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Disparities in food spending away from home: where will COVID hit hospitality hardest?

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ABSTRACT

Despite costing the UK hospitality industry £200 million per day in 2020, the long-term impacts of COVID-19 on the industry are unknown, with measures such as the furlough scheme masking the full consequences. We generated datasets of pre-pandemic spending to assess which areas traditionally relied the most on the hospitality industry and will therefore suffer in the long-term. These data can help develop and inform recovery plans.

Image credits: Ali Inay

Like much of the world, the UK hospitality industry has been one of the hardest hit sectors of the economy. Lockdowns and restrictions have forced restaurants, cafes, and other dine-in venues to close. Even if allowed to trade, travel restrictions and home working have limited custom, with reduced restaurant bookings and commuters no longer buying food near their workplace. Purchasing has shifted to the grocery and takeaway sectors, with some supermarkets reporting record sales.

The complete picture of the long-term consequences of the COVID-19 pandemic will only emerge once the furlough scheme and other business support initiatives are wound down. To begin to understand the impacts, we generated unique data on pre-pandemic food spending, offering a valuable insight into locations that are likely to be the hardest hit. We expect areas with historically high levels of food establishment spending to be the most vulnerable to changes in purchasing habits due to the concentration of businesses reliant on consumption outside of the home.

The Living Costs and Food Survey is the most significant survey on purchasing behaviour in the UK. It provides spending estimates for 12 separate geographical regions but lacks data necessary to determine vulnerable areas. In our study published in Nature Scientific Data, we used the technique of spatial microsimulation to combine original data from the Living Cost and Food Survey with auxiliary data from the Census and other UK-wide surveys. This process involved matching the demographic profiles of individuals in the Living Cost and Food Survey with data from local authorities across the UK. For each 380 separate geographical regions resulting from the new datasets, we estimated spending for 106 individual products (e.g. bread, sausages) and for food consumed outside of the home (e.g. restaurants, cafes, canteens). Datasets are currently available for the years 2008 to 2016 and will be updated as new survey waves are released.

Prior to the pandemic, we found that the proportion of food purchases for consumption outside the home varied greatly across the UK. Areas with a high population of young commuters spent the most – such as the London borough of Wandsworth where it accounted for 35% of all food spending – while deprived towns and cities spent less - such as Leicester where it accounted for just 25%. These vulnerability factors for the hospitality industry are often the opposite to those for COVID-19 itself and need to be considered when designing recovery plans and support packages. Deprived areas are often more vulnerable to COVID-19 due to crowded living conditions, the inability to work from home and poorer baseline health. Conversely, pre-pandemic food-establishment spending was higher in more affluent areas due to higher levels of disposable income. Once datasets from the Living Costs and Food Survey covering the pandemic and post-pandemic periods become available, we will be able to run comparative analysis to fully assess the impacts of COVID-19 and monitor ongoing changes in food spending patterns.

The hospitality industry may need long term support as some of the behaviour changes witnessed during the pandemic are likely to persist after the government lift restrictions. A recent study by Ipsos MORI found that almost a third of workers anticipate working from home more and increase local shopping. Our datasets can be used to assess which areas are expected to witness the largest declines in the hospitality and help to effectively target policy and recovery plans as we return to a more normal way of life.