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# Food Spending and Income

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Consumers sharply increased their expenditures on food in the Nation's restaurants and refreshment places in the first quarter of 1981 as disposable personal income continued to rise at a brisk pace. Grocery store food purchases were also higher in dollar sales. But expenditures for both food at home and food away from home were below those of the first quarter of 1980 when adjustments are made for higher prices and population increases.

Personal consumption expenditures for food reached about \$325 billion at a seasonally adjusted annual rate in the first quarter of 1981, compared with \$294 billion for the same quarter a year earlier. Grocery store food purchases were about \$237 billion while food away from home accounted for about \$88 billion.

## Food-at-Home Expenditures

Food-at-home expenditures in the first quarter of 1981 were higher than last quarter, but were lower than the year-earlier level. The 2.5-percent growth in food-at-home expenditures between quarters was partially due to inflation. Adjusted for price increases, real food spending in grocery stores rose at a seasonally adjusted annual rate of 1 percent.

Actual food-at-home expenditures were 10.5 percent greater than those of the first quarter of 1980, but 11.5 percent higher prices meant that real food expenditures (in 1972 dollars) dropped about 1 percent.

## Food-Away-from-Home Expenditures

The 5-percent quarterly advance in food-away-from-home expenditures was the highest in many quarters and the third consecutive quarterly increase. Food-away-from-home expenditures are heavily influenced by how well the economy is doing. Per capita disposable income, adjusted for inflation, dropped in the second quarter of 1980, causing consumer spending in the Nation's restaurants to do likewise. Since then, these expenditures have been rising, and in the first quarter apparent volume was about the same as that in the first quarter of 1980.

## Disposition of Income

Disposable (after tax) personal income

## Food Expenditures and Disposable Personal Income

	1980				1981
	I	II	III	IV	I
Billions of current dollars					
Food at home	214.1	217.6	225.6	232.7	235.6
Food away from home	80.0	78.3	79.6	83.7	88.0
All food	294.1	295.9	305.2	316.4	324.5
Disposable personal income	1765.1	1784.1	1840.6	1897.0	1945.5
Billions of 1972 Dollars					
Food at home	114.3	115.0	113.6	111.8	113.0
Food away from home	41.2	39.5	39.4	40.4	41.2
All food	154.5	154.5	153.0	152.2	154.2
Disposable personal income	1021.0	1008.2	1018.5	1025.8	1032.2
Per capita disposable income	4600	4532	4565	4585	4604

Source: Department of Commerce

## Food Spending Indicators

	1980				1981
	Percent of DPI				
	I	II	III	IV	I
Food at home	12.1	12.1	12.3	12.3	12.2
Food away from home	4.5	4.4	4.3	4.4	4.5
All food	16.7	16.6	16.6	16.6	16.7
Savings	4.9	6.2	6.1	5.1	4.7
Portion of food dollar spent on away from home eating	27.2	26.5	26.1	26.5	27.2

Source: Department of Commerce

(DPI) rose to \$1,945.5 billion in the first quarter of this year, about 10 percent more than in the first quarter of 1980. When DPI is adjusted for higher prices, by using 1972 dollars, real DPI was slightly above that of the previous quarter and 1 percent above the DPI in the first quarter of 1980. This increase just kept up with a 1-percent population increase, so that real per person DPI was the same as first-quarter 1980.

About 16.7 percent of DPI was spent on all food, of which 12.2 percent went to food at home and 4.5 percent to food away from home.

All personal consumption expenditures increased about \$54 billion to \$1,805 billion, the fourth consecutive quarterly advance both in current and constant dollars. The sharpest gain was in expenditures for durable goods, reflecting higher purchases for motor vehicles. Nondurable goods were 3 percent above those of the fourth quarter of 1980, of which 2 percent reflected price increases. Expenditures for services showed an increase only in current dollars. Adjusted for price increases, there was no change in the volume of personal consumption expenditures between the two quarters. ■