Expenditure Estimates

Expenditures are the transaction costs, including excise and sales taxes, of goods and services acquired by respondents during the recordkeeping period. The respondent records the full cost of each purchase even though full payment may not have been made on the date of purchase. The expenditure estimates exclude respondent purchases made while away from home overnight, purchases directly assignable to business use, and periodic credit or installment payments on goods or services already acquired.

Major food and beverage expenditure categories and subgroups that appear in this report are displayed in tables 1-23. Several factors should be considered when relating individual household circumstances (such as region of residence and race of householder) to the expenditures shown in the tables. First, the expenditures are averages for all urban households with the specific characteristics, regardless of whether or not a particular household purchased the specific food item during the recordkeeping period. The average expenditure may be considerably less than the expenditure by households that purchased the item. The less frequently an item is purchased, the greater the difference between the average for all households and the average for those households that purchased the item. Even if such purchases were made, an individual household may have spent more or less than the average. Even within groups with similar characteristics, the distribution of expenditures varies greatly. Also, many factors, such as income, age of household members, and geographic location of residence, influence expenditures and are not held constant within any given table.

The share of total expenditures of an item shown in the accompanying tables for a particular population segment can be readily calculated. The following procedures are employed, for example, to estimate the share of national total food expenditures attributed to two-member households in 2003. First, multiply the average total per person food expenditures for two-member households ($2,525.47, from table 3) by the number of two-person households in thousands in the United States (31,575 from table 3) times the average number of persons in the households (2, from table 3). Then, divide this result by the product of the average U.S. household size (2.49, from table 3) times the total number of households in the United States (98,617, which is the number of households in thousands from table 3) times the average total per person food expenditures ($2,035.26, from table 3). Mathematically, the share of national food expenditures attributed to two-person households equals the following:

$$(\$2,525.47 \times 31,575 \times 2) / (2.49 \times 98,617 \times \$2,035.26) = 32.0 \text{ percent}$$

We can use similar procedures to estimate the share of the total U.S. population attributed to two-member households:

$$(31,575 \times 2) / (98,617 \times 2.49) = 25.7 \text{ percent}$$

Thus, two-member households are 25.7 percent of the population, but their share of total food expenditures is 32.0 percent.