Consumer Expenditure Surveys (CE) Redesign: Implications for National Economic Accounts

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BEA Use of CE Data

- **Direct Uses**
  - **Personal consumption expenditures (PCE)**
    - CE estimates used directly for some PCE transportation services categories
  - **Tenant-occupied nonfarm rent**
    - Renters’ maintenance and repair expenditures
  - **CPI-PCE price index reconciliation**
    - CPI weights based on CE vs. PCE weights
  - **Travel and Tourism Satellite Account**
    - CE used to determine shares of PCE that are travel and tourism related
BEA Use of CE Data (cont.)

- Integrated micro-macro consumption estimates
  - Breakdowns
    - Household income
    - Household type
    - Main source of household income
  - CE expenditures matched and scaled
    - Scaling factors vary greatly, but some are quite sizable
      - Underreporting
      - Missing consumption of very high income households
  - PCE financial services—almost no matches
Differences in percent change and weight effect

- CPI vs. PCE Price Index
- Differences in percent change and weight effect

- PCE less CPI difference in percent change
- Less: Weight effect (percentage points)

2006 2007 2008 2009 2010 2011 2012
Composition of the PCE Price Index

- Market-based: 76%
- CPI: 76%
- PPI: 9%
- Other: 15%

Other than market-based
PCE & CE Consumer Expenditures

2010
(Billions of dollars)

Scope and definitional differences, 2034.3
Measurement differences, 2355.1
CE consumer expenditures, 5826.3

PCE, 10,215.7
Consumption Coverage Ratios

### 2010

- **Ratio of CES values to adjusted NIPA household consumption expenditures (HCE) for selected estimates**

<table>
<thead>
<tr>
<th>Category</th>
<th>Self-reported</th>
<th>Regular housing-related expenditures well reported</th>
<th>&quot;Sin&quot; expenditures not well-reported</th>
<th>Large irregular expenditures well-reported</th>
<th>Small frequently purchased items not well reported</th>
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<tbody>
<tr>
<td>Owner-occupied rent</td>
<td>1</td>
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<tr>
<td>Household fuels</td>
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<td>Purchases of vehicles</td>
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<td>Tenant-occupied rent</td>
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<td>Food at home</td>
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<td>Clothing &amp; footwear</td>
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<td>Restaurants/hotels</td>
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<td>Alcohol /home</td>
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2009 Shares of Income

As with the CPS, are concerns that CE misses many households at high end of income scale. Unlike income, no independent source of information on consumption.