

Unhappy Days for US Family Restaurants

By Paul Sullivan in New York

The American family restaurant is starving. Casual restaurants have supplanted family restaurants in terms of revenue for the first time since the US census started measuring this in the 1970s. The shift means the burger, fries and milkshake ideal place evoked in by the sitcom *Happy Days* is losing its hold on the American appetite. The restaurant data, which the 2002 census made available only this week, showed places that serve meals costing \$10-\$20 now make up 45 per cent of all dining dollars, up from 33.2 per cent in the last census in 1997. Those that serve meals costing less than \$10 per person have fallen to 36.8 per cent from 49.6 per cent. "I didn't think that within a five-year timeframe we'd see family restaurants eclipsed by casual restaurants," said Malcolm Knapp, a restaurant economist in New York who analysed the data and has been working with the Census Bureau since 1972. "Casual is now the dominant group in terms of sales ... and it's not going back."

This means that Chains such as Ruby Tuesday, Olive Garden and Outback Steakhouse now win account for more dining dollars than such staples of 1950s and 60s America as Denny's, Big Boy and the International House of Pancakes. Family restaurants are still holding their physical ground. Their number has shrunk to 101,469 from 105,165. But growth in the number of casual eateries has been swift, to 62,071 from 39,877; they now constitute 31.7 per cent of restaurants, up from 20.9 per cent. The data focused on the 195,000 full-service restaurants in the US out of a total of 435,000 restaurants. The second highest growth rate was in the \$20-\$30 category - Morton's and The Palm - followed by restaurants above \$30. "America keeps raising the standard of what normal living is. You can see that perfectly in the restaurants," said Mr Knapp. People are "taking their kids to casual and themselves to casual plus".

Capitalising on this trend, To capitalise on this, high-end chefs have accelerated the creation of mini-chains out of the restaurant that brought them fame. As recently as the 1980s a chef's reputation in the US would rise or fall on what he personally cooked in the kitchen, with less regard to the bottom line. Now, Jean-Georges Vongerichten, Todd English, Nobu Matsuhisa, Mario Batali and other celebrity chefs are opening restaurants from New York to Las Vegas under their imprimatur. "These guys discovered they liked making a lot of money," said Mr Knapp. The downside for diners is that the famous chef whose name lured them to the table is rarely in the kitchen - or even in town. All is not lost, though, for the family restaurant. While fewer people may eat dinner there, they still draw crowds for their good, cheap breakfasts.