SERVING THE NEXT GENERATION OF RESTAURANT LEADERS

New national research reveals exciting intersections between attributes of the foodservice industry and the career aspirations and motivations of Millennials and Gen Z.

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Research presented by:

NATIONAL RESTAURANT ASSOCIATION EDUCATIONAL FOUNDATION

THE CENTER FOR Generational Kinetics
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The foodservice, restaurant, and hospitality industry offers a unique opportunity for younger Americans in a number of ways, from exploring their first job and expanding early work experience to building the foundational skills they need to succeed in life. And, while the industry enjoys the reputation of being a good first job, it also has the distinct opportunity to inspire novice and often transient employees to choose long-term careers in the industry. Over the next 10 years the industry expects to add 1.6 million new jobs.

This original research was conducted by the National Restaurant Association Educational Foundation (NRAEF) and the Center for Generational Kinetics to discover the prevailing attitudes, perceptions, and trends that Millennials and Gen Z have toward the foodservice industry. It was designed to explore the relationship between younger generations and the industry in order to see if and where the desires of these younger generations overlap with what the industry has to offer.

Now is the time for the restaurant and foodservice industry to develop a deeper understanding of these younger generations and to capitalize on the tremendous opportunity they present. Gen Z and Millennials are intrigued by positive aspects of the industry and are set to become the next generation of industry leaders.

We are excited about the findings that emerged from this national study and are eager to share this information with you. To schedule a media interview about the study and its findings, please contact Jasmine Jones, Communications Manager – National Restaurant Association Educational Foundation – jajones@nraef.org

NRAEF and
The Center for Generational Kinetics
EXECUTIVE SUMMARY

Gen Z and Millennials present an exciting opportunity for the restaurant and foodservice industry and this research presents a peek into their world, including what they want from a job, how they judge a potential employer, what they expect once they join the team, and what makes them stay.

The research, conducted online with 1,606 Gen Z and Millennial respondents, found remarkable consistency in their desire for a fun work environment. They also value flexibility, recognition, and feedback about their performance.

There are a number of reasons Millennials and Gen Z apply for a job, not the least of which is a restaurant’s reputation. For the vast majority of Gen Z and Millennials, a restaurant being known as a good place to work impacts their decision to apply. Once they join a team, young workers are looking to advance quickly, with more than half expecting to be promoted within a year, and an even higher percentage expecting to make more money within the first 3 months.

Millennials and Gen Z leave the industry for 3 main reasons of finding a better opportunity elsewhere, not making enough money, and finishing school. However, a good income, a good manager, and receiving training have the potential to cause many of them to stay.

An important part of a restaurant and foodservice industry career is mentorship, although most workers who would consider a job in the industry have never had a mentor. Women, part-time employees, and those who are unemployed are even less likely to have had a mentor. Nonetheless, the benefits of mentorship are clear to younger workers, with job skill development and confidence building at the top of what Millennials and Gen Z believe they gain from being mentored.

Join us as we explore these findings in detail.
GEN Z AND MILLENNIAL CAREER ASPIRATIONS AND MOTIVATIONS
For Millennials and Gen Z, the overall impressions of and experiences with the restaurant industry are positive. In fact, most Millennials and Gen Z who have worked in the industry are satisfied with the experience and believe the industry offers an effective opportunity to acquire valuable skills. This is very important because although they might be working their very first job, they often have their sights set on long-term advancement and success and believe the restaurant industry can offer skills and training they need.

While the vast majority of Gen Z and Millennials have or presently work as crew members, cashiers, or wait staff, many aspire to much more. Each of the positions of owners, operators, bartenders, and business operations were selected by approximately 1/3 of Gen Z and as positions they are interested in working in the future.

Gen Z and Millennials are currently found most often in quick service (40%) and casual dining venues (26%). They want to expand their experience to work in fine dining establishments (39%) and specialty professions like baking (36%).
Although they have a strong motivation to pursue long-term career options in the restaurant industry, a significant percentage of Millennials and Gen Z also perceive immediate value in foodservice employment. When asked to select the top three skills that can be gained for working in the industry, Gen Z and Millennials most often identify working in teams, multitasking, learning how to perform under stress, and learning how to take care of customers. (Each selected by over one quarter of respondents).

**BOTTOM LINE:**
Millennials and Gen Z recognize both the short-term benefits and longer term promises the foodservice industry offers. Our research indicates that while they may enter the industry for immediate rewards, significant percentages perceive themselves occupying positions of leadership, moving into specialty careers, or advancing to upscale operations as they mature.
Millennials and Gen Z rely on recommendations, reputation, and reviews as they consider opportunities for employment. They also use a variety of strategies to find jobs, typically mixing digital tools with social networking or personal endorsements.

Some of the findings from the national survey are illuminating. The vast majority (73%) of younger workers say the restaurant’s reputation as a good place to work would influence or highly influence them to apply for a job. But there are other equally powerful motivators. A positive recommendation from a friend or family member who has worked at a restaurant would be influential for 71% of Millennials and Gen Z. And, an equal number would also be influenced to apply if a restaurant provides paid, on-the-job training.

But the power of perception extends even further as 64% are influenced to apply by a positive review on an employee rating site and 63% are influenced by a positive experience eating at the restaurant.
Millennials and Gen Z rely on newer digital methodologies and more traditional human interactions about equally in their search for employment. The same percentage (63%) said they would use a job search website or ask a foodservice worker they already know about job openings. Additionally, 60% said they would ask friends or family and 60% said they would check out a restaurant in person to ask about job openings.

Millennials and Gen Z are passionate about their work preferences. An impressive 84% said they like to create and try new things at work. More than 80% indicated they prefer to be active at work, and enjoy working with a variety of people. Over 70% said they like their work days to vary, expect a direct connection between pay and performance, prefer fast-paced environments, and adapt well to stressful situations.

**BOTTOM LINE:**
Gen Z and Millennials know what they want in a job. They actively seek jobs that will keep them mentally stimulated, physically active, engaged with people, and that offer pay tied directly to performance. They also want to be associated with establishments that have positive reputations, and rely on recommendations from friends and family, as well as digital tools in their search for employment.
THE INTERSECTION OF INDUSTRY ATTRIBUTES AND WORKER ASPIRATIONS
Our national survey revealed that on average, Millennials started working in the industry at age 18, while Gen Z started earlier, at about 16½. It also found that both the impressions and experiences of Gen Z and Millennials in the industry are positive. They believe the foodservice and hospitality industry offers good jobs and effective training in a variety of skills, and view working in the industry in a favorable light. In fact, many members of these generations who left jobs in the industry later returned.

More than 70% of Gen Z and Millennials think the restaurant industry is a good place to get a first job, and about half believe the industry offers opportunities to earn a living wage and provide for their families.

Current experience in the industry is also very positive. 74% of Millennials and 69% of Gen Z reported they are satisfied or very satisfied with their work experience over the last 12 months.

Almost 65% say foodservice or hospitality jobs require a wide variety of skills. About half think a job in the industry is a good one to have and would encourage their own children to work in the industry.

Significant percentages of individuals who left the industry subsequently return. Overall, almost half of those surveyed left and returned. This number is even higher for those with culinary degrees, with 65% who leave the industry, returning.

Flexible schedule, and ease of finding and securing the job were identified as the top two decision factors in Gen Z and Millennials choosing jobs in the industry.
Mentoring appears to further improve the experience and opportunities for individuals in the industry. The industry naturally lends itself to a mentoring environment. Trends in the data show that mentorship may affect why individuals apply to the industry, for instance to achieve a certain career related goal or training, and may even correlate with higher advancement once they have joined the industry. Both Gen Z and Millennials appreciate the value mentors contribute to their growth and development. Forty percent of Gen Z and Millennials believe that mentors help them build skills and 38% believe mentors help them build confidence.

**BOTTOM LINE:**

Millennials and Gen Z report very strong, positive experiences working in the restaurant industry. In fact, they believe strongly enough in the industry they would recommend it to their own children. Mentors play a role in experience and drive to the industry. Because of these positive experiences and the fact that so many start working in the industry during their teens, there is a powerful opportunity to foster long-term relationships and influence the evolving generation of leaders.
CAPITALIZING ON FOODSERVICE DISTINCTIONS
Maximizing the Foodservice Industry Advantages

Millennials and working age Gen Z associate robust benefits with the restaurant industry. The majority not only has experience in the industry, they have positive experiences and a healthy view of the industry. Further, they appreciate both the immediate advantages for young, inexperienced workers, as well as longer-term opportunities for specialty professionals, the possibilities for ownership, and the prospect of substantial income.

Significantly, more than 80% of Gen Z and Millennials say their first paid job was in a restaurant. Further, more than 70% believe the industry is a good place to get that first job, and 69% are satisfied with their experience in the industry.

For aspects of the workplace culture that are rated as most ideal, recognition and reward of employees as well as flexibility rank at the top (over a third of Millennials and Gen Z rank them as ideal). These are the same aspects offered by and recognized in the foodservice industry.
Income and managerial capacity are also important. **Good pay, and having a good manager** were the top two conditions that **would absolutely convince them to stay** in a restaurant industry job after 6 months (selected as the top two for 47% and 28% respectively). Both of these factors are even more important to women who selected them as the top two conditions at 52% and 30% respectively.

**BOTTOM LINE:**
The foodservice industry has the opportunity to purposefully foster longer-term relationships with Millennials and Gen Z. Most of the members of these generations have had, or presently have, experiences in the industry, and those experiences are favorable. These early experiences can be leveraged to cultivate the next generation of leaders and specialty professionals by accentuating industry characteristics that appeal to Millennials and Gen Z.
Every industry and every job present challenges that can threaten long-term employment. The restaurant industry is no exception, but the disadvantages identified in the national survey are manageable. The primary concerns identified in the national survey center on pay, customer relations, and levels of stress.

Dealing with customers and environmental stress levels were selected most often as one of the top two challenges of the industry. Both of these factors were cited by 25% of Millennials and Gen Z.

Following closely behind, as a selected challenge was compensation (selected as a top two concern by 23% of respondents). Further, when asked about reasons for leaving foodservice, 22% reported they were not making enough money. And, the top cause for leaving the industry, noted by 31%, was simply because they “found something better.”

Despite the fact that significant percentages of Millennials and Gen Z have worked in the industry and had good experiences, a sizeable number of them (43%) still believe the industry offers mostly dead-end jobs. And, over one third (35%) view the industry as a place for people who don’t have the skills to work anywhere else.

BOTTOM LINE:
Factors that need to be addressed by the industry to enhance the probability of developing new employees into future leaders, owners, and professionals include helping them learn how to constructively deal with customers, teaching them stress-management skills, paying a competitive wage, and exposing them to opportunities to pursue their dreams. Addressing these issues has the potential to draw many more young workers into the industry and turn short-term stints into careers.
Millennials and Gen Z are looking for first-time, or early jobs that engage their desire to be active, stimulate their minds by teaching them new skills, develop their ability to cope with unexpected challenges, recognize their achievements, and offer a fair day’s pay for a fair day’s work.

The restaurant and foodservice industry can deliver on each of these points. Few industries occupy the enviable position of being able to hire young workers who have little to no prior experience, and offer them the kind of variety in both professional vocations and long-term leadership positions that this industry does. If Millennials and Gen Z are passionate about their job expectations, they present industry leaders with the chance to be even more passionate about offering and messaging the rewarding career paths that await these new generations in the foodservice industry.
Here are 6 key takeaways from the national study to make the most of this opportunity:

1. 81% of Millennials and Gen Z say a restaurant job was their first paid job.

2. 71% think the restaurant industry is a good place to get a first job.

3. These numbers drop significantly, however, when Millennials and Gen Z consider the future. Only 47% believe the industry provides good long-term career options.

4. At the same time, over one third of them aspire to become business owners, operators, or move into specialty areas like bakeries. And, almost 40% would like to progress to upscale properties.

5. Millennials and Gen Z perceive significant benefits from developing mentoring relationships with 40% believing that mentorship helps them build better job skills and 38% believing it helps build their confidence. Mentorship could be an even more important part of success as preliminary data shows that those with mentors advance further in the restaurant and foodservice industry and are more apt to apply for jobs because of a certain career related goal, such as to be a chef.

6. These positives are balanced against some negative perceptions focused on dealing with customers, stress, low pay, and an opinion that the industry offers little opportunity for growth and development.
NATIONAL RESTAURANT ASSOCIATION EDUCATIONAL FOUNDATION (NRAEF)

ATTACK · EMPOWER · ADVANCE

OUR MISSION: Founded in 1987, The National Restaurant Association Educational Foundation (NRAEF) is dedicated to providing people from all backgrounds the training, education, financial resources and career development opportunities they need to build pathways to meaningful jobs and careers in the restaurant and foodservice industry. The Foundation and its more than 300 supporting companies and individuals share a mission to attract, empower and advance today’s and tomorrow’s restaurant and foodservice workforce and future leaders. The NRAEF is the philanthropic arm of the National Restaurant Association.

OUR COMMITMENT: Through its portfolio of industry leading programs, the NRAEF has pledged to train and prepare more than 370,000 people for meaningful jobs and careers in the restaurant and foodservice industry over the next five years. Each program provides a broad spectrum of competencies and skills that will be essential to meet the demand of an industry on track to grow its workforce from 14.6 million to 16.3 million by 2027. NRAEF programs include:

- **ProStart®** – a nationwide, two-year certification program offered at 1,800 high schools that teach culinary arts and restaurant management to 140,000 students each year. Top students from each state are recognized by the Foundation with awards and scholarships at the National ProStart Invitational.

- **Apprenticeship** – the industry’s first “earn while you learn” restaurant and hotel management apprenticeship program approved by the U.S. Department of Labor. Launched in 2017, the Apprenticeship program was developed in partnership with the American Hotel & Lodging Association.

- **Restaurant Ready** – a partnership with community-based organizations across the country designed to provide job and life skills training for underserved youth – 16 to 24 year-olds who are out of work and out of school.
Military – special culinary arts and management training for military service members seeking to transition their skills to restaurant and foodservice jobs and careers. Training partners include the Culinary Institute of America and Kendall College.

Scholarships and Grants – in 2018, the NRAEF offered $800K in financial assistance to students and educators pursuing secondary education and technical training in restaurant, foodservice and hospitality degrees and certifications. Since 1987, the Foundation has awarded over $16 million in scholarships.

WE HONOR EXCELLENCE: Each year, the NRAEF celebrates excellence in diversity and inclusion, community service and industry leadership with its prestigious Faces of Diversity, Restaurant Neighbor and Ambassador of Hospitality Awards. In addition, the members of the Foundation’s Travelers program visits military bases around the world to review and rank foodservice operations.

GET INVOLVED: All NRAEF programs, scholarships and grants and events rely on the support of businesses, public and private institutions and individuals from across the industry. You can help the work of the Foundation through financial donations, partnerships, event sponsorships, volunteerism and mentoring. To get involved, visit ChooseRestaurants.org/Donate.

THE CENTER FOR GENERATIONAL KINETICS

The Center for Generational Kinetics is the leading research, speaking, and solutions firm focused on Millennials, Generation Z, and solving cross-generation challenges. The Center’s team of PhD researchers, strategists, and speakers help leaders around the world solve tough generational challenges in areas ranging from leading across multiple generations in a global company to selling and marketing to Millennials and Gen Z.

Each year, The Center works with over 180 clients around the world, from car manufacturers and global hoteliers to insurance companies, hospital groups, and international software firms. The Center’s team is frequently quoted in the media about the effect of generational differences on everything from shopping and parenting to work style and social media.

Learn more about The Center at GenHQ.com.
NRAEF and The Center for Generational Kinetics collaboratively led this research. A jointly designed, online custom survey was administered to 1,606 U.S. respondents, ages 16–29. The sample was weighted to current U.S. Census data for age, gender, and region.

The survey was conducted online from March 27, 2018 to April 3, 2018. It has a margin of error of +/-3.1 percentage points.
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