

**Tracking  
your  
spending  
behavior  
provides  
vital  
information.**

## **Why?**

*Because the information you provide is widely used by policymakers, marketers, and researchers to study the impact of policy changes, in tracking spending trends, and in studying the welfare of certain segments of the population. One extremely important use of the **Consumer Expenditure Survey** data is in regularly updating the bundles of goods and services for the **Consumer Price Index (CPI)**. The **CPI** affects nearly all Americans as it is the most widely used measure of inflation, is used to adjust income payments through Social Security, provides automatic cost-of-living wage adjustments to millions of American workers, and is used to adjust the Federal income tax structure. So your input is important! Some examples of what the survey information tells us follow.*

## **The Consumer Expenditure Survey**



U.S. Department of Labor  
Bureau of Labor Statistics

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# “The CPI affects you”



**A**verage annual expenditures by American consumers rose 33 percent from 1993 to 2003. The average share of total expenditures spent on housing was about the same in 1993 and 2003—31 percent and 33 percent, respectively. Households spent approximately 21 cents of every housing dollar on utilities, fuels, and public services in 1993 and 22 cents in 2003.

Transportation expenditures accounted for 18 percent of average annual expenditures in 1993, and 19 percent in 2003. In 1993, consumers spent 18 cents of every transportation dollar on gasoline and motor oil; that share dropped to 17 cents in 2003. Vehicle purchases accounted for 48 percent of all transportation expenditures in 2003, 6 percentage points more than in 1993.

In 2003, households headed by someone under age 25 allocated less than 3 percent of their total annual expenditures to health care, while those headed by someone aged 65 or older allocated more than 12

percent of their total to health care. In households headed by someone under age 25, 51 percent of the health care total went to health insurance in 2003, whereas only 40 percent went to health insurance in 1993. In households headed by someone aged 65 or older, 53 percent of the health care allocation went to health insurance in 2003; in 1993, that share was 51 percent.

The share of total expenditures devoted to tobacco products and smoking supplies by households headed by someone under age 25 was approximately double the share allocated by households headed by someone aged 65 or older, 1.0 percent compared with 0.55 percent, in 2003.

The percentage of homeowners increased over the decade from 1993 to 2003, rising from 63 percent to 67 percent. Conversely, the percentage of renters decreased from 37 percent to 33 percent over the same period. Among homeowners, the share accounted for by those with a mortgage increased from 37 percent to 41

percent, while the share for those without a mortgage was the same in both 1993 and 2003—26 percent.

Spending on food away from home accounted for 38 percent of total food expenditures by consumers in 1993; by 2003, that share rose to 41 percent. Among single-person households in 2003, 46 cents of every food dollar went to food away from home, whereas, in households with five or more persons, only 37 cents of every food dollar went to food away from home.

In the Midwest region, average annual expenditures rose 39 percent from 1993 to 2003, compared with increases of 33 percent in the Northeast, 29 percent in the South, and 32 percent in the West. In 2003, the share of total annual expenditures allocated by households to entertainment was about the same in the Midwest (4.9 percent), the Northeast (5.0 percent), and the South (4.8 percent). The share allocated by households in the West was 5.5 percent.

Among all consumers, the share of total expenditures allocated to apparel and services declined from 1993 to 2003, dropping from 5.5 percent to 4.0 percent. In 1993, consumers spent 15 cents of every apparel and services dollar on footwear; by 2003, that share rose to 18 cents. Also in 2003, consumers in the Northeast allocated slightly more than the national average to apparel and services, 4.4 percent, while consumers in the Midwest and South allocated slightly less, 3.9 percent. Consumers in the West allocated 4.0 percent to apparel and services.

In 1993 and 2003, single-person consumer units averaged one vehicle per household. In 1993, the four-person consumer unit averaged 2.6 vehicles per household while in 2003 the number of vehicles per household dropped slightly to 2.5. Both types of consumer units spent approximately the same share of total transportation expenditures on gasoline and motor oil in 2003—17.6 percent by single-person consumer units and 17.8 percent by four-person consumer units.