

Food Spending as a Proportion of Income

An annual consumer expenditure survey by the U.S. Department of Labor reveals comprehensive information about how much average households spend for food and other products and services. The findings for 1996 show that annual food expenditures averaged \$4,913 (table 23).

Spending varies for households of differing size, income, and other characteristics. For example, married couples with children, where the oldest child is 6-17 years old, spent an average of \$6,992 for food in 1995, or about \$134 per week. This finding is in sharp contrast to a household with one parent that has at least one child under 18 years of age. In this latter category, food spending averaged \$3,930 in 1996, or about \$76 per week. Among major food categories, spending was highest for bakery products, beef, and dairy products.

The proportion of income spent for food varies widely by household income. For example, households

with incomes of \$5,000-\$9,999, before taxes, spent about 34 percent of their after-tax income for food. Households with before-tax income of \$15,000-\$19,999 spent 21 percent of their after-tax income for food. Households with incomes of \$30,000-\$39,999 spent 15 percent of after-tax income for food. The average for all households was 14.1 percent. This figure, based on the consumer survey data, is higher than the estimates using total food expenditures and disposable personal income. Several factors account for this difference. First, households may not have fully accounted for income from all sources. Moreover, household income does not include pension and welfare funds, such as insurance premiums paid by employers. Finally, the reported income is capped to protect the privacy of some survey households. All of these factors tend to cause an upward bias in the estimated percentage of income spent for food.