

You Know Who Else Wants You Back in the Office? Catering Companies.

The rise of remote work wasn't kind to caterers, who have seen revenue rebound the past couple of years

By Heidi Mitchell | Photographs by Walker Pickering for WSJ

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As more companies require workers to return to the office, there is at least one group of entrepreneurs cheering them on: those in the catering business.

More people working in offices means more company get-togethers: holiday parties, training sessions, awards dinners. The catering industry as a whole took a hit during the pandemic, dropping to total revenue of \$53 billion in 2021 from \$65 billion in

2019. The industry saw a rebound over the following two years, with revenue topping \$70 billion in 2023, driven largely by return-to-work events and more in-person social occasions, according to food-service research firm Technomic. This year, Technomic estimates, growth in the catering industry will outpace the overall food-service business.

“Now that we have mostly moved beyond Covid, and that pent-up demand for rescheduled weddings and bar mitzvahs is behind us, the big growth for caterers is coming from corporate spending,” says Alex M. Susskind, professor of food and beverage management at the Peter and Stephanie Nolan School of Hotel Administration at Cornell University. “We are seeing companies using catering to help lure people back into the office: to do training or team building or return-to-office events or just to get people engaged.”

At the same time, caterers are facing a longer-term impact from Covid: new competition. Part of the growth in the industry has been driven by fast-casual restaurants that started drop-off or pickup catering during the pandemic to boost their business.

“Caterers do have a challenge to compete with restaurants who have brick-and-mortars and storefronts and brand-name

recognition,” Susskind says. “That may negatively affect traditional caterers, so they need to pound the pavement and really sell how they are different and more personalized than a fast-casual restaurant that can drop off a self-serve taco bar.”



The caterer's employees prepare for the reception, held at the Joslyn Art Museum in Omaha, Neb.

Partying in Omaha

In Omaha, Neb., Attitude on Food offers a revealing glimpse at the economics of the catering business, and how it is surviving the postpandemic changes.

A big chunk of the company's business—nearly 30%—comes from the corporate world, as companies revive the kinds of get-togethers they canceled during Covid. In 2022, that figure stood at just 17%.

“People are absolutely using catering companies for events to help entice employees to be back in the office,” says Nathan Newhouse, the owner of Attitude on Food. “We also have seen a big uptick in holiday parties being back in full force since Covid.”

Newhouse, 53, focuses on splashy events and not on small lunches, where he would be competing with the new breed of restaurant-based caterers. For instance, he created a “Harry Potter”-themed corporate event, where his team wore capes and wands while serving a specially themed menu. Likewise, his company transformed a surprise engagement into a literal circus, complete with staff dressed in carnival attire and food stations set up beneath striped tents. Cannons even shot streamers. The business has also moved into a larger kitchen and added staff to take on more events, and bigger ones.



Attitude on Food employees at work: unloading a truck, awaiting the beginning of a wedding reception and preparing dishes for service.

Attitude on Food handled over 1,000 events last year—corporate and others—and served almost 84,000 guests. On a busy Saturday, the company might have a dozen events. Newhouse expects to hit \$5.2 million in revenue in 2025, up from \$4.9 million last year and \$2.6 million in 2021, as the Covid pandemic was forcing many cancellations. Many people have been making their celebrations—both corporate and private—bigger and better since the pandemic days, Newhouse says. “I’m assuming that’s because they had larger budgets, due to the fact they saved all of that money during that time,” he says.

Newhouse says that in the past few years, he has managed a 12% margin, usually charging clients about four times the food cost of each dish. Food runs around 22% of overhead, and the biggest margins come from minidesserts and hors d’oeuvres, as well as liquor. (Proteins are generally profitable, but “nobody eats pork unless it’s barbecued, and no one orders lamb,” Newhouse says.)

Salaries for his team—21 permanent workers and 163 temporary ones—are his biggest expense, at 35% to 45% of revenue. “When I first started, minimum wage was around \$7.25 an hour, but we always paid \$10 or \$12,” he says. But as the business has expanded, the need for skilled labor has driven wages higher.

These days, he typically pays his staff anywhere from \$14 to \$21 per hour.

A change of hemisphere

Newhouse had always toyed with the idea of opening a catering company, but didn't seriously consider starting his own business until he moved to Omaha in 1999. A native Australian, he began his career as a chef cooking for gold miners in the outback, and eventually moved to the U.S. to follow the woman he eventually married.

"When I was doing my apprenticeship, a chef told me, 'Catering is where it's at. Everything is planned. You know when the event is. You receive the deposit. There is no wastage. It's consistent and more stable,' " he says. "That sort of stuck with me."

During one Omaha job, Newhouse borrowed his employer's kitchen to prepare a dinner party as a side hustle. It was a hit, and in 2002, Newhouse incorporated Attitude on Food. In 2004, he signed a lease for his own 2,500-square-foot kitchen.

At first, Newhouse worked with just a prep worker, a dishwasher and a few servers. Revenue hovered around \$300,000 that year, then quickly picked up. “We’ve had to move twice as we grew,” Newhouse says.

This spring, Attitude on Food is relocating to an 8,500-square-foot building with eight ovens, 20 stovetop burners, an oven that steams and convection cooks, two steamers, a flat and a char grill, plus four walk-in cool rooms and two walk-in freezers. His electricity bill hovers around \$2,300 a month.

The biggest hassle, he says, is last-minute requests. “If the client has an emergency, OK, but telling me that 10 more people RSVPed three days out is just impossible,” Newhouse says.

Cutting corners

As prices have risen, meanwhile, clients are often looking for ways to lower the price tag. Sometimes he can strike bulk deals with vendors or adjust the menu, but many of clients’ ideas—like cutting the head count of bartenders—will do little to the overall costs. And they may have a negative impact on how the whole event is

executed, as well as his company image. “They may spend a ton on flowers but want to cut the number of servers,” he says.

Newhouse has a formula: “A buffet requires one server for every 40 guests, and a sit-down meal requires one server for every 16,” he says. “You can’t cut corners on staffing, so we push back on that.” Some clients balk at the notion of having two or three bartenders, “but if there is a huge line at the bar, they’ll complain,” he says.



Managers address the caterer's employees prior to the reception.

There are better ways for customers to lower the price tag, he says, such as cutting coffee and ice tea from the beverage menu, dialing down the amount of hors d'oeuvres for cocktail hour and choosing basic china instead of specialty tableware. "In my opinion, some clients will spend tens of thousands on expensive rental items—for example, \$12 to \$15 for one chair—when you can get a nice basic chair for \$2 to \$3," he says.

He also gets rankled when guests assume the company has odd ingredients on hand, like Tabasco sauce or ketchup. "Some people think catering is like operating a restaurant, but it's very different." (Another request that he has to refuse: a "ranch fountain." "We don't do any fountains anymore, not even chocolate," he says. "Not our style.")

Now that he's a grandfather, Newhouse is in a different place than when he first started. Today, he is able to work a more manageable schedule, outsourcing some of his roles to his staff. "There's a point when I'd like to sell, but I think some of our employees would be interested in buying it," he says. "It's all about building something sustainable, and that is what we're doing."

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