Tradeoffs in the expenditure patterns of families with children

Evan Hubener
Economist
U.S. Bureau of Labor Statistics

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Background

- Article for Beyond the Numbers – bls.gov/opub/btn
- Consumer Expenditure Surveys – Public Use Microdata
About the selected data

- CU’s with at least 1 child under 17 years
- Apparel includes boys’, girls’, and infants’
- Childcare includes daycare and babysitting
- Education expenditures largely supplemental
- Total expenditures refers to total expenditures on these three items
Expenditures by region

- Midwest, West, Northeast, and South – compared to national averages (49 percent for childcare, 26 percent for apparel, 25 percent for education)

- Not much fluctuation by region
  - Apparel between 23 and 27 percent
  - Childcare between 45 and 54 percent
  - Education between 23 and 29 percent
Shares of total expenditures on children by region

- **Apparel**
- **Child Care**
- **Education**

<table>
<thead>
<tr>
<th>Region</th>
<th>Apparel</th>
<th>Child Care</th>
<th>Education</th>
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</thead>
<tbody>
<tr>
<td>Northeast</td>
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<td>South</td>
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<td>National</td>
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Expenditures by income

- Apparel decreases from 61% of expenditures for quintile 1 (lowest income quintile) to 15 percent of expenditures for quintile 5 (highest income quintile)
- Childcare ranges between 33 and 56 percent of expenditures
- Education ranges between 7 and 36 percent
  - Nearly doubles between quintiles 4 and 5
Shares of total expenditures on children by income quintile

- Apparel
- Child Care
- Education

Percent Share

<table>
<thead>
<tr>
<th>Income Quintile</th>
<th>Quintile 1</th>
<th>Quintile 2</th>
<th>Quintile 3</th>
<th>Quintile 4</th>
<th>Quintile 5</th>
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<tbody>
<tr>
<td>0% - 25%</td>
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<td>25% - 50%</td>
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<td>50% - 75%</td>
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Expenditures by race

- Public Use Microdata contains four race categories –
  - Asian and pacific islander, black, native American and multi-race, and white
- Childcare roughly half of expenditure for all race categories
- More variation in education (range 14-29 percent) and apparel (20-37 percent)
Shares of total expenditures on children by race of the reference person

Percent Share

Race

- White
- Black
- Asian and Pacific Islander
- Native American and Multi-Race

Apparel  Child Care  Education
Expenditures by education

- Four categories of education –
  - less than high school, high school graduate, some college/associate’s degree, bachelor’s degree or higher

- Education level is that of the reference person
  - Not necessarily the highest level of education obtained by a given member of the household

- Apparel ranges 18 to 53 percent of expenditure (decreasing)

- Childcare ranges 32 to 53 percent of expenditures

- Education ranges 15 to 29 percent of expenditures
Shares of total expenditures on children by education of the reference person

- Apparel
- Child Care
- Education

Percent Share

Education

- Less than HS
- HS Graduate
- Some College / Associate's
- Bachelor's or Higher
Distribution of education of the reference person by income quintile

- Less than HS
- HS Graduate
- Some College / Associate's
- Bachelor's or Higher

<table>
<thead>
<tr>
<th>Percent</th>
<th>Quintile 1</th>
<th>Quintile 2</th>
<th>Quintile 3</th>
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Income Quintile
Conclusions

- Expenditure shares for education ranged most widely by income (29 points), by race (15 points), and by education (14 points).
- Expenditure shares for apparel ranged most widely by income (46 points) and education (36 points).
- Expenditure shares for childcare also ranged most widely by income (23 points) and education (21 points).
Questions?
Contact Information

Evan Hubener
Economist
Division of Consumer Expenditure Surveys
www.bls.gov/cex
202-691-6892
Hubener.Evan@bls.gov