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## More Moms Staying (and Eating) at Home

### Restaurants Feel the Heat as Number of Women in the Work Force Flattens

By [Jack Neff](#)

*Published:* October 22, 2007

For the first time since June Cleaver donned pearls and aprons in the 1950s, the percentage of women choosing to work outside the home has been flat to down for several years running. Not coincidentally, the number of meals purchased at restaurants per person has stopped growing too, for the longest sustained stretch in the 23 years NPD Group has tracked the number.



Women's participation rate in the paid U.S. labor force topped out at just above 60% in 1999 and again in 2001 but has fallen since then, according to the Labor Department.

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The decades-long rise of women in the work force -- and the related rise of meals bought from restaurants -- has ground to halt and begun to reverse since the turn of the millennium. The numbers have gotten little attention, and they fly in the face of conventional wisdom, but their ramifications are huge for restaurant, supermarket and food marketers.

#### Less eating out

Women's participation rate in the paid U.S. labor force topped out at just above 60% in 1999 and again in 2001 but has fallen since then, according to the Labor Department. Restaurant meals, fueled for decades by the migration of moms to the work force, also topped out at 211 per person per year in 2001 according to NPD and likewise have been bouncing lower since, hitting 207 this year.

For restaurants, it means an end to a demographic gold mine that fed decades of growth. For supermarkets, it means a reversal of a trend that fueled decades of decline and may even help savvy operators gain an edge in their long-losing battle against Wal-Mart. And for package-food companies, the trends offer a chance to gain ground on restaurants for the first time in decades.

"It's fascinating because it's counterintuitive," said John Glass, restaurant analyst for CIBC World Markets, "or at least it's counter to what the restaurant industry has been telling investors for a number of years. ... The rising number of meals eaten away from home per capita was a great tailwind. ... Now consumption has flattened out."

Nothing captured the power of women joining the work force for the restaurant industry like McDonald's 1971 ad campaign "You deserve a break today," said Harry Balzer, VP of NPD Group

and longtime chronicler of the nation's eating habits, speaking at the Center for Retail Excellence conference in Rogers, Ark., on Oct. 11.

### **Numbers vs. experience**

The impact of the end of that trend could be just as profound, he said in an interview last week, though the numbers are perplexing because they conflict with what people still see as chain restaurants popping up everywhere from Manhattan to suburban interchanges.

The reality, however, is that NPD's data show chain restaurants are gaining ground on independents even as the overall number of restaurants stagnates. "When Applebee's opens in Manhattan, it's big news," he said. "When a mom-and-pop diner closes, it's not."



Whole Foods is the largest takeout diner in the country, according to one analysis.

And while aging and retirement would seem the most logical drag on women's work-force participation, it's really not the force at work here. Boomers are still working more than ever, he said. But just as boomer women wanted something different from the lives of their stay-at-home moms, he said, more of their daughters are seeking refuge from the dual demands of home and work.

He notes that men's participation in the labor force already has been declining for decades, though it remains ahead of women's, at around 75%. "Men have known something for 50 years that only now women are starting to discover," he said. "Work sucks."

### **'Package meals'**

But neither the labor nor restaurant trends are driving women back to cooking from scratch, he said. "The growth in the restaurant industry is in takeout meals," he said. "This is not about package food anymore. It's about package meals."

The only segment of the population cooking more is men, who now prepare 18% of meals, according to NPD, even if they remain largely invisible to food marketers, Mr. Balzer said. "It's young men in the new households being formed."

A lot of those men are grilling, fueled by the convenience of gas grills and what he calls the "biggest lie in marriage: 'Kids, no one can grill like your dad.'" Mr. Balzer also credits rising temperatures. "Now you can grill year 'round," he said. "The growth in grilling is not due to summer at all. It's the rest of the year."

But the biggest factor in the topping out of per-capita restaurant usage may be the growing sophistication of supermarket prepared-foods programs, CIBC's Mr. Glass said. "From 1995 through 2005, grocery stores were losing dollar share to restaurant sales," he said. "About 18 to 24 months ago, that trend reversed, and grocery-store sales began to grow relative to restaurant sales."

### **Convenience, not price**

An analysis Mr. Glass did last year showed Whole Foods Market is now the largest takeout casual

diner in the country. "It does more takeout sales than Applebee's, Brinker or Darden, " he said, "and with far fewer stores."

Its success isn't about saving money, Mr. Balzer said, since not much at Whole Foods is cheap. "It's convenience," he said. "People want something they can bring home and reheat, not something that if it goes cold they'll never want again."



Kraft Foods Chairman-CEO Irene Rosenfeld

Casual-dining chains are more likely to be hurt by supermarket competition and women staying at home than fast feeders, he said, perhaps accounting for some of the [relative fortunes of the two segments of late](#).

Mr. Glass also sees signs that package-food companies are seizing on the emerging trends to claw back some of the market they've lost to restaurants in decades past. He pointed to a recent TV ad for Campbell's soup that clearly positions the product as part of an alternative to restaurant meals.

#### **Taking on particular segments**

Likewise, Kraft Foods Chairman-CEO Irene Rosenfeld has made winning meals back from restaurants a key element of her turnaround strategy for the giant package-food company, even targeting specific restaurant segments with products. Kraft's DiGiorno Ultimate, launched earlier this year, targets independent pizzeria-style pizzas, she said at a March investor conference.

"Wouldn't it be a whole lot easier," she said, "if we could have restaurant-quality food at home, in the office, wherever we want it, at a fraction of the cost?"

Food and supermarket marketers tried a similar strategy with the "home-meal replacement" movement of the 1990s. But the difference this time may be that demographics are on their side.

The trends of fewer working moms and fewer restaurant meals could even be behind the surprising ebullience of key supermarket chains such as Kroger Co. in the past couple of years and the tougher time Wal-Mart is having expanding supercenters, said Burt Flickinger, consultant with Strategic Resource Group.

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