

## **Consumer Expenditure Survey Data Interactive Workshop From Collection to Analysis: Meeting the Challenges of Changing Times**

Sponsored by the Bureau of Labor Statistics (BLS), the Consumer Expenditure Survey (CE) is the most detailed source of expenditure information collected directly from consumers by the Federal government. In addition, by collecting information on demographic characteristics, income, and changes in assets and liabilities, the results of the survey are an important source of information for those who research, analyze, study, or formulate and implement policy related to consumer spending patterns. Producing high quality data is of paramount importance to both producers and users of CE data. Changing demographics, technology, and response rates provide constant challenges to this process. However, they also provide opportunities for new research using CE data. This session featured presentations of research in progress in the BLS Division of Consumer Expenditure Surveys that were selected to illustrate some of these challenges and opportunities. The first examined expenditure patterns of young adults in a historical context to provide an example of the variety of data available from the CE, and how they can be used in an analytical framework to study changes over time in expenditure and other patterns. The second focused on data quality: Specifically, it examined the relationship of expenditures to income for low-income consumer units, now that values are imputed when income data are missing. During the session audience members commented on the research and discussed other topics related to the CE.

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### **Expenditure Patterns of Young Adults in a Historical Context: Two Recent Generations Compared**

For young adults, income earned and how it is spent affects both their ability to save for the future, and the amount they pay into programs such as Social Security. Understanding the economic status of young adults is clearly important for society as a whole, especially when substantial structural changes in the economy occur as they have during the last generation. These changes may not lead to outcomes consistent with historical results. For example, in the U.S., there has been a persistent belief, based on experience, that the current generation will be better off economically than the previous generation. However, since the 1990s, much literature suggests that this may no longer be true. This presentation compared expenditures and permanent incomes for young adults in 2004-2005 to those of young adults 20 years earlier to assess economic status in each period. Preliminary findings are mixed. For example, young adults in the recent period are more likely to have attended college and to own homes. However, at the same time, education and housing constitute significantly larger shares of total outlays.

### **How Do They Do It?: Investigating the Gap between Expenditures and Income for Low-Income Families After the Introduction of Income Imputation**

Over time, average annual expenditures have exceeded income for low-income consumers in the Consumer Expenditure Survey. The gap persists despite the multiple imputation of missing income values, which started with the publication of data collected in 2004. Many hypotheses have been posited to explain the gap. For example, low-income consumers may be college students or retirees, who have large expenditures and limited current income. However, prior to having a complete data set for analysis, these hypotheses could not be subjected to rigorous testing. This presentation examined income reporting, demographic composition, and expenditure patterns of low-income consumers to see whether there are differences from other groups that may account for the gap. Preliminary results show that low-income consumers are indeed disproportionately non-working students, but not retirees. Also, substantial losses reported for self-employment income may contribute to the gap.

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