



Alcohol Spend Still Stubbornly Low, Despite Rising Confidence Levels

by The IWSR Drinks Market Analysis, www.theiwsr.com

Consumers are still prioritizing household necessities over alcohol, despite early signs of improved financial confidence, and moderation is continuing to normalize, according to IWSR's latest tranche of Bevtrac consumer research.

Against a volatile political and macroeconomic backdrop, consumers are displaying tentative signs of strengthening financial confidence — but not enough to reverse ongoing declines in alcohol consumption in leading markets around the world.

According to the latest wave of IWSR Bevtrac consumer research, undertaken in 15 leading markets during September 2025, people are continuing to prioritize spend on necessities such as food and personal care over alcohol amid continued economic and inflationary pressures.

There are signs that the situation is beginning to stabilize, but recalled spend remains net negative, and even higher-income groups — traditionally more insulated from any downturn — are continuing to trim their budgets.

The research shows a clear disconnect: while financial confidence is trending positive versus a year ago pressures persist across the Americas and Europe in particular.

“Financial confidence is trending more positively in markets such as the U.K., the U.S. and Spain, but for the moment this improvement in confidence has not translated into positive momentum for TBA [total beverage alcohol] spend,” according to the report. “Higher-income consumers in 11 out of the 15 markets are trending negative in terms of their spend on alcohol, with the only major exceptions India and China, where only urban middle class consumers are surveyed.”

Gen Z and Millennials: mixed fortunes

Gen Z participation rates in alcohol are still rising versus two years ago but have largely stabilized over the past 12 months: in September 2025, 74% of Gen Z consumers were drinking alcohol, up from 72% in September 2023; over the same timescale, the cohort's participation gap versus all drinkers has narrowed from nine percentage points to three.

At the same time, Gen Z drinkers appear to be becoming more selective, with the average number of categories consumed per occasion dropping from 2.8 to 1.8 over the past two years.

Millennials too are streamlining their repertoires: while they remain the most likely group to be engaged with alcohol in the U.S., strengthening moderation attitudes have driven a reduction in the average number of categories consumed over the past year, from 6.3 to 5.9. According to the report 81% of Millennials reported drinking in the last six months in autumn 2025, down from 83% in spring 2025. This is the lowest rate of participation in beverage alcohol among Millennials ever recorded by Bevtrac.

In Brazil, Millennials' perceived worsening financial situation is curbing engagement, impacting sparkling wine and spirits especially, while French Millennials are increasingly shifting their attention from spirits and RTDs to wine.

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Distilled Spirits Council Awarded \$1.08 Million From USDA

The Distilled Spirits Council of the United States (DISCUS) has been awarded \$1,076,152 by the U.S. Department of Agriculture's (USDA) Market Access Program (MAP) to promote American spirits in international markets in 2026.

DISCUS' MAP initiatives aim to strengthen export opportunities for U.S. distillers and elevate the global visibility of American spirits, particularly American whiskeys, in priority international markets. Under the USDA-funded program, products distilled in the U.S. from at least 51% U.S. agricultural material are eligible to participate.

“Ongoing uncertainty in the global marketplace continues to create headwinds for U.S. spirits exporters,” said DISCUS Manager of Export Promotion Joel Matticks. “Our 2026 export promotions are designed to equip American distillers with the tools, connections and visibility they need to navigate these challenges and expand their footprint in key global markets.”

Through MAP, DISCUS plans to promote American spirits across a range of markets in 2026, including Germany, Poland, France, the United Kingdom, Japan, Taiwan and Australia.

DISCUS also continues to utilize the \$1.25 million in Regional Agricultural Promotion Program (RAPP) funding awarded in 2025 by USDA for use over a five-year period. These funds support and augment expanded programming in South America, India and Singapore.

DISCUS' nearly two-decade partnership with USDA through MAP and related programs has played a pivotal role in the growth of the U.S. craft distilling sector by helping small and mid-sized distilleries enter and compete in international markets.

For example, since 2024, the DISCUS export program has directly resulted in U.S. craft distillers securing at least \$18.5 million in new U.S. spirits exports. In just the past three years, the DISCUS program has supported over 45 U.S. distilleries through its programs. Overall, since DISCUS began participating in the program in 2006, total U.S. spirits exports have grown by nearly 189%, rising from \$831 million in 2006 to \$2.4 billion in 2024.

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