

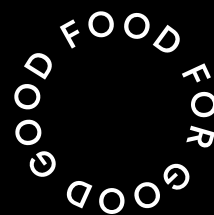
# 2025 Independent Restaurant Industry Report



**Resilience and Reinvention:**  
The State of Independent Restaurants in 2025

JAMES BEARD  
FOUNDATION

IN COLLABORATION WITH  
**Deloitte.**



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“Our restaurants are the places where you can eat something you wouldn’t be able to make at home, while making you feel comfortable as if you were home.”

— Chef Respondent





# 2025 Independent Restaurant Industry Report

## Executive Summary

Independent restaurants play a vital role in the culinary and economic fabric of our communities. However, the industry is no stranger to volatility, and as we step into 2025, chefs, owners, and operators are grappling with economic pressures, evolving customer behaviors, and various external challenges.

This report, produced by the James Beard Foundation in collaboration with Deloitte, provides a comprehensive analysis of the independent restaurant landscape. Drawing from in-depth interviews with over 50 chefs and a nationwide survey of more than 350 restaurant leaders, this report sheds light on key trends shaping the industry and offers actionable insights that can help independent restaurants adapt, innovate, and thrive in the year ahead.

## Top Findings for 2025

### Restaurants are performing slightly better than last year.

54% of restaurant rated their 2024 business performance as excellent/good, signaling a cautious but growing optimism in the industry.

### Majority of restaurants are continuing to raise their menu prices although with limits.

91% of restaurants continued to increase menu prices in 2024, with majority steadily keeping their increases between 5% and 10%—on average a less significant increase than in the year prior.

### Customer traffic has remained the same or declined compared to last year.

72% of respondents reported same or fewer customers in 2024 versus the year prior.

### More restaurants increased their staff wages compared to last year.

92% of respondents reported increasing staff wages in 2024, with a large majority increasing pay by more than 10%.

### Rising costs (e.g., food, utilities, labor) and hiring are top concerns.

Regardless of business type or geography, rising costs and hiring were ranked the top concerns in 2024 across respondents.

## Spend

### Increasing prices have potential negative impacts to the business.

Independent restaurants that raised their prices by 15% or more in 2024 saw a decline in profits, fewer customers, and overall poorer perception of their business performance.



## Loyalty

### Social media is the primary tool for restaurants to engage with their guests.

Nearly 75% of restaurants are using social media to market their business in 2024 and a majority anticipate it to be the second most influential trend in 2025 after increased food costs.



## Teaming

### Restaurants are finding success with expanded benefits for their staff.

Those who offered career advancement opportunities in 2024 had 1.2x less difficulty finding staff and 3.5x less difficulty retaining staff.



## Growth

### Majority of restaurants are testing new business models.

Over 85% of restaurants implemented at least one non-traditional business model in 2024, testing changes such as tipping structures, staffing models, and alternative revenue streams like pop-ups, event spaces, and catering.







# State of Restaurants in 2025





# Current Landscape of Independent Restaurants

**Independent restaurants are no strangers to the unpredictability of the industry.** After a growth year in 2023<sup>1</sup>, there was cautious optimism among respondents for continued growth entering 2024. Despite that optimism, 2024 reflected a year filled with rising labor costs, economic headwinds, and extreme weather events. For years, the industry seemed to share an understanding that the COVID-19 pandemic and its lingering effects were the root cause of volatility, but in 2024, challenges came from multiple fronts, with no single factor to rally behind. While these challenges affect many industries and restaurants more broadly, independent restaurants—operating on thin margins—reported feeling the weight of these shifts more acutely as they start 2025.

“For independent restaurants to have a good year—it’s almost magic. It takes heart.”

— Chef Respondent

## Current Landscape of Independent Restaurants



### Rising Costs and Wage Pressures

Despite cooling inflation over the last year, increasing costs for necessities—labor, food, and occupancy—persist, leaving many independent restaurant owners and operators struggling to grow the bottom line. Independent restaurants also reported being more affected than others with a rise in labor costs due to minimum-wage hikes in over 20 US states. Policies like California’s FAST Act, which mandated a \$20/hour minimum wage for all fast-food workers<sup>2</sup>, were positive for the restaurant workforce, but placed additional financial pressure on independent restaurants’ business model.



### Changing Consumer Spend and Consumption

To compound these rising costs, many guests are adjusting their dining habits toward value-driven choices in a high-cost environment. While they showed some willingness to spend over the last year, many have cut back on dining occasions or expenses, prioritizing quality and value over frequency<sup>3</sup>. Guests are also shifting their alcohol consumption, contributing to a nationwide decline in alcohol sales as more customers embrace moderation, explore non-alcoholic alternatives, and reduce spending on traditional alcoholic beverages<sup>4</sup>. Additionally, emerging health trends, such as increased focus on personalized nutrition and the rising use of GLP-1 drugs, are influencing customer dining behaviors and may have broader implications for portion sizes, protein choices, and overall menu strategies in the future<sup>5</sup>.



### Unforeseen Disruptions and Uncertainty

Beyond economic constraints, natural disasters have had a profound impact on the state of independent restaurants. Hurricanes Milton and Helene left widespread devastation in their paths, leaving many independent restaurants in the southeastern United States still struggling with property damage, supply chain disruptions, and prolonged recovery. Extreme summer heat has significantly reduced foot traffic in southern regions and, already in early 2025, rampant wildfires in Los Angeles have affected hundreds of establishments in the area. Adding to this uncertainty, the recent change in administration means there will likely be new policy approaches and changes to labor, supply chain, tax policy, sustainability, and wages.

**All these factors have left restaurants navigating a volatile and unpredictable landscape.** With many just one emergency away from closing their doors permanently, independent restaurants are facing uncertainty in 2025 as they try to thrive in an ever-changing environment. Still, despite these pressures, the industry saw sustained growth as many restaurants leveraged innovation, technology, and local communities to enhance their operations, attract customers, and adapt. In 2025, chefs and restaurateurs will have to dig deep, propelled by their passion and creative spirit, to evolve their businesses and weather the economic, legislative, and environmental unknowns that lie ahead. As a chef shared, “I’m hopeful that the industry’s resilience and the growing support for local businesses will help us adapt...It’s about balancing operational adjustments with a commitment to providing memorable dining moments that will keep guests coming back.”





“Independent restaurants shine in offering locally-rooted experiences that large chains cannot replicate. We thrive in leading with a purpose-driven approach that resonates with today’s conscious diners.”

— Chef Respondent

# State of Business in 2025

The James Beard Foundation, in collaboration with Deloitte, has explored key challenges and opportunities for independent restaurants in 2025. This third annual report summarizes insights from interviews with over 50 chefs across the country and a survey conducted in October 2024 that received over 350 responses from restaurant chefs, owners, and operators in 47 U.S. states. These owners represent a diverse range of establishments, including fine and casual dining, fast-casual/to-go, breweries, bakeries, and caterers.

## Overall Findings

There was slight improvement in perceived business performance or revenue growth compared to 2023, with 54% of survey respondents describing their performance in 2024 as excellent/good. And only 14% of respondents described business performance as poor/very poor, which was down from 23% in 2023. This shift suggests a more optimistic sentiment among restaurant owners and operators, even as challenges persist.

**Revenue growth in 2024 was largely driven by menu price adjustments.** Although concerns about customer sensitivity influenced pricing decisions, only 9% of restaurants surveyed did not change prices in 2024, down from 19% from 2023, indicating a stronger shift towards strategic price increases. Likely in response to rising food and labor costs, 63% of restaurants surveyed increased prices between 2% and 10%, with most avoiding increases beyond that range.

**Despite pricing adjustments, profitability remained challenging in 2024.** While 28% of respondents reported maintaining the same profit levels as in 2023—up from 17% the previous year—50% still reported lower profits, only a slight improvement from 56% in 2023. This may suggest that although revenue increased, higher operating costs may continue to pressure margins. Notably, 92% of respondents reported increasing staff wages in 2024, up from 84% in 2023, reflecting the ongoing labor cost burden.

**At the same time, customer volume declined in the past year** with 43% of respondents reporting fewer customers than in 2023. This suggests that

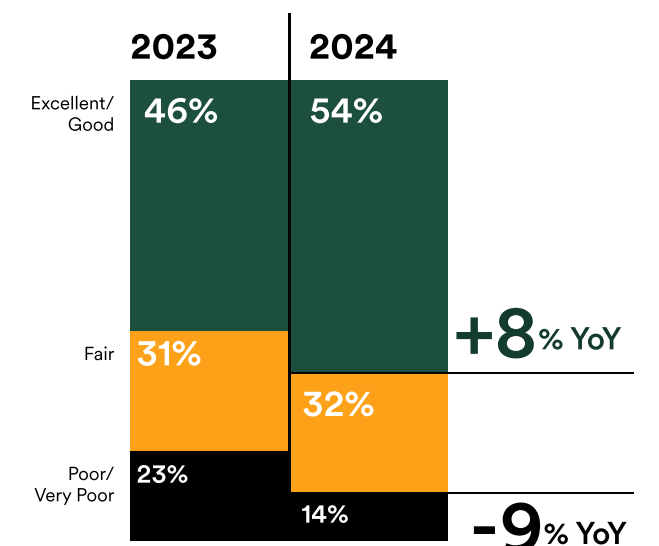
some independent restaurants may be approaching a ceiling on customer traffic, limiting the ability to drive growth through volume alone. With rising costs and cautious pricing strategies, operators and owners are faced with a difficult balancing act.

More specifically, our research helped define challenges and identify possible success factors for 2025, including:

- 01 Overcoming Barriers to Increase Guest Spend**
- 02 Intentional Engagement to Deepen Guest Connection**
- 03 New Ways to Attract and Retain a Winning Team**
- 04 Increased Urgency to Test New Business Models**

Although these survey results reflect continued challenges in 2025, the results also provide insights for moving forward. This report explores concrete ways independent restaurant owners and operators can take advantage of these emerging trends and build more flexibility into their operations.

2024 had slight improvement in perceived business performance compared to 2023







# Key Trends to Watch



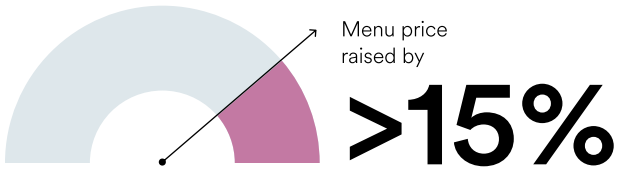
# Overcoming Barriers to Increase Guest Spend

## 2025 Outlook

High operating costs continue to increase, further tightening already-thin profit margins. To counteract these pressures, many surveyed restaurants instinctively turned to price increases. Yet restaurant owners shared that they feel they have reached a ceiling on what diners are willing to pay, explaining, “Diners are more conscious about their spending. It’s challenging to offer an affordable option and see our profit margin dwindle.” Independent restaurants that raised their prices by 15% or more in 2024 reported a decline in profits, fewer customers, and overall poorer perception of business performance. This dilemma underscores a growing challenge: while price hikes seem like the most direct way to offset rising costs, they can backfire, driving away cost-conscious customers. For restaurants who did not raise their prices in 2024, more than half cited a fear of losing customers or dependence on customer volume as the primary reason.

While a large majority (91%) of surveyed restaurants continued to increase menu prices in 2024, most

Restaurants that raised prices by 15% or more in 2024 saw a decline in profits, fewer customers, and overall poorer perception of business performance



respondents only raised them between 5 and 10%—on average a less significant increase than in 2023. Despite limited increases compared to years past, years of compounding price increases have magnified the persistent impact on customers.

The top two customer trends ranked by chefs in the survey were affordability and customization requests, reflecting a shift in how chefs see dining evolving in 2025. When it comes to value, “customers want cheap fancy,” as one chef shared, highlighting the perceived tension between guests’ desire for high-quality dining experiences and their reluctance to pay premium prices. Another chef noted, “People aren’t spending the same—especially in peak times. Some people coming in aren’t justifying the table in sales.”

This mindset also seems to be influencing guest behavior, leading to fewer high-margin add-ons like alcohol, appetizers, and desserts. One of the most notable spending shifts has been in alcohol consumption, with 47% of restaurants reporting noticeable change. While rising costs are thought to contribute to this trend, shifting customer preferences for indulgence and attitudes toward alcohol consumption are also likely factors.

At the same time, customization requests are on the rise, with 56% of respondents seeing an increase in order modifications like smaller portions and gluten/allergen-free options. When it comes to customization, these adjustments allow restaurants to better cater the experience, but also introduce operational complexities, requiring more flexibility in execution and menu curation.

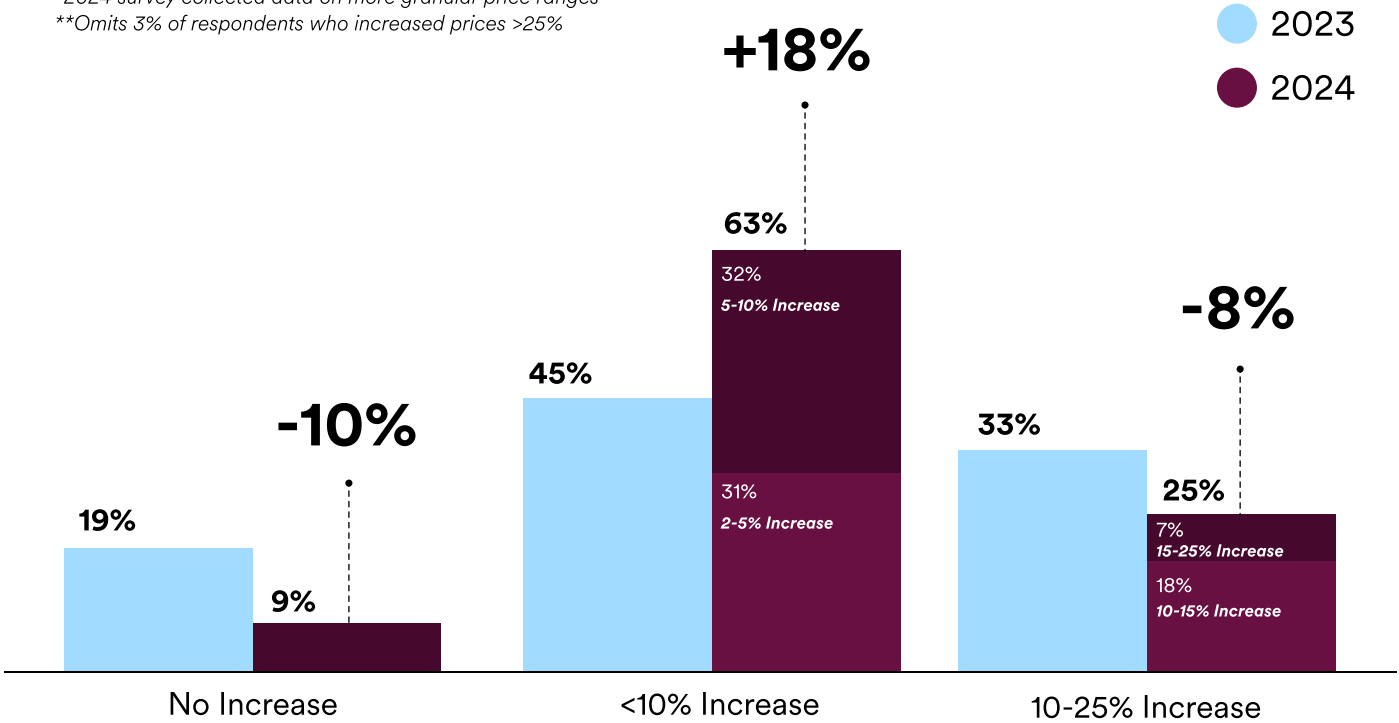
As independent restaurants navigate new spending habits, the challenge lies in delivering perceived value to the customer—finding ways to meet guest expectations without sacrificing profitability in an increasingly cost-conscious dining landscape.



## While most restaurants raised prices in 2024, the average increase was less than in the previous year.

### How much did restaurants raise menu prices?

\*2024 survey collected data on more granular price ranges  
\*\*Omits 3% of respondents who increased prices >25%







“People aren't spending the same especially in peak times. People coming in aren't justifying the table in sales.”

— Chef Respondent

## Trend 01 Overcoming Barriers to Increase Guest Spend

# What Restaurants Can Do in 2025

Navigating changing customer preferences is challenging, but independent restaurant owners and operators are focusing on menu strategy and operational efficiencies to drive profitability and create more transparency with customers. Beyond helping customers understand the realities of operating an independent restaurant, success comes from effectively communicating the value of the dining experience and aligning offerings closer to customer desires. As customers continue to adapt, chefs and owners can reinforce the value they provide, showing why customers' hard-earned dollars are best spent with independent restaurants.



**Engineer the menu to offer value while maximizing willingness to pay.**

Some chefs have seen success with:

- ✓ **Adjusting pricing at the menu item level** instead of across-the-board increases, ensuring that customers feel they are paying fairly for high-quality specific offerings.
- ✓ **Reworking value-centric items** by introducing entry-point options or group shareables, allowing customers to spend at their comfort level while maintaining strong check averages.
- ✓ **Ensuring every item on the menu earns its place** and cutting any items that do not provide a clear role (e.g., traffic driver, profit driver, check driver).
- ✓ **Testing new add-ons that appeal to guest preferences and make sense for the restaurant and menu**, such as inventive mocktails, chef tastings, and plant-based options, to encourage additional spending.
- ✓ **Factoring customization costs into pricing** to ensure labor-intensive modifications are accounted for while maintaining price integrity.



**Find fresh ways to reinforce the value of a restaurant's offerings and environment to sustain high willingness to pay.**

Some chefs have seen success with:

- ✓ **Creating moments of surprise and delight** through tableside services, unique plating, and interactive elements that enhance the dining experience.
- ✓ **Highlighting behind-the-scenes storytelling** by curating chef interactions with customers or offering open kitchen views to draw customers in.
- ✓ Empowering front-of-house teams with **clear guidelines and strategies to effectively communicate the value of the experience** to guests, like highlighting uniqueness of certain dishes or explaining preparation techniques.
- ✓ Utilizing social media and digital platforms to **showcase the restaurant's ethos, staff stories, and craftsmanship**, ensuring guests connect with the value behind their meals.



# Intentional Engagement to Deepen Guest Connection

2025 Outlook

Dwindling foot traffic in recent years has resulted in a decline in “regulars,” making customer loyalty more elusive. The third-highest ranked customer trend in 2024 was the changing (decreased) frequency of dining out, with over 70% of respondents reporting the same or fewer patrons than last year.

To combat this, restaurants are focusing on building community both online and offline to foster deeper, more personalized connections with guests. Social media has become a primary tool for engagement, with nearly 75% of restaurants using it to market their business and a majority anticipating it to be the second most influential trend in 2025 after increased food costs. As one chef stated, “People wouldn’t talk to me if I didn’t have social media.” Increased social media was the top implemented marketing tactic in 2024, while other digital formats had more mixed usage, including online ads (18%), influencer content (28%), and digital marketing tools (13%).

Given the constant fight for attention as customers chase trends and one-time events, surveyed chefs largely recognize the importance of experiential dining experiences and community collaborations to strengthen loyalty. Immersive experiences such as interactive tableside services, pop-ups, and collaborations are sparking memorable, shareable moments not only to differentiate restaurants but also fuel organic social media exposure and sustained business growth. As one chef shared, “We had a lot of social media attention and bloggers visiting, which has helped propel us.”

While social media remains a powerful tool, it has its limitations—particularly in translating online attention into actual foot traffic. 68% of respondents reported that evolving marketing technology—social media, online ads—had most impacted their customer engagement, but also saw its drawbacks. One chef noted, “Social media is tricky because you cannot estimate how it translates from the web to customers through the door.” Indeed, in focus groups, a common chef reflection was wanting to ensure that digital marketing actually helped customers search for their restaurants and more seamlessly convert into reservations.

Although the need for a strong social media presence is critical, independent restaurants are learning the importance of pairing online storytelling with real-world experiences that deepen customer relationships. Nearly half of all respondents (44%), had a greater focus on in-person engagement in the past year. Those who leaned on in-person engagements in 2024 perceived better business performance compared to those who didn’t. Community-driven events and local partnerships have become key approaches to turn digital engagement into real-world loyalty. As one chef shared, “The community is one of the biggest driving factors in why I do what I do. They helped me get back on my feet.”

To forge more personal connections in 2025, restaurants should embrace a dual approach—leveraging social media to engage with guests and future patrons online while creating memorable in-person engagement to solidify loyalty. When executed with intention, deeper connection built online and in-person doesn’t just generate visibility—it can help foster a deeply loyal patron community that lasts.

## Restaurants with high customer traffic outperformed those with lower or unchanged traffic levels

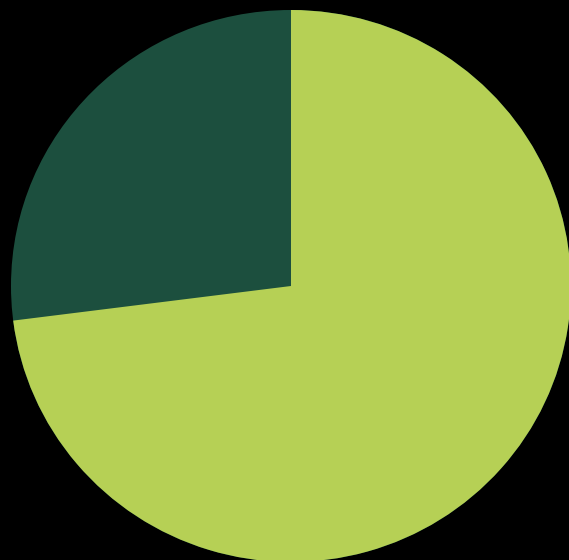






“Guests are seeking more than just a meal; they want connection, transparency, and purpose in their choices.”

— Chef Respondent



73%

Of respondents changed their marketing strategy to **increase use of social media platforms**

## Trend 02

## Intentional Engagement to Deepen Guest Connection

# What Restaurants Can Do in 2025

Connections are powerful. It's critical for a restaurant to be authentic and intentional in their online presence, as social media can be a differentiator. Utilize marketing channels to trigger loyalty, re-establish "regulars," and increase foot traffic.



**Reignite the spark of loyalty by creating stronger, more personalized connections with customers.**

Some chefs have seen success with:

- ✓ **Connecting the restaurant's purpose to the community** and partnering with local events, sponsorships, and other initiatives to encourage community support.
- ✓ Utilizing social media and email to **sell and showcase the restaurant's unique story, purpose, and values.**
- ✓ **Generating unique services or personalized experiences to foster deeper connections with restaurant staff** and make loyal customers feel like "restaurant insiders", such as inviting them to a tasting to aid with menu innovation or special menu items.
- ✓ **Leveraging existing partnerships with third-party vendors** (e.g., POS systems, reservation systems, delivery systems) to promote personalized ads or collect data about customers.
- ✓ If applicable, **creating loyalty programs beyond discounts or punch cards** (e.g., redeem for unique items or VIP experiences).



**Be intentional about social media efforts to drive traffic.**

Some chefs have seen success with:

- ✓ **Offering a seamless digital experience for online bookings and ordering.** Including fast-track links in their social channel bio(s) and implementing robust search engine optimization (SEO) strategies to maximize visibility and drive more traffic to the restaurant website.
- ✓ **Creating social nudges** to drive traffic to the restaurant during slower dayparts or create ads targeted to promote high-margin items.
- ✓ **Recognizing that every diner can be leveraged as a content creator** to promote the restaurant. Offering unique experiences and photo-worthy moments and environments to encourage diners to share their photos from their experience.
- ✓ **Utilizing existing technologies like social media metric dashboards and AI-enhanced solutions** to gain insights into customer preferences and streamline social media content generation.
- ✓ **Implementing proactive service recovery strategies** to address issues and negative online reviews before they escalate.



# New Ways to Attract and Retain a Winning Team

2025 Outlook

A majority of independent restaurant owners and operators surveyed have cited difficulty in hiring and retaining high-quality staff as one of their top five concerns. More specifically, surveyed restaurant owners shared their expectation that staffing shortages will continue to be one of the top three trends affecting restaurant operations in 2025. As one chef noted, it's "a big concern, as 'career' restaurant people seem to be in shorter supply."

Today, employees are generally looking to express their passion while also receiving fair monetary compensation, career advancement opportunities, and nonmonetary benefits. When possible, many restaurants report continuing to increase staff wages, with over 70% of respondents raising pay by more than 10%. However, with increasing labor, food, and occupancy costs, many restaurants are still having difficulty meeting staff's monetary needs. One chef explained, "I know for the most part owners want to pay their workers a living wage to support them and keep them. It is difficult at times to do so when the things that are not in our control affect us financially."

Faced with cost-constraints and already-tight margins, restaurant owners and operators are harnessing their creativity to make changes. As one chef expressed, "I really believe in providing a happy, healthy, supportive workplace. It breaks my heart that [it's hard] if you want to take parental leave or get sick leave [...] I feel powerless." To drive positive change, many restaurants are turning to non-cost methods to motivate the staff—such as incentive-based compensation, expanded benefits and perks, career advancement opportunities, and creative staffing

methods. Respondents who offered career advancement opportunities (e.g., transparent communication of opportunities, access to training) had 1.2x less difficulty finding staff and 3.5x less difficulty retaining staff. Additionally, restaurants surveyed that offered their employees wellness programs reported improved hiring and retention.

Another tactic that restaurants have been implementing are adjustments to business models. The top two changes in 2024 were cross-training and flexible scheduling. More than half (53%) of respondents cross-trained both back-of-house and front-of-house staff, while 39% of respondents introduced flexible scheduling—both approaches that allowed businesses to keep staff engaged while mitigating rising labor costs and staff shortages.

Restaurants that offered career advancement opportunities were...

3.5x

More likely to retain their talent

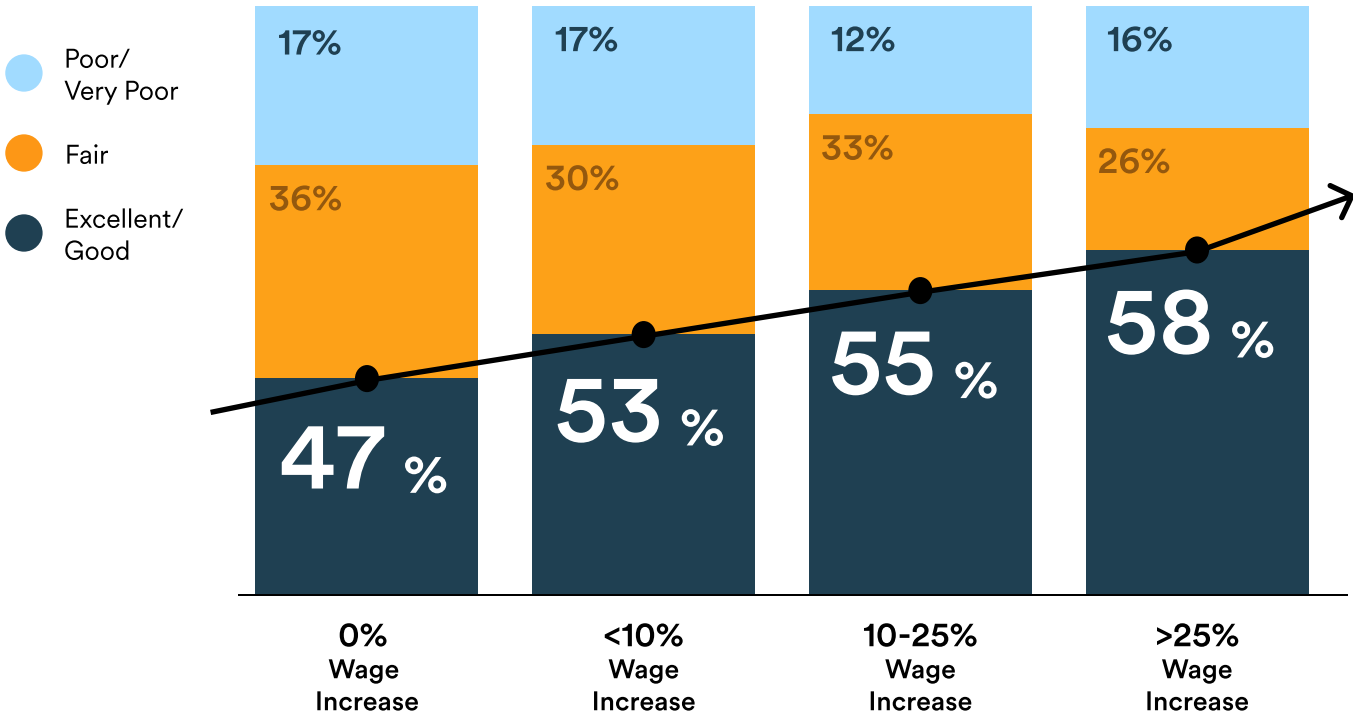
1.2x

More likely to find staff to hire



## Increasing staff wages has a positive relationship with improved business performance

How would you describe your business performance in 2024?







“I really believe in providing a happy, healthy, supportive workplace. It breaks my heart that [it’s hard] if you want to take parental leave or get sick leave [...] I feel powerless.”

— Chef Respondent

# What Restaurants Can Do in 2025

The restaurant industry is not without passion, but employees are demanding more than just a job—they want a sustainable lifestyle, opportunities for career growth, and a workplace where their voices are valued. To attract and retain a winning team, restaurants should focus on providing meaningful benefits and a culture of support.



**Foster an engaging, elevated staff experience during shifts.**

Some chefs have seen success with:

- ✓ Providing opportunities to involve staff in business decisions, like hosting staff-wide brainstorming sessions aimed at addressing needs of the restaurant or menu development.
- ✓ Creating channels and platforms allowing for transparent communication—this may involve recurring pre-shift meetings or dedicated forums for open feedback.
- ✓ Giving employees more decision-making in their roles to foster ownership and accountability.
- ✓ Implementing open-book management to share financial insights with staff, helping them understand costs, profitability, and how their contributions impact the restaurant’s success.



**Maximize the potential of existing operations without the need to upskill, expand staff, or sacrifice quality.**

Some chefs have seen success with:

- ✓ Cross-training front-of-house and back-of-house staff to provide restaurants with more operational efficiencies and preserve employee interest with a diversity of tasks.
- ✓ Leveraging technology to assist in tracking food preparation, orders, and staff scheduling, enhancing operational efficiency.
- ✓ Adjusting the menu to include dishes requiring less extensive or highly skilled preparation to streamline kitchen operations.
- ✓ If possible, outsourcing noncore functions like payroll, marketing, and cleaning to allow staff the ability to focus on core activities and enhance the overall dining experience.



**Offer personalized benefits that align with each employee's career and lifestyle goals and educate them on ways to maximize their perks.**

Some chefs have seen success with:

- ✓ Establishing a mentorship program designed to help staff members build skills, confidence, and networks in the kitchen.
- ✓ Creating more part-time roles for staff seeking additional work outside of restaurants.
- ✓ Allowing team members to customize their shifts using flexible scheduling to enhance work-life balance and to boost employee satisfaction.
- ✓ Prioritizing employee well-being with robust mental health services and holistic wellness initiatives.



# Increased Urgency to Test New Business Models

2025 Outlook

Simple-yet-effective business solutions that once helped restaurants adapt to industry trends and increase profitability no longer seem to be enough. Improving the bottom line now looks a little different than in prior years—easy menu adjustments and adding limited-time offers have added complexity without significantly moving the needle in sales.

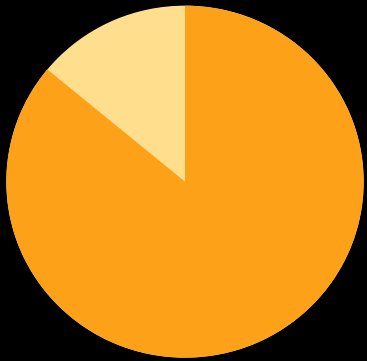
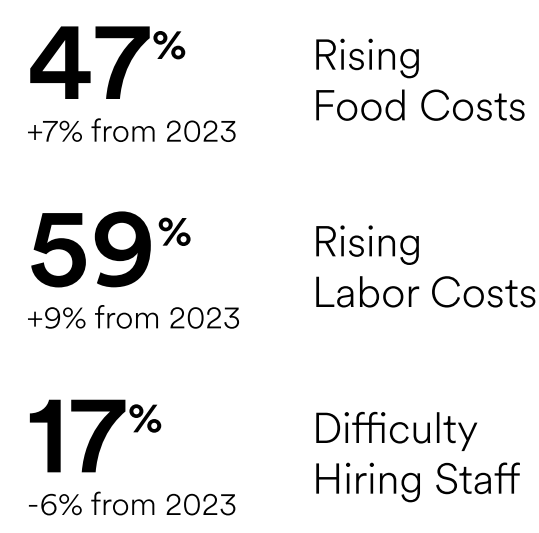
For the past two years, rising costs have remained the top two challenges for restaurants, as reported by respondents. The number one issue in 2024 was the rise in general costs such as food, packaging, and repairs, a concern that doubled in importance year-over-year, followed by the rising cost of labor. Looking ahead to 2025, 76% of respondents expect these cost pressures to remain the most significant factor to impact the independent restaurant industry. As these varying economic pressures continue to mount, restaurants are evolving their businesses to sustain and kick-start growth.

To get creative in light of these challenges, restaurants have increasingly adopted new business models aligned with their brand, purpose, and operational needs. In 2024, over 85% of restaurants implemented at least one non-traditional business model, testing changes such as tipping structures, staffing models, and alternative revenue streams like pop-ups, event spaces, and catering. Those respondents that embraced change reported stronger performance—restaurants that experimented with non-traditional staffing models reported expecting higher or similar profits, while those not innovating were more likely to expect lower profits. By going beyond their comfort zones and proactively diversifying ways they conduct

business, restaurants can better withstand downturns and emergencies. As one chef shared, “Change is the only constant, to fall stagnant is to fall behind, especially in this industry.”

The independent restaurant industry is in a constant state of adaptation. While evolution can be difficult due to limited resources and the high costs often associated with change, restaurants can strategically assess risks and focus on initiatives that best support their long-term success.

Trending from past years, rising operational and food costs continued to be the top challenges



86% of restaurants implemented at least one **non-traditional business model** in 2024

Which non-traditional staffing / business models has your restaurant implemented?







“Rising costs or not, many owners are unwilling to meet the customers where they are and adapt. That is always a fatal mistake.”

— Chef Respondent

## Trend 04

## Increased Urgency to Test New Business Models

# What Restaurants Can Do in 2025

Develop and test new business models to improve both the top and bottom line. When restaurants develop these models, it's important to stay true to who they are. When testing, being intentional is key—there is no one-size-fits-all approach.



**Get creative in reducing costs and streamlining restaurant operations.**

### Some chefs have seen success with:

- ✓ Reducing inventory and minimizing waste by offering a **limited menu or tasting options** during specific hours.
- ✓ Reducing occupancy costs through revenue-based rent agreements, real estate investment, or tenant improvement allowances.
- ✓ Beyond traditional nose-to-tail and root-to-stem cooking to manage waste, leveraging **emerging inventory management technologies** to minimize food waste and identify multi-use ingredients that can streamline prep and storage.
- ✓ Identifying **key operational risks** by assessing financial, regulatory, and labor implications before testing new business models.



**Leverage data and community connection for smarter growth.**

### Some chefs have seen success with:

- ✓ Using **data-driven insights from reservation and payment systems** to identify customer trends that can inform supplier costs and optimize operations.
- ✓ Outsourcing **noncore functions** like website management and social media to third-party vendors or freelancers.
- ✓ Monetizing **brand loyalty** by selling cookbooks, apparel, and gourmet products in-store and online.
- ✓ Engaging with **industry peers through networking events** and knowledge-sharing forums to stay ahead of trends and changes impacting the industry.



**Identify areas for experimentation and innovation to create new income streams.**

### Some chefs have seen success with:

- ✓ Testing **new concepts** with small-scale trials such as pop-ups, limited-time events, and weekday-only menus.
- ✓ Implementing **alternative pricing models** like pre-paid ticketed dining, all-inclusive experiences, and chef-curated tastings.
- ✓ Expanding **revenue streams** by offering simple yet scalable catering and private event services.



# Gearing Up for Change

In 2025, independent restaurants stand at the forefront of a rapidly evolving industry, navigating an environment shaped by shifting customer expectations, economic pressures, and the growing impact of uncertainty.

Yet, as highlighted throughout this report, independent restaurants continue to demonstrate remarkable perseverance and creativity in the face of rising costs, labor shortages, and supply chain disruptions. No longer merely reacting to adversity, independent restaurants are actively redefining what it means to thrive amid transformation.

This year marks a pivotal moment of empowerment—a time for restaurants to turn obstacles into avenues for growth and to approach the future with intention and creativity. Looking ahead, success in 2025 will likely require continued resilience, trust in collaborative networks, investment in staff, and a willingness to test unconventional ideas. While the road ahead remains uncertain, one thing is clear: independent restaurants are fueled by passion, creativity, and an unwavering commitment to their missions and communities. Those who embrace change while staying true to their brand might not just weather the challenges ahead but may also lead the charge in shaping the future of dining.

As one chef shared, “The restaurant community is resilient, inventive, and overcoming obstacles with perseverance and grace. We’re finally having the hard conversations about what it means to foster an environment in which anyone can come and thrive. We’re slowly, but surely, becoming an industry that understands what opportunity, mental wellness, financial stability, and life balance mean to those who exist in it.”

## Join the conversation!

*Our annual Industry Survey is coming this fall—don’t miss your chance to share your experiences with us.*



“What makes me feel optimistic about the industry is the growing emphasis on sustainability, local sourcing, and the pursuit of authentic dining experiences.”

— Chef Respondent



# Research Methodology

The 2025 report explored the current state of the independent restaurant industry by examining key trends, challenges, and opportunities based on the analysis of primary and secondary data, as well as opinions from leading professionals in the field. The research methodology was based on a combination of quantitative data from surveys and qualitative insights from interviews and secondary sources to provide a holistic view of the independent restaurant industry.

## Industry Survey

The industry survey was distributed to independent restaurant industry professionals between October 28, 2024 and November 18, 2024 to understand the current state of the industry and future outlooks for 2025. The survey was conducted using a self-administered questionnaire among a sample of 367 industry professionals across 47 states and all four census regions in the US.

## Interviews and Focus Groups

A total of ten interviews and two focus groups were conducted in-person with over 50 independent restaurant industry professionals from May 2024 to January 2025 to explore topics around their experiences in the industry, focusing on the impact of recent trends and challenges on their businesses and the overall independent restaurants. Interviews took place in several major U.S. cities across Upstate New York, Houston, Los Angeles, Chicago, and New York City. The quotations included in the report remain anonymous and have been minimally edited for grammatical accuracy and clarity.

# Acknowledgments

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Photographs courtesy of the James Beard Foundation by David Chow, Caleb Condit, Max Flatow, Eliesa Johnson, Rebecca Norden, and Clay Williams.

## Endnotes

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