

# The Consumer Expenditure Diary

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## **What is this all about?**

Every month on the radio, TV, and in newspapers you hear about the inflation rate and the Consumer Price Index (CPI). Did you ever wonder how these important economic statistics are created? Information from you and others around the country provides data for the CPI. The Consumer Expenditures Survey is used to regularly update the CPI and the inflation rate.

## **Sounds great, but why is this important to me?**

Cost-of-living adjustments (COLAs) are calculated for inflation every year by using the CPI. Millions of American workers and retirees rely on those adjustments for their day-to-day expenses. Social Security payments are increased annually based on our data. The interest rates on many mortgages and consumer loans are adjusted based on the inflation rate and CPI.

The information we gather is widely used by policymakers and researchers to study the impact of price increases and policy changes. For example, what percent of your paycheck or retirement check is spent on housing, on food, on medicine, on gasoline? Has this amount changed over the years?

## **OK, I agree the survey is important, but I am worried about giving out personal information...**

Disclosing U.S. Census Bureau information collected under Title 13 of the U.S. Code is a felony. The penalty for wrongful disclosure by a Census Bureau employee is up to 5 years in prison and/or a fine of up to \$250,000. *We take data confidentiality very seriously.* The answers you provide are added to answers from all around the country and used for statistical purposes only. What the people at your address buy is the most important information collected. If you wish, we do not have to collect your name or birthday. If you are uncomfortable answering any specific question, just let us know and we will skip the question.

## **Still, I think it would be better if my neighbors participated; they buy more and are more normal...**

Your address was randomly selected from among all addresses in the United States. We did not select you by name. The information we collect needs to represent all types of households with all types of buying habits. If people who made just one or two purchases a week did not answer the questions, important decisions would be based on incorrect data that assumes *all* Americans make many purchases every week.

## **Even so, I am really busy and do not have the time to complete an expenditure diary...**

If you do not think you have time to complete the two daily expense diaries, our field representative can work with you to accommodate your schedule. It might be easier for you to keep your receipts and record them at the end of each day and jot down any other purchases that you made for which you didn't get a receipt. People who are very busy, have two jobs, or have unique responsibilities often spend money on items that other households do not buy. The expenditures of busy people need to be included in this survey.

## **On second thought, this survey is a lot of fun and a great learning experience...**

How often do you sit down and look at all your expenses over a period of time? It is interesting to see how all the little things add up. Some households may have a teenage household member serve as the diary keeper. Teenagers need to learn about daily expenses before they are out on their own. This is a great way to learn. Scouts and school kids may be able to earn a badge or complete a community service honor.

## **It feels good to know I have served my country in some way...**

Be sure to ask your field representative for a Public Service Commendation. You are doing a great service to your country and the U.S. Census Bureau by participating in this important national survey.

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