

Expenditures on Entertainment

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Over the past half-century, the increase in incomes and decline in hours worked have allowed American consumers to enjoy more leisure time and increase their spending on entertainment. In 2000, spending on entertainment by American consumers totaled approximately \$203 billion (see table 1), almost 3 times the amount that Americans spent on education. Using data from the Consumer Expenditure (CE) Survey, this article looks at the level of expenditures on entertainment, its share of national aggregate expenditures, and the ways in which selected demographic groups allocate these expenditures. The article highlights entertainment expenditures by consumer units¹ in 2000, classified by age of the reference person,² income quintiles³ of complete income reporters,⁴ and education of the reference person.

The CE Survey divides entertainment expenditures into four categories: Fees and admissions; televisions, radios, and sound equipment; pets, toys, and playground equipment; and other

entertainment supplies, equipment, and services. Fees and admissions, which accounted for 28 percent of entertainment expenditures in 2000, include expenses for out-of-town trips, fees for recreational lessons, and the cost of admission to sporting events, cultural and theatrical events, the movies, and special events, such as live musical performances. Television, radios, and sound equipment accounted for 33 percent of entertainment spending and include color televisions, DVD players, VCRs, CD players, video game consoles and software, videotapes and discs, and speakers and various other home theater sound systems. Pets, toys, and playground equipment accounted for 18 percent of entertainment spending and includes toys, games, and playground equipment; hobbies and tricycles; and pet food, veterinarian services and pet services. Other entertainment supplies, equipment, and services accounted for 21 percent of entertainment spending and includes “volatile” expenditures, such as the rental or purchase of recreational vehicles and the purchase of boats. Expenditures on many of the items in the category tend to fluctuate from year to year, chiefly because, each year, relatively few consumers purchase these expensive items (such as a boat with a motor or a motorized camper) and increases or decreases in the percentage of consumers purchasing the items can

¹ See “Glossary” in Appendix A at the end of this anthology for the definition of a *consumer unit*.

² See “Glossary” in Appendix A at the end of this anthology for the definition of *reference person*.

³ See “Glossary” in Appendix A at the end of this anthology for the definition of *quintiles of income before taxes*.

⁴ See the glossary at the end of this anthology for the definition of *complete income reporter*.

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have a large effect on the mean expenditure. For example, consumer units who reported no expenditures on motorized recreational vehicles are counted as spending \$0.00. In 1999, 0.33 percent of consumer units reported purchasing a motorized recreational vehicle, and they spent an average of \$171, whereas, in 2000, the percent reporting was 0.24 percent, and the average amount spent was \$82.

Age

In 2000, the share of total aggregate entertainment spending accounted for by consumer units with reference persons in two age groups—those under 35 and those 55 and older—was smaller than their population share. The under-35 group accounted for 25 percent of the total population, but spent 22 percent of the total of \$203 billion that U.S. consumers allocated to entertainment in 2000, whereas those 55 and older had a population share of 33 percent and spent 25 percent of the total amount allocated to entertainment. Consumer units with reference persons in the age group from 35 to 54 had a population share of 42 percent, but accounted for more than half of the total of \$203 billion dollars spent on entertainment.

As regards the individual categories of entertainment, persons under the age of 35 and those 55 and older spent less on entertainment than their population share in all four categories of entertainment, whereas those between the ages of 35 and 54 spent more than their population share on each of the categories. Although those under 35 made up 42 percent of the population, their share of spending on the four subcategories of entertainment was as follows: Fees and admissions, 55 percent of the aggregate entertainment share; TVs, radios, and sound equipment, 50 percent; pets, toys, and playground equipment, 53 percent; and other entertainment supplies, equipment, and services, 55 percent.

Education

This section examines consumer units

in two broad categories of educational attainment. The first, those who did not graduate from college, comprises four classes: Those who did not graduate from high school, high school graduates, high school graduates with some college, and those with an associate's degree. The second category, college graduates, consists of two classes: Those with a bachelor's degree and those with a master's, professional, or doctoral degree. Consumer units with reference persons who did not graduate from college had a population share of 74 percent and accounted for 60.5 percent of the aggregate expenditures on entertainment, whereas college graduates had a population share of 26 percent, yet accounted for 39.5 percent of the aggregate expenditure on entertainment.

Of the 4 subclasses making up the group who did not graduate from college, 3 had an aggregate expenditure share that was lower than their population share: Those who did not graduate high school, 8 percent expenditure share, compared with 17 percent population share; high school graduates, 24 percent expenditure share, as opposed to 29 percent population share; and high school graduates with some college, 20 percent expenditure share and 21 percent population share. Only those with associate's degrees had a spending share exceeding their population share (9 percent, compared with 8 percent). These statistics are evidence that an increase in education level leads to an increase in average income, enabling the more educated to spend more on leisure and recreation. Average incomes for the four classes were as follows: Those who did not graduate high school, \$23,329; high school graduates, \$36,134; high school graduates with some college, \$38,837; associate's degree, \$50,060). Among the college graduates, those with a bachelor's degree and those with advanced degrees had aggregate expenditure shares of 25 percent and 15 percent, respectively, and population shares of 17 percent and 9 percent. These figures are likely attributable to the

fact that, as their education levels increased, so did their incomes, providing them with more discretionary income to spend on entertainment.

Income quintiles

An examination of spending on entertainment by income quintile reveals that the proportion of aggregate expenditures allocated to entertainment ranged from 9 percent by the lowest quintile to 40 percent by the highest quintile. The aggregate amount spent on entertainment by complete income reporters was \$158 billion. Not surprisingly, consumer units in the highest quintile contributed the most to each of the four categories of entertainment expenditure. These consumer units spent more than \$22 billion on fees and admissions; approximately \$17 billion on televisions, radios, and sound equipment; \$10 billion on pets, toys, and playground equipment; and \$13 billion on other entertainment supplies, equipment, and services. To put the figures in perspective, the \$22 billion spent on fees and admissions was more than twice the amount spent by consumers in the fourth income quintile and almost 7 times the amount spent by those in the first quintile.

The proportion of total aggregate entertainment expenditures allocated to fees and admissions ranged from nearly 7 percent for those in the lowest quintile to more than 50 percent for those in the highest quintile. For pets, toys, and playground equipment, expenditures ranged from 7 percent for those in the lowest quintile to 37 percent for those in the highest quintile. Total entertainment expenditures allocated to other entertainment supplies, equipment, and services ranged from 8 percent for those in the lowest quintile to almost 38 percent for those in the highest. Although the lowest quintile contributed only 11 percent toward televisions, radios, and sound equipment, while the highest contributed 33 percent, the 11-percent figure accounted for the largest share of the bottom quintile's expenditures on entertainment. Apparently, the category may be the main form of entertainment for those in the lowest income quintile.

In sum, consumers spent approximately \$203 billion on entertainment in 2000, with about \$56 billion going to fees and admissions; \$68 billion to television, radios, and sound equipment; \$36 billion to pets, toys, and playground equipment; and \$43 billion to other entertainment supplies, equipment,

and services. Those with associate's or higher degrees accounted for 49 percent of the aggregate expenditure on entertainment, well above their population share of 34 percent. Consumer units with reference persons between the ages of 35 and 54 had a population share of 42 percent, but accounted for 53 per-

cent of the aggregate expenditure on entertainment. Finally, consumer units with reference persons in the highest income quintile had a population share of 20 percent, but accounted for 40 percent of the aggregate expenditure on entertainment. ■

Table 1. Average annual entertainment expenditures and aggregate expenditures, by age of reference person, Consumer Expenditure Survey, 2000

Age of reference person and type of expenditure	Average annual expenditure	Aggregate expenditure (in millions)	Aggregate share (in percent)	Population share (in percent)
Aggregate				
Total entertainment	\$10,687	\$203,712	100.0	100.0
Fees and admissions	2,911	56,308	100.0	100.0
Televisions, radios, and sound equipment	3,618	67,999	100.0	100.0
Pets, toys, and playground equipment	1,904	36,452	100.0	100.0
Other entertainment supplies, equipment, and services	2,254	42,910	100.0	100.0
Under age 35				
Total entertainment	1,485	44,530	21.9	24.9
Fees and admissions	366	10,923	19.4	24.9
Televisions, radios, and sound equipment	577	16,796	24.7	24.9
Pets, toys, and playground equipment	262	8,092	22.2	24.9
Other entertainment supplies, equipment, and services	280	8,719	20.3	24.9
Aged 35 to 54				
Total entertainment	4,695	107,837	52.9	41.9
Fees and admissions	1,352	31,082	55.2	41.9
Televisions, radios, and sound equipment	1,485	34,135	50.2	41.9
Pets, toys, and playground equipment	835	19,210	52.7	41.9
Other entertainment supplies, equipment, and services	1,023	23,410	54.5	41.9
Aged 55 and older				
Total entertainment	3,024	51,300	25.2	33.2
Fees and admissions	828	14,302	25.4	33.2
Televisions, radios, and sound equipment	980	17,068	25.1	33.2
Pets, toys, and playground equipment	545	9,149	25.1	33.2
Other entertainment supplies, equipment, and services	671	10,781	25.1	33.2

Table 2. Average annual entertainment expenditures and aggregate expenditures, by education of reference person, Consumer Expenditure Survey, 2000

Education of reference person and type of expenditure	Average annual expenditure	Aggregate expenditure (in millions)	Aggregate share (in percent)	Population share (in percent)
Did not graduate high school (Income before taxes = \$23,329)				
Total entertainment	\$896	\$15,948	7.8	16.5
Fees and admissions	132	2,365	4.2	16.5
Televisions, radios, and sound equipment	418	7,480	11.0	16.5
Pets, toys, and playground equipment	192	3,354	9.2	16.5
Other entertainment supplies, equipment, and services	54	2,749	6.4	16.5
High school graduate (Income before taxes = \$36,134)				
Total entertainment	1,519	48,475	23.8	29.2
Fees and admissions	298	9,516	16.9	29.2
Televisions, radios, and sound equipment	566	18,088	26.6	29.2
Pets, toys, and playground equipment	303	9,660	26.5	29.2
Other entertainment supplies, equipment, and services	351	11,211	26.1	29.2
High school graduate with some college (Income before taxes = \$38,837)				
Total entertainment	1,775	39,735	19.5	20.6
Fees and admissions	438	9,854	17.5	20.6
Televisions, radios, and sound equipment	624	14,008	20.6	20.6
Pets, toys, and playground equipment	308	6,853	18.8	20.6
Other entertainment supplies, equipment, and services	405	9,020	21.0	20.6
Associate's degree (Income before taxes = \$50,060)				
Total entertainment	2,118	21,296	9.4	8.1
Fees and admissions	529	4,730	8.4	8.1
Televisions, radios, and sound equipment	678	6,052	8.9	8.1
Pets, toys, and playground equipment	376	3,499	9.6	8.1
Other entertainment supplies, equipment, and services	535	4,897	11.4	8.1
Bachelor's degree (Income before taxes = \$64,201)				
Total entertainment	2,780	50,946	25.0	16.8
Fees and admissions	977	17,906	31.8	16.8
Televisions, radios, and sound equipment	802	14,688	21.6	16.8
Pets, toys, and playground equipment	444	8,129	22.3	16.8
Other entertainment supplies, equipment, and services	557	10,223	23.8	16.8
Master's, professional, or doctoral degree (Income before taxes = \$84,438)				
Total entertainment	3,011	29,476	14.5	8.9
Fees and admissions	1,227	11,937	21.2	8.9
Televisions, radios, and sound equipment	787	7,684	11.3	8.9
Pets, toys, and playground equipment	500	4,958	13.6	8.9
Other entertainment supplies, equipment, and services	498	4,897	11.4	8.9

Table 3. Average annual entertainment expenditures and aggregate expenditures, by quintiles of income before taxes, Consumer Expenditure Survey, 2000

Quintile of income and type of expenditure	Average annual expenditure	Aggregate expenditure (in millions)	Aggregate share (in percent)	Population share (in percent)
Lowest quintile				
Total entertainment	\$837	\$13,545	8.6	20.0
Fees and admissions	198	3,227	7.4	20.0
Televisions, radios, and sound equipment	363	5,902	11.1	20.0
Pets, toys, and playground equipment	122	1,946	6.9	20.0
Other entertainment supplies, equipment, and services	154	2,470	7.5	20.0
Second quintile				
Total entertainment	1,147	18,527	11.7	20.0
Fees and admissions	250	4,100	9.4	20.0
Televisions, radios, and sound equipment	465	7,551	14.2	20.0
Pets, toys, and playground equipment	239	3,780	13.4	20.0
Other entertainment supplies, equipment, and services	192	3,096	9.4	20.0
Third quintile				
Total entertainment	1,609	25,986	16.4	20.0
Fees and admissions	331	5,408	12.4	20.0
Televisions, radios, and sound equipment	590	9,571	18.0	20.0
Pets, toys, and playground equipment	337	5,532	18.9	20.0
Other entertainment supplies, equipment, and services	351	5,475	16.9	20.0
Fourth quintile				
Total entertainment	2,324	37,476	23.7	20.0
Fees and admissions	547	8,897	20.4	20.0
Televisions, radios, and sound equipment	782	12,709	23.9	20.0
Pets, toys, and playground equipment	422	6,714	23.8	20.0
Other entertainment supplies, equipment, and services	573	9,156	27.8	20.0
Highest quintile				
Total entertainment	3,866	62,579	39.6	20.0
Fees and admissions	1,349	22,025	50.5	20.0
Televisions, radios, and sound equipment	1,071	17,441	32.8	20.0
Pets, toys, and playground equipment	656	10,466	37.1	20.0
Other entertainment supplies, equipment, and services	790	12,647	38.4	20.0

Table 4. Average annual expenditures of different demographic groups and shares spent on entertainment, by education, age, and income quintile, Consumer Expenditure Survey, 2000

Characteristic	Average annual expenditure	Average share of expenditure spent on entertainment (in percent)
Education		
Did not graduate high school	\$23,386	3.8
High school graduate	32,447	4.7
High school graduate with some college	35,999	4.9
Bachelor's degree	50,785	5.5
Master's, professional, or doctoral degree	60,527	5.0
Age		
Under 25	22,543	4.8
25 to 34	38,945	4.8
35 to 54	45,655	5.1
55 and older	32,937	4.5
Income quintile		
Lowest	17,940	4.7
Second	26,550	4.3
Third	34,716	4.6
Fourth	46,794	5.0
Highest	75,102	5.1