

## FACT SHEET

# Stopping Sticker Shock at the Grocery Store

## A Plan To Make Food Affordable

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Over the past few years, Americans have faced sticker shock at the grocery store. Following years of very moderate price growth, the price of groceries is up 30 percent since January 2020, and the typical family of four is now spending more than \$1,000 per month at the grocery store.

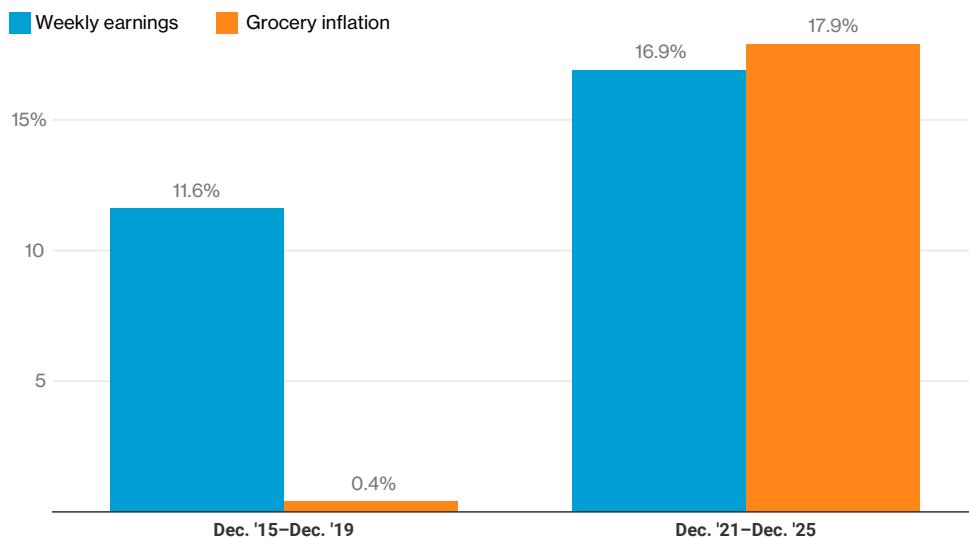
The Trump administration has only made groceries less affordable and agriculture more volatile since retaking office. The administration's policies on tariffs and immigration, and massive cuts to the Supplemental Nutrition Assistance Program, have driven up food costs for families and forced farmers to face higher costs for key inputs such as fertilizer and farm machinery while grappling with labor shortages resulting in disruptions in the agriculture industry. And this has taken place while American farmers and ranchers have navigated decreasing net farm income, contributing to a 46 percent rise in farmer bankruptcies from 2024 to 2025. Beef, fruits, vegetables, coffee, and cocoa were all made more expensive to import by Trump's tariffs, and recent polling shows that food affordability ranks as a top concern for households.

Recent price increases have not only outpaced overall inflation but also significantly eroded households' purchasing power at the grocery store. Over the long term since the 1960s, annualized wage growth was faster than grocery price growth, meaning that Americans could generally expect a typical paycheck to go further at the store. That trend—where wages grew faster than grocery prices—was a bedrock of the American middle class. But the 2021–2022 price spike ended that trend, as shown in Figure 1 below, meaning grocery prices rose so fast that they swallowed up increases in worker pay. The total change in earnings since December 2021 is only now about to match the total change in food costs, despite moderation in food inflation.

FIGURE 1

## Grocery inflation outstripped the growth in weekly earnings over the past four years

Total change in average weekly earnings for production and nonsupervisory workers and in the Consumer Price Index Food at Home series, December 2015–2019 and 2021–2025



*Note: The U.S. Bureau of Labor Statistics defines food at home as “total expenditures for food at grocery stores (or other food stores).” Data are seasonally adjusted.*

*Source: FRED, “Average Weekly Earnings of Production and Nonsupervisory Employees, Total Private,” available at <https://fred.stlouisfed.org/series/CES0500000030> (last accessed January 2026); FRED, “A Consumer Price Index for All Urban Consumers: Food at Home in U.S. City Average,” available at <https://fred.stlouisfed.org/series/CUSR0000SAF11> (last accessed January 2026).*

To lower costs at the grocery checkout while giving wages a chance to catch up with the price increases since 2019, the Center for American Progress proposes the following new strategy for food affordability. The CAP plan has three major components:

Provide immediate relief to households through a negotiated, temporary price cap on core grocery items to help wages catch up to food costs while ensuring farmers receive a fair price on these products. The federal government could establish a “Go-To Grocery List” and provide inflation protection so no costs go up for those items by incentivizing participation from different actors in the food system. This strategy would save the typical family of four an estimated \$134 per year on average while also ensuring producers receive their fair share of the food dollar on these essential goods.

Increase competition and protect consumers and producers from practices that drive up prices and limit choices. This includes addressing industry concentration, surveillance pricing and price fixing, and long-standing barriers to entry for new grocery store development and farmers.

Modernize U.S. agricultural policy to build resilience to prevent future price shocks. Bird flu, climate change-induced extreme weather, and world events such as pandemics and wars shock the worldwide food system, and all but the biggest actors in

the supply chain struggle to adjust. Strengthening local and regional food systems, modernizing crop insurance, and increasing credit access would help support more nimble, diverse supply chains and make farming more financially viable. In addition, renewed investment in research and development would increase crop yields and provide a more resilient food supply.

For more information about the Go-To Grocery List and policy recommendations on affordability and strengthening the U.S. food system, please see CAP's full report [here](#).