

Washington Restaurant Association

Compensation, Benefits, and Menu Survey 2008

Published February, 2009



ASSOCIATION

510 Plum Street SE, Suite 200
Olympia, Washington 98501
360-956-7279 TEL
360-357-9232 FAX
<http://www.wrahome.com>

In partnership with:

PEOPLE REPORT™

17304 Preston Road Suite 430
Dallas, TX 75252
972-364-0490 TEL
972-385-0027 FAX
<http://www.peoplereport.com>



Compensation, Benefits, and Menu Survey 2008

Table of Contents

Survey Notes / Methodology.....	i
General Information.....	1
Staffing.....	3
Restaurant Management Compensation.....	7
Restaurant Hourly Employee Compensation.....	8
Health Benefits.....	9
Other Benefits.....	10
Menu Price Trends.....	11
Position Definitions.....	12





Compensation, Benefits, and Menu Survey **2008**

Survey Notes / Methodology

Data Collection

The Washington Restaurant Association's 2008 Compensation, Benefits, and Menu Survey was distributed among member companies and data was collected during October and November 2008. Data was contributed by 128 restaurant businesses, representing 268 individual restaurant units. The data collected was limited to those units operating exclusively in the state of Washington.

Data Analysis

All responses were recorded verbatim and are self-reported numbers, given by participants. No responses were calculated or otherwise manipulated. All reported results are the percentage of valid responses or average unless otherwise noted. Averages are not weighted. In certain instances the median (middle value in the data distribution) or mode (most frequently occurring response) was reported. Not all participants answered every question, thus the total number of responses for each question varies. Additionally, not all responses for a question will sum to 100 percent. This is particularly true in questions that allow for multiple responses, such as "Check all that Apply," and due to rounding error. If given, open-ended responses were recorded verbatim and summarized in the final report. For questions in which participants were asked to enter numeric values, an outlier analysis was conducted and the sample might have been adjusted to ensure the validity of the published results.

Research Partner

The Washington Restaurant Association partnered with People Report™ for the design, creation, and distribution of the survey, as well as for the data analysis and design of the final results.

For any further questions regarding survey methodology, please contact Victor Fernandez, People Report Compensation Specialist, at (972) 733-6825 or victor@peoplereport.com.

About People Report™

People Report™ is the acknowledged leader in providing restaurant executives with competitive analysis and insight into the best people practices of the industry's leading companies. Founded in 1995, the Dallas-based research and consulting firm publishes quarterly and annual reports of human resources benchmarks and workforce trends for the labor-intensive foodservice industry.

Widely recognized by top restaurant companies as the only tool available to analyze critical people data, key components of People Report™ benchmarks include composite diversity, measured retention rates and cost of turnover, compensation, benefits, recruiting practices, and business outcomes related to workforce issues. In addition to providing strategic information to its members, People Report is well known for its annual Best Practices Conference and Executive Symposiums.

People Report members represent over 17,000 units, distributed in over 125+ concepts. The database at People Report contains the individual records of 150,000+ unit level managers and tracks the collective work practices of over 1,000,000 employees. Today its competitive workforce data represents one in five foodservice employees in chain restaurants with more than 10 units.

www.peoplereport.com



Compensation, Benefits, and Menu Survey 2008

GENERAL INFORMATION

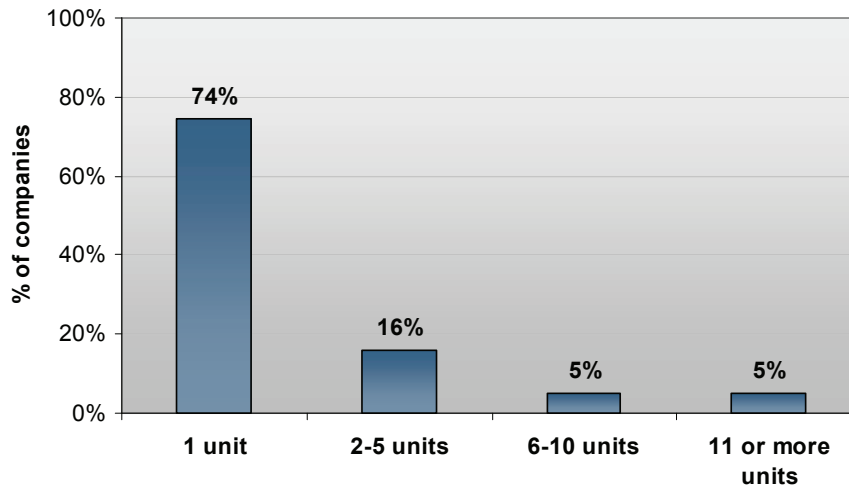
Total number of survey participants: **128**

Total number of restaurant units included in this survey: **268 restaurants**

A1. Average number of units owned or operated per company in the state of Washington:

Average: **2.2 units**. Most frequent response: **1 unit** (74% of participants have just one unit)

Percentage of Companies by Number of Units Owned or Operated in Washington



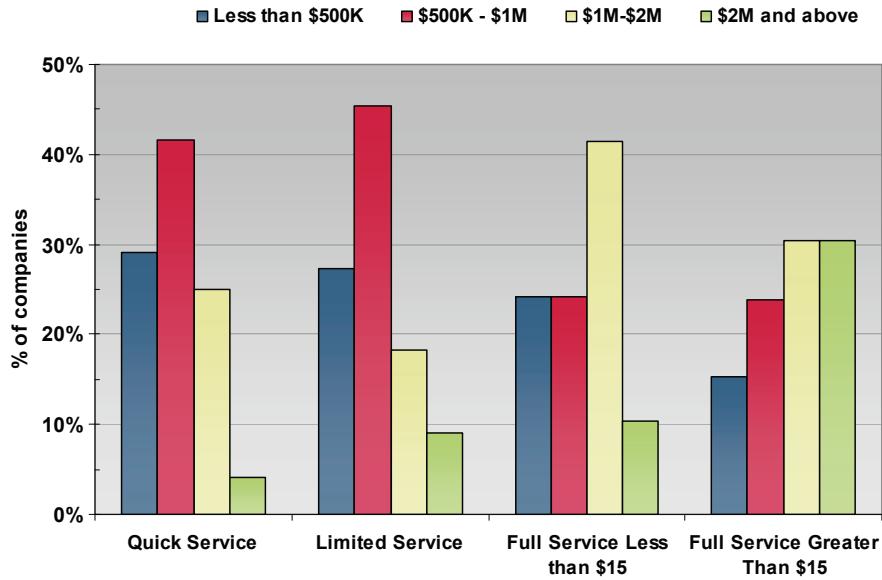
A2. Average annual sales volume per unit for most recently completed fiscal year:

23% - Less than \$500,000	8% - \$2 million to \$3 million
31% - \$500,000 to \$1 million	5% - \$3 million to \$4 million
19% - \$1 million to \$1.5 million	4% - More than \$4 million
10% - \$1.5 million to \$2 million	

A3. Multi Unit Operators: total annual sales volume for all units (most recently completed fiscal year) :

3% - Less than \$500,000	12% - \$6 million to \$10 million
18% - \$500,000 to \$1 million	9% - \$10 million to \$20 million
12% - \$1 million to \$2 million	9% - \$20 million to \$50 million
9% - \$2 million to \$4 million	9% - More than \$50 million
21% - \$4 million to \$6 million	

Average Annual Sales Volume Per Unit By Segment



A4. All operators: total annual sales (most recently completed fiscal year):

20% - Less than \$500,000	3% - \$6 million to \$10 million
28% - \$500,000 to \$1 million	3% - \$10 million to \$20 million
23% - \$1 million to \$2 million	3% - \$20 million to \$50 million
10% - \$2 million to \$4 million	3% - More than \$50 million
8% - \$4 million to \$6 million	

A5. Breakdown of respondents by type of business:

57% - Independent restaurant	1% - Hotel / motel only
9% - Chain restaurant	2% - Country club / golf course
19% - Franchisee	2% - Casino
0% - Hotel with foodservice	2% - Recreational facility (Bowling alley, family fun center, skating rink, etc.)
2% - Hotel restaurant	6% - Other, please specify: cruise ships, bar (4), off-premise caterer

A6. Breakdown of respondents by type of service:

20% - Quick service	37% - Full service – Average check per person over \$15
18% - Limited service – Fast casual and Family dining (cafeteria, buffet)	1% - Other, please specify: Casino
24% - Full service – Average check per person under \$15	

A7. Breakdown of respondents by type of ownership:

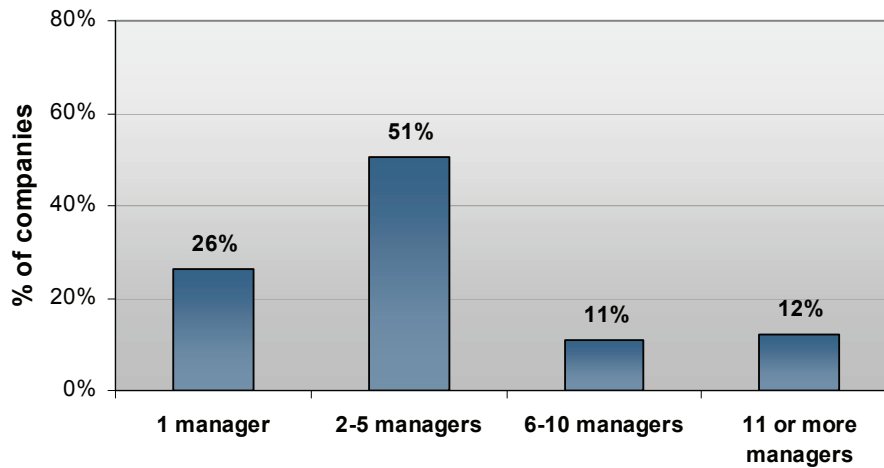
13% - Sole proprietorship
14% - Partnership
4% - Public corporation
70% - Private corporation

STAFFING

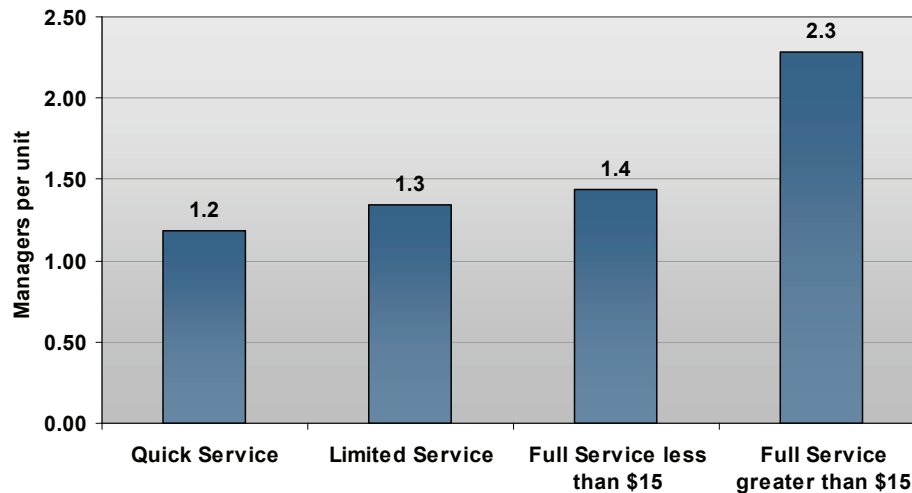
B1. Number of employees on payroll by category:

	Average number employed	Median number employed	% of companies that reported employing people in each position
Full time salaried restaurant managers	6	3	76%
Full time shift leaders (paid hourly)	4	3	65%
Part time shift leaders (paid hourly)	5	3	44%
Full time restaurant hourly employees	24	10	76%
Part time restaurant hourly employees	31	15	93%
Corporate office employees	3	1	55%

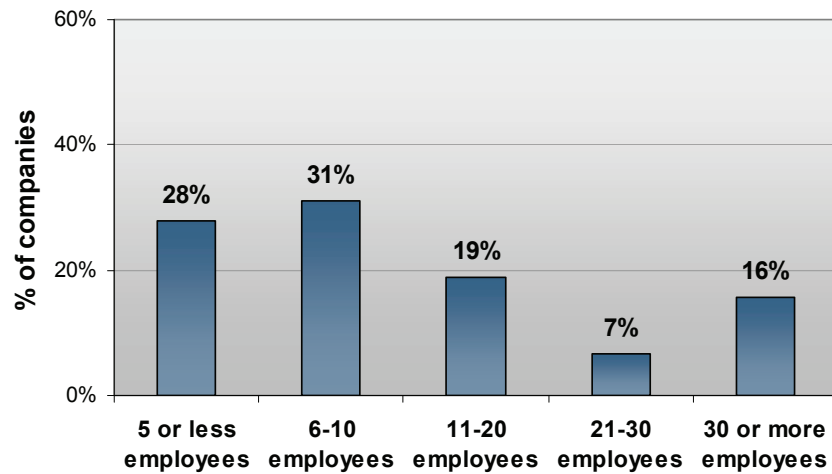
Percentage of Companies by Number of Restaurant Managers



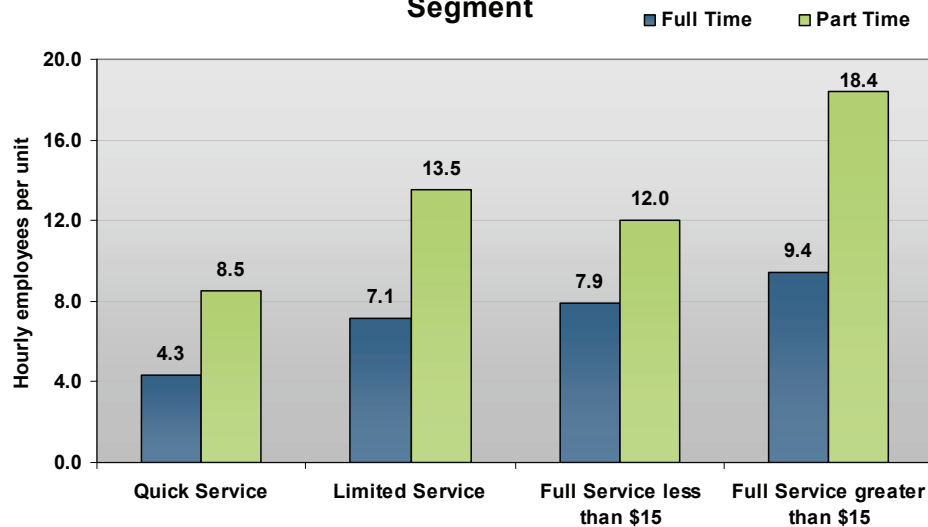
Average Number of Managers Per Unit By Segment



Percentage of Companies by Number of Full Time Restaurant Hourly Employees



Average Number of Hourly Employees Per Unit By Segment



B2. Change in staffing practices in 2008 compared with 2007:

32% of the companies reduced the company's workforce by an average 15%.

58% of the companies maintained 2007 staffing levels.

10% of the companies increased the company's workforce by an average 17%.

B3. Expected staffing practices for 2009 compared with 2008:

22% of the companies plan to reduce the company's workforce and on average they expect to reduce it by 8%

70% of the companies will maintain 2008 staffing levels.

8% of the companies plan to increase the company's workforce and on average they expect to increase it by 21%

B4. Most difficult hourly position to fill during 2008:

The most difficult position to fill is cook (45% of the participating companies ranked this position as the most difficult to fill and 76% of the companies ranked it among the 3 most difficult)

B5. Teen worker employment (employees 16 -17 years old):

62% of companies currently employ teen workers and an average 10% of their workforce is filled through the employment of teen workers.

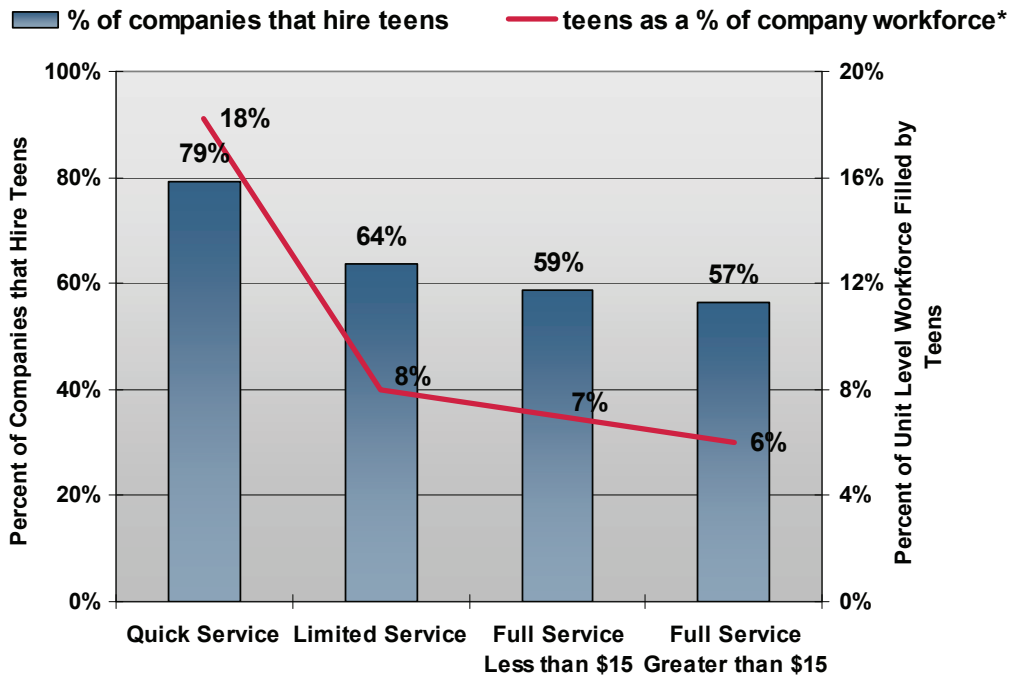
B6. Change in teen worker employment (% of companies):

3% It has **increased**, a larger percentage of my company's workforce is now filled by the employment of teen workers

36% It has **decreased**, a smaller percentage of my company's workforce is now filled by the employment of teen workers

62% It has **not changed**

Teenage Employment by Industry Segment



* % of workforce of those companies that reported hiring teens

B7. Annual Workforce Turnover (2007):

	Single Unit Operators	Multiple Unit Operators
Unit Management Annual Turnover	5.6%*	18.4%**
Unit Hourly Employee Annual Turnover	49.9%	72.0%

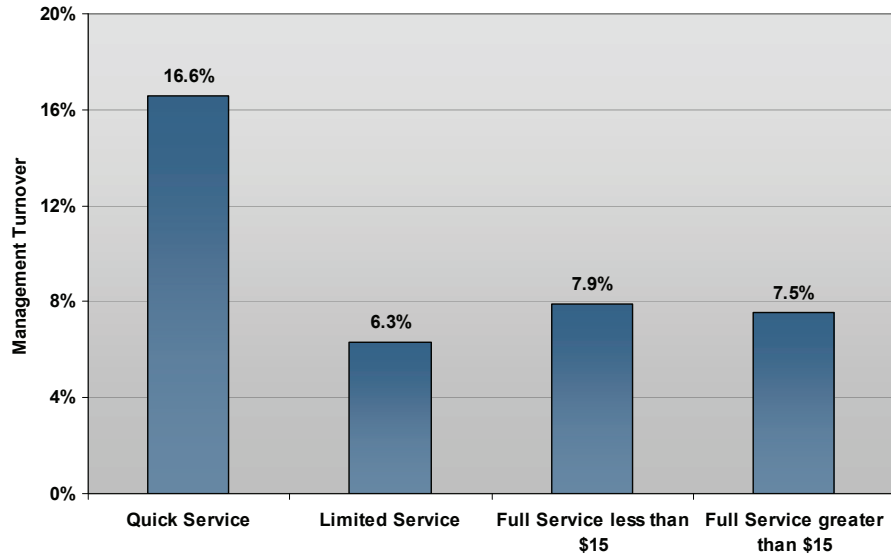
* 76% of the companies or individuals operating just one unit reported 0% unit management turnover for 2007.

** 30% of the companies or individuals operating multiple units reported 0% unit management turnover for 2007.

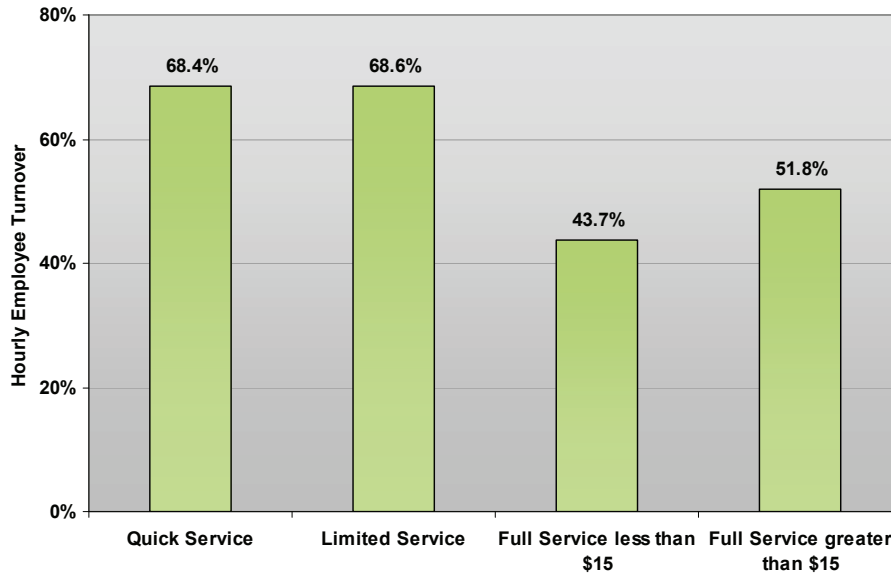
The following formula provides the general guideline used in this survey for computing turnover rates:

$$\frac{\text{Total Number of Terminations (including Voluntary Separations)}}{\text{Average Number of Employees}} = \text{Turnover Rate}$$

Unit Management Annual Turnover By Segment



Unit Hourly Employee Annual Turnover By Segment



RESTAURANT MANAGEMENT COMPENSATION

C1. Average Base Salaries (does not include bonuses): Please see page 12 for position definitions

	Average Base Salary	Salary Range	
		Average Highest Salary	Average Lowest Salary
Restaurant Operations – The following positions refer to multi-unit managers			
Regional Manager	\$73,800	N/A	\$69,057
Multi-Unit / District Manager	\$65,780	\$71,675	\$59,833
Catering Manager (multiple units)	\$45,833	\$53,750	N/A
Restaurant Operations – The following positions refer to unit level employees			
General manager/store manager	\$44,223	\$49,104	\$43,655
Assistant general manager (mid-level management position; use only if 3 levels of front-of-house management positions are employed)	\$36,781	\$39,491	\$34,446
Assistant manager (entry level salaried management position)	\$34,228	\$35,491	\$31,453
Kitchen manager / chef	\$42,497	\$45,924	\$39,764
Assistant kitchen manager / sous chef	\$33,997	\$37,763	\$32,838
Pastry chef	\$30,171	\$31,667	\$28,333
Banquet manager	\$37,167	\$38,250	\$35,750
Catering manager (single restaurant)	\$35,978	\$45,200	N/A

Restaurant Manager Salaries by Industry Segment

	Assistant Manager	General Manager	Kitchen Manager/ Chef
Quick Service	\$28,348	\$35,177	N/A
Limited Service	\$34,767	\$42,570	N/A
Full Service (less than \$15*)	\$27,400	\$41,474	\$33,493
Full Service (more than \$15*)	\$38,021	\$51,356	\$45,237

*Average guest check per person.

C2. Unit level manager bonus eligibility:

61% of the companies reported that their unit level managers are eligible to receive bonuses.

C3. Bonus potential and actual bonus earned:

	<u>2007 potential bonus</u> (as % of base salary)	<u>2007 actual bonus</u> earned (as % of base salary)	<u>2008 potential bonus</u> (as % of base salary)
General managers	15%	14%	15%
Assistant managers (entry level salaried managers)	9%	7%	10%
Kitchen manager / lead chef	9%	8%	10%
Catering manager	11%	9%	9%

RESTAURANT HOURLY EMPLOYEE COMPENSATION

D1. Average hourly wages (does not include tips or bonuses):

	Average Hourly Wage	Hourly Wage Range	
		Average Highest Hourly Wage	Average Lowest Hourly Wage
Restaurant Hourly Employees			
Shift supervisor	\$10.83	\$12.09	\$9.98
Bartender	\$9.24	\$10.07	\$8.72
Cook	\$11.52	\$13.10	\$10.14
Prep cook	\$10.40	\$11.16	\$9.72
Wait-staff / server	\$8.23	\$8.49	\$8.11
Busser	\$8.21	\$8.22	\$8.13
Dishwasher	\$8.92	\$9.32	\$8.53
Bookkeeper	\$14.14	\$15.58	\$13.24
Host/hostess	\$8.95	\$10.07	\$8.85
Cashier	\$8.74	\$9.79	\$8.46
Crew member (non-entry level)	\$8.74	\$9.52	\$8.35
Crew member (entry level)	\$8.30	\$8.48	\$8.21

Restaurant Hourly Employee Wages by Industry Segment

	Shift Leader	Bartender	Cook	Prep Cook	Wait-staff	Dishwasher
Quick Service	\$10.13	N/A	\$9.50	\$9.44	N/A	N/A
Limited Service	\$10.54	\$8.94	\$10.45	\$9.92	\$8.43	\$8.64
Full Service (less than \$15*)	\$10.77	\$9.18	\$11.25	\$10.23	\$8.21	\$8.59
Full Service (more than \$15*)	\$11.42	\$9.35	\$12.17	\$10.73	\$8.19	\$9.11

*Average guest check per person.

Minimum Wage Usage by Industry Segment

	% of Workforce Paid Minimum Wage	% of Companies That Don't Pay Minimum Wage
Quick Service	44%	25%
Limited Service	37%	29%
Full Service (less than \$15*)	52%	7%
Full Service (more than \$15*)	48%	4%

*Average guest check per person.

D2. Tipped employees:

70% of the companies reported having tipped employees.

D3. Average tips per hour (Full Service Restaurants Only):

	Full Service Overall	Avg. check per person under \$15	Avg. check per person over \$15
Average Tips per hour	\$13.51	\$10.03	\$15.30

HEALTH BENEFITS

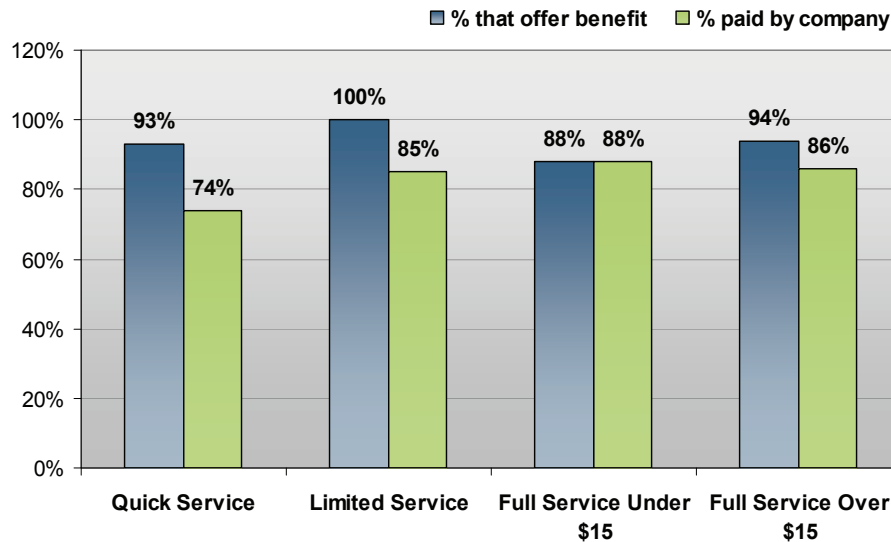
E1. Average monthly cost per person for most used health plan:

	All Companies		Quick Service / Limited Service		Full Service	
	Average total monthly cost per person	% of cost paid by company	Average total monthly cost per person	% of cost paid by company	Average total monthly cost per person	% of cost paid by company
Unit Level Managers	\$341	84%	\$338	79%	\$350	87%
Unit Level Hourly Employees	\$283	60%	\$258	65%	\$298	58%
Average – All Unit Level Position Levels	\$297	66%	\$280	68%	\$310	64%

E2. Percentage of companies offering benefit and percentage of benefit cost covered by the company:

Benefit	Unit-level managers		Unit-level hourly employees	
	% of companies that offer benefit	% of benefit cost paid by company	% of companies that offer benefit	% of benefit cost paid by company
Health Plan	94%	84%	49%	60%
Dental Plan	59%	82%	29%	56%
Dependent Coverage	60%	39%	39%	17%

Health Benefits Plan: Percentage of Companies Offering Benefit and Percentage of Cost Paid by Company By Segment



E3. Average waiting period, in weeks, for eligible employees to receive health benefits:

Position level	Number of weeks	Benefits effective 1 st of the month*
Unit-level managers	14	26%
Unit-level hourly employees	20	0%

* Percentage of companies that reported employees receive health benefits on the 1st day of the following month after their first day of work.

E4. Percentage of eligible employees currently enrolled in health plan:

Position level	% of eligible employees enrolled in health plan
Unit-level managers	84% (61% of the companies reported that 100% of eligible managers are enrolled)
Unit-level hourly employees	43% (10% of the companies reported that 100% of eligible hourly employees are enrolled)

OTHER BENEFITS

F1. Percentage of companies offering benefit and percentage of benefit cost covered by the company:

Benefit	Unit-level managers		Unit-level hourly employees	
	% of companies that offer benefit	% of benefit cost paid by company	% of companies that offer benefit	% of benefit cost paid by company
Short Term Disability	13%	98%	4%	73%
Long Term Disability	18%	100%	3%	35%
Vision Care Plan	32%	86%	15%	65%
Prescription Drug Program	54%	82%	28%	62%
Basic Group Life	23%	97%	13%	81%
Basic Accidental Life	20%	99%	10%	84%

F2. Average number of days of paid vacation per year:

Position level	Employment Tenure			
	1 st year	2 nd year	3 rd year	5 th year
Unit-level managers	8	10	12	14
Unit-level hourly employees	6	8	9	11

F3. Change in benefit offerings from 2007 to 2008:

	Increased	Decreased	No Change
The number of benefits offered has increased/decreased	7%	13%	80%
The percentage of the benefits' cost that the company pays has increased/decreased	35%	8%	57%
The value of the benefits provided to the employee increased/decreased (examples: the copay amount decreased/increased for health plan, number of vacation days increased/decreased, etc.)	16%	21%	63%

MENU PRICE TRENDS

G1. Average 2008 menu pricing:

Item	Quick and Limited Service			Full Service		
	Average 2008 price	% change since 2007	% change since 1998	Average 2008 price	% change since 2007	% change since 1998
Best selling lunch entrée, non pizza	\$6.03	5%	56%	\$9.68	7%	68%
Best selling dinner entrée	\$7.79	4%	61%	\$17.26	12%	66%
Best selling pizza, medium, 1 topping	\$14.04	9%	N/A	\$12.00	9%	N/A
Best selling appetizer	\$4.73	13%	N/A	\$8.44	8%	56%
Cost of a hamburger, medium fries, 16 oz. drink	\$7.31	8%	103%	\$9.98	6%	59%
Caesar or comparable large dinner salad	\$6.94	7%	N/A	\$8.79	6%	54%
House bourbon/water	N/A	N/A	N/A	\$4.61	9%	72%
Lowest priced 16 oz. beer	\$2.88	5%	N/A	\$3.46	9%	67%
Cup of coffee	\$1.36	10%	48%	\$1.93	7%	81%
Medium soda	\$1.63	8%	81%	\$2.08	9%	94%
Average % change	--	8%	70%	--	8%	69%

G2. Changes in best selling entrée:

17% of respondents changed their best selling entrée in 2008 over 2007 with the most common change reported as "cost". 83% of respondents did not change their best selling entrée.

G3. Practices used to build or retain business:

	Used in 2007	Used in 2008
Discounting through coupons/direct mail	51%	58%
Discounting through email coupons / Internet based coupons	21%	22%
Discounting through passport/entertainment book	36%	37%
In-house specials	65%	69%
Flyers	25%	25%
Internet marketing (for example: OpenTable)	12%	14%
Other, please specify*:	13%	17%

* Most frequent responses: Advertising (radio, newspapers, billboards), Frequent Diner Program/Loyalty Program.

G4. Changes in healthy food options in last 12 months:

	Quick and limited service	Full Service
Yes, healthy food options were added to the menu	54%	51%
No, healthy food options were not added to the menu	46%	49%

G5. Percentage of menu considered to be a healthy food option:

	Quick and limited service	Full Service
Percentage of healthy food options	23%	30%

POSITION DEFINITIONS

Restaurant Operations – The following positions refer to multi-unit managers:

1. **Regional Manager** - Responsible for the performance of the restaurants in a geographic region of the country. Provides leadership to multi-unit managers within a specified region. Ensures company operations are performed in accordance with policies and meeting quality standards. Prepares and oversees annual operating budget, and is responsible for P&L results in the region.
2. **Multi-Unit / District Manager** - This person is the immediate supervisor of a number of General Managers.
3. **Catering Manager (multiple units)** - Salaried manager who handles all catered events for the company or for two or more of its units. For catering managers assigned exclusively to one restaurant, please use “Catering Manager (single unit)” under the unit level employee section below.

Restaurant Operations – The following positions refer to unit level employees:

4. **General Manager / Store Manager** - The highest-ranking manager working in the unit. This manager is responsible for the entire restaurant and is often the most experienced manager in the store.
5. **Assistant General Manager** – Mid-level management position; usually a more experienced manager with more authority than an Assistant Manager, but not responsible for the entire store. Many restaurants do not have this position. Use only if three levels of front-of-house management positions are employed.
6. **Assistant Manager** - Salaried entry level managerial position. Key hourly employees are not counted as Assistant Managers in this survey. Shift leaders for Quick Service Restaurants should be considered Assistant Managers for this survey.
7. **Kitchen Manager / Chef** - Highest-ranking salaried manager who works solely in the kitchen; duties include menu planning, portion control, quality standards, and training of employees.
8. **Assistant Kitchen Manager / Sous Chef** - Salaried kitchen management position, reports to the Kitchen Manager or Chef (NOTE: This position code can only be used if there are TWO levels of kitchen management. If there is only one level, Kitchen Manager/Chef should be used).
9. **Pastry Chef** - Responsible for pastry production in a restaurant organization. Ensures quality standards in conjunction with the Executive Chef. May be responsible for bakery goods, centerpieces, or other decorative items.
10. **Banquet Manager** - Responsible for overseeing the success of all banquet events and activities; supervising room set-ups, services, schedules and clean-ups of all banquet functions; selecting, training and developing employees.
11. **Catering Manager (single restaurant)** - Salaried manager who handles all events catered by one restaurant unit exclusively. If the manager oversees the events catered by two or more units, please use “Catering Manager (multiple units)” under the multi-unit manager section above.