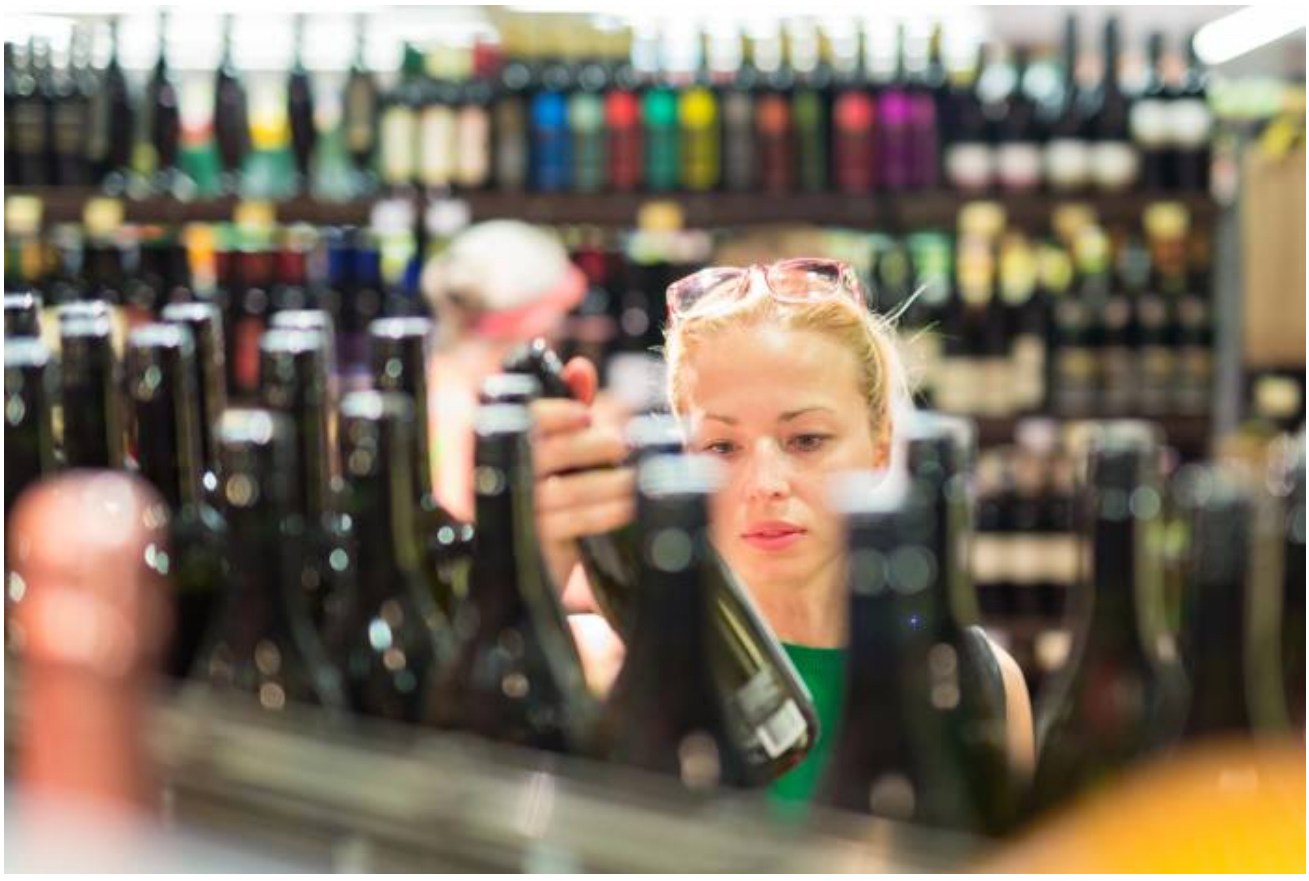
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U.S. Alcohol Consumption Drops 5% in 2025 as Economic Pressures Shift Drinking Habits

Americans increasingly cite cost concerns for cutting back, with beer, wine, and spirits all seeing notable declines

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U.S. beverage alcohol consumption continued to decline in 2025, as economic pressures influenced consumer behavior and spending patterns. According to preliminary data from IWSR's US Navigator product, total beverage alcohol (TBA)

volumes fell by 5% across the country. The figures, which track monthly category volumes in all 50 states, show that beer, wine, and spirits all experienced notable drops. Beer volumes decreased by 5%, wine by 6%, and spirits by 4%. Ready-to-drink (RTD) beverages, however, saw only a 1% decline and continued to gain market share.

Cost concerns have become the leading reason for Americans to moderate their alcohol consumption. IWSR Bevtrac consumer research found that 31% of U.S. drinkers now cite cost as the main factor for drinking less. Marten Lodewijks, Managing Director & President at IWSR, explained that consumers are more selective about their alcohol purchases, focusing on products that offer a clear price-to-quality advantage. Instead of trading down across the board, many are willing to pay more only when they believe a product justifies its higher price.

This trend is evident in the super-premium segment, which saw a 1% increase in volume last year despite the overall market downturn. While beer remains the dominant category—making up about two-thirds of TBA volumes—RTDs have rapidly expanded their presence since 2019. RTDs' share of TBA volume has grown from 6% in 2019 to 13% last year. Their popularity is attributed to convenience, flavor innovation, and strong brand recognition.

Spirits-based RTDs performed especially well, growing by 14% compared to the previous year. Other major categories largely met expectations for the year. Vodka, Canadian whisky, and other whisky types all declined, reflecting stable demand but limited innovation within those segments. Some categories saw modest improvements due to new product launches or ongoing interest in established brands.

Structural challenges persisted for certain products. Cognac volumes remained under pressure as tighter economic conditions reduced discretionary spending. In contrast, smaller or niche segments such as no-alcohol beer and some emerging spirits categories performed relatively well, though from a smaller base.

Overall, the results for 2025 closely matched earlier forecasts from IWSR's Global Forecast Suite. Total beverage alcohol volumes finished just 0.3% below projected figures, indicating that market trends unfolded much as anticipated at the start of the year.