

Pet Spending Expected to Top \$43 Billion in 2008

The American Pet Products Manufacturers Association predicts the pet industry will grow by 5.5 percent this year.

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During last week's Global Pet Expo in San Diego, the American Pet Products Manufacturers Association predicted that the pet industry will grow by 5.5 percent this year.

Americans will spend \$43.4 billion on pets in 2008, the American Pet Products Manufacturers Association (APPMA) estimates — more than double what they spent a little more than a decade ago. Fueling that growth are high-end product and service purchases, such as pet spas, daycares, and luxury gifts for dogs and cats, according to the association. Another fast-growing segment is pet health insurance.

"Our pets are being treated like members of the family," said Bob Vetere, president of APPMA. "Pet owners want to protect themselves and their pets against unexpected medical expenses."

More than 2 million pet owners currently have a pet insurance policy. By 2010, however, APPMA estimates that 5 to 7 percent of all pet owners will carry a pet insurance card. The aging baby boomer population is filling their homes with pets as kids move on and out, building their own families, a trend which is contributing to the change in the pet industry, Vetere said.

"For empty-nesters, pets are filling a void in their lives, and they're showing their appreciation to their pets," he said.

Despite concerns of an economic slowdown as Americans spend more cautiously, the pet industry appears somewhat insulated from recession talk, the association said. "Pet owners and the companies providing pet products and services show no sign of letting up," Vetere said.

Total Projected Pet Industry Spending Predicted by APPMA

Category	2007 Actual	2008 Estimate	% Growth					(\$ Billion)	(\$ Billion)
2008 vs. 2007								Supplies/ OTC Med	9.8
10.3	5.5	Food	16.2	16.9	4.2			Live Animal Purchases	
		Veterinary Care		10.1	10.9	8.5		Total	41.2
2.1	2.1	Other Services		3	3.2	6.9			
43.4	5.6								

SOURCE: The American Pet Products Manufacturers Association