

Housing Expenditures by State: Pandemic effects on Consumer Spending on Housing

Grayson Armstrong

Economist

Division of Consumer Expenditure Surveys



State Weights

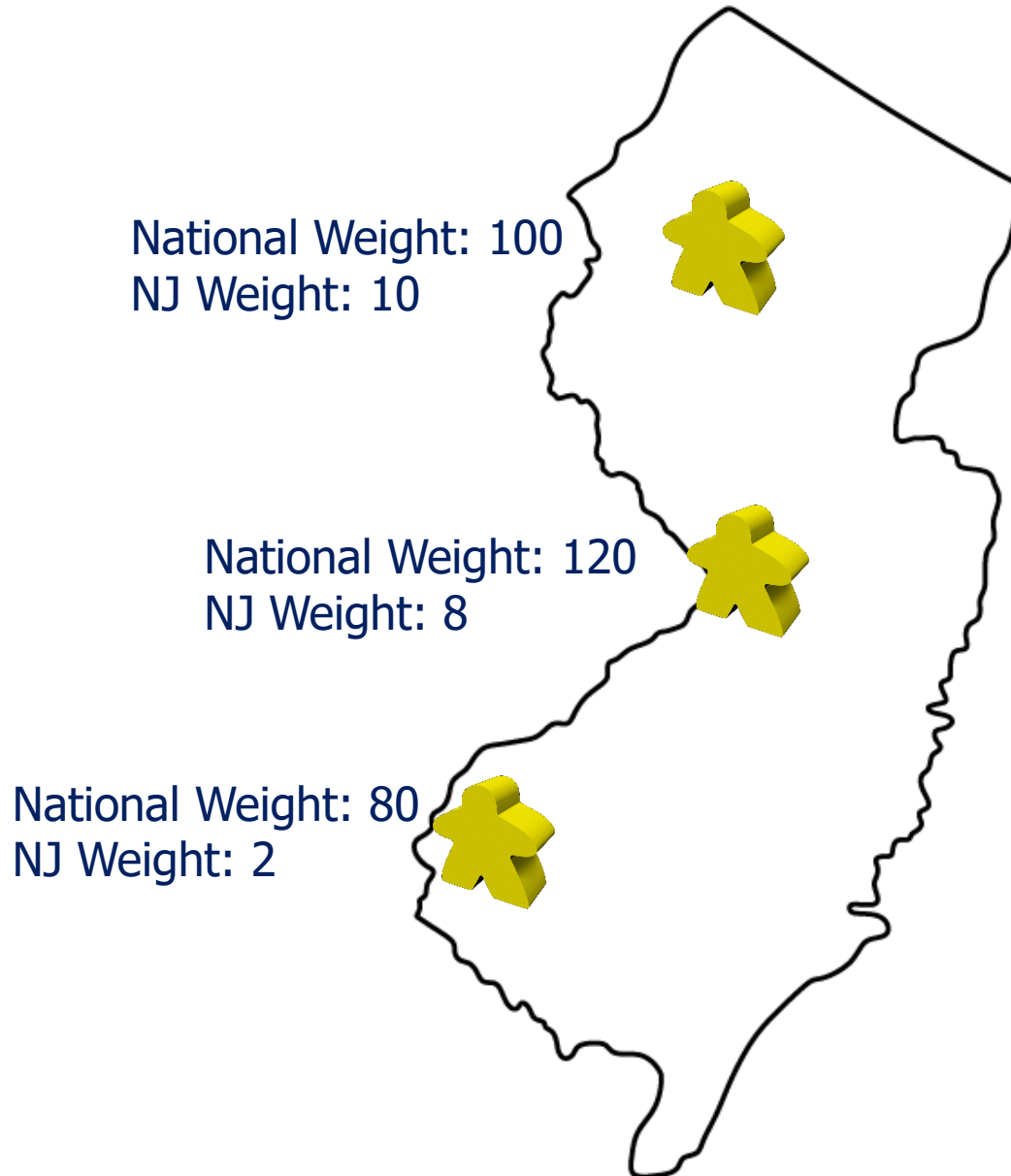
2016: First test estimates produced for 3 states

2018: First official weights published using 2016 data

2019: New York and Texas weights added

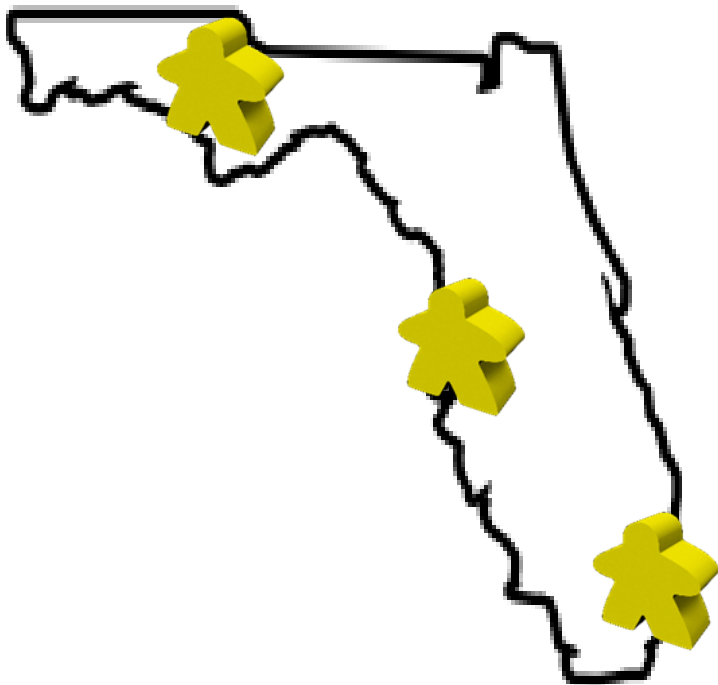
How do they work?

- Suppose the population of New Jersey was 20.
- Each consumer unit in New Jersey is re-weighted to represent the population of New Jersey *instead of* the national population.



How well do they work?

- Compare population targets to US Census.



1. Add up the weights for Florida from PUMD.
~8.5 Million Consumer Units (CU)

2. Compute average number of people per CU with the weight.
2.4 people per CU

3. Multiply and compare to Census value.
 $8.5 * 2.4 = 20.4$ million people

Approximately equal to the 20.6 million reported Florida population.

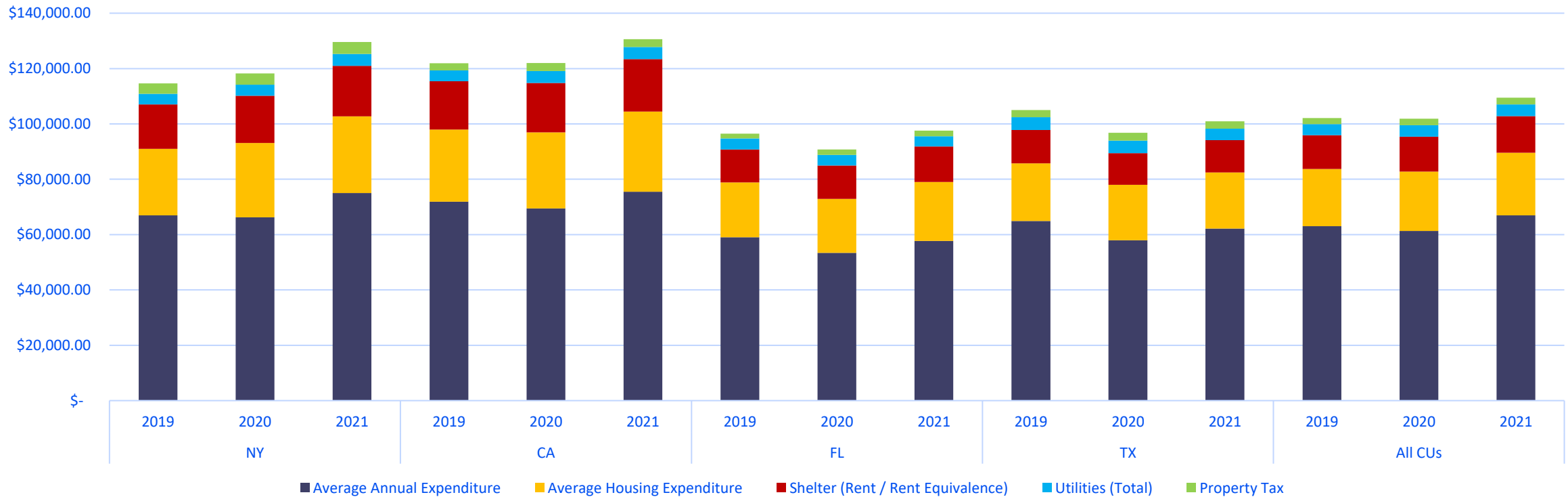
Using the weights

- By applying the weights to national expenditures, we can get statistically meaningful estimates across certain states
- Particularly interesting when comparing states to trends across all CUs
- Average shelter costs across the states vs. all CUs 2019 – 2021
- New Jersey not included due to lack of sample consistency



Average Annual Expenditures

Average Annual Expenditures by State



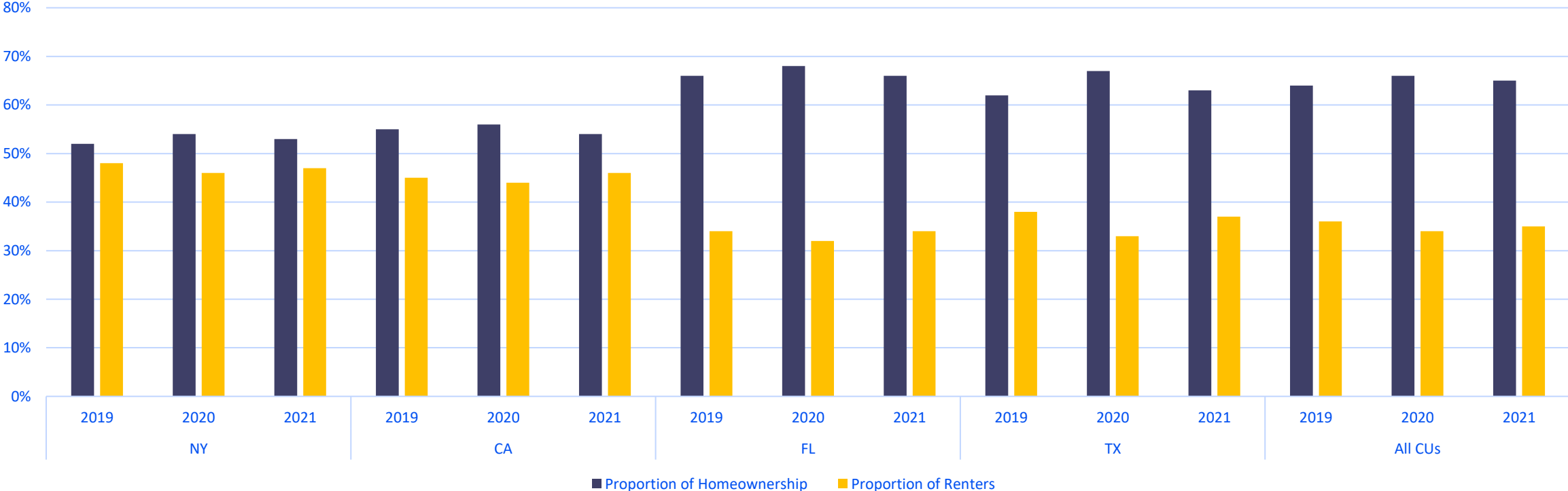
State Comparisons

- Californian CUs have the highest annual expenditures, Floridian CUs the lowest
- COVID dip in expenditures present in all states
 - ▶ Largest drop from TX CUs – \$6,994 between 2019 & 2020
 - ▶ Smallest drop from NY CUs – only \$705
- Expenditure on Housing rose in NY and CA, remained stable in TX and FL



Homeownership

Proportion of Homeownership



State Comparisons

- Florida and Texas have higher proportions of homeownership than New York and California
- All states saw a small decrease in proportion of renters in 2020, and an increase in 2021
- The number of CUs in Florida and Texas increased over the 3 year period, whereas New York and California were steady



National Trend Comparison

- FL and TX have similar homeownership rates to the national average, CA and NY about 10% lower
- NY and CA spend more on housing than the national average, about 4k-5k
- NY spend almost double on property tax than the national average



Conclusion

- The state weights can be used to produce estimates of average annual expenditures and shares for selected states. Those examined here are close, but not identical to, national estimates
- The weights can be used to better aggregate and account for geographical patterns in spending where possible
- Our example shows clear patterns by income level that appear across state data as well as at the national level



Interested?

- State Tables can be found on our Geographic Tables page
- State Weights are now available on the Public Use Microdata page



Contact Information

Grayson Armstrong
Economist

Division of Consumer Expenditure Survey

(202)-691-6519

Armstrong.Grayson@bls.gov