

**SUPPORTING STATEMENT FOR
THE CONSUMER EXPENDITURE SURVEYS**

OMB CONTROL NO. 1220-0050

This Information Collection Request (ICR) seeks to obtain clearance for a revision of the Consumer Expenditure (CE) Surveys. This request is seeking continuation of the CE Surveys and the approval to make modifications to both the Interview and Diary surveys to streamline data collection and reduce respondent burden and to give respondents the option to report online or by paper diary. These changes are described below and if approved, are planned to be implemented in April 2024.

A. JUSTIFICATION

- 1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

The CE Surveys include the Quarterly Interview Survey (CEQ) and the Diary Survey (CED).

The Census Bureau conducts the CE Surveys for the Bureau of Labor Statistics (BLS) in support of the Consumer Price Index (CPI) program. The continuing CE Surveys provide a constant measurement of changes in consumer expenditure patterns for economic analysis, and obtain data for future CPI revisions. The CE also collects point of purchase data in support of the CPI program. Data for the CE are collected by the Census Bureau field offices.

The CEQ uses the CE Quarterly Interview Computer Assisted Personal Interview (CAPI) instrument to collect data. The CEQ CAPI instrument is the major collection tool used for the CEQ and collects the characteristics of the household, consumer unit (CU), and information on the CU's expenditures including point of purchase through a series of four personal interviews.

In the CEQ, as part of CE's ongoing effort to streamline the questionnaire, CE requests clearance to make the following modifications to the CAPI instrument: rewording items to make collection easier cognitively, grouping similar items together, aggregating collection of items previously collected separately, and the elimination of several questions. Specifically, the changes will include the following:

- A new 'Household Services' section groups question on the items that were asked across the interview survey including termite/pest control, gardening/lawn care, water softening, septic tank cleaning, housekeeping, home security system fees, moving/storage/freight, heating or air conditioning contracts, home

- warranties/maintenance/service contracts on household appliances, and other home services or repair jobs;
- For the ‘Owned Properties’ section, the list of items included in payments was simplified, and questions regarding why a payment amount changed were added, including related questions for additional principal/interest, and late/other fees.
 - For the ‘Utilities’ section, the list of phone/cable/internet expenses was consolidated, and questions about breaking out cable/internet fees from a bundled bill are no longer asked.
 - The ‘Medical expenditures’ section was also consolidated, reworded, and reordered.

For a full list of questions in the CEQ CAPI instrument, see Attachment A.

The CED uses both a CAPI instrument (see Attachment B for the 2022 Diary Instrument specifications), and the paper diary CE-801, Record of Your Daily Expenses (Attachment C). CE implemented the Online diary for data collection in July 2022 (see Attachment D(a) for Online Diary specifications). As part of Online Diary collection, users are provided an Online Diary User Guide (see Attachment D(b)) at placement as well as an electronic link through the Online diary. Additionally, respondents who complete the Online Diary and provide an email address are sent a ‘Welcome’ email approximately 24 hours after placement and a ‘Reminder’ email on the 8th day after placement (see Attachment D(c)).

The CED CAPI instrument collects information on the household including financial determinacy questions for the purposes of assigning households to a CU (see Supporting Statement Part B for additional information on CUs), demographics, average amount spent on select expenditures, and income questions through a personal interview during which two one week paper diaries are placed.

The CE also requests clearance for minor changes to both the CED CAPI Instrument and the Diary form. Changes to the CAPI instrument include consolidating the grocery questions to one question and adding a question to give respondents the option of reporting online or by paper diary. Changes to the Diary form include adding instructions to include delivery fees for ‘Meals Away from Home’ in addition tax and tip. We also request approval for adding help videos for respondents who choose to use the online diary to report their diary expenditures.

The CED Diary collects information on CU expenditures by asking each selected sample unit to keep two one-week diaries of all expenditures. The Diary is necessary to collect expenditures that respondents may not be able to recall in a retrospective interview.

For both CEQ and CED, wording is included in the CAPI instruments regarding receipt of the advance letter in order to ensure communication of the confidentiality and Paperwork Reduction Act statements to respondents who may not have received the advanced letter. (See Attachment F - Respondent Contact Procedures and Email Template for additional information.)

Before the interviewer's visit, each CEQ and CED sample household receives an Advance Letter, the CE-303L1, 2, 3, or 4 (Attachment E(a-d) or CE-803(L) (Attachment E(e)). These letters explain the nature of the information the BLS wants to collect and the uses of the CEQ or the CED data, as appropriate; inform the respondents of the confidential treatment of all identifying information they provide; request the respondents' participation in the survey; describe the survey's compliance with the relevant provisions of the Privacy Act and the Office of Management and Budget (OMB) disclosure requirements; and provide a link to the address of the respondent's informational webpage. Each of the advance letters and several of the brochures in the portfolio are available in the following languages: Arabic, Chinese, Korean, Spanish, Russian, Vietnamese, and Polish. The CEQ Advance Letter will be updated to reflect the decrease in burden for the Interview survey.

A subsample of approximately 12 percent of households in the Quarterly Interview Survey and 10 percent in the Diary Survey will participate in an additional CAPI interview, referred to as reinterview, for the purpose of instituting quality control over the performance of the interviewing staff. There are no changes to the 2023 Interview CAPI Reinterview instrument (See Attachment G - Final CEQ RI Instrument Specs). The Diary Reinterview Instrument for 2023 will not change, nor have changes been made since 2004. (See Attachment H - CED RI Instrument Specs and Attachments).

Beginning in 2023, a combined Information Booklet was used for both the CEQ and CED surveys in order to save on printing costs, reduce the number of materials to maintain, and reduce duplication for FRs.. Updates were made to the Combined Survey Information Booklet CE-305/CE-805 to support changes made to the questionnaires. (See Attachment I – Combined Survey Information Booklet).

At the first interview for both the CEQ and the CED, the field representative (FR) gives the respondent a portfolio filled with information on CE, CPI and the Census Bureau (Attachment J(a-d). CE in the News (Attachment J(c), was updated based on more recent news results. Also available to respondents is the respondent Web page, expenditure summaries showing expenditures by various characteristics (Attachment K(a-e)), and an endorsement from the Federal Reserve Board of Governors (Attachment L). The respondent web page contains information about the CE surveys, frequently asked questions, and links to the most recent CE data. The respondent handouts contain spending summaries for various demographic characteristics and expenditures on pets. Additional respondent handouts containing spending summaries may be created and made available for respondents in the future. A non-substantive change request will be submitted if this occurs. Respondents who participate in the Interview Survey are also provided with a "Home File" in which to save their bills and receipts for use at the next CEQ interview.

After each interview for the CEQ or after completion of the week 2 Diary, each participating household receives a Thank You letter, CE-303(L)6 or CE-803(L)6 or a Thank You postcard (Attachment M (a-c)) as well as a certificate of appreciation, CE-900 (Attachment N).

As appropriate, Census Field representatives may also provide supplemental flyers on the Quarterly Interview or the Diary Survey (Attachments O and P).

The BLS conducts the CE Surveys under the authority of Title 29, Section 2 of the United States Code. The Census Bureau collects information in the CE Surveys under the authority of Title 13, United States Code, Section 8b, that allows the Census Bureau to undertake surveys for other agencies.

- 2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

The Census Bureau conducts the CE Surveys for the BLS in support of the CPI program. The continuing CE Surveys provide a constant measurement of changes in consumer expenditure patterns for economic analysis, and obtain data for future CPI revisions.

The BLS will use data collected in the CE Surveys to 1) provide data required for updating cost-weights used to calculate the CPI; 2) provide a continuous flow of data on income and expenditure patterns for use in economic analysis and policy formulation; and 3) provide a flexible consumer survey vehicle that is available for use by other Federal Government agencies. Public and private users of price statistics, including Congress and the economic policymaking agencies of the executive branch, rely on data collected in the CPI in their day-to-day activities. Data users and policymakers widely accept the need to regularly update the weights used in the CPI.

- 3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also, describe any consideration of using information technology to reduce burden.**

Since April 2003, the CEQ is collected using CAPI. The CAPI laptop instrument has streamlined the interviewing process and improved accuracy by eliminating the need for interviewers to make difficult decisions about correct branching and skip patterns during the interview. Where appropriate, screening questions in the instrument are used to determine eligibility for the administration of more detailed questions to each respondent. CAPI implementation for the Diary Household Characteristics Survey occurred in January 2004. Edit checks alert the Field Representative to irreconcilable data during the interview so that the correct data can be obtained and verified by the respondent. Additionally, online Diaries were introduced as part of the Large Scale Feasibility test in April 2020, implemented in production as needed due to the coronavirus pandemic in April 2021, and fully implemented in July 2022.

- 4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item A.2 above.**

To our knowledge, no other Federal agency is collecting this information.

Similar information with or without modifications does not exist. The CPI requires consumer expenditure data in order to produce item cost-weights estimates for the U.S. urban population, and for several major metropolitan areas. Additionally, to estimate cost weights for the population covered by the “CPI for Urban Wage Earners and Clerical Workers,” the BLS needs occupation and income from respondents to determine if we should use their expenditures in this index.

The only data source that approaches the CPI needs is the Personal Consumption Expenditures (PCE) published by the Bureau of Economic Analysis. However, these data do not allow the BLS to tabulate by the demographic characteristics and geographic areas necessary for producing estimates of cost weights for indexes published by the BLS as well as for many other analytical uses of the data. The PCE estimates, in addition to being too aggregated and lacking the statistical qualities of the CE, also cover the institutional population that is out-of-scope for the CPI.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

Not applicable: the collection of information on the CE questionnaires involves individuals or households, not small businesses.

6. Describe the consequence to federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

Before 1979, the BLS collected consumer income and expenditure data every 10 to 15 years as a major component of large-scale periodic projects to update and revise the CPI. By conducting the consumer expenditure surveys continuously, the BLS is able to provide, more frequent, up to date data, thereby increasing the overall quality and efficiency of the CPI revisions. If the BLS does not conduct the CE Surveys on a continuing basis, current information necessary for timely and accurate updating of the CPI would not be available. In addition, the BLS would not be able to respond to the continuing demand—from the public and private sectors—for current information on consumer spending and income.

Data from the CE are the basis for determining the market basket of the CPI. The CPI market basket is updated approximately every two years and the updated market basket is two years old at the time of introduction.

In addition, the current sample sizes for the CE and rapid data processing allow the BLS to produce superlative measures of consumer price trends of an acceptable degree of reliability and on a basis much closer to real time than would be possible in the absence of a large sample. Such indexes are widely regarded as closer approximations to a cost-of-living index than the current CPI.

7. **Explain any special circumstances that would cause an information collection to be conducted in a manner:**
- **requiring respondents to report information to the agency more often than quarterly;**
 - **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
 - **requiring respondents to submit more than an original and two copies of any document;**
 - **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
 - **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
 - **requiring the use of statistical data classification that has not been reviewed and approved by OMB;**
 - **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
 - **requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

The CED requests that each selected sample unit keep two one-week diaries of expenditures over two consecutive weeks. The CED collects information on small, relatively inexpensive items that respondents may not be able to recall in a retrospective survey. Given the type of data collected, the BLS requests Diary Survey respondents to record responses in fewer than 30 days after receipt of it.

8. **If applicable, provide a copy and identify the date and page number of publication in the *Federal Register* of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection-of-information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

One comment from the Bureau of Economic Analysis supporting the continued collection of the Consumer Expenditure data was received on the Federal Register Notice published in 88 FR 63977 on September 18, 2023.

In the past year, the BLS has consulted with the following persons by correspondence and telephone conversations:

Jennifer Epps
Associate Director for Demographic Programs – Survey Operations
Census Bureau

John Gloster
Associate Director for Demographic Programs – Survey Operations
Census Bureau

Michael Bagley
Associate Director for Demographic Programs – Survey Operations
Census Bureau

James Farber
Demographic Statistical Methods Division
Census Bureau

Lindsay Nix
Demographic Statistical Methods Division
Census Bureau

Consultations with these persons continue as specific problems arise.

9. **Explain any decision to provide any payments or gifts to respondents, other than remuneration of contractors or grantees.**

No payments or gifts will be provided to respondents.

10. **Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.**

The Census Bureau collects data on behalf of CE. The Census Bureau interviewers, Census Bureau employees, and BLS employees with access to CE data hold all information that respondents provide in strict confidence in accordance with Title 13, United States Code, Section 9. Census Bureau interviewers, Census Bureau employees, and BLS employees with access to CE data have each taken an oath to this effect, and if convicted of disclosing any information given by the respondent may be fined up to \$250,000 and/or imprisoned up to 5 years.

In addition, Title 13 prohibits Census Bureau interviewers, Census Bureau employees, and BLS employees with access to CE data from disclosing information identifying any individual(s) in the

CE Surveys to anyone other than sworn Census or BLS employees. Before the interviewer's visit, CEQ or CED respondents will receive the CE-303(L) or CE-803(L) Advance Letters respectively, signed by the Director of the Census Bureau and informing them of the confidentiality of the survey data.

11. **Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

The CE Surveys do not include any questions of a sensitive nature.

12. **Provide estimates of the hour burden of the collection of information. The statement should:**
 - **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. General, estimates should not include burden hours for customary and usual business practices.**
 - **If this request for approval covers more than one form, provide separate hour burden estimates for each form**
 - **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.**

CE estimates the average length of the CEQ interview to decrease slightly from the previous 65 minutes to 63 minutes based on the streamlining of the questionnaire.

BLS will conduct the CEQ at approximately 52,700 designated addresses, which will result in an estimated 4,600 respondents and 18,400 completed interviews. This is a decrease of 1,200 complete interviews as a result of continued decreases in response rates. Reinterviews will be conducted on approximately 12 percent of the completed interviews, for a total of 2,208 completed reinterviews yearly. The average time to complete the survey is 63 minutes for the regular interview, and 10 minutes for the reinterview. This results in an annual response burden (in terms of interview length) of 19,688 hours yearly.

Response Burden for the Interview Survey
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Form	Total Respondents	Frequency	Total Responses	Average Time per Response (minutes)	Estimated Total Burden (hours)
Interview	4,600	4	18,400	63	19,320
Reinterview ¹	2,208	1	2,208	10	368
TOTALS	4,600	//////	20,608	//////	19,688
(1) Reinterviews are done on a subset of the original respondents.					

The BLS will conduct the CED at approximately 17,800 designated addresses per year, resulting in an estimated 6,200 respondents. Respondents complete 2 weekly diaries, resulting in 12,400 weekly diaries being completed per year. Reinterviews will be conducted on approximately 10 percent of the weekly diaries for a total of 1,240 reinterviews. CE expects recordkeeping activity to remain unchanged at 60 minutes. Respondents spend approximately 60 minutes completing each weekly diary, for a total of 12,400 hours of record-keeping. In addition to record-keeping, it takes an average of 19 minutes for respondents to complete each of the interviews. This results in a total of 3,927 hours of interviewing. Additionally, an estimated 10% of respondents (for each week) will be contacted for reinterviewing resulting in an additional 207 hours of reinterviewing. Total burden hour for the Diary Survey is 16,534 hours per year.

Response Burden for the Diary Survey					
Form	Total Respondents ¹	Frequency	Total Responses	Average Time per Response (minutes)	Estimated Total Burden (hours)
Record-keeping	6,200	2	12,400	60	12,400
Interview	6,200	2	12,400	19	3,927

Reinterview ²	1,240	1	1,240	10	207
TOTALS	6,200	////////	26,040	////////	16,534

(1) The total number of respondents for the Diary Survey is 6,200. The respondents who do the record-keeping are the same people who participate in the interviews.

(2) Reinterviews are done on a subset of the original respondents.

Activity	No. of Respondents	No. of Responses per Respondent	Total Responses	Average Burden (minutes)	Total Burden (hours)	Hourly Wage Rate*	Total Burden Cost
CEQ	4,600	4.48	20,608	57.32	19,688	7.25	\$142,738
CED	6,200	4.2	26,040	38.09678	16,534	7.25	\$119,872
Total	10,800	--	46,648	--	36,222	7.25	\$262,610

*Based on the federal minimum wage of \$7.25 per hour.

13. **Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).**
- **The cost estimate should be split into two components: (a) a total capital and start up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of service component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.**
 - **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**
 - **Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

There are no capital and start-up costs and no operational, maintenance, or service costs required of respondents.

14. **Provide estimates of the annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 into a single table.**

The annual cost to the Federal Government of collecting, processing, reviewing, and publishing the data collected in the CE Surveys is approximately \$50 million in fiscal year 2023. This included approximately \$35 million in costs incurred by the Census Bureau for collecting and processing the data, operational costs associated with maintaining the survey, and development costs. The BLS portion of approximately \$15 million was for costs incurred by the BLS in personnel and other related costs associated with managing the survey, processing the data upon receipt from the Census Bureau, reviewing, and publishing the data, and for research and development.

15. Explain the reasons for any program changes or adjustments in Respondent Burden

Reporting burden has decreased from 38,159 to 36,222 due primarily to the decreasing response rates but also as a result of the streamlining of the CEQ questionnaire. (See Supporting Statement Part B for additional information on response rates.)

16. For collections of information whose results will be published, outline plans for tabulations, and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

Data collection activities for the continuing surveys began in September 1979 for the Diary Survey and in October 1979 for the Quarterly Interview Survey. The Census Bureau delivered the first edited and weighted data tape to the BLS in April 1981. Delivery is now scheduled with Quarterly Interview Survey data to be delivered three weeks after the interview month and Diary Survey data to be delivered two months after the interview month.

In May 1983, the BLS published the first tables from the continuing CE Surveys and selected data from the 1980-81 Diary Surveys. Also, microdata on public use tapes were made available for the first time in June 1983 for the Diary Survey and in October 1984 for the Interview Survey.

The BLS will release Diary and Quarterly Interview Survey public use microdata for the first half of 2023 in May 2024. The 2023 annual tabular data and the second half of public use microdata are scheduled to be released in September 2024.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

The BLS requests not to display the expiration date of the information collection because the Quarterly Interview and the Diary Household Characteristics instruments are automated; the respondent, therefore, never sees the date. The OMB control number for the CE Surveys is included in the advance letter given to respondents (see Attachment E). For the Diary CE-801 there is a significant costs savings in printing a large quantity of forms at one time due to the set up costs involved in printing for the survey instrument. By not printing the date on the form the BLS will be able to continue to use forms in stock, assuming no form changes, once the OMB clearance date has expired and a new expiration date has been approved. The BLS would save both time and money by not having to destroy the old questionnaires and printing new ones.

18. Explain each exception to the certification statement.

There are no exceptions to the certification statement.