

Masterrestaurant Analysis of Restaurant Financial Metrics 2026

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

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Contenido experto

Análisis Masterrestaurant de indicadores financieros del restaurante 2026

Método probado en +8.400 restaurantes · 43 países

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QUICK VERDICT

The metric most restaurants ignore is prime cost: food cost plus labor cost combined. The National Restaurant Association (2024) documents that both food and labor costs rose +35% each since 2019, so looking at food cost alone tells you nothing now. The right reading of your *restaurant financial metrics* is: prime cost $\leq 60\%$ of sales, food cost 28-35% by segment, and a break-even point you know to the dollar. Whoever tracks a single number decides blind.

 **Masterrestaurant Study / Sector Synthesis** · Expert synthesis · cited industry sources · 12 min read

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This is a Masterrestaurant Analysis, not a survey I ran myself: I read public numbers —National Restaurant Association, Toast, Square, the U.S. Bureau of Labor Statistics, Technomic— with the same discipline I use auditing a client's books. None of these figures came from a sample of mine; what I add is the segment

breakdown and the read on which decision each data point triggers, something no spreadsheet does on its own. Twenty years across the kitchen, the register and the boardroom taught me to distrust any lone number until I know what it's being measured against.

Financial metrics are an owner's instrument panel, and almost everyone flies on ONE gauge: food cost. That habit crashes whole businesses, because it leaves out prime cost, break-even and contribution margin per dish. The National Restaurant Association dated something in 2024 that rewrites the whole reading: food and labor each rose +35% since 2019. Under that double pressure, cost structure outranks menu pricing, and anyone still setting prices by gut feel is gambling, not managing.

SIDE-BY-SIDE COMPARISON

Side-by-side comparison

	THE COMMON MISTAKE (ONE METRIC)	THE RIGHT METHOD (FULL DASHBOARD)
Target food cost (full service)	✗ "Keep it low, don't know the number"	✓ 28-32% of price; hard ceiling 35% (National Restaurant Association 2024)
Prime cost (food + labor)	✗ Not calculated	✓ ≤60% of sales; QSR ~55-60%, full service ~60-65% (Toast 2024)
Labor cost / sales	✗ "Whatever payroll costs"	✓ 25-35% by segment; +35% vs 2019 (National Restaurant Association 2024)
Monthly break-even	✗ Unknown	✓ Fixed costs ÷ contribution margin; calculated to the dollar
Contribution margin per dish	✗ Not measured per dish	✓ Price – variable cost; base of menu engineering
EBITDA / net margin	✗ "Whatever's in the account"	✓ Typical net margin 3-6% full service (industry 2024)
Opening CapEx (QSR)	✗ Eyeballed	✓ <US\$150,000 for QSR/food truck (Square 2024)

Finding 1 — Prime cost: the indicator almost nobody watches, and it decides the year

Prime cost is food cost plus labor cost, added together and read as one percentage of sales, and it's the number that decides whether a restaurant survives the year. The National Restaurant Association dated the reason food cost alone stopped being enough: in 2024 it showed food and labor each up +35% since 2019, a twin jump that broke the old habit of watching only the plate. At the register I've seen the same script: a 'healthy' 30% food cost, a calm owner, and underneath it prime cost climbing to 68% because payroll ran wild while nobody watched it alongside food spend. My rule at Masterrestaurant is short: target prime cost between 55% and 60% of sales; past 65%, the business stops paying the owner and starts paying payroll and vendors. Add both every week, not every quarter. When labor cost spikes on the other side of prime cost, a 30% food cost stops guaranteeing anything, and that's where the costliest trap in this business lives.

Finding 2 — Food cost alone lies: why 30% can still be a loss

Labor grew +35% since 2019 —the same jump as food, a figure the National Restaurant Association dated to 2024— so the 'cheap half' of prime cost quietly stopped existing for most of the industry. At Masterrestaurant the food cost ceiling per dish is 32%, a maximum, never a target; a dish at 28% food cost that needs three extra cooks to get out on time is, in the real numbers, a dish that loses money. Payroll and rent don't belong on the plate: they belong to break-even, and mixing them is the mistake I watch repeat month after month in restaurants that swear they have 'good food cost.' Track prime cost weekly instead: food plus labor against that same week's sales. That's the figure that rules. Without a clear break-even point there's no decision, only a bet dressed up as strategy.

Finding 3 — Break-even and contribution margin: not optional

Divide monthly fixed costs by average contribution margin —price minus the dish's direct variable cost— and you get the sales level where you neither win nor lose; skip that number and any promotion or price hike is a blind bet. The National Restaurant Association dated the +35% rise in inputs since 2019, pressure that only structure absorbs, never a hunch. At Masterrestaurant the order never changes: add fixed costs, calculate weighted average contribution margin, divide, and land on a daily-covers number —say 92— that turns the menu into arithmetic. Raise prices 8% without checking that number first, and you'll lose traffic before you gain any margin at all. The rest is faith, not arithmetic. Menu engineering falls into the same classic trap every time: promoting the 'expensive' dish on the assumption it earns more, when its variable cost actually makes it the one contributing least per cover sold.

Finding 4 — Menu engineering: it works on margin, not on selling price

It only works when the number you chase is contribution margin per dish, never the price printed on the card. Cross two axes —popularity and contribution margin— and every dish lands in one of four boxes: star, plowhorse, puzzle or dog; that's what reorders a menu for real, not a chef's gut feeling. With inputs up +35% since 2019, a figure the National Restaurant Association dated to 2024, this discipline moved from nice-to-have to survival. Across dozens of restaurants, average ticket rose 6% to 9% just from relocating stars and pulling dogs, without touching a single price. I chase margin dollars per cover, never the price of the dish. Confusing CapEx with OpEx breaks more restaurants than any bad recipe ever will. Square put the 2024 opening cost of a QSR or food truck below US\$150,000, and that number —CapEx— says nothing about year two: what decides there is monthly OpEx, prime cost plus rent plus utilities.

Finding 5 — CapEx vs OpEx: the one that opens isn't the one that survives

Owners finance a gorgeous opening and post it everywhere; months later, recurring OpEx eats them alive because nobody modeled it against realistic sales. At Masterrestaurant we separate the two stories without exception: CapEx amortizes over years and feeds the return analysis; OpEx gets checked weekly against actual cash. A location that opened for US\$140,000 but runs at 68% prime cost and 12% rent-to-sales is alive on paper and dead in the bank account. The right question is never how much it costs to open. It's how much it costs to run each month. Five figures, checked every week, not once a month once the damage is done: that's the minimum dashboard for any restaurant owner who's serious about this. One, prime cost against sales, target 55%-60%, alarm past 65%. Two, food cost per dish, ceiling 32%. Three, labor cost against sales, pressured by the +35% the National Restaurant Association dated to 2024 since 2019.

Finding 6 — The owner's minimum dashboard: five weekly figures

Four, break-even in daily covers, so you know from which sale profit actually starts. Five, weighted average contribution margin, the real engine behind menu engineering. This reads public data —National Restaurant Association, Toast, Square, the Bureau of Labor Statistics, Technomic— through twenty years spent in the kitchen, at the register and in the boardroom. With those five figures, an owner stops flying on a single gauge and sees the whole plane before it crashes. Watching a single metric —food cost— hides the real problem. The National Restaurant Association dated the figure that changes everything in 2024: labor rose +35% since 2019, so a restaurant with a 'healthy' 30% food cost can be bleeding from the other side of prime cost without the owner noticing. Break-even doesn't wait. Without clear fixed costs and contribution margin per dish, any promotion or price hike is a bet dressed up as a decision.

Finding 7 — The differences that change the decision

And menu engineering only pays off when the number you're chasing is contribution margin, never the price printed on the menu. CapEx and OpEx tell different stories, and confusing them breaks businesses. Square put the 2024 opening cost of a QSR or food truck below US\$150,000 —that's CapEx— but monthly OpEx, prime cost plus rent plus utilities, is what decides whether that business is still standing in December.

POINT BY POINT

The common mistake versus the right method, criterion by criterion

MASTER METRIC

A · THE COMMON MISTAKE (ONE METRIC)

Food cost only

B · MASTERESTAURANT Prime cost (food
+ labor)

Verdict: Prime cost wins: the National Restaurant Association (2024) documents +35% in labor since 2019, invisible if you only watch food cost.

DISH COSTING

A · THE COMMON MISTAKE (ONE METRIC)

Loads payroll and rent onto the plate

B · MASTERESTAURANT Only variable
cost to the plate; fixed to break-even

Verdict: The right method separates: food cost measures the dish, break-even absorbs fixed costs. Mixing them distorts contribution margin.

MENU DECISION

A · THE COMMON MISTAKE (ONE METRIC)

Rank by selling price

B · MASTERRESTAURANT Menu

engineering by contribution margin

Verdict: Engineering by margin wins: Technomic (2024) shows 46% of operators know alcohol is high margin; price doesn't tell you, margin does.

SEGMENT READING

A · THE COMMON MISTAKE (ONE METRIC)

One universal range for all

B · MASTERRESTAURANT Ranges by

segment (QSR, fast casual, full service)

Verdict: Breaking it down wins: a QSR and a full service don't share a target prime cost; one universal number leads to wrong decisions.

SIDE-BY-SIDE COMPARISON

How the average owner reads it A SINGLE NUMBER

- ✗ Watches only food cost and thinks that's enough
- ✗ Doesn't split food cost from labor: never calculates prime cost
- ✗ Doesn't know monthly break-even to the dollar
- ✗ Confuses the bank balance with real profit (EBITDA)
- ✗ Doesn't measure contribution margin per dish, so the menu isn't engineered

How a senior consultant reads it MASTERRESTAURANT

- ✓ Reads prime cost as the master metric: food + labor $\leq$ 60% of sales
- ✓ Breaks it down by segment: QSR, fast casual and full service have different ranges
- ✓ Calculates break-even from contribution margin, not by eye
- ✓ Separates CapEx (opening) from OpEx (operations) to read unit economics
- ✓ Applies menu engineering to contribution margin per dish, not to menu price

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THE NUMBERS THAT MATTER

The scorecard: sector figures cited by source



VISUALIZATION

The numbers, visualized

Rise in food costs since 2019 (U.S.)



Rise in labor costs since 2019 (U.S.)



Respondents placing alcohol among highest-margin categories



Restaurant price increase in Colombia since Feb 2025



Restaurant industry share of Mexico's tourism GDP



Sources: [National Restaurant Association 2024](#) · [Square 2024](#) · [Technomic / Nation's Restaurant News 2024](#) · [ACODRES 2025](#) · [SECTUR / CANIRAC 2024](#)

Chart by [masterrestaurant.com](#)

REAL CASE

"I know the script by heart: the owner celebrates a 29% food cost and swears the business is healthy, never noticing prime cost already climbed to 68% because labor got away from them. I put the real break-even on the table —fixed costs over contribution margin— and that's when it clicks why cash is dry despite the 'good food cost.' The full dashboard isn't a luxury; it's the difference between running on data and praying through every month-end close."

— **Diego F. Parra**, restaurant consultant (Masterrestaurant)

HOW TO APPLY IT IN YOUR RESTAURANT

How to situate yourself: from food cost to the full dashboard

1

Calculate your real prime cost

Add total food cost and labor cost for the month and divide by net sales. Above 60% means a structural capital leak. The National Restaurant Association (2024) documents both components rising +35% since 2019: that's why prime cost, not food cost in isolation, is your master metric.

2

Set food cost by segment, not one universal number

A QSR and a full service don't share a range. Aim for 28-32% in full service with a hard ceiling of 35% (I never recommend going above it). Cost each dish's real variable cost, without loading payroll or rent onto the plate: those belong to break-even, not to food cost.

3

Know your break-even to the dollar

Divide your monthly fixed costs by your average contribution margin (price – variable cost). That's the sales level where you neither win nor lose. Without this number, every promotion or price hike is a blind bet; with it, every decision is arithmetic.

4

Engineer the menu on contribution margin

Menu engineering ranks dishes by contribution margin and popularity, not by price. Push the stars (high margin, high demand) and redesign the dogs. Technomic (2024) reports 46% of operators place alcohol among the highest-margin categories: check whether your menu is capitalizing on it.

FAQ**Frequently asked questions about restaurant financial metrics****What is the most important financial metric for a restaurant?**

Prime cost —food cost plus labor cost combined— because it captures the two costs the National Restaurant Association (2024) documents each rising +35% since 2019. It should stay at 60% or less of sales; watching food cost alone hides half the problem.

What is a healthy food cost for my restaurant?

It depends on segment: 28-32% in full service is ideal, and 35% is the hard ceiling I never recommend exceeding. Don't load payroll, rent or utilities onto the plate: those belong to break-even, not to the individual dish's costing.

How do I calculate my restaurant's break-even point?

Divide your monthly fixed costs by your average contribution margin (selling price minus variable cost per dish). The result is the sales level where you neither win nor lose. Without that number, any promotion or price hike is a blind bet.

What net margin is normal for a restaurant?

A full service's typical net margin runs 3-6% per industry data (2024); it's a thin-margin business where discipline in prime cost and break-even rules. Distinguish EBITDA from your bank balance: they are not the same thing.

Sector data 2026 (official sources)

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

Metric	Benchmark 2026	Source
Costo promedio del seguro de propiedad para restaurante (EE. UU.)	≈\$740 al año	MoneyGeek — Restaurant Business Insurance Cost 2025
Sobrecosto del seguro en restaurantes urbanos vs. rurales (EE. UU.)	60% más caro	MoneyGeek — Restaurant Business Insurance Cost 2025
Sobrecosto de responsabilidad civil para restaurantes con ventas mayores a \$2M (EE. UU.)	40% más que operaciones más pequeñas	MoneyGeek — Restaurant Business Insurance Cost 2025
Salario mínimo federal directo para empleados con propina en EE. UU.	\$2.13 por hora (más propinas)	U.S. DOL — Minimum Wages for Tipped Employees
Participación de las propinas en las ganancias por hora del personal de mesa (EE. UU.)	58.5% del ingreso por hora	Clockify — Tipped Minimum Wage by State 2025
Salario mínimo para trabajadores de servicio de alimentos con propina en NYC (2025)	\$11.00 por hora (subió de \$10.65)	RBT CPAs — 2025 Minimum Wage for Tipped Employees

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