

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

#### Clinton P. McCully

Federal Economic Statistics Advisory Committee Meeting December 14, 2012

www.bea.gov



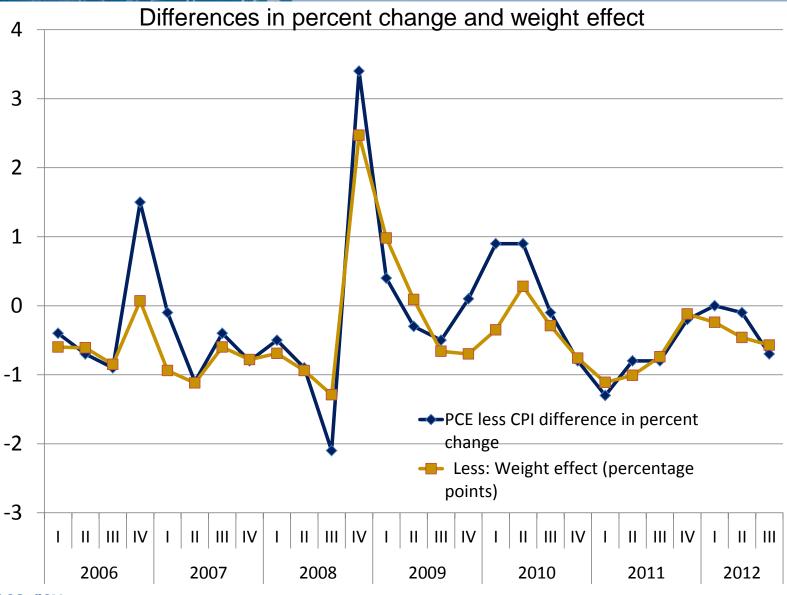
#### BEA Use of CE Data

- 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.)

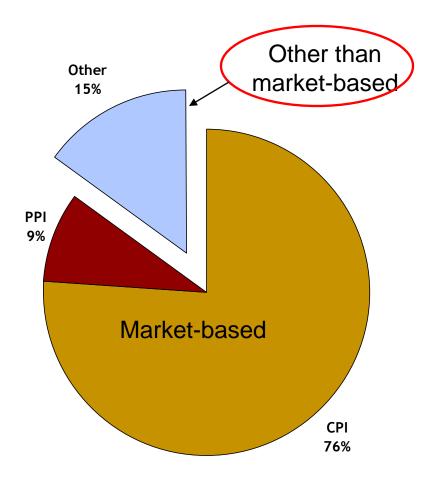
- Integrated micro-macro consumption estimates
  - Breakdowns
    - Household income
    - Household type
    - Main source of household income
  - CE expenditures matched and scaled
    - Scaling factors vary greatly, but some are quite sizable
      - Underreporting
      - Missing consumption of very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

#### CPI vs. PCE Price Index



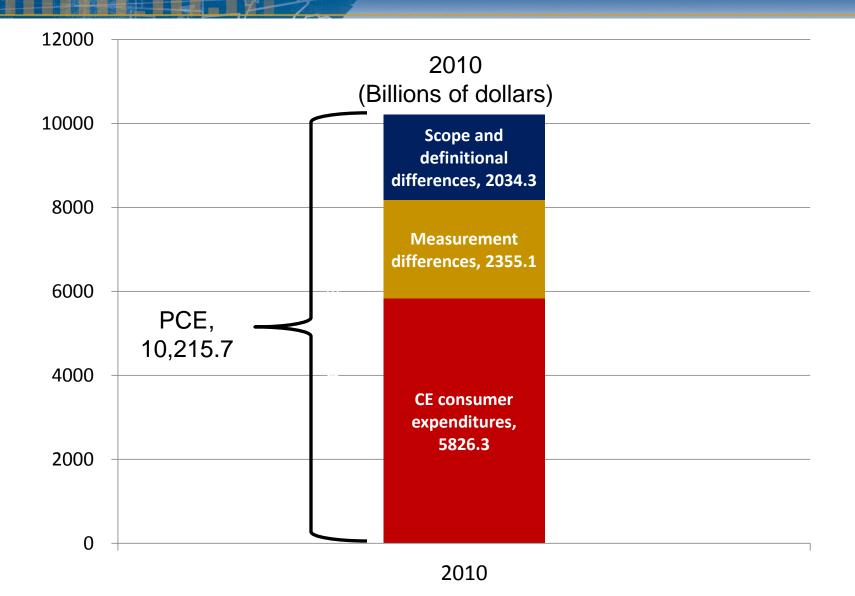
www.bea.gov

#### Composition of the PCE Price Index



www.bea.gov

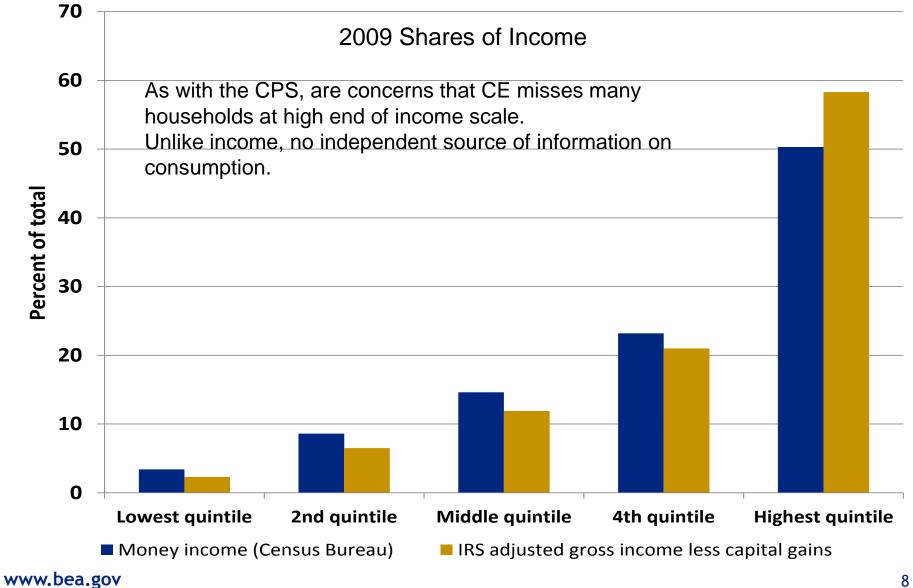
### PCE & CE Consumer Expenditures



#### **Consumption Coverage Ratios**

2010 Ratio of CES values to adjusted NIPA household consumption expenditures (HCE) for selected estimates Regular housing-related expenditures well reported Self-reported **Owner-occupied rent** Purchases of vehicles 0.8 "Sin" expenditures not Tenant-occupied rent well-reported Household fuels 0.6 ood at home aurants/hotels g & footwea **Alcohol /home** 0.4 0.2 0 Large irregular expenditures Small frequently purchased items well-reported not well reported www.bea.gov 7

#### High Income Coverage



8