



Restaurant Sales Grow in May, But Traffic Slows in Zip Codes with Large Mexican-Origin Populations

Black Box Intelligence reports 1.4% national sales growth, while zip codes with high Mexican-origin populations underperform.

DALLAS, TX, UNITED STATES, June 27, 2025 /EINPresswire.com/ -- The U.S. restaurant industry saw modest gains in May 2025, with same-store sales rising 1.4% year-over-year, according to the latest data from Black Box Intelligence. This followed sales gains of 1.1% in April.

But deeper analysis reveals contrasting regional trends, particularly in communities where 40% or more of the population is of Mexican origin, where traffic growth has notably lagged since late 2024.

Drawing on U.S. Census data and its proprietary Restaurant Performance Network database, Black Box Intelligence identified zip codes where more than 40% of the population identifies as having Mexican heritage. In these locations, traffic growth weakened ahead of the 2024 U.S. presidential election and has yet to recover in line with national trends.

While Q2 and Q3 of 2024 saw very little difference in traffic in communities with relatively high Mexican populations than those without (0.2% and -0.2% traffic difference, respectively), as the US election got closer this difference began to widen.

But these zip codes started seeing less restaurant traffic growth industry-wide compared to other zip codes. The average weekly traffic growth difference in Q4 2024 was -1.2%. In Q1 2025 and Q2 2025 (up to end of week of 5/11/25) that traffic difference was -1.1%.

Of the 17 weeks spanning 10/27/24 and 03/03/25 inclusive, traffic in high Mexican population zip codes was lower than the national average in 13 (or 76%) of these. The differences are particularly marked in key landmark weeks, such as those of the election and inauguration.

"We're seeing an early but measurable shift in how immigration policy is showing up in consumer data," said Victor Fernandez, Chief Insights Officer at Black Box Intelligence. "In certain communities—especially those that may be more directly affected by immigration policy—restaurant spending appears to be under pressure. And when spending slows in these areas, the industry feels it."

Black Box Intelligence emphasizes that this analysis does not assume any individual's citizenship status. Instead, it uses available demographic data as a proxy to examine how policy changes might be influencing community-level economic activity, particularly in zip codes with stronger ties to immigration policy impacts.

This community-level trend echoes state-level findings: 11 of the 15 states with the largest Mexican-origin populations underperformed the national average in April. California, for example, reported flat same-store sales, despite leading the country in total restaurant volume.

Key Sales and Traffic Performance Trends

While regional variation persists, the overall health of the restaurant industry remains cautiously optimistic. Key trends from the May 2025 "Out of the Box" report include:

- Sales Growth: Same-store sales rose 1.4% year-over-year, up on April's 1.1% and March's 0.9% growth, signaling softening momentum in consumer spending.
- Traffic Decline: Same-store traffic was -1.0% year-over-year - a significant acceleration from the -2.2% reported in March and also the best month for the industry since January.
- Segment Performance: Quick Service and Fast Casual were the weakest for traffic growth during April 2025. Our analysis shows that restaurants in zip codes with the lowest household incomes experienced negative same-store sales growth in Q1 2025.

Looking Ahead

"If economic fears linger and - even worse - if the effect of tariffs materializes as an acceleration in inflation, we continue to expect a slowdown in restaurant sales and traffic and weaker 2025 results than what we saw back in 2024", comments Victor Fernandez, Chief Insights Officer for Black Box Intelligence.

"We expect trade downs to resume at a larger scale from middle income consumers shifting down from Casual and Family Dining in response to inflationary pressures, favoring those brands in Quick Service and Fast Casual."

"Consumers may be indicating they want to continue to spend at restaurants, since sales growth year-over-year continues to be positive and traffic is holding up better than in recent months. But at which brands and how often they can afford it may be changing soon."

More Information:

□ [Monthly Restaurant Trends Review: May 2025 Out of the Box](#)

□ May 2025 Monthly Second Helping: [Why US Immigration Policy Affects Consumer Spend: Shifts Impacting Restaurants](#)

□ [Monthly Restaurant Trends Review: April 2025 Out of the Box](#)

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