

# Rural Migration News

## Blog 231

AUGUST 2021

### U.S. Food Spending in 2020: \$1.7 Trillion

Americans spent \$1.7 trillion on food in 2020, down from \$1.8 trillion in 2019. More food was purchased to consume at home in 2020, which is cheaper than consuming food away from home.

Food is purchased in supermarkets and stores for eating at home and is purchased at food-service outlets such as restaurants or cafeterias for immediate consumption away from home. Between 2010 and 2019, a rising share of food spending was for

food eaten away from home; over 55 percent of food spending was for food eaten away from home in 2019.

The share of spending on food eaten at home declined steadily between 1960 and the early 2000s, from three fourths to less than half, as more women worked for wages, incomes rose, and there were ever more outlets to purchase food away from home.

Covid reversed the trend to spend more on food away from home. Spending on food eaten away from home dropped by 20 percent in 2020, from \$980 billion in 2019 to \$813 billion in 2020. Spending on food eaten at home rose to 52 percent of food spending.

#### Restaurants

The National Restaurant Association estimates that restaurants employ 10 percent of US workers. Full-service and fast-food restaurants accounted for 74 percent of all food-away-from-home sales in 2020.

Food spending at full-service restaurants, which have wait staff to serve customers at tables, fell by 42 percent in 2020 compared to 2019. Fast-food spending fell only four percent, raising the share of fast-food spending in total away-from-home food spending to 43 percent in 2020.

All types of restaurants reported difficulty hiring workers in summer 2021. Many restaurant employers raised wages by 10 percent or more for back-of-the-house cooks and cleaners as well as hiring and retention bonuses.

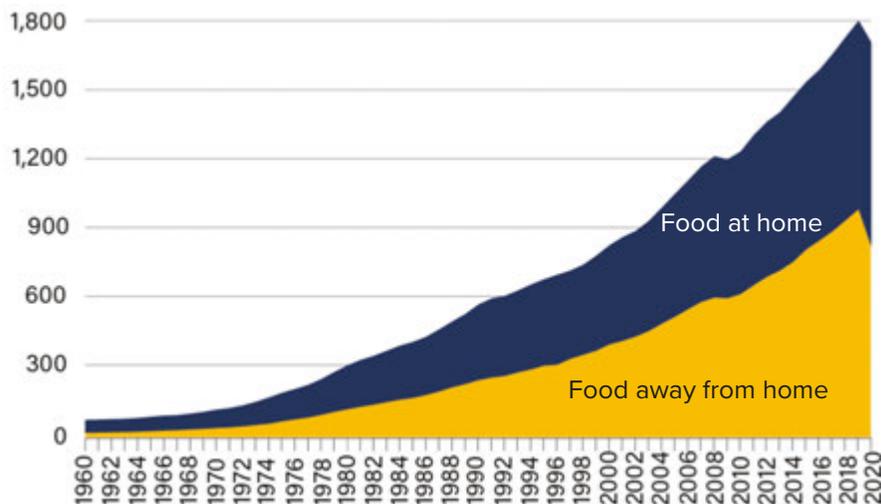
Chipotle Mexican Grill, which owns almost all of its 2,900 US outlets, raised entry-level wages to \$15 an hour in summer 2021 and also raised wages for higher-paid employees to avoid wage compression. Some firms that raised only entry-level wages got complaints from higher-wage employees when the wage hierarchy flattened.

The ratio of unemployed workers to job openings in the nonfarm economy peaked at 4.4 in April 2020, but fell to less than one in summer 2021, when there were more job openings than unemployed workers, including 1.3 million unfilled restaurant and hotel jobs. Many employers blamed

**Most Food Spending was for Food Eaten Away from Home Between 2010 and 2019**

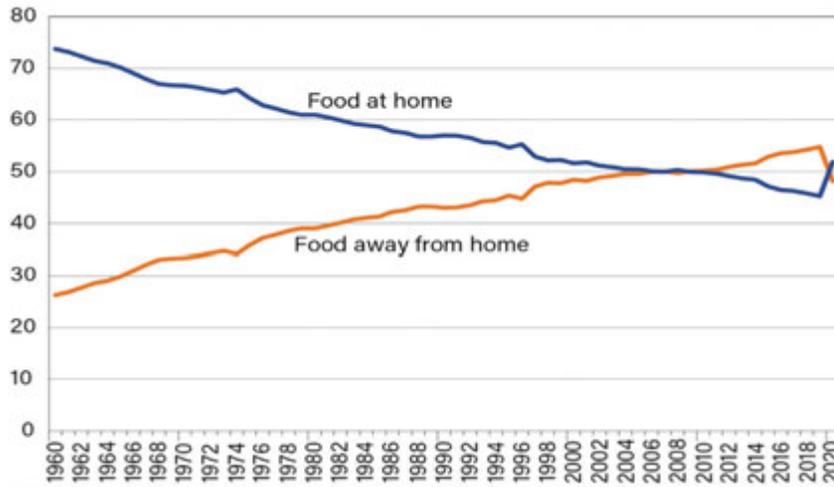
Expenditures for food at home and away from home

Billion dollars



**Spending on food eaten away from home fell from a record 55% in 2019 to 48% in 2020**

**Shares of total food expenditures**  
Percent



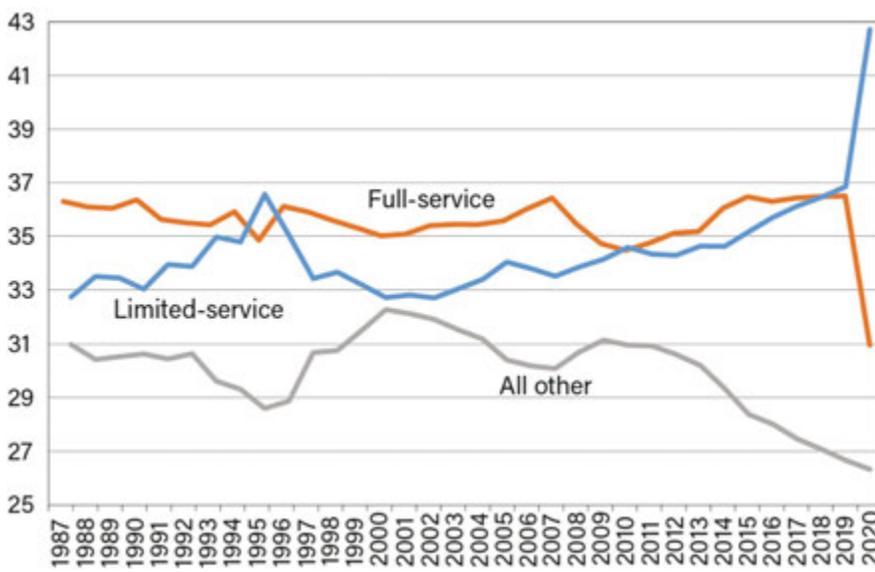
federal pandemic unemployment insurance benefits that added \$300 a week to state UI benefits for the few responses to job vacancy ads. The extra federal benefits expire September 6, 2021 which, combined with reopening schools, is expected to increase the availability of workers.

The share of US residents who are employed or looking for work varies by age. Those aged 25-54 have the highest labor force participation rate, over 80 percent, and their LFPR has almost returned to pre-covid levels. The LFPR of persons 20 to 24 dropped sharply in 2020 and has not yet rebounded to pre-covid levels. The LFPR of those 55 and older has remained below pre-covid levels, fueling speculation that some older workers retired sooner than planned.

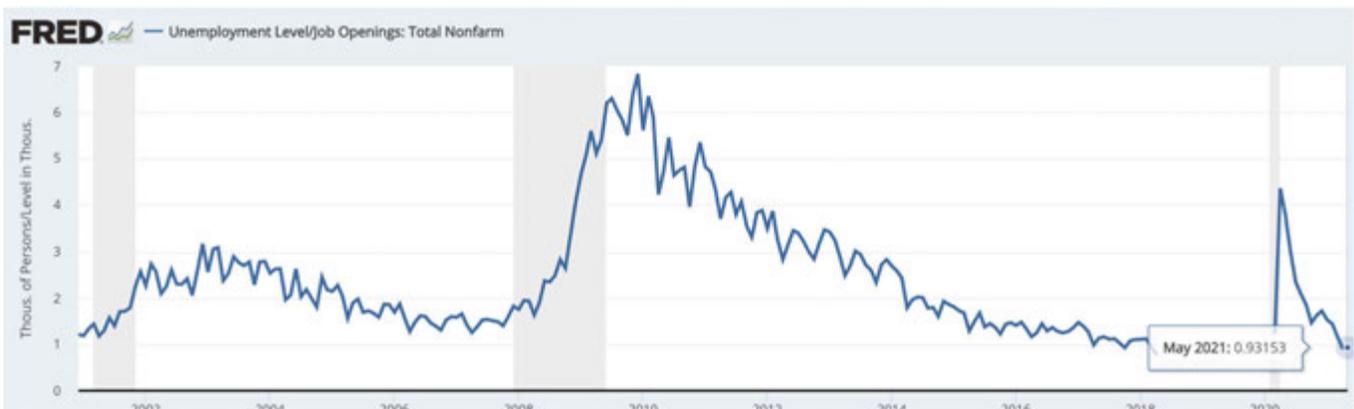
The US unemployment rate fell to 5.4 percent in July 2021 with the addition of 943,000 jobs, leaving the economy about six million jobs below where employment was in February 2020.

**The Share of Away-From-Home Food-Spending in Fast-Food Outlets Rose From 36% in 2019 to 43% in 2020**

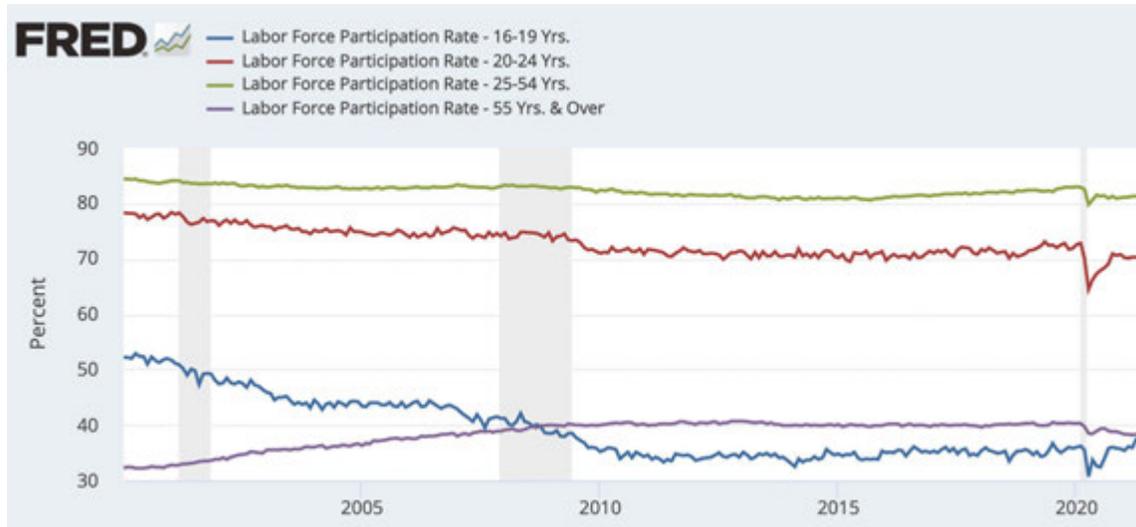
**Food-away-from-home market, by outlet type**  
Percent of sales



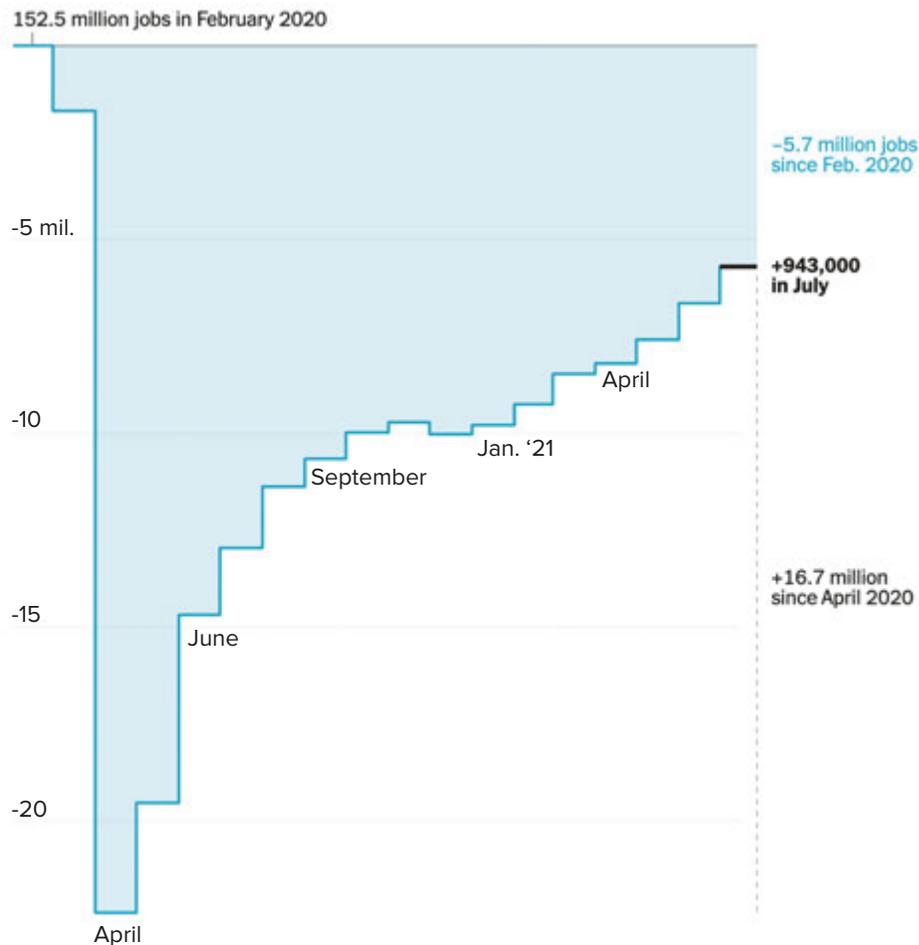
**The Ratio of Unemployed Workers to Job Openings was 4.4 in April 2020 and 0.9 in May 2021**



## LFPRs Dropped During Covid in 2020, and Some Have Not Yet Rebounded



## The U.S. has Recovered ¼ of the Jobs Lost to Covid in April 2020



## References

USDA. ERS. 2021. Food Service Industry.  
<https://www.ers.usda.gov/topics/food-markets-prices/food-service-industry/market-segments/>

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