

# Inside America's \$147 billion love affair with pets

**This National Pet Day, find out how pet spending compares with other household items (spoiler: we often put our pets above ourselves)**

By Marshall Terrill , ASU News  
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National Pet Day may come wrapped in cute photos and heartwarming tributes, but behind the celebration is a multibillion-dollar economic force.

Americans are expected to spend roughly \$147 billion on their pets this year, a figure that reflects not only affection but also shifting consumer priorities and financial habits.

For [Jose A. Jurado](#), a senior research economist with Arizona State University's L. William Seidman Research Institute, the numbers tell a more nuanced story than the headlines suggest.

While the pet industry is large and steady, its growth has tracked closely with broader household spending patterns, challenging the idea that pet care is dramatically outpacing other categories.

The real story, he suggests, lies in how and why families are choosing to allocate their budgets.

Jurado said pet owners view their animals like children, a mindset that helps explain the rise in premium food, specialized veterinary care and insurance coverage.

Even when budgets tighten, many households rank pet expenses above their own discretionary spending, underscoring the emotional weight behind the dollars.

Here, Jurado breaks down what [National Pet Day](#) reveals about inflation, resilience in consumer behavior and the future of the pet market in a changing economy.

**Question: National Pet Day feels sentimental, but it reflects a \$147 billion industry. What economic forces have turned pet ownership into such a powerful driver of consumer spending?**

**Answer:** Business executives often highlight the sheer size of the pet industry, but the growth story is somewhat more modest when placed in context. According to the Consumer Expenditure

Survey, spending in this category grew at about 4.5% annually between 2021 and 2024 on a dollar basis. That is slightly faster than some broad inflation measures, but it actually lags behind several major consumer categories. Over the same period, spending on food grew around 7% annually, alcoholic beverages about 5%, housing roughly 5.1%, and apparel about 4.4%. In other words, pet spending has grown steadily, but not dramatically faster than the rest of household consumption.

**Q: There's been a shift toward "premiumization" — organic food, GPS trackers, specialized veterinary care. What's behind consumers' willingness to spend more on pets, even during periods of economic uncertainty?**

**A:** First, according to a recent Harris Poll, 82% of pet owners say they view their pets like their own children. If that is how people see them, it is not surprising that providing good care becomes a priority — including setting aside money in the household budget for food, vet visits and other expenses.

Second, even the cohort that spends the most on pets, Gen Z, spends about \$6,000 per year on average. That may sound like a lot at first glance, but it's modest compared with the cost of raising children. If we take these survey responses at face value, then pet spending starts to look less like extravagance and more like a reflection of the role pets occupy in many households today.

Pet spending appears remarkably resilient, even when households cut back elsewhere.

**Q: What does that tell us about how Americans prioritize their budgets and view their pets?**

**A:** Drawing again from the Harris Poll, about 60% of younger adults — especially Gen Z and millennials — say they prioritize spending on their pets over spending on themselves. That suggests that when household budgets tighten, pet expenses are likely among the last items people cut back on. Families will usually reduce other discretionary spending first before scaling back what they spend on their animals.

Around 70% of respondents report having a separate budget specifically for their pets. The importance many households attach to their furry friends is also reflected in the fact that about 30% of pet owners report carrying some form of pet-related debt.

Taken together, these priorities show up in broader spending patterns. Across all consumers, spending on pets has roughly kept pace with inflation, while several other discretionary categories, such as entertainment and hobbies, have either trailed inflation or even declined in dollar terms between 2021 and 2024. In other words, while many households have trimmed other nonessential spending, pet expenditures have proven resilient.

**Q: Looking ahead, where do you see the biggest growth opportunities in the pet industry — and are there signs the market could eventually level off?**

**A:** If we look at inflation-adjusted pet spending per household, the pattern is less dramatic than the nominal figures suggest. In real terms, spending reached peaks around 2017 and again in 2023. The most recent observation — 2024, the latest year available in Federal Reserve Economic Data — still falls slightly below the 2017 peak once adjusted for inflation. Put differently, much of the apparent surge in pet spending over the past few years reflects higher prices rather than a large change in the quantity of goods and services households consume for their pets.

That said, the composition of pet spending may still evolve as millennials and Gen Z account for a growing share of pet owners. These cohorts tend to allocate relatively more toward discretionary categories, such as pet insurance, clothing and training services.

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## **Pets on parade: Check out more furry friends from the W. P. Carey School of Business**

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*This story originally appeared on [ASU News](#).*

### **Main image**



Jose A. Jurado plays with one of his three rescued cats, Odin, at his home in Phoenix. Jurado is a senior research economist at the Seidman Research Institute. He and his wife help care for neighborhood feral cats — feeding, spaying and neutering them. Photo by Charlie Leight/ASU News

### **Gallery**



Clinical Assistant Professor Ryan Kota, in ASU's Department of Marketing, plays with his five-year-old Siberian husky, Sasha, at Los Olivos Park in Phoenix. Kota says he has always wanted a husky and was drawn to Sasha as a puppy because of her dichromatic eyes.





Clinical Associate Professor Maria Rykaczewski, with the School of Accountancy, poses with the family rabbit, Boaty, at their Tempe home. Rykaczewski fosters rabbits for the Arizona Humane Society; her family became so attached to Boaty while fostering her that they decided to adopt her. She got the name Boaty because she sometimes has one ear standing upright and the other leaning in, resembling a sailboat.



David Hoffman, an associate teaching professor of finance, tends to some of his donkeys, goats, sheep and miniature cows on his five-acre residence in Queen Creek. Hoffman also has an aviary with turkeys, chickens, geese, pheasants and parrots — as well as dogs and cats who live inside the house.





Clinical Associate Professor Iryna Printezis, in the Department of Supply Chain Management, poses with her 14-year-old Chihuahua, Chilly, at their Gilbert residence. Chilly has been featured as a dog model on the PetSmart website, showcasing various products and services.