

Small Households Spent More Per Person on Food Expenditures

One-person households spent almost twice as much per person, per year, on food as five-person households do. For example, in 1998 one-person households spent about \$2,522, while 5-person households averaged \$1,336 (fig. 9). Per-person food spending almost always declines as household size increases, but larger households still have a much larger food bill than smaller households. For example, while one-person households spent \$2,522 on food in 1998, five-person households averaged \$6,680. Household food spending does not increase proportionally with household size, because larger households can take advantage of economies of size, such as buying in bulk. Larger households also have a different age mix than smaller households and usually buy a different market basket of foods. Also, smaller households may not have sufficient choices of food unit sizes that meet their needs.

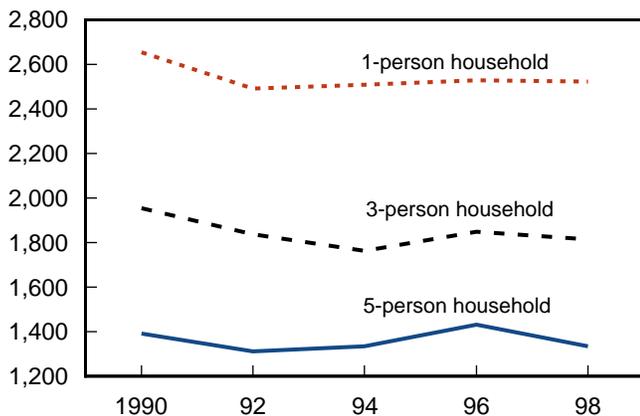
Between 1990 and 1998, one-person households saw their total food expenditures decline by \$132 from \$2,654 to \$2,522 (about 9 percent), and spending by three-person households declined by about \$140 per person, from \$1,953 to \$1,813 (7 percent). On the other hand, five-person households reduced per-person

food spending by just \$56, from \$1,392 to \$1,336 (about 4 percent).

Spending on food consumed at home was flat for one-person households but declined for other households (fig. 10). Households with three persons had the largest decline in per-person spending, about 8 percent, while households of five persons had a decline 7 percent. Spending on food away from home declined for all household sizes, except for five-person households (fig. 11). Per-person food-away-from-home expenditures declined by about 10 percent for one-person households and by about 6 percent for three-person households.

There has been a general shift from spending the U.S. food dollar on at-home food to away-from-home food that modestly continued during the 1990s, with the exception of one-person households. In 1990, one-person households spent 48 percent of their food dollars away from home, but that share had declined to 45 percent by 1998. While the per person food-away-from-home expenditures for three-person households declined by about 6 percent, the share of food dollars going to food away from home increased from 38 to 39 percent. Likewise, five-person households increased their share of food dollars spent away from home by 2 percentage points to 33 percent. In general, the smaller the household, the larger the share of the food dollar spent away from home.

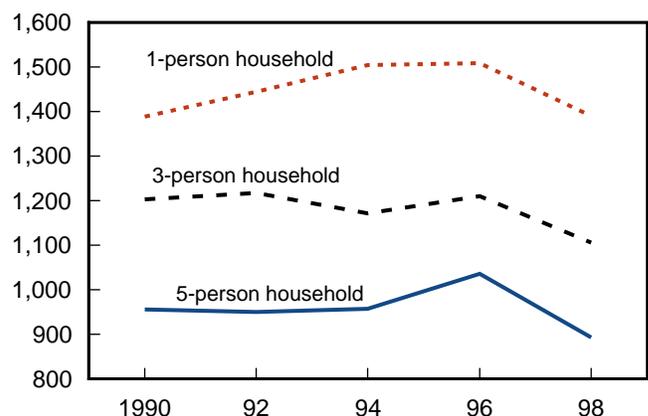
Figure 9
Total food spending by household size
Spending/person (dollars)



1998 prices.

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

Figure 10
At-home food spending by household size
Spending/person (dollars)



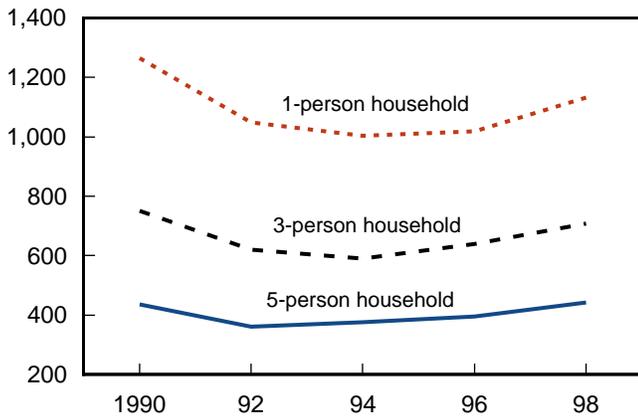
1998 prices.

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

Figure 11

Away-from-home food spending by household size

Spending/person (dollars)



1998 prices.

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

Convenience is a factor in the trend toward more spending on away-from-home food, but economics probably plays an even larger role. Smaller households tend to have higher per-capita incomes than larger households, which gives them more discretionary income to spend on away-from-home food. Also, a smaller household's total cost to eat out is considerably less than a larger household's outlay, even if per-capita costs are the same. The decline in the share of the food dollar spent away from home by one-person households might in part be explained by the fact that many of these households are comprised of young people just starting out in careers. One might speculate that job turnover has increased over the 1990s, and that the uncertainty created by this has adversely impacted the away-from-home food market, although one might make the argument that because of time pressures and opportunity costs one might expect the opposite.