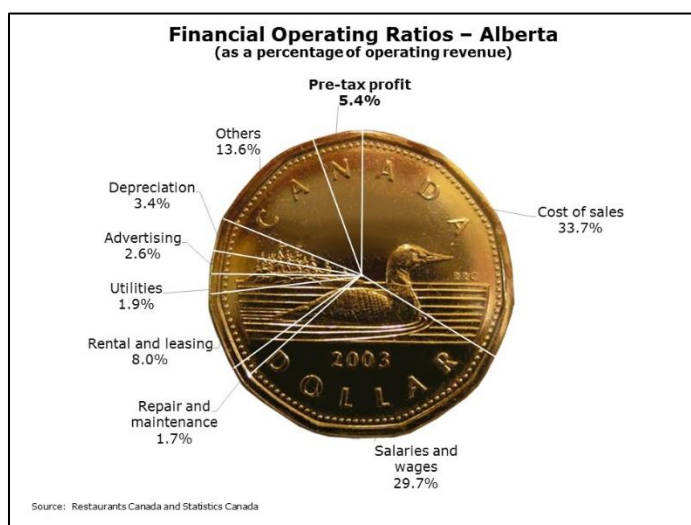


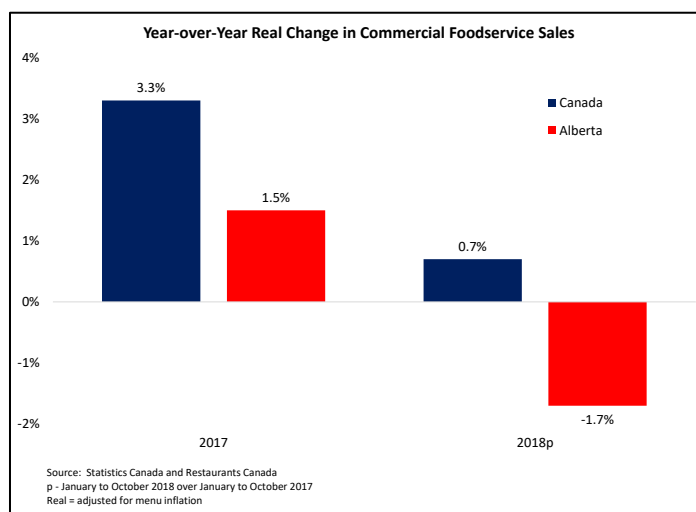
Foodservice is Everyone's Business

A thriving foodservice sector is critical to the wellbeing of communities across Alberta, contributing jobs, investment, innovation, tourism and spaces for social activities and civic engagement. But running a foodservice business in this province is a highly competitive, labour intensive effort — with an average pre-tax profitability of only about 5 per cent. Unfortunately, many of Alberta's restaurants are struggling to survive due to a number of recent legislative and regulatory changes that have dramatically increased the cost of doing business in the province. Working together with Restaurants Canada, Alberta's next government has an opportunity to improve conditions for foodservice businesses so that they can continue contributing to diverse and dynamic communities.



Current State of Alberta's Restaurant Industry

For years, Alberta's foodservice sales growth led the nation, with many built-in advantages such as no sales tax. Over the past three years, however, the province's foodservice sales growth has ranked second last in Canada. Following a 1.7 per cent decline in 2018¹, real food-service sales in Alberta are forecast to grow by 1 per cent in 2019 — this is factoring in expected menu inflation of 3.8 per cent. By way of comparison, real sales in all of Canada are forecast to climb by 1.4 per cent in 2019.



¹ Based on the most recent 2018 data available as of January 2019

While real foodservice sales (sales adjusted for menu inflation) should begin to rebound in 2019, they're still expected to remain 3.5 per cent below what the industry reported in 2014. This weak growth in real sales reveals the difficulties that Alberta's restaurateurs are continuing to face, not only from the recession, but minimum wage hikes and other operating cost increases. They're having to make tough choices: their main options are to raise menu prices, reduce staffing levels, or a combination of both. Many have lost skilled workers, in some cases their businesses, and in other cases they can no longer consider expanding or providing more jobs — they are out there mining for margins, just trying to survive.

Since 2015, a perfect storm of operational cost increases from legislative and regulatory changes, combined with a weak provincial economy, have contributed to the following setbacks:

- The number of workers employed in the foodservice and accommodation sector has dropped by 10,200 since a peak of 159,600 in February 2015 to 149,400 as of December 2018.
- The average number of workers per unit dropped from 13 to 11.7 between 2015 and 2018.
- Foodservice operators have been struggling more and more each year; from 2015 to 2018, there was a 9.1 per cent decline in the average sales per unit, after adjusting for menu inflation.

Over the past four years, policies that were intended to boost earnings and reduce the cost of living for Albertans have instead decreased employment opportunities in the foodservice sector and increased prices for diners.

What You Can Do

Working together with Restaurants Canada, Alberta's next elected government has an opportunity to improve the realities of restaurants in this province. As election day approaches, we encourage you to:

- Learn about policy solutions that you can share with local candidates at restaurantrealities.ca.
- Join the conversation about [#RestaurantRealities](https://twitter.com/RestaurantRealities) on social media.

Together we can make our voice heard!

