

Lecture 3 - Intertemporal Optimization

UCLA - Econ 102 - Fall 2018

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Consumption (Source: CEX - BLS)

Item	2013	2014	2015	Percent change	
				2013 - 2014	2014 - 2015
Average income before taxes	\$63,784	\$66,877	\$69,629	4.8	4.1
Average annual expenditures	51,100	53,495	55,978	4.7	4.6
Food ..	6,602	6,759	7,023	2.4	3.9
Food at home ..	3,977	3,971	4,015	-0.2	1.1
Food away from home ...	2,625	2,787	3,008	6.2	7.9
Housing .	17,148	17,798	18,409	3.8	3.4
Shelter ...	10,080	10,491	10,742	4.1	2.4
Utilities	3,737	3,921	3,885	4.9	-0.9
Household furnishings and equipment	1,542	1,581	1,818	2.5	15.0
Apparel and services ..	1,604	1,786	1,846	11.3	3.4
Transportation ..	9,004	9,073	9,503	0.8	4.7
Vehicle purchases ..	3,271	3,301	3,997	0.9	21.1
Gasoline and motor oil	2,611	2,468	2,090	-5.5	-15.3
Healthcare	3,631	4,290	4,342	n/a	1.2
Health insurance .	2,229	2,868	2,977	n/a	3.8
Entertainment ...	2,482	2,728	2,842	9.9	4.2
Education ..	1,138	1,236	1,315	8.6	6.4
Cash contributions ..	1,834	1,788	1,819	-2.5	1.7
Personal insurance and pensions	5,528	5,726	6,349	3.6	10.9
Life and other personal insurance ..	319	327	333	2.5	1.8
Pensions and Social Security ..	5,209	5,399	6,016	3.6	11.4
All other expenditures .	2,129	2,311	2,530	8.5	9.5

¹ Subcategories do not sum to 100%.

n/a: Because of a questionnaire change, the 2013-14 change was not strictly comparable to previous years.

Figure 1: Consumption on Various Items

Saving Rate by Income (Source: CEX - BLS)



Figure 2: Saving Rate by Income (BLS-CEX)