

Consumer Spending

Week 1: Expenses by income

QUESTIONS? Contact Professor Bill Pinkovitz of the UW-Extension at bill.pinkovitz@ces.uwex.edu.

Economic Snapshot is a weekly feature provided by the



What Americans buy depends on how much they make

Since 1980, the U.S. Bureau of Labor Statistics has conducted an annual Consumer Expenditure Survey, which is one of the most widely used sources of information on consumer spending.

Both the private and public sectors rely on it as the basis for market research and analysis.

Fortunately, much of the data in the survey is available free online at: www.bls.gov/ces.

Each year, the survey collects information on spending from more than 18,000 consumer units. The results are available by geographic regions and several demographic categories, including age, income, education and occupation.

For example, according to the 2008 CES, the average U.S. consumer unit spent \$6,443 on food consisting of \$3,744 spent on “food at home” (grocery stores and other food stores) and \$2,698 on “food away from home” (restaurants, take-out, delivery, and vending machines). As one might expect, spending on food, especially food away from home, varied significantly with income. Consumer units with incomes between \$20,000 and \$50,000

Average annual consumer expenditures for selected categories by income

	\$20,000 to \$50,000	\$50,000 to \$70,000	> \$70,000	> \$150,000
Average annual expenditures	\$35,099	\$50,465	\$83,700	\$124,678
Food	\$4,869	\$6,388	\$9,884	\$13,011
Food at home	\$3,082	\$3,762	\$5,253	\$5,940
Food away from home	\$1,787	\$2,626	\$4,631	\$7,071
Furniture	\$229	\$348	\$714	\$1,191
Mens' Apparel	\$207	\$343	\$611	\$1,197
Womens' Apparel	\$402	\$536	\$1,196	\$1,560
Cars and trucks, new	\$736	\$1,228	\$2,567	\$3,848
Gasoline and motor oil	\$2,252	\$3,033	\$3,967	\$4,396

SOURCE: 2008 Consumer Expenditure Survey, BLS

spent an average of only \$1,787 on food away from home in 2008 compared to \$4,631 by consumers with incomes of more than \$70,000.

The survey also shows that, on average, consumer units with incomes of more than \$150,000 spent more on food away from home (\$7,071) than on food at home (\$5,940).

Knowing how much different groups of con-

sumers spend on a goods and services can help businesses better target their product lines and marketing efforts.

During April, Economic Snapshots will focus on the CES. The following chart provides a sampling of the type of information available through the CES. More detailed spending reports can be found at: www.bls.gov/ces/#tables.