

NEWS RELEASE

BUREAU OF LABOR STATISTICS
U. S. D E P A R T M E N T O F L A B O R



For release: 10:00 a.m. (ET), Thursday, September 9, 2021

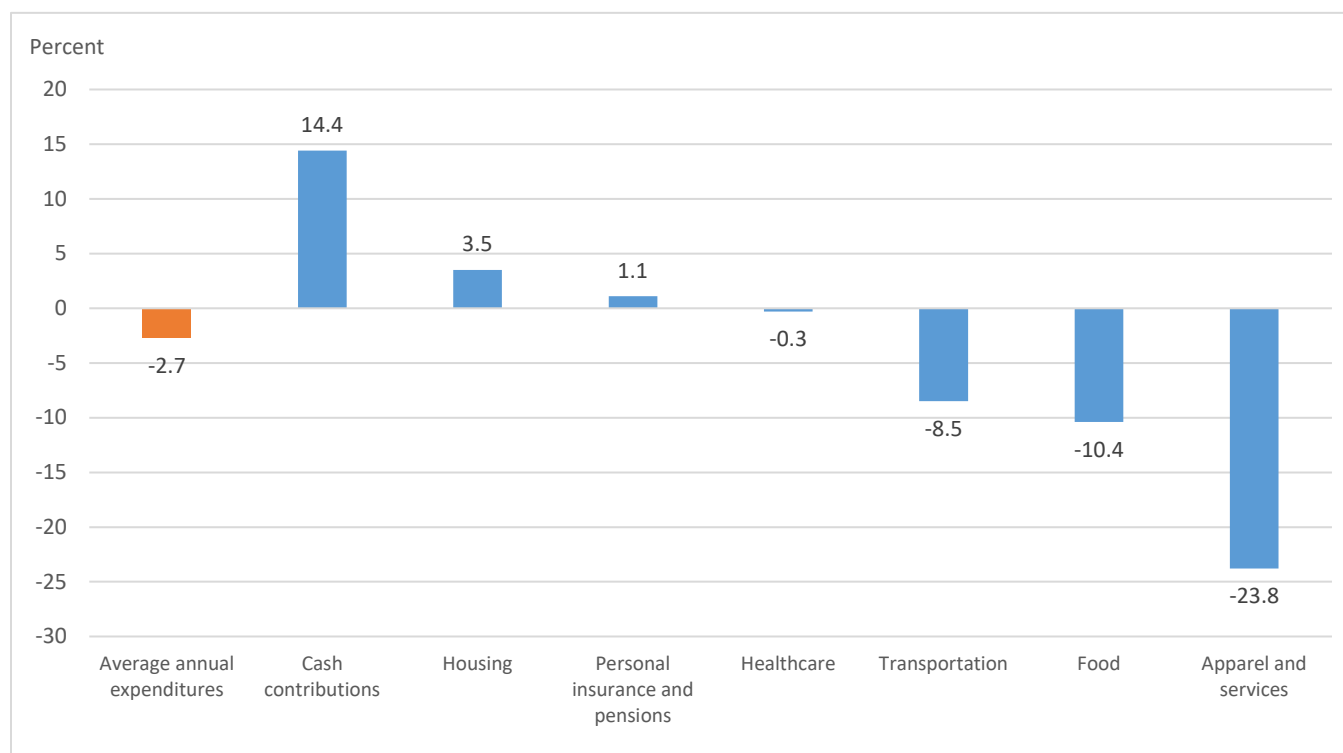
USDL-21-1617

Technical Information: (202) 691-6900 • CEXInfo@bls.gov • www.bls.gov/cex
Media Contact: (202) 691-5902 • PressOffice@bls.gov

CONSUMER EXPENDITURES - 2020

Average annual expenditures for all consumer units¹ in 2020 were \$61,334, a 2.7-percent decrease from 2019, the U.S. Bureau of Labor Statistics reported today. (See table A.) During the same period, the Consumer Price Index (CPI-U) rose 1.2 percent, and average income before taxes increased 1.8 percent.

Chart 1. Annual percent change in expenditures and selected components, 2020



Nine of the fourteen major components of household spending decreased during 2020. (See table A.) The largest decline in spending for these categories was apparel and services (-23.8 percent), followed by personal care products and services (-17.8 percent). The 23.9-percent increase in expenditures for reading was the largest percentage increase among all major components, followed by a 14.4-percent rise in cash contributions spending, a 3.5-percent rise in housing, and a 1.1-percent rise in personal insurance and pensions.

¹ Consumer units include families, single persons living alone or sharing a household with others but who are financially independent, or two or more persons living together who share major expenses.

Selected spending changes, 2020

The onset of the COVID-19 pandemic in 2020 impacted spending behavior among consumer units. Stay-at-home orders affected expenditures for retail outlets, entertainment venues, and even transportation providers, as those working from home ceased commuting. Some highlights of expenditure changes include:

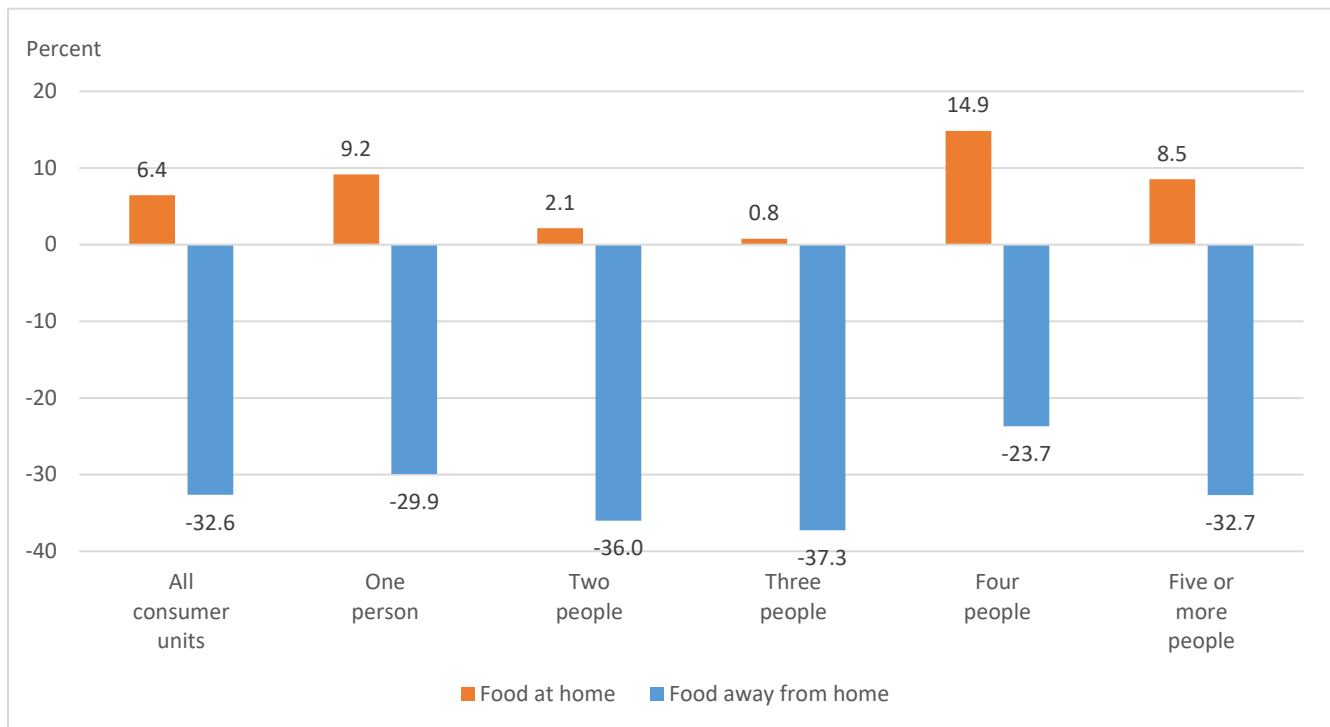
- Spending on apparel and services decreased 23.8 percent over this period. The decrease was driven by large decreases in all apparel and services items. The largest decrease in spending was in men and boys' apparel (-27.1 percent) followed by footwear (-25.1 percent).
- Alcoholic beverage expenditures were down 17.4 percent in 2020, after a 0.7-percent decrease in 2019. The decrease was driven by alcohol away from home spending, down 43.9 percent, which was offset by an increase in alcohol at home spending, up 4.5 percent. Some of the change was due to a substitution of alcohol at home for alcohol away from home spending, as consumers curtailed visits to restaurants and similar venues during the pandemic.
- Cash contributions were up 14.4 percent in 2020, after a 5.7-percent increase in 2019. The cash contributions category includes 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.
- Spending on food decreased 10.4 percent over this period. The decrease was driven by food away from home spending, down 32.6 percent, which was offset by an increase in food at home spending, up 6.4 percent. Some of the change was due to a substitution of food at home for food away from home spending, as consumers curtailed visits to restaurants and similar venues during the pandemic.
- Transportation expenditures decreased 8.5 percent in 2020. This decrease was largely driven by public and other transportation spending and gasoline, other fuel, and motor oil. The 66.3-percent decline in public and other transportation spending was the largest percentage decrease among all transportation categories, followed by a 25.1-percent decline in gasoline, other fuels, and motor oil. Average expenditures for vehicle purchases (net outlay) were up 2.9 percent. Vehicle purchase (net outlays) includes the purchase price minus trade-in value on new and used domestic and imported cars and trucks and other vehicles, including motorcycles and private planes.
- Entertainment expenditures decreased 5.8 percent in 2020. The decrease was driven by a 51.7-percent drop in fees and admissions. This was offset by a 48.8-percent increase in other entertainment supplies, equipment, and services expenditures and a 21.4-percent increase in toys, hobbies, and playground equipment expenditures.
- Housing expenditures increased 3.5 percent in 2020. Expenditures on owned dwellings were up 9.9 percent, while expenditures on rented dwellings were down 0.5 percent. The increase in owned dwelling expenditures is due to increases in mortgage interest and charges (+7.3 percent), property taxes (+9.0 percent), and maintenance, repairs, insurance, other expenses (+14.8 percent).

- Personal insurance and pensions spending increased 1.1 percent in 2020, compared to a decrease of 1.8 percent in 2019. This was driven by a 1.7-percent increase in contributions to pensions and Social Security.
- Healthcare expenditures were down 0.3 percent in 2020, following a 4.5-percent increase in 2019. The largest component of healthcare, health insurance, was up 3.9 percent, following a 3.6-percent increase in the preceding year. Expenditures on medical supplies (-12.4 percent) and medical services (-12.2 percent) both decreased over this period.

Food spending by size of consumer unit, 2020

Mandated stay-at-home orders, lockdowns, and other restrictions due to the COVID-19 pandemic affected food expenditures in 2020. Chart 2 shows the annual percent change in food at home and food away from home expenditures by size of consumer unit. Food at home spending increased in all sizes of consumer units, and food away from home spending decreased in all sizes of consumer units. Consumer units with four people had the largest increase in food at home expenditures (+14.9 percent) while having the smallest decrease in food away from home expenditures (-23.7 percent). Consumer units with three people had the largest decrease in food away from home expenditures (-37.3 percent) while having the smallest increase in food at home expenditures (+0.8 percent).

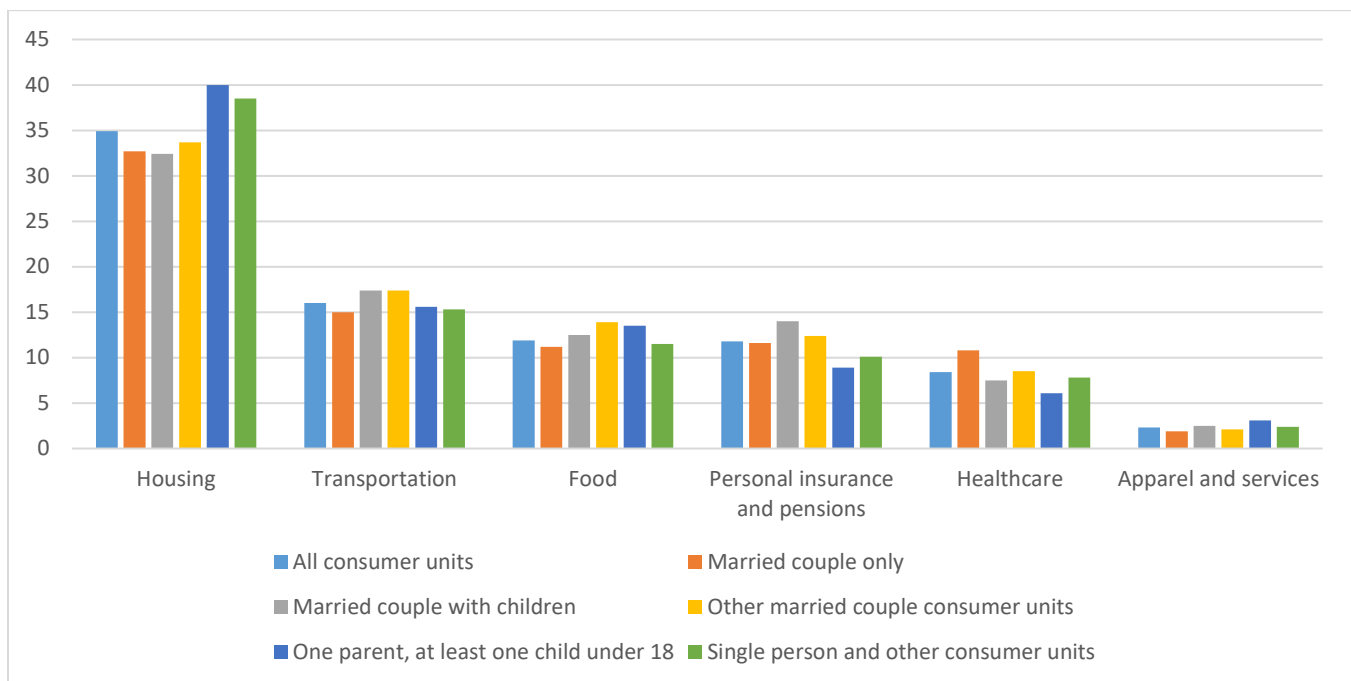
Chart 2. Annual percent change in average food at home and food away from home expenditures by size of consumer unit, 2020



Spending by composition of consumer unit, 2020

Chart 3 and table B compare the shares allocated to selected expenditures by composition of consumer units. Married-couple-only consumer units allocated the largest share of total expenditures to healthcare (10.8 percent), while single-parent consumer units allocated the smallest share (6.1 percent). In contrast, single-parent consumer units allocated the highest shares of all groups to housing (40.0 percent) while other married consumer units allocated the highest shares to food (13.9 percent). Married couples with children and other married couple consumer units (i.e., those with at least one member who is not a child of the couple) each allocated the highest shares of all groups to transportation (17.4 percent). In contrast, married-couple-only consumer units allocated the least amount to food (11.2 percent) and transportation (15.0 percent), and the second least to housing (32.7 percent). Married couples with children allocated the smallest share to housing (32.4 percent).

Chart 3. Shares of average annual expenditures on selected major components by composition of consumer unit, 2020



Spending and income before taxes by income quintile, 2020

Chart 4 and table C show the annual percent change in expenditures by income quintile. Overall spending increased in two out of five quintiles, with the largest increases in the fourth quintile (+1.1 percent), followed by the lowest quintile (+0.2 percent). A 5.5-percent decrease in overall spending in the highest quintile was the largest decrease, followed by the third quintile (-2.8 percent) and second quintile (-1.4 percent). Among components of spending, housing and reading increased for all five quintiles. Food, alcoholic beverages, apparel and services, transportation, personal care products and services, and education spending decreased for all five quintiles.

Average annual income before taxes rose 1.8 percent in 2020, after increasing 5.4 percent in 2019. Income before taxes increased within four of the five income quintiles, which are based on the weighted distribution of income before taxes among consumer units. The highest income quintile had the only decrease in average income (-0.2 percent), while the lowest income quintile had the largest increase

(+9.9 percent). The middle quintiles each experienced similar percentage increases in average income (+4.1 percent to +5.4 percent). In 2020, the lower income bounds for each quintile were: \$24,010 for the second quintile; \$45,265 for the third quintile; \$75,890 for the fourth quintile; and \$124,432 for the highest quintile. For more information on how income before taxes is defined, see the methodology section below.

Chart 4. Annual percent change in average expenditures and income before taxes by income quintile, 2020

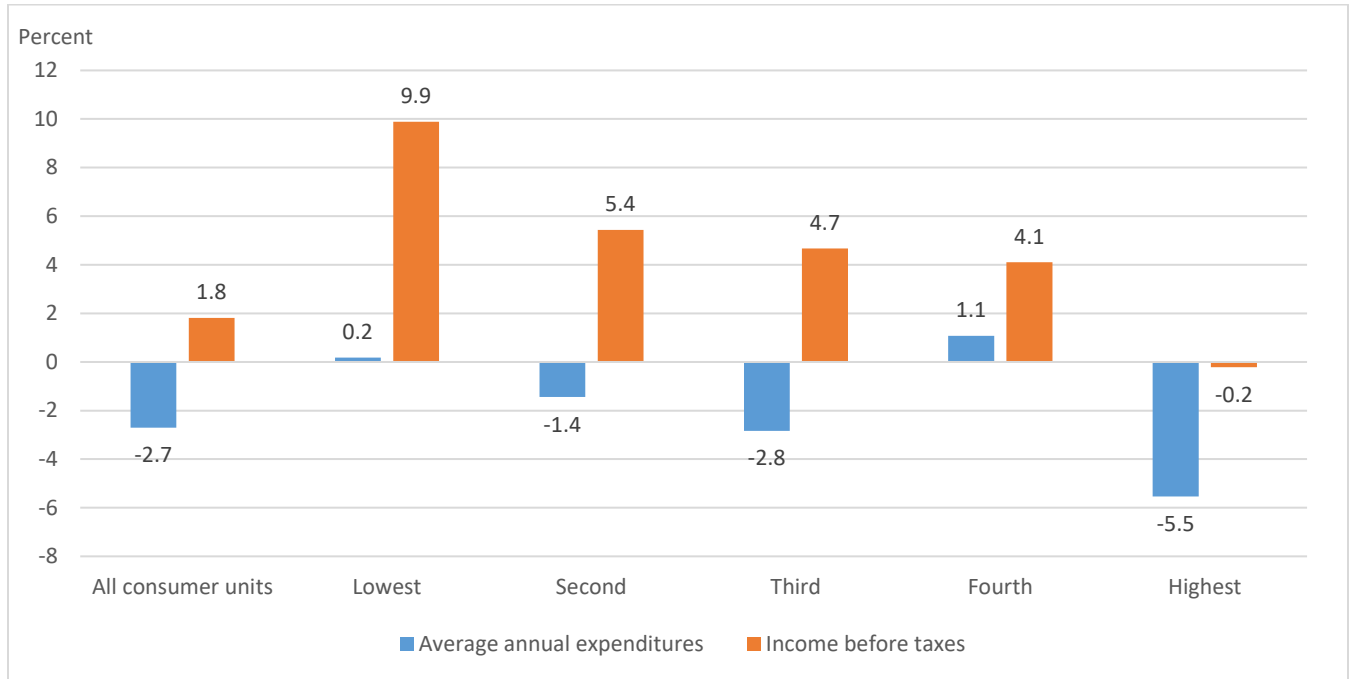


Table A. Average income and expenditures of all consumer units, 2018-20

Item	2018	2019	2020	Percent change	
				2018-19	2019-20
Number of consumer units (000's).....	131,439	132,242	131,234	0.6	-0.8
Average income before taxes.....	\$78,635	\$82,852	\$84,352	5.4	1.8
Average annual expenditures.....	61,224	63,036	61,334	3.0	-2.7
Food.....	7,923	8,169	7,316	3.1	-10.4
Food at home.....	4,464	4,643	4,942	4.0	6.4
Food away from home.....	3,459	3,526	2,375	1.9	-32.6
Alcoholic beverages.....	583	579	478	-0.7	-17.4
Housing.....	20,091	20,679	21,409	2.9	3.5
Shelter.....	11,747	12,190	12,604	3.8	3.4
Owned dwellings.....	6,678	6,797	7,473	1.8	9.9
Rented dwellings.....	4,249	4,432	4,408	4.3	-0.5
Household operations.....	1,522	1,570	1,465	3.2	-6.7
Personal services.....	472	489	347	3.6	-29.0
Housekeeping supplies.....	747	766	837	2.5	9.3
Other household supplies.....	431	458	536	6.3	17.0
Apparel and services.....	1,866	1,883	1,434	0.9	-23.8

Item	2018	2019	2020	Percent change	
				2018-19	2019-2020
Transportation.....	9,761	10,742	9,826	10.1	-8.5
Vehicle purchases (net outlays).....	3,975	4,394	4,523	10.5	2.9
Gasoline, other fuels, and motor oil.....	2,109	2,094	1,568	-0.7	-25.1
Public and other transportation.....	818	781	263	-4.5	-66.3
Healthcare.....	4,968	5,193	5,177	4.5	-0.3
Health insurance.....	3,405	3,529	3,667	3.6	3.9
Medical services.....	909	984	864	8.3	-12.2
Medical supplies.....	172	194	170	12.8	-12.4
Entertainment.....	3,226	3,050	2,912	-4.2	-5.8
Fees and admissions.....	766	880	425	14.9	-51.7
Pets toys, hobbies, and playground equipment.....	816	821	859	0.6	4.6
Other entertainment supplies, equipment, and services	614	389	579	-36.6	48.8
Personal care products and services.....	768	786	646	2.3	-17.8
Reading.....	108	92	114	-14.8	23.9
Education.....	1,407	1,443	1,271	2.6	-11.9
Tobacco products and smoking supplies.....	347	320	315	-7.8	-1.6
Miscellaneous.....	993	899	907	-9.5	0.9
Cash contributions.....	1,888	1,995	2,283	5.7	14.4
Personal insurance and pensions.....	7,296	7,165	7,246	-1.8	1.1
Pensions and Social Security.....	6,831	6,645	6,760	-2.7	1.7

Note: Only selected subcategories are shown; as a result, the subcategories do not sum to their respective major item category.

Table B. Shares of average expenditures on selected major components by composition of consumer unit, 2020

Item	All Consumer Units	Married couple only	Married couple with children	Other married couple consumer units	One parent, at least one child under 18	Single person and other consumer units
Housing	34.9	32.7	32.4	33.7	40.0	38.5
Transportation	16.0	15.0	17.4	17.4	15.6	15.3
Food	11.9	11.2	12.5	13.9	13.5	11.5
Personal insurance and pensions	11.8	11.6	14.0	12.4	8.9	10.1
Healthcare	8.4	10.8	7.5	8.5	6.1	7.8
Apparel and services	2.3	1.9	2.5	2.1	3.1	2.4

Table C. Change in average annual expenditures of major components by income quintile, 2020

Item	Lowest Quintile		Second Quintile		Third Quintile		Fourth Quintile		Highest Quintile	
	Over-the-year change		Over-the-year change		Over-the-year change		Over-the-year change		Over-the-year change	
	Dollar	Percent	Dollar	Percent	Dollar	Percent	Dollar	Percent	Dollar	Percent
Total.....	52	0.2	-582	-1.4	-1,502	-2.8	769	1.1	-6,731	-5.5
Food.....	-301	-6.8	-460	-7.9	-1,205	-16.1	-548	-6.0	-1,742	-12.5
At home.....	309	11.1	148	4.0	-192	-4.3	538	10.4	688	9.7
Away from home.....	-610	-37.9	-607	-27.8	-1,014	-32.9	-1,087	-28.0	-2,431	-35.4
Alcoholic beverages.....	-59	-28.2	-96	-29.0	-72	-16.3	-149	-22.6	-129	-10.3
Housing.....	786	6.8	965	6.5	434	2.4	1,278	5.7	343	0.9
Apparel and services.....	-56	-6.8	-384	-30.8	-267	-17.5	-782	-34.8	-751	-21.0
Transportation.....	-218	-4.8	-906	-12.7	-614	-6.3	-269	-2.1	-2,194	-11.6
Healthcare.....	-80	-2.8	196	5.0	270	5.8	51	0.8	-484	-5.8
Entertainment.....	83	7.5	13	0.7	-280	-12.1	94	2.7	-1,064	-15.2
Personal care products and services.....	-62	-17.1	-98	-17.8	-134	-19.0	-161	-17.9	-242	-17.2
Reading.....	7	11.5	24	38.7	9	10.0	18	19.1	51	33.3
Education.....	-130	-16.9	-127	-25.9	-5	-0.7	-55	-4.6	-519	-12.7
Tobacco products and smoking supplies.....	-18	-6.0	28	8.6	-2	-0.5	-66	-16.6	31	14.8
Miscellaneous.....	7	1.7	-52	-7.6	-86	-9.9	290	34.3	-111	-6.6
Cash contributions.....	101	15.6	208	18.0	469	35.3	696	32.0	-11	-0.2
Personal insurance and pensions.....	-9	-1.5	107	5.3	-18	-0.4	373	4.3	91	0.5

Coronavirus (COVID-19) Pandemic Impact on 2020 Consumer Expenditure Surveys Data

Data presented in this release reflect estimates collected during the COVID-19 pandemic. Due to the pandemic, data collection by personal visit for the CE program was suspended March 19, 2020. Instead, data were collected either online or by phone. More information about the impact of the pandemic on CE data is available at www.bls.gov/covid19/effects-of-covid-19-pandemic-and-response-on-the-consumer-expenditure-surveys.htm.

Additional Information

Data Products

In addition to expenditures, the CE program also collects data on income and demographic characteristics. Tables with more expenditure detail than is presented here are available at www.bls.gov/cex/tables.htm. Published tables provide 2020 CE data by standard classifications that include income quintile, income decile, income class, age of reference person², generation of reference person, size of consumer unit, number of earners, composition of consumer unit, region of residence, division of residence, housing tenure, race, Hispanic origin, occupation, highest education level of any member, and type of area (urban-rural). These tables include expenditure means, aggregates, shares, and standard errors. Expenditure tables by age, region, size, or gender cross-tabulated by income before taxes and other demographic variables can also be found on the CE website. Furthermore, a table showing results for all consumer units including the most detailed breakdown of expenditures, as well as a table showing expenditure means for multiple years is available at www.bls.gov/cex/tables/top-line-means.htm. Historical published tables for data dating back to 1984 and for selected metropolitan area tabulations are also available. Unpublished, but releasable, tables of detailed expenditures by demographic can be obtained by sending a request to cexinfo@bls.gov.

The CE midyear tables, which are similar to the annual tables but cover the third quarter of a given year through the second quarter of the next year, are available at www.bls.gov/cex/tables/mid-year/mean-item-share-average-standard-error.htm. The most recent set covers July 2019 through June 2020.

The CE database provides tools to access historical CE data (1984 onward) to produce trends in expenditures by demographic groups of interest and can be found at www.bls.gov/cex/data.htm. Documentation on how to use the CE database is available at www.bls.gov/cex/ce-labstat-getting-started-guide.pdf.

Additionally, 1980 through 2020 annual CE public use microdata (PUMD); Interview Survey files, Diary Survey files, and paradata (information about the data collection process) are available at www.bls.gov/cex/pumd_data.htm. The Interview Survey files contain expenditure data in three different formats: MTBI files that present monthly values in an item-coding framework based on the CPI-U pricing scheme, FMLI files that present user-friendly summary expenditure variables, and detailed data files that organize expenditures by the section of the Interview questionnaire in which they are collected. Expenditure values on detailed data files cover different time periods depending on the specific questions asked, and the files also contain relevant non-expenditure information not found on the MTBI files. The Diary Survey files contain expenditure data in two different formats: EXPD files that present weekly values in the same item-coding framework based on the CPI-U pricing scheme, and FMLD files that present user-friendly summary expenditure variables. Documentation of the CE PUMD, its conventions, files, sample code, and methodology can be found at www.bls.gov/cex/pumd-getting-started-guide.htm.

For those interested in learning more about the PUMD, the BLS hosts a free workshop each July providing “hands on” training in the use of these data. The event is open to all, but registration is required. See the upcoming events section below for more information about the workshop.

² Reference person is defined as the first member mentioned by the respondent when asked to "Start with the name of the person or one of the persons who owns or rents the home." It is with respect to this person that the relationship of the other consumer unit members is determined.

Publications

Recent CE-specific articles are available in the Beyond the Numbers publication series at www.bls.gov/cex/csxwebarticles.htm, and the CE Data Comparisons section of www.bls.gov/cex/cecomparison.htm. The BLS Beyond the Numbers publication series provides analyses of topical economic issues and long-term spending trends, and the data comparison articles examine CE data benchmarked to other sources. At the time of publication of this release, the most recent Beyond the Numbers article that features CE data (November 2020) is “How have healthcare expenditures changed? Evidence from the Consumer Expenditure Surveys” (www.bls.gov/opub/btn/volume-9/how-have-healthcare-expenditures-changed-evidence-from-the-consumer-expenditure-surveys.htm). Additional methodological and analytical articles using CE data will be published in these series as they become available.

The CE program also produces occasional articles for publication in the Monthly Labor Review (MLR) and Spotlight on Statistics series. The flagship publication of the BLS, the MLR publishes scholarly articles on many topics in labor economics. Items in the Spotlight series are meant to be shorter pieces accessible to the general public. A Spotlight generally includes a series of charts or graphs accompanied by a brief explanation of their relevance to the analysis. At the time of publication of this release, the most recent analytical MLR article that features CE data (February 2021) is “A framework for the evaluation and use of alternative data in the Consumer Expenditure Surveys” (www.bls.gov/opub/mlr/2021/article/a-framework-for-the-evaluation-and-use-of-alternative-data-in-the-consumer-expenditure-surveys.htm); the most recent Spotlight (April 2020) is “Meal Appeal: Patterns of Expenditures on Food away from Home” (www.bls.gov/spotlight/2020/food-away-from-home/home/home.htm).

The 2020 Data Quality Profile, which reports quality metrics and indicators for the Interview and Diary Surveys regarding measurement, nonresponse, and processing error, will be available shortly after this release at www.bls.gov/cex/cecomparison.htm.

The 2020 Annual Report, which includes more detailed information on spending patterns, will be published in late 2021. (See www.bls.gov/cex/csxreport.htm#annual.)

For a listing of links to other published reports featuring CE data, see the CE publications page at www.bls.gov/cex/csxreport.htm.

Survey Materials

Also available are the Diary Survey questionnaire and a modified version of the computer assisted personal interview (CAPI) instrument used to collect the Interview Survey data at www.bls.gov/cex/csxsurveyforms.htm.

Methodology

The change in the Consumer Price Index (CPI-U) cited in the text was calculated as the percentage change between the 12-month average CPI-U for all items from January to December 2019 (255.657) and the 12-month average CPI-U for all items from January to December 2020 (258.811).

Size of the consumer unit is the number of persons whose usual place of residence at the time of the interview is in the sample unit. Definitions of CE terms are in the CE glossary at www.bls.gov/cex/csxgloss.htm.

Composition of the consumer unit is the classification of interview families according to: (1) relationship of other family members to the reference person; (2) age of the children of the reference person; and (3) combination of relationship to the reference person and age of the children. Stepchildren and adopted children are included with the reference person's own children.

Income before taxes in the CE includes the following components: Wages and salaries; self-employment income; Social Security; private and government retirement; interest, dividends, rental income, and other property income; unemployment, workers' compensation and veterans' benefits; public assistance, supplemental security income, and food stamps; regular contributions for support; and other income.

Income quintiles are constructed by sorting consumer units in the sample from lowest to highest income before taxes. The population weight (i.e., the number of consumer units within the population that each sampled unit represents) associated with each consumer is summed with those of the consumer units preceding it in the sorted set, resulting in a cumulative frequency count. The first quintile includes all consumer units for which the cumulative frequency count is less than or equal to 20 percent of the number of consumer units in the population. The second quintile includes all those consumer units for which the cumulative frequency count is greater than 20 percent, but less than or equal to 40 percent of the population, and so forth. Because there were approximately 131 million consumer units in the population in 2020, each quintile includes over 26 million consumer units.

Some expenditures are collected only in one survey. For example, detailed food expenditures (e.g., rice, round roast, lettuce) are collected only in the Diary Survey. Travel expenditures (goods or services purchased on out-of-town trips) are collected only in the Interview Survey. This makes the source of these data in published tables obvious. However, some expenditures (e.g., apparel and services) are collected in both surveys. For these expenditures, the CE program uses a statistical method to select the source used in publication.

Information on the methodology used to calculate and collect CE data is available at www.bls.gov/opub/hom/cex/home.htm. General articles and research papers using CE data are in the CE research library at www.bls.gov/cex/research_papers/research-paper-catalog.htm.

Upcoming Events

BLS is sponsoring a two-day consumption symposium on September 22-23, 2021, which will feature presentations from outside researchers and BLS staff. The symposium will explore how BLS can produce a holistic consumption measure, at the consumer unit level. The symposium will illuminate the challenges of measuring consumption broadly at the consumer unit level and will highlight approaches to overcome those challenges through the integration of different data sources and imputation. Please visit the symposium website (www.bls.gov/cex/consump_symposium.htm) for details.

Each July, the BLS sponsors two events, free of charge: a symposium and a microdata users' workshop (www.bls.gov/cex/csxannualworkshop.htm).

The CE Symposium focuses on survey methodology, and typically features invited presenters from the CE program, other BLS programs, and researchers who are not affiliated with the BLS. The symposium typically meets on one day. Held over three days, the workshop starts with presentations designed for those who have never used the data and builds to expert topics. The workshop also features presentations from researchers not affiliated with the BLS, who describe the nature of their projects, specific files and variables they use, the problems (and solutions) they have encountered working with the data, and any other relevant topics they care to share. The workshop also features opportunities to meet with an expert from the CE program staff to discuss any aspect of a current or potential project, general or specific, about which the attendee has questions or concerns.

The next CE Symposium will be held July 19, 2022. The next CE Microdata Users' Workshop will be held July 20-22, 2022. More information about these events is available on the CE website (www.bls.gov/cex/csxannualworkshop.htm). Reports on these events are also published in the Monthly Labor Review (MLR). The most recent report available at the time of publication of this news release describes the 2020 events (www.bls.gov/opub/mlr/2021/article/consumer-expenditure-survey-methods-symposium-and-microdata-users-workshop-2020.htm). Reports on earlier events are available on the CE MLR publications webpage (www.bls.gov/cex/csxart.htm). Reports on subsequent events (2021 onward) will be posted at a later date.

Contact Information

For further information, contact the Division of Consumer Expenditure Surveys, Office of Prices and Living Conditions at (202) 691-6900 or by email at cexinfo@bls.gov. Information in this release will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service: 1 (800) 877-8339.