

COVID-19 Restaurant Impact Survey – April 2021

United States

Restaurant Business Conditions

- Although total sales trended higher in recent weeks, business conditions remain far from normal for most restaurants. Overall, 65% of restaurant operators say their total sales volume in March 2021 was lower than it would normally be in the absence of COVID-19. Only 19% of operators reported higher-than-normal sales during the month, while 16% say their sales were close to normal in March.
- On average across all survey respondents, sales were 19% below normal levels in March 2021.
- Restaurant operators have a mixed outlook for sales growth during the next three months. 44% of operators expect their average sales during the next three months (April – June) will be higher than it was in March 2021. 21% think their average sales will be lower during the next 3 months, while 35% expect their sales will be about the same as it was in March.

Restaurant Jobs

- Restaurants continued to restore some of the jobs lost during the pandemic, but overall staffing levels remain well below normal. 84% of operators say their current staffing level is lower than what it would normally be in the absence of COVID-19. 47% of operators are currently more than 20% below normal staffing levels.
- Most restaurant operators do not expect a return to normal staffing any time soon. Among restaurant operators that are currently below normal staffing levels, 28% think it will be 7-12 months before staffing levels return to normal for their restaurant. 20% think it will take more than a year to return to normal staffing levels. 10% of operators say staffing levels will never return to normal for their restaurant.
- 82% of operators say they currently have job openings that are difficult to fill, and most do not expect labor challenges to ease after the pandemic is over. In fact, 90% of operators say recruiting and retaining employees will likely be more difficult after the pandemic is over than it was before the pandemic started.

Costs Are Up – Profit is Down

- Food, labor and occupancy costs are the largest line items for restaurants – combining to account for roughly 70 cents of every dollar of sales during normal times. For a majority of restaurant operators, these 3 categories are making up a larger share of sales than they did before the pandemic.
 - 67% of operators say their total food costs (as a percent of sales) are higher than they were prior to the COVID-19 outbreak. Only 8% say their food costs make up a smaller proportion of sales.
 - 58% of operators say their total labor costs (as a percent of sales) are higher than they were prior to the COVID-19 outbreak. 23% of operators say their labor costs declined as a percent of sales.
 - 52% of operators say their total occupancy costs are higher than they were prior to the COVID-19 outbreak. Only 10% say their total occupancy costs are lower.
- For the vast majority of restaurant operators, profitability is down from pre-pandemic levels. 76% of operators say their profit margin is lower than it was prior to the COVID-19 outbreak. Only 9% of operators say their profit margin is higher.

Source: National Restaurant Association, national survey of 2,500 restaurant operators conducted April 1-14, 2021