

Worth Their Salt?

RestaurantOwner.com Industry Survey:
2013 Restaurant Labor Cost

Misjudging these numbers can blow the budget and undermine your business plan, or can result in excessive and expensive staff turnover. It's a tricky gauntlet, particularly if you are making your decisions in a vacuum.

By Barry K. Shuster

Salary is defined as a fixed amount of money or compensation paid to an employee by an employer in return for work performed. The notion of a worker being “worth his salt” is derived from evidence that Roman soldiers were paid in salt at one time, and this notion worked its way into our modern vernacular.

Not only salary, but total compensation including benefits weighs heavily on employers and employees. As the country fights its way out of the most recent recession, employees are not only concerned with finding jobs, but also finding jobs with sufficient compensation for a comfortable existence. The restaurant industry is one of the nation's largest employers and a first-rung in the economic ladder; however, it often is derided as a source of jobs with barely livable wages. Recently, fast-food restaurant workers dissatisfied with their wages received broad media coverage.

As an independent restaurant operator and owner, you know that food and labor comprise your prime cost,

which must be managed to maintain a sustainable profit. You compete for talent with many other operations. As an independent operator who works closely with your staff, you want to feel that you treat your employees fairly.

Particularly small-business owners put off the discussion regarding raises longer than they should, not only due to the often emotional nature of the subject, but because the owners don't have any basis to deny or grant requests other than, “We can't afford it.” That is a dangerous statement, since it could indicate the business is in financial duress. And if the owner and key staff seem to be doing well by outward appearances, it seems disingenuous. Ideally, you would be able to cite data to defend your current compensation level.

You have a lot riding on selecting the proper staffing and compensation levels. Correctly judging the optimum number of staff to hire, and what they should be paid, is a significant challenge for start-up operators and independent restaurateurs alike, regardless of how long they've been in business. Getting it right is essential to





the success of the restaurant. Likewise, misjudging these numbers can blow the budget and undermine your business plan, or can result in excessive and expensive staff turnover. It's a tricky gauntlet, particularly if you are making your decisions in a vacuum.

Most available restaurant employee compensation data tend to be reported by the large chains. Our readers are largely independent and emerging-chain operators. That is why this magazine's companion website, RestaurantOwner.com, compiled data from 997 RestaurantOwner.com member operators and owners across the United States that reflect this industry segment. (This survey is one of many restaurant research projects that RestaurantOwner.com conducts to provide operational information to its members.)

Respondents disclosed what they pay and how many staff they employ for their concept. The results were grouped according to several criteria to provide meaningful comparisons of operations with varying concepts and annual sales.

A note to empirical research and statistical wonks: The purpose of this study was not to generate an unassailable authoritative industry report, in terms of research methods and statistical validity. Instead, it was designed to provide the *Restaurant Startup & Growth* reader and RestaurantOwner.com member accurately reported raw data on what a number of their peers in the business pay their managers and staff.

Where appropriate, the editors comment on the data to help provide perspective. As you will note, some of the numbers invite questions, if only, "Does that makes sense?" Accordingly, there are anomalies and inconsistencies that require explanation. We are confident that this data will help you in your quest to accurately estimate your staffing needs and cost.

Labor Cost as a Percentage of Sales

Labor cost percentage is one of the most important measurements by

which restaurateurs control costs. The following tables show the labor cost percentages reported by respondents. The results have been divided into full service and limited service.

These figures should be read as based on total compensation, both salary and benefits. A rule of thumb for all restaurants: Total payroll cost should not exceed 30 percent to 35 percent of total sales for full-service operations, and 25 percent to 30 percent of sales for limited-service restaurants. Employee benefits should not exceed 6 percent of total sales and 23 percent of gross payroll; however, employee benefits can vary somewhat depending primarily on state unemployment tax rates and state workers' compensation insurance rates.

California, for example, has had for the past several years very high workers' compensation premium rates as compared with rates in other states. Restaurants that are new or have had a large number of unemployment claims may have state unemployment tax rates that could cause their employee benefits to be higher than the aforementioned rules of thumb.

If the upper quartile labor cost totals of 39.29 percent and 37.5 percent for full- and limited-service

cost — the sum of the restaurant's sales and payroll costs — which should not exceed 65 percent of total sales for table-service operations, and 60 percent or less for limited-service operations.

With labor costs at more than 39 percent of total sales, you wonder how the business can remain profitable when you add costs of sales. Some of the most profitable restaurants in our industry have a food cost in excess of 40 percent.

Consider that food costs vary, based on concept. A typical steak or seafood house, where expensive proteins are the stars of the plate, would have food costs that require a sharp pencil when budgeting labor as a cost of sales. Some restaurants, like many ethnic concepts, have relatively low food costs, with some well under 30 percent of sales. Often these restaurants have lower check averages and are more labor intensive, so their payroll costs are much higher as a percentage of sales than, say, a steak or seafood restaurant.

On the other hand, it is possible that some of the restaurants in this quartile are struggling to remain profitable. If this includes your business, you might

Labor Cost as a Percentage of Sales			
Full Service	Lower Quartile	Median	Upper Quartile
Total Labor Cost (including benefits)	23.45%	31.43%	39.29%
Management	6.27%	8.41%	11.71%
Hourly - Front of House	3.85%	6.25%	9.44%
Hourly - Back of House	6.25%	10.00%	13.52%
Limited Service	Lower Quartile	Median	Upper Quartile
Total Labor Cost (including benefits)	21.90%	27.44%	37.50%
Management	6.67%	9.23%	11.90%
Hourly	9.22%	15.90%	21.43%

restaurants perspective raise your eyebrows, congratulations for paying attention. You might very well ask how these restaurants in this range can remain profitable. This is particularly so if you consider that another important restaurant operation "rule of thumb" is your business's prime

want to consider where your restaurant falls within the range and then determine if your numbers are out of line.

Pay Rates By Geographic Region

Pay rates vary from one geographic region to another. Cost of living,



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state minimum wage laws, and other factors have a significant effect on pay scales for various jobs.

Our survey data is collected from RestaurantOwner.com members, who are primarily independent restaurateurs. One of the questions we asked operators to answer is what they pay in salary and hourly wages before tip income for the following positions:

- Annual salaries: general manager, chef/kitchen manager, assistant manager, bookkeeper, catering director.
- Hourly wages: wait staff, bartender, host/hostess, busser, cashier, barback, runner, sous-chef, line cook, prep/pantry, dishwasher, expeditor.

As you will note, some of the data is organized regionally. These include:

- North Central region: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin.
- Northeast region: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont.

- Southern region: Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia.
- Western region: Arizona, California, Colorado, Idaho, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming.
- U.S. other: Alaska, Guam, Hawaii, Puerto Rico, Virgin Islands.

In the table on the lower left, note that the catering director and general manager average the same salary for full-service restaurants in the lower quartile, which doesn't seem to make sense. Anomalies here might include respondents with relatively robust catering operations and catering managers paid on a commission basis, which can add up. The difference in salary between these positions, however, seems to be more reasonable in the median and upper quartile ranges.

In regard to hourly pay rates, variations might be attributed to state minimum wages. For example, in the case of wait staff, respondents in the lower quartile appear to have reported the federal minimum wage less the

Pay Rate Survey - Northeastern Region			
Full Service			
Annual Salaries	Lower Quartile	Median	Upper Quartile
General Manager	\$35,000	\$55,000	\$65,000
Chef/Kitchen Manager	\$35,000	\$45,000	\$55,000
Asst. Manager	\$35,000	\$35,000	\$45,000
Bookkeeper	\$25,000	\$25,000	\$35,000
Catering Director	\$35,000	\$35,000	\$45,000
Limited Service			
Annual Salaries	Lower Quartile	Median	Upper Quartile
General Manager	\$20,000	\$35,000	\$55,000
Chef/Kitchen Manager	\$35,000	\$35,000	\$35,000
Asst. Manager	\$25,000	\$25,000	\$25,000
Bookkeeper	N/A	N/A	N/A
Catering Director	N/A	N/A	N/A
Hourly Pay Rates - All Service Types			
Positions	Lower Quartile	Median	Upper Quartile
Waitstaff	\$3	\$3	\$5
Bartender	\$5	\$5	\$7-\$8
Host/Hostess	\$7-\$8	\$8-\$9	\$9-\$10
Busser	\$5	\$6-\$7	\$7-\$8
Cashier	\$7-\$8	\$8-\$9	\$9-\$10
Barback	\$5	\$5	\$7-\$8
Runner	\$5	\$7-\$8	\$8-\$9
Sous Chef	\$12-\$13	\$14-\$15	\$17
Line Cook	\$10-\$11	\$11-\$12	\$13-\$14
Prep/Pantry	\$9-\$10	\$10-\$11	\$11-\$12
Dishwasher	\$8-\$9	\$9-\$10	\$10-\$11
Expeditor	\$8-\$9	\$9-\$10	\$11-\$12

Pay Rate Survey - North Central Region			
Full Service			
Annual Salaries	Lower Quartile	Median	Upper Quartile
General Manager	\$35,000	\$45,000	\$55,000
Chef/Kitchen Manager	\$35,000	\$35,000	\$45,000
Asst. Manager	\$25,000	\$35,000	\$35,000
Bookkeeper	\$20,000	\$20,000	\$35,000
Catering Director	\$20,000	\$25,000	\$45,000
Limited Service			
Annual Salaries	Lower Quartile	Median	Upper Quartile
General Manager	\$25,000	\$35,000	\$45,000
Chef/Kitchen Manager	\$25,000	\$25,000	\$45,000
Asst. Manager	\$20,000	\$25,000	\$25,000
Bookkeeper	\$20,000	\$35,000	\$35,000
Catering Director	N/A	\$35,000	\$45,000
Hourly Pay Rates - All Service Types			
Positions	Lower Quartile	Median	Upper Quartile
Waitstaff	\$3	\$5	\$5
Bartender	\$5	\$6-\$7	\$8-\$9
Host/Hostess	\$7-\$8	\$7-\$8	\$8-\$9
Busser	\$5	\$7-\$8	\$7-\$8
Cashier	\$7-\$8	\$8-\$9	\$8-\$9
Barback	\$5	\$7-\$8	\$7-\$8
Runner	\$6-\$7	\$7-\$8	\$8-\$9
Sous Chef	\$11-\$12	\$12-\$13	\$15-\$16
Line Cook	\$9-\$10	\$10-\$11	\$11-\$12
Prep/Pantry	\$9-\$10	\$10-\$11	\$11-\$12
Dishwasher	\$7-\$8	\$8-\$9	\$9-\$10
Expeditor	\$7-\$8	\$8-\$9	\$10-\$11

Pay Rate Survey - Southern Region			
Full Service			
Annual Salaries	Lower Quartile	Median	Upper Quartile
General Manager	\$35,000	\$45,000	\$55,000
Chef/Kitchen Manager	\$35,000	\$35,000	\$45,000
Asst. Manager	\$25,000	\$35,000	\$35,000
Bookkeeper	\$20,000	\$25,000	\$45,000
Catering Director	\$20,000	\$25,000	\$45,000
Limited Service			
Annual Salaries	Lower Quartile	Median	Upper Quartile
General Manager	\$35,000	\$45,000	\$55,000
Chef/Kitchen Manager	\$25,000	\$35,000	\$35,000
Asst. Manager	\$25,000	\$25,000	\$35,000
Bookkeeper	\$20,000	\$20,000	\$35,000
Catering Director	\$20,000	\$25,000	\$45,000
Hourly Pay Rates - All Service Types			
Positions	Lower Quartile	Median	Upper Quartile
Waitstaff	\$3	\$3	\$5
Bartender	\$3	\$5	\$7-\$8
Host/Hostess	\$7-\$8	\$7-\$8	\$8-\$9
Busser	\$5	\$7-\$8	\$7-\$8
Cashier	\$7-\$8	\$8-\$9	\$9-\$10
Barback	\$5	\$7-\$8	\$7-\$8
Runner	\$6-\$7	\$7-\$8	\$7-\$8
Sous Chef	\$10-\$11	\$12-\$13	\$14-\$15
Line Cook	\$9-\$10	\$10-\$11	\$11-\$12
Prep/Pantry	\$8-\$9	\$9-\$10	\$10-\$11
Dishwasher	\$7-\$8	\$8-\$9	\$9-\$10
Expeditor	\$7-\$8	\$9-\$10	\$10-\$11

Pay Rate Survey - Western Region			
Full Service			
Annual Salaries	Lower Quartile	Median	Upper Quartile
General Manager	\$35,000	\$45,000	\$65,000
Chef/Kitchen Manager	\$35,000	\$45,000	\$55,000
Asst. Manager	\$35,000	\$35,000	\$45,000
Bookkeeper	\$20,000	\$25,000	\$35,000
Catering Director	\$25,000	\$35,000	\$55,000
Limited Service			
Annual Salaries	Lower Quartile	Median	Upper Quartile
General Manager	\$25,000	\$35,000	\$45,000
Chef/Kitchen Manager	\$25,000	\$25,000	\$35,000
Asst. Manager	\$25,000	\$25,000	\$25,000
Bookkeeper	\$20,000	\$20,000	\$35,000
Catering Director	N/A	N/A	N/A
Hourly Pay Rates - All Service Types			
Positions	Lower Quartile	Median	Upper Quartile
Waitstaff	\$5	\$8-\$9	\$8-\$9
Bartender	\$7-\$8	\$8-\$9	\$9-\$10
Host/Hostess	\$8-\$9	\$8-\$9	\$9-\$10
Busser	\$7-\$8	\$8-\$9	\$8-\$9
Cashier	\$8-\$9	\$9-\$10	\$9-\$10
Barback	\$7-\$8	\$8-\$9	\$9-\$10
Runner	\$8-\$9	\$8-\$9	\$9-\$10
Sous Chef	\$11-\$12	\$14-\$15	\$15-\$16
Line Cook	\$10-\$11	\$11-\$12	\$12-\$13
Prep/Pantry	\$9-\$10	\$10-\$11	\$11-\$12
Dishwasher	\$8-\$9	\$9-\$10	\$9-\$10
Expeditor	\$8-\$9	\$9-\$10	\$10-\$11

OFFERING YOUR MANAGERS AN INTEREST IN THE BUSINESS

One strategy to reward top managers and keep them on board is to give or offer for purchase an interest in your business. If you choose this route, make sure you confer with an attorney and CPA. There are a number of tax and legal issues that need to be addressed (e.g., what if the manager dies or becomes divorced, and his interests become entangled in probate or equitable distribution).

tip credit, which allows for a minimum hourly wage of \$2.13/hour.

Perhaps it would have been more instructive to know of the average total hourly compensation range including tips; however, that would make responding to this survey difficult and discourage response.

For nontipped employees who typically receive minimum or near-minimum wage — e.g., host/hostess and dishwashers — the pay rate ranges might very well reflect state variations. A number of states require minimum wages higher than the federal minimum of \$7.25/hour.

Staffing Levels By Position

The tables on the following page indicate the median number of staff employed by full- and limited-service restaurants. The responses were grouped according to annual sales volume. For example, for full-service restaurants, all respondents indicated an average of three managers on staff, with an average of \$562,188 in sales per manager and one manager per 44 seats. As you will note, manager productivity, as measured in sales per number of managers, increases steeply with overall sales volume.

The cashier position becomes more critical in limited-service restaurants for the obvious reason that transactions are completed over the counter rather than tableside.

Average Staffing Levels for Full-service Restaurants- By Annual Sales Volume					
Management	All Respondents	less than \$500,000	\$501,000 - \$1,000,000	\$1,000,000 - \$2,000,000	More than \$2,000,000
# on staff	3	2	2	3	5
# of seats per	44	45	46	43	43
Annual sales per	\$562,188	\$201,755	\$339,704	\$444,250	\$782,823
FOH-wait staff	All Respondents	less than \$500,000	\$501,000 - \$1,000,000	\$1,000,000 - \$2,000,000	More than \$2,000,000
# on staff	12	4	7	11	21
# of seats per	12	17	14	12	10
Annual sales per	\$148,100	\$79,894	\$102,919	\$124,291	\$181,541
FOH-bartenders	All Respondents	less than \$500,000	\$501,000 - \$1,000,000	\$1,000,000 - \$2,000,000	More than \$2,000,000
# on staff	4	1	2	3	5
# of seats per	43	73	51	44	40
Annual sales per	\$577,753	\$302,756	\$371,564	\$451,302	\$711,745
FOH-host/hostess	All Respondents	less than \$500,000	\$501,000 - \$1,000,000	\$1,000,000 - \$2,000,000	More than \$2,000,000
# on staff	3	1	2	3	5
# of seats per	49	76	66	53	42
Annual sales per	\$638,331	\$334,187	\$484,017	\$531,690	\$734,700
FOH-busser	All Respondents	less than \$500,000	\$501,000 - \$1,000,000	\$1,000,000 - \$2,000,000	More than \$2,000,000
# on staff	3	1	1	2	5
# of seats per	53	98	81	61	44
Annual sales per	\$717,235	\$423,953	\$577,242	\$609,940	\$791,835
FOH-cashier	All Respondents	less than \$500,000	\$501,000 - \$1,000,000	\$1,000,000 - \$2,000,000	More than \$2,000,000
# on staff	1	N/A	1	1	1
# of seats per	141	N/A	135	134	145
Annual sales per	\$1,930,045	N/A	\$968,711	\$1,400,288	\$2,790,960
FOH-barback	All Respondents	less than \$500,000	\$501,000 - \$1,000,000	\$1,000,000 - \$2,000,000	More than \$2,000,000
# on staff	1	N/A	N/A	N/A	1
# of seats per	220	N/A	N/A	N/A	156
Annual sales per	\$3,206,940	N/A	N/A	N/A	\$3,138,819
FOH-runner	All Respondents	less than \$500,000	\$501,000 - \$1,000,000	\$1,000,000 - \$2,000,000	More than \$2,000,000
# on staff	1	N/A	N/A	1	3
# of seats per	105	N/A	N/A	141	79
Annual sales per	\$1,493,929	N/A	N/A	N/A	\$1,526,514
BOH-Sous chef	All Respondents	less than \$500,000	\$501,000 - \$1,000,000	\$1,000,000 - \$2,000,000	More than \$2,000,000
# on staff	1	1	1	1	2
# of seats per	108	73	80	114	123
Annual sales per	\$1,454,373	\$353,600	\$616,688	\$1,177,567	\$2,302,048
BOH-line cook	All Respondents	less than \$500,000	\$501,000 - \$1,000,000	\$1,000,000 - \$2,000,000	More than \$2,000,000
# on staff	6	3	3	6	10
# of seats per	24	27	30	24	22
Annual sales per	\$305,421	\$127,890	\$217,823	\$244,048	\$390,122
BOH-prep/pantry	All Respondents	less than \$500,000	\$501,000 - \$1,000,000	\$1,000,000 - \$2,000,000	More than \$2,000,000
# on staff	2	1	1	2	4
# of seats per	66	66	78	71	61
Annual sales per	\$908,342	\$295,612	\$578,632	\$746,492	\$1,119,238
BOH-dishwasher	All Respondents	less than \$500,000	\$501,000 - \$1,000,000	\$1,000,000 - \$2,000,000	More than \$2,000,000
# on staff	3	2	2	3	4
# of seats per	49	46	50	50	48
Annual sales per	\$617,401	\$210,662	\$364,391	\$509,740	\$834,834
BOH-expeditor	All Respondents	less than \$500,000	\$501,000 - \$1,000,000	\$1,000,000 - \$2,000,000	More than \$2,000,000
# on staff	1	N/A	1	1	2
# of seats per	142	N/A	154	209	114
Annual sales per	\$1,901,434	N/A	\$1,156,188	\$2,119,146	\$2,001,503

Average Staffing Levels for Limited-service Restaurants- By Annual Sales Volume					
Management	All Respondents	less than \$500,000	\$501,000 - \$1,000,000	\$1,000,000 - \$2,000,000	More than \$2,000,000
# on staff	2	1	2	3	6
# of seats per	27	35	29	25	23
Annual sales per	\$409,352	\$209,357	\$319,344	\$474,190	\$585,183
FOH-waitstaff	All Respondents	less than \$500,000	\$501,000 - \$1,000,000	\$1,000,000 - \$2,000,000	More than \$2,000,000
# on staff	6	4	5	6	15
# of seats per	14	15	16	16	9
Annual sales per	\$179,801	\$70,368	\$139,941	\$223,955	\$246,133
FOH-bartenders	All Respondents	less than \$500,000	\$501,000 - \$1,000,000	\$1,000,000 - \$2,000,000	More than \$2,000,000
# on staff	1	N/A	N/A	1	3
# of seats per	109	N/A	N/A	77	65
Annual sales per	\$1,442,413	N/A	N/A	\$1,066,000	\$1,540,000
FOH-busser	All Respondents	less than \$500,000	\$501,000 - \$1,000,000	\$1,000,000 - \$2,000,000	More than \$2,000,000
# on staff	1	N/A	N/A	1	2
# of seats per	131	N/A	N/A	136	77
Annual sales per	\$2,000,643	N/A	N/A	\$2,216,500	\$2,307,500
FOH-cashier	All Respondents	less than \$500,000	\$501,000 - \$1,000,000	\$1,000,000 - \$2,000,000	More than \$2,000,000
# on staff	4	3	4	5	7
# of seats per	18	18	18	16	19
Annual sales per	\$258,841	\$106,302	\$191,146	\$291,200	\$507,245
FOH-runner	All Respondents	less than \$500,000	\$501,000 - \$1,000,000	\$1,000,000 - \$2,000,000	More than \$2,000,000
# on staff	2	3	2	2	4
# of seats per	40	30	38	52	39
Annual sales per	\$556,998	\$123,240	\$348,400	\$832,000	\$949,000
BOH-Sous chef	All Respondents	less than \$500,000	\$501,000 - \$1,000,000	\$1,000,000 - \$2,000,000	More than \$2,000,000
# on staff	1	1	1	1	N/A
# of seats per	97	88	70	92	N/A
Annual sales per	\$1,199,671	\$340,971	\$538,000	\$1,209,000	N/A
BOH-line cook	All Respondents	less than \$500,000	\$501,000 - \$1,000,000	\$1,000,000 - \$2,000,000	More than \$2,000,000
# on staff	4	2	4	6	7
# of seats per	15	20	14	14	18
Annual sales per	\$218,939	\$123,351	\$164,979	\$217,571	\$447,821
BOH-prep/pantry	All Respondents	less than \$500,000	\$501,000 - \$1,000,000	\$1,000,000 - \$2,000,000	More than \$2,000,000
# on staff	2	1	2	2	3
# of seats per	42	65	38	40	45
Annual sales per	\$586,910	\$288,311	\$372,895	\$587,721	\$1,055,826
BOH-dishwasher	All Respondents	less than \$500,000	\$501,000 - \$1,000,000	\$1,000,000 - \$2,000,000	More than \$2,000,000
# on staff	2	1	2	2	3
# of seats per	43	71	37	39	48
Annual sales per	\$600,764	\$264,680	\$372,450	\$621,400	\$1,156,381
BOH-expeditor	All Respondents	less than \$500,000	\$501,000 - \$1,000,000	\$1,000,000 - \$2,000,000	More than \$2,000,000
# on staff	1	N/A	1	1	2
# of seats per	91	N/A	66	85	114
Annual sales per	\$1,225,088	N/A	\$665,167	\$1,172,000	\$2,964,000

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General Manager, Chef and Kitchen Manager Salaries By Annual Sales Volume

Generally, you don't want management salaries to exceed 10 percent of sales in either a full- or limited-service restaurant. This would consist of all salaried personnel, including general manager, assistant manager(s), chef or kitchen manager.

One caveat on this would be in a situation in which a working owner fulfills the role of the general manager and/or chef and takes a salary in excess of 3 percent to 4 percent of sales. When this occurs, management salaries can easily exceed 10 percent of sales and total payroll cost can appear excessive as well.

To compensate for a highly paid working owner when comparing costs and margins that contain management salaries, subtract the amount of the owner's salary that exceeds 4 percent of sales. This will make comparisons to industry averages and rules of thumb much more meaningful and useful.

Several factors influence the pay scale for general managers, chefs and kitchen managers, including service type and number of seats. Geography also has a large influence on chef and management pay scales. For example, in California and New York you would expect higher wages than in the South, where the cost of living is generally more affordable. In any event, the tables below and at upper right provide a range of respondent data for you to consider.

General Manager Cost as a Percentage of Sales			
Full Service			
By Annual Sales Volume	Lower Quartile	Median	Upper Quartile
All Respondents	1.8%	2.8%	4.3%
Less than \$500,000	6.0%	9.6%	11.4%
\$500,001 - \$1,000,000	3.8%	4.8%	6.7%
\$1,000,001 - \$2,000,000	2.7%	3.5%	4.3%
More than \$2,000,000	1.6%	2.1%	2.5%
Limited Service			
By Annual Sales Volume	Lower Quartile	Median	Upper Quartile
All Respondents	3.2%	5.0%	7.2%
Less than \$500,000	6.4%	9.6%	16.0%
\$500,001 - \$1,000,000	3.8%	5.1%	7.1%
\$1,000,001 - \$2,000,000	2.7%	3.5%	4.3%
More than \$2,000,000	1.3%	2.1%	2.2%

General Manager Salaries			
Full Service			
By Annual Sales Volume	Lower Quartile	Median	Upper Quartile
All Respondents	\$35,000	\$45,000	\$55,000
Less than \$500,000	\$20,000	\$25,000	\$35,000
\$500,001 - \$1,000,000	\$25,000	\$35,000	\$45,000
\$1,000,001 - \$2,000,000	\$35,000	\$45,000	\$55,000
More than \$2,000,000	\$55,000	\$55,000	\$75,000
Limited Service			
By Annual Sales Volume	Lower Quartile	Median	Upper Quartile
All Respondents	\$25,000	\$35,000	\$45,000
Less than \$500,000	\$20,000	\$25,000	\$25,000
\$500,001 - \$1,000,000	\$25,000	\$35,000	\$45,000
\$1,000,001 - \$2,000,000	\$35,000	\$45,000	\$55,000
More than \$2,000,000	\$45,000	\$45,000	\$65,000

Kitchen Manager Salaries			
Full Service			
By Annual Sales Volume	Lower Quartile	Median	Upper Quartile
All Respondents	\$35,000	\$45,000	\$55,000
Less than \$500,000	\$20,000	\$25,000	\$35,000
\$500,001 - \$1,000,000	\$25,000	\$35,000	\$45,000
\$1,000,001 - \$2,000,000	\$35,000	\$45,000	\$45,000
More than \$2,000,000	\$45,000	\$45,000	\$65,000
Limited Service			
By Annual Sales Volume	Lower Quartile	Median	Upper Quartile
All Respondents	\$25,000	\$35,000	\$35,000
Less than \$500,000	\$25,000	\$25,000	\$25,000
\$500,001 - \$1,000,000	\$25,000	\$25,000	\$35,000
\$1,000,001 - \$2,000,000	\$25,000	\$35,000	\$35,000
More than \$2,000,000	\$25,000	\$45,000	\$65,000

Not Too High, Not Too Low, Just Right

In applying this information and applying it to your business, you might want to evaluate the following:

Consider the size of your restaurant in sales and seats, and examine where your business falls within these staffing and pay ranges. Overpaying and underpaying, as well as overstaffing and understaffing, each have their separate but equally damaging consequences on profitability. Like Goldilocks, you want staff to be "just right."

Avoid false economy. Attempting to operate with a short staff invites inconsistent and slow service, which will kill repeat patronage. Underpaying your management and staff can open the door for your competition to take your best people, who were trained at your expense.

Staff with an eye toward productivity. An important metric is total sales per position. Adjust your staffing to boost guest satisfaction and cost-effectiveness. Depending on your concept, it might mean adding a cashier, a wait staff or a dishwasher.

Every experienced business person knows that sometimes you have to trust your gut. At the very least, comparative data, such as this, can highlight problems that you hadn't considered and validate problems you suspected. We hope this survey will assist you in these efforts.

OTHER SOURCES FOR RESTAURANT SALARY INFORMATION

We can't vouch for the basis and quality of the data, but other sources of wage comparative statistics for the restaurant business might be found at the following sites:

- Bureau of Labor Statistics, www.bls.gov.
- Indeed.com, www.indeed.com/salary/Restaurant-Worker.html.
- Restaurant Workers' Salaries by Jennifer Alyson, Demand Media, <http://work.chron.com/restaurant-workers-salaries-9079.html>.
- Salary.com, www1.salary.com.

RS&G

What Your **Distributors** & **Suppliers** Can do for **YOU...**

Establishing a strong relationship with your local distributors and suppliers is a critical step in making your restaurant a success. Picking the right companies as supplier partners ensures your access to reliable service, consistent supply lines, better delivery, the newest products and even the best values.

Good distributors and suppliers, well-chosen, have a knowledge and insight to the industry marketplaces that often go far beyond the buyer/seller relationship. They can become consultants and advisers that share ideas, concepts and provide feedback. According to recent surveys, they are the No. 1 source for information on new products, an important ingredient in keeping your restaurant new and fresh.

In addition to new product introductions, your suppliers can often offer product sampling, troubleshooting services, product application and preparation information, employee training, cost-saving

ideas, menu development, educational demonstrations and a wide variety of other important and useful services. Today's good distributors and suppliers are much more than just order-takers.

And the best part is they want you as a customer. It is in their best interest to have you succeed and prosper. The better you do, the better they do. It's a simple formula that adds up to recurring business and profits for everyone.

Tell your distributors and suppliers what you need, ask what services they can offer, and have them help you identify and connect with the resources that can help you grow. Employ their services and knowledge to your benefit while at the same time remembering they also are in business to make a profit. Without them your job becomes difficult, if not impossible. They are the doors to your success, just as you are the foundation of theirs.

Support them and they will support you.