Impact of the Economic Climate on

U.S. Food Donations and Shopping Habits





Overview	2
Key Findings	3
Survey Methodology	5
Food Insecurity and Food Donations, Data and Analysis	6
Grocery Shopping Behaviors and Habits, Data and Analysis	12
Demographics	18
Conclusion	19
About the Company	2

Overview

Divert's survey, conducted in late October 2023, provides insights into the evolving landscape of food insecurity, food donations, and grocery shopping behaviors in the United States.

The U.S. throws away more than 63 million tons of wasted food each year. Couple this with recent research released by the <u>U.S. Department of Agriculture (USDA) on the state of household food security</u> showing that the hunger problem is growing rapidly. In 2022, 17 million households reported being food insecure – significantly higher than both 2021 (13.5 million households) and 2020 (13.8 million households).

With this backdrop, Divert commissioned a consumer survey and analysis on food bank donations, food insecurity, and grocery shopping behaviors. The aim is to understand better how the current economic climate is affecting U.S. food banks and food security in the wake of the COVID-19 pandemic, especially as we enter the critical holiday season.

Key Findings

The survey found that high inflation and grocery prices are having a significant impact on consumers' food donations during the holiday season, as well as their grocery shopping habits and preferences.



Food Insecurity and Donation Trends

The main findings from the survey show that nearly half (46%) of respondents said they are more likely to donate to food banks during the holiday season than at other times of the year. Yet, with the 2023 holiday season approaching – in which demand for food banks is expected to surge – only 25% of respondents said they are more likely to donate during this year's holiday season compared to years past. Those who are donating less to food banks this season cite increasing food and grocery costs as the number one reason driving their decision.

Grocery Shopping Habits

The current economic climate is also having a significant impact on consumers' behaviors, with nearly 72% of Americans changing their grocery shopping habits due to high inflation and food costs. More than half of respondents (51%) indicated that grocery prices are forcing them to cut costs in other areas.

Survey Methodology

Divert's survey was conducted and distributed to more than 700 consumers using an online survey platform from October 27–30, 2023.

Divert Survey Report 2023

Food Insecurity and Food Donations, Data and Analysis

Nearly 63% of respondents believe the U.S. is significantly more food insecure (16%+) than the latest USDA data shows (12%+).

1. What percentage of Americans do you believe are food insecure?

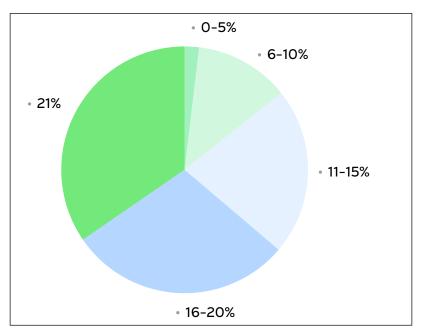


Figure 1: What percentage of Americans do you believe are food insecure?

85% of respondents believe that food insecurity levels have increased since the COVID-19 pandemic.

2. Do you think food insecurity in the U.S. has (decreased/increased/stayed the same) since the pandemic?

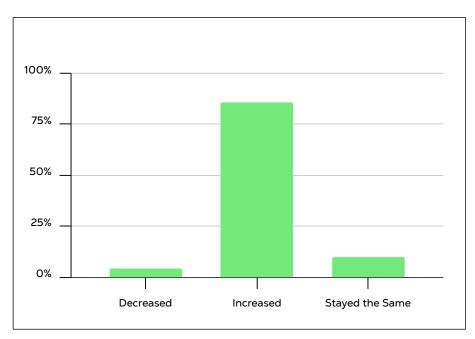


Figure 2: Do you think food insecurity in the U.S. has (decreased/increased/stayed the same) since the pandemic?

82% of respondents have donated to a food bank in their lifetime.

3. Have you ever donated food or money to a food bank?

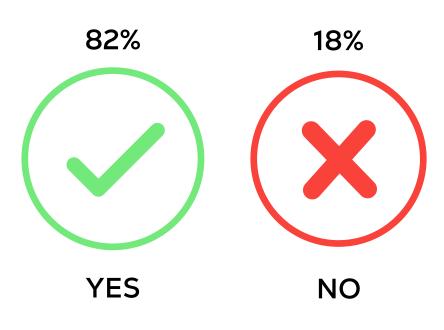


Figure 3: Do you think food insecurity in the U.S. has (decreased/increased/stayed the same) since the pandemic?

Nearly 65% of respondents have donated to a food bank in the past year.

4. In the past year, have you donated food or money to food banks?

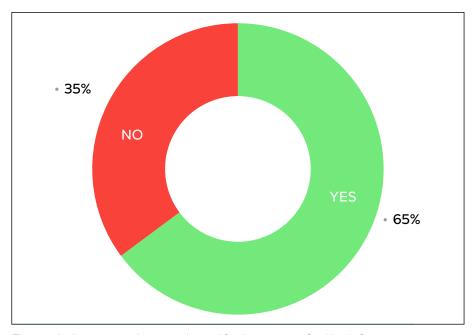


Figure 4: In the past year, have you donated food or money to food banks?

The majority of respondents (33%) donate to food banks every couple of years or every year.

5. How often do you donate food or money to food banks?

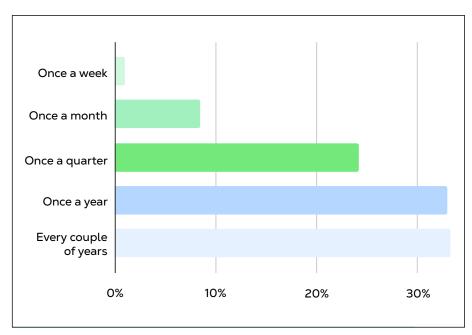


Figure 5: How often do you donate food or money to food banks?

36% of respondents are changing their donation habits this year (nearly 20% donating less, nearly 18% donating more).

6. Compared to last year, are you donating more or less to your local food bank?

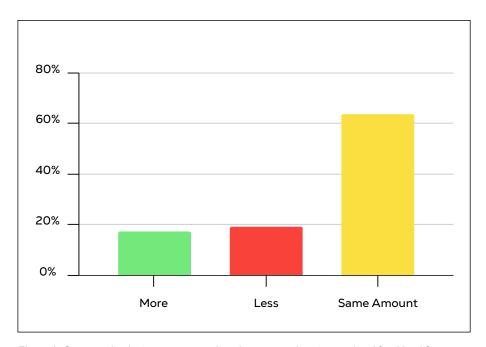


Figure 6: Compared to last year, are you donating more or less to your local food bank?

Of the respondents who are donating less to food banks, they are doing so because of increasing food and grocery costs (57%).

7. What has influenced your decision to donate less to food banks? (Select all that apply)

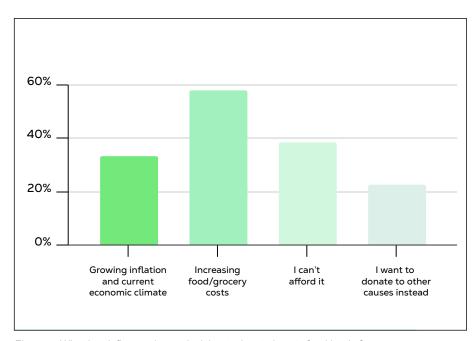


Figure 7: What has influenced your decision to donate less to food banks?

Of the respondents who are donating more to food banks, they are doing so because of growing awareness of food insecurity (75%) followed by a passion for giving back (48%).

8. What has influenced your decision to donate more to food banks? (Select all that apply)

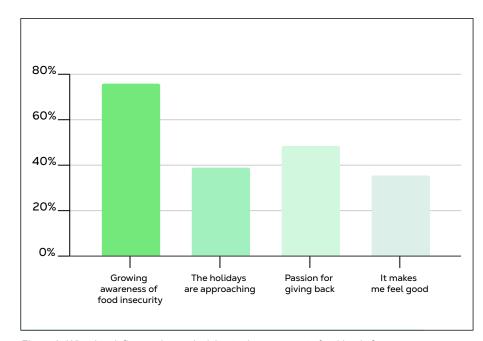


Figure 8: What has influenced your decision to donate more to food banks?

The majority of respondents (46%) are more likely to donate to food banks during the holiday season than other times of the year.

9. Are you more or less likely to donate to food banks during the holiday months than other times of the year?

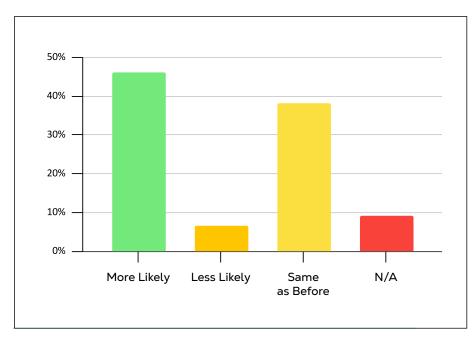


Figure 9: Are you more or less likely to donate to food banks during the holiday months than other times of the year?

Approximately 20% of respondents reported they are less likely to donate this holiday season, while 25% of respondents said they are more likely to donate.

10. Facing inflation and rising food costs this year, are you more or less likely to donate to food banks during the holiday months than in years past?

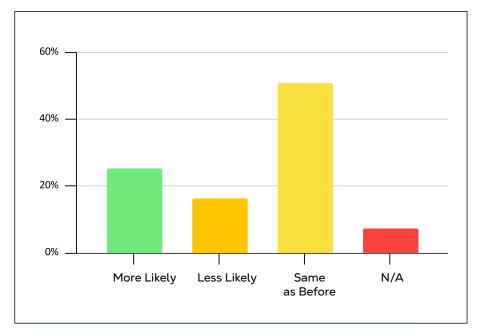


Figure 10: Facing inflation and rising food costs this year, are you more or less likely to donate to food banks during the holiday months than in years past?

Divert Surey Report 2023

Grocery Shopping Behaviors and Habits, Data and Analysis

51% of respondents are cutting expenses in other areas this year due to higher grocery costs.

11. Have grocery costs increased to a point in the past year that they are forcing you to cut expenses in other areas?

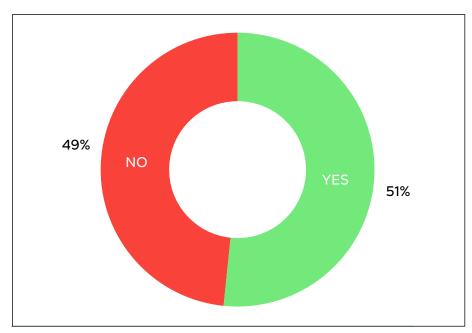


Figure 11: Have grocery costs increased to a point in the past year that they are forcing you to cut expenses in other areas?

A significant number of respondents (71%) said that their grocery shopping behaviors and habits have changed due to higher grocery costs this year.

12. Have grocery costs increased to a point in the past year that they are changing your grocery shopping behaviors and habits?

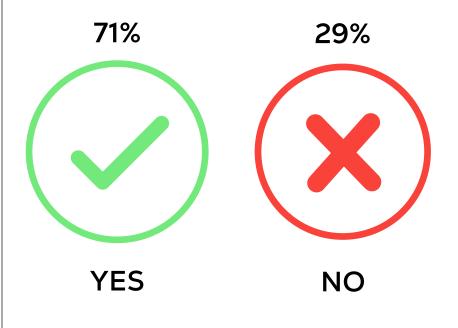


Figure 12: Have grocery costs increased to a point in the past year that they are changing your grocery shopping behaviors and habits?

Due to higher grocery costs this year, 76% of respondents are shopping more for discounted food. 58% are shopping at less expensive grocers. 42% are shopping for less food at a time. 17% are even using food past its expiration date.

13. How have your grocery shopping behaviors changed? [Select all that apply]

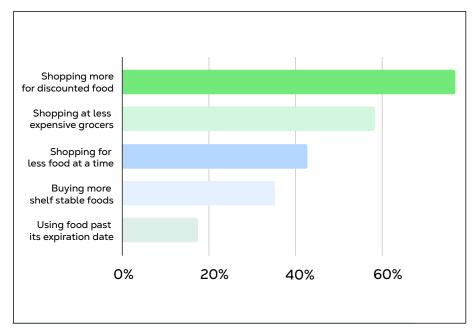


Figure 13: How have your grocery shopping behaviors changed?

24% of respondents are more anxious to be able to afford food in the next 3 to 6 months.

14. Taking into account the current inflation rates, are you more or less anxious to be able to afford food in the next 3-6 months?

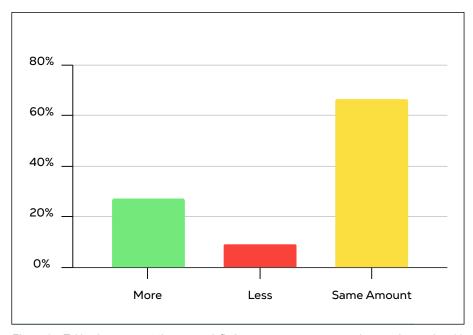


Figure 14: Taking into account the current inflation rates, are you more or less anxious to be able to afford food in the next 3-6 months?

55% of respondents said the price they paid for a product at the grocery store influences how likely they are to throw it away or not.

15. Does the price that you paid for a product at the grocery store influence how likely you are to throw it away?

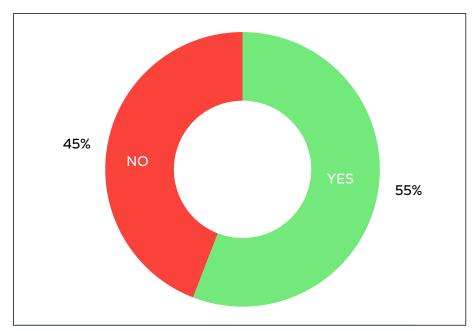


Figure 15: Does the price that you paid for a product at the grocery store influence how likely you are to throw it away?

30% are purchasing less fresh food like produce because of the increasing costs of groceries.

16. Because of the increasing costs of groceries, do you purchase more or less fresh food like produce?

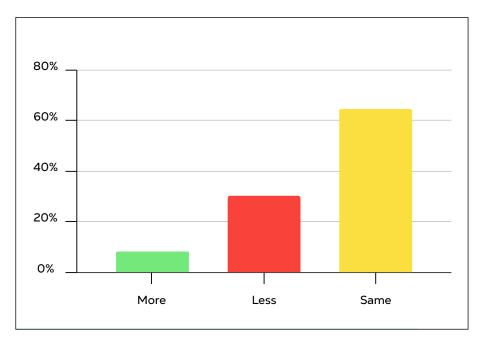


Figure 16: Because of the increasing costs of groceries, do you purchase more or less fresh food like produce?

Nearly 56% of respondents are throwing away unused food or groceries in their households.

17. Do you throw away unused food or groceries in your household?

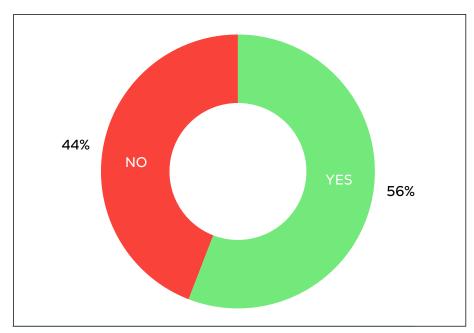


Figure 17: Do you throw away unused food or groceries in your household?

63% of respondents are throwing away more food or groceries in their household than they would like.

18. Do you throw away more unused food or groceries than you would like in your household?

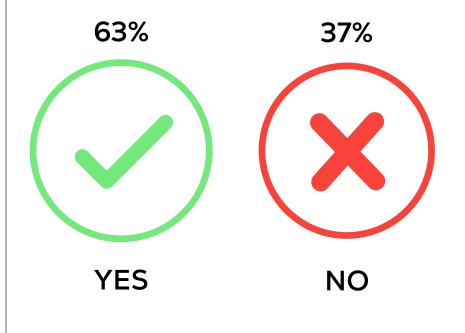


Figure 18: Do you throw away more unused food or groceries than you would like in your household?

Vegetables, fruit, bread, diary, and prepared foods are the most common types of food thrown away in respondents' households each week.

19. What are the most common types of food that you throw away in your household each week? (Rank in order of most to least)

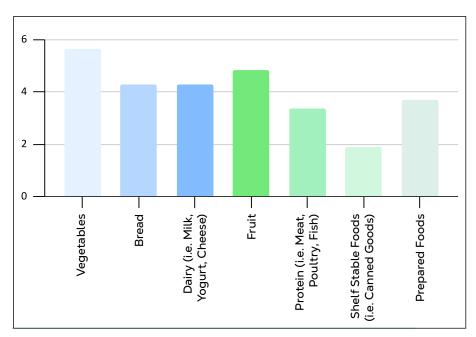


Figure 19: What are the most common types of food that you throw away in your household each week? (Ranked in order of most to least)

The main reasons why respondents are throwing away food each week is because it's gone bad (88%) or is past its expiration date (48%).

20. If you're throwing away food each week, is it because (Select all that apply):

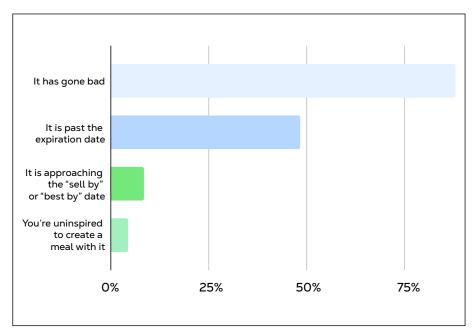


Figure 20: If you're throwing away food each week, is it because:

Demographics

Age

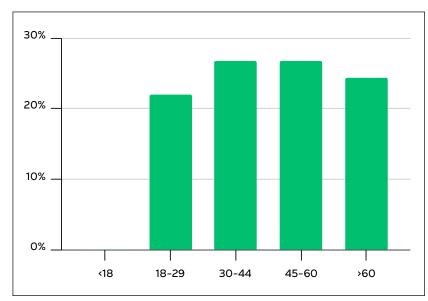


Figure 21: Age

Region

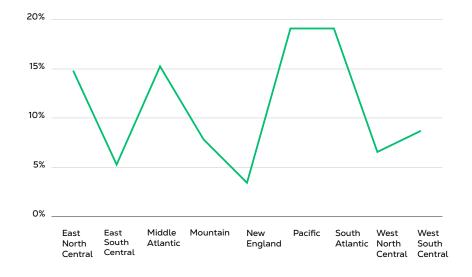


Figure 22:Region

Household Income

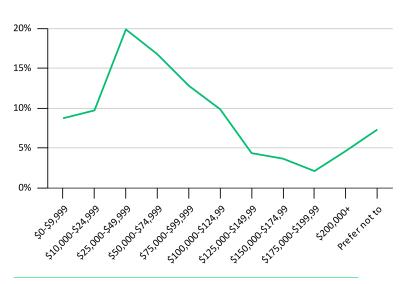


Figure 23: Household Income

Conclusion

The survey indicates a dual impact of economic challenges on donations and shift in consumer behavior, reflecting the broader societal implications of inflation and rising living costs.

The survey results highlight a shift in both consumer behavior and food donations in the United States due to the economic impact of high inflation and increasing grocery prices. While there is a heightened awareness of food insecurity and a strong inclination to support food banks, the financial strain caused by rising food costs is leading to decreased donations during this holiday season in 2023. This decline in food bank donations comes when the need for such support is perceived to be significantly higher than official statistics from the USDA suggest.

Simultaneously, these economic pressures are reshaping consumer shopping habits. A substantial majority of Americans are now seeking discounted food items, opting for less expensive retailers and reducing the quantity of food they purchase. This change is driven by a need to manage budgets in the face of rising food prices.

Additionally, there is a noticeable increase in food waste, with many households discarding more food, which can be attributed to the challenges of better food management and consumer level awareness of the wasted food problem.

About Us

divert

Divert, Inc. is an impact technology company on a mission to Protect the Value of Food™. Founded in 2007, the company creates advanced technologies and sustainable infrastructure to eliminate wasted food, driving social and environmental impact. Divert provides an end-to-end solution that prevents waste by maximizing the freshness of food, recovers edible food to serve communities in need, and converts wasted food into renewable energy. The company works with five Fortune 100 companies and nearly 5,400 retail stores across the U.S., helping food retailers to reach their sustainability goals.

For more information on Divert, Inc., please visit www.divertinc.com