

IV. The Data Employed in the Analysis

As noted, measurement of the cost of children requires information on household demographic characteristics, income, and expenditures. The premier data set containing this variety of information is the Consumer Expenditure Survey conducted by the Bureau of Labor Statistics. This section provides a brief description of this data set and the various procedures that were employed to construct the analysis file on which this study is based. The section concludes with a series of descriptive tables examining the limitations of this data for the purposes of this study.

The Consumer Expenditure Survey (CEX)

In 1980, the Bureau of Labor Statistics (BLS) began collecting data for an ongoing series of yearly surveys of American expenditure patterns.¹⁹ Like its predecessors, the new survey has two components: (1) quarterly interview surveys in which each consumer is interviewed every 3 months over a 15-month period, and (2) a diary survey in which consumer units are asked to complete a diary of expenses for consecutive one-week periods. This report utilizes the public use file from the quarterly interview survey only.

Each quarterly interview collects income and expenditure data from the previous three month period. In the first interview, the consumer unit (household) is asked not only for demographic, income, and expenditure information over the previous three months but also to complete an inventory of all consumer durables currently owned by the unit. In the second through the fifth interviews, the basic demographic, and expenditure surveys are completed for the unit as a whole and for each individual member within the unit. In the

¹⁹ The first Consumer Expenditure Survey was conducted in 1950. The survey was again field in 1961-62 and 1972-73. The latter two surveys have been the primary data sets used by scholars exploring the expenditure patterns of American households.

