



ERS *Report Summary*

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Food Spending Declined and Food Insecurity Increased for Middle-Income and Low-Income Households From 2000 to 2007

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Food security, meaning consistent access by all people to adequate food for active, healthy living, is closely linked with the amount households spend for food. Annual ERS reports on household food security from 2000 to 2007 indicate that median food spending by U.S. households grew more slowly than food prices over that period, which means that food spending by middle- and low-income households actually declined after adjusting for inflation. This report provides more detailed information on the characteristics of the decline in inflation-adjusted food spending and examines associated changes in the food security of U.S. households.

What Is the Issue?

The decline in inflation-adjusted food spending by middle- and low-income households over the past several years means that those households either reduced the quantity of food they purchased or that they purchased, on average, lower cost foods. Households with adequate resources may have reduced spending for “extras,” such as treats and convenience foods, with minimal impact on nutrition and health. However, reduced food spending by households whose food budgets were already stretched thin may have meant that some of those households could no longer purchase adequate food for active healthy lives for all household members. It is important for policymakers to understand whether the decline in inflation-adjusted food spending over the last several years reflected a deterioration in the food security of U.S. households and, if so, why food spending declined.

What Did the Study Find?

Data from two independent sources indicate that from 2000 to 2007, food spending by middle- and low-income households grew at a slower rate than food prices. Median food spending for all households declined by 12 percent relative to the rising cost of the Thrifty Food Plan and by 6 percent relative to the rising Consumer Price Index for Food and Beverages (CPIFB). Average CPIFB-inflation-adjusted food spending declined by 6 percent for households with incomes below the 20th percentile, 16 percent for households with incomes in the 20th to 40th percentile, and 9 percent for households with incomes in the 40th to 60th percentile. However, average spending by all households remained nearly unchanged because spending increased for households with incomes above the 60th percentile.

Over the same period, the national prevalence of very low food security—a severe range of food insecurity in which eating patterns of some household members are disrupted and their food intakes are reduced—increased from 3.1 percent of households in 2000 to 4.1 percent in 2007. As with the decrease in food spending, the deterioration in food security was greatest for households with

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incomes in the 20th to 40th percentile, for which the prevalence of very low food security increased by about 50 percent. The declines in food spending by middle- and low-income households were accompanied by increases in spending for housing and, for households with incomes below the 40th percentile, declines in total spending.

These changes occurred during a period generally characterized by economic growth, falling unemployment, and moderate food price inflation. In 2007, the latest year for which food security and food spending data are available, unemployment had just begun to rise and food price inflation had begun to accelerate, but the larger changes associated with the recession of 2008 and 2009 were yet to come.

How Was the Study Conducted?

The study used data from two nationally representative surveys, the Current Population Survey Food Security Supplement (CPS-FSS) and the Consumer Expenditure Survey (CES). The CPS-FSS is an annual survey conducted by the U.S. Census Bureau as a supplement to the monthly Current Population Survey. USDA sponsors the survey, and USDA's Economic Research Service compiles and analyzes the responses. The CPS-FSS includes about 45,000 households each year and is representative of the U.S. noninstitutionalized civilian population. The survey asks one adult respondent in each household a series of questions about household food spending, use of Federal and community food and nutrition assistance programs, and experiences and behaviors that indicate food insecurity.

The CES consists of two components—a quarterly interview survey and a diary survey—that provide information on expenditures, income, and demographic characteristics of U.S. consumers. The U.S. Census Bureau conducts the survey for the U.S. Bureau of Labor Statistics (BLS). Data from the two surveys are integrated to provide estimates of expenditures in over 80 subcategories of goods and services, aggregated into 14 major categories. This study used estimates published by BLS of food expenditures by pre-tax income percentiles from 2000 to 2007.