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Americans Won't Splurge on Beer. How Great Breweries Are Keeping Prices Down Now.

Why do people pay vast sums for wine or whiskey, but balk at pricey beers? Meet the beer makers who are threading the needle between affordability and innovation.

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Because it lacks the longevity and cachet of vintage wine or whiskey, pricey beer is a hard sell.

Key Points

What's This?

- Craft breweries are innovating to stay competitive amid rising costs and competition from other beverage companies.
- Breweries are cutting costs without sacrificing quality, such as using lower-priced hops or consolidating operations.
- Some breweries are expanding beyond beer to include hard kombucha and soda to increase revenue.

When it comes to booze budgets, people will spend vast sums for vintage wine and bourbon—no string of zeros seems too long. Yet despite craft beer's decades-long ascendance, there remains a ceiling to how much even the geekiest IPA aficionado will shell out for a brew. "Beer is [still] considered a commodity," said Justin Catalana, CEO and co-founder of Fort Point Beer Co. in San Francisco. "People talk about a six-pack's cost the same way they do a carton of eggs."

What's the reasoning? Partly it's a function of beer's populist roots. "Beer is typically an affordable luxury," said Leah Wong Ashburn, president and CEO of Highland Brewing in Asheville, N.C. Working men could expect a little cash would buy a cold lager after a long day's labor.

Also, unlike a bottle of 23-year-old Pappy Van Winkle bourbon (retail price: about $4,000), a bottle of beer rarely increases in value with age. Over time, its optimal flavor degrades, and many brews are stamped with best-by dates that extend just 90 or 180 days.

Raising Quality—and Prices

Nearly 50 years ago, American craft breweries began transforming the beer industry by offering full-flavored counterpoints to mass-produced lagers that aimed low for both flavor and cost. Brewers found customers were willing to pay a little more for something different. By the mid-2010s, prices surged as drinkers clamored for newfangled hazy IPAs. They waited in line for hours, even overnight, to spend around $16 (and sometimes more) for four-packs of 16-ounce cans.

Now hazy IPAs are grocery store staples. At this point, brands become "substitutable," said Kaleigh Theriault, director of beverage alcohol thought leadership at NIQ. And lower prices always win out—which means ambitious breweries have to work that much harder to stay competitive.

Though the total number has dipped slightly, in 2024 America still had 9,861 craft breweries vying for sales. Compounding the challenge is the rise of nonalcoholic beverages, cannabis and canned cocktails, not to mention slumping sales and climbing costs of labor, rent and raw materials. The prospect of tariffs, whatever form they take, also darkens the economic horizon.

Innovating and Adapting

To stay afloat amid choppy economic waters, craft breweries are realizing they must cut costs but not quality.

Bryan Duncan knew he needed a less expensive IPA at Nocterra Brewing Co. The Powell, Ohio, brewery's Beta Flash hazy IPA is popular, but its price—$13.99 per six-pack—stands several dollars higher than competitors' offerings. "Everyone is pretty price-sensitive," said Duncan, a co-founder. "We decided to make something that tasted better than its price point."

To engineer another cheaper-but-not-cheap-tasting IPA, the company looked to pungent hops, such as dank, grapefruit-heavy Strata, that deliver more "punch per pound," Duncan said. Brewing the resulting beer, Ripstop, which was released last year, uses less than half as many hops per batch as Beta Flash, which helped Nocterra drop its six-pack to $11.99. "It hits the price point and our margin," Duncan said.

In April, Fort Point merged with HenHouse Brewing of Santa Rosa, Calif., consolidating brewing operations and sales and marketing teams. "We're financially more secure together than apart," said Catalana, who is now the CEO of Fort Point HenHouse.

Smaller breweries lack purchasing power and pay more for raw materials. In 2024, Eric Ruta, founder and owner of Magnify Brewing Co. in Fairfield, N.J., created the Craft Brewery Purchasing Organization that bands together around 150 breweries. They pay $500 for membership, and Ruta negotiates lower prices for hops, labels and more. "Our average member saves $40,000 annually," Ruta said, adding that Magnify saves $100,000.

Supply-chain spikes and disruptions can also wreak havoc on bottom lines. Craft 'Ohana, parent company of Maui Brewing Co. in Hawaii, maintains a solar array and equipment to capture and repurpose carbon dioxide freely produced during fermentation. Such sustainability initiatives will create "millions of dollars of savings over the lifetime of the company," said CEO Garrett Marrero.

But sometimes, even belt tightening and well-made, well-priced beer are not enough to balance the bottom line. Economic survival means expanding beyond beer. Left Hand Brewing Co., which owns its building in Longmont, Colo., now produces hard kombucha and organic soda for outside companies. And in April, the brewery merged with Dry Dock Brewing Co. of Aurora, Colo., to produce and sell its beers. Said Eric Wallace, Left Hand's CEO: "We have to find a path to exist over generations."

Beers That Crack the Code on Quality and Cost

1 | An Affordable Craft Pils

[Threes Brewing Vliet (5.2% ABV)]

Brewing at scale in New York City is pricey, so this Brooklyn outfit contracts some production out to Hendler Family Brewing Co. in Framingham, Mass. 12-packs of their clean, herbal Vliet pilsner debuted in March. *4 (16-ounce) cans, $17*

2 | A Boozy Bang for Your Buck

[New Belgium Brewing Voodoo Ranger Juice Force IPA (9.5% ABV)]

In March, New Belgium released its high octane IPA in eight-packs of petite 7.5-ounce cans. Dubbed "Mini Rippers," they're ideal for quick sips and sharing with friends. *Eight (7.5-ounce) cans, $10*

3 | The Smart Supply-Chain Ale

[Allagash Brewing White (5.2% ABV)]

In 2016 this Portland, Maine, brewery asked local farmers to grow barley, helping save on freight. Now they use nearly 2 million pounds of Maine grain a year, primarily in their White, a summery wheat ale. *12 (12-ounce) cans, $21*

4 | The Bulk-Buy

[Hi-Wire Brewing Hi-Pitch Mosaic IPA (6.7% ABV)]

This Asheville, N.C. brewery sells 16-ounce cans of its citrusy IPA in mega 6- and 12-packs. Offering more liquid at an enticing price boosts sales, which offsets any margin loss, says CEO Adam Charnack. *12 (16-ounce) cans, $21*

5 | The Cooler-Filling Lager

[10 Barrel Brewing Pub Beer (5% ABV)]

A no-frills recipe and a move to lower net revenue per barrel helped this Bend, Ore., craft brewery increase sales volume of its crisp, floral lager nearly 500%. No wonder they call it "cheap fun." *18 (12-ounce) cans, $15*

—Prop and Food Styling by Liberty Fennell