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# Food Spending and Income

The U.S. Department of Commerce releases monthly, quarterly, and annual estimates of Disposable Personal Income and its allocation among Personal Consumption Expenditures, Personal Savings, Interest Paid by Consumers to

Business, and Personal Transfer Payments to Foreigners. The monthly and quarterly estimates are adjusted to eliminate seasonal fluctuations so that trends can be readily discerned and put on an annual basis for comparing the three series.

The annual after-tax income of Americans averaged \$9,623 per person during January-March 1983, up \$469 from a year earlier. According to data from the Department of Commerce, the rise in

**Table 1.—Per Capita Personal Consumption Expenditures: Seasonally Adjusted at an Annual Rate, 1982-83**

Item	1982 (Quarters)				1983 (Quarter)
	I	II	III	IV	I
	Dollars (current)				
Total personal consumption expenditures	8,298.2	8,403.1	8,546.8	8,716.1	8,792.0
Nondurables	3,238.6	3,257.3	3,306.3	3,329.2	3,330.0
Food, beverages, and other groceries <sup>1</sup>	1,943.3	1,978.3	2,003.2	2,030.2	2,049.5
Food exc. alcoholic beverages	1,473.4	1,498.2	1,521.9	1,533.9	1,547.4
At home	1,080.0	1,096.6	1,108.5	1,112.4	1,106.5
Away from home	393.3	401.6	413.4	421.5	440.9
Alcoholic beverages	203.8	206.0	204.7	204.9	207.3
At home	126.8	128.5	125.9	124.8	125.1
Away from home	77.1	77.5	78.8	80.1	82.2
Cleaning and household supplies	94.7	96.6	97.5	98.2	97.7
Toiletries	71.0	72.6	73.1	73.5	75.0
Tobacco	100.4	105.0	105.9	119.6	122.1
Drugs	82.1	84.3	85.1	85.4	89.4
Clothing and shoes	508.0	510.6	512.4	512.3	513.5
Gas and oil	412.0	393.7	405.4	403.6	385.2
Fuel oil and coal	74.7	74.6	79.3	75.6	65.4
Other	218.5	215.8	220.9	222.2	227.0
Durables	1,028.4	1,038.5	1,034.1	1,080.8	1,100.2
Motor vehicles and parts	446.1	445.7	448.8	488.4	490.3
Furniture and household equipment	393.5	402.1	399.0	404.7	411.8
Other	188.8	190.6	186.3	187.7	198.1
Services	4,031.1	4,107.3	4,206.4	4,306.0	4,361.9
Housing	1,359.7	1,382.2	1,412.3	1,439.6	1,460.0
Household operation	611.3	606.9	624.0	644.9	642.3
Transportation	289.2	299.9	307.5	309.6	318.5
Personal care	75.1	74.5	74.4	74.5	74.3
Medical care	805.9	828.9	851.7	867.9	882.6
Personal business services	449.5	460.1	475.0	496.5	504.4
Recreational services	174.8	179.5	182.5	185.1	188.3
Other	265.7	275.1	278.8	287.9	291.5
Savings	601.4	622.5	654.0	572.5	569.6
Other	253.6	256.1	257.5	257.8	262.4
Disposable personal income	9,153.9	9,281.7	9,458.3	9,546.4	9,624.0

<sup>1</sup>Contains some items not normally purchased in grocery stores.

Disposable Personal Income (DPI) during the first quarter of 1983 was only \$78, down from the \$88 gain the preceding quarter, a \$177 increase in July-September 1982, and \$128 for April-June last year.

Personal Consumption Expenditures

(PCE) by individuals were almost \$8,792 during the first quarter of 1983, or 91 percent of DPI. Consumer expenditures on goods and services rose from 90.4 percent of DPI in the July-September quarter of 1982 to 91.4 percent in the first quarter of 1983. Savings, in contrast, de-

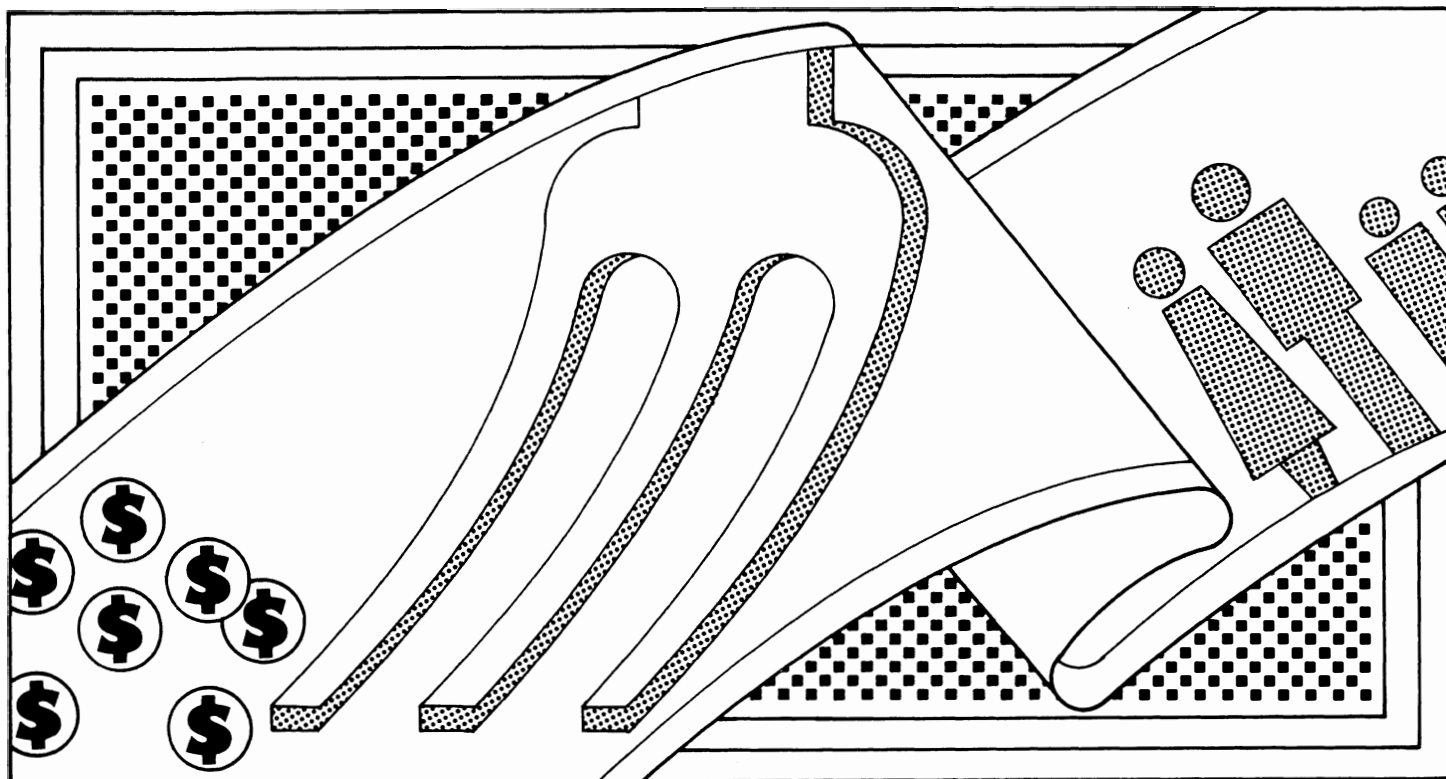
clined from 6.9 percent of DPI to 5.9 percent during the same period.

During the first 3 months of the year, consumers continued to spend about 11 percent of their available incomes on durable goods—furniture, cars, and household equipment—with only slight fluctua-

**Table 2. Per Capita Personal Consumption Expenditures: Seasonally Adjusted at an Annual Rate, 1982-83**

Item	1982 (Quarters)				1983 (Quarter)
	I	II	III	IV	I
Dollars (Constant 1972)					
Total personal consumption expenditures	4,103.5	4,119.8	4,115.0	4,150.1	4,166.6
Nondurables	1,565.7	1,572.4	1,574.3	1,577.5	1,584.4
Food, beverages, and other groceries <sup>1</sup>	914.5	919.5	924.4	930.5	931.3
Food exc. alcoholic beverages	670.2	673.7	681.4	687.2	690.6
At home	495.9	497.5	502.4	506.4	503.8
Away from home	174.3	176.1	179.0	180.8	186.9
Alcoholic beverages	115.6	115.9	114.0	113.0	113.2
At home	73.6	74.2	72.3	71.3	70.9
Away from home	41.9	41.8	41.7	41.6	42.3
Cleaning and household supplies	35.8	36.2	36.3	36.2	35.4
Toiletries	34.8	34.6	34.4	34.1	34.3
Tobacco	58.2	59.1	58.4	60.1	57.9
Drugs	43.8	43.8	43.2	42.3	43.5
Clothing and shoes	362.4	362.6	361.6	362.4	362.9
Gas and oil	113.2	117.2	114.0	112.4	116.1
Fuel oil and coal	13.1	13.7	14.1	12.8	12.0
Other	118.6	115.7	117.1	117.0	118.6
Durables	594.3	596.8	587.1	613.1	621.0
Motor vehicles and parts	237.3	234.8	231.6	254.9	253.6
Furniture and household equipment	252.8	256.5	253.5	256.2	260.4
Other	104.2	105.5	102.0	102.0	107.1
Services	1,943.4	1,950.6	1,953.6	1,959.5	1,961.2
Housing	711.4	712.7	713.1	713.7	714.9
Household operation	278.9	273.5	274.2	276.9	273.2
Transportation	137.9	140.3	140.8	139.2	140.1
Personal care	32.4	31.8	31.4	31.0	30.6
Medical care	343.4	347.1	347.4	346.4	347.6
Personal business services	215.9	216.9	219.1	222.1	222.6
Recreational services	104.4	106.2	106.2	106.4	107.5
Other	119.0	122.1	121.4	123.8	121.5
Disposable personal income	4,526.2	4,550.5	4,553.8	4,545.5	4,561.0

<sup>1</sup>Contains some items not normally purchased in grocery stores.



tions in the proportion during 1982. Outlays for nondurables, such as food, drugs, and clothing also remained fairly constant at about 35 percent of DPI from January 1982 to March 1983.

In the nondurable goods category, the proportion of income allocated to food remained steady at 16.1 percent throughout 1982 and into the first quarter of 1983. But the share of income allocated to at-home food purchases declined throughout the period from 11.8 percent to 11.5 percent, whereas the percentage of income spent on away-from-home food increased steadily from 4.3 to 4.6 percent in the first quarter of 1983.

Food expenditures were \$26 per person higher in the first quarter of 1983 than in the third quarter of 1982 (table 1). After increasing by \$4 per person in the fourth quarter of 1982, at-home food expenditures dropped by \$6 per person in the first quarter of 1983. Away-from-home expenditures, in contrast, increased by \$8 per person in the fourth quarter of 1982 and increased an additional \$19 per person in the first quarter of 1983.

The changes in food expenditures reflect changes in food prices, the amounts of food purchased, and the distribution of food purchases among more or less expensive foods. The constant dollar series (table 2) indicates changes in food expenditures after adjusting for inflation.

Constant dollar at-home food expenditures increased by \$4 per person in the fourth quarter of 1982. Since this is the same dollar increase as the current dollar series, changes in food prices were not a major factor in the change in at-home expenditures. Rather, an increase in the quantity of food purchased and a redistribution of at-home food expenditures from less expensive to more expensive items may explain the change.

In the first quarter of 1983, constant dollar at-home food expenditures decreased only \$2.60 per person, compared with the decline in current dollars of about \$6 per person, reflecting primarily consumer responses to increases in at-home food prices.

Away-from-home food expenditures, measured in constant dollars, increased at

**Table 3. United States Population<sup>1</sup>**

Year	Quarter			
	I	II	III	IV
Millions				
1982	231.3	231.8	232.4	233.0
1983	233.5			

<sup>1</sup>Total, including Armed Forces overseas.

an annual rate of nearly \$2 per person in the fourth quarter of 1982 and an additional \$6.10 in the first quarter of 1983. These increases were about one-third of the respective increases in the current dollar series, indicating that Americans were eating more away from home or were switching to more expensive foods in those quarters despite increases in away-from-home food prices. □