

News

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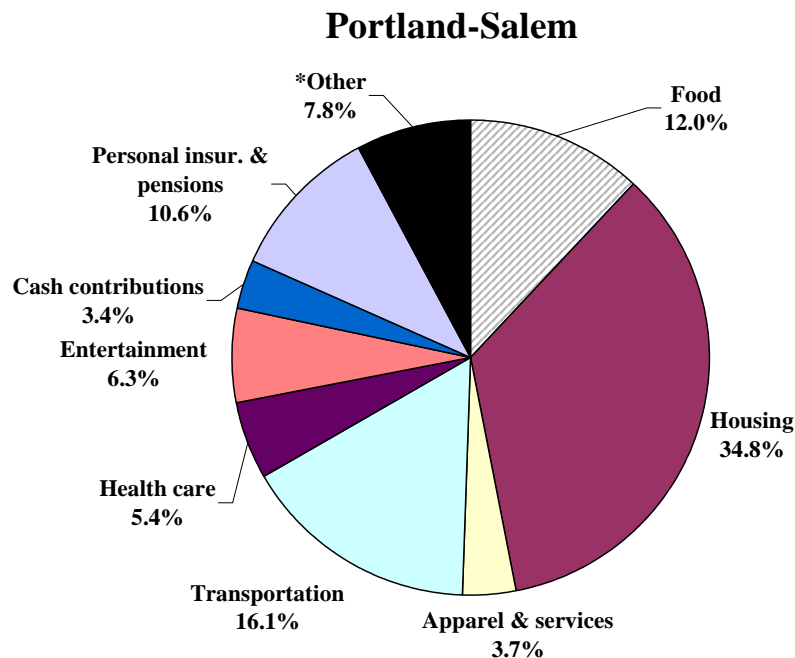
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BLS 04-41
FOR RELEASE:
Monday, May 17, 2004

CONSUMER SPENDING PATTERNS IN PORTLAND-SALEM, 2001-2002

Consumer units¹ in the Portland-Salem, Oregon metropolitan area spent an average of \$43,358 per year in 2001-2002, 8.1 percent more than the typical U.S. household according to the latest Consumer Expenditure Survey results from the Bureau of Labor Statistics. Acting Regional Commissioner Nancy Treadwell noted that Portland housing expenses were 14.8 percent above the national average and accounted for a larger than average share of a household's budget. In Portland, the typical household reported income of \$52,021 before taxes, and was comprised of 2.5 persons and 1.4 wage earners. (See table 1.)

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 percentage of the total budget spent by a typical Portland household for the three largest expenditure categories--food, housing, and transportation--was 62.9 percent, below the 65.3 percent spent by an average U.S. household. In comparison to the eight other metropolitan areas surveyed in the West region, only Anchorage households spent a smaller percentage of their budget on these three categories (62.5 percent) than did those in Portland. San Diego households, on the other hand, had the largest combined expenditure share at 70.2 percent. (See table 2. Geographical boundaries of the region and metropolitan areas referenced in this release are contained in the Technical Note.)

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.

Over the 2001-2002 period, housing expenses accounted for 34.8 percent of total household expenditures in the Portland area, higher than the national average of 32.8 percent. San Diego, at 40.0 percent, had the largest expenditure share for housing among the other eight metropolitan areas in the West, and Anchorage, the smallest, at 30.8 percent. The majority (62.8 percent) of a consumer unit's housing costs in Portland went for shelter, which includes mortgage interest, property taxes, repairs, and rent, among other items. Utilities, fuels, and services accounted for 17.4 percent of housing expenses. In comparison, a typical household in the United States spent 58.7 percent of the housing budget on shelter, but 20.7 percent for utilities, fuels, and services. In Portland, 63 percent of all households owned their own home, one of the highest rates of ownership in the West along with Denver and Seattle, which both averaged 64 percent. Nationally, no metropolitan area surveyed in the West surpassed the nationwide rate of 66 percent. Those in Honolulu were least likely to be homeowners (53.0 percent).

Transportation was the second largest expenditure category in the Portland area accounting for 16.1 percent of a household's budget, while nationally, transportation made up 19.2 percent. In comparison to the eight other the metropolitan areas surveyed in the West region, consumer units in Portland spent the smallest share on this category, while those in Denver had the highest share, at 20.6 percent. Households in Portland-Salem allocated a smaller portion of their transportation budget for vehicle purchases than did consumer units nationwide (38.2 versus 47.1 percent), but spent more on public transit (8.2 versus 5.1 percent). Still, Portland area residents averaged 2.4 vehicles per household, well above the U.S. average of 2.0 vehicles.

Food accounted for 12.0 percent of total expenditures in the Portland area, lower than the national average of 13.3 percent. In the West, food expenditure shares ranged from 11.7 percent in San Francisco to 14.8 percent in Honolulu. Consumer units in Portland spent 42.9 percent of their total food budget on food prepared away from home, such as restaurant meals, carry-outs, board at school, and catered affairs, slightly above the nationwide average of 42.2 percent.

Among the other expenditure categories, payments for personal insurance and pensions accounted for 10.6 percent of Portland budgets compared to 9.5 percent for a typical U.S. household.

Expenditure shares were also higher in Portland than the nation for entertainment (6.3 versus 5.0 percent). The percentage of the budget spent on entertainment in Portland was second highest in the West; only Anchorage households, at 7.7 percent, spent more. Conversely, Portland consumer units had a smaller than average expenditure share for apparel, at 3.7 percent compared to 4.4 percent, nationally. Expenditure shares for several other expenditure categories, including out-of-pocket health care costs and education, were close to or equaled the national average.

Portland is one of nine metropolitan areas in the West region and 28 areas nationwide for which Consumer Expenditure data are available. Data tables are also available for the four geographic regions of the country 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, meaning the resulting U.S. estimates 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 geographic 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 Portland metropolitan area, Consumer Expenditure Survey, 2001-2002

	United States	Portland
Income before taxes ¹	\$48,484	\$52,021
Age of reference person.....	48.1	45.8
Average number in consumer unit:		
Persons.....	2.5	2.5
Earners.....	1.4	1.4
Vehicles.....	2.0	2.4
Percent homeowner.....	66	63
Average annual expenditures.....	\$40,102	\$43,358
Food.....	5,348	5,203
Food at home.....	3,092	2,971
Cereals and bakery products.....	451	414
Meats, poultry, fish, and eggs.....	813	671
Dairy products.....	330	344
Fruits and vegetables.....	537	485
Other food at home.....	961	1,058
Food away from home.....	2,256	2,232
Alcoholic beverages.....	362	493
Housing.....	13,148	15,095
Shelter.....	7,716	9,476
Owned dwellings.....	5,072	6,180
Rented dwellings.....	2,147	2,681
Other lodging.....	497	614
Utilities, fuels, and public services.....	2,725	2,631
Household operations.....	691	808
Housekeeping supplies.....	527	377
Household furnishings and equipment.....	1,488	1,804
Apparel and services.....	1,746	1,586
Transportation.....	7,697	6,989
Vehicle purchases (net outlay).....	3,622	2,673
Gasoline and motor oil.....	1,257	1,235
Other vehicle expenses.....	2,423	2,511
Public transportation.....	394	570
Health care.....	2,267	2,353
Entertainment.....	2,017	2,711
Personal care products and services.....	505	506
Reading.....	140	218
Education.....	700	750
Tobacco products and smoking supplies.....	314	302
Miscellaneous.....	771	1,107
Cash contributions.....	1,268	1,468
Personal insurance and pensions.....	3,818	4,577

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.