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Alcohol Spending Drops Among Higher-Income Consumers in 11 of 15 Major Markets, Study Finds

Economic pressures and health trends drive moderation, with on-premise drinking and category variety both declining across generations.

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Consumers in major global markets are showing early signs of improved financial confidence, but this has not led to an increase in alcohol spending, according to new research from IWSR's Bevtrac study conducted in September 2025. The research, which surveyed consumers in 15 leading markets including the United States, Canada, Brazil, Mexico, several European countries, and key Asian economies, found that people continue to prioritize essential household expenses such as food and personal care over discretionary spending on alcohol. This trend persists despite some stabilization in economic conditions and a slight uptick in consumer sentiment.

The data reveals that even higher-income groups, who are typically less affected by economic downturns, are reducing their alcohol budgets. In 11 out of the 15 markets surveyed, higher-income consumers reported a net decrease in alcohol spending. The only significant exceptions were India and China, where the survey focused on urban middle-class consumers who have shown more resilience.

Financial confidence is trending upward compared to last year in countries like the UK, US, and Spain. However, this renewed optimism has not yet translated into increased spending on total beverage alcohol. Economic pressures remain strong across the Americas and Europe, keeping overall alcohol consumption on a downward trajectory.

The study also highlights generational differences in drinking habits. Gen Z participation rates in alcohol consumption have risen slightly over the past two years but have stabilized in the last 12 months. In September 2025, 74% of Gen Z consumers reported drinking alcohol, up from 72% two years earlier. However, Gen Z drinkers are becoming more selective: the average number of alcohol categories consumed per occasion has dropped from 2.8 to 1.8 since 2023.

Millennials are also narrowing their drinking choices. While they remain the most engaged group with alcohol in the US, moderation is becoming more common among them. The average number of categories consumed by Millennials fell from 6.3 to 5.9 over the past year. Only 81% of Millennials reported drinking in the last six months as of autumn 2025, down from 83% earlier in the year—the lowest rate recorded for this group by Bevtrac.

In Brazil, Millennials' declining financial confidence is reducing their engagement with alcoholic beverages, particularly sparkling wine and spirits. In France, Millennials are shifting away from spirits and ready-to-drink products toward wine.

Moderation and abstinence trends remain stable compared to last year. The proportion of drinkers taking "dry" days has decreased slightly, especially among younger adults of legal drinking age. However, more consumers report noticing friends or family cutting back on drinking, indicating that moderation is becoming more mainstream.

Recruitment into no-alcohol products has leveled off. Growth in this category now comes mainly from existing users increasing their consumption rather than new consumers entering the market. Only Japan and Mexico saw notable growth in new users of no-alcohol beverages over the past year.

On-premise or "on-trade" alcohol consumption continues to decline after a brief recovery in late 2024. Fewer people are visiting bars and restaurants for drinks compared to last year, with China and Mexico seeing the largest drops. Spain and Taiwan were exceptions with slight increases in visits. When people do go out, they tend to order fewer types of drinks and fewer servings overall; beer is gaining popularity at the expense of spirits as consumers look for more affordable options.

The ongoing shift toward at-home or alternative "third-space" drinking is being driven by affordability concerns amid continued economic uncertainty. This trend has persisted for more than two years and shows no sign of reversing soon.

Another factor influencing alcohol consumption patterns is the growing use of GLP-1 weight-loss injectables such as Ozempic and Wegovy. Usage rates are highest in the US—where about 14% of alcohol consumers now use these drugs—followed by Australia at 11%. Uptake is also increasing in the UK and Brazil. The rising familiarity and accessibility of these medications are changing consumer behavior; GLP-1 users tend to drink less and show less interest in indulgent consumption compared to other drinkers.

Overall, while there are some signs that consumer confidence is improving globally, economic pressures continue to shape how people spend their money on alcohol. Moderation is becoming more normalized across generations, on-premise visits remain

subdued, and new health trends are further influencing drinking habits worldwide.