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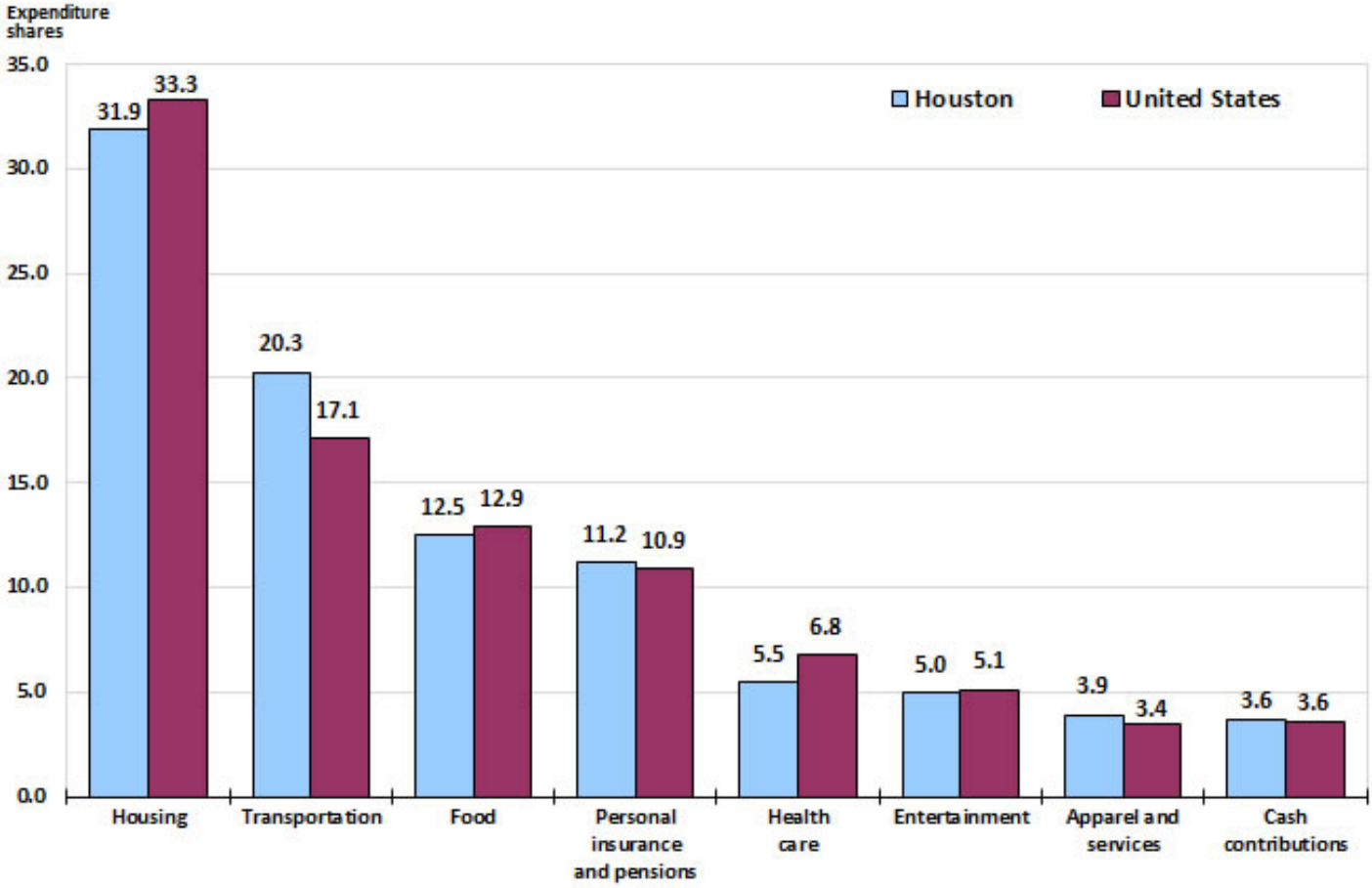
Consumer Expenditures for the Houston Area: 2011 – 2012

Consumer units [1] (households) in the Houston-Galveston-Brazoria metropolitan area spent an average of $58,231 per year in 2011-2012, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Stanley W. Suchman noted that this figure was 15 percent higher than the $50,581 average annual expenditure level for a typical household in the United States. Although households in the Houston area spent more than the U.S. average, they allocated their dollars similarly among most of the largest expenditure categories, though differing significantly in transportation and health care. For example, expenditures for health care accounted for 5.5 percent of a typical household budget in the Houston area, significantly below the nationwide average of 6.8 percent. (See chart 1 and table 1.)

Chart 1. Percent distribution of average annual expenditures for eight major categories in the Houston metropolitan area and the United States, 2011–2012



Source: U.S. Bureau of Labor Statistics.

Housing in the Houston metropolitan area averaged $18,547 annually and was the largest expenditure category, accounting for 31.9 percent of the average Houston area household's total budget. This share was not significantly different from the 33.3-percent national average. (See tables 1 and 2.) Overall, 8 of the 18 published metropolitan areas had expenditure shares for housing measurably above the U.S. average, while 3 had significantly lower-than-average shares. (See chart 2.) Among the 18 areas, housing shares ranged from 39.7 percent in New York to 31.7 percent in Detroit. (See table 3.)

The majority of total housing expenditures in Houston went toward shelter, 55.2 percent, which includes mortgage interest, property taxes, repairs, and rent, among other items; this was significantly below the 58.5-percent share allocated toward shelter nationwide. (See table A.) Utilities, fuels, and public services expenses accounted for 23.3 percent of the local housing budget; nationally, it made up 21.9 percent. The rate of homeownership in Houston, at 65 percent, matched the U.S. average.

Table A. Percent distribution of housing expenditures, United States and Houston metropolitan area, 2011-2012

Category	United States	Houston
Total Housing	100.0%	100.0%
Shelter	58.5	55.2
Utilities, fuels, and public services	21.9	23.3
Household operation	6.8	7.2
Housekeeping supplies	3.6	3.2
Household furnishings and equipment	9.2	11.1

Note: Columns may not add to 100 due to rounding.
Source: U.S. Bureau of Labor Statistics.

At 20.3 percent of the total budget, transportation was the second-largest expenditure category in the Houston area, significantly higher than the national average of 17.1 percent. Among the 18 published areas, only Houston registered a significantly above-average transportation share. Eight of the remaining areas had significantly lower shares than the U.S. average. (See chart 3.)

Of the $11,811 in annual expenditures for transportation in Houston, 94.9 percent was spent buying and maintaining private vehicles compared to the national average of 93.9 percent. The remaining 5.1 percent of a Houston household's transportation budget was spent on public transit, which includes fares for taxis, buses, trains, and planes; this allocation was not significantly different from the 6.1-percent national average. (See table B.) With 1.9 vehicles per household, Houston matched the national average.

Table B. Percent distribution of housing expenditures, United States and Houston metropolitan area, 2011-2012

Category	United States	Houston
Total Transportation	100.0%	100.0%
Vehicle purchases (net outlay)	34.0	36.9
Gasoline and motor oil	31.3	30.0
Other vehicle expenses	28.6	28.1
Public transportation	6.1	5.1

Note: Columns may not add to 100 due to rounding.
Source: U.S. Bureau of Labor Statistics.

The portion of a Houston consumer unit's budget spent on food, 12.5 percent, was not significantly different from the 12.9-percent U.S. average. Among the 18 metropolitan areas, 14 had food expenditure shares that were not measurably different from the nationwide average. In the four remaining areas, three had food shares significantly below the national average, while one, Los Angeles, was significantly above average.

Houston households spent 54.2 percent ($3,939) of their food dollars on food prepared at home, significantly below the 59.4-percent national share. Locally, the remaining food expenditure dollars ($3,333) went to food prepared away from home, such as restaurant meals, carry-out, board at school, and catered affairs. These expenditures accounted for 45.8 percent of total household food expenditures in Houston compared to the national average of 40.6 percent.

As noted, Houston is 1 of 18 metropolitan areas nationwide for which Consumer Expenditure Survey (CE) data are available. Metropolitan area CE data and that for the four geographic regions and the United States are available on our website at www.bls.gov/cex/tables.htm. Metropolitan area CE news releases are available at www.bls.gov/regions/subjects/consumer-spending.htm.

Additional information

Data contained in this report are from the CE survey, which is collected on an ongoing basis by the U.S. Census Bureau for BLS. The CE data were averaged over a two-year period, 2011 and 2012, 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 Houston-Galveston-Brazoria, Texas, which consists of Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto, and Waller Counties.

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.

CE metropolitan area estimates are not comparative cost of living surveys, 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. 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. Users should also keep in mind that prices for many goods and services have changed since the survey was conducted.

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 2 and 3 for the 18 metropolitan areas surveyed.

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.

For additional technical and related information, see www.bls.gov/opub/hom/homch16.htm.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; Federal Relay Service: 800-877-8339.

Footnote

[1] See the Additional Information section for the definition of a consumer unit. The terms consumer unit and household are used interchangeably throughout the text for convenience.

Table 1. Percent distribution of average annual expenditures, United States and Houston metropolitan area, Consumer Expenditure Survey, 2011-2012

Category	United States	Houston
Average annual expenditures	$50,581	$58,231
Percent distribution:	100.0	100.0
Food	12.9	12.5
Alcoholic beverages	0.9	0.8
Housing	33.3	31.9
Apparel and services	3.4	3.9
Transportation	17.1	20.3*
Health care	6.8	5.5*
Entertainment	5.1	5.0
Personal care products and services	1.2	1.4*
Reading	0.2	0.2
Education	2.2	1.4*
Tobacco products and smoking supplies	0.7	0.6
Miscellaneous	1.6	1.7
Cash contributions	3.6	3.6
Personal insurance and pensions	10.9	11.2

* Statistically significant difference from the U.S. average at the 95-percent confidence level.
Note: Columns may not add to 100 due to rounding.
Source: U.S. Bureau of Labor Statistics.

Table 2. Average annual expenditures and characteristics, United States and Houston metropolitan area, Consumer Expenditure Survey, 2011–2012

Category	United States	Houston
Consumer unit characteristics:		
Income before taxes	$64,649	$73,523
Age of reference person	49.9	45.2
Average number in consumer unit:		
Persons	2.5	2.9
Children under 18	0.6	0.9
Persons 65 and over	0.3	0.2
Earners	1.3	1.5
Vehicles	1.9	1.9
Percent homeowner	65	65
Average annual expenditures:		
Average annual expenditures	$50,581	$58,231
Food	6,529	7,272
Food at home	3,880	3,939
Cereals and bakery products	534	530
Meats, poultry, fish, and eggs	843	864
Dairy products	413	371
Fruits and vegetables	723	744
Other food at home	1,367	1,431
Food away from home	2,649	3,333
Alcoholic beverages	454	474
Housing	16,846	18,547
Shelter	9,858	10,244
Owned dwellings	6,101	6,787
Rented dwellings	3,109	2,816
Other lodging	648	641
Utilities, fuels, and public services	3,687	4,318
Household operations	1,141	1,328
Housekeeping supplies	612	594
Household furnishings and equipment	1,547	2,063
Apparel and services	1,738	2,279
Transportation	8,649	11,811
Vehicle purchases (net outlay)	2,942	4,356
Gasoline and motor oil	2,706	3,542
Other vehicle expenses	2,472	3,314
Public transportation	529	600
Health care	3,436	3,187
Entertainment	2,589	2,892
Personal care products and services	631	838
Reading	112	113
Education	1,130	819
Tobacco products and smoking supplies	341	377
Miscellaneous	802	989
Cash contributions	1,818	2,120
Personal insurance and pensions	5,508	6,514
Life and other personal insurance	335	582
Pensions and Social Security	5,173	5,931

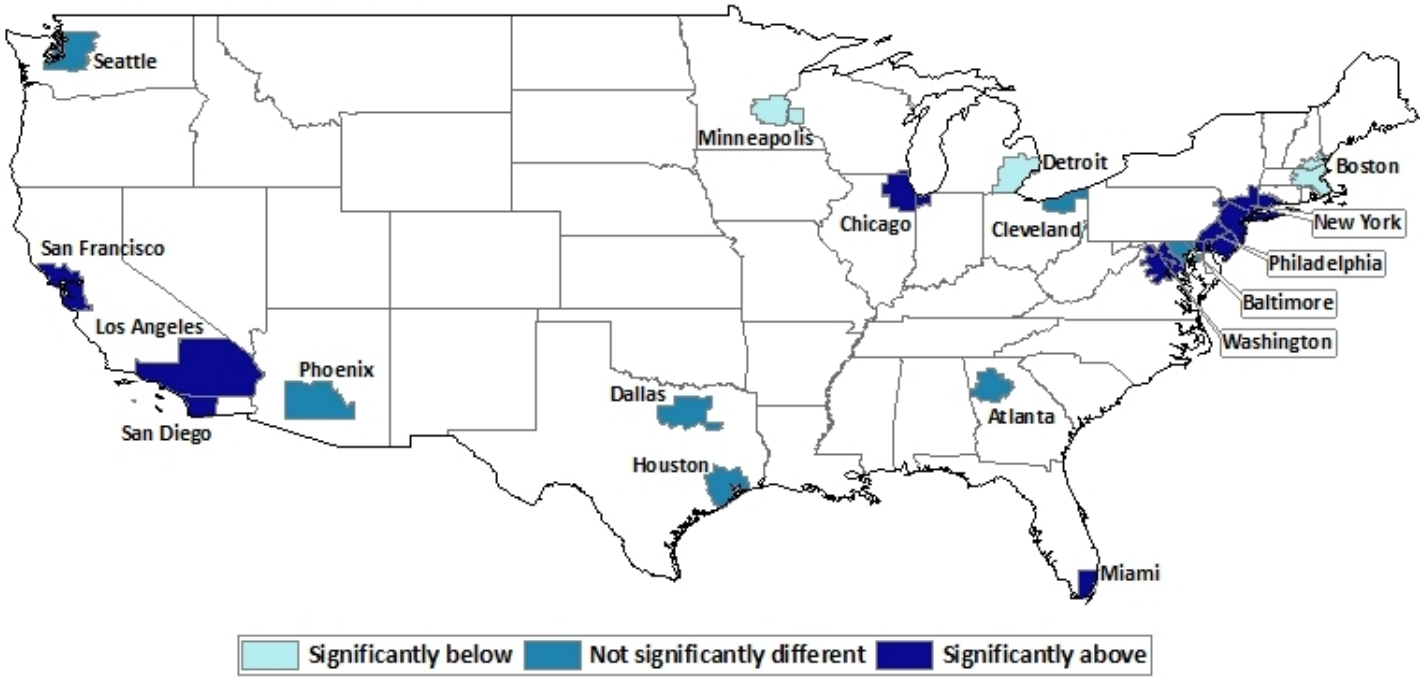
Source: U.S. Bureau of Labor Statistics.

Table 3. Percent share of average annual expenditures for housing, transportation, and food, United States and 18 metropolitan areas, Consumer Expenditure Survey, 2011-2012

Area	Housing	Transportation	Food
United States	33.3	17.1	12.9
Atlanta	34.7	16.9	11.7*
Baltimore	33.8	13.7*	12.7
Boston	31.8*	14.8*	13.2
Chicago	34.9*	15.0*	12.3
Cleveland	31.9	17.8	12.3
Dallas	32.9	18.6	12.5
Detroit	31.7*	18.8	13.3
Houston	31.9	20.3*	12.5
Los Angeles	37.7*	16.0*	13.6*
Miami	38.4*	17.0	13.7
Minneapolis	31.8*	17.5	12.6
New York	39.7*	13.7*	12.4
Philadelphia	37.9*	14.4*	12.7
Phoenix	34.8	15.9	13.0
San Diego	38.5*	15.6	12.0
San Francisco	35.2*	14.2*	11.5*
Seattle	34.1	15.7	12.8
Washington	35.3*	15.0*	11.6*

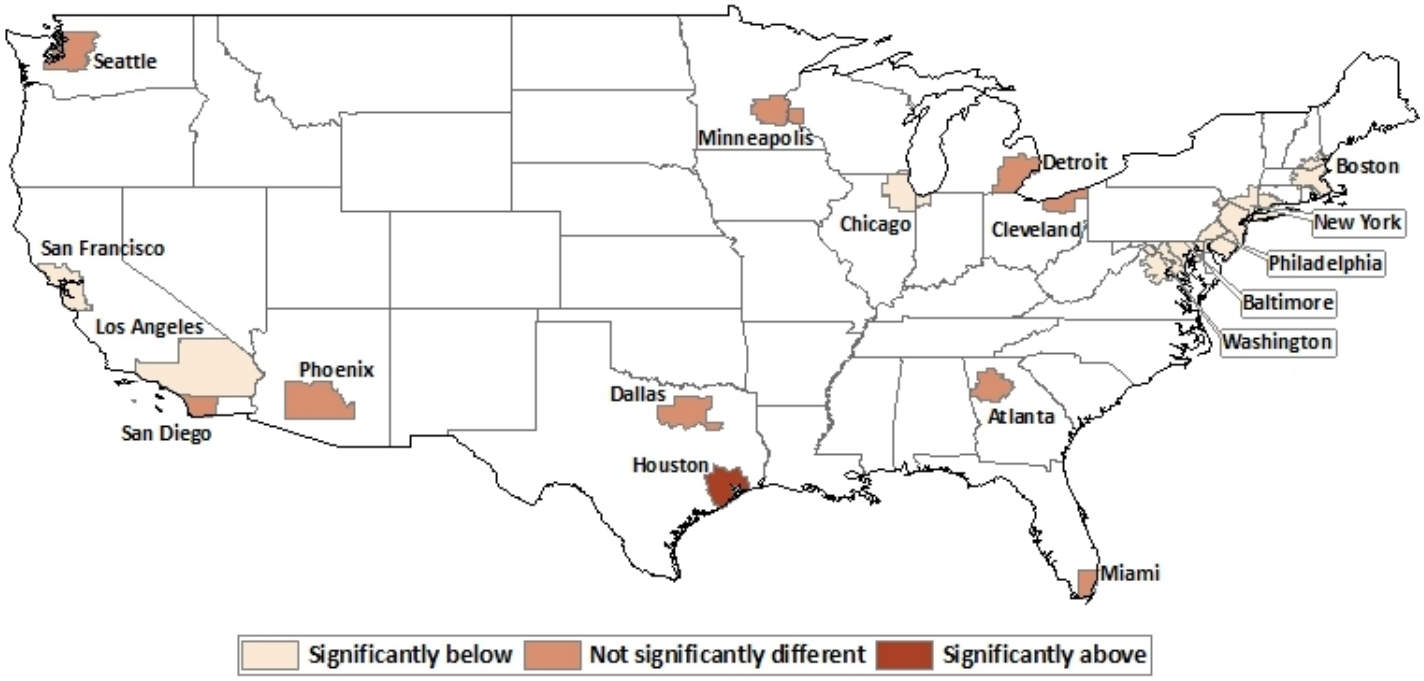
* Statistically significant difference from the U.S. average at the 95-percent confidence level.
Source: U.S. Bureau of Labor Statistics.

Chart 2. Expenditure shares spent on housing in 18 metropolitan statistical areas compared to the U.S. average, Consumer Expenditure Survey, 2011-2012



Note: Statistical significance testing at the 95-percent confidence interval.
Source: U.S. Bureau of Labor Statistics.

Chart 3. Expenditure shares spent on transportation in 18 metropolitan statistical areas compared to the U.S. average, Consumer Expenditure Survey, 2011-2012



Note: Statistical significance testing at the 95-percent confidence interval.
Source: U.S. Bureau of Labor Statistics.