

Consumer Spending Highlights – Food Spending

June 2017



Americans Increasingly Opt for Dining Out Over Home Cooked Meals

A smaller share of the consumer food budget (grocery and restaurants combined) is going towards grocery, according to the Visa Retail Spending Monitor, which reports spending on all forms of payment. In May 2017, grocery spending grew just 2.6 percent on a year-ago basis, compared to 4.8 percent at restaurants, and made up just 51 percent of overall food spend, down from 55.6 percent in 2010. Higher labor and lease prices have led restaurants to raise their prices 8 percent over the past three years to pass along the higher costs, while grocery prices have remained fairly flat.

Consumers (especially millennials) are choosing to spend more on experiences, like dining

Even though cooking at home has increasingly become the more affordable option, consumers continue to dine out. Consumers of all ages are choosing to spend more of their money on experiences, such as a night out at a restaurant.

Among millennials, an especially large share report dining out more often (26 percent vs 17 percent overall), citing higher disposable income and because they're too busy to cook.

Key Points:

Grocery spending is growing more slowly than restaurant spending

Despite higher restaurant costs, more people prefer to dine out than to cook at home

Higher grocery spending in the Midwest and Northeast point to some regional differences in the way Americans distribute their food budgets

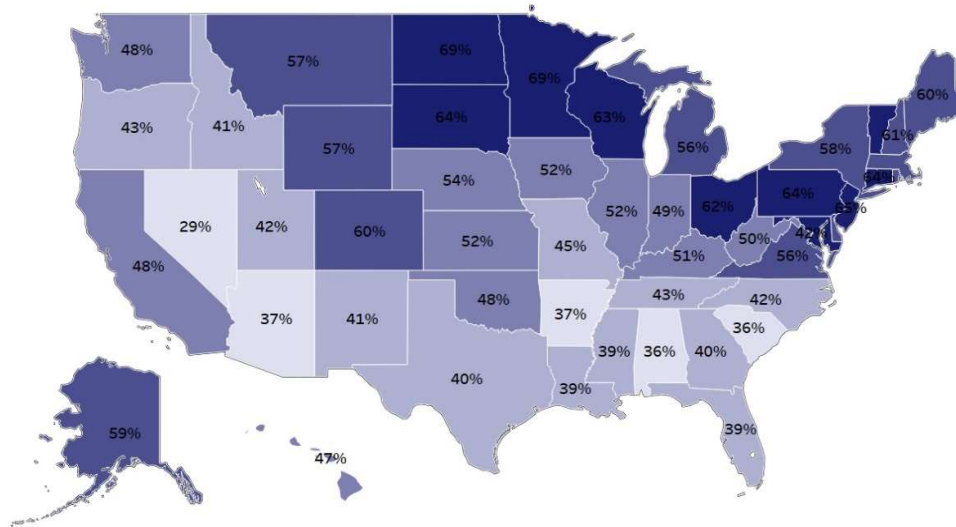
Colder Climates Cool Restaurant Spending

Areas where grocery spend is higher than restaurant spend are concentrated in the Midwest and Northeast, with the highest share in Vermont at 70 percent.

By contrast, Southwest and Southeast states all spend less than 50 percent of their food budget at grocery stores.

Nevada spends only 29 percent of their food budget at grocery stores (and only 25 percent in Las Vegas). However, consumers in these areas could be purchasing groceries at non-traditional stores, such as big box or convenience stores.

May 2017, percent of grocery spending compared to overall food spend



Sources: Visa Retail Spending Monitor, Visa/Prosper Consumer Survey (Jan 2017). Visa Retail Spending Monitor reports spending on all forms of payment.

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