Almost Half of the Food Budget Is Spent Eating Out

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The continued growing popularity of eating away from home has brought Americans on the verge of spending as much on food away from home as they spend on food prepared at home. In 1970, Americans spent 34 percent of their food dollars away from home. Today, that figure is about 46 percent. With the growing number of women in the workforce and the increasing number of households with two incomes, eating out has become more convenient and affordable.

A forthcoming report from USDA's Economic Research Service looks at America's away-from-home food habits (see box for more details). In addition to examining general trends on spending in restaurants and other commercial eating places from 1982 to 1989, the report is the first USDA publication to offer detailed statistics on the types of eating places frequented, the kinds of foods consumed, and whether the food constituted a snack or a meal.

The data are based on information from quarterly surveys of U.S. households conducted by the National Purchase Diary Group Inc., a private research company, in 1982-89. The data from these surveys track the trends in household purchases of ready-to-eat meals and snacks prepared by commercial eating places, including foods and beverages eaten in the establishment, taken out, or delivered.

Commercial foodservice establishments include restaurants; foodservice operations in hotels and motels; fast food and carryout places; delicatessens; refreshment stands; coffee, donut, and ice cream shops; and

When it came to growth in consumer spending in commercial foodservice establishments, pizza places were the hottest—with an annual rate of spending growth of 12.0 percent in current dollars, or 7.6 percent once adjusted for inflation.

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eating places in retail stores. Non-commercial or nonprofit foodservice operations, such as in schools, prisons, and hospitals, and food provided by company cafeterias or by private catering, are not included in the data.

About the Survey

The National Purchase Diary Group, Inc.'s survey of restaurant consumers provides comprehensive information on purchasing patterns in commercial foodservice establishments, as well as economic and demographic characteristics of the survey participants.

The survey detailed about 150 foods and beverages classified into 22 groups, 6 market sizes, 6 meal or snack occasions, and 7 types of foodservice establishments.

This study covered 32 quarters, from the first quarter of 1982 (winter—December through February) up to the fourth quarter of 1989 (fall—September through November).

Data included expenditures for commercially prepared meals and snacks by approximately 12,800 households. They were a representative sample of the 93 million U.S. households in the contiguous 48 States in terms of region of residence and urbanization; household income, size, and composition; and other member characteristics.

Each household kept a diary for 2 weeks every quarter to record their purchases from commercial foodservice establishments. The diaries generated 50,000 observations on commercial foodservice transactions every quarter, including type of establishment, eating occasion, foods purchased, total expenditures, and number in party.

Expenditures in Commercial Eating Places Rose

Total U.S. household spending (including tips) on meals and snacks prepared by commercial eating places rose from $84.4 billion in 1982 to $118.7 billion in 1989 in current (not adjusted for inflation) dollars, a 5-percent per year increase. Total expenditures rose 0.8 percent per year during 1982-89 in real dollars (adjusted for inflation).

On a per household basis, spending on commercially prepared meals and snacks from 1982 to 1989 rose 3.4 percent per year in current dollars and fell 0.8 percent per year in real dollars.

More households bought meals and snacks from commercial foodservice establishments between 1982 and 1989. However, the proportion of U.S. households that bought food away from home declined from 79 percent (65.4 million out of 82.8 million households) in 1982 to 76.8 percent (71.0 million of 92.4 million households) in 1989.

Regular Meals Favored Over Snacks

The share of total eating occasions away from home (visits to commercial eating places) going for morning and evening snacks fell consistently every year during 1982-89, while that for dinners rose. Eating out occurs most often for lunch,
which had the largest share (42.8 percent) of total eating occasions during 1982-89 (compared with dinner's average share of 32.9 percent). Breakfast's proportion of eating occasions increased from 9.2 percent in 1982 to 10.7 percent in 1986, but decreased to an average of 10.1 percent in 1989, although it remained higher than in 1982. Dinner took the largest share of total expenditures—53.7 percent on average for 1982-89. Lunch followed with an average of 33.7 percent of total expenditures.

**Fast Food/Drive-ins and Take Outs Rise in Popularity**

Fast food establishments, drive-ins, and take-out places took expanding shares of total eating occasions, meals and snacks served, and expenditures during 1982-89. The shares fell for atmosphere/specialty restaurants, cafeterias, and coffee shops.

By 1989, fast food/drive-in places overtook atmosphere/specialty restaurants in their shares of total expenditures and became second only to family-type restaurants (fig. 1). Fast food/drive-in places had the largest shares in both total meals and snacks served and in total eating occasions (about 41 percent in both categories) in 1989. Family-type restaurants had the second-largest shares in meals and snacks and in eating occasions during 1982-89.

**Hamburger Sales Large and Growing, But Pizza Sales Growing the Fastest**

America has a sustained appetite for hamburgers. While preferences for other types of food places have shifted around, hamburger places have held strong and have been growing steadily. In 1989, 15 cents of every dollar spent in commercial foodservice establishments went to places specializing in hamburgers (fig. 2). Likewise, one out of four meals or snacks served and one of four visits to commercial eating places was at a place that sells hamburgers.

But when it came to growth in consumer spending in commercial foodservice establishments, pizza places were the hottest—with an annual rate of spending growth of 12.0 percent in current dollars, or 7.6 percent once adjusted for inflation. Other top performers were places specializing in oriental food (9.6 percent) and Italian food (9.5 percent). Weaker performers were places specializing in donuts (0.9 percent) and steak (3.5 percent). Moreover, spending in real dollars fell 3.1 percent in donut shops and 0.6 percent in steak and fish/seaside restaurants.

**Figure 2**

*Fifteen Percent of Expenditures in Commercial Eating Places Went to Hamburger Places*

![Pie chart showing percentages of expenditures for different types of food](chart)

- Hamburger 15.1%
- Other sandwich 3.1%
- Chicken 4.1%
- Pizza 12.9%
- Mexican 4.3%
- Oriental 5.0%
- Steak 4.4%
- Fish/seafood 4.7%
- Italian 2.7%
- Ice cream 1.7%
- Donut 0.4%
- All others 41.7%

**More Details Available**


This bulletin presents expenditure trends for commercially prepared meals and snacks. Comprehensive statistics cover costs per meal or snack by type of eating place (with and without tips), total eating occasions, eating party size per occasion, total number of meals and snacks, and expenditures for meals or snacks (total and per household).

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