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CONSUMER EXPENDITURES – 2010

Average annual expenditures per consumer unit¹ fell 2.0 percent in 2010 following a decrease of 2.8 percent in 2009, the U.S. Bureau of Labor Statistics reported today. While spending fell in 2010, prices for goods and services increased 1.6 percent from 2009 to 2010, as measured by the average annual change in the Consumer Price Index (CPI-U). This was the second consecutive year that there has been a drop in spending. The 2010 level of average annual expenditures, \$48,109, was lower than the 2006 amount of \$48,398.

Spending on food and housing fell 3.8 percent and 2.0 percent, respectively, contributing to the overall drop in spending in 2010. Healthcare (+1.0 percent) and transportation (+0.2 percent) were the only major components of spending to increase. Among the other major components, entertainment fell 7.0 percent, cash contributions dropped 5.2 percent, personal insurance and pensions decreased 1.8 percent, and apparel and services fell 1.4 percent.

Table A. Average annual expenditures and characteristics of all consumer units and percent changes, 2008-2010

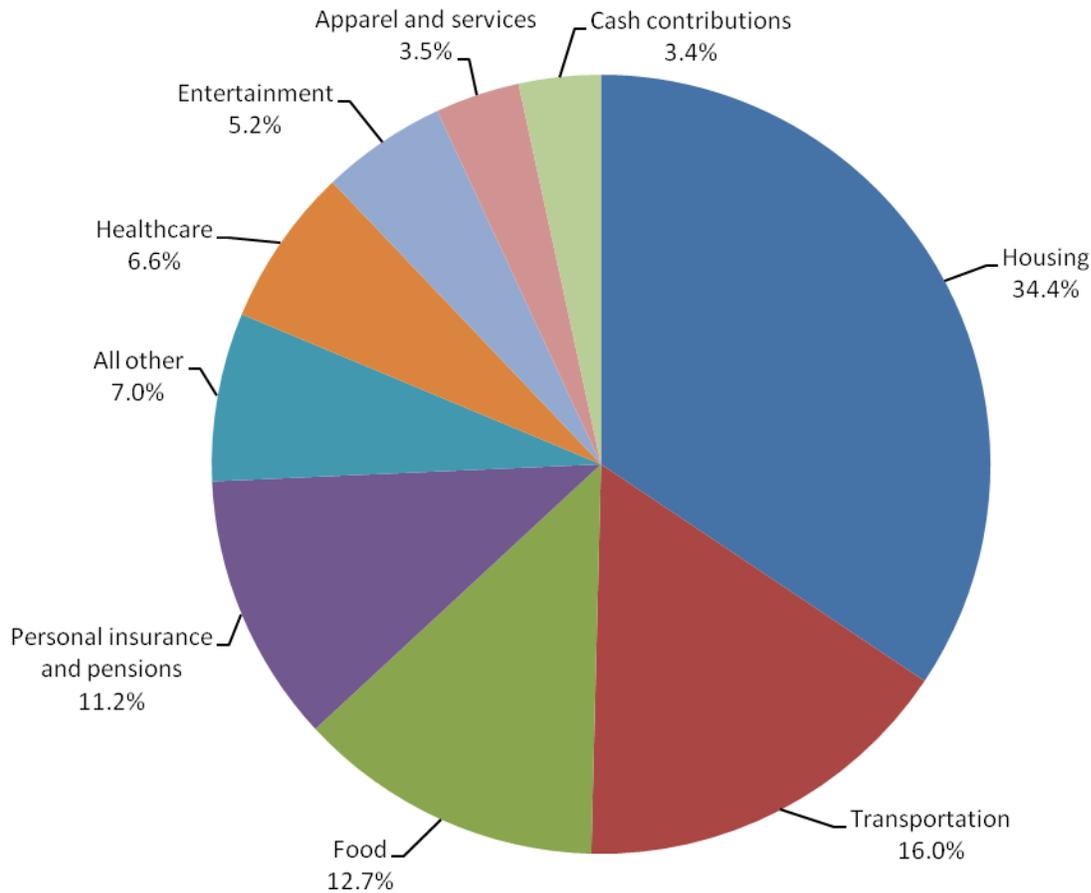
Item	2008	2009	2010	Percent change	
				2008-2009	2009-2010
Number of consumer units (000's)	120,770	120,847	121,107		
Income before taxes	\$63,563	\$62,857	\$62,481	-1.1	-0.6
Average age of reference person	49.1	49.4	49.4		
Average number in consumer unit:					
Persons	2.5	2.5	2.5		
Earners	1.3	1.3	1.3		
Vehicles	2.0	2.0	1.9		
Percent homeowner	66	66	66		
Average annual expenditures	\$50,486	\$49,067	\$48,109	-2.8	-2.0
Food	6,443	6,372	6,129	-1.1	-3.8
At home	3,744	3,753	3,624	0.2	-3.4
Away from home	2,698	2,619	2,505	-2.9	-4.4
Housing	17,109	16,895	16,557	-1.3	-2.0
Apparel and services	1,801	1,725	1,700	-4.2	-1.4
Transportation	8,604	7,658	7,677	-11.0	0.2
Healthcare	2,976	3,126	3,157	5.0	1.0
Entertainment	2,835	2,693	2,504	-5.0	-7.0
Cash contributions	1,737	1,723	1,633	-0.8	-5.2
Personal insurance and pensions	5,605	5,471	5,373	-2.4	-1.8
All other expenditures	3,376	3,404	3,379	0.8	-0.7

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.

Spending highlights

Consumer Expenditure Survey (CE) data measure how consumers allocate their spending among the various components of total expenditures. For example, Chart 1 shows the share allocated to each of the major components of spending in 2010. Housing, the largest component of consumers' budgets is more than double the next highest component, transportation.

Chart 1. Shares of average annual consumer expenditures spent on major components, 2010



Spending patterns, 2008-2010

Table B and Chart 2 show amounts spent for selected expenditure components over the 3-year period from 2008 to 2010. Spending changes included:

- Food away from home spending steadily decreased from \$2,698 in 2008 to \$2,505 in 2010.
- Mortgage interest and charges for owned homes, a subcomponent of housing, fell from \$3,826 in 2008 to \$3,351 in 2010.
- Expenditures on gasoline and motor oil varied widely during the period, decreasing 26.9 percent from 2008 to 2009, then increasing 7.4 percent from 2009 to 2010. The fluctuations can partly be explained by the yearly price of gasoline falling in 2009 (-27.4 percent) and then rising again in 2010 (+18.4 percent), as measured by the CPI-U.
- The increase in healthcare spending, from \$2,976 in 2008 to \$3,157 in 2010, was driven by the 10.8-percent increase in health insurance spending over the period, although the increase in

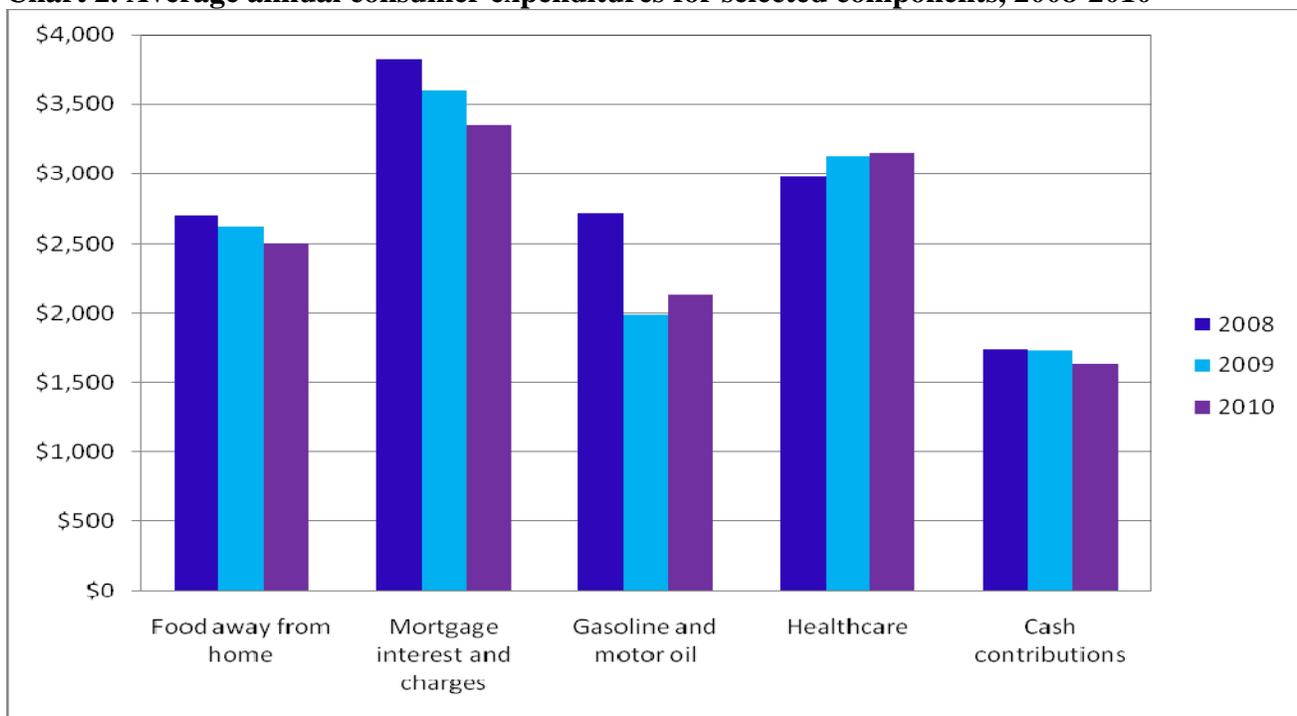
health insurance from 2009 to 2010 was small (+2.6 percent). The level of spending for both healthcare and health insurance has increased on a year-to-year basis for well over a decade.

- Cash contributions, which includes payments to charities and religious organizations, fell 6.0 percent from 2008 to 2010.

Table B. Average annual consumer expenditures for selected components, 2008-2010

Item	2008	2009	2010
Food away from home	\$2,698	\$2,619	\$2,505
Mortgage interest and charges	3,826	3,594	3,351
Gasoline and motor oil	2,715	1,986	2,132
Healthcare	2,976	3,126	3,157
Cash contributions	1,737	1,723	1,633

Chart 2. Average annual consumer expenditures for selected components, 2008-2010



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 2010 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 education. Standard error tables are available for most of the demographic breakouts. 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.

Other available data

A forthcoming annual report will include a brief discussion of expenditure changes in 2010 and tables with data classified by the standard characteristics that are included on the website. An article in the BLS *Focus on Prices and Spending* web report series, which highlights recent trends in prices and spending in the U.S. economy, will feature 2010 CE data. Recent CE-specific *Focus* articles provide analyses of topical economic issues and long term spending trends, as well as comparisons of CE data to other data series (see <http://www.bls.gov/cex/csxwebarticles.htm>). Methodological and analytical articles using CE data from the past several years are included in the recently released *Consumer Expenditure Survey Anthology, 2011* report (see <http://www.bls.gov/cex/csxanthol11.htm>). All data published in the annual report and posted to the website are integrated from the two CE components—the quarterly Interview Survey and weekly Diary Survey.

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 2010 CE public-use microdata, including Interview Survey data, Diary Survey data, and paradata (information about the survey process), are now available for purchase on CD-ROM. The Interview files contain expenditure data in two different formats: MTAB 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 MTAB files. The CE microdata files are available on CD-ROM back to 1990 and for selected earlier years. In addition to the standard ASCII and PC SAS formats offered in the past, three additional formats are available—STATA, SPSS, and ASCII comma-delimited. Historical data from 1996 forward are also now available in these data types (See www.bls.gov/cex/csxmico.htm for details and ordering information).

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 will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; Federal Relay Service: 1 (800) 877-8339.