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**CONSUMER EXPENDITURES MIDYEAR UPDATE -- JULY 2016
 THROUGH JUNE 2017 AVERAGE**

Average expenditures per consumer unit¹ for July 2016 through June 2017 were up 3.9 percent compared with the July 2015 through June 2016 midyear average, the U.S. Bureau of Labor Statistics reported today. During the same period, the Consumer Price Index (CPI-U) rose 1.9 percent and average pretax incomes increased 0.3 percent.

Table A. Average expenditures and income of all consumer units

Item	July 2015 - June 2016 Average	July 2016 - June 2017 Average	Percent change
			July 2015 - June 2016 to July 2016 - June 2017
Income before taxes.....	\$72,990	\$73,207	0.3
Average annual expenditures.....	56,258	58,460	3.9
Food.....	7,196	7,407	2.9
Food at home.....	4,101	4,121	0.5
Food away from home.....	3,095	3,286	6.2
Housing.....	18,495	19,325	4.5
Apparel and services.....	1,794	1,771	-1.3
Transportation.....	9,225	9,252	0.3
Healthcare.....	4,470	4,710	5.4
Entertainment.....	2,908	2,941	1.1
Education	1,241	1,372	10.6
Cash contributions.....	1,813	2,088	15.2
Personal insurance and pensions.....	6,553	6,938	5.9
Pensions and Social Security.....	6,221	6,554	5.4
All other expenditures.....	2,563	2,655	3.6

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

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 share major expenses/ who make joint expenditure decisions.

Most major components of household spending increased over the 12 months ending June 2017. (See table A.) The 15.2-percent rise in cash contributions spending was the largest percentage increase among all major components, followed by a 10.6-percent rise in education expenditures.

Spending patterns, July 2016 – June 2017 compared with July 2015 – June 2016

- Cash contributions increased 15.2 percent. The category incorporates a wide array of giving and financial obligations including 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. Contributions to charities and other nonprofit organizations, excluding religious and educational, accounted for much of this increase, rising significantly over this period.
- Education spending increased 10.6 percent. College tuition outlays increased 15.8 percent, while expenditures for finance, late, and interest charges on student loans decreased 8.0 percent.
- Spending on food increased 2.9 percent. The increase was driven by food away from home which increased 6.2 percent, while food at home rose 0.5 percent.
- Healthcare spending rose 5.4 percent to \$4,710 for July 2016 through June 2017. Annual (calendar year) spending for healthcare has increased every year from 1996 through 2016. The most recent midyear increase was driven by an 11.7-percent increase in average drug expenditures, a 10.8-percent increase in average medical services expenditures, and a 3.5-percent increase in average health insurance expenditures.
- Apparel and services spending decreased 1.3 percent to \$1,771, after decreasing 4.6 percent during the previous midyear period. A decline in expenditures for watches and jewelry spurred the drop in apparel spending.
- Transportation expenditures edged up 0.3 percent to \$9,252. Within transportation, the average expenditures for vehicle repairs and maintenance was up 11.5 percent, an increase largely offset by a decline in spending for new cars and trucks. Average household expenditures for gasoline and motor oil were essentially unchanged over the period.
- Personal insurance and pensions expenditures increased 5.9 percent, following an 8.3-percent increase during the previous midyear period. The 5.4-percent increase in pensions and Social Security and the 15.7-percent increase in life and other personal insurance accounted for the growth in the category.

Spending by selected demographics

Data from the Consumer Expenditure Surveys (CE) measure how consumers allocate their spending among the various components of total expenditures. Table B and chart 1 compare the shares 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. No clear pattern existed for the shares allocated to transportation and healthcare among the income quintile groups.

Table B. Shares of average expenditures on selected major components by income quintiles, July 2016 through June 2017

Item	Income quintiles				
	Lowest 20 percent	Second 20 percent	Third 20 percent	Fourth 20 percent	Highest 20 percent
Food.....	15.7	13.5	13.6	12.7	11.3
Housing.....	40.6	36.3	34.2	32.1	30.3
Transportation.....	14.7	17.1	16.8	17.1	14.5
Healthcare.....	8.9	9.3	9.3	8.3	6.8
Personal insurance & pensions.	2.7	5.8	9.0	12.9	16.7

Chart 1. Shares of average expenditures on selected major components by income quintiles, July 2016 through June 2017

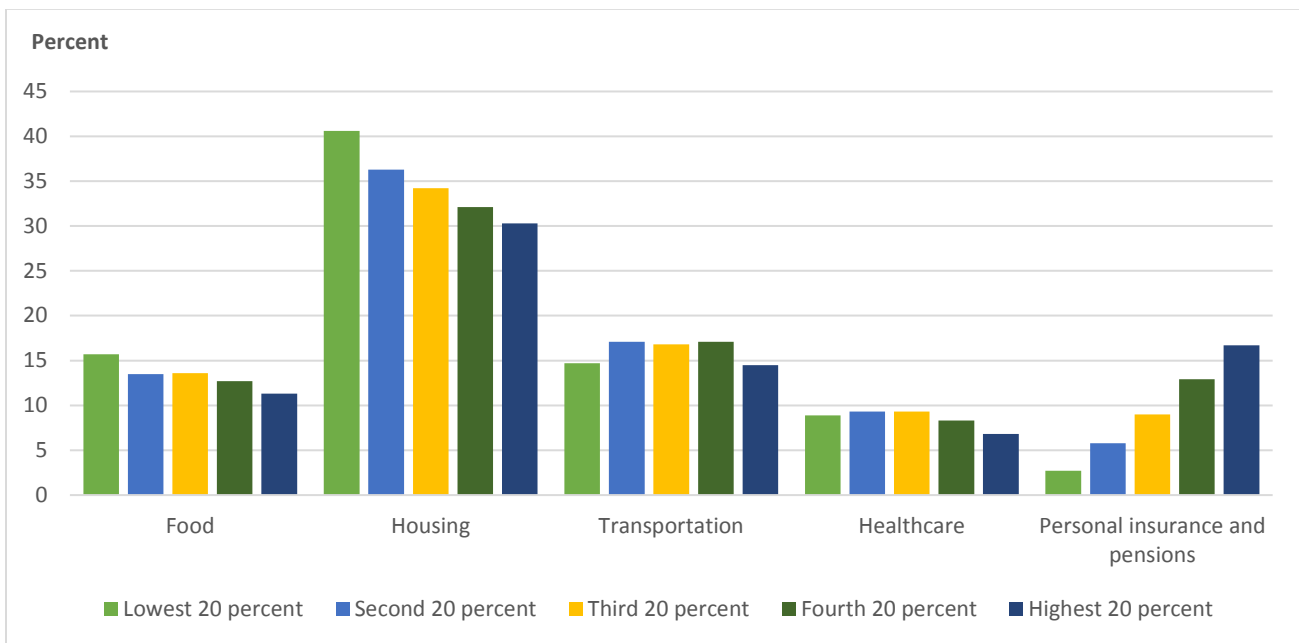
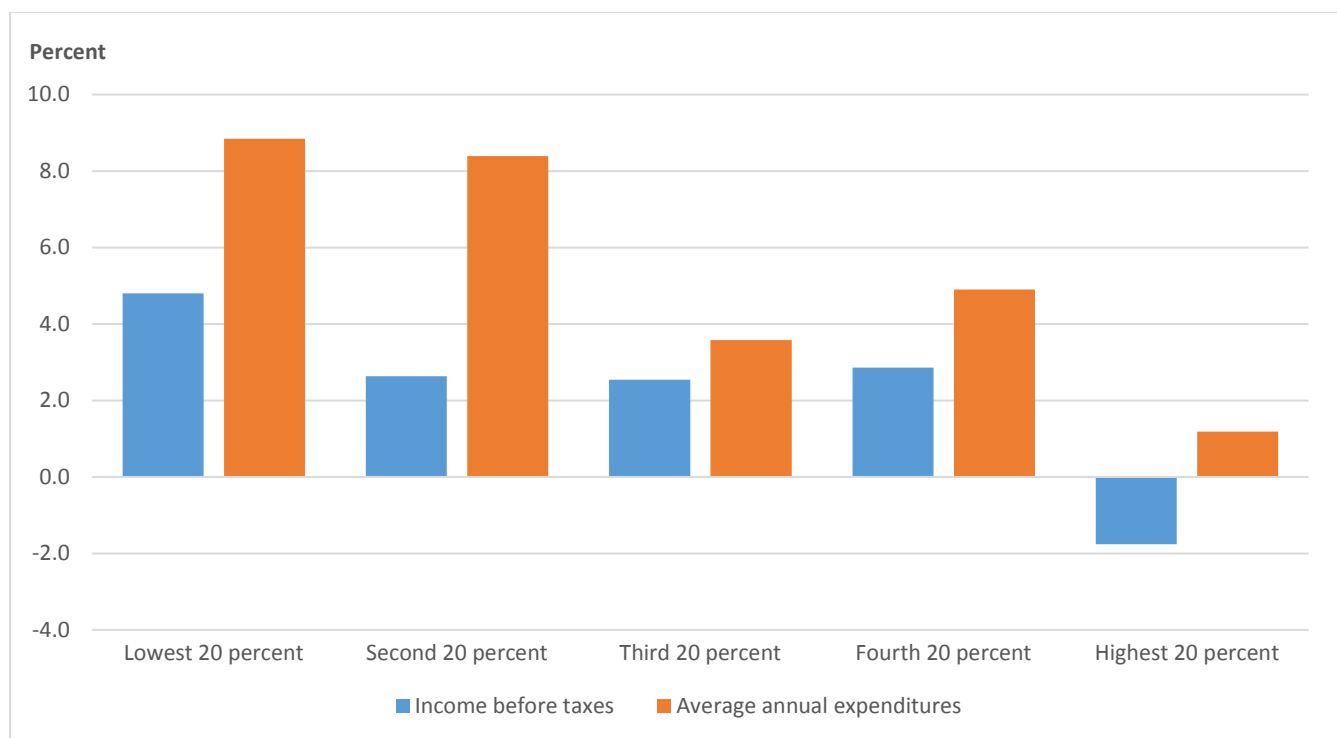


Table C and chart 2 show average expenditures and income before taxes by quintile from July 2016 through June 2017. Only the highest 20 percent showed a decrease in average household income before taxes across the 12 months ending June 2017. All the quintiles showed an increase in total average household expenditures.

Table C. Average annual expenditures and income before taxes by income quintile, July 2016 – June 2017 compared with July 2015 – June 2016

Income quintile	Average annual expenditures			Income before taxes		
	July 2015 - June 2016	July 2016 - June 2017	Percent change	July 2015 - June 2016	July 2016 - June 2017	Percent change
Lowest 20 percent	\$24,020	\$26,144	8.8	\$11,056	\$11,587	4.8
Second 20 percent	35,240	38,187	8.4	28,660	29,414	2.6
Third 20 percent	46,864	48,543	3.6	50,105	51,379	2.5
Fourth 20 percent	63,424	66,532	4.9	82,561	84,924	2.9
Highest 20 percent	111,526	112,845	1.2	192,051	188,676	-1.8

Chart 2. Percent change in average annual expenditures and income before taxes by income quintile, July 2016 – June 2017 compared with July 2015 – June 2016



Additional information

Standard CE midyear tables can be found at www.bls.gov/cex/midyear.htm. Data tables with the most detailed subcategories of expenditures can be obtained by sending a request to cexinfo@bls.gov.

The 1996 through 2016 CE public-use microdata, including Interview Survey data, Diary Survey data, and paradata (information about the data collection process), are available on the CE website for free electronic download 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 EXPN files that organize expenditures by the section of the Interview questionnaire in which they are collected. Expenditure values on EXPN 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. For releases prior to 1996, users can continue to purchase USB flash drives using the public-use microdata order form at www.bls.gov/cex/pumd_doc.htm.

The change in the Consumer Price Index (CPI-U) cited in the text was calculated as the percentage change between the 12-month average CPI-U for all items from July 2015-June 2016 (238.251) and the 12-month average CPI-U for all items from July 2016-June 2017 (242.671).

The 2016 Annual Report, Consumer Expenditures in 2016, includes a brief discussion of expenditure changes in 2016 and tables with data classified by the standard characteristics that are included on the website, www.bls.gov/opub/reports/consumer-expenditures/2016/home.htm. Recent CE-specific articles in the BLS Beyond the Numbers web report series provide analyses of topical economic issues and long term spending trends, as well as comparisons of CE data to other data series at www.bls.gov/cex/csxwebarticles.htm and www.bls.gov/cex/cecomparison.htm. Additional methodological and analytical articles using CE data will be published in 2018. All data 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.

The 2017 annual news release, data tables, and public-use microdata are planned for release in September 2018. Public-use microdata are released on an annual basis.

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.

Information on the methodology used to calculate and collect CE data is available at www.bls.gov/cex/ce_methodology.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.

The annual CE Microdata Users' Workshop and Survey Methods Symposium will be held July 17-20, 2018, at the BLS national office. Registration is free. More information and the registration form are available at www.bls.gov/cex/csxannualworkshop.htm.

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.