

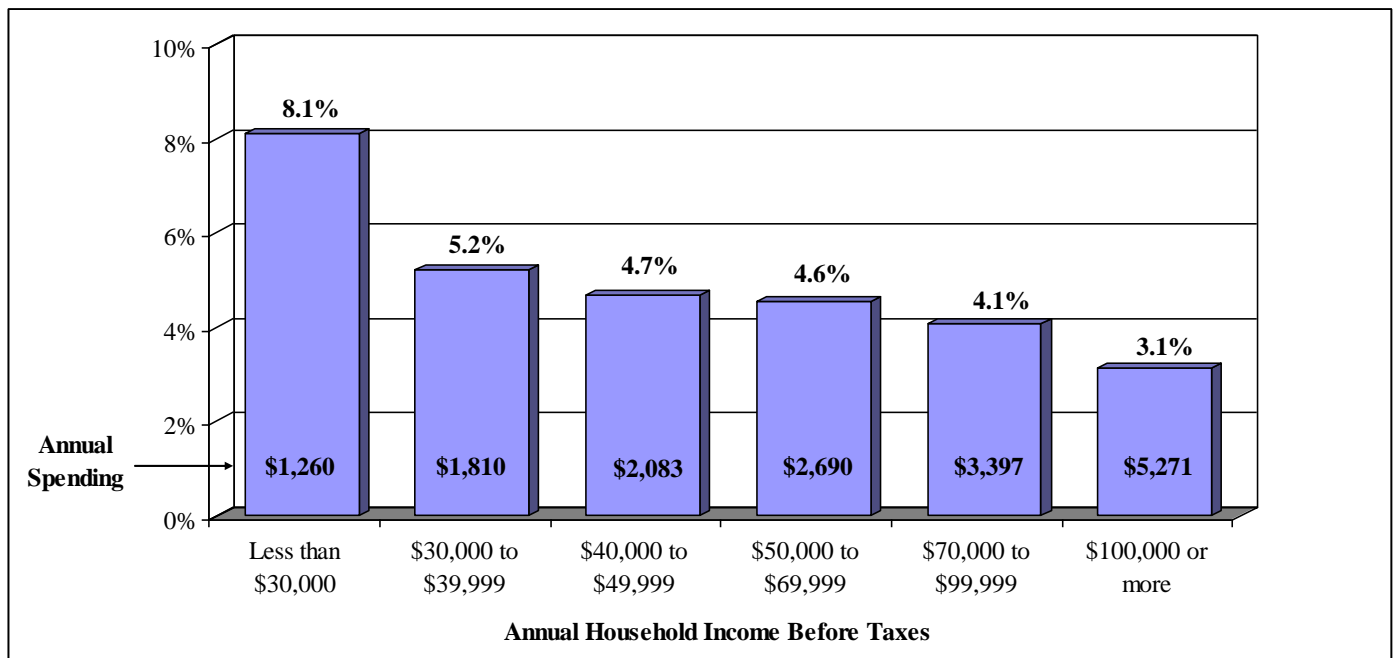


Meals Taxes Disproportionately Impact Lower-Income Households

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- Restaurants are an essential part of daily life for many Americans. Almost one-half of adults are restaurant patrons on a typical day, and the average American spends nearly one-half of their food dollar in restaurants. In Virginia, eating and drinking places – the primary component of the restaurant industry which accounts for roughly three-fourths of the total restaurant and foodservice workforce – are projected to register sales of over \$14 billion in 2015 and employ more than 275,000 individuals.
- According to the Bureau of Labor Statistics' Consumer Expenditure Survey, the average U.S. household spent \$2,625 on restaurant food in 2013, which represented 4.1 percent of its pre-tax income.
- Among households with annual income of less than \$30,000, spending on restaurant food represented 8.1 percent of their pre-tax income, or four full percentage-points above the national average. As a result, sales taxes on restaurant food have a disproportionately larger impact on lower income households.

Household Spending on Restaurant Food as a Percent of Annual Income
by Household Income Level



Source: Bureau of Labor Statistics, National Restaurant Association; 2013 data