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Spotlight:

National Food Spending

Spending for Food Away From Home Slowed in 1996

Food spending in the United States rose to \$691.2 billion in 1996, a 3.3-percent increase over 1995 (table 1). Total expenditures for eating out (food away from home) rose 2.8 percent to \$316.4 billion in 1996, less than the 4.4-percent increase in 1995. Retail food expenditures (food at home) increased at the same pace as 1995, rising 3.7 percent in 1996 to \$374.8 billion. Once adjusted for inflation, total food spending rose 0.1 percent in 1996—food at home was unchanged, while food away from home rose, up 0.3 percent. The faster growth for food away from home in 1996 is not unusual in a nonrecession year.

During the 1990-91 recession, inflation-adjusted spending on food away from home declined 0.4 percent, while spending for food at home rose 1.3 percent. One of the ways people economized during the 1990-91 recession was by eating out less often or by going to less expensive places. The share of total food dollars spent away from home declined from 44.7 percent in 1989 to 44.1 percent in 1991, reflecting the economic slowdown and the subsequent recession.

But with economic recovery came increased away-from-home food spending. In 1992, 1993, and 1995, spending for food away from home rose faster than at-home food spending (in 1994, spending for both categories increased at the same rate). By 1995, spending for food away from home had reached new highs—46.0 percent of food expenditures and 35.0 percent of food quantities—continuing the recovery that started in 1992. In 1996, the share of food dollars spent away from home dipped slightly to 45.8 percent. Vigorous competition among fast-food and restaurant chains held down prices and sales for away-from-home eating, and at-home sales increased more.

Food-Away-From-Home Sales Expected To Have Increased in 1997

Preliminary figures on food sales (a beginning point for estimating food spending) in the first 11 months of 1997 show spending returning to its previous pattern, with at-home food spending up 2.5 percent from the same period in 1996 and away-from-home food spending up 3.7 percent. Food sales exclude donations and food furnished to employees, patients, and

inmates—all of which are included in the total food expenditures reported above. (Comparing 1996 with preliminary 1997, inflation-adjusted food sales were lower, with at-home food spending down 0.1 percent and away-from-home spending up 0.8 percent.)

Updated Data Available

Newly revised figures will be available from USDA's Economic Research Service twice a year—Spring and Fall—through the AutoFAX system.

To receive updates by AutoFAX, dial (202) 694-5700 by telephone connected to a FAX machine, respond to the voice prompts, and order document #11530 (a list of all the available data tables can then be requested).

When responding to the voice prompts, please note: when asked for a yes or no response, press 1 for yes and 2 for no. You may interrupt the main menu choices to order the document by pressing 4—the system will then prompt you for the document number.

Table 1
Food Spending Rose 3.3 Percent in 1996

Expenditures	1991	1992	1993	1994	1995	1996	Change, 1995-96
							Percent
<i>Billion dollars</i>							
Total food and beverages ¹	662.8	674.0	695.8	729.1	757.7	782.8	3.6
Total food (excluding alcohol)	580.3	591.4	612.6	643.3	669.4	691.2	3.3
At-home food	324.6	326.5	331.9	348.5	361.5	374.8	3.7
Sales	317.3	319.3	325.1	341.3	354.2	367.5	3.8
Home production and donations	7.3	7.2	6.8	7.2	7.3	7.3	.2
Away-from-home food	255.6	265.0	280.7	294.8	307.9	316.4	2.8
Sales	231.5	239.8	255.4	268.7	280.8	288.5	2.7
Supplied and donated ²	24.2	25.2	25.3	26.1	27.1	27.9	2.9
Alcoholic beverages	82.5	82.5	83.2	85.7	88.4	91.6	3.7
Packaged	47.3	46.3	46.1	47.7	48.4	50.1	3.5
Drinks	35.2	36.2	37.1	38.1	40.0	41.5	3.9

Notes: Data may not total due to rounding. ¹These expenditures include all food and alcoholic beverages, regardless of who paid for them. ²Includes Government subsidies for school lunch programs.

Table 2
Rise in Personal Food Expenditures Slightly Lower Than Disposable Personal Income¹

Component	1994	1995	1996	Change, 1995-96
				Percent
<i>Billion dollars</i>				
Disposable personal income	5,021.7	5,320.8	5,589.0	5.0
Total personal consumption expenditures	4,717.0	4,957.7	5,207.6	5.0
Food	562.6	586.9	606.8	3.4
At home	343.9	357.0	370.5	3.8
Away from home	218.7	229.9	236.3	2.8
Alcoholic beverages	72.1	74.0	76.7	3.6
At home	47.7	48.4	50.1	3.5
Away from home	24.4	25.6	26.6	4.0
Nonfood	4,389.7	4,620.8	4,840.5	4.8
Housing, household operation, supplies, fuel, furniture	1,311.1	1,382.6	1,451.9	5.0
Transportation, cars, gasoline	542.2	572.3	602.3	5.2
Medical care, drugs	813.2	858.5	899.0	4.7
Clothing, shoes, toiletries, personal care, jewelry	343.3	356.0	370.3	4.0
Recreation, tobacco, toys, sporting goods, pet food	280.5	304.5	326.4	7.2
Personal business	370.4	389.1	421.1	8.2
Other	327.3	336.9	367.1	9.0

Notes: Data may not add due to rounding. Food expenditures in this table are only those paid for by consumers with cash or food stamps. Disposable personal income is the sum of personal consumption expenditures plus savings plus other miscellaneous expenditures. ¹As of July 31, 1997. Sources: Food and alcoholic beverage data are from USDA's Economic Research Service. All other data are from the Bureau of Economic Analysis, U.S. Department of Commerce.

Personal Food Spending Posted Modest Increase

Since the 1990-91 recession, personal food spending has increased less than most other major categories of personal consumption. Personal food spending differs from total food spending because it excludes expenditures by governments and businesses. Personal expenditures for all food rose 3.4 percent in 1996, while spending on transportation, cars, and gasoline went up 5.2 percent, and medical care and drugs increased 4.7 percent (table 2). Within personal food

expenditures, there was a 2.8-percent growth in away-from-home food expenses, compared with a 3.8-percent increase in expenditures for food at home. Most food expenditures by governments and businesses (such as feeding prisoners, military messes, business travel and entertainment) is for food away from home, so personal food expenditures may behave differently than total food spending.

In 1996, 10.9 percent of a household's (families and individuals) disposable personal income was spent on food, down from 12.0 percent in 1985. Households spent 6.6 percent

of their 1996 disposable personal income for food at home and 4.2 percent on food away from home. A decade earlier, Americans were spending 7.5 percent of their disposable personal income for food at home and 4.3 percent for food away from home. In 1996, Americans spent about 28 percent of disposable personal income on housing (including supplies, fuel, and furniture), 17 percent on medical care and drugs, and 12 percent on transportation (including cars and gasoline).

—By Annette Clauson (202) 694-5373 and Alden Manchester. ■

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