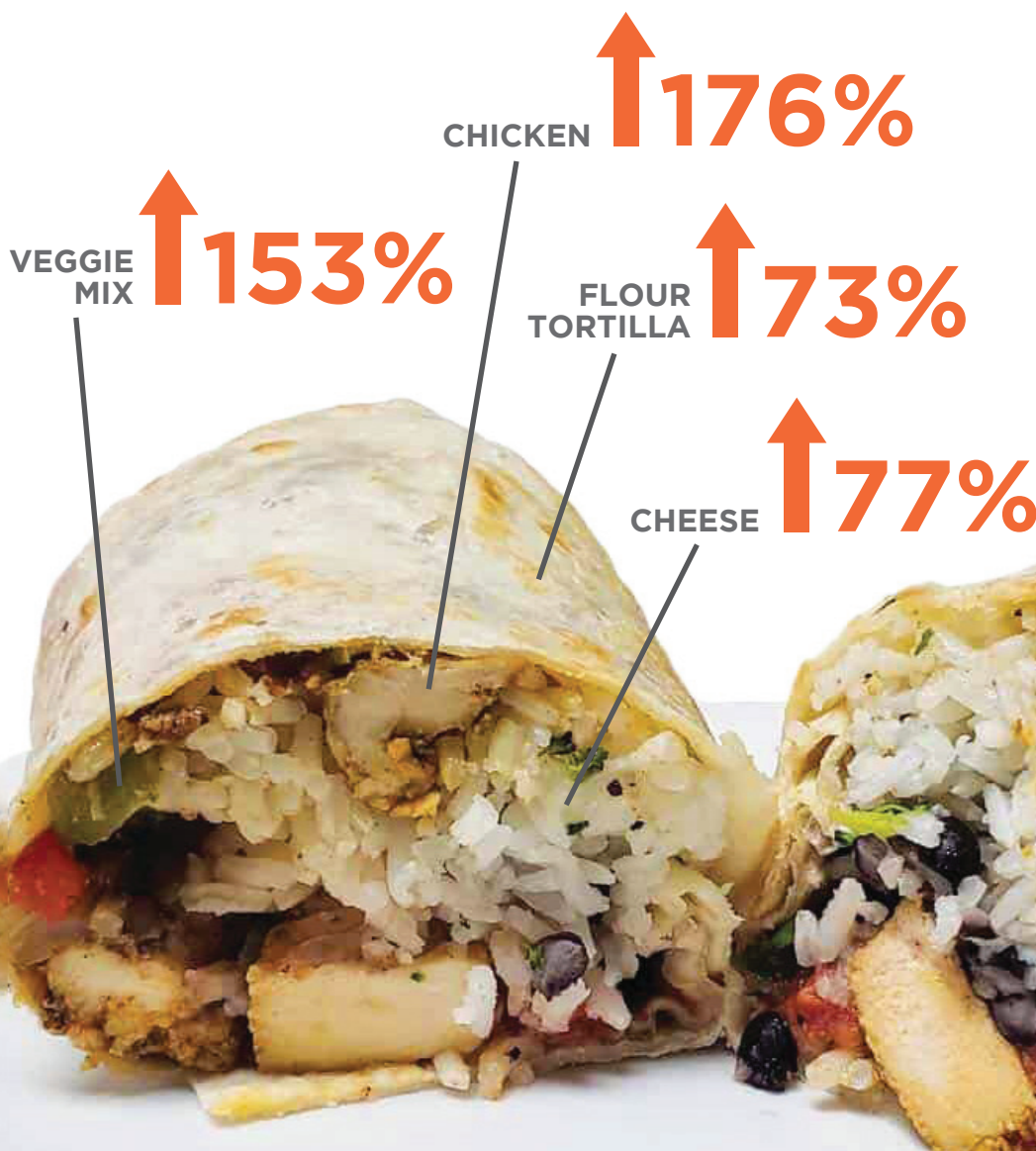


THE BURRITO EFFECT

How soaring inflation is crushing restaurants' profitability.

In 2022, at restaurants across Colorado, labor shortages, supply-chain disruptions, the war in Ukraine, and inflation have driven up the cost of nearly everything - and menu prices don't tell the whole story.

The current price of this **\$13.50 chicken-bean-and-rice burrito** from a national fast-casual chain does.



BEHIND-THE-SCENES COSTS

Labor: **▲69%**
Utilities: **▲40%**
Equipment and maintenance: **▲30%**
Takeout containers, paper bags: **▲13%**

Q: What would the restaurant have to charge for this burrito to make its 2019 margin?

A: **\$22.65**



Independent local restaurants are facing the same increases, and consumers aren't willing to pay the true cost of dining out.

Where does this leave Colorado restaurants?