RESTAURANT INDUSTRY UPDATE

Carefree-Cave Creek Restaurant Community

To: Carefree Cave Creek Chamber of Commerce Board of Directors
From: Danny Piacquadio, Owner of Harold's Corral and Restaurant Committee Member
Date: August 2026
Subject: Arizona restaurant industry conditions and local Restaurant Committee update

Source acknowledgment: The statewide industry information and graphics in this report were provided by the Arizona Restaurant Association.

Purpose

As a member of the Carefree Cave Creek Chamber of Commerce and its Restaurant Committee, and as a longtime local restaurant operator, I wanted to share several Arizona restaurant industry updates that may affect restaurants throughout Carefree and Cave Creek.

Arizona Sales Are Up - But So Are the Pressures

Arizona restaurants generated approximately $12.6 billion in sales during the first half of 2026, a 5.09% increase over the same period last year.

After adjusting for inflation, real sales increased by only 0.23%. This suggests that most of the growth came from higher menu prices rather than increased customer traffic or stronger demand.

Arizona restaurant employment is also down 2.3% from last year. Nationally, restaurants lost approximately 12,100 jobs in June, with preliminary figures indicating an additional decline in July.

For local operators, the message is clear: while sales figures may look encouraging, customer traffic, labor availability, food costs, insurance, utilities and other operating expenses remain significant challenges. Careful menu pricing, labor management and cost controls will continue to be critical during the second half of the year.

Fall Arizona Restaurant Week

Fall Arizona Restaurant Week is approaching, and participation will be capped. Participating restaurants can:

- Reach diners actively searching for restaurants.
- Showcase signature favorites, seasonal dishes or a new menu experience.
- Attract first-time guests and encourage loyal customers to return.
- Benefit from statewide television, radio, digital, social media and public-relations exposure.

Participation costs $350 for Arizona Restaurant Association members and $600 for nonmembers.

Restaurants interested in participating should register soon. Questions may be directed to Jamie at Jamie@azrestaurant.org.

Travelers Are Choosing Destinations for the Food

OpenTable research shows how important restaurants have become to travel decisions:

- 60% of travelers have booked a hotel specifically because of its restaurant.
- 61% have selected a destination because of its food or restaurant scene.
- 88% of Gen Z travelers plan restaurant reservations before arriving.
- Solo dining by travelers has increased 30% year over year.
- 92% have visited a hotel restaurant without staying at the hotel.

This is especially relevant to Carefree and Cave Creek. Our restaurants are not merely places for visitors to eat; they are an important part of what brings people to our communities. Working together to promote the area as a dining destination can benefit restaurants, lodging properties, retailers and other tourism-related businesses.

September Restaurant Owners Mixer

Cody Edgin of Cryin' Coyote and I are planning a mixer for local restaurant owners in September. We are speaking with potential guest speakers about options for managing credit-card processing fees, an increasingly significant expense for restaurant operators.

We will also discuss what the Carefree Cave Creek Chamber of Commerce does for its restaurant members and how the Chamber can help promote, connect and advocate for our local restaurant community. The date, location and speakers will be announced soon. Stay tuned for the date.

Personal Note

The restaurant business has never been easy, and the current numbers confirm what many of us are experiencing firsthand: revenue may be increasing, but so are the costs and pressures involved in producing that revenue.

Carefree and Cave Creek have a strong and distinctive restaurant community. By sharing information, promoting our communities together and supporting one another, we can help make our entire dining market stronger.

Danny Piacquadio

Owner, Harold's Corral

Member, Carefree Cave Creek Chamber of Commerce

Restaurant Committee Member

APPENDIX: ARIZONA RESTAURANT INDUSTRY GRAPHICS

All graphics courtesy of the Arizona Restaurant Association.

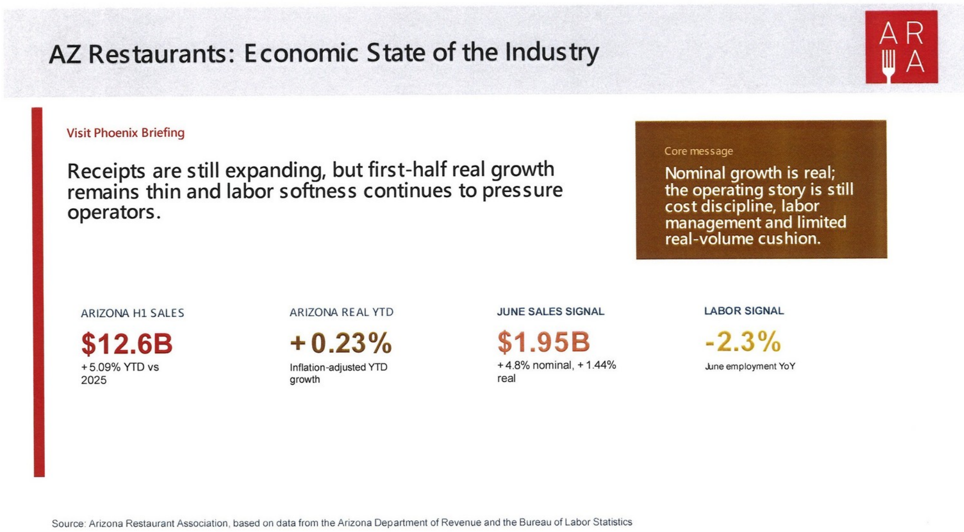

Figure 1. Midyear industry snapshot.

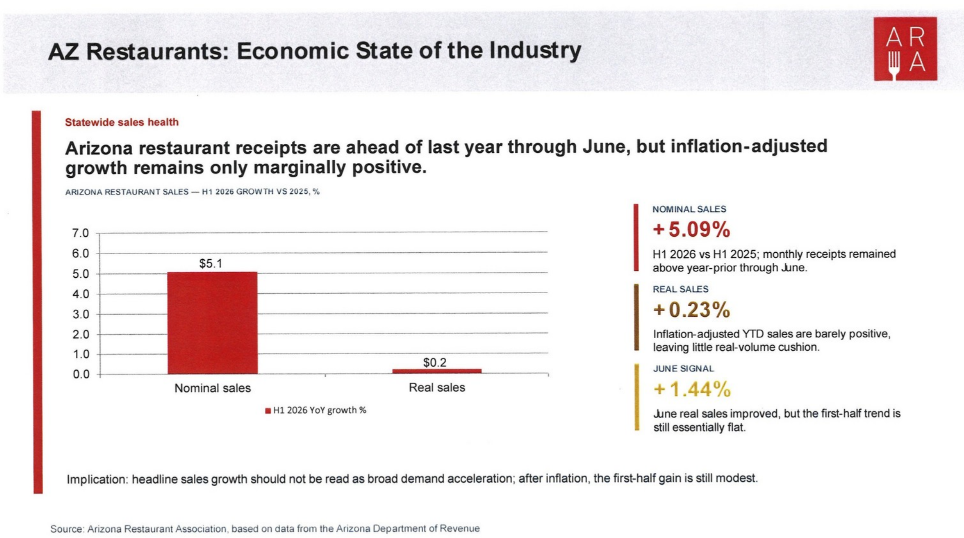

Figure 2. June sales and inflation-adjusted growth.

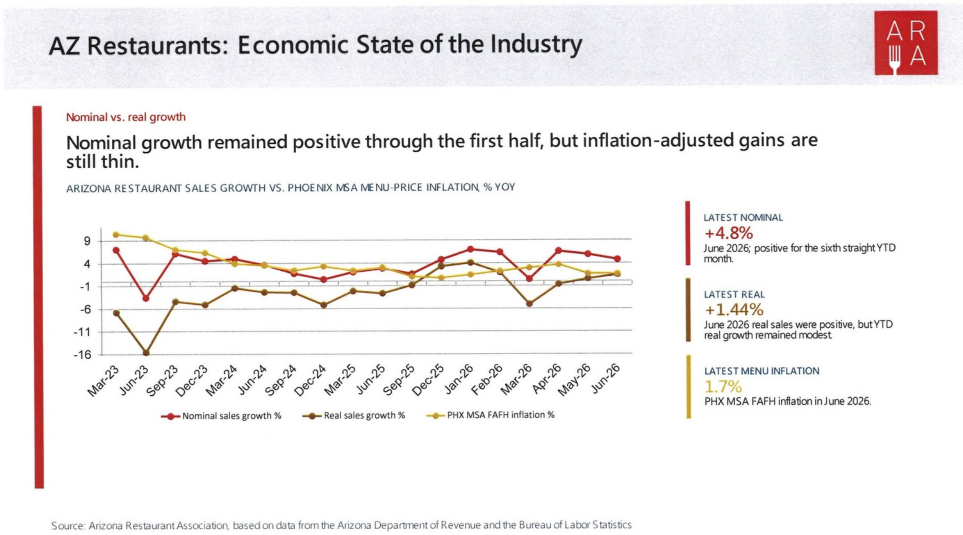

Figure 3. Monthly sales growth trends.

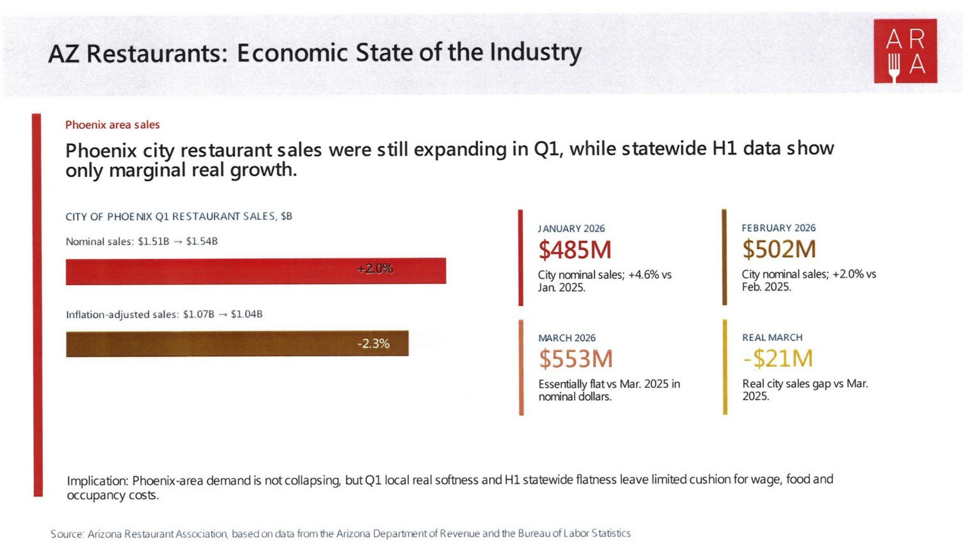

Figure 4. First-quarter spending versus projections.

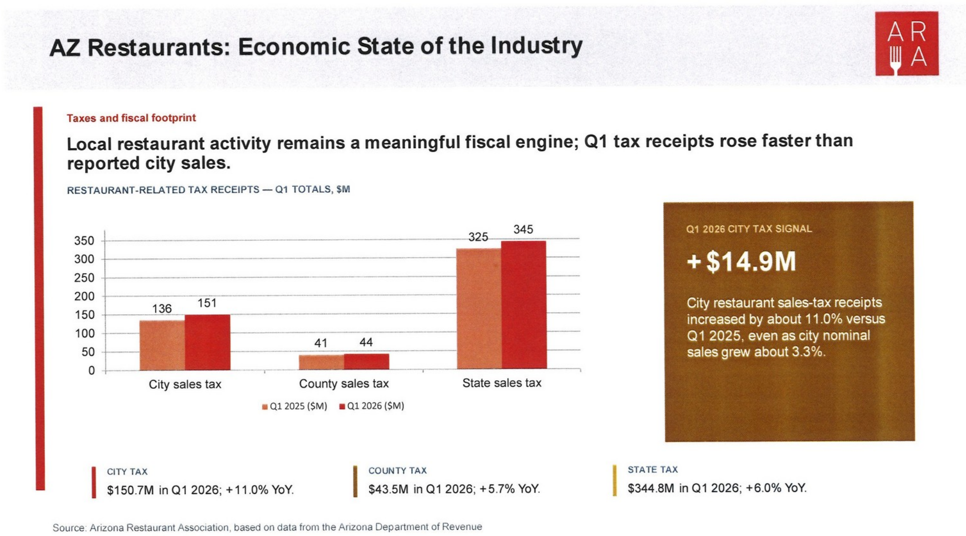

Figure 5. Limited-service and full-service sales.

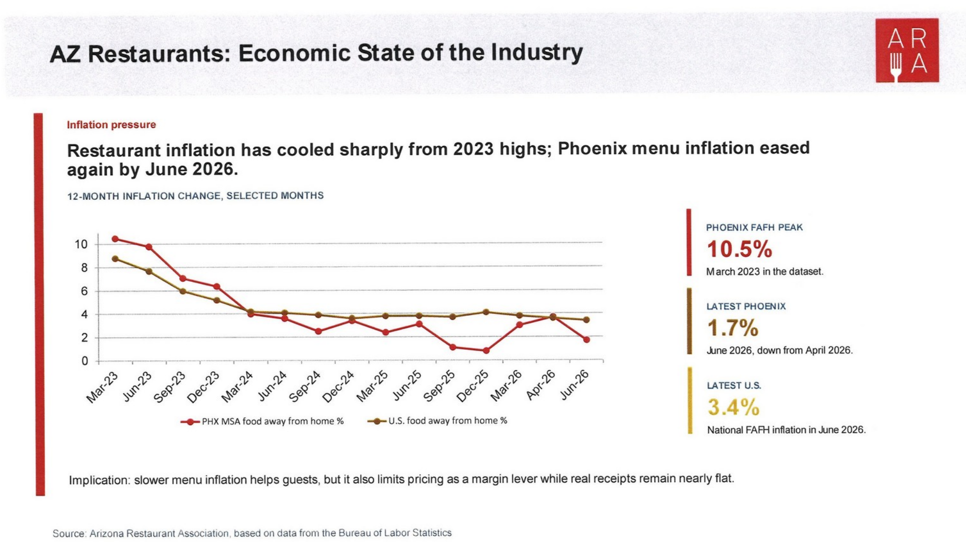

Figure 6. Arizona restaurant job growth.

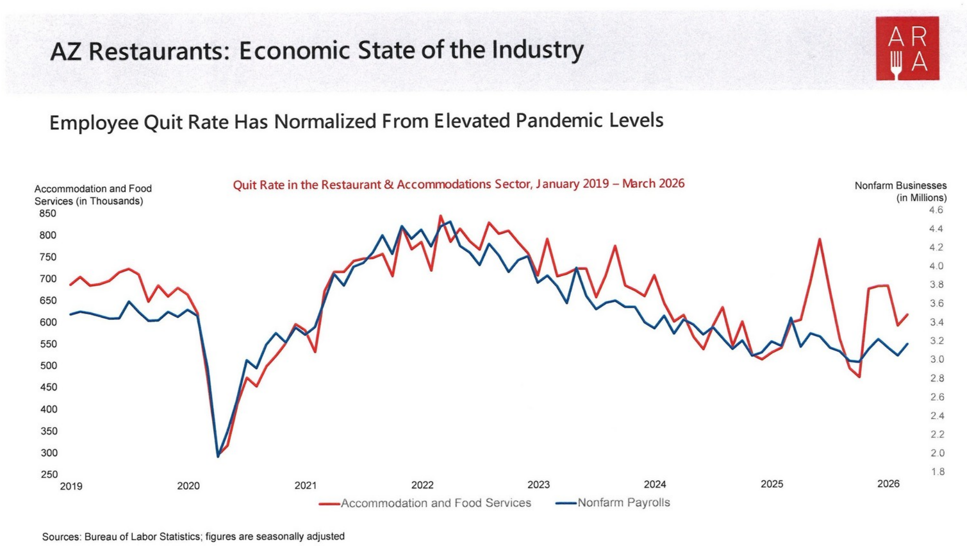

Figure 7. Employee cost index.

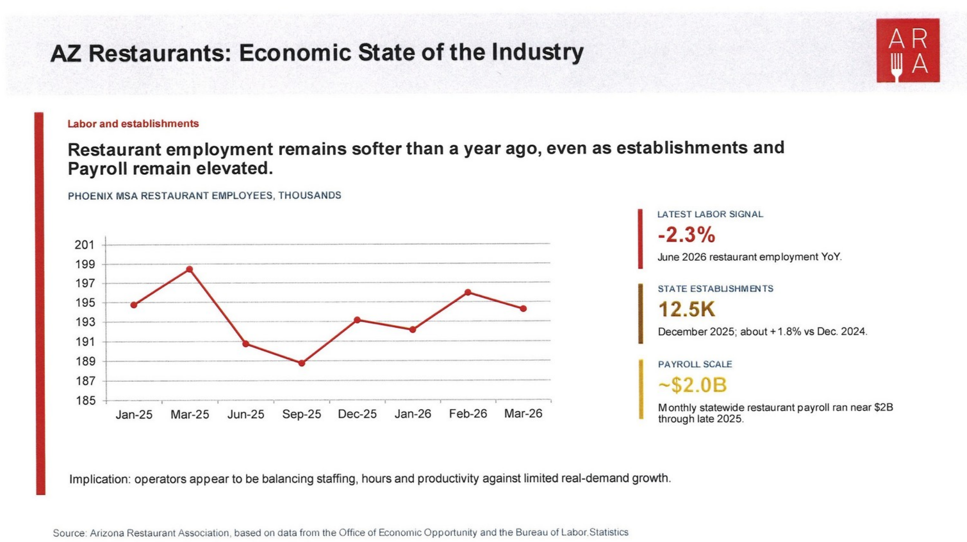

Figure 8. Restaurant employment trend.

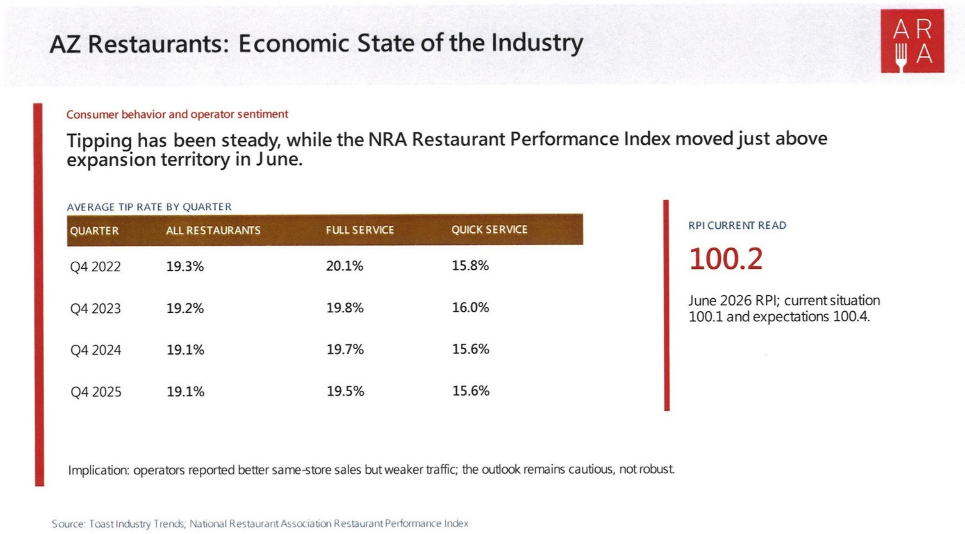

Figure 9. Restaurant Performance Index.

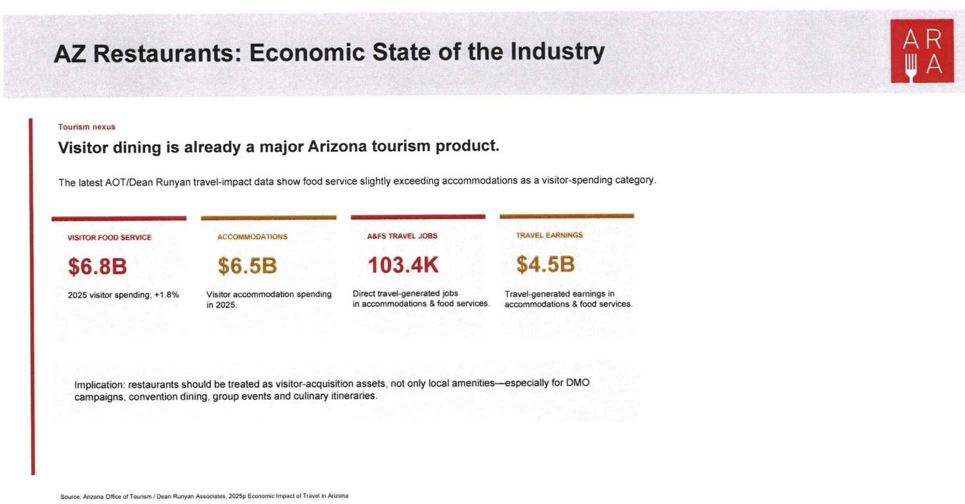

Figure 10. National restaurant industry snapshot.