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Michigan Restaurant Association (MRA) Issues First in Series of Research Reports Detailing Statewide Economic and Demographic Industry Trends

*33 Percent of Mich. Restaurant Owners Expect to Increase Employment Over Next Six Months;
Food Costs Expected to Remain Flat*

LANSING, Mich., May 24, 2017– The Michigan Restaurant Association (MRA) has partnered with Cleveland Research, an independent market research firm, to conduct a quarterly survey of restaurant owners with the objective of tracking economic and demographic trends within the restaurant industry on a statewide basis. The **Michigan Restaurant Association Industry Trends Report** represents the first and only independent statewide research report tracking the state’s second-largest private-sector employer.

Results of the Q1-2017 Trends Report can be found at www.michiganrestaurant.org/TrendsReport. Topline data is available to the general public, but MRA members who choose to participate in the study will have the exclusive opportunity to review the complete survey results in-depth.

Participation was strong in the Q1-2017 Trends Report, with nearly 700 MRA member locations and \$676 million in annual revenue represented in the survey. Topline highlights include increased employment opportunities across the state, with one-third of respondents expecting to increase total employment during the next six months, and an expectation that food costs will remain flat this year.

“We have heard consistently from our membership, particularly our independent operators, that they want better and more Michigan-specific data on their industry,” said Justin Winslow, President & CEO of the Michigan Restaurant Association. “We support our membership and their needs, so we are proud to bring a new level of business insight to our nearly 4,600 member locations across the state.”

Additional highlights from the Q1-2017 Trends Report include the following:

- Sales across Michigan restaurants slowed to 2.6% in the first quarter of 2017 after experiencing 3.6% growth in 2016.
- A full 1/3 of respondents reported their sales coming in lower than expectations, while only 21% of respondents reported sales above expectations.
- Traffic improved in the first quarter, but also slowed from 2016, seeing a 2.2% gain as opposed to 2.7% in 2016.
- The restaurant industry in Michigan seems to be facing similar labor pressures reported in other regions of the country.
- A healthy Michigan economy with unemployment rates plummeting below 5% has made finding and retaining talent a primary concern of restaurant owners. As a result, respondents expect labor costs to rise 0.6% from 2016.

- Overall, the industry remains hopeful with 44% believing business conditions will improve over the next 6 months, while only 12% expect them to get worse.

“Traditionally, independent restaurants have had to rely on national trend data, which may or may not be a good benchmark for their business,” said Ross Walthall, Director of Foodservice at Cleveland Research. “Our aim is to bring our analytical rigor and insights to trends in the state of Michigan.”

About the Michigan Restaurant Association

The Michigan Restaurant Association (MRA) is the recognized leader of Michigan's hospitality industry, providing essential services to the foodservice community. Founded in 1921, the MRA represents nearly 4,500 Michigan foodservice establishments. The industry plays an integral role in Michigan's economy, employing more than 435,000 people and creating \$15.9 billion in annual sales.

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