



Fact Sheet: Pennsylvania and Border States Wine & Spirit Price Comparison Analysis

Introduction

The Pennsylvania Liquor Control Board (PLCB) is the exclusive wholesaler and retailer of wine and spirits in the commonwealth. Pennsylvania is one of only two states in the nation with a full-government monopoly over such sales. The state legislature is currently considering removing government from the business of selling alcohol, allowing the state to concentrate on its enforcement role, permitting private stores to sell wine and liquor, and allowing consumers to make buying decisions free of government control. Questions have arisen about current prices in Pennsylvania compared to bordering states and whether the currently monopoly system provides better prices for residents.

While several price comparisons exist, few comparisons have large data samples. This analysis seeks to offer a broader sampling of prices for wine and spirits. The Commonwealth Foundation looked at prices for the best selling wine and spirits products (50 each) in Pennsylvania and in each of its bordering states.

Summary

Average wine prices were **lower in all six border states**, from an average of 20 percent lower in Maryland to 3 percent lower in New Jersey; but ranged more than 25 percent lower for ultra premium wines in Ohio. Average prices for spirits were lower in Ohio, Delaware, and Maryland, but higher in West Virginia, New York, and New Jersey. Whether prices in comparison states were higher or lower than Pennsylvania generally transcended price categories.

Price Comparison Results (includes state sales taxes)						
Avg. Wine Prices Compared to PA, Top 10 Selling PLCB Products per Price Category						
Price Category	Ohio	Delaware	West Virginia	Maryland	New York	New Jersey
Ultra Premium	-25%	7%	0%	-16%	-2%	1%
Super Premium	-3%	-1%	-9%	-9%	-5%	5%
Premium	-7%	-6%	5%	-29%	-21%	-11%
Standard	-5%	-12%	-15%	-22%	-12%	-7%
Value	-9%	-11%	-13%	-23%	-13%	-1%
Average	-10%	-5%	-6%	-20%	-11%	-3%
Avg. Spirit Prices Compared to PA, Top 10 Selling PLCB Products per Price Category						
Price Category	Ohio	Delaware	West Virginia	Maryland	New York	New Jersey
Ultra Premium	-10%	-10%	8%	-4%	2%	3%
Super Premium	5%	-4%	13%	-12%	5%	8%
Premium	-6%	-10%	9%	-11%	10%	11%
Standard	-4%	-13%	9%	-16%	7%	12%
Value	1%	-8%	15%	-3%	14%	11%
Average	-3%	-9%	11%	-9%	8%	9%

Prepared by Commonwealth Foundation, www.CommonwealthFoundation.org

Methodology

Using sales data provided by the PLCB, the Commonwealth Foundation identified the top 10 best-selling wine and spirit products in each of the PLCB's five price categories (i.e., ultra premium, super premium, premium, standard, and value). A total of 100 products, in standard 750 ml bottles, were compared. Pennsylvania prices were identified from the PLCB Product Price List available online.

Between July 25 and August 2, 2011, Commonwealth Foundation staff and summer fellows collected prices at 21 locations in Ohio, Delaware, West Virginia, Maryland, New York, and New Jersey. Each store selected was within 20 miles of the Pennsylvania state line. The Commonwealth Foundation collected off-the-shelf price information for each of the 100 identified products, if available, in each of the 21 stores. Locations sampled include wine and liquor retail stores, grocery stores, convenience stores, gas stations, and "big-box" retailers.

State sales taxes, if applicable, were added into each product's total cost. Averages were calculated by first determining the mean difference for each product compared to each bordering state. Price category averages represent the average difference of all products in the price category. Total average represents the average price difference for all products surveyed in bordering states. This was completed for both wine and spirit products.