



Bureau of Labor Statistics

Philadelphia, Pa. 19106

Internet address: <http://www.bls.gov/ro3/>

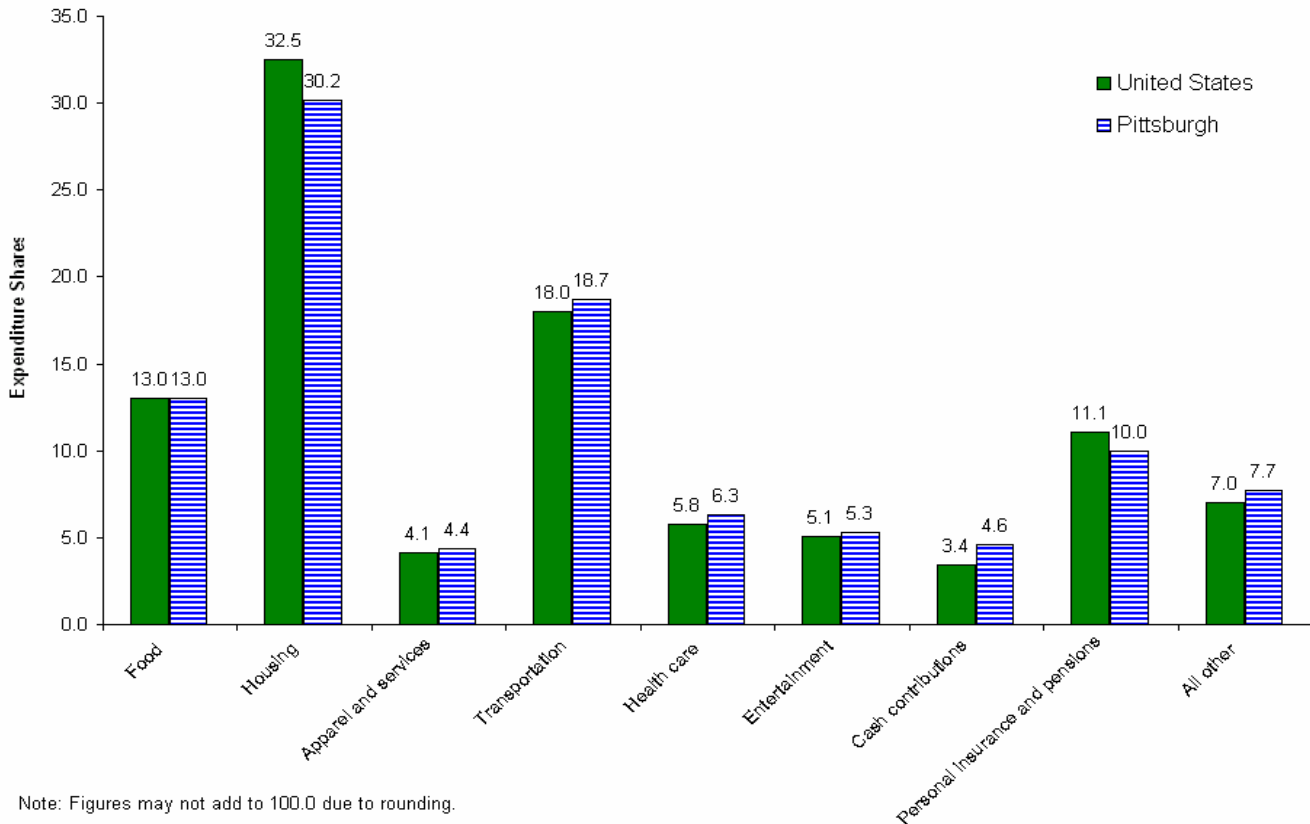
INFORMATION: Gerald Perrins
(215) 597-3282
MEDIA CONTACT: Sheila Watkins
(215) 861-5600

PLS - 4307
FOR RELEASE:
TUESDAY, MAY 29, 2007

CONSUMER SPENDING PATTERNS IN PITTSBURGH, 2004-2005

Consumer units¹ in the Pittsburgh, Pa. metropolitan area spent an average of \$39,891 per year in 2004-2005, according to results from the Bureau of Labor Statistics' Consumer Expenditure Survey. Regional Commissioner Sheila Watkins noted that this figure was 11.2 percent lower than the \$44,928 average expenditure level for a typical United States household. Although households in the Pittsburgh area spent less than the U.S. average, they tended to allocate their dollars similarly with a few exceptions. For example, spending on housing and personal insurance and pensions accounted for smaller-than-average portions of the total expenditures in Pittsburgh, while cash contributions represented a significantly larger² share. (See chart A.)

Chart A. Percent distribution of total average expenditures in the United States and Pittsburgh metropolitan area, 2004-2005



¹ See the Technical Note for the definition of a consumer unit. The terms consumer unit and household are used interchangeably throughout the text for convenience.

² Statistical significance tests were introduced for metropolitan area expenditure shares beginning with 2004-2005 data. See Technical Note for further discussion of Consumer Expenditure significance testing.

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 is 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, climate, 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 a Pittsburgh area household, accounted for 30.2 percent of the total budget, significantly below the 32.5-percent national average. In addition to Pittsburgh, only 2 of the other 24 metropolitan areas—St Louis (29.8 percent) and Phoenix (30.0 percent)—also had expenditure shares for housing that were lower than that for the nation. Among five other metropolitan areas with population sizes similar to that of Pittsburgh, expenditure shares for housing were not significantly different from the nationwide average in Portland (31.9 percent) and Denver (31.5 percent), but were measurably higher in Baltimore (37.5 percent), San Diego (35.9 percent), and Cleveland (34.7 percent). (See table 1.) Overall, 11 of the 24 metropolitan areas surveyed had expenditure shares for housing above the U.S. average and 3 had lower-than-average shares. (See chart 1.)

The majority of housing expenditures in Pittsburgh went toward shelter (53.4 percent), which includes mortgage interest, property taxes, repairs, and rent, among other items; this was lower than the 57.9 percent spent nationally. (See table A.) Utilities, fuels, and public services expenses accounted for 25.8 percent of total housing expenditures in Pittsburgh; nationally, they made up 21.0 percent. The rate of homeownership in Pittsburgh, 73 percent, was above the national average of 68 percent. Among the other five areas chosen for comparison, the home ownership rate in Cleveland (74 percent) was also higher than average, while rates in Portland and San Diego (each at 63 percent) and Denver (64 percent) were below average. The homeownership rate for residents of Baltimore (69 percent) was closer to the national norm.

Table A. Percent distribution of housing expenditures in the United States and selected metropolitan areas, 2004-2005

Category	United States	Pittsburgh	Baltimore	San Diego	Denver	Cleveland	Portland
Total housing	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Shelter	57.9	53.4	64.5	67.5	63.9	56.6	61.5
Utilities, fuels, and public services	21.0	25.8	20.0	12.9	19.1	25.6	17.9
Household operations	5.3	4.7	4.2	7.3	4.6	3.3	5.8
Housekeeping supplies	4.1	4.6	2.8	3.0	3.5	4.3	3.4
Household furnishings and equipment	11.7	11.5	8.5	9.3	8.9	10.3	11.3

Note: Numbers may not add to 100.0 due to rounding.

At 18.7 percent of the total budget, transportation was the second-largest expenditure category in the Pittsburgh area; this was similar to the national average of 18.0 percent. Like Pittsburgh, households in San Diego (18.9 percent), Portland (17.6 percent), and Denver (17.3 percent) had expenditure shares for transportation that were not significantly different from the national average. In contrast, consumer units in Baltimore (14.8 percent) and Cleveland (15.8 percent) spent measurably smaller portions of their budgets on transportation. Among the 24 metropolitan areas surveyed, 6 others joined Baltimore and Cleveland in having lower-than-average expenditure shares for transportation; only 3 areas had above-average shares. (See chart 2.)

Of the \$7,456 annual expenditure for transportation in Pittsburgh, 94.7 percent was spent buying and maintaining private vehicles; this was on par with the national average of 94.5 percent. (See table 2 for detailed expenditure levels.) The average number of vehicles per household in Pittsburgh, San Diego, and Denver, at 1.9 each, was nearly equal to the U.S. average of 2.0. The average number of vehicles per household was higher than the U.S. average in Portland (2.2), but lower in Cleveland (1.8) and Baltimore (1.6).

The remaining 5.3 percent of a typical Pittsburgh household's transportation expenditures was spent on public transit, which includes fares for taxis, buses, trains, and planes; this was similar to the U.S. average of 5.5 percent. (See table B.) Among all 24 metropolitan areas surveyed, only 4 allocated at least 10.0 percent of their transportation dollars to public transportation: New York (13.9 percent), Honolulu (10.8 percent), and San Francisco and Washington (both 10.0 percent). In contrast, households in Phoenix (3.6 percent) and Houston (3.7 percent) spent the smallest portions of their transportation budgets on public transit. (See table C.)

Table B. Percent distribution of transportation expenditures in the United States and selected metropolitan areas, 2004-2005

Category	United States	Pittsburgh	Baltimore	San Diego	Denver	Cleveland	Portland
Total transportation	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Vehicle purchases (net outlays)	43.0	44.4	35.4	50.3	40.8	33.7	44.8
Gasoline and motor oil	22.3	20.6	26.6	18.5	20.3	23.8	19.7
Other vehicle expenses	29.1	29.7	31.8	22.9	29.8	38.2	28.7
Public transportation	5.5	5.3	6.3	8.3	9.1	4.3	6.7

Note: Numbers may not add to 100.0 due to rounding.

Table C. Spending on public transportation in the United States, regions, and 24 metropolitan areas, 2004-2005

Area	Transportation Spending	Public Transportation	Share
United States	\$8,081	\$444	5.5
Northeast	7,646	637	8.3
New York	7,581	1,054	13.9
Philadelphia	8,084	495	6.1
Boston	8,586	579	6.7
Pittsburgh	7,456	393	5.3
South	7,620	288	3.8
Washington, D.C.	7,876	790	10.0
Dallas	8,838	469	5.3
Houston	10,326	386	3.7
Miami	6,282	353	5.6
Atlanta	6,044	242	4.0
Baltimore	5,799	363	6.3
Midwest	7,795	371	4.8
Chicago	8,875	644	7.3
Detroit	9,246	444	4.8
Minneapolis-St.Paul	8,550	731	8.5
St. Louis	8,649	415	4.8
Cleveland	6,095	263	4.3
West	9,498	606	6.4
Los Angeles	10,972	635	5.8
San Francisco	9,518	953	10.0
Phoenix	10,549	380	3.6
Seattle	9,491	867	9.1
San Diego	11,301	939	8.3
Denver	8,646	789	9.1
Portland	8,845	596	6.7
Honolulu	9,921	1,069	10.8
Anchorage	12,596	1,119	8.9

The portion of a typical Pittsburgh consumer unit's budget spent for food, 13.0 percent, equaled the U.S. average. Among the other five similar-sized metropolitan areas, households in Portland (12.7 percent) and Denver (12.5 percent) also allocated expenditure shares that were not significantly different from that of the nation. In contrast, residents of San Diego (10.8 percent), Baltimore (11.0 percent), and Cleveland (11.8 percent) spent measurably smaller shares of their total budgets on food.

Households in Pittsburgh spent \$2,785, or 53.5 percent, of their food dollars on food prepared at home and the remaining 46.5 percent on food prepared away from home, such as restaurant meals, carry-outs, board at school, and catered affairs. In comparison, the average U.S. household spent 56.7 percent of its food budget on food prepared at home and 43.3 percent on food prepared away from home. Among the six metropolitan areas being compared, Pittsburgh residents allocated the largest share of their food dollars to dining out.

Payments for personal insurance and pensions accounted for 10.0 percent of the typical Pittsburgh household's budget, significantly below the national average of 11.1 percent and the smallest share of any of the 24 metropolitan areas surveyed. In contrast, Baltimore households spent a measurably larger share, 12.9 percent, on personal insurance and pensions. Consumer units in Cleveland (11.6 percent), Denver (11.4 percent), Portland (11.1 percent), and San Diego (10.9 percent) spent portions of their budget for this item that did not differ significantly from the nationwide average.

Out-of-pocket health care expenses—which include health insurance premiums, medical services, drugs (prescription and nonprescription), and medical care supplies—accounted for 6.3 percent of total household expenditures in Pittsburgh, not significantly different from the national average of 5.8 percent. Like Pittsburgh, the percentage spent on out-of-pocket health care expenses was not measurably different from the U.S. average in Cleveland (6.8 percent), Baltimore (5.6 percent), and Denver (5.4 percent). Those areas with significantly lower expenditure shares for health care included San Diego (5.1 percent) and Portland (5.4 percent).

Pittsburgh area households spent 5.3 percent of their budgets on entertainment, not significantly different from the 5.1-percent share allocated nationally. In Portland (6.1 percent) and Cleveland (5.8 percent), expenditure shares on entertainment were also not measurably different from that for the nation. In contrast, households in Denver (6.5 percent) spent a significantly higher portion of their budgets on entertainment, while those in Baltimore (4.3 percent) and San Diego (4.4 percent) spent a significantly smaller portion when compared to the nation.

Cash contributions accounted for 4.6 percent of a typical consumer unit's spending in Pittsburgh, significantly more than the national average of 3.4 percent. Among the other five selected areas, expenditure shares were not measurably different from that for the nation in San Diego (4.2 percent), Portland (3.5 percent), Denver (3.2 percent), and Baltimore (3.1 percent), but were significantly lower in Cleveland (2.7 percent).

Spending on apparel and services accounted for 4.4 percent of total expenditures in Pittsburgh, similar to the 4.1-percent national average. Households in Baltimore (4.2 percent), Portland (3.6 percent), and Denver (3.5 percent) also had expenditure shares on apparel and services that were not statistically different from that for the nation, while those in Cleveland (3.0 percent) and San Diego (3.2 percent) allocated measurably smaller portions.

As noted, Pittsburgh is 1 of 24 metropolitan areas nationwide for which Consumer Expenditure Survey data are available. We encourage users interested in learning more about the Consumer Expenditure survey to contact the Mid-Atlantic Information Office at (215) 597-3282. Metropolitan area CE data and that for the four geographic regions and the United States are available on our Web site at www.bls.gov/ro3/.

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:

Pittsburgh, Pa.: includes Allegheny, Armstrong, Beaver, Butler, Fayette, Washington and Westmoreland Counties.

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

Cleveland-Akron, Ohio: includes Ashtabula, Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, and Summit counties.

Denver-Boulder-Greeley, Colo.: includes Adams, Arapahoe, Boulder, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, Park and Weld Counties.

Portland-Salem, Ore.-Wash.: includes Clackamas, Columbia, Marion, Multnomah, Polk, Washington, and Yamhill Counties in Oregon and Clark and Skamania Counties in Washington.

San Diego, Calif.: includes San Diego County.

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 in the United States and selected metropolitan areas, Consumer Expenditure Survey, 2004-2005

Item	United States	Pittsburgh	Baltimore	San Diego	Denver	Cleveland	Portland
Consumer unit characteristics:							
Income before taxes	\$56,593	\$52,637	\$63,372	\$69,067	\$65,224	\$51,602	\$56,702
Age of reference person	48.5	52.9	51.3	50.1	45.6	50.8	47.9
Average number in consumer unit:							
Persons	2.5	2.3	2.3	2.6	2.4	2.4	2.5
Children under 18	.6	.5	.5	.6	.6	.6	.6
Persons 65 and over	.3	.4	.4	.4	.3	.3	.3
Earners	1.3	1.3	1.2	1.4	1.4	1.3	1.4
Vehicles	2.0	1.9	1.6	1.9	1.9	1.8	2.2
Percent homeowners	68	73	69	63	64	74	63
Average annual expenditures	\$44,928	\$39,891	\$39,217	\$59,805	\$49,996	\$38,476	\$50,313
Percent distribution:	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Food	13.0	13.0	11.0	10.8	12.5	11.8	12.7
Alcoholic beverages	1.0	1.0	.9	1.0	1.3	1.1	1.0
Housing	32.5	30.2	37.5	35.9	31.5	34.7	31.9
Apparel and services	4.1	4.4	4.2	3.2	3.5	3.0	3.6
Transportation	18.0	18.7	14.8	18.9	17.3	15.8	17.6
Health care	5.8	6.3	5.6	5.1	5.4	6.8	5.4
Entertainment	5.1	5.3	4.3	4.4	6.5	5.8	6.1
Personal care products and services	1.2	1.2	1.3	1.3	1.3	1.1	1.1
Reading	.3	.4	.2	.3	.3	.4	.4
Education	2.1	2.2	2.5	2.1	3.1	1.9	2.4
Tobacco products and smoking supplies	.7	1.2	.6	.2	.6	.9	.7
Miscellaneous	1.7	1.7	1.0	1.6	2.0	2.4	2.6
Cash contributions	3.4	4.6	3.1	4.2	3.2	2.7	3.5
Personal insurance and pensions	11.1	10.0	12.9	10.9	11.4	11.6	11.1

Table 2. Average annual expenditures in the United States and selected metropolitan areas, Consumer Expenditure Survey, 2004-2005

Item	United States	Pittsburgh	Baltimore	San Diego	Denver	Cleveland	Portland
Average annual expenditures	\$44,928	\$39,891	\$39,217	\$59,805	\$49,996	\$38,476	\$50,313
Food	5,855	5,205	4,324	6,437	6,251	4,526	6,377
Food at home	3,322	2,785	2,655	3,462	3,789	2,788	3,557
Cereals and bakery products	453	399	374	458	511	391	453
Meats, poultry, fish, and eggs	822	681	737	761	886	726	783
Dairy products	374	331	275	404	428	320	432
Fruits and vegetables	556	460	448	606	619	455	650
Other food at home	1,116	915	820	1,233	1,344	896	1,239
Food away from home	2,533	2,420	1,670	2,976	2,462	1,738	2,820
Alcoholic beverages	442	387	354	613	635	435	526
Housing	14,586	12,031	14,714	21,484	15,772	13,349	16,039
Shelter	8,448	6,429	9,487	14,511	10,078	7,560	9,862
Owned dwellings	5,688	4,454	6,644	9,118	6,613	5,333	6,650
Rented dwellings	2,273	1,524	2,366	4,627	2,936	1,613	2,535
Other lodging	487	451	476	767	530	614	677
Utilities, fuels, and public services	3,057	3,103	2,944	2,767	3,013	3,412	2,878
Household operations	777	563	614	1,561	722	434	933
Housekeeping supplies	603	549	417	646	548	570	553
Household furnishings and equipment	1,701	1,386	1,253	1,999	1,411	1,373	1,813
Apparel and services	1,851	1,747	1,641	1,935	1,755	1,156	1,822
Transportation	8,081	7,456	5,799	11,301	8,646	6,095	8,845
Vehicle purchases (net outlay)	3,478	3,307	2,052	5,681	3,529	2,056	3,964
Gasoline and motor oil	1,806	1,538	1,541	2,094	1,755	1,449	1,742
Other vehicle expenses	2,354	2,218	1,844	2,587	2,573	2,328	2,542
Public transportation	444	393	363	939	789	263	596
Health care	2,625	2,528	2,215	3,038	2,724	2,600	2,693
Entertainment	2,279	2,102	1,696	2,653	3,227	2,213	3,057
Personal care products and services	561	479	507	805	636	439	578
Reading	128	144	80	192	144	147	188
Education	924	879	998	1,245	1,573	719	1,200
Tobacco products and smoking supplies	303	465	219	136	308	364	344
Miscellaneous	751	662	395	940	1,010	926	1,303
Cash contributions	1,535	1,817	1,228	2,520	1,624	1,027	1,775
Personal insurance and pensions	5,006	3,989	5,046	6,507	5,689	4,478	5,565
Life and other personal insurance	386	378	235	423	240	294	367
Pensions and Social Security	4,619	3,611	4,811	6,084	5,449	4,184	5,198

