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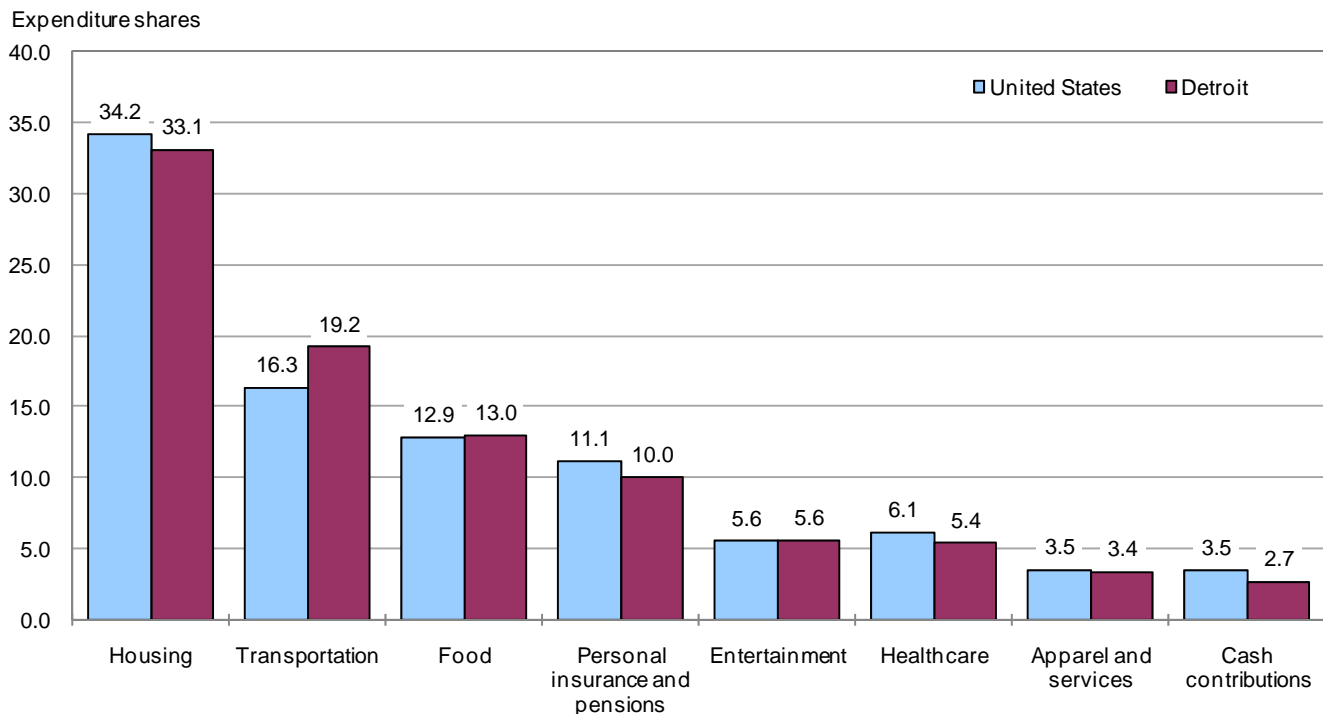
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## CONSUMER EXPENDITURES FOR THE DETROIT AREA: 2008-09

Consumer units<sup>1</sup> in the Detroit-Ann Arbor-Flint, Mich., metropolitan area spent an average of \$49,397 per year in 2008-09, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Charlene Peiffer noted that this figure was similar to the \$49,778 average expenditure level for a typical household in the United States. Although household spending in the Detroit area was comparable to the U.S. average, they allocated their dollars differently in four of the eight major categories, which comprised 92 percent of household spending in the Detroit area. For example, the expenditures for transportation, which accounted for 19.2 percent of a typical household's budget in the Detroit area, were significantly higher than the nationwide average of 16.3 percent. (See chart 1.)

**Chart 1. Percent distribution of average annual expenditures for eight major categories in the United States and Detroit metropolitan area, 2008-09**



<sup>1</sup> See the Additional Information for the definition of a consumer unit. The terms consumer unit and household are used interchangeably throughout the text for convenience.

Housing in the Detroit metropolitan area averaged \$16,344 annually and was the largest expenditure category, accounting for 33.1 percent of a Detroit area household's total budget. (See tables 1 and 2.) This share was not significantly different from the 34.2-percent national average. Overall, 10 of the 18 published metropolitan areas had expenditure shares for housing measurably above the U.S. average; only Houston had a lower-than-average share. (See chart 2.) Housing expenditures ranged from 41.3 percent in San Diego to 31.9 percent in Houston among the 18 areas. (See table 3.)

The majority of housing expenditures in Detroit went toward shelter, 59.0 percent, which includes mortgage interest, property taxes, repairs, and rent, among other items; nationwide, 59.6 percent of the housing budget was allocated for shelter. (See table A.) Utilities, fuels, and public services expenses accounted for 23.2 percent of the housing budget locally; nationally, it made up 21.5 percent. The rate of homeownership in Detroit was 72 percent, while the U.S. average was 66 percent.

**Table A. Percent distribution of housing expenditures, United States and Detroit, 2008-09**

Category	United States	Detroit
Total housing	100.0	100.0
Shelter	59.6	59.0
Utilities, fuels, and public services	21.5	23.2
Household operations	5.9	5.7
Housekeeping supplies	3.9	3.7
Household furnishings and equipment	9.2	8.5

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

At 19.2 percent of the total budget, transportation was the second-largest expenditure category in the Detroit area; this was significantly higher than the national average of 16.3 percent. Among the 18 metropolitan areas nationwide, only Detroit had an above-average transportation share. (See chart 3.)

Of the \$9,463 in annual expenditures for transportation in Detroit, 96.1 percent was spent buying and maintaining private vehicles compared to the national average of 93.9 percent. The remaining 3.9 percent of a Detroit household's transportation budget was spent on public transit, which includes fares for taxis, buses, trains, and planes. Nationally, 6.1 percent of transportation expenditures went to public transit. (See table B.) Among the 18 metropolitan areas, shares of the transportation budget for public transit ranged from 13.6 percent in San Francisco to 3.9 percent in Detroit. The average number of vehicles per household in Detroit, as well as the nation as a whole, was 2.0.

**Table B. Percent distribution of transportation expenditures, United States and Detroit, 2008-09**

Category	United States	Detroit
Transportation	100.0	100.0
Vehicle purchases (net outlays)	33.3	29.5
Gasoline and motor oil	28.9	27.7
Other vehicle expenses	31.7	38.8
Public transportation	6.1	3.9

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

The portion of a Detroit consumer unit's budget spent on food, 13.0 percent, was not significantly different from the 12.9-percent U.S. average. Among the 18 metropolitan areas, 10 had food expenditure shares that were not measurably different from the nationwide average. Boston (13.8 percent) was the only area with an expenditure share for food significantly above that for the nation.

Households in Detroit spent \$3,944, or 61.5 percent, of their food dollars on food at home and the remaining 38.5 percent on food away from home, such as restaurant meals, carry-out, board at school, and catered affairs. In comparison, the typical U.S. household spent 58.5 percent of its food budget on food at home and 41.5 percent on food away from home.

As noted, Detroit is 1 of 18 metropolitan areas nationwide for which Consumer Expenditure Survey (CE) data are available. We encourage users interested in learning more about the CE to contact the Midwest Information Office at (312) 353-1880. Metropolitan area CE data and that for the four geographic regions and the United States are available on our Web site at <http://www.bls.gov/ro5/>.

### **Additional Information**

Data contained in this report are from the Consumer Expenditure Survey, which is collected on an ongoing basis by the U.S. Census Bureau for the Bureau of Labor Statistics (BLS). The CE data were averaged over a two-year period, 2008 and 2009 and are available for the nation, the 4 geographic regions of the country, and 18 metropolitan areas. The metropolitan area discussed in this release is Detroit-Ann-Arbor-Flint, Mich., which is comprised of Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne Counties in Michigan.

The survey consists of two components, a diary or recordkeeping survey, and an interview survey. 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.

A consumer unit is defined as 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.

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 specific unit incurred an expense for that 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. 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. Users should also keep in mind that prices for many goods and services have risen since the survey was conducted.

The CE significance tests in this release compare expenditure shares for selected expenditure categories in the United States to expenditure shares in selected metropolitan areas. (See table 3.) 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 also identified in charts 2 and 3 for the 18 metropolitan areas surveyed. 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.

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.

**Table 1. Percent distribution of average annual expenditures, United States and Detroit, Consumer Expenditure Survey, 2008-09**

<b>Category</b>	<b>United States</b>	<b>Detroit</b>
Average annual expenditures	\$49,778	\$49,397
Percent distribution:	100.0	100.0
Food	12.9	13.0
Alcoholic beverages	.9	.7
Housing	34.2	33.1
Apparel and services	3.5	3.4
Transportation	16.3	19.2 *
Health care	6.1	5.4 *
Entertainment	5.6	5.6
Personal care products and services	1.2	1.2
Reading	.2	.2
Education	2.1	2.6
Tobacco products and smoking supplies	.7	1.0 *
Miscellaneous	1.7	1.9
Cash contributions	3.5	2.7 *
Personal insurance and pensions	11.1	10.0 *

\* Statistically significant difference from the U.S. average at the 95-percent confidence level.

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

**Table 2. Consumer unit characteristics and average annual expenditures, United States and Detroit, Consumer Expenditure Survey, 2008-09**

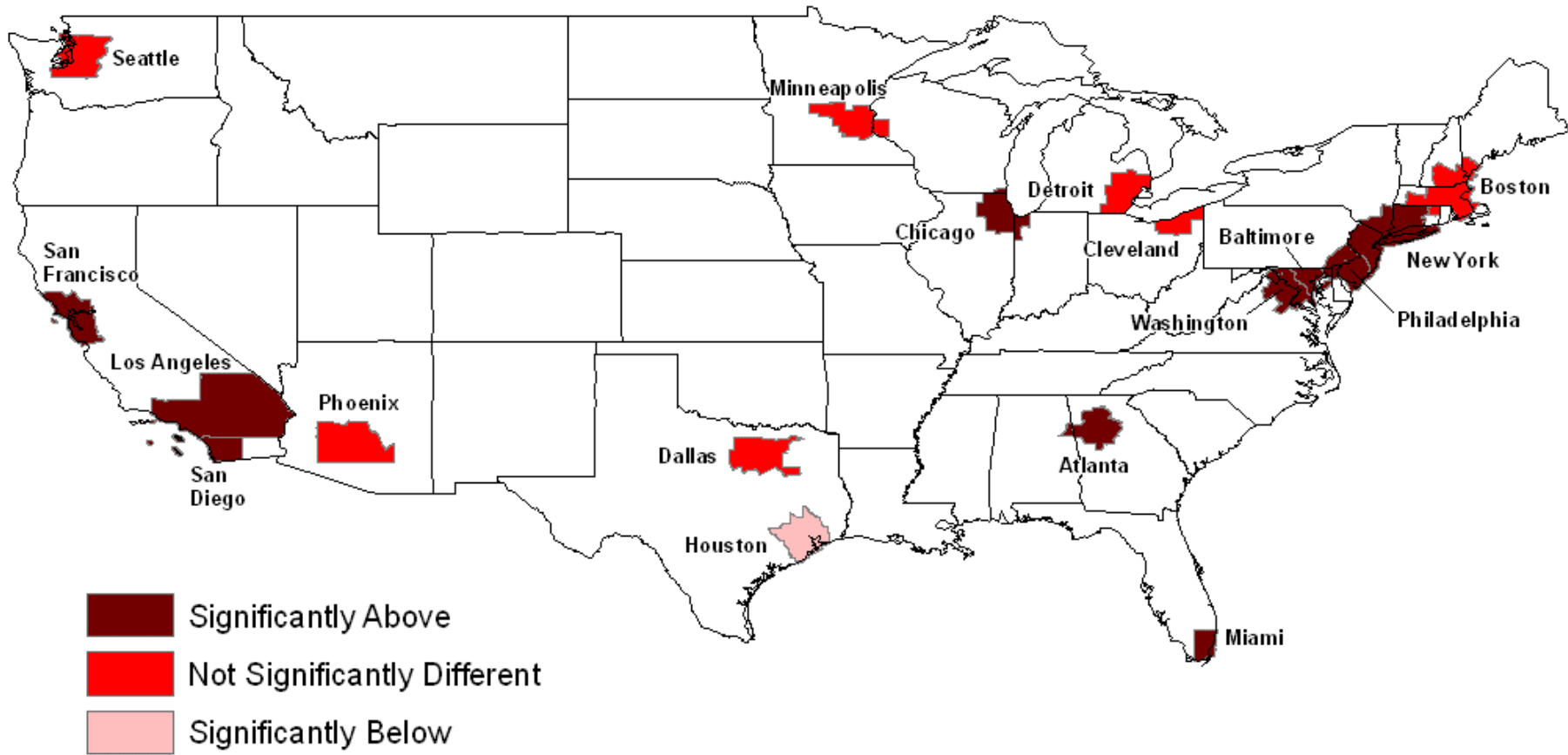
Category	United States	Detroit
Consumer unit characteristics:		
Income before taxes	\$63,209	\$62,489
Age of reference person	49.2	50.4
Average number in consumer unit:		
Persons	2.5	2.4
Children under 18	.6	.6
Persons 65 and over	.3	.3
Earners	1.3	1.2
Vehicles	2.0	2.0
Percent homeowners	66	72
Average annual expenditures		
	\$49,778	\$49,397
Food	6,407	6,412
Food at home	3,749	3,944
Cereals and bakery products	507	540
Meats, poultry, fish, and eggs	844	849
Dairy products	418	435
Fruits and vegetables	657	670
Other food at home	1,324	1,450
Food away from home	2,658	2,467
Alcoholic beverages	439	367
Housing	17,002	16,344
Shelter	10,129	9,635
Owned dwellings	6,651	6,658
Rented dwellings	2,792	2,200
Other lodging	685	777
Utilities, fuels, and public services	3,647	3,791
Household operations	1,004	933
Housekeeping supplies	657	597
Household furnishings and equipment	1,565	1,388
Apparel and services	1,763	1,678
Transportation	8,133	9,463
Vehicle purchases (net outlay)	2,706	2,793
Gasoline and motor oil	2,351	2,624
Other vehicle expenses	2,580	3,674
Public transportation	496	373
Healthcare	3,051	2,672
Entertainment	2,764	2,742
Personal care products and services	606	614
Reading	113	110
Education	1,057	1,270
Tobacco products and smoking supplies	348	504
Miscellaneous	828	943
Cash contributions	1,730	1,327
Personal insurance and pensions	5,538	4,952
Life and other personal insurance	313	270
Pensions and Social Security	5,225	4,682

**Table 3. Percent share of average annual expenditures for housing, transportation, and food, United States and 18 metropolitan areas, Consumer Expenditure Survey, 2008-09**

<b>Area</b>	<b>Housing</b>	<b>Transportation</b>	<b>Food</b>
United States	34.2	16.3	12.9
Atlanta	37.2 *	14.7 *	11.7 *
Baltimore	39.6 *	12.6 *	11.3 *
Boston	35.1	14.5 *	13.8 *
Chicago	36.2 *	15.5	12.4
Cleveland	33.8	15.3	12.5
Dallas	33.8	16.1	12.5
Detroit	33.1	19.2 *	13.0
Houston	31.9 *	18.3	11.9 *
Los Angeles	38.6 *	15.5	13.3
Miami	39.9 *	17.7	12.2
Minneapolis	34.0	15.7	12.2
New York	39.2 *	14.1 *	12.3 *
Philadelphia	37.2 *	14.4 *	11.4 *
Phoenix	34.9	17.4	11.9
San Diego	41.3 *	13.3 *	12.2
San Francisco	38.5 *	14.1 *	11.7 *
Seattle	33.4	14.2 *	12.2
Washington	37.1 *	13.8 *	11.3 *

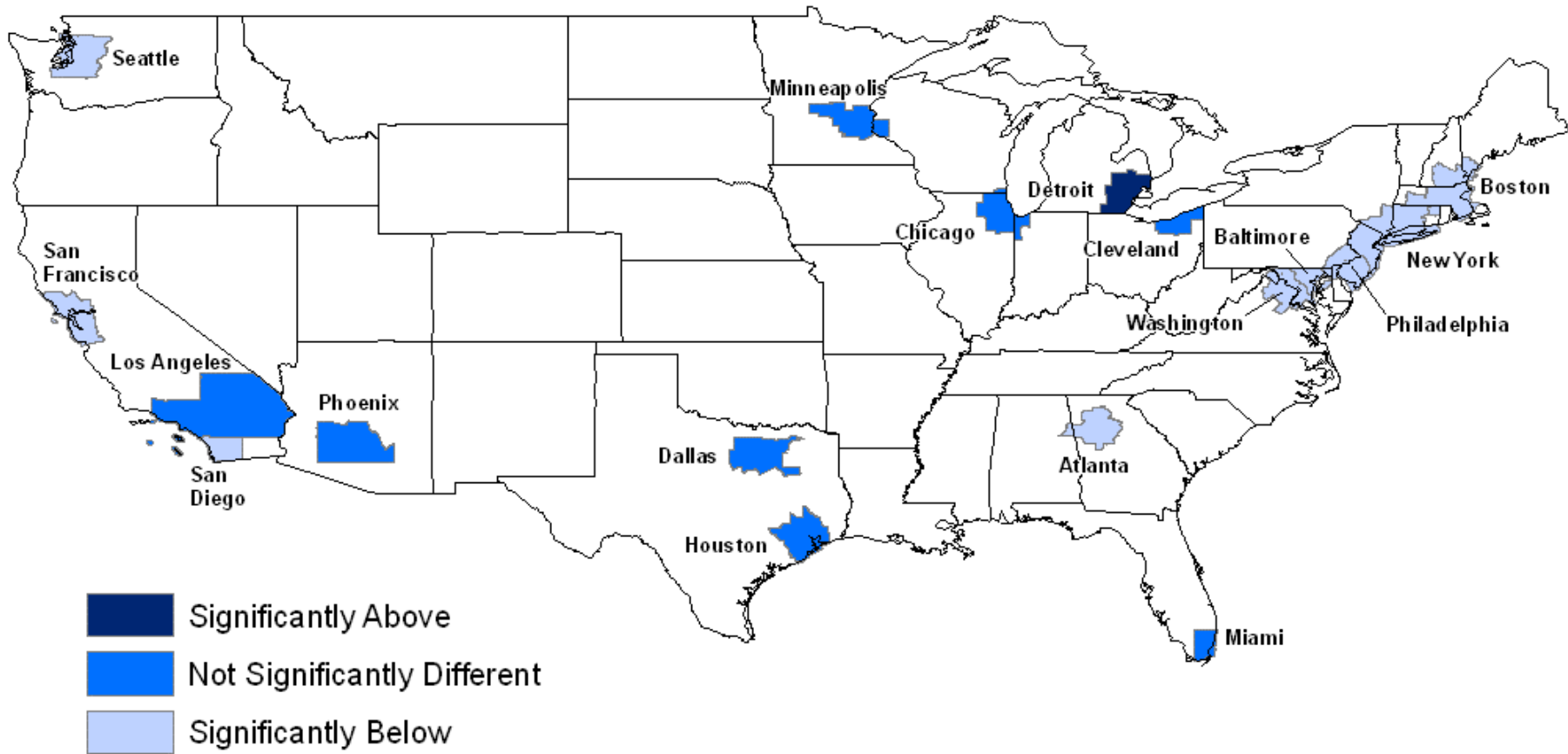
\* Statistically significant difference from the U.S. average at the 95-percent confidence level.

Chart 2. Expenditure shares spent on housing in 18 metropolitan statistical areas compared to the U.S. average, Consumer Expenditure Survey, 2008-09



Note: Statistical significance testing at the 95-percent confidence interval.

Chart 3. Expenditure shares spent on transportation in 18 metropolitan statistical areas compared to the U.S. average, Consumer Expenditure Survey, 2008-09



Note: Statistical significance testing at the 95-percent confidence interval.