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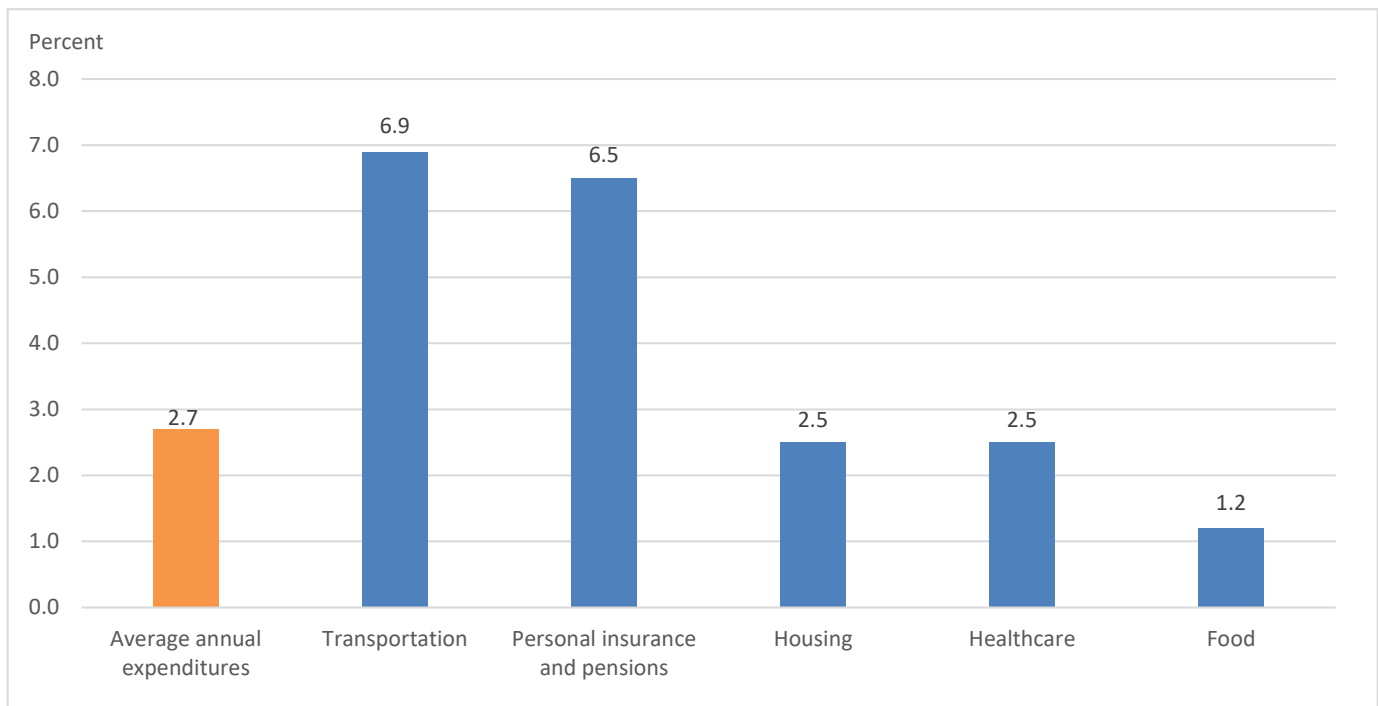
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**CONSUMER EXPENDITURES MIDYEAR UPDATE – JULY 2018
 THROUGH JUNE 2019 AVERAGE**

Average expenditures per consumer unit¹ for July 2018 through June 2019 were up 2.7 percent compared with the July 2017 through June 2018 midyear average, the U.S. Bureau of Labor Statistics reported today. During the same period, the Consumer Price Index (CPI-U) rose 2.1 percent and average pretax incomes increased 6.4 percent.

Chart 1. Percent change in total expenditures and selected components, July 2018–June 2019 compared with July 2017–June 2018



Data from the Consumer Expenditure Surveys (CE) measure how consumers allocate their spending among the various components of total expenditures. According to the CE, most major components of household spending increased over the 12 months ending June 2019. (See table A.) The 6.9-percent rise in transportation spending was the largest percentage increase among all major components, followed by a 6.5-percent rise in personal insurance and pensions expenditures. However, the largest change over the period was a 7.1-percent drop in education spending.

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 use their income to make joint expenditure decisions.

Selected spending patterns, July 2018–June 2019 compared with July 2017–June 2018

- Education spending decreased 7.1 percent. This was due to decreases in elementary and high school tuition and expenditures for finance, late, and interest charges on student loans.
- Transportation expenditures increased 6.9 percent to \$10,410. Within transportation, vehicle insurance spending had a large increase (64.3 percent) due to a change in survey source used for publication, from the Diary Survey to the Interview Survey². Average expenditures for public transportation were up 2.8 percent, and average household expenditures for gasoline and motor oil increased 2.6 percent over the period.
- Personal insurance and pensions spending increased 6.5 percent, compared to a decrease of 0.5 percent in the previous midyear period. This was due to a 15.7-percent increase in life and other personal insurance spending and a 5.9-percent increase in contributions to pensions and Social Security.
- Cash contributions increased 5.8 percent. This category incorporates a wide array of giving and financial obligations such as charitable contributions, support for college students, child support, alimony, and other gifts of cash and financial instruments to individuals and organizations not part of the household. Other cash gifts accounted for much of the increase.
- Healthcare spending rose 2.5 percent to \$5,049 for July 2018 through June 2019. The largest changes in components of healthcare were a 6.8-percent increase in average medical services spending and a 1.7-percent increase in health insurance spending.
- Spending on food increased 1.2 percent. This increase was driven by food at home which increased 2.0 percent; food away from home increased slightly, by 0.3 percent.
- Apparel and services spending increased 0.5 percent to \$1,859, after increasing 4.5 percent during the previous midyear period.

Spending by income quintile

Chart 2 and table B show average expenditures and income before taxes by quintile from July 2018 through June 2019. Income quintile is defined based on the pretax income reported by the consumer unit. Consumer units are divided into five equal groups. In July 2018 through June 2019, the lower bounds for each quintile were \$21,512 for the second quintile, \$42,254 for the third quintile, \$71,403 for the fourth quintile, and \$119,553 for the highest quintile.

The second income quintile showed a decrease in total average household expenditures (-1.2 percent) across the 12 months ending June 2019, despite an increase in income before taxes (3.9 percent). All the other quintiles showed an increase in both total average household expenditures and income before taxes.

Overall, pretax income rose 6.4 percent over the 12 months ending June 2019. All income quintiles showed increases in pretax income. The first quintile increased the least: 0.2 percent. The highest quintile increased the most: 8.2 percent. For the middle three quintiles, the increase was similar (3.9 percent to 4.3 percent).

² For expenditures collected in both surveys, the CE program uses a statistical method to select the source used in publication. For more information, see www.bls.gov/cex/anthology11/csxanth3.pdf.

Chart 2. Percent change in average annual expenditures and income before taxes by income quintile, July 2018–June 2019 compared with July 2017–June 2018

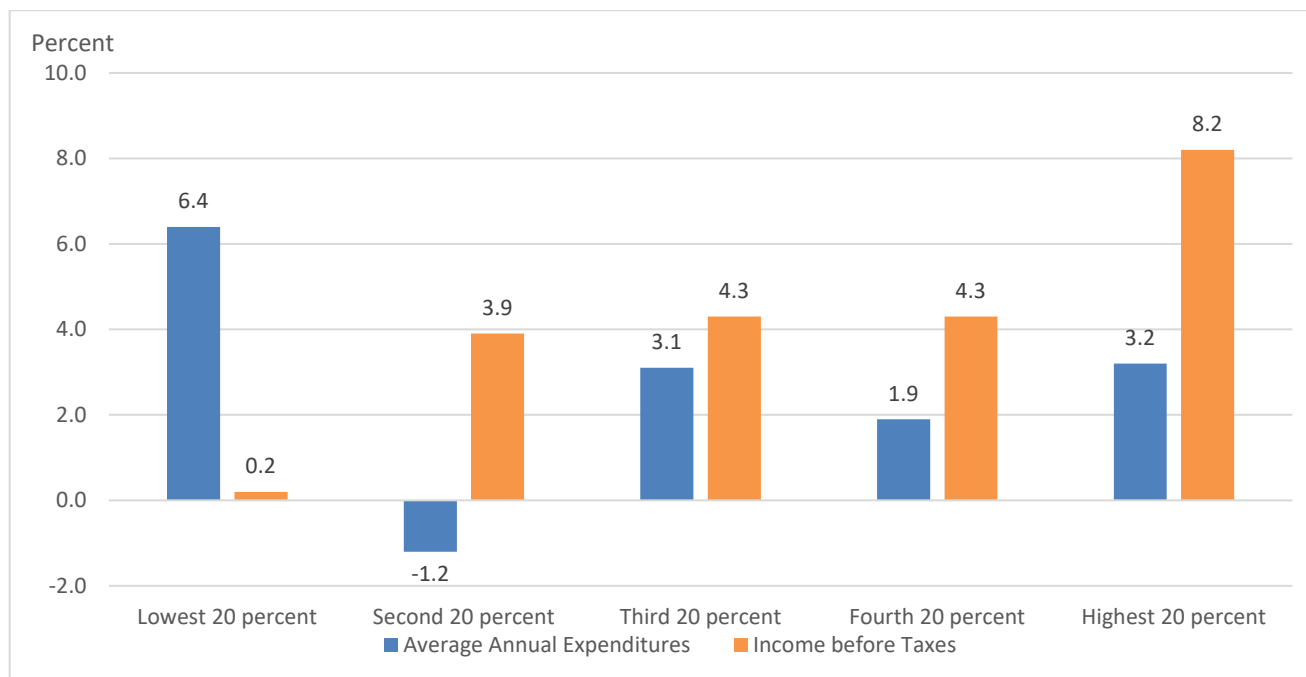


Chart 3 and table C compare the shares of total expenditures allocated to selected expenditures by income quintiles. The lowest income quintile allocated larger shares to food and housing than all other quintiles. The highest income quintile allocated a larger share to personal insurance and pensions (including payments for life insurance, other nonhealth insurance, pensions, and Social Security) than any other group. Transportation allocations show little variations among the groups and households in higher income quintiles allocate less to healthcare.

Chart 3. Shares of average expenditures on selected major components by income quintiles, July 2018 through June 2019

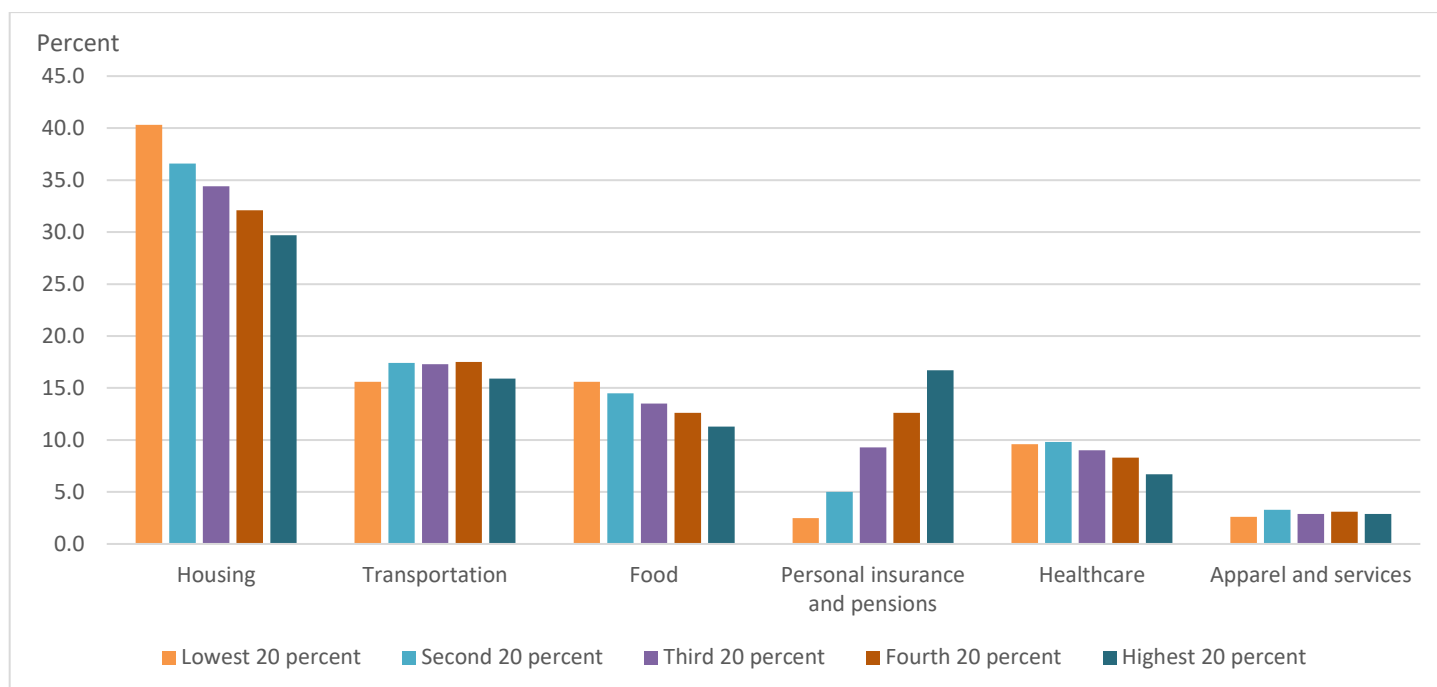


Table A. Average income and expenditures of all consumer units

Item	July 2017- June 2018 Average	July 2018- June 2019 Average	Percent change
			July 2017-June 2018 to July 2018-June 2019
Income before taxes.....	\$76,335	\$81,220	6.4
Average annual expenditures.....	60,815	62,438	2.7
Food.....	7,869	7,967	1.2
Food at home.....	4,445	4,533	2.0
Food away from home.....	3,424	3,434	0.3
Housing.....	20,001	20,506	2.5
Apparel and services.....	1,850	1,859	0.5
Transportation.....	9,735	10,410	6.9
Healthcare.....	4,924	5,049	2.5
Entertainment.....	3,379	3,185	-5.7
Education.....	1,505	1,398	-7.1
Cash contributions.....	1,840	1,946	5.8
Personal insurance and pensions.....	6,904	7,354	6.5
Life and other personal insurance.....	429	497	15.7
Pensions and Social Security.....	6,474	6,857	5.9
All other expenditures.....	2,808	2,764	-1.6

Note: Subcategories may not sum to their respective major item category.

Table B. Average annual expenditures and income before taxes by income quintile, July 2018–June 2019 compared with July 2017–June 2018

Income quintile	Average annual expenditures			Average income before taxes		
	July 2017- June 2018	July 2018- June 2019	Percent change	July 2017- June 2018	July 2018- June 2019	Percent change
Lowest 20 percent	\$26,012	\$27,680	6.4	\$11,335	\$11,358	0.2
Second 20 percent	40,215	39,731	-1.2	30,544	31,721	3.9
Third 20 percent	51,144	52,708	3.1	53,571	55,870	4.3
Fourth 20 percent	68,506	69,819	1.9	88,394	92,224	4.3
Highest 20 percent	118,277	122,052	3.2	198,045	214,373	8.2

Table C. Shares of average expenditures on selected major components by income quintiles, July 2018 through June 2019

Item	Income quintiles				
	Lowest 20 percent	Second 20 percent	Third 20 percent	Fourth 20 percent	Highest 20 percent
Housing.....	40.3	36.6	34.4	32.1	29.7
Transportation.....	15.6	17.4	17.3	17.5	15.9
Food.....	15.6	14.5	13.5	12.6	11.3
Personal insurance and pensions.....	2.5	5.0	9.3	12.6	16.7
Healthcare.....	9.6	9.8	9.0	8.3	6.7
Apparel and services.....	2.6	3.3	2.9	3.1	2.9

Additional information

Data Products

Standard CE midyear tables can be found at www.bls.gov/cex/midyear.htm. Data tables with the most detailed subcategories of expenditures sorted by demographics can be obtained by sending a request to cexinfo@bls.gov. The all consumer unit detailed annual tables are available at www.bls.gov/cex/csresearchtables.htm#allnew.

The 1980 through 2018 CE public-use microdata, including Interview Survey data, Diary Survey data, 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 two different formats: MTBI files that present monthly values in an item-coding framework based on the Consumer Price Index (CPI) pricing scheme, 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.

Documentation of the CE public-use microdata, its conventions, files, sample code, and methodology can be found at www.bls.gov/cex/pumd-getting-started-guide.htm.

The 2019 annual news release, data tables, LABSTAT database, and public-use microdata are planned for release in September 2020.

Publications

The Annual Report, at www.bls.gov/cex/csreport.htm, summarizes major trends found in the annual calendar year tables. Each report discusses the trends and provides tables of average expenditures, income, and demographics. Other recent CE-specific articles are available in the Beyond the Numbers web report series at www.bls.gov/cex/cswebarticles.htm and the CE Data Comparisons section of www.bls.gov/cex/cecomparison.htm. The BLS Beyond the Numbers web report series provides analyses of topical economic issues and long term spending trends, and the data comparison articles examine CE data benchmarked to other sources. Additional methodological and analytical articles using CE data will be published in 2020. All data tables 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.

Survey Forms

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 (2.1 percent) was calculated as the percentage change between the 12-month average CPI-U for all items from July 2017-June 2018 (248.126) and the 12-month average CPI-U for all items from July 2018-June 2019 (253.268).

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

The annual CE Survey Methods Symposium and Microdata Users' Workshop is scheduled for July 21-24, 2020, at the BLS national office. Registration is free. More information and online registration are available at www.bls.gov/cex/csxannualworkshop.htm.

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.