

CHANGING CONSUMER SPENDING PATTERNS

□ In 1967 the consumer emptied his pocketbook of more than \$492 billion on various goods and services. This figure represents an increase of more than 200% since 1947. The largest outlays have been for nondurable commodities, but their share of total consumer expenditures declined from 56% to 44% over the 20-year period. Consumer demand for services has grown to where it comprised 41% of spendings in 1967, as compared with about 31% in 1947. Part of this gain was the result of the faster rise in the prices of services as compared with consumer goods. Purchases of durable goods remained fairly stable at about 15% of total expenditures. □ The decline in spending for non-durables relative to total expenditures can in large part be traced to changes in consumer acquisitions of food, alcohol, and tobacco. Although the dollar allocation for these items more than doubled between 1947 and 1967, their portion of the consumer's dollar declined from 34.9% to 24.1%. This pattern also holds true for purchases of clothing, accessories, and jewelry. □ Housing, medical care, personal business, and transportation are now requiring significantly larger portions of the consumer's expenditures. Housing costs rose to nearly \$71 billion, accounting for almost 5% more of total spending than 20 years ago. Transportation expenses rose from 9.4% to nearly 13% of total expenditures. The greatest changes in this category have been in the kinds of vehicles used. Nearly 93% of transportation costs in 1967 were for the purchase and upkeep of automobiles. In 1947, 81% of the consumer's transportation expenses were for his car. For purchased intercity transportation, the airlines have registered phenomenal growth since 1947, and have increased 25% in the past year. Spendings on intercity railway transportation have dropped 61% in the past 20 years. □ Medical care expenses rose from nearly \$7 billion in 1947 to \$34 billion in 1967, an increase from 4.3% to 6.9% of total consumer spending. Increases were found in all medical areas, most notably in outlays for private hospitals and sanitariums. The personal business section grew from 3.4% to 5.4% of total expenditures while the 1967 dollar outlays reached nearly \$27 billion. □ The remaining six categories, expressed as percentages of total expenditures, have fluctuated less than 1% from the 1947 division. In spite of the seemingly small changes, some interesting developments have occurred. □ In the aftermath of World War II there was very little foreign travel to and from the United States. Net foreign travel in 1947 totaled a mere \$5 million. Twenty years later, however, it reached more than \$4 billion. □ The 1947 division of personal consumption expenditures allotted 0.8% of the total for costs of private education and research. By 1967, this percentage allocation grew to 1.6%. The \$6.9 billion contribution for religious and welfare activities is nearly 3½ times its dollar provision of 1947, even though the percentage of total spending only increased from 1.2% to 1.4%. This trend was apparent also in outlays for recreation and personal care. Household operation, on the other hand, had a reduction in its percentage of total allocations from 14.9% in 1947 to 14.2% last year.

PERSONAL CONSUMPTION EXPENDITURES
BY TYPE OF PRODUCT

	BILLIONS OF DOLLARS		PERCENTAGE OF EXPENDITURES	
	1947	1967	1947	1967
Food, tobacco, and alcoholic beverages	56.1	118.6	34.9	24.1
Clothing, accessories, and jewelry	22.8	50.7	14.2	10.3
Personal care	2.2	8.5	1.4	1.7
Housing	15.7	70.9	9.7	14.4
Household operation	24.0	69.9	14.9	14.2
Medical care expenses	6.9	34.0	4.3	6.9
Personal business	5.4	26.7	3.4	5.4
Transportation	15.2	63.5	9.4	12.9
Recreation	9.2	30.6	5.8	6.2
Private education and research	1.2	7.9	0.8	1.6
Religious and welfare activities	2.0	6.9	1.2	1.4
Foreign travel and other, net	0.0	4.0	0.0	0.8
Total personal consumption expenditures	160.7	492.2	100.0	100.0

Note: Details will not necessarily add to the totals because of rounding.

Source: U. S. Department of Commerce

