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Technical information: 202-691-6900
Media information: 202-691-5902

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CONSUMER EXPENDITURES IN 2004

Average annual expenditures per consumer unit rose 6.3 percent in 2004, following increases of 0.3 percent in 2003 and 2.9 percent in 2002, according to results from the Consumer Expenditure Survey released by the Bureau of Labor Statistics of the U.S. Department of Labor. The increase in expenditures from 2003 to 2004 was more than the 2.7 percent rise in the annual average Consumer Price Index (CPI) over this period.

Changes in expenditures from 2003 to 2004 for the major components of spending were generally larger than a year earlier. Among the components, the 2004 increases for food (8.3 percent), housing (3.6 percent), apparel (10.7 percent), and healthcare (6.5 percent) were statistically significant. (Average annual expenditures and expenditures for personal insurance and pensions are not strictly comparable to previous data. See "Changes in 2004" on page 2.)

Average annual expenditures and characteristics of all consumer units and percent changes, Consumer Expenditure Survey, 2002-2004

Item	2002	2003	2004	Percent change	
				2002-2003	2003-2004
Number of consumer units (000's)	112,108	115,356	116,282		
Income before taxes ¹	\$49,430	\$51,128	\$54,453		
Average age of reference person	48.1	48.4	48.5		
Average number in consumer unit:					
Persons	2.5	2.5	2.5		
Earners	1.4	1.3	1.3		
Vehicles	2.0	1.9	1.9		
Percent homeowner	66	67	68		
Average annual expenditures	\$40,677	\$40,817	\$43,395	0.3	6.3
Food	5,375	5,340	5,781	-0.7	8.3
At home	3,099	3,129	3,347	1.0	7.0
Away from home	2,276	2,211	2,434	-2.9	10.1
Housing	13,283	13,432	13,918	1.1	3.6
Apparel and services	1,749	1,640	1,816	-6.2	10.7
Transportation	7,759	7,781	7,801	.3	.3
Healthcare	2,350	2,416	2,574	2.8	6.5
Entertainment	2,079	2,060	2,218	-0.9	7.7
Personal insurance and pensions	3,899	4,055	4,823	4.0	18.9
Other expenditures	4,182	4,094	4,461	-2.1	9.0

¹ Income values are derived from "complete income reporters" only prior to 2004.

Consumer Expenditure Survey (CE) data include the expenditures and income of consumers, as well as the demographic characteristics of those consumers. Tables with more expenditure detail than is shown in this news release will be available November 30, 2005 by accessing the BLS website (<http://www.bls.gov/cex>). Tables show 2004 CE data by standard classifications that include income quintile, income class, age of reference person, size of consumer unit, number of earners, composition of consumer unit, region of residence, housing tenure, type of area (urban-rural), race, Hispanic origin, occupation, and education. Other tables available on the website include expenditures by age, region, size, or gender cross-tabulated by income before taxes and other demographic variables. Historical tables back to 1984 and tabulations by Metropolitan Statistical Areas (MSA) are also available.

Other available data

A forthcoming annual report will include a brief discussion of expenditure changes in 2004 and tables with data classified by the standard characteristics listed above. Detailed reports that include CE data are published at two-year intervals and include the standard tabulations and cross-tabulations at the same level of expenditure detail as shown on the website. MSA tables are also included. All data published in the reports and posted to the website are integrated from the two CE components—the quarterly Interview Survey and weekly Diary Survey.

Other survey information available on the Internet includes answers to frequently asked questions, a glossary, order forms for survey products, and analytical articles that use CE data. Beginning with the 2000 data, standard error tables for integrated data are available on the BLS site.

The 2004 Diary and Interview microdata soon will be available on CD-ROM. The Interview files contain expenditure data in two different formats: MTAB files that present monthly values in an item-coding framework based on the CPI pricing scheme, and EXPN files that organize expenditures by the section of the Interview questionnaire in which they are collected. Expenditure values on EXPN files cover different time periods depending on the specific questions asked, and the files also contain relevant non-expenditure information not found on the MTAB files. The CE microdata files are available on CD-ROM back to 1990 and for selected earlier years. Beginning with the 1996 microdata on CD-ROM, files are available in a choice of either ASCII format or PC SAS datasets. (See www.bls.gov/cex/csxmico.htm for details.)

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 on 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.

For further information, contact the Division of Consumer Expenditure Surveys, Office of Prices and Living Conditions, Bureau of Labor Statistics, 2 Massachusetts Ave., N.E., Washington, DC 20212-0001 or call 202-691-6900. Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; TDD message referral phone number: 1-800-877-8339.