

## CHAPTER 6 FOOD CONSUMPTION INDICATORS

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### OVERVIEW

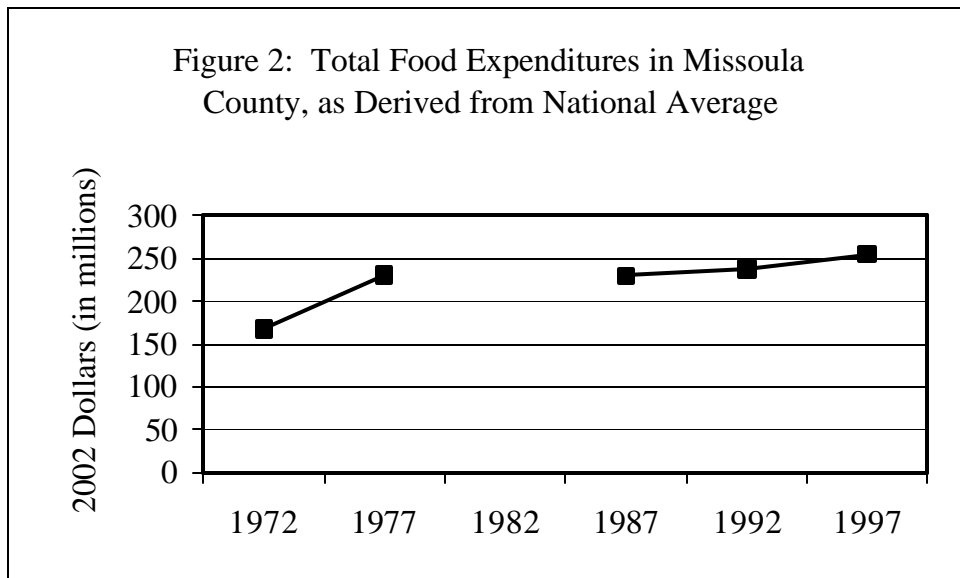
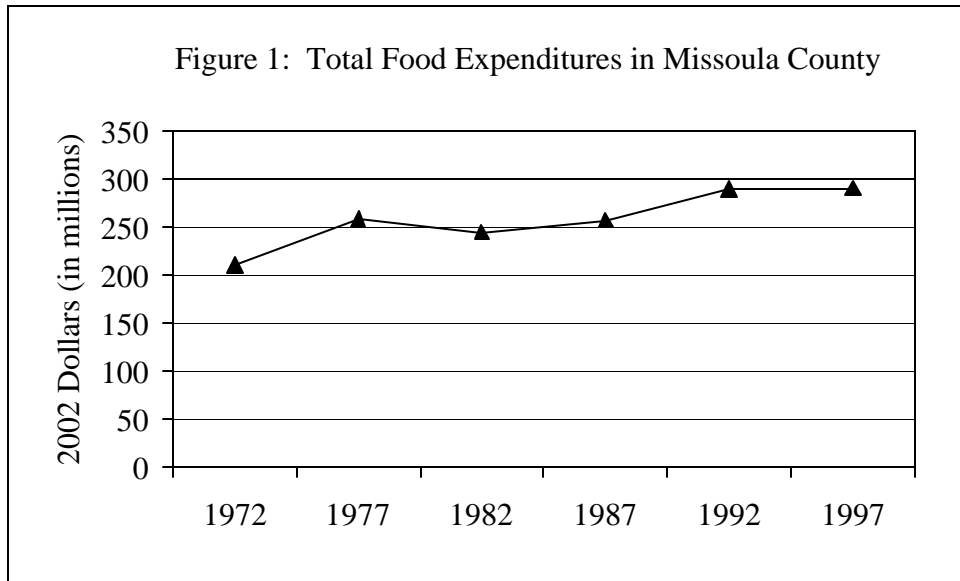
Detailed data from consumers on food consumption habits in Missoula County are unavailable. Expenditures can be calculated by adding food retailers' and food servers' gross receipts. This calculation provides basic information indicating how much Missoula County residents spend on food, and whether they spend it on food eaten 'at home' or 'away from home.'

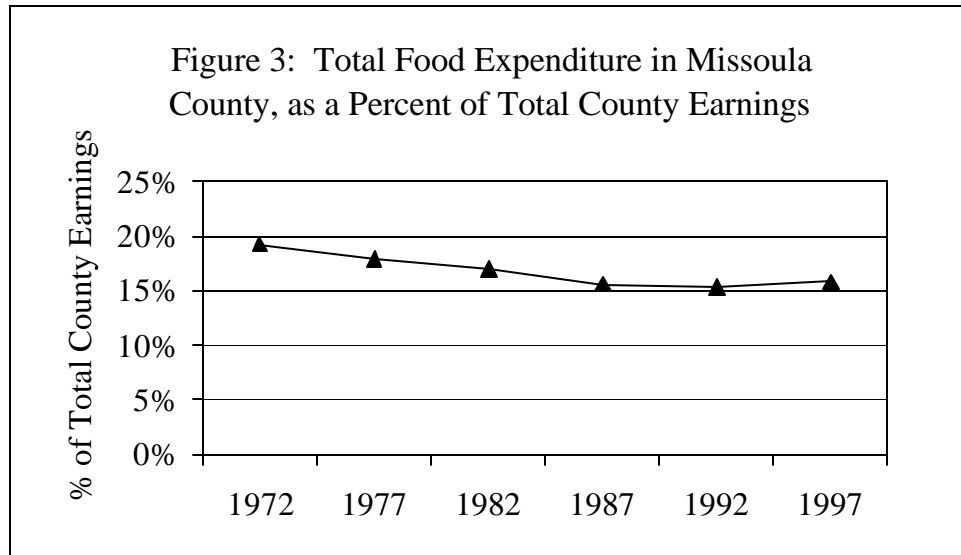
According to this estimate, total county food expenditures have shown steady growth since 1972, punctuated by a spike in total county spending in 1977, while per capita spending has fluctuated, showing no true trend. The percent of Missoula County residents' income spent on food decreased from 1972 until 1992. From 1992 to 1997 it increased by 3.5%. Missoula County residents are spending relatively more each year to eat out than to eat at home, as is the case on the national level. However, despite mirroring national eating habits, in Missoula County per capita expenditures on food during the 1972-1997 period were on average 21.6% higher than the per capita expenditures of the average American, and in 1997 Missoula county residents spent 36% more on food than the national average. In part, this might be a reflection of food expenditures by consumers not represented in population estimates, such as tourists and students.

## TOTAL FOOD EXPENDITURES

### The trends.

Total food expenditures in Missoula County, as estimated from the U.S. Census of Retail Trade<sup>1</sup> and adjusted for inflation to 2002 dollars, increased overall by 37.8% from 1972 to 1997 (see Figure 1). Total county food expenditures derived from the national average of food expenditures<sup>2</sup> shows a 52.5% increase over the same time period (Figure 2). Total county food expenditure as a percentage of total county earnings showed a steady decrease until 1987, when this downward trend evened out and rebounded by 3.5% in 1997 (see Figure 3).





**Why are these trends occurring?**

The increase in total food expenditures in the County over the years certainly reflects increasing population. There may be other influencing factors as well. It is important to notice that between 1992 and 1997 the method used in compiling the data changed from the Standard Industrial Classification System to the National Industry Classification System, which may account for some of the deviation from the primarily downward trend seen previously. Finally, in this data non-resident spending is included in the total county expenditure numbers, however the county earnings include only resident income. Thus, our estimates of percent of county earnings spent on food do not take into account spending by tourists, students and other non-resident consumers.

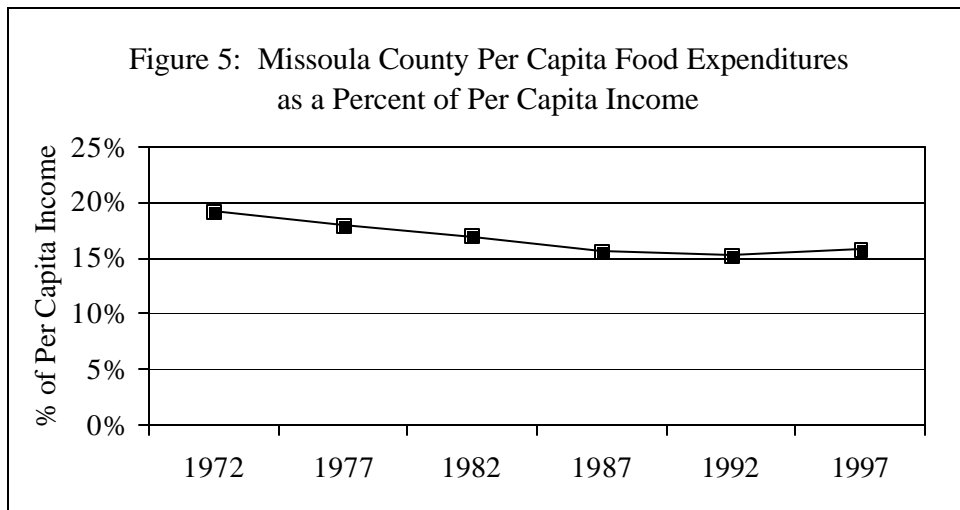
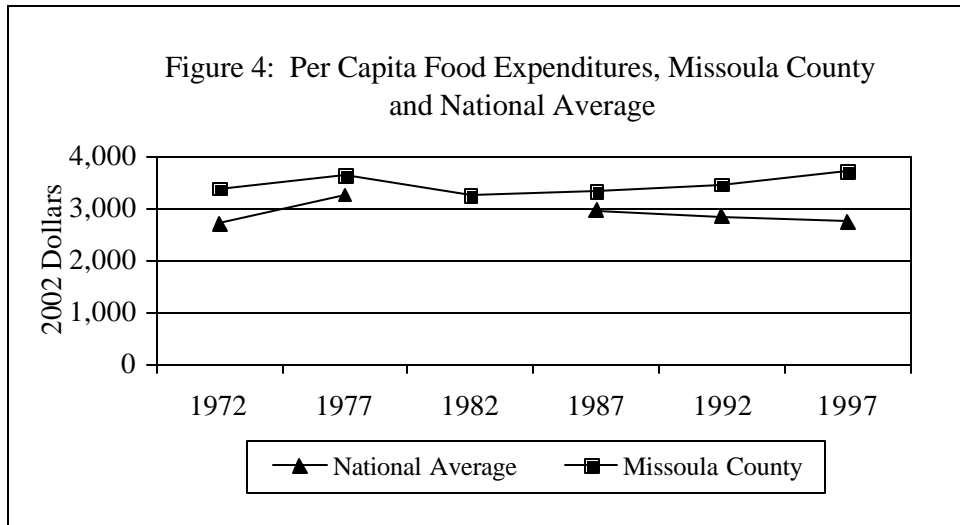
**Why is this important?**

Total food expenditure is one important factor in determining future market opportunities that may or may not exist for Missoula producers. The expenditures of non-resident consumers undoubtedly have an impact on the market that necessitates further study.

**PER CAPITA FOOD EXPENDITURES**

**The trends.**

Missoula county per capita food expenditures, based upon Economic Census data, have fluctuated and increased slightly over time (see Figure 4). As a percentage of per capita income, per capita food expenditures have fluctuated somewhat, but decreased by 18% overall since 1972 (see Figure 5). In 1997, Missoula County residents spent nearly 16% of their per capita income on food. One interesting trend to note here is that between 1972 and 1997 Missoula county residents spent an average of 21.6% more on food than the typical US citizen (Figure 4), and by 1997 they spent 36% more on food than the average U.S. Citizen.



**Why are these trends occurring?**

The difference between per capita spending by Missoula residents and average per capita spending at the national level may be a function of non-resident consumers. Food expenditures by students, tourists, and other non-resident consumers are reflected in the receipts of local businesses, but these consumers are not represented in the county population numbers. In addition, the number of non-resident consumers is difficult to quantify because there are no comprehensive estimates of travel expenditures for Missoula County. The only data available that gives any indication of the number of tourists who visit Missoula County each year is the state accommodations tax collected by hotels. This gives a rough estimate of how many non-residents stay in the county each year, but it tells us little about their food spending habits and does not take into account non-residents who may camp or stay with friends.<sup>3</sup> The number of students is easier to determine. Between 1972 and 1997 the number of University of Montana students increased from 8,624 to 12,124.<sup>4</sup> However, this does not tell us the number of *non-resident* students in Missoula. Furthermore, many students are in Missoula for only nine months of each year. Even if tourists and non-resident students make the per capita food expenditures look higher than they actually are for the County, it is unlikely that this

effect accounts for *all* the difference between Missoula County per capita expenditures and the national average.

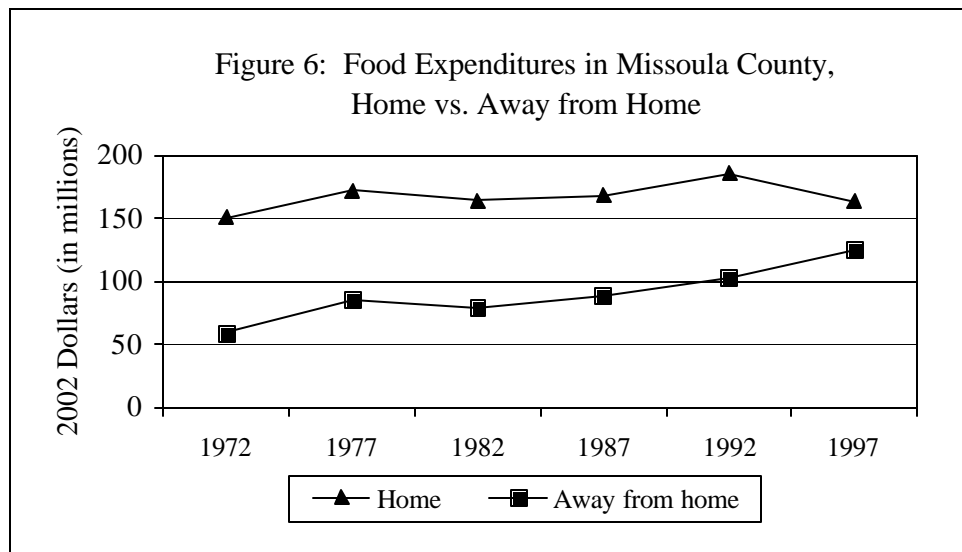
**Why is this important?**

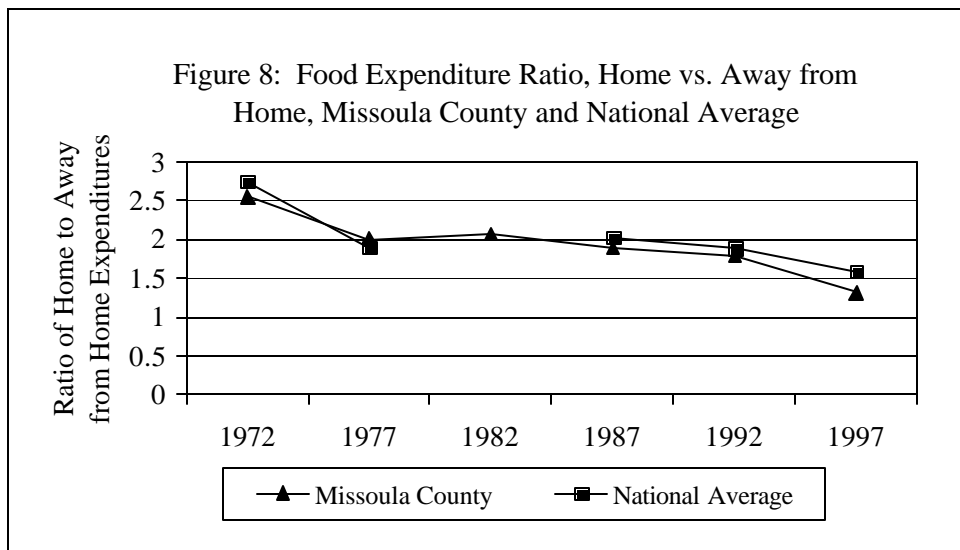
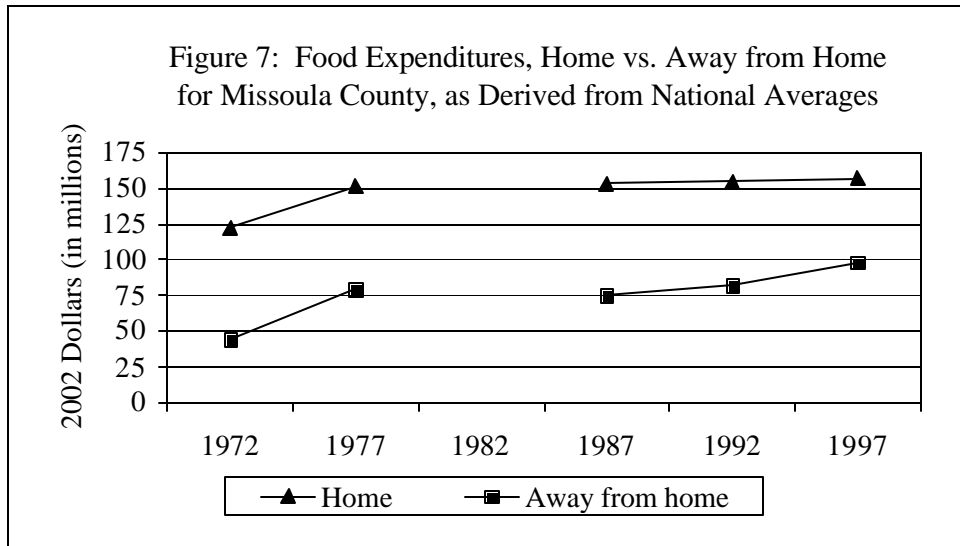
Missoula County residents are spending a slightly smaller percentage of their income on food over time, but they may be spending a larger percentage of their income on food than Americans in other parts of the nation. The cause of this occurrence is impossible to determine with the available data.

**DOLLARS SPENT ON FOOD: HOME VS AWAY FROM HOME**

**The trends.**

Food expenditures ‘at home’ and ‘away from home,’ both at a local and a national level, whether estimated from Economic Census data or from national averages, have increased since 1972 (Figure 6 and Figure 7). For every dollar that eaters in Missoula County spent on food to eat away from home in 1972, they spent \$2.55 for food to eat at home. By 1997, however, for every dollar spent on food to eat away from home, eaters in the County spent only \$1.31 on food to eat at home. In other words, the ratio of ‘at home’ food expenditures as compared to ‘away from home’ food expenditures has decreased by 49% over time. Except for 1977, the ratio of ‘at home’ to ‘away from home’ expenditures in Missoula County has been smaller than the equivalent ratio at the national level (see Figure 8).





**Why are these trends occurring?**

Missoula County residents, like most Americans, are undoubtedly dining away from home more frequently than in the past. Based on the number of convenient fast-food restaurants and eateries, Americans and Missoula County residents have opportunities to purchase food prepared away from home. At the same time, many tourists fall into this ‘away from home’ eating category as well.

**Why is this important?**

Retail food servers are playing a larger role in feeding people than ever before, changing the historically familial culture of eating. Eating is, in effect, now shaped increasingly by the market and external forces of food service, and decreasingly by domestic influences.

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<sup>1</sup> We collected data from the U.S. Census of Retail Trade, Geographic Area Series, at both county and national levels. In both cases we added food retailers' and food servers' gross receipts to calculate total food expenditures. More detailed or itemized data on food consumption expenditures on a county and national level are unavailable. For the purposes of this document 'at home' food and 'away from home' food are defined according to the 1997 US Census definitions. That is, 'at home' food is food purchased at a food store, "primarily engaged in selling food for home preparation and consumption," while 'away from home' food is food purchased from an eating or drinking establishment "engaged in selling prepared food and drinks for consumption on the premises." (United States Census. 1997. *SIC Major Group Definitions*. Washington, DC: US Census Bureau. <http://www.census.gov/epcd/ec97sic/def/G54.TXT> (Date accessed: 22 September 2003)). It is important to note that gross retailers' receipts sometimes include non-food items such as alcohol or gasoline. All food consumption data was gathered from 1972 through 1997 because new 2002 Economic Census data will not be available until 2004. Due to an Internal Revenue Service error, no data is available for 1982 at the national level (United States Census of Retail Trade. 1982. Geographic Area Series. See Table 1. Summary Statistics for the United States: 1982).

<sup>2</sup> County expenditures derived from national averages simply divide the County population by the US population and then multiply by total US expenditures.

<sup>3</sup> Institute for Tourism and Recreation Research – The University of Montana – Missoula. 2002. *Visitors to Montana Counties: A Pilot Analysis for the Madison and Lincoln Counties*. Missoula, MT: The University of Montana. <http://www.forestry.umt.edu/research/mfces/programs/itr/research/county.htm> (Date accessed: 21 October 2003)

<sup>4</sup> Institute for Tourism and Recreation Research – The University of Montana – Missoula. 2002. *Visitors to Montana Counties: A Pilot Analysis for the Madison and Lincoln Counties*. Missoula, MT: The University of Montana. <http://www.forestry.umt.edu/research/mfces/programs/itr/research/county.htm> (Date accessed: 21 October 2003)



