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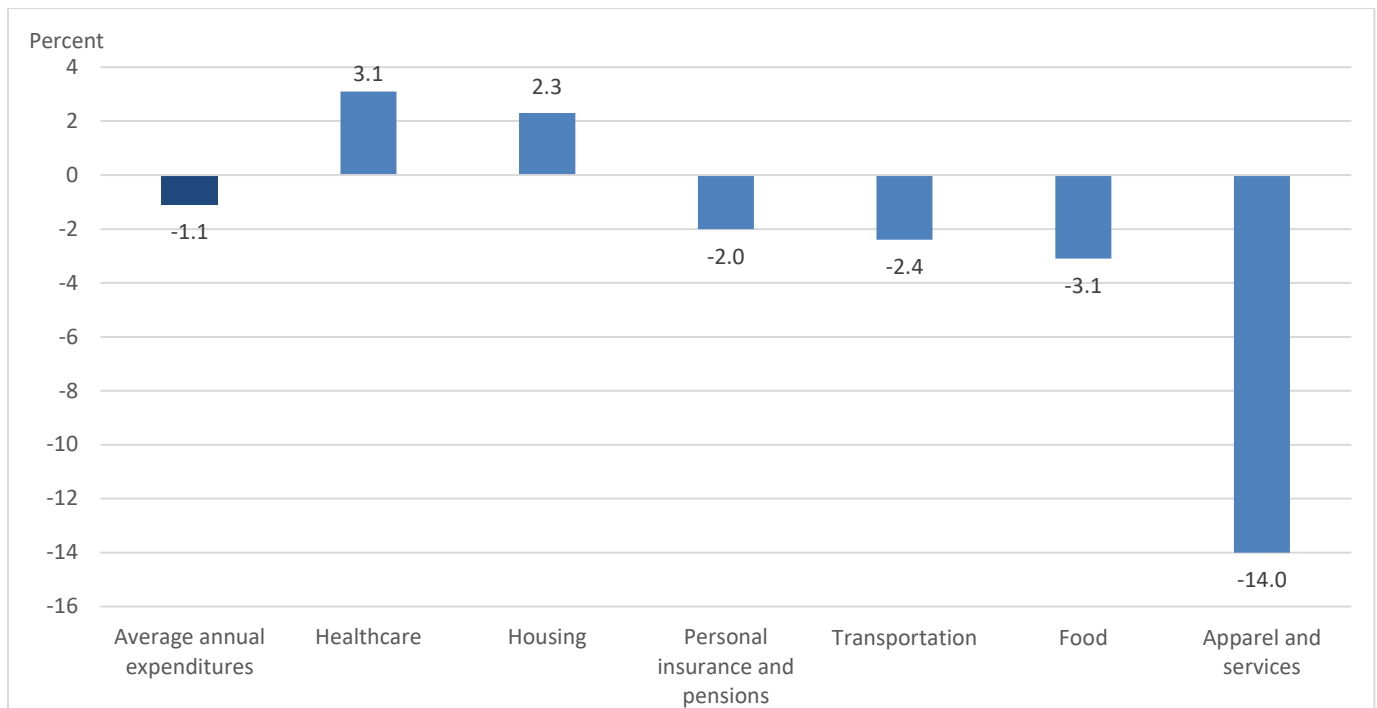
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**CONSUMER EXPENDITURES MIDYEAR UPDATE – JULY 2019
 THROUGH JUNE 2020 AVERAGE**

Average expenditures per consumer unit¹ for July 2019 through June 2020 were down 1.1 percent compared with the previous midyear average (July 2018 through June 2019), the U.S. Bureau of Labor Statistics reported today. (See chart 1.) During the same period, the Consumer Price Index (CPI-U) rose 1.6 percent, and average pretax incomes increased 3.3 percent.

Chart 1. Percent change in total expenditures and selected components, July 2019–June 2020 compared with July 2018–June 2019



Data from the Bureau of Labor Statistics (BLS) Consumer Expenditure Surveys (CE) measure how consumers allocate their spending among the various components of total expenditures. According to the BLS, most major components of household spending decreased. (See table A.) The 15.5-percent decline in miscellaneous spending was the largest percentage decrease among all major components, followed by a 14.0-percent drop in apparel and services. Food away from home (-12.8 percent) and entertainment (-10.1 percent) spending also had notable declines. The largest increase over the period was a 9.9-percent rise in cash contributions. The next largest was a 4.2-percent increase in food at home, followed by a 3.1-percent rise in healthcare.

¹ 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 use their income to make joint expenditure decisions.

Coronavirus (COVID-19) Pandemic Impact on July 2019–June 2020 Consumer Expenditure Surveys Data

Data collection by personal visit for the CE program was suspended March 19, 2020. Instead, data were collected either online or by phone. Data presented in this release reflect the early months of the COVID-19 pandemic. It should be noted that the midyear average is an average of four quarters since July 2019, only one (April-June 2020) of which was fully affected by the COVID-19 pandemic. More information about the impact of the pandemic on CE data is available at www.bls.gov/covid19/effects-of-covid-19-pandemic-and-response-on-the-consumer-expenditure-surveys.htm.

Selected spending patterns, July 2019–June 2020 compared with July 2018–June 2019

Many of the changes observed in this period are likely from the effects of the COVID-19 pandemic, the onset of which occurred while these data were being collected: entertainment, transportation (especially public transportation), and apparel and services all experienced declines, many sharp. Food away from home also declined, while food at home expenditures rose. Healthcare expenditures rose, but only modestly during the period. Specific changes include:

- Miscellaneous spending decreased 15.5 percent, compared to a 3.1-percent decrease in the previous midyear period. Miscellaneous spending includes safety deposit box rentals, checking account fees and other bank service charges, credit card memberships, legal fees, accounting fees, funerals, cemetery lots, union dues, occupational expenses, expenses for other properties, and finance charges other than those for mortgages and vehicles.
- Apparel and services spending decreased 14.0 percent to \$1,598, after increasing 0.5 percent during the previous midyear period. Decreases were spread throughout this category.
- Spending on entertainment decreased by 10.1 percent to \$2,864. This was driven by a 30.1-percent drop in fees and admissions.
- Cash contributions increased 9.9 percent. This category incorporates a wide array of giving and financial obligations such as charitable contributions, support for college students, child support, alimony, and other gifts of cash and financial instruments to individuals and organizations not part of the household.
- Healthcare spending rose 3.1 percent to \$5,204 for July 2019 through June 2020 compared to a 2.5-percent increase in the prior midyear period. The largest changes in components of healthcare were a 4.8-percent increase in health insurance spending and a 7.5-percent decrease in average medical supplies spending.
- Spending on food decreased 3.1 percent. This decrease was driven by food away from home, which fell 12.8 percent; in contrast, food at home increased 4.2 percent.
- Transportation expenditures decreased 2.4 percent to \$10,160. Within transportation, average expenditures for public transportation were down 26.1 percent, and average household expenditures for gasoline and motor oil decreased 13.6 percent over the period. Vehicle purchases (net outlays) increased 5.1 percent.

- Personal insurance and pensions spending decreased 2.0 percent, compared to an increase of 6.5 percent in the previous midyear period. This was due to a 2.3-percent decrease in contributions to pensions and Social Security.

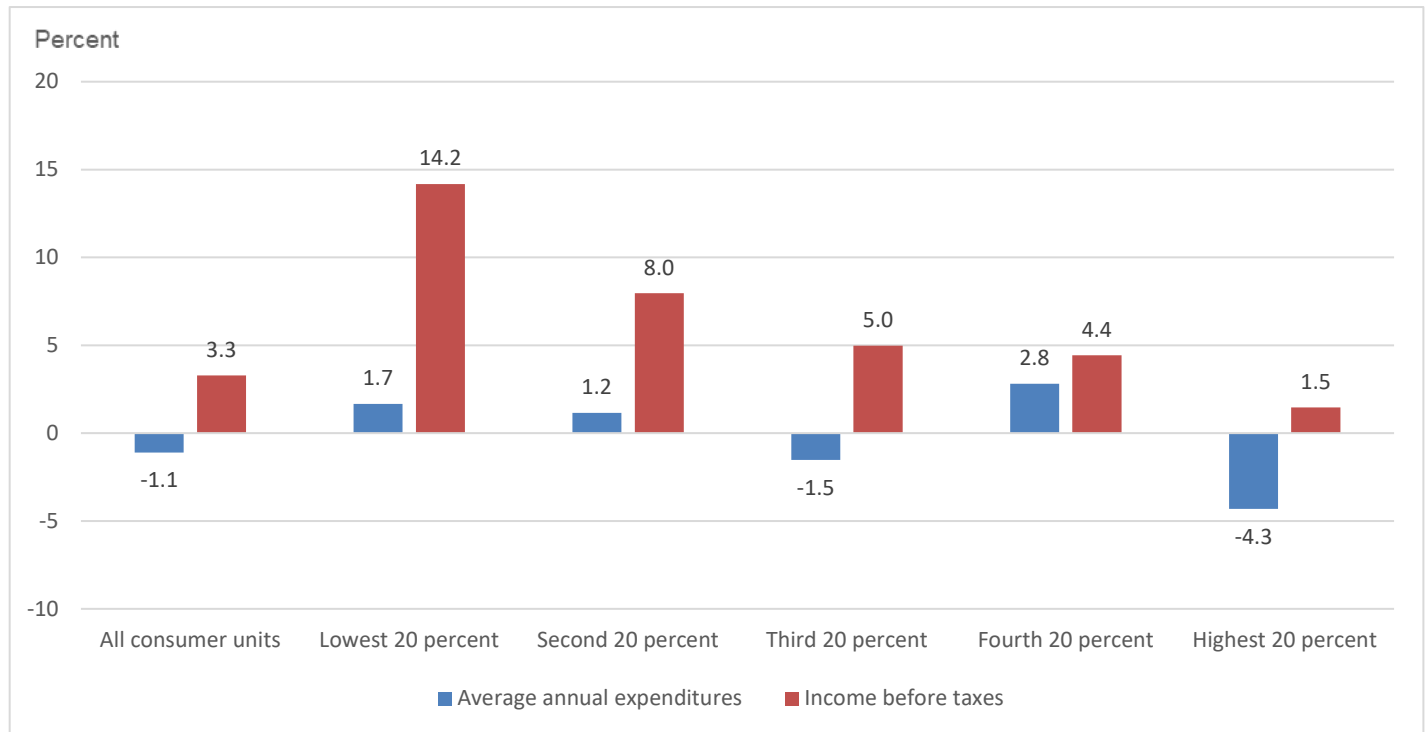
Spending by income quintile

Income quintile is based on the pretax income reported by the consumer unit. To obtain each quintile, the population of consumer units is divided into five equal groups after sorting from lowest to highest income. In July 2019 through June 2020, the lower bounds for each quintile were: \$23,750 for the second quintile; \$44,894 for the third quintile; \$74,895 for the fourth quintile; and \$123,747 for the highest quintile. (See chart 2 and table B.)

Overall, pretax income rose 3.3 percent over the 12 months ending June 2020. All income quintiles showed increases in pretax income. The lowest quintile increased the most, 14.2 percent. The highest quintile increased the least, 1.5 percent. For the middle three quintiles, the increase ranged from 4.4 percent to 8.0 percent. The percent change in pretax income decreased with each increasing income quintile.

Regarding spending patterns, the highest income quintile showed a decrease in total average household expenditures (-4.3 percent) across the 12 months ending June 2020, despite an increase in income before taxes (+1.5 percent). The third quintile had a larger increase in income (+5.0 percent), but a smaller decline in expenditures (-1.5 percent). The lowest, second, and fourth income quintiles showed an increase in both total average household expenditures and income before taxes, and in each case, income rose more than expenditures. For the lowest quintile, the difference between the percent change in income before taxes and percent change in average annual expenditures was substantial.

Chart 2. Percent change in average annual expenditures and income before taxes by income quintile, July 2019–June 2020 compared with July 2018–June 2019



The lowest income quintile allocated larger shares to food and housing than all other quintiles. The highest income quintile allocated a larger share to personal insurance and pensions (including payments for life insurance, other nonhealth insurance, pensions, and Social Security) than any other group. Apparel and services allocations and transportation allocations show little variation among the groups, while households in higher income quintiles allocate less to healthcare. (See chart 3 and table C.)

Chart 3. Shares of average expenditures on selected major components by income quintiles, July 2019 through June 2020

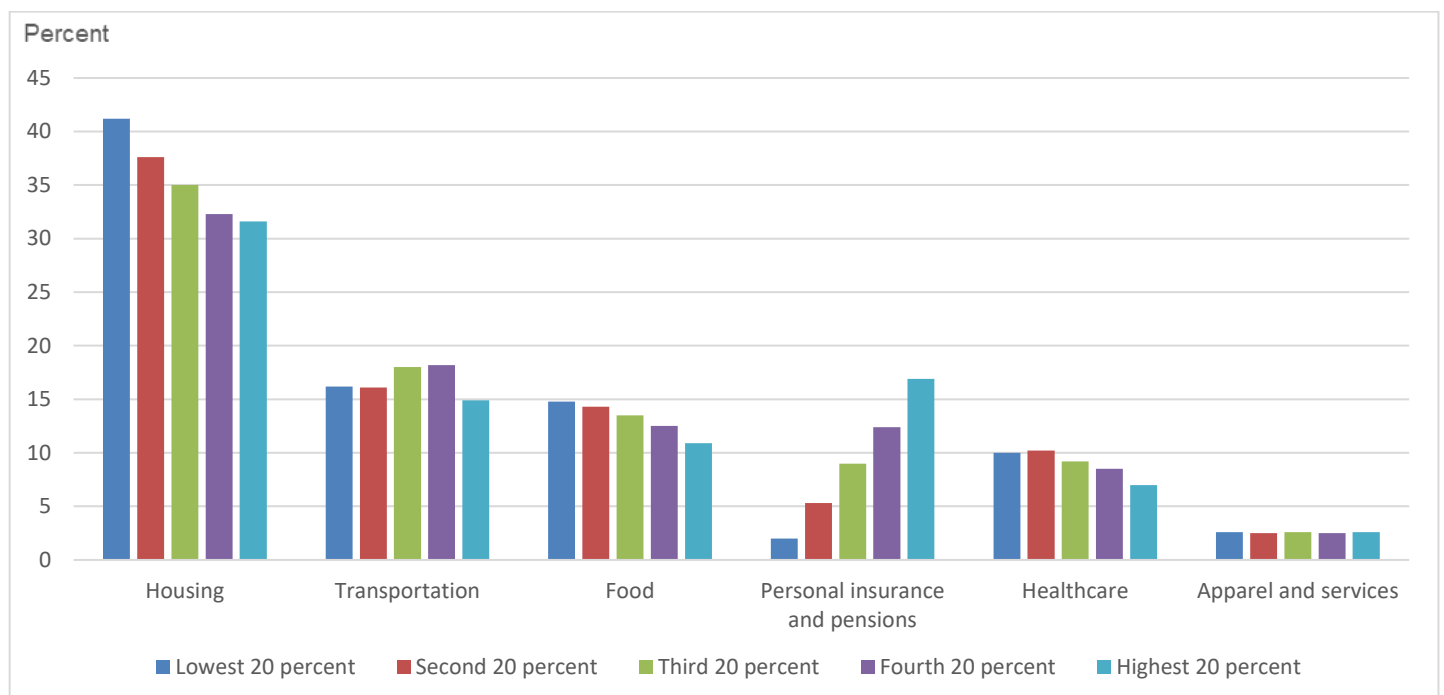


Table A. Average income and expenditures of all consumer units

Item	July 2018- June 2019 Average	July 2019- June 2020 Average	Percent change
			July 2018-June 2019 to July 2019-June 2020
Number of consumer units (in thousands)...	131,772	131,370	
Income before taxes.....	\$81,220	\$83,886	3.3
Average annual expenditures.....	62,438	61,749	-1.1
Food.....	7,967	7,718	-3.1
Food at home.....	4,533	4,725	4.2
Food away from home.....	3,434	2,994	-12.8
Alcoholic beverages.....	553	541	-2.2
Housing.....	20,506	20,973	2.3
Apparel and services.....	1,859	1,598	-14.0
Transportation.....	10,410	10,160	-2.4
Healthcare.....	5,049	5,204	3.1
Entertainment.....	3,185	2,864	-10.1
Personal care products and services.....	776	701	-9.7
Reading.....	108	93	-13.9
Education.....	1,398	1,391	-0.5
Tobacco products and smoking supplies.....	332	317	-4.5
Miscellaneous.....	995	841	-15.5
Cash contributions.....	1,946	2,139	9.9
Personal insurance and pensions.....	7,354	7,208	-2.0
Pensions and Social Security.....	6,857	6,701	-2.3

Note: Subcategories may not sum to their respective major item category.

Table B. Average annual expenditures and income before taxes by income quintile, July 2019–June 2020 compared with July 2018–June 2019

Income quintile	Average annual expenditures			Average income before taxes		
	July 2018- June 2019	July 2019- June 2020	Percent change	July 2018- June 2019	July 2019- June 2020	Percent change
All consumer units	\$62,438	\$61,749	-1.1	\$81,220	\$83,886	3.3
Lowest 20 percent	27,680	28,141	1.7	11,358	12,968	14.2
Second 20 percent	39,731	40,191	1.2	31,721	34,245	8.0
Third 20 percent	52,708	51,902	-1.5	55,870	58,648	5.0
Fourth 20 percent	69,819	71,777	2.8	92,224	96,311	4.4
Highest 20 percent	122,042	116,784	-4.3	214,373	217,501	1.5

Table C. Shares of average expenditures on selected major components by income quintiles, July 2019 through June 2020

Item	Income quintiles				
	Lowest 20 percent	Second 20 percent	Third 20 percent	Fourth 20 percent	Highest 20 percent
Housing.....	41.2	37.6	35.0	32.3	31.6
Transportation.....	16.2	16.1	18.0	18.2	14.9
Food.....	14.8	14.3	13.5	12.5	10.9
Personal insurance and pensions.....	2.0	5.3	9.0	12.4	16.9
Healthcare.....	10.0	10.2	9.2	8.5	7.0
Apparel and services.....	2.6	2.5	2.6	2.5	2.6

Additional information

Data Products

This release includes CE public use microdata (PUMD) along with the midyear tables. PUMD cover the 2nd and 3rd quarters of 2020 for the Interview Survey and the 1st and 2nd quarters of 2020 for the Diary Survey.

Standard CE midyear tables can be found at www.bls.gov/cex/tables.htm. Data tables with the most detailed subcategories of expenditures sorted by demographics can be obtained by sending a request to cexinfo@bls.gov. Documentation regarding how to interpret the CE tables can be found at www.bls.gov/cex/tables-getting-started-guide.htm.

The BLS also provides the 1980 through 2019 annual CE PUMD; Interview Survey files, Diary Survey files, and paradata (information about the data collection process) are available at www.bls.gov/cex/pumd_data.htm. The Interview Survey files contain expenditure data in three different formats: MTBI files that present monthly values in an item-coding framework based on the CPI-U pricing scheme, FMLI files that present user-friendly summary expenditure variables, and detailed data files that organize expenditures by the section of the Interview questionnaire in which they are collected. Expenditure values on detailed data files cover different time periods depending on the specific questions asked, and the files also contain relevant non-expenditure information not found on the MTBI files. The Diary Survey files contain expenditure data in two different formats: EXPD files that present weekly values in the same item-coding framework based on the CPI-U pricing scheme, and FMLD files that present user-friendly summary expenditure variables. Documentation of the CE public use microdata, its conventions, files, sample code, and methodology can be found at www.bls.gov/cex/pumd-getting-started-guide.htm.

For those interested in learning more about the PUMD, the BLS hosts a free workshop each July providing “hands on” training in the use of these data. The event is open to all, but registration is required. (See Upcoming Events for more information about the workshop.)

The 2020 annual news release, data tables, LABSTAT database, and public use microdata are planned for release in September 2021.

Publications

Recent CE-specific articles are available in the Beyond the Numbers publication series at www.bls.gov/cex/csxwebarticles.htm, and the CE Data Comparisons section of www.bls.gov/cex/cecomparison.htm. The BLS Beyond the Numbers publication series provides analyses of topical economic issues and long-term spending trends, and the data comparison articles examine CE data benchmarked to other sources. Additional methodological and analytical articles using CE data will be published in these series as they become available.

The BLS also produces occasional articles for publication in the Monthly Labor Review (MLR) and Spotlight on Statistics series. The flagship publication of the BLS, the MLR publishes scholarly articles on many topics in labor economics. Items in the Spotlight series are meant to be shorter pieces accessible to the general public. A Spotlight generally includes a series of charts or graphs accompanied by a brief explanation of their relevance to the analysis. At the time of publication of this release, the most recent MLR article that focuses on CE expenditure data (September 2020) is “Comparing characteristics and selected expenditures of dual- and single-income households with children” (www.bls.gov/opub/mlr/2020/article/comparing-characteristics-and-selected-expenditures-of-dual-and-single-income-households-with-children.htm); the most recent Spotlight (April 2020) is “Meal Appeal: Patterns of Expenditures on Food away from Home” (www.bls.gov/spotlight/2020/food-away-from-home/home.htm).

The midyear 2020 Data Quality Profile, which reports quality metrics and indicators for the Interview and Diary Surveys regarding measurement, nonresponse, and processing error, will be available shortly after this release at www.bls.gov/cex/cecomparison.htm.

The 2019 Annual Report, which includes more detailed information on spending patterns, is available at www.bls.gov/cex/csxreport.htm#annual.

For a listing of links to other published reports featuring CE data, see the CE publications page at www.bls.gov/cex/csxreport.htm.

Survey Forms

Also available are the Diary Survey questionnaire and a modified version of the computer assisted personal interview (CAPI) instrument used to collect the Interview Survey data at www.bls.gov/cex/csxsurveyforms.htm.

Methodology

The change in the CPI-U cited in the text (1.6 percent) was calculated as the percentage change between the 12-month average CPI-U for all items from July 2018-June 2019 (253.268) and the 12-month average CPI-U for all items from July 2019-June 2020 (257.230).

Information on the methodology used to calculate and collect CE data is available at www.bls.gov/opub/hom/cex/home.htm. General articles and research papers using CE data are in the CE research library at www.bls.gov/cex/research_papers/research-paper-catalog.htm.

Upcoming Events

Each July, the BLS sponsors two events, each free of charge: a symposium and a microdata users' workshop (www.bls.gov/cex/csxannualworkshop.htm).

The CE Symposium focuses on survey methodology, and typically features invited presenters from the CE program, other BLS programs, and researchers who are not affiliated with the BLS. The symposium typically meets on one day.

Held over three days, the workshop starts with presentations designed for those who have never used the data and builds to expert topics. The workshop also features presentations from researchers not affiliated with the Bureau of Labor Statistics, who describe the nature of their projects, specific files and variables they use, the problems (and solutions) they have encountered working with the data, and any other relevant topics they care to share. The workshop also features opportunities to meet with an expert from the CE program staff to discuss any aspect of a current or potential project, general or specific, about which the attendee has questions or concerns.

The next CE Symposium will be held July 20, 2021. The next CE Microdata Users' Workshop will be held July 21-23, 2021. Due to the COVID-19 pandemic, both events will be conducted virtually. Registration for each event (required, but free of charge) is open through July 14, 2021 (data.bls.gov/forms/cex-registration.htm). The call for presenters at the 2021 workshop, open through May 7, 2021, is available here: www.bls.gov/cex/ce-2021-presenters.htm. Information about meeting with an expert is available here: www.bls.gov/cex/ce_2021_meet_with_an_expert.htm. Additional information, such as links to the 2020 program (www.bls.gov/cex/ce-2020-workshop-agenda.htm) and to reports on past workshops (www.bls.gov/cex/ce_workshop_archive.htm), is also available on the workshop homepage. The most recent report available at the time of publication of this news release describes the 2019 events (www.bls.gov/opub/mlr/2020/article/consumer-expenditure-survey-methods-symposium-and-microdata-users-workshop-2019.htm). Reports on subsequent events (2020 onward) will be posted at a later date.

Contact Information

For further information, contact the Consumer Expenditure Surveys, Office of Prices and Living Conditions at (202) 691-6900 or by email at cexinfo@bls.gov. Information in this release will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service: 1 (800) 877-8339.