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# Spotlight on National Food Spending

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**F**ood spending in the United States rose 4.9 percent to \$788.6 billion between 1998 and 1999 (table 1). Total expenditures for eating out (food away from home) rose from \$352.6 billion in 1998 to \$374.7 billion in 1999. The 6.3-percent increase is the largest yearly increase in food away from home spending since 1990, when food prices away from home were high and expenditures increased 7.3 percent. Retail food expenditures (food at home) increased just 3.8 percent—from \$398.9 billion in 1998 to \$413.9 billion in 1999.

Adjusting for inflation, which was a low 2.2 percent in 1999, total food spending at home rose 1.4 percent in 1999 and food away from home rose 4.1 percent. The slower real (inflation-adjusted) growth for food at home than for food away from home in 1999 is not unusual during a nonrecessionary year.

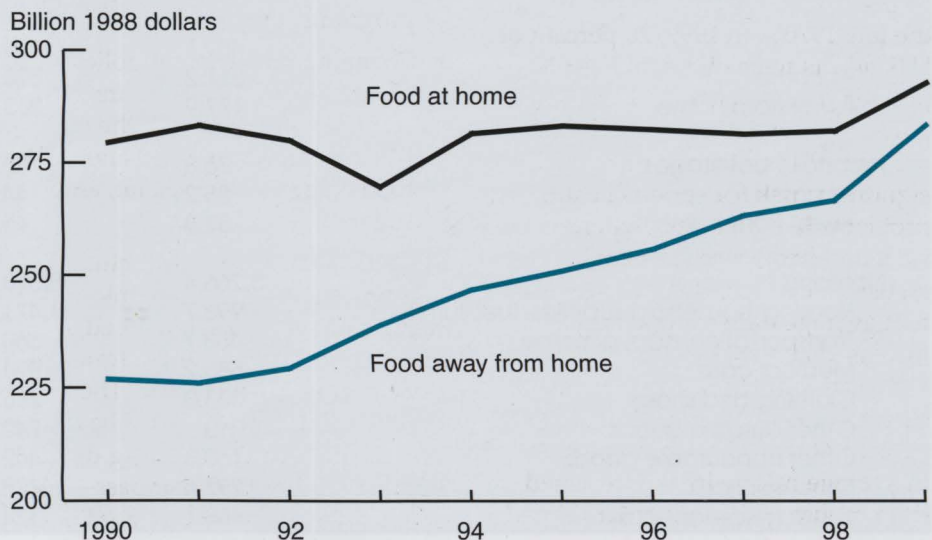
Between 1990 and 1999, total real food expenditures increased 13.7 percent. Real spending on food away from home grew a whopping 24.8 percent, while real food at home spending increased only 4.7 percent (fig. 1). Food spending patterns differed over the decade between the recession years at the beginning and the prosperous years at the end. During the 1990-91 recession, real 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 recession was by eating out less often or by patronizing less expensive places. The share of total food dollars spent away from home declined from 44.7 percent in 1989 to 44.0 percent in 1990.

With the subsequent economic recovery, inflation-adjusted spending on food away from home soared. Real spending for food at home dipped in 1992 and 1993 and

remained fairly constant. By 1996, spending for food away from home accounted for 46 percent of food expenditures, and, in 1999, away-from-home spending reached a record 47.5 percent of total food expenditures. Rising incomes during the 1990's are chiefly responsible for the increased spending on food away from home. Even at-home food spending reflects the decade's prosperity as purchases of more expensive, prepared entrees and side dishes boosted at-home food expenditures.

Figure 1  
**Food Expenditures at 1988 Prices**



Note: The U.S. Census Bureau revised these data series in 1998.



Table 1

**Food Spending Rose 4.9 Percent in 1999**

| Expenditures                          | 1990            | 1996  | 1997  | 1998  | 1999  | Change,<br>1998-99 |
|---------------------------------------|-----------------|-------|-------|-------|-------|--------------------|
|                                       | Billion dollars |       |       |       |       | Percent            |
| Total food and beverages <sup>1</sup> | 638.4           | 780.9 | 817.7 | 842.0 | 884.7 | 5.1                |
| Total food (excluding alcohol)        | 565.4           | 697.1 | 729.7 | 751.5 | 788.6 | 4.9                |
| At-home food                          | 316.8           | 376.5 | 390.5 | 398.9 | 413.9 | 3.8                |
| Sales                                 | 309.1           | 369.7 | 383.8 | 392.3 | 407.3 | 3.8                |
| Home production and donations         | 7.7             | 6.8   | 6.7   | 6.5   | 6.6   | -1.5               |
| Away-from-home food                   | 248.7           | 320.6 | 339.2 | 352.6 | 374.7 | 6.3                |
| Sales                                 | 225.7           | 292.3 | 309.5 | 322.1 | 343.7 | 6.7                |
| Supplied and donated <sup>2</sup>     | 23.0            | 28.3  | 29.7  | 30.5  | 31.0  | 1.6                |
| Alcoholic beverages                   | 73.0            | 83.8  | 88.0  | 90.5  | 96.1  | 6.2                |
| Packaged                              | 38.2            | 42.2  | 43.7  | 44.7  | 48.7  | 8.9                |
| Drinks                                | 34.8            | 41.6  | 44.3  | 45.8  | 47.4  | 3.5                |

Note: Data may not add due to rounding.

<sup>1</sup>Includes all food and alcoholic beverages, regardless of who paid for them.

<sup>2</sup>Includes government subsidies for school lunch programs.

Source: USDA's Economic Research Service.

Table 2

**Rise in Personal Food Expenditures Lower Than Increase in Disposable Personal Income<sup>1</sup>**

| Component                                    | 1990            | 1998    | 1999    | Change,<br>1998-99 |
|--|-----------------|---------|---------|--------------------|
|  | Billion dollars |         |         | Percent            |
| Disposable personal income                   | 4,293.6         | 6,286.2 | 6,639.7 | 5.6                |
| Total personal consumption expenditures      | 3,831.5         | 5,848.6 | 6,257.3 | 7.0                |
| Food   | 489.1           | 659.3   | 691.4   | 4.9                |
| At home                                      | 311.2           | 395.5   | 410.5   | 3.8                |
| Away from home                               | 177.9           | 263.8   | 280.9   | 6.5                |
| Alcoholic beverages                          | 76.0            | 90.5    | 96.1    | 6.2                |
| At home                                      | 38.2            | 44.7    | 48.7    | 8.9                |
| Away from home                               | 37.8            | 45.8    | 47.4    | 3.5                |
| Nonfood                                      | 3,266.4         | 5,098.8 | 5,469.8 | 7.3                |
| Housing, household supplies, fuel, furniture | 998.7           | 1,471.5 | 1,555.2 | 5.7                |
| Transportation, cars, gasoline               | 453.7           | 660.5   | 709.8   | 7.5                |
| Medical care                                 | 585.2           | 894.3   | 941.3   | 5.3                |
| Clothing and shoes                           | 303.0           | 286.3   | 306.3   | 7.0                |
| Other durable goods                          | na              | 140.3   | 152.1   | 8.4                |
| Other nondurable goods                       | 160.3           | 442.9   | 494.0   | 11.5               |
| Other services                               | 297.4           | 878.2   | 948.4   | 8.0                |
| Other miscellaneous                          | 468.1           | 324.8   | 362.7   | 11.7               |

Notes: Data may not add due to rounding. Food expenditures represents those paid for by consumers with cash or food stamps. Total personal consumption expenditures are the sum of food, alcoholic beverages, and nonfood items.

na = Not available.

<sup>1</sup>As of July 2000.

Sources: Food and alcoholic beverage data are from USDA's Economic Research Service. All other data are from U.S. Department of Commerce, Bureau of Economic Analysis.



Preliminary figures on total food sales (a beginning point to estimate food spending) in the first 6 months of 2000 show spending for food at home up 5.1 percent from the same period in 1999, and away-from-home food spending up 12.4 percent. Food sales exclude donations and food furnished to employees, patients, and inmates, which are included in the total food expenditures reported above. Inflation-adjusted food sales from mid-1999 to mid-2000 increased 7.0 percent

for food at home, while away-from-home spending increased 14.8 percent.

### **Americans Spend 10.4 Percent of Income for Food**

Personal food spending shows another perspective on the trend. It behaves differently from total food spending because it excludes expenditures by governments and businesses. Personal food expenditures

rose 4.9 percent in 1999, while spending on housing, household supplies, fuel and furniture went up 5.7 percent, and clothing expenditures increased 7.0 percent (table 2). Higher fuel prices and an increase in the number of vehicles purchased in 1999 contributed to an increase of 7.5 percent for personal spending on transportation, cars, and gasoline. Within personal food expenditures, spending for food away from home grew 6.5 percent compared with a 3.8-percent increase in expenditures for food at home. From 1990 to 1999, personal spending for food away from home grew 57.9 percent and at-home personal food spending grew 32.0 percent.

In 1999, 10.4 percent of household disposable personal income was spent on food, down from 11.4 percent in 1990. Households spent 6.2 percent of their 1999 disposable personal income for food at home and 4.2 percent on food away from home. A decade earlier, Americans spent 7.2 percent of their disposable personal income for food at home and 4.1 percent for food away from home. ■

### **Updated Data Available**

USDA's Economic Research Service provides newly revised figures twice a year—spring and fall—through the Internet and the AutoFAX system.

Internet: Find updated figures at the Economic Research Service website at [www.ers.usda.gov/briefing/CPIFoodandExpenditures/Data/foodexpendituretables.htm](http://www.ers.usda.gov/briefing/CPIFoodandExpenditures/Data/foodexpendituretables.htm)

AutoFAX: To receive updates by AutoFAX, dial (202) 694-5700 from a FAX machine with either a handset

or speaker so you may respond to recorded voice prompts. Allow each of the voice prompts to finish before entering your response. Most responses are "Press 1 for yes, press 2 for no." Some FAX machines (Canon 770 series) require that you press the "start" or "send" button to signal the AutoFAX that you have entered a response.

Request document #11530 for a directory of U.S. food expenditure tables.