



FOR FURTHER INFORMATION:

Cheryl Abbot
Regional Economist
(214) 767-6970

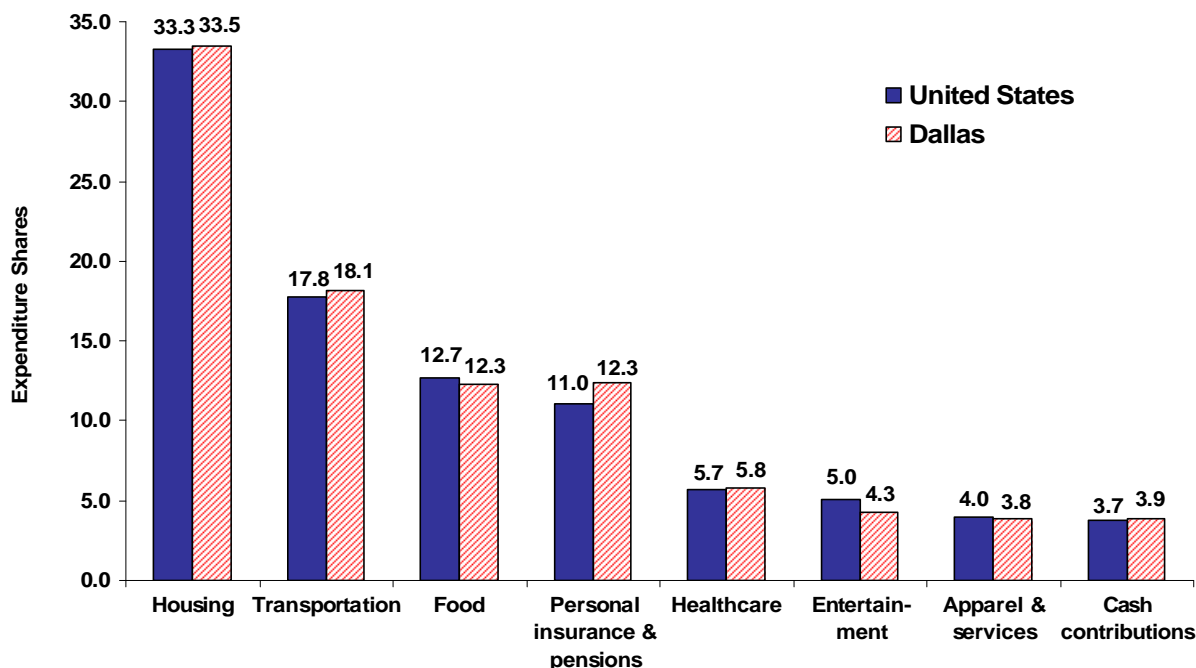
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CONSUMER SPENDING PATTERNS IN THE DALLAS-FORT WORTH METROPOLITAN AREA, 2005-2006

Consumer units¹ in the Dallas-Fort Worth, Texas metropolitan area spent an average of \$53,294 per year in 2005-2006, according to results from the Bureau of Labor Statistics' Consumer Expenditure Survey. Regional Commissioner Stanley W. Suchman noted that this figure was 12.4 percent higher than the U.S. average household expenditure of \$47,421 during the same period. Although local households spent more than the national average, they tended to allocate their dollars similarly among the major categories, differing significantly in only 5 of the 14 categories. (See table 1.) Expenditures for personal insurance and pensions accounted for a significantly larger² portion of the total budget in the Dallas area compared to the United States, whereas spending on entertainment represented a significantly smaller-than-average share of the local budget. (See chart A.)

Chart A. Percent distribution of total average expenditures for selected categories, United States and Dallas metropolitan area, Consumer Expenditure Survey, 2005-2006



¹ See Technical Note for definition of a consumer unit. The terms consumer unit and household are used interchangeably throughout this 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, 2005 and 2006. 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 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.

Though data for 18 metropolitan areas were available for the 2005-06 period, 3 in particular—Houston, Miami, and Atlanta—were selected for comparison with Dallas, as they were all located in the South and had populations that were similar in size.

Housing, the largest expenditure category, accounted for 33.5 percent of a Dallas area household's total budget; this share was not significantly different from the 33.3-percent national average. (See table 1.) Houston, at 30.6 percent, had a housing share below that for the United States while housing shares were significantly higher than average in Miami (37.6 percent) and Atlanta (37.0 percent).

The majority of housing expenditures in Dallas went toward shelter costs (55.4 percent), which include mortgage interest, property taxes, repairs, and rent, among other items. Nationally, shelter costs accounted for 58.6 percent. (See table A.) Utilities, fuels, and public services expenses accounted for 24.8 percent of total housing expenditures in Dallas, but only 20.9 percent nationwide. At 65 percent, the rate of homeownership in Dallas was below the national average of 67 percent. Homeownership rates were higher than the national average in Houston (70 percent) and Atlanta (69 percent), but lower in Miami (63 percent). (See table 2 for detailed expenditures.)

Table A. Percent distribution of housing expenditures, United States and selected metropolitan areas, 2005-2006

Category	United States	Dallas	Atlanta	Houston	Miami
Total housing	100.0	100.0	100.0	100.0	100.0
Shelter	58.6	55.4	59.0	54.8	63.1
Utilities, fuels, and public services	20.9	24.8	23.4	24.3	21.5
Household operations	5.5	6.4	6.1	6.9	5.4
Housekeeping supplies	4.0	4.0	3.4	4.3	3.3
Household furnishings and equipment	11.0	9.5	8.1	9.8	6.7

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

Transportation, the second-largest expenditure category in the Dallas area at 18.1 percent of local expenditures, was not significantly different from the 17.8-percent national average. Households in Miami (19.3 percent) and Atlanta (17.4 percent) also allocated shares for transportation that were not significantly different from that for the nation. However, Houston consumer units spent a measurably larger share on transportation (20.7 percent). In fact, Houston was the only area with an above-average transportation share among the 18 published metropolitan areas nationwide.

Of the annual \$9,662 transportation expenditure in Dallas, 94.6 percent was used in buying and maintaining private vehicles, similar to the national average of 94.4 percent. (See table B for expenditure shares and table 2 for detailed expenditure levels.) The average number of vehicles per household in Dallas was 2.0, close to the national average of 1.9. The average number of vehicles per household was equal to the U.S. average in Houston (1.9), but below the average in Atlanta (1.6) and Miami (1.5). In the Dallas area, 5.4 percent of the household transportation budget was spent on public transit, which includes fares for taxis, buses, trains, and planes; nationally, the average was 5.6 percent.

Table B. Percent distribution of transportation expenditures, United States and selected metropolitan areas, 2005-2006

Category	United States	Dallas	Atlanta	Houston	Miami
Total transportation	100.0	100.0	100.0	100.0	100.0
Vehicle purchases (net outlays)	41.3	40.6	41.4	45.6	39.1
Gasoline and motor oil	25.2	24.9	28.0	23.6	25.3
Other vehicle expenses	27.9	29.1	25.9	26.4	30.3
Public transportation	5.6	5.4	4.8	4.5	5.3

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

Payments for personal insurance and pensions averaged \$6,573 in Dallas and accounted for 12.3 percent of the local household expenditures, significantly higher than the 11.0-percent share allocated nationally. Atlanta, too, had an above-average share at 12.8 percent for these types of payments, while Houston's 11.5-percent share was not significantly different from the national average. Consumer units in Miami (9.4 percent) allocated a smaller-than-average portion of their budget to personal insurance and pensions.

On an annual basis, Dallas households spent \$6,537 on food, which accounted for a 12.3-percent share of their expenditures, matching the percentage they allocated to personal insurance and pensions. This percentage was not significantly different from the 12.7-percent share for food recorded nationally. Consumer units in Miami (13.3 percent) and Atlanta (12.1 percent) also had expenditures shares similar to that of the nation, but households in Houston (10.8 percent) spent a significantly smaller portion of their budget on food.

Consumer units in Dallas allocated 54.7 percent of their food dollars on food prepared at home and the remaining 45.3 percent on food prepared away from home, such as restaurant meals, carry-outs, board at school, and catered meals. The expenditure share allocated to food prepared at home was close to the 55.7 percent average spent by U.S. households. Among the three other selected southern metropolitan areas, Houston (53.3 percent) and Atlanta (47.4 percent) allocated a measurably smaller share of their budgets to eating at home while residents of Miami (63.7 percent) spent a significantly higher share on food at home.

Out-of-pocket healthcare expenses—which include health insurance premiums, medical services, drugs (prescription and nonprescription), and medical care supplies—accounted for 5.8 percent of total household expenditures in both Dallas and Houston, not significantly different from the 5.7-percent share recorded nationwide. However, the percentage spent on out-of-pocket health care expenses was significantly less than the national average in both Miami (5.2 percent) and Atlanta (4.6 percent).

A typical Dallas area household allocated a significantly lower share (4.3 percent) of its budget to entertainment expenditures when compared to the national average (5.0 percent). Consumer units in Houston (4.5 percent) and Miami (3.6 percent) also spent lower portions of their total budgets on entertainment, while those in Atlanta had an expenditure share not significantly different from the U.S. average.

Cash contributions accounted for 3.9 percent of an average consumer unit's spending in Dallas, similar to the national average of 3.7 percent. This category consists of cash contributed to persons or organizations outside the consumer unit, including alimony and child support payments; care of students away from home; and contributions to religious, educational, charitable, or political organizations. The expenditure share for cash contributions was also not significantly different from that for the nation in Houston, but was lower than average in Miami (3.1 percent) and Atlanta (2.8 percent).

Spending on apparel and services accounted for 3.8 percent of total expenditures in Dallas, not significantly different from the 4.0-percent national average. Households in Houston (4.6 percent) and Atlanta (4.2 percent) allocated a similar share of their total budgets for clothing when compared to the typical U.S. household, while the expenditure share in Miami (2.9 percent) was significantly lower than the U.S. average.

As noted, the Dallas-Fort Worth metropolitan area 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 Southwest Information Office at (214) 767-6970. Metropolitan area CE data and that for the four geographic regions and the United States are available on the BLS Web site at <http://www.bls.gov/cex/home.htm>. This release is available in text and PDF format on the Dallas BLS Web site at <http://www.bls.gov/ro6/home.htm>.

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.

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.

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 the 14 major 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 metropolitan areas surveyed.

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

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

Atlanta, Ga. -- Barrow, Bartow, Carroll, Cherokee, Clayton, Cobb, Coweta, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Henry, Newton, Paulding, Pickens, Rockdale, Spalding, and Walton Counties.

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

Houston-Galveston-Brazoria, Texas -- includes Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto and Waller Counties.

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

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, 2005-2006

Item	United States	Dallas	Atlanta	Houston	Miami
Consumer unit characteristics:					
Income before taxes	\$59,628	\$66,261	\$64,217	\$68,659	\$51,232
Age of reference person	48.7	44.9	46.1	45.7	50.4
Average number in consumer unit:					
Persons	2.5	2.8	2.5	2.8	2.5
Children under 18	.6	.8	.7	.8	.6
Persons 65 and over	.3	.2	.2	.2	.4
Earners	1.3	1.6	1.3	1.4	1.3
Vehicles	1.9	2.0	1.6	1.9	1.5
Percent homeowner	67	65	69	70	63
Average annual expenditures	\$47,421	\$53,294	\$43,727	\$56,260	\$42,379
Percent distribution:	100.0	100.0	100.0	100.0	100.0
Food	12.7	12.3	12.1	10.8	13.3
Alcoholic beverages	1.0	.9	.6	1.1	.6
Housing	33.3	33.5	37.0	30.6	37.6
Apparel and services	4.0	3.8	4.2	4.6	2.9
Transportation	17.8	18.1	17.4	20.7	19.3
Healthcare	5.7	5.8	4.6	5.8	5.2
Entertainment	5.0	4.3	4.3	4.5	3.6
Personal care products and services	1.2	1.3	1.1	1.3	1.5
Reading	.3	.2	.2	.2	.1
Education	1.9	1.5	1.5	1.8	1.7
Tobacco products and smoking supplies	.7	.5	.4	.5	.4
Miscellaneous	1.7	1.6	1.2	1.8	1.2
Cash contributions	3.7	3.9	2.8	4.9	3.1
Personal insurance and pensions	11.0	12.3	12.8	11.5	9.4

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

Table 2. Consumer unit characteristics and average annual expenditures, U.S. and selected metropolitan areas, Consumer Expenditure Survey, 2005-2006

Item	United States	Dallas	Atlanta	Houston	Miami
Average annual expenditures	\$47,421	\$53,294	\$43,727	\$56,260	\$42,379
Food	6,022	6,537	5,289	6,063	5,637
Food at home	3,357	3,573	2,506	3,231	3,593
Cereals and bakery products	446	468	323	382	464
Meats, poultry, fish, and eggs	781	805	661	784	910
Dairy products	373	392	234	329	427
Fruits and vegetables	572	596	443	587	727
Other food at home	1,185	1,312	846	1,149	1,066
Food away from home	2,665	2,964	2,783	2,832	2,044
Alcoholic beverages	462	461	265	604	255
Housing	15,782	17,854	16,158	17,198	15,928
Shelter	9,253	9,883	9,539	9,427	10,053
Owned dwellings	6,250	6,793	6,467	6,501	6,385
Rented dwellings	2,468	2,478	2,523	2,293	3,445
Other lodging	535	611	549	634	222
Utilities, fuels, and public services	3,291	4,424	3,773	4,179	3,421
Household operations	875	1,140	990	1,181	856
Housekeeping supplies	625	714	548	732	532
Household furnishings and equipment	1,737	1,693	1,307	1,679	1,065
Apparel and services	1,880	2,048	1,847	2,608	1,242
Transportation	8,427	9,662	7,599	11,636	8,186
Vehicle purchases (net outlay)	3,482	3,919	3,146	5,305	3,199
Gasoline and motor oil	2,121	2,410	2,124	2,743	2,069
Other vehicle expenses	2,347	2,816	1,965	3,068	2,480
Public transportation	476	517	364	519	437
Healthcare	2,716	3,075	2,017	3,259	2,190
Entertainment	2,382	2,285	1,861	2,528	1,523
Personal care products and services	563	713	460	737	633
Reading	122	110	72	114	43
Education	914	799	652	998	724
Tobacco products and smoking supplies	323	260	190	274	168
Miscellaneous	827	839	522	1,025	524
Cash contributions	1,767	2,077	1,207	2,736	1,328
Personal insurance and pensions	5,237	6,573	5,587	6,478	4,000
Life and other personal insurance	351	382	266	441	221
Pensions and Social Security	4,886	6,191	5,321	6,038	3,779