

COST OF DINING IS HIGHEST IN U.S.

Dining out in Washington costs more than you think, new study on chain restaurants shows



COLIN MULVANY /THE SPOKESMAN-REVIEW Server Rosie DeCaro delivers food to a table Friday at Uncle Rusty's Diner on East Francis Avenue. A study of the 20 largest chain restaurants in the U.S. found menu prices are higher in Washington than in any other continental state.

Spokane transplants be warned before offering to foot the dinner bill: It may be more than you're used to.

Chain restaurants in Washington charge more than in any other state in the lower 48, according to a recent Washington Hospitality Association study evaluating the cost of dining out.

Washington residents tend to pay nearly 14% more than the national average, with those in the Seattle area seeing prices over 17% higher than average for the 20 largest American cities, according to the association's 2025 Cost of Dining report.

Seattle's prices were second only to San Francisco, and outpaced locations like New York City, Los Angeles, Denver and San Antonio. The association did not conduct a similar analysis for Spokane, but prices likely mirror the statewide trend, said Anthony Anton, president of the lobbying group.

Anton said the study was launched earlier this year so the association had usable data on Washington's business landscape.

The results were not originally intended to be made public, but Anton said the shock of just how much higher Washington prices motivated the organization to spread the word.

"Not to be rude to Arkansas, I think we knew we're going to be more expensive than Arkansas," Anton said. "But to be more expensive than some of those other ones I mentioned like New York, New Jersey, Connecticut, Massachusetts and California, I think was a surprise to us."

The association tasked six college students with analyzing online menu prices of popular entrees at each fast food or full-service chain, including Applebees, Buffalo Wild Wings, Olive Garden and Denny's. Focusing on chains allowed for less variability in comparing costs to consumers, Anton said.

Middle America's more rural states like Kansas and Oklahoma were at the

cheapest end of the spectrum, boasting prices around 6% cheaper than the national average. Prices in coastal, more populated states, like New York, Massachusetts and Connecticut, were around 5% to 6% more expensive, but still trailed behind the pack-leading locales on the West Coast.

California's prices were second only to Washington at 13.3% above average, and Oregon's 9.1% premium is still more than 3 percentage points higher than the next most expensive state, Massachusetts.

The high prices may be tied to supply chain issues, an overall higher cost of living and more expensive urban markets, the association theorizes. But for Washington residents, in particular, those costly dinner bills are tied to the higher costs of doing business, Anton said.

"The way that we place the tax burdens on small businesses in Washington, and a lot of the regulatory costs that we have to do business, you just don't see in other states," Anton said.

Washington's statewide minimum wage of \$16.66 is the highest in the country, and more than double the federal standard of \$7.25. Anton said sick time, leaves of absence, environmental orders and a number of other regulations in Washington drive up costs for business owners, and in turn, the consumer, regardless of whether it's a drive-thru or local eatery.

In releasing the study, the association hoped to provide the public with transparency over how state policies are having a trickle-down effect on their pocketbooks. It does not have to be a "negative thing," Anton said, as long as consumers are still opting to support local restaurants and, by extension, the economy.

"But if the conversation becomes, well, 'I can't afford to eat out anymore; I'm going to stop eating out because of all these things,' then I think we ought to start talking about that," Anton said.

Michael Ray, director of operations for 3MR Restaurants, said labor is his biggest financial barrier.

Ray's family first became franchisees in 1980, and the company now owns and operates 20 Mc-Donald's locations in the Inland Northwest.

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"It's affected all parts of my business," Ray said.

“From my managers down to crew members.”

The minimum wage in Washington a decade ago was \$9.47, which rose to \$13.50 by 2020. Ray said the yearly increases, on top of legislation that set minimum salary ranges for supervisors, have become burdensome.

Menu prices may reflect those increased costs; Ray said he is exploring slight variances in pricing by location, based on the surrounding neighborhood demographics, to help.

He also pointed to staffing levels as another example of policy impact.

Five years ago, Ray had around five salaried managers at each store. Now, more than half of all his managers receive an hourly rate just to keep up with the costs.

“And they loved it, they wish they could go back to it,” Ray said. “They’ve just jacked that minimum rate up so high that I had to force a lot of my managers down to an hourly rate.”

The state’s paid sick leave policy presents its own headaches, he said.

An employee has to be on the schedule to use it, and so employees will request additional hours on their work schedule with the intent of calling out for some of those days each week.

“I get that they were thinking and trying to do something good,” Ray said. “But in all reality, I think it’s more detrimental to businesses in general in the state of Washington.”

The McDonald’s operator said he doesn’t find as much relief in operating costs across the state border as he used to. Ray’s had a harder time attracting employees since the COVID-19 pandemic, which has led him to increase pay rates for his Idaho locations to near-Washington rates, even though state law does not require him to do so.

“If we got to pay our people more to staff the restaurant, I mean, we got to charge more for that Big Mac in order to make somewhat of a profit, right?” Ray said. ×

It’s a costly time for businesses and customers alike across a variety of industries, due to a multitude of factors, said Emilie Cameron, director of the

Downtown Spokane Partnership.

“Coming out of the pandemic, it really hasn’t improved much, in the sense that costs continue to rise year after year,” Cameron said. “And that’s everything from supplies to labor, to you name it.”

The elevated “cost of doing business” puts small business owners in a tough position: They can choose to pass on the increase to the customer and risk losing them or eat the loss and continue the tightrope walk.

Brian Northcraft, co-owner of Uncle Rusty’s Diner on East Francis Avenue, said he has had to opt for the latter. When egg prices soared earlier this year, Northcraft kept prices the same, worried an increase may drive clientele away.

It wasn’t an easy decision.

Northcraft has had his own financial challenges on the operational end. Most of the cost increases have been fairly manageable, and the diner saves money by making a lot of elements in-house, he said.

Still, he was forced to close his companion sandwich shop, Ottimo’s, just a year after it opened.

“Labor is the big factor,” Northcraft said. “I mean, just such a huge, huge, hard factor.”

Local restaurants often don’t have the financial windfall, support and dedicated base their corporate counterparts do.

To cut costs, many, like Northcraft, wear a lot of hats to make their dream a reality.

Northcraft said he is seeing less traffic than he did a year ago. That could be attributed to the relocation from the restaurant’s downtown location, but Northcraft puts more stock in the economic anxiety everyone seems to be contending with.

“Things like food, eating out, entertainment, those are the first things to get cut out of people’s budgets because they’re not necessary,” Northcraft said.

“In thinking about the sort of larger business climate, I think this is where

we just have to be conscious that every cost adds up,” Cameron said.

“It’s about being intentional and coming together around opportunities to look at where, as a community, we can reduce costs for them.”

Cameron said the Spokane City Council’s recently proposed commercial parking lot tax is a good example of how policies can pile up and negatively affect both businesses and their clientele. The tax would be an additional cost of coming downtown for a date night, on top of the dinner bill and sales tax.

The couple may just opt out of coming downtown entirely, and instead patronize a restaurant elsewhere.

“That’s probably the biggest legacy of the pandemic, is choice, and we see it all the time, in how consumers make their choices about where to shop, where to eat, where to park,” Cameron said.

“They’re very cost conscious.”

Competition is more prescient for Spokane businesses that are just a stone’s throw away from another state with much different regulations and operating costs. Cameron said the impact of shopping or dining elsewhere winds its way throughout the community; there are fewer mom-and-pop shops to form connections in, eateries to make memories at and programs and agencies, like the Spokane Transit Authority, that rely on tax dollars that suffer.

“The message for policymakers is, you’ve got to look at the full picture,” Cameron said. “We cannot make policy decisions in vacuums, issue by issue. We have to look at the ripple effect and how they are integrated.”

Pumping the breaks on the minimum wage increases could help, or implementing a lower rate for tipped employees like other states, but that could send shock waves through the restaurant labor force, leaving owners in just as tough of a position, Northcraft said.

In the meantime, Northcraft urged customers still looking to dine out to support local restaurants.

“The smaller businesses, your smaller coffee shops, your small breweries, your small restaurants, your small thrift stores, things like that, they’re going to offer you the best value for your money,” Northcraft said. “Because

they want you to be a customer there. You're not just another number, you mean a lot to them."

Cameron echoed Northcraft's call to spend locally, if there's going to be any spending at all.

"As prices across the board, you name the industry, have gone up, it can be really easy just to focus on that," Cameron said. "But it's also about remembering the experience. That's part of why we go out to eat; it's, oftentimes, creating memories together."

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