

# **POLICY, ECONOMIC AND DEMOGRAPHIC FACTORS SHAPING THE ALCOHOL MARKET**

**Lester Jones**

Chief Economist

National Beer Wholesalers Association



*Sociable City* **SUMMIT**  
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AMERICA'S BEER & BEVERAGE DISTRIBUTORS

# Economic and Alcohol Industry Review

**Lester Jones, Chief Economist/VP Analytics**

**NBWA**

**[ljones@nbwa.org](mailto:ljones@nbwa.org)**

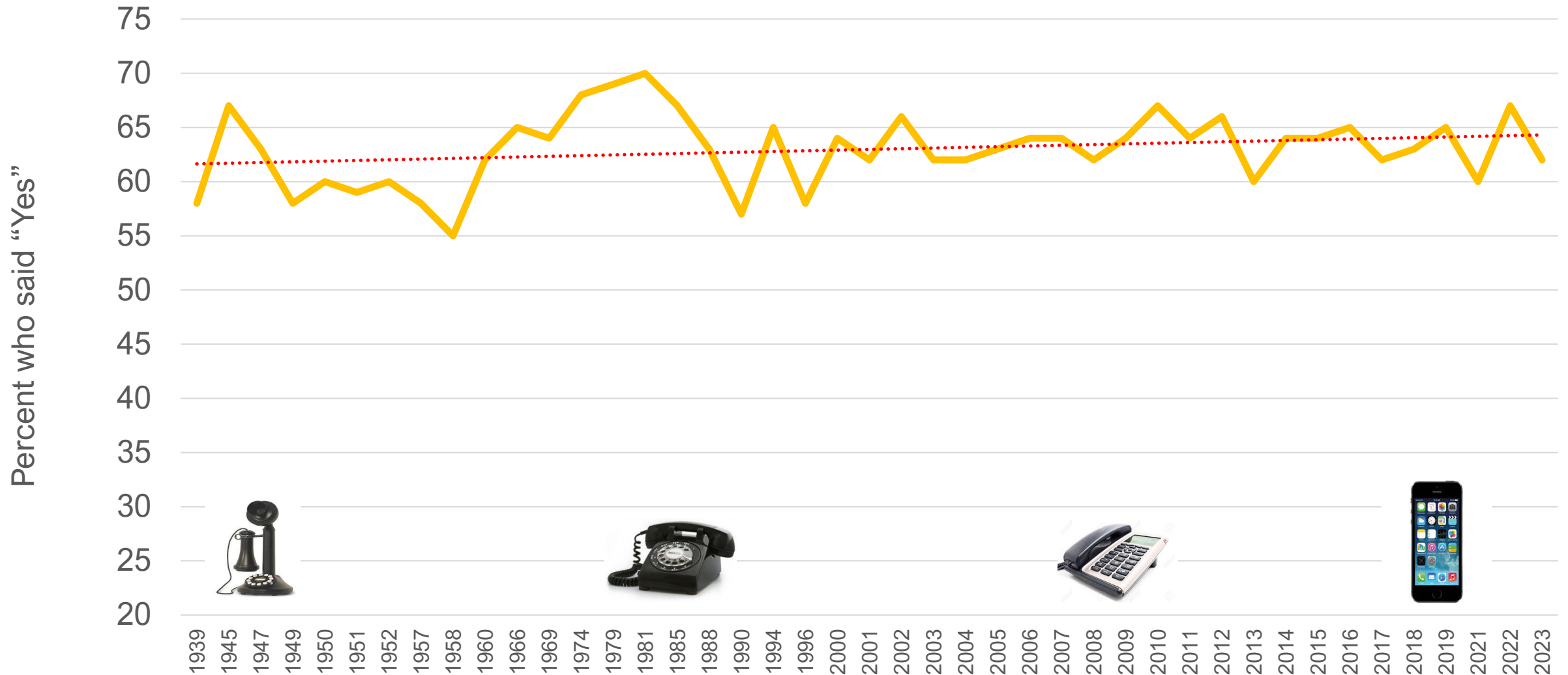


B. S m a l l e r

*"Better than an answer—I have a tremendous amount of data."*

# Alcohol Consumption Is Consistent Over Time

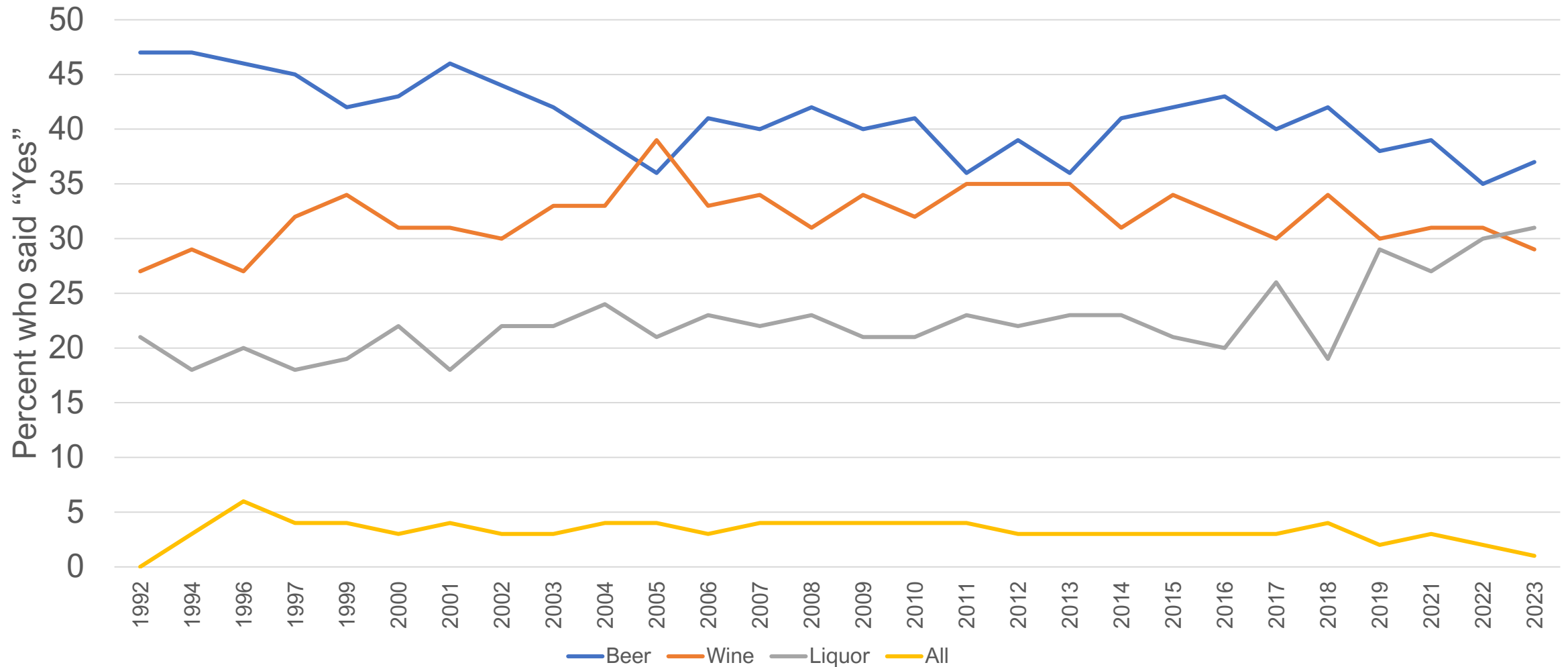
## “Do You Have Occasions to Drink Alcohol?”



Source: Gallup Poll, 2023: *Do you have occasion to use alcoholic beverages such as liquor, wine or beer??*

# Beer is the Preferred Beverage of Consumers But lines are blurring (1992 to 2023)

Beer continues to be preferred beverage of choice for US consumers of legal drinking age. (4 pts +/- margin of error)



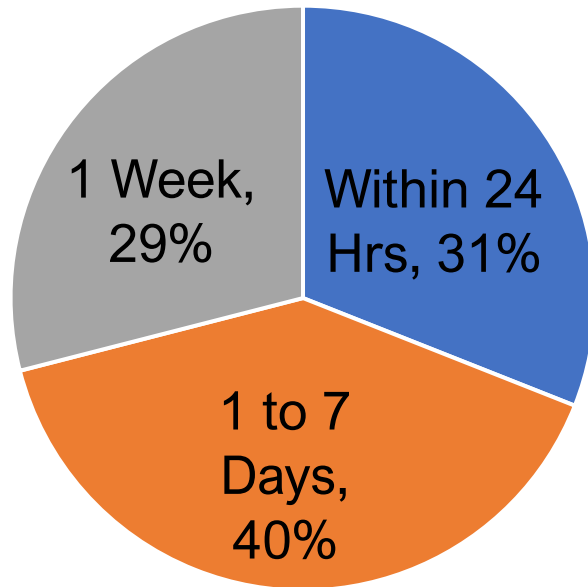
Source: Gallup Poll, 2023: *Do you most often drink beer, wine, or liquor?*



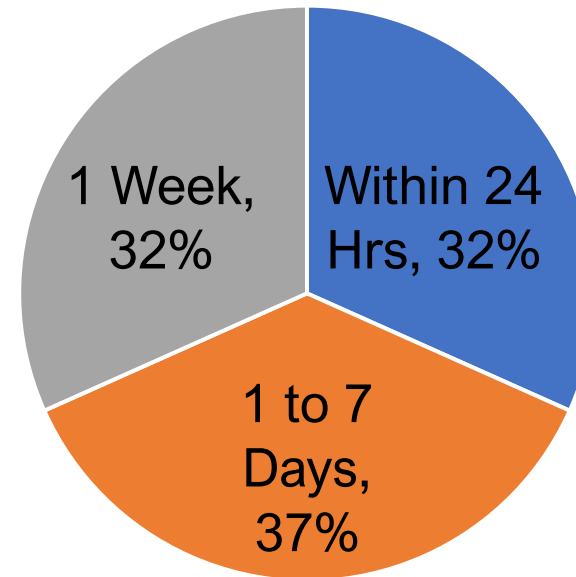
# When Was your Last Drink?

## Once Again, Consistency in Drinking Behavior

**2003**



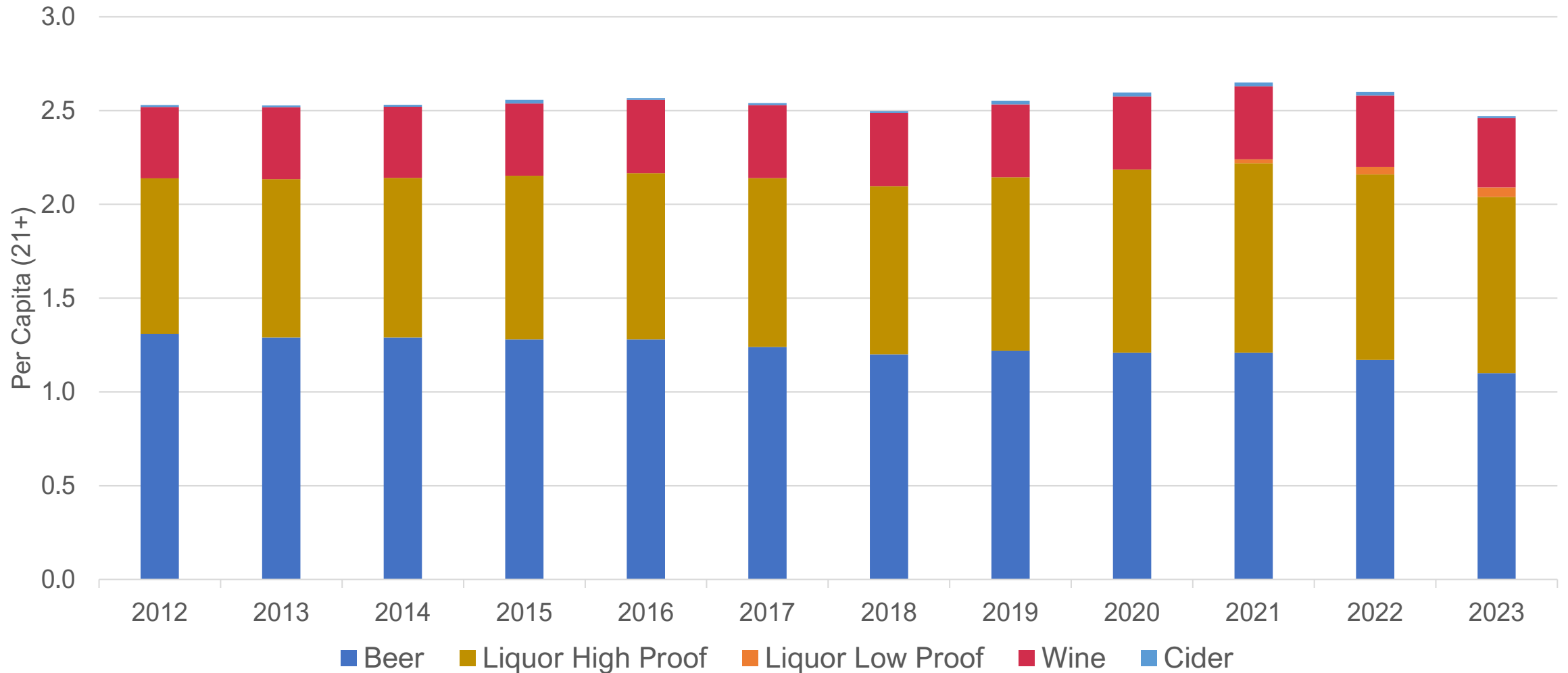
**2023**



■ Within 24 Hrs ■ 1 to 7 Days ■ 1 Week      ■ Within 24 Hrs ■ 1 to 7 Days ■ 1 Week

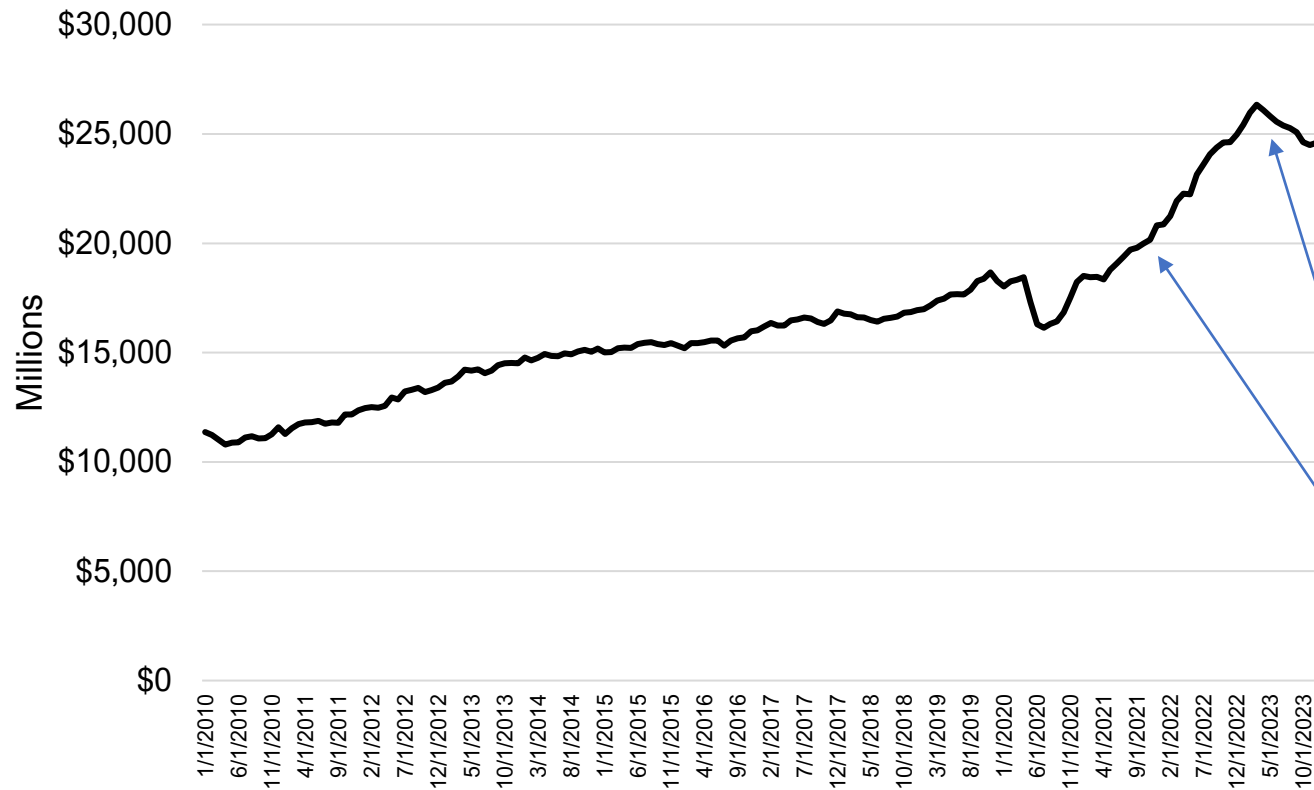
# U.S Total Ethanol Supply Per Capita (21+)

## Beer, Cider, Wine and Spirits Volumes Adjusted by ABV



# Too Much, Is Too Much...Markets Need to Correct

Value of Alcohol Beverage Inventories  
(Beer, Wine, Spirits)  
January 2010 to January 2024



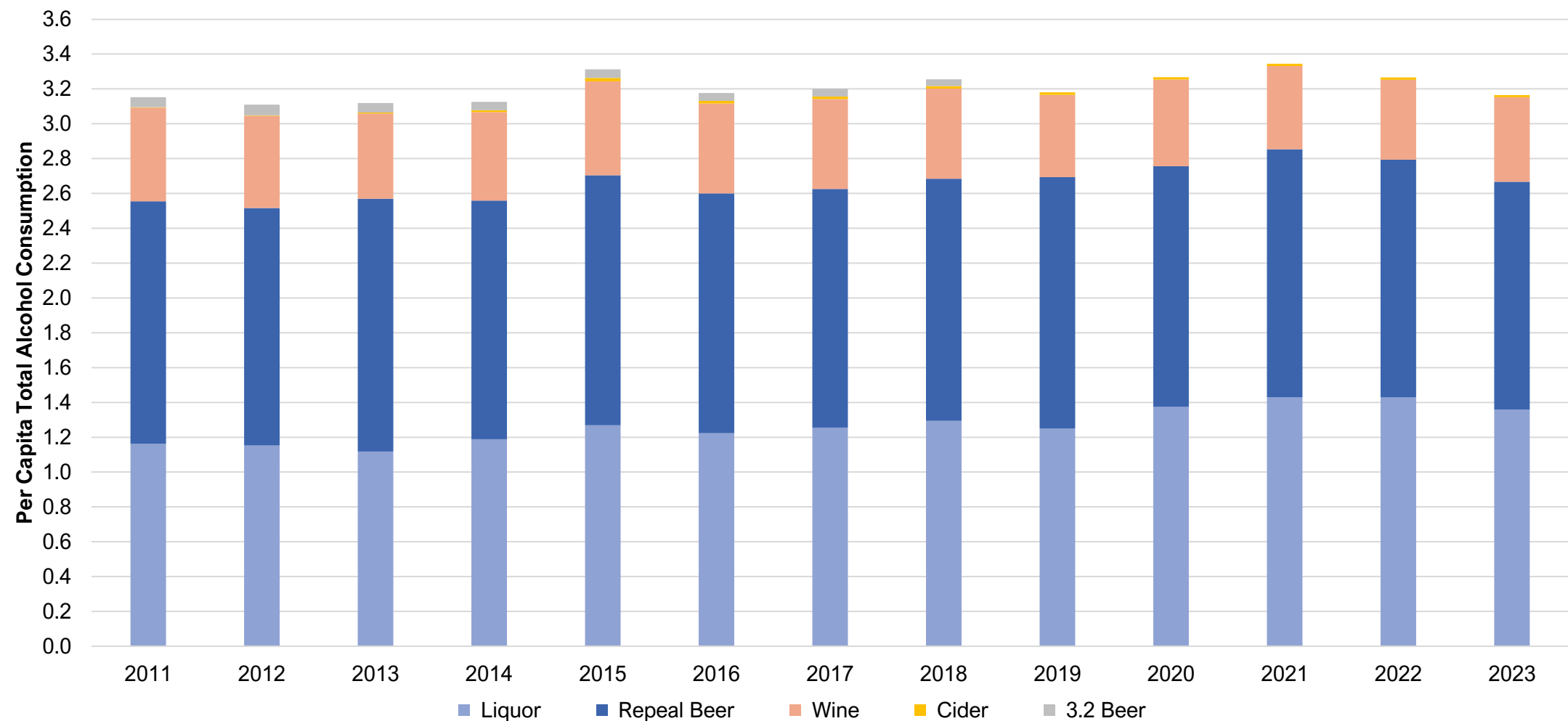
<https://www.census.gov/wholesale/index.html>



“...but also, below the direct customers in between there and the retailers, you have in these markets, multiple layers and some of these you can’t see as well. We really underestimated what inventory is sitting there.” Diageo downplays poor spirits sales, 1/31/2024

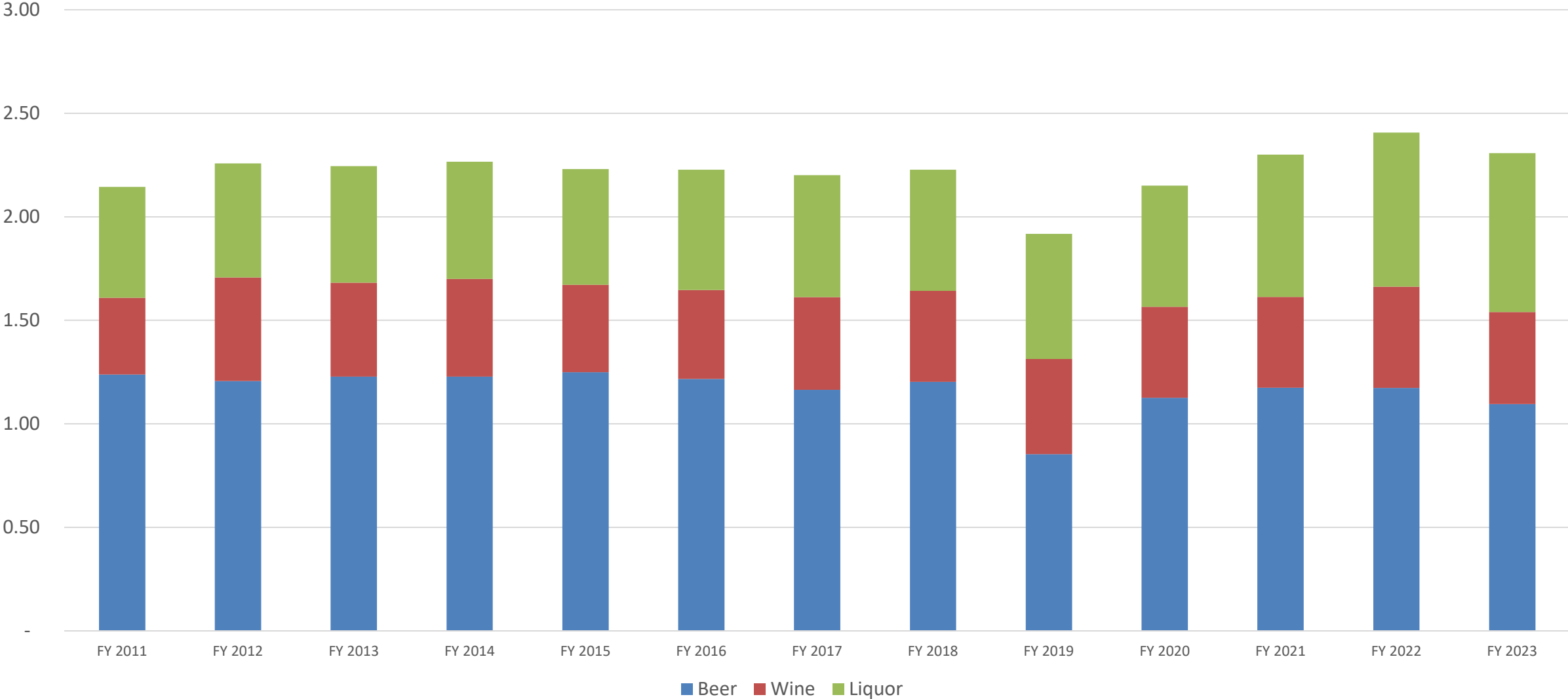


# Colorado Total Alcohol Consumption Per 21+ Population Equalized by ABV for Beer, Wine, Spirits and Cider



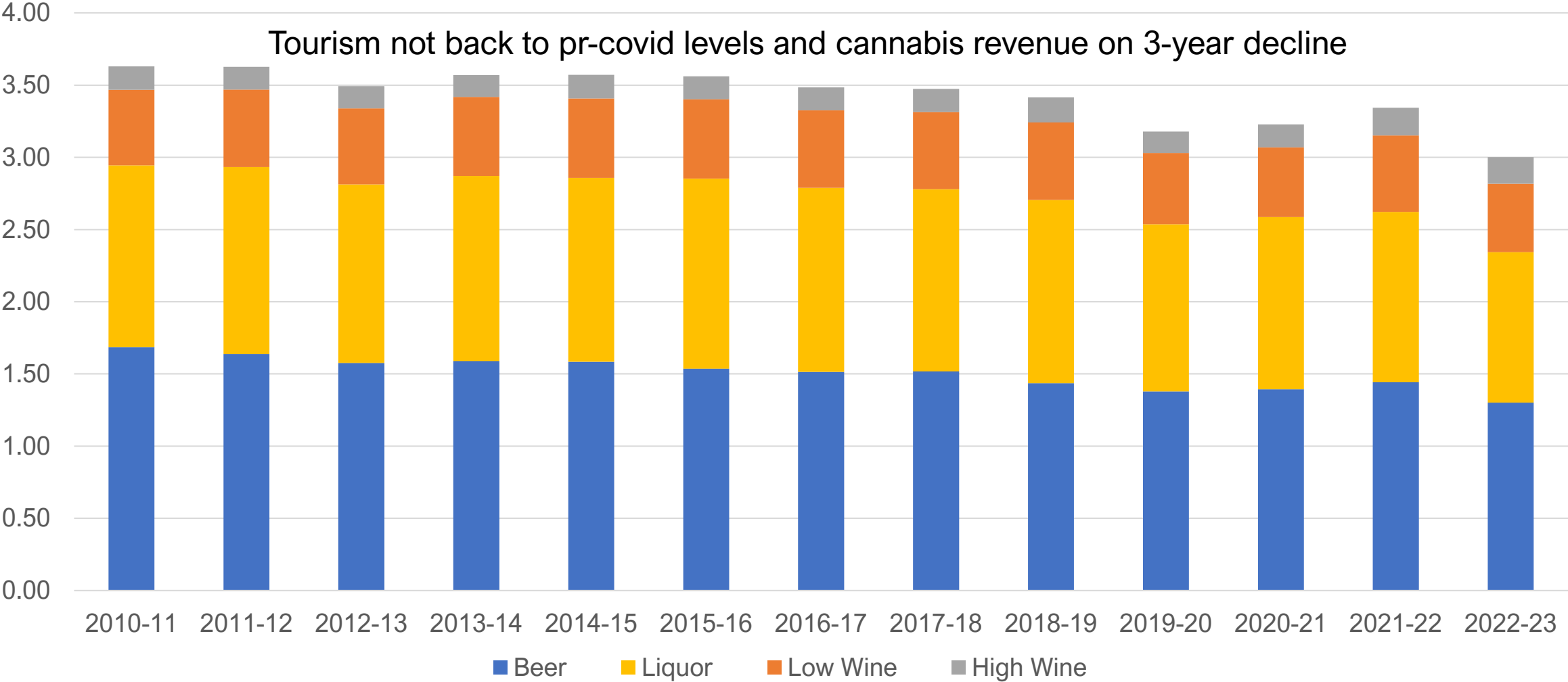
Source: Colorado Dept of Revenue and NBWA Industry Affairs, 2023

# California Total Alcohol Consumption Per 21+ Population Equalized by ABV for Beer, Wine, and Spirits



Source: California Board of Equalization and NBWA Industry Affairs, 2023

# Nevada Per Capita Ethanol Sales FY2010 - FY2023

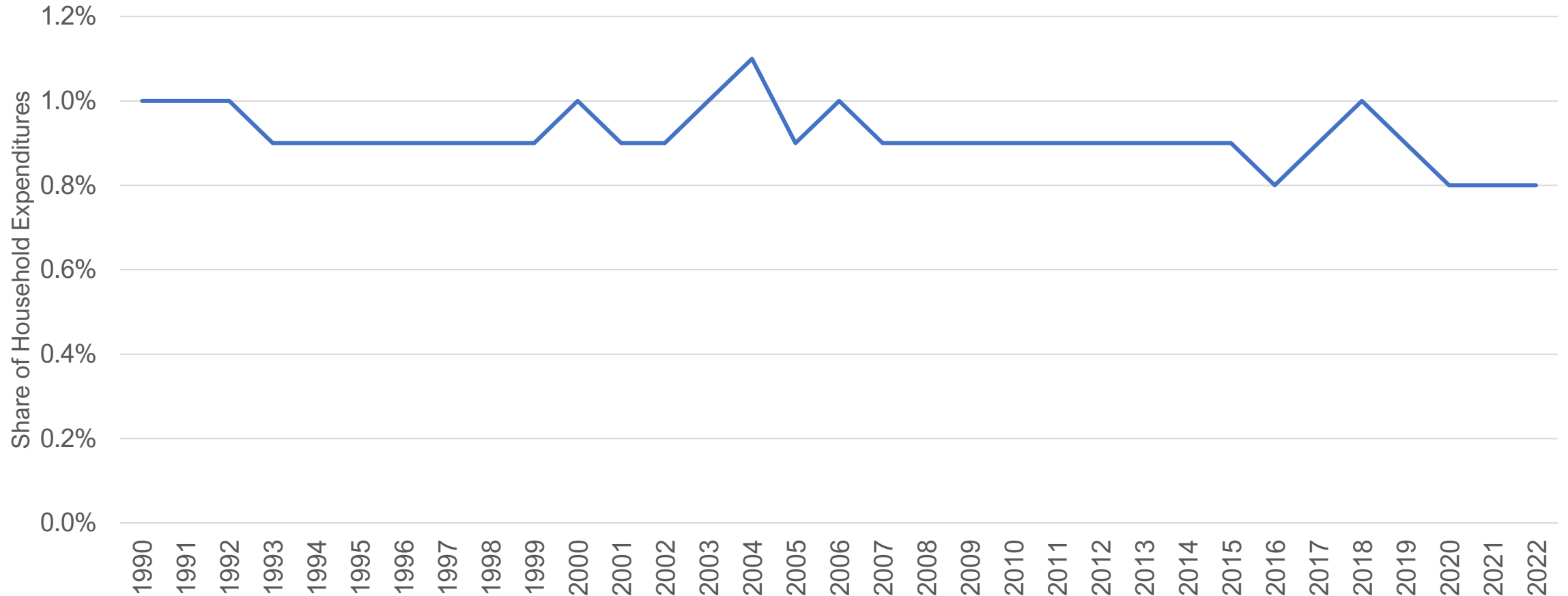


Source: [https://tax.nv.gov/Publications/Annual\\_Report/](https://tax.nv.gov/Publications/Annual_Report/) and NBWA, Industry Affairs, 2023

# Total At Home Alcohol Expenditures \$221 Billion in 2023 (3.5% higher than 2022)



# Alcohol Spending Share of Total Consumer Expenditures 1990 to 2022





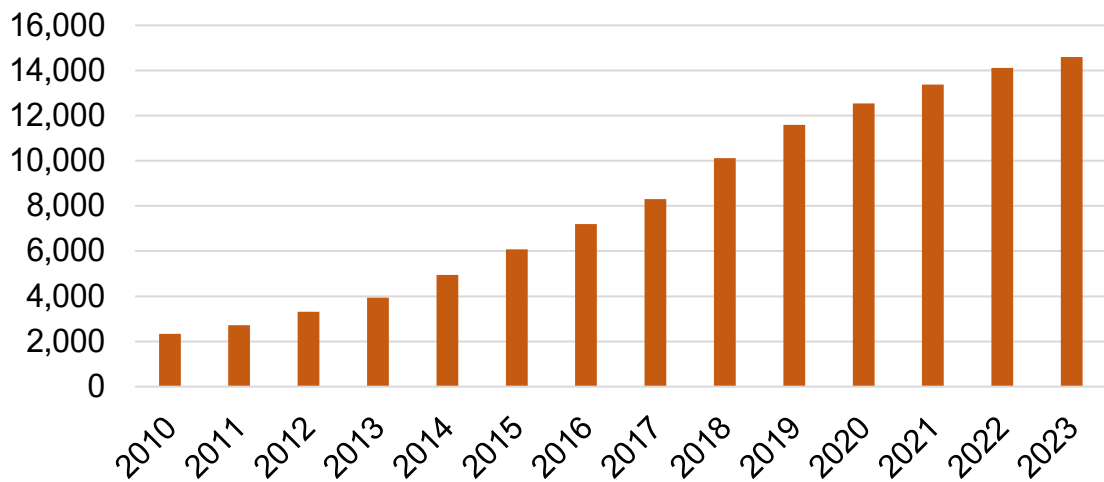
**What We Drink, Where we Drink and When  
We drink will always be changing!**



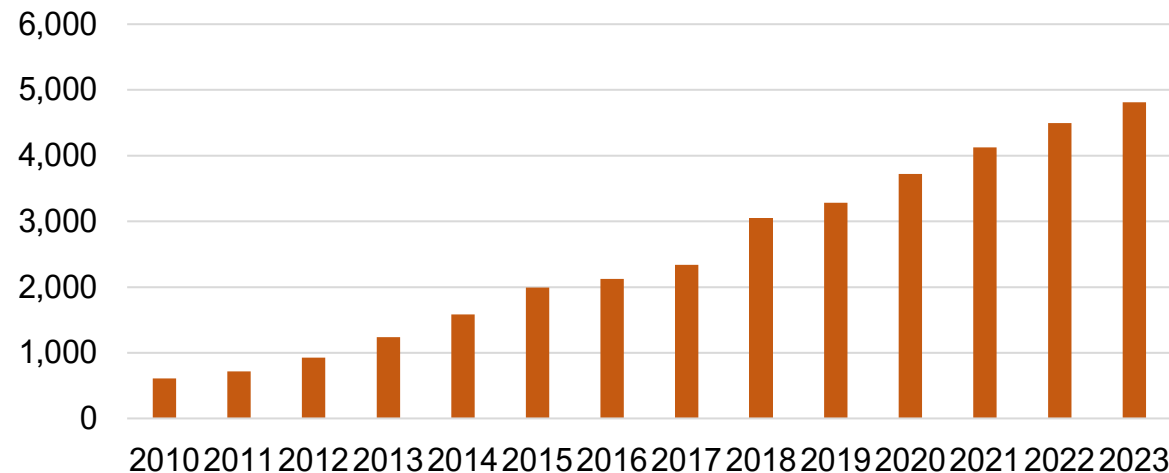
# U.S. Tax and Trade Bureau Alcohol Permits/Approvals

## Total U.S. 2010 to 2023 (June) All Time High at 36,000+

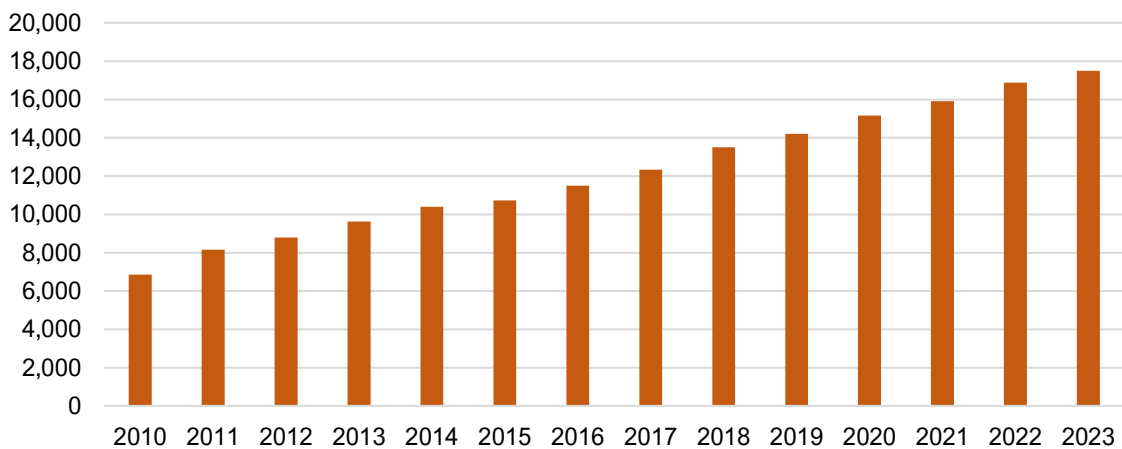
### Brewery



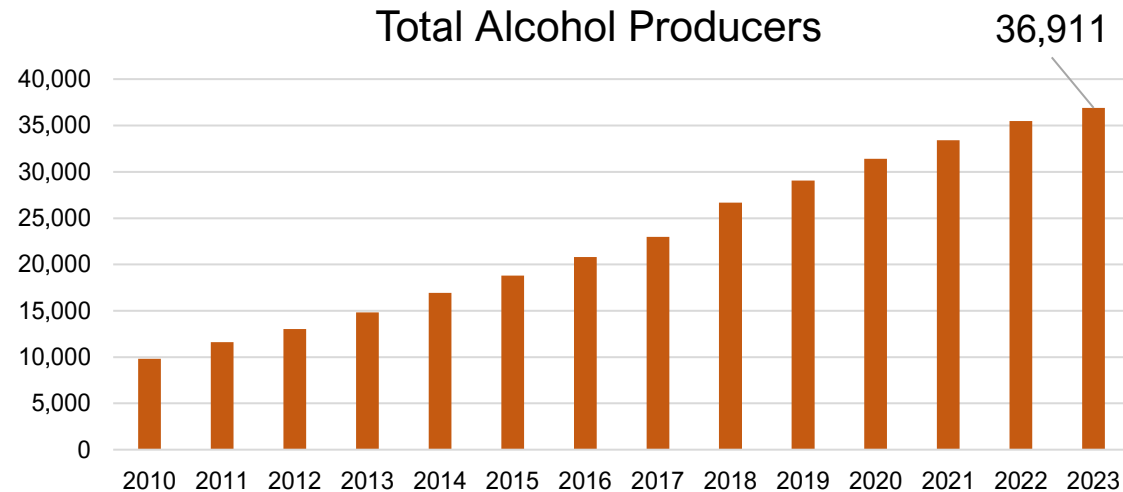
### Distillery



### Winery



### Total Alcohol Producers



# **U.S. Tax and Trade Bureau Approved Alcohol Products**

## **178.7K Products 12 months January 2024**

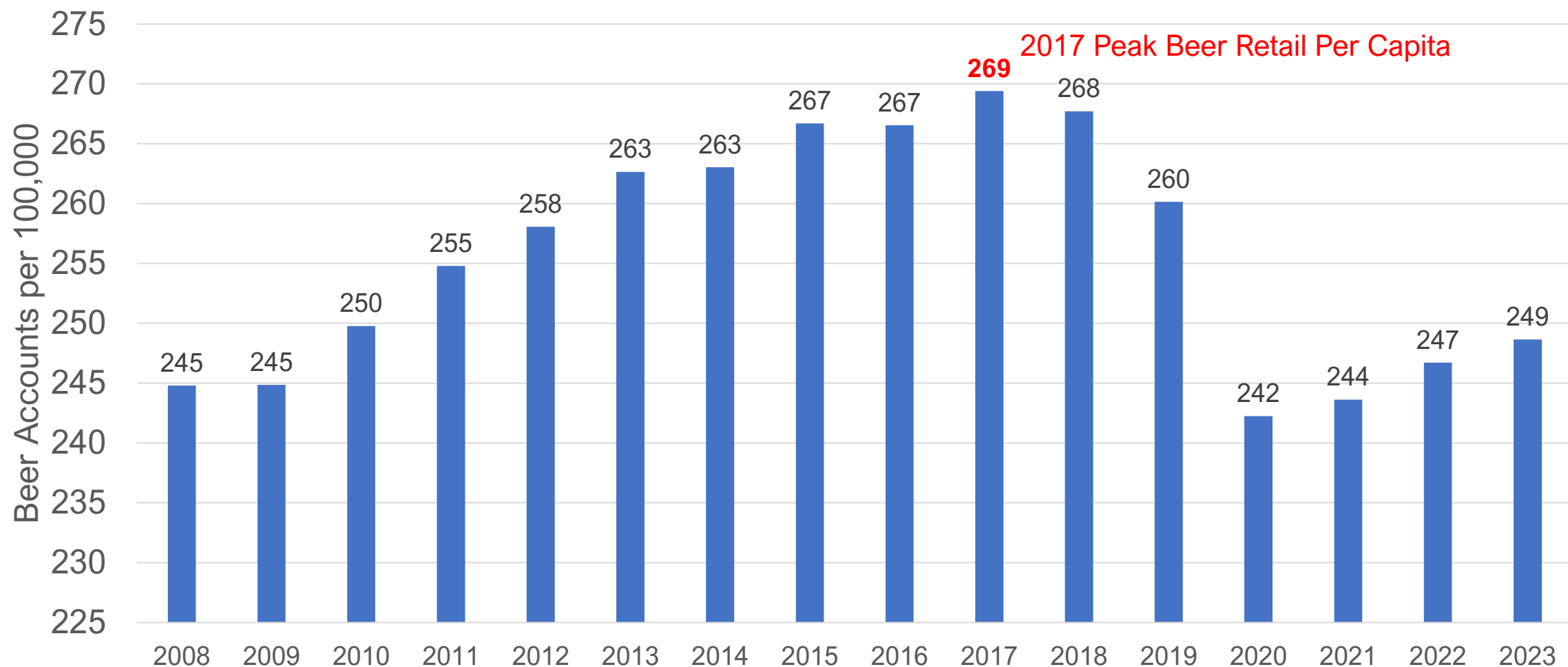
### By Category:

- Beer: 39.4K products approved over the L12M
- Spirits: 23.5K products approved over the L12M
- Wine: 115.8K products approved over the L12M

### By Origin:

- Domestic: 90.8K products approved over the L12M
- Imports: 87.9K products approved over the

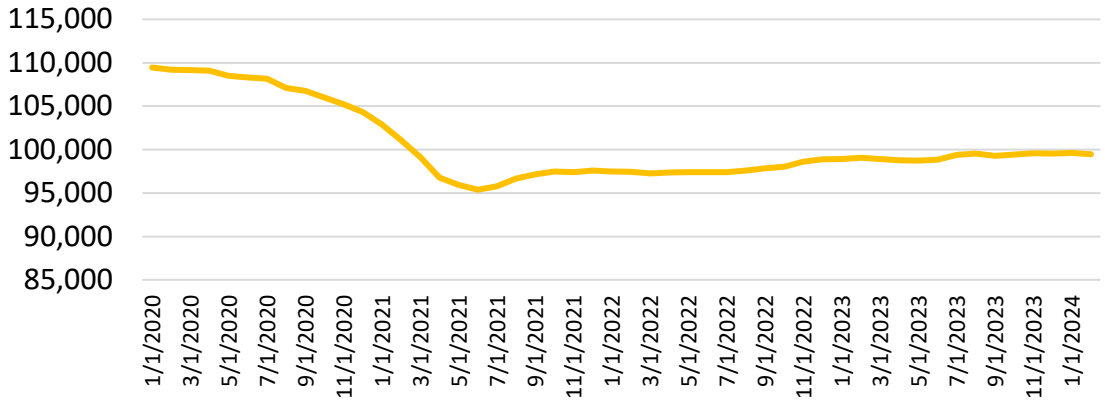
# Total U.S. Retail Establishments Selling Beer per 100,000 LDA Consumers Yearly 2008 to 2023



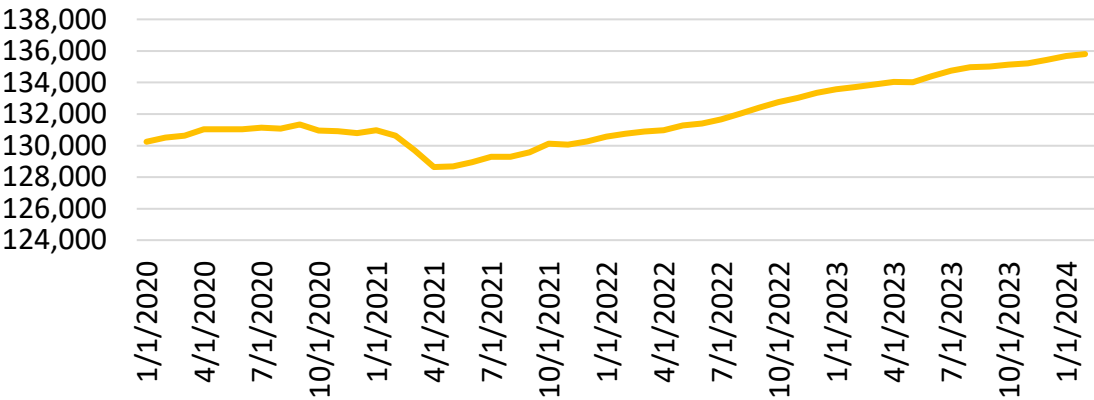
# Total U.S. Beer Retail Beer by Channel/Ownership

## Monthly January 2020 to February 2024 (621K Establishments)

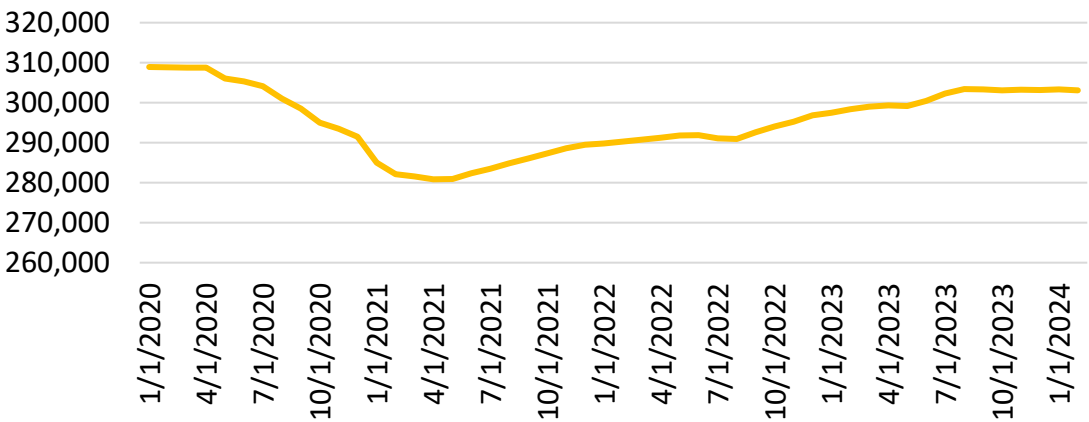
Off Premise Independent  
January 2020 to February 2024



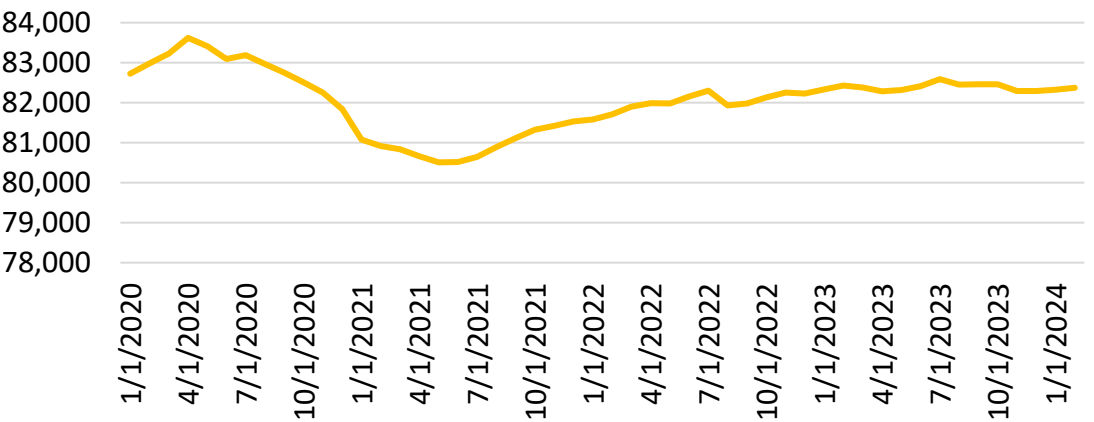
Off Premise Chain  
January 2020 to February 2024



On Premise Independent  
January 2020 to February 2023



On Premise Chain  
January 2020 to November 2023



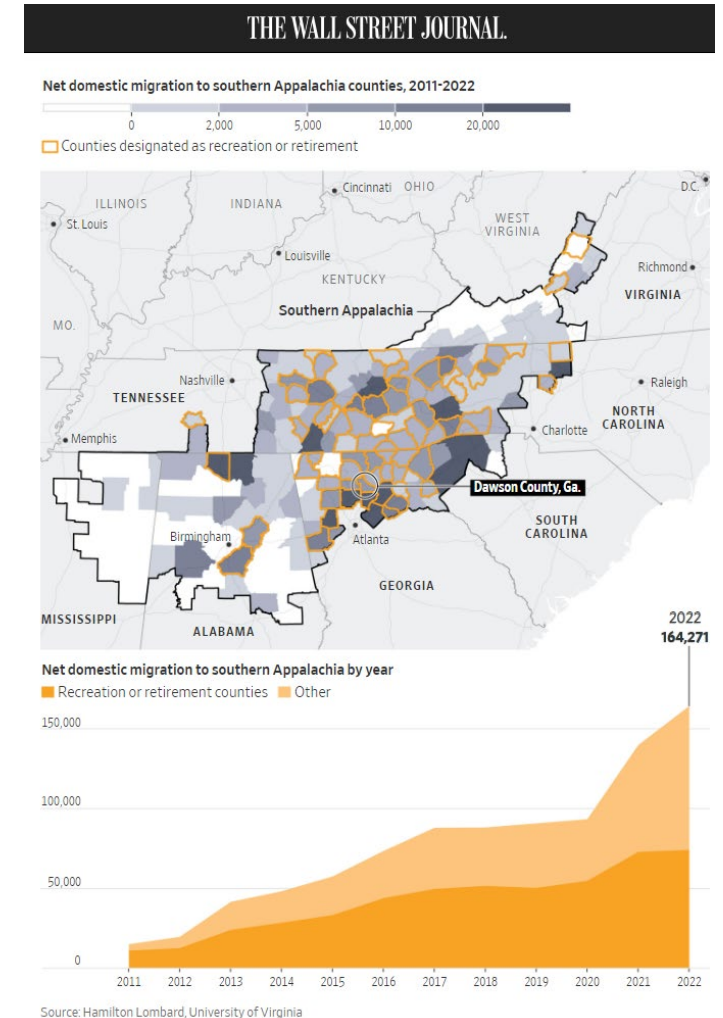
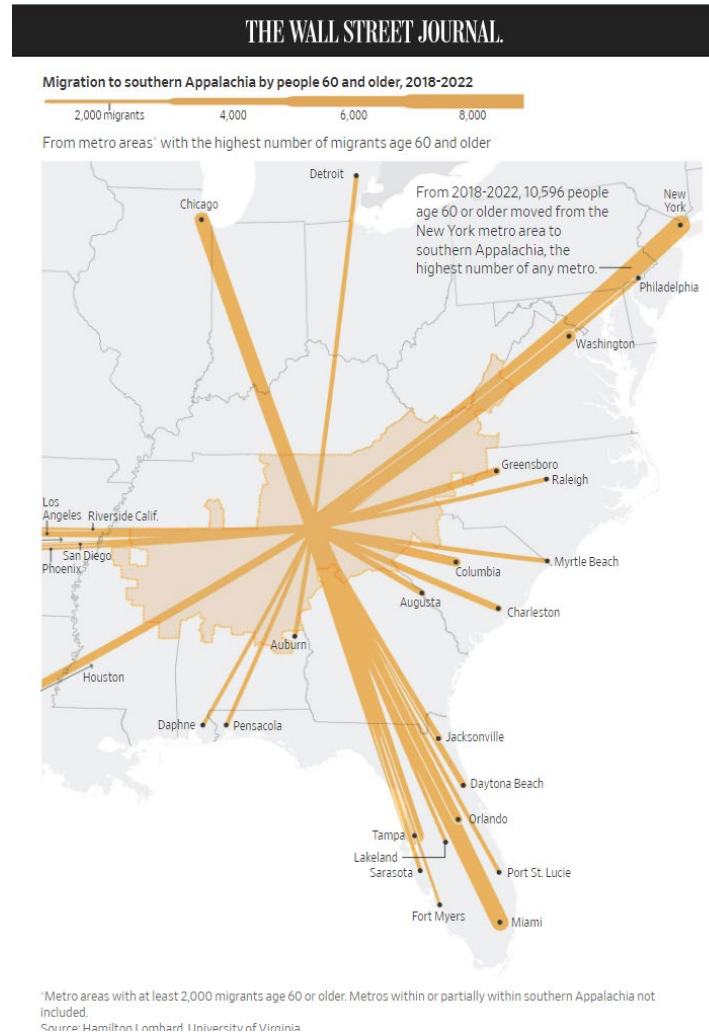
# People and Money Moving Around the Country

Adjusted Gross Income Flows (2021)					
State	Rank	AGI (Inflow)	AGI (Outflow)	AGI (Net)	Largest Net State-to-State Flow
Florida	1	\$58.2B	\$19B	\$39.2B	\$9.8B from NY
Texas	2	\$27.8B	\$16.9B	\$10.9B	\$5.6B from CA
Nevada	3	\$8.9B	\$4.2B	\$4.6B	\$4.4B from CA
North Carolina	4	\$13.3B	\$8.8B	\$4.6B	\$877M from NY
Arizona	5	\$12.2B	\$7.7B	\$4.4B	\$2.6B from CA
New Jersey	47	\$11.2B	\$15B	-\$3.8B	-\$3.8B to FL
Massachusetts	48	\$7.3B	\$11.6B	-\$4.3B	-\$1.8B to FL
Illinois	49	\$7.6B	\$18.5B	-\$10.9B	-\$3.9B to FL
New York	50	\$13.7B	\$38.2B	-\$24.5B	-\$9.8B to FL
California	51	\$21.3B	\$50.3B	-\$29.1B	-\$5.6 B to TX

# The Who, Where, When and How People Drink is Always Changing – where are people now?

## The Boomers Who Tried Moving to Florida and Ended Up in Appalachia

“An older, wealthier population is transforming a rustic region into a bustling retirement haven, giving local governments something they haven’t had to handle before: explosive growth.”





# New Narratives Regarding Alcohol

LIVING BETTER

Ozempic seems to curb cravings for alcohol. Here's what scientists think is going on

August 28, 2023 · 5:00 AM ET



Michaela Doucleff

Is Marijuana Use Becoming More Popular Than Alcohol With Young People?



Written by [Eric Patterson, LPC](#) | Reviewed by [Adie Rae, PhD](#)

Published on October 27, 2021



HOME > PARENTING

I gave up alcohol and turned to weed instead, and now I'm a more present and patient parent

Conz Preti Jul 30, 2021, 11:34 AM EDT



Why Replacing Alcohol With Cannabis Might Be Your Best Bet

WELLBEING AUGUST 22, 2023

Young Adults in U.S. Drinking Less Than in Prior Decades

BY LYDIA SAAD



# The Public's Perception of Alcohol

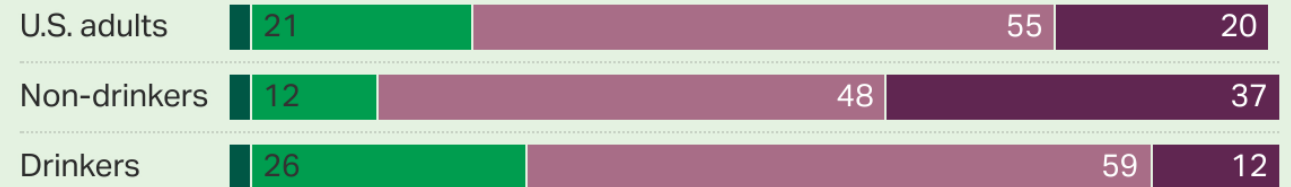
## Gallup Poll July 2022

### Perceived Effect of Alcohol Use, by Subgroup

What effect do you think the use of alcohol has on [society/most people who drink]?

■ % Very positive ■ % Somewhat positive ■ % Somewhat negative ■ % Very negative

#### Effect of alcohol on society

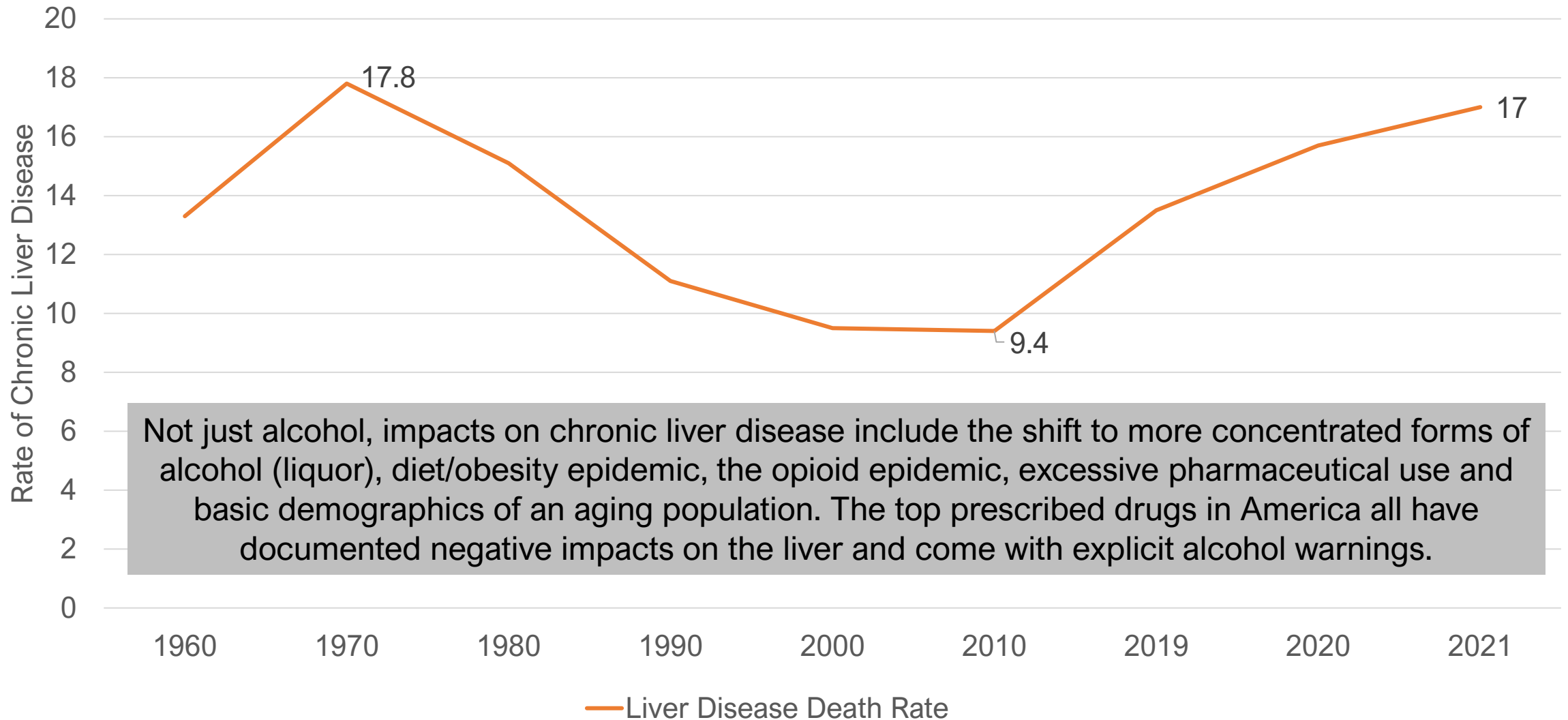


#### Effect of alcohol on most people who drink



Those with no opinion are not shown.

# U.S. Rate of Chronic Liver Disease 1960 – 2021



## *Canada's New Guidelines for Alcohol Say 'No Amount' Is Healthy*

The guidance builds on growing evidence, after decades of sometimes conflicting research, that even small amounts of alcohol can have serious health consequences.



Give this article



56



# Most Recently...

# Center for Alcohol Policy (CAP)

- 89% percent of Americans agree it is important for the alcohol industry to be regulated
- More than 8 in 10 Americans (82%) agree alcohol is different from other products and therefore should be regulated differently
- 84% percent of Americans continue to be satisfied with the existing system for purchasing alcohol in their respective states.
- About 9 in 10 Americans (88%) are satisfied with the variety of alcohol products available
- Over two-thirds (67 percent) of Americans say that their state's alcohol regulations are "just right."
- There is continued confidence in the safety of alcohol products sold as well. 89 percent of adult Americans trust that what they consume is safe.
  - ([https://www.tracit.org/uploads/1/0/2/2/102238034/illicit\\_alcohol\\_-\\_white\\_paper.pdf](https://www.tracit.org/uploads/1/0/2/2/102238034/illicit_alcohol_-_white_paper.pdf))
- Americans are satisfied (72%) with the number of places where alcohol can be purchased in their community.

Source: <https://www.centerforalcoholpolicy.org/wp-content/uploads/2023/04/Center-for-Alcohol-Policy-2023-Survey-Report.pdf>

# How Many Drinkers?

## More Drinkers in 2022 than in 2012!

### The Occasion to Drink Gallup Poll

Year	21+ Population	Occasion to Drink	Number of Drinkers
2013	229 million	60%	138 million
2023	256 million	62%	159 million
Change	27 million		+21 million

### Beer as Preferred Beverage to Drink Gallup Poll

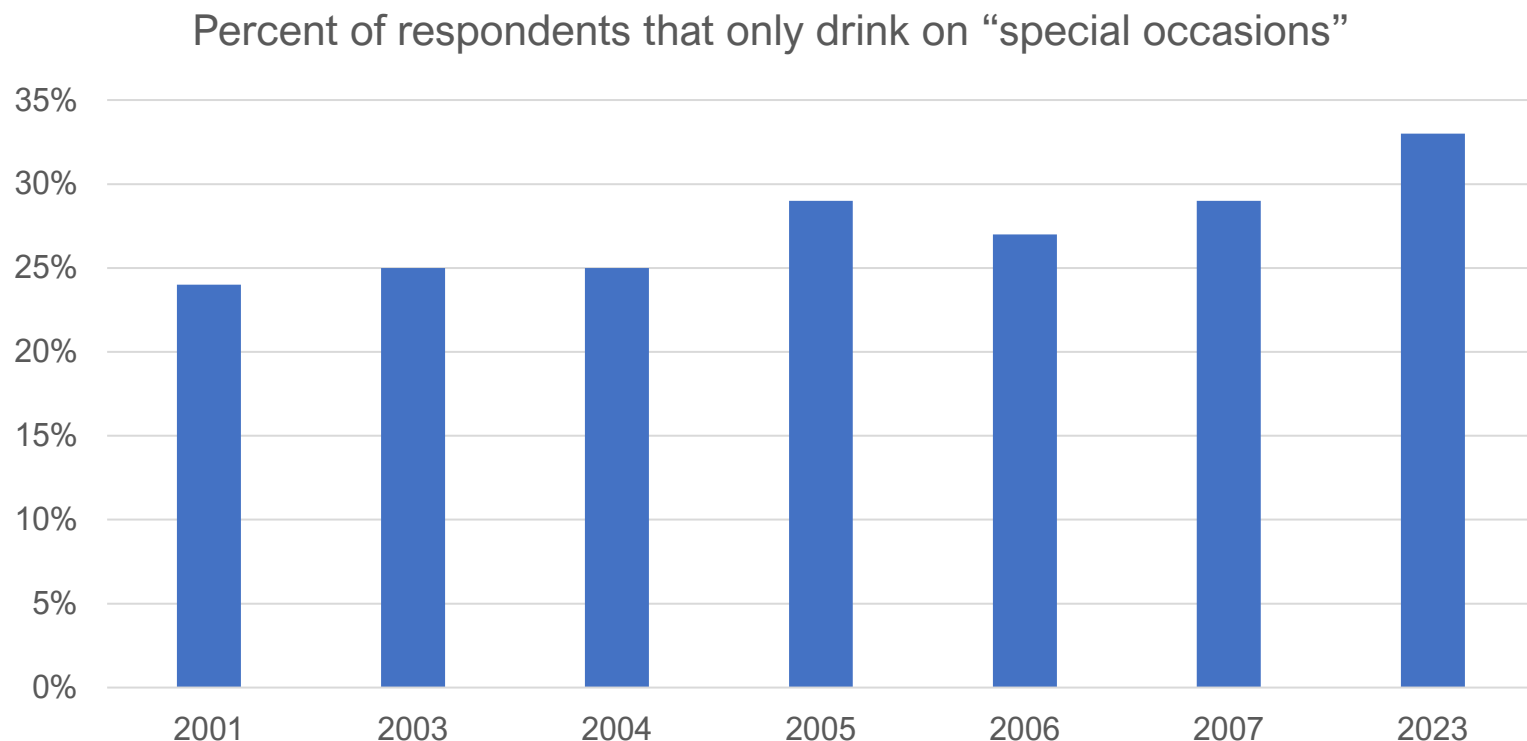
Year	21+ Population	Prefer Beer	Number of Beer Drinkers
2013	229 million	36%	82 million
2023	256 million	37%	95 million
Change	27 million		+13 million

The consumer is *here* and *willing*, the occasion is the priority.



# People Like Special Occasions!

How often, if ever, do you drink alcoholic beverages such as liquor, wine or beer -- every day, a few times a week, about once a week, less than once a week, only on special occasions such as New Years' and holidays?



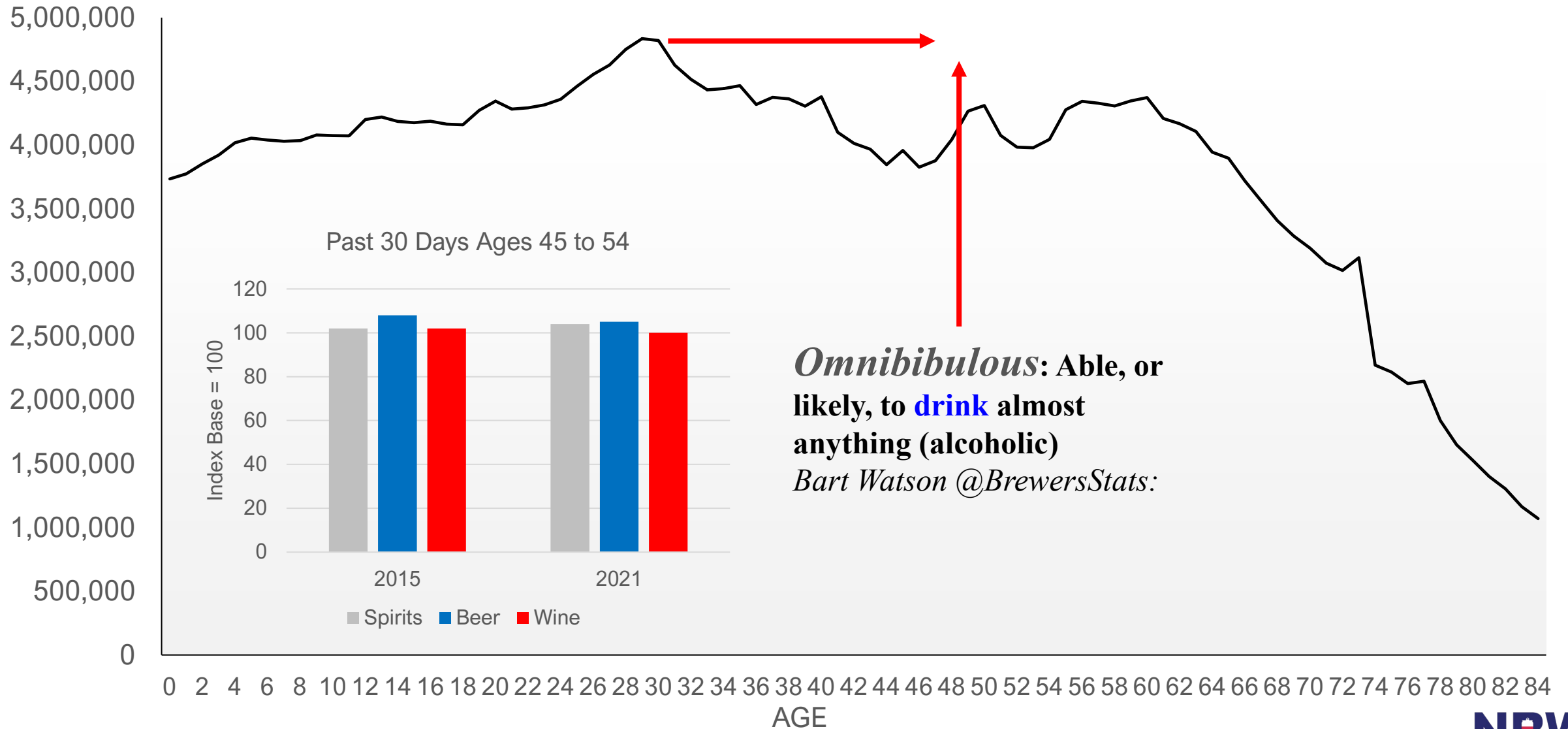
# Past Month Reported Use (2022-2023)

Index = ( group % reporting use )/(group % of 21+ Total)

Age	Beer	Spirits	Wine	Used Cannabis	Beer & Weed	Spirits & Weed	Wine & Weed
21 - 24	86	112	86	147	126	162	149
25 - 29	105	117	100	161	163	173	176
30 - 34	111	113	104	148	156	159	162
35 - 39	116	114	111	125	137	130	123
40 - 44	111	112	104	114	128	117	108
45 - 49	108	109	103	94	98	88	97
50 - 54	109	105	98	86	89	81	84
55 - 59	109	99	106	90	97	86	84
60 - 64	101	95	101	82	78	77	74
65 - 69	95	88	105	69	68	63	68
70 or older	82	77	106	41	34	35	43
% of Total	40%	43%	31%	13%	7%	9%	8%

# Where is Consumption Headed?

## U.S. Population by Age in 2023 and beyond





# Thank You

**Lester Jones, Chief Economist, NBWA**

**[ljones@nbwa.org](mailto:ljones@nbwa.org)**

**Twitter @joneslester**