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The Last Slice of Pie



Have you ever gone to your refrigerator hoping to nab a nice big slice of pie, and instead what you find is that last tiny slice? You're disappointed. It's better than nothing but the disappointment is there nonetheless. Who ate the pie? Where was I when all the big pieces were being taken? Well, it's time we celebrated that last slice of pie. Let me explain.

Recently, I was sitting in a restaurant with a business associate and became captivated by all the hustle and bustle around me. There were well over a dozen waiters and staff buzzing around, taking care of customers. From greeting me when I walked in, getting me to my seat, taking my order, delivering my drink, meal, coffee and dessert, there was an amazing level of activity to create a pleasing dining experience — all so we would patronize them in the future. What I didn't know is that all that activity and investment was for probably \$2 to \$3 of profit. That's the average profit that goes to the restaurant owner before taxes on one \$35 lunch meal (before tip). A lot of activity, salaries, investment in equipment, fungible food inventory and long-term leases just to make a few bucks on one meal.

The U.S. restaurant industry is made up of more than 960,000 locations and is mostly made up of small businesses. These businesses represent 4 percent of our country's Gross Domestic Product (GDP) and employ almost 13 million people, or nearly 10 percent of the U.S. workforce. Annual sales were expected to be \$604 billion in 2011, or \$1.7 billion per day. That does not count all the other businesses that are impacted by the industry, including the

appliance manufacturers, linen service and commercial leasing, just to name a few. The overall impact of the restaurant industry may have exceeded \$1.7 trillion (yes, that's trillion with a "T") in 2011. That's one big pie!

If you add it all up, every dollar spent at a restaurant in the United States by a customer produces on average 4 to 6 cents profit, which means that 94 cents goes to others. On top of that, every dollar spent in restaurants generates an additional \$2.05 spent in our nation's economy. And guess who gets the smallest slice? It's the one at the end, after everyone else is paid and goes home at the end of the day. That's right, the owner—the person whose name is probably on the lease and who took the bet that they could do it better or at least as well as the competitor down the street.

So what happens without that last slice of pie? Nothing ... there is no pie. It's what makes the rest of the pie possible. It's why the appliance manufacturers purchase the commodities needed to make the equipment they sell to the restaurateur. It's what keeps the 13 million staff employed. Small businesses are part of a larger industry that has greater impact on our national economy than many may realize. They create jobs, which creates consumer spending. The risk business owners take is so important to our future, and we need to keep in mind that their slice of the pie can take years and years of "baking" to become personally fruitful.

During times of economic stress, it's easy for us to become disenchanted. Life becomes hard, or at least harder, and we look for answers to questions like, "Where is my slice of the pie?" Gratitude seems like a distant memory. But keep the business owners in mind and why it's so important they continue to have opportunity for success in our country. Whether it's patronizing your local small business, encouraging the next generation of entrepreneurs in school or even your family, or participating in your right to vote, we each can do our part to help our nation prosper.

“Some people regard private enterprise as a predatory tiger to be shot. Others like a cow they can milk. Not enough people see it as a healthy horse, pulling a sturdy wagon.” – Winston Churchill

Source: All data was provided and available from the National Restaurant Association.

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