

Introduction

Welcome to the third edition of *American Buyers: Demographics of Shopping*, a companion for New Strategist's 19th edition of *Household Spending: Who Spends How Much on What*. This is your exclusive guide to shoppers. The raw spending data presented here are not available on any government web site. They were obtained by special request from the Bureau of Labor Statistics, providing a unique look at household shopping behavior in the United States.

American Buyers provides the data businesses need to manage expectations (how many will walk up to the cash register or click on the buy button?) and set prices (how much do buyers typically spend?). Along with *Household Spending*, which reveals the demographic drivers behind household spending patterns, *American Buyers* provides a complete picture of the American consumer in 2012. All spending categories are included in this analysis, from white bread and bananas to cell phone service and prescription drugs.

Consumer spending is the result of a complex mix of wants and needs, hopes and fears. This mix determines the success of individual businesses and the health of our economy. Knowing how many are buying a product or service and how much those buyers spend is the key to inventory management and effective pricing. While most businesses have a feeling for what is happening in their own establishment, *American Buyers* lets them see the big picture beyond their walls or web site. It tells them how many buy the products and services they sell and how much those buyers typically spend, all broken down by the demographics that count—age, household income, household type, race and Hispanic origin, region of residence, and education.

American Buyers is based on unpublished data collected by the Bureau of Labor Statistics' Consumer Expenditure Survey, an ongoing, nationwide survey of household spending. In this reference, New Strategist presents the raw figures showing the percentage of households that buy individual products and services during the average quarter or week. Also presented are calculations of how much buyers spend on items during the average quarter or week. These data are presented for hundreds of spending categories.

The Bureau of Labor Statistics' Consumer Expenditure Survey is a complete accounting of household expenditures, including everything from big-ticket items such as homes and cars, to small purchases like laundry detergent and video games. The survey does not include expenditures by government, business, or institutions. The data in this book are from the 2012 Consumer Expenditure Survey, unless otherwise noted.

The Consumer Expenditure Survey uses consumer units as its sampling unit. The Bureau of Labor Statistics defines "consumer unit" as "a single person or group of persons in a sample household related by blood, marriage, adoption or other legal arrangement or who share responsibility for at least two out of three major types of expenses—food, housing, and other expenses." For convenience, consumer units are referred to as households in the text of this book. For more information about the Consumer Expenditure Survey and consumer units, see Appendix B.

Chapters 1 through 10 present buyer statistics by major product and service category (apparel, food, health care, housing, and so on) and include all household expenditures. Within each chapter, buyer statistics are shown by age of householder, household income, household type, race and Hispanic origin of householder, region of residence, and educational attainment of householder. For each of the demographic variables, tables show the percent of households that buy during the average quarter or week of 2012 and how much the buyers spent.

How to Use the Tables in this Book

QUARTERLY BUYING TABLES. The quarterly buying tables are from the interview portion of the Consumer Expenditure Survey, in which government interviewers ask respondents whether they bought big-ticket or less frequently purchased items over the past three months. Two types of quarterly buying tables are presented here—the percentage of households that bought a particular item and the amount purchasers spent.

• **Percent Buying during Quarter.** These tables show the percentage of households that bought an item during the average quarter of 2012. The percent buying tables give researchers an indication of how commonly items are purchased by demographic characteristic of households. For example, 0.8 percent of households bought a new car during the average quarter of 2012, and 10.7 percent bought airline tickets.

The Top 25, Average Quarter, 2012

(25 products and services bought by the largest percentage of households during the average quarter, 2012)

1. Groceries (food at home)	99.1%
2. Electricity	91.8
3. Gasoline	89.7
4. Meals at restaurants and carry-outs	78.0
5. Deductions for Social Security	77.4
6. Cable and satellite television service	71.5
7. Cellular phone service	67.5
8. Health insurance	64.4
9. Property taxes	63.5
10. Computer information services	61.8
11. Personal care services	59.0
12. Water and sewerage maintenance	57.9
13. Vehicle maintenance and repairs	55.2
14. Residential telephone service	54.5
15. Vehicle insurance	54.5
16. Federal income taxes	48.3
17. Natural gas	47.7
18. Prescription drugs	44.9
19. Women's apparel	42.3
20. Trash and garbage collection	40.8
21. Alcoholic beverages	38.4
22. Mortgage interest	37.0
23. Footwear	34.5
24. State and local income taxes	33.2
25. Rent	33.2

Source: Bureau of Labor Statistics, unpublished data from the 2012 Consumer Expenditure Survey

• **Amount Buyers Spent during Quarter.** These tables, calculated by New Strategist, show how much households that bought an item during the average quarter spent on the item during the quarter. The 0.8 percent of households that bought new cars during the average quarter of 2012, for example, spent an average of \$22,767. (Note: The entire cost of an item is included in the purchase amount, whether it is financed or not.) While it is highly likely that these households purchased only one new car during the quarter, this is not necessarily true for all items in the interview survey. The 10.7 percent of households that bought airline tickets during the average quarter of 2012, for example, spent an average of \$826 on tickets. To be sure, many of these purchasers bought more than one airline ticket.

WEEKLY BUYING TABLES. The weekly buying tables come from the diary portion of the Consumer Expenditure Survey, which asks respondents to record their purchases of smaller items for two weeks. Two types of weekly buying tables are presented here, one showing the percentage of households that bought an item during the average week and the other showing the amount buyers spent on the item during the week.

• **Percent Buying during Week.** These tables show the percentage of households that bought an item during the average week of 2012. The percent buying tables give researchers an indication of how commonly items are purchased. For example, 39.4 percent of households bought fast-food lunches during the average week of 2012, but only 20.4 percent bought lunches at full-service restaurants.

The Top 25, Average Week, 2012

(25 products and services bought by the largest percentage of households during the average week, 2012)

1. Groceries (food at home)	81.2%
2. Gasoline	62.6
3. Personal taxes (federal, state, and local)	51.3
4. Lunch at fast-food restaurants and carry-outs	39.4
5. Dinner at fast-food restaurants and carry-outs	30.2
6. Dinner at full-service restaurants	26.8
7. Alcoholic beverages	23.9
8. Cleansing and toilet tissue, paper towels, and napkins	23.6
9. Snacks at fast-food restaurants and carry-outs	23.3
10. Breakfast at fast-food restaurants and carry-outs	22.2
11. Telephone services	20.8
12. Lunch at full-service restaurants	20.4
13. Pets	19.8
14. Cosmetics, perfume, and bath products	19.7
15. Women's apparel	17.9
16. Soaps and detergents	17.9
17. Electricity	17.3
18. Stationery, stationery supplies, giftwrap	16.2
19. Nonprescription drugs	14.2
20. Footwear	11.3
21. Orgal hygiene products	11.0
22. Hair care products	10.8
23. Men's apparel	10.7
24. Natural gas	10.4
25. Cable and satellite television services	10.3

Source: Bureau of Labor Statistics, unpublished data from the 2012 Consumer Expenditure Survey

• **Amount Buyers Spent during Week.** These tables, calculated by New Strategist, show how much the households that bought an item during the average week spent on the item. The 39 percent of households that bought fast-food lunches, for example, spent an average of \$17.89 on them. Note that this is not the amount they spent on one fast-food lunch, but how much the household spent on all fast-food lunches during the week. The 20 percent of households that bought full-service lunches during the average week of 2012 spent an average of \$28.44 on them.

For More Information

The third edition of *American Buyers* offers businesses and researchers a look at the proportion of households that buy individual products and services and how much the buyers spend. For average household spending figures, indexes, aggregates, market shares, and analyses of the demographic drivers behind household spending patterns, see the companion reference, the 19th edition of New Strategist's *Household Spending: Who Spends How Much on What*. To see product-by-product analyses of "best customers," and an examination of how demographic trends are reshaping consumer demand, see the 10th edition of *Best Customers: Demographics of Consumer Demand*. To learn more about these books and to see tables of contents and sample pages, visit New Strategist's web site at <http://www.newstrategist.com>. All of New Strategist's reference books are available in print or as downloadable PDF files with links to the Excel version of each table.

For more information about the Consumer Expenditure Survey, visit the Bureau of Labor Statistics web site (<http://www.bls.gov/cex/>), where summary average spending figures are online. The detailed data shown in this book are available from the Bureau of Labor Statistics only by special request.