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Fast-Food Franchises See Growth

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The expansion for fast-food franchises has slowed since the 1974-75 recession, but the industry still sees the promise of substantial growth by 1980. According to an Agriculture Department's report, fast-food franchises expanded sales about twenty-percent a year during the early seventies. But during 1975 and 1976, the report estimates, growth in sales volume slowed to around ten percent a year.

Growth in domestic fast-food franchise outlets was even more sharply affected. The recession, high interest rates and land and building costs, and market saturation combined to curb growth in the number of new outlets of surveyed firms to three percent a year during 1974-75. This compared with the twelve-percent pre-recession rate.

Fast-food franchise firms surveyed in 1975 reported revised expansion plans that were sharply down from estimates reported in a pre-recession survey. Even so, these firms still hope to expand domestic outlets by nearly two-thirds to more than 46-thousand and foreign outlets by a near doubling to more than five thousand by 1980. Target areas for foreign expansion include Japan, Australia and New Zealand, the European Community and Canada. Sample firms indicated a 1980 retail domestic sales potential of more than sixteen-billion-dollars.

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