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Restaurant sales fell 0.3% in October after inflation outpaced revenue growth

Nominal sales rose 0.2% to $92.921 billion, a gain smaller than the 0.5% increase in menu prices

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U.S. restaurants and bars posted another monthly sales increase in October, but the gain did not keep pace with menu price inflation, leaving the sector with a decline in real terms.

Seasonally adjusted sales at food services and drinking places reached $92.921 billion in October, up 0.2% from September, according to Census Bureau retail sales tables released on Tuesday. The increase amounted to $227 million from the previous month. Measured against October 2025, sales were up $6.116 billion, or 7.0%.

After adjusting for inflation, however, the picture was weaker. The National Restaurant Association said its calculation, based on the Bureau of Labor Statistics index for food away from home, showed real sales fell 0.3% in October. That price index rose 0.5% during the month, exceeding the nominal sales gain reported by the Census Bureau.

The October reading extended a run of nominal monthly increases to nine months, but it also showed a slowdown from September, when sales had risen 0.9% from the prior month. The latest data suggests consumers continued to spend more dollars at restaurants and bars, but rising prices accounted for more than the entire monthly increase.

The Census Bureau figures cover food services and drinking places with paid employees and are reported in current dollars. That means the headline number reflects both changes in customer demand and changes in prices. The National Restaurant Association’s inflation-adjusted estimate is intended to isolate how much customers actually bought after stripping out the effect of higher menu prices.

The contrast between nominal and real sales is important for restaurant operators because revenue growth alone does not show whether traffic or order volume improved. A business can report higher sales even when customers order less, if prices rise fast enough. October’s numbers pointed to that kind of pressure across the sector.

On a year-over-year basis, the increase remained solid. Sales in October were 7.0% higher than a year earlier, suggesting the industry still generated more revenue than it did in late 2025. But the month-to-month slowdown and the decline after inflation showed that recent growth has become harder to sustain in real terms.

For the first 10 months of the year, unadjusted sales at restaurants and bars totaled $903.108 billion, up 4.8% from the same period in 2025. That cumulative figure indicates the sector has continued to expand in dollar terms through most of 2026,

even as operators face higher food, labor and occupancy costs and consumers remain sensitive to prices.

The inflation adjustment used in the industry analysis came from the October consumer price report published by the Bureau of Labor Statistics on November 10. The restaurant sales figures came from the Census Bureau’s advance retail sales release issued on Tuesday. Taken together, the reports showed that October brought another increase in reported restaurant revenue, but not enough to offset the rise in the cost of eating away from home.