

# THE **SURF & TURF** EFFECT

How soaring inflation continues to crush restaurants' profitability

The restaurant business in 2023 is far from normal. Supply-chain disruptions, labor shortages, and economic turmoil continue to drive up the cost of nearly everything -- and menu prices don't tell the whole story.

The current price of this \$82 surf & turf entrée at a small, independent steakhouse in southwest Colorado does.



**Q:** What would the restaurant have to charge for this surf & turf entrée to make its 2019 margin? **A: \$112**

Mom-and-pop diners and fine-dining establishments alike – in mountain towns, big cities, and rural communities – are still facing mounting expenses, and consumers aren't willing to pay the true cost of dining out.

**Where does this leave Colorado restaurants?**