

For release: 10:00 a.m. (EDT), Thursday April 2, 2015

USDL-15-0529

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

Media Contact: (202) 691-5902 • PressOffice@bls.gov

**CONSUMER EXPENDITURES MIDYEAR UPDATE -- JULY 2013
THROUGH JUNE 2014 AVERAGE**

Average expenditures per consumer unit¹ for July 2013 through June 2014 were up a modest 1.0 percent compared with the July 2012 through June 2013 midyear average, the U.S. Bureau of Labor Statistics (BLS) reported today. Average incomes fell for a second year, showing a decrease of 0.9 percent.

About half of the major components of household spending increased over the 12 months ending June 2014. (See table A.) The 11.3-percent rise in healthcare was the largest percentage increase among all major components. The subcomponent for health insurance expenditures increased by 20.1 percent primarily due to an improvement in the survey questionnaire. (See “Note on health insurance.”)

Table A. Average expenditures and income of all consumer units and percent changes

Item	July 2012 - June 2013 Average	July 2013 - June 2014 Average	Percent change
			July 2012 - June 2013 to July 2013 - June 2014
Income before taxes.....	\$65,029	\$64,432	-0.9
Average annual expenditures.....	51,408	51,933	1.0
Food.....	6,598	6,665	1.0
Housing.....	17,041	17,377	2.0
Shelter.....	9,950	10,275	3.3
Utilities, fuels, and public services.....	3,695	3,861	4.5
Household furnishings and equipment	1,595	1,484	-7.0
Apparel and services.....	1,706	1,674	-1.9
Transportation.....	8,999	9,104	1.2
Healthcare.....	3,520	3,919	11.3
Health insurance.....	2,085	2,505	20.1
Entertainment.....	2,586	2,560	-1.0
Cash contributions.....	1,949	1,790	-8.2
Personal insurance and pensions.....	5,573	5,551	-0.4
All other expenditures.....	3,437	3,294	-4.2

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 expenses.

Note on health insurance

More consumer units reported expenditures for health insurance, and because of an improvement in interview collection methods, higher expenditures were reported. The percent of households reporting quarterly expenditures on health insurance increased by about 10 percent from the previous midyear period. The insurance questions were revised from 3-month recall questions to questions about the amount of the last payment and the payment period. The new estimates are more accurate as the respondent does not have to calculate a quarterly estimate—instead the estimate is calculated by BLS, using the amount of the last payment which respondents are more likely to know. On the basis of cognitive testing of these questions, BLS concluded they would produce better estimates. The mean expenditure for those reporting insurance premiums increased by about 25 percent. Because of this questionnaire change, healthcare expenditure data for the midyear tables are not strictly comparable to those of prior years, especially for the health insurance subcomponent.

Spending patterns, July 2013 – June 2014 compared with July 2012 – June 2013

Spending results for selected expenditure components from July 2012 through June 2014 included:

- Healthcare spending rose to \$3,919 for July 2013 through June 2014. The level of spending for healthcare has increased every year since 1996. The most recent increase was driven by the rise in health insurance expenditures.
- Cash contributions, which include payments for support of college students, alimony and child support, and giving to charities and religious organizations, decreased 8.2 percent. Most of the subcategories had similar declines.
- Housing expenditures increased 2.0 percent to \$17,377. Increases of 3.3 percent in shelter expenditures and 4.5 percent in utilities, fuels and public services expenditures were offset by a 7.0 percent drop in expenditures for household furnishings and equipment.

Spending by selected demographics

Consumer Expenditure Survey (CE) data measure how consumers allocate their spending among the various components of total expenditures. For example, table B and chart 1 compare the share allocated to selected expenditures by income quintiles. The lowest income quintile allocated larger shares to food and housing than all other quintiles. The highest income quintile allocated a larger share to personal insurance and pensions (including payments for life insurance, other nonhealth insurance, pensions, and Social Security) than any other group. No clear pattern existed for the shares allocated to transportation and healthcare among the income quintile groups.

Table B. Shares of average expenditures on selected major components by income quintiles, July 2013 through June 2014

Item	Income quintiles				
	Lowest 20th percentile	Second 20th percentile	Third 20th percentile	Fourth 20th percentile	Highest 20th percentile
Food.....	16.0	14.3	13.4	13.2	11.2
Housing.....	40.6	37.6	34.6	32.2	30.7
Transportation.....	14.6	17.4	19.4	18.5	16.9
Healthcare.....	8.3	9.0	8.2	8.0	6.3
Personal insurance & pensions.	2.1	4.9	7.9	11.0	15.6

Chart 1. Shares of average expenditures on selected major components by income quintiles, July 2013 through June 2014

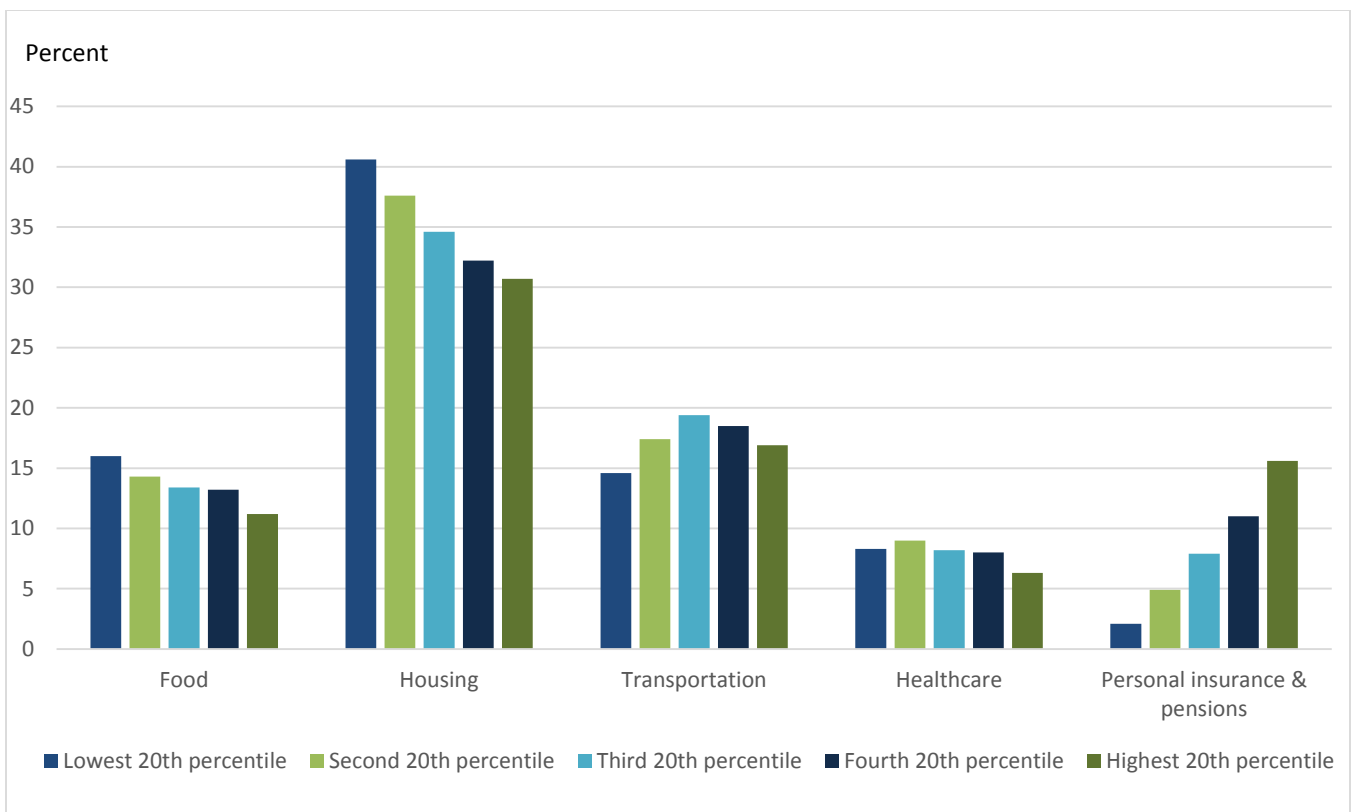
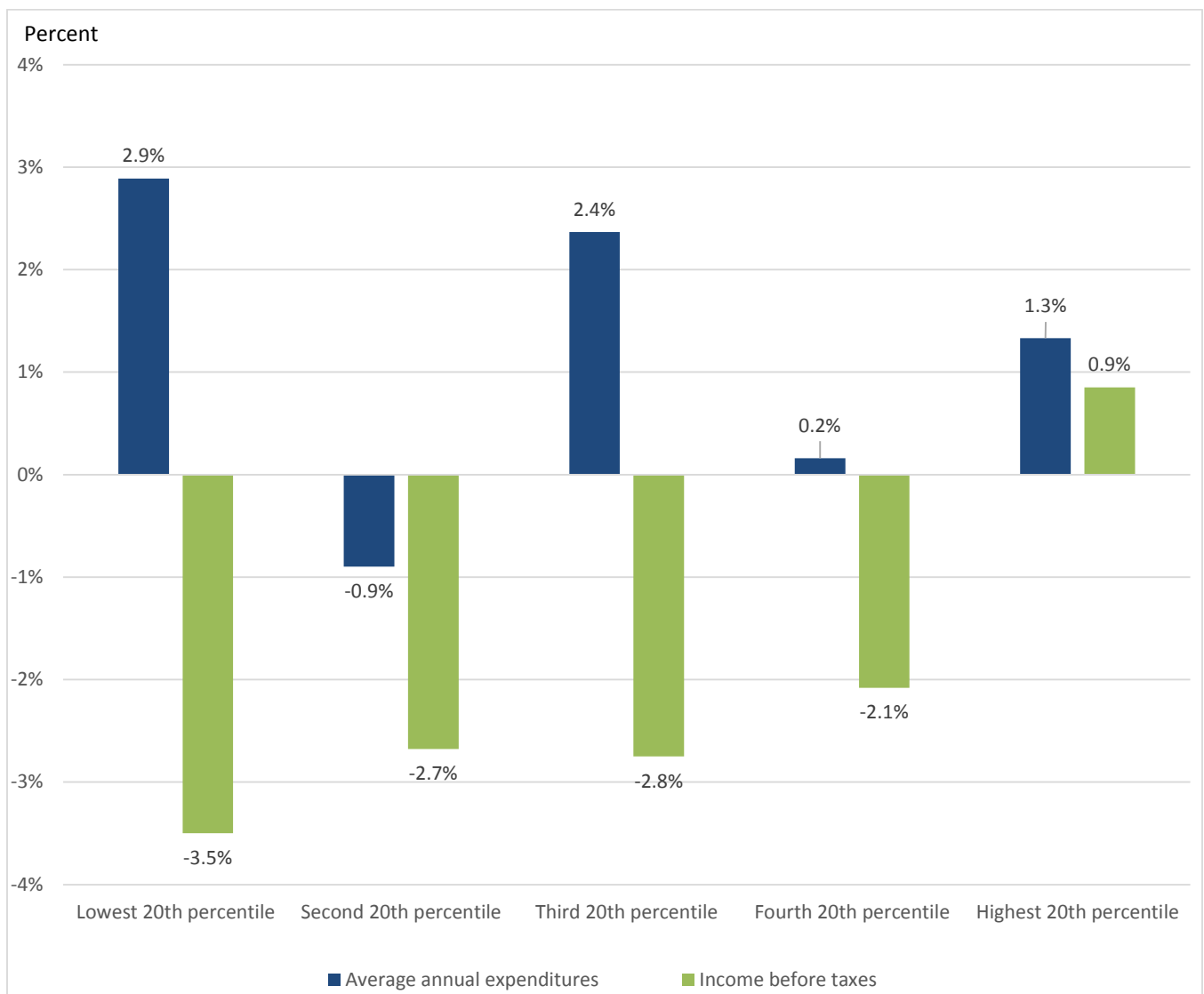


Table C and chart 2 show expenditures and income before taxes by quintile from July 2012 through June 2014. All but the second quintile showed small increases in spending across the 12 months ending June 2014, while all but the highest quintile showed declines in income before taxes.

Table C. Percent change in average annual expenditures and income before taxes by income quintile

Income quintile	Average annual expenditures			Income before taxes		
	July 2012 - June 2013	July 2013 - June 2014	Percent change	July 2012 - June 2013	July 2013 - June 2014	Percent change
Lowest 20th percentile	\$22,336	\$22,981	2.9	\$10,174	\$9,818	-3.5
Second 20th percentile	33,075	32,778	-0.9	27,094	26,369	-2.7
Third 20th percentile	42,728	43,739	2.4	47,017	45,724	-2.8
Fourth 20th percentile	59,155	59,250	0.2	75,990	74,410	-2.1
Highest 20th percentile	99,651	100,979	1.3	164,647	166,048	0.9

Chart 2. Percent change in average annual expenditures and income before taxes by income quintile, July 2013 – June 2014 compared with July 2012 – June 2013



Deciles of Income Table Now Available

New with this midyear release is the Deciles of Income table, dividing the sample into ten equal sections by income range. Along with this new table, other published tables provide average CE data with more expenditure detail than shown in this release by standard classifications that include income quintile, income class, age of reference person, size of consumer unit, number of earners, composition of consumer unit, housing tenure/type of area (urban-rural), region of residence, race, Hispanic origin, occupation, and highest education level of any member. These tables are available at www.bls.gov/cex. The midyear tables add spending information from January through June 2014 while dropping the January through June 2013 expenditures.

Other available data

Data tables with the most detailed subcategories of expenditures can be obtained by sending a request to cexinfo@bls.gov.

The 2013 Annual Report includes a brief discussion of expenditure changes in 2013 and tables with data classified by the standard characteristics that are included on the website (see www.bls.gov/cex/csxann13.pdf). Future articles in the BLS Beyond the Numbers web report series will highlight recent trends in prices and spending in the U.S. economy, and will feature CE data. Recent CE-specific articles provide analyses of topical economic issues and long term spending trends, as well as comparisons of CE data to other data series (see www.bls.gov/cex/csxwebarticles.htm and www.bls.gov/cex/cecomparison.htm). Additional methodological and analytical articles using CE data will be published in 2015. All data published in the Annual Report 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. Also available are the Diary Survey questionnaire form and a modified version of the computer assisted personal interview (CAPI) instrument used to collect the Interview Survey data.

The 1997 through 2013 CE public-use microdata, including Interview Survey data, Diary Survey data, and paradata (information about the survey process), are available on the CE website for free electronic download. The Interview files contain expenditure data in two different formats: MTBI 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 MTBI files. The 1996 data will be released online in the near future. For releases prior to 1996, users can continue to purchase USB flash drives using the public-use microdata order form (see www.bls.gov/cex/pumhome.htm). All future releases of public-use microdata will solely be available online for free electronic download.

The 2014 Annual News Release, data tables, and public-use microdata are planned for release in September 2015. Public-use microdata will not be released on a rolling half-year basis.

The annual CE Microdata Users' Workshop and Survey Methods Symposium will be held July 14-17, 2015, at the BLS national office. Registration is free. More information and the registration form are available at www.bls.gov/cex/csxannualworkshop.htm.

For further information, contact the Division of Consumer Expenditure Survey, 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.