



The **infrastructure** for the **AI economy**

America Has too much Bourbon, but Who is Actually Drinking Less of It?

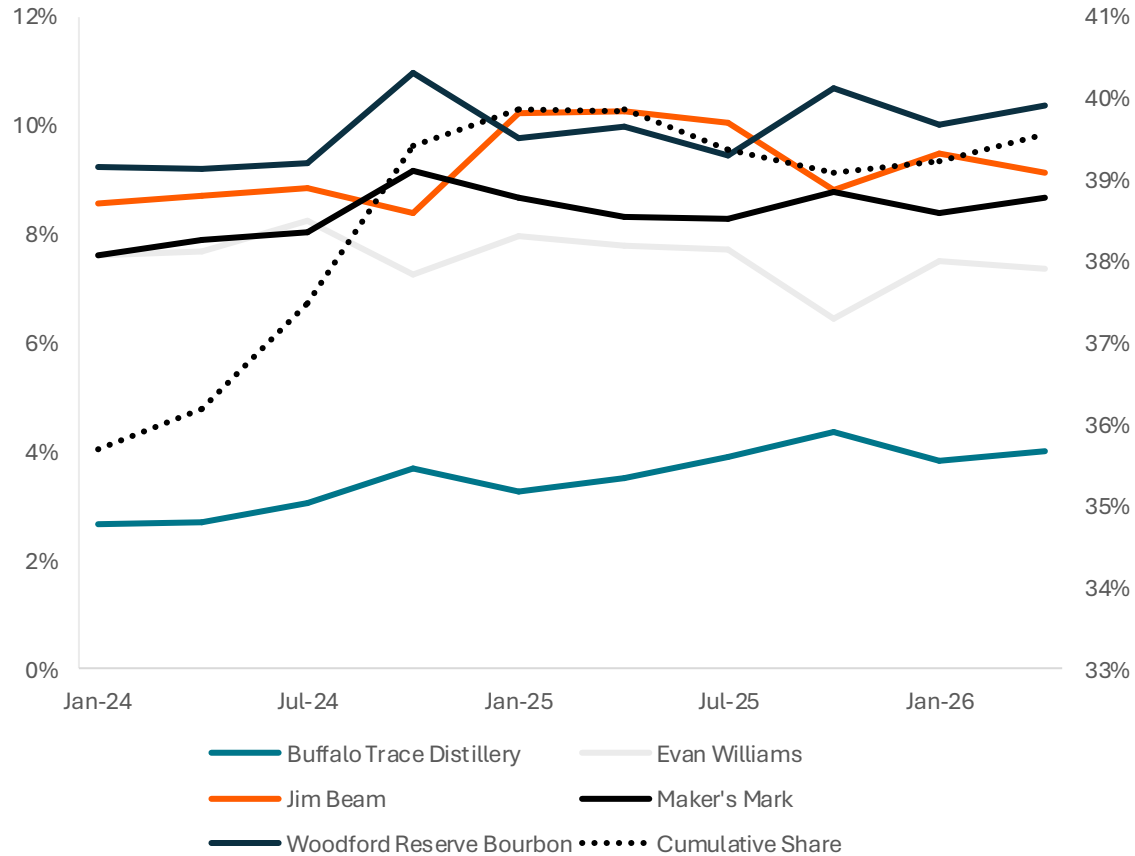
Earlier this month, the *Wall Street Journal* reported that bourbon manufacturers have their largest reserve ever and that Jim Beam has shut down production through the end of this year¹. Americans are drinking less, but who is driving that change?

1. **Jim Beam is losing whiskey market share** as Buffalo Trace and Woodford Reserve gain ground, driven by shifts away from Jim Beam's larger bottles and persisting despite increased advertising investment.
2. **Liquor store spend is declining year-over-year** even as bar spend holds steady and supermarket whiskey sales hit new highs, pointing to structural channel shifts in how Americans buy alcohol.
3. **Gen-Z unsurprisingly drove the post-Covid recovery in spending at bars, but older generations are driving the decline in liquor store spend.** Gen-Z has had the highest cumulative share of credit card spend allocated to alcohol categories since 1Q22.
4. **Gen-Z has held grocery alcohol spend nearly flat since 2023**, while older generations have pulled back by almost 10% over the same period.
5. **Gen-Z is pulling away from hard liquor**, shifting wallet share towards beer, cider, and wine while older generations increase their consumption of liquor relative to other categories.
6. **GLP-1 use correlates with lower baseline alcohol spend but is not driving the decline**, with downward trends in alcohol consumption consistent across DMAs with different GLP-1 prescription frequencies.

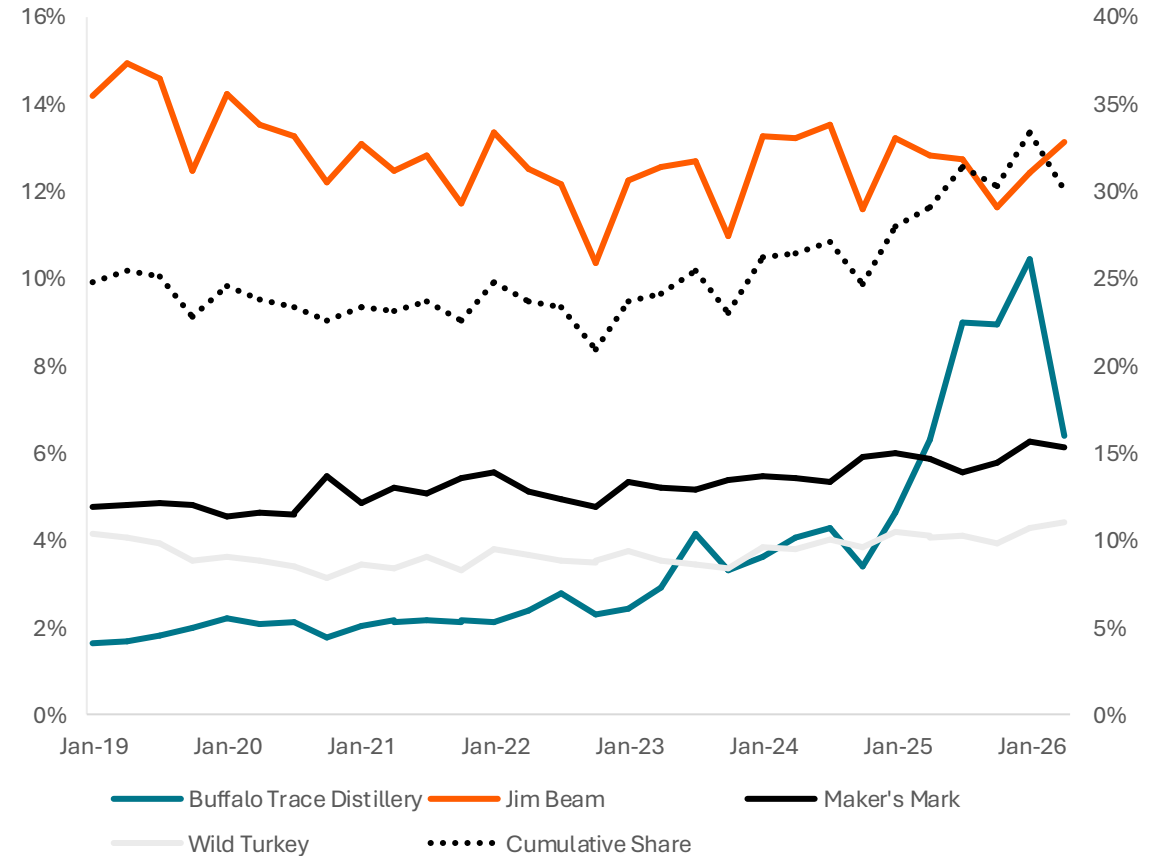
Bourbon Has Gained Share. Jim Beam Hasn't.

Jim Beam's share of whiskey spend at liquor stores is below early-mid 2025 levels and its share of spend at supermarkets is below 2024 and pre-COVID levels. Woodford Reserve and Maker's Mark have steadily gained share, while Buffalo Trace surged at supermarkets in 2025 as the official whiskey partner of Major League Baseball, with ads featuring Chris Stapleton.

Share of Whiskey Spend at Liquor Stores



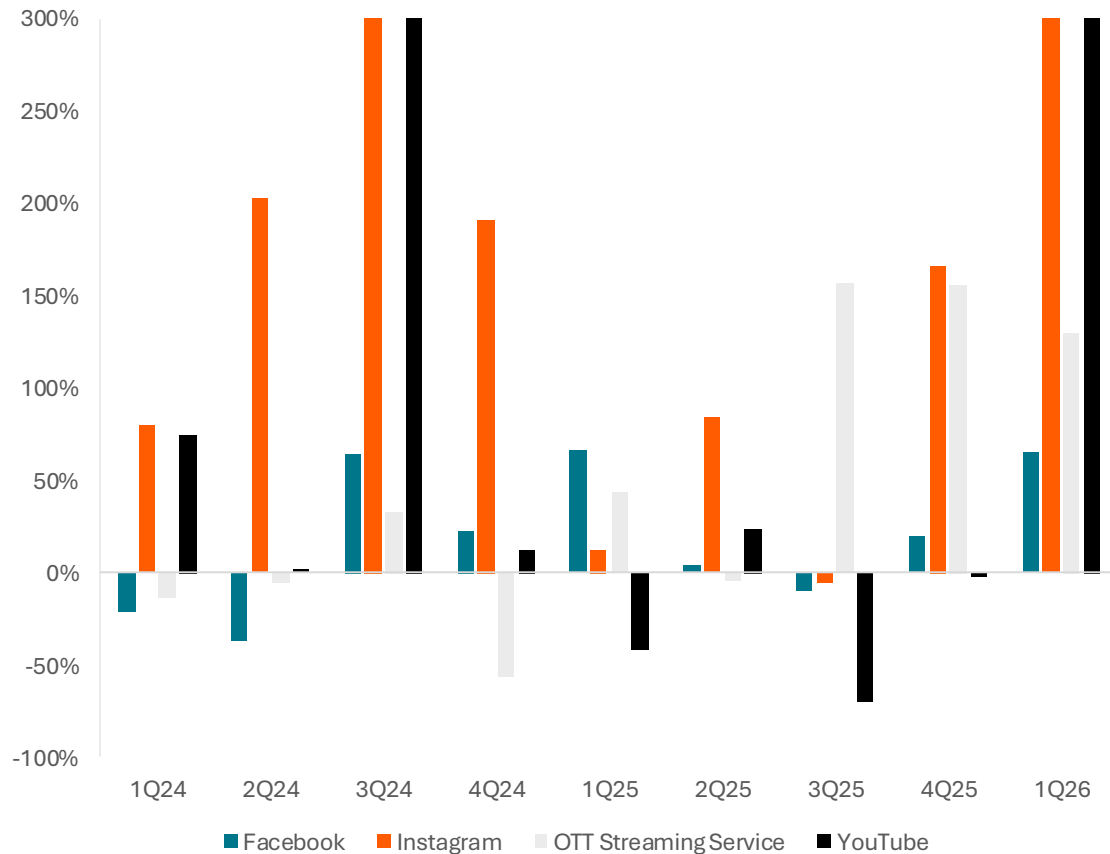
Share of Whiskey Spend at Supermarkets



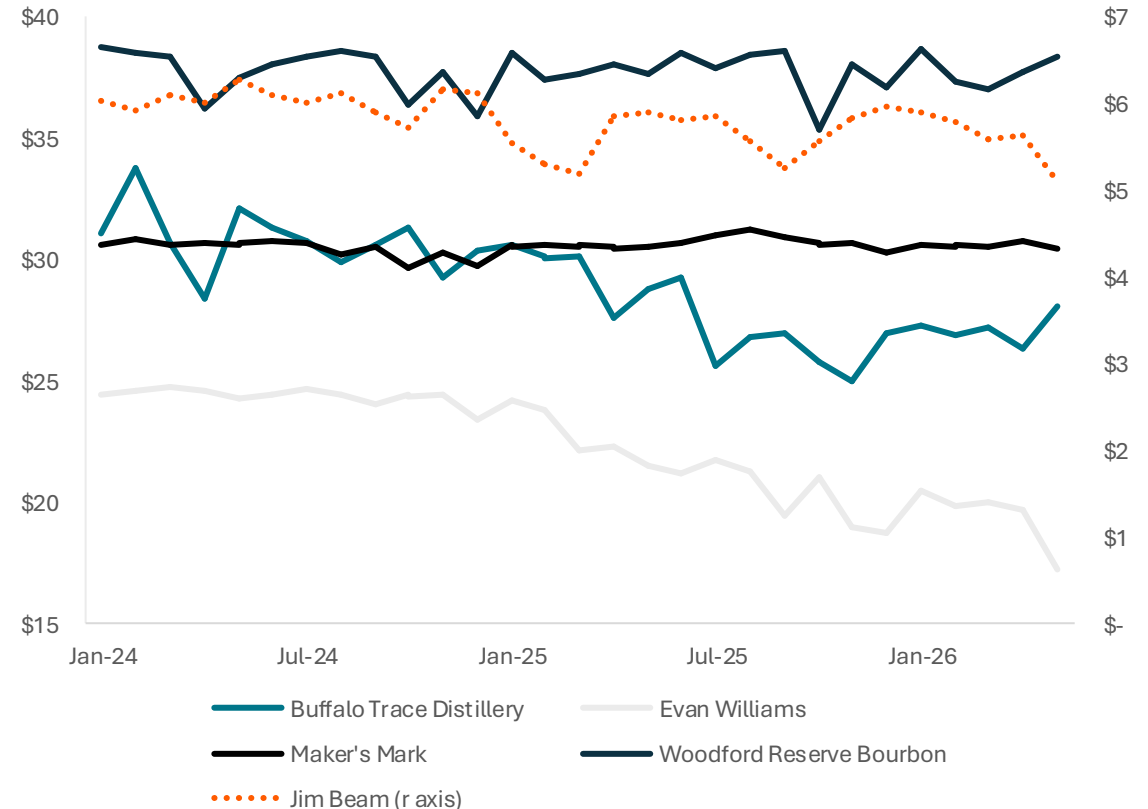
Ad Spend and Pricing Further Indicate Demand Slide

Jim Beam's average sale price fell 6-7% from April 2024 to April 2026 and is down 19% over the 2 years ending in May, indicating demand is primarily falling or flattening with larger bottle sizes, vs. nip sizes and half-pints. Jim Beam is accelerating digital ad spend at the same time, but the increased investment isn't translating into share growth.

Jim Beam Digital Ad Spend YoY Growth by Platform



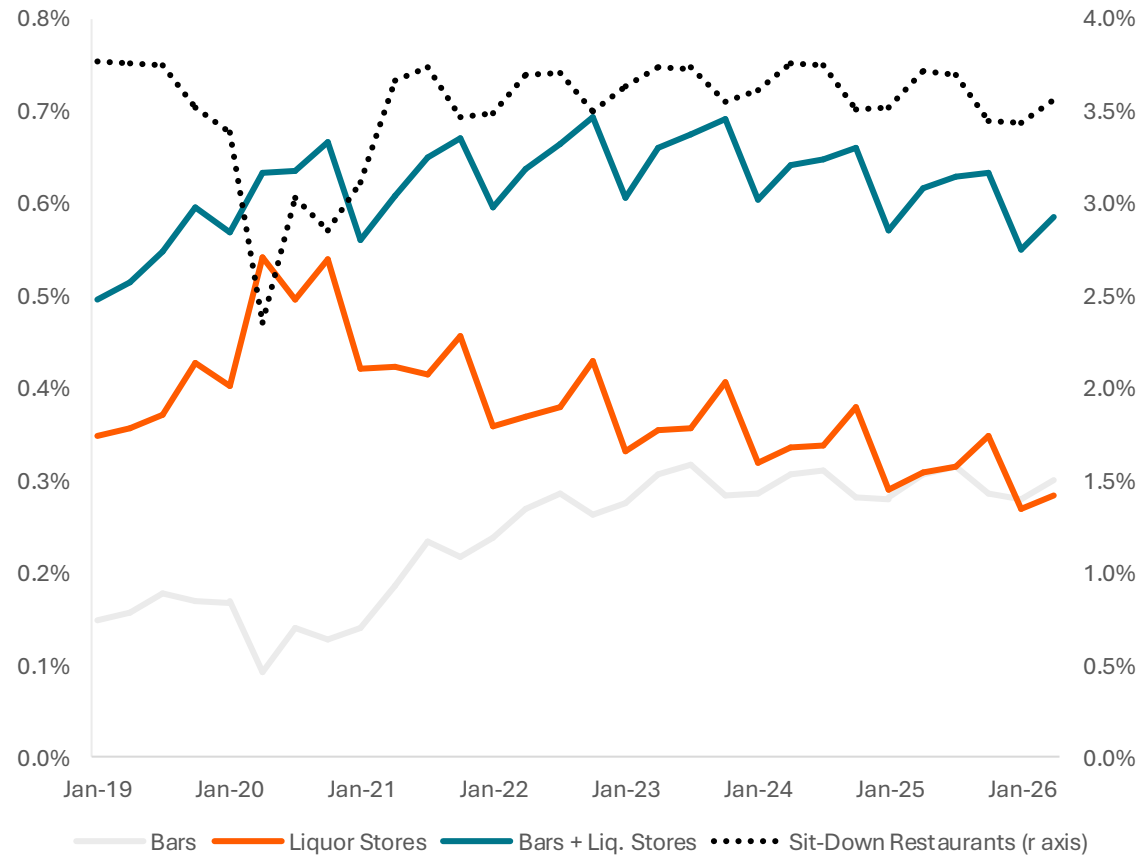
Average Purchased Item Price, Liquor & Convenience Stores (Jim Beam on right axis)



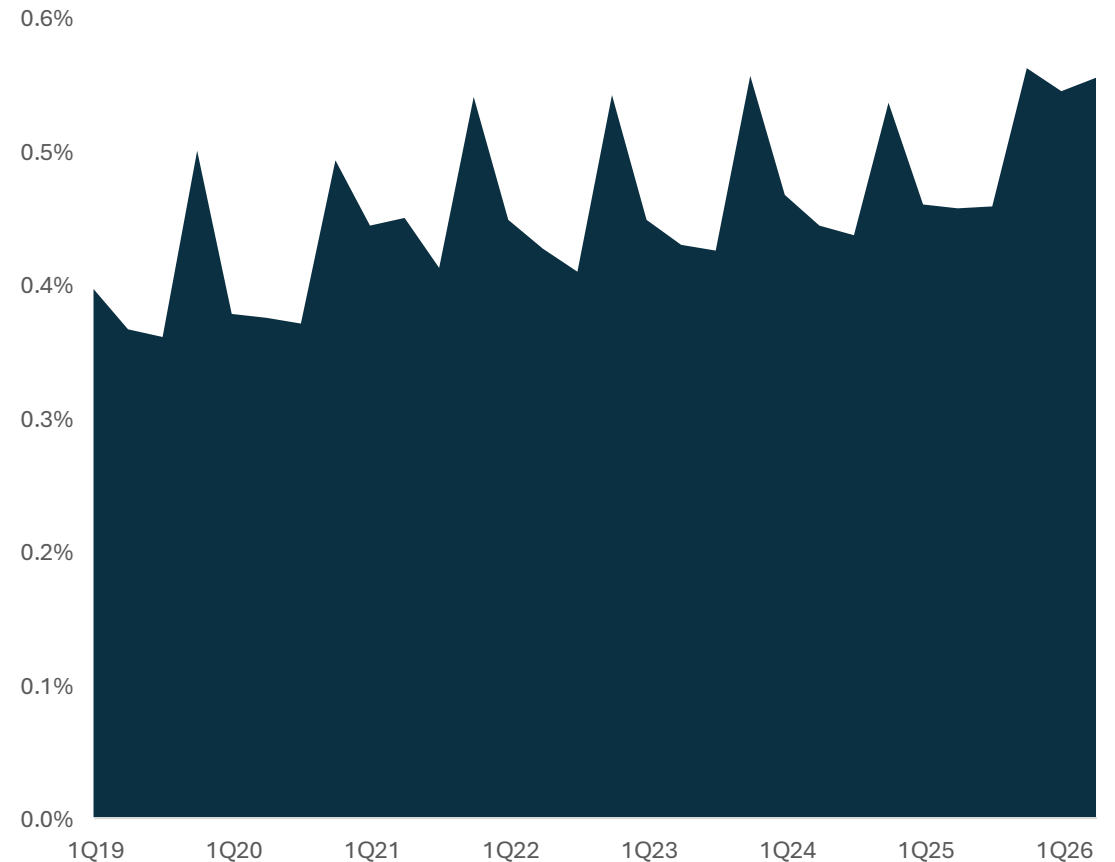
Alcohol Spend is Falling, but Also Experiencing Channel Shifts

Consumers' share of spend at liquor stores is gradually declining, with spend at bars and restaurants consistent post-Covid, but spend on whiskey at supermarkets hit an all-time high in 4Q and remained elevated after the holidays, suggesting structural changes in how consumers buy alcohol.

Credit Card Spend Share by Category



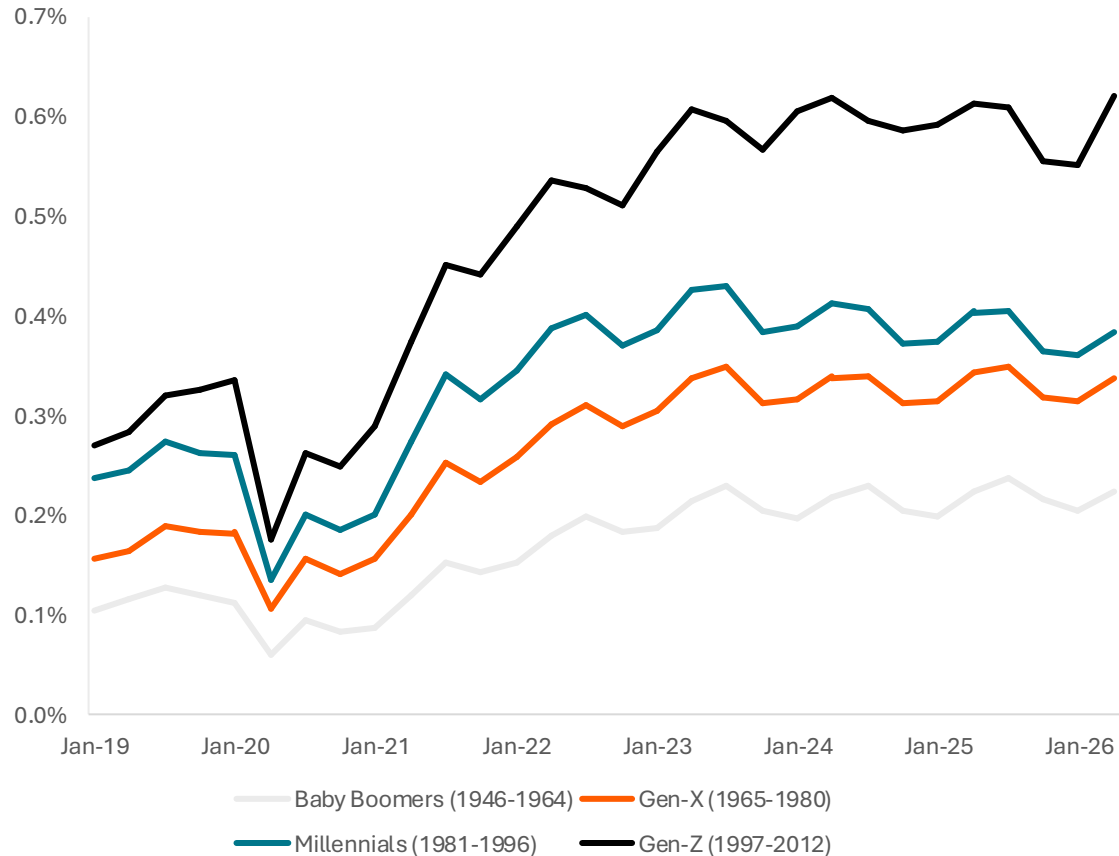
Whiskey Share of Supermarket Spend



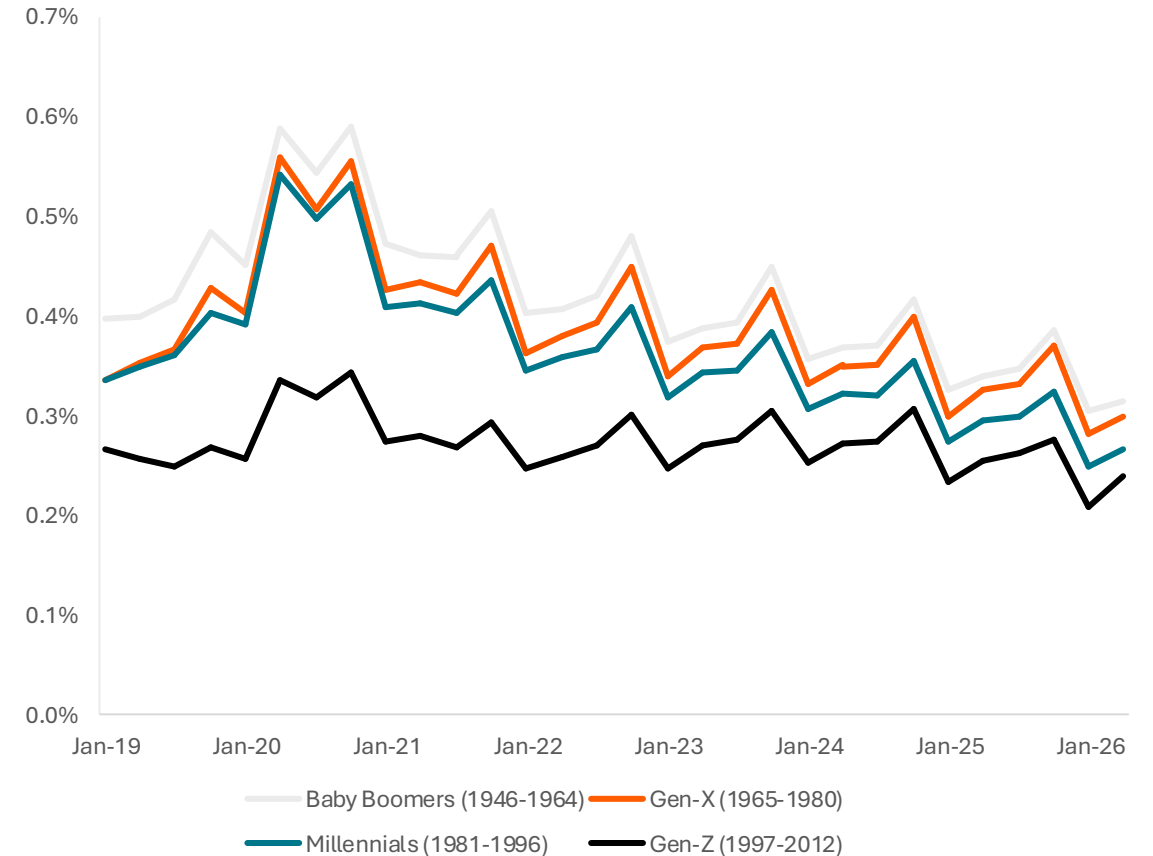
Gen-Z is Spending More, not Leading the Decline

Gen-Z consumers allocate a much larger share of their credit card spend to bars while spending slightly less at liquor stores vs. older generations. But the liquor store decline isn't just Gen-Z aging in – older cohorts are spending less each year too.

Credit Card Spend Share at Bars



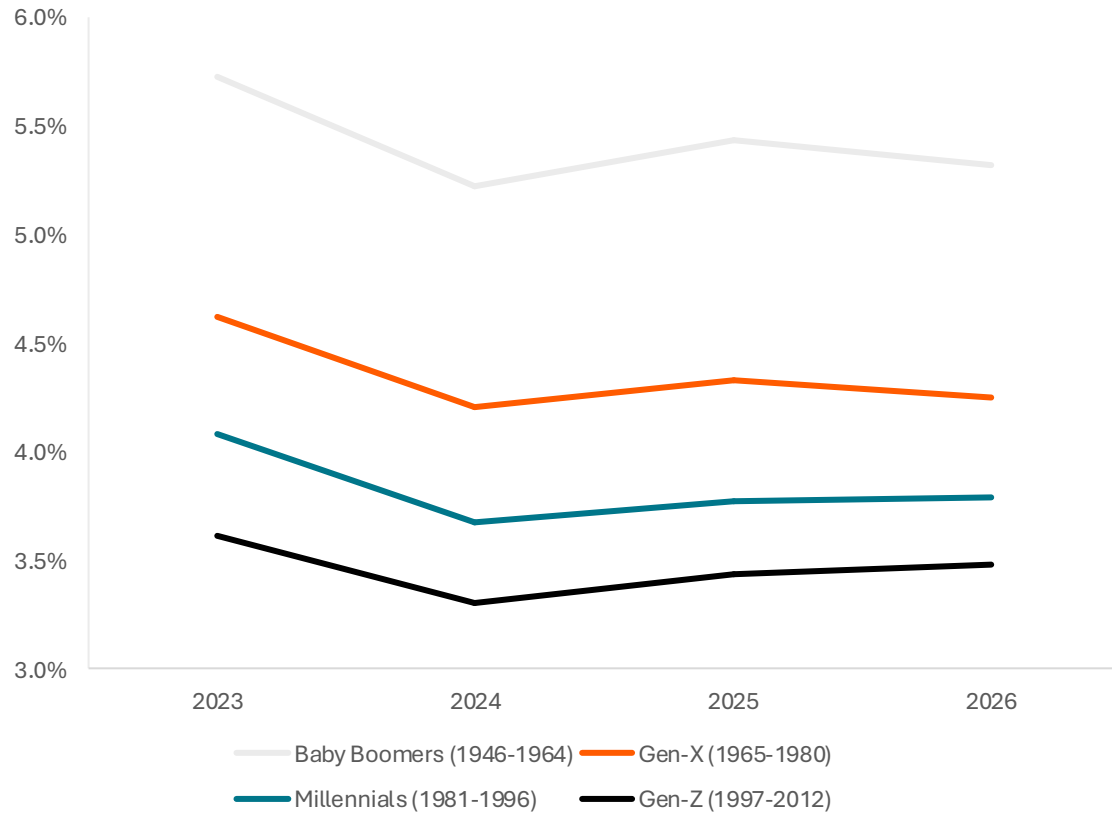
Credit Card Spend Share at Liquor Stores



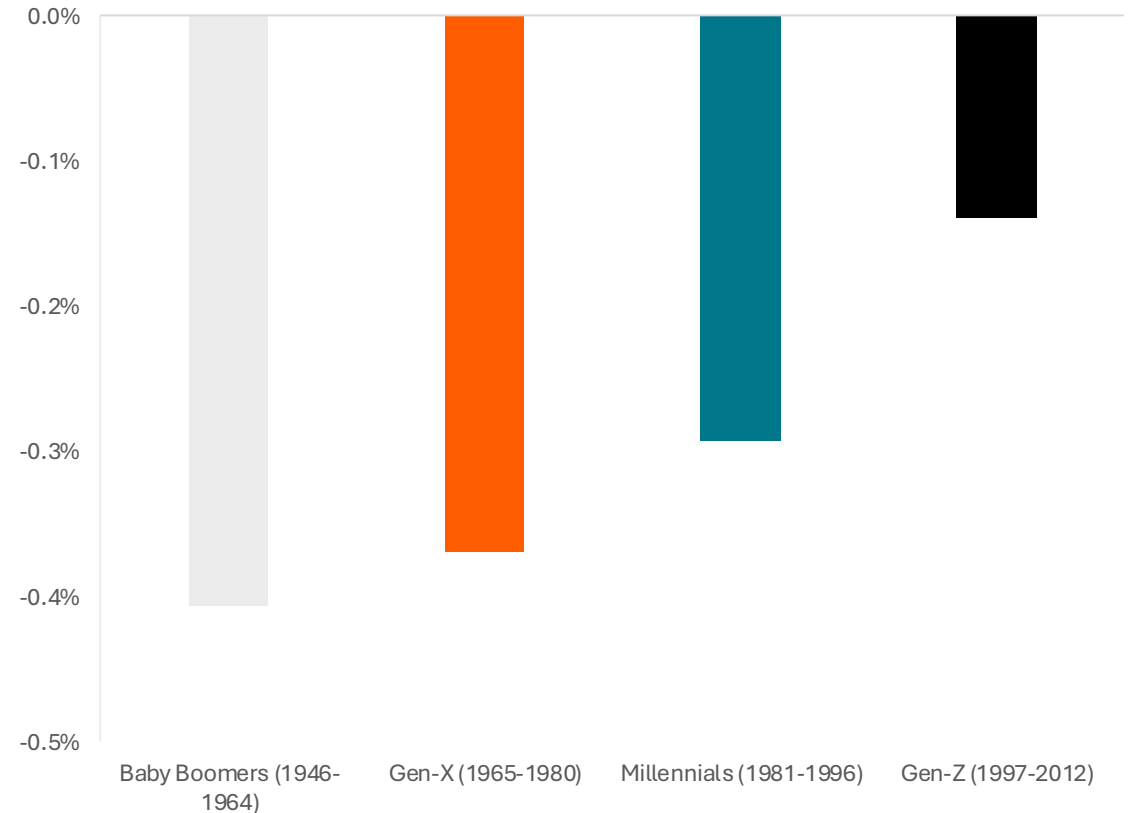
Gen-Z Buys Less Alcohol while Grocery Shopping but Spend Stable Since 2023

Gen-Z has kept spend almost constant since 2023, as the only cohort to increase spend YoY in both 2025 and 2026. Other generations have cut alcohol spend by nearly 10% since 2023.

Alcohol Share of Food, Beverage, and Tobacco POS Spend by Demographic – January-April



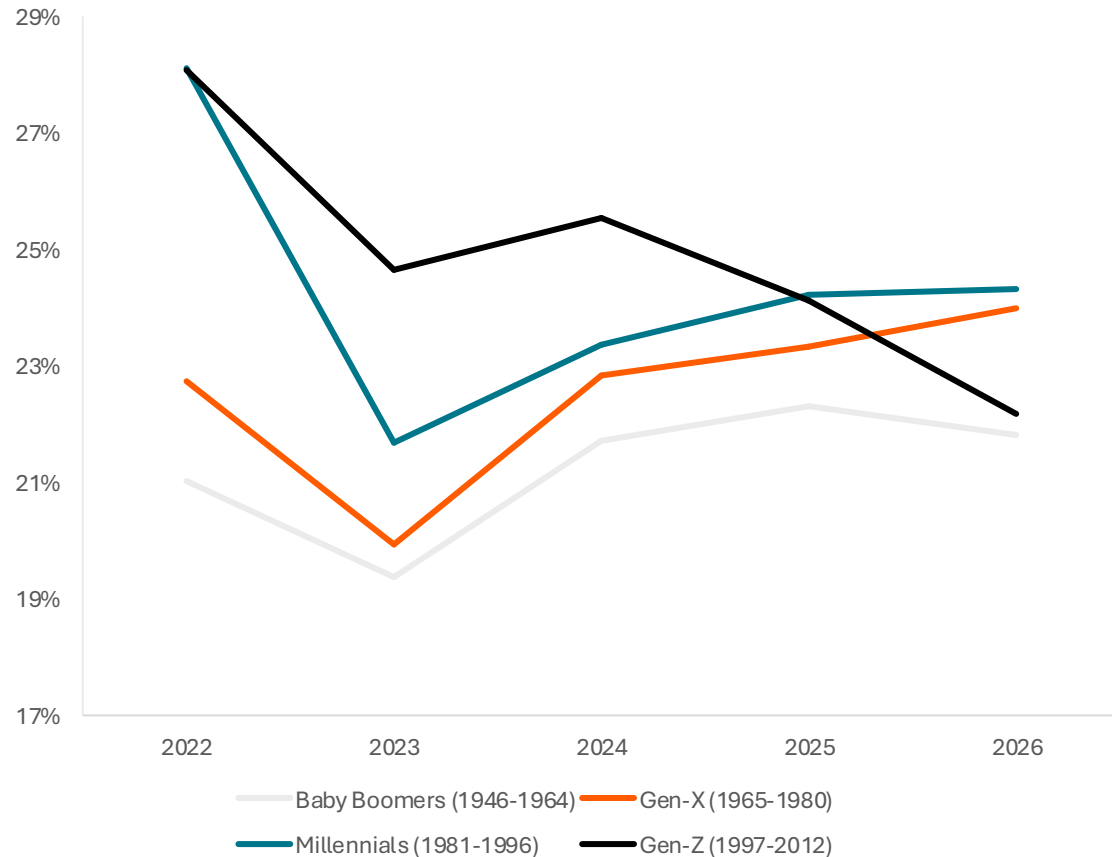
2023-2026 Change in Alcohol Share of Food, Beverage, and Tobacco POS Spend (pp)



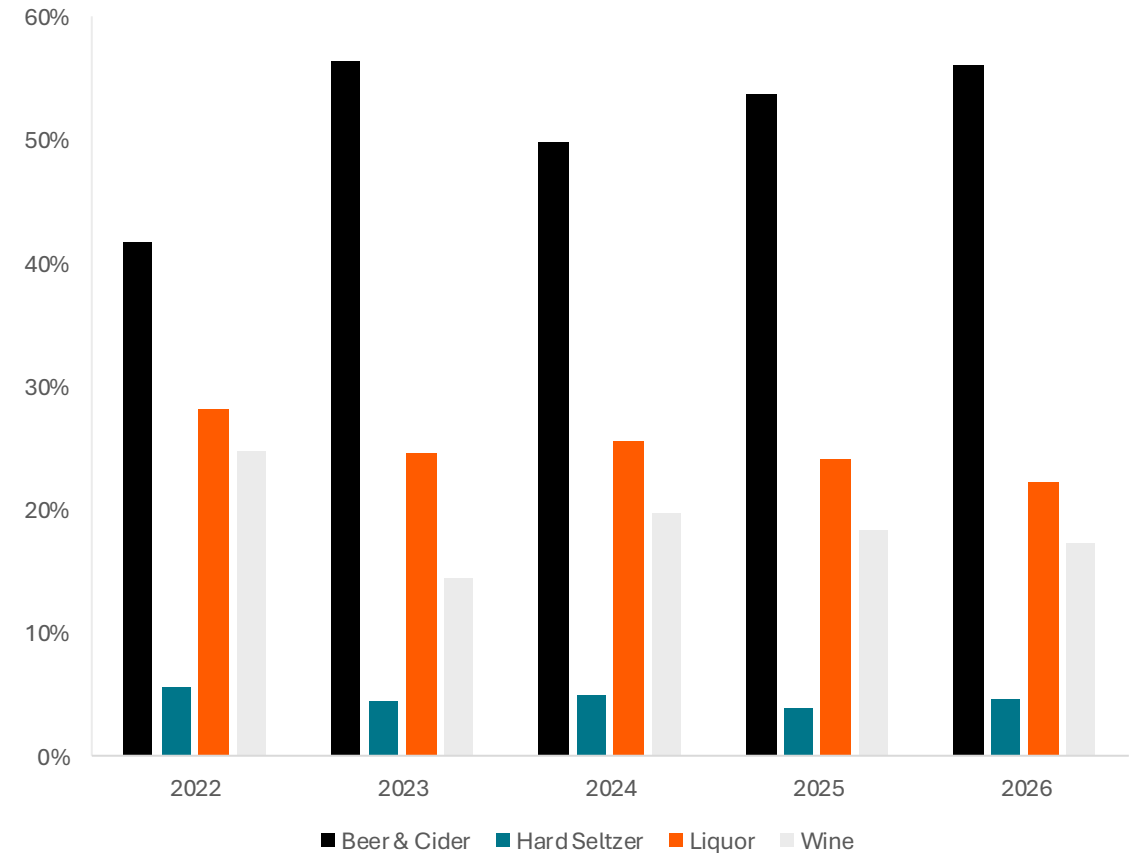
...But They're Moving Away from Hard Liquor

Gen-Z's share of spend on liquor has fallen from 28% in 2022 to 22% in 2026, trending from the highest to the nearly-lowest-spending generation in just 4 years. Spend has shifted towards beer, cider, and wine; spend on hard seltzer is also down.

Liquor Share of Alcohol Spend



Gen-Z Alcohol Spend by Category



GLP-1 Use Correlates with Lower Consumption, but Not Changing Trends

Consumers in the DMAs with the highest frequency of GLP-1 prescriptions put less alcohol into their basket, but alcohol spend is in decline even in areas with lower GLP-1 usage.

Alcohol Share of Food, Beverage, and Tobacco POS Spend by DMA GLP-1 Consumption

