

News

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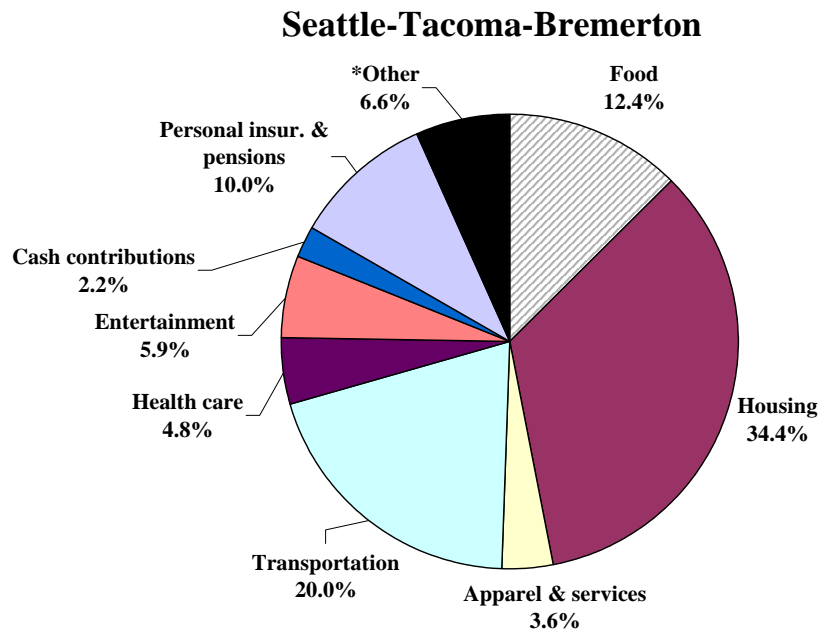
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CONSUMER SPENDING PATTERNS IN SEATTLE-TACOMA-BREMERTON, 2001-2002

Consumer units¹ in the Seattle-Tacoma-Bremerton, Washington metropolitan area spent an average of \$48,348 per year in 2001-2002, about 21 percent more than the typical U.S. household, according to the latest Consumer Expenditure Survey results from the Bureau of Labor Statistics of the U.S. Department of Labor. Since 1999-2000, expenditures in the Seattle area increased 10.9 percent, while nationally spending rose 6.6 percent for the period. According to Acting Regional Commissioner Nancy Treadwell, Seattle area households spent a larger than average share of their budget on housing, transportation, and entertainment, but a smaller percentage on food and health care.

Chart A. Percent distribution of total average expenditures, 2001-2002



* Includes alcoholic beverages, personal care, reading, education, tobacco & supplies, and miscellaneous goods and services.

¹ See Technical Note for definition of a consumer unit. The terms consumer unit and household are used interchangeably throughout the text for convenience.

The typical Seattle household was made up of 2.4 persons, including 1.5 wage earners, not unlike the U.S. profile, and averaged 2.3 vehicles per household, well above the U.S. norm of 2.0. Seattle households spent above the national average in every major expenditure category with the exception of tobacco products, and cash contributions. However, higher expenditure levels do not necessarily translate into higher expenditure shares, as evidenced by the below average percentage allocations for food and health care in the Seattle area. For example, households in Seattle spent \$6,019 for food, \$671 more than the national average—but this expenditure accounted for only 12.4 percent of the budget in the area compared to 13.3 percent nationally. (See table 1.)

This report contains annual data averaged over a two-year period, 2001 and 2002. The data are from the Consumer Expenditure Survey (CE), which is conducted on an ongoing basis by the Bureau of Labor Statistics (BLS). The U.S. Census Bureau collects the survey data for BLS. The CE is the only national survey that provides both complete data on household expenditures and the demographic characteristics of those households. Survey data cannot be used to make cost of living comparisons between areas. Expenditure levels vary among areas not only because of economic factors such as the prices 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 used to compare spending patterns across areas. Data shown are annual averages per consumer unit. An individual consumer unit may spend more or less than the average, depending on its particular characteristics.

The percentage of the total budget spent by a typical Seattle household for the three largest expenditure categories--food, transportation, and housing--was 66.8 percent, slightly above the 65.3 percent spent by an average U.S. household. Of the eight other areas in the West region, San Diego, and Los Angeles had larger than average shares at 70.2 and 68.2 percent, respectively. Anchorage, on the other hand, had the lowest combined expenditure share at 62.6 percent, followed by Portland at 62.9 percent. (See table 2. Geographical boundaries of the region and metropolitan areas referenced in this release are contained in the Technical Note.)

Over the 2001-2002 period, the average Seattle household spent 34.4 percent of its budget on housing, the largest category of consumer expenditures in Seattle. In the West region, housing costs ranged from 40.0 percent of the budget in San Diego to 30.8 percent in Anchorage, though most metropolitan areas in the West were above the national average of 32.8 percent. Shelter costs were the main component of a Seattle consumer unit's housing expenditures, accounting for 64.3 percent of total housing. The typical U.S. share for shelter was 58.7 percent. (See table 1.) The cost of shelter was 38.5 percent higher in Seattle than the U.S. average in 2001-2002. Not surprisingly, the percentage of area residents owning their own home was a bit below the national average—64 percent versus 66 percent. Expenses for utilities, fuels, and public services in Seattle, at \$2,753, were similar to the \$2,725 spent by a typical U.S. household; however, these expenditures comprised only 16.6 percent of a housing budget in Seattle, compared with 20.7 percent nationally.

Transportation was the second largest expenditure category in the Seattle area averaging \$9,680 and accounting for 20.0 percent of a household's expenses. Nationally, transportation costs made up 19.2 percent of the budget. In the West region, only Denver had a higher expenditure share at 20.6 percent; at the lower end, Portland, Honolulu, and San Francisco had shares under 17 percent. Households in Seattle spent 5.5 percent of their transportation dollars on public transit, which includes spending for buses, taxis, subways, trains and planes, not too different from the 5.1 percent spent nationally.

Food accounted for 12.4 percent of total expenditures in the Seattle area, less than the U.S. average of 13.3 percent. Of the nine metropolitan areas in the West, Honolulu was the only one with an expenditure share for food (14.8 percent) exceeding that for the nation. Consumer units in Seattle spent just 31.2 percent of their total food budget on food prepared away from home, such as restaurant meals, carry-outs, board at school, and catered affairs; this was the smallest share among the nine areas in the region and well below the U.S. average of 42.2 percent.

Among the other expenditure categories, payments for personal insurance and pensions accounted for 10.0 percent of a Seattle consumer unit's budget compared to 9.5 percent for a typical U.S. household. Total expenditures for personal insurance and pensions in the Seattle area averaged \$4,816, or 26.1 percent above the cost paid by a typical U.S. household. The expenditure share for entertainment in Seattle was 5.9 percent, above the nationwide average of 5.0 percent. Only Anchorage, at 7.7 percent, and Portland at 6.3 percent, spent a larger share of their total budget on entertainment. On the other hand, Seattle consumer units had smaller than average expenditure shares for both apparel and services, and out-of-pocket health care costs, at 3.6 and 4.8 percent, respectively.

Seattle is one of nine metropolitan areas in the West region and 28 areas nationwide for which Consumer Expenditure data are available. Data are also available for the four Census regions and the U.S. on the BLS Internet site <http://www.bls.gov/cex/home.htm> in both text and PDF formats. For personal assistance or further information on the Consumer Expenditure Survey, as well as other Bureau programs, contact the San Francisco Information Office at 415-975-4350.

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.

The survey consists of two components, a Diary or recordkeeping survey, and an Interview survey. The Diary survey, completed by participating consumer units for two consecutive 1-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 data for larger-cost items and expenditures that occur on a regular basis. The U.S. Census Bureau collects the survey data.

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 of the country.

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.

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 a particular unit incurred an expense for a 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 areas. Differences may result from variations in characteristics such as consumer unit size, age, income levels, etc. Users should keep in mind that prices for many goods and services have risen since the survey was conducted.

In addition, sample surveys are subject to two types of errors. Sampling errors occur because the data are collected from a representative sample rather than the entire population. Nonsampling errors result from the inability or unwillingness of respondents to provide correct information, differences in interviewer ability, mistakes in recording or coding, or other processing errors. The year-to-year changes are volatile and should be interpreted carefully. 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.

Some expenditure components are subject to large fluctuations from one year to the next because these components include expensive items that relatively few consumers purchase each year. Thus, shifts from year to year in the number of consumers making such purchases can have a large effect on average expenditures. Examples of these types of expenses are purchases of new cars and trucks in the transportation component, and spending on boats and recreational vehicles in the entertainment component.

The Metropolitan Statistical Areas (MSAs) and Consolidated Metropolitan Statistical Areas (CMSAs) covered by the Consumer Expenditure Survey represent areas designated by the U.S. Office of Management and Budget and are based on definitions in effect as of December 1992. The general concept of an MSA is one of a large population nucleus, together with adjacent communities which have a high degree of economic and social integration with that nucleus. The following metropolitan areas are discussed in this release:

San Francisco-Oakland-San Jose, CA CMSA which is comprised of Alameda, Contra Costa, Marin, Napa, Santa Clara, Santa Cruz, San Francisco, San Mateo, Solano, and Sonoma Counties;

Los Angeles-Riverside-Orange County, CA CMSA which is comprised of Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties;

San Diego, CA MSA which is comprised of San Diego County;

Portland-Salem, OR-WA CMSA which is comprised of Clackamas, Columbia, Marion, Multnomah, Polk, Washington, and Yamhill Counties, Oregon and Clark County, Washington;

Seattle-Tacoma-Bremerton, WA CMSA which is comprised of Island, King, Kitsap, Pierce, Snohomish, and Thurston Counties;

Honolulu, HI MSA which is comprised of Honolulu County;

Anchorage, AK MSA which is comprised of Anchorage Borough;

Phoenix-Mesa, AZ MSA which is comprised of Maricopa and Pinal Counties; and

Denver-Boulder-Greeley, CO CMSA which is comprised of Adams, Arapahoe, Boulder, Denver, Douglas, Jefferson and Weld Counties.

The Consumer Expenditure Survey also provides data for the four regions of the country as defined by the U.S. Census Bureau—Northeast, South, Midwest, and West. Data for metropolitan areas presented in table 2 of this release are part of the West region which includes the states of 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 or 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.

Expenditures - consist of the transaction costs, including excise and sales taxes, of goods and services acquired during the interview or recordkeeping period. Expenditure estimates include expenditures for gifts, but exclude purchases or portions of purchases directly assignable to business purposes. Also excluded are periodic credit or installment payments on goods or services already acquired. The full cost of each purchase is recorded even though full payment may not have been made at the date of purchase.

Income before taxes - the total money earnings and selected money receipts during the 12 months prior to the interview date.

Table 1. Average annual expenditures and characteristics of all consumer units, U.S. and Seattle metropolitan area, Consumer Expenditure Survey, 2001-2002

	United States	Seattle
Income before taxes ¹	\$48,484	\$58,488
Age of reference person.....	48.1	45.8
Average number in consumer unit:		
Persons.....	2.5	2.4
Earners.....	1.4	1.5
Vehicles.....	2.0	2.3
Percent homeowner.....	66	64
Average annual expenditures.....	\$40,102	\$48,348
Food.....	5,348	6,019
Food at home.....	3,092	4,143
Cereals and bakery products.....	451	574
Meats, poultry, fish, and eggs.....	813	1,028
Dairy products.....	330	430
Fruits and vegetables.....	537	722
Other food at home.....	961	1,390
Food away from home.....	2,256	1,875
Alcoholic beverages.....	362	443
Housing.....	13,148	16,621
Shelter.....	7,716	10,685
Owned dwellings.....	5,072	6,991
Rented dwellings.....	2,147	3,047
Other lodging.....	497	647
Utilities, fuels, and public services.....	2,725	2,753
Household operations.....	691	800
Housekeeping supplies.....	527	572
Household furnishings and equipment.....	1,488	1,811
Apparel and services.....	1,746	1,753
Transportation.....	7,697	9,680
Vehicle purchases (net outlay).....	3,622	4,424
Gasoline and motor oil.....	1,257	1,392
Other vehicle expenses.....	2,423	3,337
Public transportation.....	394	528
Health care.....	2,267	2,326
Entertainment.....	2,017	2,835
Personal care products and services.....	505	556
Reading.....	140	172
Education.....	700	889
Tobacco products and smoking supplies.....	314	303
Miscellaneous.....	771	848
Cash contributions.....	1,268	1,086
Personal insurance and pensions.....	3,818	4,816

¹ Components of income and taxes are derived from "complete income reporters" only.

Table 2. Distribution of expenditures, U.S. and West region¹ metropolitan areas, Consumer Expenditure Survey, 2001-2002

Item	United States	Anchorage	Denver	Honolulu	Los Angeles	Portland	Phoenix	San Francisco	San Diego	Seattle
Average annual expenditures.....	\$40,102	\$56,169	\$49,014	\$43,458	\$47,459	\$43,358	\$41,615	\$55,346	\$42,588	\$48,348
Percent distribution:	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Food.....	13.3	12.4	11.9	14.8	12.4	12.0	12.6	11.7	11.8	12.4
Alcoholic beverages.....	0.9	0.9	1.1	1.1	0.9	1.1	1.1	1.1	0.8	0.9
Housing.....	32.8	30.8	34.4	32.7	37.1	34.8	33.4	38.2	40.0	34.4
Apparel and services.....	4.4	3.5	3.5	3.7	4.2	3.7	3.7	4.1	3.4	3.6
Transportation.....	19.2	19.3	20.6	16.6	18.7	16.1	19.7	16.7	18.3	20.0
Health care.....	5.7	4.4	4.9	5.4	4.3	5.4	5.4	4.2	4.4	4.8
Entertainment.....	5.0	7.7	5.4	5.2	4.8	6.3	5.9	4.3	4.6	5.9
Personal care products and services.....	1.3	1.1	1.3	1.4	1.3	1.2	1.3	1.0	1.2	1.1
Reading.....	0.3	0.5	0.3	0.4	0.3	0.5	0.3	0.5	0.3	0.4
Education.....	1.7	1.3	1.3	2.5	1.7	1.7	1.1	1.9	1.2	1.8
Tobacco products and smoking supplies.....	0.8	0.9	0.6	0.7	0.4	0.7	0.7	0.4	0.5	0.6
Miscellaneous.....	1.9	2.5	2.2	1.7	2.2	2.6	1.9	1.8	2.0	1.8
Cash contributions.....	3.2	3.4	3.1	2.9	2.6	3.4	2.7	2.8	2.2	2.2
Personal insurance and pensions.....	9.5	11.2	9.6	10.9	9.1	10.6	10.2	11.4	9.2	10.0

¹ West region includes: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.