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CONSUMER EXPENDITURES – 2016

Average expenditures per consumer unit¹ for 2016 were \$57,311, a 2.4-percent increase from 2015 levels, the U.S. Bureau of Labor Statistics reported today. During the same period, the Consumer Price Index (CPI-U) rose 1.3 percent², and average pre-tax income per consumer unit increased 7.2 percent to \$74,664. In 2015, spending increased 4.6 percent from 2014 levels.

Six of the eight major components of household spending increased in 2016, as shown in table A. Of these, cash contributions expenditures showed the greatest percentage increase, 14.4 percent. This was followed by expenditures for personal insurance and pensions, rising 7.6 percent, healthcare, rising 6.2 percent, food and housing, both rising 2.6 percent, and entertainment, rising 2.5 percent. Expenditures on transportation fell 4.8 percent, while expenditures on apparel and services fell 2.3 percent.

Spending patterns by selected component

Expenditures on cash contributions rose again this year, up 14.4 percent after rising 1.7 percent in 2015.

Personal insurance and pensions expenditures rose 7.6 percent to \$6,831. This was primarily driven by the 8.2-percent increase in pensions and Social Security expenditures. The non-payroll deposits in retirement plans subcomponent was up over 26 percent in 2016 and up over 83 percent since 2014. The subcomponent life and other personal insurance fell 3.3 percent.

Healthcare expenditures rose 6.2 percent. This was primarily driven by increased health insurance expenditures, up 6.1 percent.

Housing expenditures increased 2.6 percent. The largest subcomponent, shelter, rose 3.6 percent. The change was driven by rented dwellings, up 6.1 percent. Owned dwellings, which includes mortgage interest, property taxes, and maintenance, repairs, and insurance increased 1.4 percent.

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 expenses.

² This is calculated as the percentage change between the annual average CPI-U for all items for 2016 (240.007) and the annual average CPI-U for all items for 2015 (237.017). See CPI Detailed Report, Data for January 2017, Table 24.

Expenditures on the discretionary categories of food away from home and entertainment continued increasing in 2016, up 4.9 percent and 2.5 percent respectively, after increasing 7.9 percent and 4.2 percent in 2015.

Transportation expenditures fell 4.8 percent primarily driven by the 9.1-percent decline in vehicle purchases expenditures and the 8.7-percent decline in gasoline and motor oil expenditures. Gasoline and motor oil expenditures have declined each year since 2012. The second largest subcomponent of transportation, other vehicle expenses, which includes finance charges, maintenance, insurance, and rentals/leases/licenses, rose 4.6 percent.

Table A. Average expenditures and income of all consumer units and percent changes for selected components, 2014-16¹

Item	2014	2015	2016	Percent change	
				2014 - 2015	2015 - 2016
Average income before taxes	\$66,877	\$69,629	\$74,664	4.1	7.2
Average annual expenditures	53,495	55,978	57,311	4.6	2.4
Food.....	6,759	7,023	7,203	3.9	2.6
Food at home.....	3,971	4,015	4,049	1.1	0.8
Food away from home.....	2,787	3,008	3,154	7.9	4.9
Housing.....	17,798	18,409	18,886	3.4	2.6
Shelter.....	10,491	10,742	11,128	2.4	3.6
Owned dwellings.....	6,149	6,210	6,295	1.0	1.4
Rented dwellings.....	3,631	3,802	4,035	4.7	6.1
Apparel and services.....	1,786	1,846	1,803	3.4	-2.3
Transportation.....	9,073	9,503	9,049	4.7	-4.8
Vehicle purchases.....	3,301	3,997	3,634	21.1	-9.1
Gasoline and motor oil.....	2,468	2,090	1,909	-15.3	-8.7
Other vehicle expenses.....	2,723	2,756	2,884	1.2	4.6
Healthcare.....	4,290	4,342	4,612	1.2	6.2
Health insurance.....	2,868	2,977	3,160	3.8	6.1
Entertainment.....	2,728	2,842	2,913	4.2	2.5
Cash contributions.....	1,788	1,819	2,081	1.7	14.4
Personal insurance and pensions.....	5,726	6,349	6,831	10.9	7.6
Life and other personal insurance.....	327	333	322	1.8	-3.3
Pensions and Social Security.....	5,399	6,016	6,509	11.4	8.2
All other expenditures.....	3,547	3,845	3,933	8.4	2.3

¹ Subcategories do not sum to 100%.

Spending by composition of consumer unit

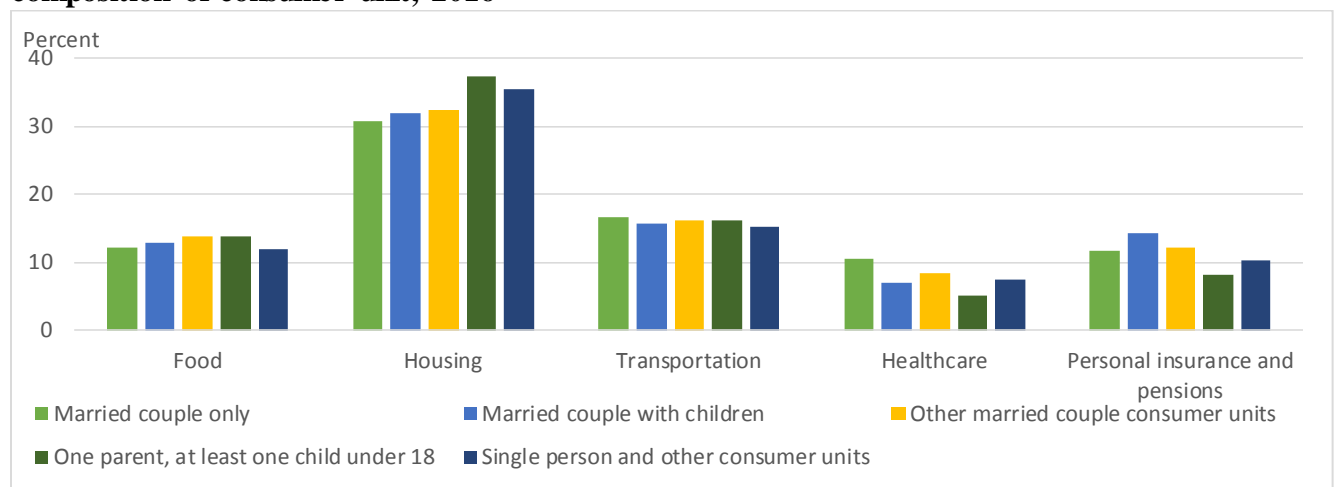
Consumer Expenditure Survey (CE) data measure how consumers allocate their spending among the various components of average annual expenditures. Table B and chart 1 compare the shares allocated to selected major expenditure categories by composition of consumer unit in 2016. One parent consumer units with at least one child under 18 allocated over one-half of their total spending to food and housing, increasing their share for both categories from 2015 and reported the highest shares of spending on food and housing among the groups studied.

Over 10 percent of total spending for married couple only consumer units went to healthcare, over twice as large a share as reported by one parent consumer units (5.1 percent). Married couple with children consumer units allocated the highest share of all groups to personal insurance and pensions (12.5 percent), while other married couple consumer units (those with married couples and persons other than children living in the consumer unit) allocated the highest share to transportation (18.6 percent).

Table B. Shares of average annual expenditures on selected major components by composition of consumer unit, 2016

Item	Married couple only	Married couple with children	Other married couple consumer units	One parent, at least one child under 18	Single person and other consumer units
Food	11.8	12.9	14.5	14.8	12.4
Housing	30.5	31.8	30.5	38.0	36.7
Transportation	17.5	17.3	18.6	17.0	15.9
Healthcare	10.3	7.3	7.8	5.1	7.3
Personal insurance and pensions	11.1	12.5	11.6	7.5	8.9

Chart 1. Shares of average annual expenditures on selected major components by composition of consumer unit, 2016



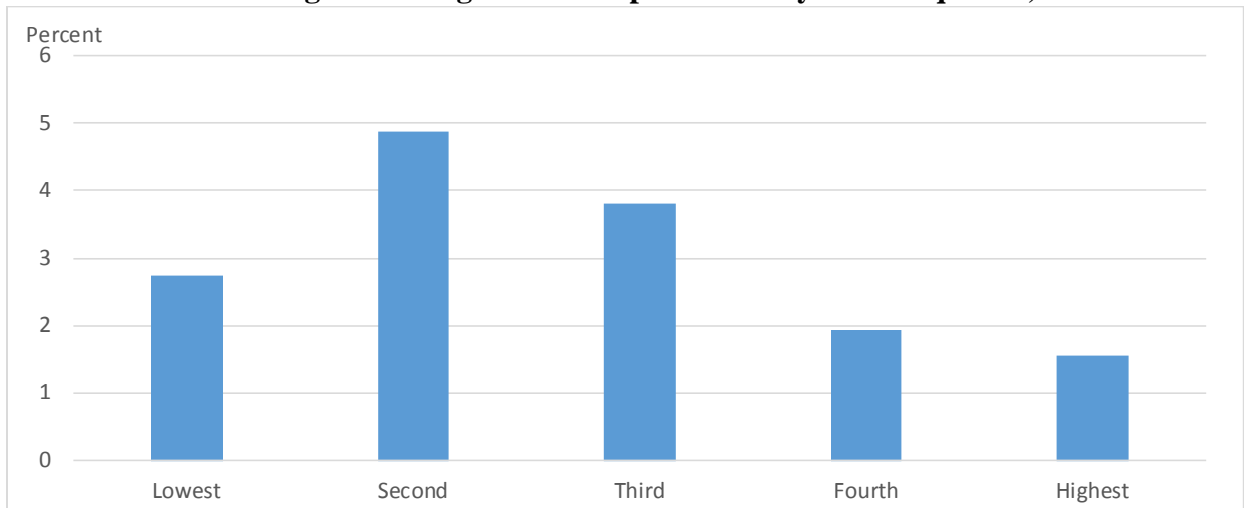
Spending by income quintile

Table C and Chart 2 show the percent change for expenditures by income quintile. Overall spending increased in all five quintiles, ranging from 1.6 percent in the highest quintile to 4.9 percent in the second quintile. Healthcare, personal insurance and pensions, food away from home, and housing expenditures increased across all income quintiles. Spending on food at home, apparel and services, and entertainment saw increases in three of five quintiles. Cash contributions had increases in two of five quintiles. Transportation expenditures increased by 5.8 percent and 1.2 percent for the lowest and second quintiles, but declined between 3.5 percent and 9.6 percent for the highest three quintiles.

Table C. Dollar change and percent change in average annual expenditures on major components by income quintile, 2015-16

Item	Lowest		Second		Third		Fourth		Highest	
	Dollar	Percent	Dollar	Percent	Dollar	Percent	Dollar	Percent	Dollar	Percent
Average annual expenditure change:										
Total.....	\$668	2.7	\$1,707	4.9	\$1,752	3.8	\$1,239	1.9	\$1,713	1.6
Food.....	95	2.5	-44	-0.9	425	7.3	271	3.3	163	1.3
At home.....	3	0.1	-158	-4.8	252	7.3	193	4.3	-117	-1.8
Away from home.....	92	7.2	115	6.6	172	7.3	78	2.2	280	4.6
Housing.....	377	3.8	720	5.6	506	3.2	279	1.4	626	1.9
Apparel and services.....	84	10.9	25	2.2	217	16.6	-25	-1.2	-514	-12.8
Transportation.....	208	5.8	69	1.2	-356	-4.0	-399	-3.5	-1,719	-9.6
Healthcare.....	226	11.7	105	3.1	301	7.6	114	2.1	628	8.9
Entertainment.....	-124	-9.7	45	2.6	126	5.7	358	11.7	-31	-0.5
Cash contributions.....	-154	-21.7	377	35.7	-34	-2.5	1	0.0	1,144	28.0
Personal insurance and pensions.....	53	8.9	26	1.5	247	6.2	595	7.8	1,603	9.1
All other expenditures.....	-97	-4.9	385	17.6	321	12.0	45	1.2	-189	-2.2

Chart 2. Percent change in average annual expenditures by income quintile, 2015-16



Other available data

Consumer Expenditure (CE) data include the expenditures and income of consumers, as well as the demographic characteristics of those consumers. Tables with more expenditure detail are available at www.bls.gov/cex. Published tables provide 2016 CE data by standard classifications that include income quintile, income decile, income class, age of reference person, size of consumer unit, number of earners, composition of consumer unit, region of residence, housing tenure, type of area (urban-rural), race, Hispanic origin, occupation, and highest education level of any member. A generational table, published as an experimental table since 2014, is being added as a new standard table this year. It uses the birth year of the reference person to categorize consumer units into five generational categories defined by the Pew Research Center. These annual tables include means, shares, and standard errors. Other tables available on the website include expenditures by age, region, size, or gender cross-tabulated by income before taxes and other demographic variables. Historical tables back to 1984 and selected metropolitan area tabulations are also available.

Future articles in the BLS Beyond the Numbers publication series will highlight recent trends in prices and spending in the U.S. economy, and will feature 2016 CE data. Recent CE-specific Beyond the Numbers articles provide analyses of topical economic issues and long term spending trends, as well as comparisons of CE data to other data series (see www.bls.gov/cex/csxwebarticles.htm). Other survey information available on the CE website includes answers to frequently asked questions and a glossary of terms. Also available are the Interview information booklet and computer assisted personal interviewing (CAPI) instrument specifications as well as the Diary survey form and information booklet.

The 2016 CE public-use microdata, including Interview Survey data, Diary Survey data, and paradata (information about the survey process), are available on the CE website for download. The Interview files contain expenditure data in two different formats: MTBI files that present monthly values in an item-coding framework based on the 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. The public-use microdata for 2016 also includes estimates of state and federal tax liabilities. The CE introduced these estimates in 2013 to improve the quality of the tax data. The tax data collected directly from consumer units during the Interview survey are no longer available. CE public-use microdata from 1996 to 2015 are also available on the CE website for download. For releases prior to 1996, users can continue to purchase USB Flash Drives using the public-use microdata order form (see www.bls.gov/cex/csxform.pdf). 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.

For further information, contact the Division of Consumer Expenditure Surveys, Office of Prices and Living Conditions, Bureau of Labor Statistics at cexinfo@bls.gov or (202) 691-6892. Information in this release is available to sensory impaired individuals upon request. Voice phone: 202-691-5200; Federal Relay Service: 1 (800) 877-8339.