

FAMILY FOOD COSTS

Edgar P. Watkins
Lois A. Simonds
Betty Potts

Department of Agricultural Economics and Rural Sociology
in cooperation with
The Ohio State Cooperative Extension Service
The Ohio State University
Columbus, Ohio 43210

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by

Edgar P. Watkins, Extension Economist, Food Distribution
Dr. Lois A. Simonds, Extension Economist, Marketing Information
Betty Potts, Technical Assistant

Food Dollars in the Family Budget

Discussions about food dollars and how much money to spend for food are not unusual in many homes these days. This concern is reflected in questions and statements such as:

What do other families spend on food?

Considering how much we spend for food, why don't we eat better?

I need more money for food. Those teenagers seem to have bottomless pits for stomachs.

How can I buy steak unless we increase the amount of money for food?

Macaroni, again?

What do you do with the food money?

We've just adopted two children. What is a reasonable amount to budget for food?

Since Tim lost his job, we have to make every penny count. How much can we cut down on food?

Our family is grown and not living at home. We enjoy good food and are not pinched for income. What is a reasonable amount to spend on food?

Each Family Is Different

As the preceding questions indicate, each family has their own unique situation to consider. Among the variables important in estimating a reasonable food dollar budget are:

- the family's income,
- the age distribution of family members,
- the number of persons in the family, and
- the relative importance of food in relation to other claims on income.

A family with the same number of children of the same age and with about the same income as another family may budget more for food. This is because their values may be different. For example, they may place a higher priority on enjoying a variety of new foods or they may entertain more than another family who prefers to spend less on food and more on vacations or some other priority.

The food dollar, besides meeting the basic nutritional needs, is for many families a kind of discretionary spending and the amount spent depends on the priorities set for other dollars.

Food Dollar Guideline

Table I lists three food budget levels that can provide a guideline for establishing food expenditure levels. The low cost plan may be applicable when income is extremely limited or when other claims on income are high. The moderate cost plan can provide a starting point for the family of average circumstances. The liberal plan is one that may be used when income levels are above average and the food experience carries a high priority.

Note that family food costs are based on a family of four. Food costs are somewhat higher per person for a smaller family and a little less for a larger sized family. Footnote 6 in Tables I and II explains the size of adjustment to take into account different family sizes.

The Total Food and Grocery Store Budget

Most families buy more than food when shopping for groceries. Household supplies, tobacco products, housewares, pet food, some items of clothing and other such things are purchased in the food store and are often considered part of the "food budget". Table II indicates the pattern of expenditures for food plus these other items.

Since the information in Table I is based only on food costs, the supermarket budget will need to be increased by the amount spent for non-foods. To arrive at a total food and non-food grocery store budget, the food dollars from Table I will need to be increased by 30%. This 30% increase for non foods is included in Table II.

For example, a young family of four with two small children might spend a total of \$157.82 for food and non foods per month on a low-cost plan or \$201.7 on a moderate cost plan. Based on figures from Table I, they could break-down their food budget as follows:

	Low Cost Plan	Moderate Cost Plan	Liberal Cost Pla
Child age 2	\$20.70	\$26.10	\$31.30
" " 4	24.60	31.80	38.20
Wife 26	35.30	45.20	54.60
Husband 29	<u>40.80</u>	<u>52.10</u>	<u>65.20</u>
Monthly Food Only Budget	\$121.40	\$155.20	\$189.30
For Non Foods (Food x 30%)	<u>36.42</u>	<u>46.56</u>	<u>56.79</u>
Total Monthly Food Store Budget	\$157.82	\$201.76	\$246.09

Table I

COST OF FOOD AT HOME*

Cost of food at home estimated for food plans at three cost levels, March 1972, U.S. average 1/

Sex-age groups <u>2/</u>	Cost for 1 week			Cost for 1 month		
	Low-cost plan	Moderate-cost plan	Liberal plan	Low-cost plan	Moderate-cost plan	Liberal plan
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
FAMILIES						
Family of 2:						
20 to 35 years <u>3/</u>	19.40	24.60	30.50	83.70	107.00	131.80
55 to 75 years <u>3/</u>	15.80	20.60	24.80	68.50	89.30	107.70
Family of 4:						
Preschool children <u>4/</u>	28.10	35.70	43.70	121.40	155.20	189.30
School children <u>5/</u>	32.60	41.70	51.40	140.90	180.90	222.80
INDIVIDUALS <u>6/</u>						
Children, under 1 year	3.70	4.70	5.30	16.10	20.40	22.80
1 to 3 years	4.80	6.00	7.20	20.70	26.10	31.30
3 to 6 years	5.70	7.30	8.80	24.60	31.80	38.20
6 to 9 years	6.90	8.90	11.10	29.90	38.50	48.10
Girls, 9 to 12 years	7.90	10.20	12.00	34.10	44.20	52.00
12 to 15 years	8.70	11.30	13.70	37.50	49.00	59.00
15 to 20 years	8.90	11.20	13.40	38.40	48.70	58.30
Boys, 9 to 12 years	8.10	10.40	12.60	34.90	45.10	54.10
12 to 15 years	9.40	12.50	14.90	40.80	54.00	64.10
15 to 20 years	10.90	13.90	16.80	47.20	60.10	72.10
Women, 20 to 35 years	8.20	10.40	12.60	35.30	45.20	54.00
35 to 55 years	7.80	10.00	12.10	33.90	43.50	52.00
55 to 75 years	6.60	8.60	10.30	28.70	37.40	44.10
75 years and over	6.00	7.70	9.40	26.00	33.20	40.10
Pregnant	9.70	12.20	14.40	42.00	52.70	62.10
Nursing	11.20	14.00	16.40	48.70	60.60	71.10
Men, 20 to 35 years	9.40	12.00	15.10	40.80	52.10	65.10
35 to 55 years	8.70	11.20	13.70	37.90	48.40	59.10
55 to 75 years	7.80	10.10	12.20	33.60	43.80	53.10
75 years and over	7.20	9.70	11.80	31.40	42.20	51.10

1/ Estimates computed from quantities in food plans published in Family Economics Review, October 1964. Costs of the plans were first estimated by using average price per pound of each food group paid by urban survey families at 3 income level in 1965. These prices were adjusted to current levels by use of Retail Food Price by Cities, released by the Bureau of Labor Statistics.

2/ Persons of the first age listed up to but not including the second age.

3/ 10 percent added for family size adjustment.

4/ Man and woman, 20 to 35 years; children 1 to 3 and 3 to 6 years.

5/ Man and woman, 20 to 35 years; child 6 to 9; and boy 9 to 12 years.

6/ Costs given for persons in families of 4. For other size families, adjust thus: 1-person, add 20 percent; 2-person, add 10 percent; 3-person, add 5 percent; 5-person, subtract 5 percent; 6-or-more-person, subtract 10 percent.

Example II

Should you not wish to separate the food budget from the total grocery store budget, Table II can provide a total grocery store expenditure.

For a family of five with older children, the total weekly (food and non food) grocery store budget as indicated in Table II would look like this:

		Low Cost Plan	Moderate Cost Plan	Liberal Plan
Girl	9	\$10.27	\$13.26	\$15.60
Girl	12	11.31	14.69	17.81
Boy	17	14.17	18.07	21.84
Mother	38	10.14	13.00	15.73
Father	41	<u>11.31</u>	<u>14.56</u>	<u>17.81</u>
Total		\$57.20	\$73.58	\$88.49
Less Family Size Ad- justment of 5% (See Footnote 6)		<u>- 2.86</u>	<u>- 3.68</u>	<u>- 4.42</u>
Food and Non Food Grocery Store Budget		\$54.34	\$69.90	\$84.07

Additional adjustments may be necessary. If the family raises a portion of its food, the budget can be reduced. If much entertaining is done, the amount may need to be increased.

Example III

A retired couple's monthly budget could range from a low of \$62.30 for food only on the low cost plan to \$140.00 for food and non foods on the liberal budget.

Table II

TOTAL EXPENDITURES IN FOOD STORES*

Cost of food at home estimated for food plans at three cost levels, March 1972, U.S. average 1/ (includes nonfoods commonly purchased in food stores)

Sex-age groups <u>2/</u>	Cost for 1 week			Cost for 1 month		
	Low-cost plan Dollars	Moderate-cost plan Dollars	Liberal plan Dollars	Low-cost plan Dollars	Moderate-cost plan Dollars	Liberal plan Dollars
FAMILIES						
Family of 2:						
20 to 35 years <u>3/</u>	25.22	31.98	39.65	108.81	139.10	171.34
55 to 75 years <u>3/</u>	20.54	26.78	32.24	89.05	116.09	140.01
Family of 4:						
Preschool children <u>4/</u>	36.53	46.41	56.81	157.82	201.76	246.09
School children <u>5/</u>	42.38	54.21	66.82	183.17	235.17	289.64
INDIVIDUALS <u>6/</u>						
Children, under 1 year	4.81	6.11	6.89	20.93	26.52	29.64
1 to 3 years	6.24	7.80	9.36	26.91	33.93	40.69
3 to 6 years	7.41	9.49	11.44	31.98	41.34	49.66
6 to 9 years	8.97	11.57	14.43	38.87	50.05	62.79
Girls, 9 to 12 years	10.27	13.26	15.60	44.33	57.46	67.60
12 to 15 years	11.31	14.69	17.81	48.75	63.70	77.48
15 to 20 years	11.57	14.56	17.42	49.92	63.31	75.51
Boys, 9 to 12 years	10.53	13.52	16.38	45.37	58.63	71.11
12 to 15 years	12.22	16.25	19.37	53.04	70.20	83.85
15 to 20 years	14.17	18.07	21.84	61.36	78.13	94.64
Women, 20 to 35 years	10.66	13.52	16.38	45.89	58.76	70.98
35 to 55 years	10.14	13.00	15.73	44.07	56.55	68.38
55 to 75 years	8.58	11.18	13.39	37.31	48.62	58.24
75 years and over	7.80	10.01	12.22	33.80	43.16	53.04
Pregnant	12.61	15.86	18.72	54.60	68.51	81.21
Nursing	14.56	18.20	21.32	63.31	78.78	92.44
Men, 20 to 35 years	12.22	15.60	19.63	53.04	67.73	84.76
35 to 55 years	11.31	14.56	17.81	49.27	62.92	77.21
55 to 75 years	10.14	13.13	15.86	43.68	56.94	69.01
75 years and over	9.36	12.61	15.34	40.82	54.86	66.41

1/ Estimates computed from quantities in food plans published in Family Economics Review, October 1964, and increased by 30%. Costs of the plans were first estimated by using average price per pound of each food group paid by urban survey families at 3 income levels in 1965. These prices were adjusted to current levels by use of Retail Food Prices by Cities, released by the Bureau of Labor Statistics.

2/ Persons of the first age listed up to but not including the second age.

3/ 10 percent added for family size adjustment.

4/ Man and woman, 20 to 35 years; children 1 to 3 and 3 to 6 years.

5/ Man and woman, 20 to 35 years; child 6 to 9; and boy 9 to 12 years.

6/ Costs given for persons in families of 4. For other size families, adjust thus: 1-person, add 20 percent; 2-person, add 10 percent; 3-person, add 5 percent; 5-person, subtract 5 percent; 6-or-more-person, subtract 10 percent.

*June, 1972, Family Economics Review, USDA

Example III Con't.

	Low Cost Budget	Moderate Cost Budget	Liberal Budget
Wife 65	\$28.70	\$37.40	\$44.80
Husband 70	<u>33.60</u>	<u>43.80</u>	<u>53.10</u>
Monthly Food Only Budget	\$62.30	\$81.20	\$97.90
Non Foods (Food x 30%)	<u>18.69</u>	<u>24.36</u>	<u>29.37</u>
Total	\$80.99	\$105.56	\$127.27
Plus Family Size Adjust- ment of 10% (See Foot- note 6)	<u>8.10</u>	<u>10.56</u>	<u>12.73</u>
Food & Non Food Grocery Store Budget	\$89.09	\$116.12	\$140.00*

*Rounding of numbers in Tables accounts for differences of a few cents per month.

Other items which may call for additional adjustments in the food and grocery store budget are:

- Amount of entertainment in the home
- Amount of eating out
- Number of snacks and special events
- Special dietary needs
- Homemaker's skill in planning and cooking
- Amount and kind of storage space
- Family likes and dislikes

Work Sheet for Planning

Choose one cost plan that seems to fit your family situation. If income is limited or food costs have a low priority, start with the low cost plan. If income level is average, use the moderate cost plan. If food comes as a high priority in the budget or income is not especially limited, use the liberal plan as a guideline.

Family Member & Age	Low Cost Plan	Moderate Cost Plan	Liberal Plan
	\$	\$	\$
Total	\$	\$	\$
Family Size Adjustment If needed	\$	\$	\$
Food and Non Food Grocery Store Budget	\$	\$	\$
Other Adjustments Added for Entertainment Added for Special Diet needs Other Additions	\$	\$	\$
Subtracted for Home Produced Foods Other Subtractions	\$	\$	\$
Adjusted Total	\$	\$	\$

Table III

CONSUMER PRICES
Consumer Price Index for Urban Wage Earners and Clerical Workers
(1967 = 100)

	April 1972	March 1972	Feb. 1972	April 1971
All items	124.3	124.0	123.8	120.2
Food	122.4	122.4	122.2	117.8
Food at home	120.4	120.6	120.5	116.1
Food away from home	130.0	129.4	128.9	124.8
Housing	128.2	127.9	127.6	122.5
Shelter	133.0	132.7	132.5	126.5
Rent	118.1	117.7	117.5	114.4
Homeownership	138.5	138.2	138.0	130.9
Fuel and utilities	119.9	119.6	119.3	114.1
Fuel oil and coal	118.6	118.7	118.7	117.3
Gas and electricity	120.2	119.7	119.4	113.9
Household furnishings and operation	120.5	120.1	119.6	117.0
Apparel and upkeep	121.8	121.3	120.7	119.1
Men's and boys'	121.9	120.3	119.7	120.3
Women's and girls'	122.3	122.5	121.7	118.7
Footwear	124.1	123.5	122.7	121.1
Transportation	118.6	118.4	118.3	118.1
Private	116.1	115.9	115.7	116.2
Public	142.7	142.3	143.5	136.4
Health and recreation	125.5	125.0	124.7	121.2
Medical care	131.7	131.4	131.0	127.5
Personal care	119.1	118.7	118.4	116.3
Reading and recreation	122.3	121.7	121.5	118.4
Other goods and services	125.1	124.6	124.3	119.7

Source: U.S. Department of Labor, Bureau of Labor Statistics.