



## Personal Consumption Expenditures: Annually

Item	1960	1970	1975	1980	1960	1970	1975	1980
	Billion Dollars				Billion Dollars (Constant 1972)			
Nondurables .....	151.1	265.7	407.3	675.7	208.2	283.7	308.2	358.4
Food, beverages, and other groceries <sup>1</sup> .....	94.7	164.4	250.3	400.6	134.5	177.4	185.4	211.9
Food excluding alcoholic beverages .....	70.5	119.6	185.2	302.9	100.9	129.4	132.3	153.8
At home .....	56.2	92.0	139.4	222.5	77.9	99.0	97.7	113.7
Away from home .....	14.2	27.7	45.8	80.4	23.0	30.3	34.6	40.1
Alcoholic beverages .....	10.6	19.2	28.4	42.8	14.7	20.7	24.7	27.7
At home .....	6.5	12.3	18.5	27.2	8.3	13.0	15.5	17.5
Away from home .....	4.2	7.0	9.9	15.5	6.4	7.6	9.1	10.2
Cleaning and household supplies .....	3.7	8.2	12.4	19.5	4.5	8.6	8.2	8.5
Toiletries .....	2.9	6.6	9.5	15.0	3.5	7.0	7.4	8.5
Tobacco .....	6.9	10.8	14.8	20.4	10.9	11.7	12.9	13.4
Drugs .....	3.9	7.5	11.0	17.7	3.9	7.7	9.7	11.2
Clothing and shoes .....	26.7	46.8	69.6	104.8	36.6	49.4	60.9	78.0
Gas and oil .....	12.0	22.4	40.4	89.0	14.2	22.9	25.6	26.2
Fuel oil and coal .....	3.8	4.4	8.2	19.8	5.0	4.7	4.2	4.2
Other .....	10.1	20.1	27.8	43.8	14.1	21.7	22.4	26.9
Durables .....	43.1	85.2	132.2	211.9	51.4	89.1	112.7	135.8
Motor vehicles and parts .....	19.7	36.2	55.8	89.9	24.4	38.2	47.5	53.8
Furniture and household equipment .....	17.7	35.1	53.5	84.6	19.7	36.1	45.9	58.9
Other .....	5.8	13.9	22.9	37.3	7.3	14.8	19.3	23.1
Services .....	130.7	270.8	436.9	785.2	192.4	299.3	359.3	440.9
Housing .....	48.1	93.9	149.8	272.0	64.0	102.0	128.3	164.2
Household operation .....	20.1	37.7	63.3	111.6	27.6	42.3	49.9	61.5
Transportation .....	10.7	22.0	33.2	64.1	17.0	25.2	29.6	34.8
Personal care .....	5.9	9.4	10.7	16.8	8.5	10.0	8.4	8.2
Medical care .....	15.4	41.0	73.7	143.6	26.6	45.9	59.8	73.3
Personal business service .....	14.2	31.6	52.2	90.8	24.1	35.2	41.1	50.0
Recreational services .....	6.4	13.6	20.9	35.0	10.0	14.6	17.9	22.9
Other .....	9.8	21.5	33.1	51.3	14.5	24.0	24.4	26.0
Total PCE .....	324.9	621.7	976.4	1,672.8	452.0	672.1	780.2	935.1
Savings .....	19.7	55.8	94.3	101.3				
Disposable personal income .....	352.0	695.3	1,096.1	1,821.7	489.7	751.6	875.8	1,017.7

<sup>1</sup>Contains some items not normally purchased in grocery stores.

## Foods Not Eaten by Americans

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tures taking up a smaller proportion of disposable income, from 16 percent to approximately 12 percent. Partially offsetting this decline was an increase in the portion of DPI spent on away-from-home eating—this figure remained at about 4 percent throughout the 1960's and early 1970's. But from 1975 to 1980 it rose to about 4.5 percent. As a result, the portion of the total food dollar allocated to away-from-home food rose from 23 percent to 26 percent. Because food-at-home expenditures advanced at a slower pace than did consumer income, consumers were able to allocate a larger share of their income to other goods and services.

In addition to food, consumer expenditures as a portion of DPI showed major shifts for about 13 out of 18 other major personal consumption categories.

### Items which Declined

Food purchased for home consumption was not the only grocery item with a declining income share. Purchases of alcoholic beverages accounted for 1.8 percent of DPI in 1960, and fell to 1.5 percent in 1980. Alcoholic beverages consumed in restaurants also declined, from 1.2 percent to 0.9 percent of DPI. Tobacco dropped about a half, from 2 percent to 1 percent, possibly reflecting health concerns.

Next to food, the sharpest drop in income allocation was for clothing and shoes. The income share of this category fell from over 7.5 percent to less than 6 percent. The decline was rather steady during the 20-year period. Motor vehicles as a percent of DPI have fluctuated from year to year, but fell rather sharply during the past 3 years. Furniture and household equipment, another durable product, also declined in 1980 to about 4.5 percent of DPI. Personal care items, such as haircuts, clothes cleaning, and shoe repair dropped from 1.7 percent of DPI to less than 1 percent.

Two items commonly purchased in grocery stores—cleaning and household supplies, and toiletries—had income shares which remained unchanged, accounting for 2 percent of DPI during both periods. Drugs as a portion of DPI remained at 1 percent. The proportion of DPI allocated

to fuel oil and coal remained steady as a drop in consumption was offset by a five-fold increase in prices. Recreational and entertainment services were about 2 percent in both years.

### Items which Increased

Other than gas and oil, all personal consumption items which commanded a greater share of DPI were service oriented like food away from home. Housing services, which includes the rental value of owner occupied housing and services ranging from hotels to educational housing, account for about a third of all PCE for services. This component of PCE rose from 13.7 percent of DPI in 1960 to about 15 percent in 1980. Household operation services, comprised largely of utilities and telephone services, rose from 5.7 percent to 6.1 percent of DPI. Transportation services also rose rather sharply, but the sharpest increase was in the portion of income allocated to medical services. Of the \$73 billion spent by Americans on their health care in 1980, about a tenth went towards health insurance, about 43 percent towards paying doctors and dentists, and about 47 percent was allocated to hospital care. Whereas, in 1960 about 4.5 cents of the consumer's budget dollar financed medical care, this rose to about 8 cents in 1980.

The proportion of income allocated to personal business services rose from 4 percent in 1960 to 5 percent in 1980. This category includes a wide variety of items ranging from bank, legal, and life insurance services to funeral expenses.

Changes in relative prices play a significant role in the determination of income allocation. Fuel oil and coal prices rose five-fold during this period, while gas and oil prices tripled. Prices for medical care were about 2.5 times higher in 1980 than 1960, slightly more than the increase in food away from home. Increases for food-at-home prices ranked ninth out of 21 PCE items. Drugs, clothing and shoes, alcoholic beverages, and toiletries rose considerably less than the average for all items. ■

**W**hat foods are Americans not eating? Over 95 percent of American households don't eat processed eggs, meat substitutes, veal, lamb, frozen fruits, or baby food.

These are a few of the findings from an analysis designed to determine the portion of the population not eating certain foods. The major data source was the 1977-78 Nationwide Food Consumption Survey (NFCS) which examined the at-home food consumption patterns of about 15,000 households.

The survey, which was recently analyzed, also revealed that 96 percent of American households consume meats, and found that although consumption of dairy products has fallen over the last 10 years, 99 percent of all U.S. households still consume some type of milk-based product.

The Economic Research Service (ERS) estimates annual per capita consumption of food items based upon total disappearance of U.S. farm products. For each product, ERS adds total U.S. production and imports, subtracts exports, and adjusts for changes in year-end inventories. The residual is then divided by the total population to obtain an estimate of per person food consumption.

ERS estimates of per person consumption are not indications of the amounts of different food items most Americans eat. Instead, they are only estimates of how much Americans would consume if the Nation's domestic food supply were consumed in equal proportions by all Americans. But the amounts and kinds of foods that households select vary with income, age, region, family size, and other sociodemographic factors as well as personal preference. If a large number of households do not consume particular foods, then consumption levels for those Americans who do eat these products are understated. Identifying the population eating certain foods and the amount they consume is relevant not only in evaluating suggested dietary objectives, but in assessing the demand for individual food products.

The 1977-78 NFCS studied what foods each of the sample households ate during a one-week period. The survey was taken