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Alcohol Sales Decline as Americans Cut Back Amid Rising Living Costs

Industry Leaders Warn That Consumer Pessimism and Budget Pressures Threaten Projected Growth in Wine, Beer, and Spirits

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At the Central Coast Insights conference held on March 11 at the Paso Robles Event Center, industry leaders and financial experts discussed the shifting landscape of alcohol sales in the United States. The event, hosted by WineBusiness, brought

together nearly 200 professionals to examine how consumer perceptions of the economy and personal financial stability are driving significant changes in alcohol spending.

New data from NIQ and the World Data Lab projects that consumer spending on alcoholic beverages could reach over $300 billion by 2034. Wine is expected to see the highest growth at 4.5%, compared to beer at 2.4% and spirits at 2.8%. However, speakers at the conference cautioned that these projections may not be realized unless the industry adapts to current challenges. Phil Markert, Director of Liquor for Albertsons Companies, emphasized that strategies from previous decades will not suffice in today's market. He called for resilience and innovation to navigate a contracting market.

The conference opened with an economic overview from Callum Williams, senior economic writer for The Economist. Williams highlighted several macroeconomic factors affecting the wine industry, including tariffs, inflation, and declining consumer sentiment. He noted that while the broader economy remains relatively strong—GDP growth is steady and tariffs have not had a severe impact—most Americans feel pessimistic about their financial situation. According to Williams, basic living expenses have risen by 35% since before the pandemic, leading consumers to cut back on discretionary purchases like wine.

Williams pointed out that this negative sentiment is more pronounced now than during the 2008 recession or the COVID-19 pandemic. He explained that people are prioritizing savings or spending on experiences rather than purchasing alcohol. "People spend more on wine when they feel richer," Williams said. "And they don't feel rich right now." He suggested that improving consumer confidence in their own financial stability is key to reversing current trends.

NIQ data presented at the conference showed declines in both value and volume of alcohol sales across beer, wine, and spirits in 2025. These cutbacks were evident in both on-premise (bars and restaurants) and off-premise (retail) channels. The only notable area of growth was in ready-to-drink products, especially those sold in convenience stores. Sales of wine-based ready-to-drink beverages rose by 29.8% to

$1.2 billion.

Kaleigh Theriault, director of thought leadership at NIQ, explained that consumers are making alcohol purchases based on specific occasions and tighter budgets. As nonessential spending shrinks, competition among brands for consumer dollars has intensified.

Panel discussions throughout the day focused on strategies for overcoming off-premise challenges such as building successful partnerships with distributors and retailers. Experts agreed that offering quality products at good value and reintroducing a personal touch are essential for attracting and retaining customers in today’s environment.

The consensus among attendees was that the industry must take proactive steps to shape its future amid ongoing economic uncertainty. While long-term forecasts remain optimistic, immediate action is needed to address changing consumer behavior and restore confidence in both the economy and personal finances.