

Travel Expenditures in 2000

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Although most of the average consumer's spending budget is devoted to food, housing, and transportation, consumer units that went on trips in the year 2000 spent an average of \$875 in travel expenses. The total amount spent on travel by all consumers was roughly \$32 billion. This article uses data from the 2000 Consumer Expenditure (CE) Interview survey to look at spending on trips and vacations by various demographic groups.

Methodology

Travel expenditures in the CE Survey are broken down into five main groups: Transportation, food, lodging, entertainment, and the purchase of gifts. Transportation expenditures include all costs of traveling to and from the destination, as well as transportation costs incurred on the trip. All modes of transportation, such as plane, boat, ship, car, taxi, truck, motorcycle, and camper, are considered. Food expenditures include all food and alcohol consumed on the trip. Lodging expenses encompass the costs for hotels, motels, cottages, trailer camps, and other lodging on the trip. Entertainment expenditures include all types of entertainment, such as admission to sporting events, parks, museums, and tours, as well as any type of fee related to these events. Gift expenditures are the total cost of all gifts purchased on the trip for persons outside the consumer unit.

Age, income, and the composition of the consumer unit are the characteristics used in the comparison. The data are reported as both average annual expenditures and aggregate expenditures, for each of the spending groups. The data are annual average amounts spent during the year 2000 on all trips and not the amount spent per trip. Average and aggregate expenditures are given only for those consumer units that actually reported a trip in 2000. All aggregate amounts were estimated with weights derived from the CE Survey. Excluded from the survey are all business-related expenditures for which the consumer unit is reimbursed.

Expenditures on travel

Overall, consumer units that went on trips in 2000 spent an average of \$352 on transportation, \$204 on food, \$66 on entertainment, \$76 on gifts, and \$177 on lodging. These figures aggregated to about \$13 billion spent on transportation, \$7.6 billion on food, \$2.4 billion on entertainment, \$2.8 billion on gifts, and \$6.5 billion on lodging. Out of approximately 109 million consumer units, 34 percent, or 37 million units, reported taking a trip or vacation in the year 2000.

Age

The highest percentage of trip takers was posted by the group aged 45 to 54, with 38 percent reporting a trip. The lowest percentage was that of the group aged 65 and older, 27 percent.

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This group, however, had the highest average expenditures on trips of any of the age groups. It is interesting to note that the group, consisting mainly of retirees, spent an average of 4 percent of its total average annual expenditures on trips and vacations, about twice the share spent by most of the other age groups. However, the 65-and-older group did not account for the highest share of aggregate trip expenditures. That distinction went to the group aged 45 to 54, with 24 percent of aggregate trip expenditures in 2000. The group aged 35 to 44 spent almost as much, followed by the 65-and-older group at 19 percent, with the groups aged 25 to 34 and 55 to 64 each accounting for 15 percent. The group aged 25 and under spent the least, accounting for only 4 percent of total trip expenditures. Except for consumer units in the two lowest age groups, aggregate expenditure shares were in proportion to the population share of the group.

Income

Fully 58 percent of consumer units with reported incomes¹ over \$50,000 took a

¹ The distinction between complete and incomplete income reporters is based, in general, on whether the respondent provided information on his or her major sources of income, such as wages and salaries, self-employment income, and Social Security income. In the survey, across-the-board zero income reporting was designated as invalid, and the consumer unit thus reporting was categorized as an incomplete reporter.

trip or vacation in 2000, almost double the share of consumer units with reported incomes of less than \$25,000. With more discretionary income at their disposal, higher income consumer units would be expected to spend more on travel and trips than lower income groups. Consumer units in the highest income bracket, \$75,000 or more, significantly outspent those in all other income groups and almost doubled the average spending on trips and vacations of the next highest income bracket, those reporting income ranging from \$50,000 to \$75,000. Not surprisingly, consumer units with reported incomes of \$75,000 or more accounted for 41 percent of aggregate trip expenditures in 2000, whereas the travel expenditure of all of the other reported income groups combined was 52 percent. The classifications by income are based on complete reporters only, which account for 74 percent of all of consumer units.

Composition of the consumer unit

A few selected types of consumer units are included in this article: Husband-and-wife-only consumer units, husbands and wives with children younger than 17, single-persons, and one-parent consumer units. Forty-two percent of husband-and-wife-only consumer units reported taking a trip, compared with 20 percent of single-person units. Thirty-six percent of husband-and-wife consumer units with children younger

than 17 reported taking a trip, as did 24 percent of one-parent consumer units. In all, husband-and-wife consumer units (with and without children) made about half of aggregate trip expenditures in 2000.

Overall, consumer units reporting incomes of \$35,000 or more accounted for 76 percent of total travel expenditures, while making up only 35 percent of the population. Looking at the data by age reveals that the highest spenders, on average, were aged 65 and older, while the lowest were under the age of 25. The youngest group did not spend much, on average, on trips, but did have a relatively high percentage of trip takers. By comparison, the group aged 65 and older had the lowest percentage of trip takers, but spent the most money, on average, on trips. As regards a comparison of expenditure shares with population shares, the age groups older than 35 had similar overall travel expenditures and habits. The age groups 35 and under had far lower expenditure shares compared with their population shares. Even though single consumer units made up 43 percent of the population, they accounted for just 22 percent of aggregate expenditures. By contrast, husband-and-wife consumer units and single consumer units accounted for 40 percent of the population, but 58 percent of aggregate expenditures.

Tables 1, 2, and 3 give an annual summary of travel expenditures, by selected categories. ■

Table 1. Average annual travel expenditures, by age of reference person, Consumer Expenditure Interview survey, 2000

Item	All consumer units	Age of reference person					
		Under 25	25-34	35-44	45-54	55-64	65 and older
Number of consumer units (thousands)	109,367	8,306	18,887	23,983	21,874	14,161	22,155
Population share (percent)	100	8	17	22	20	13	20
Percent of group that reported a trip	34	36	34	34	38	36	27
Aggregate travel expenditures (billions)	\$32.3	\$1.2	\$4.7	\$7.6	\$7.9	\$4.9	\$6.0
Share of aggregate expenditures (percent)	100	4	15	23	24	15	19
Average annual expenditures							
Total trip expenses	\$875	\$392	\$717	\$922	\$973	\$970	\$1,025
Transportation	352	170	300	374	365	383	428
Food	204	106	177	218	233	228	212
Entertainment	66	33	59	74	70	72	67
Gifts	76	31	54	69	91	88	106
Lodging	177	52	127	187	214	199	212

Table 2. Average annual travel expenditures, by pretax income, Consumer Expenditure Interview survey, 2000

Item	All consumer units	Pretax income					
		Less than \$25,000	\$25,000 to \$35,000	\$35,000 to \$50,000	\$50,000 to \$75,000	\$75,000 or more	Incomplete reporting of income
Number of consumer units (thousands)	109,367	31,543	10,759	12,392	11,337	15,424	28,067
Population share (percent)	100	29	10	11	10	14	26
Percent of group that reported a trip	34	22	39	44	64	53	7
Aggregate travel expenditures (billions)	\$32.3	\$2.8	\$2.3	\$3.9	\$6.5	\$12.4	\$4.4
Share of aggregate expenditures (percent)	100	9	8	13	22	41	7
Average annual expenditures							
Total trip expenses	\$875	\$404	\$557	\$718	\$886	\$1,510	\$1,077
Transportation	352	177	221	282	358	585	475
Food	204	105	139	173	208	342	212
Entertainment	66	26	41	50	69	120	79
Gifts	76	35	51	71	77	135	66
Lodging	177	60	106	143	175	328	245

Table 3. Average annual travel expenditures, selected types of consumer unit, Consumer Expenditure Interview survey, 2000

Item	All consumer units	Husband and wife only	Husband and wife with children younger than 17	Single person	One parent
Number of consumer units (thousands)	109,367	22,805	20,687	46,948	6,132
Population share (percent)	100	21	19	43	6
Percent of group that reported a trip	34	42	36	20	24
Aggregate travel expenditures (billions)	\$32.3	\$10.1	\$7.2	\$6.5	\$0.9
Share of aggregate expenditures (percent)	100	34	24	22	3
Average annual expenditures					
Total trip expenses	\$875	\$1,049	\$957	\$675	\$642
Transportation	352	425	370	281	244
Food	204	244	231	149	158
Entertainment	66	75	85	43	56
Gifts	76	81	64	85	58
Lodging	177	225	207	118	126