

News

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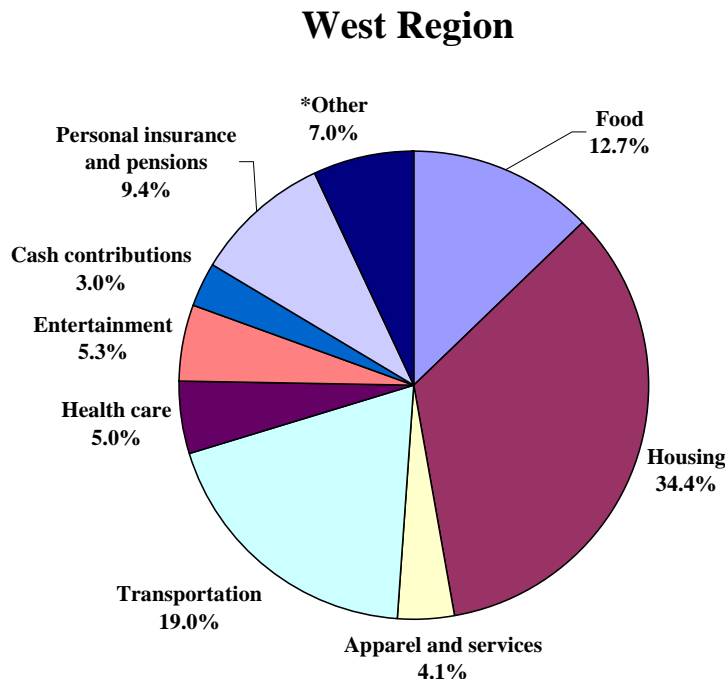
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CONSUMER EXPENDITURES IN THE WEST, 2001-2002

Consumer units¹ in the West² spent an average of \$44,002 annually in 2001-2002, once again leading the nation in spending, according to the latest results from the Bureau of Labor Statistics' Consumer Expenditure Survey. Nancy Treadwell, acting regional commissioner in San Francisco, said that expenditures in the West region exceeded the national average by almost \$4,000. Households in the West spent a larger than average portion of their budget on housing, but smaller shares on food and health care. A typical household in the West reported income of \$51,003 before taxes, and was comprised of 2.6 persons and 1.4 wage earners. (See table 1.)

Chart 1. Percent distribution of total average expenditures, 2001-02



* Includes alcoholic beverages, personal care, reading, education, tobacco & supplies, and miscellaneous goods and services.

¹ See Technical Note at the end of this release for definition of consumer unit. For convenience, the term consumer unit is used interchangeably with the term household.

² The West region is comprised of 13 states. A listing of states included in each of the four geographic regions of the country is contained in the Technical Note.

Expenditure shares in the West

Housing, the largest component of a household's expenditures, accounted for 34.4 percent of the budget in the West, up from 33.6 percent in 1999-2000. In comparison, housing accounted for 32.8 percent of a typical U.S. household's costs. Just over 63 percent of all spending on housing reflected expenditures for shelter, including expenses associated with owning, renting, and maintaining housing. Outlays for utilities, fuels and public services accounted for 16.5 percent of all housing costs. Sixty-one percent of all consumer units in the West were homeowners, lowest among the four regions of the country.

Transportation was the second largest component of total spending in the West, accounting for 19.0 percent of household expenditures in 2001-2002, similar to the national share of 19.2 percent. More than 45 percent of every transportation dollar was spent on purchasing a vehicle; over 16 percent was spent on gasoline and motor oil to operate vehicles. Public transit expenditures, which include buses, taxis, subways, trains and planes, accounted for the smallest share of a household's transportation costs in the West at 5.6 percent.

Among other expenditure categories, spending on food accounted for 12.7 percent of a household's budget, a bit below the national average. Payments for life and other personal insurance (except health) and contributions to pension plans and Social Security made up 9.4 percent of total spending, with the latter accounting for over nine-tenths of the cost. Entertainment accounted for 5.3 percent of a household's budget in the West; out-of-pocket spending on health care represented 5.0 percent of all expenditures and apparel, 4.1 percent.

Expenditures across regions

Average annual expenditures for households in the four geographic regions of the country varied widely in 2001-2002 ranging from \$36,788 in the South to \$44,002 in the West. The share of total expenditures within each of the major categories varied as well, though housing accounted for the largest percentage in each region. Households in the Midwest and South typically spent a smaller share of total expenditures on housing (31.3 and 31.5 percent, respectively) than did their counterparts in the West and Northeast (34.4 and 34.7 percent, respectively). In addition, Midwesterners and Southerners were more likely to own their own home (70 and 68 percent, respectively) than were those in the West and Northeast (61 and 64 percent, respectively).

Transportation expenditures accounted for a larger share of total household spending in the South than in the other regions. Southerners allocated 20.2 percent of all household expenditures for transportation costs compared to 17.2 percent in the Northeast. Households in the Northeast, by contrast, spent the highest share on public transportation (and averaged the lowest number of vehicles per household at 1.7). Conversely, consumer units in the South spent a larger percentage of their budget on both vehicle purchases and motor fuels than did those households in other regions of the country, while those in the Northeast had the smallest share.

Among the other major expenditure categories, there was generally little variation on a regional basis. For example, differences between the four regions' expenditure shares on apparel and services was less than 1 percentage point, varying from 4.1 percent in the West to 4.8 percent in the Northeast. Similarly, expenditure shares for entertainment ranged from 4.6 percent in the South to 5.4 percent in the Midwest.

Additional Data Available

Consumer expenditure data for nine metropolitan areas in the West region are included in tables 3 and 4 of this release. National data are available in Consumer Expenditures in 2002 (Report 974), released February, 2004. Detailed tables are available online at <http://www.bls.gov/cex>. Further information or assistance can be obtained by contacting the San Francisco Information Office at 415-975-4350 between 9:00-11:30 a.m. and 1:30-4:00 p.m. pacific time.

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 wide varieties 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 sample 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 105 areas across the four regions 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, area data in this release are not directly comparable to those prior to 1996-97.

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 a particular unit incurred an expense for a 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 the areas. Expenditure levels vary among areas not only because of economic factors such as the price 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, a comparison of expenditure shares (or the percentage of a consumer unit's budget spent on a particular item) is acceptable. Lastly, 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. The sample survey for the nation is much larger than for individual metropolitan areas, meaning the resulting national estimates 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 Consumer Expenditure Survey presents data for the four geographic regions of the country-- Northeast, South, Midwest, and West--as defined by the U. S. Census Bureau. The states comprising these regions are listed below.

The Northeast: Connecticut, Maine, Massachusetts, New Hampshire, New York, New Jersey, Pennsylvania, Rhode Island, and Vermont.

The Midwest: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

The South: Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia, and the District of Columbia.

The West: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Definitions

Consumer unit - a single person living alone or sharing a household with others but who is financially independent; members of a household related by blood, marriage, adoption, or other legal arrangement; 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.

Complete income reporter - in general, a consumer unit that provides values for at least one of the major sources of its income such as wages and salaries, self-employment income, or Social Security income. Even complete income reporters may not have provided a full accounting of all income from all sources.

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 region of residence, Consumer Expenditure Survey, 2001-2002

Item	United States	Northeast	Midwest	South	West
Consumer unit characteristics:					
Income before taxes ¹	\$48,484	\$52,296	\$48,439	\$44,943	\$51,003
Age of the reference person.....	48.1	49.3	48.6	48.1	46.7
Average number in consumer unit:					
Persons.....	2.5	2.5	2.5	2.5	2.6
Children under 18.....	0.7	0.6	0.6	0.6	0.7
Persons 65 and over.....	0.3	0.3	0.3	0.3	0.3
Earners.....	1.4	1.3	1.4	1.3	1.4
Vehicles.....	2.0	1.7	2.2	1.9	2.0
Homeowner.....	66	64	70	68	61
Average annual expenditures.....					
Total (percent)	100.0	100.0	100.0	100.0	100.0
Food.....	13.3	13.8	12.8	13.9	12.7
Alcoholic beverages.....	0.9	1.0	0.9	0.8	0.9
Housing.....	32.8	34.7	31.3	31.5	34.4
Apparel and services.....	4.4	4.8	4.3	4.3	4.1
Transportation.....	19.2	17.2	19.7	20.2	19.0
Health care.....	5.7	5.1	5.8	6.3	5.0
Entertainment.....	5.0	5.0	5.4	4.6	5.3
Personal care products and services.....	1.3	1.2	1.2	1.3	1.2
Reading.....	0.3	0.4	0.4	0.3	0.4
Education.....	1.7	2.1	1.8	1.3	2.0
Tobacco products and smoking supplies.....	0.8	0.7	1.0	0.9	0.5
Miscellaneous.....	1.9	2.1	1.8	1.9	2.0
Cash contributions.....	3.2	2.6	3.6	3.3	3.0
Personal insurance and pensions.....	9.5	9.2	9.9	9.5	9.4

¹ Components of income and taxes are derived from "complete income reporters" only.

Table 2. Average annual expenditures, U.S. and region of residence, Consumer Expenditure Survey, 2001-2002

Item	United States	Northeast	Midwest	South	West
Average annual expenditures.....	\$40,102	\$41,785	\$40,074	\$36,788	\$44,002
Food.....	5,348	5,756	5,116	5,127	5,590
Food at home.....	3,092	3,347	2,912	2,972	3,250
Food away from home.....	2,256	2,409	2,204	2,155	2,340
Alcoholic beverages.....	362	423	378	290	410
Housing.....	13,148	14,499	12,549	11,573	15,150
Shelter.....	7,716	8,952	7,077	6,291	9,618
Utilities, fuels, and public services.....	2,725	2,793	2,752	2,809	2,504
Household operations.....	691	791	592	655	766
Housekeeping supplies.....	527	508	600	492	525
Household furnishings and equipment.....	1,488	1,455	1,528	1,325	1,737
Apparel and services.....	1,746	2,017	1,712	1,597	1,786
Transportation.....	7,697	7,190	7,907	7,420	8,355
Vehicle purchases (net outlay).....	3,622	3,083	3,765	3,701	3,808
Gasoline and motor oil.....	1,257	1,084	1,318	1,241	1,366
Other vehicle expenses.....	2,423	2,429	2,476	2,206	2,713
Public transportation.....	394	593	348	273	468
Health care.....	2,267	2,146	2,338	2,314	2,221
Entertainment.....	2,017	2,072	2,182	1,678	2,339
Personal care products and services.....	505	499	499	489	545
Reading.....	140	167	156	102	160
Education.....	700	897	703	485	874
Tobacco products and smoking supplies.....	314	310	385	318	238
Miscellaneous.....	771	858	739	686	869
Cash contributions.....	1,268	1,104	1,452	1,200	1,324
Personal insurance and pensions.....	3,818	3,848	3,959	3,510	4,141
Life and other personal insurance.....	408	432	461	403	340
Pensions and Social Security.....	3,410	3,415	3,498	3,107	3,801

Table 3. Distribution of expenditures, U.S., West region¹, and West region metropolitan statistical areas, Consumer Expenditure Survey, 2001-2002

Item	United States	West	Los Angeles	San Francisco	San Diego	Portland	Seattle	Honolulu	Anchorage	Phoenix	Denver
Average annual expenditures.....	\$40,102	\$44,002	\$47,459	\$55,346	\$42,588	\$43,358	\$48,348	\$43,458	\$56,169	\$41,615	\$49,014
Food.....	13.3	12.7	12.4	11.7	11.8	12.0	12.4	14.8	12.4	12.6	11.9
Alcoholic beverages.....	0.9	0.9	0.9	1.1	0.8	1.1	0.9	1.1	0.9	1.1	1.1
Housing.....	32.8	34.4	37.1	38.2	40.0	34.8	34.4	32.7	30.8	33.4	34.4
Apparel and services.....	4.4	4.1	4.2	4.1	3.4	3.7	3.6	3.7	3.5	3.7	3.5
Transportation.....	19.2	19.0	18.7	16.7	18.3	16.1	20.0	16.6	19.3	19.7	20.6
Health care.....	5.7	5.0	4.3	4.2	4.4	5.4	4.8	5.4	4.4	5.4	4.9
Entertainment.....	5.0	5.3	4.8	4.3	4.6	6.3	5.9	5.2	7.7	5.9	5.4
Personal care products and services.....	1.3	1.2	1.3	1.0	1.2	1.2	1.1	1.4	1.1	1.3	1.3
Reading.....	0.3	0.4	0.3	0.5	0.3	0.5	0.4	0.4	0.5	0.3	0.3
Education.....	1.7	2.0	1.7	1.9	1.2	1.7	1.8	2.5	1.3	1.1	1.3
Tobacco products and smoking supplies..	0.8	0.5	0.4	0.4	0.5	0.7	0.6	0.7	0.9	0.7	0.6
Miscellaneous.....	1.9	2.0	2.2	1.8	2.0	2.6	1.8	1.7	2.5	1.9	2.2
Cash contributions.....	3.2	3.0	2.6	2.8	2.2	3.4	2.2	2.9	3.4	2.7	3.1
Personal insurance and pensions.....	9.5	9.4	9.1	11.4	9.2	10.6	10.0	10.9	11.2	10.2	9.6

¹ West region includes: Anchorage, Denver, Honolulu, Los Angeles, Phoenix, Portland, San Diego, San Francisco, and Seattle.

Table 4. Average annual expenditures and characteristics of all consumer units, U.S., West region¹, and West region metropolitan statistical areas, Consumer Expenditure Survey, 2001-2002

Item	United States	West	Los Angeles	San Francisco	San Diego	Portland	Seattle	Honolulu	Anchorage	Phoenix	Denver
Income before taxes ²	\$48,484	\$51,003	\$55,543	\$75,270	\$47,722	\$52,021	\$58,488	\$56,000	\$63,144	\$48,021	\$60,983
Age of reference person.....	48.1	46.7	47.4	48	49.3	45.8	45.8	53.9	43.3	46.5	43.9
Earners.....	1.4	1.4	1.5	1.4	1.3	1.4	1.5	1.4	1.6	1.4	1.5
Vehicles.....	2.0	2.0	1.9	1.9	1.8	2.4	2.3	1.6	2.7	1.8	2.2
Percent Homeowner.....	66	61	55	61	55	63	64	53	61	61	64
Average annual expenditures.....	\$40,102	\$44,002	\$47,459	\$55,346	\$42,588	\$43,358	\$48,348	\$43,458	\$56,169	\$41,615	\$49,014
Food.....	5,348	5,590	5,883	6,453	5,036	5,203	6,019	6,418	6,993	5,252	5,819
Food at home.....	3,092	3,250	3,215	3,423	2,734	2,971	4,143	3,879	4,056	3,029	3,442
Cereals and bakery products.....	451	462	438	498	367	414	574	542	547	456	514
Meats, poultry, fish, and eggs.....	813	811	862	826	721	671	1,028	1,182	1,016	721	789
Dairy products.....	330	356	347	359	307	344	430	336	431	337	401
Fruits and vegetables.....	537	606	633	733	510	485	722	750	709	542	606
Other food at home.....	961	1,015	936	1,007	829	1,058	1,390	1,069	1,352	974	1,132
Food away from home.....	2,256	2,340	2,668	3,029	2,301	2,232	1,875	2,539	2,937	2,222	2,377
Alcoholic beverages.....	362	410	414	605	354	493	443	489	529	473	534
Housing.....	13,148	15,150	17,602	21,127	17,050	15,095	16,621	14,207	17,299	13,897	16,862
Shelter.....	7,716	9,618	11,675	14,592	11,465	9,476	10,685	9,470	10,628	8,116	10,590
Owned dwellings.....	5,072	6,043	7,021	8,960	6,883	6,180	6,991	4,810	6,323	4,912	6,708
Rented dwellings.....	2,147	3,011	4,065	4,932	4,138	2,681	3,047	4,030	3,699	2,657	3,410
Other lodging.....	497	564	589	700	443	614	647	630	607	548	472
Utilities, fuels, and public services.....	2,725	2,504	2,576	2,645	2,454	2,631	2,753	2,200	2,656	2,695	2,626
Household operations.....	691	766	1,012	1,326	935	808	800	569	950	699	829
Housekeeping supplies.....	527	525	478	514	429	377	572	567	592	550	584
Household furnishings and equipment..	1,488	1,737	1,861	2,050	1,767	1,804	1,811	1,402	2,472	1,837	2,232

See footnotes at end of table.

Table 4. Average annual expenditures and characteristics of all consumer units, U.S., West region¹, and West region metropolitan statistical areas, Consumer Expenditure Survey, 2001-2002 (Continued)

Item	United States	West	Los Angeles	San Francisco	San Diego	Portland	Seattle	Honolulu	Anchorage	Phoenix	Denver
Apparel and services.....	1,746	1,786	2,001	2,245	1,435	1,586	1,753	1,597	1,992	1,537	1,712
Transportation.....	7,697	8,355	8,861	9,223	7,806	6,989	9,680	7,230	10,860	8,197	10,077
Vehicle purchases (net outlay).....	3,622	3,808	3,923	3,962	3,424	2,673	4,424	3,040	5,242	3,632	4,676
Gasoline and motor oil.....	1,257	1,366	1,475	1,472	1,335	1,235	1,392	1,124	1,455	1,253	1,297
Other vehicle expenses.....	2,423	2,713	2,955	2,962	2,643	2,511	3,337	2,194	3,211	2,876	3,601
Public transportation.....	394	468	508	828	404	570	528	873	953	436	503
Health care.....	2,267	2,221	2,031	2,349	1,884	2,353	2,326	2,365	2,484	2,241	2,393
Entertainment.....	2,017	2,339	2,301	2,383	1,965	2,711	2,835	2,249	4,297	2,436	2,633
Personal care products and services.....	505	545	608	555	519	506	556	594	628	544	637
Reading.....	140	160	158	270	145	218	172	161	290	142	141
Education.....	700	874	826	1,073	504	750	889	1,088	729	444	617
Tobacco products and smoking supplies..	314	238	190	228	195	302	303	297	508	298	307
Miscellaneous.....	771	869	1,037	997	869	1,107	848	759	1,387	785	1,075
Cash contributions.....	1,268	1,324	1,223	1,544	925	1,468	1,086	1,278	1,891	1,131	1,495
Personal insurance and pensions.....	3,818	4,141	4,325	6,294	3,903	4,577	4,816	4,727	6,280	4,238	4,713

¹ West region includes: Anchorage, Denver, Honolulu, Los Angeles, Phoenix, Portland, San Diego, San Francisco, and Seattle.

² Components of income and taxes are derived from "complete income reporters" only.