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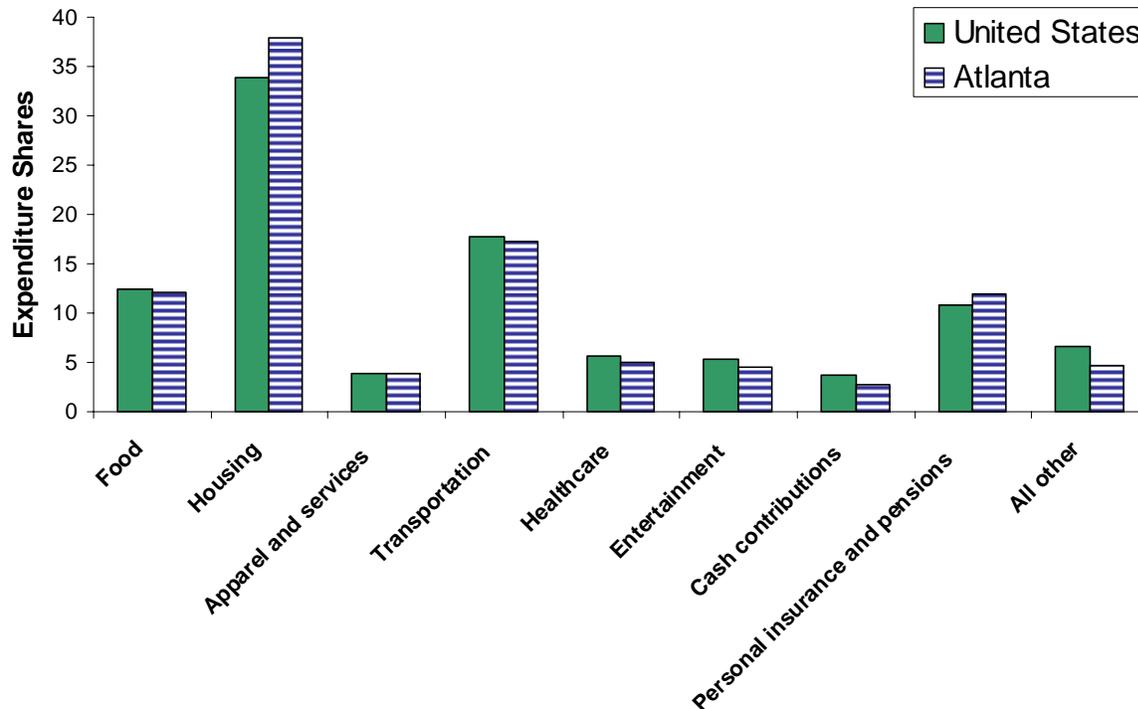
Internet address: www.bls.gov/ro4/home.htm

FOR RELEASE:
FRIDAY, MARCH 20, 2009

CONSUMER SPENDING PATTERNS IN THE ATLANTA METROPOLITAN AREA, 2006-2007

Consumer units¹ in the Atlanta-Marietta-Sandy Springs, Ga. metropolitan area spent an average of \$46,705 per year in 2006-2007, according to results from the Bureau of Labor Statistics' Consumer Expenditure Survey. Regional Commissioner Janet S. Rankin noted that this figure was 5.5 percent lower than the \$49,279 average expenditure level for a typical household in the United States. Although households in the Atlanta area spent less than the U.S. average, they allocated their shares of total expenditures similarly among several major categories, while spending a significantly larger² portion on housing and personal insurance and pensions. (See chart A.)

Chart A. Percent distribution of average annual expenditures in the United States and Atlanta metropolitan area, Consumer Expenditure Survey, 2006-2007



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 the Technical Note for further discussion of Consumer Expenditure significance testing.

This report contains annual data averaged over a two-year period, 2006 and 2007. 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 CE is the only national survey that provides both complete data on household expenditures and the demographic characteristics of those households. Data from the CE are available for the nation, the 4 geographic regions of the country, and 18 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, accounted for 37.9 percent of an Atlanta area household's total budget; this share was significantly larger than the 33.9-percent national average. (See table 1.) Among five other metropolitan areas with population sizes similar to Atlanta, expenditure shares for housing were significantly greater than for the nation in Miami (40.5 percent), Washington (38.7 percent), and Philadelphia (37.8 percent). Housing expenditures in Baltimore (35.9 percent) and Dallas (33.4 percent) were not significantly different from the national average. Overall, 10 of the 18 published metropolitan areas had expenditure shares for housing significantly above the U.S. average and 1 had a lower-than-average share. (See chart 1).

The majority of housing expenditures in Atlanta went toward shelter (61.3 percent), which includes mortgage interest, property taxes, repairs, and rent, among other items; this was close to the 59.0 percent spent nationally. (See table A.) Utilities, fuels, and public services expenses accounted for 21.9 percent of total housing expenditures in Atlanta; nationally, they made up 20.6 percent. The rate of homeownership in Atlanta, 66 percent, was similar to the national average of 67 percent. Among the other five areas chosen for comparison, homeownership rates in Baltimore (71 percent), Philadelphia (70 percent), and Washington (69 percent) were above the U.S. average, whereas Dallas (64 percent) and Miami (63 percent) were below the average.

Table A. Percent distribution of housing expenditures, United States and selected metropolitan areas, Consumer Expenditure Survey, 2006-2007

Category	United States	Atlanta	Baltimore	Dallas-Fort Worth	Miami	Philadelphia	Washington, D.C.
Total housing	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Shelter	59.0	61.3	62.4	54.2	65.2	58.4	66.8
Utilities, fuels, and public services	20.6	21.9	20.7	25.0	19.3	21.6	15.8
Household operations	5.8	5.8	5.0	6.6	6.4	5.7	6.2
Housekeeping supplies	3.8	2.9	3.4	4.0	3.0	3.3	2.8
Household furnishings and equipment	10.7	8.1	8.5	10.2	6.1	11.0	8.4

Note: Columns may not add to 100 due to rounding.

At 17.2 percent of the total budget, transportation was the second-largest expenditure category in the Atlanta area; this was not significantly different from the national average of 17.7 percent. Like Atlanta, households in Dallas (19.8 percent), Miami (17.2 percent), and Baltimore (16.3 percent) allocated a statistically similar share of their budgets to transportation compared to the share spent nationally. However, consumer units in Philadelphia (15.1 percent) and Washington (14.5 percent) spent a significantly smaller-than-average share of their budget on transportation. Among the 18 metropolitan areas, 6 others had lower-than-average expenditure shares for transportation, while 2 others had above average shares. (See chart 2.)

Of the \$8,053 annual expenditure for transportation in Atlanta, 92.9 percent was spent buying and maintaining private vehicles; this compared to the national average of 94.0 percent. (See table 2

for detailed expenditure levels.) The average numbers of vehicles owned per household in Miami (1.5), Atlanta, and Baltimore (1.7 each) was below the national average of 1.9. The average number of vehicles owned was closer to the national average in Houston and Washington (1.8 each) while in Dallas the ownership rate equaled that of the nation.

The remaining 7.1 percent of an Atlanta household's transportation budget was spent on public transit, which includes fares for taxis, buses, trains, and planes: compared to 6.0 percent spent nationally. (See table B.) Among all 18 metropolitan areas surveyed, only 3 allocated at least 10.0 percent of their transportation dollars to public transit: New York (13.5 percent), San Francisco (11.5 percent), and Seattle (10.9 percent). Households in Cleveland (3.0 percent) and Dallas (4.1 percent) spent the smallest portions of their transportation budgets on public transit. (See table C.)

Table B. Percent distribution of transportation expenditures, United States and selected metropolitan areas, Consumer Expenditure Survey, 2006-2007

Category	United States	Atlanta	Baltimore	Dallas-Fort Worth	Miami	Philadelphia	Washington, D.C.
Total transportation	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Vehicle purchases (net outlays)	38.1	36.7	41.1	45.2	36.0	30.6	34.8
Gasoline and motor oil	26.4	29.9	28.9	23.8	31.0	28.7	23.8
Other vehicle expenses	29.5	26.3	23.6	27.0	26.4	33.3	33.2
Public transportation	6.0	7.1	6.4	4.1	6.7	7.5	8.2

Note: Columns may not add to 100 due to rounding.

Table C. Spending on public transportation in the United States, regions, and 18 metropolitan areas, Consumer Expenditure Survey, 2006-2007

Area	Transportation Spending	Public Transportation	Share
United States	\$8,737	\$521	6.0
Northeast	8,107	688	8.5
New York	8,048	1,085	13.5
Philadelphia	7,345	548	7.5
Boston	8,707	618	7.1
South	8,578	342	4.0
Washington, D.C.	9,531	778	8.2
Dallas	10,764	439	4.1
Houston	11,119	490	4.4
Miami	7,938	530	6.7
Atlanta	8,053	570	7.1
Baltimore	8,673	554	6.4
Midwest	8,159	428	5.2
Chicago	8,846	806	9.1
Detroit	8,743	433	5.0
Minneapolis-St. Paul	8,694	649	7.5
Cleveland	8,371	253	3.0
West	10,116	762	7.5
Los Angeles	10,141	727	7.2
San Francisco	10,792	1,238	11.5
Phoenix	12,424	601	4.8
Seattle	10,047	1,094	10.9
San Diego	7,258	702	9.7

The portion of an Atlanta consumer unit’s budget spent on food, 12.1 percent, was not significantly different from the 12.4-percent U.S. average. Households in Miami (12.4 percent), Baltimore (11.7 percent), and Philadelphia (11.5 percent) spent statistically similar expenditures shares on food compared to the national average. On the other hand, households in Washington (11.4 percent) and Dallas (11.3 percent) spent significantly smaller shares.

Households in Atlanta spent \$2,871, or 50.9 percent, of their food dollars on food at home and the remaining 49.1 percent on food away from home, such as restaurant meals, carry-outs, board at school, and catered affairs. In comparison, the average U.S. household spent 56.2 percent of its food budget on food at home and 43.8 percent on food away from home. Among the other five similarly sized metropolitan areas being compared, only residents of Miami allocated a measurably smaller share (33.1 percent) of their food budgets to dining out than did the nation.

Payments for personal insurance and pensions accounted for 11.9 percent of the typical Atlanta household’s budget, well above the 10.8-percent share allocated nationally. Consumer units in Washington (12.8 percent), Dallas (12.2 percent), Baltimore (12.0 percent), and Philadelphia (11.9 percent) also spent a larger-than-average share of their budgets on personal insurance and pensions, while those in Miami (9.5 percent) allocated a significantly lower share. Of the 18 metropolitan areas published, only 3 (Washington, Dallas, and San Diego) spent a larger share of their budgets on personal insurance and pensions than on food.

Out-of-pocket health care expenses—which include health insurance premiums, medical services, drugs (prescription and nonprescription), and medical care supplies—accounted for 5.0 percent of total household expenditures in Atlanta, close to the 5.7 percent recorded nationwide. Like Atlanta, the percentage spent on out-of-pocket health care expenses was similar to the nation in Dallas (5.5 percent). However, expenditure shares in Miami (4.7 percent), Baltimore (4.6 percent),

Philadelphia (4.5 percent), and Washington (4.0 percent) were significantly less than the national average.

Atlanta area households allocated a statistically similar share (4.6 percent) of their budgets to entertainment when compared to the national average (5.4 percent). Both Baltimore (5.1 percent) and Philadelphia (4.8 percent) also spent similar portions of their total budgets on entertainment. Consumer units in the other three selected areas allocated less than the national average for entertainment.

Spending on apparel and services accounted for 3.8 percent of total expenditures in Atlanta, equal to the national average. Expenditure shares for apparel and services were significantly lower than for the nation in Miami (2.7 percent), whereas households in the remaining four selected areas allocated similar shares compared to the national average.

Cash contributions accounted for 2.7 percent of an average consumer unit's spending in Atlanta, significantly lower than the national average of 3.7 percent. Shares for cash contributions were also significantly smaller than average in Miami and Philadelphia (each at 3.1 percent). In Dallas (4.1 percent), Baltimore (3.6 percent), and Washington (3.3 percent), expenditure shares for cash contributions were not significantly different from the U.S. average.

As noted, Atlanta is 1 of 18 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 Southeast Information Office at (404) 893-4222. Metropolitan area CE data and that for the four geographic regions and the United States are available on our Web site at <http://www.bls.gov/ro4/>.

Changes in 2007

In 2007 there were a number of revisions to the survey questionnaires to capture new products and services that are available to consumers. This was the latest in a series of periodic revisions to keep the surveys current with changes in the marketplace. Also for 2007, a number of expenditure items changed survey source from the Interview Survey to the Diary Survey or vice versa. Due to the overlap in the item coverage between the two surveys, the survey source is periodically reviewed and statistical methods are used to select the best source.

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 7,000 consumer units are sampled for the Diary Survey. The Interview Survey is conducted on a rotating panel basis, with about 7,000

consumer units participating each quarter. The data are collected on an ongoing basis in 91 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 in this release compare expenditure shares for 14 expenditure categories in the United States to expenditure shares in 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 18 published metropolitan areas.

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 the 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 in Georgia.

Baltimore-Towson, MD includes Baltimore city; Anne Arundel, Baltimore, Carroll, Harford, Howard, and Queen Anne's Counties in Maryland.

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

Miami-Fort Lauderdale,-Pompano Beach, Fla. includes Broward, Miami Dade, and Palm Beach Counties in Florida.

Philadelphia-Wilmington-Atlantic City, Pa.-Del.-N.J.-Md. includes Bucks, Chester, Delaware, Montgomery and Philadelphia Counties in Pennsylvania; Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester and Salem Counties in New Jersey; New Castle County in Delaware; and Cecil County in Maryland.

Washington-Arlington-Alexandria, DC-VA-MD-WV includes the District of Columbia; Calvert, Charles, Frederick, Montgomery, and Prince George's Counties in Maryland; Alexandria, Fairfax, Falls

Church, Fredericksburg, Manassas, and Manassas Park cities; Arlington, Clarke, Fairfax, Fauquier, Loudoun, Prince William, Spotsylvania, Stafford, and Warren Counties in Virginia; 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 - 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.

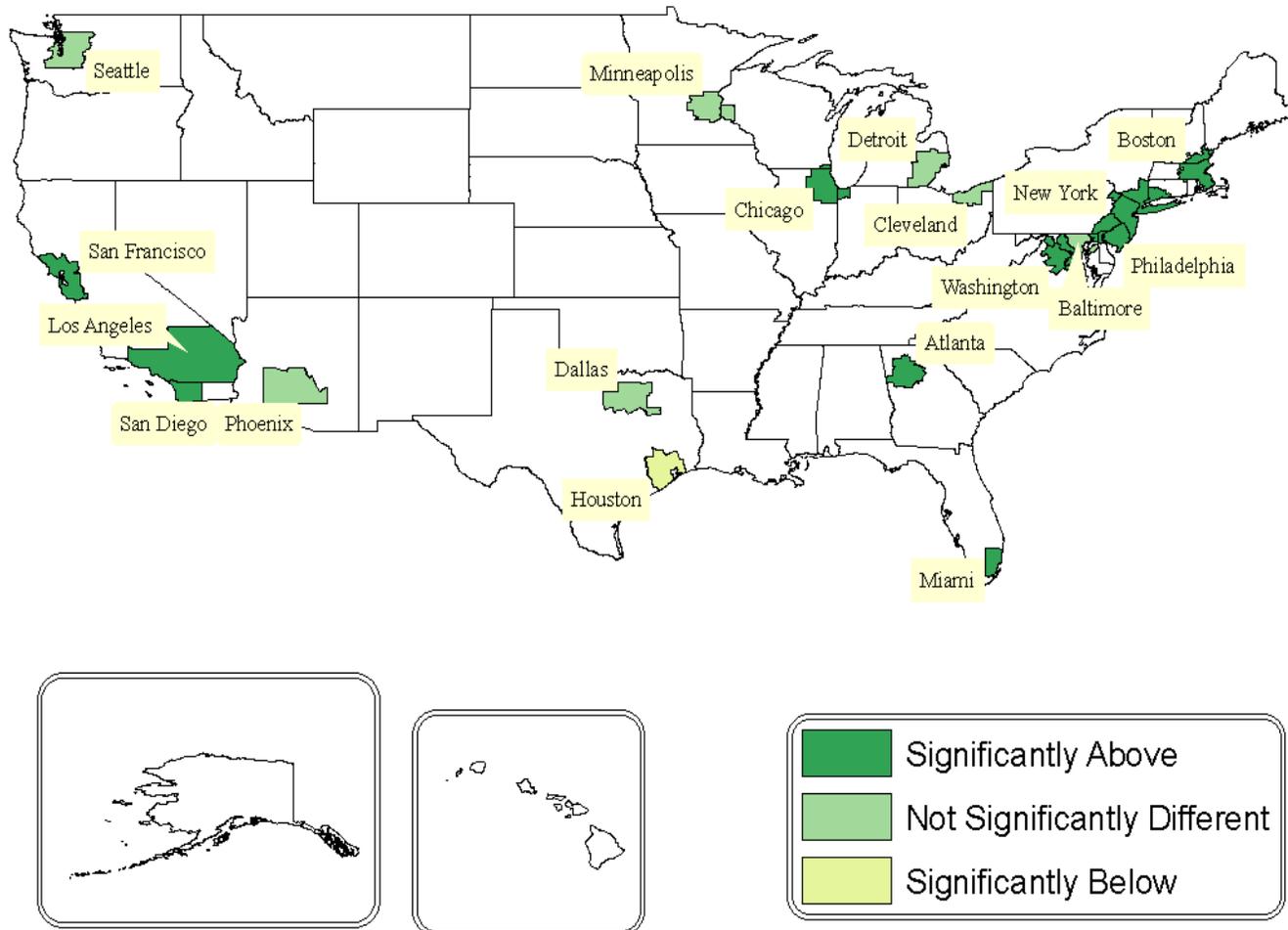
Table 1. Consumer unit characteristics and percent distribution of expenditures, U.S. and selected metropolitan areas, Consumer Expenditure Survey, 2006-2007

Category	United States	Atlanta	Baltimore	Dallas-Fort Worth	Miami	Philadelphia	Washington, D.C.
Consumer unit characteristics:							
Income before taxes	\$61,820	\$67,859	\$78,930	\$67,145	\$54,990	\$65,637	\$100,486
Age of reference person	48.8	45.7	48.9	45.5	48.8	48.4	45.8
Average number in consumer unit:							
Persons	2.5	2.5	2.5	2.8	2.4	2.4	2.6
Children under 18	.6	.7	.6	.9	.6	.6	.6
Persons 65 and over	.3	.2	.3	.2	.3	.3	.2
Earners	1.3	1.3	1.4	1.5	1.4	1.3	1.6
Vehicles	1.9	1.7	1.7	1.9	1.5	1.5	1.8
Percent homeowners	67	66	71	64	63	70	69
Average annual expenditures	\$49,279	\$46,705	\$53,244	\$54,334	\$46,201	\$48,649	\$65,894
Percent distribution:	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Food	12.4	12.1	11.7	11.3	12.4	11.5	11.4
Alcoholic beverages	1.0	.7	.9	.7	.6	.9	1.0
Housing	33.9	37.9	35.9	33.4	40.5	37.8	38.7
Apparel and services	3.8	3.8	3.3	3.5	2.7	4.2	3.7
Transportation	17.7	17.2	16.3	19.8	17.2	15.1	14.5
Healthcare	5.7	5.0	4.6	5.5	4.7	4.5	4.0
Entertainment	5.4	4.6	5.1	4.6	3.4	4.8	4.5
Personal care products and services	1.2	1.1	1.1	1.4	1.4	1.2	1.0
Reading	.2	.2	.2	.2	.1	.2	.2
Education	1.9	.9	3.3	1.4	2.3	2.5	2.5
Tobacco products and smoking supplies	.7	.4	.4	.5	.4	.8	.4
Miscellaneous	1.7	1.4	1.7	1.4	1.7	1.4	1.9
Cash contributions	3.7	2.7	3.6	4.1	3.1	3.1	3.3
Personal insurance and pensions	10.8	11.9	12.0	12.2	9.5	11.9	12.8

Table 2. Average annual expenditures, U.S. and selected metropolitan areas, Consumer Expenditure Survey, 2006-2007

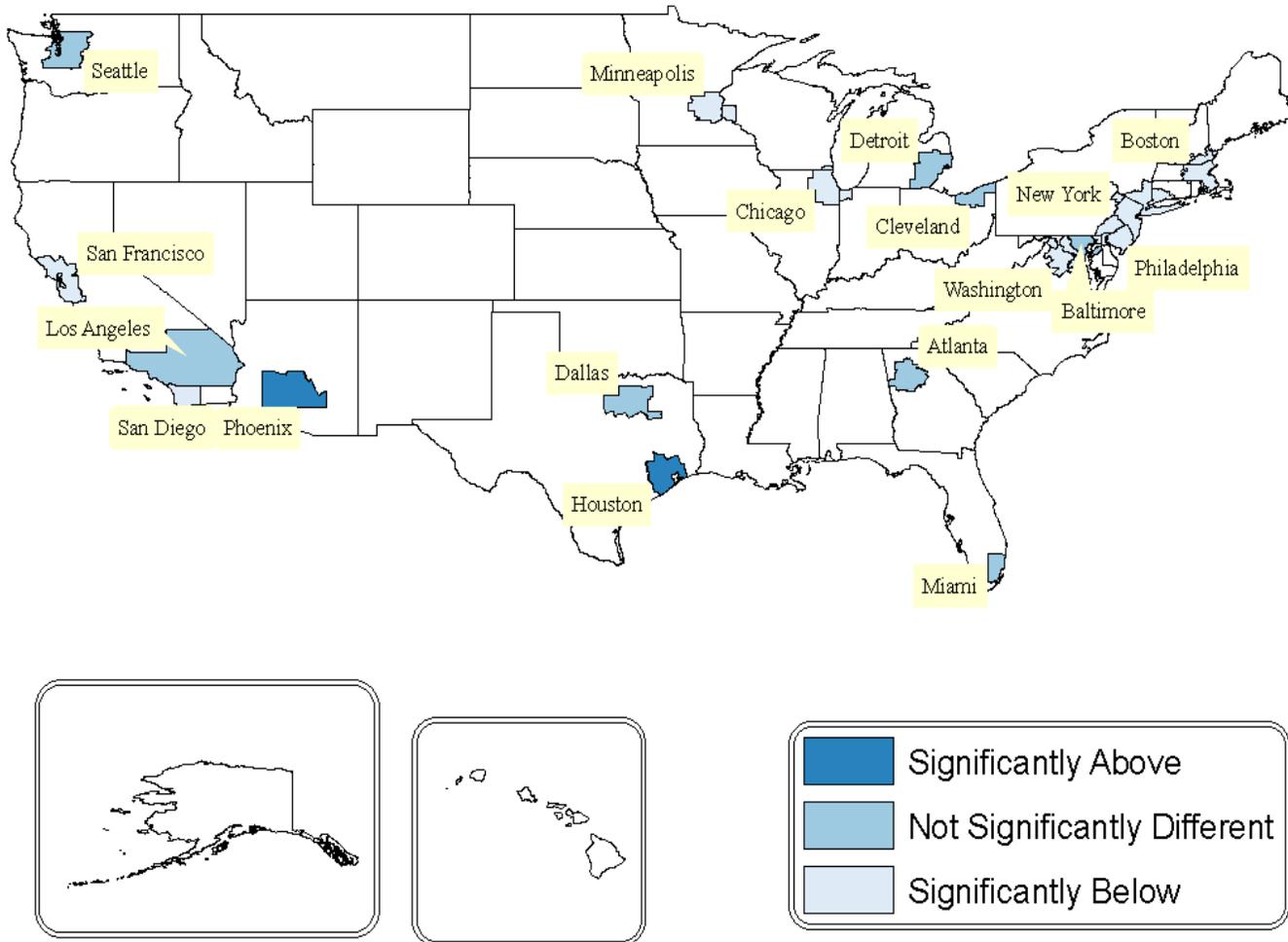
Category	United States	Atlanta	Baltimore	Dallas-Fort Worth	Miami	Philadelphia	Washington, D.C.
Average annual expenditures	\$49,279	46,705	53,244	54,334	46,201	48,649	65,894
Food	6,122	5,646	6,222	6,160	5,728	5,600	7,533
Food at home	3,441	2,871	3,386	3,498	3,830	3,028	3,747
Cereals and bakery products	453	368	438	434	476	408	451
Meats, poultry, fish, and eggs	787	662	820	774	949	734	864
Dairy products	378	281	338	381	443	343	407
Fruits and vegetables	596	518	573	605	854	559	780
Other food at home	1,227	1,042	1,217	1,304	1,107	984	1,244
Food away from home	2,681	2,775	2,836	2,662	1,898	2,571	3,786
Alcoholic beverages	477	345	479	381	276	451	650
Housing	16,684	17,716	19,123	18,169	18,708	18,411	25,525
Shelter	9,849	10,860	11,930	9,843	12,190	10,755	17,040
Owned dwellings	6,624	7,353	8,921	6,446	8,100	7,410	12,380
Rented dwellings	2,596	2,831	2,504	2,892	3,809	2,613	3,947
Other lodging	629	676	505	505	281	732	713
Utilities, fuels, and public services	3,437	3,874	3,951	4,551	3,611	3,981	4,037
Household operations	966	1,035	960	1,192	1,197	1,054	1,592
Housekeeping supplies	639	515	650	728	569	602	703
Household furnishings and equipment	1,793	1,433	1,632	1,856	1,140	2,020	2,153
Apparel and services	1,893	1,792	1,755	1,907	1,269	2,041	2,440
Transportation	8,737	8,053	8,673	10,764	7,938	7,345	9,531
Vehicle purchases (net outlay)	3,332	2,957	3,562	4,866	2,859	2,244	3,319
Gasoline and motor oil	2,306	2,407	2,508	2,559	2,457	2,106	2,272
Other vehicle expenses	2,577	2,119	2,049	2,902	2,092	2,447	3,163
Public transportation	521	570	554	439	530	548	778
Healthcare	2,810	2,355	2,431	2,967	2,167	2,175	2,641
Entertainment	2,637	2,130	2,726	2,515	1,583	2,327	2,995
Personal care products and services	586	513	565	747	641	602	682
Reading	117	75	84	101	42	109	130
Education	917	420	1,771	739	1,054	1,228	1,664
Tobacco products and smoking supplies	325	202	229	265	197	406	237
Miscellaneous	827	635	908	765	770	689	1,234
Cash contributions	1,845	1,281	1,891	2,223	1,421	1,486	2,168
Personal insurance and pensions	5,303	5,542	6,387	6,632	4,407	5,778	8,463
Life and other personal insurance	316	242	546	346	192	289	341
Pensions and Social Security	4,987	5,300	5,841	6,286	4,215	5,488	8,123

Chart 1. Expenditure shares spent on housing in all 18 metropolitan statistical areas compared to the U.S. average, Consumer Expenditure Survey, 2006-2007



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

Chart 2. Expenditure shares spent on transportation in all 18 metropolitan statistical areas compared to the U.S. average, Consumer Expenditure Survey, 2006-2007



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