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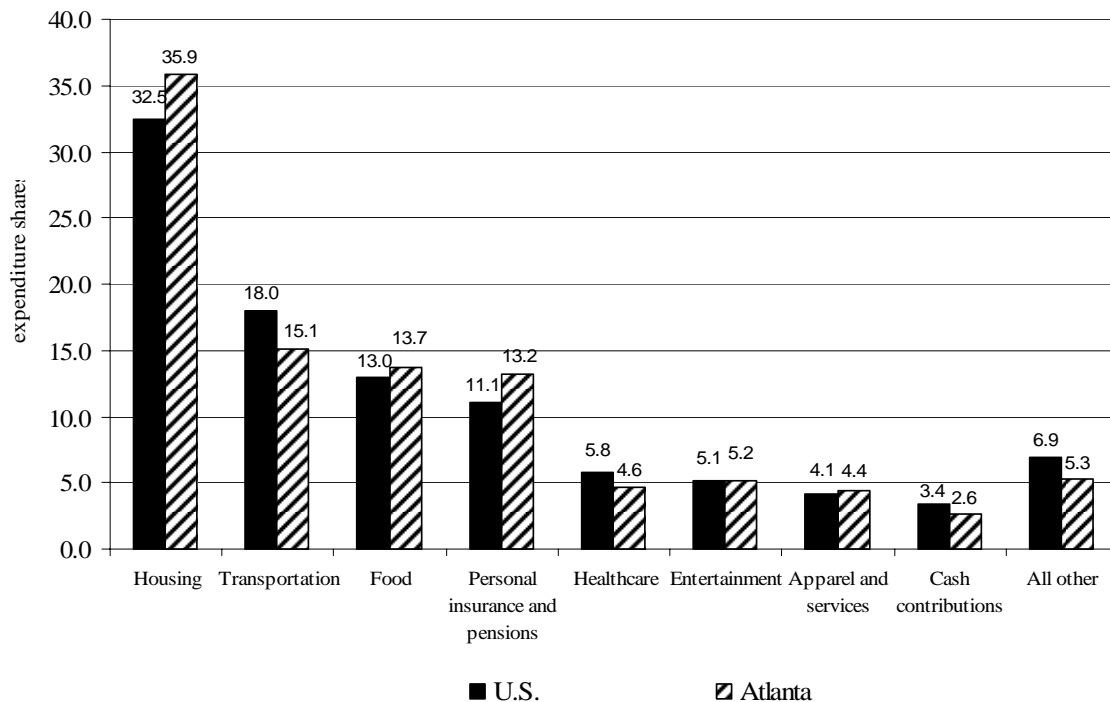
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CONSUMER SPENDING PATTERNS IN THE ATLANTA METROPOLITAN AREA, 2004-2005

Consumer units¹ in the Atlanta, Georgia metropolitan area spent an average of \$39,992 per year in 2004-2005 according to results from the Bureau of Labor Statistics' Consumer Expenditure Survey. Regional Commissioner Janet S. Rankin noted that this figure was 11.0 percent lower than the \$44,928 expenditure level for a typical household in the United States. Not only did households in the Atlanta area spend less than the U.S. average, how they allocated their dollars also differed, with Atlanta residents spending a significantly larger percentage of their average annual expenditures on housing and personal insurance and pensions, but significantly smaller portions on transportation and healthcare. (See chart 1 for expenditure shares.)

Chart 1. Percent distribution of average annual expenditures, United States and Atlanta-Sandy Springs-Marietta metropolitan area, Consumer Expenditure Survey, 2004-2005



Note: Figures in this chart may not add to 100 percent due to rounding.

¹ See technical note at the end of this report for a definition of consumer unit. The term consumer unit is used interchangeably with household for convenience.

This report contains annual data averaged over a two-year period, 2004 and 2005. The data are from the Consumer Expenditure Survey (CE), which is collected on an ongoing basis by the U.S. Census Bureau for the Bureau of Labor Statistics (BLS). The Consumer Expenditure Survey is the only national survey that provides both complete data on household expenditures and the demographic characteristics of those households. CE data are available for the nation, the 4 geographic regions of the country, and 24 metropolitan areas. Survey data cannot be used to make cost of living comparisons between areas. Expenditures vary among areas not only because of economic factors such as the prices of goods and services and family income, but also because of differences such as the age of the population, consumer tastes, family size, etc. However, expenditure shares, or the percentage of a consumer unit's budget spent on a particular category, can be used to compare spending patterns across areas. The survey provides average expenditures for consumer units. An individual consumer unit may spend more or less than the average, depending on its particular characteristics.

Housing, the largest expenditure category for an Atlanta area household, accounted for 35.9 percent of the budget in Atlanta, significantly above the 32.5-percent national average. In five other metropolitan areas in the South chosen for comparison to Atlanta, three had significantly higher expenditure shares for housing: Miami (39.3 percent), Washington, D.C. (38.4 percent), and Baltimore (37.5 percent). The two remaining cities, Dallas-Ft. Worth (33.0 percent) and Houston (31.3 percent), had housing expenditures not measurably different from the national average. (See chart 1.)

The majority of the \$14,346 spent on housing in Atlanta went for shelter (59.2 percent), which includes mortgage interest, property taxes, repairs, and rent, among other items; the U.S. average was 57.9 percent. (See table A.) The 72-percent rate of home ownership in Atlanta was above the U.S. average of 68 percent, while the other areas selected for comparison had rates that either equaled or varied little from that for the nation.

Table A. Percent distribution of selected housing expenditures, U.S. and selected metropolitan areas, Consumer Expenditure Survey, 2004-2005

Item	U.S.	Atlanta	Baltimore	Dallas-Fort Worth	Houston	Miami	Washington, D.C.
Housing	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Shelter	57.9	59.2	64.5	56.6	55.7	63.9	65.0
Utilities, fuels, and public services	21.0	23.9	20.0	22.9	23.3	21.2	16.8
Household operations	5.3	5.0	4.2	5.6	6.4	5.0	6.2
Housekeeping supplies	4.1	3.6	2.8	3.9	3.9	3.5	2.6
Household furnishings and equipment	11.7	8.3	8.5	11.0	10.6	6.3	9.4

Note: Figures in this table may not add to 100 percent due to rounding.

At 15.1 percent of the total budget, transportation was the second largest expenditure category in the Atlanta area; this was well below the U.S. average of 18.0 percent. Transportation expenditure shares in Baltimore (14.8 percent) and Washington, D.C. (14.1 percent) were also measurably below that for the nation. In contrast, households in Houston (19.5 percent), Dallas-Ft. Worth (17.5 percent), and Miami (16.7 percent) had transportation shares similar to the U.S. average. (See chart 2.)

Of the \$6,044 average annual expenditure on transportation in Atlanta, only 4.0 percent was spent on public transportation, less than the national share of 5.5 percent. (See table B.) Among the five other areas, expenditure shares for public transportation ranged from 10.0 percent in Washington, D.C., one of the highest shares in the nation, to 3.7 percent in Houston. The remaining 96.0 percent of an Atlanta household's transportation budget was spent buying, maintaining, and operating private vehicles; this compared to 94.5 percent for a typical American household. The average of 1.5 vehicles per household in Atlanta was lower than that for the nation at 2.0; this was also the case in Miami (1.5)

and Baltimore (1.6). On the other hand, the average number of vehicles per household in Dallas-Ft. Worth (2.0) and Houston (1.9) either equaled or was close to that for the nation.

Table B. Percent distribution of selected transportation expenditures, U.S. and selected metropolitan areas, Consumer Expenditure Survey, 2004-2005

Item	U.S.	Atlanta	Baltimore	Dallas-Fort Worth	Houston	Miami	Washington, D.C.
Transportation	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Vehicle purchases (net outlay)	43.0	39.0	35.4	40.6	44.4	32.0	35.0
Gasoline and motor oil	22.3	28.0	26.6	22.4	21.8	26.0	21.9
Other vehicle expenses	29.1	28.9	31.8	31.7	30.1	36.4	33.0
Public transportation	5.5	4.0	6.3	5.3	3.7	5.6	10.0

Note: Figures in this table may not add to 100 percent due to rounding.

Atlanta households spent 13.7 percent of their budget on food, statistically little different from the U.S. average of 13.0 percent. Among the five other metropolitan areas, Miami had the only expenditure share for food (14.7 percent) that significantly exceeded the national average. Dallas was close to the U.S. average, whereas the remaining three metropolitan areas spent significantly smaller shares of their budget on food.

Of the \$5,496 annual food expenditure, Atlanta households spent 48.7 percent on food prepared at home, well below the national share of 56.7 percent, and the lowest among the metropolitan areas selected for comparison. (See table C.) Atlanta households spent the remaining 51.3 percent on food prepared away from home, such as restaurant meals, carry-outs, board at school, and catered affairs. Atlanta was the only metropolitan area to spend a larger share of their budget on food away from home than food prepared at home, though Washington, D.C. was close.

Table C. Percent distribution of selected food expenditures, U.S. and selected metropolitan areas, Consumer Expenditure Survey, 2004-2005

Item	U.S.	Atlanta	Baltimore	Dallas-Fort Worth	Houston	Miami	Washington, D.C.
Food	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Food at home	56.7	48.7	61.4	55.4	53.2	68.7	52.4
Food away from home	43.3	51.3	38.6	44.6	46.8	31.3	47.6

Note: Figures in this table may not add to 100 percent due to rounding.

Payments for personal insurance and pensions accounted for 13.2 percent of the typical Atlanta household's budget, well above the 11.1-percent share spent nationally. Shares were also significantly higher than that for the nation in four of the other five metropolitan areas, with Miami being the exception. Miami's 10.2-percent share for personal insurance and pensions was measurably lower than the national average.

Accounting for 5.2 percent of the budget, the allocation for entertainment in Atlanta was little different from the national share of 5.1 percent. With the exception of Washington, D.C., all of the other areas selected for comparison spent a significantly smaller portion of their budget on entertainment than did households nationwide.

Out-of-pocket healthcare expenses—which include health insurance premiums, medical services, drugs (prescription and nonprescription), and medical care supplies—accounted for 4.6 percent of an Atlanta household's budget, significantly below the 5.8-percent national average. Shares dedicated to healthcare in Miami (5.3 percent) and Washington, D.C. (4.5 percent) were also significantly below the

U.S. average, while expenditure shares in the other three areas were little different from that of the nation.

Spending on apparel and related services accounted for 4.4 percent of total expenditures in Atlanta, not measurably different from the national average of 4.1 percent. Among the other five areas, only Miami's expenditure share for clothing, at 2.5 percent, was significantly different from the U.S. allocation.

Atlanta's expenditure share on cash contributions—which include items such as contributions to religious and charitable organizations as well as child support and alimony payments—was 2.6 percent, significantly smaller than the 3.4 percent allocated nationally. Miami's allocation to cash contributions, 2.3 percent, was also measurably lower than average. In contrast, among cities compared here, households in Houston were the only ones to allocate a significantly larger share of their budgets to cash contributions (5.1 percent).

Additional national, regional, and metropolitan area Consumer Expenditure (CE) data are available online at www.bls.gov/cex. Further information on this data as well as other Bureau of Labor Statistics (BLS) programs is available on the Atlanta Information Office website (www.bls.gov/ro4/home.htm). For personal assistance contact the Atlanta Information Office at (404) 893-4222 between the hours of 9:00 a.m. to 11:30 a.m. and 12:30 p.m. to 4:00 p.m. ET, or by email at BLSinfoAtlanta@bls.gov. Customers in the Miami area can reach us at (305) 358-2305.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; TDD message referral phone: 1-800-877-8339.

Changes in 2004

Beginning in 2004, the Consumer Expenditure Survey tables included imputed income estimates. While the imputed data provide more reliable income estimates because they allow the inclusion of households for which income data are not otherwise available, income data from 2004 and 2005 are not strictly comparable to data from 2003 and earlier years.

This change also affected those expenditure items in the personal insurance and pensions component that are derived from income data. As a result of the changes that started in 2004, income data, personal insurance and pensions, and average annual expenditures are not strictly comparable to data from previous years. Data for 2004 and 2005 are comparable to each other.

For further information, contact the Division of Consumer Expenditure Surveys, Office of Prices and Living Conditions, Bureau of Labor Statistics, 2 Massachusetts Ave., N.E., Washington, DC 20212-0001 or call 202-691-6900.

Technical Note

The current Consumer Expenditure Survey (CE) program began in 1980. Its principal objective is to collect information on the buying habits of American consumers. The consumer expenditure data are used in a wide variety of research by government, business, labor, and academic analysts. The data are also required for periodic revision of the Consumer Price Index (CPI).

The survey consists of two components, a diary or recordkeeping survey, and an interview survey. The Diary Survey, completed by participating consumer units for two consecutive 1-week periods, collects data on frequently-purchased smaller items. The Interview Survey, in which the expenditures of consumer units are obtained in five interviews conducted every 3 months, collects data

for larger-cost items and expenditures that occur on a regular basis. The U.S. Census Bureau collects the survey data.

Each component of the survey queries an independent sample of consumer units which is representative of the U.S. population. Over the year, about 7,500 consumer units are sampled for the Diary Survey. The Interview Survey is conducted on a rotating panel basis, with about 7,500 consumer units participating each quarter. The data are collected on an ongoing basis in 102 areas of the country.

The integrated data from the BLS Diary and Interview Surveys provide a complete accounting of consumer expenditures and income, which neither survey component alone is designed to do. Due to changes in the survey sample frame, metropolitan area data in this release are not directly comparable to those prior to 1996.

The expenditure data in this release should be interpreted with care. The expenditures are averages for consumer units with the specified characteristics, regardless of whether or not a specific unit incurred an expense for that specific item during the recording period. The average expenditure may be considerably lower than the expenditure by those consumer units that purchased the item. This study is not intended as a comparative cost of living survey, as neither the quantity nor the quality of goods and services has been held constant among areas. Differences may result from variations in characteristics such as consumer unit size, age, preferences, income levels, etc. Users should keep in mind that prices for many goods and services have risen since the survey was conducted.

In addition, sample surveys are subject to two types of errors. Sampling errors occur because the data are collected from a representative sample rather than the entire population. Nonsampling errors result from the inability or unwillingness of respondents to provide correct information, differences in interviewer ability, mistakes in recording or coding, or other processing errors. The year-to-year changes are volatile and should be interpreted carefully. Sample sizes for the metropolitan areas are much smaller than for the nation, so the U.S. estimates and year-to-year changes are more reliable than those for the metropolitan areas.

Some expenditure components are subject to large fluctuations from one year to the next because these components include expensive items that relatively few consumers purchase each year. Thus, shifts from year to year in the number of consumers making such purchases can have a large effect on average expenditures. Examples of these types of expenses are purchases of new cars and trucks in the transportation component, and spending on boats and recreational vehicles in the entertainment component.

The CE significance tests are used in this release to compare expenditure shares for the 14 major expenditure categories in the United States to selected metropolitan areas (areas in this release are listed below). Expenditure shares for housing and transportation that are above or below that for the nation after testing for significance at the 95-percent confidence interval are identified in charts 1 and 2 for the 24 metropolitan areas surveyed.

NOTE: A value that is statistically different from another does not necessarily mean that the difference has economic or practical significance. Statistical significance is concerned with our ability to make confident statements about a universe based on a sample. It is entirely possible that a large difference between two values is not significantly different statistically, while a small difference is, since both the size and heterogeneity of the sample affect the relative error of the data being tested.

Metropolitan areas definitions are based on Core-Based Statistical Areas defined by the U.S. Office of Management and Budget. The metropolitan areas and their component counties and cities discussed in this release are:

Atlanta-Sandy Springs-Marietta, Ga.: includes Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Jasper, Lamar, Meriwether, Newton, Paulding, Pickens, Pike, Rockdale, Spalding, and Walton Counties.

Baltimore-Towson, Md.: includes Baltimore City and Anne Arundel, Baltimore, Carroll, Harford, Howard, and Queen Anne's Counties.

Dallas-Ft. Worth-Fort Worth-Arlington, Texas: includes Collin, Dallas-Ft. Worth, Delta, Denton, Ellis, Hunt, Johnson, Kaufman, Parker, Rockwall, Tarrant, and Wise Counties.

Houston-Sugar Land-Baytown, Texas: includes Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto, and Waller Counties.

Miami-Fort Lauderdale-Miami Beach, Fla.: includes Broward, Miami-Dade, and Palm Beach Counties.

Washington-Arlington-Alexandria, D.C.-Va.-Md.-W.Va.: includes the District of Columbia; Arlington, Clarke, Fairfax, Fauquier, Loudoun, Prince William, Spotsylvania, Stafford, Warren Counties, and Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, and Manassas Park Cities in Virginia; Calvert, Charles, Frederick, Montgomery, and Prince George's Counties in Maryland; and Jefferson County in West Virginia.

Definitions

Consumer unit - members of a household related by blood, marriage, adoption, or other legal arrangement; a single person living alone or sharing a household with others but who is financially independent; or two or more persons living together who share responsibility for at least 2 out of 3 major types of expenses - food, housing, and other expenses. The terms household or consumer unit are used interchangeably for convenience.

Expenditures - consist of the transaction costs, including excise and sales taxes, of goods and services acquired during the interview or recordkeeping period. Expenditure estimates include expenditures for gifts, but exclude purchases or portions of purchases directly assignable to business purposes. Also excluded are periodic credit or installment payments on goods or services already acquired. The full cost of each purchase is recorded even though full payment may not have been made at the date of purchase.

Income before taxes - the total money earnings and selected money receipts during the 12 months prior to the interview date.

Table 1. Consumer unit characteristics and percent distribution of expenditures, U.S. and selected metropolitan areas, Consumer Expenditure Survey, 2004-2005

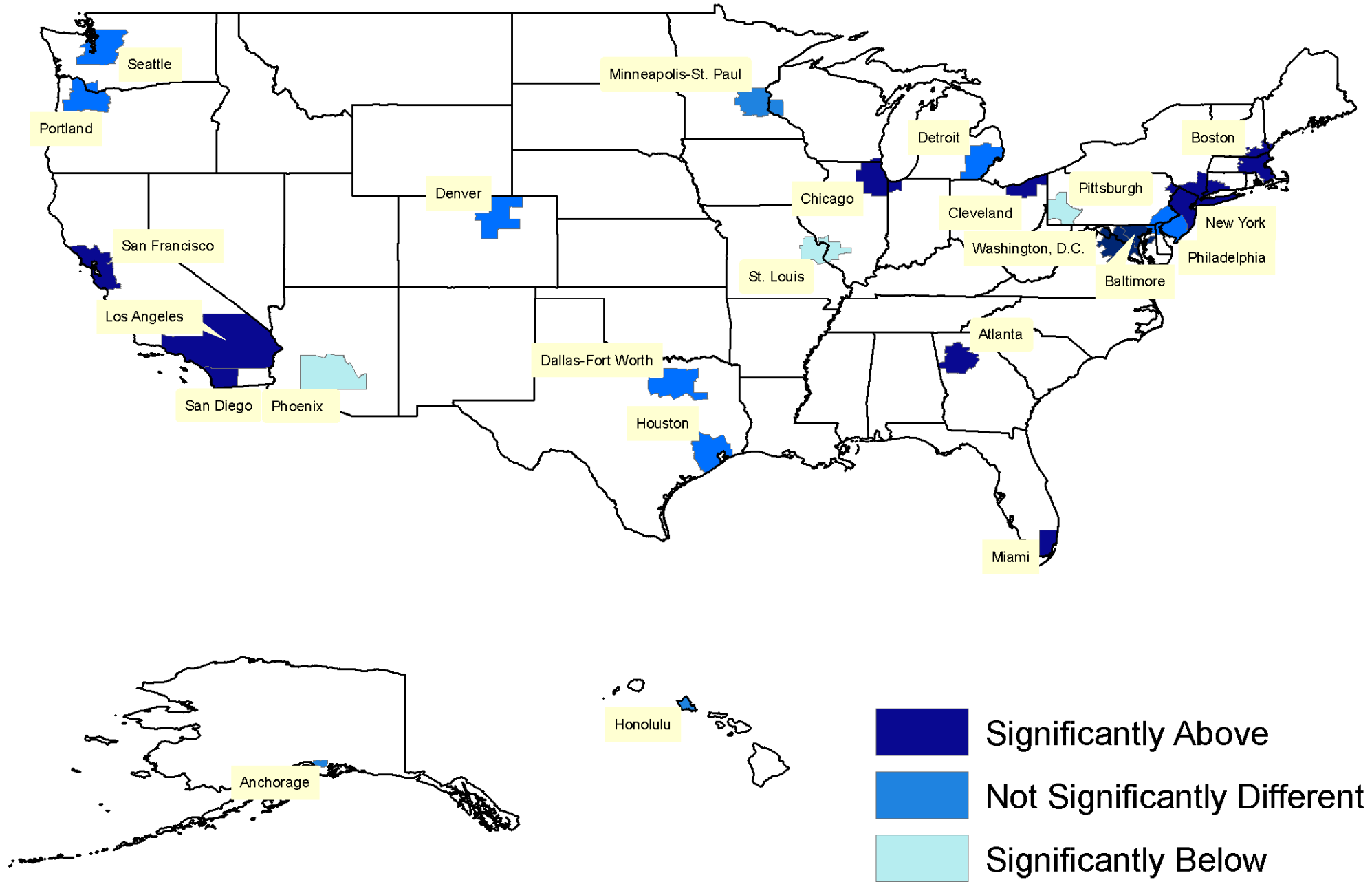
Item	U.S.	Atlanta	Baltimore	Dallas-Fort Worth	Houston	Miami	Washington, D.C.
Number of consumer units (in thousands)	116,808	1,989	1,169	2,054	1,751	1,779	2,344
Consumer unit characteristics:							
Income before taxes 1/	\$56,593	\$59,942	\$63,372	\$61,753	\$69,557	\$51,799	\$86,526
Age of reference person	48.5	45.8	51.3	44.9	45.1	50.4	47.0
Average number in consumer unit:							
Persons	2.5	2.5	2.3	2.8	2.9	2.6	2.5
Children under 18	.6	.7	.5	.8	1.0	.7	.6
Persons 65 and over	.3	.2	.4	.2	.2	.4	.2
Earners	1.3	1.3	1.2	1.5	1.5	1.3	1.5
Vehicles	2.0	1.5	1.6	2.0	1.9	1.5	1.8
Percent homeowner	68	72	69	68	68	67	69
Average annual expenditures							
Total (percent)	\$44,928	\$39,992	\$39,217	\$50,637	\$52,998	\$37,673	\$55,977
	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Food	13.0	13.7	11.0	12.7	11.1	14.7	10.4
Alcoholic beverages	1.0	.8	.9	1.1	.8	.7	1.0
Housing	32.5	35.9	37.5	33.0	31.3	39.3	38.4
Apparel and services	4.1	4.4	4.2	4.4	4.3	2.5	4.0
Transportation	18.0	15.1	14.8	17.5	19.5	16.7	14.1
Healthcare	5.8	4.6	5.6	6.0	5.6	5.3	4.5
Entertainment	5.1	5.2	4.3	4.2	4.4	3.7	4.7
Personal care products and services	1.2	1.0	1.3	1.5	1.4	1.4	1.1
Reading	.3	.2	.2	.2	.2	.1	.3
Education	2.1	1.9	2.5	1.8	2.0	1.5	2.9
Tobacco products and smoking supplies	.7	.4	.6	.5	.5	.4	.3
Miscellaneous	1.7	1.1	1.0	1.5	1.7	1.2	1.5
Cash contributions	3.4	2.6	3.1	3.7	5.1	2.3	3.0
Personal insurance and pensions	11.1	13.2	12.9	12.0	12.2	10.2	13.8

NOTE: Numbers may not add to 100 due to rounding.

Table 2. Average annual expenditures, U.S. and selected metropolitan areas,
Consumer Expenditure Survey, 2004-2005

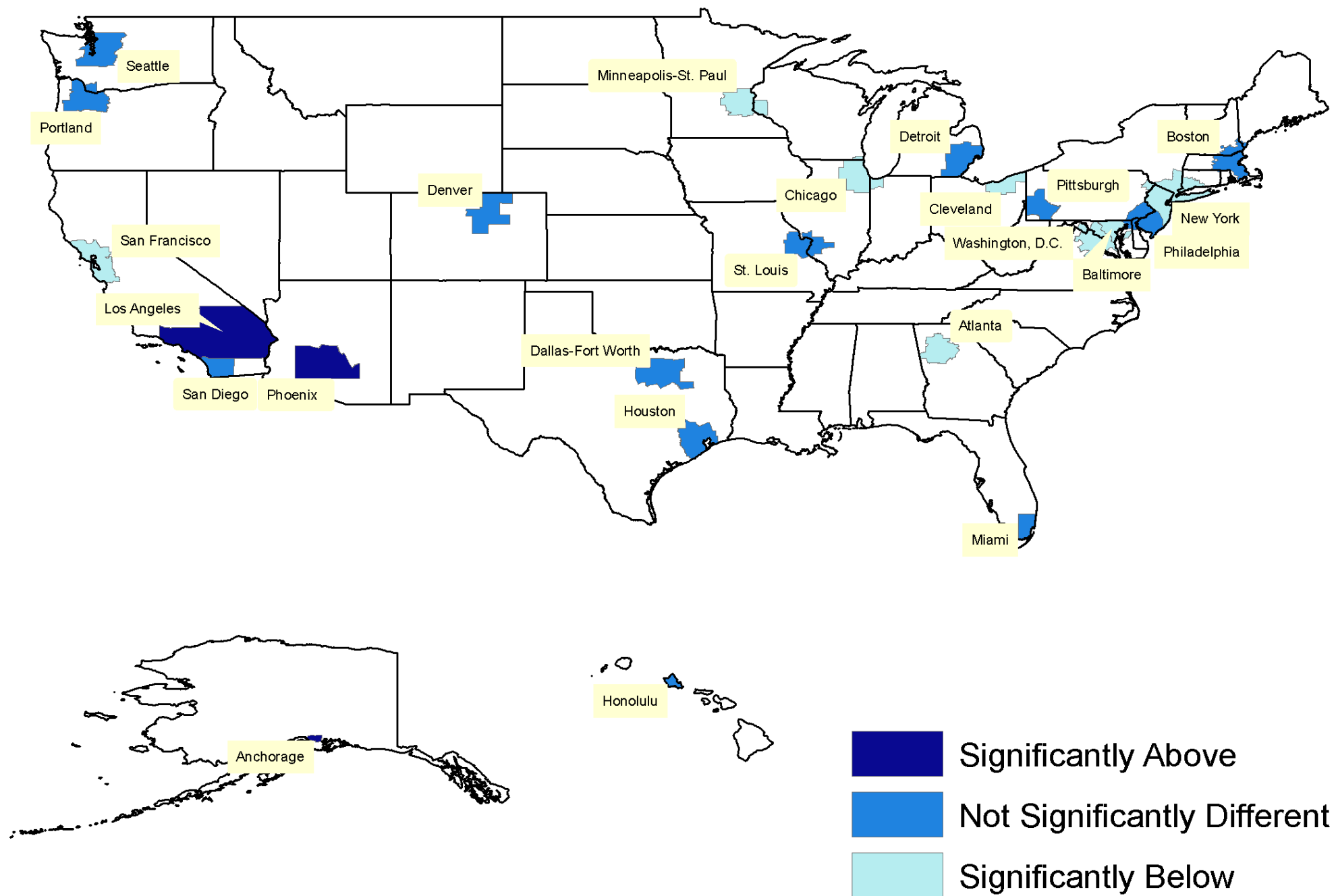
Item	U.S.	Atlanta	Baltimore	Dallas-Fort Worth	Houston	Miami	Washington, D.C.
Average annual expenditures	\$44,928	\$39,992	\$39,217	\$50,637	\$52,998	\$37,673	\$55,977
Food	5,855	5,496	4,324	6,426	5,862	5,522	5,831
Food at home	3,322	2,676	2,655	3,560	3,118	3,793	3,055
Cereals and bakery products	453	364	374	489	422	507	407
Meats, poultry, fish, and eggs	822	750	737	805	776	1,029	766
Dairy products	374	255	275	414	338	470	337
Fruits and vegetables	556	502	448	579	556	736	597
Other food at home	1,116	804	820	1,273	1,025	1,052	949
Food away from home	2,533	2,820	1,670	2,867	2,744	1,729	2,776
Alcoholic beverages	442	337	354	540	430	272	551
Housing	14,586	14,346	14,714	16,706	16,609	14,807	21,523
Shelter	8,448	8,497	9,487	9,453	9,245	9,465	13,997
Owned dwellings	5,688	6,019	6,644	6,818	6,373	6,150	10,250
Rented dwellings	2,273	2,202	2,366	2,147	2,255	3,027	3,178
Other lodging	487	276	476	488	617	289	570
Utilities, fuels, and public services	3,057	3,430	2,944	3,833	3,877	3,140	3,618
Household operations	777	717	614	929	1,067	741	1,326
Housekeeping supplies	603	518	417	645	653	525	567
Household furnishings and equipment	1,701	1,184	1,253	1,845	1,767	936	2,015
Apparel and services	1,851	1,744	1,641	2,228	2,265	954	2,224
Transportation	8,081	6,044	5,799	8,838	10,326	6,282	7,876
Vehicle purchases (net outlay)	3,478	2,359	2,052	3,587	4,584	2,013	2,758
Gasoline and motor oil	1,806	1,695	1,541	1,982	2,249	1,633	1,726
Other vehicle expenses	2,354	1,748	1,844	2,799	3,107	2,284	2,601
Public transportation	444	242	363	469	386	353	790
Healthcare	2,625	1,837	2,215	3,027	2,942	2,003	2,510
Entertainment	2,279	2,079	1,696	2,111	2,338	1,412	2,632
Personal care products and services	561	397	507	767	746	516	637
Reading	128	65	80	118	129	33	166
Education	924	773	998	921	1,061	576	1,610
Tobacco products and smoking supplies	303	142	219	228	246	141	188
Miscellaneous	751	421	395	783	879	455	847
Cash contributions	1,535	1,047	1,228	1,855	2,677	852	1,667
Personal insurance and pensions	5,006	5,265	5,046	6,090	6,488	3,846	7,713
Life and other personal insurance	386	364	235	437	425	218	609
Pensions and Social Security	4,619	4,901	4,811	5,652	6,063	3,628	7,104

Chart 1. Expenditure shares spent on housing for 24 metropolitan statistical areas compared to the United States average, 2004-2005



NOTE: Statistical significance testing at the 95 percent confidence interval.

Chart 2. Expenditure shares spent on transportation for 24 metropolitan statistical areas compared to the United States average, 2004-2005



NOTE: Statistical significance testing at the 95 percent confidence interval.