

News

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CONSUMER EXPENDITURES IN THE SOUTH, 2001

Consumer units¹ in the South² spent an average of \$36,285 in 2001, 4.5 percent more than in the previous year, according to data released by the U.S. Department of Labor, Bureau of Labor Statistics. Regional Commissioner Sheila Watkins noted that the South reported the lowest expenditure level among the four geographic regions of the country and was the only region to fall below the national average of \$39,518. While southerners spent fewer total dollars on housing, food, and transportation costs compared to other regions, they nevertheless spent about the same proportion of total expenditures (around two-thirds) on these items as in the other three regions. (See table 1.)

Expenditures can vary among the regions because of many factors: prices, income, population characteristics, climate, consumer tastes, and family size, among others. Consumer units in the Northeast and West had higher incomes before taxes than did households in the Midwest and South. Those in the Northeast and West were less likely to own their own home than in the other two regions. Consumer units in the Northeast were less likely to own their own vehicle, averaging 1.7 vehicles per household unit compared to 2.1 vehicles in the Midwest. However, regional variations were not always evident. The number of persons over the age of 65 in a consumer unit, for example, averaged 0.3 per household across all four regions. Just how similar or diverse a region's expenditure choices are will depend, at least in part, on the particular mix of household characteristics, tastes, and needs.

Expenditure shares by region

Housing was the largest component of a household's expenditures regardless of region, with the cost of shelter (including expenses associated with owning, renting, and maintaining housing) requiring the largest outlay. Among the regions, the share of housing costs varied from 31.3 percent in the South to 35.1 percent in the Northeast. How a region allocated their housing dollars was more diverse. The shelter component accounted for 53.6 percent of the housing budget in the South but 62.9 percent in the West. Among other housing costs, the share allocated for utilities, fuels, and public services ranged from 16.8 percent in the West to 25.0 percent in the South. In general, consumer units in the South and Midwest, where the housing shares of total expenditures were lower, were more likely to be homeowners than their counterparts in the other two regions. Conversely, renting was more prevalent among those in the Northeast and West.

Consumer units in the Northeast allocated 17.5 percent of their household expenditures for transportation compared to 20.5 percent in the South, 19.4 percent in the Midwest, and 19.1 percent in the West. The net outlay for vehicle purchases was also lowest in the Northeast (43.5 percent of transportation costs) and highest in the South (51.2 percent). Conversely, northeastern households contributed the highest share of their transportation dollars to public transport (8.0 percent), while southerners recorded the lowest share (3.8 percent).

¹ See Technical Note at the end of this release for definition of consumer unit. For convenience, the term consumer unit is used interchangeably with the term household.

² The South region is comprised of 16 states and the District of Columbia. A listing of states included in each of the four regions of the country is contained in the Technical Note.

Expenditure shares for food varied the least among the three major components, ranging from 12.8 percent in the Midwest and West to 14.2 percent in the South. There was not a lot of variation among the regions on how their food budget was allocated either, with all four spending close to 60 percent of their food dollars for items prepared at home with the remainder spent on food prepared away from home, such as restaurant meals, carryout, and catered affairs.

Among the other major expenditure categories, there was little variation in the budget shares allocated on a regional basis with health care costs the only exception. Out-of-pocket medical expenses averaged 4.9 percent of all expenditures in the West, but 5.8 and 6.0 percent, respectively, in the Midwest and South. Personal care products, tobacco products, and reading, on the other hand, showed virtually no regional distinctiveness. In general, when differences existed, Southern and Midwestern consumers were most similar in their spending patterns, while households in the Northeast and West were closer in their expenditure choices.

Additional national, regional and metropolitan area Consumer Expenditure (CE) data are available online at <http://www.bls.gov/cex>. Further information on this data as well as other Bureau programs is available on the Philadelphia Information Office website (www.bls.gov/ro3/home.htm). For personal assistance contact the Philadelphia Information Office at (215) 597-3282 or by e-mail at BLSinfoPhiladelphia@bls.gov. Information will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; TDD message referral phone: (1-800) 877-8339.

Technical Note

The current Consumer Expenditure Survey program began in 1980. Its principal objective is to collect information on the buying habits of American consumers. The consumer expenditure data are used in a wide variety of research by government, business, labor, and academic analysts. The data are also required for periodic revision of the Consumer Price Index (CPI).

The survey consists of two components collected by the U.S. Census Bureau for BLS. The Diary survey, completed by participating consumer units for two consecutive one-week periods, collects data on frequently purchased smaller items. The Interview survey, in which the expenditures of consumer units are obtained in five interviews conducted every 3 months, collects expenditures on larger-cost items and those that occur on a regular basis. The data presented in this release are based on integrated data from both surveys and provide a complete accounting of consumer expenditures and income, which neither survey alone can do.

Each component of the survey queries an independent sample of consumer units which is representative of the U.S. population. Over the year, about 7,500 consumer units are sampled for the Diary survey. The Interview sample is conducted on a rotating panel basis, with about 7,500 consumer units participating each quarter. The data are collected on an ongoing basis in 105 areas across the four regions of the country.

The expenditure data in this release should be interpreted with care. The expenditures are averages for consumer units with the specified characteristics, regardless of whether or not a specific unit incurred an expense for that specific item during the recording period. The average expenditure may be considerably lower than the expenditure by those consumer units that purchased the item. This study is not intended as a comparative cost of living survey as neither the quantity nor the quality of goods and services has been held constant among the areas. Expenditure levels vary among areas not only because of economic factors such as the price of goods and services and family income, but also because of differences such as the age of the population, climate, consumer tastes, family size, etc. However, expenditure shares (or the percentage of a consumer unit's budget spent on a particular item) can be compared across areas to show the similarities or differences in spending patterns. Lastly, users should keep in mind that prices for many goods and services have risen since the survey was conducted.

The Consumer Expenditure Survey presents data for the four regions of the country--Northeast, South, Midwest, and West -- as defined by the U. S. Bureau of the Census. The states comprising these regions are listed below.

* Northeast -- Connecticut, Maine, Massachusetts, New Hampshire, New York, New Jersey, Pennsylvania, Rhode Island, and Vermont.

* Midwest -- Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

* South -- Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia, and the District of Columbia.

* West -- Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Definitions

Consumer unit -- 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 and consumer unit are used interchangeably for convenience.

Complete income reporter -- In general, a consumer unit that provides values for at least one of the major sources of its income such as wages and salaries, self employment income, or Social Security income. Even complete income reporters may not have provided a full accounting of all income from all sources.

Table 1. Consumer unit characteristics and percent distribution of expenditures, U.S. average, and regions, Consumer Expenditure Survey, 2001

Item	United States average	Northeast	Midwest	South	West
Consumer unit characteristics:					
Income before taxes 1/	\$47,507	\$50,568	\$47,665	\$44,218	\$49,960
Age of reference person	48.1	49.5	48.7	48.0	46.6
Average number in consumer unit:					
Persons	2.5	2.5	2.4	2.5	2.6
Children under 18	0.7	0.6	0.6	0.7	0.7
Persons 65 and over	0.3	0.3	0.3	0.3	0.3
Earners	1.4	1.3	1.4	1.3	1.4
Vehicles	1.9	1.7	2.1	1.9	2.0
Percent homeowner	66	64	71	68	61
Average annual expenditures	\$39,518	\$41,169	\$39,548	\$36,285	\$43,261
Total (percent)	100	100	100	100	100
Food	13.5	13.8	12.8	14.2	12.8
Alcoholic beverages	0.9	0.9	0.9	0.8	0.9
Housing	32.9	35.1	31.5	31.3	34.7
Apparel and services	4.4	5.0	4.3	4.4	4.0
Transportation	19.3	17.5	19.4	20.5	19.1
Health care	5.5	5.1	5.8	6.0	4.9
Entertainment	4.9	4.5	5.6	4.6	5.2
Personal care products and services	1.2	1.2	1.2	1.3	1.2
Reading	0.4	0.4	0.4	0.3	0.4
Education	1.6	1.8	1.7	1.3	1.8
Tobacco products and smoking supplies	0.8	0.7	0.9	0.9	0.5
Miscellaneous	1.9	2.4	1.8	1.7	1.9
Cash contributions	3.2	2.4	3.9	3.3	2.9
Personal insurance and pensions	9.5	9.2	9.7	9.3	9.6

1/ Components of income and taxes are derived from "complete income reporters" only; see definitions.

Table 2. Average annual expenditures, U.S. average, and regions, Consumer Expenditure Survey, 2001

Item	United States average	Northeast	Midwest	South	West
Average annual expenditures	\$39,518	\$41,169	\$39,548	\$36,285	\$43,261
Food	5,321	5,697	5,052	5,153	5,549
Food at home	3,086	3,399	2,892	2,983	3,183
Food away from home	2,235	2,299	2,160	2,170	2,366
Alcoholic beverages	349	386	346	298	400
Housing	13,011	14,439	12,458	11,375	15,000
Shelter	7,602	8,943	7,056	6,101	9,440
Utilities, fuels, and public services	2,767	2,836	2,823	2,843	2,524
Household operations	676	778	614	619	745
Housekeeping supplies	509	518	492	494	544
Household furnishings and equipment	1,458	1,365	1,473	1,318	1,748
Apparel and services	1,743	2,072	1,695	1,602	1,736
Transportation	7,633	7,194	7,681	7,448	8,258
Vehicles and purchases (net outlay)	3,579	3,131	3,496	3,813	3,676
Gasoline and motor oil	1,279	1,086	1,367	1,245	1,408
Other vehicle expenses	2,375	2,402	2,464	2,110	2,684
Public transportation	400	574	353	281	491
Health care	2,182	2,084	2,292	2,194	2,129
Entertainment	1,953	1,854	2,220	1,652	2,241
Personal care products and services	485	479	482	467	521
Reading	141	169	162	101	159
Education	648	729	689	483	798
Tobacco products and smoking supplies	308	304	374	316	230
Miscellaneous	750	985	701	605	833
Cash contributions	1,258	1,007	1,541	1,206	1,258
Personal insurance and pensions	3,737	3,770	3,853	3,385	4,149