



2020 Fast Casual State of the Industry

A comprehensive state-of-the-industry survey showing current and future trends of this vibrant restaurant segment.












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EXECUTIVE SUMMARY

People all over the world agree that 2020 has been the craziest year of their lives, and restaurant owners are clearly in that camp.

The pandemic has forced nearly [one in six U.S. restaurants](#) (representing nearly 100,000 restaurants) to close either permanently or long-term, and about 3 million restaurant employees are still out of work. The restaurant industry is on track to lose \$240 billion in sales by year's end, but that's not the whole story.

Although times have been hard, many fast casual restaurants have found ways to stay in business by applying for Paycheck Protection Program loans, as well as adapting business models to focus more on curbside and delivery orders.

For many, that included redesigning space in both the front- and back-of-house to expand contactless ordering while following social distancing mandates. Others had to launch mobile from scratch, however.

Most brands also got a little creative with their menus, creating family meal deals, take-home taco, burger or pizza kits and selling necessities like toilet paper and milk.

Although the pandemic is not yet in the rear-view mirror, there is a bit of light at the end of the tunnel with customers getting used to their new living conditions.

This year's Fast Casual State of the Industry report reveals how about 200 fast casuals have been coping with the pandemic, but it also polls them on the usual challenges they face each year. It's been an honor to tell their stories.

Sincerely,

Cherryh Cansler
VP of Editorial
Networld Media Group



Cherryh Cansler
*VP of editorial,
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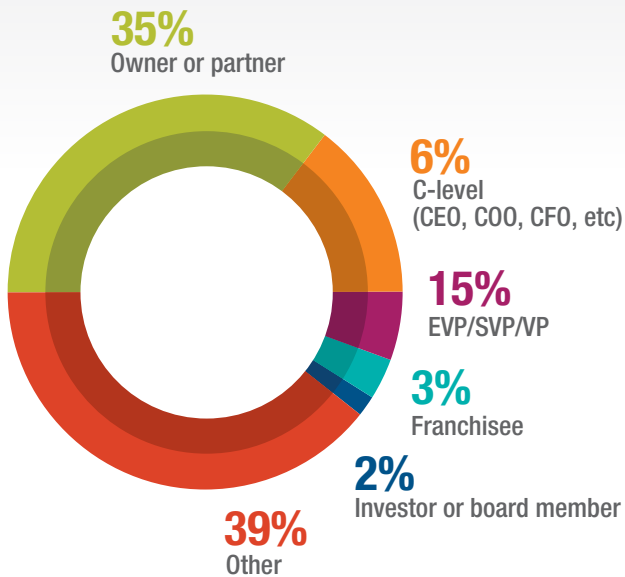


INDUSTRY SURVEY RESULTS

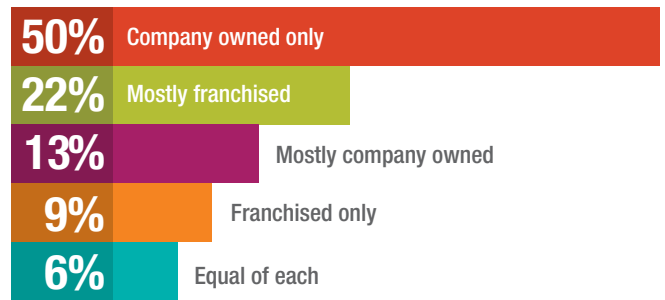
ABOUT YOUR BRAND

Note: Not all data will add up to 100% due to rounding

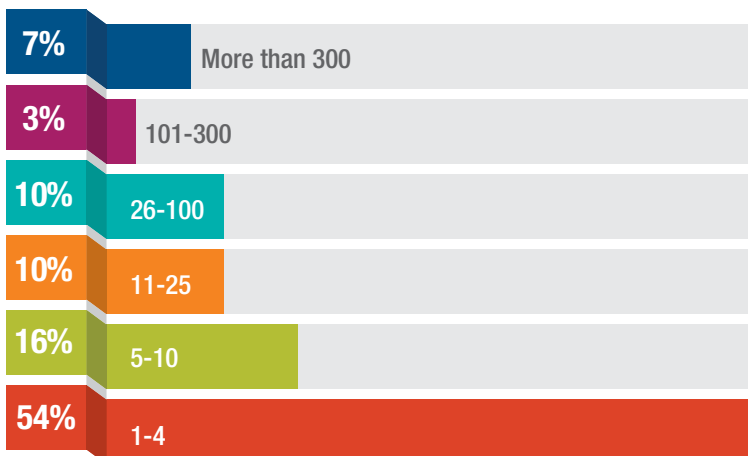
1. Which best describes your position within the restaurant/organization?



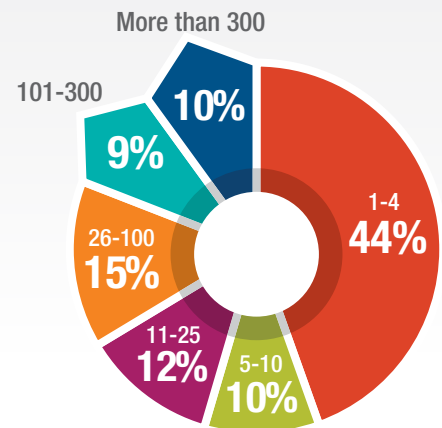
2. Which best describes your store ownership?



3. Which best describes your quantity of corporate locations?



4. Which best describes the number of locations in your organization?





INDUSTRY INSIGHTS

Importance of diversity in franchising

There are several reasons diversity in franchising is essential.

I equate franchising to entrepreneurship, and entrepreneurship to an opportunity for building wealth. Historically, minorities, particularly African Americans, have less wealth to transfer inter-generationally.

In 2016, the net worth of a typical white family (\$171k) was nearly 10 times greater than that of a Black family (\$17K). Gaps in wealth stem from the effects of accumulated inequality and discrimination, as well as differences in power and opportunity built over decades and centuries.

Kim Burrows,
Franchisee, Clean Juice

Given that, when African Americans do have accumulated wealth to invest in opportunities, I think we look for ways to lower the risk of losing that investment. Brands matter to African Americans in particular, so franchised brands that have proven themselves successful in the marketplace are an attractive means to an end of long-term wealth accumulation.

From the franchisor side, it is equally, if not more important, to have diversity throughout the ranks in support of the brand. It helps minimize blind spots and strengthens the brand's promise and brings to bear a stronger connection with customers.

Recent events have forced conversations around racial inequities and whether we even know or acknowledge the struggle of how difficult it is for African Americans to establish a good quality of life even in 2020. The accumulated effects of over-policing, neighborhood safety and security, access and opportunity, and even how far we've come in the workplace relative to progress started decades ago, were all brought to bear. Add to that a global pandemic with loss of lives, loss of jobs and minimal savings, and it's an extraordinary cocktail to sip.

Healthy in body, strong in spirit

If anything connects us as Africans throughout the diaspora and particularly in America, it is food, family and faith. Becoming a Clean Juice franchisee has allowed me to create a greater purpose by bringing those three things together in this aspect of my career. This is the first time in a long time where people have not had the opportunity to assemble and fellowship in masse as many are used to doing. Hence, it forces a kind of personal faith development that we have never had to rely on before, and a one on one engagement with others.





Every transaction, every interaction, decides to build up or tear down, leave things better, or make them a bit worse. Starting a restaurant to help people have a healthy body and strong spirit is what we need right at this precise moment. We have to seize that and bring it to life. In a small way, it is the salve that helps to heal very deep wounds. We have a prayer jar in every restaurant, and periodically we empty it and read those slips of paper and pray over our customers. It puts your life in perspective.

My hope for the future is less division and more trust and understanding as a community. That comes from education, engagement and empathy. It's not easy, but it's fundamentally necessary. My hope as a small business owner is to continue to do what I've come to love and expand when the opportunity is right. My hope as a wife and mom is for my family to stay healthy. Starting a business means we have to rely on each other so much more, and it's made us all the better for it. My husband has worked in his company for 20 years, so he's the "steady Eddie" in the relationship. I'm the dreamer and idea person, but he figures out how to get it done in real life. We have a daughter who is a sophomore volleyball player at Florida State, and another senior preparing to head off to college. Our youngest son is in 8th grade, so we have our hands full at home. In the end, the one thing that connects us is our hopes for what we want out of life for our children. Those things are pretty standard. I hope to raise kids to walk with more gratitude, more grace and more understanding.