



# Texas Restaurant Industry Overview

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## Size and Scope

- The TRA represents the state's [\\$87 billion](#) restaurant industry, which encompasses more than [53,000 locations](#) and a workforce of over [1.3 million employees](#).
- Restaurants are small businesses and a critical employer.
  - They represent the second-largest private sector employer (11% of Texas' total employment).
  - Restaurants are 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 \$2.37 to the state's economy.
- The restaurant industry also plays a critical role in our food supply, with restaurants representing [51% of the food dollar](#) in Texas.

## State of the Industry

- 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.
- Set into motion by the COVID-19 pandemic, each of these costs has increased significantly because of supply chain disruptions, worker shortages, and inflation.
  - As of November 2022, [wholesale food prices have increased 15.2%](#) year-over-year.
  - Texas restaurant [wages have risen 13-23% in the past two years](#), depending on the position and location.
- Many restaurants have had to raise their menu prices because of these historic cost increases. However, restaurants risk losing consumers whose discretionary income is taxed by higher gas prices, housing costs, and grocery prices.
- The good news is that menu price increases significantly trail grocery price increases, creating strong value for restaurant customers.
- Even more importantly, [Texas continues to grow, creating long-term opportunity for restaurants](#). By 2030, Texas is projected to add an additional 288,000 foodservice jobs.