

2015 Restaurant Industry Forecast

Driven by a strengthening economy, restaurant industry sales are expected to hit a record high in 2015. According to the National Restaurant Association's 2015 *Restaurant Industry Forecast*, restaurant-and-foodservice sales are projected to top \$709 billion, up 3.8 percent from 2014.

In inflation-adjusted terms, industry sales

are projected to increase 1.5 percent in 2015. Although 2015 will represent the sixth consecutive year of real growth in restaurant sales, the gains remain below what would be expected during a normal post-recession period.

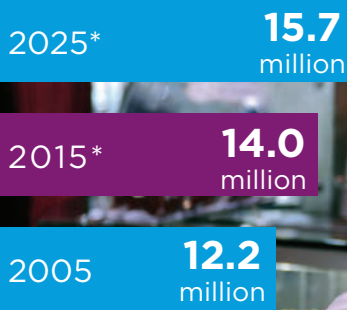
The restaurant industry employs 14 million individuals in one million locations, and

remains the nation's second largest private sector employer. The restaurant industry will outpace total U.S. job growth for the 16th consecutive year in 2015, keeping the industry among the economy's leaders in job creation. In the next decade, restaurants will add 1.7 million new positions.

For details, visit Restaurant.org/Forecast.

SALES & ECONOMIC FORECAST

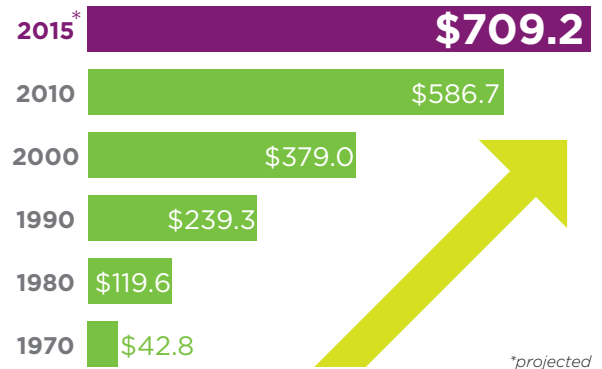
RESTAURANT INDUSTRY EMPLOYMENT



*projected

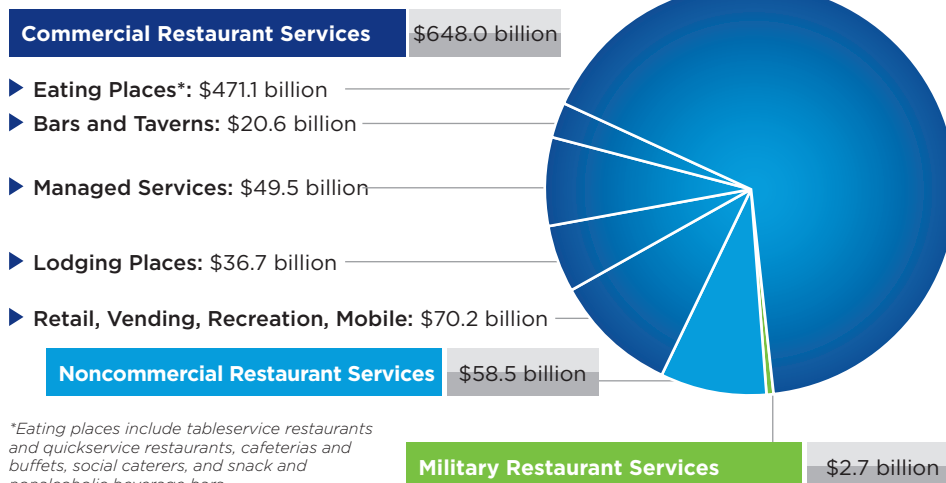


Restaurant Industry Sales (In Billions of Current Dollars)



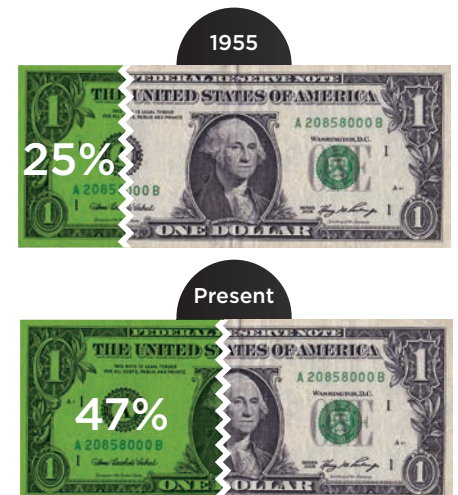
Adding It All Up: \$709.2 billion

Projected restaurant industry sales in 2015



*Eating places include tableservice restaurants and quickservice restaurants, cafeterias and buffets, social caterers, and snack and nonalcoholic beverage bars.

Restaurant Industry's Share of the Food Dollar



WORKFORCE OUTLOOK & TRENDS

Teens Represent Shrinking Proportion of the Restaurant Workforce

Age group	Composition of the restaurant workforce	
	2007	2013
16 to 19	20.9%	16.5%
20 to 24	21.4%	24.4%
25 to 34	23.1%	24.5%
35 to 44	16.1%	14.7%
45 to 54	11.5%	11.5%
55 to 64	5.2%	6.5%
65 or older	1.9%	1.9%

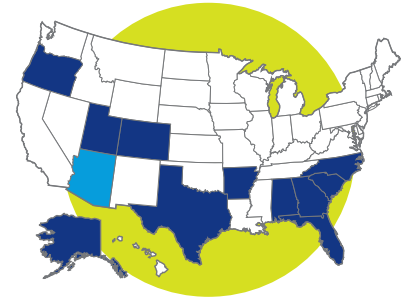
Source: Bureau of Labor Statistics

Fastest Restaurant Job Growth

Projected growth in restaurant-and-foodservice jobs, 2015 to 2025

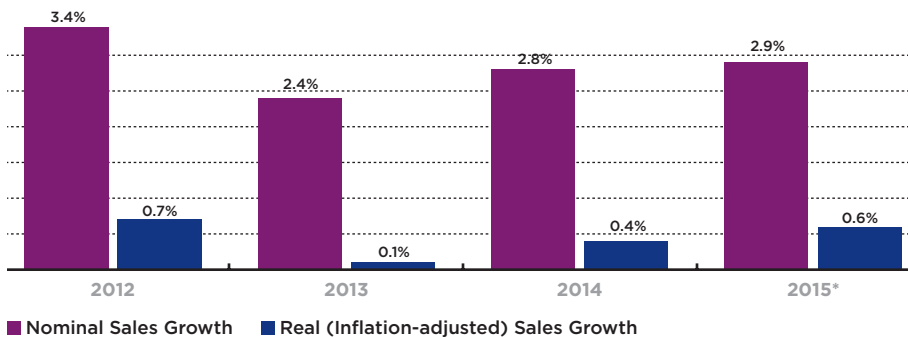
1	Arizona	23.8%
2	Florida	22.4%
3	Texas	22.0%
4	Georgia	21.1%
5	Utah	21.0%
6	North Carolina	20.5%
7	South Carolina	18.6%
8	Alaska	16.1%
9	Colorado	15.7%
10	Alabama	15.3%
11	Arkansas	14.7%
12	Oregon	14.7%

Source: National Restaurant Association



TABLESERVICE TRENDS

Tableservice Restaurant Segment Sales Growth

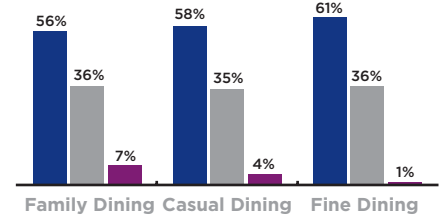


Source: National Restaurant Association; *projected

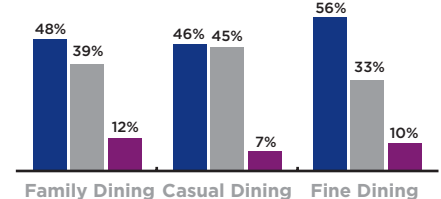


Tableservice Operators' Outlook for Sales and Profitability in 2015

Tableservice Sales in 2015



Tableservice Profitability in 2015



■ Better Than 2014
 ■ About the Same as 2014
 ■ Down From 2014

Source: National Restaurant Association, *Restaurant Trends Survey*, 2014

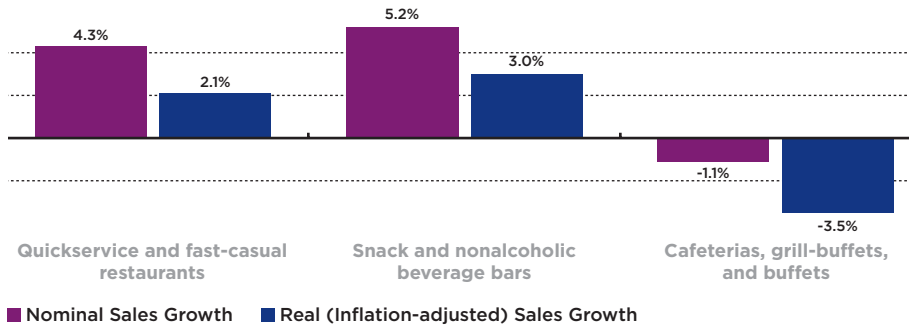
Tableservice Operators Rate Operational Challenges

	Family Dining			Casual Dining			Fine Dining		
	Significant challenge	Moderate challenge	Little or no challenge	Significant challenge	Moderate challenge	Little or no challenge	Significant challenge	Moderate challenge	Little or no challenge
Food costs	35%	31%	31%	31%	41%	26%	26%	51%	20%
The economy	29%	41%	29%	28%	47%	23%	27%	47%	24%
Recruiting and retaining employees	16%	31%	53%	23%	36%	40%	11%	40%	46%
Attracting new customers	14%	41%	44%	18%	43%	39%	17%	44%	37%
Bringing back repeat customers	10%	22%	66%	12%	26%	62%	9%	23%	67%
Obtaining credit or financing	7%	24%	56%	11%	23%	52%	9%	23%	60%

Source: National Restaurant Association, *Restaurant Trends Survey*, 2014

LIMITED-SERVICE TRENDS

Projected 2015 Limited-Service Sales Growth

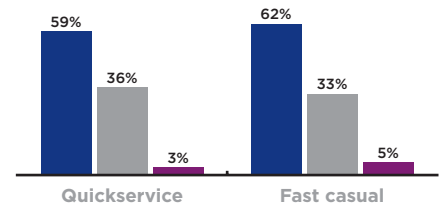


Source: National Restaurant Association

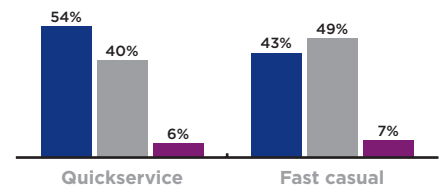


Limited-Service Operators' Outlook for Sales and Profitability in 2015

Limited-Service Sales in 2015



Limited-Service Profitability in 2015



■ Better Than 2014
 ■ About the Same as 2014
 ■ Down From 2014

Source: National Restaurant Association, *Restaurant Trends Survey*, 2014

Limited-Service Operators Rate Operational Challenges

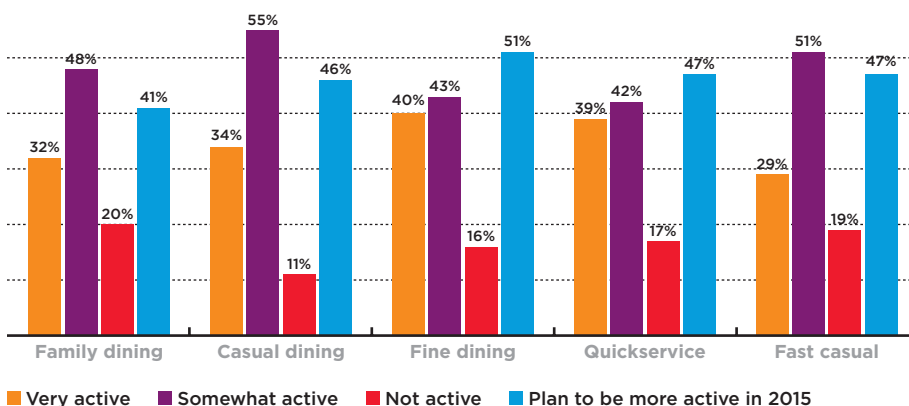
	Quickservice			Fast casual		
	Significant challenge	Moderate challenge	Little or no challenge	Significant challenge	Moderate challenge	Little or no challenge
Food costs	23%	46%	27%	29%	44%	23%
The economy	19%	52%	26%	23%	53%	21%
Recruiting and retaining employees	21%	38%	40%	22%	37%	39%
Attracting new customers	15%	41%	43%	15%	41%	43%
Bringing back repeat customers	10%	24%	66%	11%	25%	63%
Obtaining credit or financing	10%	23%	48%	11%	27%	51%

Source: National Restaurant Association, *Restaurant Trends Survey*, 2014

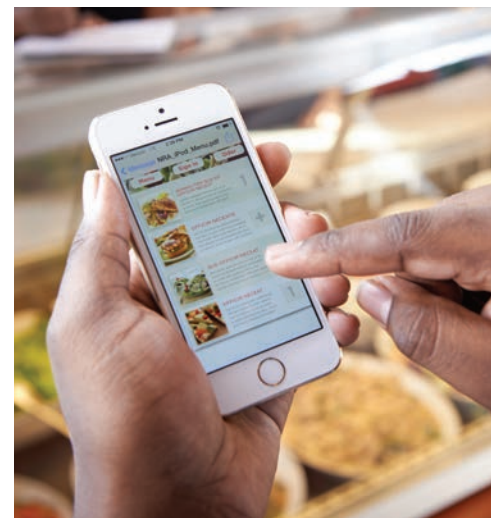
TECHNOLOGY TRENDS

Social Presence

Restaurant activity on social media



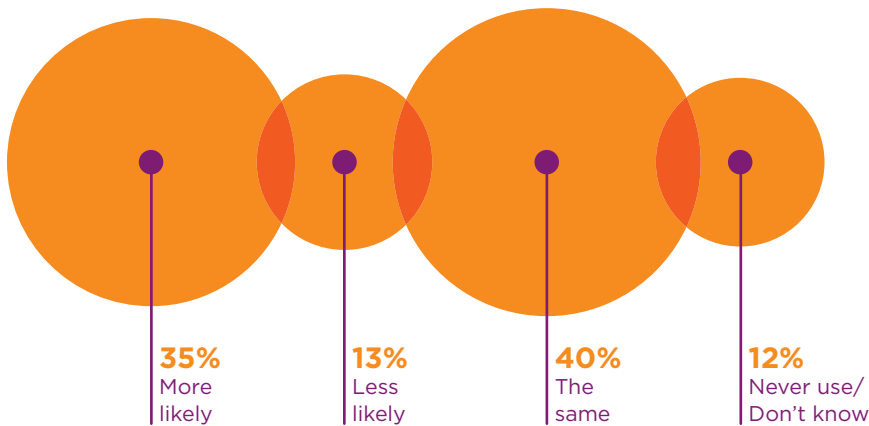
Source: National Restaurant Association, *Restaurant Trends Survey*, 2014



TECHNOLOGY TRENDS *Continued*

Tech Use More Common

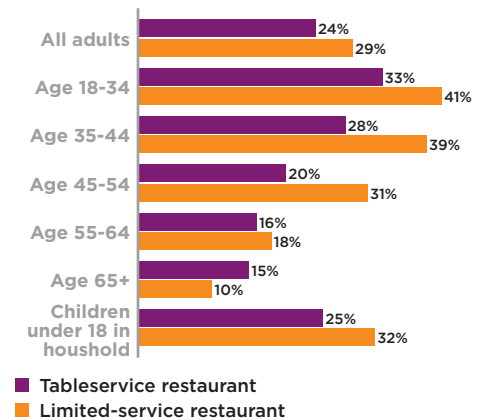
Consumer usage of restaurant technology compared to two years ago



Source: National Restaurant Association, *Technology Innovations Consumer Survey*, 2014

Tech Matters

Consumers who say the availability of technology options is an important factor when choosing a restaurant



Source: National Restaurant Association, *National Household Survey*, 2014

FOOD & MENU TRENDS

TOP 5 2015 MENU TRENDS

TABLESERVICE

- 1 Locally sourced meats and seafood
- 2 Locally grown produce
- 3 Environmental sustainability
- 4 Healthful kids' meals
- 5 Natural ingredients/minimally processed food

LIMITED-SERVICE

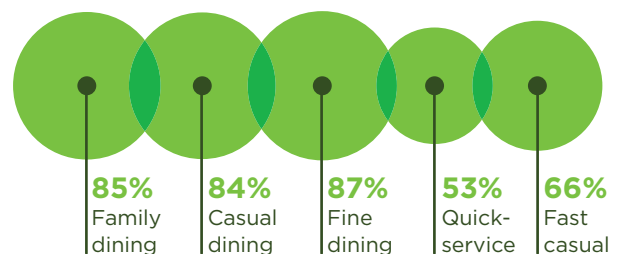
- 1 Gluten-free items
- 2 Sustainable food items
- 3 Locally sourced produce
- 4 Fruit/vegetable sides in kids' meals
- 5 Mini-desserts/dessert bites

Source: National Restaurant Association, *What's Hot in 2015 chef survey*

Source: National Restaurant Association, *Food and Menu Trends Survey*, 2014

Looking for Local

Restaurant operators who say their customers are more interested in locally sourced items than they were two years ago



Healthy Menu Expectations

Consumers take notice of healthful menu options

	All adults	Women	Men	Age 18-34	Age 35-44	Age 45-54	Age 55-64	Age 65+
More healthy options available compared to two years ago	81%	84%	78%	79%	88%	82%	80%	80%
More likely to visit a restaurant that offers healthy options	76%	81%	69%	79%	75%	74%	72%	75%
Order more healthful options at restaurants now than two years ago	67%	71%	63%	68%	67%	71%	66%	63%

Source: National Restaurant Association, *National Household Survey*, 2014

Founded in 1919, the National Restaurant Association is the leading business association for the restaurant industry. Together with the National Restaurant Association Educational Foundation, our shared vision is to lead America's restaurant and foodservice by elevating its prosperity, prominence and participation, enhancing the quality of life for all we serve. The National Restaurant Association mission is to serve our members by advancing and protecting America's restaurant industry. For additional restaurant industry research beyond the scope of this report, visit Restaurant.org/Research.