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CONSUMER EXPENDITURES – 2013

Average expenditures per consumer unit¹ in 2013 were \$51,100, little changed from 2012 levels, the U.S. Bureau of Labor Statistics reported today. In 2013 spending decreased 0.7 percent during the same period that the Consumer Price Index (CPI-U) increased 1.5 percent. In 2012 spending had increased 3.5 percent, outpacing the increase in prices. In 2013 average income per consumer unit edged down from 2012.

Most of the major components of household spending decreased in 2013, as shown in table A. The largest declines occurred in the all other expenditures (-8.2 percent) and apparel and services (-7.6 percent) components. The all other expenditures category includes alcoholic beverages, education, miscellaneous, personal care products, reading, and tobacco products, all of which showed decreases. The only major components of household spending to increase were healthcare (2.1 percent), housing (1.5 percent), and transportation (0.1 percent). Overall food expenditures did not change in 2013, however food at home increased 1.4 percent while food away from home decreased 2.0 percent. Other highlights include a 4.7-percent decrease in entertainment spending and a 4.1-percent decrease in cash contributions.

Changes to Consumer Expenditures (CE) Tax Data

The CE introduced new estimates of state and federal tax liabilities using the TaxSim calculator produced by the National Bureau of Economic Research (NBER). Beginning with the second quarter of 2013, the state and federal tax amounts used in the tables are estimates based on the expenditures and income and family characteristics. The CE gratefully acknowledges the support of NBER. These estimates improve the quality of the tax liabilities data along with estimates of after-tax income data. The tax data collected directly from consumer units during the Interview survey will be available in the 2014 public use microdata, after which they will no longer be collected. A report analyzing the impact of the change is forthcoming.

Table A. Average annual expenditures and characteristics of all consumer units and percent changes, 2011-2013

| Item | 2011 | 2012 | 2013 | Percent change | |
|---------------------------------------|----------|----------|----------|----------------|-----------|
| | | | | 2011-2012 | 2012-2013 |
| Average annual expenditures: | | | | | |
| Total..... | \$49,705 | \$51,442 | \$51,100 | 3.5 | -0.7 |
| Food..... | 6,458 | 6,599 | 6,602 | 2.2 | 0.0 |
| At home..... | 3,838 | 3,921 | 3,977 | 2.2 | 1.4 |
| Away from home..... | 2,620 | 2,678 | 2,625 | 2.2 | -2.0 |
| Housing..... | 16,803 | 16,887 | 17,148 | 0.5 | 1.5 |
| Apparel and services..... | 1,740 | 1,736 | 1,604 | -0.2 | -7.6 |
| Transportation..... | 8,293 | 8,998 | 9,004 | 8.5 | 0.1 |
| Healthcare..... | 3,313 | 3,556 | 3,631 | 7.3 | 2.1 |
| Entertainment..... | 2,572 | 2,605 | 2,482 | 1.3 | -4.7 |
| Cash contributions..... | 1,721 | 1,913 | 1,834 | 11.2 | -4.1 |
| Personal insurance and pensions..... | 5,424 | 5,591 | 5,528 | 3.1 | -1.1 |
| All other expenditures..... | 3,382 | 3,557 | 3,267 | 5.2 | -8.2 |
| Consumer unit characteristics: | | | | | |
| Number of consumer units (000's)..... | 122,287 | 124,416 | 125,670 | | |
| Average age of reference person..... | 49.7 | 50.0 | 50.1 | | |
| Average number in consumer unit:..... | | | | | |
| People..... | 2.5 | 2.5 | 2.5 | | |
| Earners..... | 1.3 | 1.3 | 1.3 | | |
| Vehicles..... | 1.9 | 1.9 | 1.9 | | |
| Percent homeowner..... | 64.9 | 64.3 | 63.7 | | |
| Income before taxes..... | \$63,685 | \$65,596 | \$63,784 | 3.0 | -2.8 |

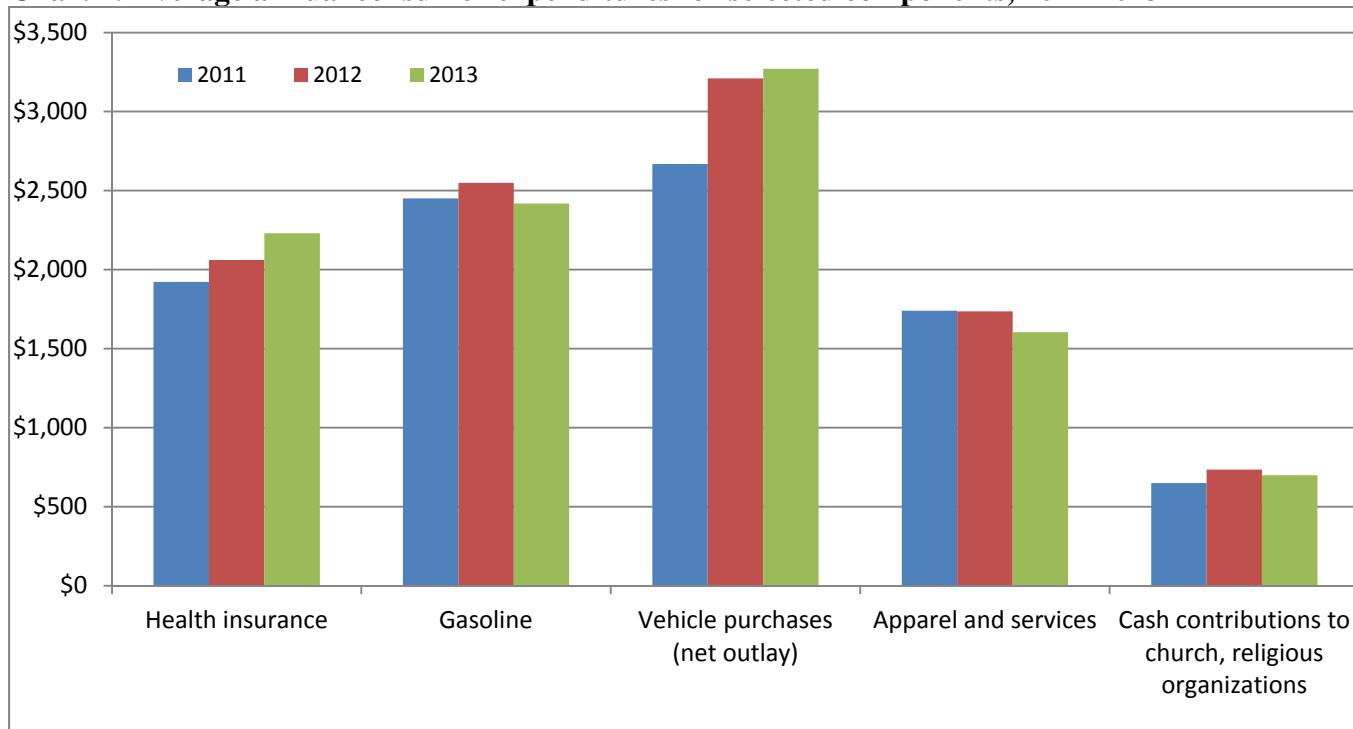
Spending patterns, 2012-2013

Table B and chart 1 highlight spending patterns of selected components. Spending changes included:

- Health insurance spending routinely accounts for 61 percent of overall health care expenditures. The 21.8-percent increase in health insurance expenditures since 2010 was the driving force behind the increased expenditures on overall healthcare, an 8.2 percent increase from 2012 to 2013. The percent reporting health insurance expenditures changed from 64 percent in 2010 to 65 percent in 2013.
- Gasoline expenditures decreased by 5.1 percent from 2012 to 2013. In the CPI-U, the average price per gallon for all types of gasoline for 2013 dropped 3.0 percent from 2012.
- Overall expenditures on transportation were essentially unchanged due to lower gasoline spending being offset by a 1.9-percent increase in vehicle expenditures from 2012 to 2013.
- Apparel spending continued to decline. The drop from 2012 to 2013 was widespread across most of the subcategories, including an 8.3-percent drop for men and boys clothing and a 7.6-percent drop for women and girls clothing.
- The decrease in cash contributions from 2012 to 2013 can largely be attributed to a 9.1-percent decrease in contributions to charities and a 4.8-percent drop in contributions to church and religious organizations.

Table B. Average annual consumer expenditures for selected components, 2011-2013

| Item | 2011 | 2012 | 2013 |
|------------------------------------------------------------|---------|---------|---------|
| Health insurance..... | \$1,922 | \$2,061 | \$2,229 |
| Gasoline..... | 2,451 | 2,549 | 2,418 |
| Vehicle purchases (net outlay) ² | 2,669 | 3,210 | 3,271 |
| Apparel and services..... | 1,740 | 1,736 | 1,604 |
| Cash contributions to church, religious organizations..... | 649 | 734 | 699 |

Chart 1. Average annual consumer expenditures for selected components, 2011-2013

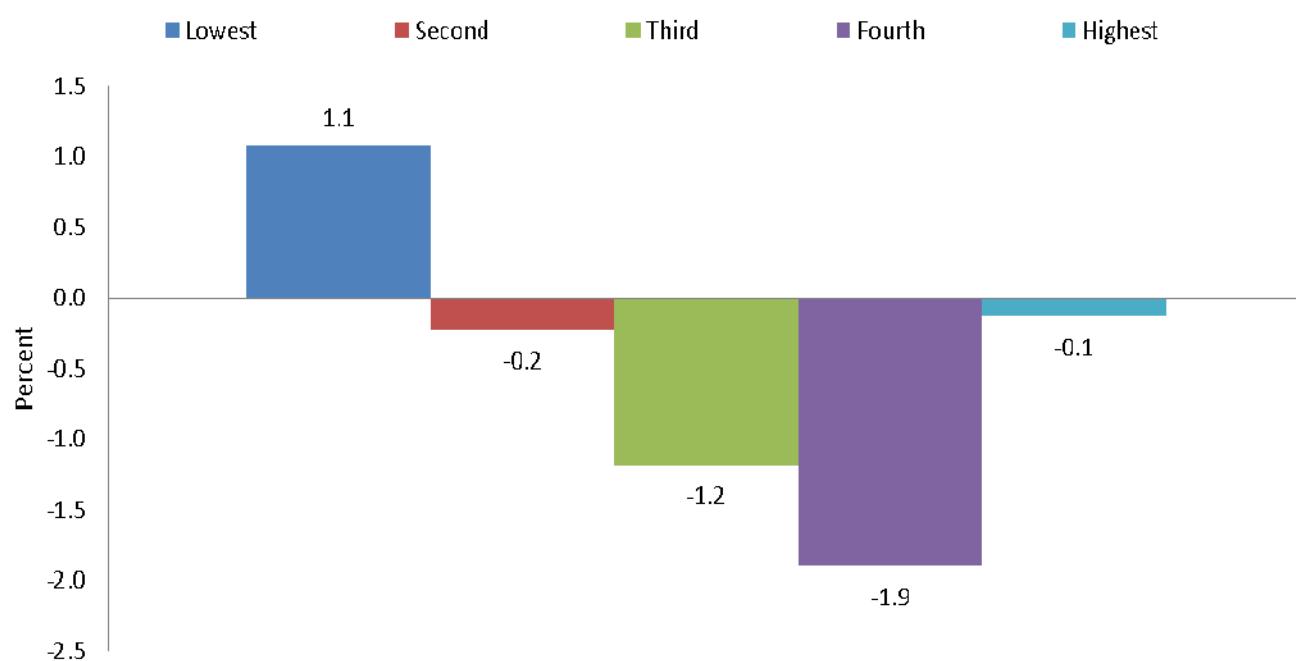
Spending by income quintile

Table C and chart 2 show the percent change for expenditures by income quintile. Overall spending decreased in all quintiles except for the lowest quintile, which increased by \$239. Spending on healthcare increased in all categories with the exception of the highest income quintile in 2013. In contrast, all quintiles decreased spending on cash contributions. Expenditures on food increased for the lowest two quintiles, while spending decreased for the upper quintiles.

Table C. Dollar change and percent change in average annual expenditures on major components by income quintile, 2012-2013

| Item | Lowest | | Second | | Third | | Fourth | | Highest | |
|-------------------------------------------|--------|---------|--------|---------|--------|---------|----------|---------|---------|---------|
| | Dollar | Percent | Dollar | Percent | Dollar | Percent | Dollar | Percent | Dollar | Percent |
| Average annual expenditure change: | | | | | | | | | | |
| Total..... | \$239 | 1.1 | -\$73 | -0.2 | -\$509 | -1.2 | -\$1,138 | -1.9 | -\$131 | -0.1 |
| Food..... | 153 | 4.4 | 257 | 5.7 | -70 | -1.2 | -176 | -2.2 | -150 | -1.3 |
| At home..... | 98 | 4.1 | 230 | 7.7 | -27 | -0.7 | -111 | -2.4 | 90 | 1.5 |
| Away from home..... | 56 | 5.2 | 28 | 1.8 | -42 | -1.9 | -66 | -2.0 | -241 | -4.5 |
| Housing..... | 127 | 1.4 | -264 | -2.2 | 53 | 0.4 | 221 | 1.2 | 1,196 | 4.0 |
| Apparel and services..... | -35 | -4.6 | -92 | -8.1 | 19 | 1.4 | -254 | -12.0 | -296 | -8.8 |
| Transportation..... | -120 | -3.5 | 394 | 7.2 | -110 | -1.3 | -641 | -5.6 | 516 | 3.2 |
| Healthcare..... | 113 | 6.7 | 63 | 2.3 | 12 | 0.4 | 217 | 5.2 | -30 | -0.5 |
| Entertainment..... | 13 | 1.3 | -187 | -11.7 | -59 | -2.9 | -64 | -2.2 | -311 | -5.7 |
| Cash contributions..... | -121 | -17.3 | -55 | -5.0 | -6 | -0.5 | -94 | -4.3 | -109 | -2.6 |
| Personal insurance and pensions..... | -26 | -5.3 | 41 | 2.5 | -127 | -3.5 | -84 | -1.3 | -91 | -0.6 |
| All other expenditures..... | 137 | 7.8 | -231 | -10.8 | -223 | -8.6 | -264 | -7.2 | -853 | -11.2 |

Chart 2. Percent change in average annual expenditures by income quintile, 2012-2013



Tables and data

Consumer Expenditure Survey data include the expenditures and income of consumers, as well as the demographic characteristics of those consumers. Tables with more expenditure detail are available at www.bls.gov/cex. Published tables provide 2013 CE data by standard classifications that include income quintile, income class, age of reference person, size of consumer unit, number of earners, composition of consumer unit, region of residence, housing tenure, type of area (urban-rural), race, Hispanic origin, occupation, and highest education level of any member. These annual tables include means, shares, and standard errors. Other tables available on the website include expenditures by age, region, size, or gender cross-tabulated by income before taxes and other demographic variables. Historical tables back to 1984 and tabulations for selected metropolitan areas are also available.

A forthcoming Annual Report will include a brief discussion of expenditure changes in 2013 and tables with data classified by the standard characteristics that are included on the website. Future articles in the BLS *Beyond the Numbers* web report series will highlight recent trends in prices and spending in the U.S. economy, and will feature 2013 CE data. Recent CE-specific *Beyond the Numbers* articles provide analyses of topical economic issues and long term spending trends, as well as comparisons of CE data to other data series (see www.bls.gov/cex/csxwebarticles.htm).

Other survey information available on the Internet includes answers to frequently asked questions, a glossary, order forms for survey products, and analytical articles that use CE data. Also available are the Diary Survey questionnaire form and a modified version of the computer assisted personal Interview (CAPI) instrument used to collect the Interview Survey data.

The 2013 CE public-use microdata, including Interview Survey data, Diary Survey data, and paradata (information about the survey process), are available on the CE website for free electronic download. The Interview files contain expenditure data in two different formats: MTBI files that present monthly values in an item-coding framework based on the CPI pricing scheme, and EXPN files that organize expenditures by the section of the Interview questionnaire in which they are collected. Expenditure values on EXPN files cover different time periods depending on the specific questions asked, and the files also contain relevant non-expenditure information not found on the MTBI files. The public-use microdata for 2013 also includes the new estimates of state and federal tax liabilities. The CE introduced these estimates to improve the quality of the surveyed tax liabilities, which suffered from low response rates. The surveyed tax data will be available for 2013, after which it will no longer be collected. Past releases of CE public-use microdata that were previously only available on USB Flash Drives for purchase will become available on the CE website for free download. The 2002 to 2012 releases are already available online. Prior releases will be posted incrementally online in reverse chronological order through the 1996 release. For releases prior to 1996 and those not yet available online, users can continue to purchase USB Flash Drives using the public-use microdata order form (see www.bls.gov/cex/pumdhome.htm). Future releases of public-use microdata will be available online for free download.

For further information, contact the Division of Consumer Expenditure Survey, Office of Prices and Living Conditions, Bureau of Labor Statistics, 2 Massachusetts Ave., N.E., Washington, DC 20212-0001 or call (202) 691-6900; E-mail: cexinfo@bls.gov. Information in this release is available to sensory impaired individuals upon request. Voice phone: 202-691-5200; Federal Relay Service: 1 (800) 877-8339.

¹ Consumer units include families, single persons living alone or sharing a household with others but who are financially independent, or two or more persons living together who share expenses.

² Net outlays subtract the value of any vehicle trade-ins, in order to capture the out-of-pocket expenditures on vehicles.