



# **2026 INDUSTRY OUTLOOK**

## **Insights & Legislative Watch**

January 2026

As Ohio's foodservice community enters 2026, several issues are shaping operating conditions for the restaurant and hospitality sector. The Ohio Restaurant & Hospitality Alliance (ORHA) continues to monitor these developments and advocate on behalf of our members at the state and federal levels.

# 1. AFFORDABILITY REMAINS TOP OF MIND FOR OPERATORS & CONSUMERS

Rising food, labor and utility costs pushed menu prices higher throughout 2025, reducing customer traffic and accelerating deal-driven dining (think Chili's).

Consumers are eating out less often, ordering food to go and via third-party delivery, and cooking more at home — behavior last seen during the pandemic.

With healthcare costs also rising and food inflation proving persistent around +3.3% on an annual basis (driven by sky-high beef costs) one in three consumers is already cutting back on dining out, according to research from [Alix Partners](#). Experts from the firmed joined ORHA leaders at our President's Council in 2025.

## LEGISLATIVE WATCH

ORHA supports policies that address inflationary pressures (food costs are up +40% since the pandemic and labor +35%). This includes asking the White House and Congress for relief from tariffs on food and ingredients, as well as fewer onerous regulations that create excessive fees and mandates that drive menu prices higher.

Nationally, anti-business interest groups are pressing to increase the minimum wage faster than inflation and threatening to eliminate the tip wage, which the ORHA saved in Ohio with an aggressive advocacy campaign (see Ohio minimum wage information below). We also support legislative action at the federal level to improve healthcare affordability.

## 2. UTILITY AND INSURANCE COSTS ADD NEW PRESSURE

Energy expenses have emerged as a significant concern for operators, with more than 80% citing electricity and gas as major cost drivers. Increased demand tied to data processing continues to push utility costs higher, further pressuring margins. Data from late 2025 shows substantial year-over-year increases, with utilities requesting further rate hikes, affecting more than 100 million customers. Insurance costs have also surged for operators: property and casualty, cyber, auto & healthcare.

### LEGISLATIVE WATCH

We continue to advocate for energy policies that promote reliability, affordability and transparency for commercial ratepayers. We also encourage operators to re-evaluate property and business interruption coverage annually; invest in fire prevention, employee safety, and food safety protocols; diligently manage alcohol service and train employees with [ServSafe Alcohol](#) and address high-crime areas and workers compensation claims history proactively.

## 3. IMMIGRATION ENFORCEMENT AFFECTS LABOR & TRAFFIC

Heightened enforcement activity is impacting both workforce availability and customer behavior. Some operators report increased absenteeism, while others see shifts in dining patterns among immigrant communities. Continued uncertainty around workforce policy remains a challenge for the industry.

### LEGISLATIVE WATCH

Immigrants are crucial to the hospitality sector. The ORHA and National Restaurant Association (NRA) advocate for commonsense, bipartisan immigration reform, focusing on a legal workforce for the industry, which relies heavily on foreign-born workers. Policy priorities include creating pathways to legalization for existing workers (like Dreamers/TPS recipients), establishing a viable essential worker visa program, improving border security while facilitating travel, and implementing a reliable, efficient federal employment verification system like E-Verify.

## 4. MAHA'S IMPACT HAS BEEN LIMITED, SO FAR - BUT GLP-1?

While concerns about sweeping federal changes initially ran high, most MAHA-related actions to date have occurred at the state level, including restrictions on certain ingredients. National mandates have been minimal. That could change with the expected release of updated federal Dietary Guidelines and a formal definition of “ultra-processed foods,” both of which could influence menus and purchasing decisions. GLP-1s are gaining favor among Americans and we believe will impact food and alcohol consumption.

### LEGISLATIVE WATCH

We are closely tracking federal and state policies and advocating for science-based standards that preserve menu flexibility and consumer choice, without further raising the cost of food. On GLP-1s, we are finalizing proprietary research that the ORHA will share with our members.

## 5. IMMIGRATION ENFORCEMENT AFFECTS LABOR & TRAFFIC

Artificial intelligence holds promise for easing labor shortages and improving operational decisions across foodservice. However, adoption remains uneven. In 2026, many operators and manufacturers will focus on learning how to effectively integrate AI tools to drive efficiency.

### LEGISLATIVE WATCH

We support innovation-friendly policies that encourage technology adoption while avoiding new regulatory burdens on small and mid-sized operators.

# **UPDATE: OHIO MINIMUM WAGE AND TIPPED WAGE RISING AS OF JANUARY 1**

As of January 1, 2026, Ohio's minimum wage increased to \$11.00 per hour for non-tipped employees and \$5.50 per hour for tipped employees, reflecting a 2.8% inflation adjustment from the 2025 rates. These rates apply to businesses with annual gross receipts over \$405,000.

# **REPORTS: ORHA TRACKING TRENDS FOR 2026**

The ORHA will continue to track trends in 2026 and provide insights to our members. See our website [eatdrinkohio.org/trends](https://eatdrinkohio.org/trends) and this story: [11 food and beverage trends to watch in 2026](#)