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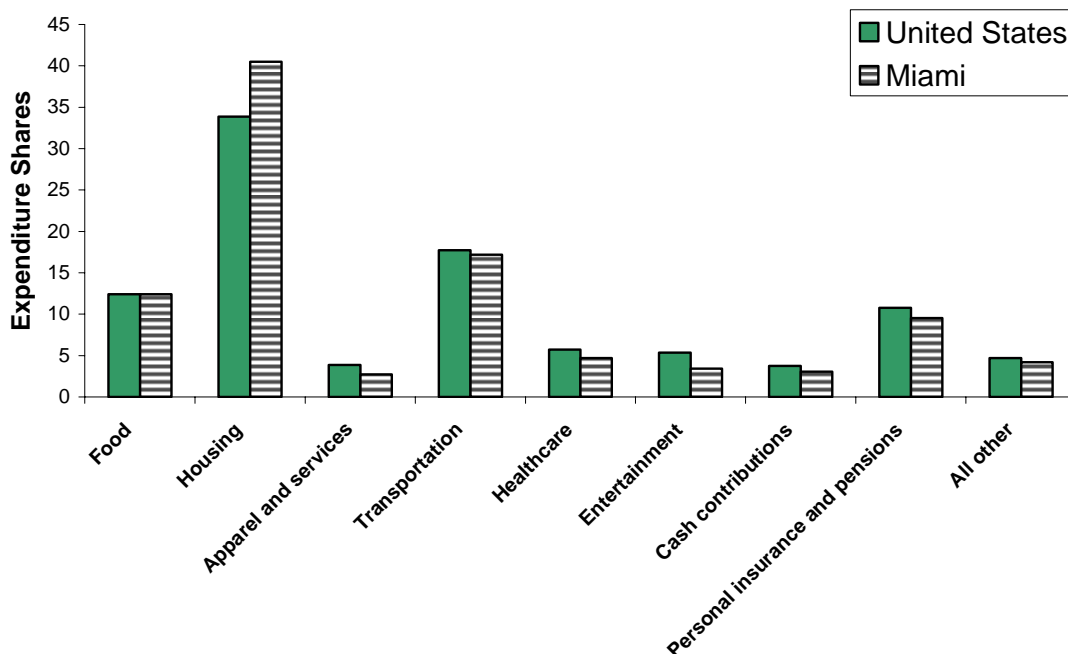
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CONSUMER SPENDING PATTERNS IN THE MIAMI METROPOLITAN AREA, 2006-2007

Consumer units¹ in the Miami-Fort Lauderdale-Pompano Beach, Florida metropolitan area spent an average of \$46,201 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 6.2 percent lower than the \$49,279 average expenditure level for a typical household in the United States. Households in the Miami area spent less than the U.S. average, allocating their dollars differently among 6 of the 8 major categories. Expenditures for housing accounted for a significantly larger² portion of total expenditures in the Miami area compared to the United States, whereas spending on personal insurance and pensions, health care, entertainment, cash contributions, and apparel and services represented significantly smaller-than-average shares of the total budget. (See chart A.)

Chart A. Percent distribution of average annual expenditures in the United States and Miami 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 40.5 percent of a Miami area household's total budget; this share was significantly higher from the 33.9 percent national average (see table 1). In five other metropolitan areas in the South chosen for comparison, households in Washington (38.7 percent) and Atlanta (37.9 percent) also had significantly higher expenditure shares than the nation. In contrast, Houston (32.1 percent) had lower housing expenditure shares while Baltimore (35.9 percent) and Dallas (33.4 percent) were not significantly different. Overall, 10 of the 18 metropolitan areas had expenditure shares for housing significantly above the U.S. average and only 1 (Houston) had lower-than-average shares. (See chart 1).

The majority of housing expenditures in Miami went toward shelter (65.2 percent), which includes mortgage interest, property taxes, repairs, and rent, among other items; this was higher than the 59.0 percent spent nationally. (See table A.) Utilities, fuels, and public services expense accounted for 19.3 percent of total housing expenditures in Miami; nationally, they made up 20.6 percent. The homeownership rate in Miami, 63 percent, was below the national average of 67 percent. Among the other five areas chosen for comparison, homeownership in Baltimore (71 percent) and Washington (69 percent) were above the national average. Atlanta's rate of homeownership (66 percent) was similar to the national average, whereas Houston (65 percent) and Dallas (64 percent) were lower than average.

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

Category	United States	Miami	Atlanta	Baltimore	Dallas-Fort Worth	Houston	Washington, D.C.
Total housing	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Shelter	59.0	65.2	61.3	62.4	54.2	56.1	66.8
Utilities, fuels, and public services	20.6	19.3	21.9	20.7	25.0	24.2	15.8
Household operations	5.8	6.4	5.8	5.0	6.6	6.1	6.2
Housekeeping supplies	3.8	3.0	2.9	3.4	4.0	4.2	2.8
Household furnishings and equipment	10.7	6.1	8.1	8.5	10.2	9.4	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 Miami area compared to the national average of 17.7 percent. Like Miami, transportation in Dallas (19.8 percent), Atlanta (17.2 percent), and Baltimore (16.3 percent) were not significantly different when compared to the national average. However, consumer units in Washington (14.5 percent) spent a smaller-than-average share of their budget on transportation while those in Houston (20.1 percent) spent a larger share. (See table B.) Among the 18 metropolitan areas, 7 others joined Washington in having lower-than-average expenditure shares for transportation, while 2 had above average shares. (See chart 2.)

Of the \$7,938 annual expenditure for transportation in Miami, 93.4 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 number 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 6.7 percent of a Miami household's transportation budget was spent on public transit, which includes fares for taxis, buses, trains, and planes; this compares to the national average of 6.0 percent. (See table B.) Average expenditures for public transportation in the 5 comparison metropolitan areas ranged from 8.2 percent in Washington to 4.1 percent in Dallas. Among all published 18 metropolitan areas, 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), Dallas (4.1 percent), and Houston (4.4 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	Miami	Atlanta	Baltimore	Dallas-Fort Worth	Houston	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	36.0	36.7	41.1	45.2	40.9	34.8
Gasoline and motor oil	26.4	31.0	29.9	28.9	23.8	26.4	23.8
Other vehicle expenses	29.5	26.4	26.3	23.6	27.0	28.3	33.2
Public transportation	6.0	6.7	7.1	6.4	4.1	4.4	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 a Miami consumer unit's budget spent on food, 12.4 percent, matched the national average. Households in Atlanta (12.1 percent), Houston (11.8 percent), and Baltimore (11.7 percent) allocated expenditure shares similar to the nation. On the other hand, typical households in Washington (11.4 percent) and Dallas (11.3 percent) spent a significantly smaller share of their total budget on food.

Households in Miami spent \$3,830, or 66.9 percent, of their food dollars on food prepared at home and the remaining 33.1 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 56.2 percent of its food budget on food prepared at home and 43.8 percent on food prepared away from home. Miami allocated the lowest share for dining out compared to the other selected metropolitan areas.

Payments for personal insurance and pensions accounted for 9.5 percent of the typical Miami household's budget, well below the national share of 10.8 percent. Consumer units in four comparison areas allocated significantly higher expenditures than the nation for personal insurance and pensions: Washington (12.8 percent), Dallas (12.2 percent), Baltimore (12.0 percent), and Atlanta (11.9 percent). Houston's (11.3 percent) share was not significantly different to that of the nation. Of the 18 metropolitan areas published, only 3 areas 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 4.7 percent of total household expenditures in Miami, significantly less than the 5.7 percent recorded nationwide. Like Miami, the percentage spent on out-of-pocket health care expenses was also

significantly less than that of the nation in Baltimore (4.6 percent) and Washington (4.0 percent). Expenditure shares in Houston (5.9 percent), Dallas (5.5 percent), and Atlanta (5.0 percent) were not significantly different from the national average.

Miami area households allocated a significantly lower share (3.4 percent) of their budget to entertainment when compared to the national average (5.4 percent). Similar to Miami, Dallas (4.6 percent) and Washington (4.5 percent) spent a significantly lower portion of their total budgets on entertainment. Consumer units in the other three selected areas allocated a similar share of total expenditures to entertainment when compared to the nation.

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

Spending on apparel and services accounted for 2.7 percent of total expenditures in Miami, significantly lower than the 3.8-percent national average. Residents of the other areas selected for comparison had expenditure shares for apparel not significantly different to that of a typical U.S. household.

As noted, Miami is 1 of 18 areas nationwide for which Consumer Expenditure 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 demographic 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 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 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.

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

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

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 Counties 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.

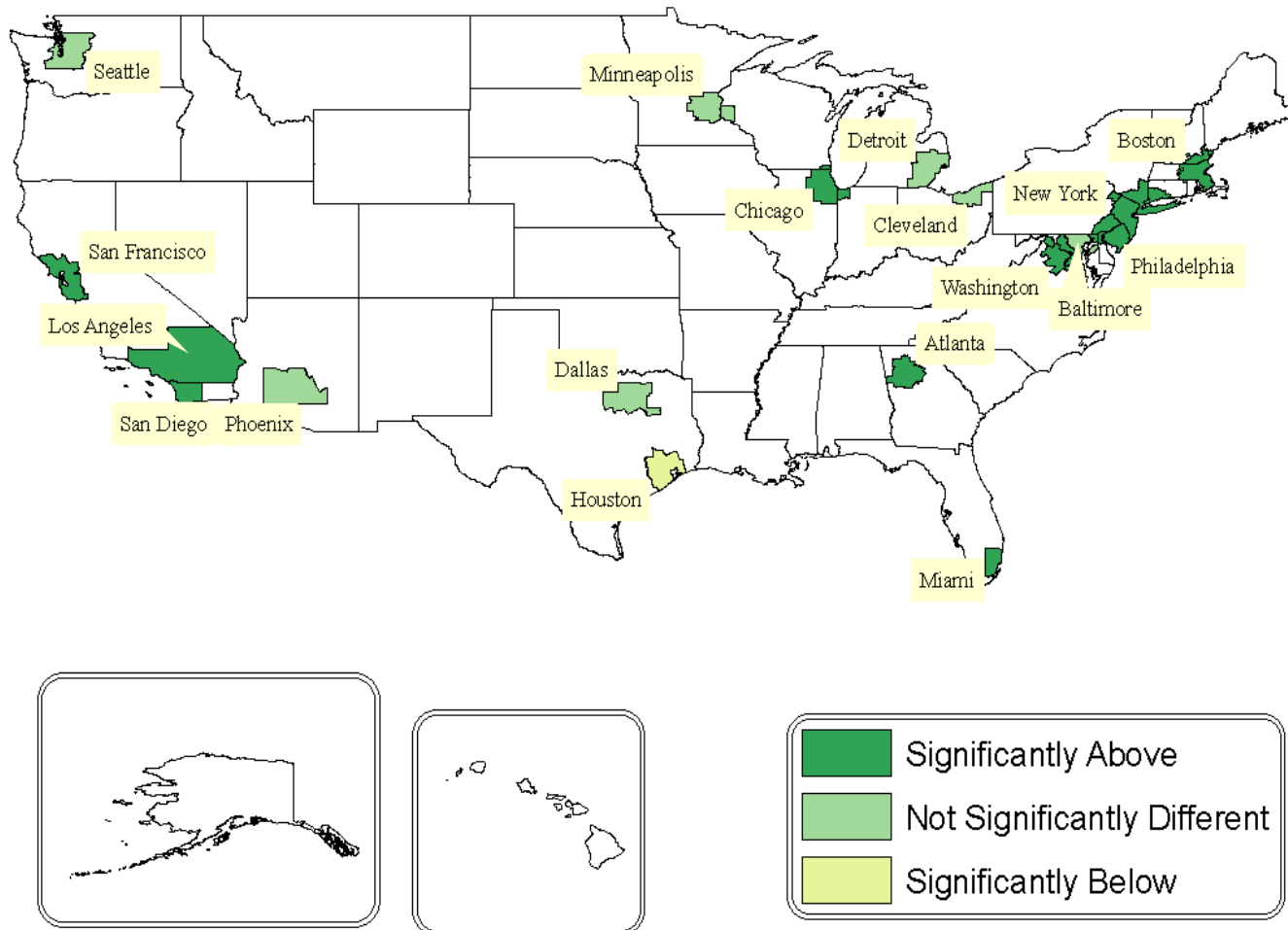
Table 1. Consumer unit characteristics and percent distribution of expenditures, U.S. and selected metropolitan areas, Consumer Expenditure Survey, 2006-2007

Category	United States	Miami	Atlanta	Baltimore	Dallas-Fort Worth	Houston	Washington, D.C.
Consumer unit characteristics:							
Income before taxes	\$61,820	\$54,990	\$67,859	\$78,930	\$67,145	\$71,124	\$100,486
Age of reference person	48.8	48.8	45.7	48.9	45.5	45.3	45.8
Average number in consumer unit:							
Persons	2.5	2.4	2.5	2.5	2.8	2.7	2.6
Children under 18	.6	.6	.7	.6	.9	.8	.6
Persons 65 and over	.3	.3	.2	.3	.2	.2	.2
Earners	1.3	1.4	1.3	1.4	1.5	1.5	1.6
Vehicles	1.9	1.5	1.7	1.7	1.9	1.8	1.8
Percent homeowners	67	63	66	71	64	65	69
Average annual expenditures							
Percent distribution:	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Food	12.4	12.4	12.1	11.7	11.3	11.8	11.4
Alcoholic beverages	1.0	.6	.7	.9	.7	1.1	1.0
Housing	33.9	40.5	37.9	35.9	33.4	32.1	38.7
Apparel and services	3.8	2.7	3.8	3.3	3.5	4.2	3.7
Transportation	17.7	17.2	17.2	16.3	19.8	20.1	14.5
Healthcare	5.7	4.7	5.0	4.6	5.5	5.9	4.0
Entertainment	5.4	3.4	4.6	5.1	4.6	5.0	4.5
Personal care products and services	1.2	1.4	1.1	1.1	1.4	1.4	1.0
Reading	.2	.1	.2	.2	.2	.2	.2
Education	1.9	2.3	.9	3.3	1.4	1.7	2.5
Tobacco products and smoking supplies	.7	.4	.4	.4	.5	.5	.4
Miscellaneous	1.7	1.7	1.4	1.7	1.4	1.4	1.9
Cash contributions	3.7	3.1	2.7	3.6	4.1	3.3	3.3
Personal insurance and pensions	10.8	9.5	11.9	12.0	12.2	11.3	12.8

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

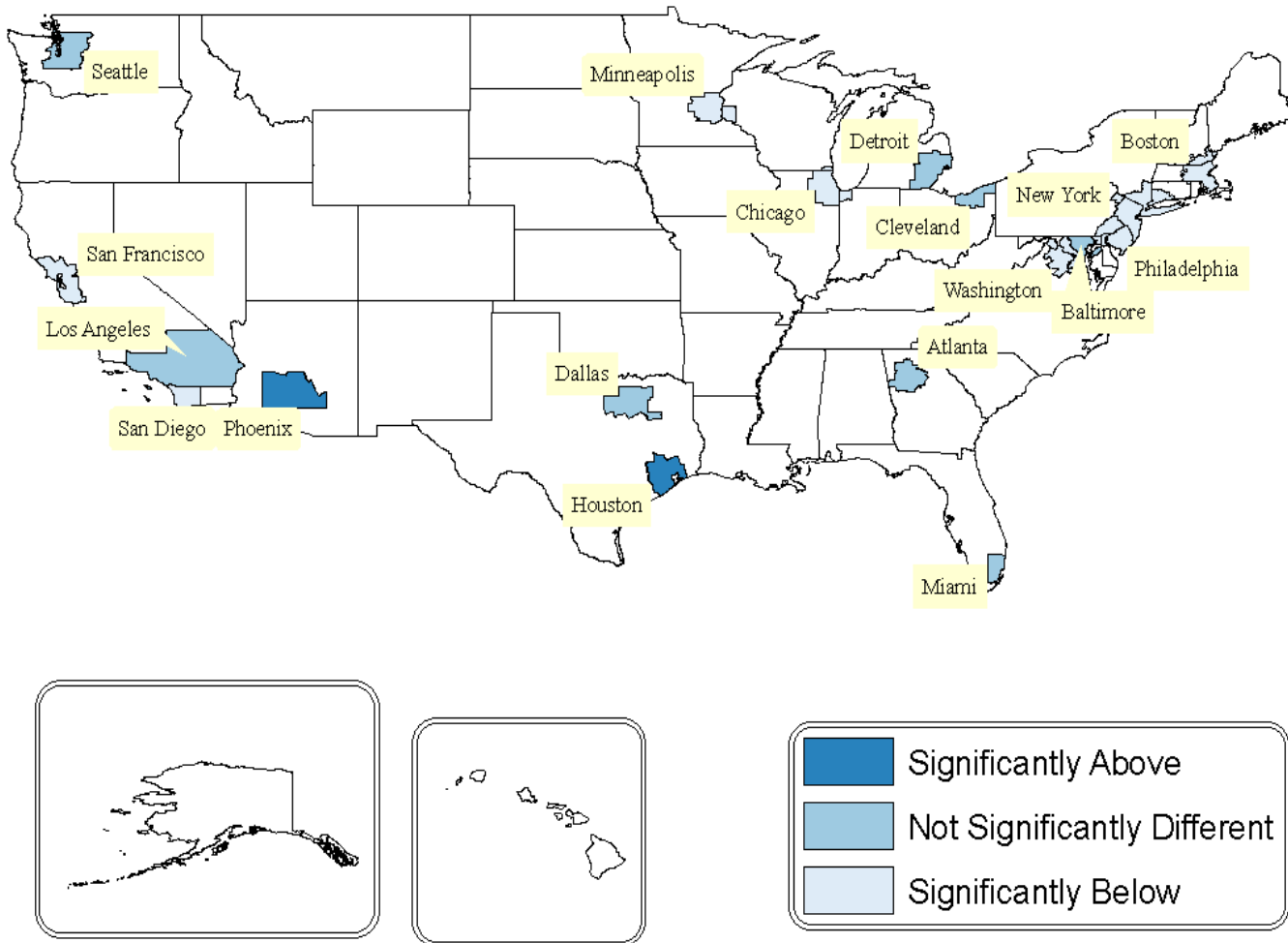
Category	United States	Miami	Atlanta	Baltimore	Dallas-Fort Worth	Houston	Washington, D.C.
Average annual expenditures	\$49,279	\$46,201	\$46,705	\$53,244	\$54,334	\$55,381	\$65,894
Food	6,122	5,728	5,646	6,222	6,160	6,547	7,533
Food at home	3,441	3,830	2,871	3,386	3,498	3,447	3,747
Cereals and bakery products	453	476	368	438	434	419	451
Meats, poultry, fish, and eggs	787	949	662	820	774	802	864
Dairy products	378	443	281	338	381	355	407
Fruits and vegetables	596	854	518	573	605	607	780
Other food at home	1,227	1,107	1,042	1,217	1,304	1,264	1,244
Food away from home	2,681	1,898	2,775	2,836	2,662	3,099	3,786
Alcoholic beverages	477	276	345	479	381	603	650
Housing	16,684	18,708	17,716	19,123	18,169	17,752	25,525
Shelter	9,849	12,190	10,860	11,930	9,843	9,965	17,040
Owned dwellings	6,624	8,100	7,353	8,921	6,446	6,872	12,380
Rented dwellings	2,596	3,809	2,831	2,504	2,892	2,533	3,947
Other lodging	629	281	676	505	505	560	713
Utilities, fuels, and public services	3,437	3,611	3,874	3,951	4,551	4,297	4,037
Household operations	966	1,197	1,035	960	1,192	1,080	1,592
Housekeeping supplies	639	569	515	650	728	746	703
Household furnishings and equipment	1,793	1,140	1,433	1,632	1,856	1,664	2,153
Apparel and services	1,893	1,269	1,792	1,755	1,907	2,345	2,440
Transportation	8,737	7,938	8,053	8,673	10,764	11,119	9,531
Vehicle purchases (net outlay)	3,332	2,859	2,957	3,562	4,866	4,544	3,319
Gasoline and motor oil	2,306	2,457	2,407	2,508	2,559	2,936	2,272
Other vehicle expenses	2,577	2,092	2,119	2,049	2,902	3,149	3,163
Public transportation	521	530	570	554	439	490	778
Healthcare	2,810	2,167	2,355	2,431	2,967	3,293	2,641
Entertainment	2,637	1,583	2,130	2,726	2,515	2,789	2,995
Personal care products and services	586	641	513	565	747	782	682
Reading	117	42	75	84	101	89	130
Education	917	1,054	420	1,771	739	918	1,664
Tobacco products and smoking supplies	325	197	202	229	265	299	237
Miscellaneous	827	770	635	908	765	761	1,234
Cash contributions	1,845	1,421	1,281	1,891	2,223	1,821	2,168
Personal insurance and pensions	5,303	4,407	5,542	6,387	6,632	6,264	8,463
Life and other personal insurance	316	192	242	546	346	417	341
Pensions and Social Security	4,987	4,215	5,300	5,841	6,286	5,847	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.