



Bureau of Labor Statistics

Philadelphia, Pa. 19106

Internet address: <http://www.bls.gov/ro3/home.htm>

INFORMATION: Gerald Perrins
(215) 597-3282

MEDIA CONTACT: Sheila Watkins
(215) 861-5600

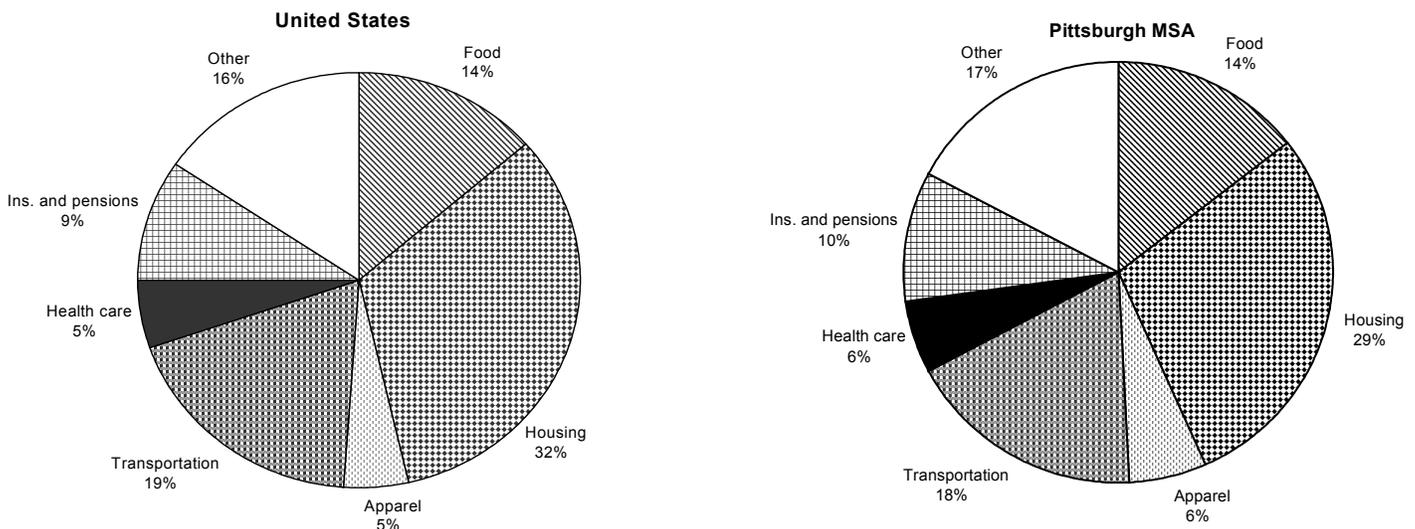
PLS - 3880
FOR RELEASE:
FRIDAY, MAY 10, 2002

CONSUMER EXPENDITURE SURVEY: PITTSBURGH METROPOLITAN AREA 1999-2000

Consumer units¹ in the Pittsburgh, Pennsylvania, metropolitan area spent an average of \$35,526 per year in 1999-2000, 5.6 percent less than the national average, according to the latest results from the Bureau of Labor Statistics' Consumer Expenditure Survey (CE). Pittsburgh area households spent 14.3 percent less for housing, the largest component of the budget, and 11.9 percent less on transportation, than did households nationwide. However, the cost of food in Pittsburgh was about the same as the national average, while expenditures on cash contributions and apparel were higher. (See table 1. Geographical boundaries of regions and area referenced in this release are contained in the Technical Note.)

A household in Pittsburgh spent a smaller share of its total budget for food, housing, and transportation (61.5 percent) than did the average U.S. household (65.1 percent). (See table 2.) The percentage of Pittsburgh's budget spent on these items was also lower than in the three other selected metropolitan areas in the Northeast—New York, Philadelphia and Boston.

Chart A. Percent distribution of total average expenditures, United States and Pittsburgh MSA, 1999-2000



"Other" includes alcoholic beverages, personal care, reading, education, tobacco & supplies, entertainment, miscellaneous goods and services, and cash contributions.
Note: Figures in this chart may not add to 100 percent due to rounding.

¹ See the Technical Note for a definition of a consumer unit. The terms consumer unit and household are used interchangeably throughout the text for convenience.

This report contains annual data averaged over a two-year period, 1999 and 2000. The data are from the Consumer Expenditure Survey, which is conducted on an ongoing basis by the Bureau of Labor Statistics (BLS). The Bureau of the Census 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. Expenditures vary among areas not only because of economic factors such as the price 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 (on the percentage of a consumer unit's budget spent on a particular item) can be used to compare spending patterns across areas. The survey provides average expenditures for consumer units. An individual consumer unit may spend more or less than the average, depending on its particular characteristics.

On average, spending on housing accounted for 29.4 percent of total household expenditures in the Pittsburgh area. Pittsburgh's proportion of expenditures for housing was the lowest of the metropolitan areas in the Northeast region. The other three metropolitan areas in the Northeast spent more than 35 percent of their budgets on housing. Nationally, households spent 32.4 percent on housing in the 1999-2000 period. The majority (50.6 percent) of housing expenditures in Pittsburgh went for shelter, which includes mortgage interest, property taxes, repairs, and rent, among other items. Nearly 24 percent of total housing expenditures went for utilities, fuels, and services. The expenditure share for shelter was considerably lower than the national average, while the share for utilities, fuels, and services was higher. The rate of homeownership in Pittsburgh, at 73 percent, was well above the nationwide average of 65 percent. Of the four metropolitan areas, only Philadelphia's was higher at 75 percent, while homeownership rates in Boston (61 percent) and New York (54 percent) were below that for the nation.

Transportation was the second largest expenditure category in the Pittsburgh area, accounting for 17.9 percent of a household's budget, compared to 19.2 percent for the nation. Pittsburgh's proportion of expenditures for transportation was higher than the percentages in any of the other selected metropolitan areas in the Northeast. Consumer units in the New York metropolitan area spent the smallest share (15.1 percent) of their budget on transportation costs, while the shares spent by households in Philadelphia (17.3 percent) and Boston (17.5 percent) were slightly lower than Pittsburgh's. Of the \$6,359 annual expenditure on transportation in Pittsburgh, 94.3 percent was spent buying, operating, and maintaining private vehicles with the remainder going for public transportation. The average number of vehicles per household in Pittsburgh was 1.7, the same as in Philadelphia; both areas were a bit below the national average of 1.9 vehicles. In the other two metropolitan areas in the Northeast the ratio of vehicles per household was lower still, with Boston averaging 1.5 vehicles and New York, 1.4, and the percentage spent on public transit was higher—just over 9 percent in Boston and almost 13 percent in New York.

Pittsburgh consumers spent 14.2 percent of their budget on food, similar to the share spent by those in New York (13.9 percent). Consumer units in Boston spent 13.1 percent of their budget on food, the lowest among the four metropolitan areas examined. Pittsburgh households spent 53 percent on food prepared and eaten at home compared to 58 percent by households nationwide. The remaining 47 percent was spent on food prepared away from home, such as restaurant meals, carry-outs, board at school, and catered affairs.

Payments for personal insurance and pensions accounted for 9.6 percent of the typical Pittsburgh household budget, the highest proportion among the four Northeast metropolitan areas in the survey. Pittsburgh was also the only area in the region to exceed the nationwide average of 9.0 percent.

Pittsburgh area households spent 5.8 percent of their household budget to cover out-of-pocket medical expenses—health insurance premiums, medical services, drugs (prescription and nonprescription) and medical supplies. This proportion was above the nationwide average (5.3 percent) and higher than the shares spent by consumer units in the other selected metropolitan areas in the Northeast, which were all below that for the nation.

Spending on apparel and related services accounted for 5.6 percent of total expenditures in Pittsburgh. This was above the 4.8 percent national average and higher than the share spent on clothing in the other Northeast metropolitan areas in this survey, except New York (6.1 percent). Households in Boston and Philadelphia spent a smaller proportion of their budget on clothing, 4.8 and 4.6 percent, respectively.

Pittsburgh area consumers spent 5.2 percent of their budgets on entertainment, nearly identical to the 5.1 percent national average. Consumer units in the Philadelphia metropolitan area spent the smallest share (4.2 percent) of their budget on entertainment costs, while the shares spent by households in Boston (5.1 percent) and New York (4.8 percent) were not very different from Pittsburgh's.

Cash contributions accounted for 4.1 percent of consumer spending in Pittsburgh, above the 3.2 percent national average. Pittsburgh was the only area in the Northeast which had an expenditure share higher than that for the nation.

Regional spending

Average annual expenditures for consumer units in the four Census regions of the country varied widely in 1999-2000, ranging from \$41,933 in the West to \$34,102 in the South. Each area spent about two-thirds of its dollars on housing, transportation, and food, though there was some regional variation among expenditure shares. In general, households in the Midwest and South spent a smaller portion of their budget on housing (31.0 and 31.1 percent, respectively) than did their counterparts in the West and Northeast (33.6 and 34.6 percent, respectively). The cost of transportation represented a smaller share of household expenses in the Northeast (16.9 percent) than it did in the South (20.6 percent) and expenditures for food varied the least among the three major components, ranging from 13.1 percent in the West to 14.0 percent in the Northeast. Among the other expenditure categories, there was usually little variation in the budget share allocated on a regional basis with health care costs the only exception. Overall, when differences existed, Southern and Midwestern consumers had more similar spending patterns, while households in the Northeast and West were closer in their expenditure choices. (See table A.)

Regional variations were much more evident when the individual subcomponents within the major categories were compared. The distribution of a consumer's transportation dollars, for example, shows that households in the Northeast and West spent the highest share on public transportation (8.7 and 6.5 percent, respectively) and the smallest on vehicle purchase (41.3 and 43.9 percent, respectively). Consumers in the Midwest and South, on the other hand, relied less heavily on public transit, with shares of 5.1 and 4.0 percent, respectively, but spent a higher percentage on vehicle purchases, averaging 48.3 and 49.9 percent, respectively.

Table A. Selected average expenditures and component shares for all consumer units, by region of residence, 1999-2000

	Northeast		South		Midwest		West	
	Level	Share of total	Level	Share of total	Level	Share of total	Level	Share of total
Average annual expenditures	\$38,763	100.0	\$34,102	100.0	\$37,848	100.0	\$41,933	100.0
Food	5,429	14.0	4,670	13.7	5,059	13.4	5,508	13.1
Alcoholic beverages	379	1.0	280	0.8	355	0.9	407	1.0
Housing	13,431	34.6	10,598	31.1	11,744	31.0	14,086	33.6
Apparel and services	1,998	5.2	1,617	4.7	1,772	4.7	2,021	4.8
Transportation	6,565	16.9	7,038	20.6	7,389	19.5	7,873	18.8
Health care	1,833	4.7	2,052	6.0	2,130	5.6	1,982	4.7
Entertainment	1,915	4.9	1,604	4.7	2,070	5.5	2,181	5.2
Personal care products and services	569	1.5	538	1.6	531	1.4	582	1.4
Reading	184	0.5	115	0.3	165	0.4	173	0.4
Education	881	2.3	465	1.4	617	1.6	701	1.7
Tobacco products and smoking supplies	322	0.8	318	0.9	353	0.9	239	0.6
Miscellaneous	782	2.0	753	2.2	826	2.2	957	2.3
Cash contributions	1,082	2.8	1,042	3.1	1,383	3.7	1,297	3.1
Personal insurance and pensions	3,396	8.8	3,012	8.8	3,454	9.1	3,927	9.4

Additional Data Available

A more detailed listing of CE results can be obtained from the Bureau's fax-on-demand service in Philadelphia by dialing 215-597-4153 and accessing the document codes provided below. Additional CE tables are also offered 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 Philadelphia Information Office at 215-597-3282.

BLS Fax-on-Demand - Philadelphia (215) 597-4153	Number of pages	Document no.
Consumer Expenditures in 2000 - national news release (annual)	2	2705
CE data -		
By quintiles of income before taxes (Table 1)	4	2710
By income before taxes (Table 2)	4	2715
By age of reference person (Table 3)	4	2720
By size of consumer unit (Table 4)	4	2725
By composition of consumer unit (Table 5)	4	2730
By number of earners (Table 6)	4	2735
By housing tenure, race, Hispanic origin, and type of area - urban or rural (Table 7)	4	2740
By region of residence (Table 8)	4	2745
By occupation of reference person (Table 9)	4	2750
By education of reference person (Table 10)	4	2760

Technical Note

The current Consumer Expenditure Survey (CE) 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 (CPI).

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. Bureau of the Census collects the survey data.

Technical Note (continued)

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 or not a specific unit incurred an expense for that 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 demographic characteristics such as consumer unit size, age, preferences, 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. 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:

Geographic Boundaries

Northeast Census Region: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

South Census Region: Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

Midwest Census Region: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

West Census Region: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Geographic Boundaries (continued)

Philadelphia-Wilmington-Atlantic City, PA-DE-NJ-MD CMSA includes Bucks, Chester, Delaware, Montgomery and Philadelphia counties in PA, Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester and Salem counties in NJ, New Castle County in DE and Cecil county in MD.

New York-Northern New Jersey-Long Island, NY-NJ-CT-PA CMSA includes Bronx, Dutchess, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Rockland, Suffolk and Westchester counties in NY, Bergen, Essex, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union and Warren counties in NJ, Fairfield, Litchfield, Middlesex and New Haven counties in CT, and Pike county in PA.

Boston-Worcester-Lawrence, MA-NH-ME-CT CMSA includes Bristol, Essex, Hampden, Middlesex, Norfolk, Plymouth, Suffolk and Worcester counties in MA, Hillsborough, Merrimack, Rockingham and Strafford counties in NH, York county in ME and Windham county in CT.

Pittsburgh, PA MSA includes Allegheny, Beaver, Butler, Fayette, Washington and Westmoreland counties in PA.

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 in the U.S. and selected metropolitan areas in the Northeast, Consumer Expenditure Survey, 1999-2000

Item	United States Average	New York	Philadelphia	Boston	Pittsburgh
Income before taxes 1/	\$44,299	\$57,063	\$49,932	\$49,557	\$41,371
Age of reference person	48.0	49.1	50.6	48.4	52.3
Earners	1.4	1.4	1.4	1.4	1.2
Vehicles	1.9	1.4	1.7	1.5	1.7
Percent homeowner	65	54	75	61	73
Average annual expenditures	\$37,622	\$46,277	\$39,666	\$37,727	\$35,526
Food	5,094	6,416	5,408	4,924	5,032
Food at home	2,968	3,611	3,062	2,596	2,682
Cereals and bakery products	451	555	464	400	444
Meats, poultry, fish, and eggs	772	1,049	855	702	702
Dairy products	323	392	347	298	323
Fruits and vegetables	510	695	571	506	433
Other food at home	912	920	824	689	780
Food away from home	2,126	2,805	2,346	2,328	2,350
Alcoholic beverages	345	422	360	457	356
Housing	12,188	16,838	14,235	13,362	10,451
Shelter	7,065	10,962	8,455	8,633	5,293
Owned dwellings	4,564	6,634	6,107	5,455	3,420
Rented dwellings	2,030	3,697	1,688	2,636	1,421
Other lodging	471	630	660	543	452
Utilities, fuels and services	2,433	2,687	2,864	2,362	2,490
Household operations	675	915	616	667	383
Housekeeping supplies	490	544	533	384	675
Household furnishings	1,524	1,731	1,767	1,315	1,610
Apparel and services	1,816	2,832	1,826	1,805	1,995
Transportation	7,215	7,003	6,872	6,587	6,359
Vehicle purchases (net outlay)	3,362	2,607	2,879	2,808	2,505
Gasoline and motor oil	1,173	982	931	965	1,026
Other vehicle expenses	2,268	2,513	2,576	2,214	2,465
Public transportation	412	900	487	599	363
Health care	2,012	1,960	1,779	1,740	2,073
Entertainment	1,902	2,229	1,667	1,939	1,840
Personal care products and supplies	552	712	597	522	562
Reading	153	214	167	202	159
Education	633	1,119	1,135	1,031	495
Tobacco products and smoking supplies	309	325	306	319	388
Miscellaneous	821	902	854	598	935
Cash contributions	1,187	1,299	1,146	854	1,458
Personal insurance and pensions	3,393	4,006	3,313	3,388	3,424

1/ Components of income and taxes are derived from "complete income reporters" only; see definitions.

Table 2. Distribution of expenditures, U.S. average and selected metropolitan areas in the Northeast, Consumer Expenditure Survey, 1999-2000

Item	United States Average	New York	Philadelphia	Boston	Pittsburgh
Average annual expenditures	\$37,622	\$46,277	\$39,666	\$37,727	\$35,526
Percent distribution:	100.0	100.0	100.0	100.0	100.0
Food	13.5	13.9	13.6	13.1	14.2
Alcoholic beverages	0.9	0.9	0.9	1.2	1.0
Housing	32.4	36.4	35.9	35.4	29.4
Apparel and services	4.8	6.1	4.6	4.8	5.6
Transportation	19.2	15.1	17.3	17.5	17.9
Health care	5.3	4.2	4.5	4.6	5.8
Entertainment	5.1	4.8	4.2	5.1	5.2
Personal care products and services	1.5	1.5	1.5	1.4	1.6
Reading	0.4	0.5	0.4	0.5	0.4
Education	1.7	2.4	2.9	2.7	1.4
Tobacco products and smoking supplies	0.8	0.7	0.8	0.8	1.1
Miscellaneous	2.2	1.9	2.2	1.6	2.6
Cash contributions	3.2	2.8	2.9	2.3	4.1
Personal insurance and pensions	9.0	8.7	8.4	9.0	9.6