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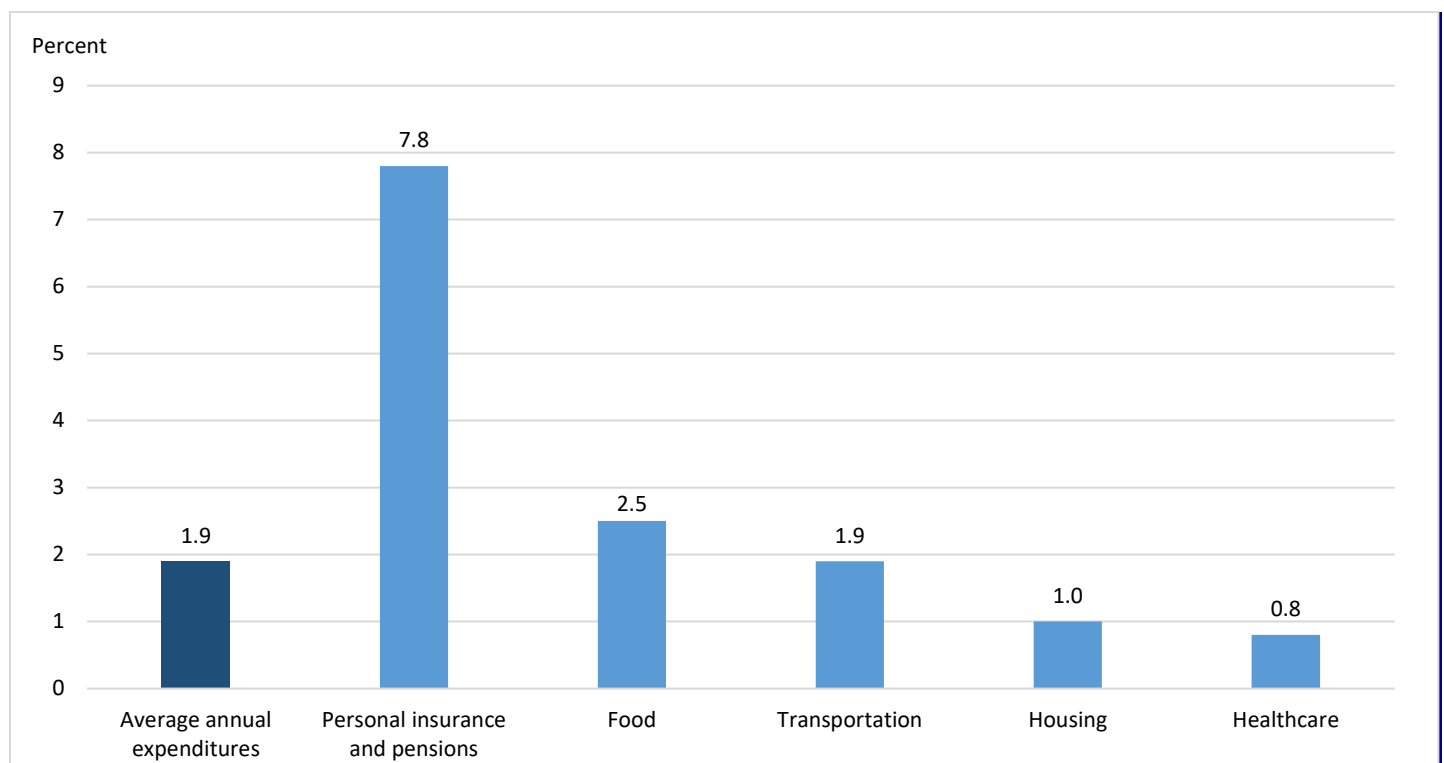
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CONSUMER EXPENDITURES - 2018

Average expenditures per consumer unit¹ for 2018 were \$61,224, a 1.9-percent increase from 2017 levels, the U.S. Bureau of Labor Statistics reported today. (See chart 1.) During the same period the Consumer Price Index (CPI-U) rose 2.4 percent and average pretax income increased by 6.9 percent.

Chart 1. Annual percent change in expenditures and selected components, 2018



Nine of the 10 largest components of household spending increased during 2018. (See table A.) The 7.8-percent rise in personal insurance and pensions expenditures was the largest percentage increase among all major components, followed by a 2.5-percent rise in food. The only decrease among the largest components was a 5.6-percent drop in education spending.

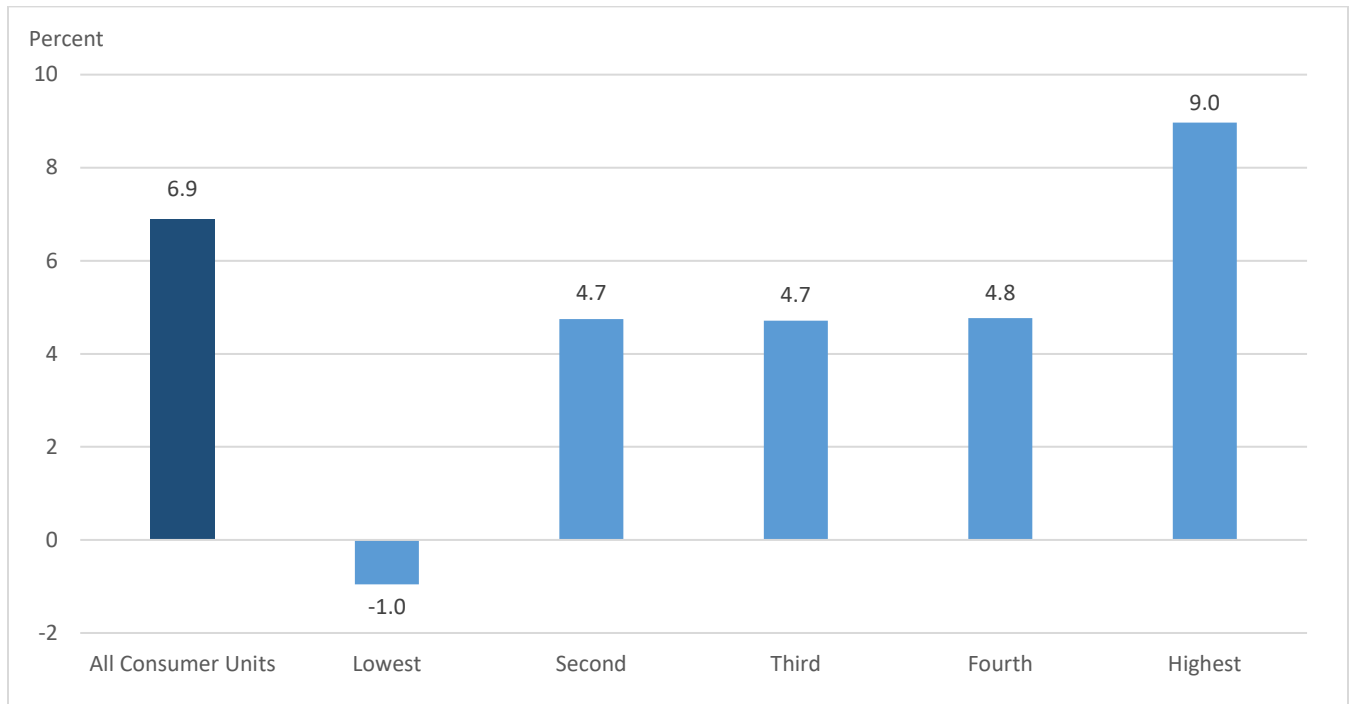
¹ Consumer units include families, single persons living alone or sharing a household with others but who are financially independent, or two or more persons living together who share major expenses.

Selected spending patterns, 2018

- Personal insurance and pensions spending increased 7.8 percent, compared to a decrease of 0.9 percent in 2017. This was driven by a 7.5-percent increase in contributions to pensions and Social Security.
- Spending on food increased 2.5 percent. The increase was driven by both food at home spending, up 2.3 percent, and food away from home spending, up 2.8 percent.
- Transportation expenditures were up 1.9 percent. Gasoline, other fuels, and motor oil expenditures were up 7.2 percent. Vehicle purchases declined 1.9 percent, following an increase of 11.6 percent in 2017.
- Housing expenditures increased 1.0 percent. Expenditures on rented dwellings were up 2.0 percent; however, expenditures on owned dwellings were down 3.9 percent. The owned dwellings category includes interest on mortgages, interest on home equity loans, property taxes and insurance, refinancing charges, homeowners' insurance, and expenses for maintenance and repairs.
- Healthcare expenditures were up a modest 0.8 percent, following a 6.9-percent increase in 2017. The largest component of healthcare, health insurance, was down 0.3 percent, following a 8.0-percent increase in the preceding year.
- Cash contributions were up a modest 0.8 percent after a 10.0-percent decrease in 2017.
- Expenditures on education were down by 5.6 percent after an increase of 12.2 percent in 2017.

Pretax income rose 6.9 percent in 2018, after dropping 1.5 percent in 2017. (See chart 2.) All income quintiles with the exception of the lowest income quintile had increases in pretax income. The highest quintile increased by 9.0 percent in 2018. Income quintile is defined based on the pretax income reported by the consumer unit. Consumer units are divided into five equal groups. In 2018, the lower bounds for each quintile were \$21,293 for the second quintile, \$41,490 for the third quintile, \$70,367 for the fourth quintile, and \$116,625 for the highest quintile.

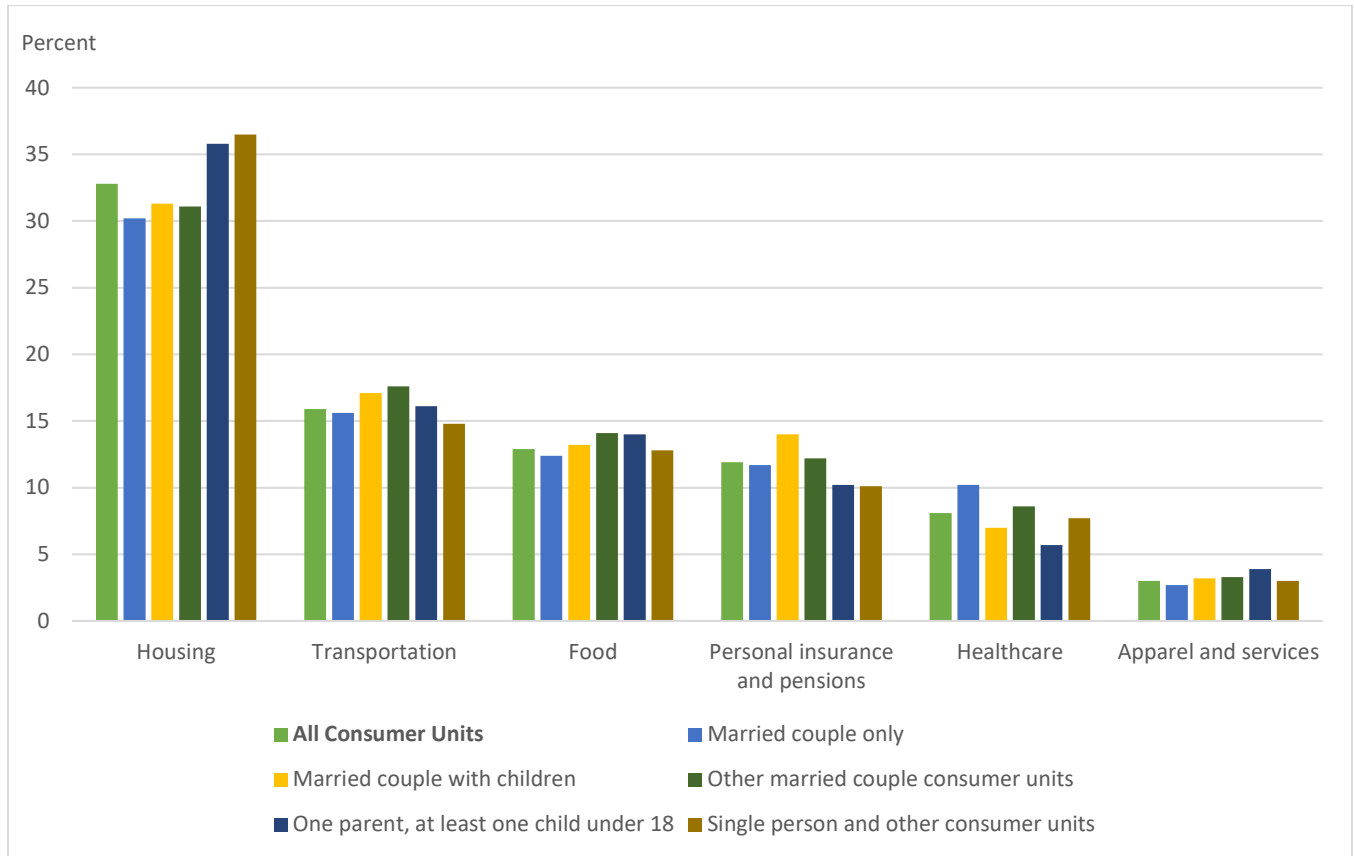
Chart 2. Annual percent change in average pretax income by income quintile, 2018



Spending by composition of consumer unit, 2018

Data from the Consumer Expenditure Surveys (CE) measure how consumers allocate their spending among the various components of total expenditures. Chart 3 and table B compare the shares allocated to selected expenditures by composition of consumer units. Over 10 percent of total spending for married-couple-only consumer units went to healthcare, almost twice as large a share as reported by one-parent consumer units (5.7 percent). Married-couple-with-children consumer units allocated the highest share of all groups to personal insurance and pensions (14.0 percent), while other-married-couple consumer units (those with married couples and persons other than children living in the consumer unit) allocated the highest share to transportation (17.6 percent).

Chart 3. Shares of average annual expenditures on selected major components by composition of consumer unit, 2018



Spending by income quintile, 2018

Chart 4 and table C show the percent change for expenditures by income quintile. Overall spending increased in all five quintiles, ranging from 1.5 percent in the lowest and highest quintile to 2.5 percent in the third quintile. Transportation rose for all five quintiles. Food at home, housing, apparel and services, entertainment, and personal insurance and pensions rose in four of five quintiles. Food away from home and healthcare rose in three of five quintiles. Cash contributions fell in four of five quintiles.

Chart 4. Annual percent change in average expenditures by income quintile, 2018

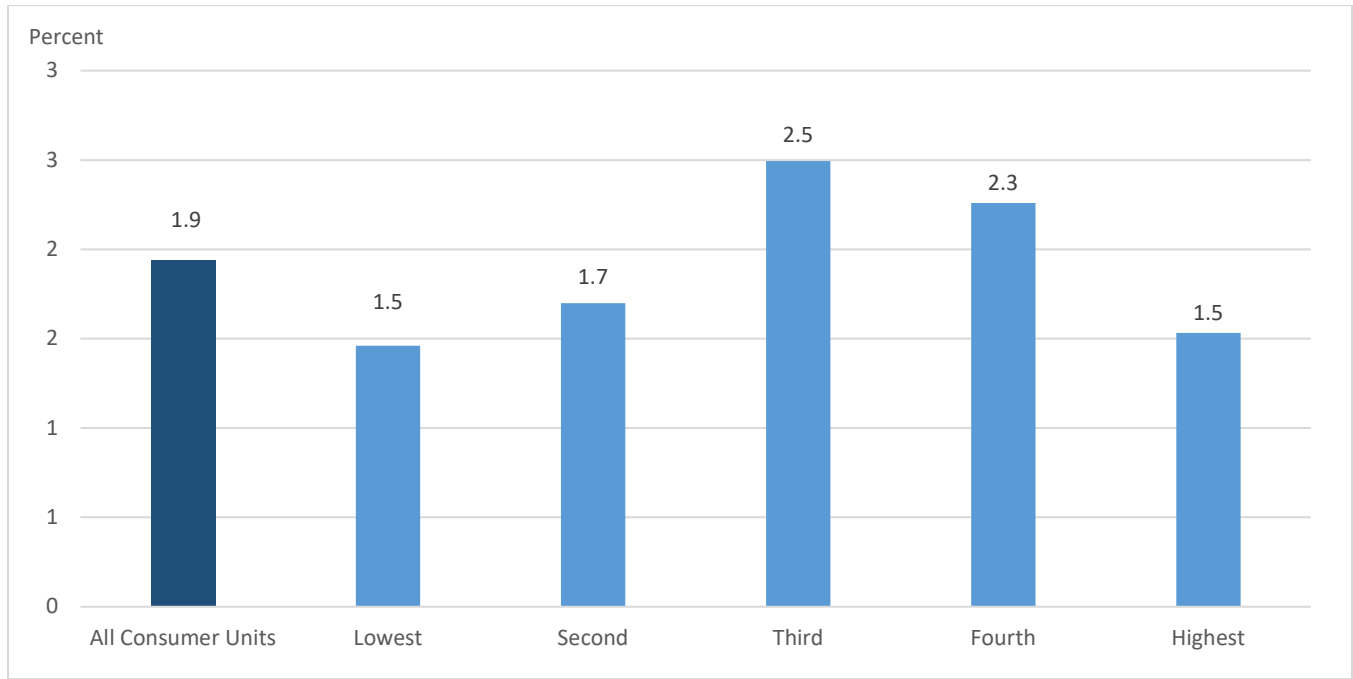


Table A. Average income and expenditures of all consumer units, 2016-18

| Item | 2016 | 2017 | 2018 | Percent change | |
|---|----------|----------|----------|----------------|---------|
| | | | | 2016-17 | 2017-18 |
| Average income before taxes..... | \$74,664 | \$73,573 | \$78,635 | -1.5 | 6.9 |
| Average annual expenditures..... | 57,311 | 60,060 | 61,224 | 4.8 | 1.9 |
| Food..... | 7,203 | 7,729 | 7,923 | 7.3 | 2.5 |
| Food at home..... | 4,049 | 4,363 | 4,464 | 7.8 | 2.3 |
| Food away from home..... | 3,154 | 3,365 | 3,459 | 6.7 | 2.8 |
| Housing..... | 18,886 | 19,884 | 20,091 | 5.3 | 1.0 |
| Shelter..... | 11,128 | 11,895 | 11,747 | 6.9 | -1.2 |
| Owned dwellings..... | 6,295 | 6,947 | 6,678 | 10.4 | -3.9 |
| Rented dwellings..... | 4,035 | 4,167 | 4,249 | 3.3 | 2.0 |
| Apparel and services..... | 1,803 | 1,833 | 1,866 | 1.7 | 1.8 |
| Transportation..... | 9,049 | 9,576 | 9,761 | 5.8 | 1.9 |
| Vehicle purchases..... | 3,634 | 4,054 | 3,975 | 11.6 | -1.9 |
| Gasoline, other fuels, and motor oil..... | 1,909 | 1,968 | 2,109 | 3.1 | 7.2 |
| Healthcare..... | 4,612 | 4,928 | 4,968 | 6.9 | 0.8 |
| Health insurance..... | 3,160 | 3,414 | 3,405 | 8.0 | -0.3 |
| Entertainment..... | 2,913 | 3,203 | 3,226 | 10.0 | 0.7 |
| Personal care products and services..... | 707 | 762 | 768 | 7.8 | 0.8 |
| Education..... | 1,329 | 1,491 | 1,407 | 12.2 | -5.6 |
| Cash contributions..... | 2,081 | 1,873 | 1,888 | -10.0 | 0.8 |
| Personal insurance and pensions..... | 6,831 | 6,771 | 7,296 | -0.9 | 7.8 |
| Pensions and Social Security..... | 6,509 | 6,353 | 6,831 | -2.4 | 7.5 |
| All other expenditures..... | 1,897 | 2,010 | 2,030 | 6.0 | 0.0 |

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

Table B. Shares of average expenditures on selected major components by composition of consumer unit, 2018

| Item | All Consumer Units | Married couple only | Married couple with children | Other married couple consumer units | One parent, at least one child under 18 | Single person and other consumer units |
|---------------------------------|--------------------|---------------------|------------------------------|-------------------------------------|---|--|
| Housing | 32.8 | 30.2 | 31.3 | 31.1 | 35.8 | 36.5 |
| Transportation | 15.9 | 15.6 | 17.1 | 17.6 | 16.1 | 14.8 |
| Food | 12.9 | 12.4 | 13.2 | 14.1 | 14.0 | 12.8 |
| Personal insurance and pensions | 11.9 | 11.7 | 14.0 | 12.2 | 10.2 | 10.1 |
| Healthcare | 8.1 | 10.2 | 7.0 | 8.6 | 5.7 | 7.7 |
| Apparel and services | 3.0 | 2.7 | 3.2 | 3.3 | 3.9 | 3.0 |

Table C. Change in average annual expenditures of major components by income quintile, 2018

| Item | Lowest Quintile | | Second Quintile | | Third Quintile | | Fourth Quintile | | Highest Quintile | |
|--------------------------------------|----------------------|---------|----------------------|---------|----------------------|---------|----------------------|---------|----------------------|---------|
| | Over-the-year change | | Over-the-year change | | Over-the-year change | | Over-the-year change | | Over-the-year change | |
| | Dollar | Percent | Dollar | Percent | Dollar | Percent | Dollar | Percent | Dollar | Percent |
| Total..... | \$380 | 1.5 | \$668 | 1.7 | \$1,259 | 2.5 | \$1,527 | 2.3 | \$1,793 | 1.5 |
| Food..... | 39 | 1.0 | 169 | 3.0 | -103 | -1.5 | 596 | 6.8 | 269 | 2.1 |
| At home..... | 127 | 4.9 | -2 | -0.1 | 43 | 1.1 | 188 | 3.8 | 150 | 2.2 |
| Away from home..... | -88 | -5.9 | 171 | 8.3 | -146 | -4.8 | 409 | 10.6 | 120 | 1.9 |
| Housing..... | 140 | 1.3 | 198 | 1.4 | 398 | 2.3 | -27 | -0.1 | 267 | 0.8 |
| Apparel and services..... | -129 | -14.7 | 28 | 2.2 | 171 | 12.7 | 51 | 2.5 | 47 | 1.3 |
| Transportation..... | 221 | 6.3 | 189 | 2.9 | 104 | 1.2 | 189 | 1.7 | 197 | 1.1 |
| Healthcare..... | -17 | -0.7 | 108 | 2.8 | -5 | -0.1 | 102 | 1.8 | 8 | 0.1 |
| Entertainment..... | 99 | 7.8 | 310 | 16.6 | 25 | 1.0 | 24 | 0.7 | -357 | -5.2 |
| Cash contributions..... | -17 | -2.6 | -83 | -7.0 | -158 | -10.6 | -16 | -0.9 | 335 | 8.0 |
| Personal insurance and pensions..... | 61 | 9.3 | -367 | -15.2 | 611 | 14.1 | 403 | 4.9 | 1,859 | 10.2 |
| All other expenditures | -17 | -0.8 | 116 | 5.0 | 216 | 7.0 | 205 | 5.0 | -832 | -8.6 |

Additional Information

Data Products

Consumer Expenditure (CE) data include the expenditures and income of consumers, as well as the demographic characteristics of those consumers. Tables with more expenditure detail are available at www.bls.gov/cex. Published tables provide 2018 CE data by standard classifications that include income quintile, income decile, income class, age of reference person, generation of reference person, size of consumer unit, number of earners, composition of consumer unit, Census region of residence, Census division of residence, housing tenure, type of area (urban-rural), race, Hispanic origin, occupation, and highest education level of any member. These annual tables include means, shares, and standard errors. Other tables available on the website include expenditures by age, region, size, or gender cross-tabulated by income before taxes and other demographic variables. Historical tables back to 1984 and selected metropolitan area tabulations are also available.

Standard CE midyear tables, which are similar to the annual tables but cover the third quarter of a given year through the second quarter of the next year, are available at www.bls.gov/cex/midyear.htm. Data tables with the most detailed subcategories of expenditures by demographic can be obtained by sending a request to cexinfo@bls.gov.

The CE LABSTAT database provides tools to access CE data and can be found at www.bls.gov/cex/data.htm. Documentation on how to use the CE LABSTAT database is available at www.bls.gov/cex/ce-labstat-getting-started-guide.pdf.

The 1996 through 2018 CE public-use microdata, including Interview Survey data, Diary Survey data, and paradata (information about the data collection process), are available on the CE website for free electronic download at www.bls.gov/cex/pumd_data.htm. The Interview Survey files contain expenditure data in two different formats: MTBI files that present monthly values in an item-coding framework based on the Consumer Price Index (CPI) pricing scheme, and EXPN files that organize expenditures by the section of the Interview questionnaire in which they are collected. Expenditure values on EXPN 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. For releases prior to 1996, users can continue to purchase USB flash drives using the link to the public-use microdata order form at www.bls.gov/cex/pumd_data.htm.

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.

Publications

Recent CE-specific articles in the BLS Beyond the Numbers web report series provide analyses of topical economic issues and long term spending trends, as well as comparisons of CE data to other data series at www.bls.gov/cex/csxwebarticles.htm and www.bls.gov/cex/cecomparison.htm. Additional methodological and analytical articles using CE data will be published in 2020.

The 2018 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.

The 2018 Annual Report, which includes more detailed information on spending patterns, will be published in early 2020.

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 Consumer Price Index (CPI-U) cited in the text was calculated as the percentage change between the 12-month average CPI-U for all items from January to December 2017 (245.120) and the 12-month average CPI-U for all items from January to December 2018 (251.107).

Composition of the consumer unit is the classification of interview families according to: (1) relationship of other family members to the reference person; (2) age of the children of the reference person; and (3) combination of relationship to the reference person and age of the children. Stepchildren and adopted children are included with the reference person's own children. Definitions of CE terms are in the CE glossary at www.bls.gov/cex/csxgloss.htm.

Information on the methodology used to calculate and collect CE data is available at www.bls.gov/cex/ce_methodology.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.

Contact Information

For further information, contact the Division of 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.