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Per Capita Food Spending Up 25 Percent in 4 Years

James R. Blaylock and David M. Smallwood
(202) 219-0862 (202) 219-0864

From 1986 to 1990, after-tax household income rose 25 percent. Food spending kept pace, also rising 25 percent. Consequently, the 15-percent share of after-tax household income allocated to food did not change.

However, spending for some food categories rose faster than for others. For example, spending for cereals and bakery products jumped 34 percent, while beef and pork spending climbed 15 and 14 percent, respectively. Spending for eggs remained level.

Spending Changes With Income

U.S. per capita food spending rose from \$1,326 in 1986 to \$1,652 in 1990. As expected, lower income households spent less on virtually all food items than wealthier households (table 1). In 1990, for example, the lowest income households spent \$894 per person on food at home and \$440 on food away from home. The highest income households spent \$1,097 per person on food at home and \$1,131 on food away from home.

The authors are agricultural economists in the Commodity Economics Division, Economic Research Service, USDA.



Annual food expenditures rose to \$1,652 per person in 1990.

Food Expenditures

Table 1
Food Spending Increased Fastest for the Poorest Households

Item	1986				1990			
	All	Poorest 20 percent	Middle 20 percent	Richest 20 percent	All	Poorest 20 percent	Middle 20 percent	Richest 20 percent
<i>Dollars per household</i>								
Income before taxes	25,460	3,811	19,534	61,477	31,889	5,637	24,500	76,660
Income after taxes	23,172	3,667	18,140	54,857	28,937	5,553	22,678	67,835
<i>Number</i>								
Average number of persons in household	2.6	1.9	2.6	3.2	2.6	1.8	2.6	3.2
<i>Dollars per person</i>								
Food expenditures	1,326	993	1,251	1,829	1,652	1,334	1,484	2,227
Food at home	767	654	753	928	956	894	895	1,097
Cereals and bakery products	106	96	104	129	142	129	130	168
Cereals and cereal products	36	38	35	39	50	48	48	56
Bakery products	70	59	69	89	92	81	82	112
Meats, poultry, fish, and eggs	216	194	212	248	257	261	245	276
Beef	73	61	72	88	84	89	85	88
Pork	45	42	44	48	51	55	49	49
Other meats	30	25	31	32	38	36	37	42
Poultry	33	31	29	38	42	42	37	46
Fish and seafood	25	22	22	31	32	27	26	41
Eggs	12	13	13	10	12	13	11	10
Dairy products	97	79	95	115	113	107	112	125
Fresh milk and cream	47	45	46	49	54	57	55	51
Other dairy products	49	35	49	66	60	50	57	75
Fruit and vegetables	123	110	118	150	157	151	145	183
Fresh fruit	39	35	36	49	49	46	44	60
Fresh vegetables	35	32	34	41	45	44	42	53
Processed fruit	28	24	27	37	36	33	33	41
Processed vegetables	21	21	22	23	27	29	25	29
Other food at home	213	168	215	266	287	246	264	345
Sugar and other sweets	28	22	27	37	36	32	32	42
Fats and oils	20	19	20	22	26	27	25	27
Miscellaneous foods	91	62	94	121	129	107	119	161
Nonalcoholic beverages	74	65	74	87	82	73	78	93
Food away from home	560	338	498	902	697	440	590	1,131
Alcoholic beverages	104	72	104	153	113	71	108	173

However, after-tax incomes rose faster for the poorest households than any other income group between 1986 and 1990 (table 1). Their after-tax incomes went up 51 percent, while gains for the other income groups ranged from 22 to 30 percent. Despite faster rising incomes, however, the gap between the poorest and richest households widened by \$11,092 (table 1).

With the fastest rising incomes, the lowest income households also had the greatest percentage jump

in per capita food spending, up 34 percent.

Per capita food spending by other households climbed between 18 and 32 percent. For example, spending on fish increased 45 percent for the lowest income households between 1986 and 1990, but only 32 percent for those with the highest incomes. Poultry spending also rose more in the poorest households, up 35 percent, than in the wealthiest ones, up 21 percent. However, per capita spending for alcoholic beverages declined

slightly in the poorest households but rose 13 percent for their wealthiest counterparts.

For all household income groups except the richest, spending for food at home increased faster than for food away from home. This is especially true for the two lowest income groups. Spending for food at home rose 22 percent faster than for food away from home for the poorest households and 6 percent faster for the next poorest group. For the richest

Table 2
Food Spending Has Increased For Both Blacks and Whites

Item	1986		1990	
	White	Black	White	Black
<i>Dollars per household</i>				
Income before taxes	26,505	16,964	33,070	22,461
Income after taxes	24,094	15,678	29,981	20,599
<i>Number</i>				
Average number of persons in household	2.5	2.8	2.5	2.7
<i>Dollars per person</i>				
Food expenditures	1,425	893	1,775	1,159
Food at home	810	615	1,011	788
Cereals and bakery products	112	83	151	107
Cereals and cereal products	37	34	52	44
Bakery products	75	49	99	63
Meats, poultry, fish, and eggs	220	234	264	270
Beef	76	65	88	78
Pork	44	60	51	65
Other meats	31	29	40	34
Poultry	32	42	42	49
Fish and seafood	25	26	33	31
Eggs	12	13	12	13
Dairy products	105	57	123	73
Fresh milk and cream	50	33	58	35
Other dairy products	54	24	65	37
Fruit and vegetables	130	98	165	135
Fresh fruit	42	28	52	39
Fresh vegetables	38	26	48	37
Processed fruit	29	25	37	34
Processed vegetables	22	19	28	24
Other food at home	230	140	308	203
Sugar and other sweets	30	21	38	28
Fats and oils	21	16	27	24
Miscellaneous foods	99	50	138	91
Nonalcoholic beverages	79	53	88	58
Food away from home	615	278	764	371
Alcoholic beverages	115	46	124	60

households, however, spending on food at home grew 28 percent more slowly than that for food away from home.

Changes in Spending Differed by Race

Between 1986 and 1990, after-tax income for black households rose faster than for white households, 31 percent versus 24 percent (table 2). Blacks also increased their food purchases at a faster rate, 30 percent, compared with 25 percent for whites.

Although food spending increased, there were different growth rates for different commodities. For example, blacks increased per capita spending on fruit and vegetables by 38 percent between 1986 and 1990, while the increase for whites was 27 percent. Spending on food away from home also rose faster for blacks than whites, 33 percent versus 24 percent.

However, black households spent considerably less per capita on food than did white households. In 1990, blacks spent \$1,159 per capita and whites spent \$1,775

Need To Know More About Food Expenditures?

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- **Changes in Food Consumption and Expenditures in American Households During the 1980's**

This 104-page bulletin reports the quantity and dollar value of food consumption in American households for 1977-78 and 1987-88 by selected socioeconomic and demographic characteristics. Order stock #SB-849 for \$11.

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Seventeen pages review trends in U.S. per capita consumption of total food, food at home, and food away from home using the latest data from annual surveys of urban household food spending for 1980 to 1988. Order stock #AIB-643 for \$5.

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(table 2). Helping to explain this 53-percent difference is that white households ate out more often and earned higher incomes, \$29,981 versus \$20,599.

Larger Households Able To Economize on Food Purchases

Per capita food spending declines as household size increases,

Figure 1
As Household Size Increases, Per Capita Food Expenditures Decline

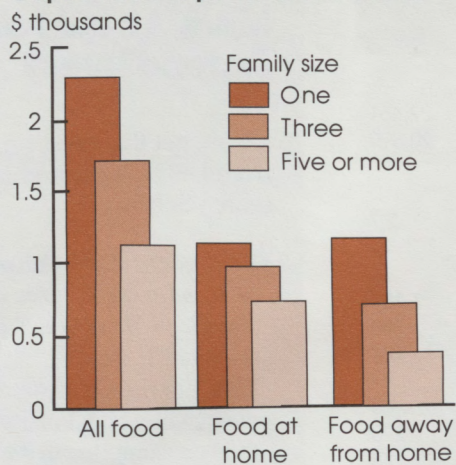
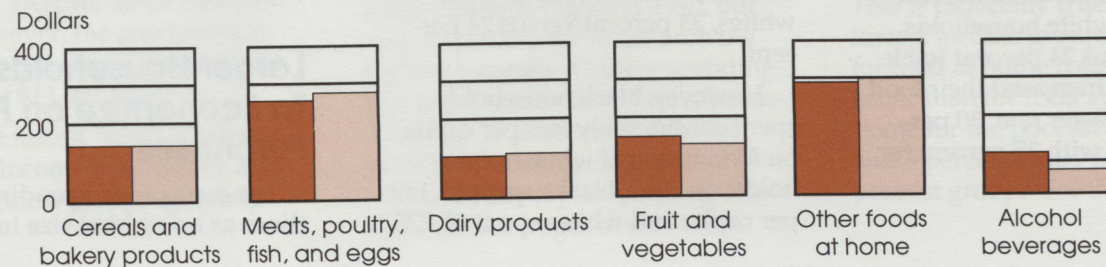
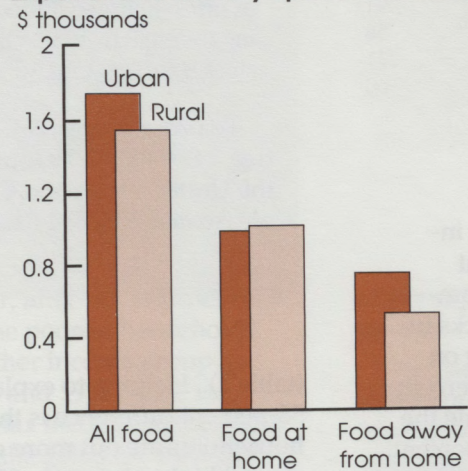


Figure 2
Rural Households Have Lower Food Expenditures as They Spend Less Eating Out



Percent Of Income Spent On Food Holds Steady

Total U.S. disposable personal income rose 4.1 percent in 1991, while food spending was up 3.7 percent. The share of disposable income Americans spent on food remained at 11.7 percent.

Consumers shifted from eating out to eating at home as they tightened their financial belts. Spending on food for at-home consumption increased 4.1 percent, while prices at grocery stores rose 2.9 percent. At the same time, away-from-home food expenditures rose 2.8 percent and prices went up 3.4 percent.

The 11.7 percent of disposable personal income spent for

food in 1990 differs from the 15 percent of household income reported in this article primarily because the measures of income differ. Personal income includes the incomes of the entire U.S. population, while household income excludes the incomes of persons living in military barracks, prisons, and institutions. Also, personal income counts more items, such as employers' payments for Social Security, health insurance, and retirement, which are not included in household income figures.

For more information, contact Alden C. Manchester at (202) 219-0880.

but larger households have a much larger total food bill (fig. 1). One-person households spent \$2,302 in 1990, while five-person households spent \$5,520.

Nevertheless, household food spending did not increase proportionately with household size, because larger households take advantage of economies of size (such as buying in bulk), have more children (who eat smaller portions), and eat fewer meals away from home.

Urbanites Spend More

Urban households still spend more per capita on food than rural households, \$1,728 versus \$1,536 in 1990 (fig. 2). The higher spending is likely due to higher incomes, greater spending on food away from home, and lower levels of home food production. ■

Food Expenditures by Families and Individuals Rose but Continued To Decline as a Share of Income

Year	Disposable personal income	Expenditures for food			Share of income spent for food		
		At home ¹	Away from home ²	Total ³	At home ¹	Away from home ²	Total ³
— Billion dollars —				— Percent —			
1960	360.5	50.6	12.6	63.1	14.0	3.5	17.5
1965	491.0	57.4	16.9	74.3	11.7	3.5	15.1
1970	722.0	74.2	26.4	100.6	10.3	3.7	13.9
1975	1,150.9	115.1	45.9	161.0	10.0	4.0	14.0
1980	1,952.9	178.5	85.4	263.9	9.1	4.4	13.5
1985	2,943.0	228.4	129.5	357.9	7.8	4.4	12.2
1988	3,548.2	256.7	158.1	414.7	7.2	4.5	11.7
1989	3,787.0	274.0	165.6	440.5	7.3	4.4	11.6
1990	4,042.9	297.3	177.4	474.7	7.4	4.4	11.7
1991	4,209.6	309.5	182.4	492.2	7.4	4.3	11.7

¹Food purchases from grocery stores and other retail outlets. Includes purchases with food stamps and food produced and consumed on farms because the value of these foods is included in personal income. Excludes Government-donated foods. ²Purchases of meals and snacks by families and individuals. Includes food furnished to employees because it is included in personal income. Excludes food paid for by Government and business, such as donated foods to schools, meals in prisons and other institutions, and expense-account meals. ³Totals may not add due to rounding.