

How Americans Spend Their Money

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By: Jon Tennent, CPA | jtennent@deandorton.com

The U.S. Bureau of Labor Statistics released its annual [Consumer Expenditure Survey](#) tables in September 2019. The results were categorized by “consumer units,” which are single adult consumers or households living together. The average consumer unit represented 2.5 individual persons. The data provide an interesting and detailed insight into the average spending patterns of Americans in 2018.

[Table R-1 of the report](#) details the comprehensive results. To help visualize this extensive data, Dean Dorton has grouped various items into an infographic as depicted on this webpage. Although every amount listed is directly from the survey, the categorization is our own. For example, we have added the annual reduction in mortgage principal to the “Mortgage payment” category, while the original survey data classified principal separately from mortgage interest.

Note that the numbers are averaged across all Americans. For example, the attached graphic shows both “Mortgage payment” and “Rent” under “Housing,” even though most people don’t have both rent expense and a mortgage payment. The amount of rent expense is diluted by the number of Americans who own their homes or don’t pay rent—and vice versa. Therefore, average rent expense *for a person renting their home* would be significantly higher than average rent expense *for the average American*. Another example is “Smoking” expense; because this number is averaged across all Americans, including those who don’t smoke, the average smoker would actually pay much more per year than the amount reported.

Finally, the spending data shown on our infographic does not include capital items such as investments or debt reductions (with the exception of home mortgage and auto loan principal payments). The spending amounts total \$74,576, which is 94.8% of the \$78,635 income total per consumer unit.

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