

For release: 10:00 a.m. (EDT), Tuesday, October 5, 2010

USDL-10-1390

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CONSUMER EXPENDITURES – 2009

Average annual expenditures per consumer unit¹ fell 2.8 percent in 2009 following an increase of 1.7 percent in 2008, according to results from the Consumer Expenditure Survey (CE) released by the U.S. Bureau of Labor Statistics. The spending decrease was larger than the 0.4-percent decrease in prices from 2008 to 2009 as measured by the average annual change in the Consumer Price Index (CPI-U). This was the first time there has been a drop in spending from the previous year since the CE began publishing integrated data in 1984 from the Diary and Interview components of the CE.

Spending on housing and transportation fell 1.3 percent and 11.0 percent, respectively, contributing to the overall drop in spending in 2009. Healthcare expenditures rose 5.0 percent, the only increase among the major components of spending. Among the other major components, food dropped 1.1 percent, apparel fell 4.2 percent, entertainment dropped 5.0 percent, and personal insurance and pensions fell 2.4 percent.

Table A. Average annual expenditures and characteristics of all consumer units and percent changes, Consumer Expenditure Survey, 2007-2009

Item	2007	2008	2009	Percent change	
				2007-2008	2008-2009
Number of consumer units (000's)	120,171	120,770	120,847		
Income before taxes	\$63,091	\$63,563	\$62,857	0.7	-1.1
Average age of reference person	48.8	49.1	49.4		
Average number in consumer unit:					
Persons	2.5	2.5	2.5		
Earners	1.3	1.3	1.3		
Vehicles	1.9	2.0	2.0		
Percent homeowner	67	66	66		
Average annual expenditures	\$49,638	\$50,486	\$49,067	1.7	-2.8
Food	6,133	6,443	6,372	5.1	-1.1
At home	3,465	3,744	3,753	8.1	0.2
Away from home	2,668	2,698	2,619	1.1	-2.9
Housing	16,920	17,109	16,895	1.1	-1.3
Apparel and services	1,881	1,801	1,725	-4.3	-4.2
Transportation	8,758	8,604	7,658	-1.8	-11.0
Healthcare	2,853	2,976	3,126	4.3	5.0
Entertainment	2,698	2,835	2,693	5.1	-5.0
Personal insurance and pensions	5,336	5,605	5,471	5.0	-2.4
All other expenditures	5,059	5,113	5,127	1.0	0.3

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.

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 2009 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.

Spending patterns from 2007-2009

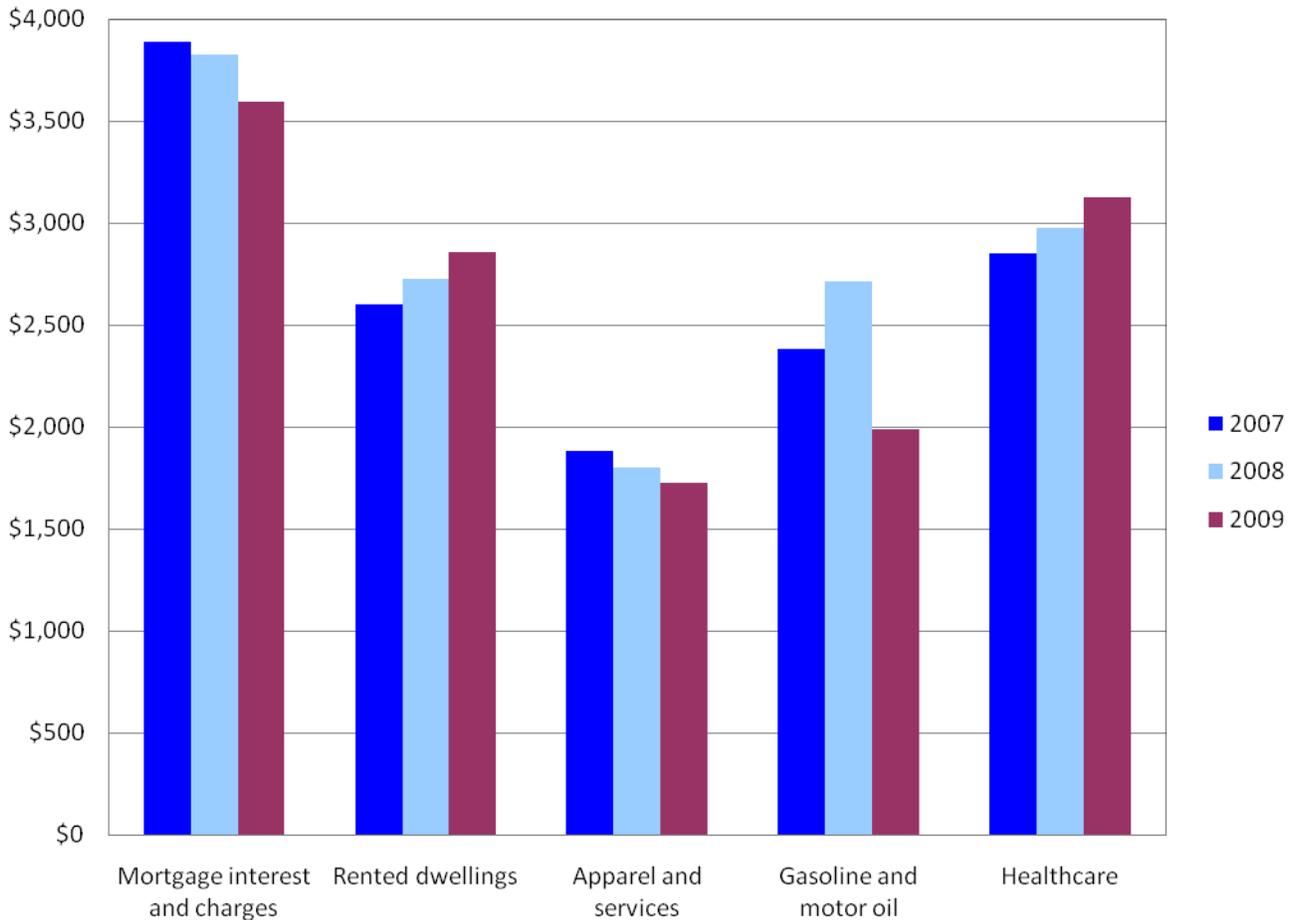
Consumer Expenditure Survey data measure how consumers allocate their spending among the various components of total expenditures. For example, the 2009 data show that the largest component of consumers' budgets is housing, which accounts for about a third of overall spending. Another use of the CE data is to look at how spending patterns change over time. Table B and Chart 1 show how the amounts spent for selected expenditure components changed over the 3-year period from 2007 to 2009. Changes in total spending and many of its components reflected the impact the weak economy had on how consumers allocated their budgets. Spending changes included:

- Mortgage interest payments and charges, a subcomponent of housing, fell from \$3,890 in 2007 to \$3,594 in 2009, evidence of the higher than normal default rate on mortgages, falling house prices, lower rates of homeownership, and declining mortgage interest rates over the period.
- While the price increase in rent of primary residence as measured by the CPI-U increased 6.0 percent over the period, spending on rented dwellings increased 9.9 percent over the period from 2007 to 2009. Consumer units within the highest income quintile group increased expenditures for rented dwellings from \$1,293 in 2007 to \$1,911 in 2009.
- Gasoline and motor oil expenditures fluctuated as the price of gasoline rose and fell sharply during the period. Gasoline prices for motor vehicles rose 16.6 percent from 2007 to 2008 and dropped 27.4 percent from 2008 to 2009, as measured by the CPI-U.
- The level of spending on healthcare continued to rise, from \$2,853 in 2007 to \$3,126 in 2009, largely due to the increase in the health insurance subcomponent.

Table B. Average annual expenditures for selected components, Consumer Expenditure Survey, 2007-2009

Item	2007	2008	2009
Mortgage interest and charges	\$3,890	\$3,826	\$3,594
Rented dwellings	2,602	2,724	2,860
Apparel and services	1,881	1,801	1,725
Gasoline and motor oil	2,384	2,715	1,986
Healthcare	2,853	2,976	3,126

Chart 1. Average annual expenditures for selected components, Consumer Expenditure Survey, 2007-2009



Other available data

A forthcoming annual report will include a brief discussion of expenditure changes in 2009 and tables with data classified by the standard characteristics included on the website. Methodological and analytical articles using CE data from the past several years will be included in the upcoming *Consumer Expenditure Survey Anthology, 2010* report. 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 2009 Diary and Interview microdata are now available for purchase on CD-ROM. CE paradata, information about the survey process, are available for the first time this year. 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 beginning in 2007—STATA, SPSS, and ASCII comma-delimited. (See www.bls.gov/cex/csxmico.htm for details and ordering information.)

For further information, contact the Division of Consumer Expenditure Surveys, 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; TDD message referral phone number: 1-800-877-8339.