



For Release: Wednesday, January 08, 2014

14-21-SAN

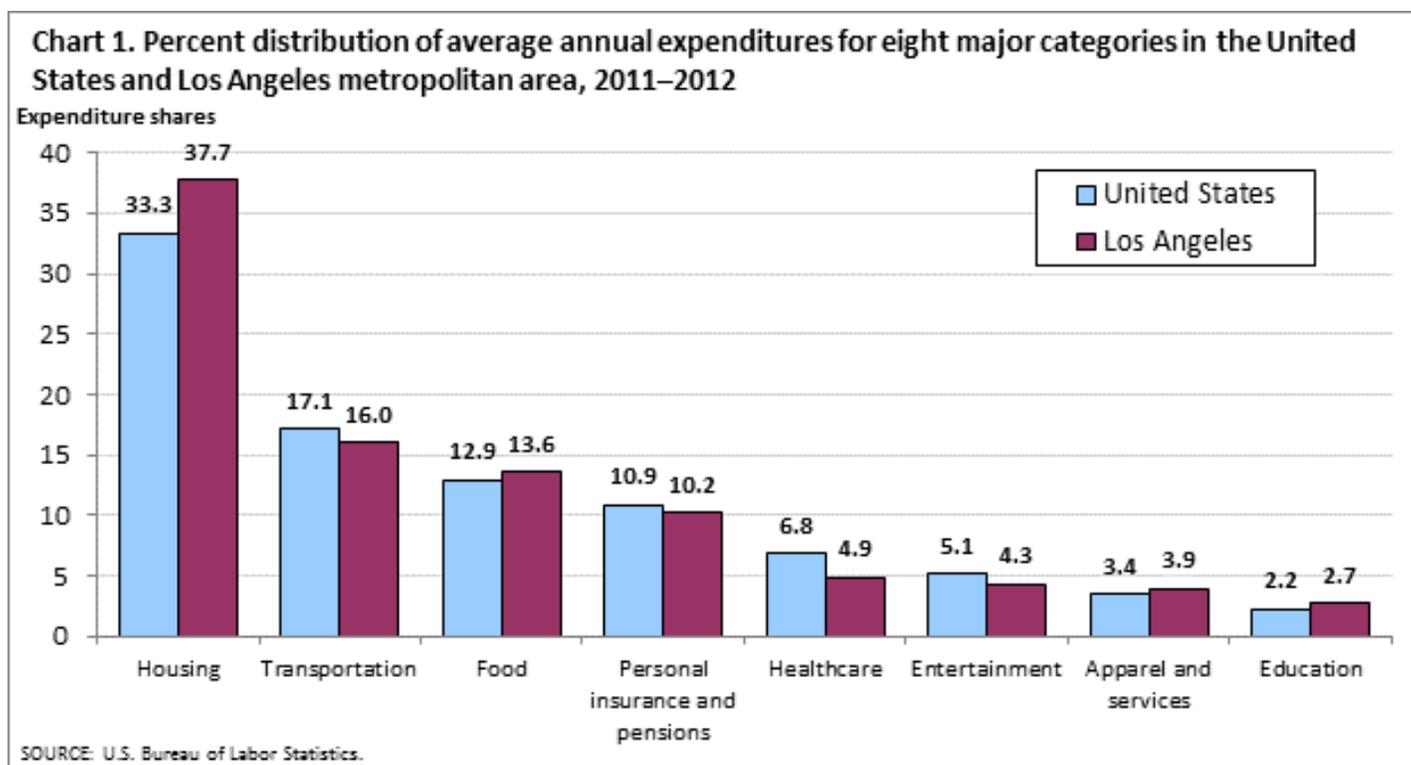
WESTERN INFORMATION OFFICE: San Francisco, Calif.

Technical information: (415) 625-2270 BLSinfoSF@bls.gov www.bls.gov/regions/west

Media contact: (415) 625-2270

Consumer Expenditures for the Los Angeles Area: 2011-2012

Consumer units (households) in the Los Angeles-Long Beach-Santa Ana metropolitan area spent an average of \$55,312 per year in 2011-2012, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Richard J. Holden noted that this figure was 9 percent above the \$50,581 average expenditure level for a typical household in the United States. Not only did households in the Los Angeles area spend more than the U.S. average, but they also allocated their dollars differently in 7 of the 8 largest expenditure categories. For example, expenditures for healthcare accounted for 4.9 percent of a typical household budget in the Los Angeles area, significantly below the nationwide average of 6.8 percent. (See [chart 1](#) and [table 1](#).)



Housing in the Los Angeles metropolitan area averaged \$20,854 annually and was the largest expenditure category, accounting for 37.7 percent of a Los Angeles area household's total budget. This share was significantly larger than the 33.3-percent national average. (See [tables 1](#) and [2](#).) Overall, 8 of the 18 published metropolitan areas had expenditure shares for housing measurably above the U.S. average, while 3 had significantly lower-than-average shares. (See [chart 2](#).) Among the 18 areas, housing shares ranged from 39.7 percent in New York to 31.7 percent in Detroit. (See [table 3](#).)

The majority of total housing expenditures in Los Angeles, 65.7 percent, went toward shelter, which includes mortgage interest, property taxes, repairs, and rent, among other items; nationwide, 58.5 percent of the housing budget was allocated for shelter. (See [table A.](#)) Utilities, fuels, and public services expenses accounted for 16.0 percent of the housing budget locally; nationally, it made up 21.9 percent. The rate of homeownership in Los Angeles, at 49 percent, was less than the U.S. average of 65 percent.

Table A. Percent distribution of housing expenditures, United States and Los Angeles, 2011–2012

Category	United States	Los Angeles
Total Housing.....	100.0	100.0
Shelter	58.5	65.7
Utilities, fuels and public services.....	21.9	16.0
Household operation	6.8	7.2
Housekeeping supplies	3.6	3.5
Household furnishings and equipment.....	9.2	7.6

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

At 16.0 percent of the total budget, transportation was the second-largest expenditure category in the Los Angeles area, significantly below the national average of 17.1 percent. Among the 18 published areas nationwide, 8 had transportation shares that were significantly below the national average; only one had a share that was significantly above the average. (See [chart 3.](#))

Of the \$8,835 in annual expenditures for transportation in Los Angeles, 93.2 percent was spent buying and maintaining private vehicles, close to the national average of 93.9 percent. The remaining 6.8 percent of a Los Angeles household’s transportation budget was spent on public transit—which includes fares for taxis, buses, trains, and planes—and was above the 6.1-percent average for the nation. (See [table B.](#)) The average number of vehicles per household in Los Angeles was 1.7, compared to the national average of 1.9.

Table B. Percent distribution of transportation expenditures, United States and Los Angeles, 2011–2012

Category	United States	Los Angeles
Total Transportation.....	100.0	100.0
Vehicle purchases (net outlay).....	34.0	28.5
Gasoline and motor oil	31.3	33.4
Other vehicle expenses.....	28.6	31.3
Public transportation.....	6.1	6.8

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

The portion of the average Los Angeles consumer unit’s budget spent on food, 13.6 percent, was significantly larger than the 12.9-percent U.S. average. Among the 18 metropolitan areas, 14 had food expenditure shares that were not measurably different from the nationwide average. In the four remaining areas, three had food shares significantly below the national average, while Los Angeles was the only area with a food share significantly above the U.S. average.

Households in Los Angeles spent \$4,337, or 57.8 percent, of their food dollars on food prepared at home and the remaining 42.2 percent on food prepared away from home, such as restaurant meals, carry-out, board at school, and catered affairs. In comparison, the typical U.S. household spent 59.4 percent of its food budget on food prepared at home and 40.6 percent on food prepared away from home.

As noted, Los Angeles is 1 of 18 metropolitan areas nationwide for which Consumer Expenditure Survey (CE) data are available. Metropolitan area CE data and that for the four geographic regions and the United States are available on our website at www.bls.gov/cex/tables.htm. Metropolitan area CE news releases are available at www.bls.gov/regions/subjects/consumer-spending.htm.

Additional information

Data contained in this report are from the CE, which is collected on an ongoing basis by the U.S. Census Bureau for the BLS. The CE data were averaged over a two-year period, 2011 and 2012 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 Los Angeles-Long Beach-Santa Ana, California, which is comprised of Los Angeles and Orange Counties.

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.

CE metropolitan area estimates are not comparative cost of living surveys, 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. 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. Users should also keep in mind that prices for many goods and services have changed since the survey was conducted.

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.

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.

For additional technical and related information, see www.bls.gov/opub/hom/homch16.htm.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; Federal Relay Service: 800-877-8339.

Table 1. Percent distribution of average annual expenditures, United States and Los Angeles, Consumer Expenditure Survey, 2011–2012

Category	United States	Los Angeles
Average annual expenditures.....	\$50,581	\$55,312
Percent distribution:.....	100.0	100.0
Food	12.9	13.6*
Alcoholic beverages	0.9	1.1
Housing	33.3	37.7*
Apparel and services.....	3.4	3.9*
Transportation	17.1	16.0*
Healthcare	6.8	4.9*
Entertainment	5.1	4.3*
Personal care products and services	1.2	1.3
Reading	0.2	0.2*
Education	2.2	2.7
Tobacco products and smoking supplies.....	0.7	0.3*
Miscellaneous.....	1.6	1.7
Cash contributions.....	3.6	2.3*
Personal insurance and pensions	10.9	10.2*

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

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

Table 2. Average annual expenditures and characteristics, United States and Los Angeles, Consumer Expenditure Survey, 2011–2012

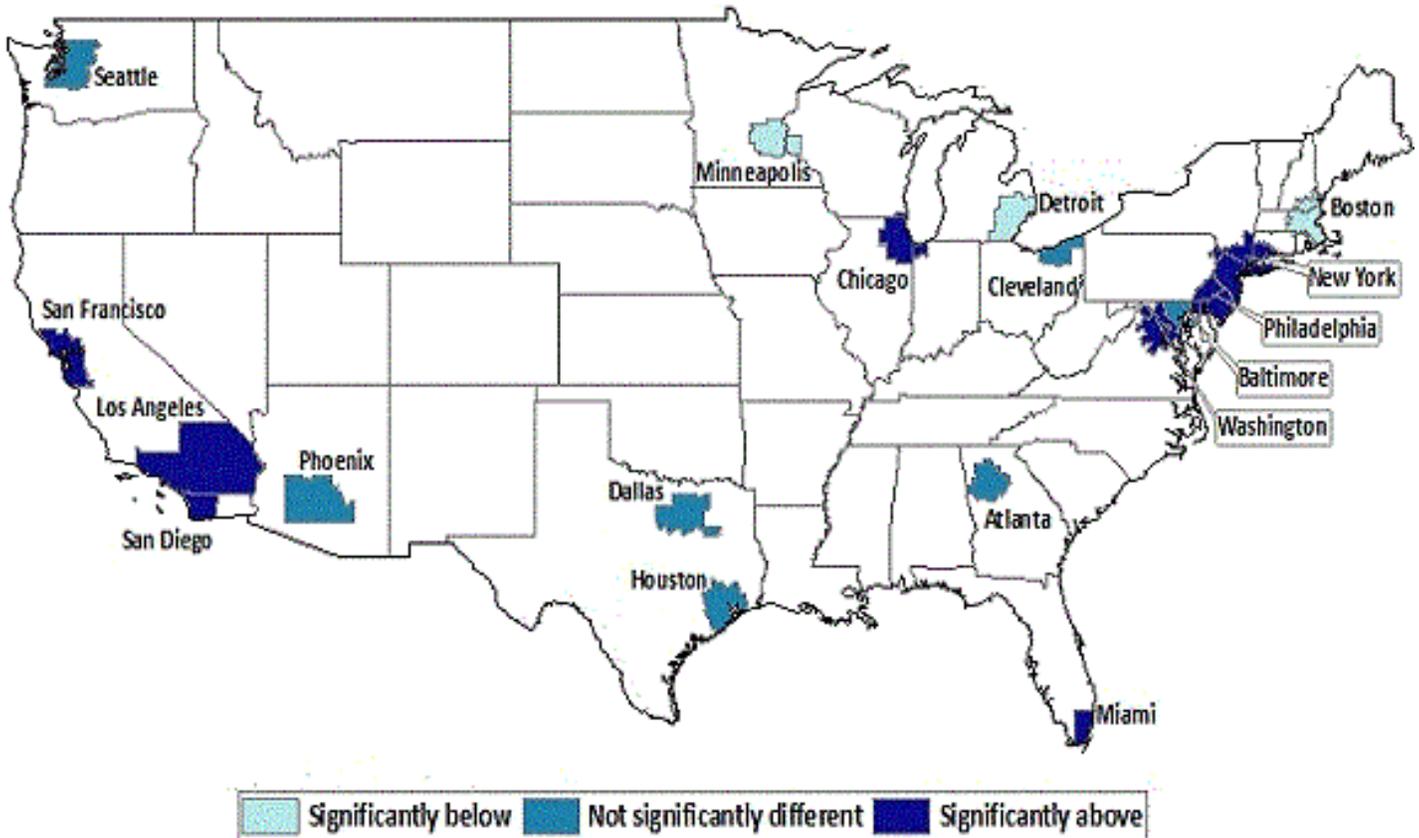
Category	United States	Los Angeles
Consumer unit characteristics:		
Income before taxes.....	\$64,649	\$69,562
Age of reference person.....	49.9	48.7
Average number in consumer unit:		
Persons.....	2.5	2.9
Children under 18.....	0.6	0.7
Persons 65 and over.....	0.3	0.3
Earners.....	1.3	1.4
Vehicles.....	1.9	1.7
Percent homeowner.....	65	49
Average annual expenditures:		
Average annual expenditures.....	\$50,581	\$55,312
Food.....	6,529	7,504
Food at home.....	3,880	4,337
Cereals and bakery products.....	534	542
Meats, poultry, fish, and eggs.....	843	989
Dairy products.....	413	456
Fruits and vegetables.....	723	922
Other food at home.....	1,367	1,428
Food away from home.....	2,649	3,166
Alcoholic beverages.....	454	613
Housing.....	16,846	20,854
Shelter.....	9,858	13,695
Owned dwellings.....	6,101	6,723
Rented dwellings.....	3,109	6,384
Other lodging.....	648	589
Utilities, fuels, and public services.....	3,687	3,336
Household operations.....	1,141	1,495
Housekeeping supplies.....	612	736
Household furnishings and equipment.....	1,547	1,591
Apparel and services.....	1,738	2,150
Transportation.....	8,649	8,835
Vehicle purchases (net outlay).....	2,942	2,521
Gasoline and motor oil.....	2,706	2,951
Other vehicle expenses.....	2,472	2,765
Public transportation.....	529	597
Healthcare.....	3,436	2,707
Entertainment.....	2,589	2,395
Personal care products and services.....	631	732
Reading.....	112	95
Education.....	1,130	1,471
Tobacco products and smoking supplies.....	341	149
Miscellaneous.....	802	915
Cash contributions.....	1,818	1,279
Personal insurance and pensions.....	5,508	5,616
Life and other personal insurance.....	335	217
Pensions and Social Security.....	5,173	5,398

Table 3. Percent share of average annual expenditures for housing, transportation, and food, United States and 18 metropolitan areas, Consumer Expenditure Survey, 2011-2012

Area	Housing	Transportation	Food
United States	33.3	17.1	12.9
Atlanta	34.7	16.9	11.7*
Baltimore	33.8	13.7*	12.7
Boston	31.8*	14.8*	13.2
Chicago	34.9*	15.0*	12.3
Cleveland	31.9	17.8	12.3
Dallas	32.9	18.6	12.5
Detroit	31.7*	18.8	13.3
Houston	31.9	20.3*	12.5
Los Angeles	37.7*	16.0*	13.6*
Miami	38.4*	17.0	13.7
Minneapolis	31.8*	17.5	12.6
New York	39.7*	13.7*	12.4
Philadelphia	37.9*	14.4*	12.7
Phoenix	34.8	15.9	13.0
San Diego	38.5*	15.6	12.0
San Francisco	35.2*	14.2*	11.5*
Seattle	34.1	15.7	12.8
Washington	35.3*	15.0*	11.6*

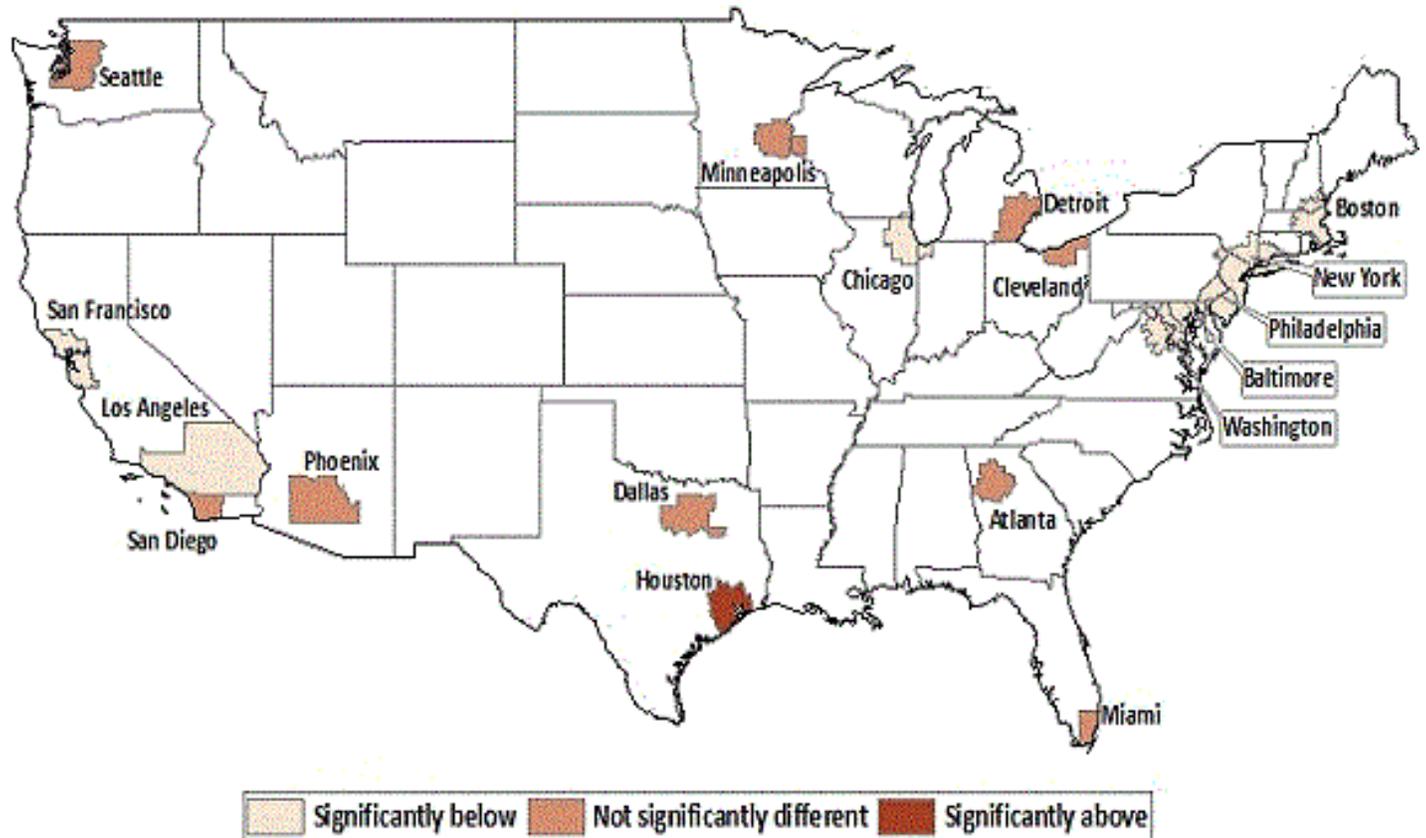
* Statistically significant difference from the U.S. average at the 95-percent confidence level.
 Source: U.S. Bureau of Labor Statistics.

Chart 2. Expenditure shares spent on housing in 18 metropolitan statistical areas compared to the U.S. average, Consumer Expenditure Survey, 2011-2012



Note: Statistical significance testing at the 95-percent confidence interval.
 Source: U.S. Bureau of Labor Statistics.

Chart 3. Expenditure shares spent on transportation in 18 metropolitan statistical areas compared to the U.S. average, Consumer Expenditure Survey, 2011-2012



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

Source: U.S. Bureau of Labor Statistics.