Are Americans Investing in Booze?

Early on in my career as a money manager, I was told by a wise, wealthy gent to follow the money. His advice has served me well over the years. So, whether it is Wall Street, Washington, Main Street or even going on a spree, I've found that following the money is worth closer inspection.

Recently, the BLS released a report on money spent for alcoholic beverages. In this release, it showed how much average households were spending on adult drinks: liquor, spirits, beer and other intoxicants. It seems logical that Americans across the country would act similarly; the best TV shows, social media sites, news channels, sporting events, and concerts are frequented by people everywhere; Facebook has over a billion daily active users. The point I'm trying to make is that many Americans across the country have the same interests. According to this BLS report, Americans don't all drink the same. San Francisco, the "City by the Bay," has always been known for its openness and friendly climate, and is a great place to visit. According to the chart below, it also appears to be a better place to imbibe, indulge and party than 95% of big American cities. Am I implying that whoever is spending the most money on booze parties the most? How could I? However, Dallas, which is known for its Cowboys, large estates and oil, may soon be recognized either as the city with the biggest drinkers, or the most expensive drinks. Even though the Dallas Cowboys haven't won the Super Bowl in 20 years, it certainly doesn't seem to keep the folks living in Dallas from celebrating, everything!

It's pretty clear to me that America is going to continue consuming alcoholic beverages in its quest for fun and levity. Regardless of the city you live in, one thing is for sure – Americans love to drink! What's that got to do with investing? If you followed the money, i.e. the brewers, distillers, and vintners, and invested into these stocks over, you would have made barrels of cash over the past 10 years.

Annual household expenditures for alcoholic beverages in selected metropolitan areas

Source: Bureau of Labor Statistics

City	Amount
Dallas	$744
San Francisco	$721
San Diego	$681
Seattle	$655
Minneapolis	$639
Philadelphia	$636
Boston	$619
Houston	$612
Washington, DC	$563
Cleveland	$557
Phoenix	$549
New York	$541
Chicago	$513
Detroit	$485
Los Angeles	$478
United States	$454
Baltimore	$450
Atlanta	$385
Miami	$375