverage choices on restaurant menus, including 7 in 10 Gen Z adults and millennials.

66%

66% of consumers wish there were **more food options** on restaurant menus

MOST CONSUMERS WANT **MORE CHOICE** IN RESTAURANTS

% OF CONSUMERS WHO WANT MORE FOOD OR BEVERAGE OPTIONS ON RESTAURANT MENUS



Source: National Restaurant Association

Consumers may be hungry for more choice, but, in 2026, most operators are keeping menus tight. 75% of limited-service and 68% of fullservice operators expect to offer the same number of food items as they did in 2025. Fewer than 1 in 10 plan to expand their food menus.

The same disciplined approach shows up in the beverage section of the menu. Roughly 80% of limited-service and 70% of fullservice operators plan to keep beverage offerings steady in 2026, with only about 1 in 10 planning to add more drink options.

But those approaches don't mean menus will become stale. Both fullservice and limited-service operators plan to refresh their menus to keep offerings fresh without overloading kitchen staff or guests with too many options.

MOST MENUS **WON'T EXPAND** IN 2026

RESTAURANT OPERATORS' PLANS FOR MENU OFFERINGS IN 2026, COMPARED WITH 2025

	FULLSERVICE RESTAURANTS	LIMITED-SERVICE RESTAURANTS
NUMBER OF FOOD ITEMS ON MENU IN 2026		
MORE THAN 2025	4%	7%
FEWER THAN 2025	29%	18%
ABOUT THE SAME AS 2025	68%	75%
NUMBER OF BEVERAGE ITEMS ON MENU IN 2026		
MORE THAN 2025	12%	11%
FEWER THAN 2025	17%	8%
ABOUT THE SAME AS 2025	70%	80%

Source: National Restaurant Association

4.2 WHAT'S HOT CULINARY FORECAST

The *2026 What's Hot Culinary Forecast* shows that diners are craving fusions of past trends and modern flavors. Familiar favorites are being reimagined with global influences, while wellness and affordability remain top of mind.

Comfort and value are also shaping America's menus, as consumers seek a combination of flavor, familiarity, and affordability simultaneously. Operators are meeting that ask with creative takes on comfort classics and local ingredients.

TOP 10 OVERALL TRENDS

1	**Local sourcing** – Restaurants are deepening community ties by featuring ingredients from nearby farms and producers, emphasizing freshness, and sustainability.
2	**Comfort foods** – Familiar classics like soups, stews, and burgers offer diners a sense of nostalgia and emotional connection.
3	**Value menus and options** – Operators are balancing creativity and cost by delivering satisfying meals that remain affordable to price-conscious diners.
4	**Smashed burgers** – Blending retro appeal with customizable, high-flavor twists, this diner staple has re-emerged as a social-media favorite.
5	**Clear menu labeling, icons, and cues** – Simple visual indicators help diners make quick, informed choices about ingredients, calories, and sustainability.
6	**Allergen-friendly menus** – Restaurants are expanding inclusive options for guests with dietary restrictions, from gluten-free items to nut- and dairy-free dishes.
7	**Global comfort foods** – Chefs are reinterpreting homestyle dishes from around the world, blending authenticity with local influences.
8	**"Cleaner" recipes with fewer additives and dyes** – Consumers are prioritizing ingredient transparency, inspiring operators to include simpler, less-processed options.
9	**Proteins as add-ons** – From smoothie bowls to pancakes, protein is becoming a customizable boost in the areas of taste and nutrition.
10	**Compostable and reusable packaging** – Eco-friendly materials are replacing single-use plastics as restaurants reduce waste and improve sustainability.

4.3 BEVERAGE TRENDS

Food may still grab the spotlight on social media, but beverages are increasingly generating buzz—and that momentum goes well beyond bars and beverage-driven concepts. Across segments, operators are getting more creative with drinks to increase traffic, especially among younger guests.

The reason is straightforward. 87% of fullservice operators and 80% of limited-service operators say beverages can be an important driver of customer visits.

Operators also recognize that the basics are no longer enough. 71% of fullservice operators and 66% of limited-service operators say offering a broader range of beverages is more important than it used to be, signaling a shift toward deeper, more distinctive drink menus.

THE GROWING IMPORTANCE OF BEVERAGE OFFERINGS

% OF RESTAURANT OPERATORS WHO AGREE WITH THE FOLLOWING STATEMENTS

	FULLSERVICE RESTAURANTS	LIMITED-SERVICE RESTAURANTS
BEVERAGES CAN BE AN IMPORTANT DRIVER OF CUSTOMER TRAFFIC IN RESTAURANTS	87%	80%
HAVING A LARGE VARIETY OF BEVERAGE OFFERINGS IS MORE IMPORTANT THAN IT USED TO BE	71%	66%

Source: National Restaurant Association

Consumers want more choices in beverages, but most restaurant operators aren't planning to expand the size of their beverage menus in 2026. However, **many operators are planning to swap in new offerings to keep things fresh.**

Most fullservice restaurants have a beverage alcohol program, so it's not surprising that those categories top the segment's list of new offerings for 2026. 55% of fullservice operators plan to add new cocktails, while more than 40% will introduce new beer and wine options.

At the same time, no- and low-alcohol drinks continue to gain traction. Nearly half of fullservice operators say they'll add new no-alcohol cocktails, while 39% plan to introduce no-alcohol beer. About 20% are also looking to expand low-alcohol beer and cocktail offerings.

In limited-service restaurants, grab-and-go options rise to the top. Beer (20%) and ready-to-drink cocktails (17%) lead planned additions, and **17% of limited-service restaurants plan to add new wine or cocktail options.**

10% of operators say they plan to add THC- or CBD-infused beverages in 2026, signaling growing interest in emerging drink formats.

COMING IN SUMMER 2026!

Watch for a new report exploring current and emerging beverage trends in the restaurant industry.

➔ Learn more at restaurant.org/research

Limited-service operators are much more likely to focus on no-alcohol beverages. Topping the list of new offerings are coffees (46%), teas (31%), smoothies (29%), lemonades (27%) and energy drinks (26%).

Fullservice operators are less likely to report new offerings in the no-alcohol categories. Like their limited-service counterparts, coffees (20%) and teas (17%) are the most common additions planned in 2026.

NO-ALCOHOL OFFERINGS WILL BE MORE COMMON IN 2026

% OF RESTAURANT OPERATORS WHO PLAN TO ADD NEW OFFERINGS IN BEVERAGE CATEGORIES IN 2026

	FULLSERVICE RESTAURANTS	LIMITED-SERVICE RESTAURANTS
BEER	45%	20%
WINE	42%	17%
MIXED COCKTAILS	55%	17%
LOW-ALCOHOL BEER	21%	7%
LOW-ALCOHOL WINE	10%	3%
LOW-ALCOHOL COCKTAILS	18%	6%
NO-ALCOHOL BEER	39%	17%
NO-ALCOHOL WINE	19%	4%
NO-ALCOHOL COCKTAILS	49%	10%
READY-TO-DRINK (RTD) COCKTAILS	16%	17%
THC-INFUSED BEVERAGES	10%	10%
CBD-INFUSED BEVERAGES	7%	10%

Source: National Restaurant Association

OPERATORS ARE PLANNING TO EXPAND COFFEE OFFERINGS

% OF RESTAURANT OPERATORS WHO PLAN TO ADD OFFERINGS IN BEVERAGE CATEGORIES IN 2026

	FULLSERVICE RESTAURANTS	LIMITED-SERVICE RESTAURANTS
COFFEES	20%	46%
TEAS	17%	31%
LEMONADES	9%	27%
DESSERT BEVERAGES	15%	20%
SMOOTHIES	5%	29%
WELLNESS DRINKS	9%	24%
ENERGY DRINKS	8%	26%
SPECIALTY WATERS	13%	19%
LOCALLY SOURCED BEVERAGES	15%	16%
ARTISANAL SODAS	10%	20%
JUICES	8%	14%

Source: National Restaurant Association

4.4 OPPORTUNITIES BEYOND THE MENU

In today's tough operating environment, many restaurants are looking beyond the menu to increase traffic and sales. That includes beefed up on-premises, off-premises, and retail experiences.

ON-PREMISES OPPORTUNITIES

With on-premises traffic softer than many operators would like, creativity is becoming essential. Experiences that turn a meal into an event resonate strongly with consumers across age groups. A majority say they'd be interested in tasting events, while private dinners and cooking classes also rank as appealing ways to get guests in the door.

TASTING EVENTS COULD HELP BOOST ON-PREMISES TRAFFIC

% OF CONSUMERS WHO SAY THEY WOULD LIKELY USE THE FOLLOWING ON-PREMISES OPTIONS

	ALL ADULTS	GEN Z ADULTS (18-29)	MILLENNIALS (30-45)	GEN X (46-61)	BABY BOOMERS (62-80)
TASTING EVENTS AT THE RESTAURANT OFFERING A SELECTION OF FOOD ITEMS FOR CUSTOMERS TO TASTE	76%	77%	80%	75%	72%
TASTING EVENTS AT THE RESTAURANT THAT OFFER A SELECTION OF BEVERAGE ITEMS FOR CUSTOMERS TO TASTE	67%	73%	74%	69%	56%
PRIVATE DINNER EVENTS AT THE RESTAURANT WITH THE CHEF OR AN EXPERT ON A TYPE OF CUISINE	59%	72%	64%	58%	47%
COOKING CLASSES AT THE RESTAURANT	55%	63%	63%	53%	46%
COCKTAIL OR MOCKTAIL MAKING CLASSES AT THE RESTAURANT	44%	61%	53%	47%	25%
INTERACTIVE COOKING DEMONSTRATIONS FOR KIDS	42%	59%	58%	37%	23%

Source: National Restaurant Association

OFF-PREMISES OPPORTUNITIES

Younger consumers are prime off-premises customers, and it's clear their interest goes well beyond traditional menu offerings. Restaurants could boost frequency among those loyal customers by offering things like multi-course meal bundles (75%), meal kits (72%) and meal subscription programs (64%).

CONSUMERS ARE INTERESTED IN **EXPANDED OFF-PREMISES OFFERINGS**

% OF CONSUMERS WHO SAY THEY'D LIKELY USE THE FOLLOWING OFF-PREMISES OPTIONS	ALL ADULTS	GEN Z ADULTS (18-29)	MILLENNIALS (30-45)	GEN X (46-61)	BABY BOOMERS (62-80)
MULTI-COURSE MEAL BUNDLES	75%	84%	83%	71%	64%
MEAL KITS	72%	86%	80%	71%	56%
MEAL SUBSCRIPTION PROGRAMS	64%	78%	73%	65%	48%

Source: National Restaurant Association

Multi-course meal bundle: A full meal, such as an appetizer, entrée, and dessert packaged for takeout or delivery.

Meal kit: A package of pre-measured, raw ingredients for a complete meal, along with instructions on how to cook it at home.

Meal subscription program: A program where consumers sign up to receive a specified number of meals during the month. These fully-prepared meals would be available for pickup or delivery on the customer's chosen days and offered at a discount from the regular menu price.

RETAIL OPPORTUNITIES

Nearly two-thirds of adults (64%) say they're more likely now than in the past to incorporate restaurant-prepared items into their home-prepared meals. That could include a main dish, side, or dessert. Restaurants can take advantage of this demand by offering both fresh and packaged food and beverage items for sale on site.

Cookbooks and restaurant-branded apparel are other retail offerings that'd be popular with a majority of younger adults.

RETAIL OFFERINGS WOULD RESONATE WITH CONSUMERS

% OF CONSUMERS WHO SAY THEY WOULD BE LIKELY TO PURCHASE THE FOLLOWING ITEMS

	ALL ADULTS	GEN Z ADULTS (18-29)	MILLENNIALS (30-45)	GEN X (46-61)	BABY BOOMERS (62-80)
PACKAGED FOOD ITEMS – SUCH AS SAUCES OR FROZEN ITEMS – FROM THE RESTAURANT'S MENU	67%	75%	71%	68%	60%
COOKBOOKS THAT CONTAIN RECIPES FOR THE RESTAURANT'S TOP FOOD AND BEVERAGE OFFERINGS	63%	78%	71%	62%	49%
FRESH, UNCOOKED FOOD ITEMS–SUCH AS MEAT, PRODUCE, DAIRY, BREAD, OR PASTA	61%	75%	69%	61%	45%
PACKAGED BEVERAGE ITEMS – SUCH AS SPECIALTY DRINKS – FROM THE RESTAURANT'S MENU	55%	77%	70%	55%	30%
APPAREL – SUCH AS SWEATSHIRTS OR CAPS – CONTAINING THE RESTAURANT'S NAME AND LOGO	43%	58%	56%	44%	22%

Source: National Restaurant Association

A SIDE OF SOCIAL MEDIA SAVVY

Social media has become a go-to source of inspiration for today's consumers, and restaurants are front and center in that feed. To stay top of mind, operators need a strong social presence that not only captures attention, but sparks interest.

Nearly 8 in 10 adults say social media is a good way to discover restaurants in their area, including 75% of baby boomers. Consumers also turn to these platforms to explore what's new and trending. 73% say social media helps them learn about foods they haven't tried, while 66% say the same about beverages.

78%

78% of consumers say **social media** is a good way to learn about restaurants in their area

RESTAURANTS CAN REACH CONSUMERS VIA **SOCIAL MEDIA**

% OF CONSUMERS WHO AGREE WITH THE FOLLOWING STATEMENTS

STATEMENT	ALL ADULTS	GEN Z ADULTS (18-29)	MILLENNIALS (30-45)	GEN X (46-61)	BABY BOOMERS (62-80)
SOCIAL MEDIA IS A GOOD WAY TO LEARN ABOUT RESTAURANTS IN YOUR AREA	78%	82%	81%	79%	75%
SOCIAL MEDIA IS A GOOD WAY TO LEARN ABOUT FOOD YOU HAVEN'T TRIED BEFORE	73%	82%	80%	79%	58%
SOCIAL MEDIA IS A GOOD WAY TO LEARN ABOUT BEVERAGES YOU HAVEN'T TRIED BEFORE	66%	76%	77%	72%	47%

Source: National Restaurant Association

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