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# Food Spending in American Households, 2003-04

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## Abstract

Average yearly expenditures on food in U.S. urban households increased between 2003 and 2004. Over the period, annual per capita spending on food rose from \$2,035 to \$2,207. The 2004 average comprises \$1,347 spent on food consumed at home and \$860 spent on food consumed away from home. These amounts reflect a year-to-year increase of 7.9 percent in food-at-home expenditures and 9.3 percent in food-away-from-home expenditures. Wealthier urban households tended to spend more than other urban households for both food at home and food away from home, and they spent a larger share of their food budget than other households on food consumed away from home. The share of the food budget spent on food consumed away from home varied from 30 percent for the poorest group to 44 percent for the wealthiest.

**Keywords:** Food expenditures, BLS Consumer Expenditure Diary Survey, socioeconomic characteristics

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# Contents

List of Tables .....	iii
Summary .....	iv
Introduction .....	1
Highlights for Urban Population .....	2
Consumer Expenditure Survey .....	3
Definitions .....	5
Population .....	5
Consumer Unit (Household) .....	6
Income .....	6
Expenditure Estimates .....	8
Survey Procedures .....	9
Sample Design .....	9
Cooperation Levels .....	9
Sample Weighting Factors .....	10
Data Collection and Processing .....	10
CE and Other Data Sources .....	12
Data Limitations .....	15
References .....	16
Tables .....	17

## List of Tables

1. Food expenditures by selected demographics, 2003-04: Average annual per person expenditures of urban households . . . . .	17
2. Urban household type, 2003 . . . . .	18
3. Urban household size, 2003 . . . . .	22
4. Urban region and city size, 2003 . . . . .	26
5. Urban season, 2003 . . . . .	30
6. Urban housing tenure, 2003 . . . . .	34
7. Urban income quintile, 2003 . . . . .	38
8. Urban income class, 2003 . . . . .	42
9. Urban race, 2003 . . . . .	46
10. Urban householder's age, 2003 . . . . .	50
11. Urban number of earners, 2003 . . . . .	54
12. Urban vs. rural, 2003: Average annual per person food expenditures of all households . . . . .	58
13. Urban household type, 2004 . . . . .	62
14. Urban household size, 2004 . . . . .	66
15. Urban region and city size, 2004 . . . . .	70
16. Urban season, 2004 . . . . .	74
17. Urban housing tenure, 2004 . . . . .	78
18. Urban income quintile, 2004 . . . . .	82
19. Urban income class, 2004 . . . . .	86
20. Urban race, 2004 . . . . .	90
21. Urban householder's age, 2004 . . . . .	94
22. Urban number of earners, 2004 . . . . .	98
23. Urban vs. rural, 2004: Average annual per person food expenditures of all households . . . . .	102
24. Sampling variability, 2003-04: Coefficients of variation for average annual per person food expenditures of urban households. . . . .	106

## Summary

Food spending is one measure of household well-being. To assess that measure, USDA periodically publishes information on nationwide food expenditures, with data presented by selected demographic and socioeconomic characteristics. This report continues the tradition. Previous versions were issued in 1985, 1987, 1990, 1992, and 2001. USDA tabulations are based on the most recent and comprehensive data available on at-home and away-from-home food spending by U.S. urban households.

### What Is the Issue?

Policymakers and others concerned with how U.S. households allocate their food dollars can benefit from having access to concise, easy-to-use information that details food expenditures by demographic and socioeconomic characteristics. Such information could aid, for example, in the comparison of USDA food plans, such as the Thrifty Food Plan, with actual household expenditures. Such information could also provide a means to quickly determine per capita food expenditures by income group as well as the proportion of income spent on food by each group. Likewise, the information allows for comparisons of at-home and away-from-home food expenditures by numerous economic and demographic variables.

### What Did the Study Find?

- Between 2003 and 2004, per capita spending on food in U.S. urban areas rose from \$2,035 to \$2,207. This change reflects increases of 7.9 percent in at-home food expenditures and 9.3 percent in away-from-home food expenditures.
- Over the same period, per capita food expenditures as a share of total income in urban areas dropped from 9.8 percent to 9.5 percent.
- In 2003, U.S. urban households with incomes in the lowest quintile (bottom 20 percent of the income distribution) spent \$1,769 per person for total food, or 37.3 percent of total household income. Households in the highest quintile spent \$2,737 per person for food, or 6.6 percent of total household income. Wealthier households, however, spent more of their food budgets on away-from-home food than other households.
- In 2003, urban female-headed households with children spent \$1,610 per person for total food, of which 66 percent was devoted to food at home. Married couples without children spent \$2,740 per person on total food, of which 60 percent was devoted to food at home.
- In 2004, urban one-person households spent more than twice as much per person on food as households of six or more persons. Smaller households also spent a much larger share of their food budget on food consumed away from home than larger households.

- As the age of the head of the household increased, so, too, did urban per capita food expenditures in 2004. Once the head of the household reached age 64, however, per capita food spending started to decline. Households headed by persons age 55-64 spent the most per person on food consumed away from home.
- Among all U.S. regions, urban households in the Northeast spent the most on total food per person in 2004, while urban households in the South spent the least. These rankings hold for away-from-home food expenditures as well.

## **How Was the Study Conducted?**

The Consumer Expenditure Survey is the basis for the data in this report on food spending in selected U.S. households. The survey provides an ongoing record of how urban households allocate their food expenditures both at home and away from home. We calculated weighted average values from the sample data for 2003 and 2004. Each sampled household represented a proportion of similar households in terms of income, household size, race, and even the season of the year. Final estimates are consistent with the values one would expect to find in the noninstitutional population of urban U.S. households who shop in grocery stores all over the United States.