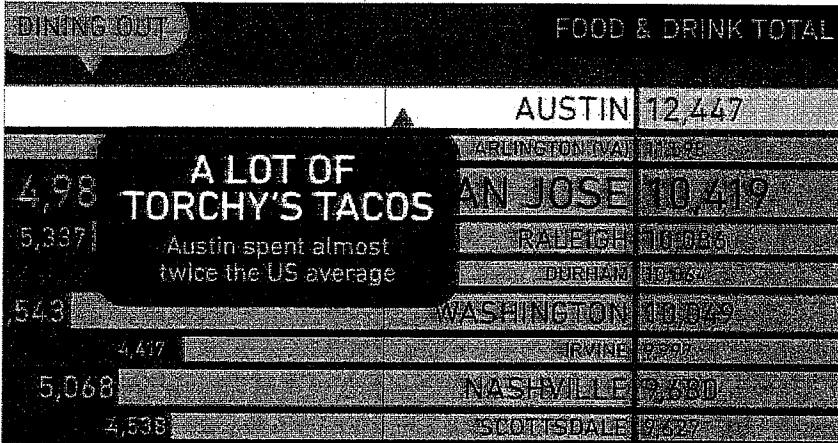




Bundle Special: The truth about food spending in America

DINING OUT, 2010 BUNDLE REPORT Janet Paskin (Bundle) / 2 days ago / Share / Vote this up / 3



U.S. cities have vastly different grocery and restaurant budgets — but aren't we all eating the same stuff?

At Bundle, we have a healthy obsession with spending. How much, where, on what — and often, how to do a little less of it. In our short life, we've noticed something: our conversations about money keep circling back to food. Restaurant week specials. Bringing our lunches. Bottled water. Growing our own vegetables.

Our salaries are set. So is our rent. Clothes and other big-ticket items are periodic expenses. But when it comes to food, we get several chances a day to save or splurge. Brian Wansink, the director of the Food and Brand Lab at Cornell University, estimates we make 227 decisions about what to eat every day — each of which has a small financial impact. Go out for drinks after work? Buy the Hershey's chocolate bar or spring for the Lindt? And couldn't we just order takeout? Because after a day's worth of food-and-spending decisions, I'm too exhausted to think about cooking.

Those tiny decisions add up. The average American household spent \$3,778 on groceries in 2009, and another \$2,736 in restaurants and bars. Buried in those averages are millions of individual purchases that reflect appetites, lifestyles and values. People in Denver devoted 22 percent of their daily spending to food and drink, more than any other city in the country. Residents of Atlanta spent a whopping 57 percent of their food budget on dining out — more than anyone else in the country, and about 28 percent more than the national average.

INFOGRAPHIC: Food spending in the biggest US cities

INFOGRAPHIC: Food spending by age group, income and household

For this report, we looked at food spending overall, then broke it down to grocery spending and restaurant spending. We also filtered by demographic groups and geography. If the average person needs somewhere between 2,000 and 3,000 calories a day, how did people in Austin spend \$12,447 on food and drink last year, while people in Miami spent half as much? What are they buying in Austin? And what aren't they eating in Miami?

The more we spend, the more we like caviar

The data reflects, generally, what we already suspect about our own behavior: How much we spend on food — like how much we spend on anything — is most directly a result of how much money we have. People making \$40,000 to \$50,000 spent \$5,560 on food in 2009. People making more than \$125,000 spent \$12,655 — more than double. Did they buy twice as much food? Not likely, says Hayden Stewart, an economist at the US Department of Agriculture: they buy more expensive food. "Better cuts of meat,

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more organic foods, more gourmet or prepared foods — they all cost more, and when people have the money, they're often willing to pay."

After all, once our basic nutritional needs are met, we buy the foods we like, the foods we want, and the food we can afford. In the biggest American cities, how much people spent on food last year ranged from \$2,246 (Detroit) to \$12,447 (Austin), but regardless of the amount, that money ate up a similar percentage of their daily budget. In most of the cities in our report, the average household devotes between 15 and 20 percent of their daily spending to food. Residents of Wichita spent \$2,793 more on food than people in Memphis did last year, but both cities devoted the exact same proportion (16.65 percent) of their spending to food. In Memphis, it's a Hershey bar. In Wichita, it's Lindt. As David Stone, a food expert at the New England Consulting Group says, "it's the food we want, not the food we need, that makes us happy."

Here's the other thing we noticed: Mom was right. Eating out is a budget-buster. According to our data, the people who are spending the most money on food overall devote more money to dining out. In the ten cities with the biggest food budgets, residents spent more than \$465 a month at restaurants on average — or more than half of their food budget. In the ten cities with the smallest food budgets, people spent less than \$150 a month in restaurants (on average), and considerably less of their food budgets overall.

And as income rises, people spend more money on restaurants. Yes, wealthier people spend more money on groceries too, but their dining out spending increases faster. On groceries, people who earned more than \$125,000 spent twice what people earning between \$20,000 and \$40,000 did — and nearly four times what the lower-income group spent in restaurants.

When you compare the city listings in the above infographic, you'll see similarities with our omnibus Top-Spending Cities list — and some differences. Austin is No. 1 on both lists, but Dallas, the No. 12 city for overall spending, falls to No. 24 for spending on food. Los Angeles, No. 42 overall, hops up to No. 16 on the Food & Drink chart. (You can dig deeper into our spending data on our site, with our Everybody's Money tool.)

And when you dig beyond the averages, our data illustrates how vastly different our food-spending decisions can be, even in the same city or neighborhood. The top foodies in Chicago's Wicker Park neighborhood, for example, spent more than \$25,000 in restaurants last year, while the neighborhood's lowest-spending residents paid easily less than \$1,000. Where they spent changed, too. Top-spending families ate out at Carnivale and 33 Club; lower-spending families hit Morton's and Uncle Julio's. And when they stayed home? The top merchant for people earning more than \$125,000 was — wait for it — Whole Foods, while almost everyone else spent more money at mainstream supermarket Jewel-Osco.

None of this may be groundbreaking. But it affirms long-held suspicions: there's food at every price, for every budget, and what we spend on what we eat has a lot less to do with how hungry we are — or even what we may actually like to eat — than how much money we have. The savings lesson, then, is simpler than clipping coupons or buying in bulk. It's to remember that, like many consumer goods, there's almost no end to what you "could" spend on food. And what you "need" to spend, on the other hand, may be less than you think.

- [Infographic: The top cities for food spending](#)
- [Infographic: Food spending by age group, income and household](#)
- [Contest! Bring your lunch to work for a chance to win](#)
- [The 2010 Bundle Report: How America spends](#)
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Janet Paskin is the managing editor of Bundle.

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