



# The State of the Restaurant Industry **2021** Report

Canada | USA

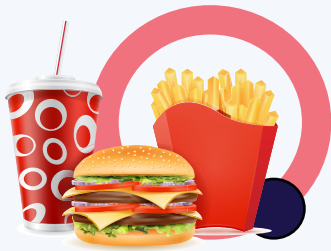


# TABLE OF CONTENTS

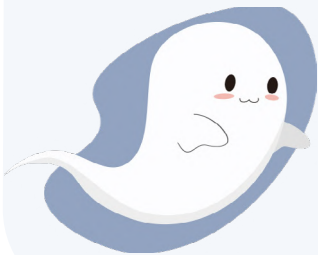
<b>Key Takeaways</b> .....	03
This years biggest take aways.	
<b>Industry Growth and Insights</b> .....	04
A glance at the quick service industry.	
A glance at the full service industry.	
<b>Labor Insights</b> .....	09
How did Covid-19 impact the food service workforce?	
<b>Minumum Wage Updates</b> .....	12
Minimum wage and updates by Province.	
Minimum wage and updates by State.	
<b>Trends</b> .....	14
Thoughts and stats on this years hottest trends.	
<b>Industry Ecosystem</b> .....	15
The industries tech ecosystem, and the companies within.	
<b>Sources</b> .....	16



## Key Takeaways



- Quick-service sales have nearly recovered since the pandemic dip.
- Full-service restaurants may take longer to return to pre-pandemic numbers.
- USA Full-service restaurants are recovering more quickly than Canadian stores.



- Industry shifts that took place due to the pandemic, like ghost kitchens and dine out experience optimization might be here to stay.



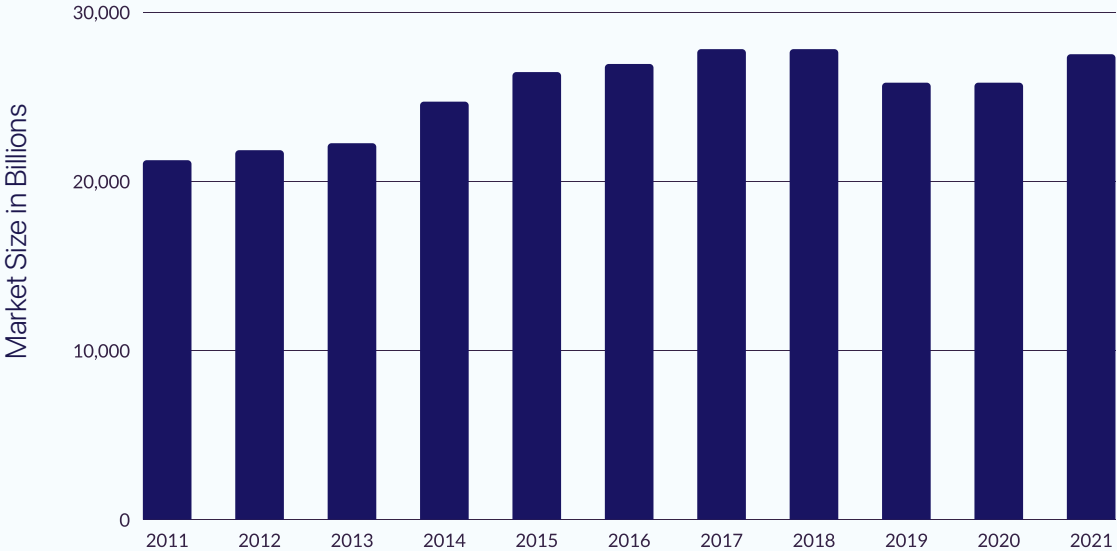
- The restaurant industry was hit the hardest over the past 2 years by the pandemic, but the future of growth and progress is hopeful.



# Industry Growth and Insights

A Glance at the Canadian Quick Service Industry.

Quick Service Restaurants Growth in Canada 2011-2021



Source: IBIS World

**\$28B**  
Market Size

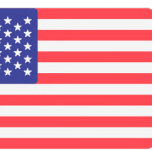
**31,361**  
Number of Businesses

**402,477**  
Industry Employment

The market size of the quick service restaurant sector in Canada was 25.82B USD in 2020, dropping due to the pandemic in 2019, but recovering quickly to reach 27.57B USD in 2021, now reaching 28B USD.

The quick-service industry made a fast comeback and was less impacted by the service aspect than full service establishments.

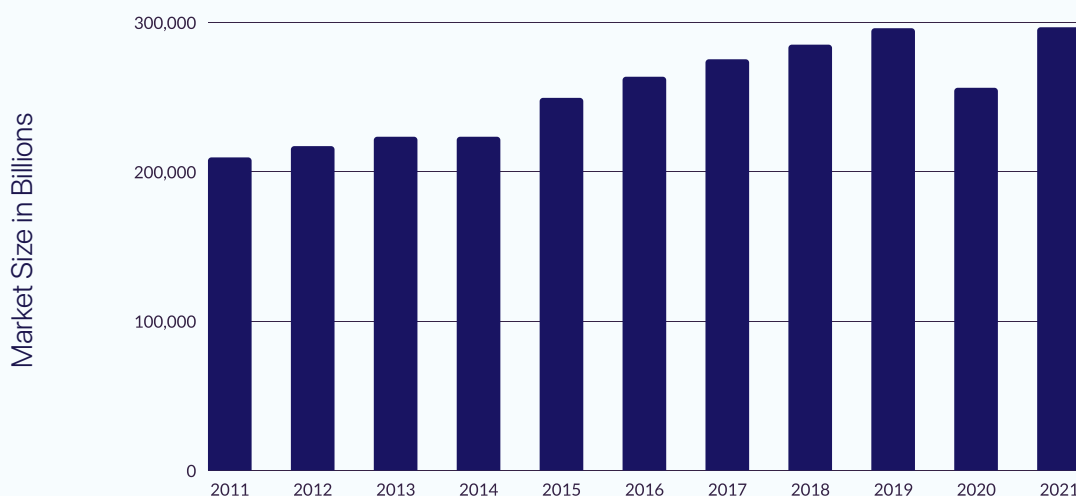
Source: IBS World, 2021



# Industry Growth and Insights

A Glance at the American Quick Service Industry.

Quick Service Restaurants Growth in the USA 2011-2021



Source: IBIS World

**\$297B**

Market Size

**294,357**

Number of  
Businesses



**4,791,005**

Industry  
Employment

Industry experts believe that because most quick service restaurants had already developed off-premise services like drive-thru and takeout prior to the pandemic, they were less heavily affected than full-service restaurants when lockdown restrictions were instituted and, as such, have made a quicker more robust recovery.

In the states, the QSR industry is valued at 297B USD.

Source: IBS World, 2021



The biggest  
**Canadian**  
fast food  
chain:

**Tim Hortons**

2021 Sales:

**\$831  
million**

Locations:

**4,2688**



Canada loves their fast food chains. Fast food is a \$27 billion industry that employs nearly one million people or about 2.7% of the total population of Canada.



The biggest  
**American**  
fast food  
chain:

**McDonald's**

2021 Sales:

**\$40.412  
billion**

Locations:

**13,846**



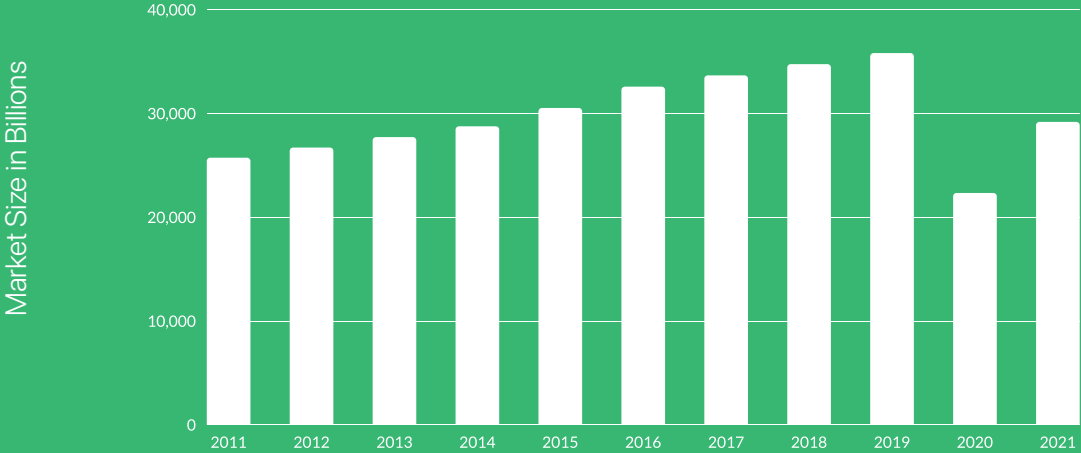
In 2021, the quick service restaurant industry has made a full recovery, with sales projected to surpass pre-pandemic sales at \$296.55 billion, according to data from Statista.



# Industry Growth and Insights

A Glance at the Canadian Full-Service Restaurant Industry.

Full-Service Restaurants Growth in Canada



Source: IBIS World

**\$29bn**  
Market Size

**38,873**  
Number of Businesses

**531,399**  
Industry Employment

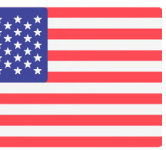
In 2019, the market size of the full service restaurant sector in Canada peaked at 35.78B USD.

However, as result of COVID-19, the market size decreased to 22.3B USD in 2020.

The Canadian market is now sitting at 29.15B USD in 2021.

The full-service restaurant industry is slower to recover, with many restaurants that were not able to stay in business during the pandemic.

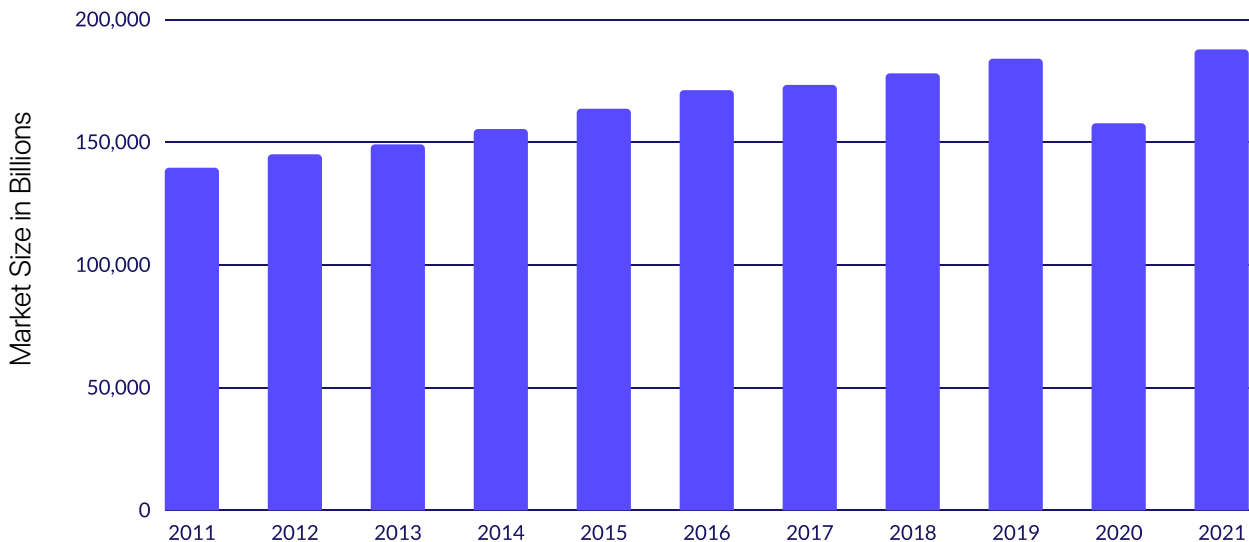
Source: IBS World, 2021



# Industry Growth and Insights

A Glance at the American Full-Service Restaurant Industry.

Full-Service Restaurants Growth in USA (single location)



Source: IBIS World

**\$188bn**

Market Size

**162,024**

Number of  
Businesses



**3,063,899**

Industry  
Employment

In the US, the market size of full service restaurants (excluding chains) has grown 1.9% per year on average for the last 5 years.

As the coronavirus subsides, the industry's growth is expected to continue growing at a similar pace as restaurants open back up, and continue to adapt to COVID-19 changes.

Although restaurants in the States took a hit in 2020, the market is recovering more quickly than that of the Canadian market.





# Labor Insights

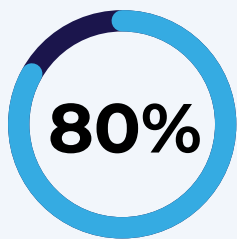
## On the Canadian Food Service Industry.

Before the start of the COVID-19 pandemic, Canada's foodservice sector was a \$95 billion dollar industry, directly employing close to 1.2 million people.

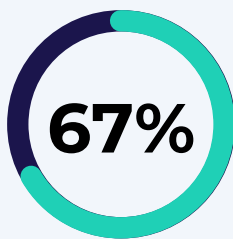
This used to be Canada's number one source of "first jobs", serving 22 million customers across the country every day.

Due to the pandemic, employers in this industry took a hit - but luckily, Canada's unemployment rate is forecast to steadily improve, averaging 7.6% in 2021 and 6.3% in 2022.

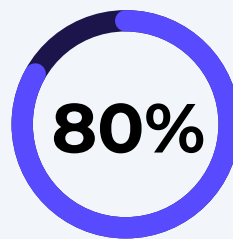
### How the pandemic impacted restaurant hiring.



80% of managers had trouble filling back-of-house positions.



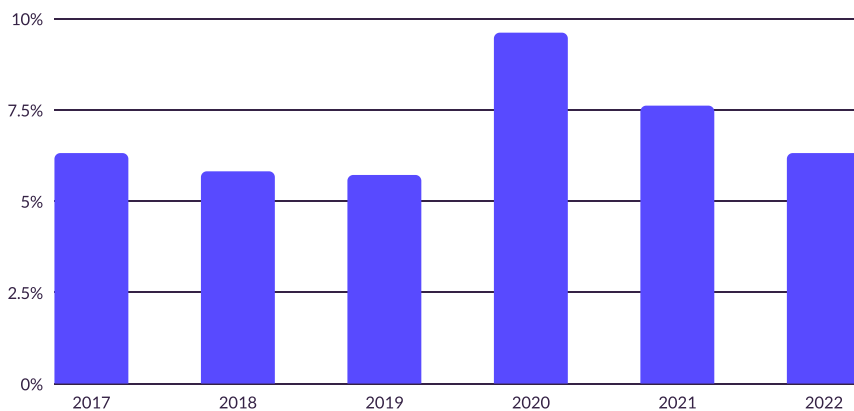
67% of managers had trouble filling front-of-house positions.



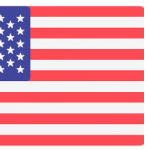
80% of managers said they would struggle to keep staff if they had to cut hours again.

Source: Restaurants Canada, 2021

The Canadian Unemployment Rate



Source: Restaurants Canada.org 2021



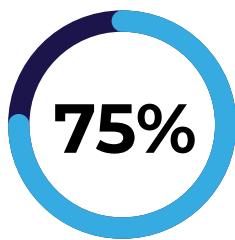
# Labor Insights

## On the American Food Service Industry.

New data from the National Restaurant Association found that 75% of restaurant businesses in the U.S. reported that retaining employees was the top challenge facing their business.

Some workers are not returning to the industry - citing low pay and COVID-19 safety concerns as the reason. Others have simply moved on to work in other sectors.

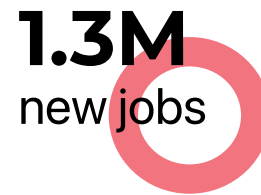
Nevertheless, in 2021 the food service sector grew by 1.3m restoring to to close to its pre-pandemic employment levels.



Of operators saying recruiting and retaining workers was their top business challenge.



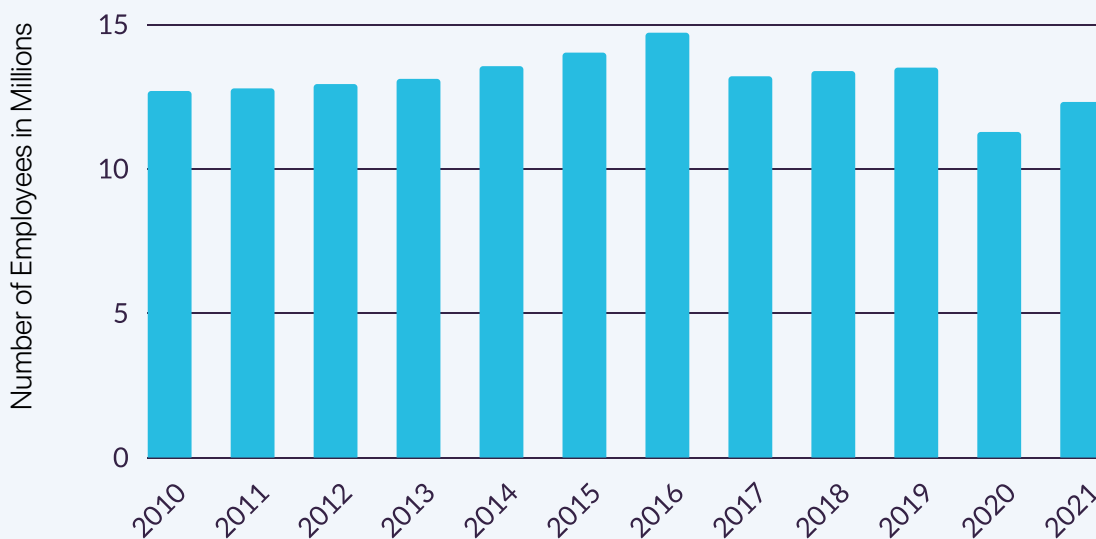
There are nearly 2million fewer 16-34 year olds in the restaurant labor force.



In 2021 the food service sector added 1.3m jobs, returning close to it's pre-pandemic employment levels of 12.3m.

Source: National Restaurant Association, 2021

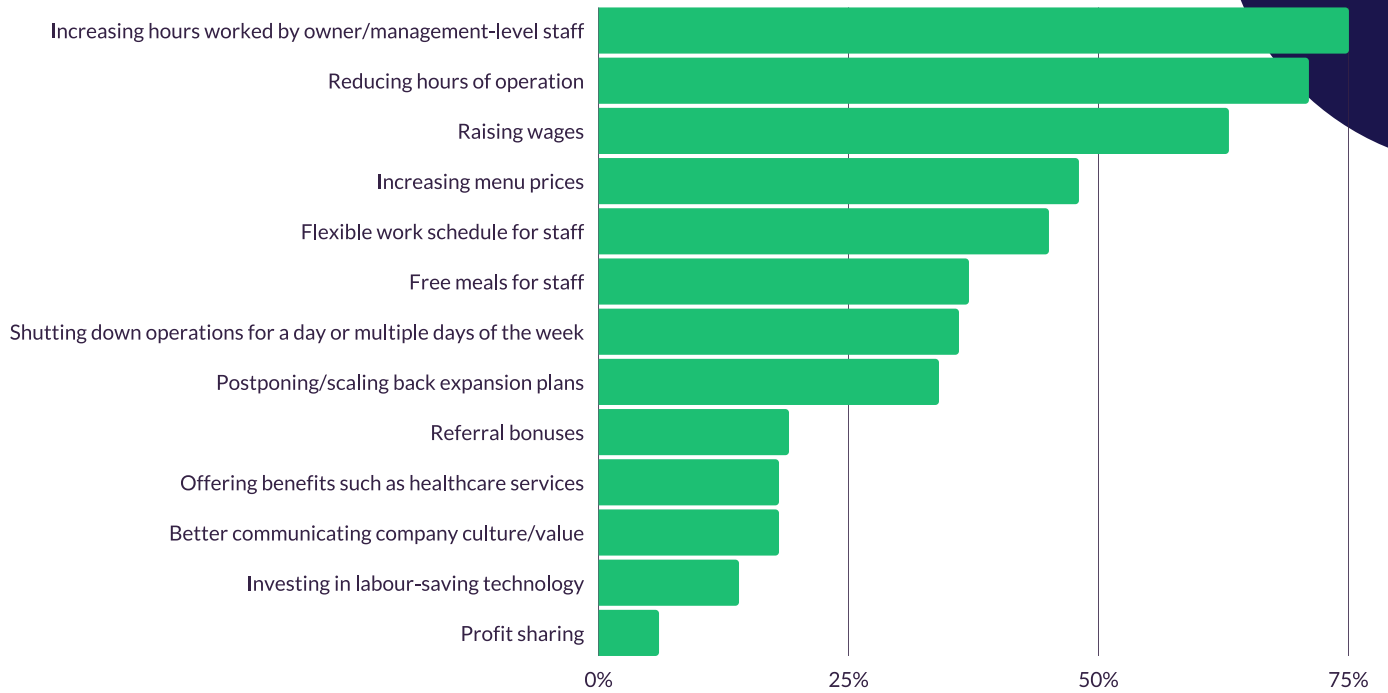
Number of employees in the restaurant industry in the USA



Source: National Restaurant Association, 2021

# Labor Insights

## How Foodservice Operators Are Responding to the Labour Shortage



Source: National Restaurant Association, 2021



# Canadian Minimum Wage Updates

Minimum wage by Province, and when changes took place.

	General Minimum Wage	Latest Update
Alberta	\$15.00/hour	Student : \$13.00/hour
British Columbia	\$15.20/hour	Both the general minimum wage and liquor server wage increased to \$15.20/hour on June 1, 2021, effectively eliminating the liquor server wage.
Manitoba	\$11.95/hour	Effective as of October 1, 2021.
New Brunswick	\$11.75/hour	Effective as of April 1, 2021.
Newfoundland and Labrador	\$12.75/hour	Effective as of Oct. 1, 2021.
Northwest Territories	\$13.46/hour	Effective as of April 1, 2021.
Nova Scotia	\$12.95/hour	Effective as of Oct. 1, 2021.
Nunavut	\$16.00/hour	Effective as of April 1, 2021.
Ontario	\$14.35/hour	Student : \$13.50/hour
Prince Edward Island	\$13.00/hour	Effective as of April 1, 2021.
Quebec	\$13.50/hour	Tipped Minimum Wage: \$10.80/hour
Saskatchewan	\$11.81/hour	Effective as of Oct. 1, 2021.
Yukon	\$13.85/hour	Effective as of April 1, 2021.

Source: Retail Council, 2021

# American Minimum Wage Updates

Minimum wage by State, and when changes took place.

	General Minimum Wage
Alabama	\$7.25
Alaska	\$10.34
Arizona	\$12.15
Arkansas	\$11.00
California	\$14.00
Colorado	\$12.32
Connecticut	\$13.00
Delaware	\$9.25
District of Columbia	\$15.20
Florida	\$8.65
Georgia	\$7.25
Hawaii	\$10.10
Idaho	\$7.25
Illinois	\$11.00
Indiana	\$7.25
New Jersey	\$12.00
New Mexico	\$10.50
New York	\$12.50
North Carolina	\$7.25
North Dakota	\$7.25
Ohio	\$8.80
Oklahoma	\$7.25
Oregon	\$12.75
Pennsylvania	\$7.25
Puerto Rico	\$6.55
Rhode Island	\$11.50

	General Minimum Wage
Iowa	\$7.25
Kansas	\$7.25
Kentucky	\$7.25
Louisiana	\$7.25
Maine	\$12.75
Maryland	\$11.75
Massachusetts	\$13.50
Michigan	\$9.65
Minnesota	\$10.08
Mississippi	\$7.25
Missouri	\$10.30
Montana	\$8.75
Nebraska	\$9.00
Nevada	\$9.75
New Hampshire	\$7.25
South Carolina	\$7.25
South Dakota	\$9.45
Tennessee	\$7.25
Texas	\$7.25
Utah	\$7.25
Vermont	\$11.75
Virginia	\$9.50
Washington	\$13.69
West Virginia	\$8.75
Wisconsin	\$7.25
Wyoming	\$7.25

# Top 2021 Restaurant Industry Trends

That are here to stay.



## Ghost Kitchens

Ghost kitchens are predicted to account for 21% of the restaurant industry by 2025.



## Healthy & Veg Options

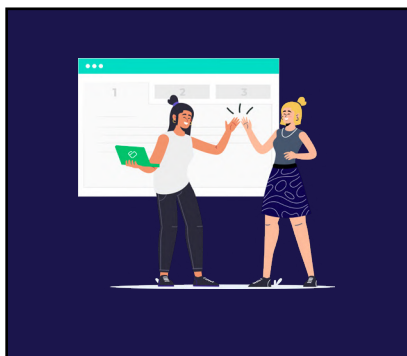
38% of on-premises customers say healthy choices would impact their restaurant choice.

# 38%



## Take out liquor

Ordering alcohol through delivery services could account for 5-10% of said restaurant sales.

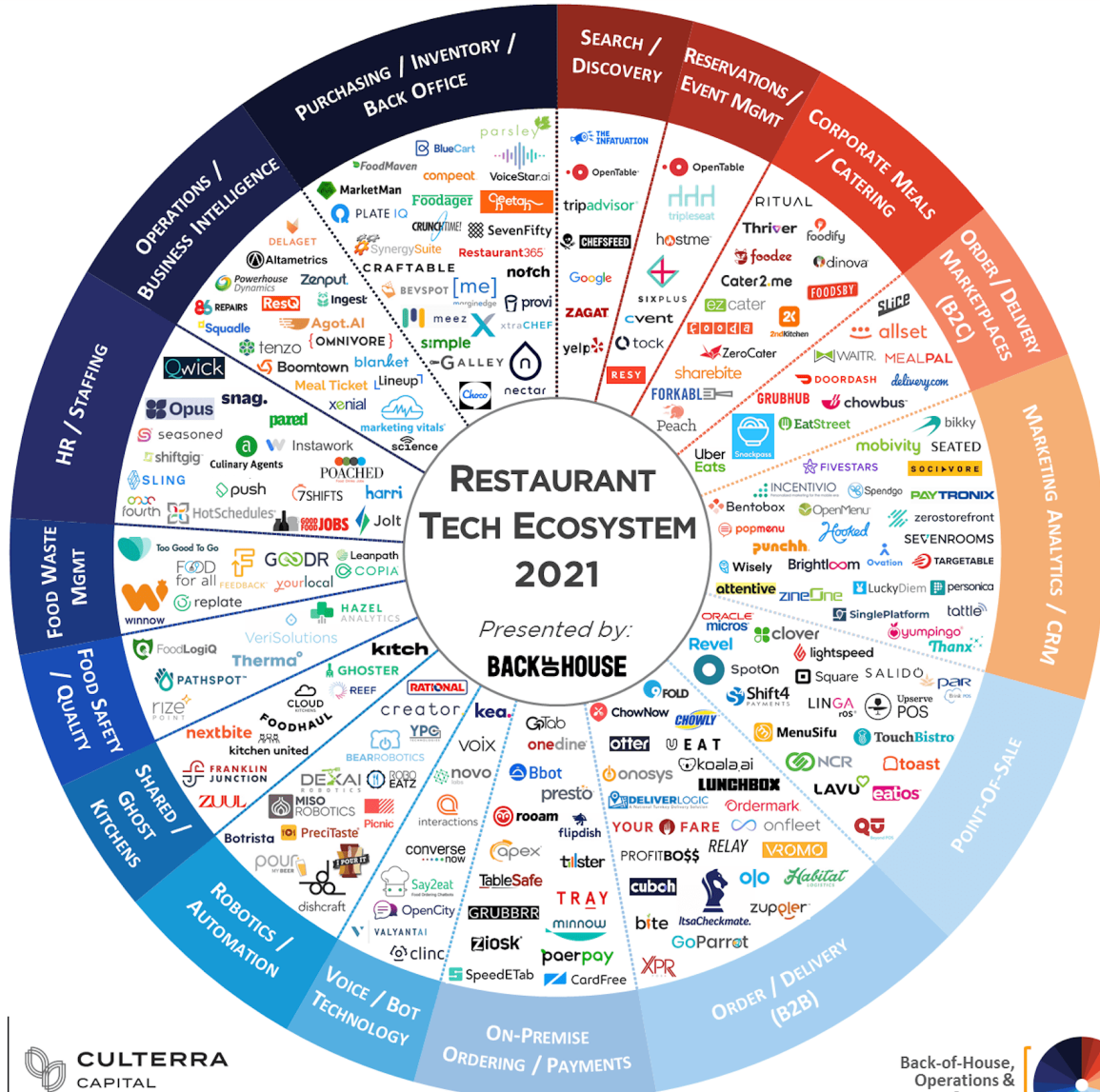


## Technology and innovation

Innovations in technology like digital menus, online ordering platforms, and third party delivery services are here to stay.

# The Industry Ecosystem

Understanding the industry ecosystem, and the companies within.



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