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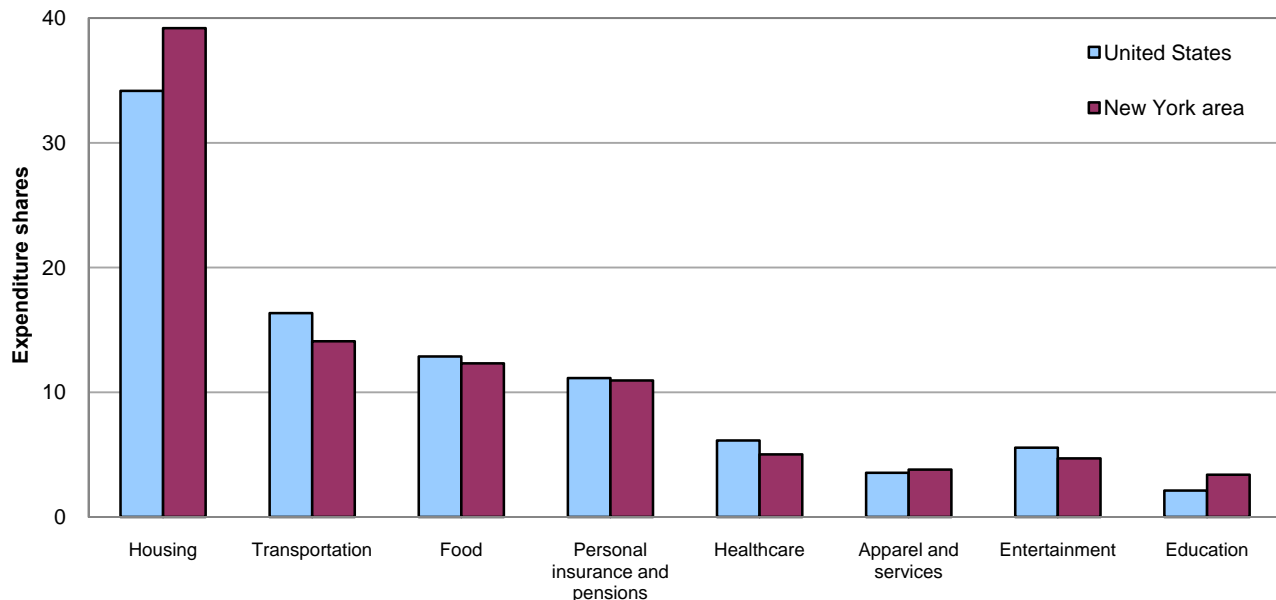
NYLS – 7461

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### CONSUMER EXPENDITURES FOR THE NEW YORK-NORTHERN NEW JERSEY AREA: 2008-09

Consumer units<sup>1</sup> in the New York-Northern New Jersey-Long Island, N.Y.-N.J.-Conn.-Pa. metropolitan area spent an average of \$60,273 per year in 2008-09, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Michael L. Dolfman noted that this figure was over 20 percent higher than the \$49,778 average expenditure level for a typical household in the United States.

**Chart 1. Percent distribution of average annual expenditures for eight major categories in the United States and the New York-Northern New Jersey metropolitan area, Consumer Expenditure Survey, 2008-09**



<sup>1</sup> A consumer unit is defined as 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.



**Round-the-clock recorded messages** for the **Consumer Price Index** and a variety of other **Bureau of Labor Statistics** data are available by dialing the **New York-New Jersey Information Office's** main telephone number: **(646) 264-3600**. For recorded messages, press '2'.

New York area households not only spent more than the U.S. average, but they tended to allocate their dollars differently among most expenditure categories. Households in the New York area spent a significantly larger portion of their dollars on housing (39.2 percent compared to 34.2 percent nationwide), whereas the shares spent on many other categories were significantly smaller than the nationwide average. (See chart 1 and table 1.)

Housing in the New York-Northern New Jersey metropolitan area averaged \$23,624 annually and was the largest expenditure category, accounting for 39.2 percent of a New York area household's total budget. (See tables 1 and 2.) This share was significantly larger than the 34.2-percent national average. Overall, 10 of the 18 published metropolitan areas had expenditure shares for housing measurably above the U.S. average; only Houston had a lower-than-average share. Housing expenditures ranged from 41.7 percent in San Diego to 31.9 percent in Houston among the 18 areas. (See table 3.)

**Table A. Percent distribution of housing expenditures, United States and New York-Northern New Jersey-Long Island, N.Y.-N.J.-Conn.-Pa., 2008-09**

| Category                              | United States | New York-Northern New Jersey |
|---------------------------------------|---------------|------------------------------|
| Total housing                         | 100.0         | 100.0                        |
| Shelter                               | 59.6          | 65.5                         |
| Utilities, fuels, and public services | 21.5          | 18.2                         |
| Household operations                  | 5.9           | 6.6                          |
| Housekeeping supplies                 | 3.9           | 2.7                          |
| Household furnishings and equipment   | 9.2           | 7.0                          |

Note: Columns may not add to 100 due to rounding.

The majority of housing expenditures in New York-Northern New Jersey went toward shelter, 65.5 percent, which includes mortgage interest, property taxes, repairs, and rent, among other items; nationwide, 59.6 percent of the housing budget was allocated for shelter. (See table A.) Utilities, fuels, and public services expenses accounted for 18.2 percent of the housing budget locally; nationally, they made up 21.5 percent. The rate of homeownership in the New York area, at 58 percent, was below the U.S. average of 66 percent.

At 14.1 percent of the total budget, transportation was the second-largest expenditure category in the New York area; this was significantly lower than the national average of 16.3 percent. Among the 18 metropolitan areas nationwide, eight others had significantly below-average transportation-shares. Detroit was the only metropolitan area to record above-average transportation shares, at 19.2 percent. (See chart 3.)

**Table B. Percent distribution of transportation expenditures, United States and New York-Northern New Jersey-Long Island, N.Y.-N.J.-Conn.-Pa., 2008-09**

| Category                        | United States | New York-Northern New Jersey |
|---------------------------------|---------------|------------------------------|
| Transportation                  | 100.0         | 100.0                        |
| Vehicle Purchases (net outlays) | 33.3          | 27.3                         |
| Gasoline and motor oil          | 28.9          | 22.9                         |
| Other vehicle expenses          | 31.7          | 36.9                         |
| Public transportation           | 6.1           | 12.9                         |

Note: Columns may not add to 100 due to rounding.

Of the \$8,495 in annual expenditures for transportation in New York-Northern New Jersey, 87.1 percent was spent buying and maintaining private vehicles; this compared to the national average of 93.9 percent. The remaining 12.9 percent of a New York area household's transportation budget was spent on public transit, which includes fares for taxis, buses, trains, and planes; this allocation was above the 6.1-percent average for the nation. (See table B.) In addition to New York-Northern New Jersey, three other metropolitan areas also had shares above 10 percent—San Francisco, Washington, and Seattle. The average number of vehicles per household in New York-Northern New Jersey (1.4) was also lower than the national average (2.0).

The portion of a New York area consumer unit's budget spent on food, 12.3 percent, was significantly less than the 12.9-percent U.S. average. However, among the 18 metropolitan areas, 10, or more than half, had food expenditure shares that were not measurably different from the nationwide average. Boston (13.8 percent) was the only area with an expenditure share for food significantly above that for the nation.

Households in New York-Northern New Jersey spent \$4,066, or 54.8 percent, of their food dollars on food at home and the remaining 45.2 percent on food away from home, such as restaurant meals, carry-out, board at school, and catered affairs. In comparison, the typical U.S. household spent 58.5 percent of its food budget on food at home and 41.5 percent on food away from home.

As noted, New York-Northern New Jersey is 1 of 18 metropolitan areas nationwide for which Consumer Expenditure Survey (CE) data are available. We encourage users interested in learning more about the CE to contact the New York-Northern New Jersey Information Office at (646) 264-3600. CE data for metropolitan areas, the four geographic regions, and the United States are available at [www.bls.gov/ro2/](http://www.bls.gov/ro2/).

### **Additional Information**

Data contained in this report are from the Consumer Expenditure Survey, which is collected on an ongoing basis by the U.S. Census Bureau for the Bureau of Labor Statistics (BLS). The CE data were averaged over a two-year period, 2008 and 2009 and are available for the nation, the 4 geographic regions of the country, and 18 metropolitan areas. The metropolitan area discussed in this release is New York-Northern New Jersey-Long Island, N.Y.-N.J.-Conn.-Pa., which comprises Bronx, Dutchess, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Rockland, Suffolk, and Westchester Counties in New York State; Bergen, Essex, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union, and Warren Counties in New Jersey; Fairfield County and parts of Litchfield, Middlesex, and New Haven Counties in Connecticut; and Pike County in Pennsylvania.

The survey consists of two components, a diary or recordkeeping survey, and an interview survey. 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.

A consumer unit is defined as 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.

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 specific unit incurred an expense for that 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 demographic characteristics such as consumer unit size, age, preferences, income levels, etc. However, expenditure shares, or the percentage of a consumer unit's budget spent on a particular category, can be used to compare spending patterns across areas. Users should also keep in mind that prices for many goods and services have risen since the survey was conducted.

The CE significance tests in this release compare expenditure shares for selected expenditure categories in the United States to expenditure shares in selected metropolitan areas. (See table 3.) Expenditure shares for housing and transportation that are above or below that for the nation after testing for significance at the 95-percent confidence interval are also identified in charts 1 and 2 for the 18 metropolitan areas surveyed. It should be remembered that 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.

NOTE: A value that is statistically different from another does not necessarily mean that the difference has economic or practical significance. Statistical significance is concerned with our ability to make confident statements about a universe based on a sample. It is entirely possible that a large difference between two values is not significantly different statistically, while a small difference is, since both the size and heterogeneity of the sample affect the relative error of the data being tested.

**Table 1. Percent distribution of average annual expenditures, United States and New York-Northern New Jersey-Long Island, N.Y.-N.J.-Conn.-Pa., Consumer Expenditure Survey, 2008-09**

| Category                              | United States | New York-Northern<br>New Jersey |
|---------------------------------------|---------------|---------------------------------|
| Average annual expenditures           | \$49,778      | \$60,273                        |
| Percent distribution:                 | 100.0         | 100.0                           |
| Food                                  | 12.9          | 12.3 *                          |
| Alcoholic beverages                   | .9            | .8                              |
| Housing                               | 34.2          | 39.2 *                          |
| Apparel and services                  | 3.5           | 3.8                             |
| Transportation                        | 16.3          | 14.1 *                          |
| Healthcare                            | 6.1           | 5.0 *                           |
| Entertainment                         | 5.6           | 4.7 *                           |
| Personal care products and services   | 1.2           | 1.1 *                           |
| Reading                               | .2            | .2 *                            |
| Education                             | 2.1           | 3.4 *                           |
| Tobacco products and smoking supplies | .7            | .4 *                            |
| Miscellaneous                         | 1.7           | 1.5                             |
| Cash contributions                    | 3.5           | 2.5 *                           |
| Personal insurance and pensions       | 11.1          | 10.9                            |

\* Statistically significant difference from the U.S. average at the 95-percent confidence level.

Note: Columns may not add to 100 due to rounding.

**Table 2. Consumer unit characteristics and average annual expenditures, United States and New York-Northern New Jersey-Long Island, N.Y.-N.J.-Conn.-Pa., Consumer Expenditure Survey, 2008-09**

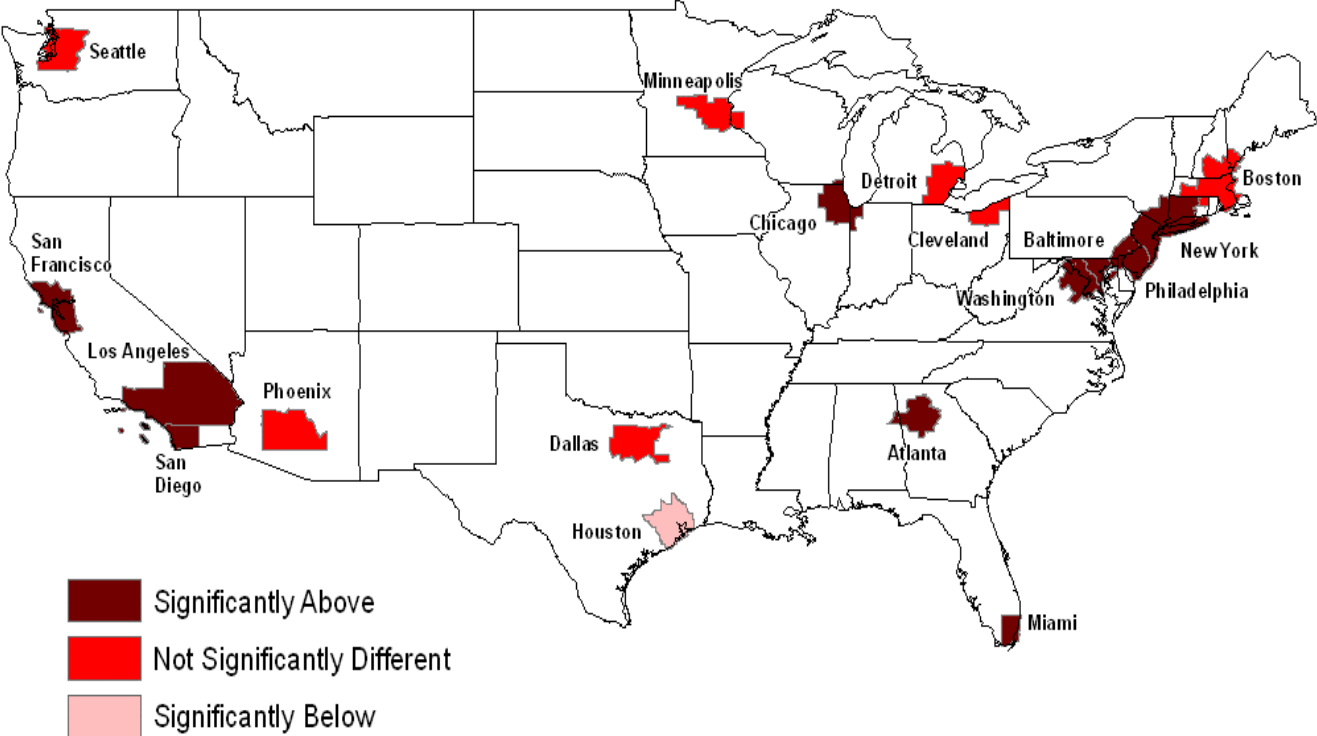
| Category                              | United States | New York-Northern<br>New Jersey |
|---------------------------------------|---------------|---------------------------------|
| Consumer unit characteristics:        |               |                                 |
| Income before taxes                   | \$62,857      | \$81,509                        |
| Age of reference person               | 49.4          | 50.8                            |
| Average number in consumer unit:      |               |                                 |
| Persons                               | 2.5           | 2.5                             |
| Children under 18                     | .6            | .6                              |
| Persons 65 and over                   | .3            | .3                              |
| Earners                               | 1.3           | 1.3                             |
| Vehicles                              | 2.0           | 1.4                             |
| Percent homeowners                    | 66            | 58                              |
| Average annual expenditures           |               |                                 |
| Food                                  | \$49,778      | \$60,273                        |
| Food at home                          | 6,407         | 7,420                           |
| Cereals and bakery products           | 3,749         | 4,066                           |
| Meats, poultry, fish, and eggs        | 507           | 558                             |
| Dairy products                        | 844           | 987                             |
| Fruits and vegetables                 | 418           | 449                             |
| Other food at home                    | 657           | 799                             |
| Food away from home                   | 1,324         | 1,273                           |
| Alcoholic beverages                   | 2,658         | 3,354                           |
| Housing                               | 439           | 498                             |
| Shelter                               | 17,002        | 23,624                          |
| Owned dwellings                       | 10,129        | 15,482                          |
| Rented dwellings                      | 6,651         | 9,449                           |
| Other lodging                         | 2,792         | 4,859                           |
| Utilities, fuels, and public services | 685           | 1,173                           |
| Household operations                  | 3,647         | 4,309                           |
| Housekeeping supplies                 | 1,004         | 1,548                           |
| Household furnishings and equipment   | 657           | 643                             |
| Apparel and services                  | 1,565         | 1,642                           |
| Transportation                        | 1,763         | 2,292                           |
| Vehicle purchases (net outlay)        | 8,133         | 8,495                           |
| Gasoline and motor oil                | 2,706         | 2,321                           |
| Other vehicle expenses                | 2,351         | 1,943                           |
| Public transportation                 | 2,580         | 3,137                           |
| Healthcare                            | 496           | 1,093                           |
| Entertainment                         | 3,051         | 3,027                           |
| Personal care products and services   | 2,764         | 2,828                           |
| Reading                               | 606           | 686                             |
| Education                             | 113           | 110                             |
| Tobacco products and smoking supplies | 1,057         | 2,043                           |
| Miscellaneous                         | 348           | 223                             |
| Cash contributions                    | 828           | 920                             |
| Personal insurance and pensions       | 1,730         | 1,515                           |
| Life and other personal insurance     | 5,538         | 6,591                           |
| Pensions and Social Security          | 313           | 415                             |
|                                       | 5,225         | 6,176                           |

**Table 3. Percent share of average annual expenditures for housing, transportation, and food, United States and 18 metropolitan areas, Consumer Expenditure Survey, 2008-09**

| Area          | Housing | Transportation | Food   |
|---------------|---------|----------------|--------|
| United States | 34.2    | 16.3           | 12.9   |
| Atlanta       | 37.2 *  | 14.7 *         | 11.7 * |
| Baltimore     | 39.6 *  | 12.6 *         | 11.3 * |
| Boston        | 35.1    | 14.5 *         | 13.8 * |
| Chicago       | 36.2 *  | 15.5           | 12.4   |
| Cleveland     | 33.8    | 15.3           | 12.5   |
| Dallas        | 33.8    | 16.1           | 12.5   |
| Detroit       | 33.1    | 19.2 *         | 13.0   |
| Houston       | 31.9 *  | 18.3           | 11.9 * |
| Los Angeles   | 38.6 *  | 15.5           | 13.3   |
| Miami         | 39.9 *  | 17.7           | 12.2   |
| Minneapolis   | 34.0    | 15.7           | 12.2   |
| New York      | 39.2 *  | 14.1 *         | 12.3 * |
| Philadelphia  | 37.2 *  | 14.4 *         | 11.4 * |
| Phoenix       | 34.9    | 17.4           | 11.9   |
| San Diego     | 41.7 *  | 13.3 *         | 12.2   |
| San Francisco | 38.5 *  | 14.1 *         | 11.7 * |
| Seattle       | 33.4    | 14.2 *         | 12.2   |
| Washington    | 37.1 *  | 13.8 *         | 11.3 * |

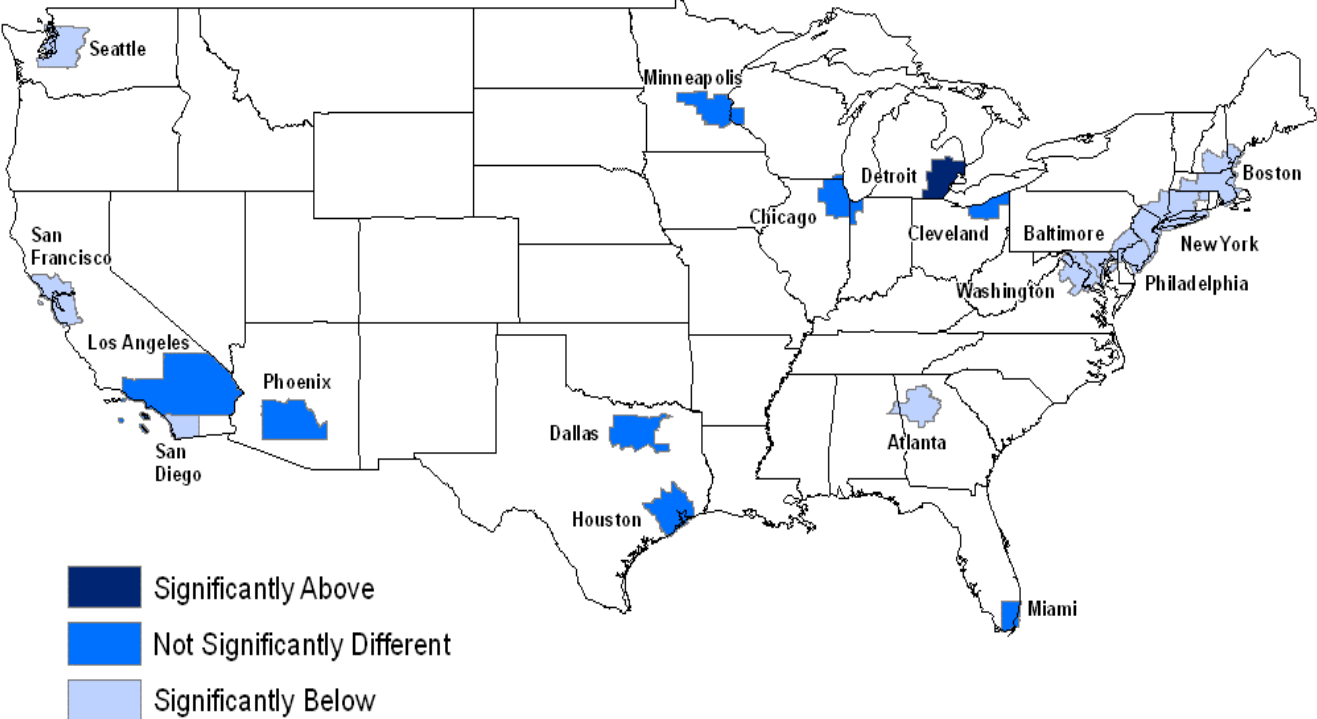
\*Statistically significant difference from the U.S. average at the 95-percent confidence level.

**Chart 2. Expenditure shares for housing in 18 metropolitan statistical areas compared to the U.S. average, Consumer Expenditure Survey, 2008-09**



Note: Statistical significance testing at the 95-percent confidence interval.

**Chart 3. Expenditure shares for transportation in 18 metropolitan statistical areas compared to the U.S. average, Consumer Expenditure Survey, 2008-09**



Note: Statistical significance testing at the 95-percent confidence interval.