# A Sign of Bad Economic Times - Denny's to Close 150 Restaurants Over Next 14 Months

October 28, 2024 â€“ Dennyâ€™s is an iconic American brand. But since the Covid epidemic, the chain has faced some financia struggles. When Covid hit the country, the chain was forced to end its famous 24-hour service in many areas, and foot traffic dropped. Even though the pandemic is behind us, that traffic hasnâ€™t recovered for many of the chainâ€™s locations. A that in turn is impacting the companyâ€™s revenues and forcing it to make some tough economic decisions.

In the companyâ€™s latest earnings call, Dennyâ€™s announced that its is would be closing 150 restaurants over the next 14 months. 50 of those will be closing by the end of this year. Overall, the closures amount to around 10% of the companyâ€™s locations.

The closures will take place at stores that are underperforming or which are too old to be remodeled economically.

On top the closures, the chain is going to drastically change its menu. They will be eliminating roughly 50% of the items on it. It is hoped that this change will streamline the processes used in the restaurantsâ€™ kitchens, making the business more efficient.

Dennyâ€™s is just the latest large American brand to announce it is dealing with economic issues. A number of retail and restaurant chains have announced major changes or bankruptcies this year including Big Lots, Red Lobster and Outback Steak House. As American families have felt the pinch of inflation, they have cut back on their discretionary spending. And thatâ€™s having a real impact on companies that are reliant on retail trade.
So far this year, Dennyâ€™s stock price is down about 50%.

by Jim Malmberg
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