

Introduction

This report analyzes household food expenditures during the 1990s. A household survey such as the one used in this study is designed to obtain a snapshot of a representative group of U.S. households at a given moment in time. By looking at food expenditures by various demographic subgroups over time, one can gain an idea of how each group fares relative to the others. Hence, our goal is to evaluate how food spending has varied during the 1990s by some common demographic subgroups such as female-headed households. While we do not present mutually exclusive categories, expenditure trends are identified by looking at per capita expenditures for total food, food at home, and food away from home based on annual surveys of urban household food spending for 1990-98. Actual expenditures were adjusted to 1998 food price levels to focus on changes in the real cost of food.

Expenditure trends are presented for 1) single female heads of households with children; 2) older versus younger households; 3) larger versus smaller households; 4) poor households versus households that are not; 5) regional differences; and 6) race of households. These demographic variables affect the type and quantity of food purchased by American households. By tracking these expenditures over time and in inflation-adjusted dollars, this work attempts to identify any persistent positive or negative trends by these major demographic groups. It is in the interest of society to determine if female-headed, Black, poor, or elderly households have increased or decreased their food expenditures over the past decade relative to all other households.

The data used in the analysis are from the annual consumer expenditure surveys (CES) conducted by the U.S. Department of Labor's Bureau of Labor Statistics (BLS). The BLS has conducted these annual surveys since 1980 and the most recent data released are for 1998. This series provides a rich source of information on the spending patterns of American households. The information from these surveys allows us to examine trends in inflation-adjusted food spending for the types of households noted above.

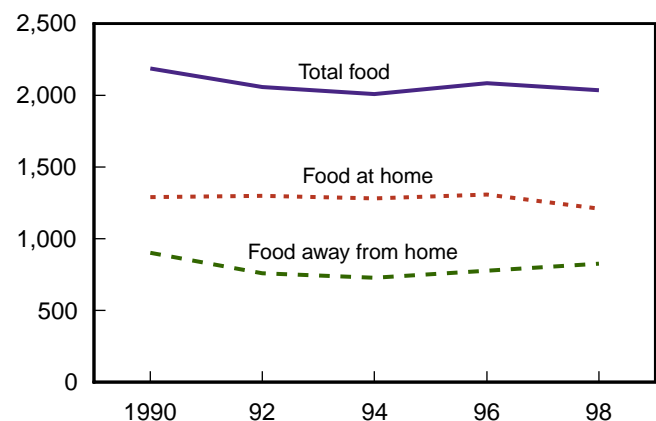
We found that the average inflation-adjusted total food expenditure per person declined about 7 percent

between 1990 and 1998, declining from \$2,189 to \$2,037 (fig. 1). The decline resulted primarily because of a 6-percent decline in the average price-adjusted at-home food expenditure per person, and an 8-percent decline in away-from-home food expenditure. (Price-adjusted food spending reflects changes in the real price of food as well as any quantity adjustments made by consumers.) These declines in expenditures are probably a combination of a declining real cost of food and, perhaps, a downward adjustment in the quantity of food purchased. In any case, the demand for food is such that inflation-adjusted price decreases overwhelm potential positive quantity changes, thereby resulting in lower food expenditures. Note also that the national average masks the fact that some population subgroups had significantly higher or lower food expenditures than average. For example, while total food spending declined for all demographic groups except female-headed and Black households, these two demographic groups still had the lowest per capita spending.

Most U.S. households realized a modest decline in price-adjusted food expenditures, both at home and away from home, between 1990 and 1998. Per-person total food expenditures were greatest for households in the highest income quintile, for one-person households, and for households with heads between 55 and 64 years of age.

Figure 1
Average food spending by all households, 1990-98

Spending/person (dollars)



1998 prices.

Source: Economic Research Service from Bureau of Labor Statistics data.