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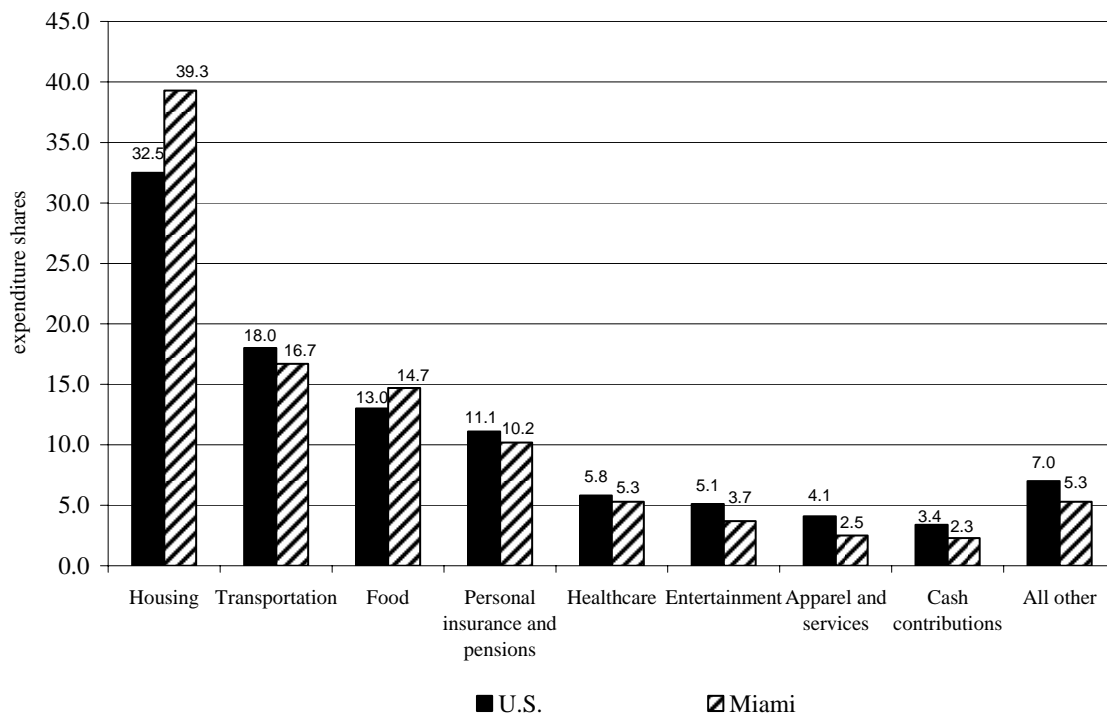
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FOR IMMEDIATE RELEASE  
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### CONSUMER SPENDING PATTERNS IN THE MIAMI METROPOLITAN AREA, 2004-2005

Consumer units<sup>1</sup> in the Miami-Fort Lauderdale-Miami Beach, Florida, metropolitan area spent an average of \$37,673 per year in 2004-2005, according to results from the Bureau of Labor Statistics' Consumer Expenditure Survey. Regional Commissioner Janet S. Rankin added that this figure was 16.1 percent less than the \$44,928 expenditure level for a typical household in the United States. Not only did households in the Miami area spend less than the U.S. average, how they allocated their dollars also differed, with Miamians spending a significantly larger percentage of their average annual expenditures on housing and food, but a significantly smaller portion on entertainment, healthcare, and personal insurance and pensions. (See chart A.)

Chart A. Percent distribution of average annual expenditures, United States and Miami, Consumer Expenditure Survey, 2004-2005



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

<sup>1</sup> 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, accounted for 39.3 percent of a typical household's budget in Miami, well above the 32.5-percent share allocated nationally. In five other metropolitan areas in the South chosen for comparison to Miami, households in Washington, D.C. (38.5 percent), Baltimore (37.5 percent), and Atlanta (35.9 percent) also had significantly higher expenditure shares for housing. In contrast, those in Dallas and Houston, with expenditure shares of 33.0 and 31.3 percent, respectively, did not differ significantly from the norm. (See chart 1.)

The majority of housing costs in Miami went for shelter (63.9 percent), which includes mortgage interest, property taxes, repairs, and rent, among other items; nationally, the average was 57.9 percent. (See table A.) Expenditure shares for shelter in the other five selected areas ranged from 65.0 and 64.5 percent, respectively, in Washington, D.C. and Baltimore, to 55.7 percent in Houston. The 67 percent rate of home ownership in Miami was close to the national average of 68 percent; Houston, Dallas, and Baltimore also had home ownership rates that either equaled or varied little from that for the nation. Atlanta's rate, at 72 percent, well exceeded the U.S. average. (See table 1.)

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

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

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

Transportation was the second largest expenditure category in the Miami area at 16.7 percent; this was statistically different from the 18.0-percent share for the nation. Households in Dallas and Houston also had transportation shares that were similar to the U.S. average at 17.5 and 19.5 percent, respectively. In contrast, expenditure shares for transportation in Washington, D.C. (14.1 percent), Baltimore (14.8 percent), and Atlanta (15.1 percent) were measurably smaller than the national average. (See chart 2.)

Of the \$6,282 annual average expenditures on transportation in Miami, 36.4 percent was spent on other vehicle expenses, which includes vehicle insurance and maintenance and repairs, and 32.0 percent on vehicle purchases. While other vehicle expenses accounted for the largest portion of the average Miami household's transportation dollars, this was not the case at the national level. A typical

U.S. household allocated the largest share of its transportation expenses for vehicle purchases, 43.0 percent, and only 29.1 percent to other vehicle expenses. (See table B.)

On the other hand, Miami households spent 5.6 percent of their transportation dollars for public transit, about the same as the 5.5-percent national average. Among the five other areas, expenditure shares for transportation ranged from 10.0 percent in Washington, D.C. to 3.7 percent in Houston. The number of vehicles (1.5) per household in Miami was well below the 2.0-nationwide average. Atlanta and Baltimore (1.5 and 1.6 vehicles per household) also fell well below that for the nation; however, none of the five areas exceeded the U.S. average. (See table 1.)

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

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

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

Miami households spent 14.7 percent of their budget on food, significantly above the national share of 13.0 percent. None of the other metropolitan areas had higher expenditure shares for food, though three spent significantly smaller portions of their budget on this item: Houston (11.6 percent), Baltimore (11.3 percent), and Washington, D.C. (10.4 percent).

Of the \$5,522 annual food expenditure, households in Miami spent 68.7 percent on food prepared at home, well above the 56.7-percent share allocated nationally. (See table C.) Consumer units in Miami spent the remaining 31.3 percent on food prepared away from home, such as restaurant meals, carry-outs, board at school, and catered affairs. In comparison, households in Atlanta spent 51.3 percent of their food budget on food prepared away from home; in fact, Atlanta was the only area to spend more on eating out than for food prepared at home.

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

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

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

Payments for personal insurance and pensions accounted for 10.2 percent of the typical Miami household's budget, less than the 11.1-percent share spent nationally. In contrast, households in the other five areas in the South allocated significantly higher expenditure shares to personal insurance and pensions. In fact, an average Washington household spent 13.8 percent of its budget on this item.

Out-of-pocket healthcare expenses—which include health insurance premiums, medical services, drugs (prescription and nonprescription), and medical care supplies—accounted for 5.3 percent of a Miami household's budget, significantly below the 5.8-percent national average. Shares dedicated to healthcare in Washington, D.C. (4.5 percent) and Atlanta (4.6 percent) were also significantly below the U.S. average, while shares for the other three areas were little different from that for the nation.

At 3.7 percent, Miami households allocated a significantly smaller share of their budget to entertainment than did households nationwide (5.1 percent). Of the other five metropolitan areas in the South, Baltimore, Dallas, and Houston also had lower-than-average expenditure shares for entertainment; none spent a measurably higher portion of their budget on entertainment.

Spending on apparel and related services accounted for 2.5 percent of total expenditures in Miami, well below the national share of 4.1 percent. Residents of other areas selected for comparison all had expenditure shares for apparel close to that of a typical U.S. household.

The expenditure share for cash contributions—which include items such as contributions to religious and charitable organizations as well as child support and alimony payments—was 2.3 percent in Miami, significantly smaller than the 3.4 percent allocated nationally. In the five other areas, consumer units in Atlanta also had a measurably smaller share for cash contributions, while those in Houston allocated a significantly higher share (5.1 percent).

Additional national, regional, and metropolitan area Consumer Expenditure (CE) data are available online at [www.bls.gov/cex](http://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 Web site ([www.bls.gov/ro4/home.htm](http://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. and 11:30 a.m., and 12:30 p.m. and 4:00 p.m. ET, or by email at [BLInfoAtlanta@bls.gov](mailto:BLInfoAtlanta@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.

### **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.

#### Changes in 2004

Beginning in 2004 the Consumer Expenditure Survey includes 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 forward will not be strictly comparable to earlier years.

This change also affects those expenditure items in the personal insurance and pensions component that are derived from income data. The increase in personal insurance and pensions in 2004 was largely due to increases in deductions for Social Security, which are computed from wage and salary amounts. As a result of the changes in 2004, income data, personal insurance and pensions, and average annual expenditures are not strictly comparable to data from previous years. (See [www.bls.gov/cex/csximpute.htm](http://www.bls.gov/cex/csximpute.htm) for details.)

The Metropolitan Statistical Areas (MSAs) and Consolidated Metropolitan Statistical Areas (CMSAs) covered by the Consumer Expenditure Survey represent areas designated by the U.S. Office of Management and Budget and are based on definitions in effect as of December 5, 2005. The general concept of an MSA is one of a large population nucleus, together with adjacent communities which have a high degree of economic and social integration with that nucleus. The following metropolitan areas are discussed at length in this release:

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 and 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-Miami Beach, Fla.: includes Broward, Miami-Dade, and Palm Beach Counties in Florida

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

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

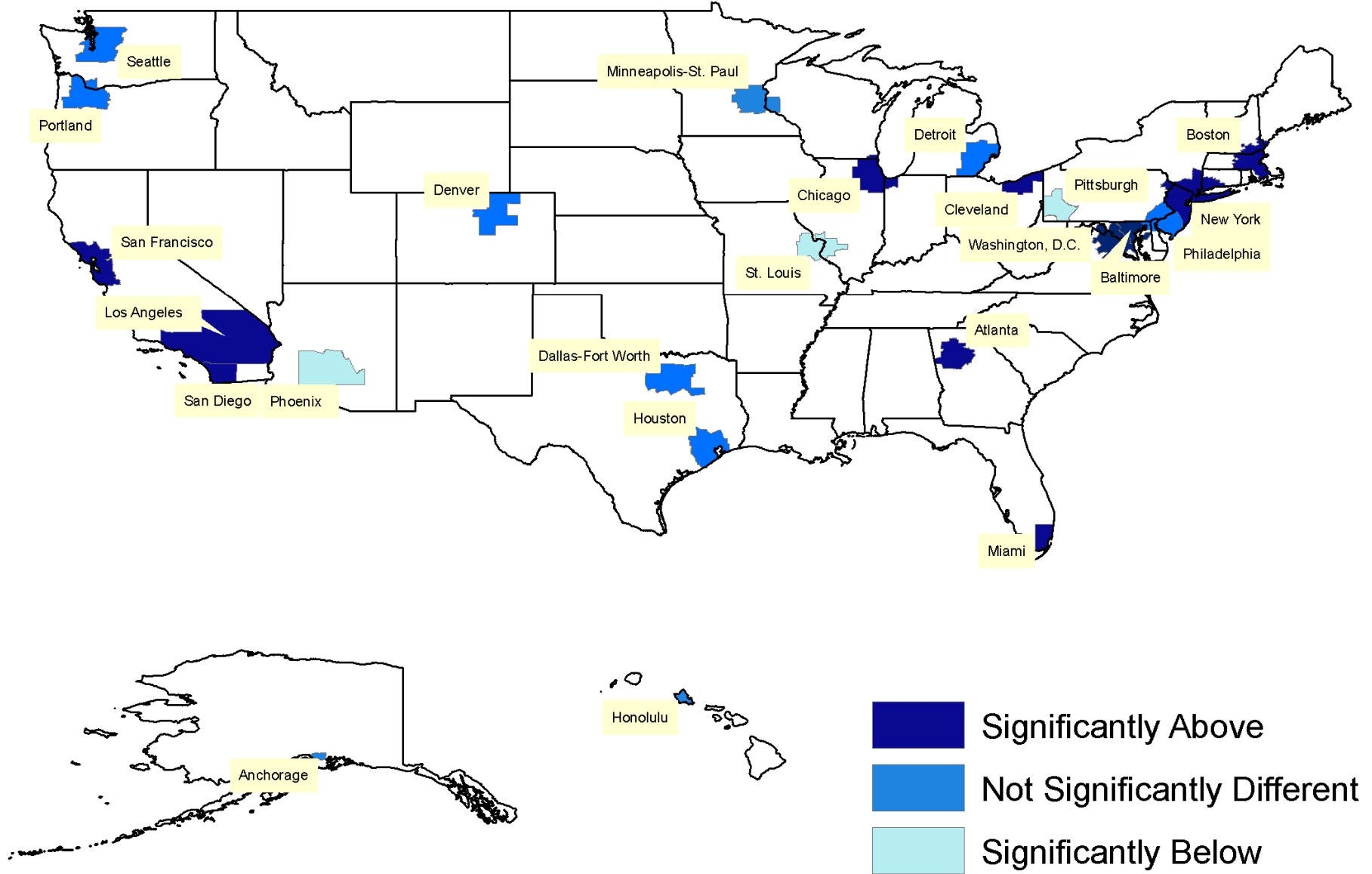
Table 2. Average annual expenditures, U.S. and selected metropolitan areas,  
Consumer Expenditure Survey, 2004-2005

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

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

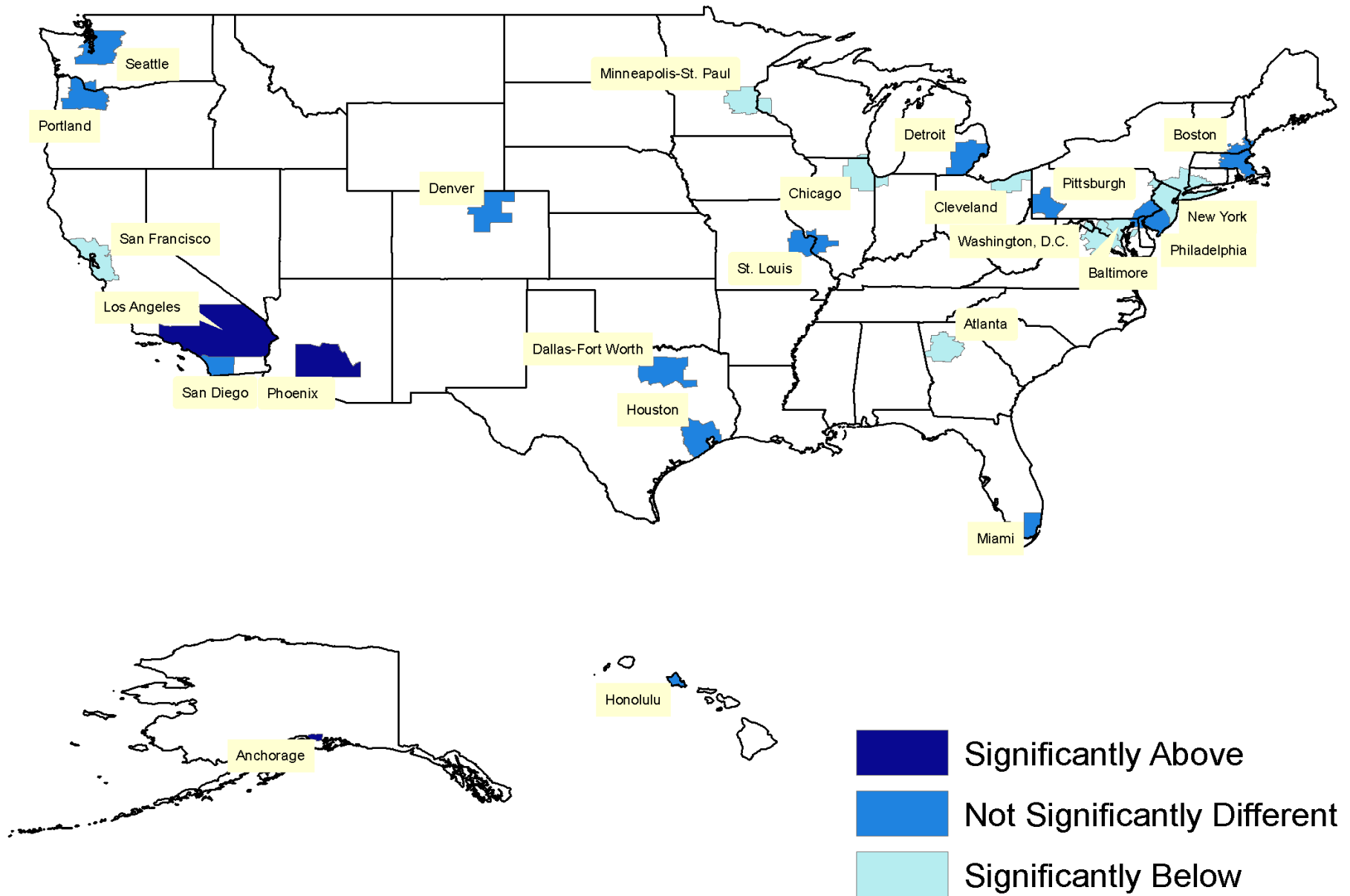


**Chart 1. Expenditure shares spent on housing in all 24 metropolitan statistical areas compared to the U.S. average, 2004-2005**



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

**Chart 2. Expenditure shares spent on transportation in all 24 metropolitan statistical areas compared to the U.S. average, 2004-2005**



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