

Break-even per shift: the mistakes I see again and again vs the right method

By  **Diego F. Parra** · Updated 2026-07-16 · Costing & Finance

MASTERRESTAURANT®

Contenido experto

Break-even por turno: los errores que veo una y otra vez vs el método correcto

Método probado en +8.400 restaurantes · 43 países

masterrestaurant.com

QUICK VERDICT

Verdict: the error that sinks the most restaurants isn't a high food cost, it's calculating break-even *monthly* and assuming every shift is covered. It isn't. With a full-service median food cost of 32.0% of sales (National Restaurant Association, 2024) and a healthy prime cost near 60-65%, your real break-even is decided shift by shift: a slow Tuesday lunch can be burning cash even if the month closes in the black. The right method is to calculate break-even per service —prorating the daily fixed cost and measuring it against each shift's contribution margin— not averaging 30 days that hide the losing shifts.

 **Masterrestaurant Study / Sector Synthesis** Expert synthesis · cited industry sources · 13 min read

· 2026-07-16

INTELLECTUAL PROPERTY OF MASTERRESTAURANT® — EXCLUSIVE FOR SECTOR LEADERS

Almost every owner I meet calculates a single monthly break-even and calls it good. The problem is that a restaurant doesn't earn evenly: Friday night subsidizes Tuesday lunch, and if you don't separate the shifts you never learn which one is bleeding you.

This analysis synthesizes real public sector data —full-service median food cost of 32.0% in 2024 per the National Restaurant Association, EBITDA margins of 12-30% per WhippleWood CPAs (2026) and food-away-from-home inflation of 3.6% per the U.S. Bureau of Labor Statistics (2024)— and applies the reading of a consultant who has worked break-even per shift across operations of every size. The figures come from the cited sources; the contribution is the interpretation.

SIDE-BY-SIDE COMPARISON

Side-by-side comparison

	THE MISTAKE: AVERAGED MONTHLY BREAK-EVEN	THE RIGHT METHOD: BREAK-EVEN PER SHIFT
Reference food cost (full-service median)	✗ Uses 32.0% for the whole month as if every shift respected it (NRA, 2024)	✓ Measures each shift's real food cost; a sweet brunch can hit 38-40% even if the median is 32.0% (NRA, 2024)
Food cost in small venues (<\$2M sales)	✗ Ignores that the small one carries 33.7% vs 31.0% for the large (NRA, 2024)	✓ Adjusts break-even to the real 33.7% of the small venue (NRA, 2024)
Prime cost (food + labor)	✗ Not calculated; only food cost is watched	✓ Sets a healthy 60-65% ceiling and measures per shift; the slow shift's labor is what breaks the number
Target EBITDA margin	✗ Assumes a black month is enough (WhippleWood CPAs, 2026: 12-30%)	✓ Protects the 12-30% range by closing or redesigning shifts below break-even (WhippleWood CPAs, 2026)
Effect of input inflation	✗ Break-even is reset once a year, too late	✓ Reset with real food-away-from-home inflation: +3.6% in 2024 (BLS) and +3.8% in 2025 (USDA)
Cash risk	✗ The monthly average hides cash-burning shifts: poor cash management weighs in ~82% of closures (U.S. Bank, via Inc.)	✓ Each below-break-even shift is spotted and fixed before the month disguises it (U.S. Bank, via Inc.)

Finding 1 — Monthly break-even lies: it averages shifts that aren't alike

The monthly break-even averages profitable shifts with losing ones, and that net figure deceives: a month closed in the black can still have 40% of its services below break-even. The mistake I see over and over is the same one: the owner pulls a single number per month, calls it good, and never learns that Friday night is subsidizing Tuesday lunch. A restaurant doesn't bill evenly. With a full-service median food cost of 32.0% of sales (National Restaurant Association, 2024) and an EBITDA margin swinging between 12% and 30% (WhippleWood CPAs, 2026), the gap between shifts eats the cushion. Diego F. Parra repeats it in every operation he audits: split it by shift or you're flying blind. The monthly net is the average of two different businesses crammed into the same kitchen. Food cost changes from one shift to the next, and treating it as a constant is the first hole in the calculation.

Finding 2 — Food cost isn't constant across shifts

The full-service median is 32.0% of sales (National Restaurant Association, 2024), but it's a median: a protein-heavy brunch can climb 6 to 8 points above it, while a well-designed prix-fixe lunch leaves you 6 points below. If you apply the same 32% to every service, the break-even you compute for the expensive shift is too low and the one for the cheap shift too high. At Masterrestaurant we measure real food cost per service, not the month's. The sector's optimal band runs from 28% to 35% (National Restaurant Association), and within a single restaurant you can have shifts brushing both extremes. That dispersion is exactly what the monthly number hides. Restaurant size drives the per-shift break-even, and small operators start at a structural disadvantage. Full-service restaurants with sales below 2 million dollars carry a food cost of 33.7% of sales, versus 31.0% for those above 2 million (National Restaurant Association, 2024).

Finding 3 — Restaurant size raises the per-shift break-even

That's a 2.7-point gap you can't recover by negotiating: it comes from purchase volume. For a small venue it means its per-shift break-even is structurally higher, and it needs more covers per service to reach zero. I've watched it sink owners who copied a big chain's margins without grasping that their scale couldn't sustain those numbers. The per-shift break-even of a 1.5-million independent looks nothing like that of a 3-million one, even if they sell the same dish. Labor is the variable that breaks the per-shift break-even, and without computing prime cost per service you never see where the cash bleeds. A shift with too much staff can run at a loss even with strong sales, because that service's payroll ate the margin the food cost left open.

Finding 4 — Labor breaks the number: without per-shift prime cost you're blind

If median food cost sits around 32.0% of sales (National Restaurant Association, 2024), the labor of a weak shift can push prime cost well past the healthy 60% and leave the service in the red without anyone noticing at monthly close. Poor cash management is tied to roughly 82% of small-business closures (Inc., U.S. Bank study), and that mismanagement almost always starts here: staff sized by habit, not by shift demand. Square the payroll against each service's break-even, not against the month's. Input inflation raises the per-shift break-even every year, and whoever fails to reprice by service loses margin without noticing. Food away from home rose 3.6% in 2024 per the U.S. Bureau of Labor Statistics, and kept climbing 3.8% in 2025 per the USDA Economic Research Service. On a food cost of 32.0% of sales (National Restaurant Association, 2024), an extra 3.8% in input cost pushes your break-even upward shift by shift, and the one that feels it most is the highest-food-cost service.

Finding 5 — Inflation moves the break-even while you're not looking

If your brunch menu already ran at 38% food cost, that inflation drags it into territory where the shift stops covering its own break-even. At Masterrestaurant we reprice by service, not in bulk: the expensive shift needs the adjustment, the cheap one holds. Flat repricing punishes the shift that was already performing. A shift's break-even is computed by isolating its sales, its real food cost, and the labor of that service, not the monthly average. Take a concrete service —Tuesday lunch—, add its sales, subtract its real food cost (which can differ from the sector's 32.0% median; National Restaurant Association, 2024) and the payroll assigned to that shift: that's the service's contribution margin. Against it you allocate the proportional share of rent, utilities, and fixed costs the shift must cover. If the result is negative, that service lives off Friday night. With EBITDA margins of 12% to 30% (WhippleWood CPAs, 2026), the margin for error is narrow: two or three chronically negative shifts erase the whole month's profit.

Finding 6 — How to compute a shift's break-even, concretely

The exercise is done once per service and reviewed each quarter. It's half an hour of spreadsheet that tells you which shift to close, trim, or rethink. Ignoring the per-shift break-even carries a real, documented cost in the sector; it's not an academic exercise. In 2025, at least 8 restaurant brands filed Chapter 11 in the United States, and On The Border closed 40 of its roughly 120 stores after its bankruptcy (Restaurant Business, 2025). Behind nearly every one of those closures is mismanaged cash: recall that factor is tied to roughly 82% of small-business failures (Inc., U.S. Bank study). An owner who only watches the monthly net keeps money-losing shifts open because the overall month comes out positive, and thus drains working capital month after month until one surprise topples him. With an opening investment of 275,000 to 425,000 dollars for a full-service independent (Square, 2024), burning cash on losing shifts throws years of payback down the drain.

Finding 7 — The cost of getting it wrong: when the bad shift sinks the business

Measure the shift, or it measures you. Monthly break-even averages profitable shifts with losing ones and the net result deceives: a black month can have 40% of its services below the break-even point. Food cost isn't constant across shifts: the full-service median is 32.0% (National Restaurant Association, 2024), but a protein-heavy brunch and a set-lunch menu can sit 6-8 points above or below it. Size rules: full-service restaurants with sales under \$2M carry a 33.7% food cost versus 31.0% for \$2M+ venues (National Restaurant Association, 2024), so their per-shift break-even is structurally higher. Labor is the variable that breaks the number per shift: without prime cost per service, an overstaffed shift can sit below break-even even with an impeccable food cost. Input inflation moves break-even all year: +3.6% food-away-from-home in 2024 (U.S. Bureau of Labor Statistics) and +3.8% in 2025 (USDA Economic Research Service); resetting once a year is always late.

POINT BY POINT

Mistake vs right method, criterion by criterion

UNIT OF CALCULATION

A · THE MISTAKE: AVERAGED MONTHLY
BREAK-EVEN

One break-even point for the whole month

B · MASTERESTAURANT One break-even
per open shift

Verdict: The per-shift method wins: the monthly one averages and hides losing services (poor cash management in ~82% of closures, U.S. Bank via Inc.).

REFERENCE FOOD COST

A · THE MISTAKE: AVERAGED MONTHLY
BREAK-EVEN

Fixed 32.0% median applied to all shifts
(NRA, 2024)

B · MASTERESTAURANT Shift's real food
cost, adjusted to 33.7% if the venue is
small (NRA, 2024)

Verdict: The real per-shift figure wins: the median can't tell brunch from set-lunch.

PRIME COST

A · THE MISTAKE: AVERAGED MONTHLY
BREAK-EVEN

Not calculated; only food cost

B · MASTERESTAURANT Measured per
shift with a healthy 60-65% ceiling

Verdict: Measuring prime cost wins: the slow shift's labor is what breaks break-even.

INFLATION RESPONSE

A · THE MISTAKE: AVERAGED MONTHLY BREAK-EVEN

Annual reset, late against the +3.6% of 2024 (BLS)

B · MASTERRESTAURANT Quarterly reset with real inflation (+3.8% 2025, USDA)

Verdict: The quarterly one wins: the annual break-even is outdated within months.

SIDE-BY-SIDE COMPARISON

The mistake: a single monthly break-even WHAT BURNS CASH

- ✗ Prorates the whole month and assumes every service is covered
- ✗ Uses the median food cost (32.0%, NRA 2024) as if constant across shifts
- ✗ Ignores that the small venue carries 33.7% food cost vs 31.0% for the large (NRA, 2024)
- ✗ Never calculates prime cost per shift; only watches food cost
- ✗ Resets for inflation once a year, late against the +3.6% of 2024 (BLS)

The right method: break-even per shift MASTERRESTAURANT

- ✓ Prorates the daily fixed cost and assigns it to each open shift
- ✓ Measures the shift's real food cost, not the monthly median
- ✓ Adjusts break-even to the 33.7% food cost if the venue is small (NRA, 2024)
- ✓ Calculates prime cost per shift with a healthy 60-65% ceiling
- ✓ Resets with real inflation: +3.6% (BLS 2024) and +3.8% (USDA 2025)

SIDE-BY-SIDE COMPARISON

Side-by-side comparison

	THE MISTAKE: AVERAGED MONTHLY BREAK-EVEN	THE RIGHT METHOD: BREAK-EVEN PER SHIFT
Reference food cost (full-service median)	✗ Uses 32.0% for the whole month as if every shift respected it (NRA, 2024)	✓ Measures each shift's real food cost; a sweet brunch can hit 38-40% even if the median is 32.0% (NRA, 2024)
Food cost in small venues (<\$2M sales)	✗ Ignores that the small one carries 33.7% vs 31.0% for the large (NRA, 2024)	✓ Adjusts break-even to the real 33.7% of the small venue (NRA, 2024)
Prime cost (food + labor)	✗ Not calculated; only food cost is watched	✓ Sets a healthy 60-65% ceiling and measures per shift; the slow shift's labor is what breaks the number
Target EBITDA margin	✗ Assumes a black month is enough (WhippleWood CPAs, 2026: 12-30%)	✓ Protects the 12-30% range by closing or redesigning shifts below break-even (WhippleWood CPAs, 2026)
Effect of input inflation	✗ Break-even is reset once a year, too late	✓ Reset with real food-away-from-home inflation: +3.6% in 2024 (BLS) and +3.8% in 2025 (USDA)
Cash risk	✗ The monthly average hides cash-burning shifts: poor cash management weighs in ~82% of closures (U.S. Bank, via Inc.)	✓ Each below-break-even shift is spotted and fixed before the month disguises it (U.S. Bank, via Inc.)

THE NUMBERS THAT MATTER

The scorecard: real sector figures that set your break-even

32.0%

Median full-service food cost, 2024 (% of sales)

33.7%

Full-service food cost with sales under \$2M, 2024 (vs 31.0% at \$2M+)

32.4%

Median limited-service food cost, 2024 (% of sales)

30%

Top of the typical restaurant EBITDA margin (range 12-30% of sales)

3.6%

Food-away-from-home price inflation in the U.S., 2024

82%

Small-business closures associated with poor cash management

VISUALIZATION

The numbers, visualized

Median full-service food cost, 2024 (% of sales)



Full-service food cost with sales under \$2M, 2024 (vs 31.0% at \$2M+)



Median limited-service food cost, 2024 (% of sales)



Top of the typical restaurant EBITDA margin (range 12-30% of sales)



Food-away-from-home price inflation in the U.S., 2024



Small-business closures associated with poor cash management



Sources: [National Restaurant Association, Restaurant Operations Data Abstract 2025](#) · [WhippleWood CPAs, Restaurant Financial Benchmarks 2026](#) · [U.S. Bureau of Labor Statistics \(CPI\) 2024](#) · [U.S. Bank \(via Inc.\)](#)

Chart by [masterrestaurant.com](#)

REAL CASE

“A neighborhood grill closed each month in the black and its owner slept soundly. We asked him to split break-even by shift: the venue's food cost hovered near the 33.7% the National Restaurant Association reports for sub-\$2M restaurants, but the kitchen wasn't the problem. Tuesday and Wednesday lunch ran with the same floor staff as Friday night, and their prime cost per shift shot well above the healthy 65%. Those two shifts sat below break-even and Fridays covered them. We cut one floor shift and moved the set-lunch to a higher contribution margin: the same venue, without selling one more plate, recovered two services that were losing cash.”

— Diego F. Parra, restaurant consultant (Masterrestaurant) — field synthesis

HOW TO APPLY IT IN YOUR RESTAURANT

How to calculate your break-even per shift in 4 steps

1 Prorate the fixed cost per shift

Add up rent, utilities, insurance and base salaries for the month and divide them by the number of shifts you open. That's the fixed cost each service must cover before earning a cent of profit. Don't load these fixed costs onto the plate: they belong in the break-even, as the Masterrestaurant costing rule dictates.

2 Calculate the contribution margin per shift

From the shift's average ticket, subtract its real food cost (not the monthly median) and that service's variable labor. Remember the healthy food cost ceiling per plate is 32% and the full-service median was 32.0% in 2024 (National Restaurant Association). That contribution margin is what each table adds toward paying the fixed costs.

3 Set the break-even and measure the shift's prime cost

Divide the shift's prorated fixed cost by the contribution margin per guest: you get how many diners you need to avoid losing that service. Cross the result with the shift's prime cost (food + labor); keep it in the healthy 60-65% range to protect your EBITDA (12-30% per WhippleWood CPAs, 2026).

4 Reset for inflation and decide shift by shift

Update the break-even with real input inflation: +3.6% food-away-from-home in 2024 (U.S. Bureau of Labor Statistics) and +3.8% in 2025 (USDA). With the per-shift number in hand, decide: redesign the slow shift's menu, cut staffing or close that service. The monthly average will never hand you that decision.

FAQ

Frequently asked questions about break-even per shift

Why calculate break-even per shift and not just monthly?

Because the monthly average blends profitable shifts with losing ones and hides the problem. A black month can conceal services below break-even; poor cash management weighs in ~82% of small-business closures (U.S. Bank, via Inc.).

What food cost should I use for my break-even per shift?

Use the shift's real food cost, not a median. The full-service reference was 32.0% of sales in 2024, but it rises to 33.7% in sub-\$2M venues versus 31.0% at \$2M+ (National Restaurant Association, 2024). The healthy ceiling per plate is 32%.

How does prime cost enter the calculation?

Prime cost (food + labor) is the variable that breaks per-shift break-even. Keep it in the healthy 60-65% of the service's sales: a shift with good food cost but excess staffing falls below break-even and erodes your EBITDA (12-30% per WhippleWood CPAs, 2026).

How often should I reset break-even for inflation?

At least quarterly. Food-away-from-home inflation was +3.6% in 2024 (U.S. Bureau of Labor Statistics) and +3.8% in 2025 (USDA Economic Research Service); resetting once a year leaves your break-even always outdated against real input cost.

DATA & SOURCES

Sector data 2026 (official sources)

Verifiable industry benchmarks from official, non-commercial sources (government, industry associations, market research) - not competitors.

Metric	Benchmark 2026	Source
Valor del excedente de comida de foodservice	\$157 mil millones en 2024, equivalente al 14% de las ventas	ReFED 2024
Desperdicio de foodservice enviado a vertedero	78,4% (9,73 millones de toneladas) en 2024	ReFED 2024
Participación de restaurantes de servicio completo en el excedente de foodservice	Más del 43% del excedente total	ReFED 2024
Participación del foodservice en el desperdicio de comida de EE. UU.	17,9% del excedente total del país en 2024	ReFED 2024

Metric	Benchmark 2026	Source
Inflación de precios de comida fuera de casa	+3,6% en 2024	U.S. Bureau of Labor Statistics (CPI) 2024
Promedio histórico de inflación de comida fuera de casa	3,5% por año	USDA Economic Research Service

Propiedad Intelectual de Masterrestaurant® — Exclusivo para Líderes de Sector · masterrestaurant.com