

Consumer Expenditure Quarterly Survey

What is this all about?

Every month on the radio, on 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 Expenditure Quarterly Survey is used to regularly update the CPI, also called 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 typically adjusted each year based on the responses that you provide to us. 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 percentage of your paycheck or retirement check is spent on housing, food, medicine, or gasoline? Has this amount changed over the years?

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

We take data confidentiality very seriously. Wrongfully 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. 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 age. Also, 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 things than we do.

Your address was scientifically 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 interview.

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. Our field representatives will accommodate your schedule. They are available to interview you early in the morning, late in the evening, on weekends, daytime hours, or just about any time that meets your needs.

OK, I'd like to participate in the interview, but why do you have to come back in 3 months?

In order to ensure the accuracy of the CPI, we need to capture expense patterns over time. We need your data to reflect a year's worth of expenses, so we conduct four interviews spread over four calendar quarters to cover this time frame. During the first interview, we collect information on the characteristics of your household, ownership of real estate and vehicles, and expenditures on many goods and services. The subsequent interviews update the information from the previous interview and collect your household expenditures for the 3-month period. To make your interviews go faster, we recommend that you save your receipts or expense records for reference.

If you have questions about your participation in the Consumer Expenditure Quarterly Survey, visit <www.census.gov> to find contact information for the Census Bureau Regional Office that serves your area.



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