Industry Assessment

Positive Sales Increases Expected

According to the National Restaurant Association, industry sales for 2011 are expected to rise above the $580 billion dollars posted in 2010. That figure is a 2.5% increase over 2009 sales. Restaurant industry sales account for 4% of the GNP for the United States.

Positive economic indicators and hopeful increases in consumer's disposable income give rise to expectations that 2011 will be a slight but steady growth year for the industry. However, as the nation continues its recovery from the recession, the total number of locations did not grow and remained at 945,000 for 2010. However, recent economic indicators give hope to positive economic growth and expectations are that the number of restaurants in 2011 could reach 1 million locations by the year 2012. Likewise, 2011 could turn out to be a good year for the industry.

Eating places, defined as full-service, limited service, cafeterias, social caterers and snack bars by the NRA, contribute the bulk of industry food and drink sales. Of that segment, full-service restaurant sales for 2010 are projected to reach $184 billion, an increase of 1.2% over 2009. Quick-service sales are set to top $164 billion in 2010.

The following chart illustrates segment sales for 2011 as defined by the National Restaurant Association 2011 Industry Forecast.

Ethnic Diversity
Restaurants have long been considered among the most diverse workplaces with foreign-born employees making up roughly 25% of the workforce. This diversity ratio spills over into restaurant ownership as well, with one in four eating and drinking establishments being owned by African- Americans, Hispanic-Americans or Asian-Americans — a ratio that is higher than the national average. Furthermore, the number of minority-owned restaurants is growing faster than the industry as a whole.

Leading Employer
The restaurant industry is the nation's largest private-sector employer with approximately 12.7 million workers in 2010 representing almost 9% of the total U.S. workforce. According to the National Restaurant Association, the industry has created, on average, approximately 250,000 jobs per year for the last ten years and is slated to add 2 million new jobs during the next ten years.