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### CONSUMER EXPENDITURES – 2008

Average annual expenditures per consumer unit<sup>1</sup> rose 1.7 percent in 2008 following an increase of 2.6 percent in 2007, according to results from the Consumer Expenditure Survey (CE) released by the Bureau of Labor Statistics of the U.S. Department of Labor. The spending increase was less than the 3.8-percent increase in prices from 2007 to 2008 as measured by the average annual change in the Consumer Price Index (CPI-U). The increase in spending in 2008 was the smallest increase since the 0.3-percent rise in 2003.

Increases in spending for housing (1.1 percent) and food (5.1 percent) were somewhat offset by decreases in spending for transportation (-1.8 percent) and apparel (-4.3 percent) resulting in the small overall increase in 2008. Among the other major components, spending increased for healthcare (4.3 percent), personal insurance and pensions (5.0 percent), and entertainment (5.1 percent).

**Table A. Average annual expenditures and characteristics of all consumer units and percent changes, Consumer Expenditure Survey, 2006-2008**

Item	2006	2007	2008	Percent change	
				2006-2007	2007-2008
Number of consumer units (000's)	118,843	120,171	120,770		
Income before taxes	\$60,533	\$63,091	\$63,563	4.2	0.7
Average age of reference person	48.7	48.8	49.1		
Average number in consumer unit:					
Persons	2.5	2.5	2.5		
Earners	1.3	1.3	1.3		
Vehicles	1.9	1.9	2.0		
Percent homeowner	67	67	66		
Average annual expenditures	\$48,398	\$49,638	\$50,486	2.6	1.7
Food	6,111	6,133	6,443	0.4	5.1
At home	3,417	3,465	3,744	1.4	8.1
Away from home	2,694	2,668	2,698	-1.0	1.1
Housing	16,366	16,920	17,109	3.4	1.1
Apparel and services	1,874	1,881	1,801	0.4	-4.3
Transportation	8,508	8,758	8,604	2.9	-1.8
Healthcare	2,766	2,853	2,976	3.1	4.3
Entertainment	2,376	2,698	2,835	13.6	5.1
Personal insurance and pensions	5,270	5,336	5,605	1.3	5.0
All other expenditures	5,129	5,060	5,113	-1.3	1.0

<sup>1</sup> 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 than is shown in this news release will be available at <http://www.bls.gov/cex>. Published tables provide 2008 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. 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.

### Consumer Spending from 1988-2008

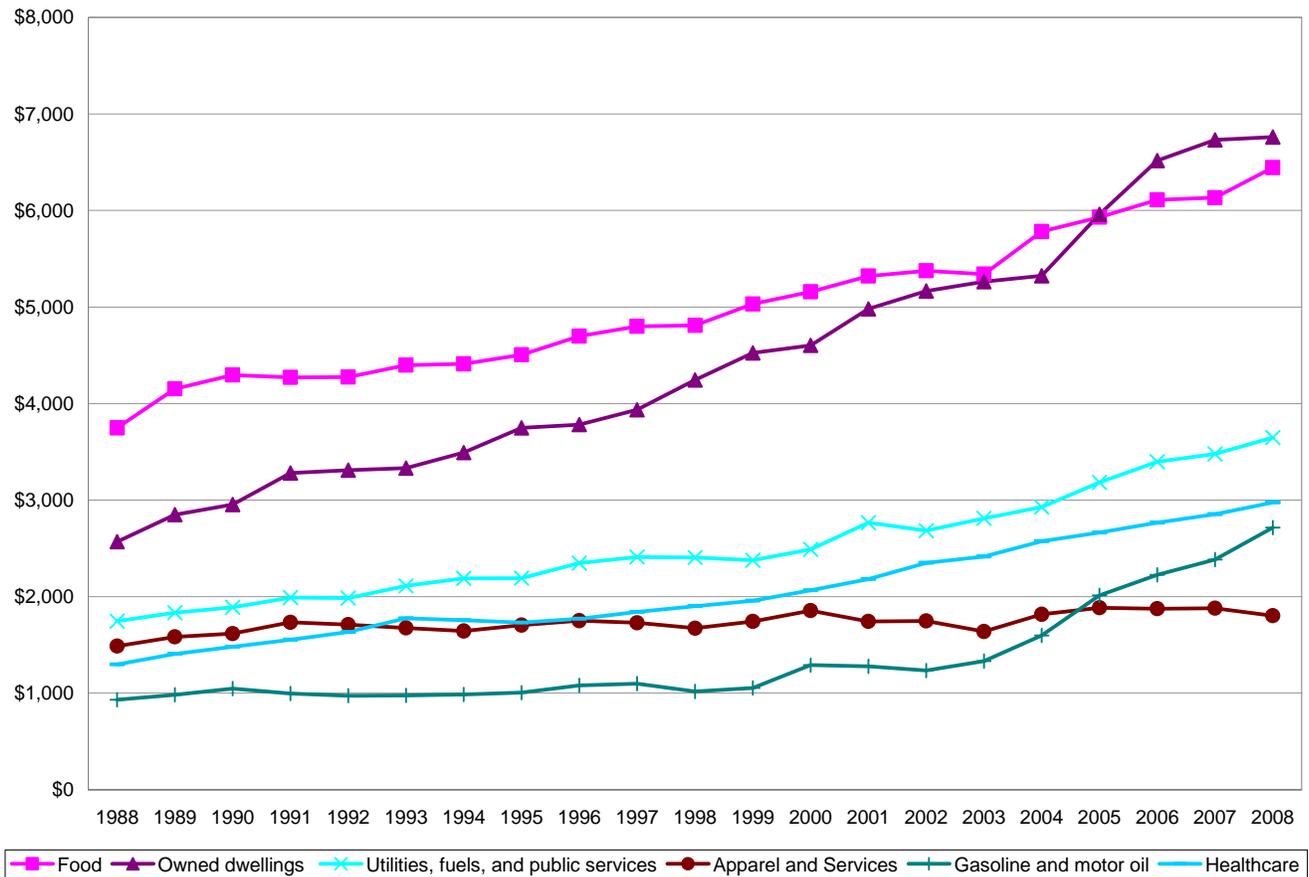
A primary use of the Consumer Expenditure Survey data is to measure how consumers allocate their spending among the various components of total expenditures. For example, the 2008 data show that the largest component of consumers' budgets is housing, which accounts for about a third of overall spending. 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 20-year period from 1988 to 2008, in nominal dollars. As prices and incomes generally rise over time, it is expected that the nominal dollar amounts spent on various components will also increase. However, differences in the rates of price increases (or decreases), shifts in expenditure patterns, and economic conditions such as the recent recessionary period, will all contribute to changes in the amounts that consumers allocate to the spending components. Spending changes include:

- Spending on owned dwellings, a component of housing that includes such items as mortgage interest, property taxes and insurance, and maintenance and repairs, showed a large increase from \$2,569 in 1988 to \$6,760 in 2008.
- The run-up in gasoline prices is reflected in the rapid rise in expenditures in the last several years.
- Spending on both food and healthcare showed steady increases over the period.
- The amount spent on apparel and services showed very little change over the period, from \$1,489 in 1988 to \$1,801 in 2008, a reflection of the small increase in clothing prices over the period—just 3.0 percent as measured by the CPI-U. In contrast, the overall CPI-U increased by 82.0 percent over the same period.

**Table B. Average annual expenditures for selected components in nominal dollars, Consumer Expenditure Survey, selected years 1988-2008**

Item	1988	1993	1998	2003	2008
Food	\$3,748	\$4,399	\$4,810	\$5,340	\$6,443
Owned dwellings	2,569	3,331	4,245	5,263	6,760
Utilities, fuels, and public services	1,747	2,112	2,405	2,811	3,649
Apparel and services	1,489	1,676	1,674	1,640	1,801
Gasoline and motor oil	932	977	1,017	1,333	2,715
Healthcare	1,298	1,776	1,903	2,416	2,976

**Chart 1. Average annual expenditures for selected components in nominal dollars, Consumer Expenditure Survey, 1988-2008**



**Other available data**

A forthcoming annual report will include a brief discussion of expenditure changes in 2008 and tables with data classified by the standard characteristics included on the website. Detailed reports that include CE data are published at two-year intervals and include the standard tabulations and cross-tabulations at the same level of expenditure detail as shown on the website. Metropolitan area tables are also included. All data published in the reports 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. Beginning with the 2000 data, standard error tables for integrated data are available on the BLS site. 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 2008 Diary and Interview microdata will be available soon 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 the past several years, three additional formats are available beginning in 2007—STATA, SPSS, and ASCII comma-delimited. (See [www.bls.gov/cex/csxmicro.htm](http://www.bls.gov/cex/csxmicro.htm) for details.)

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](mailto: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.