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PRICES & SPENDING

We love our pets, and our spending proves it

By Kristen Thiel



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Pets are big business. Whether they are cats and dogs, or turtles and fish, there is no doubt that consumers love spoiling their pets. Pet owners often say that pets are important members of their families; they are great companions that provide their humans with many mental and physical health benefits. It is no surprise that pet-related expenses make up a growing part of consumers’ budgets. In 2013, pet expenditures were \$57.8 billion. By the end of 2021, this figure had climbed to \$102.8 billion, an increase of 77.9 percent in just 8 years.

This **Beyond the Numbers** article uses data from the U.S. Bureau of Labor Statistics Consumer Expenditure Surveys (CE) to examine trends in pet spending from 2013 to 2021.<sup>1</sup> We compare pet expenditures to other consumer expenditure trends and further analyze trends in components of pet expenditures, specifically pet food and pet purchase, supplies, and medicine, during the COVID-19 pandemic.

Pet spending outpaced spending in other consumer expenditure categories

In 2021 alone, consumers racked up more than \$100 billion of pet-related expenditures. This amount vastly exceeded what was spent on recreational reading materials (\$15.2 billion), alcoholic beverages (\$73.8 billion), and women’s clothing (\$87.9 billion).<sup>2</sup>

Pet expenditures is a subcategory of entertainment expenditure. However, for the purpose of this analysis, we have removed pet expenditures from the broader category of entertainment; the remainder of the entertainment category is called “all other entertainment.” Between 2013 and 2021, growth in pet expenditures outpaced growth in other areas of the economy, such as all other entertainment, total expenditure, and annual average income before taxes. Table 1 shows annual changes in consumer trends.

Table 1. Annual percentage changes in economywide consumer trends, 2013–21

Spending category	Percent change, 2013–14	Percent change, 2014–15	Percent change, 2015–16	Percent change, 2016–17	Percent change, 2017–18	Percent change, 2018–19	Percent change, 2019–20	Percent change, 2020–21	Overall percent change, 2013–21
Pet expenditures	10.2%	4.1%	10.4%	21.8%	-6.8%	2.9%	1.3%	11.6%	78.0%
All other entertainment expenditures	9.8	4.2	0.7	7.0	2.8	-6.0	-7.8	25.9	47.0
Total expenditure	4.7	4.6	2.4	4.8	1.9	3.0	-2.7	9.1	39.2
Annual income before taxes	4.8	4.1	7.2	-1.5	6.9	5.4	1.8	3.7	45.7

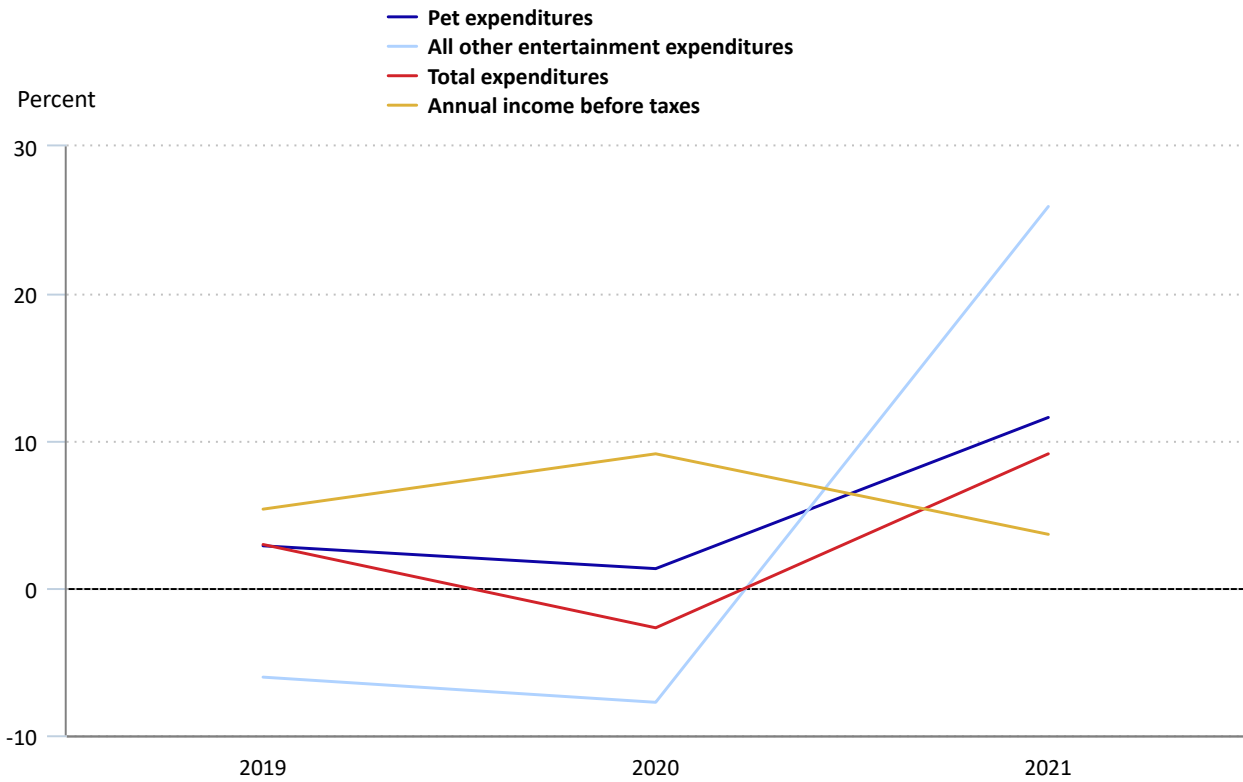
Source: U.S. Bureau of Labor Statistics.

Total annual pet expenditures (total dollars spent nationwide by households or consumer units [CUs] who made a pet expenditure in a given year) increased 78.0 percent while all other entertainment expenditures increased 47.0 percent.<sup>3</sup> Additionally, aggregate annual pet expenditures made up a larger share of total expenditures in 2021. During this same period, total expenditures increased 39.2 percent. Increases in pet expenditures also outpaced growth in aggregate annual income before taxes, which increased by 45.7 percent from 2013 to 2021.

Pet ownership and pet food expenditures in 2020 and 2021

In 2020, while all other entertainment spending fell 7.8 percent and total expenditures declined by 2.7 percent, pet expenditures grew 1.3 percent. (See chart 1.) The reason that pet expenditures increased while other expenditures did not might be because pandemic loneliness was encouraging people to buy pets, or the increased time spent at home due to the lockdowns encouraged consumers to spoil their pets. This would also explain the increase in the share of total expenditures that was pet expenditures.

Chart 1. Annual percentage changes in consumer trends, per pet owner, 2019–21



Click legend items to change data display. Hover over chart to view data.  
Source: U.S. Bureau of Labor Statistics.

[View Chart Data](#)



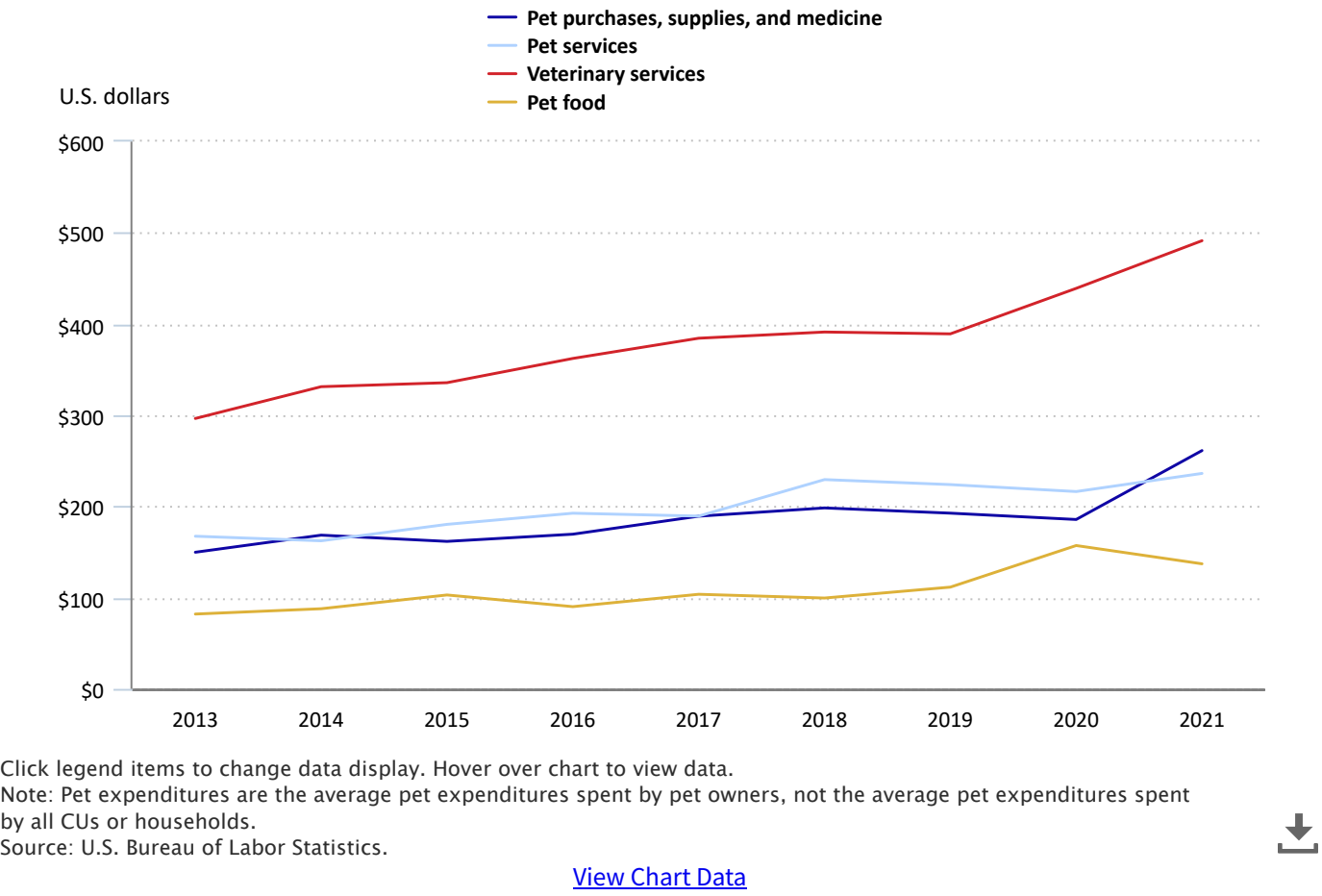
Pet expenditures, all other entertainment expenditures, and total expenditures all increased in 2021 but by different magnitudes. Entertainment expenditures include many subcategories, such as tickets and fees, equipment, and recreational vehicles. As lockdowns were relaxed and public venues reopened in 2021, CUs spent more of their budgets on entertainment. All other entertainment expenditures rose 25.9 percent. Pet expenditures increased by 11.6 percent, which was still more than total expenditures (9.1 percent) and average annual income before taxes (3.6 percent), allowing pet expenditures to take up an even greater share of total expenditure.

Pet food expenditures fell in 2021 while pet ownership grew

There are four subcategories of pet expenditures: pet food; pet services; veterinary services; and pet purchase, supplies, and medicine. Pet services expenditures are related to grooming, boarding, and training, while veterinary expenditures include insurance and veterinary treatment. The pet purchase, supplies, and medicine subcategory includes the purchase of the pet itself.

Weekly pet food expenditure increased rapidly in 2020, from an average amount of \$27.89 in 2019 to \$39.29.<sup>4</sup> There are two ways this could happen. Households or CUs might be buying more pet food because they are adopting more pets, or CUs might be buying higher quality food, not purchasing a larger quantity of pet food. It is noteworthy that there was a subsequent decrease in pet food expenditure in 2021 while the other pet expenditure categories grew. A possible reason for the decrease might be purchasing cheaper, lower quality pet food. However, the CE does not collect data on quality of goods, so it is not possible to link quality with expenditures. Pet purchase, supplies, and medicine expenditures increased 74.4 percent from 2013 to 2021, including an increase of 40.7 percent in 2021. (Calculated from chart 2.)

Chart 2. Pet expenditures, 2013–21



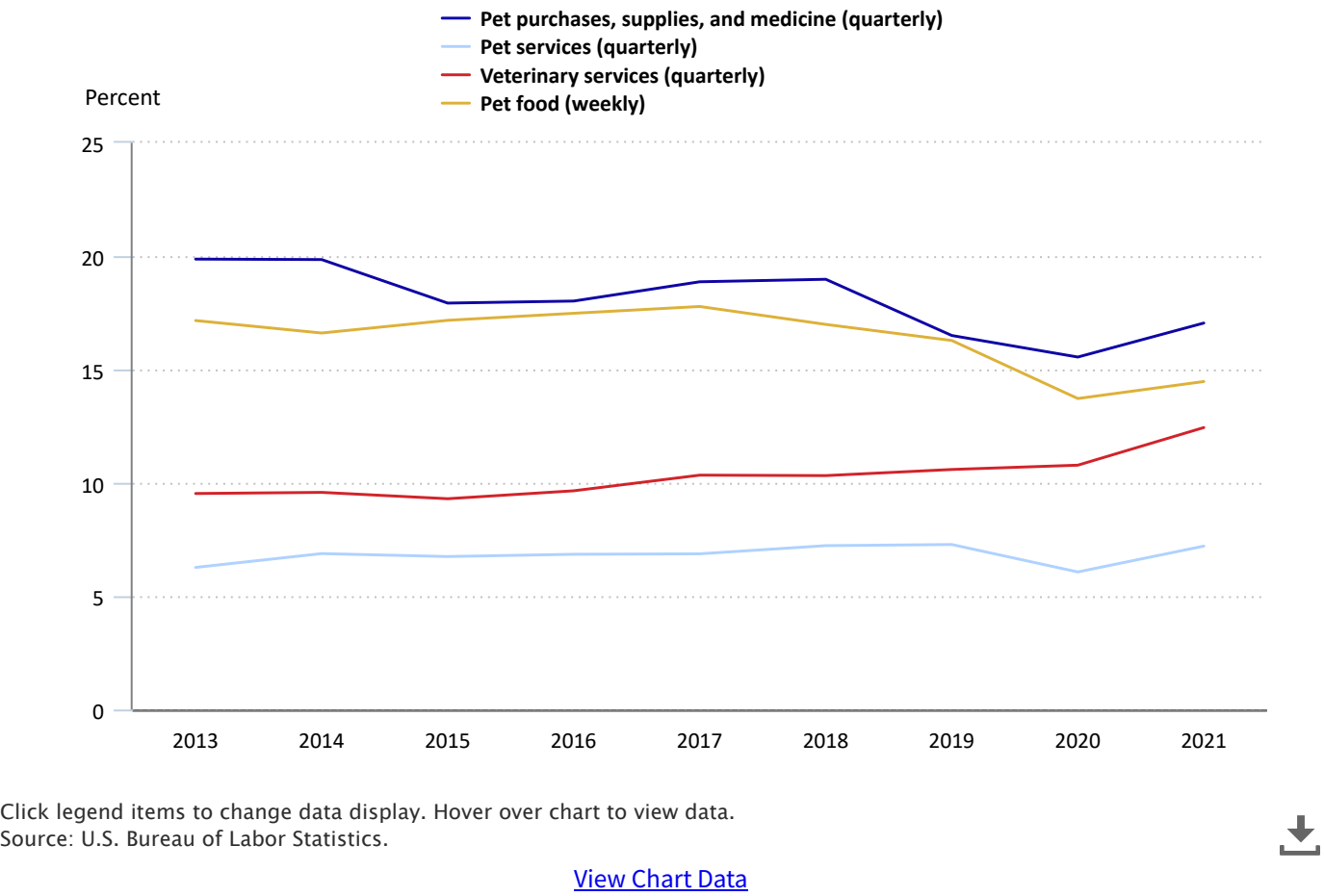
This is in line with reports that pet adoptions from shelters were at an all-time high during the pandemic; shelters were reported to be empty.<sup>5</sup> While expenditures in the pet purchase, supplies, and medicine subcategory increased, it remains possible that it was the purchases of supplies and medicines which were responsible for the spending increase. However, anecdotal evidence from shelter reports during pandemic lockdowns suggest that pet purchases caused the increase in the pet purchase, supplies, and medicine subcategory. It is unclear if pets were purchased from a breeder or adopted from a shelter. Pet purchases from breeders can be hundreds or even thousands of dollars more expensive than adoptions. So, pet purchases from breeders would have a larger impact on the pet purchases, supplies, and medicine subcategory.

Even with decreasing pet expenditures in 2020, pet ownership continued to boom

Percent reporting refers to the percentage of households or consumer units that incurred that particular expenditure. For example, in 2021, 14.5 percent of consumer units purchased pet food. (See chart 3.)

Pet purchase, supplies, and medicine had similar trends for expenditures and the share of households or consumer units with these pet-related expenditures in 2020. Expenditures decreased by 3.6 percent (calculated from chart 2), and percent reporting decreased by a slightly steeper 5.8 percent (calculated from chart 3). Despite the decreases in this expenditure category, there is large anecdotal evidence that there were record adoptions. Thus, while pet purchases increased, supplies and medicine decreased, causing a net decrease in the overall expenditure category.

Chart 3. Percent reporting, pet expenditures, 2013–21



Conversely, 2021 percent reporting and expenditure trends for pet purchase, supplies, and medicine increased. Percent reporting increased by 9.6 percent (calculated from chart 3) and expenditures rose 40.7 percent (calculated from chart 2). These increases occurred a year after it was widely reported that many animals were adopted and animal shelters were cleared.<sup>6</sup> These results imply that pets continued to be purchased, possibly from breeders at a higher price point, in 2021.

Interestingly, percent reporting of pet food and pet food expenditures exhibited diverging trends in both 2020 and 2021, as shown in charts 2 and 3. Weekly pet food expenditures rose 40.9 percent (calculated from chart 2) in 2020, but percent reporting declined by 15.7 percent (calculated from chart 3). The 2020 decline in percent reporting points to fewer shopping trips and more bulk purchasing. In 2021, pet food expenditures fell by 12.8 percent (calculated from chart 2), but pet

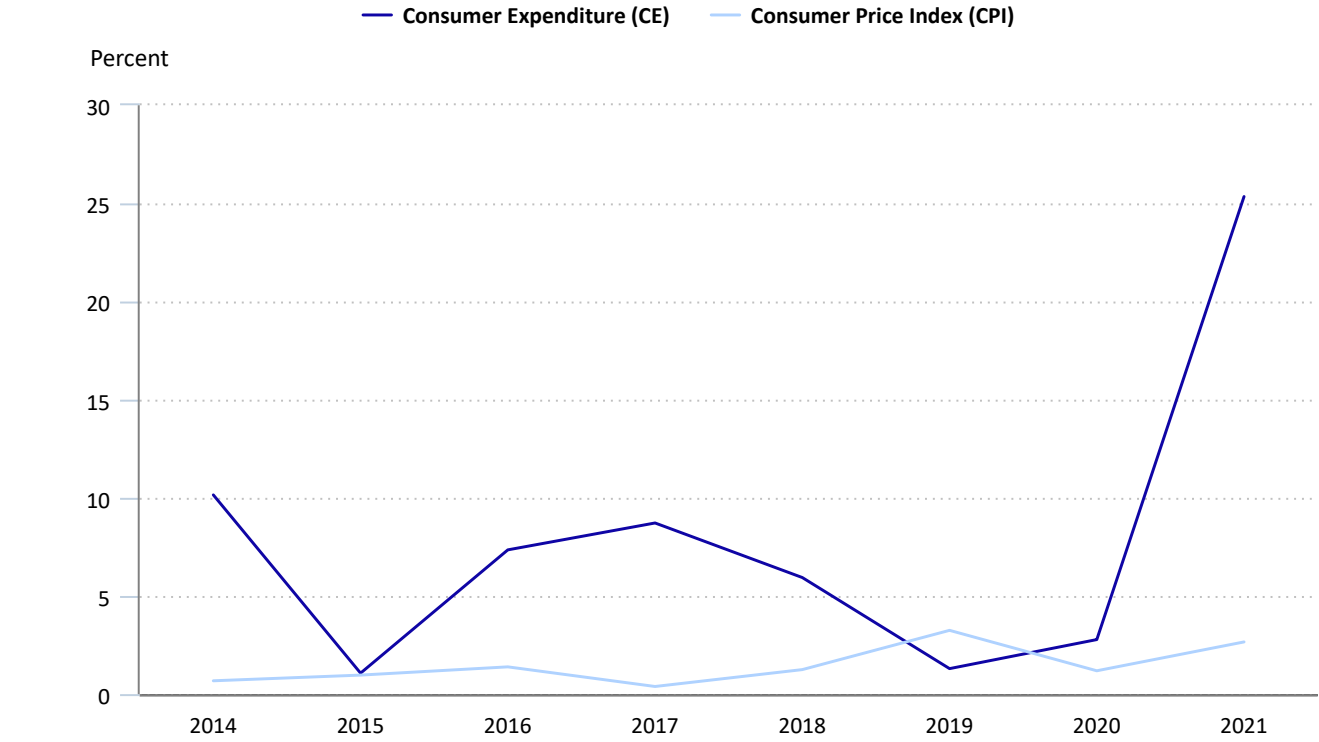
food percent reporting increased 5.5 percent (calculated from chart 3). These data suggest more, cheaper shopping trips; CUs were buying cheaper, lower quality food in place of more expensive, higher quality alternatives.

Has spending increased because prices have gone up or because we’re buying more?

The comparison of the Consumer Price Index (CPI) and consumer expenditures (CE) can help us understand the extent to which a change in expenditure is the result of a change in price or a change in quantity consumed.<sup>7</sup> The CPI does not show prices in dollars, but it does show how prices change over time. The CPI can be interpreted as providing information on the increase in prices (inflation) or the decrease in prices (deflation).

Examining the CPI and CE together can provide useful insights. (See chart 4.) For example, if the measures increase or decrease at the same rates, this supports the notion that expenditures change because of price fluctuations, but not fluctuations in quantity purchased. If expenditures increase by substantially less than prices rise, this could mean that consumers are cutting back on purchases or opting for a lower price point.<sup>8</sup>

Chart 4. Annual percentage changes in Consumer Expenditures and the Consumer Price Index, 2014–21



Click legend items to change data display. Hover over chart to view data.  
Source: U.S. Bureau of Labor Statistics.

[View Chart Data](#)



Looking at the CPI and CE together, there is evidence that changes in price failed to lead to large changes in pet expenditures. This suggests that the purchasing of pets and pet-related goods and services are only slightly affected by price changes, and instead, may be affected by non-price determinants of supply and demand. In other words, there are greater factors that go into the decision to buy a pet than price, such as companionship. However, some concern over price remains and substitutes may be used. Perhaps CUs will buy cheaper food or get their pets from a shelter rather than a breeder.

Conclusion

From 2013 to 2021, pet expenditures for consumers increased 77.9 percent. Spending on pets increased more rapidly than other entertainment expenditures, total expenditures, and average annual income. Even when total expenditures and average annual income decreased, pet expenditures grew.

COVID-19 had strong effects on pet ownership and expenditures. Despite declines in total spending, consumers continued to spend money on their pets and the share of pet expenditures increased. Additionally, anecdotal evidence tells us that there was a record number of pet adoptions, despite the declines in both 2020 expenditures and percent reporting in pet purchase, supplies, and medicine. In 2021, large increases in expenditures and ownership are visible. One exception is the 2021 decrease in pet food expenditures. This suggests that while pet ownership grew, consumers still watched their spending.

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Notes

- <sup>1</sup> Prior to 2013, Pet expenditures was not its own subcategory and was part of the Pets, Toys, and Other subcategory of Entertainment. Therefore, the dataset for this article begins with the year 2013.
- <sup>2</sup> A consumer unit (CU), loosely related to household, consists of a single person, or individuals living together and making joint expenditure decisions. A consumer unit can consist of any of the following: all members of a particular household related by blood, marriage, adoption, or other legal arrangements; a person living alone or sharing a household with others or living as a roomer in a private home or lodging house or in permanent living quarters in a hotel or motel, but who is financially independent; or two or more persons living together who use their incomes to make joint expenditure decisions.
- <sup>3</sup> This is the mean expenditure of pet food that was purchased in a given week.
- <sup>4</sup> Jacob Bogage, "Americans adopted millions of dogs during the pandemic. Now what do we so with them?," The Washington Post, January 7, 2022, <https://www.washingtonpost.com/business/2022/01/07/covid-dogs-return-to-work/>

[5](#) Dana Hedgpeth, “So many pets have been adopted during the pandemic that shelters are running out,” The Washington Post, January 6, 2021 <https://www.washingtonpost.com/dc-md-v/2021/01/06/animal-shelters-coronavirus-pandemic/>.

Jeffery Ho, Sabir Hussain, and Olivier Sparagano, “Did the COVID-19 pandemic spark a public interest in pet adoption?” Frontiers in Veterinary Science, vol. 8, (2021), <https://www.frontiersin.org/articles/10.3389/fvets.2021.647308/full>, doi: [10.3389/fvets.2021.647308](https://doi.org/10.3389/fvets.2021.647308). /

[6](#) One thing that’s important to note is that the CPI covers the urban population, and the CE covers both the urban and rural populations. However, they are reliable enough to be used together to tell a general story.

[7](#) The Consumer Price Index (CPI) is a measure of the change in average prices paid by urban consumers for a market basket of consumer goods and services. The CPI and CE relationship can be examined by observing how consistently they change over several years. The more closely they move, the more likely expenditure changes are due to price change than to change in quantities purchased, as the expenditure is a function of price and quantity purchased. However, the CPI and the CE cannot be directly compared. As noted, CPI covers urban areas only, while CE covers both urban and rural areas. Related to this, the CPI program produces two major indexes, the CPI-U covering all areas from which CPI data are collected, and CPI-W, covering wage and salary workers in these areas. This work only uses data from the CPI-U, which, for convenience, is called “CPI” throughout. To learn more about the CPI itself or the CPI program, go to <https://www.bls.gov/cpi/overview.htm>.

[8](#) Consumer unit data comes from CPI table 4401. Table 4401 is not published, but it is available upon request.

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