



1 Spritz	\$16.00
1 Orfano Caesar	\$16.00
1 Bowl of Clams	\$19.00
1 Roasted Branzino	\$33.00
1 Rigatoni Bolognese	\$28.00
1 Lobster Bucatini	\$44.00
Kitchen Appreciation Fee (5.00%)	\$9.05
Subtotal	\$190.05
Tax	\$12.67
Total	\$202.72

Restaurants Adding Inflation Fees Amid Razor Thin Margins

Description

USA: As restaurants across the country feel the squeeze from rising inflation, a tight labor market, and minimum wage increases on an industry with notoriously thin margins, **owners are passing along the pain in the form of various fees** tacked onto the tab, according to the *Wall Street Journal*.



Fees for a “noncash adjustment,” “fuel surcharge,” or “kitchen appreciation” have been showing up on more bills lately. Industry analysts say this wave of surcharges is mostly being driven by restaurants trying to cope with the impact of rising inflation and a tight labor market on their bottom lines. In addition, [Mastercard](#) and [Visa](#) in April [raised transaction fees for many merchants](#). -WSJ

According to point-of-sale software developer Lightspeed, **fee revenue has nearly doubled from April 2021 to April 2022**, based on a sample of 6,000 restaurants on their platform. Restaurants adding service fees increased by 36.4% over the same period.

“As the costs of doing business have changed, we’ve seen more merchants leverage this tactic,” said

exec Peter Dougherty.

*The fees are effective in part because **unless people are paying close attention, many fail to notice them.** When the bill arrived following a mid-April dinner at Romano's Macaroni Grill, Lizzie Stephens was about to grab her wallet to pay. Instead, she pulled out her phone to Google the "temporary inflation fee" she noticed had been added to her check.*

"I was just like—wow, now we're getting fees at a restaurant, too?" said Ms. Stephens, 34 years old, who lives in the Stockton, Calif., area.

Inflation has hit the average restaurant operator to the tune of **17.5% since last year**, according to NPD Group. Consumer spending in restaurants, meanwhile, rose just 5% during the same period.

These charges are nothing new. In February, one restaurant charged a "**Temporary Inflation Fee**" of \$2 on a \$15 bill – **or 13%**.

Picking up dinner for my 6yo. Obviously ordering at the bar and snagging a drink while I wait, standard dad move.

Temporary Inflation Fee: \$2.00

What?!? pic.twitter.com/QGP93mTNK9

— Steads (@winsteadscap) [February 21, 2022](#)

Then we've got a 'Kitchen Appreciation Fee' of 5%:

'Kitchen Appreciation Fee', the new inflation offset. Food was great though.
pic.twitter.com/74T4jib9ON

— Peter Boockvar (@pboockvar) [April 2, 2022](#)

In October, Sherwin-Williams came under fire for a 4% "supply chain charge."

Latest new tax that might appear on your next receipt. 4% supply chain charge ? WTF that's legit a thing. Why confuse people? Just wrap it into your price and call it good.
[#SupplyChainCrisis](#) [#inflation](#) [#tax](#) [#BuildBackBetter](#) pic.twitter.com/l12uU3TddT

— Dre PhD (@PilatAndre) [October 23, 2021](#)

"These are the more cost-sensitive verticals that have a huge demand or need to pass through their credit-card transaction fees against this backdrop of the rising costs," said Jonathan Razi, founder and chief executive of CardX, which allows merchants to pass along credit-card swipe fees to consumers in the form of surcharges. The company, which was acquired in November by Stax, had 2,600 clients as

of November.

In April, Minneapolis-area restaurant chain Rock Elm Tavern took heat over a 3% “wellness fee” added to checks. Co-owner Troy Reding said the company added the fee right before the pandemic in order to offer health-insurance to its 140 employees who work at least 25 hours per week. **Reding will be raising the fee to 5% this fall.**

I asked the restaurant what this fee was for and was told, “the Wellness Fee pays for employees access to a mental health hotline for depression and suicide”.

Question: do I lower my tip by 3% since I am now paying for “mental health” for the server?
pic.twitter.com/gApdOJNmHK

— Corporate Hodler (@ChrisMattson11) [April 10, 2022](#)

“We’ll see if this supply-chain mess straightens out a bit, see if the labor pool comes back at all,” said Reding. “If costs continue to escalate, part of our strategy is gonna be to figure out new and added benefits that we can add to retain the people we have and try and attract new people from other hospitality ventures.”

by Tyler Durden

Category

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