



# Texas Restaurant Industry Overview

## Size and Scope

- The TRA represents the state's **\$70 billion** restaurant industry, which encompasses approximately **50,000 locations** and a workforce of **1.3 million employees**.
- We're the second-largest private sector employer. We're also one of the most diverse industries, and a critical first and second-chance job creator.
- **9 in 10 restaurants have fewer than 50 employees**, and 7 in 10 are single-unit operations.
- Every \$1 spent in restaurants generates an additional \$2 elsewhere in the economy.
- The restaurant industry plays a critical role in our food supply, with restaurants representing **51% of the food dollar** in Texas.

## COVID-19 Impact

- **Texas lost an estimated 9,000 restaurant locations during the pandemic** (approximately 18%).
- Thousands were saved because we united as one industry and worked with our state and federal lawmakers on initiatives like the Texas Restaurant Promise, alcohol to-go, the PPP, and the RRF.
- Now, over two years into the pandemic, consumer demand and travel are greatly improved. Still, restaurants face significant hurdles because of the systemic challenges COVID-19 set into motion.

## Ongoing Challenges

- 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. Each of these cost drivers continues to rise significantly for most restaurants.
- Over the past year, **wholesale food prices have increased more than 17%**—the largest increase in nearly 50 years. And the USDA expects costs to continue to rise over the rest of 2022 (beef: +16.2%; pork: +14%; poultry: +12.5%; fats and oils: +11.7%; fresh fruits: +10.6%; etc.).
- The average **hourly earnings rate in our industry increased 15.1%** between December 2020 and December 2021—the largest 12-month increase on record. And we're still down over 13,000 leisure and hospitality jobs from the outset of the pandemic in Texas.
- Many restaurants have had to raise their menu prices because of historic cost increases. However, restaurants risk losing consumers whose discretionary income is taxed by higher gas prices, housing costs, and grocery prices that have increased even faster than restaurant menu prices.
- The good news is that **Texas is growing, creating long-term opportunity for restaurants** that can stay nimble and demonstrate value in spite of today's challenging market.

Thank you for your support of local restaurants throughout the COVID-19 pandemic.

To learn more, please visit us at [www.txrestaurant.org](http://www.txrestaurant.org).