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somewhat more optimistic about sales growth and the economy

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WASHINGTON — Buoyed by positive sales results and a more optimistic outlook among restaurant operators, the National Restaurant Association's [Restaurant Performance Index](#) (RPI) rose above 100 in March.

The RPI – a monthly composite index that tracks the health of and outlook for the U.S. restaurant industry – stood at 100.6 in March, up 0.7 percent from February's level of 99.9. March represented the second time in the last three months that the RPI stood above 100, which signifies expansion in the index of key industry indicators.

“The Restaurant Performance Index gain was driven by stronger same-store sales results in March, with comparisons aided by the Easter holiday occurring during the month,” said Hudson Riehle, senior vice president of the Research and Knowledge Group for the Association. “In addition, restaurant operators are somewhat more confident in the economy and a majority plan to make a capital expenditure in the next six months.”

The RPI is constructed so that the health of the restaurant industry is measured in relation to a steady-state level of 100. Index values above 100 indicate that key industry indicators are in a period of expansion, while index values below 100 represent a period of contraction for key industry indicators. The Index consists of two components – the Current Situation Index and the Expectations Index.

The Current Situation Index, which measures current trends in four industry indicators (same-store sales, traffic, labor and capital expenditures), stood at 99.8 in March – up 1.5 percent from February's level. Although restaurant operators reported

net positive same-store sales results in March, softness in the customer traffic and

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While overall sales were positive in March, restaurant operators reported a net decline in customer traffic for the fourth consecutive month. Thirty-four percent of restaurant operators reported higher customer traffic levels between March 2012 and March 2013, while 42 percent of operators said their traffic declined. In February, 24 percent of operators reported an increase in customer traffic, while 53 percent reported lower traffic levels.

Despite the mixed sales and traffic results, restaurant operators reported an increase in capital spending activity. Fifty-one percent of operators saying they made a capital expenditure for equipment, expansion or remodeling during the last three months, up from 48 percent who reported similarly last month.

The Expectations Index, which measures restaurant operators' six-month outlook for four industry indicators (same-store sales, employees, capital expenditures and business conditions), stood at 101.4 in March – unchanged from February's level. Each of the four expectations indicators stood above 100 for the third consecutive month, which suggests restaurant operators are optimistic about business conditions in the coming months.

Restaurant operators remain generally optimistic that their sales will improve in the months ahead. Forty-four percent of restaurant operators expect to have higher sales in six months (compared to the same period in the previous year), up slightly from 41 percent last month. Meanwhile, 15 percent of restaurant operators expect their sales volume in six months to be lower than it was during the same period in the previous year, essentially unchanged from 14 percent last month.

Restaurant operators are somewhat more bullish that the economy will improve in the coming months. Thirty-two percent of restaurant operators said they expect economic conditions to improve in six months, up from 25 percent last month and

the highest level in 10 months. However, 20 percent of operators said they expect

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Restaurant Industry Tracking Survey, which is fielded monthly among restaurant operators nationwide on a variety of indicators including sales, traffic, labor and capital expenditures. The full report is available online at Restaurant.org/RPI.

The RPI is released on the last business day of each month, and a more detailed data and analysis can be found on [Restaurant TrendMapper](#), the Association's subscription-based web site that provides detailed analysis of restaurant industry trends.

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