

Fancy restaurants and casual chains will thrive. The places in between won't.

BY LAURA REILEY

Even before the pandemic, some food industry analysts believed that we'd already seen the end of the golden age of dining out in America — that rising labor and food costs, significant ground ceded to third-party delivery companies, and shifting consumer tastes were stymieing innovation and squeezing profits. Reeling from #MeToo and racial-inequity scandals, the restaurant industry was in a period of reckoning and reinvention when, in March 2020, everything screeched to a standstill. Now the industry is back-ish, but many things will never be the same.

Dine-in visits to restaurants were down 49 percent in the 12 months ending in October 2021 compared with the pre-pandemic level in the year ending in October 2019. Off-premises orders (carryout, drive-through and delivery) represented 50 percent of casual restaurants' sales before the pandemic; now that figure is 80 percent. That's here to stay.

So far it doesn't sound like a loss, right? Assuming sufficient to-go containers, it just means swapping out where people consume food. Not exactly. The pandemic, coupled with an inequitable distribution of federal assistance, created winners and losers. The losers — many mom-and-pop restaurants, with a substantial portion of proprietors whose first language isn't English — are not able to compete on wages or keep their menu prices commensurate with those of deeper-pocketed peers. Many will go out of business.

There's still a customer for high-end "experiential" restaurants. And quick-serve chains will continue to flourish. But even these categories will face problems and flux. With so many restaurant jobs open, fewer kitchen workers are willing to endure the high stress and low pay of prestigious "stages" (the industry word for internships), which will diminish the pipeline of talent. And for quick-serve, labor shortages will expedite a turn toward kiosk ordering, touchless payment apps and robotics in food preparation.



READ THE TEXT AND ANSWER THE QUESTIONS

- no.1 Why did the golden age of restaurants end even before the pandemic?
- no.2 Is it possible for the restaurants to fully recover?
- no.3 What was the percentage drop in visitors between October 2019 and October 2021?
- no.4 What is the percentage difference between people ordering off-premises before and after the pandemic?
- no.5 Who are the main losers of this shift?
- no.6 Who are the main winners of this shift?
- no.7 What are the main issues that the restaurants are faced with this year?
- no.8 How will the companies deal with the labour shortages?

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