Comparing Selected Expenditures of Dual and Single Income Households with Children

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American Council on Consumer Interests
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Outline

1. Motivation
2. Sample Groups
3. Selected Expenditures
4. Preliminary Results
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Dual Income Families as Majority

- CE data show the majority of households in America are dual income
- Shift from single to dual income as the majority in 1980s (Pew Research Center)
- Would like to compare the different groups’ spending habits
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Subgroups

Two parent households (2015-2017):

- Employment type
  - Whether one or both spouses worked full time during the previous year
  - Also if one spouse worked full time and the other part time during the previous year

- Child age
  - Describes the range in which all children in a household fall
  - Controls for differences in families’ expenditures based a children’s ages
Percentage by employment type, 2015-2017

- Both Full Time: 52%
- One Full Time, One Part Time: 14%
- One Full Time: 30%
- Other: 4%
## Number of Households, Unweighted

<table>
<thead>
<tr>
<th></th>
<th>One Full Time</th>
<th>One Full Time, One Part Time</th>
<th>Both Full Time</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oldest child &lt; 6</td>
<td>771</td>
<td>274</td>
<td>1,047</td>
<td>73</td>
<td>2,165</td>
</tr>
<tr>
<td>All children age 6-11</td>
<td>340</td>
<td>201</td>
<td>665</td>
<td>30</td>
<td>1,236</td>
</tr>
<tr>
<td>All children age 12-17</td>
<td>435</td>
<td>258</td>
<td>914</td>
<td>110</td>
<td>1,717</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,546</strong></td>
<td><strong>733</strong></td>
<td><strong>2,626</strong></td>
<td><strong>213</strong></td>
<td><strong>5,118</strong></td>
</tr>
</tbody>
</table>
## Number of Households, Weighted (in millions)

<table>
<thead>
<tr>
<th></th>
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<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oldest child &lt; 6</td>
<td>15.9</td>
<td>5.8</td>
<td>21.8</td>
<td>1.5</td>
<td>45.0</td>
</tr>
<tr>
<td>All children age 6-11</td>
<td>6.6</td>
<td>4.1</td>
<td>13.9</td>
<td>0.6</td>
<td>25.2</td>
</tr>
<tr>
<td>All children age 12-17</td>
<td>8.9</td>
<td>5.2</td>
<td>19.2</td>
<td>2.3</td>
<td>35.6</td>
</tr>
<tr>
<td>Total</td>
<td>31.4</td>
<td>15.0</td>
<td>54.9</td>
<td>4.4</td>
<td>105.7</td>
</tr>
</tbody>
</table>
### Percentage by employment type and child age

<table>
<thead>
<tr>
<th></th>
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<th>Both Full Time</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oldest child &lt; 6</td>
<td>35.3%</td>
<td>12.8%</td>
<td>48.4%</td>
<td>3.4%</td>
</tr>
<tr>
<td>All children age 6-11</td>
<td>26.4%</td>
<td>16.2%</td>
<td>55.1%</td>
<td>2.3%</td>
</tr>
<tr>
<td>All children age 12-17</td>
<td>25.0%</td>
<td>14.5%</td>
<td>54.1%</td>
<td>6.4%</td>
</tr>
</tbody>
</table>
## Mean number of children by employment type and child age

<table>
<thead>
<tr>
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<th>Both Full Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oldest child &lt; 6</td>
<td>1.59</td>
<td>1.55</td>
<td>1.39</td>
</tr>
<tr>
<td>All children age 6-11</td>
<td>1.67</td>
<td>1.64</td>
<td>1.49</td>
</tr>
<tr>
<td>All children age 12-17</td>
<td>1.47</td>
<td>1.48</td>
<td>1.44</td>
</tr>
</tbody>
</table>
Outline

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Analyzed Expenditures

Diary:
- Food At Home (groceries)
- Food Away From Home (dining out)

Interview:
- Transportation
- Education
- Childcare
Food

- Hypothesis: Dual income families spend more on food away from home on average than single income families
  - Trade off between time and money
  - American Time Use Survey (ATUS)
  - Perhaps smaller budget share goes to food away from home compared to single income families
Transportation

■ Hypothesis: Dual Income families spend more on transportation on average because of commuting
  ▶ Gas
  ▶ Public Transportation Fares

■ Perhaps offset by single income families running errands
Education

- Hypothesis: Dual Income families spend more on private school education
  - Private tuition for elementary and high school
Childcare

Question: How do childcare expenses compare to a potentially higher income?

* Compare total income
* Use outlays for a proxy for permanent income
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Mean Weekly Expenditures of Families with All Children Younger than 6

<table>
<thead>
<tr>
<th></th>
<th>One Full Time</th>
<th>One Full Time, One Part Time</th>
<th>Both Full Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Transportation</td>
<td>$1.52</td>
<td>$2.64</td>
<td>$2.12</td>
</tr>
<tr>
<td>Gas</td>
<td>$34.52</td>
<td>$38.47</td>
<td>$40.22</td>
</tr>
<tr>
<td>Food At Home</td>
<td>$92.78</td>
<td>$110.20</td>
<td>$104.04</td>
</tr>
<tr>
<td>Food Away From Home</td>
<td>$53.89</td>
<td>$86.36</td>
<td>$82.89</td>
</tr>
<tr>
<td>Childcare</td>
<td>$13.96</td>
<td>$58.35</td>
<td>$117.28</td>
</tr>
</tbody>
</table>
Graph of Selected Mean Weekly Expenditures

- Public Transportation
- Gas
- Food At Home
- Food Away From Home
- Childcare

Expenditure Categories:
- One Full Time
- One Full Time, One Part Time
- Both Full Time
### Differences in Food at Home and the Statistical Significance

| Comparison                        | Mean Difference | Std Error | t Value | Pr > |t| |
|-----------------------------------|-----------------|-----------|---------|------|---|
| Both Full Time One Full Time, One Part Time | -6.15           | 13.85     | -0.44   | 0.659 |
| Both Full Time One Full Time      | 11.27           | 7.75      | 1.45    | 0.153 |
| One Full Time, One Part Time One Full Time | 17.42           | 12.37     | 1.41    | 0.166 |
Confidence Intervals: Food At Home
## Differences in Food Away From Home and the Statistical Significance

<table>
<thead>
<tr>
<th></th>
<th>Mean Difference</th>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One Full Time, One Part Time</td>
<td>-3.47</td>
<td>19.22</td>
<td>-0.18</td>
<td>0.858</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Both Full Time</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One Full Time</td>
<td>29.01</td>
<td>9.03</td>
<td>3.21</td>
<td>0.003</td>
<td></td>
<td></td>
</tr>
<tr>
<td>One Full Time, One Part Time</td>
<td>32.48</td>
<td>18.70</td>
<td>1.74</td>
<td>0.090</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Confidence Intervals: Food Away From Home
Mean Outlays and Income of Families with Children all younger than 6

Outlays
- One Full Time
- One Full Time, One Part Time
- Both Full Time

Income
- One Full Time
- One Full Time, One Part Time
- Both Full Time
### Summary of Preliminary Results:

Expenditures that are statistically significantly different

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Questions
Contact Information

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